

July 28, 2017

Press Release

Company Name: Capcom Co., Ltd.

Representative: Haruhiro Tsujimoto, President and COO

(Code No. 9697 First Section of Tokyo Stock Exchange)

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Notice Regarding Absorption-Type Merger (Simplified Merger and Short Form Merger) with Consolidated Subsidiary

Capcom Co., Ltd. announces that it has resolved at the Board of Directors meeting on July 28, 2017 to perform an absorption-type merger with its wholly-owned subsidiary, Capcom Mobile, Inc. (the “Merger”), on September 1, 2017. Since the Merger is with a wholly-owned subsidiary, Capcom is omitting some disclosure items and details.

1. Purpose and details of the Merger

Capcom Mobile is engaged primarily in the development and distribution of content for mobile devices. Capcom has decided to carry out the Merger with Capcom Mobile in order to increase the competitiveness of the Capcom Group. Capcom believes that integrating its Mobile Contents business will generate operational efficiencies and result in effective use of management resources.

2. Summary of the Merger

(1) Schedule

Board of Directors Meeting to resolve the Merger	July 28, 2017
Conclusion date of the merger agreement	July 28, 2017
Effective date of the Merger	September 1, 2017 (planned)

Note: The approval of resolutions by the shareholders of Capcom and Capcom Mobile are not necessary for the Merger because Capcom will use the simplified merger procedure prescribed in Article 796 Paragraph 2 of the Company Law and Capcom Mobile will use the short form merger procedure prescribed in Article 784 Paragraph 1 of the Company Law.

(2) Merger method

The method of the Merger is an absorption-type merger with Capcom as the surviving company. Capcom Mobile will be dissolved.

(3) Allocations for the Merger

No stock will be issued or cash or other forms of compensation allocated in conjunction with the Merger because Capcom Mobile is a wholly owned subsidiary of Capcom.

(4) Treatment of stock warrants and convertible bonds of the company to be dissolved

Capcom Mobile has not issued any stock warrants or convertible bonds.

3. Outline of the companies involved in the Merger (As of March 31, 2017)

	Surviving Company	Company to be Dissolved
(1) Name of company	Capcom Co., Ltd.	Capcom Mobile, Inc.
(2) Head office	3-1-3 Uchihirano-machi, Chuo-ku, Osaka 540-0037, Japan	3-1-2 Otedori, Chuo-ku, Osaka, 540-0021, Japan
(3) Representative	Haruhiro Tsujimoto, President & COO	Manabu Seko, President
(4) Major business segments	The planning, development, manufacture, sale and distribution of home video games, online games, mobile content and arcade games, as well as the management of amusement arcades.	The development and distribution of content for mobile devices.
(5) Paid-in capital	¥33,239 million	¥300 million
(6) Date of establishment	May 30, 1979	April 19, 2011
(7) Number of shares issued	67,723,244 shares	3,000 shares
(8) Fiscal term	March 31	March 31
(9) Name of major shareholders and their investment ratio ^{*1}	<p>Crossroad Co., Ltd. 9.41%</p> <p>Japan Trustee Services Bank, Ltd. (Trust Account) 6.20%</p> <p>The Master Trust Bank of Japan, Ltd. (Trust Account) 3.45%</p> <p>Ryozo Tsujimoto 2.98%</p> <p>Yoshiyuki Tsujimoto 2.98%</p> <p>Haruhiro Tsujimoto 2.98%</p> <p>Kenzo Tsujimoto 2.97%</p> <p>Credit Suisse AG. Dublin Branch Prime Client Asset Equity Account 2.27%</p> <p>J.P. Morgan Chase Bank 380055 2.19%</p> <p>J.P. Morgan Chase Bank 385632 1.57%</p> <p>Note: Major shareholders excludes Capcom Co., Ltd., who holds 12,977 thousand shares of treasury stock (19.16% of shares issued).</p>	Capcom Co., Ltd. 100.00%
(10) Results of operations and financial condition in most recent fiscal term		
Fiscal term	Year ended March 31, 2017 (Consolidated)	Year ended March 31, 2017 (Non-consolidated)
Net assets	¥77,774 million	¥369 million
Total assets	¥118,897 million	¥758 million
Net assets per share	¥1,420.64	¥123,299.89
Net sales	¥87,170 million	¥1,231 million
Operating income	¥13,650 million	¥56 million

Ordinary income	¥12,589 million	¥45 million
Net income (attributable to owners of the parent)	¥8,879 million	¥33 million
Net income per share	¥160.35	¥11,096.89

4. Outline of Capcom Co., Ltd. following the Merger

The company name of Capcom Co., Ltd., the address of its head office, its representative, its major business segments, its paid-in capital and its fiscal term will not change following the Merger.

5. Outlook

The Merger will have only a negligible effect on consolidated results of operations because this is a merger of Capcom and a wholly owned consolidated subsidiary.