

Capcom is building a better relationship with society by focusing on our stakeholders and making social contributions through our business

ESG Initiatives and Future Challenges

◆ Material Issues Green : Securing and Training Human Resources Pink : Promoting Diversity
Blue : Developing Healthy Relationships Purple : Enhancing Corporate Governance

Initiatives	Contribution to Business/Management	Future Challenges
<div style="display: flex; align-items: center;"> <div style="background-color: #28a745; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> E </div> <div style="font-weight: bold; font-size: 10px; margin-right: 5px;">ENVIRONMENTAL</div> </div> <ul style="list-style-type: none"> ● Reduced CO₂ emissions by switching to LED lighting ● Constructed new environmentally-friendly buildings ● Reduced exhaust gas and resources used via distribution network sharing with other companies in the industry ● Reduced paper resources used through the digitization of instruction manuals ● Reduced resources consumed through the promotion of digital sales ● Introduced electricity sourced from renewable energy in the head office area 	<ul style="list-style-type: none"> ● Reduced costs (used less electricity, cut distribution costs) 	<ul style="list-style-type: none"> ● Increasing energy conservation at existing buildings through renovation ● Further conserving energy in amusement facility operations
<div style="display: flex; align-items: center;"> <div style="background-color: #e91e63; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> S </div> <div style="font-weight: bold; font-size: 10px; margin-right: 5px;">SOCIAL</div> </div> <p>Relationship with Employees</p> <ul style="list-style-type: none"> ● Actively employed non-Japanese citizens ● Improved the ratio of women in management positions ● Held Health and Safety Committee meetings ● Implemented staff training ● Implemented discretionary work system ● Implemented working from home ● Revised compensation system <p>Relationship with Customers</p> <ul style="list-style-type: none"> ● Compliance with the CERO ratings system ● Formulated guidelines with industry groups ● Supported community building by promoting the spread of esports ● Monetized without high-pressure microtransactions <p>Relationship with the Regional Community</p> <ul style="list-style-type: none"> ● Welcomed children participating in Company Visits to our offices / held Guest Lectures at schools ● Developed online educational support activities ● Leveraged Capcom content in regional revitalization efforts ● Supported senior citizen community formation with video game arcade tours ● Donated to/sponsored various organizations 	<ul style="list-style-type: none"> ● Expanded global reach through game development based on a diverse set of values ● Acquired competent creators ● Improved creator productivity ● Fostered a commitment to legal compliance <ul style="list-style-type: none"> ● Improved customer satisfaction by creating stress-free environments for play ● Reduced social risks posed by games <ul style="list-style-type: none"> ● Expanded profit opportunities by improving company and IP name recognition ● Promoted understanding of the Capcom approach to business ● Expanded revenue opportunities in step with larger percentage of populations gaining access to entertainment options following the stabilization of social environments 	<ul style="list-style-type: none"> ● Increasing the percentage of women in management positions ● Strengthening recruitment of global-ready workers <ul style="list-style-type: none"> ● Education of users, consumer groups, government entities, etc. <ul style="list-style-type: none"> ● Further promotion of regional revitalization using Capcom content
<div style="display: flex; align-items: center;"> <div style="background-color: #1e7145; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-right: 10px;"> G </div> <div style="font-weight: bold; font-size: 10px; margin-right: 5px;">GOVERNANCE</div> </div> <ul style="list-style-type: none"> ● Increased dialogue with shareholders ● Transitioned to a company with an audit and supervisory committee ● Raised the ratio of external directors ● Established the Nomination and Remuneration Committee (voluntary) ● Established the Information Technology Security Oversight Committee for ongoing enhancement of information security ● Appointed female external director 	<ul style="list-style-type: none"> ● Evaluated proper corporate value on both financial and non-financial bases ● Avoided managerial decision-making risk through better management monitoring ● Ensured the appropriateness of growth strategies by having the Board of Directors consider a range of views ● Perpetuated the founder's business know-how 	<ul style="list-style-type: none"> ● Increasing the number of opportunities for persons in charge of development to converse with the market ● The effective operation of the audit and supervisory committee system ● Board of Directors effectiveness assessments and their utilization ● Review the composition of the Board of Directors ● Setting developer compensation in consideration of medium- to long-term sustainable growth

➔ Please refer to "ESG Highlights" on pages 15-16 for details on the KPI for material issues

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

Capcom has worked to cut power usage through efforts that include ongoing power saving at all of its places of business, saving energy at its amusement facilities, and implementing peak shifting for the power used by PCs and other electrical equipment. The fiscal year ended March 2022 saw our CO₂ emissions increase compared to the previous fiscal year due to opening new amusement facilities and to a rebound in power consumption following comparatively lower levels in the previous fiscal year that were associated with COVID-19. However, we are steadily reducing our emissions.

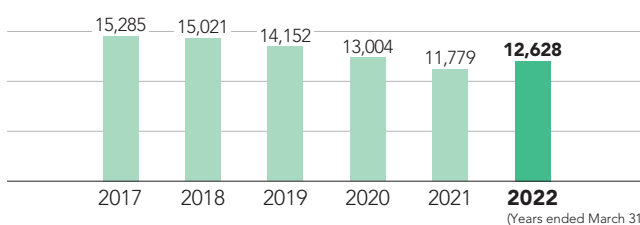


Promoted energy-saving initiatives, including switching to LED lighting at each workplace

* Assumes energy consumption of 100% without introduction of this equipment.

Capcom's CO₂ Emissions (Non-consolidated) ⁽¹⁾

12,628 t



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

Every year Capcom has achieved steady reductions to its energy intensity. For these efforts, Capcom has been awarded S Class (out of classes S, A, B, and C) status for seven 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)

FY	Energy Intensity*	Vs. Previous FY
2016	0.06018	98.6%
2017	0.05994	98.1%
2018	0.05869	97.9%
2019	0.05583	95.1%
2020	0.05186	92.9%
2021	0.05497	106.0%

* 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 32.60 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 2022, the resources used in the equivalent of around 24.60 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.

Relationship with Employees

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
2016	77.9%	22.1%
2017	74.4%	25.6%
2018	83.7%	16.3%
2019*2	00.0%	00.0%
2020	99.77%	00.0%
2021	91.6%	8.2%

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

*2 Capcom switched to new cabinets in fiscal 2019, 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.

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.

Providing a Pleasant Workplace

Promoting work-life balance

Creating entertainment culture requires that creators themselves make time for play.

At Capcom, we have established Paid Leave Promotion Days and encourage employees to take extended leave to refresh and look for new sources of inspiration during the year-end/New Year’s holidays as well as during the series of holidays in May. Additionally, we have built a four-story bicycle parking facility near our development studios and encourage our employees to live within a five-kilometer radius to shorten commuting times. This saves time and living costs while giving creators the free time necessary to cultivate their creative powers and imaginations, which is essential for creative work. Moreover, we opened Capcom Juku as an on-site daycare facility in April 2017 to provide a stable workplace environment for creators. As it is located close to work, it provides peace of mind for employees who are married or have children and has been well-received by those who have utilized it.

➔Please refer to the information below or page 54 of the 2018 Integrated Report.

Supporting employees’ health management

The employee cafeteria was renovated in 2015 when the new development studio was completed. Healthy meals are served for breakfast, lunch, and supper. There is also a massage room staffed by nationally-certified massage therapists at both the Tokyo and Osaka locations to support our employees in managing their health.

Fulfilling employee potential in a cutting-edge environment

The biggest thing when it comes to motivating developers working in a creative field such as games is access to an environment that allows them to bring their ideas to life. Capcom maintains a cutting-edge development environment that includes 3D scanners, a motion capture studio, a dynamic sound mixing stage, and a Foley stage. In this way, we support our creators in fulfilling their vision.

Capcom Juku

Providing an environment for vibrant childcare combining day care and education

Given the desire to quickly improve the issue of long day care waiting lists accompanying a lack of preschools, Capcom’s top management set its sights on the future, desiring to provide an environment in which employees can raise their children with peace of mind while remaining employed over the long term. We operate Capcom Juku aiming to add individual education and growth to standard day care for children.

Capcom Juku goes beyond caring for infants and preschool children and accepts a wide range of youth, including after-school kindergarten and elementary school students. This helps

employees avoid the stress of not being able to find open facilities for their children. Furthermore, by offering educational support in the form of a place for learning English, eurhythmics, math, science, and other subjects, Capcom Juku joins its efforts with employees and fosters the growth of children. Currently, as of March 31, 2022, the school takes care of 23 children a month and accepts as many as 15 temporary pupils a month.

In the future, we will create a learning atmosphere at Capcom Juku that stimulates and broadens children’s curiosity, while also striving for an environment where parents can work with peace of mind so that both they and their families can lead fulfilling lives.

Promotion of Diversity

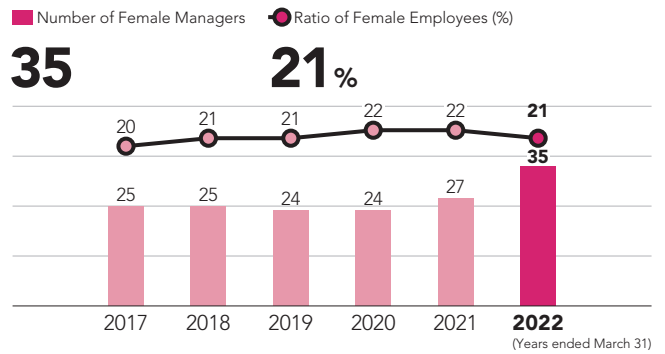
Initiatives aimed at promoting the improvement of the work environment for women and proactively hiring foreign nationals

Capcom is currently engaged in initiatives aimed at improving the work environment for women and proactively hiring foreign nationals.

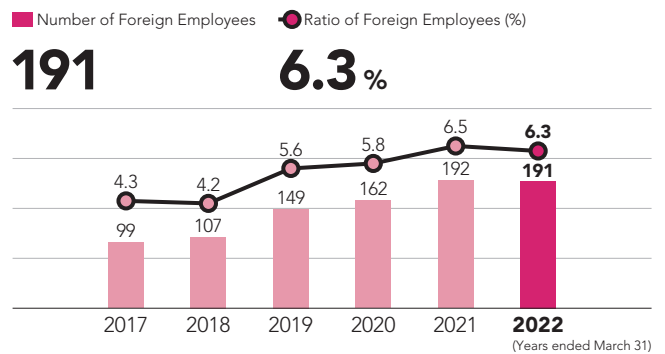
In terms of providing an environment that facilitates women, we introduced systems enabling women to take a leave of absence before and after giving birth, childcare leave and shortened working hours, and promote their use throughout the Company. In fiscal 2021, 41 employees took childcare leave, 20 of whom were men, and 100% of eligible women took childcare leave (fiscal 2020: 34 employees, 17 of whom were men and 100% of eligible women took leave). The ratio of women who returned to work afterwards is also high: 34 (97.8%) returned in fiscal 2021 (fiscal 2020: 31 (96.9%) returned). As a result, despite it being said that Japan’s gaming industry is generally dominated by men, women account for roughly 21% of Capcom’s workforce, and 35 (12.5%) of Capcom’s managers are women. In accordance with the execution of the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women’s Participation and Advancement in the Workplace, in 2019 we formulated the General Employer Action Plan, which seeks to achieve two things: (1) developing a personnel system that contributes to diversity in work styles, and (2) having women comprise at least 15% of managers by the end of fiscal 2024. In recognition of Capcom’s efforts toward improving the workplace environment for women, since 2014 we have earned the “Kurumin” mark, the symbol of a “company supporting childcare,” from the Ministry of Health, Labour and Welfare.

