

(5) Notes to consolidated financial statements

(Going concern assumptions) Not applicable

(Change in accounting policies)

Effective from the end of the fiscal year, Capcom has adopted “Accounting Standard for Retirement Benefits” (Accounting Standard Board of Japan (ASBJ) Statement No. 26, May 17, 2012, except for the provision of article 35) and “Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012, except for the provision of article 67).

This has led to recognition of unrecognized actuarial differences and unrecognized prior service liabilities, which are presented as liabilities for retirement benefits.

In applying the above standard and its guidance, Capcom has followed the transition measures and disclosed its impact caused by this change on the accumulated other comprehensive income.

As a result, Capcom has booked liabilities for retirement benefits of 2,158million yen with accumulated other comprehensive income decreased by 169 million yen.

The impact on the per share information is disclosed on the relating notes.

(Segment Information)

1. Outline of business reportable segment

(1) Classification of business reportable segment

The business segments Capcom reports are the business units for which Capcom is able to obtain individual financial information separately in order for the board of directors to conduct periodic investigation to determine distribution of operational resources and evaluate their business performance.

Capcom has several operational headquarters, which plan comprehensive business strategies in domestic and overseas markets for their products and services, and develops its business activities.

Therefore Capcom's reportable segments are based on the products and services its operational headquarters deal in and are composed of the following 3 units; "Digital contents", "Arcade operations" and "Amusement equipments".

(2) Product and service line

"Digital Contents" develops and distributes video and mobile games for consumers.

"Arcade Operations" operates amusement facilities which install amusement equipments.

"Amusement Equipments" manufactures arcade game machines and pachinko gambling machines etc. to be distributed to arcade operators and pachinko parlors.

2. Method of calculating sales and income (loss), identifiable assets and liabilities, and other items by reportable segment

The accounting procedure for the reportable segment is basically the same with that for the consolidated financial statements.

Income by reportable segment is calculated based on operating income on the consolidated statements of income.

3. Information on net sales and operating income (loss), identifiable assets and liabilities, and other items by reportable segment

Previous fiscal year (from April 1, 2012 to March 31, 2013)

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated total (Note 3)
	Digital Contents	Arcade Operations	Amusement Equipments	Total				
Net sales								
(1) Customers	63,636	10,944	16,783	91,363	2,711	94,075	—	94,075
(2) Inter-segment	—	—	—	—	—	—	—	—
Total	63,636	10,944	16,783	91,363	2,711	94,075	—	94,075
Operating income (loss)	7,062	1,709	4,892	13,664	740	14,405	(4,253)	10,151
Identifiable assets	44,950	7,046	13,054	65,051	4,236	69,288	35,076	104,365
Other items								
Depreciation and amortization	1,067	1,186	235	2,489	253	2,743	663	3,406
Increase in tangible and intangible fixed assets	6,091	698	278	7,068	1,458	8,526	197	8,724

(Note) 1. "Other" incorporates operations not included in business segments reported, including Character Contents business etc.

2. Adjustments are as follows.

- (1) Adjustments of operating income (loss) of -4,253 million yen include unallocated corporate operating expenses of -4,253 million yen. The corporate operating expenses, which do not belong to any reportable segments mainly consist of administrative expenses.
- (2) Adjustments of identifiable assets of 35,076 million yen include unallocated corporate identifiable assets of 35,076 million yen.
- (3) Adjustments of increase in tangible and intangible fixed assets of 197 million yen are capital investment by headquarters.

3. Operating income (loss) for segment is adjusted on operating income on the consolidated statements of income.

Current fiscal year (from April 1, 2013 to March 31, 2014)

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated total (Note 3)
	Digital Contents	Arcade Operations	Amusement Equipments	Total				
Net sales								
(1) Customers	65,824	10,620	23,160	99,605	2,594	102,200	—	102,200
(2) Inter-segment	—	—	—	—	—	—	—	—
Total	65,824	10,620	23,160	99,605	2,594	102,200	—	102,200
Operating income (loss)	4,489	1,617	7,131	13,238	1,001	14,240	(3,940)	10,299
Identifiable assets	35,708	6,657	20,083	62,449	4,330	66,780	29,830	96,611
Other items								
Depreciation and amortization	2,529	998	385	3,913	249	4,162	475	4,638
Increase in tangible and intangible fixed assets	6,227	881	327	7,436	127	7,563	500	8,064

(Note) 1. "Other" incorporates operations not included in business segments reported, including Character Contents business etc.

2. Adjustments are as follows.

- (1) Adjustments of operating income (loss) of -3,940 million yen include unallocated corporate operating expenses of -3,940 million yen. The corporate operating expenses, which do not belong to any reportable segments mainly consist of administrative expenses.
- (2) Adjustments of identifiable assets of 29,830 million yen include unallocated corporate identifiable assets of 29,830 million yen.
- (3) Adjustments of increase in tangible and intangible fixed assets of 500 million yen are capital investment by headquarters.

3. Operating income (loss) for segment is adjusted on operating income on the consolidated statements of income.

(Per share information)

Previous fiscal year ( From April 1, 2012 to March 31, 2013 )		Current fiscal year ( From April 1, 2013 to March 31, 2014 )	
Net assets per share	1,091.08 yen	Net assets per share	1,135.91 yen
Net income per share	51.64 yen	Net income per share	61.11 yen

- (Note) 1. The diluted net income per share for the current fiscal year is omitted as the Companies have no residual securities.  
 2. As described in "Change in accounting policies", Capcom has adopted the new accounting standard and its guidance and followed the transition measures prescribed in article 37 of the standard.  
 As a result, net assets per share has decreased by 3.01 yen.  
 3. The basis for computation of net assets per share is as follows:

	Previous fiscal year ( As of March 31, 2013 ) (Unit: Millions of yen)	Current fiscal year ( As of March 31, 2014 ) (Unit: Millions of yen)
Total amount of net assets	62,828	63,875
Amounts to be deducted from total amount of net assets	—	—
Ending balance of net assets attributable to common stock	62,828	63,875
Number of shares of common stocks used for computation of net assets per share (thousand shares)	57,583	56,233

4. The basis for computation of net income per share is as follows:

	Previous fiscal year ( From April 1, 2012 To March 31, 2013 ) (Unit: Millions of yen)	Current fiscal year ( From April 1, 2013 To March 31, 2014 ) (Unit: Millions of yen)
Net income	2,973	3,444
Amount not allocated to common stock	—	—
Net income allocated to common stock	2,973	3,444
Average number of shares of common stock outstanding	57,584	56,377

(Significant subsequent events)

Not applicable