

March 30, 2011

For Immediate Release

Company Name: GMO Internet Inc.
(TSE First Section, Code: 9449)
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Joint Venture Company to be Established with Acrodea, Inc. in Smartphone Platform Business

GMO Internet, Inc. and Acrodea, Inc. have today signed a memorandum of understanding to establish a joint venture company, GMO GameCenter K.K. that will become a consolidated subsidiary of both companies.

1. Purpose of Joint Venture

On September 6, 2010 GMO Internet and Acrodea formed a capital and business partnership with the objective of establishing an Android app market business.

Under the business partnership agreement, the two companies developed a smartphone platform business specializing in game contents, and on November 26, 2010 launched game app distribution platform, GMO GameCenter (beta version). The business aims to attract 1 million GMO GameCenter users (member IDs) by the end of the year, and user numbers are already growing steadily).

However the smartphone industry is growing rapidly, and the smartphone platform business needs to be able to achieve both rapid and flexible expansion including expansion into foreign markets.

The two companies have agreed to bring the necessary resources together to establish a joint venture company in order to further strengthen the smartphone business and expedite business growth and development.

GMO Internet will provide cash and business operation, and Acrodea will provide the core smartphone platform business software, VIVID Runtime. In addition the two companies will provide necessary business planning, development and promotion human resources, and company Directors to ensure a smooth transition.

Please note that details listed as “not yet determined” in this statement will be disclosed as soon as they have been confirmed.

2. Overview of Joint Venture Company

(1)	Company Name	GMO GameCenter K.K. (tentative)	
(2)	Address	Not yet determined	
(3)	CEO	Naoto Hattori	
(4)	Board of Directors	Chairman	Masatoshi Kumagai (CEO, GMO Internet)
		Vice-Chairman	Junya Tsutsumi
		CEO	Naoto Hattori (GMO Internet, Smartphone Platform Business Manager)
		Vice-President	Tsuguhiro Kimura
		Director	Masafumi Okumura (GMO Digital Contents Distribution, Director)
		Director	Shintaro Takahashi (GMO Internet, Director and GMO AD Partners, CEO)
		Auditor	Masashi Yasuda (GMO Internet, CFO)
		Auditor	Yoshio Kuniyoshi
(5)	Business Description	Smartphone game platform business operation	
(6)	Capital	Not yet determined	
(7)	Date of Establishment	June 1, 2011 (tentative)	
(8)	Investment Ratio	GMO Internet 51% Acrodea 49%	
(9)	Relationship between the New Company and the Listed Company	Capital Relationship	GMO Internet to acquire 51% of total outstanding shares in GMO GameCenter. The company will become a consolidated subsidiary.
		Personal Relationship	At the time of establishment GMO GameCenter's Board of Directors will comprise 6 Directors and 2 Auditors of which 4 Directors and 1 Auditor shall be appointed from GMO Internet or GMO Internet Group companies. GMO Internet, Smartphone Platform Business Manager, Naoto Hattori shall be appointed as the new company's CEO.
		Transactional Relationship	None (as the company is a new company)

3. Number of Shares to be Acquired, Purchase Amount, No. of Shares Held Before and After the Acquisition

(1) No. of Shares Held before Acquisition	New company (therefore no shares held prior to acquisition)
(2) No. of Shares to be Acquired	GMO Internet to acquire 51% of shares, however details are not yet confirmed
(3) No. of Shares to be Held after Acquisition	GMO Internet to acquire 51% of shares, however details are not yet confirmed

4. Schedule

Signing of Memorandum Agreeing to Establishment of Joint Venture Company	March 30, 2011
Board of Directors Resolution on Establishment of Joint Venture Company	April 20, 2011 (tentative)
Establishment Date of Joint Venture Company	June 1, 2011 (tentative)

5. Revised Outlook

At the time of disclosure, the impact of the company's establishment on future earnings has yet to be determined. Any expected impact on future earnings as a result of development of the GMO GameCenter business will be announced separately.

