

# 11-Year Summary of Consolidated Business Performance Indicators

## Financial Index

	2000	2001	2002	2003	2004
<b>For the Year:</b>	Millions of yen				
Net sales <sup>①</sup>	¥ 51,574	¥ 49,082	¥ 62,742	¥ 62,036	¥ 52,668
Operating income <sup>②</sup>	9,061	7,155	9,727	6,680	1,402
Net income (loss) before income taxes	8,712	7,126	7,420	(30,049)	(6,900)
Net income (loss) <sup>③</sup>	9,700	6,007	4,912	(19,598)	(9,158)

	%				
<b>Financial Index:</b>					
Operating margin <sup>②</sup>	17.6	14.6	15.5	10.8	2.7

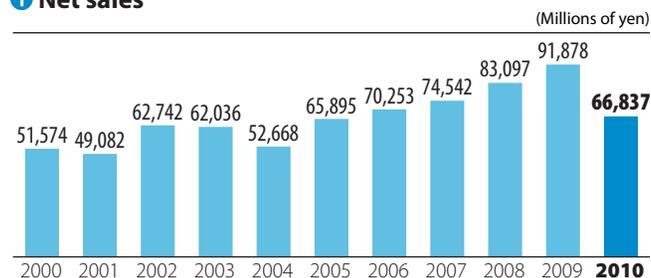
	Millions of yen				
<b>Business Segments Net sales:</b>					
Home Video Games <sup>④</sup>	¥ 35,752	¥ 31,727	¥ 47,769	¥ 48,090	¥ 33,949
Arcade Operations	—	—	8,327	9,242	9,830
Arcade Games	5,370	7,531	3,954	1,113	4,511
Contents Expansion	—	—	—	—	—
Other Businesses	10,812	10,246	3,082	3,743	4,447

	Millions of yen				
<b>Business Segments Operating income:</b>					
Home Video Games <sup>④</sup>	¥ 12,150	¥ 7,404	¥ 11,257	¥ 6,760	¥ (971)
Arcade Operations	—	—	1,174	2,141	2,326
Arcade Games	(2,027)	(57)	(456)	(534)	1,424
Contents Expansion	—	—	—	—	—
Other Businesses	827	1,797	205	351	939

	Thousands				
<b>Number of home video games sold:</b>					
Total number of units	12,500	11,100	15,000	16,300	11,600

Sales of Major titles	Resident Evil 3	Onimusha	Devil May Cry	Devil May Cry 2	Mega Man Battle Network 4
	3,520	1,350	2,070	1,400	950
	Dino Crisis	Dino Crisis 2	Onimusha 2	Resident Evil 0	Onimusha 3
	2,240	1,230	1,070	1,130	630
	Resident Evil Code: Veronica	Breath of Fire IV	Mobile Suit Gundam: Federation vs. Zeon	Mega Man Battle Network 3	Resident Evil Out Break
	730	460	890	850	430

### ① Net sales



Structural reforms enacted in the fiscal years that ended in March 2003 and 2004 set the stage for stable growth in sales starting in the fiscal year that ended in March 2005. In prior years, there were big differences in sales from year to year depending on whether or not any products became major hits. Most of the reforms took place the home video games business. The primary objective was to establish an efficient game development framework capable of launching highly profitable new games and more titles in popular game series in each fiscal year. However, sales are expected to decline in the most recent fiscal year, which ended in March 2010, because introductions of major titles were pushed back for strategic reasons.

### ② Operating income/Operating margin

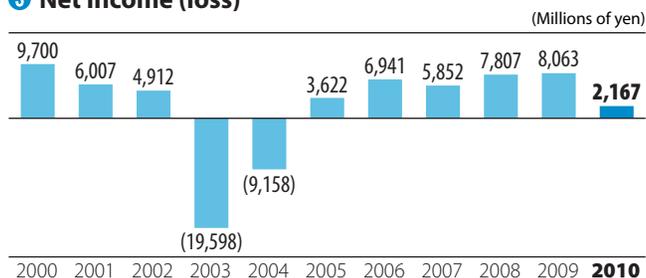


Structural reforms have enabled Capcom to sustain consistent growth in operating income. In the past, operating income varied greatly each year depending on the number of major hits, just as with sales. However, operating income started benefiting from structural reforms a few years after sales because about two years is normally required to develop new games. Starting in the fiscal year that ended in March 2007, Capcom has been using a new game development framework to improve operating income by focusing activities on the most profitable titles. However, operating income is expected to decline in the most recent fiscal year, which ended in March 2010, because introductions of major titles were pushed back for strategic reasons.

