

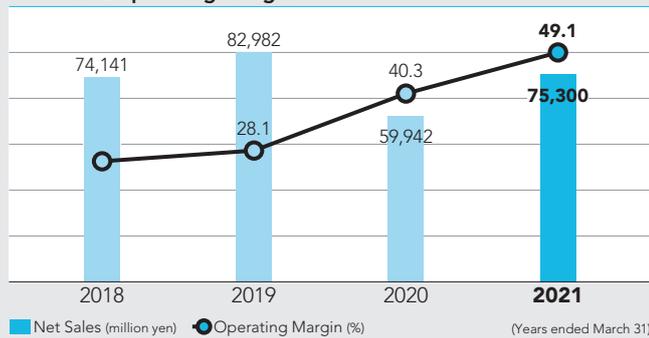
# Segment Information

CAPCOM CO., LTD. and its consolidated subsidiaries. Years ended March 31

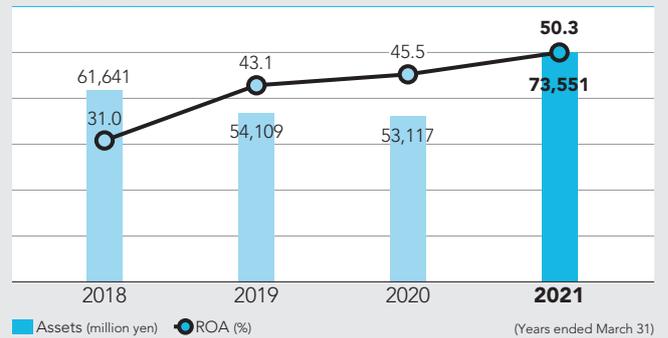
## Digital Contents

This business develops and sells packaged and digital game content for consumer home video game platforms. It also develops and manages games for Mobile Contents and PC Online Games. Consumer games produces creative, original content that provides recurring revenue by utilizing digital distribution on platforms including PC. Many of these million-seller titles are also launched on smartphone and tablet devices, and are distributed worldwide in order to maximize earnings.

### Net Sales/Operating Margins



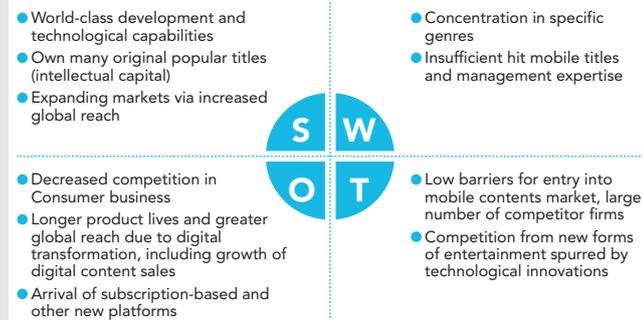
### Assets/ROA



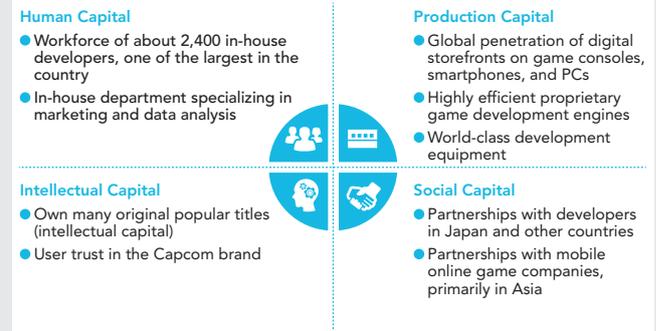
Note: Effective from the beginning of the fiscal year ended March 31, 2019, Capcom has applied "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018). Figures for the previous fiscal year have undergone retrospective application.

### SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats



### Utilization of Non-Financial Capital



## Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

### Consumer (Package + Digital) sub-segment

This fiscal year (ended March 31, 2021), new titles performed well, including *Resident Evil 3*, which was launched in April, selling 3.9 million units and *Monster Hunter Rise*, which was launched in March 2021, selling 4.8 million units. Together with focusing business development on high-margin digital sales, this drove improvements in business results.

