

December 25, 2015

To whom it may concern

Company name	GungHo Online Entertainment, Inc.
Representative	Kazuki Morishita, Representative Director & President, CEO (Securities code : 3765 TSE First Section)
Contact person	Kazuya Sakai, Director & CFO, Executive General Manager of Finance Accounting Division (TEL : 03-6895-1650)

(Report on the progress of disclosed items) Notice on the Establishment of Joint Venture with a Leading Taiwanese Game Publishing Company

In relation to the “Notice on the Establishment of a Joint Venture with a leading Taiwanese Game Publishing Company” as disclosed dated October 22, 2015, we would like to provide the following notification that the establishment of the joint venture on this occasion is complete.

With regard to the previously provisional trading name and undetermined address, those relevant areas that are now determined have been underlined.

1. Purpose of establishing a joint venture company

Today's smartphone games market continues to grow, attracting a broad range of users not only in Japan but also in Europe, the U.S. and Asian countries. Against this backdrop, we have established a joint venture with Gamania International Holdings Ltd, which is a group company of the Taiwanese major game publishing company Gamania Digital Entertainment Co., Ltd, in order to publish our game titles that are popular in Japan, not only in Taiwan but also in Hong Kong and Macao.

2. Overview of the joint venture company

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| (1) Company Name | <u>GungHo Gamania Co., Limited</u> |
| (2) Principal Office | <u>Hung Hom, Hong Kong</u> |
| (3) Representatives | <u>Po-Yuan Liu</u> |
| (4) Main Business | Distribution and operation of game titles; other ancillary business operations |
| (5) Paid-in Capital | US\$ 5 Million (Approximately JPY 599 million) |
| (6) Establishment | <u>December 21, 2015</u> |
| (7) Major shareholders and shareholding ratio | GungHo Online Entertainment, Inc. 51.0%
Gamania International Holdings Ltd. 49.0% |

3. Outlook

The Company expects that this matter will have only a negligible effect on the consolidated business forecast for the fiscal year ending December 31, 2015 and will notify if some events needing to be disclosed occur. This joint venture company corresponds to a consolidated subsidiary.