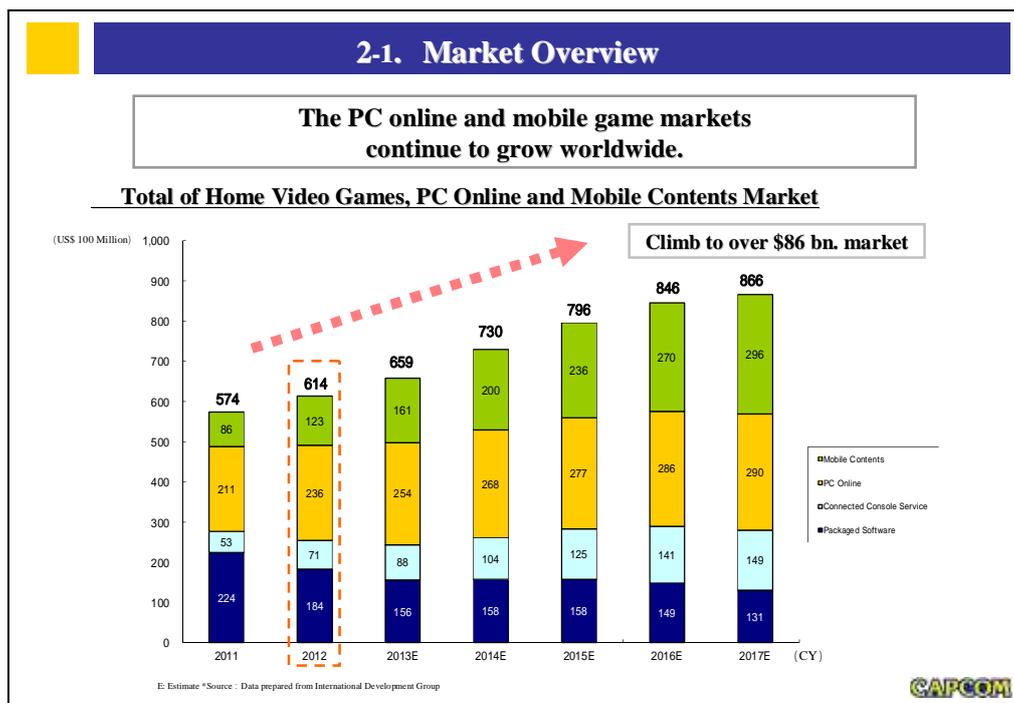


**Explanatory Summary of Financial Results Briefing  
of the Full Year Results for FY2012  
by President and Chief Operating Officer Haruhiro Tsujimoto  
(May 9, 2013)**

My presentation today will cover our strategies and plans for the fiscal year ending in March 2014.

I will begin with an explanation of the highlights of our growth strategy for the current fiscal year.

**P.6 Total of Home Video Games, PC Online and Mobile Contents Market**



I anticipate more growth of the video game market worldwide even as rapid and dramatic changes take place. This market is expected to grow to sales of 86.6 billion dollars in 2017, which is 40% higher than in 2012. Capcom will continue to concentrate on the growing mobile and PC online sectors by adapting with speed and flexibility to the diversification of hardware and market expansion in emerging countries.

In the home video game market, I believe that growth will be backed by digitally distributed content (DLC). Capcom will continue to channel resources to this sector in order to compete on a global scale.

## P.7 Strategies for Growth

**2-2. Strategies for Growth**

### **Strategies for Growth**

**Strategy 1: Improve the Consumer business**

- Reinforce the digital (DLC) strategy
- Raise development efficiency and quality by producing more titles internally
- Shorten the development-to-launch cycle for series titles

**Strategy 2: Strengthen the Online Games business, which has much growth potential**

- Sell social games for many types of platforms
- Increase measures to expand the Online business outside Japan
- Beef up development staff

