

Results Presentation for the 2008 Fiscal Year

February 12, 2009

GMO Internet, Inc.

(TSE First Section: 9449)

◆ **Supplementary Materials** ◆

Internet for Everyone

<http://www.gmo.jp/en>

1. GMO Internet Group

2. Internet Infrastructure

3. Business Model
& Growth Strategy

1. GMO Internet Group

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FY2008 4th Quarter – Scope of Consolidation

1. GMO Internet Group

2. Internet Infrastructure

3. Business Model & Growth Strategy

Business Segment	2008 Fiscal Year 3rd Quarter		2008 Fiscal Year 4th Quarter		Notes
	Company Name	Proportion of Voting Rights (%)	Company Name	Proportion of Voting Rights (%)	
Internet Use Support (Infrastructure)	GMO Internet, Inc.	Parent	GMO Internet, Inc.	Parent	
	GMO Hosting & Security, Inc	51.3	GMO Hosting & Security, Inc	51.3	
	GlobalSign K.K.	(89.8)	GlobalSign K.K.	(89.8)	
	GlobalSign Ltd. (England)	(100.0)	GlobalSign Ltd. (England)	(100.0)	
	GlobalSign NV (Belgium)	(100.0)	GlobalSign NV (Belgium)	(100.0)	
	GlobalSign, Inc. (US)	(100.0)	GlobalSign, Inc. (US)	(100.0)	
	Toriton, Inc.	(100.0)	Toriton, Inc.	(100.0)	
	Hosting & Security, INC. (US)	(51.2)	Hosting & Security, INC. (US)	(51.2)	
	@YMC Corporation	(100.0)	@YMC Corporation	(100.0)	
	Global Web Co. Ltd.	(70.0)	Global Web Co. Ltd.	(70.0)	
	GMO Managed Hosting, Inc)	(100.0)	GMO Managed Hosting, Inc.	(100.0)	
	GMO Payment Gateway, Inc.	52.3	GMO Payment Gateway, Inc.	52.3	
	Epsilon, Inc.	(100.0)	Epsilon, Inc.	52.3	
	paperboy & co. Inc.	59.6	paperboy & co. Inc.	(100.0)	
	GMO MAKESHOP Co., Ltd	58.7	GMO MAKESHOP Co., Ltd	57.4	
	GMO System Consulting, Inc.	92.5	GMO System Consulting, Inc.	58.7	
GMO DIGITAL DISTRIBUTION, Inc.	(90.9)	GMO DIGITAL DISTRIBUTION, Inc.	92.5		
GMO Solution Partner, Inc.	76.0	GMO Solution Partner, Inc.	(90.9)		
INTERNET Number Corporation	71.1	INTERNET Number Corporation	76.0		
GSS Corporation.	(100.0)	GSS Corporation.	71.4		
			(100.0)		
Internet Advertising Support (Media)	GMO AD Partners Inc.	48.8	GMO AD Partners Inc.	49.1	
	GMO San Planning, Inc.	(90.3)	GMO San Planning, Inc.	(96.0)	
	GMO Mobile, Inc.	(100.0)	GMO Mobile, Inc.	(100.0)	
	NIKKO, Inc.	66.7	NIKKO, Inc.	66.7	
	GMO Research, Inc.	78.2	GMO Research, Inc.	78.2	
	GMO Tea Cup Communication, Inc.	51.0	GMO Tea Cup Communication, Inc.	51.0	
	GMO Media Holdings, Inc.	100.0	GMO Media Holdings, Inc.	100.0	
	GMO Media, Inc.	(86.3)	GMO Media, Inc.	(86.3)	
	GMO Ad Networks, Inc.	(100.0)	GMO Ad Networks, Inc.	(100.0)	
	JWord, Inc.	62.7	JWord, Inc.	62.7	
	BOM, Inc.	100.0	BOM, Inc.	100.0	
	GMO Marketing, Inc.	51.0	GMO Marketing, Inc.	74.2	
	GMO Games, Inc.	100.0	GMO Games Korea, Inc.	100.0	
GMO Games Korea, Inc.	(100.0)	and seven (7) other companies	(100.0)		
Other Businesses	GMO Venture Partners, Inc.	100.0	GMO Venture Partners, Inc.	100.0	
	GMO Venture Partners Investment Limited Partnership	(71.4)	GMO Venture Partners Investment Limited Partnership	(71.4)	
	Blog Business Fund Investment Limited Partnership	(19.8)	Blog Business Fund Investment Limited Partnership	(19.8)	

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Summary of Sales by Business

1. GMO Internet Group

2. Internet Infrastructure

3. Business Model & Growth Strategy

Business	Q4/2007	Q1/2008	Q2/2008	Q3/2008	Q4/2008
◆ Internet Use Support (Infrastructure) ◆					
Internet Provider	459	413	374	349	331
Domain	523	617	613	601	546
Web Hosting	2,088	2,142	2,176	2,156	2,221
EC Solutions & Web Development	957	775	715	841	698
Security	223	275	263	255	281
Payment Processing	500	519	535	578	579
Other	135	51	41	30	39
Segment Total	4,888	4,797	4,720	4,815	4,697
◆ Internet Advertising Support (Media) ◆					
Internet Media & Search Media	1,731	2,065	2,222	2,429	2,318
Internet Advertising Agencies	1,735	1,510	1,514	2,745	3,028
Other	371	354	322	364	368
Adjustment for internal transactions	-56	-80	-164	-174	-100
Segment Total	3,783	3,850	3,894	5,365	5,615
◆ Other Businesses ◆					
Other	2	40	26	8	1
Adjustment for internal transactions	2	40	26	8	1
Segment Total	-73	-43	-81	-229	-231
Consolidated Sales	8,601	8,644	8,560	9,959	10,083

(JPY millions)

