Japan’s Leading All-in Provider of Internet Services

GMO

Fiscal Year 2013 Third Quarter Results Presentation

GMO INTERNET

STOCK CODE 9449

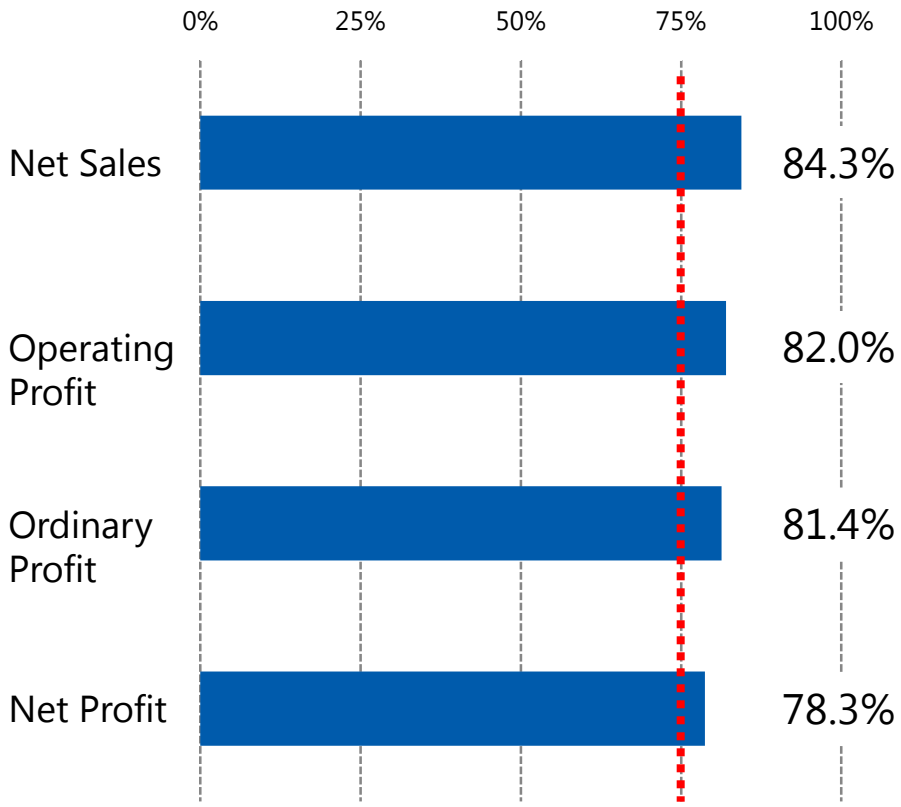
October 30, 2013

Revenue up JPY 15.9 billion, Profit up JPY 2.0 billion

(JPY billions)

	2012 9 mths to Sep	2013 9 mths to Sep	% YoY	Trend
Net Sales	54.05	69.99	+29.5%	
Operating Profit	6.58	8.61	+30.8%	
Ordinary Profit	6.56	8.54	+30.2%	
Net Profit	2.71	3.75	+38.6%	

Progress strong against initial forecasts



(JPY billions)

	Forecast	Actual
Net Sales	83.0	69.9
Operating Profit	10.5	8.6
Ordinary Profit	10.5	8.5
Net Profit	4.8	3.7

FY2013 earnings forecast revised upward

(Unit: JPY billions)	Initial Forecast (2/6)	Revised Forecast (10/30)	% Change
Net Sales	83.0	92.0	10.8%
Operating Profit	10.5	11.0	4.8%
Ordinary Profit	10.5	11.0	4.8%
Net Profit	4.8	5.0	4.2%

Dividend increase based on 33% Payout Ratio

	Yearly Dividend per Share				
	Q1	Q2	Q3	Q4	Total
Previous Forecast				JPY4	JPY14
Current Forecast				JPY5	JPY15
Actual Payout	JPY3	JPY3	JPY4		
FY2012 Payout	JPY3	JPY3	JPY3	JPY4	JPY13

Highlights

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Financial Results to September 2013

- Net Sales up: 29.5%, Profit up30.8% (YoY)
- % of FY2013 Forecast: Net Sales 84.3%, Profit 82.0%
- Earnings, dividend forecasts revised upward

Segment Report

- Web Infrastructure: 27.7% YoY revenue increase
  Over 30% growth in Security & Ecommerce
- Internet Media: 14.5% YoY revenue increase
  Strong growth in display ad networks
- Internet Securities 10.0% YoY profit growth, FX recovery in August
  KPI tuning delays in July quarter.
- Smartphone Games: 6.7% QoQ revenue decrease

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Consolidated Profit and Loss

GMO INTERNET

(JPY 100 millions)	1-9/2012	1-9/2013	YoY Change	2013 (Revised Forecast)
Net Sales	540.5	699.9	29.5%	920.0
Cost of Sales	226.7	301.7	33.0%	–
SGA	247.9	312.0	25.9%	–
Operating Profit	65.8	86.1	30.8%	110.0
Operating Profit Ratio	12.2%	12.3%	0.1pt	–
Non-Operating Revenue	3.7	3.4	-9.2%	–
Non-Operating Expenses	3.9	4.0	2.5%	–
Ordinary Profit	65.6	85.4	30.2%	110.0
Extraordinary Profit	8.5	0.2	-97.0%	–
Extraordinary Loss	4.4	8.4	88.8%	–
Corporate Tax etc.	31.6	27.7	-12.4%	–
Minority Equity	10.9	11.9	9.2%	–
Net Profit	27.1	37.5	38.6	50.0
(Corporate Tax Ratio)	45.4%	35.9%	-9.5pt	–

OP Increase

30.8%

Net Profit Up

38.6%

Consolidated Balance Sheet

GMO INTERNET

(JPY100 millions)	As of 06.30.2013	As of 09.30.2013	Change	GMO CLICK HD (as of 09.30.2013)	Change
Current Assets	3,413	3,884	13.8%	3,410	15.0%
(Cash & deposits)	465	596	28.2%	260	63.8%
Fixed Assets	216	215	- 0.6%	40	- 10.1%
(Goodwill)	33	31	-5.9%	0	- 23.5%
(Software)	35	39	11.4%	14	- 10.3%
(Investment securities)	22	28	25.6%	0	- 5.5%
Total Assets	3,630	4,099	12.9%	3,451	14.6%
Total Liabilities	3,299	3,751	13.7%	3,266	15.3%
(Interest bearing liabilities)	193	388	100.9%	243	438.4%
Net Assets (minority equity portion)	330 (102)	348 (105)	5.5% (3.5%)	184 (9)	3.4% (5.1%)
Shareholders' Equity (earned surplus portion)	228 (137)	242 (146)	6.4% (6.6%)	175 (106)	3.3% (9.2%)
(Shareholders' equity ratio)	6.3%	5.9%	- 0.4pt	5.1%	- 0.5pt
Liabilities/Net Assets Total	3,630	4,099	12.9%	3,451	14.6%

Consolidated Cash Flow

(JPY100 millions)	1-9/2012	1-9/2013	GMO CLICK HD 1-9/2013
Cash Flow from Operating Activities	4.3	9.8	-61.6
Cash Flow from Investing Activities	-14.1	-31.3	-13.5
Cash Flow from Financing Activities	78.4	147.6	196.3
Change in Cash and Equivalents	68.7	128.6	122.4
Balance of Cash and Equivalents	396.5	549.4	215.2

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Business Segments (Composition)

