Fiscal Year 2019
First Quarter
Results Presentation

GMO INTERNET

STOCK CODE : 9449

Supplementary Materials

May 9, 2019

Significant Group Companies

136 Group Companies (110 consolidated, 19 non-consolidated, 4 equity method affiliates, 3 non-equity method affiliates) *As of March 2019

Internet Infrastructure

★ GMO Internet, Inc. (TSE:9449)
★ GMO Payment Gateway, Inc. (TSE:3769)
★ GMO CLOUD, Inc. (TSE:3788)
★ GMO Pepabo Inc. (JASDAQ: 3633)
GlobalSign K.K.
GMO CARS, Inc.
GMO MAKESHOP Co. Ltd.
GMO Commerce, Inc.
GMO Epsilon, Inc.
GMO Payment Services, Inc.
GMO Financialgate,Inc.
Global Card System,Inc.
GMO Registry, Inc.
GMO System Consulting, Inc.
GMO Creators Network, Inc.
GMO Brights Consulting, Inc.(and other companies)

- Hokkaido Pref.
GMO DIGITAL Lab, Inc.

- Kyushu and Chugoku regions
GMO CLOUD, Inc. (Shimonoseki Branch)
GMO Pepabo, Inc. (Fukuoka Branch)
GMO Internet, Inc. (Kokura Office)
GMO Internet, Inc. (Miyazaki Office)
GMO NIKKO, Inc. (Miyazaki Office)
GMO TECH, Inc. (Miyazaki Office)

- Osaka region
GMO Internet, Inc.
(Osaka Sales Office)
GMO CLOUD,K.K
GMO Payment Gateway, Inc.
GMO Solution Partner, Inc.
GMO DigiRock, Inc.

Internet Finance

★ GMO Financial Holdings, Inc. (JASDAQ:7177)
GMO CLICK Securities, Inc.
FX PRIME by GMO Corporation

Online Advertising & Media

★ GMO AD Partners, Inc. (JASDAQ:4784)
GMO NIKKO, Inc.
GMO AD Marketing
GMO Insight, Inc.
★ GMO Research, Inc. (MOTHERS: 3695)
★ GMO Media, Inc. (MOTHERS: 6180)
GMO Solution Partner, Inc.
★ GMO TECH, Inc. (MOTHERS: 6026)
GMO Kumapon, Inc.
(and other companies)

Cryptocurrency

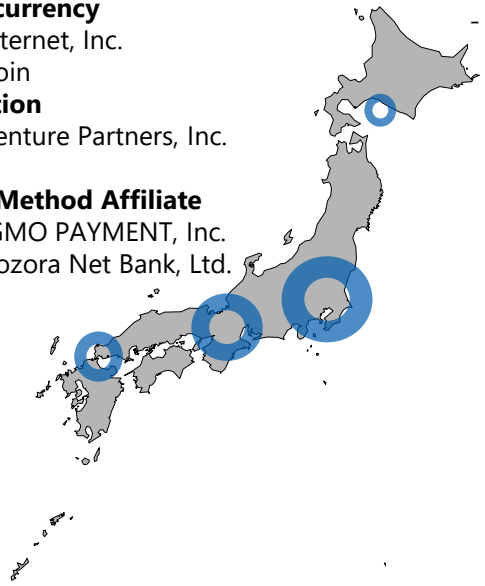
GMO Internet, Inc.
GMO Coin

Incubation

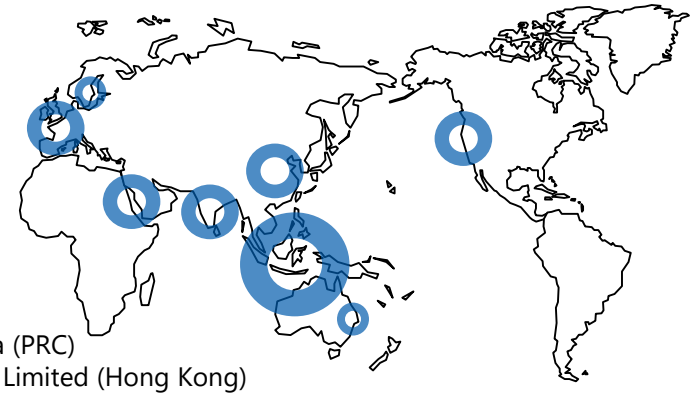
GMO Venture Partners, Inc.

Equity Method Affiliate

SMBC GMO PAYMENT, Inc.
GMO Aozora Net Bank, Ltd.



- Europe
(UK)
GMO-Z.com Trade UK LTD.
GMO GlobalSign Ltd.
(Belgium)
GlobalSign NV



(US)
GMO GlobalSign, Inc.
GMO-Z.com USA,Inc

- Asia
GMO Globalsign China (PRC)
GMO-Z.com Forex HK Limited (Hong Kong)
GMO-Z.com PAYMENT GATEWAY HK Limited. (Hong Kong)
(UAE)
GMO GlobalSign FZ-LLC
(India)
GMO GlobalSign Certificate Services Private limited; GMO Research Pvt.Ltd.
(Myanmar)
GMO-Z.com ACE Co. Ltd.
(Thailand)
GMO-Z.com Securities Thailand; GMO-Z.com NetDesign Holdings Co.,Ltd
(Singapore)
GMO-Z.com Pte. Ltd.; GMO GlobalSign Pte. Ltd.; GMO-Z.com PAYMENT GATEWAY Pte Ltd.
(Malaysia)
MACRO KIOSK BERHAD
(Vietnam)
GMO-Z.com Runsystem JSC; GMO-Z.com Vietnam Lab Center Co. Ltd.
(Philippines)
GMO GlobalSign Inc.

★ Listed Company
(total 9 companies)

Group News (1) 3 mths to March

1/8	GMO INTERNET	GMO Internet will launch the website of children's investment project, which is an investment opportunity offered to children by Yoshiaki Murakami, and start accepting applications from potential participants
1/9	GMO MEDIA	GMO Media's programming education portal service "Coeteco byGMO," a programming robot class for elementary school students, has become number one in the industry in terms of the number of classrooms listed
1/28	GMO CLICK | SEC SECURITIES	GMO CLICK Securities' FX trading services have No.1 transaction volume worldwide in 2018 for the 7th consecutive year according to Finance Magnates' report
1/29	GMO INTERNET	GMO Internet began offering the latest OS "Windows Server 2019" of Windows VPS "ConoHa for Windows Server" that customers can freely use: Each plan has 3 types of templates, which can be chosen to suit specific purposes
2/4	GMO TECH	GMO TECH began offering the promotion planning service "GMO Casting Management" utilizing influencers: From planning to execution of digital and physical promotion
2/6	GMO PEPABO inc. GMO CREATORS NETWORK	GMO Creators Network joined GMO Pepabo: Supporting various ways of working that are tailored to creators' lifestyles by strengthening partnerships
2/12	GMO PAYMENT GATEWAY	Basic agreement regarding the next-generation payment platform business with Sumitomo Mitsui Card

Group News (2) 3 mths to March

2/25	GlobalSign	GMO GlobalSign will support international e-commerce and electronic contract in order to prevent electronic document data fraud: The first domestic certificate authority to release the service recognized as an eIDAS
2/28	GMO PEPABO inc.	GMO Pepabo has formed capital and business alliance with freee to create a society where freelancers can carry out their activities: Supporting various ways of working to suit the freelancers' lifestyles
3/1	GMO INTERNET	GMO Internet Group supports an international conference ICANN64 to be held from Saturday, March 9 to Thursday, March 14 in Japan, joining as Japan's largest domain registry and domain registrar
3/1	GMO INTERNET	GMO Internet strengthens the recruitment of new graduates: Launched the online information session and selection, from entry to final interviews
3/13	GMO INTERNET	GMO Internet decides to hold a two-day event BIT VALLEY 2019, the concept of which is "the new field of manufacturing": Joint project between DeNA, CyberAgent, mixi, and GMO Internet
3/20	GMO REGISTRY	GMO Registry announces .shop, the online address for all shops, has reached 1 million domain name registrations
3/28	GMO INTERNET	GMO Internet launches GPU Cloud byGMO, a GPU server for machine learning and deep learning: Accelerating the improvement in GPU environment, and GPU resource utilization in R&D and services within the GMO Internet Group

Listed Group Companies (3 mths to March)

GMO PAYMENT GATEWAY

(JPY millions)

Stock Code	TSE 1st Section 3769			
	Internet Infrastructure (Payment)			
	Q2 FYE 9/2018 (3mths to Mar)	Q2 FYE 9/2019 (3mths to Mar)	Q2 FYE 9/2019 (6mths to Mar)	FYE 9/2019 Forecast (Progress)
Net Sales	6,459	7,769	16,015	31,850 (50.3%)
Operating Profit	1,675	2,181	4,258	8,300 (51.3%)
Net Profit	1,101	1,499	2,578	5,106 (50.5%)

*Adopting IFRS since FYE 9/2018. Previous year's numbers are based on IFRS.

*Compiled from each companies' quarterly P/L statements

Listed Group Companies (3 mths to March)

GMO FINANCIAL HD

(JPY millions)

Stock Code	JASDAQ Standard 7177		
	Internet Finance & Cryptocurrency		
	Q1 FYE 12/2018 (3mths to Mar)	Q1 FYE 12/2019 (3mths to Mar)	FYE 12/2019 Forecast
Net Sales	8,346	6,905	—
Operating Profit	2,586	1,348	—
Ordinary Profit	2,573	1,314	—
Net Profit	1,781	617	—

*Compiled from each companies' quarterly P/L statements

Listed Group Companies (3 mths to March)

GMO CLOUD

(JPY millions)

Stock Code	TSE 1st Section 3788		
	Internet Infrastructure (Hosting & Cloud, Security)		
	Q1 FYE 12/2018 (3mths to Mar)	Q1 FYE 12/2019 (3mths to Mar)	FYE 12/2019 Forecast (Progress)
Net Sales	3,106	3,222	14,015 (23.0%)
Operating Profit	360	395	1,550 (25.5%)
Ordinary Profit	352	396	1,550 (25.6%)
Net Profit	231	326	1,010 (32.3%)

*Compiled from each companies' quarterly P/L statements

Listed Group Companies (3 mths to March)

GMO ADPARTNERS

(JPY millions)

Stock Code	JASDAQ Standard 4784		
	Online Advertising & Media		
	Q1 FYE 12/2018 (3mths to Mar)	Q1 FYE 12/2019 (3mths to Mar)	FYE 12/2019 Forecast (Progress)
Net Sales	9,021	8,886	35,000 (25.4%)
Operating Profit	141	114	560 (20.5%)
Ordinary Profit	137	128	550 (23.3%)
Net Profit	120	94	295 (32.1%)

*Compiled from each companies' quarterly P/L statements

Listed Group Companies (3 mths to March)

GMO PEPABO inc.

