Presentation of FY 2006 Q1 Results

May 19, 2006
GMO Internet, Inc.
(Tokyo Stock Exchange 1st Section 9449)

Results for Q1 Presentation Program

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(3) Internet Finance Business

5． Business Forecasts

＊These presentation materials include future forecasts based on assumptions, predictions, and plans, etc. as determined by the Company at the time of writing, and therefore, we provide no guarantee as to the accuracy of the information contained herein.
Actual results may differ greatly from those forecast herein due to the risks associated with the global economy, competitive conditions, and exchange rate fluctuations, as well as unknown factors such as natural disasters.

Conclusions Drawn From and Summary of This Presentation (1) Overall Performance/Financial Results

Sales were at record highs. Profit was strong in the Infrastructure and Media Businesses. However, the Finance Business was impacted by the lump-sum posting of an allowance associated with an excess payment.

- Sales: 11,713 million yen (+53.0% on a year-on-year basis)
  → Sales were at a record high.

- Following "With respect to points of concern in auditing at consumer credit companies," the deliberations announced by the Japanese Institute of Certified Public Accountants as of March 15, 2006, we started to post an "allowance for loss on interest reimbursement" (referred to throughout this document as "allowance associated with excess payments")
  On the other hand, as a result of strong profit performance of the Infrastructure Business and the Media Business:
  - Operating profit: 980 million yen (+7.3% on a year-over-year basis)
  - Ordinary profit: 1,008 million yen (+7.7% on a year-over-year basis)
  - Net profit: 33 million yen (-92.7% on a year-over-year basis)

- Full-year results forecasts include the impact above.
  Revisions were made to sales of 51 billion yen, operating profit of 6.5 billion yen, and net profit of 2.2 billion yen.

- Using bank borrowings as a resource, completed the redemption of convertible bonds with equity warrants

Conclusions Drawn From and Summary of This Presentation (2) Segment/Approach

1. Highlight
2. Overview of the Results
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At each segment, businesses are making strong progress.

■ Internet Use Support Business
Sales: 4,027 million yen (−11.8% on a year-on-year basis),
Operating profit: 662 million yen (−18.6% on a year-on-year basis)
→ Given the special factor (introduction of the *Otoku* Line) in 1Q of last year, the business actually generated higher profits.
→ Shares of the big five products (Domain/Server/Cart/Settlement/ Security) expanded further.
→ Emerge the new product (Cart Business) sharply

■ Internet Advertising Support Business
Sales: 3.243 million yen (+2.9% on a year-over-year basis),
Operating profit: 205 million yen (+138.5% on a year-on-year basis)
→ Growing profit of the JWord Business made contribution.

■ Internet Finance Business
The Personal Finance (Loan/Credit) Business was impacted by the lump-sum posting of an allowance associated with excess payments.
The launch of the Internet securities company went smoothly.

■Approach scheduled this business year
The action plan released at the beginning of the year made progress as planned.
Group synergy has been rapidly materialized.

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Overview of the Results

Q1 Profit and Loss (Consolidated) in FY 2006

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Impact outline posting of allowance associated with excess interest rate payments

(Million yen)

	FY 2006 Q1	FY 2005 Q4	For the previous year	FY 2005 Q1	For the previous year
Sales	11,713	11,506	+ 1.8%	7,657	+ 53.0%
Business expenses	3,507	3,368	+ 4.1%	3,284	+ 6.8%
Selling, general and administrative e	7,224	6,239	+ 15.8%	3,458	+ 108.9%
Operating profit	980	1,898	− 48.3%	914	+ 7.3%
Ordinary profit	1,008	1,784	− 43.5%	936	+ 7.7%
Net profit	33	2,158	− 98.5%	456	− 92.7%

Allowance occupying 490 million yen

Of the expenses of 634 million yen associated with the excess payment, the allowance of 410 million yen

Q1 Balance Sheet (Consolidated) in FY 2006 (1)

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With bank borrowings, redeemed the MSCB of 31 billion yen

(Million yen)

	FY 2006 Q1	FY 2005 Q4	For the previous year	FY 2005 Q1	For the previous year
Current Assets	53,655	54,506	－ 1.6%	15,568	+ 244.6%
Cash and deposits	22,855	24,192	－ 5.5%	10,977	+ 108.2%
Fixed assets	36,927	33,551	+ 10.1%	13,153	+ 180.7%
Total of assets	90,583	88,057	+ 2.9%	28,722	+ 215.4%
Current liabilities	49,509	56,435	－ 12.3%	10,966	+ 351.5%
Fixed liabilities	18,946	10,655	+ 77.8%	668	+ 2733.9%
Total of liabilities	68,455	67,090	+ 2.0%	11,635	+ 488.4%
Minority equity	4,739	4,684	+ 1.2%	3,539	+ 33.9%
Net assets	17,387	16,282	+ 6.8%	13,547	+ 28.3%

Operational loans 26.990 million yen
Accrued income 3,571 million yen

Account for consolidated adjustments 16,633 million yen
Software 2,215 million yen

Short-term debt 30,221 million yen
Current portion of long-term debt 10,207 million yen

Long-term bonds payable 4,150 million yen

Q1 Balance Sheet (Consolidated) in FY 2006 (2)

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Balance sheet of the Internet Finance Business and one other than the Internet Finance Business

<Internet Finance Business>

As of March 31, 2006

Assets	Liabilities and shareholders' equity
Cash on hand and in banks 6,980 million yen	Interest-bearing debts 24,571 million yen
Operational loans 26,990 million yen	Other liabilities and shareholders' equity 15,395 million yen
Other assets 5,995 million yen	
Total assets 39,967 million yen	Total liabilities and shareholders' equity 39,967 million yen

* Operational loans handled on an off balance-sheet basis are 53,300 million yen.

<Businesses other than the Internet Finance Business>

As of March 31, 2006

Assets	Liabilities and shareholders' equity
Cash on hand and in banks 15,874 million yen	Interest-bearing debts 33,300 million yen
Marketable securities, etc. 36,920 million yen	Other liabilities and shareholders' equity 43,990 million yen
Other assets 244,950 million yen	
Total assets 77,290 million yen	Total liabilities and shareholders' equity 77,290 million yen

Q1 Cash Flow Statement (Consolidated) in FY 2006

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To strengthen the Finance Business, took an additional equity stake in eBank (resulting ownership: 6.4%), and became the largest corporate shareholder

(Million yen)

	FY 2006 Q1	FY 2005 Q4	FY 2005 Q1
Cash flow from operating activities	− 1,154	− 158	− 1,345
Cash flow from investing activities	−892	− 22,733	− 1,536
Cash flow from financial activities	987	34,748	2,309
Total of cash flow	− 1,057	11,866	−578
Change in cash and cash equivalents	−487	11,883	−578
Balance of cash and cash equivalents at the end of the term	22,715	23,202	10,740

Paid corporate tax 1,817 million yen

Acquired shares additional shares in eBank Corporation 1,500 million yen

Procured funds for the Loan/Credit Business
Increased borrowings by 42,546 million yen as funds for the redemption of MPO
Redeemed 31,000 million yen for MPO

Sales and Operating Profit

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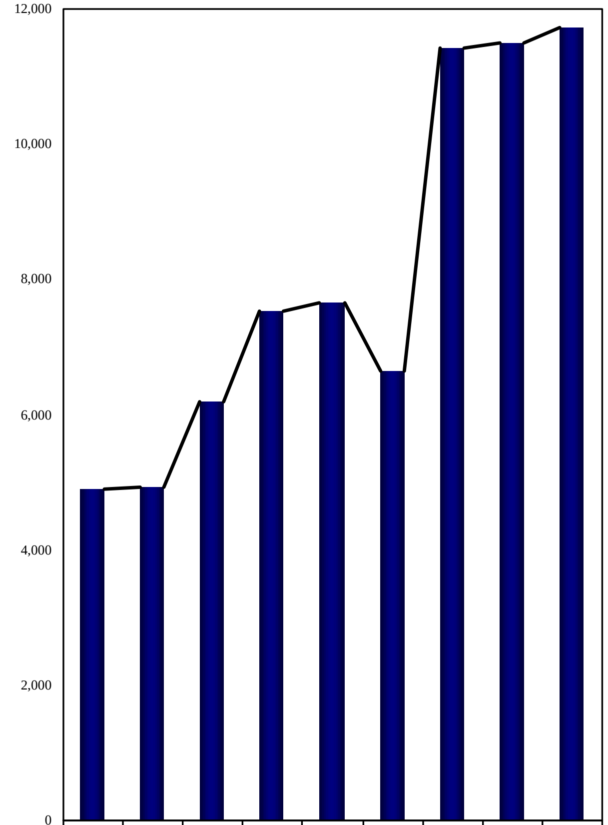
Consolidated sales achieved record highs. Operating profit was impacted by the lump-sum posting of an allowance associated with an excess payment in the Finance Business.

<Changes in sales>

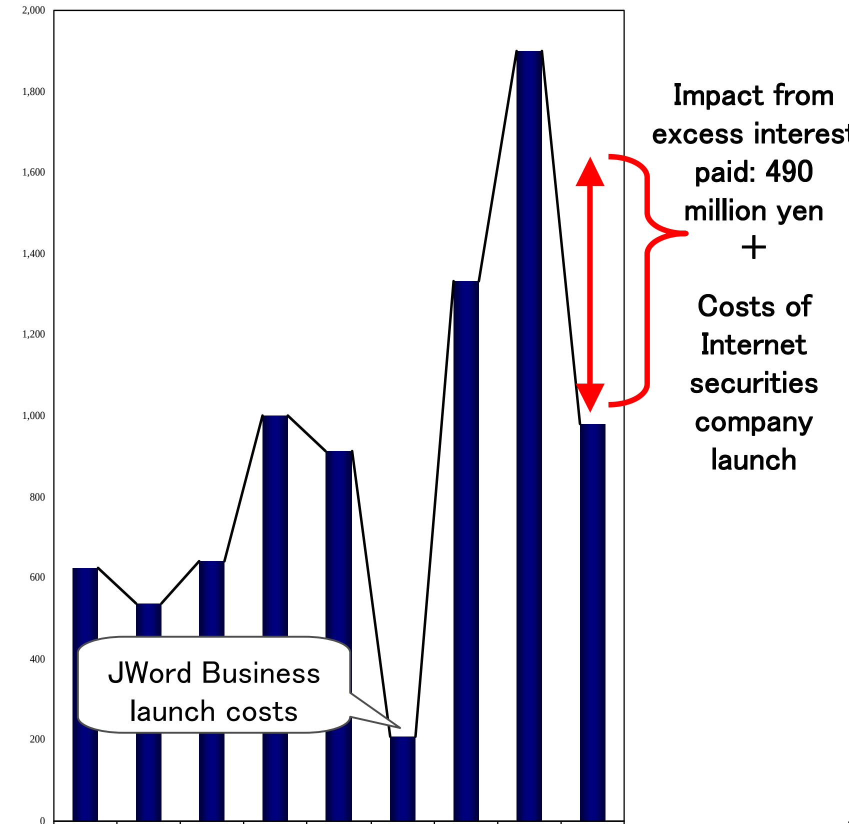
(Million yen)



	04/1Q	04/2Q	04/3Q	04/4Q	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
Total	4,900	4,927	6,197	7,536	7,657	6,646	11,409	11,506	11,713

<Changes in Operating profit>

(Million yen)