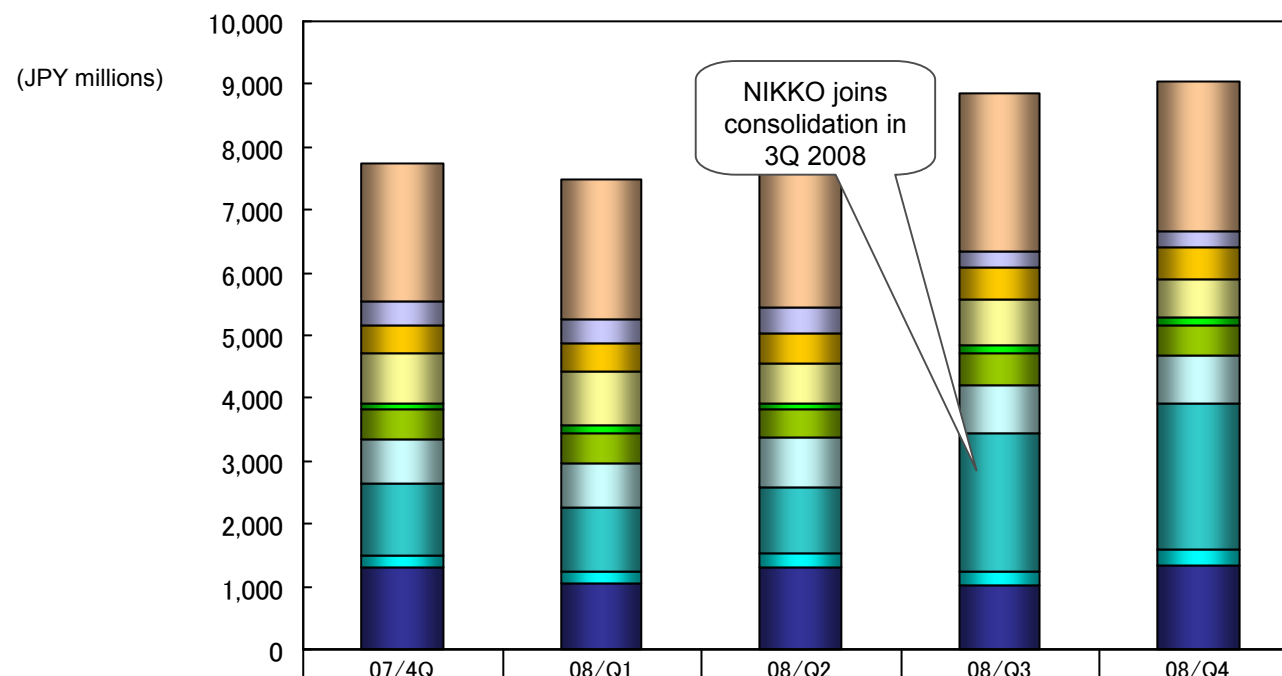
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Changes in Costs and Cost Composition (Consolidated)

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3. Business Model & Growth Strategy



	07/Q4	08/Q1	08/Q2	08/Q3	08/Q4
Business Expenses + SGA Total	7,754	7,492	7,710	8,844	9,055
Human Resources	2,203	2,238	2,268	2,488	2,395
Advertising and Promotion Costs	388	388	389	278	265
Depreciation and Rental Costs	458	430	506	502	508
Outsourcing / Sub-contracting Expenses	770	867	618	740	590
Communication Costs	115	127	115	124	128
Rent	471	473	442	503	492
Comission Paid	698	716	773	758	745
Media Costs	1,141	995	1,072	2,200	2,346
Goodwill Amortization	184	203	202	222	225
Other	1,321	1,049	1,319	1,023	1,353

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*08/Q2 Human resources costs revised. Business expenses + SGA total revised accordingly.

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3. Business Model
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2. Internet Use Support (Infrastructure)

