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## Press Release

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### **Favorable Financial Results for Fiscal Year ended March 31, 2011**

**46.2% increase in Net Sales, 155.8% increase in Operating Income Compared to Previous Term**

- Set a New Record on Net Sales by Strong Sales of Major Titles -

Capcom Co., Ltd. would like to announce that net sales increased to 97,716 million yen (up 46.2 % from the previous year). As for profits, operating income increased to 14,295 million yen (up 155.8 % from the previous year), and ordinary income increased to 12,861 million yen (up 132.6 % from the previous year). Net income for the current period increased to 7,750 million yen (up 257.6 % from the previous year).

In the Consumer Online Games business this fiscal year, which is a core operational department, the flagship title “Monster Hunter Freedom 3” marked the fastest selling in the PSP history with a total shipment of more than 4.6 million units and played the lead role in improving Capcom’s business performance.

Additionally, the major titles targeted at overseas markets fully leveraged their characteristics to achieve market success, selling over two million units each with “Dead Rising 2” and “Marvel VS. Capcom 3 Fate of Two Worlds”. The result was a history-making milestone of five million-seller titles in total.

Meanwhile, the online exclusive title “Monster Hunter Frontier Online” also showed solid performance.

In Mobile Contents business, we were able to reach diverse new users, with members exceeding one million people for “MONHAN NIKKI MOBILE AIRU MURA” distributed exclusively through one of the Japanese mobile SNS “Mobage”. Further, here have been positive surprises as well, such as the number of downloads of “The Smurfs’ Village”, distributed through Facebook, United States, exceeding our projection by far, as well as the steady increase in the membership of “Zombie Cafe”.

In Amusement Equipments business, the pachislo machine “Sengoku BASARA 2” showing strong performance, “Onimusha: Dawn of Dreams” launched during the previous fiscal year remained a long-seller, contributing to improved profit.

As a result, this latest period marked record net sales, operating income, ordinary income and net income, exceeding estimates.

As for the forecast for the next fiscal year ending March 31, 2012, we expect lower sales and earnings following the large contributions of major titles in the previous fiscal year, but enhance profitability due to growth in the Online Games and Mobile Contents business.

1. Consolidated Financial Results of the Year ended March 31, 2011 (April 1, 2010 – March 31, 2011)

	Net sales	Operating income	Ordinary income	Net income
	Million Yen	Million Yen	Million Yen	Million Yen
Year ended March 31, 2011	97,716	14,295	12,861	7,750
Year ended March 31, 2010	66,837	5,587	5,530	2,167

2. Forecast for the Fiscal Year ending March 31, 2012

	Net sales	Operating income	Ordinary income	Net income	Earnings per share of common stock
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
6 months ending September 30, 2011	26,000	700	600	200	3.38
Year ending March 31, 2012	86,000	12,100	12,000	7,000	118.47

3. Status of Each Operational Department

(1) Consumer Online Games

(Unit: Millions of Yen)

	Year ended March 31, 2010	Year ended March 31, 2011	Difference (%)
Net sales	43,702	70,269	60.8%
Operating income	7,835	12,499	59.5%
Operating margin	17.9%	17.8%	-

- a. In this business segment, the feature title “Monster Hunter Freedom 3” (for PlayStation Portable), which was released on December 1, 2010 to long lines of customers nationwide, became a big hit with a total shipment of more than 4.6 million units and played the lead role in improving Capcom’s business performance.
- b. Further, the major titles for PlayStation 3 and Xbox 360 targeted at overseas markets fully leveraged their characteristics to achieve market success, selling over one million units each with shipments totaling 2.2 million units for “Dead Rising 2”, 2 million units for “Marvel VS. Capcom 3”, 1.6 million units for “Super Street Fighter IV”, and 1.5 million units for “Lost Planet 2”. The result was a history-making milestone of five million-seller titles in total.
- c. Additionally, “Sengoku BASARA: Samurai Heroes” (for PlayStation 3 and Wii), the newest in the series that gained stable popularity, also enjoyed steady growth in sales. “MONHAN NIKKI POKAPOKA AIRU MURA” (for PlayStation Portable), a spin-off from the “Monster Hunter” series, which attracted users with its widely popular character “Airu” (known as “Felyne” in English) became a smash hit.

