



July 28, 2016

Press Release

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(Code 9419: TSE First Section)
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WirelessGate to Substantially Expand Free Wi-Fi Area with FON

-Starting nationwide development and broadband line instillation-

WirelessGate, Inc. (Head Office: Shinagawa-ku, Tokyo; Representative Director and CEO: Takehiro Ikeda; hereinafter "WirelessGate"), a wireless broadband service provider, announces the progress of its Wi-Fi infrastructure business.

WirelessGate aims to expand and enhance local informatization services jointly with Kansai Broadband Corp. (Head Office: Kobe, Hyogo Pref.; President: Hisashi Misu; hereinafter "Kansai Broadband"), which provides broadband and ICT-related local informatization service in many parts of Japan. WirelessGate has also started the development of a free Wi-Fi infrastructure service with FON in the area that is supervised by Kansai Broadband and where it provides its service in order to attract tourists, measure inbound tourism, and improve convenience in the region.

This service began in locations throughout the country, mainly in areas under public jurisdiction (Kobe, Hyogo Prefecture, Aki, Kochi Prefecture, Kagoshima Prefecture, Iki Island and Tokunoshima Island), as part of the development of Kansai Broadband and the operation project for the communication infrastructure of the local governments. This will create about 2,000 Wi-Fi spots with a plan to gradually increase the number of spots as WirelessGate provides logistical, introductory, and overall support for the service.

For tourists from Japan and the inbound tourists that are currently increasing in number, WirelessGate will develop this service as it has done in other areas (Niseko, Kamakura, Michinoeki, Asakusa, etc.), where it provided introductory support. Utilizing the world's largest Wi-Fi service, FON's high-performance, low-price wireless LAN router, tourists can access the Wi-Fi service free of charge for a set amount of time each day. In addition, by initially displaying local guide or emergency information after connecting to the Wi-Fi network, the Wi-Fi network can be used to share important local information.

On the other hand, for members of Kansai Broadband's home Internet connection service, WirelessGate will start to provide optional service for the introduction of the FON router and the use of the Wi-Fi network.

With this service, members will be able to use the Wi-Fi environment developed around their house free of charge. This will create a community Wi-Fi network formed by government and private-sector facilities.

Future prospects

The release will exert a negligible impact on our consolidated performance for the term ending in December 2016. If any other influence on the prospects of our consolidated performance is expected, it will be swiftly disclosed.

WirelessGate aims to expand the Wi-Fi infrastructure and improve the level of service provided so that everyone can enjoy a reliable wireless broadband service by utilizing the communication services it provides as an aggregator (integrated wireless carrier).

(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