In terms of the proactive employment of foreign nationals, Capcom is making efforts to strengthen overseas expansion capabilities including creating an English hiring website. We currently employ 188 foreign nationals (representing 6.2% of our employees). Going forward, we will create a system for improving motivation and work on promoting diversity, including support for career advancement and the promotion of foreign nationals to management positions.

Number of Female Managers and Ratio of Female Employees (Capcom Co., Ltd.)



Number and Ratio of Foreign Employees (Capcom Co., Ltd.)



Capcom Voices



Anoop Manalvathukkal

Technical Artist
Advanced Game Development Section,
Game Development Department 1

As a technical artist, I create things such as character “rigs”—the skeletal structures that allow them to move—and other tools that help bring the characters in our games to life. One project I’m especially proud of is a tool my team conceptualized and built to help animators more efficiently manipulate character models. We were able to present the finished product to the development team in earnest for use on *Resident Evil Village*. It was truly satisfying to both receive a positive reaction from our fellow developers and to see my work make a difference.

Working abroad is challenging personally and professionally, however my team has been very supportive, helping me to build relationships while I work to develop myself as a professional and take on new responsibilities. I look forward to continuing to help deliver the absolute best experiences possible for the players—we have a lot in store that I’m sure will excite you.

Capcom Voices

Petr Zapotocky

Rigging Technical Director
Advanced Game Development Section,
Game Development Department 1



As a Lead, I strive to foster a team environment where others can grow, making sure the right person is assigned the right task and working to ensure my team members' wellbeing and satisfaction. At the same time, I'm also deeply committed to providing the very best quality on the creative side.

The work of any technical artist is best shown when people don't notice it, because they're completely immersed in the visuals. But producing the muscle and clothing of a character is a battle that takes place on a scale of milliseconds. Cloth simulation in particular is difficult and was of special focus for us on Resident Evil Village, where we much improved on our cloth simulation system, with great results.

It's our mission to produce ever greater realism for our fans, and I hope we can continue to do so in our upcoming titles.

Miwa Hara

Senior Manager of
Game Development Section 4
Game Development Department 1



When your work is development, and you're creating something from nothing, you have to have an open team. While there are some advantages to online meetings, which became prevalent during the COVID-19 pandemic, they tend to make it more difficult to get a temperature reading on the team and gauge reactions. We take care to carefully observe whether each person understands what's going on and voices their opinions, so when it comes to matters that involve the core elements of the game, we go with face-to-face meetings where we avoid close contact.

It's not easy to create a new game. You have to keep experimenting, and it's like attempting to climb a mountain you don't know can be climbed. Still, I have a solid sense now that everything I've gone through in the past has become a source of encouragement to help me take on these challenges. For that reason, I believe it's my role as project manager to establish an environment in which every member of the team can express their thoughts and ideas without hesitation and to make sure that they can flourish.

Thomas Veraart

Data Analysis Team
Data Analysis Section
Marketing Strategy Department



Video games were my introduction to Japan, and as a longtime Capcom fan joining up felt only natural. Living and working abroad can be daunting but Capcom's facilities have made some aspects easier, as I've been able to take advantage of onsite daycare at Capcom Juku, which my daughter attends daily.

I've had a wide range of experiences since joining, working on everything from our push into digital sales to business development. I'm especially proud of the deals I worked on with first-party platform holders and building our relationships with PC hardware partners. More recently, I've even had the opportunity to be producer—though now I'm also involved in market data analysis and planning, which is sure to present new challenges and victories.

Looking ahead, I hope that by bringing my perspective I can contribute to building an even more agile, global-facing company because this is the kind of place where driven people with ideas can make a difference. If you're interested in joining me, I'd love to see you here.

Yuko Yasuda

Senior Manager of Trademark &
Copyright Section
Intellectual Property Department



The Trademark & Copyright Section is engaged in intellectual property management operations, including trademark research and patent applications for product names and use of copyrights inside games, to support global development of game content.

In recent years, it has become popular to stream game play on video sharing sites, which led us to create video guidelines for people as one way to support the activities of game fans.

In addition to the specific tasks you're in charge of, a manager has to do many things, from budget management to improving the efficiency of operations. On the other hand, in recent years, we have also incorporated remote work, which has provided me with more latitude in my daily life, so I can have supper with my family and spend more time with my children. This has allowed me to balance childcare and work.

There is currently a male employee in the Intellectual Property Department taking paternity leave, which really crystalized for me the idea that our working environment is conducive to raising children. I hope to continue growing together with Capcom.

Relationship with Customers

Considerations in Game Development

In-game purchases

In the Japanese game market, discussions have been taking place for some time on the problem of gacha, or high-priced lottery-style game mechanics, primarily in mobile games. Overseas, gacha-like “loot boxes” have been banned in some countries.

As a creator of entertainment culture, Capcom believes that games should be enjoyed for the entertainment value they provide with gameplay, not for thrills associated with winning a lottery. We do not want to see games that are supposed to make people happy having the opposite effect as a result of excessive charges. For that reason, we are working to ensure that all users can enjoy our games fairly and safely. In principle, we minimize gacha elements in the mobile games we develop; in our home video games, we provide any content required to enjoy the full game free of charge, while offering some additional content at low cost.

Localization and culturalization

Capcom games are enjoyed worldwide. In the fiscal year ended March 2022, the percentage of home video games sold overseas was 83.1%. Naturally, translation (localization) of video games developed in Japanese is required so that game players around the world can enjoy them. The volume and importance of localization is increasing year after year due to factors such as improvements in game machine performance, support for online gameplay, and an increase in the number of languages accompanying a more diversified, global audience. As such, Capcom’s localization team is involved in game development from the initial stages.

By carrying out localization concurrently with development, rather than following completion of the Japanese language version as had been done in the past, Capcom is able to launch games simultaneously around the globe. What is more, depending on the country, simply translating games developed under Japanese norms can end up hurting users unexpectedly due to historical, religious, or cultural differences.

As such, we focus on employing staff from around the world to culturize the games so that they can be enjoyed by all, regardless of locale.

Healthy Development of Entertainment

Compliance with the CERO rating system and endorsement of guidelines

The Computer Entertainment Rating Organization (CERO), a Specified Nonprofit Corporation, was created to provide age-appropriate ratings for video games. Capcom complies with the CERO rating system and rules.

The rating system is an initiative for the healthy development of young people that calls for voluntary restrictions on home video game content and sales methods to limit access by young people to sexual or violent content. In addition, recent game platforms include a parental control function that enables parents to limit the online purchase and use of certain games according to their ratings.

Guidelines issued by the Computer Entertainment Suppliers’ Association (CESA)

Name of guideline	Implementation date
Guidelines on blockchain games	Enforced July 1, 2021
Guidelines for Real Money Trade Measures	April 26, 2017
Guidelines for the Protection of Minors	December 21, 2016 Revised March 27, 2019 Revised April 1, 2022
Operating Guidelines for Random Item Distribution in Network Games	April 27, 2016
Guidelines for Advertisements, Etc. in Home Video Game Software Targeting Only Those 18 and Over	April 1, 2008 Revised June 20, 2012
Code of Ethics Concerning Computer Entertainment Software, 2nd Revision	October 1, 2002

Please refer to CESA’s website for information on its activities.
https://www.cesa.or.jp/index_e.html

Addressing the WHO’s recognition of gaming disorder

In May 2019, the World Health Organization (WHO) included gaming disorder as a new mental health condition characterized by excessive use of games to the point where it has a negative impact on health and social life. Cooperating with industry organizations such as the Computer Entertainment Supplier’s

Association, we are taking the appropriate steps to raise awareness of the issue in response to social demand. As an independent effort, we will continue to educate elementary and junior high school students on how to interact with games in a healthy manner through our educational support program.

➔ For details see p. 60

Addressing addiction to pachinko and pachislo

Pachinko and pachislo are a form of entertainment that has taken root in society. At the same time, however, there is concern over players becoming addicted. For that reason, the Recovery Support Network (RSN), a pachinko addiction consultation hotline, was established in 2006 with the support of industry organizations. In addition to the launch of this free phone-based consultation service, various measures were implemented in the industry to prevent addiction. These measures included putting up posters at all locations nationwide to raise awareness of RSN, establishing a system in which pachinko and pachislo advisors (specialist staff) are stationed at each location to provide customers with appropriate information on addiction, and preparing guidelines for addressing addiction at pachinko parlors. In 2017, the Pachinko and Pachislo Industry Association for the 21st Century, which consists of 13 organizations from the amusement industry, announced the “Declaration on Pachinko and Pachislo Addiction,” strengthening measures to address pachinko and pachislo addiction and declaring it as a top priority. In May 2022, the association played a central role in holding online forums on the “Special Website for the Issue of Pachinko and Pachislo Addiction,” which provides an overview of addiction and information on industry initiatives. The website has rolled out various educational activities.

Capcom endorses and cooperates with these initiatives to contribute to healthy development of the industry.

Support for Community-building among Senior Citizens

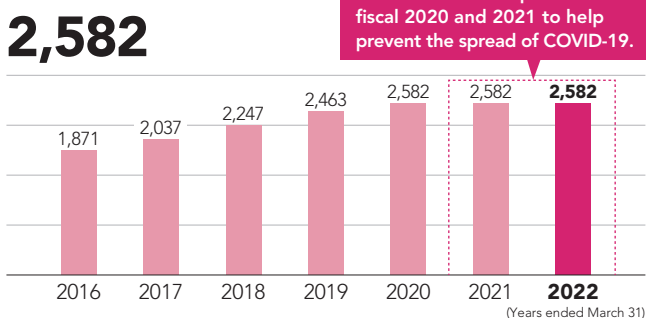
Holding regular amusement arcade tours

Today, amusement facilities are becoming increasingly popular among senior citizens as spaces for communication with friends and facility staff. Since 2012, Capcom has held amusement arcade tours free of charge on long public holidays and Respect-for-the-Aged Day for senior citizens where they can try out coin-operated games and crane games, enabling more people to make use of such facilities.

