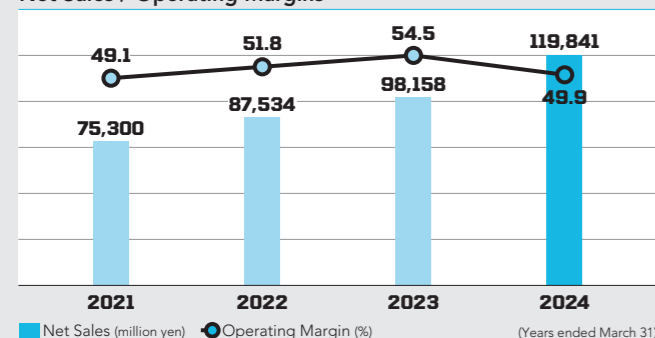


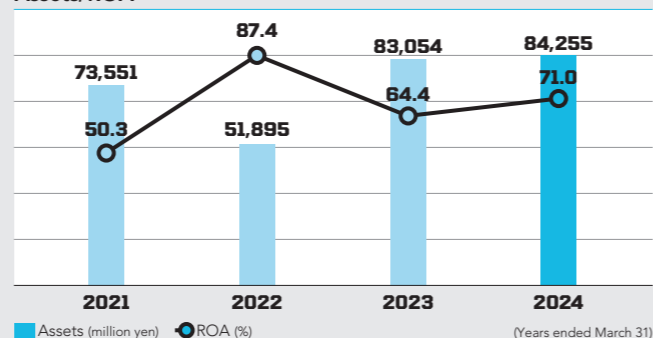
Digital Contents

This business develops and sells packaged and digital game content for consumer home video game platforms. It also develops and manages games for Mobile Contents and PC Online Games. Consumer games produces creative, original content that provides recurring revenue by utilizing digital distribution on multiple platforms including PC. Many of these million-seller titles are also launched on smartphone and tablet devices, and are distributed worldwide in order to maximize earnings.

Net Sales / Operating Margins



Assets/ROA



SWOT Analysis S: Strengths W: Weaknesses O: Opportunities T: Threats

<ul style="list-style-type: none"> World-class development and technological capabilities Own many original popular titles (intellectual capital) Expanding markets via increased global reach 	<ul style="list-style-type: none"> Concentration in specific genres Insufficient hit mobile titles and management expertise
<ul style="list-style-type: none"> Decreased competition in Consumer business Longer product lives and greater global reach due to digital transformation, including growth of digital content sales Arrival of subscription-based and other new platforms Spread of high-performance smartphones capable of handling high-end content 	<ul style="list-style-type: none"> Low barriers for entry into mobile contents market, large number of competitor firms Competition from new forms of entertainment spurred by technological innovations Emergence of new competitors in low-cost development using AI

Utilization of Non-Financial Capital

<p>Human Capital</p> <ul style="list-style-type: none"> Workforce of about 2,600 in-house developers, one of the largest in the country Utilization of in-house department specializing in marketing and data analysis 	<p>Production Capital</p> <ul style="list-style-type: none"> Global penetration of digital storefronts on game consoles, smartphones, and PCs Highly efficient proprietary game development engines World-class development equipment
<p>Intellectual Capital</p> <ul style="list-style-type: none"> Own many original popular titles (intellectual capital) User trust in the Capcom brand 	<p>Social Capital</p> <ul style="list-style-type: none"> Partnerships with developers in Japan and other countries Partnerships with mobile online game companies, primarily in Asia

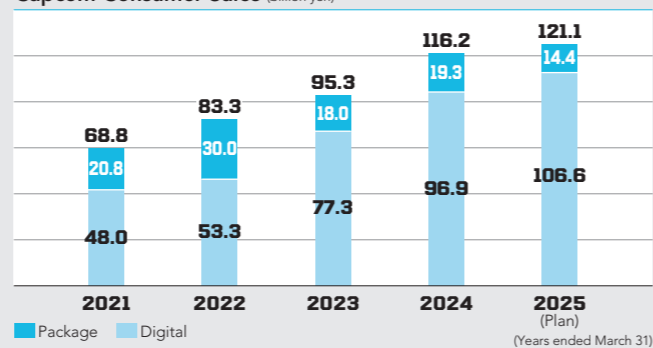
Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

Consumer (Package + Digital) sub-segment

This fiscal year (ended March 31, 2024), *Street Fighter 6* (PlayStation 5, PlayStation 4, Xbox Series X|S, and PC), released in June 2023, introduced the new Modern Control Type input mode that allows players to perform special moves without complex commands. Efforts were also made to appeal to a broader audience. As a result, it sold 3.3 million units, significantly contributing to earnings. *Dragon's Dogma 2* (PlayStation 5, Xbox Series X|S, and PC), released in March 2024, was also well-received as an open-world action game that lets players freely explore a classic fantasy world. As a result, it sold 2.62 million units and contributed significantly to improved profitability.

