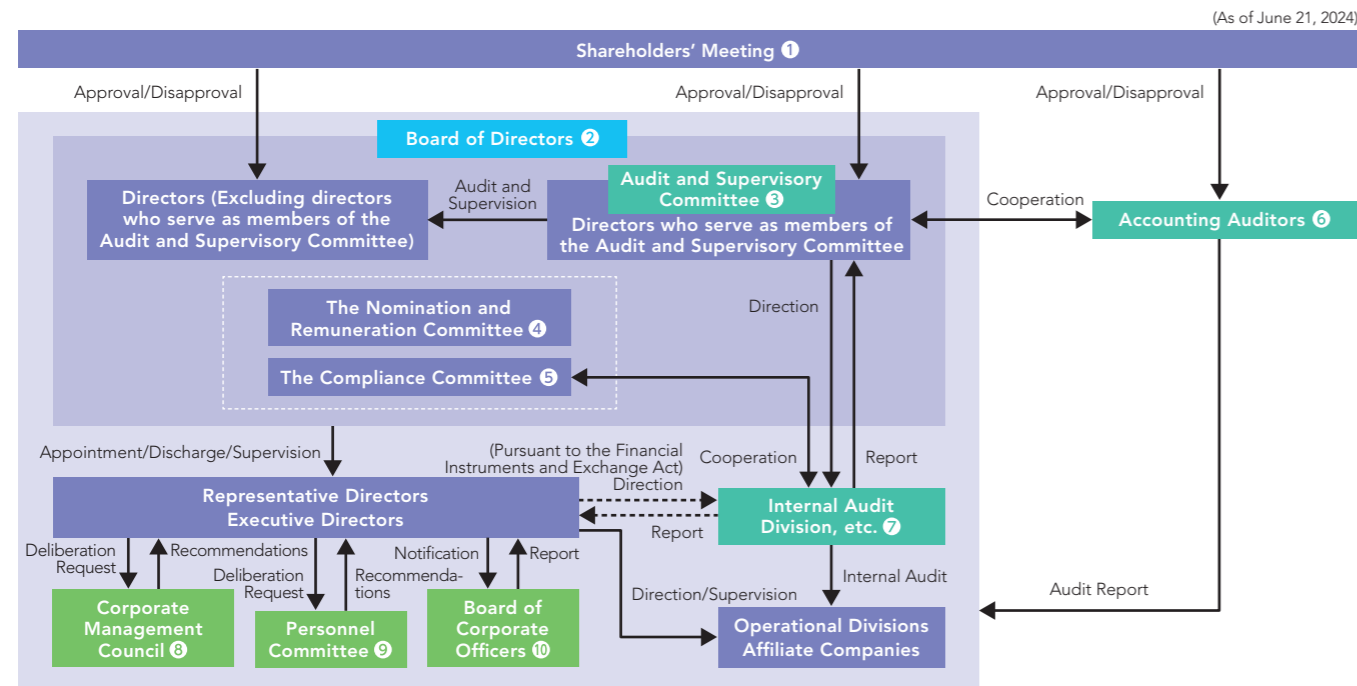


Corporate Governance Structure and Initiatives

The Capcom Group is committed to leveraging its strengths per our Management Philosophy to achieve stable medium- to long-term growth and enhance corporate value through our business activities. To accomplish this, we are focused on increasing management transparency and soundness, building a system that can adapt to environmental changes, and continuously improving our corporate governance. 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.



Composition of Board of Directors and voluntary committees (In the year ended March 31, 2024)



2 Board of Directors (15 members)

(Convened 10 times in the year ended March 31, 2024)

Chairman	Kenzo Tsujimoto (Attendance: 90%)	Haruhiro Tsujimoto (Attendance: 100%)	Satoshi Miyazaki (Attendance: 100%)	Yoichi Egawa (Attendance: 100%)
	Kenkichi Nomura (Attendance: 100%)	Yoshinori Ishida (Attendance: 100%)	Ryozo Tsujimoto (Attendance: 100%)	Toru Muranaka (Attendance: 100%)
	Yutaka Mizukoshi (Attendance: 90%)	Wataru Kotani (Attendance: 100%)	Toshiro Muto (Attendance: 100%)	Yumi Hirose (Attendance: 100%)

3 Audit and Supervisory Committee (three members)

(Convened 10 times in the year ended March 31, 2024)

Chairman	Makoto Matsuo (Attendance: 100%)*	Kazushi Hirao (Attendance: 100%)*	Yoshihiko Iwasaki (Attendance: 100%)*
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* Second line indicates attendance at meetings of the Board of Directors.

