



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

**Overview of Strategies and Plans**  
**Fiscal Year ending March 31, 2024**

## ■ Regarding Full-Year Business Strategies and Plan

- **Forecast 11<sup>th</sup> consecutive fiscal year of increased operating income driven by further growth of Digital Contents business**
- **Aim to achieve record Consumer sub-segment sales volume of 45 million units via catalog title sales growth.**
- **Launch major new titles, including *Street Fighter 6* and all new IP *Exoprimal***

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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.

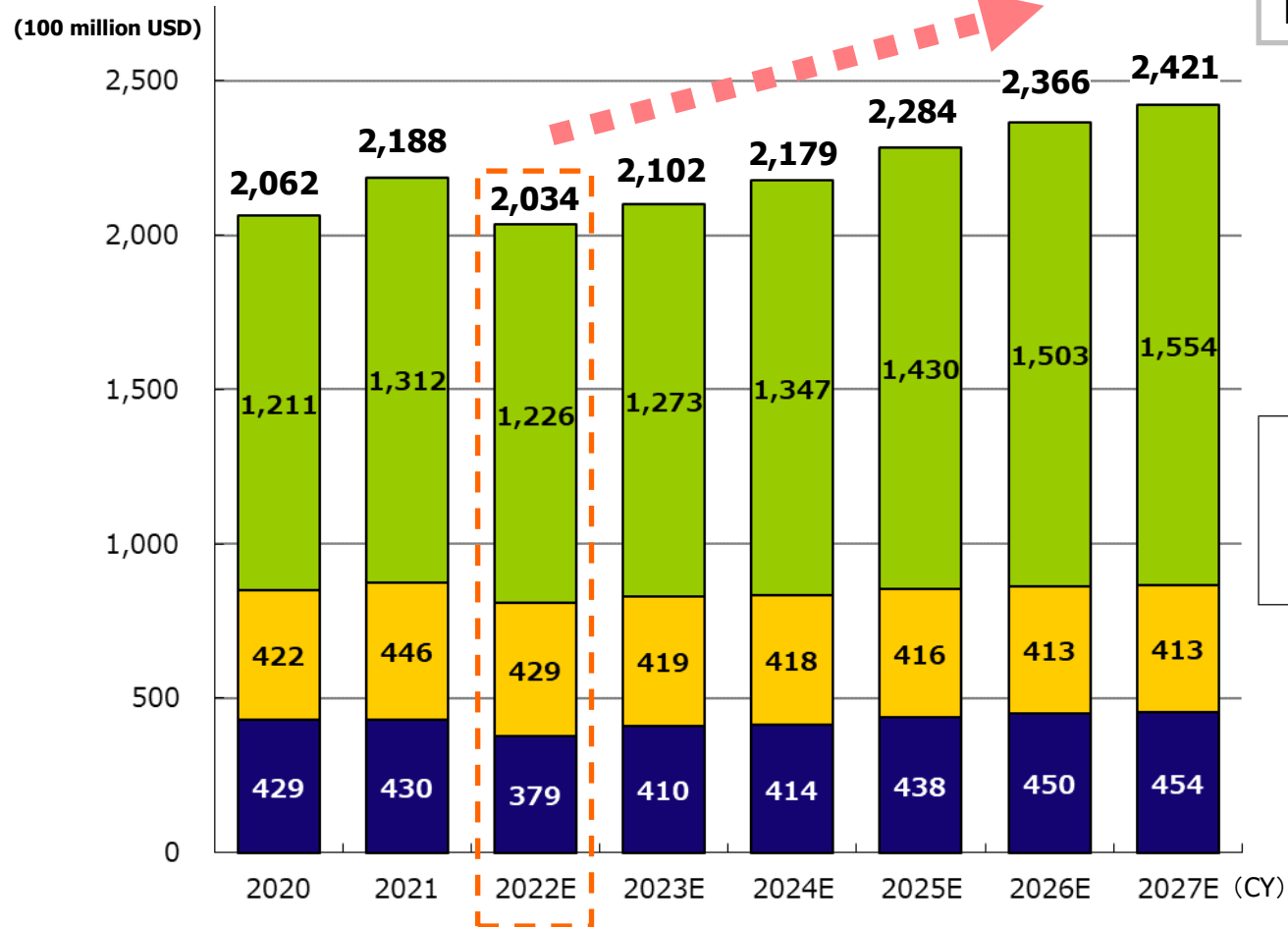
Factors that can affect Capcom's performance include: (1) the number of hit titles and sales volume in the Home Video Game Business, which accounts for the majority of sales; (2) progress in developing home video games; (3) consumer demand for home video game consoles; (4) sales outside Japan; (5) changes 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.

