

**Kenzo Tsujimoto**

Chairman and Chief Executive Officer (CEO)

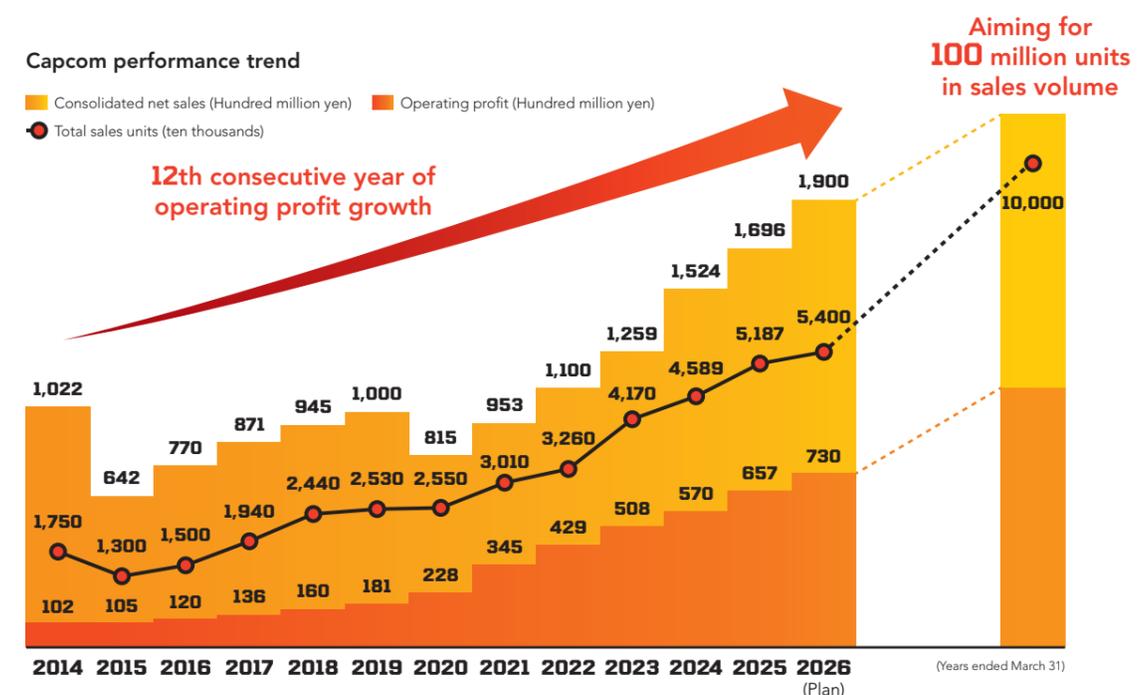
# Captivating people around the world with our best-in-class immersive content

## Continuing to build corporate value through world-class technical expertise and sound governance

In the fiscal year ended March 31, 2025, Capcom achieved its 12th consecutive year of increased operating profit, 10th consecutive year of 10%-or-better operating profit growth, and 8th consecutive year of record highs across all profit indicators. During this period, our stock price also rose intermittently, and in February 2025, our market capitalization exceeded 2 trillion yen for the first time. We are deeply grateful for the support of our stakeholders, including customers, shareholders, and

business partners, that made this possible. We are especially grateful to all our employees who remain committed to delivering the highest quality content to the world.

Since the fiscal year ended March 31, 2020, the Capcom Group has set a management target of increasing operating profit by 10% or more each fiscal year. We will continue to work toward achieving this target while sustainably enhancing corporate value based on our robust philosophy and strategy.



# 1 Harnessing the power of creativity to inspire the world

The Capcom Group's Management Philosophy is "creating an entertainment culture through the medium of games by developing highly creative content that excites." Forty-two years have passed since our founding, and despite the many adversities we have faced, we have continued to rise to each challenge with ingenuity and passion, never giving up. We have managed to overcome market changes, technological innovation, and upheaval in the global situation thanks to our unwavering philosophy that makes us who we are.

I feel that games are a luxury item, not a necessity—which is precisely why we must maintain world-class brands that captivate users. This embodies our commitment to "play" that goes beyond mere entertainment, our vow to pursue creative endeavors that inspire, and our approach to creating value through ingenuity. These values are now deeply ingrained in the Group's management philosophy and Capcom's corporate culture; under the slogan "From Osaka, to the World," each and every Capcom employee takes pride in always striving for the top.

