



Capcom Co., Ltd.

**(Tokyo and Osaka Exchanges,
First Section, 9697)**

1st Quarter Report

Fiscal year ending March 31, 2013

Forward-looking Statements

Information in these materials concerning strategies, plans, outlooks and all other items except historical facts are forward-looking statements. These statements are based on certain assumptions that use reasonable judgments in accordance with information that is currently available. Actual performance may differ significantly from these statements for a variety of reasons.

The operating results of all companies in the video and arcade game business may be highly volatile due to shifts in market conditions caused by changing user needs and other factors. Factors that may affect operating results include: 1) the ability to introduce hit products, and the volume of sales, in the home video games business, which accounts for the majority of sales; 2) progress in developing new home video games; 3) the popularity of home video game players; 4) sales outside Japan; 5) changes in stock prices and foreign exchange rates; 6) alliances with other companies concerning product development, sales and other operations; and 7) changes in market conditions.

Please note that there are many other unforeseeable factors that can have an effect on operating results.

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Financial Highlights

Financial Highlights -Consolidated Business Results (1)

■ 3 Months Results in FY6/11vs. FY6/12

(Million yen)

	2011/6	2012/6	Difference
Net sales	11,953	18,620	6,667
Operating income	775	2,669	1,894
Ordinary income	546	2,209	1,663
Net income	338	1,320	982

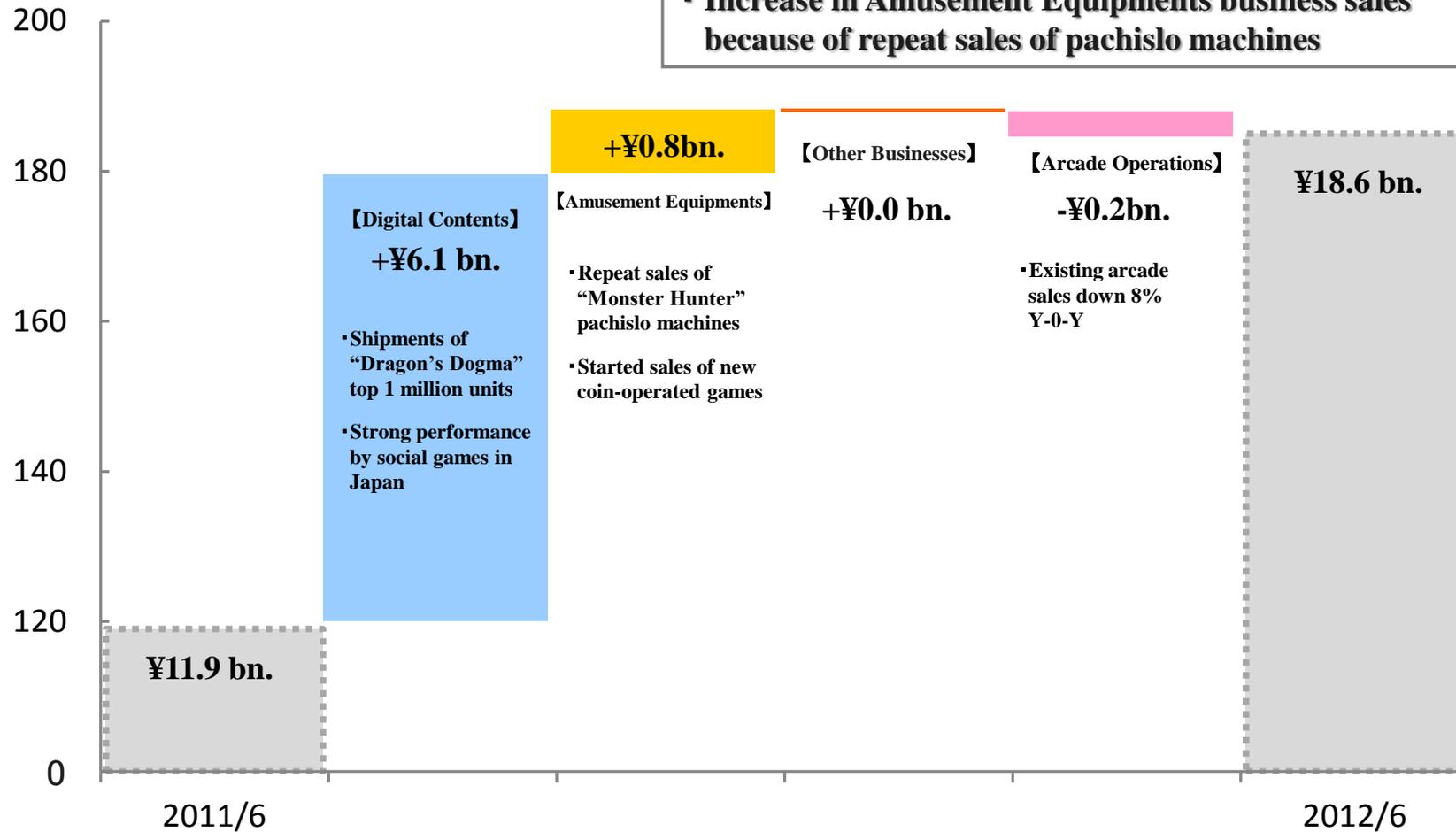
- In Digital Contents business, sales and earnings were higher mainly because of the launch of a major package software title and the growth of online contents.
- Large increase in ordinary income despite a 453 million yen foreign exchange loss.
- First quarter performance in line with outlook for record-high fiscal year earnings target.

