

11-Year Summary of Consolidated Business Performance Indicators

Financial Index

	2002	2003	2004	2005	2006
For the Year:					
	Millions of yen				
Net sales	¥ 62,742	¥ 62,036	¥ 52,668	¥ 65,895	¥ 70,253
Operating income	9,727	6,680	1,402	7,752	6,580
Net income (loss)	4,912	(19,598)	(9,158)	3,622	6,941
Depreciation & amortization	2,172	2,202	2,081	2,101	1,936
Capital expenditures	4,181	2,289	4,678	1,665	1,600
R&D expenses	1,067	1,151	1,124	1,323	1,864

	Millions of yen				
At Year-End:					
Total assets	¥ 128,512	¥ 106,648	¥ 93,096	¥ 106,361	¥ 98,457
Net assets	68,233	42,888	31,854	32,491	39,464
Net cash	(11,132)	(14,894)	(16,957)	(12,948)	(678)

	Millions of yen				
Cash Flows:					
Cash flows from operating activities	¥ 3,315	¥ 3,635	¥ 5,577	¥ 7,977	¥ 13,921
Cash flows from investing activities	(3,066)	(2,329)	(5,011)	(1,099)	(1,779)
Cash flows from financing activities	8,589	(2,000)	(395)	6,251	(18,259)
Cash and cash equivalents at end of year	35,000	33,444	32,131	45,538	40,652

	Yen				
Per Share Data:					
Net income (loss) per share	¥ 84.21	¥ (338.01)	¥ (160.91)	¥ 63.37	¥ 125.19
Cash dividends applicable to the year per share	20.00	20.00	20.00	20.00	20.00
Net assets per share	1,168.51	753.47	559.66	589.99	716.91

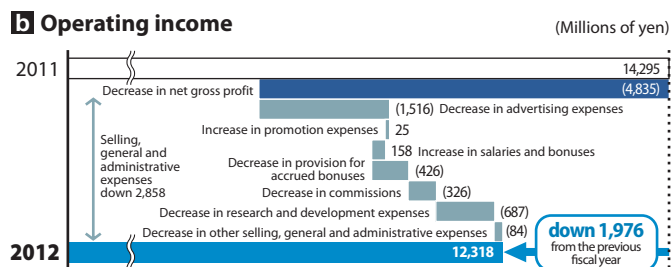
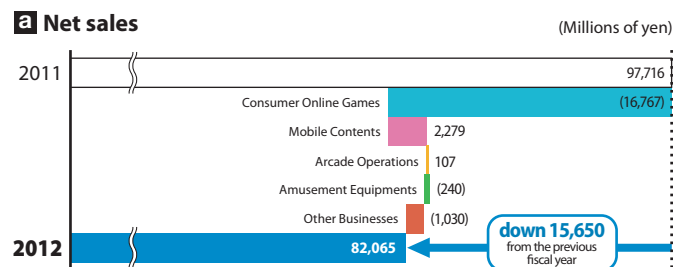
	%				
Financial Index:					
Operating margin	15.5	10.8	2.7	11.7	9.4
ROE	7.5	—	—	11.3	19.3
ROA	4.1	—	—	3.6	6.8
Net worth ratio	53.1	40.2	34.2	30.5	40.1
Debt-equity ratio	88.3	148.8	192.4	227.9	149.4
Foreign investors	25.91	16.85	16.59	14.79	23.35

	Millions of yen				
Net Sales of Consumer Online Games business*^{1,2}					
Consumer Online Games business	¥ 47,769	¥ 48,090	¥ 33,949	¥ 39,985	¥ 42,718

	Thousands				
Number of Home Video Games Sold:					
Total number of units	15,000	16,300	11,600	13,500	13,400
Sales of major titles					
	Devil May Cry 2,070	Devil May Cry 2 1,400	Mega Man Battle Network 4 950	Resident Evil 4 (GC) 1,230	Resident Evil 4 (PS2) 1,810
	Onimusha 2 1,070	Resident Evil 0 1,130	Onimusha 3 630	Devil May Cry 3 1,100	Onimusha DAWN of DREAMS 640
	Mobile Suit Gundam: Federation vs. Zeon 890	Mega Man Battle Network 3 850	Resident Evil Outbreak 430	Resident Evil Outbreak 820	Monster Hunter Freedom 610

*1 Before the fiscal year ended March 31, 2009, the Consumer Online Games business is described as the Home Video Games business.

