Directors (As of June 21, 2023) Internal External



Kenzo Tsujimoto
Chairman and Chief Executive Officer (CEO)

Jun. 1983	President and Representative Director of the Company
Apr. 1997	Chairman of the Association of Copyright for Computer Software
Apr. 2001	Chief Executive Officer (CEO) of the Company (to present)
Jul. 2007	Chairman and Representative Director of the Company (to present)
Feb. 2010	Representative Director of Kenzo Estate Winery Japan Co., Ltd. (to present)



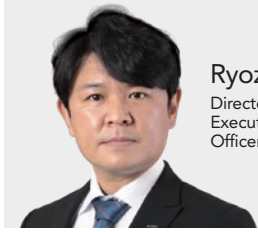
Haruhiro Tsujimoto
President and Chief Operating Officer (COO)

Apr. 1987	Entered into the Company
Jun. 1997	Director of the Company
Feb. 1999	Managing Director of the Company
Apr. 2001	Senior Managing Director of the Company
Jul. 2004	Director and Executive Corporate Officer of the Company
Apr. 2006	Director and Executive Vice President of the Company
Jul. 2007	President and Representative Director, Chief Operating Officer (COO) of the Company (to present)
Aug. 2016	President and Representative Director, and Director in charge of Global Marketing Business and Arcade Operations Business of the Company
Jun. 2022	President and Representative Director, and Director in charge of Arcade Operations Business of the Company (to present)
May 2023	Chairman of the Computer Entertainment Supplier's Association (to present)



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

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



Ryozo Tsujimoto
Director
Executive Corporate Officer

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



Toru Muranaka
Director
External
Independent Director

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



Yutaka Mizukoshi
Director
External
Independent Director

Sep. 1990	Entered into The Boston Consulting Group
Jun. 1997	Vice President of The Boston Consulting Group
Jan. 2005	Japan Co-chair of The Boston Consulting Group
Jan. 2016	Senior Partner and Managing Director of The Boston Consulting Group
Jun. 2016	External Director of Lifenet Insurance Company External Director of Asagami Corporation (to present)
Jan. 2018	Senior Advisor of The Boston Consulting Group, Tokyo
Jun. 2018	External Director of the Company (to present)
Jun. 2019	Director of Japan Rugby Football Union
Jun. 2022	Vice Chairman of Japan Rugby Football Union (to present)
Jan. 2023	Senior Partner Emeritus of The Boston Consulting Group (to present)



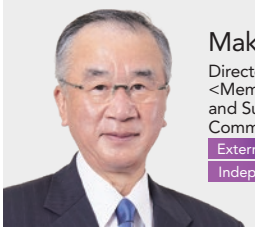
Kazushi Hirao
Director
<Full-time member of the Audit and Supervisory Committee>

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



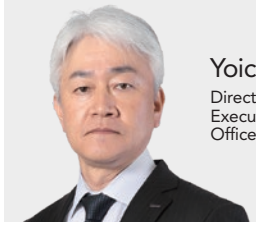
Yoshihiko Iwasaki
Director
<Full-time member of the Audit and Supervisory Committee>
External
Independent Director

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



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

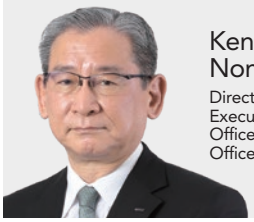
Apr. 1975	Admitted to Japanese Bar (The Dai-ichi Tokyo Bar Association) Ozaki & Momo-o
Aug. 1978	Weil, Gotshal & Manges in New York
Mar. 1979	Admitted to New York Bar
Apr. 1989	Partner of Momo-o, Matsuo & Namba (to present)
Apr. 1997	Lecturer of Nihon University, Faculty of Law: International Transaction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



Yoichi Egawa

Director
Executive Corporate Officer

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



Kenkichi Nomura

Director
Executive Corporate Officer, Chief Financial Officer (CFO)

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



Yoshinori Ishida

Director
Executive Corporate Officer

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



Wataru Kotani

Director
External
Independent Director

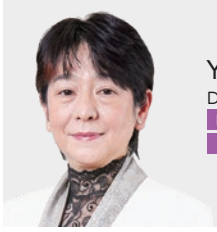
Apr. 1980	Entered into the National Police Agency
Aug 2002	Chief of Ehime Prefectural Police Headquarters
Apr. 2004	Chief of the Cybercrime Division, Community Safety Bureau, National Police Agency
Jul. 2008	Chief of Nagano Prefectural Police Headquarters
Aug 2010	Chief of the Organized Crime Department,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



Toshiro Muto

Director
External
Independent Director

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



Yumi Hirose

Director
External
Independent Director

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

Directors' Skill Matrix

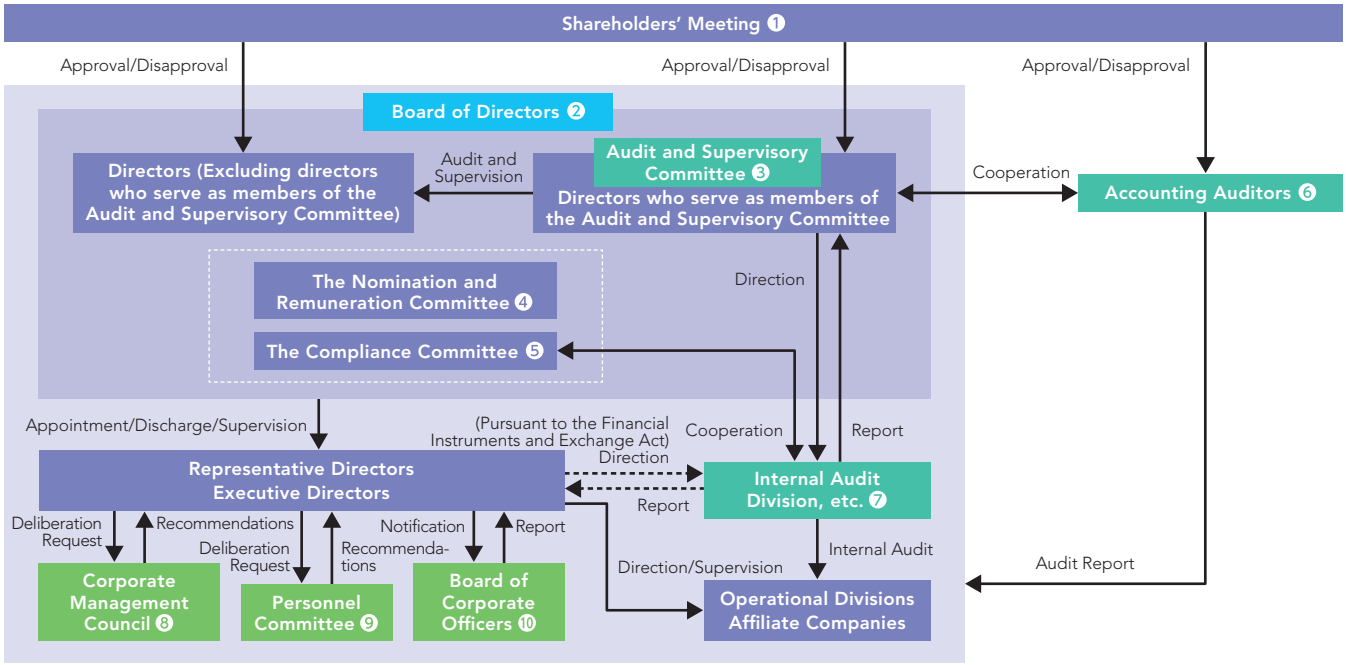
	Fields Each Director is Expected to Contribute in Particular Toward Achievement of Medium-Term Growth Strategy							
	Company Management	Management Strategy	Gaming Industry	Digital Transformation/ IT/Technology	R&D	Finance/ Accounting/Tax	Legal	Global Sensibility
Kenzo Tsujimoto	●	●	●	●				●
Haruhiro Tsujimoto	●	●	●	●	●			●
Satoshi Miyazaki	●	●	●	●		●		●
Yoichi Egawa			●	●	●			●
Kenkichi Nomura		●	●	●		●	●	●
Yoshinori Ishida		●	●	●				●
Ryozo Tsujimoto			●	●	●			●
Toru Muranaka	●						●	●
Yutaka Mizukoshi	●	●						●
Wataru Kotani				●			●	
Toshiro Muto	●					●		●
Yumi Hirose	●					●		
Kazushi Hirao		●	●			●		●
Yoshihiko Iwasaki						●		
Makoto Matsuo	●						●	●

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

Corporate Governance Structure and Initiatives

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

(As of June 21, 2023)



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

Internal External

❷ Board of Directors (15 members)

(Convened 10 times in the year ended March 31, 2023)

Chairman

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

* 100% attendance since being elected

❸ Audit and Supervisory Committee (three members)

(Convened 10 times in the year ended March 31, 2023)

Chairman

Makoto Matsuo (Attendance: 100%)*	Kazushi Hirao (Attendance: 100%)*	Yoshihiko Iwasaki (Attendance: 100%)*

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

❹ The Nomination and Remuneration Committee (seven members)

Chairman

(Convened 4 times in the year ended March 31, 2023)

Yoshihiko Iwasaki (Attendance: 100%)	Satoshi Miyazaki (Attendance: 100%)*	Kenkichi Nomura (Attendance: 50%)	Yutaka Mizukoshi (Attendance: 100%)	Wataru Kotani (Attendance: 100%)*
Kazushi Hirao (Attendance: 100%)	Makoto Matsuo (Attendance: 100%)			

* 100% attendance since being elected

❺ The Compliance Committee (14 members)

Chairman

(Convened 4 times in the year ended March 31, 2023)

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: 100%)	Wataru Kotani (Attendance: 100%)	Toshiro Muto (Attendance: 100%)*
Yumi Hirose (Attendance: 100%)*	Kazushi Hirao (Attendance: 100%)	Yoshihiko Iwasaki (Attendance: 100%)	Makoto Matsuo (Attendance: 100%)	

* 100% attendance since being elected

Corporate Governance Structure

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

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

❶ Shareholders' Meeting

(Convened on June 20, 2023)

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.

❷ Board of Directors — Supervision

(Convened 10 times in the year ended March 31, 2023)

Management decisions that incorporate external directors' opinions

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

The Board deliberates on important matters stipulated by laws, regulations, and the Rules of the Board of Directors 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.

❸ Audit and Supervisory Committee — Audit

(Convened 10 times in the year ended March 31, 2023)

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.

❹ The Nomination and Remuneration Committee

(Convened four times in the year ended March 31, 2023)

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

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

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

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

a. Matters related to nominations
(i) Policy for selecting candidates for director to be submitted to the General Meeting of Shareholders
(ii) Selection of candidates for director to be submitted to the General Meeting of Shareholders
(iii) Selection of corporate officers
(iv) Selection of corporate officers with titles
(v) Successor plan
(vi) Other matters related to the above

b. Matters related to remuneration
(i) Policy on director remuneration
(ii) Fixed remuneration and performance linked remuneration
(iii) Performance evaluations related to individual remuneration
(iv) Performance evaluations related to bonuses
(v) Other matters related to the above

❺ The Compliance Committee

(Convened four times in the year ended March 31, 2023)

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, 2023)

	Compensation for Audit Operations	Compensation for Non-Audit Operations
Delivery company	57 million yen	—
Consolidated subsidiary	—	—
Total	57 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 (8 members), and candidates for CPA who passed the new CPA exam, plus associates in charge of system audits (19 members).

⑦ Internal Audit Division — Audit

Verifying legal compliance and operating efficiencies

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

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

⑧ Corporate Management Council — Implementation

(Convened 15 times in the year ended March 31, 2023)

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, 2023)

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. The Corporate Planning Department serves as the secretariat, and one person is in charge of its secretariat duties.

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, 2023)

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 15 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, 2023, we provided information to external directors through on-site tours and roundtable discussions with executive officers and enhanced our support system by establishing a department dedicated to the Board of Directors.

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

Reasons for Selection of External Directors

External Directors

Name	Reasons for selection
Toru Muranaka	Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors through proposals and advice on legal compliance and propriety from a professional standpoint along with his high level of expertise and broad insight and knowledge as an attorney specializing in corporate and financial instruments and exchange law.
Yutaka Mizukoshi	Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors based on an external perspective, including his enthusiastic provision of opinions and advice from an independent standpoint based on his familiarity with management analysis and establishment of management strategies as well as his deep insight into economic trends and international sensibilities that comes from his experience and knowledge from his many years in the consulting industry.
Wataru Kotani	Due to expectations for his ability to contribute to the auditing and supervision of the Board of Directors 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.
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.

External Directors (Audit and Supervisory Committee)

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

Director Support System

1. To enhance the deliberations of the Board of Directors, a secretariat to the Board of Directors was established to oversee operations as outlined below.
- Establish an annual schedule of Board of Directors meetings and hold extraordinary meetings as necessary.
- Prepare materials that will help participants get an overview of the agenda items, and distribute them in advance.
- Endeavor to enhance the deliberations of the Board of Directors by delegating some important business execution matters, such as personnel transfers and organizational reforms, to the Representative Directors to confirm the appropriateness of the matters to be discussed.

2. To facilitate thorough discussions during the Board of Directors meetings, the Director in charge of Corporate Management will provide explanations to external directors regarding agenda items and supplementary matters approximately one week in advance of the scheduled board meeting date.
3. To establish a system that allows external directors to make timely and appropriate judgments on proposals, the corporate officers in charge will attend Board of Directors meetings as necessary to assist the director in charge in explaining proposals and answering questions.
4. The directors, officers and employees of the Group will respond promptly and appropriately when asked to provide information necessary for the directors to perform their duties.
5. To facilitate the smooth and appropriate execution of duties by the Audit and Supervisory Committee, an Internal Audit Department independent of the departments conducting business has been established to assist the same committee as an organization directly under the Internal Audit Division and serves as the Secretariat of the committee.
- The Internal Audit Division will strive to maintain independence from business executors, carrying out its duties under the direction of the Audit and Supervisory Committee. It will also provide timely reports to the Audit and Supervisory Committee as necessary.

6. The Executive Support Section and the Internal Audit Division provide support to ensure that non-executive directors, including external directors, can smoothly execute their duties. Also, the support system will be strengthened by establishing a dedicated department for the Board of Directors.
7. To facilitate smooth and appropriate execution of their duties, directors may engage external experts such as consultants as necessary, with the associated costs borne by the Company.

Director Training and Development

The Group provides directors with necessary training opportunities and information, as appropriate.
- When directors assume their position, they are briefed on the Group's business, finances, and organization, given a tour of the workplaces as well as information on industry trends and such.
- Support is provided for expenses and other costs related to the acquisition of knowledge and exchange of information by directors.
- Audit and Supervisory Committee members are provided with opportunities to study through participation in external training programs as part of our efforts to ensure proper audits.
- The Board of Directors is provided opportunities to hear explanations on business strategies and other measures for each fiscal year and necessary information related to the Company's business challenges and other issues is provided to external directors on a continuous basis.

