



December 21, 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

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CIRO and Member of the Board

Corporate Officer

Head of Investor Relations Department

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Notice Regarding Capital Tie-Up with Liquid, 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 Liquid, Inc. (Head Office: Chiyoda-ku, Tokyo; CEO: Yasuhiro Kuda; hereinafter “Liquid”), which offers biometric identity verification and payment service at the meeting of the Board of Directors held today. Details are as follows.

1. Purpose of the capital tie-up

In a world first, Liquid commercialized identity verification and payment service using only biometrics and is marketing next-generation social infrastructure technologies in Japan and overseas. WirelessGate has expanded its IoT business using LTE infrastructure. Following the capital tie-up, WirelessGate will provide its communications SIM service for Liquid’s identity verification and payment service and will combine its Wi-Fi infrastructure business, mainly in tourist spots such as Asakusa, with Liquid’s identity verification and payment service. In doing so, WirelessGate will accelerate the expansion of its own business as well as Liquid’s business through collaboration between the companies.

2. Conditions of the capital tie-up

WirelessGate will underwrite part of a capital increase by private placement to be conducted by Liquid and will acquire shares in Liquid. At the request of Liquid, WirelessGate will not disclose the amount of investment or the investment ratio. The amount of investment is small. The investment ratio is within a certain range so that Liquid will not become an affiliate of WirelessGate.

3. Overview of the capital tie-up partner

(1) Name	Liquid, Inc.	
(2) Location	1401 Tokyo Bankers Association Building, 1-3-1 Marunouchi, Chiyoda-ku, Tokyo	
(3) Position and name of representative	CEO, Yasuhiro Kuda	
(4) Type of business	Liquid develops and provides biometric identity verification and payment services using authentication algorithms that enable high-speed processing using image analysis technology focusing on biometric data, including fingerprint data, and big data analysis technology using machine learning.	
(5) Date of establishment	December 24, 2013	
(6) Relationship between the listed company and the subject company	Capital relations	Not applicable.
	Personnel relations	Not applicable.
	Business relations	Not applicable.
	State of applicability to the related parties	Not applicable.

※Liquid is a private company and has asked that we do not disclose information on shareholders and financial information.

4. Schedule

(1) Resolution of the Board of Directors	December 21, 2016
(2) Date of execution of the agreement for capital tie-up	December 26, 2016 (scheduled)
(3) Payment date	December 28, 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 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