

**Consolidated financial results for the 6 months
of the fiscal year ending March 31, 2013 (Japan GAAP - Unaudited)**

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 Code number: 9697
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 Quarterly earnings presentation : Yes (For institutional investors)

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 Stock listing: Tokyo, Osaka
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Dividend payment date: November 19, 2012

Note: Numbers are rounded down to the nearest 1 million yen.

1. Results for 6 months ended September 30, 2012 (From April 1, 2012 to September 30, 2012)

(1) Financial results

Note: Percentage represents change from the same period of the previous fiscal year.

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
6 months ended September 30, 2012	45,538	55.7	6,515	134.2	6,076	218.5	4,125	355.1
6 months ended September 30, 2011	29,252	-28.1	2,782	-29.4	1,907	-33.8	906	-49.2

Note: Comprehensive income 2nd quarter ended September 30, 2012: 3,036 million yen (- %) 2nd quarter ended September 30, 2011: -547 million yen (- %)

	Earnings per share of common stock	Diluted earnings per share of common stock
	Yen	Yen
6 months ended September 30, 2012	71.64	—
6 months ended September 30, 2011	15.56	—

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio to total assets
	Millions of yen	Millions of yen	%
2nd quarter ended September 30, 2012	104,891	60,948	58.1
Fiscal year ended March 31, 2012	98,247	59,352	60.4

Reference: Shareholders' equity: 2nd quarter ended September 30, 2012: 60,948 million yen Year ended March 31, 2012: 59,352 million yen

2. Dividends

Record date	Dividend per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Annual
	yen	yen	yen	yen	yen
Year ended March 31, 2012	—	15.00	—	25.00	40.00
Year ending March 31, 2013	—	15.00	—	25.00	40.00
Year ending March 31, 2013 (Forecast)			—	25.00	40.00

(Note) Changes in dividends forecast during the 6months ended September 30, 2012 : No

3. Earnings forecast for the fiscal year ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

Note: Percentage represents change from the same period of the previous fiscal year.

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2013	105,000	27.9	15,800	28.3	15,700	32.8	9,800	45.7	170.19

(Note) Changes in earnings forecast during the 6 months ended September 30, 2012 : No

4. Others

(1) Changes in significant consolidated subsidiaries during the period: No

(2) Application of simplified methods in accounting principle for quarterly consolidated financial statements: Yes

(Note: Please refer to "2. Other information" on page 5 for more details.)

(3) Changes in accounting principles, accounting estimates and retrospective restatement for consolidated financial statements

① Changes resulting from amendment of the accounting standard: Yes

② Changes other than ①: No

③ Changes in accounting estimates: Yes

④ Retrospective restatement: No

(Note: Effective from the 1st quarter for the current fiscal year, Capcom and its domestic subsidiaries have changed their depreciation methods. This change is treated as a case "when it is difficult to distinguish between a change in accounting policy and a change in an accounting estimates". Please refer to "2. Other information" on page 5 for more details.)

(4) Number of shares outstanding (Common stock):

① Number of shares outstanding (including treasury stock)

2nd quarter ended September 30, 2012:	67,723,244	Year ended March 31, 2011:	67,723,244
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② Number of treasury stock

2nd quarter ended September 30, 2012:	10,139,266	Year ended March 31, 2011:	10,138,856
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③ Average number of shares outstanding

6 months ended September 30, 2012:	57,584,153	6 months ended September 30, 2011:	58,243,307
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(Explanation about the appropriate usage of business prospects and other special notes)

- The above-mentioned business forecasts were based on the information available as of the date of the release of this report.
- Future events may cause the actual results to be significantly different from the forecasts.
- Please refer to [Qualitative information regarding the consolidated business forecast] on page 5 for more details.

