

**Third Quarter Consolidated Financial Results Conference Call
for the Fiscal Year ending March 31, 2026: Q&A Summary
(January 27, 2026)**

Q Please explain why catalog sales of the *Resident Evil* series performed well in the third quarter, and provide your outlook for catalog titles in the fourth quarter.

A We believe this performance reflects the effectiveness of our pricing measures for catalog titles alongside the launch of new titles, implemented in line with our medium- to long-term title roadmap. In particular, pricing measures for past *Resident Evil* titles aligned with growing anticipation for the latest installment, *Resident Evil Requiem*. In the fourth quarter, we plan to continue promotional activities and aim to further expand catalog sales.

Q Could you share your views on user reception, sales expectations for *Resident Evil Requiem*, and the release of the Nintendo Switch 2 version?

A *Resident Evil Requiem* has received favorable user feedback, and pre-orders are progressing steadily at this stage. In assessing pre-order performance, we reference past titles such as *Resident Evil 4* and *Resident Evil Village* as benchmarks. The title is being developed for multiple platforms, including Nintendo Switch 2, with a focus on maximizing the performance on each platform.

Q Is there any impact from rising DRAM prices on development equipment or sales activities?

A At present, there has been no material impact. However, we will continue to monitor potential medium- to long-term effects.

Q Is it feasible to achieve the planned catalog sales volume target for the current fiscal year?

A While we are aiming to achieve our unit sales targets for both new and catalog titles individually, our ultimate objective is to reach the annual total sales target of 54 million units.

Q From a regional and market-size perspective, do you see further growth potential for the catalog sales market over the medium term?

A There remains ample room for growth, particularly in emerging markets where medium- to long-term economic expansion is expected. This fiscal year, we have seen encouraging results from pricing measures linked to new title announcements and media mix initiatives.

Q Despite SG&A expenses remaining largely flat, why did the operating margin of the Digital Contents business improve when comparing the second and third quarters?

A The primary factor was the growth in catalog sales, which carry higher profit margins.

- Q Do you expect catalog sales of the *Devil May Cry* series to remain strong in the next fiscal year?
- A Sales exceeded our initial expectations in the first half of the current fiscal year, driven by coordinated pricing measures alongside the anime release in the first quarter. Since then, performance has stabilized. With Season 2 of the anime scheduled for release in May 2026, we plan to continue implementing effective promotional measures.
- Q Will the live-action *Street Fighter* film scheduled for release this October 2026 have a positive impact on catalog sales?
- A We intend to expand sales opportunities by aligning marketing initiatives with the film's release.
- Q Please provide an update on *Monster Hunter Wilds* and your outlook for its long-term sales performance.
- A Up to this point, we have been addressing various issues, including technical challenges, on an ongoing basis. A further title update is scheduled for February this year, and we will continue to pursue medium- to long-term sales growth through ongoing improvements and pricing measures.
- Q What are the key growth drivers for the next fiscal year?
- A We will provide details of our strategy for the next fiscal year at the time of our full-year earnings announcement. Within the Digital Contents business, our ongoing focus remains on both new and catalog title sales. In addition to *Pragmata*, new titles will be announced at a future date, and we will continue related initiatives to expanding catalog sales.
- Q Are there any plans to recognize deferred revenue associated with the fourth-quarter title update for *Monster Hunter Wilds*?
- A Deferred revenue recognition was largely completed with the title update implemented in December of last year.
- Q The balance of work-in-progress for game software appears relatively high. Does this pose any risk?
- A To achieve our target of a 10% increase in operating profit in the next fiscal year and beyond, we are developing multiple titles, resulting in an accumulation of work-in-progress. However, we manage ROI on a title-by-title basis to ensure investment levels remain appropriate relative to planned sales volumes.
- Q Could you comment on the title lineup for the next fiscal year?
- A Beyond *Pragmata* and *Onimusha Way of the Sword*, which have already been disclosed, we ask that you wait for future announcements.
- Q With your cash balance increasing, how do you view capital optimization and shareholder returns?
- A In utilizing cash, we place importance on balancing three elements: reinvestment in the business, returns to shareholders, and employee compensation. This fiscal year, we invested in land acquisition

and our Media business. Going forward, we will continue to carefully evaluate investments in technology and initiatives to enhance brand recognition. Our policy of maintaining a dividend payout ratio of 30% or higher remains unchanged.

Q Why are catalog sales of *Street Fighter 6* performing well, and is there potential for further expansion through media mix initiatives?

A Measures targeting new user segments have been effective, resulting in an increase in teenage users. Additionally, esports events, including those held in Saudi Arabia, have contributed to improved brand recognition. With the live-action *Street Fighter* film scheduled for release in October 2026, we believe there remains further potential for sales growth.

Q What has been the response to the *Pragmata* demo?

A Feedback has been generally positive. As a completely new IP, we will actively promote the title to further increase awareness.

Q Why has work in process increased this fiscal year, and could it become a risk factor going forward?

A The majority of the increase relates to our investment in the live-action *Street Fighter* film. Given the ability to continue distribution on multiple platforms following theatrical release, we are assuming a longer amortization period than for our game software. We are working closely with our auditors to ensure this does not become a risk factor.

Q What is the expected amount of work in process you expect to recognize at the time of the *Street Fighter* film's release, and how do you view cost recovery?

A The film is scheduled for release in October 2026, with production costs assumed to be in line with industry averages. Cost recovery assumptions are also set within a reasonable range, referencing comparable films.

Q Is *Monster Hunter Wilds* included in work-in-progress for game software as of the third quarter?

A Yes, it is included. Development costs are amortized over multiple years, consistent with our approach for other titles.

Q Please outline the medium- to long-term sales targets and initiatives for *Monster Hunter Wilds*.

A Over approximately five years, we aim to maximize both unit sales and profitability. In addition to enhancing satisfaction among existing users by resolving technical challenges the game has faced, we will also focus on attracting new users through pricing strategies. Through these initiatives, we aim to exceed past series entries' sales performance over the medium to long term.

Q The Character licensing businesses in Other Businesses is showing growth. What is your strategy going forward?

A We will strengthen IP utilization through merchandise sales and in-game collaborations, with the goal of enhancing brand recognition and expanding unit sales.

Q *Resident Evil Requiem* appears to leverage advanced visual technology, particularly for PC. Could you discuss your PC strategy going forward?

A As of the third quarter, PC sales account for approximately 50% of total unit sales, and we expect this ratio to continue increasing. Accordingly, we will further strengthen our PC development framework. The technical expertise gained from addressing increasing program complexity and performance challenges in *Monster Hunter Wilds* will be applied to future title development.