



**Capcom Co., Ltd.**  
**(Tokyo Stock Exchange,**  
**First Section, 9697)**

**Financial Highlights for the**  
**Fiscal Year ended March 31, 2017**

# Forward-looking Statements

Strategies, plans, outlooks and other statements that are not historical facts are based on assumptions that use information currently available and reasonable judgments. Actual performance may be significantly different from these statements for a number of reasons.

In the entertainment industry, which includes Capcom, performance may be highly volatile because of diverging user needs and other changes in market conditions.

Factors that can affect Capcom's performance include: (1) the number of hit titles and sales volume in the Home Video Game Business, which accounts for the majority of sales; (2) progress in developing home video games; (3) consumer demand for home video game consoles; (4) sales outside Japan; (5) changes in stock prices and exchange rates; (6) alliances with other companies concerning product development, sales and other operations; and (7) changes in market conditions. Please note that this is not a complete list of factors that can influence Capcom's operating results.

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# 1. Consolidated Statements of Income

# 1-1. Consolidated Statements of Income

## ■ Results: FY3/16 vs. FY3/17

(in millions of JPY)

	2016/3	2017/3	Difference
Net sales	77,021	87,170	10,149
Operating income	12,029	13,650	1,621
Ordinary income	11,348	12,589	1,241
Net income attributable to owners of the parent	7,745	8,879	1,134

- Revenue and profit increased YoY due primarily to contributions from major titles and a favorable performance by the Amusement Equipments business
- Posted a foreign exchange loss of ¥746 million
- Net income per share: ¥160.35
- ROE: 11.6%, growing sustainably

# 1-1. Consolidated Statements of Income

## ■ Plan vs. Actual for FY3/17

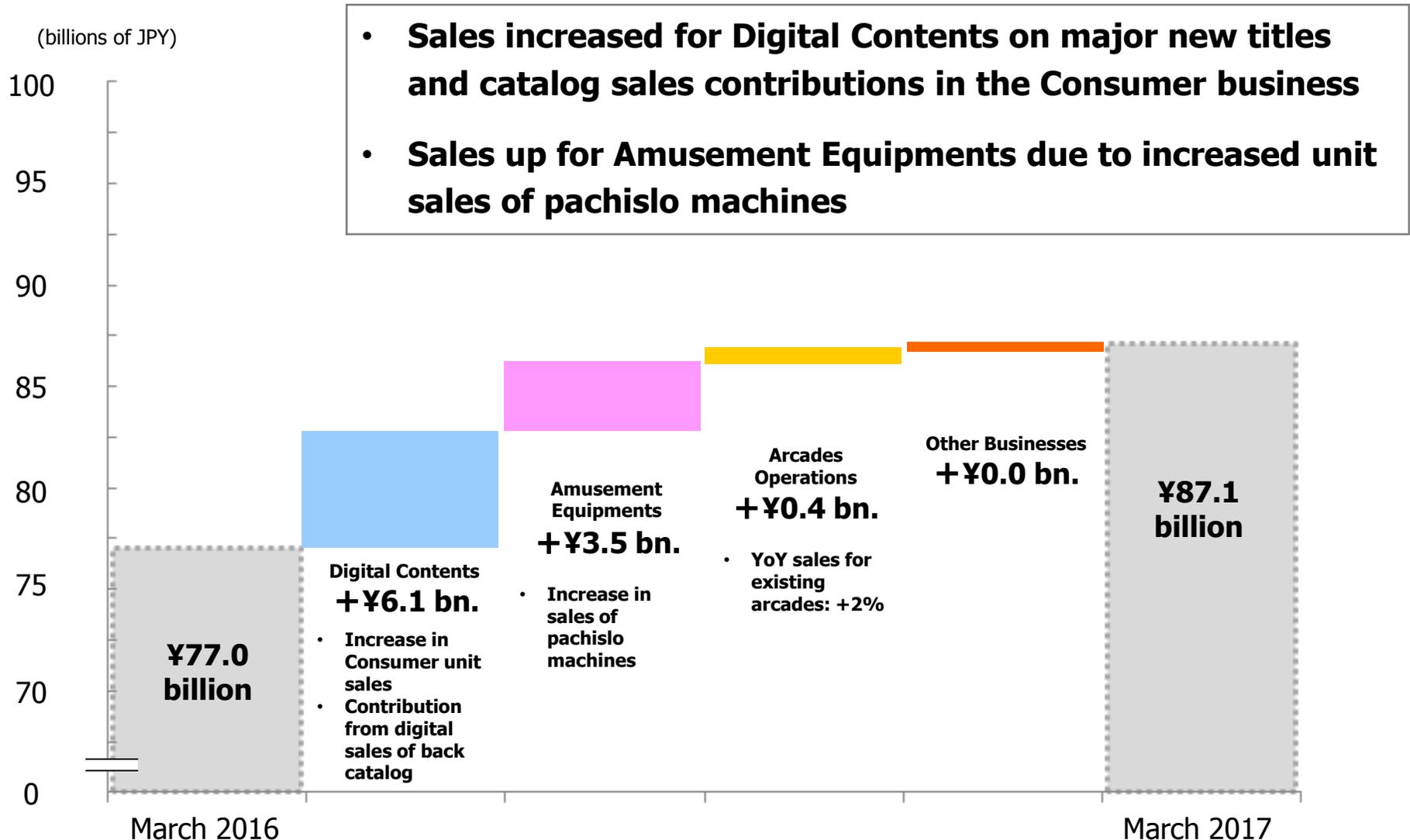
(in millions of JPY)