Financial Highlights -Consolidated Business Results (2)

■ 2012/6 Net Sales (Fact of Increase and Decrease)

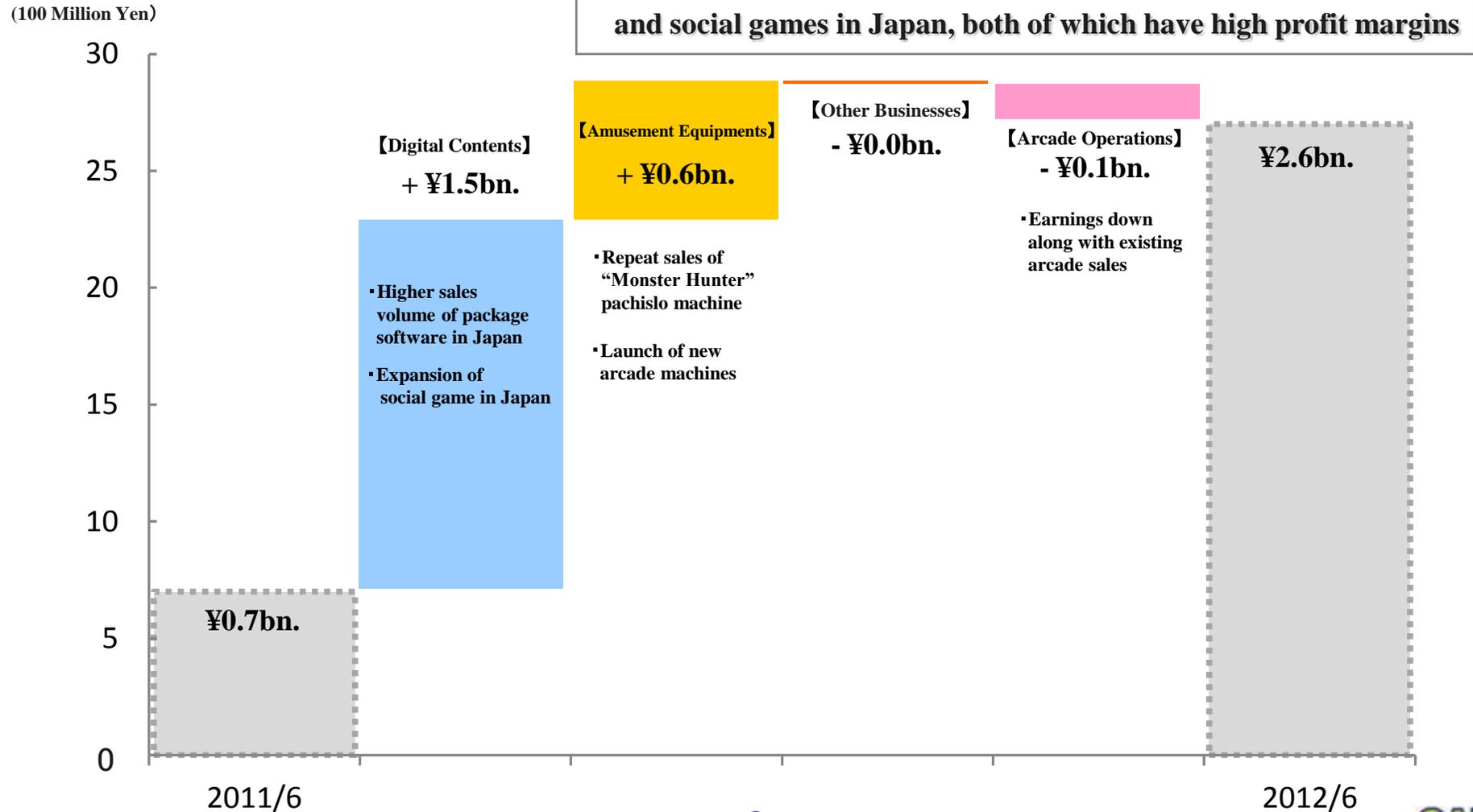
(100 Million Yen)

