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*We will take place financial results presentation in FY 2010 as follows.

Presentation materials, video and question and answer summary will be quickly put on IR site after this presentation.

• May 10, 2011 Tuesday • • • • financial results presentation in FY2010

1. Operating Results

(1) Qualitative information and Consolidated Financial Statements

Operating Results of the fiscal year ended March 31, 2011

We would like to express our deepest compassion for the people and regions suffering from the Great East Japan Earthquake (Higashi Nihon Dai-Shinsai).

We extend our genuine condolences to those closest to the victims who lost their lives, and sincerely wish the people suffering in the stricken regions an early recovery from the disaster.

Although the Japanese economy during this fiscal year ended March 31, 2011 was on a recovery trend with some fluctuations, it faced unparalleled crisis due to the tremendous damage suffered by the Tohoku and Kanto Regions in the Earthquake of March 2011 that shocked the world, coupled with the economic downturn attributable to the leakage of radiation from the Nuclear Plants in Fukushima and implementation of rolling blackouts in Greater Tokyo area.

The video game industry was to voluntarily cancel events and various sales promotion activities in addition to the retail stores/arcades in the afflicted areas suffering directly from the Earthquake and a series of aftershocks.

Meanwhile, a new trend is washing across the industry with, in addition to the progress of aging population and diversification of entertainment, the rapid growth of social games that allow users to interact on various sites that they can access using devices other than game consoles, such as smartphones and mobile tablets.

Under these circumstances, ten of Capcom's arcades in Tohoku and Kanto region were damaged and/or flooded and many of the equipments were broken down. Suffered arcades were forced to shut down temporarily, and three of the ten subsequently managed to reopen for business.

On the other hand, in the consumer online game business, which is a core operational department, the flagship title "Monster Hunter Freedom 3" (for PlayStation Portable) took off with a bang owing to the overwhelming support of users who had long-awaited its release and dominated the year-end sales campaign season and drove the increase in sales. In addition, the four titles targeted at overseas markets, including "Dead Rising 2" (for PlayStation 3 and Xbox 360), sold over one million units each to boost revenues.

In order to address the expansion of social games and other changes in the environment, Capcom focused on the development of online games and games for overseas markets, while rebuilding the development departments comprising our core competence, in an effort to operate business in line with market trends.

Further, in an attempt to diversify revenue streams, Capcom has been promoting the implementation of multifaceted contents, beginning with the distribution of games to "Mobage", a Japanese SNS operated by DeNA Co., Ltd., as well as the distribution of social game software for iPhone/iPod Touch via Facebook (United States), with its 500 million members worldwide, in order to develop the vast overseas market.

As a part of the efforts to establish its global presence at an accelerated pace, Capcom has been aggressively making strategic moves to secure an overseas advantage over others, including acquiring through its Canadian subsidiary a local game development company Blue Castle Games in order to develop appealing software that cater to the preference of overseas users.

The resulting net sales increased to 97,716 million yen (up 46.2 % from the previous year).

As for profits, operating income increased to 14,295 million yen (up 155.8% from the previous year), and ordinary income increased to 12,861 million yen (up 132.6% from the previous year). The net income for this fiscal year increased to 7,750 million yen (up 257.6% from the previous year) in spite of special losses on restructuring (1,453 million yen), disaster (105 million yen) and others.

Status of each operational department

Consumer Online Games

In this business segment, the feature title “Monster Hunter Freedom 3” (for PlayStation Portable), which was released on December 1, 2010 to long lines of customers nationwide, became a big hit with a total shipment of more than 4.6 million units and played the lead role in improving Capcom’s business performance.

Further, the major titles for PlayStation 3 and Xbox 360 targeted at overseas markets fully leveraged their characteristics to achieve market success, selling over one million units each with shipments totaling 2.2 million units for “Dead Rising 2”, 2 million units for “MARVEL VS. CAPCOM 3 Fate of Two Worlds”, 1.6 million units for “Super Street Fighter IV”, and 1.5 million units for “Lost Planet 2”. The result was a history-making milestone of five million-seller titles in total.

Additionally, “Sengoku BASARA: Samurai Heroes” (for PlayStation 3 and Wii), the newest in the series that gained stable popularity, also enjoyed steady growth in sales. “MONHAN NIKKI POKAPOKA AIRU MURA” (for PlayStation Portable), a spin-off from the “Monster Hunter” series, which attracted users with its widely popular character “Airu” (known as “Felyne” in English) became a smash hit.

Meanwhile, the online exclusive title “Monster Hunter Frontier Online” (for PC, Xbox 360) also showed solid performance.

The resulting net sales increased to 70,269 million yen (up 60.8 % from the previous year), and the operating income was 12,499 million yen (up 59.5 % from the previous year).

Mobile Contents

As social games that are highly compatible with mobile phones underwent rapid growth, we were able to reach diverse new users, with members exceeding one million people for “MONHAN NIKKI MOBILE AIRU MURA” distributed exclusively through one of the Japanese mobile SNS “Mobage”.

