

August 13, 2007

For Immediate Release

Company Name: GMO Internet Inc.  
(TSE First Section, Code: 9449 )  
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## **Announcement of Complete Pullout of Loans and Credit Business, Transfer of Stock in a Subsidiary (Transfer of a Subsidiary) and Change of Subsidiary Name**

At a meeting today of the GMO Internet Inc. Board of Directors it was decided to pullout completely from the loans and credit business and transfer all shares held in subsidiary GMO LOAN-CREDIT HOLDINGS Inc. (GMOLCH) (91.1%) to NK3 Holdings Inc, a company established by GMOLCH directors.

Please refer also to An Explanation of Today's Series of Disclosures and Strategy Regarding Pullout of Loans and Credit Business – Presentation Materials.

[http://ir.gmo.jp/irlibrary/pdf/20070813\\_en\\_01.pdf](http://ir.gmo.jp/irlibrary/pdf/20070813_en_01.pdf)

### 1 . Reasons for the Transfer of Stock

The GMO Internet Group entered the loans and credit business in August 2005 when the former Orient Credit Co., Ltd. was made a consolidated subsidiary. However the environment surrounding the credit and consumer finance industry has changed dramatically as a result of factors including reforms to moneylending laws and excess interest repayments. In response to changes in the industry environment we revised our loan portfolio and made other changes in strategy. However the outlook for the credit and consumer finance industry is uncertain and as a result of a strategic decision by GMO Internet Inc. after careful consultation we have decided to completely withdraw from the loans and credit business by transferring stock of loans and credit holdings company, GMO LOAN-CREDIT HOLDINGS Inc. to its executives.

## 2 . Outline of Subsidiary whose Stock is to be Transferred

( 1 ) Company Name	GMO LOAN-CREDIT HOLDINGS Inc.
( 2 ) Address	20-1 Sakuragaokacho, Shibuya-ku, Tokyo, JAPAN
( 3 ) CEO	Masaru Kojima
( 4 ) Capital	¥10 million
( 5 ) Accounting Term	March
( 6 ) Date established	February 6, 2007
( 7 ) Total Outstanding Shares	115,926
( 8 ) Major Shareholder (% ownership)	GMO Internet Inc. (91.1%)
( 8 ) Business Description	Cash loans, agency and guarantee services, purchase of loan assets, etc.

### ( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Term	March 2005	March 2006	March 2007
Sales (¥millions)	-	-	-
Operating Profit (¥millions)	-	-	-6
Ordinary Profit (¥millions)	-	-	-6
Net Profit (¥millions)	-	-	-6
Total Assets (¥millions)	-	-	10,644
Net Assets (¥millions)	-	-	10,638

## 3 . Outline of Companies that will Cease to be Subsidiaries as a Result of the Stock Transfer

i)

( 1 ) Company Name	GMO NetCard Inc.
( 2 ) Address	20-1 Sakuragaokacho, Shibuya-ku, Tokyo, JAPAN
( 3 ) CEO	Masaru Kojima
( 4 ) Capital	¥10,363,450,000
( 5 ) Accounting Term	March
( 6 ) Date established	October 29, 1997
( 7 ) Shareholder	GMO LOAN-CREDIT HOLDINGS Inc.
( 8 ) Business Description	Cash loans, agency and guarantee services, purchase of loan assets, etc.

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Term	March 2005	March 2006	March 2007
Sales (¥millions)	19,239	18,635	17,950
Ordinary Profit (¥millions)	2,318	3,041	613
Net Profit (¥millions)	1,396	1,189	-8,221

ii)

( 1 ) Company Name	MIKI-SHOJI Co. Ltd.
( 2 ) Address	4-2-13 Nihonbashi, Chuo-ku, Tokyo, JAPAN
( 3 ) CEO	Yoshikatsu Kamata
( 4 ) Capital	¥490,000,000
( 5 ) Accounting Term	July
( 6 ) Date established	April 12, 1976
( 7 ) Shareholder	GMO NetCard Inc.
( 8 ) Business Description	Restaurant business, recreation hall management, finance business, real estate rental, etc.

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Term	July 2005	July 2006	July 2007
Sales (¥millions)	2,342	2,392	749
Ordinary Profit (¥millions)	264	-352	192
Net Profit (¥millions)	42	-1,364	644

iii)

( 1 ) Company Name	Jaxon Finance Inc.
( 2 ) Address	3-3-6 Tenjin, Chuo-ku Fukuoka City, Fukuoka, JAPAN
( 3 ) CEO	Yoshikatsu Kamata
( 4 ) Capital	¥90 million
( 5 ) Accounting Term	July
( 6 ) Date established	January 16, 1973
( 7 ) Shareholder	GMO NetCard Inc.
( 8 ) Business Description	Cash loans business, collections agency, guarantee business, credit check business, etc.

