

## Summary of Consolidated Financial Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2007 (Unaudited)

Company Name : CAPCOM Co., Ltd.

Code Number : 9697

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

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

Contact Person : Kazuhiko Abe, Director and Managing Corporate Officer

Date of Issue: February 2, 2007

Stock Listing : Tokyo, Osaka

Location of Headquarters : Osaka Prefecture

Tel: +81-6-6920-3605

### 1. Preparation Basis for Consolidated Financial Results for the 3rd Quarter Ended December 31, 2006

#### (1) Application of simple method to Accounting rules: Yes

The simple method has been applied to the calculation of income taxes based upon the current effective tax rate.

Estimations of reserves was also based on the simple method.

Other minor accounts were also computed by the simple method

#### (2) Change in Accounting rules for the 3rd quarter reporting and the latest fiscal year closed: No

#### (3) Changes in scope of consolidation and application of equity method: Yes

Consolidation: Increase 3, Decrease 1, Equity Method: Increase 0, Decrease 0

### 2. Summary of the 3rd Quarter ended December 31, 2006 (April 1, 2006 - December 31, 2006)

#### (1) Consolidated Results of Operations

Note: Numbers are rounded down at Million Yen

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
3rd Quarter Ended December 31, 2006	49,283	2.8	6,648	40.1	7,701	45.2	4,347	(41.5)
3rd Quarter Ended December 31, 2005	47,925	12.8	4,744	23.1	5,304	65.7	7,427	418.1
Year Ended March 31, 2006	70,253		6,580		7,016		6,941	

	Earnings per Share of Common Stock	Earnings per Share of Common Stock (Assuming Full Diluted)
	Yen	Yen
3rd Quarter Ended December 31, 2006	79.38	60.23
3rd Quarter Ended December 31, 2005	135.12	98.44
Year Ended March 31, 2006	125.19	93.49

Note: Percentage represents change against corresponding period of the previous 3rd quarter on net sales, operating income, ordinary income and net income.

#### [The progress of the consolidated business results including related qualitative information]

As for the home video game market during this third quarter (ending December 31, 2006), year-end-sales thrived thanks to the full release of the next generation stationary game consoles, in addition to the ever-robust portable game consoles.

This marks the start of a new era as well as fierce competition in the game industry.

In arcade operations, while the performance of existing arcades remained modest, the entire industry devoted its full-scale efforts to vitalize the market. As part of such efforts, various customer appreciation events, along with the Elimination Round of the "All Japan Crane Game Championship," were held across Japan on "Game Day" (November 23).

Under these circumstances, Capcom Group has been working on the improvement of its earning capacity through investing its resources in specific areas. Among them are: advancement of the multi-platform strategy, sales promotion with effective marketing competitive power, and development of software that closely matches both domestic and overseas customer needs.

Additionally, Capcom engaged in a more aggressive sales strategy than ever before by aiming for overseas market expansion. One example of such efforts was to improve the direct sales system in North America, the largest game market in the world.

As part of the corporate group strategy, Capcom focused its energy on management reformation through selecting and concentrating businesses. We established Daletto Co., Ltd., the online portal site management company in October 2006, while deciding to dissolve Clover Studio Co., Ltd., one of the game software development subsidiaries.

The resulting net sales increased to 49,283 million yen (up 2.8% from the same term last year).

As for profits, the operating income increased to 6,648 million yen (up 40.1 % from the same term last year) and the ordinary income also increased to 7,701 million yen (up 45.2 % from the same term last year) due to a decrease in COGS. However, the net profit for the current quarter decreased to 4,347 million yen (down 41.5 % from the same period last year).

One of the main reasons for the decrease in net profit was that during the same period last year we reviewed the valuation reserve for the deferred tax assets and posted adjustments in related accounts including corporation taxes.

## [Status of Each Operational Department]

### ① Home Video Games

"Dead Rising" (for Xbox 360) achieved massive sales of one million copies worldwide and led overall sales growth. "Devil Kings 2" (for PlayStation 2) also grew steadily supported by increased popularity with female users.

"Mega Man Star Force" (for Nintendo DS) performed strongly backed by its steady popularity. This software is the latest addition to the "Mega Man" series which will be marking its 20th anniversary this year.

