1st Quarter Fiscal Year 2015

Results Presentation

GMO INTERNET

STOCK CODE : 9449

April 30, 2015

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Executive Summary: Q1 FY2015 (1-3/2015)

Business Performance

- Net Sales: JPY **32.5B** (up **20.6**% YoY) Quarterly sales exceeds JPY30B for first time
- Operating Profit: JPY **3.85B** (up **70.7**% YoY) Strong start to 2015

Segment Report

・Internet Infrastructure	Revenue up **16.0**% Profit up **3.4**% Approx. JPY300 million promotion spend on minne
・Internet Securities	Profit up **60.8**% Global No. 1 in FX Trading Volume
・Online Ad & Media	Revenue up **27.4**% Profit up **3.8**% Peak ad season drives revenue over JPY10B for first time
・Mobile Entertainment	Major improvement in profit/loss Positioned to produce hit title

Strengthening strengths and reinforcing weaker segments with strong products

Internet Infrastructure	Strengthening Strengths In Japan: Brand Reinforcement Globally: Expansion into global markets
Internet Securities	Strengthening Strengths Expanding market share with technology-edge and cost leadership strategy
Online Ad & Media	Introducing No. 1 Products Focus on technology, proprietary product development
Mobile Entertainment	Introducing No. 1 Products Generate profit, leverage operational expertise and aim to produce hit title.

Q1 Financial Results

Significant revenue and profit growth

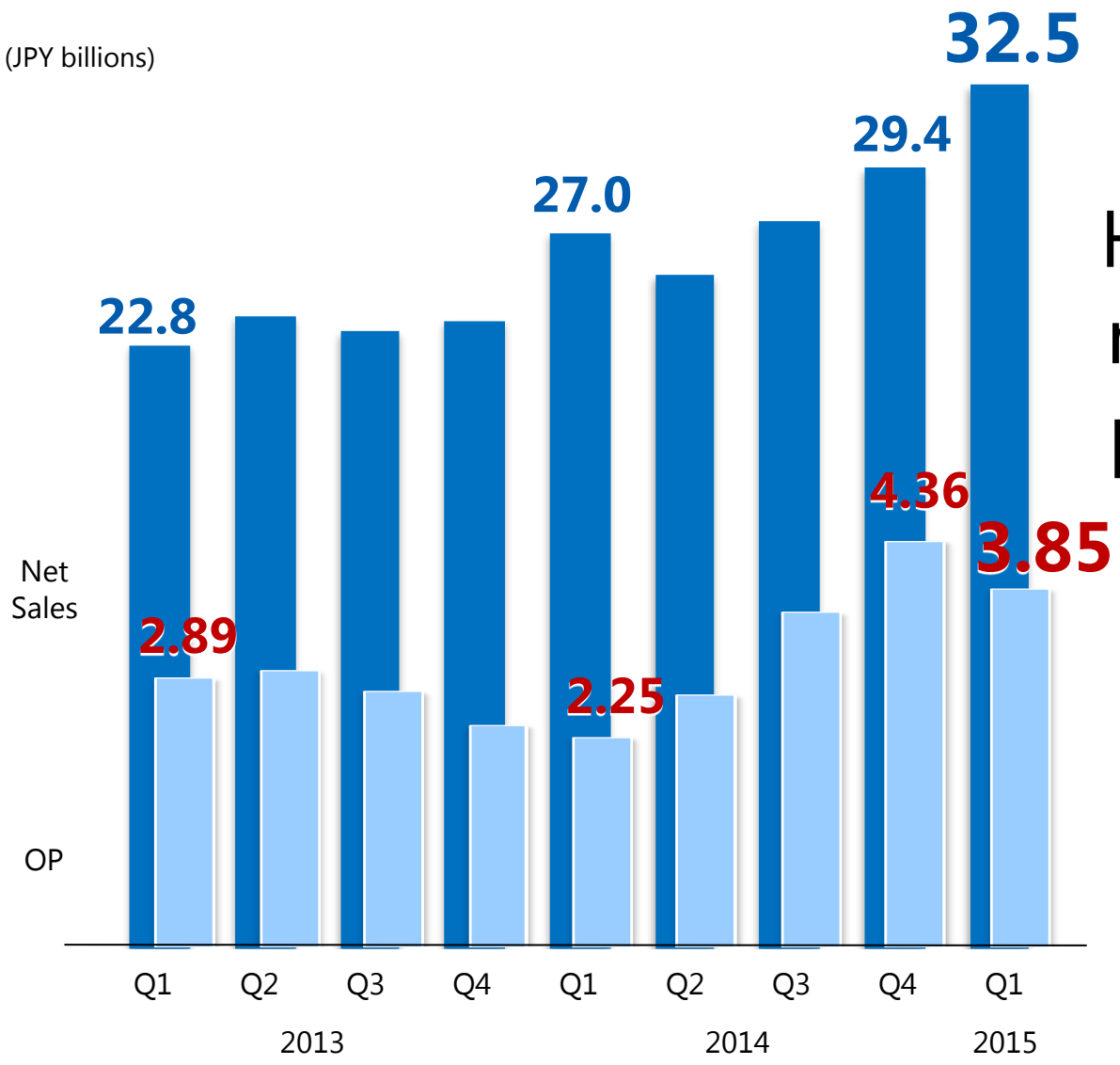
(JPY billions)	1-3/2014	1-3/2015	YoY Growth
Net Sales	27.02	32.58	+20.6%
Operating Profit	2.25	3.85	+70.7%
Ordinary Profit	2.24	3.88	+73.3%
Net Profit	0.94	1.86	+96.9%

Progress toward Year End Forecasts

Strong start to FY2015

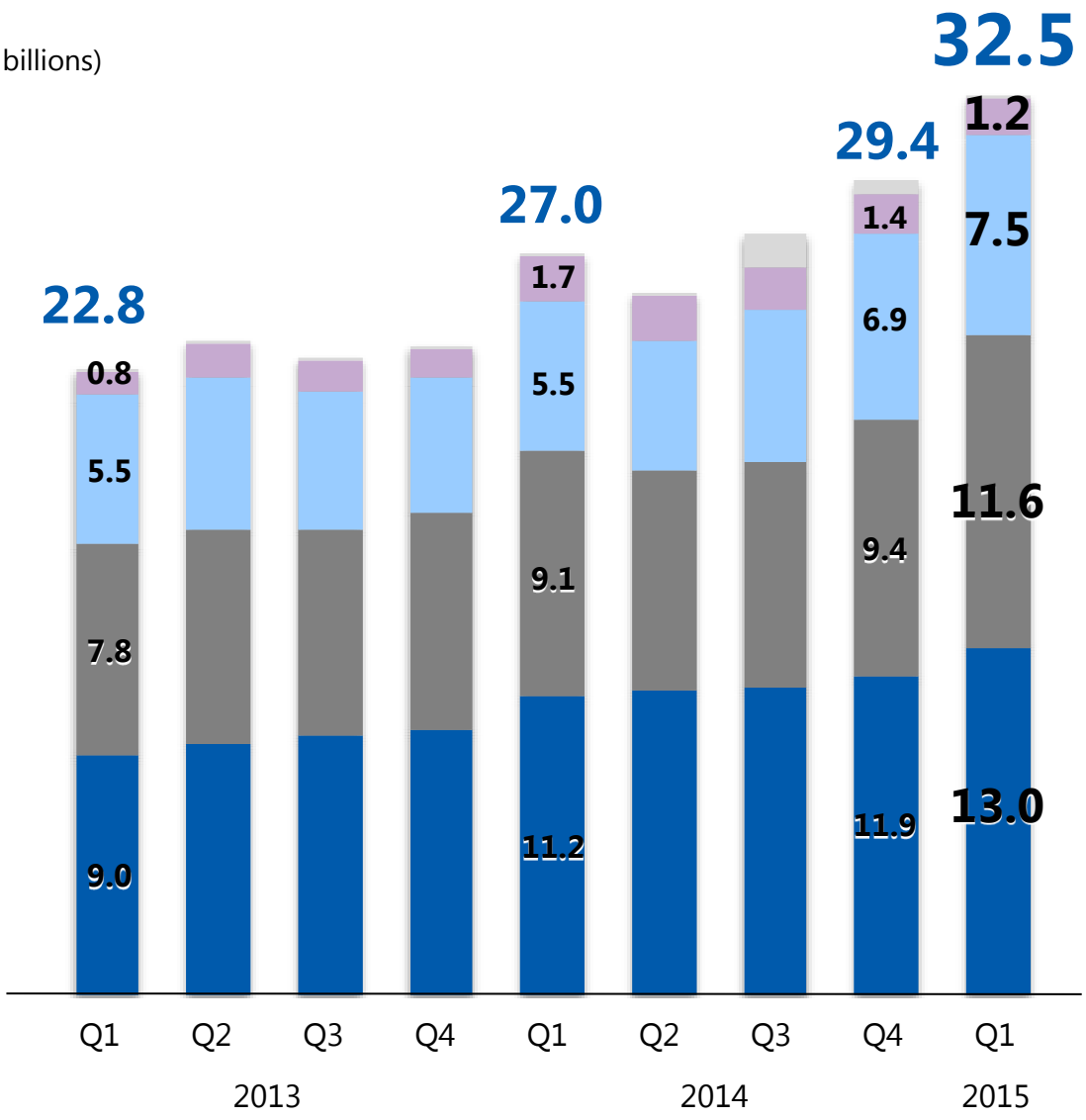
(JPY billions)	FY2015 Forecast	1-3/2015	Progress
Net Sales	121.0	32.58	26.9%
Operating Profit	14.3	3.85	26.9%
Ordinary Profit	14.3	3.88	27.2%
Net Profit	6.5	1.86	28.7%

