

# Fiscal Year 2022 Results Presentation

**GMO** INTERNET GROUP

STOCK CODE: 9449

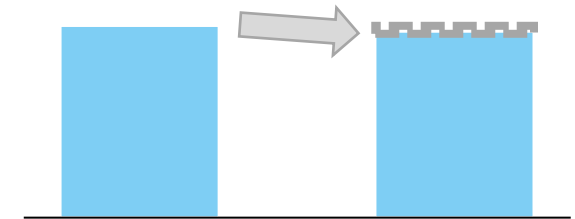
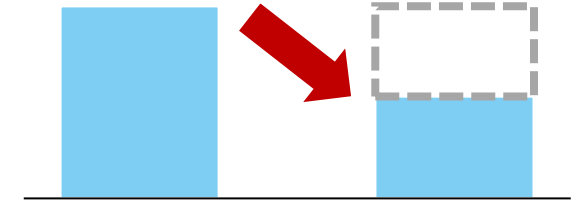
February 13, 2023

# Changes in rules to record the revenues\* | Impact

Net sales based on new rules (concept diagram)

## Net sales

- **Online Advertising & Media**  
Net amount processing of ad spot purchase amount in advertising agency leads to an **apparent drop**
- **Infrastructure**  
**Limited impact** is observed despite change from one time processing at the time of concluding contract to proration in accordance with the term of contract and the net amount processing in Ecommerce Solutions
- **Finance, Cryptoassets, and Incubation:** no material impact



## Operating profit: limited impact

\* "Accounting standards related to revenue recognition" (accounting standard No. 29)

# Changes in rules to record the revenues\* | Comparison with the same period last year

## Affected divisions (consolidated, Infrastructure, Online Advertising & Media)

▶ Compared to the same period last year (old v.s. old) to show the actual conditions of the business

( Compared to the same period last year (old v.s. new) included in Appendix)

## Non-affected divisions (Finance, Cryptoassets)

▶ Compared to the same period last year (old v.s. new)

\* "Accounting standards related to revenue recognition" (accounting standard No. 29)

1. Overview
2. Group Overview
3. Segment Report
  - i) Internet Infrastructure
  - ii) Online Advertising & Media
  - iii) Internet Finance
  - iv) Cryptoassets
4. Topics

# Overview | Executive Summary: FY2022

Both revenue and profit were up for the 14th consecutive year

(JPY billions)	Old	New	Old	Compared to the same period last year (old v.s. old)		
	FY21	FY22	FY22	YoY Change	Change	
Net Sales	241.6	<b>245.6</b>	<b>276.4</b>	+34.8	<b>+14.4%</b>	Record high
Operating Profit	41.1	<b>43.7</b>	<b>43.4</b>	+2.3	<b>+5.6%</b>	Record high
Ordinary Profit	43.3	<b>46.0</b>	<b>45.7</b>	+2.3	<b>+5.4%</b>	Record high
Net Profit	17.5	<b>13.2</b>	<b>12.9</b>	-4.5	<b>-26.2%</b>	

# Overview | Executive Summary: FY2022

Compared to the same period  
last year (old v.s. old)

Evaluation  
FY22 FY21

Record high Internet Infrastructure	Net sales	JPY <b>158.2B</b>	(Up <b>14.0%</b> YoY)	Services each hold top share in their respective markets in Japan → ○ Recurring revenue continues to see an upward trend, achieving two-digit growth → ○	➔	🎯 🎯
	OP	JPY <b>21.8B</b>	(Up <b>13.4%</b> YoY)			
Record high Online Ad & Media	Net sales	JPY <b>60.8B</b>	(Up <b>16.9%</b> YoY)	In-house products and media grew as the market environment recovered → ○ Saw record high earnings for the first time in the last nine years → ○	➔	🎯 🎯
	OP	JPY <b>2.1B</b>	(Up <b>77.2%</b> YoY)			
Internet Finance	Net sales	JPY <b>42.5B</b>	(Up <b>25.5%</b> YoY)	FX: made improvements on profitability issues, which led to increased net sales in Q4 → △ CFD: favorable trading volume and revenue trends → ○ Overseas: Thailand's Internet Securities posted the provision of allowance for doubtful accounts of JPY 3.5B → ✕	➔	🎯 🎯
	OP	JPY <b>9.2B</b>	(Down <b>20.7%</b> YoY)			
Cryptoassets	Net sales	JPY <b>6.2B</b>	(Down <b>69.9%</b> YoY)	Increased the number of accounts and the trading volume steadily, aiming to maintain the No. 1 market share → ○ Unchanging mid- to long-term expectations but the market environment is "✕".	➔	△ 🎯
	OP	JPY <b>-0.3B</b>	(FY2021: <b>9.0B</b> )			
Record high Incubation	Net sales	JPY <b>13.3B</b>	(Up <b>753%</b> YoY)	Fund that specializes in the payment domain of Southeast Asia has sold a portion of the investee's shares		🎯 —
	OP	JPY <b>10.0B</b>	(FY2021: <b>0.7B</b> )			

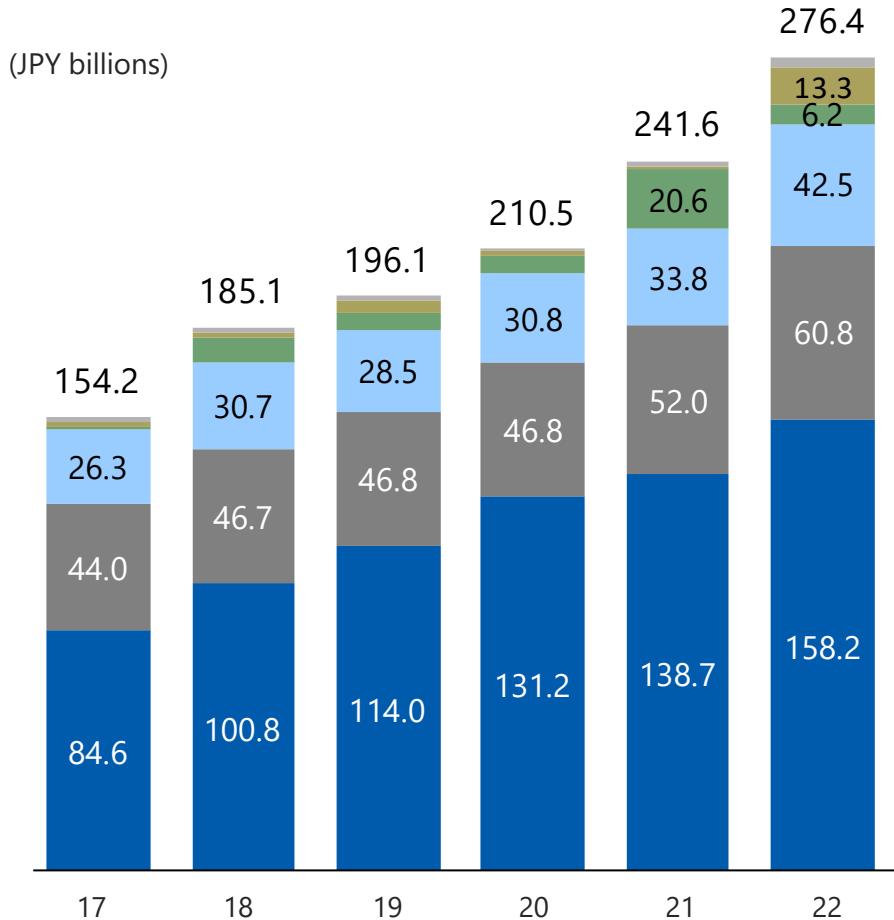
# Overview | Financial Results for FY2022

Compared to the same period last year (old v.s. old)

## Net Sales

Up **14.4%** YoY

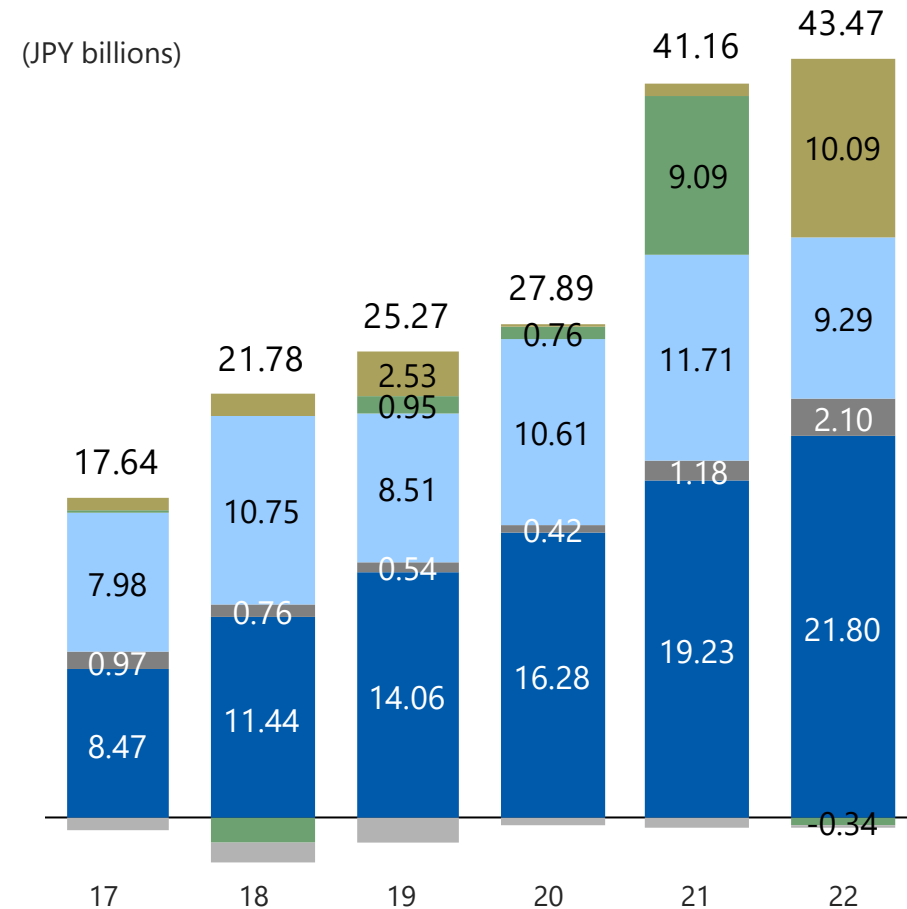
**Record high**



## Operating Profit

Up **5.6%** YoY

**Record high**



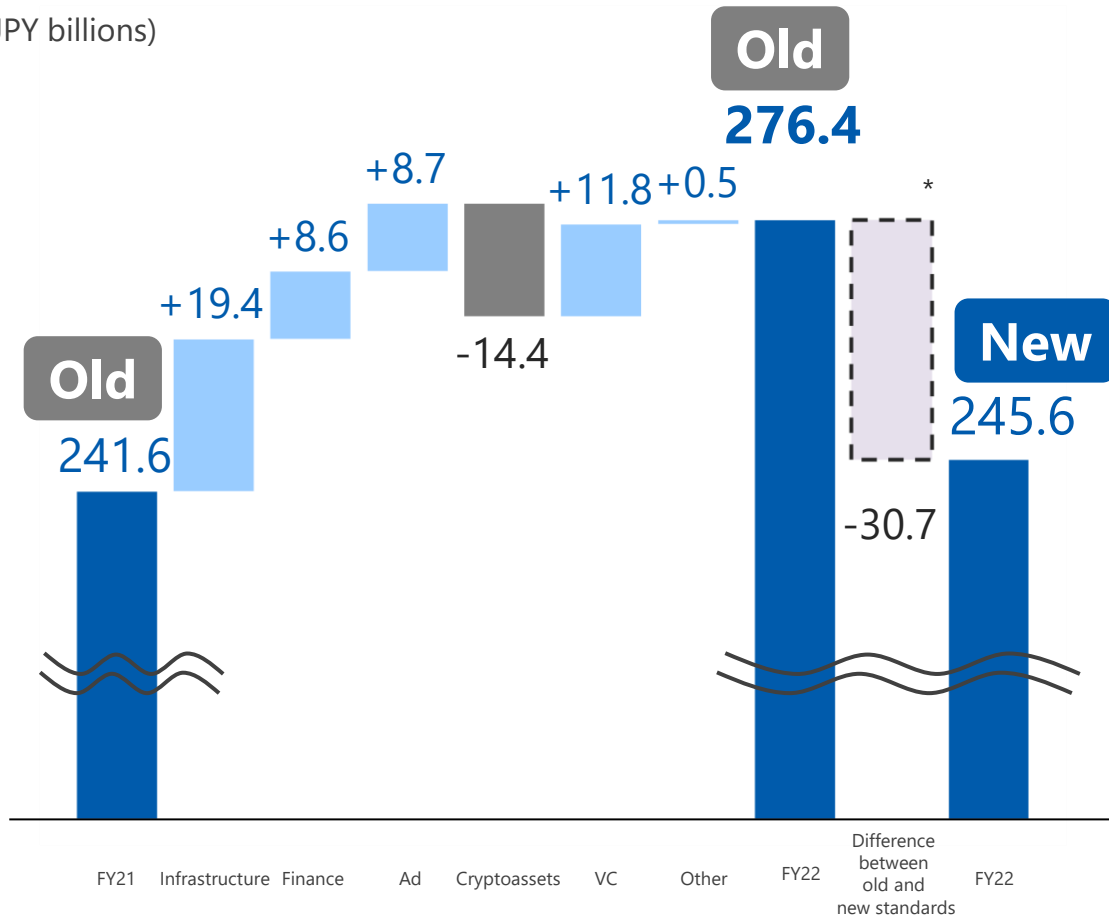
- Other
- Incubation
- Cryptoassets
- Internet Finance
- Online Ads/Media
- Internet Infrastructure

# Overview | Executive Summary: FY2022

## Net sales

Up **34.8B** YoY

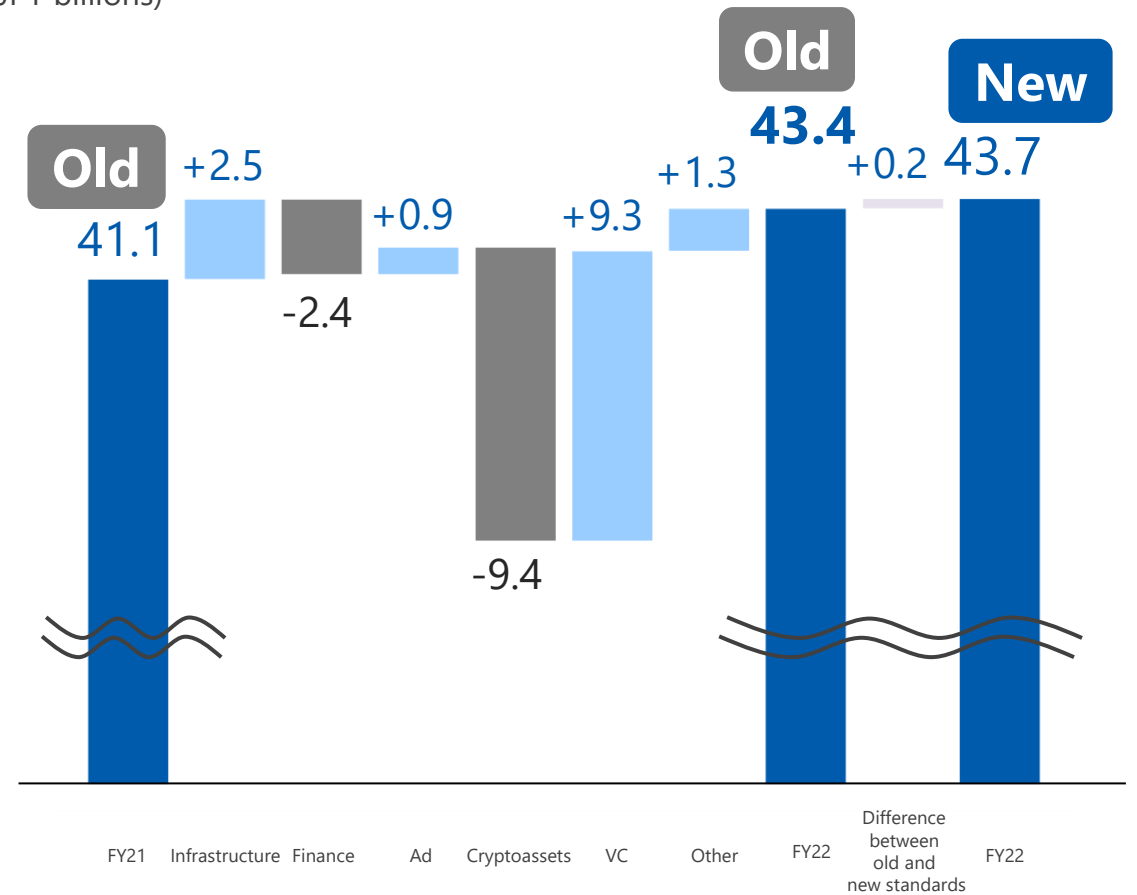
(JPY billions)



## OP

Up **2.3B** YoY

(JPY billions)



\*Breakdown of difference between old and new standards: Infrastructure -8.1B; Ad -26.8B; inter-segment adjustment +4.2B, etc.

# Overview | Shareholder Returns (Policy)

Total Shareholder  
Returns Ratio  
**50%**

=

Dividend Payout Ratio  
Over **33%**

Quarterly dividend

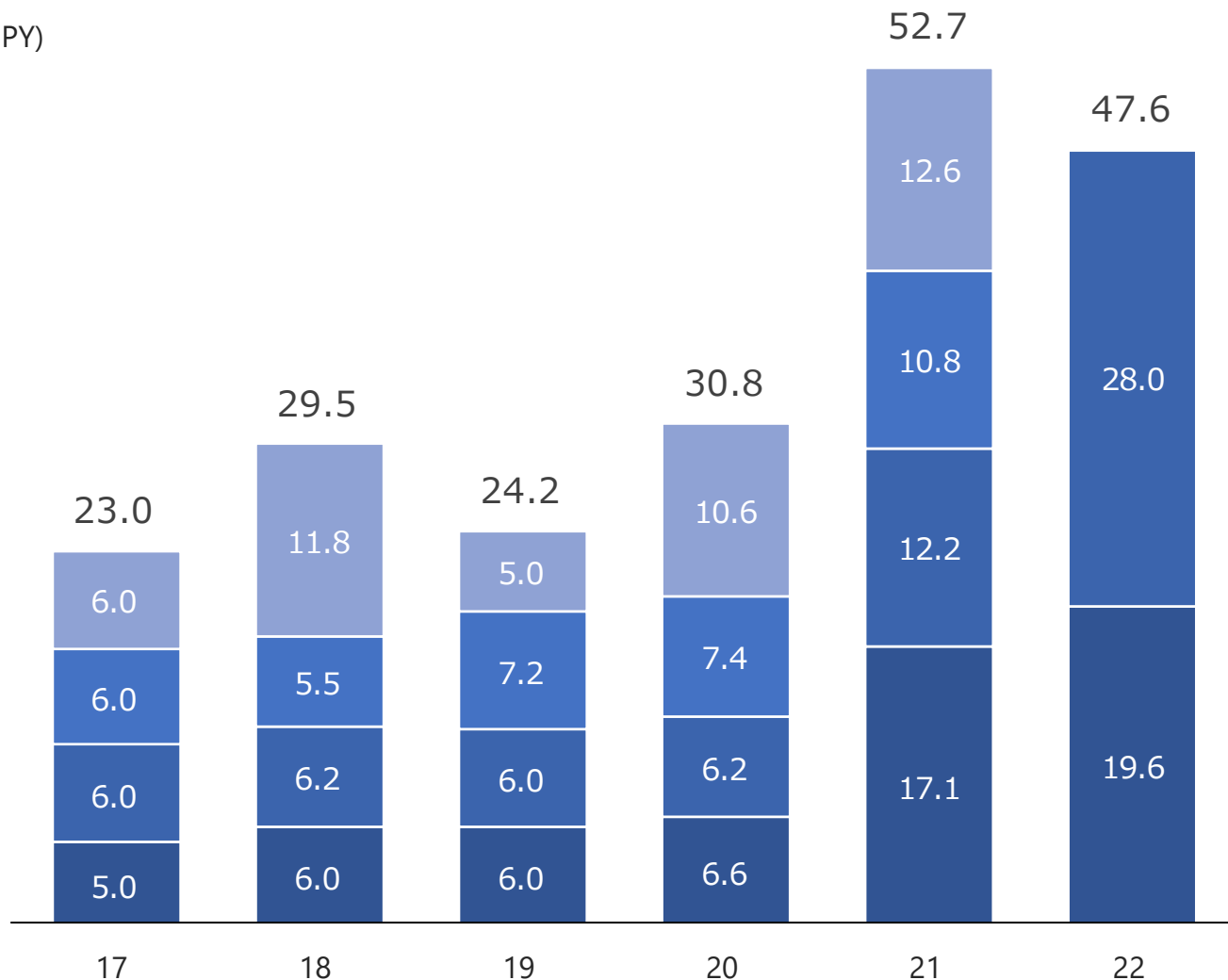
+

Share Buyback  
**17%**

Net profit at end of fiscal  
year to form basis of  
buyback in **following year**

# Overview | Shareholder Returns (dividend per share)

(JPY)



Based on our policy,  
**dividend payout  
ratio is a minimum  
of 33%**

- Q4
- Q3
- Q2
- Q1

## Overview | Shareholder Returns (treasury stock acquired/retired)

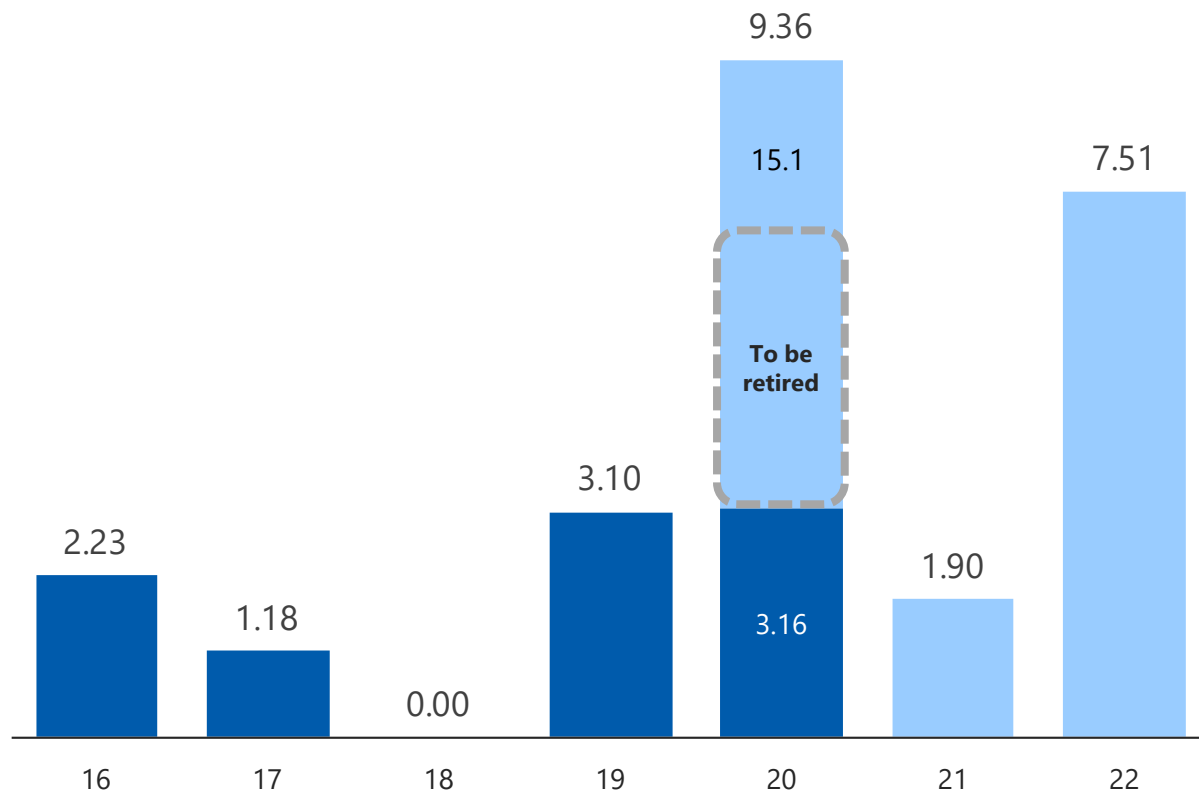
c.f. press release dated July 30, 2015, entitled “**Notice of Revision to Shareholder Returns Policy with Long Term Share Buyback Plan**”

<b>Long-term aim</b>	<b>38.35</b> M shares	
<b>Acquired</b>	<b>12.12</b> M shares	(progress: <b>31.6%</b> )
<b>Retired</b>	<b>7.10</b> M shares	(progress: <b>18.5%</b> )

# Overview | Shareholder Returns (total shareholder returns)

(JPY billions)

- Acquisition amount of our own stock (not yet retired)
- Acquisition amount of our own stock (retired)



Total acquisition amount of our own stock :

JPY **25.3**B

## Overview | Shareholder Returns (acquisition of treasury stock)

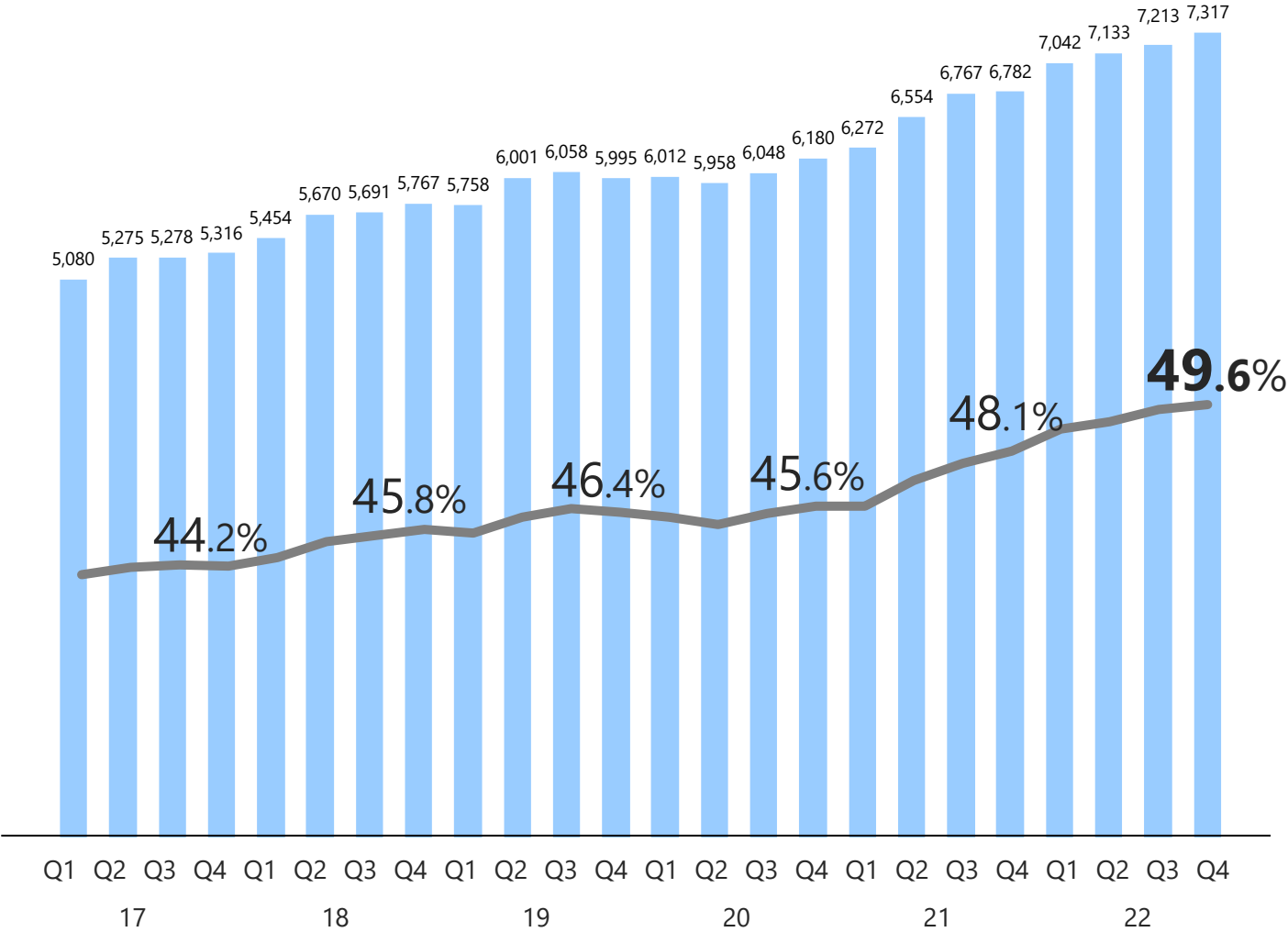
<b>Total cost of share acquisition</b>	Up to JPY <b>1.51B</b>
<b>Total number of shares to be acquired</b>	Up to <b>0.7M</b> shares (to be retired) <b>0.66%</b> of shares issued (as of December 2022)
<b>Acquisition period</b>	February 14, 2023, through to February 9, 2024

# Strengths

## Strengths (1)

**Operations and  
development of our  
own technology**

# Strengths (1) | Operations and development of our own technology



Goal: Workforce of over **50%** engineers



Goal: **60%**



Partners  
% Engineers

\* Not including partners of GMO Internet Group affiliates accounted for by the equity method (such as GMO Aozora Net Bank), which was 258 as of the end of December 2022.

## Strengths (2)

**Solid recurring revenues**

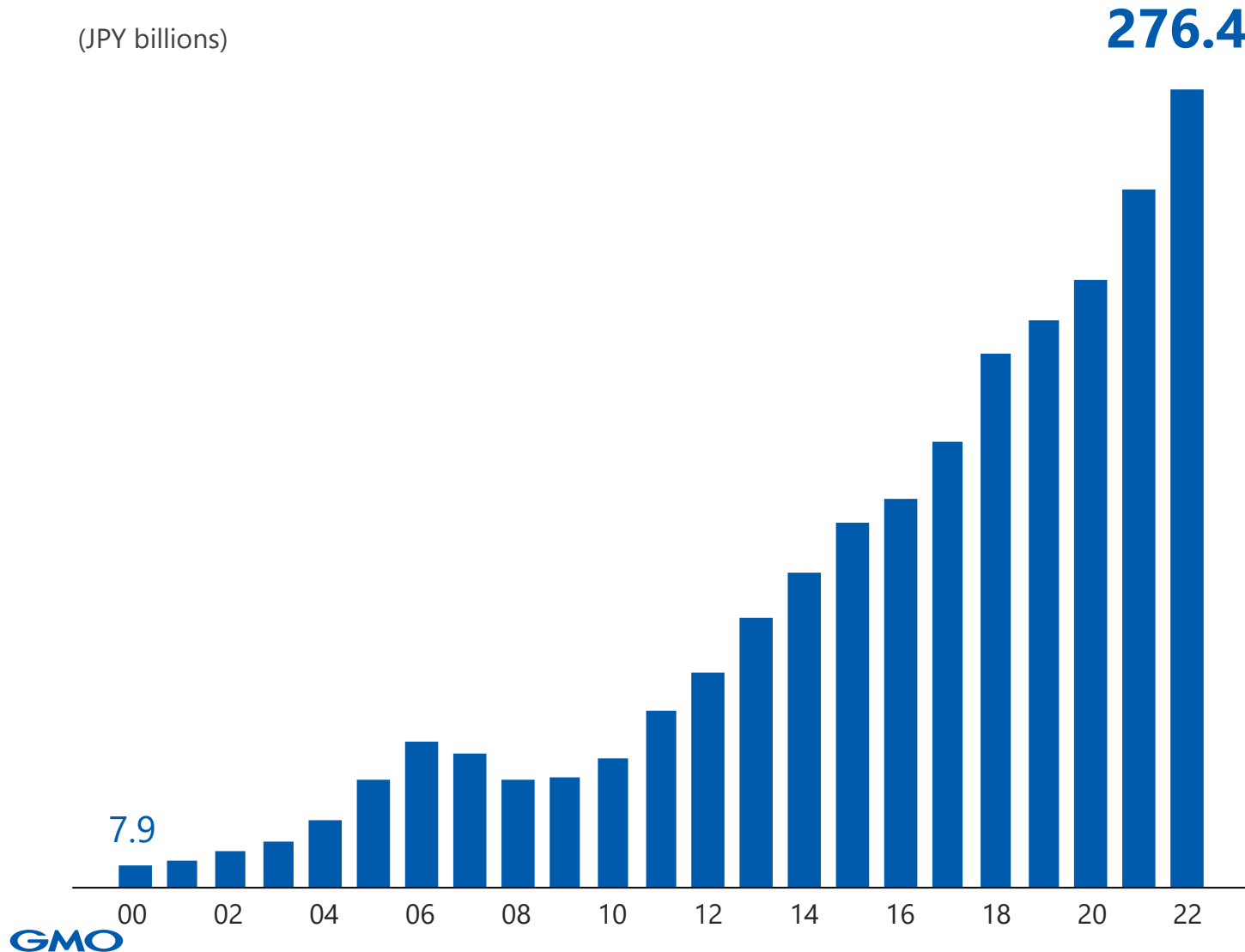
## Strengths (2) | Solid recurring revenue

**Indispensable products that will not  
disappear  
and  
recurring revenue business model**

# Strengths (2) | Consolidated net sales

Old

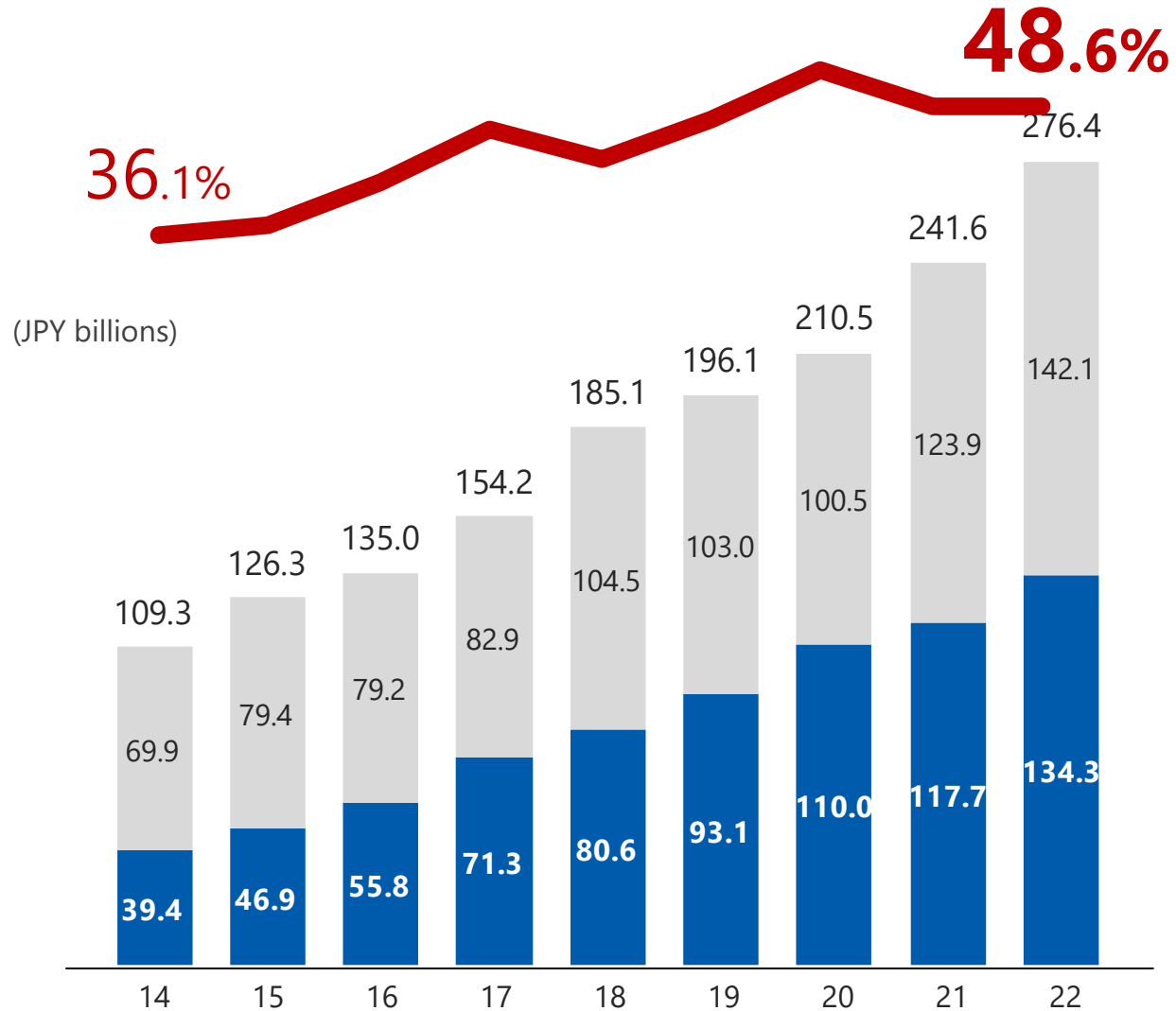
(JPY billions)