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Domain Registration

1. GMO Internet Group

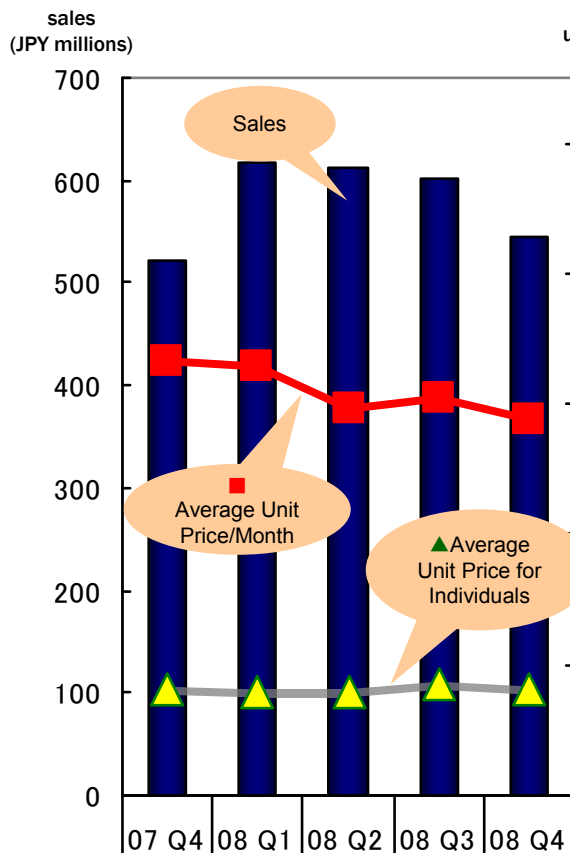
2. Internet Infrastructure

3. Business Model & Growth Strategy

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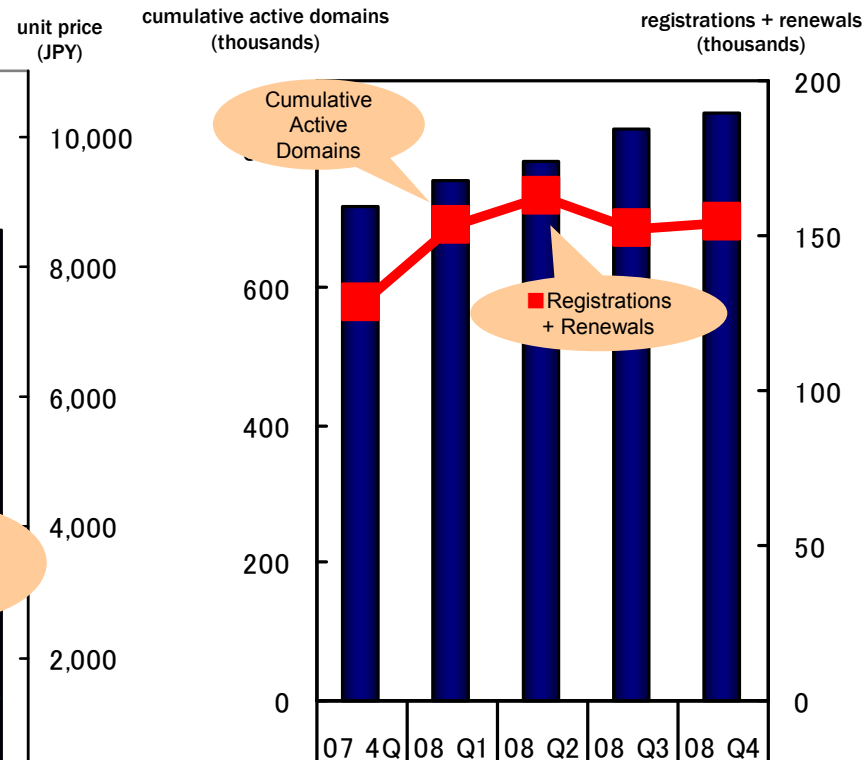


Sales



Sales	523	617	613	601	546
Average Unit Price per Month	6,640	6,559	5,930	6,086	5,749
Average Unit Price for Individuals	1,637	1,580	1,595	1,716	1,631

Domain Registrations



Cumulative Active Domains	718	757	784	829	855
Registrations + Renewals	128	153	163	152	154
Total Cumulative Registrations	1,136	1,202	1,274	1,340	1,405