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 ended March 31, 2023, we worked to

provide information to external directors through on-site tours and roundtable discussions with executive officers, as well as to strengthen our support structure through the establishment of a department dedicated to the Board of Directors. The evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2023, 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, 2024.

[Main issues]

- Further enhancing the provision of information, including round-table discussions with external directors
- Discussions on nomination and remuneration of directors and senior management for the establishment of a next-generation management structure
- Discussions to facilitate the improvement of corporate value over the medium to long term

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

Officer Remuneration

The Nomination and Remuneration Committee is consulted to ensure fairness and transparency

Policy for setting the calculation method and amount of directors' remuneration

1 Policy on determining remuneration of directors (excluding directors who are members of the Audit and Supervisory Committee)

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

a. Basic remuneration of directors (excluding directors who are members of the Audit and Supervisory Committee)

- Monthly remuneration is fixed.
- The amount is determined after considering each board member's position, duties, tenure, and status as either an executive director or non-executive director, and an evaluation of individual job performance.

b. Performance linked remuneration of directors (excluding external directors and directors who are members of the Audit and Supervisory Committee)

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

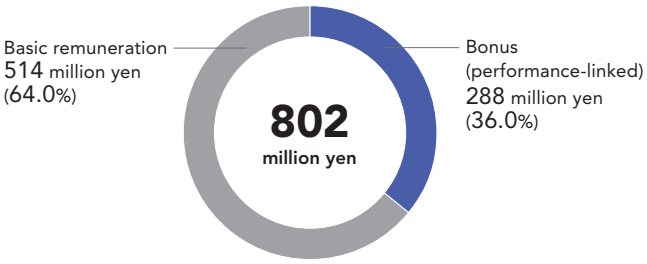
i. Single-year net income attributable to owners of parent
ii. Increase in consolidated operating profit over the previous year
iii. Multiple consecutive increases in consolidated operating profit over previous years
iv. Evaluation of operations that the board member oversees

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

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

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

Total director remuneration breakdown



* The amounts are simple calculations based on the table below. Actual remuneration will vary.

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)	802	514	288	—	—	7
Member of Audit and Supervisory Committee (excluding external directors)	21	21	—	—	—	1
External directors	54	54	—	—	—	5
Member of Audit and Supervisory Committee (external directors)	32	32	—	—	—	2

Total amount of consolidated remuneration by director of delivery company

Name	Total of consolidated remuneration (million yen)	Type of director	Type of company	Total of consolidated remuneration by type (million yen)			
				Basic remuneration	Performance linked remuneration	Severance	Of those items to the left, non-monetary remuneration
Kenzo Tsujimoto	212	Director	Delivery company	137	75	—	—
Haruhiro Tsujimoto	169	Director	Delivery company	109	60	—	—
Satoshi Miyazaki	106	Director	Delivery company	68	37	—	—
Yoichi Egawa	102	Director	Delivery company	66	36	—	—

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

Initiatives for the Shareholders' Meeting

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

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

Also, voting rights can be exercised online via PC, smartphone or tablet. In addition, we have participated from an early stage in a platform for the online exercise of voting rights, so institutional investors are ensured a sufficient amount of time to consider proposals starting on the day the convocation notices are distributed. Furthermore, we also post convocation notices and other information in English on our corporate website and the website of Tokyo Stock Exchange, Inc. to promote the exercise of voting rights by shareholders worldwide.

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

Shareholders' Meeting Resolutions

The following presents the results of voting at the fiscal 2022 shareholders' meetings

Resolutions	Approval Votes	Opposed Votes	Abstained Votes	Approval Rate (%)	Voting Results
First proposal: Proposed Appropriation of Retained Earnings	1,965,455	225	0	99.83	Approved
Second proposal: Election of 12 directors (Excluding Directors who are members of the Audit and Supervisory Committee)					
Kenzo Tsujimoto	1,696,543	267,547	1,642	86.17	Approved
Haruhiro Tsujimoto	1,795,487	168,605	1,642	91.20	Approved
Satoshi Miyazaki	1,933,885	30,212	1,642	98.22	Approved
Yoichi Egawa	1,934,713	29,384	1,642	98.27	Approved
Kenkichi Nomura	1,930,258	33,838	1,642	98.04	Approved
Yoshonori Ishida	1,934,732	29,365	1,642	98.27	Approved
Ryozo Tsujimoto	1,934,715	29,382	1,642	98.27	Approved
Toru Muranaka	1,954,234	11,506	0	99.26	Approved
Yutaka Mizukoshi	1,956,088	9,652	0	99.35	Approved
Wataru Kotani	1,956,031	9,709	0	99.35	Approved
Toshiro Muto	1,955,855	9,885	0	99.34	Approved
Yumi Hirose	1,958,579	7,161	0	99.48	Approved

➡Please refer to the "Resolutions of the 41st Ordinary General Meeting of Shareholders" section of our IR web page for information about the conditions for each proposal to be passed http://www.capcom.co.jp/ir/english/stock/meeting.html

External Assessment of Corporate Governance

Promoting more "visible" governance

An analysis of an assessment performed by a third-party organization into the validity and effectiveness of Capcom's corporate governance shows that the company ranked 268th among 3,808 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 2023, Capcom's total score was 6.92 points, placing us in the top 7.67% of Japan's listed companies (excluding some in the financial and other sectors), exceeding the 4.87-point average for all listed companies and the 6.84-point average for the industry. We also received the maximum score of 10 for "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.

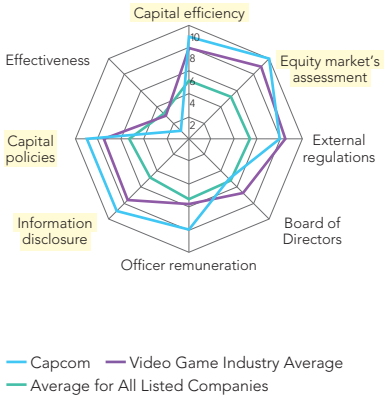
Third-Party Assessment Results of Capcom's Corporate Governance

Details of Capcom's Corporate Governance

Total Score	6.92
Rank	268

Categories	Score
Capital efficiency	9
Equity market's assessment	10
External regulations	8
Board of Directors	5
Officer remuneration	8
Information disclosure	9
Capital policies	9
Effectiveness	1

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
Equity market's assessment	10	Tobin's q
Capital efficiency	9	ROA, ROE
Information disclosure	9	Early timing for distribution of notices of convocation for general meetings of shareholders, availability of electronic voting, and disclosure of materials in English
Capital policy	9	DOE-related and shareholder return ratio-related

Source: NEEDS-Cges from Nikkei Inc.

Policies Regarding IR Activities

1. Disclosure policies

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

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 2022 Third Party Evaluations

IR Website	Daiwa Investor Relations Co., Ltd. (Daiwa IR), "Internet IR Award 2022," Excellence Award
	Nikko Investor Relations Co., Ltd., "Fiscal 2022 Listed Company Website Quality Ranking," Overall Ranking: Grade AAA
	Ranked No. 22 overall in BroadBand Security, Inc. Gomez Consulting Dept.'s "Investor Relations Site Ranking 2022"
Integrated Report	Received *Excellence Prize* in "2nd NIKKEI Integrated Report Awards"

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.

The top management meetings between the chairman and CEO, the president and COO, and investors where medium- to long-term strategies and the direction of marketing strategies were explained had to be canceled again in fiscal 2022 due to COVID-19 along with overseas IR visits. However, we held the presentation of financial results and individual investor briefing in a hybrid online and in-person format and offered video conferences in an effort to communicate with our many investors and analysts.

Fiscal 2022 IR Measures

By category	Frequency
Interviews accepted	579
Visited domestic investors	28
Visited overseas investors	0
Total	607

IR Events

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

Results of Dialogue with Investors (Excerpt)

Q. What are your specific uses of cash and treasury stock?

A. We will use them to invest in human resources and make other investments with a view to sustainable growth.

Specifically, we partially revised the compensation system starting in the fiscal year ended March 31, 2023, which increased the average base salary of full-time employees by 30% (includes the portion for pay raises), and introduced a bonus system more closely linked to the company's business performance. As for treasury stock, we have used a portion of this to introduce an ESOP trust that grants company stock. We will continue working on improving our employee evaluation and training systems.

Q. I would like for you to enhance your ESG-related information disclosures.

A. In our integrated report and securities report, we are disclosing new indicators such as employee engagement and turnover rates.



Key commentary on sustainability by our external directors

Capcom's external directors delve into the challenges associated with securing and developing talent to speed up our strategy for investment in human resources.

The seven external directors (as of March 31, 2023) on Capcom's Board of Directors take the lead in proactively exchanging opinions and advice on our management policies, ensuring transparency and soundness. For this commentary, they actively discussed Capcom's corporate governance system, initiatives for human capital as a driving force behind value creation, and disclosure to shareholders and investors, with a focus on the promotion of growth strategy.

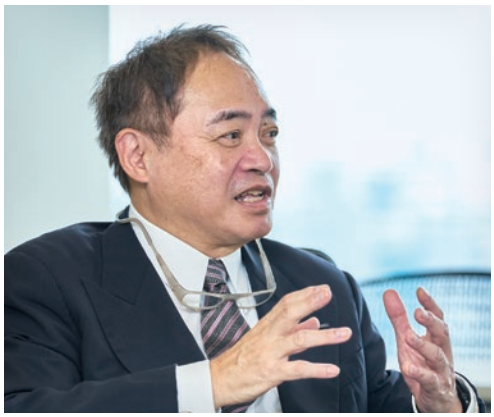
This page introduces a selection of comments from external directors during regular Roundtable Discussions held between external directors and the heads of business divisions as part of our efforts to foster understanding of Capcom's governance.

1. Regarding strategy for investment in human resources

As part of its investment in human resources, Capcom reorganized its Human Resources operations in April 2022 and established the position of CHO. This move aims to accelerate overall strategies for investment in human resources, including revising the compensation system, carrying out town hall-style meetings where senior management and employees can directly communicate, improving the work environment, and expanding the employee benefits system. Executive management is actively working to address issues and increase productivity with an eye toward securing and developing talent that will underpin Capcom's future. Below is a selection of comments made by external directors during the Roundtable Discussion held in September 2022.

(1) Regarding women in management positions

- Increasing the number of women in managerial positions is an issue facing Japanese society as a whole. Not much in the way of improvement or progress can be made without an organized and conscious effort. Although no simple task, it is important to always think about how to achieve the greater participation of women in the workplace.
- There tends to be few female directors and auditors in corporate Japan. The country needs to actively address this issue fully cognizant of positive action (initiatives to eliminate gender disparities). However, these barriers cannot be overcome by mere equality initiatives alone.
- With few female managers, female employees will find it difficult to envision their own career arc and the idea of female managers as a norm will not take root. Companies need to increase communication, encourage understanding, and spread awareness among both men and women.
- Actual management experience is essential for promotion to a manager role. Planning out training for female employees so that they can build experience in a short period of time is of significance, since some may take maternity and childcare leave later in their careers. I think it's important to have individualized promotion plans based on career aspirations.





There are some female managers at Capcom who are also raising children, but the Company needs to work toward increasing the overall ratio of female managers as well. (Internal director)

(2) Regarding development of managers

- Generally speaking, a growing number of people are not looking to become a manager. This trend can also be seen at Capcom. Without some form of incentive, it may be difficult to promote employees to manager positions.
- There is the question of how to steer employees toward becoming candidates for upper management positions in terms of human resource development. Efforts need to recognize that establishing mechanisms for score-based selection and development systems are issues.
- How about incorporating a system that selects candidates through training that targets talented human resources who can become candidates for executive management positions? By participating in the training, the candidates themselves will gain an awareness of their future direction on their own.
- The Company needs to clearly indicate its expectations for the next generation, the roles they will be given, and the traits required of executive management.

Capcom is pursuing human resource development using job rotations so that employees can gain a better understanding of our overall operations. We are actively moving ahead with these efforts with specific numerical targets and are gradually gaining the understanding of frontline employees. (Internal director)

- Consideration needs to be made so that supervisors and transferees understand and embrace job rotations.
- It is important to increase the number managers with a broad range of experience in order to energize and strengthen the organization.

Human resource development is included as an evaluation item for all managers. Going forward, Capcom will breakdown these efforts further and promote strategy for investment in human resources, with efforts led by the CHO. (Internal director)

2. Regarding social responsibilities as a game software company

As a game software company, Capcom has been hosting company visits from and offering outreach classes to elementary and junior high school students since 2005 based on its commitment to foster social understanding of games as part of its corporate social responsibilities. In recent years, we have been promoting eSports as a new form of entertainment where people of all ages, genders, and physical ability can compete against one another. Below is a selection of comments made by external directors during the Roundtable Discussions held in September and October 2022.

- Youth is a very impressionable time. While also taking into account requests from schools, Capcom could consider conducting outreach classes through tie-ups with other companies. Outreach classes interest me and I hope to sit in on one in the future.
- Addressing game addiction and providing outreach classes can be seen as part of the SDGs. Partnerships with local governments is one example as these arrangements can serve as both good promotion and social contributions.
- The Company should pay close attention to taboos culturizing games as it moves to enhance its international competitiveness.
- Initiatives in the world of sports for people with disabilities is an important matter. Conveying that eSports allows people who are able-bodied and people with disabilities to compete on the same field should enhance the value presented by the company. Games have the power to not only generate profits, but also produce social contributions.

Capcom will continue to explore approaches to gameplay between people who are able-bodied and people with disabilities during eSports tournaments. We intend to address this area as a matter of social responsibility. (Internal director)

Game Industry Characteristics

Consumer Market Characteristics
(Package + Digital)

Package and digital download contents are an 80.8-billion-dollar market, forecast to grow to 86.7 billion dollars by 2027.

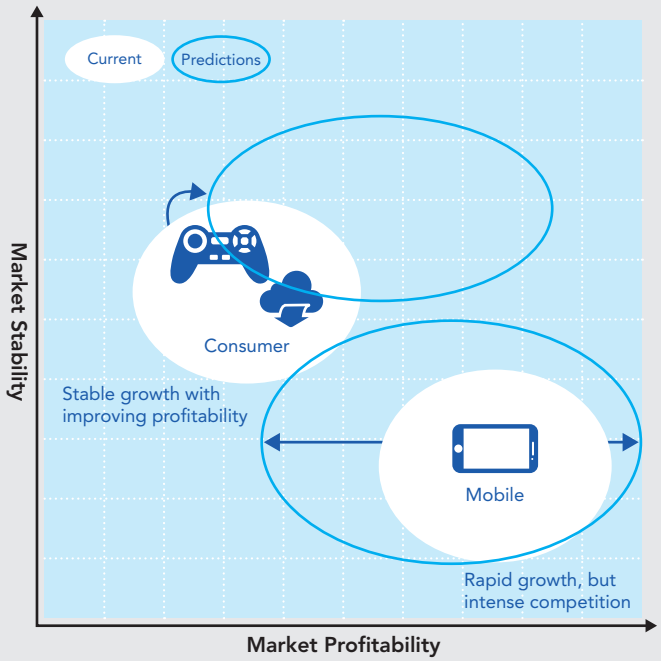
The customer base is primarily composed of core users who are loyal to game titles. They have relatively high willingness to purchase sequels and remakes along with low sensitivity to price and economic conditions. In addition, with the spread of PC as a game platform and the standardization of digital game sales over the Internet, growth is expected in Asia and emerging regions. Hereafter, we expect the market to grow at a faster pace as we capture the casual user segment, which has high sensitivity to price conditions, as well as new users. This will come about in conjunction with a higher digital sales ratio, resulting from growth in Asia and emerging countries and expansion of online gaming on consoles, primarily in North America, shrinking the gap between the margin in this market and those in mobile markets.

