

Press Release

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**Net Sales Up 22.6%, Operating Income Up 32.2% Year-over-year in Capcom's
 Consolidated Results for the Nine Months Ended December 31, 2020**

- Highest profit levels in Capcom history driven by digital sales of major new title and catalog games -

Capcom Co., Ltd. today announced that in its consolidated business results for the nine months ended December 31, 2020, net sales were 64,867 million (up 22.6% year-over-year). Operating income was 24,382 million yen (up 32.2% year-over-year), and ordinary income was 24,088 million yen (up 28.8% year-over-year). Net income attributable to owners of the parent was 17,523 million yen (up 34.1% year-over-year).

This quarter, Capcom's core Digital Contents business drove profitability with growth in sales of the major new title *Resident Evil 3* as well as catalog titles by continuing to promote its digital sales strategy. Further, the Amusement Equipments business saw a favorable performance from *Monster Hunter: World*, a new pachislo model released in November. As a result, Capcom achieved the highest profit at all levels for the end of a third 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 announced on January 21, 2021.

1. Results for the 9 months ended December 31, 2020

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Earnings per share
	million yen	million yen	million yen	million yen	yen
9 months ended December 31, 2020	64,867	24,382	24,088	17,523	164.15
9 months ended December 31, 2019	52,908	18,448	18,702	13,065	122.39

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	Earnings per share
	million yen	million yen	million yen	million yen	yen
Year ending March 31, 2021	92,000	30,500	30,000	21,000	196.72

Note: Changes from the latest earnings forecast: No

3. Status of Each Operational Department

(1) Digital Contents

(million yen)

	9 months ended December 31, 2019	9 months ended December 31, 2020	Difference (%)
Net sales	40,589	48,966	20.6%
Operating income	19,885	24,787	24.6%
Operating margin	49.0%	50.6%	-

- 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 the continued growth of *Monster Hunter World: Iceborne* (for PlayStation 4, Xbox One and PC), which was released in the previous fiscal year and won an Award for Excellence at the Japan Game Awards: 2020, all of which drove up profits. In addition, licensing revenue from the use of the Company's major intellectual property also contributed to profit.
- b. The resulting net sales were 48,966 million yen (up 20.6% from the same term in the previous fiscal year) and operating income was 24,787 million yen (up 24.6% from the same term in the previous fiscal year).

(2) Arcade Operations

(million yen)

	9 months ended December 31, 2019	9 months ended December 31, 2020	Difference (%)
Net sales	9,201	7,018	(23.7%)
Operating income	1,187	86	(92.7%)
Operating margin	12.9%	1.2%	-

- a. In this business, the Company was forced to temporarily close stores due to the spread of COVID-19. However, after the state of emergency was lifted in Japan last year, it has reopened them in due order and worked toward the resumption of normal business.
- b. The total number of stores increased to 41 during the period under review, following the opening of Capcom Store Osaka in Shinsaibashi PARCO (Osaka Prefecture), a showroom that carries merchandise featuring the Company's popular characters. This is the Company's second store of this type in Japan.
- c. The resulting net sales were 7,018 million yen (down 23.7% from the same term in the previous fiscal year) and operating income was 86 million yen (down 92.7% from the same term in the previous fiscal year).

(3) Amusement Equipments

(million yen)

	9 months ended December 31, 2019	9 months ended December 31, 2020	Difference (%)
Net sales	663	6,712	911.6%
Operating income	376	2,431	546.3%
Operating margin	56.7%	36.2%	-

- 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, *Monster Hunter: World*, a new model that launched in November, performed well.
- b. The resulting net sales were 6,712 million yen (up 911.6% from the same term in the previous fiscal year) and operating income was 2,431 million yen (up 546.3% from the same term in the previous fiscal year).

(4) Other Businesses

(million yen)

	9 months ended December 31, 2019	9 months ended December 31, 2020	Difference (%)
Net sales	2,453	2,170	(11.5%)
Operating income	358	861	140.7%
Operating margin	14.6%	39.7%	-

- 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. This included the live-action film adaptation of *Monster Hunter*, which was released in December beginning with markets outside of Japan.
- b. 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 Company aired a series of heated battles ahead of the Grand Final for the team-based league Street Fighter League: Pro-JP 2020, which is scheduled for January 2021.
- c. As a result, net sales were 2,170 million yen (down 11.5% from the same term in the previous fiscal year) and operating income was 861 million yen (up 140.7% from the same term in the previous fiscal year).