

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.

June 5, 2002

To: Shareholders

Notice of Convocation of the 23rd Ordinary General Meeting of Shareholders

You are hereby notified that the 23rd 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

(note) We sincerely hope that as many shareholders as possible exercise their voting rights because each of the Second, Third and Fourth Items requires a quorum which is a majority of all voting rights.

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.

Particulars

1. Date & Time: June 21, 2002 (Friday) 10:00 a.m.
2. Place: Osaka Castle Hotel, 6F Hall
1-1, Tenmabashikyomachi Chuo-ku, Osaka
3. Agenda:

Matters to be reported:

Business Report, Balance Sheets and Statements of Income for the 23rd fiscal year (from April 1, 2001 to March 31, 2002)

Matters to be resolved:

- First proposal:** Approval of Proposed Appropriation of Retained Earnings for the 23rd fiscal year.
- Second proposal:** Decrease in Capital Surplus and Legal Reserve
Particulars of the Proposals described above are as stated in the page 19 (English Translation: page 3) of the attached “Reference Document Concerning the Exercise of Voting Rights”.
- Third proposal:** Purchase of the Company’s Own Shares
Particulars of the Proposals described above are as stated in the page 19 (English Translation: page 3) of the attached “Reference Document Concerning the Exercise of Voting Rights”.
- Fourth proposal:** Partial Amendments to the Articles of Incorporation.
Particulars of the Proposals described above are as stated in the page 19 to 23 (English Translation: from page 3 to page 7) of the attached “Reference Document Concerning the Exercise of Voting Rights”.
- Fifth proposal:** Election of One (1) Director.

Reference Document Concerning the Exercise of Voting Rights

1. **Total number of voting rights held by all shareholders:** 579,074 rights

2. **Proposals and reference matters:**

First proposal: Approval of Proposed Appropriation of Retained Earnings for the 23rd fiscal year.

The details of the proposal are stated in the page16 (English Translation: page 7) of the attached documents.

As we regard return of profit to our shareholders as one of the important tasks which the management should accomplish, it is our basic policy to maintain stable dividends to our shareholders, taking into account future developments of our business and financial structure as well as strengthening the operating basis.

With respect to year-end dividend for the fiscal year under review, the Company proposes to be ¥10 per share, as the same amount at the end of the preceding year.

Since the interim dividend of ¥10 per share has been already paid, the annual dividend should be ¥20 per share.

Second proposal: Decrease in Capital Surplus and Legal Reserve.

The Company shall, for the provision of the future capital policies such as increasing profits that shall be available for dividends, as well as in order to respond to a series of amendments to the Commercial Code and accounting standards, decrease the capital surplus by ¥23,000,000,000 out of ¥30,464,762,024 for the fiscal year under review, resulting in capital surplus being ¥7,464,762,024 and also decrease the legal reserve by ¥952,831,152, which is equivalent to the total amount of legal reserve for the fiscal year under review leading the legal reserve to zero.

Third proposal: Purchase of the Company's Own Shares.

You are requested to approve that the Company shall be authorized to purchase the maximum 1,500,000 shares of common stock of the Company with an maximum value of ¥6 billion during the period from the close of the Ordinary General Meeting of Shareholders in 2002 to the next Ordinary General Meeting of Shareholders in 2003, pursuant to the provision of Article 210 of the Commercial Code of Japan, enabling the Company to actively implement capital policies.

Fourth proposal: Partial Amendments to the Articles of Incorporation.

1. Reason for amendments:

(1) The Company intends to add new items to the purpose of business under Article 2 (Purpose) of the present Articles of Incorporation, in order to respond to the expansion and diversification of the businesses.

(2) Due to the enforcement of the "Law regarding the Partial Amendments, etc. to the Commercial Code, etc. of Japan" (Law No. 79, 2001) as of October 1, 2001, the abolishment of par value shares, the introduction of unit share system (*tan-gen kabu*) and the abolishment of the "Law Regarding the Special Measures of the Commercial Code of Japan with respect to Procedures for the Cancellation of Shares of Japan" were made. Accordingly, Article 5-2 (Cancellation of shares) and Article 6 (Amount per par-value share) of the present Articles of Incorporation shall be deleted, the number of shares constituting one unit (1 *tan-i*) stated in Article 6 shall be changed to the number of shares constituting one unit (1 *tan-gen*) and the provision relating to the non-issuance of share certificates for shares constituting less than one unit (1 *tan-gen*) shall be newly established under Article 6. Necessary changes shall be made to Article 7 (Transfer

agent), Article 8 (Share Handling Regulations), Article 15 (Appointment of Directors) and Article 23 (Appointment of Corporate Auditors).

