

**First-Quarter Consolidated Financial Results Conference Call for the Fiscal  
Year ending March 31, 2019: Q&A Summary  
(July 30, 2018)**

Q. Capcom announced a price drop for the home console version of *Monster Hunter: World* (*MHW*, below) timed to take effect at the launch of the PC version. Was this measure a part of Capcom's plan for the title? Also, what is the status of orders for the PC version?

A. Both the release timing of the PC version and the price revision to the home console version were included in our plan for this title. Regarding the status of preorders of the PC version, we are currently analyzing a variety of information that we have gathered, and wish to continue with promotional activities in order to arrive at a final, actual sales figure.

Q. What is your outlook for the Pachinko & Pachislo sub-segment from Q2 onward?

A. The market conditions here remain severe, with future events being all but impossible to read. We will continue to monitor our progress to the full-year plan going forward.

Q. You have stated that Q1 results were progressing favorably to your plan. What factors contributed to outperforming your expectations?

A. This was due to growth in catalog unit sales of *MHW* while maintaining the title's initial, full price, as well as to recording shipments of *Street Fighter 30th Anniversary Collection* (which had a relatively lower development cost) in excess of our plan, and cumulative contributions from catalog titles released in past fiscal years.

Q. What progress have you made in Mobile Contents?

A: While we are presently unable to disclose specific details, such as the release timing for new titles, steady progress is being made. We are currently in talks with our alliance partners, and are looking into the timing of an announcement. However, because the alliance titles will be released during the current fiscal year, the period of time they contribute to full-year earnings will be limited. As such, we do not expect significant contributions from these titles this fiscal year.

Q. Tell me the expected unit sales for the recently announced *Resident Evil 2*. Also, do you have plans to remake other titles?

A. This title is one of our major Consumer releases for this fiscal year, and accordingly we expect it to be in the "million-seller" class of titles. It was received very well at E3, and in order to tie this first success to actual sales we are working out our promotional strategy. Further, regarding remakes and rereleases of titles in our back catalog, we expect to explore these further with a variety of properties as a part of our strategy to utilize our library of IP.

Q. I understand that *Resident Evil 2* is a remake. Tell me about its development costs and expected profitability.

A. While the base story and setting did exist, we have made the most of our cutting-edge game development environment to re-create the content, and are developing it with a budget appropriate for a *Resident Evil* title targeting the global market.

Q. PC Others has returned to profitability, however will Capcom be able to maintain this level of profitability in the future?

A. We have been able to return PC Others to profitability because the initial development costs of existing titles were fully depreciated at the end of the previous fiscal year. We expect to be able to maintain a similar level of profitability overall if we are able to maintain the current level of net sales for existing titles going forward.

Q. You have stated that the sales growth for a title released two years or more ago has been favorable. Which title specifically?

A. This growth was not limited to the sales of a single title, but rather was the cumulative result of multiple titles.

Q. Did the announcement of the new *Resident Evil 2* and *Devil May Cry 5* have an effect on previous titles in these series?

A. We are beginning to see signs of customers purchasing previous titles in these series, including *DmC: Devil May Cry*. We plan to execute a number of marketing strategies to stimulate sales of these catalog titles in order to further build out the fan base of each series in the future.