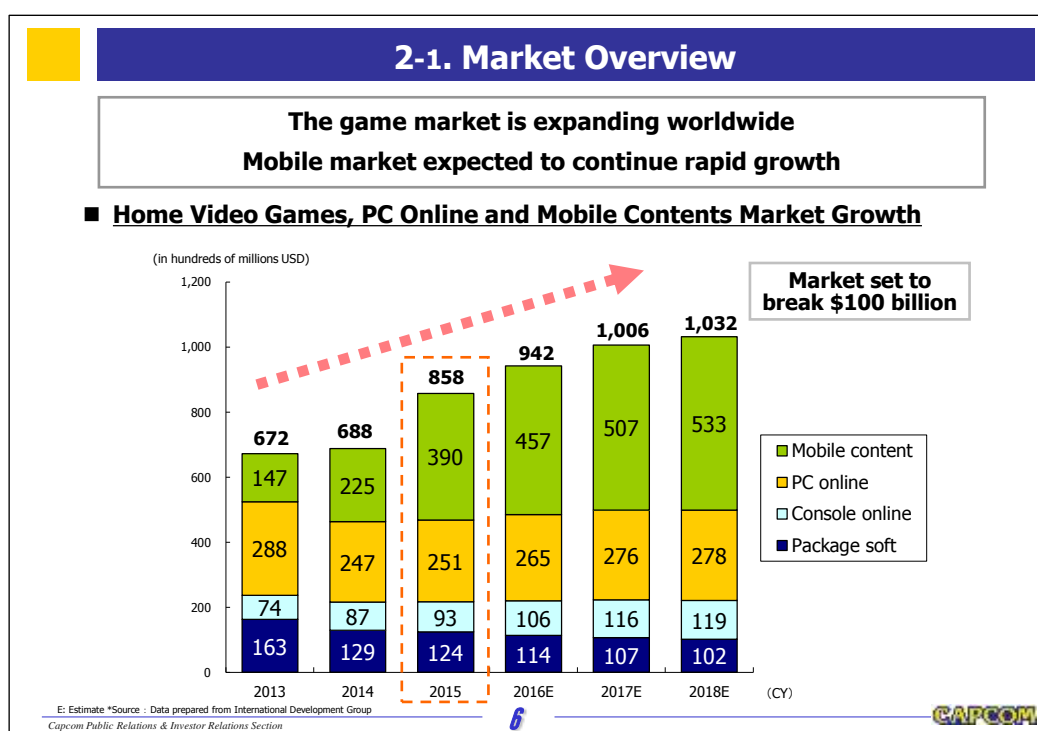


**Financial Results Briefing for the
Year ended March 31, 2016
Summary of President and COO
Haruhiro Tsujimoto's Presentation
(May 10, 2016)**

Good day to all of you, my name is Haruhiro Tsujimoto, president of Capcom.
Today I'd like to discuss our business strategies and plans moving forward into the fiscal year ending March 31, 2017.

Page 6: 2-1. Market Overview



Firstly, on the point of growth strategies, I'd like to give an update on the Consumer, PC Online, and mobile market.

The global game market continues to grow, and we expect the rapid growth of the mobile market to continue in the future. At our financial results briefing last year, we stated that the market was expected to reach approximately \$90 billion in 2019; however, the latest market prediction has it breaking \$100 billion in 2017.

The mobile market in particular is expected to grow more than 30%, continuing its role of

growth driver for the games market. More than ever, our company will focus its efforts on this market.

On the other hand, the Consumer market seems like it will stabilize, with the focus on core gamers. With new technology like VR coming on to the scene, along with further adoption of current-gen hardware, we believe we are entering a period where we, as software developers, will be able to reap the fruits of our labor in earnest.

2-2. Growth Strategies

Overview

- **Strategy 1: Fortify the Consumer business**
 - Steadily release major franchises
 - Strengthen downloads (full-game, additional contents, catalog titles)
 - Pursue new technologies and businesses

- **Strategy 2: Overhaul the Online business**
 - Strengthen development structure via newly established Mobile Business Division
 - Promote business alliances in Asia

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Continuing on, I'd like to get into the two growth strategies that we have established.

With our Consumer business, we've built a structure in which we can steadily bring out new franchise releases in accordance with our 60-month and 52-week maps. As this system is already completed, we will focus on the operational side of things from this fiscal year as we move forward.

