

**Financial Results Briefing for the
Fiscal Year ended March 31, 2023: Q&A Summary
(May 16, 2023)**

Q Tell me about your strategy to grow sales in emerging markets.

A In recent years, we have seen growth in regions such as South America due primarily to increasing the number of languages our games support. We believe that countries such as India will be a focal point for growth in the future. While sales volume in such areas is currently limited, we are carrying out research into this via our Singapore office. Further, while there appears to be room to develop within African regions, we are still carrying out an assessment of business risks.

Q What percentage of annual software sales units come from emerging regions?

A Sales volumes in emerging regions are still in the early stages of growth. We will continue to pursue our digital sales strategy on PC while anticipating the economic growth of such areas in the future.

Q What are your expectations for *Monster Hunter Now*?

A We anticipate that this title will contribute to increasing global brand awareness of *Monster Hunter* in addition to title revenue. We believe greater brand awareness will help drive growth for catalog titles in the series, including *Monster Hunter: World*.

Q What is your outlook regarding activities to grow new title sales, and the ratio of new title sales to total sales volume?

A Our pipeline consists of a combination of new releases for existing IP as well as all-new IP. Existing series support stable growth as we work to exceed both the level of development and sales results for past titles in a given series with each new release. Compared to existing IP, profitability tends to be lower for all-new IP; however, we view such titles as an investment for the future while leveraging the technological knowhow that we have cultivated in our game development process. While we cannot comment on future ratios for new title sales, it will likely be determined based on factors including the market environment.

Q How will the Media Business contribute to future stable growth?

A Greater penetration of online streaming and distribution has increased the opportunities for movies and television shows to grow into hits. By producing our own movies at Capcom Pictures, we aim to expand sales of our game content by increasing awareness of our brands among people who have not yet played games.

Q What measures are you taking for medium- to long-term growth?

A We continue to aim for global expansion of sales for new and catalog titles by utilizing pricing strategies. We have been able to penetrate 230 countries and regions worldwide by gradually lowering the price of games from the time of launch. Going forward, we look to further expand sales by raising awareness of Capcom's content among people who have not yet taken an interest in games by focusing on the Media business.

Q Tell me about how you utilize AI.

A When considering the volume of assets in game development recently, we feel there is potential for utilizing AI. At this time our R&D divisions are still evaluating the matter, as introducing AI into development workflows will require making various adjustments.