

Directors

(As of June 23, 2021)

- Internal
- External

Kenzo Tsujimoto



Haruhiro Tsujimoto



Toru Muranaka



Yutaka Mizukoshi



Wataru Kotani



Kenzo Tsujimoto

Chairman and Chief Executive Officer (CEO)

- Jun. 1983 President and Representative Director of the Company
- Apr. 2001 Chief Executive Officer (CEO) of the Company (to present)
- Jul. 2007 Chairman and Representative Director of the Company (to present)

Haruhiro Tsujimoto

President and Chief Operating Officer (COO)

- Apr. 1987 Entered into the Company
- Jun. 1997 Director of the Company
- Feb. 1999 Managing Director of the Company
- Apr. 2001 Senior Managing Director of the Company
- Jul. 2004 Director and Executive Corporate Officer of the Company
- Apr. 2006 Director and Executive Vice President of the Company
- Jul. 2007 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. 2018 President and Representative Director, and Director in charge of Arcade Operations Business of the Company
- Apr. 2020 President and Representative Director, and Director in charge of Sales Operations Business and Arcade Operations Business of the Company (to present)

Satoshi Miyazaki

Director
Executive Vice President

- Apr. 1983 Entered the Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.)
- Apr. 2011 Executive Officer, General Manager of Corporate Banking Division No.6 of the Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
- Apr. 2013 Managing Executive Officer in charge of Sales of Mizuho Corporate Bank, Ltd. and 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)

Yoichi Egawa

Director
Executive Corporate Officer

- Apr. 1985 Entered into the Company
- Apr. 1999 General Manager of Creative Division 5 of the Company
- Aug. 1999 Corporate Officer, General Manager of Creative Division 5 of the Company
- Apr. 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 Equipments 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 (to present)

Toru Muranaka

Director External Independent Director

- Apr. 1995 Registered Lawyer (Osaka Bar Association)
- Entered into Daiichi Law Office (Currently 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. (to present)
- Jun. 2016 External Director of the Company (to present)

Yutaka Mizukoshi

Director External Independent Director

- Apr. 1980 Entered into Nippon Steel Corporation
- May 2004 Senior 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 (to present)
- External Director of Asagami Corporation (to present)
- Jan. 2018 Senior Advisor of The Boston Consulting Group, Tokyo (to present)
- Jun. 2018 External Director of the Company (to present)
- Jun. 2019 Director, Japan Rugby Football Union (to present)

Wataru Kotani

Director External Independent Director

- Apr. 1980 Entered 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
- July 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. (to present)
- Jun. 2021 External Director of the Company (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)



Satoshi Miyazaki



Yoichi Egawa



Kenkichi Nomura



Kazushi Hirao



Yoshihiko Iwasaki



Makoto Matsuo

Yoshihiko Iwasaki

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

- 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 **External** **Independent Director**
 <Member of the Audit and Supervisory Committee>

- 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)

