

Relationship with Employees

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. Additionally, smartphone use rates among young people—49.8% of elementary school students and 75.2% of junior high school students—are rising each year. Smartphone games are also gaining popularity and children are growing more familiar with games.

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 two sessions: one is career education, which introduces the work done in a game company and its difficulty and rewards; the other is game literacy education, which helps students use their judgement to build a healthy relationship with games. These programs have been well-received with schools, and Capcom is incorporating educators' feedback to improve.

In fiscal 2011, Capcom launched its career education program following educators' requests. In fiscal 2013, Capcom started a new program on work and mathematics, targeting elementary and junior high school students to help keep children interested in math.

Altogether, Capcom has welcomed 3,337 children as part of 402 different field trips to its offices (as of March 31, 2020). Capcom has also held 161 on-site classes for 14,927 students (as of March 31, 2020) at schools such as the one held at Niigata Elementary School attached to Niigata University in July 2019.

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

- Up to now, I had been on my smartphone all day long, but after hearing this talk, I decided to cut back the time I spend on my phone little by little. (Elementary school student)
- I was surprised at how fun they made math, which the students normally dislike. I saw firsthand how keenly they were listening. (Elementary school teacher)
- I was happy to hear the lecturer talk about the necessity of what is taught in regular classes out in the real world. If there had been a discussion, it might have elicited various thoughts and opinions. (Junior high school teacher)

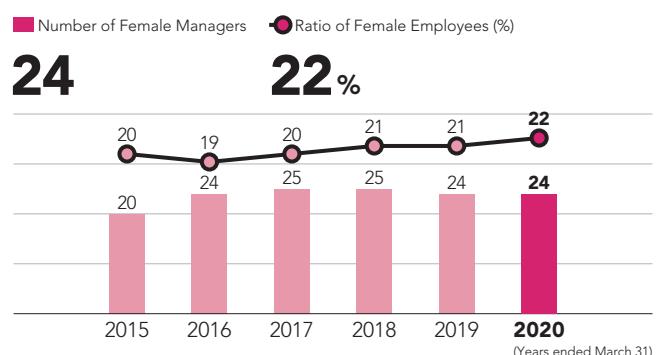
Promotion of Diversity

Initiatives aimed at promoting the improvement of the work environment for women and proactively hiring non-Japanese

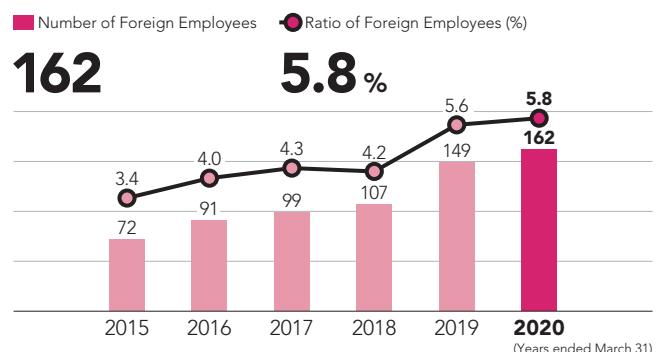
Capcom is currently engaged in initiatives aimed at improving the work environment for women and proactively hiring non-Japanese.

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 2019, 23 employees took childcare leave, 10 of whom were men, and 100% of eligible women took childcare leave (fiscal 2018: 12 men and 100% of 21 women took leave). A high percentage of women returned to work afterwards: 27 returned in fiscal 2019—100% if those still on leave are excluded. This is higher than the previous year (96%, or 32 women, returned to work in fiscal 2018). As a result, despite it being said that Japan's gaming industry is generally dominated by men, women account for roughly 22% of Capcom's workforce, and 24 (9.3%) 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

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



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



women comprise at least 15% of managers by the end of fiscal 2024. In recognition of Capcom's efforts toward improving the workplace environment for women, since 2014 we have earned the "Kurumin" mark, the symbol of a "company supporting childcare," from the Ministry of Health, Labour and Welfare.

