

Company Name: GMO Internet, Inc.
(TSE First Section, Code: 9449)
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Notice on Sale of Shares in Consolidated Subsidiary

GMO Internet, Inc. hereby announces that it has decided to sell a part of common shares of a consolidated subsidiary, GMO Pepabo, Inc. (TSE 2nd Section: 3633) in relation to the offering by way of underwriting (the "Transaction") by Daiwa Securities Co., Ltd. No change to a subsidiary company will occur due to the Transaction.

1. Summary of the Transaction

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|--------------------------------------|---|
| (1) Number of shares to be offered | GMO Pepabo; 288,600 common shares; 5.5% of the total number of voting rights |
| (2) Method of the secondary offering | Offering by way of underwriting |
| (3) Offer price | TBD. One of the dates (the Pricing Date) during the following period:
December 1 to December 4, 2020 |
| (4) Settlement date | December 11, 2020 |

(Note) Apart from the Transaction, GMO Internet agreed to lend common shares (a maximum of 43,200 shares) of GMO Pepabo to Daiwa Securities Co., Ltd. for offering by way of over-allotment by Daiwa Securities in consideration of demand in the offering by way of underwriting, etc.

2. Purpose of the Transaction

As announced in the press release "Notice of sale of new shares and new share issues implemented through a third-party allocation" published on November 20, 2020, GMO Pepabo resolved the sale of new shares in order to expand the investor base and improve the liquidity of common shares of GMO Pepabo. GMO Internet

will sell a part of the common shares of GMO Pepabo as it has requested a secondary offering.

3. Outlook

GMO Internet's ownership of GMO Pepabo will decrease from 64.9% to 58.8% due to the Transaction (including shares owned indirectly). GMO Pepabo will still be a core company in GMO Internet Group's Internet Infrastructure segment after the Transaction.

We expect to record an extraordinary profit on individual accounts due to the Transaction. However, since GMO Pepabo will still be our consolidated subsidiary on our consolidated accounts, and despite capital reserve fluctuations, the Transaction will have a limited impact on the consolidated results.

4. Lock-up

With regard to the offerings by way of underwriting, GMO Internet has agreed with Daiwa Securities that the former will not conduct sales, etc. of the common stock of (i.e. its stock holding in) the GMO Pepabo without the prior written consent of Daiwa Securities during the period beginning on the Pricing Date, and ending on the 180th day from the settlement date.