COMPANY PROFILE
MAY-2002

Onimusha 2 – Samurai’s destiny
MegaMan Battle Network 2
Devil May Cry 2
Resident Evil 0
Capcom's position in the video game industry

<table>
<thead>
<tr>
<th>(Unit: 100 Millions of Yen )</th>
<th>Nintendo</th>
<th>Konami</th>
<th>Sega</th>
<th>Capcom</th>
<th>Koei</th>
<th>Enix</th>
<th>Namco</th>
<th>Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>5,548</td>
<td>2,255</td>
<td>2,063</td>
<td>627</td>
<td>240</td>
<td>248</td>
<td>1,521</td>
<td>366</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>1,191</td>
<td>268</td>
<td>142</td>
<td>97</td>
<td>91</td>
<td>74</td>
<td>61</td>
<td>54</td>
</tr>
<tr>
<td>of Operating Profit</td>
<td>21.5%</td>
<td>11.9%</td>
<td>6.9%</td>
<td>15.5%</td>
<td>37.9%</td>
<td>29.8%</td>
<td>4.0%</td>
<td>14.8%</td>
</tr>
<tr>
<td>Net Income</td>
<td>1,064</td>
<td>135</td>
<td>-178</td>
<td>49</td>
<td>55</td>
<td>42</td>
<td>20</td>
<td>-165</td>
</tr>
</tbody>
</table>

*1. Source “Financial Statement for FY2001” by respective company
2. Ranked by Operating Profit

Japanese market share based on consumer game sales in FY2001; and U.S. market share based on actual sales in FY2001

<table>
<thead>
<tr>
<th>Japanese Market ( '000 copies)</th>
<th>U.S. Market (Unit:US$1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Name</td>
<td>Sales Units</td>
</tr>
<tr>
<td>----------------</td>
<td>-------------</td>
</tr>
<tr>
<td>1. Nintendo</td>
<td>7,615</td>
</tr>
<tr>
<td>2. Konami</td>
<td>5,346</td>
</tr>
<tr>
<td>3. Sony</td>
<td>4,553</td>
</tr>
<tr>
<td>4. <strong>Capcom</strong></td>
<td><strong>3,623</strong></td>
</tr>
<tr>
<td>5. Square</td>
<td>3,591</td>
</tr>
<tr>
<td>7. Enix</td>
<td>2,643</td>
</tr>
<tr>
<td>8. Sega</td>
<td>2,326</td>
</tr>
<tr>
<td>9. Namco</td>
<td>1,988</td>
</tr>
<tr>
<td>10. Koei</td>
<td>1,468</td>
</tr>
<tr>
<td>Others</td>
<td>9,673</td>
</tr>
<tr>
<td>Total</td>
<td>46,157</td>
</tr>
</tbody>
</table>

※Source:Media Works co.,ltd "The Analysis of Consumer Video Games FY2001"
※Software sales for 32 bit hardwares or above.
※Source:TRSTS Report
Management Objectives

◆ Medium-term business strategy

- Develop highly creative game software as a leading content provider.
- Strengthen the Capcom brand.
- Selectively utilize resources to make products that meet changes in the market environment.
- Strengthen and explore the network business structure with a view for the Internet market expansion.
- Stable cash flow.

◆ Medium-term business targets

FY2004 (year ending March, 2005) - Target of ¥100 billion for net sales, ¥21 billion for operating profit, and ¥12 billion for net profit

◆ FY2002 Management Objectives

- Consumer: Strengthen R&D, Marketing and Distribution channel as a whole unit.
- Arcade Operation: Higher profitability by scrapping & building stores.
- Other Business: Enhancement by using derivatives of Game contents.
**Consumer Business Strategy ~ I ~**

**Strive for Number One Publishing Company**

1. **Multi-platform Strategy**
   - Each Platform Strategy
   - Middleware “ACR” Strategy

2. **Contents Strategy**
   - Branding Strategy
   - Line-up Strategy
   - Business Expansion Strategy

3. **Distribution Strategy**
   - Enhancement of Direct Sales
   - Publisher Strategy

4. **Marketing Strategy**
   - Branding
   - Web customer survey System

- **Each Platform Strategy**
- **Middleware “ACR” Strategy**

- **Maximum performance of each hardware**
  - Playstation2: Onimusha, Devil May Cry
  - GameCube: Resident Evil
  - Xbox: Dino Crisis

- **Effective use of software property**
  - Same games to multiple platforms will be released with help of Middleware “ACR”
  - Enables interactive play among different platforms
  - Catan, Auto Modellista
Enhancement and creation of Mega-hit titles

- Onimusha
- Devil May Cry
- Resident Evil
- Dino Crisis
- Breath of Fire
- Megaman Battle Network
- Auto Modellista

Secure other companies’ brand titles
and transform into our titles
- “Clock Tower 3” (Sucker co.,ltd.)