With regards to our digital download strategy, in addition to full-game and additional contents sales, we've made good use of our library of assets via HD remaster releases. In terms of these HD remasters of catalog titles, last fiscal year "Resident Evil 0 HD remaster" performed favorably with approximately 800 thousand units sold, and additionally we released "Resident Evil 6" for PS4 and Xbox One. This year marks the twentieth anniversary of the "Resident Evil" franchise; we plan to release PS4 and Xbox One versions of "Resident Evil 4" and "5", and what's more, we are currently working on a full remake of "Resident Evil 2".

Further, we are actively adapting to the latest technologies and trends, such as VR and eSports, and are looking to create business opportunities in markets that are related to the Consumer business.

As for our Online business, we are committed to doing whatever it takes to create a success in the growing Mobile contents, and by merging Capcom's Mobile business with Beeline, these will come together as one underneath our new division to face this challenge.

In PC Online we plan to utilize the knowhow we've cultivated via our cooperation with Tencent Holdings Limited to move ahead forging additional partnerships utilizing our catalog of IP in Asia.

3. Forecasts for FY3/17

Bring R&D structural reforms to fruition

Increase revenue and profits via an expanded title lineup

(in millions of JPY)

	2016/3	2017/3 Plan	Difference
Net sales	77,021	85,000	7,979
Operating income	12,029	13,600	1,571
Operating margin	15.6%	16.0%	-
Ordinary income	11,348	13,300	1,952
Net income attributable to owners of the parent	7,745	9,000	1,255

- Increase sales and profits over the previous year with major releases, primarily in the Digital Contents business
- Earnings per share forecast: ¥160.06
- Dividend forecast: interim dividend of ¥15 and year-end dividend of ¥25 resulting in a ¥40 dividend for the fiscal year

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Next is our earnings forecast for the 2016 fiscal year.

We anticipate the results of our structural reforms in development to become tangible, meaning growth over the last fiscal year in all items from sales and profit down as we plan to expand our lineup in each business segment this year, starting with the Consumer Business.

We're forecasting consolidated net sales of ¥85 billion, an increase of ¥7.9 billion over the last fiscal year; operating profits of ¥13.6 billion, an increase of ¥1.5 billion over the last fiscal year; an operating profit margin of 16.0%; ordinary income of ¥13.3 billion, an increase of ¥1.9 billion over the last fiscal year; and net income attributable to owners of the parent of ¥9 billion, an increase of ¥1.2 billion over the last fiscal year.

Our earnings per share forecast is ¥160.06; our dividend forecast calls for an interim dividend of ¥15 and a year-end dividend of ¥25 resulting in a ¥40 dividend for the fiscal year.

Next, I'd like to go over a summary of each business segment.

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

**Aim for continuous growth via dual initiative:
Global launch of major new titles & Utilization of existing IP**

■ **Consumer Strategies**

- **Expand lineup of new titles world-wide**
 - Release new titles in popular series domestically, e.g. “Monster Hunter Stories”
 - Successively launch major titles in overseas markets
 - Capitalize on new technologies and businesses, e.g. VR (virtual reality) and eSports
- **Boost revenue with digital downloads (full game and additional content)**
 - Strengthen full-game and additional content offerings
 - Extend product life cycles with regular updates, e.g. “Street Fighter V”
 - Digital revenue forecast: 29% of Consumer revenue

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First, I will go over developments in our Digital Contents business for this fiscal year. We’re anticipating higher sales and profits over the last fiscal year due to the release of major new global titles this year and via utilizing our catalog of past assets.

In Consumer, we will be rolling out new titles on the global stage. In addition to “Monster Hunter Stories” and other new titles in popular franchises, we’re planning major title releases.

VR has been a hot topic of late; we are continuing research and development in this area. We will also look to expand into the eSports field via “Street Fighter V” this fiscal year.

With digital downloads we are continuing to bolster our full-game and additional content offerings. In particular, we plan to extend the life of titles launched last fiscal year, such as “Street Fighter V”, via regular updates. We are forecasting our ratio of digital sales to increase to 29%, up from approximately 26% in the last fiscal year.

