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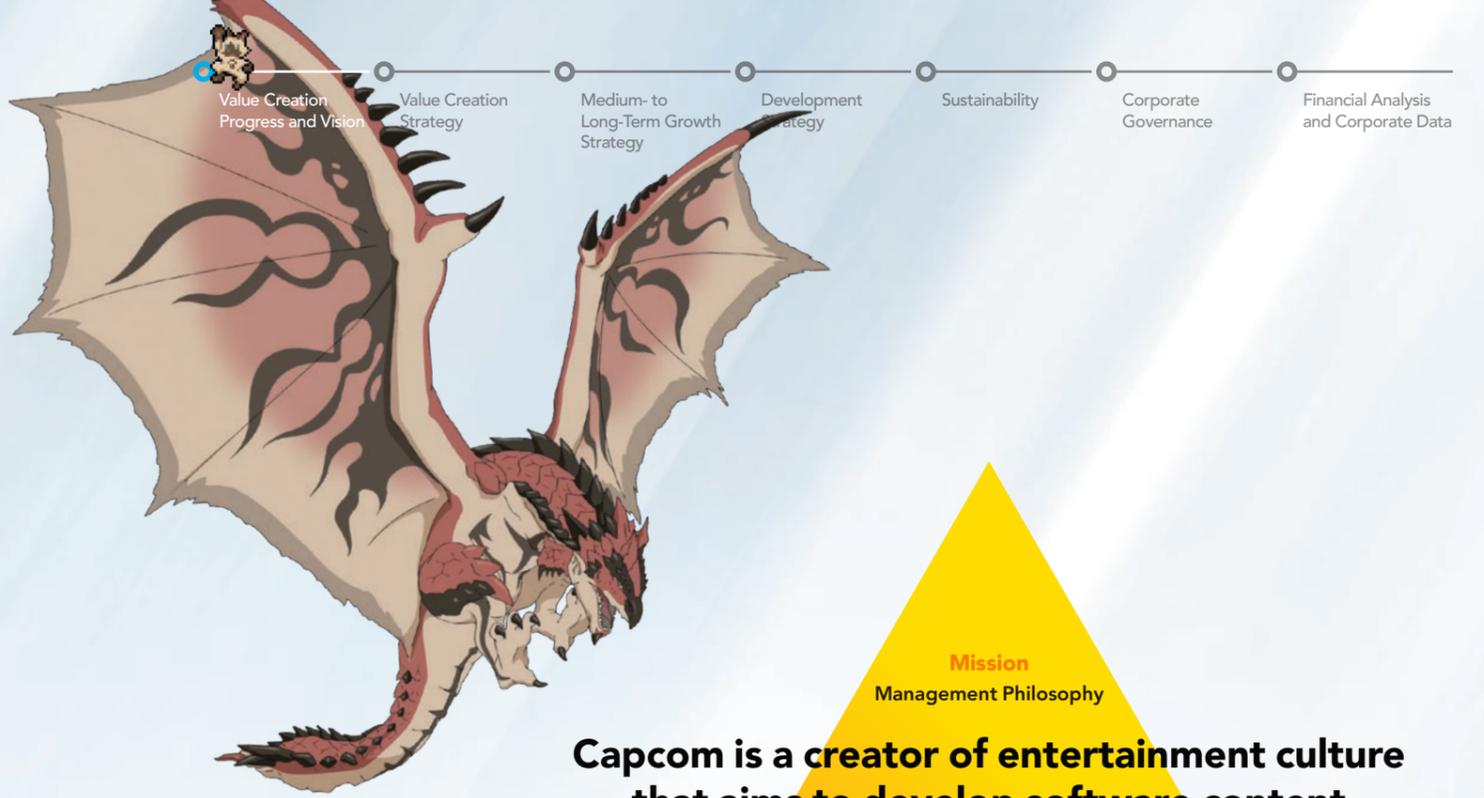


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CAPCOM INTEGRATED REPORT 2025

Sustainable Growth, Captivating Content



Our Vision: To be a company that captivates people around the world with our best-in-class immersive content

Based on our philosophy of "creating an entertainment culture through the medium of games by developing highly creative content that excites and stimulates your senses," Capcom strives to captivate people throughout the world with best-in-class entertainment.

Since Capcom's establishment in 1983, we have leveraged our strength in world-class development capabilities to create a plethora of high-quality content. We are working to achieve stable growth and enhance corporate value while also proactively addressing common environmental and social issues in order to create a world in which everyone can enjoy games with peace of mind.

Capcom is a creator of entertainment culture that aims to develop software content that excites and stimulates the senses.



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Editorial policy

Capcom's Integrated Report conveys initiatives aimed at improving corporate value over the medium- to long-term to all stakeholders. This report is issued with the intent of creating opportunities for further dialogue. Furthermore, we aim to express ideas in a simple and easily understood manner and visually represent important items to aid understanding. Details are available online.

Period and scope

This report reviews the fiscal year ended March 31, 2025 (April 1, 2024-March 31, 2025). When necessary, it also includes references to fiscal periods before and after this timeframe. Unless otherwise indicated, the scope of data presented in this report is on a consolidated basis.

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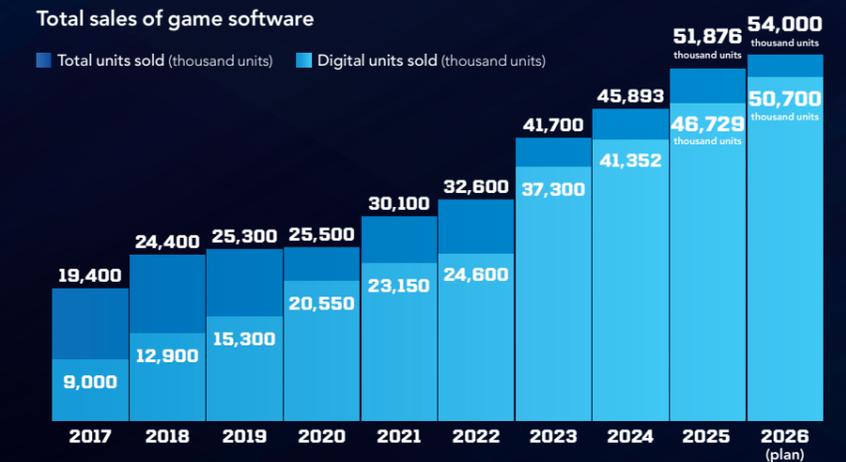


Value creation results

Achieved 12 consecutive years of increased operating profit by captivating people around the world with our best-in-class immersive content

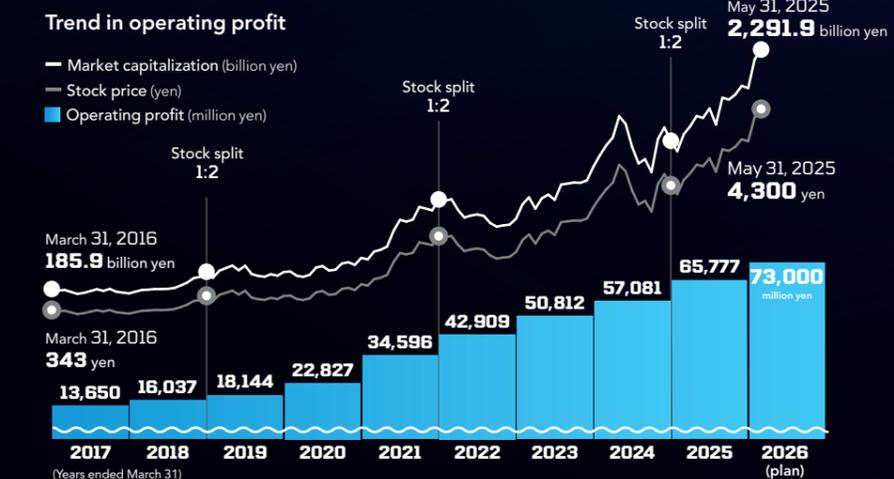
Providing Games in More than 220 Countries and Regions Aiming for 100 Million Units in Sales Volume per Year

Since Capcom's founding in 1983, we have continued to move hearts through the entertainment of games. In recent years, the spread of the internet, PCs, and smartphones has made it possible to enjoy games while at home, or in all corners of the globe, even without a game console. Further, our game software sales volume has been increasing, driven primarily by digital sales, and our titles can be enjoyed in more than 220 countries and regions worldwide. We will continue advancing our business activities in an effort to expand the fanbase around the world by providing high-quality entertainment.



Increased Corporate Value by Growing Profit 10% Each Year for Ten Consecutive Years

The game industry is continuously changing, in step with the evolution of AI, networks, and other advanced technologies. At Capcom, we see these changes as an opportunity, and as a result of our efforts to strengthen our development structure and promote digitalization, the fiscal year ended March 2025 marks 12 consecutive years of increased operating profit. Though we split our stock on April 1, 2018, April 1, 2021, and again on April 1, 2024 to improve its liquidity and expand our investor base, as our performance improves, our stock price also continues to rise steadily. We will continue to increase our corporate value (market capitalization) with sustainable business growth so that we can reward our stakeholders' loyalty.

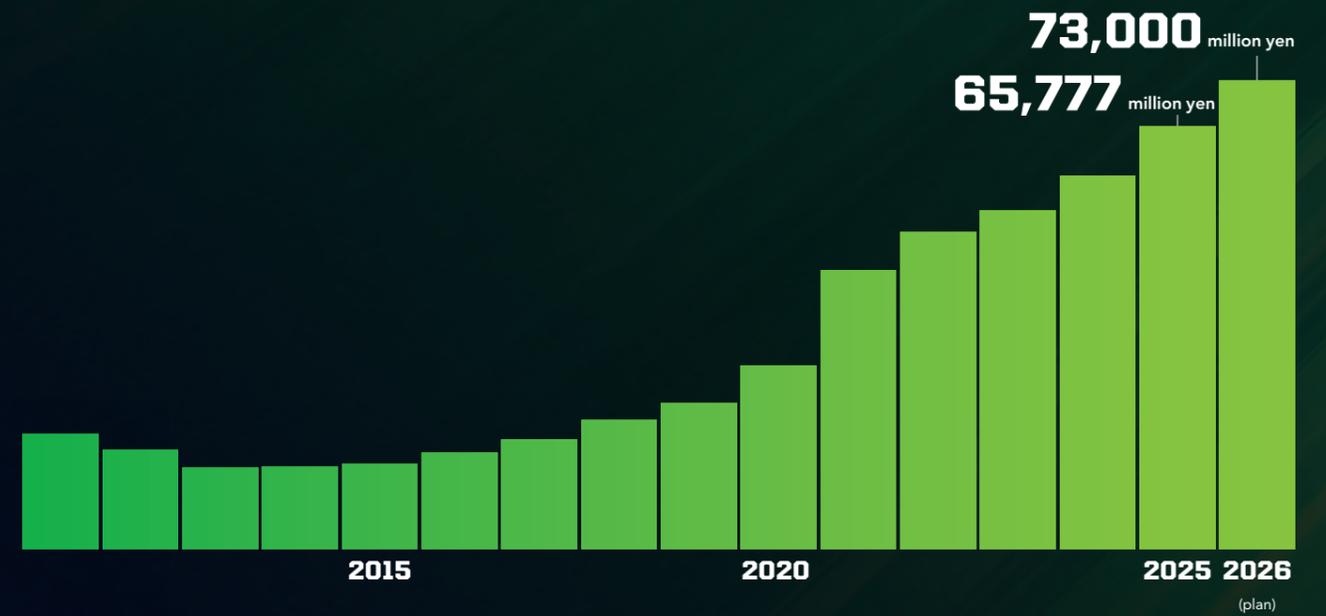


* The stock prices in the above table are figures calculated on the assumption that a stock split was carried out on April 1, 2015.