Mobile Market Characteristics

This is a 122.6-billion-dollar market, forecast to continue growing to 155.4 billion dollars by 2027. The customer base is primarily composed of casual users, many of whom play games in their spare time, thus they demonstrate the lowest loyalty toward game titles. In contrast to core users, they have a limited willingness to purchase games and have the highest sensitivity to price and economic conditions.

Although this is the most profitable market, only a limited number of titles are able to generate stable earnings over the long term even if they become hits. This makes brand establishment a challenge. Going forward, as 5G becomes more widespread and further next generation mobile communication standards are developed, we expect smartphones will continue to drive rapid growth as the most pervasive game device.

Characteristics of Each Market



Source: Created by Capcom based on data from the International Development Group

Five Competitive Factors Related to the Consumer Market (Five Forces Analysis)

Threat of New Entrants
Requires large amounts of capital and technology to differentiate as game consoles become more advanced
Low threat

Supplier Power (Hardware Manufacturers)
Content can be flexibly released on any platform
Emergence of new services
Medium negotiating power

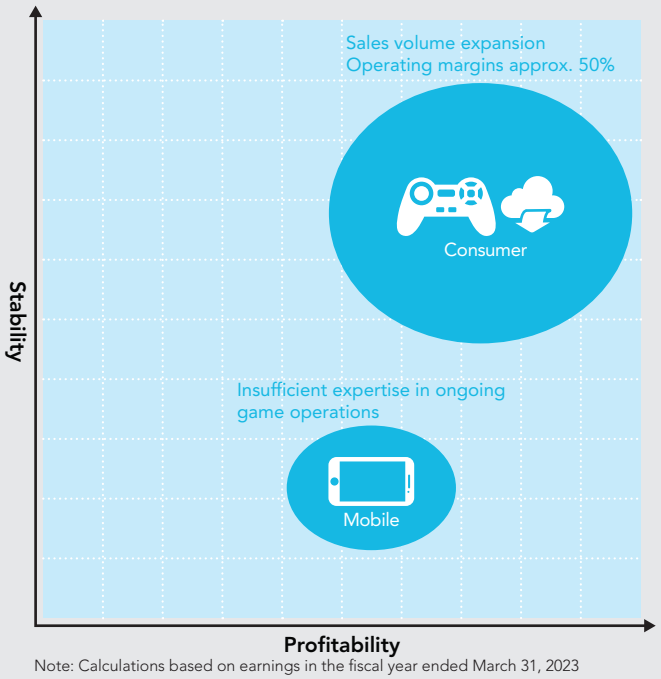
Degree of Competition
Game brands are differentiated, but competition for user money and time is intensifying
Fierce competition

Buyer (User) Power
Original games have appeal, but they must be of high quality
Medium negotiating power

Threat of Substitute Services and Products
Users here are different from Mobile and PC Online users because their motivation for playing is different
Medium threat

Capcom Business Characteristics

Digital Contents Business Portfolio



Note: Calculations based on earnings in the fiscal year ended March 31, 2023

Consumer
(Proportion of Net Sales: 76%)
Package + Digital

Capcom's core business is to create a multitude of original content on home video game consoles. The regular release of sequels to popular IPs and focus on digital sales have, in recent years, led to an increased digital sales ratio, keeping operating margins at the 50% level.

Mobile Contents
(Proportion of Net Sales: 2%)

This business distributes games featuring popular Capcom content on smartphones, but insufficient know-how in ongoing game operations has resulted in sales trends underperforming market growth. We are working on research and development in anticipation of future technological innovations, such as next generation mobile communication standards.

Capcom Management Resource VRIO Analysis and Evaluation/Measures

V: Value R: Rarity I: Inimitability O: Organization
○: High △: Medium ×: Low

Area	Management Resource	V	R	I	O	Evaluation
Management	Top management with strong leadership dedicated to high-quality production and trusted by employees	○	○	○	○	Ongoing competitive advantage
Development/ technology	Development capabilities to produce original titles of world-class quality	○	○	○	○	Ongoing competitive advantage
	"RE ENGINE" for streamlined development and the technological prowess to fully leverage the latest technology	○	○	○	○	
	Corporate culture of training younger employees	○	○*1	○*1	○	Other companies possess this strength as well
Governance	Promotion of governance reforms (external director ratio / company with an audit and supervisory committee)	○	△	×	○	Some companies are even farther ahead
	Swift decision-making system	○	△	△	○	Strength seen at many founder-run companies
Brand	Many popular, global IPs	○	○	○	○	Ongoing competitive advantage
	Corporate brand known worldwide for action games	○	×	○	○	There are more widely recognized companies
Finances	Paid dividends for 33 consecutive years since listing	○	△	△	○	Taking the split into consideration, increased dividends have been provided for seven consecutive years.
Sales	Consumer digital sales ratio of 81%	○	△	○*2	○	Major overseas companies are ahead
	Consumer business expansion into 230 countries and regions	○	○	○	○	Ahead of competitors
Marketing	Bolstering of lineup through revival of dormant IP and catalog titles	○	△	△	△	Companies with popular IP can roll them out in other media
	Single Content Multiple Usage strategy of rolling out popular IP to multiple media	○	×	△	△	
External partners	Trusted by hardware manufacturers	○	△	○	○	High rank compared to competitors

Note: Prepared in-house based on interviews of analysts.

*1 With respect to the low evaluation of the originality of our system for training younger employees, we have hired more than 100 developers each year since fiscal 2013 and established a world-class R&D center and development facilities. In addition to establishing an environment that allows us to take up new challenges, we are working on developing a system that allows us to train employees through title development. (For details see p.45)

*2 We are promoting measures such as (1) taking advantage of our many popular IPs by leveraging our back catalog of titles in digital sales, (2) extending the sales period, with brand strategies for each IP and enhanced digital sales and pricing measures, and (3) expanding the value of our IPs by strengthening our licensing business as we develop titles that will be popular not just in Japan but globally, as well as increase the fan bases of our IP series. (For details see p.31)

11-Year Summary of Consolidated Financial Indicators

Financial Index

	2013	2014	2015	2016
For the Year:		Million yen		
Net sales	¥ 94,075	¥ 102,200	¥ 64,277	¥ 77,021
Operating income	10,151	10,299	10,582	12,029
Net income (loss) before income taxes	3,719	5,315	10,701	11,150
Net income attributable to owners of the parent	2,973	3,444	6,616	7,745
Depreciation & amortization	3,406	4,638	3,535	5,712
Capital expenditures	8,724	8,064	10,177	8,274
R&D investment costs	30,978	26,691	25,301	27,255
At Year-End:		Million yen		
Total assets	¥ 104,365	¥ 96,611	¥ 100,773	¥ 113,057
Net assets	62,828	63,875	71,331	75,168
Net cash	14,327	22,670	21,212	15,821
Developer numbers (people)	1,623	1,808	1,902	2,052
Cash Flows:		Million yen		
Cash flows from operating activities	¥ 6,647	¥ 13,201	¥ 4,286	¥ 4,347
Cash flows from investing activities	(1,375)	(6,155)	(5,496)	(1,639)
Cash flows from financing activities	1,162	(15,099)	1,278	(1,115)
Net increase (decrease) in cash and cash equivalents	9,235	(5,404)	1,879	431
Cash and cash equivalents at end of year	31,522	26,118	27,998	28,429
Per Share Data:		yen		
Net income (loss) per share	¥ 12.91	¥ 15.28	¥ 29.42	¥ 34.44
Dividend per share	40.00	40.00	40.00	40.00
Net assets per share	272.77	283.98	317.14	334.21
Financial Index:		%		
Operating margin	10.8	10.1	16.5	15.6
ROE	4.9	5.4	9.8	10.6
ROA	2.9	3.4	6.7	7.2
Net worth ratio	60.2	66.1	70.8	66.5
Interest coverage ratio (times)	62.4	136.8	50.2	36.5
Debt-equity ratio	66.1	51.2	41.3	50.4
Stock Information:				
Price earnings ratio (times)	28.6	32.0	20.3	19.9
Number of Issued shares (thousands shares)	67,723	67,723	67,723	67,723
Foreign investors (%)	32.37	37.29	36.87	39.35
Digital Contents Business:		Billion yen		
Consumer sub-segment net sales (packaged + digital)	¥ 45.9	¥ 53.0	¥ 35.2	¥ 42.1
Online sub-segment net sales (Mobile Contents + PC Other)*1	17.7	12.8	10.1	10.4
Consumer Game Sales (Package Software and Full-game Digital Content)		Thousands		
Total number of units	16,700	17,500	13,000	15,000
Sales of major titles	Resident Evil 6 5,000	Monster Hunter 4 4,100	Monster Hunter 4 Ultimate 3,400	Monster Hunter X (Cross) 3,300
	Dragon's Dogma 1,300	Dead Rising 3 1,200	Resident Evil Revelations 2 1,100	Street Fighter V 1,400
	DmC Devil May Cry 1,200	Resident Evil Revelations 1,200	Resident Evil (HD Remastered) 900	Resident Evil Revelations 2 850

* Effective from the beginning of FY2018, Capcom has applied "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018). Certain financial information for the FY2018 has undergone retrospective application.
* Effective from the beginning of FY2021, the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) has been applied. Certain financial information for FY2021 reflects the application of the standard.
* The stock was split on a basis of two shares for every share of common stock on April 1, 2018 and April 1, 2021. Earnings per share and net assets per share have been calculated for each year as if these stock splits had been carried out at the beginning of FY2013.

CAPCOM CO., LTD. and its consolidated subsidiaries. Years ended March 31

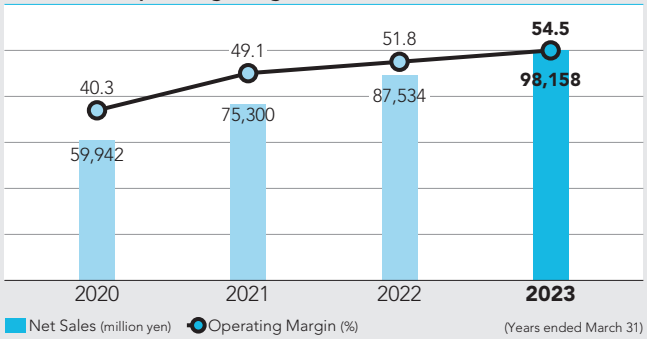
	2017	2018	2019	2020	2021	2022	**2023**
				Million yen			
	¥ 87,170	¥ 94,515	¥ 100,031	¥ 81,591	¥ 95,308	¥ 110,054	**¥ 125,930**
	13,650	16,037	18,144	22,827	34,596	42,909	**50,812**
	12,489	15,149	17,770	22,890	34,828	44,322	**51,143**
	8,879	10,937	12,551	15,949	24,923	32,553	**36,737**
	5,980	4,706	3,228	2,795	2,791	3,385	**3,438**
	3,767	3,041	2,568	2,576	3,597	3,788	**9,624**
	27,720	28,990	27,038	25,843	25,375	29,862	**37,719**
				Million yen			
	¥ 118,897	¥ 124,829	¥ 123,407	¥ 143,466	¥ 163,712	¥ 187,365	**¥ 217,365**
	77,774	85,421	88,749	99,735	120,794	146,475	**161,129**
	8,426	36,750	44,689	58,921	65,633	102,384	**94,273**
	1,994	2,141	2,032	2,142	2,285	2,369	**2,460**
				Million yen			
	¥ 3,200	¥ 34,721	¥ 19,847	¥ 22,279	¥ 14,625	¥ 46,947	**¥ 21,789**
	(3,628)	(2,847)	(2,261)	(8,437)	(4,233)	(7,426)	**(7,679)**
	(3,130)	(9,577)	(11,443)	(6,351)	(6,965)	(9,980)	**(22,485)**
	(4,091)	22,201	6,464	6,667	4,371	31,592	**(6,165)**
	24,337	46,539	53,004	59,672	64,043	95,635	**89,470**
				yen			
	¥ 40.09	¥ 49.95	¥ 57.73	¥ 74.70	¥ 116.74	¥ 152.48	**¥ 174.73**
	50.00	60.00	35.00	45.00	71.0	46.0	**63.0**
	355.16	390.09	415.68	467.14	565.78	686.07	**770.54**
				%			
	15.7	17.0	18.1	28.0	36.3	39.0	**40.3**
	11.6	13.4	14.4	16.9	22.6	24.4	**23.9**
	7.7	8.9	10.1	12.0	16.2	18.5	**18.2**
	65.4	68.4	71.9	69.5	73.8	78.2	**74.1**
	22.8	337.2	249.3	302.5	201.6	955.9	**489.8**
	52.9	47.0	39.1	43.8	35.5	27.9	**34.9**
	13.5	23.0	21.5	22.7	30.8	19.5	**27.1**
	67,723	67,723	135,446	135,446	135,446	270,892	**266,505**
	31.19	35.01	36.83	35.14	38.24	35.09	**33.98**
				Billion yen			
	¥ 49.2	¥ 65.2	¥ 76.9	¥ 55.5	¥ 68.8	¥ 83.3	**¥ 95.3**
	9.5	8.9	6.0	4.4	6.5	4.2	**2.8**
				Thousands			
	19,400	24,400	25,300	25,500	30,100	32,600	**41,700**
Resident Evil 7 biohazard	3,500	Monster Hunter: World	7,900	Monster Hunter: World (catalog)	4,500	Monster Hunter World: Iceborne	5,200	Monster Hunter Rise	4,800	Resident Evil Village	6,100	Monster Hunter Rise: Sunbreak	**5,450**
Monster Hunter Generations Ultimate	1,700	Resident Evil 7 biohazard (catalog)	1,600	Resident Evil 2	4,200	Monster Hunter: World (catalog)	3,200	Resident Evil 3	3,900	Monster Hunter Rise (catalog)	4,100	Resident Evil 4	**3,750**
Monster Hunter X (Cross)	1,000	Marvel VS. Capcom: Infinite	1,000	Devil May Cry 5	2,100	Resident Evil 2 (catalog)	2,400	Monster Hunter World: Iceborne (catalog)	2,400	Monster Hunter Stories 2: Wings of Ruin	1,500	Monster Hunter Rise (catalog)	**3,700**

*1 The PC Other sub-segment has been merged with Consumer as of FY3/20

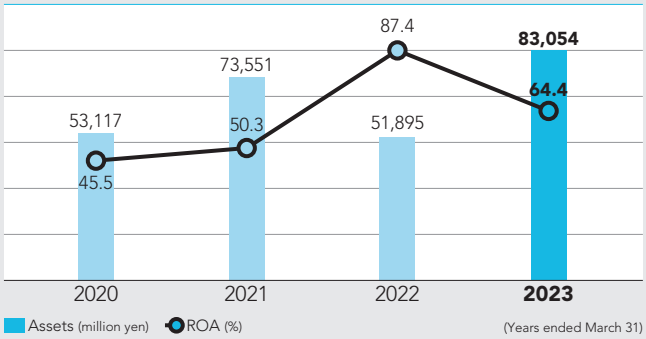
Digital Contents

This business develops and sells packaged and digital game content for consumer home video game platforms. It also develops and manages games for Mobile Contents and PC Online Games. Consumer games produces creative, original content that provides recurring revenue by utilizing digital distribution on platforms including PC. Many of these million-seller titles are also launched on smartphone and tablet devices, and are distributed worldwide in order to maximize earnings.

