

Promoting the Visibility and Systematization of Management and Operations to Establish a Governance Structure Able to Respond to Sudden Changes in the Management Environment

As sudden changes in the global environment surrounding the game industry give rise to both risks and opportunities, corporate governance is more important than ever. Capcom Chairman and CEO Kenzo Tsujimoto and External Director Hiroshi Yasuda discuss the kind of governance structure the company should adopt to achieve further growth.



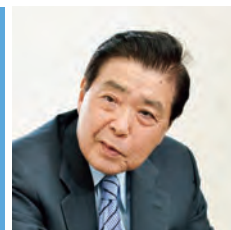
Kenzo
Tsujimoto

Chairman and
Chief Executive Officer (CEO)
Capcom Co., Ltd.

Conversation

Hiroshi
Yasuda

External Director,
Capcom Co., Ltd.



Thorough Management Transparency as a Public Presence

Yasuda It has been six years since I was first appointed as an external director. When first I accepted your request, I remember being a bit unsure about whether I was a good fit or not, since I had only ever worked in government institutions.

Tsujimoto Well, I always appreciate your pertinent advice at board meetings. It is reassuring to have someone like yourself from the top-levels of administration to provide a broader perspective of Capcom.

Yasuda You founded and built Capcom into what it is today in one generation, so before I was appointed, I wondered if this was a company run by authoritarian management, but in fact you are extremely focused on corporate governance and compliance. Capcom was one of the first companies in the game industry to introduce an external director system. This is not just for show; rather, we are provided with highly objective information immediately that enables us to fulfill our role as external directors.

Tsujimoto I built this company so I can do whatever I like—that is not the way I think. When I created Capcom, I had neither people nor money and I worked extremely hard, but today, on a consolidated basis, Capcom employs nearly 3,000 people, has net sales of 100 billion yen and is supported by over 20,000 shareholders. We're not yet a huge corporation, but as a publicly traded company, Capcom does not belong to management only. For this reason, to meet our responsibility to all our stakeholders, the challenge is how best to put people and capital to work. Management transparency facilitating a shared awareness of the company's current situation among all employees throughout the organization is vitally important. This is why we introduced an external director system and promote the "visibility" and systematization of management.

Yasuda With respect to the numbers in particular, Capcom makes a thorough effort. Movement in the game industry is intensifying, and although there are some technical issues that are difficult to understand,

the points in the materials distributed at board meetings are very well organized, enabling the management situation to be understood just by looking at the numbers. I am always impressed by how well this system was created.

Tsujimoto The problem with governance is, if a mistake or error occurs, there is a tendency to cover it up since no one is looking. Creating a highly transparent structure can prevent this situation. Of course, nothing obvious should ever be neglected, so I think we need to be aggressive about what you and the other external directors point out, namely, "what is going on here? And will it be a problem if we ignore it?"



Focusing Efforts on the Creation of Operational Systems

Tsujimoto Defensive tactics, such as visibility, transparency of management and prevention of governance problems are important for corporate growth, but so are offensive tactics. Decisive strategy alone does not guarantee a company's success. We are developing business in a world that is constantly changing and evolving, so no matter how carefully we formulate strategy, things don't always go according to plans. Management transparency is necessary to identify problems and their causes and quickly deal with them. I think ongoing analysis as a member of senior management is linked to corporate growth.

Yasuda Projects that do not proceed according to plans are a kind of new challenge, then? You often say "the landscape changes", and I think the game industry at present, including the rapid expansion of the online market, is in the vortex of a major upheaval on a global scale. This vortex is not limited to traditional developed countries like Japan, the United States and Europe, it is spreading globally. To ride out these turbulent times, I think we need more investment in development than ever before. In the online market, where success or failure is obvious and immediate, it is possible for a split-second decision to decide one's fate entirely. As the opportunities get bigger and bigger, so do the risks.

Tsujimoto As you say, risk and opportunity are two sides of the same coin. As for the environment surrounding the game industry, I expect the dramatic changes to continue. Only companies with solid "management and operational capabilities" able to respond to these changes will survive. With regard to "management", Capcom has spent five years creating a highly perfected system. In terms of issues going forward, we will enhance this system from an operational standpoint. Under our present system, even if we determine an outcome, we have

no process for arriving at that outcome. I feel there is still a lot of waste in the "actual process" with respect to employee utilization. I want to promote the creation of a mechanism that makes the status of individual progress visible from the perspective of both manufacturing and sales operations.

Aiming to Create Governance Appropriate for a Global Corporation

Yasuda With advances in technology and the increasingly global nature of Capcom's business development, I think intellectual property rights management is an important issue.

Tsujimoto You are absolutely correct. For nearly 20 years, I have served as director of The Association of Copyright for Computer Software (ACCS), and from now, protecting intellectual property rights will become more important than ever in the game industry. Piracy in Asia is rampant, and if we just stand by and do nothing, primary game development will be a challenge because creative people will not want to get involved. In Japan, there are a large number of talented young people able to create highly original content. By protecting intellectual property rights, we are creating an overall industry environment that enables them to make the most of their talent. It is also necessary if Japanese game companies intend to do battle on the world stage.

Yasuda It appears that Japan is finally coming out of a long period of economic deflation and is on track toward recovery. Game industry development capabilities involve the most advanced technologies in the world, and Capcom, as a representative of Japan, is doing its part to promote the government's proposed "Japan Growth Strategy", isn't that right?

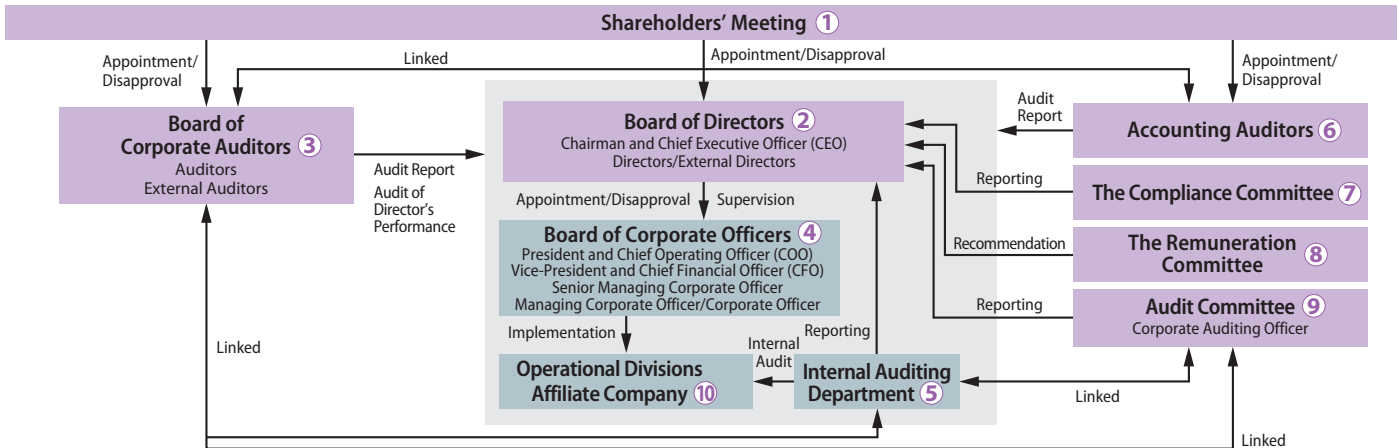
Tsujimoto I think the economic recovery is wind in Capcom's sails.

Compared to when I established the company, the technological progress of home video games is really eye-opening; the development process and expenses have risen exponentially. Furthermore, rapid growth in the online and mobile markets has ushered in an era of great transformation in the markets where Capcom does business. In this new era, game configurations and user needs will certainly continue to change. At one time, clothing, food and shelter represented the majority of tangible product consumption, but we are moving toward an era where the majority of consumption will consist of intangible products. These products are not limited to games, and I am confident that the applicable scope of content and simulation technologies used in games will widen. In addition, considering that network environment advances will further lower regional barriers, there are plenty of opportunities for companies like Capcom, with an abundance of popular titles, to be victorious on the global stage. In our quest to become one of the world's leading companies, we will heed the advice of our savvy external directors to create a more solid governance structure.



Corporate Governance Structure and Initiatives

Shareholders and investors have made the practical and effective functioning of internal control into a key issue amidst an epidemic of corporate misconduct in Japan and overseas. In this section, Capcom will explain the corporate governance structure and mechanisms that it has initiated so far based on the key concepts of “effectiveness and visibility” in terms of the results of third party assessment. (Assessment areas are highlighted in yellow.)