# 1-1. Growth Strategies (Market Overview)

Global game market  
expected to grow

## Video Game Market

Market set to  
break \$240 billion

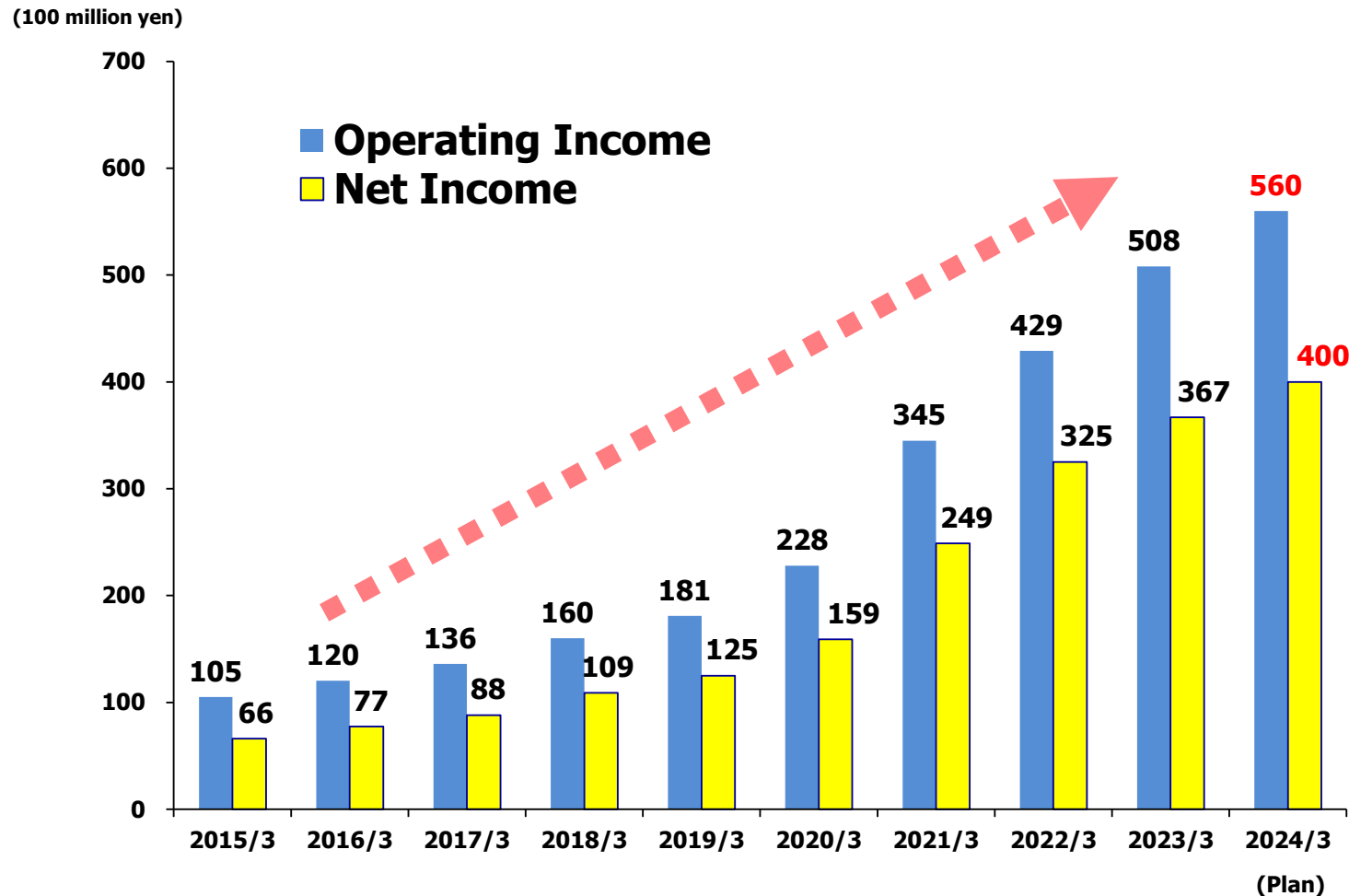


E: Estimate \*Source : Data prepared from International Development Group

# 1-2. Growth Strategies (Medium-Term Goals) (1)

## ■ Medium-term Management Objective

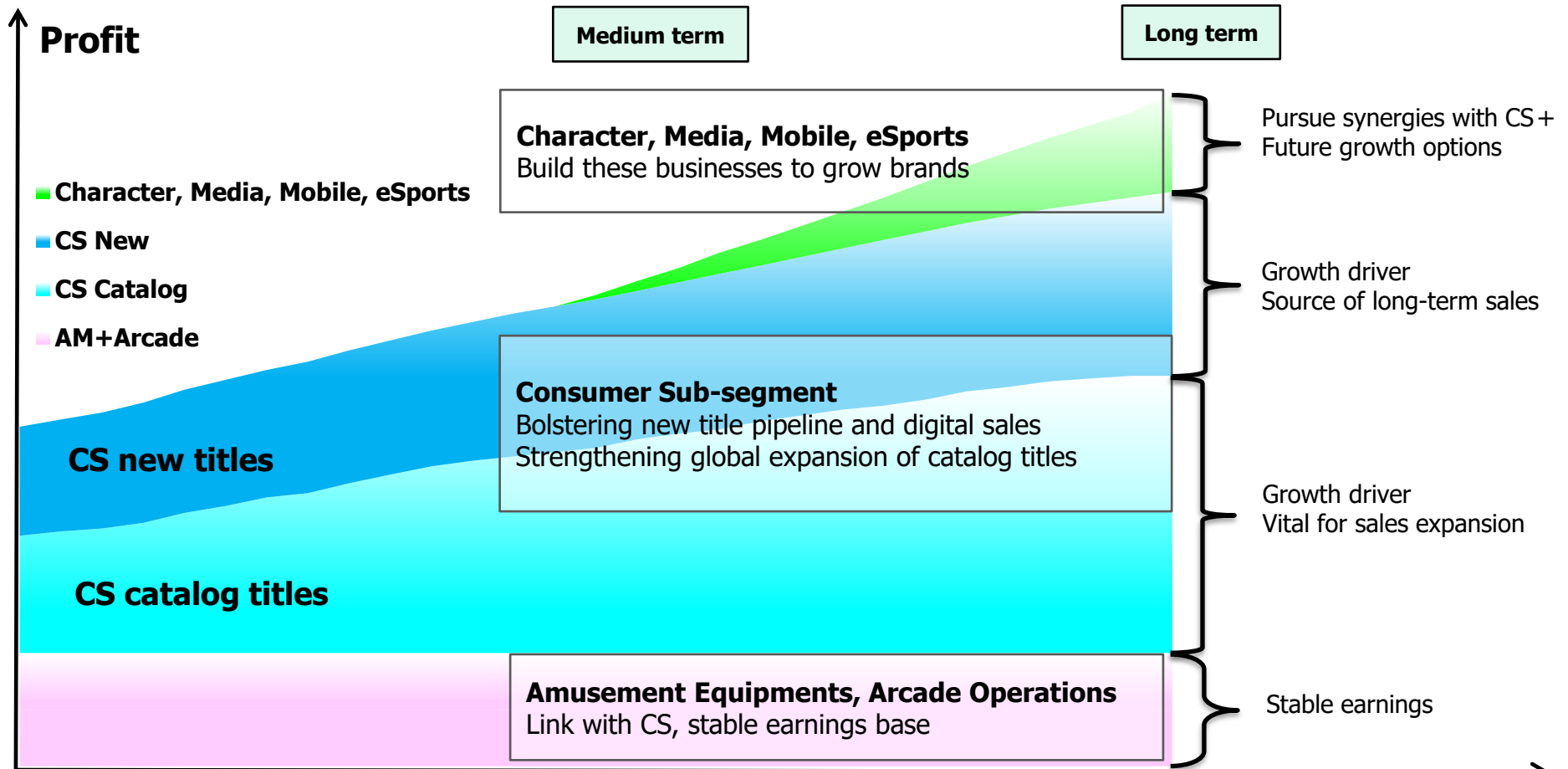
- Maintain goal of annual OP growth (10% or more), driven by strengthened global sales
- Develop peripheral and stable businesses to create synergies with Consumer business