Net Sales / Operating Margins



Assets/ROA



SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats

S
- World-class development and technological capabilities
- Own many original popular titles (intellectual capital)
- Expanding markets via increased global reach

W
- Concentration in specific genres
- Insufficient hit mobile titles and management expertise

O
- Decreased competition in Consumer business
- Longer product lives and greater global reach due to digital transformation, including growth of digital content sales
- Arrival of subscription-based and other new platforms

T
- Low barriers for entry into mobile contents market, large number of competitor firms
- Competition from new forms of entertainment spurred by technological innovations

Utilization of Non-Financial Capital

Human Capital
- Workforce of about 2,500 in-house developers, one of the largest in the country
- Utilization of in-house department specializing in marketing and data analysis

Production Capital
- Global penetration of digital storefronts on game consoles, smartphones, and PCs
- Highly efficient proprietary game development engines
- World-class development equipment

Intellectual Capital
- Own many original popular titles (intellectual capital)
- User trust in the Capcom brand

Social Capital
- Partnerships with developers in Japan and other countries
- Partnerships with mobile online game companies, primarily in Asia

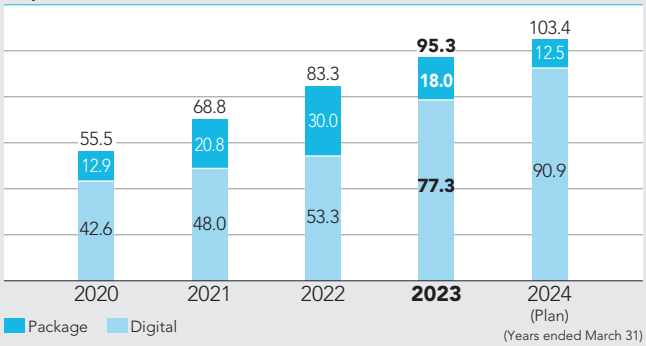
Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

Consumer (Package + Digital) sub-segment

This fiscal year (ended March 31, 2023), *Monster Hunter Rise: Sunbreak* (Nintendo Switch and PC), released in June 2022, received global acclaim for its more dynamic action while enjoying steady popularity due to ongoing support such as free title updates. As a result, it sold 5.45 million units, making a significant contribution to business performance. *Resident Evil 4* (PlayStation 5, PlayStation 4, Xbox Series X|S, and PC), released in March 2023, was also well-received worldwide for its retelling of the original story coupled with cutting-edge graphics technology. As a result, it sold 3.75 million units and contributed significantly to improved profitability.

Furthermore, catalog title sales expanded, driven by series titles such as *Monster Hunter Rise*, *Resident Evil 2*, *Devil May Cry 5*, and *Resident Evil Village*, owing to increased brand recognition and the acquisition of new fans through aggressive

Capcom Consumer Sales (billion yen)



promotions, as well as synergy between the continued release of new titles and pricing strategies. As a result, sales of catalog titles exceeded the 24 million units from the previous year, reaching 29.3 million units and boosting profits.

The resulting net sales came to 98.158 billion yen (up 12.1% from the previous year), and operating income to 53.504 billion yen (up 18.0% from the previous year).

For Capcom, we consider Consumer business growth as one of the keys to achieving our medium-term business goals. Our initiatives are to (1) strengthen digital sales, (2) bolster our title lineup through the continued execution of our 60-month and 52-week maps, and (3) utilize both new and dormant intellectual properties.

Under (1), the prevalence of digital selling has made it possible to implement measures such as limited-time sales, increasing flexibility in pricing and expanding the impact of marketing. We utilize our existing intellectual properties (IP) in addition to major titles and additional content, and remake or rerelease past titles on current-generation hardware, in order to create sales opportunities and increase the digital sales ratio. In terms of (2), since March 2015 we have been carrying out operations according to both our medium-term title portfolio map, called the "60-month map," and our yearly developer assignment plan, called the "52-week map." We will work toward establishing an efficient development structure, enabling us to release major titles on a regular basis. Finally, for (3) we seek to revive dormant intellectual properties for which we have not recently released new titles by increasing the number of our developers.

Next fiscal year, we expect a contribution from new title *Street Fighter 6* and completely new IP *Exoprimal* as well as catalog titles *Resident Evil 4* and *Monster Hunter Rise: Sunbreak*. We will also work to further expand sales globally based on our digital strategy for other major titles. As a result of these efforts, we expect to increase unit sales to 45.0 million units (up 7.9% from the year under review), net sales to 106.3 billion yen (up 8.3% from the year under review), and for the digital sales ratio to increase to around 85% for increased sales and profit.

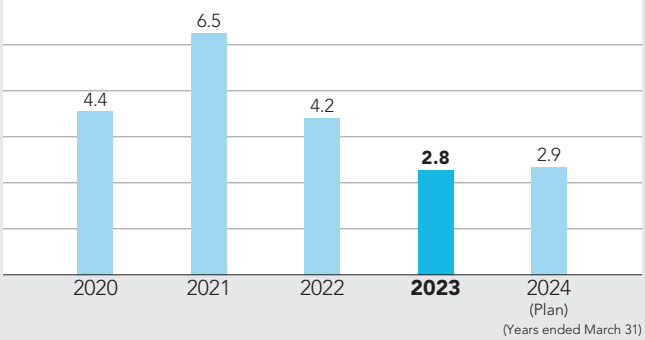
Mobile Contents Sub-segment

This fiscal year (ended March 31, 2023), we focused on existing titles, and net sales came to 2.8 billion yen (down 66.7% from the previous year).

In the future, we will continue to explore a wide range of possibilities, including cultivating existing titles, developing new titles using our intellectual properties, and forming alliances with companies in Japan and elsewhere. We will work on development in the mobile field and accumulating operational know-how. We will also work on research and development in anticipation of future technological innovation, including the new generation of mobile communication standards.

In the next fiscal year, despite the launch of new app *Monster Hunter Now* in September 2023, we expect net sales to come to 2.9 billion yen (up 3.6% from the year under review) due to aging of existing titles.

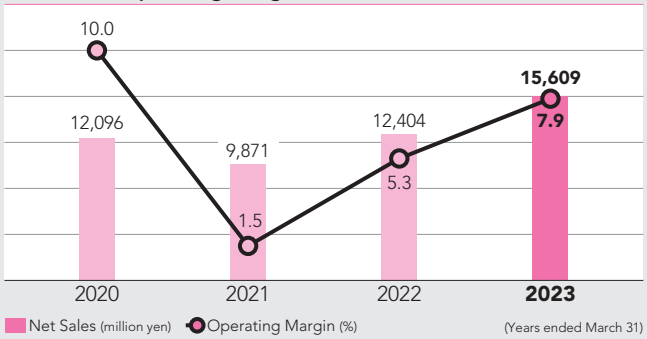
Capcom Mobile Contents Sales (billion yen)



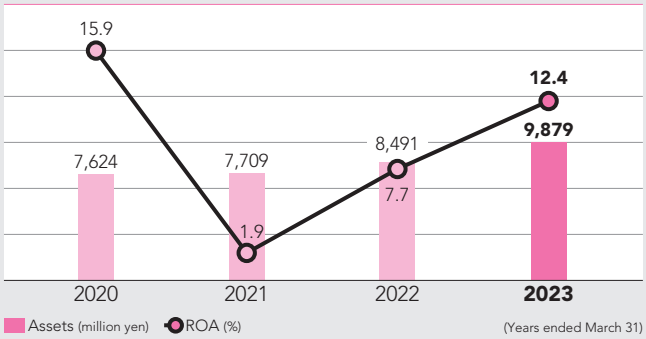
Arcade Operations

**We operate amusement facilities, primarily Plaza Capcom arcades, in Japan.
These arcades are predominantly in large commercial complexes. We have diligently followed a scrap-and-build policy to maximize our efficiency in arcade operations, and have been hosting various events designed to attract families and younger customers.**

Net Sales / Operating Margins



Assets/ROA



SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats

S
- Specialize in opening stores in large shopping centers to secure a stable customer base
- Thorough scrap-and-build strategy focused on investment efficiency to ensure sustainable earnings

W
- Low sales growth rate due to small number of carefully selected facilities
- Limited synergy with proprietary contents

O
- Cultivate market, including merchandise sales and restaurants utilizing our intellectual properties
- Increase new customers through esports collaboration
- Introduce new machines and services

T
- Entertainment diversification due to rapid growth of digital games
- Change in business climate accompanying diminished customer appeal
- Diminished customer appeal due to COVID-19

Utilization of Non-Financial Capital

Human Capital
- Internal store management staff
- Part-time workers hired locally

Production Capital
- High foot traffic of large shopping centers
- Developers that design and construct facilities

Intellectual Capital
- Store management know-how cultivated over 39 years
- Intellectual properties (characters and worlds) that can be rolled out in food, drinks and prizes
- Services utilizing virtual reality (VR) Technology

Social Capital
- Our relationships with local residents
- Arcade game makers around the world

Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

This fiscal year (ended March 31, 2023), customer numbers recovered due to the full lifting of the semi-state of emergency COVID-19 measures in March 2022. We also achieved an increase in both sales and profit from the previous year thanks to the efficient operation of existing stores and the effect of new stores in new business formats.

New store openings included the comprehensive amusement facility Miraino at Aeon Mall in Toki (Gifu Prefecture), which includes a Crazy Banet attraction, in October, "CAPCOM STORE & CAFE UMEDA" (Osaka Prefecture), which offers merchandise featuring the Company's popular characters and features a café, in November, and Miraino at Aeon Mall in Toyokawa (Aichi Prefecture) in March 2023. We opened a total of five stores and closed two, bringing the total number of stores to 45.

As a result, net sales came to 15.609 billion yen (up 25.8% from the previous year), and operating income came to 1.227 billion yen (up 88.0% from the previous year).

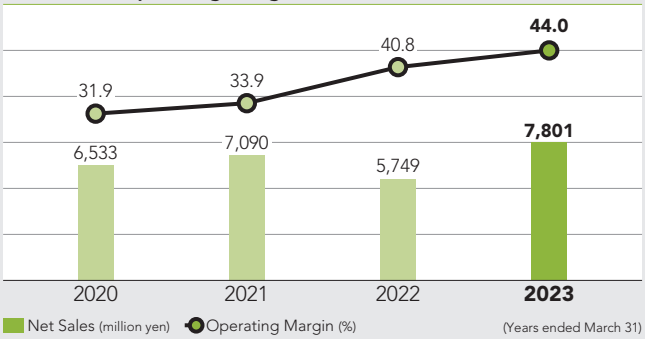
In the next fiscal year, we will continue to make efforts toward efficient operations and open new stores to attract customers. We forecast an increase in both sales and profit with same store sales up 5% from the previous year, bringing net sales to 18.0 billion yen (up 15.3% from the year under review) and operating income to 1.3 billion yen (up 5.9% from the year under review).

As for the number of stores, we will continue to promote opening stores with new business formats based on our basic strategy of scrap-and-build. We plan to open four stores and close none, bringing the total number to 49.

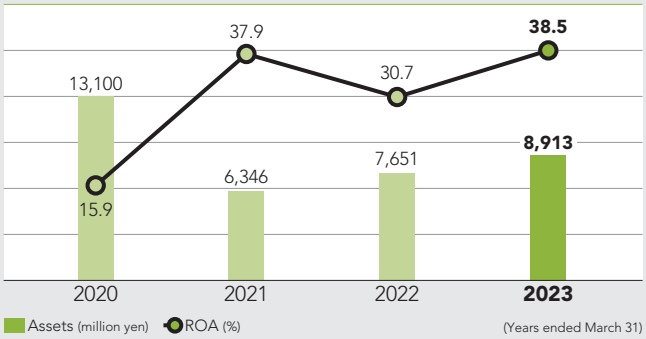
Amusement Equipments

Here, we leverage the contents from our home video games.
The Pachinko & Pachislo (PS) sub-segment is involved in the development, manufacture and sales of frames and LCD devices for gaming machines as well as software, creating synergy between businesses.

Net Sales / Operating Margins



Assets/ROA



SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats

S
- High caliber development capabilities cultivated through home video games
- Leveraging of rich in-house contents

W
- Inadequate sales capabilities
- Agility in responding to regulatory changes

O
- Market recovery via introduction of popular machines
- Demand generated by installing new cabinets compliant with rule changes

T
- Declining operator and hall investment appetite
- Long-term market stagnation
- Market fluctuations resulting from changes to the Entertainment and Amusement Trades Act and certification rules

Utilization of Non-Financial Capital

Human Capital
- Internal developers in charge of planning and development

Production Capital
- Manufacturing plant for machines
- Pachinko/pachislo parlors and video game arcades throughout Japan

Intellectual Capital
- Own many original popular titles (intellectual capital)
- Development technology supporting pachislo certification rules

Social Capital
- Cooperation with major specialist companies
- Administrative organ related to pachislo machine permits and licenses

Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

This fiscal year (ended March 31, 2023), four machines designed to current regulations, including *Monster Hunter World: Iceborne*, were launched by the Pachinko & Pachislo (PS) sub-segment, selling 44,000 units.

In a market that began to show signs of a partial turnaround, we sold 15,000 units of *Shin Onimusha 2*, which was released in August 2022, 15,000 units of *Resident Evil RE:2*, which was released in September, and 12,000 units of *Monster Hunter World: Iceborne*, which was released in January 2023. These machines contributed significantly to profit and were well-received by the market, resulting in popularity at halls.

As a result, net sales came to 7.801 billion yen (up 35.7% from the previous year), and operating income came to 3.433 billion yen (up 46.2% from the previous year), thanks in part to diversifying business models.

We will work to release models that impress hall operators and end-users, continuing to (1) develop machines not dependent on speculation and that feature a variety of playing styles and entertaining video elements that utilize content from our popular Consumer content, while (2) working on securing a strong sales network and improving machine quality through cooperating with a major specialist company.