**Sustainable growth**

# Strengths (2) | Analysis of consolidated net sales

Old



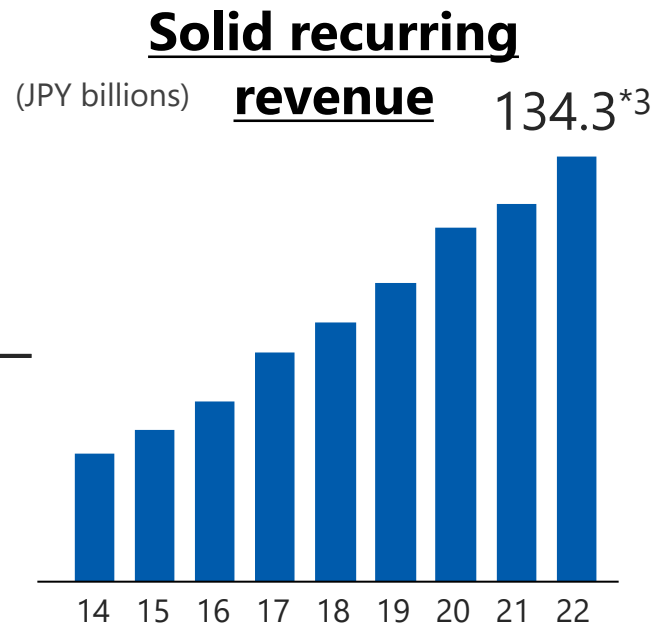
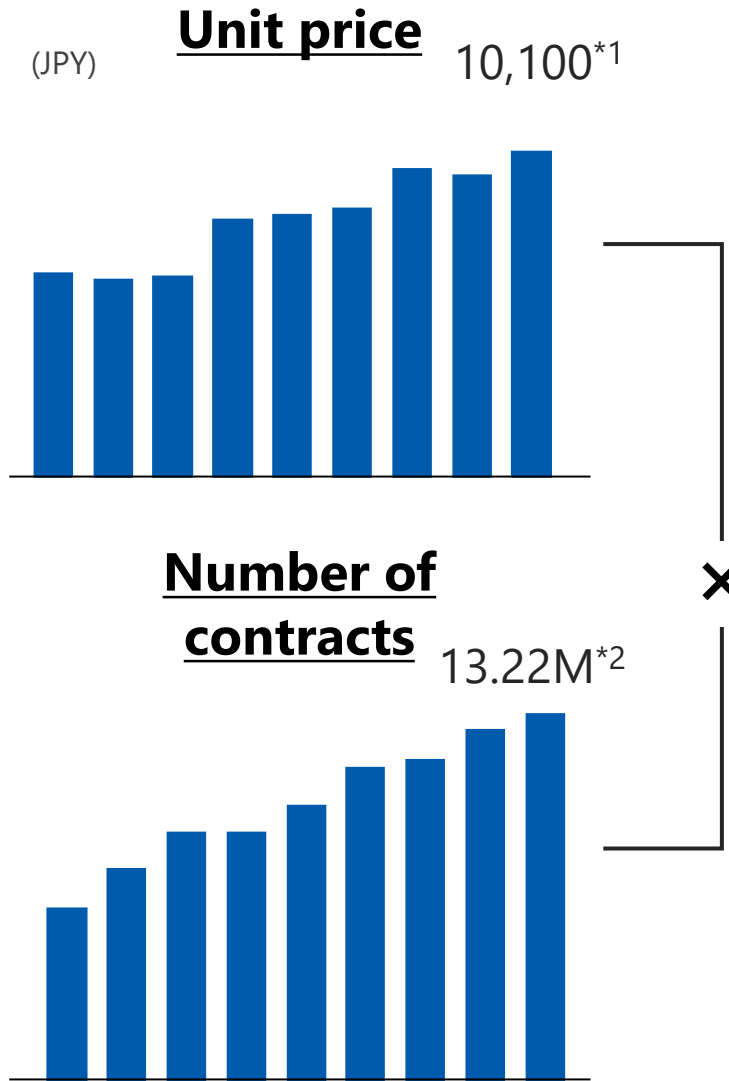
**Solid recurring revenues that support sustainable growth**

- Solid recurring revenue\*
- Other revenue
- Solid recurring revenue ratio (%)

\* The sum of Domain, Hosting & Cloud, Security, part of the Ecommerce Solutions (ecommerce platform), part of the Payment (recurring and transaction revenues) and Provider

# Strengths (2) | Analysis of solid recurring revenues

Old



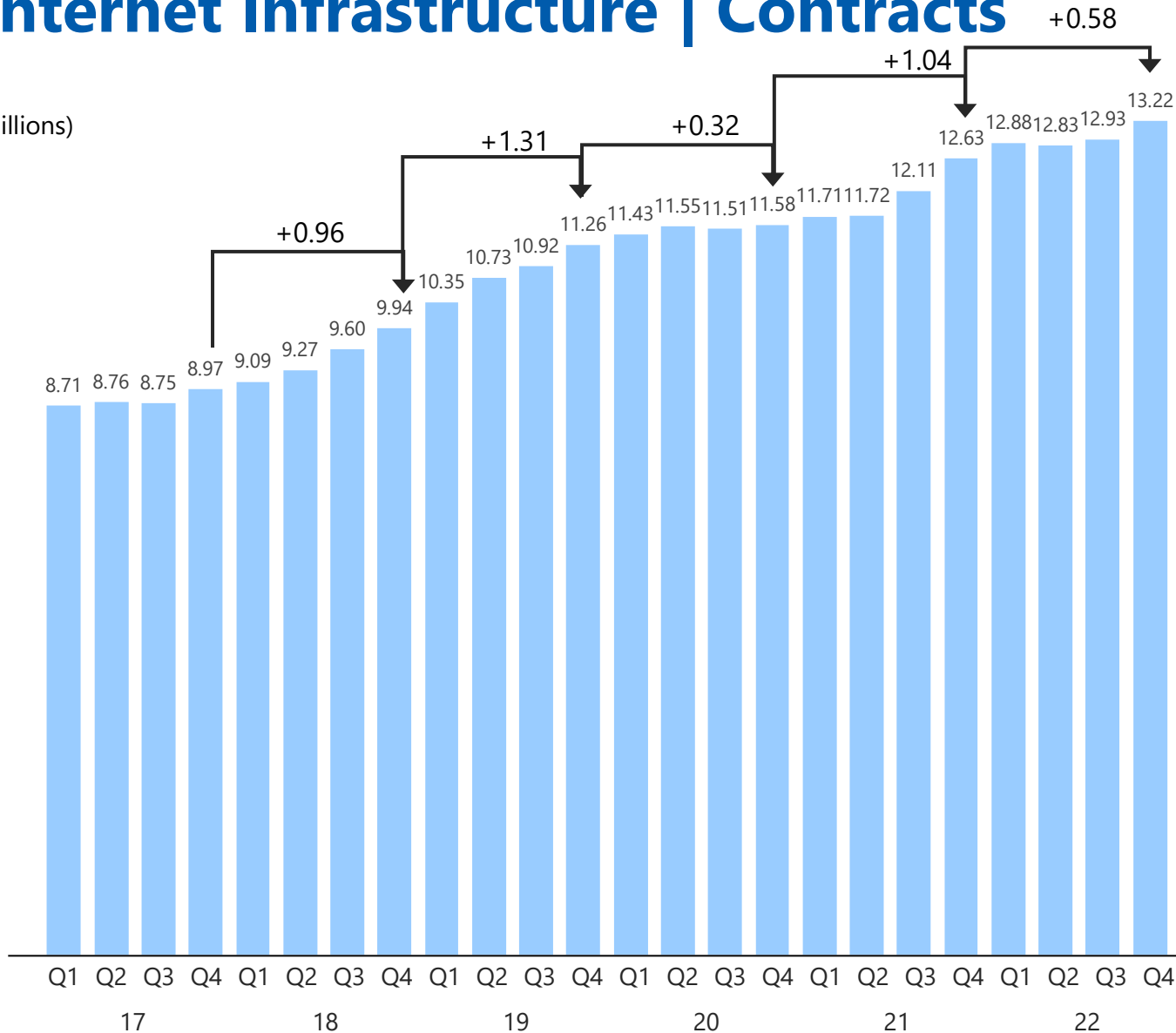
Approx. JPY **10K**\*<sup>1</sup>  
×  
Approx. **13M** contracts\*<sup>2</sup>



Approx. JPY  
**130B**\*<sup>3</sup>

# Internet Infrastructure | Contracts

(millions)



Solid revenue base

**13.22M**

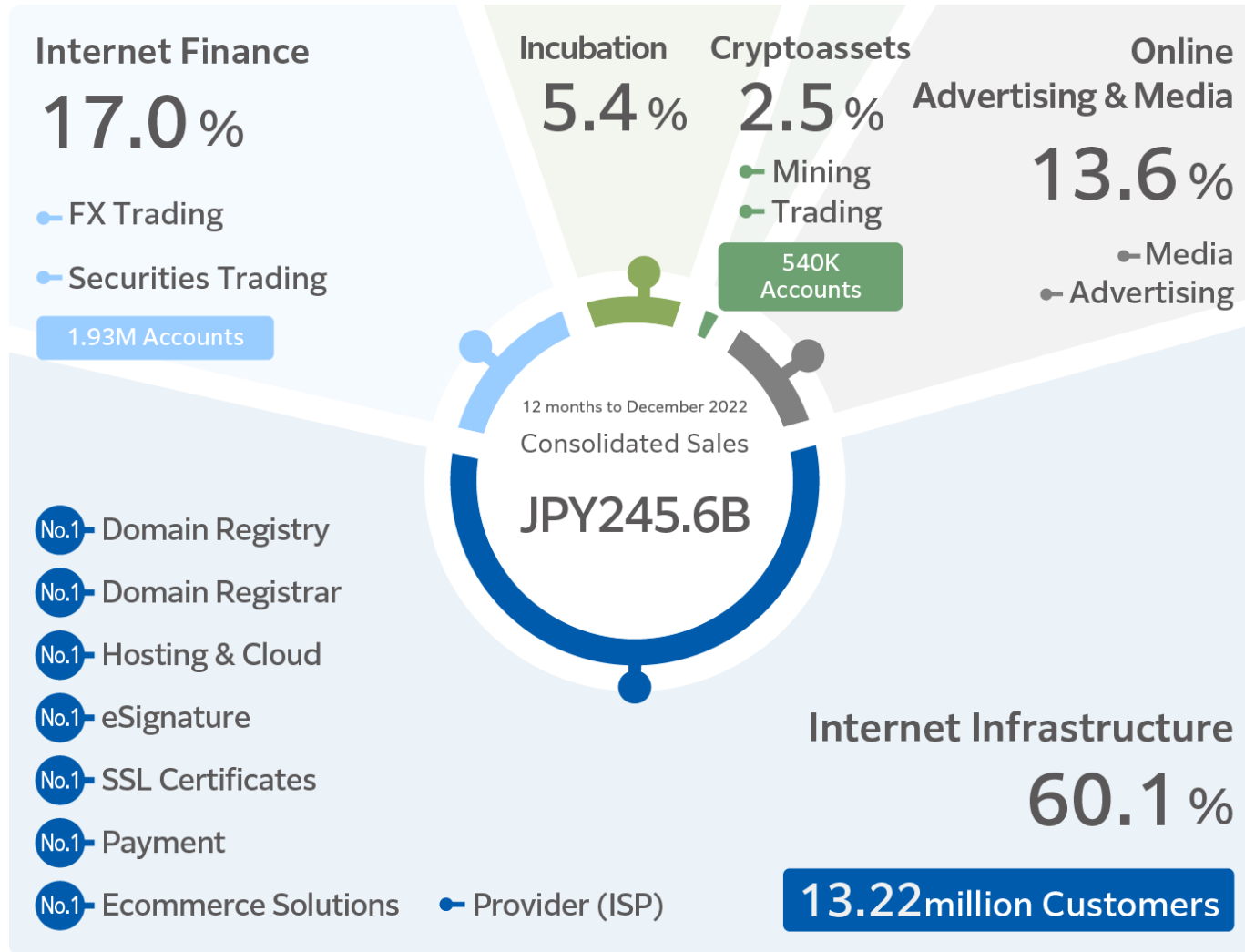
customers

Increased approx.

**0.85M/year**

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# Group Overview | Business Segments (Composition)



Solid revenue base +  
financial customer  
base

**15.70M** customers

Up  
**0.73M**  
YoY

\*Net sales ratio is calculated based on the numbers before cancelling inter-segment transactions.

\*Number of customers is an aggregate number of customers (the actual number) in Infrastructure, Finance, and Cryptoassets segments.

\*Regarding Internet Finance, the number of accounts does not include GMO Aozora Net Bank's accounts.

\* Old standard: Infrastructure 55.6%; Online Advertising & Media 21.4%; Finance 14.9%; Cryptoassets 2.2%; and Incubation 4.7%.

# Group Overview | Listed Group Companies: Equity Share

Stock Code	Stock Name	Exchange	Market Cap <sup>*1</sup> (JPY billions)	% Ownership <sup>*2</sup>	Equity Share (JPY billions)
9449	GMO Internet Group	Prime	288.7		
3769	GMO Payment Gateway	Prime	921.7	40.7%	375.3
4051	GMO Financial Gate	Growth	73.3	23.5% <sup>*3</sup>	17.2
7177	GMO Financial Holdings	Standard	64.3	65.2%	41.9
3788	GMO GlobalSign HD	Prime	51.8	51.8%	26.8
3633	GMO Pepabo	Prime	9.8	59.5%	5.8
4784	GMO AD Partners	Standard	7.3	57.3%	4.1
3695	GMO Research	Growth	5.2	54.8%	2.8
6180	GMO Media	Growth	3.3	66.0%	2.2
6026	GMO TECH	Growth	1.9	54.1%	1.0
Group Total			<b>1,427.8<sup>*4</sup></b>		<b>477.6</b>

\*1 Market value as of February 10, 2023

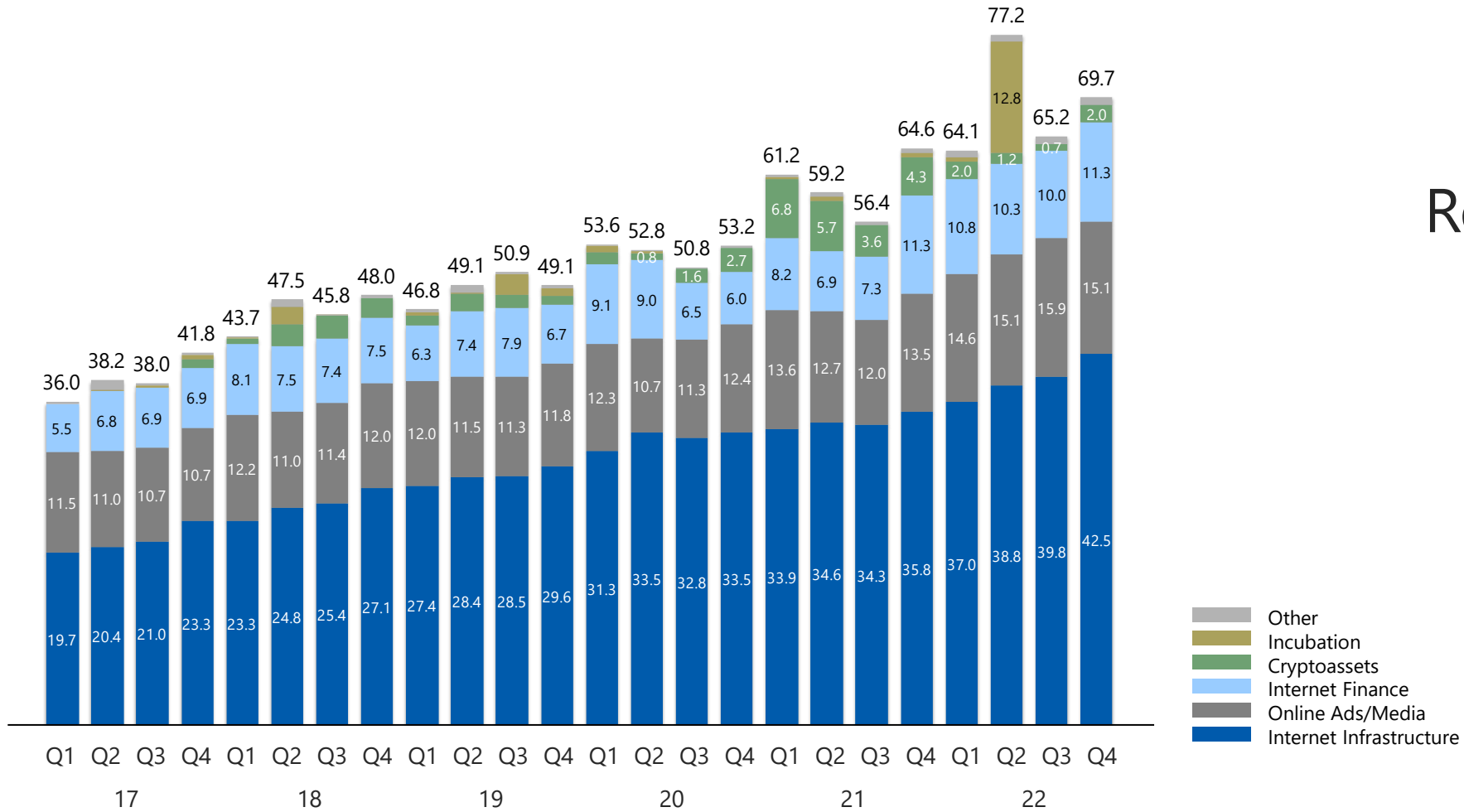
\*2 Includes indirect holdings (as of the end of December)

\*3 GMO Internet Group owns 23.5% of GMO-FG indirectly through GMO-PG \*4 Calculated as the sum of the listed market cap values

# Group Overview | Net Sales by Segment

(JPY billions)

Compared to the same period last year (old v.s. old)

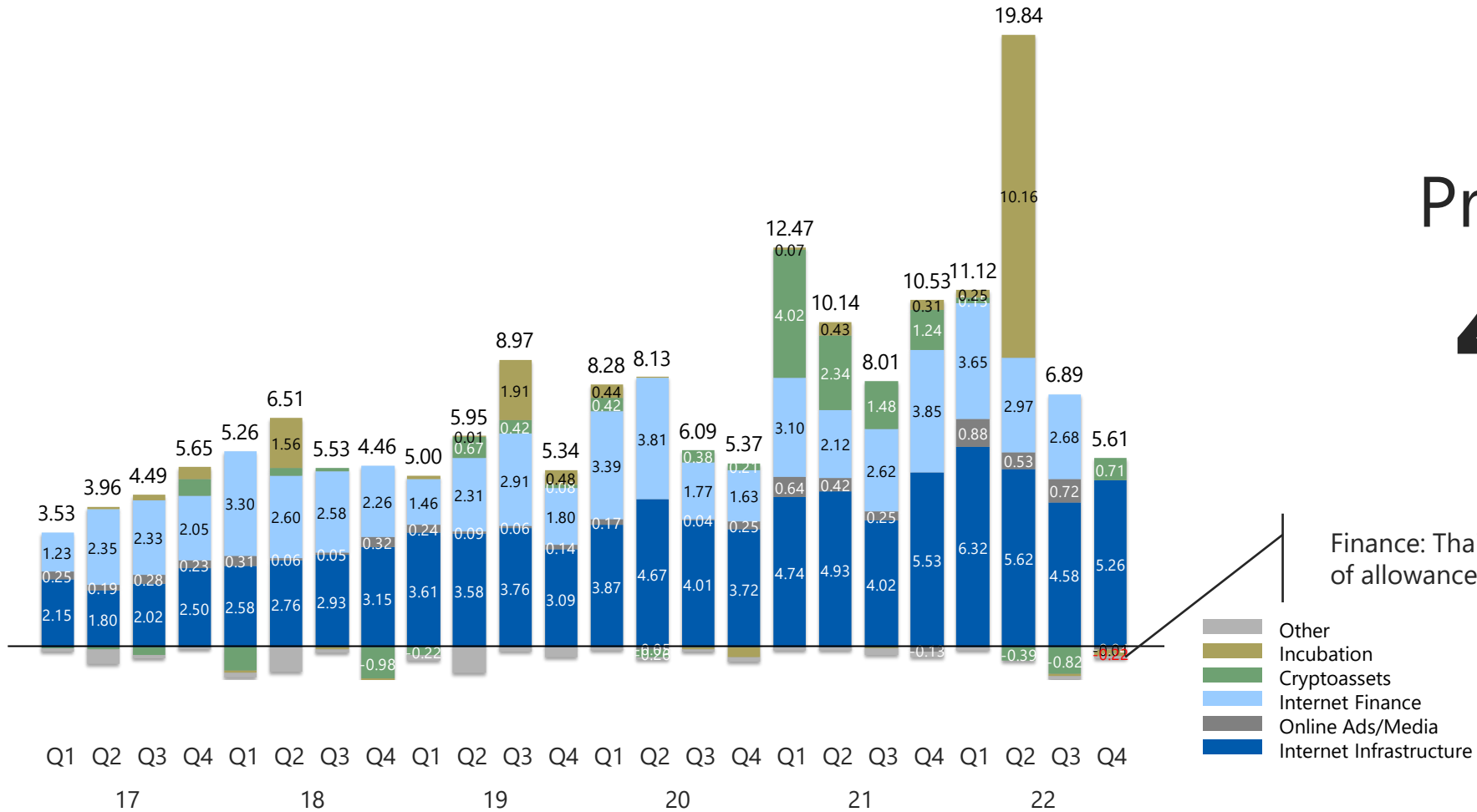


Revenue up  
**7.5%**  
YoY

# Group Overview | Profit by Segment

(JPY billions)

Compared to the same period last year (old v.s. old)



Profit down  
**46.7%**  
YoY

Finance: Thailand's Internet Securities posted the provision of allowance for doubtful accounts of JPY 3.5B

- Other
- Incubation
- Cryptoassets
- Internet Finance
- Online Ads/Media
- Internet Infrastructure

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# Internet Infrastructure | Collection of No. 1 services

Strong No. 1

Domain Registry

GMO REGISTRY

Domestic market share at

83.0% \*1

Strong No. 1

Domain Registrar

お名前.com  
http://www.oname.com

MuuMuu Domain

value-domain

Domestic market share at

82.3% \*2

No. 1

Hosting & Cloud

お名前.com  
レンタルサーバー

LOLIPOP!

Conoha

GMO CLOUD

value-server

Domestic market share at

56.9% \*3

No. 1

ASP Cart

COLOR ME

MakeShop®

57K paid stores

No. 1

Security

GlobalSign®

Domestic market share at

No. 1 \*4

No. 1

eSignature

電子印鑑なら

GMOサイン

1.07M accounts

No. 1

Cybersecurity

GMO CYBER SECURITY

IERAE

Number of white hat hackers

No. 1 \*5

No. 1

Payment

GMO PAYMENT GATEWAY

GMO EPSILON

147,204 merchants \*6

No. 1

Provider (ISP)

KKKB

by GMO

No. 1 \*7

provider in terms of customer satisfaction

# Internet Infrastructure | Full-year results trends

Compared to the same period last year (old v.s. old)

Net Sales: Up **14.0%** YoY

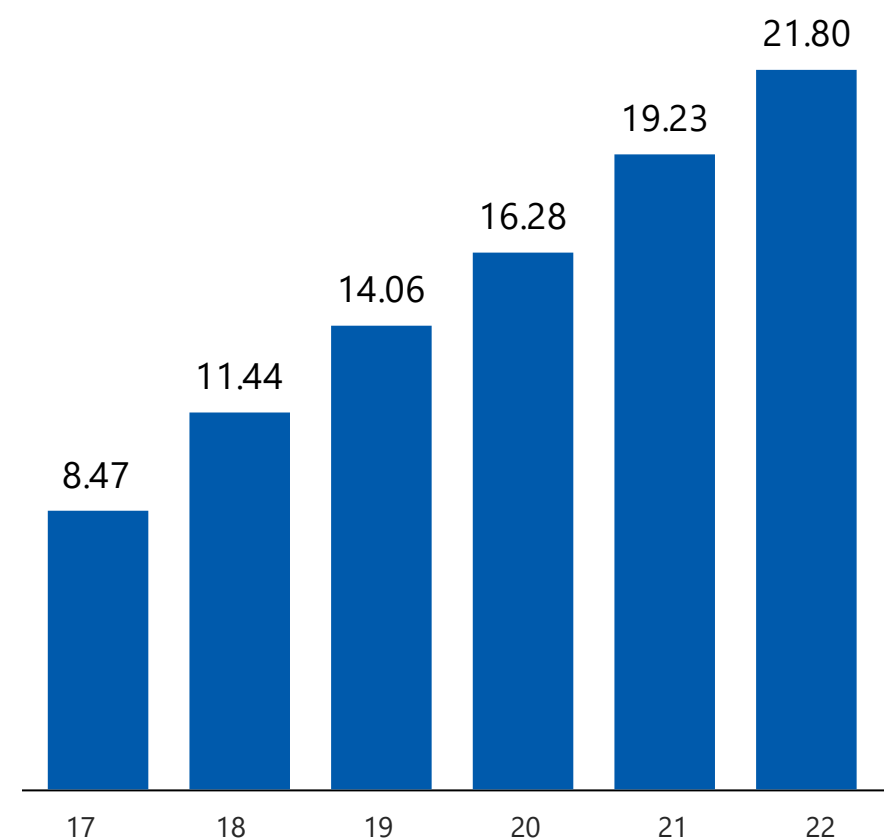
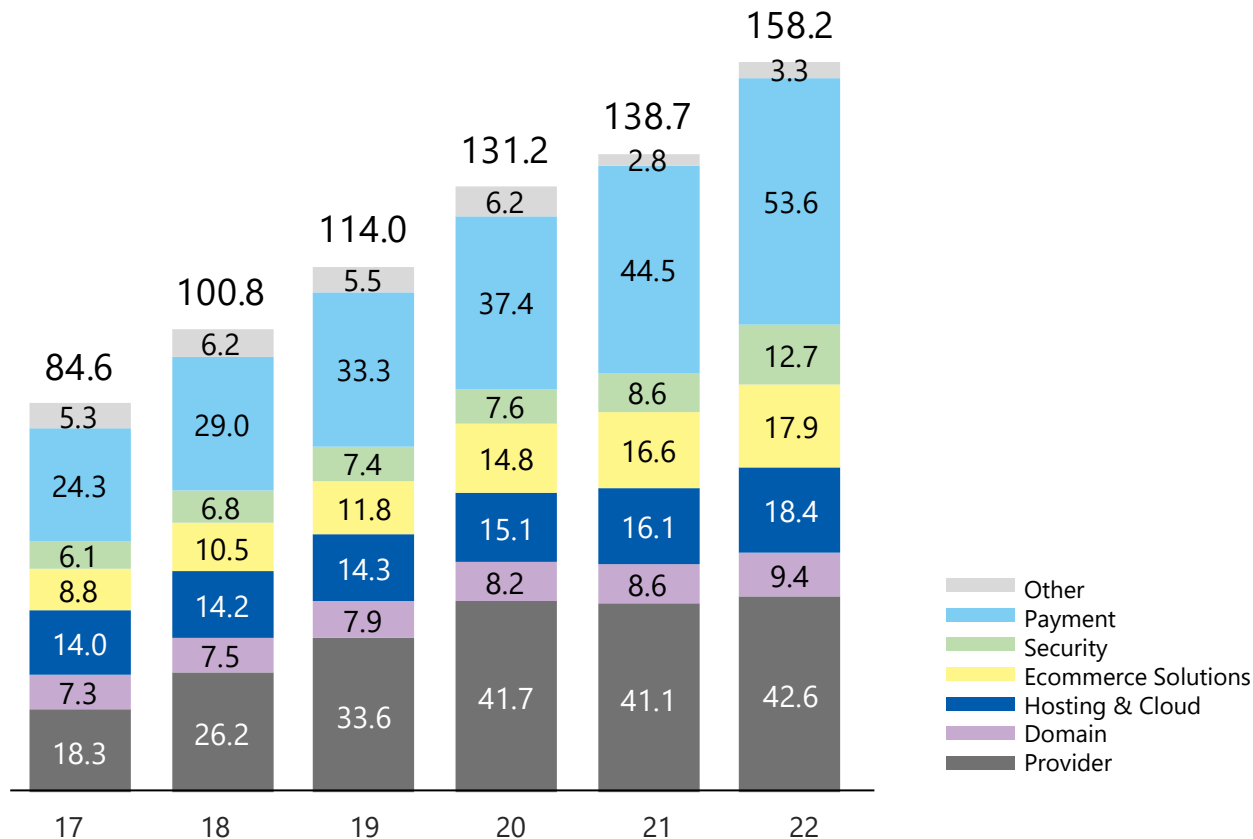
Record high

(JPY billions)

Operating Profit: Up **13.4%** YoY

Record high

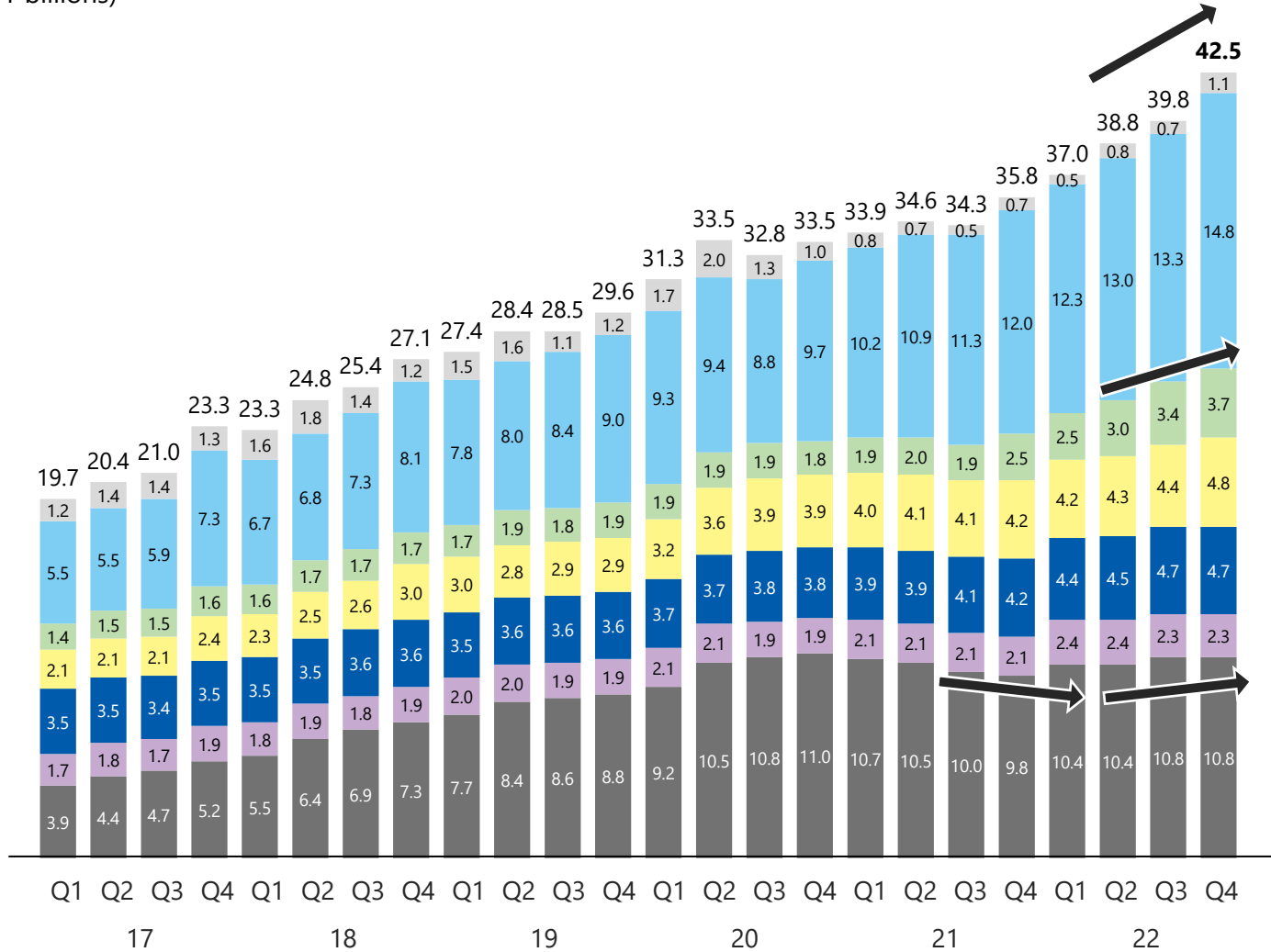
(JPY billions)



# Internet Infrastructure | Net Sales by Sub-Segment

(JPY billions)

Compared to the same period last year (old v.s. old)



Revenue up  
**18.6%**  
YoY

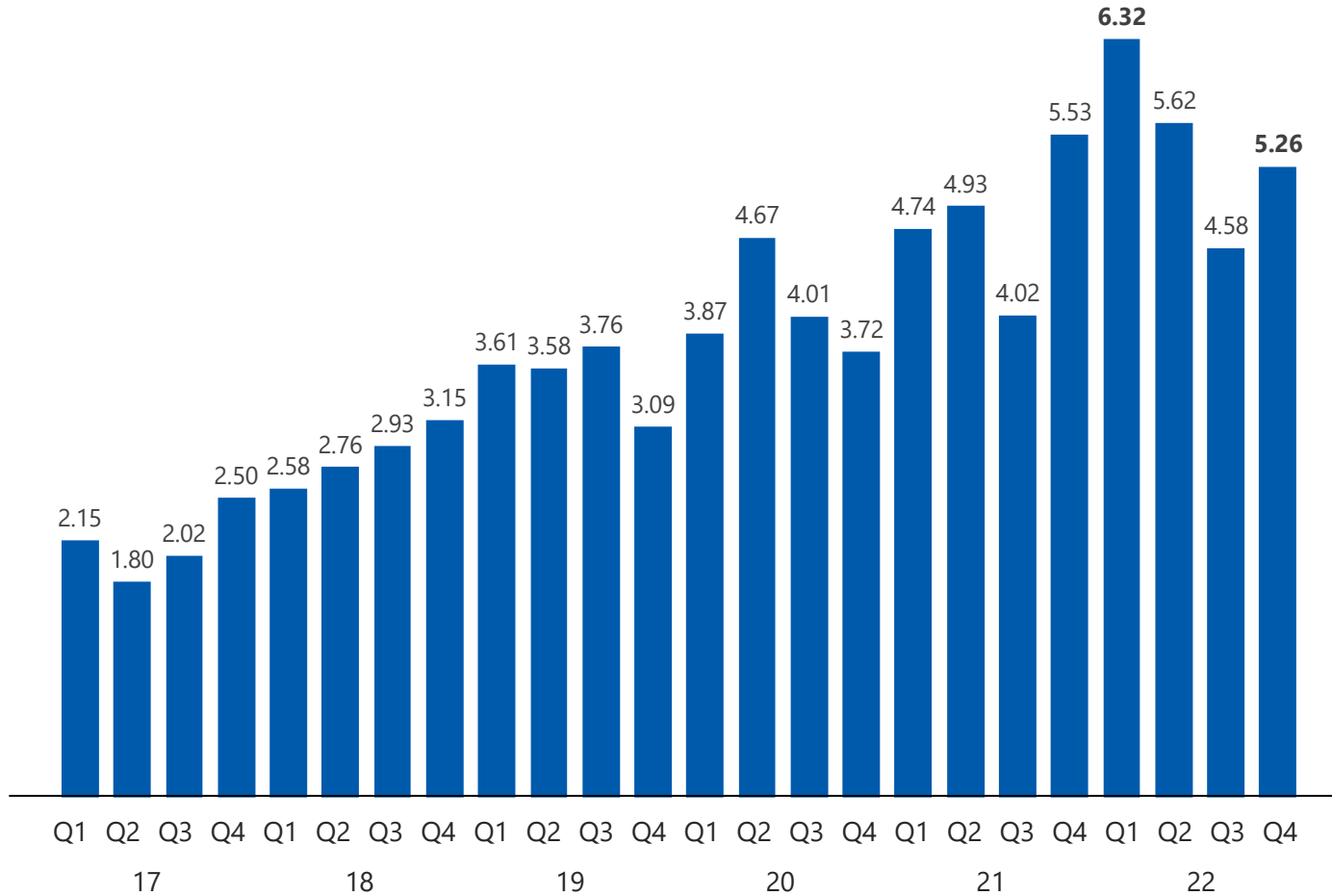
- Other
- Payment
- Security
- Ecommerce Solutions
- Hosting & Cloud
- Domain
- Provider