Directors' Skill Matrix

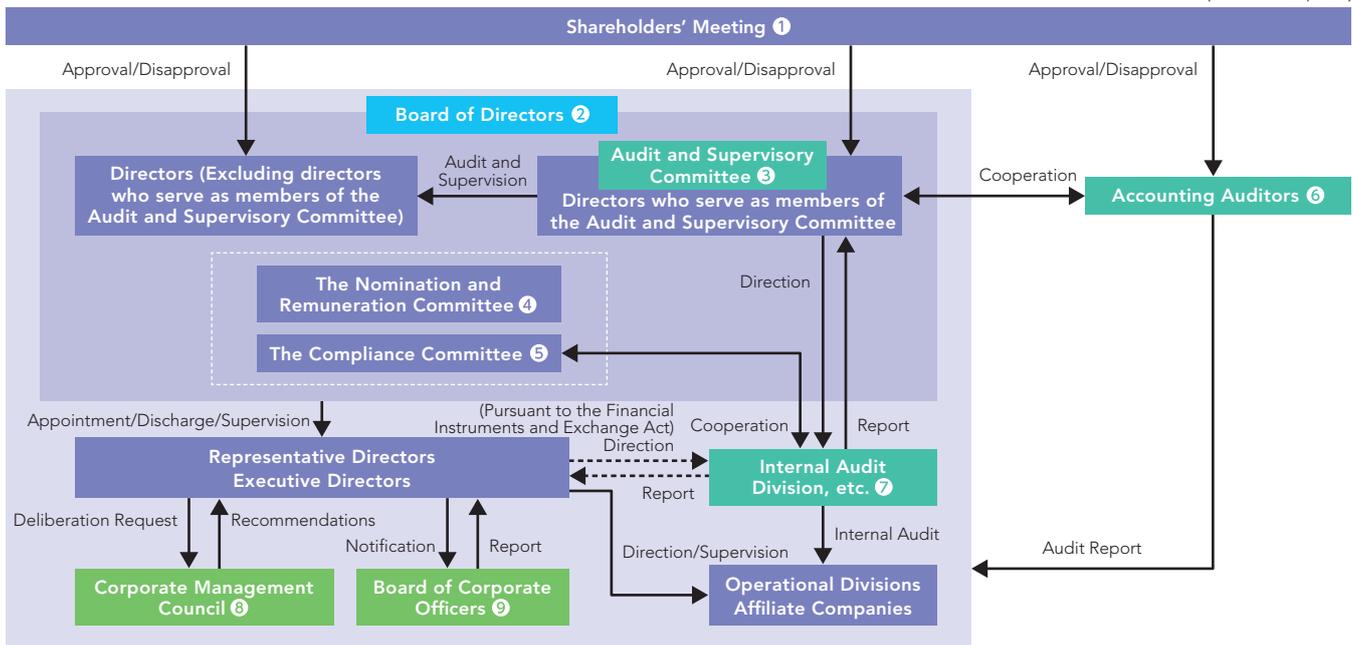
Fields Each Director is Expected to Contribute in Particular Toward Achievement of Medium-Term Growth Strategy								
	Company Management	Management Strategy	Gaming Industry	Digital Transformation/IT/Technology	R&D	Finance/Accounting/Tax	Law	Global Sensibility
Kenzo Tsujimoto	●	●	●	●				●
Haruhiro Tsujimoto	●	●	●	●	●			●
Satoshi Miyazaki	●	●				●		
Yoichi Egawa			●	●	●			●
Kenkichi Nomura		●	●	●		●	●	●
Toru Muranaka	●						●	●
Yutaka Mizukoshi	●							●
Wataru Kotani				●			●	
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 22, 2021)



Composition of Board of Directors and voluntary committees (In the year ended March 31, 2021)

Internal External

2 Board of Directors (10 members)

(Convened 10 times in the year ended March 31, 2021)

Chairman

Kenzo Tsujimoto (Attendance: 100%)	Haruhiro Tsujimoto (Attendance: 100%)	Yoichi Egawa (Attendance: 100%)	Kenkichi Nomura (Attendance: 100%)
Masao Sato (Attendance: 100%)	Toru Muranaka (Attendance: 90%)	Yutaka Mizukoshi (Attendance: 100%)	

4 The Nomination and Remuneration Committee (five members)

(Convened 3 times in the year ended March 31, 2021)

Chairman

Yoshihiko Iwasaki (Attendance: 100%)	Kenkichi Nomura (Attendance: 100%)	Yutaka Mizukoshi (Attendance: 100%)
Kazushi Hirao (Attendance: 100%)	Makoto Matsuo (Attendance: 66%)	

3 Audit and Supervisory Committee (three members)

(Convened 10 times in the year ended March 31, 2021)

Chairman

Makoto Matsuo (Attendance: 100%)*	Kazushi Hirao (Attendance: 100%)*	Yoshihiko Iwasaki (Attendance: 100%)*
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* Attendance at both Board of Directors and Audit and Supervisory Committee meetings

