



October 26, 2011

Press Release

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

Sales for the 6 Months of FY2011 Decreased 28.1%, as well as Operating Income Declined 29.4% from the Same Term in the Previous Year

- Aim to accomplish the projected figures by the flagship titles and SNS games in the latter half of this year -

Capcom Co., Ltd. would like to announce that net sales decreased to 29,252 million yen (down 28.1 % from the same term last year) in the 6 months of fiscal year ending March 31, 2012. As for profits, operating income decreased to 2,782 million yen (down 29.4 % from the same term last year), and ordinary income decreased to 1,907 million yen (down 38.8 % from the same term last year). Net income for the current period decreased to 906 million yen (down 49.2 % from the same term last year).

During this 6 months, ended September 30, 2011, “Monster Hunter Freedom 3 HD Ver.” and “Resident Evil: The Mercenaries 3D” performed solidly in Consumer Online Games business. In addition, “The Smurfs' Village”, which was launched jointly with Facebook, the world's largest SNS, continued to enjoy success and served as the driving force in increasing Capcom's financial results.

Additionally, in Arcade Operations business, arcades are regaining ground as they are re-evaluated as readily accessible entertainment that is “inexpensive, nearby and short-duration” owing to the waning of excessive self-restraint evident immediately after the earthquake, helped further by the tail wind of inclination to economize.

As a result, sales and income for 6 months period decreased from the same term last year, due in part to a decrease in sales in reaction to the surge during the same term last year caused by the mass release of major consumer online game titles. However, both sales and income exceeded the projected figures.

As for the forecast for the fiscal year ending March 31, 2012, there is no change from the financial announcement on May 6, 2011.

1. Consolidated Financial Results for the 6 months ended September 30, 2011

(April 1, 2011– September 30, 2011)

	Net sales	Operating income	Ordinary income	Net income
	Million Yen	Million Yen	Million Yen	Million Yen
6 months ended Sep. 30, 2011	29,252	2,782	1,907	906
6 months ended Sep. 30, 2010	40,706	3,942	2,880	1,784

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
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: Millions of Yen)

	6 months ended Sep. 30, 2010	6 months ended Sep. 30, 2011	Difference (%)
Net sales	30,773	18,113	-41.1%
Operating income	4,530	2,251	-50.3%
Operating margin	14.7%	14.2%	-

- a. In this business segment, “Resident Evil: The Mercenaries 3D” (for Nintendo 3DS) and “Monster Hunter Freedom 3 HD Ver.” (for PlayStation 3) performed solidly. Further, in addition to “Super Street Fighter IV: Arcade Edition” (for PlayStation 3 and Xbox 360) and “Sengoku BASARA: Chronicle Heroes” (for PlayStation Portable) basically achieving projected sales, “MONHAN NIKKI MOBILE AIRU MURA G” (for PlayStation Portable) and numerous other distribution titles were released.
- b. Moreover, the online exclusive title “Monster Hunter Frontier Online Forward. 1” (for PC and Xbox 360) fully leveraged its characteristics to enjoy success.
- c. Although the resulting net sales were 18,113 million yen (down 41.1% from the same term last year) and the operating income was 2,251 million yen (down 50.3% from the same term last year), due in part to the reaction to the release of multiple feature titles during the same term last year, both sales and income exceeded the projected figures.

(2) Mobile Contents

(Unit: Millions of Yen)

	6 months ended Sep. 30, 2010	6 months ended Sep. 30, 2011	Difference (%)
Net sales	1,365	2,581	89.0%
Operating income	300	903	201.0%
Operating margin	22.0%	35.0%	-

- a. As the social game market has been expanding rapidly, “The Smurfs' Village”, which was launched jointly with Facebook, the world's largest SNS, continued to enjoy success and served as the driving force in increasing Capcom's financial results. Furthermore, it contributed greatly to improving Capcom's earning capacity, with the number of downloads, together with those of “Zombie Café” and “Lil' Pirates” which were also released, totaling more than 20 million.
- b. In addition to “Monster Hunter: Dynamic Hunting” for iPhone / iPod touch faring well, “Resident Evil: Outbreak Survive” was also distributed for "GREE", one of the most popular SNS in Japan.
- c. The resulting net sales were 2,581 million yen (up 89.0% from the same term last year), and the operating income was 903 million yen (up 201.0% from the same term last year).

(3) Arcade Operations

(Unit: Millions of Yen)

	6 months ended Sep. 30, 2010	6 months ended Sep. 30, 2011	Difference (%)
Net sales	5,916	6,054	2.3%
Operating income	732	1,223	67.1%
Operating margin	12.4%	20.2%	-

- a. Although ten of Capcom's arcades were seriously affected by the Great East Japan Earthquake in March 2011 and were forced to shut down temporarily, all ten arcades were able to reopen for business in April.
- b. Capcom made efforts to attract customers by sponsoring events and offering special discount days to thank arcade fans, as well as by implementing various revitalization measures, such as renovation of arcades.

- c. Meanwhile, arcades are regaining ground as they are re-evaluated as readily accessible entertainment that is “inexpensive, nearby and short-duration” owing to the waning of excessive self-restraint evident immediately after the earthquake, helped further by the tail wind of inclination to economize.
- d. In the absence of closing or opening of arcades during the period under review, the total number of arcades remains the same as the end of the previous fiscal period at 37.
- e. The resulting net sales were 6,054 million yen (up 2.3% from the same term last year), and the operating income was 1,223 million yen (up 67.1% from the same term last year).

(4) Amusement Equipments

(Unit: Millions of Yen)

	6 months ended Sep. 30, 2010	6 months ended Sep. 30, 2011	Difference (%)
Net sales	1,406	1,136	-19.2%
Operating income	19	-216	-
Operating margin	1.4%	-19.0%	-

- a. As regards arcade game machines, sales remained sluggish due to the effect of the lack of new products, in spite of the release of “New Super Mario Brothers: Wii Coin World”.
- b. As for the Pachislo machines, overall sales remained stagnant with the product supply cycle entering a slow period, as business consisting mainly of contracted development work.
- c. The resulting net sales were 1,136 million yen (down 19.2% from the same term last year), and the operating loss was 216 million yen (operating profit for the same term last year was 19 million yen).

(5) Other Businesses

(Unit: Millions of Yen)

	6 months ended Sep. 30, 2010	6 months ended Sep. 30, 2011	Difference (%)
Net sales	1,244	1,366	9.9%
Operating income	227	530	133.0%
Operating margin	18.2%	38.8%	-

The net sales from other businesses, mainly character-related licensing royalties, were 1,366 million yen (up 9.9% from the same term last year), and the operating income was 530 million yen (up 133.0% from the same term last year).