Quarterly Earnings



High profit levels maintained from previous quarter

Net Sales by Segment

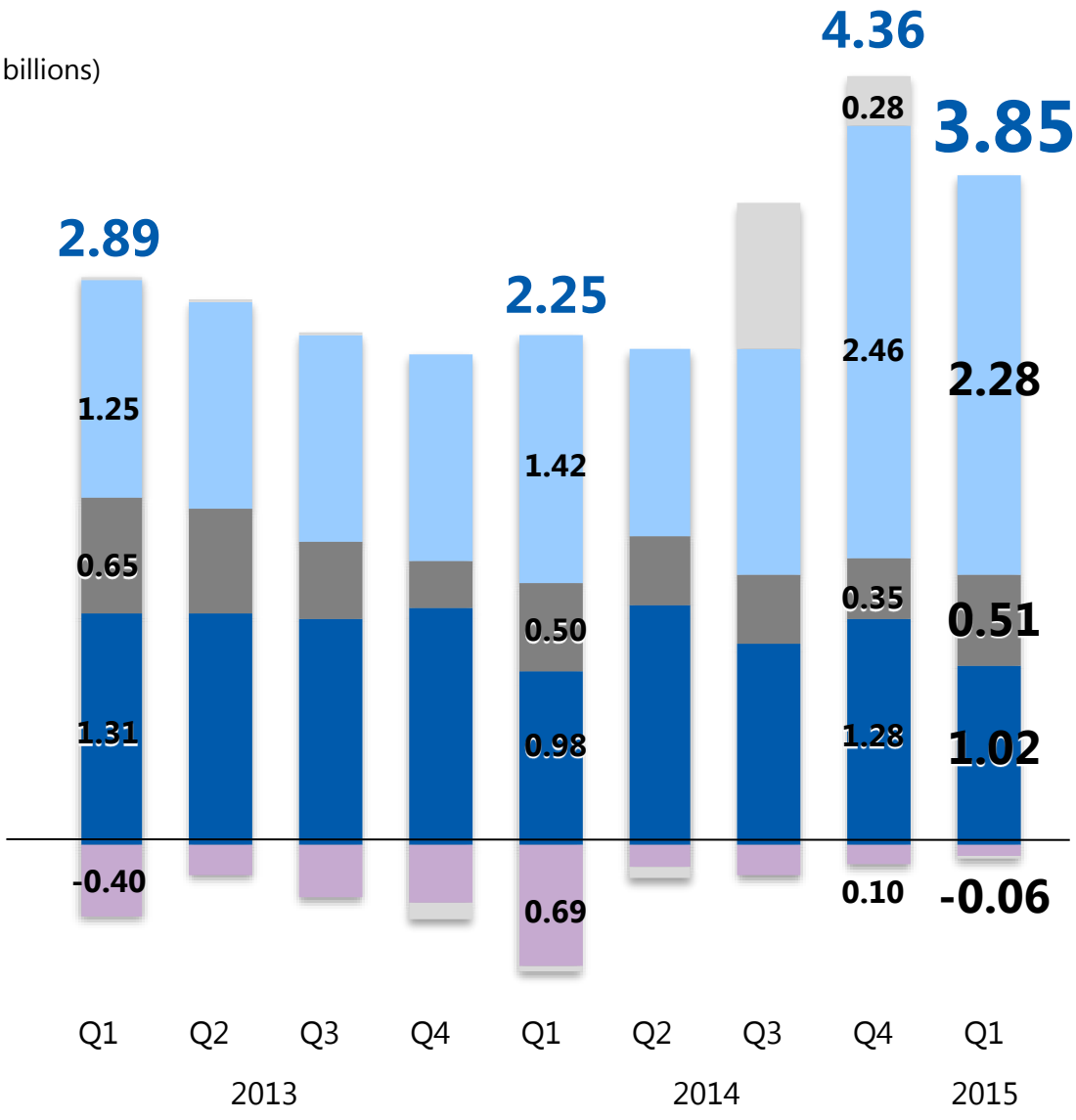


Revenue grows

20% to exceed

JPY30B

Profit by Segment



Profits Up

70% YoY

4/1 IPO

JASDAQ 7177

GMO CLICK Holdings

Expanding globally with competitive edge in technology

GMO INTERNET

GMO CLICK HD HOLDINGS (Holdings company)

GMO CLICK SEC SECURITIES	(JP) FX, securities trading for active traders
FXPRIME by GMO	(JP) FX trading, market data for beginners
GMO CLICK HONG KONG	(HK) FX, CFD trading
GMO-Z.com Trade UK Ltd.	(UK) FX

Market Cap / Equity Share in Listed Group Companies

Group Listed Companies – Equity Share

Stock Code	Stock Name	Exchange	Market Cap (JPY millions) *1	% Ownership *2	Equity Share (JPY millions)	Market Cap/Equity Share Ratio
9449	GMO Internet	TSE 1	178,359			
7177	GMO CLICK Holdings	TSE JQS	134,022	98.4%	131,878	
3769	GMO Payment Gateway	TSE 1	109,003	51.6%	56,245	
3633	GMO Pepabo	TSE JQS	12,853	64.2%	8,252	
3788	GMO CLOUD	TSE 1	10,559	51.3%	5,417	
4784	GMO AD Partners	TSE JQS	8,647	56.2%	4,860	
6026	GMO TECH	TSE MOTHERS	7,062	52.2%	3,686	
3695	GMO Research	TSE MOTHERS	4,125	54.7%	2,256	
	Group Total		464,630 *3		212,594	

*1 Market value as of 4/28/2015
*2 Includes indirect holdings
*3 Calculated as the sum of the listed market cap values

Consolidated Profit and Loss

(JPY100 millions)	Q1 FY2014 (1-3/2014)	**Q1 FY2015 (1-3/2015)**	YoY
Net Sales	270.2	325.8	20.6%
Cost of Sales	129.4	159.3	23.1%
Gross Profit on Sales	140.8	166.5	18.2%
SGA	118.3	128.0	8.2%
Operating Profit	22.5	38.5	70.7%
(OP Margin)	8.3%	11.8%	+3.5pt
Ordinary Profit	22.4	38.8	73.3%
Extraordinary Profit	7.2	0.2	-96.2%
Extraordinary Loss	3.4	3.0	-11.7%
Profit before Tax	26.1	36.0	37.9%
Corporate Tax	12.7	13.2	4.0%
(Corporate Tax Rate)	48.9%	36.9%	-12.0pt
Minority Interests	3.8	4.1	5.9%
Net Profit	9.4	18.6	96.9%

Consolidated Balance Sheet

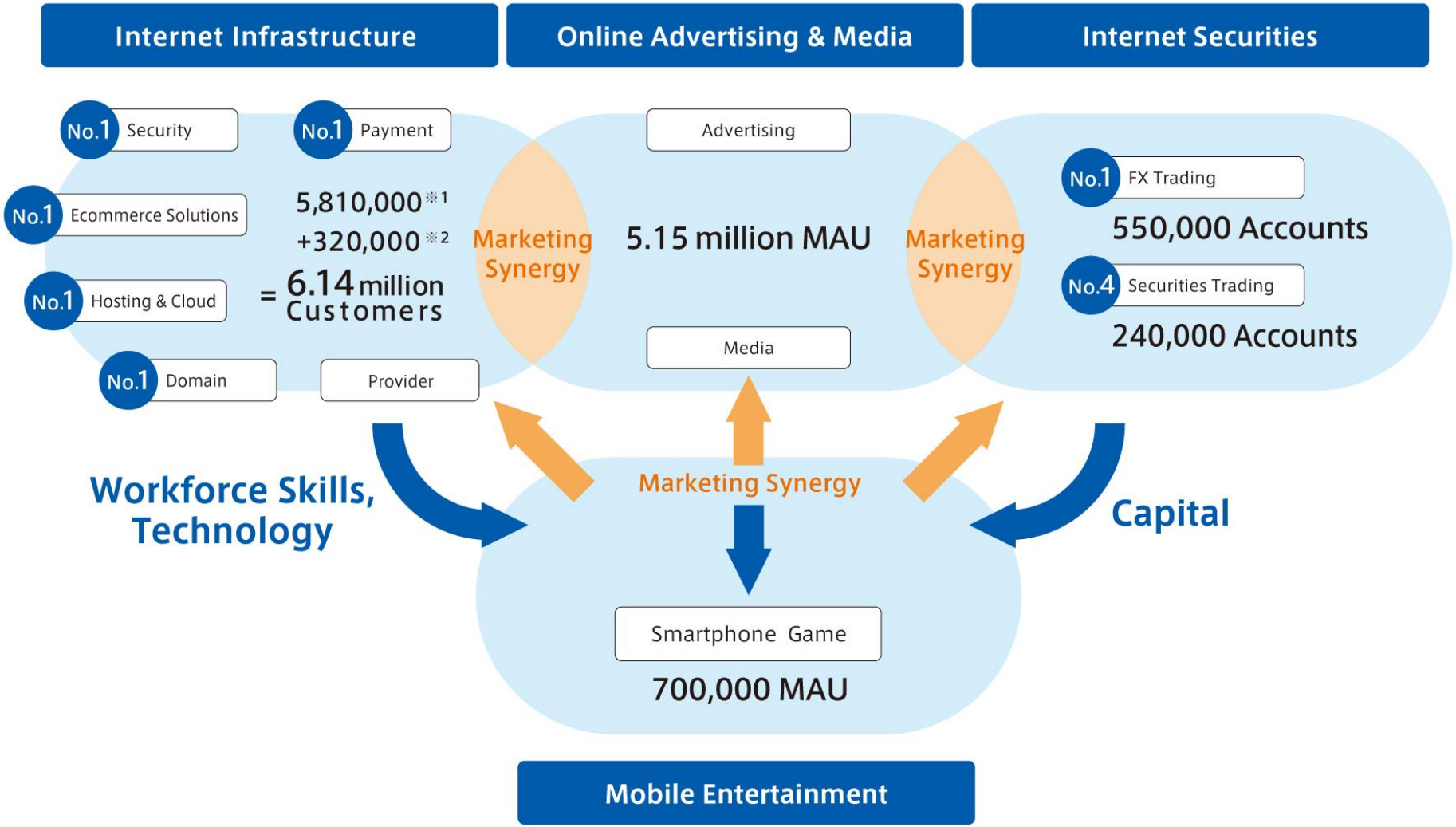
(JPY100 millions)	12/2014	**3/2015**	Change	GMO CLICK HD (12/2015)	Change
Current Assets	4,612	**5,263**	14.1%	4,623	15.7%
Cash & deposits	695	**810**	16.6%	377	42.6%
Fixed assets	221	**216**	-1.9%	33	-10.8%
Goodwill	39	**33**	-14.3%	0	-42.9%
Software	42	**45**	7.6%	14	15.1%
Investment securities	23	**21**	-10.7%	0	-13.1%
Total Assets	4,833	**5,480**	13.4%	4,657	15.4%
Liabilities	4,394	**5,036**	14.6%	4,453	16.1%
Interest-bearing debt	300	**594**	98.2%	498	146.7%
Net Assets	438	**443**	1.1%	203	2.7%
Minority Equity	146	**142**	-2.9%	9	6.6%
Shareholders Equity	292	**301**	3.1%	193	2.5%
Earned Surplus	194	**206**	6.4%	174	7.6%
(Shareholders' Equity Ratio)	6.1%	**5.5%**	-0.6pt	4.2%	-0.5pt
Liabilities/Net Assets Total	4,833	**5,480**	13.4%	4,657	15.4%

