



Capcom Co., Ltd.

(Tokyo - Osaka Stock Exchange, Symbol: 9697)

Consolidated Financial Statements
of the Year ended March 31, 2007



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1. Consolidated Statements of Income of the Year ended March 31, 2007

Overview of Financial Results ended March 31, 2007

(units: Millions of yen)

	2006/3	2007/3	Difference
Net sales	70,253	74,542	4,289
Operating income	6,580	9,602	3,022
Ordinary income	7,016	10,600	3,584
Net income	6,941	5,852	-1,089

- Compared to the period ended March 31, 2006, net sales, operating income, and ordinary income increased, while net income decreased from the previous year.

Overview of Financial Results ended March 31, 2007

(units: Millions of yen)

	2006/3Plan	2007/3	Difference
Net sales	68,400	74,542	6,142
Operating income	7,000	9,602	2,602
Ordinary income	7,000	10,600	3,600
Net income	3,900	5,852	1,952

- As exhibited above, net sales, operating income, ordinary income and net income all exceeded initial expectations.

Summary of Financial Results ended March 31, 2007

(units: Millions of yen)

	2006/3	2007/3	Difference
Net sales	70,253	74,542	4,289

- In Home Video Games business, titles “Dead Rising”, “Lost Planet”, and “Monster Hunter Freedom 2nd” all became million sellers, favorably contributed to results.
- Arcade Operations business saw the successful establishment of new locations continue.

Summary of Financial Results ended March 31, 2007

(units: Millions of yen)

	2006/3	2007/3	Difference
Operating income	6,580	9,602	3,022

- Three titles surpassed one million units each in sales greatly increased results.
- The number of titles with low profitability has been greatly reduced.

(units: Millions of yen)

	2006/3	2007/3	Difference
Ordinary income	7,016	10,600	3,584

- Interest income • • • 882 Million Yen
 - Interest from assets in foreign currency contributed to an increase in profits.

Summary of Financial Results ended March 31, 2007

(units: Millions of yen)

	2006/3	2007/3	Difference
Net income	6,941	5,852	-1,089

- **Adjustment of corporate tax and other tax** ▪ ▪ ▪ **3,058 Million Yen**
 - This period saw a normalization of our tax burden.
 - Compared to the previous year, the period ended March 31, 2007 saw profits positively effected by Adjustment of Corporate Tax and Other Tax Corporate Tax Adjustment. (Previous Year: —2,413 Million Yen)

2. Business Segment Breakdown of the Year ended March 31, 2007

Summary of Financial Results per Business Segment ended March 31, 2007

(units: Millions of yen)

	2006/3	2007/3	Difference
Home Video Games	42,718	43,813	1,095
Arcade Operations	11,568	13,043	1,475
Arcade Games	6,956	8,021	1,065
Contents Expansion	5,742	7,102	1,360
Others	3,268	2,561	-707
Total	70,253	74,542	4,289

- Home Video Games business saw a large increase.
(Detailed per-segment financial statements can be found in a separate report entitled “Business Divisional Strategies and Projections”.)

Summary of Financial Results per Geographic segment ended March 31, 2007 (Japan)

(units: Millions of yen)

		2006 / 3	2007 / 3	Difference
Japan	Net sales	48,683	50,074	1,391
	Operating income	8,749	10,065	1,316
	Operating margin	18.0%	20.1%	2.1%

- Home Video Games business performed favorably, increased profit.
- However, other segments did not fare as well, resulting in an overall slight increase in operating margin for the Japanese territory.

Summary of Financial Results per Geographic segment ended March 31, 2007 (North America)

(units: Millions of yen)

		2006 / 3	2007 / 3	Difference
North America	Net sales	11,748	15,450	3,702
	Operating income	173	1,443	1,270
	Operating margin	1.5%	9.3%	7.8%

- “Dead Rising” and “Lost Planet” lead the way for a favorable improvement in the sales.
- The establishment of a mobile contents business in the North American market led to some restraint in operating margin.

Summary of Financial Results per Geographic segment ended March 31, 2007 (Europe)

(units: Millions of yen)

		2006 / 3	2007 / 3	Difference
Europe	Net sales	9,105	8,090	-1,015
	Operating income	40	1,016	976
	Operating margin	0.4%	12.6%	12.1%

- Like the North American market, Europe saw two titles favorably received; however, the relative weakness of the title lineup compared to other territories led to lower net sales, but increased profits.



3. Consolidated Balance Sheets of the Year ended March 31, 2007

Overview of Financial Results ended March 31, 2007

(units: Millions of yen)

	2006 / 3	2007 / 3	Difference
Current assets	68,075	60,089	- 7,986
Fixed assets	30,381	31,389	1,008
Total assets	98,457	91,478	- 6,979
Current liabilities	26,942	19,747	- 7,195
Long-term liabilities	32,050	26,586	- 5,464
Total liabilities	58,992	46,334	- 12,658
Total net assets	39,464	45,144	5,680
Total liabilities and net assets	98,457	91,478	- 6,979

Overview of Financial Results ended March 31, 2007 — Note

(units: Millions of yen)

	2006/3	2007/3	Difference
Cash and cash equivalents	40,453	35,020	-5,433
Game software products in-progress	6,348	3,415	-2,933
Total intangible fixed assets	333	2,277	1,944

(1) Cash and cash equivalents

- Reduction of liability by redemption of convertible bonds (10 billion yen).

(2) Game software products in-progress

- While large titles had been released, the improvements made to the title approval process means that approvals are given under a more stringent and selective process.

(3) Total intangible fixed assets

- Intangible fixed assets increased as a result of the acquisition of a mobile contents developer.

Overview of Financial Results ended March 31, 2007 — Note

(units: Millions of yen)

	2006/3	2007/3	Difference
Convertible bonds repayable within 1 year	10,000	—	-10,000
Other current liabilities	5,420	8,417	2,997
Convertible bonds issued after April 1st, 2002	11,500	6,635	-4,865

(4) Convertible bonds repayable within 1 year

- Redemption of “4th unsecured convertible bond” took place on March 30, 2007.

