



Capcom Co., Ltd.
(TSE Prime, 9697)

First Half Report
Fiscal year ending March 31, 2024

Major Takeaways

■ H1 Results

- Sales and profit up due to digital sales, including major new titles
- Sales of *Street Fighter 6* surpassed 2.47 million units
- Game sales grew YoY from 21.3 million units to 22.6 million units
- Sales and profit grew YoY in Amusement Equipments; Arcade Operations business profit on par with previous year

■ Full-Year Business Plan

- H1 performance in-line with plan; no change in full-year forecast
- Will focus on expanding sales in Digital Contents business as we work to achieve our existing full-year guidance

(million yen)

	2022/9	YoY	2023/9	YoY	Difference	2024/3 Plan	YoY
Net sales	49,067	-30%	74,934	53%	25,867	140,000	11%
Operating income	21,895	-24%	33,835	55%	11,940	56,000	10%
Operating margin	44.6%	-	45.2%	-	-	40.0%	-
Ordinary income	22,996	-23%	36,164	57%	13,168	56,000	9%
Net income attributable to owners of the parent	16,142	-27%	25,287	57%	9,145	40,000	9%

*Table: YoY indicates percent change from the same term of the previous year

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Forward-looking Statements

Strategies, plans, outlooks and other statements that are not historical facts are based on assumptions that use information currently available and reasonable judgments. Actual performance may be significantly different from these statements for a number of reasons.

In the entertainment industry, which includes Capcom, performance may be highly volatile because of diverging user needs and other changes in market conditions.

Factors that can affect Capcom's performance include: (1) the number of hit titles and sales volume of home video games, which accounts for the majority of sales; (2) progress in developing home video games; (3) consumer demand for home video game consoles; (4) sales outside Japan; (5) changes in stock prices and exchange rates; (6) alliances with other companies concerning product development, sales and other operations; (7) changes in market conditions; (8) natural disasters, disease outbreaks, economic crises and other unforeseeable events. Please note that this is not a complete list of factors that can influence Capcom's operating results.

1. Forecasts for FY3/24

**Aiming for 11 consecutive years of OP growth
driven by steady growth of Digital Contents business**

(million yen)

	2020/3	YoY	2021/3	YoY	2022/3	YoY	2023/3	YoY	2024/3 Plan	YoY	Difference
Net sales	81,591	-18%	95,308	17%	110,054	16%	125,930	14%	140,000	11%	14,070
Operating income	22,827	26%	34,596	52%	42,909	24%	50,812	18%	56,000	10%	5,188
Operating margin	28.0%	-	36.3%	-	39.0%	-	40.3%	-	40.0%	-	-
Ordinary income	22,957	26%	34,845	52%	44,330	27%	51,369	16%	56,000	9%	4,631
Net income attributable to owners of the parent	15,949	27%	24,923	56%	32,553	31%	36,737	13%	40,000	9%	3,263

- Expect increased sales and profit due to digital sales growth in the Consumer sub-segment
- Foreign exchange rate forecast (end of the period): USD ¥125、Euro ¥135
- Earnings per share forecast: ¥191.28
- Dividend forecast: interim dividend of ¥27 and year-end dividend of ¥27 resulting in a ¥54 dividend for the fiscal year

*Table: YoY indicates percent change from the same term of the previous year

2-1. Q2 Financial Highlights – Consolidated Business Results (1)

■ 6 Months Results in FY9/23 (consolidated)

(million yen)

	2019/9	YoY	2020/9	YoY	2021/9	YoY	2022/9	YoY	2023/9	YoY	Difference
Net sales	37,272	-14%	42,059	13%	69,995	66%	49,067	-30%	74,934	53%	25,867
Operating income	13,992	33%	17,863	28%	28,924	62%	21,895	-24%	33,835	55%	11,940
Operating margin	37.5%	-	42.5%	-	41.3%	-	44.6%	-	45.2%	-	-
Ordinary income	14,002	36%	17,571	26%	29,723	69%	22,996	-23%	36,164	57%	13,168
Net income attributable to owners of the parent	9,846	44%	12,993	32%	22,219	71%	16,142	-27%	25,287	57%	9,145

