

We are building positive relationships with society for sustainable growth.

The Capcom Group supports the creation of a richer society, driven by our principle of being a creator of entertainment culture to deliver joy and excitement to people through the creation of game entertainment.

To this end, we are actively working to solve common social issues by promoting ESG initiatives based on the goal of

creating a sustainable society as set forth in the SDGs. Our aim is to realize a world in which everyone can enjoy games with peace of mind.

We will also work together with our stakeholders, including shareholders, customers, business partners, employees, and regional communities as we strive to achieve sustainable

ESG Initiatives and Future Challenges

◆ Material Issues Green : Securing and Training Human Resources Pink : Promoting Diversity Blue : Developing Healthy Relationships

| Basic Policy | Main Initiatives and Results |
|---|---|
| <div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; color: green; margin-right: 10px;">ENVIRONMENTAL</div> <div> <p>The Capcom Group has been minimizing the negative impact of its businesses on climate change (e.g., CO₂ and other greenhouse gas (GHG) emissions), and with respect to pollution, use of resources, etc., we have been striving to reduce our consumption of resources by adopting LEDs in lighting and promoting the digitization of software made available for sale. The Capcom Group will continue to promote these initiatives.</p> </div> </div> | <ul style="list-style-type: none"> ● Reduced CO₂ emissions by switching to LED lighting ● Constructed new environmentally-friendly buildings ● Reduced paper resources used through the digitization of instruction manuals ● Reduced resources consumed through the promotion of digital sales ● Introduced electricity sourced from renewable energy at our buildings in the Kansai area <p>➔ For details, please refer to “Environment” on pp.53-54</p> |
| <div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; color: pink; margin-right: 10px;">SOCIAL</div> <div> <p>The Capcom Group will respect human rights, prohibit discrimination based on race, religion, gender, age, sexual orientation, disability, nationality, etc., thoroughly eliminate inequality by protecting the vulnerable, create a pleasant working environment for employees, and promote the securing and developing of human resources. In addition, we will promote initiatives to build a healthy relationship with local communities and customers, such as engaging in activities to assist children suffering from poverty in the hope of their healthy growth and development.</p> </div> </div> | <div style="margin-bottom: 10px;"> <p>Relationship with Employees</p> <ul style="list-style-type: none"> ● Actively employed and utilized foreign nationals ● Improved the ratio of women in management positions ● Held Health and Safety Committee meetings ● Implemented staff training ● Implemented discretionary work system ● Implemented working from home ● Revised compensation system ● Held company briefing with employees <p>➔ For details, please refer to “Relationship with Employees” on pp.55-56</p> </div> <hr/> <div> <p>Relationship with Customers</p> <ul style="list-style-type: none"> ● Compliance with the CERO ratings system ● Appropriate localization/culturization ● Formulated guidelines with industry groups ● Supported community building by promoting the spread of esports ● Monetized without high-pressure microtransactions <p>➔ For details, please refer to “Relationships with Customers” on pp. 59-60</p> </div> <hr/> <div> <p>Relationship with Regional Communities</p> <ul style="list-style-type: none"> ● Welcomed children participating in Company Visits to our offices / held Guest Lectures at schools ● Developed online educational support activities ● Leveraged Capcom content in regional revitalization efforts ● Supported senior citizen community formation with video game arcade tours ● Donated to various support organizations <p>➔ For details, please refer to “Relationship with Regional Communities” on pp. 61-62</p> </div> |
| <div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; color: blue; margin-right: 10px;">GOVERNANCE</div> <div> <p>The Capcom Group has been enhancing management transparency and soundness, endeavoring to build a structure that is capable of adapting to changes in the environment and striving to boost its corporate value by enhancing its corporate governance function, including utilizing voluntary committees. Going forward, we will continue to further initiatives to meet the expectations of our stakeholders, including shareholders, customers and employees.</p> </div> </div> | <ul style="list-style-type: none"> ● Increased dialogue with shareholders ● Transitioned to a company with an audit and supervisory committee ● Raised the ratio of external directors ● Held roundtable discussions with external directors ● Established a dedicated support team for the Board of Directors ● Established the Nomination and Remuneration Committee (voluntary) ● Established the Information Technology Security Oversight Committee for ongoing enhancement of information security ● Appointed female external director <p>➔ For details, please refer to “Corporate Governance” on pp.65-74</p> |

growth through proactive information disclosure and improved transparency.

➔ Please refer to “ESG Highlights” on pages 15-16 for details on the KPI for material issues

Purple : Enhancing Corporate Governance

Business Impact (Risks and Opportunities)

Opportunities

- Reduced costs (used less electricity, cut distribution costs)

Risks

- Increased business costs with the introduction of a carbon tax
- Rising costs of raw materials, production, and procurement due to carbon regulations and plastic use restrictions
- Disruption of business continuity caused by intensification of abnormal weather events arising from natural disasters and the progression of global warming, and the associated impact on employees' work styles, health, and livelihoods

Future Challenges

- Increasing energy conservation at existing buildings through renovation
- Further conserving energy in amusement facility operations

Opportunities

- Expanded global reach through game development based on a diverse set of values
- Acquired competent creators
- Improved creator productivity
- Fostered a commitment to legal compliance

Risks

- Retirement or turnover of talented personnel
- Decline in operational efficiency due to loss of motivation

- Increasing the percentage of women in management positions
- Strengthening recruitment of global-ready workers

Opportunities

- Improved customer satisfaction by creating stress-free environments for play
- Reduced social risks posed by games

Risks

- Various country risks including culture, religion, and customs
- Monetization systems becoming a social issue
- Changes in user purchasing behavior

- Education of users, consumer groups, government entities, etc.

Opportunities

- Expanded profit opportunities by improving company and IP name recognition
- Promoted understanding of the Capcom approach to business
- Expanded revenue opportunities in step with larger percentage of populations gaining access to entertainment options following the stabilization of social environments

Risks

- Deterioration of corporate image
- Declining interest in game content

- Further promotion of regional revitalization using Capcom content

Opportunities

- Evaluated proper corporate value on both financial and non-financial bases
- Avoided managerial decision-making risk through better management monitoring
- Ensured the appropriateness of growth strategies by having the Board of Directors consider a range of views
- Perpetuated the founder's business know-how

Risks

- Decreased relevance of decision-making
- Leakage of information via unauthorized access or other means

- Increasing the number of opportunities for persons in charge of development to converse with the market
- The effective operation of the audit and supervisory committee system
- Board of Directors effectiveness assessments and their utilization
- Review the composition of the Board of Directors
- Setting developer compensation in consideration of medium- to long-term sustainable growth

Environmental Action as an Entertainment Company

Capcom's Digital Contents business accounts for approximately 80% of the Group's consolidated net sales and primarily entails the development and sale of software. This means that Capcom's environmental impact and environmental risks are lower than the general manufacturing industry.

Given this situation, we have worked to reduce our environmental impact by promoting digital sales of content as well as by replacing equipment. This is in-line with our management philosophy of creating an entertainment culture through the medium of games by developing highly creative content that excites and stimulates your senses.

We will continue actively working to solve issues common to society such as climate change, which is a growing problem, while referring to indicators and frameworks such as the TCFD recommendations.

Reducing CO2 emissions

Reducing CO2 emissions by promoting energy saving measures companywide

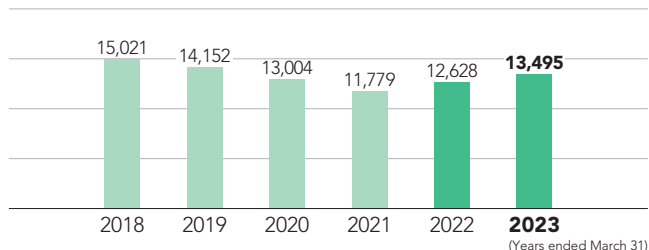
In response to risks such as increased business costs due to the introduction of a carbon tax, as well as increased raw material, production, and procurement costs due to carbon and plastic use regulations, Capcom has worked to cut power usage through efforts that include ongoing power saving at all of its places of business and saving energy at its amusement facilities. The fiscal year ended March 2023 saw our CO2 emissions increase compared to the previous fiscal year due to the opening of new places of business and amusement facilities. However, the trend remains stable.



Promoted energy-saving initiatives, including switching to LED lighting at each workplace

Capcom's CO2 Emissions (Non-consolidated) (t)

13,495 t



Rated "S Class" eight years in a row by the Business Operator Class-Based Assessment System

Despite the current increase in energy use due to the opening of new places of business and amusement facilities, our energy intensity has remained stable. For these efforts, Capcom has been awarded S Class (out of classes S, A, B, and C) status for eight years running under the Business Operator Class-Based Assessment System that has been administered since 2016 by the Agency for Natural Resources and Energy in accordance with the Act on Rationalizing Energy Use (Measures Pertaining to Factories).

| (Non-consolidated) | | |
|--------------------|-------------------|-----------------|
| Year | Energy Intensity* | Vs. Previous FY |
| 2018 | 0.05994 | 98.1% |
| 2019 | 0.05869 | 97.9% |
| 2020 | 0.05583 | 95.1% |
| 2021 | 0.05186 | 92.9% |
| 2022 | 0.05497 | 106.0% |
| 2023 | 0.05918 | 107.7% |

(Years ended March 31)

* Calculated using the method defined by the Agency for Natural Resources and Energy. The Agency for Natural Resources and Energy website: <https://www.enecho.meti.go.jp/en/>

Innovations in Product Distribution

Conserving resources through digital sales of game software

In the past, games included a printed instruction manual inside the package, but in recent years, these manuals are now included as data within the software as a way to save paper. This enables us to eliminate approximately 41.70 million game units' worth of paper manuals annually.

In addition, the increasing popularity of digital sales, where games are downloaded after purchase, has made it possible to conserve resources used to produce discs, semiconductors, software packaging, and other components in addition to paper resources.

In the fiscal year ended March 2023, the resources used in

the equivalent of around 37.30 million units of game software were conserved as a result of digital sales.

Moreover, digital sales eliminate the need to transport physical products from factories to stores or warehouses, allowing us to simultaneously reduce both costs and greenhouse gas emissions.

We will continue promoting digital sales of game software with the aim of achieving effectively zero resource consumption in the future by selling solely via digital download.

Development and Manufacturing Initiatives

Reducing the environmental impact of pachislo machines

In solidarity with the efforts of the Japan Pachislo Machine Industry Association (Nichidenkyo), Capcom manufactures and sells pachislo machines partially made from recycled parts and equipped with standardized “green devices” aimed at controlling power usage.

Status of disposal of used arcade game machines

| Year | Amount recycled | Thermal recycling*1 |
|--------|-----------------|---------------------|
| 2018 | 74.4% | 25.6% |
| 2019 | 83.7% | 16.3% |
| 2020*2 | 00.0% | 00.0% |
| 2021 | 99.77% | 00.0% |
| 2022 | 91.6% | 8.2% |
| 2023 | 75.8% | 24.0% |

(Years ended March 31)

*1 Volume used as heat source for hot water, heating, etc.

*2 Capcom switched to new cabinets in fiscal year ended March 2020, so there was no collection of used arcade game machines.

Promoting workplace proximity

At Capcom, we encourage employees to live within five kilometers of their place of work and to commute by bicycle. As such, we have arranged company housing near our offices and built bicycle parking close to our R&D facilities. The primary goal is to promote a proper work-life balance by shortening commuting distances, but at the same time, it also helps reduce greenhouse gas emissions associated with use of transportation.



Bicycle parking

Utilizing electricity sourced from renewable energy

In October 2020, the Japanese government pledged to be carbon neutral by 2050. The goal is to realize a carbon-free society by 2050 and effectively eliminate greenhouse gas emissions. Capcom aims to achieve net-zero CO₂ emissions at the buildings we own by 2050. Realizing carbon neutrality will require the introduction of renewable energy that does not produce CO₂ emissions.

