

**Consolidated Financial Results for the Nine Months Ended December 31, 2008
of the Fiscal Year ending March 31, 2009**

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Code Number: 9697

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Filing Date for Financial Report : February 12, 2009

Date of Issue: February 5, 2009

Stock Listing:Tokyo, Osaka

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Note: Numbers are rounded down at Million Yen

1. Results for the Nine Months ended December 31, 2008

(1) Financial Results Note: Percentage represents change against corresponding period of the previous year.

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | |
|---------------------------------|-------------|-----|------------------|-------|-----------------|--------|-------------|--------|
| | Million Yen | % | Million Yen | % | Million Yen | % | Million Yen | % |
| Nine months ended Dec. 31, 2008 | 47,223 | - | 2,613 | - | 2,107 | - | 179 | - |
| Nine months ended Dec. 31, 2007 | 51,655 | 4.8 | 6,101 | (8.2) | 6,520 | (15.3) | 3,574 | (17.8) |

| | Earnings per Share of Common Stock | Earnings per Share of Common Stock (Assuming Fully Diluted) |
|---------------------------------|------------------------------------|---|
| | Yen | Yen |
| Nine months ended Dec. 31, 2008 | 2.92 | 2.73 |
| Nine months ended Dec. 31, 2007 | 61.45 | 53.95 |

(2) Financial Position

| | Total Assets | Net Assets | Shareholder's Equity Ratio to Total Assets | Assets Shareholders' Equity per Share |
|----------------------------------|--------------|-------------|--|---------------------------------------|
| | Million Yen | Million Yen | % | Yen |
| Nine months ended Dec. 31, 2008 | 84,986 | 50,621 | 59.6 | 819.99 |
| Fiscal year ended March 31, 2008 | 93,606 | 53,660 | 57.3 | 881.13 |

Reference: Shareholders' equity: Nine months ended Dec. 31, 2008: 50,621 Million yen Year ended March 31, 2008: 53,660 Million yen

2. Dividends

| | Dividend per Share | | | | |
|----------------------------|--------------------|------------------|------------------|----------|--------|
| | 1st Quarter- end | 2nd Quarter- end | 3rd Quarter- end | Year-end | Annual |
| | yen | yen | yen | yen | yen |
| Year ended March 31, 2008 | — | 15.00 | — | 15.00 | 30.00 |
| Year ending March 31, 2009 | — | 20.00 | — | 15.00 | 35.00 |
| Year ending March 31, 2009 | | | | | |

(Note) Changes in dividends forecast during this nine months : No

3. Forecast for the Fiscal Year ending March 31, 2009 (from April 1, 2008 to March 31, 2009)

Note: Percentage represents change against corresponding period of the previous year.

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | | Net Income per Share |
|--------------------------------|-------------|------|------------------|------|-----------------|------|-------------|------|----------------------|
| | Million Yen | % | Million Yen | % | Million Yen | % | Million Yen | % | Yen |
| For Year ending March 31, 2009 | 95,300 | 14.7 | 14,600 | 11.3 | 14,800 | 20.6 | 8,600 | 10.1 | 139.73 |

(Note) Changes in forecast for the fiscal year during this nine months : No

4. Others

(1) Changes in Major Subsidiaries during the fiscal year(changes in consolidated subsidiaries and affiliated companies with equity-method): No

(2) Application of simple method to accounting rules: Yes

(Note: Please refer to [Qualitative information and Consolidated Financial Statements] on page 6, 4.Others for details.)

(3) Changes in accounting principles, procedures and presentation for consolidated financial statements

(those items listed under the "Major Changes in the Fundamental Items of Consolidated Financial Statements")

Changes resulting from the revision of the accounting principles : Yes

Changes other than : Yes

(Note: Please refer to [Qualitative information and Consolidated Financial Statements] on page 6, 4.Others for details.)

