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May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



Company name: CAPCOM Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9697
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 Scheduled date of annual general meeting of shareholders: June 18, 2026
 Scheduled date to commence dividend payments: June 19, 2026
 Scheduled date to file annual securities report: June 16, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	195,365	15.2	75,295	14.5	74,134	12.9	54,587	12.7
March 31, 2025	169,604	11.3	65,777	15.2	65,635	10.5	48,453	11.7

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 59,032 million [23.4%]
 For the fiscal year ended March 31, 2025: ¥ 47,843 million [(0.8)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	130.50	130.47	22.1	22.7	38.5
March 31, 2025	115.85	115.84	23.0	23.6	38.8

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ - million
 For the fiscal year ended March 31, 2025: ¥ - million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	339,307	267,716	78.8	639.03
March 31, 2025	312,982	226,303	72.3	540.68

Reference: Equity

As of March 31, 2026: ¥ 267,313 million
 As of March 31, 2025: ¥ 226,148 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	31,380	(55,862)	(26,069)	102,833
March 31, 2025	67,618	(7,273)	(18,735)	150,426

2. Dividends

	Annual dividends					Dividend paid	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	18.00	-	22.00	40.00	17,048	34.5	7.9
Fiscal year ended March 31, 2026	-	20.00	-	25.00	45.00	19,179	34.5	7.6
Fiscal year ending March 31, 2027 (Forecast)	-	23.00	-	23.00	46.00		33.2	

Note: 1. As for the Year-end dividend for the fiscal year ended March 31, 2026, please refer to the “Capcom Announces Revision of Full-Year Consolidated Earnings Forecast, Variances Between its Non-Consolidated Estimated Earnings and the Previous Fiscal Year’s Actual Results, and a Dividend Forecast Revision (Upward)” announced on April 27, 2026.

2. The amount of “Dividend paid” includes dividends from the Company’s shares held by the Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account 76744) (318 million yen for the year ended March 31, 2025 and 356 million yen for the year ended March 31, 2026, respectively)

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	210,000	7.5	83,000	10.2	83,000	12.0	58,000	6.3	138.65

Note: The Company discloses a full year business forecast, as it manages its business performance on an annual basis.

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included:	-	(Company name	-)
Excluded:	-	(Company name	-)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	533,011,246 shares
As of March 31, 2025	533,011,246 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	114,702,403 shares
As of March 31, 2025	114,743,194 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	418,289,636 shares
Fiscal Year ended March 31, 2025	418,254,366 shares

Note: The number of treasury shares at the end of the period and the number of treasury shares deducted when calculating the average number of shares outstanding during the period under review include the Company's shares held by the Stock Grant ESOP trust.

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	184,078	14.2	70,835	11.8	68,462	11.1	51,087	12.1
March 31, 2025	161,208	11.9	63,371	16.8	61,640	11.6	45,565	11.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2026	122.13	122.10
March 31, 2025	108.94	108.93

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2026	334,717	230,200	68.7	549.38
March 31, 2025	311,480	196,711	63.1	469.93

Reference: Equity

As of March 31, 2026: ¥ 229,812 million

As of March 31, 2025: ¥ 196,555 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Explanation about the appropriate usage of business prospects and other special notes

The above-mentioned business forecasts were based on the information available as of the date of the release of this report.

Future events may cause the actual results to be significantly different from the forecasts. Please refer to 1. Operating Results Overview

(4) Outlook on page 5 for more details. The Company is scheduled to hold an earnings presentation for institutional investors on May 13, 2026. Video and audio of the presentation will be posted along with the presentation materials on Company's web page shortly after the presentation.

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1. Operating Results Overview

(1) Operating Results for the Fiscal Year under Review

In the fiscal year ended March 31, 2026, Capcom Co., Ltd. (the “Company”) actively pursued investments for growth focused on the ongoing enhancement of digital sales in order to further advance and expand within the global market. In addition, as part of its human resources investment strategy, which is one of the Company’s top priorities, it continued to invest in human capital with the aim of stable and sustainable growth by securing and fostering human resources to support the future, and worked to enhance corporate value over the medium to long term.

Regarding business performance, the Company worked to increase global unit sales in its core Digital Contents business by launching *Resident Evil Requiem*, a major new title in the Company’s flagship series, as well as strengthening sales of catalog titles and the release of existing titles on new hardware. As a result, during the fiscal year ended March 31, 2026, the Digital Contents business contributed to earnings with sales of 253 titles in 244 countries and regions and total unit sales of 59.07 million units, up from 51.87 million units sold in the previous fiscal year.

The Company also aimed to enhance the brand value of its intellectual properties (IPs) by coordinating the activities of its major content with esports, film and television productions, and licensing businesses activities. To increase earnings, the Company continued to pursue sound store operations while opening locations in new formats and overseas in Arcade Operations, while in Amusement Equipments it continued to release smart pachislo machines and utilize its popular IPs.

On top of its business activities, particularly in 2025, the Company also worked to contribute to local, cultural and technological promotion by sponsoring and participating in the Osaka Healthcare Pavilion, which was held by Osaka Prefectural and City governments at Expo 2025, Osaka, Kansai, Japan.

As a result, net sales for the fiscal year under review were 195,365 million yen (up 15.2% year on year), operating profit was 75,295 million yen (up 14.5% year on year), ordinary profit was 74,134 million yen (up 12.9% year on year), and profit attributable to owners of parent was 54,587 million yen (up 12.7% year on year). This was the Company’s thirteenth consecutive year of achieving an increase in operating profit.

