

May 24, 2021

Company Name: GMO Internet, Inc.
(TSE First Section, Code: 9449)
Address: 26-1 Sakuragaoka-cho Shibuya-ku Tokyo JAPAN
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Notice of making OMAKASE Co., Ltd., which develops reservation management service for popular restaurants, a subsidiary through share delivery (a simple form share delivery)

The GMO Internet, Inc. Board of Directors has resolved at a meeting convened today to execute a share delivery (the "Share Delivery") through which GMO Internet, Inc. (the "Company") will become the parent company and OMAKASE Co., Ltd. ("OMAKASE") will become a subsidiary, executed the contract concerning the share delivery with some shareholders and share option holders of OMAKASE, and created the scheme of share delivery. New shares will not be issued to shareholders, as the Share Delivery uses shares of GMO Internet treasury stock.

Please note that certain details have been omitted as the net assets of OMAKASE, a subsidiary upon the Share Delivery, as of the last day of the most recent fiscal year is expected to be lower than 10% of the net assets of the Company, a parent company upon the Share Delivery, and net sales of OMAKASE in the most recent fiscal year is expected to be lower than 3% of the net sales of the Company.

1. Reasons for OMAKASE to become a subsidiary of the Company through share delivery

In 1995, GMO Internet Group has launched the Internet business under the corporate slogan "Internet for Everyone." As of today, GMO Internet Group is growing into a business group that comprehensively develops Internet Infrastructure, Online Advertising & Media, Internet Finance, and Cryptoassets businesses.

OMAKASE offers "OMAKASE" - a reservation management service connecting restaurants with customers - since 2017, and its ultimate aim is "Allowing chefs to concentrate more and more on cooking." "OMAKASE" specializes in the popular restaurants that are difficult to make reservations at. Restaurants have to deal with the increasing number of customers, such as taking reservations via phone calls, informing customers of confirmed reservations, etc. This is especially the case for popular restaurants due to good food guides. In this regard, "OMAKASE" merchants can accept reservations online, manage existing reservations, provide cancellation information, etc., promoting high-quality communication with all customers. On the other hand, customers can make reservations at popular restaurants, which is often difficult, and receive the vacancy information or seasonal letter from popular restaurants through "OMAKASE."

There could be synergies among the OMAKASE's customer base and Ecommerce Solutions and Payment of GMO Internet Group's Internet Infrastructure business, and OMAKASE would be able to leverage management expertise and brand image of GMO Internet Group. GMO Internet Group determined that these would lead to a mid- to long-term increase in corporate value of the two companies and decided to make OMAKASE a subsidiary.

This matter uses the share delivery system adopted by Amendment of the Companies Act enforced on March 1, 2021. In the share delivery system, shares in a subsidiary are transferred to a parent company. As consideration for the shares in the subsidiary, shares of the parent company are delivered to the shareholders of the subsidiary, who are the transferors of the shares in the subsidiary. Unlike the share exchange system that is

used to acquire complete control of another company, when the share delivery system is used, another company will become a subsidiary that is not a wholly-owned subsidiary. The group management policy of the GMO Internet Group is that if a given company joins in the Group through corporate restructuring actions, the Group will not change the company's management team, which will continue to be committed to the business. In this regard, the Company has used the share delivery system as it has determined that using the share delivery system enables management shareholders to continue to be committed to the business as shareholders of the subsidiary, and granting shares to the management team will likely be a motivation directed at enhancing GMO Internet Group's corporate value.

2. Details of the Share Delivery

(1) Share Delivery Schedule

Board of Directors Resolution	Monday, May 24, 2021
Deadline for applications of the transfer of shares and equity warrants of the subsidiary	Friday, June 18, 2021 (planned)
Scheduled effective date of the share delivery	Monday, June 21, 2021 (planned)

*1. The Share Delivery will be executed by a simple form share delivery that does not require shareholder approval under regulations provided for in the Japanese Companies Act (article 816-4, paragraph 1).

*2. The Company may change the date if necessary for the proceedings of the Share Delivery or due to any other grounds.

*3. The Share Delivery will be executed on the condition that the securities registration statement under the Financial Instruments and Exchange Act comes into effect.

