

**Fiscal Year 2021
First Quarter
Results Presentation**



STOCK CODE: 9449

May 12, 2021

1. Overview
2. Financial Results
3. Segment Report
 - i) Group Overview
 - ii) Internet Infrastructure
 - iii) Online Advertising & Media
 - iv) Internet Finance
 - v) Cryptoassets
4. NFT Business

Overview | Executive Summary: Q1 FY2021

(JPY billions)	Q1'20 (Jan-Mar)	Q1'21 (Jan-Mar)	YoY Change	Change	
Net Sales	53.6	61.2	+7.54	+14.1%	Record high
Operating Profit	8.28	12.47	+4.19	+50.7%	Record high
Ordinary Profit	8.05	13.54	+5.48	+68.1%	Record high
Net Profit	2.25	5.65	+3.40	+150.7%	Record high

Overview | Executive Summary: Q1 FY2021

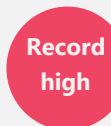
Evaluation

Internet Infrastructure

Net sales
OP

JPY **33.9B** (Up **8.3%** YoY)
JPY **4.74B** (Up **22.5%** YoY)

Consumption increased due to stay-at-home orders. Services each hold top share in their respective markets in Japan, which is our strength.



Online Ad & Media

Net sales
OP

JPY **13.6B** (Up **10.9%** YoY)
JPY **0.64B** (Up **264%** YoY)

Affected by the strong customer demand for advertisements. Recovery trend in Online Advertising & Media.



Internet Finance

Net sales
OP

JPY **8.2B** (Down **10.1%** YoY)
JPY **3.10B** (Down **8.7%** YoY)

Steady growth in FX and CFD. Achieved landings comparable with the previous year.



Cryptoassets

Net sales
OP

JPY **6.8B** (Up **377%** YoY)
JPY **4.02B** (Up **843%** YoY)

In addition to the volatile market, five years of investment bore fruit, entering into the harvest season.

