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## **NEWS RELEASE**

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# **Digital Garage to invest in and partner with US-based Internet studio Betaworks - Jointly accelerating global businesses -**

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Digital Garage, Inc. (TSE JASDAQ: 4819, Head Office: Shibuya-ku, Tokyo, Japan, President & Group CEO: Kaoru Hayashi, henceforth, "DG") and the New York-based Betaworks Studio, LLC (Head Office: New York, NY, United States, Founder & CEO: John Borthwick, Henceforth: "Betaworks") have agreed to begin a formal discussion for a capital alliance in which DG Incubation, Inc. (Head Office: Shibuya-ku, Tokyo, Japan, President: Yasuyuki Rokuyata, henceforth, "DGI"), DG's wholly owned investment and incubation subsidiary, to invest in Betaworks and for a business alliance to jointly accelerate the business development of both Japanese startups aiming to expand abroad and foreign startups seeking to enter Japan.

Betaworks has become known as one of the prominent venture studios in the United States. Its pioneering model combines building with venture development and seed-stage investment. Examples of companies created by Betaworks include Bitly, Chartbeat, DOTS, Digg, and Giphy. In conjunction with building companies, Betaworks makes early-stage investments in promising startups. In the past, Betaworks provided development support to Summize, helping to develop the leading search engine for Twitter, and to TweetDeck, a power-user Twitter client for desktop, web, and mobile devices. Both these companies were subsequently sold to Twitter. It also holds shares in promising startups such as Airbnb, Pinterest, Rap Genius, and Kickstarter. The shareholders of Betaworks include major VCs such as RRE and Intel Capital and prominent individuals from Silicon Valley such as founders of Twitter, Yahoo!, and Salesforce.com.



Upon this agreement, DG and Betaworks will explore the detail of business collaboration to accelerate their growth by introducing their portfolio companies and strategic partners to each other. In addition, DG plans on supporting Betaworks' Asian business expansion, while Betaworks will seek the areas of collaboration starting with advising Open Network Lab, Inc. (Head Office: Shibuya-ku, Tokyo, Japan, President: Tomoya Sasaki), the DG Group's seed accelerator program to incubate Japanese startups aiming the global market.

"Betaworks' investors include several prominent figures in Silicon Valley, and it is regarded as a community leader in this field. The Betaworks' business model is very similar to what DG's incubation segment has been doing for years. They both promote rapid growth of their portfolio startups through investment and incubation. Having Betaworks as our East Coast partner along with our newly-launched San Francisco incubation center DG717 will further accelerate our global incubation business in the coming years," says Kaoru Hayashi, DG's Group CEO.



February 13, 2014  
Digital Garage, Inc.

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“We’re very excited to join up with DG,” says Betaworks’ Founder and CEO John Borthwick. “We’ve built and invested in many US companies that will benefit from this relationship as they expand in Japan, and we’re looking forward to helping DG’s companies expand globally.”

“Betaworks is among the most active and impressive start-up studios in New York, and indeed in the US. I believe this alliance between Betaworks and DG will strengthen our network on the East Coast while tightening the overall link between the East Coast, the West Coast, and Asia. Not only do I think this alliance will create a stronger flow of US startups entering Asia, it will open up robust opportunities for Japanese startups to enter and compete in the US market,” says Joi Ito, Director and Co-Founder of DG.

### [About Betaworks]

Company Name: Betaworks Studio, LLC

Established: May, 2008

Representative: John Borthwick, Founder & CEO

Head Office: New York, United States

Incorporation: Delaware, United States

Business Description: Developing new media businesses with strong social, data-driven, and mobile elements.  
Investing in and supporting other startup businesses.

URL: <http://betaworks.com/>

### [About Digital Garage]

Tokyo-based Digital Garage (NASDAQ: 4819) focuses mainly on 3 business domains: startup incubation, marketing and promotion, and online payment businesses. Since its inception in 1995, the company has pioneered various domains of Internet businesses in Japan including portals, media representation, e-Commerce, mobile communication, and blogging. Digital Garage has localized and promoted many services such as Twitter, Path, and LinkedIn in Japan through partnerships and investments.