(4) Number of shares outstanding (common stock):

Number of shares outstanding at end of year (including treasury stock)

Nine months ended Dec. 31, 2008: 67,394,568 Year ended March 31, 2008: 66,719,458

Number of treasury stock at end of period

Nine months ended Dec. 31, 2008: 5,659,920 Year ended March 31, 2008: 5,820,147

Averaged common stock

Nine months ended Dec. 31, 2008: 61,505,497 Nine months ended Dec. 31, 2007: 58,162,667

(Explanation about the appropriate usage of business prospects and other special notes)

- Effective from the first quarter of the current fiscal year, Capcom has applied "Accounting Standard for Quarterly Financial Reporting (Accounting Standard Board of Japan(ASBJ) Statement No. 12; March 14, 2007) and "Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14; March 14, 2007). This financial report is prepared based on the "Regulations of Consolidated Quarterly Financial Statements".
- The above-mentioned business forecasts were prepared based on the information available as of the release of this report. Please note that future events may cause the actual results to be significantly different from the forecasts.
- For the rational computation of estimated net profit per share for the current quarter, the estimated average number of shares during this quarter (61,546 thousand shares for the fiscal year) was used .

1. The progress of the consolidated business results including related qualitative information

The Japanese economy during this third quarter, ended December 31, 2008, continued to slow and started showing signs of an unprecedented serious economic downturn, in line with the following: decreased capital investments and exports; sluggish stock prices; sharp appreciation of the yen; deteriorating employment conditions.

As for the video game industry in Japan, the year-end shopping season lacked excitement partially due to the fact that portable game consoles, which had been leading the market, have now fully disseminated. The absence of flagship titles as well as consumers' "money-saving" attitudes also negatively affected sales.

On the other hand, the overseas markets, namely the US and Europe, showed favorable growth in general. This is attributable to the global recession that forced consumers to cut back on traveling and going out and to look for alternative "at-home" entertainment instead.

Under these circumstances, Capcom has engaged in the development of new content in diverse fields taking full advantage of the synergistic effects from our game software.

As part of such efforts, we held the event called "Capcom Daikakutosai – Oreyori Tsuyoiyatsuni Aini Iku 2008 (Capcom Fighting Festival – Going to Meet Someone Stronger Than Myself 2008)". In addition, we worked with the Takarazuka Revue Company to present a stage performance that is based on "Phoenix Wright: Ace Attorney", and we promoted the Hollywood movie production utilizing Capcom's popular software.

However, the net sales for this third quarter decreased to 47,223 million yen (down 8.6% from the same term last year). This is attributable to the slacking performance of Arcade Operations and Contents Expansion business, the sharp rise of yen's exchange rate, and not having the release of flagship titles until the 4th quarter.

As for profits, operating income decreased to 2,613 million yen (down 57.2 % from the same term last year) due partially to an increase in cost to sales ratio. Ordinary income decreased to 2,107 million yen (down 67.7 % from the same term last year) due partially to the foreign exchange loss resulted from the rapid appreciation of the yen. Net income for the current quarter decreased to 179 million yen (down 95.0 % from the same term last year) due to a report of impairment loss for partial fixed assets within the special loss.

Status of Each Operational Department

1. Home Video Games

In this business segment, our lower-priced software, “Monster Hunter Freedom 2G PSP the Best” (for PlayStation Portable), showed healthy growth due to its established popularity. “Grand Theft Auto IV” (for PlayStation 3, Xbox 360), the latest of its series, as well as “Mega Man Star Force 3” (for Nintendo DS) achieved their sales goals. The mega hit of “Monster Hunter Freedom 2G” (for PlayStation Portable) in the first half of this fiscal year created a sensation in the market and became a social phenomenon.

Nonetheless, we were not able to achieve favorable profits, and overall sales remained weak because we were in a transitional period in our product development cycle. Many of the flagship software titles are scheduled to be released in the 4th quarter.

The resulting net sales decreased to 26,709 million yen (down 13.4 % from the same term last year), and operating income decreased to 4,404 million yen (down 27.1 % from the same term last year).

2. Arcade Operations

Struggling with declining sales, we tried to create demand and attract more diversified customers including women and families. Holding various events and offering special discount days are just a few examples of such efforts. However, we still struggled with a mediocre sales performance caused by the softening market.

We opened four new facilities starting with “Plaza Capcom Omagari” in Akita Prefecture plus arcades in Shiga, Aichi, and Shimane Prefectures. As for low-productive facilities, we closed down two such arcades as per our profitability-based goals. The total number of “Plaza Capcom” at the end of the 3rd quarter totals 44 after these activities.

The resulting net sales increased to 10,039 million yen (up 4.8 % from the same term last year), thanks to the contribution from newly opened facilities and from those that opened in the previous fiscal period. However, the operating loss of 113 million yen was reported (down 80.2 % from the same term last year) due to the market stagnation and increased expenses in opening new facilities.