Contribution to stable results
- “Resident Evil” Series Total 20 million of units
- “Onimusha” Series Total 3.5 million of units
- “Devil May Cry” Series Total 2.1 million of units

### Consumer Business Strategy ~ II ~

#### Million Titles

<table>
<thead>
<tr>
<th>Release</th>
<th>1985/12 ~ 2001/9</th>
<th>Platform</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 1992/6</td>
<td>Street Fighter †</td>
<td>Super NES</td>
<td>6,300</td>
</tr>
<tr>
<td>2 1998/1</td>
<td>Resident Evil 2</td>
<td>Play Station</td>
<td>4,950</td>
</tr>
<tr>
<td>3 1993/6</td>
<td>Street Fighter † Turbo</td>
<td>Super NES</td>
<td>4,100</td>
</tr>
<tr>
<td>4 1999/9</td>
<td>Resident Evil 3 Nemesis</td>
<td>Play Station</td>
<td>3,500</td>
</tr>
<tr>
<td>5 1996/3</td>
<td>Resident Evil</td>
<td>Play Station</td>
<td>2,750</td>
</tr>
<tr>
<td>6 1999/7</td>
<td>Dino Crisis</td>
<td>Play Station</td>
<td>2,400</td>
</tr>
<tr>
<td>7 2001/8</td>
<td>Devil May Cry</td>
<td>Play Station2</td>
<td>2,100</td>
</tr>
<tr>
<td>8 2001/1</td>
<td>Onimusha Warlords</td>
<td>Play Station2</td>
<td>2,020</td>
</tr>
<tr>
<td>9 1994/6</td>
<td>Super Street Fighter †</td>
<td>Super NES</td>
<td>2,000</td>
</tr>
<tr>
<td>10 1993/11</td>
<td>Aladdin</td>
<td>Super NES</td>
<td>1,750</td>
</tr>
<tr>
<td>11 1989/9</td>
<td>Duck Tales</td>
<td>NES</td>
<td>1,670</td>
</tr>
<tr>
<td>12 1993/9</td>
<td>Street Fighter II † Plus</td>
<td>Genesis</td>
<td>1,665</td>
</tr>
<tr>
<td>13 1986/6</td>
<td>Ghost's Goblins</td>
<td>NES</td>
<td>1,640</td>
</tr>
<tr>
<td>14 1988/12</td>
<td>Megaman 2</td>
<td>NES</td>
<td>1,510</td>
</tr>
<tr>
<td>15 1990/12</td>
<td>Final Fight</td>
<td>Super NES</td>
<td>1,480</td>
</tr>
<tr>
<td>16 1990/9</td>
<td>Duck Tales</td>
<td>Game Boy</td>
<td>1,430</td>
</tr>
<tr>
<td>17 2001/3</td>
<td>Resident Evil Code Veronica X</td>
<td>Play Station2</td>
<td>1,320</td>
</tr>
<tr>
<td>18 1992/11</td>
<td>Magical Quest Starring Mickey</td>
<td>Super NES</td>
<td>1,210</td>
</tr>
<tr>
<td>19 1998/8</td>
<td>Resident Evil DC Dual Shock</td>
<td>Play Station</td>
<td>1,200</td>
</tr>
<tr>
<td>20 1990/5</td>
<td>Chip'n Dale Rescue Rangers</td>
<td>NES</td>
<td>1,195</td>
</tr>
<tr>
<td>21 2000/9</td>
<td>Dino Crisis 2</td>
<td>Play Station</td>
<td>1,180</td>
</tr>
<tr>
<td>22 1993/12</td>
<td>Megaman X</td>
<td>Super NES</td>
<td>1,165</td>
</tr>
<tr>
<td>23 2000/2</td>
<td>Resident Evil Code Veronica</td>
<td>Dream Cast</td>
<td>1,140</td>
</tr>
<tr>
<td>24 1986/9</td>
<td>Commando</td>
<td>NES</td>
<td>1,137</td>
</tr>
<tr>
<td>25 1997/9</td>
<td>Resident Evil Director's Cut</td>
<td>Play Station</td>
<td>1,120</td>
</tr>
<tr>
<td>26 2002/3</td>
<td>Onimusha 2</td>
<td>Play Station2</td>
<td>1,100</td>
</tr>
<tr>
<td>27 1991/9</td>
<td>Super Ghoule'n Ghosts</td>
<td>Super NES</td>
<td>1,090</td>
</tr>
<tr>
<td>28 1990/9</td>
<td>Megaman 3</td>
<td>NES</td>
<td>1,080</td>
</tr>
<tr>
<td>29 1993/5</td>
<td>Final Fight 2</td>
<td>Super NES</td>
<td>1,030</td>
</tr>
</tbody>
</table>
### Consumer Business Strategy ~Ⅲ~