(JPY millions)

Stock Code	JASDAQ Standard 3633 Internet Infrastructure (Domain, Hosting & Cloud, Ecommerce Solutions)		
	Q1 FYE 12/2018*1 (3mths to Mar)	Q1 FYE 12/2019*2 (3mths to Mar)	FYE 12/2019 Forecast (Progress)
Net Sales	1,897	2,185	9,200 (23.8%)
Operating Profit	151	300	950 (31.6%)
Ordinary Profit	154	308	962 (32.1%)
Net Profit	141	245	684 (35.9%)

*Compiled from each companies' quarterly P/L statements

*1 Non-consolidated basis *2 Consolidated basis

Listed Group Companies (3 mths to March)

GMO RESEARCH

(JPY millions)

Stock Code	TSE MOTHERS 3695		
	Online Advertising & Media		
	Q1 FYE 12/2018 (3mths to Mar)	Q1 FYE 12/2019 (3mths to Mar)	FYE 12/2019 Forecast (Progress)
Net Sales	773	807	3,664 (22.0%)
Operating Profit	55	57	326 (17.5%)
Ordinary Profit	39	56	307 (18.4%)
Net Profit	28	40	208 (19.7%)

*Compiled from each companies' quarterly P/L statements

Listed Group Companies (3 mths to March)

GMO TECH

(JPY millions)

Stock Code	TSE MOTHERS 6026		
	Online Advertising & Media		
	Q1 FYE 12/2018 (3mths to Mar)	Q1 FYE 12/2019 (3mths to Mar)	FYE 12/2019 Forecast (Progress)
Net Sales	630	710	2,900 (24.5%)
Operating Profit	-74	14	30 (48.6%)
Ordinary Profit	-75	12	30 (41.6%)
Net Profit	-80	115	110 (104.6%)

*Compiled from each companies' quarterly P/L statements

Listed Group Companies (3 mths to March)

GMO MEDIA

(JPY millions)

Stock Code	TSE MOTHERS 6180		
	Online Advertising & Media		
	Q1 FYE 12/2018 (3mths to Mar)	Q1 FYE 12/2019 (3mths to Mar)	FYE 12/2019 Forecast (Progress)
Net Sales	1,394	1,134	4,600 (24.7%)
Operating Profit	158	68	300 (23.0%)
Ordinary Profit	157	68	297 (23.2%)
Net Profit	106	46	200 (23.1%)

*Compiled from each companies' quarterly P/L statements

Finance, Payment, and Cryptocurrency | Group relationship

Net Bank

GMO Aozora Net Bank

(Aozora Bank 85.1% / GMO Internet 7.45% / GMO Financial HD 7.45%)

Domain, hosting & cloud, provider, cryptocurrency mining

GMO Internet (TSE1)

Cryptocurrency mining

Infrastructure & Ecommerce

Rental server, hosting & cloud

GMO CLOUD (TSE1)

(GMO Internet 51.8%)

SSL server certificate

GMO GlobalSign

Domain registration, rental server, ecommerce

GMO Pepabo (JASDAQ)

(GMO Internet 65.0%)

Content production

GMO Creators Network

Payment processing service

GMO Payment Gateway (TSE1)

(GMO Internet 42.0%)

Transaction lending

GMO Epsilon

Future payment

GMO Payment Service

Offline payment

GMO Financial Gate

Finance

Financial holdings company

GMO Financial HD (JASDAQ)

(GMO Internet 62.6%)

FX trading, online securities trading

GMO CLICK Securities

FX trading

FX Prime byGMO

Cryptocurrency exchange

Cryptocurrency exchange, cryptocurrency FX

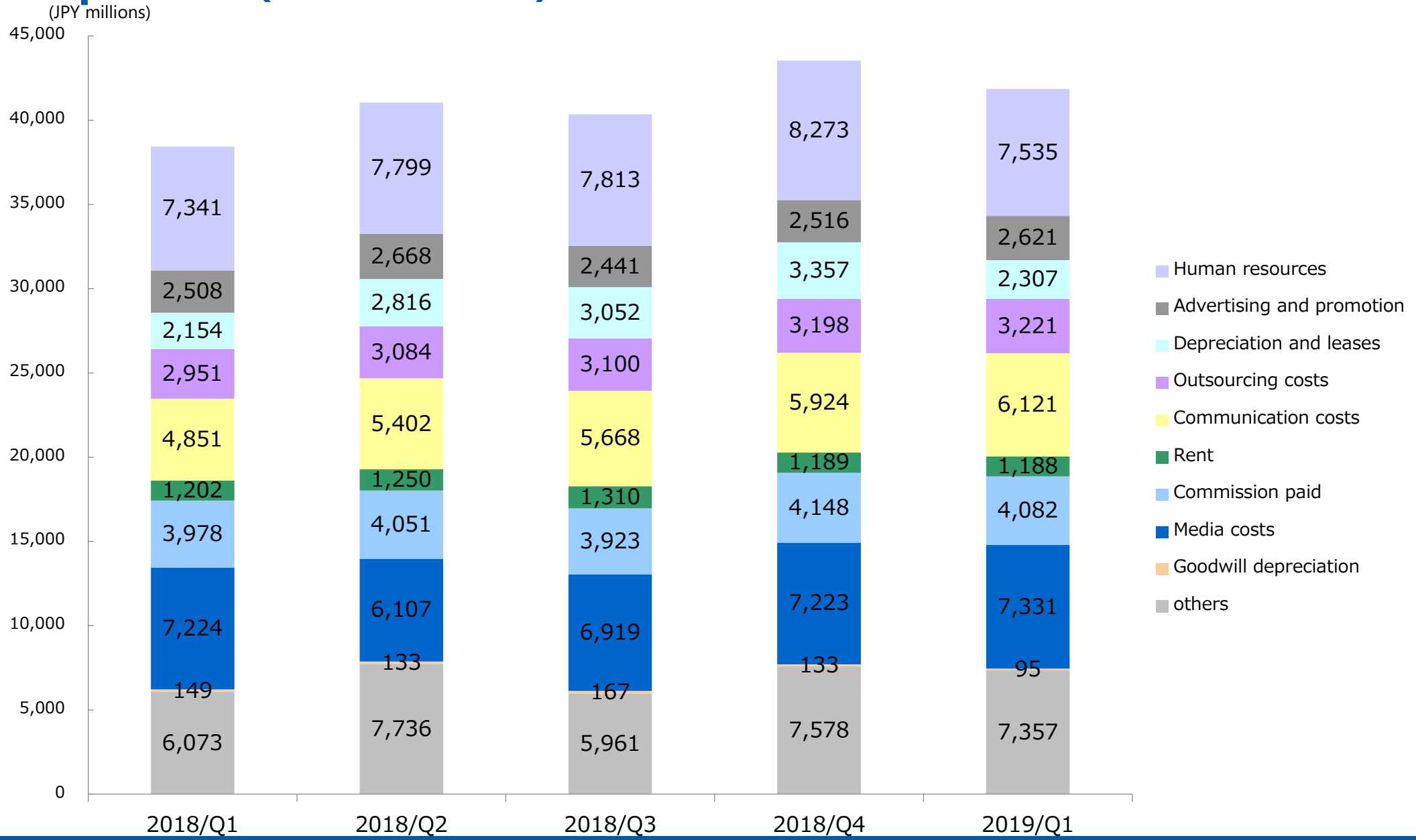
GMO Coin

Revenue Breakdown by Segment

(JPY millions)

	2018/Q1	2018/Q2	2018/Q3	2018/Q4	2019/Q1
◆Internet Infrastructure					
Internet provider	5,586	6,460	6,902	7,333	7,744
Domain	2,104	2,141	2,100	2,132	2,234
Cloud & hosting	3,527	3,519	3,614	3,604	3,549
Ecommercd solutions	2,379	2,510	2,620	3,019	3,038
Security	1,423	1,484	1,503	1,573	1,580
Payment	6,748	6,819	7,304	8,182	7,838
Other	1,619	1,887	1,418	1,283	1,504
Segment total	23,390	24,823	25,465	27,129	27,489
◆Online Advertising & Media					
Internet media	3,152	3,235	2,842	2,832	2,934
Online advertising	8,339	7,058	7,895	8,282	8,341
Internet research, other	774	718	728	934	800
Segment total	12,267	11,012	11,466	12,049	12,076
◆Internet Finance					
Segment total	8,151	7,560	7,493	7,512	6,397
◆Cryptocurrency					
Cryptocurrency exchange	192	1,420	1,369	1,053	507
Cryptocurrency mining	442	1,237	1,249	1,280	786
Segment total	635	2,657	2,619	2,334	1,294
◆Incubation					
Segment total	180	2,018	107	7	328
◆Other Businesses					
Segment total	139	851	142	394	414
Internal Transactions Adjustment	(1,059)	(1,358)	(1,400)	(1,415)	(1,137)
Consolidated Net Sales	43,705	47,564	45,894	48,013	46,863

Cost Composition (Consolidated)