Four decades of steady growth toward our goal of making the most entertaining games in the world

Trend in operating profit

Note: 1983-1988: Fiscal years ended December 31
1989-2025: Fiscal years ended March 31



Genesis

1983 onward

Capcom Co., Ltd. was established in Osaka in 1983. With the vision of competing globally, Capcom focused its business development on the creation and sales of high-spec arcade games using the proprietary circuit board "CP System" while making its foray into the home video game arena.

Expansion

1991 onward

In the 1990s, the arrival of Super NES prompted Capcom to formally enter home video game development. Capcom created numerous hit titles globally drawing on its arcade game development expertise. The company established its Single Content Multiple Usage strategy in 1994 with the release of a Hollywood movie and animated movie based on *Street Fighter*.

2000 onward

In 2000, Capcom listed its shares on the First Section of the Tokyo Stock Exchange. In the 2000s, Capcom created one hit title after another that gained popularity overseas. Capcom went on to spread its brand throughout the world using IP outside of its games, with one example being the Hollywood movie version of *Resident Evil*, which is now a six-title hit series.

Globalization and the digital shift

2011-2016

As game consoles with online capabilities spread, it became possible to sell titles digitally over longer periods of time. By pivoting to digital sales, Capcom set the stage for the expansion of revenue opportunities with catalog sales.

2017-2020

Established a system where titles contribute to profit over the long term through the synergistic effect of finely detailed, high-quality games and digital sales following the release of *Resident Evil 7 biohazard* in 2017.

2021-

The game market has expanded, growing from a few developed nations into many countries all around the world due to the popularization of the PC platform. As a global corporation, we seek to grow further by using our abundant IP assets and product development capabilities, as well as by increasing the number of our high-skilled, talented creators.

Capcom and Entertainment Culture

1988
CP System

Through leveraging our proprietary, high-performance circuit board we were able to captivate game players with exquisitely depicted, immersive game worlds of the highest quality, allowing us to produce one hit after another in both the arcade and home video game markets.

Little League 1942

Mega Man

1991
Street Fighter II becomes a major hit

The game became a sensation in arcades across the country, establishing the fighting game genre. In 1992, a national tournament was held at the Ryogoku Kokugikan arena in what might be called the first ever esports tournament.

Street Fighter II

Resident Evil

2002
Multi-media roll out of Capcom IP starts in earnest

The Hollywood film adaptation of *Resident Evil*, along with the animated TV show and movie adaptations of the youth-orientated *Mega Man Battle Network*, marked the beginning of Capcom's foray into branding game-based content.

Onimusha *Devil May Cry* *Monster Hunter* *Dead Rising*

2007-
Cooperative gameplay becomes standard

In 2007, *Monster Hunter Freedom 2* became the first game in the series to top a million units sold. Since then, the title has become synonymous with hunting games.

Dragon's Dogma

2018-
Capcom officially entered esports, a new form of entertainment

In 2018, Capcom established a dedicated department to promote the spread of esports with measures such as launching new competitions for pros and amateurs.

Monster Hunter: World

2021-
Acceleration of digital game sales

Against the backdrop of the global expansion of the PC platform, digital sales of game software are accelerating. Our extensive library of games, which has been growing for more than 40 years, is available in more than 220 countries and regions around the world.

Street Fighter 6

Striving for sustainable and consistent growth in the entertainment industry

Achieved increased operating profit (10% or better) every year for 10 consecutive years in the hit-driven entertainment industry

We are increasing sales of Consumer games by capitalizing on our medium- and long-term strategies, steadily paving the way for sustainable growth.

Capcom's advantages underpinning its sustainable growth

- Focus on global growth with an unwavering management vision → For details see p.09
- A business model that maximizes global growth → For details see p.21
- Investments in people to support sustainable long-term growth → For details see p.32
- Outstanding development capabilities and an expansive portfolio of IP beloved worldwide → For details see p.43

Annual sales **51.87** million units

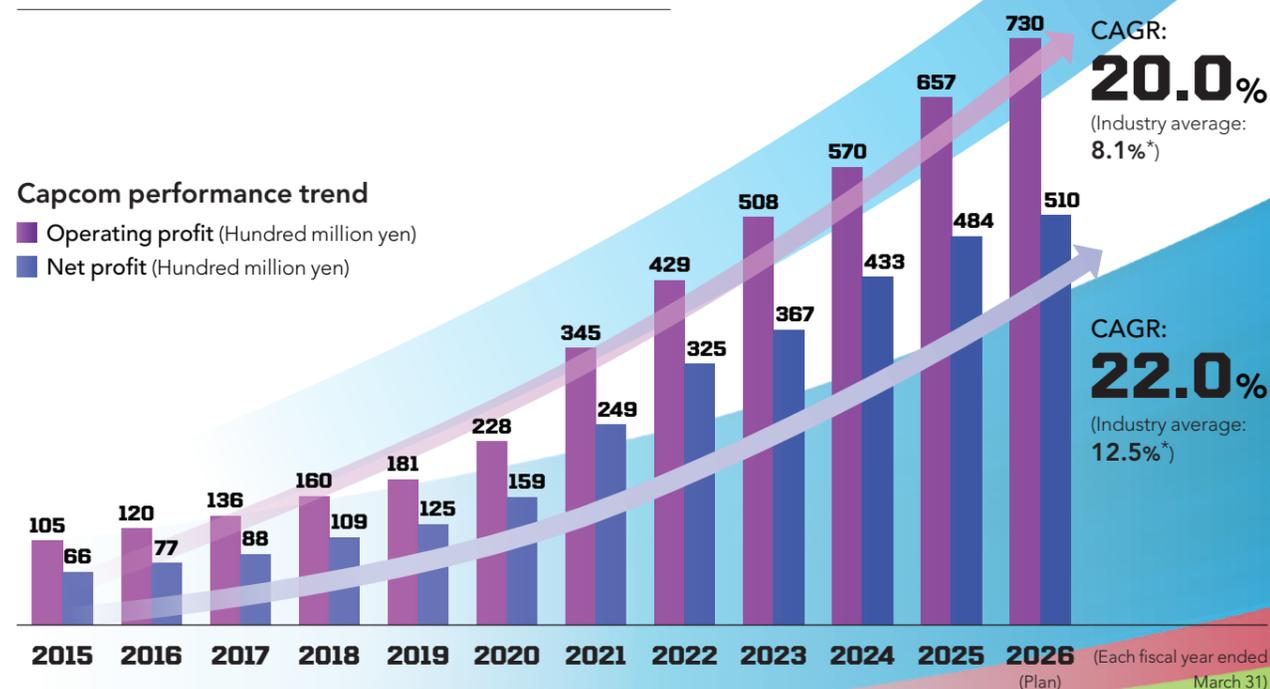
New titles **23.9%**

Catalog titles **76.1%**

(Fiscal year ended March 2025)

Capcom performance trend

■ Operating profit (Hundred million yen)
■ Net profit (Hundred million yen)



*Source: Calculated by Capcom based on the financial disclosures of nine global companies from the fiscal year ended March 2015 to the fiscal year ended March 2025.

