

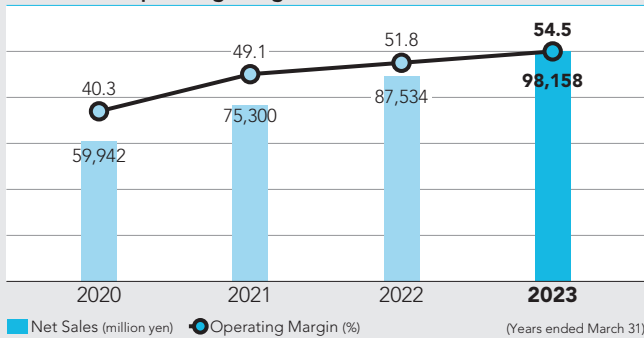
# Segment Information

CAPCOM CO., LTD. and its consolidated subsidiaries. Years ended March 31

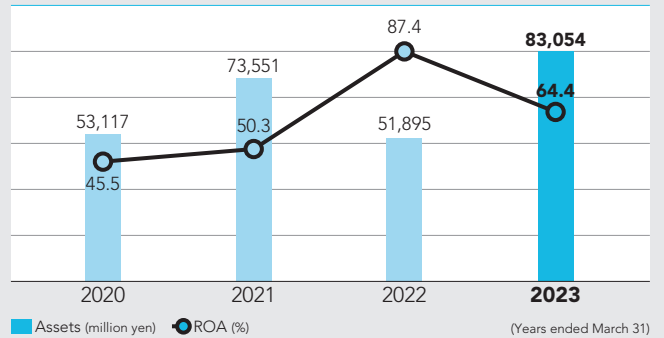
## Digital Contents

This business develops and sells packaged and digital game content for consumer home video game platforms. It also develops and manages games for Mobile Contents and PC Online Games. Consumer games produces creative, original content that provides recurring revenue by utilizing digital distribution on platforms including PC. Many of these million-seller titles are also launched on smartphone and tablet devices, and are distributed worldwide in order to maximize earnings.

Net Sales / Operating Margins

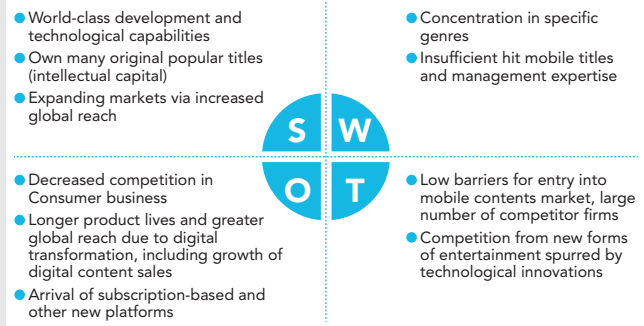


Assets/ROA

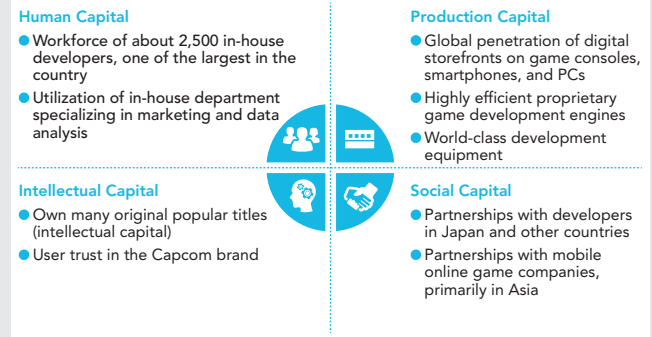


### SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats



### Utilization of Non-Financial Capital



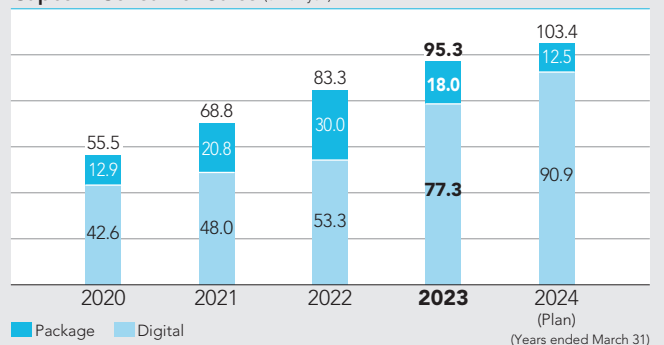
## Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

### Consumer (Package + Digital) sub-segment

This fiscal year (ended March 31, 2023), *Monster Hunter Rise: Sunbreak* (Nintendo Switch and PC), released in June 2022, received global acclaim for its more dynamic action while enjoying steady popularity due to ongoing support such as free title updates. As a result, it sold 5.45 million units, making a significant contribution to business performance. *Resident Evil 4* (PlayStation 5, PlayStation 4, Xbox Series X|S, and PC), released in March 2023, was also well-received worldwide for its retelling of the original story coupled with cutting-edge graphics technology. As a result, it sold 3.75 million units and contributed significantly to improved profitability.

