

**Consolidated Financial Results for the 2nd Quarter
of the Fiscal Year ending March 31, 2009 (Unaudited)**

Company Name: CAPCOM Co., Ltd.

Date of Issue: November 5, 2008

Code Number: 9 6 9 7

Stock Listing: Tokyo, Osaka

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Filing Date for Financial Report : November 11, 2008

Divident Payment Date: November 28, 2008

Note: Numbers are rounded down at Million Yen

1. Results for the 2nd Quarter ended September 30, 2008 (from April 1, 2008 to September 30, 2008)

(1) Financial Results

Note: Percentage represents change against corresponding period of the previous year.

	Net Sales	Operating Income	Ordinary Income	Net Income
2nd Quarter ended Sept 30, 2008	Million Yen 31,236 -	Million Yen 3,357 -	Million Yen 4,115 -	Million Yen 1,873 -
2nd Quarter ended Sept 30, 2007	31,108 6.6	3,058 0.5	3,395 (10.3)	1,603 (16.4)

	Earnings per Share of Common Stock	Earnings per Share of Common Stock (Assuming Fully Diluted)
2nd Quarter ended Sept 30, 2008	Yen 30.51	Yen 27.99
2nd Quarter ended Sept 30, 2007	28.05	24.45

(2) Financial Position

	Total Assets	Net Assets	Shareholder's Equity Ratio to Total Assets	Assets Shareholders' Equity per Share
2nd Quarter ended Sept 30, 2008	Million Yen 92,747	Million Yen 55,779	% 60.1	Yen 903.53
Fiscal year ended March 31, 2008	93,606	53,660	57.3	881.13

Reference: Shareholders' equity: 2nd Quarter ended Sept. 30, 2008: 55,779 Million yen Year ended March 31, 2008: 53,660 Milion yen

2. Dividends

	Dividend per Share				
	1st Quarter- end	2nd Quarter- end	3rd Quarter- end	Year-end	Annual
Year ended March 31, 2008	— yen	15.00 yen	— yen	15.00 yen	30.00 yen
Year ending March 31, 2009	—	20.00	—	15.00	35.00
Year ending March 31, 2009 (Forecast)			—	15.00	

(Note) 1, Changes in dividends forecast during this 2nd Quarter : No

2, Break down for Dividend Forecast 2nd Quarter ended Sept.30, 2008

¥5 commermorative dividend ¥15 ordinary dividend

3. Forecast for the Fiscal Year ending March 31, 2009 (from April 1, 2008 to March 31, 2009)

Note: Percentage represents change against corresponding period of the previous year.

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
For Year Ending March 31, 2009	Million Yen 95,300 14.7	Million Yen 14,600 11.3	Million Yen 14,800 20.6	Million Yen 8,600 10.1	Yen 139.70

(Note) Changes in forecast for the fiacial year during this 2nd Quater No

4. Others

(1) Changes in Major Subsidiaries during the Fiscal Year(changes in consolidated subsidiaries and affiliated companies with equity-method): No

(2) Application of simple method to Accounting rules: Yes

(Note: Please refer to [Qualitative information and Consolidated Financial Statements] on page 6, 4.Others for details.)

(3) Changes in Accounting Principles, Procedures and Presentation for Consolidated Financial Statements

(those items listed under the "Major Changes in the Fundamental Items of Consolidated Financial Statements")

Changes resulting from the revision of the accounting principles : Yes

Changes other than : Yes

(Note: Please refer to [Qualitative information and Consolidated Financial Statements] on page 6, 4.Others for details.)

(4) Number of shares outstanding (Common stock):

Number of shares outstanding at end of year (including treasury stock)

2nd Quater ended Sept. 30, 2008: 67,394,568	Year ended March 31, 2008: 66,719,458
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Number of treasury stock at end of period

2nd Quater ended Sept. 30, 2008: 5,659,465	Year ended March 31, 2008: 5,820,147
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Averaged common stock

2nd Quater ended Sept. 30, 2008: 61,390,096	2nd Quater ended Sept. 30, 2007: 57,167,743
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(Explanation about the appropriate usage of business prospects and other special notes)

- Effective from the first quarter of the current fiscal year, Capcom has applied “Accounting Standard for Quarterly Financial Report (Accounting Standard Board of Japan(ASBJ) Statement No. 12; March 14, 2007) and “Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14; March 14, 2007). This financial report is prepared based on the “Regulations of Consolidated Quarterly Financial Statements”.
- The above-mentioned business forecasts were prepared based on the information available as of the release of this report. Please note that future events may cause the actual results to be significantly different from the forecasts.
- For the rational computation of estimated net profit per share for the current quarter, the estimated average number of shares during this quarter (61,562 thousand shares for the fiscal year) was used .

