

May 12, 2008

Company Name: GungHo Online Entertainment, Inc.  
President & CEO: Kazuki Morishita  
(Code No.: 3765; Listed on Osaka Stock Exchange Hercules Market)  
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## **Notification concerning completion of merger of consolidated subsidiary company**

In accordance with the announcement made by GungHo Online Entertainment, Inc., on February 18, 2008, titled, "Notification concerning the merger of consolidated subsidiary company," we hereby provide notification that today procedures were completed for the merger of the 100% owned subsidiary GungHo Mode into GungHo Online Entertainment.

### **1. Content of merger**

The company resulting from the merger will be GungHo Online Entertainment and GungHo Mode will cease to exist. In addition, as GungHo Mode was a 100% owned subsidiary of GungHo Online Entertainment, there will be no issuance of new shares, increase in capitalization or payments of merger-related monies arising from the merger.

### **2. Future outlook**

In order to pursue further growth among group companies in the future, through this merger we will concentrate online businesses, and through restructuring unify management, improve corporate efficiency and utilize management resources effectively. The merger will have negligible effect on the business results of GungHo group companies after the period ending December 2008.