

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 of Shift-One, Inc. by GMO Internet Consolidated Subsidiary, GMO AD Partners**

GMO Internet, Inc. consolidated subsidiary, GMO AD Partners, Inc. (JASDAQ: 4784) agreed at the meeting of the Board of Directors held today that it would acquire a 100% stake in Shift-One, Inc.

### 1. Purpose of the acquisition of shares

GMO AD Partners, a core company in GMO Internet's Online Advertisement and Media segment, is driving the enhancement of technological capability and is strengthening the development of in-house products, aiming at sustainable growth as a technology-oriented online media and advertisement company. In online advertisement market, growth of advertisement for smartphones has accelerated mobile shift, ad technology has advanced, and demand in good-quality creative production is expanding rapidly.

In this market environment, GMO AD Partners decided to acquire a 100% stake in Shift-One to enhance creative production in the field of video advertisements.

Shift-One is a start-up established in 2012, producing video content by combining still images, and offering motion comics. Shift-One has launched entertainment communication business in addition to motion comic and other types of video solution businesses, and has also launched SUTV, an application for making a video with sound, developing the businesses.

GMO AD Partners is catching up on product trends and consumer demands in online advertisement market, and strongly believes that acquiring Shift-One will contribute to the growth in video advertisement area and unleash synergies between existing businesses.

## 2. Summary of Company to Make Acquisition

(1) Company Name	GMO AD Partners Inc.
(2) Address	1-16-3 Dogenzaka, Shibuya-ku Tokyo
(3) CEO	Makoto Hashiguchi
(4) Business Description	Heading consolidated subsidiaries through holding their shares, the formulation of a consolidated management strategy, management, and other related operations.
(5) Capital	JPY 1,301 million (as of June 30, 2017)
(6) Date Established	September 1999

## 3. Indirect Subsidiaries to be Transferred

(1) Company Name	Shift-One, Inc.		
(2) Address	3-27-8 Kanda-Jimbocho, Chiyoda-ku Tokyo		
(3) CEO	Hiroyuki Taniguchi		
(4) Business Description	Production and sales of video contents		
(5) Capital	JPY 624 million		
(6) Date Established	May 28, 2012		
(7) Major Shareholders & Ownership Ratio	Innovation Network Corporation of Japan		64.72%
(8) Related Party Relationships	There are no reportable capital, executive, transactional or related party relationships between GMO Internet and Shift-One. Further, there are no reportable capital, executive, transactional or related party relationships between affiliates of the two companies.		
(9) Operating Results and Financial Condition in the Three Most Recent Fiscal Years(JPY 1,000s)			
Fiscal Year	FYE12/2014	FYE12/2015	FYE12/2016
Net Assets	801,720	279,818	91,033
Total Assets	833,616	320,435	104,028
Net Assets Per Share	57	20	6
Revenue	68,942	70,691	96,308
Operating Profit	-196,740	-391,642	-183,472
Ordinary Profit	-194,546	-390,875	-181,907
Net Profit	-339,566	-521,901	-188,784
Net Profit per Share	-24	-37	-13
Dividends per Share	0	0	0

#### 4. Summary of concerned party from which shares are acquired

(1)	Company Name	Innovation Network Corporation of Japan, Inc.
(2)	Address	1-4-1 Marunouchi, Chiyoda-ku Tokyo
(3)	CEO COO	Toshiyuki Shiga Mikihide Katsumata
(4)	Business Description	Business activities and their solutions based on Industrial Competitiveness Enhancement Act.
(5)	Capital	JPY 150,005 million
(6)	Date Established	July 17, 2009
(7)	Net Assets	JPY 1,100,925 million(FYE3/2017)
(8)	Total Assets	JPY 1,852,157 million(FYE3/2017)
(9)	Major Shareholders & Ownership Ratio	Minister of Finance 95.3%
(10)	Related Party Relationships	There are no reportable capital, executive, transactional or related party relationships between GMO Internet and Innovation Network Corporation of Japan. Further, there are no reportable capital, executive, transactional or related party relationships between affiliates of the two companies.

\*Regarding concerned party, joint sellers include multiple corporations and persons but individual ownership ratios are so low that they are omitted. All details shown in the above table are those of Innovation Network Corporation of Japan, Inc.

#### 5. No. of Shares to be Acquired, Acquisition Price, Ownership Ratio Before and After Acquisition

(1)	No. of shares held prior to acquisition	0 shares (voting rights: 0) (% of total voting rights: 0%)
(2)	No. of Shares to be Acquired	13,905 shares (voting rights: 13,905)
(3)	Acquisition Price	-
(4)	No. of shares held after acquisition	13,905 shares (voting rights: 13,905) (% of total voting rights: 100.0%)

\*GMO AD Partners and its consolidated subsidiary will hold the shares acquired.

\*GMO AD Partners will not disclose acquisition price due to confidentiality requirements.

## 6. Schedule

Board Decision:	August 7, 2017
Execution of Agreement	August 7, 2017
Transfer of Shares	August 9, 2017

## 7. Future Outlook

The particulars of the disclosure have limited impact on the forecasts of this term.

(Reference) Consolidated Results Forecast (as of February 6, 2017)

(JPY millions)	Consolidated Net Sales	Consolidated Operating Profit	Consolidated Ordinary Profit	Profit Attributable to Owners of the Parent
Current Forecast (FYE12/2017)	145,000	19,000	18,500	8,000
Previous Term Results (FYE12/2016)	135,026	17,017	16,686	7,234