- (3) Due to the enforcement of the “Law regarding the Partial Amendments to the Commercial Code, etc. of Japan“ (Law No. 128, 2001) as of April 1, 2002, necessary changes shall be made to provisions of Article 9 (Record date), Article 13 (Exercise of voting rights by proxy), Article 29 (Dividends) and Article 30 (Interim dividends) shall be made.
- (4) Due to the enforcement of the “Law regarding the Partial Amendments to the Commercial Code of Japan” (Law No. 149, 2001) as of May 1, 2002, the term of Corporate Auditors shall be extended from three years to four years under Article 24 of the present Articles of Incorporation. Pursuant to the Supplement to Article 7 of the said law, the term of Corporate Auditors who are in office before the close of the ordinary general meeting of shareholders to be held with respect to the fiscal year ending March 31, 2003 shall follow the present provision of three years as if it were not amended. Therefore, this shall be provided under the Supplement, which shall be deleted from the Articles of Incorporation of the Company after the lapse of an interim period.

2. Details of amendments

Details of the proposed amendments are as follows.

(Parts proposed to be amended are underlined.)

Present Articles of Incorporation	Proposed amendments
<p>(Purpose of Business) Article 2. The purpose of the Company is to conduct the following businesses:</p> <ol style="list-style-type: none"> 1. Planning, development, manufacture, sale, import and export and lease of electronic game machines, software and toys; 2. Lease, management, dealing, mediation of real estate; 3. Financial businesses; 4. Agency business for non-life insurance; 5. Management of amusement park; 6. Management of amusement arcades; 7. Management of golf courses, tennis courts, billiard rooms and bowling alleys; 8. Acquisition of intangible property rights, such as industrial property rights and copyrights, know-how and granting the use thereof ; 9. Produce and sale of publications; 10. Planning and producing of films such as movies and videos; 11. Management of restaurants; and (To be newly established) <p><u>12.</u> Any and all businesses relating to or incidental to any of the foregoing items.</p>	<p>(Purpose of Business) Article 2.</p> <p>1. ~ 11. (Same as 1. ~ 11. of the present Articles of Incorporation)</p> <p><u>12. Planning, development, manufacture and sale, leasing, rental and maintenance business of digital electronic equipment such as mobile phones; and</u></p> <p><u>13.</u> Any and all businesses relating to or incidental to any of the foregoing items.</p>
<p>(Cancellation of shares) <u>Article 5-2. The Company shall, by the resolution of the Board of Directors, be entitled to purchase its shares to the extent of 3,500,000 shares for the purpose of the cancellation of shares by way of using profits on and after the date of the 19th Ordinary General Meeting of Shareholders (June 26, 1998).</u></p>	<p>(To be deleted)</p>

(Amount per par value share)

Article 6. The par value per par value share shall be ¥50.

2. The number of shares of one unit (1 tan-i) of shares of the Company shall be one hundred (100) shares.
(To be newly established)

(Transfer agent)

Article 7. The Company shall have a transfer agent with respect to its shares.

2. The transfer agent and its place of business shall be chosen by resolution of the Board of Directors, and public notice thereof shall be made.
3. The shareholders' register and the beneficial shareholders' register (hereinafter referred to as the "shareholders' register") of the Company shall be kept at the place of business of the transfer agent, and the registration of transfer of shares, purchase of shares constituting less than one unit (1 tan-i), and other matters relating to shares shall be handled by the transfer agent, not by the Company.

(Share Handling Regulations)

Article 8. Denominations of share certificates, registration of transfer of shares of the Company, purchase of shares constituting less than one unit (1 tan-i) and delivery of share certificates thereof, and other matters concerning the handling of shares and handling fees shall be governed by the Share Handling Regulations established by the Board of Directors

(Record date)

Article 9. The Company shall deem those shareholders whose names have been entered in the shareholders' register as of March 31 of each year as the shareholders who may exercise shareholders' rights at the ordinary general meeting of shareholders held with respect to the fiscal year concerned.

2. Unless otherwise provided for by the foregoing paragraph and other provisions of Articles of Incorporation, if it is necessary, the Company may, upon giving prior notice, pursuant to the resolution of the Board of Directors, determine the record date.

(Number of shares of one unit (1 tan-gen) and Non-issuance of shares constituting less than one unit (1 tan-gen))

Article 6. (To be deleted)

The number of shares of one unit (1 tan-gen) of shares of the Company shall be one hundred (100) shares.

2. The Company shall not issue share certificates for shares constituting less than one unit (1 tan-gen) of shares.

(Transfer agent)

Article 7. (Same as Section 1 of the present Article 7)

2. (Same as Section 2 of the present Article 7)

3. The shareholders' register and the beneficial shareholders' register (hereinafter referred to as the "shareholders' register") of the Company shall be kept at the place of business of the transfer agent, and the registration of transfer of shares, receipt of the beneficial shareholders' notice, preparation of beneficial shareholders' register, purchase of shares constituting less than one unit (1 tan-gen), delivery of share certificates, other matters relating to shares shall be handled by the transfer agent, not by the Company.

(Share Handling Regulations)

Article 8. Denominations of share certificates, registration of transfer of shares of the Company, receipt of the beneficial shareholders' notice, preparation of the beneficial shareholders' register, purchase of shares constituting less than one unit (1 tan-gen) and delivery of share certificates thereof, and other matters concerning the handling of shares and handling fees shall be governed by the Share Handling Regulations established by the Board of Directors.

