

October 30, 2015

Company Name: GMO Internet, Inc.  
(TSE First Section, Code: 9449)  
Address: 26-1 Sakuragaoka-cho Shibuya-ku Tokyo JAPAN  
Representative: Masatoshi Kumagai, CEO and Founder  
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## **GMO CLICK Holdings and Daiwa Securities Group Execute Memorandum of Understanding with View to Forming Business Alliance. Share Transfer of Partial Holdings in GMO CLICK Holdings**

GMO Internet, Inc. consolidated subsidiary, GMO CLICK Holdings, Inc. (JASDAQ Standard: 7177) and GMO CLICK Securities have executed a Memorandum of Understanding with Daiwa Securities Group, Inc. (TSE 1: 8601), and subsidiary, Daiwa Securities, Inc. in which the parties will consider a business alliance. Under the agreement, Daiwa Securities Group will acquire part of the stake held by GMO Internet in GMO CLICK HD.

### 1.1 GMO CLICK HD (Subsidiary to participate in business alliance)

(1) Company Name	GMO CLICK Holdings, Inc. (JASDAQ: 7177)
(2) Address	20-1 Sakuragaokacho, Shibuya-ku, Tokyo
(3) Representative	Hiroyasu Kito, CEO
(4) Business Description	Financial Holdings Company
(5) Capital	JPY 248 million (as of September 30, 2015)

### 1.2 GMO CLICK Securities (Subsidiary to participate in business alliance)

(1) Company Name	GMO CLICK Securities, Inc.
(2) Address	20-1 Sakuragaokacho, Shibuya-ku, Tokyo
(3) Representative	Hiroyasu Kito, CEO
(4) Business Description	Financial products trading business (operating under Japanese financial instruments and exchange law)
(5) Capital	JPY4.34 billion (as of September 30, 2015)

## 2. Reason for Business Partnership

GMO CLICK HD operates online financial services primarily for retail investors with the objective of making financial services more open and more accessible. Predominantly driven by GMO CLICK Securities, the group provides a trading platform for financial products including securities, FX, and CFD. GMO CLICK Securities became the world's number 1 FX provider by transaction volume six years after launching the service, and has retained that position for three consecutive years since 2012.

In April 2015, Daiwa Securities Group established a new three-year mid-term management plan with the theme "Passion for the Best" 2017. Under this plan, Daiwa Securities Group aims to respond to "the full-fledged start of an era of transition from savings to investment, with industry-leading quality to attract customers and become their best partner". Daiwa Securities Group is now working on establishing a platform which provides optimal products and easy information access in order to be the securities group chosen by a wide range of investors from the young to the retired.

The four companies today executed the memorandum of understanding regarding a business alliance, with the expectation that an alliance would increase corporate value by mutually utilizing managerial resources to improve quality of service and convenience to customers. GMO Internet also believes that the business alliance will contribute to improving its own corporate value, and therefore made the decision to sell part of its holdings in GMO CLICK HD.

## 3. Details of the Business Alliance

### (1) Details of the Business Alliance

The four companies plan to establish a cooperative framework for the provision of leading-edge financial services attractive to customers. The alliance would combine Daiwa Securities Group's firm business foundation and know-how in securities business cultivated as a comprehensive securities group, with GMO CLICK HD and GMO CLICK Securities ability to develop systems independently and its strong marketing expertise. Following discussions, the parties aim to execute a business partnership agreement which defines the alliance in more detail by the end of March 2016.

### (2) Details of the Share Transfer

Daiwa Securities Group will acquire 11,100,000 shares (9.6% of outstanding shares as of September 30, 2015) in GMO CLICK HD held by GMO Internet in a share transfer. Going forward may acquire further shares in GMO CLICK HD up to a total of 20% of outstanding shares (including shares acquired today), based on the progress and outcome of the business alliance. Following the transfer, GMO Internet will hold 83.1% of shares in GMO CLICK HD.