New Domains and Domain Renewals

1. GMO Internet Group

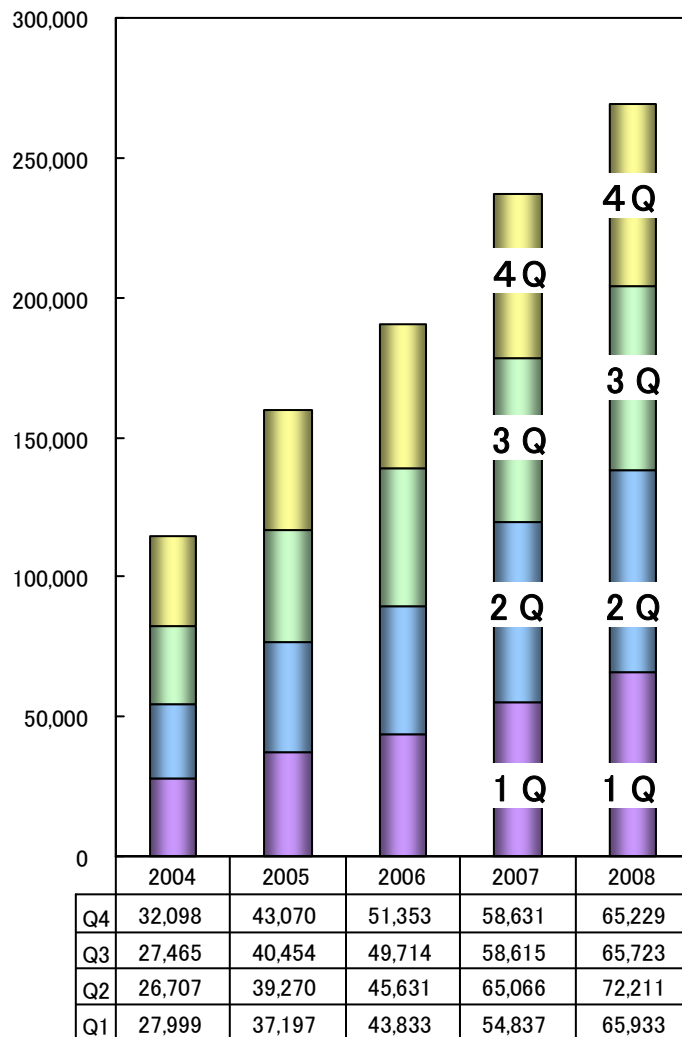
2. Internet Infrastructure

3. Business Model & Growth Strategy

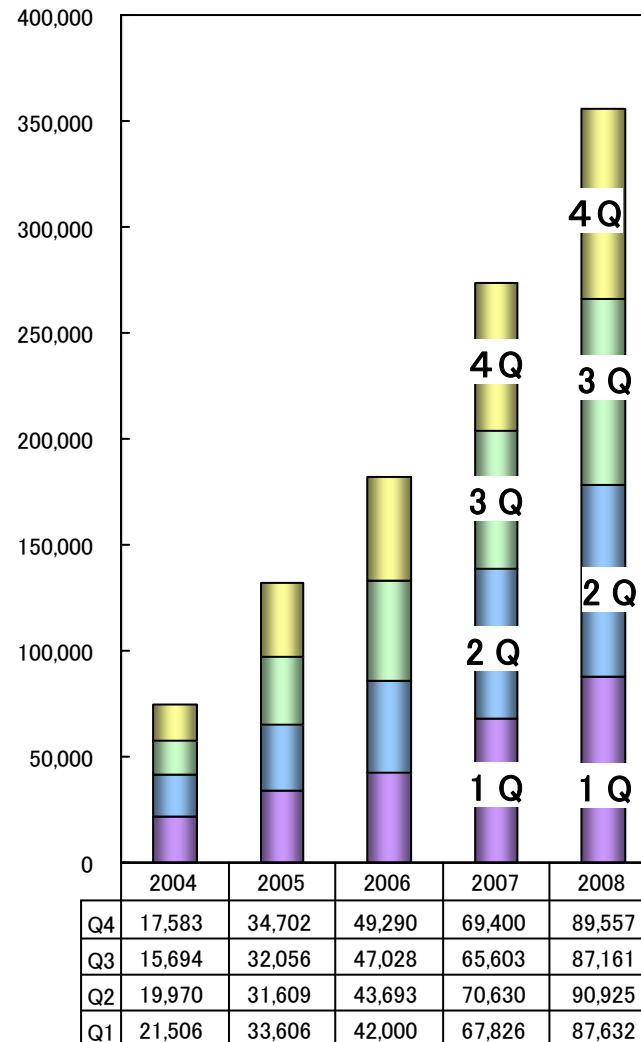
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New Domain Registrations



Renewals



Web Hosting

1. GMO Internet Group

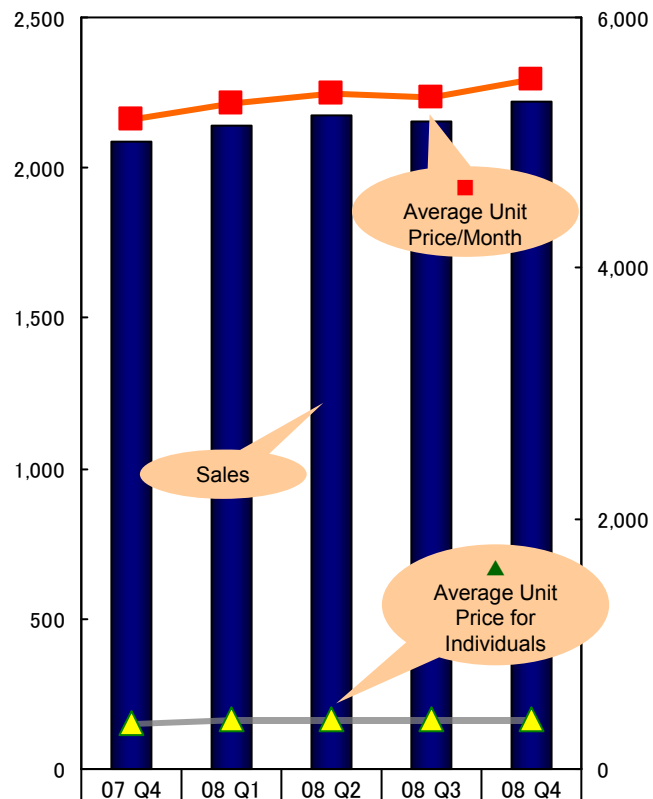
2. Internet Infrastructure

3. Business Model & Growth Strategy

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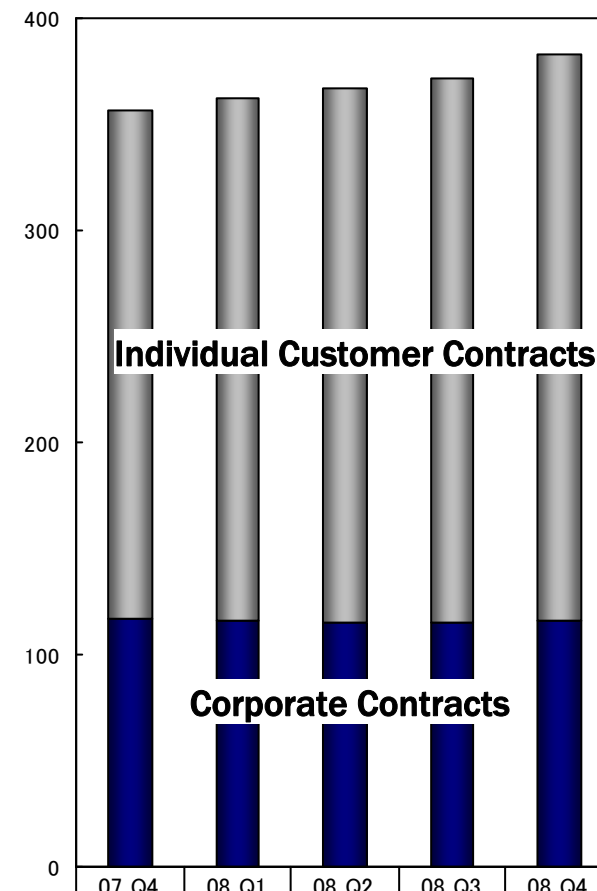


Sales (JPY millions) unit price (JPY) (thousands)



	07 Q4	08 Q1	08 Q2	08 Q3	08 Q4
Sales	2,088	2,142	2,176	2,156	2,221
Average Unit Price per Month	5,187	5,313	5,396	5,357	5,507
Average Unit Price for Individuals	369	395	399	403	397

Contracts



	07 Q4	08 Q1	08 Q2	08 Q3	08 Q4
Individual Contracts	240	246	252	257	267
Corporate Contracts	117	116	115	115	116

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& Growth Strategy

3. Business Model & Growth Strategy

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The GMO Internet Group

1. GMO Internet Group

2. Internet Infrastructure

3. Business Model & Growth Strategy

Striving to be the “Internet Department” to Japan

The company that has most increased the number of websites (volume of information) on the Internet in Japan