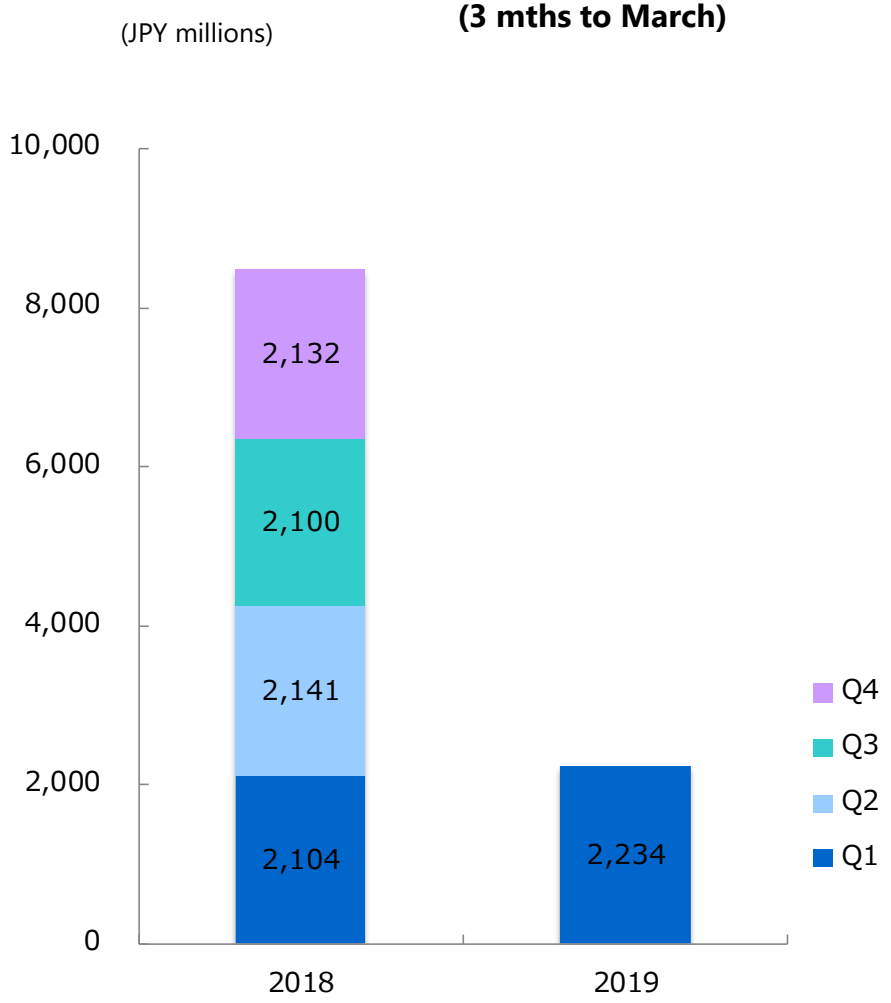


Internet Infrastructure | Domain Registration

Revenue

+6.1%

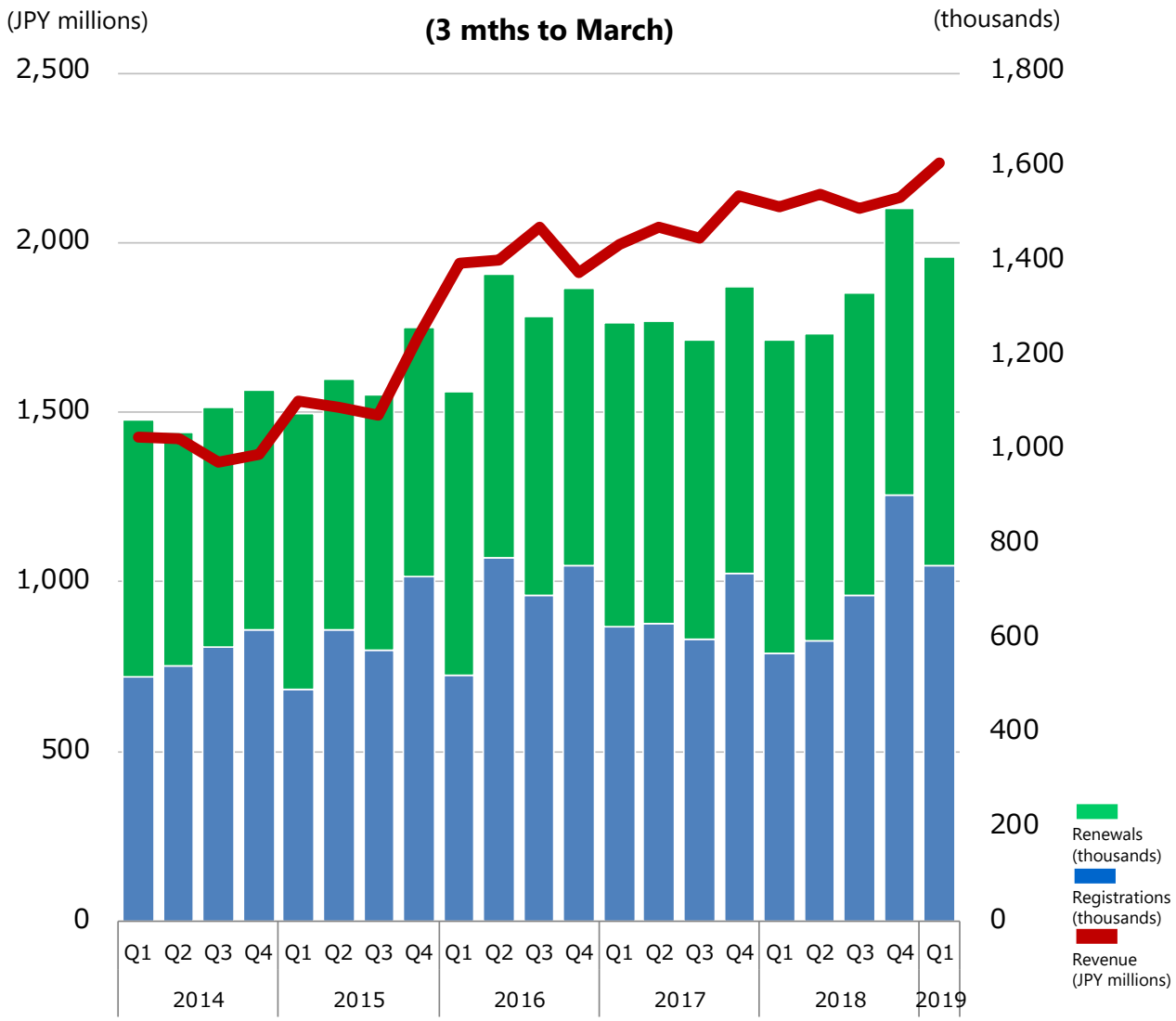
(3 mths to March)



Registrations

+14.4%

(3 mths to March)

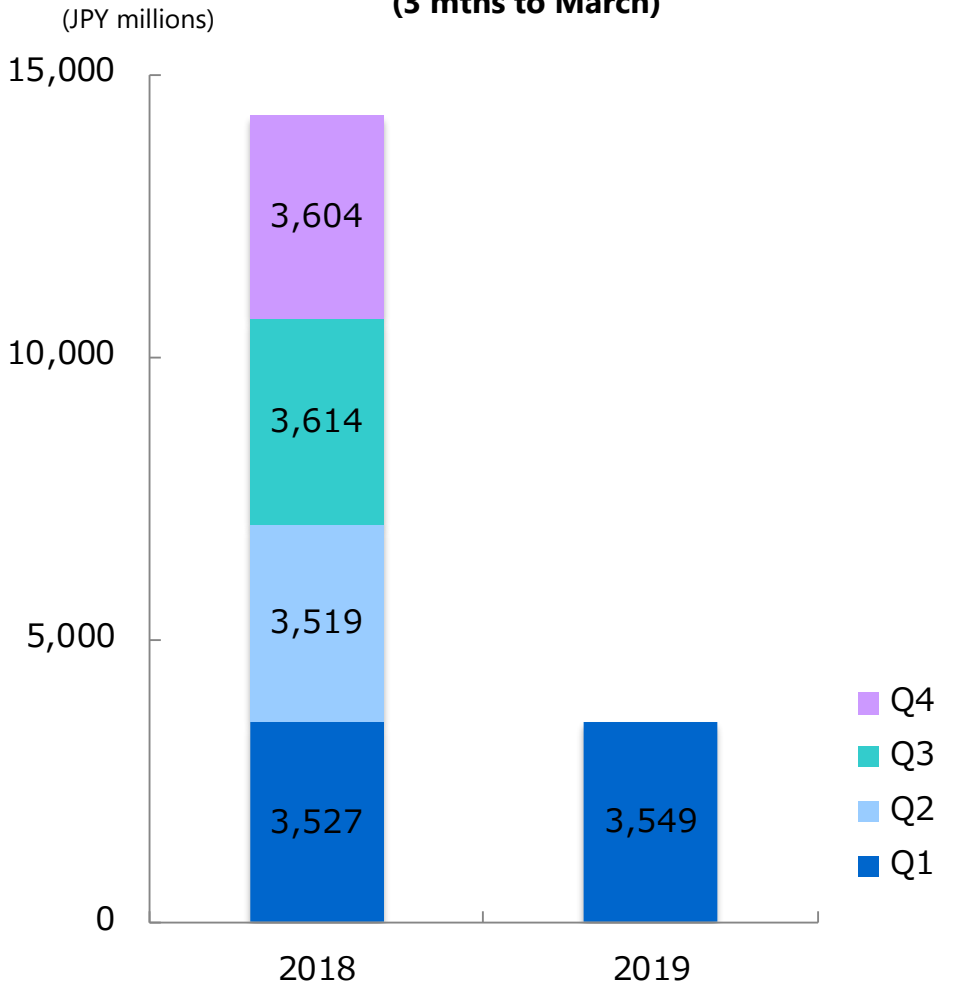


Internet Infrastructure | Hosting & Cloud - KPIs

Revenue

+0.6%

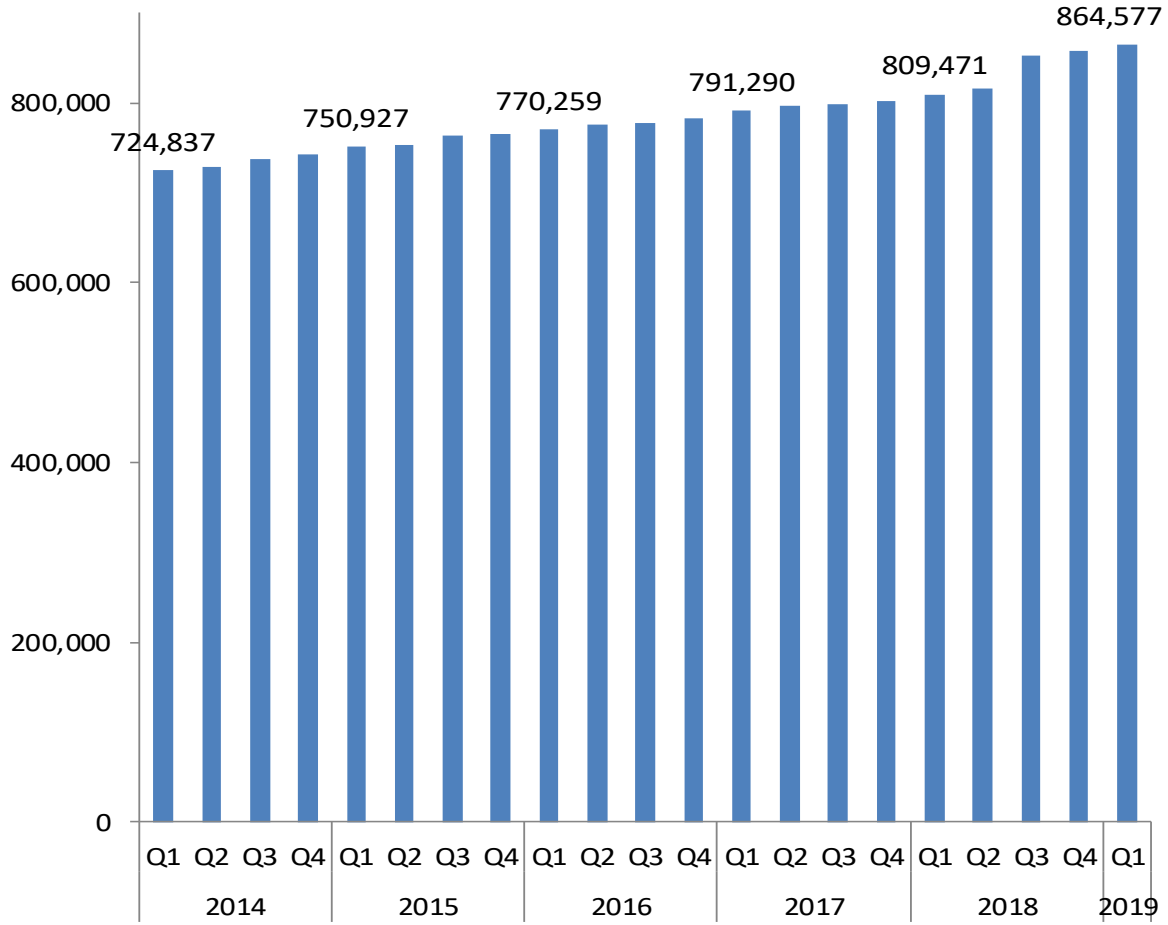
(3 mths to March)