	2017/3 Plan	2017/3	Difference
Net sales	85,000	87,170	2,170
Operating income	13,600	13,650	50
Ordinary income	13,300	12,589	-711
Net income attributable to owners of the parent	9,000	8,879	-121

- Sales and earnings were generally in line with the earnings forecast announced on May 9, 2016

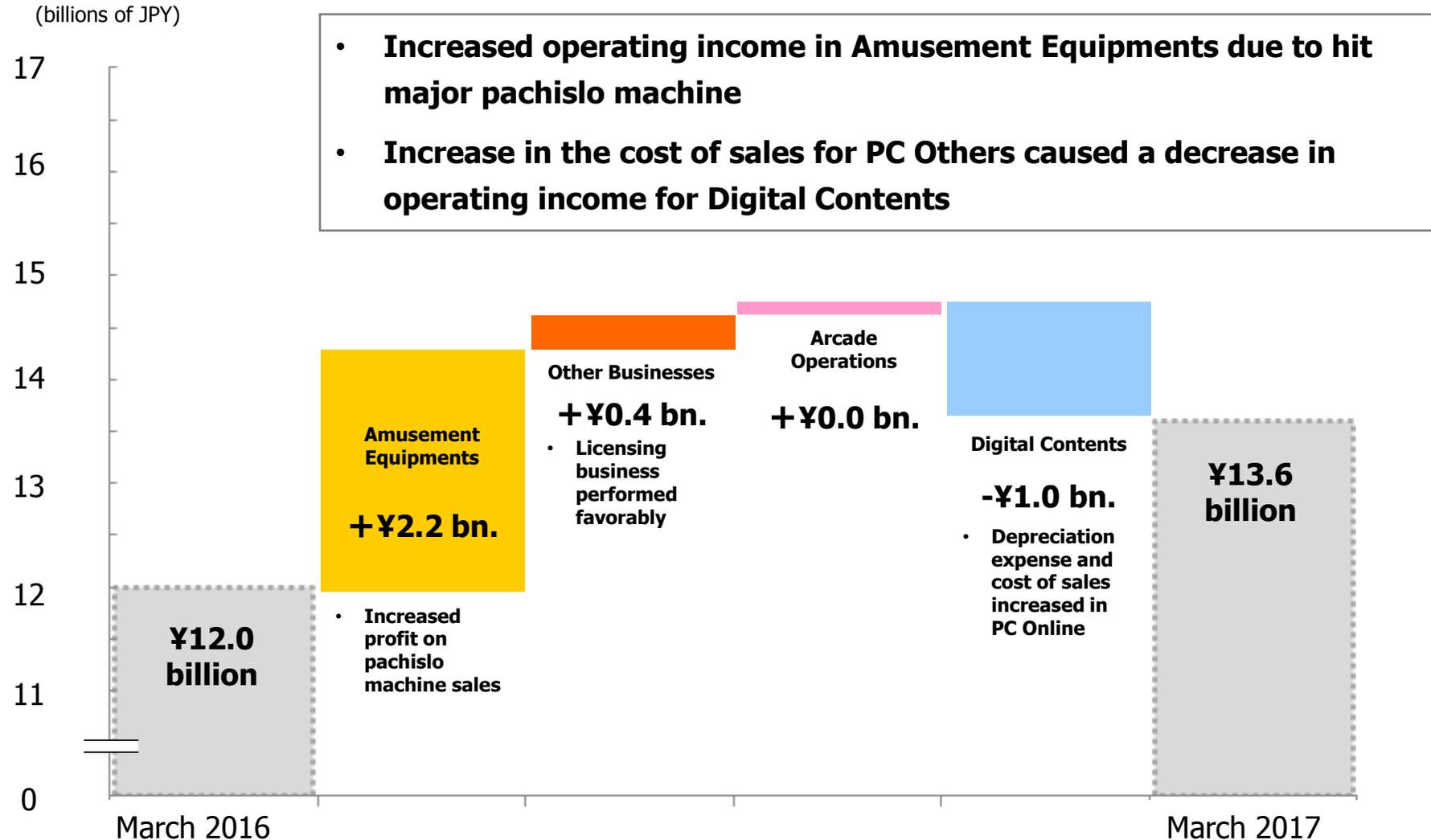
# 1-2. Consolidated Statements of Income Summary (1)