At Capcom, we began using CO₂-free electricity sourced from renewable energy at the buildings we own in the Kansai area in June 2022. As a result, around 27% of the power we consume in Japan is now provided by renewable energy. In addition, we introduced green power at our Tokyo Branch in April 2023. We are also working to further reduce our environmental impact by using our own data centers that have implemented power-saving measures and by using major cloud service providers and major data center service providers that promote the use of renewable energy.

Governance and risk management in relation to climate change

- (1) The Corporate Management Council (chaired by the Chairman and Chief Executive Officer) deliberates on policies and measures to address risks and opportunities related to climate change.
- (2) Based on the results of these deliberations, the relevant departments promote initiatives under the direction of the Representative Director or Director in charge and report the results to the Representative Director or the Corporate Management Council.
- (3) The Board of Directors receives reports from and oversees the Representative Director or the Corporate Management Council on important matters related to climate change.

Relationship with Employees

The Capcom Group believes that in order to achieve sustainable growth and realize our principle of being a creator of entertainment culture that stimulates your senses, it is essential that we invest in human resources to create the world's highest quality content and expand our user base around the world. For that reason, we have positioned human capital initiatives as our most important sustainability issue and are promoting human resource investment strategies accordingly.

Providing a Pleasant Workplace

Promoting work-life balance

Creating entertainment culture requires that creators themselves make time for play.

At Capcom, we have established Paid Leave Promotion Days and encourage employees to take extended leave to refresh and look for new sources of inspiration during the year-end/New Year's holidays as well as during the series of holidays in May. Additionally, we have built a four-story bicycle parking facility near our development studios and encourage our employees to live within a five-kilometer radius to shorten commuting times. This saves time and living costs while giving creators the free time necessary to cultivate their creative powers and imaginations, which is essential for creative work. Moreover, we opened Capcom Juku as an on-site daycare facility in April 2017 to provide a stable workplace environment for creators. As it is located close to work, it provides peace of mind for employees who are married or have children and has been well-received by those who have utilized it.

➔ Please refer to the information below or page 54 of the 2018 Integrated Report.

Supporting employees' health management

The employee cafeteria was renovated in 2015 when the new development studio was completed. Healthy meals are served for breakfast, lunch, and supper. There is also a massage room staffed by nationally-certified massage therapists at both the Tokyo and Osaka locations to support our employees in managing their health.

Understanding employees' needs

In order for management to gain an understanding of the needs of employees directly from the source, a total of 20 management briefings and other events for employees were held in the fiscal year ended March 31, 2023, with more than 1,400 employees participating.

Fulfilling employee potential in a cutting-edge environment

The biggest thing when it comes to motivating developers working in a creative field such as games is access to an environment that allows them to bring their ideas to life. Capcom maintains a cutting-edge development environment that includes 3D scanners, a motion capture studio, a dynamic sound mixing stage, and a Foley stage. In this way, we support

our creators in fulfilling their vision. In March 2023, we established and launched operations at our new Creative Studio in Osaka City, equipped with one of the largest motion capture studios in Japan.

Capcom Juku

Providing an environment for vibrant childcare combining day care and education

Given the desire to quickly improve the issue of long day care waiting lists accompanying a lack of preschools, Capcom's top management set its sights on the future, desiring to provide an environment in which employees can raise their children with peace of mind while remaining employed over the long term. We operate Capcom Juku aiming to add individual education and growth to standard day care for children.

Capcom Juku goes beyond caring for infants and preschool children and accepts a wide range of youth, including after-school kindergarten and elementary school students. This helps employees avoid the stress of not being able to find open facilities for their children. Furthermore, by offering educational support in the form of a place for learning English, eurhythmics, art and design, and other subjects, Capcom Juku joins its efforts with employees and fosters the growth of children. Currently, as of March 31, 2023, the school takes care of 24 children a month and accepts as many as 295 temporary pupils a month.

In the future, we will create a learning atmosphere at Capcom Juku that stimulates and broadens children's curiosity, while also striving for an environment where parents can work with peace of mind so that both they and their families can lead fulfilling lives.

Promotion of Diversity

Initiatives aimed at promoting the improvement of the work environment for women and proactively utilizing foreign nationals

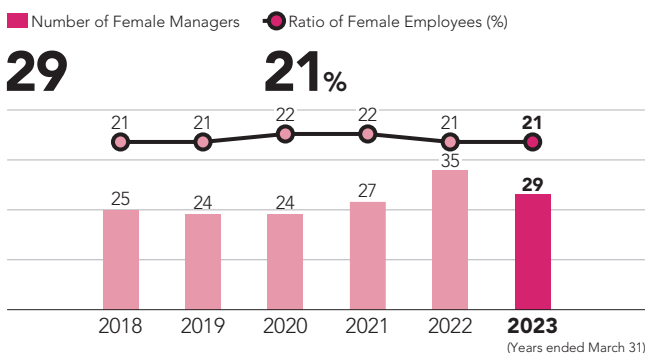
Capcom is currently engaged in initiatives aimed at improving the work environment for women and proactively hiring foreign nationals.

In terms of providing an environment that facilitates women, we introduced systems enabling women to take a leave of absence before and after giving birth, childcare leave and shortened working hours, and promote their use throughout the Company. In fiscal 2022, 42 employees took childcare leave, 30 of whom were men, and 85% of eligible women took childcare leave (fiscal 2021: 41 employees, 20 of whom were men and 100% of eligible women took leave). The ratio of women who returned to work afterwards is also high: 57 (100%) returned in fiscal 2022 (fiscal 2021: 34 (97.8%) returned). As a result, despite it being said that Japan's gaming industry is generally dominated by men, women account for roughly 21.3% of Capcom's workforce, and 29 (11.6%) of Capcom's managers are women. In accordance with the execution of the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on

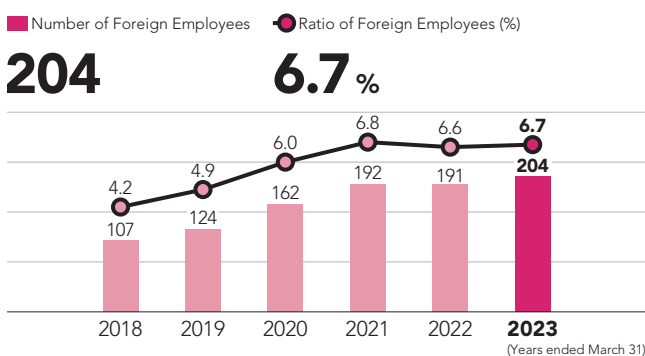
Promotion of Women’s Participation and Advancement in the Workplace, in 2019 we formulated the General Employer Action Plan, which seeks to achieve two things: (1) developing a personnel system that contributes to diversity in work styles, and (2) having women comprise at least 15% of managers by the end of fiscal 2023. We aim to achieve this goal by enhancing our recruitment website and improving the working environment, including the introduction of shortened working hours.

Further, regarding the proactive utilization of its foreign national employees, Capcom is working to strengthen its capabilities in expanding content globally by providing Japanese language education programs, career advancement support, and actively promoting foreign nationals to management positions. We currently employ 204 foreign nationals (representing 6.7% of our employees). Going forward, we will create a system for improving motivation and work on promoting diversity, including support for securing housing when foreign nationals move to Japan, and the introduction of special leave for temporarily visiting their home countries.

Number of Female Managers and Ratio of Female Employees (Capcom Co., Ltd.)



Number and Ratio of Foreign Employees (Capcom Co., Ltd.)



Improving employee engagement

As of March 31, 2023

| Fiscal year (ending in March) | 2019 | 2020 | 2021 | 2022 | 2023 | Target |
|---|------|------|------|------|------|------------|
| Work engagement (Non-consolidated) (t-score) (Note 1) | 51.2 | 51.5 | 52.6 | 51.8 | 54.4 | 55.0 |
| Turnover (Non-consolidated) (Note 2) | 4.9% | 4.3% | 3.9% | 5.4% | 3.5% | — |
| Of which was for personal reasons | 4.3% | 4.0% | 3.6% | 4.7% | 3.2% | about 3.0% |

*1 Engagement represents our t-score in the results of a survey conducted by an external vendor of our employees (excluding short-time workers not covered by social insurance). The specific method used for the survey had an external vendor calculate our t-score as compared to other companies using the results of employee answers of “not at all applicable,” “not very applicable,” “fairly applicable,” and “very applicable” to multiple questions.

*2 Turnover is the ratio of the number of employees who left during the period (excluding employees who joined and left during the same period) to the total number of employees at the beginning of the period. Only full-time employees are included in the calculation.

The Capcom Group is committed to preventing employee turnover and improving employee engagement by creating a comfortable work environment. Specific measures for this include ongoing improvement and expansion of the working environment and facilities, an internal commendation system to recognize contributions to the company, enhancement of anti-harassment training and establishment of a globally accessible hotline, provision of recreational facilities for employees, and continuous expansion of other benefit programs.

As a result of these efforts, work engagement, a measure of initiative and positive feelings toward work, was higher than in previous years, and employee turnover decreased from the previous year. The main contribution was from the revision of the compensation system and efforts to create a comfortable working environment. To give specific examples from the survey, the percentages of employees responding “fairly applicable” or “very applicable” to the following questions are provided below.

| | |
|---|-------|
| I come up with original ideas on the job. | 88.7% |
| When necessary for work, I go above and beyond my role. | 76.0% |
| I experience joy in my current work. | 70.9% |

Additionally, to give specific examples from the section on employee engagement, which is an indicator of loyalty to the company, the percentages of employees responding “fairly applicable” or “very applicable” to the following questions are provided below. The results were positive.

| | |
|--|-------|
| I feel a sense of familiarity and loyalty to my current company. | 77.5% |
| I am very glad that I am able to work for my current company. | 85.6% |
| Working for my current company has been a positive experience. | 86.2% |

Capcom Voices

Marketing Strategy

Hikaru Ikeda

Manager
User Analysis Team,
Data Analysis Section,
Marketing Strategy Department,
Planning and Strategy Divisions



I joined Capcom in 2018 as a mid-career hire and was immediately put in charge of integrating business intelligence (BI) tools in the digital marketing department, before transferring to the digital sales department, where I was responsible for planning and analyzing digital promotions and user response analysis. By introducing BI tools, I was able to contribute to streamlining operations by unifying sales data that had been separate up until that point. At the time, the push for digital strategy within the company had grown stronger, and I was impressed by the progress that had been made in digitalization.

As manager of the User Analysis Team, I supervise a group that is responsible primarily for market research, community analysis, and brand marketing, while overseeing the budget and collaborating and coordinating with other departments. We work to analyze and develop strategies for Capcom's IPs in countries around the world, including measuring awareness, understanding what kinds of people are buying our games, and what should be done to expand brand communities.

Many on my team are women, including myself, and I feel that Capcom's push to invest in human resources in recent years has enhanced the work environment for both women and those with children. For example, paid menstrual leave was introduced this year, which allows women to take time off for this unique need so they can prioritize their physical well-being without worrying about how much personal time off they have remaining. Some employees are also balancing work and childcare by making good use of shortened working hours and staggered working hours. I'm very grateful that we have an environment where women can choose to continue pursuing their careers.



Animation

Yoko Kinoshita

Senior Manager
Animation Section,
R&D Department 3,
Consumer Games Development
Division 2



Among the departments that work with visuals, my section specializes in animation. We produce all the animation necessary in building titles, such as character movements and event scenes. As the Senior Manager, I strive to ensure that everyone can work with a sense of wellbeing, both physically and mentally, taking care to assign people to positions while considering their personalities and career paths. In addition, I am responsible for hiring and training new staff, and at times I work as an animator on our titles as well.

