

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 5, 2007

To: Shareholders

Notice of Convocation of the 28th Ordinary General Meeting of Shareholders

We are pleased to inform you that the 28th Ordinary General Meeting of Shareholders of the Company will be held as described below. Your presence at the Meeting is cordially requested.

If you are unable to attend the Meeting, it is still possible to exercise your voting rights either the methods stated below. To exercise voting rights, please study the Reference Document Concerning the General Meeting of Shareholders below and exercise your rights by 5:30 PM, June 20, 2007 (Wednesday).

[In case of exercising voting rights by mail]

Please indicate on the Voting Right Exercise Form enclosed herewith your approval or disapproval of each proposal listed thereon and return the form to the Company before the deadline stated above.

[In case of exercising voting rights via the Internet]

Exercising a voting right can only be made by accessing the website of the administrator of shareholders' register (<http://www.evotep.jp/>). Please use the log-in ID and temporary password which are shown on the Voting Right Exercise Form. After logging in, please indicate your approval or disapproval of each proposal by following the instructions on the display screen before the deadline stated above.

Please see the Guidance for the Exercise of Voting Rights via the Internet attached below (p.*-p.* *note: intentionally omitted as internet voting service is only available in Japan with Japanese language*).

In case that a voting right is exercised both by the Voting Right Exercise Form and via the Internet, only the vote registered via the Internet will be recognized as valid.

(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.

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.

* In the event that any event occurs to amend the items to be presented in the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements or the Reference Document Concerning General Meeting of Shareholders, please be informed that the Company will display the amended items on the Company's website (<http://www.capcom.co.jp/>).

Particulars

1. Date & Time: June 21, 2007 (Thursday) 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 Financial Statements and Non-Consolidated Financial Statements for the 28th Fiscal Year (from April 1, 2006 to March 31, 2007); and
- 2 Report on the Results of Audit for Consolidated Financial Statements for the 28th Fiscal Year (from April 1, 2006 to March 31, 2007) by Accounting Auditor and the Board of Corporate Auditors.

Matters to be resolved:

- | | |
|-------------------------|---|
| First proposal: | Proposed Appropriation of Retained Earnings for the 28th fiscal year |
| Second proposal: | Partial Amendments to the Articles of Incorporation of the Company |
| Third proposal: | Election of Nine (9) Directors |
| Fourth proposal: | Presentation of Retirement Gratuities to Directors to Resign |
| Fifth proposal: | Election of Accounting Auditor |
| Sixth proposal: | Revision of Remunerations to Directors as a Group |

Reference Document Concerning the General Meeting of Shareholders

Proposals and reference matters:

First proposal: Proposed Appropriation of Retained Earnings for the 28th fiscal year

The Company considers returning profits to the shareholders is one of the most 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 Company proposes that a year-end dividend for the fiscal year under review be as follows:

- (1) Matters concerning the allotment of dividend property and the total amount paid to shareholders:

¥15 per share of common stock of the Company; the total amount ¥846,829,200

(note) The annual dividend for the fiscal year under review is ¥30 per share in total, including the interim dividend.

- (2) Date when dividends of retained earnings take effect:

June 22, 2007

Second proposal: Partial Amendments to the Articles of Incorporation of the Company

1. Reason for amendments:

- (1) The Company will add new items of the Company's purpose of business to Article 2 (Purpose of Business) of the present Articles of Incorporation, in response to the expansion and diversification of its businesses.
- (2) For the purpose of clarifying the function and responsibility of Representative Director and accelerating the speed of management, the Company will amend the current Article 15 (Convener and Chairman) and Article 24 (Convener and Chairman of the Board of Directors) of the Articles of Incorporation.

2. Details of amendments

(The amended words are underlined.)

