



**Capcom Co., Ltd.**  
**(Tokyo Stock Exchange,**  
**First Section, 9697)**

**1st Quarter Report**  
**Fiscal year ending March 31, 2021**

- **Regarding Q1 Results**
  - **Digital sales, including major new titles, contributed to YoY sales and profit growth**
  - **Followed regulatory directives to temporarily close stores in our Arcade Operations business to prevent spread of COVID-19**
  - **In general, implemented WFH policy during the state of emergency in Japan**
  
- **Regarding Full-Year Business Plan**
  - **Currently performing well compared to full-year plan**
  - **No changes to full-year plan**

# Contents

page

1. Forecasts for FY3/21 .....	3
2. Q1 Financial Highlights .....	4
3. Business Segments .....	7
4. Supplement .....	13
Summary of Major Financial Information / Our Major IP	

## Forward-looking Statements

Strategies, plans, outlooks and other statements that are not historical facts are based on assumptions that use information currently available and reasonable judgments. Actual performance may be significantly different from these statements for a number of reasons.

In the entertainment industry, which includes Capcom, performance may be highly volatile because of diverging user needs and other changes in market conditions.

Factors that can affect Capcom's performance include: (1) the number of hit titles and sales volume in the Home Video Game Business, which accounts for the majority of sales; (2) progress in developing home video games; (3) consumer demand for home video game consoles; (4) sales outside Japan; (5) changes in stock prices and exchange rates; (6) alliances with other companies concerning product development, sales and other operations; and (7) changes in market conditions. Please note that this is not a complete list of factors that can influence Capcom's operating results.

# 1. Forecasts for FY3/21

**Targeting eight consecutive years of OP growth and highest profit in company history, driven by Digital Contents business**

(million yen)

	2020/3	2021/3 Plan	Difference
<b>Net sales</b>	<b>81,591</b>	<b>85,000</b>	<b>3,409</b>
<b>Operating income</b>	<b>22,827</b>	<b>25,500</b>	<b>2,673</b>
<b>Operating margin</b>	<b>28.0%</b>	<b>30.0%</b>	<b>-</b>
<b>Ordinary income</b>	<b>22,957</b>	<b>25,500</b>	<b>2,543</b>
<b>Net income attributable to owners of the parent</b>	<b>15,949</b>	<b>18,000</b>	<b>2,051</b>

## 2-1. Q1 Financial Highlights – Consolidated Business Results (1)

### ■ 3 Months Results in FY6/19 vs. FY6/20

(million yen)

	<b>2019/6</b>	<b>2020/6</b>	<b>Difference</b>
<b>Net sales</b>	<b>17,938</b>	<b>23,722</b>	<b>5,784</b>
<b>Operating income</b>	<b>7,703</b>	<b>10,711</b>	<b>3,008</b>
<b>Ordinary income</b>	<b>7,699</b>	<b>10,619</b>	<b>2,920</b>
<b>Net income attributable to owners of the parent</b>	<b>5,420</b>	<b>7,815</b>	<b>2,395</b>

- Performing well compared to our full-year plan, with sales and profit up year-over-year due primarily to contributions from Consumer digital sales
- Foreign exchange loss of ¥160 million (¥63 million increase YoY)

## 2-1. Q1 Financial Highlights – Consolidated Business Results (2)

### ■ FY6/20 Net Sales/Operating Income (by segment)

(million yen)