[Qualitative information and Consolidated Financial Statements]

1 . The progress of the consolidated business results including related qualitative information

The Japanese economy during this second quarter, ended September 30, 2008, entered a recessionary phase and remained weak. The economy was adversely affected by several factors: rising prices of resources including crude oil and raw materials; slowing global economy triggered by the US financial crisis; downturn in exports; falling stock prices; declining consumer spending.

As for the video game industry, while the user base has expanded with more novice players including females and the middle-aged, the market itself slowed down due to the saturation of new generation game consoles in households. Such stagnation was also seen as a reaction to the drastic market expansion happening during the same period in the previous year.

Overseas markets, on the other hand, grew steadily, mainly in the US and Europe.

The arcade industry continued to struggle in the severe such business environment as the high price of gasoline adversely affected the number of visitors in roadside arcades and the lack of appealing products.

We started to observe a new trend of industry re-structuring and consolidation internationally as the Japanese market matured and worldwide user demands diversified.

Under these circumstances, Capcom Group engaged in the introduction of a variety of new software titles developed under the partnership with other companies. We promoted aggressive marketing activities and held various marketing events: “Monster Hunter Summer Course 2008”, “Ace Attorney Special Courtroom 2008 Orchestra Concert (Gyakuten Meets Orchestra)”, “MegaMan Summer Festival 2008”.

“Monster Hunter Freedom 2G” (for PlayStation Portable), one of our flagship products, achieved sales of over 2 million units, becoming the first software to mark the 2 million milestone for PlayStation Portable. Due to the incredible popularity of this software, it has become a social phenomenon in Japan.

Under the objective of expanding overseas operations, which have the capacity to grow, we established a fully owned subsidiary of Capcom in France, Capcom Entertainment France, S.A.S. through our subsidiary in England. Capcom Entertainment France is our third operational base in Europe.

The resulting net sales increased to 31,236 million yen (up 0.4 % from the same term last year).

As for profits, the operating income increased to 3,357 million yen (up 9.8 % from the same term last year) thanks to the distinctive contribution of “Monster Hunter Freedom 2G” (for PlayStation Portable). The ordinary income increased to 4,115 million yen (up 21.2% from the same term last year) due partially to the foreign exchange gain, and the net profit for the current period increased to 1,873 million yen (up 16.8 % from the same term last year).

Status of Each Operational Department

Home Video Games

In this business segment, “Monster Hunter Freedom 2G” (for PlayStation Portable) continued solid growth supported by its overwhelming popularity. The software took the market by storm achieving sales of 2.5 million

units. The rapid growth of the Monster Hunter series played a major role in the diffusion of the portable game console, PlayStation Portable, and the media and market-related professionals closely monitored this trend.

“Lost Planet: Colonies” (for Xbox 360 and PC) with enhanced online characteristics also showed solid performance.

The sales of other software, mainly small-scale titles and those developed under the partnership with other companies, grew satisfactorily in general.

The resulting net sales increased to 16,486 million yen (up 1.0 % from the same term last year), and the operating income increased to 3,637 million yen (up 47.9 % from the same term last year). “Monster Hunter Freedom 2G” contributed the increase in both sales and profits.

Arcade Operations

In this business segment, we tried to attract more customers, including women and families, and to assure repeated visits by current customers, while the market was stagnant and adversely affected by the economic downturn. Such efforts included offering clean, bright and fun arcades that reflect customers’ preference.

However, we struggled in this area due to a lack of strong sales-inducing machines, intensified interregional competition, and a decrease in both the number of customer visits and average customer spending.

We are expecting this severe business environment for the arcade operation to continue, and the recovery of this market will take some time.

We opened one arcade in Shimane Prefecture while closing down one unprofitable arcade.

The current number of “Plaza Capcom” at the end of 2nd Quarter totals 42 after these activities.

The resulting net sales decreased to 6,847 million yen (up 7.4 % from the same term last year), and the operating loss of 231 million yen was recorded (down 66.1 % from the same term last year).