Contracts

+6.8%

(3 mths to March)

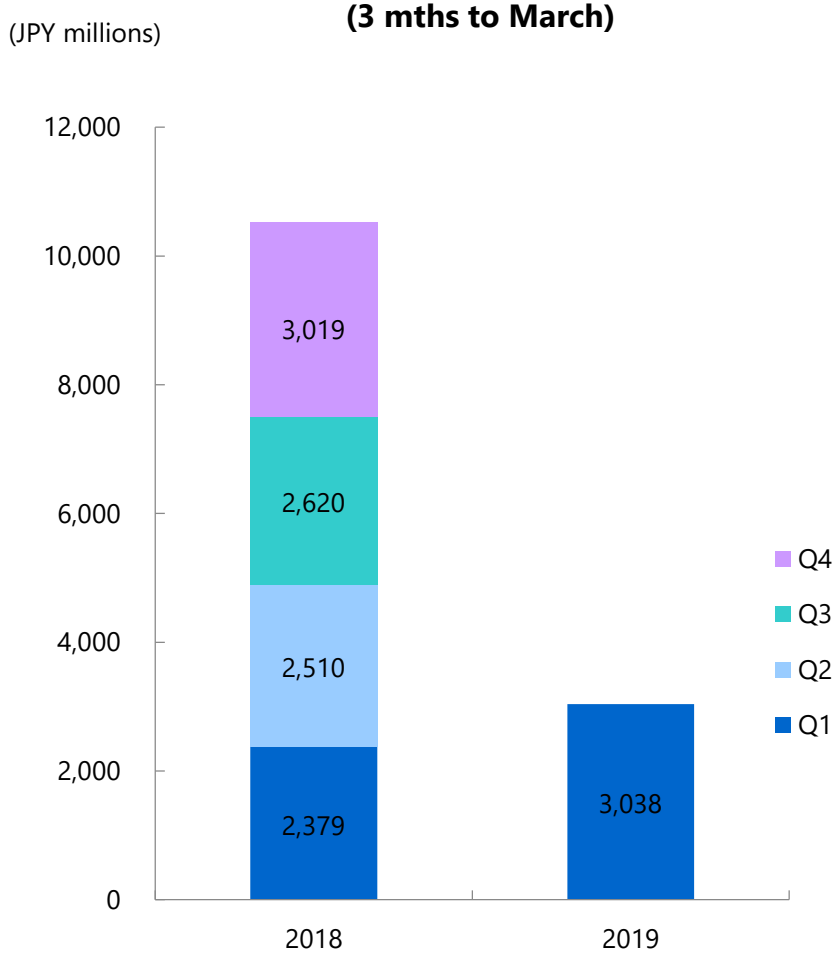


Internet Infrastructure | Ecommerce Solutions - KPIs

Revenue

+27.7%

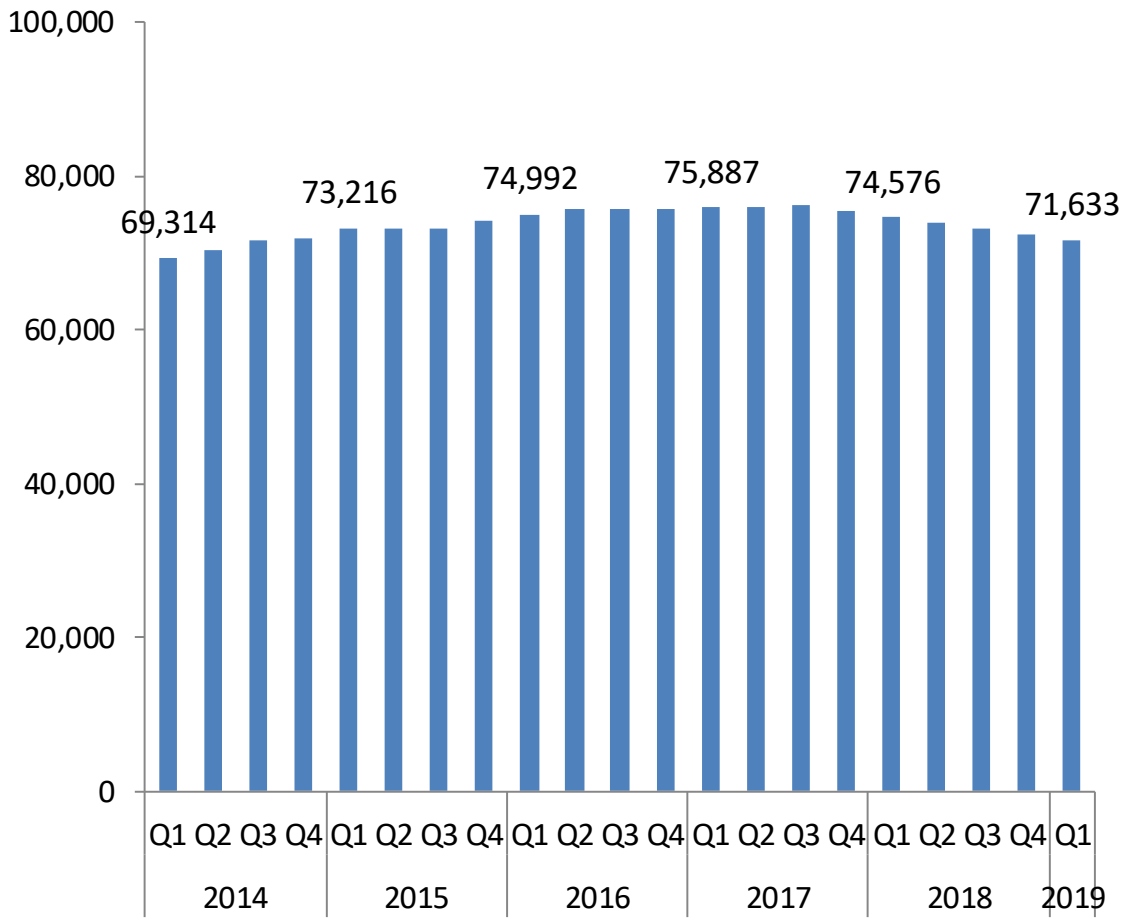
(3 mths to March)



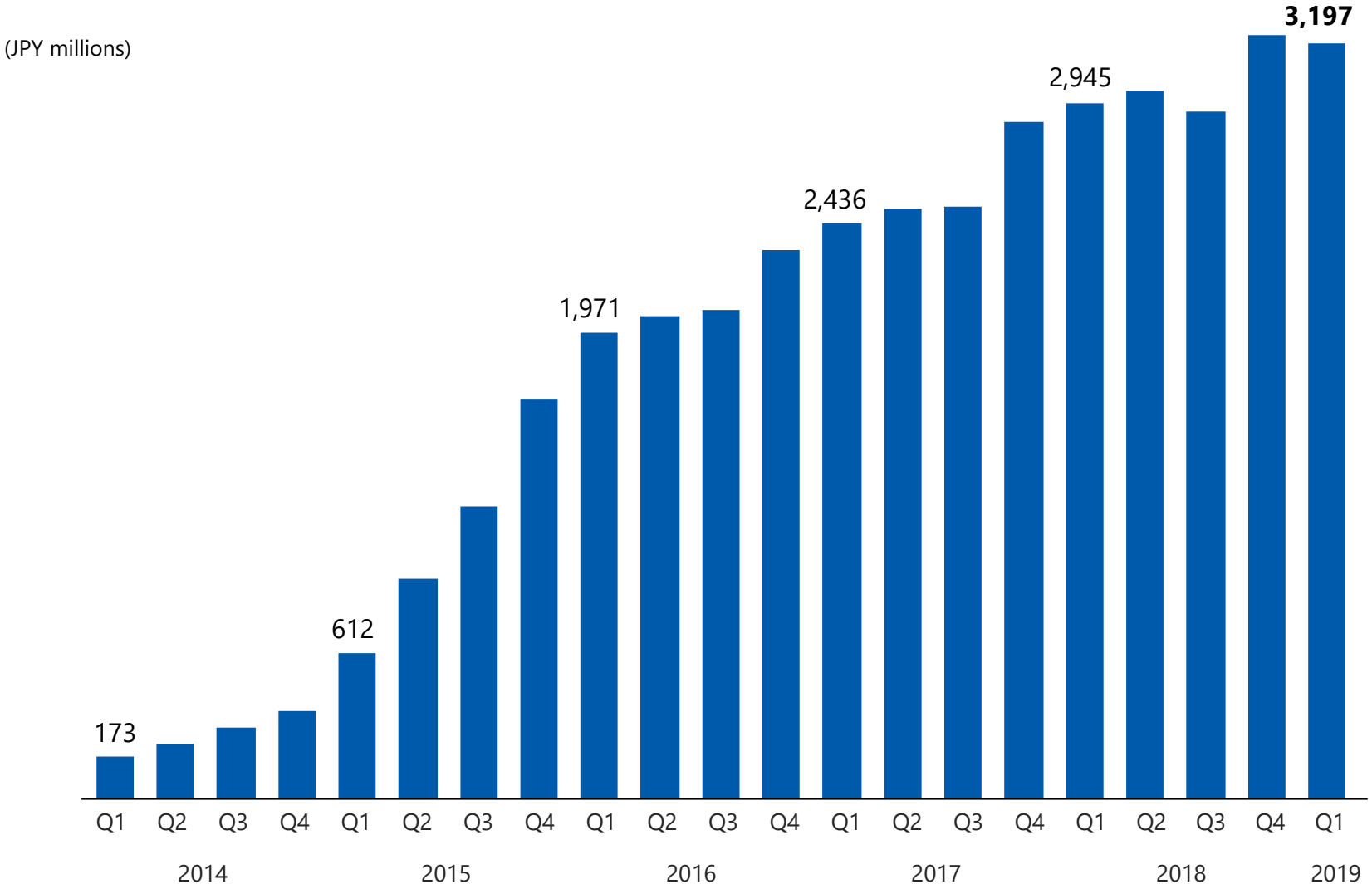
Contracts

-3.9%

(3 mths to March)

