GMO INTERNET

July 8, 2013

Company Name:	GMO Internet, Inc.
	(TSE First Section, Code: 9449)
Address:	26-1 Sakuragaoka-cho Shibuya-ku Tokyo JAPAN
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GMO Internet Acquires Stake in Chinese Game Developer to Strengthen Native App Development Capability

GMO Internet consolidated subsidiary, GMO Game Center, Inc. today announces that GMO CHECKPOINT GAMES CO., LTD, a company based in the Republic of China and specializing in 3D game technology, will become a subsidiary. GMO Game Center will acquire new shares in a share capital increase to be undertaken by GMO CHECKPOINT GAMES.
GMO CHECKPOINT GAMES will become an indirectly owned subsidiary of the company. Details are as follows.

1. Reasons for Share Acquisition

GMO Internet is the company at the core of GMO Internet Group, a group comprising the four segments Web Infrastructure & Ecommerce, Internet Media, Internet Securities, and Social Media & Smartphone. The Web Infrastructure & Ecommerce segment provides all the solutions required to operate an online business including domain registration, web hosting, security, and payment processing. Internet Media includes online and search advertising, Internet Securities is the segment driven by GMO CLICK Securities, and Social & Smartphone comprises high growth businesses in which the Group has invested aggressively.
In the Japanese mobile game market, there has been particular growth in native apps spurred by the recent popularity of puzzle games, and as a result native app development capability is increasingly important.

The company took the decision to make GMO CHECKPOINT GAMES CO. LTD. a subsidiary with the objective of strengthening native app development. GMO CHECKPOINT GAMES CO. LTD. was established by a team of developers with a proven track record in contracted development of major game apps, and the

company specializes in 3D games. GMO CHECKPOINT GAMES' proprietary 3D engine enables development of high performance native smartphone game apps.

2. Outline of Subsidiary

(1)	Company Name	GMO Game Center, Inc.
(2)	Address	26-1 Sakuragaokacho, Shibuya-ku, Tokyo, JAPAN
(3)	CEO	Naoto Hattori
(4)	Business Description	G-Gee Smartphone game business
(5)	Capital	JPY 100 million (as of 6/30/2013)
(6)	Date Established	June 1, 2011
(7)	Major Shareholders and Ownership Ratio	GMO Internet, Inc. 78.3%

3. Outline of New Indirectly Owned Subsidiary

(1)	Company Name	GMO CHECKPOINT GAMES CO., LTD
(2)	Address	Room 602-603, 1 QiDaoYan Street, WuHou District, ChengDu, SiChuan Province, China (610041)
(3)	CEO	Tan Kai
(4)	Business Description	Mobile game development
(5)	Registered Capitals	100,000 yuan
(6)	Date Established	January 7, 2013
(7)	Fiscal Year	January to December
(8)	Investor Equity Ratio	Tan Kai (CEO of GMO CHECKPOINT GAMES CO., LTD) 79.0%
(9)	Relationship with GMO Internet	
	Capital Relationship	none
	Executive Relationship	none
	Transactional Relationship	none
	Related Party Applicability	none

4. Equity Ratio before and after Share Acquisition

(1) Equity Ratio before Acquisition	—
(2) Equity Share Acquired	CNY1,200,000
(3) Acquisition Amount	JPY18.9 million (as of acquisition date)
(4) Equity Ratio after Acquisition	CNY1,200,000 (Equity ratio 92.3%)

	Before Acquisition	After Acquisition
Registered Capital	CNY100,000	CNY1,300,000
Amount of Investment	CNY0 (Equity Ratio 0%)	CNY1,200,000 (JPY18.9million) (Equity Ratio: 92.3%)

5. Schedule

(1)	Board Decision	July 8, 2013
(2)	Effective Date	Pending Chinese regulatory approval

6. Outlook

At this point, impact on business performance in the current term is expected to be immaterial. The company will promptly disclose any expected impact going forward.

(Reference) Forecast Earnings in the Current Fiscal Year (Announced February 6, 2013)

	Consolidated Net Sales	Consolidated Operating Profit	Consolidated Ordinary Profit	Consolidated Net Profit
Current Fiscal Year (FYE12/2013)	JPY 83,000 millions	JPY 10,500 millions	JPY 10,500 millions	JPY 4,800 millions
Precious Fiscal Year (Actual) (FYE12/2012)	JPY 74,376 millions	JPY 9,149 millions	JPY 9,175 millions	JPY 4,518 millions