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Press Release

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**Capcom Announces Special Loss, Revision of Business Forecast,
Non-consolidated Business Forecast and Reasons behind the Difference from
Previous Year's Business Results**

Capcom Co., Ltd. (Capcom) announces that on March 31, 2014, the board of directors approved a resolution to revise the forecast for consolidated business for the fiscal year ending March 2014 (April 1, 2013 – March 31, 2014) that was announced on May 8, 2013, based on results of operations in this fiscal year. Furthermore, the non-consolidated business forecast is likely to be different compared with the previous year's actual business results. Details are as follows:

1. Special loss

Due to rapid changes taking place in the market for games, Capcom is building a sound base for earnings by reorganizing the product development framework and improving development processes. These are two core elements of the company's operations. The objective of these activities is to earn consistent earnings in each fiscal year. However, these initiatives have not yet started to produce benefits mainly in the Mobile Contents. As a result, Capcom has decided to post business structural improvement expenses of approximately 5,000 million yen in consolidated, and approximately 4,300 million yen in non-consolidated forecast, following a comprehensive examination of prospects for recovering the cost of certain fixed assets.

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

(From April 1, 2013 to March 31, 2014)

(Millions of Yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecast (A)	97,000	12,000	11,700	6,800	120.62
Revised forecast (B)	101,500	10,000	10,500	3,300	58.53
Difference (B) - (A)	4,500	(2,000)	(1,200)	(3,500)	-
Difference (%)	4.6	(16.7)	(10.3)	(51.5)	-
(For Reference) Actual ended March 31, 2013	94,075	10,151	10,944	2,973	51.64

3. Reasons for revision

The forecast for consolidated sales has been increased mainly because of strong sales of “Monster Hunter 4”, the biggest title in Capcom’s home video games business, and the highly successful pachislo title “Monster Hunter Gekka Raimei”. On the other hand, the operating income and ordinary income forecasts have been lowered because of a decline in profitability. The primary reasons for this decline are below expectations of products in the highly profitable mobile contents and “Monster Hunter Frontier G” online game. The net income forecast has been lowered for these reasons as well as to incorporate the special loss explained in the previous section.

As a result, Capcom revises the forecast for consolidated business for the fiscal year ending March 2014, as explained in the previous section.

4. Non-consolidated business results for the FY ending March 2014 and the difference with the previous fiscal year’s results (From April 1, 2013 to March 31, 2014)

(Millions of Yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Year ended March 31, 2013 (A)	74,748	9,349	10,595	2,697	46.84
Year ending March 31, 2014 (B)	87,700	7,600	8,200	2,200	39.02
Difference (B) - (A)	12,952	(1,749)	(2,395)	(497)	-
Difference (%)	17.3	(18.7)	(22.6)	(18.4)	-

5. Reasons for the difference

Sales are expected to be higher than one year earlier due in part to the launch of major titles. However, Capcom anticipates declines in operating income, ordinary income and net income because of increases in the cost of sales and selling, general and administrative expenses.

Note: The above forecasts are based on information available to management as of the date of the announcement of this release. Actual results may vary due to a variety of unforeseen factors.