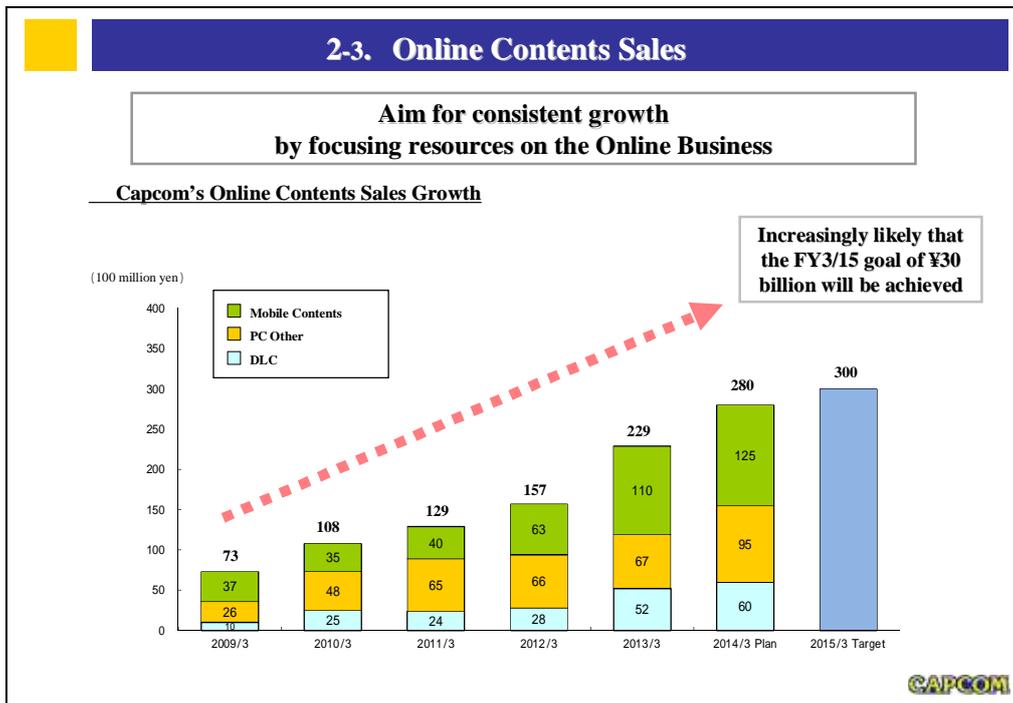


Capcom is pursuing two strategies for growth.

The first is improving our Consumer business. One goal is to improve profitability by strengthening our digital strategy. Another is producing more titles internally in order to develop games more efficiently and raise the quality of our games. In addition, we aim to shorten the development-to-launch cycle for releases of series titles in order to retain game series fans.

The second is strengthening our Online Games business, which has much growth potential. We will target the many types of hardware used to enjoy social games by offering both browser and app versions of our games. We will also move quickly to create games for e-book readers and other new game platforms. Next, to strengthen our Online business outside Japan, we will work on expanding operations in the rapidly growing markets of Asia. We also plan to increase our development workforce by about 100 every year. Most of the new developers will be assigned to the online sector in order to achieve these strategic goals.

**P.8 Online Contents Sales**



My next subject is our online contents sales growth.

Online contents sales are the sum of sales of 1) mobile contents 2) PC online products and 3) digitally distributed contents (DLC). Since the fiscal year ended March 2009, these sales have been climbing at an annual pace of more than 20%. We foresee more growth in the current fiscal year in all three categories with total sales rising to 28 billion yen.

Our original goal for online contents was sales of 30 billion yen in the March 2015 fiscal year. Since we will come close to this goal in the current fiscal year, I think we should aim for even higher sales.

## P.10 Forecasts for Year Ending in March 2014

**3. Forecasts for FY 2013**

**Higher sales and earnings are expected due to expansion of the online contents lineup, a strong performance by the Amusement Equipments business, and other reasons**

(Million yen)			
	2013/3	2014/3Plan	Difference
Net sales	94,075	97,000	2,925
Operating income	10,151	12,000	1,849
Operating margin	10.8%	12.4%	-
Ordinary income	10,944	11,700	756
Net income	2,973	6,800	3,827

**Aiming for higher sales and earnings primarily by pursuing the digital (DLC) strategy in the Consumer business and expanding the Online contents**  
**Earnings per share of common stock forecast is 118.91 yen**  
**Forecast a 15 yen interim dividend and 25 yen year-end dividend, resulting in 40 yen dividend for the fiscal year**



My next subject is our forecast for the fiscal year ending in March 2014.