#### Line-up Strategy

- **Diversification of products line-up**
  - Racing Game “Auto Modellista”

- **Amplification of our strong genres**
  - **[Horror Adventure] ~Share up~**
    - Share up by “Resident Evil”
    - Release of “Clock Tower 3”, “Alone in the Dark”

  - **[Action] ~Revitalization~**
    - Hit of “Onimusha”, “Devil May Cry”.
    - Release of “Dino Crisis”, “Maximo”

  - **[Fighting] ~Supporting more titles~**
    - Maximize know-how through “Street Fighter II”
    - Release of “VS. series”, “UFC”, “Pride”

#### Business Expansion Strategy

- **Subcontract R&D of other company’s brand titles ~Accumulation of know-how and stable profits~**
  - Mobile Suits Gundam ©Sotsu Agency Sunrise
  - Legend of ZELDA ©2001 Nintendo

- **Focus on Online Games**
  - Release of “Network Resident Evil”, “Automodellista”, “Catana”
  - Accumulation of know-how through joint venture company in Korea

- **Reinforcement of developing contents for mobile phone**
  - Supply java application contents on a worldwide basis

---

#### Japanese Market Share by Genre in FY2001

**Horror Adventure**

- **Capcom** 67.4%
- **Konami** 33%
- **Others** 24.7%

**Action Game**

- **Capcom** 28.1%
- **Konami** 28.1%
- **Others** 43.8%

**Fighting Game**

- **Bandai** 42.1%
- **Sega** 23.1%
- **Others** 16.6%

---

※Source: "The Analysis of Consumer Video Games 2001"
**Consumer Business Strategy ~IV~**

**Distribution Strategy**

- **Enhancement of Direct Distribution**
  - **Overseas Distribution Channel**
    - Starting Direct Sales in Korea from Feb, 2002.
    - Planning to start Direct Sales in Germany from Summer, 2002.
    - Planning to start Direct Sales in South East Asia.
  - **Japanese Distribution Channel**
    - Planning to start PC software Direct Sales
    - Strengthening Sales forces

- **Publishing other third Parties’ titles**
  - Sierra Studios
  - Infograms
  - Havas Interactive
  - Crave Entertainment
  - THQ and others

<table>
<thead>
<tr>
<th>Publisher</th>
<th>Titles</th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Titles</td>
<td>7</td>
<td>16</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Sales Units</td>
<td>530</td>
<td>280</td>
<td>700</td>
<td></td>
</tr>
</tbody>
</table>

**Marketing Strategy**

- **Build title branding on a worldwide basis**
  - Reinforcement of Marketing Strategy Conference
    → Unifying Marketing Strategy with each regional executive

- **Constructing Marketing support system**
  - Build “Web customer survey system” (collaboration with NEC)
  - Build software quality rating department “Megaman Club”

- **Effective Promotion**
  - Control advertising cost by Title-based Profit Control System
  - Control advertising cost by using fee based agencies.

<table>
<thead>
<tr>
<th>Advertising</th>
<th>Cost (100Millions of Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Consolidated</td>
<td>23</td>
</tr>
<tr>
<td>Consolidated</td>
<td>38</td>
</tr>
</tbody>
</table>
**R&D Control System**

- **R&D Cost**
  - Reinforcement of development staff
  - R&D bases in Japan, U.S.A and Korea

( Unit: 100 Million of Yen)

- **R&D Management Control**
  - Producer System
  - Title-based Profit Control System
    - Minimum Operating Profit = (R&D Cost + Promotional Expense) x 2
  - Strengthen title evaluating process
    - Unifying Marketing Strategy with each regional executive

- **Incentive Program**
  - R&D Incentive Program based on Profit Contribution by Division
  - R&D Incentive Program based on Profit Contribution by title
  - Stock Option Program
# Number of Consumer Titles Developed