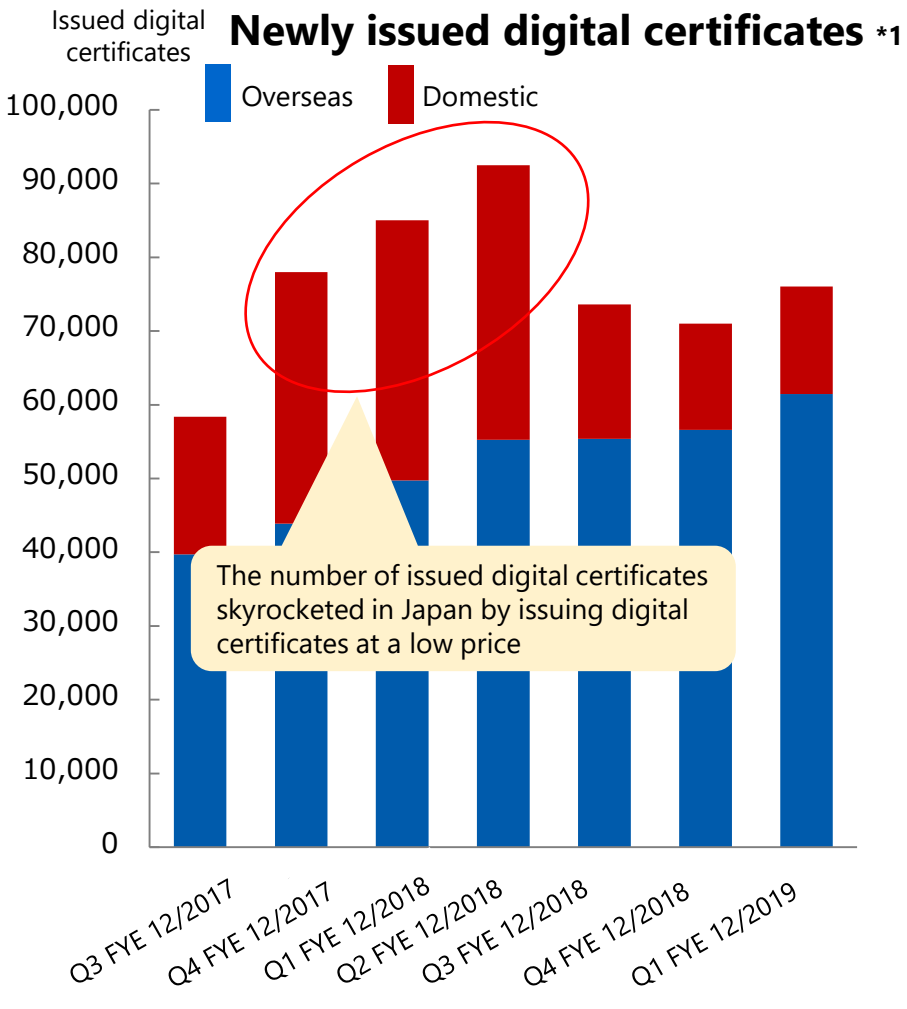


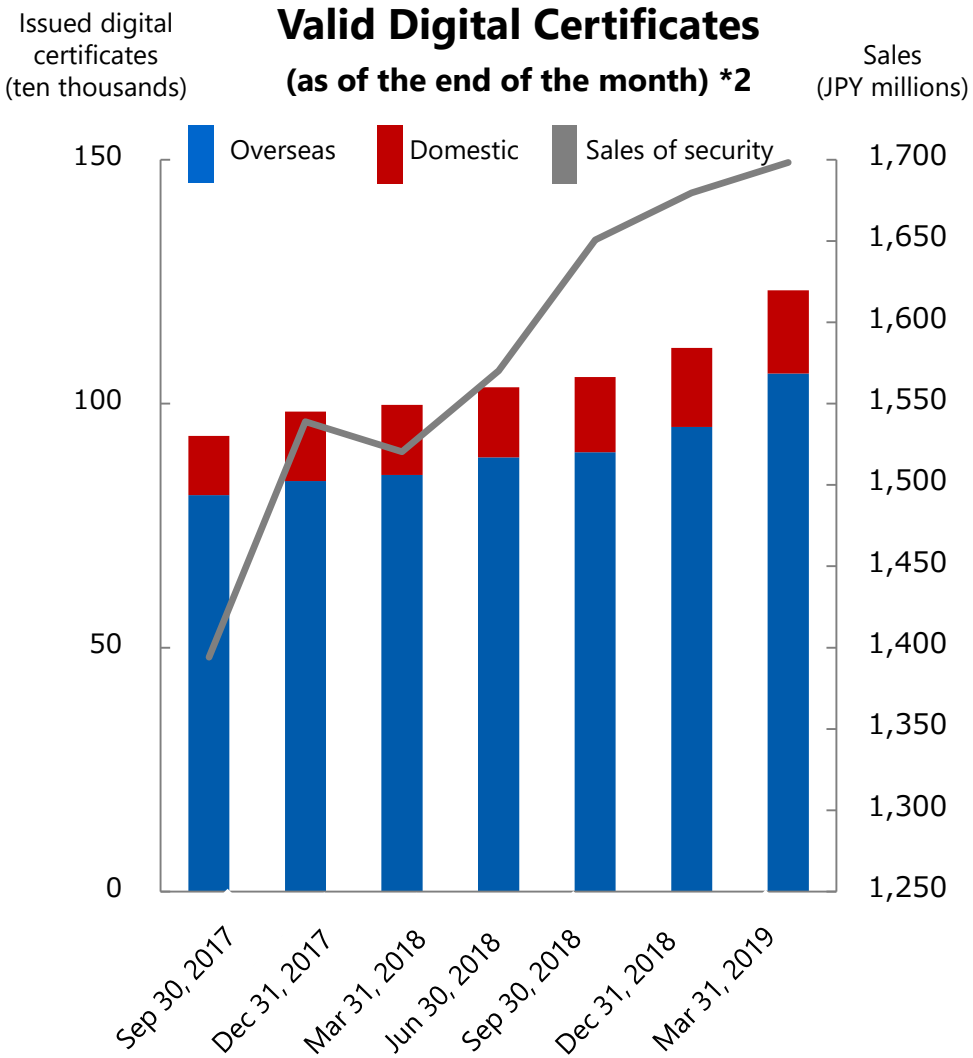
Internet Infrastructure | Ecommerce solutions business minne : Total transaction volume



FY19 annual transaction volume target of JPY 13.0B

Internet Infrastructure | Security GlobalSign - KPIs





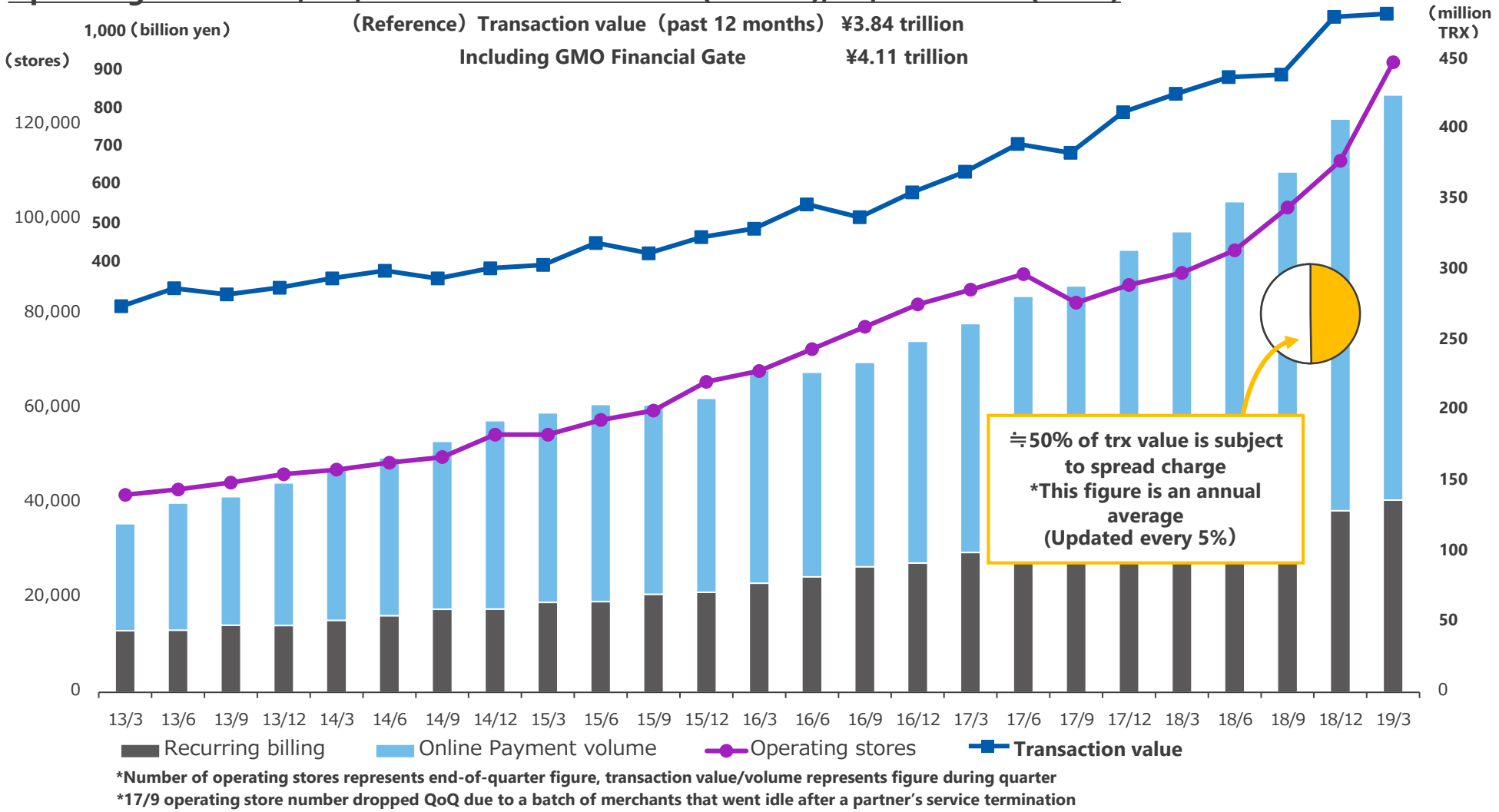
The Company created the above graphs based on GMO CLOUD's "Fiscal Year 2019 1st Quarter Results Presentation - Supplementary Materials."