- d. Meanwhile, the online exclusive title "Monster Hunter Frontier Online" (for PC, Xbox 360) also showed solid performance.
- e. The resulting net sales increased to 70,269 million yen (up 60.8 % from the previous year), and the operating income was 12,499 million yen (up 59.5 % from the previous year).

## (2) Mobile Contents

(Unit: Millions of Yen)

	Year ended March 31, 2010	Year ended March 31, 2011	Difference (%)
Net sales	3,554	4,028	13.3%
Operating income	745	1,366	83.2%
Operating margin	21.0%	33.9%	-

- a. As social games that are highly compatible with mobile phones underwent rapid growth, we were able to reach diverse new users, with members exceeding one million people for "MONHAN NIKKI MOBILE AIRU MURA" distributed exclusively through one of the Japanese mobile SNS "Mobage".
- b. In addition to "Ghost Trick" that was released for iPhone/iPod touch fared well, "Street Fighter IV" released in the previous term also achieved its projected sales.
- c. Meanwhile, there have been positive surprises as well, such as the number of downloads of "The Smurfs' Village", distributed through Facebook, United States, exceeding our projection by far, as well as the steady increase in the membership of "Zombie Cafe".
- d. The resulting net sales increased to 4,028 million yen (up 13.3 % from the previous year), and the operating income was 1,366 million yen (up 83.2 % from the previous year).

## (3) Arcade Operations

(Unit: Millions of Yen)

	Year ended March 31, 2010	Year ended March 31, 2011	Difference (%)
Net sales	11,985	11,621	-3.0%
Operating income	590	1,131	91.5%
Operating margin	4.9%	9.7%	-

- a. With the entire industry focusing on energizing the market through implementing customer appreciation day on a "Game Day" (November 23 each year) to thank arcade fans, customer-oriented efforts were made in operating the arcades in this business segment. Sponsoring a variety of events, renovating arcades, and offering special discount days are just a few examples of such efforts.

- b. Further, Capcom also worked to expand its customer base to include female, family and older-generation customers, while endeavoring to improve the earning capacity by controlling investments, reducing costs, and operating arcades in line with current market conditions.
- c. Meanwhile, ten of Capcom's arcades seriously suffered damages and loss of properties by the Great East Japan Earthquake in March 2011. Although they were forced to shut down temporarily, three of the ten subsequently managed to reopen for business.
- d. Since we closed one unprofitable arcade, the total number of our arcades became 37 as of the end of this fiscal year.
- e. As a result, while net sales decreased to 11,621 million yen (down 3.0 % from the previous year), the operating income increased to 1,131 million yen (up 91.5 % from the previous year).

#### (4) Amusement Equipments

(Unit: Millions of Yen)

	Year ended March 31, 2010	Year ended March 31, 2011	Difference (%)
Net sales	4,545	7,903	73.9%
Operating income	-347	2,638	-
Operating margin	-7.6%	33.4%	-

- a. While the market conditions remained weak for arcade game machines, this business segment saw the video game machine “Super Street Fighter IV: Arcade Edition” perform solidly.
- b. As for the Pachislo machine business, in addition “Sengoku BASARA 2” showing strong performance, “Onimusha: Dawn of Dreams” launched during the previous fiscal year remained a long-seller, contributing to improved profit.
- c. Meanwhile, profitability improved, thanks to cost reduction and other business-wide streamlining efforts.
- d. The resulting net sales increased to 7,903 million yen (up 73.9 % from the previous year), and the operating income was 2,638 million yen (the operating loss of the previous year was 347 million yen.).

(5) Other Businesses

(Unit: Millions of Yen)

	Year ended March 31, 2010	Year ended March 31, 2011	Difference (%)
Net sales	3,049	3,893	27.7%
Operating income	1,016	1,098	8.0%
Operating margin	33.3%	28.2%	-

The net sales from other businesses, mainly character-related licensing royalties, increased to 3,893 million yen (up 27.7% from the previous year), and the operating income was 1,098 million yen (up 8.0% from the previous year).