

August 15, 2005

For Immediate Release

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Company name: GMO Internet Inc.

Code No.9449

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Notice of Increase in Total Assets

GMO Internet, Inc. is pleased to announce that the total assets will increase by amount equivalent to more than 30% of net assets at the end of the latest fiscal year (ended December 31, 2004) because of the first domestic unsecured straight bond to be issued on August 31, 2005, which was resolved at a meeting of the Board of Directors held on August 15, 2005.

1. Increase in total assets

	Year ended December 31, 2004	After issuance of domestic unsecured straight bond	Amount of increase
Consolidated total assets	Thousand yen 27,896,802	Thousand yen 55,896,802	28,000,000 thousand yen
Non-consolidated total assets	Thousand yen 17,861,754	Thousand yen 45,861,754	28,000,000 thousand yen

2. Ratio to net assets

	Net assets for the year ended December 31, 2004 (a)	Total issuance amount of domestic unsecured straight bond (b)	Ratio to net assets (b/a)
Ratio to consolidated net assets	Thousand yen 13,350,626	Thousand yen 28,000,000	% 209.7
Ratio to non-consolidated net assets	Thousand yen 12,088,597	Thousand yen 28,000,000	% 231.6

[Reference]

Issue of first domestic unsecured straight bonds by GMO Internet, Inc. (limited to qualified institutional investors)

1. Total amount of issue 28.0 billion yen
2. Interest rate 1.0% annually
3. Offer price 100 yen per face value of 100 yen
4. Redemption price 100 yen per face value of 100 yen
5. Maturity August 31, 2006
6. Early redemption
 - (1) The Company may redeem 100 yen for a face value of 100 yen anytime with accrued interest with prior notice.
 - (2) Bondholders may request the redemption of 100 yen for a face value of 100 yen at any time with prior notice.
7. Date of issue August 31, 2005
8. Placement method Private placement with all bonds purchased by Nomura Securities Co., Ltd.
9. Coupon payment date August 31, 2006
10. Security This bond is not secured by mortgage or guarantee, and no specific asset is retained for this bond.
11. Financial covenant Negative pledge
12. Financial agent Nomura Trust and Banking Co., Ltd.
13. Registration agent Nomura Trust and Banking Co., Ltd.
14. Acquired rating None
15. Use of proceeds Fund for acquiring stocks

End