GMO INTERNET

July 22, 2013

Company Name:	GMO Internet, Inc.
	(TSE First Section, Code: 9449)
Address:	26-1 Sakuragaoka-cho Shibuya-ku Tokyo JAPAN
Representative:	Masatoshi Kumagai, CEO and Representative Director
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Notice of Share Acquisition by Consolidated Subsidiary

(Acquisition of Indirectly-Owned Subsidiary)

GMO Internet, Inc. consolidated subsidiary, GMO AD Partners, Inc. (JASDAQ: 4784) today convened a Board of Directors meeting that that resolved to acquire 90% of common shares in INNOVATORS, Inc. making the company a consolidated subsidiary (and an indirectly owned subsidiary of GMO Internet).

1. Outline of the Acquiring Subsidiary (GMO AD Partners, Inc.)

(1) Company Name	GMO AD Partners, Inc.
(2) Address	26-1 Sakuragaokacho, Shibuya-ku Tokyo, JAPAN
(3) CEO	Shintaro Takahashi
(4) Business Description	Internet Advertising
(5) Capital	JPY 1,301,568,500 (as of 12/31/2012)

2. Reason for the Acquisition

Growing smartphone usage has stimulated growth in the ecommerce market, and the affiliate market, which also has a strong affinity with ecommerce, also continues to expand. PC affiliate advertising has always been widely used by ecommerce and financial services, and advertising for recruitment services, as well as beauty and health products is also increasing. GMO AD Partners is a comprehensive Internet advertising group comprising both media rep and agency businesses. The Group believes that adding affiliate operations will contribute to strengthening information and sales strength, and is a response to market environment.

Innovators is an affiliate advertising company that specializes in the recruitment and financial industries. Going forward, the two companies aim to expand these two fields and at the same time further increase customer satisfaction.

Bringing Innovators into the GMO AD Partners group will allow the two companies to leverage each other's strengths is expected to contribute to the growth of both companies, and contribute to improved profits in the Internet Media segment.

3. Method of Acquisition

GMO AD Partners will acquire 900 shares out of a total of outstanding 1,000 shares in Innovators from the company's CEO Yoshichika Azuma. Of the 900 shares to be acquired, 510 will be acquired on July 30, 2013 and the remaining 390 shares will be acquired on October 1, 2013. As a result of the transaction, Innovators will become a consolidated subsidiary of GMO AD Partners. The transaction will be a cash transaction.

4. Overview of Innovators

(1) Company Name	Innovators, Inc.
(2) Address	1-1-14 Akasaka, Minato-ku, Tokyo
(3) CEO	Yoshichika Azuma
(4) Business Description	Internet Advertising
(5) Capital	JPY 10,000,000 (as of 3/31/2015)
(6) Date Established	October 25, 2007
(7) Major Shareholders and Ownership Ratio	Yoshichika Azuma 100%
(8) Related Parties	There are no capital, transactional, executive or related party relationships between GMO AD Partners and Innovators. Nor are the there any capital, transactional, executive or related parties relationships between GMO AD Partners affiliates and Innovators.

(9) Operating Results and Financial Condition in the Three Most Recent Fiscal Years

Fiscal Year	9/2010	9/2011	9/2012
Net Assets	JPY 40,393,000	JPY 54,918,000	JPY 83,658,000
Total Assets	JPY 71,879,000	JPY 134,117,000	JPY 217,680,000
Net Assets per Share	JPY 40,393	JPY 54,918	JPY 83,658
Net Sales	JPY 100,067,000	JPY 236,560,000	JPY 482,407,000
Operating Profit	JPY 2,935,000	JPY 23,585,000	JPY 47,478,000
Ordinary Profit	JPY 3,235,000	JPY 24,255,000	JPY 48,133,000
Net Profit	JPY 2,586,000	JPY 14,524,000	JPY 28,739,000
Net Profit per Share	JPY 2,586	JPY 14,524	JPY 28,739
Dividend per Share	-	-	-

5. Overview of Seller

(1) Name	Yoshichika Azuma
(2) Address	Minato-ku, Tokyo
(3) Relationship between the Individual and GMO AD Partners	There are no capital, executive, transactional or related party relationships between GMO AD Partners and the seller.

6. Number of Shares Held Before and After the Acquisition

(1) No. of Shares Held Before the Acquisition	0 (Ownership ratio: 0%) (No. of voting rights: 0)
(2) No. of Shares to be Acquired	900shares * (No. of voting rights：900)
(3) Acquisition Costs	Common shares of Innovators, Inc. JPY 360 million Advisory fees etc. (estimate) JPY 2 million Total (estimate) JPY 362 million
(4) No. of Shares Held After the Acquisition	900shares* (Ownership ratio：90％) (No. of voting rights：900)
(5) Basis for Calculation of Acquisition Price	The company employed the services of an independent party (AGS Consulting) to conduct financial due diligence and calculate share value. The acquisition price was determined after estimating share value using the DCF Comparable Peer Analysis. Legal due diligence was conducted by the law firm Sato Sogo.

*The share acquisition will be split into two stages. On July 30. 2013, 510 shares (51% of outstanding shares will be acquired at JPY204 million, and the remaining 390 shares (39% of outstanding shares) will be acquired at JPY 156 million on October 1, 2013.

7. Schedule

July 22, 2013 Board of Directors Resolution

July 22, 2015 Execution of Share Acquisition Contract

July 30, 2013 Share Acquisition (tentative)

October 1, 2013 Share Acquisition (tentative)

8. Outlook

It is expected the impact of this transaction on earnings results will be immaterial.

(Reference) Forecast Earnings in the Current Fiscal Year (Announced February 6, 2013)

	Consolidated Net Sales	Consolidated Operating Profit	Consolidated Ordinary Profit	Consolidated Net Profit
Current Fiscal Year (FYE12/2013)	JPY 83,000 million	JPY 10,500 million	JPY 10,500 million	JPY 4,800 million
Previous Fiscal Year (Actual) (FYE12/2012)	JPY 74,376 million	JPY 9,149 million	JPY 9,175 million	JPY 4,518 million