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Press Release

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Favorable Increase on Financial Results for ended September 30, 2013
16.9% increase in Net Sales, 15.2% increase in Operating Income from Previous Term
- “Monster Hunter 4” and Capcom pachislo machine contributed to the highest records
at all levels for the first half of a fiscal year -

Capcom Co., Ltd. would like to announce that net sales increased to 53,234 million yen (up 16.9% from the previous year) in the 6 months of fiscal year ending March 31, 2014. As for profits, operating income increased to 7,509 million yen (up 15.2% from the previous year), and ordinary income increased to 8,190 million yen (up 34.8 % from the previous year). Net income for the current period increased to 4,950 million yen (up 20.0 % from the previous year).

During the 6 months, the feature title “Monster Hunter 4” is the highest ever for any third-party Nintendo 3DS title in Japan by becoming a big hit with shipment of 2.8 million units* in the Digital Contents business. In addition, “Resident Evil Revelations” and “Phoenix Wright: Ace Attorney - Dual Destinies” also basically achieved projected sales.

*3 million units as of October 15, 2013

In the Amusement Equipments business, “Devil May Cry 4”, which was released in September, realized better-than-expected sales, serving to drive sales expansion and support earnings.

As a result, sales and income for this 6 months period broke the record at all levels for the first half, since the announcement of consolidated mid-term financial results started in the fiscal year ended March 31, 2001.

The forecast for the consolidated business results for the current fiscal year ending March 31, 2014 remains the same as what was projected at the financial results announcement on May 8, 2013.

1. Results for the 6 months ended September 30, 2013 (from April 1, 2013 to September 30, 2013)

	Net sales	Operating income	Ordinary income	Net income
	Million Yen	Million Yen	Million Yen	Million Yen
6 months ended September 30, 2013	53,234	7,509	8,190	4,950
6 months ended September 30, 2012	45,538	6,515	6,076	4,125

2. Earnings forecast for the fiscal year ending March 31, 2014

	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, 2014	97,000	12,000	11,700	6,800	120 .61

3. Status of Each Operational Department

(1) Digital Contents

(Unit: Million Yen)

	6 months ended Sep. 30, 2012	6 months ended Sep. 30, 2013	Difference (%)
Net sales	34,993	37,510	7.2%
Operating income	5,777	5,380	-6.9%
Operating margin	16.5%	14.3%	-

- a. In the Digital Contents business, thanks to its solid fan base, Monster Hunter 4 (for Nintendo 3DS) was an immediate success shipping more than two million units as soon as it was released on September 14. Dragon's Dogma: Dark Arisen" (for PlayStation 3 and Xbox 360) also enjoyed steady sales, while "Resident Evil Revelations" (for PlayStation 3, Xbox 360, Wii U and PC) and "Phoenix Wright: Ace Attorney - Dual Destinies" (for Nintendo 3DS) also basically achieved projected sales.
- b. Sales of "Lost Planet 3" (for PlayStation 3, Xbox 360 and PC) were below expectations due in part to intensifying competition in the European and U.S. markets.
- c. Meanwhile, in addition to the online game "Monster Hunter Frontier G" (for PC and Xbox 360) performing steadily, the browser game "Onimusha Soul" is garnering a great deal of attention in Taiwan, including being at the top of the charts, with the start of its distribution there. In order to expand Capcom's business field, this marked the beginning of the Company's base in Taiwan, which was established last year, in gaining a foothold.
- d. In addition, the Beeline brand's flagship title "Smurfs' Village" also maintained its ongoing popularity, providing stable income.
- e. However, mobile contents did not achieve expected level of sales throughout the period under review, due in part to lack of major titles and the fierce competitive environment.
- f. The resulting net sales were 37,510 million yen (up 7.2% from the same term last year), and operating income was 5,380 million yen (down 6.9% from the same term last year).

(2) Arcade Operations

(Unit: Million Yen)

	6 months ended Sep. 30, 2012	6 months ended Sep. 30, 2013	Difference (%)
Net sales	5,630	5,461	-3.0%
Operating income	986	975	-1.1%
Operating margin	17.5%	17.9%	-

- a. In the Arcade Operations business, Capcom has been working to capture a broad customer base and stimulate demand through such measures as winning core customers, securing repeat customers and attracting families by holding various events, setting up kids' corners and developing other elaborate community-based activities to draw in customers with an aim to be the "No. 1 shop in the area" in an otherwise sluggish market.
- b. However, the lack of high-performing game machines, intensification of competition with other modes of entertainment and bad weather adversely impacted efforts to attract customers.
- c. Capcom opened an arcade in the "MARK IS Shizuoka" shopping center in Shizuoka City during the period under review, bringing the total number of arcades to 35 as of the end of the period.
- d. The resulting net sales were 5,461 million yen (down 3.0% from the same term last year), and operating income was 975 million yen (down 1.1% from the same term last year).

(3) Amusement Equipments

(Unit: Million Yen)

	6 months ended Sep. 30, 2012	6 months ended Sep. 30, 2013	Difference (%)
Net sales	3,594	8,921	148.2%
Operating income	1,336	2,519	88.5%
Operating margin	37.2%	28.2%	-

- a. In the Pachinko & Pachislo division, "Devil May Cry 4", which was released in September, realized better-than-expected sales, serving to drive sales expansion and support earnings.
- b. In addition, in the Arcade Games Sales division, a new coin-operated game machine "Mario Party Fushigi no Korokoro Catcher 2" performed solidly and "Monhan Nikki Puripuri Pugi Race" was released.
- c. The resulting net sales were 8,921 million yen (up 148.2% from the same term last year), and operating income was 2,519 million yen (up 88.5% from the same term last year).

(4) Other Businesses

(Unit: Million Yen)

	6 months ended Sep. 30, 2012	6 months ended Sep. 30, 2013	Difference (%)
Net sales	1,320	1,341	1.6%
Operating income	497	518	4.2%
Operating margin	37.7%	38.6%	-

In Other Businesses, which is mainly the publication of game guidebooks, etc. and selling of character and other goods, net sales were 1,341 million yen (up 1.6% from the same term last year), and operating income was 518 million yen (up 4.2% from the same term last year).