- Large increase in sales due to major titles in the Digital Contents business and higher online contents sales
- Increase in Amusement Equipments business sales because of repeat sales of pachislo machines



Financial Highlights -Consolidated Business Results (3)

■ 2012/6 Operating Income (Fact of Increase and Decrease)



Financial Highlights – Balance Sheet

■ Major Changes in Balance Sheet Items

(Million yen)

Assets	2012/3	2012/6	Difference
Notes and accounts receivable, trade	17,285	7,827	-9,458
Work-in-progress for game software	22,373	24,258	1,885

(1) Notes and accounts receivable, trade

- Decreased due to collection of receivables associated with the launch of a major title late in the previous fiscal year

(2) Work-in-progress for game software

- Continues to increase despite the introduction of major titles because of growth in the number of games under development

(Million yen)

Liabilities	2012/3	2012/6	Difference
Short-term borrowings	7,259	9,652	2,393

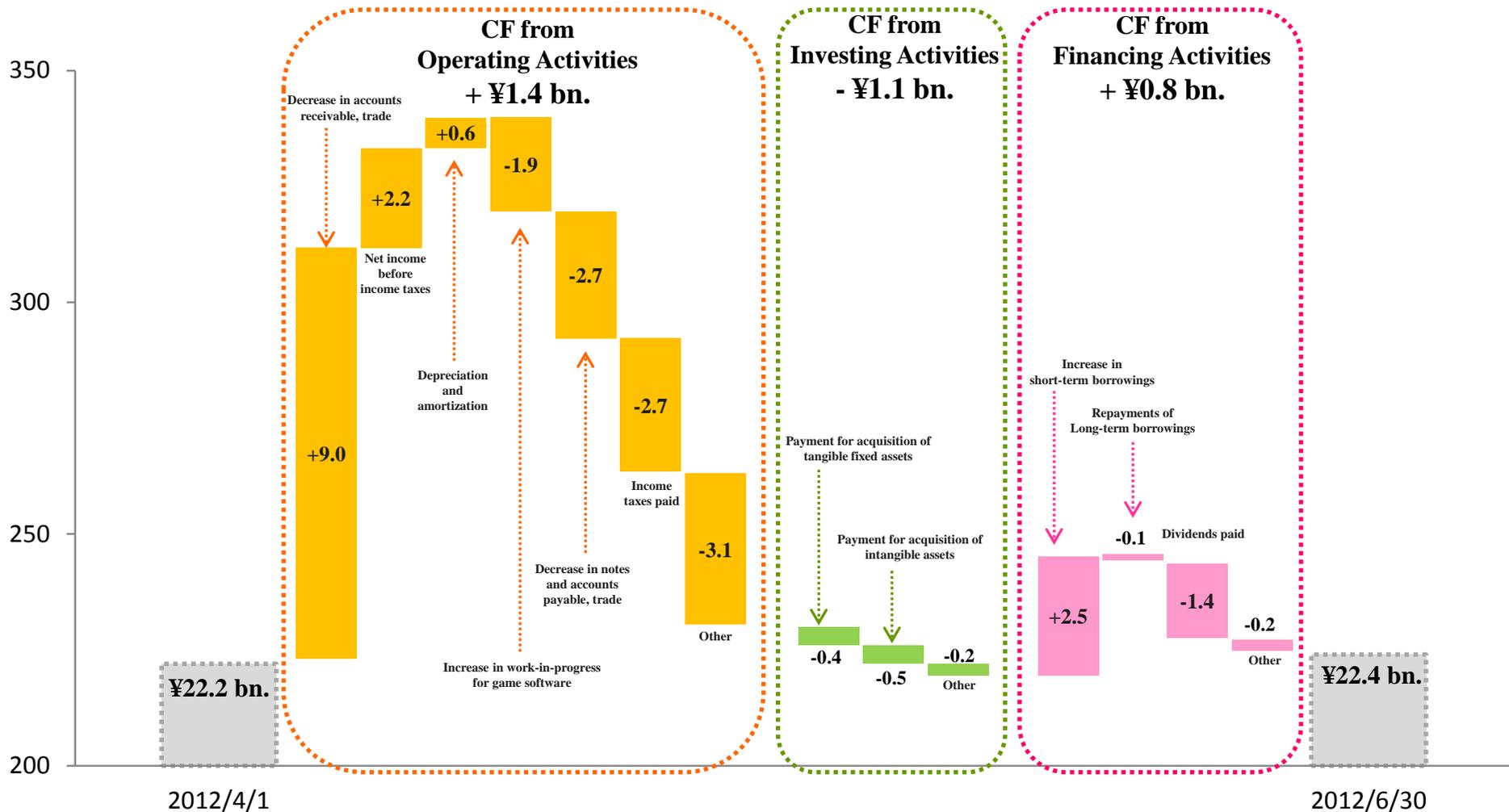
(3) Short-term borrowings

- Higher because of new loans

Financial Highlights - Consolidated Cash Flows

2012/6 Consolidated Cash Flows (Fact of Increase and Decrease)

(100 Million Yen)



Point of Financial Highlights

Growth Strategy Initiatives

■ Expansion of the home video game pipeline

- Global shipments of “Dragon’s Dogma” surpassed 1 million, setting the stage for creating a series of titles