Status of business by operating segment

① Digital Contents business

In the Digital Contents business, the Company released the latest title in the *Resident Evil* series, *Resident Evil Requiem* (for PlayStation 5, Xbox Series X|S, Nintendo Switch 2 and PC), in February 2026. As a result of its cutting-edge graphics and immersive gameplay, the title garnered significant acclaim from fans around the world and sold over 6 million units. This helped to drive sales growth for catalog titles in the same series, led by *Resident Evil 4* and *Resident Evil Village*. Additionally, *Monster Hunter Stories 3: Twisted Reflection* (for Nintendo Switch 2, PlayStation 5, Xbox Series X|S and PC), an RPG spinoff of the *Monster Hunter* series, was released in March 2026, also contributed to earnings. Moreover, the Company accelerated expansion of its user base by actively pursuing its multi-platform strategy, which included porting its catalog titles to the Nintendo Switch 2.

Regarding catalog titles, cumulative global sales of *Street Fighter 6* surpassed 6 million units following its rollout to new hardware as well as ongoing efforts to bolster coordination between the Company’s games and its esports activities in pursuit of wider brand recognition and an expanded user base. Additionally, sales of *Devil May Cry 5* and past titles in the same series contributed to earnings via the Company coordinating pricing strategies with the animated adaptation of the series and efforts to enhance brand value through building wider awareness of the Company’s IPs. Furthermore, unit sales of *Monster Hunter Rise* and *Monster Hunter Rise: Sunbreak* continued to increase alongside cumulative unit sales of *Monster Hunter Wilds*, the latest title in the *Monster Hunter* series (released February 2025), which surpassed 11 million units. As a result, unit sales of catalog titles reached 49.46 million units, exceeding the 39.49 million units recorded in the previous fiscal year.

In Mobile Contents, *Resident Evil Survival Unit* (for iOS and Android), the latest mobile game in the *Resident Evil* series, was released globally in November. The game has contributed to increased recognition of the IP with cumulative downloads surpassing 5 million.

As a result, the segment earned net sales of 144,277 million yen (up 15.3% year on year) and operating profit of 70,618 million yen (up 8.4% year on year).

② Arcade Operations business

In Arcade Operations, amidst changing consumer habits, disciplined operations of existing stores alongside store openings in new formats contributed to earnings expansion. Moreover, the Company opened a new store overseas, and held live events and other activities to maximize the appeal of its physical locations and create synergies with its other businesses.

During this fiscal year under review, the Company focused its efforts on opening stores in new formats, such as Capcom Connect Space (Osaka Prefecture) in July, an experiential facility that includes Dive! Capcom, where visitors can get immersed in the Company's latest developments, and CAPCOMIX Abeno Hoop store (Osaka Prefecture) in March 2026, which features Capcom character-themed attractions.

Along with Capcom Store Sendai (Miyagi Prefecture) in April, a retail store that sells merchandise featuring the Company's popular characters, and Capcom Store Ikebukuro (Tokyo) in February, the Company opened Capcom Store Taipei (Taiwan) in March as its first directly operated store outside Japan. In addition to these, the Company opened locations specializing in character merchandise as well as capsule toy stores, resulting in a total of 9 openings, while closing 1 store, bringing the total number of stores to 61. The Company also revamped an existing location into a crane game specialty store as part of its efforts to expand into new formats.

As a result, the segment earned net sales of 25,656 million yen (up 12.8% year on year) and operating profit of 3,201 million yen (up 31.6% year on year).

③ Amusement Equipments business

Regarding the Amusement Equipments business, the pachislo market has been characterized by stable demand due to the ongoing spread of smart pachislo machines. The Company released two new smart pachislo models, *Devil May Cry 5 Stylish Tribe* (June 2025), which sold 11 thousand units, and *Shin Onimusha 3* (October 2025), which sold 24.5 thousand units, contributing to earnings.

Furthermore, *Monster Hunter Rise*, released in November 2024, and *Resident Evil 5*, released in March 2025, both enjoyed long-term operation in halls due to a positive reception from players, leading to favorable repeat sales as well.

As a result, the segment earned net sales of 17,780 million yen (up 13.9% year on year) and operating profit of 10,033 million yen (up 49.7% year on year).

④ Other Businesses

The Company utilized its popular title *Street Fighter 6* in its eSports business activities, initiating competitions worldwide with the Capcom Pro Tour 2025 international tournament series that began in May. In addition, it held competitions in the team-based Street Fighter League: Pro-JP 2025 in Japan that began in August, and in similar team-based leagues in the United States and Europe that began in November, as part of its measures to expand the global fan base. Further, in March the Company held the Capcom Cup 12 and Street Fighter League: World Championship 2025 tournaments at Japan's famous National Sumo Arena, Ryogoku Kokugikan, attracting a record high of over 20,000 visitors. Through such measures, the Company has aimed to further promote esports on a global scale.

In the Media business, a new *Devil May Cry* animated series was released worldwide on Netflix in April 2025. The Company also strove to expand recognition of its major IPs through film adaptations, including the announcement of the October 2026 release of a live-action Hollywood film adaptation of the *Street Fighter* series, jointly financed with Legendary Entertainment.

