Honing the essence of our brands and providing unparalleled experiences with our creative and technical abilities. We continue to take on new challenges with our original content—from Osaka, to the world.

Executive Corporate Officer, head of Consumer Games Development Division 1 and Technical Research Division

JUN TAKEUCHI

A long-time veteran of the *Resident Evil* series, he now oversees Consumer Games Development Division 1 and the Technical Research Division. He was appointed to his current position in April 2022 and is focusing on global strategy, development management, and technical management.

Delivering games that capture Capcom's true essence to the world

Creating titles that resonate with players around the world is the idea that drives our game development. Today, our titles are sold in more than 200 countries and regions, and Consumer Games Development Division 1, which I oversee, has long been focused on creating games for the global market, producing numerous brands that have been immensely popular overseas, such as the *Resident Evil and Devil May Cry* series.

I am grateful that the Resident Evil series, which boasts a total of 127 million units in sales (as of June 30, 2022), has been loved by players around the world for over 25 years. Even today, what people want from the series remains unchanged: an overwhelming experience of terror. Added value, such as entertainment, is also important, but the key to becoming a long seller is pursuing the essence of a title. I believe that the essence of this series is terror, which is a feeling that can be understood throughout the world. While developing Resident Evil 7 biohazard (Resident Evil 7, below), our theme was returning to our roots, and as developers, we took another look at the true essence of Resident Evil. The result was an immersive and terrifying experience highly acclaimed by users around the world that became a hit title selling more than one million copies annually since it was released six years ago. Looking to the future, as part of our research into cutting-edge technology we took a proactive approach to

supporting VR and providing a terrifying experience in a variety of ways.

In addition, the 2019 release of *Resident Evil 2* was not simply a remake of the longstanding popular title. We challenged ourselves to find the essence of the series and provide a new terrifying experience more realistically and dramatically using the technology available to us today. Development was a series of trials, but we made good use of the experience we acquired with *Resident Evil 7*. The resulting game was well-received by users, going on to sell more than 10 million copies worldwide.

While each title in the *Resident Evil* series has its own complete story, all the stories in the series are also connected. Therefore, in providing remakes our aim is to give newcomers to the series a chance to learn the larger plot line of the series that fans already know. *Resident Evil Village*, released in 2021 as the sequel to *Resident Evil 7*, also earned great acclaim worldwide from the time it was launched. I believe that this game also has the potential to become a long-selling global hit, joining the ranks of the other titles discussed here.

In terms of sales as well, with the global popularization of digital sales, we now have an environment where people can play the games they want to, when they want to, regardless of country, region, or how long ago the game was released. Furthermore, with the promotion of our multi-platform strategy, we are working to allow all users to start playing new games on the day they are released, regardless of what hardware they own, by aligning release dates across all hardware. Medium- to Long-Term Growth Strategy

Sustainable Growth (ESG)

Financial Analysis and Corporate Data

RE ENGINE: Our proprietary game development engine that makes the impossible, possible

The "RE" of RE ENGINE includes the concept of "reaching for the moon," of using this engine to make the impossible, possible. The engine supports high-fidelity visual expressions, VR and other cutting-edge technologies, as well as multi-platform development. Capcom's game development and engine development teams work together to constantly upgrade the engine to suit each title. The engine is always evolving with the aim of making it simpler and easier to develop advanced technology and create globally competitive titles.



The potential of RE ENGINE

RE ENGINE was created with the goal of developing all our titles with this single engine. It is designed to maintain compatibility by modularizing its different functions by title.



The advantages of in-house development

The engine is customized to develop the content that we want with more speed and ease. Cloud computing makes it possible to increase capacity when needed, supporting the development of multiple titles. It can also flexibly accommodate additional future platforms.

We have streamlined our development environment by simplifying complex technologies to make them easier for developers to handle.



Leading-edge graphics

We are creating photo-realistic visuals, intricately reproducing images using simulation techniques, including ray tracing and radiosity, to perform complex processes, such as light diffusion and refraction. The research, development, and adoption of various leading-edge technologies keeps us ahead of the changing environment.

Continuously evolving our content to keep pace with the values and technology of the times will generate titles that will be universally enjoyed around the world going forward.

Leveraging the full potential of creators' sensibilities and bringing new games to the world

The cornerstone of development is people. At Capcom, we have adopted an agile development system that allows us to assign personnel to titles as they are needed in order to create an environment where each and every employee can demonstrate their talents and abilities. Being a flexible organization has significant advantages in terms of game development as well employee motivation. Our training method also changes in accordance with personality as we aim for a system that can further enhance an employee's strengths. For example, young employees are taking on the challenge of creating the new IP currently under development, *Pragmata*. The girl that appears in the trailer video of the game was not produced with our standard 3D scan method, but rather was created by younger employees from scratch using a completely different approach. These digital natives are bringing a breath of fresh air to Capcom with their unique sensibilities.

While focusing on the detailed craftsmanship of a game is important, in order to make a title successful as a business it is also important to have an objective sense of balance and take in the big picture. There are three basic rules for game development that I share with younger employees: 1. games that provide something completely new provide value, 2. games should be entertaining to people around the world, and 3. by building a track record for yourself, you can create the games you want to create. I want them to approach development from the player's perspective, while instilling Capcom's true essence into our games.

In addition, I consider employees' health of the utmost importance, and in step with our human resources investment strategy we are promoting the creation of a comfortable work environment with enhanced benefits and thorough labor management. The proportion of non-Japanese members on the development team is rising, and I am proud to have an environment where better game development can take place based on diverse values. I believe the role of the development division is to maintain diversity while providing the world with games that leverage Capcom's strengths as a Japanese game producer.

One of the directions for game development going forward is for users to have fun interacting with one another within a game world. People will gather around a certain theme and enjoy games as if they live in that space. These will be content-first games. Beyond that, we are aiming for development that raises players' expectations and makes them wonder what kind of fun Capcom will provide next.