In addition to our philosophy and values, we have redefined what the Group has achieved so far and the company as envisaged in the future in our medium- to long-term Vision: to be a company that

captivates people around the world with our best-in-class immersive content.

This carries with it three main implications. First is our continuing focus on producing the highest quality products, which is one of our strengths.

Second is to spread our content to every corner of the world, so that people all over the world will know about it and enjoy it.

Third is our intent to increase the number of people around the world who are passionate about our content and become enthusiastic fans.

Expanding our user base around the world and cultivating a passionate fan base from there will ultimately lead to Capcom's sustainable growth, and in turn having people engrossed in our games and products will also contribute to the richness and excitement of their lives.

To that end, first, we want as many people as possible around the world to play our games, and have thus set a long-term goal of selling 100 million units per year. In the fiscal year ended March 31, 2025, we achieved our tenth consecutive year of year-on-year unit sales growth, surpassing 50 million units sold. We aim to further increase this to 54 million units in the fiscal year ending March 31, 2026.

enabled the Group to achieve 12 consecutive years of increased operating profit, allowing us to stabilize our management base through improved profitability and achieve sustainable growth. I am convinced that we have evolved to the next stage as a company. We intend to continue the business model we have built over the past decade as the Group's basic policy going forward.

The reason we have been able to continue expanding sales worldwide over such a long period of time is because our games represent globally recognized top brands and are strongly linked to our unique identity. I believe this is a competitive advantage that only the Capcom Group can offer.

## Key policy for the next decade

Looking to the decade ahead, my vision is to take the company to the next level. First, my central goal is to spread our brands to every corner of the world, which is in line with our Vision mentioned earlier, and expand our user base. Currently, our games are sold in over 220 countries and regions. However, in some regions, sales volumes and user numbers have yet to take off, and penetration of our IP and corporate brands is limited. Expanding our brands to these regions and growing our user base are important

challenges in our next growth phase, and I believe these will become new growth drivers.

Next, we must restructure our manufacturing system, which is the core of the Group and will be the foundation for further growth for the company. Strengthening our organizational structure with an eye to the next 10 years is essential. We will continue to steadily build a foundation that supports sustainable growth, including continuous investment in human resources, reorganization of our development environment, and intellectual property strategy. Finally, as a company advances, its social responsibilities also increase. This is why I believe that building relationships with stakeholders into healthier and stronger ones, along with working to enhance corporate governance systems for greater management transparency and soundness, will become increasingly important in our future corporate activities.

As the pillars for our next decade, I will now explain the above points—brand penetration and user expansion, building a foundation for sustainable growth, building healthy relationships with stakeholders, and enhanced corporate governance systems—in that order.

# 2 Ascending to the next stage of growth by harnessing a solid management foundation built on world-class IP and development capabilities

We are unique because we have: (1) numerous popular IP that are globally established brands, and (2) the development and technical capabilities to continuously produce the world's highest quality games. These two points have been and will continue to form Capcom's foundation.

## Key policy over the trailing decade

Until the mid-2010s, the Group faced an issue in terms of its business structure where performance fluctuated significantly depending on the release of major new titles. Therefore, we prioritized building a corporate structure that could generate stable, consistent profits, and promoted a shift from a business model centered on physical sales to one centered around digital sales. The shift to digital sales has enabled us to provide content to users around the world for longer periods of time and has also increased our flexibility in pricing. As a result, our games are able to reach a wider range of users. In

addition, digital sales do not incur distribution costs, and development costs for catalog titles that have been on the market for a certain period of time will have been fully amortized, so sales centered on these titles is a source of strong revenue and stable profits.

Over the past decade, the Group has strengthened its presence on PC platforms in addition to Consumer devices, accelerating the provision of content geared toward game users around the world. PCs are becoming increasingly widespread globally, and we view this as an extremely important platform for delivering digital content. As a result, we have been able to expand our sales network to more than 220 countries and regions, further accelerating our global expansion. Furthermore, we have established a system for centrally managing and analyzing sales data from around the world, and by using this data to plan marketing initiatives and forecast sales volumes, we are now able to make strategic decisions with greater accuracy. The success of these efforts have

# 3 Brand penetration and user expansion to every corner of the world

## Strengthening localized approaches to marketing

To further penetrate our brands, it is essential to analyze markets around the world more precisely to better understand the characteristics of each country and region. We must determine what potential user segments exist in each country and region, and what products, prices, sales channels, and promotional measures are optimal for conveying the appeal of our brands to those users. We will improve the precision of our marketing by repeating a cycle of continuous analysis of market data, implementing measures based on that data, and verifying the results.

