



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

**3rd Quarter Report**  
**Fiscal year ending March 31, 2023**

# Major Takeaways

- **On track to achieve 10 consecutive fiscal years of full-year operating income growth**  
(\*full-year earnings guidance revised on October 26, 2022)
- **Growth YoY in Consumer business game sales up from 25.8 million units to 29.1 million units**  
**Anticipate highest ever 40 million units in full year sales driven by growth of catalog titles**
- **New title *Monster Hunter Rise: Sunbreak* surpasses 5 million units in sales (as of January 18, 2023)**
- **New title *Resident Evil 4* scheduled for March 24, 2023 release**
- **Sales and profits up in Arcade Operations business due to recovery in number of customers**

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## 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 of home video games, 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; (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 FY3/23

**Aiming for ten consecutive years of OP growth  
and highest profit in company history**

(million yen)

	2022/3	2023/3 Plan	Difference
<b>Net sales</b>	<b>110,054</b>	<b>125,000</b>	<b>14,946</b>
<b>Operating income</b>	<b>42,909</b>	<b>50,000</b>	<b>7,091</b>
<b>Operating margin</b>	<b>39.0%</b>	<b>40.0%</b>	<b>-</b>
<b>Ordinary income</b>	<b>44,330</b>	<b>50,000</b>	<b>5,670</b>
<b>Net income attributable to owners of the parent</b>	<b>32,553</b>	<b>36,500</b>	<b>3,947</b>

\*Full-year guidance revised on October 26, 2022

- Earnings per share forecast: ¥173.60
- Dividend forecast: interim dividend of ¥23 and year-end dividend of ¥23 resulting in a full-year dividend of ¥46.  
Will review as appropriate in line with business performance.

## 2-1. Q3 Financial Highlights – Consolidated Business Results (1)

### ■ 9 Months Results in FY12/21 vs. FY12/22

(million yen)

	2021/12	2022/12	Difference
<b>Net sales</b>	<b>88,163</b>	<b>79,671</b>	<b>-8,492</b>
<b>Operating income</b>	<b>35,096</b>	<b>33,332</b>	<b>-1,764</b>
<b>Operating margin</b>	<b>39.8%</b>	<b>41.8%</b>	<b>-</b>
<b>Ordinary income</b>	<b>36,148</b>	<b>33,564</b>	<b>-2,584</b>
<b>Net income attributable to owners of the parent</b>	<b>26,708</b>	<b>23,610</b>	<b>-3,098</b>

- On track to achieve another consecutive full-year of OP growth, despite comparative YoY dip
- Recorded foreign exchange gain of ¥136 million as non-operating income
- Pursuing strategic investment in personnel with aim of long-term sustainable growth

## 2-1. Q3 Financial Highlights – Consolidated Business Results (2)

### ■ FY12/22 Net Sales/Operating Income (by segment)

(million yen)

	2021/12	2022/12	Difference	2023/3 Plan
<b>Net sales</b>	<b>88,163</b>	<b>79,671</b>	<b>-8,492</b>	<b>125,000</b>
<b>Digital Contents</b>	<b>70,453</b>	<b>61,242</b>	<b>-9,211</b>	<b>97,800</b>
<b>Arcade Operations</b>	<b>8,992</b>	<b>11,357</b>	<b>2,365</b>	<b>15,000</b>
<b>Amusement Equipments</b>	<b>4,937</b>	<b>3,699</b>	<b>-1,238</b>	<b>7,000</b>
<b>Other Businesses</b>	<b>3,781</b>	<b>3,371</b>	<b>-410</b>	<b>5,200</b>
<b>Operating income</b>	<b>35,096</b>	<b>33,332</b>	<b>-1,764</b>	<b>50,000</b>
<b>Digital Contents</b>	<b>35,894</b>	<b>34,619</b>	<b>-1,275</b>	<b>52,900</b>
<b>Arcade Operations</b>	<b>419</b>	<b>1,013</b>	<b>594</b>	<b>1,000</b>
<b>Amusement Equipments</b>	<b>1,932</b>	<b>2,068</b>	<b>136</b>	<b>3,000</b>
<b>Other Businesses</b>	<b>1,549</b>	<b>1,219</b>	<b>-330</b>	<b>1,500</b>
<b>Adjustments*</b>	<b>-4,699</b>	<b>-5,588</b>	<b>-889</b>	<b>-8,400</b>

