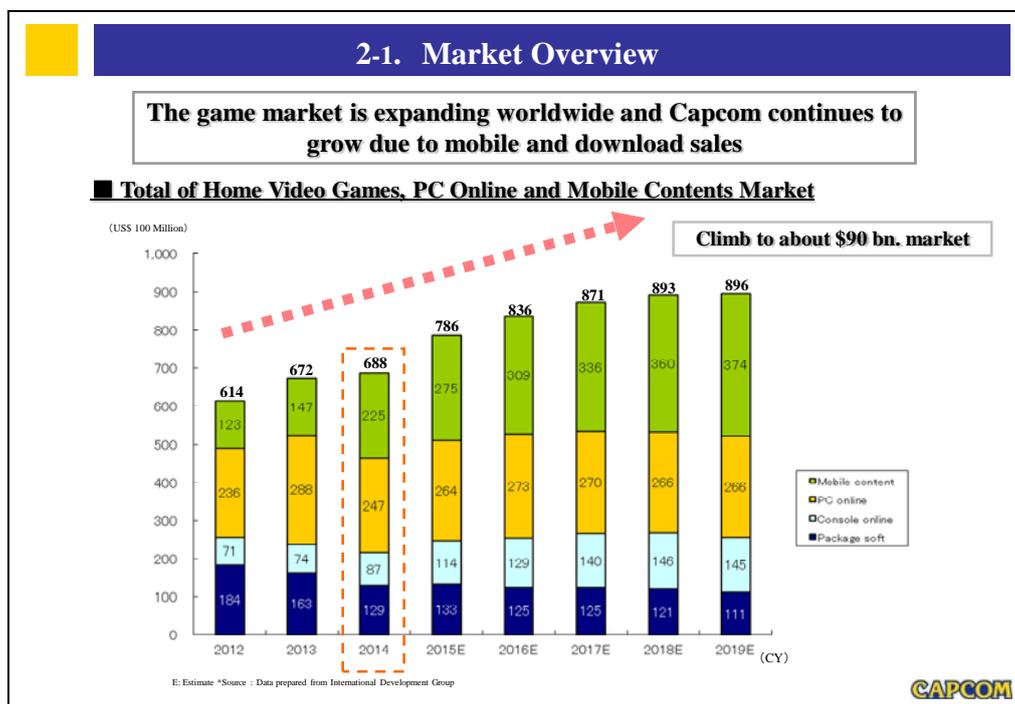


**Explanation Summary for the Briefing Regarding
Financial Results of the Year ending March 31, 2015
by Haruhiro Tsujimoto, President and COO
(May 8, 2015)**

I am Haruhiro Tsujimoto, president and chief operating officer of Capcom. Today, I will talk about our strategies and our plan for the fiscal year ending in March 2015.

P. 6 The Consumer, PC Online and Mobile Markets



My first subject is an update concerning the consumer, PC online and mobile markets, which are central elements of our growth strategy.

The global game software market has changed rapidly during the past year. Increasing diversification of distribution channels caused by the growth of digital download sales is one cause. Another is the expansion of business domains because of the worldwide popularity of mobile devices. As this expansion takes place, we view changes involving the consumer, mobile and PC platforms as an excellent opportunity. There are enormous opportunities for the creation and distribution of new content.

Market surveys indicate that the size of the global game market is going to grow from 68.8 billion dollars in 2014 to about 90 billion dollars in 2019, an increase of about 30%.

In the home video game market (light and dark blue sections of the graph), combined sales of the package and console online (digital download) categories are projected to increase from 21.6 billion dollars in 2014 to 25 billion dollars in 2019. The console online growth rate outlook is now higher than in the previous forecast. This forecast is reflected in our performance in the last fiscal year and is behind the ongoing changes in our business model. The home video game business has long been a major source of our contents, so that we will continue to focus on this area with the goals of developing more million sellers and increasing digital download sales.