( 9 ) Financial Performance In Last Three Fiscal Years

Fiscal Term	July 2005	July 2006	July 2007
Sales (¥millions)	272	240	90
Ordinary Profit (¥millions)	36	-61	23
Net Profit (¥millions)	2	-170	244

iv)

( 1 ) Company Name	Limited Liability Chukan Hojin ASA Holdings 4
( 2 ) Address	3-22-10 Toranomon, Minato-ku, Tokyo, JAPAN
( 3 ) CEO	Masaki Aguni
( 4 ) Capital	¥10,000
( 5 ) Accounting Term	December
( 6 ) Date established	August 4, 2006
( 7 ) Shareholder	GMO NetCard Inc.
( 8 ) Business Description	Investment business, purchase of loan assets, management consulting etc.

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Term	December 2004	December 2005	December 2006
Sales (¥millions)	-	0	-
Ordinary Profit (¥millions)	-	0	-
Net Profit (¥millions)	-	0	-

v)

( 1 ) Company Name	ASA5 Merger Corporation
( 2 ) Address	3-22-10 Toranomon, Minato-ku, Tokyo, JAPAN
( 3 ) CEO	Managing Partner: GMO NetCard Inc.
( 4 ) Capital	¥10,000
( 5 ) Accounting Term	December
( 6 ) Date established	August 4, 2006
( 7 ) Shareholder	GMO NetCard Inc.
( 8 ) Business Description	Investment business, purchase of loan assets, management consulting etc.

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Term	July 2004	July 2005	July 2006
Sales (¥millions)	-	-	-
Ordinary Profit (¥millions)	-	-	-
Net Profit (¥millions)	-	-	-

vi)

( 1 ) Company Name	Just Inc.
( 2 ) Address	2-1-11 Aramachi, Aomorishi, Aomori, JAPAN
( 3 ) CEO	Accountant Tsuneo Ohkizu
( 4 ) Capital	¥3 million
( 5 ) Accounting Term	June 1 to May 31
( 6 ) Date established	September 6, 1984
( 7 ) Shareholder	ASA5 Merger Corporation ( 100% )
( 8 ) Business Description	Consumer finance business

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Term	May 2004	May 2005	May 2006
Sales (¥millions)	1,044	963	875
Ordinary Profit (¥millions)	601	521	455
Net Profit (¥millions)	323	341	273

vii)

( 1 ) Company Name	Like Card Ltd.
( 2 ) Address	2-1-11 Aramachi, Aomorishi, Aomori, JAPAN
( 3 ) CEO	Director Yoshiyuki Kamata
( 4 ) Capital	¥5 million
( 5 ) Accounting Term	June 1 to May 31
( 6 ) Date established	May 9, 2005
( 7 ) Shareholder	ASA5 Merger Corporation ( 100% )
( 8 ) Business Description	Consumer finance business

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Term	May 2004	May 2005	May 2006
Sales (¥millions)	-	-	50
Ordinary Profit	-	-	- 42

(¥millions)			
Net Profit (¥millions)	-	-	- 42

viii)

( 1 ) Company Name	Sanyo Credit Ltd.
( 2 ) Address	2-1-11 Aramachi, Aomorishi, Aomori, JAPAN
( 3 ) CEO	Shinji Yoshida
( 4 ) Capital	¥3 million
( 5 ) Accounting Term	June 1 to May 31
( 6 ) Date established	September 6, 1984
( 7 ) Shareholder	GMO NetCard Inc. ( 100% )
( 8 ) Business Description	Consumer finance business

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Term	May 2004	May 2005	May 2006
Sales (¥millions)	966	914	902
Ordinary Profit (¥millions)	575	519	476
Net Profit (¥millions)	311	338	284

ix)

( 1 ) Company Name	East Japan Credit Ltd.
( 2 ) Address	5-6 Kaiunbashidori Moriokashi, Iwate JAPAN
( 3 ) CEO	Director Kenichi Sato
( 4 ) Capital	¥9.8 million
( 5 ) Accounting Term	June 1 to May 31
( 6 ) Date established	October 2, 1979
( 7 ) Shareholder	ASA5 Merger Corporation ( 100% )
( 8 ) Business Description	Consumer finance business

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Term	May 2004	May 2005	May 2006
Sales (¥millions)	1,835	1,741	1,663
Ordinary Profit (¥millions)	918	871	630
Net Profit (¥millions)	498	593	517

x)

