

For Immediate Release

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(TSE First Section, Code: 9449 )  
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### Partial Change to Articles of Incorporation

At the GMO Internet Board of Directors meeting held today, it was decided to submit a partial change to the Articles of Incorporation to be discussed at the 2007 Annual General Stockholders meeting.

#### 1. Reasons for the Change

The following changes have been made in accordance with Company Law, (Law No. 86/2005) and the Associated Coordination Laws Concerning Company Law Enforcement Regulations (Law No. 87/ 2005 hereafter the “coordination laws”) enacted on May 1, 2006.

- ( 1 ) Article 9 (Voting right restrictions for shareholders of fractional shares) has been added to define shareholder rights that may be exercised in relation to fractional shares.
- ( 2 ) In light of the spread of the Internet, in accordance with the Company Law Enforcement Regulations, Article 16 (Disclosure over the Internet of reference documents for general stockholders meetings), has been added allowing general stockholders meeting documents to be provided over the Internet.
- ( 3 ) Under Company Law Enforcement Regulations, in regard to the exercise of voting rights by a proxy voter, the number of proxy voters is defined as one.
- ( 4 ) Article 43 (Auditor exemption from liability) Paragraph 2 has been added in order make it possible enter into a limitation of liability contract thus enabling expectations to be clearly set out in regard to the role of external auditors.
- ( 5 ) Chapter 6 (Accounting Auditor) has been added to determine the content of the newly established role.

- ( 6 ) The following items, as defined by the coordination laws, were deemed to have taken effect on the company Articles of Incorporation when the laws came into effect on May 1, 2006. The revisions have been made to clarify those items.
- i. Provisions regarding the establishment of the Board of Directors, auditors, Board of Auditors and accounting auditors. (proposed amendment to Article 4).
  - ii. Provisions regarding the issue of share certificates. (proposed amendment to Article 8)
  - iii. Provisions regarding the appointment of a shareholder registry administrator. (proposed amendment to Article 11)
- ( 7 ) Changes in terminology from the old commercial law terminology to the new company law terminology and the changes necessary to bring the Articles of Incorporation into line with Company Law Enforcement Regulations.
- ( 8 ) Other general changes including changes in wording and the numbering and structure of the articles.

*(Note: Some of these changes in wording are not reflected in the translation)*

## 2. Details of Amendments to Articles of Incorporation

Details are provided in the attached document.

## 3. Schedule

Date of Annual Stockholders Meeting to amend Articles of Incorporation: March 28, 2007

Date that amendments to the Articles of Incorporation come into effect: March 28, 2007

(Changes are underlined)

Current Articles of Incorporation	Proposed Amendment
<p>(new)</p> <p>(Article 4 – text omitted)</p> <p>Chapter 2 – Stock</p> <p>Article 5 (Total number of <u>shares to be issued</u>) The total number of <u>shares issued</u> by the company shall be 248,125,000.</p> <p>Article 6 (Number of shares in <u>one</u> unit) The company's number of shares in <u>one</u> unit shall be 100.</p> <p>Article 7 (<u>Share certificates for fractional shares</u>) <u>The company will not issue share certificates for a number of shares less than one unit.</u></p> <p>(new)</p> <p>Article 8 (Acquisition of treasury stock) In accordance with <u>Commercial Law, Article 211.3.1.2</u>, treasury stock may be purchased <u>upon</u> resolution of the Board of Directors.</p>	<p><u>Article 4 (Organization)</u> <u>In addition to a general shareholders meeting and directors, the company shall appoint the following.</u> <u>(1) Board of Directors</u> <u>(2) Auditors</u> <u>(3) Board of Auditors</u> <u>(4) Accounting Auditors</u> (No change to Article 5)</p> <p>Chapter 2 – Stock</p> <p>Article 6 (Total number of <u>shares that may be issued</u>) The total number of shares that may be issued by the company is 248,125,000.</p> <p>Article 7 (Number of shares per unit) The company's number of shares per unit shall be 100.</p> <p>Article 8 (<u>Issue of share certificates</u>) <u>1. The company shall issue share certificates for its stock.</u> <u>2. Irrespective of the previous paragraph, the company may not issue share certificates for fractional shares.</u></p> <p><u>Article 9. (Voting right restrictions for shareholders of fractional shares)</u> <u>Holders of fractional shares in the company may not exercise voting rights other than those listed below.</u> <u>(1) The rights laid out in Company Law Article 189 Paragraph 2</u> <u>(2) The right to receive surplus dividends</u> <u>(3) Right to demand the purchase of stock acquisition rights</u> <u>(4) The right to receive an allocation of available shares or equity warrants.</u></p> <p>Article 10 (Acquisition of treasury stock) The company may, upon resolution of the Board of Directors, acquire treasury stock <u>through such measures as market transactions</u> .</p>

