# The Passion and the Compete Globally

Capcom is a creator of completely original, engaging content who takes great care to maintain the integrity of our properties while continuing to evolve and advance. This has led to many of Capcom's titles growing into hit series. We will continue striving to create content that takes the world's breath away—today, tomorrow and always.



#### Devil May Cry 5 → P45

Strategy

Stable releases of core IP Fans the world over have been eagerly awaiting this latest installment in the stylish, action-packed series

Each main-line title in the series has boasted million-seller status since the very first in 2001. The timely release of new titles has kept fans engaged and <u>enthralled</u>.

#### Resident Evil 2 → P43

Strategy

Utilizing past titles

#### A survival horror masterpiece revived with cutting-edge technology

*Resident Evil 2* sales rank fourth overall in the series' history. The 1998 masterpiece that shook up the world has been terrifyingly reborn with our cutting-edge development technology.

# 35th Anniversary

#### Always Anticipating the Times, Targeting Global Markets

Born in the early stages of the consumer game market, over the years Capcom has adapted to the changing times, such as the rise of next-generation consoles, advances in communications and the expansion of the global market—all the while focusing every effort on creating exciting content. As such, Capcom's IP has garnered support throughout the world, giving rise to hit series and steadily increasing our sales numbers. ledium- to Long-Term

The Heart of Value Creation

Financial Analysis and Corporate Data

# Prowess to



### Mega Man 11 →P47

Reawakening dor<u>mant IP</u>

Strategy

23:

A popular series loved for decades following its launch, *Mega Man* commemorated its 30th anniversary in 2017

This first new title in eight years can be enjoyed by two generations: parents from the Nintendo Entertainment System generation, and their children.



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# RESIDENT EVIL 2

### Shocking the World Once More with Horror *Resident Evil 2*

Tsuyoshi Kanda Resident Evil 2 Producer Joined Capcom in 2002. After being involved in domestic marketing and overseas-related business, was assigned to Capcom U.S.A. Returned to Japan in 2015 and became a producer. Worked as a producer on Resident Evil 7 biohazard and Resident Evil 2.

#### Nostalgic and New, the Legendary "RE 2" is Reborn

"The zombies are horrifying!"

"It looks so real, it's terrifying... But I can't stop playing!"

These were just some of the player reactions at E3, one of the world's largest game expos, held annually in the United States. When *Resident Evil 2* (hereinafter, *RE 2*) was announced at the conference venue, the audience erupted with cheers. Lines formed at the Capcom booth, where attendees waited to play a demo version of the game. Fans who experienced this new horror cried out, "This is the *Resident Evil* I have been waiting for!"

The reaction was even more positive than we expected, energizing and motivating the development team.

The original *Resident Evil 2*, released in 1998, is often called a masterpiece even today, 20 years on. It is no easy task to take that original title, and recreate it using current technology in a way that will satisfy both new and long-time game players.

However, it is because this was such a big challenge that our development team was all the more motivated to take it on. We launched into development of *RE 2* with our minds set on satisfying the players' expectations, and utilizing the best tools at our disposal to recreate the game anew.

Actually, around that time, many of us were working on *Resident Evil 7 biohazard* (hereinafter "7"). Survival horror game fans have more than one need. 7 attempted to provide the ultimate horror experience with an overwhelming sense of immersion using VR. *RE 2* aims for horror and entertainment, a game that is both scary and exciting. Each pursues a different way to enjoy the game. I think the diversity of this series, while always centered on horror, is very appealing.



Raccoon City, the game's terrifying setting



Horror lurks in the darkness

Medium- to Long-Ter Growth Strategy

#### Capcom's Flagship Series Boasting Cumulative Sales of 83 Million Units

*Resident Evil* is a popular series that pioneered the survival horror genre. Players utilize a variety of weapons and items to escape from terrifying situations. Since the first title was released in 1996, the game has garnered passionate supported throughout the world, with the series selling a cumulative 83 million units. It has also gained popularity as a series of Hollywood movies and as an attraction at Universal Studios Japan, enjoying strong brand recognition even among those who do not play video games.



#### Expressing a Photorealistic World of Horror with the Latest Technologies

The original *Resident Evil 2*, which went on sale in 1998, recorded the fourth highest cumulative sales in the series with 4.96 million units, firmly establishing the popularity of "*RE*."

