

First Quarter Results Presentation, Fiscal Year 2010

May 10, 2010

GMO Internet, Inc.

(TSE First Section: 9449)

◆ **Supplementary Materials** ◆

Internet for Everyone
<http://www.gmo.jp/en>

1. GMO Internet Group

2. Web Infrastructure
& Ecommerce

3. Internet Media

4. Business model
& Other Materials

1. GMO Internet Group

TSE 1st Section: 9449



FY2009 4th Quarter – Scope of Consolidation

1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business model & Other Materials

Business Segment	2009 Fiscal Year 4th Quarter		2010 Fiscal Year 1st Quarter		Notes
	Company Name	Proportion of Voting Rights (%)	Company Name	Proportion of Voting Rights (%)	
Web Infrastructure & Ecommerce	GMO Internet, Inc.	Parent	GMO Internet, Inc.	Parent	New Equity Method
	GMO Hosting & Security, Inc	51.3	GMO Hosting & Security, Inc	51.2	
	GlobalSign K.K.	(89.8)	GlobalSign K.K.	(89.8)	
	GlobalSign Ltd. (England)	(100.0)	GlobalSign Ltd. (England)	(100.0)	
	GlobalSign NV (Belgium)	(100.0)	GlobalSign NV (Belgium)	(100.0)	
	GlobalSign, Inc. (US)	(100.0)	GlobalSign, Inc. (US)	(100.0)	
	Toriton, Inc.	(100.0)	Toriton, Inc.	(100.0)	
	Hosting & Security, INC. (US)	(51.2)	Hosting & Security, INC. (US)	(51.2)	
	@YMC Corporation	(100.0)	@YMC Corporation	(100.0)	
	GMO Fast Translation, Inc.	(70.0)	GMO Fast Translation, Inc.	(70.0)	
	GMO Managed Hosting, Inc.	(100.0)	GMO Managed Hosting, Inc.	(100.0)	
	GMO Payment Gateway, Inc.	52.3	GMO Payment Gateway, Inc.	52.3	
	Epsilon, Inc.	(100.0)	Epsilon, Inc.	(100.0)	
	paperboy & co. Inc.	57.3	Social Appli Payment Service, Inc.	(18.7)	
	GMO MAKESHOP Co., Ltd	58.7	Consumer Open Center Ltd.	62.6	
	GMO System Consulting, Inc.	92.5	paperboy & co. Inc.	58.7	
	GMO DIGITAL DISTRIBUTION, Inc.	(90.9)	GMO MAKESHOP Co., Ltd	92.5	
	GMO Solution Partner, Inc.	(100.0)	GMO System Consulting, Inc.	(90.9)	
	INTERNET Number Corporation	66.7	GMO DIGITAL DISTRIBUTION, Inc.	93.0	
	GMO Creators Network, Inc.	(100.0)	GMO Solution Partner, Inc.	(100.0)	
Communication Telecom, Inc.	(100.0)	INTERNET Number Corporation	66.7		
CMT, Inc.		GMO Creators Network, Inc.	(100.0)		
		Communication Telecom, Inc.	(100.0)		
		CMT, Inc.			
Internet Media	GMO AD Holdings, Inc.	100.0	GMO AD Holdings, Inc.	100.0	Newly Consolidated
	GMO AD Partners Inc.	(49.1)	GMO AD Partners Inc.	(50.1)	
	GMO Mobile, Inc.	(100.0)	GMO Mobile, Inc.	(100.0)	
	Seed Technology, Inc.	(100.0)	Seed Technology, Inc.	(100.0)	
	NIKKO, Inc.	(100.0)	NIKKO, Inc.	(100.0)	
	GMO Research, Inc	78.2	GMO Research, Inc	78.2	
	GMO Media Holdings, Inc.	100.0	GMO Media Holdings, Inc.	100.0	
	GMO Media, Inc.	(77.2)	GMO Media, Inc.	(77.2)	
	JWord, Inc.	70.8	JWord, Inc.	70.8	
	BOM, Inc.	100.0	BOM, Inc.	100.0	
	GMO Marketing, Inc.	51.0	GMO Marketing, Inc.	51.0	
	GMO Games, Inc.	100.0	GMO SEO Technology, Inc.	51.0	
	GMO Games Korea, Inc.	(100.0)	Japan Market Intelligence	(100.0)	
	GMO SEO Technology, Inc.	51.0	and 9 other companies		
and 8 other companies					
Other Businesses	GMO Venture Partners, Inc.	100.0	GMO Venture Partners, Inc.	100.0	
	GMO Venture Partners Investment Limited Partnership	(71.4)	GMO Venture Partners Investment Limited Partnership	(71.4)	
	Blog Business Fund Investment Limited Partnership	(19.8)	Blog Business Fund Investment Limited Partnership	(19.8)	

TSE 1st Section: 9449



Listed Subsidiaries





1. GMO Internet Group

2. Web Infrastructure
& Ecommerce

3. Internet Media

4. Business model
& Other Materials

(JPY millions)

				
Stock Code	TSE Mothers (3788)	TSE 1 st Section (3769)	OSE Hercules (4784)	JASDAQ (3633)
Fiscal Term	Q1 FYE 12/2009	Q2 FYE 9/2010	Q1 FYE 12/2009	Q1 FYE 12/2009
Sales	2,021	771	1,300	744
Operating Profit	260	281	24	148
Ordinary Profit	265	275	37	148
Net Profit	133	142	10	87

*Figures taken from each company's quarterly P/L statement

TSE 1st Section: 9449

Summary of Sales by Business

(JPY millions)

1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business model & Other Materials

Business	Q1/2009	Q2/2009	Q3/2009	Q4/2009	Q1/2010
◆ Web Infrastructure & EC ◆					
Internet Access Provider	320	307	295	285	280
Domain	603	615	520	502	571
Web Hosting	2,241	2,260	2,256	2,251	2,278
EC Solutions & Web Development	564	440	418	420	468
Security	311	326	304	349	367
Payment Processing	606	627	662	710	753
Other	60	59	84	104	185
Segment Total	4,710	4,636	4,541	4,624	4,905
◆ Internet Media ◆					
Internet Media & Search Media	2,245	2,460	2,988	2,779	2,722
Internet Advertising Agencies	2,697	2,280	2,217	2,166	2,328
Other	335	272	274	269	314
Adjustment for internal transactions	-112	-191	-194	-175	-147
Segment Total	5,166	4,822	5,286	5,039	5,217
◆ Other Businesses ◆					
Other	0	18	1	1	1
Adjustment for internal transactions	0	18	1	1	1
Segment Total	-206	-172	-150	-126	-154
Consolidated Sales	9,671	9,304	9,679	9,538	9,969

TSE 1st Section: 9449

Costs and Cost Composition (Consolidated)

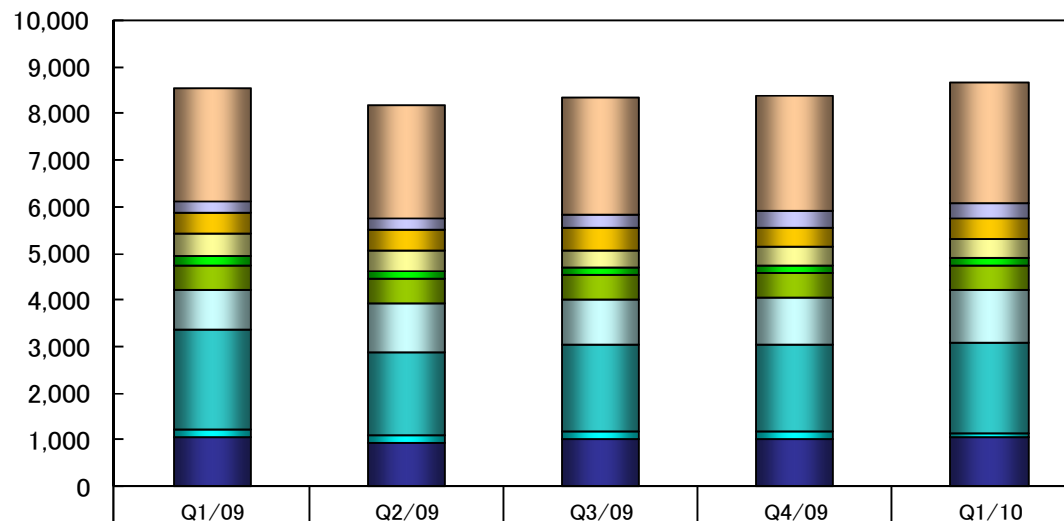
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business model & Other Materials

(JPY millions)



	Q1/09	Q2/09	Q3/09	Q4/09	Q1/10
Cost of Sales and SGA Total	8,568	8,198	8,367	8,410	8,687
Human Resources	2,411	2,420	2,493	2,460	2,581
Advertising and Promotion Costs	254	263	316	376	338
Depreciation and Rental Costs	435	448	470	424	450
Outsourcing/Sub contracting expenses	523	413	352	373	407
Communication Costs	189	171	171	166	169
Rent	512	516	513	542	517
Commission Paid	858	1,050	977	1,014	1,106
Media Costs	2,141	1,795	1,883	1,838	1,958
Goodwill Amortization	181	184	173	169	73
Other	1,060	934	1,015	1,044	1,084

TSE 1st Section: 9449



1. GMO Internet Group

2. Web Infrastructure
& Ecommerce

3. Internet Media

4. Business model
& Other Materials

2. Web Infrastructure & Ecommerce

TSE 1st Section: 9449



Domains Registration - Key Factors

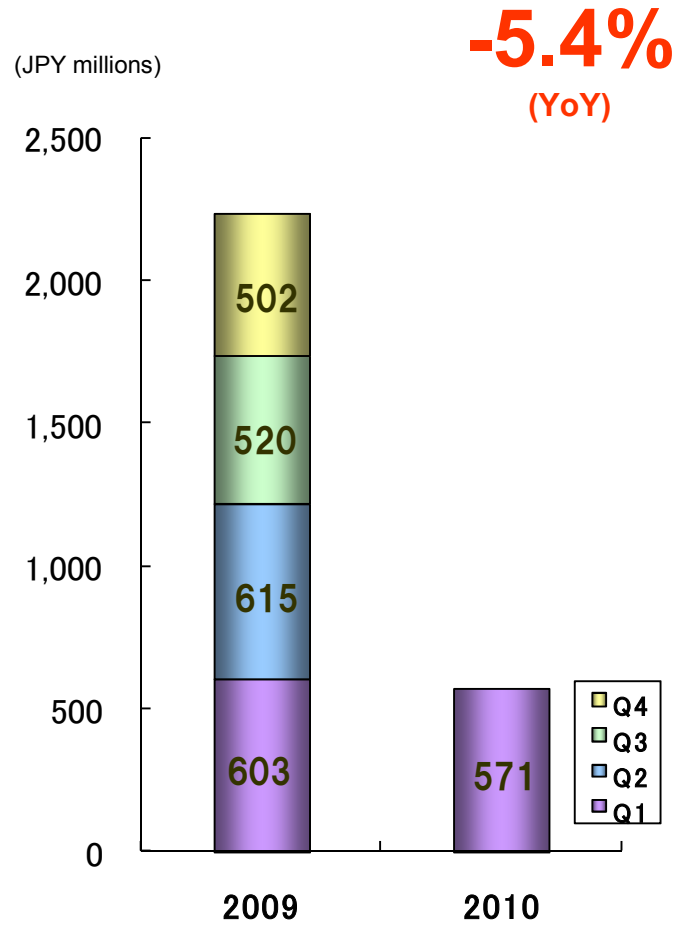
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