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

■ **FY3/17 Sales Plan for Major Consumer Titles**

Title	Plan
Monster Hunter Title	2 million unit-range
MajorTitle 1	4 million unit-range
MajorTitle 2	2 million unit-range

* Includes digital full game sales


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Next, I'd like to discuss our planned sales lineup for this year.

At present, we cannot yet communicate our entire title lineup for operational reasons. However, in addition to new titles that we have announced, such as "Monster Hunter Stories", "Ace Attorney 6" and "Resident Evil Umbrella Corps", we are planning to release the titles listed on this slide.

4-1. Digital Contents – Strategic Objectives and Plan (3)				
Focus on major releases and increase unit sales in both package and digital downloads				
■ FY3/17 Unit Sales Plan for the Consumer business (in thousands)				
	2015/3	2016/3	2017/3 Plan	Difference
Titles (SKU)	33	45	35	-10
Package				
Japan	4,000	4,700	3,400	-1,300
North America	2,400	2,600	3,500	900
Europe	1,300	1,200	1,600	400
Asia	300	400	500	100
Package Total	8,000	8,900	9,000	100
Digital download contents				
Full-game download	5,000	6,100	7,500	1,400
Total	13,000	15,000	16,500	1,500

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For the fiscal year ending March 2017, though the number of titles will be ten less compared to last year, we anticipate an increase of 1.5 million units in sales due to focusing on the sales of major titles, for a total of 16.5 million units sold in the Consumer business.

The number of titles will be lower because, aside from a decrease in distribution titles, we are focusing on the sale of major releases this year so the number of mid-sized titles will decrease.

With regards to unit sales by region, in Japan we forecast unit sales to be lower by 1.3 million year-over-year to 3.4 million units due to the rebound effect of releasing “Monster Hunter X (Cross)” in the previous year. However, because we are releasing more major titles this year compared to last year, we expect the number of package unit sales outside of Japan to rise; we forecast sales in North America to increase by 900 thousand units to 3.5 million units, sales in Europe to increase by 400 thousand units to 1.6 million units, and sales in Asia to increase by 100 thousand units to 500 thousand units.

For our digital downloads sales forecast, along with an expected increase in digital download unit sales for new titles, the unit sales for catalog titles should also increase. We estimate an increase of 1.4 million units year-over-year, for a total of 7.5 million units.

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

Leverage IP and focus on creating hits via comprehensive global development structure

■ **Mobile Contents Strategies**

- **Create hits in the domestic market**
 - Bolster development of new titles utilizing Capcom IP
 - Plan: launch at least four titles, including “Mega Man”, “Monster Hunter”, and “Sengoku BASARA”
 - Focus on further building up “Monster Hunter Explore”
- **Expand Capcom-branded titles in Asia**
 - Bring successful domestic titles overseas via cooperative partnerships



“Monster Hunter Explore”

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Continuing on, we will examine our strategy for the Mobile Contents Division.

Under our new, comprehensive global development structure, we will focus on producing hit titles that utilize Capcom IP.

For the Japanese market, this fiscal year we plan to strengthen development of games using Capcom IP and release at least 4 new titles, including “Mega Man”, “Monster Hunter” and “Sengoku BASARA”.

Also, “Monster Hunter Explore” has hit 4 million downloads and is by and large proceeding steadily in line with our initial expectations. However, our aim is to further invigorate this title via improvements to its ARPPU as we move forward.

Moreover, as our expansion into the Asian region is necessary, we will continue to actively seek out partnerships with local companies there regarding titles that have performed well in Japan.

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

Maximize revenue opportunities via stable operation of major titles & overseas expansion

- **PC Other Strategies**
 - **Bolster domestic title lineup**
 - Stable operation of PC Online “Monster Hunter Frontier G”
 - Promote “Dragon’s Dogma Online” as our core domestic title
 - **Launch more titles in Asia**
 - Proactively cooperate on driving “Monster Hunter Online” up to the top rankings
 - Promote alliances with local companies on other new titles

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Now, I would like to discuss our strategy in the PC Online business.

Here, we plan to focus on the stable operation of our major titles as well as maximizing earnings opportunities via expansion overseas.

We will continue stable operation of “Monster Hunter Frontier G”, but will proceed with establishing “Dragon’s Dogma Online”, which began service last fiscal year, as our core domestic title.

Further, we will move forward with introducing Capcom titles into the Asian region.