3. Arcade Game Sales

We were engaged in aggressive sales activities in order to utilize our home video game software in this business segment with the aim of overcoming an unfavorable business environment. One example of such efforts was the introduction of the new video game machine, “Tatsunoko VS. Capcom”. However, we lacked a competitive edge due to limited product lineup and weakening demand.

Overall sales managed to achieve satisfactory results thanks to the contribution of “Street Fighter IV”, which became a hit in the first half of this fiscal year.

The resulting net sales increased to 4,841 million yen (up 123.1 % from the same term last year), and the operating income turned profitable and reached 381 million yen (the operating loss of 692 million yen was recorded in the same term last year).

4. Contents Expansion

Overall performance of this business segment remained weak though we have been trying to apply the synergy from our popular software into the area of game distribution for mobile phones. One of the main reasons for this unfavorable performance was that decrease in demand for “Ace Attorney”, as this software had been leading the sales in this segment. No other leading software was available to increase sales.

As for the Pachislo machine business, “Resident Evil” showed healthy growth, while the highly anticipated “Chun-Li Ni Makase China” struggled. In addition, the worsening business environment as well as limited product lineups placed us in a difficult situation.

The resulting net sales decreased to 3,801 million yen (down 46.0 % from the same term last year), and the operating income decreased to 188 million yen (down 91.8 % from the same term last year).

5. Other Businesses

The net sales from other businesses, mainly character-related licensing royalties, decreased to 1,832 million yen (down 8.9 % from the same term last year), and the operating income increased to 633 million yen (up 73.0 % from the same term last year).

As Capcom has applied “Regulations of Consolidated Quarterly Financial Statements” effective from the current fiscal year, the percentage and amount from the corresponding period of the previous year are described for reference purposes.

2. Qualitative Information Regarding the Consolidated Financial Position

Total Assets as of the end of 3rd quarter decreased by 8,620 million yen from the previous fiscal year to 84,986 million yen. The primary reason for this was a decrease of 7,089 million yen in notes and accounts receivable.

Liabilities as of the end of 3rd quarter decreased by 5,581 million yen from the previous fiscal year to 34,364 million yen. This is attributable to a decrease of notes and accounts payable by 2,723 million yen, and a decrease of accrued bonuses by 1,326 million yen.

Net assets as of the end of 3rd quarter decreased by 3,038 million yen from the previous fiscal year to 50,621 million yen. This is mainly attributable to the following: recording of current net income for 179 million yen, and a dividends paid by 2,148 million yen and a decrease of cumulative translation adjustment by 1,767 million yen.

3. Qualitative Information Regarding the Consolidated Business Forecasts

The prospects of the consolidated business results for the current fiscal year ending March 31, 2009 remain the same as what were projected at the financial results announcement on May 20, 2008.

4. Others

(1) Transfer of major subsidiaries during the current quarter (transfer of certain subsidiaries that requires modification to the scope of consolidation)

There were no applicable subsidiary transfers.

(2) The application of simplified accounting procedures and those procedures specific to the preparation of quarterly consolidated financial reports

Computation method for estimating bad debts in general receivables

The actual percentage of credit losses recorded at the end of the current quarter was proved not to be significantly different from what was estimated at the previous fiscal year end. Therefore, the estimated bad debt is computed based on the actual percentage of credit losses at the previous fiscal year end.

Valuation of inventory

We eliminated the process of taking a physical stock inventory at the end of current quarter, and instead adopted a rational computation method which uses the actual ending inventory of the previous fiscal year as a base.

As for devaluating the book value of inventory assets, the devaluation is applied only to those inventories whose profitability clearly decreased. The devaluation is based on the estimated net sale value of such inventories.

Computation method for corporation taxes, deferred tax assets, and deferred tax liabilities

The computation of corporation income taxes is based on the method that restricts taxable items, deductible items, or tax exempt items to only significant ones.

As for judging the ability to collect deferred tax assets, we confirmed that there has been no significant change in the business environments or in the generation of temporary difference since the previous fiscal year end. Therefore, we are applying the method that is based on the business prospects and tax planning used in the previous fiscal year.