I've loved animation and games since I was a child and longed to work for Capcom, as I felt this was a place rich with creators capable of not only producing appealing characters, but who could also combine enjoyable game feel with truly imaginative visual designs. After joining the company, I was amazed by these exceptional people, just brimming with expertise in their fields and giving their all to create games.

Delivering high-quality games to the world is our motto, which requires top-notch results from game creators. I could really feel Capcom's intent to reward such results and develop globally competitive products when the company restructured its human resources investment strategy in April 2022, which both revised our compensation system and introduced a stock compensation system.

Game development is a very rewarding job in that the fruits of your labor remain in the world as a work of art. Creating a great game involves not only those who work with graphics, but many other people as well. I hope to continue working with my colleagues, who bring imagination and passion to life, to create games that will leave a lasting impression.



Localization Production

Marco Bombasi

Manager
Localization Team,
Localization Production Section,
Production Division



I was always a Capcom fan, but after joining my eyes were opened to the challenging reality of global game development. Having been given a role in management, I've gone from producing localizations myself, to providing a team with the resources they need to delight fans in every corner of the globe. Now, as Localization Team Manager, it's my responsibility to guide our team in delivering the best quality, on time and under budget, in a dozen different languages.

Our mission is to ensure that our games feel natural and appropriate in each market, and beyond translating the games, we contribute broadly by advising on cultural or political perspectives, working with overseas partners, and even assisting with international promotion. We dedicate ourselves to maintaining close communications across divisions to ensure that we spot issues in advance, and can nimbly course correct, contributing to overall production efficiency without compromising on the quality that fans expect.

Living in Japan has many great aspects, though it's not without its difficulties. Even preparing meals can differ widely from back home, and visiting family is now both costly and time consuming. Capcom has been making changes to its work environment for employees from outside of Japan, such as additional paid leave to visit home. Regular meetings where employees can speak directly with upper management also give the sense that the company is listening to our needs.

I can't help but view games through a professional lens now, though I'm still a fan at heart. Everyone on our team gives their all to recreate that sense of joy and excitement that made us love games in the first place. We hope you look forward to what we have in store!



Foundational Technology Development

Yuki Sekino

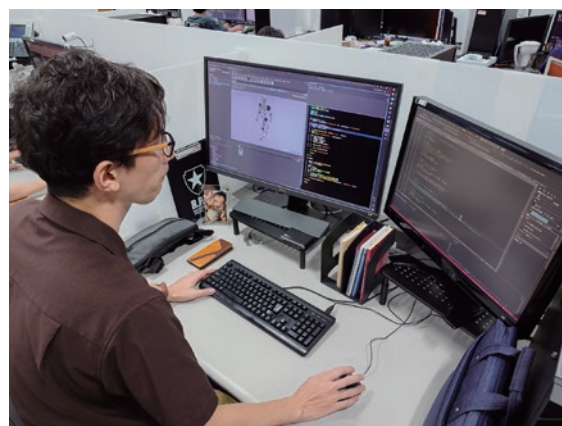
Foundational Technology
Development Section,
R&D Foundational Technology
Department, Technical
Research Division



I work in the Foundational Technology Development Section, which implements and supports features that sustain game creation, including the development of Capcom's in-house game engine, RE ENGINE. In my work, I oversee requests from game creators and implement features or troubleshoot issues that crop up.

I joined Capcom when MT FRAMEWORK, our in-house game engine at the time, was announced. While casual games for mobile phones and other devices were growing in popularity, I was impressed by Capcom's policy of focusing on high-end games for home video game consoles. After joining, I was awed by how the state-of-the-art expressions and experiences in the games are made through the knowhow and ingenuity of the developers, and sensed that high quality is maintained by constantly searching for improved development methods. Working in such an environment, when I develop new features to support fresh game experiences, and when those features are appreciated by the creators, I feel both a special kind of elation and that I've grown.

In my personal life, after my child was born I took a month of childcare leave and have since become more conscious of family time as well. I make use of the bicycle parking and onsite daycare known as Capcom Juku, and am very grateful for such support, which is essential for balancing childcare and work. At Capcom Juku, I had the chance to see a different side of my child, playing freely inside the tidy daycare center. While the number of children there is small, I feel that my child is learning social skills and have great peace of mind in using the service.



Relationship with Customers

Considerations in Game Development

In-game purchases

In the Japanese game market, discussions have been taking place for some time on the problem of gacha, or high-priced lottery-style game mechanics, primarily in mobile games. Overseas, gacha-like “loot boxes” have been banned in some countries.

As a creator of entertainment culture, Capcom believes that games should be enjoyed for the entertainment value they provide with gameplay, not for thrills associated with winning a lottery. We do not want to see games that are supposed to make people happy having the opposite effect as a result of excessive charges. For that reason, we are working to ensure that all users can enjoy our games fairly and safely. In principle, we minimize gacha elements in the mobile games we develop; in our home video games, we provide any content required to enjoy the full game free of charge, while offering some additional content at low cost.

Localization and culturalization

Capcom games are enjoyed worldwide. In the fiscal year ended March 2023, the percentage of home video games sold overseas was 80.3%. Naturally, translation (localization) of video games developed in Japanese is required so that game players around the world can enjoy them. The volume and importance of localization is increasing year after year due to factors such as improvements in game machine performance, support for online gameplay, and an increase in the number of languages accompanying a more diversified, global audience. As such, Capcom’s localization team is involved in game development from the initial stages.

By carrying out localization concurrently with development, rather than following completion of the Japanese language version as had been done in the past, Capcom is able to launch games simultaneously around the globe. What is more, depending on the country, simply translating games developed under Japanese norms can end up hurting users unexpectedly due to historical, religious, or cultural differences.

As such, we focus on employing staff from around the world to culturize the games so that they can be enjoyed by all, regardless of locale.

Healthy Development of Entertainment

Compliance with the CERO rating system and endorsement of guidelines

The Computer Entertainment Rating Organization (CERO), a Specified Nonprofit Corporation, was created to provide age-appropriate ratings for video games. Capcom complies with the CERO rating system and rules.

The rating system is an initiative for the healthy development of young people that calls for voluntary restrictions on home video game content and sales methods to limit access by young people to sexual or violent content. In addition, recent game platforms include a parental control function that enables

parents to limit the online purchase and use of certain games according to their ratings.

Guidelines issued by the Computer Entertainment Suppliers’ Association (CESA)

| Name of guideline | Implementation date |
|--|--|
| Guidelines on blockchain games | Enforced July 1, 2021 |
| Guidelines for Real Money Trade Measures | April 26, 2017 |
| Guidelines for the Protection of Minors | December 21, 2016 Revised March 27, 2019 Revised April 1, 2022 |
| Operating Guidelines for Random Item Distribution in Network Games | April 27, 2016 |
| Guidelines for Advertisements, Etc. in Home Video Game Software Targeting Only Those 18 and Over | April 1, 2008 Revised June 20, 2012 |
| Code of Ethics Concerning Computer Entertainment Software, 2nd Revision | October 1, 2002 |

Please refer to CESA’s website for information on its activities.
https://www.cesa.or.jp/index_e.html

Addressing the WHO’s recognition of gaming disorder

In May 2019, the World Health Organization (WHO) included gaming disorder as a new mental health condition characterized by excessive use of games to the point where it has a negative impact on health and social life. In March 2023, the Gaming Disorder Research Study Group released the results of a study commissioned by industry organizations in response to social demand. We are taking the appropriate steps to raise awareness of the issue and are cooperating with industry organizations that promote further detailed analysis and discussions based on published papers. Additionally, as an independent effort, we will continue to educate elementary and junior high school students on how to interact with games in a healthy manner through our educational support program based on the results of the study.

➡For details see p. 61

Addressing addiction to pachinko and pachislo

Pachinko and pachislo are a form of entertainment that has taken root in society. At the same time, however, there is concern over players becoming addicted. For that reason, the Recovery Support Network (RSN), a pachinko addiction consultation hotline, was established in 2006 with the support of industry organizations. In addition to the launch of this free phone-based consultation service, various measures were implemented in the industry to prevent addiction. These measures included putting up posters at all locations nationwide to raise awareness of RSN, establishing a system in which pachinko and pachislo advisors (specialist staff) are stationed at each location to provide customers with appropriate information on addiction, and preparing guidelines for addressing addiction at pachinko parlors. In 2017, the Pachinko and Pachislo Industry Association for the 21st Century, which consists of 13 organizations

from the amusement industry, announced the “Declaration on Pachinko and Pachislo Addiction,” strengthening measures to address pachinko and pachislo addiction and declaring it as a top priority.

Capcom endorses and cooperates with these initiatives to contribute to healthy development of the industry.

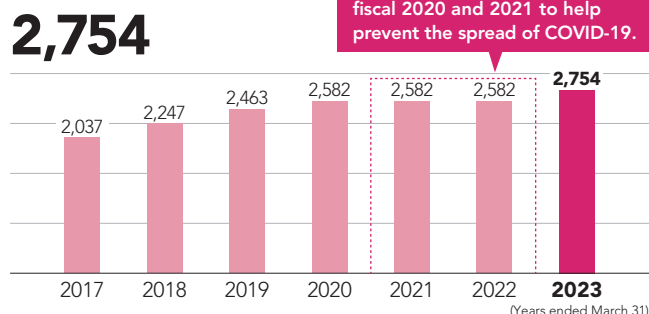
Support for Community-building among Senior Citizens

Holding regular amusement arcade tours

Today, amusement facilities are becoming increasingly popular among senior citizens as spaces for communication with friends and facility staff. Since 2012, Capcom has held amusement arcade tours free of charge on long public holidays and Respect-for-the-Aged Day for senior citizens where they can try out coin-operated games and crane games, enabling more people to make use of such facilities.

In addition, as part of efforts to create arcades where senior citizens can comfortably enjoy themselves, currently, 23 staff members have received Service Assistant certification.

Cumulative number of
participants in senior tours



Enhancing Customer Support

User support and utilizing feedback

At Capcom, we have dedicated support teams for each product to ensure that customers can fully enjoy the services they purchase. We also strive to quickly respond to customer questions by providing online FAQ pages, while each person in charge regularly engages in information exchanges with other teams, working to improve customer satisfaction. The questions and feedback our game support teams receive are condensed and analyzed to be incorporated in development of new products.

→Inquiries

https://www.capcom.co.jp/support/index_game.html (Japanese only)

Protecting the personal information of our customers

Capcom has more than 10 million records containing personal information on customers, accumulated from site memberships, prize deliveries, product purchases, and other sources. In 2015, the Japanese Act on the Protection of Personal Information was revised, and the revisions went into full effect on May 30, 2017.

Meanwhile, overseas, the EU General Data Protection Regulation (GDPR) went into effect in May 2018. The data of game players falls under the category of personal information in these laws, and the scope is expanding each year.

Under these circumstances, we established our new Information Management Department in April 2019 to enhance our information management structure and address the requirements of the Japanese Act on the Protection of Personal Information and the GDPR. This department is leading our efforts to address the risk of personal information leaks by developing a system of conduct guidelines, operational controls, and audits in accordance with the law.

In response to the unauthorized access of Capcom’s network in 2020, improvements were made to the security system to prevent recurrence. Additionally, based on the advice of the Security Oversight Committee, an external advisory body, we maintain and strengthen our information security system based on the PDCA cycle. This includes continuous system operation and monitoring and the establishment of a system for early response and recovery in the event of an emergency, such as the emergence of a cyber-attack or other security risk.

Expanding opportunities for customers to play games

In recent years, we have been focusing on promoting esports as part of our efforts as a creator of entertainment culture.

We have the role of planning and organizing events as a game manufacturer—a role that had been largely shouldered by the player community in the past—in order to provide an environment that better allows competitors and fans to enjoy the excitement of competitions.