# 1-2. Growth Strategies (Medium-Term Goals) (2)

## ■ Medium-Term Growth

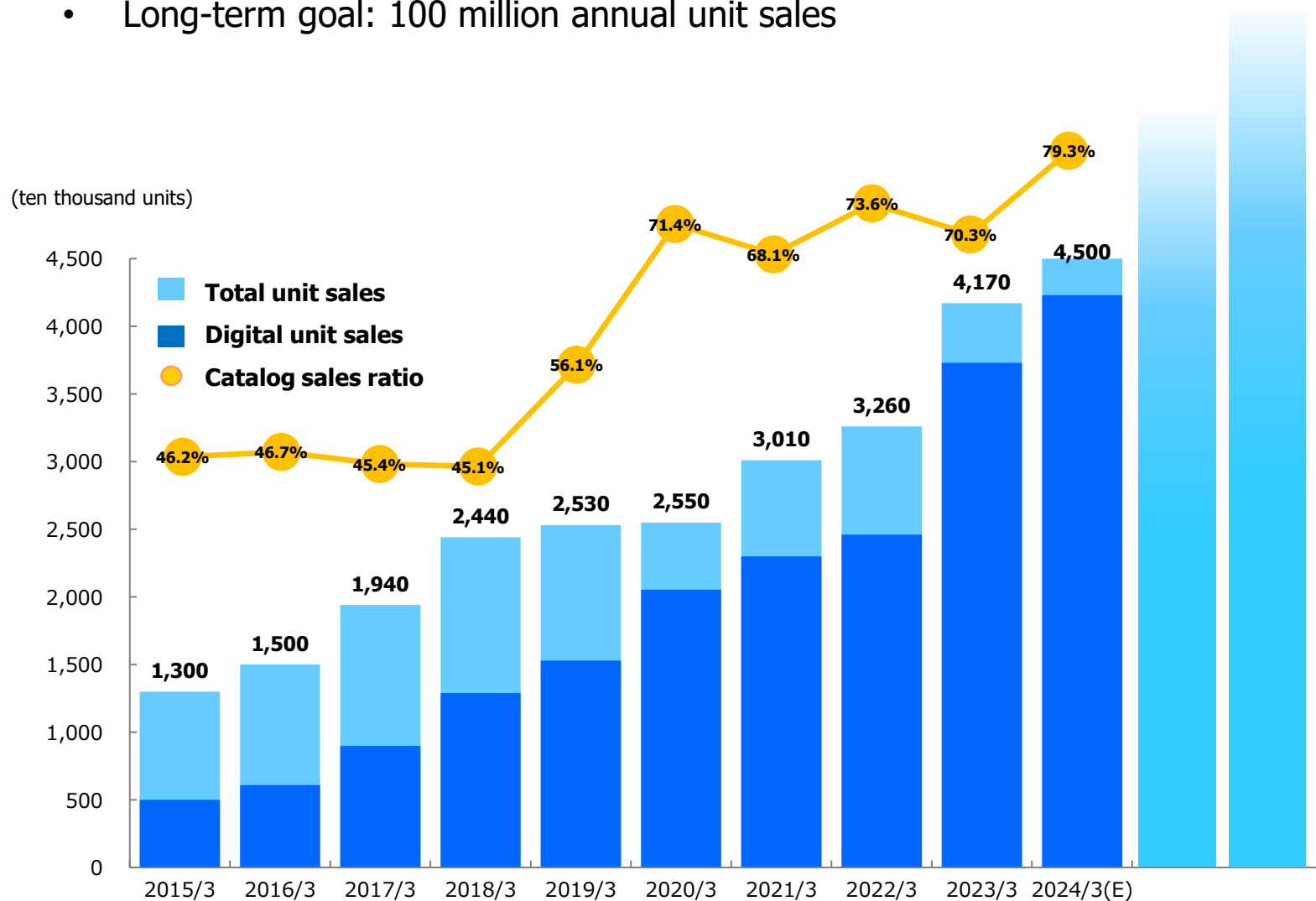
- Medium term: Grow global sales with focus on Consumer catalog title expansion
- Long term: Pursue Consumer growth and synergies with related businesses to strengthen earnings base



# 1-2. Growth Strategies (Medium-Term Goals) (3)

## ■ Consumer sales volume growth

- Growth via enhanced digital sales, improved catalog title ratio
- Long-term goal: 100 million annual unit sales

