

Translation: Please note that the following purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of investors outside Japan. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

TSE Code: 9697 ISIN: JP3218900003 SEDOL: 6173694 JP

June 6, 2005

To: Shareholders

Notice of Convocation of the 26th Ordinary General Meeting of Shareholders

We are pleased to inform you that the 26th Ordinary General Meeting of Shareholders of the Company will be held as described below. Your presence at the Meeting is cordially requested.

In the event you are unable to attend the aforesaid Meeting, please study the Reference Document Concerning Exercise of Voting Right stated below and indicate your approval or disapproval of the Proposals listed on the Voting Right Exercise Form enclosed herewith, and kindly return to the Company the written Form after affixing your seal thereto.

Yours faithfully,

CAPCOM Co., Ltd.
1-3, Uchihirano-machi 3-chome
Chuo-ku, Osaka

By: Kenzo Tsujimoto
President and
Representative Director

When you attend the meeting in person, please submit the Voting Right Exercise Form enclosed herewith to the receptionist at the place of the meeting.

(note)

Your vote is important. We will appreciate your participation in the meeting through providing instruction to your custodians, brokers, nominees, voting agents or other authorized intermediaries to process your vote as soon as possible. We look forward to receiving your vote.

Particulars

1. Date & Time: June 21, 2005 (Tuesday) 10:00 a.m.
2. Place: Osaka Castle Hotel, 6F Hall
1-1, Tenmabashikyomachi Chuo-ku, Osaka
3. Agenda:

Matters to be reported:

- 1 Report on the Business Report, Consolidated Balance Sheets, Consolidated Statements of Income, and Non-Consolidated Balance Sheets and Non-Consolidated Statements of Income for the 26th Fiscal Year (from April 1, 2004 to March 31, 2005);
- 2 Report on the Results of Audit for Consolidated Financial Statements for the 26th Fiscal Year (from April 1, 2004 to March 31, 2005) by the Accounting Auditor and the Board of Corporate Auditors;
- 3 Report on the Share Buyback upon Resolution of the Board of Directors, Under Authorization of the Articles of Incorporation.

Matters to be resolved:

- First proposal: Approval of Proposed Appropriation of Retained Earnings for the 26th fiscal year**
- Second proposal: Election of Eight (8) Directors.**
- Third proposal: Presentation of Retirement Gratuity to Director to Resign**

Reference Document Concerning the Exercise of Voting Rights

1. **Total number of voting rights held by all shareholders:** 545,786 rights

2. **Proposals and reference matters:**

First proposal: Approval of Proposed Appropriation of Retained Earnings for the 26th fiscal year.

The details of the proposal are stated in the page 23 (English Translation: page 6) of the attached documents.

The Company considers returning profits to the shareholders is one of the important management issues. Its fundamental dividend policy is to provide a stable and continued dividend to the shareholders, taking into account the future business development and changes in operating circumstances.

The business results of the Company for the fiscal year under review recovered owing to a positive outcome of the structural reform.

Therefore, the Company proposes that a year-end dividend be ¥10 per share, the same level of the previous fiscal year, in the light of strengthening the financial structure by increasing the internal reserve, among others, from a long-term viewpoint.

Since the interim dividend of ¥10 per share has been already paid, the annual dividend is ¥20 per share in total.

Second proposal: Election of Eight (8) Directors

The term of office for all seven (7) Directors in office will expire at the closing of this Ordinary General Meeting. You are requested to elect eight (8) Directors.

Messrs. Kyoji Kitamura, Koichi Hori and Masanao Iechika are candidates for outside Directors prescribed under Article 188, Section 2, Paragraph 7-2 of the Commercial Code of Japan.

Candidates for Directors are as follows:

Candi- -date No.	Name (Date of Birth)	Resume Status as other company's representatives, if any	Number of shares of the Company Held
1	Kenzo Tsujimoto (December 15, 1940)	June 1983: Representative Director of the former CAPCOM Co., Ltd. July 1985: President and Representative Director of the Company (to present) Apr. 2001: Chief Executive Officer (CEO) of the Company (to present) (Status as other company's representative) *Director of KENZO LIMITED	2,900,690 shares

