



August 24, 2016

To Whom It May Concern

Company name	GungHo Online Entertainment, Inc.
Representative	Kazuki Morishita, Representative Director & President, CEO (Securities code: 3765)
Contact person	Kazuya Sakai, Director & CFO, Executive General Manager of Finance Accounting Division (TEL: 03-6895-1650)

Notice Regarding the Cancellation of Treasury Shares

(Cancellation of the treasury shares pursuant to the provision of Article 178 of the Company Act)

GungHo Online Entertainment, Inc. (the "Company") announced that on August 24, 2016 its board of directors approved the cancellation of treasury shares, pursuant to Article 178 of the Company Act, as detailed below.

1. Class of shares to be cancelled:

Common stock of the Company

2. Number of shares to be cancelled:

105,789,240 shares (10.00% of total number of issued shares before the cancellation)

3. Scheduled date of the cancellation:

September 2, 2016

(Reference)

Total number of issued shares after the cancellation:

952,103,160 shares (including treasury shares)