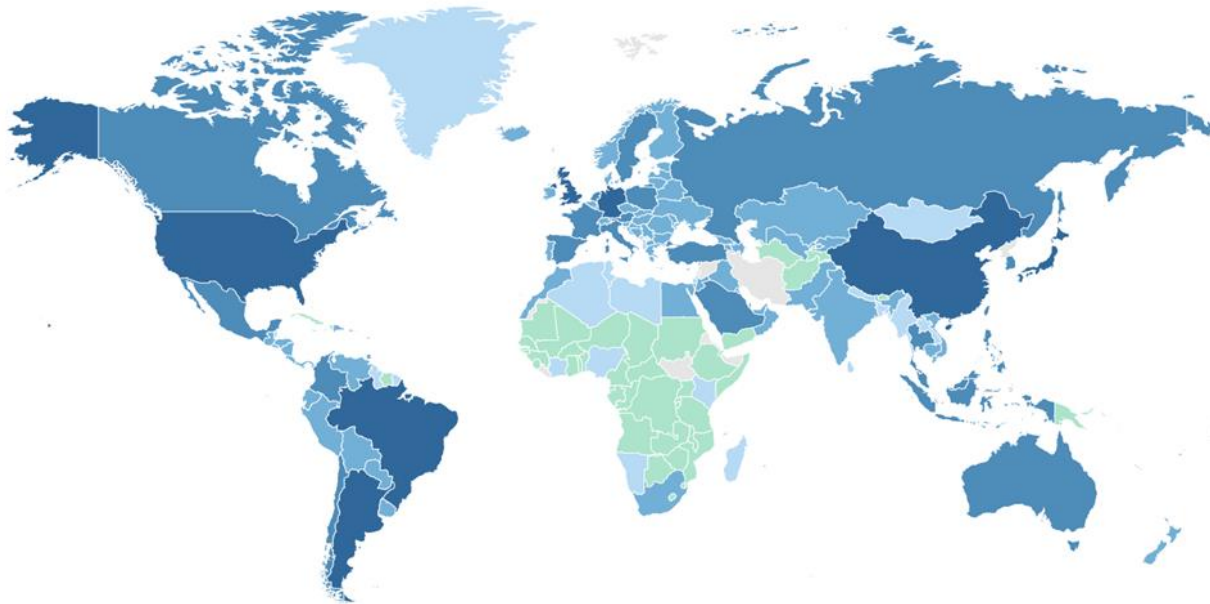


# 1-2. Growth Strategies (Medium-Term Goals) (4)

## ■ Global catalog title growth via PC platform support and digital marketing

- Sold **307 titles in 230 countries/regions** via leveraging the PC platform (\*FY22)  
Steady growth in sales regions and unit volume over past 5 years
- Promoting sales growth strategy based on analysis of country/regional sales data
- Enhanced promotion by utilizing digital events to communicate new information

### ◆ FY2022 Home Video Game Unit Sales by Country



(Countries/regions)

Legend	Units sold	FY2017	FY2022
	Over 1 million	2	<b>7</b>
	Over 100,000	15	<b>23</b>
	Over 1,000	63	<b>74</b>
	Over 100	46	<b>48</b>
	Under 100	92	<b>78</b>
	Total	218	<b>230</b>



# 1-2. Growth Strategies (Medium-Term Goals) (5)

## ■ Long-term sales of high-quality titles

- Major IP contribute long-term, both as new titles and on into high-margin catalog sales

(ten thousand units)

	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	Cummulative unit sales*	2024/3 (Plan)
Resident Evil 7 biohazard	350	160	120	100	150	180	120	1200	Continue to contribute as catalog titles
Monster Hunter: World		790	450	320	140	90	80	1880	
Resident Evil 2			420	240	160	140	220	1190	
Monster Hunter World: Iceborne				520	240	140	100	1020	
Resident Evil 3					390	110	190	700	
Monster Hunter Rise					480	410	370	1270	
Resident Evil Village						610	180	790	
Monster Hunter Rise: Sunbreak							540	540	
Resident Evil 4							370	370	

\*As of March 31, 2023



January 2017 release  
Resident Evil 7 biohazard  
7 consecutive years of over 1 million units in sales



January 2018 release  
Monster Hunter: World  
Highest-selling title in Capcom history



March 2023 release  
Resident Evil 4  
Anticipate ongoing sales, next year and beyond

# 1-3. Growth Strategies (Personnel Investment) (1)

## ■ Overall compensation/Average annual salary trend

### • Overall compensation (non-consolidated, permanent employees)

(million yen, people)

	2021/3		2022/3		2023/3		2024/3 Plan	
	Amt.		Amt.	Difference	Amt.	Difference	Amt.	Difference
<b>Salary + bonuses</b>	<b>17,983</b>		<b>21,322</b>	<b>118.6%</b>	<b>25,131</b>	<b>117.9%</b>	<b>27,696</b>	<b>110.2%</b>
Base + Overtime, allowances	15,798		16,724	105.9%	21,860	130.7%	23,755	108.7%
One-time revision payment	0		2,368	-	0	-	0	-
Bonuses	2,186		2,230	102.0%	3,271	146.7%	3,941	120.5%
Stock-based compensation	0		0	-	1,016	-	1,053	103.7%
Average number of employees	2,870		2,967	103.4%	3,043	102.6%	3,172	104.2%

### • Average annual salary (non-consolidated, permanent employees)

(thousand yen)

	2021/3		2022/3		2023/3		2024/3 Plan	
	Amt.		Amt.	Difference	Amt.	Difference	Amt.	Difference
<b>Annual salary per employee</b>	<b>6,266</b>		<b>7,187</b>	<b>114.7%</b>	<b>8,259</b>	<b>114.9%</b>	<b>8,732</b>	<b>105.7%</b>
Base + Overtime, allowances	5,504		5,637	102.4%	7,184	127.4%	7,489	104.3%
One-time revision payment	0		798	-	0	-	0	-
Bonuses	762		752	98.7%	1,075	143.0%	1,243	115.6%
Stock-based compensation	0		0	-	334	-	332	99.5%

\*One-time revision payment was provided as a one-time bonus equivalent to 50% of scheduled pay raises in advance of the compensation system revision of FY22

\*Bonuses recognized on accrual basis. Includes compensation for new employees for each year

# 1-3. Growth Strategies (Personnel Investment) (2)

## ■ Strengthening employee engagement

### • Revised internal systems

- Introduced stock-grant ESOP for all employees (non-consolidated, permanent employees)
- Linked bonus system to profit growth
- Implemented benefits system with more inclusive definition of spouse/partner
- Strengthened hiring and retention of foreign national employees (home leave system, expanded support during hiring phase)
- Bolstered self-development system (Udemy, English/Japanese lessons)

### • Promoted communication between employees and management

- Held total of 20 company briefings in which altogether more than 1,400 employees took part

## 2. Forecasts for FY3/24 (1)

**Aim for 11 consecutive years of increased operating income driven by stable growth of the Digital Contents business**

(million yen)

	2023/3	2024/3 Plan	Difference
<b>Net sales</b>	<b>125,930</b>	<b>140,000</b>	<b>14,070</b>
<b>Operating income</b>	<b>50,812</b>	<b>56,000</b>	<b>5,188</b>
<b>Operating margin</b>	<b>40.3%</b>	<b>40.0%</b>	<b>-</b>
<b>Ordinary income</b>	<b>51,369</b>	<b>56,000</b>	<b>4,631</b>
<b>Net income attributable to owners of the parent</b>	<b>36,737</b>	<b>40,000</b>	<b>3,263</b>

- Expect increased sales and profit YoY due primarily to growth of digital sales 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

## 2. Forecasts for FY3/24 (2)

### Digital Contents business to drive growth

Expect increased sales and profits in all business segments

#### ■ Business Segment Plan

(million yen)