Current Articles of Incorporation	Proposed Amendment
<p>Article 9 (<u>Transfer agent</u>)</p> <ol style="list-style-type: none"> <li>The company shall <u>appoint a stock transfer agent.</u></li> <li>The <u>transfer agent</u> or agency shall be <u>selected</u> by decision of the Board of Directors.</li> <li>The company's shareholder register, <u>beneficial shareholder register</u> <u>and</u> register of lost share certificates shall be held at the place of business of the <u>transfer agent</u> and all matters relating to shares including the <u>transfer of shares, right of pledge registration, record of shares held in trust, unclaimed share certificates, notifications to shareholders, delivery of share certificates,</u> the purchase of fractional shares, <u>provision of a beneficial shareholders registry, receipt of notification from beneficial shareholders and the registration of lost share certificates</u> shall be handled by the transfer agent and shall not be handled by the company.</li> </ol>	<p>Article 11 (<u>Shareholders register administrator</u>)</p> <ol style="list-style-type: none"> <li>The company shall appoint a <u>shareholders register administrator.</u></li> <li>The <u>shareholders register administrator</u> or administrating agency shall be determined by <u>decision</u> of the Board of Directors and public notice thereof shall be given.</li> <li>The company's shareholder register (<u>including the beneficial shareholder register</u>), register of lost share certificates <u>and equity warrants ledger</u> shall be held at the place of business of the <u>shareholders register administrator</u> and all duties concerning shares and <u>equity warrants including transfer of shares, registration of lost share certificates as well as the maintenance of the equity warrants ledger</u> and the purchase of fractional shares shall be handled by the <u>shareholders register administrator</u> and shall not be handled by the company.</li> </ol>
<p>Article 10 (Stock handling regulations)</p> <p>All handling and commissions related to shares including the company's share certificate denominations, <u>transfer of shares, right of pledge registration, record of shares held in trust, unclaimed share certificates, notifications to shareholders, delivery of share certificates,</u> purchase of fractional shares, <u>provision of a beneficial shareholders registry, receipt of notification from beneficial shareholders and the registration of lost share certificates</u> shall be governed by the stock handling regulations determined by the Board of Directors.</p>	<p>Article 12 (Stock handling regulations)</p> <p>All handling and commissions related to shares <u>and equity warrants</u> including denomination of share certificates <u>issued by the company and the shareholders register, the register of lost share certificates, the maintenance of the equity warrants ledger</u> and the purchase of fractional shares shall be governed <u>by the relevant laws and articles of incorporation</u> as well as the share handling regulations determined by the Board of Directors.</p>
<p>Article 11 (Record date)</p> <ol style="list-style-type: none"> <li>The company shall deem the shareholders (including beneficial shareholders) listed on the final shareholders registry and <u>beneficial shareholders registry</u> on December 31 of each year as the shareholders who <u>may</u> exercise voting rights at the Annual General Shareholders Meeting <u>for that accounting period.</u></li> <li>In regard to shareholder meetings <u>other than</u> those in the above paragraph <u>and in these articles of incorporation, when</u> required, the company shall, <u>by</u> decision of the board of directors, with advance notice, deem shareholders recorded on the final shareholders register and <u>beneficial shareholders register</u> on a fixed date as well as registered pledgees as the shareholders and registered pledgees <u>entitled to exercise voting rights.</u></li> </ol>	<p>Article 13 (Record date)</p> <ol style="list-style-type: none"> <li>The company shall deem the shareholders (including beneficial shareholders) that are <u>in possession of voting rights</u> and listed on the final register on December 31 of each year as the shareholders that are <u>entitled to exercise voting rights</u> at the Annual General Shareholders Meeting <u>for that fiscal year.</u></li> <li><u>Notwithstanding the previous paragraph, when</u> required, the company shall, by decision of the Board of Directors, with advance notice, deem shareholders recorded on the final shareholders registry and beneficial shareholders registry on a fixed date as well as registered <u>stock</u> pledgees, as the shareholders and registered <u>stock</u> pledgees entitled to exercise voting rights.</li> </ol>

