

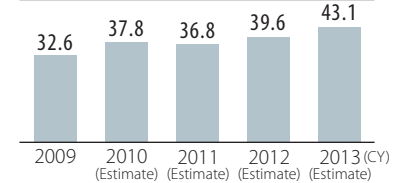
Market Trends

Consumer Online Games



- Lower annual sales of game consoles due to market saturation and lower unit prices continued lackluster conditions in the home video game (package) market.
- Diversified forms of marketing through digital distribution and other online networks.
- The PC online game market in the Asia region is growing on track and is expected to grow to a scale equal in size to the home video game market in the future.

Total of Home Video Games and PC Online Market (\$ Billion)

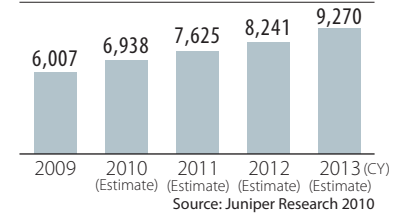


Mobile Contents



- With the worldwide adoption of smartphones and tablet devices, the market is experiencing rapid growth.
- The advent of App Stores and the establishment of other global platforms are opening up new regions in developing countries for a whole new segment of game users.
- Spawned from the popularity of social games with added friend communication functionality, a new light game user segment is emerging.

Mobile Content Market (\$ Million)

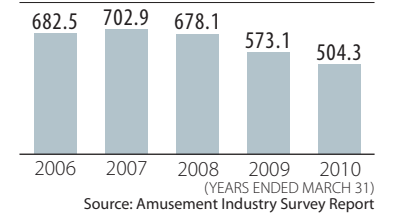


Arcade Operations



- A stagnant domestic economy and sluggish consumption have resulted in fewer customers and market contraction for the third consecutive year.
- The number of major arcades operated by game companies closed continued to increase as the overall number of arcades continued its diminishing trend.
- The Great East Japan Earthquake has affected the consumer mind, and the anticipated rolling blackouts are expected to influence people seeking leisure that is inexpensive, near and short in duration.

Amusement Arcade Market (¥ Billion)

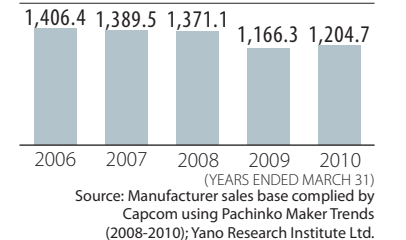


Amusement Equipments



- In the gaming machine market, innovative pachinko machine gaming aspects sparked the first sales unit price increase in four years.
- The arcade game market, already hit hard by the sluggish economy, contracted further as many arcade operators curtailed investment.
- Although both markets are impacted by uncertainties caused by the disaster, the anticipated near future trend is leisure activities focused on inexpensiveness, nearness, and shortness.

Major Gaming Machines Market (New Machine Sales) (¥ Billion)

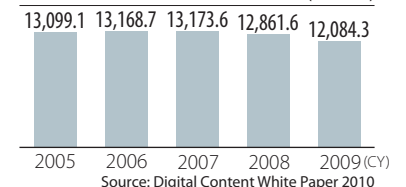


Other Businesses



- The global contents market was worth 130 trillion yen. The Japanese contents market was worth 12 trillion yen, second to only to the United States.
- The Japanese movie, video and publishing market remained on track and was worth 10 trillion yen. Overseas expansion is the key to growth in this market.

Japanese Content Market Trends (¥ Billion)



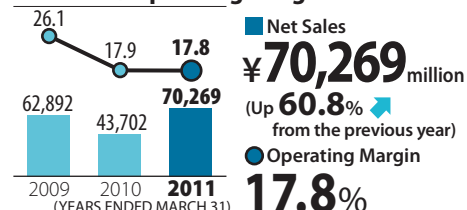
Capcom's Strength and Strategy

- We own numerous "intellectual properties with universal market appeal", the key to our Single Content Multiple Usage strategy.
- We maintain an advanced ability to develop original game content. We also possess a high level of technology, assisted by the "MT Framework", an integrated development environment built to provide common software development tools for a variety of video game consoles.
- Our overseas development capabilities include solid local sales structures and an understanding of market characteristics and product customs.

Operating Result for This Fiscal Year

- Major domestic game "Monster Hunter Freedom 3" was the sold 4.6 million units faster than any other PSP game.
- Four titles such as "Dead Rising 2" and "MARVEL VS. CAPCOM 3 Fate of Two Worlds" targeted for overseas markets, achieved sales of over million units.
- Sales of online game "Monster Hunter Frontier Online" for the PC and Xbox 360 also performed favorably.