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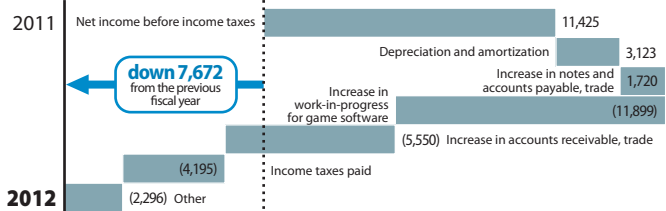


CAPCOM CO., LTD. AND ITS CONSOLIDATED SUBSIDIARIES. YEARS ENDED MARCH 31

2007	2008	2009	2010	2011	2012	2012					
Millions of yen						Thousands of U.S. dollars					
¥ 74,542	¥ 83,097	¥ 91,878	¥ 66,837	¥ 97,716	¥ 82,065	\$ 1,000,801					
9,602	13,121	14,618	5,587	14,295	12,318	150,226					
5,852	7,807	8,063	2,167	7,750	6,723	81,999					
2,774	3,393	4,143	3,368	3,315	3,123	38,091					
4,495	4,503	2,906	2,205	2,758	4,153	50,647					
1,828	2,972	2,329	2,125	2,924	2,236	27,277					
Millions of yen						Thousands of U.S. dollars					
¥ 91,478	¥ 93,606	¥ 106,210	¥ 86,621	¥ 90,408	¥ 98,247	\$ 1,198,141					
45,144	53,660	59,349	53,956	58,007	59,352	723,809					
9,200	13,061	7,378	12,299	27,655	11,348	138,394					
Millions of yen						Thousands of U.S. dollars					
¥ 16,063	¥ 7,452	¥ (551)	¥ 14,320	¥ 22,392	¥ (7,672)	\$ (93,560)					
(6,715)	(3,374)	(2,715)	(1,618)	(2,046)	(4,794)	(58,469)					
(15,206)	(2,448)	(342)	(10,747)	(12,919)	587	7,169					
35,020	32,763	28,611	29,815	35,011	22,287	271,796					
Yen						U.S. dollars					
¥ 107.52	¥ 132.90	¥ 130.98	¥ 35.71	¥ 131.18	¥ 116.10	\$ 1.42					
30.00	30.00	35.00	35.00	40.00	40.00	0.48					
799.35	881.31	961.38	913.18	981.76	1,030.70	12.57					
%											
12.9	15.8	15.9	8.4	14.6	15.0						
13.8	15.8	14.3	3.8	13.8	11.5						
6.2	8.4	8.1	2.3	8.8	6.8						
49.3	57.3	55.9	62.3	64.2	60.4						
102.8	74.4	79.0	60.5	55.9	65.5						
32.60	27.72	33.73	24.22	22.17	27.05						
Millions of yen						Thousands of U.S. dollars					
¥ 43,813	¥ 51,679	¥ 62,892	¥ 43,702	¥ 70,269	¥ 53,501	\$ 652,461					
Thousands											
12,200	15,600	17,300	12,500	20,500	15,700						
Lost Planet Extreme Condition	1,370	Devil May Cry 4	2,320	Resident Evil 5	4,400	Monster Hunter Freedom Unite (Best Price included)	1,350	Monster Hunter Freedom 3	4,600	Resident Evil: Operation Raccoon City	1,700
Dead Rising	1,220	Resident Evil 4 Wii edition	1,300	Street Fighter IV	2,500	Monster Hunter Tri	1,150	Dead Rising 2	2,200	Monster Hunter 3 (Tri) G	1,600
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	950	MARVEL VS. CAPCOM 3 Fate of Two Worlds	2,000	Street Fighter X Tekken	1,400

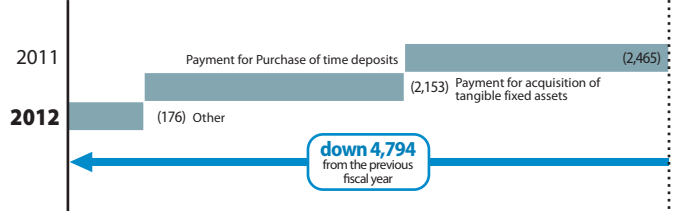
c CF from operating activities

(Millions of yen)



