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Press Release

3-1-3, Uchihiranomachi, Chuo-ku
Osaka, 540-0037, Japan
Capcom Co., Ltd.
Haruhiro Tsujimoto, President and COO
(Code No. 9697 Tokyo - Osaka Stock Exchange)

Favorable Financial Results for the 6 months ended September 30, 2009 !
24.5% increase in Net Sales, 66.0% increase in Operating Income compared to
the same term in FY2008

- Marked the best net sales, operating income and ordinary income by launching a flagship title -

Capcom Co., Ltd. is pleased to announce that net sales increased to 38,892 million yen (up 24.5 % from the same term last year). As for profits, operating income increased to 5,574 million yen (up 66.0 % from the same term last year), and ordinary income increased to 5,476 million yen (up 33.1 % from the same term last year). Net profit for the current period increased to 2,967 million yen (up 58.4 % from the same term last year).

Higher sales revenue was generated by Home Video Games business such as the first shipment of “Monster Hunter Tri” (for Wii) over a million units among the third parties’ titles, continuous sales of “Resident Evil5”(for PlayStation 3, Xbox 360) released at the end of previous fiscal year as well as “Monster Hunter Freedom Unite”(for PSP). Those have contributed to total performance.

Meanwhile, the result in Arcade Games Sales business was below the level of income from the same term last year due to a lack of new products and fixed expenses remained the same.

With regard to Contents Expansion business, profitability was decreased due to significant lower sales of Pachislo machine than planned.

Cumulated financial results ended September 30, 2009 was exceeded because of stronger sales of Home Video Game business despite lower sales result of Arcade Games sales as well as Contents Expansion business than the same term last year.

Forecast for the fiscal year ending March 31, 2010 is not changed because arcade games sales and Contents Expansion underperformed its projected sales even though favorable results in the Home Video Games business.

1. Consolidated Financial Results for the 6 months ended September 30, 2009

(April 1, 2009 – September 30, 2009)

| | Net Sales | Operating Income | Ordinary Income | Net Income |
|------------------------------|-------------|------------------|-----------------|-------------|
| | Million Yen | Million Yen | Million Yen | Million Yen |
| 6 months ended Sep. 30, 2009 | 38,892 | 5,574 | 5,476 | 2,967 |
| 6 months ended Sep. 30, 2008 | 31,236 | 3,357 | 4,115 | 1,873 |

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 |
| Year ending March 31, 2010 | 95,000 | 15,500 | 14,700 | 8,500 | 139.31 |

3. Status of Each Operational Department

(1) Home Video Games

(Unit: Millions of Yen)

| | 6 months ended Sep. 30, 2008 | 6 months ended Sep. 30, 2009 | Difference (%) |
|------------------|---------------------------------|---------------------------------|-------------------|
| Net Sales | 16,486 | 27,748 | 68.3% |
| Operating Income | 3,637 | 7,299 | 100.7% |
| Operating Margin | 22.1% | 26.3% | - |

- a. In this business segment, the first shipment of “Monster Hunter Tri” (for Wii) surpassed a million units, and this flagship software enjoyed rapid sales.
- b. “Ace Attorney INVESTIGATIONS: Miles Edgeworth” (for Nintendo DS), which was derived from Capcom’s popular software “Ace Attorney”, showed a healthy sales increase. “Resident Evil 5” (for PlayStation 3, Xbox 360), one of the most successful titles in the previous year, achieved steady growth, while “Monster Hunter Freedom Unite” (for PSP) continued to grow supported by its established popularity.
- c. “Sengoku BASARA Battle Heroes” (for PSP), which is the latest addition of the Sengoku BASARA series, also made a strong showing. The software started the so-called “REKIJO” (Japanese term for Japanese female history “Otaku”) boom in Japan and generated much public interest in Japan’s “Warring States” (SENGOKU) era.