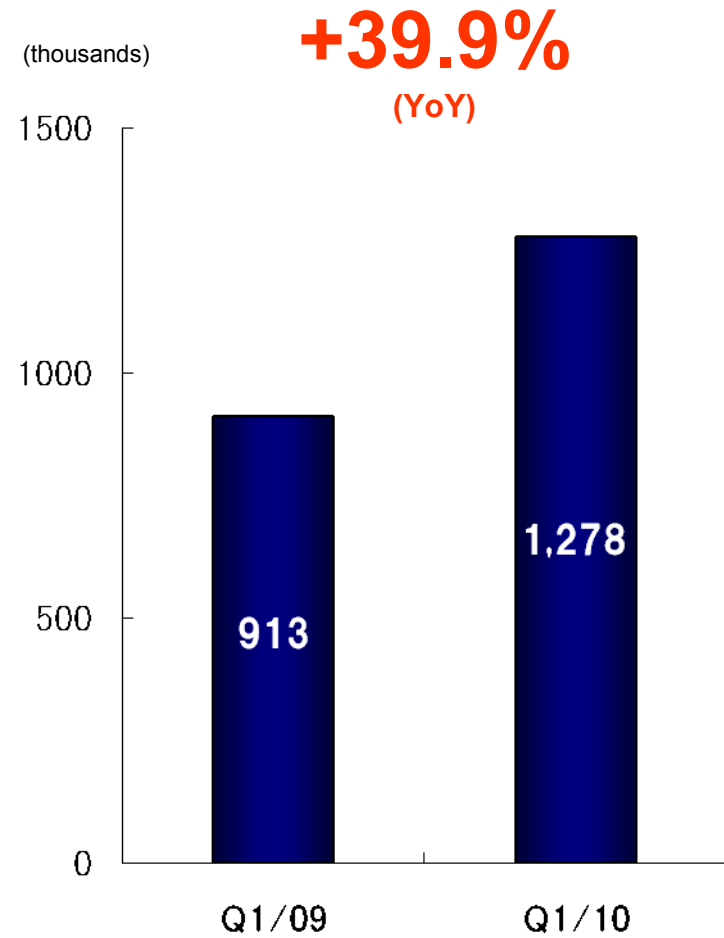
3. Internet Media

4. Business model & Other Materials

Sales



Registrations



TSE 1st Section: 9449



New Domains and Domain Renewals

1. GMO Internet Group

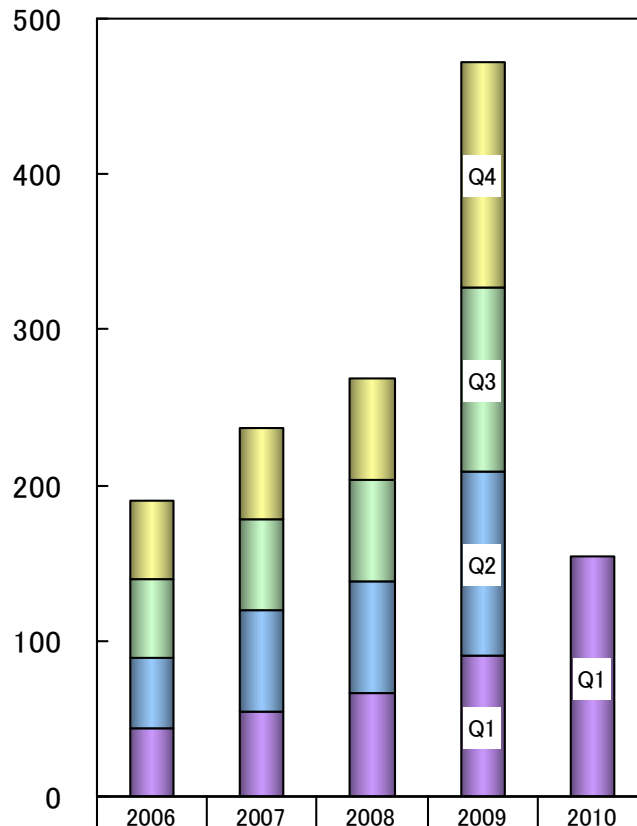
2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business model & Other Materials

New Domain Registrations

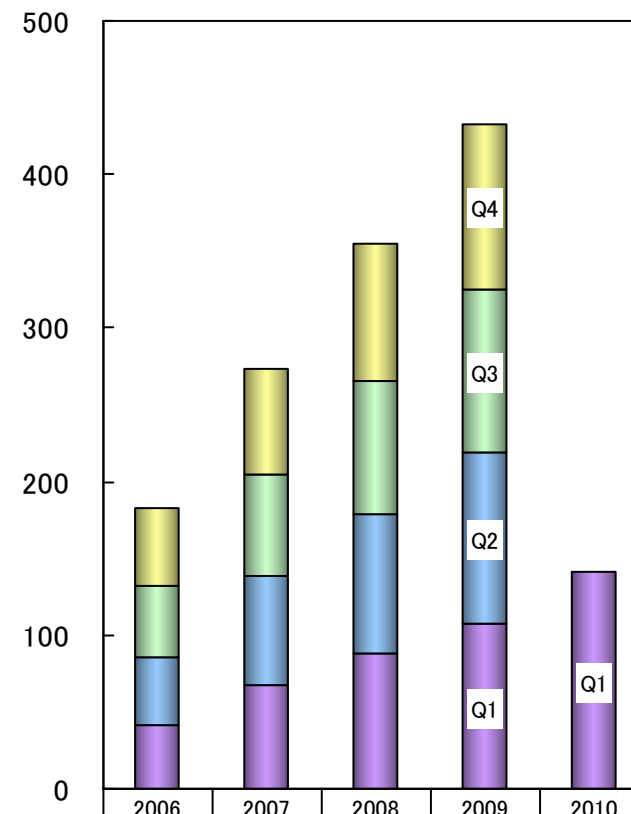
(thousands)



Q4	51,353	58,631	65,229	144,897	
Q3	49,714	58,615	65,723	119,141	
Q2	45,631	65,066	72,211	118,096	
Q1	43,833	54,837	65,933	90,201	153,679

Renewals

(thousands)



Q4	49,290	69,400	89,557	107,524	
Q3	47,028	65,603	87,161	106,543	
Q2	43,693	70,630	90,925	111,495	
Q1	42,000	67,826	87,632	107,237	141,096

TSE 1st Section: 9449



Domain Registration

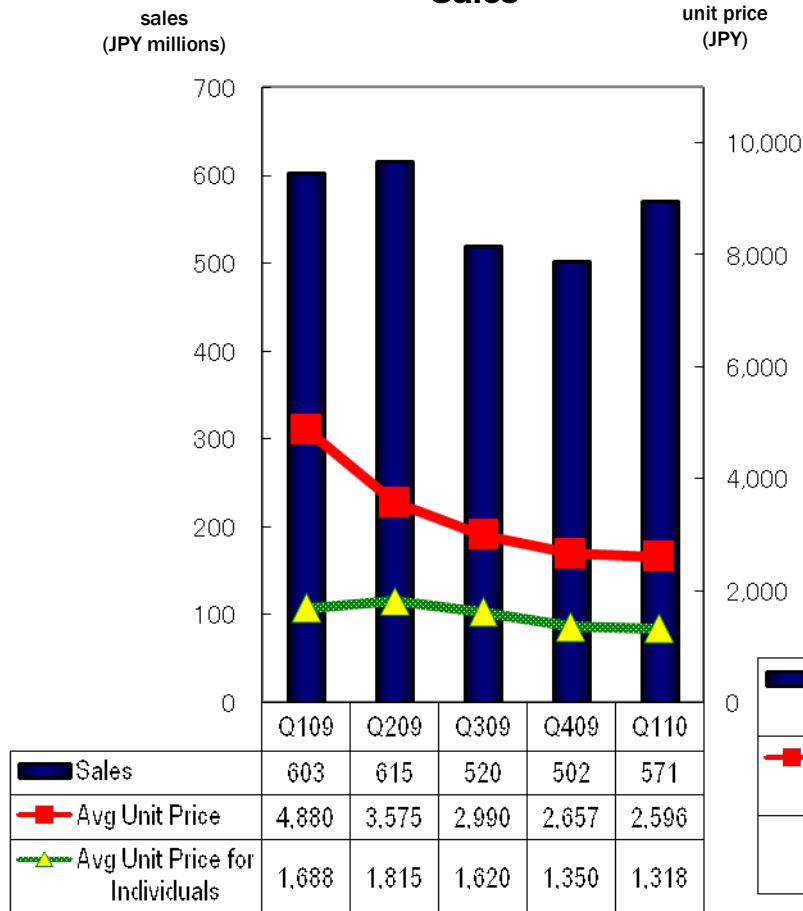
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