5 The Compliance Committee (nine members)

(Convened 4 times in the year ended March 31, 2021)

Chairman

Toru Muranaka (Attendance: 100%)	Haruhiro Tsujimoto (Attendance: 100%)	Yoichi Egawa (Attendance: 100%)	Kenkichi Nomura (Attendance: 100%)	Masao Sato (Attendance: 100%)
Yutaka Mizukoshi (Attendance: 100%)	Kazushi Hirao (Attendance: 100%)	Yoshihiko Iwasaki (Attendance: 100%)	Makoto Matsuo (Attendance: 100%)	

Corporate Governance Structure

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

Capcom is aware that comprehensive corporate governance ranks among management's most important priorities. Because of this, in addition to enhancing management soundness and transparency, we are increasing corporate value by building a trusting relationship with our stakeholders. These stakeholders include shareholders, business partners, employees and regional societies.

1 Shareholders' Meeting

(Convened on June 22, 2021)

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 about 10 days 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 mobile phone. 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, 2021)

Management decisions that incorporate external directors' opinions

The Board of Directors is composed of 11 directors (chaired by the Representative Director and Chairman of the Board), with five of the directors being external directors.

The Board deliberates on important matters stipulated by laws, regulations, and the Rules of the Board of Directors, and strives to strengthen supervisory functions through the guidance, suggestions, and active comments of external directors.

In order to enrich deliberations, a portion of decision-making authority for the execution of important business is entrusted to the representative directors and others, while matters brought before the Board are narrowed to those of high importance, and the number of times the Board of Directors is convened is reduced. As a result, the efficiency of business execution has increased due to quick decision making and dynamic management practices.

3 Audit and Supervisory Committee

Audit

(Convened 10 times in the year ended March 31, 2021)

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 (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.

4 The Nomination and Remuneration Committee

(Convened three times in the year ended March 31, 2021)

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 five directors (two of whom are internal directors and three 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.

When selecting candidates to be nominated for director (excluding directors who are members of the Audit and Supervisory Committee) and candidates to be nominated for director who are members of the Audit and Supervisory Committee, the Board of Directors makes its decisions after consulting with the Nomination and Remuneration Committee and takes their recommendations into account in order to increase transparency and objectivity. The consent of the Audit and Supervisory Committee is obtained when selecting candidates to be nominated for director who are members of the Audit and Supervisory Committee.

In addition, when determining individual compensation of top management and directors, the Board of Directors makes its decisions after consulting with the Nomination and Remuneration Committee, which deliberates and makes recommendations based on the policy for determining compensation, and takes their recommendations into account in order to ensure fairness and transparency. Individual compensation of directors who are members of the Audit and

Supervisory Committee is determined through discussion with each director who is a member of the Audit and Supervisory Committee, taking into account such factors as whether they are full time or part time. In order to ensure their independence, the compensation is fixed and not linked to performance of the Company.

5 The Compliance Committee

(Convened four times in the year ended March 31, 2021)

Focusing on Compliance as an Important Management Issue

The Compliance Committee is composed of 10 directors (five 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 Capcom Group compliance and consider what action to take. In addition, the committee strives for early detection and 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, 2021)

	Compensation for Audit Operations	Compensation for Non-Audit Operations
Delivery company	50 million yen	—
Consolidated subsidiary	—	—
Total	50 million yen	—

Auditing Company	Names of Certified Public Accountants	
KPMG AZSA LLC, a limited liability audit corporation	Designated Limited Liability Partners	Yasuhito Kondo
		Tomohiro Yamanaka

Note: The financial audit team was composed of: certified public accountants (14 members), and candidates for CPA who passed the new CPA exam, plus associates in charge of system audits (eight members).

7 Internal Audit Division

Audit

Ensuring and 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, 2021)

Supporting the Board of Directors' decisions

The Corporate Management Council (chaired by the Representative Director and Chairman of the Board) is composed of six 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 Board of Corporate Officers

Implementation

(Convened 12 times in the year ended March 31, 2021)

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 (four 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 voluntary 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.