- Sales and profit up YoY due primarily to major new title release in Consumer sub-segment in H1
- Ordinary income includes foreign exchange gain of ¥1,832 million

*Table: YoY indicates percent change from the same term of the previous year

2-1. Q2 Financial Highlights – Consolidated Business Results (2)

■ FY9/23 Net Sales/Operating Income (by segment)

(million yen)

	2019/9	YoY	2020/9	YoY	2021/9	YoY	2022/9	YoY	2023/9	YoY	Difference	2024/3 Plan	YoY
Net sales	37,272	-14%	42,059	13%	69,995	66%	49,067	-30%	74,934	53%	25,867	140,000	11%
Digital Contents	29,163	-15%	35,378	21%	59,803	69%	36,062	-40%	61,275	70%	25,213	106,300	8%
Arcade Operations	6,233	13%	4,031	-35%	5,647	40%	7,323	30%	9,169	25%	1,846	18,000	15%
Amusement Equipments	241	-89%	1,325	450%	1,611	22%	3,023	88%	2,598	-14%	-425	10,000	28%
Other Businesses	1,633	16%	1,323	-19%	2,933	122%	2,657	-9%	1,891	-29%	-766	5,700	31%
Operating income	13,992	33%	17,863	28%	28,924	62%	21,895	-24%	33,835	55%	11,940	56,000	10%
Digital Contents	14,503	23%	19,849	37%	30,216	52%	21,826	-28%	34,503	58%	12,677	58,900	10%
Arcade Operations	915	25%	-262	-	71	-	677	854%	1,128	67%	451	1,300	6%
Amusement Equipments	67	-	18	-73%	388	2056%	1,721	344%	1,781	4%	60	3,700	8%
Other Businesses	733	7%	552	-25%	1,370	148%	1,258	-8%	614	-51%	-644	1,600	12%
Adjustments*	-2,227	-	-2,294	-	-3,121	-	-3,588	-	-4,192	-	-604	-9,500	-

*Adjustments include unallocated corporate operating expenses. The corporate operating expenses, which do not belong to any reportable segment, mainly consist of administrative expenses.

*Table: YoY indicates percent change from the same term of the previous year

2-2. Q2 Financial Highlights – Financial Position

■ FY9/23 Balance Sheet/Statement of Cashflows (Summary)

Balance Sheet

(million yen)

Assets	2020/3	YoY	2021/3	YoY	2022/3	YoY	2023/3	YoY	2023/9	YoY	Difference
Cash on hand and in banks	65,657	24%	71,239	9%	107,262	51%	102,116	-5%	122,164	20%	20,048
Notes receivable - trade & Accounts receivable - trade	15,959	14%	25,096	57%	7,932	-68%	25,097	216%	11,788	-53%	-13,309
Work in progress for game software	21,222	25%	24,443	15%	31,192	28%	38,510	23%	40,649	6%	2,139
Others	40,628	3%	42,934	6%	40,979	-5%	51,642	26%	52,093	1%	451
Total assets	143,466	16%	163,712	14%	187,365	14%	217,365	16%	226,694	4%	9,329
Liabilities											
Notes and accounts payable - trade & Electronically recorded monetary liabilities	5,844	14%	3,702	-37%	3,601	-3%	5,529	54%	4,104	-26%	-1,425
Deferred income	7,642	383%	6,673	-13%	8,932	34%	5,455	-39%	1,129	-79%	-4,326
Others	30,245	8%	32,543	8%	28,357	-13%	45,252	60%	39,089	-14%	-6,163
Total liabilities	43,731	26%	42,918	-2%	40,890	-5%	56,236	38%	44,322	-21%	-11,914
Total net assets	99,735	12%	120,794	21%	146,475	21%	161,129	10%	182,372	13%	21,243
Total liabilities and net assets	143,466	16%	163,712	14%	187,365	14%	217,365	16%	226,694	4%	9,329

*Deferred income of ¥1.1 billion consists primarily of revenue from *Street Fighter 6* that was deferred until the release of DLC. We anticipate this revenue will gradually be recognized in net sales by the end of FY2024.

