

We are building positive relationships with society for sustainable growth

The Capcom Group supports the creation of a richer society, driven by our principle of being a creator of entertainment culture to deliver joy and excitement to people through the creation of game entertainment.

To this end, we are actively working to solve common environmental and social issues by promoting sustainability initiatives based on the goal of creating a sustainable society as set forth in the SDGs and founded in corporate governance. Our aim is to realize a world in which everyone can enjoy games with peace of mind.

Through these initiatives, we will also aim to create a better future by building trust with our stakeholders, including shareholders, customers, business partners, employees, and regional communities, as we strive to achieve sustainable growth and carry out our responsibility as a good corporate citizen.

➔Please refer to "Sustainability Highlights" on pages 13-14 for details on initiatives

Initiatives and Future Challenges

	Basic Policy	Main Initiatives and Results	Business Impact (Risks and Opportunities)	Future Challenges	
Sustainability	Environment	<p>The Capcom Group has been minimizing the negative impact of its businesses on climate change (e.g., CO₂ and other greenhouse gas (GHG) emissions) by promoting the use of renewable energy, reducing resource consumption and CO₂ emissions through digital content sales, and continuing efforts to lower the environmental impact related to pollution and resource use. The Capcom Group will continue to advance these initiatives.</p>	<ul style="list-style-type: none"> ● Reduced CO₂ emissions by switching to LED lighting ● Constructed new environmentally-friendly buildings ● 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 at our buildings in the Kansai area ● Introduced green power at the Tokyo Branch and expanded CO₂-free power at other business locations ● Reduced resource usage and CO₂ emissions associated with disc manufacturing and distribution ● Implemented energy-saving measures and partial recycling of parts in the production and sale of pachislo machines <p>➔For details, please refer to "Environment" on pp.53-54</p>	<p>Opportunities</p> <ul style="list-style-type: none"> ● Reduced plastic usage and distribution costs through the promotion of digital content sales ● Reduced carbon taxes by utilizing renewable energy ● Reduced costs by recycling certain parts of amusement equipment ● Promoted further digitalization in response to changing consumer preferences <p>Risks</p> <ul style="list-style-type: none"> ● Increased business costs with the introduction of a carbon tax ● Rising costs of raw materials, production, and procurement due to carbon regulations and plastic use restrictions ● Disruption of business continuity caused by intensification of abnormal weather events arising from natural disasters and the progression of global warming, and the associated impact on employees' work styles, health, and livelihoods 	<ul style="list-style-type: none"> ● Increasing energy conservation at existing buildings through renovation ● Further conserving energy in amusement facility operations ● Strengthening initiatives through our supply chain
	Social	<p>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.</p>	<p>Relationship with Employees</p> <ul style="list-style-type: none"> ● Revised compensation system ● Actively employed foreign nationals and enhanced support programs for them (special leave program for visiting home and Japanese language education program) ● Operating an in-house childcare center ● Introduced a partnership system with inclusive definition of spouses/partners ● Held company-wide briefing sessions ● Improved the paternity leave utilization rate among male employees ● Reduced the gender wage gap among full-time employees (the ratio of the average wage of female employees to that of male employees) ● Conducted caregiving seminars ● Made menstrual leave paid <p>➔For details, please refer to "Relationship with Employees" on pp.55-56</p> <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 via the spread of esports ● Monetized without high-pressure microtransactions ● Appropriate localization/culturalization <p>➔For details, please refer to "Relationships with Customers" on pp. 59-60</p> <p>Relationship with Regional Communities</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 ● Operated facilities with playground equipment that families, including those with children, could enjoy ● Supported senior citizen community formation with video game arcade tours ● Donated to various support organizations <p>➔For details, please refer to "Relationship with Regional Communities" on pp. 61-62</p>	<p>Opportunities</p> <ul style="list-style-type: none"> ● Expanded global reach through game development based on a diverse set of values ● Strengthened recruitment competitiveness by increasing average base salaries and promoting industry-academia collaboration ● Enhanced the retention of talented personnel and improved employee engagement by creating a more accommodating work environment for individuals from diverse backgrounds <p>Risks</p> <ul style="list-style-type: none"> ● Increasing number of required personnel and advanced technical requirements due to the evolution of game development ● Increasing number of older employees (knowledge transfer) ● Intensified competition for talent acquisition due to declining birth rates and other factors <p>Opportunities</p> <ul style="list-style-type: none"> ● Improved customer satisfaction by creating stress-free environments for play ● Reduced social risks posed by games <p>Risks</p> <ul style="list-style-type: none"> ● Various country risks including culture, religion, and customs ● Monetization systems becoming a social issue ● Changes in user purchasing behavior <p>Opportunities</p> <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 <p>Risks</p> <ul style="list-style-type: none"> ● Deterioration of corporate image ● Declining interest in game content 	<ul style="list-style-type: none"> ● Acquiring talented personnel through enhanced industry-academia collaboration ● Continuing to create an environment that maximizes the capabilities of individuals from diverse backgrounds ● Strengthening the recruitment of foreign nationals and improving work conditions ● Further increasing the paternity leave utilization rate among male employees ● Further reducing the gender wage gap among full-time employees ● Education of users, consumer groups, government entities, etc. ● Further enhanced the protection of customers' personal information ● Further promotion of regional revitalization using Capcom content
			Corporate Governance	➔For details, please refer to "Corporate Governance" on pp.63-74	
	<p>➔For details, please refer to "Corporate Governance" on pp.63-74</p>				