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">Chapter 3 – General Shareholders Meeting</p> <p>Article 12 (Convening)            The company's Annual General Shareholders Meeting shall be convened <u>within three months of the day following the end of the fiscal term</u>. Extraordinary meetings shall be convened <u>any time</u> they are required.</p> <p>Article 13 (The convener and chairperson)            General shareholders meetings, unless otherwise stipulated by law, shall be convened and chaired by the CEO of the company <u>in accordance with Board of Director decision</u>. However, in case of the absence or disability of the CEO, another director shall <u>carry the task out</u> in the order determined in advance by the Board of Directors.</p> <p style="text-align: center;">(new)</p> <p style="text-align: center;">(new)</p> <p>Article 14 (Voting by Proxy)            1. Shareholders that hold voting rights may appoint another shareholder to exercise their voting rights.            2. In this case, the representative <u>is required to produce a document evidencing their proxy status</u> at each general shareholders meeting.</p> <p>Article 15 (Method of decision)            1. Except when otherwise determined by law or by the articles of incorporation of this company, decisions of general shareholders meetings shall be determined by a majority of the shareholder voting rights in attendance.            2. According to <u>Commercial Law Article 343</u> a resolution is made when <u>general</u> shareholders holding over one third of voting rights are in attendance and over two thirds of the vote is gained.</p>	<p style="text-align: center;">Chapter 3 – General Shareholders Meeting</p> <p>Article 14 (Convening)            The company's Annual General Shareholders Meeting shall be convened <u>each year in March</u>. Extraordinary meetings shall be convened <u>as</u> required.</p> <p>Article 15 (The convener and chairperson)            1. General shareholders meetings, unless otherwise stipulated by law, shall be <u>convened</u> by the CEO in accordance with Board of Director decision. In case of absence or disability another director shall <u>convene the meeting</u> in the order determined in advance by the Board of Directors.            2. <u>The CEO shall chair general shareholders meetings. In case of absence or disability another director shall chair the meeting in the order determined in advance by the Board of Directors.</u></p> <p><u>Article 16 (Disclosure over the Internet of reference documents for general shareholders meetings)</u>  <u>When the company convenes a general shareholders meeting, reference documents, the annual report, financial statements or consolidated financial statements and any other information that must be provided shall, in accordance with the Ministry of Justice laws, be deemed to have been provided to shareholders when they have been disclosed over the Internet.</u></p> <p>Article 17 (Voting by Proxy)            1. Shareholders that hold voting rights may appoint another shareholder to exercise <u>those</u> voting rights.            2. In this case, <u>the shareholder or the representative</u>, at each general shareholders meeting, <u>must</u> present documents evidencing their proxy status.</p> <p>Article 18 (Method of decision)            1. Except when otherwise determined by law or by the articles of incorporation of this company, decisions of the general shareholders meetings shall be determined by a majority of the shareholder voting rights <u>of shareholders</u> in attendance that hold voting rights.            2. According to <u>Company Law, Article 309 Paragraph 2</u>, <u>except when otherwise stated by these articles of incorporation</u>, a general shareholders meeting resolution is made, when shareholders that can exercise voting rights holding over one third of total voting rights are present and over two thirds of the vote is gained.</p>