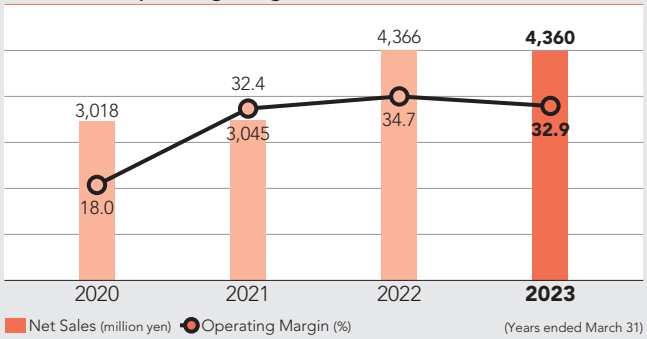
In the next fiscal year, we plan to introduce four models while continuing to monitor market trends and sell 37,000 units (7,000 units less than the year under review).

We expect that both sales and income will be up, with net sales at 10.0 billion yen (up 28.2% from the year under review) and operating income at 3.7 billion yen (up 7.8% from the year under review).

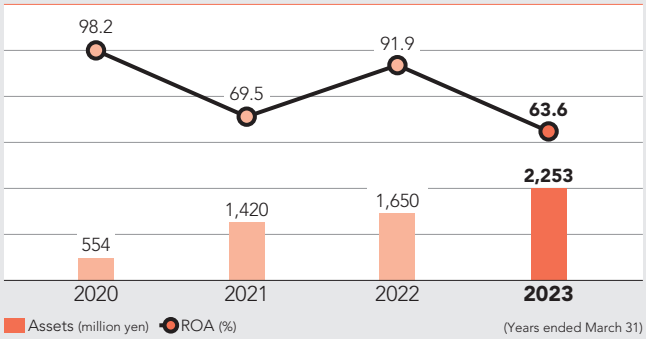
Other Businesses

Based on our Single Content Multiple Usage strategy of developing game content for various media, we pursue a variety of copyright-related business opportunities including publishing (walkthrough and strategy guides as well as game art books) and licensing (movies, animated television programs, music CDs, and merchandise). Furthermore, we are concentrating on the esports business as well.

Net Sales / Operating Margins



Assets/ROA



SWOT Analysis

S: Strengths W: Weaknesses O: Opportunities T: Threats

S
- Synergetic effect from multifaceted use of rich contents
- Brand value increased through high exposure across various mediums
- High profitability

W
- Low return on sales from licensed products

O
- Expansion into film, animation, comics, stage productions, orchestral performances and other media
- Expansion of user base through esports tournaments and other events utilizing our intellectual properties

T
- Direct competition with other company's contents as a result of globalization

Utilization of Non-Financial Capital

Human Capital
- Planners skilled at content development
- Legal staff in charge of alliance agreements and other arrangements

Production Capital
- Legal framework related to intellectual properties in Japan and other countries
- Merchandise manufacturing companies

Intellectual Capital
- Own many original popular titles (intellectual capital)
- Brand business (strategy for maximizing value of intellectual properties)

Social Capital
- Event organizers that engage in joint planning
- Relationship with movie studios, including those in Hollywood
- Relationship with pro gamers
- Relationship with local governments

Operating Results for This Fiscal Year and Outlook for the Next Fiscal Year

This fiscal year (ended March 31, 2023), we established a movie production subsidiary in the United States to continue to pursue the use of our major IPs in film and television, thereby increasing the brand value of our titles in the media business. We also signed an agreement for a live-action film adaptation of *Street Fighter* and focused on merchandise featuring new titles and popular IPs in the licensing business. In eSports, we have been implementing measures to expand the user base on a global scale. These efforts include organizing online tournaments such as the CAPCOM Pro Tour 2022 and introducing a new category for it called World Warrior. Furthermore, we held events like Street Fighter League: Pro-JP 2022, CAPCOM CUP IX, and Street Fighter League: World Championship 2022 to promote and enhance each event. Additionally, we have been promoting the upcoming release of *Street Fighter 6*, scheduled for June 2023.

As a result, net sales were 4.360 billion yen (down 0.1% from the previous year), and operating income was 1.433 billion yen (down 5.5% from the previous year), due mainly to up-front investments in eSports.

In the next fiscal year, we will leverage the substantial synergies with our Consumer games by diversifying the use of our rich library of IPs. We have expanded into various areas such as movies, animation, theatre, and events, including with the full-length CG animated film *Resident Evil: Death Island*, to be released in July. In eSports, we will hold Capcom Pro Tour 2023, and to commemorate the launch of *Street Fighter 6*, the event will feature our highest-ever annual prize pool of more than 2 million dollars. We are also implementing various measures globally to make eSports more entertaining, including Street Fighter: Pro-JP 2023, which is in its sixth season.

We expect that both sales and income will be up, with net sales at 5.7 billion yen (up 30.7% from the year under review) and operating income at 1.6 billion yen (up 11.7% from the year under review).

Stock Data (As of March 31, 2023)

Stock Data

Number of Shares Authorized ..... 600,000,000 shares
Number of Shares Issued ..... 266,505,623 shares
Number of Shareholders 16,771

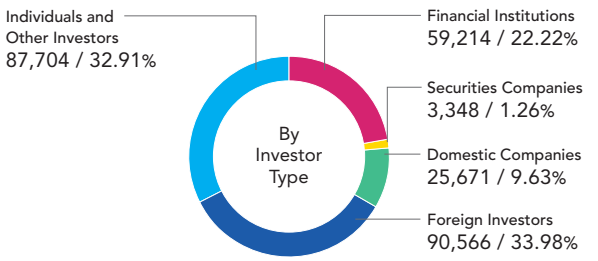
Major Shareholders (Top 10)

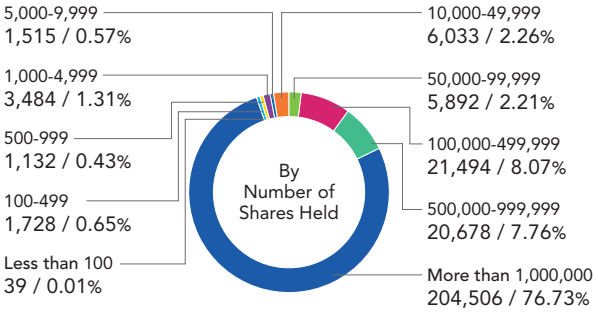
Major Shareholders	Number of Shares Held (in thousands)	Percentage of Shareholding (%)
The Master Trust Bank of Japan, Ltd.(Trust Account)	33,542	15.74
Crossroad Co., Ltd.	21,365	10.03
JP Morgan Chase Bank 380815	17,594	8.26
Custody Bank of Japan, Ltd., Trust Account	11,581	5.43
Yoshiyuki Tsujimoto	8,077	3.79
Haruhiro Tsujimoto	6,199	2.91
Ryozo Tsujimoto	6,183	2.90
Kenzo Tsujimoto	4,039	1.90
The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account 76744)	3,999	1.88
SSBTC CLIENT OMNIBUS ACCOUNT	3,271	1.53

Note:1. Percentage of Shareholding is calculated excluding Capcom's treasury stock (53,394 thousand shares).
2. The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account 76744) is a trust established in conjunction with the introduction of the Stock Grant ESOP Trust. Note that such shares are not included in the number of treasury stock above.

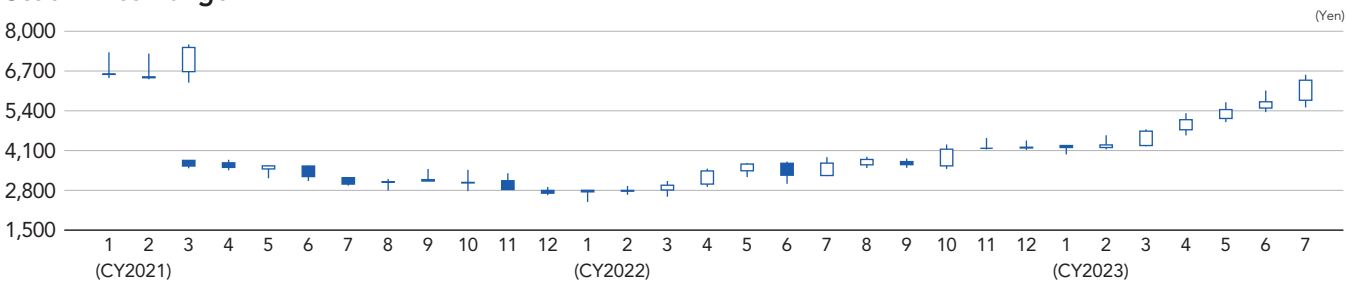
Shareholders Breakdown

Number of shares held (in thousands) / (%)

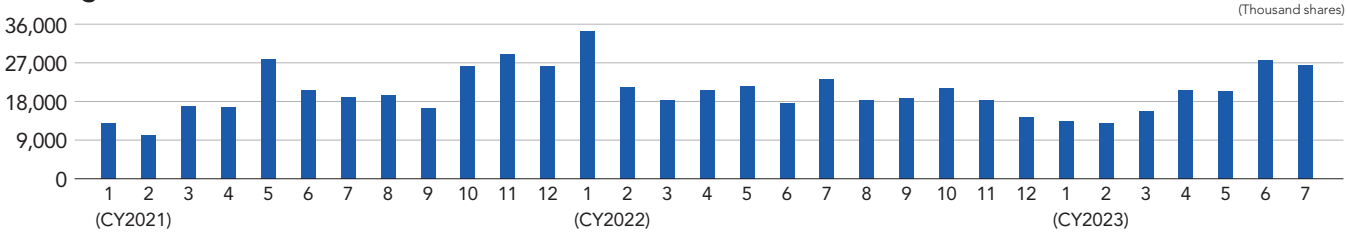




Stock Price Range*1



Trading Volume



11-Year Trend of Stock Price and Trading Volume*2

(Yen)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Stock Price	369.00	489.50	597.25	686.25	542.75	1,149.50	1,240.00	1,695.00	3,595.00	2,968.00	**4,735.00**
High	489.75	582.50	603.25	768.75	719.25	1,292.50	1,522.50	1,782.50	3,785.00	3,800.00	**4,795.00**
Low	312.50	349.00	385.25	486.00	481.75	526.50	951.50	1,016.00	1,605.00	2,421.00	**2,913.00**
Trading Volume	178,008,200	150,408,300	143,234,700	162,642,100	183,455,500	171,969,350	258,438,800	183,399,500	180,877,400	275,620,400	**215,342,700**

*1 With an effective date of April 1, 2021, Capcom performed a 2-for-1 split of its common stock.
*2 The stock was split on a basis of two shares for every share of common stock on April 1, 2018 and April 1, 2021. Consequently, for convenience the figures presented here assume that the relevant stock splits were performed on April 1, 2012.

(Years Ended March 31)

Corporate Data (As of March 31, 2023)

Corporate Profile

Name of Company	CAPCOM CO., LTD.
Date of Establishment	May 30, 1979
Date of Initiation	June 11, 1983
Business Segments	Planning, development, manufacture, sale and distribution of home video games, mobile games and amusement machines etc., as well as management of amusement arcades.
Paid-in Capital	¥ 33,239 million
End of Term	March 31
Number of Employees	3,332 (consolidated) 3,027 (CAPCOM CO., LTD.)

Major Offices

Head Office	3-1-3 Uchihirano-machi, Chuo-ku, Osaka, 540-0037, Japan PHONE: 81-6-6920-3600
R&D Building	3-2-8 Uchihirano-machi, Chuo-ku, Osaka, 540-0037, Japan PHONE: 81-6-6920-7600
R&D Building #2	3-1-10 Uchihirano-machi, Chuo-ku, Osaka, 540-0037, Japan PHONE: 81-6-6920-7750
Tokyo Branch	Shinjuku Mitsui Building 2-1-1 Nishi Shinjuku, Shinjuku-ku, Tokyo, 163-0448, Japan PHONE: 81-3-3340-0710
Ueno Facility	3902 Hatta, Iga, Mie, 518-1155, Japan PHONE: 81-595-20-2030



Head Office

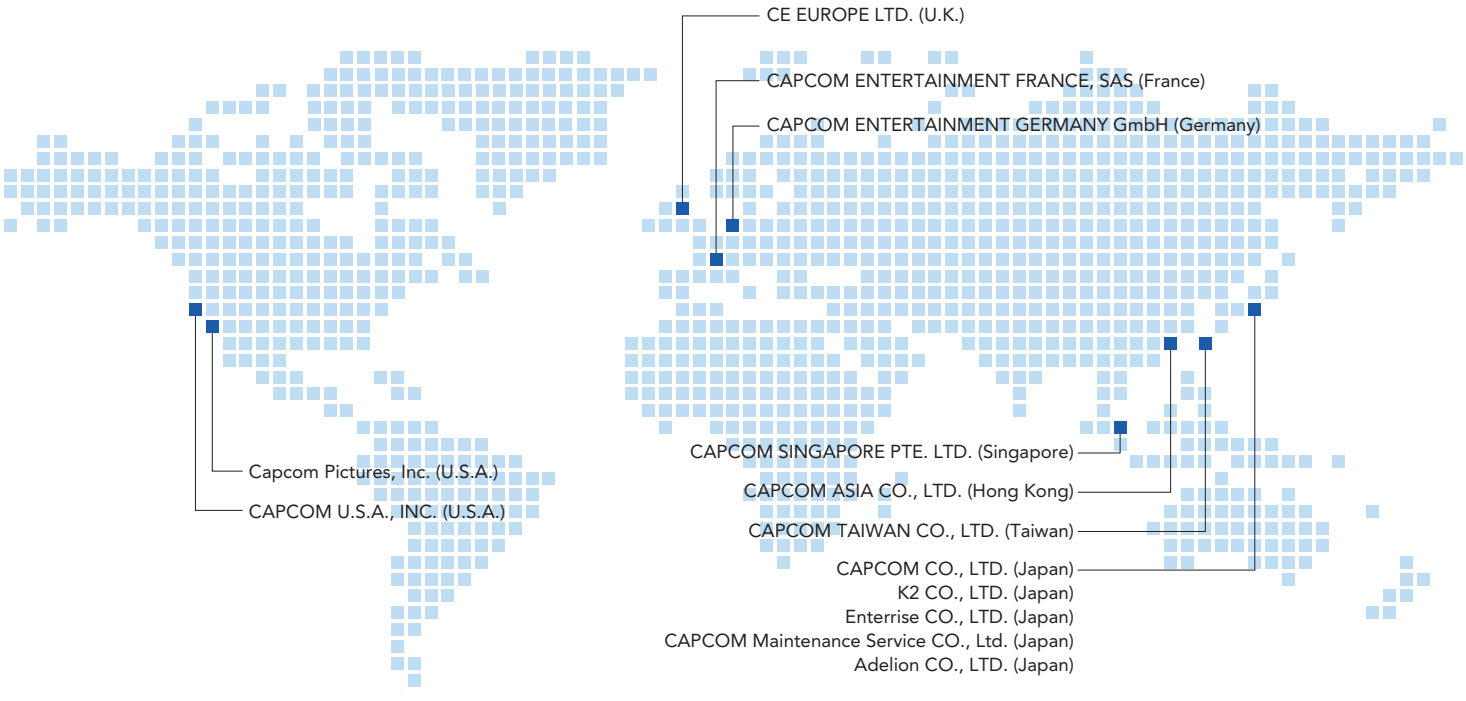

R&D Building


R&D Building #2

Capcom's Subsidiaries (As of April 1, 2023)

K2 CO., LTD. / Enterrise CO., LTD. / CAPCOM Maintenance Service CO., Ltd./ Adelion CO., LTD. / CAPCOM U.S.A., INC. / CAPCOM ASIA CO., LTD. / CE EUROPE LTD. / CAPCOM ENTERTAINMENT GERMANY GmbH / CAPCOM ENTERTAINMENT FRANCE, SAS / CAPCOM TAIWAN CO., LTD. / CAPCOM SINGAPORE PTE. LTD. / Capcom Pictures, Inc.