(2) Method of the Share Delivery

The Company will execute the Share Delivery through which the Company will become the parent company and OMAKASE will become a subsidiary. The Share Delivery will be executed by a simple form share delivery that does not require shareholder approval under regulations provided for in the Japanese Companies Act (article 816-4, paragraph 1).

(3) Assignment etc. (share delivery ratio)

① OMAKASE shares

One OMAKASE share will be exchanged for 3.677 GMO Internet shares and JPY 371. No new GMO Internet shares will be issued, as GMO Internet shares will be granted to shareholders of OMAKASE through the Share Delivery by using 1,029,166 shares of GMO Internet treasury stock held by the Company.

The minimum number of common stock of OMAKASE to be transferred to the Company is 246,069 shares.

Upon the Share Delivery, if the number of the shares of the Company that must be delivered to shareholders of OMAKASE includes a fractional share, in accordance with the provisions of Article 234 of the Companies Act, the Company must sell the number of shares equivalent to the total sum of the fractional shares (in cases where the total sum includes a fractional share, such fractional share is to be rounded off) and must deliver the proceeds to shareholders of OMAKASE in proportion to the fractional shares attributed to them.

② Equity warrants in OMAKASE

The common stock of OMAKASE and the 1st stock acquisition rights of OMAKASE will be transferred to the Company upon the Share Delivery. One stock acquisition right held by the transferor will be exchanged for 331.208 GMO Internet shares and JPY 33,395 based on the details of such stock acquisition rights and share delivery ratio. OMAKASE does not issue the bonds with equity warrants.

Upon the Share Delivery, if the number of the shares of the Company that must be delivered to share option holders of OMAKASE includes a fractional share, in accordance with the provisions of Article 234

of the Companies Act, the Company must sell the number of shares equivalent to the total sum of the fractional shares (in cases where the total sum includes a fractional share, such fractional share is to be rounded off) and must deliver the proceeds to share option holders of OMAKASE in proportion to the fractional shares attributed to them.

There are no provisions with respect to the minimum number of equity warrants in a subsidiary to be transferred to a parent company upon share delivery under the Companies Act, so the Company has not set the minimum number of the 1st stock acquisition rights of OMAKASE to be transferred to the Company.

The number of the 1st stock acquisition rights of OMAKASE shall be 350.8, and the number of OMAKASE shares to be issued or transferred upon exercise of each of the 1st stock acquisition rights of OMAKASE shall be 100. The sum of the total number of outstanding shares of OMAKASE (400,000 shares) and the number of OMAKASE shares to be issued or transferred upon exercise of the 1st stock acquisition rights of OMAKASE (35,080 shares) is 435,080 shares.

3. Basis for the content of allocation in the Share Delivery

(1) Basis and reasons for the content of allocation

① Allocation in the shares of OMAKASE

In relation to the deliberation of the allocation of shares for the Share Delivery, the Company selected KPMG FAS Co., Ltd. ("KPMG FAS") that is independent of the Company and OMAKASE as a third-party calculation agent for securing fairness and propriety, and obtained a share allocation calculation report pertaining to the Share Delivery on May 21, 2021. The Company has taken into account and examined the share delivery ratio pertaining to OMAKASE shares calculated by KPMG FAS, a third-party calculation agent that is independent of the Company and OMAKASE, and such factors as the financial and asset status, and the future outlook of the Company and OMAKASE as a whole. As a result, the Company ultimately determined that the share allocation ratio for the Share Delivery as set forth in 2(3)① "OMAKASE shares" above is within the range of the share delivery ratio calculated by KPMG FAS, is appropriate, and is not prejudicial to shareholders.

In a case where the various conditions that form the foundation of calculation have changed significantly, the share delivery ratio may be changed as a result of discussions among the Company and OMAKASE's shareholders and share option holders.

② Allocation in the equity warrants in OMAKASE

In relation to the deliberation of the allocation of shares for the Share Delivery, the Company selected KPMG FAS that is independent of the Company and OMAKASE as a third-party calculation agent for securing fairness and propriety and obtained a share allocation calculation report pertaining to the Share Delivery on May 21, 2021. The Company has taken into account and examined the share delivery ratio pertaining to equity warrants in OMAKASE calculated by KPMG FAS, a third-party calculation agent that is independent of the Company and OMAKASE, and such factors as the financial and asset status, and the future outlook of the Company and OMAKASE as a whole. As a result, the Company ultimately determined that the share allocation ratio for the Share Delivery as set forth in 2(3)② "Equity warrants in OMAKASE" above is within the range of the share delivery ratio calculated by KPMG FAS, is appropriate, and is not prejudicial to shareholders.

