



September 21, 2004

**Notice of Issue of Euro Yen Convertible Bonds due 2009**

CAPCOM CO., LTD. (Capcom) notifies the decision of the following issue of Euro Yen Convertible Bonds due 2009, issuance of which was resolved by the Board of Directors of Capcom on September 21, 2004.

Capcom launches an unlisted zero-coupon convertible bond issue for JPY 10 billion (the "Bonds") to be offered by way of an institutional private placement.

The issue amount may be increased to Japanese Yen 11.5 billion in the event of exercise in full of an over-allotment option granted to the Managers. The zero-coupon Bonds will not bear interest and will be redeemed at par on 8 October 2009. Settlement is expected to take place on 8 October 2004.

The issue proceeds will be used for the development of home video games, investments in arcade operations and external expansion.

Capcom is rated BBB by the Japanese rating agency Rating and Investment.

The Bonds will not be listed and will be placed by with institutional investors outside the U.S.A. (in reliance on Regulation S and will not be Rule 144A eligible), Canada and Japan. BNP Paribas is acting as sole Lead Manager and Bookrunner and Mizuho is acting as Co-Manager.

Note: This press release is intended as general information regarding Capcom Co., Ltd.'s issuance of convertible bonds and shall not be considered as an offering of securities. This press release shall not be construed as an offering of securities in any jurisdiction including Japan, the United States or Canada. The securities may not be offered or sold in the United States absent registration or an applicable exemption under the Securities Act of 1933. This transaction does not involve any public offering of securities in the United States.

Stabilisation activities, if any, will be conducted in accordance with applicable laws and regulations.

Stabilisation/FSA.