

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
Contact: Masashi Yasuda, Managing Director
Telephone: +81 3 5456 2555
URL: <http://www.gmo.jp>

Business and Capital Partnership with Yahoo! JAPAN

The GMO Internet Board of Directors meeting convened today agreed to form a partnership with Yahoo! Japan Corporation with the objective of aggressively pursuing the small and medium business Internet advertising market. This decision follows today's third party allocation to Yahoo! Japan Corporation.

Please refer to *Notice regarding Offering for Subscription of Stock to be Issued in Allocation of Shares to Third Parties* released today (December 12, 2007) for details regarding the third party allocation.

1 . Background to the Partnership

The Internet advertising market is growing yearly, in 2005 it was worth ¥280.8 billion (154.8% YOY increase) and in 2006 it had grown to ¥363.0 billion (129% YOY increase). In 2011 it is expected to be valued at ¥755.8 billion, more than twice the 2006 value in five years from now. (Dentsu, April 16, 2007)

GMO Internet and Yahoo! JAPAN believe that within this expanding market lies a significant potential market in the as yet undeveloped SME market. The two companies have joined together to create a new synergy and build corporate value by using the strengths of each company to grow this new market.

2 . Details of the Business Partnership

The two companies already have a strong relationship in the Internet media and Internet advertising fields. They established JWord, Inc. in a joint investment and GMO Internet already has a business partnership with the Yahoo! JAPAN wholly-owned subsidiary Overture K.K.

The new partnership will further strengthen ties between the two companies, and is planned to include jointly planning and development of products and expansion of sales channels in the SME Internet advertising market.

Discussions will be held to determine details of the partnership.

3 . Outline of the Capital Partnership

The GMO Internet Board of Directors meeting convened on December 12, 2007 resolved to issue new shares to Yahoo! JAPAN Corporation in a third party allocation. Following this decision 5,054,152 (issue value: ¥1,400,000,104) shares of common stock are being allocated to Yahoo! JAPAN.

i) Summary of the Third Party Allocation

1. No of new shares issued	5,054,152 common shares
2. Issue value	¥277 per share
3. Total issue value	¥1,400,000,104
4. Increase in capital and capital reserve	Amount of increase in capital: ¥702,527,128 Amount of increase in capital reserve: ¥697,472,976
5. Method of offer and allocation	Third party allocation to Yahoo! Japan Corporation
6. Application date	December 27, 2007
7. Payment date	December 27, 2007
8. New stock delivery date	December 28, 2007

The above items are conditional on notification in accordance with securities and exchange laws.

ii) No. of Shares Acquired by Yahoo! Japan, Acquisition Price and Percentage Ownership Before and After the Acquisition

	Before the Offering	After the Offering
No. of Shares	0 (percentage ownership 0%)	5,054,152 (percentage ownership 5.03%)
Voting Rights	0 (percentage ownership 0%)	50,541 (percentage ownership 5.03%)
Acquisition Price		¥1,400,000,000

The percentage ownership of voting rights is calculated based on the number of voting rights on June 30, 2007 (790,229) plus the number of new voting rights attached to the December 12, 2007 Board of Directors meeting third party allocation of 21,440,443 shares to Yahoo! Japan and Masatoshi Kumagai (total 1,004,632). These percentages are rounded off to three decimal places.

4 . Outline of Yahoo! JAPAN Corporation

Please refer to 7. Reason for Selection of Allottee, (1) Outline of Allottee, in *Notice regarding Offering for Subscription of Stock to be Issued in Allocation of Shares to Third Parties* released today (December 12, 2007).

5 . Capital Partnership Schedule

- December 12, 2007: Board of Directors resolution
- December 12, 2007: Business and investment contract signed
- December 27, 2007: Third party allocation payment date

6 . Future Projections

The impact of this partnership on performance results has not yet been determined. Details of the partnership will be considered and information published as soon as it becomes available.