

Creating social value as a game publisher

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 addressing four priority issues within the ESG framework based on our fundamental ESG policy outlined below.

Fundamental ESG policy



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.



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.



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.

Sustainable Development Goals (SDGs)

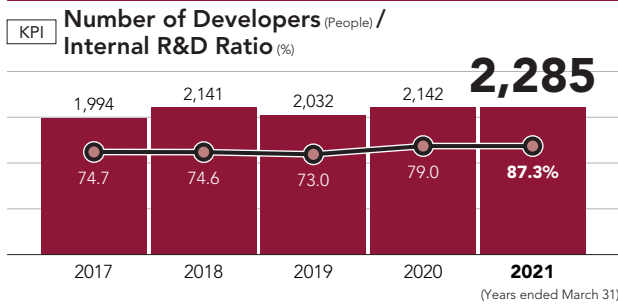
SDGs are 17 goals that were adopted by the over 150 member countries of the United Nations at the United Nations Sustainable Development Summit held in September of 2015 at the UN headquarters in New York. It was determined that in order to eliminate poverty and achieve a sustainable world, we must prioritize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



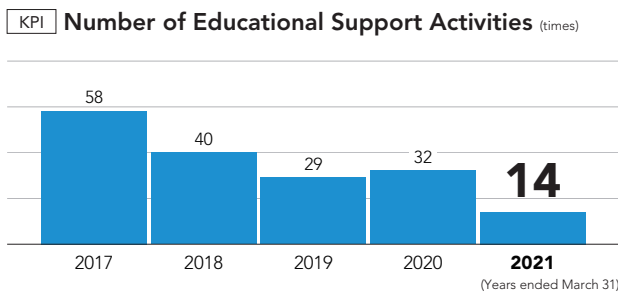
Material Issues

Material Issue **1** Securing and Training of Human Resources



We are working to secure and train outstanding developers based on our desire to make the most entertaining games in the world. We continue to hire more than 100 new graduates each year to enhance our product lineup and improve quality. Over the last 10 years we have increased our developer numbers by approximately 1,000 people. We are working to improve the technical skills and motivation of our employees by such means as enhancing our system to train new graduates, promoting younger and mid-career employees to work on major titles and achieve their own personal goals. [➔For details see p.53](#)

Material Issue **3** Development of Solid Relationship with Society

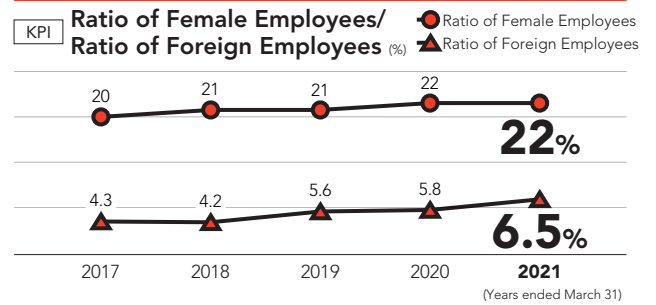


The education support activities that we began in 2005 achieved a certain level of recognition for the results they produced for more than 15 years, and as of the fiscal year ended March 2018, we carry out roughly 30 activities each year on a steady basis. The number of activities decreased in the fiscal year ended March 2021 due to circumstances surrounding the COVID-19 pandemic, but in the same year, we also introduced an online learning program allowing us to hold activities remotely. [➔For details see p.61](#)

Support activities to eliminate poverty

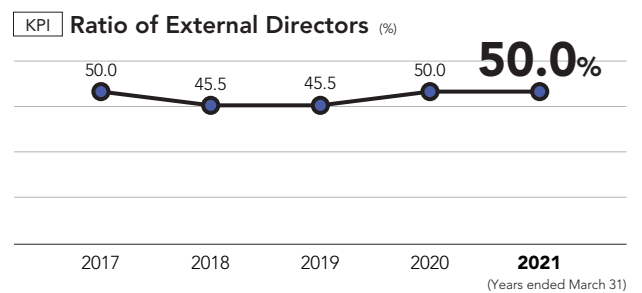
For a game manufacturer, while the children who play with our products are our customers, they are also our future as they have the potential to one day become employees. It goes without saying that in order to play games, you need a stable environment, and in order to choose a career, an education is essential. Capcom is helping to create an environment for children today and in the future by

Material Issue **2** Promoting Diversity



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.61](#)

Material Issue **4** Enhancement of Corporate Governance



Generally, an owner-run company excels at being flexible and fast decision-making, 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, 2021, external directors accounted for 50% of the entire board of directors. However, the transfer of one of our directors put the ratio at 45.5% as of June 2021. [➔For details see p.67](#)

donating to the "Children's Future Support Fund," a project established in 2015 with the cooperation of both public and private entities.



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