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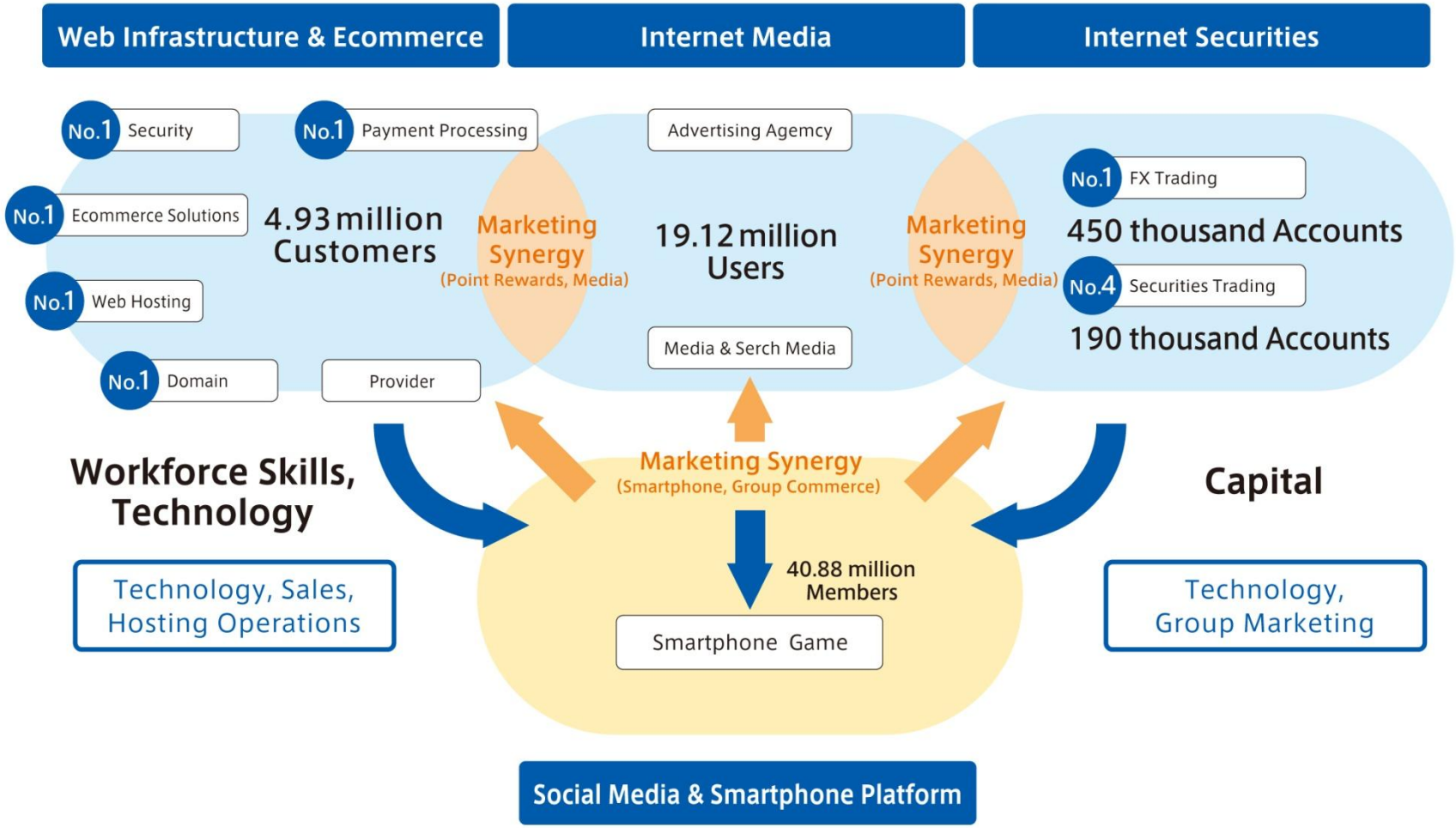
Market share growth accelerating across all segments



*9/2013 GMO Media, Inc.

Strengths - Technology

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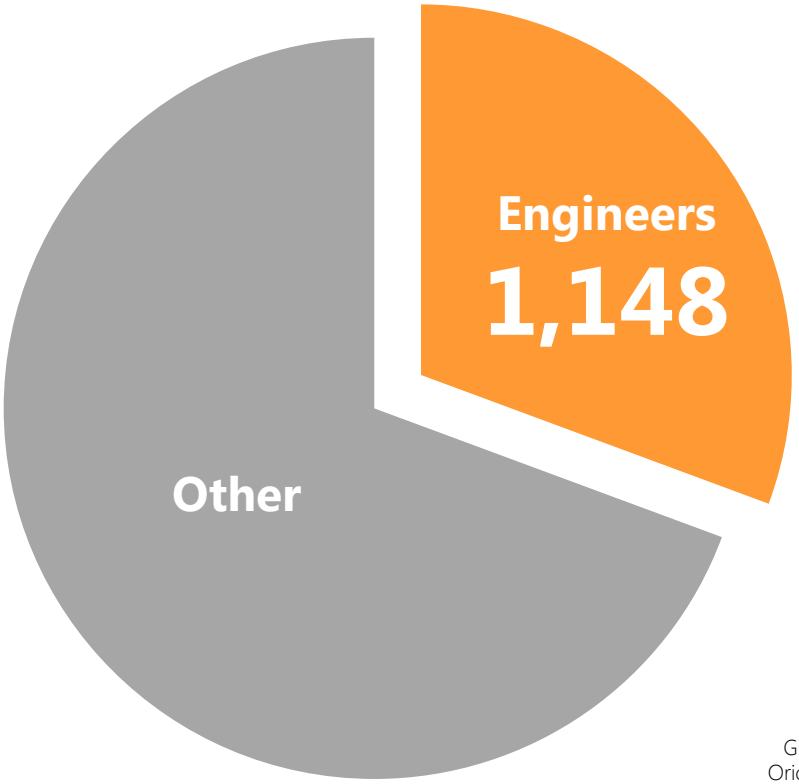
An organization built with our own hands

3,533 Group Staff



All products developed, sold and supported in-house

Number 1 in Customer Satisfaction

GMO CLICK Securities
Oricon Customer Service Awards
No.1 in FX

GMO AppsCloud
Top Award for
2 consecutive years

GMO CLOUD
2013 Business Cloud
Triple A Rating

GMO GlobalSign
SSL Global Information Security Product Excellence Award 2013

GMO Internet
Microsoft Partner of the Year 2013
Hosting Competency Award

(as of 9/2013)

Group News (1)

10/24 Epsilon partners with cloud-based software provider freee to offer solutions that automatically link payment processing data to accounting systems.

10/23 GMO Cloud partners with major Thai IDC, Internet Thailand, to launch high quality IT infrastructure for the SEA market.

10/9 Ecommerce crowd sourcing solutions launched in partnership with Lancers, one of Japan's leading crowd sourcing companies.

(Color me Shop)

10/9 Zombie Busters launched on Kakao Game in Korean market.

10/7 Mobile Suit Gundam character Lt. Matilda Ajan adopted by GMO Cloud to promote business support solutions.

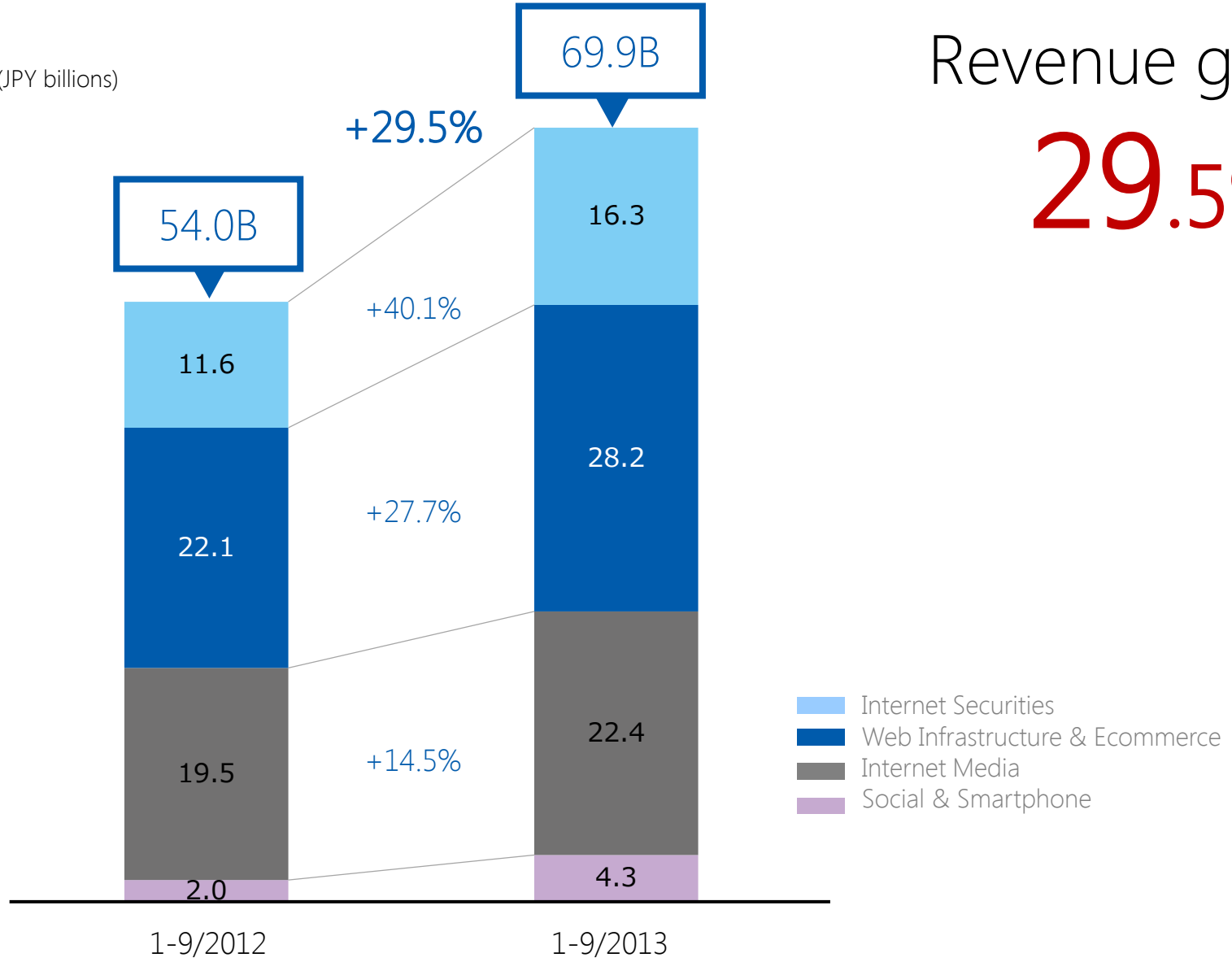
10/3 Game hosting and publishing service launched for Kakao Game platform in Korea..