"Phoenix Wright: Ace Attorney (Best Price!)" and "Phoenix Wright 2 (Best Price!)", both for Nintendo DS, had a strong showing. "Monster Hunter Freedom (PSP the Best)" (for PlayStation Portable), which was released in the previous quarter, continued to grow, and other lower-priced titles also achieved solid sales.

The resulting net sales decreased to 25,012 million yen (down 14.6 % from the same period last year) due partially to the huge hit "Resident Evil 4" (for PlayStation 2) made in the same term last year. However, the operating income significantly increased to 4,369 million yen (up 90.0 % from the same term last year), due to decreased development costs and highly profitable software titles.

### ② Arcade Operations

In this business segment, we tried to expand our customer base with a community-based approach, attracting more females and families while assuring repeated visits of current customers. Such efforts included holding a variety of events, implementing a special discount day, and introducing popular game machines that conform to customers' needs promptly.

Having the strategy of "Chiiki Ichiban Ten" (No. 1 Arcade in the regional community) as a base, we opened new facilities in metropolitan areas. They are "Plaza Capcom Chiba New Town", "Plaza Capcom Chiba Naganuma" and "Plaza Capcom Chiba Marinpia Senmonkan" in Chiba Prefecture, and "Plaza Capcom Okegawa" in Saitama Prefecture. Additionally, "Plaza Capcom Saga" was opened in December 2006 with the purpose of solidifying the business foundation in the Kyushu Area. The current number of "Plaza Capcom" totals 35 after these efforts.

The resulting net sales increased to 9,627 million yen (up 14.4 % from the same term last year), though the operating income decreased to 1,516 million yen (down 8.1 % from the same term last year), due to the investments to new five facilities.

### ③ Arcade Games

While the majority of activities in this business segment continued to be the sales of existing products, the coin operated game machine "Donkey Kong Banana Kingdom" showed favorable growth along with "Wantame Music Channel". The card-dispensing game machine "Wantame Music Channel", which was developed through the collaboration with Takara Tomy Co., Ltd., and its targeted users are girls and younger children, also saw steady sales.

"Mobile Suit Gundam SEED DESTINY: Federation vs. Z.A.F.T. II" served as a sales growth engine backed by its established brand name.

The resulting net sales increased to 6,864 million yen (up 21.9 % from the same term last year). However, the operating income decreased to 947 million yen (down 16.9 % from the same term last year) due to the sluggish sales of the cards for "Mega Man Battle Chip Stadium"

### ④ Contents Expansion

In this business segment, the distribution of games to mobile phones underwent healthy growth, particularly "Phoenix Wright", a popular software title for portable game consoles which performed strongly.

The oversea mobile game companies which became subsidiaries of Capcom in 2006, also played a modest role in the sales increase.

Additionally, the provision of peripheral devices for game machines started a full-scale operation and made a significant contribution to the sales growth.

The resulting net sales increased to 6,056 million yen (up 110.2 % from the same term last year), and the operating income increased to 1,888 million yen (up 57.2 % from the same term last year).

### ⑤ Other Businesses

The net sales from other businesses, mainly character-related licensing royalties, incurred to 1,753 million yen (up 1.8 % from the same term last year), and the operating loss was incurred as 41 million yen (operating income was 184 million yen in the same term last year).

## (2) Consolidated Financial Position

	Total Assets	Total Shareholders' Equity	Shareholders' Equity Ratio to Total Assets	Shareholders' Equity per Share
	Million Yen	Million Yen	%	Yen
3rd Quarter Ended Dec. 31, 2006	97,542	42,368	43.4	766.75
3rd Quarter Ended Dec. 31, 2005	94,163	40,173	42.7	730.88
As of March 31, 2006	98,457	39,464	40.1	716.91

## Cash Flows

	Cash Flows from Operating	Cash Flows from Investing activities	Cash Flows from Financing	Cash and Cash Equivalents at end of period
	Million Yen	Million Yen	Million Yen	Million Yen
3rd Quarter Ended Dec. 31, 2006	5,957	(5,700)	(4,997)	36,260
3rd Quarter Ended Dec. 31, 2005	5,341	(1,346)	(18,014)	32,766
As of March 31, 2006	13,921	(1,779)	(18,259)	40,652

## [Overview of the Consolidated Financial Position]

Total assets as of the end of this nine-month period were decreased by 915 million yen from the previous fiscal year to 97,542 million yen. Shareholders' equity was increased by 2,904 million yen from the previous fiscal year to 42,368 million yen due to issue of shares by convertible bonds issue after April 1st, 2002, reimbursement of dividends and acquisition of treasury stock as well as increase of net income. As a result, shareholders' equity ratio was up to 43.4%.

