

Capcom and the Environment

Environmental

Environmental Action as an Entertainment Company

Capcom's Digital Contents business accounts for over 75% of the Group's consolidated net sales and entails the development and sale of software. This gives Capcom an environmental impact that is lower than general manufacturers. Because our environmental impact comes largely from the power used for office work and at amusement facilities, as well as from distributing our products, we are focused on saving energy.

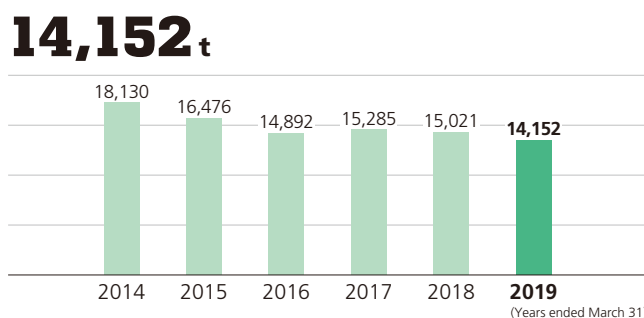
Reducing Power Usage

Reducing CO₂ emissions by promoting energy saving measures companywide

Capcom has worked to cut power usage through efforts that include ongoing power saving at all of its places of business, saving energy at its amusement facilities, and implementing peak shifting for the power used by PCs and other electrical equipment. In the fiscal years ended March 2012 to March 2014, energy usage trended upward at our amusement facilities in particular due to attempts to restore normal operations following shortened business hours necessitated by the Great East Japan Earthquake. However, since the fiscal year ended March 2014, we have cut CO₂ emissions by installing energy-saving gaming machines and switching to LED lighting. The fiscal year ended March 2017 saw our CO₂ emissions increase compared to the previous fiscal year due to the construction of the R&D Building #2 and Capcom Technical Center. However, energy-saving equipment has been installed at these facilities, and the CO₂ emissions from these buildings have been reduced by approximately 10%* compared to the original plan.

* Assumes energy consumption of 100% without introduction of this equipment.

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



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

Revisions made in 2014 to the Act on Rationalizing Energy Use, also known as the Revised Energy Conservation Act, place an obligation on companies to improve energy efficiency* by at least 1% every year, and every year Capcom has achieved year-on-year reductions to its energy intensity. For these efforts, Capcom has been awarded S Class (out of classes S, A, B, and C) status for four 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).

* Either standard energy intensity or assessed energy intensity from levelled out electric power demand.

FY	Energy Intensity*	Vs. Previous FY
2014	0.06663	94.0%
2015	0.06193	92.9%
2016	0.06018	97.2%
2017	0.05994	99.6%
2018	0.05869	97.9%

* Calculated using the method defined by the Agency of 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 previous console generations, games included a printed instruction manual inside the package, but with games for current-generation consoles, these manuals are now included as data within the software as a way to save paper. This enables us to eliminate approximately 10 million game units' worth of paper manuals annually.

Moreover, 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 2019, the resources used in the equivalent of around 15.3 million units of game software were conserved as a result of digital sales. 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.

Sharing distribution networks with other companies in the industry

Sharing distribution networks with other companies in the same industry when shipping products enables the efficient supply of products. As a result, we are able to realize reductions in packing materials, fuel and emissions.

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.

Reducing the environmental impact of business machines

In addition to ensuring that we make products that are easy to recycle while using durable materials and components beginning at the design stage, we actively provide version upgrade kits to allow customers to use the same machines for the long term, simply adding or upgrading game data as they go.