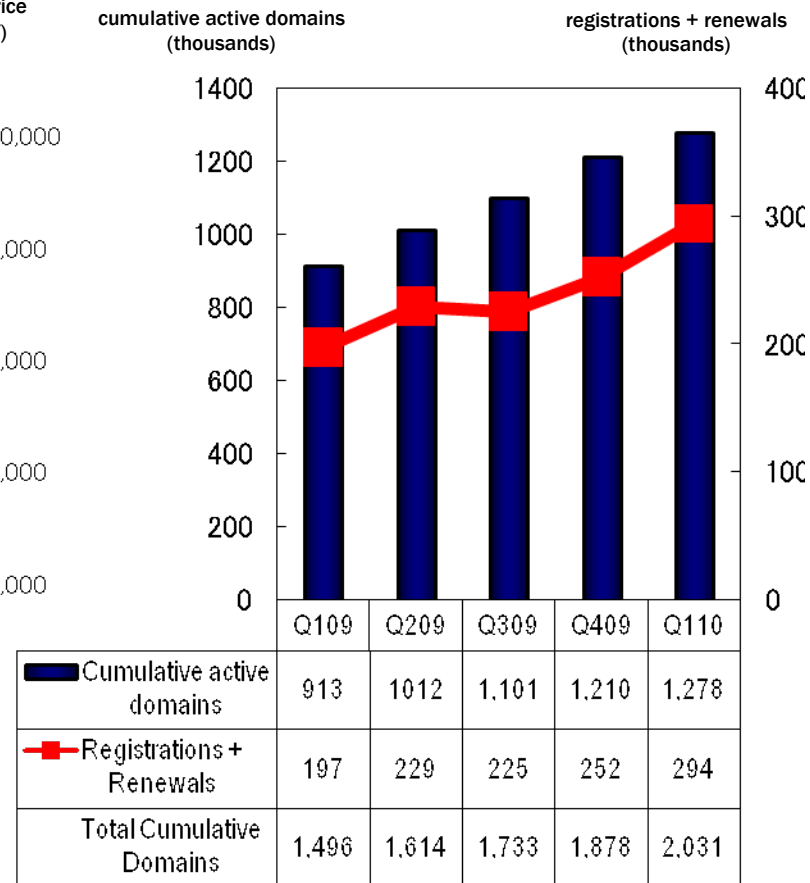
3. Internet Media

4. Business model & Other Materials

Sales



Domain Registrations



TSE 1st Section: 9449



Web Hosting

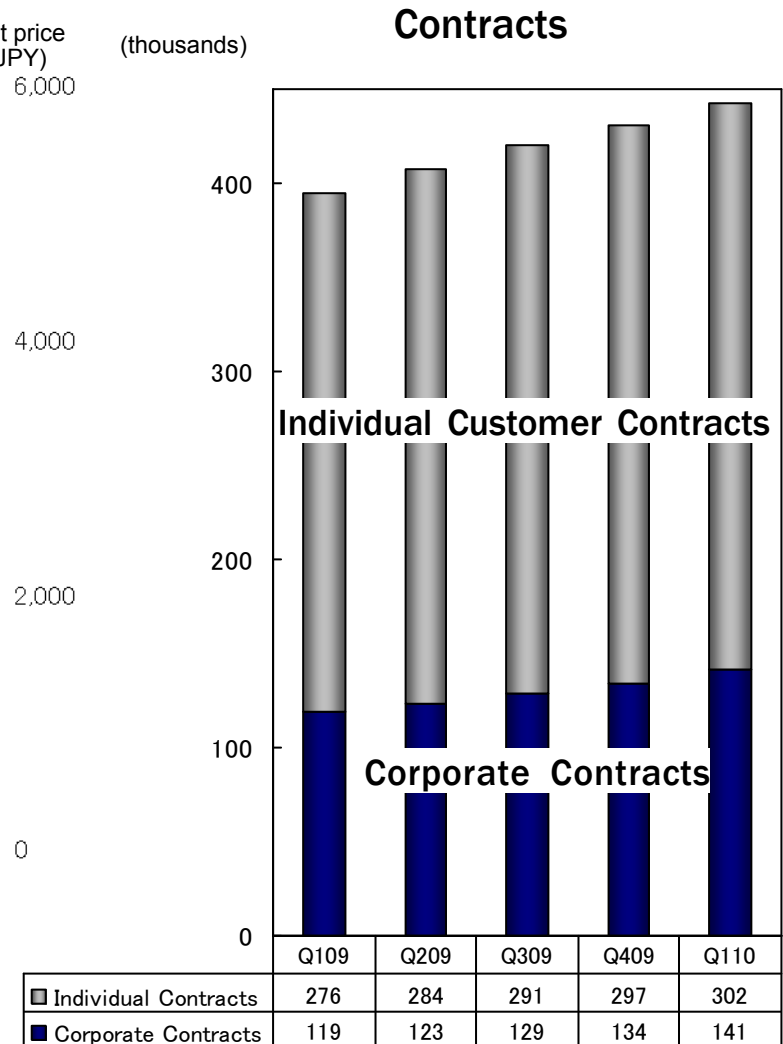
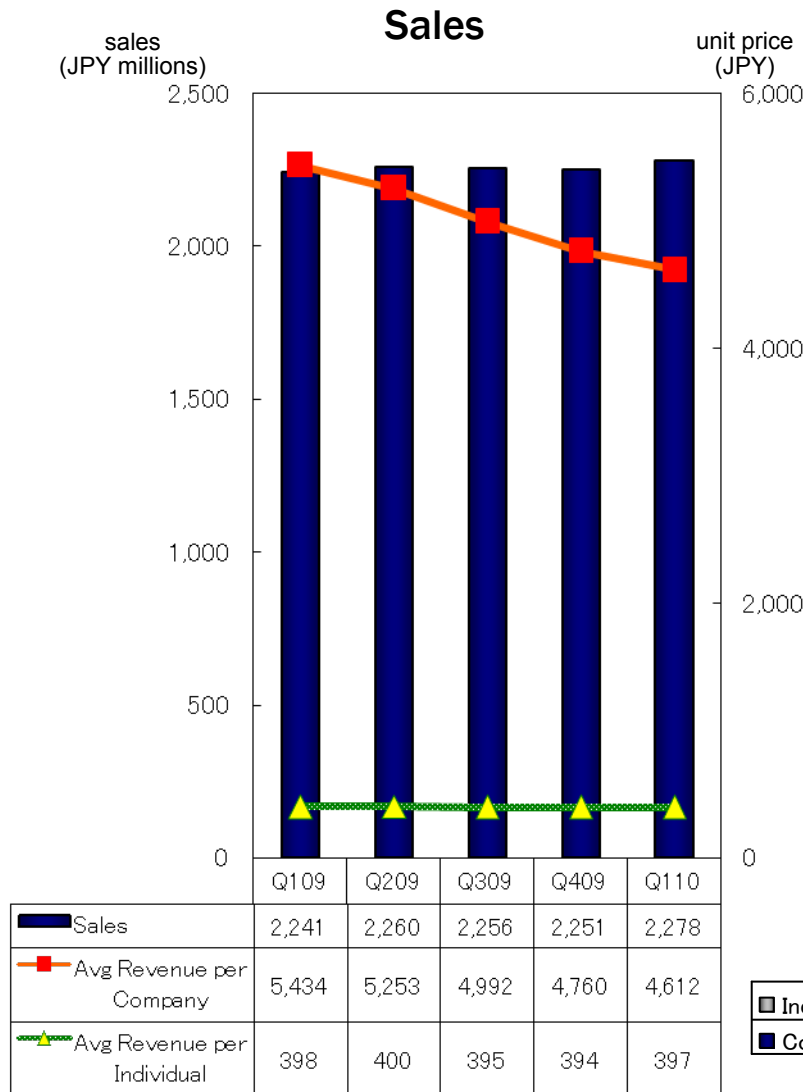
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business model & Other Materials

TSE 1st Section: 9449



Web Hosting Business – Key Factors

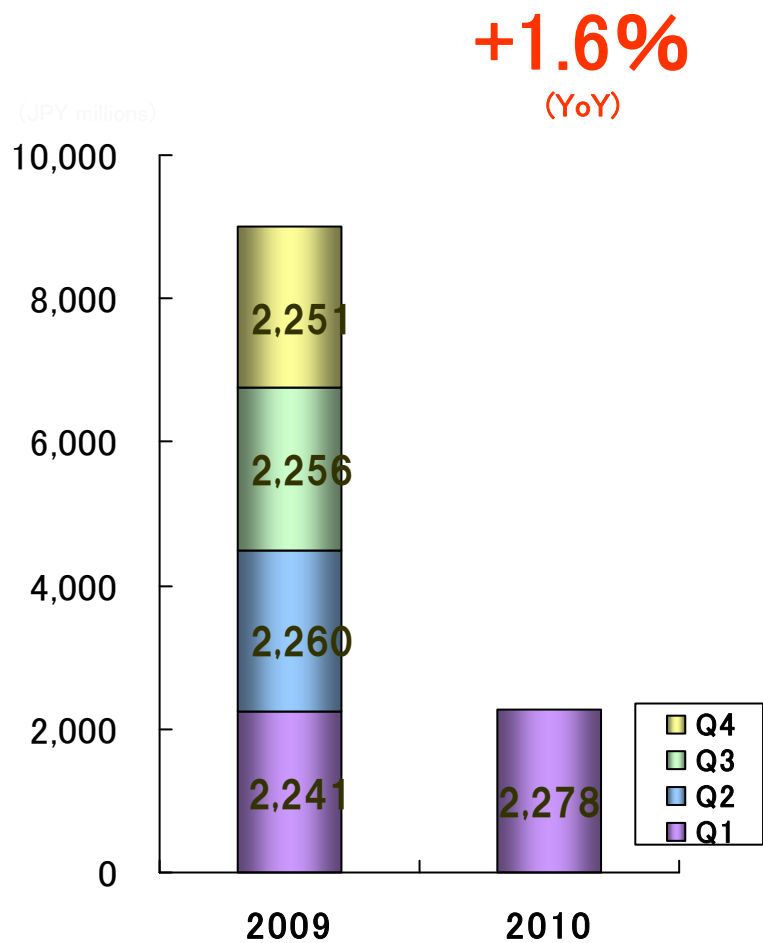
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

