

**Third-Quarter Consolidated Financial Results Conference Call
for the Fiscal Year ending March 31, 2020: Q&A Summary
(February 4, 2020)**

Q. How is *Monster Hunter World: Iceborne* performing, and how do you plan to improve upon this performance going forward?

A. We are aware that our initial sales plan for the game, which was formulated based on input such as the performance of both *Monster Hunter: World* and what has been traditionally known as the “G” version of titles in the series, was aggressive compared to the game’s current sales. Given the highly positive reception of the game itself, we will focus on growing sales over the long-term by continuing to analyze the purchasing trends and status of players, along with game completion rates and sources of user attrition.

Q. What is your evaluation of and outlook on the Amusement Equipments business, which operates in the amusement machines market?

A. As the major players in this space have readied their lineup of type 6 machines, we have received a fair amount of orders for our first type 6 model, indicating positive feedback. That being said, we have only released a single model this fiscal year, which is a situation that we’ll look to address. Thus, we aim to make improvements such as bolstering development and personnel resources, reducing costs and increasing the precision with which we handle certification testing.

Q. What factors contributed to growth of sales for catalog titles such as *Resident Evil 2* and *Devil May Cry 5*?

A: In addition to building steady results during other times of the year, this was driven primarily by promotional sales held during Tokyo Game Show, Black Friday and Christmas. Going forward, we will continue to promote sales while closely watching consumer demand.

Q. Considering *MHW:I*’s results, how do you plan to sell and grow the *Monster Hunter* brand, including sequels to *MH:W*?

A. While the proportion of units sold in North America and Europe for *MHW:I* exceeded our expectations for those regions, it is also true that there is still room for us to improve in boosting the attachment rate from *MH:W* to *MHW:I* and increasing player motivation in those same regions. Currently we are carrying out analysis of play data, which we will utilize in developing strategies for matters such as how we market expansions going forward.

Q. Why have corporate operating expenses increased in the revised plan?

A. As a part of the changes to our revenue structure due to the shift to digital, we are forecasting these corporate operating expenses to reflect a changeover to digital operations that extends beyond our Consumer and Mobile sub-segments. This includes building out foundational digital

capabilities in our management and administration functions throughout the organization.

Q. When will the first physical shipments of *Resident Evil 3* be recognized as revenue?

A. It depends on the accounting standards of each country, however we expect to recognize revenue for initial shipments of the Japanese version in the fiscal year ending March 31, 2020, while shipments of overseas versions are expected to be recognized in the fiscal year ending March 31, 2021.

Q. Tell me about the timing of booking costs associated with recognizing revenue for your Consumer titles.

A. Costs are booked in accordance to the amount of net sales at the same time revenue is recognized.

Q. Has the expected lifetime unit sales for *MH:W* changed since seeing the sales performance of *MHW:I*?

A. As unit sales for *MH:W* continue to grow even now, there have been no notable changes at this time.