(5) Other current liabilities

- Advance payments from customers increased.

(6) Convertible bonds issued after April 1st, 2002

- Acceleration of Euro-Yen convertible bond conversion
(Conversion price: 1,217 yen)



4. Consolidated Statements of Cash Flows of the Year ended March 31, 2007

Overview of Consolidate Cash Flows ended March 31, 2007 — Note

(units: Millions of yen)

	2006/3	2007/3	Difference
Cash flows from operating activities	13,921	16,063	2,142
Cash flows from investing activities	-1,779	-6,715	-4,936
Cash flows from financing activities	-18,259	-15,206	3,053

(1) Cash flows from operating activities

- Net income before tax greatly increased compared to previous periods (3 billion yen increase compared to the previous year), while the increase in accounts payable led to an increase in capital.

(2) Cash flows from investing activities

- Increase of arcade facilities and acquisition of a mobile contents developer were a cause for expenditures.

(3) Cash flows from financing activities

- Proceeds from convertible bonds issued after April 1st,2002 (10 billion yen) acquisition of treasury stock (3.2 billion yen)



Capcom Co., Ltd.

(Tokyo – Osaka Stock Exchange Symbol: 9697)

Business Divisional Strategies and Projections

for the Year Ending March 31, 2008



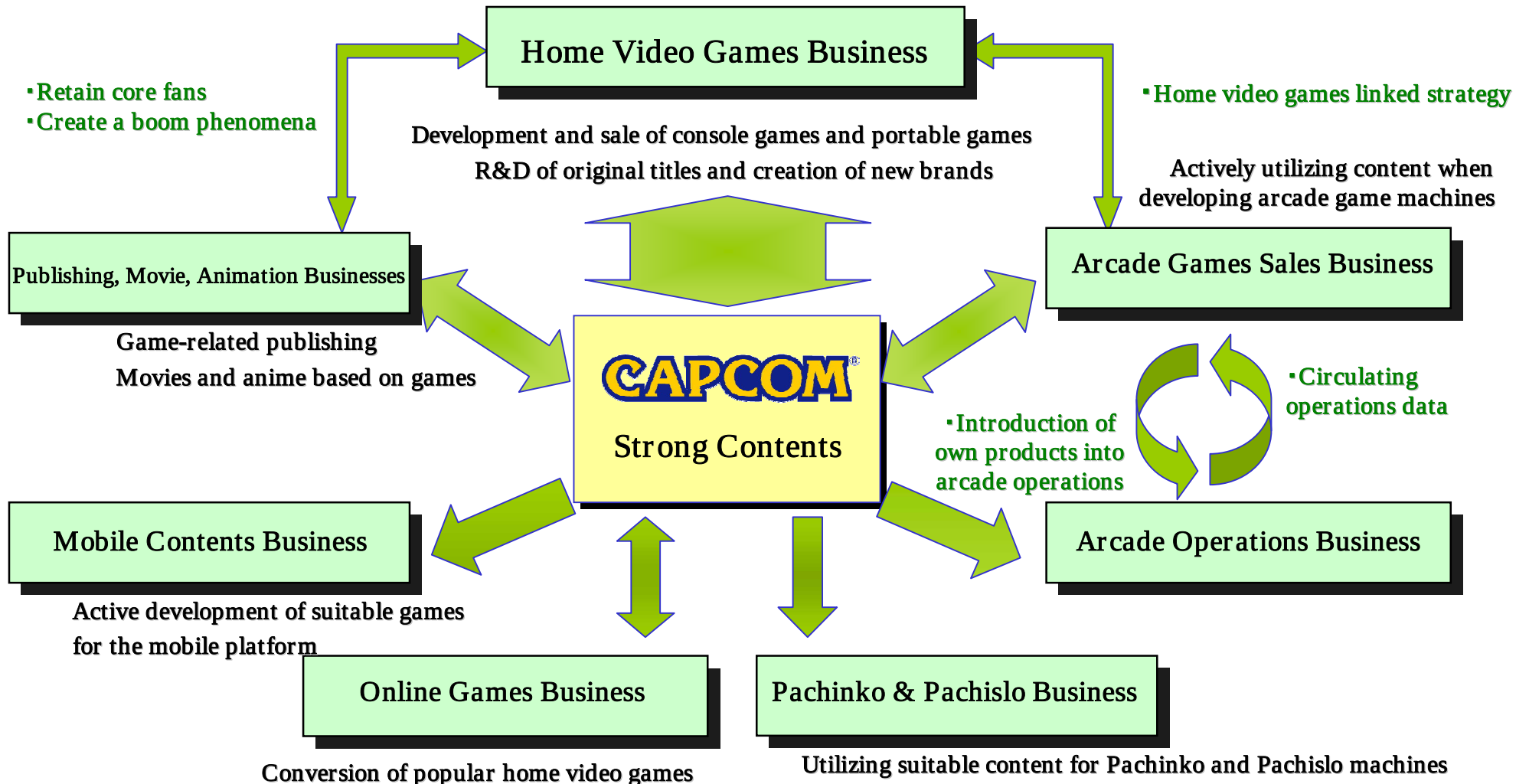
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1. Capcom Business Strategy

1-1. Capcom Business Strategy

A business development model with game content at the core



1-2. Capcom's Competitive Edge

Capcom boasts worldwide recognition as a result of its many popular home video game brands

■ 1. Strong title lineup

- (1) maintaining several series franchises is the key to succeed in the video game software market and diverse growth with leveraging contents