Statement of Cashflows

(million yen)

	2019/9	YoY	2020/9	YoY	2021/9	YoY	2022/9	YoY	2023/9	YoY	Difference
Cash flows from operating activities	10,138	-	8,802	-	48,432	-	14,515	-	27,226	-	12,711
Net income before income taxes	13,991	-	17,564	-	29,718	-	22,998	-	36,165	-	13,167
Increase (decrease) in notes and accounts receivable - trade	866	-	10,156	-	18,992	-	-3,498	-	13,448	-	16,946
Decrease (increase) in work in progress for game software	-5,263	-	-2,604	-	2,592	-	-9,221	-	-2,123	-	7,098
Decrease (increase) in deferred revenue	2,801	-	-6,753	-	1,420	-	5,452	-	-4,429	-	-9,881
Cash flows from investing activities	-1,350	-	-2,451	-	-6,174	-	-1,931	-	-3,250	-	-1,319
Cash flows from financing activities	-3,017	-	-3,643	-	-5,591	-	-20,431	-	-9,380	-	11,051
Cash and cash equivalents at beginning of year	53,004	-	59,672	-	64,043	-	95,635	-	89,470	-	-6,165
Cash and cash equivalents at end of quarter	57,751	-	62,183	-	100,892	-	91,445	-	107,851	-	16,406

*YoY on the Balance Sheet indicates percent change from the end of the previous year

3-1. Business Segments – Digital Contents (1)

Sales and profit up due to Consumer sub-segment digital sales growth, including for new titles

■ Digital Contents Performance

(100 million yen)

	2019/9	YoY	2020/9	YoY	2021/9	YoY	2022/9	YoY	2023/9	YoY	2024/3 Plan
Net sales	291	-15%	353	21%	598	69%	360	-40%	612	70%	1,063
Consumer breakdown											
Package sales	75	-34%	73	-3%	233	219%	43	-82%	120	179%	125
Digital sales (incl. digital license)	199	-7%	248	25%	345	39%	306	-11%	476	56%	909
Digital license portion			10	-	7	-30%	22	214%	37	68%	32
Consumer total	274	-17%	321	17%	578	80%	349	-40%	597	71%	1,034
Deferred revenue portion					-14	-	-54	-	44	-	
Mobile Contents	17	42%	32	88%	19	-41%	11	-42%	15	36%	29
Operating income	145	23%	198	37%	302	52%	218	-28%	345	58%	589
Operating margin	49.7%	-	56.1%	-	50.5%	-	60.5%	-	56.3%	-	55.4%

*Digital license indicates income from providing content etc. to online platforms

*Deferred revenue indicates the variance between deferred revenue and reversed revenue stemming primarily from the release of free downloadable content that typically follows the release of a full game

*Table: YoY indicates percent change from the same term of the previous year

3-1. Business Segments – Digital Contents (2)

Record H1 sales volume driven primarily by overseas and catalog title sales growth

■ Unit Sales for the 6 Months (Consumer)

(units in thousands)