**Sales Units shipped**

<table>
<thead>
<tr>
<th></th>
<th>2000/3</th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Playstation 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total titles</td>
<td>1</td>
<td>5</td>
<td>9</td>
<td>22</td>
</tr>
<tr>
<td>Domestic</td>
<td>210</td>
<td>1,700</td>
<td>3,200</td>
<td>3,720</td>
</tr>
<tr>
<td>Overseas</td>
<td>0</td>
<td>500</td>
<td>4,000</td>
<td>5,030</td>
</tr>
<tr>
<td>Sub Total</td>
<td>210</td>
<td>2,200</td>
<td>7,200</td>
<td>8,750</td>
</tr>
<tr>
<td><strong>Playstation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total titles</td>
<td>20</td>
<td>18</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Domestic</td>
<td>3,550</td>
<td>1,300</td>
<td>500</td>
<td>30</td>
</tr>
<tr>
<td>Overseas</td>
<td>5,700</td>
<td>2,800</td>
<td>900</td>
<td>70</td>
</tr>
<tr>
<td>Sub Total</td>
<td>9,250</td>
<td>4,100</td>
<td>1,400</td>
<td>100</td>
</tr>
<tr>
<td><strong>Dream Cast</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total titles</td>
<td>10</td>
<td>23</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Domestic</td>
<td>600</td>
<td>800</td>
<td>150</td>
<td>50</td>
</tr>
<tr>
<td>Overseas</td>
<td>1,200</td>
<td>1,950</td>
<td>280</td>
<td>0</td>
</tr>
<tr>
<td>Sub Total</td>
<td>1,800</td>
<td>2,750</td>
<td>430</td>
<td>50</td>
</tr>
<tr>
<td><strong>Game Cube</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total titles</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Domestic</td>
<td>70</td>
<td>50</td>
<td>290</td>
<td>1,450</td>
</tr>
<tr>
<td>Overseas</td>
<td>1,200</td>
<td>1,950</td>
<td>280</td>
<td>0</td>
</tr>
<tr>
<td>Sub Total</td>
<td>1,270</td>
<td>2,900</td>
<td>570</td>
<td>1,450</td>
</tr>
<tr>
<td><strong>Nintendo 64</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total titles</td>
<td>3</td>
<td>6</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Domestic</td>
<td>50</td>
<td>1,050</td>
<td>1,050</td>
<td>1,550</td>
</tr>
<tr>
<td>Overseas</td>
<td>300</td>
<td>150</td>
<td>3,800</td>
<td>1,550</td>
</tr>
<tr>
<td>Sub Total</td>
<td>350</td>
<td>1,200</td>
<td>4,850</td>
<td>3,100</td>
</tr>
<tr>
<td><strong>Game Boy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total titles</td>
<td>3</td>
<td>6</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Domestic</td>
<td>-</td>
<td>-</td>
<td>70</td>
<td>200</td>
</tr>
<tr>
<td>Overseas</td>
<td>-</td>
<td>-</td>
<td>210</td>
<td>400</td>
</tr>
<tr>
<td>Sub Total</td>
<td>-</td>
<td>-</td>
<td>280</td>
<td>600</td>
</tr>
<tr>
<td><strong>Xbox</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total titles</td>
<td>3</td>
<td>4</td>
<td>14</td>
<td>27</td>
</tr>
<tr>
<td>Domestic</td>
<td>50</td>
<td>200</td>
<td>240</td>
<td>200</td>
</tr>
<tr>
<td>Overseas</td>
<td>300</td>
<td>500</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Sub Total</td>
<td>350</td>
<td>700</td>
<td>440</td>
<td>400</td>
</tr>
<tr>
<td><strong>PC &amp; Others</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total titles</td>
<td>38</td>
<td>57</td>
<td>60</td>
<td>74</td>
</tr>
<tr>
<td>Domestic</td>
<td>4,530</td>
<td>5,100</td>
<td>5,500</td>
<td>7,200</td>
</tr>
<tr>
<td>Overseas</td>
<td>7,970</td>
<td>6,000</td>
<td>9,500</td>
<td>9,000</td>
</tr>
<tr>
<td>Sub Total</td>
<td>12,500</td>
<td>11,100</td>
<td>15,000</td>
<td>16,200</td>
</tr>
</tbody>
</table>

