



**Criminal Investigation:
Counterfeit GUNDAM models factory group
Called “ MC ” (MUSCLE BEAR, METAL GEAR, BAOFENG etc.)
and their distributors**

SUNRISE INC. (SUNRISE), BANDAI CO., LTD. (BANDAI) and BANDAI SPIRITS CO., LTD. (BANDAI SPIRITS), all of which belong to the BANDAI NAMCO group, requested the Shanghai Changning District Public Security Bureau (henceforth, PSB) to conduct a criminal investigation of intellectual property infringement against a factory group called “MC”. MC was engaged in the manufacture of a large volume of counterfeit GUNDAM models in Guangdong Province and Zhejiang Province, CHINA.

In accordance with the request, the PSB launched a criminal investigation into four factories in April of 2020. In the course of the investigation, the PSB confiscated a large number of counterfeit models and the molds used to manufacture them. The investigation further revealed that the financial losses caused by the counterfeiters exceeded 5.6 million dollars.

At the same time, the PSB launched criminal investigations into three distributors which sold the counterfeit GUNDAM models produced by MC. In the course of the investigation, more than a dozen people were arrested. These included the ringleader of the MC group, the factory manager, and the sales manager. After questioning, they were subsequently transferred to the Shanghai City Changning People’s Procuratorate for criminal prosecution.

BANDAI and BANDAI SPIRITS are authorized to produce and sell GUNDAM models under an official licensing agreement with SUNRISE. However, in recent years, it has come to our attention that counterfeit GUNDAM plastic models are being mass produced and sold in many countries, including China.

We hereby express our deep gratitude toward the generous support and action of the Shanghai Changning District PSB. We will continue to cooperate fully with them in order to ensure that counterfeiters are prosecuted to the fullest extent possible under Chinese law.

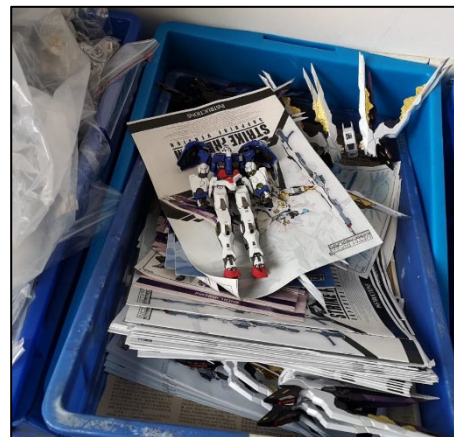
We are dedicated to providing the highest quality products and services to our loyal customers, and obligated to protect and improve our brand image. As such, we will continue to proactively protect our intellectual property rights. We will continue to remind our distributors and customers about the existence of counterfeit products, and seek all legal remedies to stem any infringement of our intellectual properties.

SUNRISE INC.
BANDAI CO., LTD.
BANDAI SPIRITS CO., LTD.
July 6, 2020

Counterfeit products manufactured by the MC Group



A large number of counterfeit products and molds were seized.



Photographs taken during the criminal investigation of the factory.

