

Bandai Co., Ltd. (7967)

2-5-4 Komagata, Taito-ku, Tokyo

Takeo Takasu, President and COO

23.6 billion yen capital

Bandai to Launch Joint Venture On-line Game Service Company

TOKYO, July 10, 2001 – Bandai Co., Ltd. and Game Venture Inc. based in Seoul, South Korea will join in creating the Bandai. GV Co., Ltd., a new on-line game service company.

The new venture will combine Bandai's character merchandizing expertise across a wide range of sectors with the proven track record of Game Venture in the advanced on-line game market of South Korea where the Game Venture "Fortress Series" currently has 9.8 million registered players. The new joint venture company will be able to take the lead in developing the emerging on-line game market in Japan, a market that is anticipated to grow rapidly. In the future the new company will provide services to South Korea as well as Japan.

Bandai. GV Co., Ltd. is scheduled to begin service October 2001 and is expected to acquire 150,000 members in the first year.

Corporate information

Company:	Bandai. GV Co., Ltd.	
Address:	2-5-4 Komagata, Taito-ku, Tokyo	
Established:	October 1 2001	
Capital:	10 million yen	
Stockholders:	Bandai Co., Ltd.	60%
	Game Venture Inc.	30%
	Daiwon Cartoon Industry Inc.	10%
Representative:	President, Mikio Ishigami	
Directors:	Takashi Shimizu, Sang-su Park	
Fiscal year-end:	February 28/29	

Business areas

- 1) Localization for Japan market, marketing and servicing Game Venture

- Inc. on-line games, including the "Fortress Series"
- 2) Development, marketing and servicing of original on-line games utilizing Bandai Co., Ltd. expertise in character merchandizing
 - 3) Web site administration for on-line game servicing
 - 4) Servicing of original on-line games in South Korea

A signing ceremony and press conference for the new joint venture was held today, July 10, in Seoul between the Bandai, Game Venture and Daiwon companies. On-line games for the Japan market to be serviced by Bandai. GV will be displayed at the "Tokyo Game Show" event to be held in October.

Game Venture Inc.

Headquarters: Seoul

Representative: Youn Kisoo

Capital: 4.47 billion won (approx. 474 million yen)

Business areas: on-line game development and marketing, including "Fortress Series" that has the highest number of participants and page views per day in the South Korean market. Administers largest membership game site in South Korea (<http://www.x2game.com>)

Daiwon Cartoon Industry, Inc.

Headquarters: Seoul

Representative: Choi Young Jip

Capital: 1.55 billion won (approx. 155 million yen)

Business areas: publishing of comic books, books, magazines on animation and games, as well as sales of game software in the South Korean market. Daiwon Group has a wealth of expertise in the South Korea publishing and movie markets for Japanese animation characters, an invaluable partner for Bandai CV development within South Korea in the future.

The "Fortress Series" on-line game

Competitive on-line game for up to 8 participants, offered by Game Venture since October 1999. Players attempt to damage opponents by operating a machine with an individualized character and shooting in turn. Simple, clear-cut rules, but the course of the game can change based on

a wide variety of factors including choice of machine, each with a selection of unique characteristics, use of attachments and decisions regarding strategy made as players chat with others in the game. Registered users now number 9.8 million – about one-fifth of the entire population of South Korea – and machines that appear in the game merchandized as toys and other products are popular as well. The “Fortress Series” has a high recognition factor, and Coca-Cola Korea has used characters in product promotion. The game received the South Korean Director-general for Cultural Affairs Department Prize in July 2000, and the Grand Prize awarded by the Culture and Tourism Ministry at the KAMEX 2000 game expo in December.