- “Resident Evil 6” received high marks following E3’s preview (Nominated for media awards in 33 categories)

■ Strengthened the Online Games business, which has much growth potential

- Social games in Japan are contributing to earnings, especially “Minna to Monhan Card Master”
- Set up a development base in Taiwan to prepare for the full-scale start of operations in Asia

Business Segments

Business Segments -Digital Contents (1)

**Sales and earnings up from one year earlier
due to the launch of a major title and growth of online contents**

■ Digital Contents Performance

(100 million yen)

	2011/6	2012/6	2013/3 Plan
Net sales	76	137	800
Operating income	8	24	150
Operating margin	11.3%	17.5%	18.8%
(Composition)			
Package	40	84	570
Online Contents			
DLC	7	10	35
Mobile Contents	12	29	120
PC Other	17	14	75
Online Contents Total	36	53	230

Business Segments -Digital Contents (2)

**“Dragon’s Dogma” is performing well, particularly in Japan,
and shipments have surpassed 1 million units**

■ Sales of Major Titles for the 3 Months (Package)

(Unit: Thousand)

Platform	Title	Region	Released Date	Total
PS3 Xbox 360	Dragon's Dogma	Japan	5/24	1,050
		North America	5/22	
		Europe	5/25	
PS3 Xbox 360	Resident Evil: Operation Raccoon City	Japan	4/26	450
	*Repeat Sales in North America and Europe	North America	3/20	
		Europe	3/23	

*Sales for Japan include the entire Asian region.

