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## Press Release

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### **Sluggish Financial Results for ended March 31, 2012**

#### **16.0% decrease in Net Sales, 13.8% decrease in Operating Income Compared to Previous Term**

- Expect to record high profit by strengthening the lineup of flagship titles and enlarging online contents in FY2012 -

Capcom Co., Ltd. would like to announce that net sales decreased to 82,065 million yen (down 16.0 % from the previous year). As for profit, operating income decreased to 12,318 million yen (down 13.8 % from the previous year), and ordinary income decreased to 11,819 million yen (down 8.1 % from the previous year). Net income for the current period decreased to 6,723 million yen (down 13.2 % from the previous year).

During the fiscal year ended March 31, 2012, in the Consumer Online Games business, in addition to “Monster Hunter 3 (Tri) G”, a feature title selling over 1.6 million copies, “Resident Evil: Operation Raccoon City”, other flagship title released at the end of the fiscal year, also performed steadily.

Meanwhile, the Mobile Contents business displayed its underlying strength, through the steady increase in membership for “Minna to Monhan Card Master” which was distributed through Mobage and “Monhan Tankenki Maboroshi no Shima” which was released to GREE, resulting in memberships of over one million for each game. Additionally, “Snoopy’s Street Fair” fared well in Japan and Asia, “Smurfs’ Village” continuing to enjoy success. As a result, “Beeline” titles recorded domestic and overseas downloads totaling more than 56 million, both of which contributed greatly to improving our earning capacity.

However, all profits for this term were decreased due in part to a decrease in sales in reaction to the surge during same term previous year caused by the mass release of major consumer online game titles as well as the delay in the release of major titles which had been scheduled for the current fiscal year.

As for the forecast for the next fiscal year ending March 31, 2013, we expect to record high profit, which are 105,000 million yen in net sales and 15,800 million yen in operating income due to allocation of management resources to high growth potential online content (mobile, PC online and downloads for consumer games) and release of major titles oriented toward the overseas market, including “Resident Evil 6”.

1. Consolidated Financial Results of the Year ended March 31, 2012 (April 1, 2011 – March 31, 2012)

	Net sales	Operating income	Ordinary income	Net income
	Million Yen	Million Yen	Million Yen	Million Yen
Year ended March 31, 2012	82,065	12,318	11,819	6,723
Year ended March 31, 2011	97,716	14,295	12,861	7,750

2. Forecast for the Fiscal Year ending March 31, 2013

	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, 2013	105,000	15,800	15,700	9,800	170.19

Note: Capcom discloses a full year business forecast, as it manages its business performance on an annual basis.

3. Status of Each Operational Department

(1) Consumer Online Games

(Unit: Millions of Yen)

	Year ended March 31, 2011	Year ended March 31, 2012	Difference (%)
Net sales	70,269	53,501	-23.9%
Operating income	12,499	10,502	-16.0%
Operating margin	17.8%	19.6%	-

- a. In this business segment, in addition to “Monster Hunter 3 (Tri) G”, a feature title for Nintendo 3DS selling over 1.6 million copies, “Resident Evil: Operation Raccoon City” (for PlayStation 3 and Xbox 360), other flagship title released at the end of the fiscal year, also performed steadily, while sales of “Street Fighter X Tekken” (for PlayStation 3 and Xbox 360) lagged.
- b. Nevertheless, as all three titles sold over a million units, they were able to achieve the distinction of million sellers.
- c. Additionally, Capcom released an array of elaborate titles including “Asura’s Wrath” (for PlayStation 3 and Xbox 360), “Resident Evil: Revelations” (for Nintendo 3DS) and “Ultimate Marvel vs. Capcom 3” (for PlayStation 3, Xbox 360 and PlayStation Vita) as well as a number of distribution titles, as part of its multilateral product development.
- d. Moreover, the online exclusive “Monster Hunter Frontier Online” series (for PC and Xbox 360) showed steady growth supported by its stable popularity.

