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(TSE First Section, Code: 9449)
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Notice of Acquisition of Treasury Shares (up to JPY 3.11 billion)
(Acquisition of treasury stock pursuant to Article 459-1 of the Japanese Companies Act and
the company's Articles of Incorporation)

GMO Internet, Inc. announces that the following has been resolved in regard to items relating to the acquisition of treasury shares pursuant to Article 459-1 of the Japanese Companies Act and the company's articles of incorporation.

1. Reasons for the Acquisition of Treasury Stock

GMO Internet revised its Total Shareholder Returns Policy as of the 12/2016 fiscal year. Under the new policy, the company aims to return 50% of the profits to shareholders. The company's target dividend payout ratio remains at a minimum of 33% of profit attributable to owners of parent, while we will aim to allocate the remainder of the 50% of profit attributable to owners of parent to the acquisition of treasury stock after taking into consideration business results and financial condition, and taking a flexible approach in accordance with share price.

As announced in the press release "Recording Extraordinary Loss Related to The Cryptocurrency Mining Business Restructuring" published on December 25, 2018, profit attributable to owners of the parent was JPY -20,707 million due to an extraordinary loss of JPY 35,385 million related to the cryptocurrency mining business restructuring in Q4 FY2018, so the acquisition of treasury stock would be JPY 0 based on the Company's Total Shareholder Returns Policy.

Although the gain on the sale of shares in listed subsidiaries in Q4 FY2018 was not recorded as a profit in the consolidated profit and loss account, the Company was able to increase the capital reserve, which is the source of funds for dividends (c.f. the press release "Notice on Sale of Shares in Consolidated Subsidiary" published on September 25, 2018, and "Notice on Sale of Shares in Consolidated Subsidiary" on December 17, 2018).

The Company will return the gain on the sale of shares to shareholders. The sum of profit attributable to owners of parent and the amount of increase in capital reserve in the current term is JPY10,273 million, and 50% of this amount is allocated to shareholder returns. A total of JPY3,395 million will be paid out in dividends and the

remaining JPY1,750 million will be allocated to the acquisition of treasury stock. GMO Internet has decided to forego the purchase of treasury stock in the fiscal year 2018, and JPY1,360 million* will be allocated to the acquisition of treasury stock in 2019.

2. Details of Acquisition

(1) Type of shares to be acquired	GMO Internet common shares
(2) Total number of shares to be acquired	Up to 2,500,000 shares
(3) Total cost of share acquisition	% of outstanding shares (excluding treasury shares): 2.17%
(4) Acquisition period	Up to JPY 3,110 million
	February 13, 2019, through to December 30, 2019

(Reference) Treasury Share Ownership as of December 31, 2018

No. of Outstanding shares (excluding treasury shares)	115,095,076
Treasury shares	1,811

*: Consolidated net profit, as disclosed in the GMO Internet Group Financial Results statements for the fiscal year 2017 was JPY8,030 million, and 50% of this amount was allocated to shareholder returns. A total of JPY2,656 million was paid out in dividends and the remaining JPY1,360 million was allocated to the acquisition of treasury stock.