Consolidated Cash Flow

(JPY 100 millions)	Q1 FY/2014 (1-3/2014)	**Q1/FY2015 (1-3/2015)**	GMO CLICK HD (1-3/2015)
Operating Cash Flow	-134.5	**-155.9**	-175.7
Investing Cash Flow	-6.6	27.2	30.8
Financing Cash Flow	169.0	**277.0**	290.0
Change in Cash and Equivalents	27.2	**145.5**	144.7
Balance of Cash and Equivalents	556.6	**797.5**	365.9

Business Segments (Composition)

Market share growth accelerating across all segments



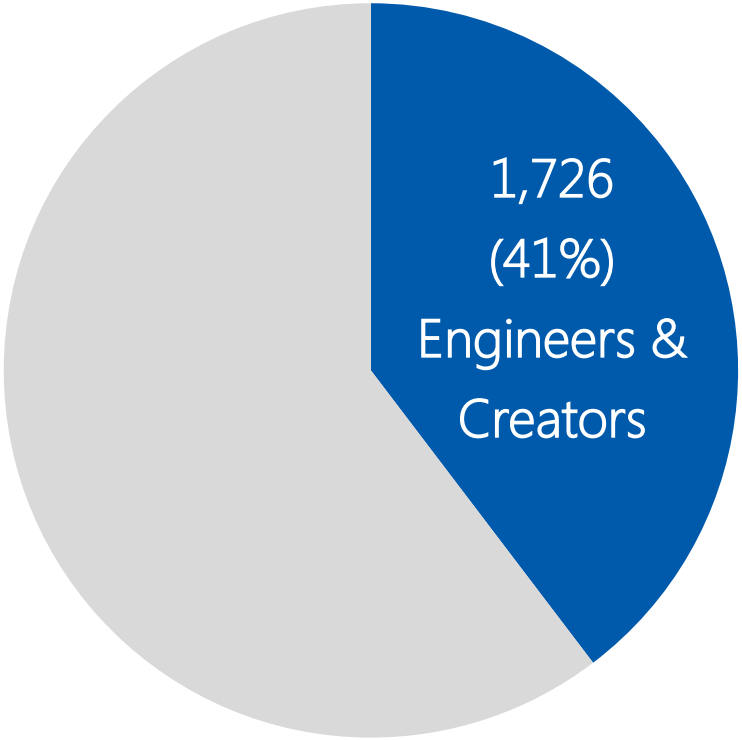
*1 Customer contracts in Internet Infrastructure (excluding Provider)
*2 Customer contracts in Provider sub-segment

Strengths - Technology

GMO INTERNET

Highly skilled engineers supporting the Internet “platform”

4,188 Group Staff



All products developed, sold and supported in-house

Number 1 in Customer Satisfaction

GMO CLICK Securities
Oricon Customer Service Awards
No.1 in Securities

GMO AppsCloud
Top Award for
4 consecutive years

GMO CLOUD
2014 Business Cloud
Triple A Rating

GMO GlobalSign
Online Trust Honour Roll Award

GMO Internet
Microsoft Partner of the Year 2013
Hosting Competency Award

(as of 3/2015)

Segment Composition

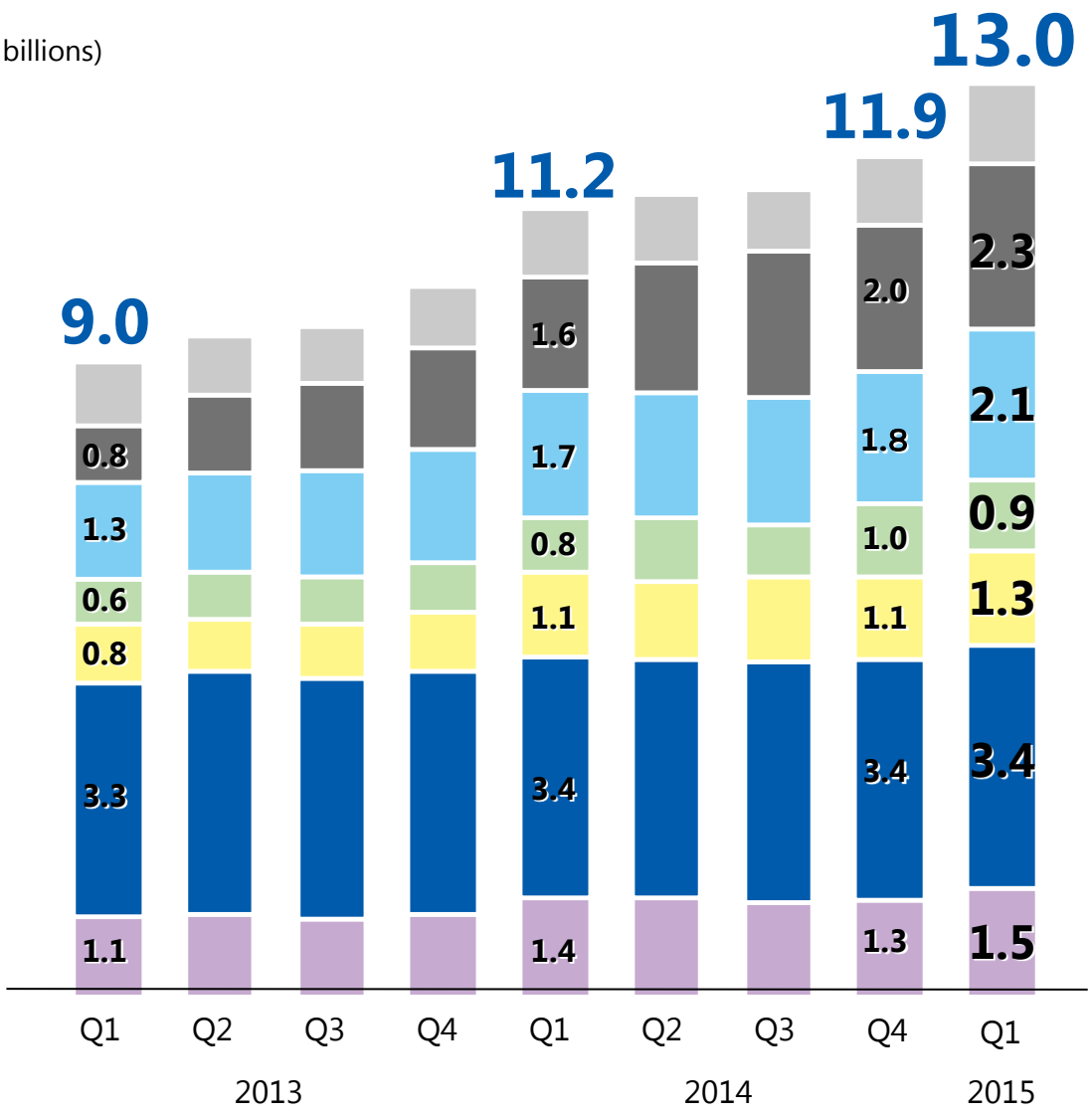
Number one across all infrastructure products

Strong No. 1	Domain	お名前.com / MuuMuu Domain / DigiRock,Inc.	Domestic gTLD market share at 92.9%*1
Strong No. 1	Hosting & Cloud	お名前.com レンタルサーバー / LOLIPOP! RENTAL SERVER / GMO Cloud / ConoHa / GMO AppsCloud / CORESERVER.JP	Domestic market share at 56.1%*2
No. 1	Ecommerce	カラーミーショップ / MakeShop	86,000 stores (73,000 paid stores)
No.1	Security	GlobalSign GMO INTERNET GROUP	12.2% YoY increase in certificate issues
No. 1	Payment	GMO PAYMENT GATEWAY / GMO EPSILON	54,000 merchants

