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Press Release

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Notice Regarding Recording of Losses from the Termination of Development Projects

Capcom Co., Ltd. (Capcom) announces that it expects to record losses from the termination of development projects in its consolidated financial results for the six months of the fiscal year ending March 31, 2019 (April 1, 2018 – September 30, 2018). Details are as follows:

1. Details of losses from the termination of development projects

Capcom Game Studio Vancouver, Inc., a consolidated subsidiary of Capcom, primarily carries out development of home video game software for markets outside of Japan; however, Capcom is currently reviewing the allocation of its development resources that support the production of world-class content.

In consideration of this process, as a result of reviewing titles in development at Capcom Game Studio Vancouver, Inc., Capcom now expects to record losses from the termination of development projects of approximately 4.5 billion yen under cost of sales in its consolidated financial results for the six months of the fiscal year ending March 31, 2019.

2. Outlook

Regarding Capcom's full-year business forecast, due to factors including the continued robust performance of the PC version of *Monster Hunter: World* exceeding the company's expectations since its release on the Steam platform in August, following the blockbuster performance of the title after its initial release in January of this year, the forecast for Capcom's consolidated business results remains the same as what was projected at the financial results announcement on May 8, 2018.

Further, there are no changes to the amounts of the interim dividend or year-end dividend that were announced on the same day.