



Capcom Co., Ltd.
(Tokyo and Osaka Exchanges,
First Section, 9697)

Forecast revisions for year ending March 31, 2010
Plan for fiscal year ending March 31, 2011

Precautions Concerning Forward-looking Statements

Strategies, plans, outlooks and other statements that are not historical facts are based on assumptions that use information currently available and reasonable judgments. Actual performance may be significantly different from these statements for a number of reasons.

In the entertainment industry, which includes Capcom, performance may be highly volatile because of diversifying user needs and other changes in market conditions. Items that can affect Capcom's performance include: (1) the number of hit titles and sales volume in the Home Video Game Business, which accounts for the majority of sales; (2) progress in developing home video games; (3) the popularity of home video game players; (4) sales outside Japan; (5) changes in stock prices and exchange rates; (6) alliances with other companies concerning product development, sales and other operations; and (7) changes in market conditions. Please note that this is not a complete list of factors that can influence Capcom's operating results.



< Highlights of forecast revisions >

- 1. Launch of major titles postponed for strategic reasons**
- 2. Decisive actions concerning poorly performing businesses**
- 3. Posted refund concerning transfer pricing tax system**
- 4. Repurchase of stock**
- 5. Outlook for next fiscal year and major titles lineup**



**Revisions to forecast for fiscal year
ending March 31, 2010**

Consolidated Forecast Revisions (1)

Forecast for fiscal year ending March 31, 2010

(Million Yen)

	Previous Forecast	Revised Forecast	Difference	Difference (%)
Net Sales	95,000	65,000	(30,000)	(31.6%)
Operating Income	15,500	6,000	(9,500)	(61.3%)
Ordinary Income	14,700	5,000	(9,700)	(66.0%)
Net Income	8,500	2,000	(6,500)	(76.5%)

- Reduced sales and earnings forecasts due to strategic decision to push back launches of major titles originally scheduled for the 4th quarter
- Plan to post an special loss of about 4.5 billion yen for restructuring the pachinko & pachislo business and other operations
- Refund of taxes paid in prior years of about 1.8 billion yen due to a mutual agreement with U.S. tax authorities concerning a revision disposition based on the transfer pricing tax system

Consolidated Forecast Revisions (2)

Forecast for fiscal year ending March 31, 2010 (By Business Segments)

(Million Yen)

	Net Sales			Operating Income		
	Previous Forecast	Revised Forecast	Difference	Previous Forecast	Revised Forecast	Difference
Home Video Games	72,000	43,500	(28,500)	19,000	Non-disclosed	
Arcade Operation	12,000	11,500	(500)	600		
Arcade Games Sales	2,200	2,200	-	(400)		
Contents Exspansion	5,500	4,800	(700)	400		
Other Businesses	3,300	3,000	(300)	900		
Elimination and Corporate	-	-	-	(5,000)		
Consolidated Total	95,000	65,000	(30,000)	15,500		

- Sales and operating income forecasts have been reduced, primarily in the home video games business
- “Elimination and Corporate” is expected to be less than the original forecast of 5.0 billion yen because of cost reductions

Consolidated Forecast Revisions (3)

Major titles lineup for fiscal year ending March 31, 2010

(Thousand units)

Title	Platform	Previous Forecast	Revised Forecast
Lost Planet 2	PS3 Xbox 360	3,700	-
Dark Void	PS3 Xbox 360	1,300	600
Super Street Fighter	PS3 Xbox 360	1,100	-
Monster Hunter Tri overseas	Wii	500	-
Total Sales Units Plan	-	20,000	14,000

< Reasons for postponing launches of major titles >

- Avoid competing with the major titles that other companies plan to introduce in the 4th quarter
- Preserve the value of Capcom's titles and maximize sales volume
- Expand the lineup of titles in the next fiscal year and afterward

Consolidated Forecast Revisions (4)

Special Losses

(Million Yen)

	First half	FY3/10 forecast
Special Losses	23	approx. 4,500

< Reasons for Special losses >

- Decisive measures targeting the poorly performing pachinko & pachislo business and arcade operations

In pachinko & pachislo business, valuation loss on parts and materials and expense for suspension of new product development activities

In arcade operations, closed consistently unprofitable locations

- Capcom will downsize these two businesses and channel more resources to the home video game and online game operations in the fiscal year ending March 31, 2011

Consolidated Forecast Revisions (5)

Stock repurchases

< Summary of repurchases >

- **Type of shares : common stock**
- **Number of shares : up to 3,000,000 shares**
- **Total cost : up to 4.5 billion yen**
- **Repurchase period : January 4, 2010
through January 29, 2010**

Note:

As of December 21, 2009, there were 67,723,244 shares of stock issued, including 7,133,542 shares of treasury stock.



Forecast for fiscal year ending March 31, 2011

Forecast for fiscal year ending March 31, 2011 (1)

Forecast for fiscal year ending March 31, 2011

(Million Yen)

	FY2010 ending Mar. 31, 2011 (Forecast)	FY2009 ending Mar. 31, 2010 (Forecast)	Difference	Difference (%)
Net Sales	approx. 95,000	65,000	30,000	46.2%
Operating Income	approx. 15,000	6,000	9,000	150.0%
Ordinary Income	approx. 14,000	5,000	9,000	180.0%
Net Income	approx. 8,000	2,000	6,000	300.0%

* More information about the forecast for the next fiscal year will be provided in the earnings release (kessan tanshin) for the fiscal year ending March 31, 2010.

- **Aiming for stable and sustained growth by effectively using the titles where introductions have been strategically postponed**
- **Plan to increase investments in the online game business to make this a supplementary source of earnings**
- **Aiming to improve profitability of arcade operations by using structural reforms**

Forecast for fiscal year ending March 31, 2011 (2)

Plan for title lineup in fiscal year ending March 31, 2011

	Title
Postponed titles	Lost Planet 2
	Super Street Fighter
	Monster Hunter Tri overseas
Brand-new titles	Dead Rising 2
	Other Major Titles

- Introductions of the above titles will be spread across all four quarters of the fiscal year to prevent an excessive contribution from new titles in the 4th quarter.