In the Character License business, the Company focused on merchandise for its popular titles and on various event initiatives. Furthermore, the Company has taken measures to enhance the value of its corporate brand, including with the exhibition *Capcom Creation - Moving Hearts Across the Globe*, which showcases the Company's game development process and has received critical acclaim, starting with its initial Osaka installation and continuing with exhibits in multiple locations throughout Japan.

As a result, the segment earned net sales of 7,650 million yen (up 25.2% year on year) and operating profit of 3,645 million yen (up 46.7% year on year).

(2) Financial Position Overview for the Fiscal Year under Review

Total assets as of the end of the fiscal year ended March 31, 2026, increased by 26,325 million yen from the end of the previous fiscal year to 339,307 million yen. The primary increases were 15,037 million yen in investment securities, 10,038 million yen in land, 9,909 million yen in media assets, as well as 5,418 million yen in work-in-progress for game software. The primary decrease was 18,780 million yen in cash and deposits.

Total liabilities as of the end of the fiscal year ended March 31, 2026, decreased by 15,087 million yen from the end of the previous fiscal year to 71,591 million yen. The primary increases were 1,141 million yen in provision for share awards, as well as 1,037 million yen in provision for bonuses. The primary decreases were 11,525 million yen in deferred revenue, 3,591 million yen in short-term borrowings, as well as 3,000 million yen in long-term borrowings.

Net assets as of the end of the fiscal year ended March 31, 2026, increased by 41,412 million yen from the end of the previous fiscal year to 267,716 million yen. The primary increases were 54,587 million yen in net profit attributable to owners of the parent, 3,878 million yen in foreign currency translation adjustment, as well as 529 million yen in remeasurements of defined benefit plans. The primary decrease was 17,901 million yen in dividends from retained earnings.

(3) Cash Flow Overview for the Fiscal Year under Review

Cash and cash equivalents as of the end of the fiscal year ended March 31, 2026, decreased by 47,593 million yen from the end of the previous fiscal year to 102,833 million yen.

Cash flow positions of each activity and their factors are described below.

(Cash flows from operating activities)

Net cash gained from operating activities was 31,380 million yen (a 67,618-million-yen net cash gain in the previous fiscal year).

This was primarily due to funds increasing due to 73,934 million yen in net profit before income taxes, etc., and funds decreasing due to 22,111 million yen in income taxes paid, 11,697 million yen in deferred income, and a 9,909 million-yen increase in media assets, etc.

(Cash flows from investing activities)

Net cash used in investing activities was 55,862 million yen (7,273 million yen in the previous fiscal year).

This was primarily due to funds increasing due to 42,613 million yen in proceeds from withdrawal of time deposits, etc., and fund decreasing due to 68,833 million yen in payments into time deposits, 15,021 million yen in purchase of investment securities, and 13,593 million yen in purchase of property, plant and equipment, etc.

(Cash flows from financing activities)

Net cash used in financing activities was 26,069 million yen (18,735 million yen in the previous fiscal year).

This was primarily due to funds decreasing due to 17,887 million yen in dividends paid, 3,591 million yen in net decrease in short-term borrowings, 3,000 million yen in repayments of long-term borrowings, and 1,567 million yen in repayments of lease liabilities, etc.

(4) Outlook

Regarding the outlook going forward, while the market for the Company's core Digital Contents business is expected to grow steadily, driven by an increase in game content and the expansion of the global gaming user base, the business environment is undergoing significant changes: the increasing number of distribution channels for content, diversification of devices, and the progress of technological innovation, including the widespread adoption of generative AI.

In such an environment, the Company will continue to strive to reach its medium-term management goal of achieving 10% annual growth in operating profit and realize its medium- to long-term vision of being a company that captivates people around the world with its best-in-class immersive content. It will seek to further expand the global reach of its content by enhancing its brand and attracting new users.

In order to achieve the long-term milestone of 100 million units in annual sales in its core Digital Contents business, the Company will strengthen long-term pricing measures and global sales, working to enhance its sales network that extends into over 240 countries and regions while improving localized marketing and its understanding of user needs.

Moreover, the Company will strive to develop the Arcade Operations and Amusement Equipments businesses by using popular IPs and major content, as well as uncover latent users and maximize profit-earning opportunities by raising awareness of IPs through investment in and leveraging of film and television productions, licensed merchandise, and esports.

In addition to the above strategies, the Company will continue its efforts to achieve its management goals by promoting its human resources investment strategy, which will be the driving force for the Company's sustainable growth. It will strengthen investments in the research and development of cutting-edge technologies, such as its proprietary development engine, and the enhancement of its development environment, with the aim of adapting to new technologies and growing its product pipeline through the creation of new IPs and utilization of major existing IPs.

Through various activities, the Company will continue to work toward realizing its management philosophy of being a creator of entertainment culture that stimulates the senses and excites people through game entertainment.

① Strategies by operating segment for the fiscal year ending March 2027

Based on the strategy laid out above, the Company will focus on the following areas in the next fiscal year:

A. Digital Contents business

In the Digital Contents business, the Company released a new science-fiction action-adventure game *PRAGMATA* (for PlayStation 5, Xbox Series X|S, PC and Nintendo Switch 2) as an all-new IP this April, and will also launch *Onimusha: Way of the Sword* (for PlayStation 5, Xbox Series X|S and PC), the latest installment in the *Onimusha* series. Additionally, the Company will strive to maximize profits and continuously increase its total unit sales volume by strengthening digital sales and promoting sales measures for catalog titles such as *Resident Evil Requiem*, which was released in the fiscal year under review, and *Monster Hunter Wilds*, which was released in the fiscal year prior to that. Furthermore, regarding *Street Fighter 6*, the Company will continue to pursue brand enhancement and user growth, including with a Hollywood movie adaptation of *Street Fighter*, and ongoing efforts in esports.