(Record date)

Article 9. The Company shall deem those shareholders whose names have been entered or recorded in the shareholders' register March 31 of each year as the shareholders who may exercise shareholders' rights at the ordinary general meeting of shareholders held with respect to the fiscal year concerned.

2. (Same as Section 2 of the present Article 9)

(Exercise of voting rights by proxy)

Article 13. A shareholder may exercise his/her voting rights by proxy by authorizing another shareholder who holds voting rights of the Company as his proxy.

2. The proxy in the foregoing paragraph must submit a document evidencing his/her power of representation every general meeting of shareholders.

(Appointment of Directors)

Article 15. Elections of Directors shall require the presence of shareholders who hold shares equivalent to one third or more of the total number of issued shares.

2. Cumulative voting shall not be used for resolutions for the election of Directors.

(Appointment of Corporate Auditors)

Article 23. Elections of Corporate Auditors shall require the presence of shareholders who hold shares equivalent to one third or more of the total number of issued shares.

(Term of office of Corporate Auditors)

Article 24. The term of office of Corporate Auditors shall expire at the close of the ordinary general meeting of shareholders held with respect to the last closing of accounts within three years after their assumption of office.

2. The term of office of Corporate Auditors elected to fill a vacancy shall be coterminous with the remainder of the term of office of the predecessor who has resigned.

(Dividends)

Article 29. Dividends, when declared, shall be paid to the shareholders or registered pledgees whose names have been entered in the last shareholders' register as of the date of each closing of accounts.

(Interim Dividends)

Article 30. By resolution of the Board of Directors, the Company may make a cash distribution (interim dividends) in accordance with the provisions of Article 293-5 of the Commercial Code to the shareholders or registered pledgees whose names have been entered in the last shareholders' register as of September 30 of each year.

(To be newly established)

(Exercise of voting rights by proxy)

Article 13. (Same as the present Article 13.)

2. The shareholder or proxy in the foregoing paragraph must submit a document evidencing his/her power of representation every general meeting of shareholders.

(Appointment of Directors)

Article 15. Elections of Directors shall require the presence of shareholders who hold one third or more of the voting rights owned by all shareholders.

2. (Same as Section 2 of the present Article 15)

(Appointment of Corporate Auditors)

Article 23. Elections of Corporate Auditors shall require the presence of shareholders who hold one third or more of voting rights owned by all shareholders.

(Term of office of Corporate Auditors)

Article 24. The term of office of Corporate Auditors shall expire at the close of the ordinary general meeting of shareholders held with respect to the last closing of accounts within four years after their assumption of office.

2. (Same as Section 2 of the present Article 24)

(Dividends)

Article 29. Dividends, when declared, shall be paid to the shareholders or registered pledgees whose names have been entered or recorded in the last shareholders' register on March 31 of each year.

(Interim Dividends)

Article 30. By resolution of the Board of Directors, the Company may make a cash distribution (interim dividends) in accordance with the provisions of Article 293-5 of the Commercial Code to the shareholders or registered pledgees whose names have been entered or recorded in the last shareholders' register on September 30 of each year.

Supplement

The term of office of Corporate Auditors who are in office before the close of the ordinary general meeting of shareholders held with respect to the fiscal year ending

March 31, 2003, shall be read “three years after the assumption” not as “four years after the assumption”.

Fifth proposal: Election of One (1) Director.

For the enhancement of corporate governance practices, you are requested to elect one Director, in order to reinforce the surveillance function and improve transparency of the management from the viewpoint of compliance with laws and regulations. The term of the Director to be elected shall expire at the time of expiration of the term of office of the incumbent Directors pursuant to the provisions of the Articles of Incorporation of the Company.

Mr. Masanao Iechika is a candidate for an outside Director prescribed in Article 188, Section 2, Paragraph 7-2 of the Commercial Code of Japan.

The candidate for Director is as follows:

Name (Date of Birth)	Resume Status as other company's representative, if any	Number of shares of the Company Held
Masanao Iechika (July 18, 1933)	April 1962: Lawyer (to present) April 1981: Vice Chairman of Osaka Bar Association April 1981: Secretary General of Japan Federation of Bar Association March 1988: Member of the Commercial Code Committee of the Legislative Council, Ministry of Justice	0 share

(Note)

There is no special interest between the above-mentioned candidate and the Company.

- End -

PROPOSED APPROPRIATION OF RETAINED EARNINGS

	(Yen)
Unappropriated retained earnings for this Fiscal year	4,430,782,306
It is proposed that the following appropriation be effected:	
Dividends (¥10 per share)	583,936,450
Bonus to Directors and Auditors:	60,000,000
(Bonus to Auditors)	(5,100,000)
General reserve	2,000,000,000
Retained earnings carried forward to the next Fiscal year	1,786,845,856

(Note) Interim dividends in the aggregate amount of ¥583,750,370 (¥10 per share) were paid on December 4, 2001.