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Services

1. GMO Internet Group

2. Internet Infrastructure

3. Business Model & Growth Strategy

4. Business Model & Growth Strategy

Internet Infrastructure Segment


Everything required to publish information on the Internet

Domain Registration
Addresses for the Internet

http://www

ドメイン取るなら 国内最安値保証
お名前.com

Web Hosting
Website and email data storage



Security
Data encryption



SSLはグローバルサイン
GlobalSign
GMO Internet Group



品名	数量	小計	商品税
2008年度版「専手」(会社用)	1	7,200円	15
2008年度版「専手」(個人用)	1	7,200円	15
2008年度版「専手」(個人用)	1	7,200円	15
合計		21,600円	45

合計 40,350円

1. 決済方法を選択する際の注意事項

1. 決済方法を選択する際の注意事項

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E-commerce Solutions & Web Dev.
E-commerce systems provider

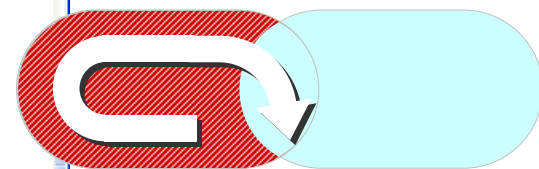


MakeShop
GMO INTERNET GROUP

Payment Processing
Online payment processing



GMO PAYMENT GATEWAY



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Services

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2. Internet Infrastructure

3. Business Model & Growth Strategy

4. Business Model & Growth Strategy

Internet Media segment (1)

Helping websites attract customers

SEM Consulting



Internet Advertising Agencies

品名	数量	小計	商品税
hmagiStyle.com オンラインショップ	1	37,200円	330円
hmagiStyle.com オンラインショップ	1	1,750円	158円
hmagiStyle.com オンラインショップ	1	1,200円	108円
合計		40,150円	3,966円

Prominent Positioning in Search Engine Results

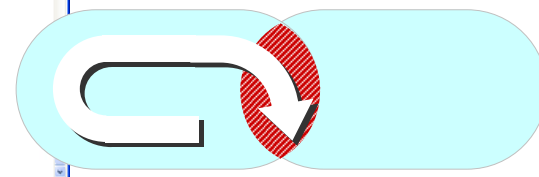
手帳

簡単アクセス方法

JWord. でダイレクトアクセス

アドレス(D)

アドレスバーに「手帳」で検索すると、直接表示されます。



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Services

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2. Internet Infrastructure

3. Business Model & Growth Strategy

4. Business Model & Growth Strategy

Internet Media segment (2)

▪▪▪ Advertising revenue from the provision of free, convenient services

Development & Operation of Free Internet Media

freeml
フリー・エムエル

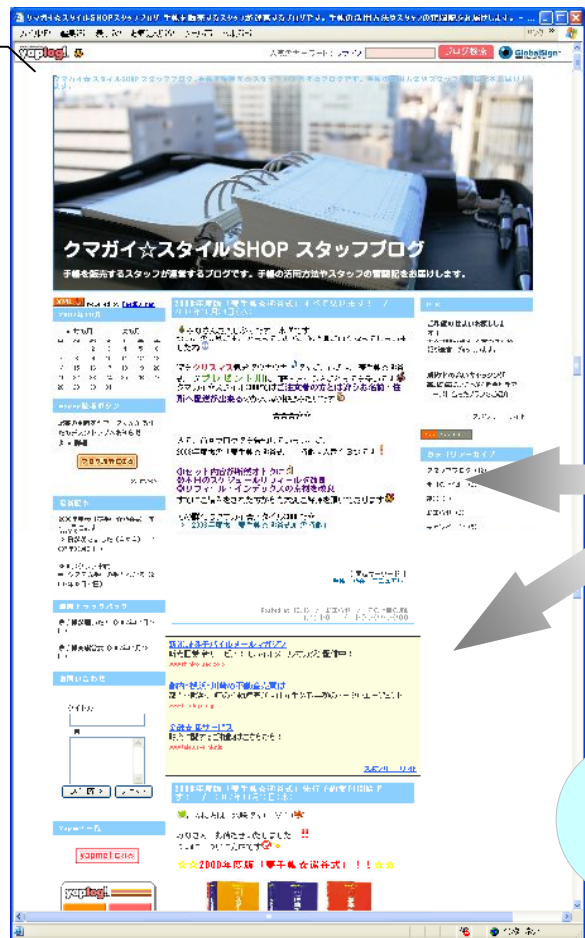
yaplog!
www.yaplog.jp

JUGEM

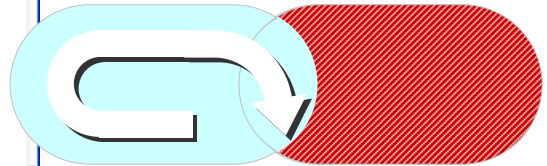
teacup.