In a case where the various conditions that form the foundation of calculation have changed significantly, the share delivery ratio may be changed as a result of discussions among the Company and OMAKASE's shareholders and share option holders.

(2) Matters related to calculation

① Relationship with calculation agent

KPMG FAS is not a related party of the Company or OMAKASE, and it does not have a material interest that must be stated herein in connection with the Share Delivery.

② Outline of calculation

The Company lists its shares on the First Section of the Tokyo Stock Exchange, so there is a market share price, and stocks have high liquidity in the exchange market. For the Company, KPMG FAS has determined that it can obtain sufficient and proper results by using the Market Share Price Analysis if it evaluates the value of GMO Internet shares as a consideration for the Share Delivery, so the Market Share Price Analysis has been adopted to calculate the share delivery ratio. As for OMAKASE, KPMG FAS has adopted DCF Analysis to calculate the share delivery ratio to reflect conditions of future business activities in the assessment, by taking into account that the common stock of OMAKASE is non-listed.

The share delivery ratios calculated for 1 share of OMAKASE common stock and each of the 1st stock acquisition rights of OMAKASE, assuming that the stock value of one share of the Company is 1, are as follows. The number of OMAKASE shares to be issued or transferred upon exercise of each of the 1st stock acquisition rights of OMAKASE shall be 100.

	Share delivery ratio calculation result
Common stock	2.80 to 4.30
The 1st stock acquisition rights	244.49 to 393.46

For the Market Share Price Analysis, with May 21, 2021, being the record date for calculation, the analysis for the stock value of the Company has been made based on the closing price on the First Section of the TSE on the record date for calculation, and the simple average price of the closing prices for the one-month, three-month and six-month periods prior to the record date for calculation.

Under the DCF Method, the analysis for the stock value of OMAKASE is made by discounting, to the present value by using certain discount rates, the free cash flow expected to be generated by OMAKASE in the future, based on the business plans for the fiscal year ending March 2022 through the fiscal year ending March 2025 provided by OMAKASE. In consideration of the business stage of OMAKASE, regarding the present value of free cash flows during the planning period, the discount rates are calculated as 25% to 35%, referring to the returns on investments in portfolio companies requested by the Venture Capital (the "VC Return"). The going-concern value in and after the planning period is calculated by using the perpetual growth rate method, and the perpetual growth rate is calculated as 0%, based on the standards of the growth of the business in and after the planning period envisioned at the time of the assessments. While the VC Return includes survival risks on the assumption that the Venture Capital will exit in a fixed period, said risks are not permanent, and the business risks are reduced as the business stage progresses. Therefore, for the present value of free cash flow in and after the planning period, the discount rates are calculated as 10.5% to 12.5%. The 1st stock acquisition rights are analyzed pursuant to the Black-Scholes Model assuming that the calculated common stock value per share is the value of the underlying asset, and assuming the period until maturity of 3.8 years, the volatility of 40% to 60%, the risk-free rate of -0.1%, and the expected dividend yield of 0.0%. Based on the above outcome, the range of share delivery ratios is calculated as 2.80 to 4.30 for 1 share of OMAKASE common stock and 244.49 to 393.46 for each of the 1st stock acquisition rights based on comparison with the result of the evaluation of the Company, which uses the Market Share Price Analysis.

For the share delivery ratio calculation, KPMG FAS has referred to the information provided by the Company and OMAKASE and publicly disclosed information as is, assuming that those documents, information and so forth, are all accurate and complete and that there are no undisclosed facts that should have been brought to its attention among the facts that can have a material impact on the analysis of the share delivery ratio. Therefore, KPMG FAS has not independently verified the accuracy and completeness thereof. Furthermore, KPMG FAS has not conducted an independent valuation, appraisal, or assessment of the assets and liabilities (including contingent liabilities) of the Company and of OMAKASE, including an individual analysis or valuation of assets and liabilities; nor has KPMG FAS requested a third-party institution to conduct such an appraisal or assessment. Furthermore, KPMG FAS has assumed that information on the business plans of OMAKASE referred by KPMG FAS for the calculation is reasonably formulated based on best estimates and judgments available from the management team of OMAKASE at this time. Results of the analysis by KPMG FAS reflect the information available and economic conditions prevailing through to May 21, 2021.

