

For Immediate Release

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Retirement by Purchase of Fourth Series of Unsecured Convertible Bonds with Equity Warrants

At a GMO Internet Board of Directors meeting convened today it was resolved to retire by purchase the fourth series of unsecured convertible bonds with equity warrants (unsecured convertible bonds with equity warrants and special agreement on limited equal priority among bonds) (hereafter "bonds") issued on June 29, 2007.

1. Name of Bonds to be Retirement by Purchase
GMO Internet Fourth Series of Unsecured Convertible Bonds with Equity Warrants
2. Date of Retirement by Purchase
September 29, 2008
3. Total Amount of Retirement by Purchase
Face value: ¥1,250,000,000
4. Balance Remaining after Retirement
¥0
As a result of this purchase and retirement the entire issue of convertible bonds are retired and therefore there is no future dilution risk.
5. Impact on Business Results
In the December 2008 consolidated and non-consolidated financial statements a ¥62,500,000 gain on redemption of bonds will be recorded as an extraordinary profit.

Reference: Outline of Bond Issue

- (1) Date of Issue: June 29, 2007
- (2) Total Amount of Issue: ¥5,000,000,000
- (3) Outstanding Balance: ¥1,250,000,000
- (4) Existing Bond Expiration Date: June 29, 2012
- (5) Interest Rate: No interest rate attached
- (6) Exercise Price: ¥803 per share

(The initial exercise price was ¥849. There are no conditions attached to the exercise price that require it to be revised in accordance with stock price fluctuations. The initial exercise price was adjusted following a December 27, 2007 third party stock allocation.)