Group News (2)

GMO INTERNET

10/3	GMO MEDIA	Free camera app Girls Camera achieves 11 million downloads worldwide.
10/1	GMO MEDIA	CoordiSnap social fashion app exceeds 1 million users a month.
9/30	GMO NIKKO	Ad platform, GMO MARKETING SUITE to adopt 41st Parameter device recognition technology, AdTruth.
9/11	GMO PAYMENT GATEWAY	GMO-PG Global Payment Service launches first local office in Hong Kong.
9/2	GMO REGISTRY	.tokyo becomes official partner of Tokyo Marathon 2014.
8/6	G-Gee by GMO	Excalibur, with over 1.5 million downloads in Japan and Korea, launches in Taiwan on Android™.
8/1	GMO CLICK SEC SECURITIES	GMO CLICK Securities achieves highest FX trading volume globally in the first half of 2013

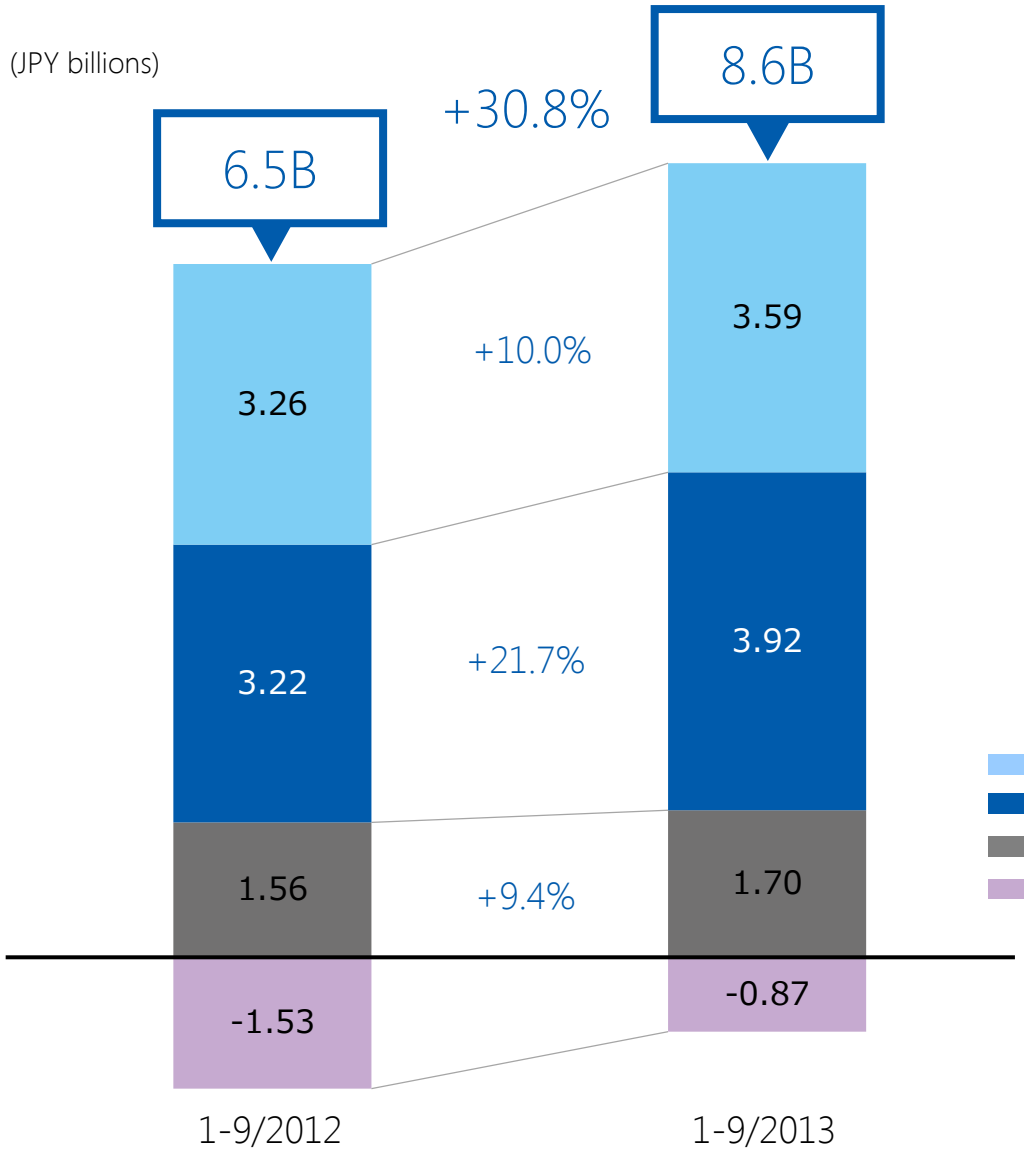
Net Sales by Segment



Revenue growth

29.5%

Operating Profit Sales by Segment



Internet Securities
Web Infrastructure & Ecommerce
Internet Media
Social & Smartphone

Profit Growth

30.8%

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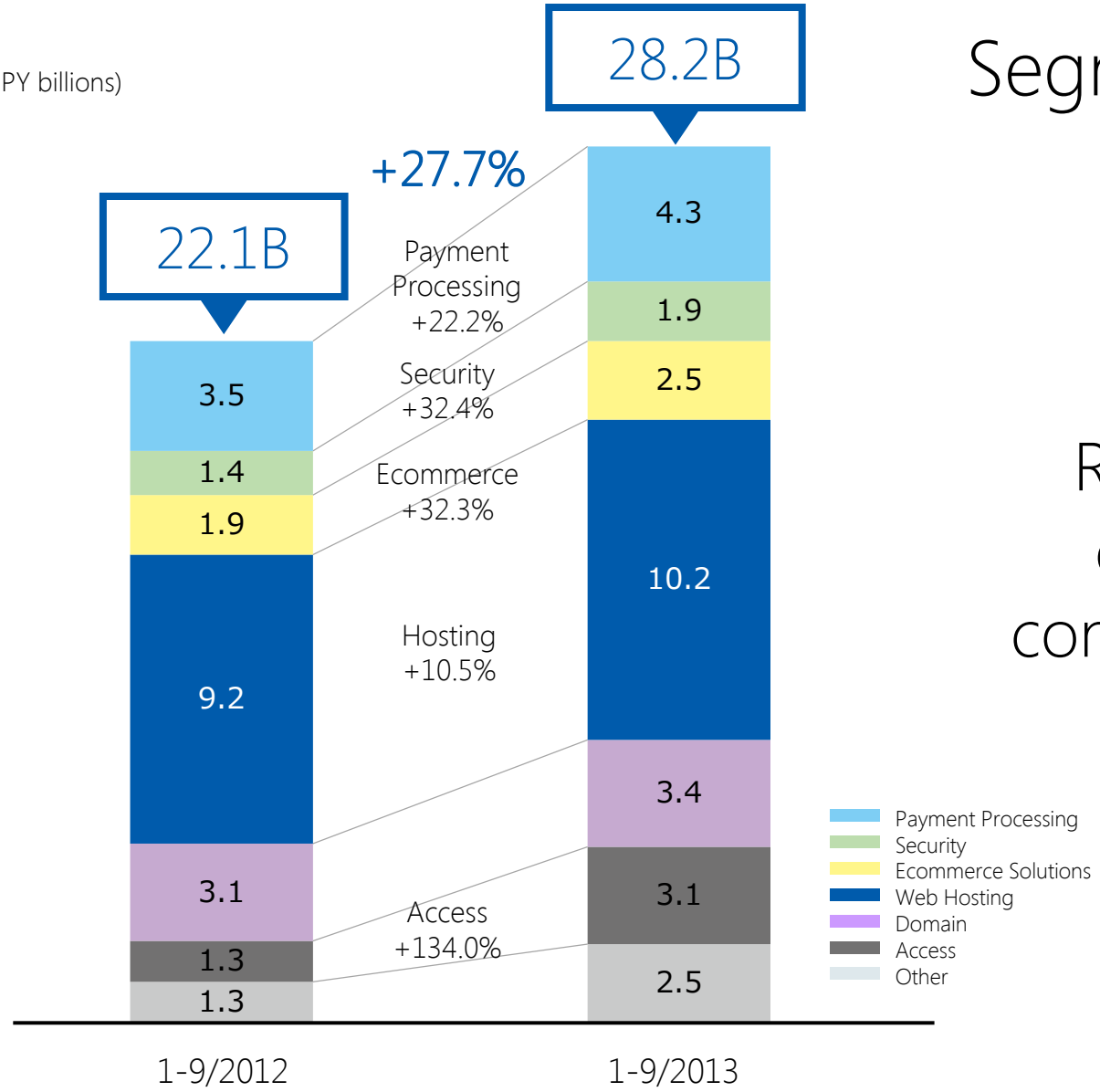
Net Sales