Arcade Games

Whereas arcade operators were holding down their investments responding to the weakening demands in the market, the sales of “Street Fighter IV” grew steadily taking full advantage of the synergistic effects from our home video game software. “Street Fighter IV” won first prize in the video board category in “AOU 2008 Amusement Expo”. “Sengoku BASARA X (cross)” and “Fate/Unlimited Codes” also performed strongly supported by their popularity and through a differentiated marketing strategy that emphasizes the unique characteristics of each arcade game.

The introduction of new arcade games resulted in a successful outcome, and the net sales increased to 4,079 million yen (up 196.2 % from the same term last year). The operating income turned profitable and reached 737 million yen (the operating loss of 570 million yen was recorded in the same term last year).

Contents Expansion

We have been trying to introduce our popular software into this business segment. However, the overall performance remained weak partially due to the declining popularity of “Ace Attorney”, which had been leading game distribution to mobile phones.

As for the Pachislo machine business, “Resident Evil” showed healthy growth, while the highly anticipated “Chun-Li Ni Makase China” underperformed our expectations. Thus, overall sales of this business segment remained at low levels.

The resulting net sales decreased to 2,547 million yen (down 54.9 % from the same term last year), and the operating income decreased to 261 million yen (down 86.0 % from the same term last year).

Other Businesses

The net sales from other businesses, mainly character-related licensing royalties, decreased to 1,283 million yen (down 9.1% from the same term last year), and the operating income increased to 522 million yen (up 69.7 % from the same term last year).

As Capcom has applied “Regulations of Consolidated Quarterly Financial Statements” effective from the current fiscal year, the percentage and amount from the corresponding period of the previous year are described for reference purposes.

2 . Qualitative Information Regarding the Consolidated Financial Position

Total Assets as of the end of 2nd quarter decreased by 859 million yen from the previous fiscal year to 92,747 million yen. The primary reasons for this decrease were a decrease of 8,668 million yen in notes receivable and account receivable, trade, and an increase of 5,318 million yen in work-in-progressive for game software.

Liabilities as of the end of 2nd quarter decreased by 2,979 million yen from the previous fiscal year to 36,967 million yen. This is attributable primarily to a decrease of 1,242 million yen in short-term borrowings and a decrease of 1,378 million yen in accrued bonuses.

Net assets as of the end of 2nd quarter increased by 2,119 million yen from the previous fiscal year to 55,779 million yen. This is mainly attributable to an increase of 412 million yen in retained earnings, an increase of 412 million yen in common stock, and an increase of 784 million yen in capital surplus through the recording of net profit for the current quarter and dividend payments.

3 . Qualitative Information Regarding the Consolidated Business Forecasts

The prospects of the consolidated business results for the current fiscal year ending March 31, 2009 remain the same as what were projected at the financial results announcement of the previous fiscal year on May 20, 2008.

4 . Others

(1) Transfer of major subsidiaries during the current quarter (transfer of certain subsidiaries that requires modification to the scope of consolidation)

There were no applicable subsidiary transfers.

(2) The application of simplified accounting procedures and those procedures specific to the preparation of quarterly consolidated financial reports

Computation method for estimating bad debts in general receivables

The actual percentage of credit losses recorded at the end of the current quarter was proved not to be significantly different from what was estimated at the previous fiscal year end. Therefore, the estimated bad debt is computed based on the actual percentage of credit losses at the previous fiscal year end.

Valuation of inventory

We eliminated the process of taking a physical stock inventory at the end of current quarter, and instead adopted a rational computation method which uses the actual ending inventory of the previous fiscal year as a base.

As for devaluating the book value of inventory assets, the devaluation is applied only to those inventories whose profitability clearly decreased. The devaluation is based on the estimated net sale value of such inventories.

Computation method for corporation taxes, deferred tax assets, and deferred tax liabilities

The computation of corporation income taxes is based on the method that restricts taxable items, deductible items, or tax exempt items to only significant ones.

As for judging the ability to collect deferred tax assets, we confirmed that there has been no significant change in the business environments or in the generation of temporary difference since the previous fiscal year end.

Therefore, we are applying the method that is based on the business prospects and tax planning used in the previous fiscal year.

For computing the tax expenses of some of our subsidiaries, we made a rational estimate of the effective tax rate after applying the income tax allocation accounting to the net profit before tax of the consolidated fiscal year including the current first quarter. We then applied the estimated effective tax rate to the net profit before tax of the current quarter. The adjustment of corporate tax and other tax is included in the corporate tax.

