



Capcom Co., Ltd.
(Tokyo and Osaka Exchanges, First Section, 9697)

Financial Highlights
First half of fiscal year ending March 31, 2011

Precautions Concerning Forward-looking Statements

Strategies, plans, outlooks and other statements that are not historical facts are based on assumptions that use information currently available and reasonable judgments. Actual performance may be significantly different from these statements for a number of reasons.

In the entertainment industry, which includes Capcom, performance may be highly volatile because of diversifying user needs and other changes in market conditions. Items that can affect Capcom's performance include: (1) the number of hit titles and sales volume in the Home Video Game Business, which accounts for the majority of sales; (2) progress in developing home video games; (3) the popularity of home video game players; (4) sales outside Japan; (5) changes in stock prices and exchange rates; (6) alliances with other companies concerning product development, sales and other operations; and (7) changes in market conditions. Please note that this is not a complete list of factors that can influence Capcom's operating results.



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1. Consolidated Statements of Income

First Half Consolidated Financial Highlights

Sept. 2009 Results vs. Sept. 2010 Results

(Million yen)

	2009/9	2010/9	Difference
Net sales	38,892	40,706	1,814
Operating income	5,574	3,942	-1,632
Ordinary income	5,476	2,880	-2,596
Net income	2,967	1,784	-1,183

Sales increased mainly because of the introduction of several major titles in the Consumer Online Games business.

Operating income was down as higher sales could not offset higher development expenses and impact of the stronger yen.

Ordinary income and net income were down even more due to a foreign exchange loss of ¥1,097 million.

First Half Consolidated Financial Highlights

Sept. 2010 Plan vs. Sept. 2010 Results

(Million yen)

	2010/9Plan	2010/9	Difference
Net sales	40,500	40,706	206
Operating income	3,700	3,942	242
Ordinary income	2,800	2,880	80
Net income	1,700	1,784	84

The plan was revised on October 4 because of changes in foreign exchange rates, mostly due to the yen's strength, and because sales of some titles in the Consumer Online Games business underperformed to the plan. Sales and all earnings figures were generally in line with the revised plan.



2. Segment Information

First Half Segment Information (1)

Business Segment Information Sept. 2009 vs. Sept. 2010

(Million yen)

	2009/9	2010/9	Difference
Consumer Online Games	27,748	30,773	3,025
Mobile Content	-	1,365	-
Arcade Operations	6,249	5,916	-333
Amusement Equipments	-	1,406	-
Other Business	1,676	1,244	-432
Total	38,892	40,706	1,814

*Some prior-year figures are not shown because business segments were revised in FY3/11.

- **Please see the Business Segment Overview and Strategies presentation for more information.**

First Half Segment Information (2)

Geographic Segment Information Sept. 2009 vs. Sept. 2010

(Million yen)				
	2009/9	2010/9	Difference	
Japan	Net Sales	27,906	24,300	-3,606
	Operating Income	7,738	3,985	-3,753
	Operating Margin	27.7%	16.4%	-
North America	Net Sales	6,098	9,782	3,684
	Operating Income	-454	1,270	1,724
	Operating Margin	-7.4%	13.0%	-
Europe	Net Sales	4,371	5,775	1,404
	Operating Income	255	351	96
	Operating Margin	5.8%	6.1%	-

Japan: Sales and earnings down due to the contribution of “Monster Hunter 3 (Tri-)” to the performance in FY2009 1H

North America: Sales and earnings up due to contribution of major titles for overseas markets

Europe: As in North America, sales and earnings up due to the increase in the number of major titles for overseas markets



3. Consolidated Balance Sheets

First Half Consolidated Balance Sheets

Balance Sheets March 31, 2010 vs. Sept. 30, 2010

(Million yen)

	2010/3	2010/9	Difference
Current assets	61,303	65,462	4,159
Fixed assets	25,318	24,946	-372
Total assets	86,621	90,408	3,787
Current liabilities	25,211	26,991	1,780
Long-term liabilities	7,453	10,520	3,067
Total liabilities	32,665	37,511	4,846
Total net assets	53,956	52,897	-1,059
Total liabilities and net assets	86,621	90,408	3,787

First Half Consolidated Balance Sheet Highlights (1)

Balance Sheet Major Changes in Assets

(Million yen)

	2010/3	2010/9	Difference
Cash on hand and in banks	29,865	33,454	3,589
Notes and accounts receivable, trade	6,288	9,601	3,313
Work-in-progress for game software	14,333	12,055	-2,278

(1) Cash on hand and in banks

Increased because of proceeds from September long-term borrowings

(2) Notes and accounts receivable, trade

Launch of “Dead Rising 2” caused receivables to increase

(3) Work-in-progress for game software

Decreased due to the launch of several major titles

First Half Consolidated Balance Sheet Highlights (2)

Balance Sheet Major Changes in Liabilities and Net assets

(Million yen)

	2010/3	2010/9	Difference
Notes and accounts payable, trade	3,477	4,611	1,134
Long-term borrowings	4,355	7,000	2,645
Translation adjustments	-4,752	-6,305	-1,553

(4) Notes and accounts payable, trade

Increase was mainly attributable to procurement expenses, primarily for “Dead Rising 2,” and other items

(5) Long-term borrowings

Increased because of new loans

(6) Translation adjustments

The strong yen caused cumulative translation adjustments to increase



4. Consolidated Statements of Cash Flows

First Half Consolidated Statements of Cash Flows

First Half Consolidated Statements of Cash Flows

(Million yen)

	2009/9	2010/9	Difference
Cash flow from operating activities	19,946	5,420	-14,526
Cash flow from investing activities	-867	-605	262
Cash flow from financing activities	-9,199	1,163	10,362

(1) Cash flows from operating activities

Increased because of increases in first half net income and depreciation expenses

(2) Cash flows from investing activities

Decreased because of payments for acquisition of tangible fixed assets

(3) Cash flows from financing activities

Increased mainly because of proceeds from long-term borrowings



5. Revision in Exchange Rate Assumptions

Effect of foreign exchange rates

Effect of foreign exchange rates

(Yen)

	Previous rates	Revised rates (end of March 31, 2011)
USD/ ¥	90	84
Euro/ ¥	130	110

< Operating income >

- Effect on operating income for each 1 yen appreciation (Annually):

U.S. dollar: Approximately 150 million yen

Euro: Approximately 50 million yen

< Ordinary income >

- The first half foreign exchange loss is also used in the Annual plan