Dear Sirs:

Kenzo Tsujimoto President and CEO Capcom Co., Ltd. 3-1-3, Uchihiranomachi, Chuo-Ku, Osaka-Shi

(Code No. 9697 Tokyo - Osaka Stock Exchange)

Designation as Harmful Materials for the Youth by Kanagawa Prefecture

Following the request for consultation by the Governor of Kanagawa, the social environment section of Kanagawa Prefecture child welfare council provided its opinion that a video game "Grand Theft Auto " distributed by Capcom should be designated as harmful materials for the youth pursuant to the Kanagawa Ordinance to Protect the Youth, on May 30, 2005.

Capcom positively supports the purpose itself of the Ordinance for protection of the youth; however, regarding the designation of the video game as harmful materials, Capcom believes that it is a matter involving serious issues relating to, including but not limited to, restriction of "freedom of speech", and has requested that the Governor of Kanagawa should fairly and prudently handle this case.

[Contacts]

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