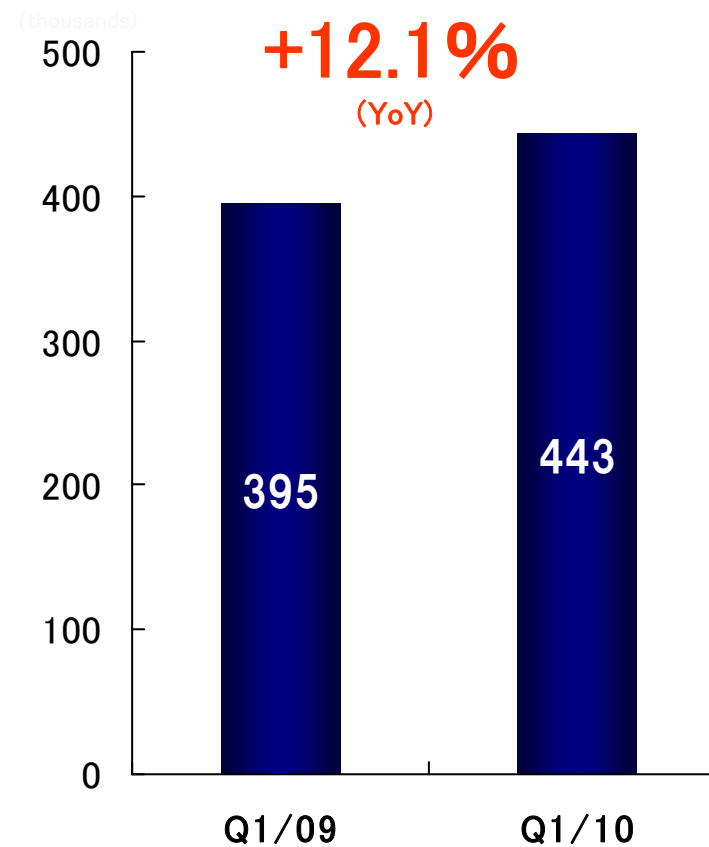
3. Internet Media

4. Business model & Other Materials

Sales



Contracts



TSE 1st Section: 9449



EC Solutions & Web Development Business - Key Factors

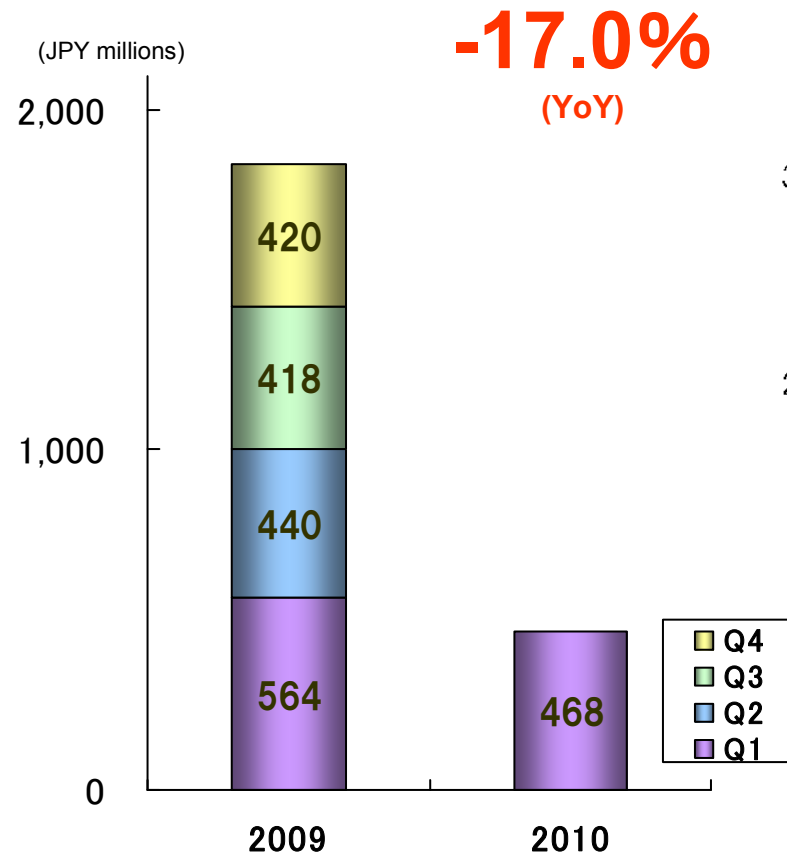
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

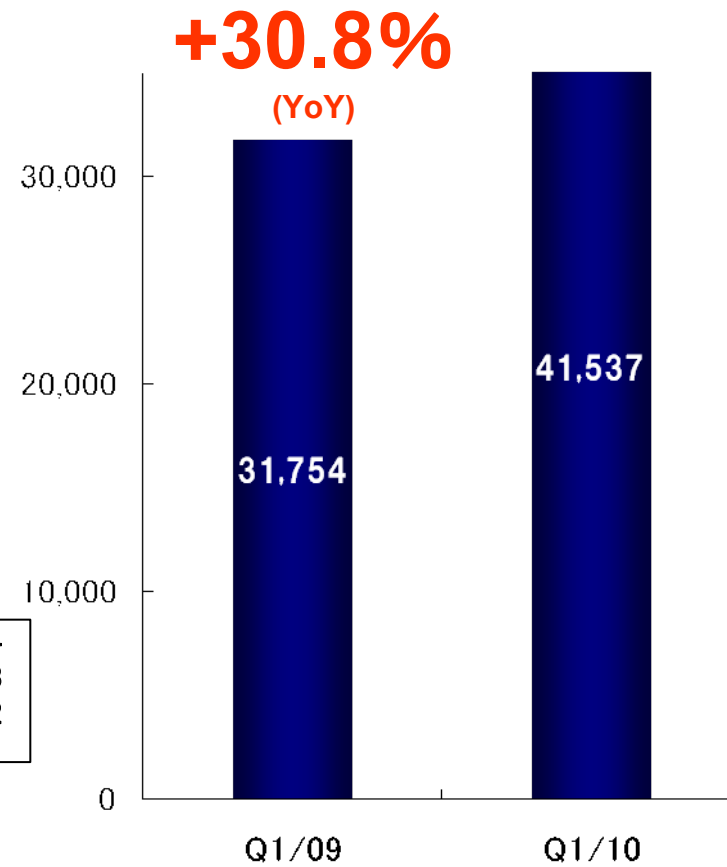
3. Internet Media

4. Business model & Other Materials

Sales



Contracts



TSE 1st Section: 9449



Ecommerce Store Contracts - Competitor Comparison

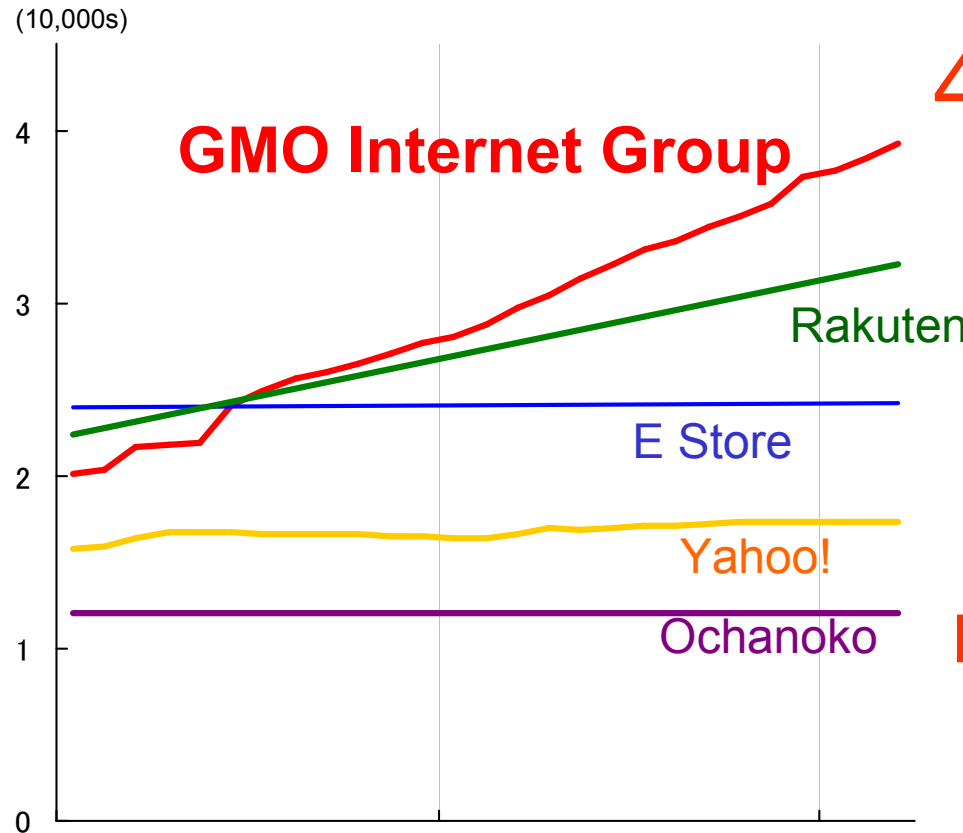
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business model & Other Materials

Ecommerce Competitor Comparison



41,000 Stores



Healthy growth in shopping cart contracts

TSE 1st Section: 9449



*No. of merchant contracts (ex. OEM)

*Chart compiled by GMO Internet using documents obtained from the respective company website






Ecommerce Business Parameters

1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business model & Other Materials

			Total
Stores 	27,000	14,000	41,000
Value of Orders  (Quarterly)	JPY12.3B	JPY15.2B	JPY 27.5B
No. of Orders  (Quarterly)	1.26M	880,000	2.14M

(As of Q1 2010)

(All figures rounded down)

TSE 1st Section: 9449



Security Business - Key Factors

1. GMO Internet Group

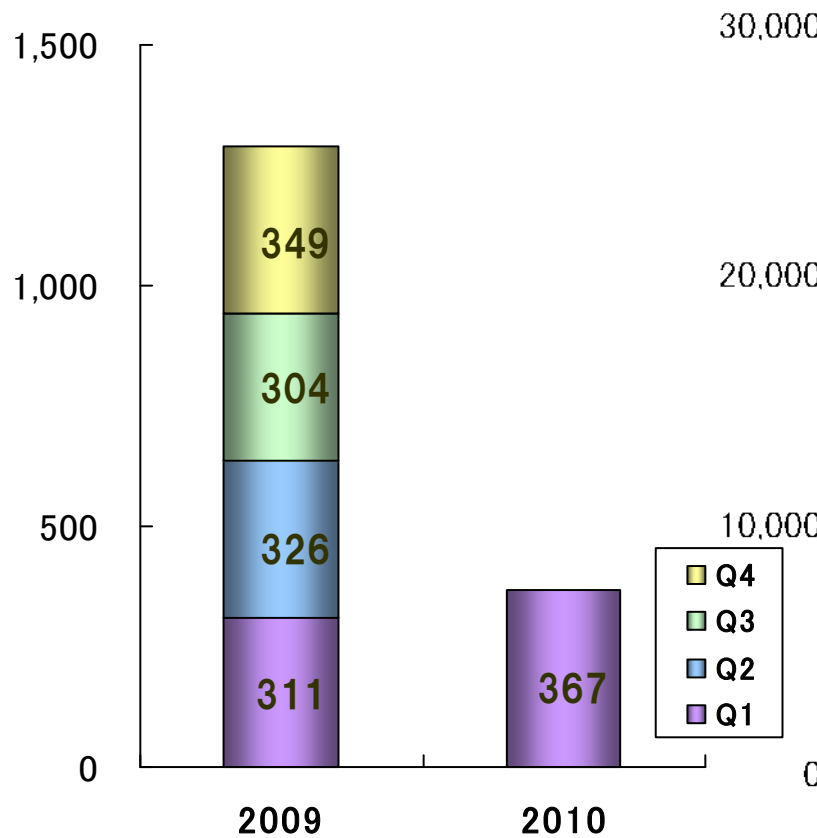
2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business model & Other Materials

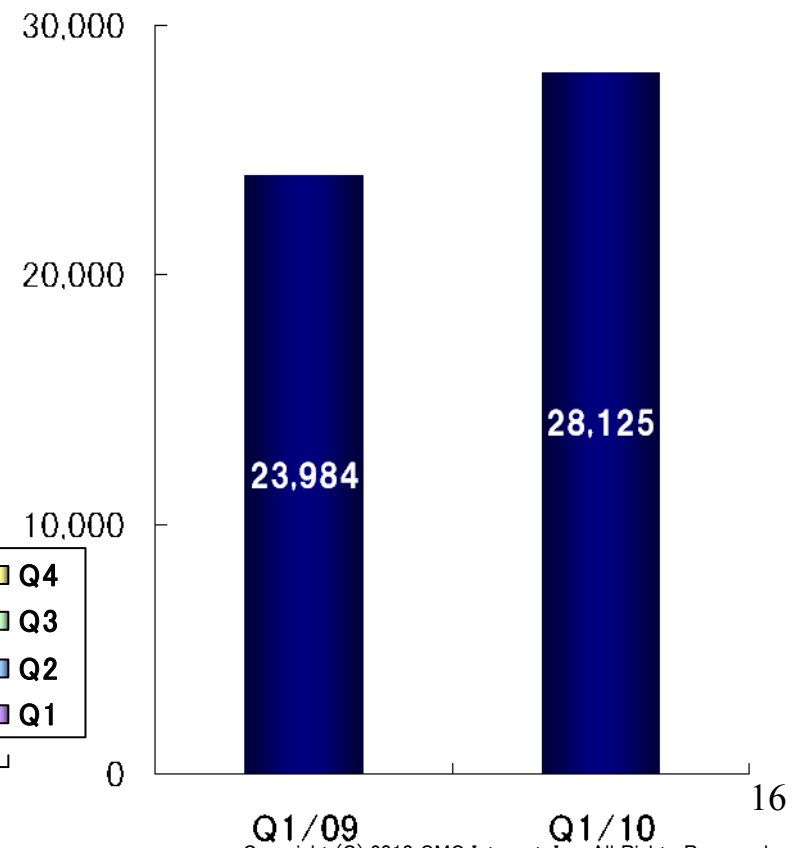
Sales

+17.9%
(YoY)