	2019/9			2020/9			2021/9			2022/9			2023/9			2024/3 Plan		
New Titles (SKU)	15			7			13			16			30			31		
Titles sold / sales regions	293 / 207			292 / 209			301 / 207			304 / 213			286 / 227					
Total unit sales	YoY 11,100 1.8%			YoY 13,800 24.3%			YoY 19,800 43.5%			YoY 21,300 7.6%			YoY 22,600 6.1%			YoY 45,000 7.9%		
	Share		YoY	Share		YoY	Share		YoY	Share		YoY	Share		YoY	Share		YoY
Overseas units	8,600	77.5%	-8.0%	12,000	87.0%	39.5%	16,200	81.8%	35.0%	16,050	75.4%	-0.9%	18,400	81.4%	14.6%	37,900	84.2%	13.1%
Japan units	2,500	22.5%	61.3%	1,800	13.0%	-28.0%	3,600	18.2%	100.0%	5,250	24.6%	45.8%	4,200	18.6%	-20.0%	7,100	15.8%	-13.4%
Digital units	8,450	76.1%	15.0%	11,400	82.6%	34.9%	13,900	70.2%	21.9%	19,500	91.5%	40.3%	20,000	88.5%	2.6%	42,500	94.4%	13.9%
Physical units	2,650	23.9%	-25.4%	2,400	17.4%	-9.4%	5,900	29.8%	145.8%	1,800	8.5%	-69.5%	2,600	11.5%	44.4%	2,500	5.6%	-43.2%
Catalog units	7,750	69.8%	-8.3%	10,950	79.3%	41.3%	13,200	66.7%	20.5%	16,050	75.4%	21.6%	17,600	77.9%	9.7%	35,700	79.3%	21.8%
New units	3,350	30.2%	36.7%	2,850	20.7%	-14.9%	6,600	33.3%	131.6%	5,250	24.6%	-20.5%	5,000	22.1%	-4.8%	9,300	20.7%	-25.0%
Major titles																		
New	Monster Hunter World: Iceborne			Resident Evil 3			Resident Evil Village Monster Hunter Stories 2: Wings of Ruin			Monster Hunter Rise: Sunbreak			Street Fighter 6 MegaMan Battle Network Legacy Collection Vol. 1 & Vol. 2			Street Fighter 6 Exoprimal		
Catalog	Monster Hunter: World Resident Evil 2 Devil May Cry 5			Monster Hunter World: Iceborne Resident Evil 2 Resident Evil 7 biohazard Monster Hunter: World			Monster Hunter Rise Resident Evil 7 biohazard Monster Hunter World: Iceborne Resident Evil 2 Resident Evil 3 Monster Hunter: World			Monster Hunter Rise Devil May Cry 5 Resident Evil 2 Resident Evil 3 Monster Hunter World: Iceborne Dragon's Dogma: Dark Arisen			Resident Evil 4 Resident Evil 2 Monster Hunter Rise: Sunbreak Resident Evil 3 Monster Hunter Rise Resident Evil Village			Resident Evil 4 Monster Hunter Rise Monster Hunter World: Iceborne Resident Evil Village Monster Hunter Rise: Sunbreak Resident Evil 2 Monster Hunter: World (12 titles total)		

*New titles: titles released in the current fiscal year; Catalog titles: titles released in the previous fiscal year or earlier

*Includes distribution titles

*Table: YoY indicates percent change from the same term of the previous year

3-1. Business Segments – Digital Contents (3)

Promoted sales expansion of catalog titles with pricing strategies
in addition to steady release of new titles

■ 6 Months Highlights (Consumer)

- Launched all-new IP *Exoprimal* (July 14, 2023)

- **FY23 Top Title Unit Sales**

(10 thousand units)

Title	FY23	Lifetime
Street Fighter 6	247	247
Resident Evil 4	166	545
MegaMan Battle Network Legacy Collection*	142	142
Resident Evil 2	118	1,313
Monster Hunter Rise: Sunbreak	109	654
Resident Evil 3	97	804
Monster Hunter Rise	94	1,368

*Total figure for *MegaMan Battle Network Legacy Collection Vol. 1* and *Vol. 2*



Street Fighter 6

■ 6 Months Highlights (Mobile Contents)

- *Monster Hunter Now* (licensed title) launched on Sept. 14
Currently over 10 million downloads (Source: October 19, 2023 Niantic press release)

3-2. Business Segments – Arcade Operations

Sales and profit up due to new and existing store contributions
Profit levels recover to pre-COVID levels

■ 6 Months Business Results

(100 million yen)