( 1 ) Company Name	Sunlife Ltd.
( 2 ) Address	1-4-46 Ichiko, Osaki, Miyagi, JAPAN
( 3 ) CEO	Director Takahiko Goto
( 4 ) Capital	¥5 million
( 5 ) Accounting Term	June 1 to May 31
( 6 ) Date established	May 9, 2005
( 7 ) Shareholder	ASA5 Merger Corporation ( 100% )
( 8 ) Business Description	Consumer finance business

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Year	May 2004	May 2005	May 2006
Sales (¥millions)	-	-	2
Ordinary Profit (¥millions)	-	-	- 22
Net Profit (¥millions)	-	-	- 22

xi)

( 1 ) Company Name	Sanai Credit Ltd.
( 2 ) Address	4-1-6 Tookamachi Yamagata city
( 3 ) CEO	Director Kazuo Kimura
( 4 ) Capital	¥3 million
( 5 ) Accounting Term	June 1 to May 31
( 6 ) Date established	June 18,1984
( 7 ) Shareholder	ASA5 Merger Corporation ( 100% )
( 8 ) Business Description	Consumer finance business

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Year	May 2004	May 2005	May 2006
Sales (¥millions)	1,449	1,409	1,333
Ordinary Profit (¥millions)	781	706	630
Net Profit (¥millions)	418	473	399

xii)

( 1 ) Company Name	Million Ltd.
( 2 ) Address	1-3-1 Kasumi-cho Yamagata-city
( 3 ) CEO	Director Shinya Sudo
( 4 ) Capital	¥3 million
( 5 ) Accounting Term	June 1 to May 31
( 6 ) Date established	September 1,1984
( 7 ) Shareholder	ASA5 Merger Corporation ( 100% )
( 8 ) Business Description	Consumer finance business

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Year	May 2004	May 2005	May 2006
Sales (¥millions)	999	963	957
Ordinary Profit (¥millions)	405	361	319
Net Profit (¥millions)	230	217	218

xiii)

( 1 ) Company Name	Alto Ltd.
( 2 ) Address	1-3-1 Kasumi-cho Yamagata-city
( 3 ) CEO	Director Takahiko Goto
( 4 ) Capital	¥3 million
( 5 ) Accounting Term	June 1 to May 31
( 6 ) Date established	September 5,1984
( 7 ) Shareholder	ASA5 Merger Corporation ( 100% )
( 8 ) Business Description	Consumer finance business

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Year	May 2004	May 2005	May 2006
Sales (¥millions)	772	738	698
Ordinary Profit (¥millions)	386	328	294
Net Profit (¥millions)	215	220	182



xiv)

( 1 ) Company Name	Japan Ltd.
( 2 ) Address	7-32 Sakae-cho Fukushima-city
( 3 ) CEO	Director Yoshiyuki Kamata
( 4 ) Capital	¥3 million
( 5 ) Accounting Term	June 1 to May 31
( 6 ) Date established	September 5,1984
( 7 ) Shareholder	ASA5 Merger Corporation ( 100% )
( 8 ) Business Description	Consumer finance business

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Year	May 2004	May 2005	May 2006
Sales (¥millions)	2,728	2,734	2,742
Ordinary Profit (¥millions)	1,625	1,624	1,630
Net Profit (¥millions)	1,164	1,064	983

xv)

( 1 ) Company Name	JC Ltd.
( 2 ) Address	5-19 Nakamachi Yamanaka city Fukushima
( 3 ) CEO	Director Ryo Sato
( 4 ) Capital	¥ 5 million
( 5 ) Accounting Term	June 1 to May 31
( 6 ) Date established	April 25,2005
( 7 ) Shareholder	ASA5 Merger Corporation ( 100% )
( 8 ) Business Description	Consumer finance business

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Year	May 2004	May 2005	May 2006
Sales (¥millions)	-	-	0
Ordinary Profit (¥millions)	-	-	- 7
Net Profit (¥millions)	-	-	- 7

xvi)

( 1 ) Company Name	Save Ltd.
( 2 ) Address	38Mikkamachi Ooaza Hachinohe-city Aomori
( 3 ) CEO	Director Masahiro Kudo
( 4 ) Capital	¥13million
( 5 ) Accounting Term	June 1 to May 31
( 6 ) Date established	September 2,1999
( 7 ) Shareholder	GMO NetCard Inc. ( 100% )
( 8 ) Business Description	Consumer finance business