Additionally, catalog title *Monster Hunter: World* continued to sell well, bringing the cumulative total for the title to 17.1 million units shipped. This performance, along with healthy sales of other catalog titles, gave a boost to revenue. Titles such as *Monster Hunter World: Iceborne*, *Resident Evil 2*, and *Resident Evil 7: Biohazard* also demonstrated staying power and gave a boost to revenue. We further made efforts to expand our lineup of titles, including *Devil May Cry 5 Special Edition*, a title for the new generation of game consoles (PlayStation 5

### Capcom Consumer Sales (billion yen)



and Xbox Series X|S), and *Ghosts'n Goblins Resurrection*, the long-awaited latest entry in the *Ghosts'n Goblins* series.

As a result, package sales were 20.8 billion yen, and digital sales were 48.0 billion yen. Together, they resulted in Consumer sales of 68.8 billion yen (up 24.0% from the previous year) for a continued increase. The operating margin has also improved to just under 50%.

Moreover, the growth in our library of titles due to a steady new release pipeline in recent years along with successful holiday season discount measures pushed up digital sales to 23.15 million units (up 12.7% from the previous year). As a result, this year's package and full-game download sales totaled 30.10 million units (up 18.0% from the previous year), making this the sixth consecutive year of growth.

For Capcom, we consider Consumer business growth as one of the keys to achieving our medium-term business goals. Our initiatives are to (1) strengthen digital sales, (2) bolster our title lineup through the continued execution of our 60-month and 52-week maps, and (3) utilize both new and dormant intellectual properties.

Under (1), the prevalence of digital selling has made it possible to implement measures such as limited-time sales, increasing flexibility in pricing and expanding the impact of marketing. We utilize our existing intellectual properties (IP) in addition to major titles and additional content, and remake or rerelease past titles on current-generation hardware, in order to create sales opportunities and increase the digital sales ratio. In terms of (2), since March 2015 we have been carrying out operations according to both our medium-term title portfolio map, called the "60-month map," and our yearly developer assignment plan, called the "52-week map." We will work toward establishing an efficient development structure, enabling us to release major titles on a regular basis. Finally, for (3) we seek to revive dormant intellectual properties for which we have not recently released new titles by increasing the

number of our developers.

Next fiscal year, we expect a continued contribution from catalog title *Monster Hunter Rise* on top of new titles *Resident Evil Village* and *Monster Hunter Stories 2: Wings of Ruin*. We will also work to further expand sales globally based on our digital strategy for other major titles, including *Resident Evil 3* and *Monster Hunter World: Iceborne*. As a result of these efforts, we expect to increase unit sales to 32.0 million units (up 6.3% from the year under review), net sales to 73.3 billion yen (up 6.5% from the year under review), and for the digital sales ratio to remain in the 70% range.

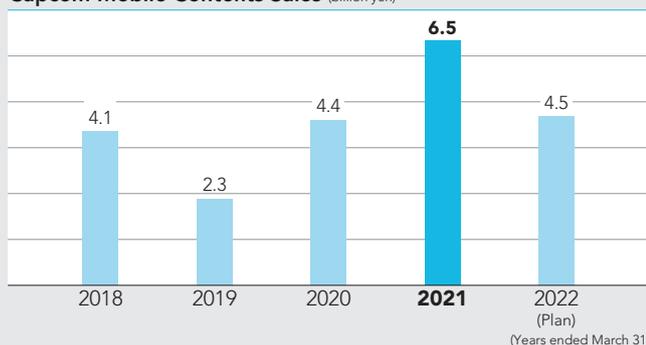
### Mobile Contents Sub-segment

This fiscal year (ended March 31, 2021), we launched *ROCKMAN X DiVE* in Japan, and licensing income associated with the launch of collaborative title *Street Fighter: Duel* in China contributed as well to bring net sales up to 6.5 billion yen (up 47.7% from the previous year).

In the future, we will continue to explore a wide range of possibilities, including cultivating existing titles, developing new titles using our intellectual properties, and forming alliances with companies in Japan and elsewhere. We will work on development in the mobile field and accumulating operational know-how. We will also work on research and development in anticipation of future technological innovation, including the new generation of mobile communication standards.

In the next fiscal year, we expect net sales to decrease to 4.5 billion yen (down 30.8% from the year under review) due to the lack of licensing income recorded in the year under review and aging existing titles. However, we expect a slight improvement to the profit margin, owing to such factors as lower costs.

