

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 4, 2003

To: Shareholders

Notice of Convocation of the 24th Ordinary General Meeting of Shareholders

We are pleased to inform you that the 24th 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 and Third Items requires a quorum which is a majority of all voting rights.

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

Particulars

1. Date & Time: June 20, 2003 (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 24th fiscal year (from April 1, 2002 to March 31, 2003)

Matters to be resolved:

- First proposal:** Approval of Proposed Appropriation of Retained Earnings for the 24th fiscal year.
- Second 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".
- Third proposal:** Partial Amendments to the Articles of Incorporation.
Particulars of the Proposals described above are as stated in the page from 19 to 21 (English Translation: from page 3 to page 5) of the attached "Reference Document Concerning the Exercise of Voting Rights".
- Fourth proposal:** Election of Seven (7) Directors.
- Fifth proposal:** Presentation of Retirement Gratuities to Director to Retire.

Reference Document Concerning the Exercise of Voting Rights

1. **Total number of voting rights held by all shareholders:** 564,802 rights

2. **Proposals and reference matters:**

First proposal: Approval of Proposed Appropriation of Retained Earnings for the 24th fiscal year.

The details of the proposal are stated in the page 16 (English Translation: page 9) of the attached documents.

It is with great regret that the Company was obliged to report a substantial loss for the fiscal year under review. This was attributable to an extraordinary loss resulting from the impairment losses for real estate and the loss on the cessation of development projects, in order to improve corporate structure by enhancing transparency of the financial system and restructuring the development divisions, among other things.

With respect to unappropriated loss for the fiscal year under review amounting to ¥12,049,908,611, the Company proposes not to forward such loss for the next fiscal year by reversing and appropriating to such loss all amounts of the general reserve and a portion amounting to ¥5,049,908,611 from other capital surplus amounting to ¥23,005,976,503.

However, in the light of continued distribution of stable dividends, as one of the Company's important management policies, it proposes that year-end dividend shall be ¥10 per share by a reversal of a certain portion amounting to ¥569,205,140 from other capital surplus after appropriation of the loss for the fiscal year under review. The remaining amount of other capital surplus amounting to ¥17,386,862,752 shall be forwarded to the next fiscal year.

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

The Company decided not to offer Directors' bonuses.

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

The Company proposes that it shall be authorized to purchase the maximum 3,000,000 shares of common stock of the Company with an maximum value of ¥3 billion during the period from the close of the Ordinary General Meeting of Shareholders in 2003 to the next Ordinary General Meeting of Shareholders in 2004, pursuant to the provision of Article 210 of the Commercial Code of Japan, enabling the Company to actively implement capital policies.

Third proposal: Partial Amendments to the Articles of Incorporation.

1. Reason for amendments:

(1) In connection with the establishment of a system of invalidation of share certificates as required by the "Law regarding the Partial Amendments, etc. to the Commercial Code, etc. of Japan" in force as of April 1, 2003, the Company shall make necessary changes to Article 7 (Transfer agent) and Article 8 (Share Handling Regulations) of the present Articles of Incorporation.

In addition, due to the enforcement of the said "Law regarding the Partial Amendments, etc. to the Commercial Code, etc. of Japan" and the enactment of a system of making request to the Company for sale of shares constituting less than one unit pursuant to the provisions of Articles of Incorporation, as well as the approval of a reduction in a quorum for special resolutions at the general meeting of shareholders, proposals of new Article 7 (Request for sale of shares constituting less than one unit) and Section 2, Article 13 (Method of Resolution) stated below shall be established and necessary changes shall be made to the provisions of the present Article 7 (Transfer agent), Article 8 (Share Handling Regulations) and Article 9 (Record date).

(2) The Articles shall be renumbered due to the establishment of new Article.

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>(To be newly established)</p>	<p><u>(Request to the Company for selling shares constituting less than one unit)</u> <u>Article 7. A shareholder holding shares constituting less than one unit of the Company (including beneficial shareholder, the same shall be applied hereinafter) may request the Company to sell specified numbers of shares which shall become one unit of shares if combined with the shares constituting less than one unit already held by such shareholder. Provided, however, that, the foregoing provision shall not be applicable, if the Company does not hold sufficient number of treasury stock to be sold to such shareholder.</u></p> <p><u>2. The time on which and method in which the shareholder may request the Company to sell shares constituting less than one unit shall be governed by the Share Handling Regulations established by the Board of Directors.</u></p>
<p>(Transfer agent) Article <u>7</u>. The Company shall have a transfer agent with respect to its shares.</p> <p>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.</p> <p>3. The shareholders' register <u>and</u> 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, delivery of share certificates, other matters relating to shares shall be handled by the transfer agent, not by the Company.</p>	<p>(Transfer agent) Article <u>8</u>. (Same as Section 1 of the present Article 7) 2. (Same as Section 2 of the present Article 7)</p> <p>3. The shareholders' register, the beneficial shareholders' register (hereinafter referred to as the "shareholders' register") <u>and the register of lost share certificates</u> 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 <u>and sale</u> of shares constituting less than one unit by the Company, delivery of share certificates, <u>registration of lost share certificates</u> and other matters relating to shares shall be handled by the transfer agent, not by the Company.</p>

(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 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 (including beneficial shareholder, the same shall apply hereinafter) 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.

