

Financial Results (Consolidated basis) ended March 31, 2005(Unaudited)

Date of Issue: May 23, 2005

Company Name: CAPCOM Co., Ltd.

Stock Exchange:

Tokyo, Osaka

Company Code: 9697

Location of Headquarters:

Osaka Prefecture

(URL <http://www.capcom.co.jp/>)

Representative: Kenzo Tsujimoto, C.E.O. & President

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Approval of Financial Results by Board Members; May 23, 2005

Application of US Accounting Standard: None

1. Results of the Year ended March 31, 2005(April 1, 2004-March 31, 2005)

(1)Financial Results

Note: Numbers are rounded down at Million Yen

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Year Ended March 31, 2005	65,895	25.1	7,752	452.6	7,399	835.4	3,622	-
Year Ended March 31, 2004	52,668	15.1	1,402	79.0	791	88.4	9,158	-

	Earnings Per Share of Common Stock	Earnings Per share of Common Stock (Assuming Full Diluted)	Return (net income) on Equity	Return (ordinary income) on Assets	Return (ordinary income) on Sales
	Yen	Yen	%	%	%
Year Ended March 31, 2005	63.37	50.28	11.3	7.4	11.2
Year Ended March 31, 2004	160.91	-	24.5	0.8	1.5

Note: Investment Profit/Loss on Equity Method

Year Ended March.31, 2005 9Million yen Year Ended March. 31, 2004 - Million yen

Average Number of Shares of Each Terms(Consolidated Basis)

Year Ended March.31, 2005 56,218,063 Year Ended March. 31, 2004 56,919,319

Change in Accounting Policies: None

Percentage represents change against corresponding period of the previous year on net sales, operating income, ordinary income and net income

(2)Financial Position

	Total Assets	Total Shareholder's Equity	Shareholder's Equity Ratio to Total Assets	Shareholder's Equity Per Share
	Million Yen	Million Yen	Million Yen	Million Yen
As of March 31, 2005	106,361	32,491	30.5	589.99
As of March 31, 2004	93,096	31,854	34.2	559.66

Note: Number of shares outstanding: Year Ended March.31, 2005 54,969,432 Year Ended March. 31, 2004 56,917,769

(3)Cash Flows

	Cash Flows from Operating activities	Cash Flows from Investing activities	Cash Flows from Financing activities	Cash and Cash Equivalents at end of period
	Million Yen	Million Yen	Million Yen	Million Yen
Year Ended March 31, 2005	7,977	1,099	6,251	45,538
Year Ended March 31, 2004	5,577	5,011	395	32,131

Note: No quarterly reporting about consolidated cash flow was made in the previous fiscal year ended March 31, 2004.

(4)Scope of Consolidation and Equity Method

Number of consolidated subsidiaries: 12

Number of unconsolidated subsidiaries(equity method is applied): 0

Number of affiliated companies(equity method is applied): 1

(5)Change in Scope of Consolidation and Equity Method

Consolidation: Increase 1, Decrease 0

Equity Method: Increase 1, Decrease 0

2. Forecast for the Fiscal Year ending March 31, 2006(From April 1, 2005 to March 31, 2006)

	Net Sales	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen
Six-month period ending Sep. 30, 2005	26,500	700	200
For Year ending March 31, 2006	70,000	7,400	3,900

(Reference) Expected Net Income Per Share of Common Stock for Year ending March 31, 2006: 70.95(Yen)

Note: These forecast are based on the Company's current assumptions and beliefs in light of the information currently available to it, and involve known and unknown risk and uncertainties. The Company's actual results may differ materially from above mentioned forecast.

Status of Capcom Corporate Group

Major businesses of Capcom corporate group (Capcom Co., Ltd. and its affiliated companies) positioning of each affiliated company within the business segments are as described below.

[Home Video Games]

This division develops and distributes home video game software. Capcom Co., Ltd., develops video game software. Capcom Entertainment, Inc.(consolidated subsidiary), Capcom Asia Co., Ltd.(consolidated subsidiary), Capcom Eurosoft Ltd.(consolidated subsidiary), CE Europe Ltd.(consolidated subsidiary), CEG Interactive Entertainment GmbH(consolidated subsidiary), and Capcom Co., Ltd. are responsible for distribution of the game software. Flagship Co., Ltd. (consolidated subsidiary) and Capcom Studio 8, Inc. are also participating in development.

One of R&D division was divided into a new subsidiary under corporate dividing rules in Japan on July 1st and the new company name is Clover Studio Co., Ltd.. Koko Capcom Co., Ltd., a developer and distributor of game software, has been qualified as one of consolidated companies since its importance to Capcom Co. Ltd. was increased.

[Arcade Operations]

This division operates amusement facilities. Capcom Co., Ltd. conducts arcade operations at various shopping malls and facilities in Japan.

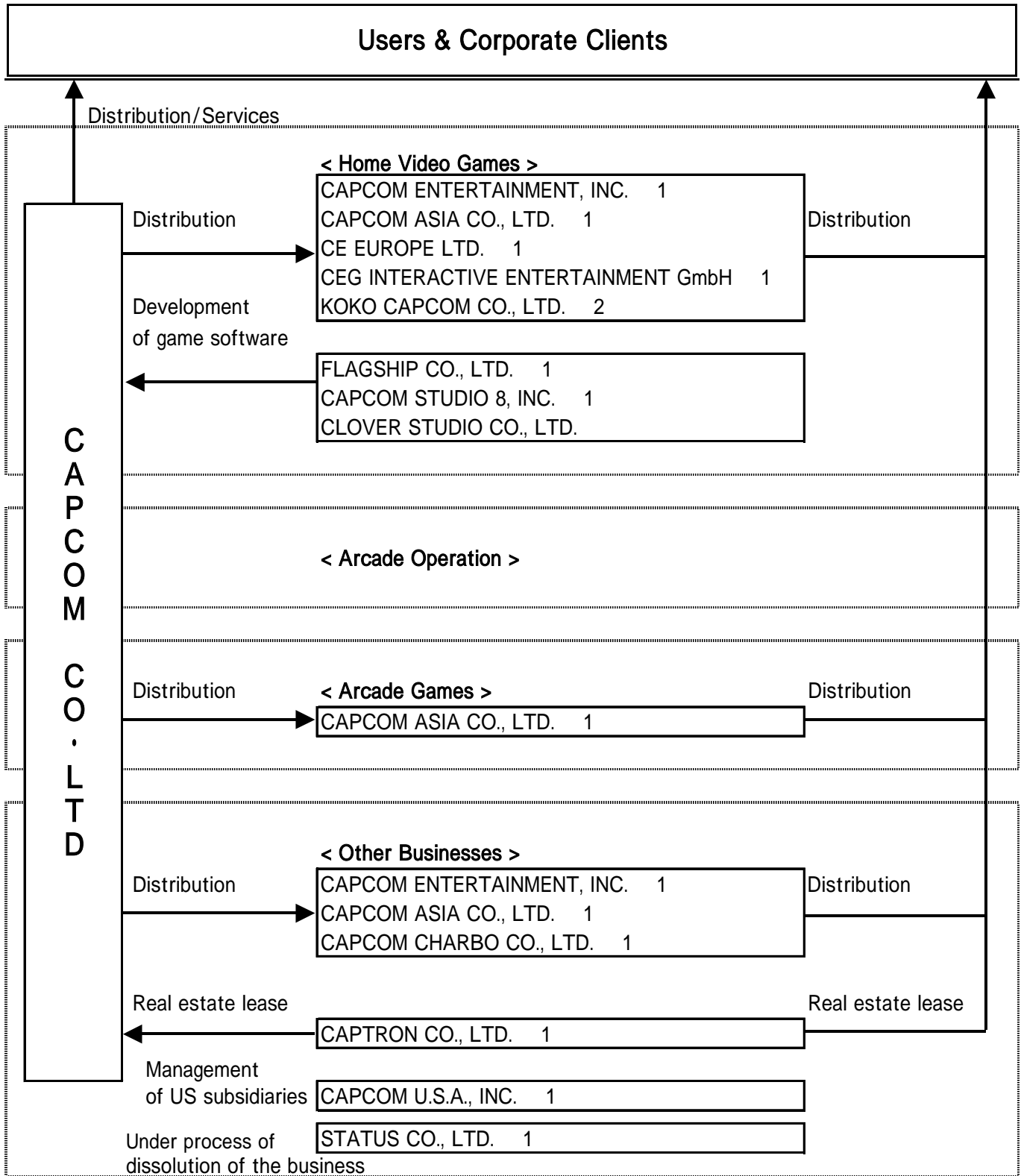
[Arcade Games]