Among catalog titles, sales of the core catalog titles in the *Monster Hunter* series continued to grow steadily, driven by the announcement of a completely new title in the series, *Monster Hunter Wilds*. Furthermore, measures were implemented to expand brand recognition through proactive promotion, focusing

Capcom Consumer Sales (billion yen)



on the sale of catalog titles like *Resident Evil 4*. As a result, sales of catalog titles exceeded the 29.3 million units from the previous year, reaching 36.29 million units and boosting profits.

The resulting net sales came to 119.841 billion yen (up 22.1% from the previous year), and operating income to 59.831 billion yen (up 11.8% from the previous year).

For Capcom, we consider Consumer business growth as one of the keys to achieving our medium-term business goals. Our initiatives are to (1) strengthen digital sales, (2) bolster our title lineup through the continued execution of our 60-month and 52-week maps, and (3) utilize both new and dormant brands.

Under (1), the prevalence of digital selling has made it possible to implement measures such as limited-time sales, increasing flexibility in pricing and expanding the impact of marketing. We utilize our existing intellectual properties (IP) in addition to major titles and additional content, and remake or rerelease past titles on current-generation hardware, in order to create sales opportunities and increase the digital sales ratio. In terms of (2), since March 2015 we have been carrying out operations according to both our medium-term title portfolio map, called the "60-month map," and our yearly developer assignment plan, called the "52-week map." We will work toward establishing an efficient development structure, enabling us to release major titles on a regular basis. Finally, for (3) we seek to revive dormant brands for which we have not recently released new titles by increasing the number of our developers.

Next fiscal year, we expect a contribution from completely new IP *Kunitsu-Gami: Path of the Goddess* (Xbox Series X|S, PlayStation 5, and PC) as well as catalog titles *Street Fighter 6* and *Dragon's Dogma 2*. We will also work to further expand sales globally based on our digital strategy for other major titles. As a result of these efforts, we expect to increase unit sales to 50.0 million units (up 8.9% from the year under review), net sales to 125.1 billion yen (up 4.3% from the year under

review), and for the digital sales ratio to increase to around 88% for increased sales and profit.

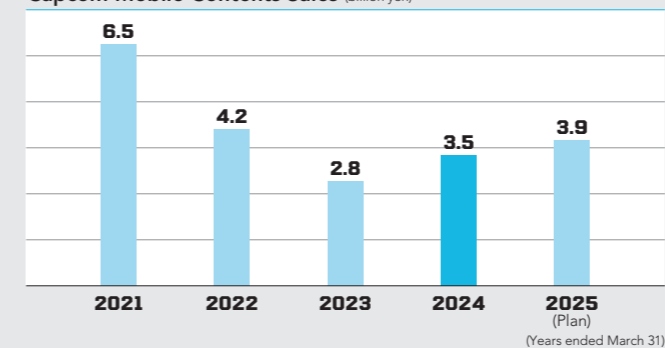
Mobile Contents Sub-segment

This fiscal year (ended March 31, 2024), net sales came to 3.5 billion yen (up 25.0% from the previous year), driven mainly by licensed titles.

In the future, we will continue to work on expanding brand recognition and accumulating operational know-how by licensing out our IPs to mobile development companies in Japan and overseas. We will also work on research and development in anticipation of future technological innovation, including the new generation of mobile communication standards.

In the next fiscal year, thanks to the launch of *Monster Hunter Now* in September 2023 and other titles that were licensed out, we expect net sales to come to 3.9 billion yen (up 11.4% from the year under review). (Years ended March 31)

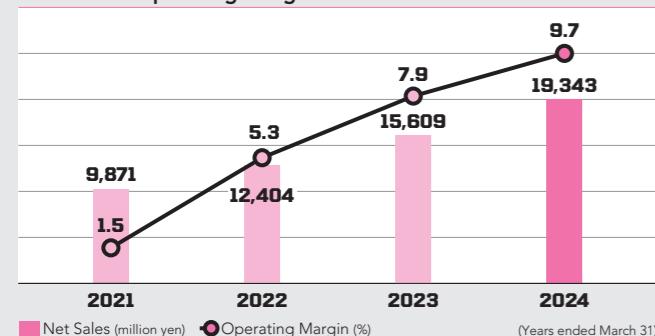
Capcom Mobile Contents Sales (billion yen)



