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## Press Release

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**Lower earnings on lower sales on Financial Results for ended June 30, 2011**  
**37.2% decrease in Net Sales, 22.9% decrease in Operating Income from Previous Term**  
- Mobile and Online businesses contributed to the profit despite the lack of major titles -

Capcom Co., Ltd. would like to announce that net sales decreased to 11,953 million yen (down 37.2% from the previous year). As for profits, operating income decreased to 775 million yen (down 22.9 % from the previous year), and ordinary income increased to 546 million yen (up 152.8 % from the previous year). Net income for the current period increased to 338 million yen (up 58.2 % from the previous year).

In flagship Consumer Online Games business, there were no new major titles launched during this 3 months. Meanwhile the continued success of “Monster Hunter Freedom 3”, which was a big hit previous fiscal year, “Resident Evil: The Mercenaries 3D”, “Super Street Fighter IV Arcade Edition” basically achieved projected sales.

In the Mobile Contents business, Capcom launched “Beeline” in April 2011 as an innovative new brand for smartphones, while establishing Beeline Interactive Japan Co., Ltd. to develop and distribute games. In addition, “Smurfs' Village”, a big hit since its launch last year, continued to enjoy extreme success.

As a results, consolidated financial results for ended June 30, 2011 was decreased in sales and operating income, affected by the lack of major titles in the Consumer Online Games business.

Forecast for the fiscal year ending March 31, 2012 is not changed due to the need to monitor changes in market conditions in the remaining three quarters of the fiscal year.

### 1. Results for the 1st quarter ended June 30, 2011 (from April 1, 2011 to June 30, 2011)

	Net sales	Operating income	Ordinary income	Net income
	Million Yen	Million Yen	Million Yen	Million Yen
3 months ended June 30, 2011	11,953	775	546	338
3 months ended June 30, 2010	19,037	1,005	216	213

## 2. Earnings 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	3.43
Year ending March 31, 2012	86,000	12,100	12,000	7,000	120.87

## 3. Status of Each Operational Department

### (1) Consumer Online Games

(Unit: Million Yen)

	3 months ended June 30, 2010	3 months ended June 30, 2011	Difference (%)
Net sales	14,995	6,462	-56.9%
Operating income	1,784	419	-76.5%
Operating margin	11.9%	6.5%	-

- a. In this business segment, in addition to the continued success of “Monster Hunter Freedom 3” (for PlayStation Portable), which was a big hit last fiscal year, “Resident Evil: The Mercenaries 3D” (for Nintendo 3DS), “Super Street Fighter IV Arcade Edition” (for PlayStation 3, Xbox 360) and the online exclusive title “Monster Hunter Frontier Online Forward.1” (for PC, Xbox 360) basically achieved projected sales.
- b. The resulting net sales were 6,462 million yen (down 56.9 % from the same term last year), and the operating income was 419 million yen (down 76.5 % from the same term last year).

### (2) Mobile Contents

(Unit: Million Yen)

	3 months ended June 30, 2010	3 months ended June 30, 2011	Difference (%)
Net sales	680	1,223	79.8%
Operating income	97	451	362.2%
Operating margin	14.3%	36.9%	-

- a. The social game market expanded rapidly. “Smurfs' Village”, a big hit since its launch through Facebook last year, continued to enjoy extreme success. Social games continued strong performance, as exemplified by the total number of downloads of “Smurfs' Village” in excess of 19 million, together with “Zombie Cafe” and “Lil' Pirates”, which also underwent growth, served as the driving force in increasing revenues.

- b. In addition to “Monster Hunter: Dynamic Hunting” for iPhone / iPod touch faring well, the distribution of “Resident Evil: Outbreak Survive” for “GREE”, one of the most popular SNS in Japan with “Mobage” was commenced in June, while also providing “Sengoku BASARA: Mobile” for “Mobage”.
- c. The resulting net sales were 1,223 million yen (up 79.8 % from the same term last year), and the operating income was 451 million yen (up 362.2% from the same term last year).

### (3) Arcade Operations

(Unit: Million Yen)

	3 months ended June 30, 2010	3 months ended June 30, 2011	Difference (%)
Net sales	2,630	2,832	7.7%
Operating income	178	521	192.5%
Operating margin	6.8%	18.4%	-

- a. Ten of Capcom's arcades in the Kanto and Tohoku regions were seriously affected by the Great East Japan Earthquake in March 2011, including damages to the building, flooding and breakage of equipment. Although they were forced to shut down temporarily, intense recovery efforts subsequently enabled all arcades to reopen for business in April 2011.
- b. In this environment, arcades are regaining ground as they are re-evaluated as readily accessible entertainment that is “affordable, close (to home) and brief (short-term)” owing to the waning of excessive self-restraint that was evident immediately after the earthquake, further helped by the tail wind of inclination to economize.
- c. In the absence of the closing and the opening of arcades during the current period, the total number of arcades remains the same as at the end of the previous fiscal period, at 37.
- d. The resulting net sales were 2,832 million yen (up 7.7 % from the same term last year), and the operating income was 521 million yen (up 192.5 % from the same term last year).

#### (4) Amusement Equipments

(Unit: Million Yen)

	3 months ended June 30, 2010	3 months ended June 30, 2011	Difference (%)
Net sales	252	870	245.3%
Operating income	-169	6	-
Operating margin	-67.1%	0.7%	-

- a. As regards arcade game machines, with the product supply cycle entering a slow period, Capcom made efforts to promote the sale of existing products in addition to releasing “New Super Mario Brothers: Wii Coin World”.
- b. As for the Pachislo machines, Capcom was forced to engage in repeat sales with no shipment of new products, the business having entered the sowing period.
- c. The resulting net sales were 870 million yen (up 245.3% from the same term last year), and the operating income was 6 million yen (the operating loss of the same term last year was 169 million yen).

#### (5) Other Businesses

(Unit: Million Yen)

	3 months ended June 30, 2010	3 months ended June 30, 2011	Difference (%)
Net sales	479	564	17.8%
Operating income	30	254	729.2%
Operating margin	6.3%	45.0%	-

The net sales from other businesses, mainly character-related licensing royalties, were 564 million yen (up 17.8 % from the same term last year), and the operating income was 254 million yen (up 729.2% from the same term last year).