Segment revenue up

27.7%

(YoY)

Revenue growth over 20% for 7 consecutive quarters

Historical Performance by Quarter

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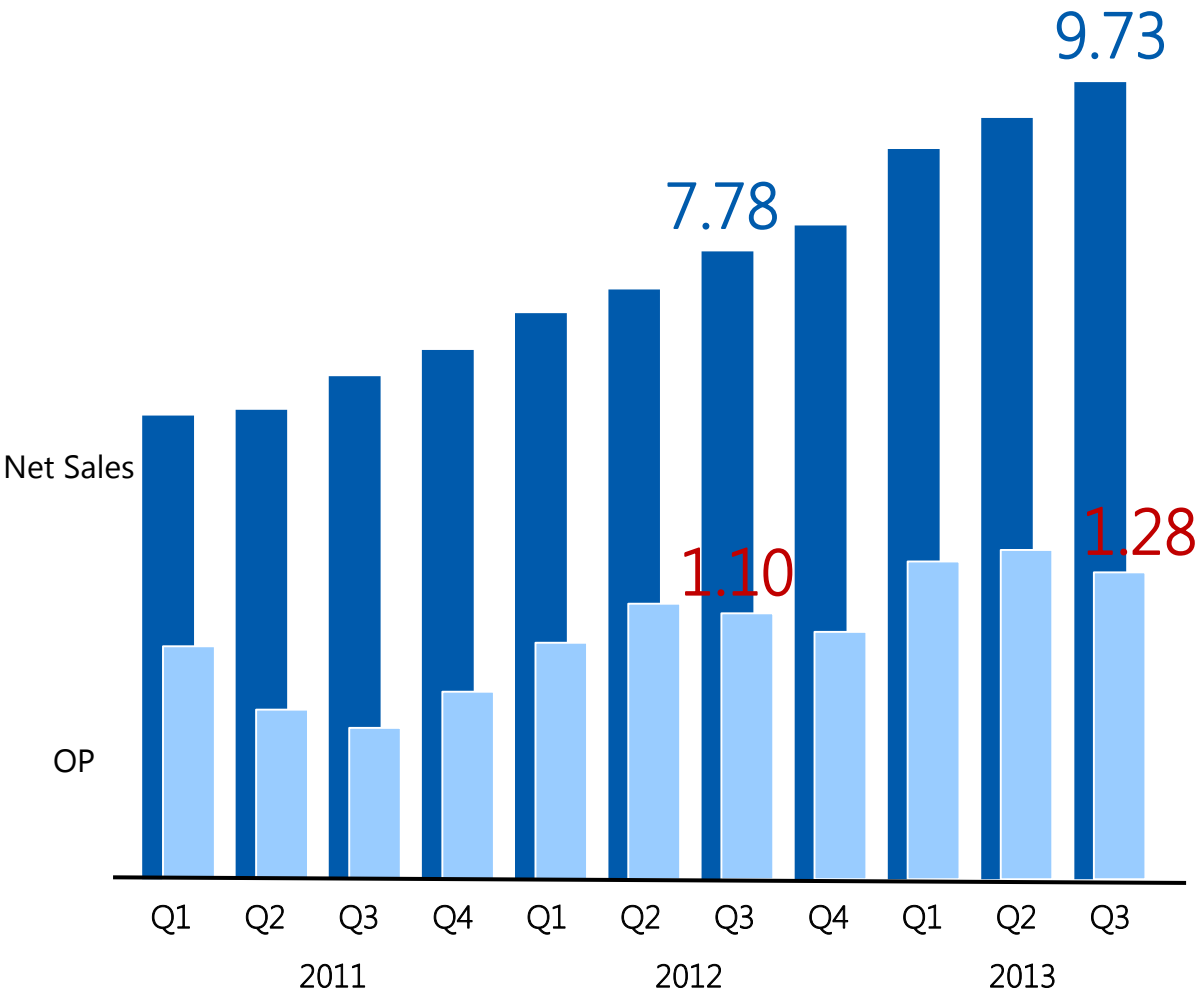
Record high revenue

(JPY billions)



Revenue up
25.1% YoY

Profit up
16.4% YoY

Segment Composition

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Number one across all infrastructure products

Strong No. 1 — Domain

Domestic gTLD market share at 90.9%

*based on our own data

Strong No. 1 — Web Hosting

Domestic market share at 55.6%

*Webhosting.info

No. 1 — Ecommerce

83,000 stores (68,000 paid stores)