Business Segments -Digital Contents (3)

Sales volume was higher than one year earlier due to the popularity of “Dragon’s Dogma”

■ Package Software Unit Sales for the 3 Months

(Unit: Thousand)

	2010/6	2011/6	2012/6	Difference
Titles	16	19	9	-10
Japan	1,100	800	1,100	300
North America	1,800	600	600	0
Europe	1,600	450	600	150
Asia	100	50	100	50
Total	4,600	1,900	2,400	500

(Composition) (Unit: Thousand)

	2010/6	2011/6	2012/6	Difference
Distribution titles	250	150	70	-80
Old titles	1,300	1,000	1,000	0

**Aggressively launched DLC (downloadable content) associated with major titles
PC Other made a consistent contribution due to large-scale updates of major titles**

■ Operating Highlights for the 3 Months (DLC)

- Additional content for major titles like “Resident Evil: Operation Raccoon City” and “Dragon’s Dogma” and downloads for older titles accounted for most sales.

■ Operating Highlights for the 3 Months (PC Other)

- Completed major updates to “Monster Hunter Frontier Online”
- Introduced “Browser Sengoku BASARA” as the first title for entering the PC browser market (June)
- Set up a development base in Taiwan with the aim of increasing earnings from operations in Asia

**Social games in Japan are driving growth
Beeline brand titles are also performing well**

Operating Highlights for the 3 Months (Mobile Contents)

- **Used the Capcom brand to enlarge the social game lineup in Japan**
 - ⇒ **Members for “Minna to Monhan Card Master” (Mobage) and four other titles surpassed 4.9 million.**
 - ⇒ **Started distribution in May of “Sengoku BASARA Card Heroes” (Mobage).**
- **Distributing social games globally through the Beeline brand**
 - ⇒ **Cumulative downloads are more than 65 million, mainly for “Smurfs’ Village”.**
 - ⇒ **Started distributing “Shrek’s Fairytale Kingdom” in June.**

Business Segments -Arcade Operations

Existing arcade sales down from one year earlier due to surge in 2011 of demand in Japan for leisure activities that are inexpensive, nearby and quick

■ Operating Highlights for the 3 Months

- Existing arcade sales down 8% year on year
- A temporary decline because of the drop following the upturn in inexpensive, nearby, quick leisure demand after the Great East Japan Earthquake

■ Business Results for the 3 Months

(100 million yen)

	2010/6	2011/6	2012/6	Difference
Net sales	26	28	25	-3
Operating income	1	5	3	-2
Operating margin	6.8%	18.4%	15.0%	-
Year-to-Year Ratio of existing arcades	92%	108%	92%	-

■ Number of Arcades

(Facilities)

	2011/3	2012/3	2012/6	2013/3(Plan)
New arcades	0	0	0	2
Closing arcades	1	0	1	3
Total	37	37	36	36

Business Segments - Amusement Equipments

Large increases in sales and profit because of repeat sales in P&S business and the introduction of new models in Arcade Game Sales business

Operating Highlights for the 3 Months (P&S business)

- No new titles
- Performance was supported mainly by repeat sales of the “Monster Hunter” pachislo machine, which was introduced in the previous fiscal year.

Operating Highlights for the 3 Months (Arcade Games Sales business)

- Launched the new coin-operated game “Mario Party Kuru-Kuru Carnival”.

Business Results for the 3 Months

(100 million yen)

	2010/6	2011/6	2012/6	Difference
Net sales	2	8	17	9
Operating income	-1	0	6	6
Operating margin	-67.1%	0.7%	40.4%	-

*Pachinko & Pachislo is about 60% of net sales, and Arcade Games Sales about 40%



**Forecast for fiscal year ending
March 31, 2013**

Fiscal 2012 Forecasts

**First quarter performance is a good start toward reaching
the fiscal year forecast**

(million yen)

	3 months ended Jun. 30, 2012	Fiscal Year ending March 31, 2013 (Forecast)
Net sales	18,620	105,000
Operating income	2,669	15,800
Ordinary income	2,209	15,700
Net income	1,320	9,800