▪ "Resident Evil" series: 45 titles, 31,000,000 units

▪ "Mega Man" series: 116 titles, 27,000,000 units

▪ "Devil May Cry" series: 8 titles, 6,800,000 units

▪ "Monster Hunter" series: 5 titles, 2,600,000 units

As of Dec. 31st, 2006

■ 2. One of the rare Japanese companies to be competitive overseas

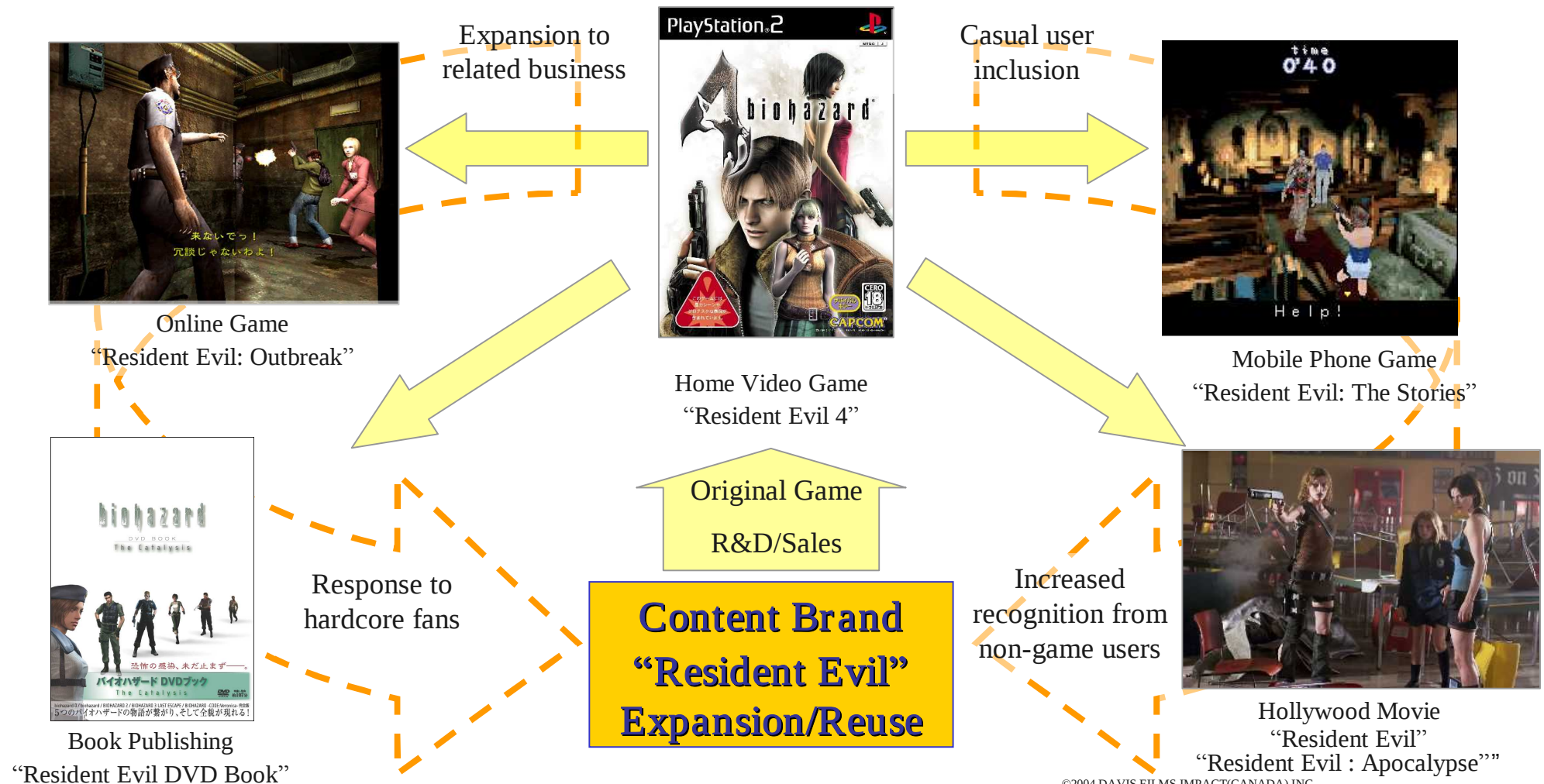
- (1) Capcom has succeeded despite the differing market conditions and business practices between Japan and North America/Europe
- (2) Dead Rising and Lost Planet, from the previous period shows that 90% of sales were from overseas

■ 3. One of the world's foremost leaders in development and technical prowess

- (1) In addition to its popular series titles, Capcom develops original new content every year creating a foundation for future growth
- (2) Capcom also devotes resources to pure research, which has helped lead to development and adoption of the cutting-edge "MT Framework"

