

Press Release

Company Name: Capcom Co., Ltd.

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**Net Sales Up 12.8%, Operating Income Up 27.7% Year-over-year in Capcom's
Consolidated Results for the Six Months Ended September 30, 2020**

- Driven by robust digital sales, all profit items achieve highest levels in Capcom history -

Capcom Co., Ltd. today announced that in its consolidated business results for the six months ended September 30, 2020 net sales were 42,059 million yen (up 12.8% year-over-year), operating income was 17,863 million yen (up 27.7% year-over-year), and ordinary income was 17,571 million yen (up 25.5% year-over-year). Net income attributable to owners of the parent was 12,993 million yen (up 32.0% year-over-year).

This quarter, after the state of emergency was lifted in Japan, Capcom maintained working arrangements that combined telecommuting and staggered work schedules while also implementing infection prevention measures at the office to minimize the impact of the pandemic. In such an environment, Capcom's core Digital Contents business drove up business results with growth in sales of major new titles and catalog titles due to expanded digital sales, which Capcom has been actively pursuing in recent years, resulting in the highest profit at all levels at the end of a second quarter in company history.

The forecast for the consolidated business results for the current fiscal year ending March 31, 2021 remains the same as what was projected at the financial results announcement on May 8, 2020.

1. Results for the 6 months ended September 30, 2020

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
	million yen	million yen	million yen	million yen	yen
6 months ended September 30, 2020	42,059	17,863	17,571	12,993	121.72
6 months ended September 30, 2019	37,272	13,992	14,002	9,846	92.23

2. Earnings forecast for the fiscal year ending March 31, 2021

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
	million yen	million yen	million yen	million yen	yen
Year ending March 31, 2021	85,000	25,500	25,500	18,000	168.62

Note: Recent changes in earnings forecast for the fiscal year ending March 31, 2021: None

3. Status of Each Operational Department

(1) Digital Contents

(million yen)

	6 months ended September 30, 2019	6 months ended September 30, 2020	Difference (%)
Net sales	29,163	35,378	21.3%
Operating income	14,503	19,849	36.9%
Operating margin	49.7%	56.1%	-

- a. In this business segment, new title *Resident Evil 3* (for PlayStation 4, Xbox One and PC) was released in April 2020 and delivered solid sales. Meanwhile, high-margin catalog titles demonstrated their long product lives, including with the continued growth of *Monster Hunter World: Iceborne* (for PlayStation 4, Xbox One and PC), which was released in the previous fiscal year, all of which drove up profits.
- b. In the Mobile Contents sub-segment, licensing revenue from the use of the Company's major IP also contributed to profit.
- c. The resulting net sales were 35,378 million yen (up 21.3% from the same term in the previous fiscal year) and operating income was 19,849 million yen (up 36.9% from the same term in the previous fiscal year).

(2) Arcade Operations

(million yen)

	6 months ended September 30, 2019	6 months ended September 30, 2020	Difference (%)
Net sales	6,233	4,031	(35.3%)
Operating income	915	(262)	-
Operating margin	14.7%	-	-

- a. In this business, the Company was forced to temporarily close stores due to the impact of COVID-19. However, after the state of emergency was lifted in Japan, it has gradually reopened them in due order and has worked toward recovery.
- b. Plaza Capcom Kochi was remodeled during the period under review. However, the total number of stores remains unchanged from the end of the previous fiscal year at 40 stores, as there were no new openings or closures of stores during this period.
- c. The resulting net sales were 4,031 million yen (down 35.3% from the same term in the previous fiscal year) with an operating loss of 262 million yen (operating profit was 915 million yen in the same term in the previous fiscal year).

(3) Amusement Equipments

(million yen)

	6 months ended September 30, 2019	6 months ended September 30, 2020	Difference (%)
Net sales	241	1,325	448.7%
Operating income	67	18	(72.2%)
Operating margin	27.8%	1.4%	-

- a. In this business, demand was weak amid the spread of COVID-19 due to the suspension of operations of amusement halls and the extension of deadlines for the removal of game machines manufactured before recent rule revisions. In such an environment, the Company launched the new machine *Ring-ni-Kakero1 -World champion carnival version-* while expanding its licensing business.
- b. The resulting net sales were 1,325 million yen (up 448.7% from the same term in the previous fiscal year) and operating income was 18 million yen (down 72.2% from the same term in the previous fiscal year).

(4) Other Businesses

(million yen)

	6 months ended September 30, 2019	6 months ended September 30, 2020	Difference (%)
Net sales	1,633	1,323	(19.0%)
Operating income	733	552	(24.6%)
Operating margin	44.9%	41.7%	-

- a. In Other Businesses, the Company focused on promoting film adaptations and the sales of character merchandise using our flagship intellectual property to enhance the brand value of our titles worldwide. In addition, in eSports, the Company steadily continued to expand the user base and create business opportunities toward the medium term. As part of this strategy, the opening match of the team-based league Street Fighter League: Pro-JP 2020 was aired on the official Tokyo Game Show 2020 Online channel.
- b. As a result, net sales were 1,323 million yen (down 19.0% from the same term in the previous fiscal year) and operating income was 552 million yen (down 24.6% from the same term in the previous fiscal year).