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

## 2-2. Q3 Financial Highlights – Financial Position

### ■ FY12/22 Balance Sheet/Statement of Cashflows (Summary)

#### Consolidated Balance Sheet

(million yen)

Assets	2022/3	2022/12	Difference
<b>Current Assets</b>	151,312	147,119	-4,193
Cash on hand and in banks	107,262	91,536	-15,726
Notes receivable - trade	7,932	8,714	782
Accounts receivable - trade			
Work in progress for game software	31,192	40,075	8,883
Other	4,926	6,794	1,868
<b>Fixed Assets</b>	36,053	38,600	2,547
<b>Total assets</b>	187,365	185,719	-1,646
<b>Liabilities</b>			
<b>Current Liabilities</b>	30,742	25,264	-5,478
Notes and accounts payable - trade	3,601	4,419	818
Electronically recorded monetary liabilities			
Deferred income	8,932	3,828	-5,104
Other	18,209	17,017	-1,192
<b>Long-term liabilities</b>	10,147	12,739	2,592
<b>Total liabilities</b>	40,890	38,004	-2,886
<b>Net Assets</b>			
<b>Shareholders' equity</b>	144,765	143,851	-914
<b>Accumulated other comprehensive income</b>	1,710	3,864	2,154
<b>Total net assets</b>	146,475	147,715	1,240
<b>Total liabilities and net assets</b>	187,365	185,719	-1,646

#### Consolidated Statement of Cashflows

(million yen)

	2021/12	2022/12	Difference
<b>Cash flows from operating activities</b>	41,461	9,455	-32,006
Net income before income taxes	36,142	33,551	-2,591
Decrease (increase) in notes and accounts receivable - trade (Negative numbers indicate an increase)	15,253	-797	-16,050
Decrease (increase) in work in progress for game software (Negative numbers indicate an increase)	-1,701	-8,886	-7,185
Increase (decrease) in deferred revenue	1,595	-5,357	-6,952
<b>Cash flows from investing activities</b>	-6,724	-2,786	3,938
<b>Cash flows from financing activities</b>	-9,537	-25,233	-15,696
<b>Effect of exchange rate changes on cash and cash equivalents</b>	605	1,895	1,290
<b>Net change in cash and cash equivalents</b>	25,804	-16,669	-42,473
<b>Cash and cash equivalents at beginning of year</b>	64,043	95,635	31,592
<b>Cash and cash equivalents at end of quarter</b>	89,848	78,966	-10,882

\*Deferred income of ¥3.8 billion under current liabilities consists primarily of revenue from *Monster Hunter Rise: Sunbreak* that was deferred until the release of free DLC. We anticipate this revenue will gradually be recognized in net sales by the end of FY2023.

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

**Focused on expanding digital sales globally**  
**Major titles in prior year create year-over-year dip**

### ■ Digital Contents Performance for the 9 months

(100 million yen)

	2020/12	2021/12	2022/12	2023/3 Plan
<b>Net sales</b>	<b>489</b>	<b>704</b>	<b>612</b>	<b>978</b>
<b>Consumer Breakdown</b>				
Package	99	256	102	163
Digital (incl. digital license)	343	418	490	788
Digital license portion	29	8	25	41
<b>Consumer total</b>	<b>442</b>	<b>674</b>	<b>592</b>	<b>951</b>
Deferred revenue portion		-16	53	
<b>Mobile Contents</b>	<b>47</b>	<b>30</b>	<b>20</b>	<b>27</b>
<b>Operating income</b>	<b>247</b>	<b>358</b>	<b>346</b>	<b>529</b>
<b>Operating margin</b>	<b>50.6%</b>	<b>50.9%</b>	<b>56.5%</b>	<b>54.1%</b>

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

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

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

**Executed active pricing promotions**

**Sales volume up primarily due to growth of digital and catalog sales**

## ■ Unit Sales for the 9 Months (Consumer)

(units in thousands)