Present Articles of Incorporation	Proposed amendment
<p style="text-align: center;">CHAPTER I GENERAL PROVISIONS</p> <p>(Purpose of Business) Article 2. The purpose of the Company is to conduct the following businesses:</p> <p>1. – 15. (Provisions omitted) (Newly established)</p> <p><u>16.</u> Any and all businesses relating to or incidental to any of the foregoing items.</p> <p style="text-align: center;">CHAPTER III GENERAL MEETING OF SHAREHOLDERS</p> <p>(Convener and Chairman) Article 15. Except for otherwise provided for in laws and regulations, <u>the President</u> shall convene, with the resolution of the Board of Directors, and preside over the general meetings of shareholders.</p> <p>2. In the event that <u>the President</u> is prevented from so acting, another Director shall act in his or her place in the order of preference previously fixed by the Board of Directors.</p> <p style="text-align: center;">CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS</p> <p>(Convener and Chairman of the Board of Directors) Article 24. <u>The President</u> shall convene and preside over the meetings of the Board of Directors.</p> <p>2. In the event that <u>the President</u> is prevented from so acting, another Director shall act in his or her place in the order of preference previously fixed by the Board of Directors.</p>	<p style="text-align: center;">CHAPTER I GENERAL PROVISIONS</p> <p>(Purpose of Business) Article 2. The purpose of the Company is to conduct the following businesses:</p> <p>1. – 15. (Ditto) <u>16. Planning, manufacture and holding of events relating to films, visuals, plays and music, etc. and sale of related products; and</u></p> <p><u>17.</u> Any and all businesses relating to or incidental to any of the foregoing items.</p> <p style="text-align: center;">CHAPTER III GENERAL MEETING OF SHAREHOLDERS</p> <p>(Convener and Chairman) Article 15. Except for otherwise provided for in laws and regulations, <u>the Representative Director to be appointed by the Board of Directors</u>, with the resolution of the Board of Directors, shall convene and preside over the general meetings of shareholders.</p> <p>2. In the event that <u>the Representative Director to be appointed by the Board of Directors</u> is prevented from so acting, another Director shall act in his or her place in the order of preference previously fixed by the Board of Directors.</p> <p style="text-align: center;">CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS</p> <p>(Convener and Chairman of the Board of Directors) Article <u>21</u>. <u>The Representative Director to be appointed by the Board of Directors</u> shall convene and preside over the meetings of the Board of Directors.</p> <p>2. In the event that <u>the Representative Director to be appointed by the Board of Directors</u> is prevented from so acting, another Director shall act in his or her place in the order of preference previously fixed by the Board of Directors.</p>

Third proposal: Election of Nine (9) Directors

The term of office for all nine (9) Directors shall expire at the closing of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes to elect nine (9) Directors.

Candidates for Director 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)	<p>June 1983: Representative Director of the former CAPCOM Co., Ltd.</p> <p>July 1985: President and Representative Director of the Company (to present)</p> <p>Apr. 2001: Chief Executive Officer (CEO) of the Company (to present)</p> <p>(Status as other company's representative) *Head of Association of Copyright for Computer Software</p>	2,745,990 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 of the Company</p> <p>July 2004: Director and Executive Corporate Officer of the Company</p> <p>Apr.2006: Director and Executive Vice President and Chief Operating Officer (COO), in charge of Home Video Games, Online Business, R&D, R&D Administration and Character Contents Business of the Company (to present)</p>	1,546,050 shares
3	Sumitaka Hatsuno (September 26, 1947)	<p>Dec. 1989: Entered into the Company</p> <p>Apr. 1993: General Manager of Arcade Operations Dept. of the Company</p> <p>June 1999: Officer & General Manager of Arcade Operations Dept. of the Company</p> <p>July 2004: Managing Corporate Officer of the Company</p> <p>Apr. 2005: In charge of Domestic Business Operations of the Company</p> <p>June 2005: Director of the Company</p> <p>Apr. 2006: Director, Executive Corporate Officer, In charge of Arcade Operations, Arcade Game Sales and Pachinko & Pachislo Business of the Company (to present)</p>	2,500 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> <p>June 2005: Director of the Company (to present)</p>	3,350 shares

