



TOKYOPOP® Update

2002 is certain to be the biggest year yet in TOKYOPOP history. Now celebrating our 6th year in business, the depth of our library and volume of our product releases have put us into a new league. And we're making some bold moves that will revolutionize -- and greatly expand -- the presence of our character-based entertainment in the U.S.

A Product a Day

With nearly 350 new products scheduled for 2002, TOKYOPOP will release an average of one product per day! Our production capability has been streamlined in all areas (publishing, music and video), allowing us a higher frequency of releases, better overall quality and more effective cross-promotion across each product group.

Manga Done the Right (to Left) Way



TOKYOPOP has long been a leader in bringing North American fans the best manga available. Now, the company has made an unprecedented move that will revolutionize the manga industry. Beginning in April, TOKYOPOP will publish

all of its new graphic novels in authentic manga (right-to-left) format. By maintaining the authentic artwork, we will give our readers the opportunity to enjoy manga as the creators originally intended -- with no flipped images or super-imposed sound effects. The change also allows TOKYOPOP to release graphic novels on a monthly or bi-monthly basis -- fully three-to-six times faster than the industry's standard release schedule.

One Property, Multiple Platforms

This is also the year when the pieces of TOKYOPOP's multi-platform approach to entertainment truly come together. In 2002, we will release products in multiple platforms (graphic novels, DVD, CDs, art books, etc.) for more than 15 unique properties, including *GTO*, *Initial D*, *Marmalade Boy* and



Real Bout High School. This approach allows TOKYOPOP to fully develop its brands, while simultaneously satisfying the desire of both fans and retailers for more product. The resulting cross-promotional opportunities also enable us to create unique marketing programs with the nation's largest retailers and distributors.

Our first five years put us on the map. In 2002, we're redrawing the borders. Stay tuned!

Publishing

TOKYOPOP's revolutionary move to the right-to-left manga format (see *Update*) is already starting a buzz, not just for the change itself, but also for the incredible titles that will launch in April. The debut line-up includes *Chobits*, *Cowboy Bebop*, *Dragon Knights*, *GTO*, *Marmalade Boy*, *Mars*, *Planet Ladder*, *Real Bout High School* and *Skull Man*.



To support the launch, TOKYOPOP has unleashed a national media and retail marketing campaign. We have secured editorial coverage and advertising in *Diamond Comics' Previews*, *Animerica*, *Anime Invasion*, *AnimeOnDVD.com*, and several other consumer and trade publications. The launch is also being heavily promoted within TOKYOPOP's own products and a radio campaign is also being developed.

At the retail level, TOKYOPOP has created a unique, free-standing POP display that will showcase each of the nine launch titles. With special packaging to further entice consumers and collectors, these displays will be carried by leading national retailers, including Waldenbooks, Hastings, Fry's and Media Play. Borders will also carry TOKYOPOP's new authentic manga titles.

As exciting as it is, the "authentic manga" launch is not the only game in town. In the first two quarters of 2002, TOKYOPOP will also release a series of anime guides to the hugely popular *Cowboy Bebop* and *Gundam Wing* series, as well as a set of art books for CLAMP's masterpiece manga, *Magic Knight Rayearth*. Additionally, the *Love Hina* manga, announced in the previous TOKYOPOP Newsletter, will debut in comic form in March, with graphic novels starting in May.



TOKYOPOP is also expanding its relationship with leading bookseller Waldenbooks. Beginning in March, all stores will include permanent, high-visibility TOKYOPOP fixtures that can feature as many as 13 titles at one time.

also include the half-hour movie prequel to *Marmalade Boy*. This news comes as TOKYOPOP prepares to launch the *Marmalade Boy* manga series in April. With an edgy plot guaranteed to command attention, *Marmalade Boy* tells the colorful story of Miki, a teenage girl whose dysfunctional family gets her caught up in some of the strangest love triangles imaginable.



Video

Sales of TOKYOPOP's line of animation and live action titles continue to grow, and releases of new acquisitions are slated for Q1 and Q2. In the second half of 2001, the strength of such titles as *Vampire Princess Miyu* and *Street Fury* helped significantly expand our network of national retailers. TOKYOPOP DVD titles continue to experience strong sales at Blockbuster (rental), Suncoast Video, Hastings, Borders, Fry's, Sam Goody, Media Play, Best Buy, Gamestop, Electronics Boutique, Virgin, Amazon.com, Tower and Trans World stores. Additionally, we are now carried by many new outlets such as Fred Meyer, Circuit City and Hollywood Video.