## ■ Net Sales for FY3/17



# 1-2. Consolidated Statements of Income Summary (2)

## ■ Operating Income for FY3/17



## 2. Consolidated Balance Sheets

## 2. Consolidated Balance Sheets Summary

### ■ Major Changes in Balance Sheet Items

(millions of JPY)

Assets	2016/3	2017/3	Difference
Notes and accounts receivable, trade	9,879	20,175	10,296
Work-in-progress for game software * Online contents in progress	27,220	30,150	2,930

\*Combined total of both items shown

#### 1. Notes and accounts receivable, trade

- Increase from launch of major titles

#### 2. Work-in-progress for game software, Online contents in progress

- Increase accompanying development of titles

(millions of JPY)

Liabilities	2016/3	2017/3	Difference
Long & Short-term borrowings	12,608	16,111	3,503

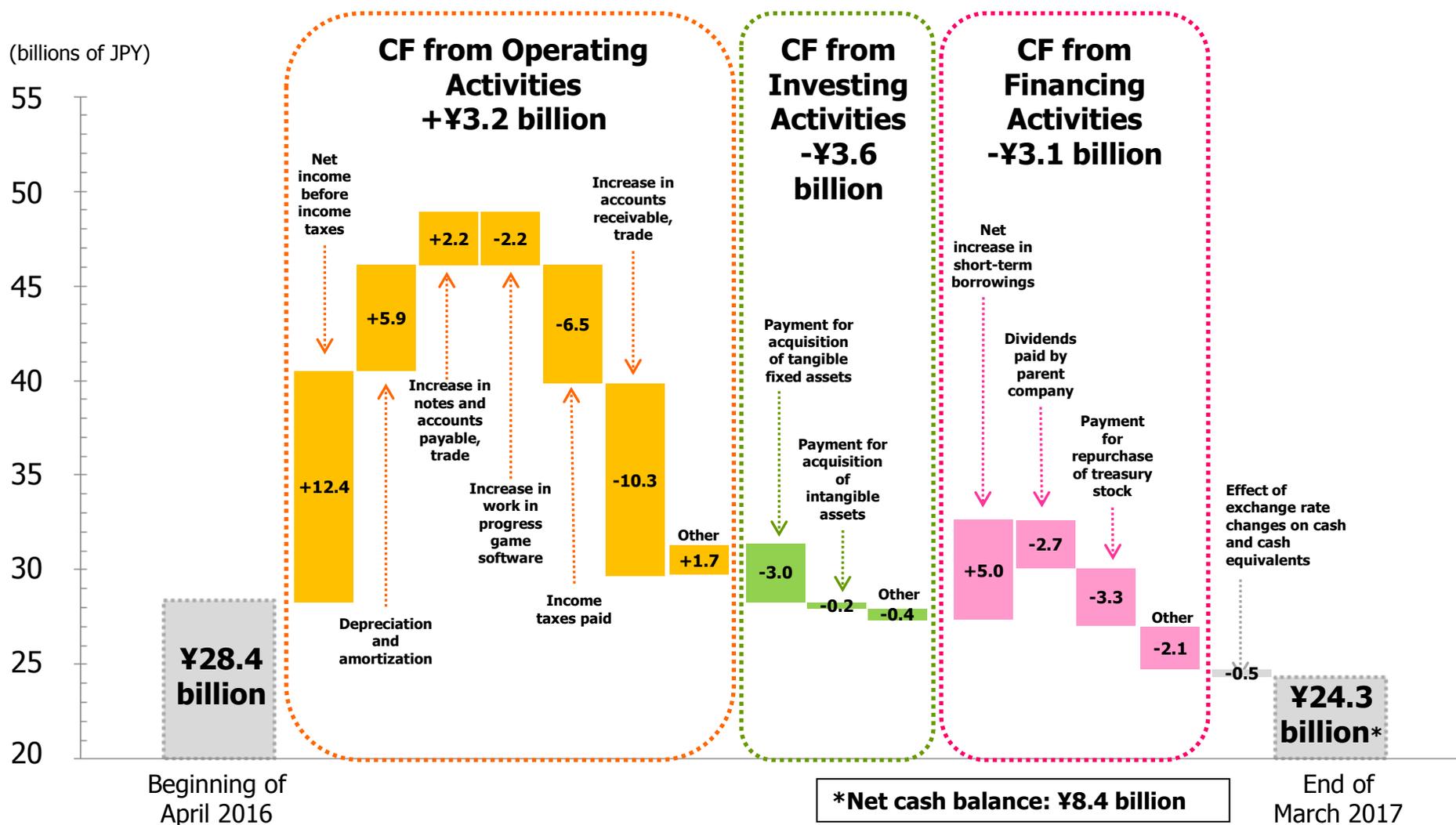
#### 3. Long & Short-term borrowings

- Increase in short-term borrowings due to use of the commitment line

## **3. Consolidated Cash Flows**

# 3. Consolidated Cash Flows Summary

## Consolidated Cash Flows for FY3/17



## 4. Business Segments

## **4-1. Digital Contents**

# 4-1. Digital Contents (1)

**Focused on selling major titles and capturing revenue through diverse use of top brands**

## ■ Consumer Highlights

### ● Launched major titles in Japan and overseas

- *Resident Evil 7 biohazard* shipped 3.5 million units worldwide
- *Monster Hunter XX (Double Cross)* shipped 1.7 million units

### ● Diverse Revenue Capture via Top Brands

- *Resident Evil 4, 5, and 6* for current-generation consoles performed well with combined 2.8 million units sold for the fiscal year