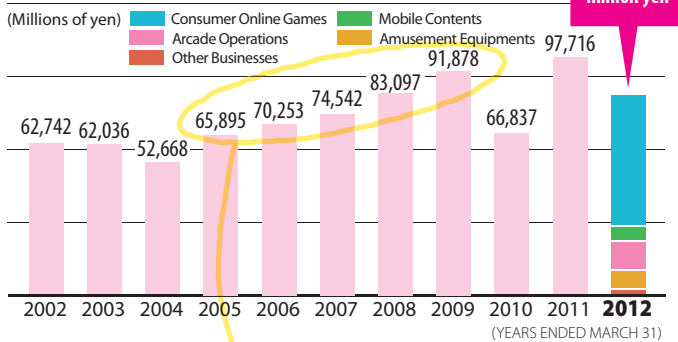
d CF from investing activities

(Millions of yen)



1 Net sales

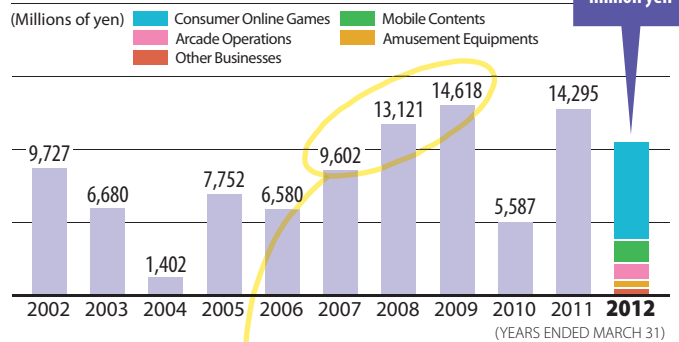
16.0% DOWN ▼



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 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. By creating an efficient development structure primarily in the Consumer Online Games business, Capcom is able to release highly profitable popular titles each fiscal year. However, in the most recent fiscal year ended March 2012, net sales were down 16.0% from the previous fiscal year due to delays in the release of major titles and the backlash from the release of major titles in the previous year.

2 Operating income

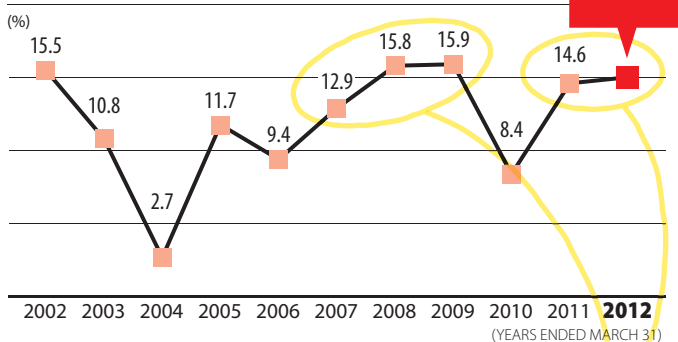
13.8% DOWN ▼



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 about two years after sales because a few years are normally required to develop new games. Starting in the fiscal year ended 2007, Capcom has been using a new game development framework to improve operating income by focusing activities on the most profitable titles. In the fiscal year ended 2012, operating income declined 13.8% on efficient cost management and the expansion of highly profitable online content.

3 Operating margin

0.4point UP ▲

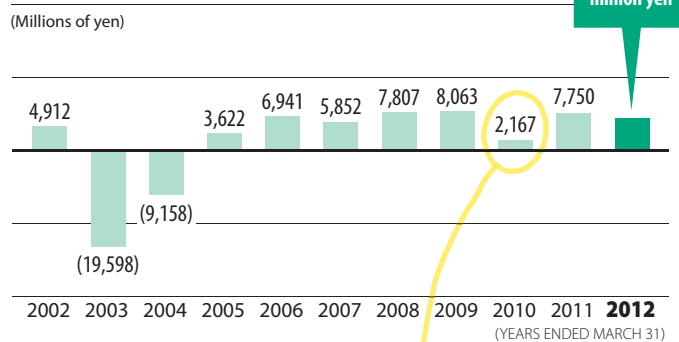


Operating margin depends primarily on profitability of the Consumer Online Games business, which accounts for about 65% of net sales. There was steady increase in operating margin as well as operating income from the fiscal year ended March 2007 thanks to the establishment of the efficient developmental organization.