In the fiscal year ending in March 2014, 1) we expect sales to increase 2,925 million yen to 97.0 billion yen, 2) operating income to increase 1,849 million yen to 12.0 billion yen, 3) resulting in an operating margin of 12.4%, 4) ordinary income to increase 756 million yen to 11.7 billion yen, 5) and net income to increase 3,827 million yen to 6.8 billion yen, 6) resulting in earnings per share of 118.91 yen. 7) We plan to pay a dividend of 40 yen per share, the sum of a 15 yen interim dividend and 25 yen year-end dividend. Our markets continue to change constantly. We are determined to make steady progress with our growth strategies of improving the consumer business and strengthening the Online Contents business. Furthermore, we expect a steady contribution to results from the pachinko & pachislo business, which grew significantly in the previous fiscal year.

In addition, since this is the first year of our revised medium-term plan, it is particularly important to reach our operating income target of 12 billion yen.

My next subject is our fiscal year strategy for the Digital Contents business.

## **P.12 Digital Contents – Strategic Objectives and Plan (1)**

**4-1. Digital Contents – Strategic Objectives and Plan (1)**

**Make the Consumer business more profitable  
by reinforcing the digital strategy**

**Packaged software and downloadable content (DLC)– Strategic Objectives**

- **Become more competitive overseas by deepening global ties between development and marketing operations**
  - Establish a new organizational framework for next-generation game hardware
  - Development is proceeding on “deep down”, a new title for the PlayStation 4
- **Launch several proven titles in Japan, a highly profitable market**
  - Planned introductions include “Monster Hunter 4”, “Ace Attorney 5” and “Sengoku BASARA 4”
- **Increase sales of downloadable content (DLC)**
  - Extend the lifetime of content by strategically launching additional content for major titles
  - Increase sales from main title downloads
  - Add more titles that are sold exclusively as downloads like “Dungeons & Dragons”



In the Consumer business, we plan to improve profitability by reinforcing our digital strategy.

First, to build an organization for next-generation business activities, we will establish stronger global links between our development and marketing operations. This will make us more competitive overseas. We have already announced the development of “deep down”, a new title for the PlayStation 4, a next-generation console. Work is now under way on this game.

In Japan, which is a highly profitable market, we plan to launch “Monster Hunter 4”, “Ace Attorney 5”, “Sengoku BASARA4” and other major titles with proven track records.

Increasing DLC sales is another priority. We will strategically introduce additional DLC for major titles with the aims of prolonging and maximizing earnings from each title. For main title downloads, we plan to increase the lineup of titles sold exclusively as downloads, such as a “Dungeons & Dragons” game.

**P.13 Digital Contents – Strategic Objectives and Plan (2)**

<b>4-1. Digital Contents – Strategic Objectives and Plan (2)</b>			
<b><u>FY2013 Sales Plan for Major Package Titles</u></b>			
(Thousand units)			
Title	Region	Releasing Date	Plan
3DS <b>Monster Hunter 4</b>	Japan	Summer 2013	2,800
PS3 Xbox 360 Wii U PC <b>Resident Evil Revelations</b>	Japan	5/23	1,200
	North America	5/21	
	Europe	5/24	
PS3 Xbox 360 <b>Lost Planet 3</b>	Japan	8/29	1,200
	North America	8/27	
	Europe	8/30	

\*Japan includes sales in other Asian countries



My next subject is our sales plan for major package titles.

We plan to release “Monster Hunter 4” in the summer of 2013 and plan on sales of 2.8 million units. We will start selling “Resident Evil Revelations Unveiled Edition” in North America on May 21 followed by launches in Europe and Japan. The sales plan is 1.2 million units worldwide. The scheduled release date for “Lost Planet 3” in North America is August 27 followed by Europe and Japan and we plan on sales of 1.2 million units worldwide.

Our sales plan in the previous fiscal year for “Monster Hunter 4” was 2 million units. We have raised this figure to 2.8 million units mainly for two reasons. First is the long repeat sales period following the launch. Second is the higher quality of the game due to our decision to push back its introduction. Sales plans for the other titles are based on our view of current market conditions.

