

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, 2021
Net Sales Up 104.1%, Operating Income Up 120.4% 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, 2021, net sales were 48,423 million yen (up 104.1% year-over-year), operating income was 23,604 million yen (up 120.4% year-over-year), ordinary income was 23,899 million yen (up 125.0% year-over-year), and net income attributable to owners of the parent was 17,340 million yen (up 121.9% year-over-year).

This quarter, Capcom's core Digital Contents business drove business results through its continued pursuit of digital sales growth, including with a major new release in its flagship series *Resident Evil Village* and sales of catalog titles such as *Monster Hunter Rise*. Further, sales volume for its home video games were 13.3 million units (up 44.6% year-over-year). 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, 2022 remains the same as what was projected at the financial results announcement on May 10, 2021.

1. Results for the 3 months ended June 30, 2021

	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, 2021	48,423	23,604	23,899	17,340	81.22
3 months ended June 30, 2020	23,722	10,711	10,619	7,815	36.60

Note: With an effective date of April 1, 2021, Capcom performed a 2-for-1 split of its common stock. Capcom calculated earnings per share assuming that the stock split was implemented with an effective date of April 1, 2020.

2. Earnings forecast for the fiscal year ending March 31, 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
Year ending March 31, 2022	100,000	42,000	42,000	30,000	140.52

Note: Recent changes in earnings forecast for the fiscal year ending March 31, 2022: None

3. Status of Each Operational Department

(1) Digital Contents

(million yen)

	3 months ended June 30, 2020	3 months ended June 30, 2021	Difference (%)
Net sales	21,476	43,918	104.5%
Operating income	11,804	24,455	107.2%
Operating margin	55.0%	55.7%	-

- a. In this business segment, the latest title in the Company's flagship series *Resident Evil Village* (for PlayStation 5, PlayStation 4, Xbox Series X|S, Xbox One, PC) was released in May; supported by steady popularity, the title performed well with shipments exceeding 4.5 million units worldwide after garnering acclaim for its immersive gameplay driven by the synergies between its beautiful graphics and horror elements. In addition, *Monster Hunter Rise* (for Nintendo Switch), released at the end of the previous fiscal year, continued to see growth in sales volume thanks to its enduring popularity.
- b. In an effort to gain wider recognition for its intellectual property and acquire new fans, the Company also showcased its major titles for this fiscal year and eSports initiatives etc. at E3 2021, which was held as an online event in June. Furthermore, catalog titles performed well, especially series titles, driven by the released games mentioned above. High-margin digital sales grew significantly and drove profitability, with total sales of 13.3 million units far surpassing 9.2 million units during the same period the previous fiscal year.
- c. In Mobile Contents, licensing revenue from utilizing the Company's major intellectual property contributed to profits.
- d. The resulting net sales were 43,918 million yen (up 104.5% from the same term in the previous fiscal year) and operating income was 24,455 million yen (up 107.2% from the same term in the previous fiscal year).

(2) Arcade Operations

(million yen)

	3 months ended June 30, 2020	3 months ended June 30, 2021	Difference (%)
Net sales	1,184	2,389	101.7%
Operating income	(554)	(63)	-
Operating margin	-	-	-

- a. In this business, the Company was forced to suspend operations and shorten the operating hours of some of its stores in conjunction with the declaration of the third state of emergency in Japan; despite this, sales increased due to the recovery in customer traffic in stores compared to the same period in the previous fiscal year. The Company also rolled out new customer acquisition initiatives, including capsule toys featuring the latest character merchandise, etc.
- b. During this quarter, the Company opened Plaza Capcom MitteN Fuchu in Tokyo in June and closed one store in May. As such, the total number of stores remained unchanged from the end of the previous quarter at 41 stores.

- c. As a result, net sales were 2,389 million yen (up 101.7% from the same term in the previous fiscal year) with an operating loss of 63 million yen (operating loss in the same term of the previous fiscal year was 554 million yen).

(3) Amusement Equipments

(million yen)

	3 months ended June 30, 2020	3 months ended June 30, 2021	Difference (%)
Net sales	181	1,282	606.1%
Operating income	71	243	242.2%
Operating margin	39.2%	19.0%	-

- a. In this business, within an environment where expectations for future demand from the replacement of machines with ones compliant with the latest regulations, the Company released a new model, *Hyakka Ryoran Samurai Girls*, while sales of catalog title *Resident Evil 7 biohazard*, released in the previous fiscal year, worked to support revenue.
- b. The resulting net sales were 1,282 million yen (up 606.1% from the same term in the previous fiscal year) and operating income was 243 million yen (up 242.2% from the same term in the previous fiscal year).

(4) Other Businesses

(million yen)

	3 months ended June 30, 2020	3 months ended June 30, 2021	Difference (%)
Net sales	879	832	(5.4%)
Operating income	511	482	(5.6%)
Operating margin	58.1%	57.9%	-

- a. In Other Businesses, the Company focused on promoting the sales of character merchandise, etc., utilizing its flagship intellectual property on a global scale, to enhance the brand value of its titles.
- b. In eSports, the Company promoted measures to expand the user base globally, including holding the all-online Capcom Pro Tour Online 2021 in 19 regions worldwide, starting with an April event in Japan. Further, qualifiers for the *Street Fighter V* tournament at Intel World Open commenced in June and finals were held in July.
- c. As a result, net sales were 832 million yen (down 5.4% from the same term in the previous fiscal year) and operating income was 482 million yen (down 5.6% from the same term in the previous fiscal year).