

**Financial Results Briefing for the
Fiscal Year ended March 31, 2017: Q&A Summary
(April 28, 2017)**

Q. What is your take on the unit sales performance for *Resident Evil 7 biohazard* (*Resident Evil 7* below) and *Monster Hunter XX (Double Cross)* as of the end of FY 2016?

A.

1. As of the end of the fiscal year, *Resident Evil 7* shipped 3.5 million units, and *Monster Hunter XX (Double Cross)* shipped 1.7 million units. It is a solid start, considering the short span between launch and fiscal year end. Further, unit sales for both titles continue to grow even now.
2. What is more, the re-releases of *Resident Evil 4, 5* and *6* for current generation platforms are an example of successfully leveraging our library of assets; and they shipped a total of 2.8 million units during the fiscal year.
3. The lifecycle for games is growing longer, driven by ongoing digital sales; as a result, *Resident Evil 4, 5* and *6* have each sold more than 7.5 to 10 million units cumulatively (including catalog and re-release sales). As such, we will work to achieve 10 million cumulative lifetime unit sales for *Resident Evil 7* as well.

Q. How confident are you of achieving 2 million unit sales for *Resident Evil 7* (as a catalog title) in the fiscal year ending March 31, 2018?

A. This title was received favorably by both fans and the media; further, its unit sales continue to grow even now. We will work to achieve our unit sales goal this fiscal year by continuing to generate buzz with promotional activities that include events for fans, as well as with downloadable content.

Q. Tell us about expected unit sales for *Monster Hunter XX (Double Cross)* in the fiscal year ending March 31, 2018.

A. There were only two weeks between the launch of this title and the end of FY 2016, and currently its unit sales continue to grow. However, we have not disclosed our unit sales targets for the current fiscal year. We will continue to focus our efforts on sales promotions this year to grow this title's cumulative sales.

Q. If Capcom were to forge an alliance with another company in its Mobile business, what would Capcom look for in that partner?

A. Capcom holds a significant number of valuable IPs. We have been able to accumulate operational know-how with *Monster Hunter Explore*, however, we are not yet fully satisfied with its performance. As such, we would look for a company that has both a track record in genres conducive to successful games, and ample experience with monetization. We also believe it is

important to include whether a potential partner is able to understand our IP when utilizing it in our considerations going forward.

Q. Will you limit your Mobile business alliance partner to a single company, or are you considering alliances with multiple partners?

A. Currently, we are gathering information to obtain a clearer picture of changes in the market while exploring potential future directions for our Mobile business via reforms to our internal structure. An external alliance is one portion of this overall situation that we are looking at, and rather than being limited to a single partner, we are considering the possibility of alliances with multiple companies as we move forward.

Q. Tell us about your outlook on the next generation of the mobile market, and what Capcom's mobile strategy is.

A. We believe that going forward, mobile devices will undergo drastic improvements in their capabilities akin to the dramatic evolution of home video game consoles in the past. At the moment, there is much room to improve upon mobile device functionality, such as screen size and control interface. We expect that these improvements will be realized as the hardware evolves. When this happens, we plan to launch our titles to maximum effect by leveraging our accumulated know-how in game development. We intend to disclose specific initiatives when the time is right, for instance after we have determined when there will be a contribution to earnings.

Q. You have continued to increase your developer workforce. Tell us how this has affected shortening the time needed to develop major titles.

A. As the scale of game development has grown, we have both increased our developer workforce and pursued work efficiencies. Because of this, in addition to reducing launch delays for titles, we have nearly completed a development structure under which we can release multiple major titles every year.

Q. What is your policy regarding business expansion in eSports going forward?

A. We expect the eSports market to grow significantly throughout the world, driven by initiatives in the more advanced eSports markets of North America and Europe. Spearheaded by our US subsidiary, we intend to strengthen promotions globally through activities that include expanding our user base via streaming video. However, we are not considering business expansion from advertising revenue at this time.

Q. What is the breakdown of new titles and catalog titles for the 3.6 million-unit increase in your Consumer business unit sales plan for the fiscal year ending March 31, 2018?

A. *Resident Evil 7* and *Monster Hunter XX (Double Cross)*, both released in the previous fiscal year, will be recorded as catalog titles this year, consequently, our plan is more heavily weighted

toward catalog titles. However, we believe it will be possible to achieve a download sales ratio of approximately 30% for new titles this year.

*Similar questions have been consolidated into single questions here.

*A portion of the questions were unanswered at the presentation. The Public Relations and Investor Relations Section has provided answers for these here.