This division develops, manufactures, and distributes game products for commercial customers. Capcom Co., Ltd. develops and manufactures products while Capcom Asia Co., Ltd. and Capcom Co., Ltd. are responsible for distribution of the products.

[Other Businesses]

Capcom Co., Ltd. conducts various licensing businesses. The Company licenses Capcom characters and game contents out. Capcom Entertainment, Inc., Capcom Asia Co., Ltd., and Capcom Co., Ltd. are responsible for licensing. Capcom Charbo Co., Ltd. (consolidated subsidiary) provides support services in mobile communications, including cell phones. In addition, Captron Co., Ltd. (consolidated subsidiary) is responsible for a real estate leasing business. Status Co., Ltd. (consolidated subsidiary), which used to provide casualty insurance services and financial services, is now under process of dissolution of the business by assignment and transfer of the services. Capcom USA, Inc.(consolidated subsidiary) is a holding company of its US and UK subsidiaries; Capcom Coin-Op, Inc., Capcom Entertainment, Inc., Capcom Studio 8, Inc. and Capcom Eurosoft Ltd., and their respective managements are under the control of Capcom USA, Inc..

All the explanations described above are shown in the following organizational diagram.



1 Consolidated subsidiary

2 Affiliated companies consolidated for equity method

Business Policy

1. Management Principle

Our principle is to be a creator of entertainment culture. Through development of highly creative software contents that excite people and stimulate their senses, we have been aiming to offer an entirely new level of game entertainment.

Our management objectives are also on strengthening relationships with shareholders, clients and our employees to satisfy demands and to bring about prosperous benefits.

2. Principle related to dividends

One of our priorities is on stable and continuous dividends to all shareholders. In order to enable us to implement the objective, we are striving to generate retained earnings in line with our future business strategies as well as our financial strength.

3. Business Targets

As financial conditions in Japan change, such as the implementation of new accounting standards, we believe “Cash-Flow Management” has become an important factor -- more important than to make up financial statements utilizing changes in accounting standards. We do not set actual target figures on specific fields because we understand “Cash-Flow Management” (real management that generates cash) as a very important factor for evaluating decision-making processes and corporate values.

4. Medium Term Business Strategy

In addition to the sharp rise in development costs, the video game industry is facing challenges. International competitions are getting fiercer struggling for survival being resulted in increase in mergers, acquisitions and business integrations as corporate restructuring becomes more intense.

Under this severe situation, we believe that establishing a management system capable of adapting to changes in the business environment is one of our most important managerial goals. In order for us to accomplish this goal, we will reinforce R&D to reform profit structure. We will also work on revitalizing the corporation in order to create corporate values by reforming organization and staff perception including implementing a performance-based incentive program and clarifying accountabilities for management, officers and staff.

As our medium-term business strategy, our management objectives are as shown in the following:

- (1) Focusing on our core business - developing and marketing creative home video game software - by concentrating our resources
- (2) Strengthening and exploring multi platform strategy for home video game software based on market demands.
- (3) Expanding arcade operations business, which has become the second largest source of business for us, in order to continuously secure stable revenues.
- (4) Strengthen the on-line game business with the improvement of the telecommunication infrastructure.
- (5) Expanding sales overseas by aggressive business deployment, including establishing overseas offices.
- (6) Pioneer business opportunities by enhancing our product contents to create new markets and expanding our

share in existing markets. Exploit new business opportunities with the provision on LCD device for PACHISLO machines and more focus on publishing.

- (7) Promoting and strengthening the Capcom Brand to create added value.
- (8) Realizing a stable cash flow for each fiscal term by streamlining financial aspects.

5. Issues to be addressed

Major issues to be addressed taking in consideration surrounding business environments and future market trends:

(1) Consolidation of the critical strategic divisions

We will concentrate our management resources in the home video game software segment, which is our core business, especially in its development and marketing divisions in order to strengthen the competitive edge.

(2) Focus on the overseas operations

Making strong efforts in developing overseas markets is the key to the future business growth as the Japanese domestic market matures. We are determined to execute the strategic overseas operation deployment through the group-wide global business restructuring. One such effort will be to conduct corporate reforms of overseas subsidiaries including Capcom U.S.A., Inc., one of our crucial subsidiaries.

(3) Selection and concentration of business

We are focused on setting a clear vision for the future by harnessing our corporate strength through the effective use of our research and development resources. In addition, we are pushing through a strategy that concentrates management resources on selected business to make the most of the collective power of the entire Capcom group, thus increasing our corporate value. The decision to spin-off a part of the development division, which is expected to grow in the future, and to close down unprofitable businesses, are examples of such activities.

(4) Expansion of the business field

We will focus on growing the content-related business to expand our business fields in response to changes in the managerial environments. Publishing and the provision of the LCD device for PACHISLO machines are among those segments we will give high priorities to achieve this goal.

(5) Enhancement of the corporate quality

We are trying to realize flexible business operations and to improve our operation efficiency through the management innovation. At the same time we are building a framework that enhances our revenue base. As part of such efforts to enhance our business foundation, we are pursuing the strategic group operation and financial structure reformation by reinforcing the management system of both domestic and foreign subsidiaries.

6. Corporate Governance issues

(1) Basic understanding of Corporate Governance

We have introduced the “Operating Officer System” for developing business flexibility and increasing management efficiency, which clearly separates the Board of Directors which focus on decision-making from the Operating Officers which implement and execute the operation of the Corporation. In addition, we retain 3 external directors as well as 3 external auditors for the purpose of enhancing both management monitoring and transparency.

(2) Current condition of measures for implementing corporate governance

Status of the corporate governance systems, including management organizations that are involved in the managerial decision making, execution, and supervision.

- We are employing a “Corporate Auditor” system for our corporate governance system. 3 out of our 4

corporate auditors are “external” auditors.

The board of corporate auditors, which currently consists of 4 members, allocates work responsibilities and develops audit policies. After an audit is conducted based on these policies, the board discusses substantive matters in the audit, presents matters to be addressed to the president, and exchanges opinions and information with accounting auditors accordingly.

