

The 45th Ordinary General Meeting of Shareholders
Summary of Shareholder Comments Received Prior to the Meeting,
Q&A, and Comments

Q Given your PBR (price to book ratio) and PER (price to earnings ratio), do you feel the current share price is appropriate? Isn't there more the company could do, so the share price isn't simply left to the market? With that in mind, shouldn't you consider a share buyback?

A We closely monitor the share price on an ongoing basis and strive to meet with primarily institutional investors daily in addition to proactively disclosing corporate information in order to ensure the market has an accurate understanding of our management strategy. From that perspective, on March 6 we announced both a stock split and our policy on the June 2024 dividend. Regarding share buybacks, we typically will engage in these after comprehensively considering several factors, including our cash position, the market's understanding of our management strategy, as well as the share price. Going forward we will work toward an appropriate valuation by continuing and strengthening these activities.

Q Have you considered offering shareholder benefits for long-term investors?

A We currently do not offer shareholder benefits; however, we are grateful for your opinion and will take this matter into consideration.

Q How has Capcom addressed the issues of discrimination and diversity in game development?

A As an entertainment company, we create games with the belief that respect for human rights and the realization of a satisfying life are important, and exchange opinions with our various global subsidiaries when necessary.

Q You've submitted a female candidate for external director, however all your internal directors are male. Please tell me what you are doing to increase the ratio of female managers internally.

A Regarding diversity of our board of directors, we select director candidates who are able to oversee management of the company and offer appropriate advice, while considering the skills and characteristics required in accordance with our management strategy, and the balance of each individual's career history, insight, and experience. Also note that, while our internal directors are currently all male, in addition to women, going forward we will also consider non-Japanese directors. Regarding female managers, currently 21.2% of employees are female and 13.6% of our core talent is female. We are aiming to bring the percentage of female managers up to 15%. Looking ahead, we believe we will be able to see more female directors by broadening our scope and increasing the ratio of female managers.

Q Tell me the background of how Capcom became an official sponsor of the Japan Volleyball Association.

A Capcom entered into an agreement to become an official sponsor of the Japan Volleyball Association as it shares in the organization's goal of contributing to the healthy development of children and young people as well as to the mental and physical growth of the nation. Further, from the standpoint of being a responsible corporate citizen, Capcom supports the promotion of local communities, sports, culture, and the arts.

Q What factors drive Capcom's annual operating profit growth?

A Capcom is outfitted with world-class, cutting-edge development facilities and owns a wealth of globally popular IPs. We continue to strive for ongoing operating profit growth, and will increase the number of Consumer game unit sales by promoting global expansion and digital sales via enhanced digital marketing.

Q In the past, this was a highly volatile industry where a new release in one fiscal year would drive large earnings growth, with a comparative drop in earnings in the next fiscal year. Recently however, we no longer see this pattern in Capcom's earnings. Further, the company has achieved increased operating profit of over 10% each year. What has driven this?

A In the past, we primarily sold games at physical retail stores, where we would typically sell a new game that was placed on the limited space of stores shelves for a period of approximately six months. However, accompanying the digital shift, in recent years game makers have become able to sell games directly online, which allows us to carry out pricing strategies as well as discounts on past series titles in conjunction with the launch of a new release. Thanks to this, unit sales continue to grow even today for titles such as *Resident Evil 7 biohazard*, which was released seven years ago, as well as for *Monster Hunter: World*, which was released six years ago. Further, we thoroughly manage our medium-term development schedule by maintaining a 5-year development map that enables us to effectively time the release of new titles. This has led us to think that the game industry overall has shifted to one of low volatility due to a change in our business model, via which we can continue to sell games over the long term as the ratio of digital title sales increases.

Q It seems like you have few noteworthy new titles this year. How do you plan to execute on your sales strategy this fiscal year specifically?

A For the past nine fiscal years we have delivered at least 10% operating profit growth each year regardless of the number of new title releases. One factor behind this has been the increase of global unit sales for new and catalog titles combined. This year we are targeting a 9% year-over-year increase in unit sales volume, from last fiscal's 45.89 million units to this year's 50 million units. Going forward we look to achieve our forecast by carrying out

activities to increase brand awareness and via pricing strategies.

Q Wouldn't you be able to capture more profit by bumping up the release date of the next *Monster Hunter* title, currently scheduled for 2025, to the December 2024 holiday season?

A We plan to announce the release timing for the latest *Monster Hunter* title once preparations are complete. We hope you are looking forward to it. We remain committed to achieving our goal of 10% or better operating profit growth each fiscal year.

Q Tell me about your progress on the REX ENGINE, the successor to your proprietary RE ENGINE.

A We are updating development with the aim of improving efficiency and achieving photo-real graphics technology. We hope you look forward to future announcements regarding specific titles.

Q The ratio of physical game sales is decreasing as end user needs for digital is increasing. What is your outlook on physical games and the company's policy regarding this?

A Given that a significant number of end users demand physical games we currently do not expect to eliminate physical products.

Q *Street Fighter 6* was released last year and requires hardware such as a gaming PC or PlayStation 5, and since the price of home video game consoles has drastically increased it follows that only wealthy consumers can purchase it. In the past it was possible to enjoy these sorts of games in arcades; what approach are you taking to grow your user base of younger people globally?

A As we are in the business of selling video game software, we will refrain from commenting on the price of hardware. Regarding game software, we are working to capture new users globally by offering our catalog of past games at affordable prices, among other methods. We are also working to expand arcade games into stores in our Arcade Operations business as well as in other company's stores.