Since 2013, we have held Capcom Cup to determine the top players in the world. We have also been working to provide amateur players with opportunities to shine, such as with the Street Fighter League: College-JP 2019 for students, in June 2019. Through these activities, we aim to increase points of contact with our customers and improve customer satisfaction. Further, we are steadily expanding our endeavors, such as by establishing our highest-ever annual prize pool of over 2 million dollars for CAPCOM Pro Tour 2023 to commemorate the release of *Street Fighter 6*, the latest title in the series. This initiative is intended to usher in a new era of competitive fighting eSports.

Relationship with Regional Communities

Promoting Healthy Relationships with Games

More than a decade of on-site classes for children in school

Games are a relatively new cultural phenomenon with little academic research, and discussions tend to focus on the detrimental effects rather than the educational aspects. Recently, recognition by WHO of gaming disorder made headlines as did the establishment of the Kagawa Prefectural Ordinance on Countermeasures for Addiction to Internet and Computer Games. However, video game creator is a popular future career choice among children, and programming and other such lessons will be made compulsory in Japanese elementary schools starting in 2020. Many private sector efforts are also underway, including opening programming academies for youth. Considering these developments, it is reasonable to expect that the number of children hoping to become game creators will increase.

Given this, with a desire to promote social understanding of games, we accept visits to our offices from primarily elementary and junior high school students and conduct on-site classes at schools to promote sustainable economic growth and social development. Class programs have three sessions: Career Education introduces the work done in a game company and its challenges and rewards; Game Literacy Education helps students use their judgement to build a healthy relationship with games; and CAPCOM: Work × Mathematics shows students how mathematics—typically not a favorite subject—is used in work. These programs have been well-received with schools, and Capcom is incorporating educators’ feedback to improve them. In addition, based on prior feedback expressed by educators we launched an online program starting in fiscal 2021, which also allows us to hold classes smoothly even during the COVID-19 pandemic. These initiatives have enabled us to respond flexibly over a wider geographical area than before.

Altogether, Capcom has welcomed 3,532 children as part of 412 different field trips to its offices (as of March 31, 2023). Capcom has also held 232 on-site classes for 19,557 students (as of March 31, 2023).

Impressions of the on-site classes (An excerpt of this fiscal year’s comments)

- I found it interesting to see how a game company identifies issues related to playing video games and how they think about solutions. (Junior high school teacher)
- I learned that math and other skills learned in school are useful in work. I felt that each individual has an essential role to play, and if one person is missing, a complete bond can’t be formed. (Junior high school student)
- It would be great if you could touch on SDGs since we’re looking at them in our lessons. (Junior high school teacher)

Supporting Social Welfare

Support for creating stable environments

As a game publisher, not only are children customers that play with our products but they are also potential future leaders that may become employees. Needless to say, a stable environment is necessary to play games, but education is essential for choosing a profession.

In the fiscal year ended March 2023, we again donated to three organizations that are working on the healthy development of children, including the Fund to Support Children’s Future. We also sent another donation to the Office of the United Nations High Commissioner for Refugees to support refugees from Ukraine and made a new donation to support victims of the 2023 Türkiye-Syria Earthquake.

Support for Children in Need

| Recipient | Amount |
|---|----------------|
| Fund to Support Children’s Future, Welfare and Medical Service Agency | 50 million yen |
| Single Mothers Forum (an authorized nonprofit organization) | 40 million yen |
| Child Center Nukku (specified nonprofit organization) | 10 million yen |

Support for Refugees from Ukraine

| Recipient | Amount |
|------------------------------|----------------|
| UNHCR, the UN refugee agency | 20 million yen |

* Supported via Japan for UNHCR, a national partner of UNHCR in Japan for accepting aid

Support for Victims of the 2023 Türkiye-Syria Earthquake

| Recipient | Amount |
|-------------------------|----------------|
| Save the Children Japan | 30 million yen |

* Türkiye-Syria Earthquake Children Support Desk

Supporting the Promotion of Sports

Contributing to healthy mental and physical development through support for sports

In April 2022, Capcom expressed its endorsement of the goal of the Japan Volleyball Association to foster humanity while contributing to both the healthy development of children and young people as well as to the mental and physical growth of the nation through the greater promotion and advancement of the sport of volleyball. We are supporting the activities of the Japanese men’s and women’s volleyball teams in Japan and abroad as well as the promotion of the sport of volleyball.

We also signed an agreement with Cerezo Osaka in August 2022 establishing Capcom as a Top Partner. We will continue to support Cerezo Osaka, the representative soccer club of Capcom’s hometown, so that through both gaming and soccer we can realize our slogan of “From Osaka, to the World.”

Contributions to Regional Revitalization

Utilizing the appeal and brand recognition of popular games to contribute to society

The appeal of video game content was demonstrated to the world during the opening ceremonies of the preeminent international sporting event of summer 2021 held in Tokyo when video game music was played to accompany the entrance of the athletic teams. In the same vein, Capcom is following a Single Content Multiple Usage strategy for our content, which we deploy in a wide range of fields beyond video games. As such, we are proud to have a high level of recognition and popularity among men and women, young and old alike.

Based on our corporate philosophy of making people happy through games, since the mid-2000s Capcom has been engaged in the following four regional revitalization activities not only in Osaka, where we have our head office, but across Japan: 1) economic promotion that supports the local tourism industries; 2) cultural awareness raising that supports education concerning local history and culture; 3) crime prevention education through coordination with the police; and 4) raising awareness about voting in elections in coordination with the Committee for Election Administration.

Comments from a city official



Tsukasa Kawai

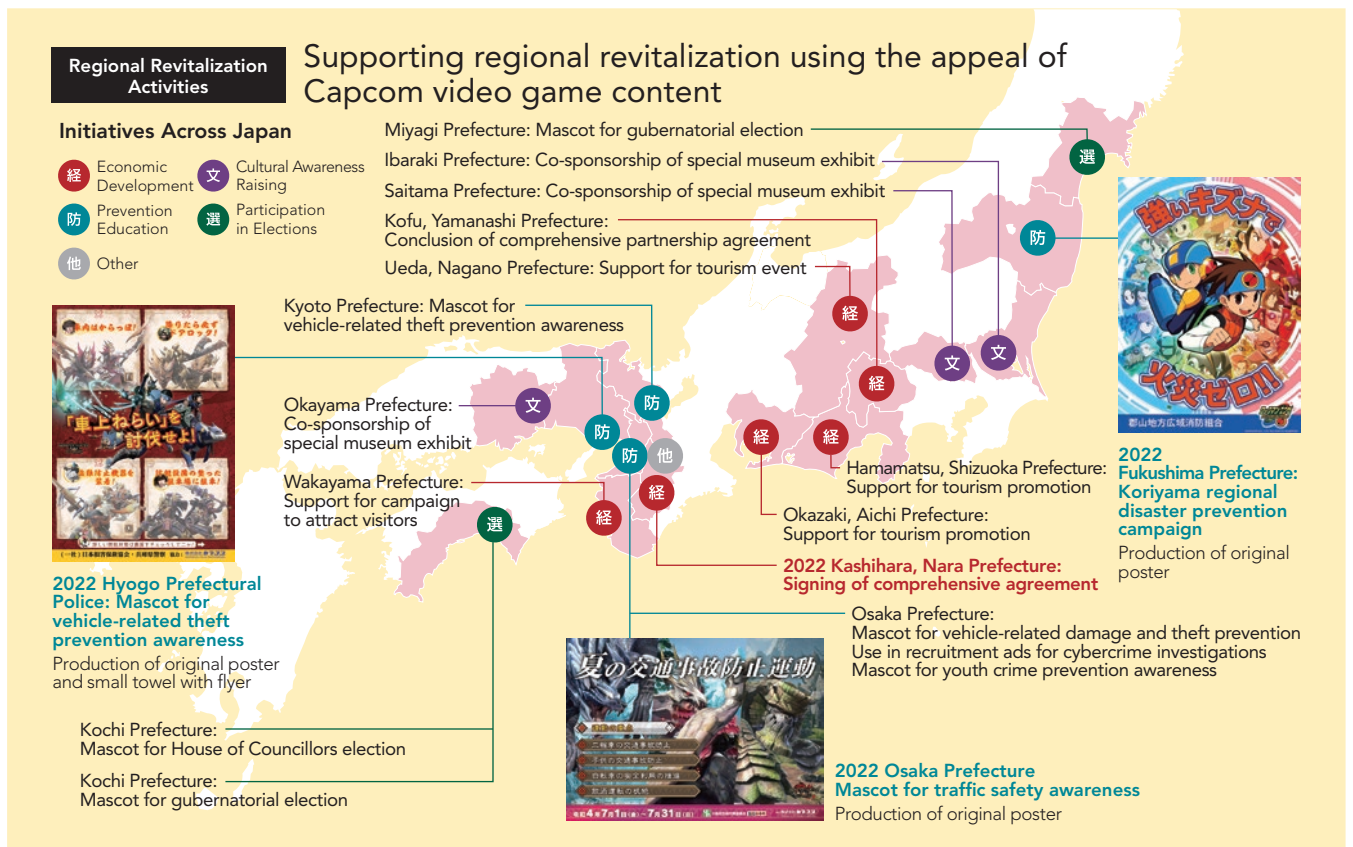
Crime Prevention Officer
Community Safety Planning Division,
Hyogo Prefectural Police Headquarters

I have personally loved video games since I was a child. I have lots of memories of games sold by Capcom.

In our prefecture, Capcom created *Monster Hunter* collaborative merchandise, posters, flyers, and more to raise awareness of the local child-safety program “Nagara Mimamori” (literally: watching vigilantly while doing other things) and to help prevent vehicle-related theft, which is on the rise.

We were also able to effectively educate many children and their guardians by distributing merchandise together with Felyne during the campaign.

I hope Capcom will continue to cooperate with our public relations and awareness campaigns for safety and security in Hyogo Prefecture through its animated movies and game contents, which remain popular among people of all ages.



Directors (As of June 21, 2023)

Internal

External



Kenzo Tsujimoto
Chairman and Chief Executive Officer (CEO)

Jun. 1983 President and Representative Director of the Company
Apr. 1997 Chairman of the Association of Copyright for Computer Software
Apr. 2001 Chief Executive Officer (CEO) of the Company (to present)
Jul. 2007 Chairman and Representative Director of the Company (to present)
Feb. 2010 Representative Director of Kenzo Estate Winery Japan Co., Ltd. (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 President and Representative Director, Chief Operating Officer (COO) of the Company (to present)
Aug. 2016 President and Representative Director, and Director in charge of Global Marketing Business and Arcade Operations Business of the Company
Jun. 2022 President and Representative Director, and Director in charge of Arcade Operations Business of the Company (to present)
May 2023 Chairman of the Computer Entertainment Supplier's Association (to present)



Satoshi Miyazaki
Director and Executive Vice President
Chief Human Resources Officer (CHO)

Apr. 1983 Entered The Industrial Bank of Japan, Ltd. (now Mizuho Bank, Ltd.)
Apr. 2011 Executive Officer, General Manager of Corporate Banking Division No.6 of the Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)
Apr. 2013 Managing Executive Officer in charge of Sales of Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)
Apr. 2016 Executive Officer and Deputy President in charge of Western Japan of Mizuho Financial Group, Inc. Representative Director and Deputy President & Executive Officer in charge of Western Japan of Mizuho Bank, Ltd.
Apr. 2020 Representative Director and Deputy President of Mizuho Bank, Ltd.
Apr. 2021 Resigned from the post above
May 2021 Executive Vice President of the Company (to present)
Jun. 2021 Director of the Company (to present)
Apr. 2022 Director, Chief Human Resources Officer (CHO) and in charge of Corporate Management of the Company (to present)



