



March 30, 2004

Capcom Company., Ltd.
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Osaka 540-0037, Japan

Revision of Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2004

Capcom Co., Ltd., hereby announces that it has revised its consolidated earning forecast for the fiscal year ending March 31, 2004, which was previously released on November 14, 2003 as follows:

1. Consolidated earnings forecast for the fiscal year ending March 31, 2004 (April 1, 2003 to March 31, 2004)

(Millions of Yen)

| | Net Revenues | Income before income taxes | Net Income |
|---|--------------|-------------------------------|------------|
| Previous Forecast (A) | 63,000 | 7,300 | 4,200 |
| Revised Forecast (B) | 51,000 | 700 | 9,400 |
| Change (B) - (A) | 12,000 | 6,600 | 13,600 |
| Change (Percentage) | 19.0 | 90.4 | - |
| (For Reference) Actuals ended March 31, 2003 | 62,036 | 6,797 | 19,598 |

2. Non-consolidated earnings forecast for the fiscal year ending March 31, 2004 (April 1, 2003 to March 31, 2004)

(Millions of Yen)

| | Net Revenues | Income before income taxes | Net Income |
|---|--------------|-------------------------------|------------|
| Previous Forecast (A) | 45,500 | 5,100 | 3,000 |
| Revised Forecast (B) | 44,000 | 5,200 | 8,300 |
| Change (B) - (A) | 1,500 | 100 | 11,300 |
| Change (Percentage) | 3.3 | 2.0 | - |
| (For Reference) Actuals ended March 31, 2003 | 43,454 | 4,302 | 13,741 |

3. Reason for the revision (Consolidated and Non-Consolidated)

On consolidated basis, our reformation on sales strategies in the United States as well as in European areas forces us to alleviate our field inventory levels and therefore to lower our sales margins. Further, our review on new titles' release schedules heavily worsens forecasts for Net Revenues and Income before income taxes than originally anticipated.

In addition to the above, Status Co., Ltd., which is one of our subsidiaries and has been engaged in financial business, is now decided as dissolved on March 30, 2004. Current estimate for reserve for the liquidation process will be about 3,500 million yen and total extraordinary losses are estimated as 8,200 million yen.

Our forecast for result of FY2003 on consolidated basis will be consequently heavily worsened and we, therefore, announced today those forecasts.

On non-consolidated basis, our continuous re-engineering to strengthen the company is on-going. However, our review on visibility of the management such as reserve for account receivables, inventory level and other operational issues forces us to take extraordinary losses of about 5,600 million yen.

As mentioned in the above, because of dissolution of Status Co., Ltd., our loans as well as additional reserve come to additional extraordinary losses as about 5,400 million yen.

Therefore, on non-consolidated basis our forecast for result for FY2003 is forced to be revised.

4. Dividend forecast for the fiscal year ending March 31, 2004

In the light of continuous and stable dividend to the shareholders as one of crucial management policies despite of great negative Net Income on non-consolidated basis, our dividend as the year-end will be maintained as 10 yen per share as originally announced, based on the approval at the annual shareholders meeting currently scheduled in June, 2004.

Disclaimer Regarding Forward-Looking Statements

Capcom sometimes provides projection as well as guidance concerning the future prospects in addition to profit estimates to be submitted to the Tokyo Stock Exchange, in order to assist investors and securities analysts to make their own estimates about the performance of Capcom.

Statements made on this press release with respect to Capcom plans, policy, estimates and strategies, and other matters that are not historical facts, are forward-looking expectations about the future performance of Capcom. These forward-looking expectations are based on the current assumptions of Capcom in light of the information currently available to and comprehended by Capcom. Please be aware that a number of important factors and uncertainties could cause actual results to differ materially from those mentioned in the forward-looking expectations.

Accordingly, when evaluating our performance or value as a going concern, you are requested not to rely on these projections entirely.

Factors and uncertainties that might affect performance of Capcom include, but are not limited to

- (1) general economic conditions in the video game industry
 - (2) economic trend, such as consumer spending, capital expenditure, exchange rates, particularly between the yen and the U.S. dollar, euro, and other currencies, and the stock market.
 - (3) sudden change in social situation and occurrence of unexpected situation.
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