ENVIRONMENT

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. However, we view addressing climate change as a challenge that requires the cooperation of everyone living on this planet. At our Group, 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.

Governance and risk management in relation to climate change

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

Reducing CO2 emissions

Promoting energy saving measures companywide

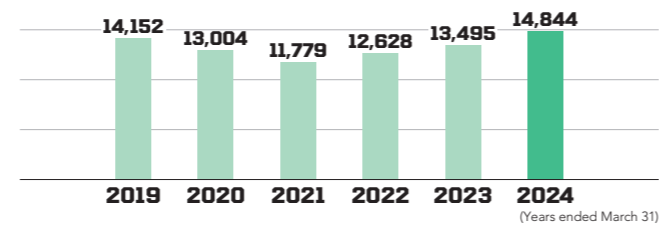
In response to risks such as increased business costs due to the introduction of a carbon tax, as well as increased raw material, production, and procurement costs due to carbon and plastic use regulations, Capcom has been a pioneer in the promotion of digital sales of content and has worked to cut power usage through efforts that include reducing resources and CO2 emissions associated with disc manufacturing and distribution. At the same time, we are working to reduce our environmental impact by implementing energy saving measures in the manufacture and sale of pachislo machines and recycling some of the parts.



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

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

14,844 t



Towards continuous reduction in energy intensity

Despite the current increase in energy use due to the opening of new places of business and amusement facilities, our energy intensity has remained stable. Going forward, we will continue to reduce our overall consumption by introducing energy-efficient game machines in our amusement facilities, improving air conditioning efficiency through repairs, and actively using renewable energy to increase our use of non-fossil energy sources.

(Non-consolidated)

FY	Energy Intensity*	Vs. Previous FY
2019	0.05869	97.9%
2020	0.05583	95.1%
2021	0.05186	92.9%
2022	0.05497	106.0%
2023	0.05803	105.6%
2024	0.05259	103.7%

(Years ended March 31)

* Calculated using the method defined by the Agency for Natural Resources and Energy. The Agency for Natural Resources and Energy website: <https://www.enecho.meti.go.jp/en/>
 * The 2024 figures are calculated using a new formula due to revisions in relevant laws and regulations, while the year-on-year comparison is based on the figures prior to these revisions.

Utilizing electricity sourced from renewable energy

In October 2020, the Japanese government pledged to be carbon neutral by 2050. The goal is to realize a carbon-free society by 2050 and effectively eliminate greenhouse gas emissions.

Capcom aims to achieve net-zero CO2 emissions at the buildings we own by 2050. Realizing carbon neutrality will require the introduction of renewable energy that does not produce CO2 emissions.

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

implemented power-saving measures and by using major cloud service providers and major data center service providers that promote the use of renewable energy.

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
2019	83.7%	16.3%
2020*2	00.0%	00.0%
2021	99.77%	00.0%
2022	91.6%	8.2%
2023	75.8%	24.0%
2024	75.8%	24.0%

(Years ended March 31)

*1 Volume used as heat source for hot water, heating, etc.
 *2 Capcom switched to new cabinets in fiscal year ended March 2020, so there was no collection of used arcade game machines.

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 45.89 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 2024, the resources used in the equivalent of around 41.35 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, striving to reduce resource usage and CO2 emissions associated with disc manufacturing and distribution.