Cash flow positions for each activity are as stated below.

## (1) Cash Flows From Operating Activities

Net cash increase from operating activities amounted to 5,957 million yen in comparison with the same period of the previous year. This is attributable to increase of net income before tax adjustment by 7,271 million yen and increase of account receivable by 2,049 million, although the payment of corporate and other taxes by 2,256 million yen.

## (2) Cash Flows From Investing Activities

Net cash decrease from investing activities amounted to 5,700 million yen, a decrease of 4,353 million yen from the same term last year. This is attributable to the acquisition of new consolidated subsidiaries' stock such as Canadian game development company for mobile phone by 1,565 million yen, and the expense of 3,424 million yen for acquiring tangible fixed assets, such as equipment for amusement facilities as well as for arcade games.

## (3) Cash Flows From Financing Activities

Net cash decrease from financing activities amounted to 4,997 million yen, an increase of 13,017 million yen from the same term last year. This is due mainly to the acquisition of treasury stock by 3,248 million and disbursement of dividend. As a result, cash and cash equivalents as of the nine-month period decreased by 4,392 million yen from the previous fiscal year to 36,260 million yen.

## 3. Prospects of Consolidated Business Results of the Current Fiscal Year (April 1, 2006 - March 31, 2007)

	Net Sales	Ordinary Income	Net Income	Earnings per Share of Common Stock
	Million Yen	Million Yen	Million Yen	Yen
Revised Forecast (A)	69,600	8,000	4,400	79.68
Previous Forecast (B)	68,400	7,000	3,900	70.95
Change (A) - (B)	1,200	1,000	500	—
Change (Percentage)	1.8%	14.3%	12.8%	—

(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 risks and uncertainties. The Company's actual results may differ materially from above mentioned forecast.

## [Qualitative and other information regarding the business result prospects]

In Home Video Games, "Dead Rising" and "Lost Planet" (for Xbox 360) released in this fiscal year in North America and Europe perform well. However, in the Arcade Games, "Mega Man Battle Chip Stadium" struggled, and a part of the sales of medium-size medal game machine in 4th quarter shifted to the next fiscal period. As a result, we revised up the prospects of the financial forecast in the fiscal year ending March 31, 2007 as announced at the financial results presentation on October 12, 2006.

Now that the internet-capable new game consoles have all been released, the game market will accelerate, and the competition for dominance in the hardware market will intensify. Software manufacturing trends should be closely watched as they hold a key for game console diffusion.

Under these circumstances, we will be revitalizing the entire Capcom Group through global structure reformation and quick decision-making. The improvement of corporate quality is another area on which we will focus in order to establish a solid profit base that endures through changes in the business environment.

To achieve these goals, we will aggressively pursue facility expansion while developing products and sales strategies that correspond to both customer needs and hardware diffusion trends in the US, Europe, and Japan, the top three world game markets. In addition, we will work on the improvement of content expansion business in the areas of online games, mobile businesses, and portal site operations in order to strengthen our competitive edge and management structure.

Some of our major software titles to be released in the fourth quarter are: "Monster Hunter Freedom 2nd" (for PlayStation Portable), "Grand Theft Auto: San Andreas" (for PlayStation 2), and "Lost Planet" (for Xbox 360), the much-anticipated product for the US and European markets.

## 1. Summary of Consolidated Balance Sheets

(Unit: Millions of Yen)

