

Press Release

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Construction Under Way on Two R&D Buildings to Strengthen Development Operations

- Capcom plans to recruit many developers, mainly for home video games and online games, to aim for more growth -

Capcom Co., Ltd. (Capcom) is pleased to announce that construction is under way on two R&D buildings located near the Osaka head office building.

The appearance of next-generation consoles with a variety of network functions has shifted the focus of sales from conventional package software to digitally distributed content. The profit structure and business model are changing at an increasing speed as a result. Furthermore, the popularity of social games due to the widespread use of smartphones is enabling games to reach more user segments and enlarging the entire game market.

To succeed in this challenging environment, Capcom has been focusing resources on strategic and growing areas under a policy of selection and concentration in order to operate with speed and flexibility. Constructing these new R&D buildings will make game development operations more efficient by centralizing these operations and upgrading speed and control. Another goal is to improve quality while holding down development expenses by accumulating development technologies and other knowledge. To accomplish this goal, Capcom plans to hire about 100 developers every year, mostly new graduates, and raise the share of game development work that is performed internally. By March 2022, Capcom plans to have a workforce of 2,500 developers. Capcom believes that these actions will give the company a competitive advantage due to the more powerful development capabilities in the rapidly growing mobile content and PC online games markets.

The two R&D buildings will have a variety of latest facilities. Examples include a motion capture room, a studio for producing and recording sound effects, and multi-purpose spaces that can hold more than 100 people. Both buildings will use seismic isolation systems for protection even during a major earthquake. The buildings are also designed to be environmentally responsible. One illustration is exterior walls with uneven surfaces on the north and south sides to block the afternoon sun, thereby reducing the energy needed for the climate control system.

The two buildings will enable Capcom to utilize its outstanding game development skills even more effectively. Capcom is determined to use the new facilities to create highly original games that can meet the expectations of users.

Summary of R&D Building S (Provisional name)

| 1. Location | 3-5 Uchiawajimachi, Chuo-ku, Osaka |
|-------------------------|------------------------------------|
| 2. Site | 454.90 square meters |
| 3. Floor area | 2,054.38 square meters |
| 4. Structure | Reinforced concrete |
| 5. Floors | 8 floors, 1 underground level |
| 6. Construction started | May 2013 |
| 7. Completion | January 2015 (planned) |
| 8. Cost | Approximately 2.5 billion yen |

Summary of R&D Building N (Provisional name)

| 1. Location | 3-24 Uchihiiranomachi, Chuo-ku, Osaka |
|-------------------------|---------------------------------------|
| 2. Site | 1,332.30 square meters |
| 3. Floor area | 10,972.87 square meters |
| 4. Structure | Reinforced concrete |
| 5. Floors | 16 floors, 2 underground levels |
| 6. Construction started | April 2014 |
| 7. Completion | February 2016 (planned) |
| 8. Cost | Approximately 5.5 billion yen |

(Architectural rendering)







R&D Building N (Provisional name)

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