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Press Release

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Preparing for the Tokyo 2020 Olympic and Paralympic Games
Efforts to expand the Wi-Fi infrastructure in Japan together with
the world's largest community Wi-Fi "FON"

Increasing the number of Wi-Fi areas and marketing businesses that utilize
the Wi-Fi

WirelessGate, Inc. (Head Office: Shinagawa-ku, Tokyo; Representative Director and CEO: Takehiro Ikeda; hereinafter "WirelessGate"), a wireless broadband service provider, will begin initiatives to expand the Wi-Fi infrastructure in Japan together with Fon Wireless Ltd. (Head Office: Madrid, Spain; hereinafter "FON"), the company which runs the world's largest community Wi-Fi "FON", and its Japanese subsidiary Fon Japan K.K. (Head Office: Minato-ku, Tokyo; Representative Director and CEO: Hiroshi Kaneda; hereinafter "FON Japan")

In recent years, the use of devices such as smartphones has become widespread. Government offices and private companies are promoting initiatives to expand the Wi-Fi infrastructure in preparation for the increase in foreign visitors toward the 2020 Tokyo Olympics and Paralympics. FON, which owns more than 13 million Wi-Fi spots in over 200 countries around the world, successfully improved the Wi-Fi environment around Olympic venues during the 2012 London Olympics by working in cooperation with BT, one of the major telecommunication companies in the UK.

Currently, FON is examining measures for improving the Wi-Fi environment for the Rio 2016 Olympics together with Oi, a major Brazilian telecommunication company.

WirelessGate will draw upon FON's knowhow as works to build about 200,000 Wi-Fi spots in Japan with a view to the 2020 Tokyo Olympics and Paralympics. It will also begin marketing

businesses that use Wi-Fi together with FON and FON Japan.

1. Selling wireless routers and supporting the home Wi-Fi environment

The Communications Usage Trend Survey announced by the Ministry of Internal Affairs and Communications in June last year shows that 54.4% of all domestic households use a wireless LAN at home, while nearly half of all households connect to the Internet by means other than a wireless LAN. This year on March 19, WirelessGate will begin selling the high-performance and low-cost wireless LAN routers together with FON in Yodobashi Camera, a leading consumer electronics retailer in Japan. It aims to create a comfortable wireless LAN environment that people can enjoy at home.

Users who install WirelessGate routers at home are registered as members for the WirelessGate Wi-Fi+LTE SIM card offered by WirelessGate. With this card, they can use the “FON” Wi-Fi spots in more than 13 million places around the world for free as the FON members, along with the Wi-Fi spots, LTE communication networks, and 3G networks that WirelessGate provides in around 40,000 locations across Japan. WirelessGate also plans to greatly increase the number of FON Wi-Fi spots available in Japan.

2. Supporting small business using Wi-Fi spots

WirelessGate provides FON routers and supports the construction of a mobile retailer Wi-Fi environment for the M-Store Platform provided by Andeco Inc., running the platform business on the behalf of mobile retailers. M-Store Platform is a solution that provides electricity and water for mobile retailers who use kitchen cars and carts to set up food service stores or retail stores in a variety of places, such as commercial facilities and markets. Using the FON routers, M-Store Platform users can access the Wi-Fi environment in addition to electricity and water. The Wi-Fi service can be provided to the customers of these stores as an additional service, and can be also used by store staff.

WirelessGate supports small business, such as sales and food services, through the provision of Wi-Fi spots. In developing M-Store Platform installation sites and a scheme for managing and operating the Wi-Fi infrastructure, WirelessGate will work together with Buddynet Inc., a company which has successfully built a Wi-Fi network that encompasses more than 60,000 locations.

This approach will be promoted as the Location Commerce Alliance in the future.

3. Gathering and providing the marketing data

WirelessGate has been working on marketing businesses, such as the Ginza G Free Project, that take advantage of the Wi-Fi environment. To further expand its marketing businesses in the future, WirelessGate will tackle the use of big data together with FON Japan, gathering and analyzing the data related to the flow of people that is obtained from the routers installed for the M-Store Platform.

4. Future prospects

At this time, the impact of these efforts on the performance for the period ending in December 2015 is minor. Moving forward, these efforts are expected to help improve business performance in the medium- and long-term.

WirelessGate will continue working to expand the Wi-Fi infrastructure and improve the level of service provided so that everyone can enjoy comfortable wireless broadband service.

(For reference)

The consolidated earnings forecast of the current year (announced on February 12, 2015) and the consolidated performance of the previous fiscal year

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Consolidated net income
Consolidated earnings forecast of the current year (December 2015)	12,472 million yen	1,350 million yen	1,348 million yen	856 million yen
Consolidated performance of the previous fiscal year (December 2014)	9,105 million yen	794 million yen	789 million yen	499 million yen