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Press Release

Company Name : Capcom Co., Ltd.  
Representative: Haruhiro Tsujimoto, President and COO  
(Code No. 9697 First Section of Tokyo Stock Exchange)  
Contact: Public Relations and Investor Relations Office  
Phone Number: +81-6-6920-3623

**Financial Results for the Fiscal Year Ended March 31, 2014**

**8.6% Increase in Net Sales, 1.5% Increase in Operating Income Compared to Previous Term**

- Aim for establishment of a stable corporate structure and focusing resources on growing businesses  
through the review of earnings structures and business models -

Capcom Co., Ltd. would like to announce that net sales increased to 102,200 million yen (up 8.6 % from the previous year). As for profit, operating income increased to 10,299 million yen (up 1.5 % from the previous year), and ordinary income increased to 10,946 million yen (up 0.0 % from the previous year). Net income for the current period was raised to 3,444 million yen (up 15.9 % from the previous year).

During the fiscal year ended March 31, 2014, the long-awaited flagship title “Monster Hunter 4” displayed explosive popularity as well as the sales of “Dead Rising 3” that has been geared toward the European and U.S. markets, and “Resident Evil Revelations” exceeded a million titles each and so three titles have become million-sellers.

In addition, the full-game digital titles of “Monster Hunter 4” showed strong sales, which respond to changes in forms of distribution, contributed to expansion of sales by growing significantly in line with the progress in diversification of business models.

In the Amusement Equipments business, “Monster Hunter: Gekka Raimei”, the pachislo machine in which the motif is a title for Capcom, served to lead the increase of sales and support earnings as it showed a good sales with 46 thousand units due to its synergy with home video game.

However, mobile contents struggled as a whole due in part to lack of major titles and the fiercely competitive environment.

As a result, consolidated net sales for the year ended March 31, 2014 was 102,200 million yen (up 8.6% from the previous fiscal year). In terms of earnings, operating income increased to 10,299 million yen (up 1.5% from the previous fiscal year) and ordinary income to 10,946 million yen (up 0.0% from the previous fiscal year). Net income amounted to 3,444 million yen (up 15.9% from the previous fiscal year) despite the recording of special losses including restructuring charges primarily due to the slump of mobile content.

Regarding the future prospects, Capcom will concentrate on inputting management resources in focused and growing businesses, through the review of earnings structures and business models, while aiming for the early rebuilding of Mobile Contents business. Capcom recognizes that in order to break through the present situation the important issue in management is the establishment of a corporate structure that secures stable earnings without being influenced by changes in the environment.

As for the forecast for the next fiscal year ending March 31, 2015, we expect 80,000 million yen in net sales and 10,500 million yen in operating income.

#### 1. Consolidated Financial Results of the Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)

	Net sales	Operating income	Ordinary income	Net income
	Million Yen	Million Yen	Million Yen	Million Yen
Year ended March 31, 2014	102,200	10,299	10,946	3,444
Year ended March 31, 2013	94,075	10,151	10,944	2,973

#### 2. Forecast for the Fiscal Year Ending March 31, 2015

	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, 2015	80,000	10,500	10,200	6,600	117.37

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) Digital Contents

(Unit: Millions of Yen)

	Year ended March 31, 2013	Year ended March 31, 2014	Difference (%)
Net sales	63,636	65,824	3.4%
Operating income	7,062	4,489	-36.4%
Operating margin	11.1%	6.8%	-

- a. In the Digital Contents business, the featured title “Monster Hunter 4” (for Nintendo 3DS) was supported by overwhelming popularity, as mentioned above, and created a huge buzz even comparable to a sort of social phenomenon. Moreover, sales of “Dead Rising 3” (for Xbox One) that has been geared toward the European and U.S. markets, and “Resident Evil Revelations” (for PlayStation 3, Xbox 360, Wii U and PC) exceeded a million titles each and so three titles have become million-sellers.
- b. In addition, “Dragon’s Dogma: Dark Arisen” (for PlayStation 3 and Xbox 360) showed firm sales while projected sales were basically achieved for “Phoenix Wright: Ace Attorney Dual Destinies” (for Nintendo 3DS).

