

**Briefing on Consolidated Financial Results for the Second Quarter of the Year Ending March 31,
2009**

Explanatory summary by Haruhiro Tsujimoto, President and Chief Operating Officer

Handout for Capcom's business strategies for the second quarter of the year ending March 31, 2009:

Overview

I would like to explain the situation of each business for the first half of the year ending March 31, 2009, as well as our plans for the second half of the fiscal year.

P.3-8 Home Video Games Business

First, I would like to talk about the results for the first half of the fiscal year in the Home Video Games business. During the first half of the fiscal year, continued shipments of "Monster Hunter Freedom 2G"—released at the end of the last fiscal year—were brisk in Japan, shipping 1.6 million copies during this period for a total of about 2.6 million copies. In addition, we announced this summer the establishment of a French sales subsidiary as a new sales foothold. This subsequently became our third sales foothold in Europe, following those in the English and German-speaking regions. Moreover, at the Tokyo Game Show 2008 held recently, Capcom's "Monster Hunter Freedom 2G" won the Grand Prize in the 2008 Japan Game Awards, while "Devil May Cry 4" won the Award for Excellence. Our "Resident Evil 5," "Monster Hunter 3 (Tri)," and "Gyakuten Kenji (JAPAN)" were chosen for the FUTURE Award, accenting the high anticipation of users for CAPCOM products. Furthermore, Capcom received the Grand Prix for its "MT framework" technology at the CEDEC Awards, indicating high evaluation from engineers within the same profession.

Regarding title sales in the first half of the fiscal year, sales of "Monster Hunter Freedom 2G" achieved 1.6 million copies. Although "Lost Planet Colonies Edition" shipped about 400,000 copies and "Okami" shipped about 300,000 copies, the contribution of "Monster Hunter Freedom 2G" was the most significant.

My next topic is net sales and sales volumes in each region for the first half of the fiscal year. The earnings in the first half of the fiscal year period recovered from last year, as net sales exceeded last year's level, and many sales were continued sales of products. Our problem was North America and Europe, where we were unable to release any new titles, so sales volume decreased from last year.

Next, I will talk about our strategies for the second half of the fiscal year in the Home Video Games business. Seeking to reap the benefits of our overseas strategies in the second half of the fiscal year, Capcom has been preparing titles that drive our success globally. First of all, we plan to release our big-hit titles across multiple platforms in sequence. "Resident Evil 5" and "Street Fighter IV" will be released as multi-platform games. Although we developed and released "Dead Rising" for Xbox 360 in the past, we are going to transform this into a game for the Wii console, to offer a new style of play using the Wii controller.

In addition, by developing games primarily in foreign countries, we intend to release titles that meet the tastes of foreign customers. "Bionic Commando," "MotoGP 08," the digital distribution game "Super Puzzle Fighter," and others will be released on multiple platforms. Moreover, as we have explained, we will also proceed with preparations for making films related to our game content. "Resident Evil: Degeneration" has been on screen in Japan since October 2008. The film "Street Fighter: The Legend of Chun Li" will be coming out in February 2009. We also seek to maximize our profits from game software by creating a synergy through mixing our marketing for films and video, and our marketing for home video games. When releasing these films, we will release new home video games. The release of the home video game "Resident Evil 5" will be timed to link in with the release of the film "Resident Evil: Degeneration," while the home video game "Street Fighter IV" will be released at the same time as we release the film "Street Fighter: The Legend of Chun Li."

My next topic is our Home Video Games business sales plan for the second half of the fiscal year. Revising our business performance upward, we have changed our target sales for the highly anticipated "Resident Evil 5" in each region. Our sales target for "Resident Evil 5" is 3.25 million copies, adding about a million to the 2.3 million copies from our initial plan at the beginning of this fiscal year. As well as this, we plan to release "Street Fighter IV," "Bionic Commando," and "Dead Rising: Chop Till You Drop." These releases will revise our net sales upward by around 6 billion yen, to 64.3 billion yen, while our sales of home video games will be 19.2 million copies, adding about 1.2 million copies to our initial target. Regarding the breakdown of increases in planned figures for this whole fiscal year, our forecast shows an increase in sales of "Resident Evil 5" of 950,000 copies. Repeat sales of "Monster Hunter Freedom 2G" and its lower priced title sales in Japan will be around 250,000 copies.

P.9-10 Arcade Operations Business

Moving on to the situation of the Arcade Operations business for the first half of the fiscal year. The market situation has been tough since last year. In the first half, net sales on existing store basis were regrettably 84% of last year's sales level. This situation was the result of various problems in the surrounding business environment. Total net sales exceeded the level of last year, but this was due to the opening of new stores in the previous period. On the other hand, we couldn't supplement the profit decrease of the existing stores, so earnings were less than the previous year. Incidentally, during the first half of the fiscal year we opened one store, while closing one store. Aiming to improve earnings through efficient store-opening, Capcom is going to open five new stores and close four unprofitable stores in the second half of the fiscal year.