We have positioned the mobile market as one of our growing business sectors for some time. The previous forecast called for 28.6 billion dollars of sales in this market in 2018 and the latest forecast is for 37.4 billion dollars of sales in 2019. Most of the increase in the forecast is the result of stronger than expected growth in Asia.

In the PC online market, sales are expected to remain at about the current level of 27 billion dollars.

For the consumer, PC online and mobile markets as a whole, rapid growth in the past two or three years was propelled by strong mobile and digital download sales. This growth is expected to continue. As I will discuss in my game platform explanation later, Capcom plans to increase earnings in these three markets.

P.7 Capcom's Strategy for Growth

2-2. Strategies for Growth

Strategies for Growth

- **Strategy 1: Strengthen the Consumer business**
 - Reinforce digital download contents activities
 - Expand the title lineup by fully implementing the 60-month map
- **Strategy 2: Step up the Online Games business**
 - Reinforce marketing activities and measures of monetize
 - Make the lineup of internally developed titles more powerful
 - Promote the alliance establishments with companies in Asia



Next, I will explain two components of our growth strategy. We will continue to concentrate on the Consumer business and the Online business for growth.

In the Consumer business, our plan is to retain the highly profitable framework of the previous fiscal year as we enlarge and strengthen the lineup of titles. We expect the operating margin in this business to remain at the 20% level.

Digital downloads have increased from 18.3% of the Consumer sub-segments sales two years ago to 25.7% in the last fiscal year. We plan to continue increasing earnings as we concentrate on digital download sales of both full games and add-on content.

In this fiscal year, we will start introducing titles based on our 60-month map, which we started with the structural reforms of fiscal 2012. This will give us a larger and more powerful lineup.

In the Online business, performance recovered in the past fiscal year as we eliminated unprofitable titles and reexamined our cost structure. Profit margins in the Mobile and PC Other sub-segments were about 15% to 20%.

In this fiscal year, we are aiming for sales growth in the mobile business by introducing “Monster Hunter Explorer” and other Capcom titles. In addition, we plan to strengthen the lineup of Capcom online titles with launches of titles like “Dragon’s Dogma Online” and “Breath of Fire 6”.

For overseas growth of our Online business, we are targeting mainly the growing markets of Asia. We are working with Tencent Holdings Limited on the development of “Monster Hunter Online” for distribution in China. In addition, we are working with many publishers in China, Korea, Taiwan and Southeast Asia.

P.9 Forecast for Year Ending March 31, 2016

3. Forecasts for FY 2015

Forecast higher sales and earnings because of stronger lineups in the Digital Contents and Amusement Equipments segments

	2015/3	2016/3Plan	Difference
Net sales	64,277	76,000	11,723
Operating income	10,582	12,000	1,418
Operating margin	16.5%	15.8%	-
Ordinary income	10,851	11,700	849
Net income	6,616	7,700	1,084

(Million yen)

- Higher sales and earnings from stronger sales activities for Digital Contents products and pachislo machines
- Plan to keep the operating margin above 15% by operating efficiently
- Net income per share forecast is ¥136.94
- Forecast a ¥15 interim dividend and ¥25 year-end dividend, resulting in a ¥40 dividend for the fiscal year



My next subject is our forecast for the current fiscal year.

We forecast growth in sales and earnings because of our plan to expand the lineup of products in the Digital Contents business and the Amusement Equipments business.

We forecast 11,723 million yen growth in sales to 76 billion yen, 1,418 million yen growth in operating income to 12 billion yen and an operating margin of 15.8%. We are also planning on ordinary income of 11.7 billion yen, up 849 million yen, and net income of 7.6 billion yen, up 1,084 million yen.

We forecast earnings per share of 136.94 yen and expect to pay a dividend for the fiscal year of 40 yen, the sum of a 15 yen interim dividend and 25 yen year-end dividend.

Next, I will discuss our strategies and plans for each business segment.