Autopage

壁紙.com



Distribution of Content Relevant Advertising



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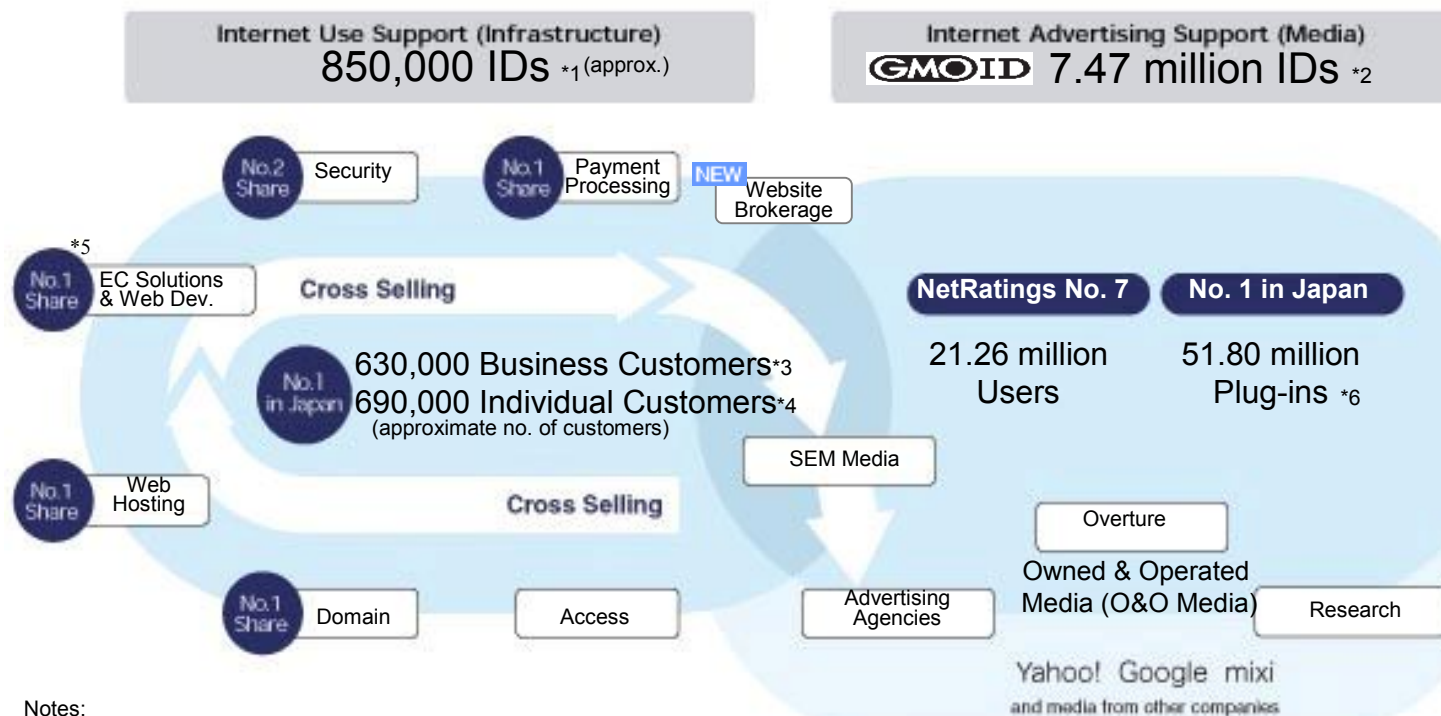
Business Segments

1. GMO Internet Group

2. Internet Infrastructure

3. ビジネスモデルと成長戦略

Management resources concentrated in 2 business areas.
Our operations support the information delivery and net businesses of 1.32 million customers (*8).



Notes:

- *1. Business and individual domain registrations = no. of integrated customer database IDs
- *2. GMO ID members
- *3. Total business members of five major services
- *4. Total individual members of domain and web hosting services
- *5. Based on total number of E-commerce solutions (MakeShop + Color Me Shop!) contracts
- *6. Cumulative plug-ins
- *7. Approximately 78,000 Internet access provider business customers not included in the above figures
- *8. Paying members only

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Internet Infrastructure Segment Customers

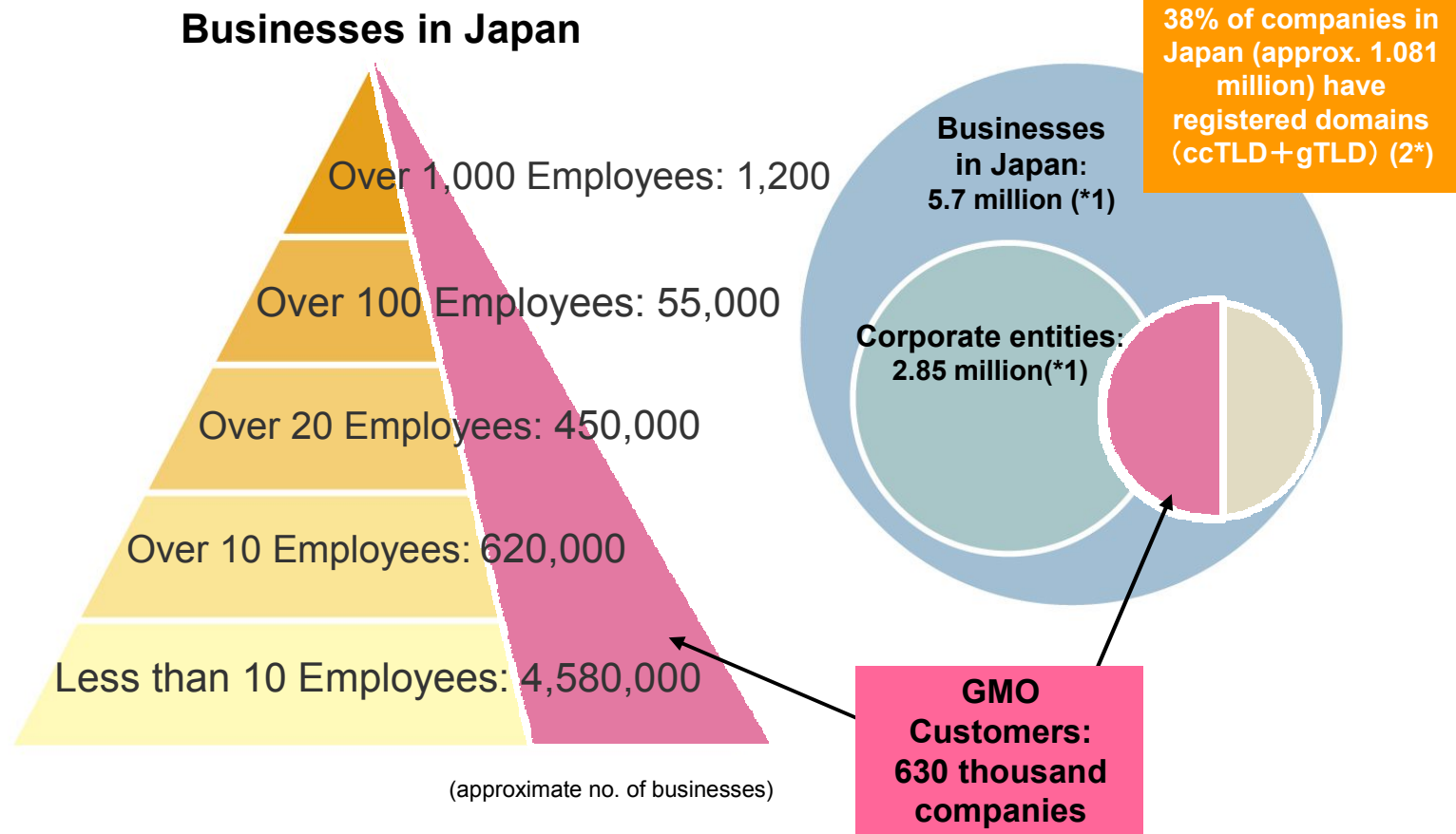
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630 thousand of the 5.7 million businesses in Japan use our Infrastructure segment services