- 3 out of our 7 directors are “external” directors.

As a general rule, a regular board meeting is held once a month, and an extraordinary board meeting is held as needed.

We had the 18 board meetings during this fiscal year and the participants had an active discussion on both matters to be resolved as well as reported issues.

- We have voluntarily established the Remuneration Committee, headed by an external director, to determine fair and relevant compensation for directors.
- Although no full-time staff has been assigned to assist external directors or auditors, three personnel from the secretary’s office, three personnel from the internal audit office at the main office and one staff employee from our Tokyo branch office are assisting the external directors and auditors.
- The Board of Directors has been vitalized and the management monitoring function has been reinforced by accepting advice and opinions from the external directors. This also helps to increase corporate value.
- One of our external directors is an attorney, who is a leading authority in the field, will provide advice and guidance for important issues or problems. This reinforces the supervisory function of the board of directors and ensures reliability and transparency.
- In terms of enforcing the risk-management structure, we set up the Compliance Committee to make the corporate governance function effectively. The committee holds a meeting every three months and includes an attorney who is one of the “external” directors.

In addition, we are examining the status of the risk management implementation every three months using “Periodic Compliance Check,” and its results are reported to the board of directors. Counseling, advisory, and alerts are given to the concerned parties as circumstances demand.

We instituted the “Capcom Codes of Conduct” to strengthen our internal control system. We are trying to prevent illegal acts and misconduct and to secure legal compliance through the promulgation of the corporate ethics and principles.

Interests with external directors and external auditors

No external directors or external auditors have any personal relationship, capital relationship, business relationship, or other interest with the Company.

Condition on implementation of any activities promoting corporate governance of this fiscal year.

In order to prepare for the Personal Information Protection Law, which became effective in April 2005, we have been taking required measures to ensure the full compliance with the law. Examples of such measures are: developing “Personal Information Protection Program” at an early stage, and instituting “Basic Policies of Information Security” and “Personal Information Protection Rules.”

Additionally, we are disclosing and disseminating our privacy policies to both inside the company and to the public. We will further promote educational campaigns and awareness-raising activities among our employees to make the systems for privacy protection continue to function effectively.

Accounting audit

Capcom has a contract with ChuoAoyama PriceWaterhouseCoopers as an accounting auditor defined in the Commercial Code and to conduct an accounting audit based on the Securities and Exchange Act. There are no conflicts of interest between Capcom and this auditing firm or between Capcom and the

partners of this auditing firm who conduct an audit of Capcom.

Following is the information regarding the certified public accountants who conducted an audit of Capcom for this fiscal year. The information includes the names of the accountants, and the composition of assistants who were engaged in the auditing operations.

- The names of the certified public accountants who performed the auditing operations.

Appointed Partners of the firm CPA who conducted the operations:

Mr. Kagetoyo Ohtsu

Mr. Akinobu Miwaka

- The composition of the staff engaged in the auditing operations of Capcom:
3 certified public accountants and 5 junior accountants

Board members' compensation and audit fees

The board members' compensation paid to the directors and corporate auditors of Capcom, and the audit fees for this fiscal year are as follows:

- Board members' compensation
 - Compensation paid to directors: 175 million yen
 - Compensation paid to corporate auditors: 34 million yen
- Audit fees: Fees paid to ChuoAoyama PriceWaterhouseCoopers, the auditing firm of Capcom
 - Audit certification related fees based on the audit contract: 32 million yen
 - Other fees: 3 million yen

Internal audit

Capcom set up an internal audit office under the direct control of the president. The audit office is independent from the business operation divisions and serves as an internal auditing organization. One of the main responsibilities of the audit office is to conduct internal audits for all divisions of Capcom, working with corporate auditors when necessary, in order to verify and guarantee the legal compliance and efficiency of company's operations. The audit office tries to ensure that the internal control functions effectively for every division in the company, and gives recommendations, such as matters to be improved, to the relevant divisions based on the auditing results.

7. Business Risks and Other Risks

Capcom is exposed to risks which may affect its operating results, financial status, stock price and its operational environments, including but not limited to those stated below, which are based on information that is available as of May 23, 2005 and certain assumptions that serve as the basis of rational judgments.

(1) Risks relating to Home Video Games

Increase in Development Costs

In recent years, home video game consoles have become sophisticated partly due to the adoption of computer graphics technology, and the development costs have tended to increase. Therefore, there is a risk that the development costs may become irrecoverable with respect to some software titles, including those which have failed to fulfill the sales plan.

Obsolescence of Game Software

Game users are mainly children and young people. In addition, competition against other industries which have the same customer base is intensifying, including mobile phones and the Internet. Therefore, the life of products is not necessarily long, and games become outdated quickly; there is a risk that product inventory may increase and development costs may become irrecoverable.

Dependency on Popular Series

Capcom releases many game software titles in the market.

Among them, a handful of titles tend to be dominant in terms of popularity. Further, sequel titles undergo limited volatility in terms of sales, and help stabilize our business performance. However, we may lose users in the event of any problem in these popular software titles or any change in the market environment. There is a risk that it may result in having an adverse effect on our future business strategies and business performance.

Violent Scenes and Depictions

Some of our popular software titles have provocative graphics and text, such as violent and grotesque scenes. Accordingly, in the event of violent incidents and other criminal cases involving juveniles, we may be subject to a smear campaign by some sections of the mass media which often point out the correlation between crime and games. Therefore, there is a risk that it may result in having an adverse effect on our business performance and corporate value.

Seasonal Fluctuations

Trends in the demand for games fluctuate substantially throughout the year. As the market experiences peak demand during the Christmas season until New Year's Day, the first quarter of the year tends to be relatively quiet. In this manner, there is a risk that business performance may substantially fluctuate from quarter to quarter.

Trends in Proliferation of Home Video Game Consoles

Our home video game software titles are primarily supplied to game consoles made by Sony Computer Entertainment Inc., Nintendo Co., Ltd. and Microsoft Corporation.

Therefore, there is a risk that our business strategies and business performance may be adversely affected in the event of any setback in the proliferation trends or any problem in their game consoles.

License Agreement with Console Manufactures

We take a multi-platform approach, which involves supplying home video game software titles to all existing game platforms. Accordingly, we have a license for manufacturing and distributing game software from Sony Computer Entertainment Inc., Nintendo Co., Ltd. and Microsoft Corporation, who are also our competitors. However, there is a risk that amendments to the licensing agreements and new terms and conditions of the agreements may have an adverse effect on our future development strategies and business performance.

Technological enhancement of Home Video Game Platforms

New home video game platforms have been released every four to six years in the past. In the hardware transition stage, users tend to be reluctant to purchase new software. Therefore, there is a risk that our business performance may be adversely affected by sluggish sales in the transition stage.

Expansion of Used Software Market

Currently, the used software in the domestic market is estimated as a third of the new one, and is tending towards expansion. Also, the flood of pirated copies in the Asian market is becoming increasingly serious. Therefore, it is gradually becoming more difficult to recover the development costs. There is a risk that it may adversely affect our operating results, depending on the trends in the market.

(2) Risks relating to Other Businesses

Arcade Operations

There is a risk that customer traffic and the unit value of customers may be adversely affected by the popularity of installed machines, diversification of entertainment, falling birth rate, intensified competition and changes in the market environment and other such factors.

