

To whom it may concern,

August 8, 2014
mixi, Inc.

Capital and Business Alliance on Native Advertising Network between mixi and SmartNews

mixi, Inc. (Shibuya-ku Tokyo; President: Hiroki Morita; hereinafter “mixi”) and SmartNews, Inc. (Shibuya-ku, Tokyo; Co-Founders and Co-CEOs: Ken Suzuki, Kaisei Hamamoto; hereinafter “SmartNews”) have reached a basic agreement today regarding business alliance in the field of native advertising network. In addition, mixi has accepted a third-party allotment of new shares implemented by SmartNews, the details of which are shown in the attachment.

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Through this alliance, mixi exclusively provides an SNS “mixi” feed ad for the native advertising network “SmartAd (tentative name),” developed and constructed by SmartNews. On August 11, Director Yuichi Kawasaki, who is in charge of new businesses at mixi, will be appointed Senior Vice President and Executive Officer, in charge of Ad Business Development of SmartNews, and will be responsible for the business development of “SmartAd (tentative name).” Sales generated from “SmartAd (tentative name)” will be shared between SmartNews and mixi.

Native advertising is different from display advertising (banner ads, etc.) in that it matches the content, design, and function of the platform on which it appears, thereby enabling a natural ad experience for users. Recently, it has become popular as a new advertising method in the U.S. and Japan.

“SmartAd (tentative name)” highly values personal experience of public users and provides native advertising network (in-feed units) which targets advertisements useful for the users. Advertisements which are useful to public users are expected to excel in performance by their high clicking rate and long period of browsing time, etc. Accordingly, the advertising companies can provide highly cost-efficient services to the advertisers.

mixi will, from now on, develop strategies for profit enhancement of the SNS “mixi” by providing useful advertisements for the SNS “mixi” users, at the same time play an important role in business expansion of the native advertising network using “SmartAd (tentative name)” by SmartNews as a new business.

***Native advertising**

Advertisements that match the content, design, and function of the platform on which it is shown, enabling a natural ad experience for users.

IAB (Interactive Advertising Bureau), a U.S. advertising industry organization, provides the six major categories of native ads: “In-feed units” such as in Facebook or Twitter where the ads are displayed in-stream; “Paid search units” such as in Google where the ads appear along with the search results; “Recommendation widgets” and “Promoted listings,” etc.

***Native advertising network “SmartAd (tentative name)”**

An advertising network optimized to mobile media, which delivers native ads that demonstrate ideal advertising effects while ensuring user’s pleasant media experience.

■ Social Networking Service (SNS) “mixi”: <<http://mixi.jp/>>

“mixi” provides social networking services (SNS) by serving as a platform for communication with a focus on the concept of “comfortable connection for all people.” Since its release in 2004, the service has been actively used by many users every day.

■ SmartNews

SmartNews is a news application for smart devices released in December 2012. It provides an easy-to-browse and pleasant interface to deliver the “most-read stories that matter now.” In addition to the unique content-selection technology, SmartNews is characterized by its optimized line breaks and inter-character spacing, as well as a user interface as smooth as flipping paper. Due to the excellent easy-to-read characteristics, SmartNews has earned high reputation from many users.

SmartNews official site: <<https://www.smartnews.be/>>

Download page: (iTunes App Store) <<https://itunes.apple.com/jp/app/id579581125>>

Download page: (Google Play)

<<https://play.google.com/store/apps/details?id=jp.gocro.smartnews.android>>

■ mixi, Inc.: <<http://mixi.co.jp/>>

In pursuit of its mission “creating comfortable connections for all people,” mixi, Inc. provides SNS “mixi,” “Find Job!,” a platform for matching companies and job-seekers, specializing in Internet sector personnel (powered by mixi recruitment, Inc.),” and more.

■ SmartNews, Inc.: <<http://www.smartnews.co.jp/>>

SmartNews, Inc. is an enterprise established on June 15, 2012 (company name upon its foundation: Gocro, Inc.), with the mission of “Delivering the world’s quality information to the people who need it.” With the proprietary social media analytical technology at the base, SmartNews, Inc. operates the news browsing app “SmartNews” designed for smartphone tablets which has recorded over four million downloads. Centering on the said app, SmartNews, Inc. has concluded business alliances with a number of media companies.

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●SmartNews, Inc.

Public Relations Representative: <info@smartnews.co.jp>

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