Since all five of the external directors meet the criteria for independent directors, these five individuals have been registered with Tokyo Stock Exchange, Inc. 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 by providing opinions and advice from a neutral and objective standpoint 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

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

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 Regarding 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.

a. 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.

b. 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 Company's management objective of steady growth of profits, and makes its decision based on their recommendations.

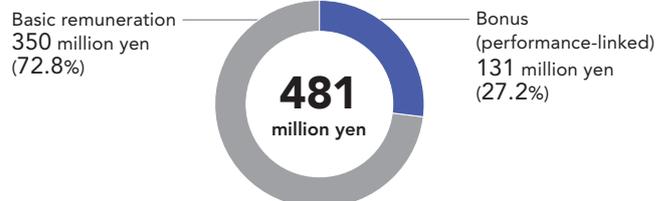
- i. Single-year net income attributable to owners of parent
- ii. Increase in consolidated operating profit over the previous year
- iii. Multiple consecutive increases in consolidated operating profit over previous years
- iv. Evaluation of operations that the board member oversees

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 The remuneration of the directors who serve as members of the Audit and Supervisory Committee

In order to secure 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



Officer Remuneration (Year ended March 31, 2021)

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)	393	261	131	—	—	4
Member of Audit and Supervisory Committee (excluding external directors)	21	21	—	—	—	1
External directors	34	34	—	—	—	3
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	150	Director	Delivery company	100	50	—	—
Haruhiro Tsujimoto	120	Director	Delivery company	80	40	—	—

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

Evaluation of the Effectiveness of the Board of Directors

The Company performed an evaluation of the effectiveness of the Board of Directors in fiscal 2020 to further improve its function.

In order to solicit individual opinions, each board member was given a questionnaire or interviewed. We then exchanged opinions based on an analysis of those results.

In this evaluation, we found that the Board of Directors is functioning effectively and, as shown on the right, confirmed new areas to enhance the supervisory function of management. We will continue to leverage the strengths of the Board of Directors and deepen our understanding of the challenges faced as we work to further improve its function.

Main concerns	Improvement measures and policy for the immediate future
Enhancement of corporate governance function	Further expansion of governance-themed discussions and opportunities for exchanging opinions
Maintenance and improvement of communication in terms of quality and quantity	Careful review and revision of standards and rules for submitting proposals to Board of Directors Efficient provision of materials for active discussions at meetings of Board of Directors

Initiatives for the Shareholders' Meeting

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

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

Also, voting rights can be exercised online via PC, smartphone or mobile phone. 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 to promote the exercise of voting rights by shareholders worldwide.

Additionally, to further enhance dialogue with shareholders, we held the Ordinary General Meeting of Shareholders on June 22, 2021 in a hybrid virtual shareholder meeting format allowing shareholders to watch the meeting live online on a shareholders-only website and send their comments.

Shareholders' Meeting Resolutions

The following presents the results of voting at the fiscal 2020 shareholders' meetings

Resolutions	Approval Votes	Opposed Votes	Abstained Votes	Approval Rate (%)	Voting Results
First proposal: Proposed Appropriation of Retained Earnings	866,449	29,908	9	96.61	Approved
Second proposal: Election of Eight Directors (excluding Directors who are members of the Audit and Supervisory Committee)					
Kenzo Tsujimoto	786,879	108,033	1,477	87.74	Approved
Haruhiro Tsujimoto	817,168	79,213	9	91.12	Approved
Satoshi Miyazaki	869,888	26,502	9	97.00	Approved
Yoichi Egawa	862,792	33,597	9	96.21	Approved
Kenkichi Nomura	871,562	24,828	9	97.19	Approved
Toru Muranaka	879,001	17,390	9	98.01	Approved
Yutaka Mizukoshi	879,733	16,658	9	98.10	Approved
Wataru Kotani	885,632	10,759	9	98.75	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 <https://www.capcom.co.jp/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 45th among 3,701 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 2021, Capcom's total score was 7.60 points, placing us in the top 1.46% of Japan's listed companies (excluding some in the financial and other sectors), exceeding the 4.75-point average for all listed companies and the 6.66-point average for the industry. We also received the maximum score of 10 for "equity market's assessment."

