

Press Release

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**All Profit Figures Hit Record-High for Second Consecutive Year Driven by Digital Contents Business in Consolidated Results for the Year Ended March 2019**

- Six consecutive years of OP growth; net sales up 5.8%, operating income up 13.1% -

Capcom Co., Ltd. today announced that in its consolidated business results for the for the fiscal year ended March 31, 2019, net sales increased to 100,031 million yen (up 5.8 % from the previous fiscal year), operating income increased to 18,144 million yen (up 13.1 % from the previous fiscal year), ordinary income increased to 18,194 million yen (up 19.3 % from the previous fiscal year), and net income attributable to owners of the parent increased to 12,551 million yen (up 14.8 % from the previous fiscal year).

During the fiscal year ended March 31, 2019, in Capcom's core Digital Contents business, in addition to the great success of *Resident Evil 2*, *Devil May Cry 5* also performed well, backed by its established popularity overseas. Further, *Monster Hunter: World*, which shook up the market last year, broke 12 million cumulative units shipped following the additional release of the PC version, marking a record high for any single title in the Company's history. Meanwhile, in its Amusement Equipments business, market conditions worsened, presenting Capcom with a challenging situation; nevertheless, the strong performance from its Digital Contents business has offset this, delivering sales and profit growth in the company's consolidated results. As a result, Capcom has achieved its sixth consecutive year of operating income growth, and second consecutive year where all profitability figures from operating income down set record highs.

Moving forward, Capcom will strengthen digital download and catalog sales, with the aim of continuing to grow the Digital Contents business. Further, in response to the worldwide excitement surrounding esports, and the increased attention paid to them within the Japanese market, Capcom is redoubling its commitment to making this sector a priority area, and aims to grow the player base worldwide through running leagues that utilize *Street Fighter*. For the fiscal year ending March 31, 2020, Capcom anticipates net sales of 85,000 million yen and operating income of 20,000 million yen, which would result in seven consecutive years of operating income growth and three consecutive years of record high profit.

### 1. Consolidated Financial Results of the Year Ended March 31, 2019 (April 1, 2018 - March 31, 2019)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Year ended	Million Yen	Million Yen	Million Yen	Million Yen	Yen
March 31, 2019	100,031	18,144	18,194	12,551	115.45
March 31, 2018	94,515	16,037	15,254	10,937	99.89

Note: With an effective date of April 1, 2018, Capcom performed a 2-for-1 stock split of its common stock. Capcom calculated “Net income per share” assuming that the stock split was implemented with an effective date of April 1, 2017.

### 2. Forecast for the Fiscal Year Ending March 31, 2020

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Year ending	Million Yen	Million Yen	Million Yen	Million Yen	Yen
March 31, 2020	85,000	20,000	19,500	14,000	131.15

Note: Capcom discloses only full year business forecasts, as it manages its business performance on an annual basis.

### 3. Status of business by operating segment

#### (1) Digital Contents

(million yen)

	Year ended March 31, 2018	Year ended March 31, 2019	Difference (%)
Net sales	74,141	82,982	11.9%
Operating income	19,103	23,315	22.0%
Operating margin	25.8%	28.1%	-

- a. In this business, the popularity of major title *Resident Evil 2* (for PlayStation 4, Xbox One and PC) exceeded expectations, driving the Company’s business performance. *Devil May Cry 5* (for PlayStation 4, Xbox One and PC) targeted overseas markets and also performed strongly, backed by consistent demand. Additionally, the *Monster Hunter* series contributed significantly to improving profits: flagship title *Monster Hunter: World* (for PlayStation 4 and Xbox One), which was a phenomenal success in the previous fiscal year, maintained popularity through the expansion of its user base, while the Steam version for PC also performed solidly, boosting profits; meanwhile, *Monster Hunter Generations Ultimate* (for Nintendo Switch) enjoyed robust sales through its release in markets outside of Japan.
- b. Furthermore, *Mega Man 11* (for PlayStation 4, Nintendo Switch, Xbox One and PC) and *Street Fighter 30th Anniversary Collection* (for PlayStation 4, Nintendo Switch, Xbox One and PC) performed well. In addition, high-margin catalog titles, including *Resident Evil 7 biohazard* (for PlayStation 4, Xbox One and PC), increased sales through their enduring popularity.

- c. The resulting net sales were 82,982 million yen (up 11.9% from the previous fiscal year) and operating income was 23,315 million yen (up 22.0% from the previous fiscal year).

## (2) Arcade Operations

(million yen)

	Year ended March 31, 2018	Year ended March 31, 2019	Difference (%)
Net sales	10,231	11,050	8.0%
Operating income	879	1,096	24.6%
Operating margin	8.6%	9.9%	-

- a. In this business, amid intensifying interregional competition, the Company made efforts 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 efforts included installing game machines that meet diverse customer needs, 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 that 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 11,050 million yen (up 8.0% from the previous fiscal year) and operating income was 1,096 million yen (up 24.6% from the previous fiscal year).

## (3) Amusement Equipments

(million yen)

	Year ended March 31, 2018	Year ended March 31, 2019	Difference (%)
Net sales	7,803	3,422	-56.1%
Operating income	-764	-2,668	-
Operating margin	-	-	-

- a. Pachinko & Pachislo, the Company launched *Street Fighter V*, *Biohazard into the Panic*, and other products in a softening market environment. However, sales struggled due to a downturn in consumer confidence and dampening investment by the Pachinko/Pachislo hall operators.
- b. Arcade Games Sales also struggled and business was generally weak, due to a lack of new products, necessitating a change in strategic direction going forward for the Company.
- c. The resulting net sales were 3,422 million yen (down 56.1% from the previous fiscal year) and an operating loss of 2,668 million yen (compared to an operating loss of 764 million yen in the previous fiscal year).

(4) Other Businesses

(million yen)

	Year ended March 31, 2018	Year ended March 31, 2019	Difference (%)
Net sales	2,338	2,575	10.2%
Operating income	1,126	811	-28.0%
Operating margin	48.2%	31.5%	-

The net sales from Other Businesses, mainly consisting of royalty income from the licensing and sale of character merchandise, were 2,575 million yen (up 10.2 % from the previous fiscal year) and operating income was 811 million yen (down 28.0 % from the previous fiscal year).