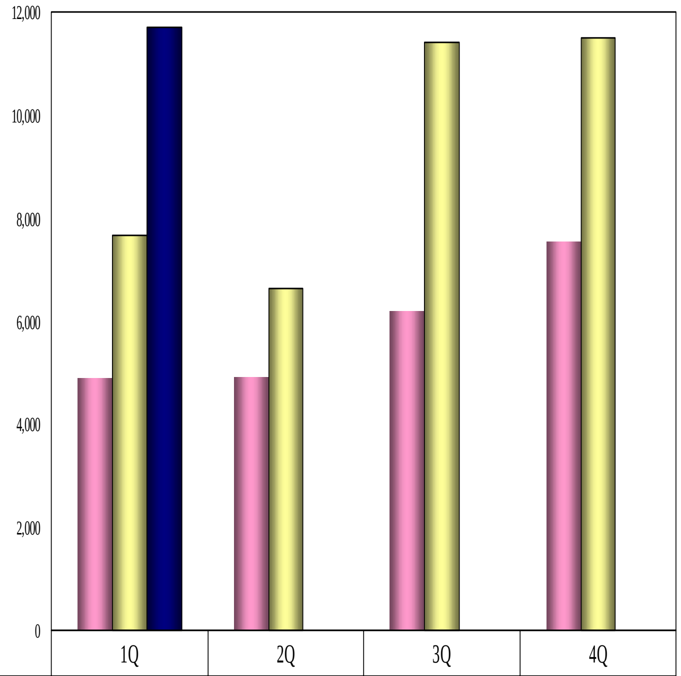
	04/1Q	04/2Q	04/3Q	04/4Q	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
Total	624	537	641	1,001	914	208	1,331	1,898	980

Sales and Operating Profit

Graphs showing a comparison from the same term last year

<Changes in sales from the same term last year>

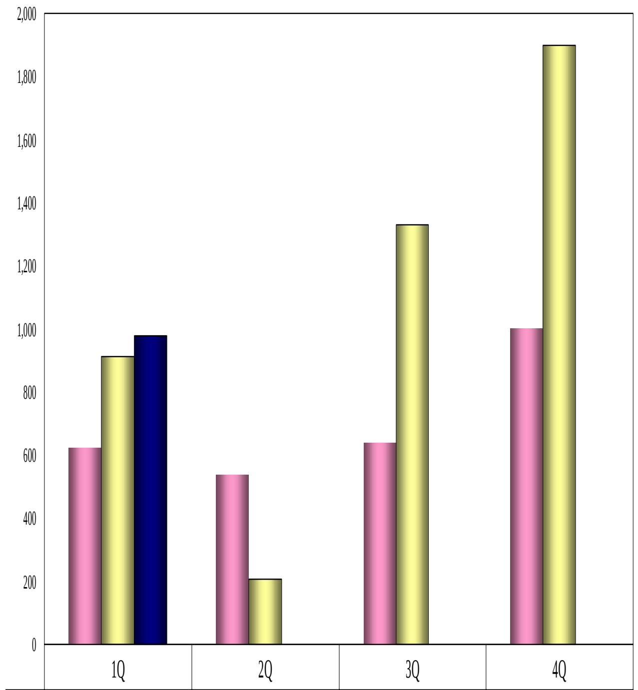
(Million yen)



	1Q	2Q	3Q	4Q
2004	4,900	4,927	6,197	7,536
2005	7,657	6,646	11,409	11,506
2006	11,713			

<Changes in operating profit from the same term last year>

(Million yen)



	1Q	2Q	3Q	4Q
2004	624	537	641	1,001
2005	914	208	1,331	1,898
2006	980			

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Group Strategies

Future Direction for the GMO Internet Group

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Pursuing synergy, move to a stage in which we can achieve overwhelming growth

Code of conduct : No1 Strategy

Criteria for judgment:
Win-Win Customer, Company, Shareholder

To realize the above, aim to be the largest Internet Infrastructure/Media/Finance Group in Japan

With the pursuit of group synergy, move to a stage in which we can achieve overwhelming growth

The GMO Internet Group's Business Areas

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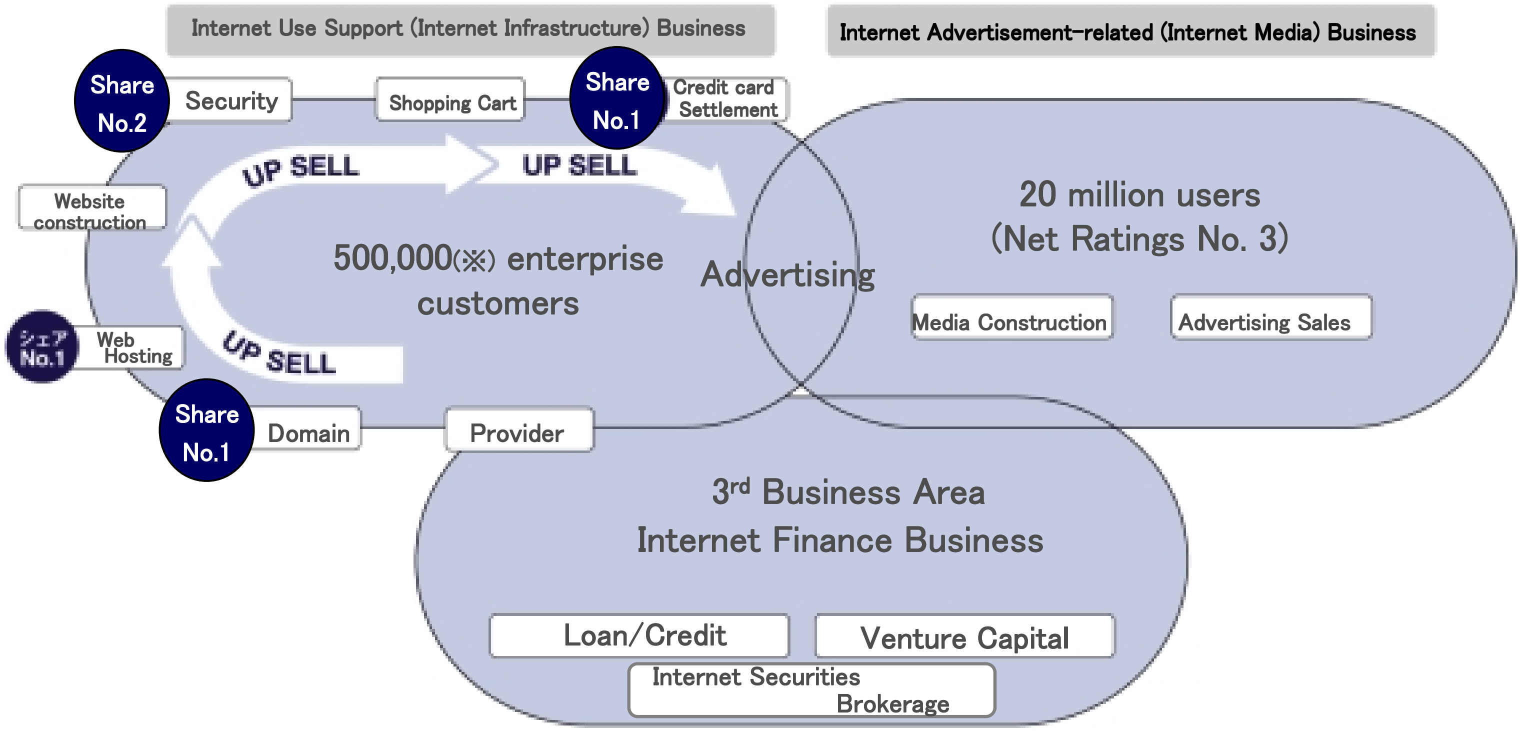
Concentrate management resources on three business areas



(*) Total number of members of the Domain/Server/Security/Cart/Settlement Businesses (total number)

The GMO Internet Group's Business Areas

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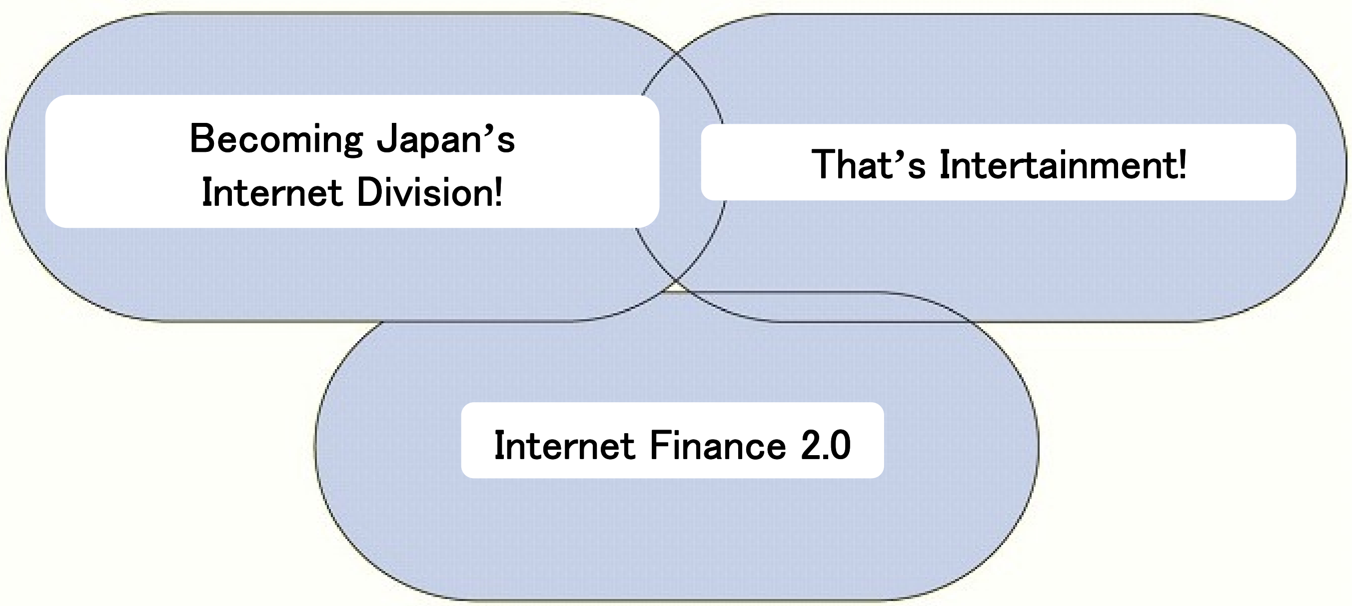
Marketing promo word for three business areas

Internet for Everyone



The GMO Internet Group's Overall Strategies

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Pursue group synergies

Measures

(1) Pursue group synergies and enhance "GMO" brand

(2) Introduce the common ID system for all services

Offer Single Sign On support to users

Retain users by providing My Page and offering a points system

(3) One-Payment (scheduled to launch from June)

(4) Expand the "GMO" exposure

Core strategies of GMO Internet Group

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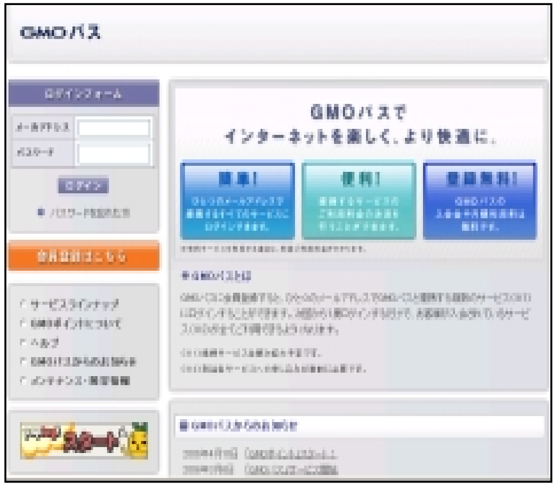
Progress of Measures (1) Common ID

<u>Common ID Project (Service name “GMO Pass”)</u>

With a common ID to be issued throughout the GMO Internet Group, the project aims to improve convenience for users in their use of Group services.

http://pass.gmo.jp/



Registration page for “GMO Pass”

<Features>

- Introduce an incentive program through the point system
- Roll-out outside the Group with the release of API and bring in the long tail
- Introduce it to financial transactions such as Internet securities brokerage, credits and loans

<u>Promote up-selling and cross-selling development relationship with customers</u>

Core strategies of GMO Internet Group

Progress of Measures (1) Roadmap for roll-out of the common ID

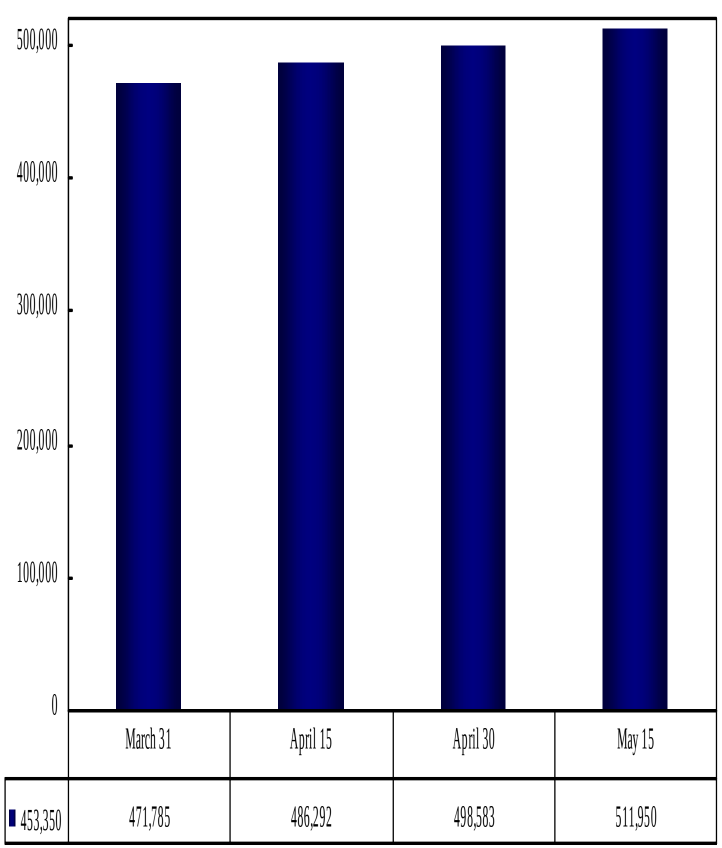
March 2006 — Launch “GMO Pass” in “yaplog!”