2	Haruhiro Tsujimoto (October 19, 1964)	<p>Apr. 1987: entered into the Company</p> <p>June 1997: Director of the Company</p> <p>Feb. 1999: Managing Director of the Company</p> <p>Apr. 2001: Senior Managing Director and Chief Operating Officer of Sales of the Company (COO)</p> <p>July 2004: Director and Executive Corporate Officer, (COO) and Head of Sales and Marketing of the Company</p> <p>Apr. 2005: Director and Executive Corporate Officer, (COO) and Head of Development, Home Video Games Business Strategies, Character Contents Business of the Company (to present)</p>	1,545,550 shares
3	Tamio Oda (August 28, 1946)	<p>Apr. 1969: entered into The Sanwa Bank Co., Ltd. (Currently UFJ Bank Limited)</p> <p>June 1991: Managing Director of Uni Charm Corporation</p> <p>June 1997: Branch Manager of Nakanoshima Branch of the said bank</p> <p>June 1999: Managing Director of Daisue Construction Co., Ltd.</p> <p>May 2001: Advisor of the Company</p> <p>June 2001: Director of the Company</p> <p>June 2003: Managing Director of the Company</p> <p>July 2004: Director, Executive Corporate Officer, Chief Financial Officer (CFO) and Head of Corporate Strategies, Administration, President Office, Affiliated Companies' Management of the Company (to present)</p>	1,000 shares
4	Hiroshi Tobisawa (June 10, 1946)	<p>Aug. 1997: entered into the Company</p> <p>Apr. 1998: General Manager of Corporate Planning Dept. of the Company</p> <p>June 1999: Officer & General Manager of Home Video Games Domestic Sales Division of the Company</p> <p>Apr. 2001: Managing Corporate Officer of the Company (to present)</p> <p>Jan. 2004: President of CAPCOM U.S.A. Inc. and CE EUROPE Ltd. (to present)</p>	2,562 shares
5	Sumitaka Hatsuno (September 26, 1947)	<p>Dec. 1989: entered into the Company</p> <p>Apr. 1993: General Manager of Arcade Operation Dept. of the Company</p> <p>June 1999: Officer & General Manager of Arcade Operation Dept. of the Company</p> <p>July 2004: Managing Corporate Officer of the Company (to present)</p> <p>Apr. 2005: Head of Domestic Businesses Operation of the Company (to present)</p>	1,836 shares

6	Kyoji Kitamura (January 18, 1933)	Apr. 1956: entered into Ministry of Finance July 1973: Director-General of Research Dept. of Osaka Regional Taxation Bureau June 1983: Director-General of Inspection Dept. of Banking Bureau June 1986: Director-General of Securities Bureau June 1994: President & CEO of Osaka Securities Exchange Co., Ltd. Jan. 2001: Advisor of the Company June 2001: Director of the Company (to present)	0 share
7	Koichi Hori (April 11, 1945)	June 1989: President and Representative Director of Boston Consulting Group June 2000: President and Chief Executive Officer of Dream Incubator Inc. (to present) June 2001: Director of the Company (to present)	0 share
8	Masanao Iechika (July 18, 1933)	Apr. 1962: Lawyer (to present) Apr. 1981: Vice Chairman of Osaka Bar Association Secretary General of Japan Federation of Bar Association Mar. 1988: Member of the Commercial Code Committee of the Legislative Council, Ministry of Justice June 2002: Director of the Company (to present)	0 share

(Notes)

1. Mr. Kenzo Tsujimoto, candidate for Director, serves as Director of KENZO LIMITED and such company has transaction for business commissioning with the Company.
2. There are no special interests between other candidates and the Company.

Third proposal: Presentation of Retirement Gratuity to Director to Resign

It is proposed that the retirement gratuity shall be presented to Mr. Heiji Oshima, who will resign as Director due to expiration of his term of office at the closing of this Ordinary General Meeting, in order to reward his meritorious services, within an appropriate amount to be fixed based on the specified regulations for officers' retirement gratuities of the Company. The amount, the date of presentation and the procedures therefor are requested to be entrusted to the Board of Directors.

Resume of the Director to resign is as follows:

Name	Resume
Heiji Oshima	Jan. 1989: Director of the Company June 1996: Managing Director of the Company June 1997: Senior Managing Director of the Company Apr. 2001: Executive Vice President of the Company July 2004: Director of the Company (to present)

- End -

PROPOSED APPROPRIATION OF RETAINED EARNINGS

(Yen)	
Unappropriated retained earnings for the fiscal year under review	2,192,313,521
It is proposed that the following appropriation be effected:	
Dividends (¥10 per share)	549,694,320
Officers' Bonuses (Corporate Auditor's Bonuses included)	60,000,000 (6,000,000)
Retained earnings carried forward to the next term	1,582,619,201

(Yen)	
<Appropriation of other surplus in capital account >	
Balance of other surplus in capital account	7,870,857,292
Profit from decrease in common stock and additional paid-in capital	7,865,792,484
Profit on disposition of treasury stock	5,064,808
It is proposed that the following appropriation be effected:	
Appropriation of other surplus in capital account	
Other surplus in capital account carried forward to the next term	7,870,857,292
Profit from portion reduced of surplus in common stock and additional paid-in capital	7,865,792,484
Profit on disposition of treasury stock	5,064,808

(Note) Interim dividends in the aggregate amount of ¥564,716,020 (¥10 per share) were paid on December 3, 2004.

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