Current Articles of Incorporation	Proposed Amendment
<p>Article 16 (Record of proceedings)</p> <ol style="list-style-type: none"> <li>An outline of general shareholders meeting proceedings and the results thereof shall be recorded <u>in the minutes which shall bear the name and seal impressions or the electronic signatures of the chairperson and the directors in attendance.</u></li> <li>Minutes of the shareholders meeting shall be held at the head office for ten years from the date of the minutes being accepted and duplicates shall be held at branch offices for five years.</li> </ol> <p>Chapter 4 - Directors and the Board of Directors</p> <p>Article 17 (Number of Members) (omitted)</p> <p>Article 18 (Election process) (new)</p> <ol style="list-style-type: none"> <li>The election of directors is decided <u>at the general shareholders meeting</u> by majority vote when shareholders holding over one third of general shareholder voting rights are in attendance.</li> <li>(omitted)</li> </ol> <p>Article 19 (Dismissal of directors)</p> <p>A decision to dismiss a director requires over two thirds of the vote when shareholders holding a combined total of more than one third of voting rights are in attendance.</p> <p>Article 20 (Term of Office)</p> <ol style="list-style-type: none"> <li>The term of office for a director shall expire at the close of the annual general shareholders meeting regarding <u>the final accounting period</u> that falls within one year of their <u>assumption of office.</u></li> <li><u>The term of office of a director who is elected to replace another director will begin from the expiration of the retiring director's term.</u></li> <li><u>When a director is elected in an increase of directors the term of office of the elected director shall be the same as the remaining term of existing directors.</u></li> </ol> <p>(Articles 21-22 are omitted)</p>	<p>Article 19 (Record of proceedings)</p> <ol style="list-style-type: none"> <li><u>At</u> the general shareholders meeting, an outline of the proceedings and the results thereof shall be recorded in the minutes <u>in addition to any other items defined by law.</u></li> <li>Minutes of the shareholders meeting shall be held at the head office for ten years from the date of the minutes being accepted <u>and where the minutes are taken in writing,</u> duplicates shall be held at branch offices for five years.</li> </ol> <p>Chapter 4 - Directors and the Board of Directors</p> <p>Article 20 (Number of Directors) (no change)</p> <p>Article 21 (Director election process)</p> <ol style="list-style-type: none"> <li><u>Directors are elected by decision of the general shareholders meeting.</u></li> <li>The election of directors is decided by majority vote <u>at the general shareholders meeting</u> when shareholders <u>who are entitled to exercise voting rights</u> holding over one third of shareholder voting rights are in attendance.</li> <li>(no change)</li> </ol> <p>Article 22 (Dismissal of directors)</p> <p>A decision to dismiss a director requires over two thirds of the vote when shareholders <u>who are entitled to exercise voting rights,</u> holding over one third of voting rights are in attendance.</p> <p>Article 23 (Director Term of Office)</p> <p>The term of office for a director shall expire at the close of the annual general shareholders meeting regarding <u>the final fiscal year that ends</u> within one year of their <u>election.</u></p> <p>( deleted )</p> <p>( deleted )</p> <p>(No change to Articles 24-25)</p>

