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Press Release

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Capcom Co., Ltd.
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Favorable Financial Results for the 1st Quarter ended June 30, 2009 !

19.2% increase in Net Sales, 23.0% increase in Operating Income compared to previous term

- Marked the best net sales, operating income and ordinary income since quarterly release announcements began -

Capcom Co., Ltd. is pleased to announce that net sales increased to 19,497 million yen (up 19.2% from the same term last year), operating income increased to 3,664 million yen (up 23.0% from the same term last year) and ordinary income increased to 4,117 million yen (up 2.3% from the same term last year) in consolidated financial results for the 1st Quarter ended June 30, 2009.

Regarding Home Video Games business, “Resident Evil 5” released at the end of previous fiscal year continued to grow, and “Monster Hunter Freedom Unite” released in FY2007 also enjoyed prolonged steadfast sales to be shipped totally 3.5 million in Japan, which have contributed to a total performance. In addition to this, “Ace Attorney INVESTIGATIONS: Miles Edgeworth” and “Sengoku BASARA Battle Heroes” made a favorable showing in Japan.

As a result, we marked the best net sales, operating income and ordinary income since quarterly release announcements began.

Forecast for the fiscal year ending March 31, 2010 is not changed because of second half major title releases in the home video games business.

1. Consolidated Financial Results for the 1st Quarter ended June 30, 2009 (April 1, 2009 – June 30, 2009)

	Net Sales	Operating Income	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen	Million Yen
1st Quarter ended June 30, 2009	19,497	3,664	4,117	2,230
1st Quarter ended June 30, 2008	16,352	2,978	4,024	2,382

2. Forecast for the Fiscal Year ending March 31, 2010

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share of Common Stock
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Mid-Term Fiscal Period	43,200	4,400	4,300	2,300	37.20
Year ending Mar.31, 2010	95,000	15,500	14,700	8,500	137.48

3. Status of Each Operational Department

(1) Home Video Games

(Unit: Millions of Yen)

	1st Quarter ended June 30, 2008	1st Quarter ended June 30, 2009	Difference (%)
Net Sales	10,406	14,148	36.0%
Operating Income	3,556	4,711	32.5%
Operating Margin	34.2%	33.3%	- 0.9%

- a. In this business segment, “Ace Attorney INVESTIGATIONS: Miles Edgeworth” (for Nintendo DS), which was derived from Capcom’s popular software “Ace Attorney”, showed a favorable sales increase. “Resident Evil 5” (for PlayStation 3, Xbox 360), one of the most successful titles in the previous quarter, continued to grow, and “Monster Hunter Freedom Unite” (for PlayStation Portable) released in the last two quarters also enjoyed prolonged steadfast sales.
- b. In addition “Sengoku BASARA Battle Heroes” (for PlayStation Portable), the latest addition of the series, made a favorable showing. The new software started the so-called “REKIJO” (Japanese term for female Japanese history “Otaku”.) boom in Japan and generated public interest in Japan's “Warring States” (SENGOKU) era.
- c. On the other hand, “Bionic Commando” (for PlayStation 3, Xbox 360), which was targeted to the overseas markets, underperformed its projected sales. “Monster Hunter Freedom Unite” (for PlayStation Portable) also performed weakly.
- d. The resulting net sales increased to 14,148 million yen (up 36.0 % from the same term last year), and the operating income increased to 4,711 million yen (up 32.5 % from the same term last year).

(2) Arcade operations

(Unit: Millions of Yen)

	1st Quarter ended June 30, 2008	1st Quarter ended June 30, 2009	Difference (%)
Net Sales	3,128	2,926	-6.5%
Operating Income	- 73	114	-
Operating Margin	- 2.3%	3.9%	-

- a. In this softening market, we engaged in aggressive business operations trying to create demand and attract more customers. Holding customer appreciation events and introducing popular game machines that satisfy a wide customer base are just few examples of such efforts.
- b. We did not open or close any facility during this period, and the total number of “Plaza Capcom” remained at 40.
- c. The resulting net sales decreased to 2,926 million yen (down 6.5 % from the same term last year). However, the operating income increased to 114 million yen (the operating loss of 73 million yen was recorded in the same term last year) as a result of closing down unprofitable facilities, turning sales into the black.

(3) Arcade Games Sales

(Unit: Millions of Yen)

	1st Quarter ended June 30, 2008	1st Quarter ended June 30, 2009	Difference (%)
Net Sales	1,010	313	-69.0%
Operating Income	-245	-168	-
Operating Margin	-24.3%	-53.7%	-

Note1. The Sales of each business segment in the above are those to the customers only.

2. The sales of each business segment below are inclusive of inter-segment ones.
 - a. In this business segment, we focused on the sales of renewing existing game machines to arcade operators as we went through the transitional period of our product provision cycle. However, overall sales remained soft partially due to market stagnation and a decrease in purchasing power from arcade operators.
 - b. The resulting net sales decreased to 313 million yen (down 69.1 % from the same term last year), and the operating loss was 168 million yen (the operating loss of 245 million yen was recorded in the same term last year).

(4) Contents Expansion

(Unit: Millions of Yen)

	1st Quarter ended June 30, 2008	1st Quarter ended June 30, 2009	Difference (%)
Net Sales	1,097	1,474	34.4%
Operating Income	279	-65	-
Operating Margin	25.4%	-4.4%	-

- a. In the business of game distribution to mobile phones, we established a new business strategy of “Single Contents Multiple Usage”. “Apollo Justice Ace Attorney” was released based on this new approach, and it achieved healthy growth. Additionally, the global distribution of “Resident Evil: Degeneration” for iPhone and iPod touch was started, and it performed favorably attracting new users.
- b. On the other hand, the Pachislo machine business struggled due to the harsh market environment as well as to the lack of products. We believe that this business segment is still in an early stage, and it may take some time before we see fully fledged business results.
- c. The resulting net sales increased to 1,474 million yen (up 34.4 % from the same term last year), and the operating loss was 65 million yen (the operating income of 279 million yen was recorded in the same term last year).

(5) Other Businesses

(Unit: Millions of Yen)

	1st Quarter ended June 30, 2008	1st Quarter ended June 30, 2009	Difference (%)
Net Sales	710	635	-10.6%
Operating Income	302	239	-20.9%
Operating Margin	42.5%	37.6%	-4.9%

The net sales from other businesses, mainly character-related licensing royalties, decreased to 635 million yen (down 10.6 % from the same term last year), and the operating income decreased to 239 million yen (down 20.9 % from the same term last year).