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For Immediate Release

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Notification Regarding Stock Options (New Equity Warrants)

At a meeting of the GMO Internet Board of Directors convened today it was resolved to submit the following proposals to the 2009 Annual General Stockholders Meeting to be held on March 26, 2009.

The gratis issue of equity warrants as stock options to GMO Internet Directors, Auditors, and employees as well as Directors, Auditors, and employees of the company's subsidiaries in accordance with the provisions of Corporation Law Articles 236, 238 and 239; the delegation of decisions regarding allocation to the company's Board of Directors, and a proposal seeking the approval of a method of calculation for allocating equity warrants to the company's Directors and Auditors as non monetary compensation. Details are as follows.

1. Reasons for the Gratis Issue of Equity Warrants and Reasons for Other Proposals

The objective of the gratis issue of equity warrants is to boost performance, motivation and morale in company Directors, Auditors, and employees as well as Directors, Auditors, and employees of subsidiaries, to unite interests to those of the company's shareholders and thereby improve consolidated corporate value as well as enhancing auditor awareness of the suitability of audit judgments.

2. Equity Warrant Details

(1) Beneficiaries of the allocation of equity warrants

GMO Internet Directors, Auditors, and employees as well as Directors, Auditors, and employees of GMO Internet subsidiaries

(2) Number and Type of Shares Associated with Equity Warrants

A maximum of 500,000 shares of the company's common stock (including 347,000 for Directors and 53,000 for Auditors).

If the number of shares granted (defined below) is adjusted, the adjustment amount shall be the number of shares granted (after adjustment) multiplied by the total number of equity warrants stated below.

(3) Total Number of Share Warrants

A maximum of 5,000 (including 3,470 for Directors and 530 for Auditors)

The number and class of shares to be issued upon exercise of one equity warrant (hereafter "number of shares granted") is 100 shares of the company's common stock. However, if the company executes a

stock split or stock consolidation after the allocation of equity warrants (hereafter “the allocation date”), the number of shares granted shall be calculated using the following formula.

$$\text{Total No. of Shares after Adjustment} = \text{Total No. of Shares before Adjustment} \times \text{Ratio of Stock Split or Consolidation}$$

In addition to the above, if the company makes a gratis issue of stock, or if any other event arises which necessitates an adjustment of the number of shares granted, the company shall reasonably adjust the exercise price.

This adjustment applies only to equity warrants that have not already been exercised at the time. If the result of the adjustment includes an amount less than one share, the fractional amount shall be discarded.

(4) Amount to be Paid-In in Exchange for Equity Warrants

Subject to approval of the general shareholders meeting, no pay-in amount shall be required.

(5) Calculating the Amount to be Paid-in on exercise of Equity Warrants

The amount to be paid in on exercise of each equity warrant shall be the paid in amount (hereafter exercise price) multiplied by the number of shares granted.

The exercise price shall be the average closing price of the company’s common stock on the Tokyo Stock Exchange in the month prior (excluding days where no transactions were made) to the month in which the equity warrants were allocated, multiplied by 1.05. Amounts less than one yen shall be rounded up to the nearest yen. However, in the event that the amount is less than the closing price of the company’s stock on the Tokyo Stock Exchange on the day the equity warrants were allocated (if there is no closing price on that day then the closing price on the most recent day) the exercise price shall be the closing price on that day.

In the event that the company executes a stock split or a stock consolidation after the allocation of equity warrants, the exercise price shall be calculated as follows. Amounts less than one yen shall be rounded up to the nearest yen.

Exercise Price after Adjustment	=	Exercise Price before Adjustment	×	$\frac{1}{\text{Ratio of Stock Split (or Stock Consolidation)}}$
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Also, if the company issues new common stock at a price under market value, or if the company disposes of common stock held as treasury stock after the date on which equity warrants are allocated, the exercise price shall be adjusted using the following formula. Amounts less than one yen shall be rounded up to the nearest yen. However, the exercise price is not adjusted if the equity warrant is exercised or if common stock is issued in exchange for the acquisition of Class 1 Preferred Stock.

“Market value” shall be the average closing price of the company’s stock on the Tokyo Stock Exchange, in the month prior (excluding days where there were no transactions) to the date of payment for the issue or disposal of common stock.

Exercise Price After Adjustment	=	Exercise Price before Adjustment	×	No. of Shares	+	$\frac{\text{No. of Newly Issued Shares}}{\text{No. of Shares}}$	×	Amount to be Paid-In per Share
						Market Value per Share		

In the above formula “No of Shares” refers to the total number of outstanding shares of the company’s common stock minus the number of common shares held by the company. In the event that the company disposes of common shares owned the factor “No. of Newly Issued Shares” shall be replaced by “No. of Treasury Shares Disposed”.

In addition to the above, if the company makes a gratis issue of stock, or if any other event arises which necessitates an exercise price adjustment, the company shall reasonably adjust the exercise price.

(6) Period during which Equity Warrants may be Exercised

March 27, 2012 to March 26, 2014 (hereafter “Exercise Period”)

(7) Conditions for the Exercise of Equity Warrants

- (i) Persons granted equity warrants (hereafter “Equity Warrant Holders”) must continuously retain their position as a GMO Internet Director, Auditor or employee, or Director, Auditor or employee of a subsidiary until the time of exercise.
- (ii) Pledging, attachment and inheritance of equity warrants are not permitted.
- (iii) Other conditions regarding exercise rights (including details of [i]), shall be determined by application guidelines, the equity warrant contract held between the equity warrant holder and the company, and the Company By-laws concerning Equity Warrant Contracts as established by the Board of Directors.

(8) Reasons and Conditions for the Acquisition of Equity Warrants

If a general meeting of stockholders approves an agreement whereby the company is absorbed in a merger, a stock-swap agreement whereby the company becomes a wholly-owned subsidiary, a plan to consolidate with other companies or a stock transfer, the company may acquire the equity warrants at no cost on a date determined by a meeting of the Board of Directors.

(9) Restrictions on Transfer of Equity Warrants

The acquisition of equity warrants by transfer shall require approval of the Board of Directors.

(10) Items concerning Increases in Capital and Capital Reserve following the Issue of New Shares due to Exercise of Equity Warrants

- (i) When new shares are issued due to the exercise of equity warrants, capital shall increase by half the limit for increases in capital, calculated in accordance with Company Accounting Regulations Article 40, Paragraph 1. Any amount less than one yen shall be rounded up to the nearest yen.
- (ii) When new shares are issued due to the exercise of equity warrants, capital reserve shall increase by the amount remaining after deducting the increase in common stock (above), from the limit for increase in common stock (above).

(11) Handling of Fractional Shares

If the number of shares to be issued to an equity warrant holder on exercise of equity warrants includes a fraction of less than one share, that fraction shall be discarded)

(12) Calculating the Value of Equity Warrants as Compensation

Fair value of equity warrants shall be calculated using the Black-Scholes model based on conditions on the allocation date.

(Note) The content of the above is subject to the approval of “The matter of the issue of equity warrants as stock options” by the 2009 Annual General Stockholders Meeting.