

August 21, 2014

Company Name: GMO Internet, Inc.
(TSE First Section, Code: 9449)
Address: 26-1 Sakuragaoka-cho Shibuya-ku Tokyo JAPAN
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Notice of Ownership Transfer of Consolidated Subsidiary (Indirect Subsidiary) Social Appli Payment Service, Inc.

GMO Internet, Inc. consolidated subsidiary, GMO Payment Gateway, Inc. (TSE:3769) today convened a Board of Directors meeting in which it was resolved to transfer all shares in consolidated subsidiary, Social Appli Payment Service to MTI Ltd.

1. Objective of Share Transfer

GMO Payment Gateway established Social Appli Payment Service in March 2010, before the proliferation of the smartphone market in Japan. In partnership with MTI Ltd. the company developed smartphone member verification and payment platform, mopita and through this product amassed expertise in smartphone services. The smartphone market continues to expand, and at the same time competition increases. MTI is primarily a content delivery company, and it was determined that shifting ownership to MTI would contribute to improved operations in both companies.

2. Overview of GMO Payment Gateway, Inc. (Company to transfer subsidiary)

(1) Name	GMO Payment Gateway, Inc.
(2) Address	1-14-6 Dogenzaka, Shibuya-ku, Tokyo
(3) CEO	Issei Ainoura
(4) Business Description	Credit card payment services, ancillary services
(5) Capital	JPY708 million (June 30, 2014)

3. Overview of Social Appli Payment Service (Company to be transferred)

(1) Name	Social Appli Payment Service, Inc.		
(2) Address	1-14-6 Dogenzaka, Shibuya-ku, Tokyo		
(3) CEO	Yuichi Hisada		
(4) Business Description	Provision of Payment Platform		
(5) Capital	JPY 30 million		
(6) Date Established	March 8, 2010		
(7) Major Shareholders	GMO Payment Gateway, Inc.		100%
(8) Related Party Disclosures	Capital Relationships	GMO Internet consolidated subsidiary GMO Payment Gateway holds all shares in Social Appli Payment Service.	
	Executive Relationships	Two executives and one staff member of GMO Internet consolidated subsidiary GMO Payment Gateway hold serve concurrently as directors of Social Appli Payment Service.	
	Transactional Relationships	Sales transactions take place between GMO Internet consolidated subsidiary GMO Payment Gateway and Social Appli Payment Service, and GMO Payment Gateway rents office space to Social Appli Payment Service.	
(9) Operating Results and Financial Condition in the 3 Most Recent Fiscal Terms (JPY)			
Term	FY9/2011	FY9/2012	FY9/2013
Net Assets	-3,276,000	4,907,000	5,674,000
Total Assets	23,939,000	28,579,000	41,931,000
Total Assets per Share	-3,276.86	1,635.85	1,891.51
Net Sales	23,208,000	63,825,000	99,995,000
Operating Profit	-11,422,000	-11,594,000	1,172,000
Ordinary Profit	-11,601,000	-11,635,000	1,172,000
Net Profit	-11,671,000	-11,815,000	766,000
Net Profit per Share	-11,671.42	-3,938.53	255.66
Dividend per Share	-	-	-

4. Overview of MTI Ltd. (Company to receive transfer)

(1) Name	MTI Ltd.	
(2) Address	3-20-2 Nishi-Shinjuku, Shinjuku, Tokyo	
(3) CEO	Toshihiro Maeta	
(4) Business Description	Content Delivery	
(5) Capital	JPY 2,562,000	
(6) Date Established	August 12, 1996	
(7) Net Assets	JPY8,563,000	
(8) Total Assets	JPY14,538,000	
(9) Major Shareholders & Ownership %	Toshihiro Maeta	21.9%
	KMC, Inc.	18.9%
	Hikari Tsushin, Inc.	8.2%
(10) Related Party Disclosures	Capital Relationships	None
	Executive Relationships	One Executive of GMO Internet consolidated subsidiary, GMO Payment Gateway serves concurrently as an external Director on the MTI Board.
	Transactional Relationships	Sales transactions take place between GMO Internet consolidated subsidiary GMO Payment Gateway and MTI.
	Related Party Relationships	None

5. No. of Shares to be Transferred, Transfer Price, and Ownership before and after Transfer

(1) No. of Shares Held prior to Transfer	3,000 (voting rights: 3,00) (Percentage ownership:100%)
(2) No. of Shares to be Transferred	3,000 (voting rights: 3,000)
(3) No. of Shares Held after Transfer	0 (voting rights: 0) (Percentage ownership: 0%)
(4) Transfer Price	JPY32,500,000 (tentative)

6. Schedule

Board of Directors Resolution	August 21, 2014
Contract Execution	August 21, 2014
Effective Date	September 30, 2014 (tentative)

7. Outlook

Impact on earnings is immaterial.

(Reference) Consolidated Results Forecast (published February 6, 2014)

	Consolidated Net Sales	Consolidated Operating Profit	Consolidated Ordinary Profit	Consolidated Net Profit
Current Forecast (FYE12/2014)	JPY 105,000 million	JPY 12,500 million	JPY 12,500 million	JPY 5,500 million
Previous Term Results (FYE12/2013)	JPY 93,704 million	JPY 11,000 million	JPY 10,941 million	JPY 5,244 million