



Capcom Co., Ltd.
(TSE Prime, 9697)

1st Quarter Report
Fiscal year ending March 31, 2024

Major Takeaways

■ Q1 Results

- Sales and profit up YoY from digital sales, including major new title
- Sales of *Street Fighter 6* surpassed 1.97 million units (Q1)
- Game sales grew from 11.7 million units to 13.5 million units YoY
- Sales and profit grew YoY in Amusement Equipments and Arcade Operations businesses

■ Full-Year Business Plan

- First quarter performance proceeding in-line with plan

	2022/6	YoY	2023/6	YoY	Difference	2024/3 Plan	YoY
Net sales	25,232	-48%	43,858	74%	18,626	140,000	11%
Operating income	12,061	-49%	24,047	99%	11,986	56,000	10%
Operating margin	47.8%	-	54.8%	-	-	40.0%	-
Ordinary income	12,803	-46%	25,865	102%	13,062	56,000	9%
Net income attributable to owners of the parent	9,007	-48%	18,163	102%	9,156	40,000	9%

*YoY indicates percent change from the same term of the previous year

Contents

page

1. Forecasts for FY3/24	3
2. Q1 Financial Highlights	4
3. Business Segments	7
4. Supplement	13
Summary of Major Financial Information / Our Major IP	

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; (8) natural disasters, disease outbreaks, economic crises and other unforeseeable events. Please note that this is not a complete list of factors that can influence Capcom's operating results.

1. Forecasts for FY3/24

**Aiming for 11 consecutive years of OP growth
driven by steady growth of Digital Contents business**

(million yen)

	2020/3	YoY	2021/3	YoY	2022/3	YoY	2023/3	YoY	2024/3 Plan	YoY	Difference
Net sales	81,591	-18%	95,308	17%	110,054	16%	125,930	14%	140,000	11%	14,070
Operating income	22,827	26%	34,596	52%	42,909	24%	50,812	18%	56,000	10%	5,188
Operating margin	28.0%	-	36.3%	-	39.0%	-	40.3%	-	40.0%	-	-
Ordinary income	22,957	26%	34,845	52%	44,330	27%	51,369	16%	56,000	9%	4,631
Net income attributable to owners of the parent	15,949	27%	24,923	56%	32,553	31%	36,737	13%	40,000	9%	3,263

- Expect increased sales and profit due to digital sales growth in the Consumer sub-segment
- Earnings per share forecast: ¥191.28
- Dividend forecast: interim dividend of ¥27 and year-end dividend of ¥27 resulting in a ¥54 dividend for the fiscal year

*YoY indicates percent change from the same term of the previous year

2-1. Q1 Financial Highlights – Consolidated Business Results (1)

■ 3 Months Results in FY6/23 (consolidated)

(million yen)

	2019/6	YoY	2020/6	YoY	2021/6	YoY	2022/6	YoY	2023/6	YoY	Difference
Net sales	17,938	4%	23,722	32%	48,423	104%	25,232	-48%	43,858	74%	18,626
Operating income	7,703	51%	10,711	39%	23,604	120%	12,061	-49%	24,047	99%	11,986
Operating margin	42.9%	-	45.2%	-	48.7%	-	47.8%	-	54.8%	-	-
Ordinary income	7,699	40%	10,619	38%	23,899	125%	12,803	-46%	25,865	102%	13,062
Net income attributable to owners of the parent	5,420	39%	7,815	44%	17,340	122%	9,007	-48%	18,163	102%	9,156

- YoY sales and profit growth driven primarily by major new title sales in the Consumer sub-segment
- Ordinary income includes foreign exchange gain of ¥1,630 million

*YoY indicates percent change from the same term of the previous year

2-1. Q1 Financial Highlights – Consolidated Business Results (2)

■ FY6/23 Net Sales/Operating Income (by segment)

(million yen)

