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For Immediate Release

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Company name: Global Media Online Inc.

Code No.9449

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GMO Launches New Company

Global Media Online Inc. (GMO) is pleased to announce that it has set up a new company in collaboration with ValueCommerce Co., Ltd. The new company will operate in the affiliate service business.

1. Profile of the New Company

- (1) Company name : GMO Affiliate, Inc.
- (2) Date of establishment : April 21, 2005
- (3) Head office location : 26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo
- (4) Representative : Shojiro Inoue, responsible for the affiliate business development project, Global Media Online Inc.
- (5) Capital : 10 million yen
- (6) Ownership structure : Global Media Online Inc. (51.0%)
ValueCommerce Co., Ltd. (49.0%)
- (7) Line of business : Affiliate service business

2. Objective of establishment

An affiliate service is a system in which advertisers on a website or an email magazine pay a commission to the service provider in proportion to the sales earned. When a user guided to an advertiser's website (e-commerce website) by the online advertisement makes a purchase or asks for information, the advertiser pays a commission in proportion to the purchased amount or other criteria to the website operator. With the advantage of making it easy to reach latent customers interested in products, the affiliate service has been rapidly attracting attention in Japan in recent years as a new marketing approach that

enables highly cost-effective advertisements to be placed and sales channels very likely to reach intended customers to be created.

ValueCommerce Co., Ltd. boasts Japan's largest network and substantial experience in the affiliate service business.

Meanwhile, GMO operates several media, including blog services such as yaplog!, JUGEM and AutoPage.

Thus, an affiliate service giant with Japan's largest client base will join forces with GMO, which owns multiple media, to create a new business foundation.

3. Profile of ValueCommerce Co., Ltd.

Company name : ValueCommerce Co., Ltd.
President & CEO : Brian Nelson
Location : 3-32-7 Hongo, Bunkyo-ku, Tokyo
Date of establishment : March 1996
Capital : 645 million yen
Line of business : Internet sales channel consulting and development
Affiliate marketing
Internet advertising, distribution and maintenance
Internet marketing and consulting
Search and directory services
Professional services
OEM hosting service

[For queries]

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4. Impact on Future Business Results

This business is designed to bolster the value of the GMO Group's Internet media. Although it is expected to be a future pillar of the Company, for the time being it is likely to have a minor impact on business performance. Consequently, the consolidated business forecasts for the term ending December 2005 have not been revised. The launch of this new company will also have a minor impact on the Company's net total assets.

End