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Press Release

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Capcom Announces Revision of Consolidated Full-Year Earnings Forecast and Variances Between its Non-Consolidated Estimated Earnings and the Previous Fiscal Year's Actual Results

Capcom Co., Ltd. (Capcom) resolved at the Board of Directors meeting held today to revise its full-year consolidated earnings forecast for the year ending March 31, 2023 (April 1, 2022 – March 31, 2023) that was announced on May 11, 2022, based on recent operational results. Further, while the company's non-consolidated earnings forecast is not disclosed, it expects a variance between its non-consolidated estimated earnings and the actual results of the previous fiscal year. Details are as follows.

1. Regarding revisions to the earnings forecast

- i. Revisions to the consolidated forecast for the fiscal year ending March 31, 2023
(April 1, 2022 to March 31, 2023)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Earnings per share (yen)
Previous forecast (A)	120,000	48,000	48,000	34,500	164.09
Revised forecast (B)	125,000	50,000	50,000	36,500	173.60
Variance (B) - (A)	5,000	2,000	2,000	2,000	-
Variance (%)	4.2	4.2	4.2	5.8	-
(Reference) Previous year's results (FY ended Mar. 31, 2022)	110,054	42,909	44,330	32,553	152.48

- ii. Reason for the revision

In our core Digital Contents business, the June release *Monster Hunter Rise: Sunbreak* (for Nintendo Switch, PC) garnered steady popularity and significantly contributed to earnings during the consolidated six months of the current fiscal year. Further, in addition to increasing awareness of the company's IP and capturing new fan demographics through active promotions, growing catalog title sales—primarily past series titles—drove up earnings due to the synergetic effects of ongoing new title sales in major series with discounting.

Additionally, in the Amusement Equipments business, we released *Shin Onimusha 2* in August, which performed well following a favorable reception in the market, and moreover we also shipped *Biohazard RE:2* in September, which then began operating on October 3, all of which greatly contributed to earnings.

Altogether, this has caused business results during the consolidated six months of the current fiscal year to make favorable progress, while foreign currency effects created an upswing in revenue, exceeding our initial plan.

As a result, regarding the consolidated earnings forecast for the year ending March 31, 2023 and having considered factors such as our sales plan for the second half of the fiscal year and foreign currency effects, we expect net sales, operating income, ordinary income, and net income attributable to owners of the parent to all surpass our previously announced forecast.

At the time of this full-year consolidated earnings forecast revision, there has been no subsequent change to the dividend forecast.

2. Regarding variances between non-consolidated estimates and the previous fiscal year's actual results

- i. Variances between non-consolidated estimated earnings for the fiscal year ending March 31, 2023, and the previous fiscal year's actual results
(April 1, 2022 to March 31, 2023)

	(million yen)				
	Net sales	Operating income	Ordinary income	Net income	Earnings per share (yen)
Previous year's results (A) (FY ended Mar. 31, 2022)	101,628	40,173	40,864	29,289	137.19
Current year's estimate (B)	120,000	48,000	48,000	34,300	163.14
Variance (B) - (A)	18,372	7,827	7,136	5,011	-
Variance (%)	18.1	19.5	17.5	17.1	-

- ii. Reason for the variances

The reasons for the variances are the same as those for the revision to the consolidated forecast.

Notes:

1. Calculations for the average number of shares outstanding during the period used in determining earnings per share in the fiscal year ending March 31, 2023 include the treasury shares deducted from Capcom's stock and held by The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account 76744).

2. The forecasts presented in this document are based on information that was available to the Company on the announcement date of this release and certain assumptions that are judged to be reasonable. Actual results may significantly differ from this forecast for a number of reasons.