Explanation Summary for the Briefing Regarding
2nd Quarter Financial Results of the Year ending March 31, 2012
by Kenzo Tsujimoto, Chairman and CEO
(October 28, 2011)

1. Greeting
   (1) Thank you very much for taking the time from your busy schedules to attend Capcom’s briefing on our financial results.

   (2) At this meeting, I will cover three subjects: summary of the first half performance, measures to strengthen our global organizational structure, mainly in the social games business, and our goals for the next fiscal year.
2. Summary of the first half performance

<table>
<thead>
<tr>
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<th>2011/9 (initial plan)</th>
<th>2011/9</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>26,000</td>
<td>29,252</td>
<td>112.5%</td>
</tr>
<tr>
<td>Operating income</td>
<td>700</td>
<td>2,782</td>
<td>397.4%</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>600</td>
<td>1,907</td>
<td>317.8%</td>
</tr>
<tr>
<td>Net income</td>
<td>200</td>
<td>906</td>
<td>453.0%</td>
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(1) Our sales and earnings in the first half were much higher than in our initial plan. Our performance even slightly surpassed the higher forecast that we announced on September 14.

(2) There are two main reasons for our September forecast revision. First is the strong performance of “Smurfs’ Village” in the Mobile Contents business. Second is the strong performance of the Arcade Operations business as sales recovered at existing arcades.

(3) We will provide more information about first half performance in the president’s presentation.
3. Strengthening the global organizational structure

(1) The first half of this fiscal year was the beginning of the third and final phase of the second stage of our structural reforms. During this phase, we strengthened our global organizational structure while placing emphasis on our social game business, which is one of key elements of our growth strategy.
(2) Combining organizational functions on a global scale
   - Consolidation of overseas subsidiaries
     a) To centralize and streamline the functions of overseas subsidiaries, sales subsidiary
        Capcom Entertainment, Inc. was absorbed by holding company Capcom U.S.A., Inc.
     b) Eliminating overlapping activities in the Capcom organization makes decision-
        making faster and allows us to expand overseas operations, including in South
        America.
   - Organizational changes at overseas subsidiaries
     a) Beeline Interactive, Inc., which was a subsidiary of Capcom U.S.A., Inc., is now
        supervised directly by Capcom. By further increasing the speed of decision-making,
        this move will enable Beeline Interactive to remain successful in the overseas social
        game market, where even more growth is expected.

(3) Strengthen organizational structure in the social game business
   - Strengthen the Beeline brand
     a) Increase the number of game developers, make the lineup of titles more powerful,
        and expand multi-platform activities for iOS and Android.
     b) In addition, continue to launch major licensed titles and maintain global leadership in
        the smartphone market.
   - Strengthen the Capcom brand
     a) Established the new Social Games Development Team in the Mobile Contents
        business to speed up the development of social games for distribution in Japan.
     b) In particular, reinforce the framework for generating profits from social games in
        Japan in order to aim for the same success that we have achieved overseas.
4. Medium-term goals
   (1) Reconfirmation of medium-term goals

   ![Our goals for the next fiscal year](image)

   **Our Midium-term goal** (During the five-year period ending in March 2015)
   1) Place priority on achieving an operating margin of at least 15% while
   2) Accumulative sales to 500,000 million yen and operating income to 75,000 million yen

   - Capcom is placing priority on the medium-term goal of achieving an operating margin to at least 15% as well as accumulative sales to 500 billion yen and operating income to 75 billion yen for the five-year period ending in March 2015.
   - As I explained earlier, implementation of the growth strategies in our second stage of structural reforms is beginning to consistently generate benefits, mainly for social games and online games. As a result, we are making steady progress toward our medium-term goals.
(2) Goals for the next fiscal year

Our goals for the next fiscal year

During the three-year period ending in March 2015
Accumulative sales to 320,000 million yen and operating income to 49,000 million yen

Fiscal year average
Sales of 100,000 million yen and operating income of 16,000 million yen

- At the beginning of this fiscal year, we predicted declines in sales and earnings for several reasons:
  a) The market for package game software is in a transitional period.
  b) Our lineup of game titles is in a transitional period, too.
  c) Structural reforms and growth strategies will not begin to make meaningful contributions to our performance until the next fiscal year.

- Furthermore, if our performance in the current fiscal year matches our initial plan, our sales will have to be 320 billion yen and operating income 49 billion yen over the three fiscal years ending in March 2015. That means we will have to maintain average sales of more than 100 billion yen and operating income of more than 16 billion yen.

- From these two standpoints as well, we are positioning the next fiscal year as a year for producing benefits from our growth strategies and achieving growth.

- I cannot provide specific figures for the next fiscal year or information about our title lineup at this time. We will announce this information at the proper times.

This completes my presentation. The president will provide more specific information about our strategies in his presentation.