Concerning prospects for the second half of the fiscal year, we have revised our target in the Arcade Operations business for the full fiscal year downward, as business conditions have continuously failed to improve since last fiscal year. Countermeasures to be taken in the future include closing unprofitable stores and redistributing resources in order to recover earnings at existing stores. When it comes to opening new stores, we carefully examine whether or not we can anticipate high profits. Because the situations of existing stores are not favorable, Capcom will negotiate with each developer sequentially for rent reduction.

Furthermore, we will look to cut costs thoroughly so as to recover our profits through cost adjustment. However, existing store sales are unlikely to see any immediate recovery during the second half of the fiscal year period. By thoroughly enforcing the above mentioned scrap & build, Capcom is seeking to get its whole year operating income into the black.

P.11-12 Arcade Games Sales Business

Next, I would like to describe the situation of the Arcade Games Sales business for the first half of the fiscal year period. Capcom faced an uphill battle in the first half of the fiscal year as well, because the arcade operation market hasn't recovered yet. Specifically, sales of medal games and prize-awarding games, which had been brisk in the last year and the year before, were weak due to deterioration in the market conditions. On the other hand, because sales of arcade video game machines showed favorable results with the contributions of "Sengoku BASARA X," "Fate/Unlimited code," and "Street Fighter IV," our performance in the Arcade Games Sales business as a whole turned out as we planned.

My next topic is our plan for the Arcade Games Sales business for the second half of the fiscal year period. As with the first half of the fiscal year, the centerpiece of Capcom's business will be the release of new arcade video game machines, as well as continued sales of card games. However, we expect that sales of medal games and prize-winning games, which were leading products in the past, will continue to be weak in the second half of the fiscal year period. Taking this situation into account, we have revised our target for the full fiscal year downwards. Regarding arcade video game machines, we plan to release "Tatsunoko vs. Capcom: Cross Generation of Heroes," by the end of the fiscal year, along with major video game titles that we have been developing with other companies in the same industry, with the aim of achieving our goal primarily through these two titles. On a year-to-year basis, we expect our net sales will exceed the previous year's level, while profits will be lower than last year.

P. 13-14 Contents Expansion Business

Next are the results of the first half of the fiscal year in the Contents Expansion business.

With respect to the Pachinko & Pachislo business, as our chairman and Mr. Abe described earlier, sales of the "Resident Evil" series, which is an entrusted business from Yamasa Co., Ltd., are brisk, and the entrusted business in which we have been engaged in the past continues to show positive results. Meanwhile, we have a selling capacity problem in our new collaboration business with Enterrise Co., Ltd. so results were significantly lower than planned figures.

Furthermore, earnings in our Mobile Contents business in the domestic market in the first half of the fiscal year period decreased because sales in the "Ace Attorney" series, which had been good, saw a break, while we failed to release other titles to compensate for this effect. Looking at our overseas business, our performance in North America improved, mainly due to healthy casual games. But of course, the big drop in the performance of the Pachinko & Pachislo and Mobile Contents businesses in Japan drove the results

of the Contents Expansion business considerably lower than the level at the same period of the previous year.

The next issue is our strategies for the Contents Expansion business in the second half of the fiscal year period. With respect to the Pachinko & Pachislo business, Capcom will make Enterrise Co., Ltd. as one of our subsidiaries during the second half of the fiscal year to facilitate prompt improvement of the business structure. Nevertheless, based on our experience with the first Pachislo machine, called "Chun-Li Ni Makase China," we have revised our whole year plan to take into account the risk that restructuring of this business might not be accomplished quickly. We are scheduled to release one new Pachislo model during the second half of the fiscal year.

In addition, in the Mobile Contents business in Japan, we hope that the "Monster Hunter" series will be the next theme to take the position of the above-mentioned "Ace Attorney." Nonetheless, the success of the series hasn't been able to compensate for the loss of profit from "Ace Attorney" yet. As regards the future, we will start developing the next product in the "Ace Attorney" series in the second half of the fiscal year period, aiming at to release it next fiscal year or later. In our overseas Mobile Contents business, as with the first half of the fiscal year period, casual games—which are a licensing business—have been popular in North American market so far. Therefore, Capcom expects to achieve its planned figures by introducing new casual games to the market in the future. In the European market, we will improve profitability by reforming our management along the lines of the North American division. Nevertheless, it's most regrettable that we had to revise our full-year target downward to substantially lower figures than the previous year. This was because not only we have a big drop in the first half of the fiscal year period, but we are also currently unable to expect significant improvement in the second half of this fiscal year.

P. 15 Business Forecast for the Year ending March 31, 2009

Concerning Capcom's earnings forecast for the year ending March 31, 2009, there is no change in our whole year plan, although we revised our sales volume of "Resident Evil 5" in the Home Video Games business upward, while we have been having a hard time in the Arcade Operations business and Contents Expansion business. We expect our net income per share will be 139.70 yen. With respect to dividends, our interim dividend will be 20 yen, including a 5 yen commemorative dividend, while the year-end dividend will be 15 yen, for a total of 35 yen for the year.

This concludes my detailed explanation of the financial results for the second quarter of the fiscal year ending March 31, 2009.