*1 Based on our own data

*2 Webhosting.info

Net Sales by Sub Segment

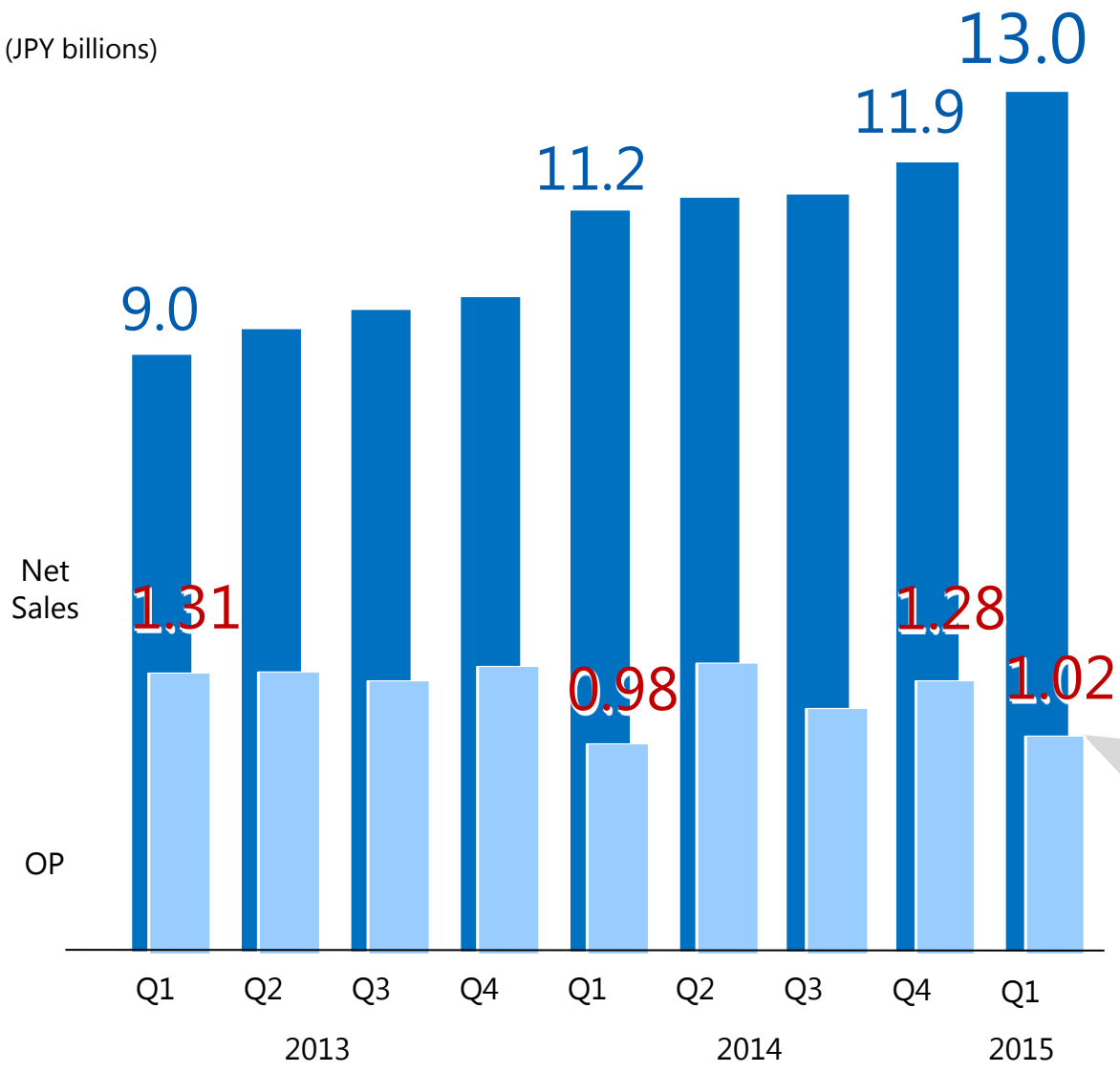


Record High Revenue

JPY **13.0B**

Strong Payment, Ecommerce

Historical Performance by Quarter



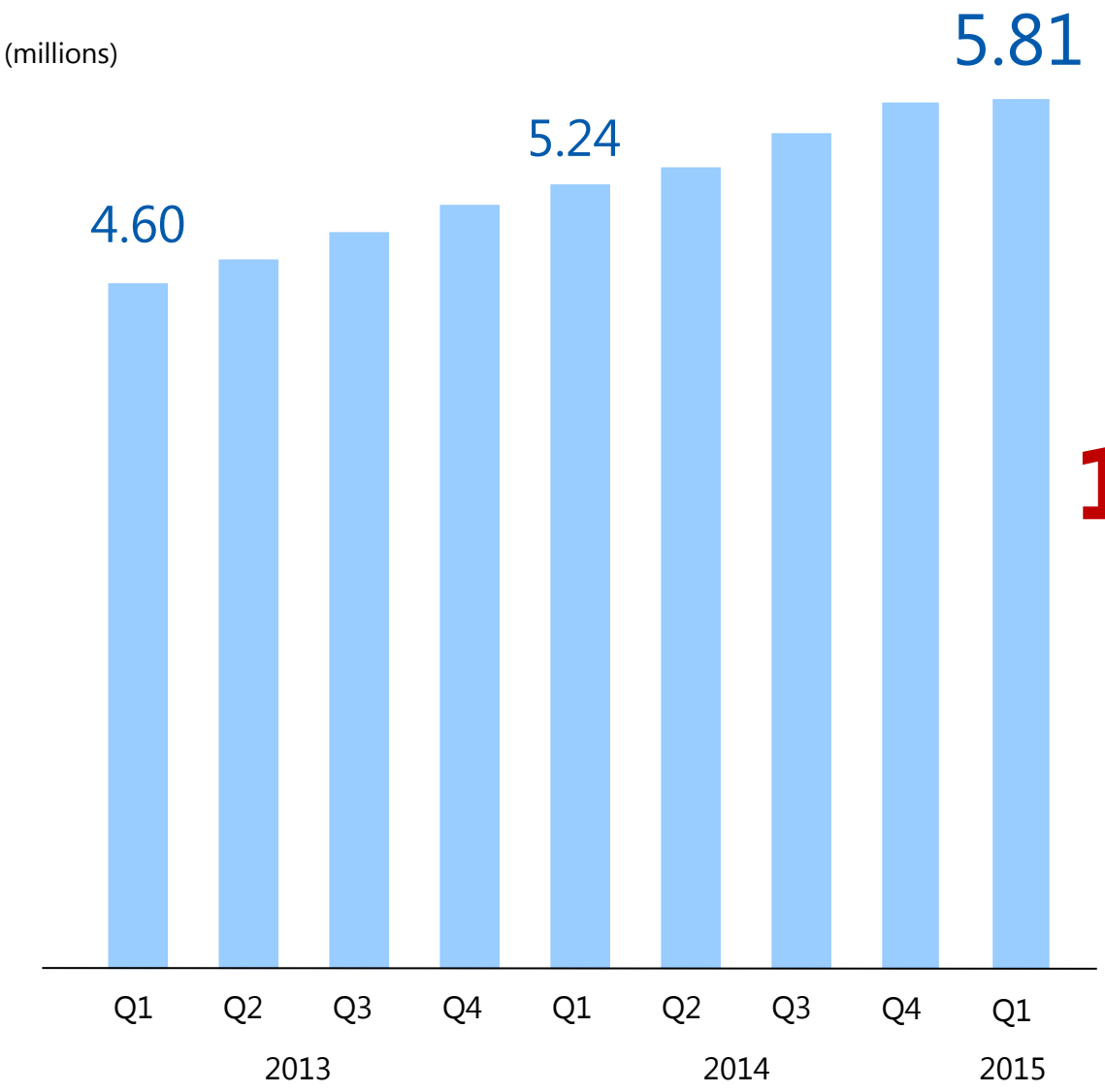
Revenue up **16.0%**

Profit up **3.4%**

YoY

minne promotion	**300M**
Ubisecure goodwill	**80M**

Internet Infrastructure Contracts



5.81M contracts

10.8% YoY growth

*Excludes Provider contracts (approx. 320,000 contracts)
*Excludes non-Japan Security contracts (approx. 20,000)

Strategic Investment: C2C Handmade Online Market

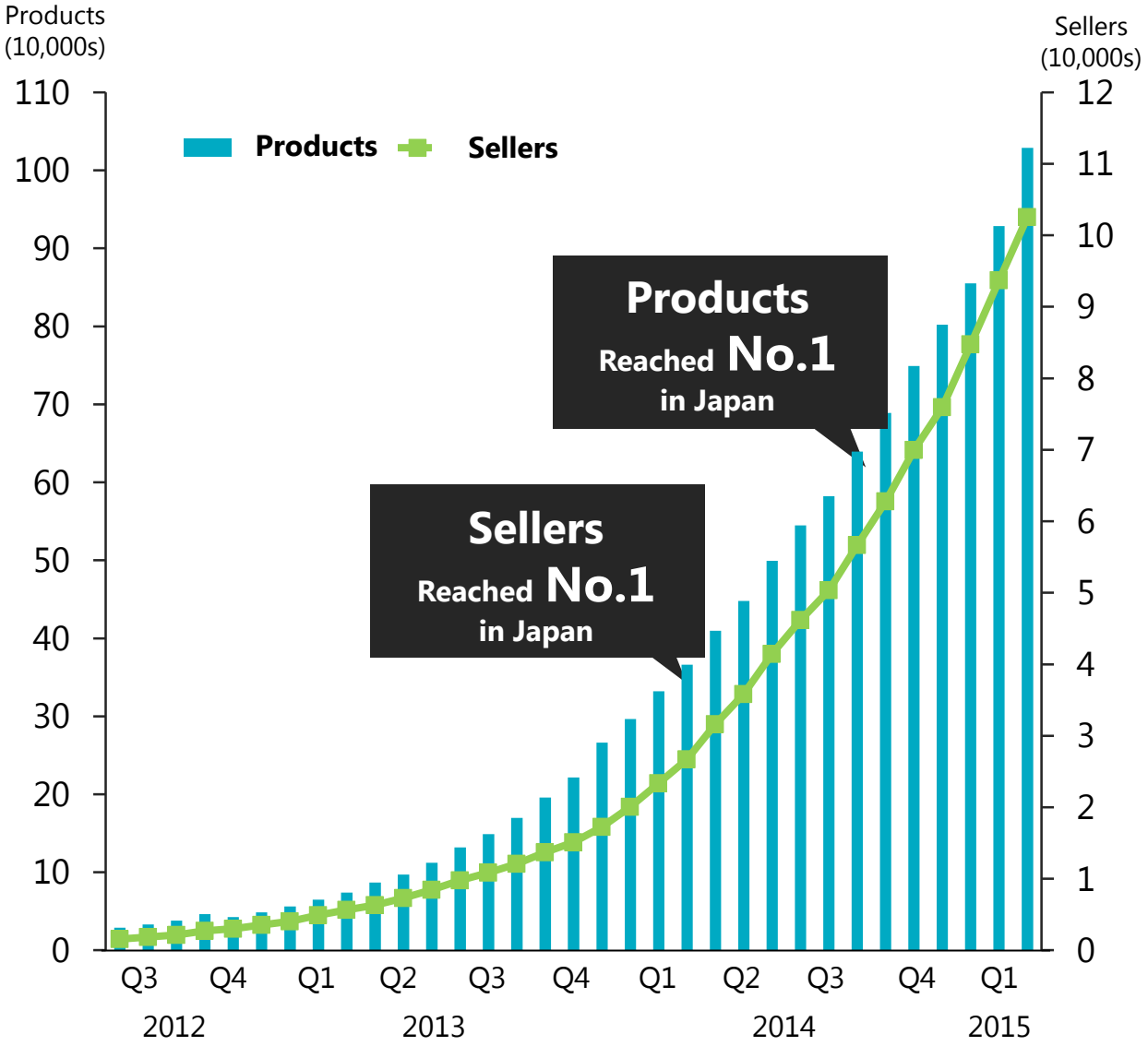
Rapid growth in KPI following strategic investment

- **Sellers: 102,000** — Japan No1
- **Products: 1.02M** — Japan No1
- **App downloads: 1.31M** — YoY 15.5x
- **Transactions: JPY610M/Q** — YoY 3.5x

(as of 3/2015)