* The tours have been suspended since fiscal 2020 to help prevent the spread of COVID-19.

In addition, as part of efforts to create arcades where senior citizens can comfortably enjoy themselves, currently, 23 staff members have received Service Assistant certification.

Cumulative number of participants in senior tours



Senior tours

Enhancing Customer Support

User support and utilizing feedback

At Capcom, we have dedicated support teams for each product to ensure that customers can fully enjoy the services they purchase.

We also strive to quickly respond to customer questions by providing online FAQ pages, while each person in charge regularly engages in information exchanges with other teams, working to improve customer satisfaction.

The questions and feedback our game support teams receive are condensed and analyzed to be incorporated in development of new products.

→Inquiries
https://www.capcom.co.jp/support/index_game.html (Japanese only)

Protecting the personal information of our customers

Capcom has more than 10 million records containing personal information on customers, accumulated from site memberships, prize deliveries, product purchases, and other sources. In 2015, the Japanese Act on the Protection of Personal Information was revised, and the revisions went into full effect on May 30, 2017.

Meanwhile, overseas, the EU General Data Protection Regulation (GDPR) went into effect in May 2018. The data of game players falls under the category of personal information in these laws, and the scope is expanding each year.

Under these circumstances, we established our new Information Management Department in April 2019 to enhance our information management structure and address the requirements of the Japanese Act on the Protection of Personal Information and the GDPR. This department is leading our efforts to address the risk of personal information leaks by developing a system of conduct guidelines, operational controls, and audits in accordance with the law.

In response to the unauthorized access of Capcom’s network in 2020, improvements were made to the security system to prevent recurrence. Additionally, the Information Technology Security Oversight Committee, which includes

Relationship with Regional Communities

multiple outside experts, was established in January 2021. It holds regular meetings with the aim of further improving information security.

Expanding opportunities for customers to play games

In recent years, we have been focusing on promoting esports as part of our efforts as a creator of entertainment culture. We have the role of planning and organizing events as a game manufacturer—a role that had been largely shouldered by the player community in the past—in order to provide an environment that better allows competitors and fans to enjoy the excitement of competitions.

Since 2013, we have held Capcom Cup to determine the top players in the world. We are also working to provide amateur players with opportunities to shine, such as with the new Street Fighter League: College-JP 2019 for students, in June 2019.

Through these activities, we aim to increase points of contact with our customers and improve customer satisfaction. In fiscal 2021, we held Capcom Pro Tour Online 2021, a series of 32 1-on-1 tournaments carried out in 19 regions across the globe. We also introduced a team ownership system in the Japanese esports league Street Fighter League: Pro-JP 2021, in which eight companies form original teams that participate. In these and other ways, we are expanding the scope of our activities.



Street Fighter League: Pro-JP 2021

Promoting Healthy Relationships with Games

More than a decade of on-site classes for children in school

Games are a relatively new cultural phenomenon with little academic research, and discussions tend to focus on the detrimental effects rather than the educational aspects. Recently, recognition by WHO of gaming disorder made headlines as did the establishment of the Kagawa Prefectural Ordinance on Countermeasures for Addiction to Internet and Computer Games. However, video game creator is a popular future career choice among children, and programming and other such lessons will be made compulsory in Japanese elementary schools starting in 2020. Many private sector efforts are also underway, including opening programming academies for youth. Considering these developments, it is reasonable to expect that the number of children hoping to become game creators will increase. Additionally, smartphone use rates among young people—53.4% of elementary school students and 80.8% of junior high school students—are rising each year. Smartphone games are also gaining popularity and children are growing more familiar with games.

Given this, with a desire to promote social understanding of games, we accept visits to our offices from primarily elementary and junior high school students and conduct on-site classes at schools to promote sustainable economic growth and social development. Class programs have three sessions: Career Education introduces the work done in a game company and its challenges and rewards; Game Literacy Education helps students use their judgement to build a healthy relationship with games; and CAPCOM: Work × Mathematics shows students how mathematics—typically not a favorite subject—is used in work. These programs have been well-received with schools, and Capcom is incorporating educators' feedback to improve them. In addition, based on prior feedback expressed by educators we launched an online program starting in fiscal 2021, which also allows us to hold classes smoothly even during the COVID-19 pandemic. We will continue to launch new initiatives to enable us to respond flexibly over a wider geographical area than before.

Altogether, Capcom has welcomed 3,355 children as part of 403 different field trips to its offices (as of March 31, 2022). Capcom has also held 174 on-site classes for 15,726 students (as of March 31, 2022) including the first online class held at Kawane Junior High School in Shimada City, Shizuoka Prefecture in June 2021.

Impressions of the on-site classes (An excerpt of this fiscal year's comments)

- The students realized the importance of communication skills and classroom studies, so it was very beneficial. (Junior high school teacher)
- What left the biggest impression for me was the part about how to happily stop playing. When you talked about using big and small rewards, I was surprised to learn about such a method. (Junior high school student)
- If you were to make a learning program for tablets used at school, I think the children would be able to work on their studies with a more game-like mindset. (Elementary school teacher)

Supporting Social Welfare

Support for creating stable environments

As a game publisher, not only are children customers that play with our products but they are also potential future leaders that may become employees. Needless to say, a stable environment is necessary to play games, but education is essential for choosing a profession.

In the fiscal year ended March 2022, we donated a total of 100 million yen to three organizations that are working on the healthy development of children, including the Fund to Support Children's Future.

We also committed to provide 100 million yen to the Office of the United Nations High Commissioner for Refugees to support refugees from Ukraine whose plight has recently gained worldwide attention.

Support for Children in Need

Organization	Amount of support
Fund to Support Children's Future, Welfare and Medical Service Agency	50 million yen
Single Mothers Forum (an authorized nonprofit organization)	40 million yen
Child Center Nukku (specified nonprofit organization)	10 million yen

Support for Refugees from Ukraine

Organization	Amount of support
UNHCR, the UN refugee agency	100 million yen

* Supported through Japan for UNHCR (an authorized nonprofit organization), the official representative of UNHCR in Japan for accepting aid

Supporting the Promotion of Culture and Technology

Communicating the future of play to the world from Osaka

Capcom made the decision to support and set up a booth at the Osaka Pavilion to be opened at Expo 2025 (Osaka, Kansai Expo), which will be put together by the Expo 2025 Osaka Pavilion Promotion Committee. The theme will be "the future of play," and we will co-create content experiences that leverage our cutting-edge technology/development capabilities and global brand to communicate the future to the world.

Supporting the Promotion of Sports

Contributing to healthy mental and physical development through support for sports

In April 2022, Capcom expressed its endorsement of the goal of the Japan Volleyball Association (JVA) to foster humanity while contributing to both the healthy development of children and young people as well as to the mental and physical growth of the nation through the greater promotion and advancement of the sport of volleyball. We are supporting the activities of the Japanese men's and women's volleyball teams in Japan and abroad as well as the promotion of the sport of volleyball.

We also signed an agreement with Cerezo Osaka in August 2022 establishing Capcom as a Top Partner. We will continue to support Cerezo Osaka, the representative soccer club of Capcom's hometown, so that through both gaming and soccer we can realize our slogan of "From Osaka, to the World."



Signed an official sponsorship agreement with Japan Volleyball Association



Entered into a sponsorship deal to be a Top Partner of Cerezo Osaka

Contributions to Regional Revitalization

Utilizing the appeal and brand recognition of popular games to contribute to society

The appeal of video game content was demonstrated to the world during the opening ceremonies of the preeminent international sporting event of summer 2021 held in Tokyo when video game music was played to accompany the entrance of the athletic teams. In the same vein, Capcom is following a Single Content Multiple Usage strategy for our content, which we deploy in a wide range of fields beyond video games. As such, we are proud to have a high level of recognition and popularity among men and women, young and old alike.

Based on our corporate philosophy of making people happy through games, since the mid-2000s Capcom has been engaged in the following four regional revitalization activities not only in Osaka, where we have our head office, but across Japan: 1) economic promotion that supports the local tourism industries; 2) cultural awareness raising that supports education concerning local history and culture; 3) crime prevention education through coordination with the police; and 4) raising awareness about voting in elections in coordination with the Committee for Election Administration.

Further, going forward we will provide support for esports activities regionally throughout Japan while looking into activities to promote regional revitalization through playing games.

Comments from a city official



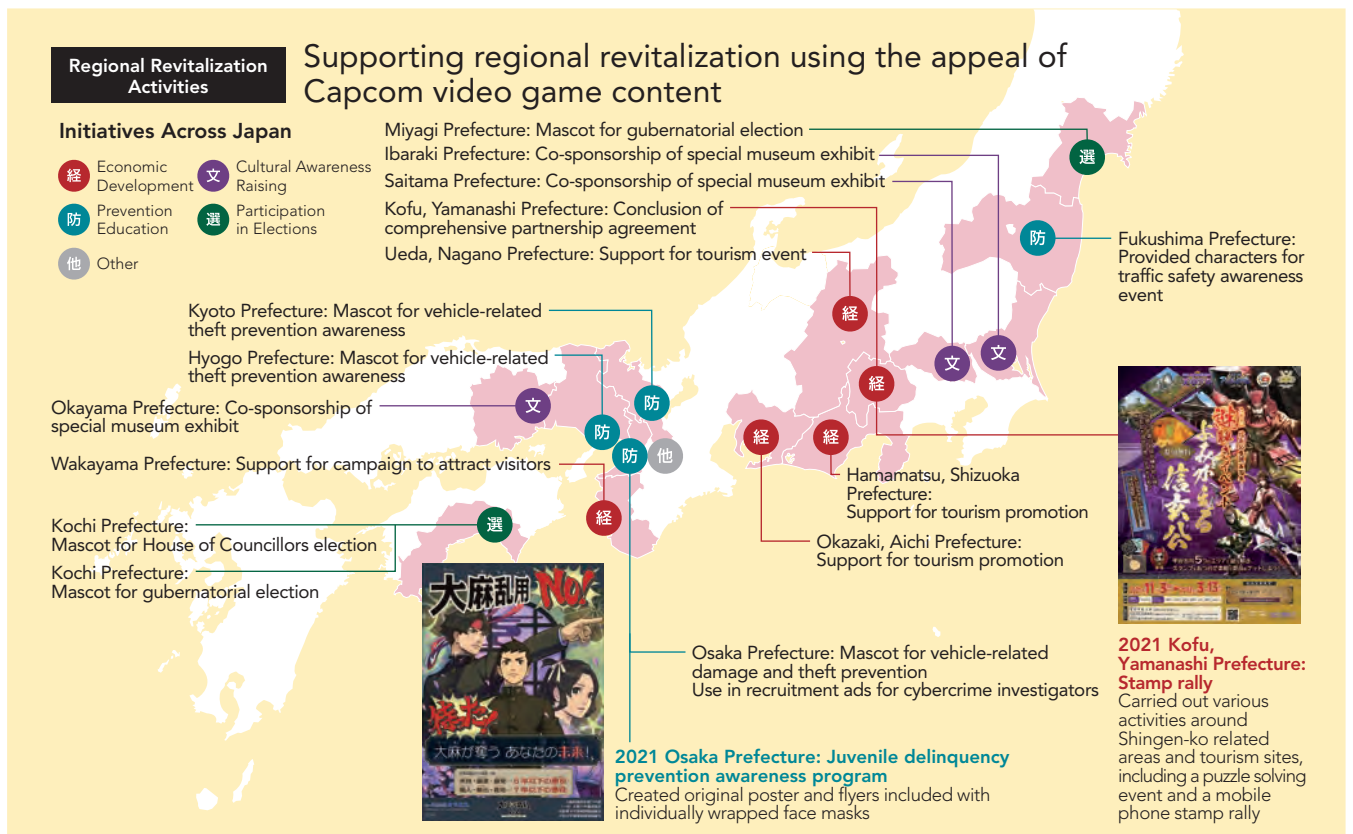
Nobumichi Sukenaka

Director of Juvenile Division, Community Safety Department, Osaka Prefectural Police Headquarters

