



Fiscal Year 2023

Financial Results Presentation

Capcom Co., Ltd.

May 13, 2024

CAPCOM



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Haruhiro Tsujimoto, President and COO

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CAPCOM

1. Capcom's Philosophy

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- Corporate Philosophy:
We are creators of entertainment culture that stimulates your senses



Contribute to building a richer society, making smiles and moving hearts across the globe



Grow the player base worldwide

Work to build equality and eliminate poverty, so games can be enjoyed wholeheartedly



Continue to make and provide superior content
Create stable revenue

Promote ESG initiatives based on SDGs



1. Capcom's Philosophy

- Celebrating the 40th anniversary of Capcom's founding with our motto: "From Osaka, to the World"



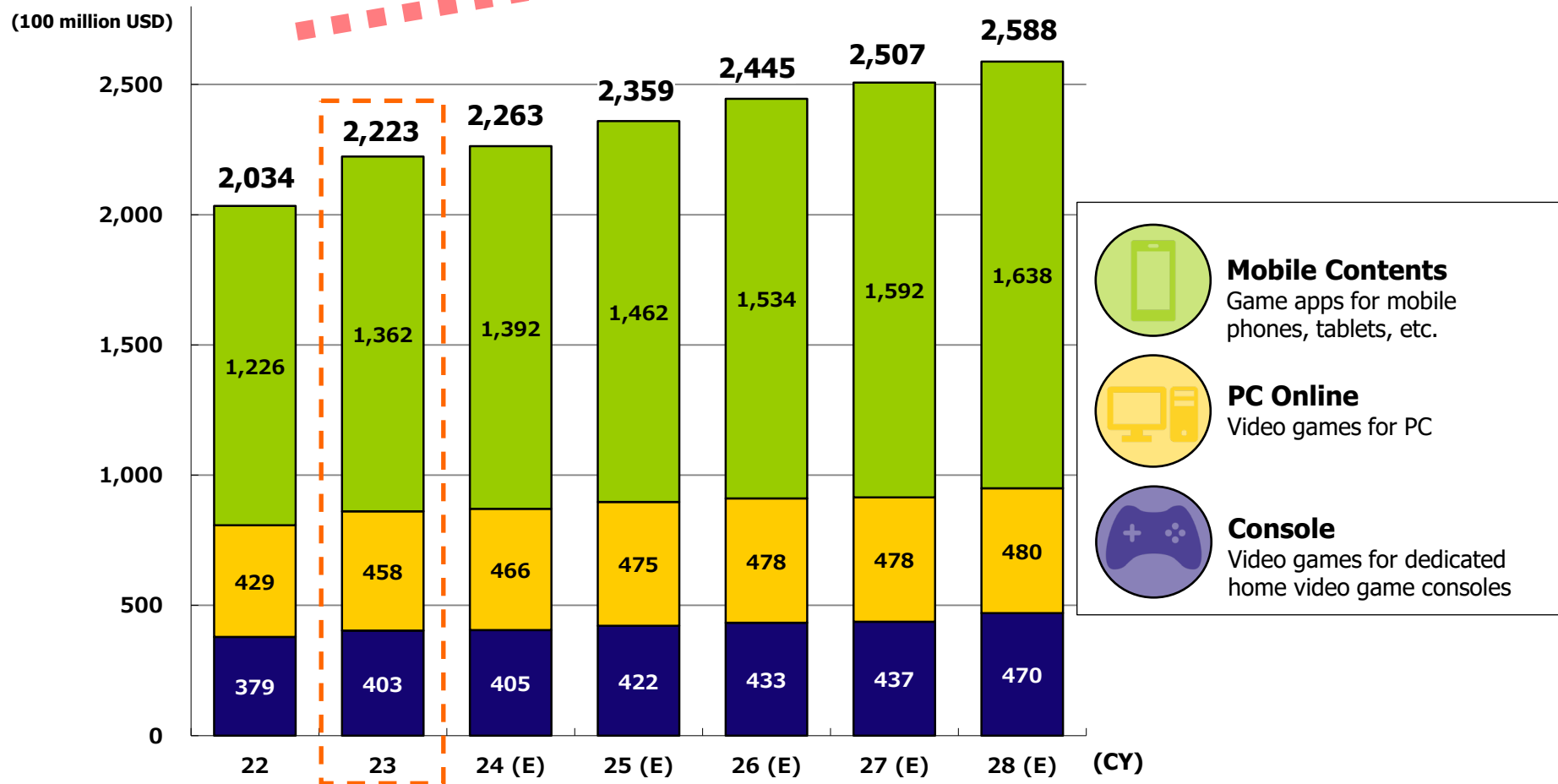
2. Market Overview

2. Market Overview (1)

■ Global video game market forecast to grow

■ Video Game Market

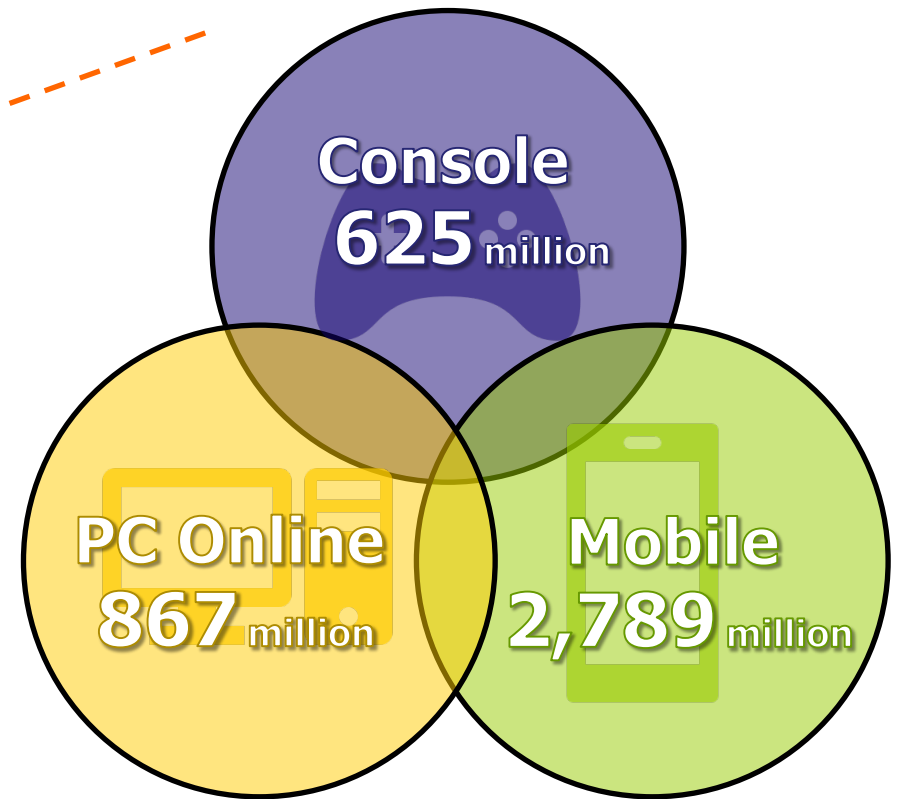
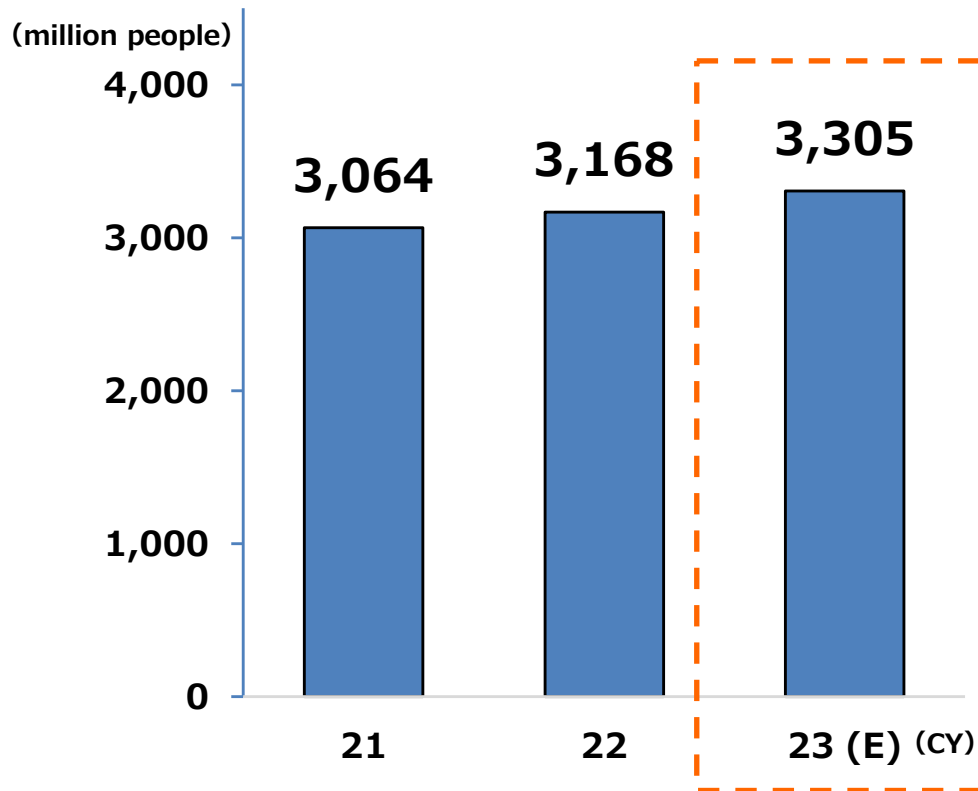
Market set to break \$250 billion