- **No revisions to the forecast announced on May 7, 2012**
- **Forecast fiscal year earnings per share of ¥170.19**
- **Plan to pay dividend per share of ¥40 for the current fiscal year, the sum of a ¥15 first half dividend and ¥25 year-end dividend**



Additional Information

-Summary of Major Financial Information

Summary of Major Financial Information(1)

● Profit and Loss Sheet

(Unit: Million Yen)

	2011/3	2012/3	2012/3 Plan	%	2012/6
Net sales	97,716	82,065	105,000	127.9%	18,620
Gross profit	37,304	32,469	39,300	121.0%	7,922
% of Gross profit	38.2%	39.6%	37.4%	-	42.5%
Sales and G&A expenses	23,009	20,150	23,500	116.6%	5,253
Operating income	14,295	12,318	15,800	128.3%	2,669
% of Operating income	14.6%	15.0%	15.0%	-	14.3%
Ordinary income	12,861	11,819	15,700	132.8%	2,209
% of Ordinary income	13.2%	14.4%	15.0%	-	11.9%
Net income	7,750	6,723	9,800	145.8%	1,320
% of Net income	7.9%	8.2%	9.3%	-	7.1%

● Sales by Business Segments

(Unit: Million Yen)

		2011/3	2012/3	2012/3 Plan	%	2012/6
Digital Contents	Net sales	74,297	59,809	80,000	133.8%	13,740
	Operating income	13,865	12,887	15,000	116.4%	2,401
	Operating margin	18.7%	21.5%	18.8%	-	17.5%
Arcade Operations	Net sales	11,621	11,729	12,000	102.3%	2,575
	Operating income	1,131	1,787	1,900	106.3%	386
	Operating margin	9.7%	15.2%	15.8%	-	15.0%
Amusement Equipments	Net sales	7,903	7,663	10,000	130.5%	1,711
	Operating income	2,638	890	2,300	258.4%	691
	Operating margin	33.4%	11.6%	23.0%	-	40.4%
Other	Net sales	3,893	2,862	3,000	104.8%	593
	Operating income	1,098	877	800	91.2%	230
	Operating margin	28.2%	30.6%	26.7%	-	38.8%

*Results of Digital Contents business consists of past "Consumer Online Games business" and "Mobile Contents business".

● Sales by Geographic Area

(Unit: Million Yen)

	2011/3	2012/3	2012/3 Plan	%	2012/6
Japan	67,033	57,899	60,000	103.6%	14,254
North America	19,340	15,867	28,000	176.5%	2,716
Europe	9,966	6,930	15,000	216.5%	1,415
Others	1,376	1,368	2,000	146.2%	235

Summary of Major Financial Information(2)

●Sales Units Shipped <platform>

(Unit: '000 copies)

		2011/3	2012/3	2013/3 Plan	Difference	2012/6
Playstation 2	Total Titles	1	0	-	-	-
	Sub Total	300	200	-	-	20
Playstation 3	Total Titles	11	25	-	-	2
	Sub Total	6,200	6,200	-	-	1,350
PSP PS Vita	Total Titles	11	9	-	-	2
	Sub Total	6,200	1,900	-	-	100
Wii	Total Titles	5	4	-	-	-
	Sub Total	1,400	650	-	-	30
NintendoDS Nintendo 3DS	Total Titles	11	12	-	-	1
	Sub Total	1,700	3,300	-	-	100
Xbox 360	Total Titles	11	16	-	-	2
	Sub Total	4,200	3,200	-	-	600
PC & Others	Total Titles	3	2	-	-	2
	Sub Total	500	250	-	-	200
Total	Total Titles	53	68	75	7	9
	Sub Total	20,500	15,700	20,000	127.4%	2,400

●Sales Units Shipped <geographic>

(Unit: '000 copies)

	2011/3	2012/3	2013/3 Plan	Difference	2012/6
Japan	9,000	6,800	6,500	95.6%	1,100
North America	6,000	5,100	7,600	149.0%	600
Europe	5,000	3,300	5,200	157.6%	600
Asia	500	500	700	140.0%	100
Total	20,500	15,700	20,000	127.4%	2,400