* Adelion CO., LTD. is a wholly owned subsidiary of Enterrise CO., LTD.
* CAPCOM ASIA CO., LTD. is a wholly owned subsidiary of CAPCOM SINGAPORE PTE. LTD.
* CAPCOM ENTERTAINMENT GERMANY GmbH and CAPCOM ENTERTAINMENT FRANCE, SAS are both wholly owned subsidiaries of CE EUROPE LTD.



FACT BOOK 2023

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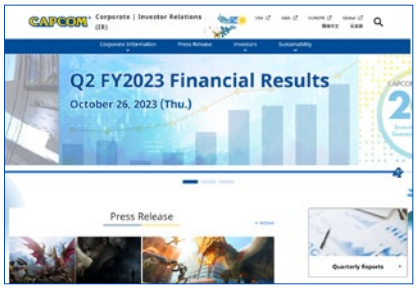
CAPCOM CO., LTD.

3-1-3 Uchihirano-machi, Chuo-ku,
Osaka, 540-0037, Japan
PHONE: 81-6-6920-3600

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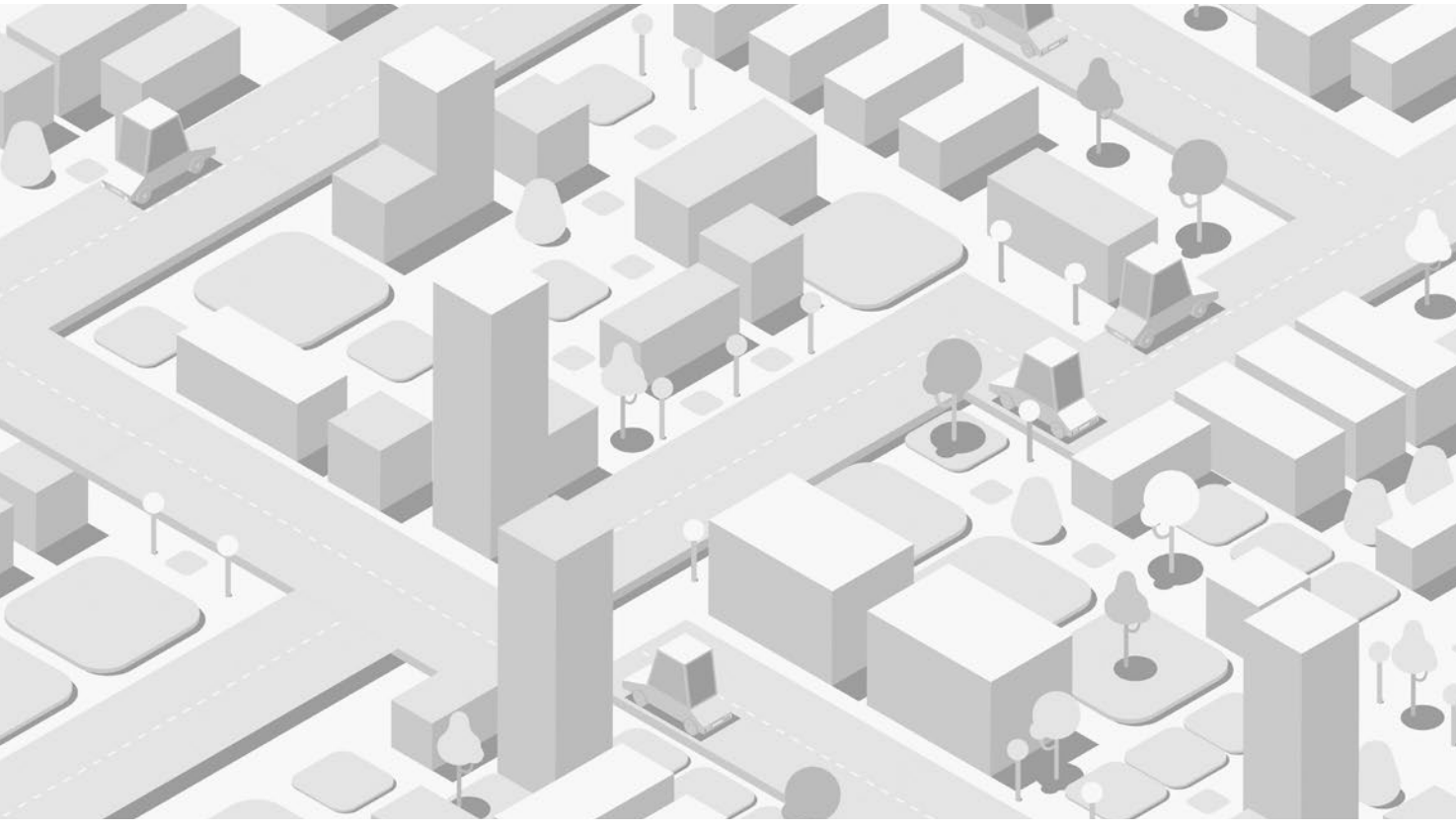


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CAPCOM

FACT BOOK 2023

Code Number 9697



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Financial Index

CAPCOM CO., LTD. and its consolidated subsidiaries. Years ended March 31

	2016	2017	2018	2019	2020	2021	2022	**2023**
For the Year (million yen)								
Net sales	77,021	87,170	94,515	100,031	81,591	95,308	110,054	**125,930**
Operating income	12,029	13,650	16,037	18,144	22,827	34,596	42,909	**50,812**
Net income before income taxes	11,150	12,489	15,149	17,770	22,890	34,828	44,322	**51,143**
Net income attributable to owners of the parent	7,745	8,879	10,937	12,551	15,949	24,923	32,553	**36,737**
Capital investment (Tangible fixed assets, net of accumulated depreciation)	5,937	2,622	2,918	2,439	2,504	2,570	2,965	**9,192**
Depreciation and amortization	5,712	5,980	4,706	3,228	2,795	2,791	3,385	**3,438**
Capital expenditure	8,274	3,767	3,041	2,568	2,576	3,597	3,788	**9,624**
R&D investment costs	27,255	27,720	28,990	27,038	25,843	25,375	29,862	**37,719**
Promotional expenses	3,832	4,764	5,579	5,490	4,253	3,178	3,540	**5,293**
At Year-End (million yen)								
Total assets	113,057	118,897	124,829	123,407	143,466	163,712	187,365	**217,365**
Net assets	75,168	77,774	85,421	88,749	99,735	120,794	146,475	**161,129**
Work in progress for game software, Online contents in progress	27,220	30,150	25,635	16,926	21,222	24,443	31,192	**38,510**
Net increase (decrease) in cash and cash equivalents	431	(4,091)	22,201	6,464	6,667	4,371	31,592	**(6,165)**
Cash and cash equivalents at end of year	28,429	24,337	46,539	53,004	59,672	64,043	95,635	**89,470**
Interest-bearing debt	12,608	16,111	9,788	8,315	6,735	5,606	4,878	**7,843**
Net cash (100 million yen)	158	84	367	446	589	656	1,023	**942**
Profitability Indicators (%)								
Cost-of-sales ratio	61.2	64.7	63.4	62.8	49.8	44.7	44.3	**41.4**
Operating margin	15.6	15.7	17.0	18.1	28.0	36.3	39.0	**40.3**
Ordinary margin	14.7	14.4	16.1	18.2	28.1	36.6	40.3	**40.8**
Return on sales	10.1	10.2	11.6	12.5	19.5	26.1	29.6	**29.2**
SG&A expenses ratio	23.1	19.6	19.7	19.1	22.2	19.0	16.7	**18.3**
Return on equity (ROE)	10.6	11.6	13.4	14.4	16.9	22.6	24.4	**23.9**
Return on total assets (ROA)	7.2	7.7	8.9	10.1	12.0	16.2	18.5	**18.2**

* Effective from the beginning of FY2018, Capcom has applied "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018). Certain financial information for the FY2018 has undergone retrospective application.
* Effective from the beginning of FY2021, the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) has been applied. Certain financial information for FY2021 reflects the application of the standard.
* The stock was split on a basis of two shares for every share of common stock on April 1, 2018 and April 1, 2021. Earnings per share and net assets per share have been calculated for each year as if these stock splits had been carried out at the beginning of FY2015.

CAPCOM CO., LTD. and its consolidated subsidiaries. Years ended March 31

	2016	2017	2018	2019	2020	2021	2022	**2023**
Efficiency Indicators (times)								
Total assets turnover	0.7	0.7	0.8	0.8	0.6	0.6	0.6	**0.6**
Sales-equity ratio	1.0	1.1	1.1	1.1	0.8	0.8	0.8	**0.8**
Receivables turnover	7.8	4.3	7.3	7.2	5.1	3.8	13.9	**5.0**
Accounts payable turnover	9.5	7.9	17.3	12.2	7.0	11.5	13.1	**9.4**
Inventory turnover	2.5	2.4	3.2	5.2	3.4	3.4	3.3	**3.0**
Fixed asset turnover ratio	2.1	2.6	3.2	3.1	2.4	2.6	3.1	**2.7**
Safety Indicators (%)								
Net worth ratio	66.5	65.4	68.4	71.9	69.5	73.8	78.2	**74.1**
Current ratio	339.6	285.0	354.0	391.2	303.5	390.9	492.2	**372.3**
Quick ratio (Acid-test ratio)	171.4	149.1	220.0	288.5	227.6	295.6	374.7	**276.3**
Cash equivalent ratio	127.2	81.8	172.1	228.3	183.1	218.6	348.9	**221.8**
Fixed ratio	49.4	43.0	35.0	36.7	34.7	30.1	24.6	**28.5**
Debt-equity ratio	50.4	52.9	47.0	39.1	43.8	35.5	27.9	**34.9**
Interest coverage ratio (times)	36.5	22.8	337.2	249.3	302.5	201.6	955.9	**489.8**
Per Share Data (yen)								
Net income (loss) per share	34.44	40.09	49.95	57.73	74.70	116.74	152.48	**174.73**
Net assets per share	334.21	355.16	390.09	415.68	467.14	565.78	686.07	**770.54**
Dividend Data								
Dividend per share (yen)	40.0	50.0	60.0	35.0	45.0	71.0	46.0	**63.0**
Dividend payout ratio (%)	29.0	31.2	30.0	30.3	30.1	30.4	30.2	**36.1**
Dividend yield (%)	1.5	2.3	2.6	1.4	1.3	1.0	1.5	**1.3**
Stock Information								
Number of issued shares (shares)	67,723,244	67,723,244	67,723,244	135,446,488	135,446,488	135,446,488	270,892,976	**266,505,623**
Price-earnings ratio (times)	19.9	13.5	23.0	21.5	22.7	30.8	19.5	**27.1**
Shareholdings held by foreign investors (%)	39.35	31.19	35.01	36.83	35.14	38.24	35.09	**33.98**

Segment Information

CAPCOM CO., LTD. and its consolidated subsidiaries. Years ended March 31

	2016	2017	2018	2019	2020	2021	2022	**2023**
Digital Contents								
Net sales (million yen)	52,577	58,704	74,141	82,982	59,942	75,300	87,534	**98,158**
Consumer (100 million yen)	421	492	652	769	555	688	833	**953**
Package (100 million yen)	312	337	383	359	129	208	300	**180**
Digital (100 million yen)	109	155	269	410	426	480	533	**773**
Mobile Contents (100 million yen)	33	38	41	23	44	65	42	**28**
PC Other (100 million yen)*1	71	57	48	37	—	—	—	**—**
Operating income (million yen)	12,167	11,096	19,103	23,315	24,161	37,002	45,359	**53,504**
Operating margins (%)	23.1	18.9	25.8	28.1	40.3	49.1	51.8	**54.5**
Assets (million yen)	57,275	66,691	61,641	54,109	53,117	73,551	51,895	**83,054**
Return on total assets (ROA) (%)	21.2	16.6	31.0	43.1	45.5	50.3	87.4	**64.4**
Arcade Operations								
Net sales (million yen)	9,056	9,525	10,231	11,050	12,096	9,871	12,404	**15,609**
Operating income (million yen)	699	752	879	1,096	1,211	149	652	**1,227**
Operating margins (%)	7.7	7.9	8.6	9.9	10.0	1.5	5.3	**7.9**
Assets (million yen)	6,574	6,988	7,471	7,730	7,624	7,709	8,491	**9,879**
Return on total assets (ROA) (%)	10.6	10.8	11.8	14.2	15.9	1.9	7.7	**12.4**
Amusement Equipments								
Net sales (million yen)	13,343	16,856	7,803	3,422	6,533	7,090	5,749	**7,801**
Operating income (million yen)	2,812	5,106	(764)	(2,668)	2,085	2,407	2,348	**3,433**
Operating margins (%)	21.1	30.3	—	—	31.9	33.9	40.8	**44.0**
Assets (million yen)	12,314	16,169	10,002	6,420	13,100	6,346	7,651	**8,913**
Return on total assets (ROA) (%)	22.8	31.6	—	—	15.9	37.9	30.7	**38.5**
Other Businesses								
Net sales (million yen)	2,043	2,083	2,338	2,575	3,018	3,045	4,366	**4,360**
Operating income (million yen)	511	969	1,126	811	544	987	1,517	**1,433**
Operating margins (%)	25.0	46.5	48.2	31.5	18.0	32.4	34.7	**32.9**
Assets (million yen)	4,926	4,718	3,600	617	554	1,420	1,650	**2,253**
Return on total assets (ROA) (%)	10.4	20.5	31.3	131.4	98.2	69.5	91.9	**63.6**

*1. The PC Other sub-segment has been merged with Consumer as of FY3/20

Market Information

(Year)

	2016	2017	2018	2019	2020	2021	2022 (Estimate)	**2023** (Estimate)
Consumer Market (100 million USD)*2								
Package	109	112	109	134	126	110	93	**76**
Digital	103	132	190	217	303	320	286	**334**
Total	212	244	299	351	429	430	379	**410**
PC Market (100 million USD)*2								
North America	70	77	90	68	93	102	87	**83**
Europe	62	77	90	84	86	99	86	**86**
Asia	138	186	195	189	184	188	207	**204**
Other	38	43	39	42	56	55	48	**45**
Total	310	384	416	384	422	446	429	**419**
Mobile Contents Market (100 million USD)*2								
North America	100	113	175	219	302	358	319	**309**
Europe	47	60	87	107	144	162	139	**136**
Asia	276	354	421	510	647	652	616	**638**
Other	61	66	69	83	116	139	150	**188**
Total	485	594	753	920	1,211	1,312	1,226	**1,273**

(Years ended March 31)

	2016	2017	2018	2019	2020	2021	2022	**2023**
Arcade Operations Market (100 million yen)*3								
Market size	4,338	4,620	4,859	5,201	5,408	4,187	4,492	—
Number of Amusement Arcades (by number of machines) (stores)	14,862	14,154	13,103	12,167	12,212	9,998	10,061	—
Over 101 machines	5,603	5,263	4,879	3,640	5,354	3,893	3,536	—
51–100 machines	1,932	1,817	1,670	795	1,172	847	761	—
Below 50 machines	7,327	7,074	6,554	7,732	5,687	5,259	5,765	—
Gaming Machines Market (100 million yen)*4								
Pachinko	6,130	5,258	5,157	5,046	3,450	3,694	4,343	—
Pachislo	3,697	3,576	2,434	1,685	2,197	1,897	2,592	—
Total	9,827	8,834	7,591	6,731	5,647	5,591	6,935	—

*2. Source: International Development Group
*3. Source: JAMMA "Survey on the Amusement Industry"
*4. Source: Manufacturer sales base complied by Capcom using Pachinko Maker Trends (2021, 2022); Yano Research Institute Ltd.

