



Capcom Co., Ltd.
(Tokyo and Osaka Exchanges,
First Section, 9697)

Forecast revisions for year ended March 31, 2013
Plan for fiscal year ending March 31, 2014

Precautions Concerning Forward-looking Statements

Strategies, plans, outlooks and other statements that are not historical facts are based on assumptions that use information currently available and reasonable judgments. Actual performance may be significantly different from these statements for a number of reasons.

In the entertainment industry, which includes Capcom, performance may be highly volatile because of diversifying user needs and other changes in market conditions. Items that can affect Capcom's performance include: (1) the number of hit titles and sales volume in the Consumer Online Games Business, which accounts for the majority of sales; (2) progress in developing home video games; (3) the popularity of home video game players; (4) sales outside Japan; (5) changes in stock prices and exchange rates; (6) alliances with other companies concerning product development, sales and other operations; and (7) changes in market conditions. Please note that this is not a complete list of factors that can influence Capcom's operating results.



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**Forecast Revisions for the Fiscal Year
ended March 31, 2013**

<Background of Earnings Revision>

Analysis of Issues

1) Market analysis

- Drastic changes in the industry's market environment
- Concentration of AAA titles in the hands of few foreign competitors

2) Analysis of business results

- Short of FY2012 financial targets

Results of Analysis

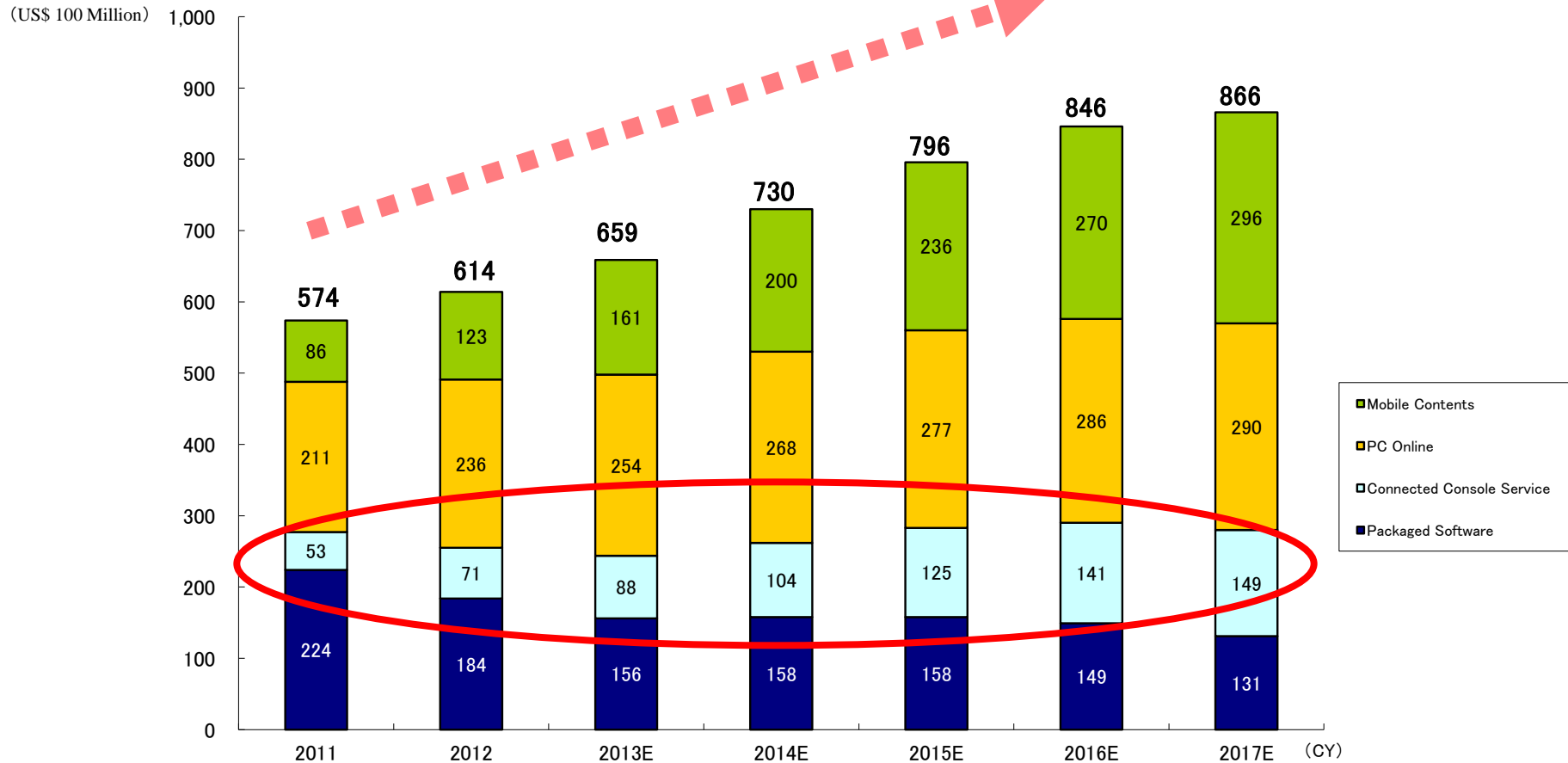
- Delayed response to the shift to digital media in the Home Video Games business
- Decline in quality of titles outsourced to overseas developers

