

Bandai Press Release

Bandai America sells holdings in The Upper Deck group

Bandai Co. (7967)

Takeo Takasu, President

TOKYO, January 5, 2001 – Bandai announced today that its subsidiary Bandai America Inc. has sold all ownership in the Upper Deck group of companies. Bandai America Inc. (California, USA, Masa-aki Tsuji, President, capital USD 24.6 million, wholly-owned by Bandai Co.) and The Upper Deck group, America's largest trading card company, had been partners since August 6, 1996, working together to expand the world market for trading cards and collector's cards.

Reason for dissolution of partnership: Bandai entered into a contractual marketing relationship with The Upper Deck in 1994 with the goal of creating a strong trading card market in Japan. Two years later, in order to expand that market globally (primarily in the Asian region), Bandai acquired capital holdings in The Upper Deck group of companies and on the basis of this strong cooperative relationship achieved solid results. However, the current mid-term plan for the Bandai Group mandates a policy of increased liquidity of assets, with the aim of improving the corporate financial position. Accordingly Bandai determined that Bandai America Inc. should sell all of its holdings in The Upper Deck.

Overview of ownership transfer:

1) Proportion of ownership	50% each of The Upper Deck Co., LLC. The Upper Deck International LLC. The Upper Deck Authenticated Ltd., aLLC.
2) Book value	USD 10,304,000 (as of June 2000)
3) Transferee	The Upper Deck Co., LLC.
4) Transfer price	USD 35,000,000
5) Date of transfer	December 29, 2000

The Upper Deck Co., LLC.

Richard McWilliam, Chairman and C.E.O.
5909 Sea Otter Place, Carlsbad, California, 92008, USA
December 31 fiscal year end

Bandai America Inc.

Masa-aki Tsuji, President
Established October, 1995
5551 Katella Avenue, Cypress, California, 90630, USA
Marketing of character-based toys and other products in North America

Anticipated effect of sale on current period results:

A gain on sale of USD 24,696,000 (approximately JPY 2.65 billion) is anticipated, however provision will be made for losses based on valuation changes of Bandai America's assets, resulting in a reduction in fixed expenses from now on. The effect on consolidated results (April 1, 2000 through March 31, 2001) is expected to be minimal.