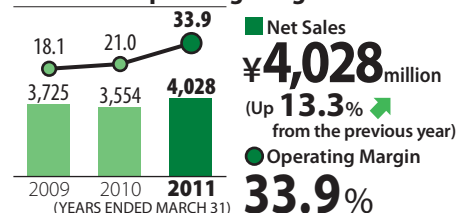
Net Sales / Operating Margin*1,2



- Using our second brand "Beeline" we are rolling out SNS game globally for smartphones in an attempt to capture the light user segment rather than the traditional Capcom user.
- We will continue to develop popular home games for mobile phones by making effective use of the content and expertise accumulated over years of consumer game development with the Capcom brand.

- For the iPhone and other new devices, we distribute popular titles such as "Street Fighter IV" and "Ghost Trick".
- SNS games overseas for smartphones "Smurfs' Village", "Zombie Cafe" and a third title have received a total of 15 million downloads so far.
- Having established our position in the overseas SNS market as a first mover, we are now in a position to establish a foundation from which to further develop business.

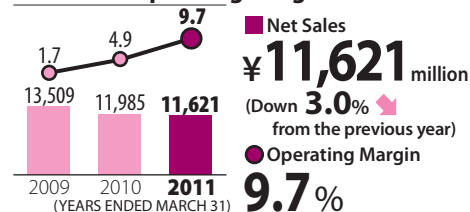
Net Sales / Operating Margin*2



- We specialize in opening mall-based large-scale facilities which secure a long-term, stable number of customers.
- We have built an organizational structure to design and operate sales venues supported by customers.
- We also maintain relatively higher profitability than the competition by either selling or closing unprofitable facilities in an attempt to secure a better return on investment.

- Seeking to increase women, family and senior users while curtailing investment and cutting costs, we strive to recover 99% of the previous year's existing arcade net sales through efficient arcade operation and careful response to the market environment.
- The Great East Japan Earthquake caused structural, flooding and other damage to ten arcades in the Tohoku and Kanto areas, resulting in closure for repairs (As of April 30, 2011, all these facilities were open and fully operational).

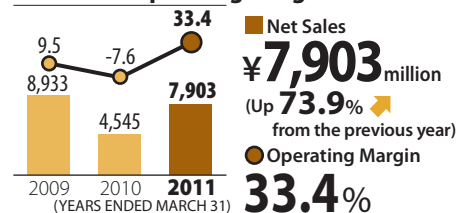
Net Sales / Operating Margin



- We establish new revenue streams using our rich in-house content.
- The Pachinko & Pachislo Business Division uses capabilities developed creating the Home Video Games Business to develop machines from our proprietary and other content.
- Using content developed from home games, the Arcade Game Sales Business added lots of new content, including popular fighting and other games.

- In our Pachinko & Pachislo Business, "Sengoku BASARA 2" sold 16,000 units, while "Onimusha: Dawn of Dreams" was a repeat seller and continues to be wildly popular.
- "Super Street Fighter IV Arcade Edition" has proved to be a popular video game in the Arcade Game Business, with sales looking steady for the foreseeable future.

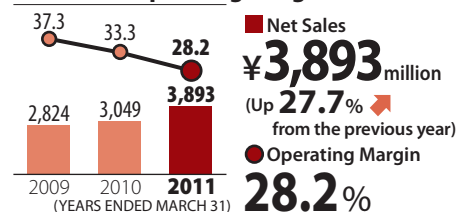
Net Sales / Operating Margin*2



- We create a strong synergy with our Consumer Online Games Business by making multidimensional use of our wealth of intellectual properties Single Content Multiple Usage.
- Particularly, in the movie-related business, the brand value has been elevated by the high exposure provided by the media. This leads to greater sales expansion in video game software, completing an ideal sales cycle.

- Maximize earnings and strengthen brand power of proprietary content through execution of lateral development of integrated sales of home video games based on the Single Content Multiple Usage strategy.
- Promote use of our original contents as the subject for Hollywood movies.
- Develop various media vehicles such as comics, TV animation and various collaborations to maximize sales of "Monster Hunter Freedom 3".

Net Sales / Operating Margin



*1 Before the fiscal year ended March 31, 2009, the Consumer Online Games Business is described as the Home Video Games Business.

*2 In the fiscal year ended March 31, 2011, Capcom restructured its business segment divisions, and as a result, figures in the fiscal year ended March 31, 2009 have been retroactively adjusted.