	2019/9	YoY	2020/9	YoY	2021/9	YoY	2022/9	YoY	2023/9	YoY	2024/3	Plan
Net sales	62	13%	40	-35%	56	40%	73	30%	91	25%	180	
Operating income	9	25%	-2	-	0	-	6	854%	11	67%	13	
Operating margin	14.7%	-	-	-	1.3%	-	9.2%	-	12.3%	-	7.2%	
Same store sales	109%	-	60%	-	136%	-	126%	-	110%	-	105%	

■ Number of Stores

(stores)

	2020/3	YoY	2021/3	YoY	2022/3	YoY	2023/3	YoY	2023/9	YoY	2024/3	Plan
New stores	3	-	1	-	2	-	5	-	2	-	4	
Closed stores	0	-	0	-	1	-	2	-	0	-	0	
Total	40	8%	41	3%	42	2%	45	7%	47	4%	49	

■ 6 Months Highlights

- Same store sales: 110%
- Opened Kids Banet Shizuoka Store (Shizuoka prefecture) on April 25 and Crazy Banet at Aeon Mall Niihama (Ehime Prefecture) on June 23



Crazy Banet at Aeon Mall Niihama

*Table: YoY indicates percent change from the same term of the previous year

3-3. Business Segments – Amusement Equipments

Release first smart pachislo model
Profitability overall on par year-over-year

■ 6 Months Business Results

(100 million yen)

	2019/9	YoY	2020/9	YoY	2021/9	YoY	2022/9	YoY	2023/9	YoY	2024/3 Plan
Net sales	2	-89%	13	450%	16	22%	30	88%	25	-14%	100
Operating income	0	-	0	-73%	3	2056%	17	344%	17	4%	37
Operating margin	27.8%	-	1.4%	-	24.1%	-	56.9%	-	68.6%	-	37.0%

■ Pachislo Sales Volume

	2019/9	YoY	2020/9	YoY	2021/9	YoY	2022/9	YoY	2023/9	YoY	2024/3 Plan
New titles	0	-	1	-	1	-	3	-	1	-	4
Sales (thousand units)	-	-	3.7	-	8.5	130%	27.7	226%	18	-35%	37

*Includes catalog title sales

■ 6 Months Highlights

- Total 18,000 units sold (FY9/22: 3 new title; 27,700 units sold (includes catalog title sales))
Smart pachislo Sengoku BASARA GIGA sold 15,000 units in addition to 3,000 units in catalog sales



Smart pachislo
Sengoku BASARA GIGA

*Table: YoY indicates percent change from the same term of the previous year

3-4. Business Segments – Other Businesses

**Promoting Single Content Multiple Usage strategy
in conjunction with game sales**

■ 6 Months Business Results

(100 million yen)

	2019/9	YoY	2020/9	YoY	2021/9	YoY	2022/9	YoY	2023/9	YoY	2024/3 Plan
Net sales	16	16%	13	-19%	29	122%	26	-9%	18	-29%	57
Character			11	-	22	100%	25	14%	17	-32%	50
eSports/Media			1	-	6	500%	1	-83%	1	0%	7
Operating income	7	7%	5	-25%	13	148%	12	-8%	6	-51%	16
Character			8	-	15	88%	17	13%	12	-29%	31
eSports/Media			-2	-	-1	-	-4	-	-6	-	-15
Operating margin	44.9%	-	41.7%	-	46.7%	-	47.3%	-	32.5%	-	28.1%

*Beginning FY23/6, business results for Media have been incorporated with eSports. This change has been reflected in the above full year FY24/3 plan and business results for previous years.

