

January 31, 2018

Press Release

Company Name: Capcom Co., Ltd.  
Representative: Haruhiro Tsujimoto, President and COO  
(Code No. 9697 First Section of Tokyo Stock Exchange)  
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## Notice Regarding Absorption-Type Merger (Simplified Merger and Short Form Merger) with Consolidated Subsidiary

Capcom Co., Ltd. announces that it has resolved at the Board of Directors meeting on January 31, 2018 to perform an absorption-type merger with its wholly-owned subsidiary, Captron Co., Ltd. (the “Merger”), on April 1, 2018. Since the Merger is with a wholly-owned subsidiary, Capcom is omitting some disclosure items and details.

### 1. Purpose and details of the Merger

Captron is engaged primarily in the renting, leasing and operation of real estate properties. Capcom has decided to carry out the Merger with Captron as a part of its business reorganization, the goal of which is to increase the operational efficiencies of the Capcom Group. With the Merger, Capcom aims to concentrate and effectively use management resources.

### 2. Summary of the Merger

#### (1) Schedule

Board of Directors Meeting to resolve the Merger	January 31, 2018
Conclusion date of the merger agreement	January 31, 2018
Effective date of the Merger	April 1, 2018 (planned)

Note: The approval of resolutions by the shareholders of Capcom and Captron are not necessary for the Merger because Capcom will use the simplified merger procedure prescribed in Article 796 Paragraph 2 of the Company Law and Captron will use the short form merger procedure prescribed in Article 784 Paragraph 1 of the Company Law.

#### (2) Merger method

The method of the Merger is an absorption-type merger with Capcom as the surviving company. Captron will be dissolved.

#### (3) Allocations for the Merger

No stock will be issued or cash or other forms of compensation allocated in conjunction with the Merger because Captron is a wholly owned subsidiary of Capcom.

#### (4) Treatment of stock warrants and convertible bonds of the company to be dissolved

Captron has not issued any stock warrants or convertible bonds.

3. Outline of the companies involved in the Merger (As of September 30, 2017)

	Surviving Company	Company to be Dissolved
(1) Name of company	Capcom Co., Ltd.	Captron Co., Ltd.
(2) Head office	3-1-3 Uchihirano-machi, Chuo-ku, Osaka 540-0037, Japan	3-1-3 Uchihirano-machi, Chuo-ku, Osaka 540-0037, Japan
(3) Representative	Haruhiro Tsujimoto, President & COO	Koji Yokota, President
(4) Major business segments	The planning, development, manufacture, sale and distribution of home video games, online games, mobile content and arcade games, as well as the management of amusement arcades.	The renting, leasing and operation of real estate properties.
(5) Paid-in capital	¥33,239 million	¥1,640 million
(6) Date of establishment	May 30, 1979	May 1, 1981
(7) Number of shares issued	67,723,244 shares	1,408,000 shares
(8) Fiscal term	March 31	March 31
(9) Name of major shareholders and their investment ratio <sup>*1</sup>	<p>Crossroad Co., Ltd. 9.41%</p> <p>Japan Trustee Services Bank, Ltd. (Trust Account) 6.97%</p> <p>The Master Trust Bank of Japan, Ltd. (Trust Account) 3.25%</p> <p>Ryozo Tsujimoto 2.98%</p> <p>Yoshiyuki Tsujimoto 2.98%</p> <p>Haruhiro Tsujimoto 2.98%</p> <p>Kenzo Tsujimoto 2.97%</p> <p>J.P. Morgan Chase Bank 380055 1.75%</p> <p>Trust &amp; Custody Services Bank, Ltd. 1.50%</p> <p>J.P. Morgan Chase Bank 385632 1.42%</p> <p>Note: Major shareholders excludes Capcom Co., Ltd., who holds 12,977 thousand shares of treasury stock (19.16% of shares issued).</p>	Capcom Co., Ltd. 100.00%
(10) Results of operations and financial condition in most recent fiscal term		
Fiscal term	Year ended March 31, 2017 (Consolidated)	Year ended March 31, 2017 (Non-consolidated)
Net assets	¥77,774 million	¥7,666 million
Total assets	¥118,897 million	¥16,021 million
Net assets per share	¥1,420.64	¥5,444.73
Net sales	¥87,170 million	¥1,765 million
Operating income	¥13,650 million	¥867 million
Ordinary income	¥12,589 million	¥777 million

Net income (attributable to owners of the parent)	¥8,879 million	¥530 million
Net income per share	¥160.35	¥376.63

4. Outline of Capcom Co., Ltd. following the Merger

The company name of Capcom Co., Ltd., the address of its head office, its representative, its major business segments, its paid-in capital and its fiscal term will not change following the Merger.

5. Outlook

The Merger will have only a negligible effect on consolidated results of operations because this is a merger of Capcom and a wholly owned consolidated subsidiary.