



Capcom Co., Ltd.
(Tokyo Stock Exchange,
First Section, 9697)

**Financial Highlights for the
Fiscal Year ended March 31, 2016**

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 diverging user needs and other changes in market conditions.

Factors 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) consumer demand for home video game consoles; (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

1-1. Consolidated Statements of Income

■ Results: FY3/15 vs. FY3/16

(in millions of JPY)

	2015/3	2016/3	Difference
Net sales	64,277	77,021	12,744
Operating income	10,582	12,029	1,447
Ordinary income	10,851	11,348	497
Net income attributable to owners of the parent	6,616	7,745	1,129

- Revenue and profit increased over the last fiscal year due in large part to the performance of the Digital Contents business
- Sales of new and catalog titles in the Consumer sub-segment grew steadily
- Posted a foreign exchange loss of ¥7.52 million
- Net income per share: ¥137.75

1-1. Consolidated Statements of Income

■ Plan vs. Actual for FY3/16

(in millions of JPY)

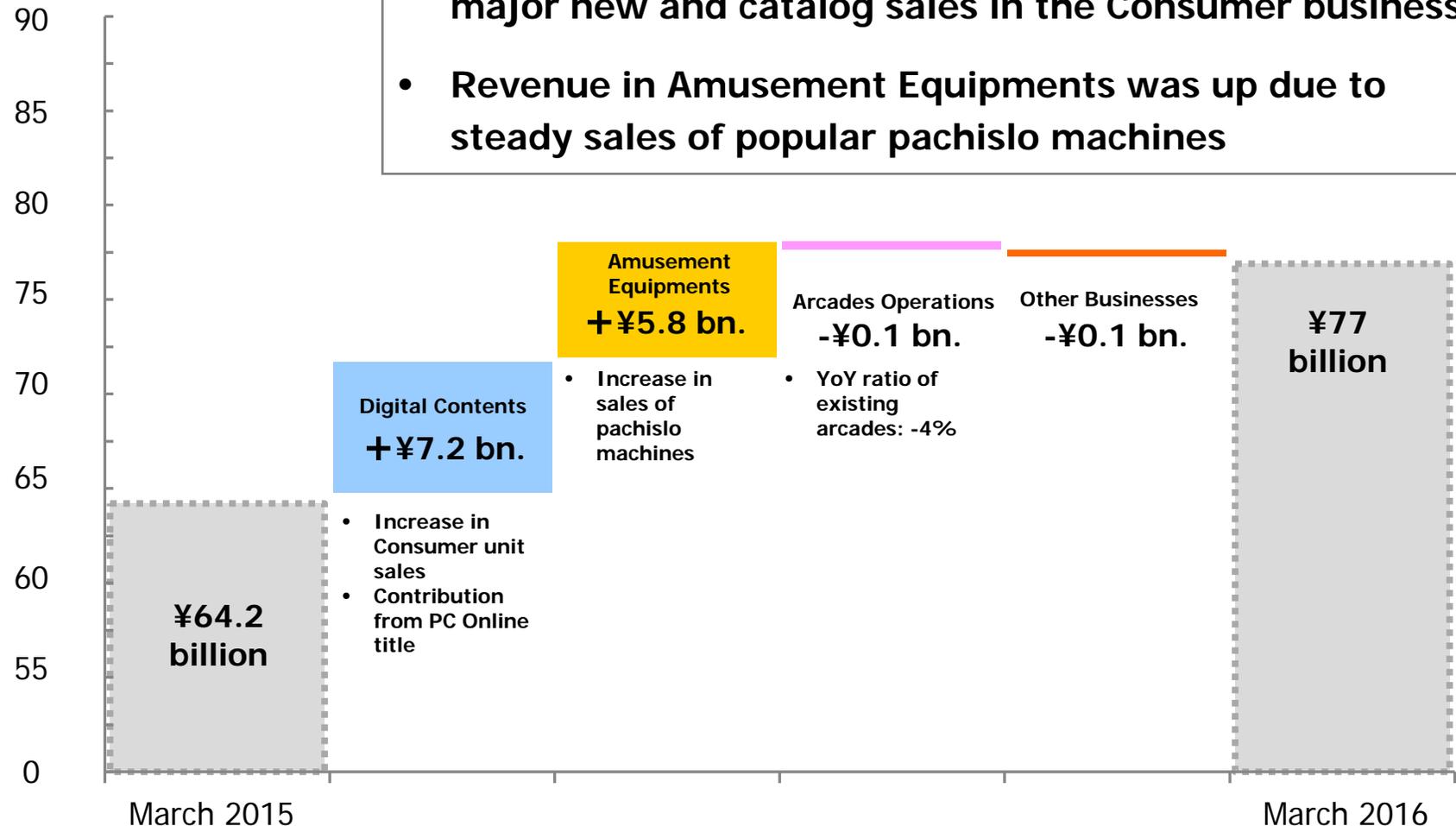
	2016/3 Plan	2016/3	Difference
Net sales	76,000	77,021	1,021
Operating income	12,000	12,029	29
Ordinary income	11,700	11,348	-352
Net income attributable to owners of the parent	7,700	7,745	45