Current Articles of Incorporation	Proposed Amendment
<p>Article 23 (Board of Directors meeting convener and chairperson)            The Board of Directors meeting, unless otherwise stipulated by law, shall be convened and chaired by the CEO. However, in case of the absence or disability of the CEO, another director shall <u>carry the task out</u> in the order determined in advance by the Board of Directors.</p> <p>(Articles 24-25 are omitted)</p> <p>Article 26 (Record of proceedings)            1. An outline of the Board of Directors meeting proceedings and the results thereof shall be recorded <u>in the minutes which shall bear the name and seal impression or the electronic signature of the chairperson and the directors and auditors in attendance.</u>            2. (omitted)</p> <p>(Articles 27-28 are omitted)</p>	<p>Article 26 (Board of Directors meeting convener and chairperson)            The Board of Directors meeting, unless otherwise stipulated by law, shall be convened and chaired by the CEO. In case of the absence or disability another director shall <u>convene and chair the meeting</u> in the order determined in advance by the Board of Directors.</p> <p>(No change to Articles 27-28)</p> <p>Article 29 (Record of proceedings)            1. <u>At</u> the Board of Directors meeting, an outline of the proceedings and the results thereof <u>in addition to any other items defined by law</u> shall be recorded in the minutes which shall bear the name and <u>seal impression</u> or electronic signature of the directors and auditors in attendance.            2. (no change)</p> <p>(No change to Articles 30-31)</p>
<p>Article 29 (Remuneration)            Director remuneration <u>and retirement benefits</u> shall be determined by decision of the general shareholders meeting.</p>	<p>Article 32 (Director remuneration etc.)            Director remuneration etc. shall be determined by decision of the general shareholders meeting.</p>
<p>Article 30 (Director exemption from liability)            1. Pursuant to <u>Commercial Law, Article 266 Paragraph 12</u> the company may by decision of the Board of Directors, exempt directors (including former directors) from the liabilities <u>set out in Article 1 Paragraph 5 of the same law.</u>            2. The company may, under <u>Commercial Law, Article 266 Paragraph 19</u>, enter into contracts with external directors <u>that restrict the total amount of money defined under Article 19 of the same laws</u>, in regard to the limitation of liabilities set out <u>under Article 1 Paragraph 5 of the same law.</u></p>	<p>Article 33 (Director exemption from liability)            1. The company may, by decision of the Board of Directors, when the requirements defined under ordinances on limitation of liability, <u>Company Law, Article 423, Paragraph 1</u> are met, exempt directors (including former directors) <u>from an amount up to the minimum liability limit as defined by law subtracted from the amount of liability indemnity.</u>            2. <u>The company may enter into contracts with external directors that limit the extent of liabilities set out in Company Law, Article 423 Paragraph 1 when requirements defined by law are met.</u></p>

Current Articles of Incorporation	Proposed Amendment
<p>Chapter 5 – Auditors and the Board of Auditors</p> <p>Article 31 (Number of members) (text is omitted)</p> <p>Article 32 (Election process) (new) The election of auditors is by majority vote <u>at the general shareholders meeting</u> when shareholders holding over one third of general shareholder voting rights are in attendance.</p> <p>Article 33 (Term of Office) 1. The term of office for an auditor shall expire at the close of the general shareholders meeting concerning <u>the final accounting period</u> that falls within four years of their <u>assumption of office</u>. 2. <u>The term of office of an auditor who is elected to replace another auditor will begin from the expiration of the term of the retiring auditor.</u></p> <p>Article 34 (Full-time auditor) <u>More than one full-time auditor must be elected by</u> and among the auditors.</p> <p>(Articles 35-36 are omitted)</p> <p>Article 37 (Record of proceedings) 1. An outline of the Board of Auditors meeting proceedings and the results thereof shall be recorded <u>in the minutes which shall bear the name and seal impression or the electronic signature of the auditors in attendance.</u> 2. Minutes of the Board of Auditors meeting shall be held at the head office for ten years from the date <u>they are accepted.</u></p> <p>(Article 38 is omitted)</p> <p>Article 39 (Remuneration) Board of Auditor remuneration <u>and retirement benefits</u> shall be determined by decision of the general shareholders meeting.</p>	<p>Chapter 5 – Auditors and the Board of Auditors</p> <p>Article 34 (Number of Board of Auditor members). (no change)</p> <p>Article 35 (Board of Auditor election process) 1. <u>Auditors shall be elected by decision of the general shareholders meeting.</u> 2. <u>The election of auditors is decided by majority vote at the general shareholders meeting</u> when shareholders <u>who are entitled to exercise voting rights</u> holding over one third of shareholder voting rights are in attendance.</p> <p>Article 36 (<u>Auditor</u> term of office) 1. The term of office for an auditor shall expire at the close of the general shareholders meeting regarding <u>the final fiscal year that ends</u> within four years of their election. 2. The term of an auditor who is elected <u>as</u> a replacement for <u>an auditor who retires before the end of their term</u> shall begin from the expiration of the term of the retiring auditor.</p> <p>Article 37 (Full time auditor) <u>The Board of Auditors shall select</u> full-time auditor(s) from <u>among</u> the auditors.</p> <p>(No change to Articles 38-39)</p> <p>Article 40 (Record of proceedings) 1. <u>At</u> the Board of Auditors meeting, an outline of the proceedings and the results thereof <u>in addition to any other items defined by law</u> shall be recorded in the minutes which shall bear the name and <u>seal impression</u> or electronic signature of the auditors in attendance. 2. Minutes of the Board of Auditors meeting shall be held at the head office for ten years from the <u>date they are recorded.</u></p> <p>(no change to Article 41)</p> <p>Article 42 (Auditor remuneration) Board of Auditor remuneration shall be determined by decision of the general shareholders meeting.</p>



