

Company Name: GMO Internet, Inc.
(TSE First Section, Code: 9449)

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Representative: Masatoshi Kumagai, Founder, Chairman and Group CEO

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Notice of Acquisition of Treasury Shares (up to JPY 15 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.

Based on the Total Shareholder Returns Policy, the Company plans to acquire treasury stock earlier than initially planned to improve its shareholder returns by improving capital efficiency. The total cost of share acquisition is up to JPY 15 billion. The Company has decided the above amount based on a close examination of profit levels and their robustness, cash and deposits that are required for the management, and the amount that will be allocated to the dividends. The Company expects that this will further enhance shareholder value by improving return on equity (ROE), future earnings per share (EPS), and dividend per share (DPS).

We will retire our shares repurchased, which is equivalent to 17% (=50-33) of profit attributable to owners of parent, in FY2021 and beyond.

We have approached Masatoshi Kumagai, who is the Founder and Chairman of the GMO Internet, requesting that he sell some of the GMO Internet common shares to the Company to continue stable, massive acquisition of treasury stock, and received an answer that he will sell up to 3.74 million shares, which is equivalent to 41.6% (the sum of ownership ratio of him and his asset management company Masatoshi Kumagai Office, Inc. as of December 2019) of 9 million shares (a maximum number of shares to be acquired).

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 9,000,000 shares % of outstanding shares (excluding treasury shares): 7.95%
(3) Total cost of share acquisition	Up to JPY 15,000 million
(4) Acquisition period	February 13, 2020, through to February 12, 2021
(5) Method of repurchase*	① Repurchase of own shares through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) ② Open market purchase on the Tokyo Stock Exchange

*After taking into consideration number of our shares distributed in the market at the moment and conformity to relevant regulations and guidelines, we have determined that combining repurchase of own shares through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) and open market purchase on the Tokyo Stock Exchange (general method of acquiring shares) - the purpose of which is to continue stable, massive acquisition of treasury stock - will be appropriate.

(Reference) Treasury Share Ownership as of December 31, 2019

No. of Outstanding shares (excluding treasury shares)	113,241,107
Treasury shares	1,880