Furthermore, catalog title sales expanded, driven by series titles such as *Monster Hunter Rise*, *Resident Evil 2*, *Devil May Cry 5*, and *Resident Evil Village*, owing to increased brand recognition and the acquisition of new fans through aggressive

Capcom Consumer Sales (billion yen)



promotions, as well as synergy between the continued release of new titles and pricing strategies. As a result, sales of catalog titles exceeded the 24 million units from the previous year, reaching 29.3 million units and boosting profits.

The resulting net sales came to 98.158 billion yen (up 12.1% from the previous year), and operating income to 53.504 billion yen (up 18.0% from the previous year).

For Capcom, we consider Consumer business growth as one of the keys to achieving our medium-term business goals. Our initiatives are to (1) strengthen digital sales, (2) bolster our title lineup through the continued execution of our 60-month and 52-week maps, and (3) utilize both new and dormant intellectual properties.

Under (1), the prevalence of digital selling has made it possible to implement measures such as limited-time sales, increasing flexibility in pricing and expanding the impact of marketing. We utilize our existing intellectual properties (IP) in addition to major titles and additional content, and remake or rerelease past titles on current-generation hardware, in order to create sales opportunities and increase the digital sales ratio. In terms of (2), since March 2015 we have been carrying out operations according to both our medium-term title portfolio map, called the "60-month map," and our yearly developer assignment plan, called the "52-week map." We will work toward establishing an efficient development structure, enabling us to release major titles on a regular basis. Finally, for (3) we seek to revive dormant intellectual properties for which we have not recently released new titles by increasing the number of our developers.

Next fiscal year, we expect a contribution from new title *Street Fighter 6* and completely new IP *Exoprimal* as well as catalog titles *Resident Evil 4* and *Monster Hunter Rise: Sunbreak*. We will also work to further expand sales globally based on our digital strategy for other major titles. As a result of these efforts, we expect to increase unit sales to 45.0 million units (up 7.9%

from the year under review), net sales to 106.3 billion yen (up 8.3% from the year under review), and for the digital sales ratio to increase to around 85% for increased sales and profit.

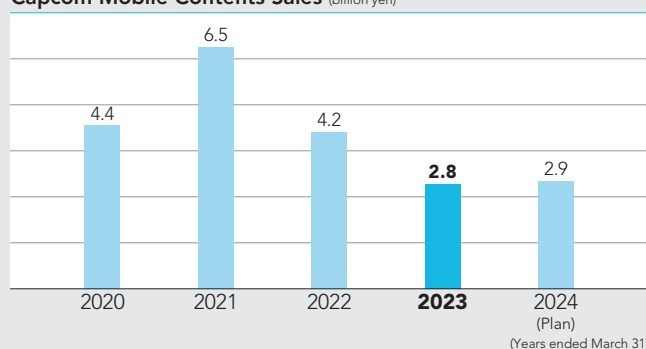
### Mobile Contents Sub-segment

This fiscal year (ended March 31, 2023), we focused on existing titles, and net sales came to 2.8 billion yen (down 66.7% from the previous year).

In the future, we will continue to explore a wide range of possibilities, including cultivating existing titles, developing new titles using our intellectual properties, and forming alliances with companies in Japan and elsewhere. We will work on development in the mobile field and accumulating operational know-how. We will also work on research and development in anticipation of future technological innovation, including the new generation of mobile communication standards.

In the next fiscal year, despite the launch of new app *Monster Hunter Now* in September 2023, we expect net sales to come to 2.9 billion yen (up 3.6% from the year under review) due to aging of existing titles.