Current Articles of Incorporation	Proposed Amendment
<p>Article 40 (Auditor exemption from liability) Pursuant to <u>Commercial Law Article 280 Paragraph 1</u>, the company may, by decision of the Board of Directors, limit auditor (including former auditor) <u>liability to the extent that it is allowable under the law.</u></p> <p>(new)</p> <p>(new)</p> <p>(new)</p> <p>(new)</p> <p>(new)</p> <p>Chapter 6 - Accounting</p>	<p>Article 43 (Auditor exemption from liability)</p> <p>1. The company may, by decision of the Board of Directors, when the requirements defined under ordinances on limitation of liability, <u>Company Law, Article 423, Paragraph 1</u> are met, exempt auditors (including former auditors) <u>from an amount up to the minimum liability limit as defined by law subtracted from the amount of liability indemnity.</u></p> <p>2. The company may enter into contracts with <u>external corporate auditors that limit the extent of liabilities when the requirements regarding limitation of liability set out in Company Law, Article 423 Paragraph 1</u> are met.</p> <p>Chapter 6 – Accounting Auditor</p> <p>Article 44 ( Election of accounting auditor ) <u>The accounting auditor shall be elected by the general stockholders meeting.</u></p> <p>Article 45 (Term of office)</p> <p>1. <u>The term of office for an accounting auditor shall expire at the close of the general shareholders meeting regarding the final fiscal year that ends within one year of their election.</u></p> <p>2. <u>The accounting auditor shall be deemed to have been reappointed at the annual general shareholders meeting when no resolution is made at the general shareholders meeting referred to in the above paragraph.</u></p> <p>Article 46 (Accounting auditor remuneration etc.) <u>Accounting auditor remuneration shall be determined by the CEO with the approval of the Board of Auditors.</u></p> <p>Chapter 7 - Accounting</p>
<p>Article 41 (The fiscal year and accounting term) The company's fiscal year is <u>from</u> January 1 to December 31 <u>and the end of the fiscal year</u> shall be the closing date of the year.</p> <p>Article 42 (Payment of profit distribution dividends) <u>Profit distribution dividends shall be paid to shareholders listed on the final shareholders register and beneficial shareholders register of each accounting term and to registered pledgees.</u></p> <p>(new)</p>	<p>Article 47 (The fiscal year) The company's fiscal year is from January 1 to December 31.</p> <p>(removed)</p> <p>Article 48 (Record date of dividends) <u>Surplus dividends will be paid to shareholders listed on the final shareholders register on December 31 of each year and to registered stock pledgees.</u></p>

Current Articles of Incorporation	Proposed Amendment
<p>Article 43 (Payment of interim dividends)            The company may, by decision of the Board of Directors, <u>distribute cash (hereafter interim dividends) as defined under Commercial Law Article 293.5</u> to shareholders listed on the final shareholders register <u>and beneficial shareholders register</u> of June 30 each year and to registered pledgees.</p> <p>Article 44 (Statute of limitation on dividends)            1. The company is not obligated to pay <u>dividends</u> or interim dividends when three years has passed from the date the dividend first became available and no application has been received.            2. <u>The above</u> unpaid dividends shall not accumulate interest.</p>	<p>Article 49 (Interim dividends)            The company may, by decision of the Board of Directors, <u>pay an interim dividend</u> to shareholders listed on the final shareholder registry on June 30 of each year and to registered stock pledgees, as defined by <u>Company Law, Article 454 Paragraph 5.</u></p> <p>Article 50 (Statute of limitation on dividends)            1. <u>When cash dividends are to be paid,</u> The company is not obligated to pay <u>dividends</u> or interim dividends when three years has passed from the date the dividends first became available and no application has been received.            2. Unpaid dividends <u>and interim dividends</u> shall not accumulate interest.</p>