

July 19, 2017

To Whom it May Concern

Company name GungHo Online Entertainment, Inc.
Representative Kazuki Morishita, Representative Director & President, CEO
(Securities code : 3765 Tokyo Stock Exchange 1st section)

Announcement regarding Administrative Order

GungHo Online Entertainment, Inc. (hereinafter, "GungHo") hereby announces that today it has received an administrative order from the Consumer Affairs Agency under the Act against Unjustifiable Premiums and Misleading Representations regarding certain online games offered by GungHo (including "Puzzle & Dragons").

Once GungHo became aware that some representations of products and verbal explanations made during live broadcasting on the Internet regarding certain online games contained expressions that could be misleading to users, it changed the relevant game specifications and took compensatory measures that give top priority to users, immediately reported the said representations voluntarily to the Consumer Affairs Agency, and provided any necessary responses to the Agency in a sincere manner.

However, GungHo would like to extend its deepest apologies to all parties concerned for causing confusion and anxiety as a consequence.

GungHo takes this case as an important opportunity to review its internal checking system regarding representations of products and live broadcasting on the Internet, and will conduct its operations with the greatest care, in order to ensure users can continue to enjoy GungHo's services without any concerns.

GungHo considers that this administrative order will have only a minor impact on its business performance.

For press inquiries on this press release, please contact:
GungHo Online Entertainment, Inc.
IR Group Email: ir@gungho.jp