	2019/6	YoY	2020/6	YoY	2021/6	YoY	2022/6	YoY	2023/6	YoY	Difference	2024/3 Plan	YoY
Net sales	17,938	4%	23,722	32%	48,423	104%	25,232	-48%	43,858	74%	18,626	140,000	11%
Digital Contents	13,977	1%	21,476	54%	43,918	105%	19,860	-55%	37,875	91%	18,015	106,300	8%
Arcade Operations	2,710	14%	1,184	-56%	2,389	102%	3,286	38%	4,117	25%	831	18,000	15%
Amusement Equipments	225	-40%	181	-20%	1,282	608%	649	-49%	898	38%	249	10,000	28%
Other Businesses	1,025	54%	879	-14%	832	-5%	1,435	73%	968	-33%	-467	5,700	31%
Operating income	7,703	51%	10,711	39%	23,604	120%	12,061	-49%	24,047	99%	11,986	56,000	10%
Digital Contents	7,733	35%	11,804	53%	24,455	107%	12,541	-49%	24,679	97%	12,138	58,900	10%
Arcade Operations	299	109%	-554	-	-63	-	186	-	375	102%	189	1,300	6%
Amusement Equipments	133	-	71	-47%	243	242%	270	11%	678	151%	408	3,700	8%
Other Businesses	640	56%	511	-20%	482	-6%	818	70%	494	-40%	-324	1,600	12%
Adjustments*	-1,103	-	-1,120	-	-1,512	-	-1,755	-	-2,181	-	-426	-9,500	-

*Adjustments include unallocated corporate operating expenses. The corporate operating expenses, which do not belong to any reportable segment, mainly consist of administrative expenses.

*YoY indicates percent change from the same term of the previous year

2-2. Q1 Financial Highlights – Financial Position

■ FY6/23 Balance Sheet/Statement of Cashflows (Summary)

Balance Sheet

(million yen)

Assets	2020/3	YoY	2021/3	YoY	2022/3	YoY	2023/3	YoY	2023/6	YoY	Difference
Cash on hand and in banks	65,657	24%	71,239	9%	107,262	51%	102,116	-5%	108,624	6%	6,508
Notes receivable - trade & Accounts receivable - trade	15,959	14%	25,096	57%	7,932	-68%	25,097	216%	16,797	-33%	-8,300
Work in progress for game software	21,222	25%	24,443	15%	31,192	28%	38,510	24%	39,819	3%	1,309
Others	40,628	3%	42,934	6%	40,979	-5%	51,642	26%	50,781	-2%	-861
Total assets	143,466	16%	163,712	14%	187,365	14%	217,365	16%	216,021	-1%	-1,344
Liabilities											
Notes and accounts payable - trade & Electronically recorded monetary liabilities	5,844	14%	3,702	-37%	3,601	-3%	5,529	54%	3,851	-30%	-1,678
Deferred income	7,642	383%	6,673	-13%	8,932	34%	5,455	-39%	1,601	-71%	-3,854
Others	30,245	8%	32,543	8%	28,357	-13%	45,252	60%	36,392	-20%	-8,860
Total liabilities	43,731	26%	42,918	-2%	40,890	-5%	56,236	38%	41,844	-26%	-14,392
Total net assets	99,735	12%	120,794	21%	146,475	21%	161,129	10%	174,176	8%	13,047
Total liabilities and net assets	143,466	16%	163,712	14%	187,365	14%	217,365	16%	216,021	-1%	-1,344

*Deferred income of ¥1.5 billion consists primarily of revenue from *Street Fighter 6* that was deferred until the release of DLC. We anticipate this revenue will gradually be recognized in net sales by the end of FY2024.

Statement of Cashflows

(million yen)

	2019/6	YoY	2020/6	YoY	2021/6	YoY	2022/6	YoY	2023/6	YoY	Difference
Cash flows from operating activities	6,943	-	8,041	-	34,300	-	-5,522	-	12,979	-	18,501
Net income before income taxes	7,699	-	10,618	-	23,898	-	12,805	-	25,866	-	13,061
Increase (decrease) in notes and accounts receivable - trade	9,602	-	8,892	-	10,673	-	-10,178	-	8,433	-	18,611
Decrease (increase) in work in progress for game software	-3,412	-	-536	-	5,023	-	-4,693	-	-1,293	-	3,400
Decrease (increase) in deferred revenue					1,492	-	3,840	-	-3,934	-	-7,774
Cash flows from investing activities	-835	-	-2,074	-	-2,067	-	-1,363	-	-1,833	-	-470
Cash flows from financing activities	-2,400	-	-2,949	-	-5,027	-	-6,226	-	-8,778	-	-2,552
Cash and cash equivalents at beginning of year	53,004	-	59,672	-	64,043	-	95,635	-	89,470	-	-6,165
Cash and cash equivalents at end of quarter	56,025	-	62,652	-	91,431	-	85,114	-	94,741	-	9,627

*YoY on the Balance Sheet indicates percent change from the end of the previous year

3-1. Business Segments – Digital Contents (1)

Sales and profit up due to digital sales growth and major new title release in Consumer sub-segment

■ Digital Contents Performance

(100 million yen)