For computing the tax expenses of some of our subsidiaries, we made a rational estimate of the effective tax rate after applying the income tax allocation accounting to the net profit before tax of the consolidated fiscal year including the current first quarter. We then applied the estimated effective tax rate to the net profit before tax of the current quarter. The adjustment of corporate tax and other tax is

included in the corporate tax.

(3) Changes in the principle, procedures, and presentation methods in the preparation of consolidated quarterly financial reports

Effective as of the first quarter of the current fiscal year, Capcom has applied “ Accounting Standard for Quarterly Financial Reporting ” (Accounting Standard Board of Japan(ASBJ) Statement No. 12; March 14, 2007) and “ Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14; March 14, 2007). In addition, the consolidated quarterly financial report is prepared based on the “Regulations of Consolidated Quarterly Financial Statements”.

Effective as of the first quarter of the current fiscal year, Capcom has applied “ Accounting Standard for Measurement of Inventories ” (ASBJ Statement No. 9; July 5, 2006). There is no influence on profit and/or loss by this change.

Effective as of the first quarter of the current fiscal year, Capcom has applied “ Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement ” (ASBJ PITV No. 18; May 17, 2006), and made corrections necessary for the consolidated accounting.

As a result of such corrections, each of operating income, ordinary income, and net profit before tax for the current quarter decreased by 228 million yen from those figures obtained based on the method previously adopted. And retained earnings decreased by 546 million yen.

Capcom has previously used the accounting procedures based on the lease-related method for those capital leases that do not transfer ownership of the leased assets to lessees. “ Accounting Standard for Lease Transactions ” (ASBJ Statement No. 13; June 17, 1993 (Business Accounting Council, the First Committee), revised March 30, 2007) and “ Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16; January 18, 1994 (The Japanese Institute of Certified Public Accountants, Committee of Accounting System) , revised March 30, 2007) became applicable to the consolidated quarterly financial reports of the fiscal year that starts on or after April 1, 2008. Following this change, Capcom is applying these accounting standards as of the first quarter of the current fiscal year, and using the accounting procedures of the ordinary sales transaction.

For the depreciation of the capital leases that do not transfer ownership of the leased assets to lessees, Capcom adopted the straight-line method that uses leasing term as asset life with residual value at zero. However, when the residual value of the leased assets is guaranteed in the lease agreement, the guaranteed residual value is recorded.As for those capital leases that do not transfer ownership of the leased assets to lessees and whose lease commencement date is before the beginning of the current quarter, we apply accounting procedures based on the lease-related method as before. The financial impact this change may cause on business results is immaterial.

5. Summary of Consolidated Financial Statements

(1) Summary of Consolidated Balance Sheets

(Millions of yen)

| | This Nine Months (as of December 31, 2008) | Previous Fiscal Year (as of March 31, 2008) |
|--|---|--|
| Assets | | |
| Current assets | | |
| Cash on hand and in banks | 23,783 | 32,763 |
| Notes and accounts receivable, trade | 7,093 | 14,182 |
| Commercial products | 1,184 | 1,813 |
| Work-in-progress | 2,526 | 774 |
| Raw materials and inventory goods | 2,748 | 1,556 |
| Work-in-progress for game software | 12,488 | 6,241 |
| Other | 4,839 | 5,629 |
| Allowance for doubtful accounts | (254) | (456) |
| Total current assets | 54,410 | 62,505 |
| Fixed assets | | |
| Tangible fixed assets, net of accumulated depreciation | 15,780 | 15,253 |
| Intangible assets | | |
| Goodwill | 532 | 894 |
| Other | 2,984 | 3,197 |
| Total intangible assets | 3,516 | 4,091 |
| Investments and other assets | | |
| Other | 12,399 | 12,935 |
| Allowance for doubtful accounts | (1,120) | (1,179) |
| Total investments and other assets | 11,279 | 11,755 |
| Total fixed assets | 30,576 | 31,101 |
| Total assets | 84,986 | 93,606 |

