

July 27, 2009

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| Company Name   | GungHo Online Entertainment, Inc.                                   |
| President & CEO  | Kazuki Morishita  |
| (Code No.: 3765; Listed on Osaka Stock Exchange Hercules Market) |   |
| Inquiry  | Norio Ishimi, General Manager,<br>IR/Corporate Communication Office |
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## **Notice Concerning Partial Discontinuation of Service for Online Game and Posting of Extraordinary Loss**

GungHo Online Entertainment Inc. announces its decision to discontinue service for its online game “Hokuto-no-Ken – ONLINE HEROES.”

### 1. Background to the discontinuation of service and scheduled date for discontinuation

GungHo Online Entertainment Inc. launched this particular online game service in July 2008. The game is the online versions of the mega-hit manga series that gained tremendous popularity, and for this reason has contributed to gaining new users who have not before engaged in online gaming. However, in view of the changes in the market environment for our company, and in order to optimize our business and engage in new value creation, it has been decided to implement a partial review of our business plan.

Accordingly, the online game service for “Hokuto-no-Ken – ONLINE HEROES” will be discontinued on September 20, 2009.

### 2. Impact on corporate results

It is anticipated that in connection with the discontinuation of this online game service, an impairment loss of approximately 738 million yen will be posted as an extraordinary loss in the second quarterly period ending December 2009. GungHo Online Entertainment has not disclosed an earnings forecast for the full financial year.