April 2006 — Launch the points system

June 2006 — Accept cash conversion by affiliates

Future plan —
★ Support by “JUGEM,” “AutoPage” and “freem”
★ Join GMO Internet Card and GMO internet securities, Inc.

<Effective number of registration of common IDs>



Core strategies of GMO Internet Group

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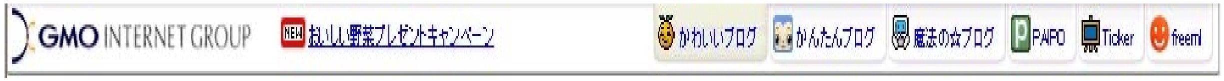
Progress of Measures (2)Enhance the “GMO” exposure

Insert a common header link into all media of the GMO Internet Group
→ Integration of the brand



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Internet Infrastructure Business

Major Strategies of the Internet Infrastructure Business

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Accelerate growth through push-style sales

Measures

(1) Bolster outbound the sales of high margin packaged products （*EC Package*) leveraging the total value chain of the group

(2) Emerge The Cart Business sharply(exclusive rental server for EC sites)

(3) Reinforce customer satisfaction through organic integration of group services

(4) Expand the “GMO” exposure

Progress of the Action Plan for FY2006

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Progress of measures (1) Increase packaged sales of Group products (EC Package)

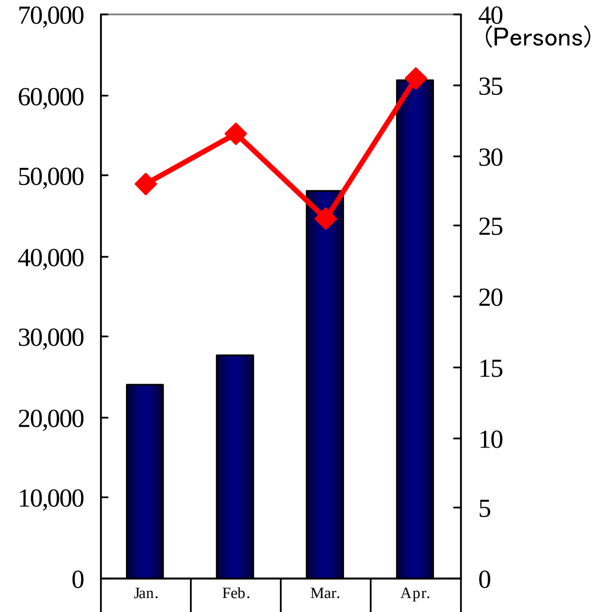
■EC Package

Customers obtain services covering the total value chain of the GMO Internet Group.Users may also consult with specialists.

■Focusing on push-style sales

Opened a sales office in Fukuoka in May
Scheduled to open sales offices throughout Japan

<Sales of *Marugoto* EC Package and number of staff involved>



	Jan.	Feb.	Mar.	Apr.
Sales	24,109	27,666	48,126	61,750
No. of staff	28	31.5	25.5	35.5

* One part-time staff member is considered to equal one staff member.

Progress of the Action Plan for FY2006

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Progress of measures (2) *Anshin* Dial 24

Bolster support for large projects. Prepare a supporting structure 24 hours a day.

Changes in Business Results

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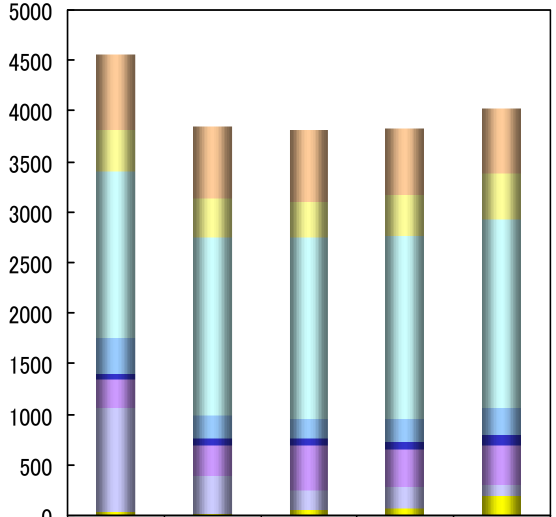
Sales in key Internet Infrastructure Business areas achieved record highs.

< Change in Internet Infrastructure Business total sales >

(Million yen)

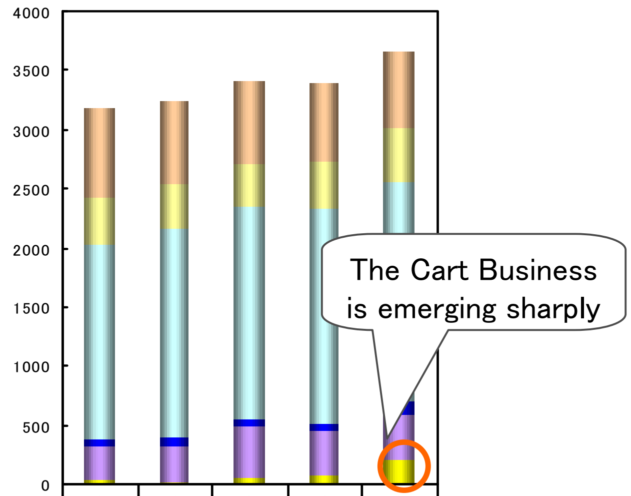


	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
Provider	751	716	696	655	633
Domain acquisition	399	380	367	396	457
Web hosting	1,649	1,763	1,795	1,819	1,872
Website construction and support	360	221	190	231	268
Security	57	68	70	67	108
Credit card payment processing	288	303	432	371	384
Enterprise communication	1,020	377	202	209	99
Other	39	20	55	76	202

Excluding one time big assignment from Japan Telecom

< Sales in key Internet Infrastructure Business areas >

(Million yen)



	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
Provider	751	716	696	655	633
Domain acquisition	399	380	367	396	457
Web hosting	1,649	1,763	1,795	1,819	1,872
Security	57	68	70	67	108
Credit card payment processing	288	303	432	371	384
Other	39	20	55	76	202

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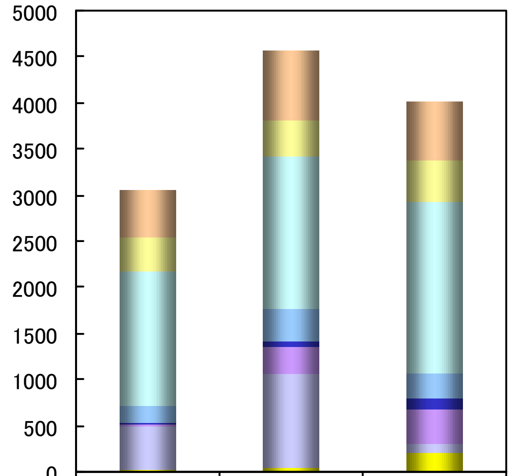
Changes from the same term last year

< Change in Internet Infrastructure Business total sales >

(Million yen)

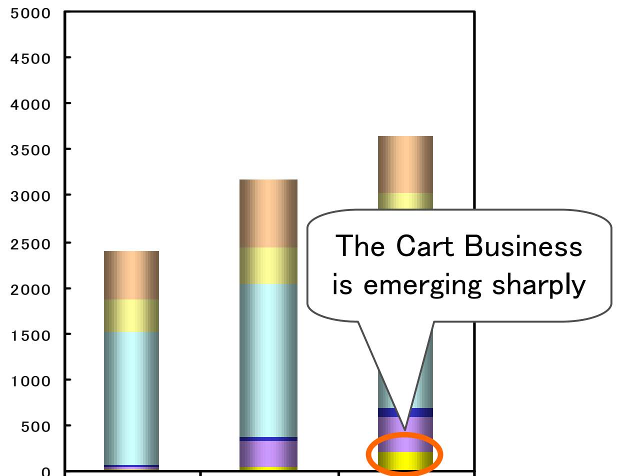


	04/1Q	05/1Q	06/1Q
Provider	522	751	633
Domain acquisition	358	399	457
Web hosting	1,450	1,649	1,872
Website construction and support	189	360	268
Security	17	57	108
Credit card payment processing	34	288	384
Enterprise communication	462	1,020	99
Other	23	39	202

Excluding one time big assignment from Japan Telecom

< Sales in key Internet Infrastructure Business areas >

(Million yen)



	04/1Q	05/1Q	06/1Q
Provider	522	751	633
Domain acquisition	358	399	457
Web hosting	1,450	1,649	1,872
Security	17	57	108
Credit card payment processing	34	288	384
Other	23	39	202

Changes in Major Factors of the Domain Server Business

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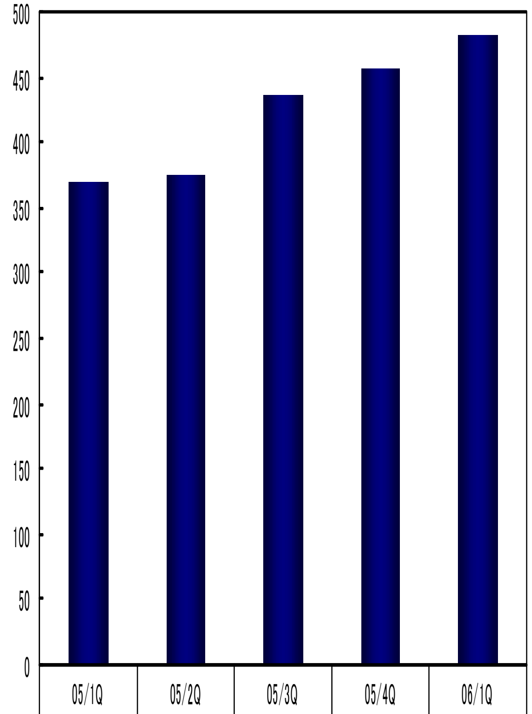
Expanded market share for both the Domain and Server Businesses and sustained a strong performance

<Change in domain registrations>

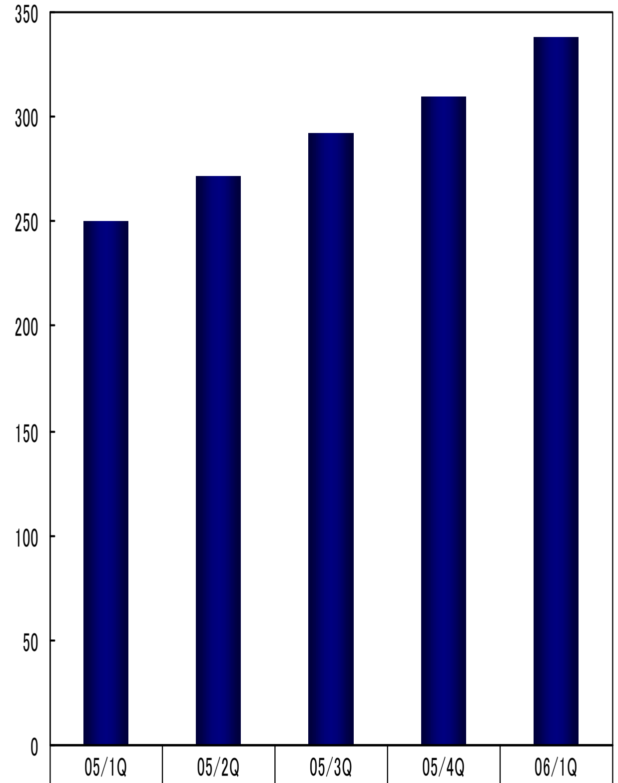
(Thousand cases)



