

COMPANY PROFILE

Nov-2000



鬼武者

ONIMUSHA

鬼武者がシーグラフ2000でゲームソフトとしては初めて最優秀賞を受賞(シーグラフとは米国コンピュータ学会が主催する、世界最大かつ最高のCGの祭典です。)
Onimusha won the top award at the Siggraph 2000 exhibition, the first time a game software title has ever won this award. The Siggraph exhibition, which is sponsored by the Association for Computing Machinery (ACM), is the largest computer graphics

Composed by ©Mamoru Samuragouchi.
Character Samanosuke Akechi by ©Amuse/Fu Long Production,
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Guest Creator: Takeshi Kaneshiro

CAPCOM®

Capcom's position in the video game industry

(Based on consolidated FY 1999 results)

(Unit: Millions of Yen)

	Nintendo	Konami	Capcom	Namco	Square	Enix	Taito	Sega
Net Sales	5,306	1,466	515	1,480	729	183	602	3,390
Operating profit	1,450	309	90	67	44	38	-18	-403
of Operating profit	27.3%	21.1%	17.5%	4.5%	6.0%	20.8%	-3.0%	-11.9%

1. Source: "Financial Statement for FY1999" by respective company
2. Ranked by Operating Income

- Japanese market share based on consumer game sales in CY 1999 and US market share based on actual sales in CY 1999

Japanese Market (‘000 copies)

Company Name	Sales Units	Share
1. Nintendo	12,517	25.58%
2. Konami	8,350	17.06%
3. Square	7,182	14.68%
4. Sony	5,993	12.25%
5. Capcom	2,301	4.70%
6. Sega	1,928	3.94%
7. Enix	1,786	3.65%
8. Bandai	1,328	2.71%
9. Ascii	1,019	2.08%
10. Namco	983	2.01%
Others	5,545	11.33%
Total	48,932	100.00%

Source: The Analysis of Consumer Video Games 2000

U.S. Market (USD thousand)

Company Name	Sales	Share
1. Nintendo	566,545	16.24%
2. EA	502,297	14.40%
3. Sony	486,809	13.96%
4. Midway	191,799	5.50%
5. Acclaim	190,675	5.47%
6. THQ	166,558	4.78%
7. Activision	146,469	4.20%
8. Capcom	114,676	3.29%
9. Namco	110,527	3.17%
10. Sega	104,323	2.99%
Others	907,000	26.01%
Total	3,487,678	100.00%

Source: TRSTS Report

FY 2000 Management Objectives

- Medium-term business strategy

- Develop highly creative game software as a leading content provider.
- Strengthen the Capcom brand.
- Focus resources on technical innovation.
- Strengthen and explore the network business with a view to expanding demand for the Internet market.
- Stable cash flow.

- Medium-term business targets

FY 2004 (year ending March 2005) - Target of ¥100 billion for net sales, ¥21 billion for operating profit, and ¥12 billion for net profit.