1-3. Multiple Usage of Original content

Employing original home video game content in multiple businesses



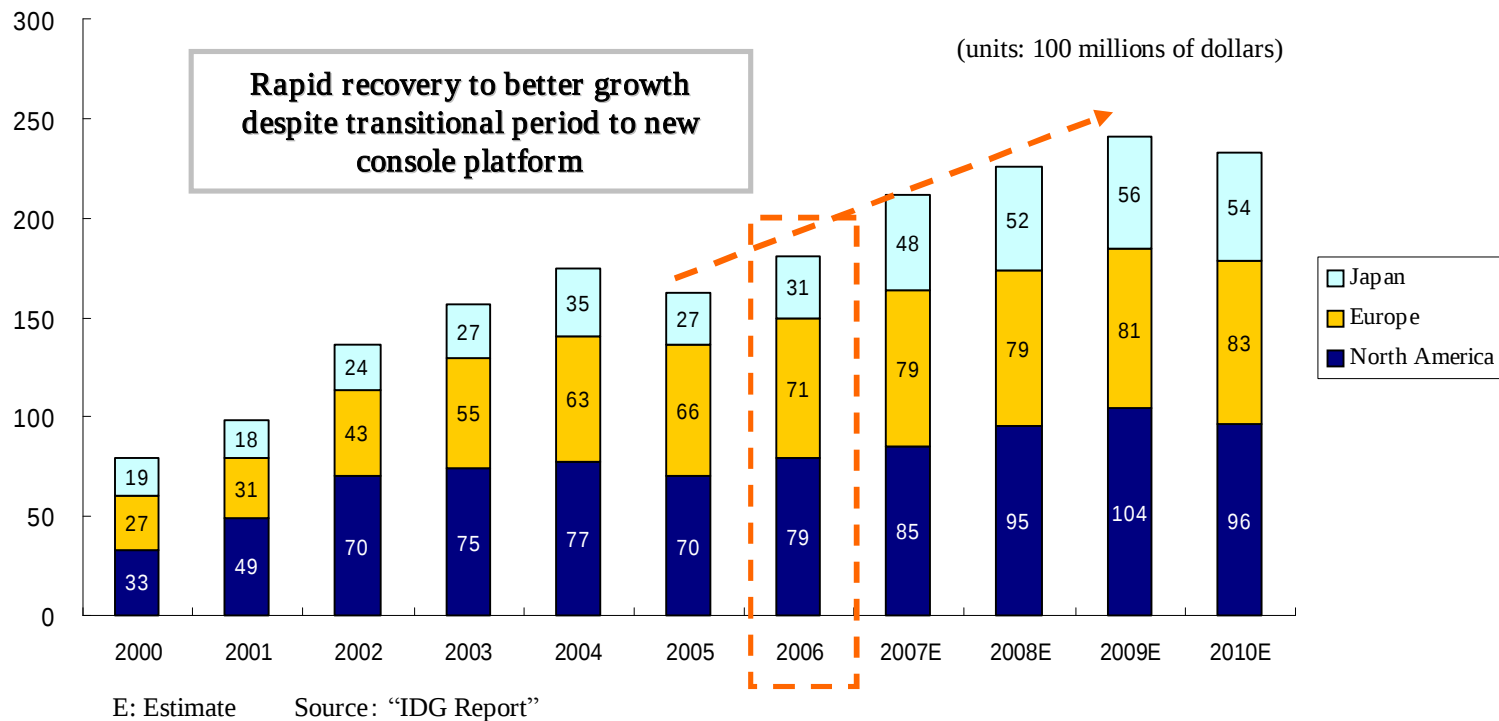


2. Home Video Games Business

2-1 . Market Conditions: Game Software Market Trend

Portable game devices have become widely adopted and the overseas game market continued to expand, resulting in further growth in 2006 despite the expected off-season.

■ Game Software Market Trend



2-2 . Market Conditions: Japanese Domestic Market Share (2006)

Despite market growth centered on portable devices and increase of our net sales, Capcom's share has dipped slightly

■ Japanese Domestic Market Share (2006)

(units: Millions of yen)

	Sales	Share	Growth Rate
1. Nintendo	97,882	26.90%	11.68%
2. Square-Enix	49,755	13.67%	5.76%
3. Namco Bandai	42,769	11.75%	-5.56%
4. Konami	27,771	7.63%	-2.68%
5. Pokemon	26,296	7.23%	3.76%
6. Sega	22,157	6.09%	1.58%
7. Capcom	18,275	5.02%	-1.05%
8. SCE	13,869	3.81%	-4.04%
9. Koei	9,634	2.65%	-2.00%
10. Banpresto	5,408	1.49%	-2.88%
Others	50,076	13.76%	-
Total	363,892	100.00%	-

Source: Enterbrain

2-3 . Market Conditions: N.A. and European Market Share (2006)

With the current period only including the one major title “Dead Rising”, Capcom’s share has dipped slightly in the overseas market

■ North American Market Share (2006)

(units: Thousands of dollars)

	Sales	Share	Growth Rate
1. Electronic Arts	1,353,425	20.95%	-1.05%
2. Nintendo	760,583	11.77%	1.47%
3. Activision	669,223	10.36%	1.06%
4. THQ	497,344	7.70%	0.60%
5. Take-Two	393,903	6.10%	0.30%
6. Ubisoft	352,253	5.45%	0.85%
7. Sony	288,270	4.46%	-2.24%
8. Square-Enix	228,823	3.54%	2.57%
⋮	⋮	⋮	
15. Capcom	128,946	2.00%	-0.19%
Others	1,788,816	27.67%	-
Total	6,461,586	100.00%	-

* Source: “The NPD Group”

■ European (UK) Market Share (2006)

(units: Thousands of dollars)

	Sales	Share	Growth Rate
1. Electronic Arts	194,889	20.97%	-0.86%
2. THQ	87,243	9.39%	0.49%
3. Nintendo	84,501	9.09%	2.12%
4. Ubisoft	71,439	7.69%	1.02%
5. Sony	69,923	7.52%	-1.26%
6. Take-Two	56,836	6.12%	0.62%
7. Activision	56,282	6.06%	-1.85%
8. Konami	39,787	4.28%	-1.09%
⋮	⋮	⋮	
16. Capcom	14,929	1.61%	-0.59%
Others	253,418	27.27%	-
Total	929,247	100.00%	-

* Source: "Chart Track / ELSPA"

2-4. Home Video Games: Business Objectives

Execution of three business strategies and a 60 month map will help realize business objectives

■ Mid-term Business Objectives

Sales Ratios Appropriate to Regional Market Sizes (US: 5, EUR:3, JPN:2)

■ 1. Platform Strategy

- Implementing Multiplatform Strategy
- Strengthening Portable Game Lineup

■ 2. Franchise Strategy

- Creating New Franchises
- Expanding Game Genres

■ 3. Regional Strategy

- Implementing Overseas Development
- Strengthening Overseas Business Organization

■ 60 Month Map

- The above three strategies will be realized and monitored in the mid-term title map

■ Strengthened Business Organization

- Stronger retail point-of-sale influence, effective business collaboration across businesses, and diverse PR efforts tailored to each title will all help to create a strong business organization.