\* Numbers of domain and security businesses revised retroactively to Q1 FY2017 due to changes in the structure of the segment

# Internet Infrastructure | Operating Profit

(JPY billions)

Compared to the same period last year (old v.s. old)

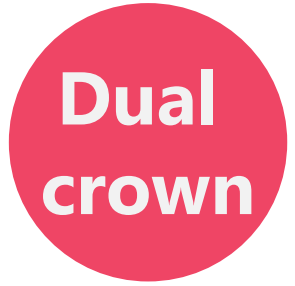


Profit down

**4.8%**

YoY

# Internet Infrastructure | Cryptosecurity



電子印鑑なら  
GMOサイン

Number of e-contract accounts: **No. 1**

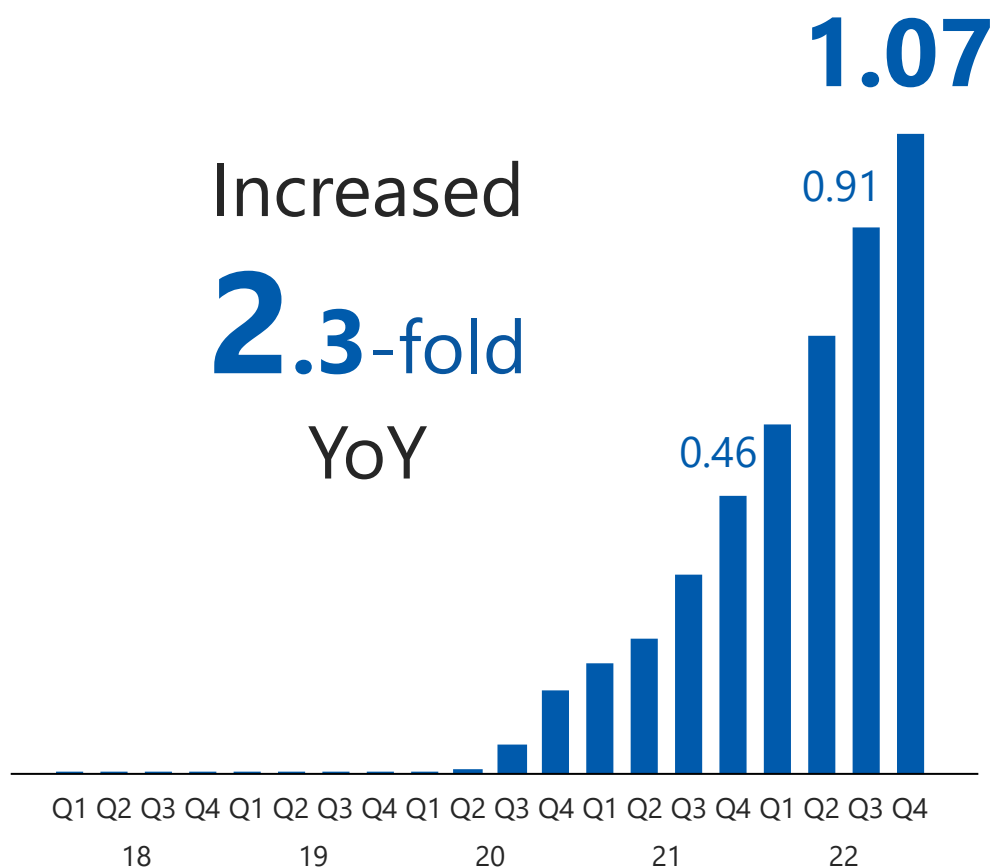
Number of contracts: **No. 1**

# Internet Infrastructure | Number of e-contract accounts

電子印鑑なら  
**GMOサイン**

(millions)

Increased  
**2.3-fold**  
YoY



Number of e-contract  
accounts  
**No. 1**

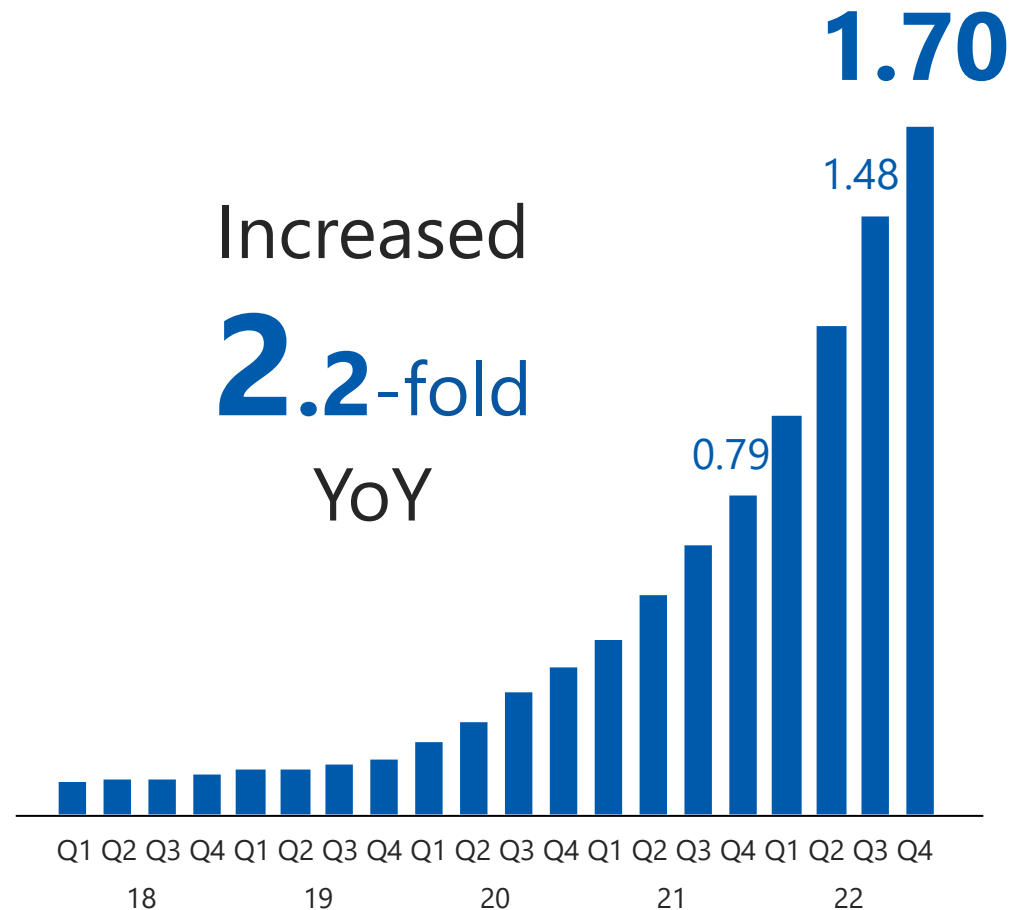


User companies (extract)



# Internet Infrastructure | Number of contracts

(millions)



Dual  
crown



Number of contracts  
**No. 1**



# Internet Infrastructure | Digital government

Adoption by **30** local governments was determined\*1

Become **No. 1** in terms of the number of local governments introducing GMO Sign. Aim at triple crown.



 Local governments introducing GMO Sign (extract)

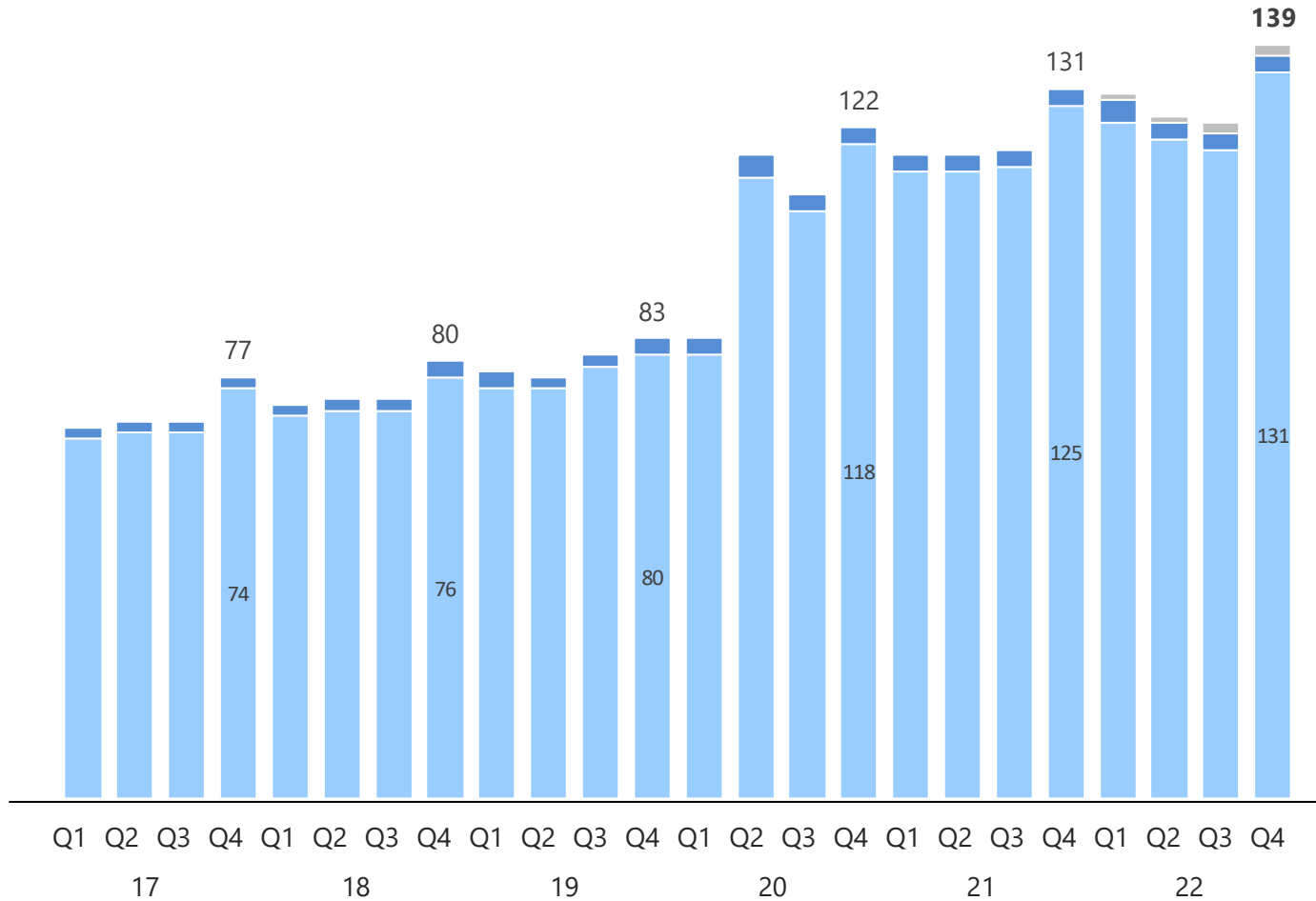
Tokyo*2	Gunma	Yamaguchi	Oita
Fukuoka City, Fukuoka Prefecture	Toyota City, Aichi Prefecture	Kawasaki City, Kanagawa Prefecture	
Yokosuka City, Kanagawa Prefecture	Higashi-osaka City, Osaka Prefecture	Toyonaka City, Osaka Prefecture	
Chigasaki City, Kanagawa Prefecture	Tatsuno City, Hyogo Prefecture	Amami City, Kagoshima Prefecture	
Inabe City, Mie Prefecture	Sanjo City, Niigata Prefecture	Sakai City, Fukui Prefecture	
Shiso City, Hyogo Prefecture	Nagahama City, Shiga Prefecture		

\*1: Including local governments at an experimental stage such as trials.

\*2: Business Chance Navi managed by Tokyo Metropolitan Small and Medium Enterprise Support Center introduced GMO Sign.

# Internet Infrastructure | Ecommerce Solutions: transaction volume

(JPY billion)



Up  
**6.3%**  
YoY

# Internet Infrastructure | Adjustment costs to maintain our services

Introducing adjustment costs, in response to an increase in costs due to rise in the electricity charges, weak yen, semiconductor shortages, etc.

► **Impact on the customer retention rate and the number of new applications is insignificant.**

Net sales	Proportion of billed amount (planned)*	Schedule
<b>Domain</b>	<b>Around 10-20%</b>	Applies to procedures and billed amount on February 1, 2023, and beyond
<b>Hosting &amp; cloud</b>	<b>10%</b>	

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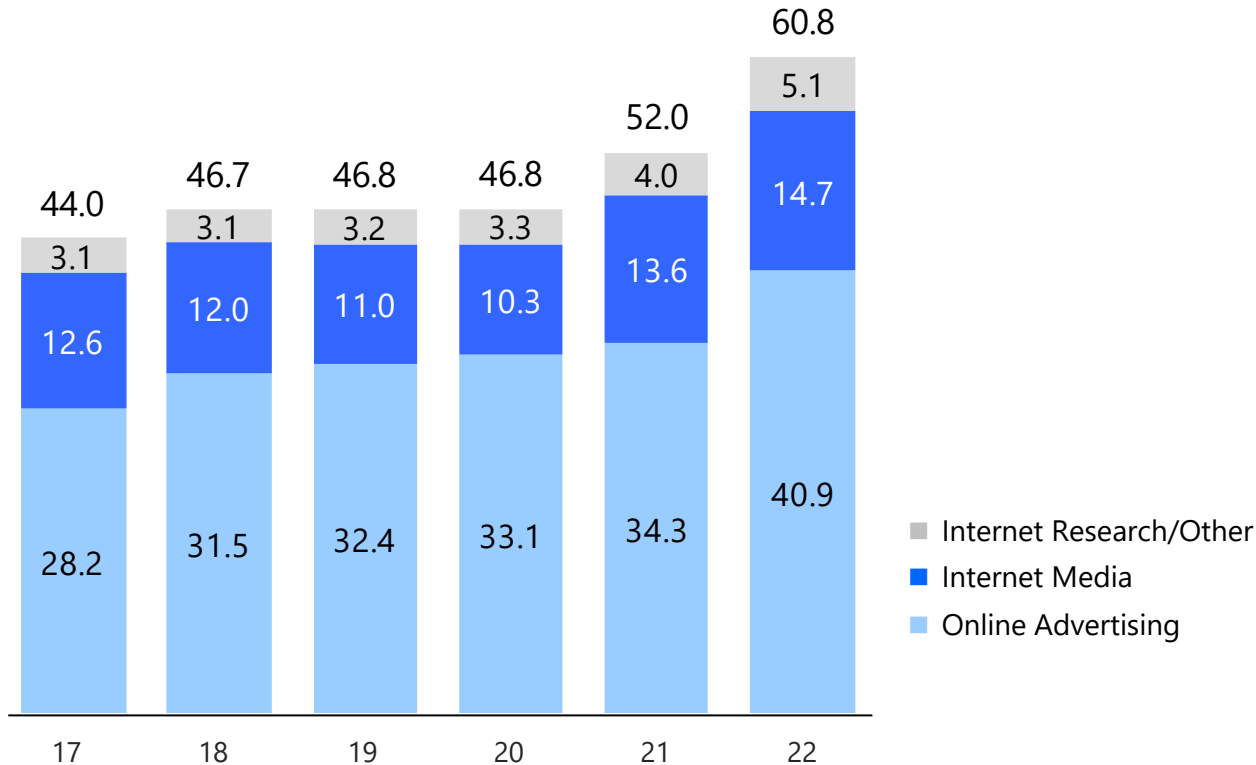
# Online Advertising & Media | Full-year results trends

Compared to the same period last year (old v.s. old)

Net Sales: Up **16.9%** YoY

Record high

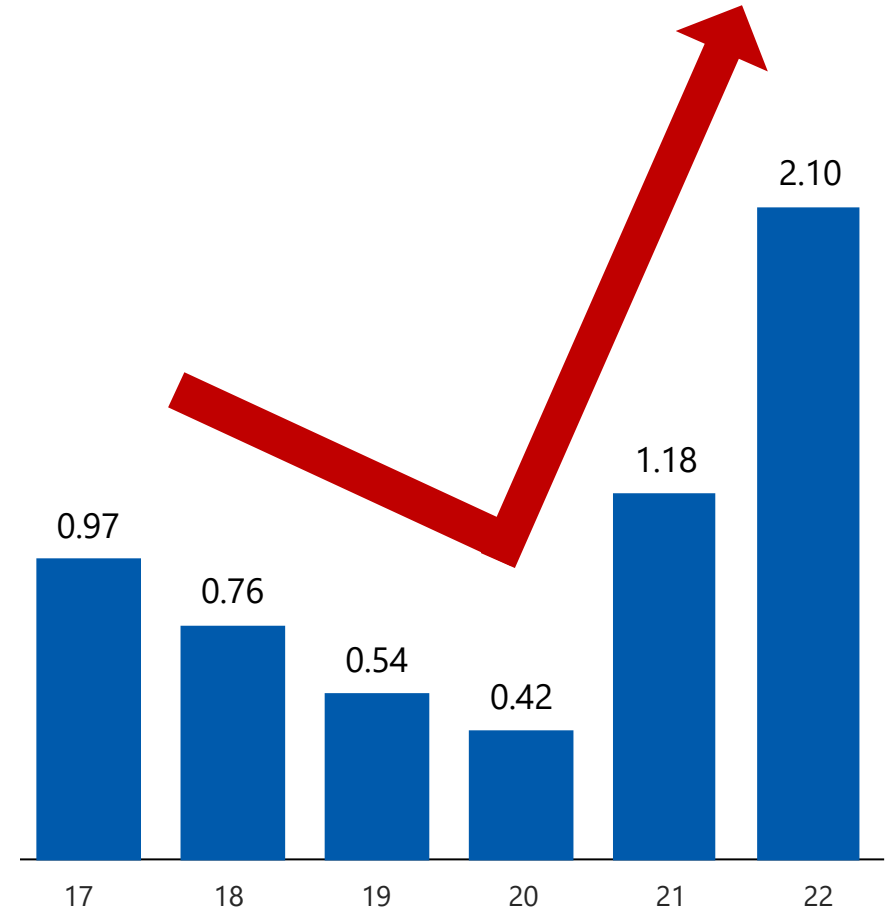
(JPY billions)



Operating Profit: Up **77.2%** YoY

Record high

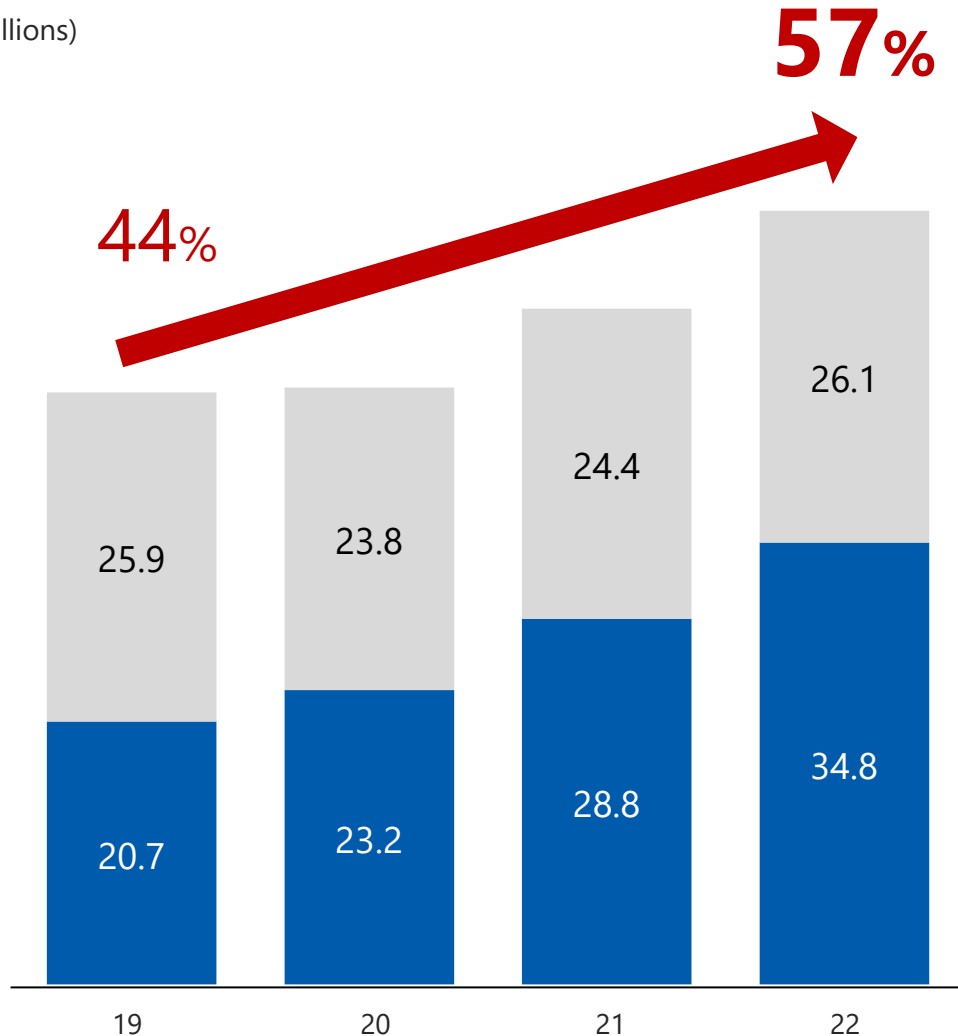
(JPY billions)



# Online Advertising & Media | Ratio of the in-house products



(JPY billions)



## Accelerated in-house product shift

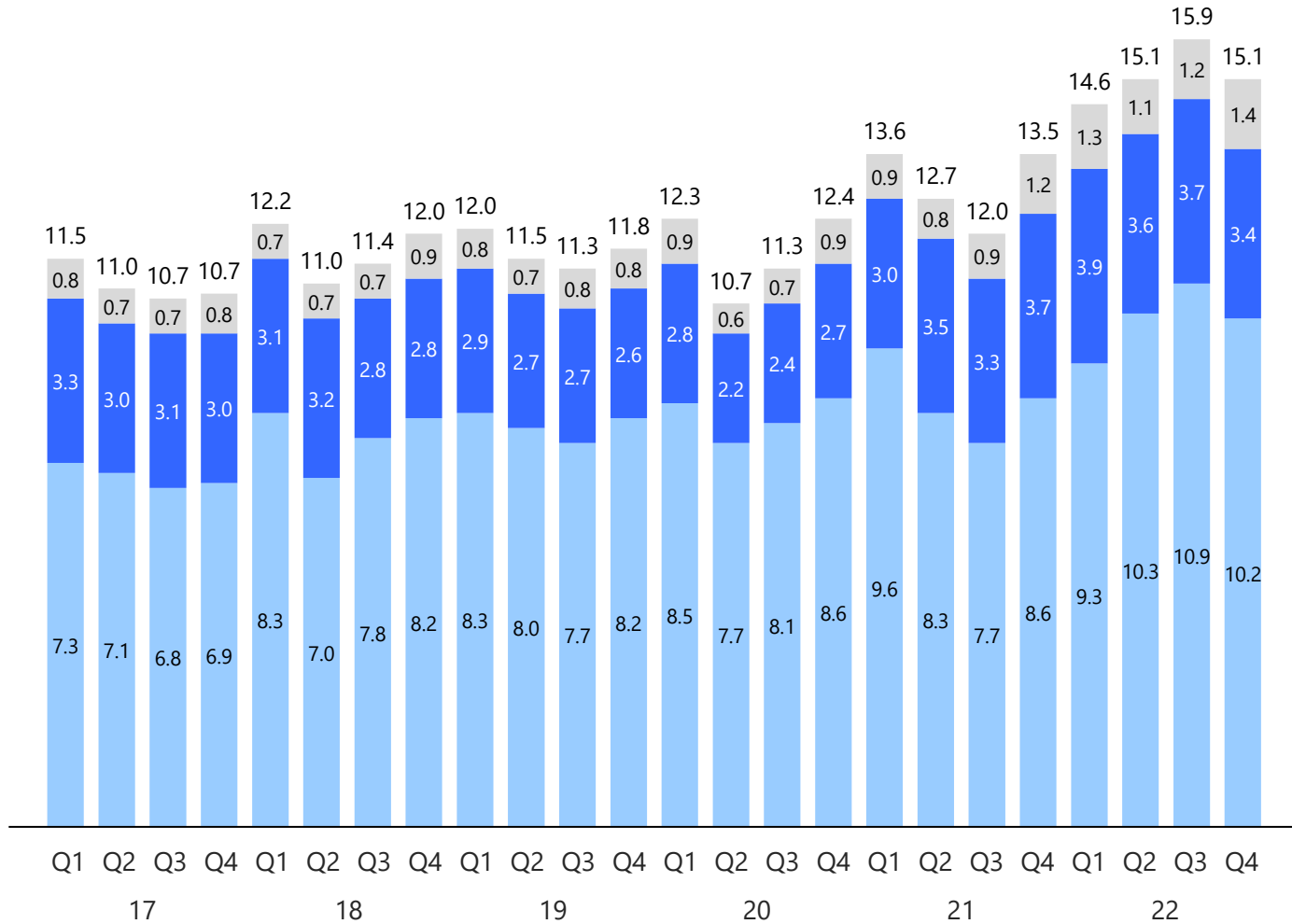
- Net sales of in-house products and media\*
- Other net sales
- Ratio of the in-house products (%)

\* Calculated based on consolidated net sales of GMO-AP, GMO-TE, GMO-ME, and GMO-RE.

# Online Advertising & Media | Net Sales

(JPY billions)

Compared to the same period last year (old v.s. old)



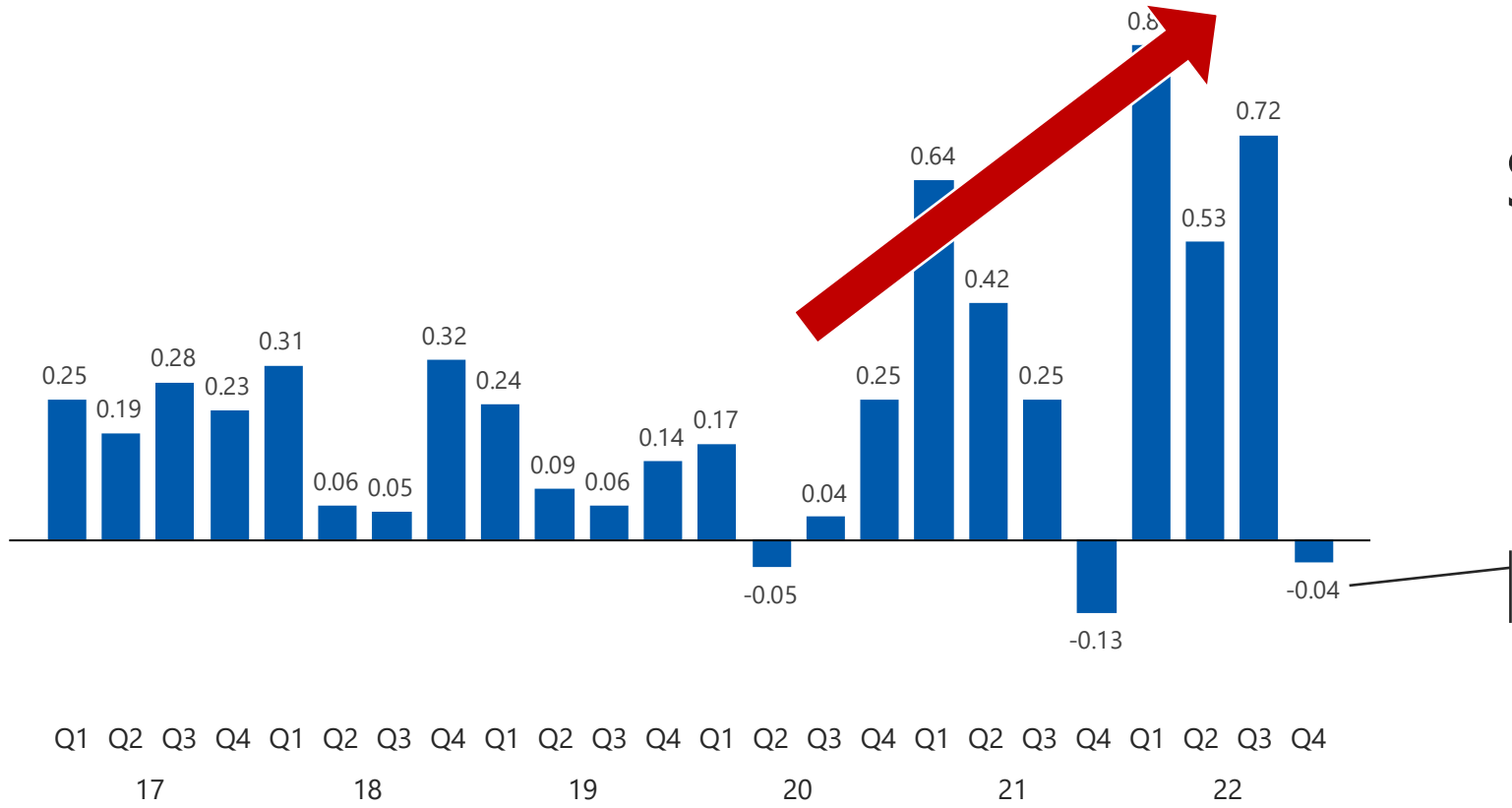
Revenue up  
**11.4%**  
YoY

- Internet Research/Other
- Internet Media
- Online Advertising

# Online Advertising & Media | Operating Profit

(JPY billions)

Compared to the same period last year (old v.s. old)



Strategic investment in Q4

Strategic investment of JPY 640 M

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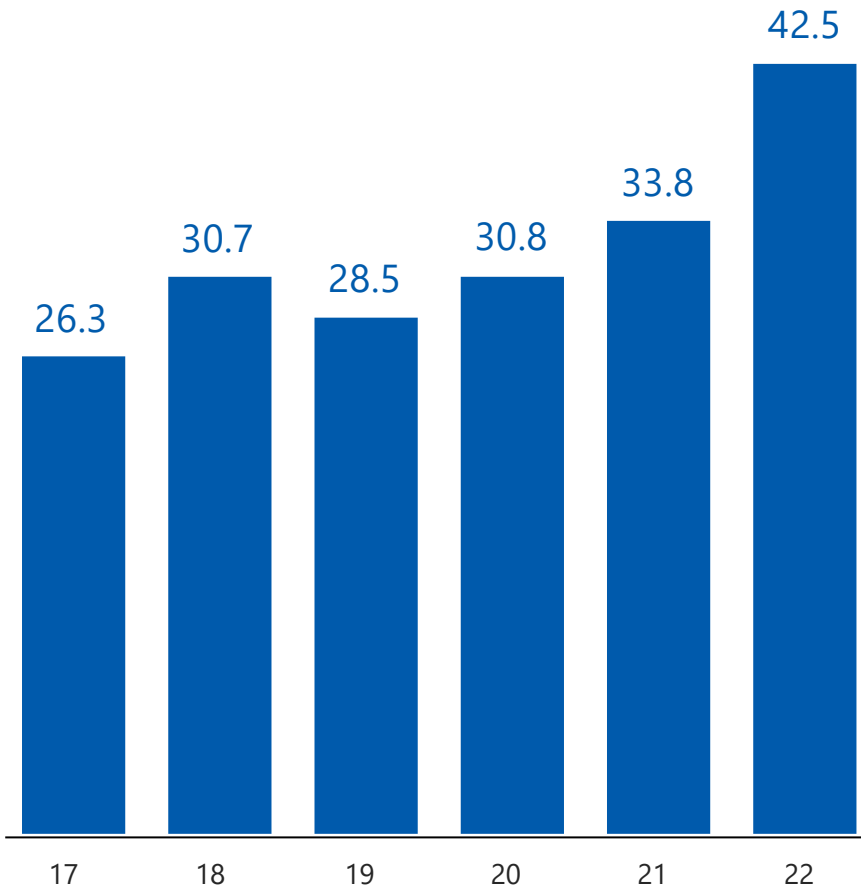
# Internet Finance | Full-year results trends

Compared to the same period last year (old v.s. new)

Net Sales: Up **25.5%** YoY

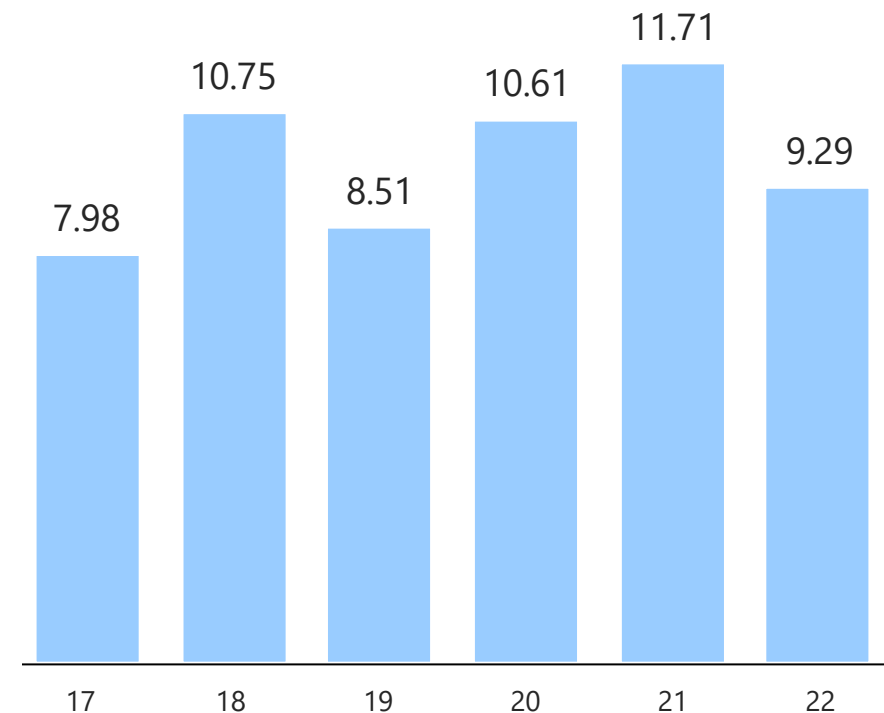
Record high

(JPY billions)



Operating Profit: Down **20.7%** YoY

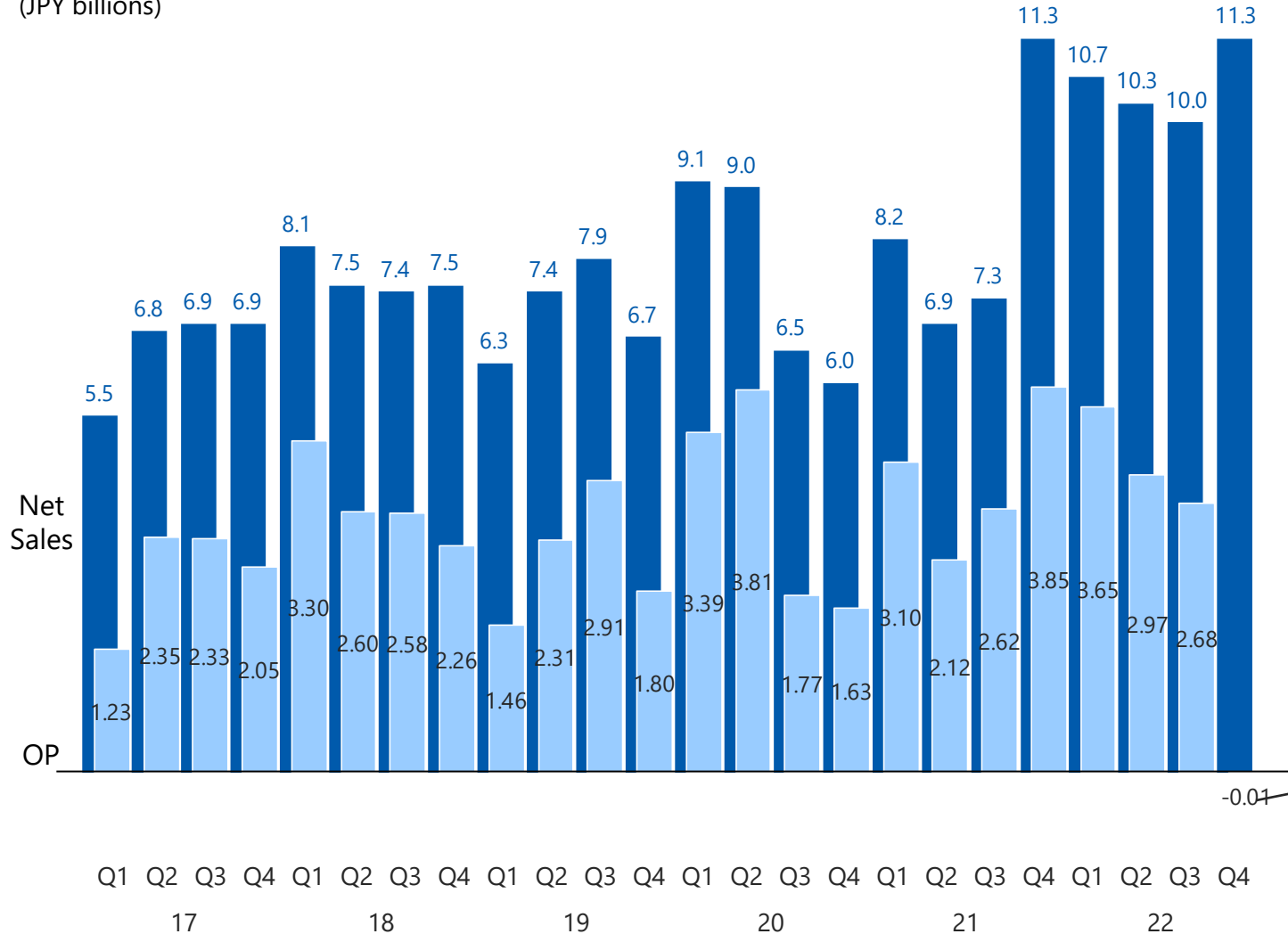
(JPY billions)



