

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
Contact: Masashi Yasuda, Chief Financial Officer
Telephone: +81 3 5456 2555
URL: <http://www.gmo.jp/en>

Notice of Extraordinary Profit to be Reported, Upward Revision to Full Year Results Forecast, and 11 yen Increase in Dividend Forecast

GMO Internet, Inc. expects to report Extraordinary Profit (gain on sale of shares in affiliated company) in the fourth quarter of fiscal year 2015. Further, in response to recent trends in business performance, including the extraordinary profit, the company announces an upward revision of earnings and dividends forecasts for the current fiscal year that were previously published on July 30, 2015.

1. Extraordinary Profit

As announced in today's disclosure statement titled "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"

In a capital partnership with Daiwa Securities Group (TSE 1: 8601), GMO Internet will transfer 11,100,000 shares (9.6% of outstanding shares as of September 30, 2015) in GMO CLICK Holdings (JASDAQ Standard: 7177) to Daiwa Securities Group. As a result, GMO Internet expects to report a gain on sale of affiliated company stock of JPY 7.5 billion.

Please note, following a revision in accounting standards for consolidated financial statements effective as of fiscal year 2016, this transaction would be reported as a Partial Sale of Subsidiary Stock. Specifically, when a parent company sells shares in a subsidiary and still retains a controlling share after the sale, then the difference between the sale amount and equity sold is treated as capital surplus, and would no longer be reported as a consolidated gain or loss.

2. Revision to Results Forecast

(1) Revised Consolidated Results Forecast for the Year Ending December 2015 (1/1/2015 – 12/31/2015)

(Unit: JPY millions)	Net Sales	Operating Profit	Ordinary Profit	Net Profit	Net Profit per Share
Previous Forecast (A)	121,000	14,300	14,300	9,000	76.39
Current Forecast (B)	121,000	14,300	14,300	13,000	110.35
Difference (B–A)	0	0	0	+4,000	–
Percentage Difference	0.0%	0.0%	0.0%	44.4%	–
(Reference) Previous Actual Payout (FYE 12/2014)	109,368	12,931	12,734	5,841	49.58

(2) Reason for Revised Results Forecast

Following the sale of shares in GMO CLICK HD, as stated above (1. Extraordinary Profit), the company expects to report a JPY7.5 billion gain on stock in an affiliated company. For this reason, and also in light of reason performance trends the company is announcing an upward revision to its earnings forecast.

3. Revision to Dividend Forecast

(1) Dividend Forecast

	Dividend per Share (JPY)				
	End of Q1	End of Q2	End of Q3	End of Q4	Total
Previous Forecast			**7.00	***8.00	26.00
Current Forecast				***19.00	37.00
Actual to Date	*6.00	5.00	**7.00		
(Reference) Actual Dividend in Previous Term (FYE12/2014)	4.00	4.00	4.00	5.00	17.00

*Dividend payout in the first quarter of included a JPY 2 per share commemorative dividend celebrating annual net sales reaching over JPY 100 billion for the first time.

**Includes a JPY2 dividend increase previously announced on July 30, 2015 in the disclosure statement titled “Notice of Upward Revision to Full Year Earnings and Dividend Forecasts”

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(2) Reason for Revised Dividends Forecast

GMO INTERNET

GMO Internet demonstrates a clear commitment toward returning value to shareholders through its dividend policy. The policy objective is to distribute 33% of consolidated net profit in dividend payouts, after taking into consideration overall business performance and financial condition. Based on this policy, in consideration of the revised earnings forecast for the 12/2015 fiscal year it was decided to increase the fourth quarter forecast by JPY 11.00 to JPY 19.00. As a result the total forecast is revised from JPY 26.00 to JPY 37.00 (33.5% payout ratio).

(*note)

The above forecasts are based on information currently available to the company as well as certain judgments deemed reasonable. Actual results may differ materially from forecasts for various reasons.