Arcade Games

There is a risk that our business performance may be adversely affected by the closing gap between arcades and home video game consoles, the decline in facility operators' purchasing power, changes in the business environment and uncertainties for growth.

(3) Risks relating to Overseas Operations

There is a risk that our business strategies and business performance may be adversely affected by market trends and the existence of competitors in other countries within our sales territory, in addition to other various country risks including political, economic, legislative, cultural, religious, custom and foreign currency risks.

There is a risk that our business performance may be adversely affected by the increase in expenses and the failure to recover overseas investment in the event of unforeseeable circumstances which cannot be predicted by feasibility studies.

(4) Risks relating to Financial Status and Operating Results

As mentioned before, home video game software, which is our principal business, is exposed to the risk of increasing inventories, as the products generally have a short life and become obsolete quickly. There is a risk that our financial status and operating results may be adversely affected by their obsolescence.

As already explained, our business performance may substantially fluctuate from quarter to quarter, as the market environment may change throughout the year in our industry. Also, cash flows may not be generated as originally planned, due to the fall in sales, changes in management strategies and other factors. There is a risk that it may result in having an adverse effect on the operating results in the following years.

(5) Risks relating to Development Technologies

Products relating to game machines including home video game consoles are subject to rapid technological progress, and are constantly evolving. Therefore, there is a risk that sales opportunities may be lost due to delays in responding to technological progress, which may result in having an adverse effect on our operating results and product quality.

(6) Legislative Risks

Arcade operations are controlled by the “Entertainment Establishments Control Law” and its related regulations and ordinances. Due to the amendment and establishment of the laws and ordinances in the future, the scope of business activities may be subject to changes or preliminary examination, inspection and other procedures carried out by regulatory agencies may become stricter. There is a risk that it may result in impeding our business plans, and adversely affecting the business and operating results.

(7) Risks relating to Intellectual Property Rights

The development and distribution of game software involve intellectual property rights such as patent rights, trademark rights, utility model rights, design rights, copyrights, etc.

Therefore, there is a probability that the development and distribution of game software may become difficult if we cannot acquire intellectual property rights. Also, one cannot deny the risk of a third party’s intellectual property rights being violated by us. There is a risk that they may adversely affect our operating results.

(8) Risks relating to Lawsuits

As we are engaged in content business, we have been to a court of law both as a plaintiff and as a defendant. Due to the nature of our business, there is a possibility that we may be taken to court in the future. There is a risk that they may adversely affect our operating results, depending on the type of the lawsuit and the amount claimed in the lawsuit.

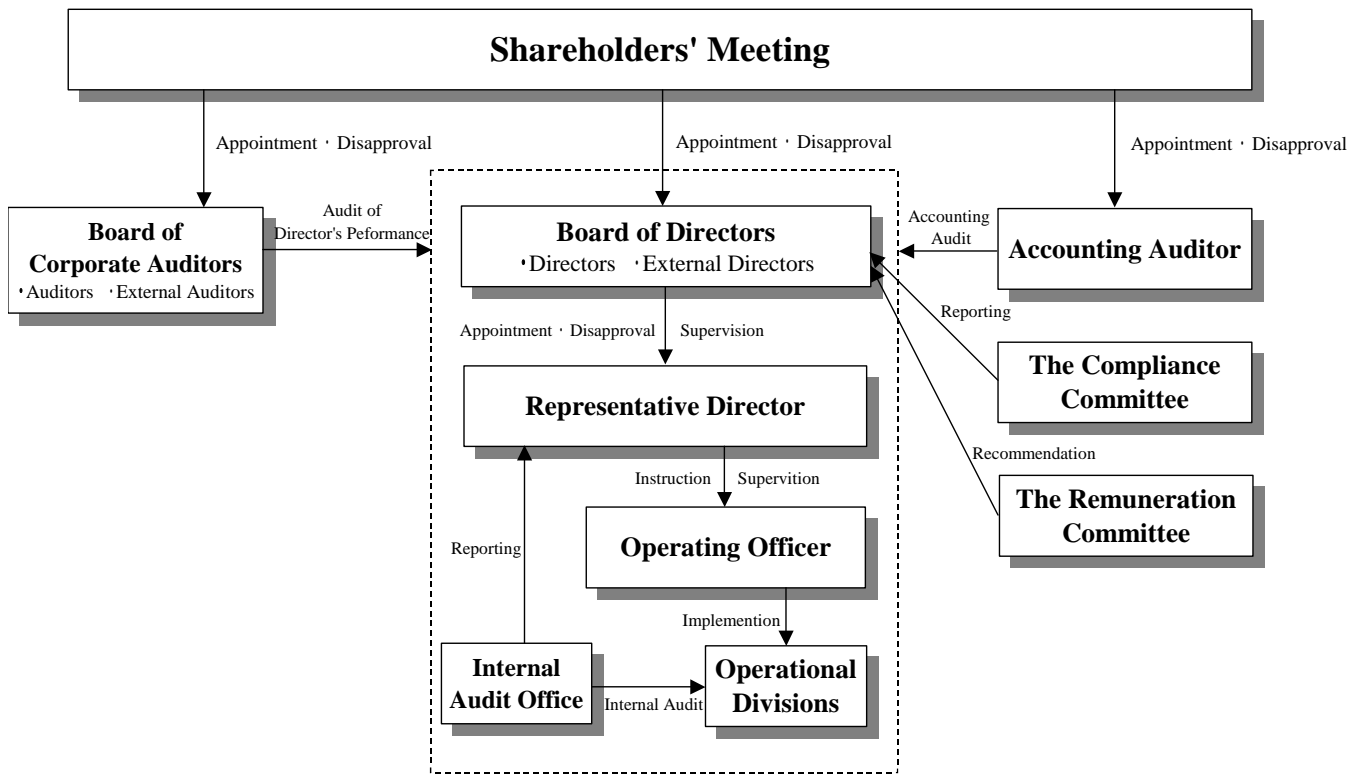
(9) Risks relating to Dilution of Stock Value

The outstanding issue of unsecured convertible bonds is 37,262 million yen and convertible bond, issued after April 1st 2002, of 11,500 million yen. If the conversion rights are exercised, dilution of stock value will occur; there is a risk that it may affect our stock price.

(10) Risks relating to Stock Price Volatility

Our stock price has substantially fluctuated in the past, and there is a possibility that it will dramatically fluctuate in the future, due to the risk factors stated above, changes in the market environment, unexpected circumstances and other causes. The risk factors vary widely, including but not limited to those attributable to Capcom, changes in the business environment of the game industry, analysis data of research agencies such as securities analysts and investor trends, and stock market conditions.

Following is the status of the corporate system improvement on management supervision, operation execution, and internal control.



Operating Results & Financial Status

1. Operating Results

(1) Overview of the fiscal year ended March 31, 2005

The Japanese economy in this consolidated fiscal year, which ended March 31, 2005, showed healthy consumer spending and capital investment, in addition to improved employment situations. However the economy remained leveled-off due to a downturn in export, high crude oil prices, and prolonged inventory adjustments.

