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Press Release

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**Net Sales for the 6 Months Ended September 30, 2015 Increased 22.1%,
35.1% Decrease in Operating Income from the Previous Term**

- Healthy progress made with repeat and digital sales while company prepares launch of major titles for the second half of the year -

Capcom Co., Ltd. today announced that net sales increased to 31,638 million yen in its consolidated business results for the first six months of the fiscal year ending March 31, 2016 (up 22.1% from the same period in the previous year). As for profits, operating income was 2,844 million yen (down 35.1% from the previous year), and ordinary income was 2,891 million yen (down 36.3% from the previous year). Net income attributable to owners of the parent decreased to 1,951 million yen (down 34.4% from the previous year).

During the same consolidated cumulative six-month period, in the Digital Contents business repeat sales and digital download sales of titles such as “Monster Hunter 4 Ultimate” and “Resident Evil Revelations 2” were firm, particularly in overseas markets, while sales of “Sengoku BASARA 4 SUMERAGI” were solid in Japan. Additionally, the recently launched online game “Dragon's Dogma Online” and “Monster Hunter Explore” for mobile have both made an excellent start.

Furthermore, in the Amusement Equipments business, unit sales of the long-awaited pachislo machine “Resident Evil 6” also contributed to the increase in sales.

Profitability, however, lost momentum due to higher costs and some sales shortfalls in the Amusement Equipments business, as well as slower sales of existing titles in the PC Online and Mobile Contents sub-segments.

The forecast for the consolidated business results for the current fiscal year ending March 31, 2016 remains the same as what was projected at the financial results announcement on May 7, 2015.

1. Results for the 6 months ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
	Million Yen	Million Yen	Million Yen	Million Yen
6 months ended September 30, 2015	31,638	2,844	2,891	1,951
6 months ended September 30, 2014	25,917	4,383	4,540	2,973

2. Earnings forecast for the fiscal year ending March 31, 2016

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Earnings per share of common stock
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Year ending March 31, 2016	76,000	12,000	11,700	7,700	136 94

3. Status of Each Operational Department

(1) Digital Contents

(Unit: Million Yen)

	6 months ended September 30, 2014	6 months ended September 30, 2015	Difference (%)
Net sales	13,463	14,304	6.2%
Operating income	2,150	1,533	-28.7%
Operating margin	16.0%	10.7%	-

- a. In the Digital Contents business, while sales of “Sengoku BASARA 4 SUMERAGI” (for PlayStation 4 and PlayStation 3) were solid thanks to the well-established brand power, “DAIGYAKUTENSAIBAN” (for the Nintendo 3DS system) remained slow. On the other hand, sales of repeat titles and digital download sales were firm, particularly in overseas markets.
- b. In terms of online games, “Dragon's Dogma Online” (for PlayStation 4, PlayStation 3 and PC), an online open-world action game where players can freely experience a host of adventures, had a good start. The Company also started distributing the new mobile title, “Monster Hunter Explore” (for Android and iOS).
- c. The resulting net sales were 14,304 million yen (up 6.2% from the same term last year), and operating income was 1,533 million yen (down 28.7% from the same term last year).

(2) Arcade Operations

(Unit: Million Yen)

	6 months ended September 30, 2014	6 months ended September 30, 2015	Difference (%)
Net sales	4,820	4,405	-8.6%
Operating income	660	355	-46.2%
Operating margin	13.7%	8.1%	-

- a. In the Arcade Operations business, with the market continuing to be weak, the Company strived to expand its customer base by attracting customers through diverse measures such as holding various events and service days for the middle-aged and seniors by offering “free game experience tours” and the setting up of “Asobi Okoku peekaboo” sites and “Kids’ Corner” sections targeting younger children.

- b. Nonetheless, the segment results were soft, partly because of the lack of a high-performance product and the decentralization of the entertainment industry, resulting from the overlapping of arcade game players with smartphone users.
- c. During the fiscal year under review, a new arcade was opened while one arcade was closed, bringing the total number of arcades to 33.
- d. The resulting net sales were 4,405 million yen (down 8.6% from the same term last year), and operating income was 355 million yen (down 46.2% from the same term last year).

(3) Amusement Equipments

(Unit: Million Yen)

	6 months ended September 30, 2014	6 months ended September 30, 2015	Difference (%)
Net sales	6,881	12,132	76.3%
Operating income	3,159	2,551	-19.2%
Operating margin	45.9%	21.0%	-

- a. In the Pachinko & Pachislo sub-segment, unit sales of the long-awaited “Resident Evil 6” strongly increased with the support of loyal fans, which has backed the improvement in revenue as it contributed to the increase in sales. In September, “Asura's Wrath” was also released.
- b. In the Arcade Games Sales sub-segment, the Company launched “Luigi Mansion Arcade” and started the operation of the first music game “crossbeats REV.” for arcades.
- c. The resulting net sales were 12,132 million yen (up 76.3% from the same term last year), and operating income was 2,551 million yen (down 19.2% from the same term last year).

(4) Other Businesses

(Unit: Million Yen)

	6 months ended September 30, 2014	6 months ended September 30, 2015	Difference (%)
Net sales	752	795	5.8%
Operating income	225	253	12.5%
Operating margin	29.9%	31.8%	-

The net sales from Other Businesses, mainly consisting of publication of game guidebooks and sale of related goods, were 795 million yen (up 5.8% from the same term last year), and operating income was 253 million yen (up 12.5% from the same term last year).