

For Immediate Release

Company Name: GMO Internet Inc.
(TSE First Section, Code: 9449)
Address: 26-1 Sakuragaoka-cho Shibuya-ku Tokyo JAPAN
Representative: Masatoshi Kumagai, CEO and Representative Director
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Transfer of GMO Internet Securities Stock

At a meeting today of the GMO Internet Inc. Board of Directors it was resolved to transfer all shares held in subsidiary GMO Internet Securities Inc. (95.9%).

Please also refer 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

1 . Reasons for the Transfer of Stock

As announced today, due to the uncertain outlook in the credit and consumer finance industry, GMO Internet is transferring all shares held in GMO LOAN-CREDIT HOLDINGS Inc. and completely withdrawing from the loans and credit business.

In the Internet securities business, growth in accounts and financial performance has been strong since it was first launched in May 2006. At the end of July 2007 it had achieved a profit.

However, as our withdrawal from the loans and credit business will temporarily damage shareholders' equity and in recognition of the importance of strengthening shareholders' equity it was resolved to immediately sell GMO Internet Securities at a fair price to GMO Internet Inc. CEO, Masatoshi Kumagai.

The Internet Finance segment has been dramatically reduced and we have made the decision to focus management resources on our Internet Use Support (Infrastructure) and Internet Advertising Support (Media) business segments.

2 . Outline of the Subsidiary that is the Object of the Stock Transfer (at the end of the most recent fiscal year)

(1) Company Name	GMO Internet Securities Inc.
(2) Address	26-1 Sakuragaokacho, Shibuya-ku, Tokyo, JAPAN
(3) CEO	Hideyuki Takashima
(4) Capital	¥2,040,000,000

(5) Accounting Term	March
(6) Date Established	October, 2005
(7) Total Outstanding Shares	45,276
(8) Major Shareholders (% ownership)	GMO Internet Inc. (95.9%)
(9) Business Description	Securities and Exchange Law based securities business Financial Futures Transaction Law based over-the-counter financial futures transactions
(10) Employees	47

(11) Financial Performance in the
Last Three Fiscal Years

Fiscal Year	March 2005	March 2006	March 2007
Sales (¥millions)	-	-	448
Operating Loss (¥millions)	-	106	1,036
Ordinary Loss (¥millions)	-	106	1,046
Net Loss (¥millions)	-	106	1,078
Total Assets (¥millions)	-	436	17,926
Net Assets (¥millions)	-	373	1,384

3 . Outline of Stock Transferee

(1) Name	Masatoshi Kumagai (GMO Internet CEO)
(2) Address	3-18-16 Minami Aoyama, Minato-ku, Tokyo, JAPAN

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

(1) Number of shares owned before the transfer

47,286

(percentage ownership: 95.9%)

(no. of voting rights: 47,286)

(2) Number of shares transferred

47,286

(transfer value: ¥4,799,529,000)

(no. of voting rights: 47,286)

(3) Ownership after the transfer

0

(percentage ownership: 0.0%)

(no. of voting rights: 0)

5 . Stock Transfer Schedule

August 13, 2007 (Monday)	Meeting of GMO Internet Inc. Board of Directors
August 13, 2007 (Monday)	Signing of sale of shares contract
August 14, 2007 (Tuesday)	Date of stock transfer

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

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

i) Consolidated Total Assets	A reduction in total assets equivalent to approximately ¥22 billion
ii) Consolidated Sales	In the latter part of the term we expect an initial decrease in forecast sales of approximately ¥1.5 billion
iii) Consolidated Ordinary Profit/Loss	In the latter part of the term we expect a reduction in forecast ordinary loss of approximately ¥150 million
iv) Consolidated Extraordinary Profit/Loss	An extraordinary profit of ¥2.8 billion will be recorded as a result of the sale of stock in an affiliated company.

(2) Impact on Non-consolidated Profit/Loss

An extraordinary profit of ¥2 billion will be recorded as a result of the sale of stock in an affiliated company.