	2019/6	2020/6	Difference	2021/3 Plan
<b>Net sales</b>	<b>17,938</b>	<b>23,722</b>	<b>5,784</b>	<b>85,000</b>
<b>Digital Contents</b>	<b>13,977</b>	<b>21,476</b>	<b>7,499</b>	<b>66,900</b>
<b>Arcade Operations</b>	<b>2,710</b>	<b>1,184</b>	<b>-1,526</b>	<b>10,500</b>
<b>Amusement Equipments</b>	<b>225</b>	<b>181</b>	<b>-44</b>	<b>4,500</b>
<b>Other Businesses</b>	<b>1,025</b>	<b>879</b>	<b>-146</b>	<b>3,100</b>
<b>Operating income</b>	<b>7,703</b>	<b>10,711</b>	<b>3,008</b>	<b>25,500</b>
<b>Digital Contents</b>	<b>7,733</b>	<b>11,804</b>	<b>4,071</b>	<b>28,300</b>
<b>Arcade Operations</b>	<b>299</b>	<b>-554</b>	<b>-853</b>	<b>0</b>
<b>Amusement Equipments</b>	<b>133</b>	<b>71</b>	<b>-62</b>	<b>1,700</b>
<b>Other Businesses</b>	<b>640</b>	<b>511</b>	<b>-129</b>	<b>700</b>
<b>Adjustments*</b>	<b>-1,103</b>	<b>-1,120</b>	<b>-17</b>	<b>-5,200</b>

\*Adjustments include unallocated corporate operating expenses.

## 2-2. Q1 Financial Highlights – Financial Position

### ■ FY6/20 Balance Sheet/Statement of Cashflows (Summary)

Balance Sheet		(million yen)	
Assets	2020/3	2020/6	Difference
<b>Current Assets</b>	108,829	104,139	-4,690
Cash on hand and in banks	65,657	69,655	3,998
Notes and accounts receivable - trade	15,959	7,046	-8,913
Work in progress for game software	21,222	21,763	541
Other	5,991	5,675	-316
<b>Fixed Assets</b>	34,636	33,317	-1,319
<b>Total assets</b>	143,466	137,456	-6,010
<b>Liabilities</b>			
<b>Current Liabilities</b>	35,863	24,612	-11,251
Notes and accounts payable - trade	5,844	3,948	-1,896
Electronically recorded monetary liabilities			
Deferred income	7,642	4,300	-3,342
Other	22,377	16,364	-6,013
<b>Long-term liabilities</b>	7,868	7,937	69
<b>Total liabilities</b>	43,731	32,549	-11,182
<b>Net Assets</b>			
<b>Shareholders' equity</b>	101,385	106,531	5,146
<b>Other</b>	-1,650	-1,623	27
<b>Total net assets</b>	99,735	104,907	5,172
<b>Total liabilities and net assets</b>	143,466	137,456	-6,010

Statement of Cashflows		(million yen)	
	2019/6	2020/6	Difference
<b>Cash flows from operating activities</b>	6,943	8,041	1,098
Net income before income taxes	7,699	10,618	2,919
Change in work in progress for game software	-3,412	-536	2,876
<b>Cash flows from investing activities</b>	-835	-2,074	-1,239
<b>Cash flows from financing activities</b>	-2,400	-2,949	-549
<b>Effect of exchange rate changes on cash and cash equivalents</b>	-686	-38	648
<b>Net change in cash and cash equivalents</b>	3,020	2,979	-41
<b>Cash and cash equivalents at beginning of year</b>	53,004	59,672	6,668
<b>Cash and cash equivalents at end of quarter</b>	56,025	62,652	6,627

## 3-1. Business Segments – Digital Contents (1)

**Sales and profit up due to major new  
Consumer title and digital sales growth**

### ■ Digital Contents Performance

(100 million yen)

	2018/6	2019/6	2020/6	2021/3 Plan
<b>Net sales</b>	<b>137</b>	<b>139</b>	<b>214</b>	<b>669</b>
<b>Breakdown</b>				
<b>Package</b>	<b>61</b>	<b>33</b>	<b>60</b>	<b>159</b>
<b>Digital (incl. digital license)</b>	<b>60</b>	<b>101</b>	<b>143</b>	<b>450</b>
<b>Digital license only</b>			<b>0</b>	<b>20</b>
<b>Consumer total</b>	<b>121</b>	<b>134</b>	<b>203</b>	<b>609</b>
<b>Mobile Contents</b>	<b>6</b>	<b>5</b>	<b>11</b>	<b>60</b>
<b>PC Other</b>	<b>10</b>			
<b>Operating income</b>	<b>57</b>	<b>77</b>	<b>118</b>	<b>283</b>
<b>Operating margin</b>	<b>41.6%</b>	<b>55.3%</b>	<b>55.0%</b>	<b>42.3%</b>