2. Market Overview (2)

- **Global game player population expected to grow beyond 3.3 billion people**
 - Video games now mainstream entertainment
 - Estimate 1.5 billion people in Capcom's primary target markets of PC and Console

Global game player population



*Total of segments exceeds total of overall market due to overlap between segments

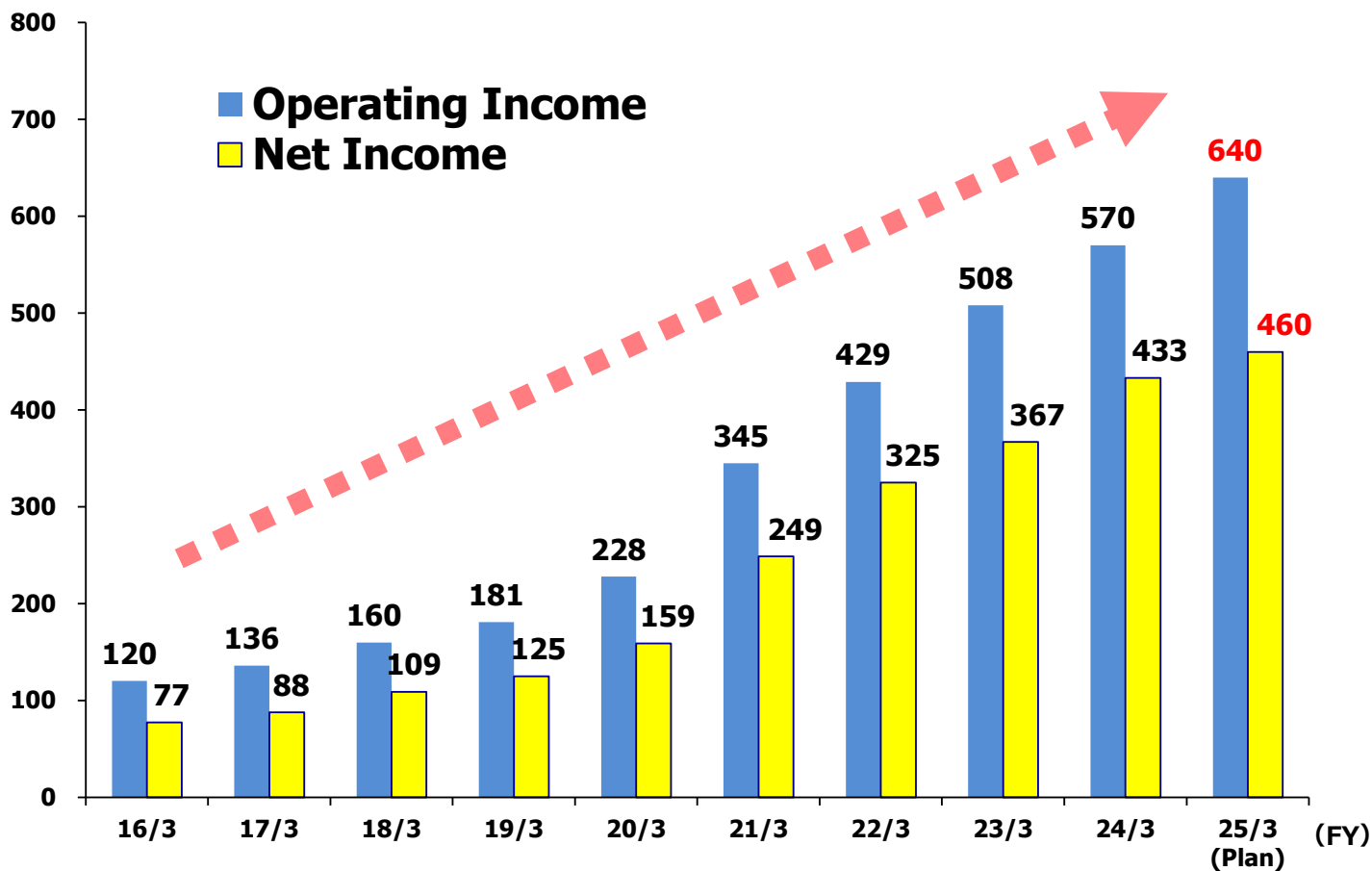
3. Medium-term Goals

3. Medium-Term Goals (1)

■ Medium-term Management Objective

- Maintain goal of annual OP growth (10%), driven by strengthened global sales
- Develop peripheral and stable businesses to create synergies with Consumer business

