

Aug. 4, 2004

Dear Sir or Madam,

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

Company name: Global Media Online Inc.

Code No.9449

Company representative: Masatoshi Kumagai , Representative Director and President

Contact person: Masashi Yasuda , Executive Director

TEL: 03-5456-2555 (switchboard)

FAX: 03-3780-2611

URL: <http://www.gmo.jp>

Announcing the Conclusion of a Basic Agreement on the Acquisition of the Diary Space Free Service, “Saru Saru Diary”

Global Media Online INC. (hereinafter “the Company”) wishes to announce that, at a meeting of the Board of Directors held on August 4, 2004, the Company decided to acquire the diary space free service Saru Saru Diary with a view to strengthening the field of personal services in the GMO Group. The Company has concluded a basic agreement on the assumption of a stock swap with the operating company Forval Co., Ltd.

1. Personal services strategy

The environment for Internet connection utilization is improving, with the spread of low-cost ADSL connection services and optical fiber infrastructure, etc. The Internet is no longer just regarded as a tool for purposes such as searching and mailing, but it is also changing into a life-enriching and enjoyable entertainment tool, and personal community-type services look set for increasing expansion.

Against this background, under the personal service slogan “That’s entertainment!,” the GMO Group, in which the Company is the core member, is using the Internet as a communication tool that generates amusement and emotion to provide Free ML, which boasts Japan’s largest mailing list service in mail communities so far, the blog services that are attracting attention in the latest Internet JUGEM, Yapoos and Yaplog, the avatar service LoveLe and the online game service Corum Online.

The Company is also actively proceeding to strengthen its personal services, with Tea Cup Communication, Ltd., which operates the bulletin board free rental service teacup, concluding a basic agreement to participate in the GMO Group on July 26, 2004, and the personal user group is expanding.

2 . Aim of acquisition of Saru Saru Diary

Saru Saru Diary is a long-established diary site opened June 18, 1999. It is used by a wide range of age groups from elementary school students to users aged over 70, has more than 130,000 users and is proud of its number one scale among diary sites.

Many diary sites of famous people in every field particularly writers are also registered.

With a view to further expanding community-type services, the GMO Group plans to turn Forval Co., Ltd., which runs the diary space free service Saru Saru Diary, into a wholly owned subsidiary through the stock swap system. Having gone through the procedure of changing its organization into a joint-stock company, the company subject to the swap Forval Co., Ltd. will conclude a stock swap agreement aiming for mid-September 2004. Since the parties concerned are engaged in intensive discussions with each other over the actual terms and conditions of the stock swap, etc., the Company shall make a prompt announcement as soon as a final decision is reached.

With respect to the operation of “Saru Saru Diary”, even after acquisition by the GMO Group, the Company will respect the convenience of previous registered users and shall provide the service unchanged.

End

【Reference】

Profile of Forval Co., Ltd.

Trade Name	Forval Co., Ltd.
Location of Head Office	6-2-3 Nishi-Nakajima, Osaka-shi Yodogawa-ku
Date of Incorporation	October 19, 1993
Capital	3,000,000 yen
Representative	Norihiko Tsuyama
Net Sales	22,141,000 yen