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

Contributing to the Promotion of Zero Carbon Cities

As part of our efforts to reduce CO2 emissions in our supply chain, we are collaborating with leasing companies to donate a portion of the lease amount to local governments and organizations that contribute to the promotion of Zero Carbon Cities (local governments that have announced their commitment to virtually zero greenhouse gas and CO2 emissions by 2050). We will continue to work with our supply chain to help realize a decarbonized society.

SOCIAL

Relationship with Employees

The Capcom Group believes that in order to achieve sustainable growth and realize our principle of being a creator of entertainment culture that stimulates your senses, it is essential that we invest in human resources to create the world's highest quality content and expand our user base around the world. For that reason, we have positioned human capital initiatives as our most important sustainability issue and are promoting human resource investment strategies accordingly.

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. As part of our efforts to support childcare and nursing care, we encourage employees to take childcare and nursing care leave, opened Capcom Juku as an on-site daycare facility, and enhanced our childcare and nursing care support system with teleworking options to help our employees achieve a work-life balance, establishing a stable work environment for creators. Capcom Juku, which primarily provides care for infants and young children, is conveniently located near our offices, helping employees balance work and childcare.

▶Please refer to the section to the right for more details.

Supporting employees' health management

The employee cafeteria serves healthy meals for breakfast, lunch, and supper, and sells bento boxes at the building next to the head office. 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.

Understanding employees' needs

In order for management to gain an understanding of the needs of employees directly from the source, we are enhancing engagement by creating more opportunities for direct dialogue between management and employees through information sessions and other channels for exchanging ideas. A total of 14 management briefings and other events for employees were held in the fiscal year ended March 31, 2024, with more than 870 employees participating.

Fulfilling employee potential in a cutting-edge Environment

One of the most important parts of motivating developers working in a creative field such as games is providing 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. In March 2023, we established and launched

operations at our new Creative Studio in Osaka City, equipped with one of the largest motion capture studios in Japan.

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.

In addition to providing childcare for 1- to 2-year-olds before they start school, Capcom Juku hosts various events for employees' elementary and junior high school-aged children during long holidays like summer vacation. These events include programming classes, game development workshops, and parent-child lunches. The facility goes beyond caring for infants and preschool children and accept 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 personal educational support in the form of a place for learning English, eurhythmics, art and design, and other subjects, Capcom Juku joins its efforts with employees and fosters the growth of children. Currently, as of March 31, 2024, the school takes care of 23 children a month and has provided temporary services for 338 people in aggregate.

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 utilizing foreign nationals

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

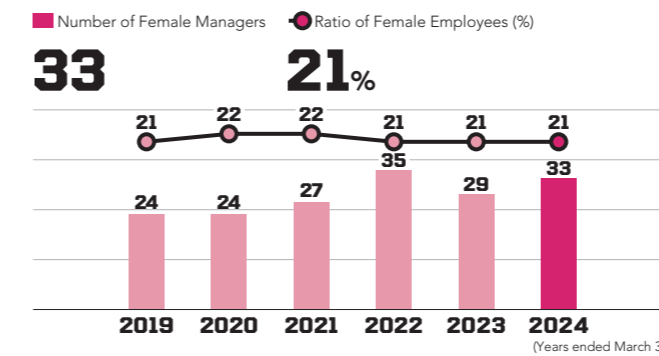
In terms of providing an environment that facilitates women, we introduced systems enabling women to take a leave of absence before and after giving birth, childcare leave and shortened working hours, and promote their use throughout the Company. In fiscal 2023, 76.9% of eligible employees took childcare leave. The ratio was 66.7% among men and 114.3%* among women (fiscal 2022: 52.5%, consisting of 45.5% among men and 85.7%* among women). The ratio of those returning to work afterwards is also high: 100% returned in fiscal 2023 (100% also returned in fiscal 2022). As a result, despite it being said that Japan's gaming industry is generally dominated by men, women account for roughly 21.2% of Capcom's workforce, and 33 (12%) 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 April 2024 we formulated the General Employer Action Plan with two key goals to achieve by the end of the fiscal 2028: (1) raising the paternity leave rate to 85% or higher (up from 66.7% as of March 31, 2024) and (2) reducing the gender pay gap among full-time employees, aiming for a ratio of at least 88% (83.8% as of March 31, 2024, calculated by dividing the average salary of female employees by that of male employees).

