

**First-Quarter Consolidated Financial Results Conference Call for the Fiscal  
Year ending March 31, 2020: Q&A Summary  
(August 1, 2019)**

Q. Catalog sales of *Resident Evil 2* and *Devil May Cry 5* were favorable in the first quarter. Do you expect these to continue to grow in the second quarter and beyond?

A. We believe that through carrying out promotions such as discounts for digital versions of these titles that even further sales growth is possible, and have forecasted these titles to sell more than 1 million units each for the fiscal year ending March 31, 2020.

Q. What has been the response leading up to the release of *Monster Hunter World: Iceborne (MHW:I)*?

A. We are refraining from making a statement regarding this because, in addition to this being our first attempt at launching a massive expansion digitally, we have no option in place for pre-ordering/shipping this title in digital sales, thus it is difficult for us to give an estimate of the first shipment until after the release date.

Q. Tell me why first quarter same store sales were strong for the Arcade Operations business.

A. Major factors included the extended national holiday during April and May, in addition to poor weekend weather across the country during June that caused an increase in customers. This resulted in the steady performance of merchandiser machines, our primary genre of games, which drove sales.

Q. What are the details of the one-time revenue recognized in the first quarter?

A. While this revenue was booked under our Digital Contents business, we are unable to provide further details due to confidential aspects of the associated deals. This revenue is already reflected in our guidance.

Q. Tell me about the amortization of development costs recognized under cost of sales in the first quarter.

A: We recognized development costs for primarily new small and mid-sized titles, such as ports for Nintendo Switch as well as titles released in the previous fiscal year and earlier.

Q. What drove growth of catalog sales for *Monster Hunter: World (MH:W)*?

A. We believe that the announcement of the massive expansion *MHW:I* as well as strategic discounts of *MH:W* stimulated sales among new customers, driving sales growth.

Q. What percentage of players have finished *MH:W*? What is the rate of current active users?

A. We have not disclosed the rate of active users or the percentage of players who have finished *MH:W*. However, because it is necessary to have finished *MH:W* to play *MHW:I*, we are placing a greater relative importance on the percentage of players who have finished the game.

Q. I believe the retail price for Consumer titles in the first quarter was higher than expected. Will there be any changes in criteria for carrying out discounts going forward?

A. We maintained higher average prices as our major titles were performing well. We carry out discounts for digital titles taking sales trends into consideration and have no plans to change our criteria regarding this.

Q. Tell me how *Sengoku BASARA Battle Party* for mobile is performing.

A. It is currently performing to our expectations. Because we expect this title to serve as an indicator for our future mobile initiatives we are carefully monitoring its daily activity.

Q. You announced *TEPPEN* for mobile. What led to working with GungHo on this title?

A. After speaking with a number of companies as potential mobile alliance partners, we decided to work with GungHo because we believe that both companies would be able to leverage their strengths, namely Capcom's IP and GungHo's knowhow and track record in the mobile market. We are coordinating with GungHo on the global rollout for *TEPPEN*, which has been launched first in the North American and European markets and is scheduled for release in Japan at a later date.

Q. What will the retail price be for *MHW:I*?

A. *MHW:I* alone will cost MSRP \$39.99, while the Master Edition version, which includes *MH:W*, will cost MSRP \$59.99.

Q. How much revenue has Capcom earned from esports in the first quarter, and what should we expect for the next two or three years?

A. The esports business generates an insignificant amount of revenue at present. Over the next few years our focus will be on viewership, audience size and player numbers rather than on monetization, as we are prioritizing growth of the esports ecosystem. We therefore do not have revenue goals that we can share at this time.