(Millions of yen)

| | This Nine Months (as of December 31, 2008) | Previous Fiscal Year (as of March 31, 2008) |
|---|---|--|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable, trade | 4,579 | 7,303 |
| Short-term borrowings | 770 | 2,015 |
| Current portion of convertible bonds | 14,993 | 14,997 |
| Current portion of convertible bonds issued after April 1st, 2002 | 400 | - |
| Accrued income taxes | 217 | 892 |
| Accrued bonuses | 731 | 2,057 |
| Allowance for sales returns | 294 | 405 |
| Other | 6,760 | 7,147 |
| Total current liabilities | 28,747 | 34,818 |
| Long-term liabilities | | |
| Convertible bonds issued after April 1st, 2002 | - | 1,220 |
| Long-term borrowings | 2,315 | 1,470 |
| Accrued retirement benefits for employees | 1,139 | 1,048 |
| Accrued retirement benefits for directors | 384 | 372 |
| Other | 1,777 | 1,018 |
| Total long-term liabilities | 5,617 | 5,128 |
| Total liabilities | 34,364 | 39,946 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 33,039 | 32,626 |
| Capital surplus | 21,129 | 20,344 |
| Retained earnings | 9,115 | 11,631 |
| Treasury stock | (8,013) | (8,155) |
| Total shareholders' equity | 55,270 | 56,447 |
| Valuation and translation adjustments | | |
| Net unrealized gain on securities, net of tax | 34 | 127 |
| Deferred hedges, net of tax | - | 0 |
| Cumulative translation adjustments | (4,682) | (2,914) |
| Total valuation and translation adjustments | (4,648) | (2,787) |
| Total net assets | 50,621 | 53,660 |
| Total liabilities and net assets | 84,986 | 93,606 |

(2) Summary of Consolidated Statements of Income

| | (Millions of yen) |
|---|---------------------------------------|
| | Nine Months ended December 31,2008 |
| Net sales | 47,223 |
| Cost of sales | 31,329 |
| Gross profit | 15,894 |
| Reversal of allowance for sales returns | 110 |
| Net gross profit | 16,004 |
| Selling, general and administrative expenses | 13,391 |
| Operating Income | 2,613 |
| Non-operating income | |
| Interest income | 672 |
| Dividend income | 21 |
| Other | 98 |
| Total Non-operating income | 791 |
| Non-operating expenses | |
| Interest expense | 61 |
| Provision for allowance for doubtful accounts | 178 |
| Exchange loss, net | 939 |
| Investment loss on equity method | 4 |
| Other | 113 |
| Total Non-operating expenses | 1,297 |
| Ordinary income | 2,107 |
| Special gains | |
| Reversal of allowance for doubtful accounts | 67 |
| Gain on collection of receivable written off | 58 |
| Total Special gains | 126 |
| Special losses | |
| Loss on sales and/or disposal of fixed assets | 30 |
| Loss on settlement of litigation | 131 |
| Impairment loss | 1,146 |
| Other | 203 |
| Total Special losses | 1,512 |
| Net income before income taxes | 721 |
| Income taxes-current | 175 |
| Income taxes-deferred | 367 |
| Total Income taxes | 542 |
| Net income | 179 |

(3) Summary of Statements of Cash Flows

(Millions of yen)

| | Nine Months ended December 31,2008 |
|--|---------------------------------------|
| Cash flows from operating activities | |
| Net income before income taxes | 721 |
| Depreciation and amortization | 3,016 |
| Impairment loss | 1,146 |
| Amortization of goodwill | 364 |
| Decrease in allowance for doubtful accounts | (255) |
| Interest and dividend income | (693) |
| Interest expense | 61 |
| Exchange loss, net | 934 |
| Investment loss on equity method | 4 |
| Loss on sales and/or disposal of fixed assets | 30 |
| Loss on settlement of litigation | 131 |
| Decrease in accounts receivable, trade | 6,801 |
| Increase in inventories | (2,224) |
| Increase in work-in-progress for game software | (6,376) |
| Decrease in accounts payable, trade | (2,520) |
| Decrease in other current liabilities | (825) |
| Other | (1,529) |
| Sub total | <u>(1,211)</u> |
| Interest and dividends received | 718 |
| Interest paid | (64) |
| Payment for settlement of litigation | (131) |
| Income taxes paid | (950) |
| Net cash provided by operating activities | <u>(1,640)</u> |
| Cash flows from investing activities | |
| Payment for acquisition of tangible fixed assets | (2,006) |
| Proceeds from sales of tangible fixed assets | 33 |
| Payment for acquisition of intangible fixed assets | (842) |
| Proceeds from sales of investments in securities | 4 |
| Payment for purchase of shares in a subsidiary | (18) |
| Other | 325 |
| Net cash used in investing activities | <u>(2,503)</u> |
| Cash flows from financing activities | |
| Repayments of short-term borrowings | (6) |
| Proceeds from long-term borrowings | 1,400 |
| Repayments of long-term borrowings | (1,867) |
| Payment for repurchase of treasury stock | (142) |
| Proceeds from sales of treasury stock | 1 |
| Dividend paid | (2,149) |
| Other | (215) |
| Net cash used in financing activities | <u>(2,979)</u> |
| Effect of exchange rate changes on cash and cash equivalents | (2,158) |
| Net Decrease in cash and cash equivalents | (9,282) |
| Cash and cash equivalents at beginning of year | 32,763 |
| Increase due to change in scope of consolidated subsidiaries | 302 |
| Cash and cash equivalents at end of year | <u>23,783</u> |