# Internet Finance | Historical Performance by Quarter

(JPY billions)

Compared to the same period last year (old v.s. new)



Revenue up

**0.2%**

YoY

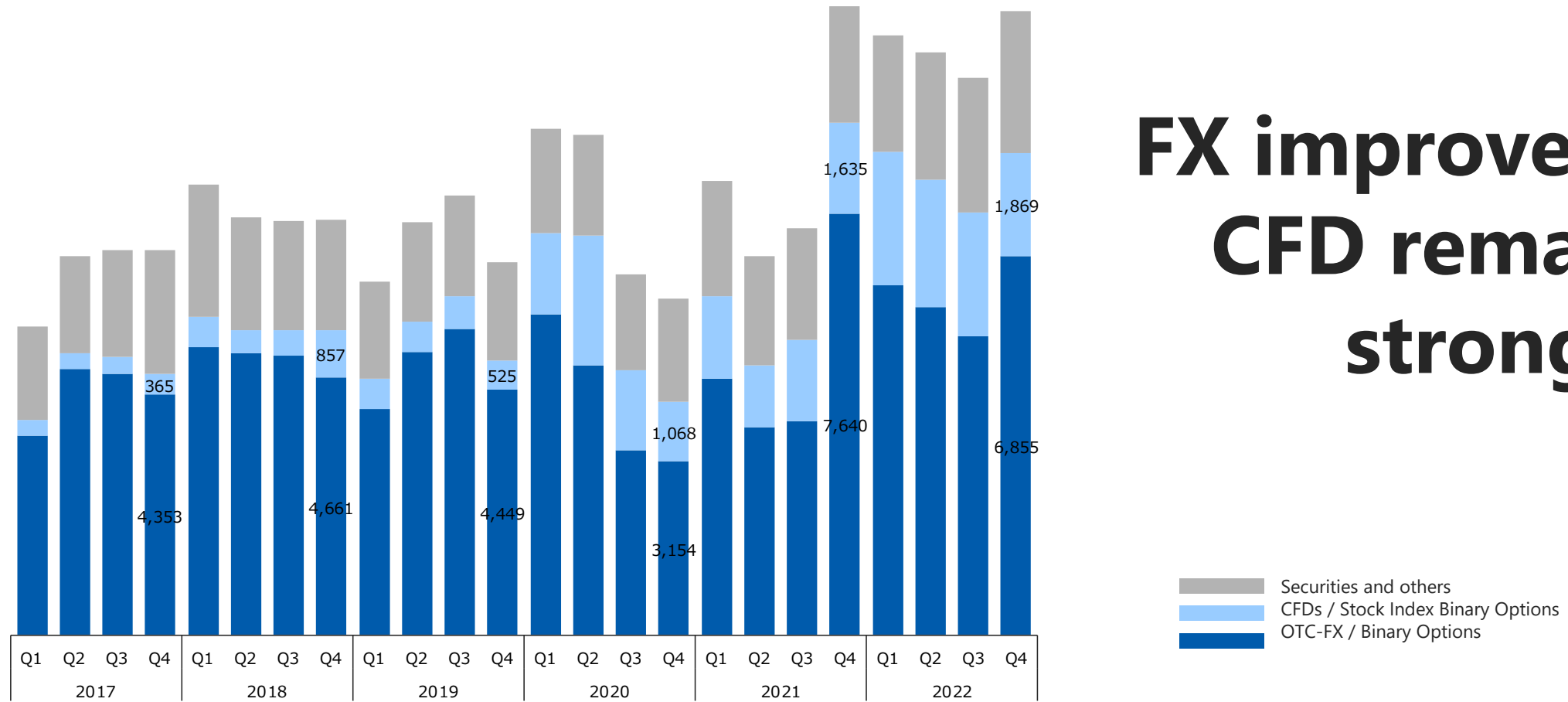
Operating loss

**10M**

Finance: Thailand's Internet Securities posted the provision of allowance for doubtful accounts of JPY 3.5B

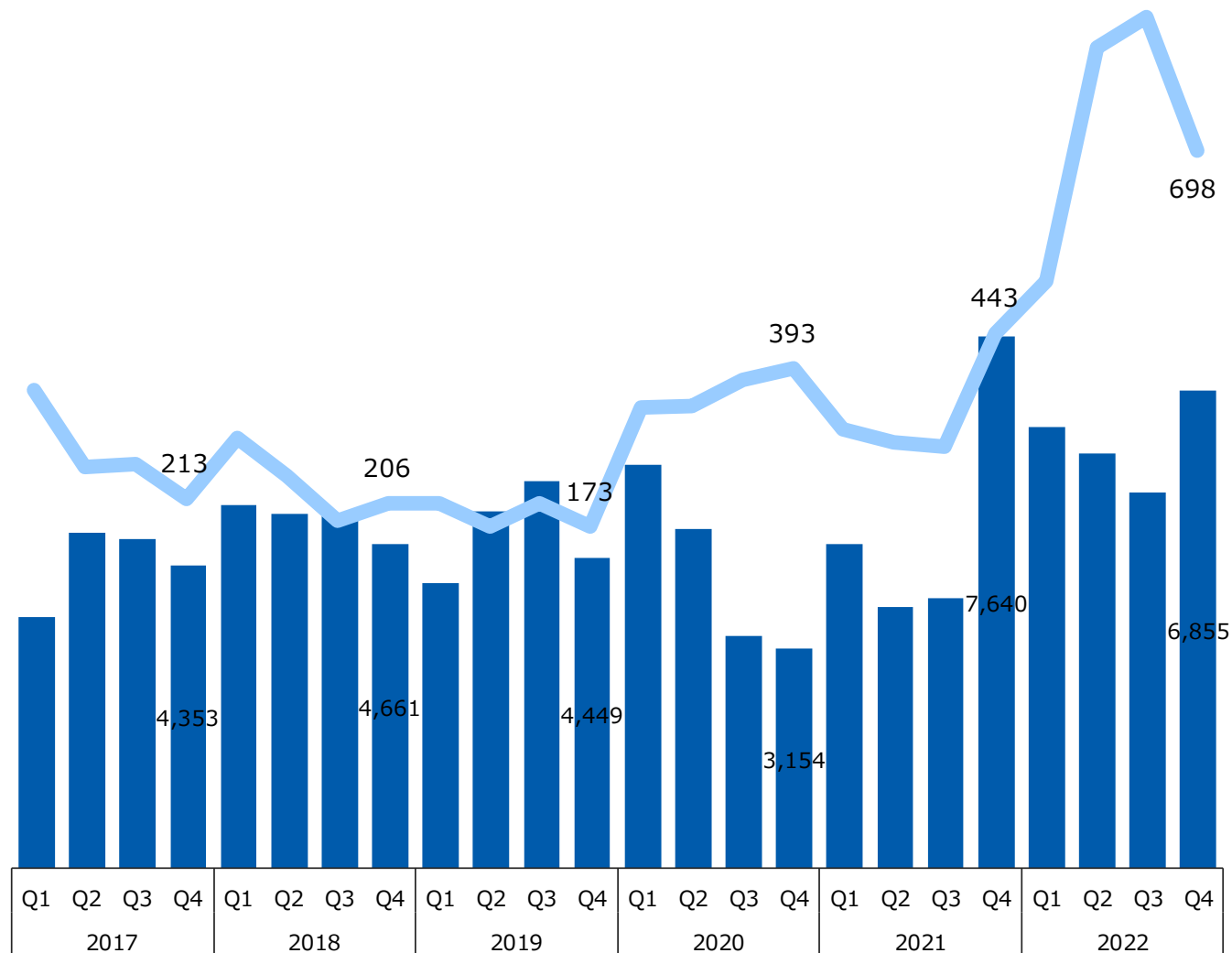
# Internet Finance | Net sales by each product

(JPY millions)



**FX improved QoQ.  
CFD remained  
strong.**

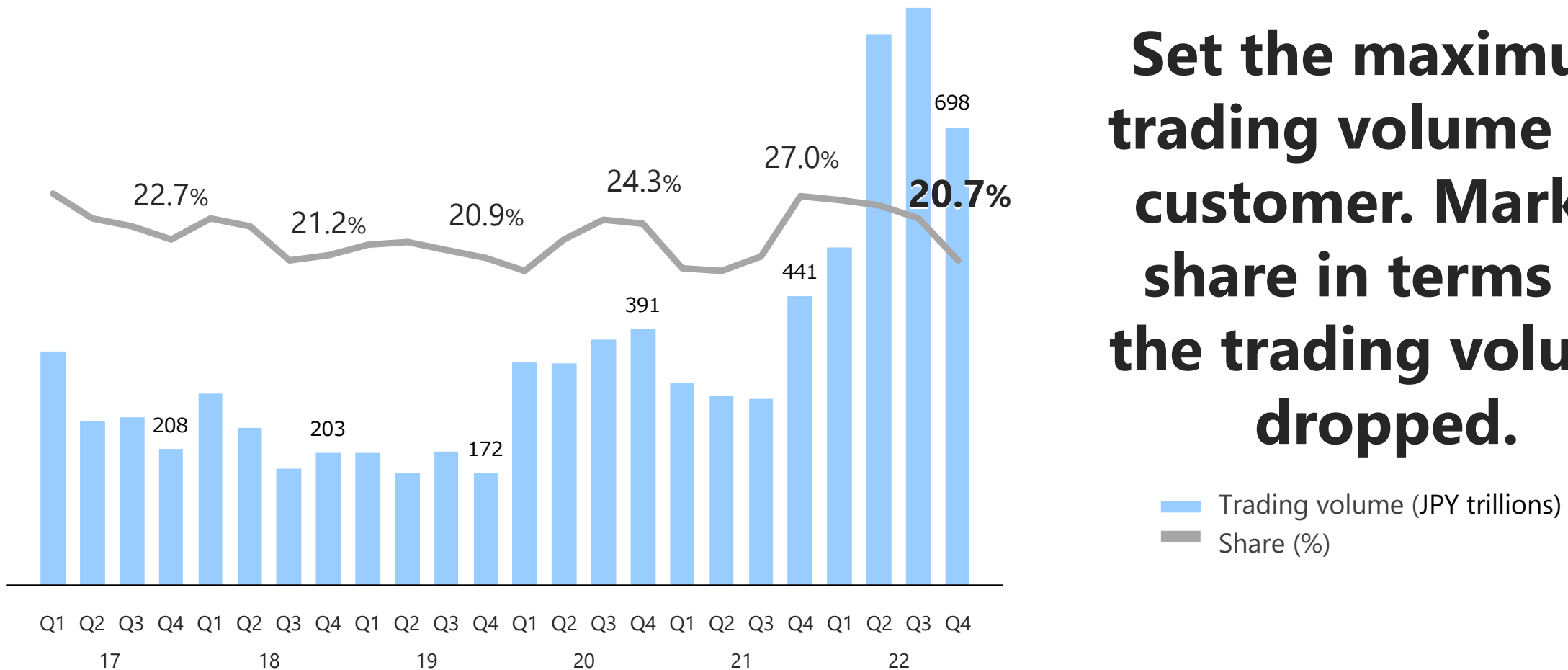
# Internet Finance | FX net sales and trading volume



## FX profitability improved YoY

- Net sales of OTC-FX/binary options (JPY millions)
- FX Trading volume (JPY trillions)\*

# Internet Finance | FX Trading Volume



**Set the maximum trading volume per customer. Market share in terms of the trading volume dropped.**

■ Trading volume (JPY trillions)  
— Share (%)

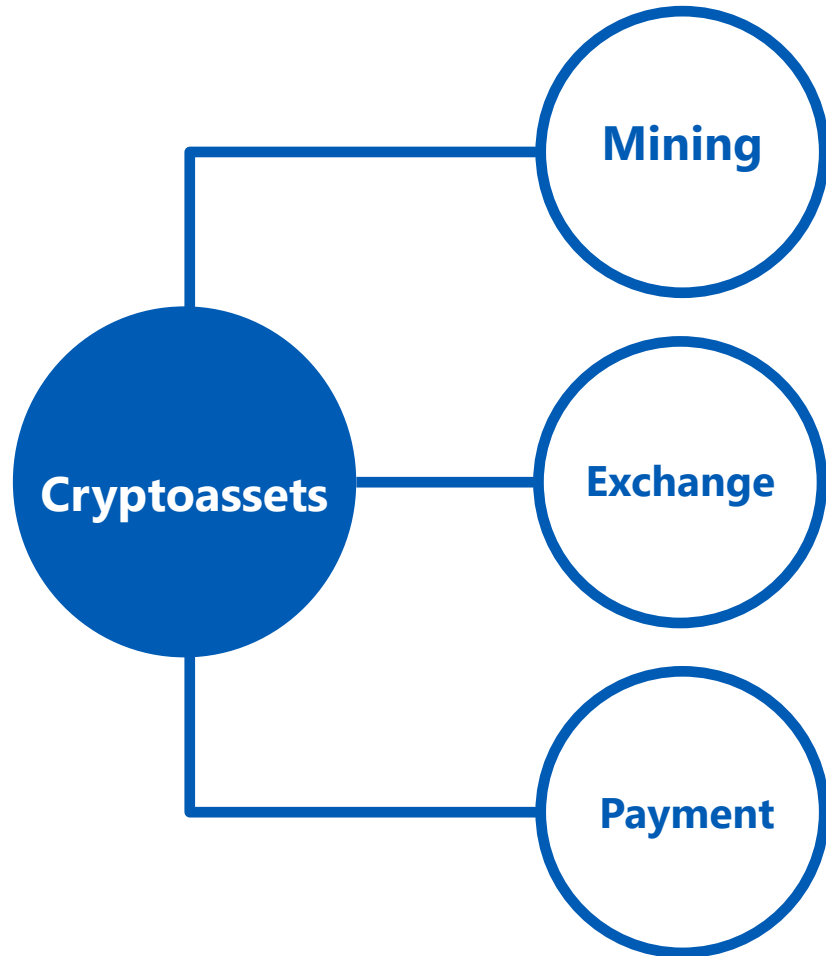
Prepared based on Results Presentation of GMO Financial HD for Q4 of FY2022 and “Monthly Statistical Bulletin on Over-The Counter Retail FX Margin Trading” published by the Financial Futures Association of Japan (FFAJ)

\*1: Aggregate of the trading volume of GMO CLICK Securities, FX PRIME byGMO, and Gaika ex byGMO

\*2: Group share calculated based on the sum of GMO Financial HD's revenues for the applicable three-month period, assuming that “Monthly Statistical Bulletin on Over-The Counter Retail FX Margin Trading” published by the Financial Futures Association of Japan (FFAJ) is a market as a whole.

1. Overview
2. Group Overview
3. Segment Report
  - i) Internet Infrastructure
  - ii) Online Advertising & Media
  - iii) Internet Finance
  - iv) Cryptoassets
4. Topics

# Cryptoassets business



**Cryptoassets mining business**

**Cryptoassets exchange business**

**GMO Coin**

**Cryptoassets payment**

↳ Issue stablecoin

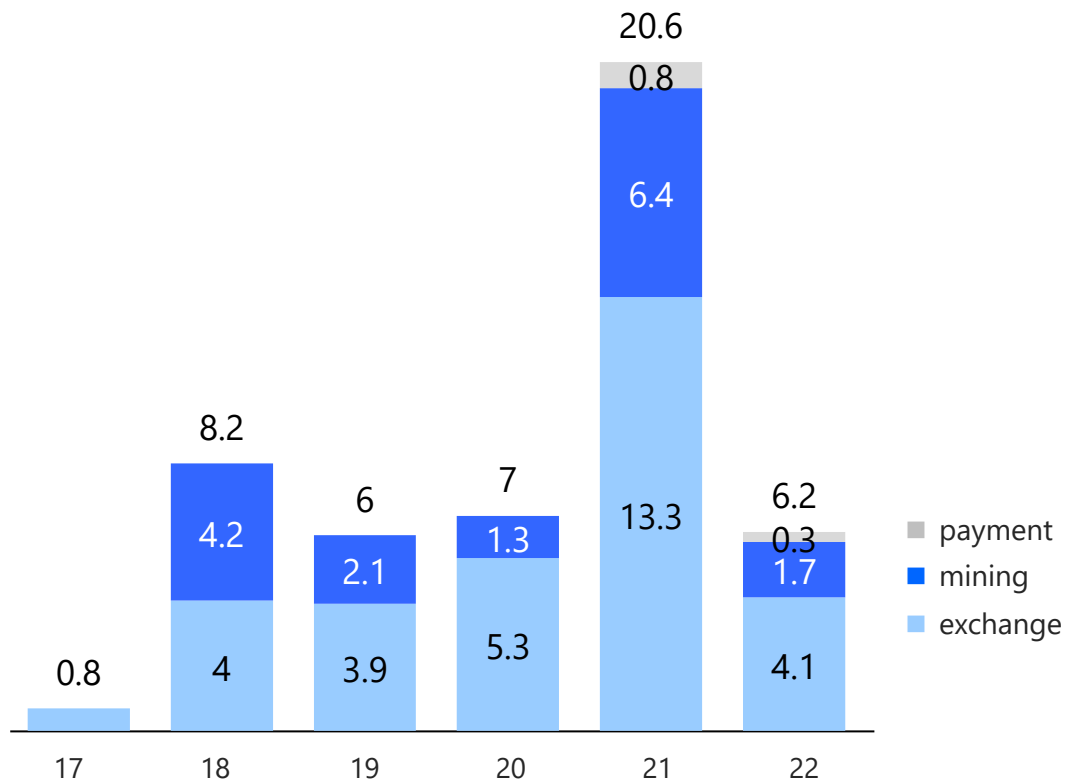
**GYEN ZUSD**  
Digital JPY Digital USD

# Cryptoassets business | Full-year results trends

Compared to the same period last year (old v.s. new)

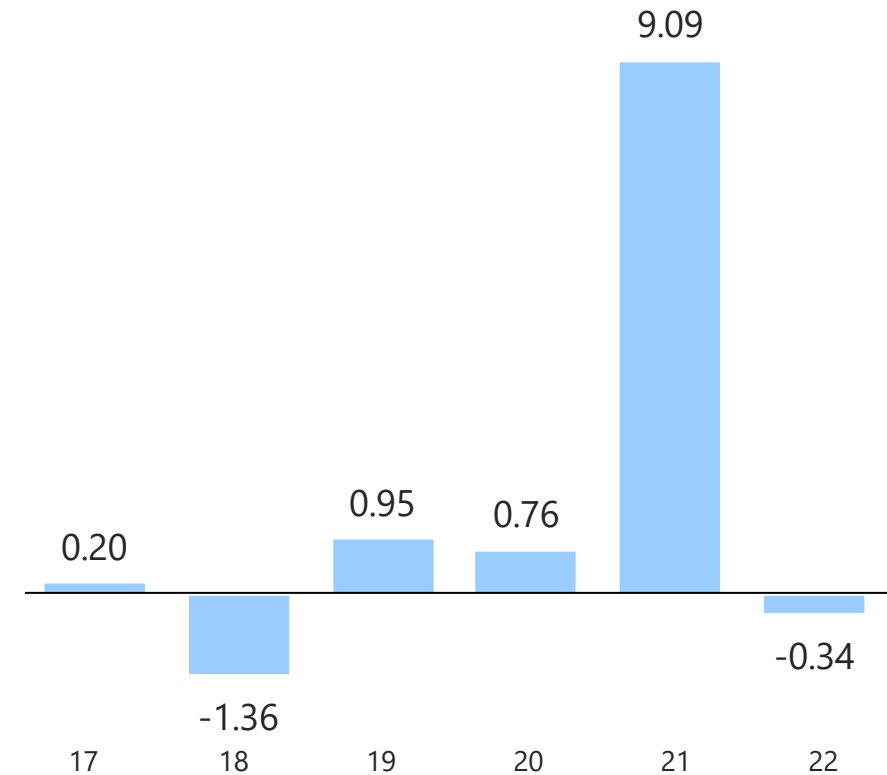
Net Sales: Down **69.9%** YoY

(JPY billions)



Operating Loss: **0.34B**

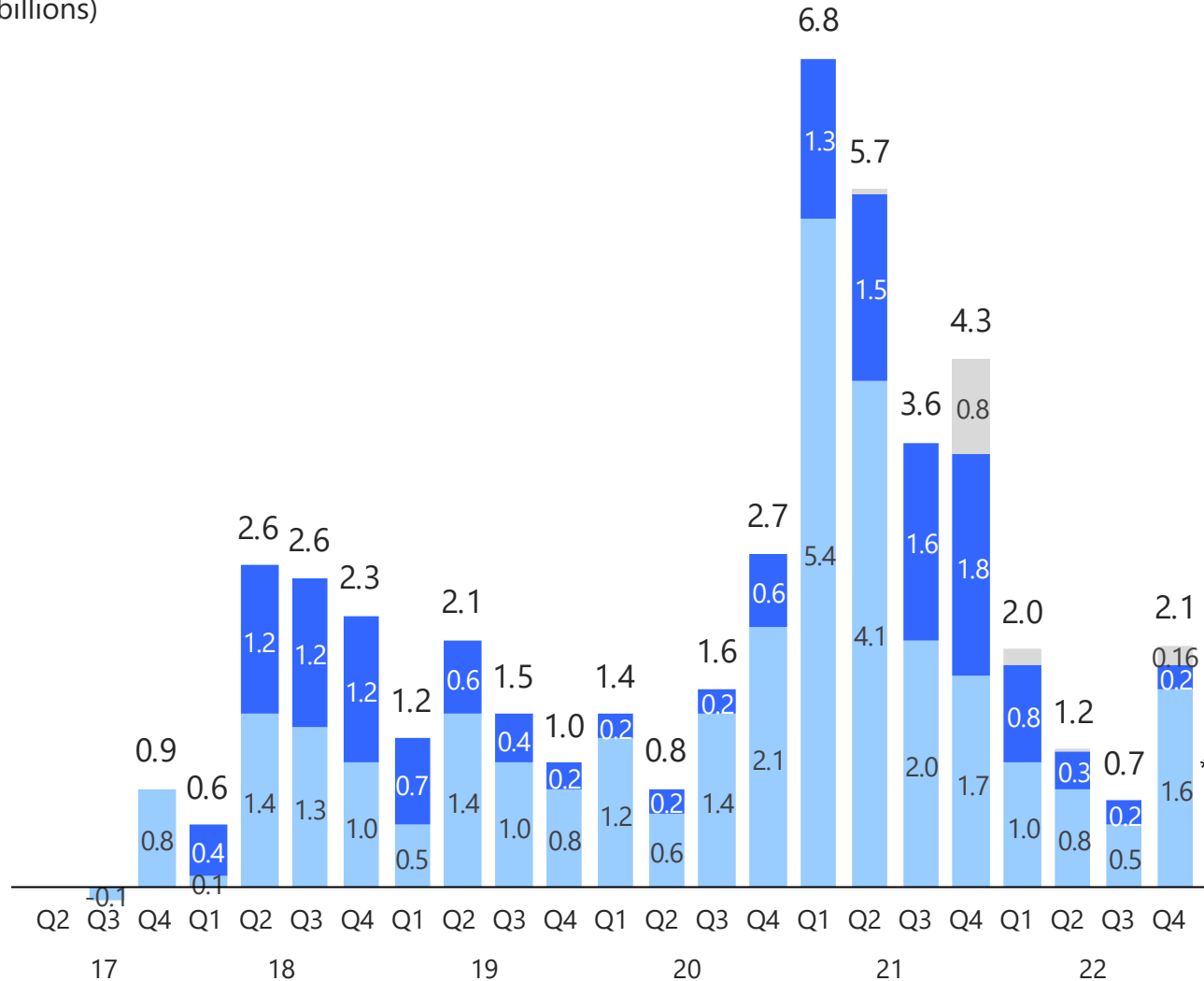
(JPY billions)



# Cryptoassets business | Net Sales

(JPY billions)

Compared to the same period last year (old v.s. new)



Revenue down  
**52.5%**  
YoY

- payment
- mining
- exchange

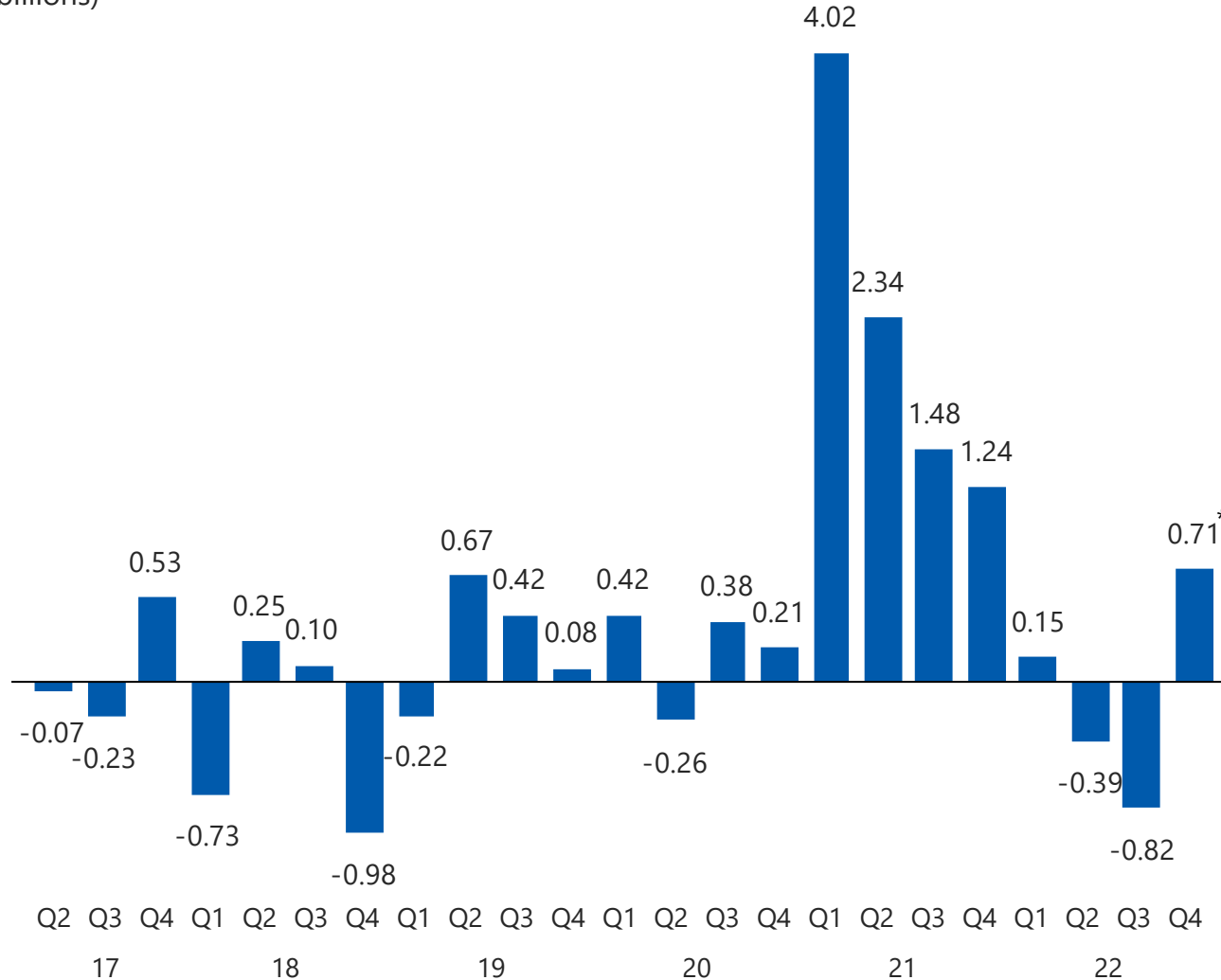
\* The Company started recording hedging costs previously deducted from net sales as non-operating profit and loss in October 2022. As a result, net sales increased by JPY 870 million in Q4 FY2022 (including a correction to the figures from Q1 to Q3 FY2022).

# Cryptoassets business | Operating Profit

(JPY billions)

Compared to the same period last year (old v.s. new)

Profit down  
**42.2%**  
YoY



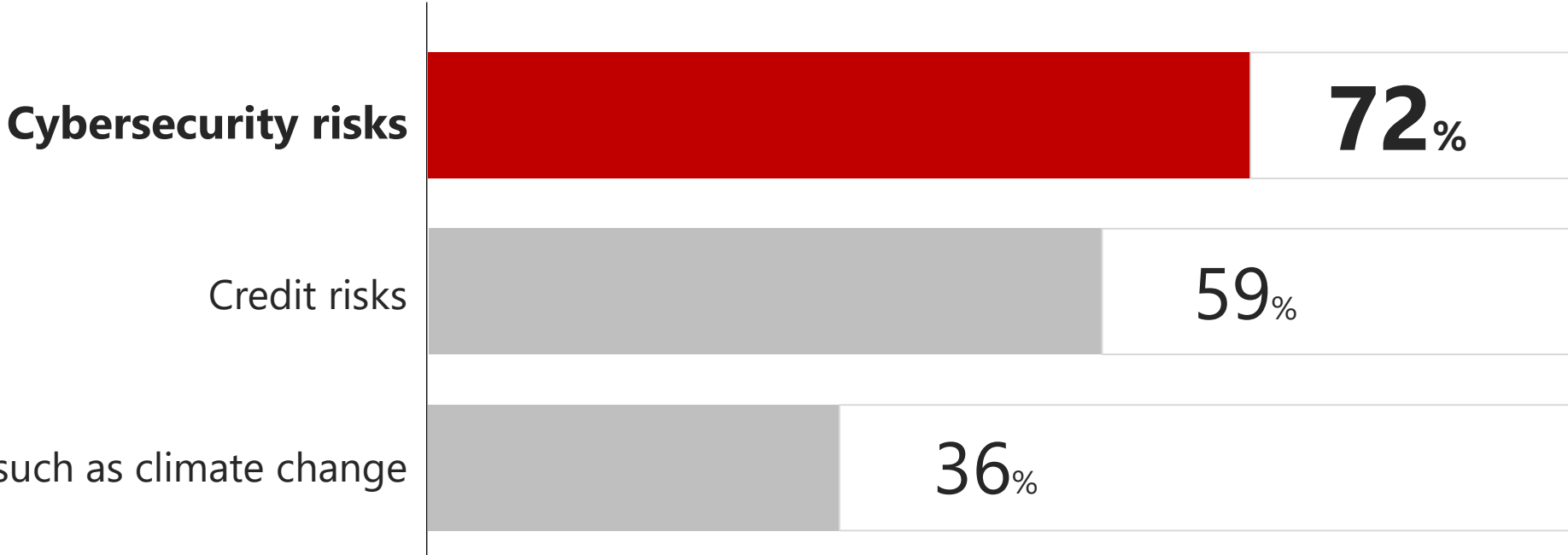
\* The Company started recording hedging costs previously deducted from net sales as non-operating profit and loss in October 2022. As a result, net sales increased by JPY 870 million in Q4 FY2022 (including a correction to the figures from Q1 to Q3 FY2022).

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# Social issues

Cyberattacks are the greatest corporate risks (according to **EY**  )

Risks in 2023 chosen by Chief Risk Officers (CROs)



Source: "12th annual EY/IIF global bank risk management survey"

**Security | Corporate slogan**

**Safe and Secure**  
**Internet for Everyone**

## Security | Three areas

1. **Crypto**security



2. **Cyber**security



3. **Brand** security



# Service usage | (1) Cryptosecurity business (SSL)



# Service usage | (2) Cybersecurity business

GMO CYBER SECURITY  
IERAE

Sammy Networks

CyberAgent

ICT

ACCESS

TIS  
TIS INTEC Group

SOMPO  
CYBER  
SECURITY

Simplex Inc.

LIQUID

no+e

RENOSY X

sansan

SKIYAKI

SORACOM

sysmex

DRECOM<sup>®</sup>  
with entertainment

トヨタテックホールディングス株式会社

Orchestrating a brighter world  
NEC

FORVAL

パーソルキャリア  
PERSOL

LIFENET

かがやく“笑顔”のために  
morinaga 森永乳業

hey

MACNICA

WILL GROUP

# Service usage | (3) Brand security business

GMO BRAND SECURITY

TORAY

SUNTORY

BRIDGESTONE  
Solutions for your journey

ISUZU

FamilyMart

RICOH

WACOAL

ABC-MART

TSI HOLDINGS

TOPPAN

よろこびがつなぐ世界へ  
KIRIN

PREMIER ANTI-AGING

AMANO

MICHIKO LONDON  
KOSHINO

SHARP

BATHCLIN

エバラ

EPOCH 株式会社エポック社

HOKUETSU

TSUBURAYA

自然を、おいしく、楽しく。  
KAGOME

RISO

audio-technica

GLOBIS

maruetsu  
マルエツ

## (2) Cybersecurity business | Working with public institutions

GMO CYBER SECURITY



### Self-defense forces

Carried out training to improve the skills of Cyber Defense Command\*1

### National Police Agency

Received a letter of thanks for technical assistance\*2

Ministry of Defense

国家の独立、  
平和と安全を守る



\*1: "Penetration test drills for JSDF Cyber Defense Command carried out by GMO Cybersecurity by Ierae" (February 1, 2023)

\*2: Received a letter of thanks from National Police Agency (January 30, 2023)

## (2) Cybersecurity business | New service

GMO CYBER SECURITY  
by IERAE

2023年  
最大の経営リスクは  
サイバー攻撃です!

※2023年1月12日 日本経済新聞/英大手会計事務所アーンスト・ヤング・ロイター・ゲルティンガー・アンド・パートナーズ「金融機関トップリスク・オフイサーが選ぶ2023年の最大リスク」より  
「金融機関トップリスク・オフイサーが選ぶ2023年の最大リスク」より

GMO  
サイバー攻撃 ネットde診断

ドメインを  
入力するだけ!

月額 〇〇円~ (税込)

✓ セキュリティ課題  
可視化

✓ スコアリング

100

安全の証明シールも利用可能

SAMPLE  
GMO  
CYBER SECURITY  
by IERAE  
サイバー攻撃対策サイト

サイト訪問者も安心!  
一定以上のスコアの場合は  
サイトシールも利用可能!

サイバー攻撃対策シールの取り組みについて (<https://gmo-cybersecurity.com/siteseal/>)

GMO  
サイバー攻撃 ネットde診断

## (2) Cybersecurity business | New service



# Site seal displayed on website after diagnosis







## Security

**The only listed business group that can offer solutions to security challenges**

# Conclusion

# FY2023

Outlook

Internet Infrastructure	Sustainable growth through solid recurring revenues. We offer solutions to Internet security issues and our position will be unmatched by any other company.	
Online Ad & Media	Continue to enhance in-house products and media. Further expansion of the business' performance.	
Internet Finance	FX profitability improved and CFD became a core product, leading to solid business portfolio.	
Cryptoassets	There is no change in our view that cryptoassets have the potential to grow. Continue business operations steadily.	

**Internet for Everyone**

**GMO**

# GMO INTERNET GROUP

**We are planning on making an earnings announcement for FY2023 First Quarter after 3 pm on May 12, 2023.**

This document includes projections based on expectations, premises and plans as of February 13, 2023. These projections may differ from actual results due to factors including changes in the global economy, competition, exchange rate fluctuations, market cap of cryptoasset, 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.

Information contained in this document is provided for information purposes only and does not constitute solicitation of investors. Further, results forecasts and other forward-looking statements are based on premises that include risks and factors that are largely indeterminable. Please understand that actual results may differ significantly as a result of forces including economic conditions and market environment. No responsibility for any reason is accepted for damage sustained as a result of actions taken based on this information.

