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Press Release

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**Net Sales Up 35.9%, Operating Income Up 43.9% Year-over-year in Capcom's
Consolidated Results for the Nine Months Ended December 31, 2021**

- Digital sales contribute to stable performance growth, driving net sales and all profit items to record levels -

Capcom Co., Ltd. today announced that in its consolidated business results for the nine months ended December 31, 2021, net sales were 88,163 million (up 35.9% year-over-year). Operating income was 35,096 million yen (up 43.9% year-over-year), and ordinary income was 36,148 million yen (up 50.1% year-over-year). Net income attributable to owners of the parent was 26,708 million yen (up 52.4% year-over-year).

During the nine months, Capcom's core Digital Contents business drove up revenues with solid digital sales growth for new releases *Resident Evil Village* and *Monster Hunter Stories 2: Wings of Ruin* as well as for catalog titles, leading sales volume for home video game software to exceed 25.8 million units (up 30.3% year-over-year). 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 third quarter in company history.

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 9 months ended December 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 |
| 9 months ended December 31, 2021 | 88,163 | 35,096 | 36,148 | 26,708 | 125.10 |
| 9 months ended December 31, 2020 | 64,867 | 24,382 | 24,088 | 17,523 | 82.08 |

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: Changes in earnings forecast during the 9 months ended December 31, 2021: None

3. Status of Each Operational Department

(1) Digital Contents

(million yen)

| | 9 months ended December 31, 2020 | 9 months ended December 31, 2021 | Difference (%) |
|------------------|-------------------------------------|-------------------------------------|-------------------|
| Net sales | 48,966 | 70,453 | 43.9% |
| Operating income | 24,787 | 35,894 | 44.8% |
| Operating margin | 50.6% | 50.9% | - |

- a. In this business segment, while the Company did not release a new title during the third quarter of this fiscal year, it continued to promote long-term sales of its content globally through strategic pricing measures and sold a total of 301 different titles in 211 countries and regions.
- b. Sales for *Resident Evil Village* (for PlayStation 5, PlayStation 4, Xbox Series X|S, Xbox One, PC) and *Monster Hunter Stories 2: Wings of Ruin* (for Nintendo Switch, PC), both of which were released this fiscal year, continued to perform well; at the same time, the 2017 release *Resident Evil 7 biohazard* topped 10 million units as strong sales of catalog titles consisting mainly of past series entries contributed to revenues.
- c. As a result, compared to full-year plan that anticipates 32 million total units sold, during the consolidated nine months under review high-margin digital sales continued to grow and total units sold reached 25.8 million units (19.8 million units in the same term in the previous fiscal year), thus driving up profits.
- d. Moreover, Capcom was recognized with Studio of the Year at the Golden Joystick Awards 2021, a long-running European game awards ceremony with nearly 40 years of history. *Resident Evil Village* also garnered accolades at the show, winning top honors with Ultimate Game of the Year, as well as awards for PlayStation Game of the Year, Best Audio and Best Performance. Additionally, previous fiscal year release *Monster Hunter Rise* (for Nintendo Switch) won a Grand Award in the Games of the Year Division at the Japan Game Awards of the Tokyo Game Show 2021 Online. Along with these achievements, the Company aims to stimulate further growth of its user base, such as with the January 13, 2022 (JST) release of the PC version of *Monster Hunter Rise*.
- e. In the Mobile Contents sub-segment, licensing revenue from utilizing the Company's flagship IP contributed to profits.
- f. The resulting net sales were 70,453 million yen (up 43.9% from the same term in the previous fiscal year) and operating income was 35,894 million yen (up 44.8% from the same term in the previous fiscal year).

(2) Arcade Operations

(million yen)

| | 9 months ended December 31, 2020 | 9 months ended December 31, 2021 | Difference (%) |
|------------------|-------------------------------------|-------------------------------------|-------------------|
| Net sales | 7,018 | 8,992 | 28.1% |
| Operating income | 86 | 419 | 383.4% |
| Operating margin | 1.2% | 4.7% | - |

- a. In this business, the number of visitors recovered following the lifting of the state of emergency in Japan in September 2021. Further, efficient store operations at existing stores, openings of new store formats and working to expand revenue by incorporating the latest character merchandise caused profits to increase compared to the same term in the previous fiscal year.

- b. During the period under review, the Company opened Plaza Capcom Mitten Fuchu (Tokyo) in June 2021 and Miraino Aeon Mall Hakusan (Ishikawa Prefecture) in July 2021 and closed one store in May 2021, bringing the total number to 42 stores.
- c. As a result, net sales were 8,992 million yen (up 28.1% from the same term in the previous fiscal year) and operating income was 419 million yen (up 383.4% from the same term in the previous fiscal year).

(3) Amusement Equipments

(million yen)

| | 9 months ended December 31, 2020 | 9 months ended December 31, 2021 | Difference (%) |
|------------------|-------------------------------------|-------------------------------------|-------------------|
| Net sales | 6,712 | 4,937 | (26.4%) |
| Operating income | 2,431 | 1,932 | (20.5%) |
| Operating margin | 36.2% | 39.1% | - |

- a. In this business, amidst a challenging market environment the Company released a new model, *Monster Hunter: World Gold Hunting*, in December 2021. Further, the Company promoted sales of the previous fiscal year release *Resident Evil 7 biohazard*, which has enjoyed long-term operation in the market.
- b. The resulting net sales were 4,937 million yen (down 26.4% from the same term in the previous fiscal year) and operating income was 1,932 million yen (down 20.5% from the same term in the previous fiscal year).

(4) Other Businesses

(million yen)

| | 9 months ended December 31, 2020 | 9 months ended December 31, 2021 | Difference (%) |
|------------------|-------------------------------------|-------------------------------------|-------------------|
| Net sales | 2,170 | 3,781 | 74.2% |
| Operating income | 861 | 1,549 | 79.8% |
| Operating margin | 39.7% | 41.0% | - |

- a. In Other Businesses, the Company continued working to leverage its flagship intellectual property in screen adaptations and character merchandise to enhance the brand value of its titles. This included the live-action movie *Resident Evil: Welcome to Raccoon City*, which received a theatrical release overseas first beginning November 2021.
- b. In eSports, the Company promoted measures to expand the user base on a global scale. During the third quarter, in addition to kicking off the team-based esports league Street Fighter League: Pro-JP 2021 in October 2021 under a newly-adopted, team-ownership system, heated competitions of the team-based Street Fighter League: Pro-US 2021 also took place in the U.S.
- c. As a result, net sales were 3,781 million yen (up 74.2% from the same term in the previous fiscal year) and operating income was 1,549 million yen (up 79.8% from the same term in the previous fiscal year).