2-5. Home Video Games: Policies in Previous Period

Reforms in the previous period have been effective, helping to spur two million-selling titles overseas and one million-selling title in Japan, and demonstrating Capcom's competitiveness in the global market

■ 1. Successful Reforms with North American Management

(1) Created a solid foundation for growth in the overseas market

- Employing experienced game industry professionals in management positions
- Making sweeping reforms to marketing approaches
 - PR has shifted from short-term, focused efforts to long-term ones
 - Television-centered advertising has been moved to web-centered advertising
- Shifting to direct sales with many retail stores

■ 2. R&D Reorganization

(1) Approval for title development has been moved to management ranks

- Title R&D falling in line with the 60 month map is made possible with this method, resulting in a strengthened title portfolio

(2) Dual-layer approval process reduces unprofitable titles

- A playable ROM with the game concept is critically scrutinized to make sure that it reflects the market situation before final production approval is granted

2-6. Home Video Games: Individual Title Sales Performance

Both Xbox360 titles have succeeded overseas and a PSP title has met with resounding success in Japan

■ Main title sales for fiscal year ended March 31, 2007

(units: Thousands of units)

Title	Region	Released Date	Result
Xbox 360 Lost Planet	Japan	12/21	90
	North America	07/1/12	810
	Europe	07/1/12	470
Xbox 360 Dead Rising	Japan	9/28	80
	North America	8/4	730
	Europe	9/8	410
PSP Monster Hunter Freedom 2	Japan	07/2/22	1,220
PS2 Resident Evil 4 (Lower price)	Japan	8/24	90
	North America	10/16	320
	Europe	10/13	250
NDS Mega Man Star Force	Japan	12/14	630
PS2 GTA San Andreas	Japan	07/1/25	430
- Mega Man Series	Worldwide	-	1,300

Japan includes Asia

2-7. Home Video Games: Current Period Plans

Capcom expects to reap the benefits of multiplatform support over the next period in addition to continue laying the foundation for its online business and overseas R&D efforts

■ 1. Continuing Multiplatform Support

(1) Employing MT Framework to help speed cross-platform conversion

- Full support for MT Framework, a development environment that supports cross-platform development for Xbox 360, PS3, and PC titles
 - Development for the three platforms can be shared, dramatically cutting costs
 - Examples scheduled for this period include Lost Planet for the PC (released as an Xbox 360 title in the previous period) and Devil May Cry 4 for the PS3, Xbox 360 and PC

(2) Strengthening the Wii and Nintendo DS lineup

- Allocating an appropriate number of titles for the expanding Wii and the large Nintendo DS markets
 - Wii Projection 6 Titles
 - Nintendo DS Projection 14 Titles
- By not limiting development support to specific platforms, it enables Capcom to develop with each platform's strengths in mind and to reach a wide variety of users, further expanding its user base

2-8. Home Video Games: Current Period Plans

■ 2. Online business going into full swing

(1) The portal site “Daletto” centering on online games will reach full-swing this period

- The company was founded together with the Dwango Group to manage an online portal site
- “Monster Hunter Frontier” service will begin on Daletto in FY2007, along with distribution of existing Capcom titles to strengthen the content lineup

■ 3. Cooperating with overseas developers to create games tailored to the overseas market

(1) Capcom’s overseas R&D company has been closed

(2) Starting with “Moto GP”, several titles are in development with overseas developers

- After examining the results of past titles, a shift overseas from internal development to outsourcing is underway

2-9. Home Video Games: Projected Sales by Title

■ Scheduled release dates of major titles for fiscal year 2007

(units: Thousands of units)

Title		Region	Releasing Date	Plan
X360 PS3	Devil May Cry 4	Japan	FY2007	1,800
		North America		
		Japan		
Wii	Resident Evil 4 Wii edition	Japan	5/31	420
		North America	6/19	
		Europe	6/29	
Wii	Resident Evil : The Umbrella Chronicles	Japan	FY2007	620
		North America		
		Europe		
PS2 Wii	Devil Kings 2 Heros	Japan	Winter	200
-	Mega Man Series	Worldwide	-	920



Devil May Cry 4



Resident Evil : The Umbrella
Chronicles

2-10. Home Video Games: Projections

There are fewer hit titles planned for this period compared to the multitude of hits previous period, resulting in lower income and profits, but higher efficiency will maintain margins

■ Home Video Games Business

(units: Millions of yen)

	2006/3	2007/3	2008/3Plan	Difference
Net Sales	42,718	43,813	41,200	-2,613
Operating Margin	6.8%	18.4%	15.8%	-2.6%

(units: Thousands of copies)

Titles	88	90	74	-16
Japan	5,400	5,200	4,800	-400
North America	4,700	4,300	4,300	0
Europe	3,120	2,400	2,700	300
Asia	180	300	200	-100
Total	13,400	12,200	12,000	-200

(Breakdown)

(units: Thousands of copies)

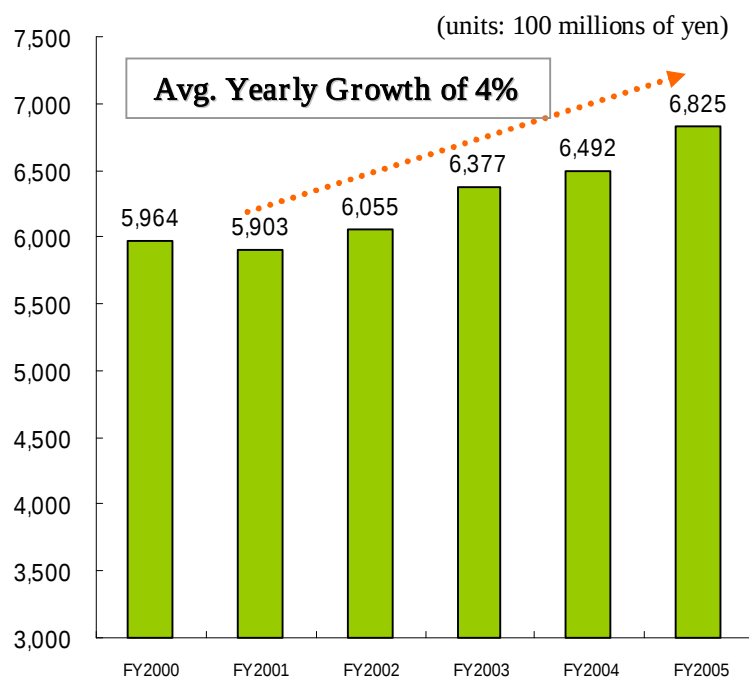
Distribution Titles	1,400	1,200	1,200	0
Old and Lower PriceTitles	2,000	3,100	3,000	-100