Capcom Mobile Contents Sales (billion yen)



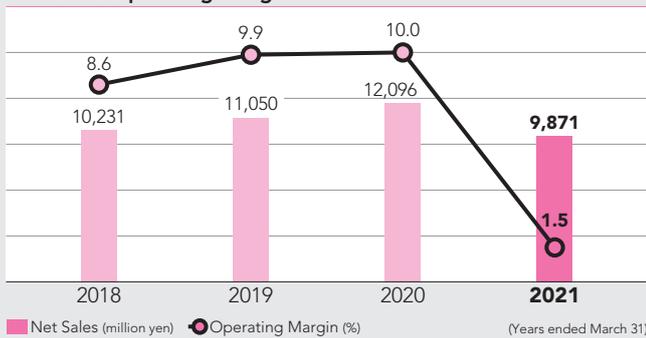
# Segment Information

CAPCOM CO., LTD. and its consolidated subsidiaries. Years ended March 31

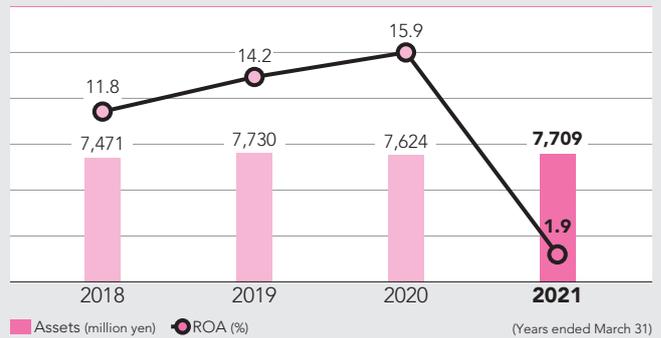
## Arcade Operations

We operate amusement facilities, primarily Plaza Capcom arcades, in Japan. These arcades are predominantly in large commercial complexes. We have diligently followed a scrap-and-build policy to maximize our efficiency in arcade operations, and have been hosting various events designed to attract families and younger customers.

### Net Sales/Operating Margins



### Assets/ROA



Note: Effective from the beginning of the fiscal year ended March 31, 2019, Capcom has applied "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018). Figures for the previous fiscal year have undergone retrospective application.

### SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats

<ul style="list-style-type: none"> <li>Specialize in opening stores in large shopping centers to secure a stable customer base</li> <li>Thorough scrap-and-build strategy focused on investment efficiency to ensure sustainable earnings</li> </ul>	<ul style="list-style-type: none"> <li>Low sales growth rate due to small number of carefully selected facilities</li> <li>Limited synergy with proprietary contents</li> </ul>
<ul style="list-style-type: none"> <li>Cultivate market, including merchandise sales and restaurants utilizing our intellectual properties</li> <li>Increase new customers through esports collaboration</li> <li>Introduce new machines and services</li> </ul>	<ul style="list-style-type: none"> <li>Entertainment diversification due to rapid growth of digital games</li> <li>Change in business climate accompanying diminished customer appeal</li> <li>Diminished customer appeal due to COVID-19</li> </ul>

### Utilization of Non-Financial Capital

<b>Human Capital</b> <ul style="list-style-type: none"> <li>Internal store management staff</li> <li>Part-time workers hired locally</li> </ul>	<b>Production Capital</b> <ul style="list-style-type: none"> <li>High foot traffic of large shopping centers</li> <li>Developers that design and construct facilities</li> </ul>
<b>Intellectual Capital</b> <ul style="list-style-type: none"> <li>Store management know-how cultivated over 37 years</li> <li>Intellectual properties (characters and worlds) that can be rolled out in food, drinks and prizes</li> <li>Services utilizing virtual reality (VR) Technology</li> </ul>	<b>Social Capital</b> <ul style="list-style-type: none"> <li>Our relationships with local residents</li> <li>Arcade game makers around the world</li> </ul>

### Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

This fiscal year (ended March 31, 2021), operations were suspended at all stores (excluding Capcom Net Catcher Cap Tore, the online crane game) due to the COVID-19 pandemic. Even after operations were resumed, minimizing the risk of infection was our top priority.