“Monster Hunter Online” has already begun service, and we will proceed to invigorate this title in China by fully cooperating with Tencent towards breaking into the top rankings.

Otherwise, we plan to roll out existing Japanese titles to the Asian region, beginning with China.

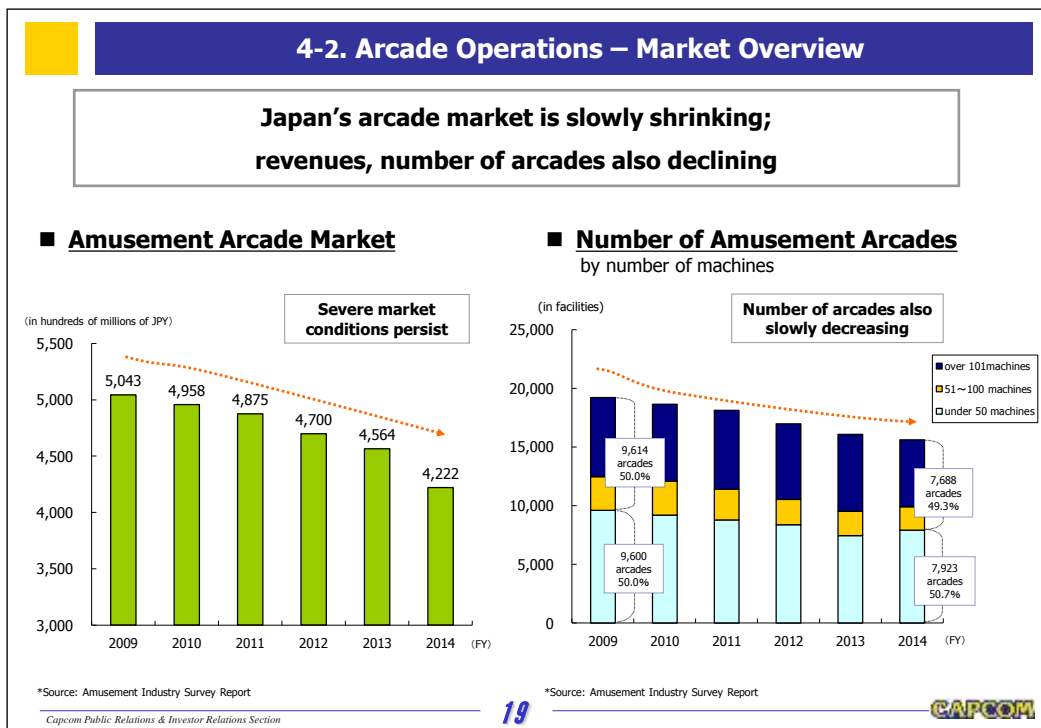
4-1. Digital Contents – Strategic Objectives and Plan (6)				
Expect growth in revenue and profits from increase in title lineup of each business sub-segment				
■ Digital Contents Plan				
(hundreds of millions of JPY)				
	2015/3	2016/3	2017/3 Plan	Difference
Net sales	453	525	590	65
Operating income	102	121	143	22
Operating margin	22.5%	23.1%	24.2%	–
Breakdown of Net Sales				
Package	262	312	330	18
Digital download contents	90	109	140	31
Consumer total	352	421	470	49
Mobile Contents	41	33	40	7
PC Other	60	71	80	9

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Moving along, we will look at our forecast for the Digital Contents business.

This year we are forecasting net sales of ¥59 billion, an increase of ¥6.5 billion over the last fiscal year, ¥14.3 billion in operating income, an increase of ¥2.2 billion over the last fiscal year, and an operating margin of 24.2%.

Breaking down net sales, we expect ¥33 billion in package sales, an increase of 1.8 billion over the last fiscal year, and ¥14 billion in digital download sales, an increase of ¥3.1 billion over the last fiscal year, for a total of ¥47 billion in Consumer. In Mobile Contents we expect ¥4 billion, an increase of ¥700 million over the last fiscal year, and in PC Others we expect ¥8 billion, an increase of ¥900 million over the last fiscal year.



Next is the Arcade Operations market.

First of all, market conditions continue to be severe for both sales volumes and the overall number of arcades.