In addition to “Ghost Trick” that was released for iPhone/iPod touch fared well, “Street Fighter IV” released in the previous term also achieved its projected sales.

Meanwhile, there have been positive surprises as well, such as the number of downloads of “The Smurfs’ Village”, distributed through Facebook, United States, exceeding our projection by far, as well as the steady increase in the membership of “Zombie Cafe”.

The resulting net sales increased to 4,028 million yen (up 13.3 % from the previous year), and the operating income was 1,366 million yen (up 83.2 % from the previous year).

Arcade Operations

With the entire industry focusing on energizing the market through implementing customer appreciation day on a “Game Day” (November 23 each year) to thank arcade fans, customer-oriented efforts were made in operating the arcades in this business segment. Sponsoring a variety of events, renovating arcades, and offering special discount days are just a few examples of such efforts.

Further, Capcom also worked to expand its customer base to include female, family and older-generation customers, while endeavoring to improve the earning capacity by controlling investments, reducing costs, and operating arcades in line with current market conditions.

Meanwhile, ten of Capcom's arcades seriously suffered damages and loss of properties by the Great East Japan Earthquake in March 2011. Although they were forced to shut down temporarily, three of the ten subsequently

managed to reopen for business.

Since we closed one unprofitable arcade, the total number of our arcades became 37 as of the end of this fiscal year.

As a result, while net sales decreased to 11,621 million yen (down 3.0 % from the previous year), the operating income increased to 1,131 million yen (up 91.5 % from the previous year).

Amusement Equipments

While the market conditions remained weak for arcade game machines, this business segment saw the video game machine “Super Street Fighter IV: Arcade Edition” perform solidly.

As for the Pachislo machine business, in addition “Sengoku BASARA 2” showing strong performance, “Onimusha: Dawn of Dreams” launched during the previous fiscal year remained a long-seller, contributing to improved profit.

Meanwhile, profitability improved, thanks to cost reduction and other business-wide streamlining efforts.

The resulting net sales increased to 7,903 million yen (up 73.9 % from the previous year), and the operating income was 2,638 million yen (the operating loss of the previous year was 347 million yen.).

Other Businesses

The net sales from other businesses, mainly character-related licensing royalties, increased to 3,893 million yen (up 27.7% from the previous year), and the operating income was 1,098 million yen (up 8.0% from the previous year).

Prospects for the Next Fiscal Year

As for future prospects, it is believed that the public and the private sectors will begin working together to launch full-fledged efforts for recovery. However, the situation is expected to remain unpredictable as we face the greatest challenge, with the damages from the great earthquake and possible implementation of rolling blackouts resulting in immeasurable economic losses.

In the video game industry, a downturn in consumer confidence is feared as the consumer mindset voluntarily moves away from spending, such as entertainment and recreation, and leans excessively towards self-restraint, including refraining from going out. Accordingly, it is believed that time will be required for the domestic game market to recover.

Meanwhile, the business environment is beginning to change with the rise of social games fueling the growth of new competitors in the industry, in line with the increase in smartphones and other platforms that are not game consoles.

We will focus more than ever before on our global operations as the environment surrounding the industry rapidly changes, since the promotion of sales overseas, where the market size is larger, is crucial to the realization of our growth strategy. As a result of having generated a series of hit games in European and U.S. markets in recent years, including four overseas million-seller titles during this fiscal year, Capcom’s product line-up is becoming for solid and replete. We will take full advantage of our variety of contents in proactive and aggressive actions.

To this end, we will work on enhancing our sales forces mainly by fostering the personnel of local subsidiaries, as well as by securing competent human resources.

As a Group strategy, we will promote the expansion of our business domain as a means of addressing the rise of new forces, such as smartphones, and cultivating new demands, mainly by leveraging the experience and

know-how acquired through the development, sale and marketing of games in making a full-scale entry into the social game business.

Meanwhile, we will aspire to achieve an early recovery of the arcade operations, which suffered damages from the great earthquake, by aggressively rebuilding the business based on the scrap-and-build concept with due consideration for changes in the market environment.

Considering the Great East Japan Earthquake to be a learning experience, Capcom will endeavor to prevent risks and ensure that appropriate corporate management functions are secured in the event of contingencies by further reinforcing the crisis management system, with the intent to minimize damages, losses and disrepute attributable to natural disasters such as earthquakes, accidents and other emergencies, should they occur, through the prompt implementation of appropriate measures.

(2) Analysis of the Consolidated Financial Position

Analysis of assets, liabilities and net assets

(Assets)

Total assets increased by 3,786 million yen from the previous fiscal year to 90,408 million yen. The primary increases were 5,145 million yen in Cash on hand and in banks and 5,411 million yen in Notes and accounts receivable, trade, and the primary decrease was 3,890 million yen in work-in-progress for game software.

