

March 15, 2006

For Immediate Release

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Company name GMO Internet Inc.  
Code No.9449 ( First Section of TSE )  
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## Notice of Reorganization of Media Business Division

GMO Internet Inc. (“the Company”) is pleased to announce that the Company has resolved at a meeting of the Board of Directors held on March 15, 2006 to establish GMOMedia Holdings, Inc. as of April 1, 2006, through a spin-off of operating assets related to Blog Services, a media business operated by the Company. Details are as follows.

### Notes

#### 1. Purpose

The GMO Internet Group with the Company as the core has been operating an Internet media business, including blogs, mailing lists, opt-in mail, desk-top media and billboards. Approximately 21 million individual customers are currently using these services.

The Company has decided to establish GMO MediaHoldings, Inc., which will be responsible for the overall strategic planning of the media business of the GMO Internet Group, to construct quality media and strengthen media sales, leveraging the characteristics of each media.

#### 2. Summary

##### (1) Schedule

March 15, 2006, Wednesday	The Board of Directors approved the spin-off plan
April 1, 2006, Saturday (planned)	Date of spin-off
April 3, 2006, Monday (planned)	Registration of spin-off

##### (2) Method of spin-off

A spin off of a division into a new company with the Company as the company originating the spin-off and the newly established GMO MediaHoldings, Inc. as the company inheriting the division

(3) Allotment of shares

The number of common stocks which the new company will issue at the time of the spin-off will be 200 shares, all of which will be allotted to the Company.

(4) Rights and obligations inherited by the company

The rights and obligations which the new company will inherit from the Company at the time of the spin-off will be assets and liabilities related to the Blog Services, a media business, and all rights and obligations associated with these assets and liabilities as of the date of the spin-off (April 1, 2006).

(5) Prospect for performance of debt obligations

We made the judgment that the debt obligations which the Company and the newly established company will assume after the spin off will be performed.

3. Profile of parties involved

(1) Company name	GMO Internet Inc.	GMO MediaHoldings, Inc.
(2) Business	Internet Use Support Business (Internet Infrastructure Business)	Internet Advertising Support Business (Media Business)
(3) Founded	May 24, 1991	April 1, 2006
(4) Location of head office	26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo	26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo
(5) Company representative	Masatoshi Kumagai	Teruyuki Mori
(6) Paid-in capital	3,311,130,000 yen	10,000,000 yen
(7) Total number of shares outstanding	62,031,378 shares	200 shares
(8) Shareholders' equity	12,574,851,000 yen (the year ended December, 2005)	311,327,000 yen (as of December 2005)
(9) Total assets	46,358,522,000 yen (the year ended December, 2005)	360,969,000 yen (as of December 2005)
(10)Fiscal year closing	December 31	December 31
(11)Employees	221 (year ended December 2005)	10
(12)Main customer	General customers, etc.	General customers, etc.
(13)Principal shareholders and ownership ratio (more than 10%)	Kumagai Masatoshi Office, Ltd., 36.11% (the year ended December, 2005)	GMO Internet Inc., 100.0%

(14) Operating results of the spin-off originator over the past three years

F i s c a l y e a r	GMO Internet Inc. (Originator of spin off)		
	Year ended December 2003	Year ended December 2004	Year ended December 2005
S a l e s ( t h o u s a n d y e n )	7,238,375	8,207,273	9,921,292
Operating income (thousand yen)	854,621	1,011,495	1,045,771
Ordinary income (thousand yen)	883,505	1,315,925	1,580,848
Net income (thousand yen)	576,056	2,198,740	1,687,658
Net income per share (yen)	20.81	38.75	27.47
Annual dividend per share (yen)	6.0	5.0	6.0
Shareholders' equity per share(yen)	360.06	197.64	203.01

4. Division being spun off and details of assets

(1) Division to spin-off (as of December 2005)

	Blog business (a)	The Company (b)	Ratio (a/b)
Sales	2,303,000 yen	9,921,292,000 yen	0.02%

(2) Items and amount of assets and liabilities of the division being spun off (as of December 2005)

Assets		Liabilities	
Item	Book value (thousand yen)	Item	Book value (thousand yen)
Current assets	101,905	Current liabilities	39,642
Fixed assets	259,064		
Total	360,969	Total	39,642

5. Situation after the spin-off

(1) The Company

The company name, the location of the head office, the representative director and the fiscal year closing will not change as a result of the spin-off.

(2) Impact on the business performance of the Company

The impact of the spin off on the business performance (consolidated and non-consolidated) of the Company will be minor.