B. Arcade Operations business

In the Arcade Operations business, the Company will continue to expand into new store formats while pursuing steady openings and operation of stores both in Japan and overseas. Moreover, the Company will work to maximize the appeal of its stores and create synergies with other businesses by holding live events and other activities.

The Company plans to open 9 new stores in the fiscal year ending March 31, 2027.

C. Amusement Equipments business

In the Amusement Equipments business, the Company will steadily release new smart pachislo models, which are expected to continue driving the pachislo market, leveraging its popular IPs.

In the fiscal year ending March 31, 2027, the Company plans to sell 53 thousand units with the launch of 4 new models, including *Biohazard RE:3* in May 2026.

D. Other Businesses

Regarding Other Businesses, in its eSports business, which leverages *Street Fighter 6*, the Company has announced it will hold the finals for the major tournaments Capcom Cup 13 and Street Fighter League: World Championship 2026 once again at the Ryogoku Kokugikan Arena in the 2026 season. Furthermore, to foster the next generation of players and further promote the competitive scene, the Company will continue to diversify its player base and drive wider awareness of *Street Fighter 6*, while redoubling its commitment to industry development and growth of the global market.

In addition, the Company will pursue strategies that maximize its Single Content Multiple Usage strategy on a global scale in order to expand penetration of the Company's IPs worldwide via activities such as promoting movie and television adaptations of its content and cross-industry collaborations. As part of this approach, in the Media business, the Company plans to release a live-action *Street Fighter* movie in October 2026.

Through the above, the Company will continue its efforts to maximize corporate brand value while expanding the branding of its content.

② Sustainability activities

Based on its management philosophy, the Company is working to achieve stable growth and enhance corporate value over the medium to long term through its business activities, while also proactively addressing common environmental and social issues in order to create a world in which everyone can enjoy games with peace of mind.

Through these initiatives, the Company aims to create a better future by building trust with all stakeholders, including customers, business partners, and employees, among others.

A. Human resources investment strategy

The Company has positioned initiatives regarding human capital, which is the source of corporate value creation, as one of its priority issues and has therefore established a Chief Human Resources Officer (CHO) to promote its human resources investment strategy.

The Company will continue to enhance its corporate value by implementing the following initiatives:

a. Securing and developing human resources to support the future

In order to enhance its development system—the source of its core competitiveness—and achieve sustainable growth toward its management goals, the Company recognizes the importance of bolstering its development workforce and enhancing productivity through investment in human capital.

As such, in addition to continuing efforts to increase its workforce by more than 100 developers every fiscal year, the Company implemented various measures to enhance its ability to recruit top talent and retain employees, such as continuously increasing the average annual base salary of full-time employees (up 38.2% compared to the fiscal year ended March 2022), operating a more performance-linked bonus system and stock-based compensation system for employees, and raising the starting monthly salary for new graduates.

In addition, the Company held the Capcom Games Competition, a game development competition for students utilizing its proprietary RE ENGINE as part of its industrial-academic collaboration efforts, thereby creating opportunities to attract top talent by discovering and nurturing the next generation of game developers.

Furthermore, the Company has established the development personnel policy, CAPCOM-SHIP, to further instill the values and standards it strives for in its development. This policy is being leveraged in personnel development, organizational management, and team building.

As a result, the Company has secured 3,976 consolidated employees, of whom 3,011 were in development, as of March 31, 2026. Going forward, the Company will strive to secure and develop the human resources that will underpin its future.

b. Organizing and improving the working environment

In order to expand its development environment and facilities to accommodate the increasing scale of development and sophistication of technology, the Company is expanding its workforce and making growth investments, such as acquiring real estate as business assets. In addition, it is focusing on cultivating a corporate culture of respect for human rights and creating a comfortable working environment while raising the awareness of executives and employees through training and continuously leveraging opportunities for direct dialogue between management and employees. The Company will continue to focus on creating a better working environment to prevent employee turnover and increase engagement. Furthermore, the Company is promoting measures to maintain the well-being of employees, such as introducing multilingual counseling services and formulating guidelines to respond to abusive behavior from customers.

c. Ensuring human resource diversity

In order for the Company to further expand its development organization in the future, it is necessary to create an environment in which human resources with diverse backgrounds can maximize their abilities. The Company, therefore, is making efforts to secure and develop diverse human resources through recruitment and evaluation, regardless of gender, nationality, age, and other attributes.

The Company aims to achieve the percentage of male employees taking childcare leave to at least 85%, as well as raising the gender wage gap to at least 88% by the end of March 2029, in addition to introducing a partnership system with more inclusive definitions of spouses and conducting nursing care seminars.

As of March 31, 2026, the Company employs foreign nationals hailing from a total of 37 different countries and regions. It has therefore strived to enhance its support measures for foreign national employees, such as Japanese language learning and a special leave system for them to visit their home countries. The Company will continue to promote various initiatives and establish programs to create an environment where employees from various backgrounds can flourish.

