

NEWS RELEASE

Digital Garage Acquires Photozou Business from Zynga Japan to Start Full-fledged Communication Service Focusing on Photo Sharing

Digital Garage, Inc. (JASDAQ: 4819, Head Office: Shibuya-ku, Tokyo, President & Group CEO: Kaoru Hayashi, henceforth DG) acquired the Photozou (<u>http://photozou.jp/</u>) photo sharing service from Zynga Japan K.K. (Shibuya-ku, Tokyo, President & CEO: Kenji Matsubara, henceforth Zynga Japan) and started operating the service.

Photozou, which started in 2005, is one of Japan's largest photo sharing services, boasting approximately 2.4 million members and a cumulative upload of about 130 million photos as of March 2012. Supported as a free service with no limit* on the number of photos that can be uploaded, about 150,000 images are uploaded every day at present.

DG will develop a communication service linked with a variety of media offered by the DG Group and its ventures, built around the photo sharing capability of Photozou. As the first step, DG is planning to collaborate with Twinavi (<u>http://twinavi.jp/</u>) run by its subsidiary CGM Marketing, inc. and a social media scrapbook service called Memolane (<u>http://memolane.com/</u>) run by Memolane, with which DG is in a capital and business partnership. In addition, DG is planning to offer a series of Web services and applications to easily save photos shot with a smartphone on a cloud network and share them with family and acquaintances, targeting the rapidly expanding smartphone market.

In parallel with the aforementioned business development in the Japanese market, DG intends to consider Photozou's operation outside of Japan in collaboration with its subsidiary New Context, Inc. (Head Office: San Francisco, California, henceforth NC) of the U.S., which was recently established with the aim of global incubation focused on agile development.

[About Photozou]

Photozou is one of Japan's largest photo sharing sites, which commenced service on September 8, 2005, and boasts approximately 2.4 million members and a cumulative upload of 130 million photos as of March 2012.

*Maximum upload capacity of 3 GB per month Website: <u>http://photozou.jp/</u> Official Twitter: <u>https://twitter.com/photozou</u> Official Facebook: <u>https://www.facebook.com/photozou</u>



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