P.12 Digital Contents – Strategy and Plan (1)

4-1. Digital Contents – Strategic Objectives and Plan (1)

Focusing on growing markets by introducing major game series titles and increasing digital download sales

■ Consumer– Strategic Objectives

- **Introduce more titles in Japan and overseas**
 - ⇒ Plan to launch more titles in popular game series; one example is “Street Fighter V”
 - ⇒ Will utilize existing intellectual property, such as by selling HD remastered versions of popular older games

- **Use digital download versions of full-game and add-on contents for earnings growth**
 - ⇒ For full-game downloads, extensive sales activities for catalogue titles
 - ⇒ Strategic use of additional digital download contents for major titles to extend the life of these titles
 - ⇒ Increase digital download contents sales in emerging countries by using STEAM and other online platforms



In the Digital Contents business, we plan on earnings that are about the same as last year in the Consumer sub-segment. We will introduce more major series titles and concentrate on digital download sales. We expect the Consumer sub-segment profit margin to once again reach our current target of 20%.

In the current fiscal year, we will start selling more new titles in Japan and overseas. We will launch “Street Fighter V” and other titles in our popular game series. In addition, we will utilize our intellectual property with initiatives like creating HD remasters of popular games from the past.

We plan on higher digital download earnings. For full-game downloads, we will promote the sales of catalogue titles and strategically launch add-on contents for major titles. Our goal is to extend the lifetime of these games. Furthermore, we will use STEAM and other online platforms to increase digital download sales in emerging countries.

P.13 Digital Contents – Strategy and Plan (2)

4-1. Digital Contents – Strategic Objectives and Plan (2)

■ FY2015 Sales Plan for Major Consumer Titles

(Thousand units)

Hard	Title	Plan
3DS	The title related to Monster Hunter	2,500
PS4 PC	Street Fighter V	2,000

* Plan includes the units of full game download sales



Next, I will talk about our sales plan for major titles in the Consumer sub-segment.

In this fiscal year, we will introduce a Monster Hunter related title for the Nintendo 3DS series. We will announce the official name of this title at the appropriate time in relation to the launch. We plan on sales of 2.5 million units. For the PS4 and PC platforms, we will start selling “Street Fighter V” and our sales goal is 2 million units.

P.14 Digital Contents – Strategy and Plan (3)

4-1. Digital Contents – Strategic Objectives and Plan (3)

Goal is to hold sales volume steady due to higher full-game download sales despite a smaller number of titles

■ **FY2015 Unit Sales Plan (Consumer)**

(Thousand units)

	2014/3	2015/3	2016/3 Plan	Difference
Titles	42	33	29	-4
Package				
Japan	6,700	4,000	4,300	300
North America	3,800	2,400	1,200	-1,200
Europe	1,900	1,300	300	-1,000
Asia	300	300	200	-100
Package Total	12,700	8,000	6,000	-2,000
Digital download contents				
Full-game download	4,800	5,000	7,000	2,000
Total	17,500	13,000	13,000	0

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Our outlook for the Consumer sales volume in the fiscal year ending in March 2016 is 13 million units, the same as in the previous fiscal year. The number of titles will decline but we anticipate growth of full game download units.

We plan to launch 29 titles during this fiscal year, down four from the previous fiscal year.

For package sales, we forecast a 300,000 increase to 4.3 million units in Japan, a 1.2 million decrease to 1.2 million units in North America, a 1 million decrease to 300,000 units in Europe and a 100,000 decrease to 200,000 units in Asia.

Overall, we expect package sales to decrease 2 million to 6 million units. But we forecast a 2 million increase in full-game download sales to 7 million units. Furthermore, we expect the digital download sales ratio to continue to increase, primarily outside Japan.

