

August 1, 2005

For Immediate Release

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## GMO Internet to make Solis Corporation a Wholly-Owned Subsidiary via a Stock Swap

GMO Internet, Inc. (“the Company”) is pleased to announce that, after the conclusion of a basic agreement for a stock swap with Solis Corporation as announced on July 12, 2005, a decision has been reached at a meeting of the Board of Directors held today (August 1, 2005) to make Solis Corporation a wholly-owned subsidiary through a stock swap due to be executed on September 21, 2005, and that a Stock Swap Agreement has been concluded.

### 1 . Purpose of making Solis Corporation a subsidiary through a stock swap

The GMO Internet Group, at the core of which is the Company, concentrates its management resources on providing Internet infrastructure to run businesses to support Internet use and operations and to help attract online customers.

Identified by the “.jp” and “.com” tags, domains play an important role in identifying the address of networked computers on the Internet. The Company offers a domain registration service under the brand name “Onamae.com”.

Run by the Company, the “Onamae.com” service has been constantly offering new domains as well as general domains in order to broadly cater to customer needs as a comprehensive portal specializing in domains since it was designated as the first commercial domain registration body in the Asian region and Japan in April 1999. The Company also strives to increase utility value by combining this service with our access business and server business.

As a result of these efforts, a large number of customers have registered their domains through the “Onamae.com” service operated by the Company. The “Onamae.com” service boasts the largest number of registrations of “(general-purpose) .jp domains” and “.com/.net/.org domains” in Asia.

Meanwhile, Solis Corporation specializes in the domain registration business. Its domain name registration service covers not only domestic domain names but also domain name registrations around the world.

Under this situation, in which it is imperative to respond swiftly to changes and demands in the domain service industry, the Company confirmed that it shared a mutual interest with Solis Corporation in further expanding domain registrations and bolstering services, and thus decided to make Solis Corporation part of the GMO Internet Group through a stock swap.

### 2 . Details of Stock Swap

#### ( 1 ) Stock swap schedule

Date	Description	GMO Internet	Solis
Aug. 1, 2005 (Mon)	Board of Directors to approve stock swap agreement	○	○
	Conclusion of stock swap agreement	○	○
Aug. 2, 2005 ( Tues )	Simple stock swap public notice planned	○	-
Aug. 16, 2005 ( Tues )	Extraordinary General Meeting of Shareholders planned to approval stock swap	*	○
Sept. 21, 2005 ( Wed)	Deadline for stock swap	○	○
Sept. 22, 2005 ( Thurs )	Issuance of stock certificates	○	-

\* In accordance with the provisions of Article 358 of the Commercial Code (Simple Stock Swap), GMO Internet does not plan to obtain approval at a General Meeting of Shareholders.

( 2 ) Stock exchange ratio

	GMO Internet ( 100% parent company )	Solis ( 100% subsidiary )
Stock exchange ratio	1	0.524

( NB ) 1 . Share allocation ratio

A total of 0.524 shares of GMO Internet stock will be allocated for each share of Solis Corporation stock (shown here rounded off to fewer than four decimal places). The number of new shares to be issued through the stock swap shall be the equivalent of 429,390 shares of common stock.

2 . Results, method and basis of third-party institution appraisal.

The stock swap ratio was agreed upon by the parties involved in the stock swap 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 stock swap

429,390 shares of common stock

( 3 ) Stock swap subsidization

No stock swap subsidization will be provided.

( 4 ) Dividend computation date

The dividend computation date for new shares to be issued as a result of the stock swap will be July 1, 2005.

3 . Profile of Companies Involved in the Stock Swap

(1) Company Name	GMO Internet Inc.	Solis
(2) Type of business	1. Access business 2. Web Hosting business 3. Domain business	1. Domain business 2. DDNS business

(3) Established	May 24, 1991	February 23, 2001
(4) Location of head office	26-1, Sakuragaoka-cho, Shibuya-ku, Tokyo	1-22-24, Hyakunincho, Shinjuku-ku, Tokyo
(5) Representative director	Masatoshi Kumagai	Darshaun Nadeau
(6) Capital	3,311,130,000 yen	10,819,000 yen
(7) No. of shares issued	61,601,988 (as of August 1, 2005)	819,200 (as of August 1, 2005)
(8) Shareholder capital	13,350,626,000 yen (Dec.2004)	12,094,000 yen (Dec.2004)
(9) Total assets	27,896,802,000 yen (Dec.2004)	45,504,000 yen (Dec.2004)
(10) End of fiscal year	December 31	December 31
(11) No. of employees	189 (Dec. 2004)	9 (July 2005)
(12) Major clients	Sales customers: general clients et al.	Sales customers: general clients et al.
13. Main shareholder & shareholding (more than 10%)	Kumagai Masatoshi Office Ltd. (36.67%) (Dec. 2004)	Darshaun Nadeau ( 70% ) Benjamin Ward ( 12.1% )
(14) Main bank	Bank of Tokyo-Mitsubishi	Bank of Tokyo-Mitsubishi
(15) Relationship of companies involved		
Capital relationship	n/a	
Personnel relationship	n/a	
Business relationship	n/a	

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

Period	GMO Internet Inc. (100% parent company)			Solis (100% subsidiary)		
	2002 (~Dec.)	2003 (~Dec.)	2004 (~Dec.)	2002 (~Dec.)	2003 (~Dec.)	2004 (~Dec.)
Sales (thousand yen)	6,648,037	7,238,375	8,207,273	45,521	191,902	158,965
Operating profit (thousand yen) ( Δ indicates a loss )	479,859	854,621	1,011,495	Δ24,051	30,902	570
Ordinary profit(thousand yen) ( Δ indicates a loss )	461,644	883,505	1,315,925	Δ24,229	30,958	153

Net profit (thousand yen) ( Δ indicates a loss )	123,839	576,056	2,198,740	Δ24,409	30,038	Δ144
Net profit per share (yen)	4.48	20.81	28.75	Δ29.80	36.67	Δ0.18
Annual dividend per share (yen)	4	6	5*	—	—	—
Shareholder capital per share (yen) ( Δ indicates a loss )	294.73	360.06	197.64	Δ21.72	14.93	14.76

\* A share allocation was executed without charge on the basic date of June 30, 2004, whereby two shares were allocated for each share of common stock. For this reason, the dividend amount shown is the amount after this share allocation.

#### 4. Post-Stock Swap Status

Provided below is the Company profile after the stock swap.

- |                             |   |
|-----------------------------|---|
| (1) Company name            | GMO Internet Inc.   |
| (2) Type of business        | 1. Access business<br>2. Web Hosting business<br>3. Domain business   |
| (3) Location of head office | 26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo   |
| (4) Representative          | Masatoshi Kumagai   |
| (5) Capital                 | 3,311,130,000 yen This merger will not result in any change in authorized capital.  |
| (6) Impact on results       | The effect of the stock swap on the Company's results will be negligible. Therefore, no revisions have been made for the results forecasts (both consolidated and non-consolidated) for the period ending December 2005 |

End.