



November 7, 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 Tie-Up with AzurePower inc.**

WirelessGate, Inc. (Head Office: Shinagawa-ku, Tokyo; Representative Director and CEO: Takehiro Ikeda; hereinafter "WirelessGate"), a wireless broadband service provider, is pleased to announce that it resolved to execute an agreement for a capital tie-up with AzurePower inc. (Head Office: Chiyoda-ku, Tokyo; Representative Director: Shimpei Hashiguchi; hereinafter "AzurePower") which offers cloud integration at the Meeting of the Board of Directors held today and executed the said agreement as of this day. Details are as follows.

### 1. Purpose of the capital tie-up

AzurePower engages in the cloud integration business for Microsoft Azure. WirelessGate has expanded the IoT business utilizing the LTE infrastructure. Its SIM service for telecommunications will begin to be provided for the cloud IoT solutions of AzurePower.

It is also planned to start initiatives for the combination of the cloud integration business of AzurePower and the high-speed communication service for IoT, which will be provided by LTE-X, Inc., a subsidiary of WirelessGate.

### 2. Conditions of the capital tie-up

WirelessGate will underwrite the capital increase by private placement to be conducted by AzurePower (total amount of 100,000 thousand yen) and acquire common shares of AzurePower. The investment ratio is not stated because AzurePower will not be included in the scope of WirelessGate's affiliates and AzurePower has demanded that the ratio should not be disclosed.

### 3. Overview of the capital tie-up partner

(1) Name	AzurePower inc.	
(2) Location	3-8, Kandakajicho, Chiyoda-ku, Tokyo	
(3) Position and name of representative	Representative Director, Shimpei Hashiguchi	
(4) Type of business	Provision of cloud integration	
(5) Stated capital	32,500,000 yen	
(6) Date of establishment	March 10, 2015	
(7) Relationship between the listed company and the subject company	Capital relations	Not applicable.
	Personal relations	Not applicable.
	Business relations	Not applicable.
	State of applicability to the related parties	Not applicable.

※AzurePower inc. is a close company and has demanded that the information about shareholders and its finances should not be disclosed and thus it is not stated.

### 4. Schedule

(1) Resolution of the Board of Directors	November 7, 2016
(2) Date of execution of the agreement for capital tie-up	November 7, 2016
(3) Payment date	November 15, 2016 (scheduled)

### 5. 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 of the current year (announced on February 12, 2016) and actual consolidated performance from the previous 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