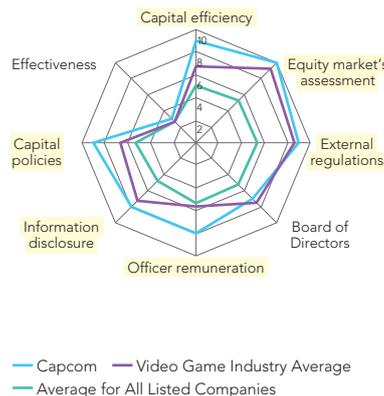
The main evaluation factors are given in the table below, and areas highlighted in yellow indicate measures that received particular notice. Going forward, we will continue making improvements to earn an even stronger assessment, and further promote the visibility of our governance by posting this and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

Third-Party Assessment Results of Capcom's Corporate Governance

Details of Capcom's Corporate Governance

Total Score	7.60
Rank	45
Categories	Score
Capital efficiency	9
Equity market's assessment	10
External regulations	9
Board of Directors	7
Officer remuneration	8
Information disclosure	8
Capital policies	9
Effectiveness	3

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
Capital efficiency	9	ROA, ROE and Statistics related to free cash flow
Equity market's assessment	10	Tobin's q
External regulations	9	Presence (or absence) of takeover defense measures
Capital policies	9	Related to DOE, shareholder return ratio

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 2020 Third Party Evaluations

Integrated Reports	Nikkei Inc.'s 23rd NIKKEI Annual Report Awards, Excellence Prize
IR Website	Daiwa Investor Relations Co., Ltd. (Daiwa IR), "Internet IR Award 2020," Grand Prize
	Nikko Investor Relations Co., Ltd., "Fiscal 2020 Listed Company Website Quality Ranking," Overall Ranking: Grade AAA
	Morningstar Japan K.K., Gomez Consulting Dept.'s "Investor Relations Site Ranking 2020," Second Place

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.

In fiscal 2020, 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 cancelled due to COVID-19 along with overseas IR visits. However, we held the presentation of financial results online and offered video conferences in an effort to communicate with our many investors and analysts.

In addition, Capcom conducts a regular perception gap study targeting institutional investors and analysts in Japan and overseas. Being aware of investor perception gaps gives us feedback on corporate management and IR activities. Questionnaires are also given to attendees at our Presentation of Financial Results and individual investor briefing sessions, allowing us to make proactive use of market opinions and demands as one criterion in management decisions.

Fiscal 2020 IR Measures

By category	Frequency
Interviews accepted	593
Visited domestic investors	5
Visited overseas investors	0
Total	598

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

Results of Dialogue with Investors (Excerpt)

Q. I would like for you to be more proactive in disclosing ESG information.

A. We are working to strengthen this.

Up to now, we have disclosed information such as the reduction of our environmental footprint through digitalization and the ratio of female and non-Japanese employees in conjunction with our promotion of diversity. As of the fiscal year ending March 31, 2022, we also disclose our policy on ESG initiatives. In addition, we are working on disclosing new information in this report, including evaluation of the effectiveness of the Board of Directors.

Q. Because you are an owner-run company, I would like to ask specifically about the effectiveness of the Board of Directors.

A. We performed an evaluation.

We have communicated the issues, improvement measures, and policy for the immediate future based on the results of a questionnaire conducted among all board members concerning evaluation of the effectiveness of the Board of Directors.

IR Activities on Our Website

Providing a website easily accessible to everyone

Since 2001, Capcom has made proactive use of its corporate website as a tool for disseminating information pertaining to IR activities. The main reasons for this are to ensure fairness for a wide range of stakeholders, and because it ensures information is easily available for inspection immediately in approximately 200 countries and regions worldwide. Capcom's corporate website is also positioned as our most cost-effective tool and we strive to use it in various ways, including video content for communicating information and social networking sites for timely information updates.