(Reference)

	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
No. of employees (consolidated)	3,206	3,332	3,531	3,766	3,976
Of which, development personnel	2,369	2,460	2,675	2,846	3,011
Average annual salary (non-consolidated) (thousand yen)	7,127	7,660	8,328	9,185	9,852
Operating profit per employee (consolidated) (thousand yen)	13,384	15,249	16,165	17,466	18,937
Turnover rate (non-consolidated) (%)	5.4	3.5	2.9	2.8	2.6
Paternity leave utilization rate (non- consolidated) (%)	34.5	45.5	66.7	79.7	79.7
Gender wage gap (non-consolidated) (%)	82.9	85.4	83.8	82.8	81.3

(Note) All of the above figures are based on full-time employees only. The paternity leave utilization rate is calculated for all employees, including temporary employees.

B. Intellectual property

The Company believes that it is essential to invest in the continuous creation of intellectual property, and to expand and deepen its global brand recognition to develop its business and achieve sustainable growth. Therefore, as it is crucial to maintain and improve its core strengths, consisting of its proprietary advanced technologies and development capabilities, the Company continues to aggressively pursue growth investments aimed at building its development environment. This includes research and development into cutting-edge technologies such as its proprietary game engine, other development investments, and the use of generative AI to enhance the efficiency and productivity of the game development processes. Through these efforts, the company is working to further expand and deepen the penetration of its content and corporate brand worldwide by consistently releasing content to the market and increasing catalog sales, thereby enhancing its brand value.

Furthermore, the Company is working to enhance its corporate value by promoting continuous utilization, proper management and protection of its wealth of intellectual property.

C. Initiatives for reinforcement of information security

The Company sells its content in more than 240 countries and regions globally and recognizes that information has a significant impact on its corporate activities. To further accelerate the global sales expansion and the digital shift of the businesses, it is essential to ensuring information security, including the appropriate management of personal information and measures such as information management and cybersecurity countermeasures.

As such, the Company aggregates information security-related risk data and discusses response policies and other matters. In addition, the Security Oversight Committee, an external advisory body, has been meeting regularly, and based on the oversight and advice from experts, the company is continuously working to strengthen information security.

In addition to building capabilities for early response and recovery in the case of emergencies, such as when unexpected security risks materialize, the Company has been working to raise awareness on information security by providing education and training provided to its officers and employees as well as other measures.

Through these initiatives, the Company continues to maintain and strengthen its information security management structure based on the PDCA cycle.

D. Environmental initiatives

The Company's Digital Contents business accounts for approximately 70% of its total revenue and primarily entails the development and sale of software. This means that the Company's environmental impact and climate-related risks are lower than the general manufacturing industry. Therefore, the Company believes that the impact of climate change risks and profit opportunities on its business activities and operating results will be minimal.

However, recognizing that addressing climate change is a challenge that requires the cooperation of everyone living on this planet, the Company is promoting environmental initiatives tailored to the specific characteristics of each business. Based on this view, the Company leads the promotion of digital sales of its content, which is part of its efforts to conserve resources and curb CO₂ emissions in manufacturing and transporting disks. The Company is also working to reduce environmental burdens, by implementing power-saving measures and recycling certain parts in the manufacturing and sale of pachislo machines.

Furthermore, as part of the Company's environmental initiatives, it is promoting the introduction of CO₂-free electricity sourced from renewable energy at its major sites. As a result, approximately 30% of the power consumed by the Company in Japan is now provided by renewable energy. In addition, the Company is working to further reduce the environmental impact of its business activities by expanding the use of this type of electricity at each of its business locations and introducing green electricity at select locations, as well as by using its own data centers equipped with power-saving measures, and making use of major cloud and data center service providers that promote the use of renewable energy.

③ Initiatives on corporate governance

The Company is continuously working to enhance its corporate governance to enhance the transparency and soundness of management, build a system that can respond to changes in the business environment, and raise its medium- to long-term corporate value.

A. Strengthening corporate governance

The Company is working to strengthen the performance of the Board of Directors by ensuring the diversity of the Board and the active participation of external directors to achieve sustainable growth and raise corporate value over the medium to long term, while taking into account the perspective of our stakeholders.

In addition, the Company strives to strengthen the oversight functions of management through information sharing and mutual understanding by ways of the Nomination and Remuneration Committee, which is chaired by an external director (and comprised of a majority of external directors), and meetings to exchange opinions between internal directors and external directors.

The Company has promoted diversity on the Board of Directors by appointing one new female external director in 2025, bringing the number of female directors to three. In addition, with respect to the remuneration system for directors, with a view to enhancing corporate value over the medium to long term, the Company is working to further align value creation with shareholders by incorporating a higher degree of performance-based remuneration and stock remuneration into the remuneration structure for executive directors, as well as other measures.

B. Strengthening the risk management system

The Company believes that it is important to develop and operate a system that can appropriately assess and manage the risks arising from its business activities in order to achieve sustainable growth. To this end, the Company has established the Risk and Compliance Committee, chaired by an external director, to act as an advisory body to the Board of Directors, and has also instituted a Risk and Compliance Council chaired by the representative director. These measures are intended to clarify the risk management system, and to centralize and enhance risk management across the Company.

In addition, the Risk and Compliance Council strives to ensure that corporate governance functions effectively by enhancing the effectiveness of risk management, including by regularly reporting on its activities to the Risk and Compliance Committee.