- Sales and earnings were generally in line with the earnings forecast announced on May 7, 2015

1-2. Consolidated Statements of Income Summary (1)

■ Net Sales for FY3/16

(billions of JPY)

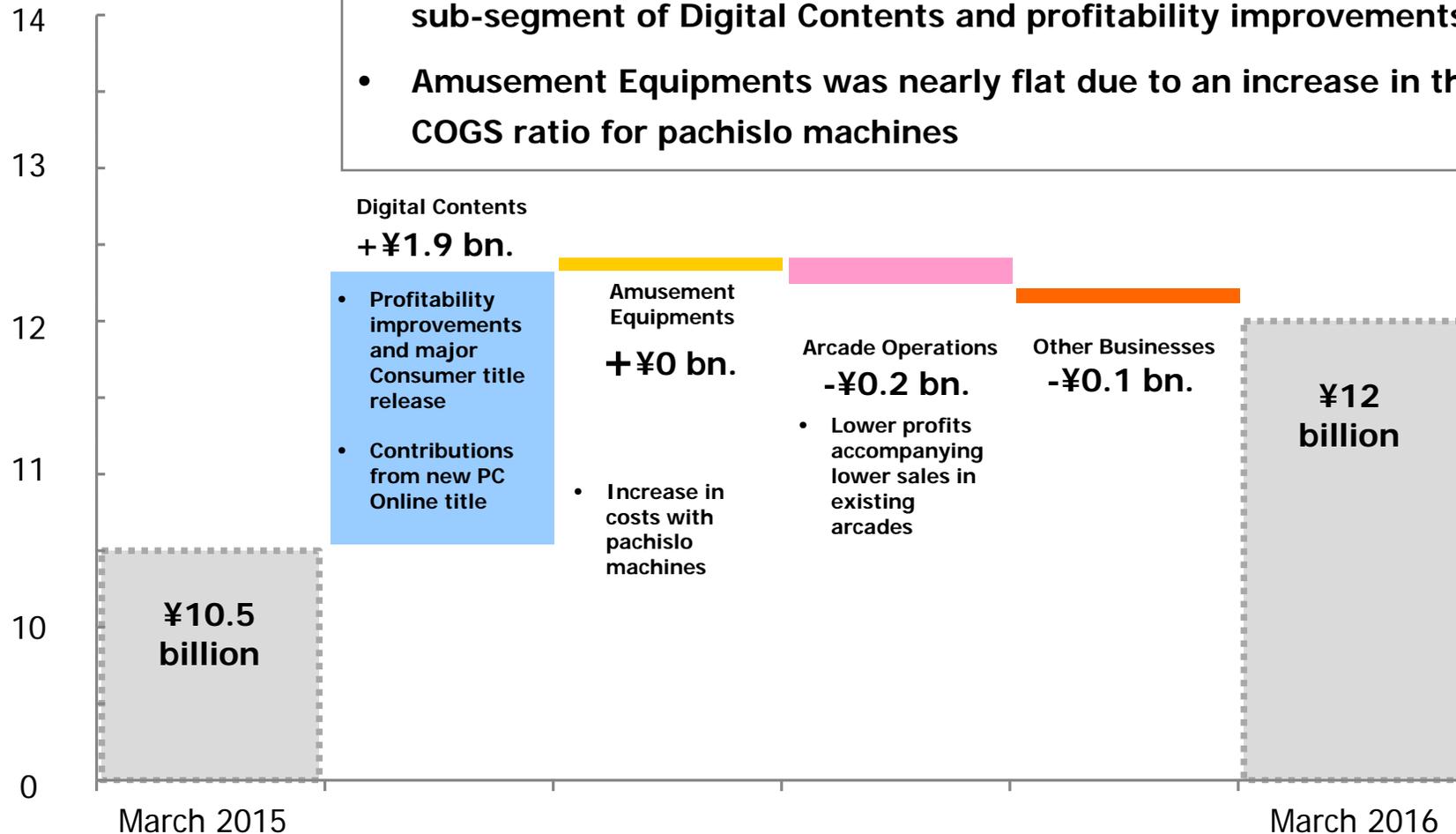


- Digital Contents saw an increase in unit sales due to major new and catalog sales in the Consumer business
- Revenue in Amusement Equipments was up due to steady sales of popular pachislo machines

1-2. Consolidated Statements of Income Summary (2)

■ Operating Income for FY3/16

(billions of JPY)



- Increased profits due to higher revenue primarily in the Consumer sub-segment of Digital Contents and profitability improvements
- Amusement Equipments was nearly flat due to an increase in the COGS ratio for pachislo machines

2. Consolidated Balance Sheets

2. Consolidated Balance Sheets Summary

■ Major Changes in Balance Sheet Items

(millions of JPY)

Assets	2015/3	2016/3	Difference
Work-in-progress for game software	16,833	24,825	7,992
Buildings and structures, net	6,136	11,297	5,161
Online contents in progress	7,895	2,395	-5,500

- 1. Work-in-progress for game software**
 - Increase accompanying titles under development
- 2. Buildings and structures, net**
 - Increase accompanying opening of R&D Building #2
- 3. Online contents in progress**
 - Decrease due to service launch of a new title