Additionally, user engagement will become increasingly important in the future. Through communication with users in each country and region, we will carefully understand their expectations and satisfaction levels, as well as their potential needs, and reflect this in our manufacturing and sales strategies.

## Strengthening our presence in the PC market

I believe that the PC will further establish itself as the world's leading gaming platform, which will serve to increase the value of the PC market. As mentioned above, the Group has been working on the PC platform from an early stage, but in addition to that, we will work to gain a deeper understanding of the characteristics and trends of the PC market and PC users, and bolster our game development and sales strategies with that in mind.

## Investment in movies

To further increase brand penetration, we would like to step up our investment in and utilization of movies. As a more familiar medium than games, movies serve as a means of conveying the worldview and appeal of our content. They also act as a gateway to our IP for people who have never played our games.

Going forward, we will actively invest in the production of movies featuring our IP, and by having them viewed by audiences around the world, we hope to increase the visibility of our games and expand sales.

# 4 Strengthening foundations for sustainable growth

## Sustainability initiatives

I believe that human capital, intellectual property, and information security are important pillars of sustainability in the Group's business activities. Below, I would like to discuss these initiatives in turn.

## Investment in our people and reorganizing the development environment

[For details see p.32 to 34](#)

The Group believes that proactive investment in human resources is the most important driving force behind sustainable growth. Based on this policy, in recent years we have been working to strengthen our human resources investment strategy as one of our top priorities.

In April 2022, we implemented a variety of reforms, including establishing a new CHO position, restructuring our human resources organizations, revising the remuneration system to improve remuneration, and granting stock-based remuneration to all permanent employees. We are currently working on improving the physical environment, including the construction of a new building to the north of our Head Office to expand our development space. We will continue striving to secure and develop human resources and further improve the work environment. Management will continue to focus on further enhancing employee motivation and morale.

## Intellectual property

[For details see p.55](#)

As mentioned above, we own many of the world's most iconic IPs. To realize our Group Vision, I believe that utilizing these IPs, content, and other intellectual property we have cultivated is key. For this reason, under the spirit of creative ingenuity, we view intellectual property as an intangible asset and strive to maximize its value. Furthermore, protecting and acquiring intellectual property rights is essential for the global expansion of our businesses. Additionally, systems to support business and development, as well as in-house training, are also important. We will continue to promote these efforts to create compelling content and increase brand penetration and value.

## Information security

[For details see p.56](#)

In order to promote sales globally and accelerate the diversification of sales channels through digitalization, we must take actions to combat various cyber risks. For this reason, we are working to maintain and strengthen our information security and cybersecurity management systems based on advice from the Security Oversight Committee, an external advisory body. We are also making efforts to raise awareness of information security by providing education and training to our executives and employees.

# 5 Building healthy relationships with stakeholders

Realizing a world where everyone can enjoy games with peace of mind is both a desire and an important responsibility that is in line with our Management Philosophy. Based on this philosophy, we are sincerely addressing global themes common to all, such as environmental and social issues, and are working to realize a sustainable society. Through these efforts, we aim to create a better future while valuing our relationships of trust with diverse stakeholders, including shareholders, customers, business partners, employees, and local communities.

[For details see p.49 to 62](#)

## Considerations for the environment

In addition to reducing our environmental impact by increasing digital sales, the Group is working to reduce CO<sub>2</sub> emissions by introducing renewable energy to power its offices. Addressing climate change is a common challenge for all of humanity, and although the Group's business model has a relatively low

environmental impact, we will continue to promote initiatives that give consideration to environmental conservation needs.

## Social contribution activities

The Group uses a certain percentage of its operating profit to donate funds in support of children who will create the future. Under the slogan "From Osaka, to the World," the Group is working to promote local communities, culture, technology, and sports by sponsoring and participating in the Osaka Healthcare Pavilion, an exhibit organized by Osaka Prefecture and Osaka City at Expo 2025 Osaka, Kansai, Japan.