As for the video game industry, the Japanese home video game market advanced its maturation level affected by the decentralization of user consumption, the diversification of people's lifestyles, as well as the used-game market. Despite these circumstances, the Japanese market thrived, backed by the release of new portable game consoles in December 2004, "Nintendo DS" and "PlayStation Portables (PSP)," which fired up the year-end sales battle. Another contributing factor for this market pick up was a series of major software title releases for stationary game consoles, starting the end of 2004 through the beginning of 2005.

Arcade operation generally saw a steady growth supported by: the installation of highly-elaborate game machines in newly-opened game arcades in those shopping malls expected to pull in high-traffic; the introduction of network games; and an increase in family customers. On the other hand, existing game arcades grew at a sluggish pace, due partially to the negative influence of temporary factors such as the Athens Olympics and the extreme heat of last summer.

In addition, the online game market was boosted as game makers attempted to expand their business areas in response to the diffusion of broadband (high-speed and large volume) communication and the increased number of internet cafes.

Among the overseas markets, the US and Europe experienced a favorable growth supported by a hardware price reduction, release of dominant software, and favorable performance of those games created around sports or licensed properties of popular movies.

Under these circumstances, the Capcom corporate group engaged in the aggressive product development and offered extensive product selections to our customers. Among such activities were: the development of software that precisely met market needs with flexible marketing strategies; the introduction of consumer-oriented products; and the enhancement of product line-ups through the partnership with other companies. Additionally, Capcom advanced diversified content businesses, placing an extra emphasis on the distribution of games to cellular phones, both domestically and internationally. Another example of such efforts was to sell game software through the publication distribution channel.

As a part of our new business strategies, Capcom worked on strengthening the provision of LCD boards for PACHISLO machines searching for a new income base. These efforts brought about great success and contributed to an increase in the business results.

In addition, Capcom promoted a wide range of the mixed-media strategy to utilize the synergy effects from our

popular game software. Examples of such efforts include: the making of a movie of “Megaman Battle Network”; the production of a television animation program of “Viewtiful Joe”; and most prominently, the release of the Hollywood movie “Resident Evil: Apocalypse” across the globe. The movie, which was the film adaptation of “Resident Evil”, became a huge hit and created secondary effects of enhanced international publicity and brand value for the company.

We diversified our business globally, responding to ever-changing market environments. We promoted corporate structural reforms across the entire Capcom group including all domestic and international subsidiaries. The purposes of these reforms are to optimize our business portfolios, strengthen corporate quality, and improve operating performance. Under the “scrap & build” strategy, which allowed us to select and concentrate our management resources, the development department was spun off into a separate company and under-performing businesses were closed down.

As a result of these activities, we increased the net sales to 65,895 million yen (up 25.1 % from the previous year). As for profits, the ordinary income increased to 7,399 million yen (up 835.4 % from the previous year) realized by the sales increase and cost reduction, and the net profit for the current fiscal year was 3,622 million yen (consolidated net loss for the previous year was 9,158 million yen).

(2) Status of Each Operational Department

Home Video Game Sales

In the Japanese home video game market, “Grand Theft Auto Vice City” (for PlayStation2) persisted as a big hit for an imported title, following the success of the previous game title of the series. Additionally “Monster Hunter G” (for PlayStation2), an online-capable game, was very successful, and the Mega Man series (for Game Boy Advance) including “Mega Man Zero 3” and “Mega Man Battle Network 5” saw a solid sales as well.

The latest of the series, “Resident Evil 4” (for Nintendo GameCube), also experienced a healthy growth supported by the established brand power and core-users.

Contrarily, “Resident Evil Outbreak File 2” and “Devil May Cry 3” (for PlayStation2) struggled, and “Viewtiful Joe 2” (for PlayStation2 and Nintendo GameCube) grew on a weak note.

In overseas markets, “Resident Evil 4” (for Nintendo GameCube), “Devil May Cry 3” (for PlayStation2), and “Resident Evil Outbreak” (for PlayStation2) favorably increased their sales in general backed by the steady US and Europe markets. Sales of our old software titles also continued to grow.

The resulting net sales increased to 39,985 million yen (up 17.8 % from the previous year) and the operating income for the current fiscal year was 3,907 million yen (the operating loss of 971 million yen in the previous year).

Arcade Operations

We have been trying to pull more customers and tap demands through a community-based approach, such as holding a variety of events, implementing a special discount day, and renovating arcades. These efforts evolved

around the business concept of providing “clean, bright, and comfortable arcades,” based on the basic strategy of Capcom, the “Chiiki Ichiban Ten (No.1 Arcade in the Regional Community).”

Under our strategic arcade operations to improve profitability, we opened “Plaza Capcom - Shitoro” in one of the largest commercial complexes in Shizuoka Prefecture, while closing down 3 unprofitable arcades. As a result of these activities, the current number of “Plaza Capcom” totals 30.

The resulting net sales increased to 10,934 million yen (up 11.2 % from the previous year) and the operating income went down to 2,296 million yen (down 1.3 % from the previous year).

Arcade Game Sales

In this business segment, “Mobile Suit Z Gundam A.E.U.G vs. Titans DX” showed a healthy growth supported by its solid popularity, serving as an engine for sales expansion. The medal games, “Super Mario Fushigino Korokoro Party” and “Alien” also performed well.

Additionally, the medal game, “Nihonzenkoku-katochan-no-kurukuru-ressya-de-Pe!,” which family members can enjoy together regardless of their age, had a strong showing.

The resulting net sales increased to 7,450 million yen (up 65.2 % from the previous year) and the operating income increased to 1,944 million yen (up 36.5 % from the previous year).

Other Businesses

Among other business segments, our newly started business of providing “Onimusha 3,” an LCD device designed for PACHISLO machines, achieved more-than-expected sales, thanks to the synergy effects from our home video game software.

In addition, game distribution to cellular phones and income from licensing royalties also underwent a steady growth due to the successful merchandizing strategy of quickly responding to market trends.

The resulting net sales increased to 7,563 million yen (up 70.1 % from the previous year), and the operating income increased to 1,977 million yen (up 110.4 % from the previous year).

(3) Overview of Business Performance in Each Region

Japan

As the Japanese home video market is growing into maturity, “Grand Theft Auto Vice City” (for PlayStation2) persisted as a big hit for an imported title, following the success of the previous game title of the series. Additionally “Monster Hunter G” (for PlayStation2), an online-capable game, was very successful, and the Mega Man series (for Game Boy Advance) including “Mega Man Battle Network 5” and “Mega Man Zero 3” saw a solid sales as well. However “Resident Evil Outbreak File 2” and “Devil May Cry 3” (for PlayStation2) struggled, and “Viewtiful Joe 2” (for PlayStation2 and Nintendo GameCube) also grew on a weak note.

As for the arcade operations, we have been trying to pull more customers and tap demands through a community-based approach such as holding a variety of events, implementing a special discount day, and renovating arcades.

As for the arcade game sales, “Mobile Suit Z Gundam A.E.U.G vs. Titans DX” showed a healthy growth, supported by its solid popularity, serving as an engine for sales expansion.

Additionally our newly started business of providing “Onimusha 3,” an LCD device designed for PACHISLO machines, achieved more-than-expected sales.

The resulting net sales were 48,287 million yen (up 6.1 % from the previous year), and the operating income was to 8,298 million yen (up 3.6 % from the previous year).

North America

The North American market expanded its scale responding to the introduction of new portable games, “Nintendo DS” and “PlayStation Portable (PSP)”. Another contributing factor for the market growth was the release of new game titles produced based on sports or licensed properties of Hollywood movies.

