



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

Financial Highlights for the Fiscal Year ended March 31, 2019

Contents

page

1. Financial Highlights	2
2. Business Segment Results	6

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.

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

■ Results: FY3/18 vs. FY3/19

(million yen)

	2018/3	2019/3	Difference
Net sales	94,515	100,031	5,516
Operating income	16,037	18,144	2,107
Ordinary income	15,254	18,194	2,940
Net income attributable to owners of the parent	10,937	12,551	1,614

- Sales and profit increased YoY due to contributions from the Digital Contents business
- Record-high profit and sixth consecutive year of OP growth
- Net income per share: ¥115.45
- Year-end dividend of ¥20, resulting in an annual dividend of ¥35 (Dividend payout ratio: 30.3%)
- ROE: 14.4%, growing sustainably

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

■ Plan vs. Actual for FY3/19

(million yen)

	2019/3 Plan	2019/3	Difference
Net sales	96,000	100,031	4,031
Operating income	17,000	18,144	1,144
Operating margin	17.7%	18.1%	-
Ordinary income	16,500	18,194	1,694
Net income attributable to owners of the parent	12,000	12,551	551

- Sales and profit exceeded guidance, driven by Digital Contents business performance
- New titles *Resident Evil 2* and *Devil May Cry 5* exceeded expectations
- Sales of *Monster Hunter: World* continued growing, broke 12 million units

1-1. Financial Highlights – Consolidated Business Results (3)

■ FY3/19 Net Sales/Operating Income Performance

(million yen)

	2018/3	2019/3	Difference
Net sales	94,515	100,031	5,516
Digital Contents	74,141	82,982	8,841
Arcade Operations	10,231	11,050	819
Amusement Equipments	7,803	3,422	-4,381
Other Businesses	2,338	2,575	237
Operating income	16,037	18,144	2,107
Digital Contents	19,103	23,315	4,212
Arcade Operations	879	1,096	217
Amusement Equipments	-764	-2,668	-1,904
Other Businesses	1,126	811	-315
Adjustments*	-4,307	-4,410	-103

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

- Sales and profit grew primarily due to contributions from Consumer in the Digital Contents business

1-2. Financial Highlights – Consolidated Balance Sheet

■ FY3/19 Balance Sheet (Summary)

				(million yen)			
Assets	2018/3	2019/3	Difference	Liabilities	2018/3	2019/3	Difference
Current Assets	92,511	90,817	-1,694	Current Liabilities	26,271	23,212	-3,059
Cash on hand and in banks	46,539	53,004	6,465	Notes and accounts payable - trade	3,464	5,141	1,677
Notes and accounts receivable - trade	12,930	13,970	1,040	Electronically recorded monetary obligations			
Work in progress for game software	25,635	16,926	-8,709	Short-term borrowings	1,473	1,579	106
Other	7,407	6,917	-490	Other	21,334	16,492	-4,842
Fixed Assets	32,318	32,590	272	Long-term liabilities	13,137	11,445	-1,692
Tangible fixed assets, net of accumulated depreciation	20,797	20,359	-438	Long-term borrowings	8,315	6,735	-1,580
Intangible assets	725	432	-293	Other	4,822	4,710	-112
Investments and other assets	10,795	11,798	1,003	Total liabilities	39,408	34,658	-4,750
Total assets	124,829	123,407	-1,422	Shareholders' equity	86,716	89,708	2,992
				Other	-1,295	-958	337
				Total net assets	85,421	88,749	3,328
				Total liabilities and net assets	124,829	123,407	-1,422

*The Partial Amendments to Accounting Standard for Tax Effect Accounting (Accounting Standards Board of Japan Statement No. 28, February 16, 2018) have been applied from the beginning of the first quarter of the consolidated fiscal year under review, and figures listed from the fiscal year ended March 31, 2018 have had the relevant accounting standards retroactively applied.

- Cash on hand and in banks increased accompanying release of major titles in Q4
- Work in progress for game software decreased due to release of major titles and review of work in progress

2-1. Business Segment Results – Digital Contents (1)

Global digital sales growth of titles
Consumer performance drove sales and profit up YoY

■ FY3/19 Digital Contents Performance

(100 million yen)

	2017/3	2018/3	2019/3	2019/3 Plan
Net sales	587	741	829	790
Breakdown				
Package	337	383	359	365
Digital download contents	155	269	410	355
Consumer total	492	652	769	720
Mobile Contents	38	41	23	35
PC Other *	57	48	37	35
Operating income	110	191	233	205
Operating margin	18.9%	25.8%	28.1%	25.9%

*Primarily sales of PC Online games, such as *Monster Hunter Frontier Z* and *Dragon's Dogma Online*.