	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
Total no. of managed domains	370	376	436	456	481
(*) Total registrations	551	591	666	709	753

<Change in web hosting contracts>

(Thousand cases)

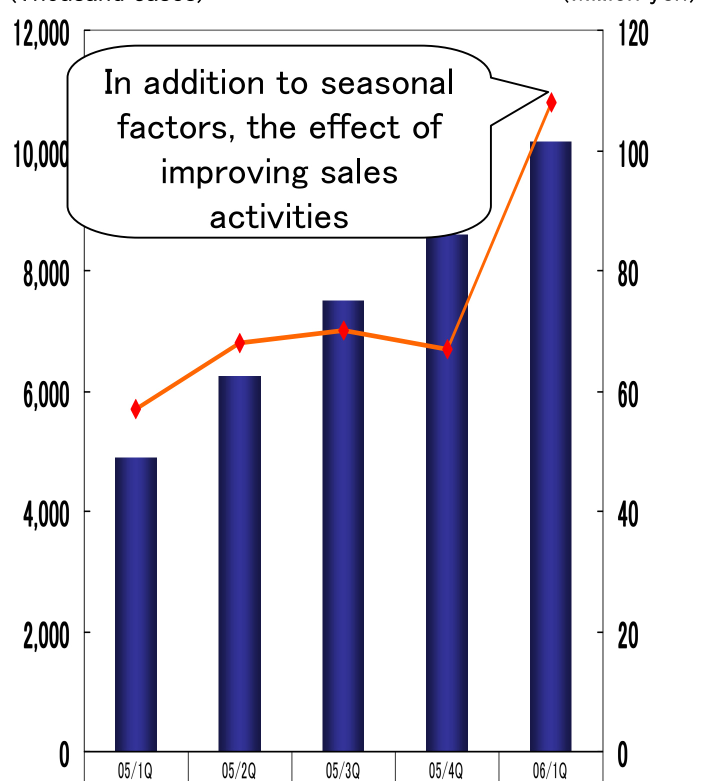


	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
サーバー契約	250	272	293	310	338

Changes in Major Factors of the Security Business

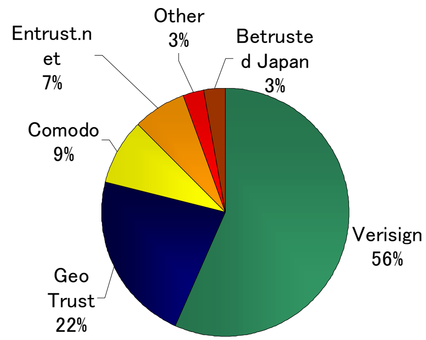
Further expanded market share

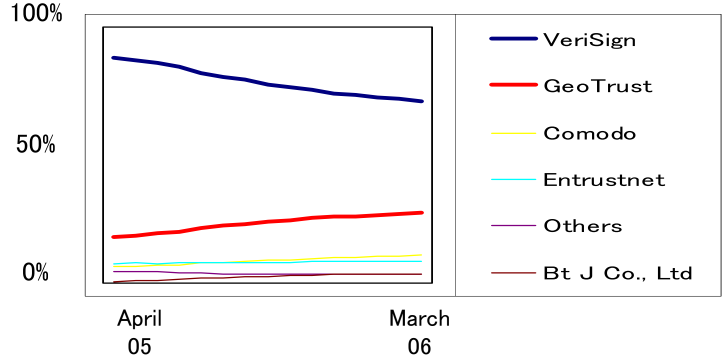
<Security business No. of contracts>



	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
Registration	4,896	6,261	7,493	8,592	10,147
Sales	57	68	70	67	108

<Share of the electronic authentication market in Japan and market share changes>*





Verisign accounts for 56% of the electronic authentication market in Japan,while Geo Trust has a 22% share.

* Source: Netcraft. As of March 31, 2006

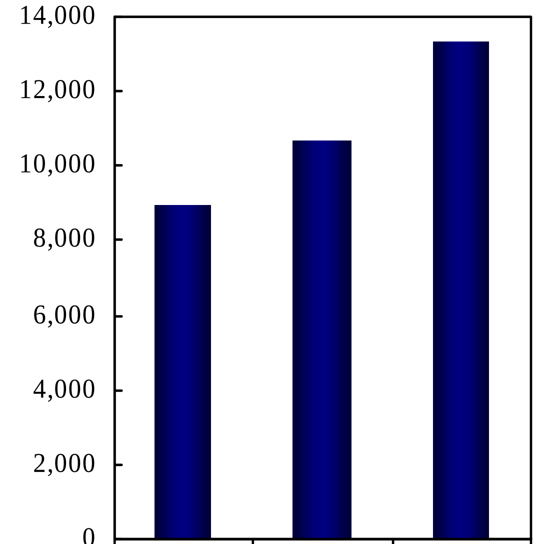
Changes in Major Factors of the Cart Business

Pull sales registered a strong performance and push sales took off sharply with the benefit of group synergies

<Implemented with two brands>

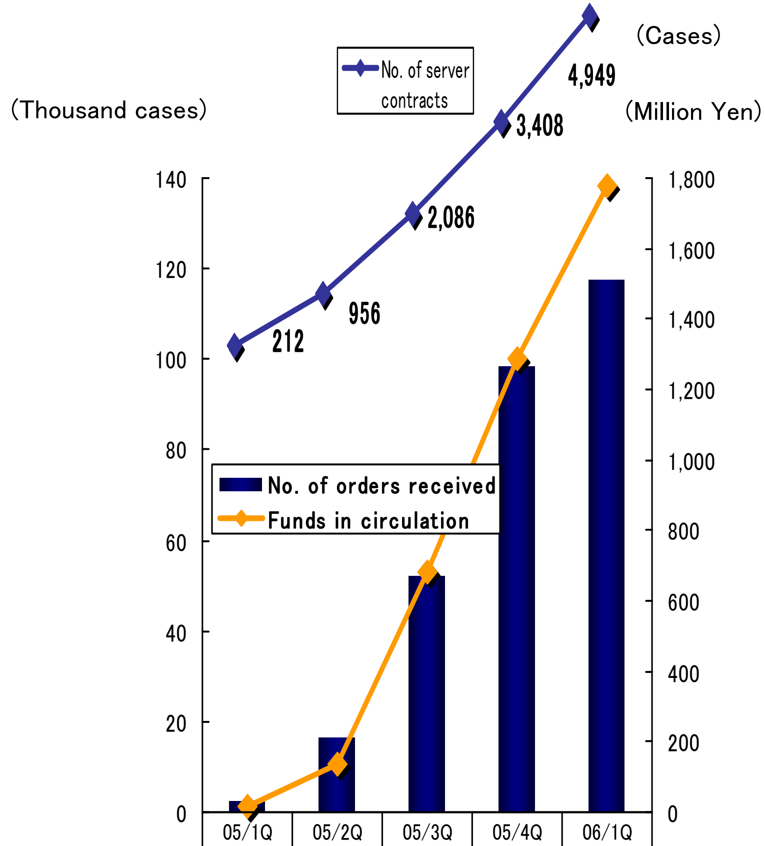
Color Me Shop! pro	Pull sale
MakeShop	Pull sale + Push sale

<Changes in contract amount at MakeShop>



	Jan. 2006	Feb. 2006	Mar. 2006
Amount of contract	8,939	10,685	13,311

<No. of orders received, funds in circulation & No. of server contracts>



	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
No. of orders received	2,374	16,611	52,153	98,526	117,522
Funds in circulation	17	136	684	1,285	1,778

GMO INTERNET GROUP

Changes in Major Factors of the Credit Card Settlement Business

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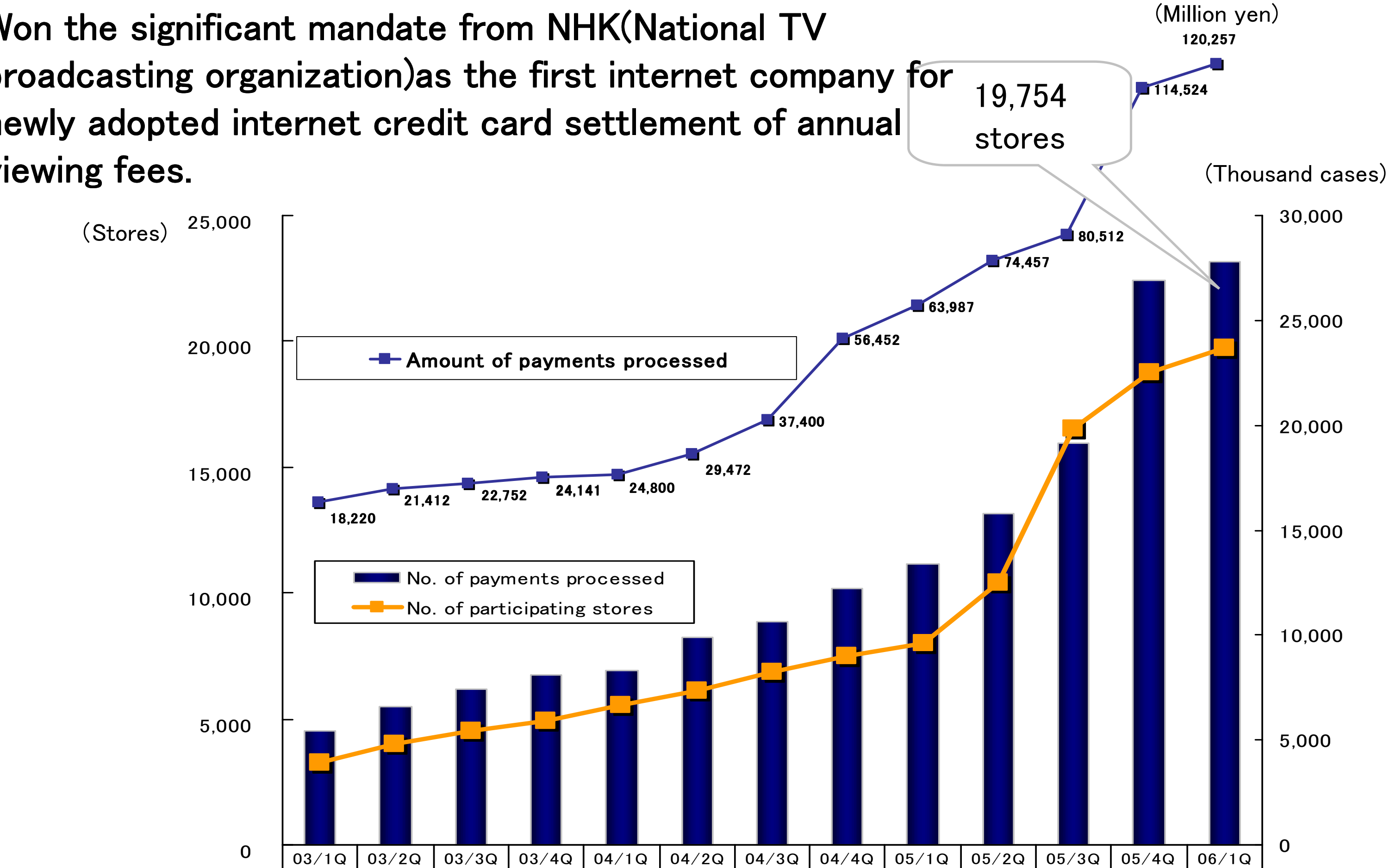
Steadily received orders for “utility charges,” the frontier market for the credit card business

Won the significant mandate from NHK(National TV broadcasting organization)as the first internet company for newly adopted internet credit card settlement of annual viewing fees.



