

Contributing to a sustainable society utilizing our traits as a game manufacturer

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.

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 realization 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

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. In 2022, we revised our remuneration system, introduced a stock-based compensation system, improved the work environment, and held ongoing briefings for employees on the status of our business, with an eye toward sustainable growth and nimbly responding to changes. Additionally, we have focused on hiring diverse talent and bolstering our production capabilities. Through these efforts, we are promoting a human resource investment strategy that will prepare us for major changes that may occur over the next decade.

Relevant SDGs



Promoting Diversity

We are working to promote diversity with the intention of fully drawing out the attributes and talent of our people as well as increasing innovation and productivity across the entire company. Our goal is to create a landscape of diverse perspectives and talent by hiring, developing, and utilizing women, foreign nationals, and mid-career professionals. Toward this end, we promote work-life balance, diverse working styles, stronger international expansion, and training to secure professional skills.

Relevant SDGs



Development of Solid Relationship with Society

Following our corporate philosophy, we are actively working to resolve common issues facing society as a good corporate citizen. Particularly, these efforts focus on prohibition of discrimination, respect for human rights, assistance for vulnerable children living in poverty, contributions to regional revitalization, and supporting the promotion of culture and technology. Additionally, we host company visits for children and provide outreach classes as part of our efforts to spread healthy gaming culture.

Relevant SDGs



Enhancement of Corporate Governance

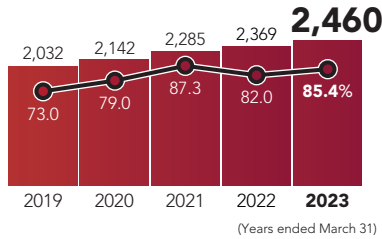
Recognizing its importance to management, we are working to strengthen corporate governance. We strive to ensure the transparency, soundness, and legality of management, while also working to fulfill accountability to stakeholders, disclose information in a timely and appropriate manner, clarify the responsibilities of executive management and each level of manager, and establish internal controls. Going forward, we will focus on building a system that enables us to address changes in our environment while also increasing the satisfaction of shareholders, customers, employees, and other stakeholders.

Relevant SDGs



Progress of KPIs

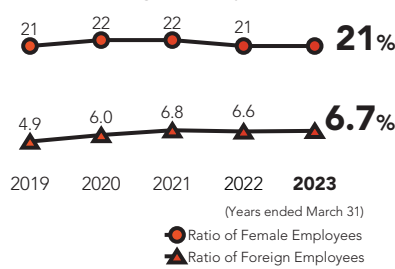
Number of Developers (People) / Internal R&D Ratio (%)



We are working to secure and train outstanding developers based on our desire to make the most entertaining games in the world. We are aware of the particular importance of increasing and strengthening our team of developers to expand our pipeline and improve quality, and we therefore continue to hire approximately 150 new graduates each year.

➔For details see p.45

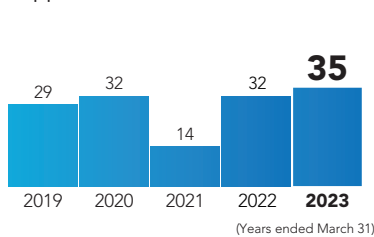
Ratio of Female Employees / Ratio of Foreign Employees (%)



With the globalization of the game player population, diversity in game developers is becoming even more important. 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 contributing to the creation of Capcom content.

➔For details see p.55

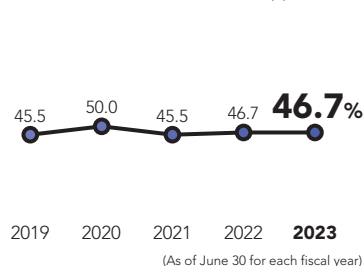
Number of Educational Support Activities (times)



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 from the fiscal year ended March 2018, we have carried out roughly 30 activities each year on a steady basis. For the fiscal year ended March 2021, we held fewer activities due to the COVID-19 pandemic, but since the fiscal year ended March 2022 they have returned to normal levels with the introduction of online classes.

➔For details see p.61

Ratio of External Directors (%)



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 appointed two new external directors in the fiscal year ended March 2023, and currently external directors account for 46.7% of the entire Board of Directors.

➔For details see p.65

Results of initiatives in fiscal 2022

Employee Briefings

We began holding briefings for employees on the status of our business in the fiscal year ended March 31, 2023.

At these briefings, we shared our growth trajectory based on the management policy for the last decade and its contributing factors and issues, and also provided time for Q&A and discussions.



Improving the work environment for foreign employees

We offer assistance for finding housing to foreign nationals who move to Japan to work for us, introduced a special leave system so they can visit their home country (instituted on April 1, 2023), and hold discussions between executive leadership and foreign employees to better understand their needs.



Growing demand for online outreach classes

With the advent of online classes, we are expanding the reach of our outreach classes from schools on remote islands to those in other locations. The online implementation rate of outreach classes stood at 80% in the fiscal year ended March 31, 2023, 15 points higher than the previous fiscal year. This was a result of growing demand during the COVID-19 pandemic.



Increased number of external directors

In the fiscal year ended March 2023, we organized office tours for external directors and shared information with them through formal discussions to further strengthen their functions taking into account the results of the evaluation of board effectiveness. We also bolstered our support system by establishing a dedicated department to assist the Board of Directors.