In the fiscal year ended 2012, despite the large decline, efficient cost management and the expansion of online content resulted in an operating margin of 15.0%.

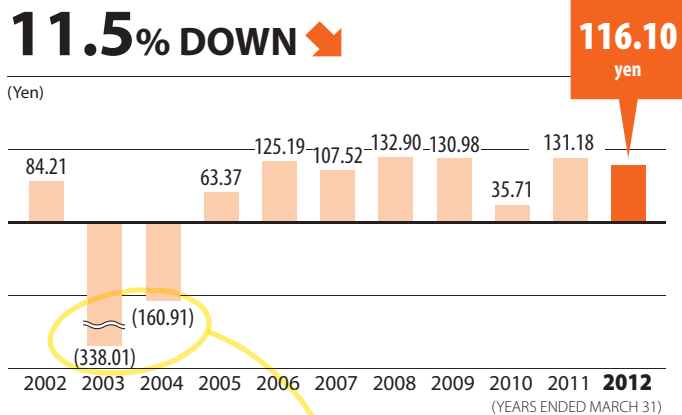
4 Net income (loss)

13.2% DOWN ▼



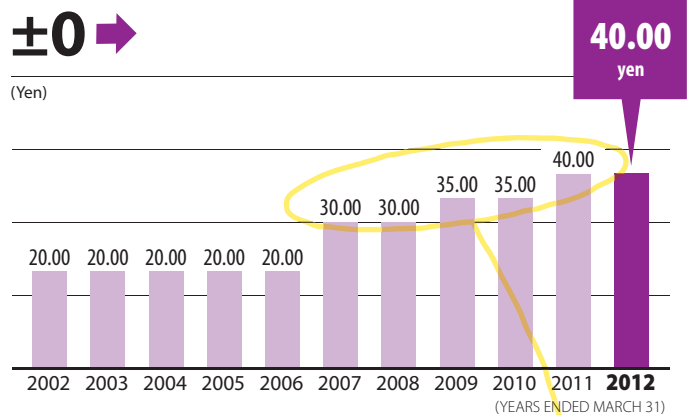
In the fiscal years that ended in March 2003 and 2004, Capcom posted large net losses because of special losses. One cause was valuation losses on land, buildings and structures and losses from termination game development projects, both associated with structural reforms. In the fiscal year ended 2010, recorded a loss on restructuring in accordance with a drastic review of poorly performing businesses as a secondary structural reform to adequately respond to market volatility, resulting in a significant decrease in net income. Since the fiscal year ended 2011, this has been generally linked to the rise and fall of sales.

5 Net income (loss) per share



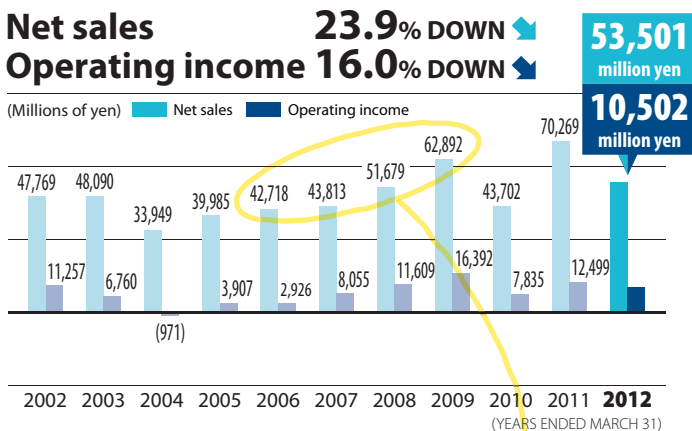
Net income (loss) per share for the fiscal years ended March 2002 to 2009 generally reflected net income (loss) for each fiscal year, even though increase in the number of shares by the exercise of conversion rights of the convertible bonds had a slight influence on the result. For the fiscal years ended March 2003 to 2004, net income (loss) was in the red due to special losses on valuation actually stemming from structural reform, resulting in a significant decline in net income (loss) per share. Since the fiscal year ended 2010, acquisition of treasury stock has been generally linked to the rise and fall of net income.