	03/1Q	03/2Q	03/3Q	03/4Q	04/1Q	04/2Q	04/3Q	04/4Q	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
No. of payments processed	5,457	6,587	7,388	8,078	8,329	9,899	10,658	12,192	13,366	15,765	19,142	26,926	27,784
No. of participating stores	3,234	4,027	4,501	4,946	5,562	6,117	6,837	7,521	8,013	10,408	16,530	18,786	19,754

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Internet Media Business

Major Strategies of the Internet Media Business

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Integrate media and maximize synergy

Measures

(1) Integrate advertising materials

= Rationalize sales through the integration of ad servers (ad distribution servers)

(2) Reduce costs (introduce open source)

(3) Capture the growth of Web2.0 media

Progress of the Action Plan for FY2006

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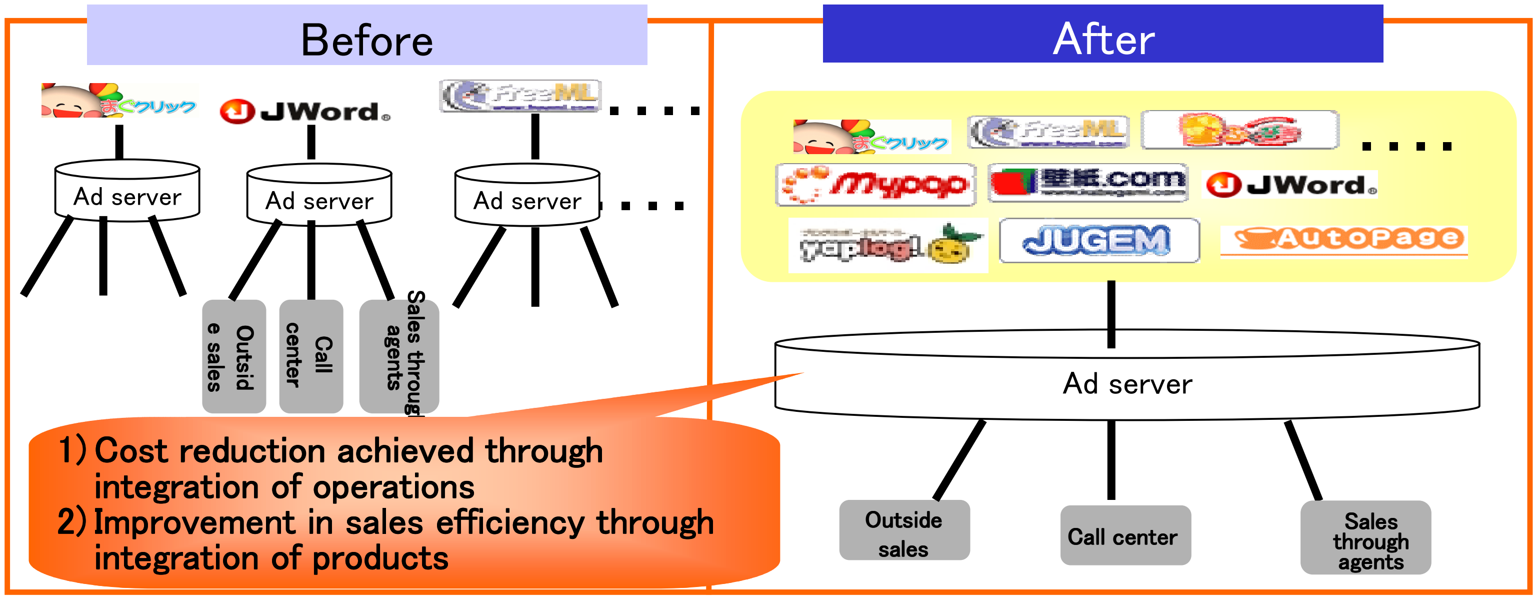
Progress of measures (1) Integration of ad servers

(1) Start to converge the ad server with three blogs on May 31 (yaplog!, JUGEM, and AutoPage)



1) Cost reduction achieved through integration of operations
2) Improvement in sales efficiency through integration of products

(2) Integrate products with JWord in 3Q (text ads)

＊Image of text ads

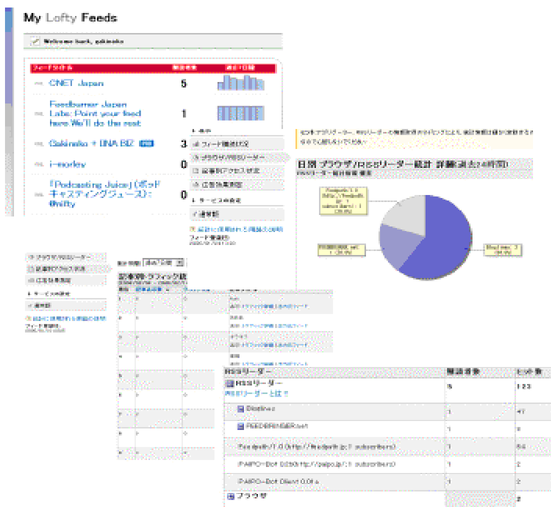
Progress of the Action Plan for FY2006

Progress of measures (2) FeedBurner

ASP service, which measures, processes and manages the traffic of RSS/Atom feed

FeedBurner Japan

Launched the service on January 26, 2006!



Measure the number of subscribers and distribution of RSS ads with the report

Distribution of ads to RSS

URL: http://www.feedburner.jp/

Changes in the GMO Internet Group's Reach

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(1)Internet Infrastructure business
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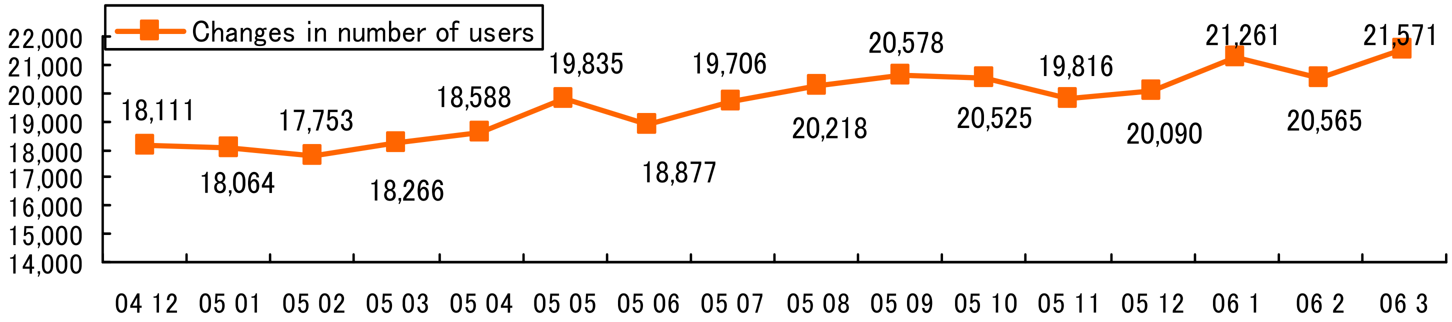
The Group's reach is in third place in the industry, showing favorable changes.



End of March 2005

Ranking by number of users	Number of users(1000 people)	Reach (%)	Rank in PV
1.Yahoo !	31,217	83.84	1
2.Rakuten	22,616	60.74	2
3.MSN	19,14[illegible]	[illegible]	[illegible]
4.GMO	18,266	49.06	4
5. Nifty	17,694	47.52	6
6. NEC	15,887	42.67	8
7. Microsoft	14,603	39.22	38
8. NTT.Com	14,031	37.68	16
9. Sony	12,923	34.71	17
10.NTT－Resonant	12,722	34.17	7

End of March 2006

Ranking by number of users	Number of users(1000 people)	Reach (%)	Rank in PV
1.Yahoo !	35,218	86.37	1
2.Rakuten	24,525	60.15	2
3.GMO	21,571	52.90	4
4. Nifty	19,845	48.67	8
5. MSN	19,341	47.43	5
6.NEC	17,528	42.99	12
7. Amazon	16,406	40.24	16
8. FC2	15,735	38.59	7
9. NTT.Com	15,678	38.45	20
10. Livedoor	15,459	37.91	14

＊Source: Netratings. As of March 2006

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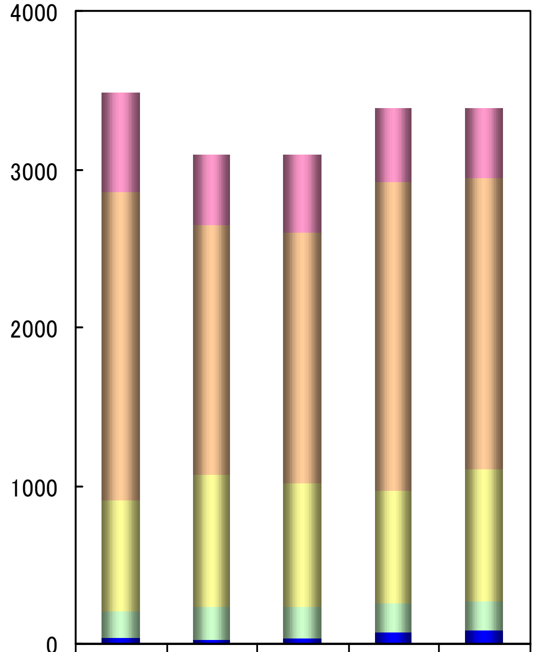
The ratio of JWord Business to total sales was up 4.5% on a year-over-year basis and the business also boasted high profit margins.

<Change in Internet Media Business Total Sales>

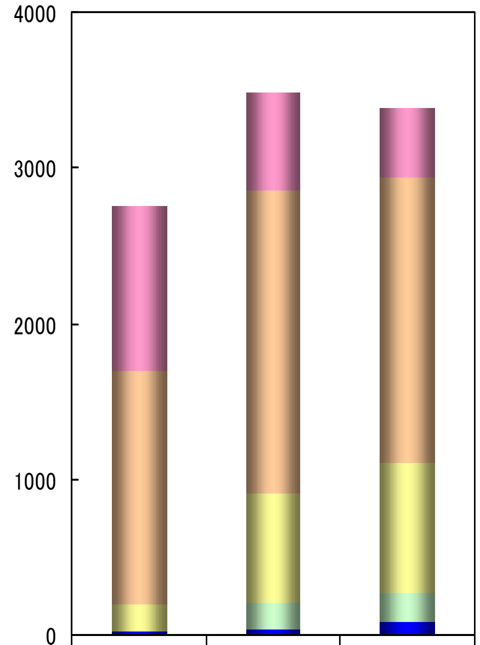
(Million yen)



	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
Media construction	630	447	492	474	442
Advertising sales	1,944	1,587	1,581	1,946	1,837
Jword	698	834	783	712	834
Online gaming	180	210	199	184	192
Other	34	19	37	74	82

< Changes from the same term last year in Internet Media Business Total Sales >

(Million yen)



	04/1Q	05/1Q	06/1Q
Media construction	1,052	630	442
Advertising sales	1,496	1,944	1,837
Jword	179	698	834
Online gaming	–	180	192
Other	24	34	82