P.15 Digital Contents – Strategy and Plan (4)

4-1. Digital Contents – Strategic Objectives and Plan (4)

Focusing on creating hit mobile apps by leveraging powerful IP in Japan and overseas

■ Mobile Contents– Strategic Objectives

- **Create hit titles using the Capcom and Beeline brands**
 - ⇒ Plan to distribute “Monster Hunter Explorer” (Android/iOS) in 2015
 - ⇒ Aiming for global growth by using the Beeline brand to sell titles for women

- **More Capcom brand titles in Asia**
 - ⇒ Activities will use alliances with TEEPLAY Interactive Limited, Asiasoft Corporation Public Company Limited, Qihoo 360 Technology Co. Ltd. and other prominent Asian companies



“Monster Hunter Explore”



We forecast higher Mobile Contents sales because of our plan to enlarge the title lineup during this fiscal year. Our goal is to utilize our powerful intellectual property to create hit titles in Japan and other markets that will drive sales growth.

For the Capcom brand, we will start sales of “Monster Hunter Explorer” this year. For the Beeline brand, we plan to achieve a recovery in sales by selling worldwide titles that target casual female game users.

To increase sales of Capcom brand titles in Asia, we are working with TEEPLAY Interactive, Asiasoft Corporation, Qihoo 360 Technology and other prominent publishers in China, Korea, Taiwan, Thailand and other countries. We will use these partnerships to introduce titles that use our core intellectual property.

P.16 Digital Contents – Strategy and Plan (5)

4-1. Digital Contents – Strategic Objectives and Plan (5)

Establish a stronger profit structure by building on the popularity of major titles and introducing new titles in Japan and overseas

■ PC Other – Strategic Objectives

- **Enlarge and strengthen the title lineup in Japan**
 - ⇒ Offer continuous updates for the PC online game “Monster Hunter Frontier G”
 - ⇒ Plan to start distribution of the PC browser game “Breath of Fire 6” in the summer of 2015
 - ⇒ Plan to start services for “Dragon’s Dogma Online” (PC/PS4/PS3) in 2015

- **Launch more new titles in Asia**
 - ⇒ Closed beta testing started in April 2015 for “Monster Hunter Online” with alliance partner Tencent Holdings Limited
 - ⇒ Plan to start services in 2015 for “Monster Hunter Mezeoporuta Kaitakuki” with Tencent Holdings Limited
 - ⇒ Preparing to start distribution of several titles in other areas of Asia



In the PC Other sub-segment, we are building a more powerful profit structure by making greater use of major titles and introducing new titles in Japan and other countries.

One measure to enlarge and reinforce titles in Japan is to invigorate the PC online game “Monster Hunter Frontier G” by constantly launching updates. In addition, we plan to start service for the PC browser game “Breath of Fire 6” in the summer of 2015 and the online game “Dragon’s Dogma Online” in 2015.

We will launch more titles in Asia, too. In April 2015, we started closed beta testing for “Monster Hunter Online”, a joint title with Tencent Holdings Limited. We have decided to work with them on “Monster Hunter Mezeoporuta Kaitakuki” and plan to launch this title later this year.

In addition, we are preparing to start distributing a number of titles in Asia.

P.17 Digital Contents – Strategy and Plan (6)

4-1. Digital Contents – Strategic Objectives and Plan (6)				
Expect sales and earnings growth backed by an efficient development and operations infrastructure and a larger title lineup				
■ Digital Contents Plan				
(100 million yen)				
	2014/3	2015/3	2016/3Plan	Difference
Net sales	658	453	485	32
Operating income	44	102	110	8
Operating margin	6.8%	22.5%	22.7%	—
(Composition)				
Package	433	262	260	-2
Digital download contents	97	90	90	0
Consumer total	530	352	350	-2
Mobile Contents	65	41	55	14
PC Other	63	60	80	20