Article 10. ~ Article 11.
(Provisions intentionally omitted)

(Method of resolution)

Article 12. Resolutions of general meetings of shareholders shall be adopted by a majority of the voting rights of the shareholders present, except as otherwise provided for by laws and ordinances and the Articles of Incorporation.

(To be newly established)

Article 13. ~ Article 32.
(Provisions intentionally omitted)

(Share Handling Regulations)

Article 9. 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 and sale of shares constituting less than one unit by the Company, delivery of share certificates thereof, registration of lost share certificates 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 10. 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 the present Section 2, Article 9)

Article 11. ~ Article 12.
(Same as the present Article 10. ~ Article 11.)

(Method of resolution)

Article 13. (Same as the present Article 12.)

2. Resolutions provided for in Article 343 of the Commercial Code of Japan shall be adopted by an affirmative vote of two-thirds or more of the voting rights of shareholders present at the general meeting of shareholders, of which the quorum shall be one-third or more of the voting rights owned by all shareholders.

Article 14. ~ Article 33.
(Same as the present Article 13. ~ Article 32.)

Fourth proposal: Election of Seven (7) Directors

The term of office for each of the current eight (8) Directors will expire at the closing of this meeting. You are requested to elect seven (7) Directors.

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

Candidates for Directors are as follows:

Candidate No.	Name (Date of Birth)	Resume Status as other company's representative, 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)	4,070,690 shares
2	Heiji Oshima (September 13, 1946)	June 1983: General Manager of Accounting Dept. of the former CAPCOM Co., Ltd. Aug. 1984: Director of the said company 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 and Chief Financial Officer (CFO) of the Company (to present) Apr. 2003: General Manager of Business Management Div. of the Company (to present) (Status as other company's representative) *President and Representative Director of STATUS Co., Ltd.	92,040 shares
3	Haruhiro Tsujimoto (October 19, 1964)	Apr. 1987: entered into the Company June 1997: Director of the Company June 1998: Branch Manager of Tokyo Branch of the Company Feb. 1999: Managing Director of the Company Apr. 2001: Senior Managing Director and Chief Operating Officer (COO) of Sales of the Company Apr. 2003: Senior Managing Director, and Chief Operating Officer (COO) of the Company (to present)	1,545,550 shares

4	Tamio Oda (August 28, 1946)	Apr. 1969: entered into The Sanwa Bank Limited (currently UFJ Bank, Limited) June 1991: Managing Director of Unicharm Corporation Oct. 1994: Branch Manager of Uehonmachi Branch of The Sanwa Bank Limited (currently UFJ Bank, Limited) June 1999: Managing Director of DAISUE CONSTRUCTION CO., LTD. May 2001: Advisor of the Company June 2001: Director of the Company (to present) Apr. 2003: Managing Director of Management Strategy Div. of the Company (to present)	1,000 shares
5	Kyouji 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 The Osaka Securities Exchange Jan. 2001: Advisor of the Company June 2001: Director of the Company (to present)	0 shares
6	Kouichi 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 shares
7	Masanao Iechika (July 18, 1933)	Apr. 1962: Lawyer (to present) Apr. 1981: Vice President of Osaka Bar Association Apr. 1981: Director of Japan Federation of Bar Association Mar. 1988: Member of Commercial Law Committee of Judicial System and Research Dept. of Ministry of Justice June 2002: Director of the Company (to present)	0 shares

(Notes)

1. Mr. Kouichi Hori acts at the same time as President and Chief Executive of Dream Incubator Inc., with which the Company makes transactions related to consulting.
2. There are no special interests between other candidates and the Company.

Fifth proposal: Presentation of Retirement Gratuities to Director to Retire.

It is proposed that the retirement gratuities shall be presented to Mr. Yoshiki Okamoto, who will retire as Director due to expiration of his term of office at the close of this meeting, in order to reward his meritorious services, within the appropriate amounts 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' determination.

Resume of the Director to retire is as follows:

Name	Resume
Yoshiki Okamoto	June 1996: Director of the Company June 1997: Managing Director of the Company Apr. 2001: Senior Managing Director of the Company (to present)

- End -

PROPOSED APPROPRIATION OF RETAINED EARNINGS

(Yen)

<Appropriation of unappropriated loss for the fiscal year under review>	
Unappropriated loss for the fiscal year under review	12,049,908,611
It is proposed that the following appropriation be effected:	
Reversal of general reserve	7,000,000,000
Reversal of a portion of other capital surplus	5,049,908,611
Loss carried forward to the next term	0

(Yen)

<Appropriation of other capital surplus>	
Balance of other capital surplus	23,005,976,503
Profit from reduction in additional paid-in capital	23,000,000,000
Profit on disposition of treasury stock	5,976,503
It is proposed that the following appropriation be effected:	
Appropriation of other capital surplus	
Dividends (¥10 per share)	569,205,140
Reversal of a portion of other capital surplus	5,049,908,611
Other capital surplus carried forward to the next term	17,386,862,752
Profit from reduction in additional paid-in capital	17,380,886,249
Profit on disposition of treasury stock	5,976,503

(Note) Interim dividends in the aggregate amount of ¥584,289,870 (¥10 per share) were paid on November 29, 2002.