Account Title	Previous Fiscal Year		This 3rd Quarter		Difference	Previous 3rd Quarter	
	(As of March 31, 2006)		(As of December 31, 2006)			(As of December 31, 2005)	
	Amount	%	Amount	%	Amount	Amount	%
(Assets)							
I Current assets							
1 Cash and cash equivalents	40,453		36,056		(4,396)	32,566	
2 Notes and accounts receivable	12,812		13,264		452	12,390	
3 Negotiable securities	199		203		4	199	
4 Inventories	3,741		4,430		689	3,857	
5 Game software products in-progress	6,348		5,735		(613)	9,638	
6 Deferred income taxes	3,266		2,414		(851)	3,845	
7 Short-term loans receivable	1,277		1,224		(52)	1,277	
8 Other	1,272		3,305		2,033	1,121	
9 Allowance for doubtful accounts	(1,295)		(1,306)		(10)	(1,146)	
Total current assets	68,075	69.1	65,329	67.0	(2,745)	63,752	67.7
II Fixed assets							
1 Tangible fixed assets							
(1) Buildings and structures	6,366		6,129		(236)	6,438	
(2) Machinery and vehicle	107		85		(21)	101	
(3) Tool, fixture and furniture	529		640		111	555	
(4) Rental equipment	199		815		615	82	
(5) Equipments for amusement facilities	2,064		2,988		924	2,198	
(6) Land	4,480		4,481		1	4,480	
(7) Construction-in-progress	73		232		158	36	
Total tangible fixed assets	13,820	14.0	15,372	15.8	1,552	13,893	14.7
2 Intangible fixed assets							
(1) Goodwill	—		1,067		1,067	—	
(2) Other	333		919		585	446	
Total intangible fixed assets	333	0.4	1,986	2.0	1,653	446	0.5
3 Investments and other assets							
(1) Investments in securities	2,305		2,035		(269)	2,431	
(2) Long-term loans receivable	807		837		30	827	
(3) Deferred income taxes	8,624		7,226		(1,397)	8,308	
(4) Claim in bankruptcy and reorganization	107		159		51	108	
(5) Other	5,095		5,334		238	4,839	
(6) Allowance for doubtful accounts	(712)		(741)		(28)	(443)	
Total investments and other assets	16,227	16.5	14,852	15.2	(1,375)	16,071	17.1
Total fixed assets	30,381	30.9	32,212	33.0	1,830	30,411	32.3
Total assets	98,457	100.0	97,542	100.0	(915)	94,163	100.0

(Unit: Millions of Yen)

Account Title	Previous Fiscal Year (As of March 31, 2006)		This 3rd Quarter (As of December 31, 2006)		Difference Amount	Previous 3rd Quarter (As of December 31, 2005)	
	Amount	%	Amount	%		Amount	%
(Liabilities)							
I Current liabilities							
1 Notes and accounts payable	7,213		9,376		2,162	5,136	
2 Short-term borrowings	700		700		—	700	
3 Convertible bonds repayable within 1 year	10,000		10,000		—	—	
4 Accrued income taxes	2,196		460		(1,736)	44	
5 Accrued bonus	1,062		598		(463)	217	
6 Reserve for return goods	349		157		(191)	181	
7 Other	5,420		5,637		217	5,540	
Total current liabilities	26,942	27.4	26,931	27.6	(11)	11,820	12.5
II Long-term liabilities							
1 Convertible bonds payable	15,000		15,000		—	25,000	
2 Convertible bonds issued after April 1st, 2002	11,500		8,140		(3,360)	11,500	
3 Long-term debt	4,130		3,675		(455)	4,375	
4 Accrued retirement benefits for employees	816		911		95	815	
5 Other	604		515		(88)	479	
Total fixed liabilities	32,050	32.5	28,242	29.0	(3,808)	42,170	44.8
Total liabilities	58,992	59.9	55,173	56.6	(3,819)	53,990	57.3
(Shareholders' Equity)							
I Paid in capital	27,581	28.0	—	—	—	27,581	29.3
II Capital surplus	15,336	15.6	—	—	—	15,336	16.3
III Retained earnings	1,099	1.1	—	—	—	1,586	1.7
IV Value of investment securities	793	0.8	—	—	—	799	0.8
V Cumulative translation adjustments	(228)	(0.2)	—	—	—	(14)	(0.0)
VI Treasury stock	(5,117)	(5.2)	—	—	—	(5,116)	(5.4)
Total shareholders' equity	39,464	40.1	—	—	—	40,173	42.7
Total liabilities and shareholders' equity	98,457	100.0	—	—	—	94,163	100.0
(Net Assets)							
I Shareholders' equity							
1 Paid in capital	—		29,162		—	—	
2 Capital surplus	—		16,885		—	—	
3 Retained earnings	—		4,050		—	—	
4 Treasury stock	—		(8,135)		—	—	
Total shareholders' equity	—	—	41,963	43.0	—	—	—
II Value of adjustments securities							
1 Value of investment securities	—		586		—	—	
2 Deferred profit and loss on hedging instruments	—		2		—	—	
3 Cumulative translation adjustments	—		(212)		—	—	
Total value of adjustments securities	—	—	376	0.4	—	—	—
III Minority interests	—	—	29	0.0	—	—	—
Total net asset	—	—	42,368	43.4	—	—	—
Total liabilities and net assets	—	—	97,542	100.0	—	—	—

