GMO INTERNET

December 2, 2013

Company Name:	GMO Internet, Inc.
	(TSE First Section, Code: 9449)
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Notice of Reorganization of Internet Media Segment and Transfer of Subsidiary

GMO Internet, Inc. announces that its Internet Media business segment will be reorganized as follows. GMO Internet consolidated subsidiary, GMO AD Partners, Inc. (JASDAQ Standard: 4784) will become the wholly-owning parent company of GMO Solution Partner, Inc, and GMO Solutions Partner, also a GMO Internet consolidated subsidiary, will become a wholly-owned subsidiary of GMO AD Partners. The transaction will take the form of a stock swap.

1. Reasons for Group Reorganization

GMO Internet Group operates in four business segments, Web Infrastructure & Ecommerce, Internet Media, Internet Securities, and Social & Smartphone. The Internet Media segment, led by GMO AD Partners, Inc. comprises Internet Advertising and Internet Media businesses.

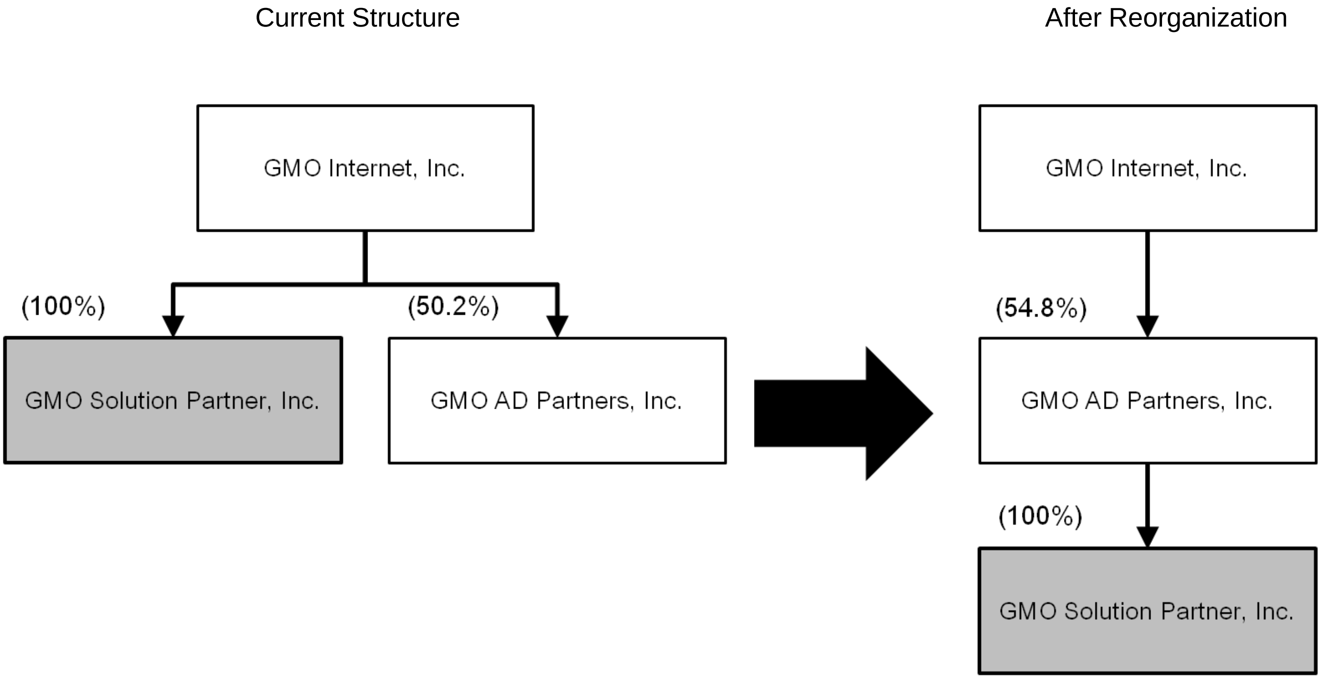
GMO AD Partners aims to be a comprehensive, next generation ad agency organization, and is actively expanding its business. This year the company has made acquisitions including affiliate and cost-per-action advertising company Innovators, Inc. (*1), and China Concierge Group (*2), a free paper publisher in China. JWord, Inc. operator of search ad product, JWord, was also brought into the GMO AD Partners group in a separate reorganization to enhance the group’s development capabilities.