**P.14 Digital Contents – Strategic Objectives and Plan (3)**

**4-1. Digital Contents – Strategic Objectives and Plan (3)**

**Anticipate a decline in sales volume as a cyclical market downturn and business restructuring take place at once**

**FY2013 Package Software Unit Sales Plan**

(Thousand units)				
	2012/3	2013/3	2014/3Plan	Difference
Titles (units)	68	46	30	-16
Japan	6,800	4,500	6,300	1,800
North America	5,100	5,400	4,000	-1,400
Europe	3,300	3,600	2,400	-1,200
Asia	500	500	300	-200
<b>Total</b>	<b>15,700</b>	<b>14,000</b>	<b>13,000</b>	<b>-1,000</b>

(Composition)		(Thousand units)		
	2012/3	2013/3	2014/3Plan	Difference
Distribution titles	1,250	550	750	200
Old titles	3,900	3,900	3,000	-900

\* "Titles" are the number of the new package titles released during the fiscal year

For package software units volume, we expect a 1 million decrease to 13 million units in the fiscal year ending in March 2014. This is because a cyclical market downturn is occurring at the same time as our business restructuring measures. We expect a decrease of 16 in the number of titles to 30.

By region, we anticipate a 1.8 million increase to 6.3 million units in Japan due mainly to the contribution of “Monster Hunter 4”. In other regions, we expect a downturn in sales volume because of the high volume one year earlier backed by “Resident Evil 6” and other popular titles.

For titles of other companies that we distribute, we forecast a 200,000 unit increase to 750,000 units. The plan for old and lower-priced titles is 3 million units, down 900,000 from the previous fiscal year.

**P.15 Digital Contents – Strategic Objectives and Plan (4)**

**4-1. Digital Contents – Strategic Objectives and Plan (4)**

**The goal is to grow along with the market  
by hiring more developers for online contents**

**Mobile Contents (Beeline Brand) – Strategic Objectives**

- **Continue to supply titles worldwide for the family user segment**
  - Cumulative Beeline brand downloads have surpassed 100 million
  - The brand’s flagship title “Smurfs’ Village” (iOS, Android) is still in the top 25
  - Activities target e-book readers and many other types of hardware
- **Reinforce the four-region development infrastructure  
(North America, Europe, Thailand, Japan)**
  - Fully start operations of “Beeline Interactive Thailand Co., Ltd.”
  - Plan to distribute “Snoopy2 (tentative)” of winter in 2013



My next subject is our strategy for mobile contents. For our entire Online Contents business, our goal is to grow along with expansion of the market by increasing the number of developers for online contents.

For the Beeline brand, our strategy is to continue distributing titles that target the family user segment, which is where this brand is strongest worldwide. The brand is growing steadily; cumulative downloads were more than 100 million at the end of March 2013. “Smurfs’ Village”, this brand’s major title, still ranks among the 25 top selling games and is expected to make another consistent contribution to earnings this year. Activities involving Beeline will also quickly reflect the increasing use of e-book readers and other types of platform.

Beeline Interactive Thailand, which was established in the previous fiscal year, will begin full-scale operations this fiscal year. This will increase Beeline development bases to four locations, enabling us to further strengthen the product lineup. We plan to start distributing a game tentatively titled “Snoopy 2” in 2013 winter.

## P.16 Digital Contents – Strategic Objectives and Plan (5)

**4-1. Digital Contents – Strategic Objectives and Plan (5)**

**The goal is to grow along with the market  
by hiring more developers for online contents**

**Mobile Contents (Capcom Brand) – Strategic Objectives**

- **Social games using primarily powerful existing brands**
  - Activities for both apps and browsers using the Osaka and Tokyo development bases
  - Increase the internal production workforce to introduce more titles

**PC Other – Strategic Objectives**

- **Use major updates of core titles to become more profitable**
  - PC online game “Monster Hunter Frontier G” was launched on April 17, 2013
  - Plan to launch PC browser game “Onimusha Soul” in the new platform
- **Initiatives for overseas growth**
  - Launch “Monster Hunter Online” in China by collaborating with Tencent Holdings Limited
  - Plan to start beta testing in 2013
  - Start distributing the “Onimusha soul” PC browser game in Taiwan
  - Started beta testing on April 30, 2013



My next subject is our strategy for the Capcom brand.

For the Capcom brand, we will sell social games that primarily use our current major brands. We will use our Osaka and Tokyo development bases to develop both app and browser versions of games. Osaka, which is skilled in developing rich content, will concentrate mainly on app versions. In addition, we plan to increase the number of developers in order to introduce more titles and raise the quality of our games.

In the PC and others sector, which includes PC online games, we plan to increase earnings mainly by significantly updating core titles. We started offering the PC online game “Monster Hunter Frontier Online G” on April 17, 2013 and the title’s initial performance is strong. In addition, we will offer versions of the “Onimusha Soul” browser game for new platforms.