4 The Nomination and Remuneration Committee (seven members)

(Convened 4 times in the year ended March 31, 2024)

Chairman	Yoshihiko Iwasaki (Attendance: 100%)	Satoshi Miyazaki (Attendance: 100%)	Kenkichi Nomura (Attendance: 100%)	Yutaka Mizukoshi (Attendance: 100%)	Wataru Kotani (Attendance: 100%)
	Kazushi Hirao (Attendance: 100%)	Makoto Matsuo (Attendance: 100%)			

5 The Compliance Committee (14 members)

(Convened 4 times in the year ended March 31, 2024)

Chairman	Toru Muranaka (Attendance: 100%)	Haruhiro Tsujimoto (Attendance: 100%)	Satoshi Miyazaki (Attendance: 100%)	Yoichi Egawa (Attendance: 100%)	Kenkichi Nomura (Attendance: 100%)
	Yoshinori Ishida (Attendance: 100%)	Ryozo Tsujimoto (Attendance: 100%)	Yutaka Mizukoshi (Attendance: 75%)	Wataru Kotani (Attendance: 100%)	Toshiro Muto (Attendance: 100%)
	Yumi Hirose (Attendance: 100%)	Kazushi Hirao (Attendance: 100%)	Yoshihiko Iwasaki (Attendance: 75%)	Makoto Matsuo (Attendance: 100%)	

Corporate Governance Structure

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

Capcom established the Corporate Governance Guidelines 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.

See the "Capcom Corporate Governance Guidelines" available on Capcom's IR website for details. https://www.capcom.co.jp/ir/english/assets/pdf/governance/governance_01.pdf

1 Shareholders' Meeting

(Convened on June 20, 2024)

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.

Additionally, to further enhance dialogue with shareholders, we have been implementing a "Hybrid Participatory Virtual General Meeting of Shareholders" since the Annual General Meeting held in June 2020. This allows shareholders to view the meeting and submit comments online on the day of the event through a dedicated shareholder-only website.

See the "Resolutions of the Ordinary General Meeting of Shareholders" available on Capcom's IR website for the voting results of the FY2023 General Meeting of Shareholders and the requirements for passage of each resolution. https://www.capcom.co.jp/ir/english/assets/pdf/stock/2024capcom_c.pdf

2 Board of Directors

(Convened 10 times in the year ended March 31, 2024)

Sustainable growth and increasing long-term corporate value

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. A dedicated department for the Board of Directors has been established with the Corporate Planning Department serving as the secretariat.

The Board deliberates on important matters stipulated by laws, regulations, and the Rules of the Board of Directors as well as on growth strategies based on the Group's corporate philosophy, and strives to strengthen supervisory functions through the guidance, suggestions, and active comments of external directors.

3 Audit and Supervisory Committee

(Convened 10 times in the year ended March 31, 2024)

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 (an organization 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.

The Audit and Supervisory Committee discusses management risks and other issues based on audit results reported by selected Audit and Supervisory Committee members and the Internal Audit Division to examine ways to enhance governance from the perspective of legal compliance and appropriateness.

4 The Nomination and Remuneration Committee

(Convened four times in the year ended March 31, 2024)

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:

- Matters related to nominations
 - Policy for selecting candidates for director to be submitted to the General Meeting of Shareholders
 - Selection of candidates for director to be submitted to the General Meeting of Shareholders
 - Selection of corporate officers
 - Selection of corporate officers with titles
 - Successor plan
 - Other matters related to the above
- Matters related to remuneration
 - Policy on director remuneration
 - Fixed remuneration and performance linked remuneration
 - Performance evaluations related to individual remuneration
 - Performance evaluations related to bonuses
 - Other matters related to the above

5 The Compliance Committee

(Convened four times in the year ended March 31, 2024)

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 the Capcom Group. In addition, the committee provides recommendations and advice for the 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 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, 2024)

	Compensation for Audit Operations	Compensation for Non-Audit Operations
Delivery company	59 million yen	—
Consolidated subsidiary	—	—
Total	59 million yen	—

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

Note: The financial audit team was composed of: certified public accountants (7 members), and candidates for CPA who passed the new CPA exam, plus associates in charge of system audits (25 members).