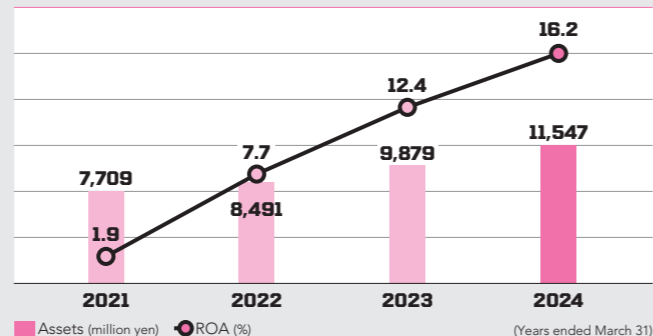
Arcade Operations

We operate amusement facilities, primarily Plaza Capcom arcades, in Japan. These arcades are predominantly in large commercial complexes. We have diligently followed a scrap-and-build policy to maximize our efficiency in arcade operations, and have been hosting various events designed to attract families and younger customers.

Net Sales / Operating Margins



Assets/ROA



SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats

<ul style="list-style-type: none"> Specialize in opening stores in large shopping centers to secure a stable customer base Thorough scrap-and-build strategy focused on investment efficiency to ensure sustainable earnings 	<ul style="list-style-type: none"> Low sales growth rate due to small number of carefully selected facilities Limited synergy with proprietary contents
<ul style="list-style-type: none"> Cultivate market, including merchandise sales and restaurants utilizing our intellectual properties Increase new customers through esports collaboration Introduce new machines and services 	<ul style="list-style-type: none"> Entertainment diversification due to rapid growth of digital games Change in business climate accompanying diminished customer appeal Diminished customer appeal due to COVID-19

Utilization of Non-Financial Capital

<p>Human Capital</p> <ul style="list-style-type: none"> Internal store management staff Part-time workers hired locally 	<p>Production Capital</p> <ul style="list-style-type: none"> High foot traffic of large shopping centers Developers that design and construct facilities
<p>Intellectual Capital</p> <ul style="list-style-type: none"> Store management know-how cultivated over 40 years Intellectual properties (characters and worlds) that can be rolled out in food, drinks and prizes Services utilizing virtual reality (VR) Technology 	<p>Social Capital</p> <ul style="list-style-type: none"> Our relationships with local residents Arcade game makers around the world

Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

This fiscal year (ended March 31, 2024), with economic activity recovering due to the reclassification of COVID-19 as a Category 5 infectious disease (the same category as the seasonal flu), the number of customers visiting our stores exceeded pre-COVID-19 levels. We also achieved an increase in both sales and profit from the previous year thanks to the efficient operation of existing stores and the effect of new stores in new business formats.

New store openings included a Kids Banet in Shizuoka in April, a Crazy Banet interactive amusement facility at Aeon Mall in Niihama (Ehime Prefecture) in June, a capsule toy specialty store called Capsule Lab Harajuku Takeshita Street (Tokyo) in December, and the Puri Mart/Capsule Lab in Sannomiya (Hyogo Prefecture), which also features a sticker printing specialty shop, in March of this year. We opened a total of four stores, bringing the total number of stores to 49.

As a result, net sales came to 19.343 billion yen (up 23.9% from the previous year), and operating income came to 1.868 billion yen (up 52.2% from the previous year).

In the next fiscal year, we will continue to make efforts toward efficient operations and open new stores to attract customers.

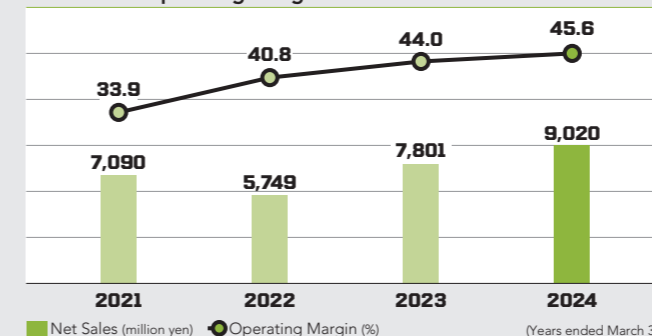
We forecast an increase in both sales and profit with same store sales up 2% from the previous year, bringing net sales to 22.0 billion yen (up 14.0% from the year under review) and operating income to 2.1 billion yen (up 12.0% from the year under review).

As for the number of stores, we will continue to promote opening stores in new formats based on our fundamental scrap-and-build strategy. We plan to open seven stores and close none, bringing the total number to 56.