## 2. Summary of Consolidated Statements of Income

(Unit: Millions of Yen)

Account Title	Previous 3rd Quarter		This 3rd Quarter		Difference	Previous Fiscal Year	
	From April 1, 2005 To December 31, 2005		From April 1, 2006 To December 31, 2006			From April 1, 2005 To March 31, 2006	
	Amount	%	Amount	%	Amount	Amount	%
I Net Sales	47,925	100.0	49,283	100.0	1,358	70,253	100.0
II Cost of sales	31,791	66.3	31,734	64.4	(57)	47,799	68.0
Gross profit	16,134	33.7	17,549	35.6	1,415	22,454	32.0
Reserve for return goods	—	—	—	—	—	138	0.2
Reserve adjustment for return goods	29	0.0	191	0.4	162	—	—
Net gross profit balance	16,163	33.7	17,740	36.0	1,577	22,315	31.8
III Selling, general and administrative expenses	11,419	23.8	11,091	22.5	(327)	15,735	22.4
Operating Income	4,744	9.9	6,648	13.5	1,904	6,580	9.4
IV Other income							
1 Interest income	359		621			507	
2 Dividend income	13		17			13	
3 Exchange gain	441		554			493	
4 Other	11	825	26	1,219	393	74	1,089
V Other expense							
1 Interests paid	148		54			171	
2 Loss on transfer of allowance for doubtful accounts	45		9			317	
3 Other	71	265	102	166	(99)	165	653
Ordinary income		5,304		7,701	2,397		7,016
VI Extraordinary gain							
1 Gain on sale of fixed asset	—		1			1	
2 Legal settlement	—		103			—	
3 Gain on bad debt recovered	114	114	—	104	(10)	114	116
VII Extraordinary loss							
1 Loss on sale of fixed asset	18		134			65	
2 Retirement gratuity to director to resign	44		—			44	
3 Loss on revaluation of investment in securities	59		35			63	
4 Loss on suspension of product development	—		365			—	
5 Other extraordinary loss	—	122	—	535	412	47	220
Net profit or loss before income taxes		5,296		7,271	1,974		6,912
Corporate tax and other tax		(2,130)		2,930	5,060		(28)
Minority interest in net loss of a consolidated subsidiary		—		6	(6)		—
Net Income		7,427		4,347	(3,079)		6,941
		15.5		8.8			9.9

## 3. Summary of Consolidated Statements of Cash Flow:

(Unit: Millions of Yen)

Account Title	Previous 3rd Quarter	This 3rd Quarter	Difference	Previous Fiscal Year
	From April 1, 2005 To December 31, 2005	From April 1, 2006 To December 31, 2006		From April 1, 2005 To March 31, 2006
	Amount	Amount	Amount	Amount
I Cash flows from operating activities				
1 Net profit or loss before income taxes	5,296	7,271	1,974	6,912
2 Depreciation and amortization	1,453	1,988	534	1,936
3 Increase in allowance for doubtful accounts	58	33	(24)	458
4 Interest revenue and dividend income	(373)	(638)	(265)	(521)
5 Interests paid	148	54	(94)	171
6 Loss on revaluation of investment in securities	—	35	35	63
7 Increase (decrease) in account receivable	2,163	(158)	(2,322)	1,795
8 Increase (decrease) in inventories	79	(661)	(741)	193
9 Increase (decrease) in game software products in-progress	(239)	613	852	3,051
10 Increase (decrease) in account payable	(3,388)	2,049	5,437	(1,334)
11 Other	831	(2,928)	(3,760)	1,682
Sub total	6,031	7,657	1,625	14,409
12 Interest and dividend received	371	598	227	513
13 Interest payment	(142)	(42)	100	(168)
14 Corporate and other tax payment	(918)	(2,256)	(1,337)	(832)
Cash flows from operating activities	5,341	5,957	616	13,921
II Cash flows from investing activities				
1 Acquisition of property, plant and equipment	(1,010)	(3,424)	(2,414)	(1,512)
2 Proceeds from sales of investment securities	—	—	—	45
3 Acquisition of interest in subsidiaries newly consolidated, net of cash acquired	—	(1,565)	(1,565)	—
4 Other	(336)	(710)	(373)	(312)
Cash flows from investing activities	(1,346)	(5,700)	(4,353)	(1,779)
III Cash flows from financing activities				
1 Repayment of short-term borrowings	(4,193)	—	4,193	(4,193)
2 Repayment of long-term borrowings	(455)	(455)	—	(700)
3 Payment on redemption of convertible bonds	(12,262)	—	12,262	(12,262)
4 Proceeds from sale of treasury stock	0	0	0	0
5 Acquisition of treasury stock	(4)	(3,248)	(3,243)	(6)
6 Proceeds from minority shareholders' financing	—	35	35	—
7 Dividend paid by parent company	(1,099)	(1,330)	(230)	(1,098)
Cash flows from financing activities	(18,014)	(4,997)	13,017	(18,259)
IV Effect of exchange rate changes on cash and cash equivalents	1,248	325	(923)	1,232
V Decrease in cash and cash equivalents	(12,771)	(4,415)	8,356	(4,885)
VI Beginning balance of cash and cash equivalents	45,538	40,652	(4,885)	45,538
VII Increase in cash and cash equivalents due to newly consolidated companies	—	22	22	—
VIII Cash and Cash Equivalents at end of period	32,766	36,260	3,493	40,652