Strategic Investment: C2C Handmade Online Market

Growth in participation, products



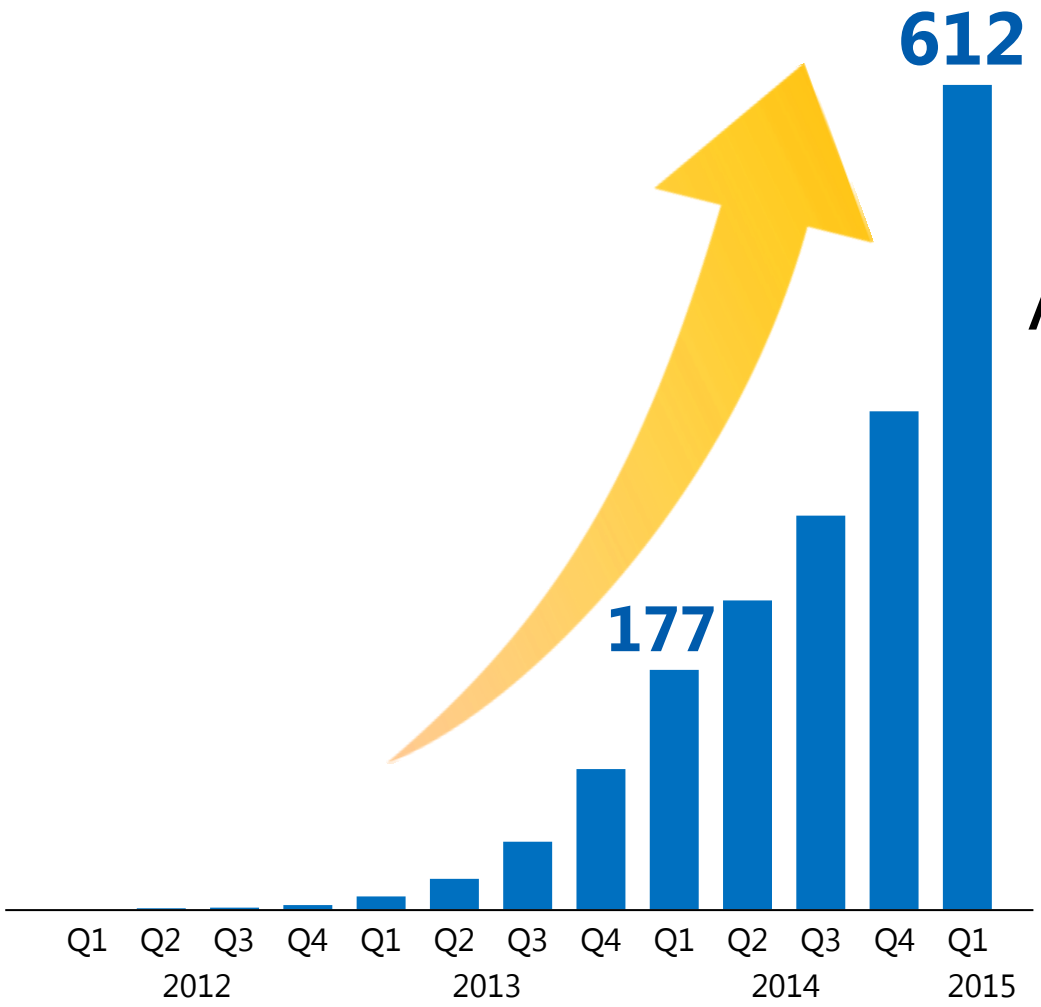
Record High Quarterly Registrations

(Sellers and Products)

Strategic Investment: C2C Handmade Online Market

Transaction Volume

(JPY millions)



YoY3.5x increase

Accelerated growth following strategic investment

Strategic Investment: C2C Handmade Online Market

Going forward

2015 Targets

Sellers 200,000

Products 2M

App Downloads 5M

Increase Seller Participation and No. of Products

×

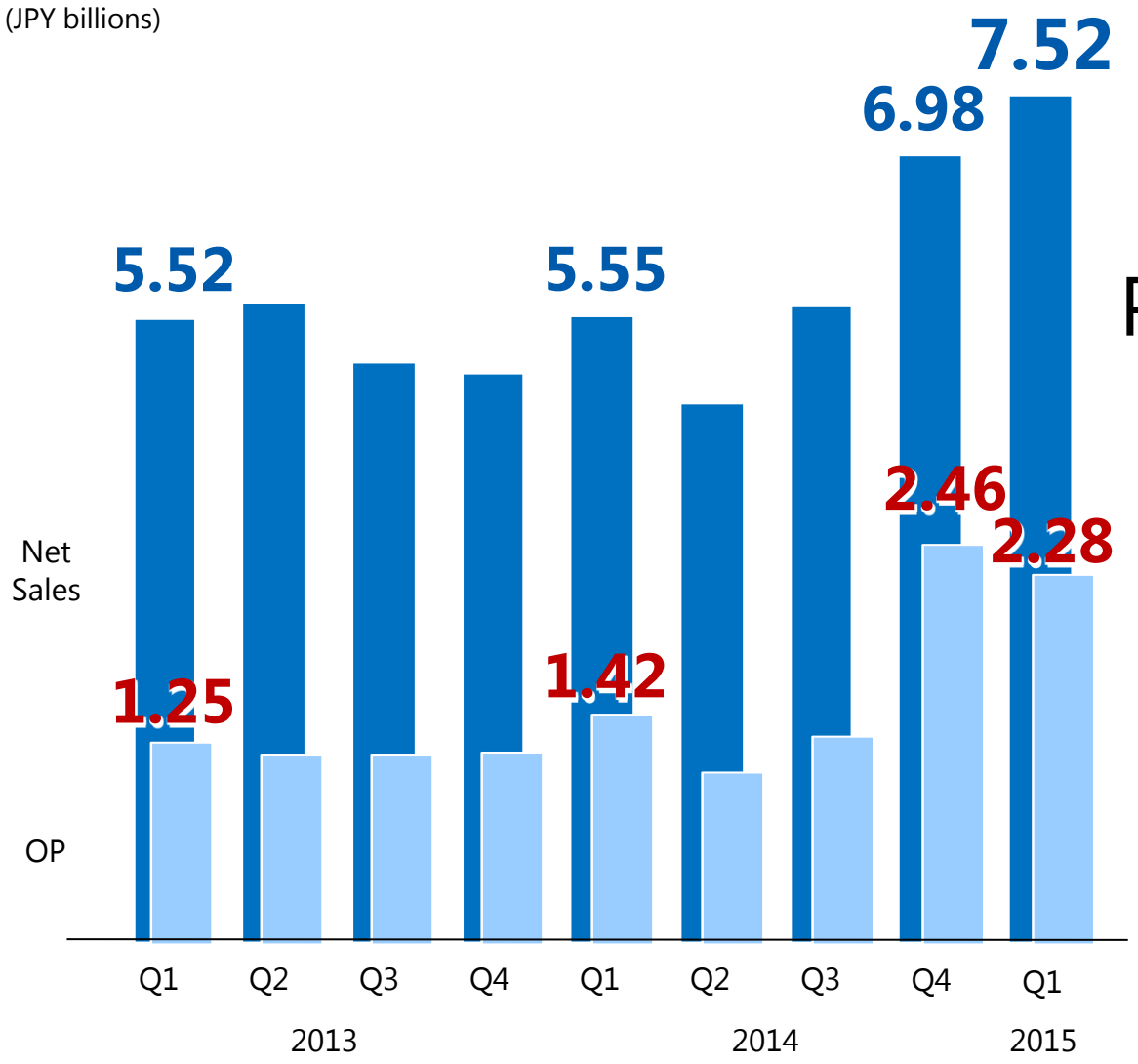
Grow App Downloads

Offline Events

Studio

Second TV commercial (from May)