4-2. Arcade Operations – Strategic Objectives and Plan

Aiming for recovery over last year through creating new revenue opportunities

- **Arcade Operations Strategy**
 - **Secure business opportunities and new store openings**
 - Create new revenue opportunities through multi-purpose facilities: e.g. eateries that utilize our characters, merchandise shops
 - Plan for YoY ratio of existing facilities: 100%
 - Plan for this fiscal year: open 3 new locations, close 0 locations, for a total of 37 locations
- **Arcade Operations Plan**

(in hundreds of millions of JPY)

	2015/3	2016/3	2017/3 Plan	Difference
Net sales	92	90	90	0
Operating income	9	7	8	1
Operating margin	10.2%	7.7%	8.9%	-
Y/Y ratio of sales for existing arcades	-10%	-4%	±0%	-



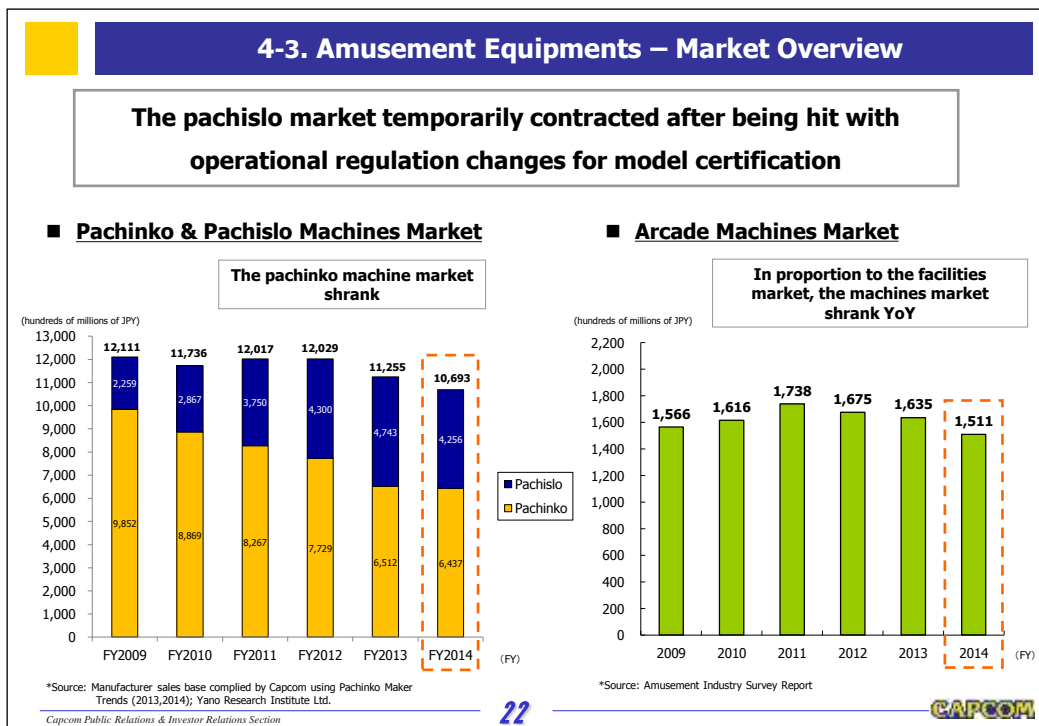
"KyaraCap Okazaki" (Aeon Mall Okazaki)

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As market conditions continue to be adverse, our business strategy is to persist in focusing on streamlining operations while creating revenue opportunities in areas other than amusement arcades, such as joint establishments like restaurants that incorporate our characters or Capcom merchandise retail shops.

We're forecasting net sales for existing arcades to be even year-over-year, and plan for three new arcades to open and none to close, giving us a total of 37 arcades.

Further, for this fiscal year we expect net sales of ¥9 billion, the same amount as last year, operating income of ¥800 million, also the same amount as last year, and an operating margin of 8.9%.



Continuing on, here are the Pachinko & Pachislo Machine and Arcade Machine markets.

The pachinko and pachislo machine market slightly shrank. This was due to a delay in the release of titles for companies across the board, stemming from regulation changes for the model certification methods of pachislo machines in 2014.

As with the amusement arcades market, the arcade machines market continues to shrink.