In the latest reorganization, GMO Solution Partner, a company with a strong sales force, specializing in marketing support and web solutions for small and medium enterprise, will be transferred through a stock swap to the GMO AD Partners consolidated group. It is expected that by leveraging synergies between the two companies, the reorganization will further boost revenues in the Internet Media segment and encourage collaboration in product development and sales.

(*1) Company name to change to GMO Innovators, Inc.

(*2) Now GMO China Concierge, Inc.

Structure after Reorganization



*GMOP AD Partners ownership ratio represented on consolidated basis. GMO Solution Partner remains a consolidated subsidiary of GMO Internet after the stock swap as the transfer takes place between group companies.

2. Method of Transfer

GMO Solution Partner will become a consolidated subsidiary of GMO AD Partners via a stock swap between GMO AD Partners and GMO Internet.

Outline of Companies in Stock Swap

		Wholly-Owning Parent after Swap	Wholly-Owned Subsidiary after Swap
(1)	Company Name	GMO AD Partners, Inc.	GMO Solution Partner, Inc.
(2)	Address	26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo	26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo
(3)	CEO	Shintaro Takahashi	Mikitaka Ito
(4)	Business Description	Internet media, media content development	Web site marketing support, web site creation, marketing, inventory management, operation support
(5)	Capital	JPY 1.301 billion	JPY 10 million
(6)	Date Established	September 8, 1999	March 1, 2007
(7)	Outstanding Shares	15,200,000	6,800
(8)	Fiscal Year	Year to December 31	Year to December 31
(9)	No. of Employees	379 (consolidated, as of 10/31/2013)	339 (as of 10/31/2013)

(10)	Major Transactional Relationships	Google, Inc, Yahoo Japan Corporation	GMO Internet, Inc.
(11)	Major Banks	Mitsubishi Tokyo UFJ, Mitsui Sumitomo	Mitsubishi Tokyo UFJ, Rakuten Bank
(12)	Major Shareholders	GMOAD Holdings, Inc. 50.2% NetIRD, Inc. 17.5%	GMO Internet, Inc. 100.0%

3. Schedule

Board decision to enter into stock swap agreement (in each company):	December 2, 2013
Execution of stock swap agreement:	December 2, 2013
Approval of stock swap agreement by extraordinary shareholders meeting (GMO Solution Partner):	December 2, 2013
Effective Date:	January 1, 2014

5. Outlook

(1) Impact on Results in the Current Fiscal Term

The effective date of the stock swap is the first day of the next fiscal term and as such there will be no impact on results in the current fiscal term (FYE 12/2013).

(2) Impact on Results in the Next Fiscal Term

Following the stock swap, GMO Internet's holdings in GMO AD Partners, will increase from 50.2% to 54.8%. The increase in ownership ratio is a result of receiving GMO AD Partners shares in exchange for GMO Solution Partner shares. As a result the following items will be reported on the consolidated balance sheet; change in equity investees: approximately JPY790 million, goodwill: JPY610 million. This estimate is based on GMO AD Partners recent stock price and is subject to change. The actual amounts will be determined based on GMO AD Partners stock price on the last day of December 2013. Change in equity investees will be reported as extraordinary profit in the first quarter, and goodwill will be amortized over five years.

(Reference) Forecast Earnings in the Current Fiscal Year (revised October 30, 2013)

	Consolidated Net Sales	Consolidated Operating Profit	Consolidated Ordinary Profit	Consolidated Net Profit
Current Fiscal Year (FYE12/2013)	JPY 92,000 million	JPY 11,000 million	JPY 11,000 million	JPY 5,000 million
Previous Fiscal Year (Actual) (FYE12/2012)	JPY 74,376 million	JPY 9,149 million	JPY 9,175 million	JPY 4,518 million