	2022/3	2023/3	2024/3 Plan	Difference
<b>Net sales</b>	<b>110,054</b>	<b>125,930</b>	<b>140,000</b>	<b>14,070</b>
<b>Digital Contents</b>	<b>87,534</b>	<b>98,158</b>	<b>106,300</b>	<b>8,142</b>
<b>Arcade Operations</b>	<b>12,404</b>	<b>15,609</b>	<b>18,000</b>	<b>2,391</b>
<b>Amusement Equipments</b>	<b>5,749</b>	<b>7,801</b>	<b>10,000</b>	<b>2,199</b>
<b>Other Businesses</b>	<b>4,366</b>	<b>4,360</b>	<b>5,700</b>	<b>1,340</b>
<b>Operating income</b>	<b>42,909</b>	<b>50,812</b>	<b>56,000</b>	<b>5,188</b>
<b>Digital Contents</b>	<b>45,359</b>	<b>53,504</b>	<b>58,900</b>	<b>5,396</b>
<b>Arcade Operations</b>	<b>652</b>	<b>1,227</b>	<b>1,300</b>	<b>73</b>
<b>Amusement Equipments</b>	<b>2,348</b>	<b>3,433</b>	<b>3,700</b>	<b>267</b>
<b>Other Businesses</b>	<b>1,517</b>	<b>1,433</b>	<b>1,600</b>	<b>167</b>
<b>Adjustments*</b>	<b>-6,967</b>	<b>-8,787</b>	<b>-9,500</b>	<b>-713</b>

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

## 3-1. Digital Contents – Strategic Objectives and Plan (1)

**Anticipate increase in sales and profits  
driven by core Consumer sub-segment**

### ■ Digital Contents Plan

(100 million yen)

	2022/3	2023/3	2024/3 Plan	Difference
<b>Net sales</b>	<b>875</b>	<b>981</b>	<b>1,063</b>	<b>82</b>
<b>Consumer Breakdown</b>				
Package Sales	300	180	125	-55
Digital Sales (incl. digital license)	533	773	909	136
Digital license portion	9	70	32	-38
<b>Consumer total</b>	<b>833</b>	<b>953</b>	<b>1,034</b>	<b>81</b>
Deferred revenue portion	-19	38		
<b>Mobile Contents</b>	<b>42</b>	<b>28</b>	<b>29</b>	<b>1</b>
<b>Operating income</b>	<b>453</b>	<b>535</b>	<b>589</b>	<b>54</b>
<b>Operating margin</b>	<b>51.8%</b>	<b>54.5%</b>	<b>55.4%</b>	<b>-</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. Digital Contents – Strategic Objectives and Plan (2)

**Forecasting record sales volume and sustainable growth  
for overseas, digital and catalog title sales**

## ■ FY3/24 Unit Sales Plan for the Consumer Sub-segment

(units in thousands)

	2021/3		2022/3		2023/ 3		2024/3 Plan	
<b>New Titles (SKU)</b>	<b>14</b>		<b>24</b>		<b>35</b>		<b>31</b>	
<b>Number of titles sold / sales regions</b>	<b>301 / 216</b>		<b>304 / 219</b>		<b>307 / 230</b>			
<b>Total unit sales</b>	<b>30,100</b>		<b>32,600</b>		<b>41,700</b>		<b>45,000</b>	
Overseas units	<b>24,350</b>	80.9%	<b>27,100</b>	83.1%	<b>33,500</b>	80.3%	<b>37,900</b>	84.2%
Japan units	<b>5,750</b>	19.1%	<b>5,500</b>	16.9%	<b>8,200</b>	19.7%	<b>7,100</b>	15.8%
Digital units	<b>23,150</b>	76.9%	<b>24,600</b>	75.5%	<b>37,300</b>	89.4%	<b>42,500</b>	94.4%
Physical units	<b>6,950</b>	23.1%	<b>8,000</b>	24.5%	<b>4,400</b>	10.6%	<b>2,500</b>	5.6%
Catalog units	<b>20,500</b>	68.1%	<b>24,000</b>	73.6%	<b>29,300</b>	70.3%	<b>35,700</b>	79.3%
New units	<b>9,600</b>	31.9%	<b>8,600</b>	26.4%	<b>12,400</b>	29.7%	<b>9,300</b>	20.7%
<b>Major titles</b>								
New	Monster Hunter Rise Resident Evil 3 .....		Resident Evil Village Monster Hunter Stories 2: Wings of Ruin .....		Monster Hunter Rise: Sunbreak Resident Evil 4 .....		Street Fighter 6 Exoprimal .....	
Catalog	Monster Hunter World: Iceborne Resident Evil 7 biohazard Resident Evil 2 Monster Hunter: World		Monster Hunter Rise Resident Evil 7 biohazard Resident Evil 2 Monster Hunter World: Iceborne Resident Evil 3		Monster Hunter Rise Resident Evil 2 Resident Evil 3 Devil May Cry 5 Resident Evil Village Resident Evil 7 biohazard <b>(7 titles total)</b>		Resident Evil 4 Monster Hunter Rise Monster Hunter World: Iceborne Resident Evil Village Monster Hunter Rise: Sunbreak Resident Evil 2 Monster Hunter: World <b>(12 titles total)</b>	

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

\*Includes distribution titles

## 3-1. Digital Contents – Strategic Objectives and Plan (3)

Promote global expansion of catalog title sales while maximizing new title sales via leveraging synergies with peripheral businesses

### ■ Consumer Strategies

- Continue growing sales for major catalog title brands, including *Resident Evil 4* and *Monster Hunter Rise: Sunbreak*
- New title *Street Fighter 6* scheduled for June 2 release; will leverage eSports and other peripheral businesses in promotions
- All new IP *Exoprimal* scheduled for July 14 launch
- *Mega Man Battle Network Legacy Collection Vol. 1* and *Vol. 2* released on April 14 and performing well



*Street Fighter 6*

### ■ Mobile Strategies

- *Monster Hunter Now* (iOS/Android) scheduled for September 2023 launch



## 3-2. Arcade Operations – Strategic Objectives and Plan

**Aim for increased sales and profits primarily due to new store contributions and promotion of new store formats**

### ■ Arcade Operations Strategies

- Promote streamlined operations and open new locations to attract customers
- Opened new Kids Banet facility at Amusement Park (Shizuoka store) on April 25
- Plan: same store sales: +5%; openings: 4, closings: 0, total: 49 stores