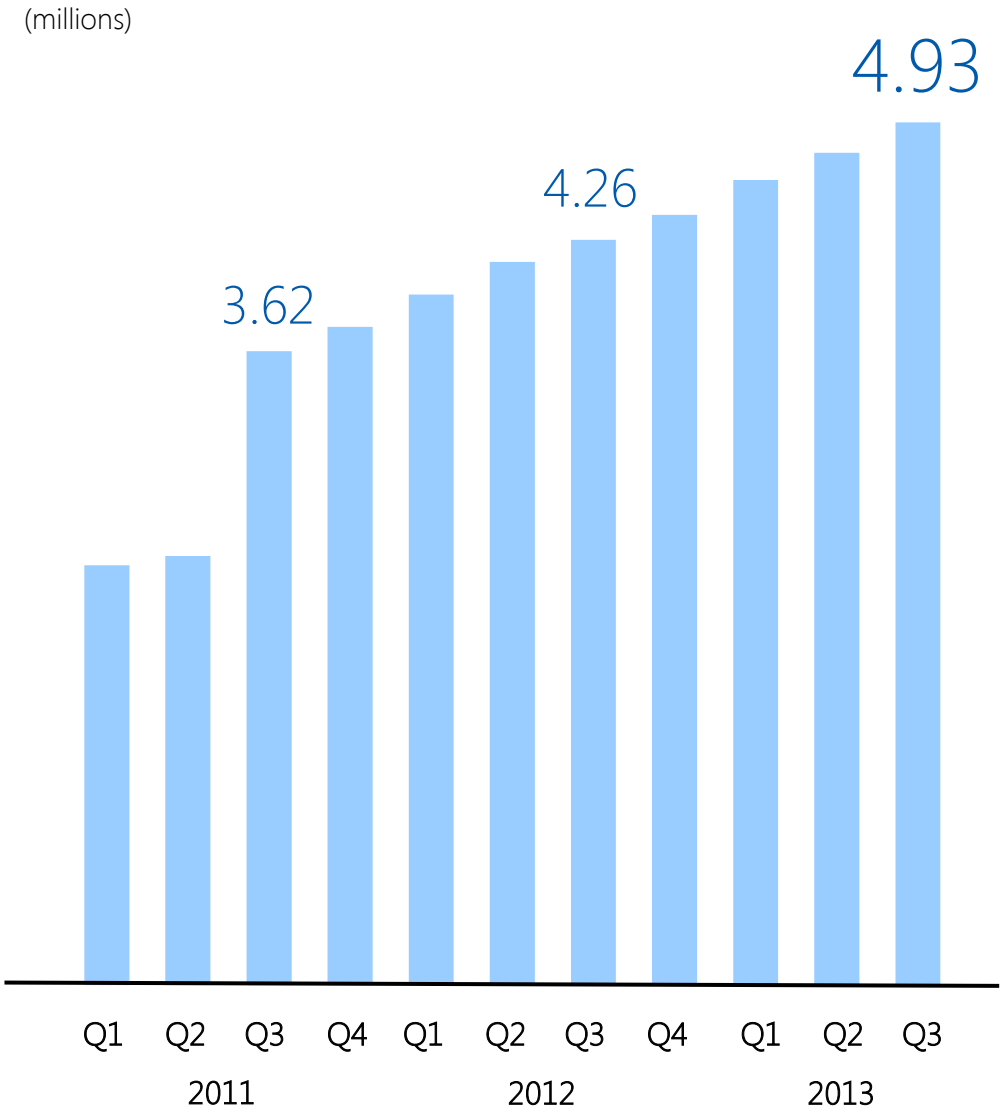
No.1 — Security

13.5% YoY increase in certificate issues

No. 1 — Payment

44,000 merchants

Web Infrastructure Contracts



4.93 million contracts

15.7% YoY growth

Security: SSL Certificate Issues

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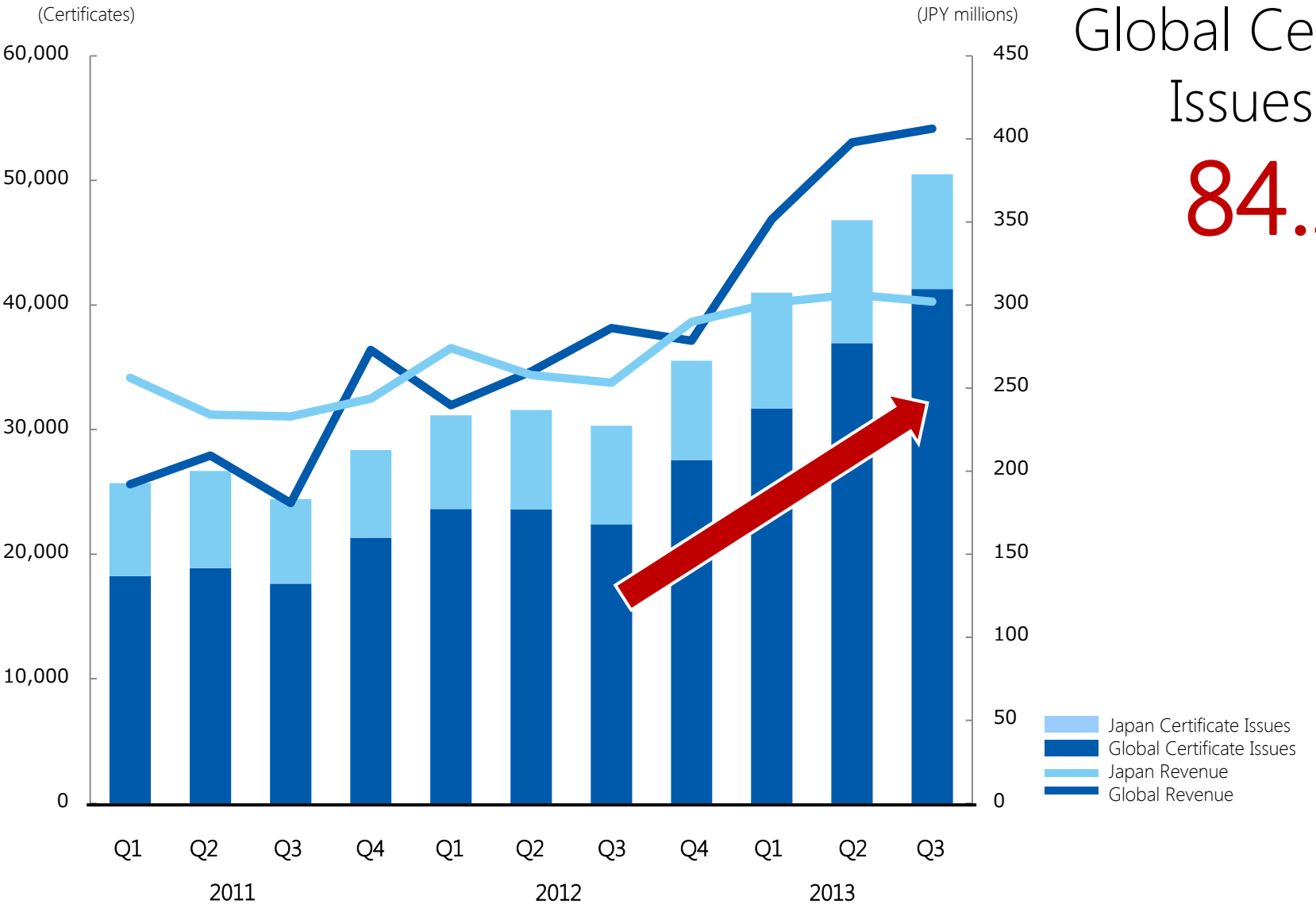
GMO CLOUD



Global Certificate Issues Up

84.3%

New Domains

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GMO REGISTRY

Preparing to launch new domains

Confirmed

- .tokyo — Spring 2014
- .nagoya — Q1 2014
- .yokohama

1H FY2014 Auction

- .osaka
- .shop
- .mail
- .inc

New domains to drive new growth in Web Infrastructure segment

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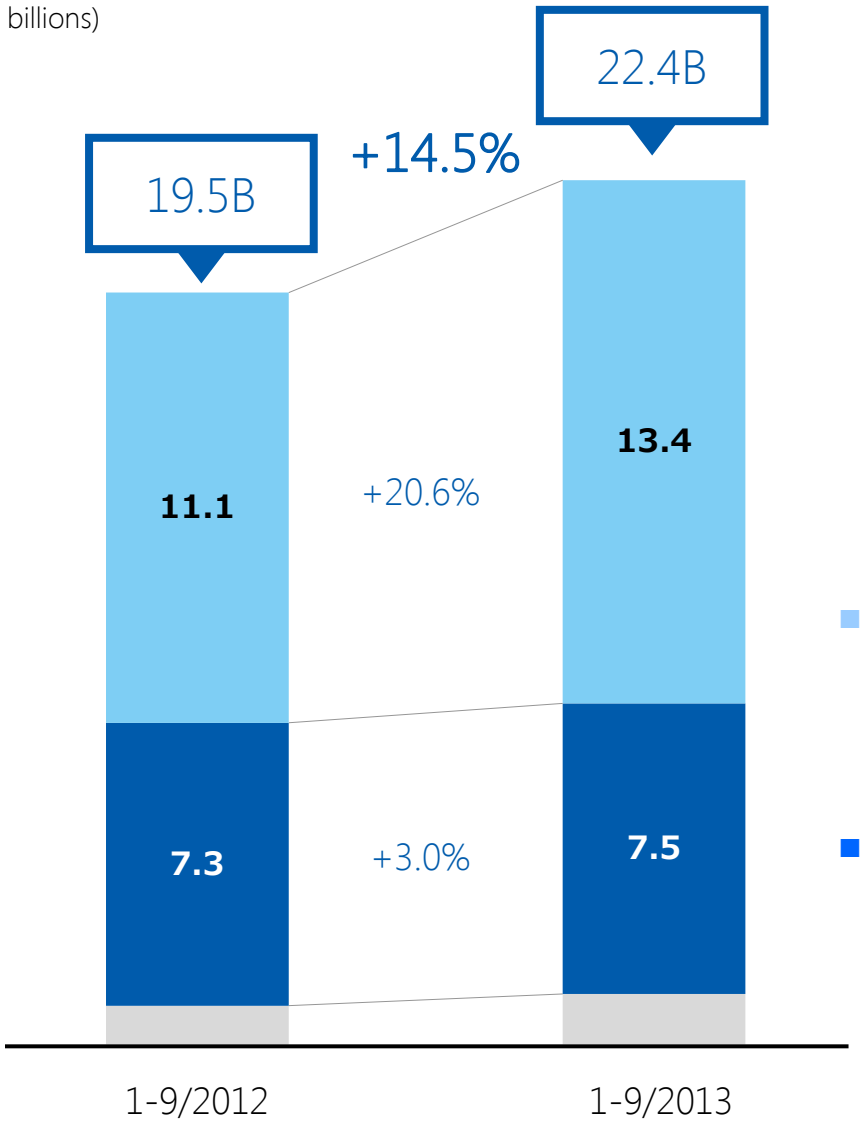
Net Sales