6 Cash dividends applicable to the year per share



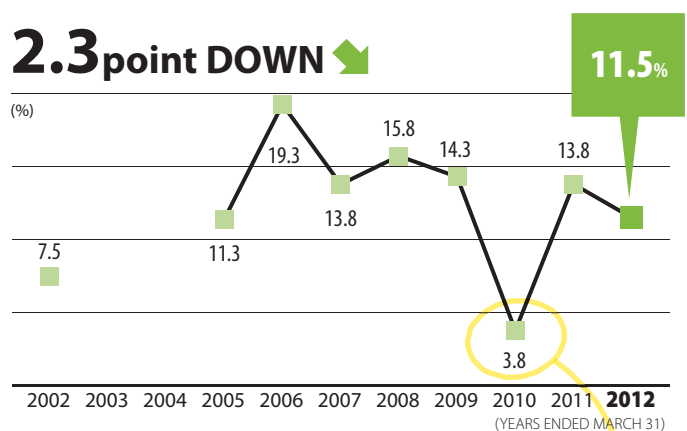
Capcom has its fundamental dividend policy of providing a continued and stable dividend to the shareholders. In accordance with its policy, an annual dividend of 20 yen per share was paid from the fiscal year ended March 1998 to that ended March 2006. Cash dividend per share for the fiscal years ended March 2007 to 2008 was raised to 30 yen thanks to its stable revenue base brought by its structural reform. Moreover, we continued to incrementally increase dividend payments in line with earnings; from the fiscal year ended March 2009, the annual dividend was increased to 35 yen, and again up to 40 yen in the fiscal year ended March 2011.

7 Consumer Online Games business*1, 2



This core business accounts for approximately 65% 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 “two-step authorization process” and the introduction of a common development engine, resulted in more efficient title distinction and development. Consequently, growth has continued with a steady stream of million-selling hits since the fiscal year ended 2006. Although Capcom created three million-selling hit titles in the fiscal year ended 2012, sales and profits declined due to delays in the release of major titles and the backlash from the release of five major titles in the previous year.

8 Return on equity (ROE)



Net loss was run for the fiscal years ended March 2003 and 2004 due to the implementation of structural reform. ROE has been stable around 14% since the fiscal year ended March 2005 (except for 2010), even though net assets increased due to increase in retained earnings and common stock etc. By the exercise of conversion rights of the convertible bonds, ROE for the fiscal year ended March 2010 temporarily decreased due to the postponement of launch of some major titles, however, levels are generally returning to at or near those of fiscal year ended March 2011.

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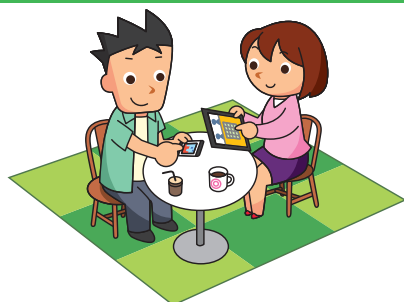
Business Profile



Consumer Online Games

This business is engaged in the development and sales of home video games and the development and operation of PC online games. We will continue concentrating management resources on this business, which represents 65% of company sales, and developing games that meet diverse user needs. We consider action and adventure games our forte, and have released many creative million-seller titles worldwide.

Sales breakdown



Mobile Contents

This business segment develops and distributes games for mobile phones. In the high growth mobile content market, we are able to respond flexibly to advances in smart phones and tablet PCs with our own brand titles and licensed content from other companies, enabling us to expand earnings even further.

Sales breakdown



Arcade Operations

We operate "Plaza Capcom" amusement facilities in Japan. These arcades are predominantly in large commercial complexes and host various events designed to attract families and female customers. We have diligently followed a scrap-and-build policy to maximize our efficiency in arcade operations.

Sales breakdown



Amusement Equipments

We are engaged in two other businesses based on the content used for our home video games. The Pachinko & Pachislo business is involved in the development, manufacture and sales of frames and LCD devices for gaming machines as well as software. The Arcade Games Sales business develops, produces and distributes arcade games for amusement facilities, creating synergy between businesses.