*1 Adjusted number of unlimited issuance contract and monthly high-volume issuance. *2 The number of valid digital certificates is the number of certificates that are actually used.

Internet Infrastructure | Payment Processing - KPIs

Annual transaction value reaches ¥4.1 trillion

Operating stores: 133,199; Transaction: 424 million (volume), ¥1,044 billion (value)



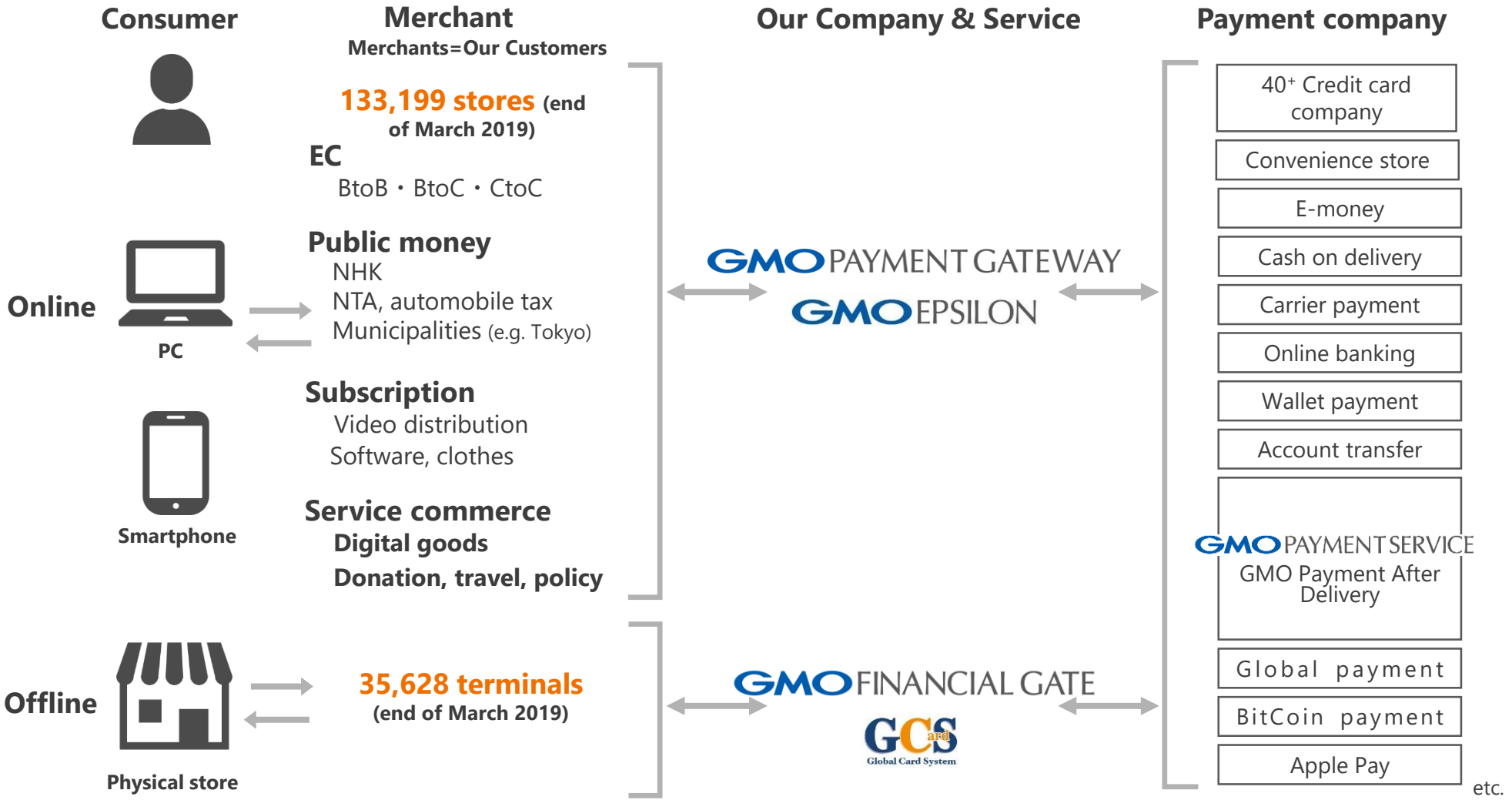
*Number of operating stores represents end-of-quarter figure, transaction value/volume represents figure during quarter

*17/9 operating store number dropped QoQ due to a batch of merchants that went idle after a partner's service termination

*Based on GMO-PG data.

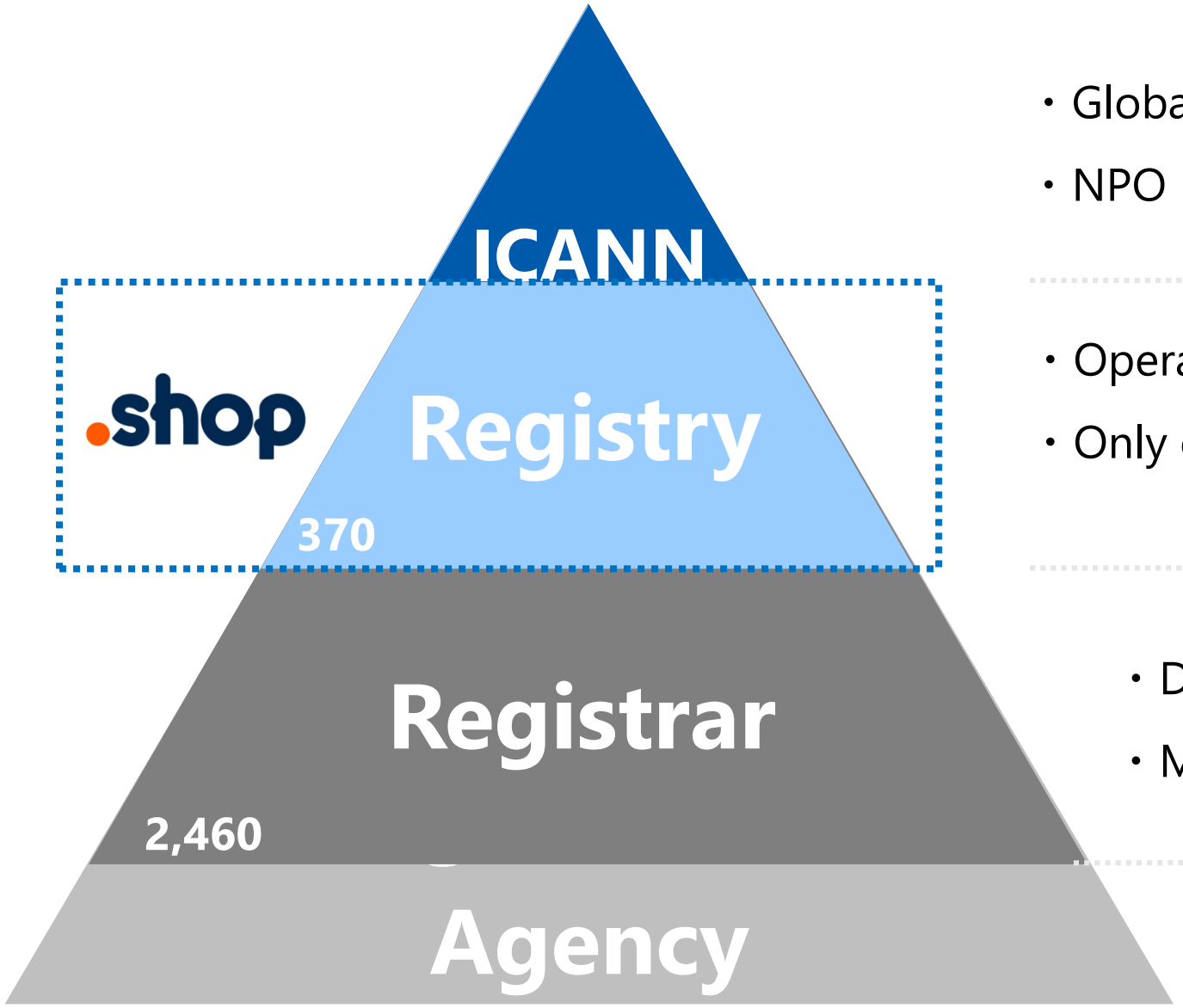
Internet Infrastructure | Payment Processing - Overview

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



*GMO Payment Gateway's presentation materials

Internet Infrastructure | Domains Industry Structure



- Global domain management
- NPO

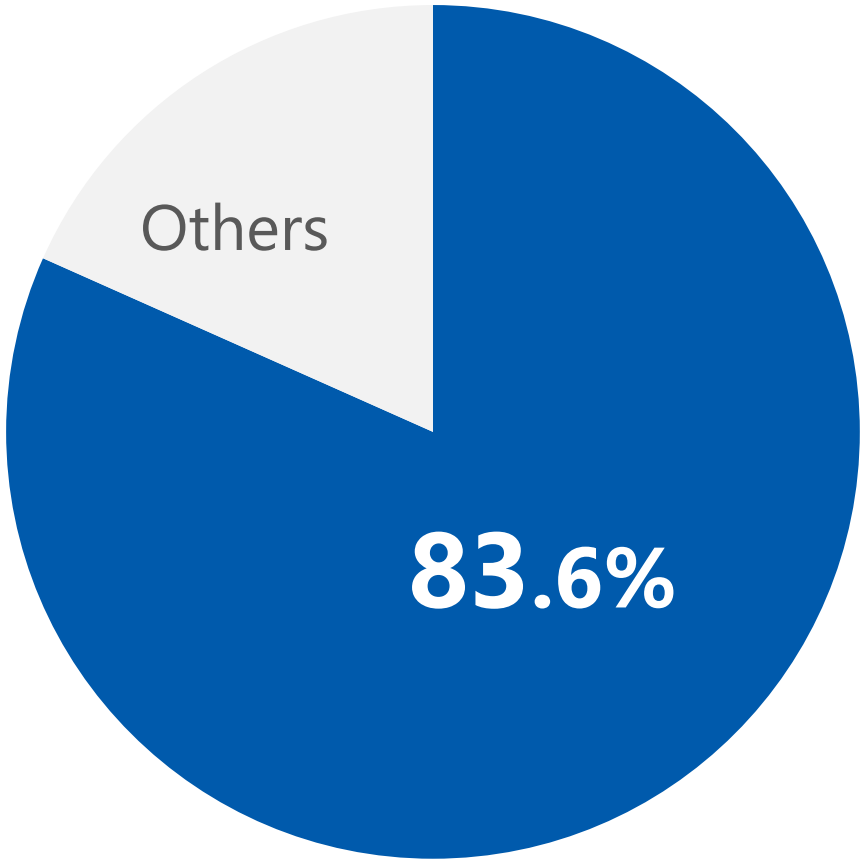
- Operators of .com, .net, etc.
- Only one operator per domain