5.	Kazuhiko Abe (Oct. 4, 1963)	<p>Apr. 1987: Entered into The Mitsubishi Bank, Limited (currently The Bank of Tokyo-Mitsubishi UFJ, Limited)</p> <p>July 1994: Deputy Manager of New York Branch, The Mitsubishi Bank, Limited</p> <p>Nov. 2000: Executive Officer, Hikari Tsushin, Inc.</p> <p>Jan. 2002: Executive Officer, Intuit Kabushiki Kaisha (currently Yayoi Co., Ltd.)</p> <p>Mar. 2003: Entered into the Company</p> <p>July 2003: General Manager of Management Planning Dept of the Company</p> <p>Apr. 2004: Corporate Officer of the Company</p> <p>Apr. 2006: Managing Corporate Officer of the Company (to present)</p> <p>June 2006: Director, Chief Financial Officer (CFO), in charge of Corporate Dept. and Affiliated Companies' Management of the Company (to present)</p>	500 shares
6	Tamio Oda (August 28, 1946)	<p>Apr. 1969: Entered into The Sanwa Bank, Limited (Currently The Bank of Tokyo-Mitsubishi UFJ, Limited)</p> <p>June 1991: Managing Director of Unicharm 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 in charge of Corporate Strategies, Administration, President's Office, Affiliated Companies' Management of the Company</p> <p>Mar. 2006: Director of the Company (to present)</p> <p>June 2006: Assigned to special missions (to present)</p>	4,500 shares
7	Koichi Hori (April 11, 1945)	<p>June 1989: President and Representative Director of Boston Consulting Group</p> <p>June 2000: President and Chief Executive Officer of Dream Incubator Inc.</p> <p>June 2001: Director of the Company (to present)</p> <p>June 2006: Chairman and Representative Director of Dream Incubator Inc. (to present)</p>	500 shares

8	Hiroshi Yasuda (May 14, 1932)	<p>Apr. 1957: Entered into the Ministry of Finance</p> <p>Nov. 1973: Personal Secretary to the Minister of Finance</p> <p>Jan. 1977: Personal Secretary to the Prime Minister</p> <p>June 1988: Deputy Vice Minister of Finance</p> <p>June 1990: Director-General, Budget Bureau</p> <p>June 1991: Administrative Vice Minister of Finance</p> <p>May 1994: Governor, the Export-Import Bank of Japan</p> <p>Oct. 1999: Governor, Japan Bank for International Cooperation</p> <p>Sep. 2001: Advisor, the Kansai Electric Power Co., Inc. (to present)</p> <p>Jan. 2002: Chairman, Yomiuri International Economic Society (to present)</p> <p>July 2002: President, Japan Investor Protection Fund</p> <p>June 2004: External Corporate Auditor, Shiseido Co., Ltd. (to present)</p> <p>Aug. 2004: President, Capital Market Promotion Foundation (to present)</p>	0 share
9	Makoto Matsuo (May 28, 1949)	<p>Apr. 1975: Admitted to Japanese Bar (The Dai-ichi Tokyo Bar Association) Ozaki & Momo-o</p> <p>Aug. 1978: Weil, Gotshal & Manges in New York</p> <p>Mar. 1979: Admitted to New York Bar</p> <p>Apr. 1989: Partner, Momo-o, Matsuo & Namba (to present)</p> <p>Apr. 1997: Lecturer, Nihon University, Faculty of Law: International Transaction Law</p> <p>June 1999: Corporate Auditor, Victor Company of Japan, Limited (JVC) (to present)</p> <p>June 2003: Corporate Auditor, Yamanouchi Pharmaceutical, Co., Ltd.</p> <p>June 2004: Corporate Director, Yamanouchi Pharmaceutical, Co., Ltd.</p> <p>Apr. 2005: Corporate Director, Astellas Pharma Inc. (to present)</p> <p>Lecturer, Hitotsubashi University Faculty and Graduate School of Law: World Business Law (to present)</p>	1,000 shares

(Notes)

