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Press Release

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Net Sales Up 66.4%, Operating Income Up 61.9% Year-over-year in Capcom's Consolidated Results for the Six Months Ended September 30, 2021

- Net sales and all profit items hit record levels for a second quarter,
 driven by new title releases and digital sales growth -

Capcom Co., Ltd. today announced that in its consolidated business results for the six months ended September 30, 2021, net sales were 69,995 million yen (up 66.4% year-over-year), operating income was 28,924 million yen (up 61.9% year-over-year), ordinary income was 29,723 million yen (up 69.2% year-over-year), and net income attributable to owners of the parent was 22,219 million yen (up 71.0% year-over-year).

This quarter, Capcom's core Digital Contents business drove business results, with sales volumes for its home video games exceeding 19.8 million units (up 43.5% year-over-year), supported by the active pursuit of expanded digital distribution and sales of new releases *Resident Evil Village* and *Monster Hunter Stories 2: Wings of Ruin*, as well as sales of its catalog titles. Capcom also made efforts to steadily increase earnings through leveraging its major brands in films, licensed products and in esports, as well as in its Arcade Operations and Amusement Equipments businesses. As a result, Capcom achieved its highest net sales as well as highest levels of all profit items for the end of a second quarter.

The forecast for the consolidated business results for the current fiscal year ending March 31, 2022 remains the same as what was projected at the financial results announcement on May 10, 2021.

1. Results for the 6 months ended September 30, 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
6 months ended September 30, 2021	69,995	28,924	29,723	22,219	104.07
6 months ended September 30, 2020	42,059	17,863	17,571	12,993	60.86

Note: With an effective date of April 1, 2021, Capcom performed a 2-for-1 split of its common stock. Capcom calculated earnings per share assuming that the stock split was implemented with an effective date of April 1, 2020.

2. Earnings forecast for the fiscal year ending March 31, 2022

	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, 2022	100,000	42,000	42,000	30,000	140.52

Note: Recent changes in earnings forecast for the fiscal year ending March 31, 2022: None

3. Status of Each Operational Department

(1) Digital Contents

(million yen)

	6 months ended September 30, 2020	6 months ended September 30, 2021	Difference (%)
Net sales	35,378	59,803	69.0%
Operating income	19,849	30,216	52.2%
Operating margin	56.1%	50.5%	-

- a. In this business segment, *Resident Evil Village* (for PlayStation 5, PlayStation 4, Xbox Series X|S, Xbox One, PC), released in May, contributed significantly to earnings. In July, role-playing game *Monster Hunter Stories 2: Wings of Ruin* (for Nintendo Switch, PC) was released, winning over a broad range of fans with its adventures featuring popular monsters and an engaging combat system all based on the world of the *Monster Hunter* series. This resulted in shipments of over 1 million units worldwide for the title. Additionally, sales volume for *Monster Hunter Rise* (for Nintendo Switch), which was released at the end of the previous fiscal year, continued to grow, supported by the title's steady popularity, while catalog titles consisting mainly of past series releases generally maintained strong sales. As a result, high-margin digital sales continued to increase and total sales volume reached 19.8 million units, exceeding the 13.8 million units in sales of the same period of the previous fiscal year, thus driving up profits.
- b. Furthermore, in September, the Company announced the summer 2022 release of *Monster Hunter Rise: Sunbreak* (for Nintendo Switch, PC), a massive premium expansion for *Monster Hunter Rise*. In addition, the latest information on the Company's popular titles was presented as part of the official program of Tokyo Game Show 2021 Online, gaining wider recognition for its intellectual property as well as new fans.
- c. In the Mobile Contents sub-segment, licensing revenue utilizing the Company's flagship intellectual property contributed to profits.
- d. The resulting net sales were 59,803 million yen (up 69.0% from the same term in the previous fiscal year) and operating income was 30,216 million yen (up 52.2% from the same term in the previous fiscal year).

(2) Arcade Operations

(million yen)

	6 months ended September 30, 2020	6 months ended September 30, 2021	Difference (%)
Net sales	4,031	5,647	40.1%
Operating income	(262)	71	-
Operating margin	-	1.3%	-

- a. In this business, despite measures such as suspending operations and shortening operating hours of some of its stores in conjunction with the continuation of the state of emergency in Japan, sales and profit increased compared to the same period in the previous fiscal year due to the recovery in customer traffic in stores. Additionally, the Company introduced new attractions such as capsule toys featuring the latest character merchandise.
- b. During the period under review, the Company opened Plaza Capcom MitteN Fuchu (Tokyo) in June and Miraino Aeon Mall Hakusan (Ishikawa Prefecture) in July and closed one store in May, bringing the total number to 42 stores.

- c. As a result, net sales were 5,647 million yen (up 40.1% from the same term in the previous fiscal year) and operating income was 71 million yen (operating loss in the same term of the previous fiscal year was 262 million yen).

(3) Amusement Equipments

(million yen)

	6 months ended September 30, 2020	6 months ended September 30, 2021	Difference (%)
Net sales	1,325	1,611	21.5%
Operating income	18	388	1,962.0%
Operating margin	1.4%	24.1%	-

- a. In this business, amidst anticipation for future demand from the replacement of machines with ones compliant with the latest regulations, the Company released a new model, *Hyakka Ryoran Samurai Girls*, which along with sales of the catalog title *Resident Evil 7 biohazard*, released in the previous fiscal year, drove unit sales over those of the same period of the previous fiscal year.
- b. The resulting net sales were 1,611 million yen (up 21.5% from the same term in the previous fiscal year) and operating income was 388 million yen (up 1,962.0% from the same term in the previous fiscal year).

(4) Other Businesses

(million yen)

	6 months ended September 30, 2020	6 months ended September 30, 2021	Difference (%)
Net sales	1,323	2,933	121.7%
Operating income	552	1,370	147.8%
Operating margin	41.7%	46.7%	-

- a. In Other Businesses, both the CG animated series *Resident Evil: Infinite Darkness* and CG film *Monster Hunter: Legends of the Guild* were streamed exclusively on Netflix worldwide, leveraging the Company's flagship intellectual properties to enhance their brand value. The Company also worked to expand revenue through collaborations with overseas games and increase sales by promoting character merchandise.
- b. In eSports, the Company promoted measures to expand the user base globally, including holding the all-online Capcom Pro Tour Online 2021 in 19 regions worldwide from April. Further, the finals for the *Street Fighter V* tournament at Intel World Open were held in July, with heated battles taking place around the world.
- c. The resulting net sales were 2,933 million yen (up 121.7% from the same term in the previous fiscal year) and operating income was 1,370 million yen (up 147.8% from the same term in the previous fiscal year).