	2020/12		2021/12		2022/12		2023/3	
<b>New Titles (SKU)</b>	<b>11</b>		<b>19</b>		<b>27</b>		<b>30</b>	
<b>Number of titles sold / sales regions</b>			<b>301 / 211</b>		<b>310 / 219</b>			
<b>Total unit sales</b>	<b>19,800</b>		<b>25,800</b>		<b>29,100</b>		<b>40,000</b>	
Overseas units	<b>17,100</b>	86.4%	<b>21,550</b>	83.5%	<b>22,750</b>	78.2%	<b>32,600</b>	81.5%
Japan units	<b>2,700</b>	13.6%	<b>4,250</b>	16.5%	<b>6,350</b>	21.8%	<b>7,400</b>	18.5%
Digital units	<b>16,200</b>	81.8%	<b>18,700</b>	72.5%	<b>26,550</b>	91.2%	<b>36,000</b>	90.0%
Physical units	<b>3,600</b>	18.2%	<b>7,100</b>	27.5%	<b>2,550</b>	8.8%	<b>4,000</b>	10.0%
Catalog units	<b>15,800</b>	79.8%	<b>18,200</b>	70.5%	<b>22,000</b>	75.6%	<b>30,000</b>	75.0%
New units	<b>4,000</b>	20.2%	<b>7,600</b>	29.5%	<b>7,100</b>	24.4%	<b>10,000</b>	25.0%
<b>Major titles</b>	Resident Evil 3		Resident Evil Village Monster Hunter Stories 2: Wings of Ruin		Monster Hunter Rise: Sunbreak		Monster Hunter Rise: Sunbreak Resident Evil 4 (remake)	
<b>New</b>	_____		_____		_____		_____	
<b>Catalog</b>	Monster Hunter World: Iceborne Resident Evil 2 Monster Hunter: World Resident Evil 7 biohazard		Monster Hunter Rise Resident Evil 7 biohazard Resident Evil 2 Monster Hunter World: Iceborne Resident Evil 3 Monster Hunter: World		Monster Hunter Rise Devil May Cry 5 Resident Evil 2 Resident Evil Village Resident Evil 3 Monster Hunter World: Iceborne		Monster Hunter Rise Devil May Cry 5 Resident Evil Village Resident Evil 4 Monster Hunter World: Iceborne Resident Evil 2 10 titles	

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

\*Includes distribution titles

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

**Focused on growing major brand's new title sales**

**Actively pursued sales of series catalog titles**

### ■ 9 Months Highlights (Consumer)

- New title *Resident Evil Village Gold Edition* released on October 28, 2022  
*Re:Verse* (free title for those who purchased *Resident Evil Village*) launched on the same day

- **FY22 Top Title Unit Sales**

(10 thousand units)

Title	FY22	Lifetime
<b>Monster Hunter Rise: Sunbreak</b>	<b>495</b>	<b>495</b>
<b>Monster Hunter Rise</b>	<b>275</b>	<b>1,170</b>
<b>Resident Evil 2</b>	<b>150</b>	<b>1,120</b>
<b>Devil May Cry 5</b>	<b>145</b>	<b>650</b>
<b>Resident Evil 3</b>	<b>135</b>	<b>640</b>
⋮		
<b>Monster Hunter World: Iceborne</b>	<b>75</b>	<b>1,000</b>
<b>Street Fighter V</b>	<b>75</b>	<b>700</b>



*Monster Hunter Rise:  
Sunbreak*

### ■ 9 Months Highlights (Mobile Contents)

- Announced production of new smartphone game in *Monster Hunter* series

## 3-2. Business Segments – Arcade Operations

**Sales, profit up from existing store recovery, new store performance**  
**Continuing COVID-19 prevention measures**

### ■ 9 Months Business Results

(100 million yen)

	2020/12	2021/12	2022/12	2023/3 Plan
Net sales	70	89	113	150
Operating income	0	4	10	10
Operating margin	1.2%	4.7%	8.9%	6.7%
Same store sales	-28%	+22%	+21%	+11%

### ■ Number of Stores

(stores)

	2021/3	2022/3	2022/12	2023/3 Plan
New stores	1	2	4	5
Closed stores	0	1	1	2
Total	41	42	45	45

### ■ 9 Months Highlights

- Same store sales: +21%
- Openings: Miraino Aeon Mall Toki (Oct. 7), Capcom Store & Cafe Umeda (Nov. 11), Capsule Lab Namba Walk (Dec. 19)

## 3-3. Business Segments – Amusement Equipments

Regularly launched major IP made to current regulatory standard  
Improved profitability via diversified business model

### ■ 9 Months Business Results

(100 million yen)

	2020/12	2021/12	2022/12	2023/3 Plan
Net sales	67	49	36	70
Operating income	24	19	20	30
Operating margin	36.2%	39.1%	55.9%	42.9%

### ■ Pachislo Sales Volume

	2020/12	2021/12	2022/12	2023/3 Plan
New titles	2	2	3	4
Sales (thousand units)	21	18	32	44

(\*Includes catalog title sales)

