



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 DIGISURF, 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 DIGISURF, Inc. (Head Office: Fujisawa City, Kanagawa; Representative Director: Yoshinobu Takahashi; hereinafter “DIGISURF”) which offers various services merging the Internet and the physical world 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

DIGISURF has the intention to expand its business into the field of private residences temporarily taking lodgers, camps, hotels, activities and trips in the future, in addition to the operation of BBQ facilities (DigiQ) available on the roofs of department stores in the metropolitan area, commercial facilities in the suburbs, parks, etc. without the need to bring anything, as a leisure technology company.

WirelessGate has expanded its Wi-Fi area utilizing FON, the world’s largest Wi-Fi service. The FON Wi-Fi spots will be introduced at the BBQ facilities of DIGISURF. This action will increase convenience for its users. In addition, we and DIGISURF will jointly start the initiatives for the big data business using the Wi-Fi infrastructure.

2. Conditions of the capital tie-up

WirelessGate will underwrite the capital increase by private placement to be conducted by DIGISURF (total amount of 49,992 thousand yen) and acquire common shares of DIGISURF. The investment ratio is not stated because DIGISURF will not be included in the scope of WirelessGate’s affiliates and DIGISURF has demanded that the ratio should not be disclosed.

3. Overview of the capital tie-up partner

(1) Name	DIGISURF, Inc.	
(2) Location	AI-CROSS SHONAN 8F, 2-2-1, Tsujidokandai, Fujisawa, Kanagawa	
(3) Position and name of representative	Representative Director, Yoshinobu Takahashi	
(4) Type of business	IT service business, store management business	
(5) Stated capital	430,656,100 yen	
(6) Date of establishment	November 26, 1993	
(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.

※DIGISURF, 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 14, 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