Software Shipments

CAPCOM CO., LTD. and its consolidated subsidiaries. Years ended March 31

		2016	2017	2018	2019	2020	2021	2022	**2023**
Units Shipped by Platform (thousand units)									
PlayStation 3 PlayStation 4 PlayStation 5	SKU	19	16	14	21	8	4	13	**7**
	Sub total	3,500	4,700	8,250	6,500	3,300	2,750	3,750	**2,350**
PSP PS Vita	SKU	8	5	1	3	—	—	—	**—**
	Sub total	300	150	0	50	—	—	—	**—**
Wii, Wii U Nintendo Switch	SKU	—	—	7	17	8	1	5	**2**
	Sub total	100	0	1,100	1,950	1,150	3,650	3,600	**1,750**
Nintendo DS Nintendo 3DS	SKU	7	5	8	—	—	—	—	**—**
	Sub total	4,100	3,200	450	—	—	—	—	**—**
Xbox 360 Xbox One Xbox Series X|S	SKU	6	9	9	9	2	2	2	**2**
	Sub total	650	2,100	1,350	1,200	300	400	500	**250**
PC Other	SKU	4	6	2	3	1	—	1	**—**
	Sub total	250	250	350	300	200	150	150	**50**
Package total	SKU	44	41	41	53	19	7	21	**11**
	Sub total	8,900	10,400	11,500	10,000	4,950	6,950	8,000	**4,400**
Full-game download	SKU	1	1	9	8	16	7	3	**24**
	Sub total	6,100	9,000	12,900	15,300	20,550	23,150	24,600	**37,300**
Total	SKU	45	42	50	61	35	14	24	**35**
	Total	15,000	19,400	24,400	25,300	25,500	30,100	32,600	**41,700**

Game Series Sales

With a focus on delivering quality products to a wider audience base, Capcom has strived diligently to create innovative and exciting sequels to existing popular franchises to increase its user base and to strengthen its revenues. As always, we at Capcom will continue to strive to provide our customers with the best possible forms of innovative entertainment to increase customer satisfaction.

Dragon's Dogma

Number of Titles: **13**
Unit Sales: **7.4**



Lost Planet

Number of Titles: **17**
Unit Sales: **6.5**



Dead Rising

Number of Titles: **22**
Unit Sales: **15.0**



Okami

Number of Titles: **11**
Unit Sales: **3.9**



Sengoku BASARA

Number of Titles: **31**
Unit Sales: **4.1**



Monster Hunter

Number of Titles: **59**
Unit Sales: **92.0**



Ace Attorney

Number of Titles: **33**
Unit Sales: **10.0**



Devil May Cry

Number of Titles: **35**
Unit Sales: **29.0**



Onimusha

Number of Titles: **16**
Unit Sales: **8.6**



Dino Crisis

Number of Titles: **13**
Unit Sales: **4.4**



Marvel vs. Capcom

Number of Titles: **16**
Unit Sales: **10.0**



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Resident Evil

Number of Titles: **168**
Unit Sales: **142.0**



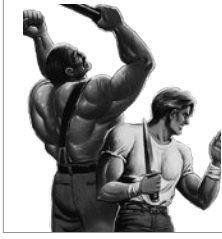
Breath of Fire

Number of Titles: **15**
Unit Sales: **3.3**



Final Fight

Number of Titles: **10**
Unit Sales: **3.2**



Street Fighter

Number of Titles: **94**
Unit Sales: **49.0**



Mega Man

Number of Titles: **158**
Unit Sales: **38.0**



Ghosts'n Goblins

Number of Titles: **18**
Unit Sales: **4.5**



Commando

Number of Titles: **2**
Unit Sales: **1.2**



1942

Number of Titles: **3**
Unit Sales: **1.4**



Unit Sales: million units
Year ended March 31, 2023

ESG Data

CAPCOM CO., LTD. and its consolidated subsidiaries. Years ended March 31

	2016	2017	2018	2019	2020	2021	2022	**2023**
Environmental (Non-consolidated)								
Emissions (Non-consolidated) (t)	14,892	15,285	15,021	14,152	13,004	11,779	12,628	**13,495**
Energy consumption per basic unit (Non-consolidated)*1	0.06193	0.06018	0.05994	0.05869	0.05583	0.05186	0.05497	**0.05918**
Year on year rate of change (%)	92.9	98.6	98.1	97.9	95.1	92.9	106.0	**107.7**
Social								
Number of employees	2,839	2,811	2,952	2,832	2,988	3,152	3,206	**3,332**
Number of employees (Non-consolidated)	2,114	2,194	2,426	2,530	2,688	2,841	2,904	**3,027**
Content developers	2,052	1,994	2,141	2,032	2,142	2,285	2,369	**2,460**
Number of female managers (Non-consolidated)	24	25	25	24	24	27	35	**29**
Ratio of female employees (%)	19	20	21	21	22	22	21	**21**
Number of non-Japanese employees (Non-consolidated)	91	99	107	124	162	192	191	**204**
Ratio of non-Japanese employees (%)	4.0	4.3	4.2	4.9	6.0	6.8	6.6	**6.7**
Number of onsite nursery school users	—	—	13	25	25	19	23	**24**
Number of employees who took childcare leave	24	26	25	33	23	34	41	**42**
Male	0	3	6	12	10	17	20	**30**
Female	24	23	19	21	13	17	21	**12**
Cumulative number of participants in senior tours*2	1,871	2,037	2,247	2,463	2,582	2,582	2,582	**2,754**
Cumulative number of regional vitalization projects	10	15	19	22	26	32	35	**39**
Number of educational support activities	55	58	40	29	32	14	32	**35**
Number of guest lectures held	18	28	17	15	10	13	32	**26**
Number of guestlecture participants	1,853	1,853	1,767	1,392	820	799	2,484	**1,347**
Governance								
Number of directors	10	12	11	11	11	10	11	**15**
Internal directors	5	6	6	6	6	5	6	**8**
External directors	5	6	5	5	5	5	5	**7**
Ratio of external directors (%)	50.0	50.0	45.5	45.5	45.5	50.0	45.5	**46.7**
Number of board of directors meetings held	14	15	15	10	10	10	10	**10**
Number of board of corporate audit and supervisory committee*3 meetings held	13	14	16	10	10	10	11	**10**

*1. Calculated using the method defined by the Agency for Natural Resources and Energy.
*2. The tours were suspended in FY2020 and FY2021 to help prevent the spread of COVID-19.
*3. Capcom transitioned from a company with a corporate auditor system to a company with an audit and supervisory committee on June 18, 2016.

Consolidated Statements of Income

	2016	2017	2018	2019	2020	2021	2022	2023 (million yen)	2023 (thousand USD)
Net sales	77,021	87,170	94,515	100,031	81,591	95,308	110,054	**125,930**	**946,844**
Cost of sales	47,175	56,438	59,895	62,809	40,643	42,567	48,736	**52,110**	**391,811**
Gross profit	29,846	30,731	34,619	37,222	40,947	52,741	61,317	**73,819**	**555,032**
Selling, general and administrative expenses	17,816	17,080	18,582	19,078	18,119	18,145	18,408	**23,006**	**172,983**
Operating income	12,029	13,650	16,037	18,144	22,827	34,596	42,909	**50,812**	**382,049**
Non-operating income									
Interest income	95	47	58	171	271	65	40	**396**	**2,983**
Dividend income	13	13	14	16	18	19	20	**24**	**182**
Exchange gain, net	—	—	—	362	—	611	716	**314**	**2,366**
Subsidy income	—	—	—	—	86	52	—	**—**	**—**
Compensation for damage	—	—	—	—	—	130	—	**—**	**—**
Gain on liquidation of subsidiaries	—	—	—	—	—	—	761	**—**	**—**
Other	195	130	145	422	104	155	320	**128**	**968**
Total	304	192	219	974	480	1,035	1,859	**864**	**6,500**
Non-operating expenses									
Interest expense	119	141	103	80	74	72	49	**44**	**334**
Commision fees	59	44	64	69	69	46	—	**—**	**—**
Additionally paid retirement benefits	—	117	112	601	—	—	197	**—**	**—**
Litigation expenses	—	—	—	—	—	—	92	**71**	**536**
Commission for purchase of treasury stock	—	—	—	—	—	—	—	**25**	**192**
Office transfer expenses	—	63	254	—	—	—	—	**—**	**—**
Exchange losses, net	752	746	407	—	93	—	—	**—**	**—**
Loss on liquidation of subsidiaries	—	—	—	—	—	452	—	**—**	**—**
Other	55	141	59	173	113	214	101	**165**	**1,245**
Total	985	1,253	1,002	924	350	786	439	**307**	**2,309**
Ordinary income	11,348	12,589	15,254	18,194	22,957	34,845	44,330	**51,369**	**386,240**
Special losses	197	99	104	423	67	16	8	**225**	**1,698**
Net income before income taxes	11,150	12,489	15,149	17,770	22,890	34,828	44,322	**51,143**	**384,541**
Income taxes-current	6,377	1,832	4,617	6,603	8,472	10,084	10,987	**16,895**	**127,031**
Income taxes-deferred	(2,972)	1,777	(405)	(1,385)	(1,531)	(179)	780	**(2,488)**	**(18,712)**
Total	3,405	3,610	4,212	5,218	6,941	9,905	11,768	**14,406**	**108,318**
Net income	7,745	8,879	10,937	12,551	15,949	24,923	32,553	**36,737**	**276,222**
Net income attributable to owners of the parent	7,745	8,879	10,937	12,551	15,949	24,923	32,553	**36,737**	**276,222**

Consolidated Statements of Comprehensive Income

	2016	2017	2018	2019	2020	2021	2022	2023 (million yen)	2023 (thousand USD)
Net income	7,745	8,879	10,937	12,551	15,949	24,923	32,553	**36,737**	**276,222**
Other comprehensive income									
Net unrealized gain or loss on securities, net of tax	(168)	105	31	(112)	(133)	163	43	**1**	**14**
Cumulative translation adjustments	(1,494)	(262)	(601)	428	(592)	1,295	1,900	**2,442**	**18,365**
Adjustments for retirement benefits, net of tax	9	(38)	21	20	34	17	(60)	**(5)**	**(41)**
Total other comprehensive income	(1,653)	(196)	(548)	336	(691)	1,476	1,883	**2,439**	**18,338**
Comprehensive income	6,092	8,683	10,389	12,888	15,257	26,400	34,437	**39,176**	**294,561**
Comprehensive income attributable to									
Owners of the parent	6,092	8,683	10,389	12,888	15,257	26,400	34,437	**39,176**	**294,561**
Non-controlling interests	—	—	—	—	—	—	—	**—**	**—**

Consolidated Balance Sheets

Assets

	2016	2017	2018	2019	2020	2021	2022	(million yen) 2023	(thousand USD) 2023
Assets									
Current assets									
Cash on hand and in banks	28,429	24,537	46,539	53,004	65,657	71,239	107,262	**102,116**	**767,794**
Notes and accounts receivable-trade	9,879	20,175	12,930	13,970	15,959	25,096	—	**—**	**—**
Notes - trade	—	—	—	—	—	—	528	**116**	**875**
Accounts receivable - trade	—	—	—	—	—	—	7,404	**24,981**	**187,830**
Merchandise and finished goods	1,704	1,583	1,102	1,182	1,557	2,005	1,378	**1,440**	**10,831**
Work in progress	2,085	2,040	1,349	734	883	897	819	**1,006**	**7,568**
Raw materials and supplies	1,954	2,040	1,616	538	258	850	198	**454**	**3,418**
Work in progress for game software	24,825	30,150	25,635	16,926	21,222	24,443	31,192	**38,510**	**289,553**
Deferred tax assets	3,382	2,495	3,201	—	—	—	—	**—**	**—**
Other	3,673	2,478	3,371	4,518	3,320	2,896	2,536	**2,776**	**20,875**
Allowance for doubtful accounts	(18)	(21)	(34)	(58)	(31)	(37)	(8)	**(1)**	**(8)**
Total current assets	75,917	85,480	95,712	90,817	108,829	127,391	151,312	**171,402**	**1,288,738**
Fixed assets									
Tangible fixed assets, net of accumulated depreciation									
Buildings and structures, net	11,297	11,004	11,106	10,845	10,644	10,666	10,485	**10,423**	**78,373**
Machinery and vehicles, net	23	16	10	24	14	11	24	**21**	**164**
Tools, fixtures and furniture, net	1,875	1,932	1,840	1,377	1,445	1,401	1,977	**1,715**	**12,897**
Equipment for amusement facilities, net	1,342	1,616	1,565	1,821	1,879	1,628	2,213	**2,973**	**22,359**
Land	5,234	5,234	5,234	5,235	5,235	5,235	5,235	**8,953**	**67,317**
Leased assets, net	1,042	835	668	718	1,118	1,141	1,112	**1,399**	**10,523**
Construction in progress	8	128	371	336	509	1,230	157	**475**	**3,575**
Other, net	—	—	—	—	—	—	—	**1,982**	**14,908**
Total tangible fixed assets	20,825	20,768	20,797	20,359	20,847	21,316	21,206	**27,945**	**210,120**
Intangible assets	8,135	2,843	725	432	351	1,229	1,747	**1,630**	**12,259**
Investments and other assets									
Investments in securities	454	574	625	576	415	589	637	**735**	**5,533**
Claims in bankruptcy and reorganization	65	67	19	19	19	19	12	**12**	**91**
Lease deposits	3,867	3,920	4,034	3,979	4,134	4,140	4,266	**4,593**	**34,535**
Deferred tax assets	2,952	4,311	2,782	6,420	7,906	8,089	7,389	**9,849**	**74,054**
Other	916	1,003	900	834	996	969	819	**1,219**	**9,165**
Allowance for doubtful accounts	(78)	(72)	(24)	(32)	(32)	(32)	(25)	**(22)**	**(170)**
Total investments and other assets	8,179	9,804	8,338	11,798	13,438	13,775	13,099	**16,387**	**123,211**
Total fixed assets	37,140	33,417	29,861	32,590	34,636	36,321	36,053	**45,963**	**345,591**
Total assets	113,057	118,897	125,573	123,407	143,466	163,712	187,365	**217,365**	**1,634,329**