- Digital downloads performed well on sales of back catalog
- Consumer digital download sales ratio: 31.5%



*Monster Hunter XX (Double Cross)*

## 4-1. Digital Contents (2)

***Resident Evil 7 biohazard and Monster Hunter XX (Double Cross)***  
drive earnings and profit

### ■ Sales of Major Consumer Titles for FY3/17

(Thousand units)

Platform	Title	Region	Date	Result
PS4 Xbox One PC	Resident Evil 7 biohazard	Japan	Jan 26, 2017	3,500
		North America	Jan 24, 2017	
		Europe	Jan 24, 2017	
3DS	Monster Hunter XX (Double Cross)	Japan	Mar 18, 2017	1,700
3DS	Monster Hunter X (Cross) (catalog sales)	Japan	Nov 28, 2015	1,000
		North America	Jul 15, 2016	
		Europe	Jul 15, 2016	

- Result includes full-game digital download sales
- Figures for Japan include the Asian region as well

## 4-1. Digital Contents (3)

**Successfully expanded lineup**  
**Unit sales grew for both package and digital downloads**

### ■ Consumer Unit Sales for FY3/17

(Thousand units)

	2015/3	2016/3	2017/3	Difference
<b>Titles (SKU)</b>	<b>33</b>	<b>45</b>	<b>42</b>	<b>-3</b>
<b>Package</b>				
Japan	<b>4,000</b>	<b>4,700</b>	<b>3,500</b>	<b>-1,200</b>
North America	<b>2,400</b>	<b>2,600</b>	<b>4,300</b>	<b>1,700</b>
Europe	<b>1,300</b>	<b>1,200</b>	<b>2,200</b>	<b>1,000</b>
Asia	<b>300</b>	<b>400</b>	<b>400</b>	<b>0</b>
Package Total	<b>8,000</b>	<b>8,900</b>	<b>10,400</b>	<b>1,500</b>
<b>Digital download contents</b>				
Full-game download	<b>5,000</b>	<b>6,100</b>	<b>9,000</b>	<b>2,900</b>
<b>Total</b>	<b>13,000</b>	<b>15,000</b>	<b>19,400</b>	<b>4,400</b>