The new *Resident Evil 2* revives the appeal of this title by recreating it from the ground up using Capcom's cutting-edge development technologies. The classic zombie horror that plunged users into the depths of terror has been reimagined using Capcom's RE ENGINE to depict a photorealistic Raccoon City, where the tragedy unfolds.



The zombie-ridden police station



Zombies attack the protagonist, Leon



A herd of zombies approaches

# Sight and Sound: Depicting Horror by Appealing to the Senses with Overwhelming Realism

With this title, it was important to respect the original while making the newly rebuilt *RE 2* enjoyable. To this end, in addition to the story, game system and visuals, we focused on the audio.

In terms of the story, we followed the original while creating an even stronger sense of drama. For the game system, to maximize the fear of being eaten by zombies, we employed an over-the-shoulder thirdperson perspective, enabling the user to see both the character they are playing and the attacking zombie.

For the visuals, we used our proprietary RE ENGINE to create a photorealistic world of horror that could be mistaken for live action.

In terms of audio, we used Capcom's dynamic mixing stage, a newly built 3D

audio booth in our R&D building with 7.1.4 channel Dolby Atmos.

This enables changes in sound in real time using binaural technology, enabling realistic audio that makes players feel as if they are actually there. Zombie moans can be heard to the right and left, in front and behind, affecting not only the sense of sight but of sound to make users experience a greater feeling of horror.

Going forward, we will leverage the marketing expertise we've accumulated thus far to promote the game in major regions ahead of launch, primarily at major events, in areas such as North America, Europe, Japan and Asia, as well as in the rapidly growing South American market. I hope everyone is looking forward to the rebirth of *RE 2*, which is both nostalgic and new.



Booth at E3 recreating the world of Resident Evil



Newly built dynamic mixing stage

The Heart of Value Creation

# Nevil May Ery

# The Apex of Action Games, DMC is Back! Devil May Cry 5

Michiteru Okabe Devil May Cry 5 Senior Producer After joining Capcom in 2010, worked as an assistant producer on *Resident Evil: Operation Raccoon City.* Has worked as a producer since *Resident Evil Revelations*, and is currently working on *Devil May Cry 5*, the latest title in this series.

#### Bringing Back the Devil Hunters to Appeal to the Global Market

"In the beginning, one of the main characters, Nero, loses his right hand. He attaches the Devil Breaker to where his right hand was and sets off to battle the demons!" *Devil May Cry 5*, the latest title in this series, starts with this scene, which was the idea of the Director, Hideaki Itsuno.

With the help of his new partner, weapons craftswoman Nico, Nero takes down demons one after the other in a way that is not only stylish, but feels good. This "good feeling" is a distinctive feature of the *Devil May Cry* series. The exhilaration of using guns and swords to stylishly defeat demons, interwoven with the story of main characters Nero and Dante's hidden pasts engrossed fans all over the world, leading the series to become a hit, with cumulative sales of 16 million units.

As this series is immensely popular overseas, we've brought on Matt Walker

as well. Matt, who initially began studying Japanese because of *Street Fighter*, is a producer who has absorbed the Capcom DNA, and now works to push forward our strategy.

This new title was announced at E3, one of the world's largest game expos, held in June.

The announcement coincided with that of *Resident Evil 2*, the latest *Resident Evil* title, which is the sister series to *Devil May Cry*. Both announcements received a standing ovation.

I think announcing both of these titles at E3 conveyed the momentum we have going at Capcom.



Master demon hunter Nero returns



Core meeting (from left) Okabe, Itsuno and Walker

Medium- to Long-Term Growth Strategy

#### **Consecutively Million-Selling Stylish Action Games**

The hit *Devil May Cry* series features appealing characters brimming with individuality and stylish action where players seek to dispatch enemies in sleek and showy ways. Since the 2001 launch of the first title, this series created a buzz with its beautiful graphics and exhilarating action, becoming popular worldwide.



#### **Engaging Characters Featured in Multiple Mediums**

The appealing characteristics of the protagonists Dante and Nero, whose veins course with demon blood, as well as the story and the stylish action have won the hearts of droves of fans. *Devil May Cry* has been adapted into a wide variety of media, including animated television shows, comic books, novels and pachislo machines.



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#### Driving to the Apex of Action Games With the RE ENGINE

The stylishness of this game is what makes it appealing, so it goes without saying that it demands cutting-edge visuals and action.

