

**Financial Results Conference Call for the First Half  
of the Fiscal Year ending March 31, 2023: Q&A Summary  
(October 26, 2022)**

Q What is the ratio of PC sales to total unit sales in your Consumer sub-segment at the end of Q2 in the fiscal year ending March 31, 2023?

A Approximately 50%, with primarily catalog title sales growing.

Q What impact from fluctuations in foreign exchange rates is reflected in your increased earnings guidance for the full fiscal year?

A We expect positive impact of about 5 billion yen in operating income for the second half of the fiscal year.

Q How would you evaluate *Monster Hunter Rise: Sunbreak* at this point?

A We feel it is performing well, having exceeded our internal sales plan.

Q Please give specific examples of what you are doing to grow awareness of your IP globally.

A While we cannot disclose the details of specific measures we are taking, one example is how we are working to raise awareness of our IP by expanding into adjacent businesses such as movies and other media.

Q How do you plan to accomplish your vision of 100 million units in annual sales volume?

A Similar to our operating income objective, one benchmark we are looking at is 10% growth in annual unit sales.

Q How do you view the impact of foreign exchange rates in regard to continuing to grow 10% annually?

A There is no change to our growth strategy; we will continue to aim for increased operating income through growth of catalog sales. We believe that continued growth is possible, absorbing the impact of exchange rate fluctuations by releasing high-quality new titles on a regular basis and utilizing pricing strategies to continue sales over the long term.

Q Why has your unit sales plan for new titles remained unchanged despite moving the release of certain new titles to the next fiscal year?

A Because we have revised our sales plans for *Monster Hunter Rise: Sunbreak* and *Resident Evil 4*.

Q How is development progressing for *Pragmata* and *Exoprima*?

A Creating all-new IPs is not a simple process. We are continuing development while analyzing progress on an ongoing basis.

Q Why has the unit sales price in the Consumer sub-segment decreased in your revised earnings guidance?

A We expect this figure to decrease due to a revision of the mix between new and catalog sales and sales growth for low-priced catalog titles.

Q What are your expectations for *Pragmata* and *Exoprima*?

A While we have not currently announced any specific targets at this time, we hope to grow these all-new titles into new revenue sources in the future.

Q What is your current stance on smart pachislo support?

A We are currently moving forward with development while monitoring the impact smart pachislo machines will have on the market.

Q Has the increase in the number of PC game users changed your development organization?

A There have been no particular changes as we have been carrying out multiplatform development utilizing our RE ENGINE for some time.

Q I would like to hear your thoughts on the growth drivers for catalog sales. Were tailwinds from COVID-19 a factor?

A We believe the main driver has been our focus on expanding our sales territories and user base globally, rather than COVID-19 tailwinds.

Q Why have catalog sales at the end of Q2 performed well compared to plans?

A This is mainly due to contributions from limited time discount promotions.