



Feb 25, 2002

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

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Notice of the Change of Rapid Site Japan into a Wholly-Owned Subsidiary through Share Swap

The Company engages in access, server and domain businesses using Internet. To strengthen its server business, the Company decided at a meeting of the board of directors held on February 25, 2002 to turn Rapid Site Japan Inc., which engages in the server business, into a wholly-owned subsidiary through a share swap. We hereby notify you of the decision as follows.

NOTE

1. Purpose of making a wholly-owned subsidiary through share swap

The GMO Group, of which Global Media Online is the core company, has decided to reorganize the group to establish systems to rapidly develop and provide competitive services to meet diversified demands in the server business. Accordingly, Rapid Site Japan Inc., a subsidiary of iSLE Inc. (a wholly-owned subsidiary of the Company), will become a wholly-owned subsidiary of the Company through a share swap.

Hereafter, the Company, iSLE Inc. and Rapid Site Japan Inc. will pursue the comprehensive strategy of the Group in server business in an integrated manner.

[Characteristics of each company]

Global Media Online Inc.

The GMO Group, of which Global Media Online is the core company, engages in Internet provider related-businesses (IXP related business) such as businesses for access, server, and

domain, and Internet advertisement media businesses, centering on e-mail advertising. The Group also operates server businesses for companies and individuals, such as “interQ OFFICE,” a comprehensive Internet service for member companies called “Marugoto Server,” a leasing service called “onamae rental server” of onamae.com, a domain name registration service, and “Broad Server,” a low-price rental server business.

iSLE Inc.

This company was established in May 1997, has substantial experience and advanced technological capability, and provides extensive services. This company became a group company of the GMO Group through a share swap in May 2001.

Rapid Site Japan Inc.

This company engages in the server business as the sole sales agent in Japan of VERIO, Inc., a major telecommunications company in the United States.

2. Conditions for share swap

(1) Purpose of share swap

Date of board meeting that approved the agreement on share swap: February 25, 2002

Date of conclusion of agreement on share swap: February 25, 2002

General shareholders’ meeting approving the agreement on share swap: The share swap will be carried out without obtaining the approval of a general shareholders’ meeting as provided in Paragraph 1 of Article 353 of the Commercial Code.

Date of share swap: April 1, 2002

(2) Ratio of share swap

	Global Media Online Inc. (sole parent company)	Rapid Site Japan Inc. (wholly-owned subsidiary)
Ratio of share swap	1	3,500

(NOTE)

1. Ratio of share allotment

Global Media Online Inc shall allot 3,500 common shares of its stock to one common share of

Rapid Site Japan Inc.

2. Results of assessment by a third party institution, method of assessment and rationale for assessment

With respect to the ratio of the share swap, the parties decided on the ratio in light of the results of calculations made by Aer Corporation, a third party institution, based on the average market price and DCF method.

3. New shares to be issued due to share swap

Common share: 700,000 shares

(3) Payment for share swap

Any payment shall not be made for share swap.

(4) Initial date in reckoning dividend

The initial date in reckoning the dividend for the new shares to be issued due to the share swap shall be January 1, 2002.

3. Profile of companies involved in share swap

Trading name	Global Media Online Inc.	Rapid Site Japan.
Detail of business	Internet provider-related business 1.Access business 2.Server business 3.Domain business	Server business
Date of establishment	May 24, 1991	November 19, 1997
Address of head office	26-1, Sakuragaoka-cho, Shibuya-ku Tokyo	26-1, Sakuragaoka-cho, Shibuya-ku Tokyo
Representative	Masatoshi Kumagai	Mitsuru Aoyama
Capital share	¥3,311,130,000	¥10,000,000
Number of outstanding shares	27,308,794 shares	200 shares
Shareholders equity	¥8,355,921,000 (term ending December 2001)	¥77,003,000 (term ending June 2001)
Total assets	¥9,628,679,000 (term ending December 2001)	¥358,861,000 (term ending June 2001)
Date of account closing	December 31	June 30
Number of employees	142 persons	15 persons
Major customers	Buyers: general customers,	Buyers: general customers,

	etc.	etc.
Major shareholders and equity shares (only shareholders with an equity share of 10% or more)	Shouei Limited Co. : 41.74% (term ending December 2001)	iSLE Inc.: 65.0% VERIO, Inc.: 35.0%
Main bank	Bank of Tokyo-Mitsubishi	Sumitomo Mitsui Bank
Number of shareholders	2,356 persons (as of December 2001)	Two persons (as of February 2002)

Business results for the past three accounting terms

	Global Media Online Inc. (sole parent company)			Rapid Site Japan Inc. (wholly-owned subsidiary)		
Accounting term	Term ending December 1999	Term ending December 2000	Term ending December 2001	Term ending September 1999	Term ending September 2000	Term ending June 2001
Sales (thousand yen)	3,703,421	6,784,578	6,925,122	185,041	296,676	434,699
Operating profit (thousand yen)	715,482	1,308,637	613,644	8,210	70,706	72,609
Ordinary profit (thousand yen)	784,297	1,202,370	568,095	12,814	63,821	80,286
Current net profit (thousand yen)	329,009	562,786	60,043	12,423	63,887	130,469
Current net profit per share (yen)	60.62	22.70	2.31	62,119.52	319,437.77	652,348.7
Annual dividend per share (yen)	-	5.0	2.0	-	-	-
Shareholders equity per share (yen)	765.23	326.30	307.96	52,106.78	267,330.99	385,017.7

* Because of a change in the accounting term, the financial results of Rapid Site Japan Inc. for the term ending June 2001 are the results for nine months from October 2000 to June 2001.

4. Condition after share swap

Trading name	Global Media Online Inc.	Rapid Site Japan.
Detail of business	Internet provider-related business 1.Access business 2.Server business 3.Domain business	Server business
Address of head office	26-1, Sakuragaoka-cho, Shibuya-ku Tokyo	26-1, Sakuragaoka-cho, Shibuya-ku Tokyo
Representative	Masatoshi Kumagai	Mitsuru Aoyama
Capital share	¥3,311,130,000	¥10,000,000

(1) Effect on business results

We believe that this share swap will serve to strengthen the server business and establish a strong corporate base for the Company's group.

(2) Outlook after share swap

With respect to the effect on future business results, the Company has not published the outlook of business results to date because the environment surrounding the Internet is subject to a drastic change and is difficult to forecast. Therefore, the Company will endeavor to disclose business results on a quarterly basis without delay.

The Company plans to move ahead with the corporate consolidation of iSLE Inc. and Rapid Site Japan Inc. in the future to enhance the value of business. We will notify you of the progress of the corporate consolidation as necessary without delay.

Concluded