3. Arcade Operations Business

3-1. Arcade Operations: Market Analysis

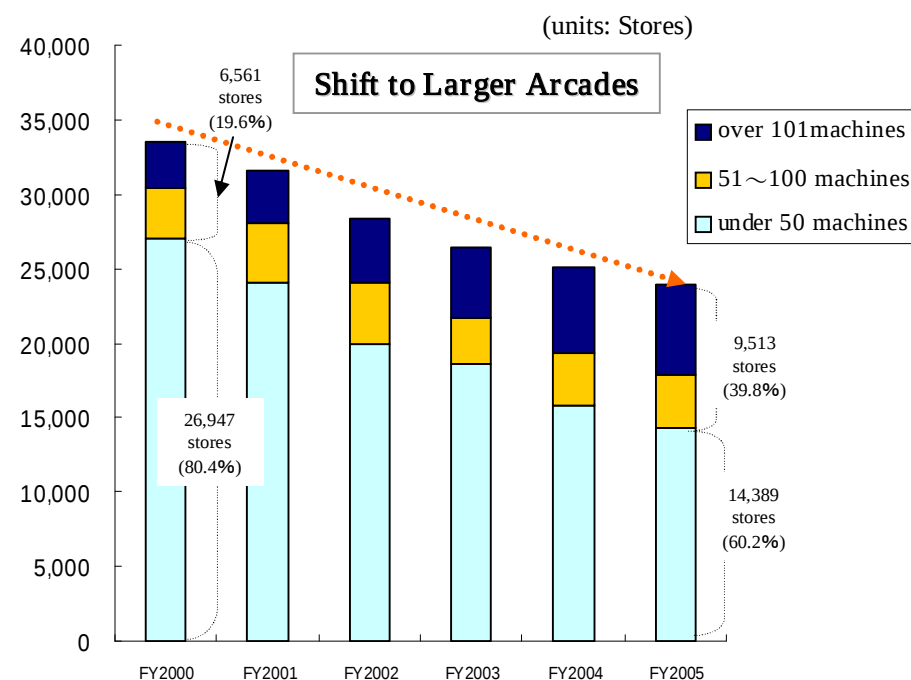
The market continued to experience mild growth, and the relative size of individual stores has increased, while the total number of arcade storefronts has decreased

■ Arcade Facilities Market Trends



Source: JAMMA "Survey on the Amusement Industry"

■ Change in Number of Storefronts (categorized by # of arcade machine units)



Source: JAMMA "Survey on the Amusement Industry"

3-2. Arcade Operations: Competitive Analysis

Although Capcom maintains a relatively small market share, it maintains one of the highest profit margins and holds a unique position in the market

■ Arcade Operations Business Sales in FY2006

(units: Millions of yen)

	Net Sales	% of Share	Operating Income	Operating Margin	Year-on-Year sales
Capcom	13,043	5.2%	2,009	15.4%	112.8%
Aeon Fantasy	43,502	17.5%	4,646	10.7%	126.2%
Namco Bandai	88,196	35.5%	4,004	4.5%	111.9%
SegaSammy	103,859	41.8%	132	0.1%	97.8%
Total	248,600	100.0%	-	-	-

Source: Financial Results for 2006 by respective company and support documentation (Aeon Fantasy fiscal end in February 2007)

3-3. Arcade Operations: Business Strategy

Taking advantage of large shopping center arcades to increase revenues, while quickly moving to reduce unprofitable storefronts to maintain high profit margins

■ Arcade Operations Business Strategy

- (1) Continue opening arcades in large commercial complexes
 - Setting up as tenants within the Aeon Group's shopping center complexes and taking advantage of Capcom's know-how to manage large arcades produces a synergistic effect when drawing crowds
- (2) Increase rate of opening roadside arcades
 - The competition amongst shopping center arcades is currently high
 - Cooperating with other companies, etc. and following the shopping center model when setting up new roadside storefronts
- (3) Pursuing profit increase by implementing scrap and build plan
 - Improving operation efficiency by closing down or selling off unprofitable storefronts as early as possible

3-4. Arcade Operations: Projections

Increased number of new arcade facilities compared with the previous period will help to accelerate business growth

■ Trends in Number of Arcade Facilities

(units: Stores)

	2005/3	2006/3	2007/3	2008/3Plan
New Stores	1	2	6	8
Closing Stores	3	2	3	3
Total	30	30	33	38

▪ Store breakdown as of May 2007:

Shopping Center Stores 28
Roadside Stores 4
Others 1



“Plaza Capcom Saga Store”

■ Arcade Operations Business

(units: Millions of yen)