For overseas growth, we will use collaboration with Tencent Holdings of China to start selling in China “Monster Hunter Online”, a game already on sale in other regions. We plan to start a beta testing in 2013. We plan to start selling “Onimusha Soul” in Taiwan, too. Beta testing started on April 30, 2013 and is going well. Due to the expected contributions of these titles, we expect a big increase in PC and others sales from 6.7 billion yen in the previous fiscal year to 9.5 billion yen.

**P.17 Digital Contents – Strategic Objectives and Plan (6)**

**4-1. Digital Contents – Strategic Objectives and Plan (6)**

**Expansion of online contents is expected to lead to growth in sales and earnings**

**Digital Contents Plan**

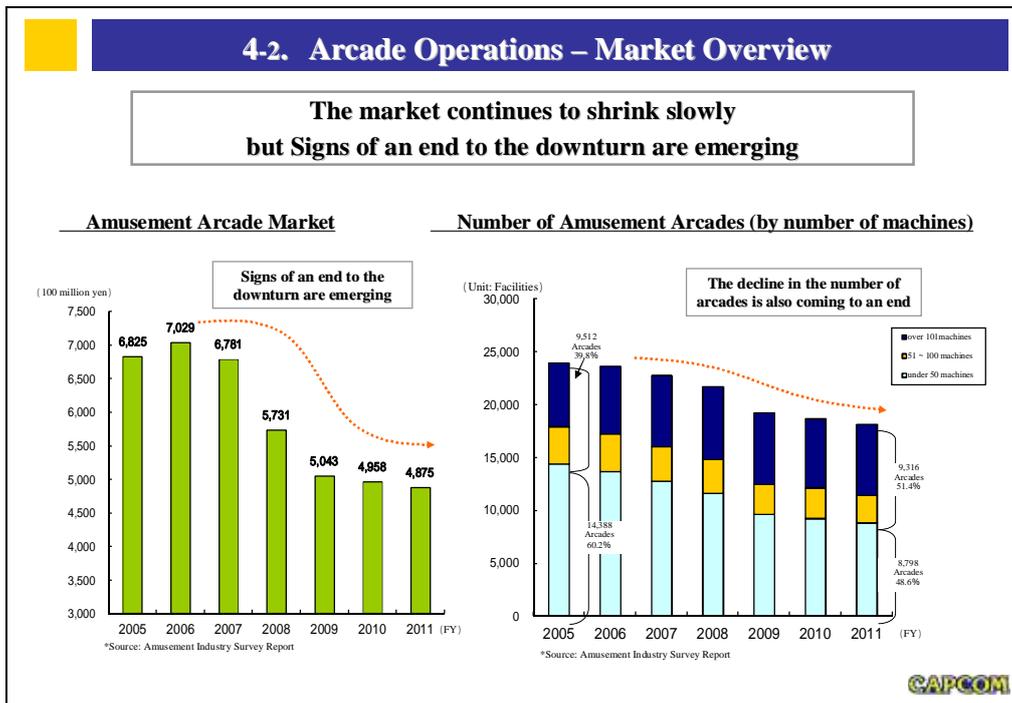
(100 million yen)

	2012/3	2013/3	2014/3Plan
Net sales	598	636	645
Operating income	128	70	91
Operating margin	21.5%	11.1%	14.1%
<b>(Composition)</b>			
Package	441	407	365
DLC	28	52	60
Mobile Contents	63	110	125
PC Other	66	67	95
Online contents total ( + + )	157	229	280



We expect growth in sales and earnings in the Digital Contents business in the fiscal year ending in March 2014 because of growth of online contents and for other reasons. Our plan is for sales of 64.5 billion yen, operating income of 9.1 billion yen and an operating margin of 14.1%.

**P.19 Arcade Operations – Market Overview**



My next subject is our Arcade Operations business.

Japan's arcade market appears to have stopped declining in terms of market size and the number of amusement arcades. However, existing arcade sales at Capcom were down 5% from the previous fiscal year. As a result, we still need to closely monitor changes in market conditions.

