

For Immediate Release

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(TSE First Section, Code: 9449)
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Amendments to Articles of Incorporation

At the GMO Internet Board of Directors meeting held today, it was resolved to submit the following partial amendments to the Articles of Incorporation to the 2009 Annual General Stockholders meeting.

1. Reasons for Amendments

- (1) The following changes have been made in accordance with the *Law for Partial Amendments to the Law Concerning Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement for Trade of Stocks and Other Securities* (Law No. 88/2004) (hereafter "Settlement Streamlining Law").
 - (i) In accordance with the Settlement Streamlining Law Supplementary Provisions Article 6 Paragraph 1, on the date that the Settlement Streamlining Law is enacted (January 5, 2009) it is deemed that it has been resolved to amend the Articles of Incorporation to repeal provisions concerning the issue of share certificates. For this reason Article 8 is removed and text regarding share certificates is removed or modified.
 - (ii) In accordance with Article 2 of the Settlement Streamlining Law Supplementary Provisions, the *Law Concerning Central Securities Depository and Book-Entry Transfer of Stock Certificates and Other Securities* (Law No. 30/1984) has been abolished, as such text concerning "beneficial shareholders" and "the beneficial shareholders' registry has been removed or revised.
 - (iii) A Lost Share Certificate Registry must be established within one year of the enactment of the Settlement Streamlining Law (January 5, 2009) and maintained. Clauses have been added to the necessary articles to provide for this.
- (2) In order to be able to issue a new class of stock (Class 1 Preferred Stock, hereafter "preferred stock") in future, with the objective of achieving a flexible capital policy, Provisions of Article 6 (Total Number of Shares that May be Issued) and Article 7 (Number of Shares per Unit) of the current Articles of Incorporation will be amended, and the provisions of Amendment Proposal 3 (Class 1 Preferred Stock) will be newly established.

In principle, preferred stock will pay higher dividends than common stock but afford no voting rights. Investors seeking high dividends may select preferred stock while investors who seek to improve company value through the exercise of voting rights may select the existing common stock. GMO Internet believes that the new structure will allow us to maintain the stable stockholder base that makes possible mid to long term management decisions while establishing a new stratum of stockholders. At this time there are no specific plans to issue preferred stock.

- (3) Other modifications and revisions to provisions and wording as necessary.

2. Details of Amendments to Articles of Incorporation

Details are provided in the attached document.

3. Schedule

- (1) Date of general stockholders' meeting to amend Articles of Incorporation: March 26, 2009 (Thursday)
- (2) Date that amendments to Articles of Incorporation come into effect: March 26, 2009 (Thursday)

Details of Amendments to Articles of Incorporation

(Changes are underlined)

Current Articles of Incorporation	Proposed Amendment
<p>Article 6 (Total number of shares that may be issued) The total number of shares that may be issued by the company is <u>248,125,000</u>.</p>	<p>Article 6 (Total number of shares that may be issued/Total number of classified shares that may be issued) The total number of shares that may be issued by the company is <u>400,000,000. 270,000,000 common shares may be issued and 130,000,000 class 1 preferred shares may be issued.</u></p>
<p>Article 7 (Number of shares per unit) <u>The company's</u> number of shares per unit shall be 100.</p>	<p>Article 7 (Number of shares per unit) <u>The number of common shares in one unit shall be 100. The number of class 1 preferred shares in one unit shall be 100.</u></p>
<p>Article 8 (Issue of share certificates) <u>1. The company shall issue share certificates for its stock.</u> <u>2. Irrespective of the previous paragraph, the company may not issue share certificates for fractional shares.</u></p>	<p>(Delete)</p>
<p>(Articles 9-10 are omitted)</p>	<p>(There is no change to Articles 8-9)</p>
<p>Article 11 (<u>Shareholders register administrator</u>)</p> <p>1. (Omitted) 2. (Omitted) 3. <u>The company's shareholder register (including the beneficial shareholder register), register of lost share certificates and equity warrants ledger shall be held at the place of business of the shareholders register administrator and all duties concerning shares and equity warrants including transfer of shares, registration of lost share certificates as well as the maintenance of the equity warrants ledger and the purchase of fractional shares shall be handled by the shareholders register administrator and shall not be handled by the company.</u></p>	<p>Article <u>10</u> (<u>Shareholders register administrator</u>)</p> <p>1. (No change) 2. (No change) (Delete)</p>
<p>Article <u>12</u> (Stock handling regulations) All handling and commissions related to shares and equity warrants including <u>the shareholders register, the register of lost share certificates,</u> the maintenance of the equity warrants ledger and the purchase of fractional shares shall be governed by the relevant laws and articles of incorporation as well as the share handling regulations determined by the Board of Directors.</p>	<p>Article <u>11</u> (Stock handling regulations) All handling and commissions related to shares and equity warrants including the shareholders register, the maintenance of the equity warrants ledger and the purchase of fractional shares, <u>and all procedures etc. regarding the exercise of shareholder voting rights shall be</u> governed by the relevant laws and articles of incorporation as well as the share handling regulations determined by the Board of Directors.</p>
<p>Article <u>13</u> (Record date) 1. The company shall deem the shareholders (<u>including beneficial shareholders</u>) that are <u>in</u> possession of voting rights and listed on the final register on December 31 of each year as the shareholders that are entitled to exercise voting rights at the Annual General Shareholders Meeting for that fiscal year.</p> <p>2. (Omitted)</p>	<p>Article <u>12</u> (Record date) 1. The company shall deem the shareholders that are <u>in</u> possession of voting rights and listed on the final register on December 31 of each year as the shareholders that are entitled to exercise voting rights at the Annual General Shareholders Meeting for that fiscal year.</p> <p>2. (No Change)</p>