7 Internal Audit Division

Audit

Auditing and reporting under the direction of the Audit and Supervisory Committee

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. In addition, we have established an internal audit department to support the Audit and Supervisory Committee. This department conducts regular monitoring across all divisions and gathers and analyzes information related to legality, appropriateness, and efficiency, including for our group companies. The audit

results are reported to the Audit and Supervisory Committee, which then shares the findings with the Board of Directors. Furthermore, in the event of an unforeseen situation, the Audit Committee quickly investigates and analyzes the causes and effects to assist in making informed management decisions. The committee then reports its findings and provides advice and recommendations to the Board of Directors to help minimize losses.

8 Corporate Management Council

Implementation

(Convened 14 times in the year ended March 31, 2024)

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 Human Resources Committee

Implementation

(Convened 13 times in the year ended March 31, 2024)

Supporting decision-making by the Board of Directors on investment in human capital

The Human Resources Committee (chaired by the Representative Director and Chairman of the Board) is composed of eight internal directors, the corporate officer in charge of the HR Divisions, and the corporate officer in charge of the Planning and Strategy Divisions.

In principle, it is convened several days before a meeting of the Board of Directors, or whenever necessary.

It meets to carry out preliminary deliberations of Board of Directors agenda items related to human resources and discussions on matters such as the human resources investment strategy.

10 Board of Corporate Officers

Implementation

(Convened 12 times in the year ended March 31, 2024)

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 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. In addition, in the fiscal year ended March 31, 2024, Capcom took steps to enhance the reporting of stakeholder opinions and other information to the Board of Directors and utilized round-table discussions with external directors to discuss the Group's current status and medium- to long-term strategies with top management.

Since all seven of the external directors meet the criteria of independent directors, they have been designated as independent directors.

➔For the "Criteria for Independence of External Directors," please refer to the "Notice of Convocation of the 2024 Annual General Meeting of Shareholders" available on the "General Meeting of Shareholders" page of Capcom's Investor Relations website.

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.
Toshiro Muto	Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors by providing objective opinions and advice on general management from an independent standpoint with a broad perspective 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 by actively providing opinions and advice from an outside perspective based on her knowledge and experience, which include 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.
Main Kohda	In addition to possessing extensive insights into international finance, her experience serving as a member of various governmental advisory councils and her rich background as an external director for publicly listed companies have given her a deep understanding of the business world. Given her wealth of knowledge, experience, and the profound insights and objective perspective demonstrated through her writing activities, she is expected to contribute to enhancing the Board of Directors' auditing and supervision.

• External Directors (Audit and Supervisory Committee)

Name	Reasons for selection
Mutsuhiko Koro	In addition to his specialized knowledge and extensive experience in tax administration, he possesses considerable expertise in finance and accounting. Based on this high level of insight, he is expected to contribute to enhancing the Board of Directors' auditing and supervision from an independent and objective standpoint.
Wataru Kotani	Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors 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 and provides opinions and advice from a neutral and objective standpoint.

Evaluation of the Effectiveness of the Board of Directors

The Company evaluates the effectiveness of the Board of Directors by means of individual questionnaires, interviews, and other methods that facilitate getting individual opinions from all directors. In addition, to further enhance the function of the Board of Directors, in the fiscal year ending March 2024, we focused on enhancing the reporting of opinions gathered through dialogue with stakeholders to the Board of Directors. We also utilized round-table discussions with external directors to discuss not only agenda items for the Board of Directors but also the Group's current status and medium- to long-term strategies with top management. The evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2024, was generally positive.

To further improve the effectiveness for strengthening the supervision function, we will work on the issues below in the fiscal year ending March 31, 2025.

[Main issues]

- Achieving synergy by engaging in round-table discussions with external directors and enhancing coordination with the Board of Directors
- Enhancing discussions on nomination and remuneration of directors and senior management for the improvement of corporate value over the medium to long term
- Strengthening the risk management system and expanding opportunities to discuss long-term issues

We will continue to promote sharing and understanding of various issues at our Board of Directors meetings to further enhance its function.

Basic Policy on Strategic Shareholdings

Capcom does not engage in strategic shareholdings based on customary reciprocal holdings or personal relationships. When holding shares, Capcom comprehensively considers the potential gains and losses from a medium- to long-term perspective, including whether these shares will contribute to future business relationships and the sustainable enhancement of corporate value. As of the end of the fiscal year ended March 31, 2024, we did not hold any such shares, having completed the sale of all such shareholdings during the year.