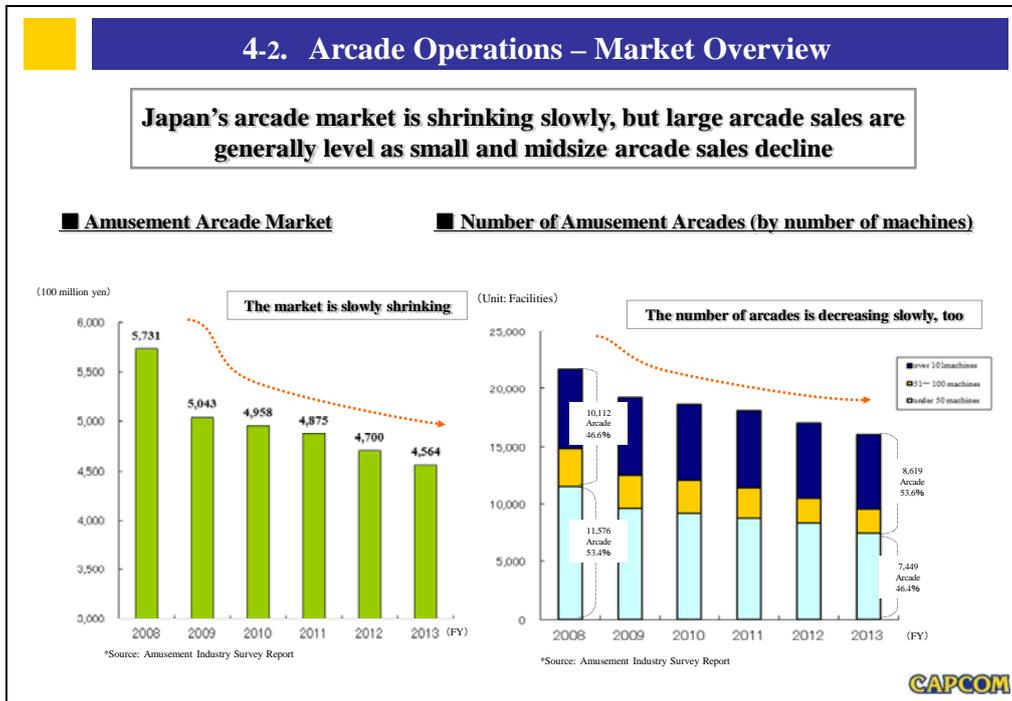
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In the Digital Contents segment, we plan on growth in sales and earnings in the current fiscal year. We are making our content development and other operations more efficient and expanding the lineup of titles.

We plan on a 3.2 billion yen increase in sales to 48.5 billion yen and an 800 million yen increase in operating income to 11 billion yen, which is an operating margin of 22.7%.

We expect a 200 million yen decrease in package sales to 26 billion yen and no change in digital download sales at 9 billion yen, resulting in Consumer sub-segment sales of 35 billion yen. We expect a 1.4 billion yen sales increase in the Mobile Contents sub-segment to 5.5 billion yen and a 2 billion yen increase in the PC Other sub-segment to 8 billion yen.

P.19 Arcade Operations – Market Overview



Japan's amusement arcade market continues to shrink. The business climate in the past year was especially challenging, partly because of the impact of the April 2014 consumption tax hike.

However, there has been little change in the number of large arcades at shopping centers. This is the primary category of our arcade operations. We believe there are still a significant number of opportunities for opening arcades in prime locations.

P.20 Arcade Operations – Strategy and Plan

4.2. Arcade Operations – Strategic Objectives and Plan

Our goal is to attain performance recovery by attracting new customer segments and opening arcades in carefully selected locations

■ Arcade Operations – Strategic Objectives

- **Grow by creating more opportunities for earnings and opening arcades**
 - ⇒ Increase the vitality of arcades with measures like escape attractions that use Capcom characters and the addition of cafés and restaurants
 - ⇒ Planning on a 1% increase in sales on an existing-arcade basis
 - ⇒ Plan to open 4 arcades and close 2 in FY3/16, total of 35 facilities



“ASOBI library Kawaguchi”