\*Digital license indicates one-time income from providing content etc. to online platforms

\*The PC Others sub-segment has been merged with Consumer as of FY3/20



## 3-1. Business Segments – Digital Contents (2)

**Digital sales of major titles and catalog titles drove results**  
**Major increase of unit sales YoY**

### ■ Unit Sales for the 3 Months (Consumer)

(units in thousands)

	2018/6	2019/6	2020/6	2021/3 Plan
<b>New Titles (SKU)</b>	14	7	6	13
<b>Total unit sales</b>	4,350	4,350	9,200	28,000
Overseas units	3,700	3,800	8,100	24,950
Digital units	2,700	3,200	7,350	23,500
Catalog units	3,250	3,900	6,600	18,000
<b>Major titles</b>				
New	Street Fighter 30th Anniversary Collection	Dragon's Dogma: Dark Arisen (for Nintendo Switch)	Resident Evil 3	Resident Evil 3 (more)
Catalog	Monster Hunter: World Resident Evil 7 biohazard	Monster Hunter: World Devil May Cry 5 Resident Evil 2	Monster Hunter World: Iceborne Resident Evil 2 Resident Evil 7 biohazard Monster Hunter: World	Monster Hunter World: Iceborne Resident Evil 2 Monster Hunter: World

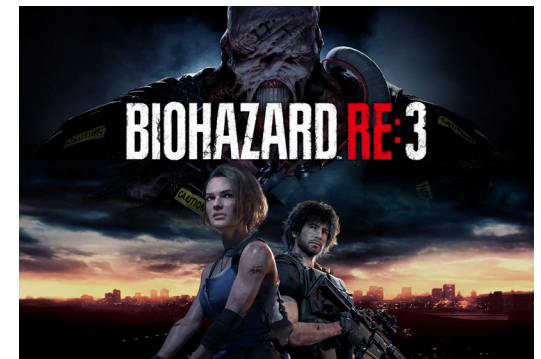
\*Includes distribution titles

## 3-1. Business Segments – Digital Contents (3)

**Bolstered pipeline with new title release**  
**Leveraged major brands to strengthen catalog sales**

### ■ 3 Months Highlights (Consumer)

- *Resident Evil 3* exceeds cumulative 2.7 million units sold
- *Resident Evil* series surpasses cumulative worldwide 100-million-sales milestone
- *Monster Hunter World: Iceborne* continues sales growth, *Monster Hunter World* tops cumulative 16 million units sold



*Resident Evil 3*

### ■ 3 Months Highlights (Mobile Contents)

- Preparing alliance title launch in Asia

## 3-2. Business Segments – Arcade Operations

**Sales down due to temporary  
closure of stores amid COVID-19 pandemic**

### ■ 3 Months Business Results

(100 million yen)

	2018/6	2019/6	2020/6	2021/3 Plan
Net sales	23	27	11	105
Operating income	1	2	-5	0
Operating margin	6.0%	11.0%	-	0.0%
Same store sales	-2%	+13%	-63%	-18%

### ■ Number of Stores

(stores)

	2019/3	2020/3	2020/6	2021/3 Plan
New stores	1	3	0	3
Closed stores	0	0	0	0
Total	37	40	40	43

### ■ 3 Months Highlights

- Same store sales: -63%
- Stores located in areas less impacted by COVID-19 showed steady recovery, returning to profitability for month of June