Sales breakdown



Other Businesses

Based on a Single Content Multiple Usage strategy of developing game content for various media, we will pursue a variety of copyright-related business opportunities including publishing (walkthrough and strategy guides as well as game settings collections) and licensing (music CDs and licensed merchandise). Furthermore, we are concentrating on developing game content into movie and TV animation programs.

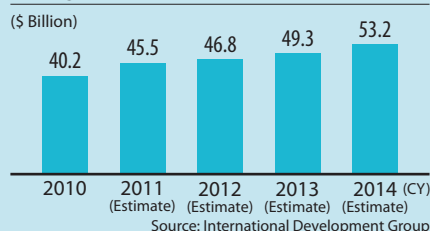
Sales breakdown



Market Trends

- Lower annual sales of game consoles due to market saturation and lower unit prices continued lackluster conditions in the home video game (package) market.
- Diversified forms of marketing through digital distribution, downloadable contents (DLC) and other online networks.
- The PC online game market in the Asia region is growing on track and is expected to grow to a scale equal in size to the home video game market in the future.

Package Software, PC Online and DLC Markets

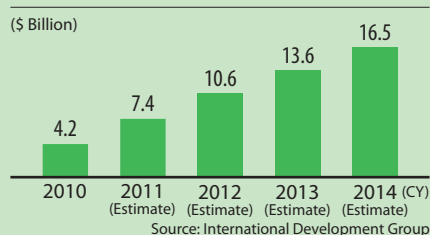


Capcom's Strength and Strategy

- We own numerous "intellectual properties with universal market appeal", the key to our Single Content Multiple Usage strategy.
- We maintain an advanced ability to develop original game content. We also possess a high level of technology, assisted by the "MT Framework", an integrated development environment built to provide common software development tools for a variety of devices.
- Our overseas development capabilities include solid local sales structures and an understanding of market characteristics and product customs.

- With the worldwide adoption of smartphones and tablet devices, the market is experiencing rapid growth.
- The advent of App Stores and the establishment of other global platforms are opening up a whole new segment of game users in new regions such as the Middle East and Asia.
- Spawned from the popularity of social games with added friend communication functionality, a new light game user segment is emerging.

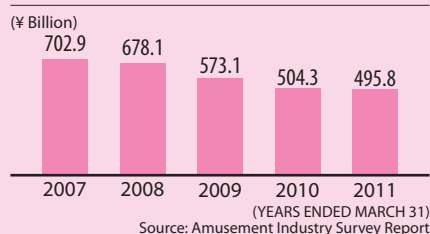
Mobile Content Market



- The Beeline brand distributes social games for smartphones around the world in an attempt to capture the light user segment (women, families) rather than the traditional Capcom user.
- We will continue to develop popular series for mobile phones by making effective use of the content and expertise accumulated over years of consumer game development with the Capcom brand.

- Arcade numbers continue to decline after three consecutive years of rapid contraction in the industry.
- The market remains strong as the orientation toward inexpensive, nearby and short-duration activities after the Great East Japan Earthquake resulted in arcade facilities being seen as nearby entertainment.
- Release of popular character-themed prizes stimulating demand among new customers.
- Number of new products to market expected to be nearly the same as last year, market appears to have hit bottom, calling for stability going forward.

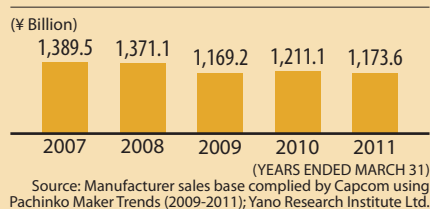
Amusement Arcade Market



- We specialize in opening mall-based large-scale facilities which secure a long-term, stable number of customers.
- We have built an organizational structure to design and operate sales venues supported by customers.
- We also maintain relatively higher profitability than the competition by either selling or closing unprofitable facilities in an attempt to secure a better return on investment.

- The market contracted slightly despite increased unit sales from the swing back to Pachislo machines, while at the same time Pachinko machine sales declined in the amusement equipment market.
- The arcade game market is trending at nearly the same level as last year on the recovery of arcade operator appetite for capital expenditure and the release of popular character-themed merchandise.
- Although the future for both markets is unclear, we expect to improve by releasing new types of machines that meet market needs.