**Number of Consumer Software Titles released**

<table>
<thead>
<tr>
<th></th>
<th>2000/3</th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>4,530</td>
<td>5,100</td>
<td>5,500</td>
<td>7,200</td>
</tr>
<tr>
<td>Overseas</td>
<td>7,970</td>
<td>6,000</td>
<td>9,500</td>
<td>9,000</td>
</tr>
<tr>
<td><strong>Units sold</strong></td>
<td>12,500</td>
<td>11,100</td>
<td>15,000</td>
<td>16,200</td>
</tr>
</tbody>
</table>
**Arcade Operation, Other Business Strategy**

**◆ Arcade Operation**

- Open a new store to be #1 arcade in each regional largest mall.
  - Opening a large store over 23,000 square feet.
  - Secure parking space over 2,500 cars.

  **Number of Arcades**

<table>
<thead>
<tr>
<th></th>
<th>2000/3</th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Stores</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Close Stores</td>
<td>7</td>
<td>6</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>48</td>
<td>40</td>
<td>41</td>
</tr>
</tbody>
</table>

- Improve Operating Profit Margin
  - New Store … 25% of Operating Profit
  - Achieved sales growth more than 105% and profit gross more than 120% at existing arcades on a year to year basis.

  **Operating Profit (100 Millions of Yen)**

<table>
<thead>
<tr>
<th></th>
<th>2000/3</th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>66</td>
<td>71</td>
<td>83</td>
<td>87</td>
</tr>
<tr>
<td>of Operating Profit</td>
<td>6.2%</td>
<td>10.6%</td>
<td>14.1%</td>
<td>15.9%</td>
</tr>
</tbody>
</table>

**◆ Other Business**

- **Challenging Board Game business**
  - Synergy effects among “Analog” (Board Game), “Digital” (Video Game) and “Network” (among different platform)
    - 「Catan」 → Sales proven-title in Germany (Sales Units: 6 millions)
    - “LORD of the RINGS” → Development of board game based on popular movie

- **Reinforcement of Pachinko business**
  - Increasing Profit by manufacturing LCD

- **Amplification of character merchandising**
  - Collaboration with media
  - Direct Sales of licensed goods
Financial Strategy, Management System

◆ Finance Strategy

● Cash Flow Management ～Stable cash flow～

- Tighten control over Account Receivables and inventory
- Tighten control over each title profitability

![Consolidated Cash Flows from Operations](chart)

<table>
<thead>
<tr>
<th>Year</th>
<th>1999/3</th>
<th>2000/3</th>
<th>2001/3</th>
<th>2002/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>56</td>
<td>143</td>
<td>37</td>
<td>33</td>
</tr>
<tr>
<td>Cash Balances</td>
<td>120</td>
<td>274</td>
<td>257</td>
<td>350</td>
</tr>
<tr>
<td>Balance of Liabilities with Interests</td>
<td>580</td>
<td>444</td>
<td>368</td>
<td>460</td>
</tr>
</tbody>
</table>

◆ Management System

● Enhancement of Corporate Governance

- 2 Board members from outside of the company
- 3 auditors from outside of the company
- Attorney as Board member from outside of the company (plan)

### Profit and Loss Sheet

<table>
<thead>
<tr>
<th></th>
<th>Capcom Japan</th>
<th>Captron</th>
<th>Status</th>
<th>Flagship</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>27,488</td>
<td>45,015</td>
<td>51,000</td>
<td>113.2%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>11,819</td>
<td>15,287</td>
<td>15,800</td>
<td>108.1%</td>
</tr>
<tr>
<td><strong>Sales and G&amp;A Expenses</strong></td>
<td>9,216</td>
<td>9,020</td>
<td>9,500</td>
<td>109.1%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>2,601</td>
<td>6,187</td>
<td>6,192</td>
<td>107.7%</td>
</tr>
<tr>
<td><strong>% of Operating Income</strong></td>
<td>9.6%</td>
<td>13.7%</td>
<td>12.4%</td>
<td>10.2%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>2,249</td>
<td>3,242</td>
<td>3,800</td>
<td>112.7%</td>
</tr>
<tr>
<td><strong>% of Net Income</strong></td>
<td>7.3%</td>
<td>7.4%</td>
<td>7.5%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

