

For Immediate Release

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(TSE First Section, Code: 9449)
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Capital Increase of GMO Internet Subsidiary (GMO NetCard Inc.)

The General Shareholders Meeting and the Board of Directors Meeting of the GMO Internet consolidated subsidiary, GMO NetCard Inc., decided today to allocate new shares to a third party in order to strengthen the company's financial base through an increase in capital.

On the same day, GMO Internet Inc. resolved to underwrite the allocation of new shares to a third party by GMO NetCard Inc.

1. Outline of the GMO NetCard Inc. New Stock Issuance

(1) Number of New Shares to be Issued:	37,230
(2) Issue Price:	¥19,0700 /per share
(3) Total Value of Stock Issue:	¥7,099,761,000
(4) Capital Incorporation:	¥95,350 /per share
(5) Aggregate Capital Incorporation	¥3,549,880,500
(6) Application Period:	December 28, 2006
(7) Payment Date:	December 29, 2006

2. Reasons for GMO NetCard Inc. Increase in Capital

As announced by GMO Internet Inc. on December 11, 2006, GMO NetCard Inc. revised the calculation of provision for the excess interest repayment loss reserve and made an addition of 8.15 billion yen to the excess interest repayment fund in accordance with the publication *Auditing and Handling of Reserves for Losses Incurred on Excess Interest Repayments in the Consumer Finance Industry*. GMO NetCard Inc. is procuring funds with the objective of strengthening their financial base through an increase in capital in order to contend with a decrease in net assets.

3. Change in GMO NetCard Inc. Capital and Number of Outstanding Shares

Current Total No. of Outstanding Shares:	79,329
Number of Additional Shares:	37,230
Total No. of Outstanding Shares after Capital Increase:	116,559

Current Capital:	¥6,813,575,400
Amount of Addition to Capital:	¥3,549,880,500
Capital after Capital Increase:	¥10,363,455,900

4. Outline of Underwriting by GMO Internet Inc.

(1) No. of Shares Underwritten:	29,890
(2) Total Amount Underwritten:	¥5,700,023,000 (¥19,0700 /per share)
(3) Share Ownership:	(Before acquisition of new shares) 75,750 (Proportion of Ownership 95.5%) (After acquisition of new shares) 105,640 (Proportion of Ownership)