As for the number of stores, we opened our second showroom, Capcom Store Osaka, bringing the total number of stores to 41. We also focused on steady openings and operations, including major renovations at Plaza Capcom Kochi.

In October and November, we benefitted from customer foot traffic, primarily at stores in shopping malls with movie theaters in conjunction with hit movies based on manga, and recorded healthy net sales at existing stores that exceeded those of the previous year.

For the full year, we worked aggressively on reducing costs and increasing efficiency. Although net sales at existing stores were down 22% compared to the previous year, bringing segment net sales down to 9.871 billion yen (down 18.4% from the

previous year) and operating income to 149 million yen (down 87.7% from the previous year), we were able to turn a profit.

In the next fiscal year, we will work to recover from the impact we experienced from the COVID-19 pandemic this year and continue to make efforts toward efficient operations while continuing measures to prevent infection. We forecast an increase in both sales and profit with net sales at existing stores up 23% from the previous year, bringing net sales to 13.0 billion yen (up 31.7% from the year under review) and operating income to 700 million yen (up 369.8% from the year under review).

As for the number of stores, we will continue to promote store openings in prime locations with strong customer appeal based on our basic strategy of scrap-and-build. We plan to open three stores and close one, bringing the total number to 43.

# Amusement Equipments

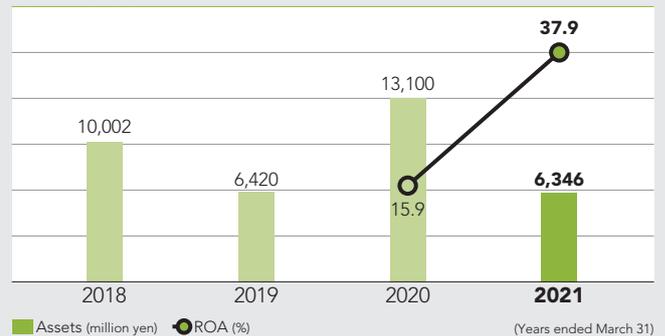
Here, we leverage the contents from our home video games.

The Pachinko & Pachislo (PS) sub-segment is involved in the development, manufacture and sales of frames and LCD devices for gaming machines as well as software, creating synergy between businesses.

## Net Sales/Operating Margins



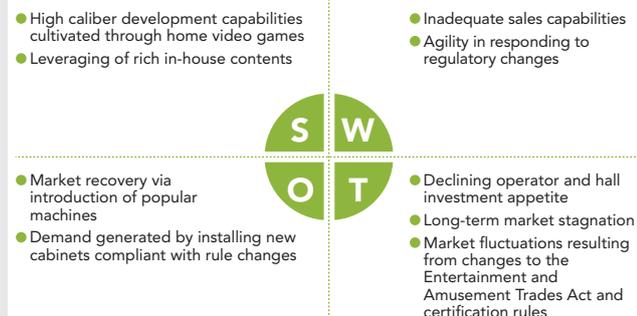
## Assets/ROA



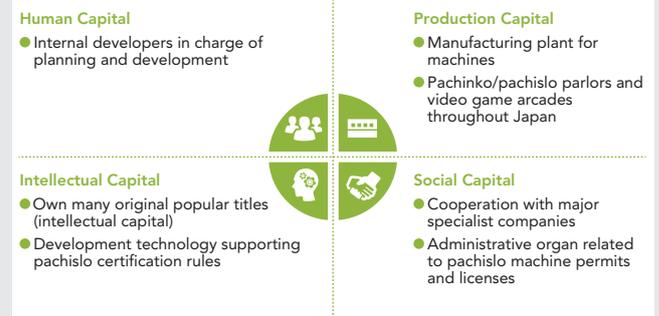
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## SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats



## Utilization of Non-Financial Capital



## Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

This fiscal year (ended March 31, 2021), three machines designed to current regulations, including *Monster Hunter: World* were launched by the Pachinko & Pachislo (PS) sub-segment, selling 27,000 units.

Shifts in the market environment resulting from such things as changes to methods of pachislo machine model certification and suspension of hall operations due to COVID-19 continued to have an impact. In the midst of these circumstances, *Monster Hunter: World* performed well, and other new models gave a boost to profits. As a result, both sales and profit were up with net sales coming in at 7.09 billion yen (up 8.5% from the previous year) and operating income at 2.407 billion yen (up 15.4% from the previous year).

