

October 12, 2012

For Immediate Release

Company Name: GMO Internet, Inc.
(TSE First Section, Code: 9449)
Address: 26-1 Sakuragaoka-cho Shibuya-ku Tokyo JAPAN
Representative: Masatoshi Kumagai, CEO and Representative Director
Contact: Masashi Yasuda, Managing Director
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URL: <http://www.gmo.jp/en>

Kanto Local Finance Bureau Imposes Business Improvement Order on Subsidiary (GMO CLICK Securities)

GMO Internet (indirectly controlled) subsidiary GMO CLICK Securities today received an administrative order pursuant to the provisions of the Act 51 of the Financial Instruments and Exchange Act, after it was determined by the Kanto Local Finance Bureau that the company did not sufficiently manage the handling of electronic information as defined in Article 123 paragraph 1, item 14 of the Cabinet Ordinance regarding Financial Instruments Business Operators relating to Article 40, paragraph 2 of the Financial Instruments and Exchange Act.

Details of the administrative action are provided in the attached document.

GMO Internet Group accepts the administrative order with sincerity and will implement initiatives to further strengthen and enhance its internal management structure in accordance with the order.

The administrative order imposed today does not impact current consolidated results forecasts.

October 12, 2012

Kanto Finance Bureau Imposes Business Improvement Order on GMO CLICK Securities

GMO CLICK Securities today received the following administrative action pursuant to the provisions of the Act 51 of the Financial Instruments and Exchange Act after it was determined by the Kanto Finance Bureau that GMO CLICK Securities did not sufficiently manage the handling of electronic information as defined in Article 123 paragraph 1, item 14 of the Cabinet Ordinance regarding Financial Instruments Business Operators relating to Article 40, paragraph 2 of the Financial Instruments and Exchange Act.

Business Improvement Order

- (1) Expressly identify responsibility for the violation;
- (2) Management to take responsibility to formulate and promptly implement effective measures to improve system risk management;
- (3) Retain third party experts to opine and evaluate on the improvement measures stated in (2) above to ensure the effectiveness;
- (4) Ensure appropriate monitoring with regard to the implementation status of the improvement measures stated in (2) above;
- (5) Reaffirm the importance of system risk management and provide relevant training to employees and executives to ensure procedures and rules necessary for appropriate system risk management are strictly enforced; and
- (6) Submit a written report with regard to the implementation status of improvement measures stated in (1) to (5) above by Monday, November 12, 2012. In addition, a written report with regard to the implementation status of improvement measures stated in (2) to (5) above is required to be submitted every three months.

GMO CLICK Securities accepts the administrative action with sincerity and intends to further strengthen and enhance its internal management structure in accordance with the order. Further, the company extends its sincerest apologies to customers and stakeholders for the substantial inconvenience and concern caused.

Please note that the administrative action does not impact transactions or assets of customers.

GMO CLICK Securities, Inc.

Company Name	GMO CLICK Securities, Inc. (https://www.click-sec.com)
Location	Shibuya Infoss Tower, 20-1 Sakuragaokacho, Shibuya-ku, Tokyo
CEO	Hideyuki Takashima
Business Description	Financial instruments business operating under the Financial Instruments and Exchange Act.
Capital	JPY 4,346,663,925

Media Inquiries

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