# Appendix

## **□ Group Overview**

□ Financial condition and strategy

□ Consolidated results

□ ESG activities

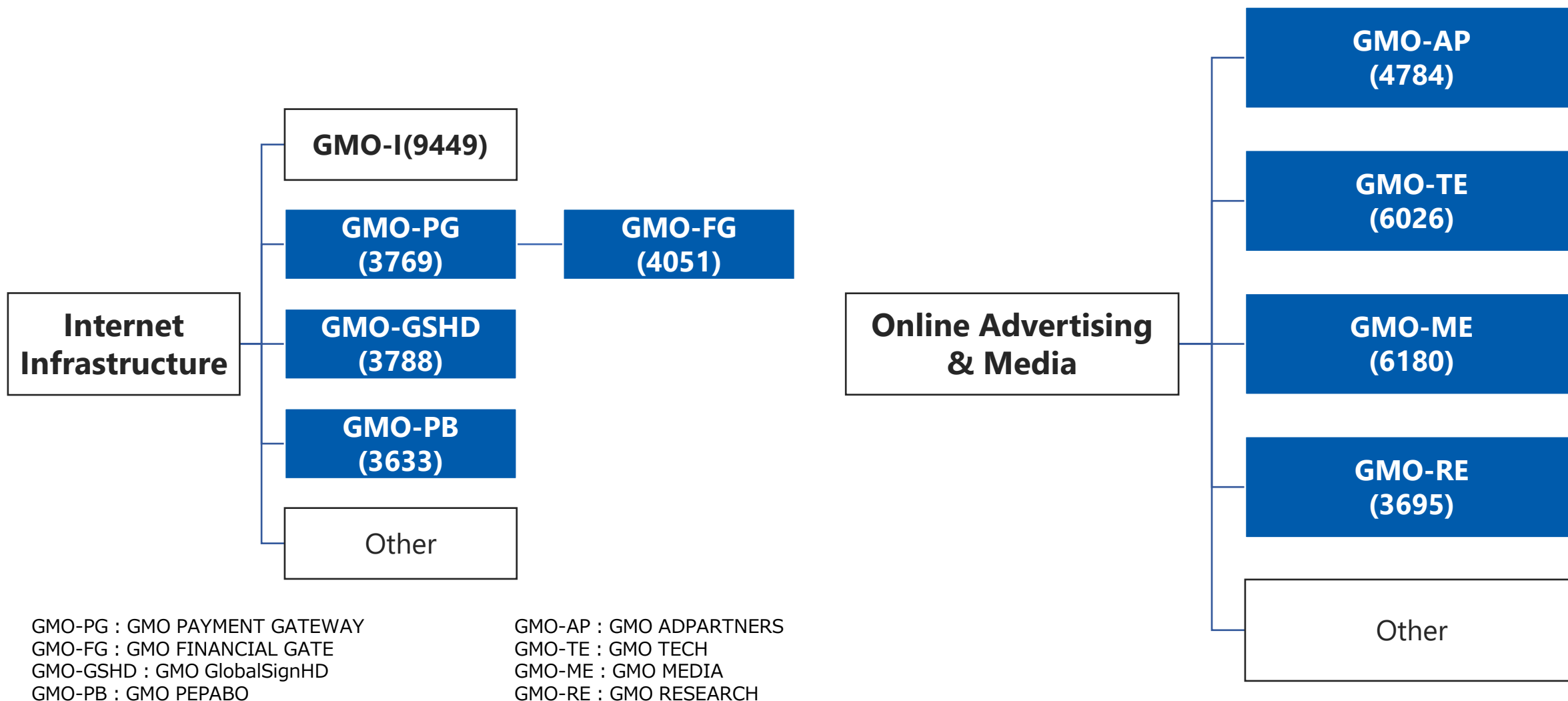
# Group Overview

Company Name	GMO Internet Group, Inc.
Founder, Chairman and Group CEO	Masatoshi Kumagai
Address	(Group Head Office) Cerulean Tower 26-1 Sakuragaokacho, Shibuya-ku Tokyo (The 2nd Group Head Office) SHIBUYA FUKURAS1-2-3 Dogenzaka, Shibuya-ku, Tokyo
Established	May 24, 1991
Stock Listing	9449 (Tokyo Stock Exchange Prime Market)
Business Segments	Internet Infrastructure Online Advertising & Media Internet Finance Cryptoassets
Capital (including capital reserve)	JPY5.0 billion
Consolidated Staff	7,317
Group companies	110 (As of Dec 2022)

**Decentralized group management in order to adapt rapid changes of Internet industry.**

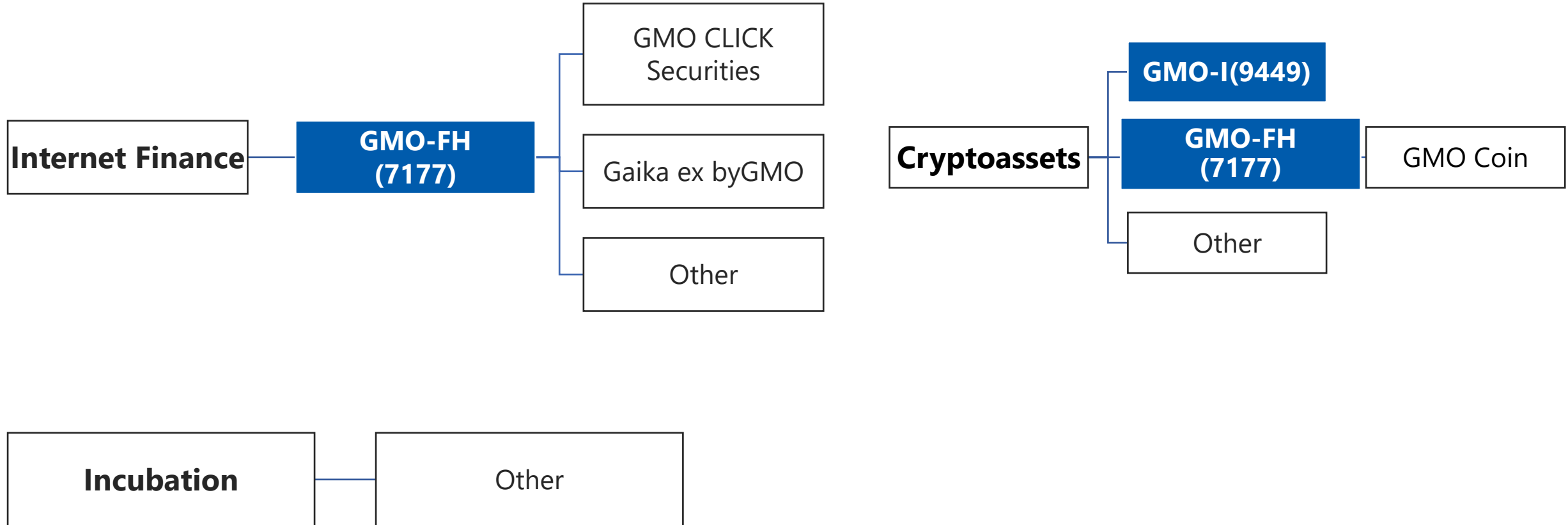


# Group Structure by each segment(1/2)



Listed subsidiaries

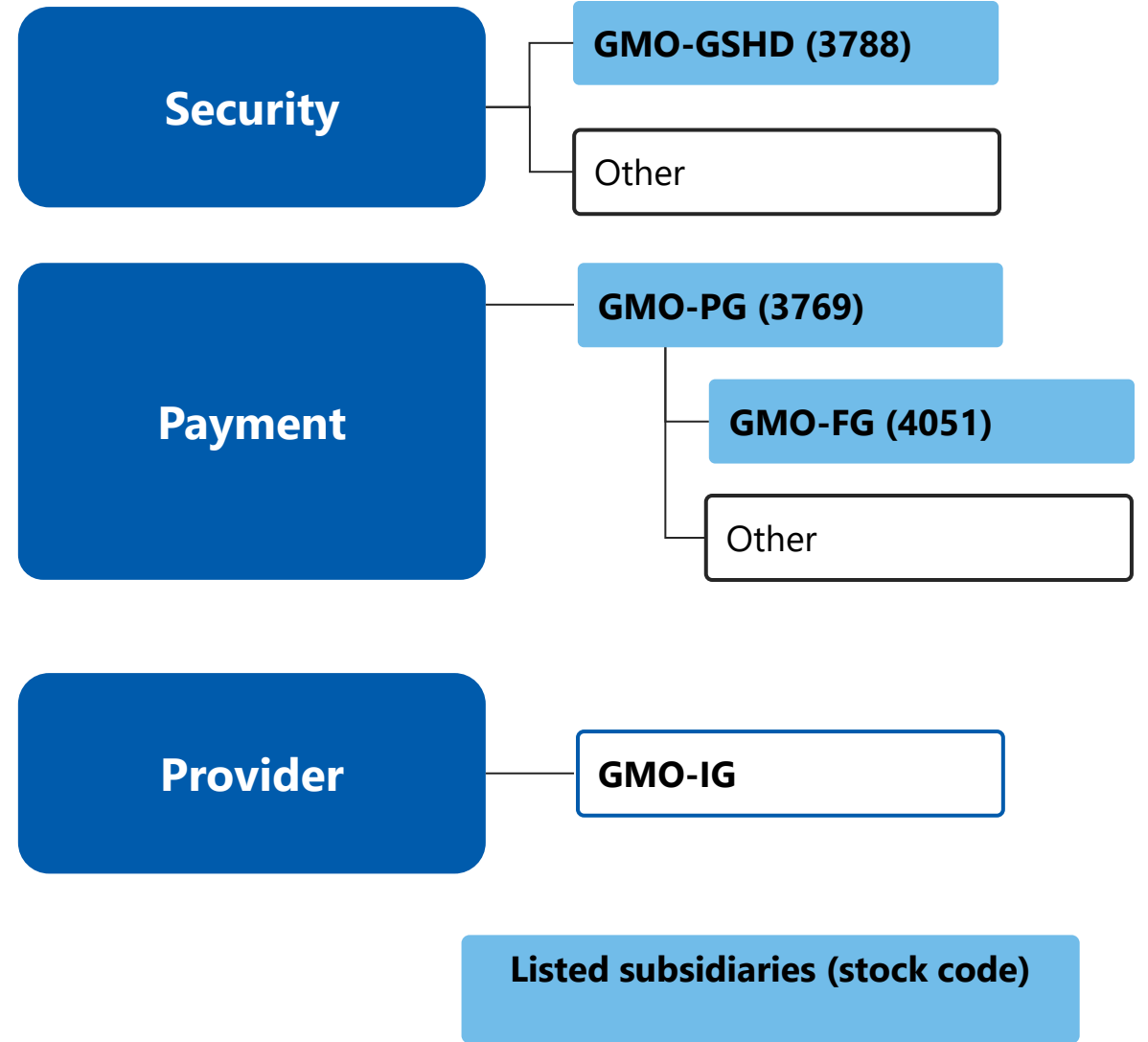
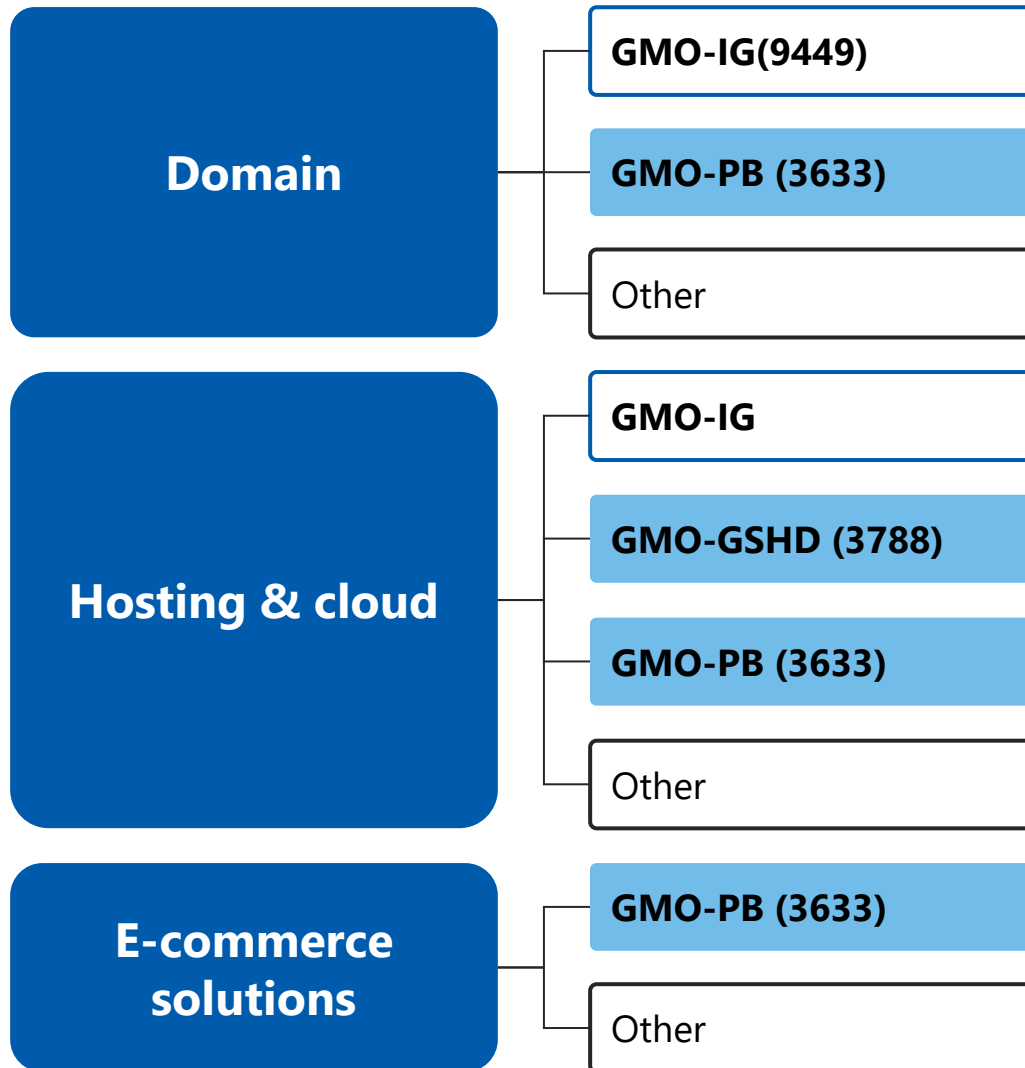
# Group Structure by each segment(2/2)



GMO-FH : GMO FINANCIAL HD

Listed subsidiaries

# Internet services operations



□ Group Overview

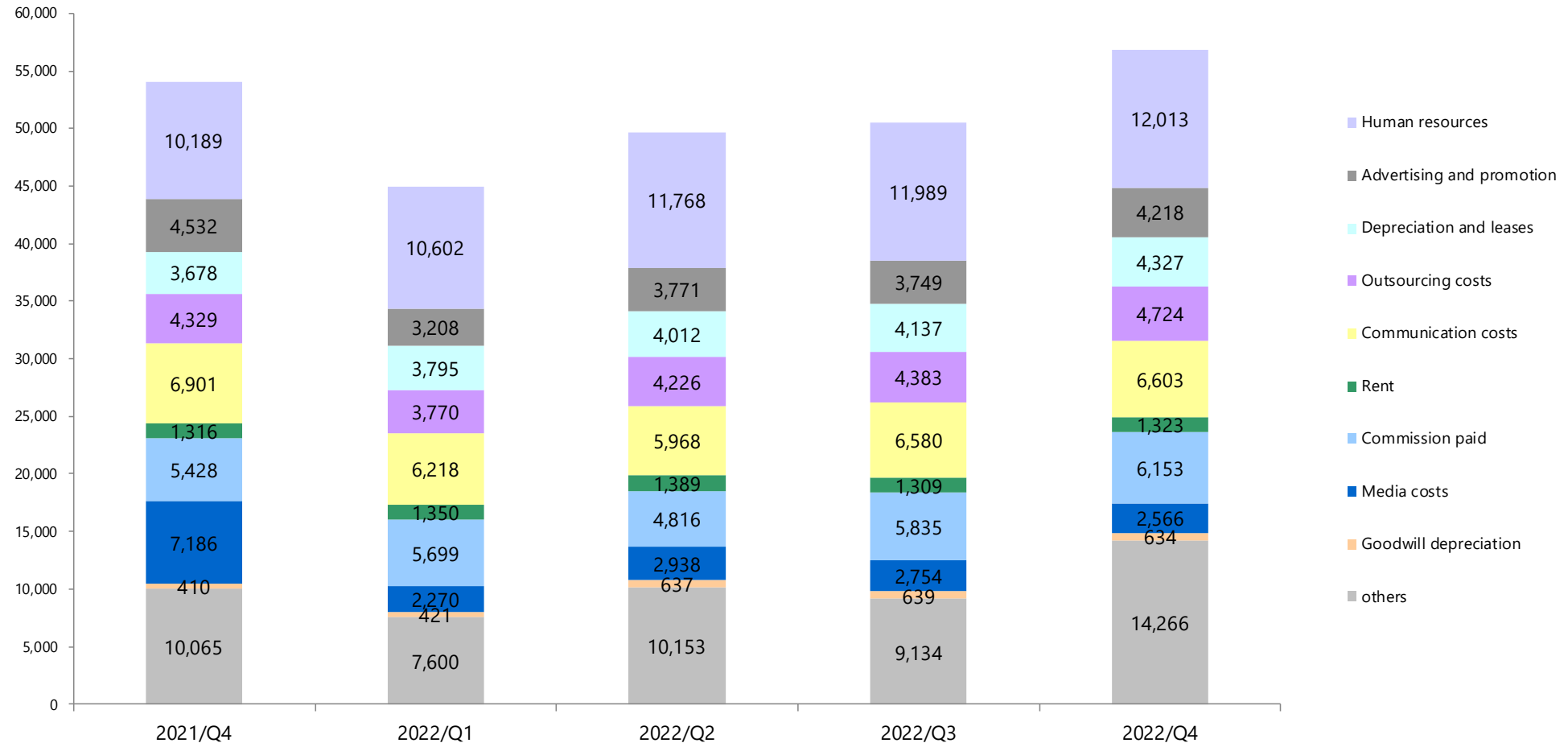
□ **Financial condition and strategy**

□ Consolidated results

□ ESG activities

# Consolidated Cost Composition

(JPY millions)



# Consolidated Balance Sheet

(JPY millions)	End of 12/2021	<b>End of 12/2022</b>	Change	GMO Financial HD (End of 12/2022)	GMO INTERNET GROUP (End of 12/2022)
Current Assets	1,292,984	<b>1,408,015</b>	115,031	963,834	120,235
Cash & Deposits	240,136	<b>341,970</b>	101,834	74,396	94,207
Fixed Assets	125,952	<b>134,725</b>	8,772	27,648	100,541
Goodwill	14,251	<b>17,708</b>	3,456	9,943	-
Software	10,181	<b>11,472</b>	1,290	2,402	683
Investment Securities	28,605	<b>29,780</b>	1,174	3,835	53,073
Total Assets	1,418,936	<b>1,542,740</b>	123,804	991,482	220,777
Liabilities	1,278,533	<b>1,388,051</b>	109,518	950,151	200,163
Interest-bearing debts	294,663	<b>391,161</b>	96,497	185,495	155,675
Net Assets	140,402	<b>154,688</b>	14,286	41,330	20,613
Non-controlling Minority Equity	66,802	<b>82,469</b>	15,666	1,732	-
Shareholders' Equity	73,548	<b>72,176</b>	-1,371	39,598	20,613
Earned Surplus	35,756	<b>37,730</b>	1,974	38,985	22,335
(Shareholders' Equity Ratio)	5.2%	<b>4.7%</b>	-0.5pt	4.0%	9.3%
Liabilities/Net Assets Total	1,418,936	<b>1,542,740</b>	123,804	991,482	220,777

# Consolidated Profit and Loss

(JPY millions)	FY2021	<b>FY2022</b>	Change	supplementary information
Net Sales	241,612	<b>245,696</b>	1.7%	
Gross Profit on Sales	128,883	<b>149,886</b>	16.3%	
Operating Profit	41,164	<b>43,746</b>	6.3%	
(OP Margin)	17.0%	<b>17.8%</b>	+0.8pt	
Non Operating Profit and Loss	2,228	<b>2,278</b>	2.2%	
Ordinary Profit	43,393	<b>46,025</b>	6.1%	
Extraordinary Profit or loss	321	<b>11,635</b>	3519.9%	
Profit before Tax	43,715	<b>57,660</b>	31.9%	
Corporate Taxes etc.	15,259	<b>17,967</b>	17.8%	
non-controlling interests	10,928	<b>26,482</b>	142.3%	
Profit attributable to Owners of the Parent	17,527	<b>13,209</b>	-24.6%	

# Consolidated Cash Flow

(JPY billions)	FY21	FY22	Significant Factors	GMO-FH (Jan-December)
Operating Cash Flow	<b>-23.7</b>	<b>+25.6</b>	Net profit before adjustment for tax esc. :57.6B(43.7B in 2021) Depreciation expenses :11.3B(8.8B in 2021)	+3.4
Investing Cash Flow	<b>-51.7</b>	<b>-2.8</b>	Acquisition of tangible and intangible fixed assets:-10.4B(-36.8B in 2021) Placement of fixed term deposit:-10.8B(-2.4B in 2021) Gain on sale of investment securities:+24.5B(+11.1B in 2021)	-4.4
Financing Cash Flow	<b>+89.8</b>	<b>+62.4</b>	Debt finance:+86.1B (+36.6B in 2021) Issuing Corporate bond:5.9B(+65.8B in 2021) Share Buyback-7.5B(-1.9B in 2021)	+8.5
Change in Cash and Equivalents	<b>+15.3</b>	<b>+8.8</b>		+8.6
Balance of Cash and Equivalents	<b>234</b>	<b>322.2</b>		72.2

# Financial Strategy

- Avoid excessive risk-taking, considering balance of Shareholders equity
- Aiming to increase the absolute amount of Shareholders Equity, 100 Billion yen.

## Asset management

### ① Business investment

Risk investment in principle admitted within 2/3 of each subsidiary's capital adequacy

### ② Cash on hand

Ensure repayment cash for debt finance and bond

### ③ Surplus Cash

Stable Investment

## Procurement

### ① Multiple way

Agile procurement

### ② lengthening term

Long term debt

### ③ Fixed interest rate

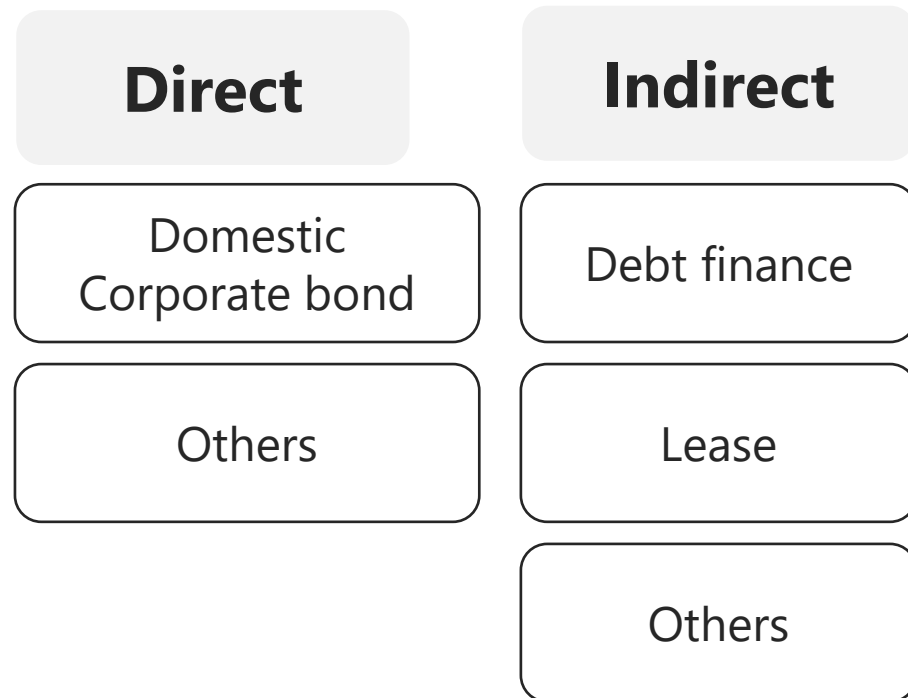
Procure with fixed rate

# Financial Strategy | Procurement①

## Multipul way of financing

- Continuous procurement helps growth capital to be ensured.

### The way to procure



### Total Interest-bearing debt

(JPY 100M)	FY20	FY21	FY22
<b>Total</b>	2,083	2,946	3,911
Corporate bond	166	659	717
Debt finance	1,916	2,286	3,193

# Financial Strategy | Procurement②③

## Lengthening term · Fixed interest rate

- Aiming to build a strong financial base

### Debt balance average term

(Year)	FY20	FY21	FY22
Corporate bond	2.4	5.7	3.9
Debt finance (long term)	3.0	3.8	3.8

### Fixed interest rate ratio

(%)	FY20	FY21	FY22
Corporate bond	100.0	100.0	100.0
Debt finance (long term)	25.3	53.6	62.6

## Financial Strategy | Asset management②Cash on hand

- Keeping enough repayment cash(the amount for debt financing repayment next year and for corporate bond's repayment next 2 years)

(100M Yen)	FY20	FY21	FY22
cash and cash equivalents	2,186	2,340	3,222
Balance of interest debt within 3Years	187	2,057	793
Within 1 year	107	97	209
Over 1year within 2 years	46	165	220
Over 2 years within 3 years	33	166	364

## Others | Credit rating

### Thinking

- Plan to maintain current rating and aiming to be upgraded.
- Having conversation with R&I before-hand, when decision making on a huge investment to be carried out.

### Current situation

Rating agency	Issuer Rating
JCR	A-(Stable)
R&I	BBB+(Stable)

□ Group Overview

□ Financial condition and strategy

**□ Consolidated results**

□ ESG activities

# Financial Results | Full-year results trends

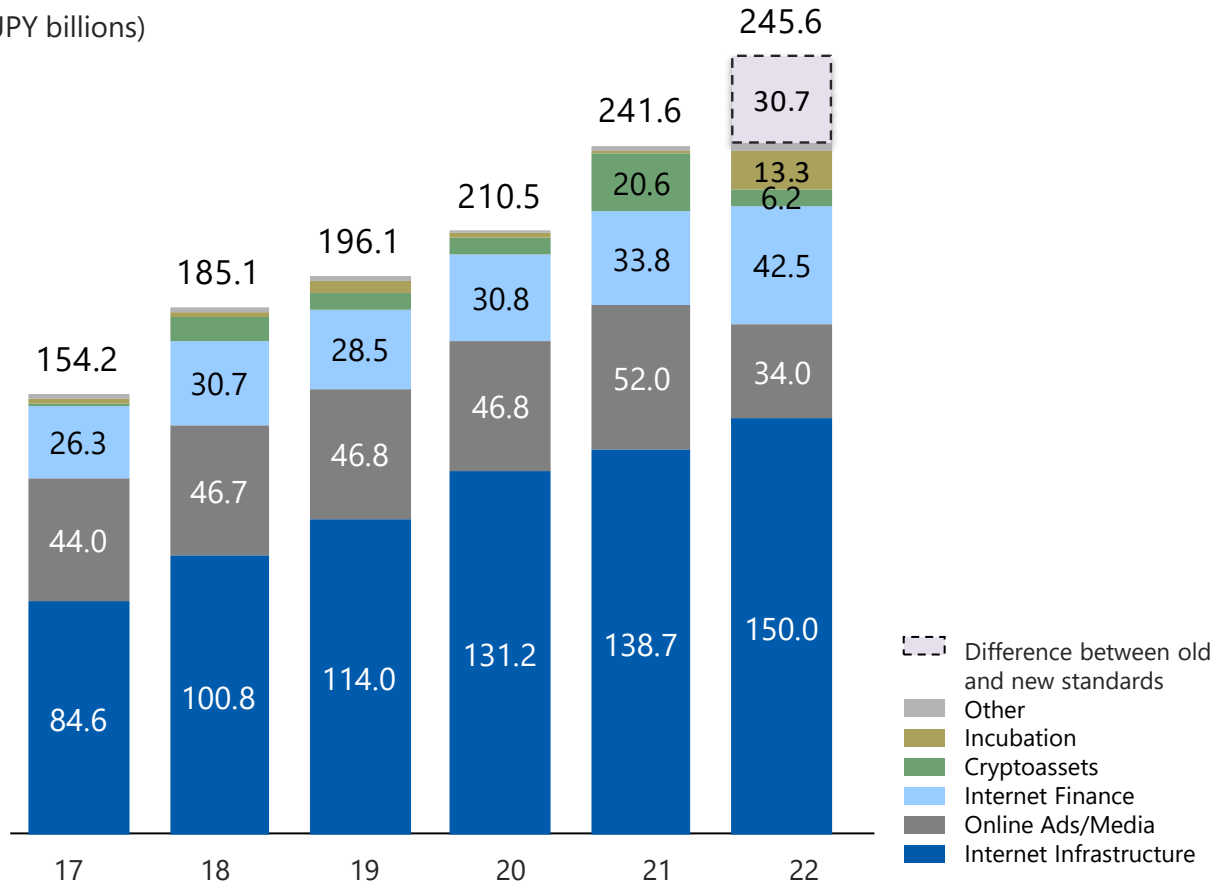
Compared to the same period last year (old v.s. new)

## Net Sales

Up **1.7%** YoY

Record high

(JPY billions)

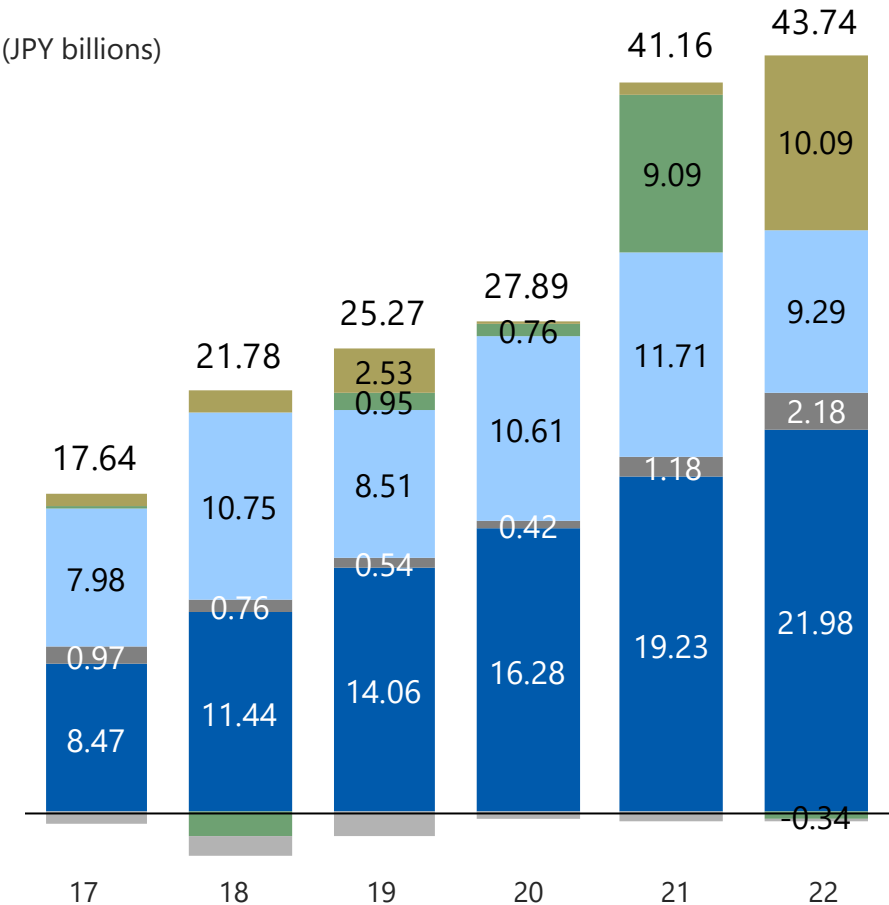


## Operating Profit

Up **6.3%** YoY

Record high

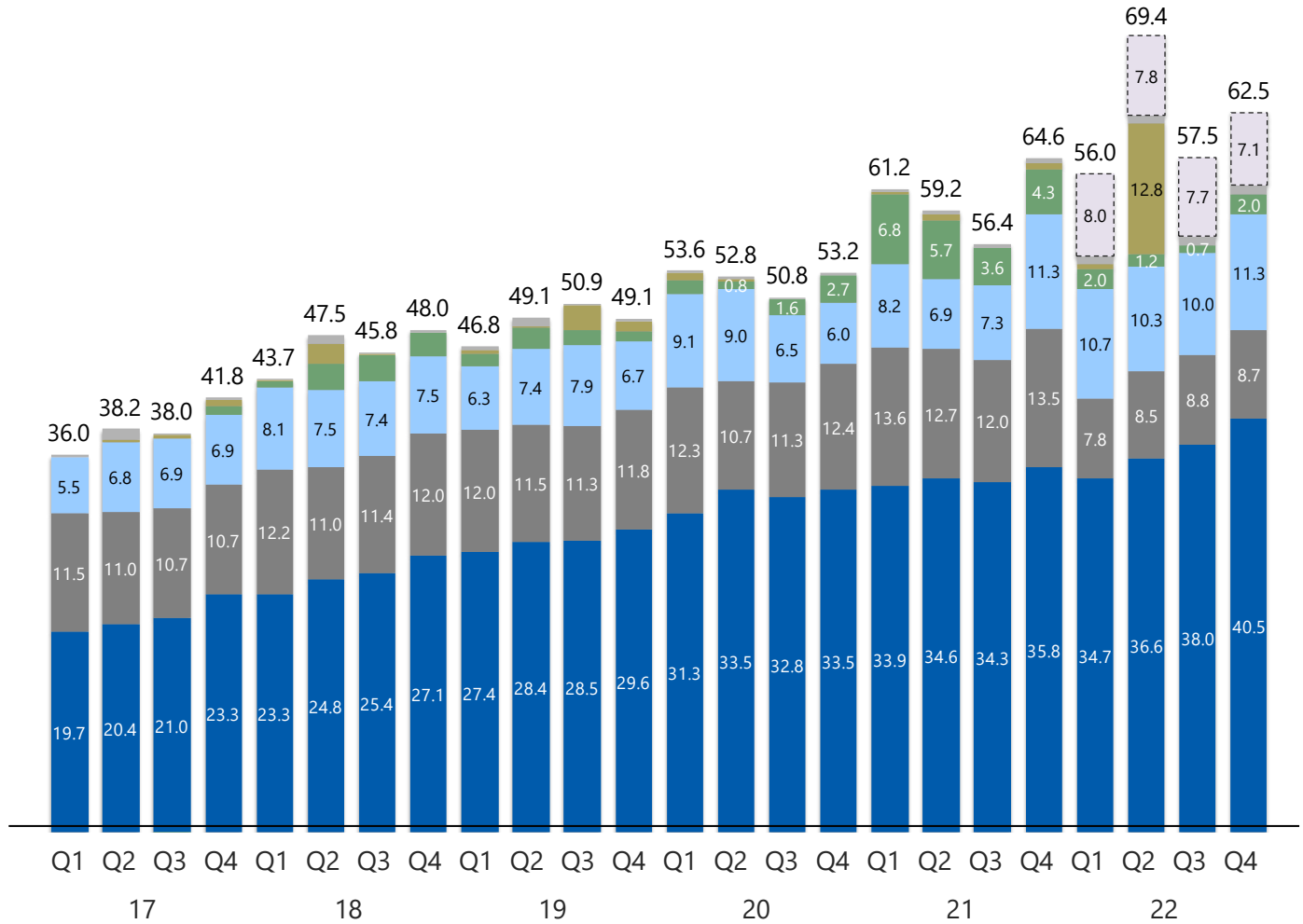
(JPY billions)



# Financial Results | Net Sales by Segment

Compared to the same period last year (old v.s. new)








(JPY billions)



Revenue Down

**3.2%**

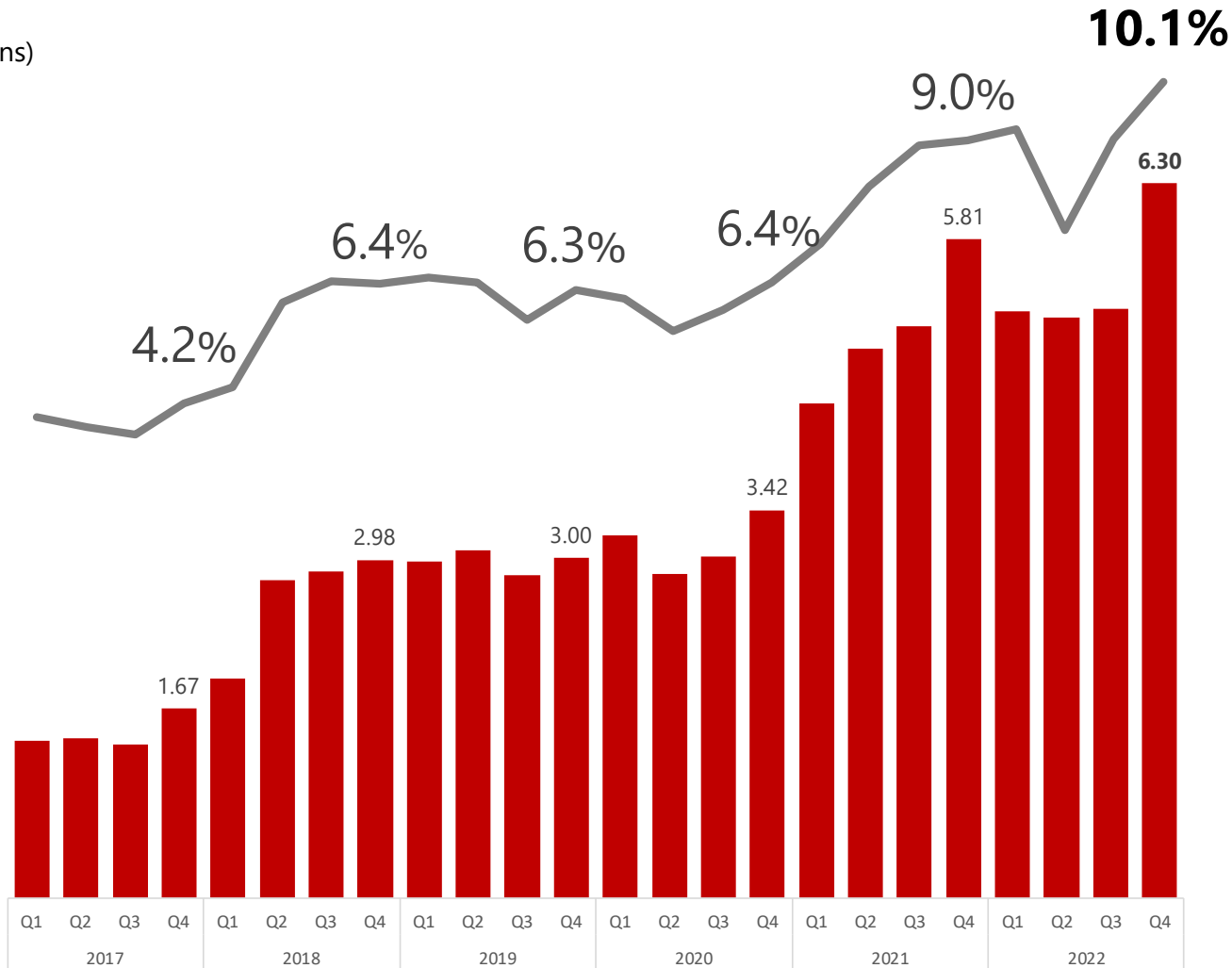
YoY

-  Difference between old and new standards
-  Other
-  Incubation
-  Cryptoassets
-  Internet Finance
-  Online Ads/Media
-  Internet Infrastructure

# Global Operations | Global Net Sales

(JPY billions)

Global Sales Ratio



Net Sales

Net sales

YoY

**8.4%UP**

Since Q2 FY2020, MacroKiosk is no longer a consolidated subsidiary. We deducted MacroKiosk values from net sales retroactively to Q1 FY2017 in this chart.

