

July 4, 2011

For Immediate Release

Company Name: GMO Internet, Inc.
(TSE First Section, Code: 9449)
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GMO Internet forms Capital and Business Alliance with VALUE-DOMAIN.COM Operator, DigiRock, Inc.

DigiRock Becomes GMO Internet Subsidiary

A meeting of the GMO Internet Board of Directors convened today, resolved to form a capital and business alliance with DigiRock, Inc. - making the company a consolidated subsidiary - with the objective of further strengthening the Web Infrastructure & Ecommerce segment of GMO Internet Group which includes the group's domain and web hosting businesses.

The partnership will allow the group to harness synergies between the two companies, benefitting from the combination of expertise in building and operating domain registration and web hosting systems. In addition, it is expected that GMO Internet Group's active domain registrations will surpass 3 million within the year as a result of the partnership.

1. Objective of Capital and Business Alliance

GMO Internet Group, at the core of which is GMO Internet, is comprised of four business segments. The Web Infrastructure & Ecommerce segment provides all the services businesses require to manage their web presence, including domain registration, web hosting, security, and payment processing. The Internet Media segment operates Internet media and search media advertising services, as well as solutions designed to help users attract visitors to their websites. The Internet Securities business operates GMO CLICK Securities, Inc.

In the current term we created the new Social Media & Smartphone Platform business segment that predominantly consists of services aimed at consumers including our Social Apps Development Support Initiative, the Android game distribution platform G-Gee, and group commerce website Kumapon.

The capital and business alliance with DigiRock is formed with the objective of further growing GMO Internet Group by continuing to bolster the group's legacy Web Infrastructure & Ecommerce business segment.

DigiRock operates domain registration (service name: VALUE-DOMAIN.COM) and web hosting services that are already at the forefront of the industry, offering competitively priced, feature rich solutions. The company's strengths include the technology and flexibility that enables them to respond to the diverse needs of customers. The two companies will strive to expand their respective businesses and boost profit by improving customer satisfaction. Welcoming DigiRock into the GMO Internet Group will provide new opportunities for cross selling, co-marketing and other cooperative business activity.

In the first cooperative initiative between DigiRock and other GMO Internet Group companies, it has been confirmed that DigiRock will resell SSL provided by group digital certificate specialist, GlobalSign K.K.

Under the capital alliance, GMO Internet will acquire 134 shares (67%) in DigiRock, Inc. from company CEO, Kenji Hiraiwa and Director, Takeshi Hiraiwa.

2. Overview of DigiRock, Inc.

(1)	Company Name	DigiRock, Inc.	
(2)	Address	4-7-5 Bakurocho, Chuo-ku, Osaka-shi, Osaka-fu, JAPAN	
(3)	CEO	Kenji Hiraiwa	
(4)	Business Description	Internet service provision, Software development	
(5)	Capital	JPY10 million	
(6)	Date Established	July 2, 2001	
(7)	Outstanding Shares	200	
(8)	Close of Financial Year	March	
(9)	No. of Employees	22 (including non-full time employees)	
(10)	Main Trading Banks	Sumitomo Mitsui Banking Corporation, Bank of Tokyo-Mitsubishi UFJ	
(11)	Major Shareholders and Percentage Ownership (as of July 1, 2011)	Kenji Hiraiwa, CEO	92%
(12)	Relationship with GMO Internet		
	Capital Relationship	None	
	Personal Relationship	None	
	Transactional Relationship	None	

(13) Operating Results and Financial Condition in the Last 3 Fiscal Years			
Fiscal Year	3/2009	3/2010	3/2011
Net Assets	JPY 124 million	JPY 141 million	JPY 157 million
Total Assets	JPY 288 million	JPY 322 million	JPY 417 million
Net Assets per Share	JPY 624,500	JPY 707,500	JPY 787,000
Operating Revenue	JPY 921 million	JPY 1,091 million	JPY 1,194 million
Operating Profit	JPY 34 million	JPY 32 million	JPY 32 million
Ordinary Profit	JPY 33 million	JPY 33 million	JPY 33 million
Net Profit	JPY 17 million	JPY 16 million	JPY 16 million
Net Profit per Share	JPY 89,500	JPY 82,500	JPY 80,000
Dividend per Share	—	—	—

4. No of Shares Held Before and After Acquisition

	Before Acquisition	After Acquisition
No. of Shares Held	0 shares (% ownership: 0%)	134 shares (% ownership: 67%)
No. of Voting Rights Held	0 (% of voting rights: 0%)	134 (% of voting rights: 67%)

5. Timeline

(1)	Board of Directors' Resolution	July 4, 2011
(2)	Conclusion of Capital and Business Partnership Contract	July 4, 2011
(3)	Share Acquisition	July 4, 2011

6. Outlook

As yet the impact on business performance of the new partnership has not been determined. In the event that the partnership is likely to significantly influence business performance, a separate disclosure will be promptly filed.

GMO INTERNET

(Reference) Consolidated Results Forecast and Actual Results in the Current and Previous Fiscal Years

(As of May 9, 2011)

FYE 12/2011 Earnings 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	¥3,700 million	¥32.60
YoY Change	28.1%	22.2%	18.5%	67.5%	

FYE 12/2010 Earnings 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%	