

November 26, 2015

## Press Release

Company Name: CAPCOM Co., Ltd.  
Representative: Haruhiro Tsujimoto, President and COO  
(Company Code: 9697 First Section of Tokyo Stock Exchange)  
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### Notice regarding transfer to a company with audit and supervisory committee

A notice is hereby given that the Company adopted a resolution to transfer to a company with audit and supervisory committee at the meeting of the Board of Directors of the Company held today on condition that it is approved at the 37th Ordinary General Meeting of shareholders of the Company scheduled to be held in June 2016.

#### Particulars

##### 1. Purpose of the transfer

- (1) An audit and supervisory committee which will be organized by three or more Directors a majority of which are external Directors will be set forth in the Board of Directors, and Directors who are members of the audit and supervisory committee will be granted voting rights at the Board of Directors so that supervising function of the Board of Directors will be further strengthened.
- (2) If provided in the Articles of Incorporation of the Company, or in case where more than half of the members of the Board of Directors are external directors, it is allowed to commission power to determine an important business execution to executive Directors such as Representative Directors. Therefore, it will be possible to carry out substantial discussions at the meeting of the Board of Directors and swift management.
- (3) In the case of a company with the board of corporate auditors which is the current system of the Company, duties of corporate auditors are in principle limited to “audit of legitimacy”, but in the case of a company with audit and supervisory committee duties of the audit and supervisory committee is expanded to include “audit of propriety” so that it is possible for the audit and supervisory committee to supervise the totality of management.
- (4) In the case of the company with audit and supervisory committee, the audit and supervisory committee as an organization is engaged in audit, making use of an internal control system. For this purpose the Company is planning to contemplated that the related departments will be reorganized to departments as a whole which are directly report to the audit and supervisory committee.
- (5) In addition to non-existence of audit system by corporate auditors in Europe and the United States, and since corporate auditors do not have voting rights at the meetings of the Board of Directors, it is difficult to obtain understanding of supervisory function of the Board of Corporate Auditors from foreign institutional investors. With

this transfer into a company with audit and supervisory committee, the Company expects to solicit understanding from foreign institutional investors.

- (6) We will further enrich the corporate governance system as stated above and this will enable to facilitate enhancement of the corporate value of the Company.

2. Time of Transfer

The amendment of the Articles of Incorporation of the Company will be proposed at the 37th Ordinary General Meeting of shareholders of the Company scheduled to be held in June 2016 and it is contemplated to transfer to a company with audit and supervisory committee with effect from the close of that Ordinary General Meeting of Shareholders upon approval at the meeting.

3. Others

Notice of details of the proposals to amend the Articles of Incorporation, candidates of Directors and others will be announced as soon as determined.

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