Promote digital strategy to reach annual sales of **100** million units

Increase awareness among a wide range of users



Focus on expanding in the PC and Consumer market of 1.5 billion people



Shore up revenue through efforts linked to the Consumer sub-segment

Brand strategy

Increase Capcom's visibility and brand interactions

Character, Media, eSports, Mobile

Pursuing synergistic effects with Consumer + brand strengthening

Digital strategy

Acquire and increase Capcom fans

New Titles (Consumer)
Growth driver, source of long-term sales

Catalog Titles (Consumer)
Growth driver and focus areas for growing sales

Single Content Multiple Usage

Arcade Operations, Amusement Equipments

Harness IP in peripheral areas, in-person experiences

Human resources strategy

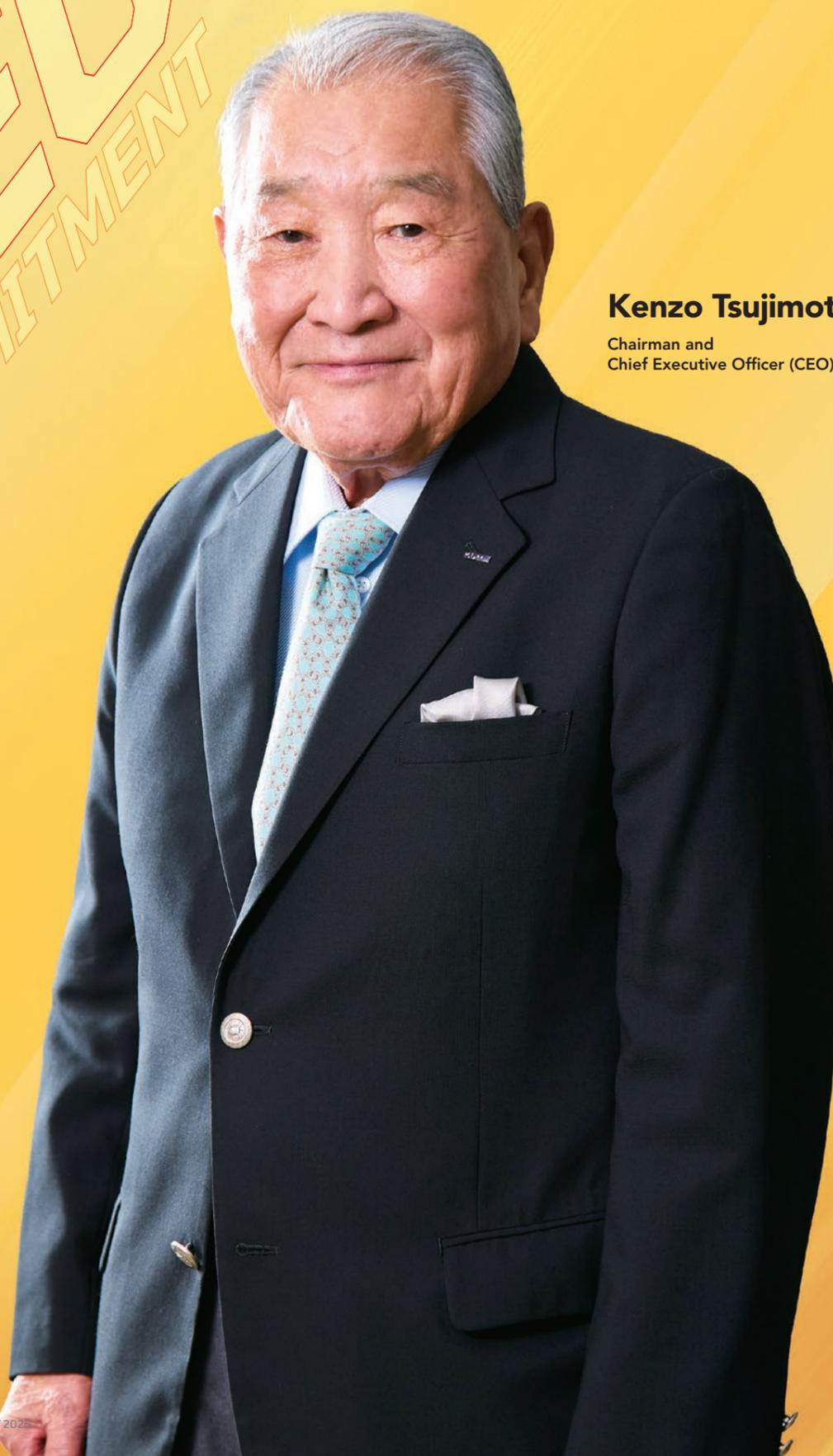
Increase pipeline of new titles

Promote expanding staff and technology growth

→ For details see p.32

Aim for sustainable growth through improved productivity and organizational strengths





Kenzo Tsujimoto

Chairman and Chief Executive Officer (CEO)

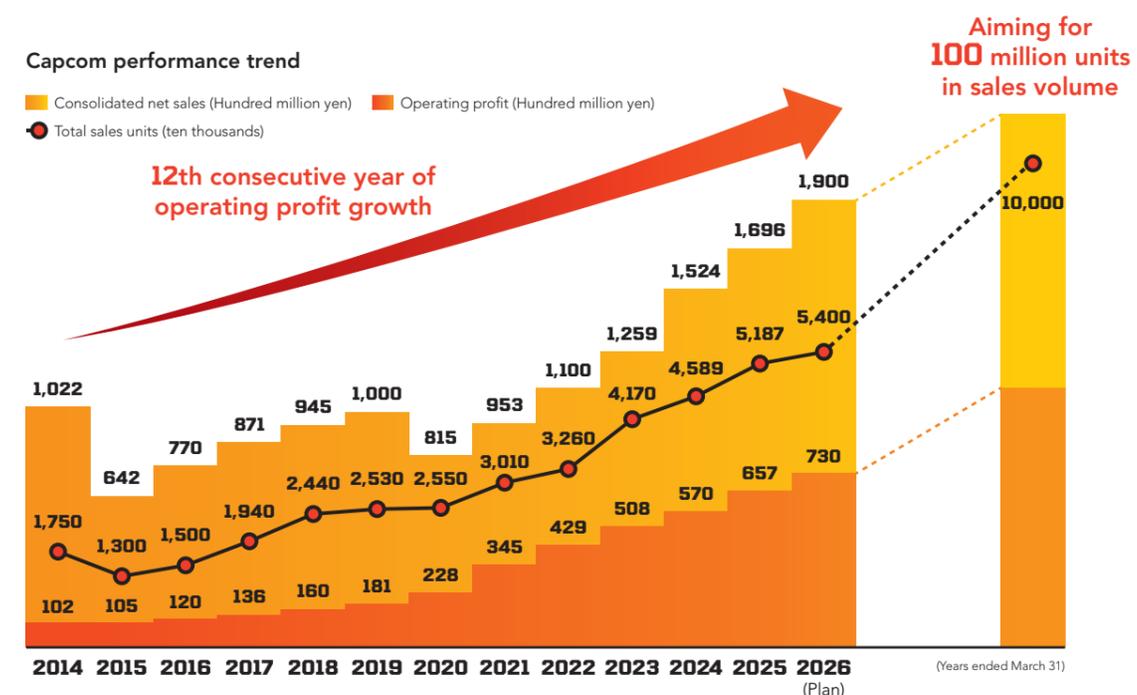
Captivating people around the world with our best-in-class immersive content

Continuing to build corporate value through world-class technical expertise and sound governance

In the fiscal year ended March 31, 2025, Capcom achieved its 12th consecutive year of increased operating profit, 10th consecutive year of 10%-or-better operating profit growth, and 8th consecutive year of record highs across all profit indicators. During this period, our stock price also rose intermittently, and in February 2025, our market capitalization exceeded 2 trillion yen for the first time. We are deeply grateful for the support of our stakeholders, including customers, shareholders, and

business partners, that made this possible. We are especially grateful to all our employees who remain committed to delivering the highest quality content to the world.

Since the fiscal year ended March 31, 2020, the Capcom Group has set a management target of increasing operating profit by 10% or more each fiscal year. We will continue to work toward achieving this target while sustainably enhancing corporate value based on our robust philosophy and strategy.



1 Harnessing the power of creativity to inspire the world

The Capcom Group's Management Philosophy is "creating an entertainment culture through the medium of games by developing highly creative content that excites." Forty-two years have passed since our founding, and despite the many adversities we have faced, we have continued to rise to each challenge with ingenuity and passion, never giving up. We have managed to overcome market changes, technological innovation, and upheaval in the global situation thanks to our unwavering philosophy that makes us who we are.

I feel that games are a luxury item, not a necessity—which is precisely why we must maintain world-class brands that captivate users. This embodies our commitment to "play" that goes beyond mere entertainment, our vow to pursue creative endeavors that inspire, and our approach to creating value through ingenuity. These values are now deeply ingrained in the Group's management philosophy and Capcom's corporate culture; under the slogan "From Osaka, to the World," each and every Capcom employee takes pride in always striving for the top.

In addition to our philosophy and values, we have redefined what the Group has achieved so far and the company as envisaged in the future in our medium- to long-term Vision: to be a company that

captivates people around the world with our best-in-class immersive content.

This carries with it three main implications. First is our continuing focus on producing the highest quality products, which is one of our strengths.

Second is to spread our content to every corner of the world, so that people all over the world will know about it and enjoy it.

Third is our intent to increase the number of people around the world who are passionate about our content and become enthusiastic fans.

Expanding our user base around the world and cultivating a passionate fan base from there will ultimately lead to Capcom's sustainable growth, and in turn having people engrossed in our games and products will also contribute to the richness and excitement of their lives.

To that end, first, we want as many people as possible around the world to play our games, and have thus set a long-term goal of selling 100 million units per year. In the fiscal year ended March 31, 2025, we achieved our tenth consecutive year of year-on-year unit sales growth, surpassing 50 million units sold. We aim to further increase this to 54 million units in the fiscal year ending March 31, 2026.

enabled the Group to achieve 12 consecutive years of increased operating profit, allowing us to stabilize our management base through improved profitability and achieve sustainable growth. I am convinced that we have evolved to the next stage as a company. We intend to continue the business model we have built over the past decade as the Group's basic policy going forward.

The reason we have been able to continue expanding sales worldwide over such a long period of time is because our games represent globally recognized top brands and are strongly linked to our unique identity. I believe this is a competitive advantage that only the Capcom Group can offer.

Key policy for the next decade

Looking to the decade ahead, my vision is to take the company to the next level. First, my central goal is to spread our brands to every corner of the world, which is in line with our Vision mentioned earlier, and expand our user base. Currently, our games are sold in over 220 countries and regions. However, in some regions, sales volumes and user numbers have yet to take off, and penetration of our IP and corporate brands is limited. Expanding our brands to these regions and growing our user base are important

challenges in our next growth phase, and I believe these will become new growth drivers.

Next, we must restructure our manufacturing system, which is the core of the Group and will be the foundation for further growth for the company. Strengthening our organizational structure with an eye to the next 10 years is essential. We will continue to steadily build a foundation that supports sustainable growth, including continuous investment in human resources, reorganization of our development environment, and intellectual property strategy. Finally, as a company advances, its social responsibilities also increase. This is why I believe that building relationships with stakeholders into healthier and stronger ones, along with working to enhance corporate governance systems for greater management transparency and soundness, will become increasingly important in our future corporate activities.

As the pillars for our next decade, I will now explain the above points—brand penetration and user expansion, building a foundation for sustainable growth, building healthy relationships with stakeholders, and enhanced corporate governance systems—in that order.

2 Ascending to the next stage of growth by harnessing a solid management foundation built on world-class IP and development capabilities

We are unique because we have: (1) numerous popular IP that are globally established brands, and (2) the development and technical capabilities to continuously produce the world's highest quality games. These two points have been and will continue to form Capcom's foundation.

Key policy over the trailing decade

Until the mid-2010s, the Group faced an issue in terms of its business structure where performance fluctuated significantly depending on the release of major new titles. Therefore, we prioritized building a corporate structure that could generate stable, consistent profits, and promoted a shift from a business model centered on physical sales to one centered around digital sales. The shift to digital sales has enabled us to provide content to users around the world for longer periods of time and has also increased our flexibility in pricing. As a result, our games are able to reach a wider range of users. In

addition, digital sales do not incur distribution costs, and development costs for catalog titles that have been on the market for a certain period of time will have been fully amortized, so sales centered on these titles is a source of strong revenue and stable profits.

Over the past decade, the Group has strengthened its presence on PC platforms in addition to Consumer devices, accelerating the provision of content geared toward game users around the world. PCs are becoming increasingly widespread globally, and we view this as an extremely important platform for delivering digital content. As a result, we have been able to expand our sales network to more than 220 countries and regions, further accelerating our global expansion. Furthermore, we have established a system for centrally managing and analyzing sales data from around the world, and by using this data to plan marketing initiatives and forecast sales volumes, we are now able to make strategic decisions with greater accuracy. The success of these efforts have

3 Brand penetration and user expansion to every corner of the world

Strengthening localized approaches to marketing

To further penetrate our brands, it is essential to analyze markets around the world more precisely to better understand the characteristics of each country and region. We must determine what potential user segments exist in each country and region, and what products, prices, sales channels, and promotional measures are optimal for conveying the appeal of our brands to those users. We will improve the precision of our marketing by repeating a cycle of continuous analysis of market data, implementing measures based on that data, and verifying the results.

Additionally, user engagement will become increasingly important in the future. Through communication with users in each country and region, we will carefully understand their expectations and satisfaction levels, as well as their potential needs, and reflect this in our manufacturing and sales strategies.