	2019/6	YoY	2020/6	YoY	2021/6	YoY	2022/6	YoY	2023/6	YoY	2024/3 Plan
Net sales	139	1%	214	54%	439	105%	198	-55%	378	91%	1,063
Consumer breakdown											
Package sales	33	-46%	60	82%	184	207%	29	-84%	89	207%	125
Digital sales (incl. digital license)	101	68%	143	42%	246	72%	163	-34%	285	75%	909
Digital license portion			0	-	5	-	19	280%	2	-90%	32
Consumer total	134	11%	203	52%	430	112%	192	-55%	374	95%	1,034
Deferred revenue portion					-5	-	-38	-660%	40	205%	
Mobile Contents	5	-17%	11	120%	9	-18%	6	-33%	4	-33%	29
Operating income	77	35%	118	53%	244	107%	125	-49%	246	97%	589
Operating margin	55.3%	-	55.0%	-	55.7%	-	63.1%	-	65.2%	-	55.4%

*Digital license indicates income from providing content etc. to online platforms

*Deferred revenue indicates the variance between deferred revenue and reversed revenue stemming primarily from the release of free downloadable content that typically follows the release of a full game

*YoY indicates percent change from the same term of the previous year

3-1. Business Segments – Digital Contents (2)

Record first-quarter sales volume driven primarily by overseas and digital sales growth

■ Unit Sales for the 3 Months (Consumer)

(units in thousands)

	2019/6			2020/6			2021/6			2022/6			2023/6			2024/3 Plan		
New Titles (SKU)	7			6			5			12			21			31		
Titles sold / sales regions	281 / 198			290 / 198			299 / 200			297 / 206			283 / 224					
Total unit sales	YoY			YoY			YoY			YoY			YoY			YoY		
	4,350	0%		9,200	111%		13,300	45%		11,700	-12%		13,500	15%		45,000	8%	
	Share		YoY	Share		YoY	Share		YoY	Share		YoY	Share		YoY	Share		YoY
Overseas units	3,800	87.4%	2.7%	8,100	88.0%	113.2%	10,800	81.2%	33.3%	8,700	74.4%	-19.4%	10,800	80.0%	24.1%	37,900	84.2%	13.1%
Japan units	550	12.6%	-15.4%	1,100	12.0%	100.0%	2,500	18.8%	127.3%	3,000	25.6%	20.0%	2,700	20.0%	-10.0%	7,100	15.8%	-13.4%
Digital units	3,200	73.6%	18.5%	7,350	79.9%	129.7%	9,100	68.4%	23.8%	10,400	88.9%	14.3%	11,600	85.9%	11.5%	42,500	94.4%	13.9%
Physical units	1,150	26.4%	-30.3%	1,850	20.1%	60.9%	4,200	31.6%	127.0%	1,300	11.1%	-69.1%	1,900	14.1%	46.2%	2,500	5.6%	-43.2%
Catalog units	3,900	89.7%	20.0%	6,600	71.7%	69.2%	8,800	66.2%	33.3%	9,000	76.9%	2.3%	9,800	72.6%	8.9%	35,700	79.3%	21.8%
New units	450	10.3%	-59.1%	2,600	28.3%	477.8%	4,500	33.8%	73.1%	2,700	23.1%	-40.0%	3,700	27.4%	37.0%	9,300	20.7%	-25.0%
Major titles																		
New	Dragon's Dogma: Dark Arisen (Nintendo Switch vers.)			Resident Evil 3			Resident Evil Village			Monster Hunter Rise: Sunbreak			Street Fighter 6 MegaMan Battle Network Legacy Collection Vol. 1 & Vol. 2			Street Fighter 6 Exoprimal		
Catalog	Monster Hunter: World Devil May Cry 5 Resident Evil 2			Monster Hunter World: Iceborne Resident Evil 2 Resident Evil 7 biohazard Monster Hunter: World			Monster Hunter Rise Resident Evil 7 biohazard Monster Hunter World: Iceborne Resident Evil 2 Resident Evil 3			Monster Hunter Rise Devil May Cry 5 Dragon's Dogma: Dark Arisen Street Fighter V Monster Hunter: World			Resident Evil 4 Monster Hunter Rise: Sunbreak Resident Evil 2 Resident Evil 3 Monster Hunter Rise			Resident Evil 4 Monster Hunter Rise Monster Hunter World: Iceborne Resident Evil Village Monster Hunter Rise: Sunbreak Resident Evil 2 Monster Hunter: World Monster Hunter: World (12 titles total)		

*New titles: titles released in the current fiscal year; Catalog titles: titles released in the previous fiscal year or earlier

*Includes distribution titles

*YoY indicates percent change from the same term of the previous year

3-1. Business Segments – Digital Contents (3)