### ■ Arcade Operations Plan

(100 million yen)

	2022/3	2023/3	2024/3 Plan	Difference
Net sales	124	156	180	24
Operating income	6	12	13	1
Operating margin	5.3%	7.9%	7.2%	-
Same store sales	+19%	+20%	+5%	-

## 3-3. Amusement Equipments – Strategic Objectives and Plan

**Aim for stable revenue contributions  
via diversified business model**

### ■ Amusement Equipments Strategies

- Release titles utilizing our popular IP
- **Pachislo Machine Unit Sales Plan: 4 titles; 37,000 units (FY22: 4 titles, 44,000 units)** \*Unit sales include catalog sales

### ■ Amusement Equipments Plan

(100 million yen)

	2022/3	2023/3	2024/3 Plan	Difference
<b>Net sales</b>	<b>57</b>	<b>78</b>	<b>100</b>	<b>22</b>
<b>Operating income</b>	<b>23</b>	<b>34</b>	<b>37</b>	<b>3</b>
<b>Operating margin</b>	<b>40.8%</b>	<b>44.0%</b>	<b>37.0%</b>	<b>-</b>

	2022/3	2023/3	2024/3 Plan	Difference
<b>New titles</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>-</b>
<b>Sales (thousand units)</b>	<b>26</b>	<b>44</b>	<b>37</b>	<b>-7</b>



*Smart Slot Sengoku BASARA GIGA*  
Scheduled for August 2023 release

## 3-4. Other Businesses – Strategic Objectives and Plan

**Promote Single Content Multiple Usage strategy  
to enhance value of game brands worldwide**

### ■ Character/Media, eSports Strategy

- Bolster global sales via promoting synergies between games and merchandise
- *Resident Evil: Death Island*, a new feature-length CG animated film, scheduled to premiere in Japanese theaters on July 7
- Capcom Pro Tour 2023 esports tournament to feature total prize pool of over \$2 million, with \$1 million grand prize for the winner

### ■ Other Businesses Plan

(100 million yen)

	2022/3	2023/3	2024/3 Plan	Difference
<b>Net sales</b>	<b>43</b>	<b>43</b>	<b>57</b>	<b>14</b>
Character/Media	40	41	54	13
eSports	3	2	3	1
<b>Operating income</b>	<b>15</b>	<b>14</b>	<b>16</b>	<b>2</b>
Character/Media	23	26	32	6
eSports	-8	-12	-16	-4
<b>Operating margin</b>	<b>34.7%</b>	<b>32.9%</b>	<b>28.1%</b>	<b>-</b>



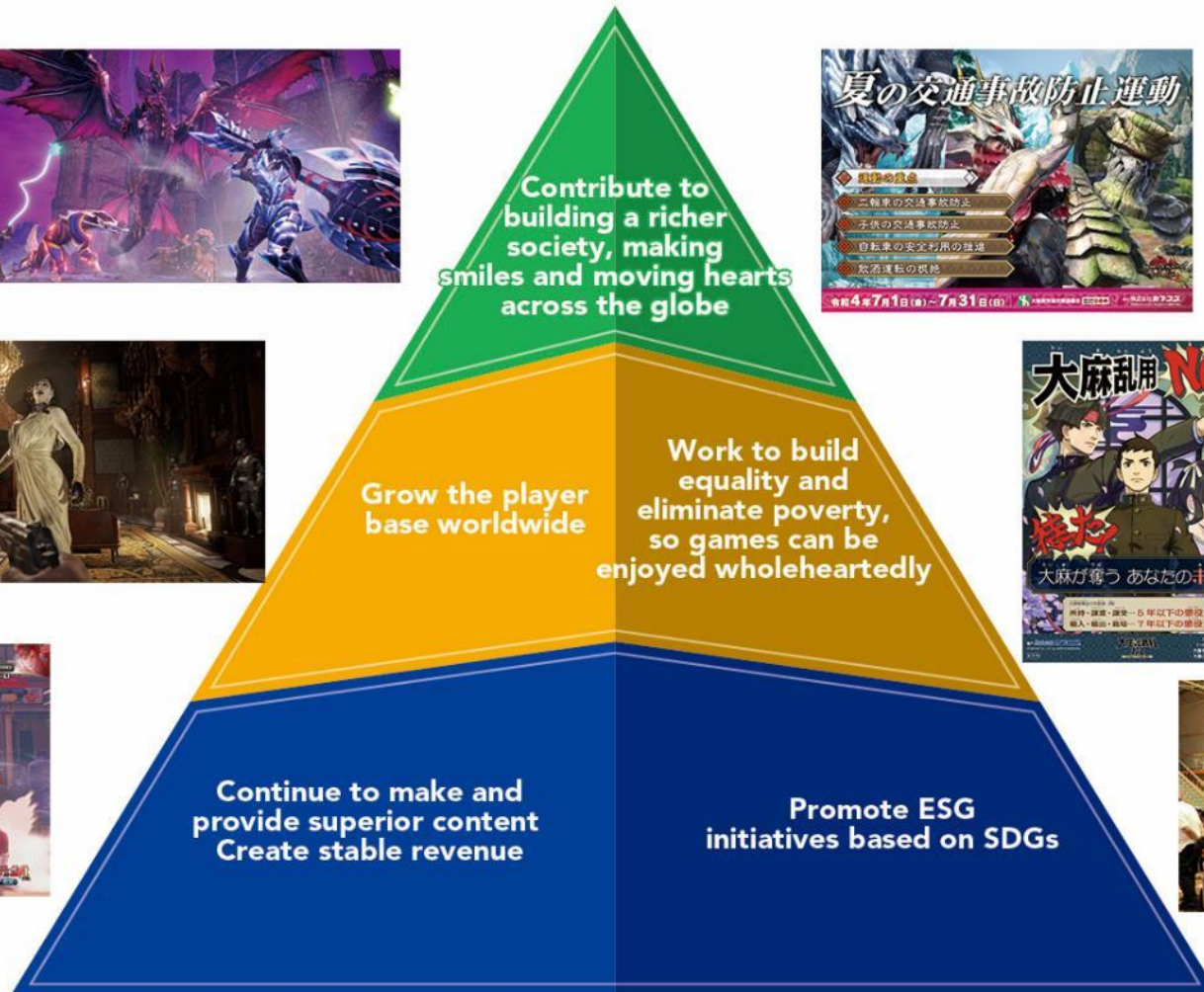
*Resident Evil: Death Island*

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**CAPCOM**

# 4-1. Capcom's Philosophy

- Corporate Philosophy:  
We are creators of entertainment culture that stimulates your senses