Effective from the current fiscal year, Capcom has applied “Accounting Standard for Quarterly Financial Reporting”(Accounting Standard Board of Japan(ASBJ) Statement No. 12; March 14, 2007) and “Guidance on Accountingfinancial report is prepared based on the “Regulations of Consolidated Quarterly Financial Statements”.

(4) Note of Going Concerns' Premise

Nine months ended December 31, 2008 : No

(5) Segment Information

[Operating segments]

Nine months ended December 31, 2008

(Millions of Yen)

| | HomeVideo Games | Arcade Operations | Arcade Games Sales | Contents Expansion | Other Businesses | Total | Elimination and corporate | Consolidated total |
|--|-----------------|-------------------|--------------------|--------------------|------------------|--------|---------------------------|--------------------|
| Net sales and operating profit or loss | | | | | | | | |
| Net sales | | | | | | | | |
| (1) External customers | 26,709 | 10,039 | 4,841 | 3,801 | 1,832 | 47,223 | (-) | 47,223 |
| (2) Inter-segment sale or transfer | - | - | 7 | - | - | 7 | (7) | - |
| Total | 26,709 | 10,039 | 4,848 | 3,801 | 1,832 | 47,230 | (7) | 47,223 |
| Operating expense | 22,304 | 9,926 | 4,467 | 3,613 | 1,199 | 41,510 | 3,099 | 44,609 |
| Operating income or loss | 4,404 | 113 | 381 | 188 | 633 | 5,720 | (3,107) | 2,613 |

[Geographic segments]

Nine months ended December 31, 2008

(Millions of Yen)

| | Japan | North America | Europe | Other Regions | Total | Elimination and corporate | Consolidated total |
|--|--------|---------------|--------|---------------|--------|---------------------------|--------------------|
| Net sales and operating profit or loss | | | | | | | |
| Net sales | | | | | | | |
| (1) External customers | 37,149 | 5,471 | 3,955 | 646 | 47,223 | (-) | 47,223 |
| (2) Inter-segment sale or transfer | 1,738 | 1,361 | - | 25 | 3,124 | (3,124) | - |
| Total | 38,887 | 6,833 | 3,955 | 671 | 50,348 | (3,124) | 47,223 |
| Operating expense | 32,508 | 7,670 | 3,843 | 622 | 44,645 | (36) | 44,609 |
| Operating income or loss | 6,379 | (837) | 111 | 48 | 5,702 | (3,088) | 2,613 |

[Overseas sales]

Nine months ended December 31, 2008

(Millions of Yen)

| | North America | Europe | Other Regions | Total |
|--|---------------|--------|---------------|--------|
| Overseas sales | 5,858 | 3,713 | 1,212 | 10,784 |
| Consolidated net sales | - | - | - | 47,223 |
| Percentage of foreign sales included in consolidated net sales | 12.4 | 7.9 | 2.6 | 22.8 |