Sales Efficiency of JWord

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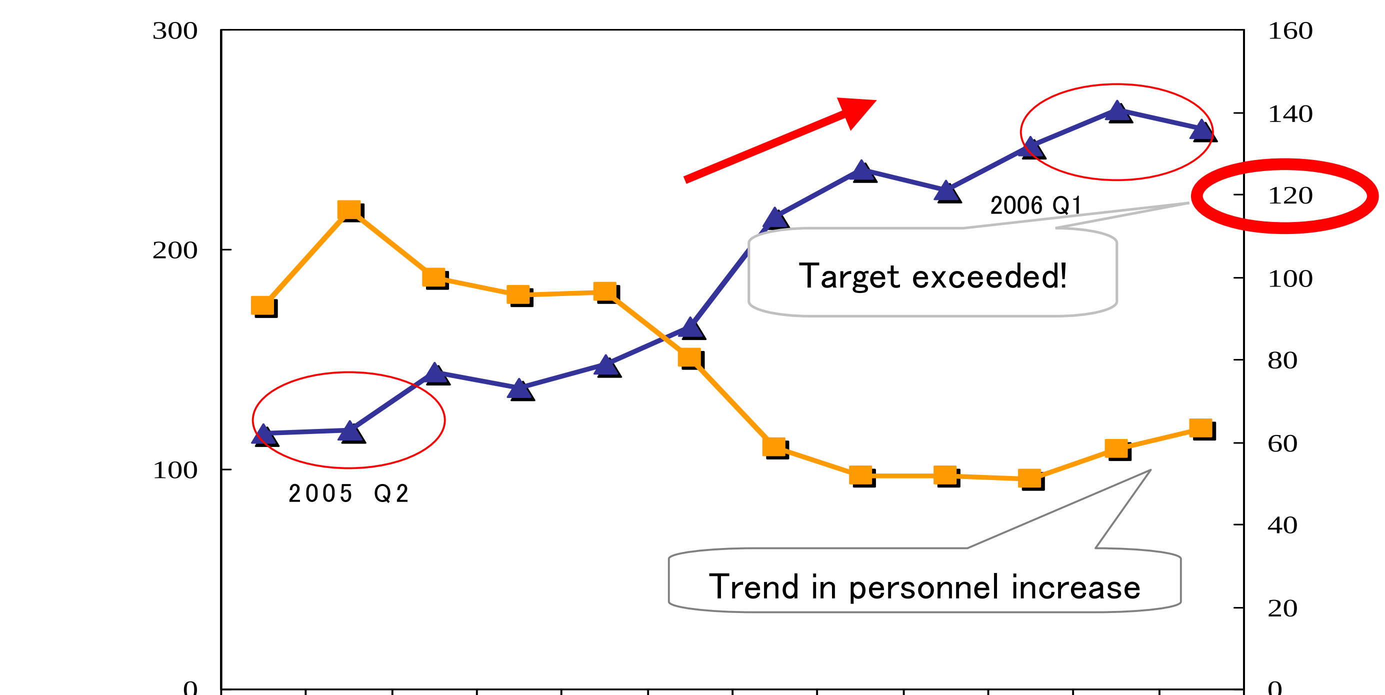
In comparison with 2Q of 2005, productivity more than doubled.

<Changes in the number of sales reps for JWord at the GMO Internet Group/
Changes in sales per sales rep>



	Apr. 2005	May 2005	Jun. 2005	Jul. 2005	Aug. 2005	Sep. 2005	Oct. 2005	Nov. 2005	Dec. 2005	Jan. 2006	Feb. 2006	Mar. 2006
Sales per person per day	62,000	63,000	77,000	73,000	79,000	88,000	114,741	126,000	121,000	131,891	140,547	136,136
No. of staff	174	218	187	179	181	151	110	97	97	96	109.4	118.4

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Internet Finance Business

Major Strategies of the Internet Finance Business

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Accelerate "Internet Finance WEB2.0" by leveraging partnership and technical capabilities

Measures

(1) Accelerate the introduction of IT to the Loan/Credit Business

(2) Leverage marketing partnership with eBank

(3) Develop Internet Finance 2.0 (introduction of WEB2.0 concept such as open source and disclosure over API)

(4) Rebuild new revenue structure that creates continuous earnings growth after the interest rate restriction law change

Changes in Business Results

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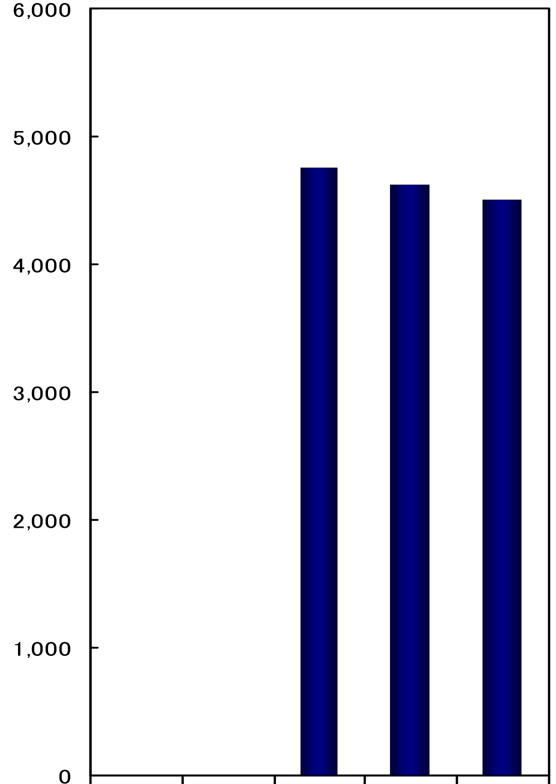
Was impacted by the one time posting of allowance associated with the excess interest rate payments

<Change in Internet Finance Business sales>

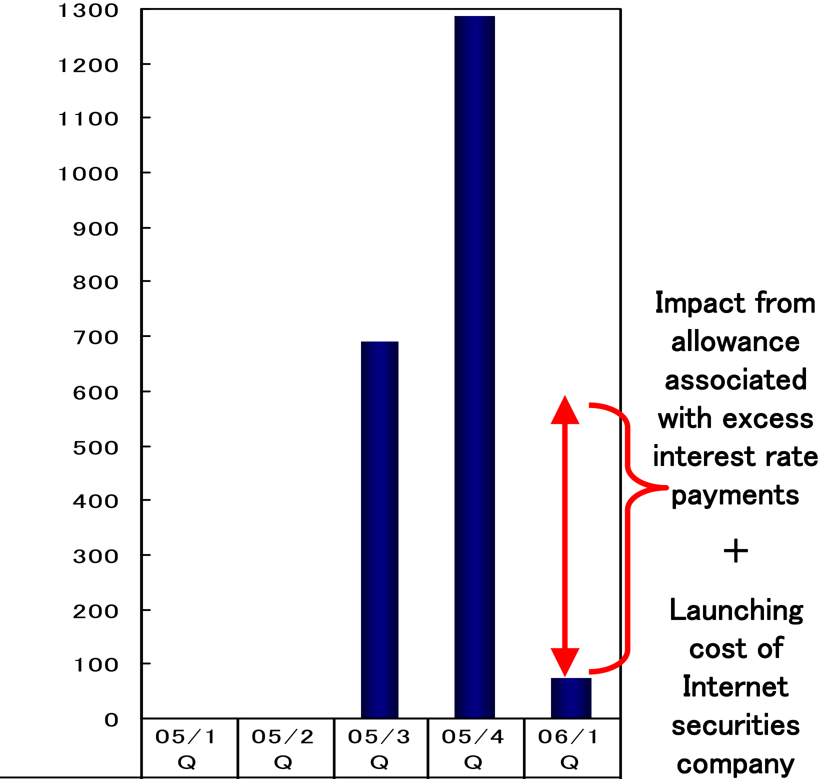
(Million yen)



	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
Sales			4,759	4,629	4,506

< Change in Internet Finance Business operating profit >

(Million yen)



	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
Operating Profit			692	1,288	74

＊From 1Q of 2006, GMO Internet, Inc. has been included.

Loan/Credit Business – Group Synergy Effect

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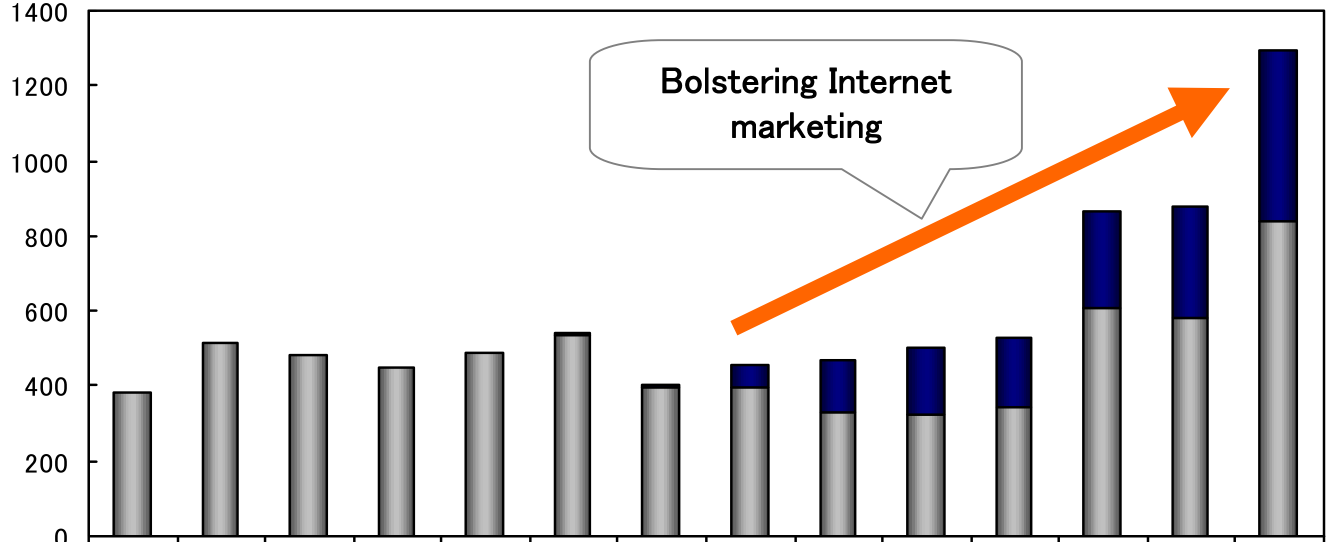
Group synergy demonstrated in significantly growing number of new accounts in IT channels

Synergy: Application from PC and mobile phone is growing.

(Cases)

<Number of new accounts acquired from PC/mobile phones>



	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan. 2006	Feb.	Mar.	Apr.	May
Mail IT	0	0	0	1	3	3	10	62	138	181	187	260	300	455
Femail IT	380	514	482	450	488	537	395	394	331	324	341	608	579	840

＊For May, the number is a forecast.

Loan/Credit Business – Expenses Associated with Excess Interest rate Payments (1)

Claims for reimbursements for excess interest rate payments will peak this year.

– Macro factors

- Abolition of "gray zone" interest rates through revisions to the law
- Launch of a relief fund for heavy debtors

– Factors of Orient Credit

- Promote low-interest rate products to Group customers
- Reduce interest rates for customers with long transaction history
- Reflect the outcome of analysis in past claims for excess interest rate payments into the risk scoring system
- Bolster counseling capabilities
- Classify claims for reimbursement into further segments to prioritize heavy cases strategically

A total of 2.2 billion yen, including the allowance, was already included in the results forecasts for the term ended December 2006.

Loan/Credit Business – Expenses Associated with Excess Interest rate Payments (2)

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Industry comparison of expenses associated with excess interest rate payments in the term ended March 2006

The Company's allowance for the reimbursement is in line with major companies below.

Unit: million yen

Name	Expected refund of interest (A)	Allowance for reimbursement of interest (B)	B/A	Ratio of allowance for reimbursement of interest
Takefuji	18,699	22,500	120%	1.46%
Acom	13,527	23,700	175%	1.40%
Promise	12,455	21,200	170%	1.34%
Aiful	10,603	17,019	161%	1.13%
Sanyo Shinpan	2,199	4,000	182%	0.94%
Shinki	*N/A*	2,570	*N/A*	1.29%
Credia	1,168	1,500	128%	1.35%
Orient Credit	605	900	150%	1.13%

*1 The ratio of allowance for the reimbursement was on a non-consolidated and balance basis at the end of March.

*2 Orient Credit posted 255 million yen, the amount for April and May, as accrued expenses in addition to the 900 million yen mentioned above.

*3 Source: Summary report on account closing of and materials disclosed by respective companies

Loan/Credit Business – Measures to Deal with Revisions to the Law (1)

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Even if the maximum interest rate is set at 18% becomes reality, the rate of growth in ordinary profit will be 15%.

Increase the number of accounts by at least 30% before March 2008 by fully marketing to the Group customer base.

- Promote low-interest products, from 7.3% to 18%
- Target small business loans, including SOHO, as core customers
- Promote the Common ID Project using Group power
- The average loan amount will level off and the total outstanding loan balance will grow by 30%.