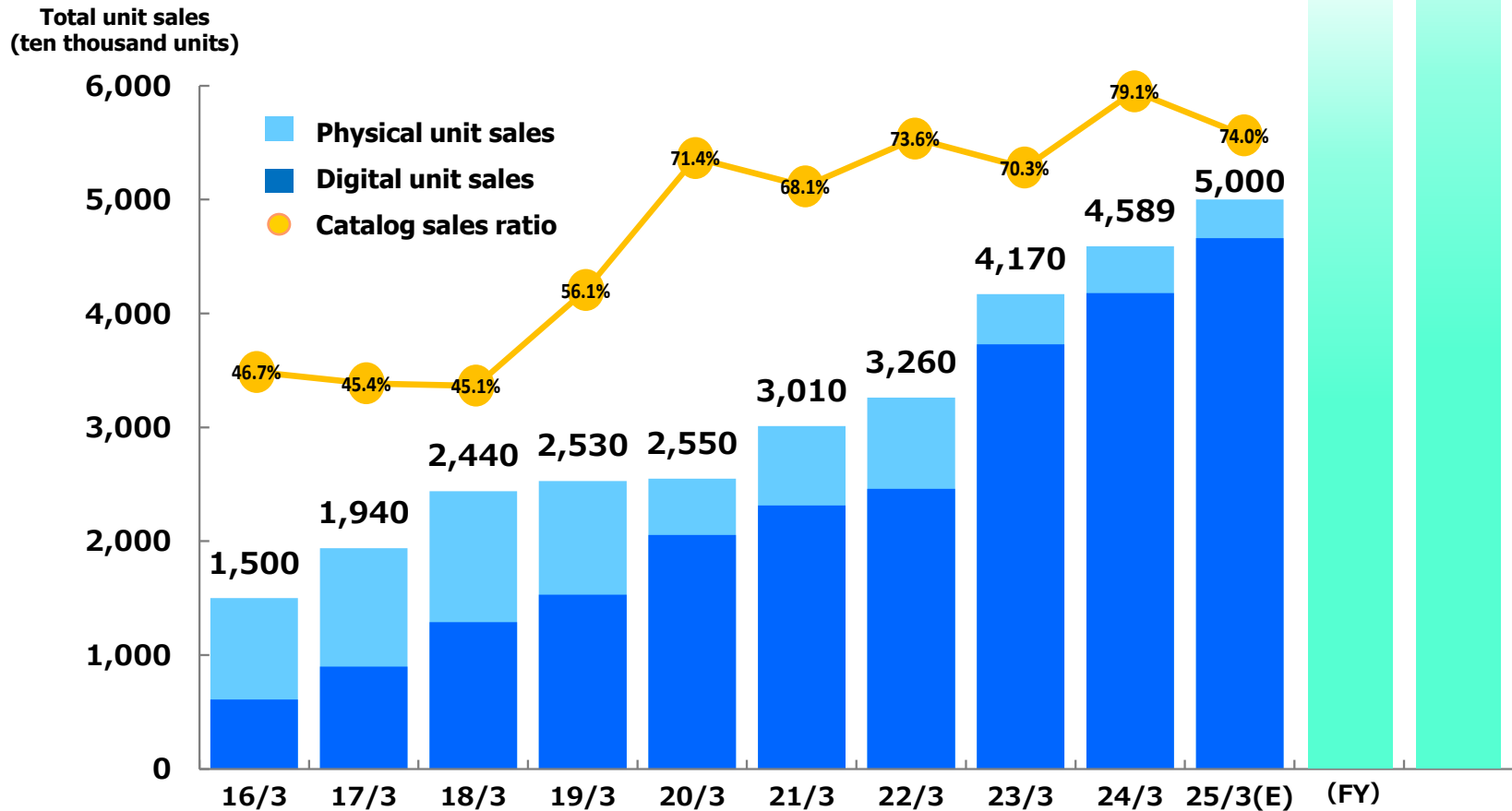
(100 million yen)



