

February 24, 2011

Press Release

Company Name: Capcom Co., Ltd.

Representative: Haruhiro Tsujimoto, President and COO

(Company Cord: 9697 Tokyo - Osaka Stock Exchange)

Contact: Public Relations and Investor Relations Office

Phone Number: +81-6-6920-3623

Notice about Short-form Merger with Subsidiary

The Board of Directors of Capcom Co., Ltd. (Capcom) approved a resolution on February 24, 2011 to merge with wholly owned subsidiary Daletto Co., Ltd. (Daletto) on March 28, 2011. Since this is a merger with a wholly owned subsidiary, Capcom is not disclosing every item concerning the merger.

1. Purpose and details of merger

Daletto is engaged primarily in the operation of Internet portal sites. In recent years, rapid growth in the popularity of social games has brought about a major shift in the operating environment. Capcom has decided to merge with Daletto for the purpose of overcoming the challenges posed by the new market conditions. Capcom believes that using this merger to concentrate its resources will further raise efficiency by strengthening the online business, capturing synergies and producing other benefits.

2. Summary of merger

(1) Schedule

Approval of merger contract by Board of Directors	February 24, 2011
Signing of merger contract	February 24, 2011
Scheduled date of merger (Effective date)	March 28, 2011 (Planed)

Note: The approval of resolutions by the shareholders of Capcom and Daletto are not necessary for this merger because Capcom will use the simple-form merger procedure prescribed in Article 796 Paragraph 3 of the Company Law and Daletto will use the simple-form merger procedure prescribed in Article 784 Paragraph 1 of the Company Law.

(2) Merger method

Capcom will absorb Daletto and be the surviving company and Daletto will be dissolved.

(3) Allocations for the merger

No stock will be issued or cash or other forms of compensation allocated in conjunction with this merger because Daletto is a wholly owned subsidiary of Capcom.

(4) Treatment of stock warrants and convertible bonds of Daletto

Daletto has not issued any stock warrants or convertible bonds.

3. Outline of companies involved in merger

	Surviving company	Company to be dissolved																						
(1) Name of company	Capcom Co., Ltd.	Daletto Co., Ltd.																						
(2) Head office	3-1-3 Uchihirano-machi, Chuo-ku, Osaka 540-0037, Japan	2-1-1 Nishi Shinjuku, Shinjuku-ku, Tokyo, 163-0425, Japan																						
(3) Representative	President & COO Haruhiro Tsujimoto	President Kenkichi Nomura																						
(4) Major business segments	Planning, development and sale of home video games 1. Planning, development, manufacture and sale of home video games, mobile contents and and arcade games. 2. Management of amusement arcades	Online Portal Site Management																						
(5) Paid-in capital	¥ 33,239 million	¥ 1,090 million																						
(6) Date of establishment	May 30, 1979	October 2, 2006																						
(7) Number of shares issued	67,723,244 shares	2,000,001,000 shares																						
(8) Fiscal term	March 31	March 31																						
(9) Name of major shareholders, number of shares held and investment ratio *1	<table border="0"> <tr> <td>Crossroad Limited</td> <td>10.00 %</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Accounts)</td> <td>6.92 %</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Accounts)</td> <td>5.93 %</td> </tr> <tr> <td>Kenzo Tsujimoto</td> <td>2.96 %</td> </tr> <tr> <td>Yoshiyuki Tsujimoto</td> <td>2.47 %</td> </tr> <tr> <td>Haruhiro Tsujimoto</td> <td>2.28 %</td> </tr> <tr> <td>Ryozo Tsujimoto</td> <td>2.28 %</td> </tr> <tr> <td>UBS SECURITIES LLC-HFS CUSTOMER SEGREGATED ACCOUNT</td> <td>2.02 %</td> </tr> <tr> <td>NT RE GOVT OF SPORE INVT CORP PLTD</td> <td>2.00%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd.(Trust Accounts 9)</td> <td>1.58%</td> </tr> </table>	Crossroad Limited	10.00 %	The Master Trust Bank of Japan, Ltd. (Trust Accounts)	6.92 %	Japan Trustee Services Bank, Ltd. (Trust Accounts)	5.93 %	Kenzo Tsujimoto	2.96 %	Yoshiyuki Tsujimoto	2.47 %	Haruhiro Tsujimoto	2.28 %	Ryozo Tsujimoto	2.28 %	UBS SECURITIES LLC-HFS CUSTOMER SEGREGATED ACCOUNT	2.02 %	NT RE GOVT OF SPORE INVT CORP PLTD	2.00%	Japan Trustee Services Bank, Ltd.(Trust Accounts 9)	1.58%	<table border="0"> <tr> <td>Capcom Co., Ltd.</td> <td>100.00 %</td> </tr> </table>	Capcom Co., Ltd.	100.00 %
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(10) Results of operations and financial condition in most recent fiscal term																								
Fiscal term	Year ended March 31, 2010 (Consolidated)	Year ended March 31, 2010																						
Net assets	¥ 53,956 million	(¥223 million) *2																						
Total assets	¥ 86,621 million	¥ 624 million																						
Assets shareholders' equity per share	¥ 913.18	(¥ 0.11)																						
Net sales	¥ 66,837 million	¥ 885 million																						
Operating income	¥ 5,587 million	¥ 143 million																						
Ordinary income	¥ 5,530 million	¥ 133 million																						
Net income	¥ 2,167 million	¥ 89 million																						
Earnings per share of common stock	¥ 35.71	¥ 0.4																						

Notes:

1. The above information is current for Capcom as of September 30, 2010 and for Daletto as of the date of the announcement.

The investment ratios of Capcom's major shareholders are calculated after excluding the 8,636 thousand shares of treasury stock (12.75% of all shares issued) held by Capcom.

2. Daletto had negative equity on March 31, 2010 but returned to positive equity on December 31, 2010.

4. Outline of Capcom Co., Ltd. following the merger

(1) Name of Company : Capcom Co., Ltd.

(2) Head Office : 3-1-3 Uchihirano-machi, Chuo-ku, Osaka 540-0037, Japan

(3) Representative : President & COO Haruhiro Tsujimoto

(4) Major Business Segments : Planning, development, manufacture and sale of home video games, mobile contents and arcade games / Management of amusement arcades

(5) Paid-in Capital : ¥33,239 million

(6) Fiscal Term : March 31

5. Outlook

This merger will have only a negligible effect on consolidated results of operations because this is a merger of Capcom and a wholly owned consolidated subsidiary.