Corporate Governance Structure

Enhancing Management Health and Transparency while Responding to Changes in the Environment

Capcom is aware that comprehensive corporate governance ranks among management's most important priorities. We make the utmost effort to enhance management health and transparency and maintain an organization that is responsive to changes in the business environment while focusing efforts on improving the satisfaction of shareholders, customers, employees and all our stakeholders. The introduction of a Corporate Officer System, part of our management system reforms, established a clear separation between the responsibilities of the Board of Directors and the corporate officers and facilitates faster decision-making and more flexible execution of operations while heightening management efficiency. In addition, we make an effort to ensure fairness and improve reliability by raising the level of our Board of Directors monitoring function with three external directors and two external auditors.

1 Shareholders' Meeting

Convened on June 18, 2013

Avoiding the Same Meeting Date as Other Companies and Encouraging Shareholders to Exercise Their Voting Rights

Capcom's general shareholders' meeting serves as its highest decision-making body and determines important matters as well as reports audit results of consolidated financial statements.

We have scheduled the meeting to take place around 10 days prior to the date on which most other companies in Japan hold their general shareholders' meetings to ensure as many shareholders as possible can be in attendance.

We have also made it possible for shareholders to exercise their voting rights over the Internet using a computer or smartphone. In addition, we participate in an electronic voting rights exercise platform for institutional investors.

Two resolutions were brought up for discussion at this year's shareholders' meeting on the issues of the "Proposed Appropriation of Retained Earnings" and the "Election of 10 Corporate Directors". Both of these resolutions were approved and passed.

For more details, please see "Shareholders' Meeting Resolutions" on page 51.

2 Board of Directors

Convened 14 Times in Year ended March 31 2013

Management Decisions that Incorporate Outside Opinions

The Board of Directors consists of 10 members, meets regularly once a month and holds extraordinary meetings when necessary. Three of the 10 members are external directors, whose opinions, advice and feedback invigorate and improve the transparency and reliability of the Board of Directors while strengthening the management monitoring function. During the period under review, the Board of Directors met 14 times, engaging in lively discussions concerning reported items and matters for resolution. Moreover, we established a Remuneration Committee chaired by an external director to determine fair and appropriate compensation for directors. Also, two external directors were appointed as independent directors to avoid any conflict of interest among general shareholders in terms of decision-making.

Capcom has established a database of information on the company's business conditions, including at its overseas subsidiaries, so that its directors can correct monitor the status of the entire company.

For more on external directors, please see "External Directors and Auditors" on page 49.

Officer Remuneration (Year ended March 31 2013)

	No. of People	Remuneration Amount
Directors (External Directors)	11 (3)	¥558 million (¥32 million)
Corporate Auditors (External Auditors)	6 (4)	¥49 million (¥21 million)

Note 1: Above includes director's bonus of ¥63 million (external directors excluded) for business activities in this fiscal year.

Note 2: Above includes two external auditors who resigned at the conclusion of the 33rd General Shareholders' Meeting held on June 15, 2012.

3 Board of Corporate Auditors

Convened 14 Times in Year ended March 31 2013


Accounting Auditors Partner with Internal Auditing Department to Monitor Management

Capcom has adopted a corporate auditor system consisting of four members, two of whom are external auditors. In addition to formulating auditing policies and providing consultation regarding audit results,

members of the Board of Corporate Auditors submit items identified in the audit to the president and exchange opinions and information with accounting auditors when appropriate.

Capcom adopted the corporate auditor system over a company with committees because, in addition to the introduction of a Corporate Officer System, we had already introduced the company with committees concept of separating the monitoring and business operation functions through the appointment of three external directors and the establishment of a Remuneration Committee.

Moreover, to improve the effectiveness and efficiency of the auditing function, the Audit Committee, Internal Auditing Department and auditors mutually coordinate to exchange views and information when necessary.

 For more on external auditors, please see "External Directors and Auditors" on page 49.

4 Board of Corporate Officers Convened 12 Times in Year ended March 31 2013

Executing Operations Based on a Clear Management Policy

The Board of Corporate Officers is composed of 19 members selected by the Board of Directors. **Under the supervision of the Board of Directors, corporate officers promptly and precisely execute business activities based on management policy determined by the Board of Directors** and take agile and appropriate response to rapid changes in the management environment when deemed necessary.

5 Internal Auditing Department

Ensuring and Verifying Legal Compliance and Operating Efficiencies

As an internal auditing function established to be independent from business execution, the Internal Auditing Department conducts internal audits on all divisions of Capcom and works with corporate auditors to verify and ensure the legal compliance and efficiency of the company's operations. The audit office makes an effort to ensure that internal controls work effectively in every division and recommends improvements to audited divisions based on their findings.

6 Accounting Auditors

Ensuring and Verifying Accounting Transparency

Capcom has engaged KPMG AZSA LLC for financial audits as prescribed by the Companies Act and financial audits as prescribed by the Financial Instruments and Exchange Law. There is no relationship involving financial or other interests between Capcom and this audit corporation or the individuals at this firm who perform audits at Capcom.

Auditor Remuneration (Year ended March 31 2013)

	Audit Operations	Non-Audit Operations
Delivery company	¥40 million	—
Consolidated subsidiary	¥2 million	—
Total	¥42 million	—

Auditing Company	Name of Certified Public Accountants	
KPMG AZSA, LLC	Designated and Engagement partner	Masaaki Doi Takuya Obata

Note 1: Assistants to accounting audit operations
 Certified public accountants: 12; Others: 6 (those who have passed the certified public accountant exam and persons in charge of system audits)

7 The Compliance Committee Convened Four Times in Year ended March 31 2013

Focusing on Compliance as an Important Management Issue

The Compliance Committee, chaired by an external director licensed to practice law, meets quarterly to address various risks facing the company. The Compliance Committee receives reports on "period compliance checks" that investigate the business operations of each department semiannually and on the nature of inquiries made at the "Compliance Hotline", which serves as a whistle-blowing system for the company. These reports are also presented to the board of directors through the Compliance Committee, and when necessary, it will issue reminders and recommendations as well as provide advice.

8 The Remuneration Committee Convened Three Times in Year ended March 31 2013

Reporting Details of Director Compensation

Based on the amount agreed upon at the general shareholder's meeting, the Remuneration Committee recommends remuneration for each board member to the Board of Directors that is befitting and determined with consideration for each board member's title, duties, tenure, full/part-time service, etc., as well as Capcom's earnings and individual job performance. To ensure fairness and transparency, the committee chairman is an external director.

9 Audit Committee Convened 42 Times in Year ended March 31 2013

Auditing Operations from a Risk Management Perspective

The Audit Committee conducts audits from a different perspective than the auditors and the Internal Auditing Department. They focus on risk management in all businesses and regularly monitor execution of business duties in Group companies. They also collect and compile information through individual business auditor investigations, providing analysis and reports to the Board of Directors. Based on these reports, the board works to prevent risks and executes business reforms while accurately ascertaining business inefficiencies and business risks inherent in the Group from the perspectives of compliance, validity and efficiency. And, in the event of an unforeseen situation, the Audit Committee contributes to the formulation of appropriate management decisions by quickly providing the Board of Directors with a report examining and analyzing the causal factors in an attempt to minimize losses to the company.

10 Affiliate Companies

Ensuring Effective Government through Close, Group-wide Collaboration

We have developed a group-wide compliance framework through close communication and collaboration between parent company and subsidiaries based on monthly subsidiary board meetings and the "Management Regulations for Subsidiaries". Through this framework, we ensure that our operations are being undertaken properly so that corporate governance functions effectively.

Corporate Governance Structure and Initiatives

External Directors and Auditors

Using External Perspectives to Ensure Effective Governance

External directors ensure the effectiveness of the corporate governance function by playing key roles in the Compliance and Remuneration Committees. They also focus efforts on compliance and the prevention of corrupt or illegal activities, and **openly exchange opinions and provide counsel at Board of Directors meetings in an effort to strengthen the management audit function.**

External auditors participate in Board of Directors and other important meetings, evaluating the directors' execution of their duties with an opinion of objectivity and fairness from the perspective of compliance and appropriateness.

In addition, the Executive Secretariat Office (six staff) and Internal Audit Office (seven staff) provide support work to ensure that our external directors and external auditors can perform their duties effectively.