Certificates Issued
(cumulative/domestic only)

+17.3%
(YoY)



TSE 1st Section: 9449



Security Business - Key Factors

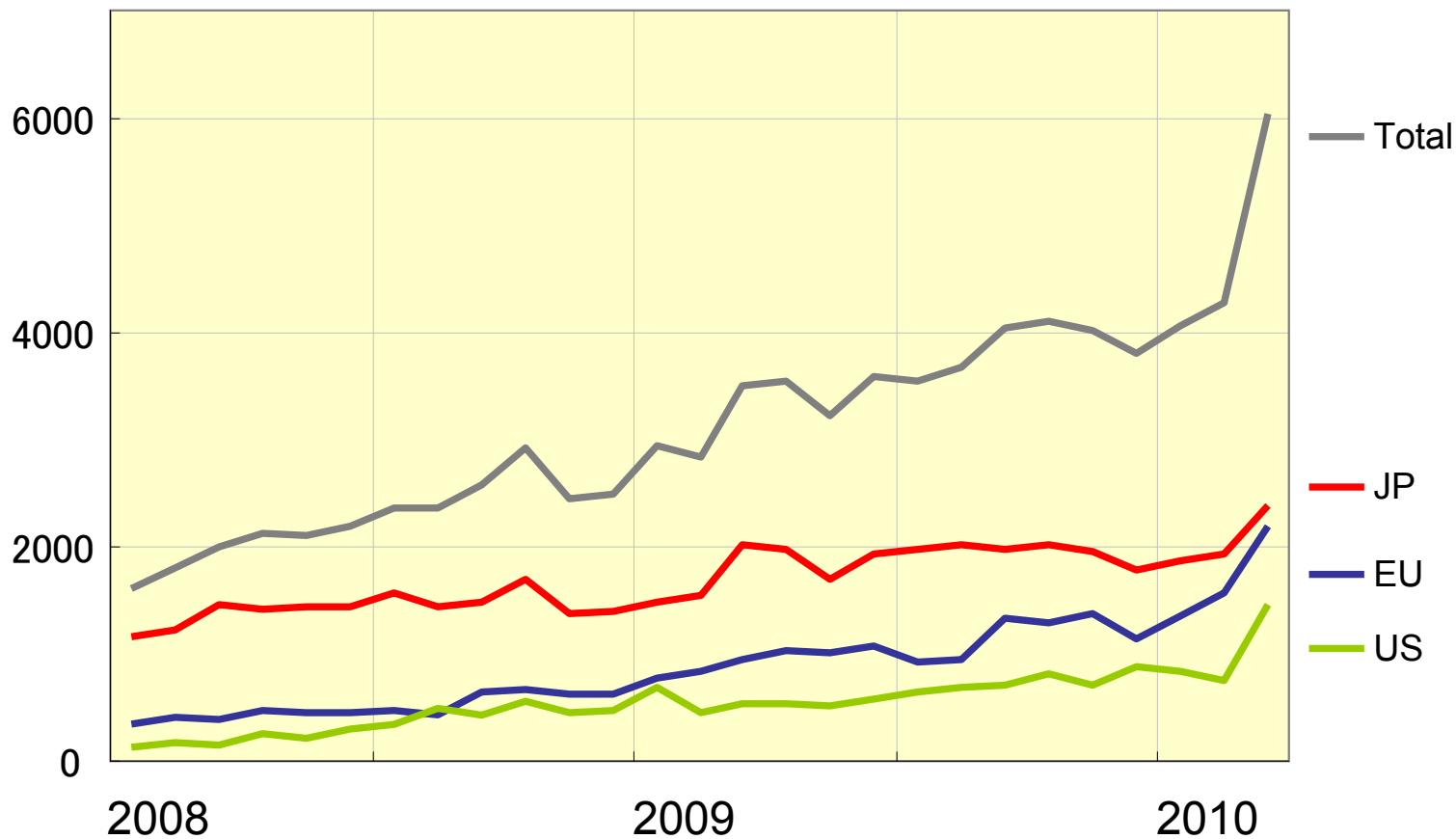
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business model & Other Materials

Monthly Certificate Issues by Region
(New and Renewed)



TSE 1st Section: 9449



Security Business – Key Factors

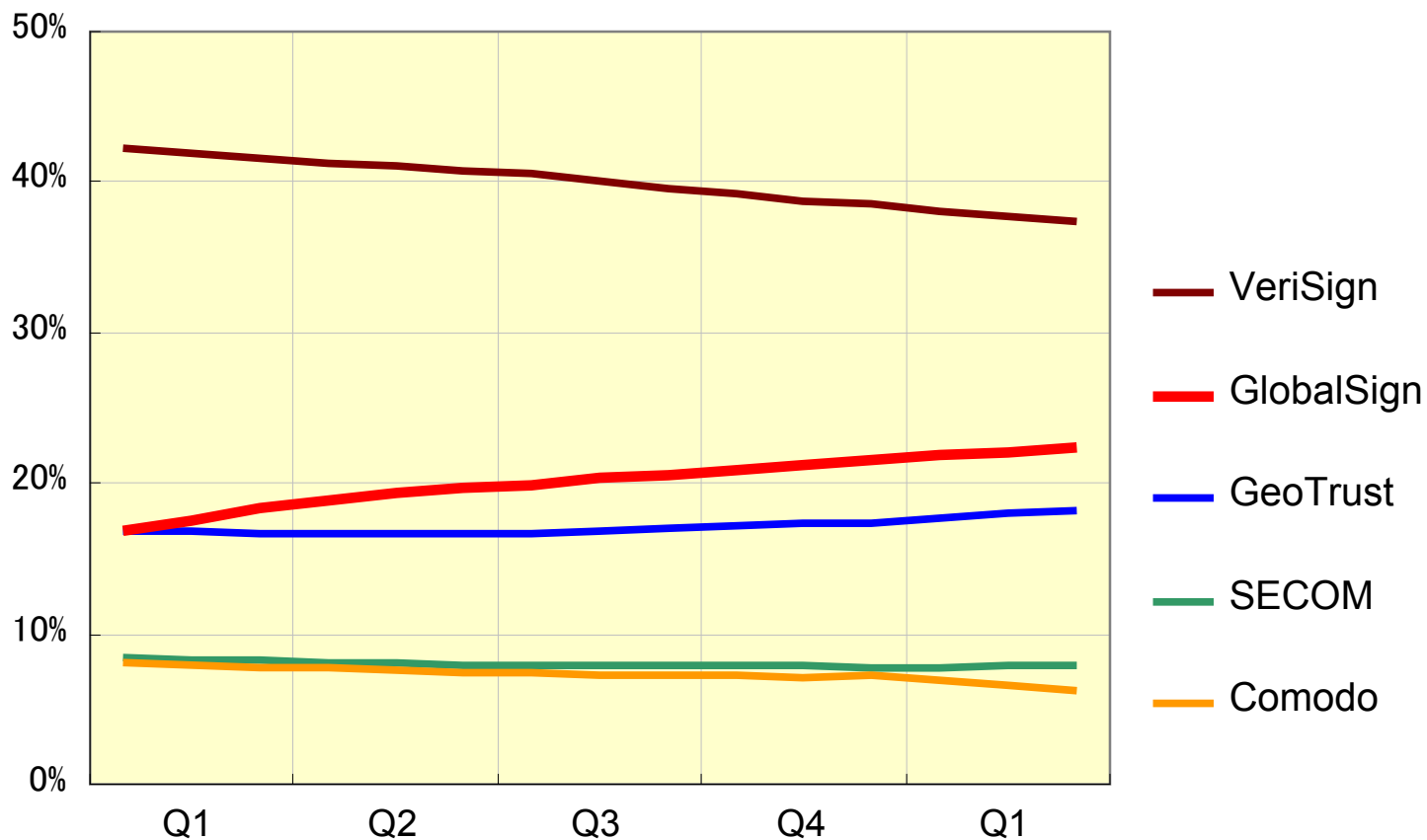
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business model & Other Materials

Domestic Market Share



TSE 1st Section: 9449



Credit Card Payment Processing Business - Key Factors

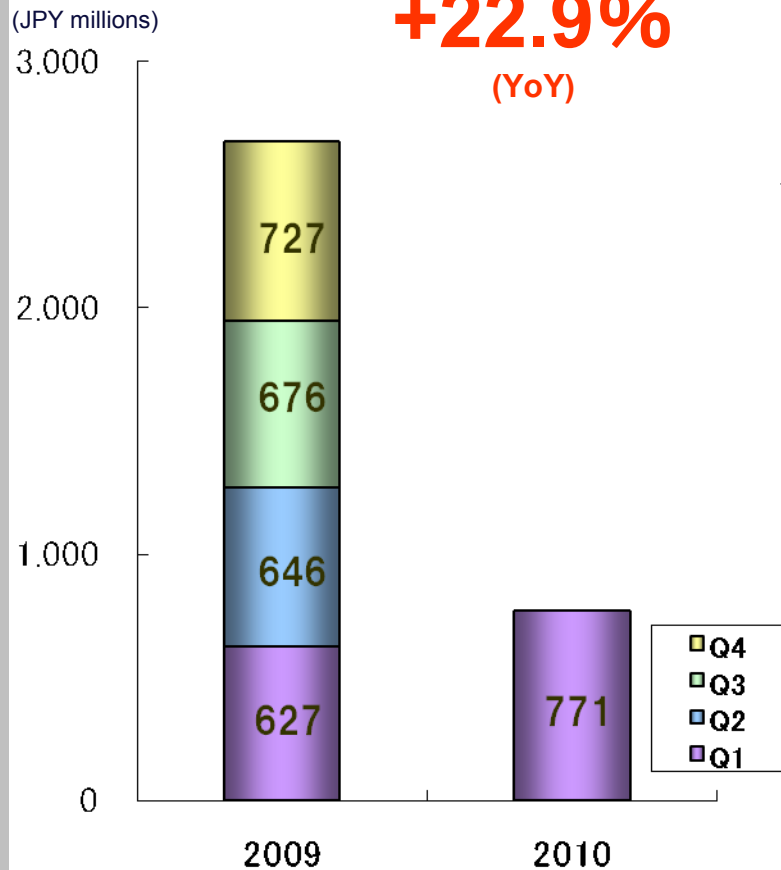
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