- Domain registration sales
- Many registrar resellers

- Agency

Internet Infrastructure | Domains Registry Share

Japan gTLD Operation and Management Market Share



No.1

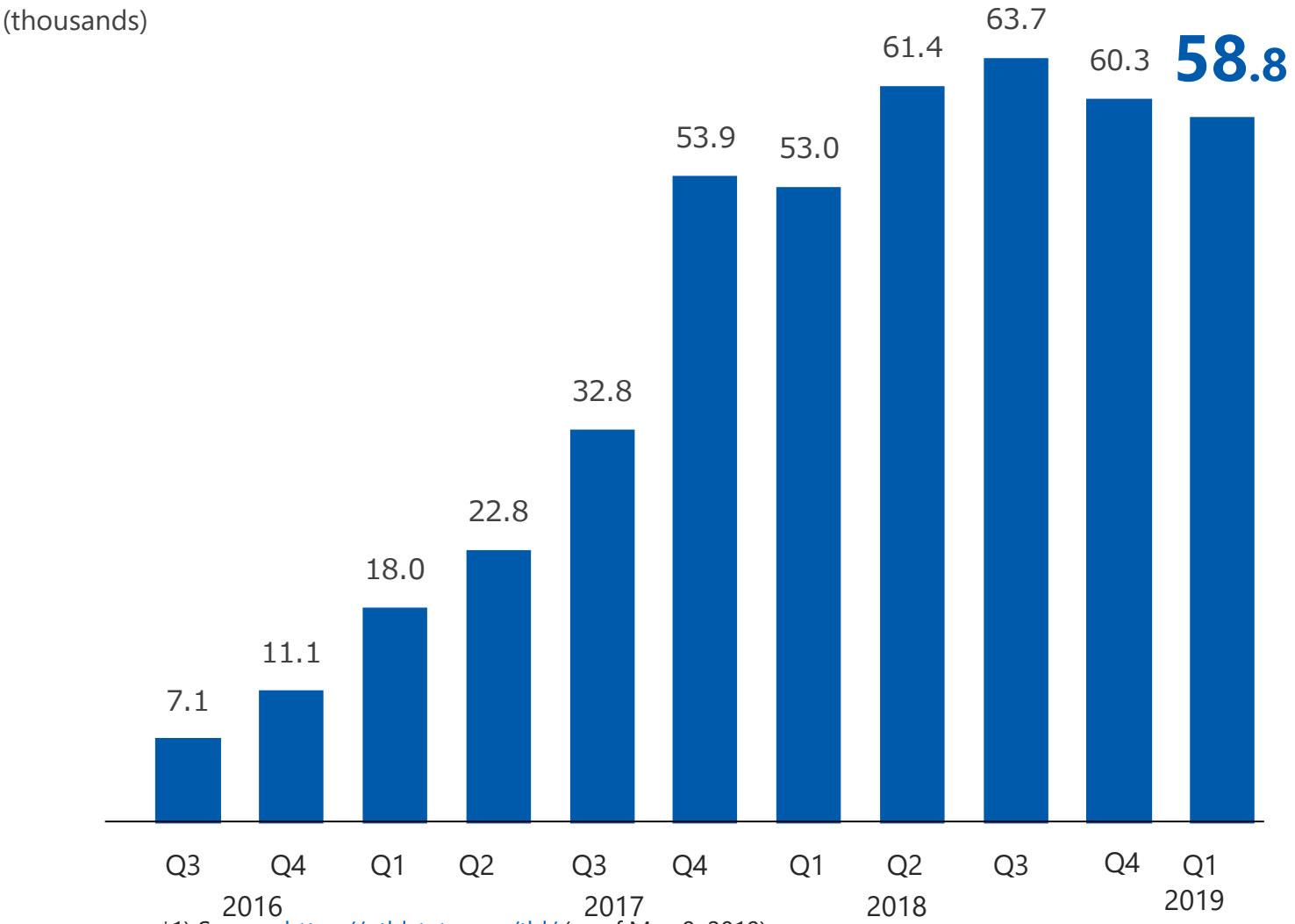
in Japan

83.6%

GMO REGISTRY
+
GMO BrightsConsulting

.shop .tokyo
.nagoya .yokohama
.canon .hitachi

Internet Infrastructure | ".shop": Registration progress



*1) Source: https://ntldstats.com/tld/ (as of May 9, 2019)
*2) Renewal rate for domains registered between October 2016 and February 2017 (2nd renewal)

".shop" came in 9th place for the category of New gTLD*1
Renewal rate: **77.6**%*2

New gTLD registration rankings

No. 1	.top	3.38M
No. 2	.xyz	2.39M
No. 3	.loan	1.67M
No. 4	.club	1.50M
No. 5	.online	1.26M
No. 6	.site	1.21M
No. 7	.vip	0.85M
No. 8	.icu	0.84M
No. 9	**.shop**	**0.67M**
No. 10	.work	0.60M

Internet Infrastructure | Domains Global Registrars

1	GoDaddy®	6	TURN COMMERCE
2	tucows	7	namecheap
3	Alibaba Cloud	8	1&1
4	network solutions®	9	PDR Public Domain Registry
5	enom®	10	GMO INTERNET GROUP

Source: http://webhosting.info/domain-names/registrars (as of **April 2019**)

Internet Finance | FX and securities: KPIs

FX

Trading Volume
(Jan-Mar, 2019)

JPY **205**tr

JPY 296tr YoY

Share of Trading Volume
(Jan-Mar, 2019)

22.1%

24.8% YoY

Customer Assets Balance
(As of March 31, 2019)

JPY **173.9**B

JPY 167.3B

Securities

Trading Volume
(Jan-Mar, 2019)

JPY **2.9**tr

JPY 5.6tr YoY

Share of Trading Volume
(Jan-Mar, 2019)

4.8%

6.4% YoY

Margin Transaction Balance
(As of March 31, 2019)

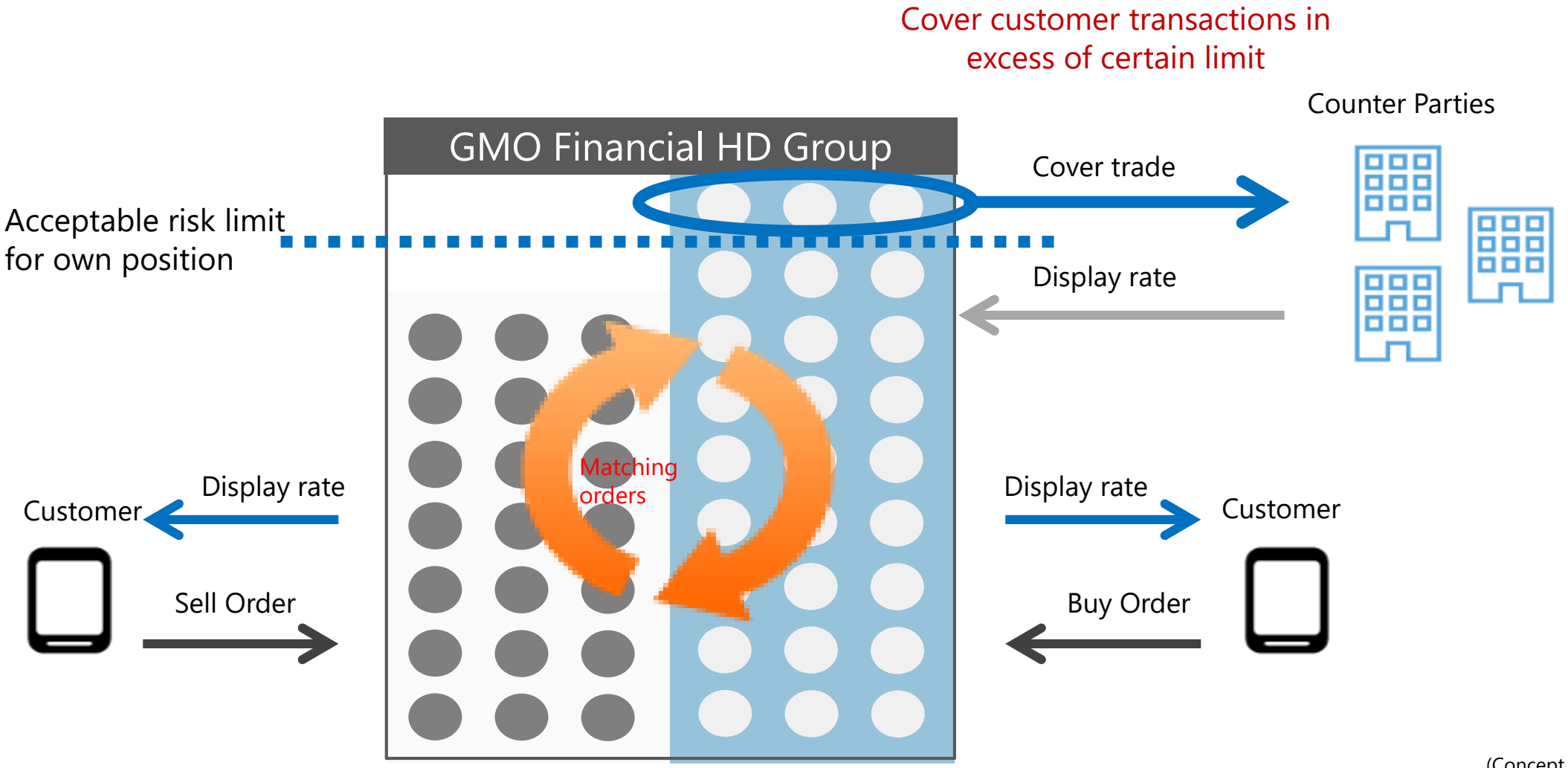
JPY **103.2**B

JPY 125.7B

The share of trading volume for FX and securities are prepared based on Futures Association of Japan and Japan Exchange Group publication data.