Furthermore, full-game digital titles, which respond to changes in forms of distribution, contributed to the expansion of sales by growing significantly both at home and overseas in line with the progress in diversification of business models. This included the over-performance of “DuckTales: Remastered” for overseas in addition to the aforementioned “Monster Hunter 4” showing strong sales.

- c. Sales of “Lost Planet 3” (for PlayStation 3, Xbox 360 and PC), were below expectations due in part to intensifying competition in the European and U.S. markets.
- d. Meanwhile, the online game “Monster Hunter Frontier G” (for PC, Xbox 360, PlayStation 3 and Wii U) performed lower than anticipated, but the browser game “Onimusha Soul” which was distributed in Taiwan with the aim of expanding Capcom’s business fields, garnered a great deal of attention and ranked first in popularity. This thereby marked the beginnings of gaining a foothold in the market for the local corporation, which was established two years ago.
- e. However, mobile contents underperformed as a whole due in part to a lack of major titles and the fiercely competitive environment even though “Monster Hunter Hunting Quest” performed steadily.
- f. As a result, net sales were 65,824 million yen (up 3.4% from the previous fiscal year), and operating income was 4,489 million yen (down 36.4% from the previous fiscal year).

## (2) Arcade Operations

(Unit: Millions of Yen)

	Year ended March 31, 2013	Year ended March 31, 2014	Difference (%)
Net sales	10,944	10,620	-3.0%
Operating income	1,709	1,617	-5.4%
Operating margin	15.6%	15.2%	-

- a. In the Arcade Operations business, under the continuous stagnant market circumstances, Capcom has been working to expand customer base. In an effort to reach potential customers, Capcom developed elaborate activities such as conducting “free game experiencing tours” for middle-aged and seniors, and setting up “kids’ corners” for pre-school children, while it endeavored to capture a wider range of customers including core customers, repeat customers and families by renovating arcades and holding various events.
- b. However, the lack of high-performing game machines, intensification of competition with other entertainment and bad weather adversely impacted efforts to attract customers.

- c. With the promotion of a scrap-and-build policy in accordance with changes in the environment, Capcom opened an arcade in Shizuoka City and closed two unprofitable arcades during the period under review, bringing the total number of arcades to 33 as of the end of the period under review.
- d. As a result, net sales were 10,620 million yen (down 3.0% from the previous fiscal year), and operating income was 1,617 million yen (down 5.4% from the previous fiscal year).

### (3) Amusement Equipments

(Unit: Millions of Yen)

	Year ended March 31, 2013	Year ended March 31, 2014	Difference (%)
Net sales	16,783	23,160	38.0%
Operating income	4,892	7,131	45.8%
Operating margin	29.1%	30.8%	-

- a. In the Pachinko & Pachislo business, “Monster Hunter: Gekka Raimei”, in which the motif is a title for which Capcom is known, served to lead the increase of sales and support earnings as it showed a good start due to its synergy with home video game software. In addition, “Devil May Cry 4”, which was released last September, realized better-than-expected sales, contributing to the increase of sales.
- b. On the other hand, in the Arcade Games Sales business, the new coin-operated game machines “Monster Hunter Medal Hunting Compact” and “Mario Party Fushigi no Korokoro Catcher 2” performed solidly.
- c. As a result, net sales were 23,160 million yen (up 38.0% from the previous fiscal year), and operating income was 7,131 million yen (up 45.8% from the previous fiscal year).

### (4) Other Businesses

(Unit: Millions of Yen)

	Year ended March 31, 2013	Year ended March 31, 2014	Difference (%)
Net sales	2,711	2,594	-4.3%
Operating income	740	1,001	35.2%
Operating margin	27.3%	38.6%	-

In Other Businesses, which is mainly the publication of game guidebooks, etc. and selling of character and other goods, net sales were 2,594 million yen (down 4.3% from the previous year), and operating income was 1,001 million yen (up 35.2% from the previous year).