



**A conference call for institutional investors regarding the press release "Recording Extraordinary Loss Related to The Cryptocurrency Mining Business Restructuring" - Q&A**

The following is a summary of questions asked by attendees at the conference call to investors held on December 25, 2018. The questions are answered by CFO Masashi Yasuda..

●In-house mining

【Q1】 Does the extraordinary loss include penalty related to the withdrawal of the mining center from Northern Europe?

【A1】 Yes, it does. Regarding the business assets related to the in-house mining operation in Northern Europe, it has been decided to record an impairment loss. Almost the entire impairment loss has been recognized.

【Q2】 Regarding the in-house mining business, what is the outlook for the 2019 fiscal year? Are you also considering the withdrawal of the in-house mining business?

【A2】 GMO Internet will review the revenue structure of its in-house mining business, and continue running mining operations while ensuring profit and cash flow. We are currently operating mining machines, and the depreciation cost will be almost zero after recognizing the impairment loss. Therefore, we will continue running mining operations if we can ensure that the revenue exceeds the electricity cost.

【Q3】 If GMO Internet reviews the revenue structure of its in-house mining business and relocates the mining center to a different region, will it be able to improve profitability?

【A3】 The electricity cost will comprise the majority of operating expenses of the in-house mining business after the impairment loss is recognized. We have explained at the previous financial results briefings that we will relocate the mining center to a region that will allow us to secure cleaner and less expensive power supply. However, we have not yet decided the details.

●Financial position

【Q4】 What are the proceeds from sales of subsidiaries' stock going to be used for?

【A4】 As there are no short-term funding needs, it is planned to be used to repay interest-bearing liabilities in consideration of interest expense.

●Shareholder returns

【Q5】 Will the gain on sale of shares in subsidiaries offset the impairment loss?

【A5】 No, the former will not offset the latter. On the consolidated accounts, we will record an impairment loss but the gain on sale of shares in subsidiaries will not be reported as an extraordinary profit.

【Q6】 You have previously explained that if it is difficult to sell mining machines, you will use your mining machines to mine cryptocurrencies on your own. How difficult is it to actually switch your policy?

【A6】 If we mine cryptocurrencies on our own, we must secure power supply. We have a system

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that allows us to switch flexibly between in-house mining and sales of mining machines.

- The group-wide future growth strategy

【Q7】 With the Cryptocurrency Segment to be scaled down significantly, what will be the main pillar of the growth strategy of GMO Internet Group?

【A7】 As for the cryptocurrency mining business, we intend to continue the business with the reformed cost structure and the risk minimization efforts. As for the cryptocurrency exchange business conducted by GMO Coin and stablecoin as a settlement method, we believe they have high growth potential and will continue to position them as growing sectors.

As for other existing businesses, the basic scenario expecting the continuing growth of Internet Infrastructure and Internet Finance, our core businesses, remains unchanged, and the synergy between these segments with online banks as a hub will be the core of our future growth.