IR Team

Full-time staff engaged in a wide variety of activities

Capcom IR activities are conducted by two full-time staff members in addition to the chairman, the president, and the director overseeing IR for shareholders and investors in Japan and overseas. For IR-related inquiries, please use the contact information below.

Public Relations & Investor Relations Section

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

Business Hours: 9:00–12:00, 13:00–17:30 (JST)

(excluding weekends and public holidays)

Information Security Initiatives

As our main business is planning and developing software and we operate in an environment in which the latest information technology is always used, we believe that our information security risks are greater than companies in general. For that reason, we have implemented perimeter*1 security measures for some time; further, we had begun working on introducing defensive measures like SOC*2 services and EDR*3, however in 2020 a third party was able to gain unauthorized access to our systems. Because of this incident, we have implemented various security reinforcement measures to prevent recurrence in addition to our perimeter security measures. These include the establishment of the Information Technology Security Oversight Committee, which includes several external experts, and the introduction of SOC services for around-the-clock monitoring of external connections and EDR for early detection of unusual activity taking place on devices.

Main Measures (Table 1)

Technical Measures

1. Leading software company carried out cleaning of all compromised devices
2. Reverified the safety of all VPN devices and that security measures are in place
3. Introduced SOC (Security Operation Center) service in order to monitor external connections around the clock
4. Introduced the latest EDR (Endpoint Detection and Response) to provide early detection of unusual activity and computer virus infection on devices
5. Business accounts have been reviewed
6. Further improvements to administrative methods have been made such as long-term retention of logs for swiftly addressing incidents involving VPN devices and other equipment

Organizational Measures

1. Launched the Information Technology Security Oversight Committee in late January 2021 in order to receive recommendations on a continuous basis from external experts based on the latest trends, with an aim to procure external checks and the swift accumulation of knowhow regarding strengthening cyber security (including data protection for securing personal information, etc.). Externally, there are four Committee members who consist of two university professors who are cyber security experts, one lawyer who is an expert on both cyber security and the Act on the Protection of Personal Information, and one certified public accountant that is an IT system audit specialist; internally, one director as well as three technicians who oversee security and networks participate. The Committee plans to continue to regularly hold meetings to strengthen protection standards.
2. Established the Information Technology Surveillance Section in December 2020, a new section directly under the Information Technology Security Oversight Committee, which gathers information regarding cyber security and builds knowledge of preventative measures to make recommendations.
3. Strengthened the system for regular verification, including for the adoption of tools, in the management of business accounts.
4. Constructed a system to further raise awareness of security and the management of personal information at the Group overall.

*1 Security measures that include placing a firewall at the perimeter between external networks and internal networks.

*2 Acronym for Security Operation Center. A SOC service is a system that monitors systems and networks around-the-clock, and supports the detection, analysis and handling of attacks.

*3 Acronym for Endpoint Detection and Response. A system that introduces software to detect unusual activity on devices such as the PCs and servers utilized by end-users and supports quick responses to issues.

Message from an External Director

Pursuing governance that takes sustainable growth into account, including ensuring effectiveness of the Board of Directors and the diversity of key human resources.



Yoshihiko Iwasaki

External Director (Independent Director)
<Full-time member of the Audit and Supervisory Committee>

Q How do you evaluate the Company's management structure as a member of the Audit and Supervisory Committee?

A I was appointed external director in 2012. The first thing I noticed was the corporate culture of diligently addressing issues while stressing the basics. One of the characteristics of the game industry is that changes—both in technology and user preferences—are sudden. Under such circumstances, the Company has maintained a focus on providing users with entertainment of first-rate quality while promoting global and digital strategies to achieve steady growth. I believe that the prescient, timely, and accurate judgment of management and this well-developed corporate culture have both contributed significantly.

