

## **Bandai Press Release**

# **Bandai and SEIKA NOTE to launch operational and capital alliance**

Bandai Co. (7967)

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

Takeo Takasu, President

23.6 billion yen capital

SEIKA NOTE Co., Ltd.

2-17-4 Azumabashi, Sumida-ku, Tokyo

Junichi Hamada, President

**Tokyo – September 21, 2000** – Bandai Co., Ltd. today announced that it will be entering into an operational and capital alliance with SEIKA NOTE Co., Ltd., a major manufacturer of branded-character themed stationery and sundries.

### **Why a partnership?**

The focus of Bandai's current three-year plan, launched this April, is to become the number one entertainment provider in various markets centering on branded-character goods. Through this venture with SEIKA NOTE, Bandai will be able to significantly expand its sphere of operations and gain a solid foothold in the field of character-themed writing supplies.

In the past Bandai has had some success in the design and sale of character stationery, but was limited to toy distributors and specialty stores. The two firms which had up until now focused on different markets, will not only be able to broaden their current lines, but will also be able to join forces designing new types of product. With SEIKA NOTE providing new distribution routes for Bandai toys and goods, both company's sales channels will become the focus of a revitalization effort.

### **Capital investment**

Bandai will be acquiring 70,000 shares of SEIKA NOTE stock through a direct placement on

October 12, and an extraordinary SEIKA NOTE Board of Director's meeting will be held October 6 to implement the resolution. After this acquisition Bandai will hold 38.9% of SEIKA NOTE stock, and several Bandai executives will be assigned to SEIKA NOTE to support the development of mutual operations.

**About Bandai Co., Ltd.**

- Bandai Co., Ltd.  
2-5-4 Komagata, Taito-ku, Tokyo  
Takeo Takasu, President
- 23.6 billion yen capital (as of 31 March 2000)
- 48,921,882 shares outstanding (as of 31 March 2000)
- Manufacturing and marketing of toys, games, apparel and candy-toys
- 111 billion 957 million yen in sales (FY ending March 2000)

Since the early 1970's Bandai has incorporated the technique of branded-character marketing, promoting the synergistic link between character goods and the heroes and heroines that appear on TV and in comics. We now are actively developing products in a wide variety of fields, hand-held games, apparel, candy-toys, vending machine prizes, models and life-style goods in addition to toys. Our current three-year plan is based on the strategic classification of our markets into next generation, growth, mature and potential: by investing managerial resources into growth and next generation markets, while focusing on improving efficiency in more mature lines of business we aim to be number one in all our markets.

**About SEIKA NOTE Co., Ltd.**

- SEIKA NOTE Co., Ltd.  
2-17-4 Azumabashi, Sumida-ku, Tokyo  
Junichi Hamada, President
- 55 million yen capital (as of 30 June 2000)
- 110,000 shares outstanding (as of 30 June 2000)
- Manufacturing and marketing of paper goods, toys, paper toys
- 2 billion 306 million yen in sales (FY ending June 2000)

SEIKA NOTE has been manufacturing and marketing stationery and sundries since 1920, and merchandizing products aimed at children that have incorporated international characters since 1959. Since 1960, when characters from cartoon magazines and television were introduced to its children's stationeries and notebooks, SEIKA NOTE has continuously updated its line of characters and extended its product categories.