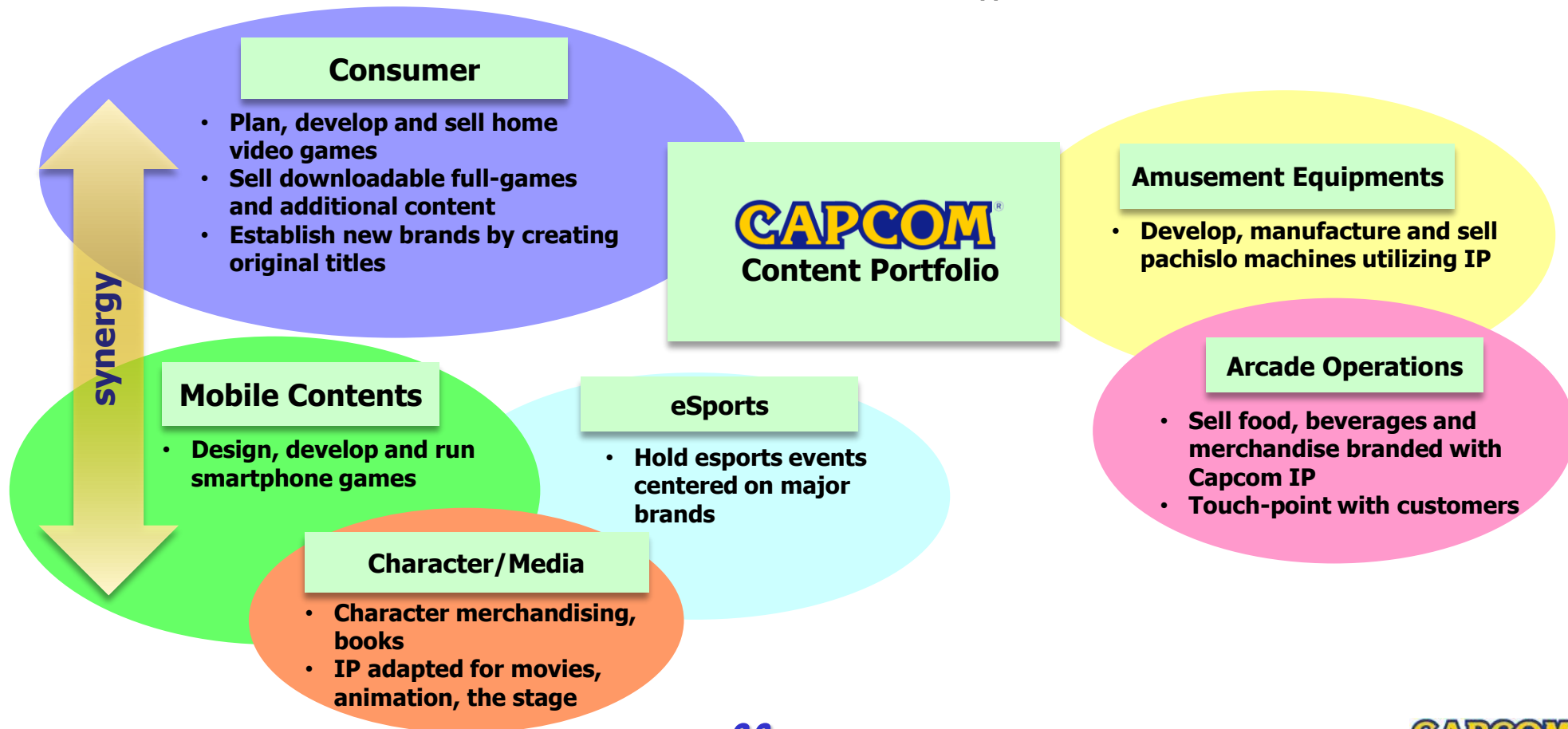


## 4-2. Capcom's Businesses

Capcom's structure works to deliver stable growth centered on its core home video game business

Growth Businesses  
approx. **80%** of Net Sales

Stable Businesses  
approx. **20%** of Net Sales



# 4-3. Example of Leveraging a Brand: *Monster Hunter*

Capcom uses its library of powerful, original game content in a wide array of businesses beyond home video games



Orchestral concerts



Café collaborations

Capture casual players



Mobile apps

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Expand/Rework  
*Monster Hunter*  
Brand



Increase brand awareness



Hollywood adaptations

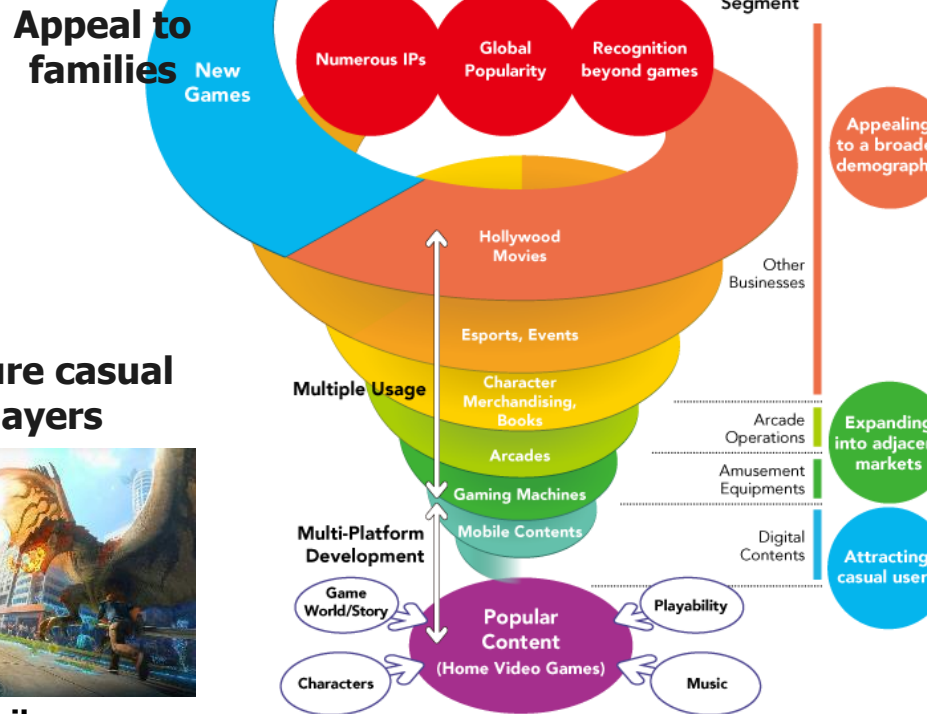
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Expand into peripheral businesses



