

July 28, 2004

Dear Sir or Madam,

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Company name: Global Media Online Inc.

Code No.9449

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## **GMO Turns CCS Holding Co.,Ltd into a Wholly-Earned Subsidiary via Stock Swap**

Global Media Online INC. (“GMO”) has announced that, in addition to the July 28, 2004 announcement of a basic agreement with MTI Ltd. to acquire the shares of Card Commerce Service Co., Ltd., a decision has been reached to make CCS Holding Co.,Ltd a wholly-owned subsidiary through a stock swap by September 14, 2004. A stock swap agreement has been concluded.

CCS Holding Co.,Ltd is a subsidiary of MTI Ltd., and owns 2,839 shares (65.7%) of Card Commerce Service Co., Ltd. Through the exchange of CCS Holding’s shares, Card Commerce Service Co., Ltd. will become part of the GMO Group.

### **1. Purpose of the stock swap**

With the corporate strategy of “Becoming Japan’s Internet Division,” the GMO Group, of which GMO is the core, has emerged as Japan’s only corporate group capable of providing the various services needed by Internet businesses, including access services, domain services, server rental, online credit card processing, and Internet advertising media, on a one-stop basis.

With the spread of credit card payments as a means of paying for online orders, the credit card payment processing service offered by Payment-One, Inc. plays a strategically important role in the GMO Group, providing a highly reliable and convenient service.

Thus, the exchange of CCS Holding’s shares to create a wholly-owned subsidiary will further strengthen the GMO Group’s online credit card payment processing business by bringing Card Commerce Service Co., Ltd.—the leader in this field, in terms of both size and operating performance—into the GMO Group, creating, together with Payment-One, the largest online credit card payment processing service business in Japan, providing service to approximately more than 5,500 companies nationwide.

## 2. Details of Stock Swap

### (1) Share Stock Swap

Date	Item	GMO	Share exchange partner
July 28, 2004 (Wed.)	Meeting of board of directors to approve stock swap agreement		
	Conclusion of stock swap agreement		
July 29, 2004 (Thu.)	Simple public notice of stock swap		-
August 12, 2004 (Thu.)	Special shareholders' meeting for approval of stock swap agreement		
September 14, 2004 (Tue.)	Deadline for stock swap		
Late September, 2004	Issuance of stock certificates		-

In compliance with Article 358 (Simple Method for Stock Swap) of the Commercial Code, GMO does not plan to receive approval at a shareholders' meeting.

### (2) Share exchange ratio

	Global Media Online Inc. ( 100% parent company )	CCS Holding Co.,Ltd ( 100% subsidiary )
Ratio	1	1,881.4

( Notes )

#### 1. Share allocation ratio

A total of 1,881.4 shares of Global Media Online Inc. stock will be allocated for each share of CCS Holding Co.,Ltd stock. The number of new shares to be issued as a result of the share exchange will be 1,881,400 (normal shares).

#### 2. Results, method, and basis of third party's appraisal

The share allocation ratio was agreed upon by the parties involved in the share exchange based on the results of an appraisal conducted by the third-party institution, Attax Business Consulting.

#### 3. New shares to be issued as a result of the share exchange:

1,881,400 normal shares

### (3) Cash transfer

No cash will be transferred.

### (4) Dividend computation date

The initial date from which the dividends for the new shares will be calculated is to be July 1, 2004.