## 3-3. Business Segments – Amusement Equipments

**Continued development of machines  
designed to current regulations**

### ■ 3 Months Business Results

(100 million yen)

	2018/6	2019/6	2020/6	2021/3 Plan
Net sales	3	2	1	45
Operating income	-1	1	0	17
Operating margin	-	59.1%	39.2%	37.8%

### ■ 3 Months Highlights

- No new models released (No releases in the same period of the previous year)
- *PACHISLOT Ring-ni-kakero1 -World champion carnival version-* scheduled for autumn release

## 3-4. Business Segments – Other Businesses

**eSports holding global online events  
in order to avoid the spread of COVID-19**

### ■ 3 Months Business Results

(100 million yen)

	2018/6	2019/6	2020/6	2021/3 Plan
<b>Net sales</b>	6	10	8	31
Character Contents			8	30
eSports			0	1
<b>Operating income</b>	4	6	5	7
Character Contents			6	19
eSports			-1	-12
<b>Operating margin</b>	61.9%	62.4%	58.1%	22.6%

### ■ 3 Months Highlights

- Starting with events in Europe and the Middle East, began Capcom Pro Tour Online 2020 online globally
- Dragon's Dogma, a Netflix exclusive original animated series to begin streaming worldwide in September



Capcom Pro Tour Online 2020

# 4-1. Supplement: Summary of Major Financial Information

## ● Profit and Loss Sheet

(million yen)

	2019/3	2020/3	2021/3 Plan	%	2020/6
Net Sales	100,031	81,591	85,000	104.2%	23,722
Gross Profit	37,222	40,947	43,500	106.2%	14,624
Margin (%)	37.2%	50.2%	51.2%	-	61.6%
Sales and G&A Expenses	19,078	18,119	18,000	99.3%	3,912
Operating Income	18,144	22,827	25,500	111.7%	10,711
Margin (%)	18.1%	28.0%	30.0%	-	45.2%
Ordinary Income	18,194	22,957	25,500	111.1%	10,619
Margin (%)	18.2%	28.1%	30.0%	-	44.8%
Net income attributable to owners of the parent	12,551	15,949	18,000	112.9%	7,815
Margin (%)	12.5%	19.5%	21.2%	-	32.9%

## ● Sales and Profit by Business Segments

(million yen)

		2019/3	2020/3	2021/3 Plan	%	2020/6
Digital Contents	Net Sales	82,982	59,942	66,900	111.6%	21,476
	Operating Income	23,315	24,161	28,300	117.1%	11,804
	Margin (%)	28.1%	40.3%	42.3%	-	55.0%
Arcade Operations	Net Sales	11,050	12,096	10,500	86.8%	1,184
	Operating Income	1,096	1,211	0	-	-554
	Margin (%)	9.9%	10.0%	0.0%	-	-
Amusement Equipments	Net Sales	3,422	6,533	4,500	68.9%	181
	Operating Income	-2,668	2,085	1,700	81.5%	71
	Margin (%)	-	31.9%	37.8%	-	39.2%
Others	Net Sales	2,575	3,018	3,100	102.7%	879
	Operating Income	811	544	700	128.7%	511
	Margin (%)	31.5%	18.0%	22.6%	-	58.1%

## 4-2. Supplement: Our Major IP

**Capcom owns a wealth of globally popular brands originating from its games**

### ■ Cumulative Unit Sales and Examples of Brand Utilization

- ***Resident Evil* series: 103 million units**



Launched *Resident Evil 3* to  
cumulative 2.7 million units in sales

- ***Monster Hunter* series: 64 million units**



*Monster Hunter World: Iceborne*  
Cumulative 5.8 million units in sales

- ***Street Fighter* series: 45 million units**



Holding Capcom Pro Tour Online 2020 esports tournament

- ***Mega Man* series: 36 million units**
- ***Devil May Cry* series: 22 million units**
- ***Dead Rising* series: 14 million units**