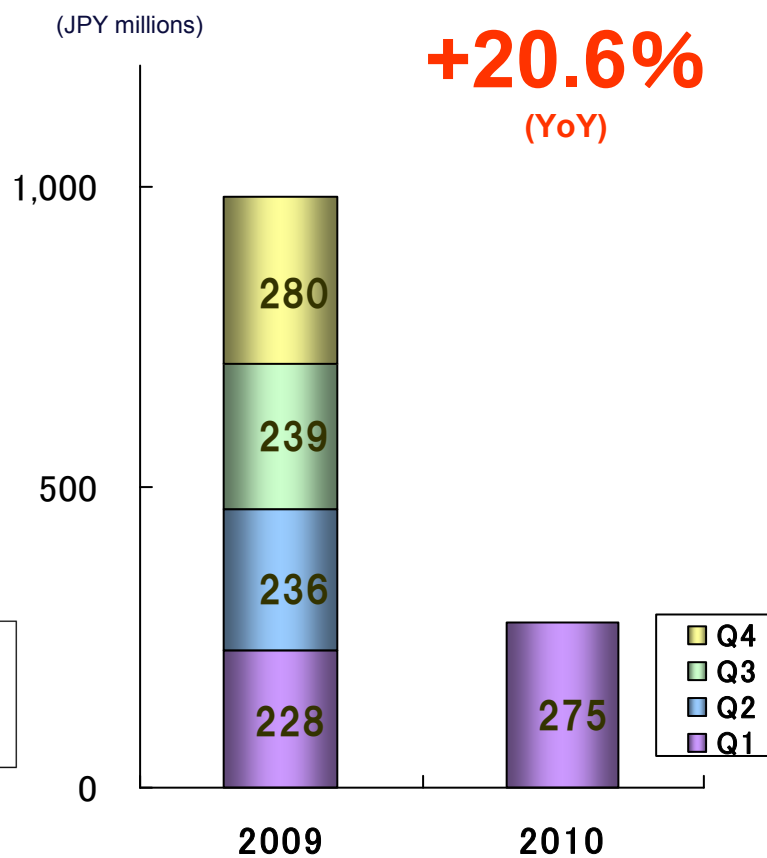
3. Internet Media

4. Business model & Other Materials

Sales



Ordinary Profit



TSE 1st Section: 9449



*GMO Payment Gateway figures revised to GMO Internet accounting standards

1. GMO Internet Group

2. Web Infrastructure
& Ecommerce

3. Internet Media

4. Business model
& Other Materials

3. Internet Media

TSE 1st Section: 9449



Ad Network Business – Key Factors

1. GMO Internet Group

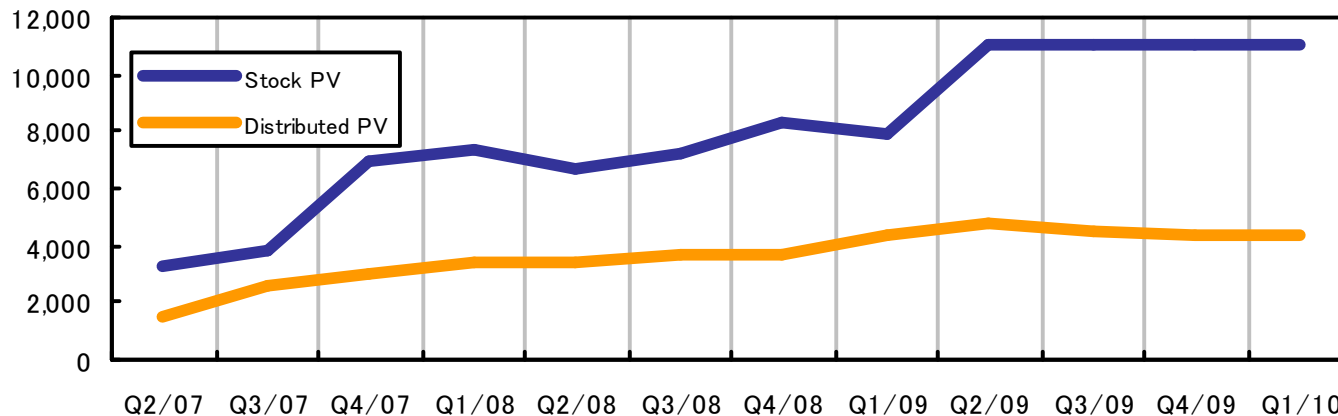
2. Web Infrastructure & Ecommerce

3. Internet Media

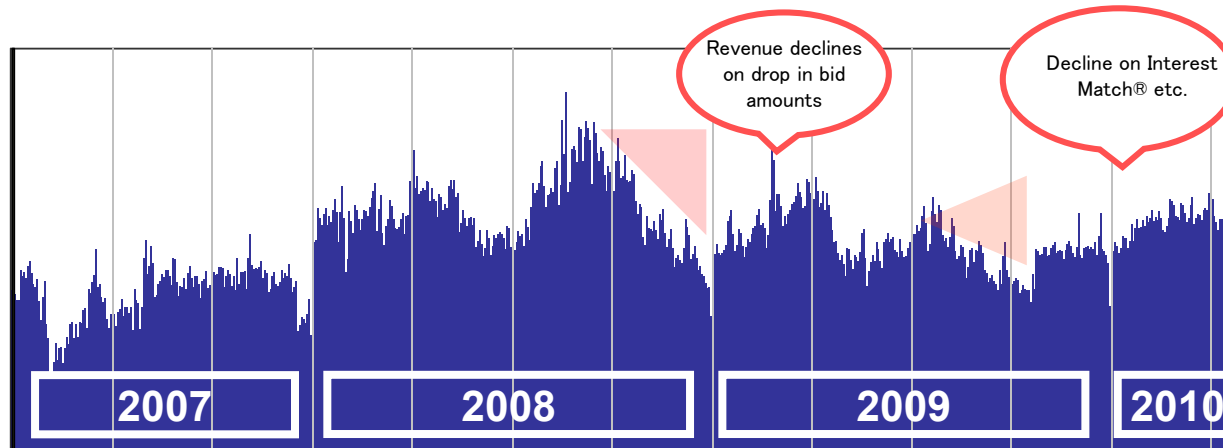
4. Business model & Other Materials

(million page views)

Stock/Distributed
Page Views



Daily Sales



TSE 1st Section: 9449



1. GMO Internet Group

2. Web Infrastructure
& Ecommerce

3. Internet Media

4. Business Model
& Other Materials

4. Business Model & Other Materials

TSE 1st Section: 9449



The GMO Internet Group

1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business Model & Other Materials

Striving to be the “Internet Department” to Japan

The company that has most increased the number of websites (volume of information) on the Internet in Japan



TSE 1st Section: 9449



Services

1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business Model & Other Materials

Web Infrastructure & Ecommerce Segment

Everything required to publish information on the Internet

Domain Registration
Addresses for the Internet

http://www

ドメイン取るなら **お名前.com**

Web Hosting
Website and email data storage

Security
Data encryption

SSLはグローバルサイン
GlobalSign

商品名	数量	小計	消費税
KumagaiStyleオリジナル システム手帳 (リングタイプ)	1	28,280円	込
KumagaiStyleオリジナル システム手帳 (リングタイプ) ポケット「ブラック」	1	15,750円	込
【2008年度版】 スターターバック	1	7,280円	込
商品合計 (税込) :		49,350円	
合計 :		49,350円	

1. 注文者および送料先の情報入力

注文者情報

お名前(全角) フリガナ(全角)

電話番号(半角) 緊急時連絡先(半角)

Copyright (c) クマガイスタイルSHOP All Rights Reserved.

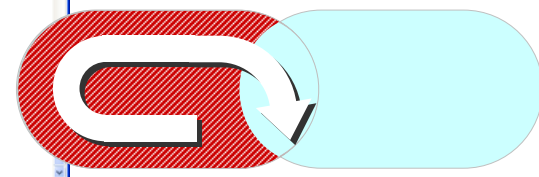
GlobalSign
GMO Internet Group

Ecommerce Solutions & Web Dev.
Ecommerce systems provider

MakeShop
GMO INTERNET GROUP

Payment Processing
Online payment processing

GMO PAYMENT GATEWAY



TSE 1st Section: 9449



Services

1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business Model & Other Materials

Internet Media segment (1)

- Helping websites attract customers

The screenshot shows a Yahoo! Japan search results page for the keyword 'キヤノン' (Canon). The search results are displayed in a grid format. A red box highlights the 'JWord' logo and the search results for 'キヤノン' with a circled '1'. Another red box highlights the 'Premium Word Area' at the bottom. A blue box highlights the 'SEO' logo and the search results for 'キヤノン' with a circled '2'.

①JWord



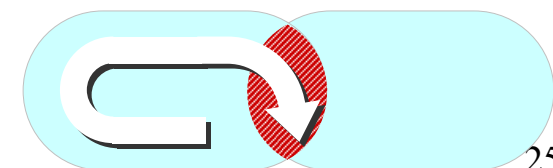
Displays ads at the top of affiliated websites. Directs users to registered sites according to keywords entered into the browser address bar.

②SEO



HTML, site structure and links optimized to improve rankings in search results listings.

TSE 1st Section: 9449



Services

1. GMO Internet Group

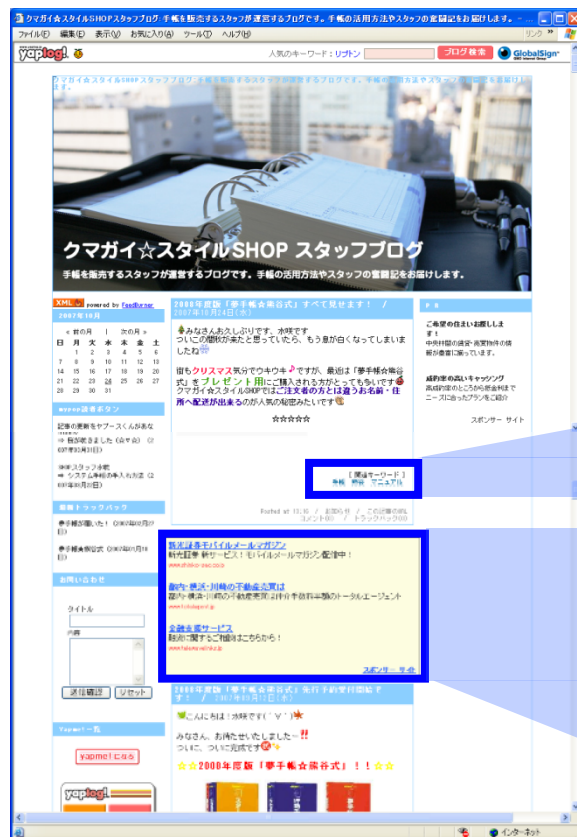
2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business Model & Other Materials

Internet Media segment (2)

■■■ Advertising revenue from owned & operated media



Ad Network

Ads distributed to blog pages and other long tail media through an ad network. Blog post content is analyzed and relevant advertising is displayed.