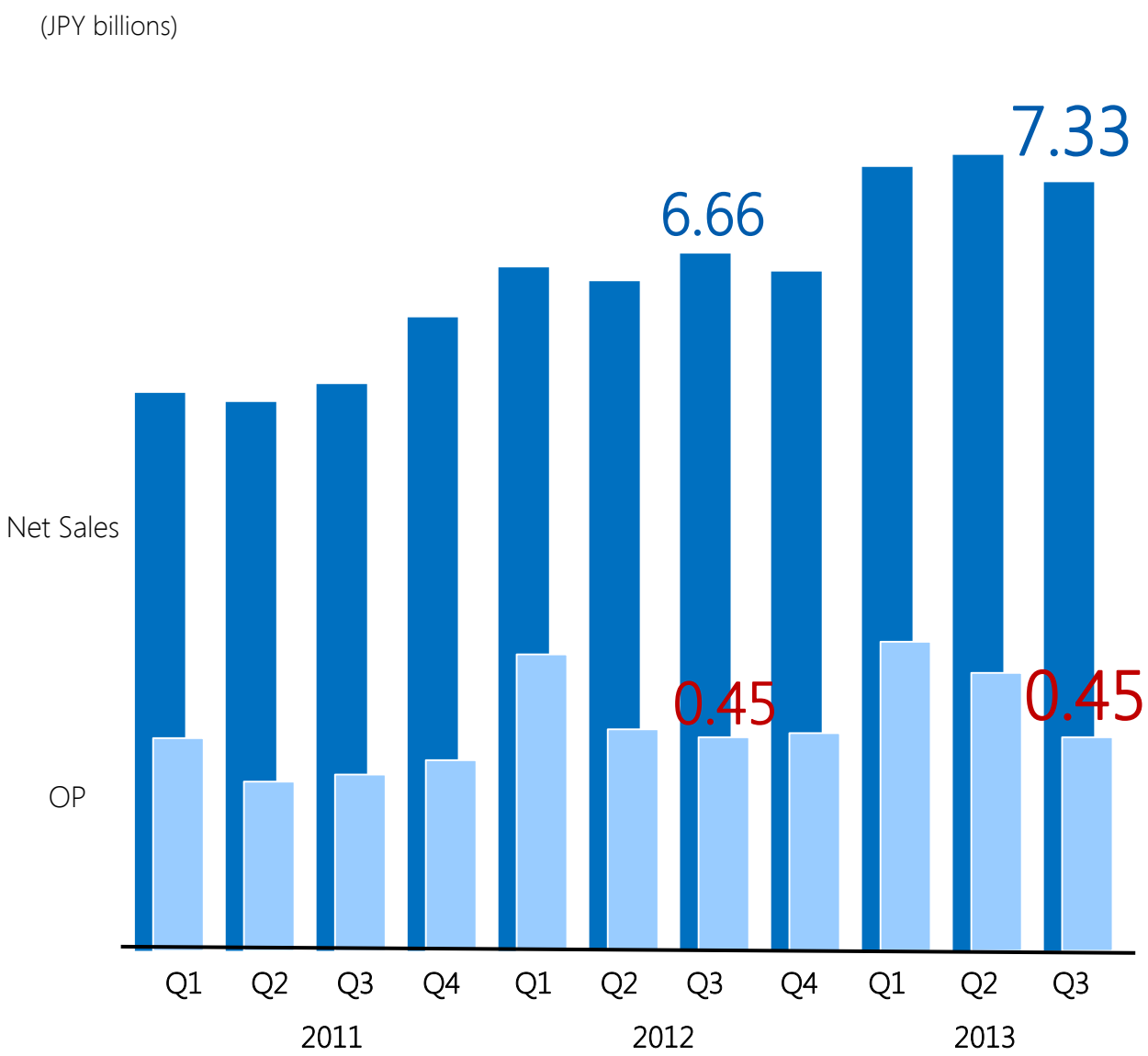
14.5%

Revenue increase

Strong display ad network

- Internet Advertising Agency
  - GMO AD PARTNERS
  - GMO NIKKO
- Media & Search Media
  - JWord
  - GMO TECH

Historical Performance by Quarter



Revenue up

10.2%

YoY

Ad Network Product Growth

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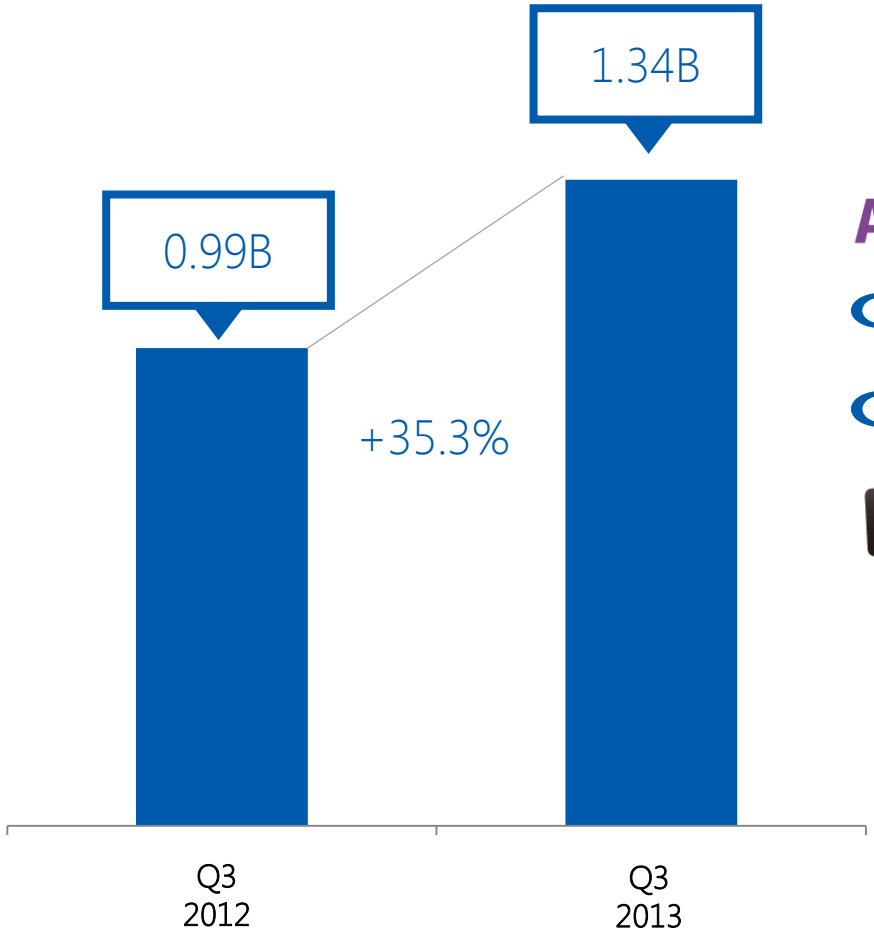
GMO ADPARTNERS

Shift from traditional display ad products to ad network distribution

(JPY billions)



ADResult by GMO

GMO SSP

GMO DSP

NeoAd by GMO

ADResult by GMO for Smartphone

GMO SSP for Smartphone

GMO DSP for Smartphone

GMO SmaAD Adnetwork

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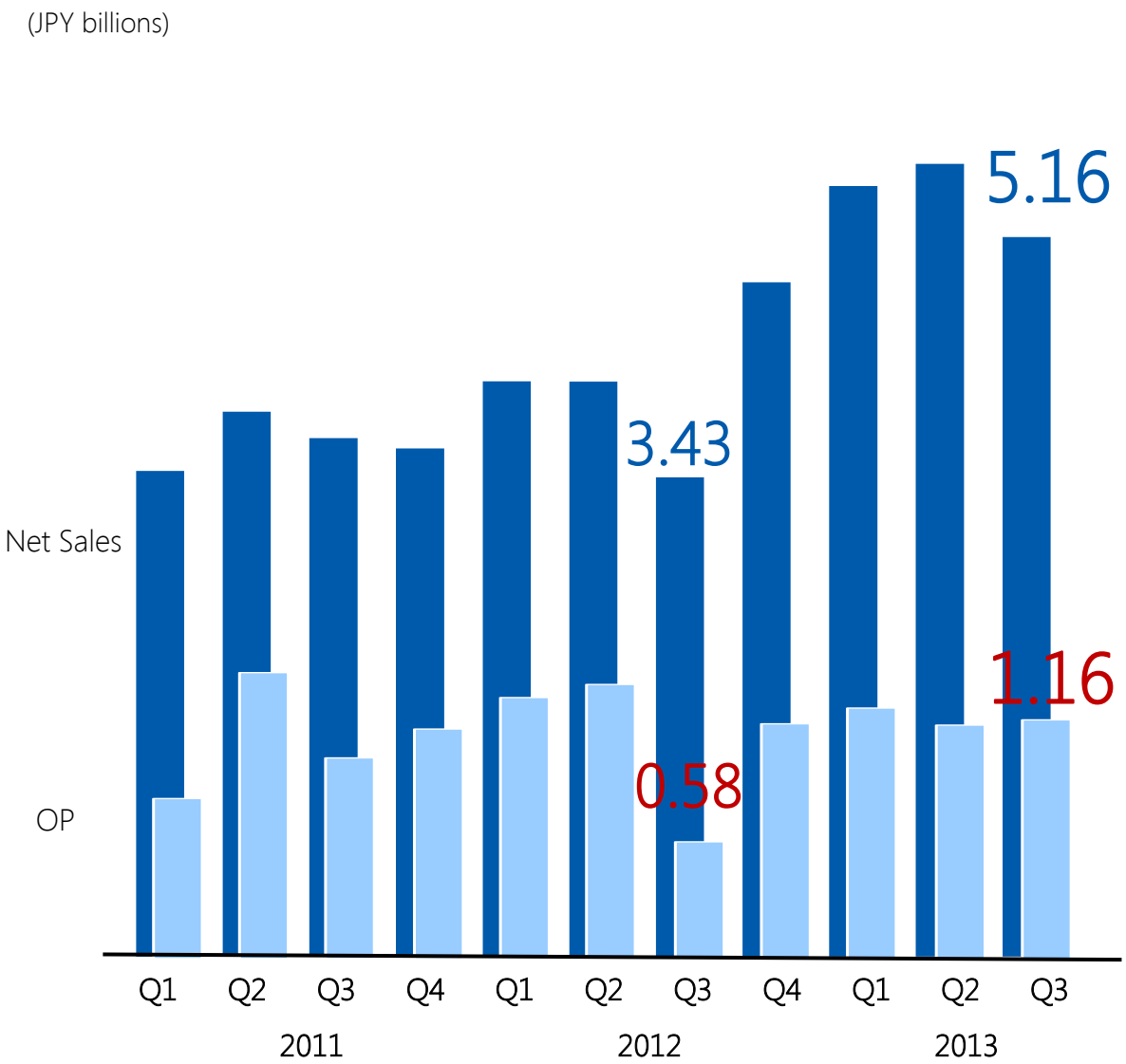