■ Board of Directors/Board of Corporate Auditors Rate of Attendance (Year ended March 2013)

	Name	Rate of Attendance
External Directors	Hiroshi Yasuda	Attended 13 of 14 (92.9%) board meetings in year ended March 2013
	Makoto Matsuo	Attended all board meetings in year ended March 2013
	Takayuki Morinaga	Attended all board meetings in year ended March 2013
External Auditors	Yoshihiko Iwasaki	Attended all five board meetings and all 10 corporate auditor meetings held after his appointment on June 15, 2012
	Akihiko Matsuzaki	Attended all five board meetings and all 10 corporate auditor meetings held after his appointment on June 15, 2012

Reason for the Selection of External Directors

Hiroshi Yasuda: Mr. Yasuda was appointed external director in overall consideration of his character, business acumen and successive

appointments to important posts. Mr. Yasuda also serves as a member of the independent committee on takeover defense measures in his capacity as an external director independent from the executive management team. None of the criteria inhibiting director independence as stipulated by the Tokyo Stock Exchange applies to him. Consequently, we have determined there is no potential conflict of interest with general shareholders in terms of his decision making.

Makoto Matsuo: Mr. Matsuo was appointed external director to ensure the effectiveness of corporate governance through the appointment of a legal professional able to provide precise guidance and advice on legal compliance. Moreover, in the event of a conflict of interest between senior management and general shareholders at Board of Directors or other meetings, Mr. Matsuo points out aggressive statements and problem areas from an independent and neutral perspective based on a conviction in the responsibilities placed on the Board of Directors, including taking the position of general shareholders when receiving an explanation, as part of his duty to maintain shareholder trust.

Takayuki Morinaga: Mr. Morinaga was appointed external director based on his management experience at other companies, professional career, track record, and personal connections in the business world. Mr. Morinaga also serves as a member of the independent committee on takeover defense measures in his capacity as an external director independent from the executive management team. None of the criteria inhibiting director independence as stipulated by the Tokyo Stock Exchange applies to him. Consequently, we have determined there is no potential conflict of interest with general shareholders in terms of his decision making.

Reason for the Selection of External Auditors

Yoshihiko Iwasaki: Mr. Iwasaki was appointed external auditor based on the determination that his professional experience in tax administration would be of benefit to the company.

Akihiko Matsuzaki: Mr. Matsuzaki was appointed external auditor to leverage the wealth of experience and knowledge accumulated during his many years in law enforcement administration to help the company further enhance its corporate governance.

Comments from External Director

Fulfilling My Monitoring Function for Internal Controls and Legal Compliance

Makoto Matsuo

External Director



In recent years, several incidents involving the inappropriate disclosure of information in Japan and overseas have caused investors to demand companies strengthen their internal controls. Furthermore, the Companies Act and Financial Instruments and Exchange Act require the establishment of a "basic policy on internal control systems" to ensure the accuracy of financial reporting, legal compliance and management efficiency as well as the submission of an "internal control report" on the company's financial reporting. On top of this, Capcom is proactively expanding overseas and working to ensure management transparency by making "clearer quantitative management targets" for all of its group companies, in conjunction with their business growth. I am also aware of the importance found

in building an optimum governance framework that encompasses global risk management and information management systems.

I will leverage my many years of professional experience and expertise as an attorney to strengthen Capcom's operational audits so as to strengthen the auditing function and enhance internal control and legal compliance based on objective and fair communication. I will also work to disclose information appropriately and promote the enhancement of Capcom's compliance and risk management frameworks in order to respond smoothly and appropriately in the unlikely event that unforeseen incidents should occur.

Third-Party Assessment

Promoting More “Visible” Governance

An analysis of an assessment performed by a third-party organization into the validity and effectiveness of Capcom’s corporate governance shows that the company ranked 146th among listed companies in Japan in the “NEEDS-Cges” quantitative corporate governance assessment developed by Nikkei Digital Media, Inc.

“NEEDS-Cges” has an established reputation as a system that quantitatively assesses corporate governance using scores on a scale of 0 to 10 for eight categories, including “capital efficiency”, “information disclosure”, and “shareholder and capital composition”, among others, assigned based on some 130 indicators calculated from data of publicly released company documents, such as financial reports.

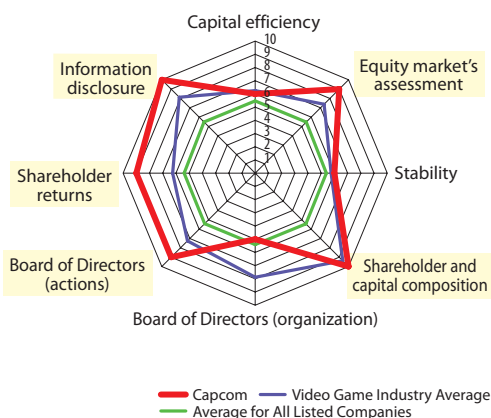
Capcom’s total score was 8.00 points, placing it in the top 4.3% of Japan’s 3,358 listed companies. Our score also greatly exceeded the average for all listed companies and for the industry, at 5.43 points and 7.46 points, respectively.

Third-Party Assessment Results of Capcom’s Corporate Governance

Details of Capcom’s Corporate Governance Assessment

Rank	Company	Total Score
146	Capcom	8.00
Categories		Score
Capital efficiency		6
Equity market’s assessment		9
Stability		6
Shareholder and capital composition		10
Board of Directors (organization)		5
Board of Directors (actions)		9
Shareholder returns		9
Information disclosure		10

Comparison of the Industry Average and the Average for All Listed Companies



Details of Highest Rated Categories

Highest Rated Categories	Score	Areas that Received Particular Notice
Equity market’s assessment	9	Tobin’s Q-related values PBR-related values
Shareholder and capital composition	10	Ratio of institutional investor shareholdings Ratio of foreign investor shareholdings Cross-shareholding ratio
Board of directors (actions)	9	President ownership ratio-related Director ownership-related
Shareholder returns	9	Shareholder return ratio Dividend payout ratio (non-consolidated)
Information disclosure	10	Changes in accounting policy Date of general shareholders’ meeting Corporate website

* Source: NEEDS-Cges from Nikkei Digital Media Inc.

Comments from Auditor

Kazushi Hirao

Corporate Auditor (Full-Time)



Auditing the Execution of Operations Related to Business Development Amid a Changing Market Environment

Capcom’s team of corporate auditors consists of four individuals, including two external auditors.

Daily audit operations are implemented in accordance with the audit policy and segregation of duties determined by the Board of Corporate Auditors. To perform our duties, we communicate with the Board of Directors, the Internal Auditors Office and the Internal Controls Office and other persons within the company, and work to ensure a suitable audit environment is in place. In addition, collaborating with the Audit Committee, we constantly share information and views in order to reinforce operational audits. We also audit and verify frameworks that ensure director duties conform to laws and the company’s articles of incorporate

as well as frameworks for ensuring the appropriate operations of the company (internal control system).

Corporate auditors attend board of directors and other important company meetings, and based on reports from directors on their duties, when necessary, we request further explanations and browse important decision-making documents to investigate the status of Capcom’s operations and assets.

Looking ahead, with Capcom engaged in a dramatically changing market environment, going forward, I would like to further strengthen communication and information exchange with directors at our affiliated subsidiaries and perform audits based on fundamental perspectives.

Creating Relationships with Shareholders and Investors

Initiatives for the General Shareholders' Meeting

Making Shareholders' Meetings Lively and Facilitating the Exercise of Voting Rights

To ensure our General Shareholder's Meetings are lively, we hold our meeting about 10 days before the period when most Japanese companies typically hold their meetings in an attempt to encourage the attendance of as many shareholders as possible.

In addition, voting rights can be exercised via computer, smartphone, mobile phone and Internet. Participating in the digital exercise of voting rights platform, institutional investors are ensured a sufficient amount of time to consider proposals starting on the day the convocation notices are distributed. We also post convocation notices in English on our corporate website to promote the exercise of voting rights by shareholders in Japan and overseas.

Basic Policies Regarding IR Activities

1. Disclosure Policies

Capcom believes that the timely and appropriate disclosure of information is the duty of every listed company, and that accountability to our shareholders and investors is indispensable from the perspective of corporate governance.

To this end, our basic policy for IR activities involves (1) the establishment of a responsible investor relations framework, (2) the thorough disclosure of information, and (3) the creation of a system for the timely disclosure of information to enhance management transparency.

2. Disclosure Criteria

Capcom provides timely disclosure in accordance with the Securities and Exchange Law and other regulations including the "Rules on Timely Disclosure of Corporate Information" by Issuer of Listed Security

Shareholders' Meeting Resolutions

The following presents the number of votes in favor, opposed or abstained for the matters to be resolved at the year ended March 31, 2013 general shareholders' meeting, the requirements for the resolutions to be passed and the results of voting.