In recent years, marijuana abuse has been increasing among juveniles in Osaka. To address the problem, the Osaka Prefectural Police have been searching for high-impact public relations content that has a high deterrent effect. Capcom showed understanding of the intent behind our efforts and created an attention-grabbing original poster for us using characters from The Great Ace Attorney.

The poster was picked up and covered by the media and received a big response from the public. We believe that it served as a warning to the community and was highly effective in preventing marijuana abuse among juveniles.

We are deeply grateful to Capcom. We look forward to continued support for the happy and healthy development of the youth who will lead Osaka in the future.



Directors (As of June 24, 2022)

Internal External



Kenzo Tsujimoto
Chairman and Chief Executive Officer (CEO)

Jun. 1983 President and Representative Director of the Company
Apr. 2001 Chief Executive Officer (CEO) of the Company (to present)
Jul. 2007 Chairman and Representative Director of the Company (to present)



Haruhiro Tsujimoto
President and Chief Operating Officer (COO)

Apr. 1987 Entered into the Company
Jun. 1997 Director of the Company
Feb. 1999 Managing Director of the Company
Apr. 2001 Senior Managing Director of the Company
Jul. 2004 Director and Executive Corporate Officer of the Company
Apr. 2006 Director and Executive Vice President of the Company
Jul. 2007 President and Representative Director, Chief Operating Officer (COO) of the Company (to present)
Aug. 2016 President and Representative Director, and Director in charge of Global Marketing Business and Arcade Operations Business of the Company
Jun. 2018 President and Representative Director, and Director in charge of Arcade Operations Business of the Company
Apr. 2020 President and Representative Director, and Director in charge of Sales Operations Business and Arcade Operations Business of the Company
Jun. 2022 President and Representative Director, and Director in charge of Arcade Operations Business of the Company (to present)



Satoshi Miyazaki
Chief Human Resources Officer (CHO)
Executive Vice President

Apr. 1983 Entered into The Industrial Bank of Japan, Ltd. (now Mizuho Bank, Ltd.)
Apr. 2011 Executive Officer, General Manager of Corporate Banking Division No. 6 of the Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)
Apr. 2013 Managing Executive Officer in charge of Sales of Mizuho Corporate Bank, Ltd. and Mizuho Bank, Ltd.
Apr. 2016 Executive Officer and Deputy President in charge of Western Japan of Mizuho Financial Group, Inc.
Representative Director and Deputy President & Executive Officer in charge of Western Japan of Mizuho Bank, Ltd.
Apr. 2020 Representative Director and Deputy President of Mizuho Bank, Ltd.
Apr. 2021 Resigned from the post above
May 2021 Executive Vice President of the Company (to present)
Jun. 2021 Director of the Company (to present)
Apr. 2022 Director, Chief Human Resources Officer (CHO) and in charge of Corporate Management of the Company (to present)



Ryoza Tsujimoto
Director
Executive Corporate Officer

Apr. 1996 Entered into the Company
Sep. 2013 General Manager of Development Division 3 of the Company
Apr. 2014 Corporate Officer, Head of Consumer Games Development Division 3 of the Company
Jun. 2017 Corporate Officer, Head of Consumer Games Development Division 3 and Mobile Online Development Division of the Company
Apr. 2018 Managing Corporate Officer, Head of Consumer Games Development Division 2 and Mobile Online Development Division of the Company
Oct. 2020 Managing Corporate Officer, Head of Consumer Games Development Division 2 of the Company
Apr. 2022 Executive Corporate Officer (to present), Head of Consumer Games Development Division 2 of the Company
Jun. 2022 Director, deputy in charge of Development Divisions of the Company (to present)



Toru Muranaka
Director
External
Independent Director

Apr. 1995 Registered Lawyer (Osaka Bar Association)
Entered into Daiichi Law Office (now Daiichi Law Office, P.C.)
Dec. 2007 Partner of Daiichi Law Office, P.C. (to present)
May 2014 External Corporate Auditor of Furuno Electric Co., Ltd. (to present)
Jun. 2015 External Corporate Auditor of Suzuken Co., Ltd.
Jun. 2016 External Director of the Company (to present)



Yutaka Mizukoshi
Director
External
Independent Director

Apr. 1980 Entered into Nippon Steel Corporation
May 2004 Senior Vice President of The Boston Consulting Group
Jan. 2005 Japan Co-chair of The Boston Consulting Group
Jan. 2016 Senior Partner and Managing Director of The Boston Consulting Group
Jun. 2016 External Director of Lifenet Insurance Company (to present)
External Director of Asagami Corporation (to present)
Jan. 2018 Senior Advisor of The Boston Consulting Group, Tokyo (to present)
Jun. 2018 External Director of the Company (to present)
Jun. 2019 Director, Japan Rugby Football Union (to present)



Kazushi Hirao
Director
<Full-time member of the Audit and Supervisory Committee>

Jun. 1988 Entered into the Company
Apr. 1997 General Manager of Overseas Business Dept. of the Company
Jul. 1999 Corporate Officer, General Manager of Overseas Business Dept. of the Company
Oct. 2002 General Manager of General Affairs Dept. of the Company
Apr. 2004 Senior Manager of Investor Relations Section of the Company
Jun. 2004 Corporate Auditor of the Company (full-time)
Jun. 2016 Director (Full-time member of the Audit and Supervisory Committee) of the Company (to present)



Yoshihiko Iwasaki
Director
<Full-time member of the Audit and Supervisory Committee>
External
Independent Director

Apr. 1979 Entered into National Tax Agency
Jul. 1986 District Director of Ijuin Tax Office
Jul. 1999 Deputy Commissioner (Large Enterprise Examination and Criminal Investigation) of Hiroshima Regional Taxation Bureau
Jul. 2007 Assistant Regional Commissioner (Management and Co-ordination) of Nagoya Regional Taxation Bureau
Jul. 2009 Director-General of Kanazawa Regional Tax Tribunal
Jul. 2010 Director-General of Sapporo Regional Tax Tribunal
Jul. 2011 Vice President of National Tax College
Jun. 2012 External Corporate Auditor of the Company (full-time)
Jun. 2016 External Director (Full-time member of the Audit and Supervisory Committee) of the Company (to present)



Makoto Matsuo
Director
<Member of the Audit and Supervisory Committee>
External
Independent Director

Apr. 1975 Admitted to Japanese Bar (The Dai-ichi Tokyo Bar Association) Ozaki & Momo-o
Aug. 1978 Weil, Gotshal & Manges in New York
Mar. 1979 Admitted to New York Bar
Apr. 1989 Partner of Momo-o, Matsuo & Namba (to present)
Apr. 1997 Lecturer of Nihon University, Faculty of Law: International Transaction Law
Apr. 2005 Lecturer of Hitotsubashi University Faculty and Graduate School of Law: World Business Law
Jun. 2007 External Director of the Company
Mar. 2014 External Corporate Auditor of Solasia Pharma K.K. (to present)
Jun. 2016 External Director (Member of the Audit and Supervisory Committee) of the Company (to present)
Jun. 2018 Outside Statutory Auditor of Sumitomo Forestry Co., Ltd. (to present)
Jun. 2020 Outside Audit & Supervisory Board Member of Taisho Pharmaceutical Holdings Co., Ltd. (to present)



Yoichi Egawa
Director
Executive Corporate Officer

Apr. 1985 Entered into the Company
Apr. 1999 General Manager of Creative Division 5 of the Company
Aug. 1999 Corporate Officer, General Manager of Creative Division 5 of the Company
Apr. 2011 Managing Corporate Officer of the Company
Apr. 2013 Executive Corporate Officer of the Company (to present)
Jun. 2013 Director, in charge of Arcade Business and Pachinko & Pachislo Business of the Company
Jul. 2016 Director, in charge of Amusement Equipments Business, Arcade Operations Business and Consumer Games Development of the Company
Apr. 2019 Director, in charge of Consumer Games Development and Pachinko & Pachislo Business Divisions of the Company
Apr. 2020 Director, in charge of Development Divisions and Pachinko & Pachislo Business Divisions of the Company (to present)



Kenkichi Nomura
Director
Executive Corporate Officer, Chief Financial Officer (CFO)

Apr. 2009 Corporate Officer in charge of Internal Control of the Company
Jul. 2010 Managing Corporate Officer in charge of Financial and Accounting Division of the Company
Jun. 2015 Managing Corporate Officer in charge of Financial and Accounting Division and Secretarial Affairs, PR and IR Division of the Company
Apr. 2016 Executive Corporate Officer (to present)
Head of Finance, Accounting and Public Relations Divisions
Jun. 2016 Director, Chief Financial Officer (CFO) (to present) and in charge of Corporate Management of the Company
Apr. 2020 Director, in charge of Corporate Management, Planning and Strategy Divisions of the Company
Apr. 2022 Director and deputy in charge of Corporate Management of the Company (to present)