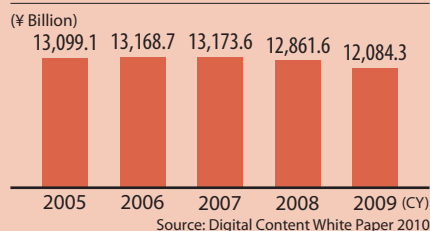
Major Gaming Machines Market (New Machine Sales)



- We establish new revenue streams using our rich in-house content.
- The Pachinko & Pachislo business Division uses capabilities developed creating the Home Video Games business to develop machines from our proprietary and other content.
- Using content developed from home games, the Arcade Game Sales business released coin-operated game machines with popular content, which are in high demand.

- The global contents market was worth 130 trillion yen. The Japanese contents market was worth 12 trillion yen, second to only to the United States.
- The Japanese movie, video and publishing market remained on track and was worth 10 trillion yen. Overseas expansion is the key to growth in this market.

Japanese Content Market Trends



- We create a strong synergy with our Consumer Online Games business by making multidimensional use of our wealth of intellectual properties Single Content Multiple Usage.
- Particularly, in the movie-related business, the brand value has been elevated by the high exposure provided by the media. This leads to greater sales expansion in video game software, completing an ideal sales cycle.

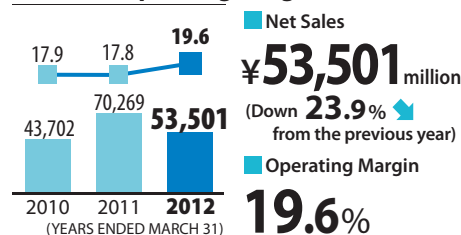
Operating Results for This Fiscal Year



Consumer Online Games

- With sales in excess of 1.6 million units, "Monster Hunter 3 (Tri) G" for the Nintendo 3DS continues to perform well.
- Shipment of overseas titles "Resident Evil: Operation Raccoon City" at 1.7 million units and "Street Fighter X Tekken" at 1.4 million units continue at a steady pace.
- Sales of online game "Monster Hunter Frontier Online" for the PC and Xbox 360 also performed favorably.

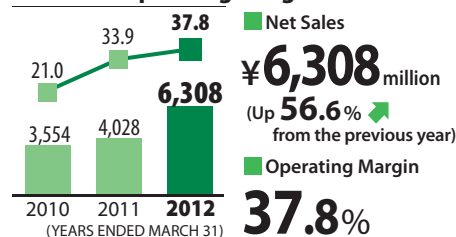
Net Sales/Operating Margin



Mobile Contents

- "Beeline brand" title "Smurfs Village" continues to do well as new title "Snoopy's Street Fair" performs solidly in Japan and Asia.
- "Beeline brand" boasts cumulative downloads in excess of 56 million.
- "Capcom brands" "Resident Evil: Outbreak Survive", "Monhan Tankenki Maboroshi no Shima" and "Minna to Monhan Card Master" performing well with over one million members each.

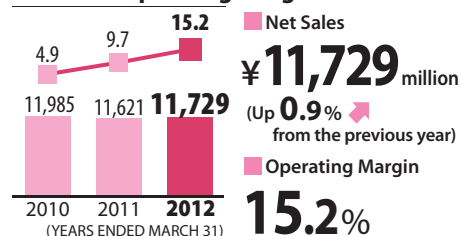
Net Sales/Operating Margin



Arcade Operations

- Capcom promoted customer-oriented community-based arcades by holding events and renovating existing arcades to expand women, family and other customer segments.
- No arcades were closed; strictly managed costs of existing arcades.
- Sales at existing arcades 101% of previous year's sales, first growth in three years.