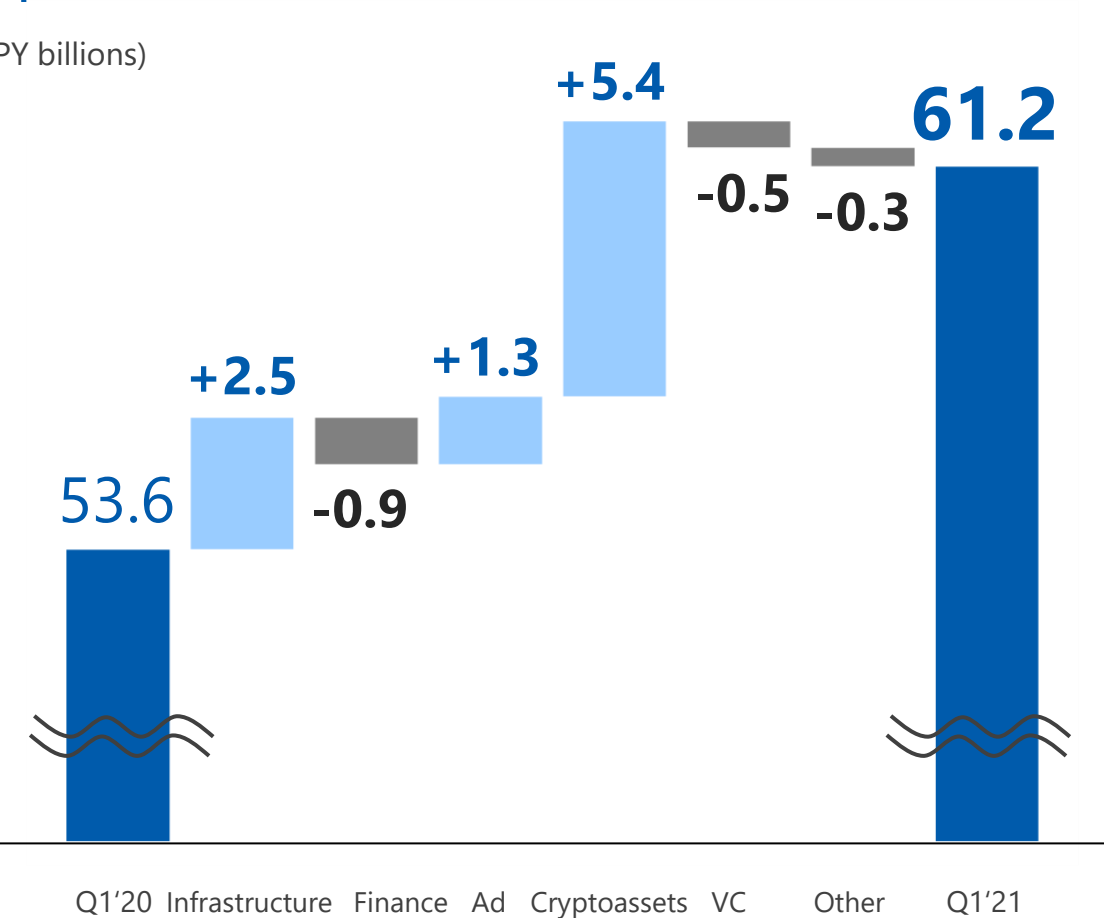


Overview | Executive Summary: Q1 FY2021

Net sales

Up 7.5B YoY

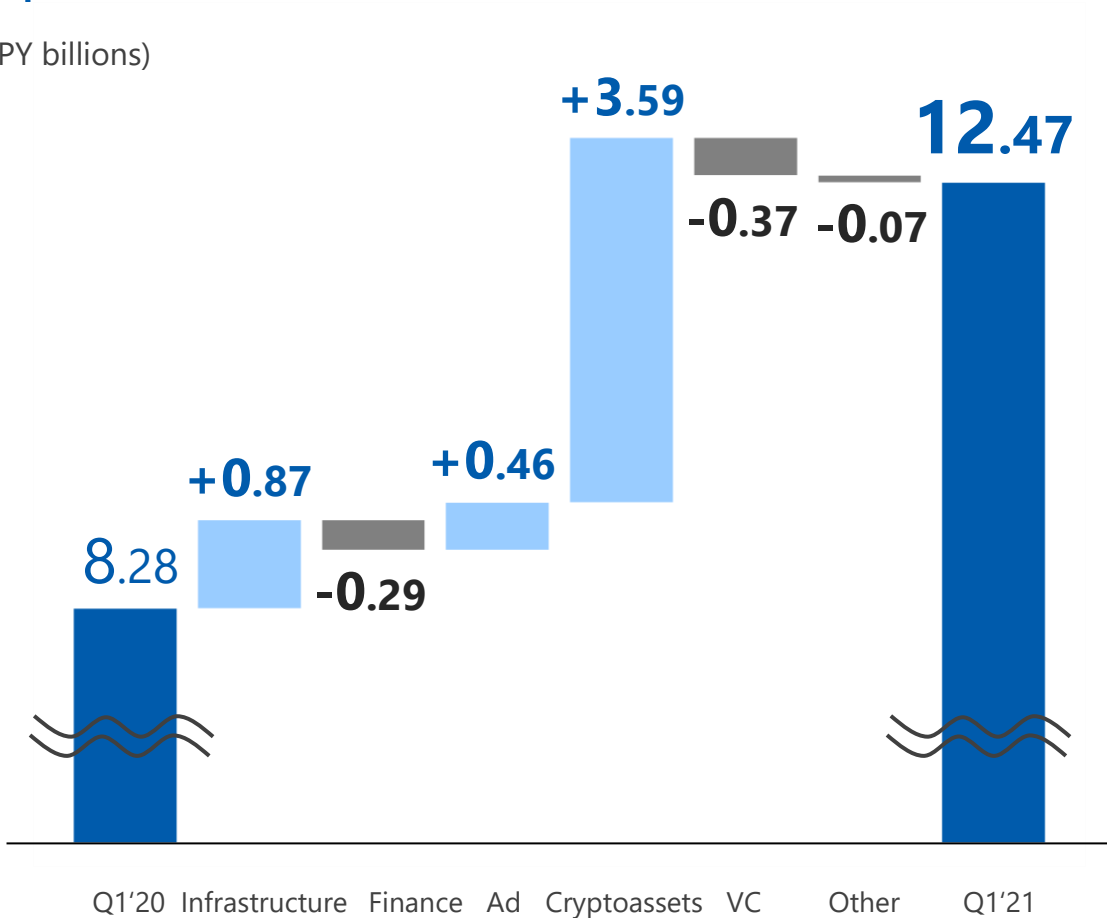
(JPY billions)



OP

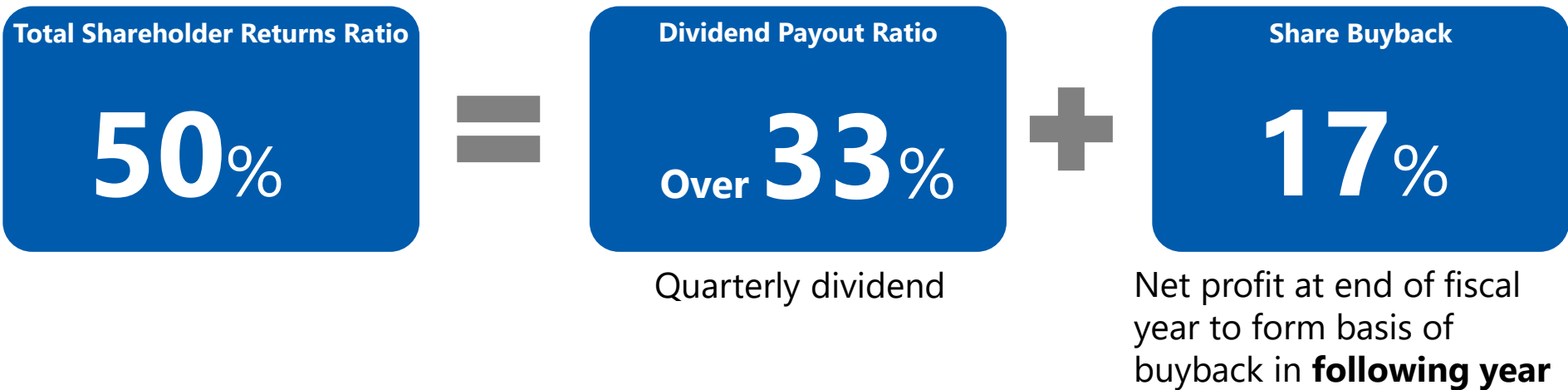
Up 4.19B YoY

(JPY billions)