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*1.Ministry of Internal Affairs and Communications Statistics Bureau 2006 statistical report on business and industry (October 1, 2006)

*2.According to our own calculations, JPRS statistics (December, 2006) and the ICANN monthly registry report December 2006.

Internet Media Segment Users

1. GMO Internet Group

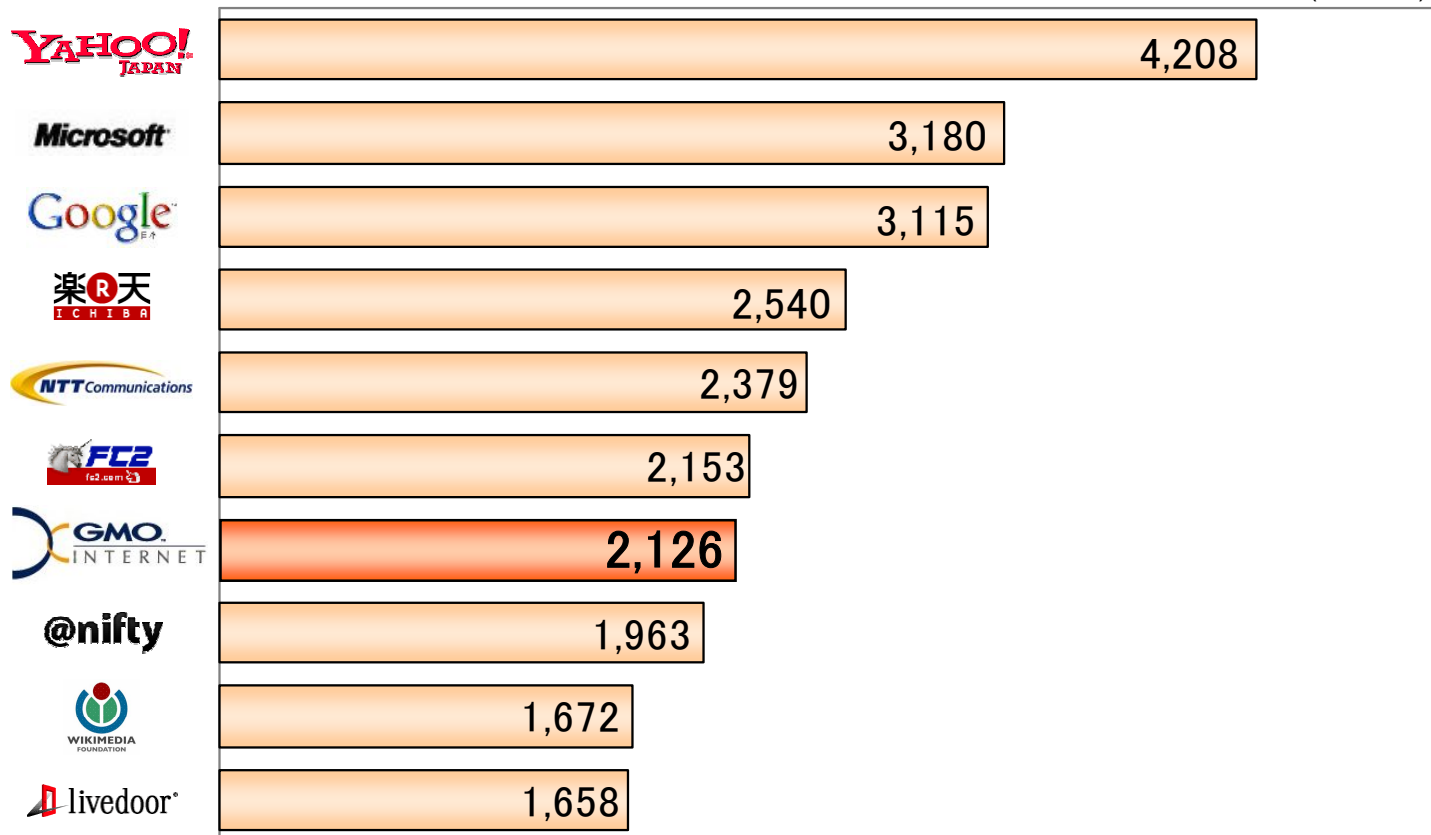
2. Internet Infrastructure

3. ビジネスモデルと成長戦略

21.26 million users

Visitors per month: Ranking

(10,000's)



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Internet Media Segment - Major Internet Media Sites

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We are not a portal site or an online shopping mall; we operate a vast line-up of services (major services popular with many of our 21.26 million users)