Q You launched *Street Fighter 6* last year and have reported unit sales for the base game, however what about unit sales for DLC (additional downloadable content)? Also, with respect to net sales for DLC, tell me about how much profit is being made in contrast to the annual cost for maintaining the *Street Fighter 6* team.

A We have not disclosed the costs and profit related to individual titles before and as such I would ask for your understanding as we are unable to provide an answer with the specifics in this case as well. In the previous fiscal year, *Street Fighter 6* significantly contributed to profit. In providing DLC, our objective is for players to enjoy their purchase for a long period of time,

which we hope leads to increased user satisfaction. We believe that players enjoying games for longer periods of time connects to stable reviews from the market and capturing new players, and as such is helpful in strengthening brands.

Q On release, *Dragon's Dogma 2* suffered from in game issues and was criticized by some players. How will you address this going forward?

A This title sold approximately 2.6 million units in fiscal year 2023; we are overall satisfied with this performance and expect the game to contribute to catalog sales in fiscal year 2024. However, we take the opinions and requests from players regarding the game's specifications seriously and are working to address them while respecting the worldview of the game.

Q You have announced *Monster Hunter Wilds* for PlayStation 5, Xbox Series X|S, and PC, but not for portable platforms like the Nintendo Switch. Will this game be limited to these non-portable consoles?

A One concept we've incorporated into this title is aiming to portray the maximum of the world of *Monster Hunter* by utilizing the latest technology to its limit. To that end, the platforms capable of realizing that concept are currently the PlayStation 5, Xbox Series X|S, and PC. Going forward, we will provide more thorough details regarding these concepts and themes when we release information on the game. We hope you look forward to it.

Q I've heard that *Monster Hunter Wilds* will support cross-platform play, however in order for players to be able to enjoy the game with peace of mind I would like you make an announcement on how you will handle cheating and mods (player-made modifications to the game).

A Thank you for your valuable opinion. This title will support cross-platform play. We ask that you please wait for further details regarding this.

Q Please tell me what plans you have for the *Mega Man* series.

A *Mega Man* is one of our highly-valued IPs and we are considering how to create games for it on an ongoing basis.

Q I was very happy to see you announce *Marvel vs. Capcom Fighting Collection: Arcade Classics* recently. I would like you to consider releasing more past titles for current-generation platforms as much as possible going forward as well.

A Thank you for your valuable opinion. We will continue to consider future projects so that a wide range of players can enjoy them around the world.

Q Tell me what plans you have for titles like *Toraware no Paruma* and *Ace Attorney Investigations*.

A We will continue to consider future projects for these titles so that a wide range of players can enjoy them around the world.

Q Capcom's abundance of adventure games works to its advantage in terms of differentiation from other companies and playing to the company's unique characteristics, however I would like you to consider trying something new such as creating a game that provides a cozy, heartwarming experience.

A Thank you for your valuable opinion. We will continue to consider future projects so that a wide range of players can enjoy them around the world.

Q Will the results of the Capcom Super Elections influence what titles you develop in the future? I would like you to consider releasing new titles in popular series, not just remakes of existing games.

A We value all our IPs and are thinking of ways to utilize them not only in games but in other media as well. As games, we think the gameplay and specific appeal that an IP holds are important and we take a multifaceted approach to our games, including not only new titles and remakes, but also ports and collections as well. Going forward we will continue to consider how to leverage our IPs, working so that a wide range of players can enjoy these games worldwide. Thank you for your valuable opinion.

Q In working to use your IPs across your different business, what are your policies and plans for movies and television shows?

A We currently sell our content in 235 different countries and regions worldwide. We are strategically investing in movies and television shows as a source of long-term growth because we believe them to be effective as a way to introduce the appeal of our IPs and the fun of games to people who have never played games before. The self-financed *Street Fighter* movie that we released in 1994 still earns tens of millions of yen each year even today. Self-producing projects will be necessary in order for our Media business to be profitable, and as such we are currently working to establish the human resources and system for that.

Q Last year's launch of *Street Fighter 6* and its roll out into eSports generated more excitement than ever before, however the eSports business on its own doesn't seem to be profitable. What are your thoughts on future expansion for the eSports business?

A Excitement for eSports domestically last year reached new heights. Going forward we will continue expanding eSports overseas and look to make this business profitable over the long

term. Further, we look to reignite a fighting game boom, and will hold the championship tournament of the Capcom Pro Tour at the *Ryogoku Kokugikan* arena in Japan. Please look forward to it.

Q It doesn't seem like you are working on anything with the Capcom ID. What are your plans for this going forward?

A Thank you for your opinion regarding the underutilization of the Capcom ID. We will work to address this.

Q I would like you to make the video presentation shown at the Annual General Meeting available to view afterwards as well.

A We make a video of the Annual General Meeting available on our website in order for shareholders who were unable to attend the meeting to be able to view the meeting's content. The video will be available on our website on June 25. Please enjoy watching it.

Q The accuracy of the subtitles displayed on the video were poor. Can you do something about this?

A We carry out a number of activities in order for shareholders with disabilities to be able to participate in the Annual General Meeting. As part of these activities, we implemented audio-generated captions on the video stream of our virtual shareholders meeting this year for shareholders who cannot hear or who have trouble hearing. These captions were generated in real time which led to instances where some were not displayed accurately. Going forward we will continue to work so that a greater number of shareholders are able to participate in the Annual General Meeting.