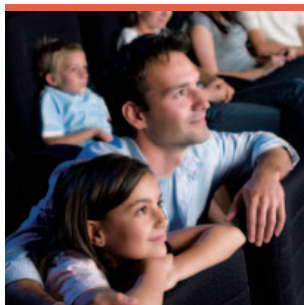
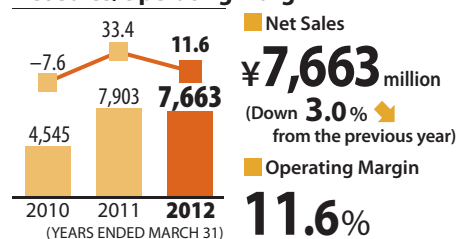
Net Sales/Operating Margin



Amusement Equipments

- Along with sales of approximately 7,000 "Street Fighter IV" cases created in-house for the Pachinko and Pachislo business, outsourced "Monster Hunter" cases are also performing well.
- In the Arcade Games Sales business, sales of coin-operated game machines "Monster Hunter Medal Hunting" and "MONHAN NIKKI SUGOROKU AIRU MURA" featuring "Monster Hunter" series content are solid.

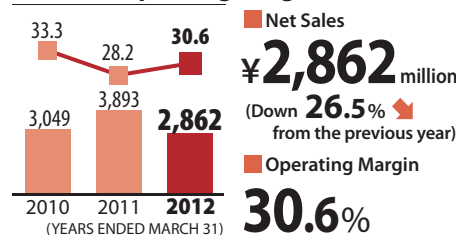
Net Sales/Operating Margin



Other Businesses

- Maximize earnings and strengthen brand power of proprietary content through execution of lateral development of integrated sales of home video games based on the Single Content Multiple Usage strategy.
- Promote use of our original contents as the subject for movies and imaging.
- Engaged in various collaborations and media developments, including TV animation and comics to maximize sales of home video game "Monster Hunter".

Net Sales/Operating Margin



This Year's Major Titles



“Monster Hunter 3 (Tri) G”

Not only can players enjoy three-dimensional images on a new platform with the Nintendo 3DS, they can also enjoy extremely challenging G-rank quests and monsters new to the “Monster Hunter” series, features that are very popular with a broad range of current and new users.



“Resident Evil: Operation Raccoon City”

Capcom partnered with Slant Six Games to reconstruct the “Resident Evil” format and create a shooting game clearly different from other titles in the series.



“Smurfs' Village”

The high degree of freedom, lovable characters and ability to link to and communicate through Facebook enabled this title to become the top-grossing app on Apple's App Store in 80 countries.

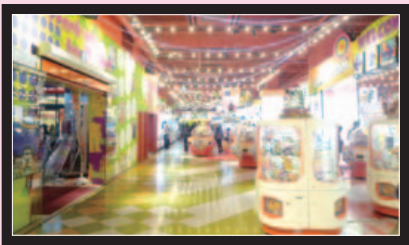


“Minna to Monhan Card Master”

This title's accessibility, communication-rich social elements and effective promotional campaign has helped to attract both fans of the “Monster Hunter” series and new users.

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©CAPCOM developed by gloops



Plaza Capcom Oita

Made efforts to draw traditional and new customers with major renovations.



Plaza Capcom Kyoto

Invited seniors over 50 to event offering an opportunity to play coin-operated and prize games for free in an attempt to increase awareness of arcades, promote future growth among the senior segment and expand earnings.



Pachislo Machine “Monster Hunter”

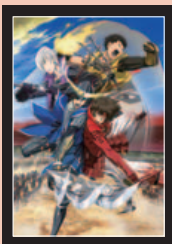
The synergy created between Capcom's brand strength and image engineering capabilities and the case development prowess of RODEO Co., Ltd., resulted in record sales well above projections.

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Coin-Operated Game “Monster Hunter Medal Hunting”

Supported brand expansion with appeal using “Monster Hunter” series brand power to target home video game users and existing arcade customers.



“Sengoku BASARA -The Last Party-”

Beginning with the TV animation broadcast in 2009 to “Sengoku BASARA 2” in 2010, this much-awaited theatrical version opened in June 2011. It became a huge hit, drawing an audience of 210,000 and earning 300 million yen at the box office.

©CAPCOM/TEAM BASARA



Movie “Ace Attorney”

Based on the popular home video game series, the live-action film “Ace Attorney” opened in February 2012 to a big response, bringing in 520 million yen at the box office.

©2012 CAPCOM / “Ace Attorney” FILM PARTNERS



“Monster Hunter The Real”

In August 2011, Capcom held an event in collaboration with Universal Studios Japan with the aim of raising awareness and expanding the “Monster Hunter” series community. The response to the event was tremendous, drawing 200,000 people.