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Press Release

Company Name Capcom Co., Ltd.
 Representative Haruhiro Tsujimoto, President and COO
 (Company Code: 9697, Tokyo-Osaka Stock Exchange)
 Contact Public Relations Office
 Phone Number +81-6-6920-3623

Steady growth in Mid-Term Financial Results ended September 30, 2007
Net Sales 6.6% increase, Operating Income 0.5% increase from the previous term
 - Also, Net Sales 2.5% increase, Operating Income 27.4% increase from the revised forecast -

Capcom Co., Ltd. would like to announce that net sales increased to 31,108 million yen (up 6.6% from the same term last year), operating income increased to 3,058 million yen (up 0.5% from the same term last year), ordinary income decreased to 3,395 million yen (down 10.3% from the same term last year), net income decreased to 1,603 million yen (down 16.4% from the same term last year) in Mid-term financial results ended September 30, 2007.

“Resident Evil 4 Wii edition” (for Wii) made a strong showing, especially in overseas markets, exceeding our projections. “Apollo Justice Ace Attorney” (for Nintendo DS) increased its sales steadily, and “Monster Hunter Freedom 2” (for PlayStation Portable), which was a huge hit in the previous term, also continued to grow. Consumer game software is one of our core business segments, and the favorable performance of this segment played a leading role in overall sales growth.

1. Financial Results of the Mid-term ended September 30, 2007

	Net Sales	Operating Income	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen	Million Yen
Mid-Term Ended Sept. 30, 2007	31,108	3,058	3,395	1,603
Mid-Term Ended Sept. 30, 2006	29,175	3,042	3,785	1,918
Year Ended March 31, 2007	74,542	9,602	10,600	5,852

2. Forecast for the Fiscal Year ending March 31, 2008

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share of Common Stock
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
For Year Ending March 31, 2008	78,000	10,000	11,000	6,200	105.77

3. Status of Each Operational Department

(1) Home Video Games

(Unit: Millions of Yen)

	Mid-Term ended Sept. 30, 2006	Mid-Term ended Sept. 30, 2007	Difference (%)
Net Sales	15,735	16,323	3.7%
Operating Income	2,262	2,458	8.7%
Operating Margin	14.4%	15.1%	-

- a. This business segment was a pleasant surprise with the achievement of sales far exceeding our projection. One of the supporting factors for this result was the strong sales of the popular “Resident Evil 4 Wii edition” (for Wii) mainly in the US and Europe.
- b. In addition, “Apollo Justice Ace Attorney” (for Nintendo DS) achieved sales of over 500,000 copies, marking the highest sales of the series. “Monster Hunter Freedom 2” (for PlayStation Portable) was a huge hit in the previous term, and it continued to grow, contributing to the overall profit increase.
- c. We released “Wantame Uranai Channel” (for Nintendo DS) as an attempt to attract more female users and ultimately to expand the entire customer base.
- d. The resulting net sales increased to 16,323 million yen (up 3.7 % from the same term last year), and the operating income increased to 2,859 million yen (up 26.4 % from the same term last year), leading overall sales growth.

(2) Arcade Operations

(Unit: Millions of Yen)

	Mid-Term ended Sept. 30, 2006	Mid-Term ended Sept. 30, 2007	Difference (%)
Net Sales	6,466	6,375	-1.4%
Operating Income	1,137	682	-40.0%
Operating Margin	17.6%	10.7%	-

- a. In this softening market, we tried to create demand and attract more diversified customers including women and families. Holding various events and offering diverse game machines that satisfy customers’ demands are just a few examples of such efforts.
- b. However, the existing arcades experienced a downturn, and overall sales remained at low levels. Some of the negative factors contributing to the performance were intensified competition, declining popularity of card dispensing games for children, and the record heat of the past summer.
- c. As for new arcades, we opened “Plaza Capcom Iruma” in Saitama Prefecture and “Plaza Capcom Chiharadai” in Chiba Prefecture. The current number of “Plaza Capcom” at the end of this mid-term period totals 35 after these efforts.
- d. The resulting net sales decreased to 6,375 million yen (down 1.4 % from the same term last year), and the operating income decreased to 682 million yen (down 40.0 % from the same term last year).

(3) Arcade Games

(Unit: Millions of Yen)

	Mid-Term ended Sept. 30, 2006	Mid-Term ended Sept. 30, 2007	Difference (%)
Net Sales	4,348	1,353	-68.9%
Operating Income	893	(570)	-
Operating Margin	20.5%	-42.1%	-

Note1. The Sales of each business segment in the above are those to the customers only.

2. The sales of each business segment below are inclusive of inter-segment ones.

- a. Under the stagnating market, the main activity of this business segment was the sale of peripheral products such as trading cards for “Wantame Music Channel”, a card-dispensing game machine.
- b. The overall performance of this segment was forced to struggle due to the small product lineup with no powerful products to lead sales and a defect found in “Donkey Kong Banana Kingdom”.
- c. The resulting net sales decreased to 1,377 million yen (down 68.5 % from the same term last year), and the operating loss was 971 million yen (operating income of the same term last year was 893 million yen).

(4) Contents Expansion

(Unit: Millions of Yen)

	Mid-Term ended Sept. 30, 2006	Mid-Term ended Sept. 30, 2007	Difference (%)
Net Sales	1,333	5,644	323.2%
Operating Income	72	1,863	2484.0%
Operating Margin	5.4%	33.0%	-

- a. Under this business segment, the sale of “Devil May Cry 3”, an LCD device for Pachislo machines, increased satisfactorily, and the distribution of games to mobile phones, namely “Ace Attorney”, showed healthy growth. Solid performances of these two divisions lead the profit increase.
- b. The resulting net sales increased to 5,644 million yen (up 323.2 % from the same term last year), and the operating income increased to 1,863 million yen (up 2484.0 % from the same term last year).

(5) Other Businesses

(Unit: Millions of Yen)

	Mid-Term ended Sept. 30, 2006	Mid-Term ended Sept. 30, 2007	Difference (%)
Net Sales	1,291	1,411	9.3%
Operating Income	(42)	307	-
Operating Margin	-3.3%	21.8%	-

The net sales from other businesses, mainly character-related licensing royalties, increased to 1,411 million yen (up 9.3 % from the same term last year), and the operating income increased to 307 million yen (operating loss of the same term last year was 42 million yen).