Resolutions	Approval Votes	Votes Opposed	Abstained Votes	Approval Rate (%)	Voting Results
First proposal: Proposed Appropriation of Retained Earnings	426,595	359	200	97.84	Resolved
Second proposal: Election of Ten (10) Directors					
Kenzo Tsujimoto	424,132	2,678	340	97.28	Resolved
Haruhiro Tsujimoto	422,764	4,046	340	96.96	Resolved
Tamio Oda	422,647	4,163	340	96.94	Resolved
Kazuhiko Abe	422,691	4,119	340	96.95	Resolved
Yoshifumi Yamashita	422,697	4,113	340	96.95	Resolved
Katsuhiko Ichii	422,665	4,145	340	96.94	Resolved
Yoichi Egawa	422,621	4,189	340	96.93	Resolved
Hiroshi Yasuda	422,956	3,854	340	97.01	Resolved
Makoto Matsuo	374,548	52,262	340	85.91	Resolved
Takayuki Morinaga	423,365	3,445	340	97.10	Resolved

*1 Conditions for each proposal to be passed

(1) The first proposal could be approved with a majority approval of the voting rights of the shareholders in attendance.

(2) The second proposal could be approved with at least one-third of the company's shareholders with voting rights in attendance and with a majority approval of the voting rights of the applicable shareholders in attendance.

(3) The percentage of approval is calculated according to the following formula.

Percentage of approval = number of voting rights for approval (votes exercised until the day prior to the meeting + certain shareholders in attendance on the day of the meeting) ÷ number of votes (votes exercised until the day prior to the meeting + shareholders in attendance on the day of the meeting)

*2 Reason why certain voting rights of shareholders in attendance were not added to the total number of voting rights

The total confirmed number of votes in approval from the votes exercised until the day prior to the meeting and certain shareholders in attendance on the day of the meeting fulfilled the requirements for each proposal. As a result, the number of voting rights for which confirmation was not made in terms of approval, opposition or abstention from shareholders in attendance on the day of the meeting were not counted because the proposals were legitimately approved in accordance with the Companies Act of Japan.

(hereinafter Timely Disclosure Rules) stipulated by the Financial Instruments and Exchange Law and the Tokyo Stock Exchange. It is our policy to disclose as much information as possible, including the disclosure of information not required by the Timely Disclosure Rules, to accommodate our investors' needs.

We also disclose information through our corporate website in an attempt to provide quick and fair disclosure. Shareholders are informed of operating results and business conditions through business reports.

3. Quiet Period

To prevent the unauthorized disclosure of quarterly earnings information prior to official announcements, Capcom has established a quiet period starting one month prior to the scheduled earnings announcement. During this period, we refuse all inquiries relating to our business performance. However, if significant changes to our earnings outlook are anticipated during the quiet period, we will disclose this information pursuant to the Timely Disclosure Rules.

Third-Party Assessment of IR Activities

High Praise for Proactive IR Initiatives

In recognition of our ongoing pursuit of timely and appropriate information disclosure, our IR activities and various IR tools have received a number of awards from third-party organizations. This fiscal year, Capcom won Grand Prize at the Nikkei Annual Report Awards 2012, our IR website was ranked number one in the Gomez Investor Relations Site Overall Rankings 2013 and we were selected by Daiwa Investor Relations for the Internet IR Grand Prize and Special Award.

With an awareness of the importance of accountability, we will continue our efforts to earn the trust of investors and provide timely disclosure.

Making Use of Shareholder and Investor Opinions

Incorporating Results of Research on Investor and Analyst Understanding of Capcom into IR Activity Objectives

Capcom's Investor Relations Section conducts a perception gap study every year targeting investors and analysts in Japan and overseas. Being aware of investor perception gaps with regard to management objectives, business strategy and shareholder's return enables us to fine-tune corporate management and IR activities. Questionnaires are also given to attendees at our semiannual earnings announcements and individual shareholder briefing sessions, which we make proactive use of as one management criterion to determine stock market opinion.

Specific examples of how this information is used include (1) reviews of medium-term business goal indices, (2) reviews of business strategy, (3) enhancements to shareholder's return (dividends + treasury stock), (4) reviews of content and timing of information disclosure and (5) Group meetings with management.

Website Utilization

IR activities making use of our website

Since 2001, Capcom has made proactive use of its corporate website as a tool for disseminating information pertaining to IR activities. The main reasons for this are to emphasize the importance of information disclosure procedures within corporate governance, to ensure fairness for a wide range of stakeholders, including investors, analysts, the mass media and job-seekers, and because it easily ensures information is available for inspection immediately in Japan and over 200 countries worldwide. Capcom's corporate website is positioned as our most cost-effective tool from the perspective of printing and shipping costs.



<http://www.capcom.co.jp/ir/english/>

Advantages of Website Usage

Details	Advantages
Information disclosure*	Ensures management transparency as an important item within corporate governance
Immediacy/Fairness	Enables access to anyone, anytime
Wide range of targets	Enables information to be distributed all at once to individual investors, institutional investors, securities analysts, the mass media, job-seekers students (university research students, middle and high school students) and game users
Wide range of target regions	Enables information to be distributed to Japan, the United States and Europe, Asia and over 200 countries worldwide
Reduced work	Recommended browsing of our IR site offers a labor-saving first response to basic questions from shareholders and individual investors
Reduced expenses	Reduces costs compared to printed materials and road shows

* Target category of the "NEEDS-Cges" quantitative corporate governance assessment.

From Management to Development, a Wealth of Information

Capcom's IR website offers not only a wealth of necessary and indispensable basic content, such as financial information and business strategy, we also make an effort to provide information behind the numbers, such as delving into the profile and management philosophy of senior management in the "Views & Personalities" section and probing the source of Capcom's developmental ideas and power in the "Developer Interviews" section. Also, to support human resource recruitment, as well as take advantage of our specialty in the entertainment business, we offer the "Capcom Quiz" enabling users to study about the company in a quiz format, "Capcom Trivia" to tests user's knowledge about Capcom and "Monster Hunter Hit Trajectory" detailing the development of this hit title. The inclusion of this kind of playful content stimulates the interest of job-seekers and students.

On the other hand, to support stakeholder corporate analysis, we make every effort to provide content including data for each market, data on the unit sales of major titles and market share information in addition to analyst ratings and consensus and other third-party perspectives.



Distributing a Variety of Information Using Social Media

In recent years, we have been making use of various social media services with the goals of providing a way for stakeholders around the world to easily access our IR website and strengthening the efficiency of our IR information distribution. We use USTREAM to distribute videos of our earnings announcements and briefings, Facebook and Twitter to distribute IR information and Flickr to display images from Capcom-related events among other advanced Internet technologies to provide information in a timely manner. Furthermore, we aim to enhance usability with the release of a Capcom IR website app for the increasingly popular iPhone.



IR Team

Full-Time Staff Engaged in a Wide Variety of Activities

Capcom IR activities are conducted by four full-time staff members in addition to the chairman, the president and the IR director on behalf of shareholders and investors in Japan and overseas.

For earnings information and other IR-related inquiries, please contact the IR team.



Investor Relations Staff

Public Relations & Investor Relations Section

PHONE: +81-6-6920-3623
E-mail: ir@capcom.co.jp

Business Hours:
9:00-12:00, 13:00-17:30 (JST)
(excluding weekends and public holidays)

Internal Management Structure and Initiatives

Internal Control System Status

Strengthening Risk Management through the Development of Our Internal Control System

As part of directors' due diligence, Capcom developed the following internal control system based on the Companies Act and its enforcement regulations to ensure that all Group company practices comply with regulations and are executed in an efficient manner.

1. Creation of a Structure to Ensure Directors Perform their Duties in Accordance with Laws and Regulations

To strengthen the management monitoring function and enhance corporate value, Capcom strives to prevent illegal activities and ensure compliance through regular Compliance Committee checks while attempting to invigorate and heighten the monitoring function of the Board of Directors in accordance with advice and recommendations from the three external directors.

2. Internal Control over Financial Reporting

Based on our internal control rules, Capcom has developed and continues to operate the necessary systems in order to guarantee reliable financial reporting and ensure proper internal control over financial reporting, in accordance with the Financial Instruments and Exchange Act. Our internal control system over consolidated financial reporting at the end of the period under review has been determined as effective and the results of this assessment have been reported to the Director-General of the Kanto Regional Finance Bureau in the form of an internal control report. The results have also been disclosed through EDINET and our corporate website.

3. Develop a System to Maintain Appropriate Business Practices

(1) Information Management and Storage

The management and storage of documents and information such as the minutes from board meetings is conducted in accordance with "document management regulations".