JWord approx. 4.83 million users



yaplog! approx. 5.85 million users



JUGEM approx. 7.89 million users



tsacup. approx. 5.84 million users



ポチポチ approx. 1.35 million users



freaml approx. 5.02 million users



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Nielsen//NetRatings, (12/2008)

*Note that Nielsen//NetRatings changed their method of calculation in October 2008 18

GMO Internet Group Strengths

1. GMO Internet Group

2. Internet Infrastructure

3. Business Model & Growth Strategy

4. Business Model & Growth Strategy

Sophisticated technology, organizational strength & a broad customer base

<p>Stable Customer Base 630,000* businesses 690,000* individuals 850,000* IDs</p>	<p>Customer Base</p>	<p>NetRatings Japan Ranking: 7 21.26 million individual users 7.47million IDs</p>
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*approximate figures

Up-Sell **X** **Cross-Sell**

<p>We Develop Our Own Technology</p> <ul style="list-style-type: none"> Overwhelming Domain & Server Market Shares Advancing into the Global Security Market E-Commerce Payment Processing operating 42 thousand stores Search / CGM 51.8 million Plugins 	<p>Marketing & Selling Power</p> <ul style="list-style-type: none"> Web Marketing 78 Sites Call Center 100 Reps On the Road 620 Sales Reps Sales Approx. 6,000 Partners 	<p>No. 1 Customer Satisfaction Support</p> <ul style="list-style-type: none"> Support Center Open 24 hours 365 days Quick Response Phone 9 secs Mail 9 mins CTI Customer Management System HDI Japan 2 Stars 	<p>Latest Industry Trends Research</p> <ul style="list-style-type: none"> Venture Capital Securing the latest business innovations Pay-per-Click Advertising On top of industry marketing trends Net Professionals 1,784 Research Panel 1.09 million members
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All supported by a formidable organizational strength!

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Main Group Companies

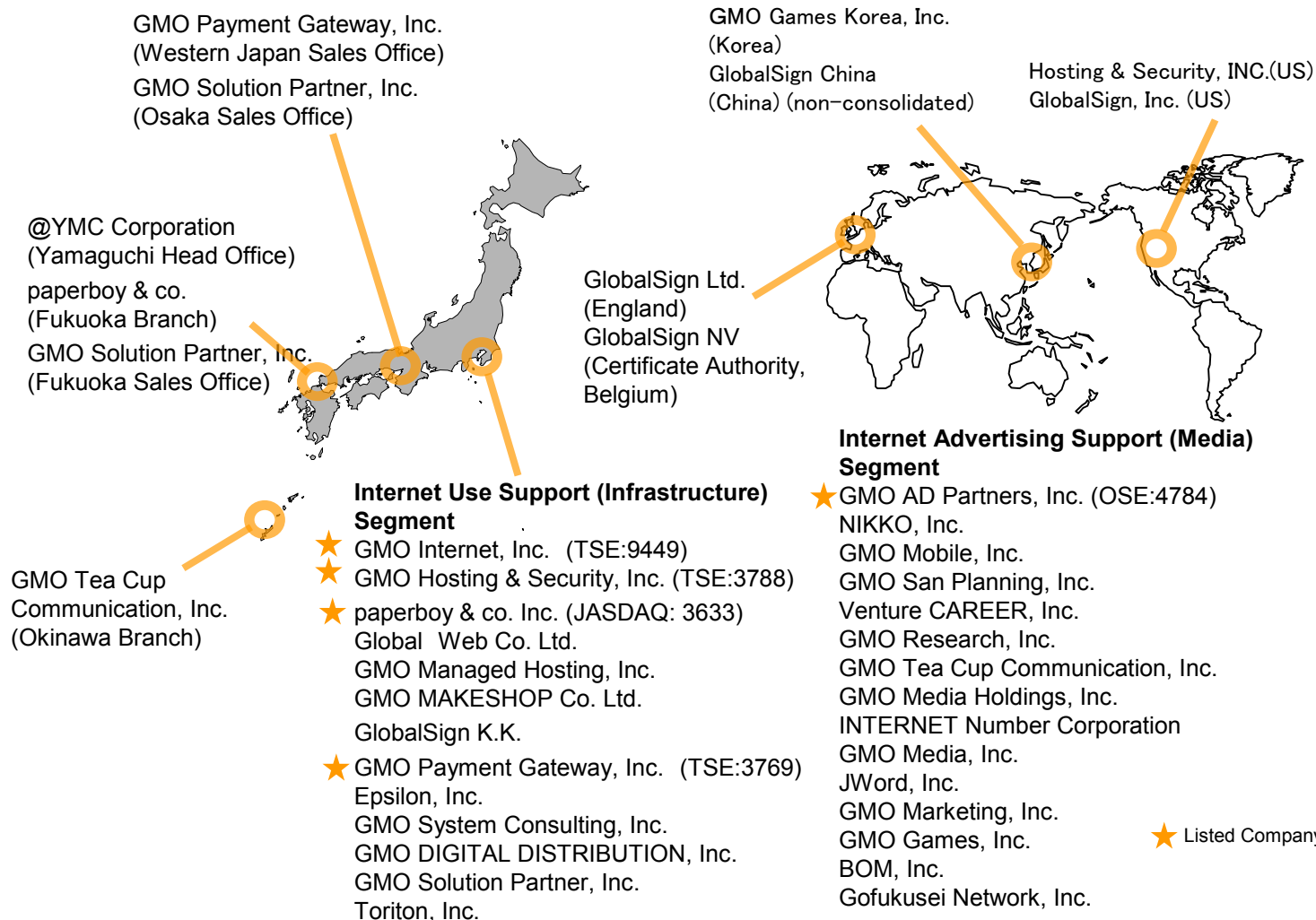
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55 Companies (consolidated: 44 non consolidated:11) 1,784 Employees



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