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1. Qualitative information regarding the consolidated business

(1) The progress of the consolidated business results including related qualitative information

Although the Japanese economy during the 6 months period ended September 30, 2012 saw solid consumer spending and capital expenditure, it remained leveling off more or less due to the concerns of the unsettled Eurozone crisis and slowdown in the U.S. and the Chinese economies, in addition to prolonged appreciation of the yen and low stock prices.

The home video game market, which is our core business segment in the video game industry, saw a recovery trend in the domestic market with an increase in hardware sales uplifting the market overall, due primarily to the success of the several new mobile game consoles that were marketed since last year, although overseas markets remained stagnant.

In the meantime, the social game market, which had been growing at a tremendous rate, lost some of its momentum due in part to voluntary restrictions on usage limits following an issue concerning a sales method known as “complete gacha” (method of awarding valuable virtual items where players are allowed to make faster progress in games by purchasing or otherwise obtaining a “complete” set of virtual items).

Under these circumstances, the feature title “Resident Evil 6” (for PlayStation 3 and Xbox 360) was shipped at the end of September, in addition to “Dragon’s Dogma” (for PlayStation 3 and Xbox 360) faring well in the domestic market.

Further, Capcom held various events including “CAPTIVATE” in Italy, which is a promotional event targeting the overseas markets, as well as “CAPCOM SUMMER JAM” which provided opportunities to experience the latest games from Capcom and “Monster Hunter Orchestra Concert Tour” that included performances in six cities nationwide. Additionally, a television drama based on the “Sengoku BASARA” series were broadcasted and the Hollywood film “Resident Evil: Retribution” based on Capcom’s flagship software “Resident Evil” series has been in theaters worldwide, including in Japan and the United States, in order to promote synergistic effect with popular software. Capcom was able to increase the visibility of major contents, as well as enhance brand value, through mixed media promotion.

As a result, the Company recorded sales of 45,538 million yen (up 55.7% from the same term last year), operating income of 6,515 million yen (up 134.2% from the same term last year), ordinary income of 6,076 million yen (up 218.5% from the same term last year), and net income of 4,125 million yen (up 355.1% from the same term last year) for the consolidated results for the 6 months period this year.

Status of each operational department

① Digital Contents business

This business segment saw the flagship title “Resident Evil 6” (for PlayStation 3 and Xbox 360) off to a good start. In addition, Capcom’s first open world game “Dragon’s Dogma” (for PlayStation 3 and Xbox 360) enjoyed popularity exceeding expectations in the more profitable domestic market, becoming a million seller unprecedented among recent new brand games developed and published by the Company.

“Resident Evil: Operation Raccoon City” (for PlayStation 3 and Xbox 360), which was launched during the previous fiscal year, also enjoyed steady growth in sales. Additionally, downloadable contents also contributed to improved profit, supported by their stable popularity.

In the meantime, as the platform progressively transitioned from feature phones (conventional mobile phones) to smartphones (high-function mobile phones) in the social game market, “Minna to Monhan Card Master”, which started distributing through Mobage in the previous fiscal year, continued to maintain steady sales and “Resident Evil: Outbreak Survive” for GREE achieved more than two million registered SNS members by steadily gaining new users. In addition “Sengoku BASARA: Card Heroes” started distributing.

Furthermore, other social games remained strong; for example, “The Smurfs’ Village” and “Snoopy’s Street Fair”, long-term popular titles under “Beeline”, our strategic brand, brought Capcom steady fees by obtaining a wide range of users.

“Monster Hunter Frontier Online” series also secured a stable income.

The Resulting net sales were 34,993 million yen (up 69.1% from the same term last year), and operating income was 5,777 million yen (up 83.1% from the same term last year).

② Arcade Operations business

In Arcade Operations business, efforts were made to develop new customers, secure repeat customers and expand the customers base elaborating activities to attract customers such as various events and discount days in pursuit of the “No. 1 shop in the area”, as well as hands-on tours and implementation of a membership system for older customers, while pressing forward with our efficient store strategy, including the closure of unprofitable facilities.