Countermeasures

- Change of strategy for the Home Video Games business (increase DLC, shift to internal R&D)
- Work in progress in game software was strictly re-evaluated for business restructuring

Consolidated Forecast Revisions (2)

■ Total of Home Video Games, PC Online and Mobile Contents Market



**Connected console service in addition to mobile and PC online games
Market expected to witness explosive growth**

Consolidated Forecast Revisions (3)

■ Forecast for the Fiscal Year ended March 31, 2013

(Million Yen)

	Previous Forecast	Revised Forecast (2012/12)	Revised Forecast	Difference (vs. 2012/12)	Difference (%) (vs. 2012/12)
Net sales	105,000	93,500	94,000	500	100.5%
Operating income	15,800	10,000	10,000	-	100.0%
Ordinary income	15,700	10,000	10,900	900	109.0%
Net income	9,800	6,500	2,900	(3,600)	44.6%

- Sales and operating income largely on a par with revised forecasts
- Booked ¥7.2 billion in special loss as a result of strict review of games under development to reflect changes in market conditions

Consolidated Forecast Revisions (4)

Forecast for the Fiscal Year ended March 31, 2013 (By Business Segments)

(Million Yen)

	Net Sales				Operating Income			
	Previous Forecast	Revised Forecast (2012/12)	Revised Forecast	Difference (vs. Previous Forecast)	Previous Forecast	Revised Forecast (2012/12)	Revised Forecast	Difference (vs. Previous Forecast)
Digital Contents	80,000	65,500	63,500	(16,500)	15,000	7,700	6,900	(8,100)
Arcade Operations	12,000	11,000	11,000	(1,000)	1,900	1,700	1,700	(200)
Amusement Equipments	10,000	14,000	16,800	6,800	2,300	4,000	4,800	2,500
Other Businesses	3,000	3,000	2,700	(300)	800	800	800	-
Elimination and Corporate	-	-	-	-	(4,200)	(4,200)	(4,200)	-
Consolidated Total	105,000	93,500	94,000	(11,000)	15,800	10,000	10,000	(5,800)

- **Against original plan: The Digital Contents business fell significantly short of targets due to sluggish sales of the core packaged titles.**
- **Against revised plan (2012/12) : Largely on target as strong sales of pachislo machines in the Amusement Equipments business lifted profit and offset the underachievement of the Mobile Contents business**

Consolidated Forecast Revisions (5)

■ Major Titles Lineup for the Fiscal Year ended March 31, 2013

(Thousand units)

Title	Platform	Previous Forecast	Revised Forecast (2012/12)	Revised Forecast
Resident Evil 6	PS3 Xbox 360	7,000	5,000	4,900
DmC Devil May Cry	PS3 Xbox 360	2,000	1,200	1,150
Total Sales Units	-	20,000	14,000	14,000

<Reasons Behind the Undershooting of Original Targets>

- Delayed response to the expanding digital contents market
- Insufficient coordination between the marketing and game development divisions in overseas markets
- Decline in quality due to excessive outsourcing
- However, business results are largely in line with revised forecasts (2012/12)

Consolidated Forecast Revisions (6)

■ Special Loss

(Million Yen)

	3rd Quarter (9 Months)	FY3/13 forecast
Special Loss	144	approx. 7,200

<Reasons for Special Loss>

- **Revision of the development and marketing strategies for promoting digital contents strategies**
 - ⇒ **Losses related to the discontinuation of development of titles due to delays in responding to the digital contents and the resulting inability to address market needs**
 - ⇒ **Losses resulting from the discontinuation of development of certain titles outsourced overseas that are no more compatible with the current business strategy**

■ Stock Repurchase

<Summary of Repurchase>

- **Type of shares : common stock**
- **Number of shares : up to 1,500,000 shares**
- **Total cost : up to 2.5 billion yen**
- **Repurchase period : April 22, 2013
through May 31, 2013**

Note:

As of March 31, 2013, there were 67,723,244 shares of stock issued including 10,139,772 shares of treasury stock.



**Forecast for the Fiscal Year ending
March 31, 2014**

<Future Strategic Issues>

- 1. Strengthen digital strategies in the Consumer Business**
- 2. Raise game quality by moving more game development in-house**
- 3. Enhance global coordination between the development and marketing divisions**

Forecast for the Fiscal Year ending March 31, 2014 (2)

■ Forecast for the Fiscal Year ending March 31, 2014

(Million Yen)

	FY3/13 Forecast	FY3/14 Forecast	Difference	Difference (%)
Net sales	94,000	approx. 97,000	3,000	103.2%
Operating income	10,000	approx. 12,000	2,000	120.0%
Ordinary income	10,900	approx. 11,700	800	107.3%
Net income	2,900	approx. 6,800	3,900	234.5%

*More information about the forecast for the next fiscal year will be provided in the earnings release for the fiscal year ended March 31, 2013.

- **Improve profit by promoting the digital strategy (DLC) in the Consumer business**
- **Aim for growth surpassing that of the market by reinforcing our Online and Mobile Contents businesses**
- **Strengthen the earnings base by expanding the title lineup in the P&S business**

Forecast for Fiscal Year ending March 31, 2014 (3)

■ Plan for Title Lineup in the Fiscal Year ending March 31, 2014

Title	Unit Plan	Release Date
Monster Hunter 4	3DS	Summer 2013
Lost Planet 3	PS3 X360	Aug. 2013
Resident Evil Revelations Unveiled Edition	PS3 X360 Wii U	May 2013
Other Major Titles		-