Strengthening our presence in the PC market

I believe that the PC will further establish itself as the world's leading gaming platform, which will serve to increase the value of the PC market. As mentioned above, the Group has been working on the PC platform from an early stage, but in addition to that, we will work to gain a deeper understanding of the characteristics and trends of the PC market and PC users, and bolster our game development and sales strategies with that in mind.

Investment in movies

To further increase brand penetration, we would like to step up our investment in and utilization of movies. As a more familiar medium than games, movies serve as a means of conveying the worldview and appeal of our content. They also act as a gateway to our IP for people who have never played our games.

Going forward, we will actively invest in the production of movies featuring our IP, and by having them viewed by audiences around the world, we hope to increase the visibility of our games and expand sales.

4 Strengthening foundations for sustainable growth

Sustainability initiatives

I believe that human capital, intellectual property, and information security are important pillars of sustainability in the Group's business activities. Below, I would like to discuss these initiatives in turn.

Investment in our people and reorganizing the development environment

[For details see p.32 to 34](#)

The Group believes that proactive investment in human resources is the most important driving force behind sustainable growth. Based on this policy, in recent years we have been working to strengthen our human resources investment strategy as one of our top priorities.

In April 2022, we implemented a variety of reforms, including establishing a new CHO position, restructuring our human resources organizations, revising the remuneration system to improve remuneration, and granting stock-based remuneration to all permanent employees. We are currently working on improving the physical environment, including the construction of a new building to the north of our Head Office to expand our development space. We will continue striving to secure and develop human resources and further improve the work environment. Management will continue to focus on further enhancing employee motivation and morale.

Intellectual property

[For details see p.55](#)

As mentioned above, we own many of the world's most iconic IPs. To realize our Group Vision, I believe that utilizing these IPs, content, and other intellectual property we have cultivated is key. For this reason, under the spirit of creative ingenuity, we view intellectual property as an intangible asset and strive to maximize its value. Furthermore, protecting and acquiring intellectual property rights is essential for the global expansion of our businesses. Additionally, systems to support business and development, as well as in-house training, are also important. We will continue to promote these efforts to create compelling content and increase brand penetration and value.

Information security

[For details see p.56](#)

In order to promote sales globally and accelerate the diversification of sales channels through digitalization, we must take actions to combat various cyber risks. For this reason, we are working to maintain and strengthen our information security and cybersecurity management systems based on advice from the Security Oversight Committee, an external advisory body. We are also making efforts to raise awareness of information security by providing education and training to our executives and employees.

5 Building healthy relationships with stakeholders

Realizing a world where everyone can enjoy games with peace of mind is both a desire and an important responsibility that is in line with our Management Philosophy. Based on this philosophy, we are sincerely addressing global themes common to all, such as environmental and social issues, and are working to realize a sustainable society. Through these efforts, we aim to create a better future while valuing our relationships of trust with diverse stakeholders, including shareholders, customers, business partners, employees, and local communities.

[For details see p.49 to 62](#)

Considerations for the environment

In addition to reducing our environmental impact by increasing digital sales, the Group is working to reduce CO₂ emissions by introducing renewable energy to power its offices. Addressing climate change is a common challenge for all of humanity, and although the Group's business model has a relatively low

environmental impact, we will continue to promote initiatives that give consideration to environmental conservation needs.

Social contribution activities

The Group uses a certain percentage of its operating profit to donate funds in support of children who will create the future. Under the slogan "From Osaka, to the World," the Group is working to promote local communities, culture, technology, and sports by sponsoring and participating in the Osaka Healthcare Pavilion, an exhibit organized by Osaka Prefecture and Osaka City at Expo 2025 Osaka, Kansai, Japan.

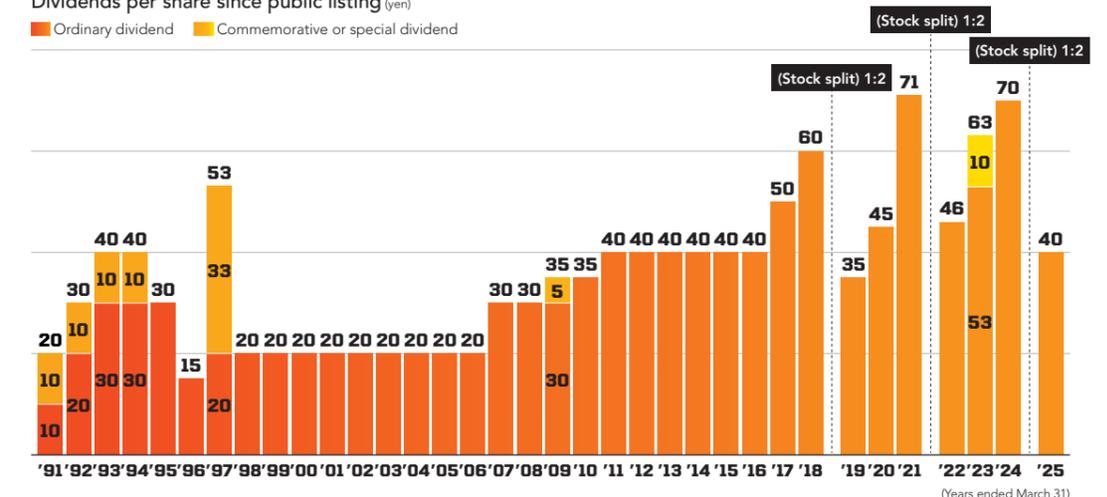
Returning profits to shareholders

I have been managing Capcom since its founding 42 years ago with the conviction that we should reward our long-term shareholders with consistent dividend increases while steadily growing the company. Based on this, we position returning profits

Rewarding long-term shareholders with 35 consecutive years of returns since Capcom's listing and record-high dividends

Dividends per share since public listing (yen)

■ Ordinary dividend ■ Commemorative or special dividend



(Note) Two-for-one stock splits took place dated April 1, 2018, April 1, 2021, and April 1, 2024. The dividends prior to each reference date are listed as the dividends on the stocks prior to the split.

to shareholders as a priority issue for management, and we determine dividends taking into account future business developments and changes in the business environment.

Our basic policy on shareholder returns is, first, to increase corporate value (market capitalization) via growth driven by investment, and second, to continue to pay stable dividends based on a consolidated

dividend payout ratio of 30%. Also, we will take a flexible approach to share buybacks, while focusing on understanding the situation of markets in response to our stock price trend and management strategies. We plan to pay an annual dividend of 40 yen for the fiscal year ending March 31, 2026. Looking ahead, we will strive to provide stable returns of profit in line with our corporate growth.

6 Strengthening the corporate governance system

Establishing a sound corporate governance system is essential for our sustainable growth. The Group is working to strengthen the structure of its Board of Directors and improve its effectiveness. At the General Meeting of Shareholders in June 2025, we appointed a new female director, bringing the total number of female directors to three. We are also promoting the establishment of a management system that can handle global expansion by appointing personnel with international perspectives and ensuring the diversity of the Board of Directors.

We have also focused on expanding opportunities for outside directors to actively participate. We have continuously discussed matters such as reviewing the performance-linked remuneration system and introducing a stock-based remuneration system through committees and discussions, where outside directors make up the majority of members. Furthermore, by quantifying the materials that inform management decisions, we are able to "visualize management," enabling dialogue in a common language with outside directors and employees,

eliminating arbitrariness and clarifying issues. We will pass on these systems and know-how to our successors, and aim for sustainable growth by combining our management philosophy with sound governance. Furthermore, we view strengthening our risk management system as a key issue and are currently establishing a system with an eye on future growth.

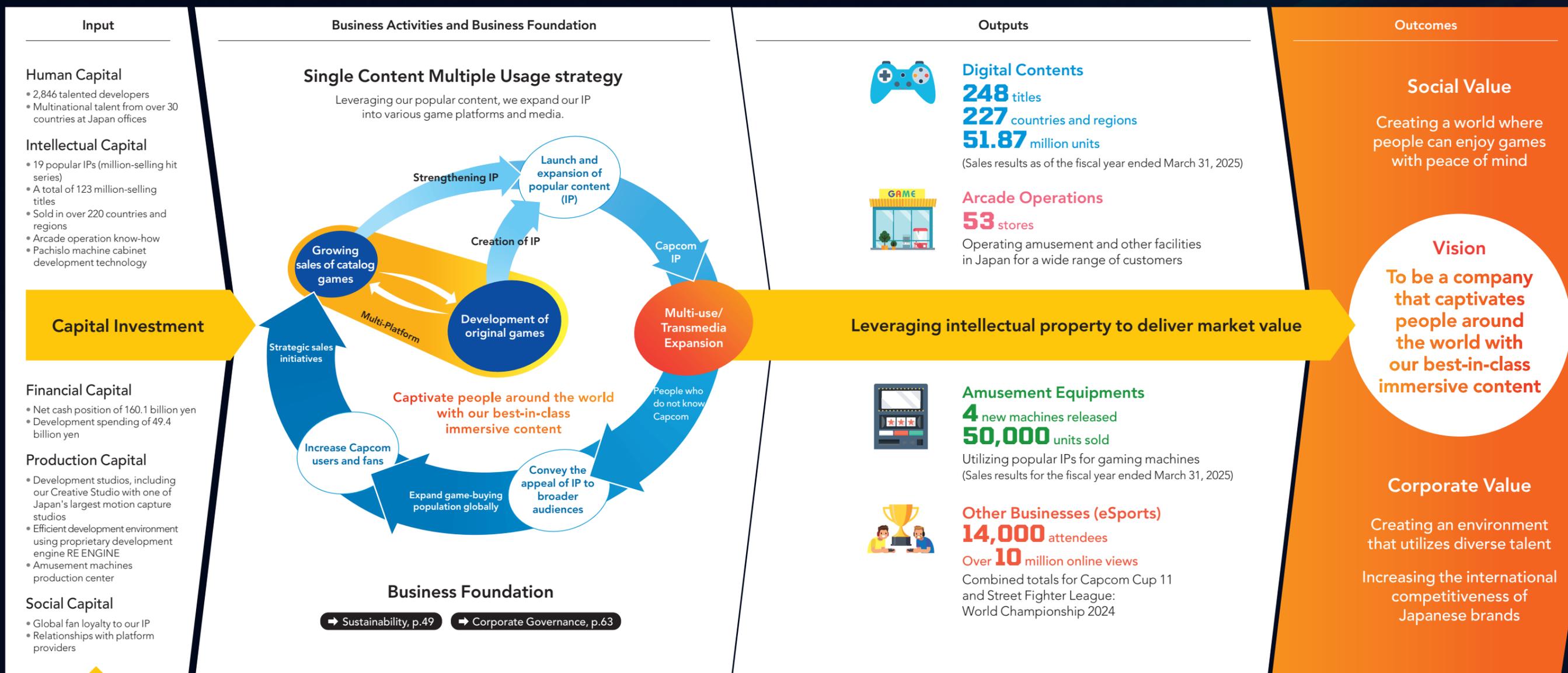
Above, I discussed the elements necessary for sustained improvement in corporate value over the next decade. As an executive manager who has led the game industry for many years, I will continue to aim to unlock greater growth for the Group and meet the expectations of shareholders, investors, and stakeholders by boosting our market capitalization.