### ■ 9 Months Highlights

- Pachislo model *Shin Onimusha 2* sold 5 thousand units (FY22 total 15 thousand units)

## 3-4. Business Segments – Other Businesses

**Pursued Single Content Multiple Usage strategy  
in conjunction with game title sales**

### ■ 9 Months Business Results

(100 million yen)

	2020/12	2021/12	2022/12	2023/3 Plan
<b>Net sales</b>	<b>21</b>	<b>37</b>	<b>33</b>	<b>52</b>
<b>Character/media</b>	<b>20</b>	<b>36</b>	<b>32</b>	<b>49</b>
<b>eSports</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>
<b>Operating income</b>	<b>8</b>	<b>15</b>	<b>12</b>	<b>15</b>
<b>Character/media</b>	<b>14</b>	<b>20</b>	<b>19</b>	<b>27</b>
<b>eSports</b>	<b>-6</b>	<b>-5</b>	<b>-7</b>	<b>-12</b>
<b>Operating margin</b>	<b>39.7%</b>	<b>41.0%</b>	<b>36.2%</b>	<b>28.8%</b>

### ■ 9 Months Highlights

- Actively pursued expansion of game-related merchandise
- Following Japan, began promoting esports league tournament Street Fighter League in North America and Europe from October 2022

## 4. Plans for this Fiscal Year

- **Digital Contents business**
  - **New title *Resident Evil 4* scheduled for March 24, 2023 release**
- **Amusement Equipments business**
  - **Pachislo machine *Monster Hunter World: Iceborne* to begin rollout in January 2023**
- **Other businesses**
  - **Grand Final of the esports league Street Fighter League: Pro-JP to be held on January 21, 2023**
  - **Capcom Cup IX, the world championship tournament concluding Capcom Pro Tour 2022, will be held from February 14, 2023 (PST)**

# 5-1. Supplement: Summary of Major Financial Information

## ● Profit and Loss Sheet

(million yen)

	2021/3	2022/3	2023/3 Plan	%	2022/12
Net Sales	95,308	110,054	125,000	113.6%	79,671
Gross Profit	52,741	63,011	73,000	115.9%	47,926
Margin (%)	55.3%	57.3%	58.4%	-	60.2%
Sales and G&A Expenses	18,145	20,101	23,000	114.4%	14,594
Operating Income	34,596	42,909	50,000	116.5%	33,332
Margin (%)	36.3%	39.0%	40.0%	-	41.8%
Ordinary Income	34,845	44,330	50,000	112.8%	33,564
Margin (%)	36.6%	40.3%	40.0%	-	42.1%
Net income attributable to owners of the parent	24,923	32,553	36,500	112.1%	23,610
Margin (%)	26.1%	29.6%	29.2%	-	29.6%

## ● Sales and Profit by Business Segments

(million yen)

		2021/3	2022/3	2023/3 Plan	%	2022/12
Digital Contents	Net Sales	75,300	87,534	97,800	111.7%	61,242
	Operating Income	37,002	45,359	52,900	116.6%	34,619
	Margin (%)	49.1%	51.8%	54.1%	-	56.5%
Arcade Operations	Net Sales	9,871	12,404	15,000	120.9%	11,357
	Operating Income	149	652	1,000	153.4%	1,013
	Margin (%)	1.5%	5.3%	6.7%	-	8.9%
Amusement Equipments	Net Sales	7,090	5,749	7,000	121.8%	3,699
	Operating Income	2,407	2,348	3,000	127.8%	2,068
	Margin (%)	33.9%	40.8%	42.9%	-	55.9%
Others	Net Sales	3,045	4,366	5,200	119.1%	3,371
	Operating Income	987	1,517	1,500	98.9%	1,219
	Margin (%)	32.4%	34.7%	28.8%	-	36.2%

## 5-2. Supplement: Our Major IP

Capcom owns a wealth of brands originating from its games that boast worldwide popularity

### ■ Cumulative Unit Sales and Examples of Brand Utilization

- ***Resident Evil* series: 135 million units**



*Resident Evil Re:Verse* launched on October 28, 2022

- ***Monster Hunter* series: 90 million units**



*Monster Hunter Rise* released for Xbox Series X|S and PlayStation 5 on January 20, 2023

- ***Street Fighter* series: 49 million units**



*Street Fighter 6* scheduled for launch on June 2, 2023

- ***Mega Man* series: 38 million units**
- ***Devil May Cry* series: 28 million units**
- ***Dead Rising* series: 15 million units**