Further, regarding the proactive utilization of its foreign national employees, we are focusing on active recruitment, career advancement support, promoting foreign nationals to management positions, and offering Japanese language education programs. To create a more comfortable working environment for foreign employees, we provide support in securing housing when relocating to Japan, offer special leave for temporary visits to their home countries, and hold opinion exchange meetings between foreign employees and management to better understand their needs. We currently employ 216 foreign nationals (representing 6.8% of our employees). Going forward, we will continue to develop systems that enhance motivation and promote diversity.

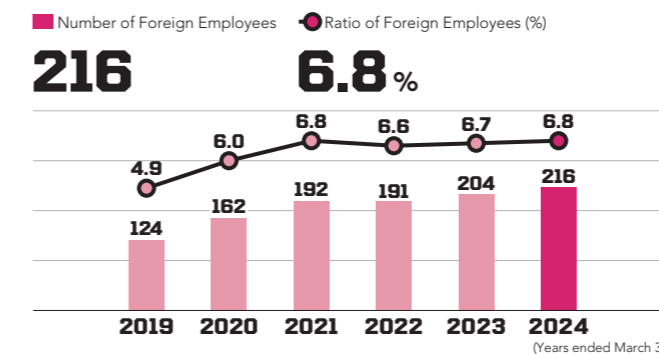
* These figures include the number of employees who took childcare leave across fiscal years.

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



* Effective from fiscal 2023, Capcom has changed its method of aggregating management positions in accordance with relevant laws and regulations.

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



Improving employee engagement

As of March 31, 2024

Fiscal year (ending in March)	2020	2021	2022	2023	2024	Target
Engagement (Non-consolidated) (t-score) (Note 1)						
Work engagement	51.5	52.6	51.8	54.4	54.1	55.0
Employee engagement	—	—	—	51.8	52.1	55.0
Turnover (Non-consolidated) (Note 2)						
Turnover	4.3%	3.9%	5.4%	3.5%	2.9%	—
Of which was for personal reasons	4.0%	3.6%	4.7%	3.2%	2.5%	about 3.0%

*1 Engagement represents our t-score in the results of an engagement survey conducted by an external vendor of our employees (excluding short-time workers not covered by social insurance). For details see the Securities Report.

*2 Turnover is the ratio of the number of employees who left during the period (excluding employees who joined and left during the same period) to the total number of employees at the beginning of the period. Only full-time employees are included in the calculation.

The Capcom Group is committed to preventing employee turnover and improving employee engagement by creating a comfortable work environment. Specific measures for this include ongoing improvement and expansion of the working environment and facilities, an internal commendation system to recognize contributions to the company, enhancement of anti-harassment training and establishment of a globally accessible hotline, provision of recreational facilities for employees, and continuous expansion of other benefit programs.

As a result of these efforts, the scores for work engagement, a measure of initiative and positive feelings toward work, and employee engagement, which is an indicator of loyalty to the company, were as provided below.

I come up with original ideas on the job.	88.3% (down 0.4 pts from the previous year)
When necessary for work, I go above and beyond my role.	76.4% (up 0.4 pts from the previous year)
I experience joy in my current work.	69.6% (down 1.3 pts from the previous year)
I feel a sense of familiarity and loyalty to my current company.	78.1% (up 0.6 pts from the previous year)
I am very glad that I am able to work for my current company.	86.2% (up 0.6 pts from the previous year)
Working for my current company has been a positive experience.	85.4% (down 0.8 pts from the previous year)

Turnover has declined compared to the previous year, with the percentage of employees resigning for personal reasons now at 2.5%, achieving our target of approximately 3.0%. We attribute this improvement to the revised compensation system and our efforts to foster a comfortable working environment. Going forward, we will continue enhancing the workplace to retain top talent.

SOCIAL

Capcom Voices



Creating Natural Phenomena in Games with CG: Enhancing Quality through Creativity and Ideas

I've been familiar with Capcom games since I was old enough to understand them, and I've always been fascinated by the ability to move the characters exactly as I want. After joining the company, I realized that these highly polished gaming experiences come from a spirit of inquiry and ingenuity combined with meticulous work and enthusiasm focused on improving quality through wisdom and resourcefulness in the face of limitations—not from half-hearted efforts that just somehow end up producing something good. This has given me a renewed appreciation for the strength of our solid creative foundation.

