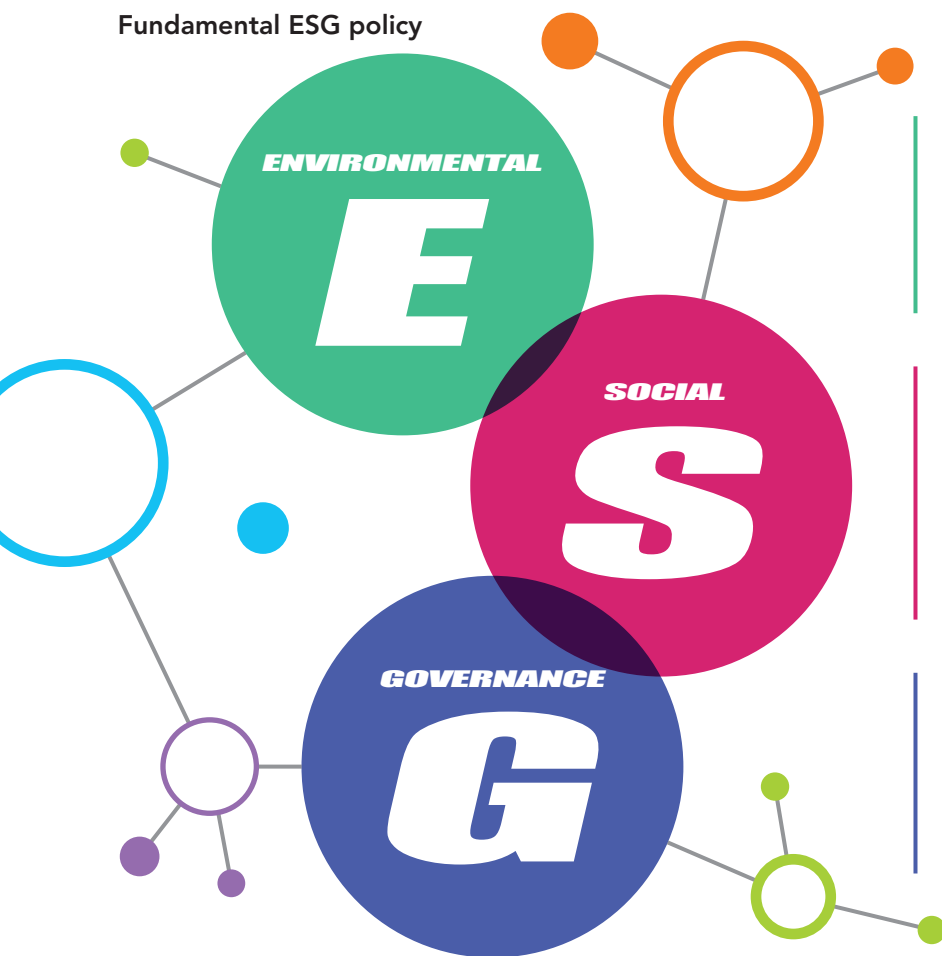


Creating social value as a game publisher

With the rise in popularity of esports and the WHO’s international recognition of gaming disorder, in recent years gaming has transcended the framework of simple entertainment and is now recognized as content with a profound social impact. At Capcom, we believe that sustainable growth is achieved by delivering social and economic value, while at the same time building healthy relationships with stakeholders from the perspective of a game publisher. This entails tackling social issues through our business activities, such as training a workforce capable of succeeding on the global stage, and the creation of new markets.

We believe that the principle of Sustainable Development Goals (SDGs)*, namely that “all cultures and civilizations can contribute to sustainable development,” and our own corporate philosophy, which is that we are “creators of entertainment culture that brings you smiles and stimulates your senses,” are closely related. As such, in order to balance our own sustainable economic growth with a sustainable society, we intend to contribute to the development of social sustainability by selecting and addressing four priority issues within the ESG framework based on our fundamental ESG policy outlined below.

Fundamental ESG policy



The Capcom Group has been minimizing the negative impact of its businesses on climate change (e.g., CO₂ and other greenhouse gas (GHG) emissions), and with respect to pollution, use of resources, etc., we have been striving to reduce our consumption of resources by adopting LEDs in lighting and promoting the digitization of software made available for sale. The Capcom Group will continue to promote these initiatives.

The Capcom Group will respect human rights, prohibit discrimination based on race, religion, gender, age, sexual orientation, disability, nationality, etc., thoroughly eliminate inequality by protecting the vulnerable, create a pleasant working environment for employees, and promote the securing and developing of human resources. In addition, we will promote initiatives to build a healthy relationship with local communities and customers, such as engaging in activities to assist children suffering from poverty in the hope of their healthy growth and development.

The Capcom Group has been enhancing management transparency and soundness, endeavoring to build a structure that is capable of adapting to changes in the environment and striving to boost its corporate value by enhancing its corporate governance function, including utilizing voluntary committees. Going forward, we will continue to further initiatives to meet the expectations of our stakeholders, including shareholders, customers and employees.