However, we were unable to avoid the impact of the shortage of alternative products and the backlash of increase in demand after the Great East Japan Earthquake in the same period last year.

Since we closed two unprofitable arcades, the total number of our arcades became 35 as of the end of the current period.

The resulting net sales were 5,630 million yen (down 7.0% from the same term last year), and operating income was 986 million yen (down 19.4% from the same term last year).

③ Amusement Equipments business

In Amusement Equipments business, a new coin-operated game machine “Mario Party Kurukuru! Carnival” was released, and we expanded sales of existing products such as “Monster Hunter Medal Hunting”.

In addition, Capcom endeavored to enhance the contracted product development business for pachislo machines.

The resulting net sales were 3,594 million yen (up 216.3% from the same term last year), and operating income was 1,336 million yen (216 million yen for operating losses in the previous year).

④ Other Businesses

Net sales from Other Businesses, mainly character-related licensing royalties, were 1,320 million yen (down 3.4% from the same term last year), and operating income was 497 million yen (down 6.3% from the same term last year).

Capcom has regrouped its business segments from this first quarter, and the comparison and analysis has been made based on new segments.

(2) Qualitative information regarding the consolidated financial position

Total assets as of the end of the second quarter increased by 6,643 million yen from the end of the previous fiscal year to 104,891 million yen. Primary increases were 1,548 million yen in work-in progress for game software, 1,378 million yen in cash on hand and in banks, 1,376 million yen in merchandise and finished goods and 1,060 million yen in raw materials and supplies.

Liabilities as of the end of the second quarter increased by 5,047 million yen from the end of the previous fiscal year to 43,943 million yen. Primary increases were 4,286 million yen in short-term borrowings and 2,571 million yen in notes and accounts payable, trade. Primary decrease was 1,879 million yen in accrued income taxes.

Net assets as of the end of the second quarter increased by 1,595 million yen from the end of the previous fiscal year to 60,948 million yen. Primary increase was 4,125 million yen in net income for the 6 months period under review. Primary decrease were 1,439 million yen in cash dividends and 1,064 million yen in cumulative translation adjustments which related to foreign exchange translation of the net assets of foreign consolidated subsidiaries.

(3) Qualitative information regarding the consolidated business forecasts

The forecast for the consolidated business results for the current fiscal year ending March 31, 2013 remains the same as what was projected at the financial results announcement on May 7, 2012.

2. Other information

(1) Transfer of major subsidiaries

There were no applicable subsidiary transfers.

(2) Use of special accounting methods for the quarterly consolidated financial statements

Calculation of tax expense

Tax expense for consolidated subsidiaries is calculated by determining a reasonable estimate of the effective tax rate after the application of tax-effect accounting for income before income taxes in the fiscal year, including the first quarter, and multiplying income before income taxes by this estimated effective tax rate.

(3) Changes in the principle, procedures, and retrospective restatement

(Change in accounting policies which is difficult to distinguish from change in accounting estimation)

From the first quarter of the current fiscal year, Capcom and its consolidated subsidiaries in Japan started to adopt the new method of depreciation and amortization for tangible fixed assets acquired on and after April 1, 2012, in line with the revision of the Corporation Tax Act.

This change will not have a significant effect on profit and loss in the second quarter.

3. Consolidated financial statements

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Previous fiscal year (As of March 31, 2012)	Current 2nd quarter (As of September 30, 2012)
Assets		
Current assets		
Cash on hand and in banks	24,752	26,131
Notes and accounts receivable, trade	17,285	15,706
Merchandise and finished goods	1,793	3,169
Work-in-progress	443	922
Raw materials and supplies	1,417	2,478
Work-in-progress for game software	22,373	23,922
Other	7,030	7,518
Allowance for doubtful accounts	(58)	(60)
Total current assets	75,038	79,788
Fixed assets		
Tangible fixed assets, net of accumulated depreciation	12,844	12,484
Intangible fixed assets		
Goodwill	291	220
Other	3,619	5,861
Total intangible fixed assets	3,911	6,081
Investments and other assets		
Other	6,728	6,811
Allowance for doubtful accounts	(275)	(275)
Total investments and other assets	6,452	6,536
Total fixed assets	23,208	25,102
Total assets	98,247	104,891