■ 6 Months Highlights

- Carried out merchandising for goods related to major titles
- Street Fighter League: Pro-JP 2023 launched in July
- Capcom Pro Tour 2023 kicked off in August



Street Fighter League: Pro-JP 2023

*Table: YoY indicates percent change from the same term of the previous year

4-1. Supplement: Summary of Major Financial Information

● Profit and Loss Sheet

(million yen)

	2020/3	YoY	2021/3	YoY	2022/3	YoY	2023/3	YoY	2024/3 plan	YoY	2023/9
Net Sales	81,591	-18.4%	95,308	16.8%	110,054	15.5%	125,930	14.4%	140,000	11.2%	74,934
Gross Profit	40,947	10.0%	52,741	28.8%	61,317	16.3%	73,819	20.4%	83,000	12.4%	45,855
Margin (%)	50.2%	-	55.3%	-	55.7%	-	58.6%	-	59.3%	-	61.2%
Sales and G&A Expenses	18,119	-5.0%	18,145	0.1%	18,408	1.4%	23,006	25.0%	27,000	17.4%	12,019
Operating Income	22,827	25.8%	34,596	51.6%	42,909	24.0%	50,812	18.4%	56,000	10.2%	33,835
Margin (%)	28.0%	-	36.3%	-	39.0%	-	40.3%	-	40.0%	-	45.2%
Ordinary Income	22,957	26.2%	34,845	51.8%	44,330	27.2%	51,369	15.9%	56,000	9.0%	36,164
Margin (%)	28.1%	-	36.6%	-	40.3%	-	40.8%	-	40.0%	-	48.3%
Net income attributable to owners of the parent	15,949	27.1%	24,923	56.3%	32,553	30.6%	36,737	12.9%	40,000	8.9%	25,287
Margin (%)	19.5%	-	26.1%	-	29.6%	-	29.2%	-	28.6%	-	33.7%

● Sales and Profit by Business Segments

(million yen)

		2020/3	YoY	2021/3	YoY	2022/3	YoY	2023/3	YoY	2024/3 plan	YoY	2023/9
Digital Contents	Net Sales	59,942	-27.8%	75,300	25.6%	87,534	16.2%	98,158	12.1%	106,300	8.3%	61,275
	Operating Income	24,161	3.6%	37,002	53.1%	45,359	22.6%	53,504	18.0%	58,900	10.1%	34,503
	Margin (%)	40.3%	-	49.1%	-	51.8%	-	54.5%	-	55.4%	-	56.3%
Arcade Operations	Net Sales	12,096	9.5%	9,871	-18.4%	12,404	25.7%	15,609	25.8%	18,000	15.3%	9,169
	Operating Income	1,211	10.5%	149	-87.7%	652	337.6%	1,227	88.2%	1,300	5.9%	1,128
	Margin (%)	10.0%	-	1.5%	-	5.3%	-	7.9%	-	7.2%	-	12.3%
Amusement Equipments	Net Sales	6,533	90.9%	7,090	8.5%	5,749	-18.9%	7,801	35.7%	10,000	28.2%	2,598
	Operating Income	2,085	-	2,407	15.4%	2,348	-2.5%	3,433	46.2%	3,700	7.8%	1,781
	Margin (%)	31.9%	-	33.9%	-	40.8%	-	44.0%	-	37.0%	-	68.6%
Others	Net Sales	3,018	17.2%	3,045	0.9%	4,366	43.4%	4,360	-0.1%	5,700	30.7%	1,891
	Operating Income	544	-32.9%	987	81.4%	1,517	53.7%	1,433	-5.5%	1,600	11.7%	614
	Margin (%)	18.0%	-	32.4%	-	34.7%	-	32.9%	-	28.1%	-	32.5%

*Table: YoY indicates percent change from the same term of the previous year

4-2. Supplement: Our Major IP

Capcom owns a wealth of globally popular brands originating from its games

■ Cumulative Unit Sales and Examples of Brand Utilization

- ***Resident Evil* series: 150 million units**



Separate Ways additional DLC for *Resident Evil 4* released on Sept. 21

- ***Monster Hunter* series: 95 million units**



Monster Hunter series
20th Anniversary project announced

- ***Street Fighter* series: 52 million units**



A.K.I., the second Year 1 character for *Street Fighter 6* released on Sept. 27

- ***Mega Man* series: 41 million units**
- ***Devil May Cry* series: 30 million units**
- ***Dragon's Dogma* series: 7.9 million units**