### Cuprom USA Total

<table>
<thead>
<tr>
<th></th>
<th>Capcom Asia</th>
<th>Cuprom Europe</th>
<th>Cuprom Churbo</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>13,865</td>
<td>21,529</td>
<td>28,567</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>9,216</td>
<td>9,020</td>
<td>9,500</td>
</tr>
<tr>
<td><strong>Sales and G&amp;A Expenses</strong></td>
<td>3,436</td>
<td>5,155</td>
<td>6,556</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>2,882</td>
<td>3,406</td>
<td>3,033</td>
</tr>
<tr>
<td><strong>% of Operating Income</strong></td>
<td>12.1%</td>
<td>15.0%</td>
<td>12.3%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>2,574</td>
<td>1,800</td>
<td>2,362</td>
</tr>
<tr>
<td><strong>% of Net Income</strong></td>
<td>10.5%</td>
<td>9.2%</td>
<td>9.8%</td>
</tr>
</tbody>
</table>

### Elimination and Year Total

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>43,168</td>
<td>52,438</td>
<td>49,802</td>
<td>113.2%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>33,618</td>
<td>38,222</td>
<td>37,002</td>
<td>112.4%</td>
</tr>
<tr>
<td><strong>Sales and G&amp;A Expenses</strong></td>
<td>10,550</td>
<td>6,353</td>
<td>10,126</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>23,068</td>
<td>31,869</td>
<td>27,000</td>
<td></td>
</tr>
<tr>
<td><strong>% of Operating Income</strong></td>
<td>14.8%</td>
<td>15.4%</td>
<td>10.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>15,778</td>
<td>25,869</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td><strong>% of Net Income</strong></td>
<td>13.0%</td>
<td>12.0%</td>
<td>12.0%</td>
<td></td>
</tr>
</tbody>
</table>

### Sales by Business Segments

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>31,127</td>
<td>37,809</td>
<td>40,699</td>
<td>114.8%</td>
</tr>
<tr>
<td>Comp.</td>
<td>7,400</td>
<td>10,354</td>
<td>12,345</td>
<td>63.1%</td>
</tr>
<tr>
<td>Arcade</td>
<td>11,747</td>
<td>9,277</td>
<td>9,581</td>
<td>103.3%</td>
</tr>
<tr>
<td>Others</td>
<td>1,088</td>
<td>1,364</td>
<td>1,096</td>
<td>51.5%</td>
</tr>
<tr>
<td>Total</td>
<td>49,802</td>
<td>62,742</td>
<td>70,500</td>
<td>113.2%</td>
</tr>
</tbody>
</table>

### Sales by Geographic Area

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>34,408</td>
<td>40,699</td>
<td>44,132</td>
<td>105.1%</td>
</tr>
<tr>
<td>North America</td>
<td>10,288</td>
<td>14,229</td>
<td>16,887</td>
<td>113.2%</td>
</tr>
<tr>
<td>Europe</td>
<td>6,656</td>
<td>7,286</td>
<td>8,500</td>
<td>117.0%</td>
</tr>
<tr>
<td>Others</td>
<td>1,088</td>
<td>1,364</td>
<td>1,096</td>
<td>51.5%</td>
</tr>
<tr>
<td>Total</td>
<td>49,802</td>
<td>62,742</td>
<td>70,500</td>
<td>113.2%</td>
</tr>
</tbody>
</table>

### Profit and Loss Sheet

<table>
<thead>
<tr>
<th></th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>37,488</td>
<td>45,015</td>
<td>51,000</td>
<td>113.3%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>11,819</td>
<td>15,267</td>
<td>16,500</td>
<td>108.1%</td>
</tr>
<tr>
<td>% of Gross Profit</td>
<td>31.5%</td>
<td>33.9%</td>
<td>32.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Sales and G&amp;A Expenses</strong></td>
<td>8,217</td>
<td>9,080</td>
<td>9,900</td>
<td>109.0%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>3,601</td>
<td>6,187</td>
<td>6,600</td>
<td>108.7%</td>
</tr>
<tr>
<td>% of Operating Income</td>
<td>9.6%</td>
<td>13.7%</td>
<td>12.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>4,260</td>
<td>5,837</td>
<td>6,650</td>
<td>113.9%</td>
</tr>
<tr>
<td>% of Ordinary Income</td>
<td>11.4%</td>
<td>13.0%</td>
<td>13.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>2,749</td>
<td>3,342</td>
<td>3,800</td>
<td>113.7%</td>
</tr>
<tr>
<td>% of Net Income</td>
<td>7.3%</td>
<td>7.4%</td>
<td>7.5%</td>
<td></td>
</tr>
</tbody>
</table>