The business plans for the OMAKASE that are used as the basis of the calculation by the DCF Analysis include the fiscal years in which a significant profit increase is anticipated due to the business expansion. The business plans do not assume the implementation of the Share Delivery. The result of the calculation of the share delivery ratio by KPMG FAS does not express an opinion regarding the fairness of the share delivery ratio for the Share Delivery, and the Company has not obtained an opinion letter (“fairness opinion”) stating that share delivery ratio for the Share Delivery is fair based on financial perspective for shareholders of common stock of the Company.

4. Outline of parties to the Share Delivery

(1) Parent company upon share delivery

(1) Name	GMO Internet, Inc.
(2) Location	26-1 Sakuragaokacho, Shibuya ku, Tokyo
(3) Name & title of representative	Masatoshi Kumagai, Founder, Chairman and Group CEO
(4) Business description	Internet Infrastructure, Online Advertising & Media, Internet Finance, Cryptoassets, and Incubation businesses
(5) Capital	5,000 million yen (as of March 31, 2021)
(6) Establishment	May 24, 1991
(7) Number of shares issued	111,893,046 shares (as of March 31, 2021)
(8) Fiscal year-end	December 31
(9) Major shareholders and ownership ratio (as of March 31, 2021)	Masatoshi Kumagai Office, Inc. 31.92%
	Masatoshi Kumagai 8.03%
	THE BANK OF NEW YORK MELLON(140051) 6.19%
(10) Financial condition and operating results in the most recent fiscal year	
Fiscal term	FYE 12/2020
Consolidated net assets (million yen)	100,114
Consolidated total assets (million yen)	1,070,544
Net assets per share (yen)	465.94
Consolidated net sales (million yen)	210,559
Consolidated operating profit (million yen)	27,893
Consolidated ordinary profit (million yen)	27,136
Profit attributable to owners of parent (million yen)	10,284
Net profit per share (yen)	93.00

(2) Subsidiary upon share delivery

(1) Name	OMAKASE Co., Ltd.	
(2) Location	4C, 4-12-8 Roppongi, Minato City, Tokyo	
(3) Name & title of representative	Shumpei Asai, Representative Director	
(4) Business description	Development and operation of restaurant reservation management service	
(5) Capital	5.50 million yen (as of March 31, 2021)	
(6) Establishment	April 4, 2017	
(7) Number of shares issued	400,000 shares (as of March 31, 2021)	
(8) Fiscal year-end	March 31	
(9) Major shareholders and ownership ratio (as of March 31, 2021)	Shumpei Asai	35.49%
	Kenta Takahashi	32.78%
	Shūhei Ogata	11.47%
	Hiromichi Suzuki	11.10%
(10) Financial condition and operating results in the most recent fiscal year		
Fiscal term	FYE 3/2020	
Net assets (thousand yen)	3,636	
Total assets (thousand yen)	21,153	
Net assets per share (yen)	909.00	
Sales (thousand yen)	49,409	
Operating income (thousand yen)	793	
Recurring income (thousand yen)	797	
Net income (thousand yen)	727	
Net profit per share (yen)	181.75	

5. Status after the Share Delivery

- (1) There will be no change in the company name, address, executive roles, business operations, or capital of the Company as a result of the Share Delivery.
- (2) OMAKASE plans to change company name and address after the effective date of the Share Delivery as follows. There will be no change in executive roles, business operations, or capital of OMAKASE as a result of the Share Delivery.
 Name GMO OMAKASE, Inc.
 Location Shibuya ku, Tokyo or city adjacent to Shibuya ku

6. Future outlook

The Company expects that the impact of the Share Delivery on the consolidated results of the Company will be negligible but the Company will notify you in a prompt manner in the event the Company finds that the Share Delivery will have a significant impact, etc. in the future.