

Press Release

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**Capcom On Track to Achieve 10 Consecutive Years of Operating Income for the Full Year
 Following Consolidated Results for the Three Months Ended June 30, 2022**

- While new major title in the same period of the previous year created a comparative decline in sales and profit year-over-year, digital and catalog unit sales volume grew -

Capcom Co., Ltd. today announced that in its consolidated business results for the three months ended June 30, 2022, net sales were 25,232 million yen (down 47.9% year-over-year), operating income was 12,061 million yen (down 48.9% year-over-year), ordinary income was 12,803 million yen (down 46.4% year-over-year), and net income attributable to owners of the parent was 9,007 million yen (down 48.1% year-over-year).

This quarter, Capcom's core Digital Contents business delivered solid business results with sales of 11.7 million units of its home video game software. The company achieved this with the release of the major new title *Monster Hunter Rise: Sunbreak*, as well as through its ongoing pursuit of digital sales, including sales of catalog titles composed primarily of past entries in major series, such as *Monster Hunter Rise*. While a new major title in the same period of the previous year created a comparative decline in sales and profit year-over-year, Capcom is on track to achieve its expected full-year earnings and will focus on upcoming major title releases in the second half of the year as well as on the continued promotion of digital sales.

The forecast for the consolidated business results for the current fiscal year ending March 31, 2023, remains the same as what was projected at the financial results announcement on May 11, 2022.

1. Results for the 3 months ended June 30, 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
3 months ended June 30, 2022	25,232	12,061	12,803	9,007	42.19
3 months ended June 30, 2021	48,423	23,604	23,899	17,340	81.22

2. Earnings forecast for the fiscal year ending March 31, 2023

	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, 2023	120,000	48,000	48,000	34,500	165.21

Note: Recent changes in earnings forecast for the fiscal year ending March 31, 2023: None

3. Status of Each Operational Department

(1) Digital Contents

(million yen)

	3 months ended June 30, 2021	3 months ended June 30, 2022	Difference (%)
Net sales	43,918	19,860	(54.8%)
Operating income	24,455	12,541	(48.7%)
Operating margin	55.7%	63.1%	-

- a. In this business segment, *Monster Hunter Rise: Sunbreak* (for Nintendo Switch, PC), a massive premium expansion for *Monster Hunter Rise*, was released at the end of June. Its quicker action and unique new monsters and environments garnered positive reviews and steady, global popularity, leading the game to make a strong start with sales of 2 million units, which contributed significantly to earnings. Additionally, sales of *Monster Hunter Rise* (released in March 2021) have exceeded 10 million units worldwide, which was achieved through a variety of measures including ongoing free content updates, the launch of a PC version, as well as the release of a set that includes *Monster Hunter Rise: Sunbreak*.
- b. Moreover, in June the Company held the “Capcom Showcase”—a global livestream digital event during which it introduced the latest information on its major titles for this fiscal year as well as upcoming new titles—to gain wider recognition for its brands and acquire new fans. This, in conjunction with the synergetic effects of discount selling, helped boost profits with expanded catalog title sales, mainly for past series titles.
- c. As a result, although there was a year-over-year decline due to sales of multiple major titles in the same period of the previous fiscal year, net sales were 19,860 million yen (down 54.8% year-over-year) and operating income was 12,541 million yen (down 48.7% year-over-year).

(2) Arcade Operations

(million yen)

	3 months ended June 30, 2021	3 months ended June 30, 2022	Difference (%)
Net sales	2,389	3,286	37.5%
Operating income	(63)	186	-
Operating margin	-	5.7%	-

- a. In this business segment, both sales and profits increased compared to the same quarter of the previous fiscal year. This was due to a recovery in the number of customers visiting stores following the complete lifting of the semi-state of emergency COVID-19 measures in March this year, as well as the effect of efficient operations at existing stores and the opening of new stores in new business categories in an effort to expand earnings.
- b. The Crazy Banet store opened at Aeon Mall in Tokoname (Aichi Prefecture) in April of the first quarter of this fiscal year, taking the number of stores to 43.
- c. The resulting net sales were 3,286 million yen (up 37.5% year-over-year) and operating income was 186 million yen (operating loss in the same term of the previous fiscal year was 63 million yen).

(3) Amusement Equipments

(million yen)

	3 months ended June 30, 2021	3 months ended June 30, 2022	Difference (%)
Net sales	1,282	649	(49.3%)
Operating income	243	270	11.1%
Operating margin	19.0%	41.6%	-

- a. In this business segment, a new model titled *Gekka Miyabi* was launched in April and performed well despite the challenging market environment. In addition, *Resident Evil 7 biohazard*, which was released in February 2021, continued to enjoy a long run in the market, contributing via catalog sales.
- b. The resulting net sales were 649 million yen (down 49.3% year-over-year) and operating income was 270 million yen (up 11.1% year-over-year).

(4) Other Businesses

(million yen)

	3 months ended June 30, 2021	3 months ended June 30, 2022	Difference (%)
Net sales	832	1,435	72.5%
Operating income	482	818	69.7%
Operating margin	57.9%	57.0%	-

- a. In Other Businesses, the Company continued to focus on pursuing movie and television adaptations of its major IP and developing character merchandise to increase the brand value of its titles.
- b. The Company has also been pursuing the expansion of the global esports fan base. Fierce competitions unfolded in 124 countries across 19 regions worldwide following the May launch of CAPCOM Pro Tour 2022, an online esports competition.
- c. The resulting net sales were 1,435 million yen (up 72.5% year-over-year) and operating income was 818 million yen (up 69.7% year-over-year).