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Press Release

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Announcement of Differences in Non-Consolidated Business Forecast and the Previous Year's Business Results accompanying a Special Gain

Capcom Co. Ltd., (Capcom) today announced it anticipates differences between its non-consolidated business forecast for the fiscal year ending March 31, 2016 (April 1, 2015 – March 31, 2016) and the previous year's business results.

1. Special Gain

In order to avoid double taxation in relation to transfer pricing for transactions with overseas subsidiaries, Capcom has petitioned both the tax authorities in Japan and those in the United Kingdom and the United States of America to cooperate on an Advance Pricing Agreement (“APA” below) with regards to the calculation methods of its arm's length price.

Capcom anticipates an approximate 9.9 billion yen special gain in its non-consolidated results for the fiscal year ending March 2016 because the amount of the price adjustment that accompanies the mutual agreement or provisional mutual agreement of this APA has now been determined. In consideration of this, Capcom will revise its non-consolidated business forecast.

Because transfer price adjustments based upon this mutual agreement are related to intracompany transactions, any impact on the consolidated business forecast will be negligible.

2. Differences between the March 2016 Fiscal Year Non-consolidated Business Forecast and the Previous Year's Business Results (April 1, 2015 – March 31, 2016)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Year ended March 31, 2015 (A)	53,493	8,070	8,021	4,765	84.75
Year ending March 31, 2016 (B)	63,609	6,017	7,345	12,241	217.70
Difference (B-A)	10,116	(2,052)	(677)	7,475	-
Difference (%)	18.9%	(25.4%)	(8.4%)	156.9%	-

Note: The non-consolidated business forecast has not been announced.

3. Reason for Differences

Capcom expects net sales to exceed those of the previous fiscal year because sales of the “Resident Evil 6” pachislo machine grew favorably, buoyed by the strength of its brand; additionally, “Monster Hunter X (Cross)” was the highlight of home video game software sales, scoring a big hit. Further, Capcom anticipates net income to also increase from the last fiscal year due to the special gain discussed above.

Note: The above forecasts are based on information available to management as of the date of the announcement of this release. Actual results may vary due to a variety of unforeseen factors.