3. Medium-Term Goals (2)

■ Consumer sales volume growth

- Grow via enhanced digital sales; maintain high ratio of catalog title sales
- Long-term goal: 100 million annual unit sales

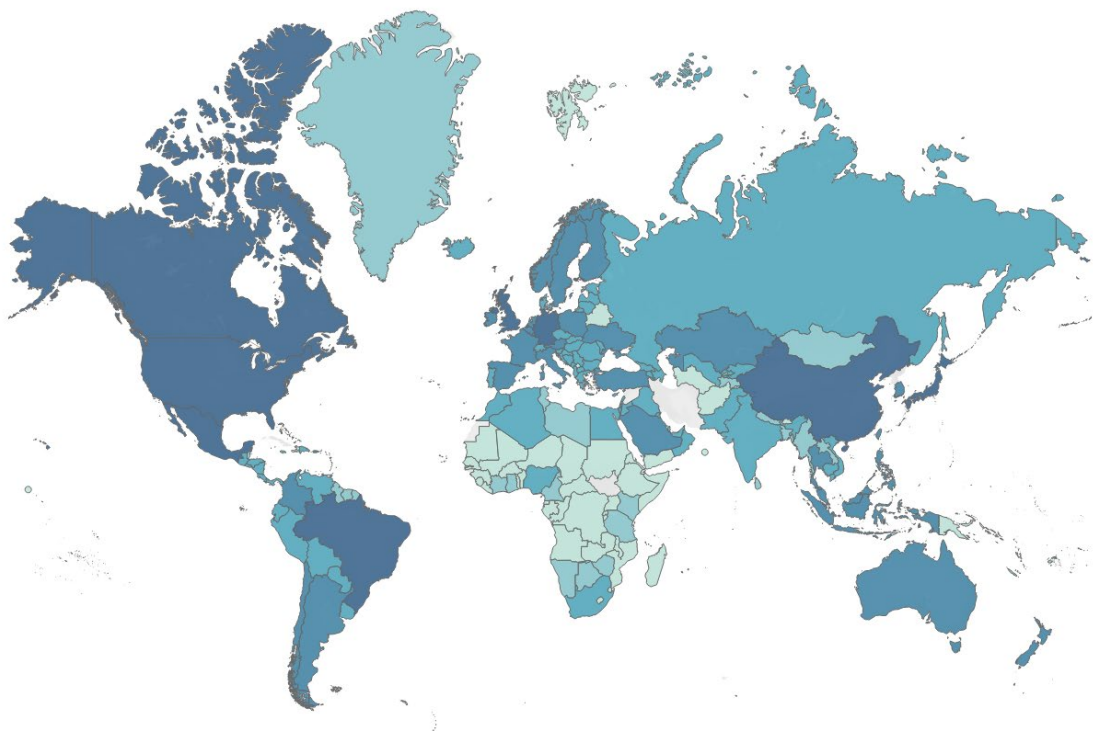


3. Medium-Term Goals (3)

■ **Global catalog title growth via PC platform support and digital marketing**

- Sold **292 titles in 235 countries/regions** via leveraging the PC platform (*FY24/3)
- Steadily grew sales volume in each area compared to FY20/3
- Promoting sales growth strategy by enhancing data analysis of each country/region

◆ FY24/3 Consumer Video Game Unit Sales by Country



(countries/regions)

| Key | Annual Unit Sales | FY20/3 | FY24/3 |
|-----|-------------------|--------|------------|
| | 1,000,000+ | 4 | 8 |
| | 100,000+ | 15 | 28 |
| | 1,000+ | 64 | 71 |
| | 100+ | 46 | 54 |
| | Under 100 | 86 | 74 |
| | Total | 215 | 235 |

3. Medium-Term Goals (4)

■ Reference: Unit sales volume by area (5 years)

- All areas steadily growing
- Developing areas such as Asia, Middle and South America, and the Middle East in particular grew more than double