Kenzo Tsujimoto
Chairman and Chief Executive Officer (CEO)

Leveraging our world-class development capabilities, we are working to resolve social issues through our business activities

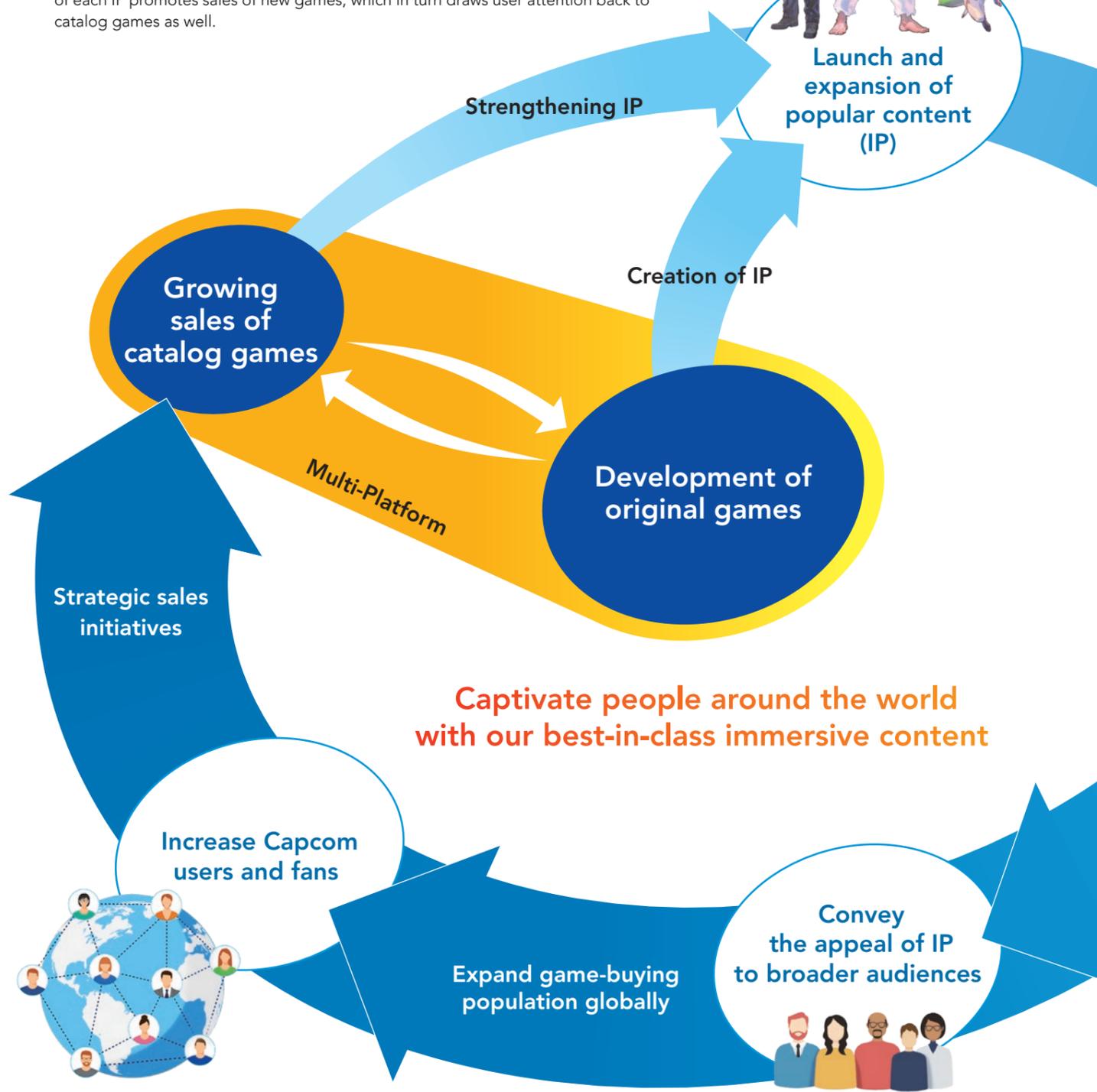
Guided by our Management Philosophy, we are actively working to resolve social issues by utilizing our accumulated capital and unique business model to create best-in-class content through our business activities and bring happiness to people around the world.

Management Philosophy | Creator of entertainment culture who aims to develop software | content that excites and stimulates the senses



A business model that aims to maximize IP value

As we utilize our popular proprietary content for multiple game platforms, we are also actively turning it into movies, theater productions, and other non-game media. This Single Content Multiple Usage strategy allows us to enjoy multi-level profitability. Moreover, we have created a cycle whereby increasing the brand power of each IP promotes sales of new games, which in turn draws user attention back to catalog games as well.



Capcom IP

Multi-use/ Transmedia Expansion

- Video Media
- Events
- Esports
- Books
- In-game collaboration with other companies
- Gaming Machines
- Character Merchandising
- Amusement Facilities
- Mobile License

Monster Hunter series

Example of Single Content Multiple Usage

People who do not know Capcom

- Amusement facilities (Café collaboration)
- Amusement facilities (Capcom Connect Space)
- Video streaming
- Hollywood movies
- Mobile game titles Monster Hunter Now
- Expo 2025, Osaka, Kansai, Japan Monster Hunter Bridge
- Smart Slot Monster Hunter Rise
- Merchandise
- Apparel line AND CHIPS

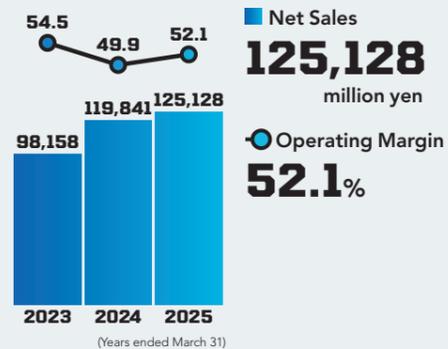
Creating value with four core businesses

Business Overview

Digital Contents

This business develops and sells digital game content for consumer home video game and PC platforms. It also develops, manages, and licenses its IP out for Mobile Contents. Using our world-class development environment, we deliver high-quality content digitally to more than 220 countries and regions, resulting in long-term and continuous sales that underpin our robust profitability.

Net Sales / Operating Margins



Strengths

- ◆ World-class development and technological capabilities
- ◆ Own many original popular titles (IP)
- ◆ Expanding markets via increased global reach
- ◆ RE ENGINE, our proprietary engine that supports the ongoing evolution of development processes and efficiency improvements.

Non-Financial Capital

Human Capital

- ◆ Workforce of about 2,800 in-house developers, one of the largest in the country
- ◆ Utilization of in-house department specializing in marketing and data analysis

Intellectual Capital

- ◆ Own many original popular titles (IP)
- ◆ Global sales database
- ◆ Patents for games
- ◆ User trust in the Capcom brand

Production Capital

- ◆ Global penetration of digital storefronts on game consoles, smartphones, and PCs

Social Capital

- ◆ Partnerships with developers in Japan and other countries
- ◆ Partnerships with mobile online game companies

Topics



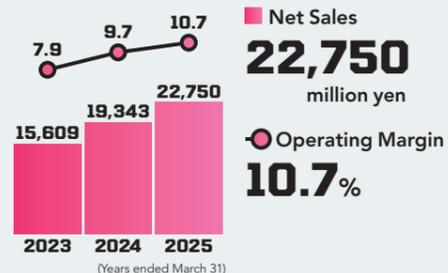
Monster Hunter Wilds



Kunitsu-Gami: Path of the Goddess

Arcade Operations

We operate amusement facilities, primarily Plaza Capcom arcades, in Japan. We mainly open arcades in large commercial complexes, and in recent years have also expanded into new store formats such as cafés and merchandising. By holding events and other activities, we aim to maximize the appeal of our brick-and-mortar stores and create synergies with our other businesses.



- ◆ Specialize in opening stores in large commercial complexes to secure a stable customer base
- ◆ Thorough scrap-and-build strategy focused on investment efficiency to ensure sustainable earnings
- ◆ Access to broad revenue streams through diversified store formats

Human Capital

- ◆ Internal store management staff
- ◆ Part-time workers hired locally

Intellectual Capital

- ◆ Store management know-how cultivated over 40 years
- ◆ Intellectual properties (characters and worlds) that can be rolled out in food, drinks and prizes
- ◆ Services utilizing virtual reality (VR) Technology

Production Capital

- ◆ High foot traffic of large shopping centers
- ◆ Developers that design and construct facilities

Social Capital

- ◆ Our relationships with local residents
- ◆ Arcade game makers around the world



Capsule Lab Kobe Nankin-machi

Amusement Equipments

This business utilizes the content from our home video games. We focus primarily on the development, manufacture and sales of software, frames and LCD devices for gaming machines.



- ◆ High caliber development capabilities cultivated through home video games
- ◆ Leveraging of rich in-house contents
- ◆ Diversified sales channels

Human Capital

- ◆ Internal developers in charge of planning and development

Intellectual Capital

- ◆ Own many original popular titles (IP)
- ◆ Development technology compliant with pachislo certification rules

Production Capital

- ◆ Manufacturing plant for machines
- ◆ Pachinko/pachislo parlors and video game arcades throughout Japan
- ◆ Domestic sales channels including e-commerce website

Social Capital

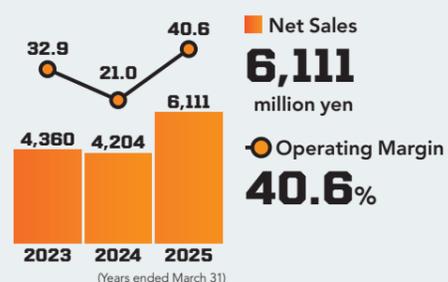
- ◆ Cooperation with major specialist companies
- ◆ Administrative organ related to pachislo machine permits and licenses



Smart Slot Monster Hunter Rise

Other Businesses

Based on our Single Content Multiple Usage strategy of leveraging game IP across different media, we pursue a variety of licensing business opportunities. In addition to adapting game content into movies, animated television programs, music CDs, character merchandise and other products as part of our licensing business, we are also devoting resources to our esports business.