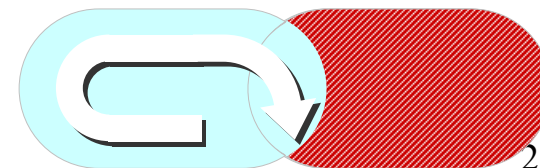
[関連キーワード]
手帳 総覧 マニュアル

都内・横浜・川崎の不動産売買は
都内・横浜・川崎の不動産売買は仲介手数料半額のトータルエージェント
www.totalagent.jp

金融支援サービス
融資に関するご相談はこちらから！
www.telewavelinks.jp

スポンサー サイト

TSE 1st Section: 9449



Business Segments

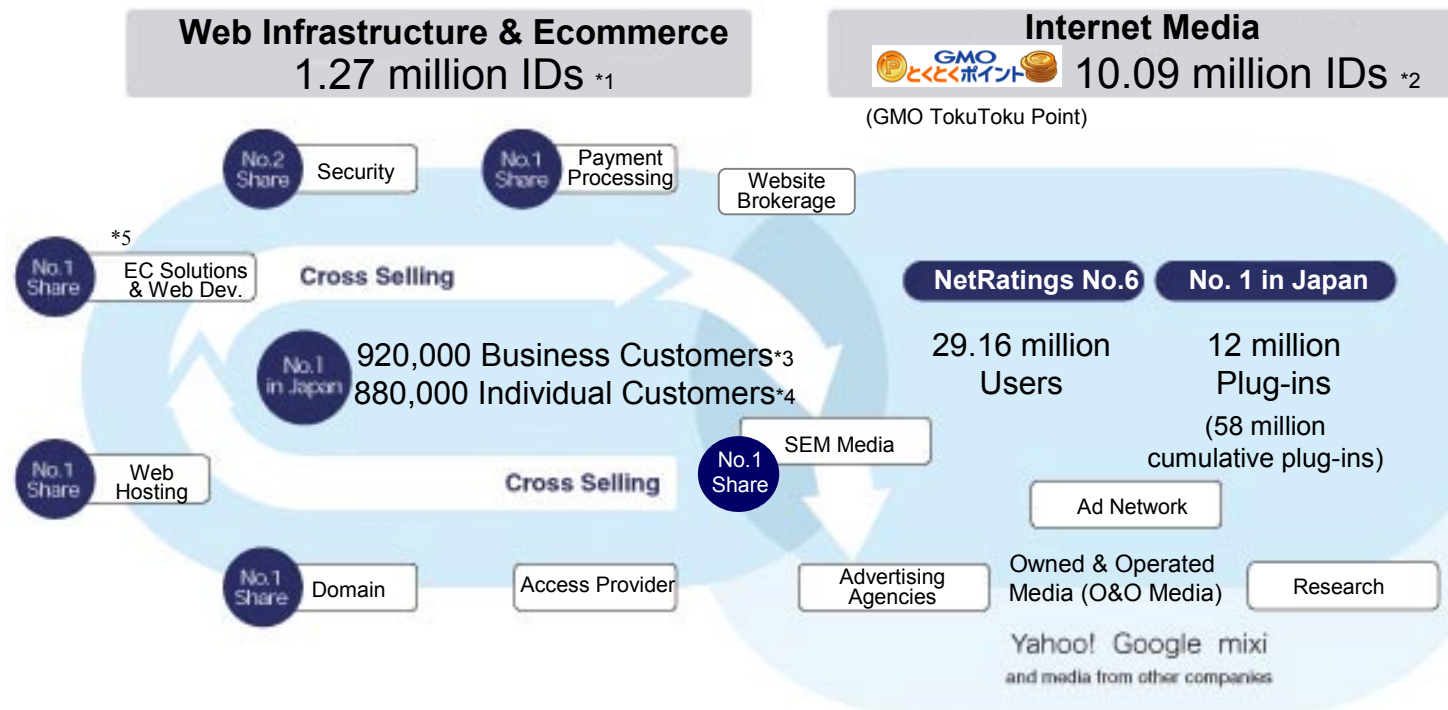
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business Model & Other Materials

Management resources concentrated in two business areas. Our operations support the information delivery and net businesses of 1.8 million customers (*7).



Notes:

- *1. Business and individual domain registrations = no. of integrated customer database IDs
- *2. GMO TokuToku ID members
- *3. Total business members of five major services
- *4. Total individual members of domain and web hosting services
- *5. Based on total number of ecommerce solutions (MakeShop + Color Me Shop!) contracts
- *6. Approximately 71,000 Internet access provider business customers not included in the above figures
- *7. Paying members only

TSE 1st Section: 9449



Web Infrastructure & Ecommerce Segment Customers

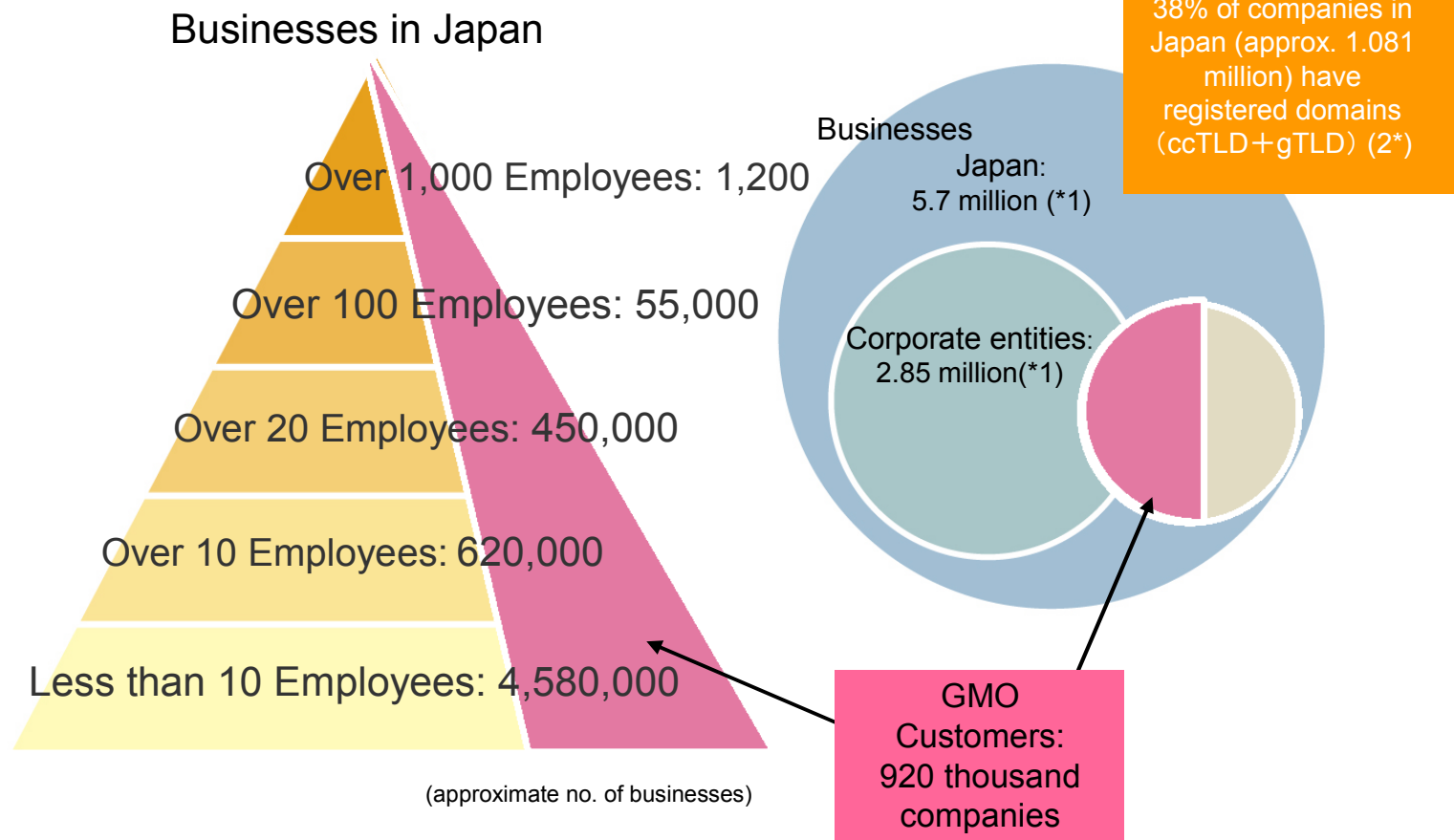
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business Model & Other Materials

920 thousand of the 5.7 million businesses in Japan use our Infrastructure segment services



TSE 1st Section: 9449



*1.Ministry of Internal Affairs and Communications Statistics Bureau 2006 statistical report on business and industry (October 1, 2006)

*2.Our own calculations, JPRS statistics (December, 2006) and the ICANN monthly registry report December 2006.

Internet Media Segment Users

1. GMO Internet Group

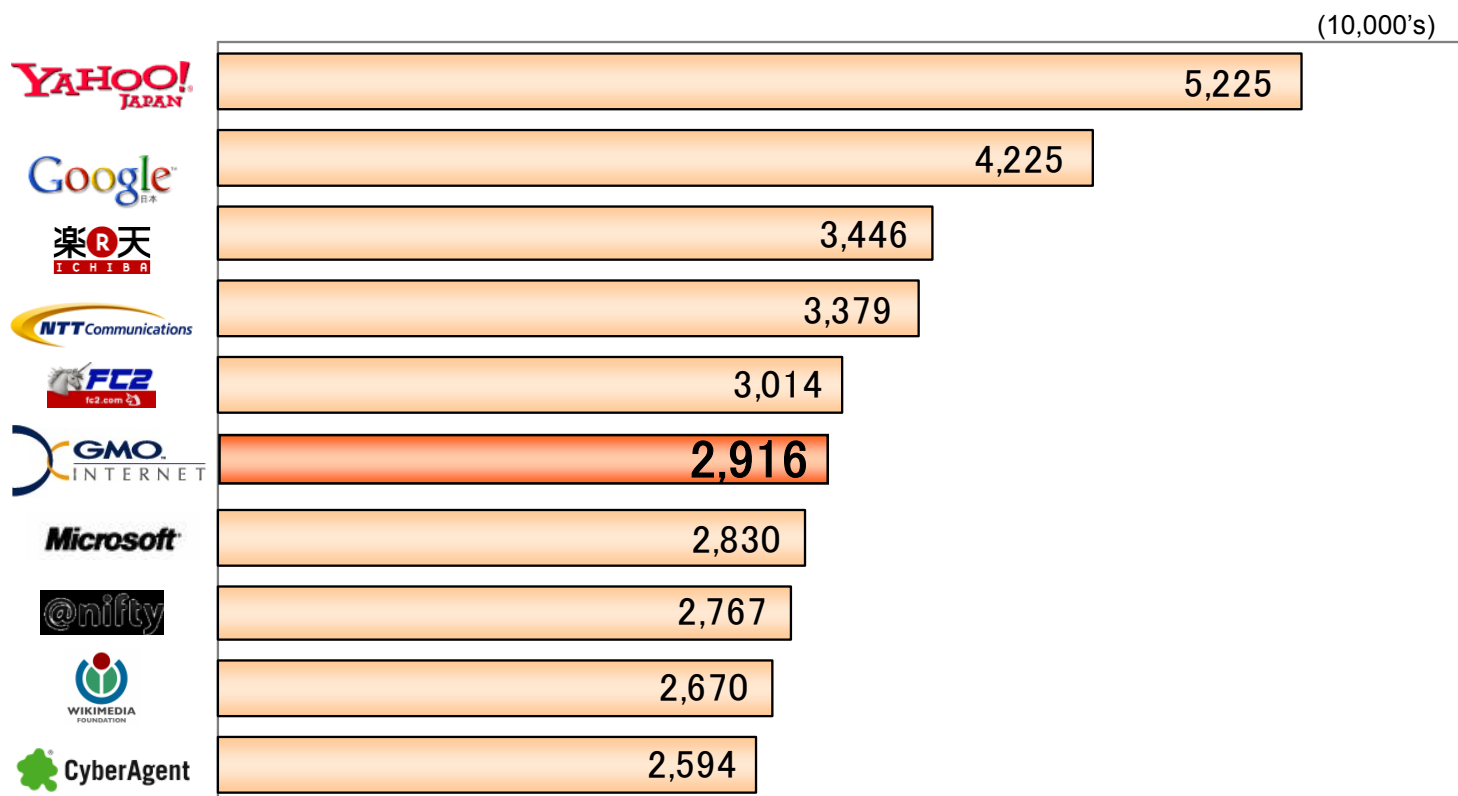
29.1 million users

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business Model & Other Materials