Direct sales

- Japan: From Sep. 2000
- North America: Under way
- Europe: From Nov. 2000

Multi-platform strategy

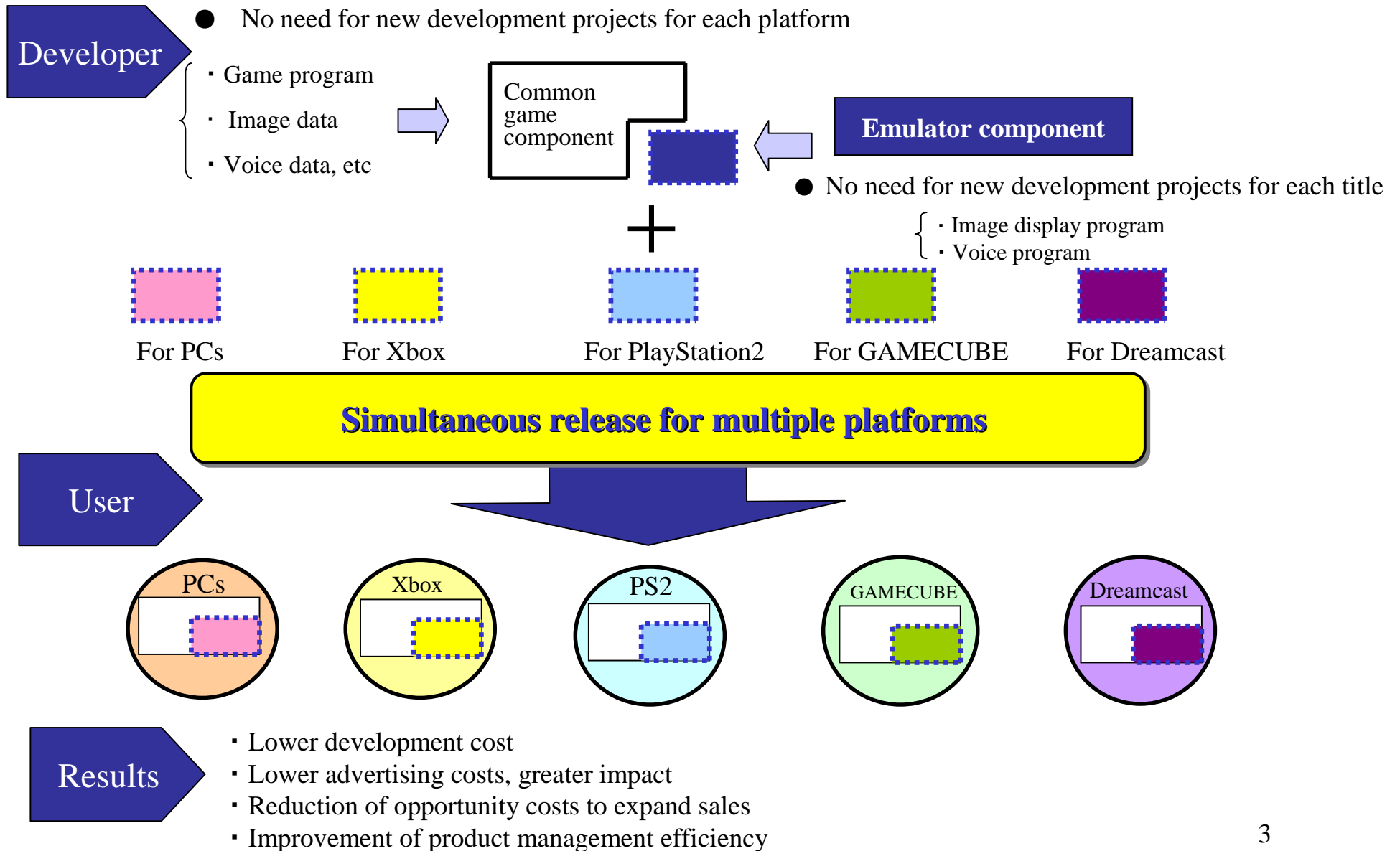
Develop emulation software compatible with PlayStation2, GAME CUBE, Xbox, Dreamcast and PCs. Release software simultaneously for all platforms.