Yoshinori Ishida
Director
Executive Corporate Officer

Apr. 1992 Entered into the Company
Apr. 2005 General Manager of Sales Promotion Division of the Company
Mar. 2011 Deputy Head of Consumer Games Business Division and General Manager of the Consumer Games Marketing Department of the Company
Apr. 2013 Corporate Officer, Head of Consumer Games Business Division and General Manager of the Consumer Games Marketing Department of the Company
Apr. 2016 Corporate Officer, Head of Japan & Asia Business Division of the Company
Jun. 2017 Corporate Officer, Head of Japan & Asia Business Division and Deputy Head of Mobile Online Development Division of the Company
Apr. 2019 Managing Corporate Officer, Head of Japan & Asia Business Division and Deputy Head of Mobile Online Development Division of the Company
Oct. 2020 Managing Corporate Officer, Head of Japan & Asia Business Division of the Company
Sep. 2021 Managing Corporate Officer, Head of Global Business Division of the Company
Apr. 2022 Executive Corporate Officer (to present), Head of Global Business Division of the Company
Jun. 2022 Director, in charge of Global Business Division of the Company (to present)



Wataru Kotani
Director
External
Independent Director

Apr. 1980 Entered into the National Police Agency
Aug. 2002 Chief of Ehime Prefectural Police Headquarters
Apr. 2004 Chief of the Cybercrime Division, Community Safety Bureau, National Police Agency
Jul. 2008 Chief of Nagano Prefectural Police Headquarters
Aug. 2010 Chief of the Organized Crime Department, Criminal Affairs Bureau, National Police Agency
Jan. 2013 Deputy Superintendent General and acting Chief of the Crime Prevention Task Force, Tokyo Metropolitan Police Department
Jan. 2014 President, National Police Academy
Nov. 2014 Special Advisor, Japan Post Bank Co., Ltd.
Jun. 2021 Director of Japan Center for Examination Research (to present)
External Director of the Company (to present)



Toshiro Muto
Director
External
Independent Director

Apr. 1966 Entered into the Ministry of Finance
Jul. 1999 Director-General of the Budget Bureau of the Ministry of Finance
Jun. 2000 Vice Minister of the Ministry of Finance
Jan. 2003 Adviser to the Minister of Finance
Mar. 2003 Deputy Governor of the Bank of Japan
Jul. 2008 Chairman of Daiwa Institute of Research Ltd.
Jun. 2009 External Corporate Auditor of Sumitomo Metal Corporation (now Nippon Steel Corporation)
Jun. 2010 External Director of Mitsuji & Co., Ltd.
Jan. 2014 CEO of the General Incorporated Foundation Tokyo Organizing Committee of Olympic and Paralympic Games (now Public Interest Incorporated Foundation Tokyo Organizing Committee of Olympic and Paralympic Games) (to present)
Jul. 2018 Honorary Chairman of Daiwa Institute of Research Ltd. (to present)
Jun. 2022 External Director of the Company (to present)



Yumi Hirose
Director
External
Independent Director

Apr. 1979 Entered into the Tokyo Regional Taxation Bureau
Jul. 2012 National Tax Agency Commissioner's Secretariat Internal Inspector
Jul. 2015 District Director of Yuki-gaya Tax Office
Jul. 2016 Director of Personnel Division 2, General Affairs Department of Tokyo Regional Taxation Bureau
Jul. 2017 Director of General Affairs Division of National Tax College
Jul. 2018 Research Coordination Director of Tokyo Regional Taxation Bureau Research Division 3
Jul. 2019 Deputy Director of Regional Taxation Bureau Research Division 2
Jul. 2020 District Director of Shiba Tax Office
Aug. 2021 Tax Accountant of Hirose Tax Accountant Office (to present)
Dec. 2021 Spokesperson for the village of Mikura-island (to present)
Jun. 2022 External Director of the Company (to present)
Outside Director (Audit and Supervisory Committee Member), Torex Semiconductor Ltd. (to present)

Directors' Skill Matrix

Fields Each Director is Expected to Contribute in Particular Toward Achievement of Medium-Term Growth Strategy

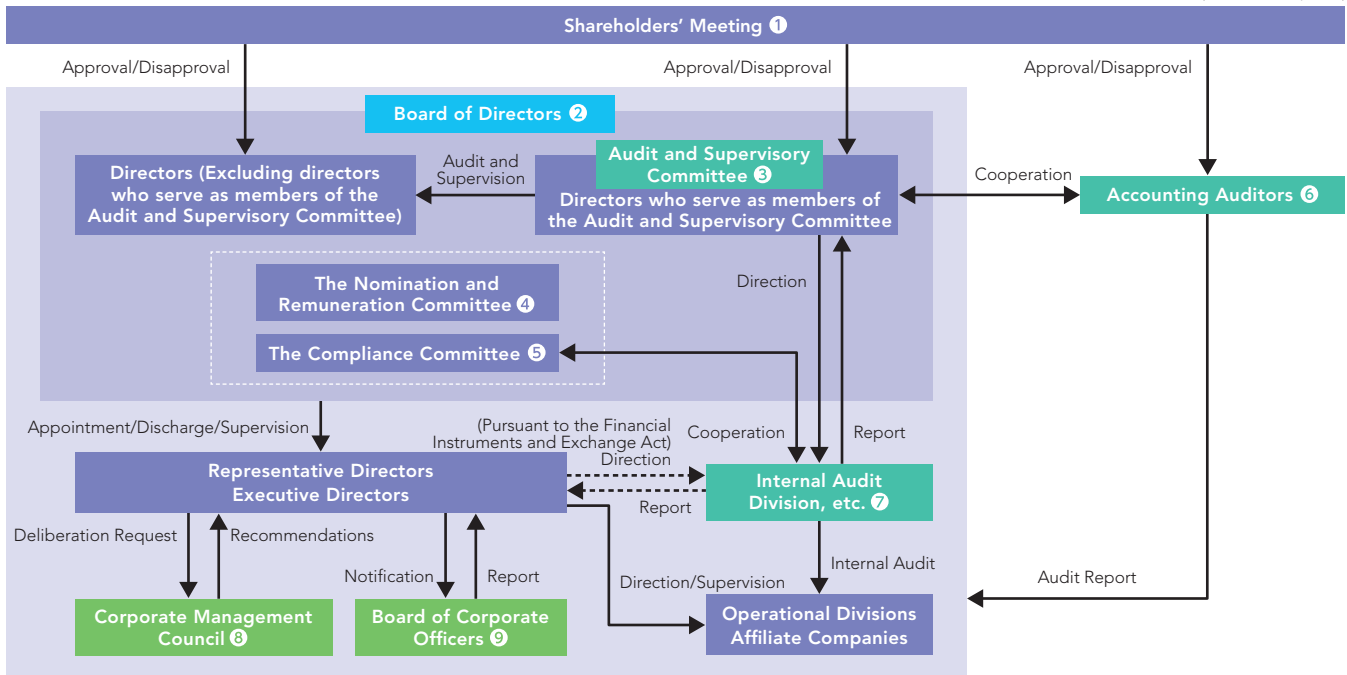
	Company Management	Management Strategy	Gaming Industry	Digital Transformation/IT/Technology	R&D	Finance/Accounting/Tax	Legal	Global Sensibility
Kenzo Tsujimoto	●	●	●	●				●
Haruhiro Tsujimoto	●	●	●	●	●			●
Satoshi Miyazaki	●	●	●	●		●		●
Yoichi Egawa			●	●	●			●
Kenkichi Nomura		●	●	●		●	●	●
Yoshinori Ishida (New election)		●	●	●				●
Ryozo Tsujimoto (New election)			●	●	●			●
Toru Muranaka	●						●	●
Yutaka Mizukoshi	●	●						●
Wataru Kotani				●			●	
Toshiro Muto (New election)	●					●		●
Yumi Hirose (New election)	●					●		●
Kazushi Hirao		●	●			●		●
Yoshihiko Iwasaki						●		
Makoto Matsuo	●						●	●

* The table above does not necessarily show all knowledge possessed by the candidates.

Corporate Governance Structure and Initiatives

Shareholders and investors have made the effective functioning of internal control into a key issue amidst an epidemic of corporate misconduct in Japan and overseas. In this section, Capcom will explain the corporate governance structure and systems that it has initiated so far based on the key concepts of "effectiveness and visibility" in terms of the results of third-party assessment. (Assessment areas are highlighted in yellow.)

(As of June 23, 2022)



Composition of Board of Directors and voluntary committees (In the year ended March 31, 2022)

Internal External

2 Board of Directors (11 members)
(Convened 10 times in the year ended March 31, 2022)

Chairman

Kenzo Tsujimoto
(Attendance: 100%)

Haruhiro Tsujimoto
(Attendance: 90%)

Satoshi Miyazaki
(Attendance: 100%)*

Yoichi Egawa
(Attendance: 100%)

Kenkichi Nomura
(Attendance: 100%)

Toru Muranaka
(Attendance: 90%)

Yutaka Mizukoshi
(Attendance: 100%)

Wataru Kotani
(Attendance: 100%)*

* 100% attendance since being elected

3 Audit and Supervisory Committee (three members)
(Convened 11 times in the year ended March 31, 2022)

Chairman

Makoto Matsuo
(Attendance: 100%)*

Kazushi Hirao
(Attendance: 100%)*

Yoshihiko Iwasaki
(Attendance: 100%)*

* Attendance at both Board of Directors and Audit and Supervisory Committee meetings

4 The Nomination and Remuneration Committee (five members)
(Convened 4 times in the year ended March 31, 2022)

Chairman

Yoshihiko Iwasaki
(Attendance: 100%)

Kenkichi Nomura
(Attendance: 100%)

Yutaka Mizukoshi
(Attendance: 100%)

Kazushi Hirao
(Attendance: 100%)

Makoto Matsuo
(Attendance: 100%)

5 The Compliance Committee (10 members)
(Convened 4 times in the year ended March 31, 2022)

Chairman

Toru Muranaka
(Attendance: 100%)

Haruhiro Tsujimoto
(Attendance: 100%)

Satoshi Miyazaki
(Attendance: 100%)*

Yoichi Egawa
(Attendance: 100%)

Kenkichi Nomura
(Attendance: 100%)

Yutaka Mizukoshi
(Attendance: 100%)

Wataru Kotani
(Attendance: 100%)*

Kazushi Hirao
(Attendance: 100%)

Yoshihiko Iwasaki
(Attendance: 100%)

Makoto Matsuo
(Attendance: 100%)

* 100% attendance since being elected

Corporate Governance Structure

Enhancing management soundness and transparency while responding to changes in the environment

Capcom established the Corporate Governance Guidelines (see https://www.capcom.co.jp/ir/english/assets/pdf/governance/governance_01.pdf for details) as the basic policy on corporate governance to achieve stable growth and increase corporate value over the medium to long term. We work continually to enhance our corporate governance structure.