Q How do you evaluate the Company's audit structure?

A The Company made the transition into a company with an audit and supervisory committee in 2016. At the same time, in addition to the staff that had previously supported the corporate auditors, the Internal Audit Division was brought under the direct control of the Audit and Supervisory Committee. This facilitated collaboration, making it possible to implement efficient and effective organizational audits, including timely and accurate understanding of the internal situation from each perspective and internal dissemination of the necessary information. The Audit and Supervisory Committee itself has a balanced composition. The three members have different specialties and come from inside and outside the Company.

Q What do you see as necessary for further enhancing the function of the Board of Directors in the future?

A I think stakeholders from all quarters would agree that the growth of the Company has been driven by the strong leadership of the founder. At the same time, this demonstrates that the Board of Directors has sufficiently carried out its responsibilities.

On the other hand, the Corporate Governance Code was revised this past June seeking that companies provide more aggressive governance while taking sustainable growth into account. This requires further action from the Board of Directors and securing diversity for its key human resources. The Company has carried out efforts in line with the thinking of the Corporate Governance Code, including establishment of a Nomination and Remuneration Committee. However, I believe further improvement is necessary when it comes to the issue of diversity among core members of the management team.

Sustainable growth is of great concern to all stakeholders, including investors and employees. I hope to personally contribute as much as possible to strengthening the role of the Board of Directors to steadily achieve this as we move into the future.

Capcom will quickly ascertain management risks and make ongoing improvements to a governance structure that features a balance of offensive and defensive approaches.



Makoto Matsuo

External Director (Independent Director)
<Member of the Audit and Supervisory Committee>

Q What future initiatives will the Audit and Supervisory Committee implement to enhance the functions of the Board of Directors?

A Since Capcom transitioned to a company with an Audit and Supervisory Committee in 2016, the Audit and Supervisory Committee has been providing support for the risk management function of the Board of Directors and building a structure for systematic audits in collaboration with the Internal Audit Division and other internal organizations.

Capcom continues to innovate as a true leader in the global content industry, which is undergoing rapid and advanced digitalization. As such, it must adequately communicate its activities to shareholders and other stakeholders. It also must continue to make ongoing improvements to a governance structure that features a balance of offensive and defensive approaches to properly address the risks that arise in its continued pursuit of new challenges. As Chairman of the Audit and Supervisory Committee, I will work to ensure that the committee can fulfill its expected role, contributing to enhancement of corporate governance from the standpoint of cross-organizational compliance and appropriateness. This will be accomplished by providing timely and appropriate suggestions and advice to the Board of Directors to quickly ascertain and address the management risks faced by the Company based on a recognition of these circumstances.

Q What kind of a role will you play as an external director in light of the circumstances surrounding the Company?

A Since becoming an external director in 2007, it has not been easy to judge the ever-progressing game industry or the measures that the Company should take under those circumstances. I think it is very rare to have an industry that requires—to this extent—such a quick and flexible response to change in order not to be left behind.

Owing to the strong leadership and unifying work of the founder, the Company has been able to anticipate long-term developments and make quick and bold decisions. At the same time, the support that has been provided by external directors with different specialist knowledge in relation to risk management has enabled the Company to establish a unique management structure and corporate governance system corresponding to its circumstances. Together with the Audit and Supervisory Committee, the Audit Committee, which conducts operational audits that are closer to the work site, forms a hands-on system unique to the Company.

I believe my role is to leverage my knowledge as an attorney and as an external officer of other companies to identify management risks and issues related to company measures based on my practical experience in the industry and management of the Company during my tenure, while listening to the thoughts of management, and providing my opinions and suggestions. In addition, by keeping watch to ensure that future leadership succession, which seems to be making steady progress, leads to the development of a corporate system more consistent with the next generation, I will offer support to facilitate discussion on both ensuring sustainable growth of the main businesses while accelerating growth by expanding the Company's intellectual capital into adjacent markets such as visual media and AI in the future.