(3) Changes in the principle, procedures, and presentation methods in the preparation of consolidated quarterly financial reports

Effective as of the first quarter of the current fiscal year, Capcom has applied “Accounting Standard for Quarterly Financial Reporting” (Accounting Standard Board of Japan(ASBJ) Statement No. 12; March 14, 2007) and “Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14; March 14, 2007). In addition, the consolidated quarterly financial report is prepared based on the “Regulations of Consolidated Quarterly Financial Statements”.

Effective as of the first quarter of the current fiscal year, Capcom has applied “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9; July 5, 2006). There is no influence on profit and/or loss by this change.

Effective as of the first quarter of the current fiscal year, Capcom has applied “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement” (ASBJ PITV No. 18; May 17, 2006), and made corrections necessary for the consolidated accounting.

As a result of such corrections, each of operating income, ordinary income, and net profit before tax for the current quarter decreased by 158 million yen, and also retained earnings decreased by 546 million yen from those figures obtained based on the method previously adopted.

Capcom has previously used the accounting procedures based on the lease-related method for those capital leases that do not transfer ownership of the leased assets to lessees. “Accounting Standard for Lease Transactions”(ASBJ Statement No. 13; June 17, 1993 (Business Accounting Council, the First Committee), revised March 30, 2007) and “Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16;

January 18, 1994The Japanese Institute of Certified Public Accountants, Committee of Accounting System), revised March 30, 2007) became applicable to the consolidated quarterly financial reports of the fiscal year that starts on or after April 1, 2008. Following this change, Capcom is applying these accounting standards as of the first quarter of the current fiscal year, and using the accounting procedures of the ordinary sales transaction.

For the depreciation of the capital leases that do not transfer ownership of the leased assets to lessees, Capcom adopted the straight-line method that uses leasing term as asset life with residual value at zero. However, when the residual value of the leased assets is guaranteed in the lease agreement, the guaranteed residual value is recorded. As for those capital leases that do not transfer ownership of the leased assets to lessees and whose lease commencement date is before the beginning of the current quarter, we apply accounting procedures based on the lease-related method as before. The financial impact this change may cause on business results is immaterial.

5 . Summary of Consolidated Financial Statements

(1) Summary of Consolidated Balance Sheets

(Unit: Millions of Yen)

	This 2nd Quarter (as of Sept. 30, 2008)	Previous Fiscal Year (as of March 31, 2008)
(Assets)		
Current assets		
Cash on hand and in banks	33,248	32,763
Notes and accounts receivable, trade	5,514	14,182
Commercial products	1,448	1,813
Work-in-progress	2,635	774
Raw materials and inventory goods	2,687	1,556
Work-in-progress for game software	11,559	6,241
Other	5,085	5,629
Allowance for doubtful accounts	<u>(274)</u>	<u>(456)</u>
Total current assets	<u>61,904</u>	<u>62,505</u>
Fixed assets		
Tangible fixed assets, net of accumulated depreciation	16,148	15,253
Intangible fixed assets		
Goodwill	653	894
Other	<u>3,792</u>	<u>3,197</u>
Total intangible fixed assets	<u>4,445</u>	<u>4,091</u>
Investments and other assets		
Other	11,471	12,935
Allowance for doubtful accounts	<u>(1,222)</u>	<u>(1,179)</u>
Total investments and other assets	<u>10,248</u>	<u>11,755</u>
Total fixed assets	<u>30,842</u>	<u>31,101</u>
Total assets	<u>92,747</u>	<u>93,606</u>

(Unit: Millions of Yen)

	This 2nd Quarter (as of Sept. 30, 2008)	Previous Fiscal Year (as of March 31, 2008)
Liabilities		
Current liabilities		
Notes and accounts payable, trade	7,431	7,303
Short-term borrowings	773	2,015
Current portion of convertible bonds	14,993	14,997
Accrued income taxes	482	892
Accrued bonuses	679	2,057
Allowance for sales returns	335	405
Other	6,197	7,147
Total current liabilities	30,892	34,818
Long-term liabilities		
Convertible bonds	400	1,220
Long-term borrowings	2,422	1,470
Accrued retirement benefits for employees	1,102	1,048
Accrued retirement gratuities to directors	375	372
Other	1,773	1,018
Total long-term liabilities	6,074	5,128
Total liabilities	36,967	39,946
Net assets		
Shareholders' equity		
Common stock	33,039	32,626
Capital surplus	21,128	20,344
Retained earnings	12,044	11,631
Treasury stock	(8,012)	(8,155)
Total shareholders' equity	58,199	56,447
Valuation and translation adjustments		
Net unrealized gain on securities, net of tax	174	127
Deferred hedges, net of tax	-	0
Cumulative translation adjustments	(2,594)	(2,914)
Total valuation and translation adjustments	(2,419)	(2,787)
Total net assets	55,779	53,660
Total liabilities and net assets	92,747	93,606