(Liabilities)

Liabilities decreased by 264 million yen from the previous fiscal year to 32,400 million yen. The primary increases were 2,780 million yen in accrued income taxes, 2,188 million yen in notes and accounts payable, trade and 1,160 million yen in accrued bonuses, and the primary decrease was 9500 million yen in short-term borrowings.

(Net assets)

Net assets increased by 4,050 million yen from the previous fiscal year to 58,007 million yen. The primary increase was 7,750 million yen in net income for the current fiscal year, and the primary decreases were 2,068 million yen in cash dividends and 1,553 million yen in cumulative translation adjustments (for the foreign currency translation of the net assets of consolidated overseas subsidiaries).

Analysis of cash flow

Cash and cash equivalents increased by 5,196 million yen from the previous fiscal year to 35,011 million yen. Cash flow positions of each activity and their factors are described below.

(Cash flows from operating activities)

Net cash gained from operating activities increased to 22,392 million yen (14,320 million yen in the previous year). Some of the main contributors to the increase were the following: 10,807 million yen in net income before income taxes (1,124 million yen in the previous year); 3,186 million yen in increase in other current liabilities (decreased by 1,296 million in the previous year); 3,315 million yen in depreciation and amortization (3,368 million yen in the previous year); 3,246 million yen in decrease in work-in-progress for game software (increased by 5,545 million in the previous year); 2,264 million yen in increase in accounts payable, trade (decreased by 5,952 million in the previous year); 1,180 million yen in increase in accrued bonuses (decreased by 755 million in

the previous year). The decrease is attributable mainly to 5,531 million yen in increase in accounts receivable, trade (decreased by 20,897 million in the previous year).

(Cash flows from investing activities)

Net cash spent for investing activities increased to 2,046 million yen (1,618 million yen in the previous year). Some of the main contributors to the increase were the following: 1,734 million yen in payment for acquisitions of tangible fixed assets (1,693 million yen in the previous year); 482 million yen in purchase of investment of subsidiaries; 429 million yen in payment for acquisitions of intangible fixed assets (289 million yen in the previous year). The decrease was attributable mainly to 290 million yen in proceeds from sale of investments in securities.

(Cash flows from financing activities)

Net cash spent for financing activities increased to 12,919 million yen (10,747 million yen in the previous year). This increase was mainly attributable to the following: 12,500 million yen in repayment of short-term borrowings (2,555 million yen in the previous year); 2,064 million yen in dividends paid by parent company (1,829 million yen in the previous year). The decrease was attributable mainly to 3,000 million yen in proceeds from long-term borrowings.

(Reference) Trends of Cash Flow Indicators

	Year ended March 2007	Year ended March 2008	Year ended March 2009	Year ended March 2010	Year ended March 2011
Shareholders' equity ratio to total assets	49.3	57.3	55.9	62.3	64.2
Shareholders' equity ratio to total assets based on fair market value	104.4	221.2	101.5	120.5	103.9
Debt amortization ratio to cash flows	28.6	46.8	-	122.7	32.8
Interest coverage ratio	237.3	103.7	-	86.9	155.8

Shareholders' equity ratio to total assets : Shareholders' equity / Total assets

Shareholders' equity ratio to total assets based on fair market value : Total of the capital stock at market price / Total assets

Debt amortization ratio to cash flows : Interest-bearing debt / Cash flows from operating activities

Interest coverage ratio : Cash flows from operating activities / Interest payments

(Note 1) Total market value of shares is calculated based on the number of shares as of the end of the fiscal year excluding treasury stock.

(Note 2) The interest-bearing debt refers to the debts posted in the consolidated balance sheets for which we are paying interests.

(Note 3) As the cash flows from operating activities fell into red in fiscal year ended March 2009, we have omitted debt amortization ratio to cash flows from operating activities and interest coverage ratio.

(3) Basic policy for profit distribution and dividend for the current and next fiscal year

Capcom considers returning profits to the shareholders be one of the most important management issues. Its

fundamental dividend policy is to provide a stable and continued dividend to the shareholders, taking into account the future business development and changes in operating circumstances.

Capcom plans to pay a year-end dividend for the current fiscal year be 25 yen per share. The annual dividend for the current fiscal year is 40 yen per share, since are paid an ordinary dividend 15 yen per share as an interim dividend. We plans to pay the annual dividend for the next fiscal year of 40 yen per share based on business forecasts. Capcom plans to pay interim dividend of 15 yen per share.

2. Business Policy

There is no significant change in business policy from the Mid-Term Financial Results ended September 30, 2008 disclosed on November 8, 2007. Therefore it is omitted to describe this item.

It is available through following URL:

Capcom Corporate Web

http://www.capcom.co.jp/ir/english/data/result_2008.html

Tokyo Stock Exchange

<http://www.tse.or.jp/listing/ocompanysearch/index.html> (Japanese)