6. Items relating to the Establishment of the Joint Venture Company as a Transaction with a Controlling Shareholder

None

(Reference) Overview of Acrodea, Inc.

(1)	Name	Acrodea, Inc.		
(2)	Address	2-1-1 Kamimeguro, Meguro-ku, Tokyo 153-0051, Japan		
(3)	Name and Title of Representative	Representative Director & President: Junya Tsutsumi		
(4)	Business Description	Middleware business, Media business, Ecommerce business		
(5)	Capital	2.931 billion yen (as of end of August 2010)		
(6)	Date Established	July 12, 2004		
(7)	No of Outstanding Shares	110,245 shares		
(8)	Close of Fiscal Year	August 31		
(9)	No. of Employees	178 (consolidated) (as of end of August 2010)		
(10)	Major Clients	NTT DOCOMO, Inc. KDDI Corporation Softbank Mobile Corporation Samsung Electronics CO., LTD. LG Electronics, Inc.		
(11)	Major Banks	Mizuho Bank Mitsui Sumitomo Bank The Bank of Tokyo Mitsubishi UFJ		
(12)	Major Shareholders and % Ownership (As of March 28, 2010)	GMO Internet, Inc. 19.93% Junya Tsutsumi 7.61% NTT DOCOMO, Inc. 6.61% Bank of New York GCM Client Account JPRD ISG (FE-AC) 3.89%		
(13)	Relationship with GMO Internet			
	Capital Relationship	GMO Internet holds 22,000 shares (19.93%) in Acrodea, and is the company's leading shareholder. Acrodea holds 20 shares (9%) in GMO Internet subsidiary GMO DIGITAL DISTRIBUTION, Inc.		
	Personal Relationship	GMO Internet CEO, Masatoshi Kumagai sits as an external Director on Acrodea's Board of Directors.		
	Transactional Relationship	GMO Internet and Acrodea jointly operate an Android app market business under a capital partnership agreement formed last year. In addition, an outsourcing contract was formed with GMO Internet consolidated subsidiary, GMO DIGITAL DISTRIBUTION in relation to the ASP service MY Slide Video.		
	Current Status of Relationships	Not applicable		
(14)	Operating Results and Financial Condition in the Past 3 Years			
Fiscal Term	FYE 3/2008 (non-consolidated)	FYE 3/2009 (consolidated) (*)	FYE 3/2010 (consolidated)	
Net Assets	3,905 million yen	2,772 million yen	571 million yen	
Total Assets	4,535 million yen	4,338 million yen	1,805 million yen	
Net Assets per Share	49,392.82 yen	31,197.91 yen	6,234.92 yen	
Sales	2,813 million yen	4,501 million yen	2,931 million yen	
Operating Profit or Loss(-)	315 million yen	-888 million yen	-850 million yen	
Ordinary Profit or Loss(-)	267 million yen	-913 million yen	-914 million yen	
Net Profit or Loss(-)	-170 million yen	-1,644 million yen	-2,192 million yen	
Net Profit per Share	-2,420.55 yen	-20,141.35yen	-24,871.65yen	
Dividend per Share	- yen	- yen	- yen	

*There were 17 months accounted for in FYE 8/2009. This anomaly is due to changeover to a new fiscal term.

(Reference) Consolidated Results Forecast and Actual Results in the Current and Previous Fiscal Years
(As announced on February 8, 2011)

FYE 12/2011 Results Forecast (January 1, 2011 – December 31, 2011)

	Sales	Operating Profit	Ordinary Profit	Net Profit	Net Profit per Share
Full Year	¥57,000 million	¥7,000 million	6,800 million	2,400 million	¥24.00
YoY Change	28.1%	22.2%	18.5%	8.6%	

FYE 12/2011 Results (January 1, 2010 – December 31, 2010)

	Sales	Operating Profit	Ordinary Profit	Net Profit	Net Profit per Share
Full Year	¥44,483 million	¥5,728 million	¥5,738 million	¥2,209 million	¥22.09
YoY Change	16.5%	23.2%	19.6%	63.2%	