Focused on launch of new titles and long-term catalog title sales through pricing strategies

■ 3 Months Highlights (Consumer)

- New title *Street Fighter 6* sold 2 million units (as of July 7, 2023)
- *Resident Evil 4* sold 5 million units cumulatively (as of July 20, 2023)
- **FY23 Top Title Unit Sales**

(10 thousand units)

Title	FY23	Lifetime
Street Fighter 6	197	197
MegaMan Battle Network Legacy Collection*	132	132
Resident Evil 4	117	495
Monster Hunter Rise: Sunbreak	66	610
Resident Evil 2	65	1,260
Resident Evil 3	54	760
Monster Hunter Rise	50	1,320

*Total figure for *MegaMan Battle Network Legacy Collection Vol. 1* and *Vol. 2*



Street Fighter 6

■ 3 Months Highlights (Mobile Contents)

- Focused activities primarily on existing title operations

3-2. Business Segments – Arcade Operations

Sales and profit up due to new and existing store contributions

■ 3 Months Business Results

(100 million yen)

	2019/6	YoY	2020/6	YoY	2021/6	YoY	2022/6	YoY	2023/6	YoY	2024/3	Plan
Net sales	27	14%	11	-56%	23	102%	32	38%	41	25%	180	
Operating income	2	109%	-5	-	-0	-	1	-	3	102%	13	
Operating margin	11.0%	-	-	-	-	-	5.7%	-	9.1%	-	7.2%	
Same store sales	113%	-	37%	-	214%	-	130%	-	109%	-	105%	

■ Number of Stores

(stores)

	2020/3	YoY	2021/3	YoY	2022/3	YoY	2023/3	YoY	2023/6	YoY	2024/3	Plan
New stores	3	-	1	-	2	-	5	-	2	-	4	
Closed stores	0	-	0	-	1	-	2	-	0	-	0	
Total	40	8%	41	3%	42	2%	45	7%	47	4%	49	

■ 3 Months Highlights

- Opened Kids Banet Shizuoka Store (Shizuoka prefecture) on April 25 and Crazy Banet at Aeon Mall Niihama (Ehime Prefecture) on June 23



Kids Banet Shizuoka Store

*YoY indicates percent change from the same term of the previous year

3-3. Business Segments – Amusement Equipments

**Sales and profit up from catalog sales,
driven by highly-popular titles**

■ 3 Months Business Results

(100 million yen)

	2019/6	YoY	2020/6	YoY	2021/6	YoY	2022/6	YoY	2023/6	YoY	2024/3 Plan
Net sales	2	-40%	1	-20%	12	608%	6	-49%	8	38%	100
Operating income	1	186%	0	-47%	2	242%	2	11%	6	151%	37
Operating margin	59.1%	-	39.2%	-	19.0%	-	41.6%	-	75.5%	-	37.0%

■ Pachislo Sales Volume

	2019/6	YoY	2020/6	YoY	2021/6	YoY	2022/6	YoY	2023/6	YoY	2024/3 Plan
New titles	0	-	0	-	1	-	1	-	0	-	4
Sales (thousand units)	-	-	-	-	6	-	2.7	-55%	3	11%	37

*Includes catalog title sales

■ 3 Months Highlights

- Total 3,000 units sold (FY6/22: 1 new title; 2,700 units sold (includes catalog title sales))
Catalog titles: *Monster Hunter World: Iceborne*: 2,000 units sold,
Shin Onimusha 2: 1,000 units sold

*YoY indicates percent change from the same term of the previous year

3-4. Business Segments – Other Businesses

**Promoting Single Content Multiple Usage strategy
in conjunction with game sales**

■ 3 Months Business Results

(100 million yen)

	2019/6	YoY	2020/6	YoY	2021/6	YoY	2022/6	YoY	2023/6	YoY	2024/3 Plan
Net sales	10	54%	8	-14%	8	-5%	14	73%	9	-33%	57
Character			7	-	7	0%	13	86%	9	-31%	50
eSports/Media			1	-	1	0%	1	0%	0	-58%	7
Operating income	6	56%	5	-20%	4	-6%	8	70%	4	-40%	16
Character			5	-	5	0%	9	80%	6	-33%	31
eSports/Media			-0	-	-0	-	-1	-	-2	-	-15
Operating margin	62.4%	-	58.1%	-	57.9%	-	57.0%	-	51.0%	-	28.1%

*Beginning FY23/6, business results for Media have been incorporated with eSports. This change has been reflected in the above full year FY24/3 plan and business results for previous years.