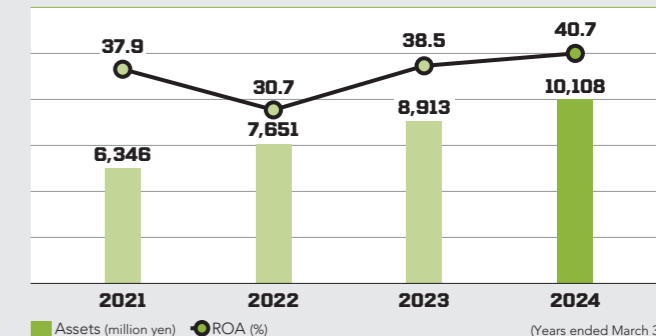
Amusement Equipments

Here, we leverage the contents from our home video games. The Pachinko & Pachislo (PS) sub-segment is involved in the development, manufacture and sales of frames and LCD devices for gaming machines as well as software, creating synergy between businesses.

Net Sales / Operating Margins



Assets/ROA



SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats

<ul style="list-style-type: none"> High caliber development capabilities cultivated through home video games Leveraging of rich in-house contents Diversified sales channels 	<ul style="list-style-type: none"> Inadequate sales capabilities Agility in responding to regulatory changes
<ul style="list-style-type: none"> Market recovery via introduction of popular machines Demand generated by installing new cabinets compliant with rule changes 	<ul style="list-style-type: none"> Declining operator and hall investment appetite Long-term market stagnation Market fluctuations resulting from changes to the Entertainment and Amusement Trades Act and certification rules

Utilization of Non-Financial Capital

<p>Human Capital</p> <ul style="list-style-type: none"> Internal developers in charge of planning and development 	<p>Production Capital</p> <ul style="list-style-type: none"> Manufacturing plant for machines Pachinko/pachislo parlors and video game arcades throughout Japan
<p>Intellectual Capital</p> <ul style="list-style-type: none"> Own many original popular titles (intellectual capital) Development technology supporting pachislo certification rules 	<p>Social Capital</p> <ul style="list-style-type: none"> Cooperation with major specialist companies Administrative organ related to pachislo machine permits and licenses

Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

This fiscal year (ended March 31, 2024), sales in the Pachinko & Pachislo (PS) sub-segment reached 31,300 units from five models this year, three of which were new models, such as our first smart pachislot, *Sengoku BASARA GIGA*, and our second, *Resident Evil Village*.

In this business, with the pachislot market performing well thanks to the popularity of smart pachislot machines, the smart pachislot *Sengoku BASARA GIGA* sold 15,000 units. Additionally, *Resident Evil Village*, the first smart pachislot machine we released on an e-commerce platform in December, sold 10,000 units. Repeat sales of *Shin Onimusha 2: Samurai's Destiny* (released in August 2022) and *Monster Hunter World: Iceborne* (released in January 2023) were also strong due to high end-user utilization.

As a result, net sales came to 9.020 billion yen (up 15.6% from the previous year), and operating income came to 4.117 billion yen (up 19.9% from the previous year), thanks in part to diversifying business models.

We will work to release models that impress hall operators and end-users, continuing to (1) develop machines not dependent on speculation and that feature a variety of playing styles and entertaining video elements that utilize content from our popular Consumer content, while (2) working on securing a strong sales network and improving machine quality through cooperating with a major specialist company.

In the next fiscal year, we plan to introduce four models while continuing to monitor market trends and sell 41,500 units (10,200 units more than the year under review).

We expect that both sales and income will be up, with net sales at 12.7 billion yen (up 41.0% from the year under review) and operating income at 4.8 billion yen (up 17.0% from the year under review).