Publisher strategy

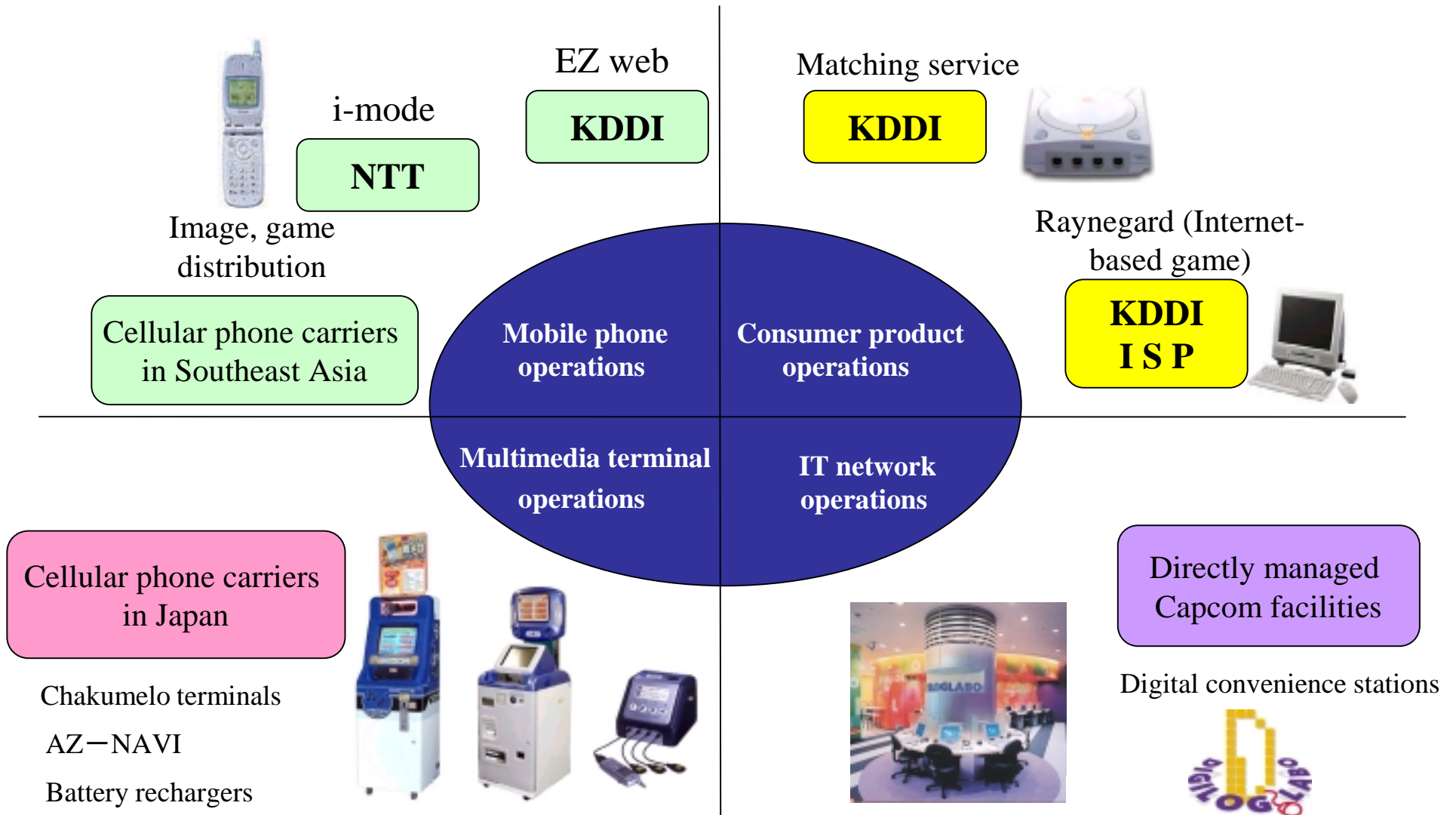
- Eidos Interactive (UK)
- Havas Interactive (US)
- Crave Entertainment (US)
- Gamearts (Japan)
- Alike (Japan)
- Other

**Enables gaming between different platforms.
Synergies with net gaming strategies.**

Multi-platform strategy



Network deployment



Financial Management Reform

● Building a Profit Management System

- Title-based Profit Control System
Minimum Operating Profit =
(R&D Cost + Promotional Expense) x 2

● Introduction of a Compensation System that is linked to Profit Contribution

- R&D Incentive Programme based on Profit Contribution by title (April 1996)
- Stock Option Programme (March 1999)

● In-company Reform

- Introduction of Enterprise Resource Planning (April 2001)
- Introduction of In-House System (April 2000)
- Delegation of Authorization to Division Heads (June 1999)