Officer Remuneration

Revised Remuneration System Aimed at Enhancing Corporate Value and Alignment with Shareholders

The Company reviewed the remuneration system for Directors (excluding External Directors and Members of the Audit and Supervisory Committee. Hereinafter "Eligible Directors") at the General Meeting of Shareholders held in June 2024 with the aim of further strengthening efforts to increase the Company's corporate value over the medium- to long-term, granting incentives to help the Group achieve stable profit growth, and sharing value with shareholders.

- (1) Revision of Monetary Compensation Framework
Establishment of a performance-based bonus separate from base compensation, which varies in accordance with the Group's business performance growth and other factors
- (2) Introduction of Stock Compensation System
Introduction of a new performance-linked stock compensation system that uses the achievement level of growth targets of business performance among other factors as a benchmark

Guidelines for Determining the Remuneration, etc. of Individual Directors

1. Determination Guidelines for Remuneration, etc. of Directors (excluding members of the Audit and Supervisory Committee)
In order to ensure objectivity and transparency regarding remuneration for Directors (excluding members of the Audit and Supervisory Committee), the Board of Directors consults the Nomination and Remuneration Committee, which is chaired by an External Director (with External Directors comprising the majority of its members), and determines remuneration within the remuneration limit resolved at the General Meeting of Shareholders based on the deliberation and recommendations of the Committee regarding the following guidelines.

(1) Remuneration, etc. for Directors (excluding External Directors and members of the Audit and Supervisory Committee) is composed of basic remuneration (fixed remuneration) to encourage steady performance of duties commensurate with positions, responsibilities, etc., as well as performance-linked remuneration (variable remuneration) which consists of short-term incentives such as bonuses and medium- to long-term incentives such as stock remuneration, as a remuneration system and composition that is highly linked to business performance and focuses on increasing corporate value and shareholder value over the medium- to long-term.

(2) In view of their role of supervising the management of the Company from an objective and independent standpoint, remuneration for External Directors (excluding members of the Audit and Supervisory Committee) is not linked to business performance, and consists only of basic remuneration (fixed remuneration).

2. Determination Guidelines for Remuneration, etc. of Directors who are members of the Audit and Supervisory Committee
In order to ensure independence, individual remuneration, etc. for Directors who are members of the Audit and Supervisory Committee is not linked to business performance, and consists only of basic remuneration (fixed remuneration). The amount is determined within the total amount approved at the General Meeting of Shareholders through consultation among Directors who are members of the Audit and Supervisory Committee, taking into account full-time and part-time positions.

See the Annual Securities Report available on Capcom's IR website for details on the Director Remuneration System. (Japanese language only)
https://www.capcom.co.jp/ir/data/pdf/yuuka/2024/yuuka_2024_full_01.pdf

Remuneration system for Eligible Directors

Type of remuneration			Overview
Fixed remuneration	Monetary	Basic remuneration	<ul style="list-style-type: none"> A fixed amount of remuneration based on positions, responsibilities, etc. is paid proportionately each month
Performance-linked remuneration (variable remuneration)	Short-term	Monetary	<ul style="list-style-type: none"> Short-term incentives to raise awareness of improving company performance by steadily achieving the Group's management goal of 10% increased operating income per fiscal year The amount calculated by linking the rate of change in consolidated operating income from the previous fiscal year to the rate of change in the total monetary remuneration (basic remuneration and bonuses) of Eligible Directors, minus the basic remuneration amount, is paid In principle, paid at a fixed time every year
	Medium- to long-term	Stock	<ul style="list-style-type: none"> Medium- to long-term incentives to sustainably improve company performance and corporate value, and share an awareness of profit with shareholders Evaluation indicators are (i) the degree of achievement of the Company's net income attributable to owners of the parent growth target and (ii) the Company's stock price growth rate [total shareholder return (TSR) + Tokyo Stock Price Index (TOPIX) growth rate] during the Target Evaluation Period (3 years) After the Target Evaluation Period has passed, depending on the degree of achievement of the above evaluation indicators, common shares of the Company with a transfer restriction period until retirement from the position of Director or other position determined by the Company's Board of Directors (hereinafter "restricted stock") are allocated