(thousand units)

| | 20/3 | | | 21/3 | | | 22/3 | | | 23/3 | | | 24/3 | | | 5yr Growth FY19→23 |
|----------------------|---------------|-------------|-------------|---------------|-------------|-------------|---------------|-------------|-------------|---------------|-------------|-------------|---------------|-------------|-------------|-----------------------|
| | Results | Share | vs. prev. | Results | Share | vs. prev. | Results | Share | vs. prev. | Results | Share | vs. prev. | Results | Share | vs. prev. | |
| Total | 25,500 | 100% | 101% | 30,100 | 100% | 118% | 32,600 | 100% | 108% | 41,700 | 100% | 128% | 45,893 | 100% | 110% | 180% |
| ① N. America | 9,000 | 35% | 89% | 10,700 | 36% | 119% | 11,700 | 36% | 109% | 12,600 | 30% | 108% | 13,900 | 30% | 111% | 155% |
| ② Europe | 6,000 | 24% | 93% | 7,050 | 23% | 114% | 7,800 | 24% | 111% | 8,000 | 19% | 103% | 9,500 | 21% | 118% | 153% |
| ③ Asia | 4,000 | 16% | 99% | 3,550 | 12% | 82% | 3,890 | 12% | 109% | 7,700 | 18% | 199% | 9,100 | 20% | 118% | 209% |
| ④ Japan | 4,050 | 16% | 110% | 5,750 | 19% | 142% | 5,500 | 17% | 96% | 8,200 | 20% | 149% | 7,790 | 17% | 95% | 192% |
| ⑤ Cen./South America | 1,500 | 6% | 163% | 2,300 | 8% | 139% | 2,800 | 9% | 122% | 4,200 | 10% | 150% | 4,450 | 10% | 104% | 266% |
| ⑥ Oceania | 350 | 1% | 112% | 350 | 1% | 95% | 480 | 1% | 137% | 600 | 1% | 130% | 650 | 1% | 109% | 185% |
| ⑦ M. East | 150 | 1% | 65% | 180 | 1% | 124% | 250 | 1% | 137% | 340 | 1% | 133% | 400 | 1% | 120% | 270% |
| ⑧ Africa | 40 | 0% | 111% | 40 | 0% | 106% | 50 | 0% | 109% | 60 | 0% | 122% | 80 | 0% | 134% | 189% |

Displayed results are approximate figures that have been rounded. As such, percentage growth versus previous years may not match the displayed figures, and totals for regions may not match annual totals.

3. Medium-Term Goals (5)

■ Long-term sales of high-quality titles

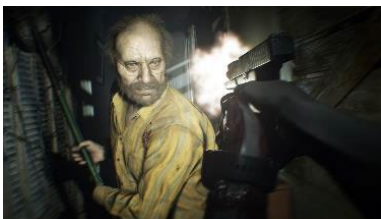
- Major IP contribute long-term, both as new titles and on into high-margin catalog sales

(ten thousand units)

| | 17/3 | 18/3 | 19/3 | 20/3 | 21/3 | 22/3 | 23/3 | 24/3 | Cummulative unit sales | 25/3 (Plan) |
|---------------------------------------|------|------|------|------|------|------|------|------|------------------------|--|
| Resident Evil 7 biohazard | 350 | 160 | 120 | 100 | 150 | 180 | 120 | 130 | 1,330 | Continue to contribute as catalog titles |
| Monster Hunter: World* | | 790 | 450 | 450 | 230 | 170 | 140 | 280 | 2,530 | |
| Resident Evil 2 | | | 420 | 240 | 160 | 140 | 220 | 200 | 1,390 | |
| Monster Hunter World: Iceborne | | | | 520 | 240 | 140 | 100 | 230 | 1,260 | |
| Resident Evil 3 | | | | | 390 | 110 | 190 | 170 | 870 | |
| Monster Hunter Rise | | | | | 480 | 410 | 370 | 190 | 1,470 | |
| Resident Evil Village | | | | | | 610 | 180 | 180 | 980 | |
| Monster Hunter Rise: Sunbreak | | | | | | | 540 | 220 | 770 | |
| Resident Evil 4 | | | | | | | 370 | 330 | 700 | |
| Street Fighter 6 | | | | | | | | 330 | 330 | |
| Dragon's Dogma 2 | | | | | | | | 260 | 260 | |

*Includes sales of *Monster Hunter World: Iceborne Master Edition*.

Sales numbers rounded down to 10 thousand units. As of March 31, 2024.



