



Company Name: Ateam Inc.

June 12, 2015

Representative: Takao Hayashi, President

(Code Number: 3662)

Contact: Akinori Mitsuoka, General Manager of Corporate Development Division

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Notice Concerning Dissolution of Capital Alliance and Liquidation of Joint Venture Company with NHN Entertainment

Ateam Inc. (hereafter “Ateam”) hereby announces that Ateam and NHN Entertainment Corporation (Headquarters: South Korea, President: Chung Ujin, hereafter “NHN Entertainment”) agreed today to dissolve their capital alliance and liquidate their fifty-fifty joint venture company. The relationship between Ateam and NHN Entertainment will continue even after the dissolution and liquidation are complete.

1. Reason for Dissolution and Liquidation

Ateam and NHN Entertainment entered into their capital alliance on December 6, 2013, and formed the joint venture company Ateam NHN Entertainment on January 23, 2014. The shared goal was to focus on the planning and development of smartphone game titles for messenger platforms.

After the formation of Ateam NHN Entertainment, development of two titles began. One of these titles was geared towards casual and mid-core users, the other solely towards mid-core users. However, after reviewing sales rankings and trends of existing messenger platform titles with similar target users, the decision not to publish the titles through this joint venture was made.

However, based on the know-how obtained through development and operation of its existing titles, Ateam had confidence in revenue and profit contributions from the title designed solely towards mid-core users. After obtaining NHN Entertainment’s consent, Ateam released the title on the iTunes App Store and Google Play™ on March 26, 2015 as “Three Kingdoms Smash!”.

Through their capital alliance, Ateam forged a positive relationship with NHN Entertainment. The planning and development process of the two titles also led to an active business relationship with messenger platform operators. However, in response to the changes in the market environment and internal strategy changes in both companies, Ateam and NHN Entertainment re-examined their business investment plans and agreed to dissolve both the capital alliance and joint venture company.

The relationships Ateam created with both NHN Entertainment and the messenger platform operating companies will continue even after the dissolution and liquidation are complete.

2. Outline of Dissolution of Capital Alliance

Ateam plans to acquire treasury shares, and has received contact from NHN Entertainment expressing its

intention to respond to Ateam's purchase of treasury shares by selling all of the common shares of Ateam that it holds (580,000 shares) in conjunction with the dissolution of the alliance.

For details of the acquisition of treasury shares, please refer to the announcement "Notice Concerning Acquisition of Treasury Stocks" dated today.

(1) Ateam shares held by NHN Entertainment

Common stock: 580,000 shares (percentage of total Ateam shares issued: 2.99% as of May 31, 2015)

(2) NHN Entertainment shares held by Ateam

None

3. Outline of Capital Alliance Partner

Summary of Capital Market Status

| | | | |
|--|--|---|------------------|
| Company Name | NHN Entertainment Corporation | | |
| Location | Play Museum, 16, Daewangpangyo-ro 645beon-gil, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea | | |
| Representative | Chung Ujin, President | | |
| Business Description | Portals and Other Internet Information Media Service Activities | | |
| Capital | KRW 7,582 million | | |
| Date of Establishment | August 1, 2013 | | |
| Security Code | 181710 (Korea Exchange (KRX)) | | |
| Ratio of Share Holding | Junho Lee and related parties 19.75% (as of December 31, 2014) | | |
| Relationship between Ateam and NHN Entertainment | Capital Relationship | NHN Entertainment holds 580,000 shares in common stock of Ateam (2.99% of total Ateam shares issued) | |
| | Personnel Relationship | No pertinent relationships | |
| | Transaction Relationship | Ateam and NHN Entertainment conducted transactions related to the publishing of Ateam-developed games into the South Korean marketplace | |
| | Status as a Related Party | None | |
| Consolidated Financial Results and Consolidated Financial Conditions for the Previous Three Fiscal Years of the Relevant Company | | | |
| Fiscal Year | Fiscal Year 2014 | Fiscal Year 2013 | Fiscal Year 2012 |
| Net Assets | KRW 1,042,865 million | KRW 1,013,016 million | - |
| Total Assets | KRW 1,272,857 million | KRW 1,178,344 million | - |
| Net Assets per Share | KRW 68,767 | KRW 66,799 | - |
| Revenue | KRW 556,862 million | KRW 265,348 million | - |
| Operating Income | KRW 11,863 million | KRW 52,079 million | - |
| Ordinary Income | KRW 72,581 million | KRW 26,835 million | - |
| Net Income | KRW 50,336 million | KRW 15,953 million | - |
| Net Income per Share | KRW 3,387 | KRW 1,221 | - |
| Dividend per Share | - | - | - |

4. Outline of Joint Venture Company

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|----------------------------------|--|
| Company Name | Ateam NHN Entertainment Corporation |
| Location | Nagoya Lucent Tower, 6-1 Ushijima-cho, Nishi-ku, Nagoya 451-6036, Japan (Same as Ateam headquarters) |
| Representative | Yukimasa Nakauchi, President (Executive Director & Entertainment Division General Manager of Ateam) |
| Directors | Takao Hayashi (President of Ateam) Chung Ujin (President of NHN Entertainment) Choi HyungKew (Director of NHN Entertainment) |
| Audit & Supervisory Board Member | Ahn HyunShik (CFO of NHN Entertainment) |
| Business Description | Planning and development of game titles, centering on smartphone messenger platforms |
| Capital | JPY 300 million *Included additional paid-in capital: JPY150 million |
| Date of Establishment | January 23, 2014 |
| Ratio of Share Holding | Ateam: 50% NHN Entertainment: 50% |
| End of Fiscal Year | July 31 |
| Net Assets | JPY 234,667 thousand |
| Total Assets | JPY 235,539 thousand |

5. Schedule for Dissolution and Liquidation

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|--|--------------------------------|
| Resolution of the Board of Directors | June 12, 2015 |
| Signing of Dissolution Contracts | June 12, 2015 |
| Acquisition of Treasury Shares | June 15, 2015 to June 26, 2015 |
| Resolution of General Meeting of Shareholders Concerning Liquidation | June, 2015 (planned) |
| Completion of Liquidation of Joint Venture Company | September, 2015 (planned) |

6. Future Prospects

Impact of the dissolution and liquidation on Ateam's consolidated financial results for the fiscal year ending July 31, 2015 and beyond will be negligible.