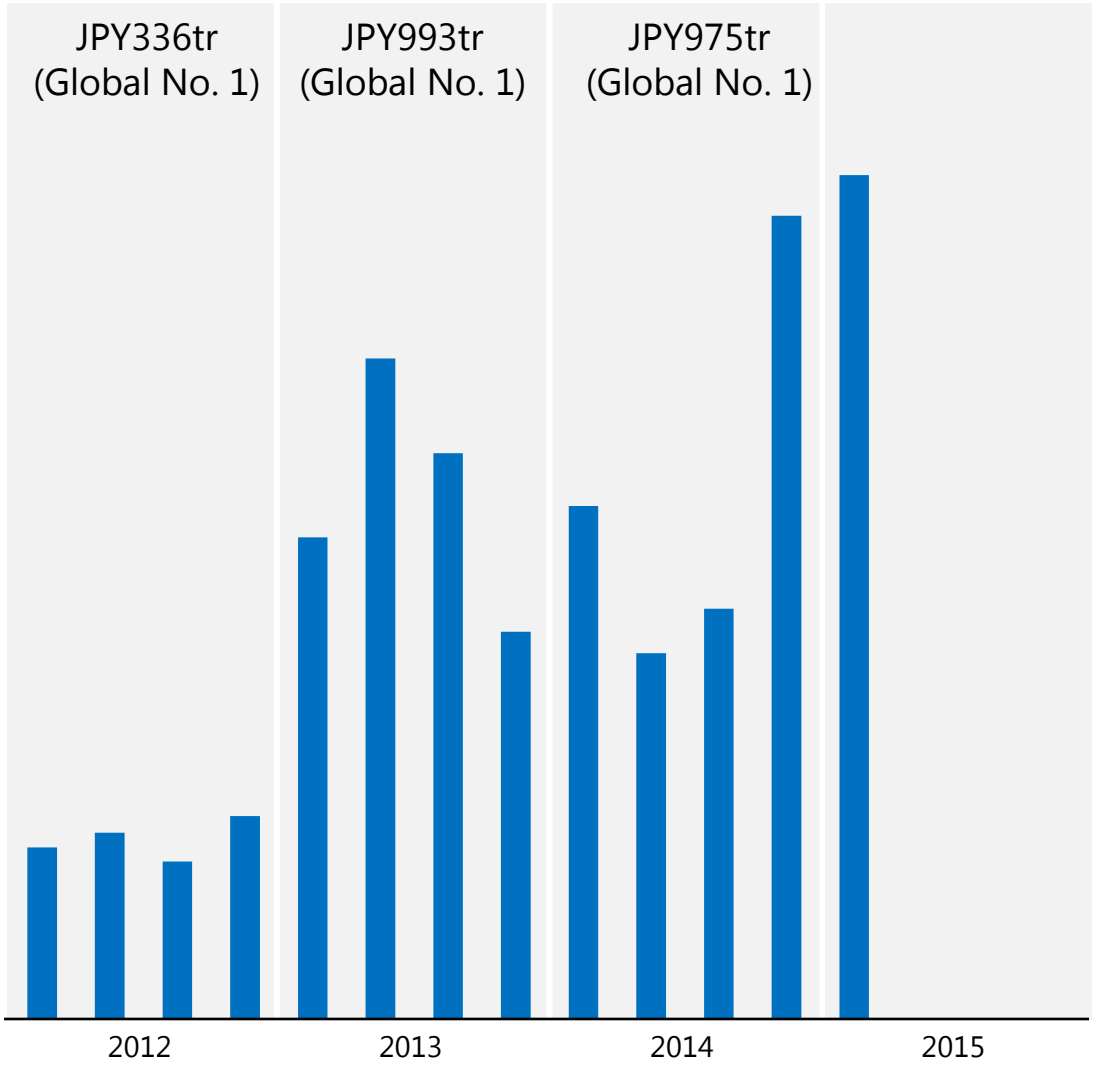
Historical Performance by Quarter



Profit up **60.8%**

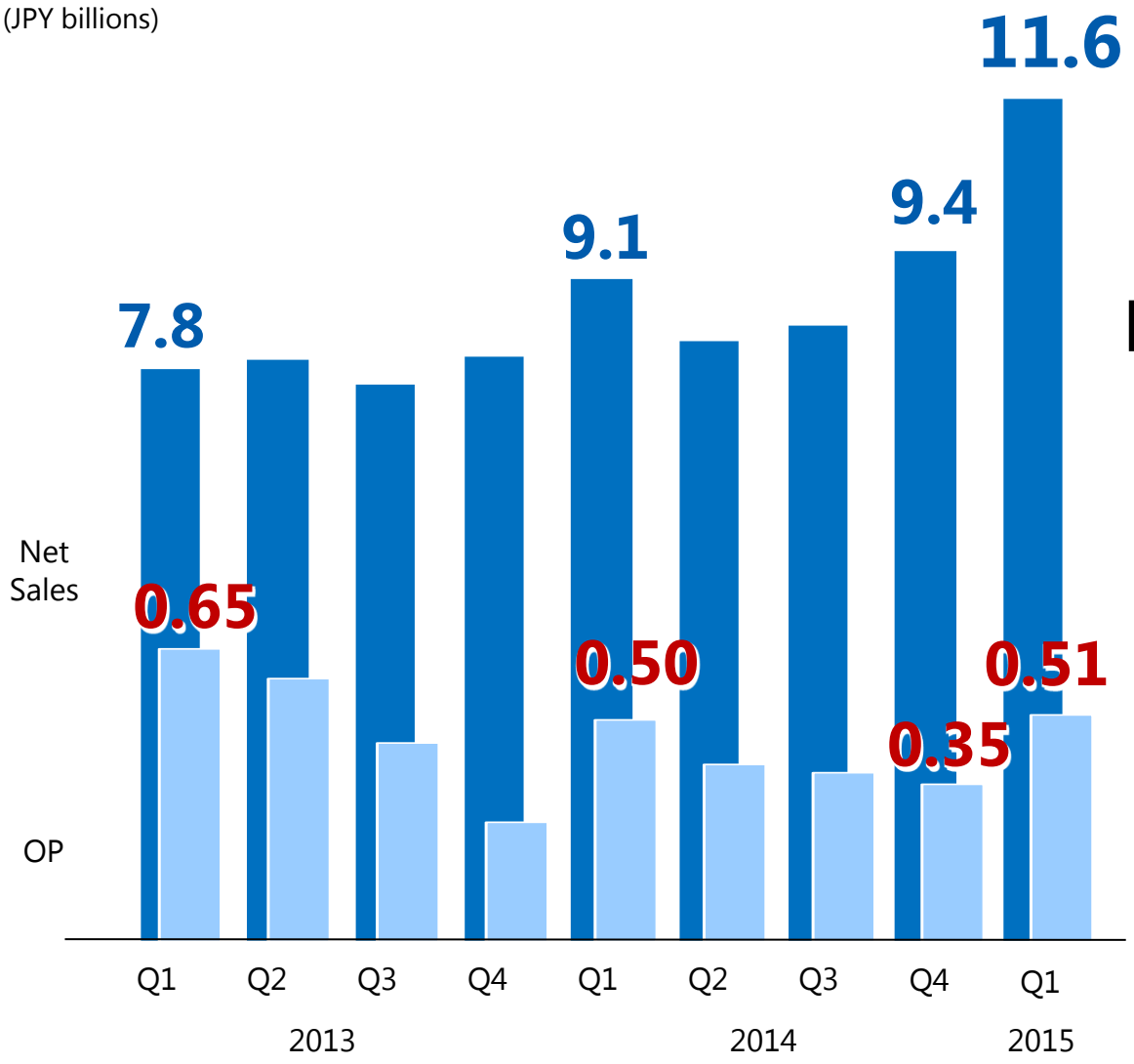
Growth in Customer Base

FX Trading Volume



Record High Quarterly Trading Volume (JPY396tr)

Historical Performance by Quarter

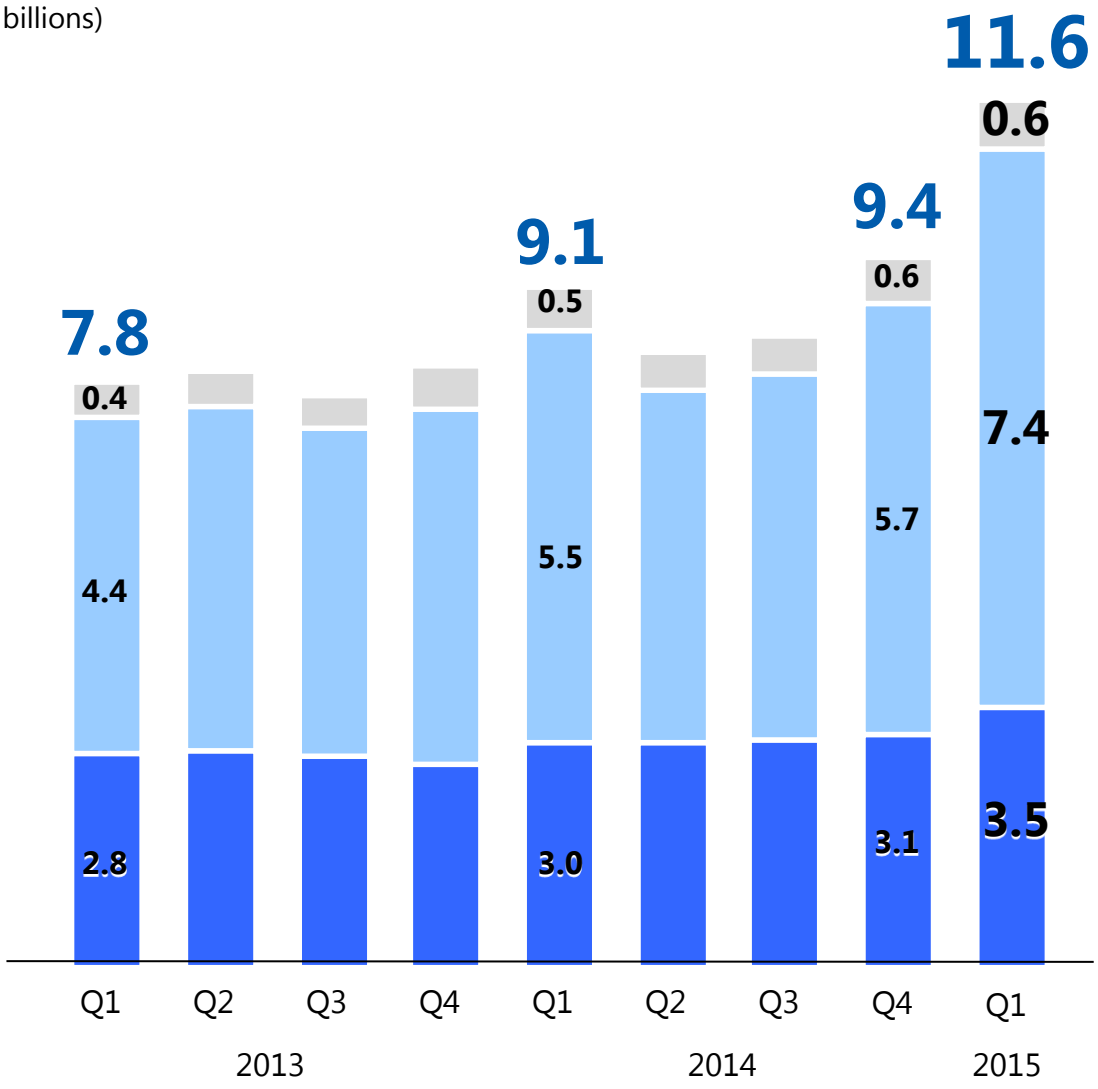


Revenue up **27.4%**

Profit up **3.8%**

Net Sales

(JPY billions)



Record High Sales

JPY **11.6B**

Advertising and Media both Strong

Online Advertising and Media Companies

GMO ADPARTNERS

Ad networks performing well in peak ad season
Transition to technology driven ad company