(2) Risk Management

A risk management structure and "crisis management regulations" were created to proactively prevent crises and execute the appropriate actions if one occurs.

(3) Efficient Execution of Business Operations

Capcom introduced a Corporate Officer System under which the duties of the Board of Directors and corporate officers are separated to enable smooth and flexible business operations and enhance management efficiency.

(4) Legal Compliance System

The "Capcom Code of Conduct" is our guideline for legal compliance. We seek to prevent illegal activities and misconduct through employee training and monitoring programs.

(5) Operational Audit Structure

In accordance with auditing policies, the execution of operations by corporate officers are audited, with recommendations for improvements indicated in auditor reports as necessary to ensure internal controls function effectively. To enable auditors to perform their duties smoothly

and appropriately, an employee is selected with the consent of auditors to provide assistance.

4. Basic Policy and Framework for the Eradication of Antisocial Forces

Capcom takes a firm stand against antisocial forces that threaten social order and the safety of citizens, and strictly prohibits any association with such groups at the organizational, employee and individual levels. If we are contacted by such groups, in addition to swift organizational measures, we will cooperate with the police and other relevant authorities to firmly refuse unlawful demands.

While Capcom attempts to remain aware of information related to these groups in order to avoid contact or involvement, if we discover that we have unknowingly become involved with them, we will immediately terminate the association with the help of the police and other relevant authorities.

Initiatives to Strengthen Compliance

Focusing on the Viability and Effectiveness of Our Compliance System

As noted on page 48, Capcom has established a Compliance Committee chaired by an external director that periodically reports to the Board of Directors and issues reminders and recommendations as well as provides advice based on reports from local compliance committees. The Internal Controls Department, which has been established as the committee's secretariat, works to enhance the viability of the entire Capcom Group's compliance system by planning and operating the internal compliance system and functioning as the department that provides consultations and receives notifications to prevent legal violations before they occur.

Furthermore, the "Capcom Code of Conduct" was formulated to strengthen our compliance system. Capcom is dedicated to proactively preventing illegal acts and misconduct, and ensuring legal compliance through the promulgation of corporate ethics and principles.

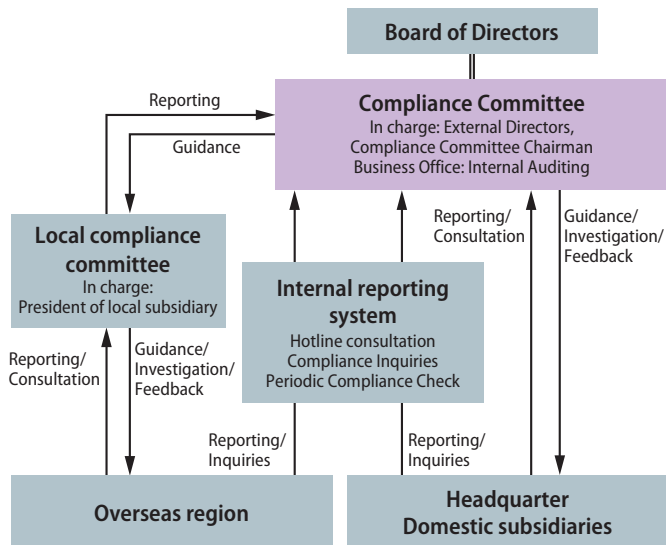
During the period under review, the Compliance Committee met four times and conducted compliance training sessions for new employees. Also, "e-learning sessions on legal compliance and personal information protection rules" were given to all employees.

Compliance is the foundation of corporate governance and the basis for the fulfillment of corporate social responsibility. Capcom will continue to instill this understanding in all its officers and employees.

■ Status of Training and Other Programs (Year ended March 31, 2013)

Activity	No. of Times	Target
Compliance training	1	New employees
Sessions on personal information protection rules	2	All employees
Sessions on legal compliance	2	All employees

■ Compliance Structure



Periodic Compliance Checks

Compliance Status Checked Regularly

Capcom conducts “periodic compliance checks” to regularly monitor the operational status of each of its departments. Every six months more than 30 items, including fair business practices, workplace health and safety, and information asset management, are checked using a paper questionnaire, while compliance officers covering each department are also interviewed individually to confirm the effectiveness of our overall compliance system.

In response to feedback received from interviews and questions during the “periodic compliance check”, such as on protocol for issuing documents to business partners and proper document management practices, clear-cut answers are provided to related persons and when necessary, all employees are notified and made aware using the intranet.

Compliance Hotline

Special Hotline Set Up for Compliance Issues

Capcom established the “Compliance Hotline” and “Corporate Ethics Hotline Rules” in accordance with the Whistle-Blower Protection Act of Japan and as a means to prevent and uncover risks in order for the company to thoroughly practice compliance-focused management.

This hotline enables the company to smoothly address whistle-blowing complaints from employees and have in place an environment to prevent legal violations or illegal behaviors as well as take corrective action.

Information Security Initiatives

Building Mechanisms for the Appropriate Protection of Information Assets

As a company primarily engaged in the planning and development of software, Capcom is an environment where the latest information

technology is always in use. Compared to companies in other lines of business, we face relatively high information security risks.

Capcom protects its information assets from theft, loss, accident and threat of damage, and has formulated an information security policy appropriate for a corporation trusted by society.

We also provide employees with a self-learning environment via the company intranet, and publish internal information regulation collections including “Basic Security Policies”, “System Usage Policies” and “Basic Disclosure Policies”, etc.

We use a firewall to protect us from external attacks via the Internet, and our internal system requires each user to have a unique ID, password and PIN to access the system, thereby reducing the risk of unwelcome intruders.

Furthermore, we are in the process of patching known security holes. Over the next few years, we will implement measures to prevent information leaks, which will include (1) identification of information leak risks, (2) creation of an early response structure to respond to information leaks and (3) establish response process to minimize damage in event information is leaked.

Above all, in (1) we will reconfirm the importance of information assets held by each department with the aim of clarifying critical risks and create a manual detailing procedures related to (2), while (3) will involve a system capable of quickly auditing the information log to find the cause and prevent the reoccurrence of problems. In this manner, we are focusing our efforts on using our expertise to enhance our internal response capabilities.

To improve security literacy among all our employees, we are implementing internal training to raise awareness and educate on the topic of information leak risks.

Through these and other initiatives, Capcom is striving to create a structure for making an appropriate first response in the event information is leaked or an accident occurs.

Business Continuity Plan (BCP) Initiatives

Strengthening Our Crisis Management System

Capcom is working to strengthen its crisis management system in order to minimize damages, losses and disrepute, and ensure the company continues to function, based on an appropriate and smooth response, in the event of an emergency, such as a natural disaster or accident. If an emergency occurs, under our crisis management rules, a task force consisting of top management will be set up to assess the extent of damage to the company. In addition, we have established action criteria and an emergency contact route in our crisis management manual in order to ensure an appropriate response and convey information to one another in a prompt manner.

In the wake of the Great East Japan Earthquake, we are striving to build a crisis management system that will ensure our business continuity in the event of an unforeseen incident or natural disaster. This will be made possible by strengthening our risk management through the stockpiling of disaster-relief supplies, implementation of a safety confirmation system, and storage of health kits for flu, to ensure that we can properly and quickly respond to these emergencies.

Risk Management

Various Risk Management Efforts to Achieve Stable Earnings

Capcom faces many risks (see below) that have the potential to affect operating performance and the company's financial condition. A risk management system has been created to minimize the impact of these risks on operating and other performance.

For example, in terms of intellectual property rights, the legal affairs department (composed of patent and trademark copyright teams) conducts preliminary audits and submits the required applications during the planning and production stages of development in an effort to avoid the risk of infringement in terms of the acquisition and maintenance of rights. Capcom also focuses on internal education by holding in-house intellectual property study groups on a regular basis and conducting activities to impart legal knowledge.

Furthermore, in terms of "risks related to overseas operations", in consideration of the culture, religion and customs of each country the legal affairs division and quality control departments conduct game content checks in addition to those conducted by the research department, and the legal affairs division consults with local legal teams as necessary to ensure compliance with local laws. Regarding the increased task risk of expanding overseas operations, Capcom requests advanced pricing agreements to limit transfer pricing risk.

Risks Affecting Operating Results

Capcom is exposed to risks which may affect its operating results, financial status, stock price and its operational environments, including but not limited to those stated in writing below, which are based on information that is available as of March 31, 2013 and certain assumptions by the Group that serve as the basis of rational judgments.