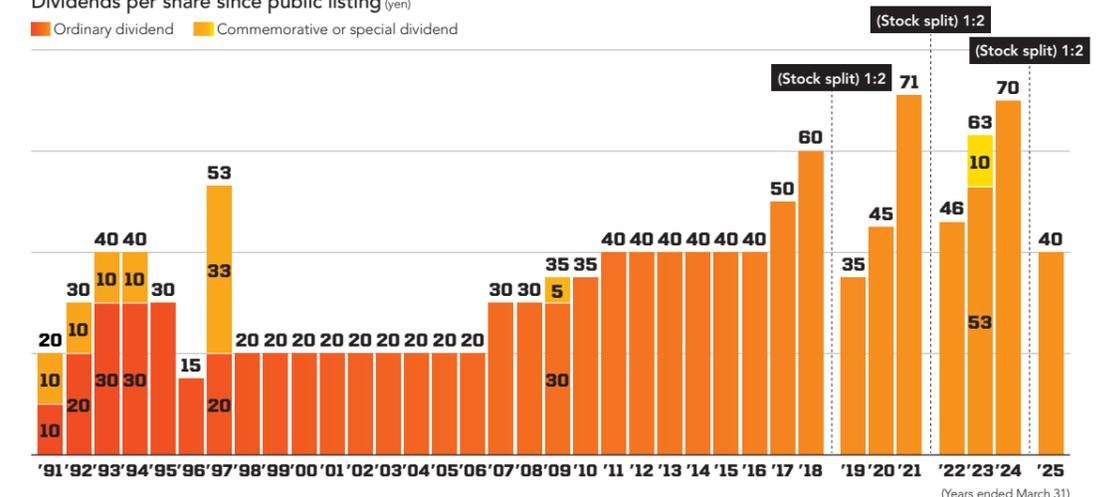
## Returning profits to shareholders

I have been managing Capcom since its founding 42 years ago with the conviction that we should reward our long-term shareholders with consistent dividend increases while steadily growing the company. Based on this, we position returning profits

## Rewarding long-term shareholders with 35 consecutive years of returns since Capcom's listing and record-high dividends

Dividends per share since public listing (yen)

■ Ordinary dividend ■ Commemorative or special dividend



(Note) Two-for-one stock splits took place dated April 1, 2018, April 1, 2021, and April 1, 2024. The dividends prior to each reference date are listed as the dividends on the stocks prior to the split.

to shareholders as a priority issue for management, and we determine dividends taking into account future business developments and changes in the business environment.

Our basic policy on shareholder returns is, first, to increase corporate value (market capitalization) via growth driven by investment, and second, to continue to pay stable dividends based on a consolidated

dividend payout ratio of 30%. Also, we will take a flexible approach to share buybacks, while focusing on understanding the situation of markets in response to our stock price trend and management strategies. We plan to pay an annual dividend of 40 yen for the fiscal year ending March 31, 2026. Looking ahead, we will strive to provide stable returns of profit in line with our corporate growth.

# 6 Strengthening the corporate governance system

Establishing a sound corporate governance system is essential for our sustainable growth. The Group is working to strengthen the structure of its Board of Directors and improve its effectiveness. At the General Meeting of Shareholders in June 2025, we appointed a new female director, bringing the total number of female directors to three. We are also promoting the establishment of a management system that can handle global expansion by appointing personnel with international perspectives and ensuring the diversity of the Board of Directors.

We have also focused on expanding opportunities for outside directors to actively participate. We have continuously discussed matters such as reviewing the performance-linked remuneration system and introducing a stock-based remuneration system through committees and discussions, where outside directors make up the majority of members. Furthermore, by quantifying the materials that inform management decisions, we are able to "visualize management," enabling dialogue in a common language with outside directors and employees,

eliminating arbitrariness and clarifying issues. We will pass on these systems and know-how to our successors, and aim for sustainable growth by combining our management philosophy with sound governance. Furthermore, we view strengthening our risk management system as a key issue and are currently establishing a system with an eye on future growth.

Above, I discussed the elements necessary for sustained improvement in corporate value over the next decade. As an executive manager who has led the game industry for many years, I will continue to aim to unlock greater growth for the Group and meet the expectations of shareholders, investors, and stakeholders by boosting our market capitalization.

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