In the next fiscal year, we expect some demand for cabinets in conjunction with replacement of machines designed to old standards, which was delayed due to COVID-19. However, increased investment costs at halls and operational suspensions due to COVID-19 mean that we must continue monitoring market

trends. Under these circumstances, we will work to release models that impress hall operators and end-users, continuing to (1) develop machines not dependent on speculation and that feature a variety of playing styles and entertaining video elements that utilize content from our popular Consumer content, while (2) working on securing a strong sales network and improving machine quality through cooperating with a major specialist company.

In the next fiscal year, we plan to introduce four models while continuing to monitor progress on model certification tests and sell 28,000 units (1,000 units more than the year under review).

Both sales and income will be down, with net sales at 5.5 billion yen (down 22.4% from the year under review) and operating income at 2.0 billion yen (down 16.9% from the year under review), but we expect profitability to improve owing to effective utilization of cabinet parts and the adoption of diverse business models.

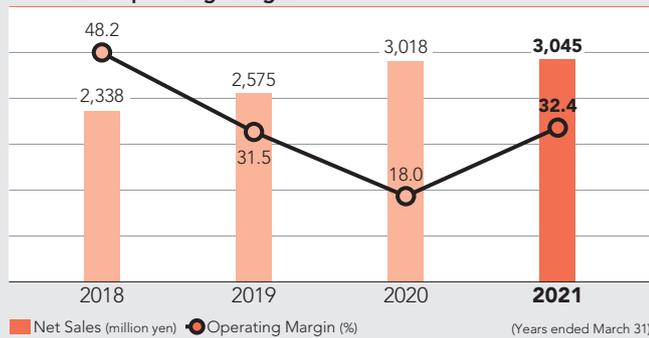
# Segment Information

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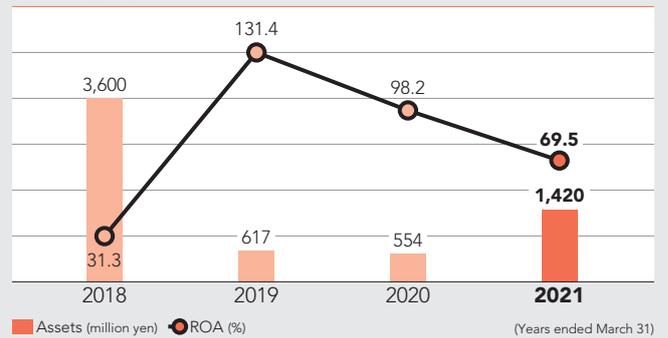
## Other Businesses

Based on our Single Content Multiple Usage strategy of developing game content for various media, we pursue a variety of copyright-related business opportunities including publishing (walkthrough and strategy guides as well as game art books) and licensing (movies, animated television programs, music CDs, and merchandise). Furthermore, we are concentrating on the esports business as well.

Net Sales/Operating Margins



Assets/ROA



Note: Effective from the beginning of the fiscal year ended March 31, 2019, Capcom has applied "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018). Figures for the previous fiscal year have undergone retrospective application.

### SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats

<ul style="list-style-type: none"> <li>Synergetic effect from multifaceted use of rich contents</li> <li>Brand value increased through high exposure across various mediums</li> <li>High profitability</li> </ul>	<ul style="list-style-type: none"> <li>Low return on sales from licensed products</li> </ul>
<ul style="list-style-type: none"> <li>Expansion into film, animation, comics, stage productions, orchestral performances and other media</li> <li>Expansion of user base through esports tournaments and other events utilizing our intellectual properties</li> </ul>	<ul style="list-style-type: none"> <li>Direct competition with other company's contents as a result of globalization</li> </ul>

