



Third Quarter, Fiscal Year 2015 Results Presentation: Summary of Q&A Session

Questions were asked by institutional investors and analysts in attendance at the GMO Internet, Third Quarter Fiscal Year 2015 Results Presentation on October 30, 2015. Responses were given by Group CEO and Founder, Masatoshi Kumagai.

Q This term, we will see a big dividend payout after a gain on sale of securities, however once new accounting standards come into effect next year, we can expect a drop in dividends. What is your thinking in regarding to shareholder returns and dividends?

A (Kumagai) Due to the new accounting standards, gains on sale of shares in subsidiaries will no longer be reflected in net profit, so as you say it is possible that dividends may decrease. My thinking on this is that we need to aim to increase dividends by increasing operating profit.

Q Despite good progress toward FY2015 guidance through to the third quarter, there has been no upward revision to operating or ordinary profit forecasts. Are you planning additional investments?

A (Kumagai) As I talked about in today's presentation, in Q4 we expect to invest a further JPY700 million in minne, and JPY200 million in games. Firstly, we always strive to meet our guidance. The current higher levels of investment are linked to accelerating future growth, and I would like to see higher growth from next year onward.

Q In regard to the Daiwa Securities Group initiative, what kind of partnership would you consider to be a win-win relationship?

A (Kumagai) We will report more details later, but I think that leveraging the two companies strengths will be key. GMO Internet Group's securities division strength is in FX technology, and this could be used in the operation of the Daiwa Securities FX business. At the same time, we are not particularly strong in securities trusts or research, and I think we could consider extending Daiwa products to our customers. Going forward, I think we could also consider a partnership in securities.

Q When will GMO CLICK Securities strengthen its securities division? Also is there any link between this and the share acquisition by Daiwa announced today?

A I can't speak for Daiwa, but additional investment will be based on performance of the partnership so I think they would probably like to see an acceleration in securities.