(Unit: Millions of yen)

	Previous fiscal year (As of March 31, 2012)	Current 2nd quarter (As of September 30, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable, trade	7,257	9,829
Short-term borrowings	7,259	11,546
Accrued income taxes	2,977	1,097
Accrued bonuses	2,111	206
Allowance for sales returns	118	116
Other	9,604	11,528
Total current liabilities	29,327	34,324
Long-term liabilities		
Long-term borrowings	6,145	6,002
Accrued retirement benefits for employees	1,509	1,603
Other	1,912	2,012
Total long-term liabilities	9,567	9,618
Total liabilities	38,895	43,943
Net assets		
Shareholders' equity		
Common stock	33,239	33,239
Capital surplus	21,328	21,328
Retained earnings	27,328	30,013
Treasury stock	(15,846)	(15,847)
Total shareholders' equity	66,049	68,734
Accumulated other comprehensive income		
Net unrealized gain or loss on securities, net of tax	(46)	(71)
Cumulative translation adjustments	(6,650)	(7,714)
Total valuation and translation adjustments	(6,697)	(7,786)
Total net assets	59,352	60,948
Total liabilities and net assets	98,247	104,891

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

(Unit: Millions of yen)

	Previous 6 months From April 1, 2011 to September 30, 2011	Current 6 months From April 1, 2012 to September 30, 2012
Net sales	29,252	45,538
Cost of sales	17,525	28,079
Gross profit	11,726	17,458
Reversal of allowance for sales returns	40	1
Net gross profit	11,767	17,460
Selling, general and administrative expenses	8,985	10,945
Operating income	2,782	6,515
Non-operating income		
Interest income	40	40
Dividend income	5	4
Gain on settlement of litigation	67	—
Other	75	80
Total non-operating income	189	125
Non-operating expenses		
Interest expense	56	50
Exchange loss, net	937	459
Other	70	55
Total non-operating expenses	1,063	565
Ordinary income	1,907	6,076
Special losses		
Loss on sales and /or disposal of fixed assets	111	28
Total special losses	111	28
Net income before income taxes	1,796	6,047
Income taxes-current	1,045	1,205
Income taxes-deferred	(155)	717
Total income taxes	889	1,922
Net income before minority interests	906	4,125
Net income	906	4,125

Consolidated statements of comprehensive income

(Unit: Millions of yen)

	Previous fiscal year From April 1, 2011 to September 30, 2011	Current fiscal year From April 1, 2012 to September 30, 2012
Net income before minority interests	906	4,125
Other comprehensive income		
Net unrealized gain or loss on securities, net of tax	(21)	(24)
Cumulative translation adjustments	(1,431)	(1,064)
Total other comprehensive income	(1,453)	(1,088)
Comprehensive income	(547)	3,036
Comprehensive income attributable to:		
Owners of the parent	(547)	3,036
Minority interests	—	—

(3) Summary of statements of cash flows

(Unit: Millions of yen)

