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Press Release

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**Financial Results for the Fiscal Year Ended March 31, 2016**

**Sales and Profits Up: Net Sales increased 19.8%, Operating Income increased 13.7%**

- Increase in ratio of digital download sales and launch of major titles mark clear success of growth strategy -

Capcom Co., Ltd. (Capcom) today announced that in the fiscal year ended March 31, 2016 net sales increased to 77,021 million yen (up 19.8% from the previous year), operating income increased to 12,029 million yen (up 13.7 % from the previous year), and ordinary income increased to 11,348 million yen (up 4.6 % from the previous year). Net income attributable to owners of the parent for the year increased to 7,745 million yen (up 17.1% from the previous year).

In the Digital Contents business, the latest entry in Capcom's flagship series, "Monster Hunter X (Cross)", proved highly popular, beating its sales forecast with more than 3 million units sold; also contributing to increased sales and profits was "Resident Evil 0 HD Remaster", which enjoyed solid unit sales. Further, digital download sales of catalog titles grew, indicating stable demand for them primarily overseas.

Elsewhere, in addition to an adequate performance from the new "Dragon's Dogma Online" in Online Games, "Monster Hunter Explore" exceeded 3 million downloads, signaling signs of a breakthrough in the Mobile Contents situation.

Accordingly, for the fiscal year ended March 31, 2016 net sales increased to 77,021 million yen (up 19.8% from the previous year), operating income increased to 12,029 million yen (up 13.7 % from the previous year), ordinary income increased to 11,348 million yen (up 4.6 % from the previous year), and net income attributable to owners of the parent increased to 7,745 million yen (up 17.1% from the previous year), exceeding results for the last fiscal year in all categories of sales and profit.

In regard to its future outlook, Capcom will aim to increase revenue by promoting the continuous growth of its Digital Contents business via major title releases and strengthened digital download sales while stabilizing releases of pachislo machines in its Arcade Equipments business. Capcom's earnings forecast for the fiscal year ending March 31, 2017 anticipates increases in sales and profits, with 85,000 million yen in net sales and 13,600 million yen in operating income.

### 1. Consolidated Financial Results of the Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
	Million Yen	Million Yen	Million Yen	Million Yen
Year ended March 31, 2016	77,021	12,029	11,348	7,745
Year ended March 31, 2015	64,277	10,582	10,851	6,616

### 2. Forecast for the Fiscal Year Ending March 31, 2017

	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, 2017	85,000	13,600	13,300	9,000	160.06

Note: Capcom discloses only full year business forecasts, as it manages its business performance on an annual basis.

### 3. Status of Each Operational Department

#### (1) Digital Contents

(Unit: Millions of Yen)

	Year ended March 31, 2015	Year ended March 31, 2016	Difference (%)
Net sales	45,351	52,577	15.9%
Operating income	10,208	12,167	19.2%
Operating margin	22.5%	23.1%	-

- a. In the Digital Contents business, the latest title in the featured series, “Monster Hunter X (Cross)” (for the Nintendo 3DS system), was a major hit, with sales of more than 3 million units, surpassing the initially-planned 2.5 million units, which contributed significantly to both sales and profits. Additionally, “Resident Evil 0 (HD Remastered)” (for PlayStation 4, PlayStation 3, Xbox One, Xbox 360, and PC) steadily increased unit sales, while “Street Fighter V” (for PlayStation 4 and PC) remained a perennial favorite and maintained steady sales mainly overseas. Moreover, sales of catalog titles grew, while digital downloads also became a stable source of revenue from a solid performance thanks to the synergistic effects from package sales.
- b. Meanwhile with regard to 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, performed favorably. At the same time, mobile contents sales improved as downloads of “Monster Hunter Explore” (for Android and iOS) surpassed 3 million, indicating signs of a breakthrough in the current situation of the mobile contents segment.

- c. The resulting net sales were 52,577 million yen (up 15.9 % from the previous fiscal year), and operating income was 12,167 million yen (up 19.2% from the previous fiscal year).

## (2) Arcade Operations

(Unit: Millions of Yen)

	Year ended March 31, 2015	Year ended March 31, 2016	Difference (%)
Net sales	9,241	9,056	-2.0%
Operating income	940	699	-25.6%
Operating margin	10.2%	7.7%	-

- a. In the Arcade Operations business, with the slow pace of market recovery, the Company strived to expand its customer base by means of community-based store strategies. For example, measures were taken to attract customers including women and families by holding various events and conducting service days for the middle-aged and seniors by offering “free game experience tours” and setting up additional “Asobi Oukoku 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 as well as sluggish demand due to the dispersion of entertainment, resulting from the overlapping of arcade game players with smartphone users.
- c. During the period under review, the Company developed its arcade operations through its scrap and build strategy, and opened four arcades including the “Amuse Factory Tokoname” (Aichi Prefecture) and the innovative “Capcom Cafe” (Saitama Prefecture), while closing three arcades, bringing the total number of arcades to 34.
- d. The resulting net sales were 9,056 million yen (down 2.0% from the previous fiscal year), and operating income was 699 million yen (down 25.6% from the previous fiscal year).

## (3) Amusement Equipments

(Unit: Millions of Yen)

	Year ended March 31, 2015	Year ended March 31, 2016	Difference (%)
Net sales	7,540	13,343	77.0%
Operating income	2,736	2,812	2.8%
Operating margin	36.3%	21.1%	-

- a. In the Pachinko & Pachislo sub-segment, “Resident Evil 6” demonstrated its strengths as a major brand by strongly increasing unit sales, backing the improvement in revenue as it contributed to the increase in sales. However, sales of “Asura's Wrath” remained weak.

- b. Meanwhile, in the Arcade Games Sales sub-segment, sales of “Luigi Mansion Arcade” were weak reflecting the sluggish market, while “crossbeats REV.” for arcades also struggled.
- c. The resulting net sales were 13,343 million yen (up 77.0% from the previous fiscal year), and operating income was 2,812 million yen (up 2.8% from the previous fiscal year).

(4) Other Businesses

(Unit: Millions of Yen)

	Year ended March 31, 2015	Year ended March 31, 2016	Difference (%)
Net sales	2,144	2,043	-4.7%
Operating income	661	511	-22.7%
Operating margin	30.8%	25.0%	-

The net sales from Other Businesses, mainly consisting of the publication of game guidebooks and sale of character merchandise, were 2,043 million yen (down 4.7% from the previous fiscal year), and operating income was 511 million yen (down 22.7% from the previous fiscal year).