**P.20 Arcade Operations – Strategic Objectives and Plan**

4.2. Arcade Operations – Strategic Objectives and Plan

**Plan on holding sales and earnings steady with measures to deal with unprofitable locations and other rigorous actions to manage costs**

**Arcade Operations – Strategic Objectives**

- **Make operations at existing arcades as efficient as possible**
  - Target new user segments, such as by holding events for seniors
  - Planning on a 1% decrease in sales on an existing-arcade basis
  - Plan to open 3 arcades and close 5 in FY3/14, total of 32 facilities



“Plaza Capcom Nogata Arcade”

**Arcade Operations Plan**

	2012/3	2013/3	2014/3 Plan	Difference
Net sales	117	109	110	1
Operating income	17	17	17	0
Operating margin	15.2%	15.6%	15.5%	-
Year-to-year ratio of existing stores	101%	95%	99%	-

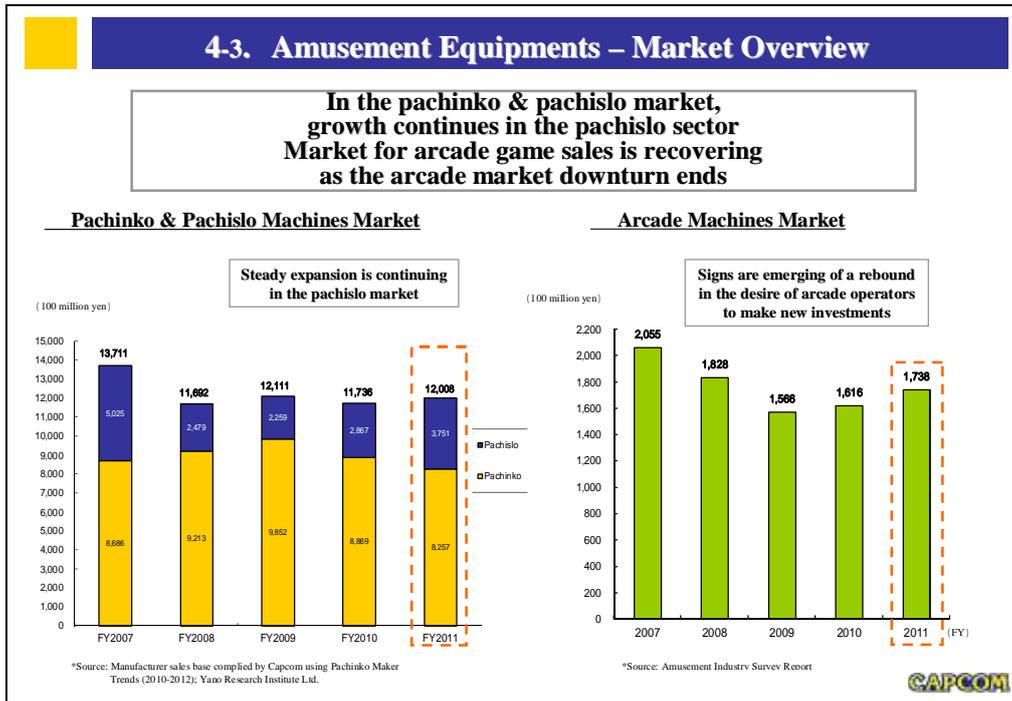
(100 million yen)



Our goal is to hold sales and earnings steady in the current fiscal year by rigorously managing costs, including measures concerning unprofitable arcades.

At existing arcades, we will make operations as efficient as possible and develop new sources of demand, such as by holding events for seniors. Our plan is to achieve existing-arcade sales that are down only 1% from the previous fiscal year. We plan to continue our scrap and build program for arcades. After adding three locations and closing five, we plan to have 32 arcades at the end of March 2014. Our plan is for sales of 11.0 billion yen, operating income of 1.7 billion yen and an operating margin of 15.5%, all basically unchanged.

**P.22 Amusement Equipments – Market Overview**



My next subject is the Amusement Equipments business.

In the pachinko and pachislo market, the pachislo sector continues to grow steadily. In the market for arcade game machines, there are signs of an upturn in market's interest in making investments along with the end of the downturn in the arcade market.