## 4. Overview of Parties

### (1) Overview of Daiwa Securities Group, Inc. (as of June 30, 2015)

(1)	Company Name	Daiwa Securities Group, Inc. (TSE: 8601)		
(2)	Address	9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo		
(3)	Representatives	Takashi Hibino, President and CEO		
(4)	Business Description	Ownership, management and control of company operating financial instruments and exchange business		
(5)	Capital	JPY 247,397 million		
(6)	Date Established	December 27, 1943		
(7)	Major Shareholders and Ownership Ratio (as of March 31, 2015)	STATE STREET BANK AND TRUST COMPANY		9.66%
		505223		
		Japan Trustee Services Bank, Ltd. Trust Account		3.57%
		The Master Trust Bank of Japan, Ltd. Trust Account		3.26%
		Sumitomo Mitsui Banking Corporation		1.76%
		THE BANK OF NEW YORK MELLON SA/NV 10		1.68%
		Japan Trustee Services Bank, Ltd. Sumitomo Mitsui Trust Pension Account		1.45%
		STATE STREET BANK WEST CLIENT - TREATY		1.25%
		505234		
		Taiyo Life Insurance Company		1.23%
Nippon Life Insurance Company		1.21%		
Japan Trustee Services Bank, Ltd. Trust Account		1.12%		
(8)	Reportable Related Party Relationships	Capital	None	
		Executive	None	
		Transactional	The company's consolidated subsidiary Daiwa Securities provides advisory services to GMO Internet.	
		Related Party Relationships	None	
(9)	Operating Results and Financial Condition in the Three most Recent Fiscal Terms			
	Fiscal Term	FYE 3/2013	FYE 3/2014	FYE 3/2015

Net Assets	JPY 1,082,567 millions	JPY 1,253,462 millions	JPY 1,434,680 millions
Total Assets	JPY 19,049,099 millions	JPY 19,480,863 millions	JPY 23,001,585 millions
Net Assets per Share	JPY 536.72	JPY 633.53	JPY 725.27
Operating Revenue	JPY 525,411 millions	JPY 642,829 millions	JPY 659,396 millions
Operating Profit	JPY 83,812 millions	JPY 184,593 millions	JPY 170,839 millions
Ordinary Profit	JPY 95,176 millions	JPY 197,045 millions	JPY 184,578 millions
Net Profit	JPY 72,909 millions	JPY 169,457 millions	JPY 148,490 millions
Net Profit per Share	JPY 43.00	JPY 99.63	JPY 87.07
Dividend per Share	JPY 15	JPY 34	JPY 30

(2) Overview of Daiwa Securities, Inc. (as of June 30, 2015)

(1) Company Name	Daiwa Securities, Inc.		
(2) Address	9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo		
(3) Representatives	Takashi Hibino, President and CEO		
(4) Business Description	Securities trading, securities trading brokerage, agency and proxy services, securities underwriting in financial instruments and exchange and ancillary services.		
(5) Capital	JPY 100,000 million		
(6) Date Established	August 21, 1992		
(7) Major Shareholders and Ownership Ratio (as of October 1, 2015)	Daiwa Securities Group, Inc,		100%
(8) Reportable Related Party Relationships	Capital	None	
	Executive	None	
	Transactional	The company provides advisory services to GMO Internet.	
	Related Party Relationships	None	
(9) Operating Results and Financial Condition in the Three most Recent Fiscal Terms			
Fiscal Term	FYE 3/2013	FYE 3/2014	FYE 3/2015
Net Assets	JPY 563,888 millions	JPY 709,083 millions	JPY 700,728 millions
Total Assets	JPY 11,507,229 millions	JPY 10,917,306 millions	JPY 12,068,012 millions
Net Assets per Share	JPY 695,987.27	JPY 875,196.16	JPY 864,883.09

Operating Revenue	JPY 303,248 millions	JPY 399,876 millions	JPY 386,659 millions
Operating Profit	JPY 70,447 millions	JPY 154,176 millions	JPY 136,590 millions
Ordinary Profit	JPY 71,989 millions	JPY 155,505 millions	JPY 138,687 millions
Net Profit	JPY 65,950 millions	JPY 144,365 millions	JPY 127,032 millions
Net Profit per Share	JPY 81,400.72	JPY 178,185.21	JPY 156,791.37
Dividend per Share	—	JPY 85,000	JPY 86,400

## 5. Schedule

Friday October 30, 2015: Daiwa Securities Group and GMO Internet execute stock purchase agreement

Daiwa Securities Group, Daiwa Securities, GMO CLICK HD, GMO CLICK Securities execute memorandum of understanding with view to forming business alliance  
Daiwa Securities Group acquires shares in GMO CLICK HD

## 6. Outlook

GMO Internet expects to report an extraordinary gain on the transfer of GMO CLICK HD shares in the fourth quarter of fiscal year 2015. Further, in response to recent trends in business performance, including the transaction reported today, the company is revising guidance for FY2015. For details, please refer to today's announcement, "Notice of Extraordinary Profit to be Reported, Upward Revision to Full Year Results Forecast, and 11 yen Increase in Dividend Forecast."