GMO TECH

GMO TECH's own SmaAD product drives record results

GMO RESEARCH

Temporary margin compression despite growth in global sales

GMO MEDIA

Smartphone app downloads growing
Ad revenues strong

GMO Ad Partners – Structural Changes

Technology shift, strengthening product development

Chair

Masatoshi Kumagai → Shintaro Takahashi

CEO

Shintaro Takahashi → Makoto Hashiguchi

Enhancing Ad Agency

GMO NIKKO

CEO, GMO NIKKO

Vice President

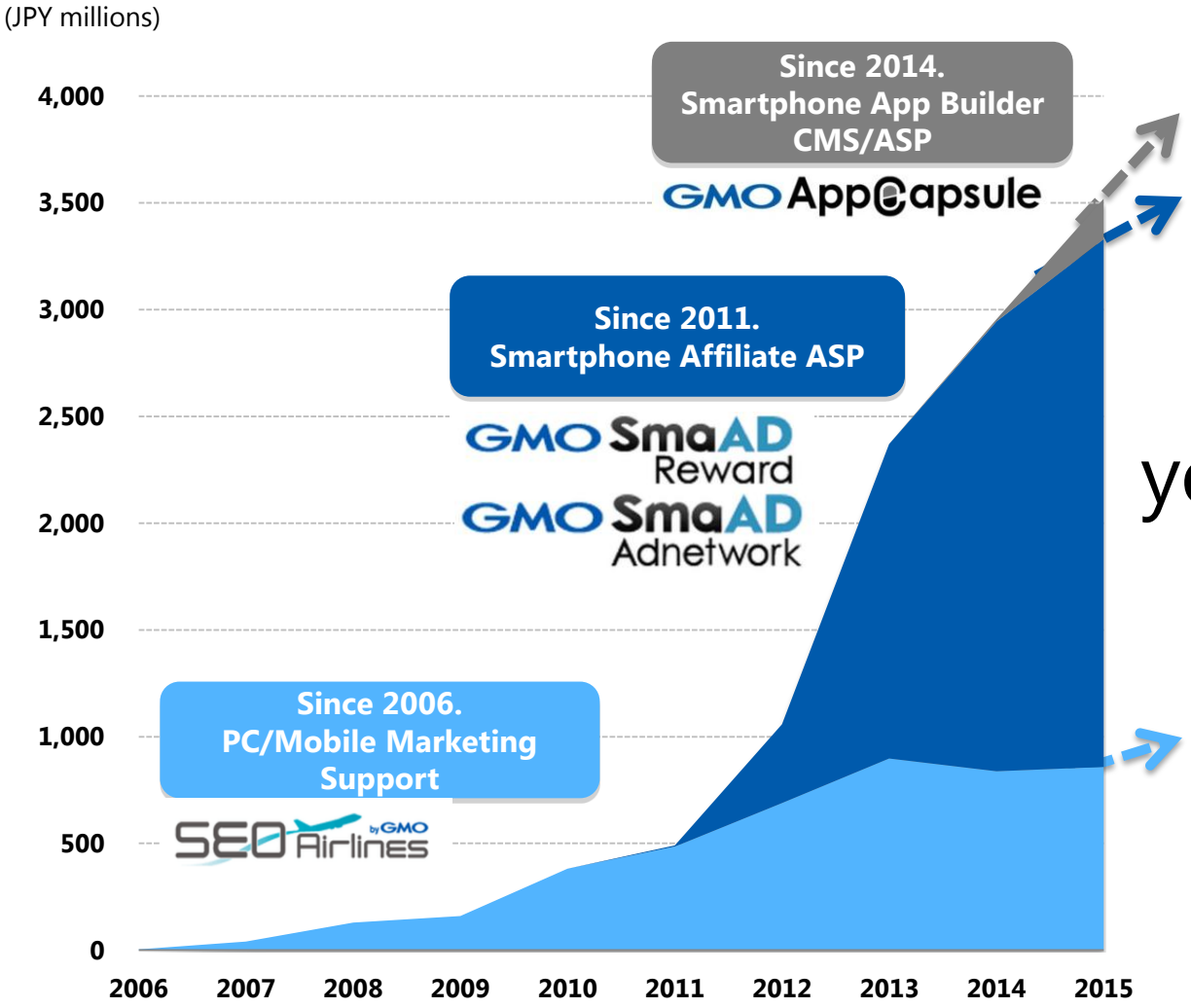
Toshiaki Horiuchi

Enhancing Technology

GMO INTERNET

Board Member and Head of Innovation and Technology System Office, GMO Internet

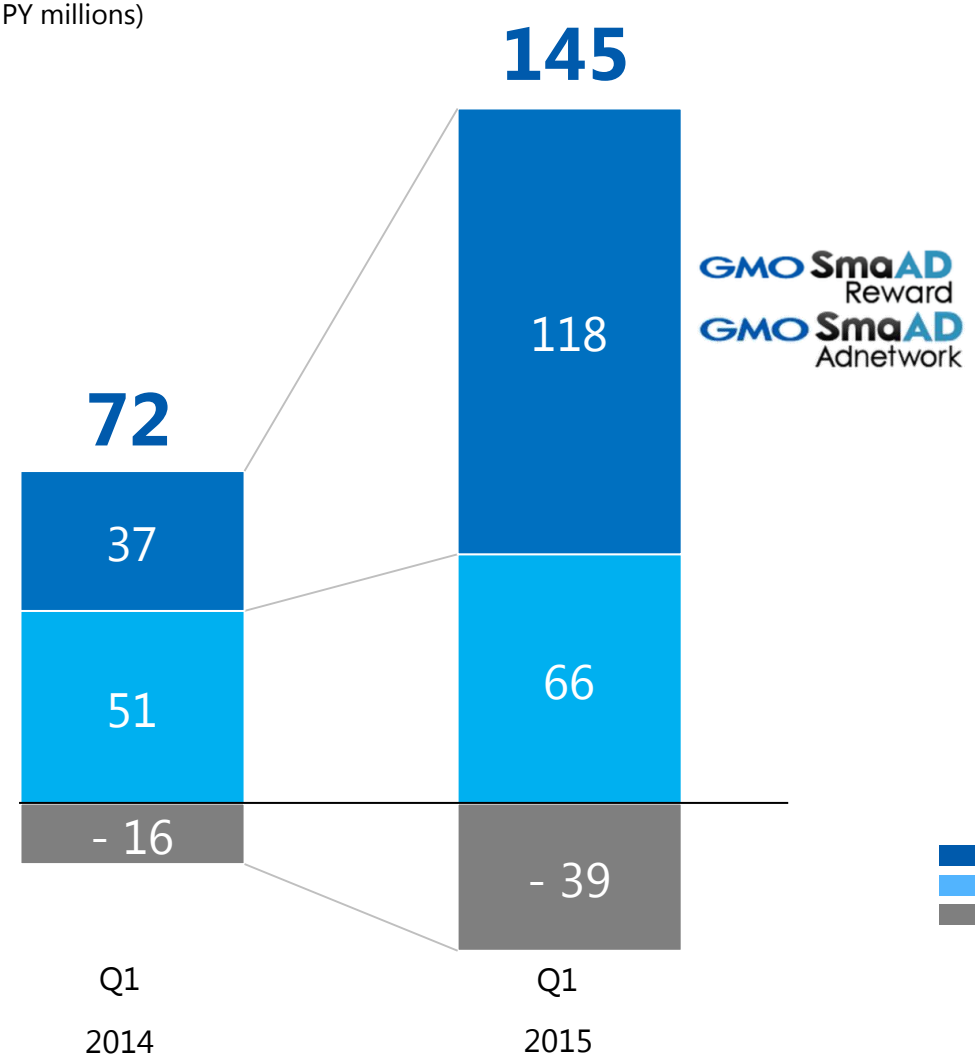
GMO TECH – Annual Revenue



9 consecutive years of profit and revenue growth

GMO TECH – Quarterly Profit

(JPY millions)