CAPCOM CO., LTD. AND ITS CONSOLIDATED SUBSIDIARIES. YEARS ENDED MARCH 31

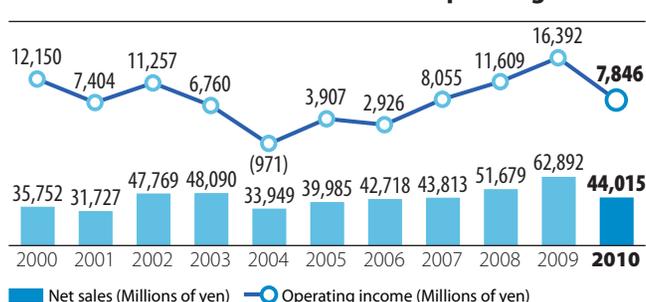
2005		2006		2007		2008		2009		2010		2010	
Millions of yen										Thousands of U.S. dollars			
¥	65,895	¥	70,253	¥	74,542	¥	83,097	¥	91,878	¥	<b>66,837</b>	\$	<b>718,681</b>
	7,752		6,580		9,602		13,121		14,618		<b>5,587</b>		<b>60,078</b>
	7,006		6,912		9,986		11,962		12,448		<b>1,124</b>		<b>12,089</b>
	3,622		6,941		5,852		7,807		8,063		<b>2,167</b>		<b>23,308</b>
%													
	11.7		9.4		12.9		15.8		15.9		<b>8.4</b>		
Millions of yen										Thousands of U.S. dollars			
¥	39,985	¥	42,718	¥	43,813	¥	51,679	¥	62,892	¥	<b>44,015</b>	\$	<b>473,282</b>
	10,934		11,568		13,043		13,406		13,509		<b>11,985</b>		<b>128,876</b>
	7,450		6,995		8,060		6,574		8,031		<b>2,280</b>		<b>24,520</b>
	—		5,742		7,102		8,525		4,628		<b>5,819</b>		<b>62,576</b>
	7,563		3,268		2,561		2,947		2,824		<b>2,736</b>		<b>29,424</b>
Millions of yen										Thousands of U.S. dollars			
¥	3,907	¥	2,926	¥	8,055	¥	11,609	¥	16,392	¥	<b>7,846</b>	\$	<b>84,375</b>
	2,296		2,438		2,009		753		224		<b>590</b>		<b>6,351</b>
	1,944		1,116		1,369		1,182		1,758		<b>(203)</b>		<b>(2,184)</b>
	—		2,362		1,624		2,633		(230)		<b>509</b>		<b>5,478</b>
	1,977		197		(439)		468		1,053		<b>1,097</b>		<b>11,795</b>
Thousands													
	13,500		13,400		12,200		15,600		17,300		<b>12,500</b>		
Resident Evil 4 (GC)	1,230	Resident Evil 4 (PS2)	1,810	Lost Planet Extreme Condition	1,370	Devil May Cry 4	2,320	Resident Evil 5	4,400	Monster Hunter Freedom Unite (Best Price included)	<b>1,350</b>		
Devil May Cry 3	1,100	Onimusha DAWN of DREAMS	640	Dead Rising	1,220	Resident Evil 4 Wii edition	1,300	Street Fighter IV	2,500	Monster Hunter Tri	<b>1,150</b>		
Resident Evil Out Break	820	Monster Hunter Freedom	610	Monster Hunter Freedom 2	1,220	Resident Evil: The Umbrella Chronicles	1,060	Monster Hunter Freedom Unite (Best Price included)	2,200	Resident Evil 5	<b>950</b>		

### 3 Net income (loss)



There was a big increase in net income in the fiscal year that ended in March 2000 because of a contribution to earnings from an adjustment to corporate and other taxes resulting from a reexamination of a valuation allowance associated with deferred tax assets. In the fiscal years that ended in March 2003 and 2004, Capcom posted large net losses because of special losses. One cause was valuation losses on land, buildings and structures and losses from termination game development projects, both associated with structural reforms. Provisions for the allowance for doubtful accounts were also responsible for the net loss in these two fiscal years. In the March 2006 fiscal year, there was a prior-year tax liability due to a notice of tax assessment based on transfer pricing adjustments. But net income increased because of an adjustment to corporate and other taxes resulting from a reexamination of a valuation allowance associated with deferred tax assets. In the fiscal year that ended in March 2010, net income is expected to decline despite a corporate tax refund for prior-year tax liabilities because of an agreement on transfer pricing taxation between Japanese and U.S. tax authorities. This refund will be more than offset by restructuring expenses resulting from a reexamination of the arcade game development system.

### 4 Home Video Games Net sales and Operating income



Our core business, accounting for approximately 70% of net sales. Performance in this segment is significantly affected by the presence or absence of hit titles, which has resulted in repeated erratic fluctuation. However, structural reforms in pursuit of higher quality and profitability implemented in the fiscal year ended in March 2003, including a 60-month title development plan, a "two-step authorization process" and the introduction of a common development engine, resulted in more efficient title distinction and development. These efforts enabled Capcom to turn out three million-seller titles since the fiscal year ended in March 2006 and increase earnings for three straight years, until the fiscal year ended in March 2010, when sales and profits declined on the strategic postponement of major game software.