### Utilization of Non-Financial Capital

<p><b>Human Capital</b></p> <ul style="list-style-type: none"> <li>Planners skilled at content development</li> <li>Legal staff in charge of alliance agreements and other arrangements</li> </ul>	<p><b>Production Capital</b></p> <ul style="list-style-type: none"> <li>Legal framework related to intellectual properties in Japan and other countries</li> <li>Merchandise manufacturing companies</li> </ul>
<p><b>Intellectual Capital</b></p> <ul style="list-style-type: none"> <li>Own many original popular titles (intellectual capital)</li> <li>Brand business (strategy for maximizing value of intellectual properties)</li> </ul>	<p><b>Social Capital</b></p> <ul style="list-style-type: none"> <li>Event organizers that engage in joint planning</li> <li>Relationship with movie studios, including those in Hollywood</li> <li>Relationship with pro gamers</li> <li>Relationship with local governments</li> </ul>

### Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

This fiscal year (ended March 31, 2021), we worked to improve brand value with merchandise using popular IPs, such as apparel and figurines, and the release of Hollywood film *Monster Hunter*, rolled out globally starting in December 2020.

In eSports we held online tournaments, seeing the ability for online spectating and play as a strength during the COVID-19 pandemic. Capcom Pro Tour Online 2020 was held completely online for the first time and streamed live in multiple languages with players and commentators participating from home. Street Fighter League: Pro-JP 2020 also made progress this year, gaining more than ten new companies as league sponsors.

As a result, both sales and profit rose with growth of the licensing business pushing net sales to 3.045 billion yen (up 0.9% from the previous year) and operating income to 987 million yen (up 81.2% from the previous year).

In the next fiscal year, we will leverage the substantial synergies with the Consumer Games businesses by diversifying the use of our rich library of IPs and rolling them out across various

mediums, including movies, animated television programs, theatrical productions, and events. In eSports, we plan to roughly double the scale of Capcom Pro Tour compared to the year under review. In addition, with NTT Docomo cosponsoring Street Fighter League: Pro-JP, we will receive advanced technical support, including 5G, as we aim to build a new viewing environment.

We will also continue to leverage our IPs based on our Single Content Multiple Usage strategy, with the first CG drama in the *Resident Evil* series launching globally in July 2021 exclusively on Netflix and the new Hollywood live action movie *Resident Evil* opening in North America in November, as we work to increase the value of our core brands through adaptations and collaborations.

We expect net sales to increase to 3.7 billion yen (up 21.5% from the previous year) and operating income to be 1.0 billion yen (up 1.3% from the previous year), for an increase in both sales and profit.

## Stock Data (As of March 31, 2021)

### Stock Data

Number of Shares Authorized ..... 300,000,000 shares

Number of Shares Issued ..... 135,446,488 shares

Number of Shareholders ..... 16,631

\* We have partially amended the Articles of Incorporation following a stock split (effective date: April 1, 2021). Due to this stock split, the total number of authorized shares has been increased to 600,000,000 shares, and the total number of issued shares has been increased to 270,892,976 shares.

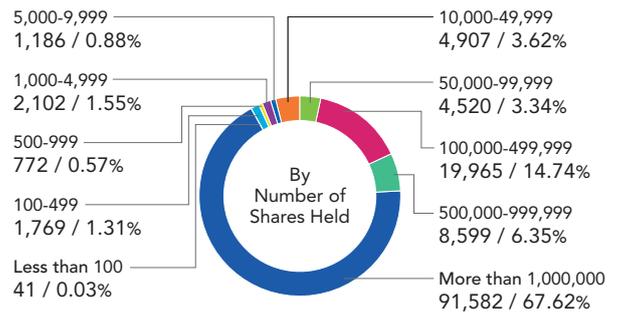
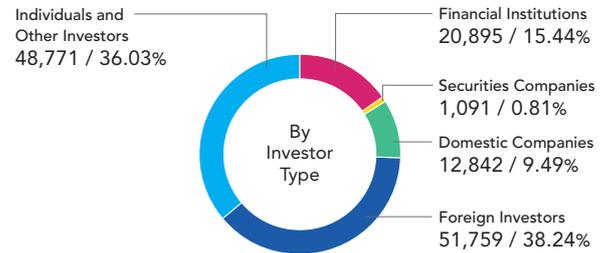
### Major Shareholders (Top 10)

