

Creating social value as a game publisher

Seeking a healthier relationship between games and society

With the rise in popularity of esports and the WHO's international recognition of gaming disorder, in recent years gaming has transcended the framework of simple entertainment and is now recognized as content with a profound social impact. At Capcom, we believe that sustainable growth is achieved by delivering social and economic value, while at the same time building healthy relationships with stakeholders from the perspective of a game publisher. This entails tackling social issues through our business activities, such as training a workforce capable of succeeding on the global stage, and the creation of new markets.

We believe that the principle of Sustainable Development Goals (SDGs)*, namely that “all cultures and civilizations can contribute to sustainable development,” and our own corporate philosophy, which is that we are “creators of entertainment culture that brings you smiles and stimulates your senses,” are closely related. As such, in order to balance our own sustainable economic growth with a sustainable society, we intend to contribute to the development of social sustainability by selecting and clearly addressing four material issues within the ESG framework.

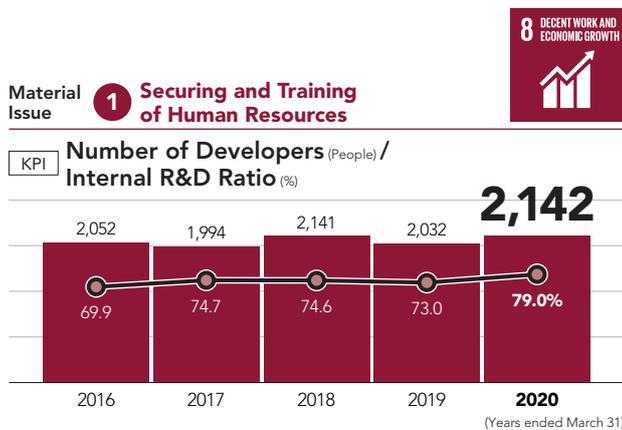
Sustainable Development Goals (SDGs)

SDGs are 17 goals that were adopted by the over 150 member countries of the United Nations at the United Nations Sustainable Development Summit held in September of 2015 at the UN headquarters in New York. It was determined that in order to eliminate poverty and achieve a sustainable world, we must prioritize the resolution of these 17 goals on a global scale.

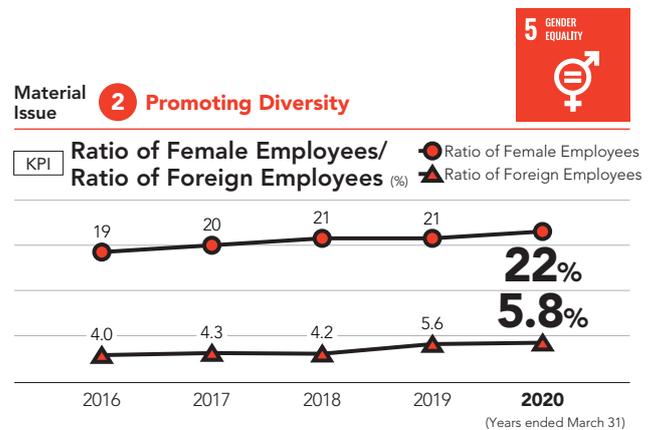
→ For details, please refer to the United Nations Information Centre “2030 Agenda” site.
<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



Material Issues



We are working to secure and train outstanding developers based on our desire to make the most entertaining games in the world. Though the closure of our development studio in Canada in the fiscal year ended March 2019 resulted in a temporary decline, the number of developers has approximately doubled over the past 10 years. We are working to improve the technical skills and motivation of our employees by such means as developing a system to train up new graduates to be fully capable team members within three years, promoting younger and mid-career employees to work on major titles and achieve their own personal goals.



One of the most important elements in developing world-class games that can keep pace with the globalization of the game player population is securing a workforce with diverse perspectives. For that reason, we have been promoting diversity and working on building a workplace where women and foreign nationals can excel. As a result, the numbers of both women and foreign nationals continue to climb, in turn helping Capcom create captivating content and growth on a global level.

→ For details see p.54

Outreach Classes at Niigata Elementary School attached to Niigata University

In July 2019, we received a request from Niigata Elementary School, which is the elementary school attached to the Education Faculty at the University of Niigata, to give a talk to 5th and 6th grade students about how mathematics is helpful in the popular profession of game developer. According to the survey taken prior to the lecture, most students do not play games. However, as games have become more familiar in recent years to students who often play games on computers or smartphones, they listened to the lecture with great interest. ➔ For details see p.54



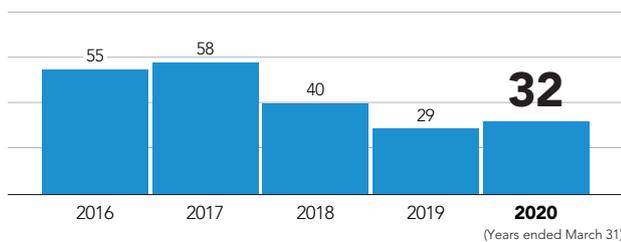
Providing a popular character to bring awareness to the House of Councillors election in Kochi

Kochi Prefecture wanted to raise awareness of the 25th House of Councillors regular election held on July 21, 2019 and increase the number of young people voting. To aid this effort, Capcom provided popular character Chosokabe Motochika from the Sengoku BASARA series, who is a symbol of Kochi Prefecture and whose popularity in the prefecture ranks second only to Sakamoto Ryoma. As a result of the prefecture-wide advertising campaign on TV and radio commercials, tram wrappings, and the round paper fans and pocket tissues that were handed out, the voting rate increased by 0.8 points over the previous year, becoming the only prefecture nationwide to demonstrate an increase in voter turnout. ➔ For details see p.53



Material Issue 3 Development of Solid Relationship with Society

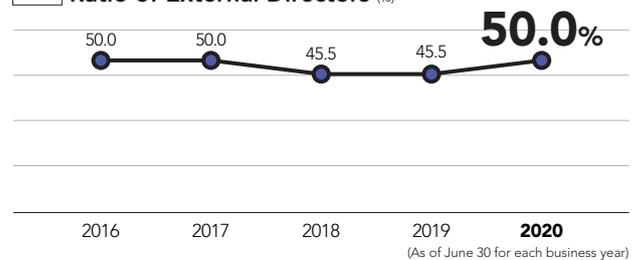
KPI Number of Educational Support Activities (times)



Aiming to increase national awareness of the education support activities that Capcom began in 2005, we continued to expand the number of activities we held until the fiscal year ended March 2017. As a result of our efforts spanning more than 10 years, we were able to achieve a satisfactory level of awareness, and since the fiscal year ended March 2018, we have been providing stable support with roughly 30 activities held annually. However, we expect this number to decrease for the fiscal year ending March 2021 due to the impact of the COVID-19 pandemic. ➔ For details see p.54

Material Issue 4 Enhancement of Corporate Governance

KPI Ratio of External Directors (%)



Generally, an owner-run company excels at being flexible and fast decisionmaking, though concerns may exist over the issue of succession. At Capcom, we strive to make management more transparent and visible, and have implemented various governance reforms to this end, such as the Nomination and Remuneration Committee. We proactively appoint external directors, and on March 31, 2020, external directors accounted for 45.5% of the entire board of directors. However, the retirement of one of our directors put the ratio at 50% as of June 2020. ➔ For details see p.60