# Internet Infrastructure

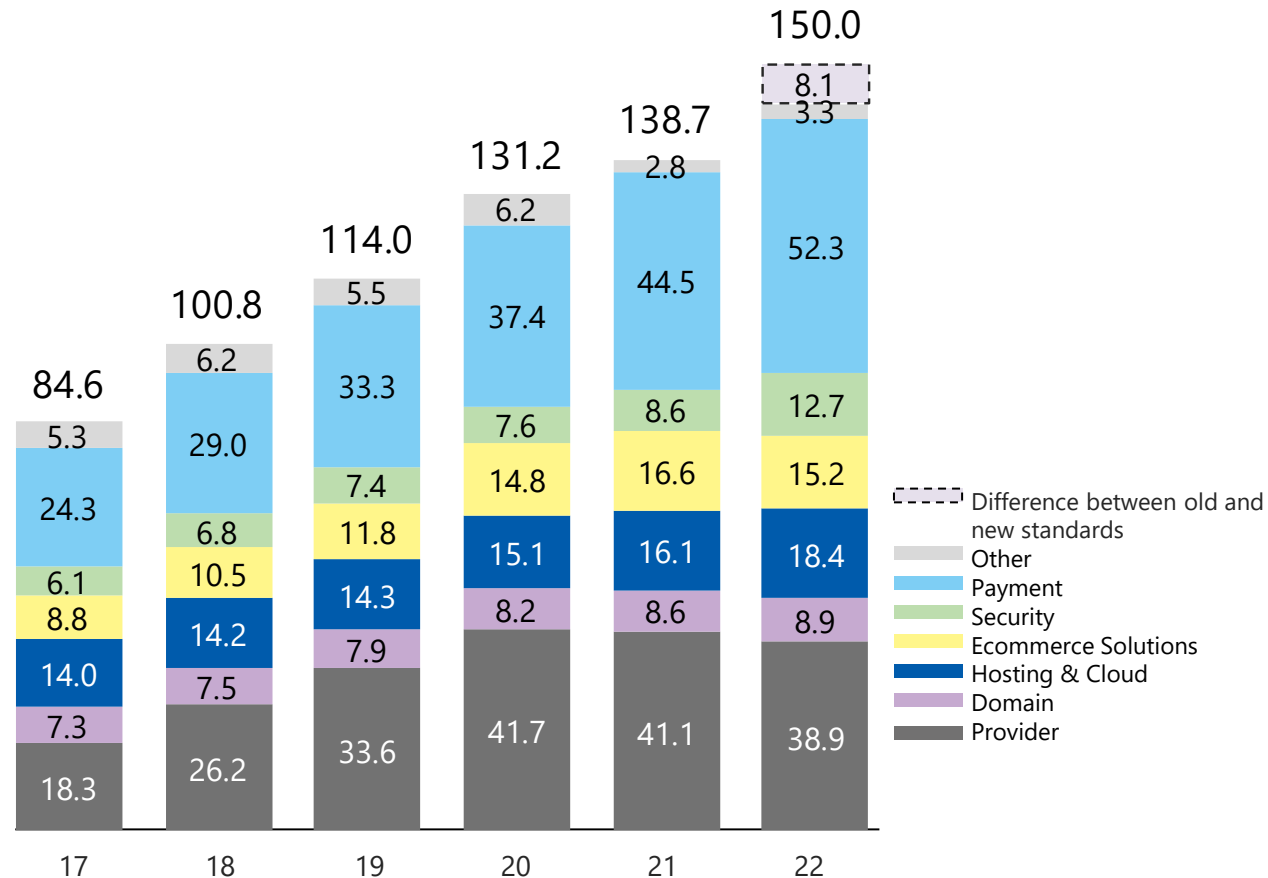
# Internet Infrastructure | Full-year results trends

Compared to the same period last year (old v.s. new)

Net Sales: Up **8.1%** YoY

(JPY billions)

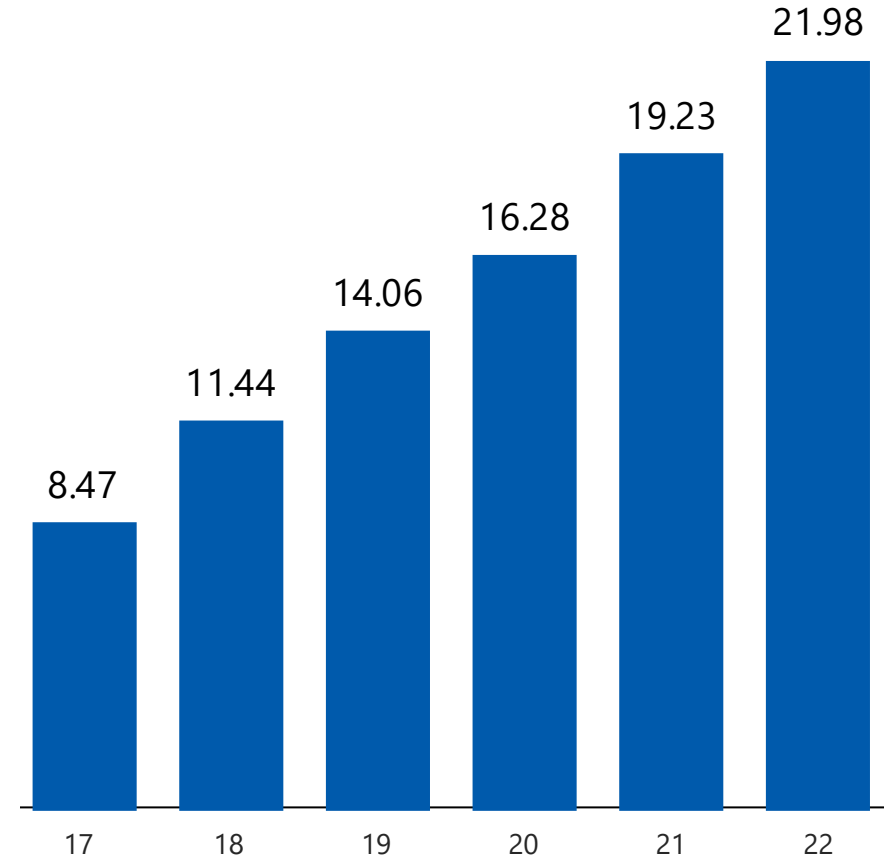
Record high



Operating Profit: Up **14.3%** YoY

(JPY billions)

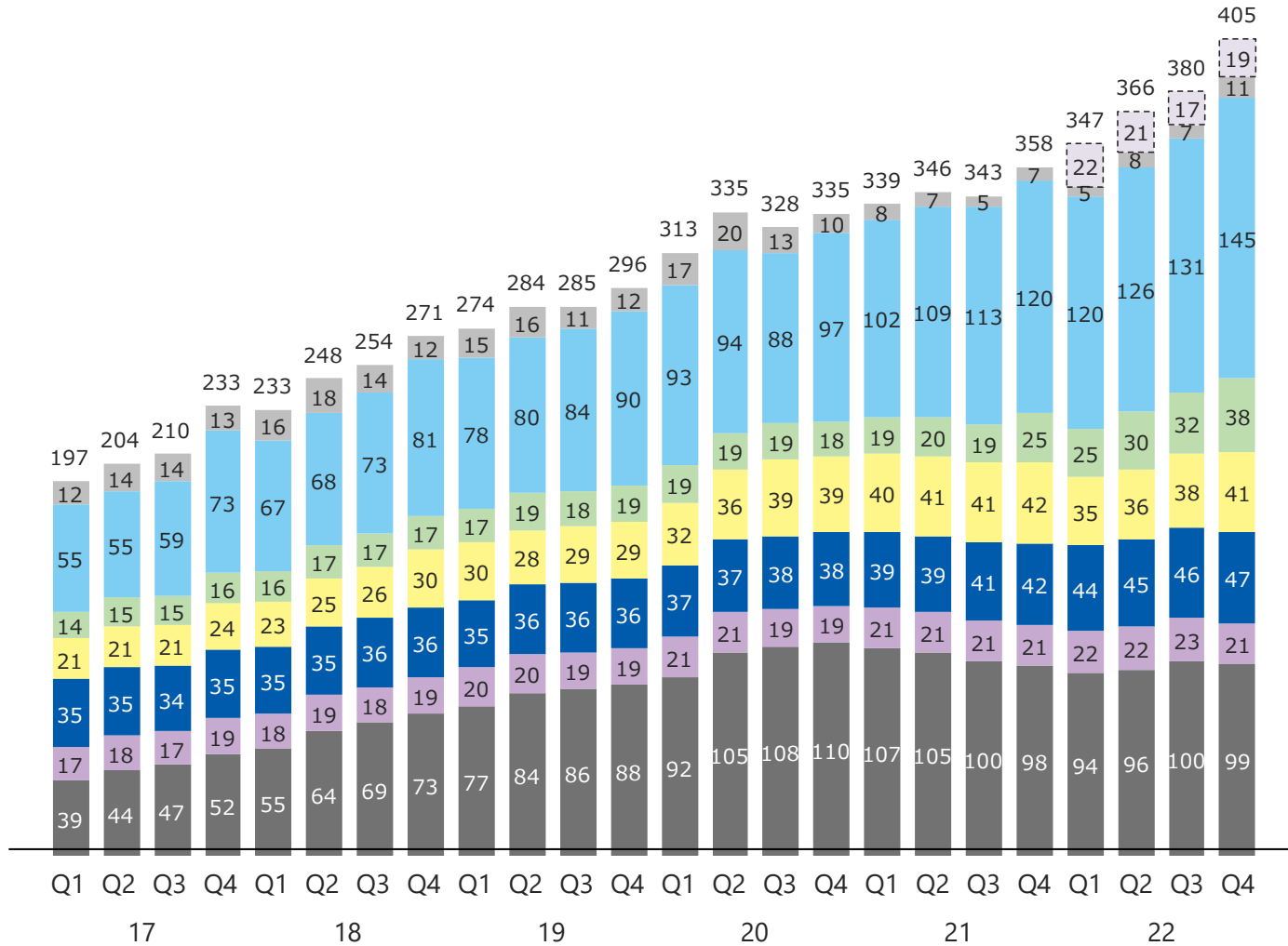
Record high



# Internet Infrastructure | Net Sales by Sub-Segment

(JPY 100M)

Compared to the same period last year (old v.s. new)



Revenue up  
**13.1%**  
YoY

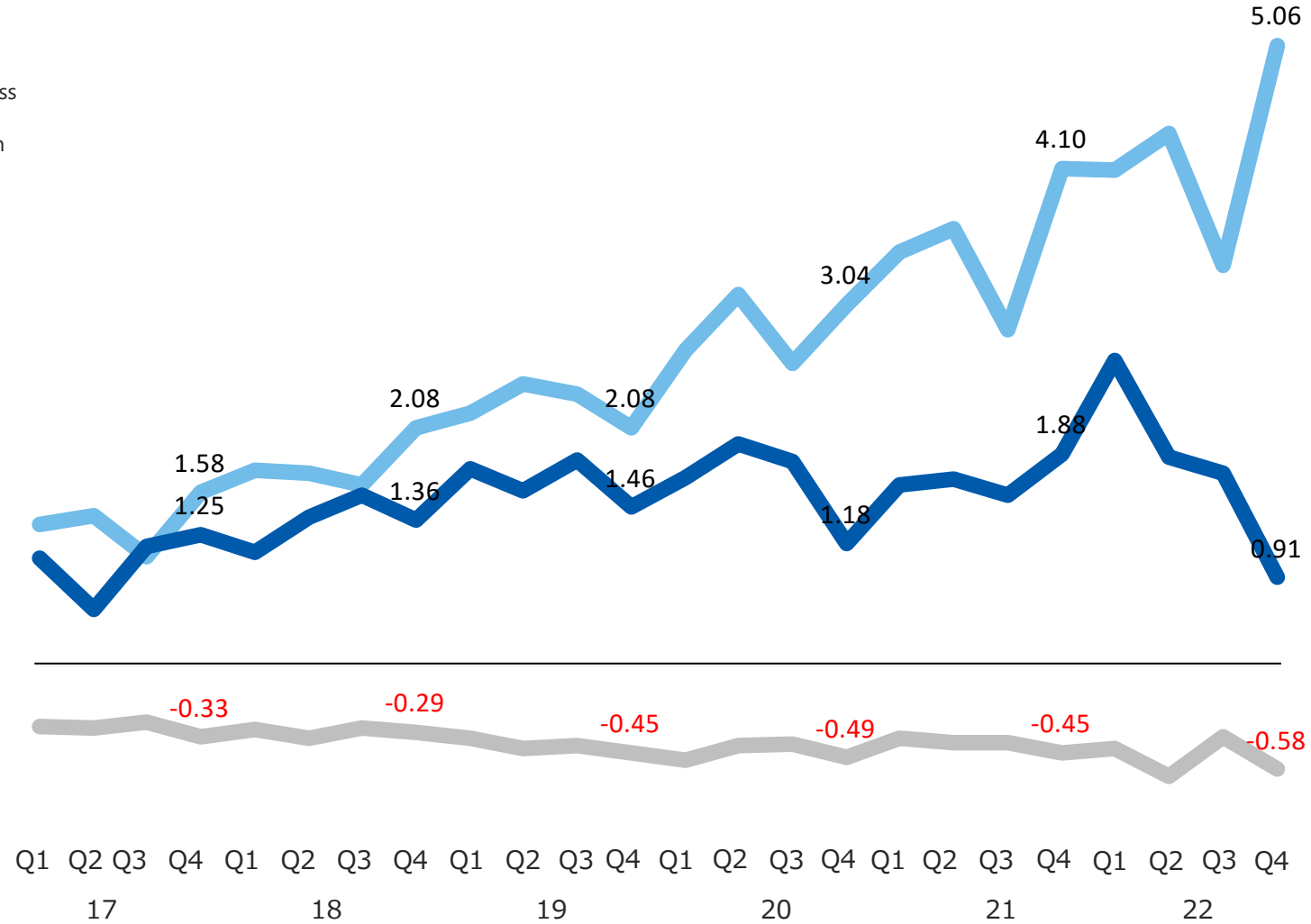
- Difference between old and new standards
- Other
- Payment
- Security
- Ecommerce Solutions
- Hosting & Cloud
- Domain
- Provider

\* Numbers of domain and security businesses revised retroactively to Q1 FY2017 due to changes in the structure of the segment

# Internet Infrastructure | Breakdown of Operating Profit

(JPY billions)

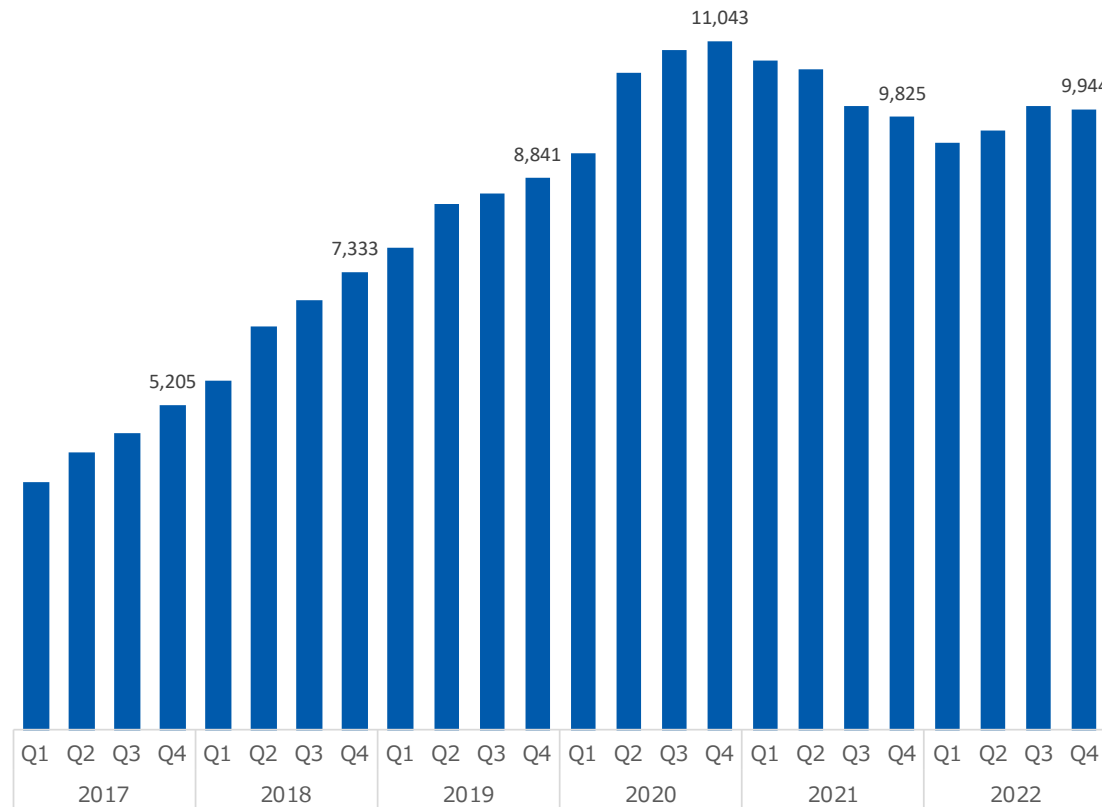
- Payment business
- Other
- Cost distribution



# Internet Infrastructure | Provider - KPIs

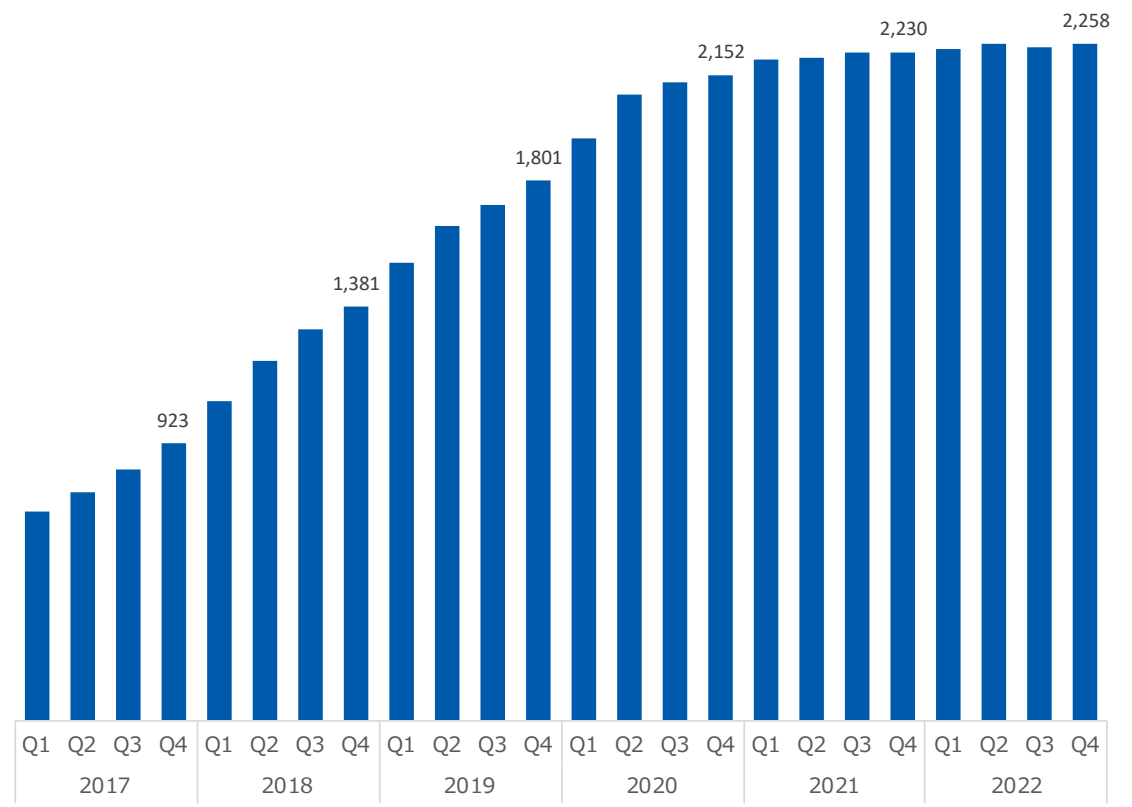
## Revenue

(JPY millions)



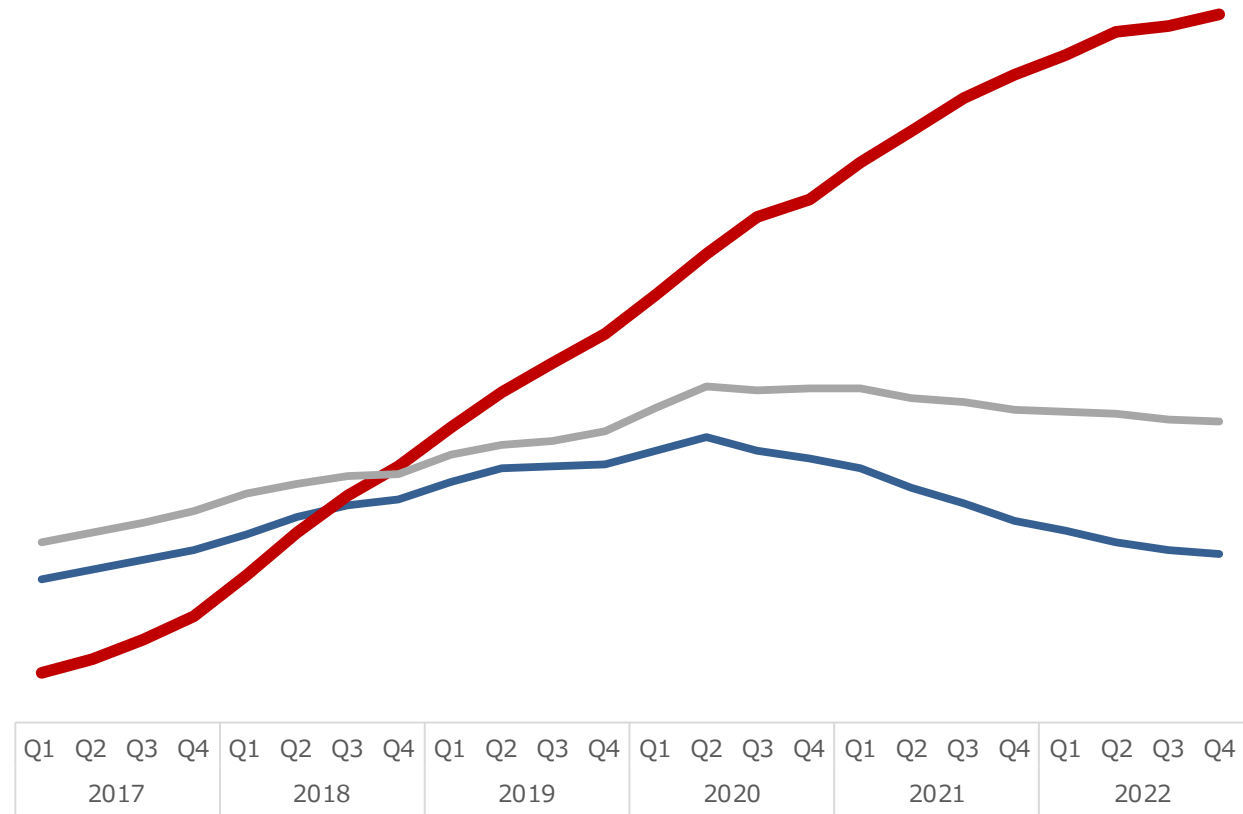
## Subscriptions

(thousands)



※Difference between old and new standards FY22Q1▲1,018 M,Q2▲881M,Q3▲812M,Q4▲912M (JPY)

# Internet Infrastructure | Provider - KPIs (number of lines)



Optical line



(Since July 2021)

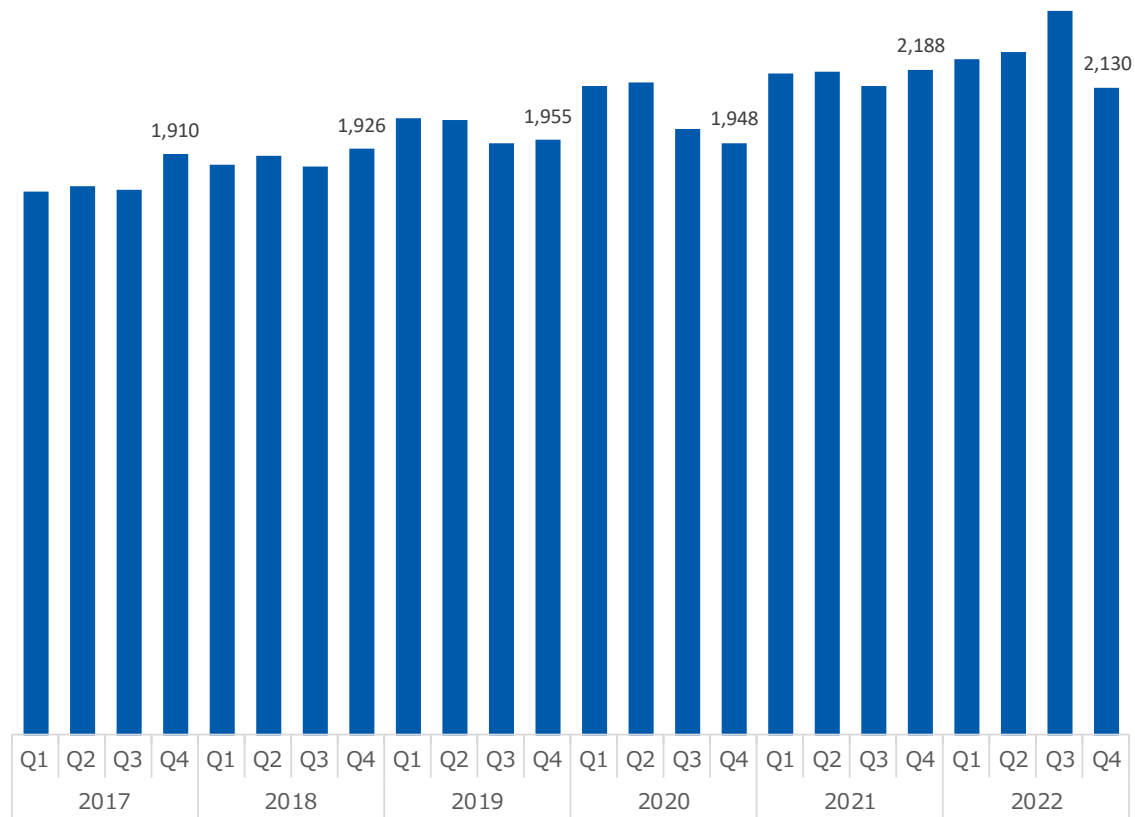
Others

Mobile

# Internet Infrastructure | Domain Registration - KPIs

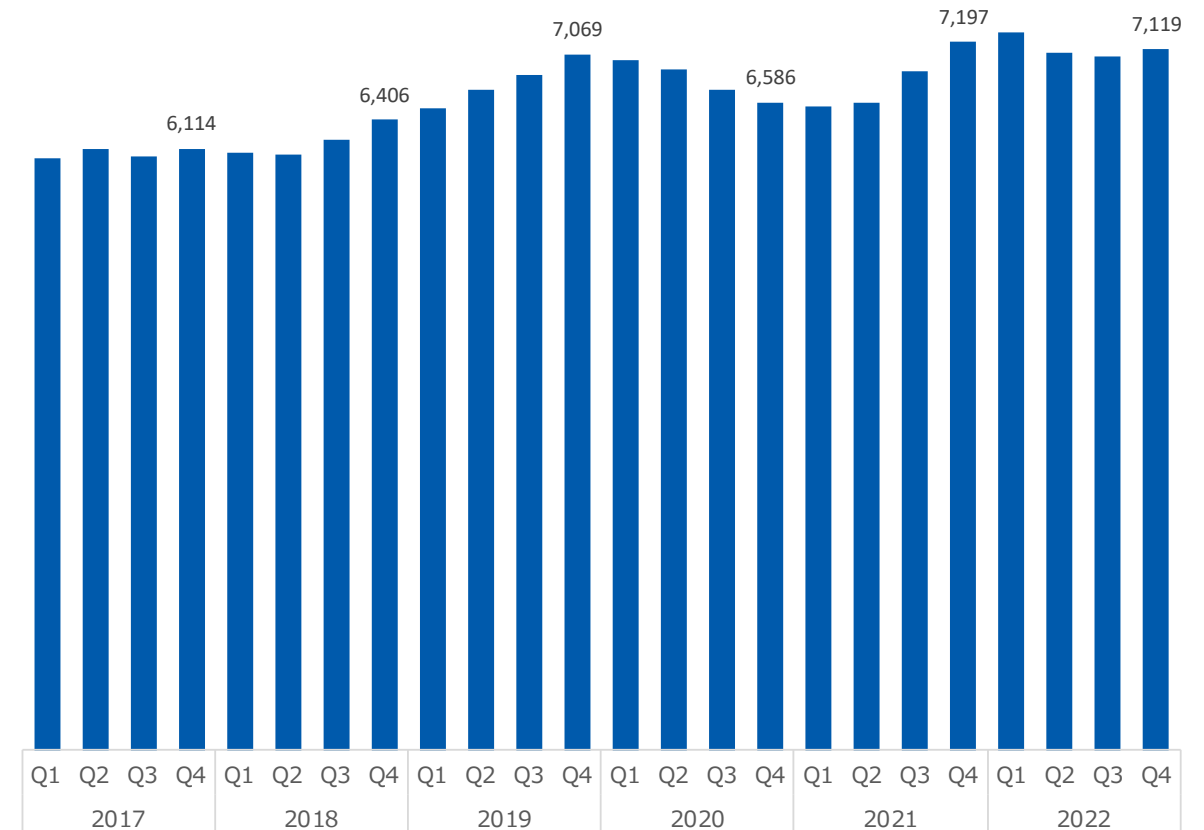
## Revenue

(JPY millions)



## Contracts

(thousands)



※Difference between old and new standards FY22Q1▲181M,Q2▲177M,Q3+57M,Q4▲181M (JPY)

※Retroactive correction after FY2017 Q1, due to reorganization of subsegment

# Internet Infrastructure | Domain business

**Registry  
(wholesale)**

**Registrar  
(registration/sale)**



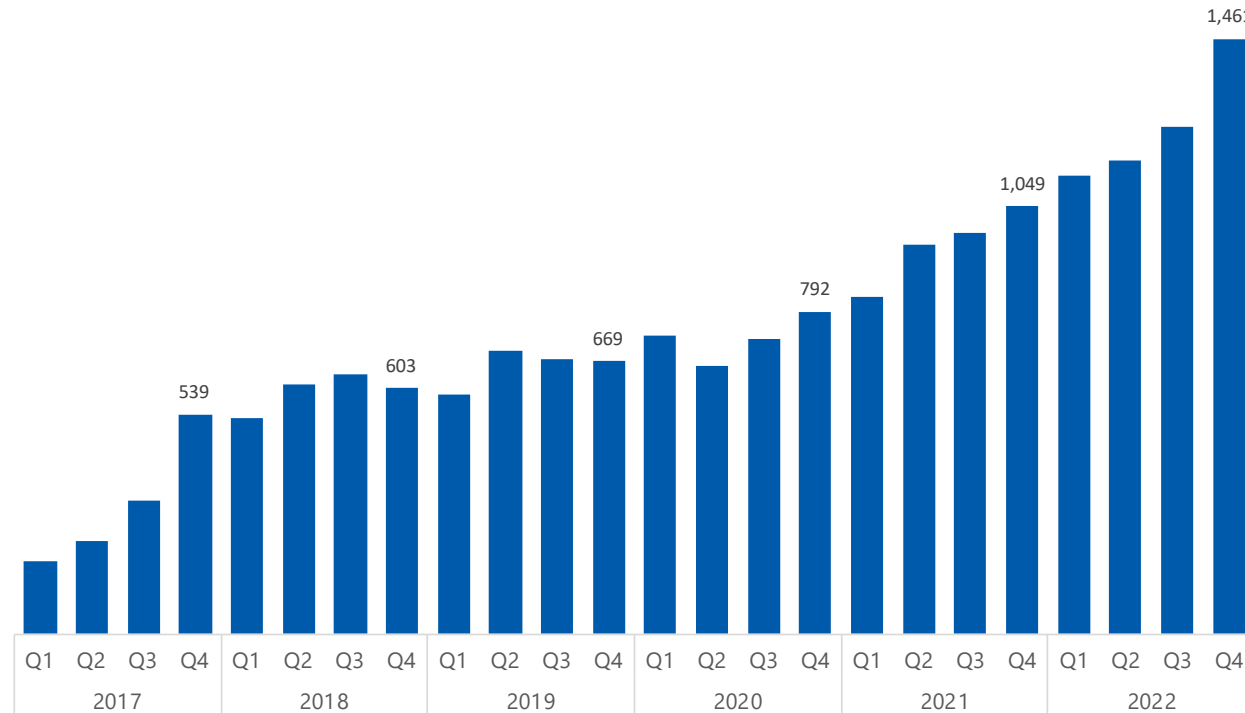
**Japan**

**Overseas**

# Internet Infrastructure | Domain business

## .shop contracts progress

(thousands)