### Sales by Segments

<table>
<thead>
<tr>
<th></th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic (including PC)</td>
<td>18,313</td>
<td>25,275</td>
<td>29,251</td>
<td>115.7%</td>
</tr>
<tr>
<td>Overseas</td>
<td>3,883</td>
<td>6,347</td>
<td>7,008</td>
<td>123.0%</td>
</tr>
<tr>
<td>Sub Total</td>
<td>22,200</td>
<td>31,622</td>
<td>37,060</td>
<td>117.2%</td>
</tr>
<tr>
<td><strong>Coin-Op</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>5,442</td>
<td>3,557</td>
<td>1,414</td>
<td>39.8%</td>
</tr>
<tr>
<td>Overseas</td>
<td>399</td>
<td>34</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Sub Total</td>
<td>5,841</td>
<td>3,591</td>
<td>1,414</td>
<td>39.4%</td>
</tr>
<tr>
<td><strong>Revenue Share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>674</td>
<td>492</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Arcade Operation</strong></td>
<td>5,954</td>
<td>7,020</td>
<td>8,310</td>
<td>118.4%</td>
</tr>
<tr>
<td><strong>Movie Project</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>11</td>
<td>11</td>
<td>50</td>
<td>454.5%</td>
</tr>
<tr>
<td>Overseas</td>
<td>196</td>
<td>271</td>
<td>100</td>
<td>36.9%</td>
</tr>
<tr>
<td>Sub Total</td>
<td>207</td>
<td>282</td>
<td>150</td>
<td>53.2%</td>
</tr>
<tr>
<td><strong>Royalty revenue</strong> and Others</td>
<td>1,439</td>
<td>1,501</td>
<td>3,561</td>
<td>-</td>
</tr>
<tr>
<td>Domestic</td>
<td>1,439</td>
<td>1,501</td>
<td>3,561</td>
<td>-</td>
</tr>
<tr>
<td>Overseas</td>
<td>223</td>
<td>220</td>
<td>350</td>
<td>159.1%</td>
</tr>
<tr>
<td>Sub Total</td>
<td>1,662</td>
<td>1,721</td>
<td>3,911</td>
<td>-</td>
</tr>
<tr>
<td><strong>Pachinko</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>974</td>
<td>284</td>
<td>156</td>
<td>54.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37,488</td>
<td>45,015</td>
<td>51,000</td>
<td>113.3%</td>
</tr>
</tbody>
</table>

### Break-down of Major Expenses

<table>
<thead>
<tr>
<th></th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promotion Expense</strong></td>
<td>2,427</td>
<td>3,019</td>
<td>3,745</td>
<td>124.0%</td>
</tr>
<tr>
<td><strong>Personnel Expense</strong></td>
<td>7,349</td>
<td>8,987</td>
<td>10,189</td>
<td>113.4%</td>
</tr>
<tr>
<td><strong>Technical R&amp;D Cost</strong></td>
<td>1,452</td>
<td>999</td>
<td>1,240</td>
<td>124.1%</td>
</tr>
</tbody>
</table>

### Number of Employees

<table>
<thead>
<tr>
<th></th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capcom Japan</strong></td>
<td>1,009</td>
<td>1,107</td>
<td>1,171</td>
<td>106.8%</td>
</tr>
<tr>
<td><strong>Consolidated Subsidiaries</strong></td>
<td>141</td>
<td>162</td>
<td>174</td>
<td>107.4%</td>
</tr>
<tr>
<td><strong>Capcom Total</strong></td>
<td>1,150</td>
<td>1,269</td>
<td>1,345</td>
<td>106.0%</td>
</tr>
<tr>
<td><strong>R&amp;D Total</strong></td>
<td>586</td>
<td>672</td>
<td>711</td>
<td>106.8%</td>
</tr>
</tbody>
</table>

### Break-down of Depreciation

<table>
<thead>
<tr>
<th></th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>G&amp;A Expenses</strong></td>
<td>927</td>
<td>923</td>
<td>1,248</td>
<td>135.2%</td>
</tr>
<tr>
<td><strong>Revenue Share Equipment</strong></td>
<td>346</td>
<td>56</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td><strong>Arcade Equipment</strong></td>
<td>731</td>
<td>886</td>
<td>1,051</td>
<td>125.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,054</td>
<td>1,815</td>
<td>2,298</td>
<td>126.6%</td>
</tr>
</tbody>
</table>

### Capital Expenditure

<table>
<thead>
<tr>
<th></th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Arcade Operation</strong></td>
<td>1,638</td>
<td>999</td>
<td>1,115</td>
<td>111.6%</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>186</td>
<td>356</td>
<td>709</td>
<td>199.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,824</td>
<td>1,355</td>
<td>1,824</td>
<td>134.6%</td>
</tr>
</tbody>
</table>