2. Basic Policy regarding Selection of Accounting Standards

With consideration for providing consolidated financial documents that can be compared over time and between companies, for the foreseeable future the Company will prepare consolidated financial documents according to Japanese standards.

We are currently considering the appropriate time to adopt International Financial Reporting Standards (IFRS), and in preparation of their introduction, we have begun acquiring knowledge of these standards and are carrying out impact studies on their adoption and a gap analysis between these and Japanese standards.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	166,783	148,002
Accounts receivable - trade	33,341	33,283
Merchandise and finished goods	2,798	2,893
Work in process	917	1,561
Media assets	-	9,909
Raw materials and supplies	1,115	2,236
Work-in-progress for game software	49,209	54,628
Other	7,917	5,426
Allowance for doubtful accounts	(0)	(1)
Total current assets	262,082	257,940
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,745	12,124
Machinery, equipment and vehicles, net	41	49
Tools, furniture and fixtures, net	2,090	2,074
Equipment for amusement facilities, net	3,556	4,112
Land	10,028	20,066
Leased assets, net	2,773	2,583
Construction in progress	2,598	2,622
Other, net	1,720	1,672
Total property, plant and equipment	33,554	45,305
Intangible assets	1,436	1,600
Investments and other assets		
Investment securities	15	15,053
Deferred tax assets	8,962	12,595
Other	6,952	6,835
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	15,907	34,461
Total non-current assets	50,899	81,367
Total assets	312,982	339,307

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,117	4,082
Electronically recorded obligations - operating	2,505	2,409
Short-term borrowings	3,591	-
Lease liabilities	1,512	1,544
Income taxes payable	15,053	15,650
Provision for bonuses	9,480	10,517
Deferred revenue	20,590	9,065
Other	13,626	12,987
Total current liabilities	69,478	56,257
Non-current liabilities		
Long-term borrowings	3,000	-
Lease liabilities	3,813	3,553
Deferred tax liabilities	46	72
Retirement benefit liability	4,758	4,304
Provision for share awards	3,169	4,311
Provision for share-based payments	49	138
Other	2,361	2,953
Total non-current liabilities	17,200	15,334
Total liabilities	86,678	71,591
Net assets		
Shareholders' equity		
Share capital	33,239	33,239
Capital surplus	30,259	30,259
Retained earnings	204,233	240,919
Treasury shares	(49,963)	(49,893)
Total shareholders' equity	217,768	254,524
Accumulated other comprehensive income		
Foreign currency translation adjustment	8,602	12,481
Remeasurements of defined benefit plans	(222)	306
Total accumulated other comprehensive income	8,380	12,788
Share award rights	155	388
Non-controlling interests	-	14
Total net assets	226,303	267,716
Total liabilities and net assets	312,982	339,307

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	169,604	195,365
Cost of sales	70,846	85,147
Gross profit	98,757	110,217
Selling, general and administrative expenses	32,980	34,921
Operating profit	65,777	75,295
Non-operating income		
Interest income	1,118	1,547
Dividend income	0	-
Foreign exchange gains	511	794
Other	130	134
Total non-operating income	1,761	2,476
Non-operating expenses		
Interest expenses	80	58
Social contribution activity-related expenses (*)	1,663	3,070
Other	158	508
Total non-operating expenses	1,902	3,637
Ordinary profit	65,635	74,134
Extraordinary income		
Gain on sale of non-current assets	144	-
Total extraordinary income	144	-
Extraordinary losses		
Loss on sale and retirement of non-current assets	128	200
Total extraordinary losses	128	200
Profit before income taxes	65,651	73,934
Income taxes - current	18,245	23,149
Income taxes - deferred	(1,039)	(3,834)
Total income taxes	17,205	19,314
Profit	48,445	54,619
Profit (loss) attributable to non-controlling interests	(7)	31
Profit attributable to owners of parent	48,453	54,587

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	48,445	54,619
Other comprehensive income		
Foreign currency translation adjustment	(596)	3,883
Remeasurements of defined benefit plans, net of tax	(6)	529
Total other comprehensive income	(602)	4,412
Comprehensive income	47,843	59,032
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	47,853	58,996
Comprehensive income attributable to non-controlling interests	(9)	36

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	33,239	30,259	172,615	(50,012)	186,100
Changes during period					
Dividends of surplus			(16,835)		(16,835)
Profit attributable to owners of parent			48,453		48,453
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				51	51
Net changes in items other than shareholders' equity					
Total changes during period	-	-	31,617	49	31,667
Balance at end of period	33,239	30,259	204,233	(49,963)	217,768

	Accumulated other comprehensive income			Share award rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	9,197	(216)	8,980	-	-	195,081
Changes during period						
Dividends of surplus						(16,835)
Profit attributable to owners of parent						48,453
Purchase of treasury shares						(2)
Disposal of treasury shares						51
Net changes in items other than shareholders' equity	(594)	(6)	(600)	155	-	(445)
Total changes during period	(594)	(6)	(600)	155	-	31,221
Balance at end of period	8,602	(222)	8,380	155	-	226,303

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	33,239	30,259	204,233	(49,963)	217,768
Changes during period					
Dividends of surplus			(17,901)		(17,901)
Profit attributable to owners of parent			54,587		54,587
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				71	71
Net changes in items other than shareholders' equity					
Total changes during period	-	-	36,686	69	36,756
Balance at end of period	33,239	30,259	240,919	(49,893)	254,524