### 3 . Profile of Companies Involved in Share Exchange

Company name	Global Media Online Inc.	CCS Holding Co.,Ltd
Type(s) of business	1. Access business 2. Rental server business 3. Domain business 4. Web site production business	Management company holding the shares of Card Commerce Service Co., Ltd.
Date of establishment	May 24, 1991	July 26, 2004
Location of head office	Cerulean Tower, 26-1, Sakuragaoka-cho, Shibuya-ku, Tokyo	1-22-7, Dogenzaka, Shibuya-ku, Tokyo
Representative Director	Masatoshi Kumagai	Tadahisa Saito
Capital	3,311,130,000 yen	283,900,000 yen
No. of shares issued	28,364,394	1,000
Shareholder capital	9,962,170,000 yen ( Dec. 2003 )	567,800,000 yen
Total assets	11,803,920,000 ( Dec. 2003 )	567,800,000 yen
End of fiscal year	December 31	December 31
No. of employees	173 ( Dec. 2003 )	1
Major clients	Sales customers: general clients et al.	-
Main shareholder & shareholding	Kumagai Masatoshi Office Ltd. 41.2% ( Dec. 2003 )	MTI Ltd. 100.0% ( July 28, 2004 )
Main bank	Bank of Tokyo-Mitsubishi	-
Relationship of companies involved		
Capital relationship	n/a	
Personnel relationship	n/a	
Business relationship	n/a	

#### Performance Over Past 3 Fiscal Years (of Each Company)

Period	Global Media Online Inc. ( 100% parent company )			CCS Holding Co.,Ltd ( 100% subsidiary )		
	2001 (~Dec.)	2002 (~Dec.)	2003 (~Dec.)	-	-	-
Sales ( thousand yen )	6,925,122	6,648,037	7,238,375	-	-	-
Operating profit ( thousand yen ) ( loss )	613,644	479,859	854,621	-	-	-

Ordinary profit ( thousand yen ) ( loss )	568,095	461,644	883,505	-	-	-
Net profit ( thousand yen ) ( loss )	60,043	123,839	576,056	-	-	-
Net profit per share ( yen )	2.31	4.48	20.81	-	-	-
Annual dividend per share ( yen )	2	4	6	-	-	-
Shareholder capital per share ( yen ) ( loss )	307.96	294.73	360.06	-	-	-

Since CCS Holding Co.,Ltd is a new company, there are no figures for its business performance.

#### 4. Post-Share Exchange Status

The turning of CCS Holding Co.,Ltd into a wholly-owned subsidiary will make Card Commerce Service Co., Ltd., of which CCS Holding is a shareholder, part of the GMO Group.

Below is a profile of Card Commerce Service Co., Ltd. (as of July 28, 2004).

- (1) Company name Card Commerce Service Co., Ltd.
- (2) Representative Kazunari Aiura
- (3) Location of head office 1-22-7, Dogenzaka, Shibuya-ku, Tokyo
- (4) Established July 3, 1995
- (5) Business activities Operation and provision of online credit card authorization networks
- (6) End of fiscal year September 30
- (7) No. of employees 38
- (8) Main areas of business Shibuya-ku, Tokyo and Osaka-shi, Osaka
- (9) Capital 140,894,000 yen
- (10) No. of shares issued 4,323.8
- (11) Main shareholder & shareholding CCS Holding 65.7%

#### (12) Performance and Trends in Recent Fiscal Years

	FY2003 (ending September)	FY2002 (ending September)
Sales	631 million yen	470 million yen

Gross profit	466 million yen	353 million yen
Operating profit	115 million yen	40 million yen
Ordinary profit	115 million yen	43 million yen
Net profit	174 million yen	53 million yen
Total assets	893 million yen	473 million yen
Shareholder capital	496 million yen	321 million yen
Dividends per share	0.00 yen	0.00 yen

#### Post-Share Exchange Status

- (1) Company name                   Global Media Online Inc.
- (2) Business activities           1. Access business  
2. Rental server business  
3. Domain business  
4. Web site production business
- (3) Location of head office       Cerulean Tower, 26-1,  
Sakuragaoka-cho, Shibuya-ku, Tokyo
- (4) Representative                Masatoshi Kumagai
- (5) Capital                         3,311,130,000 yen (the share exchange will have no effect on  
GMO's capital)
- (6) Effect on business            Post-share exchange consolidated performance projections  
performance                       will be made after a careful study. Specific figures will be  
released once they are determined.

End