## 4-1. Digital Contents (4)

**Focused on revitalizing existing titles in Mobile and PC Other**

### ■ Mobile Contents Highlights

- *Monster Hunter Explore* and *Otomon Drops Monster Hunter Stories* performed solidly in the Japanese market
- Launched titles for casual users, such as *Toraware no Paruma*

### ■ PC Other Highlights

- Revitalized *Monster Hunter Frontier Z (MHFZ)* with updates
- Following *MHFZ*, *Dragon's Dogma Online* contributed to earnings as a core title
- Booked royalty revenue from licensed titles in China

## 4-1. Digital Contents (5)

Revenue and profit increased due primarily to Consumer PC Online facing a transition period

### ■ Breakdown of Sales and Results for FY3/17

(hundreds of millions of JPY)

	2015/3	2016/3	2017/3	Difference
<b>Net sales</b>	453	525	587	62
<b>Operating income</b>	102	121	110	-11
<b>Operating margin</b>	22.5%	23.1%	18.9%	—
<b>Breakdown of net sales</b>				
<b>Package</b>	262	312	337	25
<b>Digital Download Contents</b>	90	109	155	46
<b>Consumer total</b>	352	421	492	71
<b>Mobile Contents</b>	41	33	38	5
<b>PC Other</b>	60	71	57	-14

## **4-2. Arcade Operations**

## 4-2. Arcade Operations

**Seeing indications of probability improvement due to more favorable market environment and efficient operations**

### ■ Arcade Operations Highlights

- Streamlining management structure of existing arcades; YoY ratio of sales for existing arcades: +2%
- 3 new facilities opened (Sep. 2016: Tokuyama; Mar. 2017: Ishinomaki, Shin Sapporo)

### ■ Number of Arcades

	(Facilities)		
	2015/3	2016/3	2017/3
New arcades	1	4	3
Closed arcades	1	3	1
<b>Total</b>	<b>33</b>	<b>34</b>	<b>36</b>



You Me Town Tokuyama

### ■ Arcade Operations Performance

	(hundreds of millions of JPY)			
	2015/3	2016/3	2017/3	Difference
Net sales	92	90	95	5
Operating income	9	7	7	0
Operating margin	10.2%	7.7%	7.9%	-
Y/Y ratio of sales for existing arcades	-10%	-4%	2%	-

## **4-3. Amusement Equipments**

## 4-3. Amusement Equipments

**Increased sales following launch of major pachislo machine**  
**Increased sales and profit year-over-year**

### ■ Pachinko & Pachislo Highlights

- **Three pachislo models sold combined 57 thousand units**
  - *Monster Hunter Kyoryu Sensen* sold 37 thousand units

### ■ Arcade Games Sales Highlights

- **Launched medal game featuring popular IP**
  - *Mario Party Fushigi no Challenge World* launched in July 2016

### ■ Amusement Equipments Performance



*Monster Hunter Kyoryu Sensen*

(hundreds of millions of JPY)

	2015/3	2016/3	2017/3	Difference
<b>Net sales</b>	<b>75</b>	<b>133</b>	<b>168</b>	<b>35</b>
<b>Operating income</b>	<b>27</b>	<b>28</b>	<b>51</b>	<b>23</b>
<b>Operating margin</b>	<b>36.3%</b>	<b>21.1%</b>	<b>30.3%</b>	<b>-</b>

\*Ratio of Pachinko & Pachislo to Arcade Games sales approx. 9:1

## **4-4. Other Businesses**

## 4-4. Other Businesses

**Continued to execute Single Content Multiple Usage strategy**  
**Expanded earnings via diverse licensing business**

### ■ Character Contents Highlights

- **Expanded licensing and character merchandise associated with home video games**
  - Timed collaborations with launch of new titles
- **Increased awareness among non-game players through TV programs, stage shows and other activities**
  - Examples include: the Hollywood film *Resident Evil: The Final Chapter*, and animated TV show *Monster Hunter Stories RIDE ON*



*Monster Hunter Stories RIDE ON*  
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### ■ Other Businesses Performance

(hundreds of millions of JPY)

	2015/3	2016/3	2017/3	Difference
Net sales	21	20	20	0
Operating income	6	5	9	4
Operating margin	30.8%	25.0%	46.5%	-



**CAPCOM**