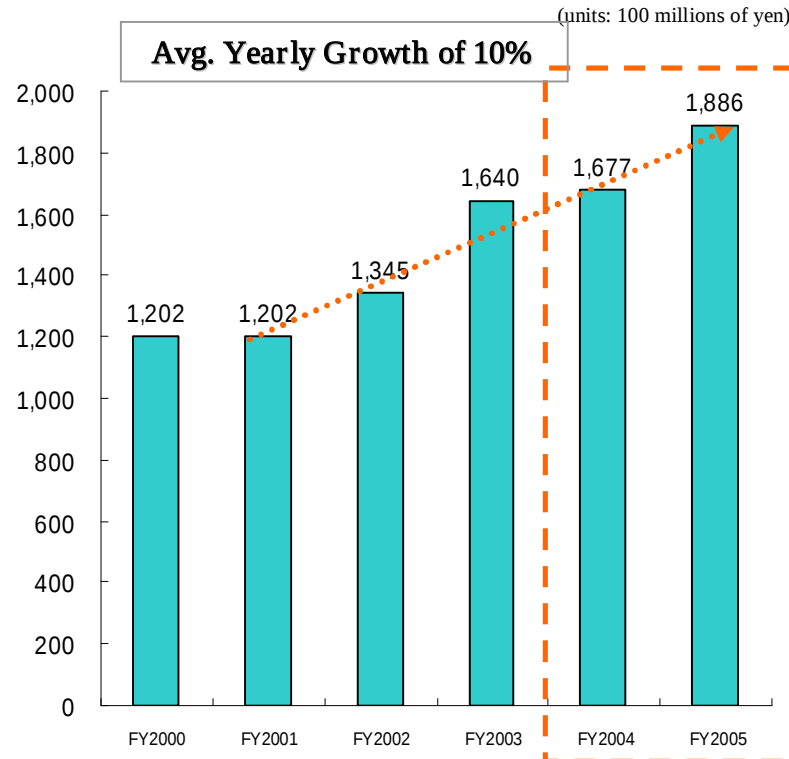
	2006/3	2007/3	2008/3Plan	Difference
Net Sales	11,568	13,043	15,800	2,757
Operating Margin	21.1%	15.4%	15.2%	-0.2%
Year-to-year ratio of existing stores	100%	96%	101%	5.0%

4. Arcade Game Sales Business

4-1. Arcade Game Sales: Market Analysis

The market continued to experience growth and “prize winning” and “medal” game machines make up half the market, while card game machines have become a genre of their own

■ Arcade Game Market Trend



Source: JAMMA “Survey on the Amusement Industry”

■ Sales Based on Game Genre

(units: 100 millions of yen)

	2005/3	2006/3	Component	Growth Rate
Prize	489	461	24.4%	-5.7%
Coin Operated	370	460	24.4%	24.3%
Dedicated	258	249	13.2%	-3.5%
Game Card	55	115	6.1%	109.1%
Video	138	235	12.5%	70.3%
Printing	195	193	10.2%	-1.0%
Music Game	33	34	1.8%	3.0%
Others	140	139	7.4%	-0.7%
Total	1,677	1,886	100.0%	-

Source: JAMMA “Survey on the Amusement Industry”

4-2. Arcade Game Sales: Business Strategy

Results were adversely affected by trouble with a product in the previous period, but business reforms will provide a strong foothold for growth in the future

■ Arcade Game Sales Business Strategy

- (1) Development will be focused on the high-demand prize winning and coin operated machines
- (2) Promoting medium and large-sized coin operated game machine development in accordance with the expanding size of arcade facilities
- (3) Video game machines will also continue to be developed to put to use Capcom's extensive console game development experience
- (4) Business reorganization to support stable growth
 - Reorganizing the home video game and arcade video game divisions under one management group improves positive interaction between the divisions
 - Implementing a Manufacturing Quality Control Department will help to maintain a necessary standard of quality

4-3. Arcade Game Sales: Projections

In addition to reorganizing the business structure, Capcom will strengthen its arcade machine lineup in order to put the arcade business on track for stable growth.

■ Product Lineup by Genre

- Prize winning Game Machines: 600 planned
- Coin operated Machines: 800 planned
 - Several including “Donkey Kong Banana Kingdom”
 - Most popular Coin operated machine based on JAMMA Arcade Show ranking
- Card Game Machines for Children: 2,500 rentals
 - Continuing to offer Wantame Music Channel
- Video Game Machines: 9,500 planned



“Donkey Kong Banana Kingdom”

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■ Arcade Game Sales Business

(units: Millions of yen)

	2006/3	2007/3	2008/3Plan	Difference
Net Sales	6,956	8,021	9,200	1,179
Operating Margin	16.0%	17.1%	16.3%	-0.8%

5. Contents Expansion Business

5-1. Contents Expansion: Business Strategy

Employing Capcom's intellectual properties and development know-how will help to improve business efficiency and profitability

■ Business Strategy

- Seeking new business opportunities will strengthen the revenue base

■ Pachinko & Pachislo Business

- Collaboration with major arcade machine makers will help stabilize growth
 - Titles delivered to other makers will continue the trend started by the release of the "Onimusha 3" Pachislo machine (FY 2004) by Sega Sammy
- Planned title for FY 2007
 - LCD display panel of "Devil May Cry 3" for pachislo machine of RODEO
 - 5 titles including the above "Devil May Cry 3"



"Devil May Cry 3"

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5-2. Contents Expansion: Business Strategy

■ Mobile Contents Business

- Optimizing existing intellectual properties for mobile platforms
 - Popularity for the mobile version of Phoenix Wright has exploded thanks to the release of the hit title, Phoenix Wright 4, on the Nintendo DS.
- Acquiring external intellectual properties for distribution
 - Exclusive Japanese distribution rights for “NOM2”, a game that is wildly popular in South Korea with 2 million downloads
- Accelerated expansion in the North American market
 - Mobile business subsidiary established in LA to oversee overseas expansion
 - Acquired company to help supplement Capcom’s experience in developing hit titles for casual users
 - Capcom’s ranking in North America has grown from 62nd overall in the first quarter of 2006 to 9th overall in the last quarter of 2006.



“Phoenix Wright”

Source: “Telephia’s rankings of mobile game publishers”

■ Contents Expansion Business (Pachinko & Pachislo, Mobile Contents Included)

(units: Millions of yen)

	2006/3	2007/3	2008/3Plan	Difference
Net Sales	5,742	7,102	9,000	1,898
Operating Margin	41.1%	22.9%	27.8%	4.9%

6. Other Businesses



7. Fiscal Year 2007 Forecast

6. Other Businesses: Business Strategy

Other businesses help to provide the axis for diverse growth
leveraging of Capcom's game content

Movies, toys, publishing, etc. are diverse uses of content

■ Other Businesses Strategy

- Promoting our strategy of multiple usage of original contents

■ Character Contents Business

- Strengthening movie and cartoon tie-ins
 - Moving from licensing-only business to being more fully involved with movie creation
 - Participating as a partner in the production of a live-action Street Fighter movie will be the first step



“Mega Man Star Force”

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- Reorganizing publishing business
 - Formerly profitable video game strategy guide business is beginning to decline

Increasing reliance on the Internet as opposed to books for game strategies

- Reforms from the previous period will continue, and licensed publishing will be at the core of Capcom's strategy to aim for stable profits

Fiscal Year 2007 Forecast

Home video games business is expected to rebound down from the incredible growth it experienced previous year, but the stable growth in other businesses are expected to result in overall increased revenues and profits.