### Sales Units shipped of Coin-Op

<table>
<thead>
<tr>
<th></th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coin-Op</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total titles</td>
<td>10</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>17,000</td>
<td>16,000</td>
<td>-</td>
</tr>
<tr>
<td>Overseas</td>
<td>4,000</td>
<td>4,000</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>21,000</td>
<td>20,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>PCB</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>42</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Overseas</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>40</td>
<td>41</td>
</tr>
</tbody>
</table>

### Domestic/Overseas Sales Ratio

<table>
<thead>
<tr>
<th></th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>32,780</td>
<td>38,142</td>
<td>43,021</td>
<td>112.8%</td>
</tr>
<tr>
<td>Overseas</td>
<td>4,708</td>
<td>6,873</td>
<td>7,979</td>
<td>116.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37,488</td>
<td>45,015</td>
<td>51,000</td>
<td>113.3%</td>
</tr>
</tbody>
</table>

### Number of Arcades

<table>
<thead>
<tr>
<th></th>
<th>2001/3</th>
<th>2002/3</th>
<th>2003/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>42</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Overseas</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>48</td>
<td>40</td>
<td>41</td>
</tr>
</tbody>
</table>

CAPCOM®
### Sales results in FY2001 and projections in FY2002

#### Main Titles Result released in FY2001

<table>
<thead>
<tr>
<th>Title</th>
<th>Areas</th>
<th>Released Day</th>
<th>Result ('000copies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS2 Devil May Cry</td>
<td>Japan</td>
<td>23-Aug</td>
<td>650</td>
</tr>
<tr>
<td></td>
<td>U.S.A</td>
<td>17-Oct</td>
<td>720</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>7-Dec</td>
<td>700</td>
</tr>
<tr>
<td>PS2 Mobile Suit Gundam</td>
<td>Japan</td>
<td>6-Dec</td>
<td>890</td>
</tr>
<tr>
<td>GBA Megaman Battle Network 2</td>
<td>Japan</td>
<td>14-Dec</td>
<td>310</td>
</tr>
<tr>
<td>PS2 Maximo</td>
<td>Japan</td>
<td>27-Dec</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>U.S.A</td>
<td>1-Feb</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>15-Mar</td>
<td>180</td>
</tr>
<tr>
<td>Xbox Genma Onimusha</td>
<td>Japan</td>
<td>22-Feb</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>U.S.A</td>
<td>29-Jan</td>
<td>140</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>March</td>
<td>70</td>
</tr>
<tr>
<td>PS2 Onimusha2</td>
<td>Japan</td>
<td>7-Mar</td>
<td>1,070</td>
</tr>
<tr>
<td>GC Resident Evil</td>
<td>Japan</td>
<td>22-Mar</td>
<td>290</td>
</tr>
</tbody>
</table>

#### Main Titles Projection released in FY2002

<table>
<thead>
<tr>
<th>Title</th>
<th>Areas</th>
<th>Released Day</th>
<th>Plan ('000copies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS2 Onimusha2</td>
<td>U.S.A</td>
<td>1st half</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>2nd half</td>
<td>400</td>
</tr>
<tr>
<td>GC Resident Evil</td>
<td>U.S.A</td>
<td>1st half</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>1st half</td>
<td>180</td>
</tr>
<tr>
<td>GBA MegamanZERO</td>
<td>Japan</td>
<td>26-Apr</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>U.S.A</td>
<td>1st half</td>
<td>125</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>1st half</td>
<td>20</td>
</tr>
<tr>
<td>PS2 Auto Modellista</td>
<td>Japan</td>
<td>Summer</td>
<td>450</td>
</tr>
<tr>
<td></td>
<td>U.S.A</td>
<td>2nd half</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>2nd half</td>
<td>200</td>
</tr>
<tr>
<td>GC Resident Evil 0</td>
<td>Japan</td>
<td>1st half</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>U.S.A</td>
<td>2nd half</td>
<td>520</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>2nd half</td>
<td>250</td>
</tr>
<tr>
<td>PS2 Devil May Cry2</td>
<td>Japan</td>
<td>2nd half</td>
<td>650</td>
</tr>
<tr>
<td></td>
<td>U.S.A</td>
<td>2nd half</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>2nd half</td>
<td>430</td>
</tr>
</tbody>
</table>