In terms of the proactive employment of non-Japanese individuals, Capcom is making efforts to strengthen overseas expansion capabilities including creating an English hiring website. We currently employ 162 non-Japanese workers (representing 5.8% of our employees). Going forward, we will create a system for improving motivation in an attempt to increase the ratio of foreign employees, including support for career advancement and the promotion of non-Japanese individuals to management positions.

Comments
from a
female
employee



Yuko Yasuda
Senior Manager
Trademark & Copyright Section
Intellectual Property
Department

The Trademark & Copyright Section carries out intellectual property management, including filing trademark applications in various countries and territories to support the smooth development of products globally.

In addition to strategically filing trademark applications globally, which is growing in importance by the day, we also do many things to support game development indirectly, including checking product names and intellectual property within games. I find the job very satisfying.

Also, as a manager, I take great pains to develop a pleasant working environment for staff while working to familiarize employees companywide with the importance and necessity of managing intellectual property.

I'm also the mother of two small children, and continue to make use of internal programs, including maternity and childcare leave as well as the Capcom Juku on-site childcare facility, to balance work and raising my children.

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 studio 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 to the right 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.

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 make their visions a reality. 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.

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 and wanted 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, eurhythms, math, science, and other subjects, Capcom Juku joins its efforts with employees and fosters the growth of children. Currently, as of March 31, 2020, the school takes care of 25 children a month and accepts as many as 25 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.



English classroom

Online esports competition.
Players and commentators participate from home.



Our Response to COVID-19

For our stakeholders

Introduction of virtual shareholders meetings

Out of consideration for their health and safety, we asked our shareholders to refrain from physically attending the 41st Ordinary General Meeting of Shareholders, held in June 2020. Instead, we introduced a hybrid virtual shareholder meeting that enabled remote participation via the Internet. Including those that participated online, the number of participants was on par with the previous year, but only 53 came to the venue (as opposed to 139 the previous year), preventing close contact.

Mitigating the risk of spread

Since 2014, Capcom had been holding the Capcom Pro Tour, an annual series of *Street Fighter* tournaments, but in 2020 we took it fully online to prevent the spread of COVID-19 among both players and commentators. Moreover, by streaming the competition online via a dedicated channel, we have made it possible for anyone to watch from anywhere.

Additionally, in response to the spread of COVID-19, we gradually implemented reduced hours of operations and temporary closures at our amusement facilities beginning in March 2020. After the state of emergency in Japan was lifted in May, we gradually resumed operations, but we are working to prevent the spread of the virus at our arcades by ensuring thorough health management on the part of employees and promoting social distancing.



Poster at amusement facility
(mid-June 2020)

Making it fun to stay at home

In May 2020, we carried out a campaign called "Let's Stay at Home" to provide fun activities for time spent at home. As part of the campaign, we distributed line drawings of popular characters for coloring in, virtual backgrounds for online meetings and released a recipe video for meals appearing in our games.



Line drawing of popular characters for coloring in

For our employees

Employment system under COVID-19

Starting from the end of January 2020, we have been implementing the measures below to prevent the spread of COVID-19.

Measures	Enforcement date
Face masks required, Company distributes one mask per day	January 30, 2020
COVID-19 Response Office established	January 31, 2020
<ul style="list-style-type: none"> In principle, both domestic and overseas business trips prohibited (14-day self-quarantine required upon returning to Japan in the case of unavoidable travel) <ul style="list-style-type: none"> * Business trips to China prohibited in principle starting on January 27 Staggered working hours to prevent congestion Voluntary refraining from business meals with external partners, internal get-togethers, welcome/farewell parties, etc. Strictly enforcing hand washing, mouth rinsing and hand sanitizer use <ul style="list-style-type: none"> * Sanitizer has been available on each floor since before the pandemic 	March 2, 2020
In principle, all employees asked to work from home and stay at home	April 13, 2020
Began checking body temperature via non-contact kiosks and ensuring that masks are being worn upon entry to the office	July 13, 2020

As of the end of May 2020, these actions were relaxed in areas where the state of emergency was lifted in preparation for a return to normal operations. We have resumed operations while maintaining staggered work hours and ensuring social distancing within the office, but we continue to work on preventing the spread of the virus by working in shifts and allowing employees to work from home.