1. Risks Relating to Digital Contents

(1) Increase in Development Costs

In recent years, home video games have increased in sophistication and functional diversity due to computer graphics and Internet technology initiatives, and the development costs have tended to increase. Therefore, there is a risk that the development costs may become irrecoverable with respect to some software titles, including those which have failed to fulfill the sales plan.

(2) Obsolescence of Game Software

Game users are mainly children and young people. In addition, competition against other industries which have the same customer base is intensifying, including mobile phones and the Internet. Therefore, the life of products is not necessarily long, and games become outdated quickly; there is a risk that product inventory may increase and development costs may become irrecoverable.

(3) Dependency on Popular Series

Capcom releases many game titles in the market. Among them, a handful of titles tend to be dominant in terms of popularity. Further, sequel titles undergo limited volatility in terms of sales, and help stabilize our business performance. However, we may lose users in the event of any problem in these popular software titles or any change in the market environment. There is a risk that it may result in having an adverse effect on our future business strategies and business performance.

(4) Violent Scenes and Depictions

Some of our popular software titles have provocative graphics and

text, such as violent and grotesque scenes. Accordingly, in the event of violent incidents and other criminal cases involving juveniles, we may be subject to a smear campaign by some sections of the mass media which often point out the correlation between crime and games. Therefore, there is a risk that it may result in having an adverse effect on our business performance, corporate value and narrowed distribution channel under orders from the relevant authorities.

(5) Seasonal Fluctuations

Trends in the demand for games fluctuate substantially throughout the year. As the market experiences peak demand during the Christmas season until New Year's Day, the first quarter of the year tends to be relatively quiet. Accordingly, there is a risk that business performance may substantially fluctuate from quarter to quarter.

(6) Trends in Proliferation of Home Video Game Consoles

Our home video game titles are primarily supplied to game consoles made by Sony Computer Entertainment Inc., Nintendo Co., Ltd. and Microsoft Corporation. Therefore, there is a risk that our business strategies and business performance may be adversely affected in the event of any setback in the proliferation trends or any problem in their game consoles.

(7) License Agreements with Console Manufactures

We take a multi-platform approach, which involves supplying home video game software titles to all existing game platforms. Accordingly, we have a license for manufacturing and distributing game software from Sony Computer Entertainment Inc., Nintendo Co., Ltd. and Microsoft Corporation, who are also our competitors. However, there is a risk that amendments to the licensing agreements and new terms and conditions of the agreements may have an adverse effect on our future development strategies and business performance.

(8) Technological Enhancement of Home Video Game Platforms

New home video game platforms have been released every three to seven years in the past. In the hardware transition stage, users tend to be reluctant to purchase new software. Therefore, there is a risk that our business performance may be adversely affected by sluggish sales in the transition stage.

(9) Expansion of Used Software Market

Currently, used software accounts for approximately one-third of the domestic software market. Also, the flood of pirated copies in the Asian market is becoming increasingly serious.

As a result, it is gradually becoming more difficult to recover development costs. There is a risk that it may adversely affect our operating results, depending on the trends in the market.

(10) Internet Market Expansion, Etc.

The Internet market has expanded in recent years as a result of the rapid adoption of smartphones and other mobile devices. An inability to keep up with new technologies can prevent the smooth provision of games and other digital content. Additionally, if the number of users who receive content via SNS website distribution were to decline due to the further diversification of consumer entertainment needs, there is a risk that Capcom Group performance and financial conditions may be adversely affected.

2. Risks Relating to Other Businesses

(1) Arcade Operations

There is a risk that customer traffic and the unit value of customers may be adversely affected by the popularity of installed machines,

diversification of entertainment, falling birth rate, intensified competition and changes in the market environment and other such factors.

(2) Amusement Equipments

In terms of Pachislo machines, there is a risk that we may only sell machines to a small number of business partners, as the performance of the Amusement Equipments segment may depend heavily on the sale of these devices, which in recent years has grown from a majority to the largest portion of sales in this segment. Also, under the provision of the “The Entertainment Establishments Control Law”, we are allowed to sell peripheral devices only for those machines that meet Security Electronics and Communications Technology Association requirements. Performance in this business segment may be significantly affected by the aforementioned systemic industry trends.

At the same time, There is a risk that business performance may be adversely affected by the narrowing gap between arcade games and home video games, a decline in facility operators’ purchasing power, changes in the business environment and uncertainties regarding growth.

As a result of the above factors, there is a risk that Capcom Group performance and financial conditions may be adversely affected.

3. Risks Relating to Overseas Operations

- (1) There is a risk that our business strategies and business performance may be adversely affected by market trends and the existence of competitors in other countries within our sales territory, in addition to other various country risks including political, economic, legislative, cultural, religious, custom and foreign currency risks.
- (2) As the volume of the overseas transaction expands, it is possible that the loss or expense burden (i.e.; tax rates and custom duties) will increase depending on the regulations or the interpretation of the accounting laws by the audit authorities. The operating results and financial position of the Capcom group may be affected negatively by these conditions.
- (3) There is a risk that our business performance may be adversely affected by the increase in expenses and the failure to recover overseas investment in the event of unforeseeable circumstances which cannot be predicted by feasibility studies.

4. Risks Relating to Financial Status and Operating Results

- (1) As mentioned before, home video games, which is our principal business, is exposed to the risk of increasing inventories, as the products generally have a short life and become obsolete quickly. There is a risk that our financial status and operating results may be adversely affected by their obsolescence.
- (2) As already explained, our business performance may substantially fluctuate from quarter to quarter, as the market environment may change throughout the year in our industry. Also, cash flows may not be generated as originally planned, due to the fall in sales, changes in management strategies and other factors. There is a risk that it may result in having an adverse effect on the operating results in the following years.

5. Risks Relating to Development Technologies

Products relating to game machines including home video games are subject to rapid technological progress, and are constantly evolving. Therefore, there is a risk that sales opportunities may be lost due to delays in responding to technological progress, which may result in having an adverse effect on our operating results and product quality.

6. Legislative Risks

Arcade operations are controlled by the “Entertainment Establishments Control Law” and its related regulations and ordinances. Due to the amendment and establishment of the laws and ordinances in the future, the scope of business activities may be subject to changes or preliminary examination, inspection and other procedures carried out by regulatory agencies may become stricter. There is a risk that it may result in impeding our business plans, and adversely affecting the business and operating results.

7. Risks Relating to Intellectual Property Rights

The development and distribution of game software involve intellectual property rights such as patent rights, trademark rights, utility model rights, design rights, copyrights, etc. Therefore, there is a probability that the development and distribution of game software may become difficult if we cannot acquire intellectual property rights. Also, one cannot deny the risk of a third party’s intellectual property rights being violated by us. There is a risk that they may adversely affect our operating results.

8. Risks Relating to Lawsuits

In the past, Capcom has sued over copyright infringement or been sued in other cases. In addition, as the company expands its business domain, it is possible Capcom may be taken to court in the future over product liability, labor or intellectual property rights related issues. As a result, there is a risk that they may adversely affect our operating results, depending on the type of the lawsuit and the amount claimed in the lawsuit.

9. Risks Relating to Information Leaks

It is possible for hardware, software and databases to be compromised through unauthorized access via technology exceeding our assumptions, computer viruses, and other unforeseeable events. Accordingly, in the event that confidential information related to individual persons or game development was leaked, damages may have to be paid, the company’s image may be tarnished and development may be brought to a halt. Therefore, the operating results and financial position of the Capcom group may be negatively affected by these incidents.

10. Development and Assurance of Human Resources

The expression, “the business is all about its people”, means that the future success and growth of any corporation depends upon competent employees. Although Capcom group is actively engaged in recruiting, educating, and securing excellent human resources, the mobility of personnel is relatively high in the game industry, and it is possible that our business activities will be disturbed if any of our talented employees decide to resign or to move to our competitors.

Therefore, the operating results and financial position of the Capcom group may be affected negatively by these factors.

CSR Initiatives

Educational Assistance as a Game Company

Implementing Independent Education Programs

Video games are a comparatively new cultural phenomenon about which there is little academic research. Rather than examining the educational aspects, theories about the detrimental effects resulting from violent content have been persistently trumpeted to the general public. Nevertheless, the idea of a “future career” as a video game creator is very popular among children, and some schools have even begun to incorporate portable video game consoles into the classroom in recent years.

As part of our corporate social responsibilities as a game software manufacturer, we believe in fostering an understanding about video games by inviting elementary and junior high school students to visit our company and proactively participate in classroom activities at schools. We conduct two highly acclaimed programs: the “Career Education Support program” providing an overview of the company, focusing on the rewards and challenges of developing video game software; and the “Game Literacy Education Support program” teaching students how to develop a healthy relationship with video games.