FX recovery in August

Profit maintained at around Q2 level

FX/Securities Trading Volume

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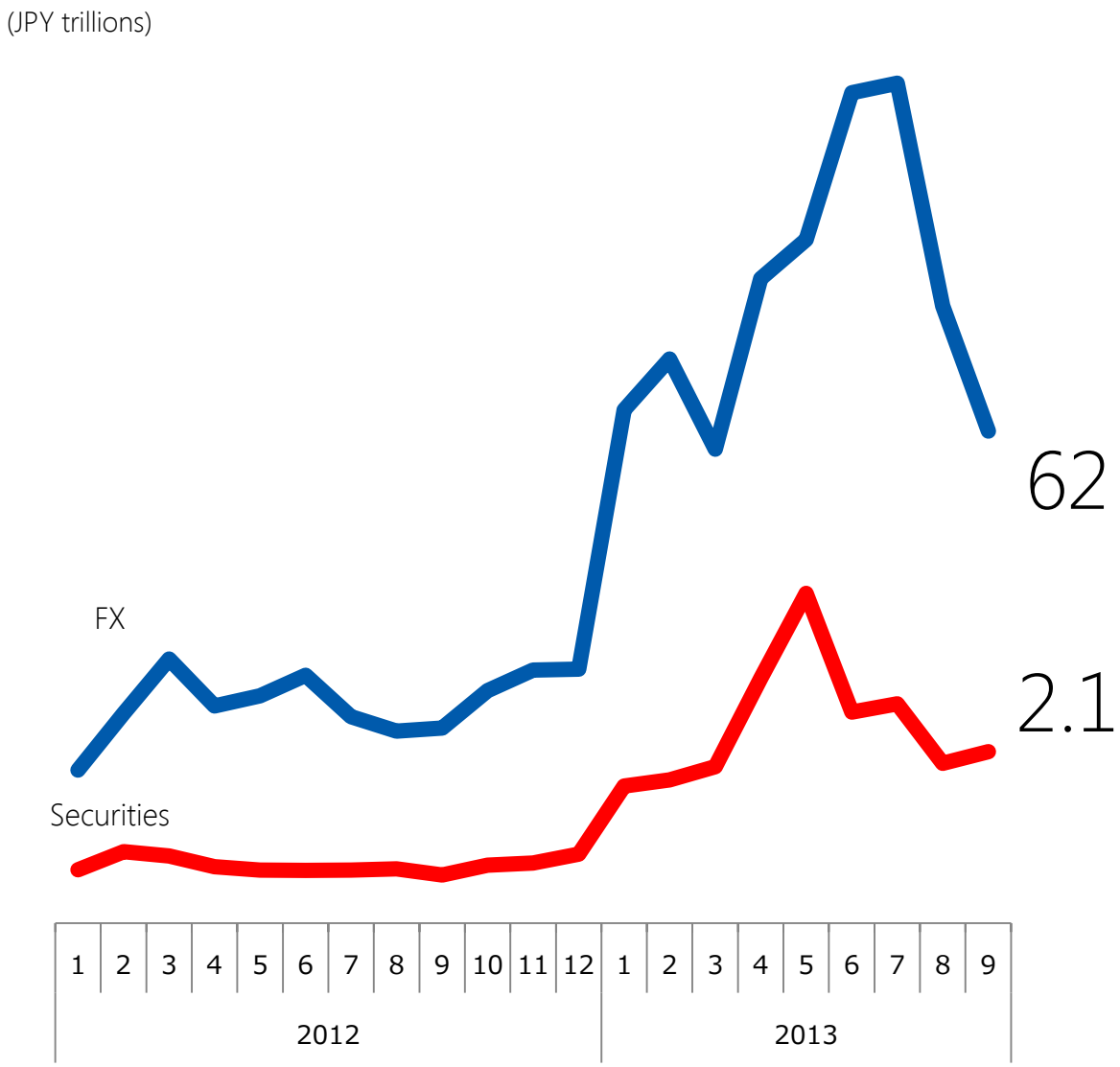
GMO CLICK | SEC SECURITIES

FXPRIME by GMO



Trading volume in FX and Securities settles back to early 2013 level

FX External Environment

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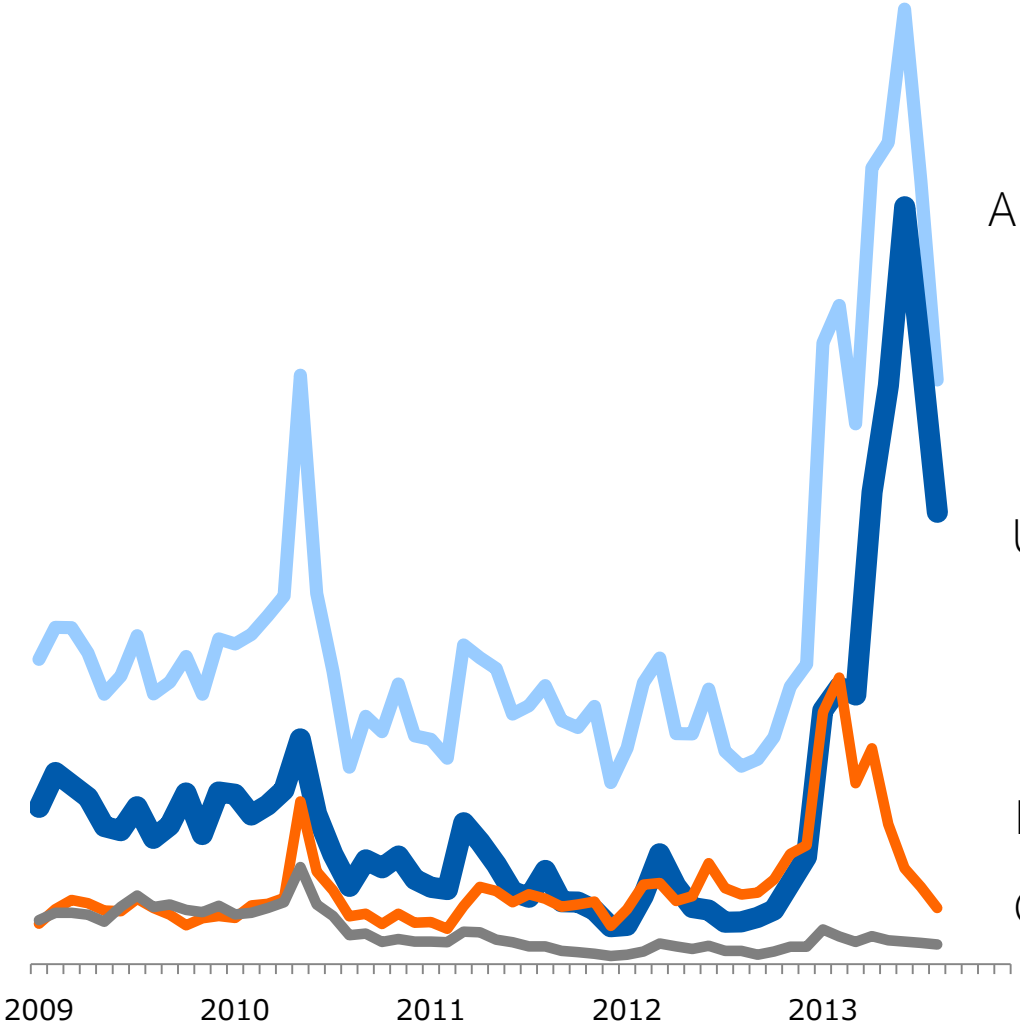
Less weight on JPY/USD trades as % of total trading volume