Liabilities and Net Assets

	2016	2017	2018	2019	2020	2021	2022	(million yen) 2023	(thousand USD) 2023
Liabilities									
Current liabilities									
Notes and accounts payable-trade	4,053	2,288	2,625	3,988	3,461	2,820	2,325	**3,357**	**25,245**
Electronically recorded monetary obligations	888	4,886	839	1,153	2,383	882	1,276	**2,172**	**16,338**
Short-term borrowings	1,497	9,323	1,473	—	—	—	—	**3,591**	**27,000**
Current portion of long-term borrowings	—	—	—	1,579	4,129	727	626	**3,626**	**27,265**
Lease obligations	525	502	392	406	502	594	501	**919**	**6,916**
Accrued income taxes	6,470	1,580	4,453	4,251	5,612	6,957	6,010	**12,145**	**91,315**
Deferred tax liabilities	40	2,308	766	—	—	—	—	**—**	**—**
Accrued bonuses	2,080	2,263	2,866	3,089	3,130	4,056	4,014	**5,727**	**43,060**
Deferred revenue	—	—	—	1,583	7,642	6,673	8,932	**5,455**	**41,019**
Other	6,799	6,840	13,618	7,159	9,000	9,878	7,055	**9,048**	**68,030**
Total current liabilities	22,355	29,994	27,037	23,212	35,863	32,590	30,742	**46,043**	**346,192**
Long-term liabilities									
Long-term borrowings	11,111	6,788	8,315	6,735	2,606	4,878	4,252	**626**	**4,707**
Lease obligations	601	399	329	369	690	630	718	**2,992**	**22,503**
Deferred tax liabilities	18	29	23	6	4	1	20	**0**	**2**
Liabilities for retirement benefits for employees	2,323	2,596	2,819	3,004	3,212	3,468	3,802	**4,139**	**31,121**
Provision for share awards	—	—	—	—	—	—	—	**1,018**	**7,661**
Asset retirement obligations	502	509	501	571	656	671	718	**885**	**6,661**
Other	975	805	1,127	758	697	676	634	**529**	**3,982**
Total long-term liabilities	15,532	11,128	13,115	11,445	7,868	10,327	10,147	**10,193**	**76,640**
Total liabilities	37,888	41,122	40,152	34,658	43,731	42,918	40,890	**56,236**	**422,832**
Net assets									
Shareholders' equity									
Common stock	33,239	33,239	33,239	33,239	33,239	33,239	33,239	**33,239**	**249,919**
Capital surplus	21,328	21,328	21,328	21,328	21,329	21,329	21,329	**30,259**	**227,511**
Retained earnings	39,297	45,402	53,602	62,595	74,275	93,861	117,661	**143,519**	**1,079,091**
Treasury stock	(18,145)	(21,448)	(21,454)	(27,456)	(27,458)	(27,461)	(27,464)	**(50,037)**	**(376,224)**
Total shareholders' equity	75,719	78,521	86,716	89,708	101,385	120,967	144,765	**156,979**	**1,180,298**
Accumulated other comprehensive income									
Net unrealized gain or loss on securities, net of tax	2	107	139	26	(106)	56	100	**102**	**769**
Cumulative translation adjustments	(278)	(541)	(1,142)	(713)	(1,306)	(10)	1,889	**4,332**	**32,573**
Accumulated adjustments for retirement benefits	(274)	(313)	(292)	(271)	(237)	(219)	(279)	**(285)**	**(2,144)**
Total accumulated other comprehensive income	(550)	(747)	(1,295)	(958)	(1,650)	(173)	1,710	**4,149**	**31,198**
Total net assets	75,168	77,774	85,421	88,749	99,735	120,794	146,475	**161,129**	**1,211,496**
Total liabilities and net assets	113,057	118,897	125,573	123,407	143,466	163,712	187,365	**217,365**	**1,634,329**

"Other" in Current liabilities includes "Asset retirement obligations" for the fiscal year ended March 31, 2016.

Consolidated Statements of Cash Flows

	2016	2017	2018	2019	2020	2021	2022	(million yen) 2023	(thousand USD) 2023
Cash flows from operating activities									
Net income before income taxes	11,150	12,489	15,149	17,770	22,890	34,828	44,322	**51,143**	**384,541**
Depreciation and amortization	5,712	5,980	4,706	3,228	2,795	2,791	3,385	**3,438**	**25,853**
Impairment loss	105	—	—	393	—	—	—	**190**	**1,430**
Increase (decrease) in allowance for doubtful accounts	(38)	(1)	(36)	32	(25)	5	(36)	**(9)**	**(74)**
Increase (decrease) in accrued bonuses	263	186	604	223	49	912	(68)	**1,690**	**12,714**
Increase (decrease) in liabilities for retirement benefits for employees	264	204	253	214	258	281	247	**328**	**2,470**
Increase (decrease) in provision for share awards	—	—	—	—	—	—	—	**1,020**	**7,675**
Interest and dividend income	(109)	(61)	(71)	(189)	(289)	(85)	(61)	**(420)**	**(3,165)**
Interest expenses	119	141	103	80	74	72	49	**44**	**334**
Exchange (gain) loss, net	60	18	134	(127)	180	(37)	(265)	**(477)**	**(3,590)**
Loss on sales and/or disposal of fixed assets	92	99	104	30	62	16	8	**35**	**268**
Decrease (increase) in accounts receivable - trade	(2,208)	(10,393)	7,059	(858)	(2,117)	(9,028)	17,208	**(17,155)**	**(128,992)**
Decrease (increase) in inventories	(1,651)	158	1,588	1,621	(256)	(997)	1,383	**(500)**	**(3,764)**
Decrease (increase) in online contents in progress	1,479	(704)	—	—	—	—	—	**—**	**—**
Decrease (increase) in work in progress for game software	(8,778)	(2,266)	4,069	8,876	(4,293)	(3,213)	(6,744)	**(7,320)**	**(55,040)**
Increase (decrease) in notes and accounts payable - trade	935	2,280	(3,690)	1,665	749	(2,233)	(180)	**1,869**	**14,058**
Increase (decrease) in deferred revenue	—	—	—	—	6,107	(1,077)	2,008	**(3,729)**	**(28,039)**
Other*	(2,087)	1,659	6,320	(7,286)	2,418	527	(3,160)	**2,104**	**15,820**
Subtotal	5,309	9,792	36,296	25,675	28,605	22,761	58,094	**32,252**	**242,500**
Interests and dividends received	130	62	73	191	265	99	58	**277**	**2,082**
Interests paid	(120)	(140)	(101)	(81)	(75)	(72)	(49)	**(41)**	**(314)**
Income taxes paid	(972)	(6,513)	(1,546)	(5,938)	(6,515)	(8,162)	(11,155)	**(10,698)**	**(80,436)**
Net cash provided by operating activities	4,347	3,200	34,721	19,847	22,279	14,625	46,947	**21,789**	**163,832**

* "Other," under cash flows from operating activities, includes Decrease (increase) in other current assets and Increase (decrease) in other current liabilities for the fiscal years ended March 31, 2016 and March 31, 2017.

	2016	2017	2018	2019	2020	2021	2022	(million yen) 2023	(thousand USD) 2023
Cash flows from investing activities									
Payments into time deposits	—	(200)	—	—	(6,019)	(13,742)	(21,297)	**(25,302)**	**(190,246)**
Proceeds from withdrawal of time deposits	4,205	—	—	—	—	12,660	17,980	**25,441**	**191,290**
Payment for acquisition of tangible fixed assets	(5,813)	(3,074)	(2,767)	(2,093)	(2,273)	(2,305)	(2,950)	**(7,103)**	**(53,412)**
Proceeds from sales of tangible fixed assets	4	5	0	4	0	1	2	**4**	**37**
Payment for acquisition of intangible assets	(290)	(253)	(150)	(112)	(65)	(817)	(1,117)	**(312)**	**(2,346)**
Payment for purchase of investments in securities	(13)	(13)	(13)	(14)	(10)	(15)	(16)	**(17)**	**(128)**
Proceeds from sales of investments in securities	—	—	—	—	3	—	—	**—**	**—**
Payment for other investing activities	(113)	(222)	(259)	(182)	(213)	(51)	(240)	**(427)**	**(3,215)**
Proceeds from other investing activities	380	131	343	138	140	37	213	**37**	**283**
Net cash used in investing activities	(1,639)	(3,628)	(2,847)	(2,261)	(8,437)	(4,233)	(7,426)	**(7,679)**	**(57,737)**
Cash flows from financing activities									
Net (decrease) increase in short-term borrowings	—	5,000	(5,000)	—	—	—	—	**3,591**	**27,000**
Proceeds from long-term borrowings	2,500	—	—	—	—	3,000	—	**—**	**—**
Repayments of long-term borrowings	(883)	(1,497)	(1,323)	(1,473)	(1,579)	(4,129)	(727)	**(626)**	**(4,709)**
Repayments of lease obligations	(496)	(535)	(509)	(414)	(505)	(500)	(504)	**(935)**	**(7,035)**
Payment for repurchase of treasury stock	(5)	(3,302)	(5)	(6,001)	(1)	(3)	(2)	**(13,645)**	**(102,599)**
Dividends paid by parent company	(2,228)	(2,794)	(2,738)	(3,554)	(4,265)	(5,331)	(8,745)	**(10,868)**	**(81,717)**
Net cash used in financing activities	(1,115)	(3,130)	(9,577)	(11,443)	(6,351)	(6,965)	(9,980)	**(22,485)**	**(169,062)**
Effect of exchange rate change on cash and cash equivalents	(1,160)	(533)	(96)	323	(823)	944	2,050	**2,209**	**16,613**
Net change in cash and cash equivalents	431	(4,091)	22,201	6,464	6,667	4,371	31,592	**(6,165)**	**(46,353)**
Cash and cash equivalents at beginning of year	27,998	28,429	24,337	46,539	53,004	59,672	64,043	**95,635**	**719,067**
Cash and cash equivalents at end of year	28,429	24,337	46,539	53,004	59,672	64,043	95,635	**89,470**	**672,713**

Consolidated Statements of Changes in Net Assets

Previous fiscal year (April 1, 2021 to March 31, 2022) (million yen)	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2021	33,239	21,329	93,861	(27,461)	120,967
Changes of items during the fiscal year					
Cash dividends			(8,753)		(8,753)
Net income attributable to owners of the parent			32,553		32,553
Repurchase of treasury stock				(2)	(2)
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	0	23,799	(2)	23,797
Balance as of March 31, 2022	33,239	21,329	117,661	(27,464)	144,765

Previous fiscal year (April 1, 2021 to March 31, 2022) (million yen)	Accumulated other comprehensive income				Total net assets
	Net unrealized gain on securities, net of tax	Cumulative translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance as of April 1, 2021	56	(10)	(219)	(173)	120,794
Changes of items during the fiscal year					
Cash dividends					(8,753)
Net income attributable to owners of the parent					32,553
Repurchase of treasury stock					(2)
Disposal of treasury stock					0
Net changes of items other than shareholders' equity	43	1,900	(60)	1,883	1,883
Total changes of items during the fiscal year	43	1,900	(60)	1,883	25,681
Balance as of March 31, 2022	100	1,889	(279)	1,710	146,475

Current fiscal year (April 1, 2022 to March 31, 2023) (million yen)	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2022	**33,239**	**21,329**	**117,661**	**(27,464)**	**144,765**
Changes of items during the fiscal year					
Cash dividends			**(10,879)**		**(10,879)**
Net income attributable to owners of the parent			**36,737**		**36,737**
Repurchase of treasury stock				**(27,465)**	**(27,465)**
Disposal of treasury stock		**11,905**		**1,915**	**13,821**
Cancellation of treasury stock		**(2,976)**		**2,976**	**—**
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	**—**	**8,929**	**25,858**	**(22,573)**	**12,214**
Balance as of March 31, 2023	**33,239**	**30,259**	**143,519**	**(50,037)**	**156,979**

Current fiscal year (April 1, 2022 to March 31, 2023) (million yen)	Accumulated other comprehensive income				Total net assets
	Net unrealized gain on securities, net of tax	Cumulative translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance as of April 1, 2022	**100**	**1,889**	**(279)**	**1,710**	**146,475**
Changes of items during the fiscal year					
Cash dividends					**(10,879)**
Net income attributable to owners of the parent					**36,737**
Repurchase of treasury stock					**(27,465)**
Disposal of treasury stock					**13,821**
Cancellation of treasury stock					**—**
Net changes of items other than shareholders' equity	**1**	**2,442**	**(5)**	**2,439**	**2,439**
Total changes of items during the fiscal year	**1**	**2,442**	**(5)**	**2,439**	**14,653**
Balance as of March 31, 2023	**102**	**4,332**	**(285)**	**4,149**	**161,129**

Current fiscal year (April 1, 2022 to March 31, 2023) (thousand USD)	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2022	**249,919**	**160,369**	**884,670**	**(206,496)**	**1,088,463**
Changes of items during the fiscal year					
Cash dividends			**(81,801)**		**(81,801)**
Net income attributable to owners of the parent			**276,222**		**276,222**
Repurchase of treasury stock				**(206,509)**	**(206,509)**
Disposal of treasury stock		**89,518**		**14,405**	**103,923**
Cancellation of treasury stock		**(22,376)**		**22,376**	**—**
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	**—**	**67,141**	**194,421**	**(169,727)**	**91,835**
Balance as of March 31, 2023	**249,919**	**227,511**	**1,079,091**	**(376,224)**	**1,180,298**

Current fiscal year (April 1, 2022 to March 31, 2023) (thousand USD)	Accumulated other comprehensive income				Total net assets
	Net unrealized gain or loss on securities, net of tax	Cumulative translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance as of April 1, 2022	**754**	**14,208**	**(2,103)**	**12,859**	**1,101,322**
Changes of items during the fiscal year					
Cash dividends					**(81,801)**
Net income attributable to owners of the parent					**276,222**
Repurchase of treasury stock					**(206,509)**
Disposal of treasury stock					**103,923**
Cancellation of treasury stock					**—**
Net changes of items other than shareholders' equity	**14**	**18,365**	**(41)**	**18,338**	**18,338**
Total changes of items during the fiscal year	**14**	**18,365**	**(41)**	**18,338**	**110,174**
Balance as of March 31, 2023	**769**	**32,573**	**(2,144)**	**31,198**	**1,211,496**

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