## P.23 Amusement Equipments – Strategic Objectives and Plan (1)

**4-3. Amusement Equipments – Strategic Objectives and Plan (1)**

**Aiming to increase earnings  
by making extensive use of popular home video game series**

**Pachinko & Pachislo – Strategic Objectives**

- **Strengthen operations for making Capcom’s own machines**
  - Plan to introduce two Capcom pachislo models
  - Will maintain access to a sales network by continuing the alliance with **FIELDS CORPORATION**
  - Reduce opportunity losses by enlarging production capabilities
  
- **Earn profits from the consigned business**
  - Stabilize earnings by using consigned operations along with the production of Capcom’s own models
  - Plan to develop and start selling several models for other companies



**Consigned Pachislo Machine  
“Shin Onimusha Sairin”**  
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©Sammy ©RODIO



Our Amusement Equipments business strategy is to further increase earnings by making extensive use of our popular home video game series.

In the Pachinko & Pachislo business, we plan to strengthen operations for making our own machines. This fiscal year, we plan to introduce two Capcom machines. In addition, we will continue our alliance with FIELDS CORPORATION in order to maintain and enlarge our sales network. We also plan to reduce opportunity losses by enlarging our production capabilities.

For our business of making machines for other companies, we plan to develop and start selling several new models. We expect these operations to make a consistent contribution to earnings.

## P.24 Amusement Equipments – Strategic Objectives and Plan (2)

**4-3. Amusement Equipments – Strategic Objectives and Plan (2)**

**Goal is more earnings growth by making extensive use of popular home video game series**

**Arcade Games Sales – Strategic Objectives**

- **Earn profits with the consistent introduction of new products**
  - Installations of the new coin-operated game “Mario Party Fushigi no Korokoro Catcher 2” started in April 2013
  - Plan to start operating the new arcade game “Monhan Nikki Puripuri Pugi Race” in the summer of 2013

**Amusement Equipments Plan** (Sum of Pachinko & Pachislo and Arcade Games Sales)

	2012/3	2013/3	2014/3 Plan	Difference
Net sales	76	167	185	18
Operating income	8	48	43	-5
Operating margin	11.6%	29.1%	23.2%	-

\*FY2013 sales will be 9: 1 between Pachinko & Pachislo and Arcade Games Sales



We expect that the Arcade Games Sales business will make a stable contribution to earnings because of introductions of new machines. In April 2013, we started installations of “Mario Party Fushigi no Kokokoro Catcher 2”, which is the second version of this successful machine. In the summer of 2013, we plan to start installations of a new arcade game called “Monhan Nikki Puripuri Pugi Race”.

Overall, we anticipate higher sales but lower earnings in the Amusement Equipments business with sales up 1.8 billion yen to 18.5 billion yen and operating income down 0.5 billion yen to 4.3 billion yen, resulting in an operating margin of 23.2%. The outlook for lower earnings is due to the strong earnings in the previous fiscal year because of the introduction of the Capcom “Resident Evil 5” pachislo machine.

**P.26 Other Businesses – Strategic Objectives and Plan**

**4-4. Other Businesses – Strategic Objectives and Plan**

**Strengthen global business activities  
as one element of the Single Content Multiple Usage strategy**

**Character Contents – Strategic Objectives**

- **Raise awareness of characters by linking TV programs and stage productions with the release of game software**  
 Takarazuka Revue “Sengoku BASARA” to start on June 15, 2013  
 Project under way to produce an animated TV program “Gaist Crusher”
- **Business activities that key off Capcom’s 30th anniversary**  
 Moving ahead with plans for commemorative books  
 and other activities worldwide



\*Gaist Crusher\*

**Other Businesses Plan**

	2012/3	2013/3	2014/3 Plan	Difference
Net sales	28	27	30	3
Operating income	8	7	12	5
Operating margin	30.6%	27.3%	40.0%	-

(100 million yen)



For other businesses, we will strengthen global operations as part of our Single Content Multiple Usage strategy.

In the character contents business, we will work even harder on raising awareness of Capcom by linking TV programs and stage productions with launches of new games. For example, the Takarazuka Revue will start performing “Sengoku BASARA” in June 2013. Another project under way includes an animated TV program, toys and games associated with “Gaist Crusher”, a title for children that follows “Mega Man”. For activities linked to Capcom’s 30th anniversary, we plan to sell commemorative books, merchandise and other products worldwide.

In other businesses, we plan on sales of 3.0 billion yen, operating income of 1.2 billion yen and an operating margin of 40%.

Everyone at Capcom has a firm commitment to achieving our planned sales and earnings in this fiscal year. Thank you for your support and understanding.