Under these circumstances, “Mega Man Anniversary Collection (for PlayStation2 and Nintendo GameCube) and “Mega Man Battle Network 4” (for Game Boy Advance) underwent a healthy sales growth, while “Onimusha 3” (for PlayStation2) was forced to struggle, against our expectations. On the contrary, “Resident Evil 4” (for Nintendo GameCube), “Devil May Cry 3” (for PlayStation2), and “Resident Evil Outbreak” (for PlayStation2) favorably increased their sales with their strongly-rooted brand power. “Street Fighter Anniversary Collection” (for PlayStation2) performed well, and our old software titles also showed a solid sales performance.

The resulting net sales were 149,56 million yen (up 90.1 % from the previous year) and the operating income was 1,433 million yen (the operating loss of 4,627 million yen in the previous year).

Europe

The European market has been on a smooth growth track thanks to a demand-stimulating approach which includes the price reduction of hardware.

Under this trend, “Devil May Cry 3” (for PlayStation2) and “Resident Evil 4” (for Nintendo GameCube) grew favorably, while “Onimusha 3” and “Resident Evil Outbreak” (for PlayStation2) also showed firm sales performance.

The resulting net sales were 8,389 million yen (up 64.5 % from the previous year) and the operating income was 386 million yen (up 16.9 % from the previous year).

Other Regions

In Asia, the market of online games for PCs is growing rapidly primarily in China and South Korea. However the Asian home video game market was not able to grow out of its early developmental stage due partially to the unsolved pirated software problem. Therefore the sales of the packaged product for home video game consoles remained at a low level.

The resulting net sales were 426 million yen (down 23.7 % from the previous year) and the operating income was 15 million yen (the operating income of 14 million yen in the previous year).

2. Prospects for the Next Fiscal Year

It is projected that the entire video game industry may be given a boost from the new portable game hardware that were released in succession last year, acting as a growth engine. These new games will expand the user-base both domestically and internationally, while creating demands among female users and the first-generation Nintendo users.

With the expectation of the next generation stationary game console to make a debut in the near future, it is possible to see a transition period of business environments. Home video game consoles are advancing on daily basis making it imperative for us to establish a development structure which corresponds to high-performance and multifunctional products, including ones with wireless LAN capabilities.

The competitive environment is projected to be even more intensified. In addition to domestic competitors, overseas game manufacturers are strengthening their offensive against the Japanese market and started to build a foothold in Japan.

Under these situations, Capcom group is determined to further cultivate the existing market while exploiting new markets based on the mid-to-long term strategic plan. These goals are to be achieved by introducing products into the market that satisfy diverse consumer needs through: reinforcing our development team, the core competence of the company; pursuing new genres; and improving marketing systems continuously.

We are upgrading the inter-business network, including video conference systems in order to further reinforce the consolidated management and management functions of the entire Capcom group. Such network improvement will allow us to share intelligence and speed-up decision making while we are promoting the operation efficiency increases and cost-reduction to rationalize overall business operations.

For the purpose of enforcing our overseas operations, which is one our highest priorities in our consolidated business strategy, our goal is to secure and foster excellent human resources, expand overseas subsidiaries, and create the structure that allows us to promptly grasp user needs. These efforts will heighten customer satisfaction, thus improving the competitive edge of the company. Furthermore, we are determined to establish a management practice that is capable of adapting to the changing business environment.

Capcom is responding to the changes in the business environment by currently addressing the enhancement of CSR (Corporate Social Responsibility). The objectives of CSR are to fulfill our responsibilities as a member of the society, and to build trust among diversified stakeholders, including stockholders, customers, employees, and regional communities.

As a part of these activities, we will promote the updating of the risk management system as well as the enhancement of the compliance system, to ensure that the internal control function effectively. At the same time, we will try to raise the standards of our corporate ethics and enforce corporate values by ensuring legal compliance and by elevating the level of transparency and fairness in the company.

Please note that the above sales projections are based on the information that is available at the time of this announcement and certain preconditions that serve as the basis of rational judgments. Actual performance may vary substantially from these projections due to various contributing factors of the future. Additionally, the change of market environments, such as the diversification of user needs, may drastically affect the performance of this industry in which our company operates.

Contributing factors of the performance fluctuation include but are not limited to: the presence or absence of strong-selling titles and the number of units sold in the home video game software business which accounts for 60% of our total sales, the progress of home video game software development, the proliferation of home video game platforms, overseas sales, trends of stock prices and exchange rates, cooperation with other companies in development, sales, and operations, changes in market environments.

3. Financial Conditions

Cash and cash equivalents (hereafter referred to as “Cash”) as of this fiscal year period increased by 1,346 million yen from the previous fiscal year to 45,538 million yen. Cash flow positions for each activity are as stated below.

(1) Cash Flows From Operating Activities

Net cash increase from operating activities amounted to 7,977 million yen, increased by 2,399 yen in comparison with the same period of the previous year. This is attributable to the following; Net income before tax adjustment was increased by 7,006 million yen and accounts payable was increased by 3,929 million, despite of decrease of accounts receivable 5,400 million yen.

(2) Cash Flows From Investing Activities

Net cash decrease from investing activities to 1,099 million yen, which is decreased by 3,911 million yen in comparison with the previous year. This decrease is attributable to the expense of 1,320 million yen for the acquisition of property, plant and equipment for amusement facilities.

(3) Cash Flows Increase From Financing Activities

Net cash increase from financing activities amounted to 6,251 million yen. This is attributable to issuance of convertible bond of 11,500 million yen, acquisition of treasury stock by 2,013 million yen, repayment of short-term borrowings by 1,402 million yen and disbursement of dividend by 1,133 million yen.

4. Trends of Cash Flow Indicators

	Year ended March 2003	Year ended March 2004	Year ended March 2005
Ratio of capital stock (%)	40.2	34.2	30.5
Ratio of capital stock based on fair market value (%)	55.1	63.1	54.1
Debt amortization schedule (number of years)	6.5	4.4	2.8
Interest coverage ratio (times)	14.6	20.3	30.0

Ratio of capital stock = Capital stock / Total assets

Ratio of capital stock based on fair market value = Total of the capital stock at market price / Total assets

Debt amortization schedule = Interest-bearing debt / Cash flows from operating activities

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

- (1) Indicators are calculated using financial numbers in consolidated basis.
- (2) Cash flows from operating activities use the “cash flows from operating activities” in the consolidated statements of cash flows. The interest-bearing debt refers to the debts posted in the consolidated balance sheets for which we are paying interests.