- ◆ Synergetic effect from multifaceted use of rich contents
- ◆ Brand value increased through high exposure across various mediums
- ◆ High profitability of character content

Human Capital

- ◆ Planners skilled at content development
- ◆ Legal staff in charge of alliance agreements and other arrangements
- ◆ Talent from our own production company located in Hollywood
- ◆ Organizers of esports events

Intellectual Capital

- ◆ Own many original popular titles (IP)
- ◆ Brand business (strategy for maximizing value of intellectual properties)
- ◆ Experience with running esports events

Production Capital

- ◆ Legal framework related to intellectual properties in Japan and other countries
- ◆ Collaboration partners and manufacturing companies for character merchandise
- ◆ Global video platforms

Social Capital

- ◆ Event organizers that engage in joint planning
- ◆ Relationship with movie studios, including those in Hollywood
- ◆ Relationship with pro-gamers and fans
- ◆ Relationship with local governments



Capcom Cup 11



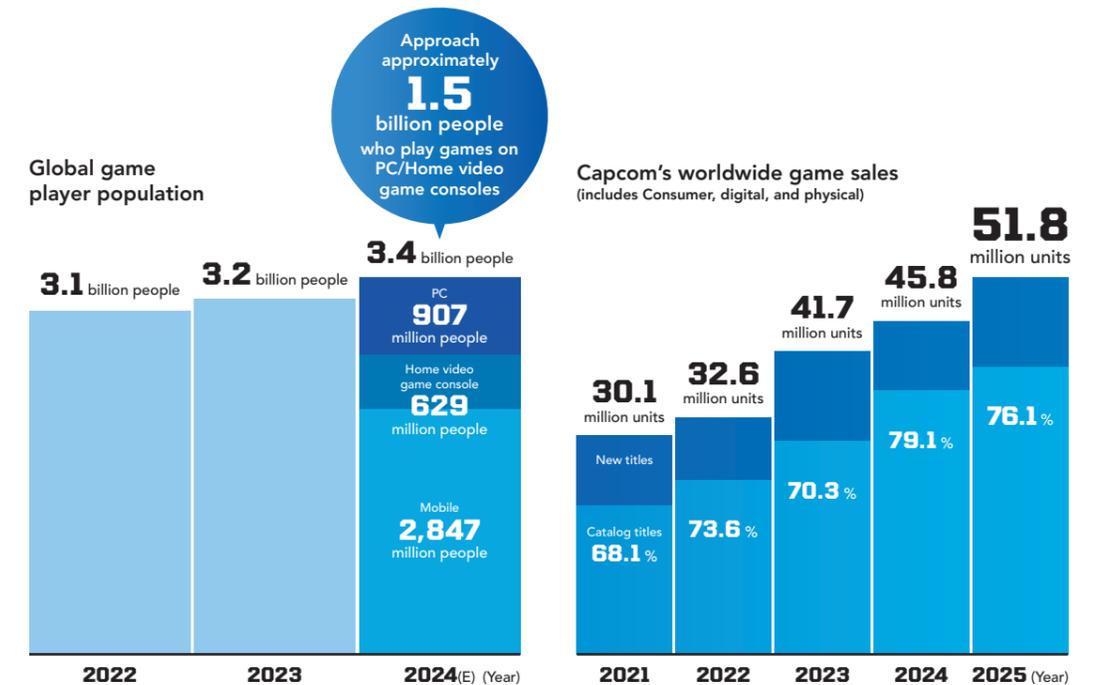
Haruhiro Tsujimoto
President and Chief Operating Officer (COO)

Sustaining our digital strategy and aiming for annual software sales of 100 million units as we grow the Capcom fanbase

As of the fiscal year ended March 31, 2025, the Capcom Group achieved our 12th consecutive year of increased operating profit and 10th consecutive year of double-digit operating profit growth. Our sales volume also reached a record high of 51.87 million units. This has positioned us for a strong start heading into the next 10 years. I would like to express my sincere gratitude to all our stakeholders for their support.

Since the mid-2010s, Capcom has focused on our Digital Strategy with the aim of expanding globally and establishing stable revenue streams. In the past, traditional sales of physical discs presented numerous challenges, including limits to the amount of retail shelf-space we could secure, control over

pricing, and anti-piracy measures. However, the shift to digital sales has enabled us to expand into over 220 countries and regions, with a revenue structure that is not reliant on new releases but rather has been centered on catalog title sales. To achieve sustainable growth, it is essential that we strengthen not only our development capabilities but also our sales and marketing systems. By consistently producing world-class content and increasing brand recognition, we are now one step closer to achieving our long-term goal of annual software sales of 100 million units. This initiative is in line with our corporate philosophy, which is that we are “creator of entertainment culture that excite people and stimulates their senses.”



*Due to overlap between segments, the segment total exceeds the total market.
*E: Estimated
*Source: Newzoo Global Games Market Report, May 2025

*Each fiscal year ended March 31

1 Our Measures Thus Far

– Grow markets globally with digitalization –

Changing market landscape

In the era when disc sales were the mainstream, the major developed countries in Europe and North America were the focal point of the game market, where game content was mainly enjoyed on dedicated home consoles. Afterwards, the evolution of game consoles and the spread of the Internet have made it possible to play online and cooperatively with others over long distances, as well as to sell game content digitally through downloads. As a result, game content can be sold over the long term even if it has been on the market for many years, without being affected by retail store operating hours or sales floor space. This has also made it possible for game publishers to take the initiative in developing flexible pricing policies.

Strengthening our multi-platform strategy and tapping into demand from PC platforms

Within our Digital Strategy, we have also focused on expanding our support for the PC platform. Since development for dedicated game consoles tends to be limited to major developed countries with well-established infrastructure, we have determined that in order to reach more users, we must actively release content on the PC platform, which allows us to also

appeal to developing and emerging markets. By focusing on the PC, we now sell our products in over 220 countries and regions, far exceeding the market for traditional consoles. Currently, the ratio of PC units in our software sales is growing, primarily in emerging countries, reaching a level of over 50% in the fiscal year ended March 31, 2025. Yet, we analyze that there is still room for further growth.

Recently, in appealing to different user demographics in each region, and the various platforms therein, including PC, we have seen that the level of quality being demanded is increasing as technology evolves, and have once again been reminded of the challenge of consistently providing a high-quality entertainment experience to a wide breadth of users.

Within such circumstances, we have strived to listen to the voices of our users and emphasized content creation that reflects their needs. Going forward, we will further strengthen our approach and continue working to provide a higher-quality and more consistent gaming experience for more users, while also strengthening our entire organization, including reviewing our development system.

Data-driven pricing strategy

The digitalization of game sales has made it possible for publishers to lead the way in pricing strategies. We transitioned to digital sales early on and have accumulated extensive data, including by country, price, and sales volume. We have aggregated this data and are now utilizing it in our marketing strategies. Our basic pricing strategy is to sell games for approximately 60 to 70 US dollars when new, and then gradually lower the price according to market value, ultimately down to 10 or even 5 US dollars. The goal is to maximize sales and profits over a five-year period, rather than a single fiscal year. We are typically able to recover development costs within a period of one to two years, contributing to the bottom line even after price reductions. Furthermore, by coordinating price reductions with new title announcements, we can attract new fans and create a virtuous cycle linked to the next title release. A good example is *Monster Hunter: World*. We lowered the price to 9.99 US dollars in conjunction with the announcement of *Monster Hunter Wilds* in the fiscal year ended March 31, 2024. To date, *Monster Hunter: World* has sold more than 28 million units.*

* Including *Monster Hunter World: Iceborne Master Edition*

By selling high-quality titles over a long period of time, catalog titles have come to account for more than 70% of our annual unit sales, making a significant contribution to earnings in our Digital Contents business. This was a major factor in Capcom's ability to establish a stable profit structure over the last 10 years.

Comparing our sales territory now with 2020, there are countries and regions where annual sales are gradually shifting from less than 100 units annually to more than 100, more than 1,000 more than 100,000, and even more than 1 million units. Indicative of this, as income levels rise due to economic growth in each country and region, we are seeing greater growth of our markets.

Needless to say, there are two factors behind the growth that makes it possible to sell globally over the long term: (1) From the time the company was established with our main business being arcade game circuit boards, Capcom had already started expanding throughout the world, giving us a brand status, and (2) due to the efforts of our development team, Capcom has the technical and developmental abilities to regularly produce high-quality titles.

Maximizing initial sales of new titles

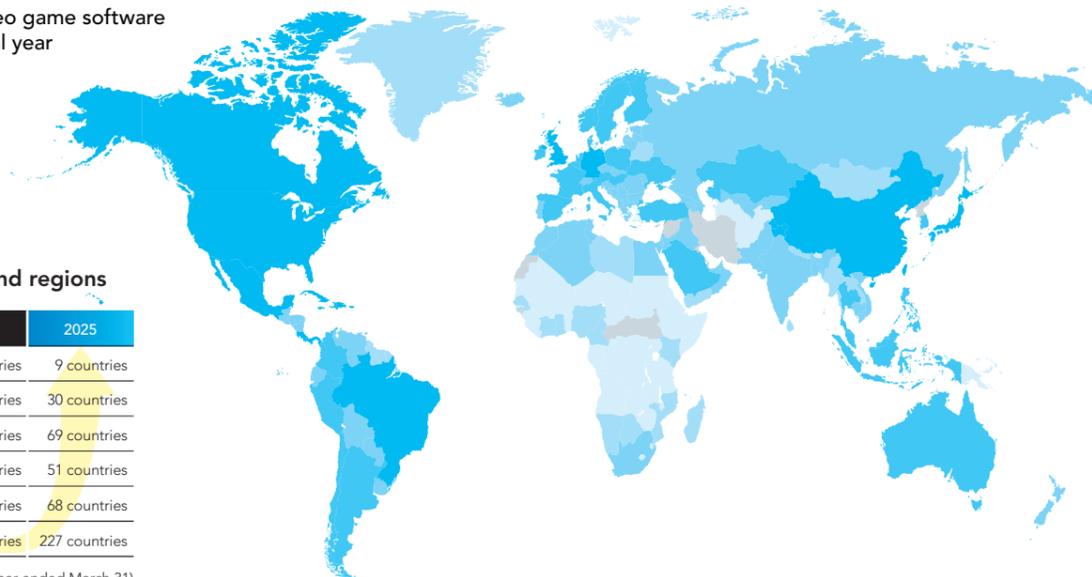
To what extent we increase initial sales will be important in unlocking greater growth. Analysis of sales trends for catalog titles has revealed that the stronger the initial sales, the more robust long-term sales can be, contributing to increased cumulative sales overall. Going forward, we will clearly focus on strengthening initial sales and step up our efforts to improve brand recognition. This will include expanding pre-release promotions and offering past titles globally. Through these measures, we aim to further improve sales performance.

