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Press Release

Company Name : Capcom Co., Ltd.  
Representative: Haruhiro Tsujimoto, President and COO  
(Code No. 9697 First Section of Tokyo Stock Exchange)  
Contact: Public Relations and Investor Relations Office  
Phone Number: +81-6-6920-3623

**Net Sales for the 3 Months Ended Jun 30, 2014 was Decreased by 45.1%,  
Increased by 75.3% in Operating Income from the Previous Term**

- On track to achieve full-year forecasts with improving profitability, although a lack of major products -

Capcom Co., Ltd. would like to announce that net sales decreased to 9,575 million yen (down 45.1% from the previous year) in the 3 months of fiscal year ending March 31, 2015. As for profits, operating income increased to 1,268 million yen (up 75.3% from the previous year), and ordinary income increased to 1,223 million yen (up 6.3 % from the previous year). Net income for the current period decreased to 765 million yen (down 7.5 % from the previous year).

During the 3 months of the Digital Contents business, “Dead Rising 3”, which became a million-seller in the previous fiscal year, continued to show a robust sale, as well as repeat titles and digital download contents. Furthermore, the online title “Monster Hunter Frontier GG” performed steadily with major update. In addition, “Monster Hunter Freedom Unite for iOS” experienced favorable performance in the Mobile Contents sub-segment.

On the other hand, the consolidated sales was declined significantly mainly due to lack of new major titles in the Consumer sub-segment compared to the previous fiscal year.

However, Capcom has promoted measures to improve earnings by reducing the cost of sales in the Mobile Contents sub-segment, etc. and cutting back on selling, general and administrative expenses, which resulted in 75.3% growth in operating income.

The forecast for the consolidated business results for the current fiscal year ending March 31, 2015 remains the same as what was projected at the financial results announcement on May 8, 2014.

1. Results for the 3months ended June 30, 2014 (from April 1, 2014 to June 30, 2014)

	Net sales	Operating income	Ordinary income	Net income
	Million Yen	Million Yen	Million Yen	Million Yen
3 months ended June 30, 2014	9,575	1,268	1,223	765
3 months ended June 30, 2013	17,457	723	1,151	828

## 2. Earnings forecast for the fiscal year ending March 31, 2015

	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, 2015	80,000	10,500	10,200	6,600	117.37

## 3. Status of Each Operational Department

### (1) Digital Contents

(Unit: Million Yen)

	3 months ended June 30, 2013	3 months ended June 30, 2014	Difference (%)
Net sales	12,454	5,506	-55.8%
Operating income	423	1,131	167.6%
Operating margin	3.4%	20.5%	-

- a. In the Digital Contents business, “Phoenix Wright Ace Attorney Trilogy” (for Nintendo 3DS) showed strong sales while “Dead Rising 3” (for Xbox One), which became a million-seller in the previous fiscal year, also remained robust. However, no major new titles were released in this period so sales focused on existing products.
- b. As for online titles, “Monster Hunter Frontier GG” (for PC, Xbox 360, PlayStation 3, and Wii U) performed steadily.
- c. In addition, the Mobile Contents sub-segment showed improvements in profitability as well as experienced favorable performance of “Monster Hunter Freedom Unite for iOS”.
- d. However, overall performance was reduced as minor titles and repeat sales accounted for most of the lineup during the period under review due to a lack of major new titles.
- e. As a result, although net sales decreased to 5,506 million yen (down 55.8% from the same term last year), operating income slightly increased to 1,131 million yen (up 167.6% from the same term last year) due to reduction of costs, etc.

## (2) Arcade Operations

(Unit: Million Yen)

	3 months ended June 30, 2013	3 months ended June 30, 2014	Difference (%)
Net sales	2,484	2,200	-11.4%
Operating income	366	214	-41.5%
Operating margin	14.7%	9.7%	-

- a. In the Arcade Operations business, efforts were made to create community-based arcades by holding events to attract customers, installing game machines to satisfy a broad range of customers and such with the weakened market conditions.
- b. However, partly due to the impact from the consumption tax hike in addition to the sluggish growth of existing arcades, business remained on a weak note.
- c. No openings/closures took place during the period under review, thus the number of arcades remains at 33, unchanged from the end of the previous period.
- d. As a result, net sales were 2,200 million yen (down 11.4% from the same term last year) and operating income was 214 million yen (down 41.5% from the same term last year).

## (3) Amusement Equipments

(Unit: Million Yen)

	3 months ended June 30, 2013	3 months ended June 30, 2014	Difference (%)
Net sales	2,042	1,498	-26.7%
Operating income	659	627	-4.8%
Operating margin	32.3%	41.9%	-

- a. In the Pachinko & Pachislo sub-segment, the product supply cycle entered a period of scant new machines, thus there were no new machines launched and the business consisted of mainly repeat sales and the contracted product development business.
- b. In the Arcade Games Sales sub-segment, sales centered around existing products as well. Although both businesses lacked sales products, the result surpassed the forecast.
- c. As a result, net sales were 1,498 million yen (down 26.7% from the same term last year) and operating income was 627 million yen (down 4.8% from the same term last year).

(4) Other Businesses

(Unit: Million Yen)

	3 months ended June 30, 2013	3 months ended June 30, 2014	Difference (%)
Net sales	476	369	-22.3%
Operating income	224	177	-20.6%
Operating margin	47.1%	48.0%	-

The net sales from Other Businesses, mainly consisting of publication of game guidebooks and sales of related goods, were 369 million yen (down 22.3% from the same term last year), and operating income was 177 million yen (down 20.6% from the same term last year).