Ryoza Tsujimoto
Director
Executive Corporate Officer

Apr. 1996 Entered the Company
Sep. 2013 General Manager of Development Division 3 of the Company
Apr. 2014 Corporate Officer, Head of Consumer Games Development Division 3 of the Company
Jun. 2017 Corporate Officer, Head of Consumer Games Development Division 3 and Mobile Online Development Division of the Company
Apr. 2018 Managing Corporate Officer, Head of Consumer Games Development Division 2 and Mobile Online Development Division of the Company
Oct. 2020 Managing Corporate Officer
Head of Consumer Games Development Division 2 (to present)
Apr. 2022 Executive Corporate Officer (to present)
Jun. 2022 Director, Deputy in charge of Development Divisions of the Company (to present)



Toru Muranaka
Director
External
Independent Director

Apr. 1995 Registered Lawyer (Osaka Bar Association)
Entered into Daiichi Law Office (now Daiichi Law Office, P.C.)
Dec. 2007 Partner of Daiichi Law Office, P.C. (to present)
May 2014 External Corporate Auditor of Furuno Electric Co., Ltd. (to present)
Jun. 2015 External Corporate Auditor of Suzuken Co., Ltd.
Jun. 2016 External Director of the Company (to present)



Yutaka Mizukoshi
Director
External
Independent Director

Sep. 1990 Entered into The Boston Consulting Group
Jun. 1997 Vice President of The Boston Consulting Group
Jan. 2005 Japan Co-chair of The Boston Consulting Group
Jan. 2016 Senior Partner and Managing Director of The Boston Consulting Group
Jun. 2016 External Director of Lifenet Insurance Company
External Director of Asagami Corporation (to present)
Jan. 2018 Senior Advisor of The Boston Consulting Group, Tokyo
Jun. 2018 External Director of the Company (to present)
Jun. 2019 Director of Japan Rugby Football Union
Jun. 2022 Vice Chairman of Japan Rugby Football Union (to present)
Jan. 2023 Senior Partner Emeritus of The Boston Consulting Group (to present)



Kazushi Hirao
Director
<Full-time member of the Audit and Supervisory Committee>

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)
Jun. 2016 Director (Full-time member of the Audit and Supervisory Committee) of the Company (to present)



Yoshihiko Iwasaki
Director
<Full-time member of the Audit and Supervisory Committee>
External
Independent Director

Apr. 1979 Entered into National Tax Agency
Jul. 1986 District Director of Ijuin Tax Office
Jul. 1999 Deputy Commissioner (Large Enterprise Examination and Criminal Investigation) of Hiroshima Regional Taxation Bureau
Jul. 2007 Assistant Regional Commissioner (Management and Co-ordination) of Nagoya Regional Taxation Bureau
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)
Jun. 2016 External Director (Full-time member of the Audit and Supervisory Committee) of the Company (to present)



Makoto Matsuo
Director
<Member of the Audit and Supervisory Committee>
External
Independent Director

Apr. 1975 Admitted to Japanese Bar (The Dai-ichi Tokyo Bar Association) Ozaki & Momo-o
Aug. 1978 Weil, Gotshal & Manges in New York
Mar. 1979 Admitted to New York Bar
Apr. 1989 Partner of Momo-o, Matsuo & Namba (to present)
Apr. 1997 Lecturer of Nihon University, Faculty of Law: International Transaction Law
Apr. 2005 Lecturer of Hitotsubashi University Faculty and Graduate School of Law: World Business Law
Jun. 2007 External Director of the Company
Mar. 2014 External Corporate Auditor of Solasia Pharma K.K. (to present)
Jun. 2016 External Director (Member of the Audit and Supervisory Committee) of the Company (to present)
Jun. 2018 Outside Statutory Auditor of Sumitomo Forestry Co., Ltd. (to present)
Jun. 2020 Outside Audit & Supervisory Board Member of Taisho Pharmaceutical Holdings Co., Ltd. (to present)



Yoichi Egawa
Director
Executive Corporate Officer

Apr. 1985 Entered 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. 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
Jul. 2016 Director, in charge of Amusement Equipment Business, Arcade Operations Business and Consumer Games Development of the Company
Apr. 2019 Director, in charge of Consumer Games Development and Pachinko & Pachislo Business Divisions of the Company
Apr. 2020 Director, in charge of Development Divisions and Pachinko & Pachislo Business Divisions of the Company (to present)



Kenkichi Nomura
Director
Executive Corporate Officer, Chief Financial Officer (CFO)

Apr. 2009 Corporate Officer in charge of Internal Control of the Company
Jul. 2010 Managing Corporate Officer in charge of Financial and Accounting Division of the Company
Jun. 2015 Managing Corporate Officer in charge of Financial and Accounting Division and Secretarial Affairs, PR and IR Division of the Company
Apr. 2016 Executive Corporate Officer (to present)
Head of Finance, Accounting and Public Relations Divisions
Jun. 2016 Director, Chief Financial Officer (CFO) (to present) and in charge of Corporate Management of the Company
Apr. 2020 Director, in charge of Corporate Management, Planning and Strategy Divisions of the Company
Apr. 2022 Director deputy in charge of Corporate Management of the Company (to present)



Yoshinori Ishida
Director
Executive Corporate Officer

Apr. 1992 Entered the Company
Apr. 2005 General Manager of Sales Promotion Division of the Company
Mar. 2011 Deputy Head of Consumer Games Business Division of the Company
Apr. 2013 Corporate Officer, Head of Consumer Games Business Division of the Company
Apr. 2016 Corporate Officer, Head of Japan & Asia Business Division of the Company
Jun. 2017 Corporate Officer, Head of Japan & Asia Business and Deputy Head of Mobile Online Development Division of the Company
Apr. 2019 Managing Corporate Officer, Head of Japan & Asia Business Division and Deputy Head of Mobile Online Development Division of the Company
Sep. 2021 Managing Corporate Officer, Head of Global Business Division of the Company (to present)
Apr. 2022 Executive Corporate Officer of the Company (to present)
Jun. 2022 Director, in charge of Global Business Division of the Company (to present)



Wataru Kotani
Director
External
Independent Director

Apr. 1980 Entered into the National Police Agency
Aug. 2002 Chief of Ehime Prefectural Police Headquarters
Apr. 2004 Chief of the Cybercrime Division, Community Safety Bureau, National Police Agency
Jul. 2008 Chief of Nagano Prefectural Police Headquarters
Aug. 2010 Chief of the Organized Crime Department, Criminal Affairs Bureau, National Police Agency
Jan. 2013 Deputy Superintendent General and acting Chief of the Crime Prevention Task Force, Tokyo Metropolitan Police Department
Jan. 2014 President, National Police Academy
Nov. 2014 Special Advisor, Japan Post Bank Co., Ltd.
Jun. 2021 Director of Japan Center for Examination Research (to present)
External Director of the Company (to present)



Toshiro Muto
Director
External
Independent Director

Apr. 1966 Entered into the Ministry of Finance
Jul. 1999 Director-General of the Budget Bureau of the Ministry of Finance
Jun. 2000 Vice Minister of the Ministry of Finance
Jan. 2003 Adviser to the Minister of Finance
Mar. 2003 Deputy Governor of the Bank of Japan
Jul. 2008 Chairman of Daiwa Institute of Research Ltd.
Jun. 2009 External Corporate Auditor of Sumitomo Metal Corporation (now Nippon Steel Corporation)
Jun. 2010 External Director of Mitsui & Co., Ltd.
Jan. 2014 CEO of the General Incorporated Foundation Tokyo Organizing Committee of Olympic and Paralympic Games (later Public Interest Incorporated Foundation Tokyo Organizing Committee of Olympic and Paralympic Games, being dissolved in June 2022)
Jun. 2018 Honorary Chairman of Daiwa Institute of Research Ltd. (to present)
Jun. 2022 External Director of the Company (to present)



Yumi Hirose
Director
External
Independent Director

Apr. 1979 Entered into the Tokyo Regional Taxation Bureau
Jul. 2012 National Tax Agency Commissioner's Secretariat Internal Inspector
Jul. 2015 District Director of Yukigaya Tax Office
Jul. 2016 Director of Personnel Division 2, General Affairs Department of Tokyo Regional Taxation Bureau
Jul. 2017 Director of General Affairs Division of National Tax College
Jul. 2018 Research Coordination Director of Tokyo Regional Taxation Bureau Research Division 3
Jul. 2019 Deputy Director of Regional Taxation Bureau Research Division 2
Jul. 2020 District Director of Shiba Tax Office
Aug. 2021 Tax Accountant of Hirose Tax Accountant Office (to present)
Dec. 2021 Spokesperson for the village of Mikura-island (to present)
Jun. 2022 External Director of the Company (to present)
External Director (Audit and Supervisory Committee Member) TOREX SEMICONDUCTOR LTD. (to present)

Directors' Skill Matrix

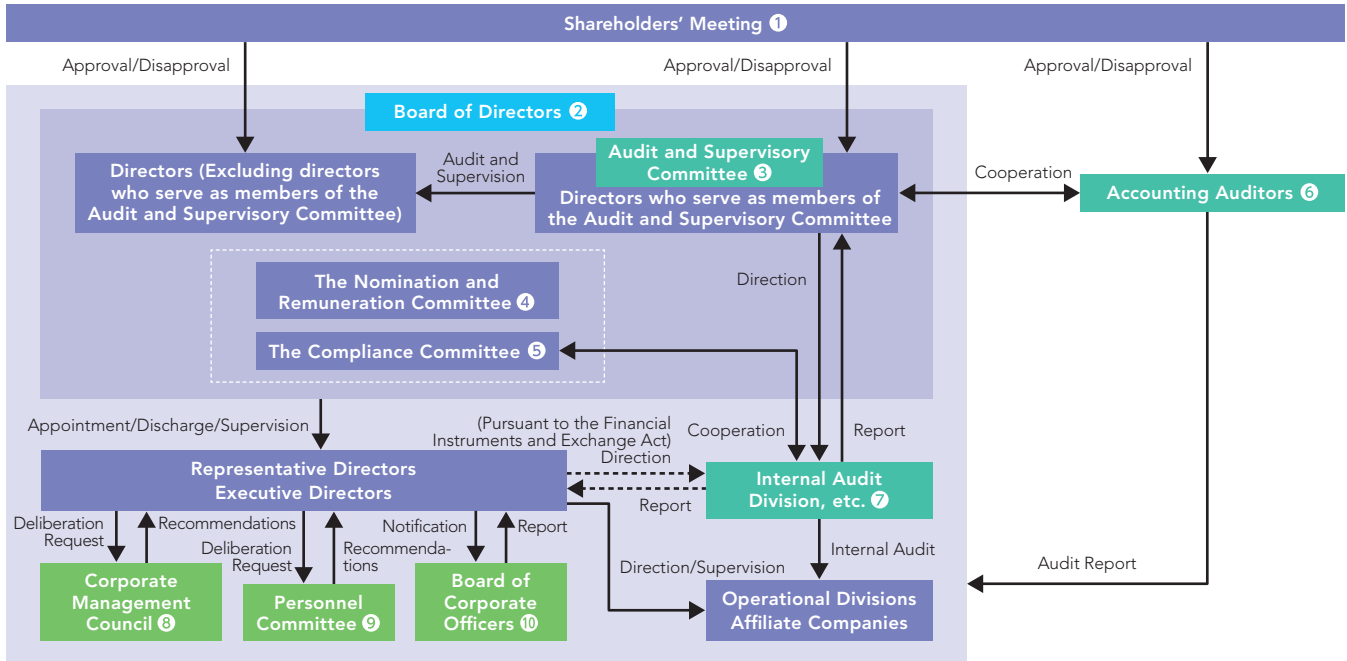
| | Fields Each Director is Expected to Contribute in Particular Toward Achievement of Medium-Term Growth Strategy | | | | | | | |
|--------------------|--|---------------------|-----------------|--------------------------------------|-----|------------------------|-------|--------------------|
| | Company Management | Management Strategy | Gaming Industry | Digital Transformation/IT/Technology | R&D | Finance/Accounting/Tax | Legal | Global Sensibility |
| Kenzo Tsujimoto | ● | ● | ● | ● | | | | ● |
| Haruhiro Tsujimoto | ● | ● | ● | ● | ● | | | ● |
| Satoshi Miyazaki | ● | ● | ● | ● | | ● | | ● |
| Yoichi Egawa | | | ● | ● | ● | | | ● |
| Kenkichi Nomura | | ● | ● | ● | | ● | ● | ● |
| Yoshinori Ishida | | ● | ● | ● | | | | ● |
| Ryozo Tsujimoto | | | ● | ● | ● | | | ● |
| Toru Muranaka | ● | | | | | | ● | ● |
| Yutaka Mizukoshi | ● | ● | | | | | | ● |
| Wataru Kotani | | | | ● | | | ● | |
| Toshiro Muto | ● | | | | | ● | | ● |
| Yumi Hirose | ● | | | | | ● | | |
| Kazushi Hirao | | ● | ● | | | ● | | ● |
| Yoshihiko Iwasaki | | | | | | ● | | |
| Makoto Matsuo | ● | | | | | | ● | ● |

* The table above does not necessarily show all knowledge possessed by the candidates.

