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Press Release

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**Decrease on Financial Results for ended September 30, 2014**  
**Down in Net sales 53.1%, 41.6% in Operating Income from the Previous Term**

- Profitability Improved despite Backlash One Year Earlier from the Launch of Major Title -

Capcom Co., Ltd. would like to announce that consolidated sales and profits decreased in the 6 months of fiscal year ending March 31, 2015, with net sales of 25,917 million yen (down 51.3% from the same term last year), operating income of 4,383 million yen (down 41.6% from the same term last year), ordinary income of 4,540 million yen (down 44.6% from the same term last year), and net income of 2,973 million yen (down 39.9% from the same term last year).

During the 6 months ended September 30, 2014, Digital Contents business did not introduce any major software titles, but “Ultra Street Fighter IV” posted steady sales, concentrated on expanding sales through devoting effort to grow digital download sales, various promotional activities, and so forth. Moreover, in addition to measures aimed at reorganizing the business structure of its Mobile Contents sub-segment and others, the company endeavored to improve its profitability by reducing the cost of sales and cutting back on selling, general and administrative expenses.

Also, in the Amusement Equipments business, thanks to “Sengoku BASARA 3” which launched on September continued to perform planned, it supported sales growth.

As a result, by a backlash following the massive success of “Monster Hunter 4” the same term last year, consolidated sales and profits decreased for the second quarter, however, operation margin of 16.9% (up 2.8 point from the same term last year) and raised profitability.

The forecast for the consolidated business results for the current fiscal year ending March 31, 2015 remains the same as what was projected at the financial results announcement on May 8, 2014.

1. Results for the 6months ended September 30, 2014 (from April 1, 2014 to September 30, 2014)

	Net sales	Operating income	Ordinary income	Net income
	Million Yen	Million Yen	Million Yen	Million Yen
6 months ended September 30, 2014	25,917	4,383	4,540	2,973
6 months ended September 30, 2013	53,234	7,509	8,190	4,950

## 2. Earnings forecast for the fiscal year ending March 31, 2015

	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, 2015	80,000	10,500	10,200	6,600	117.37

## 3. Status of Each Operational Department

### (1) Digital Contents

(Unit: Million Yen)

	6 months ended September 30, 2013	6 months ended September 30, 2014	Difference (%)
Net sales	37,510	13,463	-64.1%
Operating income	5,380	2,150	-60.0%
Operating margin	14.3%	16.0%	-

- a. In the Digital Contents business, “Ultra Street Fighter IV” (for PlayStation 3, Xbox 360, and PC) and “Phoenix Wright: Ace Attorney Trilogy” (for Nintendo 3DS) posted steady sales, while “Dead Rising 3” (for Xbox One and PC), which sold over a million units in the previous fiscal year, continued to do well. However, no major new titles were released in this period, so sales focused on existing products.
- b. Meanwhile, the online titles “Monster Hunter Frontier G” series (for PC, Xbox 360, PlayStation 3, Wii U, and PlayStation Vita) performed solidly.
- c. In addition, in the Mobile Contents sub-segment, despite the fact that there were no major titles aside from some exceptions like “Monster Hunter Freedom Unite for iOS”, profitability improved thanks to a successful overhaul of the profit structure.
- d. Because small titles and repeat sales made up the majority of sales overall due to the lack of major titles in the lineup during the period under review, sales were not sufficient to offset the aforementioned downturn in “Monster Hunter 4” (for Nintendo 3DS) sales, even though the digital download content supported sales growth.
- e. As a result, net sales were 13,463 million yen (down 64.1% from the same term last year) and operating income was 2,150 million yen (down 60.0% from the same term last year).

## (2) Arcade Operations

(Unit: Million Yen)

	6 months ended September 30, 2013	6 months ended September 30, 2014	Difference (%)
Net sales	5,461	4,820	-11.7%
Operating income	975	660	-32.3%
Operating margin	17.9%	13.7%	-

- a. In the Arcade Operations business, with the market continuing to be weak due to the decentralization of the entertainment industry, a lack of products that attract new customers, and other factors, Capcom strived to develop community-based arcades through holding promotional events and installing game machines that appeal to a broad range of customers.
- b. However, business remained weak due to the underperformance of existing arcades, in addition to the impact of the consumption tax hike and other factors.
- c. During the period under review, one unprofitable arcade was closed, bringing the total number of arcades to 32.
- d. As a result, net sales were 4,820 million yen (down 11.7% from the same term last year) and operating income was 660 million yen (down 32.3% from the same term last year).

## (3) Amusement Equipments

(Unit: Million Yen)

	6 months ended September 30, 2013	6 months ended September 30, 2014	Difference (%)
Net sales	8,921	6,881	-22.9%
Operating income	2,519	3,159	25.4%
Operating margin	28.2%	45.9%	-

- a. In the Pachinko & Pachislo sub-segment, “Sengoku BASARA 3” continued to perform as planned, while Capcom concentrated on repeat sales and the contracted product development business.
- b. In the Arcade Games Sales sub-segment, even though “Onimusha Soul Card Rush” was launched, sales centered on existing products.
- c. As a result, net sales were 6,881 million yen (down 22.9% from the same term last year) and operating income was 3,159 million yen (up 25.4% from the same term last year).

(4) Other Businesses

(Unit: Million Yen)

	6 months ended September 30, 2013	6 months ended September 30, 2014	Difference (%)
Net sales	1,341	752	-43.9%
Operating income	518	225	-56.5%
Operating margin	38.6%	29.9%	-

The net sales from Other Businesses, mainly consisting of the publication of game guidebooks and the sales of related goods were 752 million yen (down 43.9% from the same term last year) and operating income was 225 million yen (down 56.5% from the same term last year).