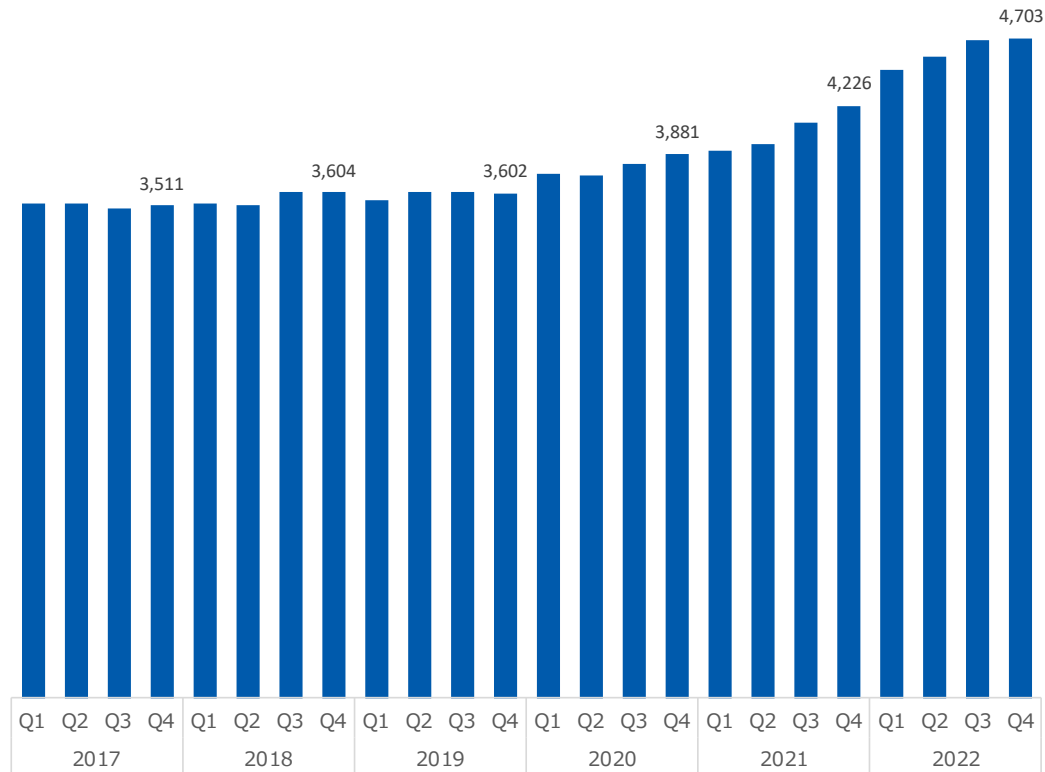
Renewal rate: **68.6%**\*

\* Renewal rate for domains registered between September 2016 and Nov 2020 (2nd renewal)

# Internet Infrastructure | Hosting & Cloud - KPIs

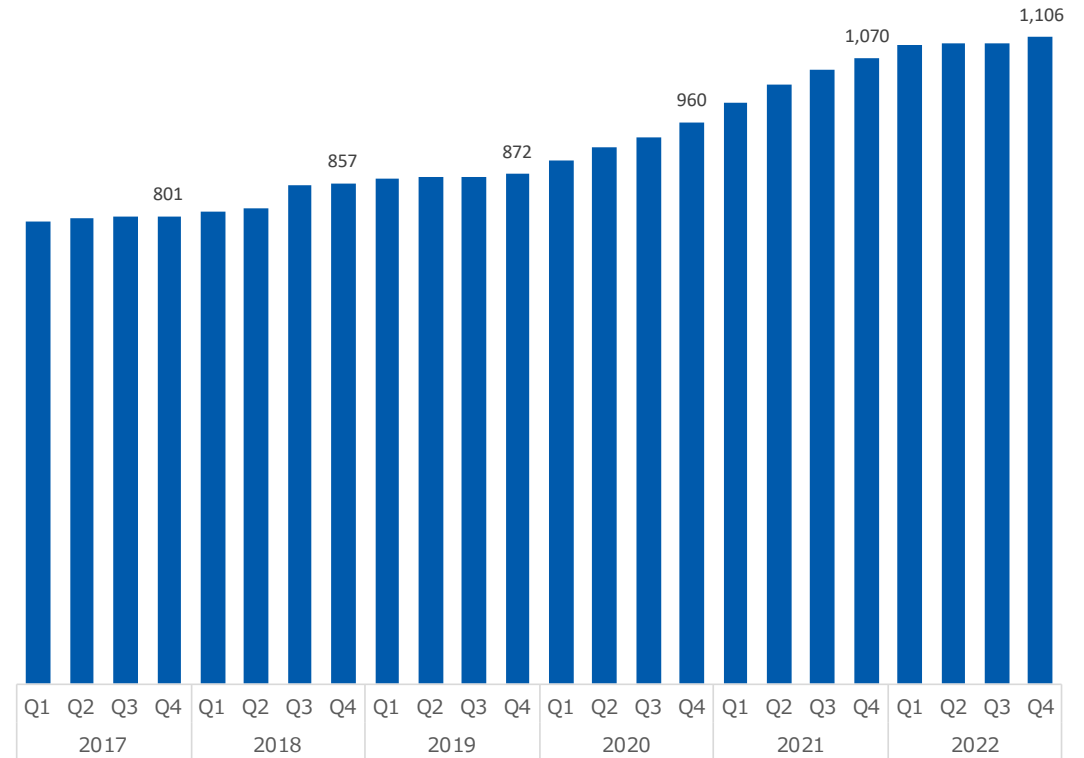
## Revenue

(JPY millions)



## Contracts

(thousands)



Difference between old and new standards: FY22,Q1▲3M,Q2▲4M,Q3▲9M,Q4+2M(JPY)

# Broad ASP shopping cart businesses

Recurring revenue and transaction revenue through a natural cross-selling

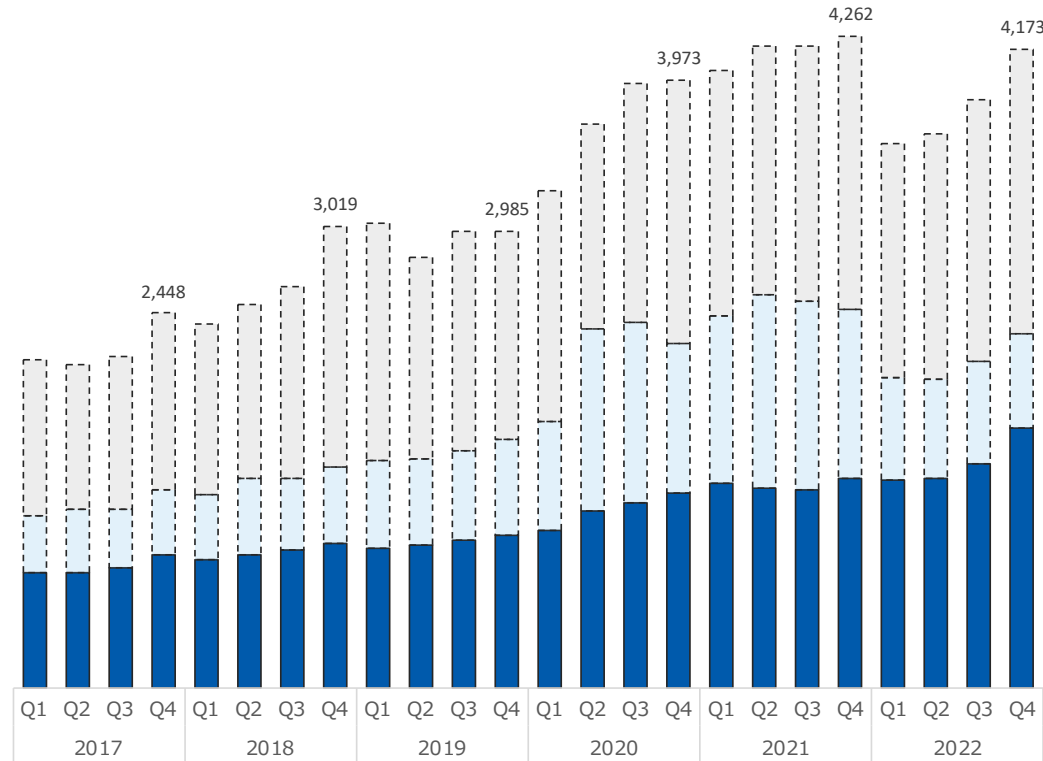
Feature	Online store	Payment
Service		
Business model	Recurring	Transaction
Revenue	Number of stores x unit price	GMV x commission rate, etc.
Reportable segments	Ecommerce Solutions	Payment

# Internet Infrastructure | Ecommerce solutions - KPIs

## Revenue

(JPY millions)

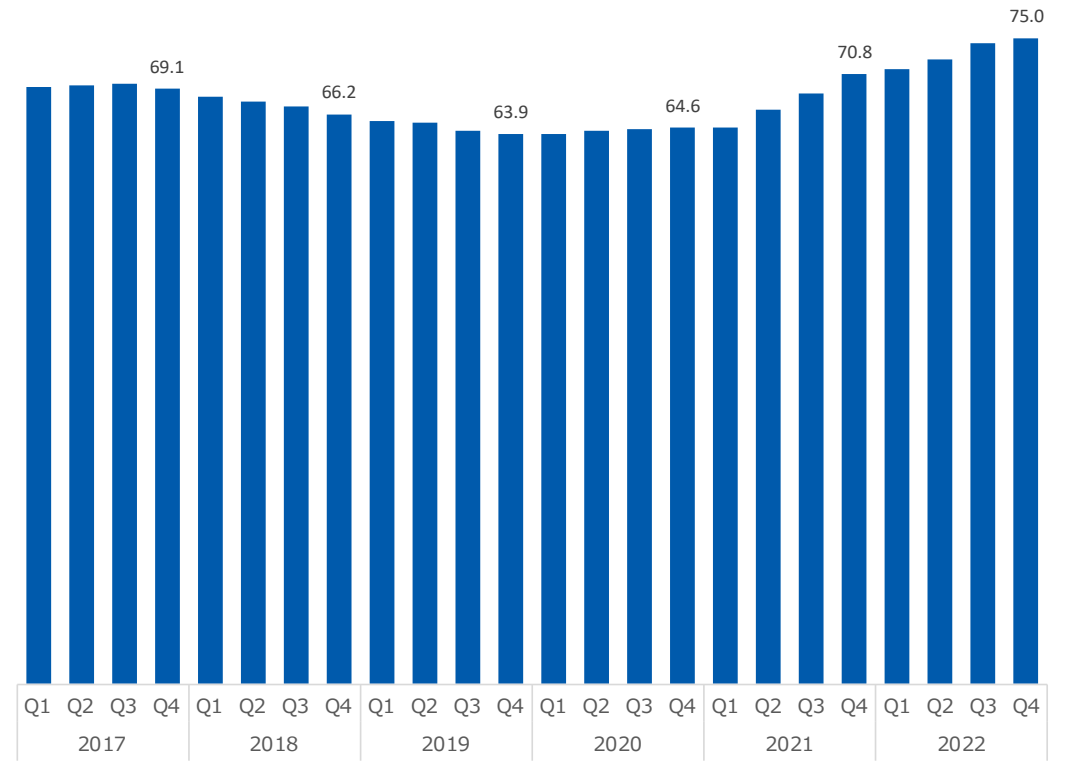
- Other
- Transaction revenue (minne • SUZURI)
- Recurring revenue (ASP shopping cart)



Difference between old and new standards:  
FY22Q1 ▲702M, Q2 ▲694M, Q3 ▲624M, Q4 ▲719M (JPY)

## Contracts (ASP shopping cart)\*



(thousands)



\* Figures corrected retroactively to 2015 as the OEM contains certain free accounts.

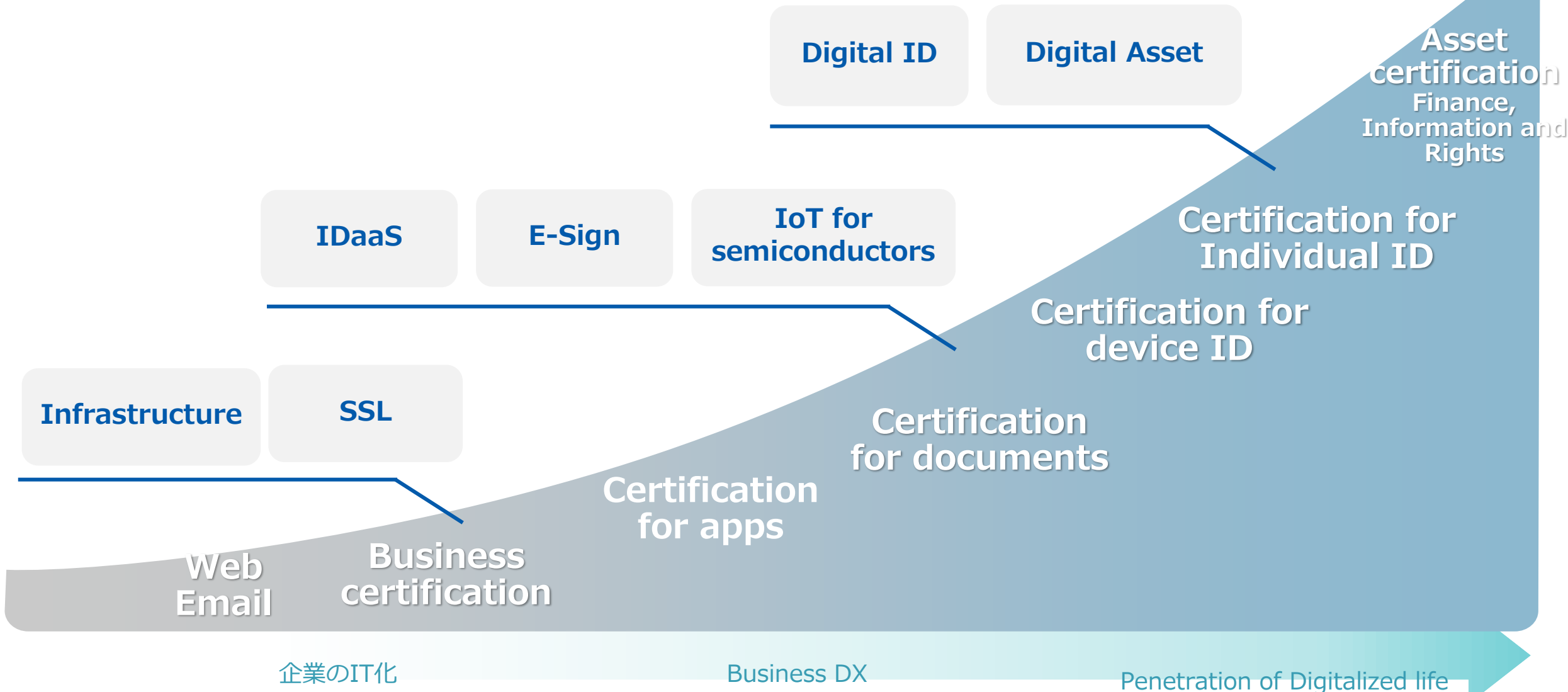
\*The number of customers using a free plan of Color Me Shop! has been added since Q2 FY2021.

Having our own Certificate Authority, we can provide both of types

	◆ E-sign	◆ Digital-Sign
Proof strength	 (Electronic Signature Law Article 3)	
Process	Approved by Certificate Authority	Verified by email
Merit	strict governance	Less load for contractual partners
Demerit	Much load for partners	Complicated management of the stamp rights

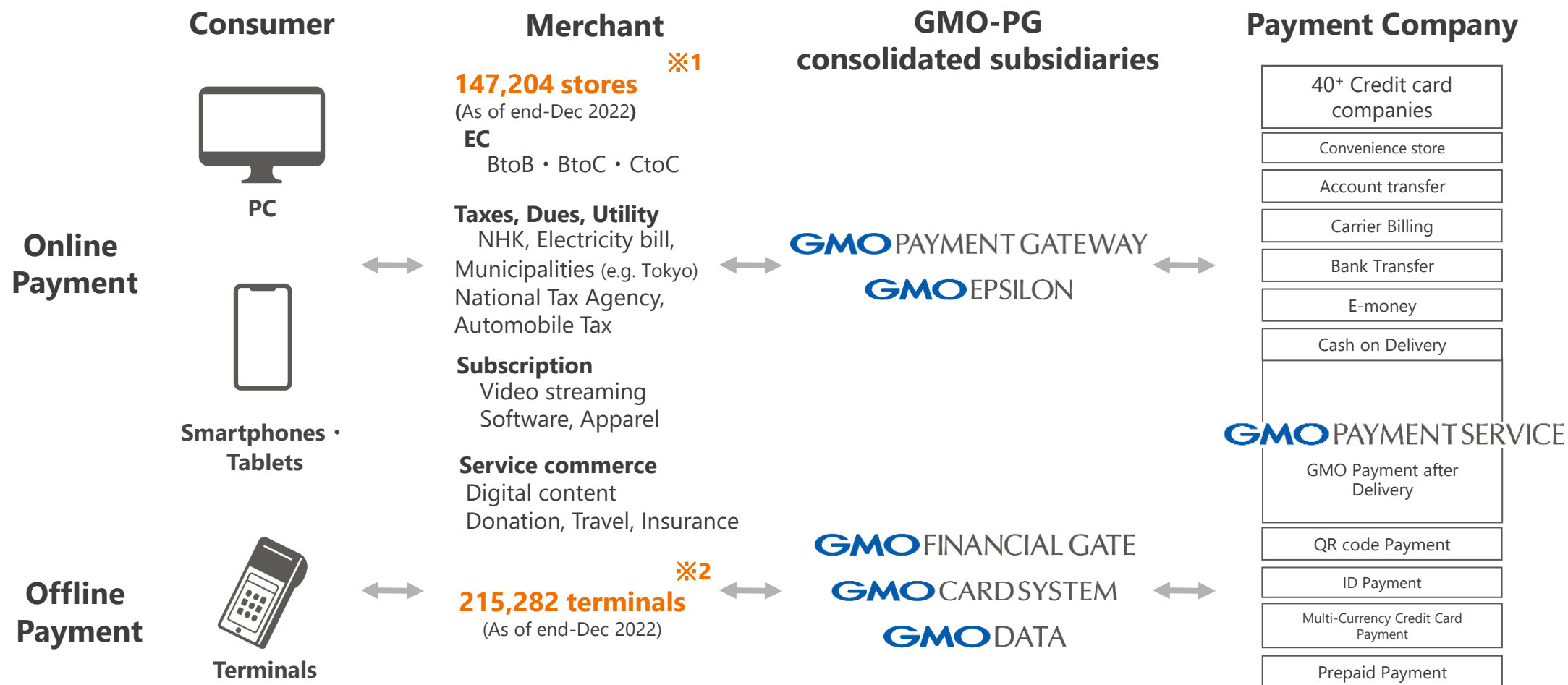
# Internet Infrastructure | Security business | Our vision

Contribute to the world that securely connects important information



# Internet Infrastructure | Payment processing -Our Role

Connecting merchants and payment companies on contracts, payment data and money flow



※1 Changed the basis of recording from 3Q FY2022. Figures exclude an operating stores of a specific case and fincode byGMO. If included, the number of operating stores is 502,160 stores as of end of December 2022 (up 37.6% YoY).

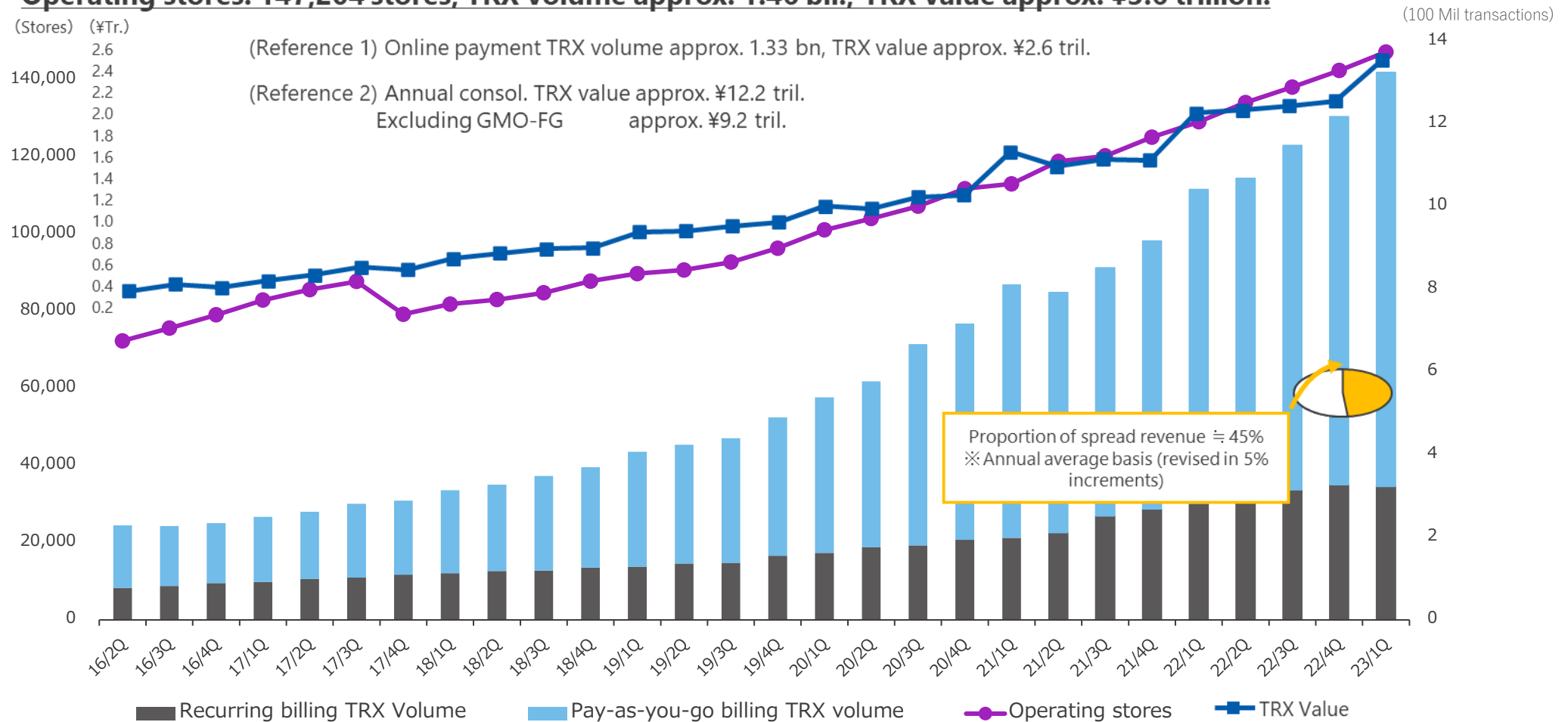
※2 Operating payment terminals: Starting from FY2021 the figure presents the combined number of payment terminals sold through sales partner and embedded-type payment terminals. (up 44.3% YoY)

etc.

# Internet Infrastructure | Payment Quarterly KPIs

**Group-wide annual TRX value reaches approx. ¥12.2 trillion** ※2

**Operating stores: 147,204 stores, TRX volume approx. 1.46 bil., TRX value approx. ¥3.6 trillion.** ※1



※1 Figures exclude an operating stores of a specific case and frcode byGMO. Figures exclude the stores related to a large delivery company from Q1 FY2017. If included, operating stores would be 502,160 (up 37.6% YoY). ※2 Operating stores are measured on an end-of-quarter basis. Figures for GMV value and volume are the total for the respective quarter.

※3 The graph is based USING only online payment figures. ※4 The standards for calculation the number of operating stores has been revised from Q2 FY2022. Figures from Q3 FY2015 have been retroactively adjusted on the same basis.

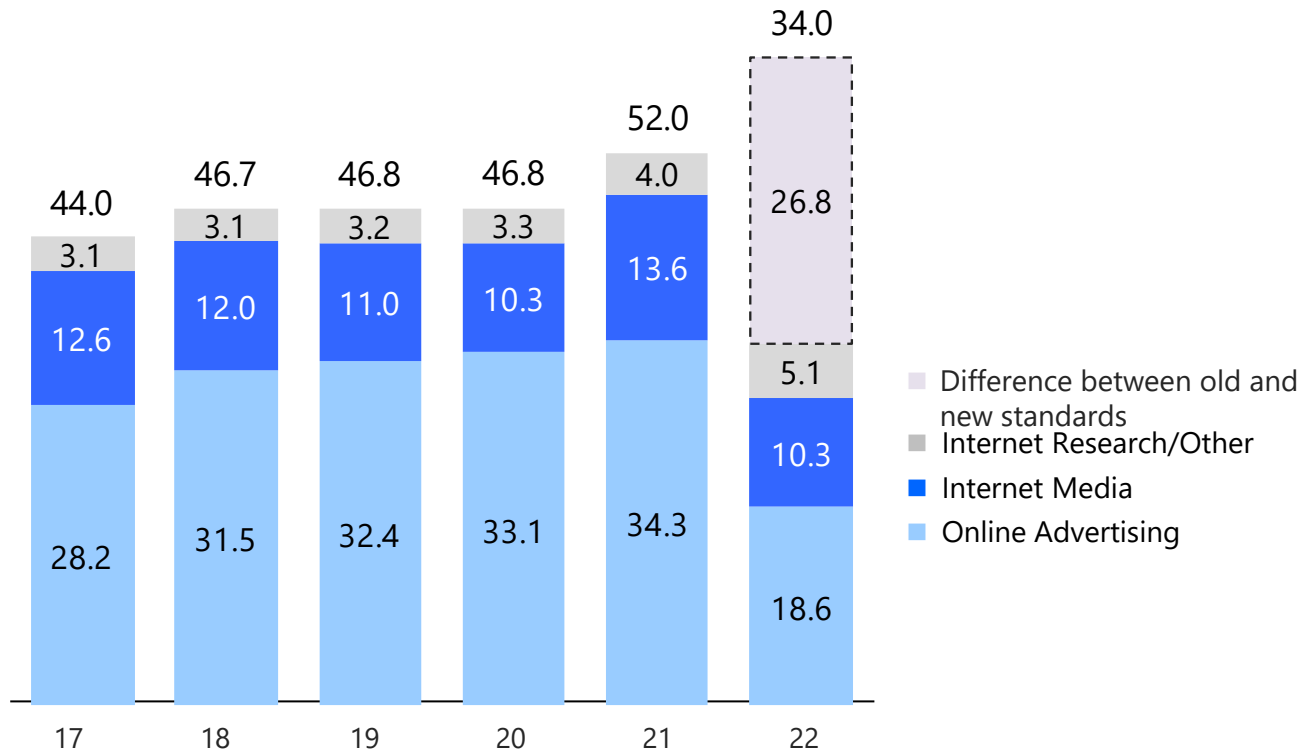
# Online Advertising & Media

# Online Advertising & Media | Full-year results

Compared to the same period last year (old v.s. new)

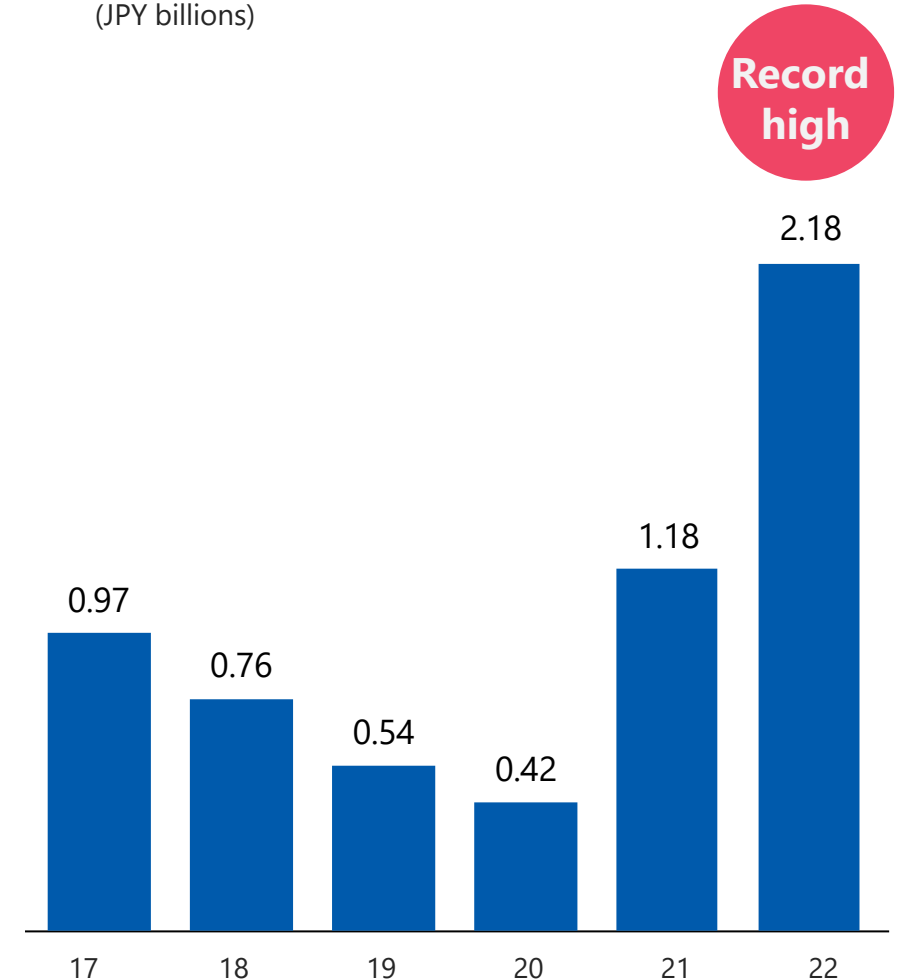
Net Sales: Down **34.6%** YoY

(JPY billions)



Operating Profit: Up **84.4%** YoY

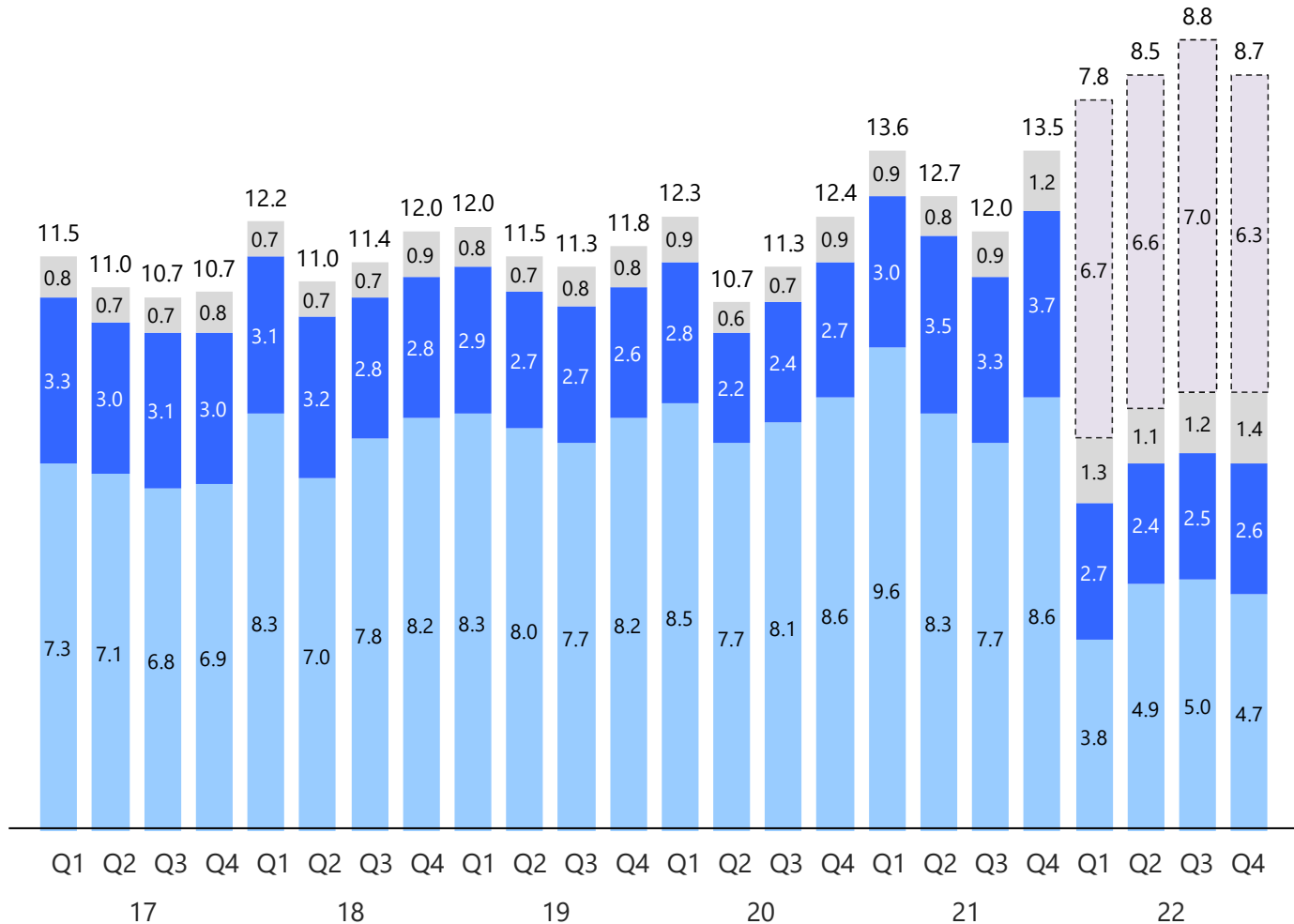
(JPY billions)



# Online Advertising & Media | Net Sales

(JPY billions)

Compared to the same period last year (old v.s. new)



Revenue down  
**35.5%**  
YoY

- Difference between old and new standards
- Internet Research/Other
- Internet Media
- Online Advertising

# GMO-Research | Audience Engagement Platform

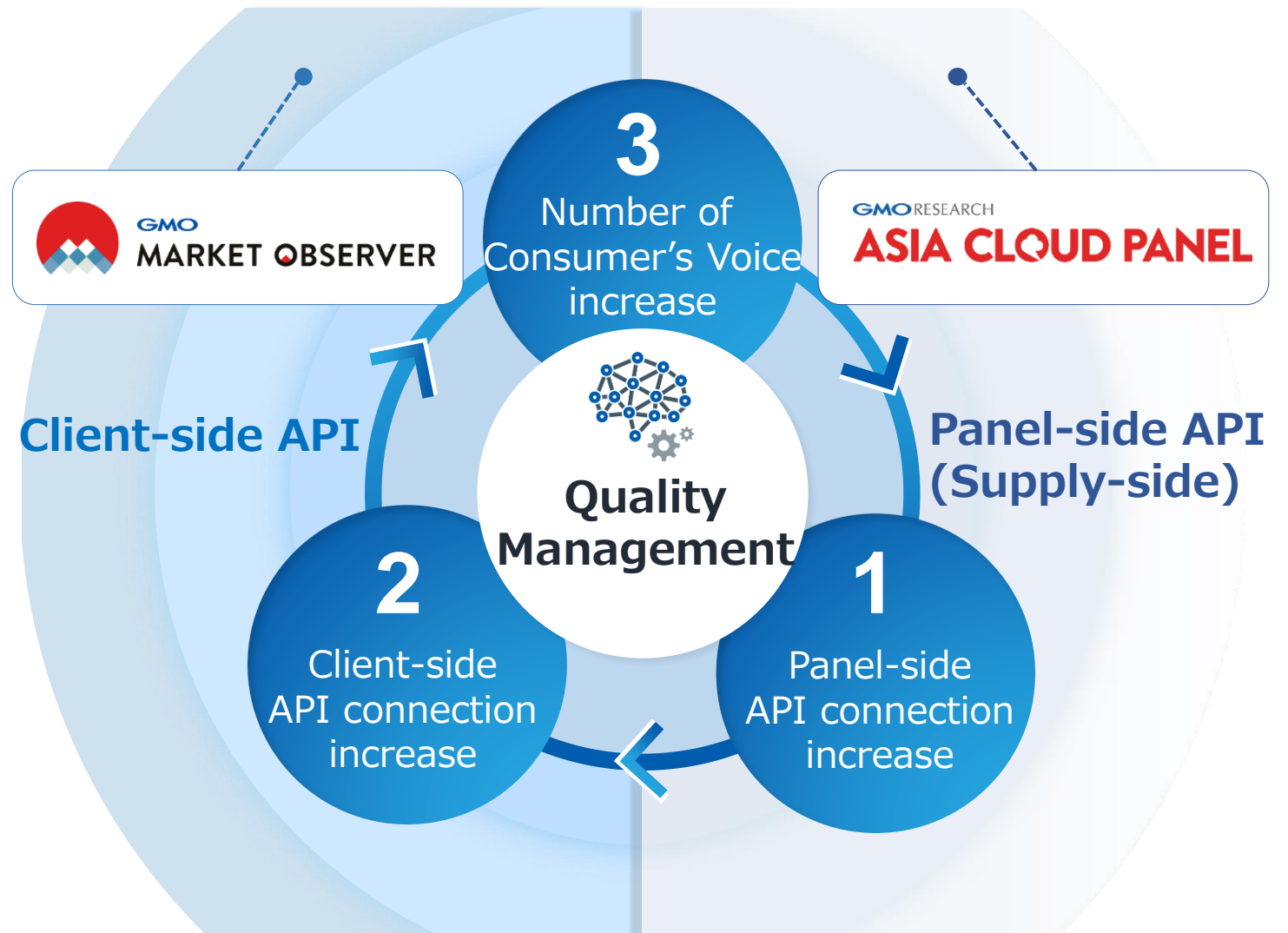
## Audience Engagement Platform



GMO MARKET OBSERVER

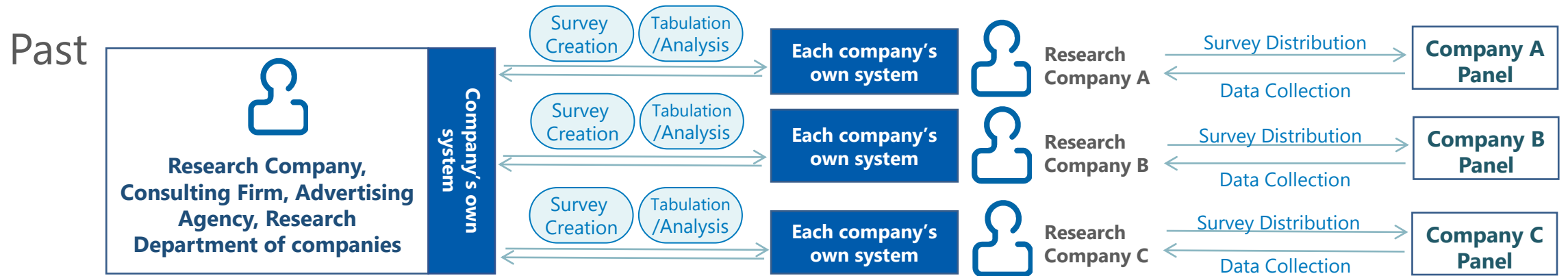


GMO RESEARCH  
**ASIA CLOUD PANEL**



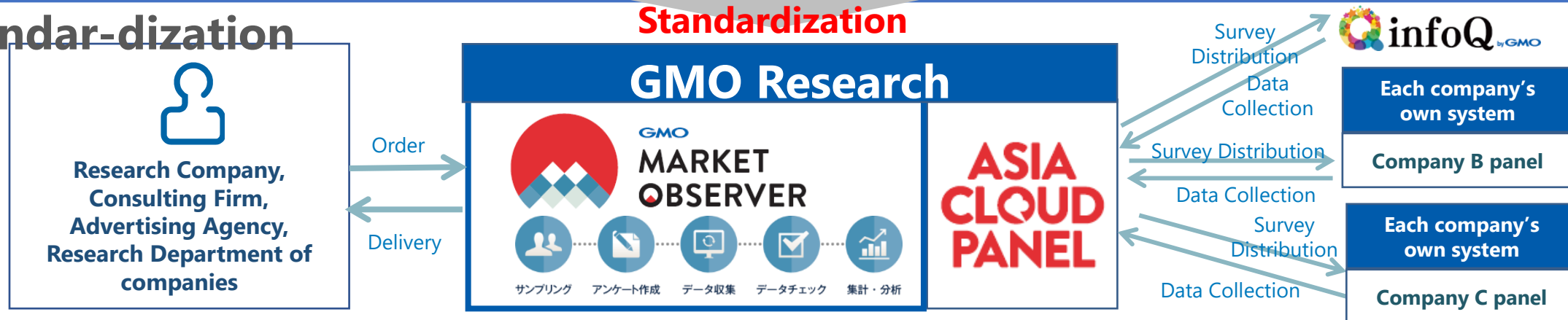
# GMO-Research | Business Model

Standardization of low-cost internet research tools which were previously developed on a per-company basis