(Notes) 1. TSR: Abbreviation for Total Shareholder Return. Total investment return for shareholders, including capital gains and dividends. Hereinafter referred to as "TSR."
2. Performance-linked remuneration (variable remuneration) will not be paid or will be returned in the following cases.
(a) The right to receive remuneration will be lost if the relevant parties engage in specific misconduct as determined by the Company's Board of Directors, or resign from office due to specific reasons determined by the Company's Board of Directors.
(b) As determined by the Company's Board of Directors based on the results of deliberation and recommendations by the Nomination and Remuneration Committee, relevant parties may be asked to return all, or part of the remuneration received if financial statements were adjusted due to serious misconduct, fraud, or a serious accounting error

Calculation Method for Performance-linked Remuneration

(1) Bonuses

[Calculation formula]

$$\text{Total amount of bonuses} = \text{Total monetary remuneration for the previous fiscal year} \times \left(1 + \frac{\text{Rate of change in consolidated operating income for Evaluation Period compared to the previous fiscal year}}{\text{Total amount of basic remuneration for the Evaluation Period}} \right)$$

(Note) The Evaluation Period is one fiscal year, running from April 1 of each year to March 31 of the following year.

(2) Performance-linked stock remuneration

[Calculation formula]

$$\text{Number of restricted shares (RS) to be delivered to each Director} = \text{Standard number of shares (1)} \times \text{Degree of achievement of growth targets such as business performance (2)}$$

1) "Standard number of shares" is the number of shares calculated using the following formula.

$$\text{Standard number of shares (1)} = \frac{\text{Standard amount (a)} \times \text{Coefficient based on the positions, responsibilities, etc. of the Eligible Directors (b)}}{\text{Base stock price (c)}}$$

- (a) "Standard amount" is 50% of the total basic remuneration of Eligible Directors.
- (b) "Coefficient based on the positions, responsibilities, etc. of the Eligible Directors" is determined by the Company's Board of Directors according to the positions, responsibilities, etc. of the Eligible Directors.
- (c) "Base stock price" is the average closing price of Company shares on the Tokyo Stock Exchange for the month preceding the start of the Target Evaluation Period (Note).

(Note) The Target Evaluation Period will be three consecutive fiscal years from April 1 of each year to March 31 three years later.

2) "Degree of achievement of growth targets such as business performance" is an evaluation coefficient that varies from 0% to 150%, and is calculated according to (i) the degree of achievement of the growth target for net income attributable to owners of the parent and (ii) Company stock growth rate results of a relative comparison of the Company's TSR with the Tokyo Stock Price Index (TOPIX)'s TSR during the Target Evaluation Period.

Evaluation indicator	Evaluation percentage (weight)	Evaluation coefficient fluctuation range	Evaluation method
(i) Net income attributable to owners of the parent	50%	0% - 150%	Compare to the cumulative amount if 10% growth is achieved each fiscal year during the Target Evaluation Period, and if the degree of achievement is 41% or more, the evaluation coefficient will be in the range of 50% to 150%.
(ii) TSR (TOPIX comparison)	50%	0% - 150%	Compare the Company's TSR during the Target Evaluation Period with the TOPIX growth rate for the same period, and if the growth rate is 50% or more, the evaluation coefficient will be in the range of 50% to 150%.
Total	100%	0% - 150%	—

Remuneration Composition

The ratio of base remuneration, bonuses, and performance-linked stock remuneration for eligible directors is not set because the composition ratio changes depending on business performance and other factors. However, it is the Company's policy that an appropriate remuneration system and structure should be in place to continuously improve business performance and corporate value over the medium- to long-term and to align profit interests with shareholders.

Reference: Image of Remuneration Composition for Eligible Directors

Amount of payment for bonuses and standard amount for the performance-linked stock compensation system when the management objective of 10% growth in consolidated operating income is achieved.
(percentage in the case that basic remuneration is 100)

Fixed remuneration	Variable remuneration	
Basic remuneration (Monetary) 100	Bonuses (Monetary) 45	Performance-linked stock remuneration (stock) 50

(Note) The above diagram is an illustration of the remuneration of Eligible Directors for the fiscal year ending March 31, 2025, calculated based on certain company performances and the unit price of Company shares. The above percentages will vary depending on the Company's performance and changes in the stock price of Company shares.