#### 4. Segment Information

[Operating Segments]

Nine-month Period ended December 31, 2006 (from April 1, 2006 to December 31, 2006)

(Unit: Millions of Yen)

	Home Video Games	Arcade Operations	Arcade Games	Contents Expansion	Other Businesses	Total	Elimination and corporate	Consolidated total
Net sales and operating profit or loss								
Net Sales								
(1) External customers	25,012	9,627	6,834	6,056	1,753	49,283	(—)	49,283
(2) Inter-segment sale or transfer	—	—	30	—	—	30	(30)	—
Total	25,012	9,627	6,864	6,056	1,753	49,313	(30)	49,283
Operating expense	20,643	8,111	5,916	4,167	1,794	40,633	2,001	42,634
Operating income or loss	4,369	1,516	947	1,888	(41)	8,680	(2,031)	6,648

(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) Contents Expansion: This division develops and distributes mobile contents as well as LCD display.

(5) Other Businesses: Other businesses include licensing business and other businesses.

3 Among operating expenses, undistributed operating expenses to each business segment above is included in the "Elimination and corporate" amounted to 2,046 million yen. The major part of this expense is related to corporate G&A.

Nine-month Period ended December 31, 2005 (from April 1, 2005 to December 31, 2005)

(Unit: Millions of Yen)

	Home Video Games	Arcade Operations	Arcade Games	Contents Expansion	Other Businesses	Total	Elimination and corporate	Consolidated total
Net sales and operating profit or loss								
Net Sales								
(1) External customers	29,302	8,417	5,601	2,881	1,722	47,925	(—)	47,925
(2) Inter-segment sale or transfer	—	—	31	—	—	31	(31)	—
Total	29,302	8,417	5,633	2,881	1,722	47,956	(31)	47,925
Operating expense	27,003	6,767	4,493	1,679	1,537	41,481	1,699	43,181
Operating income or loss	2,299	1,650	1,139	1,201	184	6,475	(1,731)	4,744

(Note) Among operating expenses, undistributed operating expenses to each business segment above is included in the "Elimination and corporate" amounted to 1,749 million yen. The major part of this expense is related to corporate G&A.

Previous fiscal year (from April 1, 2005 to March 31, 2006)

(Unit: Millions of Yen)

	Home Video Games	Arcade Operations	Arcade Games	Contents Expansion	Other Businesses	Total	Elimination and corporate	Consolidated total
Net sales and operating profit or loss								
Net Sales								
(1) External customers	42,718	11,568	6,956	5,742	3,268	70,253	(—)	70,253
(2) Inter-segment sale or transfer	—	—	39	—	—	39	(39)	—
Total	42,718	11,568	6,995	5,742	3,268	70,292	(39)	70,253
Operating expense	39,791	9,130	5,879	3,379	3,070	61,251	2,421	63,673
Operating income or loss	2,926	2,438	1,116	2,362	197	9,041	(2,460)	6,580

(Note) Among operating expenses, undistributed operating expenses to each business segment above is included in the "Elimination and corporate" amounted to 2,484 million yen. The major part of this expense is related to corporate G&A.