(2)Summary of Consolidated Statement of Income

(Unit: Millions of Yen)

	This 2nd Quarter from April 1, 2008 to Sept. 30, 2008
Net sales	31,236
Cost of sales	19,232
Gross profit	12,004
Reserve adjustment for return goods	70
Net gross profit	12,074
Selling, general and administrative expenses	8,716
Operating income	3,357
Non-operating income	
Interest income	406
Dividend income	17
Exchange gain, net	555
Other	80
Total non-operating income	1,060
Non-operating expenses	
Interest expense	41
Provision for allowance for doubtful accounts	178
Investment loss on equity method	0
Commission	34
Other	48
Total non-operating expenses	302
Ordinary income	4,115
Special gains	
Reserve for allowance for doubtful accounts	4
Total special gains	4
Special losses	
Loss on sales and/or disposal of fixed assets	5
Loss on settlement of litigation	142
Total special losses	148
Net income before income taxes	3,971
Income taxes-current	305
Income taxes-deferred	1,793
Total Income taxes	2,098
Net income	1,873

(3)Summary of Statements of Cash Flows

(Unit: Millions of Yen)

This 2nd Quarter
from April 1, 2008
to Sept. 30, 2008

Cash flows from operating activities	
Net income before income taxes	3,971
Depreciation and amortization	1,839
Amortization of goodwill	247
Decrease in allowance for doubtful accounts	(141)
Interest and dividend income	(424)
Interest expense	41
Exchange gain, net	(374)
Investment loss on equity method	0
Loss on sales and/or disposal of fixed assets	5
Loss on settlement of litigation	142
Decrease in accounts receivable, trade	8,828
Increase in inventories	(2,497)
Increase in work-in-progress for game software	(5,155)
Increase in accounts payable, trade	166
Decrease in other current liabilities	(2,663)
Other	(806)
Sub total	3,179
Interest and dividends received	448
Interest paid	(35)
Payment for loss on settlement of litigation	(142)
Income taxes paid	(726)
Net cash provided by operating activities	2,722
Cash flows from investing activities	
Payment for acquisitions of tangible fixed assets	(1,321)
Proceeds from sales of tangible fixed assets	8
Payment for acquisitions of intangible fixed assets	(499)
Proceeds from sales of investments in securities	4
Other	(13)
Net cash used in investing activities	(1,820)
Cash flows from financing activities	
Repayments of short-term borrowings	(6)
Proceeds from long-term borrowings	1,400
Repayments of long-term borrowings	(1,757)
Payment for repurchase of treasury stock	(140)
Proceeds from sales of treasury stock	0
Dividend paid	(877)
Other	(60)
Net cash used in financing activities	(1,440)
Effect of exchange rate changes on cash and cash equivalents	721
Net increase in cash and cash equivalents	182
Cash and cash equivalents at beginning of year	32,763
Increase due to change in scope of consolidated subsidiaries	302
Cash and cash equivalents at end of year	33,248

Effective from the current fiscal year, Capcom has applied "Accounting Standard for Quarterly Financial Reporting" (Accounting Standard Board of Japan(ASBJ) Statement No. 12; March 14, 2007) and "Guidance on Accounting financial report is prepared based on the "Regulations of Consolidated Quarterly Financial Statements".

(4) Note of Going Concerns' Premise

Six-months Period ended Sept. 30, 2008(from April 1, 2008 to Sept 30, 2008) : No

(5) Segment Information

[Operating segments]

Six-months Period ended Sept. 30, 2008(from April 1, 2008 to Sept 30, 2008)

(Unit: Millions of Yen)

	HomeVideo Games	Arcade Operations	Arcade Games Sales	Contents Expansion	Other Businesses	Total	Elimination and corporate	Consolidated total
Net sales and operating profit or loss								
Net sales								
(1) External customers	16,486	6,847	4,071	2,547	1,283	31,236	(-)	31,236
(2) Inter-segment sale or transfer	-	-	7	-	-	7	(7)	-
Total	16,486	6,847	4,079	2,547	1,283	31,243	(7)	31,236
Operating expense	12,849	6,616	3,341	2,286	760	25,853	2,025	27,878
Operating income or loss	3,637	231	737	261	522	5,390	(2,032)	3,357