Our aim was to create a new *Devil May Cry* legend that satisfies users by incorporating photorealism, which is mainstream overseas, and a sense of speed and exhilaration unlike previous titles. Capcom's technical capabilities make this possible.

Further striving for visual perfection, we cast models in England for the main characters and created real costumes from scratch. After makeup was applied, the fully costumed models were scanned as 3D objects.

For character expressions, we used the latest facial technologies developed by Serbian company 3Lateral. The exhilarating movement of the game uses motion capture, with each individual part combined using Capcom's RE ENGINE to successfully express realistic details in the characters' appearances, expressions and action.

With facial expressions in particular, when voice actors later recorded the lines, they understood the emotions just by looking at the video, lending a realism that could be mistaken for live action. My sense is that we were able to achieve extremely fine quality by combining cutting-edge technology with the development expertise Capcom has accumulated over the years.

The release is scheduled for March 8, 2019. We want to deliver this to the world as the apex of action games—DMC is back! We hope you are excited!



The power of the Devil Breaker



Scanning a British model in pursuit of photorealism

The Heart of Value Creation

MEGAMAI



Kazuhiro Tsuchiya Mega Man 11 Producer After joining Capcom in 1992, worked on Mega Man 7 as a programmer. After working as a director, moved on to be a producer, supervising all aspects of the Mega Man Legacy Collection and new Mega Man 11.

#### A Beloved Series That Spans Generations

*Mega Man*, born in 1987 when home video game consoles began to gain popularity, is a one of the best-known 2D side-scrolling action games and has long captured the hearts of fans.

This series has sold a cumulative total of 32 million units, which includes several spin-off titles. 30 years since the launch of the first title, *Mega Man* continues to be very popular overseas, and we are often asked whether we are going to release a new title.

Of course, Capcom would never forget *Mega Man*. In 2017, on the 30th anniversary of *Mega Man*, we announced the Mega Man Project.

This announcement included the release of two collections allowing past titles to be enjoyed on modern consoles, as well as the completely new *Mega Man 11*.

The key to this newest game can be

found in the title: the word "gear," and there are two meanings here. One is the "Double Gear" system that powers up the abilities given to the main character *Mega Man*. The other meaning is in the story, where the gears of fate revolve around the past connection between the two scientists, one who is *Mega Man's* creator and the other who is his enemy.

There will also be never-before revealed surprises, reaching back to before the first title, with some real "Aha!" moments for fans. At the same time, we are making innovations so that this title will place everyone, even those trying the series for the first time, at the same starting point when they play the game.



Three-dimensional visuals realized with 2.5D side-scrolling



Change gears to take on bosses and stages

#### **Refining the Fun of Action Games In-Step with the Evolution of Game Consoles**

*Mega Man* was launched in 1987 as an action game for the Nintendo Entertainment System. Its distinctive characters and textured game play have won over fans in Japan and around the world, giving rise to numerous sequels and spin-off series. Its popularity has gone beyond games, crossing over into merchandising, animated television shows, comic books and a variety of other media that further garnered attention for the series. The series commemorated its 30th anniversary in 2017.



#### The New Mega Man, Born from Diversity

The objective behind creating the first new title in eight years was to maintain the essence of *Mega Man* while creating a new standard. To this end, the development team consisted of veteran, mid-career and younger employees, as well as members with completely different histories and sensibilities, rather than only those with past experience on *Mega Man*.

This is because we thought diversity was necessary to create a new foundation. Each member wrote down their sense of the essence of *Mega Man* and how they would convey that using modern game consoles, then we considered each idea. The result was to use 2.5D to render side-scrolling 3D graphics. But this turned out to be fairly challenging.

Distortion occurs during 3D parsing, and creating rich visual expressions hampers the agile movements of the pixel graphics era. To address this, we are fine tuning the graphics using a trick art method to make it look more natural.

On first look, it may not appear to be technically impressive, but actually, it is loaded with techniques that could be described as "master handicraft."

The *Mega Man* series is a top-tier IP that will serve as a model for action games stemming from its 30 years of familiar quality.

In preparing promotions ahead of the launch, we are pulling out all the stops, including a 30th anniversary concert in Japan and an animated TV show in North America. We are making a truly enjoyable game that goes beyond countries and cultures, and with this title as a new starting point, we aim to capture the hearts of game fans around the world.



Announcing the demo version at E3



New Mega Man reborn through "master handicraft"