- d. Overseas sales remained soft partially because the release of “Dark Void” (for PlayStation 3, Xbox 360) was postponed until the latter half of this year. “Bionic Commando” (for PlayStation 3, Xbox 360) and “Monster Hunter Freedom Unite” (for PSP) also struggled.
- e. The resulting net sales increased to 27,748 million yen (up 68.3 % from the same term last year), and the operating income increased to 7,299 million yen (up 100.7 % from the same term last year).

(2) Arcade operations

(Unit: Millions of Yen)

| | 6 months ended Sep. 30, 2008 | 6 months ended Sep. 30, 2009 | Difference (%) |
|------------------|---------------------------------|---------------------------------|----------------|
| Net Sales | 6,847 | 6,249 | -8.7% |
| Operating Income | 231 | 480 | 107.8% |
| Operating Margin | 3.4% | 7.7% | - |

- a. Under the severe market environment, we placed extra emphasis on acquiring new users, including women and families, while ensuring revisits from existing customers. Such efforts included installing various arcade games to satisfy diversified customer needs and offering special discount days. However, overall performance remained weak partially due to the intensifying competition with rival stores as well as to the bad weather this past summer.
- b. We did not open or close any facilities during the first half of this fiscal year, and the total number of “Plaza Capcom” remained at 40.
- c. The resulting net sales decreased to 6,249 million yen (down 8.7 % from the same term last year); however, the operating income slightly increased to 480 million yen (up 107.8 % from the same term last year) thanks to the success of the scrap and build strategy implemented in the second half of the previous year.

(3) Arcade Games Sales

(Unit: Millions of Yen)

| | 6 months ended Sep. 30, 2008 | 6 months ended Sep. 30, 2009 | Difference (%) |
|------------------|---------------------------------|---------------------------------|----------------|
| Net Sales | 4,071 | 656 | -83.9% |
| Operating Income | 737 | 334 | - |
| Operating Margin | 18.1% | 50.9% | - |

- a. Due to declining demands, our main sales activity was to replace existing game machines. Overall sales remained weak due to a lack of new products and stagnating market conditions.
- b. The resulting net sales decreased to 656 million yen (down 83.9 % from the same term last year), and the operating loss was 334 million yen (the operating income of 737 million yen was recorded in the same term last year).

(4) Contents Expansion

(Unit: Millions of Yen)

| | 6 months ended Sep.30, 2008 | 6 months ended Sep. 30, 2009 | Difference (%) |
|------------------|--------------------------------|---------------------------------|----------------|
| Net Sales | 2,547 | 2,560 | 0.5% |
| Operating Income | 261 | -403 | - |
| Operating Margin | 10.2% | -15.7% | - |

- a. In the area of contents distribution for mobile phones, “Monster Hunter Mobile” and “Apollo Justice: Ace Attorney” achieved steady growth. We also started the worldwide distribution of “Resident Evil: Degeneration” for iPhone and iPod touch. The software performed favorably and attracted new users.
- b. In the segment of the Pachislo slot machine business, we tried to make a breakthrough in the current slow market with a mid-to-long term strategic approach. However, any notable results were not achieved due to the harsh market environment as well as due to the fact that this business segment is still too immature to be fully developed.
- c. The resulting net sales increased to 2,560 million yen (up 0.5 % from the same term last year), and the operating loss was 403 million yen (operating income of 261 million yen was recorded in the same term last year).

(5) Other Businesses

(Unit: Millions of Yen)

| | 6 months ended Sep. 30, 2008 | 6 months ended Sep. 30, 2009 | Difference (%) |
|------------------|---------------------------------|---------------------------------|----------------|
| Net Sales | 1,283 | 1,676 | 30.6% |
| Operating Income | 522 | 668 | 28.0% |
| Operating Margin | 40.7% | 39.9% | - |

The net sales from other businesses, mainly character-related licensing royalties, increased to 1,676 million yen (up 30.6 % from the same term last year), and the operating income increased to 668 million yen (up 28.0 % from the same term last year).