■ Arcade Operations Plan

	2014/3	2015/3	2016/3 Plan	Difference
Net sales	106	92	100	8
Operating income	16	9	11	2
Operating margin	15.2%	10.2%	11.0%	-
Year-to-Year Ratio of Existing arcades	95%	90%	101%	-

(100 million yen)

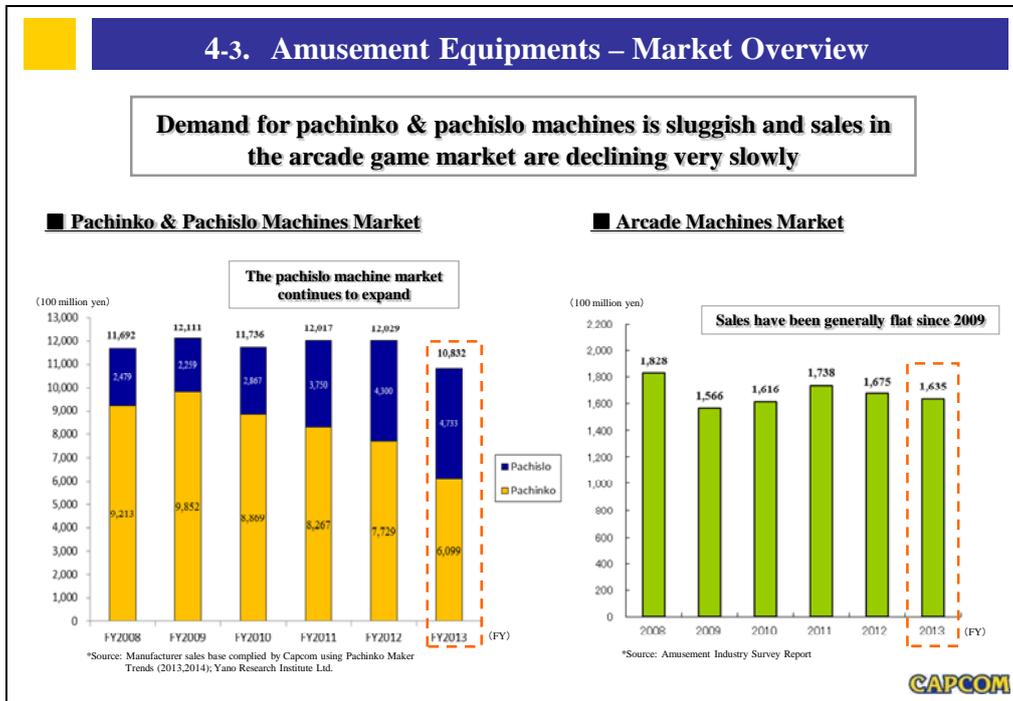


Our goal is a recovery in Arcade Operations performance by targeting new customer segments and opening arcades in carefully selected locations.

In the current fiscal year, we are using a variety of distinctly Capcom initiatives to invigorate arcades. For example, we are offering highly appealing attractions featuring Capcom characters and setting up food and beverage facilities at arcades. Our plan for existing arcades is sales growth of 1%. During this fiscal year, we will continue to close selected arcades while opening others. We plan to open four arcades and close two, resulting in a total of 35 locations. Our plan is to grow by creating more opportunities to earn profits and opening more arcades.

In the fiscal year ending in March 2016, our plan is sales growth of 800 million yen to 10 billion yen and a 200 million yen increase in operating income, resulting in an 11% operating margin.

P.22 Amusement Equipments – Market Overview



The market for pachislo machines, our main product in this segment, was growing until 2013. Then, as you know, there was a change in the testing method for these machines by the Security Communications Association. At this time, we need to evaluate the impact of the revised testing method on this market.

In the arcade game market, sales have been generally steady in Japan during the past five years, although there have been changes from year to year.