Officer Remuneration (Year ended March 31, 2023)

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)	968	587	381	—	—	7
Member of Audit and Supervisory Committee (excluding external directors)	21	21	—	—	—	1
External directors	61	61	—	—	—	5
Member of Audit and Supervisory Committee (external directors)	33	33	—	—	—	2

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 261th among 3,853 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 2024, Capcom's total score was 6.96 points, placing us in the top 7.76% of Japan's listed companies (excluding some in the financial and other sectors), exceeding the 4.86-point average for all listed companies and the 6.91-point average for the industry. We also received the maximum score of 10 for "capital efficiency" and "equity market's assessment."

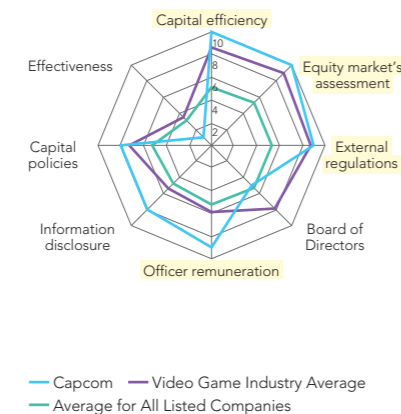
The main evaluation factors are given in the table below, and areas highlighted in yellow indicate measures that received particular notice. Going forward, we will continue making improvements to earn an even stronger assessment, and further promote the visibility of our governance by posting this and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

Third-Party Assessment Results of Capcom's Corporate Governance

Details of Capcom's Corporate Governance

Total Score	6.96	
Rank	261	
Categories	Score	
	Capcom	Competitor average
Capital efficiency	10	8.6
Equity market's assessment	10	9.0
External regulations	9	8.7
Board of Directors	5	7.8
Officer remuneration	9	5.8
Information disclosure	8	5.3
Capital policies	8	7.2
Effectiveness	1	3.5

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, free cash flow
Equity market's assessment	10	Tobin's q
External discipline	9	Existence of anti-takeover measures
Officer remuneration	9	Shareholding of Capcom shares by officers

Source: NEEDS-Cges from Nikkei Inc.

* Capcom's effectiveness score is based on the presence or absence of an audit opinion in the Annual Securities Report over the past three years, which indicates whether the information provided is appropriate.

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.

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.

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

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.

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.

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 2023 Third Party Evaluations

Company	Japan Investor Relations Association, "IR Excellent Company Award 2023," premium IR improvement company and premium ongoing IR company
IR Website	Daiwa Investor Relations Co., Ltd. (Daiwa IR), "Internet IR Award 2023," Excellence Award
	Nikko Investor Relations Co., Ltd., "Fiscal 2023 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 2023, we conducted two overseas IR visits, where the Chief Human Resources Officer (CHO), Chief Financial Officer (CFO), and the head of the IR department engaged with institutional investors in North America and Europe. In addition, we held our Presentation of Financial Results in a hybrid online/in-person format, and provided video conferences in an effort to communicate with our many investors and analysts.

Focus on Discussions of Management Strategies and Proposals for the General Meeting of Shareholders

Capcom also conducts meetings with the individuals responsible for exercising voting rights, primarily in Japan. These meetings are attended by the Representative Director and Chief Human Resources Officer (CHO), the Director and Chief Financial Officer (CFO), and a representative from the department dedicated to the Board of Directors. The purpose is to provide an understanding of the Group's management strategy and engage in dialogue with a focus on human resource investment strategies and proposals for the General Meeting of Shareholders. Requests, opinions, questions, and other feedback obtained through this dialogue are reported to the Chairman of the Board (CEO), the President (COO), and relevant parties as appropriate, and are presented at meetings of the Board of Directors and other gatherings as necessary to ensure they are reflected in management decisions.

Fiscal 2023 IR Measures

By category	Number
Interviews accepted	653
Visited domestic investors	37
Visited overseas investors	25
Total	715

Number of Shareholder Relations (SR) Interactions in Fiscal 2023	19
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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 announcements to explain earnings

Content of Dialogue with Shareholders and Investors (Excerpt)

- Q. I see that cash is increasing, but could you provide specific uses?
- A. In addition to investing in human resources, we continue to strengthen our cash position for the purpose of acquiring technological capabilities, engaging in M&A to adapt to industry changes, and to secure the amount of investment needed for game development for the next two to three years.
- Q. What is your opinion on the use of AI and increasing efficiency?
- A. We anticipate that AI will enhance the efficiency of our business processes, and we are already using it for tasks like automatically converting content to multiple platforms. However, in terms of improving efficiency in content creation with AI, we need to implement measures to address concerns about copyright infringement and information leakage. As such, we will continue to evaluate this matter.