



September 11, 2006



Press Release

Capcom Co., Ltd.

Dwango Co., Ltd.

Capcom has teamed up with the Dwango Group to co-found a web portal business

A new community web portal with online games and a wide variety of other entertainment values

Capcom Co., Ltd. (President: Kenzo Tsujimoto, Head Office: Osaka, Japan) and a subsidiary of Dwango Co., Ltd. (President: Hiroshi Kobayashi, Head Office: Tokyo, Japan), Games Arena Co., Ltd. (President: Yoshio Asagawa, Head Office: Tokyo, Japan, hereinafter referred to together with Dwango Co., Ltd. as the Dwango Group) are pleased to announce that both companies will co-found the company to be named after as DALETTO Co., Ltd. to operate an amusement portal site.

1. Reasons behind the creation of a new company:

In recent years within the Japanese domestic PC online market, the number of household PCs and broadband connections has increased, and the number of young, married and even senior online users has expanded. Since its inception, the online gaming community market has also experienced rapid growth. In addition, the Asian market outside of Japan, which until now has remained largely untapped due to software piracy concerns, has been opened up for new opportunities with the help of online business models and has also experienced rapid growth.

The Dwango Group and Capcom have recognized the growing importance of the online market and will create a community portal site to expand their business into this vital area.

In order to differentiate itself from existing portal sites, the new site will have online games at the core of its business along with E-commerce, avatars, and characters related to the amusement game business. The site will provide the user community with entertainment, news and a location to be. Specific details on the game titles scheduled for release on the site will be announced later, but many of the two co-founding companies' popular game franchises will be included.

The Dwango Group and Capcom will strive to provide excellent content for the portal site in order to secure a position in the fast growing online market and guarantee a new source of revenue, increasing company value.

2. Company Overview

Company to be named	DALETTO Co., Ltd.
Location	2-1-1 Nishi-shinjuku, Shinjuku-ku, Tokyo, Japan
Representative	President: Keiji Inafune (Currently a Capcom Co., Ltd. Executive Officer)
Founding Date	October, 2006 (planned)
Business Activities	Online Portal Site Management - Online Game Operation & Accounting - E-commerce Website Operation - Avatar Character Development and Sales - Other Amusement Content Operation, etc.
Capital (planned)	90 million yen
Equity Share	Capcom 80.1% Games Arena 19.9%

3. Effect on Results:

The effect on the consolidated financial results of both investing companies is expected to be minimal.

Inquiries regarding the above information may be directed to

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