

Company Name: GMO Internet, Inc.
 (TSE First Section, Code: 9449)
 Address: 26-1 Sakuragaoka-cho Shibuya-ku Tokyo JAPAN
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Notice on Sale of Shares in Consolidated Subsidiary

The GMO Internet, Inc. Board of Directors agreed at a meeting convened on December 17, 2018, to sell a part of its holdings in a consolidated subsidiary, GMO Payment Gateway, Inc. (GMO-PG; TSE1: 3769). There will be no change to a subsidiary company due to the transaction.

1. Summary of the sale

- (1) Number of shares to be offered: GMO-PG; 7,200,000 common shares; 9.7% of the total number of voting rights
- (2) Method of the sale: Over-the-counter (OTC) transactions with SMBC Nikko Securities Inc. (SMBC Nikko Securities). SMBC Nikko Securities will resell the stock immediately after the transfer of the stock.
- (3) Sales price: We are currently engaging with the purchaser SMBC Nikko Securities. The final sales price will be announced as soon as they are determined.
- (4) Delivery date: December 21, 2018 (planned)

Summary of GMO-PG

(1) Company name	GMO Payment Gateway, Inc.
(2) Location	1-14-6 Dōgenzaka, Shibuya ku, Tokyo, JAPAN
(3) Name and title of representative	President & CEO Issei Ainoura
(4) Business description	Payment and financial services
(5) Capital stock	JPY 4.712 billion (as of September 30, 2018)
(6) Date Established	March 1995

2. Purpose of the sale

We believe that it is necessary to enhance the financial base further by being cash-rich and maintaining an appropriate capital level. Taking into account various points, including the market value of assets and liquidity, GMO Internet Group, with Internet Finance business, decided the transaction.

3. Outlook

Although GMO Internet's ratio of voting rights of GMO-PG will decrease from 51.7% to 42.0% due to the transaction, GMO-PG will remain a consolidated subsidiary pursuant to the control approach, considering the GMO-PG's Board members. GMO-PG will still be a core company in GMO Internet's Internet Infrastructure business.

We expect to record the extraordinary profit (gain on sales of shares of subsidiaries and associates) on individual accounts due to the sale of shares in FY2018. However, since GMO-PG will still be our consolidated subsidiary on the consolidated accounts, and despite capital reserve fluctuations, the transaction will have a limited impact on the consolidated results.

4. Lock-up

GMO Internet will not dispose of the common stock of (i.e. its stock holding in) the GMO-PG without the prior written acceptance of SMBC Nikko Securities during the following period: December 18, 2018, to March 20, 2019.