Last fiscal year, we launched a new educational program focused on the “Career Education Support program”. This program represents our commitment to continually improve our educational assistance based on feedback received from educators.

As a result, as of March 31, 2013, 1,531 students from 211 schools had visited the company, and Capcom school visits have been held for a cumulative total 2,961 students in 24 schools, including Kakizaki Elementary School in Niigata Prefecture.

This fiscal year, Capcom developed a new program targeting elementary and middle school students to help prevent the recent trend toward declining math skills among children. This new program provides students with experiences designed to prove that “the study of mathematics is not a waste of time—you will need it when you get older”, by introducing developers who use arithmetic and mathematics regularly in the workplace. The game-based textbook “The Workplace Guide to Arithmetic and Mathematics” is used to motivate students to study rather

than for career education by having students solve arithmetic and mathematics problems our employees actually encounter in their work. Full-scale implementation of this program will commence in fiscal 2013.

Capcom will continue to incorporate feedback from schools and advice from university education specialists to better meet educational needs in promotion of CSR activities.

Capcom School Visit Feedback

We received a wide range of comments after our Capcom school visits and student company visits.

- I discovered there are so many more jobs out there than I knew about, and that was really surprising (elementary school student).
- I learned that not only are jobs that bring games to the world important, but the jobs that support this kind of work are also important (middle school student).
- The students were really fascinated by what the creator working on the front lines had to say (elementary school teacher).
- I felt it was important to address other adults not working in schools (middle school teacher).
- Although there are many fidgety boys in our class, they all listened with careful concentration. I want to use these kinds of school visits so students can experience various workplaces (middle school teacher).
- It was very meaningful to have a discussion that not only included games, but also going out into society and working in a company (middle school teacher).

Educational Support Programs

	Year ended March 31, 2013		Cumulative	
	Schools	Participants	Schools	Participants
School visits by Capcom	9	1,506	24	2,961
Visits from schools	34	275	211	1,531



“The Workplace Guide to Arithmetic and Mathematics”



School visit by Capcom

Providing Free Copies of “Secrets of Video Games” to Schools and Public Libraries

Capcom publishes the educational comic “Secrets of Video Games” in cooperation with Gakken Co., Ltd. (currently Gakken Holdings Co., Ltd.) The comic offers insights into the game development process, promotes healthy relationships with video games and provides information on what to study to become a video game creator.

The comic is distributed free of charge to 24,000 elementary schools and 2,700 public libraries across Japan, as well as to students as an educational material in advance of a Capcom visit to their school. It is also recommended by the National Congress of Parents and Teachers Association of Japan for use as a secondary teaching material in integrated courses and other classroom settings.

Rating System for the Sound Development of Youth

The video game industry voluntarily restricts game content and sales methods to limit access to sexual and violent content for the healthy development of young people who frequently play home video games. Specifically, before all home video games are sold, they are given a rating by the Computer Entertainment Rating Organization (CERO) that informs consumers of the nature of the content and age-appropriateness via a label on the game package. The industry voluntarily prohibits the sale of software intended for users 18 years or older (category Z) to consumers who are under 18, with 99% of retailers* separating game displays by ratings category and checking purchaser identification to confirm age. Furthermore, to ensure fairness, CERO is not affiliated with any company or organization, but exists and operates independently.

In addition, the latest home video games include a parental control function that enables parents to limit the purchase and use of certain games according to their ratings. The industry is making a concerted effort to promote the adoption of this ratings system and improve its efficacy.

In the period under review, Capcom made an effort to promote a greater understanding of this ratings system through detailed explanations in “Secrets of Video Games” and on its corporate website, as well as during student visits to the company and presentations at schools.

* From the results of the 4th CERO Age-Based Ratings System Field Survey



Gakken’s “Understanding” Series: “Secrets of Video Games”

Rating Symbol

Regional Invigoration

Use of Popular Game Characters Contributes to Higher Voter Turnout and Maintenance of Security

In addition to CSR activities that support education, Capcom also engages in CSR activities using popular game content to contribute to regional invigoration.

In 2009, we attempted to promote gubernatorial elections and encourage young people to vote in Miyagi Prefecture, a region strongly associated with famous warlords of the Sengoku Period, by providing “Date Masamune” from the popular “Sengoku BASARA” game series for use as the election promotion mascot. This use of a game character created a buzz and received media coverage, and was used throughout all of Miyagi Prefecture for lively announcements in a variety of media formats, including election posters, television commercials and radio, newspaper and in public transit ads, resulting in a more than six-point rise in voter turnout, which increased from 40.35% to 46.57%. “Date Masamune” was used again in 2013 to raise awareness and aid prevention of vehicle-related theft in Osaka Prefecture. The theft of vehicles and private property locked inside vehicles is the most common theft the country, and for the 13th year in row, theft of auto parts was the number one theft across Japan, prompting a request from the Osaka Prefectural Police Department for assistance with creating an effective awareness-raising campaign. In addition to 5,000 awareness posters displayed throughout Osaka Prefecture and 150,000 advertisements distributed at public facilities and automotive parts dealers, large hanging banners were displayed on the Police Department in an effort to inform Osaka residents.

Going forward, Capcom will continue to proactively engage in CSR activities as a good corporate citizen and maintain societal trust by contributing to regional invigoration and improved public safety.



Vehicle-related theft damage prevention awareness poster

Miyagi Prefecture gubernatorial election poster

Directors and Corporate Auditors



Yoichi
Egawa

Yoshifumi
Yamashita

Kazuhiko
Abe

Katsuhiko
Ichii

Tamio
Oda

Kenzo
Tsujimoto

Haruhiro
Tsujimoto

Kenzo Tsujimoto

Chairman and Chief Executive Officer (CEO)

Jul. 1985 President and Representative Director of the Company
Apr. 2001 Chief Executive Officer (CEO) of the Company (to present)
Jul. 2007 Chairman and Representative Director of the Company (to present)

Haruhiro Tsujimoto

President and Chief Operating Officer (COO)

Apr. 1987 Entered into the Company
Jun. 1997 Director of the Company
Feb. 1999 Managing Director of the Company
Apr. 2001 Senior Managing Director of the Company
Jul. 2004 Director and Executive Corporate Officer of the Company
Apr. 2006 Director and Executive Vice President of the Company
Jul. 2007 Representative Director, President and Chief Operating Officer (COO) of the Company (to present)

Tamio Oda

Director, Executive Vice President and Chief Financial Officer (CFO)

Apr. 1969 Entered into The Sanwa Bank, Limited. (Currently The Bank of Tokyo-Mitsubishi UFJ, Limited.)
Jun. 1991 Managing Director of Unicharm Corporation
Jun. 1997 Branch Manager of Nakanoshima Branch of the said bank
Jun. 1999 Managing Director of Daisue Construction Co., Ltd.
May 2001 Advisor of the Company
Jun. 2001 Director of the Company
Jun. 2003 Managing Director of the Company
Jul. 2004 Director, Executive Corporate Officer, Chief Financial Officer (CFO) and in charge of Corporate Strategies, Administration, President's Office, Affiliated Companies' Management of the Company
Jul. 2007 Director, in charge of Corporate Management of the Company (to present)
Jul. 2010 Director, Chief Financial Officer (CFO) of the Company (to present)
Apr. 2011 Director, Executive Vice President of the Company (to present)

Kazuhiko Abe

Director and Executive Corporate Officer

Apr. 1987 Entered into The Mitsubishi Bank, Limited. (Currently The Bank of Tokyo-Mitsubishi UFJ, Limited.)
Jul. 1994 Deputy Manager of New York Branch, the said Bank
Nov. 2000 Executive Officer, Hikari Tsushin, Inc.
Jan. 2002 Executive Officer, Intuit Co., Ltd. (Currently Yayoi Co., Ltd.)
Mar. 2003 Entered into the Company
Jul. 2003 General Manager of Corporate Planning Dept. of the Company
Apr. 2004 Corporate Officer of the Company
Apr. 2006 Managing Corporate Officer of the Company
Jun. 2006 Director, Chief Financial Officer (CFO) of the Company
Jul. 2007 Director, in charge of Group Management of the Company
Jul. 2010 Director, in charge of Overseas Business of the Company (to present)
Apr. 2011 Director, Executive Corporate Officer of the Company (to present)