	Accumulated other comprehensive income			Share award rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	8,602	(222)	8,380	155	-	226,303
Changes during period						
Dividends of surplus						(17,901)
Profit attributable to owners of parent						54,587
Purchase of treasury shares						(1)
Disposal of treasury shares						71
Net changes in items other than shareholders' equity	3,878	529	4,408	233	14	4,656
Total changes during period	3,878	529	4,408	233	14	41,412
Balance at end of period	12,481	306	12,788	388	14	267,716

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	65,651	73,934
Depreciation	4,675	5,200
Increase (decrease) in provision for bonuses	1,094	990
Increase (decrease) in retirement benefit liability	365	317
Increase (decrease) in provision for share awards	1,095	1,141
Increase (decrease) in provision for share-based payments	49	88
Interest and dividend income	(1,119)	(1,547)
Interest expenses	80	58
Foreign exchange losses (gains)	(117)	(1,022)
Loss (gain) on sale and retirement of non-current assets	(15)	200
Decrease (increase) in trade receivables	(7,976)	222
Decrease (increase) in inventories	(1,073)	(1,481)
Decrease (increase) in media assets	-	(9,909)
Decrease (increase) in work-in-progress for game software	(10,169)	(5,418)
Increase (decrease) in trade payables	1,299	729
Increase (decrease) in deferred income	19,932	(11,697)
Other, net	1,370	292
Subtotal	75,142	52,100
Interest and dividends received	1,131	1,457
Interest paid	(77)	(66)
Income taxes paid	(8,578)	(22,111)
Net cash provided by (used in) operating activities	67,618	31,380
Cash flows from investing activities		
Payments into time deposits	(32,258)	(68,833)
Proceeds from withdrawal of time deposits	32,107	42,613
Purchase of property, plant and equipment	(5,846)	(13,593)
Proceeds from sale of property, plant and equipment	339	3
Purchase of intangible assets	(431)	(705)
Purchase of investment securities	-	(15,021)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(162)	-
Other payments	(1,185)	(406)
Other proceeds	163	80
Net cash provided by (used in) investing activities	(7,273)	(55,862)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(3,591)
Repayments of long-term borrowings	(688)	(3,000)
Repayments of lease liabilities	(1,222)	(1,567)
Purchase of treasury shares	(2)	(1)
Dividends paid	(16,823)	(17,887)
Dividends paid to non-controlling interests	-	(21)
Net cash provided by (used in) financing activities	(18,735)	(26,069)
Effect of exchange rate change on cash and cash equivalents	(274)	2,958
Net increase (decrease) in cash and cash equivalents	41,334	(47,593)
Cash and cash equivalents at beginning of period	109,091	150,426
Cash and cash equivalents at end of period	150,426	102,833

(5) Notes to Consolidated Financial Statements

(Going concern assumptions)

Not applicable

(Changes in presentation method)

(Consolidated balance sheet)

“Investment securities,” which were included in “Other” under “Investments and other assets” in the previous consolidated fiscal year, are presented separately from the current consolidated fiscal year because their materiality has increased. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified. As a result, in the consolidated balance sheet of the previous consolidated fiscal year, 6,968 million yen presented in “Other” under “Investments and other assets” have been reclassified into “Investment securities” of 15 million yen and “Other” of 6,952 million yen.

(Consolidated statements of cash flows)

“Increase (decrease) in allowance for doubtful accounts” in “Cash flows from operating activities,” which was separately presented in the previous consolidated fiscal year, is included in “Other, net” in the current fiscal year because it has become immaterial. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified. As a result, -1 million yen which was presented as “Increase (decrease) in allowance for doubtful accounts” in “Cash flows from operating activities” in the consolidated statements of cash flows for the previous fiscal year has been reclassified as “Other, net.”

(Consolidated statements of income)

* Social contribution activity-related expenses

Previous fiscal year (From April 1, 2024 to March 31, 2025)

The breakdown of “Social contribution activity-related expenses” is “2025 Osaka Expo-related expenses” of 1,499 million yen, and “Donation” of 164 million yen.

Current fiscal year (From April 1, 2025 to March 31, 2026)

The breakdown of “Social contribution activity-related expenses” is “2025 Osaka Expo-related expenses” of 2,935 million yen, and “Donation” of 134 million yen.

(Segment information)

1. Outline of reportable business segments

(1) Classification of reportable business segments

The business segments the Company reports are the business units for which the Company is able to obtain individual financial information separately in order for the board of directors to conduct periodic investigations to determine the distribution of operational resources and evaluate their business performance. The Company has several business offices, which plan comprehensive business strategies in domestic and overseas markets for their products and services, and develop its business activities. Therefore, the Company's reportable segments are based on the products and services its operational headquarters deal in and are composed of the following 3 units: "Digital Contents," "Arcade Operations" and "Amusement Equipments."

(2) Product and service line

"Digital Contents" develops and distributes home video games and mobile games for consumers. "Arcade Operations" operates amusement facilities which house amusement and arcade game machines, as well as merchandise stores. "Amusement Equipments" develops, manufactures and distributes amusement machines etc. to amusement facility operators.

2. Method of calculating sales and income (loss), identifiable assets and liabilities, and other items by reportable segment

The accounting procedure for the reportable segment is in principle the same as that for the consolidated financial statements. Profit by reportable segment is calculated based on operating profit.