Corporate Governance Structure and Initiatives

Shareholders and investors have made the 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 systems 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.)

(As of June 21, 2023)



Composition of Board of Directors and voluntary committees (In the year ended March 31, 2022)

Internal External

2 Board of Directors (15 members)
(Convened 10 times in the year ended March 31, 2023)

| | | | |
|---|---|--|---|
| Kenzo Tsujimoto (Attendance: 100%) | Haruhiro Tsujimoto (Attendance: 100%) | Satoshi Miyazaki (Attendance: 100%) | Yoichi Egawa (Attendance: 100%) |
| Kenkichi Nomura (Attendance: 100%) | Toru Muranaka (Attendance: 100%) | Yoshinori Ishida (Attendance: 100%)* | Ryozo Tsujimoto (Attendance: 100%)* |
| Yutaka Mizukoshi (Attendance: 100%) | Wataru Kotani (Attendance: 100%) | Toshiro Muto (Attendance: 100%)* | Yumi Hirose (Attendance: 100%)* |

* 100% attendance since being elected

3 Audit and Supervisory Committee (three members)
(Convened 10 times in the year ended March 31, 2023)

| | | |
|---|---|---|
| Makoto Matsuo (Attendance: 100%)* | Kazushi Hirao (Attendance: 100%)* | Yoshihiko Iwasaki (Attendance: 100%)* |
|---|---|---|

* Attendance at both Board of Directors and Audit and Supervisory Committee meetings

4 The Nomination and Remuneration Committee (seven members)
(Convened 4 times in the year ended March 31, 2023)

| | | | | |
|--|--|---|---|--|
| Yoshihiko Iwasaki (Attendance: 100%) | Satoshi Miyazaki (Attendance: 100%)* | Kenkichi Nomura (Attendance: 50%) | Yutaka Mizukoshi (Attendance: 100%) | Wataru Kotani (Attendance: 100%) |
| Kazushi Hirao (Attendance: 100%) | Makoto Matsuo (Attendance: 100%) | * 100% attendance since being elected | | |

5 The Compliance Committee (14 members)
(Convened 4 times in the year ended March 31, 2023)

| | | | | |
|--|---|--|--|--|
| Toru Muranaka (Attendance: 100%) | Haruhiro Tsujimoto (Attendance: 100%) | Satoshi Miyazaki (Attendance: 100%) | Yoichi Egawa (Attendance: 100%) | Kenkichi Nomura (Attendance: 100%) |
| Yoshinori Ishida (Attendance: 100%)* | Ryozo Tsujimoto (Attendance: 100%)* | Yutaka Mizukoshi (Attendance: 100%) | Wataru Kotani (Attendance: 100%) | Toshiro Muto (Attendance: 100%)* |
| Yumi Hirose (Attendance: 100%)* | Kazushi Hirao (Attendance: 100%) | Yoshihiko Iwasaki (Attendance: 100%) | Makoto Matsuo (Attendance: 100%) | * 100% attendance since being elected |

Corporate Governance Structure

Enhancing management soundness and transparency while responding to changes in the environment

Capcom established the Corporate Governance Guidelines (see https://www.capcom.co.jp/ir/english/assets/pdf/governance/governance_01.pdf for details) as the basic policy on corporate governance to achieve stable growth and increase corporate value over the medium to long term. We work continually to enhance our corporate governance structure.

1 Shareholders' Meeting

(Convened on June 20, 2023)

Determines important matters as the highest decision-making body

The general shareholders' meeting serves as Capcom's highest decision-making body and determines important matters prescribed by laws, regulations, and the Company's Articles of Incorporation, as well as serves as a place for communicating the audit results of divisional reports and consolidated financial statements.

Invitations to the general shareholders' meeting are issued approximately three weeks before convening the session, and efforts are made to allow for greater attendance by having the session before the date on which most other companies hold their meetings. We have also made it possible for shareholders to exercise their voting rights over the internet using a computer, smartphone or tablet. In addition, we participate in an electronic voting rights exercise platform for institutional investors so that they will have sufficient time to review the proposals.

2 Board of Directors

Supervision

(Convened 10 times in the year ended March 31, 2023)

Management decisions that incorporate external directors' opinions

The Board of Directors is composed of 15 directors (chaired by the Representative Director and Chairman of the Board), with seven of the directors being external directors.

The Board deliberates on important matters stipulated by laws, regulations, and the Rules of the Board of Directors as well as on growth strategies based on the Group's corporate philosophy, and strives to strengthen supervisory functions through the guidance, suggestions, and active comments of external directors.

3 Audit and Supervisory Committee

Audit

(Convened 10 times in the year ended March 31, 2023)

Cooperating with accounting auditors and the internal audit department to audit and supervise

The Audit and Supervisory Committee (chaired by an external director) is composed of three directors (two of whom are full-time members), with two of the three directors being external directors.

In principle, the committee meets before a Board of Directors' meeting is convened. The committee deliberates on important matters stipulated by the Rules for the Audit and Supervisory Committee and strives to strengthen audits and supervision.

Audit and Supervisory Committee members selected by the same committee carry out on-site audits themselves and,

in order to increase the efficacy of audits, carry out dynamic organizational audits, including issuing instructions and other actions as necessary to, among others, the Internal Audit Division (an organization directly under the control of the Audit and Supervisory Committee). The Internal Audit Division strives to ensure that audits function effectively by reporting the status of audits and improvements, and other issues to Audit and Supervisory Committee members.

The Audit and Supervisory Committee discusses management risks and other issues based on audit results reported by selected Audit and Supervisory Committee members and the Internal Audit Division to examine ways to enhance governance from the perspective of legal compliance and appropriateness.

4 The Nomination and Remuneration Committee

(Convened four times in the year ended March 31, 2023)

Selection of candidates for director and deliberating and recommending details of director compensation

The voluntary Nomination and Remuneration Committee (chaired by an external director) is composed of seven directors (three of whom are internal directors and four of whom are external directors), with a majority of members being external directors.

Each committee member is selected based on the Board of Directors' appraisal of his or her knowledge, insight, experience, and other qualities. The Nomination and Remuneration Committee deliberates on the nomination and remuneration of directors and submits reports in response to inquiries from the Board of Directors.

The main matters reviewed upon receiving an inquiry are as follows:

- a. Matters related to nominations
 - (i) Policy for selecting candidates for director to be submitted to the General Meeting of Shareholders
 - (ii) Selection of candidates for director to be submitted to the General Meeting of Shareholders
 - (iii) Selection of corporate officers
 - (iv) Selection of corporate officers with titles
 - (v) Successor plan
 - (vi) Other matters related to the above
- b. Matters related to remuneration
 - (i) Policy on director remuneration
 - (ii) Fixed remuneration and performance linked remuneration
 - (iii) Performance evaluations related to individual remuneration
 - (iv) Performance evaluations related to bonuses
 - (v) Other matters related to the above

5 The Compliance Committee

(Convened four times in the year ended March 31, 2023)

Focusing on Compliance as an Important Management Issue

The Compliance Committee is composed of 14 directors (seven of whom are external directors, and the committee chairman is an attorney and external director).

In principle, the committee convenes once per quarter. Its primary activities are to analyze and assess risks to the Capcom Group. In addition, the committee provides recommendations and advice for the prevention of legal violations or inappropriate conduct by finding internal risks and reporting their probability of materializing to the Board of Directors.

6 Accounting Auditors Audit

Ensuring and Verifying Accounting Transparency

Capcom has concluded an auditing contract with 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 special relationship involving financial or other interests between Capcom and this audit corporation or the engagement partners at this firm who perform audits at Capcom.

Auditor Remuneration (Year ended March 31, 2023)

| | Compensation for Audit Operations | Compensation for Non-Audit Operations |
|-------------------------|-----------------------------------|---------------------------------------|
| Delivery company | 57 million yen | — |
| Consolidated subsidiary | — | — |
| Total | 57 million yen | — |

| Auditing Company | Names of Certified Public Accountants | |
|--|---------------------------------------|-------------------|
| KPMG AZSA LLC, a limited liability audit corporation | Designated Limited Liability Partners | Tomoya Kurokawa |
| | | Tomohiro Yamanaka |

Note: The financial audit team was composed of: certified public accountants (8 members), and candidates for CPA who passed the new CPA exam, plus associates in charge of system audits (19 members).

7 Internal Audit Division Audit

Verifying legal compliance and operating efficiencies

In order for effective audits to be carried out, Capcom has established an Internal Audit Division and determines auditing policies, schedules, methods, and the allocation of duties after the end of the shareholders' meeting.

The main activities of the Internal Audit Division are verifying and evaluating the status of employees' execution of duties and the efficacy (and status of operation) of internal control systems, and reporting to the Audit and Supervisory Committee. When needed, division members also accompany selected Audit and Supervisory Committee members and carry out on-site audits of offices and subsidiaries inside and outside Japan.

8 Corporate Management Council Implementation

(Convened 15 times in the year ended March 31, 2023)

Supporting the Board of Directors' decisions

The Corporate Management Council (chaired by the Representative Director and Chairman of the Board) is composed of eight internal directors and, in principle, is convened several days before a meeting of the Board of Directors, or whenever necessary.

In addition to meeting to carry out preliminary deliberations of Board of Directors agenda items, it also deliberates other important items.

9 Human Resources Committee Implementation

(Convened 13 times in the year ended March 31, 2023)

The Human Resources Committee (chaired by the Representative Director and Chairman of the Board) is composed of eight internal directors, the corporate officer in charge of the HR Divisions, and the corporate officer in charge of the Planning

and Strategy Divisions. The Corporate Planning Department serves as the secretariat, and one person is in charge of its secretariat duties.

In principle, it is convened several days before a meeting of the Board of Directors, or whenever necessary.

It meets to carry out preliminary deliberations of Board of Directors agenda items related to human resources and discussions on matters such as the human resources investment strategy.

10 Board of Corporate Officers Implementation

(Convened 12 times in the year ended March 31, 2023)

Executing operations based on management policy

Capcom utilizes a Corporate Officer System. In addition to clarifying the roles and responsibilities of directors focused on management and corporate officers focused on business execution, the system boosts management efficiency by allowing officers to swiftly execute business following instructions from executive directors regarding important matters determined at the Board of Directors.

The Board of Corporate Officers is composed of 15 corporate officers (six of whom serve concurrently as directors), and in principle, convenes once a month. Each corporate officer reports on the status of business execution and works to ensure that information is shared, while also exchanging opinions on business items and issues that require resolution.