● History of Consolidated Balance Sheet

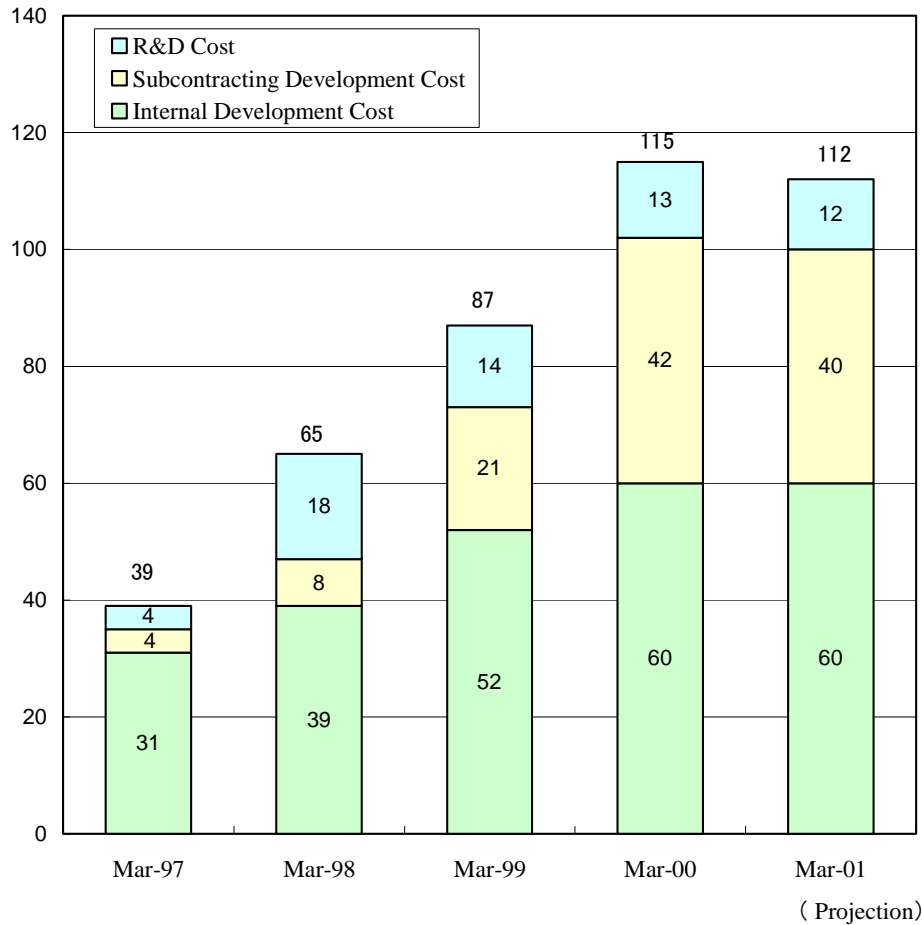
(Unit: Millions of Yen)

	Mar-99	Mar-00		Mar-99	Mar-00
Current assets	Cash and deposits 12,026 (12.3%)	Cash and deposits 27,439 (25.5%)	Current liabilities	21,115 (21.5%)	21,468 (19.9%)
	Other current assets 26,515 (27.0%)	Other current assets 27,804 (25.8%)		Long-term liabilities	46,861 (47.8%)
Property, plant and equipment	58,911 (60.0%)	51,369 (47.7%)	Shareholders' equity	30,123 (30.7%)	51,320 (47.7%)
Total assets	98,127 (100.0%)	107,776 (100.0%)	Total liabilities and shareholders' equity	98,127 (100.0%)	107,776 (100.0%)