3. Information on net sales and operating profit (loss), identifiable assets and liabilities, and other items by reportable segment

Previous fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated total (Note 3)
	Digital Contents	Arcade Operations	Amusement Equipments	Total				
Net sales								
Customers	125,128	22,750	15,613	163,492	6,111	169,604	—	169,604
Inter-segment	—	—	—	—	—	—	—	—
Total	125,128	22,750	15,613	163,492	6,111	169,604	—	169,604
Operating profit (loss)	65,172	2,432	6,701	74,306	2,484	76,790	(11,013)	65,777
Identifiable assets	101,746	12,422	14,140	128,309	1,922	130,232	182,749	312,982
Other items								
Depreciation and amortization	1,471	1,621	145	3,238	74	3,313	1,361	4,675
Increase in tangible and intangible fixed assets	898	1,911	81	2,892	90	2,982	5,331	8,313

Note:

- "Other" incorporates operations not included in business segments reported, including the Character License business etc.
- Adjustments are as follows.
 - Adjustments of operating profit (loss) of -11,013 million yen include unallocated corporate operating expenses of -11,013 million yen. The corporate operating expenses, which do not belong to any reportable segments, mainly consist of administrative expenses.
 - Adjustments of identifiable assets of 182,749 million yen include unallocated corporate identifiable assets of 182,749 million yen.
 - Adjustments of increase in tangible and intangible fixed assets of 5,331 million yen are capital investment by headquarters.
- Operating profit (losses) for segments are adjusted on operating profit on the consolidated statements of income.

Current fiscal year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated total (Note 3)
	Digital Contents	Arcade Operations	Amusement Equipments	Total				
Net sales								
Customers	144,277	25,656	17,780	187,714	7,650	195,365	—	195,365
Inter-segment	—	—	—	—	—	—	—	—
Total	144,277	25,656	17,780	187,714	7,650	195,365	—	195,365
Operating profit (loss)	70,618	3,201	10,033	83,853	3,645	87,499	(12,203)	75,295
Identifiable assets	119,155	13,879	12,283	145,319	10,801	156,120	183,187	339,307
Other items								
Depreciation and amortization	1,658	1,840	156	3,655	88	3,744	1,455	5,200
Increase in tangible and intangible fixed assets	1,427	2,488	71	3,986	101	4,088	13,625	17,713

Note:

1. "Other" incorporates operations not included in business segments reported, including the Character License business etc.
2. Adjustments are as follows.
 - (1) Adjustments of operating profit (loss) of -12,203 million yen include unallocated corporate operating expenses of -12,203 million yen. The corporate operating expenses, which do not belong to any reportable segments, mainly consist of administrative expenses.
 - (2) Adjustments of identifiable assets of 183,187 million yen include unallocated corporate identifiable assets of 183,187 million yen.
 - (3) Adjustments of increase in tangible and intangible fixed assets of 13,625 million yen are capital investment by headquarters.
3. Operating profit (losses) for segments are adjusted on operating profit on the consolidated statements of income.

(Per share information)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Current fiscal year (April 1, 2025 to March 31, 2026)
Net assets per share	540.68 yen	639.03 yen
Net profit per share	115.85 yen	130.50 yen
Diluted earnings per share	115.84 yen	130.47 yen

Note:

1. The basis for computation of net assets per share is as follows:

Items	Previous fiscal year (March 31,2025) Millions of yen	Current fiscal year (March 31,2026) Millions of yen
Total amount of net assets	226,303	267,716
Amounts to be deducted from total amount of net assets	155	403
(Of which, share award rights)	(155)	(388)
(Of which, non-controlling interests)	—	(14)
Ending balance of net assets attributable to common stock	226,148	267,313
Number of shares of common stocks used for computation of net assets per share (thousand shares)	418,268	418,308

2. The basis for computation of earnings per share and diluted earnings per share are as follows:

Items	Previous fiscal year (April 1, 2024 to March 31, 2025) Millions of yen	Current fiscal year (April 1, 2025 to March 31, 2026) Millions of yen
Earnings per share		
Net profit attributable to owners of the parent	48,453	54,587
Amount not allocated to common stock	—	—
Net profit attributable to owners of the parent allocated to common stock	48,453	54,587
Average number of shares of common stock outstanding during the fiscal year (thousand shares)	418,254	418,289
Diluted earnings per share		
Net profit attributable to owners of the parent	—	—
Increase in common stock (thousand shares)	43	116
(Of which, share award rights) (thousand shares)	(43)	(116)
Outline of potential shares not included in calculation of (diluted) earnings per share because of no dilutive effect	—	—

3. Shares of the Company that remains in the Stock Grant ESOP Trust, which are recorded as “Treasury stock” in net assets, are included in the number of treasury shares deducted from the total number of shares outstanding at the end of the period in calculating net assets per share. In addition, such shares are included in the number of treasury shares deducted in calculating the average number of shares outstanding during the period for the purpose of calculating earnings per share. The numbers of the deducted treasury shares used for computation of the net assets per share as of the end of the previous fiscal year and the current fiscal year are 7,953,888 and 7,912,747, respectively, and the average numbers of the deducted treasury shares used for computation of the earnings per share for the previous fiscal year and the current fiscal year are 7,967,678 and 7,932,135, respectively.

(Significant subsequent events)

Not applicable