GREE’s Global Strategy and OpenFeint Acquisition

GREE, Inc.

April 22, 2011
GREE’s Global Strategy

Expand a social gaming network business and monetize through social games developed in Japan and internationally for the global smartphone market

Smartphone focus

The global smartphone market will continue to grow rapidly with vast market potential

Platform business expansion

Build a global social gaming network through expanding GREE (including M&As) and partnering with global platform players with shared platform specifications

Social game development

Develop social games in Japan and internationally for our global social gaming network
The rapid growth of the global smartphone market will enable our global business expansion.

Smartphone vs. PC shipments worldwide

Smartphone vs. feature phone shipments in North America

Source: Morgan Stanley
The acquisition accelerates GREE’s expansion into the global market

- **Accelerate platform business expansion**
  - Rapidly expand into the mobile social gaming network business globally

- **Accelerate social game penetration**
  - Develop social games for OpenFeint, the leading social gaming network in the world

### Platforms
- Japan
- Global Market

### Social Games
- Games (Japanese studios)
- Games (International studios)

Release Games
OpenFeint, Inc. operates a social gaming network for smartphones with one of the largest number of users (75 million), games (5,000) and developers (19,000) in the world.

<table>
<thead>
<tr>
<th>Company name</th>
<th>OpenFeint, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established</td>
<td>August 2008</td>
</tr>
<tr>
<td>CEO</td>
<td>Jason Citron</td>
</tr>
<tr>
<td>Business</td>
<td>“OpenFeint”, a social gaming network for smartphones</td>
</tr>
<tr>
<td>Office</td>
<td>California, U.S.A.</td>
</tr>
<tr>
<td>Number of users</td>
<td>75 million (as of April 2011)</td>
</tr>
<tr>
<td>Number of games</td>
<td>5,000 (as of April 2011)</td>
</tr>
<tr>
<td>Number of developers</td>
<td>19,000 (as of April 2011)</td>
</tr>
<tr>
<td>Major titles</td>
<td>Fruit Ninja, Tiny Wings (ranked as No.1 in ITunes App Store game ranking)</td>
</tr>
</tbody>
</table>
| Recent activities    | Sep. 2010: Released an SDK for Android  
                       | Dec. 2010: Released new services: “OFX” “Game Channel”  
As a social gaming network for smartphones, OpenFeint provides game developers with a suite of solutions from marketing to monetization.

**Marketing**

User acquisition through games and game portals
- More than 75 million users
- More than 5,000 apps
- Game portal applications “Game Channel” and “Feint SPOTLIGHT”

**Activation**

User activation through social features
- Social features (leaderboards, achievements, forums etc.) via their free SDK for iOS and Android OS

**Monetization**

Monetization support for developers
- Microtransaction and virtual goods management system
- Pay-per-performance advertisement
Why OpenFeint? (1)

OpenFeint has one of the largest number of users and games in the industry.

<table>
<thead>
<tr>
<th>Number of Users</th>
<th>Number of Games</th>
<th>OS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Millions)</td>
<td>(Units)</td>
<td></td>
</tr>
<tr>
<td>Company A</td>
<td>Company B</td>
<td></td>
</tr>
<tr>
<td>75</td>
<td>119</td>
<td><strong>✔</strong> iOS</td>
</tr>
<tr>
<td>12</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>119</td>
<td>(Not available)</td>
</tr>
</tbody>
</table>

*Company data as of October 2010
*OpenFeint data as of April 2011
Why OpenFeint? (2)

OpenFeint shows further growth potential through partnerships with Verizon Wireless and AT&T, the two largest mobile carriers in the U.S.

<table>
<thead>
<tr>
<th>Carrier market share in the U.S.*</th>
<th>OpenFeint partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT&amp;T 30%</td>
<td>✓ Collaborate on the mobile social gaming platform</td>
</tr>
<tr>
<td>T-Mobile 17%</td>
<td>✓ AT&amp;T announced the T-Mobile acquisition on March 20, 2011</td>
</tr>
<tr>
<td>Verizon Wireless 32%</td>
<td>✓ Agreed to distribute OpenFeint games through Verizon V CAST</td>
</tr>
<tr>
<td>Sprint 12%</td>
<td></td>
</tr>
<tr>
<td>Others 9%</td>
<td></td>
</tr>
</tbody>
</table>

* GREE Provisional Estimate based on CTIA
Synergy between GREE and OpenFeint

Synergy through platform alliance and knowledge sharing/ co-development

Platform alliance

- Sharing platform specifications between GREE and OpenFeint to help developers provide games globally with minimum porting costs

