

**Financial Results Briefing for the
Fiscal Year ended March 31, 2026: Q&A Summary
(May 13, 2026)**

Q Will console price increases have any impact on title sales?

A We do not anticipate any impact on earnings from console price revisions in our plan for the fiscal year ending March 31, 2027. We utilize a multi-platform release to maximize sales opportunities for our titles and will continue to closely monitor trends going forward.

Q Will you continue to develop completely new IPs such as *PRAGMATA* going forward?

A The creation of completely new IPs is an important initiative that supports our sustainable growth, and we intend to continue pursuing it. In addition, the development and sales expertise that we have cultivated through our work on new IPs has also contributed to the success of *PRAGMATA*, and we will continue to leverage this knowledge in our future business operations.

Q What are the reasons behind strong sales of *PRAGMATA* and is it possible that you will turn it into a series in the future?

A Sales of *PRAGMATA* reached 2 million units in the first 16 days after its launch, driven by strong recognition of our development capabilities, including its fresh gameplay that combines action and puzzles, as well as its compelling characters and world setting. Based on this strong start, we will continue our analysis and consider the possibility of developing it into a series.

Q As you continue hiring more than 100 employees annually, are your development capabilities steadily improving?

A We are working to strengthen our development structure through hiring and other human resource investments and believe that our on-site training and development capabilities are steadily improving. *PRAGMATA* is a good example of how fresh ideas from younger staff, combined with collaboration with experienced employees, led to successful results.

Q Why are you using generative AI to improve the efficiency of routine tasks but not in creative areas of development?

A We believe that what games must deliver most is an experience that exceeds users' expectations, and that the creativity at the core of such experiences should be handled by humans. At this stage, our policy is to use generative AI to improve the efficiency of routine operations so that our developers can devote more time to essential value creation.

Q What is the expected impact of foreign exchange rates on earnings for the fiscal year ending March 31, 2027?

A In our plan, we assume an exchange rate of 140 yen to the U.S. dollar, and we estimate that a fluctuation of 1 yen against this rate would have an impact of approximately 400 million to 500 million yen on operating profit.

Q Will the strong catalog sales of the *Resident Evil* series, seen in the fourth quarter of the fiscal year ended March 31, 2026, continue going forward?

A The *Resident Evil* series accounted for more than half of our total unit sales for the fiscal year ended March 31, 2026, and cumulative sales of the series have now exceeded 200 million units. With the launch of *Resident Evil Requiem*, catalog sales of the series have continued to perform strongly as well. We are also planning to release additional content for *Resident Evil Requiem* in the future and believe there is further room for growth.

Q Tell us the growth drivers for the fiscal year ending March 31, 2027.

A In addition to *PRAGMATA*, our new title lineup includes *Onimusha: Way of the Sword* and other unannounced titles. As for catalog sales, under our flywheel-driven business model, which expands IPs by combing and leveraging multiple usage and marketing measures, we will continue to implement sales expansion measures.

Q Given the strong results of the Amusement Equipments business in the fiscal year ended March 31, 2026, the plan for the fiscal year ending March 31, 2027 appears aggressive year on year. Could you explain the background?

A In the fiscal year ended March 31, 2026, performance was driven by repeat sales of two existing machines and the launch of two new machines. For the fiscal year ending March 31, 2027, we are not factoring in repeat sales at this point, and aim to achieve our plan by steadily launching one new machine per quarter, for a total of four new machines. We have already launched the smart pachislo *Biohazard RE:3* in May.

Q To what extent is generative AI improving efficiency in the development process, where is it being used, and what challenges are involved?

A We are seeing a certain degree of effectiveness from the use of generative AI for improving operational efficiency. At present, we are actively incorporating it into each stage of the development process and are making concrete advancements to fully implement it for some parts of development. However, because the game development process is multifaceted and complex, we expect it will take some time before we can quantitatively demonstrate the results of this improved development efficiency.

Q How are mobile games positioned within the Digital Contents business?

A One of our strengths lies in our business model of creating high-quality content and acquiring and expanding users over the long term through serialization and brand-building. Based on this strength, we will continue to focus primarily on the consumer home video game business. Mobile games are effective in expanding awareness of our IP brands and serving as touchpoints with new users. Going forward, as with *Monster Hunter Now*, we will continue to promote such initiatives through licensing and similar approaches.

Q Tell us about your shareholder returns and capital policy.

A Our basic policy is to maintain a dividend payout ratio of at least 30%, and we place importance on stable and continuous shareholder returns. At the same time, we will allocate capital appropriately while balancing this with human capital investment and business reinvestment aimed at sustained growth. As for share buybacks, we have executed these before based on market trends and the stock price, and will make flexible decisions based on market conditions and capital efficiency, among other factors. Regarding net cash, our policy is to secure a level that allows us to maintain our current level of development investment for a certain period.

Q Why have you been able to achieve long-term sales for your titles?

A Under our flywheel-driven business model, we are promoting a digital strategy that includes pricing measures. Going forward, our development, sales and marketing, and management divisions will continue working together to enhance our lineup and manage it appropriately, thereby driving ongoing sales expansion.

Q What drove the strong sales of *Resident Evil Requiem* and the effectiveness of your promotional initiatives?

A As with our other series, we believe one factor contributing to its sales performance was that user feedback was reflected in the development of *Resident Evil Requiem*. In addition, we believe that initiatives such as broad-based collaborations also had a certain effect in generating buzz and expanding awareness among new audiences.

Q Will the strong sales performance of *PRAGMATA* have any impact on future development investment in new IPs?

A Development investment in new IPs is not determined by the sales performance of individual titles. We will continue maintaining a certain level of investment in this area.

Q What were the approximate development costs for *PRAGMATA*?

A The development costs for this title are comparatively lower than those of our major IPs. In addition, we have recorded impairment losses, etc., where appropriate in line with development progress. Even considering the impact of the release delay, we do not expect this title to place a significant burden on future earnings.

Q Could you explain why you have been able to port titles to various platforms so quickly?

A One reason is that we have promoted a multi-platform strategy for many years and have had a development structure that actively incorporates the latest technologies, in addition to optimizing for each platform using our proprietary RE ENGINE.

Q Is it fair to say that the impairment losses for the fiscal year ended March 31, 2026 were within an appropriate range?

A Regarding impairment losses, we have recorded them appropriately in accordance with accounting standards and in consultation with our audit. Based on past levels, we believe they were generally within the expected range for the fiscal year ended March 31, 2026.

Q What is your strategy for catalog sales in the fiscal year ending March 31, 2027 and their sustainability going forward?

A In addition to expanding sales of our major IPs such as *Resident Evil* and *Monster Hunter*, catalog sales will continue to grow through coordinated measures linked with new title launches, movie and TV content, eSports initiatives, and other activities. For the fiscal year ending March 31, 2027, we plan catalog sales of 53 million units.

Q Could you tell us about the impact of the live-action movie *Street Fighter* on earnings in the Media business?

A The live-action movie *Street Fighter* is scheduled for release in October 2026, but at this point revenue from this is not included in our plan for the fiscal year ending March 31, 2027.