1. There are no special interests between each candidate and the Company.
2. Messrs. Koichi Hori, Hiroshi Yasuda and Makoto Matsuo are candidates for External Directors.
3. The Company recommends Mr. Koichi Hori as a candidate for External Director because it considers that his management ability, business experience, business performance of other companies and personal connections in the business industry shall be useful for the Company. The term of his office as External Director will be six (6) years upon the closing of this Ordinary General Meeting.
4. The Company recommends Mr. Hiroshi Yasuda as a candidate for External Director because it considers that his personality, knowledge and holding of important positions shall be useful for the Company.
5. The Company recommends Mr. Makoto Matsuo as a candidate for External Director because it considers that it shall be useful for the Company to have appropriate instructions and advises from the legal professional in order to comply with laws and regulations, and effectively work corporate governance.

Fourth proposal: Presentation of Retirement Gratuities to Directors to Resign

It is proposed that the retirement gratuities shall be presented to Messrs. Kyoji Kitamura and Masanao Iechika, who will resign as External Directors due to expiration of the term of office at the closing of this Ordinary General Meeting, in order to reward their meritorious services, within an appropriate amount to be fixed based on the specified regulations for officers' retirement gratuities of the Company.

It is also proposed that the amount, the date of presentation and the procedures therefor shall be entrusted to the Board of Directors.

Resume of the Directors to resign is as follows:

Name	Resume
Kyoji Kitamura	June 2001: External Director of the Company (to present)
Masanao Iechika	June 2002: External Director of the Company (to present)

Fifth proposal: Election of Accounting Auditor

The Company's Accounting Auditor, ChuoAoyama Audit Corporation (changed its name to MISUZU Audit Corporation) received a disciplinary order from the Financial Service Agency on May 10, 2006 to suspend the service for two months from July 1, 2006 to August 31, 2006. MISUZU Audit Corporation lost its qualification as Accounting Auditor of the Company and resigned as of July 1, 2006. Accordingly, the Board of Corporate Auditors of the Company temporarily appointed PricewaterhouseCoopers Aarata as the Accounting Auditor of the Company pursuant to resolutions of the Board of Corporate Auditors held on July 14, 2006, and this treatment continues up to now.

The Company proposes that Accounting Auditor be formally appointed.

The Company has already obtained approval of the Board of Corporate Auditors for the submission of this proposal

The candidate for the accounting auditor is as follows:

Name	PricewaterhouseCoopers Aarata
Offices	Tokyo Office: East Tower, Sumitomo Fudosan Mita Twin Building, 4-2-8 Shibaura, Minato-ku, Tokyo Nagoya Office: Ohashi Building 3-25-3 Meieki, Nakamura-ku, Nagoya-shi Osaka Office: NM Plaza Midosuji Building 3-6-3 Awaji-cho, Chuo-ku, Osaka
History	June 2006: Established as PricewaterhouseCoopers Aarata July 2006: Started business operations
Outline (As of March 31, 2007)	Capital: ¥514,000,000 Staffing: 1,149

Sixth proposal: Revision of Remunerations to Directors as a Group

The amount of remuneration to Directors as a group is an amount not exceeding yearly ¥350,000,000, which was resolved at the 13th Ordinary General Meeting of Shareholders held on June 26, 1992, and this amounts have been applicable up to now. However, taking into account various circumstances, such as economic changes thereafter, the Company proposes to revise and increase the remuneration to Directors as a group to an amount not exceeding yearly ¥450,000,000 (including the remuneration to External Directors of an amount not exceeding yearly ¥30,000,000 as a group) .

It is proposed that the amount of remunerations to Directors as a group include a portion of bonus to Directors, which was provided under the appropriation of retained earnings for the previous fiscal year, and the amount of remuneration to Directors as a group do not include a portion of the salary payable for an employee, who simultaneously holds the position of Director of the Company.

The current number of Directors are nine (9) (including three (3) External Directors). When the third proposal is approved and resolved as originally proposed, the number of Directors will be nine (9) (including three (3) External Directors), the same number as before.

- End -