Internet Finance | FX Business Model (Matching)

Risk Minimization. Cover transactions executed with counter parties as soon as customer orders exceed acceptable risk position

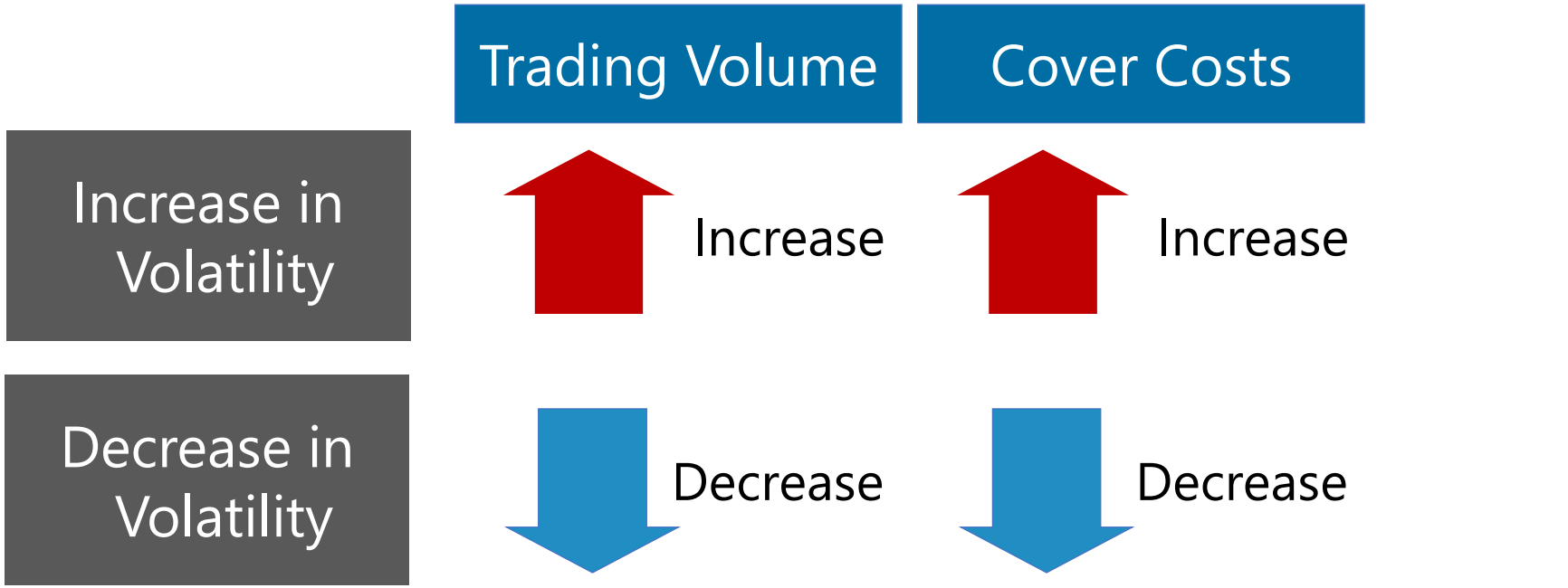


(Concept diagram)

Internet Finance | FX Volatility and Revenues

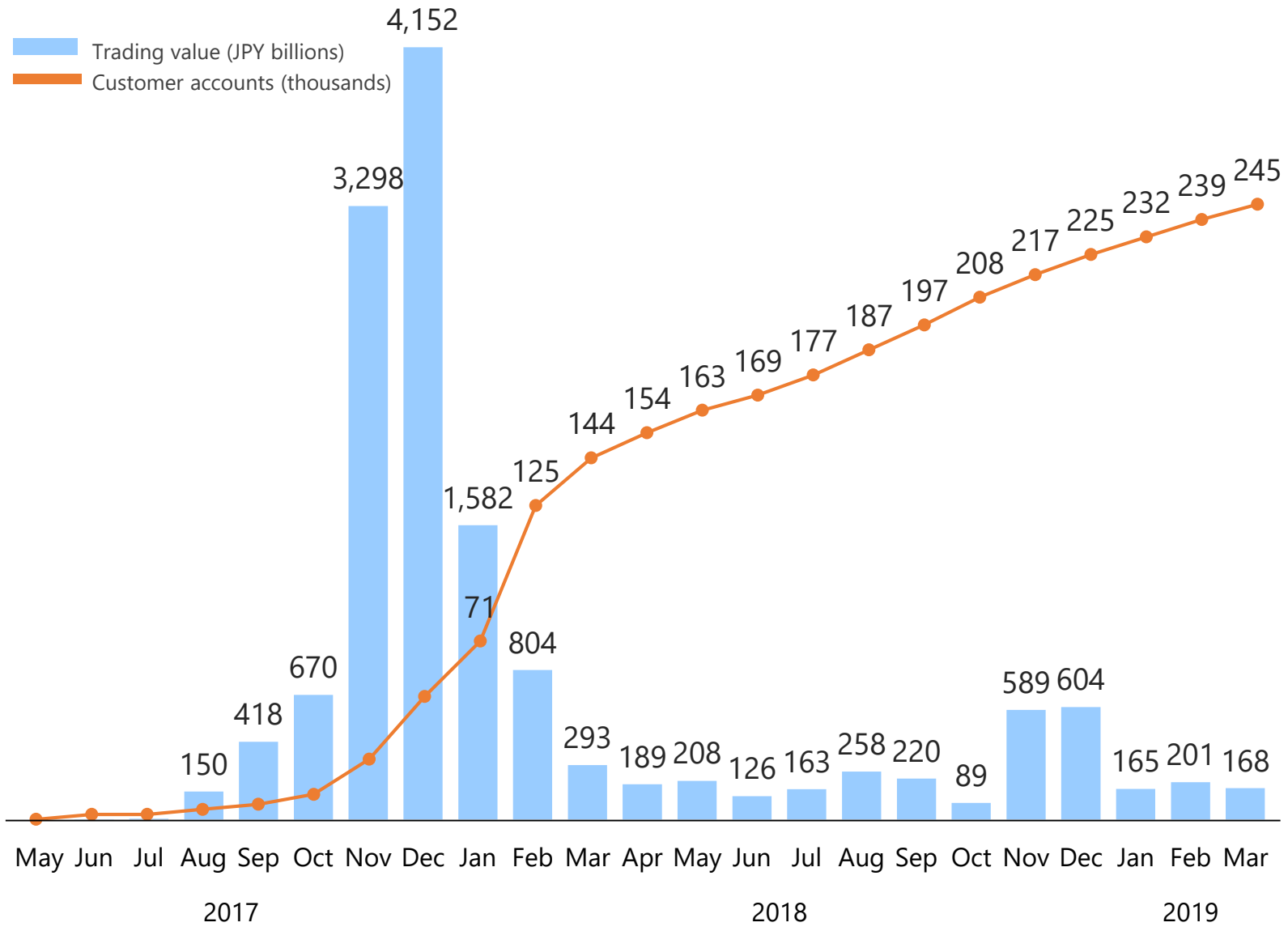
Revenue Structure

Customer Trades
(Customer spread x Trading volume) − Cover Trades **(Cover spread x Cover trades)**



(Concept diagram)

Cryptocurrency exchange business | Trading value and customer accounts



GMO Coin

Customer accounts are growing steadily

GMO AOZORA NET BANK

Customer first at any time to become the

No.1 technology bank

Our objective is a differentiation with existing banks by utilizing technology, offering customers 5 values.

*Source: GMO Aozora Net Bank launch presentation on July 17, 2018

GMO

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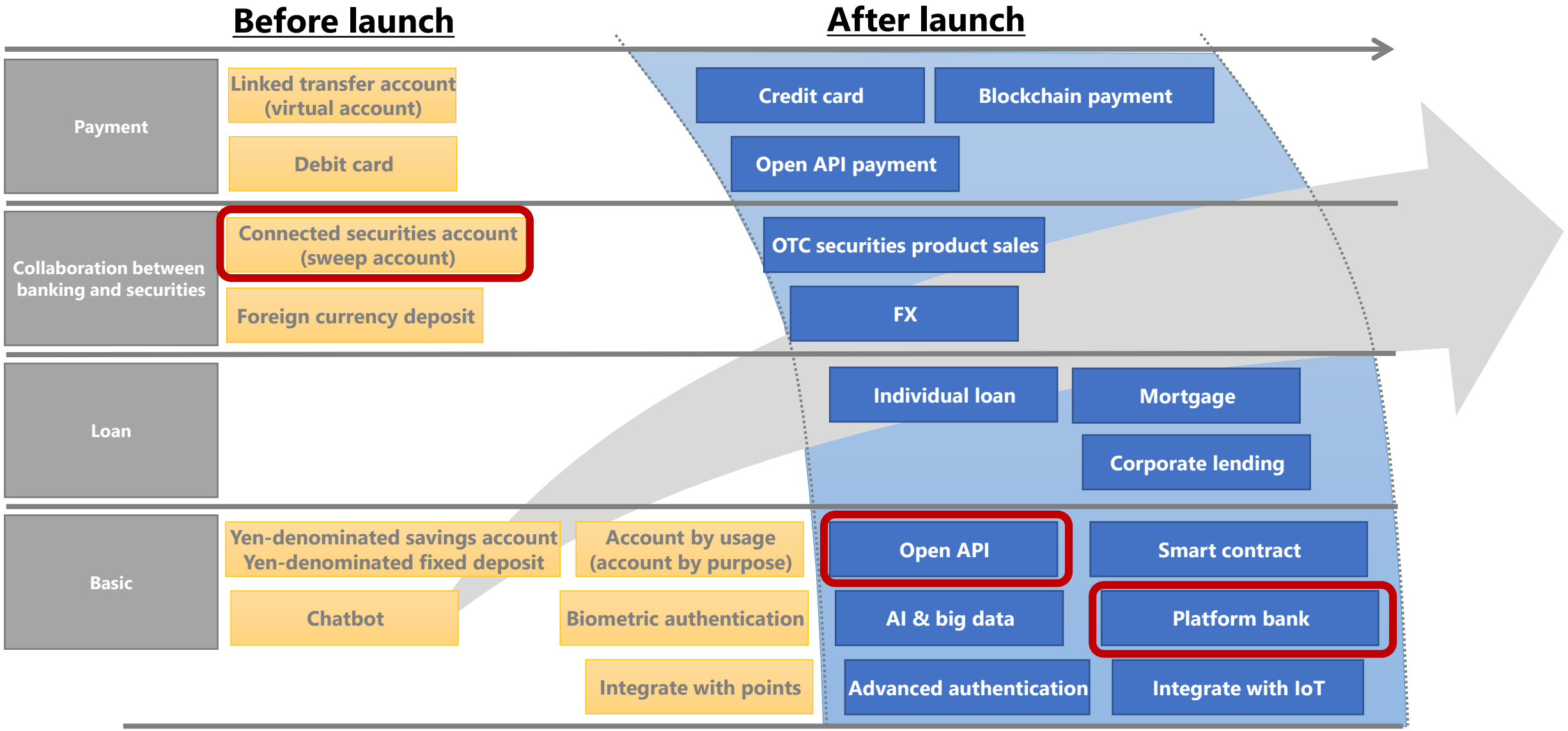

*Source: GMO Aozora Net Bank launch presentation on July 17, 2018