Yoshifumi Yamashita

Director and Executive Corporate Officer

Feb. 1992 Entered into the Company
Apr. 1997 General Manager, Business Dept. in R&D Division of the Company
May 2001 Corporate Officer and Head of Budget Control Office of the Company
Jul. 2003 Managing Corporate Officer, Head of Creative Division of the Company
Apr. 2011 Executive Corporate Officer (to present), Head of Human Resources, IT and Research & Development Management
Jun. 2011 Director, in charge of Human Resources, IT and Research & Development Management of the Company
Oct. 2012 Director, in charge of General Affairs, Legal, Human Resources and IT Division of the Company (to present)

Katsuhiko Ichii

Director and Executive Corporate Officer

Aug. 2004 Entered into the Company
Oct. 2004 General Manager of Home Video Games Business of the Company
Apr. 2005 Corporate Officer Head of Home Video Games Business Strategy Division of the Company
Apr. 2006 Managing Corporate Officer and Head of Home Video Games Business of the Company
Apr. 2011 Executive Corporate Officer (to present), General Manager of Consumer Entertainment Business Management Group and Head of Consumer Games Business Division and Consumer Games R&D Division of the Company
Jun. 2011 Director, in charge of Consumer Games Business of the Company (to present)

Yoichi Egawa

Director and Executive Corporate Officer

Apr. 1985 Entered into the Company
Apr. 1999 General Manager of Creative Division 5 of the Company
Aug. 1999 Corporate Officer, General Manager of Creative Division 5 of the Company
Apr. 2005 Corporate Officer, Head of Contents Expansion Business Division of the Company
Apr. 2006 Corporate Officer, Head of Pachinko & Pachislo Business Division of the Company
Apr. 2011 Managing Corporate Officer of the Company
Apr. 2013 Executive Corporate Officer of the Company (to present)
Jun. 2013 Director, in charge of Arcade Business and Pachinko & Pachislo Business of the Company (to present)

External Directors



Takayuki Morinaga

Hiroshi Yasuda

Makoto Matsuo

Hiroshi Yasuda

Director

- Apr. 1957 Entered into the Ministry of Finance
- Nov. 1973 Personal Secretary to the Minister of Finance
- Jan. 1977 Personal Secretary to the Prime Minister
- Jun. 1988 Deputy Vice Minister of Finance
- Jun. 1990 Director-General, Budget Bureau
- Jun. 1991 Administrative Vice Minister of Finance
- May 1994 Governor, the Export-Import Bank of Japan (Currently Japan Bank for International Cooperation)
- Oct. 1999 Governor, Japan Bank for International Cooperation
- Sep. 2001 Advisor, the Kansai Electric Power Co., Inc.
- Jan. 2002 Chairman, Yomiuri International Economic Society (to present)
- Jul. 2002 President, Japan Investor Protection Fund
- Jun. 2004 External Corporate Auditor, Shiseido Co., Ltd.
- Aug. 2004 President, Capital Market Promotion Foundation (Currently Capital Market Promotion Public Interest Incorporated Foundation) (to present)
- Jun. 2007 External Director of the Company (to present)

* Messrs. Hiroshi Yasuda, Makoto Matsuo and Takayuki Morinaga are External Directors.

Makoto Matsuo

Director

- Apr. 1975 Admitted to Japanese Bar (The Dai-ichi Tokyo Bar Association) Ozaki & Momo-o Weil, Gotshal & Manges in New York
- Mar. 1979 Admitted to New York Bar
- Apr. 1989 Partner, Momo-o, Matsuo & Namba (to present)
- Apr. 1997 Lecturer, Nihon University, Faculty of Law: International Transaction Law
- Jun. 1999 External Corporate Auditor, Victor Company of Japan, Limited
- Jun. 2000 External Corporate Auditor, Billing System Corporation (to present)
- Jun. 2003 External Corporate Auditor, Yamanouchi Pharmaceutical, Co., Ltd.
- Jun. 2004 External Director, Yamanouchi Pharmaceutical, Co., Ltd.
- Apr. 2005 External Director, Astellas Pharma Inc. Lecturer, Hitotsubashi University Faculty and Graduate School of Law: World Business Law
- Jun. 2007 External Director of the Company (to present)
- Oct. 2008 External Director, JVC KENWOOD Holdings, Inc.
- Jun. 2009 External Corporate Auditor, Toray Industries, Inc. (to present)

Takayuki Morinaga

Director

- Apr. 1964 Entered into The Export-Import Bank of Japan
- Apr. 1992 General Manager of Personnel Division of the said Bank
- Apr. 1994 General Manager, Osaka Branch of the Bank
- Apr. 1996 Senior General Manager of the Bank
- Sep. 1998 Managing Director, Yazaki Corporation
- Sep. 2000 Senior Managing Director, Yazaki Corporation
- Jun. 2006 Vice Chairman, Yazaki Corporation
- Jun. 2007 Director and Executive Councilor, Yazaki Corporation
- Jun. 2008 Advisor of Yazaki Corporation
- Jun. 2009 External Director of the Company (to present)

Auditors



Akihiko Matsuzaki

Masanao Iechika

Yoshihiko Iwasaki

Kazushi Hirao

Kazushi Hirao

Corporate Auditor (full-time)

- Apr. 1975 Entered into Hitachi Zosen Corporation
- Apr. 1987 Assistant Manager of the said company
- Jun. 1988 Entered into the Company
- Apr. 1997 General Manager of Overseas Business Dept. of the Company
- Jul. 1999 Corporate Officer, General Manager of Overseas Business Dept. of the Company
- Oct. 2002 General Manager of General Affairs Dept. of the Company
- Apr. 2004 Senior Manager of Investor Relations Section of the Company
- Jun. 2004 Corporate Auditor of the Company (full-time)(to present)

Yoshihiko Iwasaki

Corporate Auditor (full-time)

- Apr. 1979 Entered into National Tax Agency
- Jul. 1986 District Director of Ijuin Tax Office
- Jul. 1997 Deputy Commissioner (Revenue Management and Collection) of Hiroshima Regional Taxation Bureau
- Jul. 1999 Deputy Commissioner (Large Enterprise Examination and Criminal Investigation) of Hiroshima Regional Taxation Bureau
- Jul. 2003 Director of Commissioner's Secretariat, the National Tax Agency
- Jul. 2007 Assistant Regional Commissioner (Management and Co-ordination) of Nagoya Regional Taxation Bureau
- Jul. 2008 Executive Director of National Tax College
- Jul. 2009 Director-General of Kanazawa Regional Tax Tribunal
- Jul. 2010 Director-General of Sapporo Regional Tax Tribunal
- Jul. 2011 Vice President of National Tax College
- Jun. 2012 External Corporate Auditor of the Company (full-time)(to present)

* Messrs. Yoshihiko Iwasaki, Akihiko Matsuzaki are External Auditors.

Masanao Iechika

Corporate Auditor

- Apr. 1962 Registered Lawyer (Osaka Bar Association)
- Apr. 1981 Vice President of Osaka Bar Association, Governor of Japan Federation of Bar Association
- Mar. 1988 Member of Commercial Code Committee of Judicial System and Research Dept. of Ministry of Justice
- Jun. 1994 Outside Corporate Auditor of Mitsubishi Tanabe Pharma Corporation (to present)
- Jun. 1998 Outside Corporate Auditor of Keihan Electric Railway Co., Ltd. (to present)
- Apr. 2001 Outside Corporate Auditor of ES-CON JAPAN Ltd. (to present)
- Jun. 2002 Director of the Company
- Jun. 2004 Professor of the Konan Law School
- Dec. 2007 Executive Partner of Daiichi Law Office, P.C. (to present)
- Jun. 2008 Corporate Auditor of the Company (to present)

Akihiko Matsuzaki

Corporate Auditor

- Apr. 1968 Entered into National Police Agency
- Feb. 1975 Chief of Foreign Affairs Section, Security Bureau, Hyogo Prefectural Police Headquarters
- May 1979 First Secretary of Embassy of Japan in Thailand
- Jul. 1988 Chief of Tottori Prefectural Police Headquarters
- Apr. 1993 Chief of Nagano Prefectural Police Headquarters
- Aug. 1996 Director General of Chubu Regional Police Bureau
- Sep. 1997 Director of the Board, Japan Road Traffic Information Center
- Apr. 2002 Auditor of Japan Police Mutual Aid Association
- Sep. 2003 Director of the Board, Japan Police Mutual Aid Association
- Mar. 2005 President of Kioi Kyosai Co., Ltd.
- Jul. 2009 Auditor of Japan Police Cooperative (Part-time) (to present)
- Jun. 2012 External Corporate Auditor of the Company (to present)
- Outside Corporate Auditor of SENON LIMITED (to present)