

August 24, 2001

Dear Sir or Madam,

Address: 26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo

Company name: Global Media Online Inc.

Company representative: Masatoshi Kumagai, Representative Director and President

OTC issues: Code No. 9449

Contact person: Yoshihiro Himeji, Director and General Manager of Management Department

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Conversion of Mailin Inc. into Complete Subsidiary by Stock Swap

At a Board Meeting held on August 27, 2001 Global Media Online decided to make Mailin Inc. into a complete subsidiary company by stock swap, taking September 29, 2001 as the stock swap deadline.

1. Aim of conversion into complete subsidiary by stock swap

Through group companies such as Magclick Inc. (Osaka Stock Exchange NASDAQ: Japan market: 4784), Global Media Online is expanding diverse Internet advertising media business focusing on e-mail advertising in mail magazines and mailing lists and, with the aim of further advancement, is working to develop direct mail business using e-mail.

Meanwhile, Mailin Inc. offers an extremely effective advertising service whereby users are e-mailed advertisements and information on items they selected themselves and, with a view to strengthening its profit basis, is trying to diversify its service and increase membership.

In this context, Global Media Online and Mailin Inc. decided that, by expanding group companies involved in the Internet advertising media business, they would share the technology, expertise, marketing and sales, etc. they have built up in the mail media business thus far, and that, with the aim of further development of mail media, they would implement a stock swap.

Global Media Online holds 35.0% of Mailin Inc.'s stock.

2. Conditions, etc. of stock swap

(1) Schedule of stock swap

Board meeting to approve stock swap agreement **August 27, 2001**

Conclusion of stock swap agreement **August 27, 2001**

General meeting to approve stock swap agreement Will implement without obtaining the approval of general meeting of stockholders prescribed in Paragraph 1, Article 358 of the Commercial Code

Deadline for stock swap **September 29, 2001**

(2) Stock swap ratio

	Global Media Online Inc. (Complete parent company)	Mailin Inc. (Complete subsidiary company)
Stock swap ratio	1	329

(Notes)

1. Stock allocation ratio

We will allocate 1,283,100 stocks of Global Media Online Inc to 6,000 stocks (total stock issued) of Mailin Inc. However, for the 2,100 stocks of Mailin Inc. held by Global Media Online Inc. we will not allot any stocks of Global Media Online.

2. Result of calculation by third-party organization, calculation method and calculation grounds

The third party organization Inoue Business Consultants Inc. determined the stock swap ratio between the parties involved in the stock swap with reference to results calculated using the similar company comparison method and the DCF method.

3. New stock issued as a result of stock swap

1,283,100 face-value ordinary shares (Face value 50 yen)

(3) Stock swap grants

We shall not pay any stock swap grants.

(4) Initial date of reckoning for dividend

The initial date of reckoning for dividend on new stocks issued as a result of the stock swap is July 1, 2001.

3. Profile of companies involved in stock swap

Trade Name	Global Media Online Inc. (Complete parent company)	Mailin Inc. (Complete subsidiary company)
Business	Internet general infrastructure business 1. Access service 2. Server service 3. Domain service	Opt-In Mail business
Date of Foundation	May 24, 1991	July 31, 2000
Location of Head Office	26-1. Sakuragaoka-cho, Shibuya-ku, Tokyo	1-12-1 Dogenzaka, Shibuya-ku, Tokyo
Representative	Masatoshi Kumagai	Shinichi Saijyo
Capital	3,229,375,000 yen	300,000,000 yen
Total Stock Issued (face value)	25,673,694 stocks (50 yen)	6,000 stocks (50,000 yen)
Shareholders' Equity	8,189,944,000 yen (Term ending December 2000)	194,801,000 yen (Term ending September 2000)
Settlement Period	9,297,924,000 yen (Term ending December 2000)	310,026,000 yen (Term ending September 2000)
Main customers	December 31	September 30
Employee	119 (Term ending December 2000)	4 (Term ending September 2000)
Sales target	General customers, etc.	Advertising agencies, etc.
Main Stockholders and Stockholding Ratios (Stockholding ratio of at least 10%)	Shoei 45.41 % Masatoshi Kumagai 11.55 % (Term ending December 2000)	Cyber Agent 55.0% Global Media Online Inc. 35.01% On the Edge Inc. 10.0%
Main Bank	Tokyo Mitsubishi Bank	Fuji Bank
No. of Stockholders	1,376 (Term ending December 2000)	3

Business Results in Last 3 Settlement Periods

Settlement Period	Global Media Online Inc. (Complete parent company)			Mailin Inc. (Complete subsidiary company)	
	Term ending December 1998	Term ending December 1999	Term ending December 2000	Term ending September 2000 (12/7 ~ 12/9)	Term ending September 2001 (13/10 ~ 13/3)
Sales (thousand yen)	1,945,989	3,703,421	6,784,578	11,964	243,016
Operating profit (thousand yen)	219,894	715,482	1,308,637	105,154	20,893
Ordinary profit (thousand yen)	215,256	784,297	1,202,370	105,149	21,020
Net Income (thousand yen)	98,294	329,009	562,786	105,198	20,875
Net Income Per Share (Yen)	366.77	60.62	22.70	17,533.03	3,479.30
Dividend Per Share (Yen)	-	-	5.0	—	-
Stockholders' Equity Per Share (Yen)	1,460.6	765.23	326.30	32,466.96	35,946.26

* Mailin's term ending September 2000 is a three-month term as this was the business year of its foundation. For the term ending September 2001 the table shows data for the interim period.

4. Conditions following stock swap

Trade Name	Global Media Online Inc. (Complete parent company)	Mailin Inc. (Complete subsidiary company)
Business	Internet general infrastructure business 1. Access service 2. Server service 3. Domain service	Opt-In Mail business
Location of Head Office	26-1. Sakuragaoka-cho, Shibuya-ku, Tokyo	1-12-1 Dogenzaka, Shibuya-ku, Tokyo
Representative	Masatoshi Kumagai	Shinichi Saijyo
Capital	3,229,375,000 yen	300,000,000 yen

(1) Impact on business results

We believe that as a result of this stock swap we will expand our Internet advertising media business and definitely strengthen the corporate base of the GMO Group.

(2) Consolidated result forecasts following stock swap

For reasons such as the volatility and unpredictability of the environment surrounding the Internet, we are not releasing business forecasts as in the past and are therefore disclosing the quarterly settlement. From now on, in place of business forecasts, we will continue to disclose our quarterly settlement promptly.

Concluded