



TATSUNOKO PRODUCTION
since 1962

15 October 2012

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'GATCHAMAN' CGI Feature Film Option Lawsuit Settled

All Rights Under Option Agreement Revert Back to Tatsunoko Production Co., Ltd.

The Los Angeles County, California, Superior Court lawsuit filed against IMAGI International Holdings Limited (together with its subsidiary, IMAGI Diamond Limited, "IMAGI") on 9 August 2011, by Tatsunoko Production Company Limited ("Tatsunoko") concerning the June 2006 'Gatchaman' CGI Feature Film Agreement between IMAGI and Tatsunoko ("Option Agreement"), pursuant to which IMAGI had intended to produce and distribute an animated theatrical CGI movie based on Tatsunoko's 'Science Ninja Team Gatchaman' animated television series (1972), has been settled by mutual agreement of the parties and dismissed. The settlement includes the parties' mutual agreement that the Option Agreement and all IMAGI rights thereunder terminated and reverted back to Tatsunoko effective as of 31 December 2010.

While IMAGI had been developing their new animated theatrical CGI movie based on Gatchaman, due to IMAGI's recent corporate restructuring IMAGI decided to focus their resources on Greater China and create family entertainment animation through new IMAGI created and owned properties instead of high-budget CGI theatrical animation movies based on third party content. Consequently, IMAGI stopped developing their Gatchaman film project.

As a result of the settlement, (i) both sides have mutually agreed to discontinue their business relationship with respect to Gatchaman, and (ii) both sides have mutually agreed that all of the rights in and to Gatchaman, the film creation and the license of the original copyright have reverted back to Tatsunoko in their entirety, and the exploitation and licensing of all such Gatchaman rights, worldwide, will henceforth be made solely and directly by and through Tatsunoko.

Tatsunoko is presently planning to utilize and exploit the world renowned Gatchaman

brand and to develop the brand in various areas.

IMAGI remains well positioned to become a branded family entertainment powerhouse in the Greater China area and beyond, with 'Pleasant Goat and Big Big Wolf' and its other properties to expand into the broader entertainment and services markets.

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