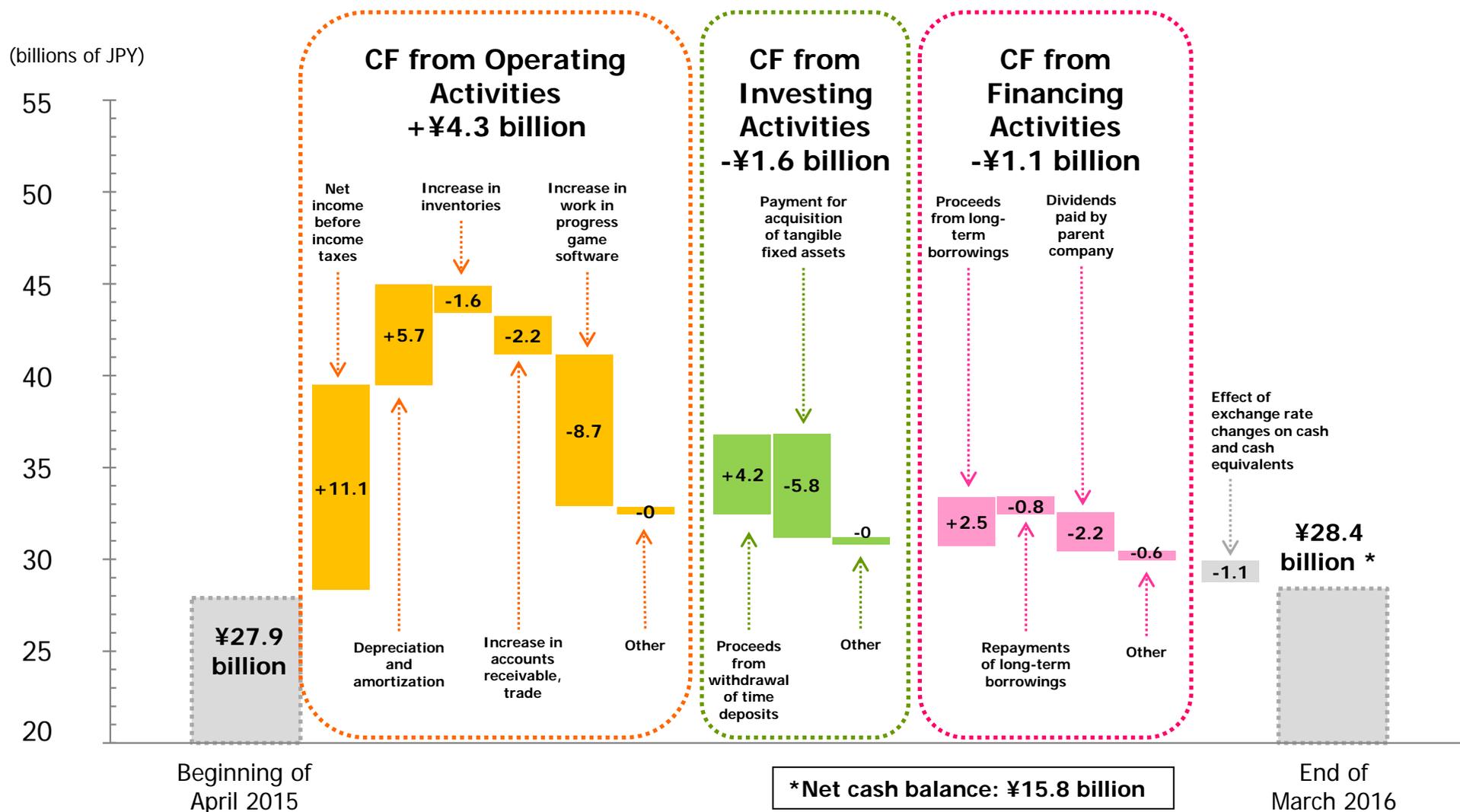
(millions of JPY)

Liabilities	2015/3	2016/3	Difference
Long-term borrowings	7,540	11,111	3,571

3. Consolidated Cash Flows

3. Consolidated Cash Flows Summary

Consolidated Cash Flows for FY3/16



4. Business Segments

4-1. Digital Contents

4-1. Digital Contents (1)

Bolstered lineup and improved profitability Benefits of structural reforms materializing

■ Consumer Highlights

- Steady sales for core titles in Japan and overseas

- “Monster Hunter X (Cross)” exceeded projections, selling 3.3 million units domestically
- “Street Fighter V” moved 1.4 million units for a soft initial start

- Growth in downloads

- Digital downloads sales of new and catalog titles picking up in Europe and North America
- Sales “Resident Evil”, “Devil May Cry” and other major franchises healthy
- Consumer digital download sales ratio: 26%



“Monster Hunter X (Cross)”

4-1. Digital Contents (2)

Core title “Monster Hunter X (Cross)” performed well
Solid sales for other new and catalog titles

■ Sales of Major Consumer Titles for FY3/16

(Thousand units)

Platform	Title	Region	Date	Result
3DS	Monster Hunter X (Cross)	Japan	Nov 28, 2015	3,300
PS4 PC	Street Fighter V	Japan	Feb 18, 2016	1,400
		North America	Feb 16, 2016	
		Europe	Feb 16, 2016	
PS3/PS4 Xbox 360 Xbox One PC	Resident Evil Revelations 2 (catalog sales)	Japan	Feb 25, 2015	850
		North America	Feb 24, 2015	
		Europe	Feb 25, 2015	

- Result includes full-game digital download sales
- Figures for Japan include the Asian region as well
- Units sales of “Resident Evil Revelations 2” include package and all season pass types for the digital download version

4-1. Digital Contents (3)

Successfully expanded lineup over last fiscal year
Growth in both package and digital downloads

■ Consumer Unit Sales for FY3/16

(Thousand units)