Resident Evil 7 biohazard
8 consecutive years of over 1 million units in sales



Monster Hunter: World
Highest-selling title in Capcom history



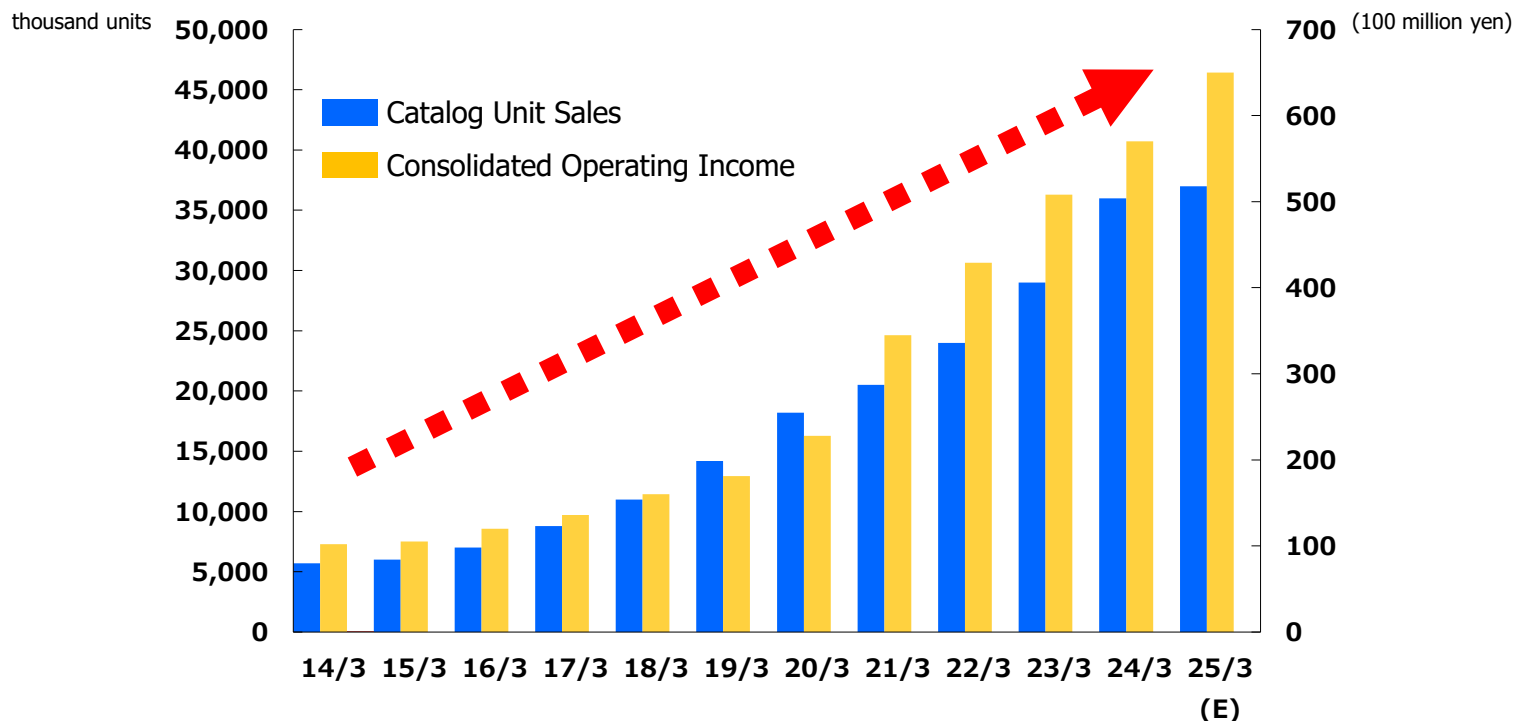
Resident Evil 4
Anticipate further sales going forward

3. Medium-Term Goals (6)

■ Catalog title growth drives profit growth

- (1) Sales region expansion + (2) Long-term sales of high-quality titles
- Catalog title sales volume **grew 6X in 10 years**
(36 million units in FY24/3 vs. 5.7 million units in FY14/3)
- Growth of high-margin catalog titles has become a driver of consolidated operating income

◆ Catalog Unit Sales & Consolidated OP Trend



4. Strategy for Sustainable Growth

4. Strategy for Sustainable Growth (1)

■ Personnel Investment Strategy

- Pursuing personnel investment strategy under direction of CHO in working toward mid-to-long term sustainable growth

(Carried out since FY22)

- (1) Increased average annual employee salary by 30%;
introduced stock-grant ESOP program (*for permanent employees);
strengthened link between bonus system and business performance;
Raised entry-level starting salaries to ¥300,000/mt (+¥65,000/mt) *Begins FY25
 - (2) Carried out various company-wide briefings with employees;
steadily increasing employee engagement
 - (3) Aim to achieve 88% or better ratio in male-to-female wage gap,
85% or better ratio of male employees taking paternity leave by 2029
- Will improve productivity by providing an even more comfortable work environment for employees and pursuing talent acquisition and training while increasing employee contributions and motivation
 - Look to further bolster 2,675-person strong developer workforce



4. Strategy for Sustainable Growth (2)

■ Strengthening our brands worldwide

- Accelerating reach of our brands into more than 230 countries/regions by pursuing **in-house movie production, esports promotions and sponsorships**

Games...?



