

Environmental Action as an Entertainment Company

Capcom's Digital Contents business accounts for approximately 80% of the Group's consolidated net sales and primarily entails the development and sale of software. This means that Capcom's environmental impact and environmental risks are lower than the general manufacturing industry.

Given this situation, we have worked to reduce our environmental impact by promoting digital sales of content as well as by replacing equipment. This is in-line with our management philosophy of creating an entertainment culture through the medium of games by developing highly creative content that excites and stimulates your senses.

We will continue actively working to solve issues common to society such as climate change, which is a growing problem, while referring to indicators and frameworks such as the TCFD recommendations.

Reducing CO2 emissions

Reducing CO2 emissions by promoting energy saving measures companywide

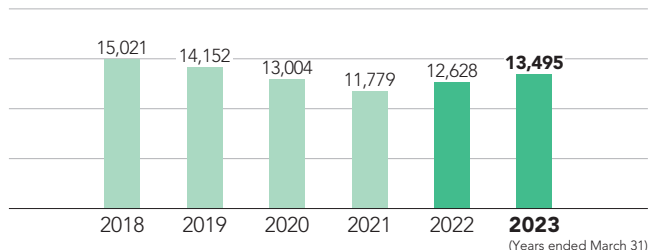
In response to risks such as increased business costs due to the introduction of a carbon tax, as well as increased raw material, production, and procurement costs due to carbon and plastic use regulations, Capcom has worked to cut power usage through efforts that include ongoing power saving at all of its places of business and saving energy at its amusement facilities. The fiscal year ended March 2023 saw our CO2 emissions increase compared to the previous fiscal year due to the opening of new places of business and amusement facilities. However, the trend remains stable.



Promoted energy-saving initiatives, including switching to LED lighting at each workplace

Capcom's CO2 Emissions (Non-consolidated) (t)

13,495 t



Rated "S Class" eight years in a row by the Business Operator Class-Based Assessment System

Despite the current increase in energy use due to the opening of new places of business and amusement facilities, our energy intensity has remained stable. For these efforts, Capcom has been awarded S Class (out of classes S, A, B, and C) status for eight years running under the Business Operator Class-Based Assessment System that has been administered since 2016 by the Agency for Natural Resources and Energy in accordance with the Act on Rationalizing Energy Use (Measures Pertaining to Factories).

(Non-consolidated)		
Year	Energy Intensity*	Vs. Previous FY
2018	0.05994	98.1%
2019	0.05869	97.9%
2020	0.05583	95.1%
2021	0.05186	92.9%
2022	0.05497	106.0%
2023	0.05918	107.7%

(Years ended March 31)

* Calculated using the method defined by the Agency for Natural Resources and Energy. The Agency for Natural Resources and Energy website: <https://www.enecho.meti.go.jp/en/>

Innovations in Product Distribution

Conserving resources through digital sales of game software

In the past, games included a printed instruction manual inside the package, but in recent years, these manuals are now included as data within the software as a way to save paper. This enables us to eliminate approximately 41.70 million game units' worth of paper manuals annually.

In addition, the increasing popularity of digital sales, where games are downloaded after purchase, has made it possible to conserve resources used to produce discs, semiconductors, software packaging, and other components in addition to paper resources.

In the fiscal year ended March 2023, the resources used in

the equivalent of around 37.30 million units of game software were conserved as a result of digital sales.

Moreover, digital sales eliminate the need to transport physical products from factories to stores or warehouses, allowing us to simultaneously reduce both costs and greenhouse gas emissions.

We will continue promoting digital sales of game software with the aim of achieving effectively zero resource consumption in the future by selling solely via digital download.

Development and Manufacturing Initiatives

Reducing the environmental impact of pachislo machines

In solidarity with the efforts of the Japan Pachislo Machine Industry Association (Nichidenkyo), Capcom manufactures and sells pachislo machines partially made from recycled parts and equipped with standardized “green devices” aimed at controlling power usage.

Status of disposal of used arcade game machines

Year	Amount recycled	Thermal recycling*1
2018	74.4%	25.6%
2019	83.7%	16.3%
2020*2	00.0%	00.0%
2021	99.77%	00.0%
2022	91.6%	8.2%
2023	75.8%	24.0%

(Years ended March 31)

*1 Volume used as heat source for hot water, heating, etc.

*2 Capcom switched to new cabinets in fiscal year ended March 2020, so there was no collection of used arcade game machines.

Promoting workplace proximity

At Capcom, we encourage employees to live within five kilometers of their place of work and to commute by bicycle. As such, we have arranged company housing near our offices and built bicycle parking close to our R&D facilities. The primary goal is to promote a proper work-life balance by shortening commuting distances, but at the same time, it also helps reduce greenhouse gas emissions associated with use of transportation.



Bicycle parking

Utilizing electricity sourced from renewable energy

In October 2020, the Japanese government pledged to be carbon neutral by 2050. The goal is to realize a carbon-free society by 2050 and effectively eliminate greenhouse gas emissions. Capcom aims to achieve net-zero CO₂ emissions at the buildings we own by 2050. Realizing carbon neutrality will require the introduction of renewable energy that does not produce CO₂ emissions.

At Capcom, we began using CO₂-free electricity sourced from renewable energy at the buildings we own in the Kansai area in June 2022. As a result, around 27% of the power we consume in Japan is now provided by renewable energy. In addition, we introduced green power at our Tokyo Branch in April 2023. We are also working to further reduce our environmental impact by using our own data centers that have implemented power-saving measures and by using major cloud service providers and major data center service providers that promote the use of renewable energy.

Governance and risk management in relation to climate change

- (1) The Corporate Management Council (chaired by the Chairman and Chief Executive Officer) deliberates on policies and measures to address risks and opportunities related to climate change.
- (2) Based on the results of these deliberations, the relevant departments promote initiatives under the direction of the Representative Director or Director in charge and report the results to the Representative Director or the Corporate Management Council.
- (3) The Board of Directors receives reports from and oversees the Representative Director or the Corporate Management Council on important matters related to climate change.