Ranking: Visitors per Month



TSE 1st Section: 9449



Internet Media Segment - Major Internet Media Sites

1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business Model & Other Materials

We are not a portal site or an online shopping mall; we operate a vast line-up of services (major services popular with many of our 29.16 million users)

JWord approx. 5.53 million users



yaplog! approx. 6.92 million users



JUGEM approx. 10.42 million users



teacup. approx. 5.10 million users



ポイント何や approx. 1.44 million users



freaml approx. 5.65 million users



TSE 1st Section: 9449



Nielsen//NetRatings, (3/2010)

GMO Internet Group Strengths

1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business Model & Other Materials

Sophisticated technology, organizational strength & a broad customer base

Stable Customer Base
 920,000* businesses
 880,000* individuals
 1.27 million* IDs

Customer Base

NetRatings Japan Ranking: 6
 29.16 million individual users
 10.09 million IDs

*figures rounded down

Up-Sell **X** Cross-Sell

We Develop Our Own Technology

Overwhelming Domain & Server Market Shares

Advancing into the Global Security Market

Ecommerce Payment Processing
 operating 46 thousand stores

Search / CGM
 55 million Plug-ins

Marketing & Selling Power

Web Marketing
 70 Sites

Call Center
 600 Reps

Sales
 Approx. 7,500 Partners

No. 1 Customer Satisfaction Support

Support Center Open
 24 hours 365 days

Quick Response
 Phone 9 secs
 Mail 9 mins

CTI
 Customer Management System

HDI Japan 2 Stars

Latest Industry Trends Research

Venture Capital
 Securing the latest business innovations

Pay-per-Click Advertising
 On top of industry marketing trends

Net Professionals
 1,698

Research Panel
 7.23 million members

All supported by a formidable organizational strength!

TSE 1st Section: 9449



Main Group Companies

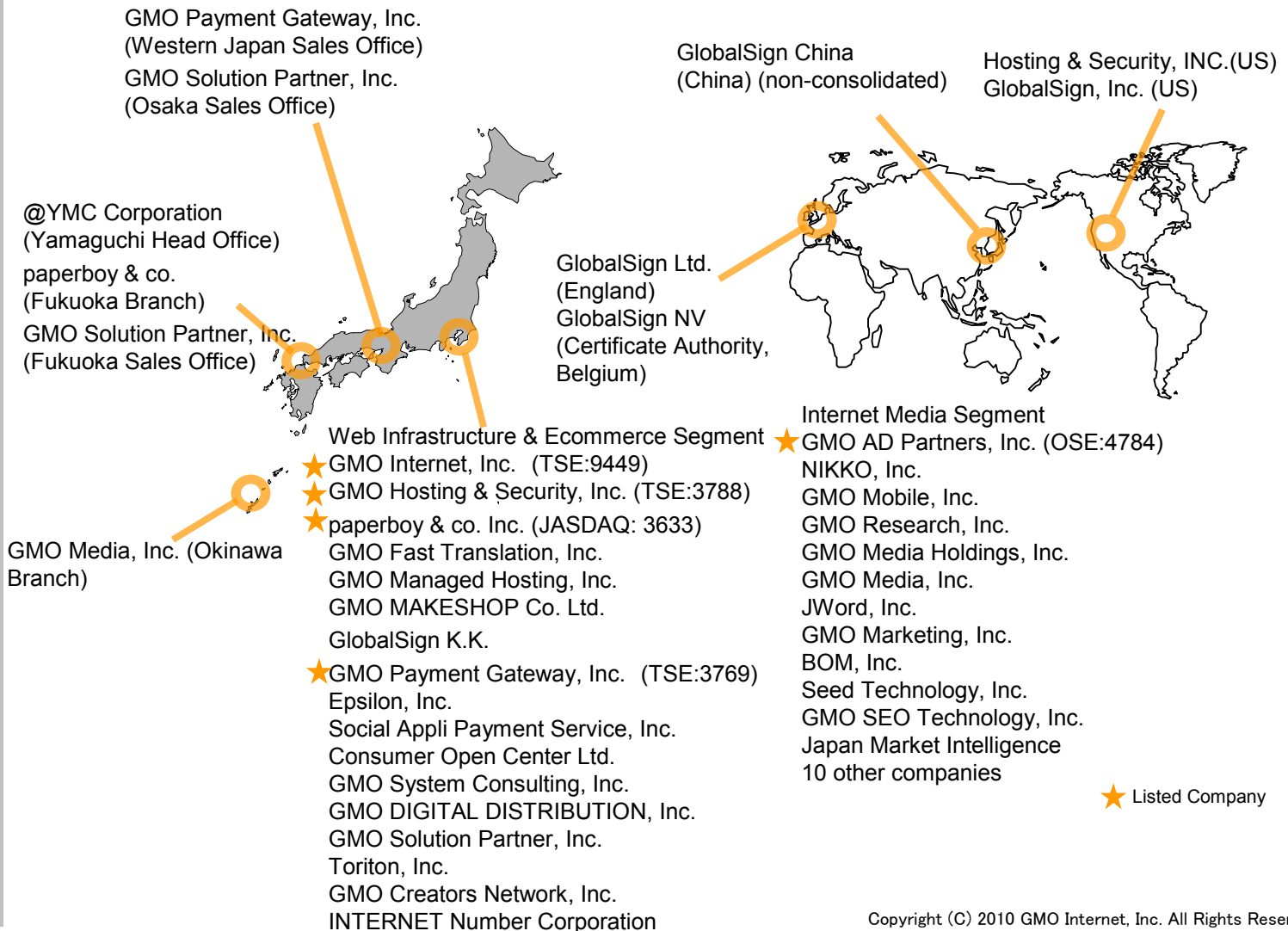
1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business Model & Other Materials

57 Companies (consolidated: 48 non consolidated:9 equity method: 1) 1,698 Employees



TSE 1st Section: 9449



Registry Business Terminology (I)

1. GMO Internet Group

2. Web Infrastructure & Ecommerce

3. Internet Media

4. Business Model & Other Materials

ccTLD	Country code Top Level Domain Eg. .jp (Japan), .us (US), .uk (UK) Top level domains based on two letter ISO 3166-1 country codes. There are approximately 250 ccTLDs used to identify countries including .jp (Japan), .us (US) .cn (China), .uk (UK) and .be (Belgium).
DNS	Domain Name System The network that handles domain names and IP addresses. When a user accesses a web site, their local name server queries DNS servers to determine the IP address of the domain name. DNS returns the IP address allowing the user to view the web server at that address.
DNS Server	A server that supports the operation of DNS, also known as a name server. DNS servers are used to translate a hostname or domain name to its corresponding IP address.
Domain/ Domain name	A domain name is a string of letters that identifies a computer on the Internet in accordance with a set of rules. Although it is often referred to as an Internet "address" , in fact only an IP address can enable access to a computer on the Internet. More accurately speaking a domain is a string of letters that enables addresses on the Internet to be easily located. Each domain name has an IP address and this relationship is managed on the name server (DNS server).
gTLD	generic Top Level Domain Eg. .com, .net, .org etc. Before the establishment of ICANN there were 8 gTLDs, ICANN introduced an additional 13 and there are now 21 gTLDs in use.
ICANN	Internet Corporation for Assigned Names and Numbers is a US based not for profit organization responsible for managing the assignment of domain names and IP addresses. ICANN also holds the authority to designate official domain registrars. ICANN holds international conferences three times a year, in between it also hosts workshops and other events. ICANN is the decision making body for the Internet.
IDN	Internationalized Domain Names. Refers to non-alphabet domain names. Includes any script that conforms to Unicode standards.

TSE 1st Section: 9449

Registry Business Terminology (II)

1. GMO Internet Group

2. Web Infrastructure
& Ecommerce

3. Internet Media

4. Business Model
& Other Materials

IP Address	An IP address is a numerical identification assigned to computers on the Internet in accordance with Internet Protocol. Eg. 123.456.12.3 All computers connected to the Internet have an IP address.
Japanese language (character) domain	An IDN that contains a Japanese language character string. Eg. ドメイン.com, 日本語.jp. Japanese language domain names have been available using .com, .net and .org since 2000 and with .jp since 2001.
new gTLD	The ICANN new gTLD program, will allow new top level domains to be introduced, it is expected to expand both the number of domains and usage of domains on the Internet. It will also allow applications for top-level domains (IDN gTLD) in other languages.
Registrar	ICANN accredited registrars can directly register domain data into registry databases under contract with the relevant registry. While there is only one registry for each top-level domain, multiple registrars exist to promote competitive pricing and service. Onamae.com is one of 10 ICANN accredited registrars in Japan.
Registry	An organization that maintains a central database of domain names data for a particular domain. Different domains are managed by different registries. Registries are required to maintain neutrality and guarantee equal access to the Shared Registry System (SRS) for all registrars. Under the new gTLD program, successful applicants will be able to operate registry services for new gTLDs.
Root server	The root server is a DNS server that operates the DNS root zone at the top level of the DNS hierarchy. When a new domain is registered or a domain name server is changed it is first recognized as valid by the root server. There are currently 13 root servers worldwide, including Japan, that balance server load and reduce risk.
Top level domain	Domain names have a hierarchical structure. For example in the domain www.gmo-registry.com “.com” on the far right is the top-level domain, to the left of top level domain separated by a dot is the second level domain (SLD) next to that is the third level domain (3LD) Top level domains are managed by a registry (as are some SLDs), second level domains are managed by a registrar under contract with the registry.

TSE 1st Section: 9449