	Previous 6 months From April 1, 2011 to September 30, 2011	Current 6 months From April 1, 2012 to September 30, 2012
Cash flows from operating activities		
Net income before income taxes	1,796	6,047
Depreciation and amortization	1,471	1,426
Amortization of goodwill	56	70
Increase in allowance for doubtful accounts	5	8
Decrease in accrued bonuses	(834)	(546)
Interest and dividend income	(46)	(44)
Interest expense	56	50
Exchange loss, net	865	361
Loss on sales and/or disposal of fixed assets	111	28
Decrease in accounts receivable, trade	6,057	1,018
Increase in inventories	(1,773)	(2,961)
Increase in work-in-progress for game software	(8,268)	(1,646)
Increase in accounts payable, trade	481	2,761
Increase (decrease) in other current liabilities	(1,131)	549
Other	(426)	(2,401)
Sub total	(1,579)	4,720
Interest and dividends received	48	34
Interest paid	(56)	(49)
Income taxes paid	(3,249)	(2,965)
Net cash provided by (used in) operating activities	(4,836)	1,740
Cash flows from investing activities		
Payment for acquisitions of tangible fixed assets	(850)	(928)
Proceeds from sales of tangible fixed assets	202	244
Payment for acquisitions of intangible fixed assets	(88)	(737)
Other	(73)	(164)
Net cash used in investing activities	(810)	(1,586)
Cash flows from financing activities		
Net increase in short-term borrowings	5,000	4,500
Repayments of long-term borrowings	(355)	(355)
Payment for repurchase of treasury stock	(2,703)	(0)
Dividend paid	(1,481)	(1,436)
Other	(257)	(164)
Net cash provided by financing activities	202	2,542
Effect of exchange rate changes on cash and cash equivalents	(2,165)	(1,180)
Net increase (decrease) in cash and cash equivalents	(7,610)	1,515
Cash and cash equivalents at beginning of year	35,011	22,287
Cash and cash equivalents at end of year	27,401	23,803

(4) Going concern assumptions: Not applicable

(5) Segment Information

I Previous 6 months (From April 1, 2011 to September 30, 2011)

1. Information on net sales and operating income (loss)

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated total (Note 3)
	Digital contents	Arcade operations	Amusement equipments	Total				
Net sales								
(1) Customers	20,695	6,054	1,136	27,885	1,366	29,252	—	29,252
(2) Inter-segment	—	—	—	—	—	—	—	—
Total	20,695	6,054	1,136	27,885	1,366	29,252	—	29,252
Operating income (loss)	3,154	1,223	(216)	4,162	530	4,693	(1,910)	2,782

(Note) 1. "Other" incorporates operations not included in reportable segments, including Character Contents business etc.

2. Adjustments of segments (-1,910 million yen) include unallocated corporate operating expenses (-1,910 million yen).

The corporate operating expenses, which do not belong to any reportable segments mainly consist of administrative expenses.

3. Operating income (loss) for segment is adjusted on operating income on the quarterly consolidated statements of income.

2. Information on impairment loss and goodwill etc. by reportable segment

Not applicable

II Current 6 months (From April 1, 2012 to September 30, 2012)

1. Information on net sales and operating income (loss)

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated total (Note 3)
	Digital contents	Arcade operations	Amusement equipments	Total				
Net sales								
(1) Customers	34,993	5,630	3,594	44,217	1,320	45,538	—	45,538
(2) Inter-segment	—	—	—	—	—	—	—	—
Total	34,993	5,630	3,594	44,217	1,320	45,538	—	45,538
Operating income	5,777	986	1,336	8,099	497	8,597	(2,081)	6,515

(Note) 1. "Other" incorporates operations not included in reportable segments, including Character Contents business etc.

2. Adjustments of segments (-2,081 million yen) include unallocated corporate operating expenses (-2,081 million yen).

The corporate operating expenses, which do not belong to any reportable segments mainly consist of administrative expenses.

3. Operating income (loss) for segment is adjusted on operating income on the quarterly consolidated statements of income.

2. Information on impairment loss and goodwill etc. by reportable segment

Not applicable

3. Information on change in reportable segment

Effective from the 1st quarter for the current fiscal year, Capcom has integrated "Mobile contents" business into "Consumer online" business. This is because Capcom needs to arrange an efficient development and management system to respond to rapidly changing business environments in recent years and wants to pursue its multi-platform strategy.

With this change, the name "Consumer online games" has changed into "Digital contents".

The segment information for the same period of the previous fiscal year has been prepared based on the latest segmentation as shown on the previous page.

(6) Material changes in shareholders' equity

Not applicable