

Q2 FYE 12/2020 Results Presentation – Q&A

The following is a summary of questions asked by attendees at the earnings presentation to investors held on August 11, 2020. The questions are answered by Founder & Group CEO Masatoshi Kumagai and CFO Masashi Yasuda.

●Infrastructure

- 【Q1】 Why did the provider business grow significantly? Will this growth continue?
- 【A1】 From April to June, the demand for teleworking has expanded and driven business results. This may have an impact in the short term but we believe docomo Hikari, a leading service that has a low cancellation rate, will continue to generate ongoing recurring revenue and drive the growth of the provider business.
- 【Q2】 Please explain the future marketing strategy of GMO's e-contract service Agree.
- 【A2】 According to a particular questionnaire survey, 40% of the people come to work for seal impressions. We are engaged in social activities to discourage the use of seal impressions. This is an opportunity for the GMO's e-contract service Agree, which has actually grown several times year-on-year. It is not inferior to the preceding competing services in function or service. We will also take advantage of our own Certificate Authority and try to recover.
- 【Q3】 Please tell us your thoughts on the Total Accessible Market (TAM) of GMO's e-contract service Agree. How does GMO's e-contract service Agree contribute to cross-selling in the Internet Infrastructure business?
- 【A3】 [All businesses own seal impressions, so we target all 5 million businesses in Japan, from small and medium-sized enterprises to listed companies. However, more effort is needed to promote the use of GMO's e-contract service Agree, and our goal is to increase our market share by improving our price and technology. Regarding the cross-selling, we currently sell GMO's e-contract service Agree to the customers of the existing products but we believe that we will be able to sell the existing products to the customers of GMO's e-contract service Agree in the future if GMO's e-contract service Agree becomes overwhelmingly No.1, creating a good cycle.]