



November 22, 2016

Press Release

Company Name: WirelessGate, Inc.
(Code 9419: TSE First Section)
Location: 5F Tennozu Yusen Bldg., 2-2-20
Higashi Shinagawa, Shinagawa-ku, Tokyo
Representative: Takehiro Ikeda,
Founder and CEO
Inquiries: Naoki Sunaga,
CIRO and Member of the Board
Corporate Officer
Head of Investor Relations Department
(Phone: 03-6433-2045)

Notice Regarding Capital Increase in Subsidiary (Joint Venture)

WirelessGate, Inc. adopted a resolution regarding the implementation of a capital increase in LTE-X Inc., a subsidiary (joint venture), through third-party allotments, at a meeting of its Board of Directors on November 22, 2016. Details are as follows.

1. Purpose for the capital increase

WirelessGate established LTE-X Inc. (capital: 1,000,000 yen), a subsidiary (joint venture), to launch the new business of a high-speed telecommunication service for IoT utilizing the LTE over Wi-Fi technology, as announced publicly in the Notice Regarding the Launch of the New Business on October 3, 2016.

To promote the business, WirelessGate has decided to underwrite shares issued by LTE-X Inc. through third-party allotments, together with the MIC Innovation IV Limited Liability Fund.

2. Profile of the subsidiary (joint venture)

(1) Name	LTE-X Inc.
(2) Location	2-2-20 Higashi Shinagawa, Shinagawa-ku, Tokyo
(3) Position and name of representative	Representative Director and CEO Takehiro Ikeda
(4) Type of business	Provision of secure, high-speed, and large capacity IoT platform
(5) Capital before capital increase	1,000, 000 yen
(6) Date of establishment	September 20, 2016
(7) Closing date of fiscal year	December 31
(8) Shareholders and shareholding ratio (As of November 22, 2016)	WirelessGate, Inc.: 51.0% Mobile Internet Capital, Inc.: 49.0%

3. Outline of the capital increase

(1) Amount of capital increased	62,496,000 yen *Going forward, an additional investment amounting to approximately 190 million yen will be made to promote businesses and strengthen the financial base, among other purposes.
(2) Capital after capital increase	32,248,000 yen
(3) Underwriters for capital increase	WirelessGate, Inc. MIC Innovation IV Limited Liability Fund
(4) Due date of payment	November 30, 2016 (planned)
(5) Shareholding ratio after capital increase	WirelessGate, Inc.: 51.0% MIC Innovation IV Limited Liability Fund: 49.0% (planned) * The shares of LTE-X Inc. owned by Mobile Internet Capital, Inc. will be transferred in their entirety to the MIC Innovation IV Limited Liability Fund, for which Mobile Internet Capital, Inc. is an unlimited liability partner.

4. Future Prospects

The impact of the investment on the Company's consolidated earnings for the fiscal year ending December 31, 2016 will be negligible. Any impact on the Company's consolidated earnings estimates will be swiftly disclosed going forward.

Reference: Consolidated earnings forecast for the current year (announced on February 12, 2016) and the results of the previous consolidated fiscal year

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Net income attributable to owners of the parent
Consolidated earnings forecast of the current year (December 2016)	12,832 million yen	1,250 million yen	1,067 million yen	660 million yen
Consolidated performance of the previous fiscal year (December 2015)	11,311 million yen	1,065 million yen	1,062 million yen	684 million yen