External Directors

Using external perspectives to ensure effective governance

External directors ensure the effectiveness of the corporate governance function by playing key roles in the Compliance Committee and the Nomination and Remuneration Committee. 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. The Secretariat staff helps with the work of the external directors who are not members of the Audit and Supervisory Committee. For external directors who are members of the Audit and Supervisory Committee, the full-time staff of the Internal Audit Division helps with their work.

In addition, in the fiscal year ended March 31, 2023, we provided information to external directors through on-site tours and roundtable discussions with executive officers and enhanced our support system by establishing a department dedicated to the Board of Directors.

Since all seven of the external directors meet the criteria of independent directors, they have been designated as independent directors.

Reasons for Selection of External Directors

External Directors

| Name | Reasons for selection |
|------------------|---|
| Toru Muranaka | Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors through proposals and advice on legal compliance and propriety from a professional standpoint along with his high level of expertise and broad insight and knowledge as an attorney specializing in corporate and financial instruments and exchange law. |
| Yutaka Mizukoshi | Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors based on an external perspective, including his enthusiastic provision of opinions and advice from an independent standpoint based on his familiarity with management analysis and establishment of management strategies as well as his deep insight into economic trends and international sensibilities that comes from his experience and knowledge from his many years in the consulting industry. |
| Wataru Kotani | Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors based on the perspective of risk management and legal compliance, as he possesses broad expertise and extensive experience in IT security and legal affairs from his many years of involvement in police administration and provides opinions and advice from a neutral and objective standpoint. |
| Toshiro Muto | Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors by providing objective opinions and advice on general management from an independent standpoint with a broad perspective based on his extensive knowledge and experience as he possesses a high level of insight related to fiscal and monetary affairs, general economics, and corporate governance cultivated at the Ministry of Finance, the Bank of Japan, and operating companies. |
| Yumi Hirose | Due to expectations for her ability to contribute to the auditing and supervision of the Board of Directors and improvement of the human resources strategy by actively providing opinions and advice from an outside perspective based on her knowledge and experience, which include specialized knowledge and extensive experience from her many years as a tax administrator of tax agency offices, her considerable knowledge of finance and accounting, and her high level of knowledge related to health management. |

External Directors (Audit and Supervisory Committee)

| Name | Reasons for selection |
|-------------------|--|
| Yoshihiko Iwasaki | Due to his expertise and rich experience with tax administration along with his considerable knowledge of finance and accounting, he is expected to contribute to the auditing and supervision of the Board of Directors from the standpoint of tax administration, finance, and accounting with proposals and advice from an external perspective. |
| Makoto Matsuo | Due to his success in the legal world based on his high level of expertise and broad insight and knowledge as an attorney and his familiarity with the business world that comes from his extensive experience as an external officer of listed companies, he is expected to contribute to the auditing and supervision of the Board of Directors with guidance and advice from a legal standpoint at meetings of the Board of Directors and other important meetings. |

Director Support System

- To enhance the deliberations of the Board of Directors, a secretariat to the Board of Directors was established to oversee operations as outlined below.
 - Establish an annual schedule of Board of Directors meetings and hold extraordinary meetings as necessary.
 - Prepare materials that will help participants get an overview of the agenda items, and distribute them in advance.
 - Endeavor to enhance the deliberations of the Board of Directors by delegating some important business execution matters, such as personnel transfers and organizational reforms, to the

Representative Directors to confirm the appropriateness of the matters to be discussed.

- To facilitate thorough discussions during the Board of Directors meetings, the Director in charge of Corporate Management will provide explanations to external directors regarding agenda items and supplementary matters approximately one week in advance of the scheduled board meeting date.
- To establish a system that allows external directors to make timely and appropriate judgments on proposals, the corporate officers in charge will attend Board of Directors meetings as necessary to assist the director in charge in explaining proposals and answering questions.
- The directors, officers and employees of the Group will respond promptly and appropriately when asked to provide information necessary for the directors to perform their duties.
- To facilitate the smooth and appropriate execution of duties by the Audit and Supervisory Committee, an Internal Audit Department independent of the departments conducting business has been established to assist the same committee as an organization directly under the Internal Audit Division and serves as the Secretariat of the committee.
 - The Internal Audit Division will strive to maintain independence from business executors, carrying out its duties under the direction of the Audit and Supervisory Committee. It will also provide timely reports to the Audit and Supervisory Committee as necessary.
- The Executive Support Section and the Internal Audit Division provide support to ensure that non-executive directors, including external directors, can smoothly execute their duties. Also, the support system will be strengthened by establishing a dedicated department for the Board of Directors.
- To facilitate smooth and appropriate execution of their duties, directors may engage external experts such as consultants as necessary, with the associated costs borne by the Company.

Director Training and Development

The Group provides directors with necessary training opportunities and information, as appropriate.

- When directors assume their position, they are briefed on the Group's business, finances, and organization, given a tour of the workplaces as well as information on industry trends and such.
- Support is provided for expenses and other costs related to the acquisition of knowledge and exchange of information by directors.
- Audit and Supervisory Committee members are provided with opportunities to study through participation in external training programs as part of our efforts to ensure proper audits.
- The Board of Directors is provided opportunities to hear explanations on business strategies and other measures for each fiscal year and necessary information related to the Company's business challenges and other issues is provided to external directors on a continuous basis.

Evaluation of the Effectiveness of the Board of Directors

The Company evaluates the effectiveness of the Board of Directors by means of individual questionnaires, interviews, and other methods that facilitate getting individual opinions from all directors. In addition, to further enhance the function of the Board of Directors, in the fiscal year ended March 31, 2023, we worked to

Corporate Governance

provide information to external directors through on-site tours and roundtable discussions with executive officers, as well as to strengthen our support structure through the establishment of a department dedicated to the Board of Directors. The evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2023, was generally positive.

To further improve the effectiveness for strengthening the supervision function, we will work on the issues below in the fiscal year ending March 31, 2024.

[Main issues]

- Further enhancing the provision of information, including round-table discussions with external directors
- Discussions on nomination and remuneration of directors and senior management for the establishment of a next-generation management structure
- Discussions to facilitate the improvement of corporate value over the medium to long term

We will continue to promote sharing and understanding of various issues at our Board of Directors meetings to further enhance its function.

Officer Remuneration

The Nomination and Remuneration Committee is consulted to ensure fairness and transparency

Policy for setting the calculation method and amount of directors' remuneration

1 Policy on determining remuneration of directors (excluding directors who are members of the Audit and Supervisory Committee)

To ensure the fairness and transparency of remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee), the Board of Directors consults the Nomination and Remuneration Committee, which deliberates and makes recommendations based on the policy below, and makes its decision accordingly.

- Basic remuneration of directors (excluding directors who are members of the Audit and Supervisory Committee)
 - Monthly remuneration is fixed.
 - The amount is determined after considering each board member's position, duties, tenure, and status as either an executive director or non-executive director, and an evaluation of individual job performance.

- Performance linked remuneration of directors (excluding external directors and directors who are members of the Audit and Supervisory Committee)

In regard to performance linked remuneration of directors (excluding external directors and directors who are members of the Audit and Supervisory Committee), short-term performance linked remuneration is based on a bonus for the fiscal year. The Board of Directors consults the Nomination and Remuneration Committee, which performs an evaluation and calculation using the items below based on the Group's management objective of steady growth of profits, and makes its decision based on their recommendations.

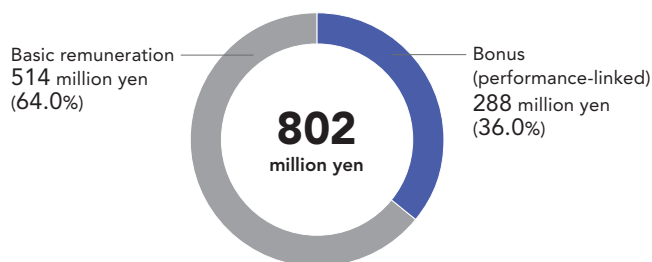
- Single-year net income attributable to owners of parent
- Increase in consolidated operating profit over the previous year
- Multiple consecutive increases in consolidated operating profit over previous years
- Evaluation of operations that the board member oversees

The ratio of remuneration for directors (excluding external directors and directors who are members of the Audit and Supervisory Committee) is set based on the above items and includes annual basic remuneration, comprised of monthly remuneration, and a single year bonus, which does not exceed 50% of annual basic remuneration.

2 Policy for determining remuneration of the directors who serve as members of the Audit and Supervisory Committee

From the standpoint of securing their independence, the remuneration of the directors who serve as members of the Audit and Supervisory Committee is not linked to performance; it is a fixed amount determined through discussions, taking the difference of full-time or part-time service and other factors into account, by the directors who serve as members of the Audit and Supervisory Committee.

Total director remuneration breakdown



* The amounts are simple calculations based on the table below. Actual remuneration will vary.

Officer Remuneration (Year ended March 31, 2023)

Total remuneration, total amount by type of remuneration, and number of directors the remuneration was paid to, by type of director of delivery company

| Type of director | Total remuneration (million yen) | Total of remuneration by type (million yen) | | | | Number of directors paid |
|---|----------------------------------|---|---------------------------------|-----------|---|--------------------------|
| | | Basic remuneration | Performance linked remuneration | Severance | Of those items to the left, non-monetary remuneration | |
| Director (excluding Audit and Supervisory Committee and external directors) | 802 | 514 | 288 | — | — | 7 |
| Member of Audit and Supervisory Committee (excluding external directors) | 21 | 21 | — | — | — | 1 |
| External directors | 54 | 54 | — | — | — | 5 |
| Member of Audit and Supervisory Committee (external directors) | 32 | 32 | — | — | — | 2 |

Total amount of consolidated remuneration by director of delivery company

| Name | Total of consolidated remuneration (million yen) | Type of director | Type of company | Total of consolidated remuneration by type (million yen) | | | |
|--------------------|--|------------------|------------------|--|---------------------------------|-----------|---|
| | | | | Basic remuneration | Performance linked remuneration | Severance | Of those items to the left, non-monetary remuneration |
| Kenzo Tsujimoto | 212 | Director | Delivery company | 137 | 75 | — | — |
| Haruhiro Tsujimoto | 169 | Director | Delivery company | 109 | 60 | — | — |
| Satoshi Miyazaki | 106 | Director | Delivery company | 68 | 37 | — | — |
| Yoichi Egawa | 102 | Director | Delivery company | 66 | 36 | — | — |

Note: Total consolidated remuneration, etc. is listed only for those with remuneration of 100 million yen or more.

Initiatives for the Shareholders' Meeting

Making shareholders' meetings lively and facilitating the exercise of voting rights

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

Also, voting rights can be exercised online via PC, smartphone or tablet. In addition, we have participated from an early stage in a platform for the online exercise of voting rights, so institutional investors are ensured a sufficient amount of time to consider

proposals starting on the day the convocation notices are distributed. Furthermore, we also post convocation notices and other information in English on our corporate website and the website of Tokyo Stock Exchange, Inc. to promote the exercise of voting rights by shareholders worldwide.

Additionally, to further enhance dialogue with shareholders, as of the Ordinary General Meeting of Shareholders held in June 2020, we have used a hybrid virtual shareholder meeting format allowing shareholders to watch the meeting live online and send their comments on a shareholders-only website.