■ 3 Months Highlights

- Actively carried out merchandising for goods related to major titles
- New full-length CG animation *Resident Evil: Death Island* in Japanese theaters starting July 7
- Esports tournament Capcom Pro Tour 2023 kicks off in August, aim to promote sales of featured title *Street Fighter 6*



Resident Evil: Death Island
© 2023 CAPCOM / DEATH ISLAND
FILM PARTNERS ALL RIGHTS
RESERVED.

*YoY indicates percent change from the same term of the previous year

4-1. Supplement: Summary of Major Financial Information

● Profit and Loss Sheet

(million yen)

	2020/3	YoY	2021/3	YoY	2022/3	YoY	2023/3	YoY	2024/3 plan	YoY	2023/6
Net Sales	81,591	-18.4%	95,308	16.8%	110,054	15.5%	125,930	14.4%	140,000	11.2%	43,858
Gross Profit	40,947	10.0%	52,741	28.8%	61,317	16.3%	73,819	20.4%	83,000	12.4%	30,271
Margin (%)	50.2%	-	55.3%	-	55.7%	-	58.6%	-	59.3%	-	69.0%
Sales and G&A Expenses	18,119	-5.0%	18,145	0.1%	18,408	1.5%	23,006	25.0%	27,000	17.4%	6,224
Operating Income	22,827	25.8%	34,596	51.6%	42,909	24.0%	50,812	18.4%	56,000	10.2%	24,047
Margin (%)	28.0%	-	36.3%	-	39.0%	-	40.3%	-	40.0%	-	54.8%
Ordinary Income	22,957	26.2%	34,845	51.8%	44,330	27.2%	51,369	15.9%	56,000	9.0%	25,865
Margin (%)	28.1%	-	36.6%	-	40.3%	-	40.8%	-	40.0%	-	59.0%
Net income attributable to owners of the parent	15,949	27.1%	24,923	56.3%	32,553	30.6%	36,737	12.9%	40,000	8.9%	18,163
Margin (%)	19.5%	-	26.1%	-	29.6%	-	29.2%	-	28.6%	-	41.4%

● Sales and Profit by Business Segments

(million yen)

		2020/3	YoY	2021/3	YoY	2022/3	YoY	2023/3	YoY	2024/3 plan	YoY	2023/6
Digital Contents	Net Sales	59,942	-27.8%	75,300	25.6%	87,534	16.3%	98,158	12.1%	106,300	8.3%	37,875
	Operating Income	24,161	3.6%	37,002	53.2%	45,359	22.6%	53,504	18.0%	58,900	10.1%	24,679
	Margin (%)	40.3%	-	49.1%	-	51.8%	-	54.5%	-	55.4%	-	65.2%
Arcade Operations	Net Sales	12,096	9.5%	9,871	-18.4%	12,404	25.7%	15,609	25.8%	18,000	15.3%	4,117
	Operating Income	1,211	10.5%	149	-87.7%	652	337.6%	1,227	88.2%	1,300	6.0%	375
	Margin (%)	10.0%	-	1.5%	-	5.3%	-	7.9%	-	7.2%	-	9.1%
Amusement Equipments	Net Sales	6,533	90.9%	7,090	8.5%	5,749	-18.9%	7,801	35.7%	10,000	28.2%	898
	Operating Income	2,085	-	2,407	15.4%	2,348	-2.5%	3,433	46.2%	3,700	7.8%	678
	Margin (%)	31.9%	-	33.9%	-	40.8%	-	44.0%	-	37.0%	-	75.5%
Others	Net Sales	3,018	17.2%	3,045	0.9%	4,366	43.4%	4,360	-0.1%	5,700	30.7%	968
	Operating Income	544	-32.9%	987	81.4%	1,517	53.7%	1,433	-5.5%	1,600	11.7%	494
	Margin (%)	18.0%	-	32.4%	-	34.7%	-	32.9%	-	28.1%	-	51.0%

*YoY indicates percent change from the same term of the previous year

4-2. Supplement: Our Major IP

Capcom owns a wealth of globally popular brands originating from its games

■ Cumulative Unit Sales and Examples of Brand Utilization

- **Resident Evil series: 146 million units**



The Mercenaries free DLC for *Resident Evil 4* released

- **Monster Hunter series: 94 million units**



Monster Hunter Rise: Sunbreak tops cumulative 6 million units in sales

- **Street Fighter series: 52 million units**



Street Fighter 6, the latest title in the series, sells over 2 million units cumulatively (as of July 7, 2023)

- **Mega Man series: 40 million units**
- **Devil May Cry series: 29 million units**
- **Dragon's Dogma series: 7.7 million units**