Unit sales of home video game software by country for the fiscal year ended March 2025

248 titles in **227** countries and regions

	2021	2025
1,000,000+	4 countries	9 countries
100,000+	16 countries	30 countries
1,000+	62 countries	69 countries
100+	44 countries	51 countries
Less than 100	88 countries	68 countries
Total	214 countries	227 countries

(Fiscal year ended March 31)



Sales by region

(thousand units)

	2023		2024		2025	
	Sales	Share	Sales	Share	Sales	Share
Total	41,700		45,893		51,876	
N. America	12,600	30.2%	13,900	30.3%	15,450	29.8%
Asia	7,700	18.5%	9,100	19.8%	11,200	21.6%
Europe	8,000	19.2%	9,500	20.7%	9,640	18.6%
Japan	8,200	19.7%	7,790	17.0%	8,389	16.2%
Cen./South America	4,200	10.1%	4,450	9.7%	5,030	9.7%
M. East	340	0.8%	400	0.9%	1,410	2.7%
Oceania	600	1.4%	650	1.4%	760	1.5%
Africa	60	0.1%	80	0.2%	80	0.2%

*Each fiscal year ended March 31

2 Looking at the Next 10 Years – Accelerate sustainable growth with better marketing –

I would like to explain specifically from my perspective as COO the key policies for the next decade as discussed by the CEO.

According to third-party market data, there are approximately 3.4 billion game users worldwide, most of whom are mobile device users. The number of PC and home console users, which are our primary target, is estimated to be around 1.5 billion.

Our software sales volume for the fiscal year ended March 31, 2025 was 51.87 million units. Thus, we believe there is still significant room for growth given the size of the market. To achieve annual sales of 100 million units, it is essential to further expand sales and strengthen our development system to enhance our pipeline of new titles. In addition, we will work to increase brand awareness through enhanced pre-release promotions and other measures to boost initial sales of new titles.

Improved marketing by incorporating local characteristics

We have been using our aggregated sales data in our marketing strategy, but we need to improve the accuracy of this approach. By targeting users with information on our latest titles or updates on catalog title prices based on their purchase trends, it will be possible to conduct promotions that appeal to users

even more. However, it is not easy to accumulate detailed data linked to individuals. In addition, the laws and regulations of each country regarding the protection of personal information and the protection of minors must be carefully observed.

In this context, we will continue to accumulate and analyze data on user purchase and play trends by using the CAPCOM ID, which is an account that can be used across our games and services, as well as by using systems to acquire game play data from within games.

We are focusing particularly on the Global South, comprised of emerging countries, including India, as potential growth areas. As part of this focus, we dispatched an internal research team to India in the fall of 2023, and to Brazil, Indonesia, and Thailand in 2024. We also dispatched a team to the Middle East in 2025.

By visiting these countries and seeing firsthand how Capcom games are being received and played, we have been able to determine the measures we need to take now, and steadily advance our strategies for brand building and market formation over the next five years.

With this in mind, we will identify the traits of each country and region, work to expand brand awareness in conjunction with pricing measures, and strengthen our marketing system, including at our overseas subsidiaries. In fact, in emerging countries,

lower-priced catalog titles sell better than high-priced new releases, and by analyzing purchase timing, we will develop optimal measures for each region and use this to tap into new markets.

Increased penetration of the Capcom brand using movies

Video content that conveys the world of a game in a short period of time is a powerful tool for increasing Capcom's brand recognition among people who have never played video games or have never played Capcom's titles. This is evident in the past Hollywood movie adaptations of *Resident Evil* and other titles.

In addition to utilizing existing movies based on our games, we are also moving forward with the production of a new live-action *Street Fighter* movie and TV series, as well as several other projects that are under consideration. As an upfront investment to expand game content worldwide, we will aggressively pursue our movie strategy, not only with theatrical releases, but also through video distribution services and other means.

In April 2025, the anime version of *Devil May Cry* began streaming as a Netflix original series. In conjunction with this, we priced *Devil May Cry 5* for 7.99 US dollars, leading to sales of over one million units in a month. While we have held discount sales to coincide with the release of movie content before, the response this time was so large that it really brought home the close affinity between video games and movies.

Capcom has been promoting the digital shift

since the mid-2010s. We possess data on the number of users and regional distribution of each title, which we believe will enable efficient promotion through collaboration with streaming and movie production companies, contributing to the business success of both. As such, we will continue actively exploring collaboration possibilities to further enhance synergies.

Increased penetration of the Capcom brand through business deals and sponsorships

In terms of mobile content, *Monster Hunter Now*, which we have licensed out, launched in September 2023. This title is developed and operated by an external partner with strengths in location information and AR technology. By allowing players to easily enjoy *Monster Hunter* as a mobile game, we are further increasing brand awareness globally. We will continue to expand our efforts to raise brand awareness by licensing IP to other companies. One such example is *Monster Hunter Outlanders*, which was announced in 2024.

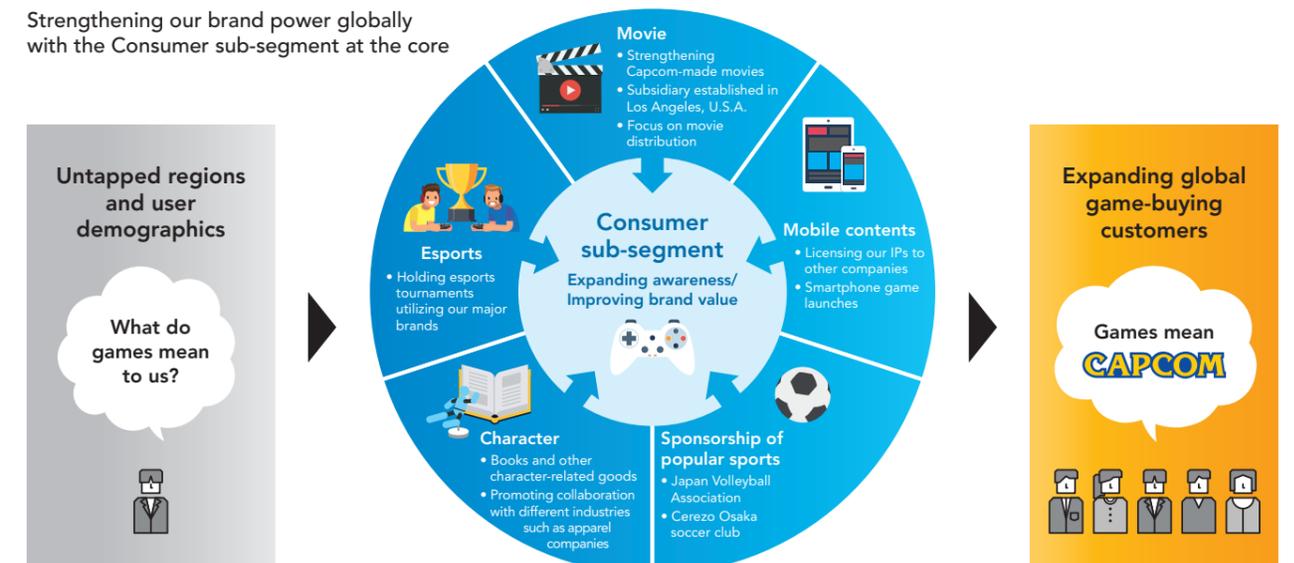
The Arcade Operations and Amusement Equipments businesses are each expanding their revenues and contributing to the expansion of our game brands in Japan. The Arcade Operations business is a valuable contact point between Capcom and users, including general consumers, and also provides synergies with the Consumer business sub-segment by acting as a physical venue for game demo events and other activities. The Amusement Equipments business is also expanding its user base

Unlocking long-term sales of high-quality titles

	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	Cumulative unit sales*	2026/3 (Plan)
<i>Resident Evil 7 biohazard</i>	350	160	120	100	150	180	120	130	130	1,470	Continue to contribute as catalog titles
<i>Monster Hunter: World</i> *		790	450	450	230	170	140	280	310	2,850	
<i>Resident Evil 2</i>			420	240	160	140	220	200	140	1,540	
<i>Monster Hunter World: Iceborne</i>				520	240	140	100	230	260	1,520	
<i>Resident Evil 3</i>					390	110	190	170	110	990	
<i>Monster Hunter Rise</i>					480	410	370	190	240	1,710	
<i>Resident Evil Village</i>						610	180	180	150	1,130	
<i>Monster Hunter Rise: Sunbreak</i>							540	220	210	980	
<i>Resident Evil 4</i>							370	330	270	990	
<i>Street Fighter 6</i>								330	130	460	
<i>Dragon's Dogma 2</i>								260	100	370	
<i>Monster Hunter Wilds</i>									1,010	1,010	

*Sales numbers rounded down to 10 thousand units. *As of March 31, 2025. *Includes sales of *Monster Hunter World: Iceborne* Master Edition.

Strengthening our brand power globally with the Consumer sub-segment at the core



and functions as a good match between game content and pachislo machines.

Operating profit has reached a new record high in our licensing business thanks to an increase in collaborative products that coincide with the release of new titles and collaborations where Capcom characters appear in other companies' games. Currently our licensing business is conducted mainly in Japan and the Asian region, but we are moving forward with measures to strengthen the business with global expansion in mind.

In the eSports business, we have been holding the CAPCOM Pro Tour in up to 160 countries and regions since 2014. More recently, the CAPCOM Pro Tour 2024 featuring *Street Fighter 6* was held around the world starting in June 2024. In March 2025, Capcom Cup 11 and Street Fighter League: World Championship 2024 were held for the first time in Japan at the Ryogoku Kokugikan Arena. The event garnered a solid response with a total of 14,000 attendees and over 10 million online views. Further, in summer 2025, the eSports World Cup was held and by building cooperative relationships with each tournament, including the CAPCOM Pro Tour 2025, we will increase awareness of *Street Fighter 6* and accelerate its growth in the global market.

In order to encourage more people around the world to become Capcom fans and users, it is essential to further expand and increase penetration of our corporate and content brands. To this end, we are also engaging in social contribution activities for local communities, culture, and technologies. These include sponsorship of the Japan Volleyball

Association and the soccer club Cerezo Osaka, which were first announced in May 2022, as well as sponsorship of the Tokyo International Film Festival, an exhibition showcasing our game development process titled *Capcom Creation – Moving Hearts Across the Globe*, which has been well-received since its start in March 2025, and the exhibition of an interactive attraction titled *Monster Hunter Bridge* at Expo 2025 Osaka, Kansai, Japan.

Strengthening development capabilities to consistently produce world-class content

At Capcom, we aim to sustain our KPI of 10% or better annual operating profit growth along with our long-term goal of annual software sales of 100 million units. To improve our chance of success, we are working to resolve business challenges, issue by issue. Our efforts are focused on core IP such as the *Resident Evil*, *Monster Hunter*, and *Street Fighter* franchises, and mapping out mainline series entries and sequels, remakes, new IP, and ports of content to the latest hardware. We consistently release two to three major new titles each year, but recognize the need to grow our pipeline going forward.

Capcom owns a wealth of globally popular brands, such as *Mega Man*, *Devil May Cry*, and *Ace Attorney*. We aim to expand our user base and improve our performance through new releases, remakes, and ports of titles in these series to new hardware. By enhancing brand power and cultivating loyal fan bases, we will grow these into core IPs.