P.23 Amusement Equipments – Strategy and Plan

4-3. Amusement Equipments – Strategic Objectives and Plan

Forecast higher sales and earnings as both the pachinko & pachislo and arcade game introduce new core products that reflect current market needs

- **Pachinko & Pachislo – Strategic Objectives**
 - **Solid sales of models complying with the revised rules**
⇒ Planning on sales of 45,000 units for two new Capcom pachislo machines
- **Arcade Games Sales – Strategic Objectives**
 - **Expand the lineup with music games and other new products**
⇒ Plan to launch “crossbeats REV.” (summer 2015), “Luigi Mansion” (June 2015) etc.
⇒ Plan to use these new titles to create new business opportunities, such as a game that bills customers via the Internet
- **Amusement Equipments Plan** (Sum of Pachinko & Pachislo and Arcade Games Sales)
(100 million yen)

	2014/3	2015/3	2016/3 Plan	Difference
Net sales	231	75	150	75
Operating income	71	27	30	3
Operating margin	30.8%	36.3%	20.0%	-

*FY2014-sales will be 8:2 between Pachinko & Pachislo and Arcade Games Sales



In this segment, we plan on higher sales and earnings in the current fiscal year. We plan to achieve growth by introducing new products that match market trends in both the Pachinko & Pachislo (P&S) business and Arcade Games Sales business.

In the P&S sub-segment, we foresee steady sales of machines that comply with the revised rules. Our plan includes sales of 45,000 units of two models that we developed ourselves. We will also continue to make machines for other companies.

In the Arcade Game Sales sub-segment, we will expand our lineup by adding new types of machines, like a music game. We plan to start operating a game called “crossbeats REV.” this summer and the “Luigi Mansion” game in June. We plan to use these new titles in order to start creating new business opportunities. One example is a game playing system that bills users through a network-based billing system.

In this fiscal year, we expect sales growth of 7.5 billion yen to 15 billion yen and a 300 million yen increase in operating income to 3 billion yen, which is a 20% operating margin. There are two reasons for the temporary drop in profitability in this fiscal year. One is the longer time that each arcade machine will produce earnings due to the use of a network-based billing system. The other reason is the higher cost of developing pachislo machines because of the revised testing method. We believe both of these reasons are one-time events.

P.25 Other Business – Strategy and Plans

4-4. Other Business – Strategic Objectives and Plan

Use the Single Content Multiple Usage strategy to raise awareness of major brands and maximize earnings

■ **Character Contents – Strategic Objectives**

- Target non-video-game-users by using TV programs and stage shows
⇒ Debut of the stage show “Ace Attorney 2 – Saraba Gyakuten” is April 29, 2015
- Use of major game series for joint activities with companies in other industries
⇒ Target people who do not play video games with “Monster Hunter”, “Resident Evil” and other collaboration with Universal Studios Japan
⇒ Sell licenses to local governments, museums and other organizations for the use of “Sengoku BASARA”

■ **Other Businesses Plan**

(100 million yen)

	2014/3	2015/3	2016/3 Plan	Difference
Net sales	25	21	25	4
Operating income	10	6	10	4
Operating margin	38.6%	30.8%	40.0%	-

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In the Other Business, our goals are raising awareness of our major brands and their maximizing earnings as part of our Single Content Multiple Usage strategy.

In the character contents business, we are using movies, stage shows and other channels to make people do not play video games aware of our characters. Right now, there is a stage show called “Gyakuten Saiban 2: Saraba Gyakuten (Ace Attorney 2)” that debuted on April 29.

In addition, we have tie-ups for our core brands with companies in other industries with the aim of reaching people who do not play video games. One example is our collaboration with Universal Studios Japan involving “Monster Hunter” and “Resident Evil”.

As part of our corporate society responsibility activities, we allow local governments, museums and other organizations to use characters from “Sengoku BASARA”.

In this fiscal year, our plan for this segment is sales of 2.5 billion yen and operating income of 1 billion yen.

Capcom remains dedicated to meeting the expectations of all stakeholders. We are determined to do what is needed to achieve the goals that I have outlined today.