We hereby inform you, that Capcom Co., Ltd (the “Company”) has been subject to the tax audit by the relevant tax authorities with respect to transfer pricing between the Company and its overseas subsidiaries.

We are, at present, not in a position to estimate the contingent income tax payable that we may incur as a result of the tax audit. Therefore, it is not possible to state any income tax payable in the consolidated financial statement and the non-consolidated financial statements of the Company (Mid-term Financial Statement ended September 30, 2005) released today.

If we receive notification from the relevant tax authorities, the Company will disclose information as necessary, taking into account for example, adverse impact on business results should there be any.

Contacts:
Tanaka, Public Relations Office
Capcom Co., Ltd.
Address: 3-1-3, Uchihiranomachi Chuo-ku, Osaka, 540-0037, Japan
Tel: +81-6-6920-3623