Consolidated Balance Sheets

(Unit: Millions of Yen)

Account Title	Balance Sheet of Previous Fiscal Year (As of March 31, 2004)		Balance Sheet of This Fiscal Year (As of March 31, 2005)		Difference
	Amount	%	Amount	%	Amount
	(Assets)				
Current assets					
1 Cash and cash equivalents	29,809		43,538		13,729
2 Notes and accounts receivable	8,922		14,417		5,495
3 Negotiable Securities	2,321		1,999		322
4 Inventories	4,338		3,912		426
5 Game software products in-progress	9,640		9,399		240
6 Deferred income taxes	4,989		4,004		985
7 Short-term loans receivable	1,555		1,285		269
8 Other	2,544		1,455		1,089
9 Allowance for doubtful accounts	1,164		1,128		36
Total current assets	62,957	67.6	78,884	74.2	15,926
Fixed assets					
(1) Tansible fixed assets					
1 Buildings and structures	6,959		6,677		281
2 Machinery and vehicle	112		84		27
3 Tool, fixture and furniture	642		588		53
4 Rental equipment	135		107		27
5 Equipments for amusement facilities	2,245		1,878		367
6 Land	4,471		4,472		1
7 Construction-in-progress	11		72		60
Total tansible fixed assets	14,577	15.7	13,881	13.0	695
(2) Intansible fixed assets					
1 Other	934		636		298
Total intansible fixed assets	934	1.0	636	0.6	298
(3) Investments and other assets					
1 Investments in securities	2,195		1,562		632
2 Long-term loans receivable	3,638		865		2,773
3 Deferred income taxes	7,960		6,029		1,930
4 Claim in bankruptcy and reorganization	108		108		0
5 Other	4,821		4,804		16
6 Allowance for doubtful accounts	4,097		410		3,686
Total investments and other assets	14,627	15.7	12,959	12.2	1,667
Total fixed assets	30,138	32.4	27,476	25.8	2,661
Total assets	93,096	100.0	106,361	100.0	13,265

(Unit: Millions of Yen)

Account Title	Balance Sheet of Previous Fiscal Year (As of March 31, 2004)		Balance Sheet of This Fiscal Year (As of March 31, 2005)		Difference
	Amount	%	Amount	%	Amount
(Liabilities)					
Current liabilities					
1 Notes and accounts payable	4,497		8,472		3,975
2 Short-term borrowings	6,295		4,893		1,402
3 Convertible bonds repayable within 1 year	-		12,262		12,262
4 Accrued income taxes	152		559		406
5 Accrued bonus	1,114		1,137		22
6 Reserve for return goods	699		210		489
7 Other	4,369		3,809		560
Total current liabilities	17,129	18.4	31,344	29.5	14,214
Long-term liabilities					
1 Convertible bonds payable	37,262		25,000		12,262
2 Convertible bonds issued after April 1st, 2002	-		11,500		11,500
3 Long-term debt	5,530		4,830		700
4 Accrued retirement benefits for employees	847		740		107
5 Other	472		454		17
Total fixed liabilities	44,111	47.4	42,525	40.0	1,586
Total liabilities	61,241	65.8	73,869	69.5	12,628
(Shareholders' Equity)					
Common stock	27,581	29.6	27,581	25.9	-
Capital surplus	24,852	26.7	15,336	14.4	9,515
Retained earnings	16,727	18.0	4,681	4.4	12,045
Unrealized profit and loss on revaluation of securities	589	0.6	470	0.4	118
Cumulative translation adjustments	1,340	1.4	1,103	1.0	237
Treasury stock	3,099	3.3	5,111	4.8	2,011
Total shareholders' equity	31,854	34.2	32,491	30.5	637
Total Liabilities, minority Interest and shareholders' equity	93,096	100.0	106,361	100.0	13,265

Consolidated Statements of Income

(Unit: Millions of Yen)

Account Title	Income Statements of Previous Fiscal Year From April 1, 2003 To March 31, 2004			Income Statements of This Fiscal Period From April 1, 2004 To March 31, 2005			Difference
	Amount		%	Amount		%	Amount
Net sales	52,668	100.0		65,895	100.0	13,227	
Cost of sales	37,276	70.8		43,640	66.2	6,364	
Gross profit	15,392	29.2		22,255	33.8	6,862	
Reserve for return goods	86	0.1		-	-	86	
Reserve adjustment for return goods	-	-		489	0.7	489	
Net gross profit balance	15,305	29.1		22,744	34.5	7,438	
Selling, general and administrative expenses	13,902	26.4		14,991	22.8	1,088	
Operating income	1,402	2.7		7,752	11.7	6,349	
Other income							
1 Interest income	207			216			
2 Dividend income	2			13			
3 Exchange gain	-			340			
4 Other	120	330	0.6	149	719	1.1	
388							
Other expense							
1 Interest expense	276			265			
2 Exchange loss	381			-			
3 Transfer of allowance for doubtful accounts	97			625			
4 Other	187	942	1.8	181	1,073	1.6	
130							
Ordinary income		791	1.5	7,399	11.2	6,608	
Extraordinary gain							
1 Gain on sale of fixed asset	38			-			
2 Gain on assignment of business	-	38	0.1	66	66	0.1	
27							
Extraordinary loss							
1 Loss on sale of fixed asset	177			121			
2 Loss on revaluation of investment in securities	192			314			
3 Loss on sale of investment in securities	158			22			
4 Loss on sale or disposal of inventories	3,057			-			
5 Loss on transfer of allowance for doubtful	4,144	7,730	14.7	-	459	0.7	
7,270							
Net profit or loss () before taxes		6,900	13.1		7,006	10.6	
13,906							
Corporate tax, local tax, and enterprise tax	601			628			
Corporate tax refund from previous period	71			58			
Adjustment of Corporate tax and other tax	1,742	2,273	4.3	2,813	3,383	5.1	
1,110							
Minority interest loss		15	0.0		-	-	
15							
Net profit or loss ()		9,158	17.4		3,622	5.5	
12,781							

Consolidated Statements of Retained Earnings

(Unit: Millions of Yen)

Account Title	Previous Fiscal Year		This Fiscal Year		Difference
	From April 1, 2003 To March 31, 2004		From April 1, 2004 To March 31, 2005		
	Amount		Amount		Amount
(Capital surplus)					
Beginning balance of retained earnings		30,471		24,852	5,619
Decrease in retained earnings					
1 Dividend	569		569		
2 Loss on sale of treasury stock	0		0		
3 Decrease in capital and capital reserve	5,049	5,619	8,945	9,515	3,896
Retained earnings		24,852		15,336	9,515
Ending balance of this fiscal period					
(Retained earnings)					
Beginning balance of retained earnings		12,049		16,727	4,678
Beginning balance of consolidated retained earnings					
Increase in retained earnings					
1 Net profit	-		3,622		
2 Decrease in capital and capital reserve	5,049		8,945		
3 Increase in retained earnings for increase of equity method affiliate	-	5,049	42	12,610	7,560
Decrease in retained earnings					
1 Dividend	569		564		
2 Net loss	9,158	9,728	-	564	9,163
Ending balance of retained earnings		16,727		4,681	12,045

Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

Account Title	Previous Fiscal Year	This Fiscal Year	Difference
	From April 1, 2003 To March 31, 2004	From April 1, 2004 To March 31, 2005	
	Amount	Amount	Amount
Cash flows from operating activities			
1 Net profit or loss ()	6,900	7,006	13,906
before income taxes			
2 Depreciation and amortization	2,081	2,101	20
3 Amortization of difference from consolidation	1	2	1
4 Increase in allowance for doubtful accounts	4,375	544	3,830
5 Increase in accrued bonuses and unpaid bonus	40	22	17
6 Increase in reserve for loss on goods unsold (reduction)	86	489	575
7 Increase in accrued retirement benefits for employees (reduction)	43	106	149
8 Interest revenue and dividend income	209	229	19
9 Interests paid	276	265	10
10 Exchange gain (loss)	261	69	331
11 Investment loss on equity method	-	9	9
12 Gain on sale of fixed assets	38	-	38
13 Loss on sale or disposal of fixed assets	177	122	55
14 Loss on sale of investment securities	158	22	135
15 Loss on revaluation of investment securities	192	314	122
16 Loss on revaluation of other financial products	1	2	1
17 Gain on assignment of business	-	66	66
18 Increase (decrease) in account receivable (increase)	4,300	5,400	9,700
19 Decrease in inventories	1,892	454	1,437
20 Decrease in game software products in-progress	693	240	452
21 Increase (decrease) in accounts payable (reduction)	567	3,929	4,497
22 Increase (decrease) in other current assets (reduction)	49	150	200
23 Decrease in other current liabilities	228	583	355
24 Other	11	345	334
Sub total	6,696	8,289	1,592
25 Interest and dividend received	139	238	99
26 Interest payment	275	265	9
27 Corporate and other tax payment	983	285	698
Cash flows from operating activities	5,577	7,977	2,399
Cash flows from investing activities			
1 Acquisition of property, plant and equipment	4,558	1,320	3,237
2 Proceeds from sale of property, plant and equipment	331	0	330
3 Acquisition of intangible fixed asset	97	38	58
4 Proceeds from sales of intangible fixed asset	1	-	1
5 Acquisition of investment securities	30	4	25
6 Proceeds from sales of investment securities	232	218	14
7 Proceeds from collection of loans	199	42	157
8 Return of guarantee	1,200	-	1,200
9 Gain on assignment of business	-	66	66
10 Expenditure for other investing activities	322	288	34
11 Proceeds from other investing activities	431	225	205
Cash flows from investing activities	5,011	1,099	3,911
Cash flows from financing activities			
1 Repayment of short-term borrowings	1,822	1,402	420
2 Proceeds from long-term borrowings	2,800	-	2,800
3 Repayment of long-term borrowings	227	700	472
4 Proceeds from convertible bonds issued after April 1st, 2002	-	11,500	11,500
5 Proceeds from sale of treasury stock	0	0	0
6 Acquisition of treasury stock	4	2,013	2,008
7 Dividend paid by parent company	1,141	1,133	8
Cash flows from financing activities	395	6,251	6,647
Effect of exchange rate changes on cash and cash equivalents	1,484	277	1,761
Decrease in cash and cash equivalents	1,313	13,406	14,720
Beginning balance of cash and cash equivalents	33,444	32,131	1,313
VII Ending balance of cash and cash equivalents	32,131	45,538	13,406

[Segment Information]

(A) Operating segments

Previous Fiscal Year (from April 1, 2003 to March 31, 2004)

Unit: Millions of Yen

	Home video games	Arcade operation	Arcade Games	Other businesses	Total	Elimination and corporate	Consolidated total
Net sales and operating profit or loss							
Net Sales							
(1) External customers	33,949	9,830	4,440	4,447	52,668	(-)	52,668
(2) Inter-segment sale or transfer	-	-	70	-	70	(70)	-
Total	33,949	9,830	4,511	4,447	52,739	(70)	52,668
operating expense	34,921	7,503	3,086	3,507	49,019	2,245	51,265
operating profit or loss ()	971	2,326	1,424	939	3,719	(2,316)	1,402

(Note)

1. Business segments above are split based upon for internal management disposition.
2. Principal products and operations of each business segment
 - (1) Home vide games: This sales division develops and distributes home video game software.
 - (2) Arcade operations: This division operates amusement facilities.
 - (3) Arcade games: This sales division develops, manufactures, and distributes commercial game equipments and integrated circuit boards.
 - (4) Other businesses: Other businesses include licensing business and other content-related businesses.
3. Among operating expenses, undistributed operating expenses to each business segment above is included in the "Elimination and corporate" amounted to 2,341 million yen. The major part of this expense is related to corporate G&A.
4. Since this fiscal year ended March 31, 2004, Arcade operation and Arcade games are interchanged its order.

This Fiscal Year (from April 1, 2004 to March 31, 2005)

Unit: Millions of Yen

	Home video games	Arcade operation	Arcade games	Other businesses	Total	Elimination and corporate	Consolidated total
Net sales and operating profit or loss							
Net Sales							
(1) External customers	39,985	10,934	7,411	7,563	65,895	(-)	65,895
(2) Inter-segment sale or transfer	-	-	38	-	38	(38)	-
Total	39,985	10,934	7,450	7,563	65,933	(38)	65,895
operating expense	36,077	8,638	5,505	5,586	55,807	2,336	58,143
operating profit or loss ()	3,907	2,296	1,944	1,977	10,126	(2,374)	7,752

(Note)

1. Business segments above are split based upon for internal management disposition.
2. Principal products and operations of each business segment
 - (1) Home video games: This sales division develops and distributes home video game software.
 - (2) Arcade operations: This division operates amusement facilities.
 - (3) Arcade games: This sales division develops, manufactures, and distributes commercial game equipments and integrated circuit boards.
 - (4) Other businesses: Other businesses include licensing business, development and distribution of LCD device.
3. Among operating expenses, undistributed operating expenses to each business segment above is included in the "Elimination and corporate" amounted to 2,401 million yen. The major part of this expense is related to corporate management.

(B) Geographic segments**Previous fiscal year (from April 1, 2003 to March 31, 2004)**

Unit: Millions of Yen

	Japan	North America	Europe	Other Regions	Total	Elimination and corporate	Consolidated total
Net sales and operating profit or loss							
Net Sales							
(1) External customers	39,150	7,861	5,098	558	52,668	(-)	52,668
(2) Inter-segment sale or transfer	6,366	6	-	-	6,372	(6,372)	-
Total	45,516	7,867	5,098	558	59,041	(6,372)	52,668
operating expense	37,503	12,495	4,768	544	55,310	(4,045)	51,265
operating profit or loss ()	8,013	4,627	330	14	3,730	(2,327)	1,402

(Note)

1. The segmentation of country or region is based on the geographical proximity.
2. Major countries and regions that are not in Japan
 - (1) North America: United States of America
 - (2) Europe: European countries
 - (3) Other regions: Asia and others
2. Among operating expenses, undistributed operating expenses to these business segment above is included in the "Elimination and corporate" amounted to 2,341 million yen. The major part of this expense is related to corporate management.

This Fiscal Year (from April 1, 2004 to March 31, 2005)

Unit: Millions of Yen

	Japan	North America	Europe	Other Regions	Total	Elimination and corporate	Consolidated total
Net sales and operating profit or loss							
Net Sales							
(1) External customers	42,358	14,721	8,389	426	65,895	(-)	65,895
(2) Inter-segment sale or transfer	5,928	235	-	-	6,164	(6,164)	-
Total	48,287	14,956	8,389	426	72,059	(6,164)	65,895
operating expense	39,989	13,523	8,002	442	61,957	(3,814)	58,143
operating profit or loss()	8,298	1,433	386	15	10,102	(2,349)	7,752

(Note)

1. The segmentation of country or region is based on the geographical proximity.
2. Major countries and regions that are not in Japan
 - (1) North America: United States of America
 - (2) Europe: European countries
 - (3) Other regions: Asia and others
3. Among operating expenses, undistributed operating expenses to these business segment above is included in the "Elimination and corporate" amounted to 2,401 million yen. The major part of this expense is related to corporate management.