1 Shareholders' Meeting

(Convened on June 23, 2022)

Determines important matters as the highest decision-making body

The general shareholders' meeting serves as Capcom's highest decision-making body and determines important matters prescribed by laws, regulations, and the Company's Articles of Incorporation, as well as serves as a place for communicating the audit results of divisional reports and consolidated financial statements.

Invitations to the general shareholders' meeting are issued approximately three weeks before convening the session, and efforts are made to allow for greater attendance by having the session before the date on which most other companies hold their meetings. We have also made it possible for shareholders to exercise their voting rights over the internet using a computer, smartphone or tablet. In addition, we participate in an electronic voting rights exercise platform for institutional investors so that they will have sufficient time to review the proposals.

2 Board of Directors

Supervision

(Convened 10 times in the year ended March 31, 2022)

Management decisions that incorporate external directors' opinions

The Board of Directors is composed of 15 directors (chaired by the Representative Director and Chairman of the Board), with seven of the directors being external directors.

The Board deliberates on important matters stipulated by laws, regulations, and the Rules of the Board of Directors, and strives to strengthen supervisory functions through the guidance, suggestions, and active comments of external directors.

3 Audit and Supervisory Committee

Audit

(Convened 11 times in the year ended March 31, 2022)

Cooperating with accounting auditors and the internal audit department to audit and supervise

The Audit and Supervisory Committee (chaired by an external director) is composed of three directors (two of whom are full-time members), with two of the three directors being external directors.

In principle, the committee meets before a Board of Directors' meeting is convened. The committee deliberates on important matters stipulated by the Rules for the Audit and Supervisory Committee and strives to strengthen audits and supervision.

Audit and Supervisory Committee members selected by the same committee carry out on-site audits themselves and, in order to increase the efficacy of audits, carry out dynamic

organizational audits, including issuing instructions and other actions as necessary to, among others, the Internal Audit Division (directly under the control of the Audit and Supervisory Committee). The Internal Audit Division strives to ensure that audits function effectively by reporting the status of audits and improvements, and other issues to Audit and Supervisory Committee members.

4 The Nomination and Remuneration Committee

(Convened four times in the year ended March 31, 2022)

Selection of candidates for director and deliberating and recommending details of director compensation

The voluntary Nomination and Remuneration Committee (chaired by an external director) is composed of seven directors (three of whom are internal directors and four of whom are external directors), with a majority of members being external directors.

Each committee member is selected based on the Board of Directors' appraisal of his or her knowledge, insight, experience, and other qualities. The Nomination and Remuneration Committee deliberates on the nomination and remuneration of directors and submits reports in response to inquiries from the Board of Directors.

The main matters reviewed upon receiving an inquiry are as follows:

- a. Matters related to nominations
 - (i) Policy for selecting candidates for director to be submitted to the General Meeting of Shareholders
 - (ii) Selection of candidates for director to be submitted to the General Meeting of Shareholders
 - (iii) Selection of corporate officers
 - (iv) Selection of corporate officers with titles
 - (v) Successor plan
 - (vi) Other matters related to the above
- b. Matters related to remuneration
 - (i) Policy on director remuneration
 - (ii) Fixed remuneration and performance linked remuneration
 - (iii) Performance evaluations related to individual remuneration
 - (iv) Performance evaluations related to bonuses
 - (v) Other matters related to the above

5 The Compliance Committee

(Convened four times in the year ended March 31, 2022)

Focusing on Compliance as an Important Management Issue

The Compliance Committee is composed of 14 directors (seven of whom are external directors, and the committee chairman is an attorney and external director).

In principle, the committee convenes once per quarter. Its primary activities are to analyze and assess risks to Capcom Group compliance and consider what action to take. In addition, the committee strives for early detection and prevention of legal violations or inappropriate conduct by finding internal risks and reporting their probability of materializing to the Board of Directors.

6 Accounting Auditors

Audit

Ensuring and Verifying Accounting Transparency

Capcom has concluded an auditing contract with KPMG AZSA LLC for financial audits as prescribed by the Companies Act

Corporate Governance

and financial audits as prescribed by the Financial Instruments and Exchange Law. There is no special relationship involving financial or other interests between Capcom and this audit corporation or the engagement partners at this firm who perform audits at Capcom.

Auditor Remuneration (Year ended March 31, 2022)

	Compensation for Audit Operations	Compensation for Non-Audit Operations
Delivery company	58 million yen	—
Consolidated subsidiary	—	—
Total	58 million yen	—

Auditing Company	Names of Certified Public Accountants	
KPMG AZSA LLC, a limited liability audit corporation	Designated Limited Liability Partners	Yasuhito Kondo
		Tomohiro Yamanaka

Note: The financial audit team was composed of: certified public accountants (10 members), and candidates for CPA who passed the new CPA exam, plus associates in charge of system audits (10 members).

7 Internal Audit Division

Audit

Verifying legal compliance and operating efficiencies

In order for effective audits to be carried out, Capcom has established an Internal Audit Division and determines auditing policies, schedules, methods, and the allocation of duties after the end of the shareholders' meeting.

The main activities of the Internal Audit Division are verifying and evaluating the status of employees' execution of duties and the efficacy (and status of operation) of internal control systems, and reporting to the Audit and Supervisory Committee. When needed, division members also accompany selected Audit and Supervisory Committee members and carry out on-site audits of offices and subsidiaries inside and outside Japan.

8 Corporate Management Council

Implementation

(Convened 13 times in the year ended March 31, 2022)

Supporting the Board of Directors' decisions

The Corporate Management Council (chaired by the Representative Director and Chairman of the Board) is composed of eight internal directors and, in principle, is convened several days before a meeting of the Board of Directors, or whenever necessary.

In addition to meeting to carry out preliminary deliberations of Board of Directors agenda items, it also deliberates other important items.

9 Board of Corporate Officers

Implementation

(Convened 12 times in the year ended March 31, 2022)

Executing operations based on management policy

Capcom utilizes a Corporate Officer System. In addition to clarifying the roles and responsibilities of directors focused on management and corporate officers focused on business execution, the system boosts management efficiency by allowing officers to swiftly execute business following instructions from executive directors regarding important matters determined at the Board of Directors.

The Board of Corporate Officers is composed of 14

corporate officers (six of whom serve concurrently as directors), and in principle, convenes once a month. Each corporate officer reports on the status of business execution and works to ensure that information is shared, while also exchanging opinions on business items and issues that require resolution.

External Directors

Using external perspectives to ensure effective governance

External directors ensure the effectiveness of the corporate governance function by playing key roles in the Compliance Committee and the voluntary Nomination and Remuneration Committee. They also focus efforts on compliance and the prevention of corrupt or illegal activities, and openly exchange opinions and provide counsel at Board of Directors meetings in an effort to strengthen the management audit function. The Secretariat staff helps with the work of the external directors who are not members of the Audit and Supervisory Committee. For external directors who are members of the Audit and Supervisory Committee, the full-time staff of the Internal Audit Division helps with their work.

Since all seven of the external directors meet the criteria of Tokyo Stock Exchange, Inc. for independent directors, they have been registered with the exchange as independent directors.

Reasons for Selection of External Directors

External Directors

Name	Reasons for selection
Toru Muranaka	Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors through proposals and advice on legal compliance and propriety from a professional standpoint along with his high level of expertise and broad insight and knowledge as an attorney specializing in corporate and financial instruments and exchange law
Yutaka Mizukoshi	Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors based on an external perspective, including his enthusiastic provision of opinions and advice from an independent standpoint based on his familiarity with management analysis and establishment of management strategies as well as his deep insight into economic trends and international sensibilities that comes from his experience and knowledge from his many years in the consulting industry
Wataru Kotani	Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors by providing opinions and advice from a neutral and objective standpoint based on the perspective of risk management and legal compliance as he possesses broad expertise and extensive experience in IT security and legal affairs from his many years of involvement in police administration
Toshiro Muto	Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors based on his extensive knowledge and experience as he possesses a high level of insight related to fiscal and monetary affairs, general economics, and corporate governance cultivated at the Ministry of Finance, the Bank of Japan, and operating companies.
Yumi Hirose	Due to expectations for her ability to contribute to the auditing and supervision of the Board of Directors and improvement of the human resources strategy based on her specialized knowledge and extensive experience from her many years as a tax administrator of tax agency offices, her considerable knowledge of finance and accounting, and her high level of knowledge related to health management.

External Directors (Audit and Supervisory Committee)

Name	Reasons for selection
Yoshihiko Iwasaki	Due to his expertise and rich experience with tax administration along with his considerable knowledge of finance and accounting, he is expected to contribute to the auditing and supervision of the Board of Directors from the standpoint of tax administration, finance, and accounting with proposals and advice from an external perspective
Makoto Matsuo	Due to his success in the legal world based on his high level of expertise and broad insight and knowledge as an attorney and his familiarity with the business world that comes from his extensive experience as an external officer of listed companies, he is expected to contribute to the auditing and supervision of the Board of Directors with guidance and advice from a legal standpoint at meetings of the Board of Directors and other important meetings

Officer Remuneration**The Nomination and Remuneration Committee is consulted to ensure fairness and transparency****Policy for setting the calculation method and amount of directors' remuneration****1 Policy on determining remuneration of directors (excluding directors who are members of the Audit and Supervisory Committee)**

To ensure the fairness and transparency of remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee), the Board of Directors consults the Nomination and Remuneration Committee, which deliberates and makes recommendations based on the policy below, and makes its decision accordingly.

- Basic remuneration of directors (excluding directors who are members of the Audit and Supervisory Committee)
 - Monthly remuneration is fixed.
 - The amount is determined after considering each board member's position, duties, tenure, and status as either an executive director or non-executive director, and an evaluation of individual job performance.
- Performance linked remuneration of directors (excluding external directors and directors who are members of the

Officer Remuneration (Year ended March 31, 2022)**Total remuneration, total amount by type of remuneration, and number of directors the remuneration was paid to, by type of director of delivery company**

Type of director	Total remuneration (million yen)	Total of remuneration by type (million yen)				Number of directors paid
		Basic remuneration	Performance linked remuneration	Severance	Of those items to the left, non-monetary remuneration	
Director (excluding Audit and Supervisory Committee and external directors)	457	300	156	—	—	5
Member of Audit and Supervisory Committee (excluding external directors)	21	21	—	—	—	1
External directors	36	36	—	—	—	4
Member of Audit and Supervisory Committee (external directors)	32	32	—	—	—	2

Total amount of consolidated remuneration by director of delivery company

Name	Total of consolidated remuneration (million yen)	Type of director	Type of company	Total of consolidated remuneration by type (million yen)			
				Basic remuneration	Performance linked remuneration	Severance	Of those items to the left, non-monetary remuneration
Kenzo Tsujimoto	150	Director	Delivery company	100	50	—	—
Haruhiro Tsujimoto	120	Director	Delivery company	80	40	—	—

Note: Total consolidated remuneration, etc. is listed only for those with remuneration of 100 million yen or more.