Capcom Mobile Contents Sales (billion yen)



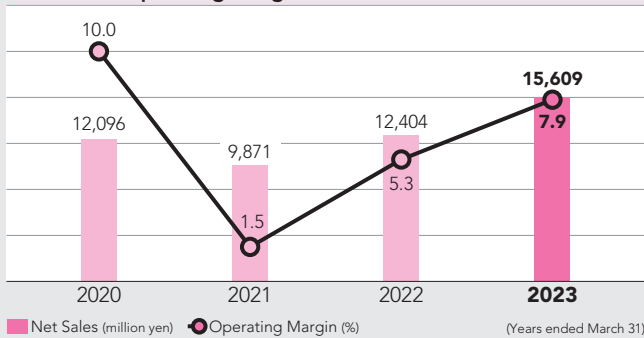
# Segment Information

CAPCOM CO., LTD. and its consolidated subsidiaries. Years ended March 31

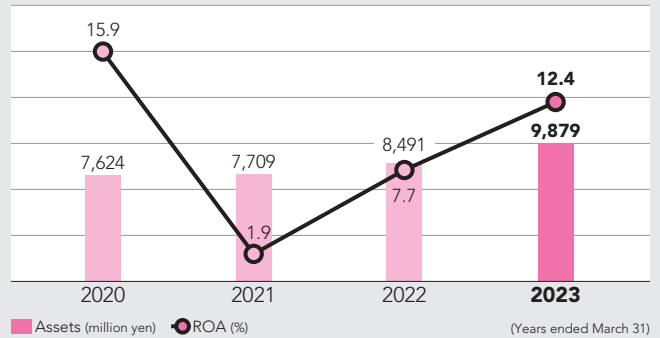
## Arcade Operations

We operate amusement facilities, primarily Plaza Capcom arcades, in Japan. These arcades are predominantly in large commercial complexes. We have diligently followed a scrap-and-build policy to maximize our efficiency in arcade operations, and have been hosting various events designed to attract families and younger customers.

Net Sales / Operating Margins



Assets/ROA



### SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats

<ul style="list-style-type: none"> <li>Specialize in opening stores in large shopping centers to secure a stable customer base</li> <li>Thorough scrap-and-build strategy focused on investment efficiency to ensure sustainable earnings</li> </ul>	<ul style="list-style-type: none"> <li>Low sales growth rate due to small number of carefully selected facilities</li> <li>Limited synergy with proprietary contents</li> </ul>
<ul style="list-style-type: none"> <li>Cultivate market, including merchandise sales and restaurants utilizing our intellectual properties</li> <li>Increase new customers through esports collaboration</li> <li>Introduce new machines and services</li> </ul>	<ul style="list-style-type: none"> <li>Entertainment diversification due to rapid growth of digital games</li> <li>Change in business climate accompanying diminished customer appeal</li> <li>Diminished customer appeal due to COVID-19</li> </ul>

### Utilization of Non-Financial Capital

<p><b>Human Capital</b></p> <ul style="list-style-type: none"> <li>Internal store management staff</li> <li>Part-time workers hired locally</li> </ul>	<p><b>Production Capital</b></p> <ul style="list-style-type: none"> <li>High foot traffic of large shopping centers</li> <li>Developers that design and construct facilities</li> </ul>
<p><b>Intellectual Capital</b></p> <ul style="list-style-type: none"> <li>Store management know-how cultivated over 39 years</li> <li>Intellectual properties (characters and worlds) that can be rolled out in food, drinks and prizes</li> <li>Services utilizing virtual reality (VR) Technology</li> </ul>	<p><b>Social Capital</b></p> <ul style="list-style-type: none"> <li>Our relationships with local residents</li> <li>Arcade game makers around the world</li> </ul>

### Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

This fiscal year (ended March 31, 2023), customer numbers recovered due to the full lifting of the semi-state of emergency COVID-19 measures in March 2022. We also achieved an increase in both sales and profit from the previous year thanks to the efficient operation of existing stores and the effect of new stores in new business formats.

New store openings included the comprehensive amusement facility Miraino at Aeon Mall in Toki (Gifu Prefecture), which includes a Crazy Banet attraction, in October, "CAPCOM STORE & CAFE UMEDA" (Osaka Prefecture), which offers merchandise featuring the Company's popular characters and features a café, in November, and Miraino at Aeon Mall in Toyokawa (Aichi Prefecture) in March 2023. We opened a total of five stores and closed two, bringing the total number of stores to 45.

As a result, net sales came to 15.609 billion yen (up 25.8% from the previous year), and operating income came to 1.227 billion yen (up 88.0% from the previous year).

