

February 27, 2009

To whom it may concern

Company Name	GungHo Online Entertainment, Inc.
President & CEO	Kazuki Morishita
(Code No.: 3765; Listed on Osaka Stock Exchange Hercules Market)	
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## **Announcement about JV with the US RockYou, Inc., SOFTBANK CORP and Others**

GungHo Online Entertainment, Inc. announces that it has concluded a joint venture and investment agreements for “RockYou Asia Inc.” (head office in Minato-ku Tokyo; hereinafter referred to as “RockYou Asia”) together with RockYou, Inc., a social application provider which offers social applications for the social network service (hereinafter referred to as “SNS”) (head office in California, the US; hereinafter referred to as “RockYou”), SOFTBANK CORP. (head office in Minato-ku Tokyo; hereinafter referred to as “SOFTBANK”) as of the date of this announcement.

### 1. Purpose

As part of its medium- and long-term business strategies, the GungHo Group cites “promotion of the brand and creation of new pillars” and “expansion of global profit-earning opportunities.” Through the investment for the full-scale operation of RockYou Asia, we seek to accumulate know-how on global business deployment and web-based social games, and to strengthen our business platform.

### 2. Details of the Joint Venture

The purpose of this Joint Venture (JV) is to provide sophisticated services including social applications adapted to the evolution of the uses (\*1) of SNS which has spread rapidly in Asian countries. In addition to GungHo Online Entertainment, Inc., participants of the JV include RockYou (\*2) and SOFTBANK.

#### (\*1) What is a social application?

A “social application” refers to an application which users can enjoy together with their acquaintances, friends, friends of their friends or even with other users with whom they started to communicate through the application on SNS sites. There are a number of patterns ranging from sites for match-up games to those which focus on information-sharing or communication, and they are viral in character: they rapidly spread without limit among friends and from people to people.

(\*2) About the US RockYou, Inc.

RockYou, Inc., established in November 2005, is one of the largest application providers for SNS in the world, with more than 1.5 billion page views per month. The Company offers casual games and software which are amusing and useful for communicating with friends (collectively referred to as “social applications”) for large SNS sites such as Facebook and MySpace.

- Facebook is a registered trademark or a trademark of Facebook, Inc., in the US and/or other countries.
- MySpace is a registered trademark or a trademark of Facebook, Inc., in the US and/or other countries.

### 3. Details of Investment

The Company will invest in RockYou Asia Inc. for the assignment of its shares.

Amount Invested	: 3.5 million JPY (investment ratio: 9%)
Execution Date of Agreement	: February 27, 2009
Payment Date	: March 3, 2009

### 4. Outline of RockYou Asia Inc.

Name: RockYou Asia Inc.

Head Office : Step Roppongi Building 2F, 6-8-10, Roppongi, Minato-ku, Tokyo

Business description : Development and provision of social applications on SNS

Representative : Taizo Son, President & CEO

Capital : 75 million JPY (capital reserve: 75 million JPY)

Capital structure: SOFTBANK CORP.: 44%  
RockYou, Inc.: 44%  
GungHo Online Entertainment, Inc.: 9%  
DCM (fund): 3%

Website : <http://www.rockyouasia.com>

Relationship with the Company

: The Company’s Representative Director and Chairman also holds the post of the Representative Director of RockYou Asia, Inc.

### 5. Future Outlook

The impact of the assignment of the shares and participation in the JV on the Company’s consolidated results (from January 1, 2009 to December 31, 2009) remains unknown.

Since the Group engages in contents-related businesses which have strong novelty, it seeks to disclose the financial results and the business overview quarterly in a timely manner and does not disclose its business outlook for the year due to reasons such as abrupt changes in the environment.