

**Third Quarter Consolidated Financial Results Conference Call
for the Fiscal Year ending March 31, 2023: Q&A Summary
(January 30, 2023)**

Q How would you evaluate your performance during the holiday season?

A We saw growth in sales, primarily from catalog titles, and year-over-year comparisons were also favorable.

Q What impact will foreign exchange rates have?

A We've run simulations with a number of different rates; however, we do not believe the current levels will have a significant impact on our full-year earnings.

Q What can you tell us about next year's earnings guidance?

A We currently haven't made any announcements regarding specific targets but intend to structure guidance with the assumption of continuing to aim for 10% operating income growth annually.

Q You released *Monster Hunter Rise* for a number of additional platforms in January 2023. How have these new versions performed?

A They have performed better than our expectations.

Q What are the details of the valuation loss recorded in the third quarter?

A There was a valuation loss of 3.5 billion yen during the three-month period of the third quarter, which cumulatively amounted to just under 4 billion yen for the nine months ended December 31, 2022.

Q What were the aims of your promotions, such as TV commercials etc., over the New Year's holidays?

A We carried out these promotions to raise awareness of our IP in conjunction with holiday sales. We intend to utilize what we have learned from this in our future marketing.

Q What is your outlook or confidence level for next fiscal year's earnings?

A Thanks to digital sales, selling titles from our catalog has become important now, meaning our earnings guidance no longer depends on only new title releases or the relative strength of an IP. We are moving toward achieving our targets a step at a time by steadily growing sales of catalog titles.

Q Tell me your outlook for *Resident Evil 4*.

A Preorders are trending well compared with those of past titles in the series while feedback from fans has been positive, which are encouraging signs.

Q Tell me your expectations for *Street Fighter 6*.

A We are investing the knowhow cultivated on *Street Fighter V*, the previous title in the series, into *Street Fighter 6*. Further, we are carrying out various initiatives to grow this title into the biggest in the series, having worked to expand our user base while promoting esports.

Q Will your cost structure change in the future following the release *Pragmata*, *Exoprimal*, and other new IP?

A While not yet confirmed, it is possible we will invest in promotions given that these are all-new IP.

Q Do you limit development costs with new IP compared to existing major IP?

A Controlling R&D costs is not directly connected to the high hurdles of creating a hit new IP. Rather than considering a single title, this must be evaluated from a long-term perspective, which includes thinking about how to bridge the first title to the next, and how far we can grow sales over a five-year period.

Q What are your thoughts on the sales of your titles for PC?

A Due to digital pricing strategies, growth of PC sales in developing and emerging markets has been striking. However, the overall sales volume in these places does not reach that of developed markets. Going forward, it will be important to see how we can increase sales volume in countries and regions such as these.

Q Has there been any changes in your approach to selling catalog titles during the current fiscal year?

A There have been no changes to our sales strategy. We aim to grow sales by setting prices appropriately based on sales data broken down by country, region, and price.