Brigadoon



TOKYOPOP has recently acquired the rights to *Brigadoon*, a highly acclaimed, hyper-comedic Japanese sci-fi series featuring stunning animation from Sunrise, one of Japan's top animation studios. Demonstrated by Cartoon

Network hits like *Gundam Wing*, *Cowboy Bebop* and *Outlaw Star*, the work of Sunrise is already immensely popular in the United States. *Brigadoon* follows the often-crazy adventures of Marin, an orphan girl who suddenly finds herself hunted by a living, bio-weapon robot out to wreak havoc on her hometown. Ironically, it is none other than another robot who enters the picture as Marin's protector.

Music



TOKYOPOP continues to expand promotions with our leading retailers. Among the highlights are a unique anime/soundtrack campaign through Suncoast in March and an exciting promotion in Borders this summer.

In the first half of 2002, TOKYOPOP will launch a string of new animation properties, including the highly anticipated *GTO*, *Real Bout High School* and *Reign*.

TOKYOPOP continues to dominate the anime and video game soundtrack category. Released in December, sales for the *Final Fantasy X* soundtrack were phenomenal, making it our best-selling CD to date. TOKYOPOP further expanded its line-up of soundtracks to the world's best-selling game series with the Q4 release of the *Final Fantasy S Generation* and *Final Fantasy N Generation* soundtracks.



TOKYOPOP® New Acquisitions

Marmalade Boy

The fans have been asking for it, and now TOKYOPOP has answered with confirmation that it will deliver the highly anticipated *Marmalade Boy* anime to the U.S. Plans

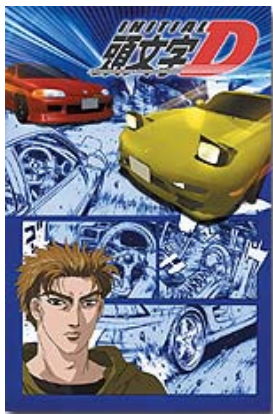
Maintaining the tremendous momentum from 2001, TOKYOPOP released Capcom's Onimusha soundtrack in January to rave reviews. Upcoming CD releases for the rest of 2002 include *GTO*, *Initial D*, *Virtual Fighter 4*, *Gun Valkyrie* and more.

Amazon.com will soon begin selling our audio CDs, meaning that the world's leading online retailer will now carry all categories of TOKYOPOP products. A

promotional package for the *Final Fantasy X* soundtrack, done in conjunction with Musicland, further proved that the soundtrack category is generating significant excitement among fans and major retailers nationwide.

TOKYOPOP® Publicity

With the TOKYOPOP PR machine in high gear, TOKYOPOP and its properties are receiving extensive coverage in the consumer and trade media, from major mainstream publications to key trade journals for retail buyers.



Founder and CEO Stuart Levy was interviewed for feature articles in the *Hollywood Reporter* (NATPE Animation issue) and *License! Magazine* (February 2002 issue). *The Sounds of Onimusha* soundtrack is being considered for Best Soundtrack of the Year by *Play Magazine*, and *Animation Magazine* ran articles on *Initial D* and *GTO*. TOKYOPOP properties continue to earn great reviews from both animation and

hobby journalists, and with press building for TOKYOPOP's "authentic manga" launch, our next Newsletter is sure to have even more publicity news to share.

TOKYOPOP® Trade Show Report

At the annual convention of the National Association of Television Programming Executives (NATPE) in January, TOKYOPOP met with industry leaders to promote the sale of our



properties for television. Held in Las Vegas, NATPE is the television industry's leading event for buying new programming. 2002 was the first year that TOKYOPOP exhibited at the show and the reaction to properties such as *Initial D*, *GTO*, *Real Bout High School*, *Vampire Princess Miyu*, and *Stray Sheep* was enormous. TOKYOPOP's Director of Marketing, Sean Atkins, was interviewed for *Electronic Media's* NATPE News TV show,

airing on closed circuit TV at all NATPE hotels. Our sales team is following up aggressively on the interest generated.

TOKYOPOP has partnered with Hot Import Nights, the nation's leading network of import car shows, to actively promote and collect footage for our *Street Fury* series. Our debut appearance at the Hot Import Nights show in San Diego's Del Mar Fairgrounds was a huge success -- the TOKYOPOP booth drew large crowds when people came to watch our live *Street Fury* model casting call, catch their first glimpse of an *Initial D* episode and buy TOKYOPOP merchandise. The response was overwhelming -- we quickly sold out of *Street Fury* products, moved a substantial number of *J-IDOLS* DVDs and collected hundreds of candidates for future productions of *Street Fury* episodes.

TOKYOPOP Newsletter

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