(units: Millions of yen)

	2007/3	2008/3Plan	Difference
Net sales	74,542	78,000	3,458
Operating income	9,602	10,000	398
Ordinary income	10,600	11,000	400
Net income	5,852	6,200	348

- Expected net income per share of common stock for year ending March 31, 2008: 109.82 yen
- Expected annual dividend is 30 yen per share (Mid-Term 15 yen, End of Period 15 yen)

Consolidated Financial Review on FY 2005, 2006 and Projection for FY 2007

• Profit and Loss Sheet

(Unit: Millions of yen)

	2006/3	2007/3	%	2008/3
Net Sales	70,253	74,542	106.1%	78,000
Gross Profit	22,315	26,496	118.7%	29,000
% of Gross Profit	31.8%	35.5%	-	37.2%
Sales and G&A Expenses	15,735	16,779	106.6%	19,000
Operating Income	6,580	9,602	145.9%	10,000
% of Operating Income	9.4%	12.9%	-	12.8%
Ordinary Income	7,016	10,600	151.1%	11,000
% of Ordinary Income	10.0%	14.2%	-	14.1%
Net Income	6,941	5,852	84.3%	6,200
% of Net Income	9.9%	7.9%	-	7.9%

• Sales by Business Segments

(Unit: Millions of yen)

	2006/3	2007/3	%	2008/3
Home Video Games	42,718	43,813	102.6%	41,200
Arcade Operations	11,568	13,043	112.8%	15,800
Arcade Games Sales	6,956	8,021	115.3%	9,200
Contents Expansion	5,742	7,102	123.7%	9,000
Others	3,268	2,561	78.4%	2,800
Total	70,253	74,542	106.1%	78,000

• Sales by Geographic Area

(Unit: Millions of yen)

	2006/3	2007/3	%	2008/3
Japan	48,683	50,074	102.9%	53,300
North America	11,748	15,450	131.5%	16,100
Europe	9,105	8,090	88.9%	8,100
Other territories	717	927	129.3%	500
Total	70,253	74,542	106.1%	78,000

• Promotional Expense

(Unit: Millions of yen)

	2006/3	2007/3	%	2008/3
Capcom Japan	2,933	2,901	98.9%	3,200
Consolidated	5,602	5,516	98.5%	5,400

• Number of Arcades

(Unit: locations)

	2005/3	2006/3	2007/3	2008/3
Consolidated	30	30	33	38

Assumed Exchange Rate 1 dollar: 115 yen, 1 euro: 150 yen

• Capital Expenditure

(Unit: Millions of yen)

	2006/3	2007/3	%	2008/3
Capcom Japan	1,422	3,594	252.7%	3,600
Consolidated	1,512	3,804	251.6%	3,700

• Depreciation

(Unit: Millions of yen)

	2006/3	2007/3	%	2008/3
Capcom Japan	1,438	2,217	154.2%	2,900
Consolidated	1,936	2,774	143.3%	3,300

• Number of Employees

(Unit: Persons)

	2006/3	2007/3	%	2008/3
Capcom Japan	1,028	1,196	116.3%	1,346
Consolidated	1,212	1,320	108.9%	1,490

• R&D Investment Cost

(Unit: Millions of Yen)

	2006/3	2007/3	%	2008/3
R&D Investment Cost	12,288	13,068	106.3%	16,500
Technical R&D Cost	1,864	1,828	98.1%	2,500

• Sales Units Shipped

(Unit: '000 copies)

		2005/3	2006/3	2007/3	2008/3 Plan
Playstation 2	Total Titles	40	51	46	23
	Sub Total	7,300	7,930	4,100	1,800
Playstation 3	Total Titles				5
	Sub Total				1,200
PSP	Total Titles	1	15	20	14
	Sub Total	150	1,600	2,700	1,800
Game Cube	Total Titles	5	2	1	-
	Sub Total	2,000	800	300	-
Wii	Total Titles			3	6
	Sub Total			100	2,200
Game Boy	Total Titles	7	2	1	-
	Sub Total	3,400	1,500	500	-
NintendoDS	Total Titles		4	14	14
	Sub Total		950	1,700	2,500
Xbox	Total Titles	7	12	2	-
	Sub Total	250	580	100	-
Xbox360	Total Titles		1	3	6
	Sub Total		5	2,700	2,000
PC & Others	Total Titles	11	1	0	6
	Sub Total	400	35	0	500
Total	Total Titles	71	88	90	74
	Sub Total	13,500	13,400	12,200	12,000

Disclaimer Regarding Forward-looking Statements

Management strategies, plans, projections and other statements excluding historical facts in these presentation materials are for forecast purposes. Please note that the above business projections are based on the information that is available at the time of this announcement and certain assumptions that serve as the basis of rational judgments have been made. Actual performance may vary substantially from these projections due to various contributing factors to the future.

Additionally, changes in market environments, such as the diversification of user needs, may drastically affect the performance of this industry in which our company operates.

Factors contributing to performance fluctuations include but are not limited to: (1) the presence or absence of strong-selling titles and the number of units sold in the home video game software business which accounts for not less than 50% of our total sales; (2) the progress of home video game software development; (3) the proliferation of home video game consoles; (4) sales in overseas markets; (5) trends in stock prices and foreign exchange; (6) cooperation with other companies in development, sales, and operations; and (7) changes in market environments.