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Press Release

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Capcom Co., Ltd.
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Financial Results for the 9 months ended December 31, 2009
was 5.9% increase in Net Sales, 84.3% increase in Operating Income compared to
the same term in FY2008.

- Raise revenue by repeat on constant of popular series titles -

Capcom Co., Ltd. is pleased to announce that net sales increased to 49,987 million yen (up 5.9 % from the same term last year). As for profits, operating income increased to 4,817 million yen (up 84.3 % from the same term last year), and ordinary income increased to 4,795 million yen (up 127.5 % from the same term last year). Net profit for the current period increased to 1,731 million yen (up 865.9 % from the same term last year).

During the 9 months of the current fiscal year, only a few flagship software titles were released from our home video game division, while both arcade operations and content expansion were weakening. However, the result in net sales, operating income and ordinary income was beyond from the same term last year supported by growth of repeat titles as well as “Monster Hunter Tri” (for Wii) during the 1st-half.

On the other hand, extraordinary loss increased due to the business restructuring expense of revising the development system of Pachislo machine.

The net profit for the current quarter increased after recording the corporate tax refund for prior fiscal years based on the agreement between US and Japanese tax authorities concerning the revision on transfer pricing taxation.

As for the forecast of FY2009 ending March 31, 2010 which was described on Dec. 22, 2009, please refer to the press release “Capcom Announces Special Loss and Forecast Revision”.

1. Consolidated Financial Results for the 9 months ended December 31, 2009

(April 1, 2009 – December 31, 2009)

	Net Sales	Operating Income	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen	Million Yen
9 months ended Dec. 31, 2009	49,987	4,817	4,795	1,731
9 months ended Dec. 31, 2008	47,223	2,613	2,107	179

2. Forecast for the Fiscal Year ending March 31, 2010

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share of Common Stock
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Year ending March 31, 2010	65,000	6,000	5,000	2,000	32.94

3. Status of Each Operational Department

(1) Home Video Games

(Unit: Millions of Yen)

	9 months ended Dec. 31, 2008	9 months ended Dec. 31, 2009	Difference (%)
Net Sales	26,709	33,426	25.2%
Operating Income	4,404	6,994	58.8%
Operating Margin	16.5%	20.9%	-

- a. In this business segment, “Mega Man Exe: Operate Shooting Star” (for Nintendo DS) achieved steady sales supported by their established brand names during this quarter. Our lower-priced software title “Monster Hunter Freedom Unite PSP the Best” (for PlayStation Portable), whose price has been reduced further from its original low-price, also grew favorably, whereas “Resident Evil: The Darkside Chronicles” (for Wii) and “Okami” (for Wii) saw slow sales. Capcom’s flagship title “Monster Hunter Tri” (for Wii) achieved healthy growth, and “Ace Attorney investigations: Miles Edgeworth” (for Nintendo DS) performed satisfactorily.
- b. Additionally, “Resident Evil 5” (for PlayStation 3, Xbox 360), one of the most successful titles in the previous year, continued to grow supported by its incessant popularity.
- c. “Sengoku Basara Battle Heroes” (for PlayStation Portable), which is the latest addition of the Sengoku Basara series, also grew on a steady basis. The software started the so-called “Rekijo” (Japanese term for Japanese female history “Otaku”) boom in Japan and generated much public interest in Japan’s “Warring States” (Sengoku) era. In addition, the software gained public attention outside of the game industry when its characters appeared in the official election notice posters by the Miyagi Prefecture municipal government at the election of the governor of Miyagi.
- d. The resulting net sales increased to 33,426 million yen (up 25.2 % from the same term last year) partially supported by the performance of the cumulative second quarter, and the operating income increased to 6,994 million yen (up 58.8 % from the same term last year).

(2) Arcade operations

(Unit: Millions of Yen)

	9 months ended Dec. 31, 2008	9 months ended Dec. 31, 2009	Difference (%)
Net Sales	10,039	8,935	-11.0%
Operating Income	113	448	295.9%
Operating Margin	1.1%	5.0%	-

- a. One of our main focuses in this business segment was to position arcades as easily accessible amusement facilities in order to expand our customer base in this softening market. As part of such efforts, we held a variety of events, offered special discount days, and created a comfortable environment for customers to attract more females and families, while continuing to hold on to our core users. However, sales were restrained partially due to declining consumer confidence and to the trend in which consumers cut back on going out and looked for alternative “at-home entertainment”.
- b. At the same time, we worked on profitability improvement through the revision of profit structure and the reduction of operation costs.
- c. The resulting net sales decreased to 8,935 million yen (down 11.0 % from the same term last year), while the operating income increased to 448 million yen (up 295.9 % from the same term last year) thanks to the success of the profitability improvement strategy.

(3) Arcade Games Sales

(Unit: Millions of Yen)

	9 months ended Dec. 31, 2008	9 months ended Dec. 31, 2009	Difference (%)
Net Sales	4,841	2,012	-58.5%
Operating Income	381	-63	-
Operating Margin	7.9%	-3.1%	-

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. Within this stagnating market, Capcom released the medal-winning game machine, “Mario Party Fushigi no Korokoro Catcher”, with the aim of reaching a new user base as well as holding onto existing customers. We concentrated our every effort in sales expansion in order to make a breakthrough in the current market. As part of such activities, we went into partnership with Namco Bandai Games to cooperate in the amusement business. Despite all of our best efforts, we still struggled, since the main activity of this business segment was in sales of existing product.

- b. The resulting net sales decreased to 2,012 million yen (down 58.5 % from the same term last year), and the operating loss was 63 million yen (operating income of the same term last year was 381 million yen).

(4) Contents Expansion

(Unit: Millions of Yen)

	9 months ended Dec.31, 2008	9 months ended Dec. 31, 2009	Difference (%)
Net Sales	3,801	3,385	-10.9%
Operating Income	188	-299	-
Operating Margin	4.9%	-8.8%	-

- a. In the area of content distribution for mobile phones, “Apollo Justice: Ace Attorney” showed healthy growth. The iPhone/iPod Touch version of “Ghosts’n Goblins Gold Knights” and “Phoenix Wright: Ace Attorney” gained new users and achieved projected sales in general.
- b. The segment of the Pachislo machine business, on the other hand, continued to struggle without an appealing sales-inducing product in the sever business environment.
- c. The resulting net sales decreased to 3,385 million yen (down 10.9 % from the same term last year), and the operating loss of 299 million yen was recorded (the operating income of the same term last year was 188 million yen).

(5) Other Businesses

(Unit: Millions of Yen)

	9 months ended Dec. 31, 2008	9 months ended Dec. 31, 2009	Difference (%)
Net Sales	1,832	2,227	21.5%
Operating Income	633	897	41.7%
Operating Margin	34.6%	40.3%	-

The net sales from other businesses, mainly character-related licensing royalties, increased to 2,227 million yen (up 21.5 % from the same term last year), and operating income increased to 897 million yen (up 41.7 % from the same term last year).