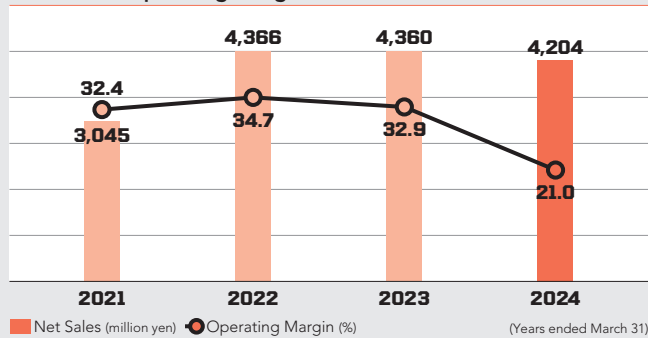
Segment Information

CAPCOM CO., LTD. and its consolidated subsidiaries. Years ended March 31

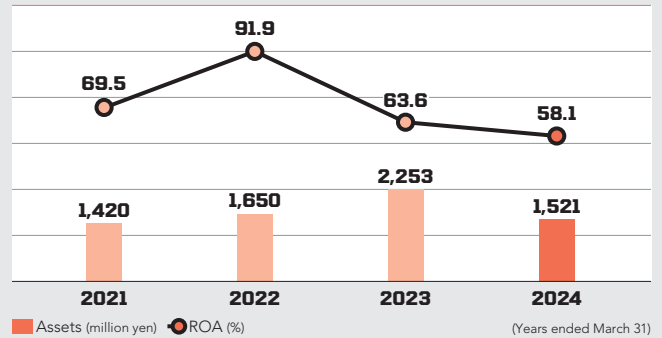
Other Businesses

Based on our Single Content Multiple Usage strategy of developing game content for various media, we pursue a variety of copyright-related business opportunities including publishing (walkthrough and strategy guides as well as game art books) and licensing (movies, animated television programs, music CDs, and merchandise). Furthermore, we are concentrating on the esports business as well.

Net Sales / Operating Margins

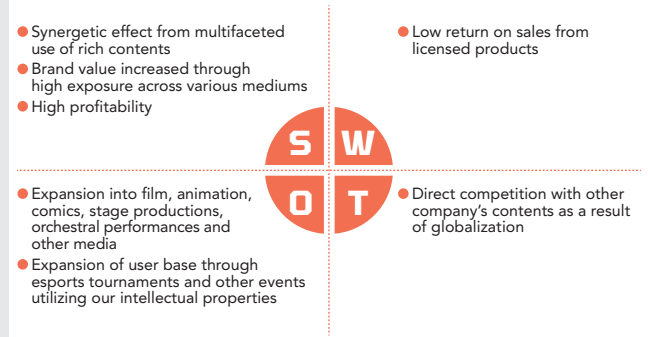


Assets/ROA

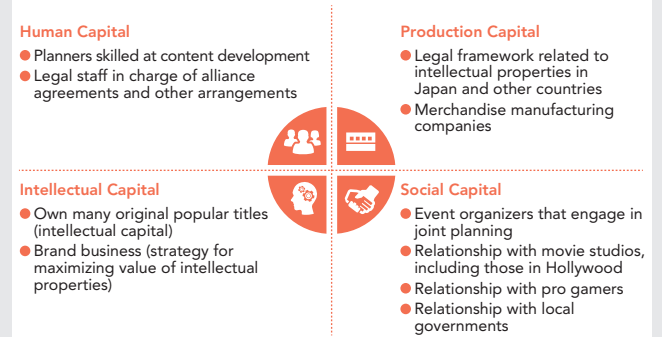


SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats



Utilization of Non-Financial Capital



Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

This fiscal year (ended March 31, 2024), we prioritized expanding the use of our major IPs in film and television and developing character merchandise. This included the worldwide release of the CG feature film *Resident Evil: Death Island* and the global launch of the anime series *Onimusha* on Netflix, both aimed at elevating the brand value of our titles in the Media business.

In eSports, we utilized *Street Fighter 6*, the latest title in the series, and held CAPCOM CUP X, the championship tournament of the CAPCOM Pro Tour 2023, which was held in various countries worldwide with a total prize pool exceeding 2 million dollars—our largest ever. The live streaming of the event was a huge success, attracting over 190,000 simultaneous viewers. Additionally, we held the team league Street Fighter League: Pro-JP 2023 in Japan, before going on to organize the Street Fighter League: World Championship 2023 tournament for the same league in North America and Europe, showcasing intense competition. We also expanded our global user base by promoting eSports through events in Singapore and other regions.

As a result, net sales were 4.204 billion yen (down 3.6% from the previous year), and operating income was 883 million yen (down 38.4% from the previous year), due mainly to up-front investments in eSports.

In the next fiscal year, we plan to implement various initiatives to grow our global user base, including offering 1 million dollars in prize money at the final tournament of the Capcom Pro Tour 2024, Capcom Cup 11. Additionally, to enhance the global reach of our IPs, we will continue to promote the adaptation of our content into movies and television shows, and collaborate with other industries. Our efforts will be aligned with a global strategy that leverages the strengths of our Single Content Multiple Usage strategy to maximize the impact of our IPs across various mediums.

We expect that both sales and income will be up, with net sales at 5.3 billion yen (up 26.0% from the year under review) and operating income at 1.6 billion yen (up 81.0% from the year under review).