4-3. Amusement Equipments – Strategic Objectives and Plan


Anticipate an increase in revenue and profits due to new product offerings that utilize popular IP from both businesses

- **Pachinko & Pachislo Strategy**
 - Provide a steady supply of our cabinets that utilize popular franchises
 - Capcom Pachislo Machine Unit Sales Plan: four models; 55,000 units
 - Continue licensing out IP for use in other companies' pachinko machines
- **Arcade Games Sales Strategy**
 - Aggressively sell licensed cabinets that utilize popular IP
 - Launch the medal game "Mario Party Fushigi no Challenge World" in summer 2016
 - Launch the arcade game "Attack on Titan TEAM BATTLE" in winter 2016
- **Amusement Equipments Plan**

(hundreds of millions of JPY)

	2015/3	2016/3	2017/3 Plan	Difference
Net sales	75	133	150	17
Operating income	27	28	30	2
Operating margin	36.3%	21.1%	20.0%	-

*Ratio of Pachinko & Pachislo to Arcade Games sales approx. 9:1



Pachislo Machine
"Super Street Fighter IV"

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Next I will discuss our Amusement Equipments business strategy.

We expect an increase in sales and profits for both Pachinko & Pachislo and Arcade Games Sales due to releasing new products that utilize popular IP.

We are aiming to offer a stable supply of cabinets featuring popular Capcom IP in the PS business. Beginning with "Super Street Fighter IV", which went into operation in April, this year we plan to sell four models, totaling 55 thousand units in sales.

In the Arcade Games Sales business, we plan to launch new machines that utilize popular properties of other companies, including "Mario Party Fushigi no Challenge World" which is scheduled to launch in the summer of 2016, and "Attack on Titan TEAM BATTLE" which is scheduled to launch in the winter of 2016.


For this fiscal year we are forecasting ¥15 billion in net sales, a ¥1.7 billion increase over the last fiscal year, ¥3 billion in operating income, a ¥200 million increase over the last fiscal year, and a 20% operating margin.

4-4. Other Business – Strategic Objectives and Plan


**Maximize revenue and increase awareness of major brands
via Single Content Multiple Use Strategy**

- **Character Contents Strategy**
 - **Increase awareness by coordinating TV shows with title releases**
 - Animated “Gyakuten Saiban” (Ace Attorney) TV show airing in Japan since April, 2016
 - Animated “Monster Hunter Stories” TV show scheduled to begin airing in Japan during 2016
 - **Target non-gamers**
 - Universal Studios Japan (USJ) attractions
 - Hollywood film “Resident Evil: The Final Chapter” scheduled for a December 2016 advanced release in Japan
- **Other Businesses Plan**

	2015/3	2016/3	2017/3 Plan	Difference
Net sales	21	20	20	0
Operating income	6	5	2	-3
Operating margin	30.8%	25.0%	10.0%	-



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We plan to raise awareness of our core brands and maximize revenue by continuing to promote our Single Content Multiple Usage strategy in the Other business.

The animated TV show “Gyakuten Saiban Sono ‘Shinjitsu,’ Igi Ari!” (Ace Attorney) began airing from April 2016, and has enjoyed favorable ratings. We are already seeing synergetic effects, such as growth in orders for the related title “Ace Attorney 6”. Moreover, “Monster Hunter Stories” is also slated to get an animated TV show in 2016. We plan to maximize unit sales of our “Monster Hunter Stories” game, scheduled for release this year, via coordinated promotions with the show.

Also, in order to appeal to non-game users, this year once again we will carry out the expansion of attractions utilizing our IP at Universal Studios Japan as part of the “Universal Cool Japan” initiative. What’s more, Hollywood film “Resident Evil: The Final Chapter” will be getting a December 2016 advanced release in Japan. With this year marking the twentieth anniversary of the “Resident Evil” franchise, we will work to promote sales of related titles in the series via coordinated promotions.

In our forecast for this business, net sales should remain the same as last year at ¥2 billion; operating income is expected to fall ¥300 million from last year to ¥200 million; the operating

margin is expected to be 10%.

The decrease in operating income is due to booking a depreciation expense for two new R&D buildings, including our newest R&D Building #2 that was completed in January 2016. We expect the burden of this depreciation expense to continue in the future.



This ends my presentation.

All of us will continue to work together as one to achieve our business objectives this year, thus we ask for your continued support.

Thank you.