In the VFX Section, I am responsible for visual effects that use CG to create natural phenomena in games. After working on various effects designs and productions for our major game series, I now supervise all effects designs as the team leader. I focus on enhancing the game's feel, as the level of polish can be improved through creativity and ideas.

At home, I am a father of two, and during the one-month parental leave I took for each of their births, I was able to provide childcare support. I'm still actively involved in school events using the hourly leave system. I also utilize the childcare service at Capcom Juku, where I can watch my children grow up close and in turn be energized by them. Moving forward, I want to continue striving to create enjoyable experiences through games.



Facial Animations Enhance Appeal with More Natural Expressions

After joining the company, I was impressed by Capcom's high level of development capabilities, particularly the smooth multi-platform development enabled by Capcom's proprietary game engine. The appeal of Capcom's game development lies in the opportunity to work alongside talented individuals in an environment where we can transcend our roles and take initiative while respecting one another, resulting in creations that surpass our imaginations. The experience of solving and completing challenges that seem impossible alongside my colleagues is irreplaceable.

I oversee facial animation production, focusing on making characters more engaging with natural expressions by leveraging advanced development environments and technology. When I see the photo-realistic characters we've meticulously crafted resonating with players and being shared on social media, it brings me immense satisfaction.

In recent years, team morale has improved due to the increase in annual salaries. As a developer, it brings me great joy to see that the digital sales of our past works continue to be appreciated by people of all ages and from all over the world.

When I transitioned to shorter working hours after my parental leave, I worried that I wouldn't be able to advance my career. However, thanks to our efficient workflow, I've been able to achieve results even within my limited time. To stay connected when I'm not in the office, I check daily on any issues regarding my team members' progress, and we come up with solutions together. By managing operations efficiently, I've also been able to experience personal growth.



Bridging Programming and Art to Create a Vivid World

Growing up playing their games, I always believed that the developers at Capcom put a special focus on creating truly entertaining experiences and that remains true today. Now that I work here, I'm proud to be one of them.

After joining, I gained experience on several major titles as a rendering programmer. Now I belong to a team specializing in graphics and rendering technology to ensure the best visual quality for our games. Every day I interface with core systems to draw out stunning graphics in our games to bring them to life. Our creators come from diverse multicultural backgrounds and have a wide variety of skillsets, meaning effective communication can be a challenge that requires using a variety of methods to maintain the same shared vision; but I believe it is this diversity that allows us to keep a wide range of perspectives and constantly generate new ideas that make our games the best they can be.

In my off time, I enjoy watching livestreams of the games I worked on. Seeing people's excited reactions to portions of the game I put effort into gives me a great sense of accomplishment in providing a special gaming experience. We're giving our all to game development every day, so I hope that all of you look forward to what Capcom has in store next!



Transformative Era in Game Sales Models: Staying Attuned to the Future

After working in the General Affairs and Corporate Planning departments, I am now the manager of a team in the Finance & Accounting Department responsible for cash management and client management. Cash management plays a crucial role in managing the company's assets, which can be nerve-wracking. However, I always keep in mind the steady and careful approach I've developed through my work experience. I also strive to stay alert and responsive to future developments amid globalization and digital transformation, embracing a process of trial and error. Additionally, in my managerial role, I focus on delegating responsibilities and strive to support my team members so they can leverage their individual strengths. I also try to communicate in a way that allows me to identify small issues and concerns during our daily conversations.

The company briefings held in recent years provide a valuable opportunity to hear directly from management about the company's performance and medium- to long-term strategies, as well as to ask questions. I believe this sense of unity between management and employees as they aim to grow together boosts motivation among the younger generation of workers.

After taking parental leave, I faced challenges finding an opening for my child in a nursery school when I returned to work. However, I made a smooth transition back by using Capcom Juku for a while. I use the bicycle parking lot for my commute, and on holidays, I enjoy the company's recreational facilities with my family. I truly appreciate being able to work with peace of mind under a benefits system that meets the needs of employees.

SOCIAL

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 2024, the percentage of home video games sold overseas was 83.0%. 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	July 1, 2021 Revised July 10, 2024
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 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. In March 2023, the Gaming Disorder Research Study Group released the results of a study commissioned by industry organizations in response to social demand. We are taking the appropriate steps to raise awareness of the issue and are cooperating with industry organizations that promote further detailed analysis and discussions based on published papers. Additionally, 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 based on the results of the study.