The people developing this content are our

world-class in-house creators. For the past three years, we have made strengthening our human capital a management priority, and to this end, have been training and recruiting personnel to expand our development structure. Previously, we consolidated our game development in Osaka to promote efficiency, however, to further strengthen its structure, we are currently constructing a new development facility next to our head office, slated for completion in 2027. We have also acquired nearby land, with future expansion in mind. In addition, RE ENGINE, which supports our development capabilities, was developed in-house and is continually updated to keep up with new technologies and improve work efficiency.

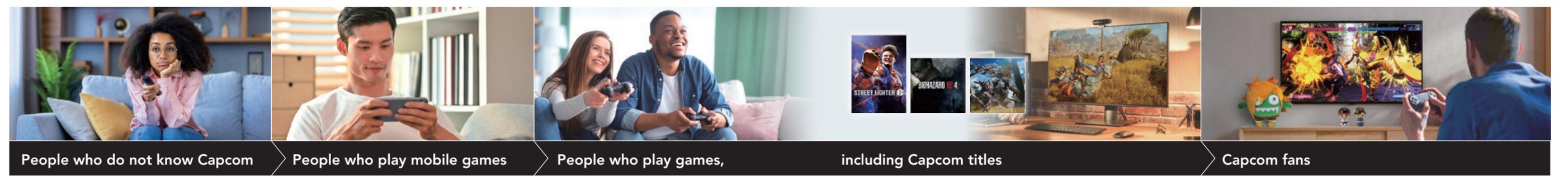
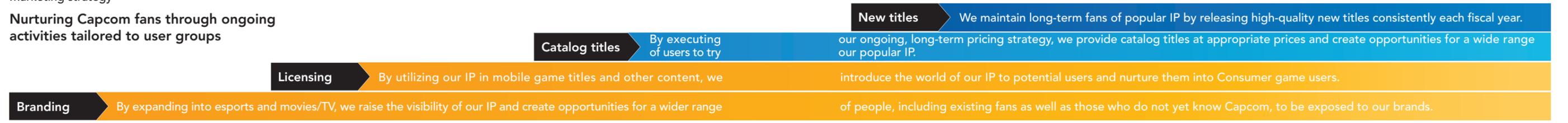
The game business is likely to change even further in the future with the emergence of new technologies such as AI. We were quick to provide support for VR and cross-play, and we continue to push forward with our multi-platform strategy, such as by releasing titles for the new Nintendo Switch 2 on the first day of its release in June 2025, and will continue to explore new fields while conducting technical verification. The key is to use new technologies to provide users with a new gaming experience. Even cutting-edge innovations are meaningless if the game is not interesting.

Finally, I would like to emphasize that even if the form of our business changes, our top priority will remain refining our world-class content. If our salespeople are properly communicating this, then consumers will always choose our products, even if the platforms or services change. Conversely, if our

content or services are deficient, even if we are able to ride the transient wave of a trend, growth will not be sustainable. We are convinced of this based on our experience standing at the forefront of the industry.

Marketing strategy

Nurturing Capcom fans through ongoing activities tailored to user groups

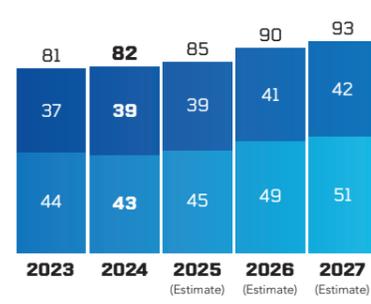


People who do not know Capcom | People who play mobile games | People who play games, including Capcom titles | Capcom fans

Market Analysis

Consumer Market (Console + PC)

Market Size (billion U.S. dollars)



*Source: Newzoo Global Games Market Report, May 2025

Market Trends

The consumer (console + PC) market in 2024 increased year on year to 82.4 billion dollars (0.66% increase), remaining at the same level as 2023. While the console market is in a transitional period ahead of the release of new hardware, causing growth to slow overall, the PC market continues to grow and maintains stable demand. The PC platform accounts for 47% of the total market, making it a significant component.

In 2025, the overall consumer market is expected to grow to 85.8 billion dollars, driven by the launch of new hardware in the console market and a strong performance in the PC market. In the medium term, the spread of cloud gaming and subscription-based services, as well as an expansion of the user base in emerging regions, are expected to drive growth, leading to stable market expansion.

Major opportunities

- Creation of highly competitive products using new technology
- More channels for product distribution with the appearance of new platforms
- Diversification of supply channels through technological innovation
- Expanded number of sales regions and greater adoption using digital technology
- Market expansion driven by economic growth in emerging and developing countries
- Achievement of extended product life cycles through digital sales
- Reduction of the used market due to penetration of digital sales

Major risks

- ◆ Rising development costs with the emergence of new technologies and improvements in hardware capabilities
- ◆ Development schedule delays
- ◆ Dependence on popular series and shortage of hit titles
- ◆ Declining IP value due to brand saturation in long-running series
- ◆ Platform adoption trends
- ◆ Changes in user purchasing behavior with the next generation of platforms
- ◆ Risks in overseas markets due to a country's politics, culture, or religion
- ◆ Rising societal concerns about in-game purchasing systems
- ◆ Information leakage risk
- ◆ Concerns about copyright infringement and damage to brand value due to the spread of AI

Game Industry Characteristics

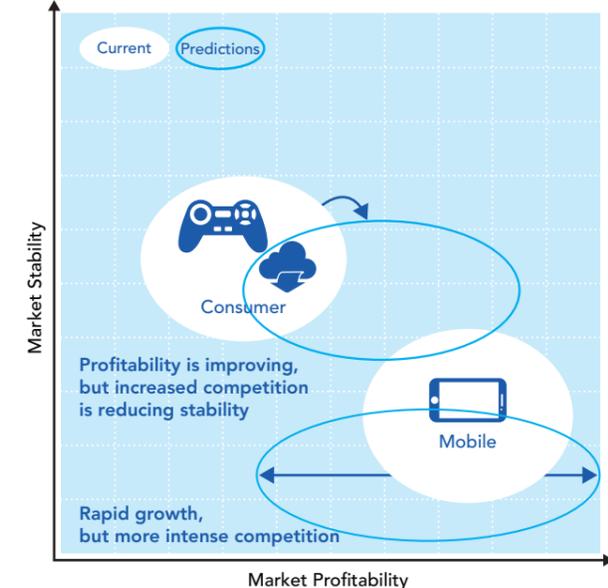
Consumer Market Characteristics (Console + PC)

Console and digital download contents are an 82.4-billion-dollar market, forecast to grow to 93.7 billion dollars by 2027. The customer base is primarily composed of core users who are loyal to game titles. They are seen as having relatively high willingness to purchase sequels and remakes along with low sensitivity to price and economic conditions. In recent years, with the spread of PCs as a game platform and the standardization of digital software sales over the Internet, market growth is expected in Asia and emerging regions. Hereafter, we expect the market to grow at a faster pace with the capture of the casual user segment, which has high sensitivity to price conditions, as well as new users. This will result from expansion of online gaming on consoles, primarily in North America, and diversification of console game distribution models. On the other hand, as barriers to entry fall, the stability of the industry as a whole may be shaken.

Mobile Market Characteristics

This is a 100.3-billion-dollar market, forecast to continue growing to 107.7 billion dollars by 2027. The customer base is primarily composed of casual users, many of whom play games in their spare time, thus they demonstrate the lowest loyalty toward game titles. In contrast to core users, they have a limited willingness to purchase games and have the highest sensitivity to price and economic conditions. Although this is the most profitable market, only a limited number of titles are able to generate stable earnings over the long term even if they become hits. This makes brand establishment a challenge. Furthermore, changes in the regulatory environment are contributing to market uncertainty. However, with advancements in communication technology and device performance driven by next-generation communication standards, we expect smartphones will continue to drive rapid growth as the most pervasive game device.

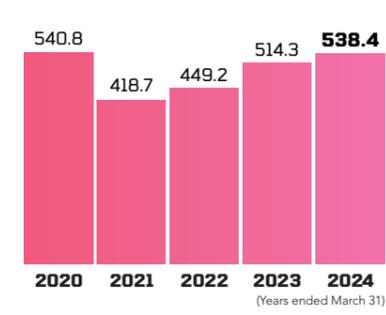
Characteristics of Each Market



Source: Created by Capcom based on data from the Newzoo Global Games Market Report, May 2025.

Arcade Operations Market

Market Size (billion yen)



* Source: JAMMA Survey on the Amusement Industry

Market Trends

The domestic arcade facilities market in the previous fiscal year (ended March 31, 2024) was valued at 538.4 billion yen (a 4.7% increase from the previous fiscal year). With COVID-19 being reclassified as a Class 5 infectious disease (the same category as seasonal flu) by the Japanese government, economic activity has returned to normal, showing signs of recovery to pre-pandemic levels. In the fiscal year under review (ended March 31, 2025), the use of prize games has increased amid increased inbound tourism and the popularity of oshikatsu prizes, which allow players to support their favorite entertainers and characters with merchandise. Looking ahead to the next fiscal year (ending March 31, 2026), we expect demand in the market to remain high if crane games continue to grow and inbound tourism remains strong.

Major opportunities

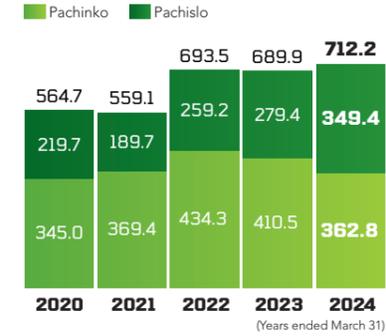
- Acquisition of new customers through multifaceted roll-out of stores including themed venues, merchandise specialty stores, VR experiences, etc.
- Increased awareness with new business formats and new technologies

Major risk

- ◆ Popularity of machines
- ◆ Changes to the market environment due to the diversification of leisure activities and declining birthrate

Gaming Machines Markets

Market Size (billion yen)



* Source: Manufacturer sales base compiled by Capcom using Pachinko Maker Trends (2024); Yano Research Institute Ltd.

Market Trends

In the previous fiscal year (ended March 31, 2024), gaming machines markets experienced a turnaround, growing year on year to 712.2 billion yen. The pachinko machine market fell below the previous year's level for the second consecutive year, and while the situation remains severe due to increased demand for pachislo machines, improvements in ball output performance and gameplay brought about by smart pachinko are expected to be the starting point for market expansion.

The pachislo market is recovering rapidly with the introduction of Smart Pachislo (Smart Slot) in fiscal 2022. Supported by the arrival of the 6.5 version pachislo machines, there has been an exodus of customers from pachinko to pachislo. Operators are stepping up investment in pachislo, with the trend toward increased machine numbers becoming evident in fiscal 2023. Investment focused on Smart Slot machines is expected to continue, but Smart Pachinko may also become popular depending on new models, and the spread of smart gaming machines could accelerate this market trend.

Major opportunities

- Expanded sales volume by responding to regulations appropriately
- Development of machines using popular IPs created for home video games

Major risk

- ◆ Non-compliance with model testing of pachislo machines