2-1. Business Segment Results – Digital Contents (2)

**Increase YoY due to digital download sales, driven
by major brand releases in current and previous fiscal years**

■ FY3/19 Unit Sales (Consumer)

(units in thousands)

	2017/3	2018/3	2019/3	2019/3 Plan
New Titles (SKU)	42	50	61	53
Total unit sales	19,400	24,400	25,300	25,000
Overseas units ratio	77.8%	79.5%	85.4%	86.4%
Digital units ratio	46.4%	52.9%	60.5%	54.8%
Catalog units ratio	45.4%	45.1%	56.1%	70.4%
Major titles				
New	Resident Evil 7 biohazard Monster Hunter Generations Ultimate	Monster Hunter: World Marvel vs. Capcom: Infinite	Resident Evil 2 Devil May Cry 5	Resident Evil 2 Devil May Cry 5
Catalog	Monster Hunter Generations Resident Evil 6 (rerelease)	Resident Evil 7 biohazard Monster Hunter Generations Ultimate	Monster Hunter: World Resident Evil 7 biohazard	Monster Hunter: World

2-1. Business Segment Results – Digital Contents (3)

**Brisk sales of core titles and PC launch of major title
from the previous year support favorable Consumer performance**

■ Consumer Highlights

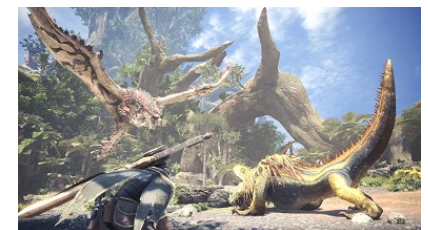
- Released major titles globally
 - *Resident Evil 2* shipped 4m units
 - *Devil May Cry 5* shipped 2m units, successfully reinvigorating brand
- Significant growth for catalog titles and digital download sales
 - Additional launch of *Monster Hunter: World* for PC pushes cumulative sales for title over 12m units
 - Digital sales ratio: 53.3%, up 12.1 points YoY



Resident Evil 2



Devil May Cry 5



Monster Hunter: World

2-2. Business Segment Results – Arcade Operations

Improved profitability through streamlined operations

Same store sales up YoY

■ FY3/19 Business Results

(100 million yen)

	2017/3	2018/3	2019/3	2019/3 Plan
Net sales	95	102	110	110
Operating income	7	8	10	10
Operating margin	7.9%	8.6%	9.9%	9.1%
Same store sales	+ 2%	+ 2%	+ 2%	+ 2%

■ Number of Stores

(stores)

	2017/3	2018/3	2019/3	2019/3 Plan
New stores	3	2	2	2
Closed stores	1	2	1	1
Total	36	36	37	37

■ FY3/19 Highlights

- Same store sales: +2%
- Opened two stores (Apr. 2018: Hiroshima, Nov. 2018: *Capcom Net Catcher Cap Tore*); closed one store

2-3. Business Segment Results – Amusement Equipments

**Performance down YoY due to decrease in sales
accompanying subdued market conditions**

■ FY3/19 Business Results

(100 million yen)

	2017/3	2018/3	2019/3	2019/3 Plan
Net sales	168	78	34	35
Operating income	51	-7	-26	-5
Operating margin	30.3%	-	-	-

*Ratio of PS to Arcade Games Sales for net sales: 8:2

■ FY3/19 Highlights

- 5 pachislo models sold 7.8 thousand units (2 models sold 22 thousand units in previous year)
- Unit sales down due to continued impact of changes in market environment

2-4. Business Segment Results – Other Businesses

Launched leagues around major brand, focused on esports market
Promoting TV and film adaptations to boost brand value

■ FY3/19 Business Results

(100 million yen)

	2017/3	2018/3	2019/3	2019/3 Plan
Net sales	20	23	25	25
Operating income	9	11	8	6
Operating margin	46.5%	48.2%	31.5%	24.0%



Capcom Cup 2018

■ FY3/19 Highlights

- Held the Capcom Street Fighter League powered by RAGE from Feb. – March 2019
- Announced new leagues in Japan and overseas, aim to broadly grow player demographic
- Bolstering brand value and awareness among non-game players through film adaptations
 - *Monster Hunter* and *Mega Man* to be adapted to films in Hollywood