Audit and Supervisory Committee)

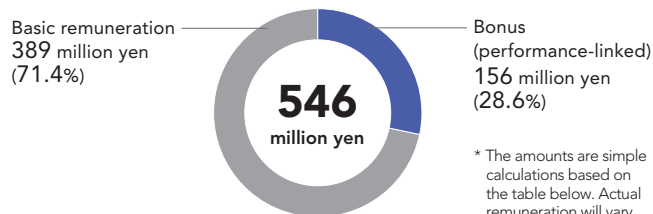
In regard to performance linked remuneration of directors (excluding external directors and directors who are members of the Audit and Supervisory Committee), short-term performance linked remuneration is based on a bonus for the fiscal year. The Board of Directors consults the Nomination and Remuneration Committee, which performs an evaluation and calculation using the items below based on the Group's management objective of steady growth of profits, and makes its decision based on their recommendations.

- Single-year net income attributable to owners of parent
- Increase in consolidated operating profit over the previous year
- Multiple consecutive increases in consolidated operating profit over previous years

iv. Evaluation of operations that the board member oversees
The ratio of remuneration for directors (excluding external directors and directors who are members of the Audit and Supervisory Committee) is set based on the above items and includes annual basic remuneration, comprised of monthly remuneration, and a single year bonus, which does not exceed 50% of annual basic remuneration.

2 Policy for determining remuneration of the directors who serve as members of the Audit and Supervisory Committee

From the standpoint of securing their independence, the remuneration of the directors who serve as members of the Audit and Supervisory Committee is not linked to performance; it is a fixed amount determined through discussions, taking the difference of full-time or part-time service and other factors into account, by the directors who serve as members of the Audit and Supervisory Committee.

Total director remuneration breakdown

Evaluation of the Effectiveness of the Board of Directors

The Company performs evaluations of the effectiveness of the Board of Directors to further improve its function. With respect to issues in the fiscal year ended March 31, 2021, we found that the Board of Directors continues to function effectively due to the enhancement of opportunities for external directors to share information and exchange opinions and the further review of the criteria for submitting agenda items in the fiscal year ended March 31, 2022.

Moreover, to further improve the effectiveness for strengthening the supervision function, we will work on the issues below in the fiscal year ending March 31, 2023.

- Strengthening operational support structure for Board of Directors and voluntary committees
- Enhancing opportunities to provide information to external directors
- Securing diversity within Board of Directors and strengthening management human resource capabilities to contribute to sustainable and steady growth

Initiatives for the Shareholders' Meeting

Making shareholders' meetings lively and facilitating the exercise of voting rights

To help ensure our shareholders' meetings are lively, we hold our meeting before the period when most Japanese companies typically hold their meetings in an attempt to encourage the attendance of as many shareholders as possible.

Also, voting rights can be exercised online via PC, smartphone or tablet. In addition, we have participated from an early stage in a platform for the online exercise of voting rights, so institutional investors are ensured a sufficient amount of time to consider

proposals starting on the day the convocation notices are distributed. Furthermore, we also post convocation notices and other information in English on our corporate website and the website of Tokyo Stock Exchange, Inc. to promote the exercise of voting rights by shareholders worldwide.

Additionally, to further enhance dialogue with shareholders, as of the Ordinary General Meeting of Shareholders held in June 2020, we have used a hybrid virtual shareholder meeting format allowing shareholders to watch the meeting live online and send their comments on a shareholders-only website.

Shareholders' Meeting Resolutions

The following presents the results of voting at the fiscal 2021 shareholders' meetings

Resolutions	Approval Votes	Opposed Votes	Abstained Votes	Approval Rate (%)	Voting Results
First proposal: Proposed Appropriation of Retained Earnings	1,733,347	31,892	0	98.14	Approved
Second proposal: Partial Amendments to the Articles of Incorporation	1,687,017	78,227	0	95.51	Approved
Third proposal: Election of 12 directors (Excluding Directors who are members of the Audit and Supervisory Committee)					
Kenzo Tsujimoto	1,530,920	234,323	0	86.68	Approved
Haruhiro Tsujimoto	1,651,679	113,563	0	93.51	Approved
Satoshi Miyazaki	1,728,069	37,179	0	97.84	Approved
Yoichi Egawa	1,728,169	37,079	0	97.84	Approved
Kenkichi Nomura	1,720,858	44,389	0	97.43	Approved
Yoshinori Ishida	1,727,106	38,142	0	97.78	Approved
Ryozo Tsujimoto	1,727,058	38,190	0	97.78	Approved
Toru Muranaka	1,736,647	28,601	0	98.32	Approved
Yutaka Mizukoshi	1,737,685	27,563	0	98.38	Approved
Wataru Kotani	1,737,599	27,649	0	98.38	Approved
Toshiro Muto	1,723,325	41,924	0	97.57	Approved
Yumi Hirose	1,728,424	36,825	0	97.86	Approved
Fourth proposal: Election of three Directors who are members of the Audit and Supervisory Committee					
Kazushi Hirao	1,672,996	92,243	0	94.72	Approved
Yoshihiko Iwasaki	1,672,997	92,244	0	94.72	Approved
Makoto Matsuo	1,461,110	304,128	0	82.72	Approved
Fifth proposal: Election of one substitute Director who is a member of the Audit and Supervisory Committee	1,756,581	8,668	0	99.45	Approved
Sixth proposal: Revision of Limit on Remuneration of Directors (Excluding Directors who are members of the Audit and Supervisory Committee)	1,746,666	9,631	8,951	98.89	Approved

➔Please refer to the "Resolutions of the 43rd Ordinary General Meeting of Shareholders" available on our IR web page for information about the conditions for each proposal. <https://www.capcom.co.jp/ir/english/stock/meeting.html>

External Assessment of Corporate Governance

Promoting more “visible” governance

An analysis of an assessment performed by a third-party organization into the validity and effectiveness of Capcom’s corporate governance shows that the company ranked 189th among 3,750 listed companies in Japan in the “NEEDS-Cges” assessment developed by Nikkei Inc.

NEEDS-Cges has an established reputation as a system that quantitatively assesses corporate governance using scores on a scale of 1 to 10 for eight categories, including capital efficiency, external regulations, and information disclosure, among others, based on some 150 indicators calculated from data of publicly released company documents, such as financial reports.

As of the end of June 2022, Capcom’s total score was 7.12 points, placing us in the top 5.60% of Japan’s listed companies (excluding some in the financial and other sectors), exceeding the 4.79-point average for all listed companies and the 6.97-point average for the industry. We also received the maximum score of 10 for “capital efficiency” and “equity market’s assessment.”

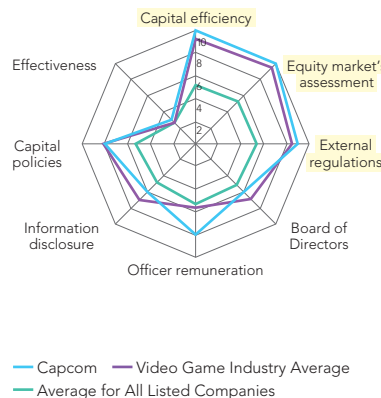
The main evaluation factors are given in the table below, and areas highlighted in yellow indicate measures that received particular notice. Going forward, we will continue making improvements to earn an even stronger assessment, and further promote the visibility of our governance by posting this and other data on our IR web page.

Third-Party Assessment Results of Capcom’s Corporate Governance

Details of Capcom’s Corporate Governance

Total Score	7.12
Rank	189
Categories	Score
Capital efficiency	10
Equity market’s assessment	10
External regulations	9
Board of Directors	6
Officer remuneration	8
Information disclosure	6
Capital policies	8
Effectiveness	3

Comparison of the Industry Average and the Average for All Listed Companies



Details of Highest Rated Categories

Highest Rated Categories	Score	Areas that Received Particular Notice
Capital efficiency	10	ROA, ROE and Statistics related to free cash flow
Equity market’s assessment	10	Tobin’s q
External regulations	9	Presence (or absence) of takeover defense measures

Source: NEEDS-Cges from Nikkei Inc.

Policies Regarding IR Activities

1. Disclosure policies

Capcom is aware that comprehensive corporate governance ranks among management’s most important priorities. As such, in addition to increasing corporate value by enhancing management soundness and transparency, we are building a relationship of trust with our stakeholders, such as shareholders, business partners, employees and regional societies.

Timely Disclosure Rules and other regulations, to accommodate our investors’ needs. We also disclose information through our corporate website in an attempt to provide quick and fair disclosure. Shareholders are informed of operating results and business conditions through shareholder letters and the convocation notice for the shareholders’ meetings.

2. Disclosure criteria

Capcom provides timely disclosure in accordance with the Securities and Exchange Law and other regulations including the “Rules on Timely Disclosure of Corporate Information by Issuer of Listed Security” (hereinafter Timely Disclosure Rules) stipulated by the Financial Instruments and Exchange Act and the Tokyo Stock Exchange.

3. Quiet period

To prevent the unauthorized disclosure of quarterly earnings information prior to official announcements, Capcom has established a quiet period starting the day following the end of a fiscal period and ending on the day that financial information for that period is announced. During this period, we refuse all inquiries relating to our business performance. However, if significant changes to our earnings outlook are anticipated during the quiet period, we will disclose information pursuant to the Timely Disclosure Rules and other regulations.

It is our policy to disclose as much information as possible, including the disclosure of information not required by the

Third-Party Assessment of IR Activities

High praise for proactive IR initiatives

In recognition of our ongoing pursuit of timely and appropriate information disclosure, our IR activities and various IR tools have received a number of awards from third-party organizations. With an awareness of the importance of accountability, we will continue our efforts to earn the trust of investors and improve timely disclosure.

Fiscal 2021 Third Party Evaluations

IR Website	Daiwa Investor Relations Co., Ltd. (Daiwa IR), "Internet IR Award 2021," Excellence Award
	Nikko Investor Relations Co., Ltd., "Fiscal 2021 Listed Company Website Quality Ranking," Overall Ranking: Grade AAA

Making Use of Shareholder and Investor Opinions

Reflecting results of dialogues with investors and analysts in management

Through meetings with investors and analysts, Capcom's IR Department attempts to promote an understanding of management policies, strategies and future outlook. Furthermore, their opinions are gathered and provided to management, and are utilized for corporate management going forward. While we are headquartered in Osaka, these proactive IR meetings enable us to minimize asymmetric information as we strive to achieve appropriate corporate value.