Pachislot machines

Appeal to families



Home video games

## 4-4. Capcom's Competitive Edge (1)

**Global recognition backed by world-class game development technology and capabilities**

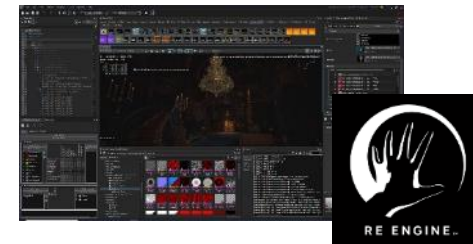
### ■ World-class game development technology and capabilities

- **Capcom consistently creates hit titles backed by 40 years of development experience**
- **A global leader in game development technology, Capcom is equipped with cutting-edge game studios and R&D facilities**
- **Capcom produces world-class quality efficiently utilizing its proprietary game development tools, the RE ENGINE**

### ■ Fortifying our workforce

- **Promoting investment in human resources for long-term sustainable growth**
- **Approx. 2,550-person\* strong development force**
- **Have hired over 1,000 new-graduates in 10 years**
  - **Fresh workforce contributing to major title development following training**
  - **Major source of future competitiveness**

\*As of April 1, 2023



RE ENGINE



The newly opened  
Creative Studio



R&D Bldg. #2



## 4-4. Capcom's Competitive Edge (2)

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

### ■ Cumulative Sales Volumes and Examples of Expansion by Brand

- **Resident Evil series: 142 million units**



*Resident Evil 4*, the latest title in the series, surpassed 4 million units sold

\*as of April 7, 2023

- **Monster Hunter series: 92 million units**



*Monster Hunter Rise: Sunbreak* exceeded 5.4 million units sold

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



Released free demo of *Street Fighter 6*, the series' newest title

- **Mega Man series: 38 million units**
- **Devil May Cry series: 29 million units**
- **Dead Rising series: 15 million units**

\*Cumulative sales as of March 31, 2023



# 5. Summary of Major Financial Information (1)

## • Profit and Loss Statement

(million yen)

	2021/3	2022/3	2023/3	%	2024/3 Plan	%
Net sales	95,308	110,054	125,930	114.4%	140,000	111.2%
Gross profit	52,741	61,317	73,819	120.4%	83,000	112.4%
% margin	55.3%	55.7%	58.6%	-	59.3%	-
Sales and G&A expenses	18,145	18,408	23,006	125.0%	27,000	117.4%
Operating income	34,596	42,909	50,812	118.4%	56,000	110.2%
% margin	36.3%	39.0%	40.3%	-	40.0%	-
Ordinary income	34,845	44,330	51,369	115.9%	56,000	109.0%
% margin	36.6%	40.3%	40.8%	-	40.0%	-
Net income attributable to owners of the parent	24,923	32,553	36,737	112.9%	40,000	108.9%
% margin	26.1%	29.6%	29.2%	-	28.6%	-

## • Sales by Business Segments

(million yen)

		2021/3	2022/3	2023/3	%	2024/3 Plan	%
Digital Contents	Net sales	75,300	87,534	98,158	112.1%	106,300	108.3%
	Operating income	37,002	45,359	53,504	118.0%	58,900	110.1%
	Operating margin	49.1%	51.8%	54.5%	-	55.4%	-
Arcade Operations	Net sales	9,871	12,404	15,609	125.8%	18,000	115.3%
	Operating income	149	652	1,227	188.2%	1,300	105.9%
	Operating margin	1.5%	5.3%	7.9%	-	7.2%	-
Amusement Equipments	Net sales	7,090	5,749	7,801	135.7%	10,000	128.2%
	Operating income	2,407	2,348	3,433	146.2%	3,700	107.8%
	Operating margin	33.9%	40.8%	44.0%	-	37.0%	-
Others	Net sales	3,045	4,366	4,360	99.9%	5,700	130.7%
	Operating income	987	1,517	1,433	94.5%	1,600	111.7%
	Operating margin	32.4%	34.7%	32.9%	-	28.1%	-

## 5. Summary of Major Financial Information (2)

### ●Promotional Expense

(million yen)

	2021/3	2022/3	2023/3	%	2024/3 Plan	%
Consolidated	3,178	3,540	5,293	149.5%	6,700	126.6%

### ●Number of Stores

(stores)

	2021/3	2022/3	2023/3	Difference	2024/3 Plan	Difference
Consolidated	41	42	45	3	49	4

### ●Capital Expenditure

(million yen)

	2021/3	2022/3	2023/3	%	2024/3 Plan	%
Consolidated	3,597	3,788	9,624	254.1%	6,800	70.7%

### ●Depreciation

(million yen)

	2021/3	2022/3	2023/3	%	2024/3 Plan	%
Consolidated	2,791	3,385	3,438	101.6%	4,500	130.9%

### ●Number of Employees

(persons)

	2021/3	2022/3	2023/3	%	2024/3 Plan	%
Consolidated	3,152	3,206	3,332	103.9%	3,480	104.4%
Consolidated Developers	2,285	2,369	2,460	103.8%	2,550	103.7%

### ●R&D Investment Cost

(million yen)

	2021/3	2022/3	2023/3	%	2024/3 Plan	%
R&D Investment Cost	25,375	29,862	37,719	126.3%	45,000	119.3%

### ●Foreign Exchange Rate (end of March)

(JPY)

	2021/3	2022/3	2023/3	%	2024/3 Plan	%
USD/JPY	110	122	133	109.0%	125	94.0%
Euro/JPY	129	136	145	106.6%	135	93.1%