(New)

Chapter 3 Class 1 Preferred Stock

Article 13 (Surplus Dividends to Class 1 Preferred Stockholders)

1. When distributing surplus dividends (“year-end dividends”) to stockholders or registered stock pledgees listed or recorded in the shareholders registry on the last day of each business year, the company shall pay to holders of class 1 preferred stock (hereafter class 1 preferred stockholders”) or registered stock pledgees of class 1 preferred stock (hereafter “registered class 1 preferred stock pledgees”) listed or recorded in the shareholders’ registry on the last day of the relevant year, in preference to holders of common stock (hereafter “stockholders of common stock”) and registered stock pledgees of common stock (hereafter “registered common stock pledgees” cash in the amount prescribed by resolution of a meeting of the Board of Directors held prior to the issue of preferred stock. (However, in the event that surplus dividends are paid to class 1 preferred stockholders or registered class 1 preferred stock pledgees according to the shareholders registry on the prescribed date of record during a business year where Paragraph 4 is applicable to the year-end dividend date of record, cash in the amount obtained by deducting the amount of surplus dividends distributed for each share of class 1 preferred stock [zero in the event that such an amount is less than zero] and hereafter referred to as class 1 preferred stock dividends).

2. When year-end dividends are paid, after the payment of class 1 preferred stock dividends and accumulated dividends payable (as defined in the following paragraph), if the amount obtained by multiplying the amount of surplus dividend to be paid for each share held by stockholders of common stock and registered common stock pledgees, by the percentage determined by resolution of a Board of Directors meeting held prior to the issue of class 1 preferred stock (not less than 100% and not more than 200%) (hereafter “class 1 preferred stock dividend rate”) exceeds the amount of class 1 preferred stock dividends, the company shall distribute surplus dividends of the same type as those distributed to the stockholders of common stock and registered common stock pledgees in an amount equal to the excess for each share of class 1 preferred stock to stockholders of class 1 preferred stock and registered class 1 preferred stock at the same time as to stockholders of common stock and registered common stock pledgees. (Any amounts less than one yen shall be rounded down).

3. In the event the amount of surplus dividend paid in cash to the stock holders of class 1 preferred stock or registered class 1 preferred stock pledgees is less than the class 1 preferred stock dividend in any business year, the amount of shortage per share of class 1 preferred stock (“hereafter “accumulated dividends payable”) shall be carried forward to subsequent business years. Accumulated dividends payable shall be paid to stockholders of class 1 preferred stock and registered class 1 preferred stock pledgees, before the payment of dividends laid out in the preceding and following paragraphs until the amount paid reaches the amount of accumulated dividends payable per share of class 1 preferred stock.