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Year	May 2004	May 2005	May 2006
Sales (¥millions)	568	558	534
Ordinary Profit (¥millions)	317	299	272
Net Profit (¥millions)	176	192	166

xvii)

( 1 ) Company Name	N Corporation Co. Ltd.
( 2 ) Address	2-1-61 Hanakyouin Aobaku Sendai-city Miyagi
( 3 ) CEO	Director Yoshikatsu Kamata
( 4 ) Capital	¥ 5million
( 5 ) Accounting Term	June 1 to May 31
( 6 ) Date established	October 20, 2005
( 7 ) Shareholder	ASA5 Merger Corporation ( 100% )
( 8 ) Business Description	Loan transaction research, consulting business

( 9 ) Financial Performance in the Last Three Fiscal Years

Fiscal Year	May 2004	May 2005	May 2006
Sales (¥millions)	-	-	0
Ordinary Profit (¥millions)	-	-	0
Net Profit (¥millions)	-	-	0

#### 4 . Outline of Company to Receive Shares in the Transfer

( 1 ) Company Name	NK3 HOLDINGS Inc.
( 2 ) Address	20-1 Sakuragaokacho, Shibuya-ku, Tokyo, JAPAN
( 3 ) CEO	Yoshikatsu Kamata
( 4 ) Capital	¥5.7 million
( 5 ) Accounting Term	March
( 6 ) Date established	July 18, 2007
( 7 ) Shareholders	Yoshikatsu Kamata: 30%、 Masaru Kojima: 30%、 Takashi Noda 20%、 Katsuya Kitano 20%
( 8 ) Business Description	Investment business
( 9 ) Financial performance in the last three fiscal years	This information is not available as the company has just been established

#### 5 . Number of Shares Transferred, Transfer Value and Ownership Before and After the Transfer

##### ( 1 ) Number of shares owned before the transfer

105,640 (percentage ownership 91.1%)

(no. of voting rights: 105,640)

##### ( 2 ) Number of shares transferred

105,640 (transfer value ¥5,282,000)

(no. of voting rights: 105,640)

This includes 25,159 shares with the right of pledge that are subject to the suspensive condition of agreement of creditors.

##### ( 3 ) Ownership after the transfer

0 (percentage ownership 0.0%)

(no. of voting rights: 0)

We will acquire 950,760 new share warrants on August 15, 2007 free of charge.

#### 6 . Stock Transfer Schedule

August 13, 2007: GMO Internet and GMOLCH Board of Directors Meeting decision

August 13, 2007: Signing of sale of shares contract

August 21, 2007: Date of stock transfer (tentative)

#### 7 . Impact of the Stock Transfer on Total Assets, Sales and Profit /Loss in the Current Term

##### ( 1 ) Impact on consolidated total assets, sales, profit/loss

- i) Total Assets: As a result of the exclusion of GMOLCH and 18 consolidated subsidiaries from the GMO Internet consolidation we expect a reduction in total assets of ¥60 billion.
- ii) Sales: As a result of the exclusion of GMOLCH and 18 consolidated subsidiaries from the GMO Internet consolidation in the latter half of the current term we expect a decrease in forecast sales of ¥13 billion.
- iii) Ordinary Profit/Loss: As a result of the exclusion of GMOLCH and 18 consolidated subsidiaries from the GMO Internet consolidation in the latter half of the current term we initially expected a decrease in forecast ordinary profit of ¥2.15 billion.
- iv) Extraordinary Loss: As a result of the transfer of GMOLCH stock we have recorded a ¥5.9 billion shrinkage in goodwill and ¥500 million appraisal loss on new share warrants.

( 2 ) Impact on non-consolidated profit/loss

As a result of the transfer of GMOLCH stock we have recorded a ¥26.3 billion appraisal loss on shares in a subsidiary and a ¥500 million appraisal loss on new share warrants.

8 . Change of Company Name

As a result of the transfer of all stock held by GMO Internet Inc. in GMOLCH, it was resolved at the Board of Director meetings of concerned companies to change the name of GMO LOAN-CREDIT HOLDINGS Inc. and its subsidiary GMO NetCard Inc. The names were then changed by decision of an extraordinary meeting of shareholders.

( 1 ) Reason for the Change

GMO Internet Inc. has transferred all stock held in the company and as a result ceases to have any capital ties to the company.

( 2 ) New Company Names

Current Company Name	New Company Name
GMO LOAN-CREDIT HOLDINGS Inc.	NC LOAN-CREDIT HOLDINGS Inc.
GMO NetCard Inc.	NetCard Inc.

( 3 ) Date of Change

August 21, 2007 (tentative)