Major Shareholders	Number of Shares Held (in thousands)	Percentage of Shareholding (%)
Crossroad Co., Ltd.	10,682	10.01
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,673	6.25
SSBTC CLIENT OMNIBUS ACCOUNT	4,568	4.28
Yoshiyuki Tsujimoto	4,038	3.78
Kenzo Tsujimoto	4,019	3.77
JP Morgan Chase Bank 380815	3,862	3.62
Custody Bank of Japan, Ltd. Trust Account	3,736	3.50
Haruhiro Tsujimoto	3,099	2.90
Ryozo Tsujimoto	3,091	2.90
The Bank of New York Mellon 140044	1,760	1.65

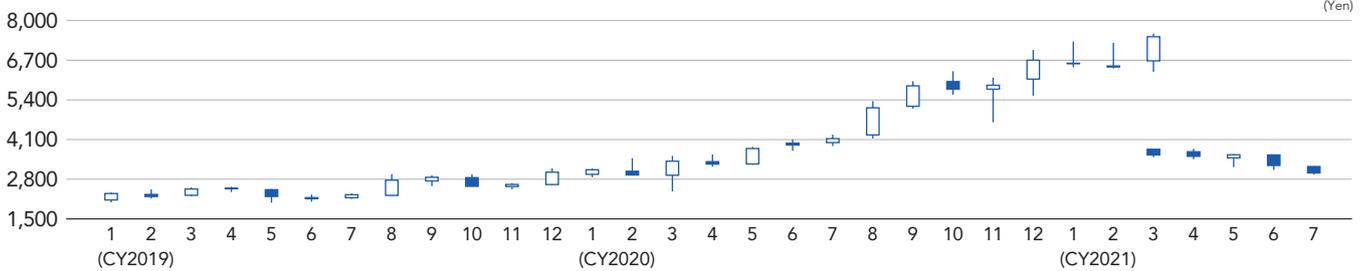
Note: Capcom owns 28,696 thousand shares as treasury stocks.  
The stocks owned by the company are excluded from the above list.

### Shareholders' Breakdown

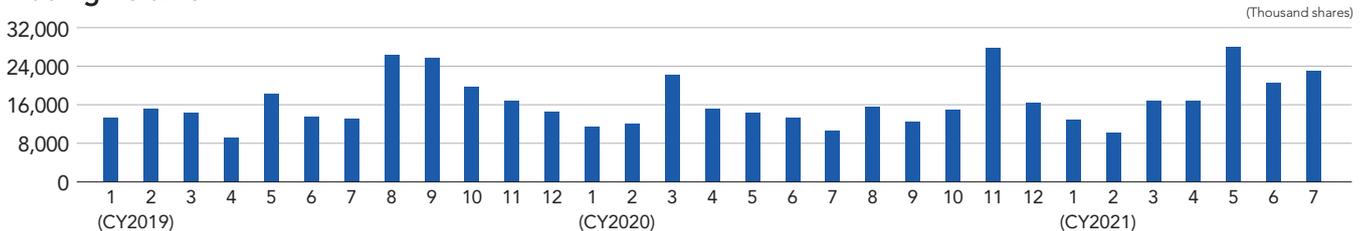
Number of shares held (in thousands) / (%)



### Stock Price Range\*1



### Trading Volume



### 11-Year Trend of Stock Price and Trading Volume\*2\*3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Stock Price	795.0	945.5	738.0	979.0	1,194.5	1,372.5	1,085.5	2,299.0	2,480.0	3,390.0	<b>7,190.0</b>
High	953.5	1,155.5	979.5	1,165.0	1,206.5	1,537.5	1,438.5	2,585.0	3,045.0	3,565.0	<b>7,570.0</b>
Low	572.5	736.5	625.0	698.0	770.5	972.0	963.5	1,053.0	1,903.0	2,032.0	<b>3,210.0</b>
Trading Volume	149,613,900	227,386,800	178,008,200	150,408,300	143,234,700	162,642,100	183,455,500	171,969,350	258,438,800	183,399,500	<b>180,877,400</b>

\*1 With an effective date of April 1, 2021, Capcom performed a 2-for-1 split of its common stock.

\*2 Effective April 1, 2018, Capcom implemented a stock split of two shares for every share. Stock prices prior to this date have been calculated assuming the stock split.

\*3 The stock price listed for the March 2021 fiscal year (year-end) has been adjusted taking \*1 into consideration.

(Years Ended March 31)