➔For details see p. 61

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. The Recovery Support Network (RSN), a pachinko addiction consultation hotline supported by industry organizations, provides free telephone consultations and displays posters at all pachinko hall locations nationwide to raise awareness of addiction among players and employees, 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. Additionally, we include warnings about overindulgence in posters and brochures used in our product promotion activities.

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 such as the regular disclosure of the "Pachinko/Pachislo Addiction Countermeasures Implementation Status Report."

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

Providing an entertaining experience for all ages

Opening an interactive amusement facility for families

Recently, amusement facilities have gained popularity as spaces where senior citizens can interact with their peers and store staff, as well as places for families to enjoy entertainment together. Capcom has been offering free game center experience tours for seniors since 2012, and 22 of our staff members have now become certified Service Assistants as we strive to create stores where people can spend time with peace of mind. Additionally, to provide a space for family interaction through shared experiences, we opened the children's play facility Kids Banet Shizuoka in April 2023 and the interactive amusement facility Crazy Banet Aeon Mall Niihama in June.



Crazy Banet Aeon Mall Niihama (Ehime Prefecture)



Kids Banet Shizuoka

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 records containing personal information on customers, accumulated from site memberships, prize deliveries, product purchases, and other sources.

Overseas, the EU General Data Protection Regulation (GDPR) went into effect in May 2018, while the Japanese Act on the Protection of Personal Information was revised in 2020, going into full effect in April 2022. The scope of these laws is expanding each year.

As such, the Capcom Group recognizes the importance of information security and believes it is crucial to implement measures against various cyber risks both in Japan and overseas, given the significant impact that information has on corporate activities. In addition to adhering to personal information protection laws, we are also enhancing our information security systems by complying with information security regulations and emerging legislation in each country aimed at protecting minors.

To this end, we are developing a system capable of continuous operation and monitoring, ensuring a swift response and recovery in the event of a security risk. This effort is guided by advice from the Security Oversight Committee, an external advisory body, which convened seven times in fiscal 2023. We will continue to maintain and strengthen our information security system based on the PDCA cycle.

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 have also been working to provide amateur players with opportunities to shine, such as with a new league for students launched in 2019. Through these activities, we aim to increase points of contact with our customers and improve customer satisfaction.

Capcom Pro Tour 2023 featured an annual prize pool exceeding 2 million dollars, the largest in the company's history, as a special celebration of the release of the latest title in the *Street Fighter* series. In fiscal 2024, Capcom Cup 11 will take place at Ryogoku Kokugikan arena, marking nearly 30 years since the last time a *Street Fighter 2* national tournament was held at the venue. We will continue to contribute to the growth of the global eSports market while further promoting the spread of eSports in Japan.

SOCIAL

Relationship with Regional Communities

Promoting Healthy Relationships with Games

More than 15 years 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. However, the job of “video game creator” has been a popular future career choice among children for many years.

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 help promote sustainable economic growth and social development. Class programs have three sessions: Career Education, Game Literacy Education, and Capcom: Work x Mathematics. These programs have been well-received with schools. In addition, starting in fiscal 2021, we introduced online classes in response to requests from educators, allowing us to respond flexibly over a wider geographical area than before.

Altogether, Capcom has welcomed 3,539 children as part of 413 different field trips to its offices (as of March 31, 2024). Capcom has also held 247 on-site classes for 19,950 students (as of March 31, 2024).

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

- Reflecting on my time spent playing games, I discovered what makes them fun and what I need to do to take a break from them. (Elementary school student)
- I still have some negative views about games and anime, but through the lessons, I was able to explore their appeal and how to enjoy them responsibly, which taught me a lot. (Elementary school teacher)
- Hosting the event at multiple schools provided a great opportunity for students from different schools to interact with one another. I would love to see more time dedicated to inter-school discussions. Additionally, since students often become passive in online formats, I suggest making more effective use of videos and other media. (Elementary school teacher)

Supporting the Advancement of Culture, Science and Technology, and Sports

Contribution to the development and promotion of Osaka as a premier entertainment hub

Under the slogan “From Osaka to the World,” the Group is dedicated to promoting community, culture, technology, and sports. At the 2025 Japan International Exposition (Osaka/Kansai Expo), the Osaka Health Care Pavilion Promotion Committee will showcase the interactive content “MONSTER HUNTER BRIDGE.” This experience will be featured in the “XD HALL,” a facility designed for visitors to engage with the entertainment of the future at the Osaka Health Care Pavilion. We have also have an official sponsorship agreement with the Japan Volleyball Association and a top partner agreement with Cerezo Osaka Co., Ltd.