In the next fiscal year, we will continue to make efforts toward efficient operations and open new stores to attract customers. We forecast an increase in both sales and profit with same store sales up 5% from the previous year, bringing net sales to 18.0 billion yen (up 15.3% from the year under review) and operating income to 1.3 billion yen (up 5.9% from the year under review).

As for the number of stores, we will continue to promote opening stores with new business formats based on our basic strategy of scrap-and-build. We plan to open four stores and close none, bringing the total number to 49.

# Amusement Equipments

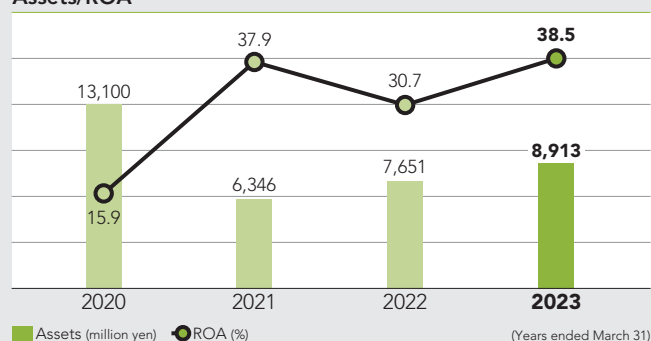
Here, we leverage the contents from our home video games.

The Pachinko & Pachislo (PS) sub-segment is involved in the development, manufacture and sales of frames and LCD devices for gaming machines as well as software, creating synergy between businesses.

## Net Sales / Operating Margins

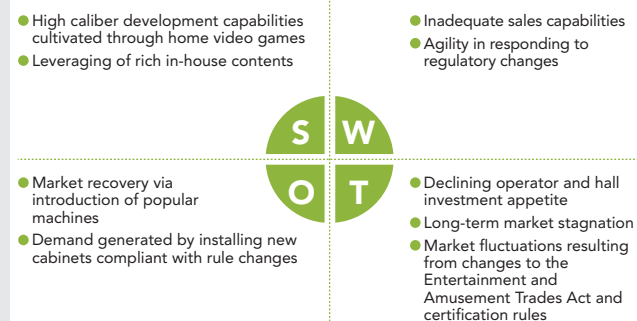


## Assets/ROA

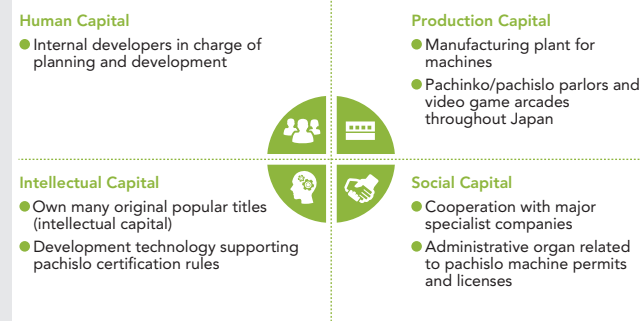


## SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats



## Utilization of Non-Financial Capital



## Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

This fiscal year (ended March 31, 2023), four machines designed to show signs of a partial turnaround, including *Monster Hunter World: Iceborne*, were launched by the Pachinko & Pachislo (PS) sub-segment, selling 44,000 units.

In a market that began to show signs of a partial turnaround, we sold 15,000 units of *Shin Onimusha 2*, which was released in August 2022, 15,000 units of *Resident Evil RE:2*, which was released in September, and 12,000 units of *Monster Hunter World: Iceborne*, which was released in January 2023. These machines contributed significantly to profit and were well-received by the market, resulting in popularity at halls.

As a result, net sales came to 7.801 billion yen (up 35.7% from the previous year), and operating income came to 3.433 billion yen (up 46.2% from the previous year), thanks in part to diversifying business models.

We will work to release models that impress hall operators and end-users, continuing to (1) develop machines not dependent on speculation and that feature a variety of playing styles and

entertaining video elements that utilize content from our popular Consumer content, while (2) working on securing a strong sales network and improving machine quality through cooperating with a major specialist company.

In the next fiscal year, we plan to introduce four models while continuing to monitor market trends and sell 37,000 units (7,000 units less than the year under review).

We expect that both sales and income will be up, with net sales at 10.0 billion yen (up 28.2% from the year under review) and operating income at 3.7 billion yen (up 7.8% from the year under review).