	<p>4. <u>When surplus dividends are distributed (excluding year-end dividends), the company shall distribute dividends of the same type as those distributed to stockholders of common stock and registered common stock pledgees simultaneously to stockholders of class 1 preferred stock and registered class 1 preferred stock pledgees, and to stockholders of common stock and registered common stock pledgees, to the amount obtained by multiplying the amount of surplus dividends to be paid to the shareholders of common stock and registered common stock pledgees for each share of common stock by the class 1 preferred stock dividend rate for each share of class 1 preferred stock (any amounts less than one yen shall be rounded down).</u></p> <p><u>Article 14 (Distribution of Residual Assets to Class 1 Preferred Stockholders)</u></p> <p><u>1. When residual assets of the company are distributed, cash in the amount of accumulated dividends payable shall be distributed to shareholders of class 1 preferred stock and registered class 1 preferred stock pledgees before stockholders of common stock and registered common stock pledgees.</u></p> <p><u>2. In the event that there are residual assets remaining after distribution in accordance with the previous passage, residual assets of the same type and amount as those distributed to the stockholders of common stock and registered common stock pledgees for each share of class 1 preferred stock, shall be distributed simultaneously to stockholders of class 1 preferred stock and registered class 1 preferred stock pledgees, and common stock and registered common stock pledgees.</u></p>
(New)	<p><u>Article 15 (Voting Rights)</u></p> <p><u>The stockholders of class 1 preferred stock shall not have voting rights on any matter at general stockholders meetings. However, in the event that no resolution is made to pay class 1 preferred stock dividends or accumulated dividends payable on the prescribed date of record in two consecutive business years, preferred stockholders may exercise voting rights from the first general stockholders meeting after the close of the second business year. (however in the event that a motion to pay class 1 preferred stock dividends and accumulated dividends in their entirety is submitted to and rejected by the Annual General Stockholders meeting, voting shall be from the close of the concerned Stockholders' Meeting) until such time as it is resolved to pay class 1 preferred stock dividends and accumulated dividends payable in their entirety.</u></p>

<p>(New)</p>	<p><u>Article 16 (Resolutions of General Meetings of Classified Stockholders)</u></p> <p><u>1. Unless otherwise provided for by laws and ordinances or these articles of incorporation, resolution of a general meeting of classified stockholders shall not be required for the company to engage in the acts listed under each item of Article 322, Paragraph 1 of Corporation Law.</u></p> <p><u>2. The provisions of Article 12 shall apply mutis mutandis to general meetings of classified shareholders convened within three months of the day following the last day of the business year.</u></p> <p><u>3. The provisions of Articles 21-23, Article 24 Paragraph 1, and Article 25 shall apply mutis mutandis to general meetings of classified stockholders.</u></p> <p><u>4. The provisions of Article 24, Paragraph 2 shall apply mutis mutandis to decisions of general meetings of classified stockholders in accordance with Article 324 Paragraph 2 of Corporation Law.</u></p>
<p>(New)</p>	<p><u>Article 17 (Acquisition of Class 1 Preferred Stock in Exchange for Common Stock)</u></p> <p><u>In any of the following cases, on the date specified in the relevant paragraph (or an earlier date specified by a meeting of the Board of Directors), the company shall acquire all class 1 preferred stock issued by the company (except shares of class 1 preferred stock already held by the company) and exchange each class 1 preferred share for one share of common stock.</u></p> <p><u>(1) Where it is agreed by shareholders' meetings of all concerned companies that the company will cease to exist as a result of merger or that the company will become a wholly-owned subsidiary of another company in a stock-swap or stock-transfer (except in cases where the stock transfer is carried out jointly with another company), the date of exchange shall be the day preceding the effective date of the merger, stock-swap or stock transfer.</u></p> <p><u>(2) If a tender offer bid on stock issued by the company results in the purchaser owning more than two thirds of the company's stock, the date of exchange shall be the ninetieth day after the date of submission of the tender offer bid indicating holding ratio of shares and other securities. Here "tender offer bid" is defined as stipulated under Article 27-3-1 of the Financial Instruments and Exchange Act and "holding ratio of shares and other securities" shall mean the holding ratio of shares and other securities as specified in Article 27-2-1, and "purchaser" and "tender offer" shall mean the tender offer bidder and bid report specified under Chapter 2-2-1.</u></p> <p><u>2. If the financial instruments exchange on which the company's class 1 preferred stock is listed, resolves to delist the class 1 preferred stock, the company may on a date determined by a meeting of the Board of Directors, acquire all class 1 preferred stock (except class 1 preferred stock already held by the company), and exchange one share of common stock for every share of class 1 preferred stock acquired.</u></p>