Profit Doubles Year-on-Year GMO SmaAD driving growth

GMO TECH – GMO SmaAd

GMO SmaAD Reward

One of Japan's Largest Reward Ad Networks

Point Media	Game Media	Major Media

Over 300 Publishers

GREE
Gゲー

Over 200 Publishers

GMO SmaAD Adnetwork

One of Japan's Largest Smartphone Ad Networks

iOS	Android	Mobile Web

Several Thousand Publishers

Several Hundred Publishers

Augmenting network, size and quality

GMO Media – Smartphone Apps

CoordiSnap by GMO

Social Fashion App

400,000 MAU

2M DL

GIRLS CAMERA

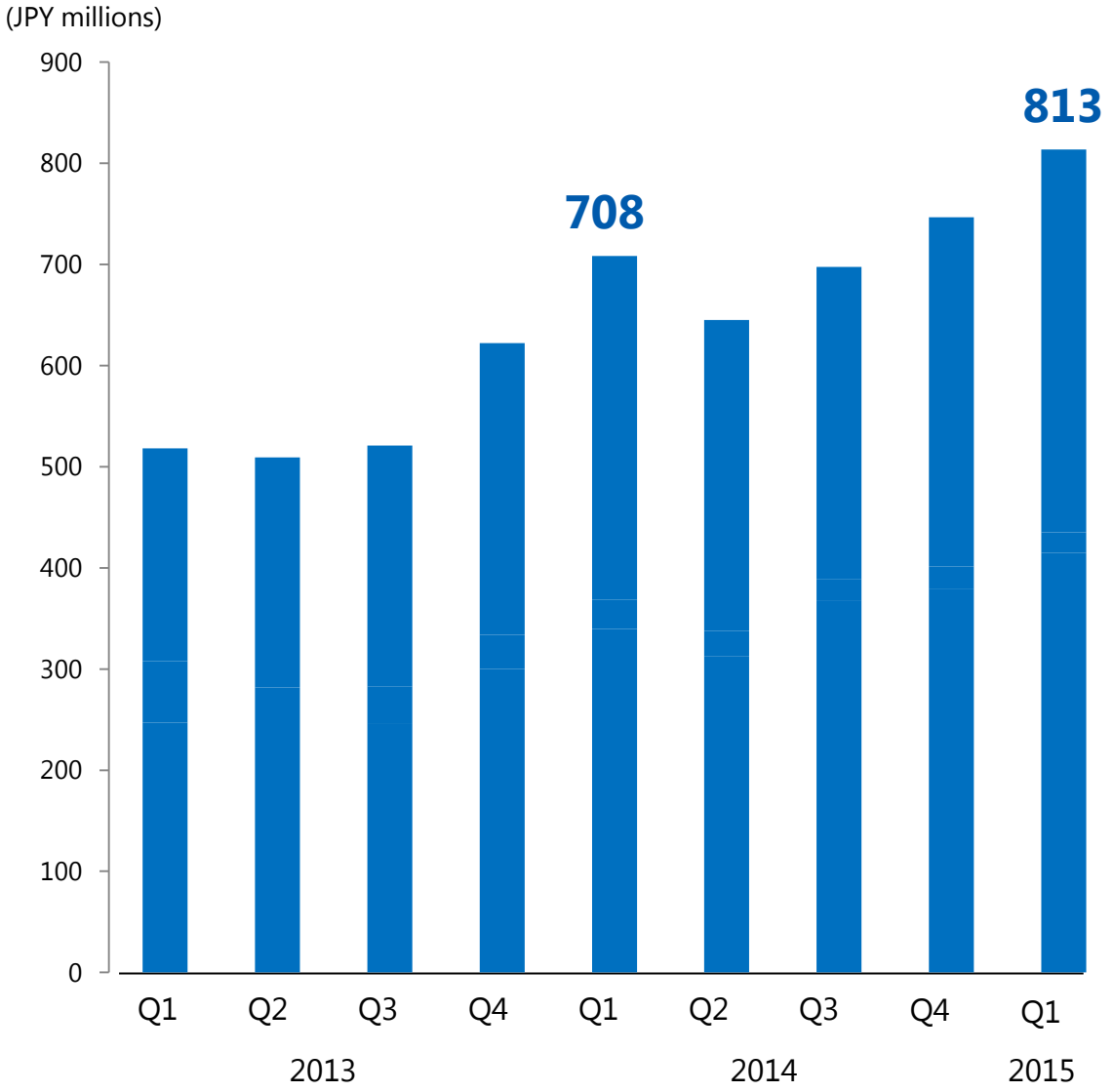
Free Camera App

1.12M MAU

30M DL

GMO Media – Quarterly Revenue

Developer and operator of PC / smartphone media with advertising revenue model



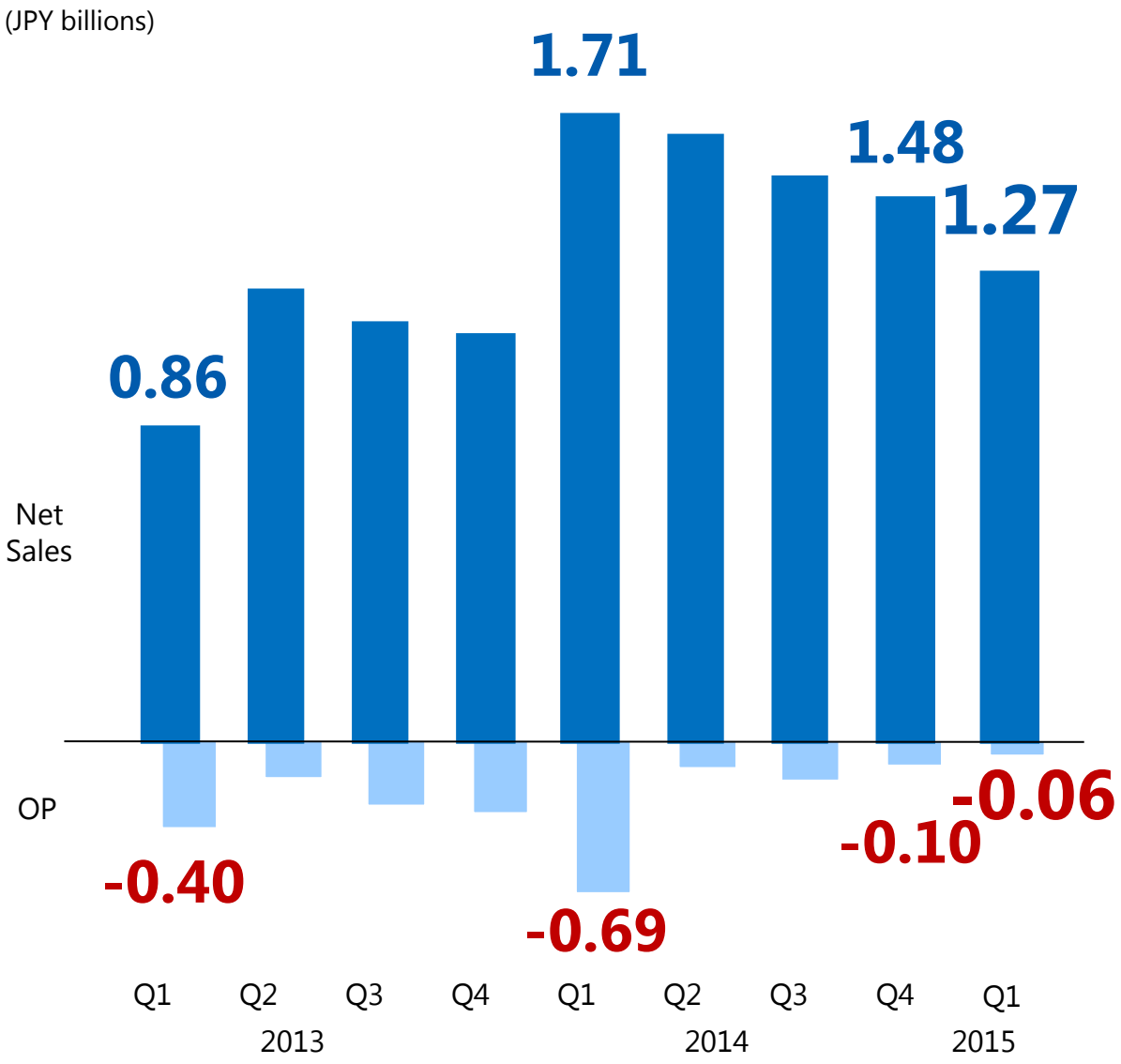
Revenue Up

14.8%

YoY

Strong Owned and Operated Media

Historical Performance by Quarter



Positioned to produce hit

Improving P/L

Pipeline

Continuing to release titles developed in-house

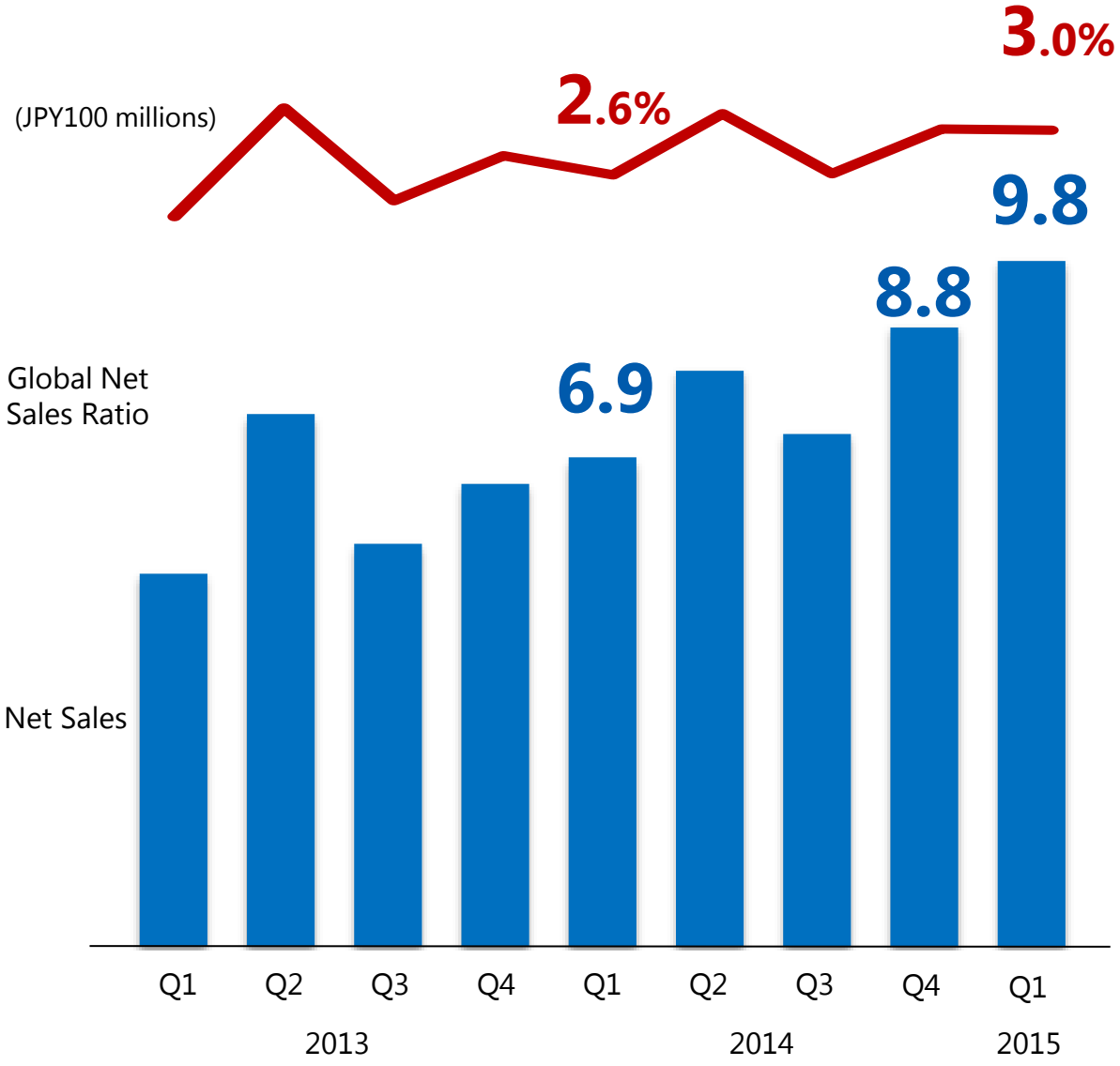
Q1	Q2	Q3 onward
 ■Dragon Line (2/2015)	 ■Chain Heroes Genre: Real Time RPG Scheduled release: Late May 2015	■Sengoku Nyanko (Q3/2015) ■Shooting Yusha (Q3/2015) ■Tokyo Caravan Heroes (Q4/2015)
Fine-tuning existing titles Improving profitability	Release of Brand New Title	Renewal of existing titles

Global Growth

17 countries, 39 locations, 688 global staff

*As of 3/2015

Global Growth: Global Net Sales



Global Net Sales

up **40.6%**

Global Net Sales Ratio **3.0%**

Global Growth: Z.com

GMO INTERNET

FX service launched in UK in March 2015

Global Growth: Z.com

Unified global brand

Leading services + A highly memorable brand (domain name)

Dividend Policy

Commemorative dividend celebrates JPY100 billion in net sales for FY2014.

Total dividend forecast: 21 yen

Dividend Payout Ratio 33%

(JPY)	Q1	Q2	Q3	Q4	Total
2014	4	4	4	4 +1 (Up)	17
2015 (forecast)	4 +2 (Up)	5	5	5	21

Commemorative Dividend

Internet for Everyone

GMO INTERNET

This document includes projections based on expectations, premises and plans as of April 30, 2015. These projections may differ from actual results due to factors including changes in the global economy, competition, exchange rate fluctuations, natural disasters and other unforeseeable events. Some of the figures given, such as market share are based on our own calculations. These figures may differ from research agency figures.
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