GMO INTERNET

October 21, 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
Contact:	Masashi Yasuda, Managing Director
Telephone:	+81 3 5456 2555
URL:	http://www.gmo.jp/en

Notice of Agreement Executed to Acquire Shares in Gamepot, Inc.

A GMO Internet Board of Directors meeting convened today resolved to execute a share transfer agreement would under which GMO Internet would acquire all shares in Gamepot, Inc. making the company a consolidated subsidiary. The share transfer agreement was also executed today.

1. Reasons for Share Acquisition

Under the corporate motto "Internet for Everyone", GMO Internet Group operates in four business segments; Web Infrastructure & Ecommerce that includes all of the services necessary to operate a web presence including domain registration, web hosting, security, and payment processing. Internet Media which comprises search advertising and online advertising solutions, and Internet Securities. The fourth business segment, Social & Smartphone actively invests in new, high-growth markets such as smartphone games.

In the mobile game market there has been dramatic growth in the use of smartphone and tablet devices, and in addition to traditional social game developers we are now seeing console game and online game developers entering the mobile space. In this environment it is increasingly important to maintain strong development and game management resources in order to produce hit titles.

Gamepot has been developing online PC games since 2004, and is one of the strongest players in the Japan online game market both in development and management. The company's strengths garnered from its PC game business are game development and management, and its customer base. Combining Gamepot's strengths with GMO Internet Group's experience in operating G-Gee and other smartphone game related businesses, as well as our own broad customer base will generate synergies that we believe will make it possible to attract an even greater number of users.

Bringing Gamepot into the Group as a consolidated subsidiary will enable the two companies to leverage each other's strengths and is expected to contribute to the expansion of both businesses.

GMO INTERNET

2. Method of Acquisition

GMO Internet will acquire 100% of outstanding shares in Gamepot from AGGP Holdings, Inc. As of the contract date, Gamepot operated both an online game business and a mobile content business. However, between the contract date and the date of acquisition the mobile contents business will be split off and transferred to AGGP Holdings, Inc. This is reflected in the acquisition price.

3. Company to be Acquired: Gamepot, Inc.

(1) Company Name	Gamepot, Inc.		
(2) Address	ThinkParkTower, Osaki 2-1-1, Shinagawa-ku, Tokyo		
(3) CEO	Shuehei Ueda		
(4) Business Description	Online games, Mobile content		
(5) Capital	JPY100 million (as of 3/31/2013)		
(6) Date Established	May 17, 2004		
(7) Major Shareholders and Ownership Ratio	AGGP Holdings, Inc. 100%		
(8) Related Party Disclosure	No reportable capital, executive or transactional relationships exist between GMO Internet and Gamepot. Further, no reportable capital, executive or transactional relationships exist between Gamepot and companies or individuals affiliated GMO Internet.		
(9) Operating Results in the 3 Most Recent Fiscal Terms in the Online Game Business (JPY millions)			
Fiscal Term	FYE3/2011	FYE3/2012	FYE3/2013
Net Sales	4,586	5,275	4,613
Operating Profit	579	722	623
Ordinary Profit	571	723	623
Net Profit	-19	175	42
(10) Financial Condition in the Online Game Business			
Total Assets	JPY1705 million		
Net Assets	JPY1,050 million		

4. Company from which Shares will be Acquired

(1)	Company Name	AGGP Holdings, Inc.
(2)	Address	2475 Augustine Drive, Suite 103, Santa Clara, California 95054
(3)	CEO	CEO Lan Hoang Co-CEO Hiroki Totoki
(4)	Business Description	Operation and management of its subsidiaries and ancillary businesses
(5)	Capital	USD 52,000 (as of 3/31/2013)
(6)	Date Established	November 8, 2012
(7)	Net Assets	USD 48 million (as of 3/31/2013)
(8)	Total Assets	USD 69 million (as of 3/31/2013)
(9)	Major Shareholders and Ownership Ratio	SoNet, Inc. 42.85%
(10)	Related Party Disclosure	No reportable capital, executive or transactional relationships exist between GMO Internet and AGGP Holdings. Further, no reportable capital, executive or transactional relationships exist between AGGP Holdings and companies or individuals affiliated GMO Internet.

5. Number of Shares to be Acquired, Number of Shares Held Before and After Acquisition

(1) Number of Shares Held Before Acquisition	0 shares (ownership ratio: 0%) (voting rights: 0)	
(2) Number of Shares to be Acquired	5,803 shares * (voting rights: 5,803)	
(3) Acquisition Cost	All shares in Gamepot, Inc. Advisory costs (estimate) Total (estimate)	JPY900 million JPY14 million JPY914million
(4) Number of Shares Held After Acquisition	5,803shares * (ownership ratio: 100%) (voting rights: 5,803)	
(5) Basis of Acquisition Cost Calculation	The company engaged an independent to conduct financial due diligence and provide a share price valuation based on DCF analysis, and the acquisition price was determined based on that valuation. Legal due diligence was also conducted by an independent party	

6. Schedule

October 21, 2013 Board resolution

October 21, 2013 Share transfer agreement executed

November 15, 2013 Acquisition of shares (tentative)

7. Outlook

The company is investigating potential impact on consolidated earnings results in the current fiscal year (FYE12/2013).Any expected material change will be promptly disclosed.

(Reference) Forecast Earnings in the Current Fiscal Year (Published 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

(Reference) Gamepot consolidated operating results and financial condition in the three most recent fiscal terms (including mobile content division)

Fiscal Term	FYE3/2011	FYE3/2012	FYE3/2013
Consolidated Net Assets	JPY 2,802 million	JPY 2,988 million	JPY 2,291 million
Consolidated Total Assets	JPY 4,344 million	JPY 4,187 million	JPY 3,010 million
Consolidated Net Assets per Share	JPY 200,153,510	JPY 213,438,843	JPY 163,697,821
Consolidated Net Sales	JPY 4,916 million	JPY 6,839 million	JPY 5,530 million
Consolidated Operating Profit	JPY 328 million	JPY 739 million	JPY 181 million
Consolidated Ordinary Profit	JPY 295 million	JPY 717 million	JPY 146 million
Consolidated Net Profit	-JPY 235 million	-JPY 165million	-JPY 737million
Consolidated Net Profit per Share*	-16,822,121	-JPY 11,822,133	-JPY 52,709,802
Consolidated Dividend per Share*	-	-	-

*In the Fiscal Terms presented above the total number of outstanding shares in Gamepot Inc. was 14.