<table>
<thead>
<tr>
<th>GREE</th>
<th>OpenFeint</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 mil users</td>
<td>75 mil users</td>
</tr>
</tbody>
</table>

Knowledge sharing/ co-development

- Enhance OpenFeint's social features by leveraging GREE's expertise in social networking services
- Increase user engagement for higher game adoption and ARPU

GREE

Sharing knowledge through employee exchange

OpenFeint

Games developed in Japan and internationally
GREE’s Network with a Leading Global Reach

Build a global social gaming network through expanding GREE (including M&As) and partnering with global platform players with shared platform specifications.

800 mil users*

100 mil users*

GREE (25 mil users)

OpenFeint (75 mil users)

Tencent (650 mil users)

mig33 (47 mil users)

Expanding platform by GREE (incl. M&As)

Expanding platform through alliances

Establish an ecosystem with 800mil. users and expand further

* Number of GREE users as of March 2011; remaining figures are published by each company.
GREE’s Global Strategy

Accelerate global expansion of the platform and social game businesses

Platform business

GREE
OpenFeint
Tencent
mig33
...

SNS: 25mil users
SNS: 75mil users
SNS: 650mil users
SNS: 47mil users

Social game business

(Japanese studios)

(Under development)

(International studios)

(Under development)

(Under development)

...
Global Expansion

Become the No.1 social gaming network and social game provider in the world
Acquisition Structure and Outline
GREE will acquire OpenFeint through a triangular merger. For purposes of the acquisition, GREE International, a wholly-owned subsidiary of GREE in the U.S., had established Argon Acquisition Co (“Merger Sub”) which merged into OpenFeint. Prior to the acquisition, GREE contributed to GREE International funds for the acquisition by subscribing for additional shares in GREE International. In connection with the acquisition, cash consideration will be paid to the former stockholders, warrant holders and option holders (collectively, “Stockholders”) of OpenFeint. GREE International, in exchange, acquired newly issued shares of OpenFeint. The acquisition will be made using cash only. A summary of the acquisition is as follows.

GREE International established Merger Sub in the state of Delaware, USA. Prior to the acquisition, GREE contributed to GREE International funds for the acquisition by subscribing for additional shares in GREE International.
Merger Sub then merged into OpenFeint, in a statutory reverse triangular merger, leaving OpenFeint as the surviving entity following the merger. As consideration for the acquisition, GREE International will make a cash payment to the former OpenFeint Stockholders.

Following the transaction, OpenFeint became a wholly-owned subsidiary of GREE International and an indirect wholly owned subsidiary of GREE.

GREE has retained Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (“MUMSS”) as its financial advisor and has received advice from MUMSS on the structure and valuation of the acquisition. MUMSS has performed valuation analysis based on the comparable companies analysis based upon discounted equity value method, precedent transaction analysis and discounted cash flow analysis. GREE has determined the consideration for the acquisition considering the results of these valuation analyses performed by MUMSS.

In addition, GREE retained Morrison & Foerster LLP (“Morrison & Foerster”) as its legal advisor and has received advice from Morrison & Foerster on the legal documentation and structure of the acquisition, and the decision-making process at GREE’s board meetings.
<table>
<thead>
<tr>
<th>Acquisition Outline</th>
</tr>
</thead>
</table>

| **Acquisition cost** | Acquisition cost: 104.0 million U.S. dollars (approximately 8,575 million yen)  
*Exchange rate: 1.00 USD = 82.46 JPY as of April 20, 2011 |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acquisition funding</strong></td>
<td>Cash reserves</td>
</tr>
<tr>
<td><strong>Merger agreement date</strong></td>
<td>April 22, 2011</td>
</tr>
<tr>
<td><strong>Share purchase date</strong></td>
<td>April 22, 2011 (scheduled)</td>
</tr>
</tbody>
</table>
| **Board of directors (to be determined)** | Jason Citron  
Naoki Aoyagi  
Yoshikazu Tanaka |
| **CEO profile** | Jason Citron, Founder and CEO  
Game programmer at several studios.  
Established OpenFeint in 2008 |
This document includes some forecasts, which are based on currently available information. The authenticity of the information is not guaranteed. Actual performance may differ due to various factors, etc. We would appreciate your understanding.

When producing this document, we were careful not to include errors or omissions, but the authenticity and integrity of the information are not guaranteed.