R&D Cost and Number of Titles Developed

R&D Costs

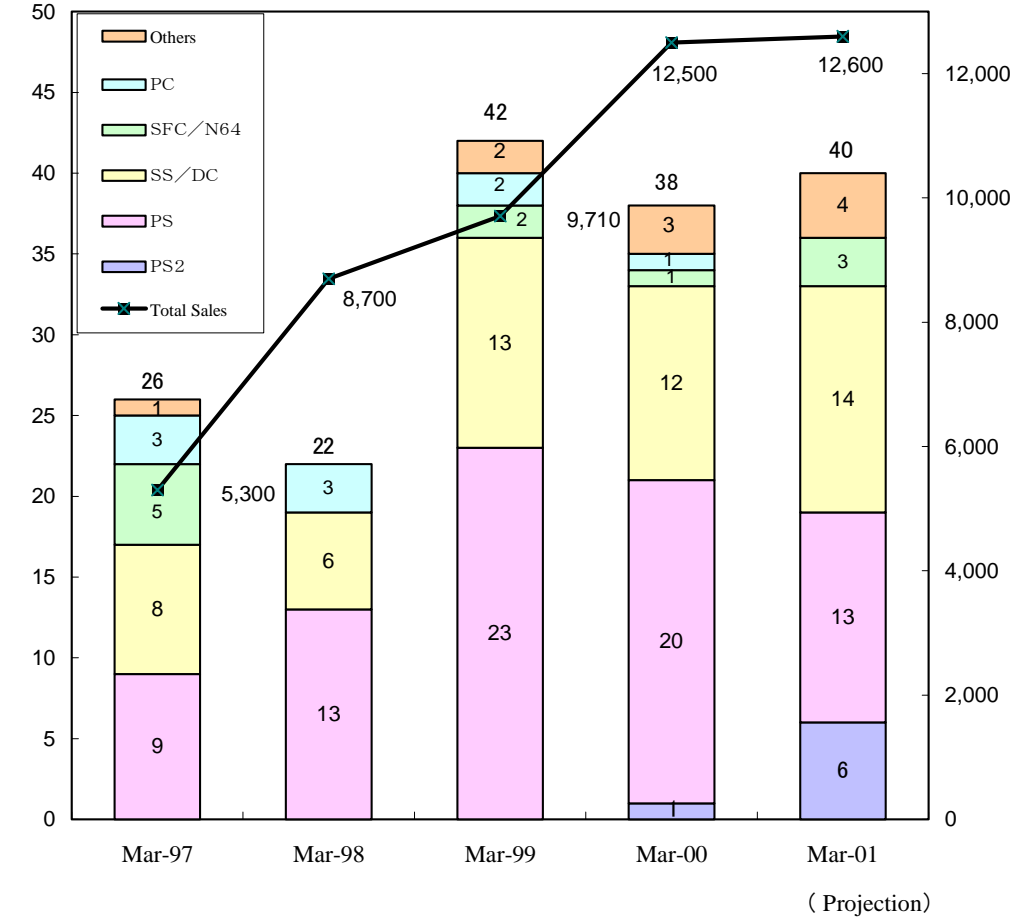
(Unit:100 Millions of Yen)



Number of Consumer Software Titles Developed

No. of titles

Units sold ('000 copies)



Sales Windows for Major Titles

Genre/Major Title	Dec-85	Dec-86	Dec-87	Dec-88	Mar-89	Mar-90	Mar-91	Mar-92	Mar-93	Mar-94	Mar-95	Mar-96	Mar-97	Mar-98	Mar-99	Mar-00	Mar-01	# of Titles (Estimate)	Unit Sales ('000 copies)		
Shooting Game																					
1942 Series	←—————→															6 titles	1,300				
Action Game																					
Ghosts 'n Goblins series	←—————→															10 titles	3,800				
Commando Series	←————→															3 titles	1,200				
Mega Man Series	←————→															51 titles	14,200				
Disney Series	←————→															25 titles	12,000				
Final Fight Series	←————→															7 titles	3,000				
Devil May Cry	(To be released in FY 2001)																				
Fighting Game																					
Street Fighter Series	←————→															44 titles	23,600				
Marvel Comic Series	←————→															15 titles	3,200				
RPG																					
Breath of Fire Series	←————→															5 titles	1,500				
Eldorado Gate	←————→																				
Survival Horror Game																					
Resident Evil Series	←————→															19 titles	17,000				
Dino Crisis Series	←————→															2 titles	3,900				
Onimusha	(To be released in FY 2000)																			1 titles	1,000
Resident Evil Code: Veronica Perfect version	(To be released in FY 2000)																				
Network Game																					
Raynegard	(To be released in FY 2000)																				
Rival School 2	(To be released in FY 2000)																				
Street Fighter Alpha 3	(To be released in FY 2000)																				