Overall cost is cut by 15%.

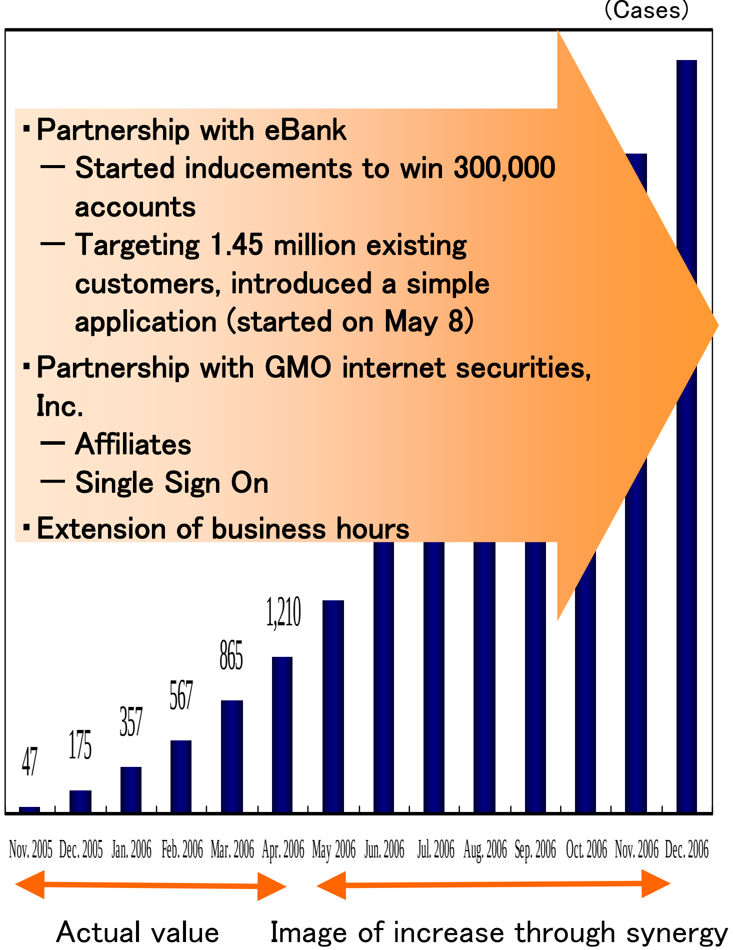
- With employees performing multiple functions with 30% reduction of temporary staff.
- Enhance credit criteria aiming to improve credit cost by 0.6% per year.
- The costs of the reimbursement of excess interest rate payments are halved after April 2007 due to the revision of the law.
- The burden of depreciation is reduced.

＊ If the Company sticks to the conventional consumer loan portfolio without any particular action, the contract rate will go down by 40% and the balance will decline by 25% over two years.

Loan/Credit Business – Measures to Deal with Revisions to the Law (2)

Measures to increase the number of accounts by 30%

<Changes in the total number of accounts for the GMO Net Card and growth measures>



< Other growth measures>

June

Launch Small Business Loan

Launch Aggregating Loan

Change the company name to "GMO Net Card, Inc."

December

Launch Stock Collateral Loan

Common ID Project throughout the Group

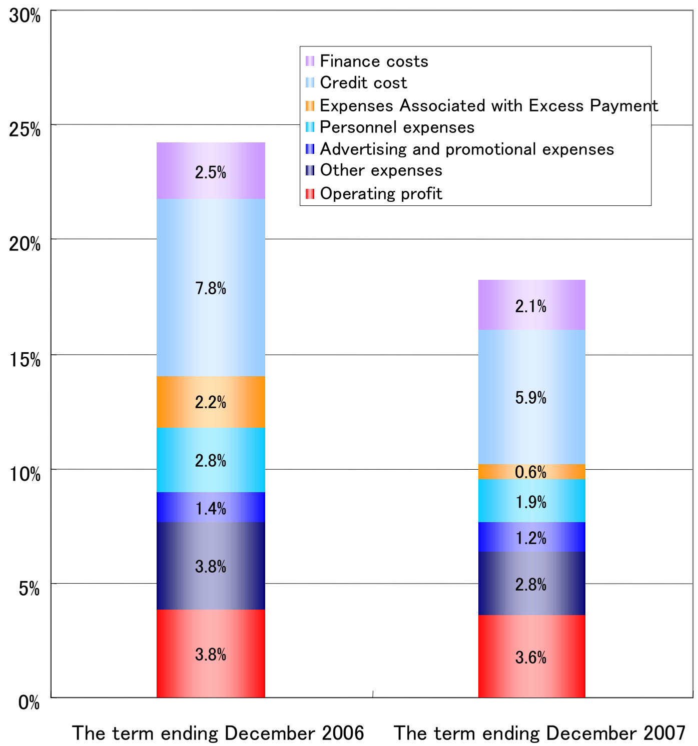
– Single Sign On
– Point Program
– One Payment

Launch Credit Card Service

Loan/Credit Business –
Measures to Deal with Revisions to the Law (3)

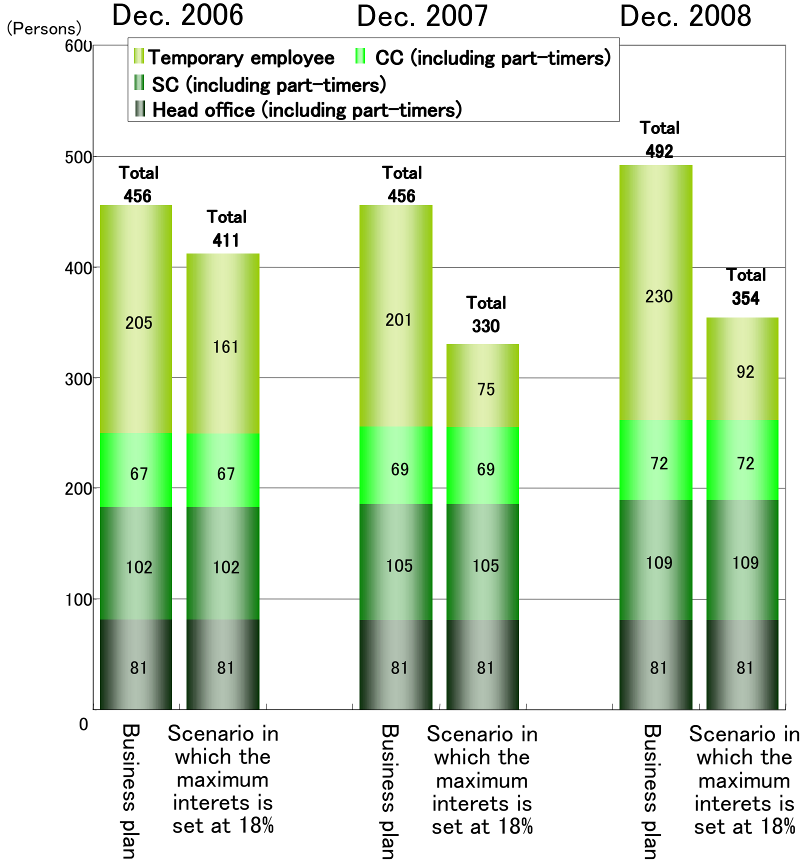
Measures for reducing costs 15%

<Expected margin spread when the maximum interest is set at 18%>



＊When the credit cost spread is calculated based on the balance except for wholesale, the spread is lowered 0.6% per year.

<Simulation of the required number of personnel when the maximum interest is set at 18%>



*1 Annual total cost of temporary employees is approx. 3 million yen per person.
＊2 The monthly job turnover of temporary employees is 2%.

Loan/Credit Business – Measures to Deal with Revisions to the Law (4)

1.

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3. Group

4. Conditions and Approach by

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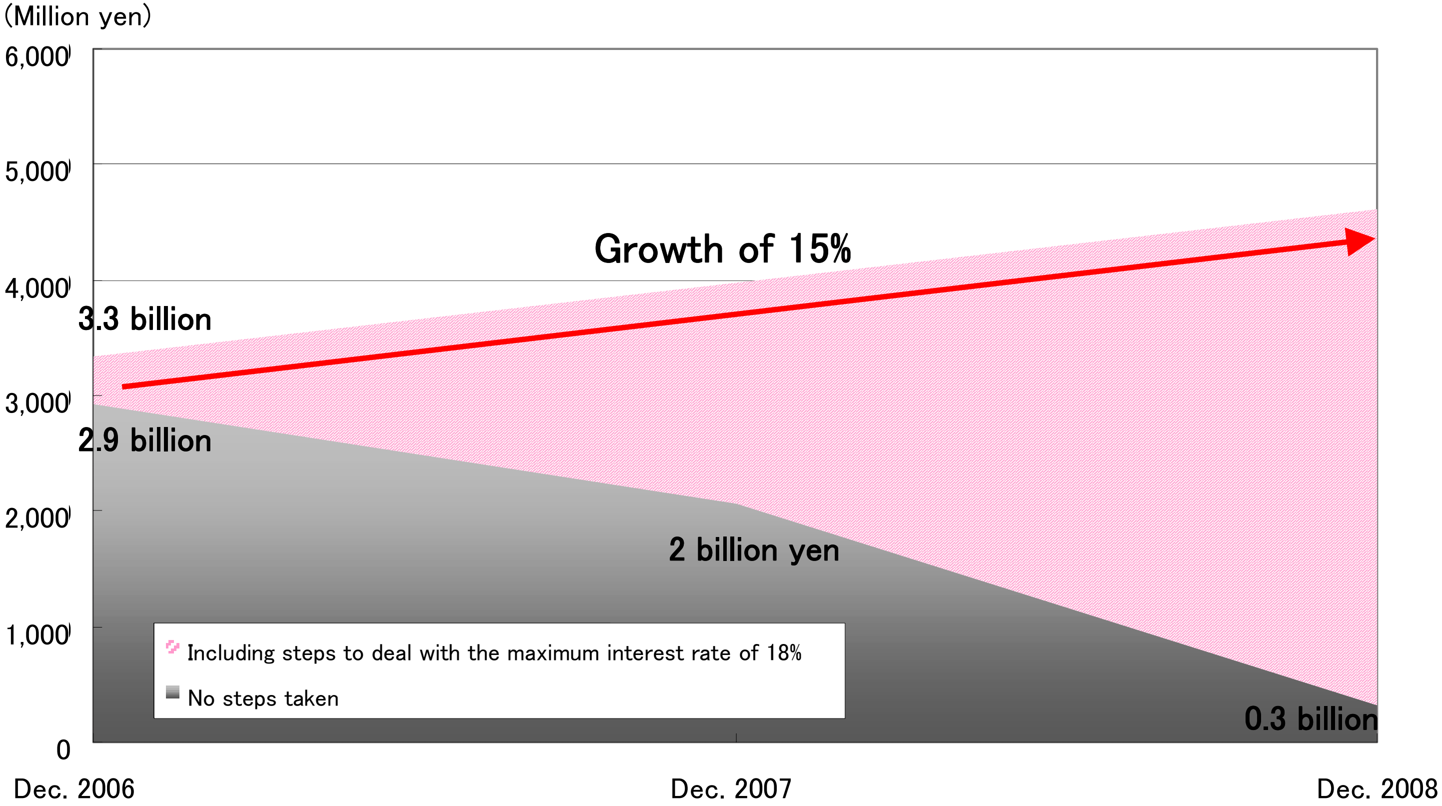
Ordinary profit when steps are taken to deal with the 18% scenario



＊ Simulation of ordinary profit by Orient Credit on a non-consolidated basis

Internet Finance WEB2.0
– Launch of GMO internet securities, Inc.