Sustainable Development Goals (SDGs)

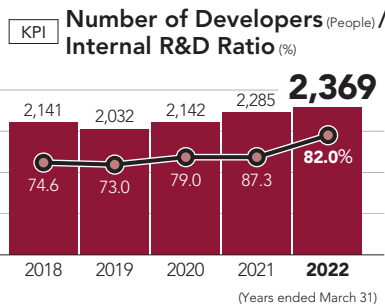
SDGs are 17 goals that were adopted by the over 150 member countries of the United Nations at the United Nations Sustainable Development Summit held in September of 2015 at the UN headquarters in New York. It was determined that in order to eliminate poverty and achieve a sustainable world, we must prioritize the realization of these 17 goals on a global scale.

➔ For details, please refer to the United Nations Information Centre “2030 Agenda” site. <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



Material Issues

Material Issue 1 Securing and Training of Human Resources



We are working to secure and train outstanding developers based on our desire to make the most entertaining games in the world. We are aware of the particular importance of increasing and strengthening our team of developers to expand our pipeline and improve quality, and we therefore continue to hire more than 100 new graduates each year. Over the last 10 years we have increased our developer numbers by approximately 1,000 people.

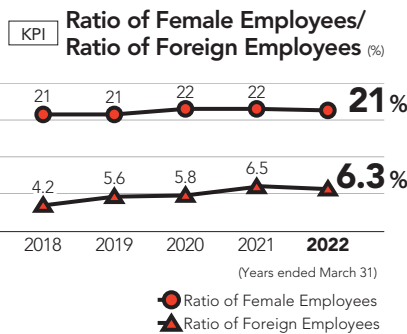
➔ For details see p.47

Major reorganization of human resources-related departments

Under the leadership of the CHO, human resources-related departments underwent reorganization in April 2022. We have created a new framework to enable direct communication between management and employees, and we are working to further establish a comfortable work environment, promote securing and developing of human resources, and improve productivity.



Material Issue 2 Promoting Diversity



With the globalization of the game player population, diversity in game developers is becoming even more important. For that reason, we have been promoting diversity and working on building a workplace where women and foreign nationals can excel. As a result, the numbers of both women and foreign nationals continue to climb contributing to the creation of Capcom content.

➔ For details see p.56

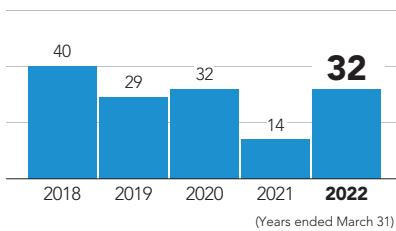
The appointment of Capcom's first female director

We select candidates based on the broad insights they offer to ensure that diverse values are reflected in the management of Capcom. At the 43rd General Shareholders' Meeting Yumi Hirose was appointed Capcom's first female director.



Material Issue 3 Development of Solid Relationship with Society

KPI Number of Educational Support Activities (times)

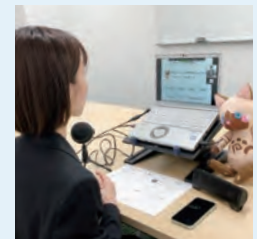


The education support activities that we began in 2005 achieved a certain level of recognition for the results they produced for more than 15 years, and from the fiscal year ended March 2018, we have carried out roughly 30 activities each year on a steady basis. For the fiscal year ended March 2022, activities have returned to normal levels with the introduction of online classes despite the continuing effects of the COVID-19 pandemic.

➔ For details see p.60

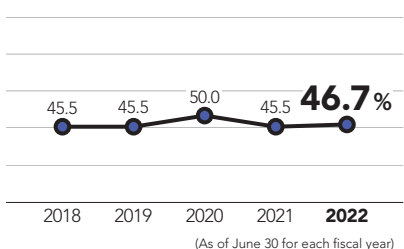
Promoting online classes

Up to this point, on-site classes tended to be concentrated in urban areas due to the nature of sending a lecturer to the site of the lessons. However, the introduction of online classes has allowed us to expand the program to schools in other areas, including remote islands.



Material Issue 4 Enhancement of Corporate Governance

KPI Ratio of External Directors (%)



At Capcom, we strive to make management more transparent and visible, and have implemented various governance reforms to this end, such as the Nomination and Remuneration Committee. We proactively appoint external directors, and on March 31, 2022, external directors accounted for 45.5% of the entire board of directors. The ratio is at 46.7% as of June 2022.

➔ For details see p.63

Increased number of external directors

With an eye on sustainable medium-to long-term growth, two new external directors were appointed at the 43rd Ordinary General Meeting of Shareholders to address the rapidly changing business environment and to further enhance the supervisory function of the Board of Directors.