Shareholders' Meeting Resolutions

The following presents the results of voting at the fiscal 2022 shareholders' meetings

| Resolutions | Approval Votes | Opposed Votes | Abstained Votes | Approval Rate (%) | Voting Results |
|---|----------------|---------------|-----------------|-------------------|----------------|
| First proposal: Proposed Appropriation of Retained Earnings | 1,965,455 | 225 | 0 | 99.83 | Approved |
| Second proposal: Election of 12 directors (Excluding Directors who are members of the Audit and Supervisory Committee) | | | | | |
| Kenzo Tsujimoto | 1,696,543 | 267,547 | 1,642 | 86.17 | Approved |
| Haruhiro Tsujimoto | 1,795,487 | 168,605 | 1,642 | 91.20 | Approved |
| Satoshi Miyazaki | 1,933,885 | 30,212 | 1,642 | 98.22 | Approved |
| Yoichi Egawa | 1,934,713 | 29,384 | 1,642 | 98.27 | Approved |
| Kenkichi Nomura | 1,930,258 | 33,838 | 1,642 | 98.04 | Approved |
| Yoshonori Ishida | 1,934,732 | 29,365 | 1,642 | 98.27 | Approved |
| Ryozo Tsujimoto | 1,934,715 | 29,382 | 1,642 | 98.27 | Approved |
| Toru Muranaka | 1,954,234 | 11,506 | 0 | 99.26 | Approved |
| Yutaka Mizukoshi | 1,956,088 | 9,652 | 0 | 99.35 | Approved |
| Wataru Kotani | 1,956,031 | 9,709 | 0 | 99.35 | Approved |
| Toshiro Muto | 1,955,855 | 9,885 | 0 | 99.34 | Approved |
| Yumi Hirose | 1,958,579 | 7,161 | 0 | 99.48 | Approved |

➡ Please refer to the "Resolutions of the 41st Ordinary General Meeting of Shareholders" section of our IR web page for information about the conditions for each proposal to be passed <http://www.capcom.co.jp/ir/english/stock/meeting.html>

External Assessment of Corporate Governance

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 268th among 3,808 listed companies in Japan in the “NEEDS-Cges” assessment developed by Nikkei Inc.

NEEDS-Cges has an established reputation as a system that quantitatively assesses corporate governance using scores on a scale of 1 to 10 for eight categories, including capital efficiency, external regulations, and information disclosure, among others, based on some 150 indicators calculated from data of publicly released company documents, such as financial reports.

As of the end of June 2023, Capcom’s total score was 6.92 points, placing us in the top 7.67% of Japan’s listed companies (excluding some in the financial and other sectors), exceeding the 4.87-point average for all listed companies and the 6.84-point average for the industry. We also received the maximum score of 10 for “equity market’s assessment.”

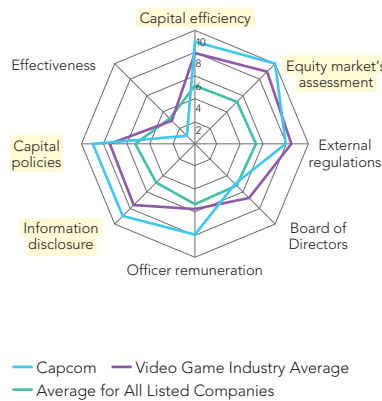
The main evaluation factors are given in the table below, and areas highlighted in yellow indicate measures that received particular notice. Going forward, we will continue making improvements to earn an even stronger assessment, and further promote the visibility of our governance by posting this and other data on our IR web page.

Third-Party Assessment Results of Capcom’s Corporate Governance

Details of Capcom’s Corporate Governance

| Total Score | 6.92 |
|----------------------------|-------|
| Rank | 268 |
| Categories | Score |
| Capital efficiency | 9 |
| Equity market’s assessment | 10 |
| External regulations | 8 |
| Board of Directors | 5 |
| Officer remuneration | 8 |
| Information disclosure | 9 |
| Capital policies | 9 |
| Effectiveness | 1 |

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 | 10 | Tobin’s q |
| Capital efficiency | 9 | ROA, ROE |
| Information disclosure | 9 | Early timing for distribution of notices of convocation for general meetings of shareholders, availability of electronic voting, and disclosure of materials in English |
| Capital policy | 9 | DOE-related and shareholder return ratio-related |

Source: NEEDS-Cges from Nikkei Inc.

Policies Regarding IR Activities

1. Disclosure policies

Capcom is aware that comprehensive corporate governance ranks among management’s most important priorities. As such, in addition to increasing corporate value by enhancing management soundness and transparency, we are building a relationship of trust with our stakeholders, such as shareholders, business partners, employees and regional societies.

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” (hereinafter Timely Disclosure Rules) stipulated by the Financial Instruments and Exchange Act 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 and other regulations, 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 shareholder letters and the convocation notice for the shareholders’ meetings.

3. Quiet period

To prevent the unauthorized disclosure of quarterly earnings information prior to official announcements, Capcom has established a quiet period starting the day following the end of a fiscal period and ending on the day that financial information for that period is announced. 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 information pursuant to the Timely Disclosure Rules and other regulations.

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

Fiscal 2022 Third Party Evaluations

| | |
|-------------------|--|
| IR Website | Daiwa Investor Relations Co., Ltd. (Daiwa IR), "Internet IR Award 2022," Excellence Award |
| | Nikko Investor Relations Co., Ltd., "Fiscal 2022 Listed Company Website Quality Ranking," Overall Ranking: Grade AAA |
| | Ranked No. 22 overall in BroadBand Security, Inc. Gomez Consulting Dept.'s "Investor Relations Site Ranking 2022" |
| Integrated Report | Received <i>Excellence Prize</i> in "2nd NIKKEI Integrated Report Awards" |

Making Use of Shareholder and Investor Opinions

Reflecting results of dialogues with investors and analysts in management

Through meetings with investors and analysts, Capcom's IR Department attempts to promote an understanding of management policies, strategies and future outlook. Furthermore, their opinions are gathered and provided to management, and are utilized for corporate management going forward. While we are headquartered in Osaka, these proactive IR meetings enable us to minimize asymmetric information as we strive to achieve appropriate corporate value.

The top management meetings between the chairman and CEO, the president and COO, and investors where medium- to long-term strategies and the direction of marketing strategies were explained had to be canceled again in fiscal 2022 due to COVID-19 along with overseas IR visits. However, we held the presentation of financial results and individual investor briefing in a hybrid online and in-person format and offered video conferences in an effort to communicate with our many investors and analysts.

Fiscal 2022 IR Measures

| By category | Frequency |
|----------------------------|-----------|
| Interviews accepted | 579 |
| Visited domestic investors | 28 |
| Visited overseas investors | 0 |
| Total | 607 |

IR Events

| Event | Details |
|--|---|
| Online Presentation of Financial Results | Explanation of management strategies and performance overview by top management and response to questions from investors and analysts |
| Supplementary earnings call | Earnings call after results announcement to explain earnings |
| Online individual investor briefing | Briefing for individual investors held online |

Results of Dialogue with Investors (Excerpt)

Q. What are your specific uses of cash and treasury stock?

A. We will use them to invest in human resources and make other investments with a view to sustainable growth.

Specifically, we partially revised the compensation system starting in the fiscal year ended March 31, 2023, which increased the average base salary of full-time employees by 30% (includes the portion for pay raises), and introduced a bonus system more closely linked to the company's business performance. As for treasury stock, we have used a portion of this to introduce an ESOP trust that grants company stock. We will continue working on improving our employee evaluation and training systems.

Q. I would like for you to enhance your ESG-related information disclosures.

A. In our integrated report and securities report, we are disclosing new indicators such as employee engagement and turnover rates.



Key commentary on sustainability by our external directors

Capcom's external directors delve into the challenges associated with securing and developing talent to speed up our strategy for investment in human resources.

The seven external directors (as of March 31, 2023) on Capcom's Board of Directors take the lead in proactively exchanging opinions and advice on our management policies, ensuring transparency and soundness. For this commentary, they actively discussed Capcom's corporate governance system, initiatives for human capital as a driving force behind value creation, and disclosure to shareholders and investors, with a focus on the promotion of growth strategy.

This page introduces a selection of comments from external directors during regular Roundtable Discussions held between external directors and the heads of business divisions as part of our efforts to foster understanding of Capcom's governance.

1. Regarding strategy for investment in human resources

As part of its investment in human resources, Capcom reorganized its Human Resources operations in April 2022 and established the position of CHO. This move aims to accelerate overall strategies for investment in human resources, including revising the compensation system, carrying out town hall-style meetings where senior management and employees can directly communicate, improving the work environment, and expanding the employee benefits system. Executive management is actively working to address issues and increase productivity with an eye toward

securing and developing talent that will underpin Capcom's future. Below is a selection of comments made by external directors during the Roundtable Discussion held in September 2022.

(1) Regarding women in management positions

- Increasing the number of women in managerial positions is an issue facing Japanese society as a whole. Not much in the way of improvement or progress can be made without an organized and conscious effort. Although no simple task, it is important to always think about how to achieve the greater participation of women in the workplace.
- There tends to be few female directors and auditors in corporate Japan. The country needs to actively address this issue fully cognizant of positive action (initiatives to eliminate gender disparities). However, these barriers cannot be overcome by mere equality initiatives alone.
- With few female managers, female employees will find it difficult to envision their own career arc and the idea of female managers as a norm will not take root. Companies need to increase communication, encourage understanding, and spread awareness among both men and women.
- Actual management experience is essential for promotion to a manager role. Planning out training for female employees so that they can build experience in a short period of time is of significance, since some may take maternity and childcare leave later in their careers. I think it's important to have individualized promotion plans based on career aspirations.



There are some female managers at Capcom who are also raising children, but the Company needs to work toward increasing the overall ratio of female managers as well. (Internal director)

(2) Regarding development of managers

- Generally speaking, a growing number of people are not looking to become a manager. This trend can also be seen at Capcom. Without some form of incentive, it may be difficult to promote employees to manager positions.
- There is the question of how to steer employees toward becoming candidates for upper management positions in terms of human resource development. Efforts need to recognize that establishing mechanisms for score-based selection and development systems are issues.
- How about incorporating a system that selects candidates through training that targets talented human resources who can become candidates for executive management positions? By participating in the training, the candidates themselves will gain an awareness of their future direction on their own.
- The Company needs to clearly indicate its expectations for the next generation, the roles they will be given, and the traits required of executive management.

Capcom is pursuing human resource development using job rotations so that employees can gain a better understanding of our overall operations. We are actively moving ahead with these efforts with specific numerical targets and are gradually gaining the understanding of frontline employees. (Internal director)

- Consideration needs to be made so that supervisors and transferees understand and embrace job rotations.
- It is important to increase the number managers with a broad range of experience in order to energize and strengthen the organization.

Human resource development is included as an evaluation item for all managers. Going forward, Capcom will breakdown these efforts further and promote strategy for investment in human resources, with efforts led by the CHO. (Internal director)

2. Regarding social responsibilities as a game software company

As a game software company, Capcom has been hosting company visits from and offering outreach classes to elementary and junior high school students since 2005 based on its commitment to foster social understanding of games as part of its corporate social responsibilities. In recent years, we have been promoting eSports as a new form of entertainment where people of all ages, genders, and physical ability can compete against one another. Below is a selection of comments made by external directors during the Roundtable Discussions held in September and October 2022.

- Youth is a very impressionable time. While also taking into account requests from schools, Capcom could consider conducting outreach classes through tie-ups with other companies. Outreach classes interest me and I hope to sit in on one in the future.
- Addressing game addiction and providing outreach classes can be seen as part of the SDGs. Partnerships with local governments is one example as these arrangements can serve as both good promotion and social contributions.
- The Company should pay close attention to taboos culturizing games as it moves to enhance its international competitiveness.
- Initiatives in the world of sports for people with disabilities is an important matter. Conveying that eSports allows people who are able-bodied and people with disabilities to compete on the same field should enhance the value presented by the company. Games have the power to not only generate profits, but also produce social contributions.

Capcom will continue to explore approaches to gameplay between people who are able-bodied and people with disabilities during eSports tournaments. We intend to address this area as a matter of social responsibility. (Internal director)