(New)	<p><u>Article 18 (Stock Split, Stock Consolidation etc.)</u></p> <p><u>1. When the company conducts a stock consolidation, common stock consolidation and class 1 stock consolidation shall be executed simultaneously and at the same ratio.</u></p> <p><u>2. When the company grants the right to be allocated subscription rights for new shares, rights to common stock shall be allocated to common stockholders and rights to class 1 stock shall be allocated to class 1 preferred stockholders. This shall be conducted simultaneously and at the same ratio for common stock and class 1 preferred stock.</u></p> <p><u>3. When the company grants the right to be allocated equity warrants for new shares, common stockholders shall be granted rights to be allocated equity warrants for common stock, and class 1 preferred stockholders shall be granted rights to be allocated equity warrants for class 1 preferred stock. This shall be conducted simultaneously and at the same ratio for common stock and class 1 preferred stock.</u></p> <p><u>4. When the company makes a gratis issue of stock, gratis allocation of common stock shall be made to common stockholders and gratis allocation of class 1 preferred stock shall be made to class 1 preferred stockholders. This shall be conducted simultaneously and at the same ratio for common stock and class 1 preferred stock.</u></p> <p><u>5. When the company allocates equity warrants for gratis stock issues, equity warrants for gratis issue of common stock shall be allocated to common stockholders and equity warrants for gratis issue of class 1 preferred stock shall be allocated to class 1 preferred stockholders. This shall be conducted simultaneously and at the same proportion for common stock and class 1 preferred stock.</u></p> <p><u>6. When the company transfers stock (except in cases where the stock transfer is carried out jointly with another company), Common stockholders shall exchange common stock for stock of the same type as the common stock issued by the wholly-owning parent company established through the stock transfer, class 1 preferred stockholders shall exchange class 1 preferred stock for class 1 preferred stock issued by the wholly-owning parent company established through the stock transfer. These shall be carried out at an equal ratio.</u></p> <p><u>7. When an amendment is made to the Articles of Incorporation regarding the number of shares in a share unit, the number of shares in a share unit of common stock and class 1 preferred stock shall be equally and simultaneously adjusted.</u></p> <p><u>8. The provisions of paragraphs 1-6 in fact apply only to class 1 preferred stock.</u></p>
(New)	<p><u>Article 19 (Other Items)</u></p> <p><u>In addition to the provisions of articles 13 to 18, items relating to class 1 preferred stock, are also governed by decisions of the Board of Directors made prior to the issue of stock.</u></p>
Chapter 3 General Shareholders' Meeting Articles 14-19 (omitted)	Chapter 4 General Shareholders' Meeting Articles 20-25 (no change)
Chapter 4 Board of Directors and Board of Directors Meeting Articles 20-33 (omitted)	Chapter 5 Board of Directors and Board of Directors Meeting Articles 26-39 (no change)
Chapter 5 Board of Auditors and Board of Auditors Meeting Articles 34-43 (omitted)	Chapter 6 Board of Auditors and Board of Auditors Meeting Articles 40-49 (no change)

Chapter 6 Accounting Auditor Articles 44-46 (omitted)	Chapter 7 Accounting Auditor Articles 50-52 (no change)
Chapter 7 Accounting Articles 47-50 (omitted)	Chapter 8 Accounting Articles 50-52 (no change)
(New)	<u>Supplementary Provisions</u>
(New)	<u>Article 1 The company's Lost Share Certificate Register shall be maintained by the office of the Lost Share Certificate Register Administrator. Listings and recordings in the Lost Share Certificate Registry shall be handled by the Shareholders Register Administrator, they shall not be handled by the company.</u>
(New)	<u>Article 2 In addition to being determined by laws, ordinances, and these articles of incorporation, listing and recording of the Lost Share Certificate register shall also be governed by the stock handling policy determined by the Board of Directors.</u>
	<u>Article 3 Articles 1-3 of supplementary provisions shall be repealed on January 6, 2010.</u>