## Industry Business Standardization

### Standardization



# GMO-Research | What's happening in the Sample Panel Market

- Established Market Research companies continue to outsource online sample management
- Marketers easily perform lite research with panels (consumers) with Self Service Platforms
- API connections with other sample panel providers using lite research platform continues



\*Source :ESOMAR, Evolution of the Data, Analytics and Insights Industry, A forecast into 2023

# Internet Finance

# FY2022 | Recorded the Provision of Allowance for doubtful accounts at consolidated subsidiary

## Background of this matter

**GMO-Z com Securities (Thailand) -GMO Financial HD's subsidiary.**

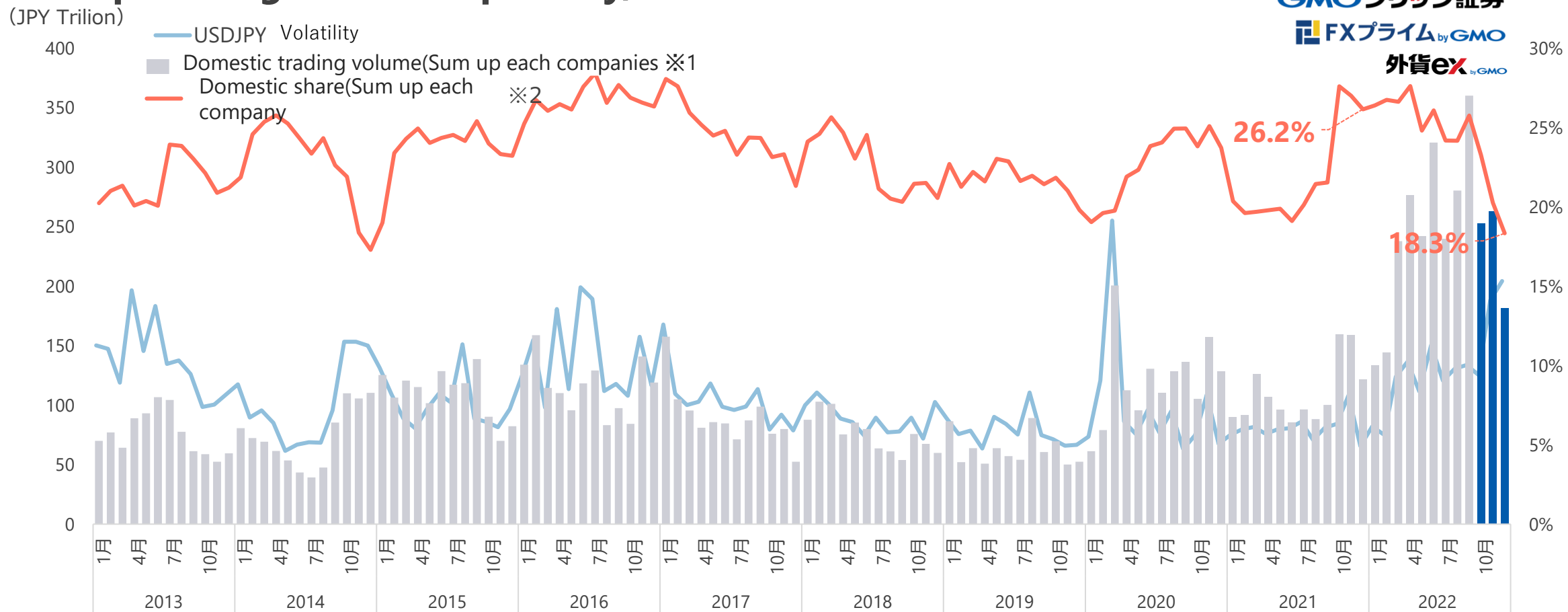
- Considered Nontransparent transactions have taken place across the stock market of Thailand regarding substitute security, one stock in Q4.
- GMO Z.Com Securities Thailand has accepted such securities as collateral from customers and has been considering the recoverable amounts of customer's borrowing on margin transaction, which the estimated allowance for doubtful accounts reflects of 3.5 billion yen as selling, general and administrative expenses, including the above items. GMO internet group have also been reflected about 2.3 million yen as net income.

## Outlook

- In the future, GMO-Z com Securities (Thailand) may obtain additional information when estimating the allowance for doubtful accounts and if so, it may revise the provision of allowance for doubtful accounts.
- The Company will strive to enhance the governance of the risk management of its overseas subsidiary, prevent a recurrence, and reduce credit risks.

# Internet Finance | Domestic FX Volume and share transition

## Set up trading limits temporarily, the share declined



GMOFH made this material with FFAJ 「FX monthly bulletin

※1 FX trading volume : Earlier than Feb 2015, GMO Click's single unit number only. After March 2015 FX Prime by GMO was added. After Oct 2021 Gaika ex by GMO was also added.

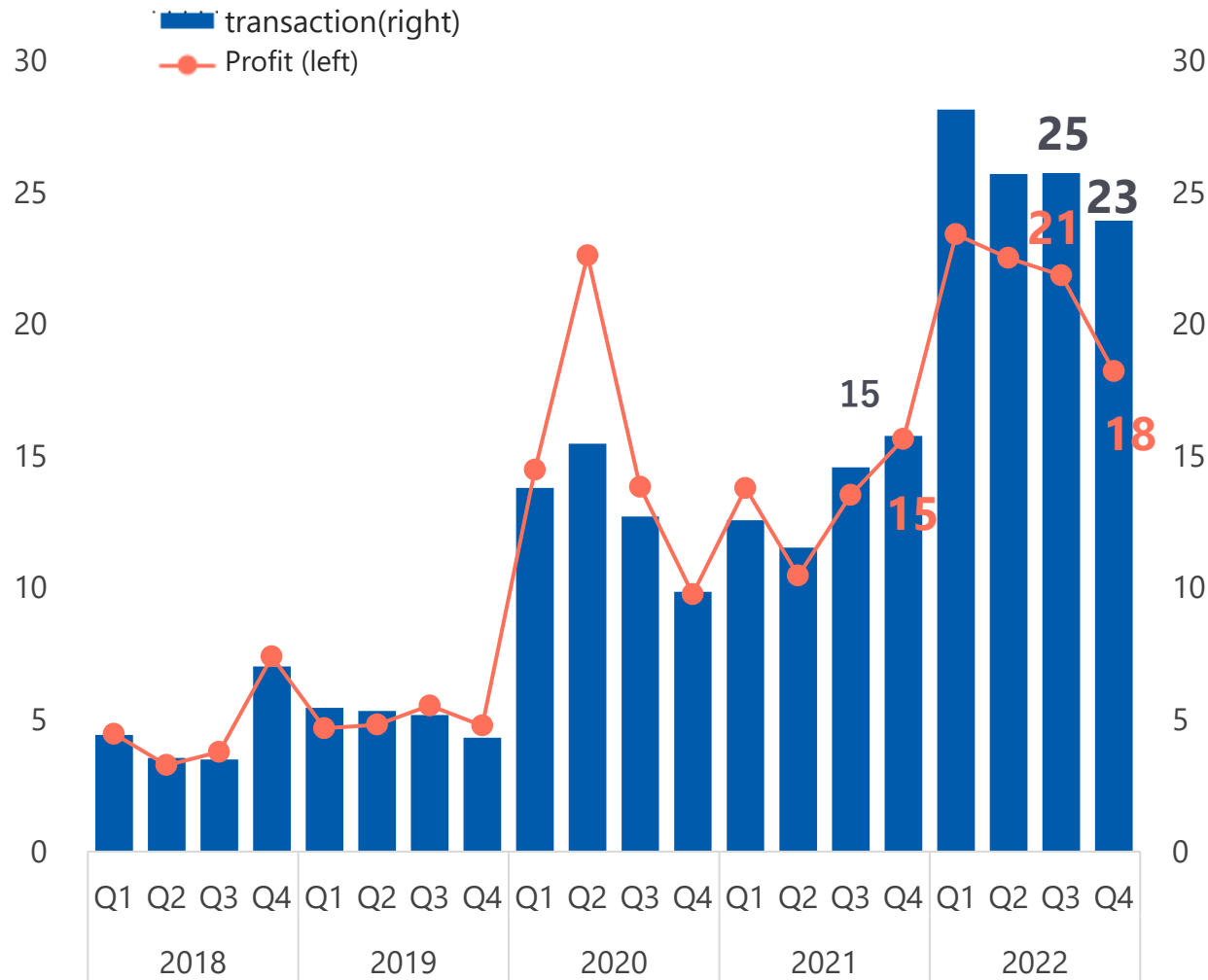
※2 FX share: the number officially announced by FFAJ calculated as the whole market.

※Prepared based on results Presentation of GMO-Financial Holdings

# Internet Finance | CFD Transaction and Profit transition

(JPY 100 Million)

(JPY Trillion)



Transaction volume

YoY

**16.5% UP**

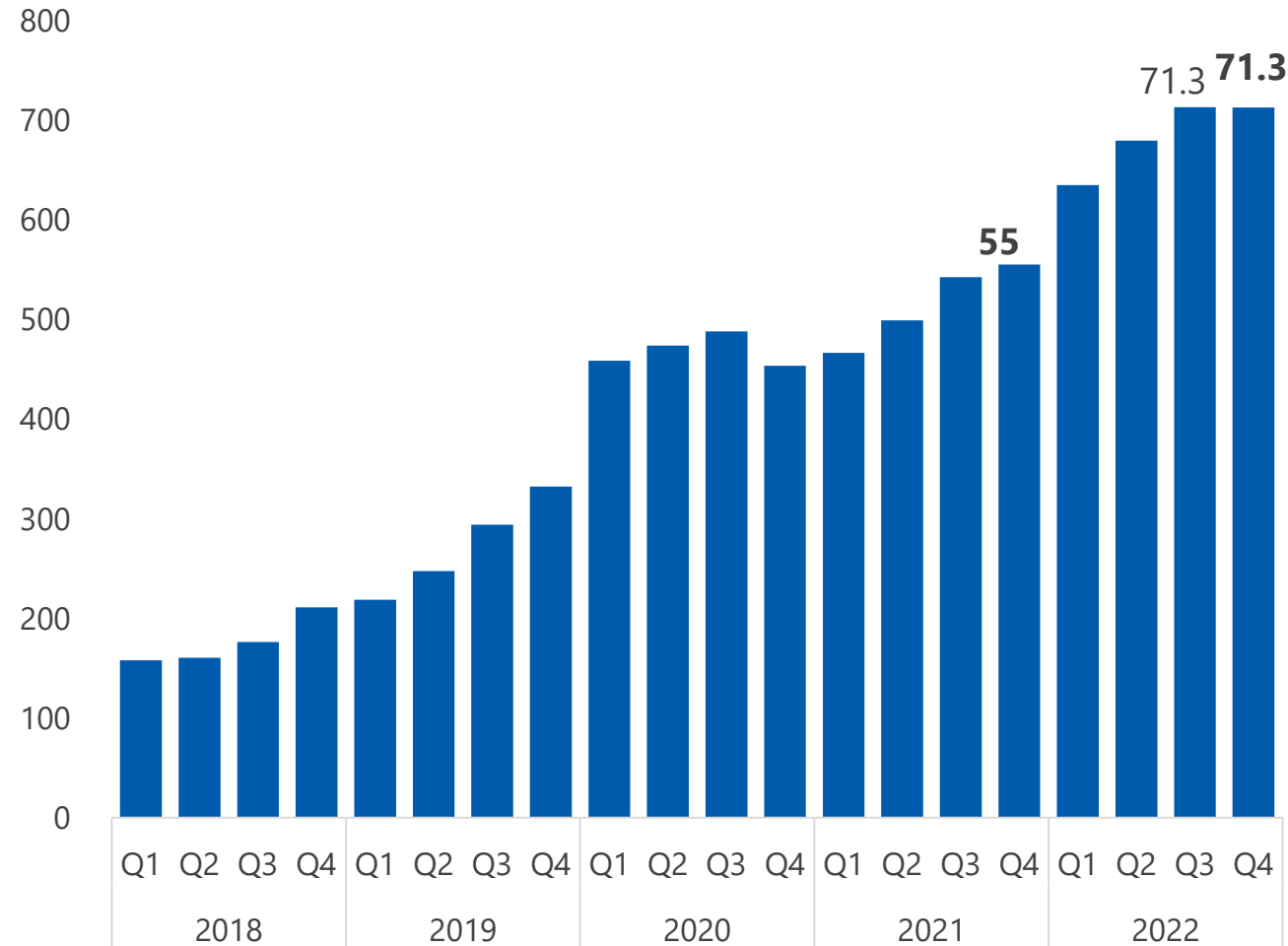
Profit

YoY

**51.9% UP**

# Internet Finance | CFD deposit margin balance

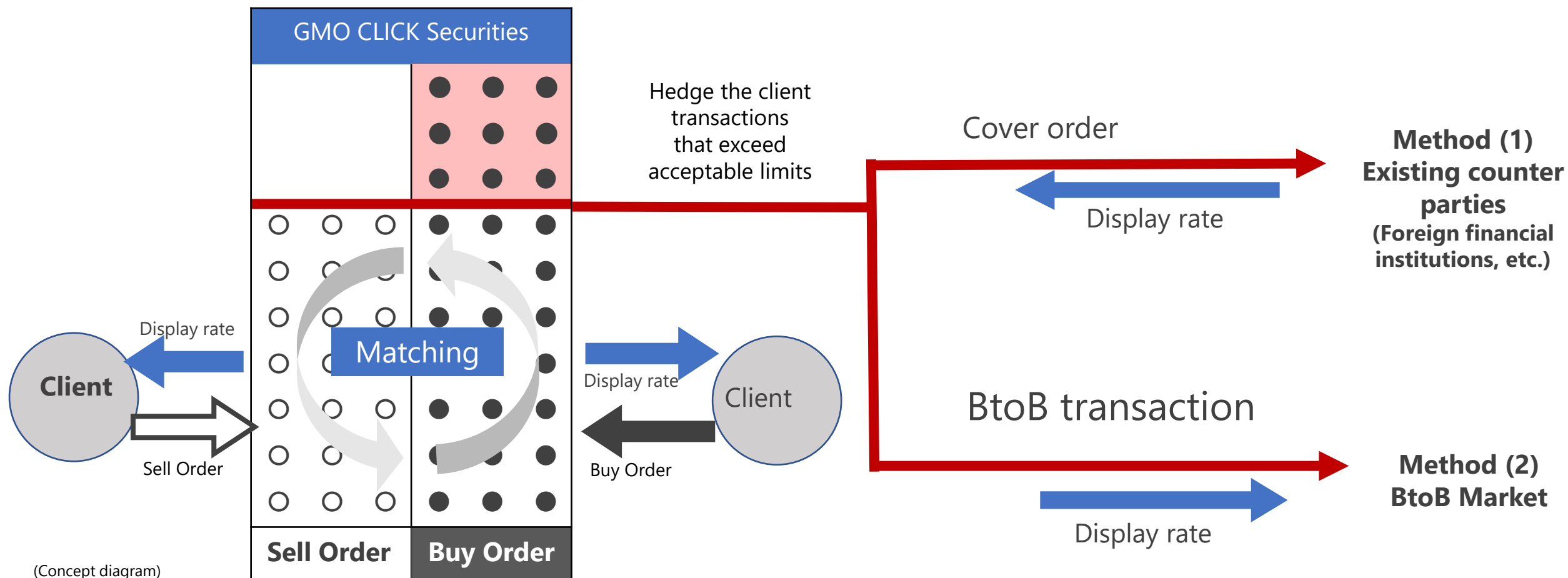
(JPY 100M)



YoY **31.4 %UP**

# Internet Finance | FX Business Model

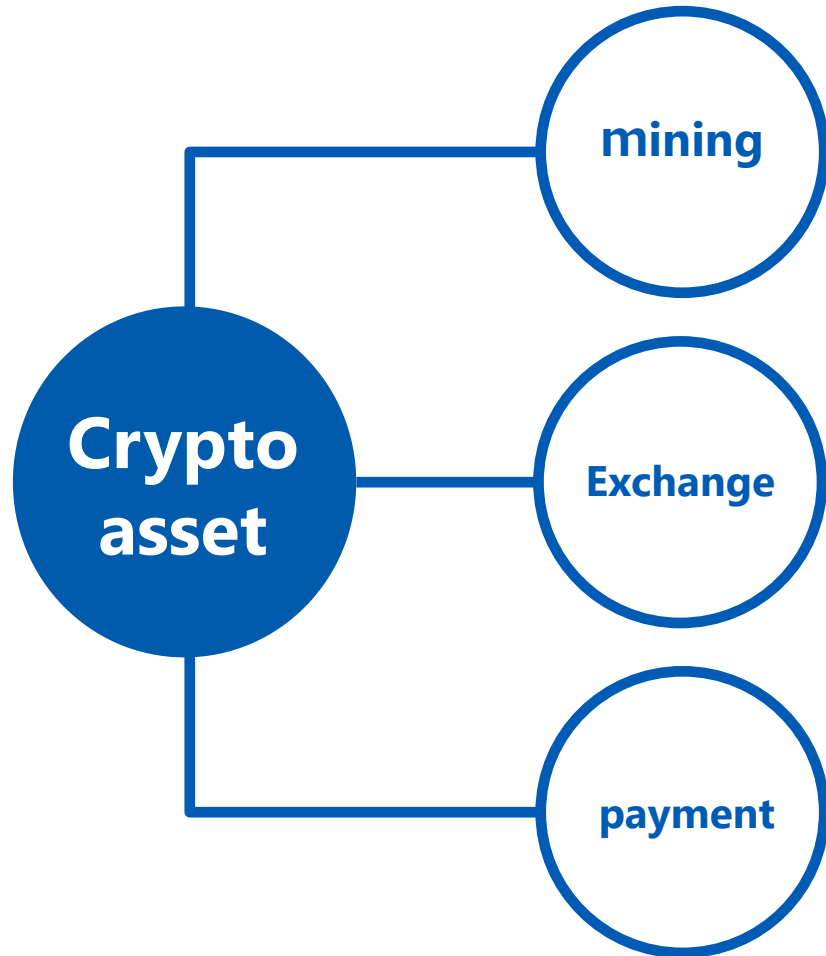
- Effective matching and thorough risk minimization with cover transactions executed with counter parties as soon as customer orders exceed acceptable risk position.



(Concept diagram)

# Cryptoassets

# Cryptoasset Business



**Mining Business**

**Exchange business**

**Payment business**

↳ Issuing Stablecoin

**GMO Coin**

**GYEN Z USD**  
Digital JPY Digital USD

# Cryptoasset Exchange Business | Transaction volume



(JPY Billion)

14,000

12,000

10,000

8,000

6,000

4,000

2,000

0

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4  
2018 2019 2020 2021 2022

YoY **77.7**  
**DOWN**

**<Q4'22 New Services >**

12<sup>th</sup> Oct added SOL to OTC and deposit crypto

2<sup>nd</sup> Nov Added QTUM at Staking

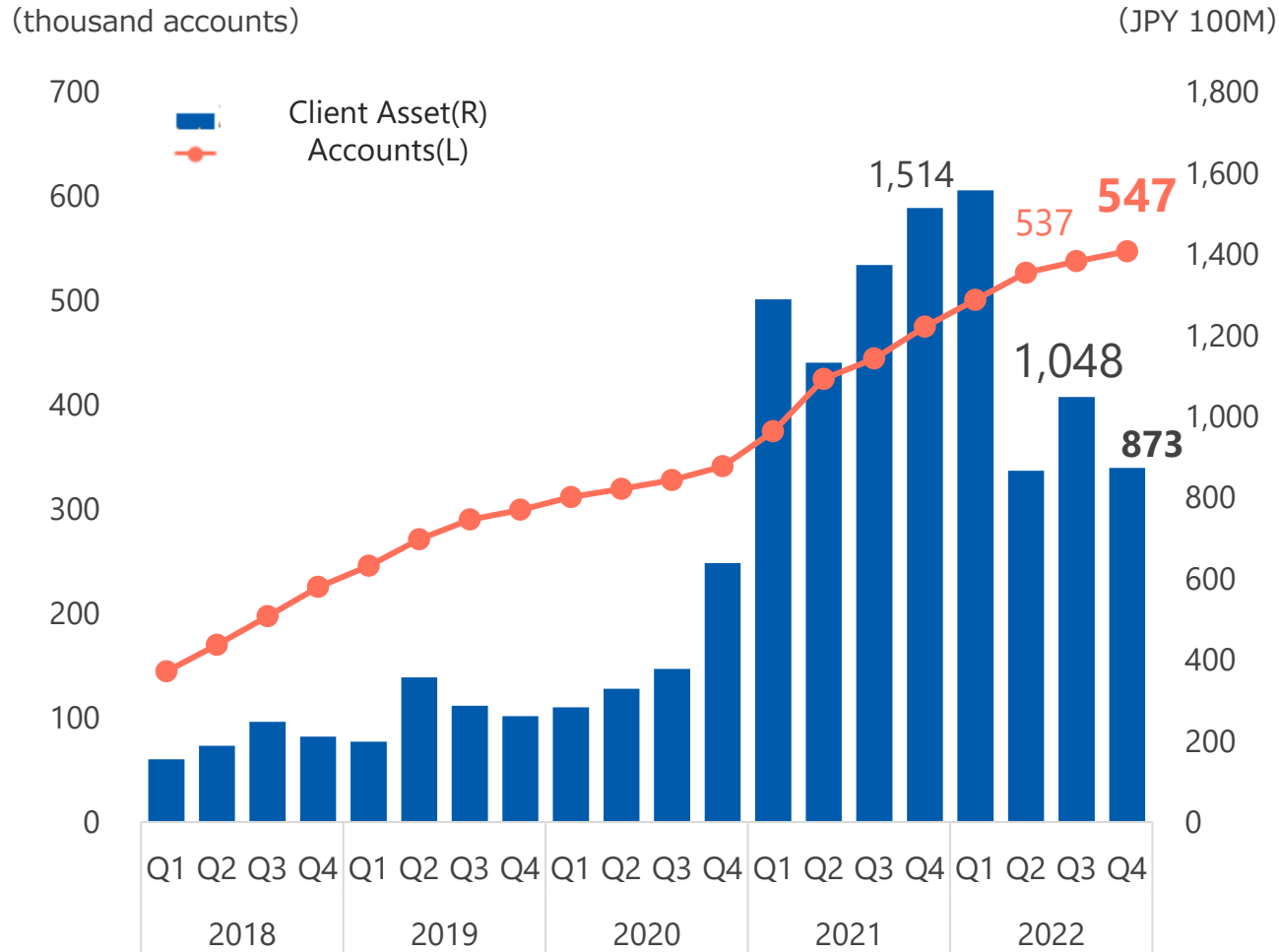
17<sup>th</sup> Nov DOT,ATOM added o tStaking

12<sup>th</sup> Dec New ver. leased on smarhone app

21<sup>st</sup> Dec Expanding obtained information of 「Public API」

\* Prepared based on Results Presentation of GMO Financial Holdings

# Cryptoasset Exchange Business | Accounts and deposit asset transition



Accounts

YoY

**72 K UP**

Deposit Asset

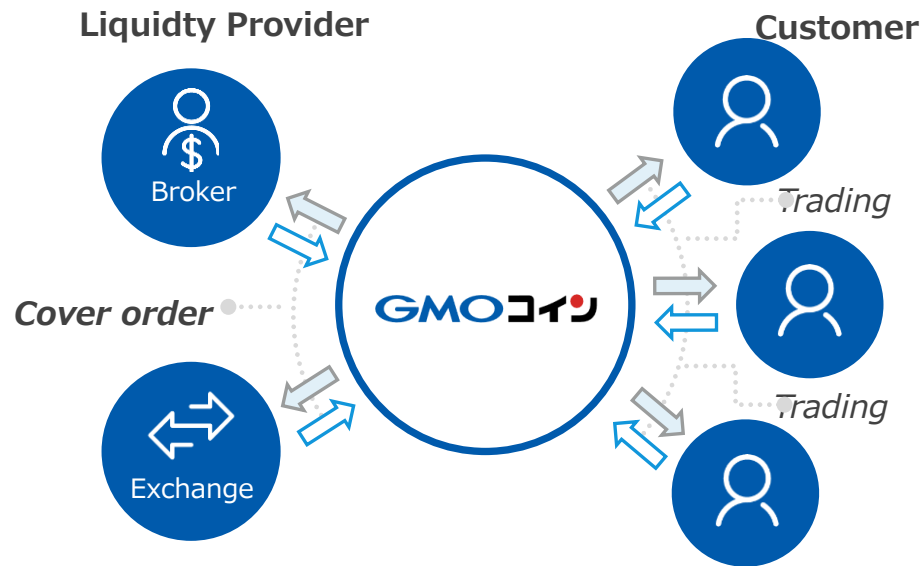
YoY

**42.3 %DOWN**

# Cryptoassets Exchange | Business model

## OTC Trading

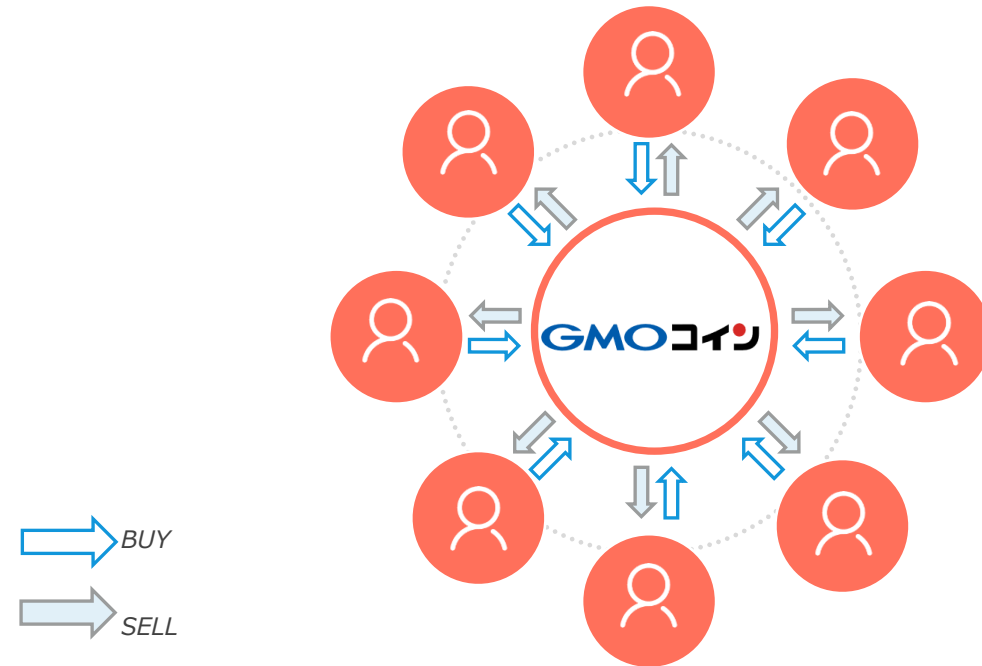
Hedging counter part positions  
by cover order



Main income : Spread  
(buy and sell spread)

## Exchange Trading

Offering the order matching platform



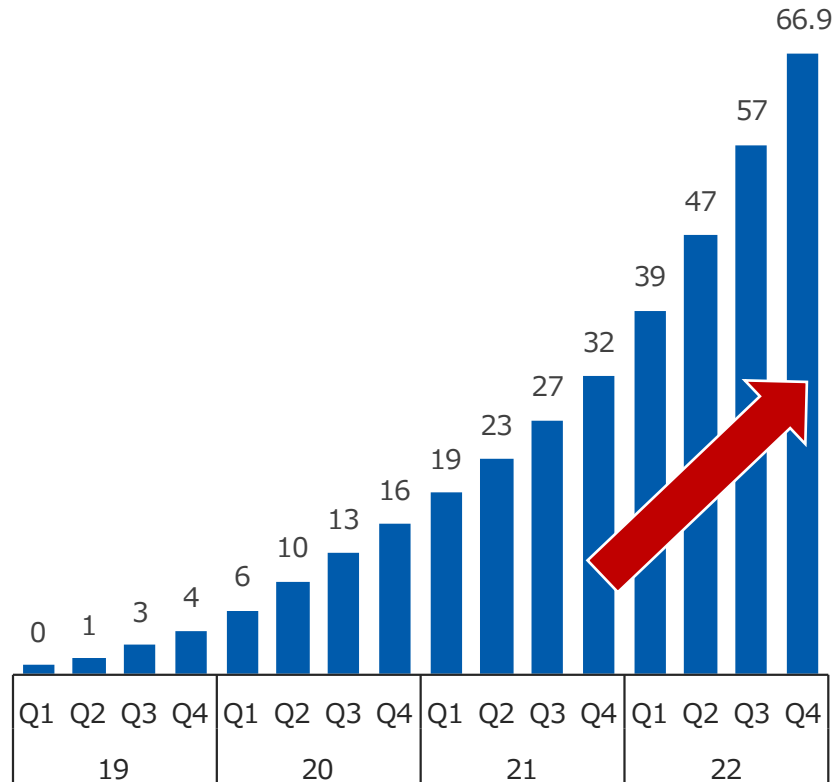
Main income : Transaction fee

**GMO AozoraNet Bank**

# Net Bank | Number of business accounts

GMO AOZORA NET BANK

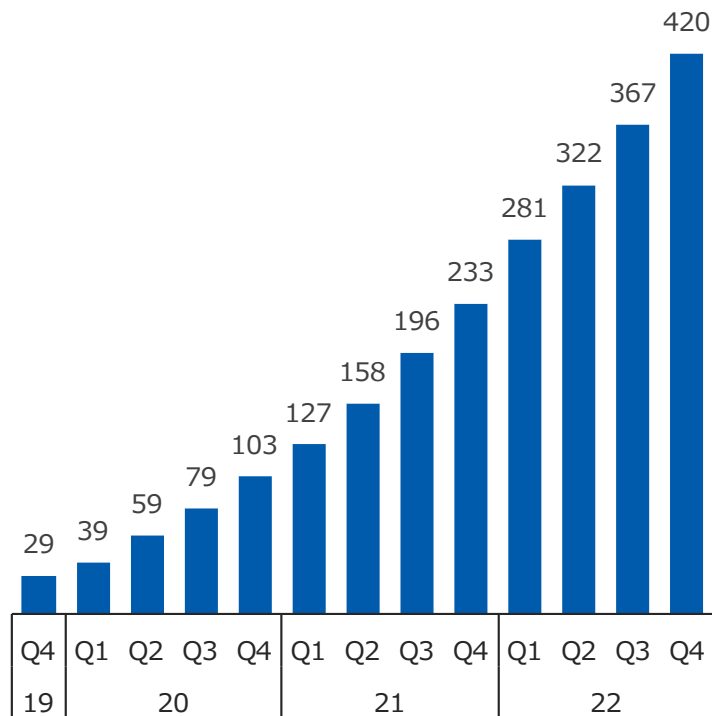
(Thousands)



**2.0-fold UP YoY**

# Net Bank | Total number of contracted Embedded Financial service

GMO AOZORA NET BANK



**Strong trend**

**GMO Web3**

# Team



Chairman  
**Masatoshi Kumagai**  
GMO Internet Group, Inc.  
Chairman and Group CEO  
**Expertise:** Growth and  
management of IT companies



Representative Director and CEO  
**Tomohiro Uchida**  
GMO Internet Group, Inc.  
General Manager, Corporate  
Development  
**Expertise:** Investment, M&A



Director  
**Masakazu Masushima**  
MORI HAMADA & MATSUMOTO  
**Expertise:** Financial Regulations,  
FinTech, M&A, Governance



Director  
**Yuki Naito**  
Drecom Co., Ltd.  
President & CEO  
**Expertise:** Growth and  
management of an IT company /  
Web3 Business Development in  
entertainment space

# Team



Director  
**Toshiaki Horiuchi**  
GMO Internet Group, Inc.  
Group Senior Managing Executive Officer  
**Expertise:** Research and development/technical support for cutting-edge technologies such as AI and blockchain



Director  
**Kentaro Sato**  
GMO Pepabo, Inc.  
Representative Director and CEO  
**Expertise:** Web Creative Creator Support



Director  
**Kentaro Nakamura**  
GMO-Z.com Trust Company, Inc.  
CEO  
**Expertise:** Stable Coin Development and Operation



Director  
**Makoto Makita**  
GMO Cybersecurity by Ierae, Inc.  
Representative Director  
**Expertise:** Cyber security from attackers' perspective

# Team



**Satoshi Makita**

GMO Internet Group, Inc.  
General Manager, Infrastructure & Operations Division,  
Systems Management Headquarters  
**Expertise:**Blockchain, Mining operations



Director  
**Kosuke Kotani**

GMO Coin, Inc.  
Director  
**Expertise:**Crypto asset (cryptocurrency)  
exchange  
IEO Support



Director  
**Takeo Hayashi**

GMO Aozora Net Bank, Ltd.  
Head of Corporate Planning Team  
**Expertise:**Internet Finance  
Business planning and development



Director  
**Mai Fujimoto**

[BlockchainPROseed](#)  
Co-founder  
**Expertise:**Promotion activities in the  
blockchain area

# Team



Advisor  
**Kazuyuki Shudo**  
[Kyoto University](#)  
Professor  
**Expertise:**Computer Science and Engineering



Advisor (CPA)  
**Takao Yoshimura**  
Former President of [Deloitte Tohmatsu Venture Support Co.](#)  
**Expertise:**Venture support, IPO support



Advisor  
**Isao Moriyasu**  
Former President and CEO of DeNA Co.  
**Expertise:**Business development and business growth



Advisor  
**Sota Watanabe**  
[Astar Network](#)  
Founder  
**Expertise:**Public blockchain development

□ Group Overview

□ Financial condition and strategy

□ Consolidated results

□ **ESG activities**

# ESG | Sustainability management for SDGs

電子印鑑なら  
**GMOサイン**



**コエテコ** by **GMO**



**GMO光アクセス**  
for **Education**



**GMO** CYBER SECURITY  
// IERAE



⋮

**Our business help  
Social and  
environmental issues  
to be solved.**

# ESG | Disclosure processes



**Preferentially  
attempting to expand  
ESG disclosure**

<https://www.gmo.jp/csr/gri/>

**Internet for Everyone**

**GMO**