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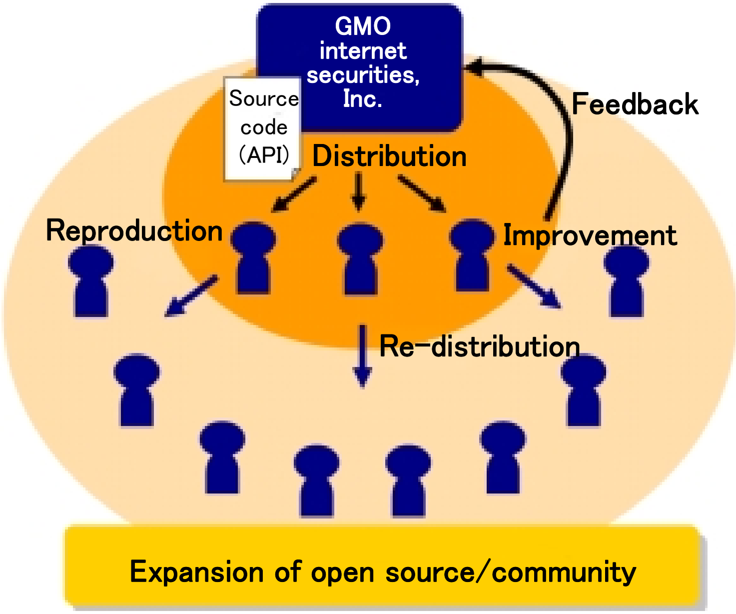
Started transactions involving equities and margin transactions on May 12



Release the Web service API

- Users are free to create tools.
- May link with analysis tools of other companies

Introduce open-source software for tools

- Provide sample tools
- Support development within communities

Cheaper

Company-developed its system in open source environment. Streamlined operation process managed by a small number of people

Convenient

With the release of the Web service API, customers are able to create their own transaction tools.

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Business Forecast

Revision of Profit Forecast

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The profit forecast has been revised as the mixed outcome of the posting of expenses associated with the excess interest rate payments and the strong performance of existing businesses

	New forecast for FY 2006	Former forecast for FY 2006	Changed amount	Notes
Sales	51,000	51,000	—	
Operating profit	6,500	7,500	−1,000	Posting of expenses associated with reimbursement − 1,550 million yen Strong performance of Media/Infrastructure Businesses + 550 million yen
Ordinary profit	6,350	6,500	−150	Posting of expenses associated with reimbursement , etc. − 700 million yen Strong performance of Media/Infrastructure Businesses + 550 million yen
Net profit	2,200	2,200	—	Expenses associated with reimbursement , which was posted as an extraordinary loss, or 634 million yen, was covered by the gain on the sale of investments in securities, etc.

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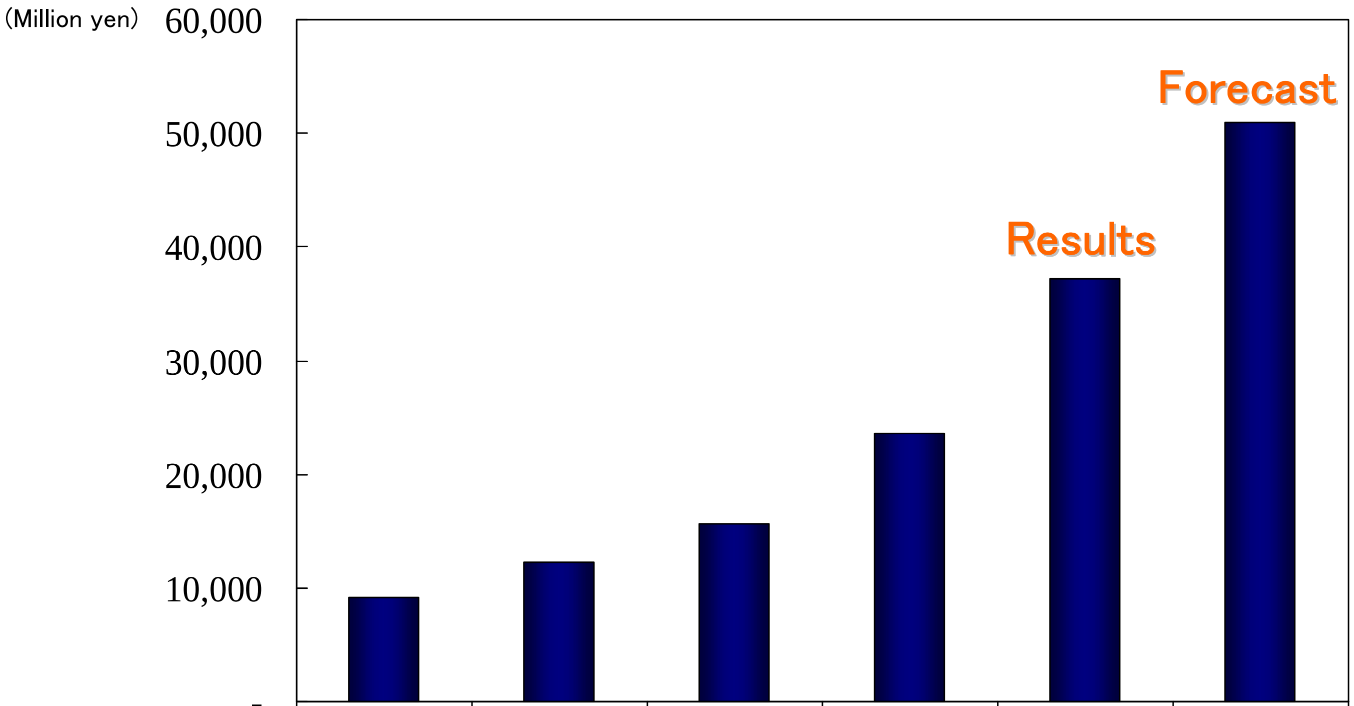
Sales



	2001	2002	2003	2004	2005	2006
Sales	9,174	12,313	15,678	23,561	37,219	51,000

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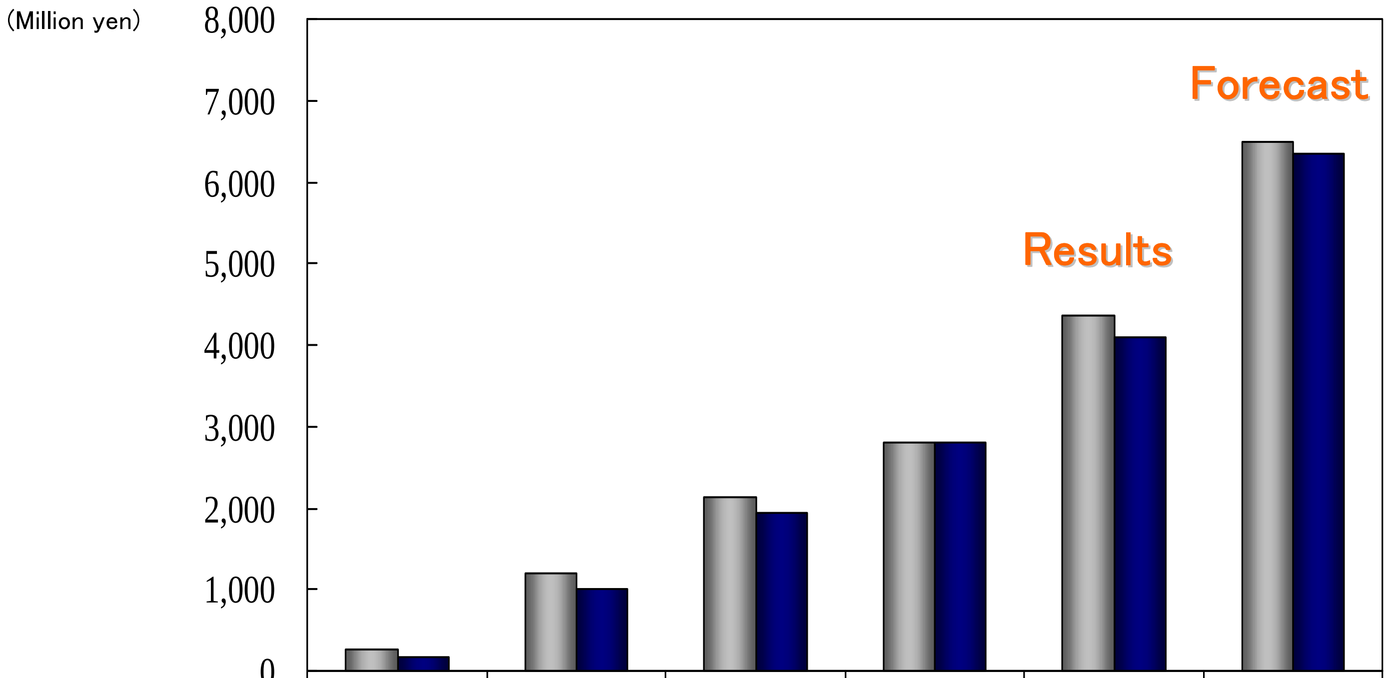
Operating profit and ordinary profit



	2001	2002	2003	2004	2005	2006
Operating profit	274	1,186	2,122	2,804	4,352	6,500
Ordinary profit	167	1,011	1,946	2,805	4,103	6,350

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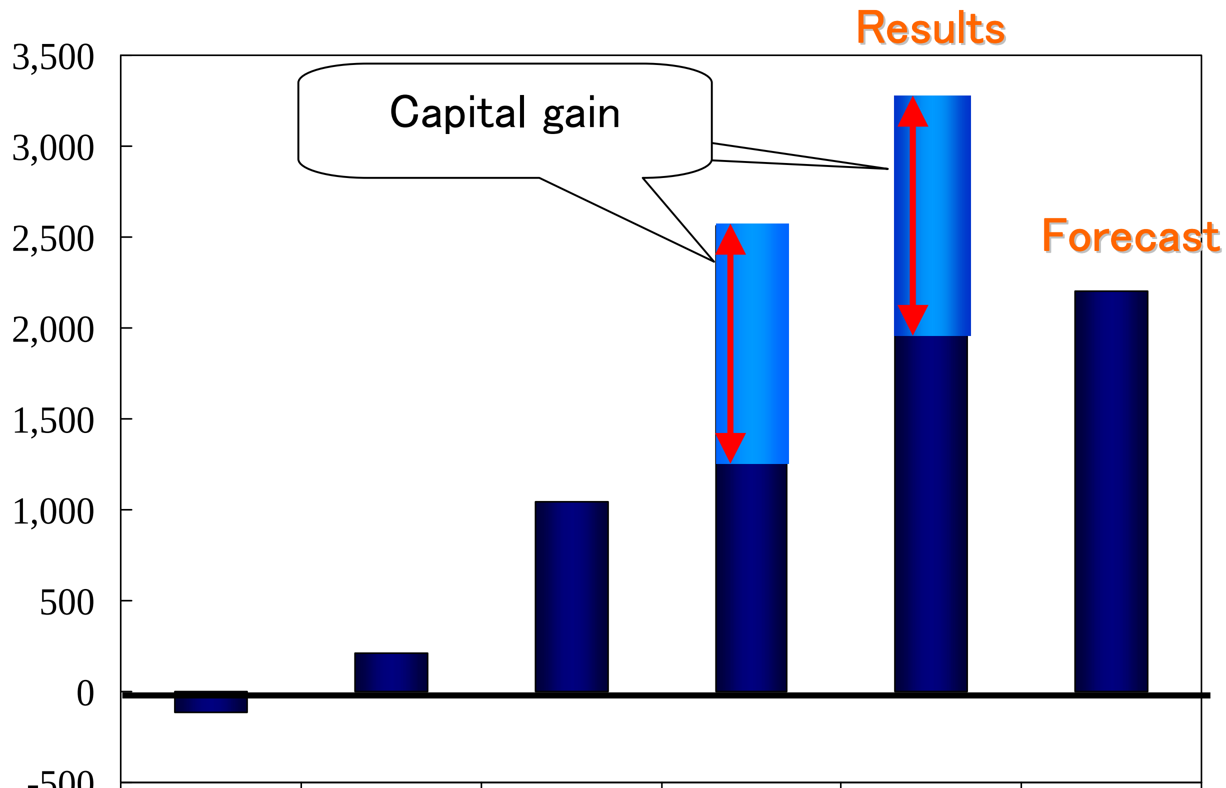
N e t P r o f i t

(Million yen)



	2001	2002	2003	2004	2005	2006
Net profit	−113	207	1,040	2,563	3,258	2,200

$ 18 million＊

＊1.00$= ¥117.47(as of March 31,2006)

GMO™

INTERNET

GROUP