- e. The resulting net sales were 53,501 million yen (down 23.9% from the previous year) and operating income was 10,502 million yen (down 16.0% from the previous year), due in part to the reaction to the release of multiple major titles in the previous year and to the delayed release of the major software, “Dragon’s Dogma” (for PlayStation 3 and Xbox 360).

## (2) Mobile Contents

(Unit: Millions of Yen)

	Year ended March 31, 2011	Year ended March 31, 2012	Difference (%)
Net sales	4,028	6,308	56.6%
Operating income	1,366	2,385	74.6%
Operating margin	33.9%	37.8%	-

- a. The Mobile Contents business displayed its underlying strength, through the strong performance of “Snoopy’s Street Fair” in Japan and Asia and the steady increase in membership for “Monhan Tankenki Maboroshi no Shima” which is part of the “Monster Hunter” series for GREE and for “Minna to Monhan Card Master” which was distributed through Mobage, resulting in memberships of over one million for each game.
- b. Additionally, “Smurfs’ Village”, distributed jointly with Facebook, the world’s largest SNS, continued to enjoy success, and Capcom’s strategic brand “Beeline” titles recorded domestic and overseas downloads totaling more than 56 million, both of which contributed greatly to improving our earning capacity.
- c. The resulting net sales were 6,308 million yen (up 56.6% from the previous year) and the operating income was 2,385 million yen (up 74.6% from the previous year).

## (3) Arcade Operations

(Unit: Millions of Yen)

	Year ended March 31, 2011	Year ended March 31, 2012	Difference (%)
Net sales	11,621	11,729	0.9%
Operating income	1,131	1,787	58.0%
Operating margin	9.7%	15.2%	-

- a. Although we saw a slowdown in customer traffic due to the effects of the mood of voluntary restraint in the wake of the Great East Japan Earthquake, which occurred last March, and diversification in entertainment preferences and spending patterns of the public; arcades have been regaining ground as they are re-evaluated as readily accessible entertainment that is “inexpensive, nearby and short-duration” and supported by budget minded consumer.

- b. Under these circumstances Capcom promoted customer-oriented community-based arcades through various efforts including the cultivation of new customers by offering special discount days, as well as implementing various revitalization measures, such as renovation of arcades.
- c. In spite of a slowdown in customer traffic and intensification of competition with other game consoles including smartphones, with which there is an overlap of the customer base, sales per customer increased as a result of these measures, along with the contribution mainly of proprietary coin-operated games. In the absence of closing or opening of arcades during the current period, the total number of arcades remained the same as the end of the previous fiscal period at 37.
- d. The resulting net sales were 11,729 million yen (up 0.9% from the previous year) and the operating income was 1,787 million yen (up 58.0% from the previous year).

#### (4) Amusement Equipments

(Unit: Millions of Yen)

	Year ended March 31, 2011	Year ended March 31, 2012	Difference (%)
Net sales	7,903	7,663	-3.0%
Operating income	2,638	890	-66.2%
Operating margin	33.4%	11.6%	-

- a. With regards to arcade games, coin-operated games, “Monster Hunter: Medal Hunting” and “Monhan Nikki Sugoroku Airu Mura” were released.
- b. As for the Pachislo machines, “Street Fighter IV” showed steady performance, while we also engaged in contracted developments.
- c. The resulting net sales were 7,663 million yen (down 3.0% from the previous year) and the operating income was 890 million yen (down 66.2% from the previous year).

#### (5) Other Businesses

(Unit: Millions of Yen)

	Year ended March 31, 2011	Year ended March 31, 2012	Difference (%)
Net sales	3,893	2,862	-26.5%
Operating income	1,098	877	-20.1%
Operating margin	28.2%	30.6%	-

The net sales from Other Businesses, mainly character-related licensing royalties, were 2,862 million yen (down 26.5% from the previous year) and the operating income was 877 million yen (down 20.1% from the previous year).