(6) Significant change in the number of shareholders' equity

Six-months Period ended Sept. 30, 2008(from April 1, 2008 to Sept 30, 2008) : No

「Reference」
 Summary of Quarter Consolidated Statement of Income

(Unit: Millions of Yen)

Account Title	Previous Mid-term From April 1, 2007 To Sept 30, 2007
	Amount
Net sales	31,108
Cost of sales	20,079
Gross profit	11,029
Reserve adjustment for return goods	108
Net gross profit	11,138
Selling, general and administrative expenses	8,079
Operating income	3,058
Non-operating income	838
1 Interest income	647
2 Dividend income	18
3 Other	172
Non-operating expenses	501
1 Interest expense	36
2 Exchange loss, net	354
3 Provision for allowance for doubtful accounts	79
4 Other	30
Ordinary income	3,395
Special gains	235
1 Gain on sales of fixed assets	1
2 Reversal of allowance for doubtful accounts	233
Special losses	381
1 Loss on sales and/or disposal of fixed assets	5
2 Reserve for retirement gratuities to directors from the previous period	350
3 Loss on revaluation of investments in securities	25
Net income before income taxes	3,249
Income taxes-current	280
Income taxes	1,382
Minority interests in loss of consolidated subsidiaries	16
Net income	1,603

「Reference」
Summary of Statements of Cash Flows

(Unit: Millions of Yen)

	Previous 2nd Quarter From April 1, 2007 To Sept. 30, 2007	Amount
Cash flows from operating activities		
1 Net income before income taxes		3,249
2 Depreciation and amortization		1,434
3 Decrease in accrued bonuses		(332)
4 Decrease in allowance for sales returns		(108)
5 Increase in Accrued retirement gratuities to directors		357
6 Interest and dividend income		(665)
7 Interest expense		36
8 Gain on sales of fixed assets		(1)
9 Loss on sales and/or disposal of fixed assets		5
10 Loss on revaluation of investments in securities		25
11 Decrease in accounts receivable, trade		3,171
12 Increase in inventories		(356)
13 Increase in work-in-progress for game software		(3,460)
14 Decrease in other current liabilities		(1,816)
15 Increase in other current assets		(978)
16 Decrease in other current liabilities		(938)
17 Other		516
Sub total		138
18 Interest and dividends received		667
19 Interest paid		(36)
20 Income taxes paid		(564)
Net cash provided by operating activities		203
Cash flows from investing activities		
1 Payment for acquisitions of tangible fixed assets		(1,688)
2 Proceeds from sales of tangible fixed assets		2
3 Payment for acquisitions of intangible fixed assets		(698)
4 Payment for purchase of investments in securities		(15)
5 Collection of loans receivable		1,431
6 Payment for other investing activities		(388)
7 Other		79
Net cash used in investing activities		(1,276)
Cash flows from financing activities		
1 Repayments of long-term borrowings		(350)
2 Payment for repurchase of treasury stock		(9)
3 Dividends paid by parent company		(846)
Net cash used in financing activities		(1,205)
Effect of exchange rate changes on cash and cash equivalents		(399)
Net decrease in cash and cash equivalents		(2,677)
Cash and cash equivalents at beginning of year		35,020
Cash and cash equivalents at end of year		32,342

「 Reference 」

Segment Information

[Operating segments]

Six-months Period ended Sept. 30, 2007(from April 1, 2007 to Sept 30. 2007)

(Unit: Millions of Yen)

	HomeVideo Games	Arcade Operations	Arcade Games Sales	Contents Expansion	Other Businesses	Total	Elimination and corporate	Consolidated total
Net sales and operating profit or loss								
Net sales								
(1) External customers	16,323	6,375	1,353	5,644	1,411	31,108	(-)	31,108
(2) Inter-segment sale or transfer	-	-	23	-	-	23	(23)	-
Total	16,323	6,375	1,377	5,644	1,411	31,131	(23)	31,108
Operating expense	13,864	5,693	1,947	3,780	1,103	26,389	1,660	28,049
Operating income or loss	2,458	682	(570)	1,863	307	4,742	(1,683)	3,058