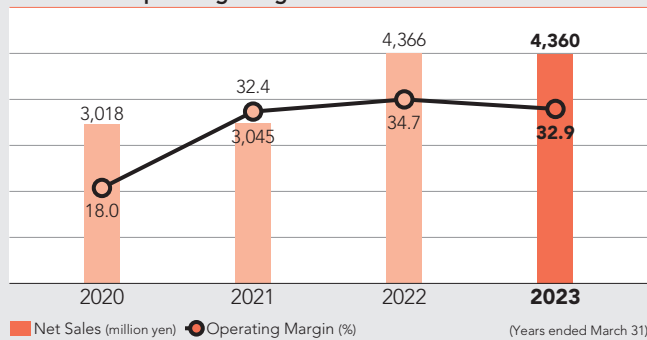
# Segment Information

CAPCOM CO., LTD. and its consolidated subsidiaries. Years ended March 31

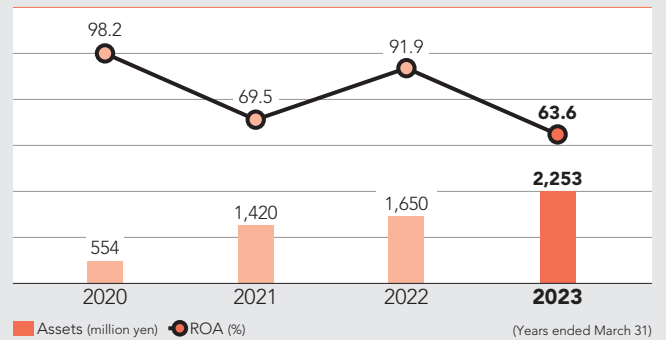
## Other Businesses

Based on our Single Content Multiple Usage strategy of developing game content for various media, we pursue a variety of copyright-related business opportunities including publishing (walkthrough and strategy guides as well as game art books) and licensing (movies, animated television programs, music CDs, and merchandise). Furthermore, we are concentrating on the esports business as well.

### Net Sales / Operating Margins

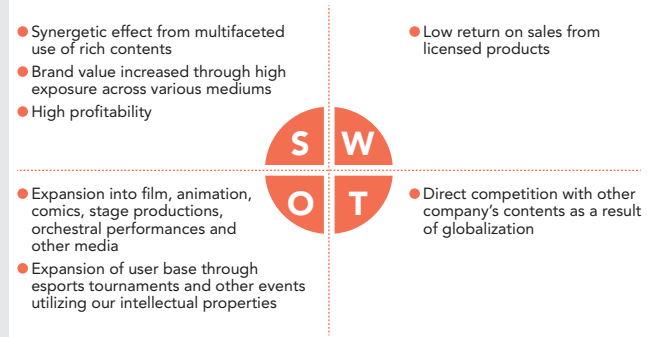


### Assets/ROA



### SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats



### Utilization of Non-Financial Capital



### Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

This fiscal year (ended March 31, 2023), we established a movie production subsidiary in the United States to continue to pursue the use of our major IPs in film and television, thereby increasing the brand value of our titles in the media business. We also signed an agreement for a live-action film adaptation of *Street Fighter* and focused on merchandise featuring new titles and popular IPs in the licensing business. In eSports, we have been implementing measures to expand the user base on a global scale. These efforts include organizing online tournaments such as the CAPCOM Pro Tour 2022 and introducing a new category for it called World Warrior. Furthermore, we held events like Street Fighter League: Pro-JP 2022, CAPCOM CUP IX, and Street Fighter League: World Championship 2022 to promote and enhance each event. Additionally, we have been promoting the upcoming release of *Street Fighter 6*, scheduled for June 2023.

As a result, net sales were 4.360 billion yen (down 0.1% from the previous year), and operating income was 1.433 billion yen

(down 5.5% from the previous year), due mainly to up-front investments in eSports.

In the next fiscal year, we will leverage the substantial synergies with our Consumer games by diversifying the use of our rich library of IPs. We have expanded into various areas such as movies, animation, theatre, and events, including with the full-length CG animated film *Resident Evil: Death Island*, to be released in July. In eSports, we will hold Capcom Pro Tour 2023, and to commemorate the launch of *Street Fighter 6*, the event will feature our highest-ever annual prize pool of more than 2 million dollars. We are also implementing various measures globally to make eSports more entertaining, including Street Fighter: Pro-JP 2023, which is in its sixth season.

We expect that both sales and income will be up, with net sales at 5.7 billion yen (up 30.7% from the year under review) and operating income at 1.6 billion yen (up 11.7% from the year under review).