All currency pairs

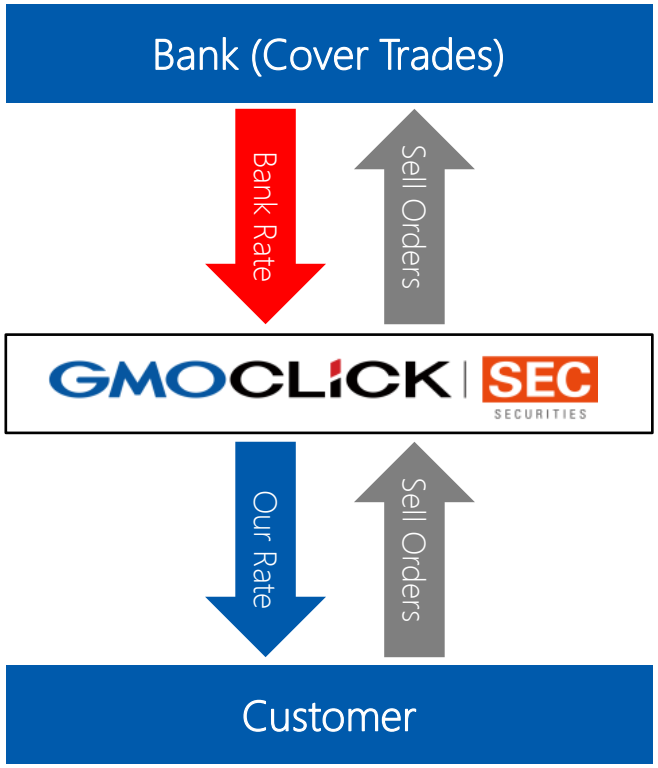
GMO CLICK | SEC SECURITIES

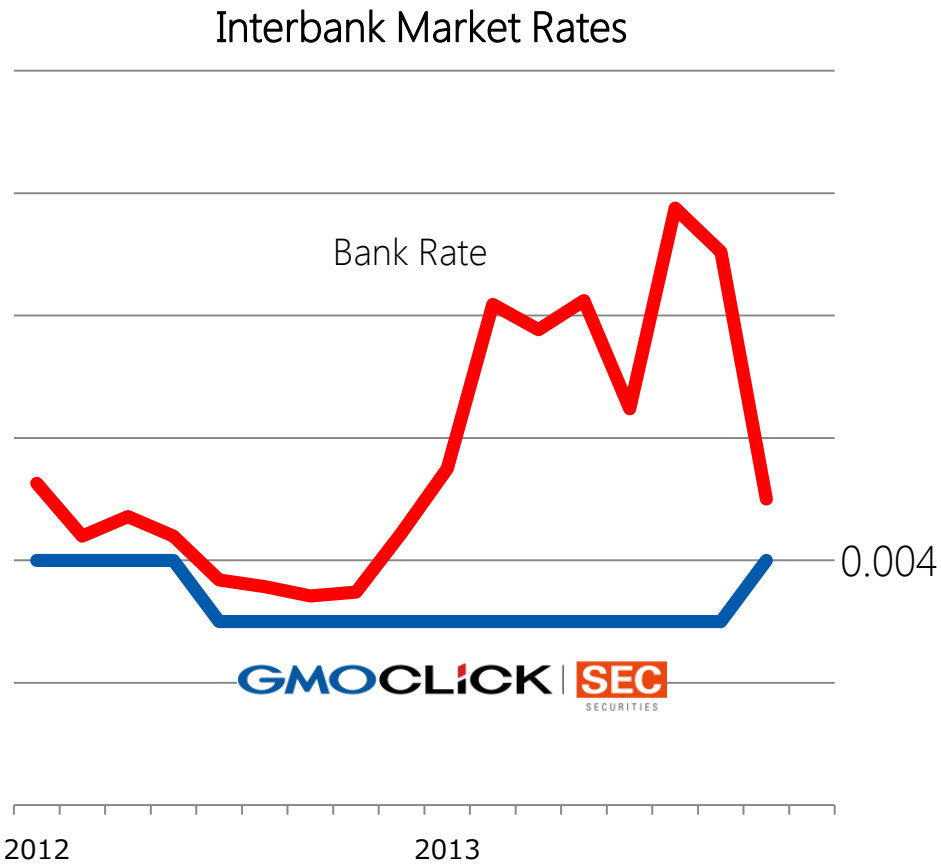
Spreads

USD/JPY	0.004 Yen
EUR/JPY	0.007 Yen
GBP/JPY	0.012 Yen

Source: Financial Futures Association of Japan (8/2013)

Bank rates normalize





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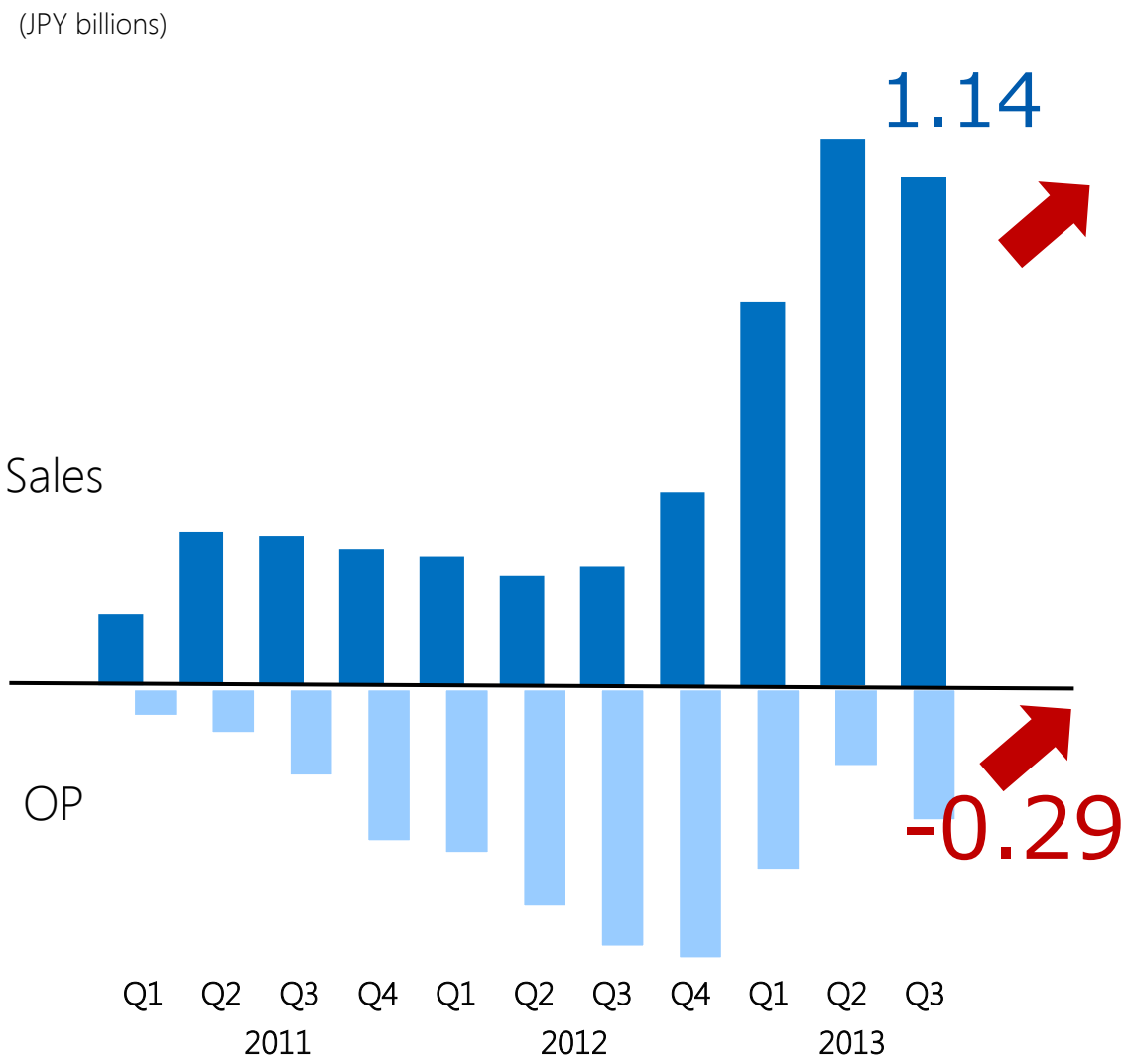
Smartphone Game Performance



Set back on profitability despite upward trend in earnings

Smartphone Games - Roadmap

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	Status as of Q3	Plans from Q4 onward
Titles	Delay in KPI tuning of major IP title	Complete tuning, transition to user acquisition phase
Native Apps	3 full native apps released	6 full native apps to be released in Q4
Multi-Market	Card battle games not performing well in iOS market	Revise iOS app strategy, enhance full native app offering
Development	Game Pot acquisition announced	Game Pot to join Group in mid-November

Smartphone Games – Expansion of Native App Offering

Bakuren-Shokan-Zeusrogia

Slot game/ RPG game.
New! User skill determines level of difficulty.

Smartphone Games – Expansion of Native App Offering

Shooting Yusha

Cute and nostalgic RPG shooting game.

Smartphone Games – Enhancing Development Strength

Game Pot, Inc.

Operator of multiple high-quality hit online game titles for PC

to join Group in mid-November

Smartphone Games – Enhancing Development Strength

Gamepot

G-Gee by GMO

Acquisition in response to evolving user needs and external environment

130 Engineers Creators	**150** Engineers Creators
PC Online Game Development/Management	Full Native, Browser App Development/Management
10M Core Users	**40M** Social Game Users

33%

Dividend Payout Ratio

Internet for Everyone

GMO INTERNET

This document includes projections based on expectations, premises and plans as of October 30, 2013. These projections may differ from actual results due to factors including changes in the global economy, competition, exchange rate fluctuations, 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.
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