Supporting Social Welfare

Support for youth development and disaster areas

We are engaged in social contribution activities with a focus on supporting children, as they are the ones who will create the future. In the fiscal year ended March 2024, we again donated to organizations that are working on the healthy development of children, including the Fund to Support Children’s Future. We also provided financial support to the victims and affected areas of the Noto Peninsula Earthquake, which caused significant damage in January 2024, and sent another donation to the Office of the United Nations High Commissioner for Refugees to support refugees from Ukraine.

Support for Children in Need

Recipient	Amount
Fund to Support Children’s Future, Welfare and Medical Service Agency	50 million yen
Save the Children Japan (public interest incorporated association)	30 million yen
Child Center Nukku (specified nonprofit organization)	10 million yen

Support for the Victims and Affected Areas of the 2024 Noto Peninsula Earthquake

Recipient	Amount
Donation counters for local governments of affected areas	120 million yen

Support for Refugees from Ukraine

Recipient	Amount
UNHCR, the UN refugee agency	20 million yen

* Supported via Japan for UNHCR, a national partner of UNHCR in Japan for accepting aid

In addition, we donated 10 million yen in response to the earthquake that struck off the coast of eastern Taiwan in April 2024.



MONSTER HUNTER BRIDGE key art

Contributions to Regional Revitalization

Support for municipalities utilizing the appeal and brand recognition of popular games

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.



Logo of the Comprehensive Collaborative Agreement with Kashiwara City

Comments from a city official



Mutsushi Wakamori
Deputy General Manager
Planning and Strategy Department
Kashiwara City Hall

Kashiwara City in Nara Prefecture is the birthplace of Capcom’s Chairman and CEO, Kenzo Tsujimoto, and given the past screening of the collaborative anime *Street Fighter II Yomigaeru Fujiwara-kyo Toki wo Kaketa Fighter-tachi* at the Romantopia Fujiwara-kyo ‘95 event, which commemorated the 1300th anniversary of the founding of Fujiwara-kyō, in August 2022 we were able to establish a comprehensive cooperation agreement. Since then, we have collaborated with the *Street Fighter* series on various projects including collaborative flags, the installation of bronze statues and designer manhole covers through donations, the creation of original moped license plates, and the provision of collaborative menus for school lunches. These initiatives have been covered in the media, and the overwhelming response has reminded me just how remarkable *Street Fighter* truly is. I am grateful for the experience of participating in regular meetings with Capcom, which grow so passionate that we lose track of time, leaving me feeling pleasantly exhausted. With the support of Capcom, whose *Street Fighter* series is renowned worldwide, we will continue our efforts to make Kashiwara, the birthplace of Japan, a destination that brings joy to people around the globe.

Supporting regional revitalization using the appeal of Capcom video game content

Regional Revitalization Activities

- 経 Economic Development
- 防 Prevention Education
- 他 Other
- 文 Cultural Awareness Raising
- 選 Participation in Elections

Initiatives Across Japan

- Miyagi Prefecture: Mascot for gubernatorial election
- Ibaraki Prefecture: Co-sponsorship of special museum exhibit
- Saitama Prefecture: Co-sponsorship of special museum exhibit
- Kofu, Yamanashi Prefecture: Conclusion of comprehensive partnership agreement
- Ueda, Nagano Prefecture: Support for tourism event
- Kyoto Prefecture: Mascot for vehicle-related theft prevention awareness
- Hyogo Prefecture: Police mascot for car theft prevention awareness
- Okayama Prefecture: Co-sponsorship of special museum exhibit
- Wakayama Prefecture: Support for campaign to attract visitors
- Kochi Prefecture: Mascot for House of Councillors election
- Kochi Prefecture: Mascot for gubernatorial election
- Osaka Prefecture: Mascot for vehicle-related damage and theft prevention; Use in recruitment ads for cybercrime investigations; Mascot for youth crime prevention awareness; Mascot for traffic safety awareness
- Fukushima Prefecture: Koriyama regional disaster prevention campaign
- Hamamatsu, Shizuoka Prefecture: Support for tourism promotion
- Okazaki, Aichi Prefecture: Support for tourism promotion
- Kashiwara, Nara Prefecture: Comprehensive agreement**

Moped license plates

Collaborative menu for school lunches

Manhole covers

Bronze statues