(6) Significant change in the number of shareholders' equity

Nine months ended December 31, 2008 : No

Reference

(1) Summary of Quarter Consolidated Statements of Income

(Millions of Yen)

| Account Title | Nine Months ended December 31, 2007 |
|---|--|
| | Amount |
| Net sales | 51,655 |
| Cost of sales | 32,908 |
| Gross profit | 18,746 |
| Reversal of allowance for sales returns | 78 |
| Net gross profit | 18,825 |
| Selling, general and administrative expenses | 12,724 |
| Operating Income | 6,101 |
| Non-operating income | 1,161 |
| 1 Interest income | 918 |
| 2 Dividend income | 21 |
| 3 Other | 221 |
| Non-operating expenses | 742 |
| 1 Interest expense | 54 |
| 2 Exchange loss, net | 550 |
| 3 Provision for allowance for doubtful accounts | 83 |
| 4 Other | 53 |
| Ordinary income | 6,520 |
| Special gains | 669 |
| 1 Gain on sales of fixed assets | 401 |
| 2 Gain on collection of receivable written off | 233 |
| 3 Gain on sales of investments in securities | 34 |
| Special losses | 808 |
| 1 Loss on sales and/or disposal of fixed assets | 6 |
| 2 Provision for retirement benefits to directors | 350 |
| 3 Loss on revaluation of investments in securities | 25 |
| 4 Loss on settlement of litigation | 425 |
| Net income before income taxes | 6,381 |
| Corporate tax and other tax | 2,824 |
| Minority interests in loss of consolidated subsidiaries | 16 |
| Net income | 3,574 |

(2) Summary of Statements of Cash Flows

(Millions of Yen)

| | Nine Months ended December 31, 2007 |
|--|--|
| | Amount |
| Cash flows from operating activities : | |
| 1 Net income before income taxes | 6,381 |
| 2 Depreciation and amortization | 2,362 |
| 3 Increase in allowance for doubtful accounts | 9 |
| 4 Interest and dividend income | (939) |
| 5 Interest expense | 54 |
| 6 Gain on sales of fixed assets | (401) |
| 7 Gain on sales of investment in securities | (34) |
| 8 Loss on revaluation of investments in securities | 25 |
| 9 Decrease in accounts receivable, trade | 703 |
| 10 Increase in inventories | (974) |
| 11 Increase in work-in-progress for game software | (4563) |
| 12 Decrease in accounts payable, trade | (279) |
| 13 Other | (1179) |
| Sub total | 1,164 |
| 14 Interest and dividends received | 939 |
| 15 Interest paid | (46) |
| 16 Income taxes paid | (955) |
| Net cash provided by operating activities | 1,102 |
| Cash flows from investing activities | |
| 1 Payment for acquisition of tangible fixed assets | (2264) |
| 2 Proceeds from sales of tangible fixed assets | 935 |
| 3 Payment for acquisition of intangible fixed assets | (1074) |
| 4 Payment for purchase of investments in securities | (562) |
| 5 Proceeds from sales of investments in securities | 34 |
| 6 Collection of loans receivable | 1,460 |
| 7 Other | (733) |
| Net cash used in investing activities | (2204) |
| Cash flows from financing activities | |
| 1 Repayments of long-term borrowings | (455) |
| 2 Proceeds from sales of treasury stock | 0 |
| 3 Payment for repurchase of treasury stock | (14) |
| 4 Dividends paid by parent company | (1732) |
| Net cash used in financing activities | (2201) |
| Effect of exchange rate changes on cash and cash equivalents | (629) |
| Net Decrease in cash and cash equivalents | (3933) |
| Cash and cash equivalents at beginning of year | 35,020 |
| Cash and cash equivalents at end of year | 31,087 |

(3) Segment Information

[Operating segments]

Nine months ended December 31, 2007

(Millions of Yen)

| | HomeVideo Games | Arcade Operations | Arcade Games Sales | Contents Expansion | Other Businesses | Total | Elimination and corporate | Consolidated total |
|--|--------------------|----------------------|-----------------------|-----------------------|---------------------|--------|------------------------------|-----------------------|
| Net sales and operating profit or loss | | | | | | | | |
| Net sales | | | | | | | | |
| (1) External customers | 30,852 | 9,577 | 2,170 | 7,042 | 2,012 | 51,655 | (-) | 51,655 |
| (2) Inter-segment sale or transfer | - | - | 28 | - | - | 28 | (28) | - |
| Total | 30,852 | 9,577 | 2,198 | 7,042 | 2,012 | 51,683 | (28) | 51,655 |
| Operating expense | 24,812 | 9,004 | 2,891 | 4,759 | 1,646 | 43,114 | 2,439 | 45,553 |
| Operating income or loss | 6,039 | 573 | (692) | 2,282 | 366 | 8,569 | (2,468) | 6,101 |