Established Capcom Pictures
Producing new live-action
Street Fighter film



Courtesy of Netflix
Netflix animated series
Onimusha streamed
worldwide from October



Monster Hunter Now (licensed)
downloaded over
15 million times*

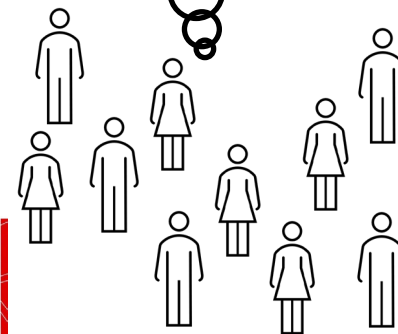
Games mean
CAPCOM!



Esports promotions



Sponsorships in popular sports



Expand game
sales
demographics
globally

4. Strategy for Sustainable Growth (3)

■ Bolstering related businesses

- Building base support for consolidated earnings by bolstering related businesses such as Arcade Operations and Amusement Equipments



Capsule Lab Takeshita Street store opened
December 15, 2023



Puri Mart / Capsule Lab Sannomiya store
opened March 20, 2024



Enhance online claw crane games



Smart Slot Biohazard Village sold directly to
pachislo halls via EC site

5. Forecasts for FY25/3

5. Forecasts for FY25/3 (1)

**Aim for 12 consecutive years of increased operating income
driven by stable growth of the Digital Contents business**

(100 million yen)

| | 24/3 Results | | | | | | 25/3 Plan | | | | | |
|--|--------------|-----|--------------|------|--------------|-----|--------------|------|--------------|-----|--------------|-----|
| | H1 | YoY | H2 | YoY | FY | YoY | H1 | YoY | H2 | YoY | FY | YoY |
| Net sales | 749 | 53% | 774 | 1% | 1,524 | 21% | 570 | -24% | 1,080 | 39% | 1,650 | 8% |
| Operating income | 338 | 55% | 232 | -20% | 570 | 12% | 200 | -41% | 440 | 89% | 640 | 12% |
| Operating margin | 45.2% | - | 30.0% | - | 37.5% | - | 35.1% | - | 40.7% | - | 38.8% | - |
| Ordinary income | 361 | 57% | 232 | -18% | 594 | 16% | 190 | -48% | 440 | 89% | 630 | 6% |
| Net income attributable to owners of the parent | 252 | 57% | 180 | -12% | 433 | 18% | 140 | -45% | 320 | 77% | 460 | 6% |

YoY indicates percent change from the same term of the previous year.

- Expect increased sales and profit YoY due to growth in Digital Contents and all other businesses
- Expect results to be weighted to H2 due to release timing of new titles
- EPS forecast: ¥109.98
- Dividend forecast: interim ¥18, year-end ¥18, full-year total ¥36

5. Forecasts for FY25/3 (2)

Digital Contents business drives growth

Anticipate increased sales and profit across all business segments

(100 million yen)

| | 20/3 | 21/3 | 22/3 | 23/3 | 24/3 | 25/3 Plan | Difference |
|-----------------------------|------|------|------|------|-------|-----------|------------|
| Digital Contents | | | | | | | |
| Net sales | 599 | 753 | 875 | 981 | 1,198 | 1,250 | 51 |
| Operating income | 241 | 370 | 453 | 535 | 598 | 669 | 70 |
| Unit sales (thousand units) | 255 | 301 | 326 | 417 | 458 | 500 | 41 |
| Arcade Operations | | | | | | | |
| Net sales | 120 | 98 | 124 | 156 | 193 | 220 | 26 |
| Operating income | 12 | 1 | 6 | 12 | 18 | 21 | 2 |
| Amusement Equipments | | | | | | | |
| Net sales | 65 | 70 | 57 | 78 | 90 | 126 | 36 |
| Operating income | 20 | 24 | 23 | 34 | 41 | 47 | 6 |
| Other Businesses | | | | | | | |
| Net sales | 30 | 30 | 43 | 43 | 42 | 53 | 10 |
| Operating income | 5 | 9 | 15 | 14 | 8 | 16 | 7 |

- Plan major new title release, worldwide promotional activities
- Promote increased brand awareness through movies & television shows, etc.
- Anticipate record unit sales. Will expand new and catalog sales globally via digital strategy



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