

Press Release

Company Name: Capcom Co., Ltd.

 Representative: Haruhiro Tsujimoto, President and COO
 (Code No. 9697 First Section of Tokyo Stock Exchange)

Contact: Public Relations and Investor Relations Section

Phone Number: +81-6-6920-3623

Sales and Profit Up in Consolidated Results for the Three Months Ended June 30, 2020
Net Sales Up 32.2%, Operating Income Up 39.1% Year-over-year

- Net sales and all profit items hit record levels for a first quarter,
 driven by major new title release and digital sales growth -

Capcom Co., Ltd. today announced that in its consolidated business results for the three months ended June 30, 2020, net sales were 23,722 million yen (up 32.2% year-over-year), operating income was 10,711 million yen (up 39.1% year-over-year), ordinary income was 10,619 million yen (up 37.9% year-over-year), and net income attributable to owners of the parent was 7,815 million yen (up 44.2% year-over-year).

This quarter, temporary closures of stores amid the ongoing COVID-19 pandemic created a challenging environment for the Arcade Operations business. Elsewhere, the core Digital Contents business drove business results through digital sales growth of major new titles and catalog titles, backed by successfully promoting stronger digital sales in recent years. As a result, Capcom achieved its highest net sales as well as highest levels of all profit items for a first quarter.

The forecast for the consolidated business results for the current fiscal year ending March 31, 2021 remains the same as what was projected at the financial results announcement on May 8, 2020.

1. Results for the 3 months ended June 30, 2020

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
	million yen	million yen	million yen	million yen	yen
3 months ended June 30, 2020	23,722	10,711	10,619	7,815	73.21
3 months ended June 30, 2019	17,938	7,703	7,699	5,420	50.78

2. Earnings forecast for the fiscal year ending March 31, 2021

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
	million yen	million yen	million yen	million yen	yen
Year ending March 31, 2021	85,000	25,500	25,500	18,000	168.62

Note: Recent changes in earnings forecast for the fiscal year ending March 31, 2021: None

3. Status of Each Operational Department

(1) Digital Contents

(million yen)

	3 months ended June 30, 2019	3 months ended June 30, 2020	Difference (%)
Net sales	13,977	21,476	53.7%
Operating income	7,733	11,804	52.6%
Operating margin	55.3%	55.0%	-

- a. In this business segment, the *Resident Evil* series, whose cumulative sales have exceeded 100 million units, saw new title *Resident Evil 3* (for PlayStation 4, Xbox One and PC) deliver solid sales. Additionally, high-margin catalog sales continued to contribute to expansion of the user base while driving profitability growth; this included the continued growth in sales for titles such as *Monster Hunter World: Iceborne* (for PlayStation 4, Xbox One and PC), released in the fiscal year ended March 2020, and *Resident Evil 2* (for PlayStation 4, Xbox One and PC), released in the fiscal year ended March 2019.
- b. The resulting net sales were 21,476 million yen (up 53.7% from the same term in the previous fiscal year) and operating income was 11,804 million yen (up 52.6% from the same term in the previous fiscal year).

(2) Arcade Operations

(million yen)

	3 months ended June 30, 2019	3 months ended June 30, 2020	Difference (%)
Net sales	2,710	1,184	(56.3%)
Operating income	299	(554)	-
Operating margin	11.0%	-	-

- a. In this business, stores were forced to close temporarily due to the impact of COVID-19. Although they subsequently resumed operation, their performance did not recover to normal levels, and they posted a significant decrease in both sales and profits.
- b. As there were no new openings or closures of stores during the period under review, the total number of stores remains unchanged from the end of the previous fiscal year at 40 stores.
- c. The resulting net sales were 1,184 million yen (down 56.3% from the same term in the previous fiscal year) with an operating loss of 554 million yen (operating profit was 299 million yen in the same term in the previous fiscal year).

(3) Amusement Equipments

(million yen)

	3 months ended June 30, 2019	3 months ended June 30, 2020	Difference (%)
Net sales	225	181	(19.4%)
Operating income	133	71	(46.7%)
Operating margin	59.1%	39.2%	-

In this business, in an environment in which demand was weak mainly due to amusement halls suspending operations amid the spread of COVID-19, no new models were launched. However, due to license revenues earned, net sales were 181 million yen (down 19.4% from the same term in the previous fiscal year) and operating income was 71 million yen (down 46.7% from the same term in the previous fiscal year).

(4) Other Businesses

(million yen)

	3 months ended June 30, 2019	3 months ended June 30, 2020	Difference (%)
Net sales	1,025	879	(14.2%)
Operating income	640	511	(20.2%)
Operating margin	62.4%	58.1%	-

- a. In Other Businesses, the Company focused on promoting the sales of character merchandise and film adaptations using our flagship intellectual property, aiming to enhance the brand value of our titles worldwide. In eSports, the Company steadily continued to expand the user base and create business opportunities toward the medium term. As part of these efforts, in June 2020 the Company began the CAPCOM Pro Tour Online 2020, a global online competition.
- b. As a result, net sales were 879 million yen (down 14.2% from the same term in the previous fiscal year) and operating income was 511 million yen (down 20.2% from the same term in the previous fiscal year).