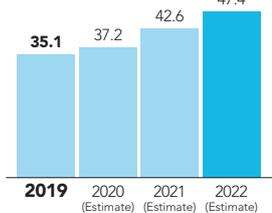
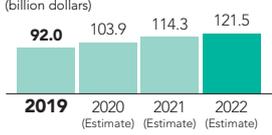
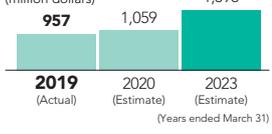
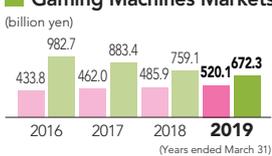


Creating social value as a game publisher

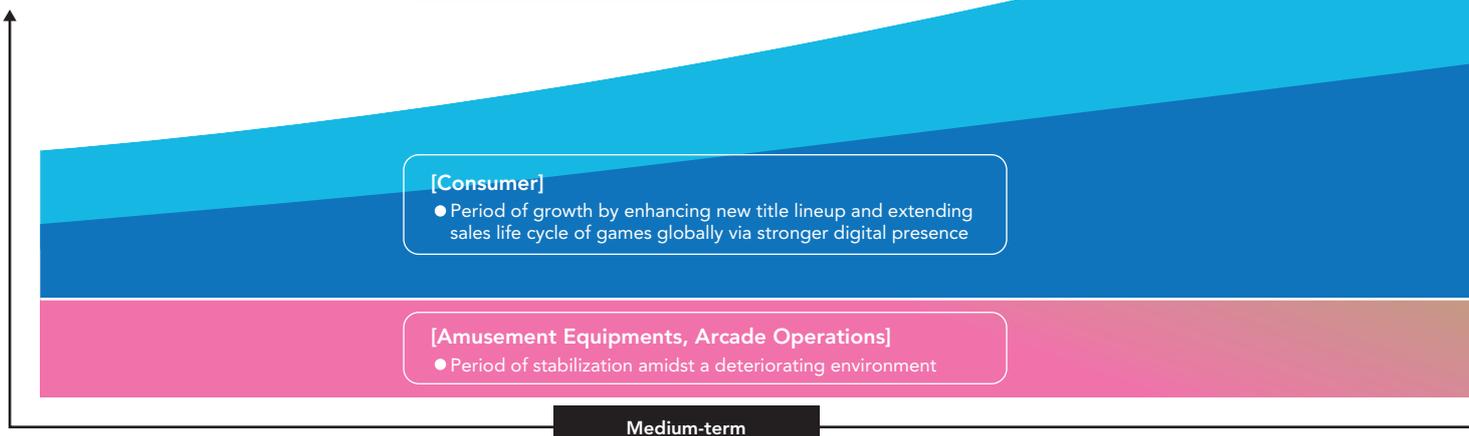
Risks and opportunities

	Main opportunities	Main risks	Business strategy
Consumer Market^{*1} (billion dollars) 	<ul style="list-style-type: none"> ● Creation of highly competitive products using new technology ● More channels for product distribution with the appearance of new platforms ● Expanded profit opportunities by leveraging digital distribution to grow number of sales regions ● Achievement of extended product life cycles through digital sales ● Reduction of the used market due to penetration of digital sales 	<ul style="list-style-type: none"> ● Rising development costs with the appearance of new technology and improved device performance ● Changes in user purchasing trends with the next generation of platforms ● Risks due to a country's politics, culture, or religion 	[Consumer] <ul style="list-style-type: none"> ● Regularly release new titles for major IP ● Promote utilization of dormant IP and remakes ● Strengthen digital sales for both new and catalog titles [Catalog Titles (Consumer)] <ul style="list-style-type: none"> ● Expand <i>Monster Hunter</i> series globally ● Extend sales life of catalog titles with rereleases for current-generation hardware
Mobile Market^{*2} (billion dollars) 	<ul style="list-style-type: none"> ● Improved game play with the elimination of communication lag ● Progressively higher quality as device performance improves ● Attraction of new users with strong IPs 	<ul style="list-style-type: none"> ● Delayed or inadequate response to new technology ● Intensified competition due to increase of market entrants ● Maturation of the domestic market ● Damage to brand value from failure to adapt to mobile 	[Mobile] <ul style="list-style-type: none"> ● Research technology in preparation for wider adoption of next-generation communications standards ● Leverage popular IPs created in the Consumer sub-segment
Esports Market^{*3} (million dollars) 	<ul style="list-style-type: none"> ● Expanded fan base from non-game players watching events ● Creation of new profit opportunities such as licensing rights to hold events and stream video ● Promotion of online tournaments that leverage game characteristics 	<ul style="list-style-type: none"> ● Reduced number of events due to COVID-19 pandemic ● Decreased enthusiasm for competition due to rampant cheating ● Interruption of service due to hacking or cracking 	[Esports] <ul style="list-style-type: none"> ● Having established a dedicated esports division, expand the base by holding events in Japan
Arcade Operations^{*4} Gaming Machines Markets^{*5} (billion yen) 	<ul style="list-style-type: none"> ● Acquisition of new customers through multifaceted roll-out of stores including themed venues, merchandise specialty stores, VR experiences, etc. ● Increased awareness with new business formats and new technologies ● Expanded sales volume by providing appropriate service 	<ul style="list-style-type: none"> ● Reduced ability to attract customers due to the COVID-19 pandemic ● Changes to the market environment due to the diversification of leisure activities and declining birthrate ● Non-compliance with model testing of pachislo machines 	[Arcade Operations] <ul style="list-style-type: none"> ● Acquire new customers through multifaceted facility roll-out and holding events [Amusement Equipments] <ul style="list-style-type: none"> ● Build development structure to handle current regulations

^{*1} International Development Group ^{*2} International Development Group ^{*3} Newzoo ^{*4} 2020 Global Esports Market Report ^{*5} JAMMA "Survey on the Amusement Industry"
^{*5} Source: Manufacturer sales base compiled by Capcom using Pachinko Maker Trends (2018, 2019); Yano Research Institute Ltd.

Medium- to long-term growth

Profit

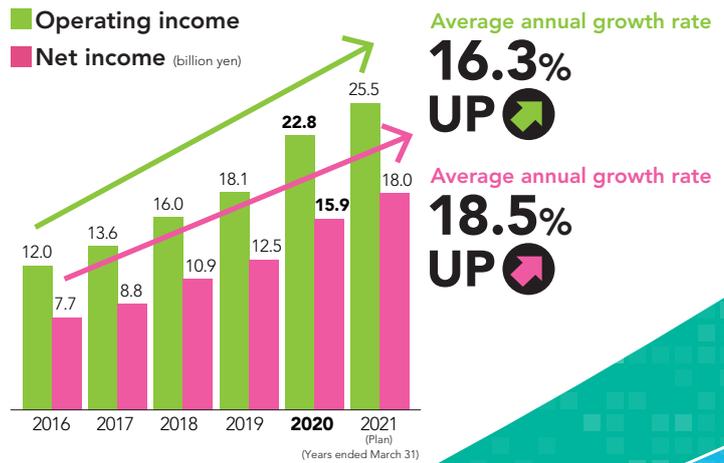


Medium- to long-term goals

Aim for annual operating income growth (10%), driven by stable earnings

Important factors for success

- 1 Bolstering digital sales
- 2 Achieving stable growth with long term sales of high quality titles
- 3 Enhanced global sales with the promotion of digital marketing



Mobile + Esports Options for further growth

New Titles (Consumer)
Growth driver

Catalog Titles (Consumer)
Base profits from recurring revenue model

Amusement-Related
Stable earnings

Long-term

→ Period