



July 31, 2013

Press Release

Company Name : Capcom Co., Ltd.
 Representative: Haruhiro Tsujimoto, President and COO
 (Company Code: 9697 Tokyo Stock Exchange)
 Contact: Public Relations and Investor Relations Office
 Phone Number: +81-6-6920-3623

Sluggish Decrease on Financial Results for ended June 30, 2013
Down 6.2% in Net Sales, 72.9% in Operating Income from the Previous Term
 - 3 Months Performance was as Planned without Major New Products -

Capcom Co., Ltd. would like to announce that net sales decreased to 17,457 million yen (down 6.2% from the previous year) in the 3 months of fiscal year ending March 31, 2014. As for profits, operating income decreased to 723 million yen (down 72.9% from the previous year), and ordinary income decreased to 1,151 million yen (down 47.9 % from the previous year). Net income for the current period decreased to 828 million yen (down 37.3 % from the previous year).

During the 3 months, “Resident Evil Revelations” basically achieved projected units and “Dragon’s Dogma: Dark Arisen” enjoyed solid sales in the Digital Contents business. On the other hand, the online title “Monster Hunter Frontier G” performed steadily, while the browser title “Onimusha Soul”, distributed in Taiwan in order to expand the Company’s business field, enjoyed a successful launch.

In the Arcade Games Sale division, business consisted mainly of repeat sales of “Resident Evil5”, which contributed to the earnings.

However, consolidated financial results for ended June 30, 2013 was decreased in sales and all profits from the same term last year, because of the lower ASP for the package software and the lack of major titles for the mobile contents in the Digital Content business.

The forecast for the consolidated business results for the current fiscal year ending March 31, 2014 remains the same as what was projected at the financial results announcement on May 8, 2013.

1. Results for the 1st quarter ended June 30, 2013 (from April 1, 2013 to June 30, 2013)

	Net sales	Operating income	Ordinary income	Net income
	Million Yen	Million Yen	Million Yen	Million Yen
3 months ended June 30, 2013	17,457	723	1,151	828
3 months ended June 30, 2012	18,620	2,669	2,209	1,320

2. Earnings forecast for the fiscal year ending March 31, 2014

	Net sales	Operating income	Ordinary income	Net income	Earnings per share of common stock
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Year ending March 31, 2014	97,000	12,000	11,700	6,800	120 .61

3. Status of Each Operational Department

(1) Digital Contents

(Unit: Million Yen)

	3 months ended June 30, 2012	3 months ended June 30, 2013	Difference (%)
Net sales	13,740	12,454	-9.4%
Operating income	2,401	423	-82.4%
Operating margin	17.5%	3.4%	-

- a. In this business segment, although “Resident Evil Revelations” (for PlayStation 3, Xbox 360, Wii U and PC) basically achieved projected sales and “Dragon’s Dogma: Dark Arisen” (for PlayStation 3 and Xbox 360) enjoyed solid sales, they fell short of driving an increase in sales.
- b. On the other hand, the online title “Monster Hunter Frontier G”(for PCs and Xbox 360) performed strongly, while the browser title “Onimusha Soul”, distributed in Taiwan in order to expand the Company’s business field, enjoyed a successful launch, being ranked first in popularity and garnering a great deal of attention.
- c. Further, the Beeline brand’s flagship title “Smurfs’ Village” maintained its long-term popularity, providing stable income.
- d. However, mobile contents did not achieve expected levels of sales throughout the period under review, due in part to the lack of major titles.
- e. The resulting net sales were 12,454 million yen (down 9.4% from the same term last year), and operating income was 423 million yen (down 82.4% from the same term last year).

(2) Arcade Operations

(Unit: Million Yen)

	3 months ended June 30, 2012	3 months ended June 30, 2013	Difference (%)
Net sales	2,575	2,484	-3.5%
Operating income	386	366	-5.1%
Operating margin	15.0%	14.7%	-

- a. In the Arcade Operations business, efforts were made to capture a broad customer base and stimulate demand in pursuit of the “No. 1 shop in the area” by winning core customers, securing repeat customers and attracting families by expanding our activities, such as various events, to attract local customers in the stagnant market.
- b. However, the lack of high-performing game machines, intensification of competition with other modes of entertainment and bad weather adversely impacted the Company’s efforts to attract customers.
- c. Since we opened an arcade in the “MARK IS Shizuoka” shopping center in Shizuoka City, our total number of arcades became 35 as of the end of the period under review.
- d. The resulting net sales were 2,484 million yen (down 3.5% from the same term last year), and operating income was 366 million yen (down 5.1% from the same term last year).

(3) Amusement Equipments

(Unit: Million Yen)

	3 months ended June 30, 2012	3 months ended June 30, 2013	Difference (%)
Net sales	1,711	2,042	19.4%
Operating income	691	659	-4.7%
Operating margin	40.4%	32.3%	-

- a. In the Pachinko & Pachislo division, business consisted mainly of repeat sales and contracted product development due to the absence of new products.
- b. In the Arcade Games Sales business, a new coin-operated game machine “Mario Party Fushigi no Korokoro Catcher 2” performed solidly.
- c. The resulting net sales were 2,042 million yen (up 19.4% from the same term last year), and operating income was 659 million yen (down 4.7% from the same term last year).

(4) Other Businesses

(Unit: Million Yen)

	3 months ended June 30, 2012	3 months ended June 30, 2013	Difference (%)
Net sales	593	476	-19.7%
Operating income	230	224	-2.6%
Operating margin	38.8%	47.1%	-

The net sales from Other Businesses, mainly consisting of publication of game guidebooks and sales of related goods, were 476 million yen (down 19.7% from the same term last year), and operating income was 224 million yen (down 2.6% from the same term last year).