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Press Release

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**Sales and Profit Up in Consolidated Results for the Nine Months Ended December 31, 2018**

**Net Sales Up 28.3%, Operating Income Up 92.0% Year-over-year**

- Continuing from Q2, highest profit levels in Capcom history driven by growth of core Consumer business -

Capcom Co., Ltd. today announced that net sales increased to 61,270 million yen in its consolidated business results for the nine months ended December 31, 2018 (up 28.3% year-over-year). Operating income was 13,461 million yen (up 92.0% year-over-year), and ordinary income was 13,539 million yen (up 90.7% year-over-year). Net income attributable to owners of the parent was 9,180 million yen (up 106.8% year-over-year).

This quarter, *Monster Hunter: World*, which caused a sensation in the market in the previous fiscal year, continued to drive results after surpassing 10 million units shipped—a first for any single title in Capcom’s history. Also in the core Digital Contents business, in addition to titles such as *Street Fighter 30th Anniversary Collection* and *Mega Man 11* performing well, high-margin catalog titles showed healthy sales growth. As a result, continuing from second quarter results, Capcom achieved the highest profit levels for the end of a third quarter in company history.

The forecast for the consolidated business results for the current fiscal year ending March 31, 2019 remains the same as what was projected at the financial results announcement on May 8, 2018.

1. Results for the 9 months ended December 31, 2018

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
	million yen	million yen	million yen	million yen
9 months ended December 31, 2018	61,270	13,461	13,539	9,180
9 months ended December 31, 2017	47,740	7,009	7,099	4,439

## 2. Earnings forecast for the fiscal year ending March 31, 2019

	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, 2019	96,000	17,000	16,500	12,000	110.38

## 3. Status of Each Operational Department

### (1) Digital Contents

	(million yen)		
	9 months ended December 31, 2017	9 months ended December 31, 2018	Difference (%)
Net sales	30,844	47,855	55.2%
Operating income	6,257	15,288	144.3%
Operating margin	20.3%	31.9%	-

- a. In this business, the *Monster Hunter* series served as the driving force in improving the Company's business performance. Feature title *Monster Hunter: World* (for PlayStation 4 and Xbox One) was a phenomenal success in the previous fiscal year, and continued to maintain popularity through the expansion of its user base, while the strong performance of the Steam version for PC boosted profits. Further, *Monster Hunter Generations Ultimate* (for Nintendo Switch), which was released in markets outside of Japan, enjoyed robust sales owing to its consistent popularity.
- b. In addition, *Mega Man 11* (for PlayStation 4, Nintendo Switch, Xbox One and PC) reported strong sales, while sales of *Onimusha*, (for PlayStation 4, Nintendo Switch and Xbox One), which was released at the end of 2018, were also off to a good start.
- c. Furthermore, *Street Fighter 30th Anniversary Collection* (for PlayStation 4, Nintendo Switch, Xbox One and PC) performed strongly, while *Mega Man X Legacy Collection*, *Mega Man X Legacy Collection 2* and *Mega Man X Legacy Collection 1+2* (for PlayStation 4, Nintendo Switch, Xbox One and PC for all three titles) performed well thanks to a dedicated fan base and strong brand power. In addition, high-margin catalog titles steadily increased sales and contributed to improving profitability.
- d. The resulting net sales were 47,855 million yen (up 55.2% from the same term in the previous fiscal year) and operating income was 15,288 million yen (up 144.3% from the same term in the previous fiscal year).

## (2) Arcade Operations

(million yen)

	9 months ended December 31, 2017	9 months ended December 31, 2018	Difference (%)
Net sales	7,632	8,082	5.9%
Operating income	815	868	6.5%
Operating margin	10.7%	10.7%	-

- a. In this business, the Company promoted arcades as a familiar entertainment option to secure a wide range of customers, including repeat customers, the middle-aged and seniors, women and families with children, as well as inbound tourists. These promotions included installing game machines that meet diverse customer demands, conducting service day campaigns, and holding various events. In addition, as a new undertaking, in November 2018, the Company launched *Capcom Net Catcher Cap Tore*, an online crane game which can be played by remote control from smartphones and PCs.
- b. During the period under review, the Company opened two stores and closed one, bringing the total number of stores to 37.
- c. The resulting net sales were 8,082 million yen (up 5.9% from the same term in the previous fiscal year) and operating income was 868 million yen (up 6.5% from the same term in the previous fiscal year).

## (3) Amusement Equipments

(million yen)

	9 months ended December 31, 2017	9 months ended December 31, 2018	Difference (%)
Net sales	7,711	3,231	(58.1%)
Operating income	2,128	(639)	-
Operating margin	27.6%	-	-

- a. In the Pachinko & Pachislo sub-segment, the Company launched *Biohazard into the Panic*, *Street Fighter V* and other products in a shrinking market environment, and sales struggled due to the downturn in consumer confidence and dampening investments by the Pachinko/Pachislo hall operators.
- b. The Arcade Games Sales sub-segment also struggled and business was generally weak, due to a lack of new products.
- c. The resulting net sales were 3,231 million yen (down 58.1% from the same term in the previous fiscal year) and an operating loss of 639 million yen (compared to an operating income of 2,128 million yen in the same term of the previous fiscal year).

(4) Other Businesses

(million yen)

	9 months ended December 31, 2017	9 months ended December 31, 2018	Difference (%)
Net sales	1,552	2,102	35.4%
Operating income	758	981	29.4%
Operating margin	48.8%	46.7%	-

The net sales from Other Businesses, mainly consisting of royalty income from the licensing and sale of character merchandise, were 2,102 million yen (up 35.4% from the same term in the previous fiscal year) and operating income was 981 million yen (up 29.4% from the same term in the previous fiscal year).