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Press Release

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**Profits Hit Record-High for Third Consecutive Year Driven by
Digital Contents Business in Consolidated Results for the Year Ended March 2020**

- Seven consecutive years of OP growth; operating income up 25.8%, net income up 27.1% -

Capcom Co., Ltd. today announced that in its consolidated business results for the fiscal year ended March 31, 2020, net sales were 81,591 million yen (down 18.4 % from the previous fiscal year), operating income was 22,827 million yen (up 25.8 % from the previous fiscal year), ordinary income was 22,957 million yen (up 26.2 % from the previous fiscal year), and net income attributable to owners of the parent was 15,949 million yen (up 27.1 % from the previous fiscal year).

During the fiscal year ended March 31, 2020, *Monster Hunter World: Iceborne* delivered a solid performance supported by stable popularity; also in Capcom's core Digital Contents business, major catalog titles from past years, such as *Monster Hunter: World*, *Resident Evil 2*, and *Devil May Cry 5* exhibited healthy sales, with high-margin digital sales growth contributing to increased earnings. This, along with better-than-expected sales of *Shin Onimusha*, released in March from the Amusement Equipments business, resulted in the seventh consecutive year of operating income growth, and the third consecutive year of record-high profit at all levels in company history.

Moving forward, for the fiscal year ending March 31, 2021, Capcom anticipates net sales of 85,000 million yen and operating income of 25,500 million yen, which would result in eight consecutive years of operating income growth and four consecutive years of record high profit.

1. Consolidated financial results of the year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

	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, 2020	81,591	22,827	22,957	15,949	149.41
Year ended					
March 31, 2019	100,031	18,144	18,194	12,551	115.45

2. Forecast for the fiscal year ending March 31, 2021

	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, 2021	85,000	25,500	25,500	18,000	168.62

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, 2019	Year ended March 31, 2020	Difference (%)
Net sales	82,982	59,942	-27.8%
Operating income	23,315	24,161	3.6%
Operating margin	28.1%	40.3%	-

- a. In this business segment, *Monster Hunter World: Iceborne* (for PlayStation 4, Xbox One and PC) delivered solid sales and served as the key driver of profitability growth owing to a focus on high-margin digital sales. Further, healthy sales of catalog titles also boosted profit. Specifically, *Resident Evil 2* (for PlayStation 4, Xbox One and PC) and *Devil May Cry 5* (for Xbox One, PlayStation 4 and PC), both released in the previous fiscal year and recipients of an Award for Excellence at the Japan Game Awards: 2019, saw continued growth in sales buoyed by a growing user base. *Monster Hunter: World* (for PlayStation 4, Xbox One and PC), released two fiscal years ago, also continued to display its long sales life, achieving cumulative sales of 15 million units.
- b. The resulting net sales were 59,942 million yen (down 27.8% from the previous fiscal year) due to an increase in the percentage of digital sales. Operating income was 24,161 million yen (up 3.6% from the previous fiscal year) due to contributions from *Monster Hunter World: Iceborne* and catalog titles.

(2) Arcade Operations

(million yen)

	Year ended March 31, 2019	Year ended March 31, 2020	Difference (%)
Net sales	11,050	12,096	9.5%
Operating income	1,096	1,211	10.5%
Operating margin	9.9%	10.0%	-

- a. In this business, the Company worked to secure a wide range of customers through community-based promotion activities, such as holding various events and conducting service day campaigns, under the banner of “the No. 1 arcade in the community.” In addition to repeat customers, targeted segments included females and families as well as new customer segments such as middle-aged and elderly people, and inbound tourists.
- b. During the period under review the total number of stores reached 40 with the opening of Capcom Store Tokyo in Shibuya Parco (Tokyo), a specialty store that sells original merchandise and limited-edition items and represents a new business endeavor for Capcom, as well as two new arcades: Plaza Capcom Ikebukuro (Tokyo) and Plaza Capcom Fujiidera (Osaka).
- c. The resulting net sales were 12,096 million yen (up 9.5% from the previous fiscal year) and operating income was 1,211 million yen (up 10.5% from the previous fiscal year).

(3) Amusement Equipments

(million yen)

	Year ended March 31, 2019	Year ended March 31, 2020	Difference (%)
Net sales	3,422	6,533	90.9%
Operating income	-2,668	2,085	-
Operating margin	-	31.9%	-

- a. In recent years, the pachislo machine market has been sluggish due to factors such as the revision in pachislo model certification methods. Despite this, *Shin Onimusha* delivered a strong performance after its March release this year, exceeding unit sales expectations while providing a sign that the market has finally bottomed out and is heading toward recovery.
- b. The resulting net sales were 6,533 million yen (up 90.9% from the previous fiscal year) and operating income was 2,085 million yen (an operating loss of 2,668 million yen in the previous fiscal year.)

(4) Other Businesses

(million yen)

	Year ended March 31, 2019	Year ended March 31, 2020	Difference (%)
Net sales	2,575	3,018	17.2%
Operating income	811	544	-32.8%
Operating margin	31.5%	18.0%	-

The net sales from Other Businesses, mainly consisting of royalty income from the licensing and sale of character merchandise, were 3,018 million yen (up 17.2% from the previous fiscal year) and operating income was 544 million yen (down 32.8% from the previous fiscal year).