In fiscal 2021, the top management meetings between the chairman and CEO, the president and COO, and investors where medium- to long-term strategies and the direction of marketing strategies were explained had to be cancelled due to COVID-19 along with overseas IR visits. However, we held the presentation of financial results and individual investor briefing in a hybrid online and in-person format and offered video conferences in an effort to communicate with our many investors and analysts.

In addition, Capcom conducts a regular perception gap study targeting institutional investors and analysts in Japan and overseas. Being aware of investor perception gaps gives us feedback on corporate management and IR activities. Questionnaires are also given to attendees at our Presentation of Financial Results and individual investor briefing sessions, allowing us to make proactive use of market opinions and demands as one criterion in management decisions.

Fiscal 2021 IR Measures

By category	Frequency
Interviews accepted	546
Visited domestic investors	7
Visited overseas investors	0
Total	553

IR Events

Event	Details
Hybrid Presentation of Financial Results	Explanation of management strategies and performance overview by top management and response to questions from investors and analysts
Supplementary earnings call	Earnings call after results announcement to explain earnings
Online individual investor briefing	Briefing for individual investors held online

Results of Dialogue with Investors (Excerpt)

Q. I would like for you to consider diversity in the makeup of the Board of Directors.

A. We have addressed this request. We select candidates based on the broad scope of their insight so that we can reflect diverse values in corporate management. At the 43rd Ordinary General Meeting of Shareholders, we elected Yumi Hirose, our first female external director. However, we are not seeking a female point of view exclusively from her. We expect each director to engage in discussions based on wide ranging insight, including male directors taking a female perspective into account.

We are working to disclose new information such as evaluations of the effectiveness of the Board of Directors.

Q. I would like for you to provide the specific uses of cash, such as for investing and M&A.

A. As a part of our investments for sustainable growth, we will actively invest in human resources.

Specifically, we have partially revised the compensation system starting in the fiscal year ending March 31, 2022, which increased the average base salary of full-time employees by 30% (includes the portion for pay raises), and have introduced a bonus system more closely linked to the company's business performance.

We will continue working on improving our employee evaluation and training systems.

Q. Your treasury stock ratio is high. Are you going to cancel a portion of it?

A. We did.

We cancelled all 4,387,353 shares of treasury stock acquired via tender offer in May 2022.

Message from a Director and Executive Corporate Officer

30 years of business experience leads to growth for the next generation

When I joined Capcom in 1992, I was responsible for sales promotion and traveled from store to store as a game software sales representative. At that time, each game cost approximately 10 thousand yen and physical packages were the only format in which they were sold. There was no use of digital technology in distribution whatsoever. Today, 30 years later, the emergence of the internet and smartphones has facilitated the continuing evolution of the game environment at an astounding speed.

In particular, the format in which products are sold has changed significantly. The market once revolved around game stores in developed countries, but today digital data is distributed worldwide. As the corporate officer responsible for domestic sales, from 2013 onward I strived for growth in digital sales. I was later assigned to Asia, North America, and Europe, where I felt the changes in the global market at the forefront. Around the same time, I also became responsible for our character licensing business and sought

synergies with game sales by increasing awareness of Capcom's IPs.

Looking at future growth, I believe that in addition to refining our pricing strategies, it is important that divisions within the Company work in even closer cooperation on measures such as making proposals for our title pipeline composition based on sales data. In addition, we will increase the potential of our content by leveraging our peripheral businesses, such as Character License, eSports, and Media. These will strengthen our Company's competitiveness.

Being appointed a director has given me the opportunity to become more aware of contributing to the Company from an even longer-term perspective. As I work to steadily achieve our annual business plans, from a management standpoint, I will also make efforts to create a framework to ensure sustainable growth and train future generations.



Yoshinori Ishida

Director,
Executive Corporate Officer

Message from a Director and Executive Corporate Officer

Translating firsthand development experience into corporate management

Capcom is working toward our goal of 10% operating income growth each fiscal year and 100 million units in game sales annually to achieve medium- to long-term sustainable growth, though it is certainly no easy task.

Until now, Capcom has achieved growth by creating high-quality content and distributing it throughout the globe. Making the most entertaining games in the world continues to be the highest priority for our development divisions. Beyond that, we want to distribute the content we create to as many countries and regions around the world as possible. In order to do so, I believe that cross-divisional coordination is needed more so than ever before—particularly, we must more strongly integrate R&D with our business operations to promote sales measures.

I have been engaged in game development for many years as a title producer and as the Head of Consumer Games Development Division 2. During that time, I accumulated experience in organization

building, IP issue analysis, global content expansion, our Single Content Multiple Usage strategy, and communication with users. I believe these experiences will help me contribute to spreading our IPs in even more areas in the future.

I have been appointed a director, and while my position has changed, my motivation remains intact. I feel that having access to a wide range of management-related information has given me a broader perspective with which to make decisions. The scale of our Consumer games development workforce has now grown to over 2,000 people and they can no longer be summed up in the single word "developer." Instead, we must maximize performance with effective cooperation among the production, technical research, and support divisions. Going forward, I will utilize my experience to contribute to Capcom's medium- to long-term growth.



Ryoza Tsujimoto

Director,
Executive Corporate Officer

Key commentary on our human resources strategy from our external directors

Capcom's external directors delve into the specific measures, issues, and future direction for creating a management policy that strengthens investment in human resources

The five external directors (as of March 31, 2022) on Capcom's Board of Directors take the lead in proactively exchanging opinions and advice on our management policies, ensuring transparency and soundness. In addition, the Board of Directors is focused on promoting our growth strategy in a management environment with appropriate governance functions, where active discussion takes place regarding the structure of Capcom's corporate governance and disclosure, as well as our communications with shareholders and investors.



Toru Muranaka
External Director
(Independent Director)



Yutaka Mizukoshi
External Director
(Independent Director)

To help you better understand governance at Capcom, we are sharing some comments on this page made by our external directors regarding human resources investment, which is one of the key management strategies that we have been placing even sharper focus on this fiscal year. The comments are from regularly held Roundtable Discussions, where agenda items for Board of Directors meetings are discussed, and Nomination and Remuneration Committee Meetings.

Regarding the FY2021 winter bonus increase

At the Board of Directors meeting held in October 2021, it was decided that based on the management policy to strengthen investment in human resources, the Company would pay a special bonus in December that year in addition to the regular bonus for the purpose of: (1) improving the standard of compensation and more tightly linking performance to compensation for employees, and (2) better reflecting contributions to business performance and efforts to address priority issues in evaluations of employees. The following are the key comments from the Nominations and Remuneration Committee meeting held in October 2021.

- Raising the compensation of employees before raising that of top management is an issue that merits evaluation. The company's profit margin is now in excess of 40%. It will be important to address improving employee compensation when considering sustainable growth for the future. Following the measures taken this time, it will likely be necessary to provide those in leadership roles, including executives, with more generous remuneration.
- No matter how well the company performs, if profits do not come back to the employees, shareholders are left with concerns about talented personnel leaving the company.

Revising compensation standards leads to higher retention of personnel, and not doing so may conversely be cause to call management negligent.

- I think it is good to review the current salary standards and reward employees.
- In addition to addressing compensation, another important issue is the training and education of new employees, which the company hires on a scale of 200 people annually. Moving forward, I believe it is necessary to promote such efforts in combination with revisions to the human resources policy.

Regarding the FY2022 Human Resources department reorganization and appointment of a CHO

On March 31, 2022, Capcom announced the promotion of a human resources investment strategy to improve sustainable corporate value. This release touched upon the following two points. (1) The establishment of a Chief Human Resources Officer (CHO) ([For details see p.39 "The CHO Discusses Human Resources Strategy"](#)) to oversee securing and strengthening human resources, as well as a reorganization of the human resources functions into four departments under the CHO to pick up on problems and issues in the field. (2) Making efforts to resolve issues at the executive level and promoting the creation of a comfortable workplace for employees. The following are the key comments from the Roundtable Discussion held in March 2022.

- I believe it is progressive and positive. However, workstyle reforms and environmental improvements will take time. The newly established Health and Productivity Management Department has been established to take positive measures that will benefit employees. I hope that management thoroughly explain the role of this new department so that it can function effectively, and that its functions are well understood.



**Wataru
Kotani**

External Director
(Independent
Director)

**Yoshihiko
Iwasaki**

External Director
(Independent Director)
[Full-time member of
the Audit and
Supervisory Committee]

**Makoto
Matsuo**

External Director
(Independent Director)
[Member of the Audit and
Supervisory Committee]

I believe that the main issues going forward are communication with superiors, training developers, and cultivating core personnel. (Internal director)

- While other companies are also experiencing more fluidity in their personnel recently, we are also seeing a trend of new graduates we hire who are not yet accustomed to professional life. Times have changed since the current generation of managers had to come up the hard way, and people will not follow those who are just strict in their instruction with nothing more to offer.
- Many companies are troubled by mid-career personnel leaving, and some companies are conducting employee resignation analysis and satisfaction surveys.
- It has become a common occurrence at companies that managers who play a central role in the day-to-day operations of the company are troubled by the fact that younger employees are not responding to being treated the same way as the managers had been when they were freshly graduated new hires.

With the recent increase in freer work styles, this is an opportunity for companies to change their corporate cultures to align more with the times. It will take time, but we must make the effort to address this. (Internal director)

- As we promote measures to secure human resources, I would also like the company to continue making efforts to create a framework that can pick up on employees' needs, foster a sense of loyalty to the company among existing employees, and to meet the expectations people have of the organization.
- We can assume that regardless of workplace, managers will be facing a generation gap in the education of their subordinates. Going forward, I think it would be beneficial for departments to exchange information on how to treat subordinates.

Regarding FY2022 labor costs

Based on the new human resources policy, the average base salary of full-time employees was raised 30% (including salary increases) from April 2022, and a remuneration policy was introduced that returns profits to employees based on performance criteria. The following are the key comments from the Roundtable Discussion held in March 2022.

- It is important to consider how to determine salary amounts when revising the remuneration policy, but it is also necessary to discuss how to develop and systematize a multifaceted remuneration system that includes single-year fixed compensation, medium-to-long-term performance-based compensation, and stock compensation.
- When revising the remuneration system, you cannot simply raise salaries. You have to provide employees with a detailed explanation of the management policy going forward. I would like the company to also consider moving to a more flexible grade system that does not allow seniority to get in the way. Taking these points into consideration, the way the message is communicated internally is important.

In addition to sending a video message from the president regarding the revision to remuneration to all employees, we will make an external announcement regarding Capcom's human resources strategy efforts. (Internal director)

- The opinion was raised that employees should be provided with a detailed explanation from management regarding the purpose of the remuneration revision, but as a further step, there is a need to push for executives and managers to reevaluate their thinking. I know that is a difficult theme to undertake, but I would really like to see analysis and review.