	2014/3	2015/3	2016/3	Difference
Titles(SKU)	42	33	45	12
Package				
Japan	6,700	4,000	4,700	700
North America	3,800	2,400	2,600	200
Europe	1,900	1,300	1,200	-100
Asia	300	300	400	100
Package Total	12,700	8,000	8,900	900
Digital download contents				
Full-game download	4,800	5,000	6,100	1,100
Total	17,500	13,000	15,000	2,000

4-1. Digital Contents (4)

New titles rolled out for Mobile and PC Other

■ Mobile Contents Highlights

- Capcom launched “Monster Hunter Explore”, which solidly contributed to earnings
- Beeline focused efforts on existing titles with little results
- Established Mobile Business Division; plan to go on the offensive next fiscal year under integrated organization

■ PC Other Highlights

- Previous decline of “Monster Hunter Frontier G” (MHF) has leveled off due to regular updates
- “Dragon’s Dogma Online” growing into role of core title following MHF
- Developed in cooperation with Tencent Holdings Limited, “Monster Hunter Online” in China officially launched

4-1. Digital Contents (5)

Revenue and profit increased due in large part to Consumer, but Mobile underperformed

■ Breakdown of Sales and Results for FY3/16

(hundreds of millions of JPY)

	2014/3	2015/3	2016/3	Difference
Net sales	658	453	525	72
Operating income	44	102	121	19
Operating margin	6.8%	22.5%	23.1%	—
Breakdown of net sales				
Package	433	262	312	50
Digital Download Contents	97	90	109	19
Consumer total	530	352	421	69
Mobile Contents	65	41	33	-8
PC Other	63	60	71	11

4-2. Arcade Operations

4-2. Arcade Operations

**Continued highly selective store openings and
Efficient operations, however profitability declined**

■ Arcade Operations Highlights

- Thoroughly streamlined management structure of existing arcades
 - YoY cumulative sales for existing arcades down 4%

■ Number of Arcades

	(Facilities)		
	2014/3	2015/3	2016/3
New arcades	1	1	4
Closed arcades	2	1	3
Total	33	33	34

■ Arcade Operations Performance

	(hundreds of millions of JPY)			
	2014/3	2015/3	2016/3	Difference
Net sales	106	92	90	-2
Operating income	16	9	7	-2
Operating margin	15.2%	10.2%	7.7%	-
Y/Y ratio of sales for existing arcades	-5%	-10%	-4%	-



“Capcom Cafe” (Aeon Lake Town kaze)

4-3. Amusement Equipments

4-3. Amusement Equipments

Higher sales compared to last fiscal year due to launch of popular pachislo machine
 Cost to sales ratio increased due to complying with new regulations

■ Pachinko & Pachislo Highlights

- Two models of pachislo machines sold 42 thousand units
 - “Resident Evil 6” sold 37 thousand units

■ Arcade Games Sales Highlights

- Focused on launch of new music game
 - Faced fierce competition in this genre

■ Amusement Equipments Performance

(hundreds of millions of JPY)

	2014/3	2015/3	2016/3	Difference
Net sales	231	75	133	58
Operating income	71	27	28	1
Operating margin	30.8%	36.3%	21.1%	-

*Ratio of Pachinko & Pachislo to Arcade Games sales approx. 9:1



Pachislo Machine
“Resident Evil 6”

4-4. Other Businesses

4-4. Other Businesses

**Continued Single Content Multiple Usage strategy
as part of adjacent business expansion of Capcom game content**

■ Character Contents Highlights

- Expanded licensing and character merchandise associated with home video games
- Increased awareness among non-game players through TV programs, stage shows and other activities
 - Held various collaborations timed with new title releases
 - Stage performances: "Sengoku BASARA 4 Sumeragi" and "BIOHAZARD THE STAGE"



"Sengoku BASARA 4 Sumeragi" the play

■ Other Businesses Performance

(hundreds of millions of JPY)

	2014/3	2015/3	2016/3	Difference
Net sales	25	21	20	-1
Operating income	10	6	5	-1
Operating margin	38.6%	30.8%	25.0%	-



CAPCOM