Overview | Shareholder Returns (Policy and Actual)

Policy



Dividend per share

(JPY)	Q1	Q2	Q3	Q4	Annual
FY2020	6.60	6.20	7.40	10.60	30.8
FY2021	17.1	-	-	-	-

Up

Repurchase of Own Shares*

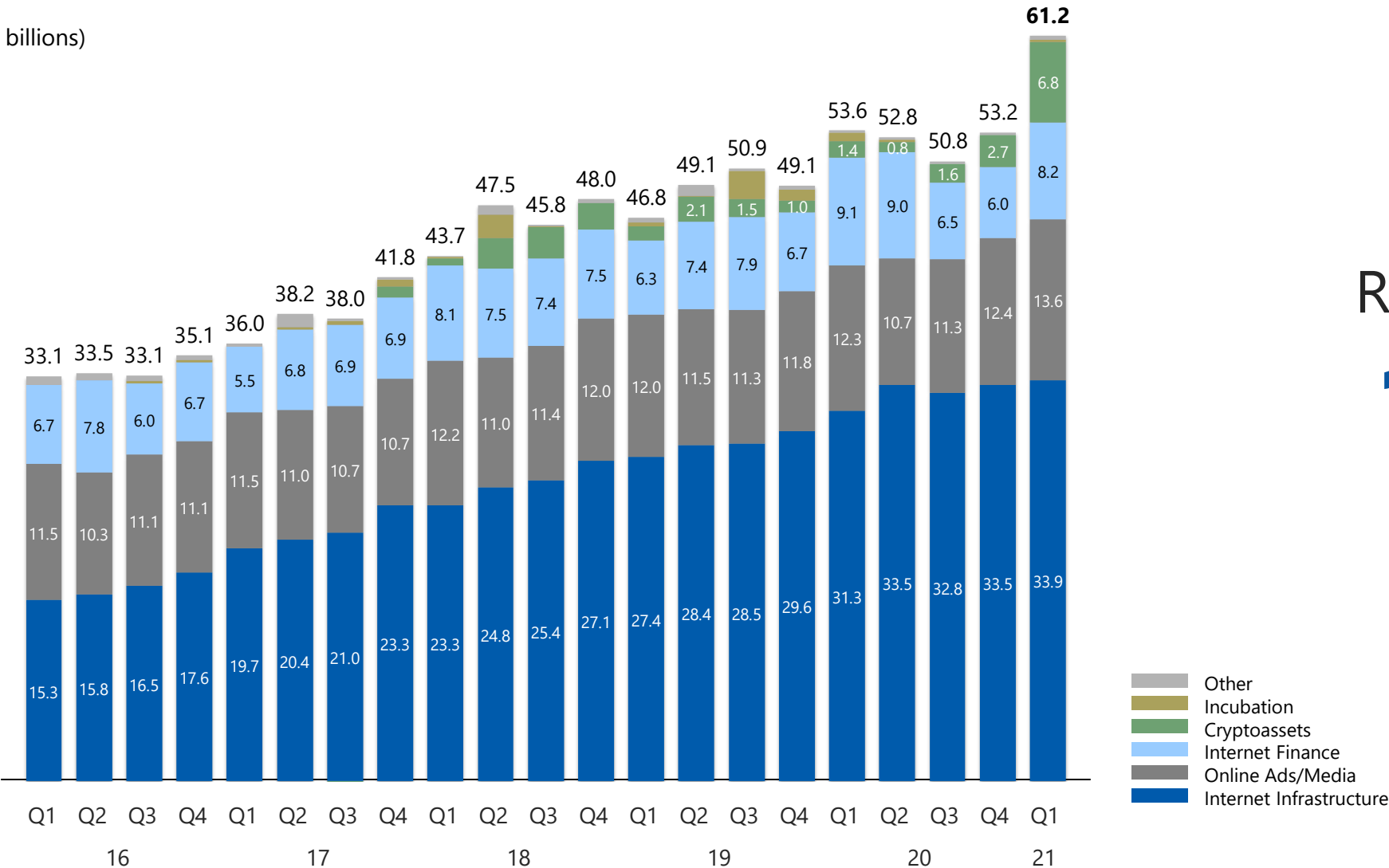
Total cost of share acquisition: up to JPY 5.63B. No progress in Q1.

* Repurchase resolved at the Board of Directors meeting held on February 12, 2021

1. Overview
2. Financial Results
3. Segment Report
 - i) Group Overview
 - ii) Internet Infrastructure
 - iii) Online Advertising & Media
 - iv) Internet Finance
 - v) Cryptoassets
4. NFT Business

Financial Results | Net Sales by Segment

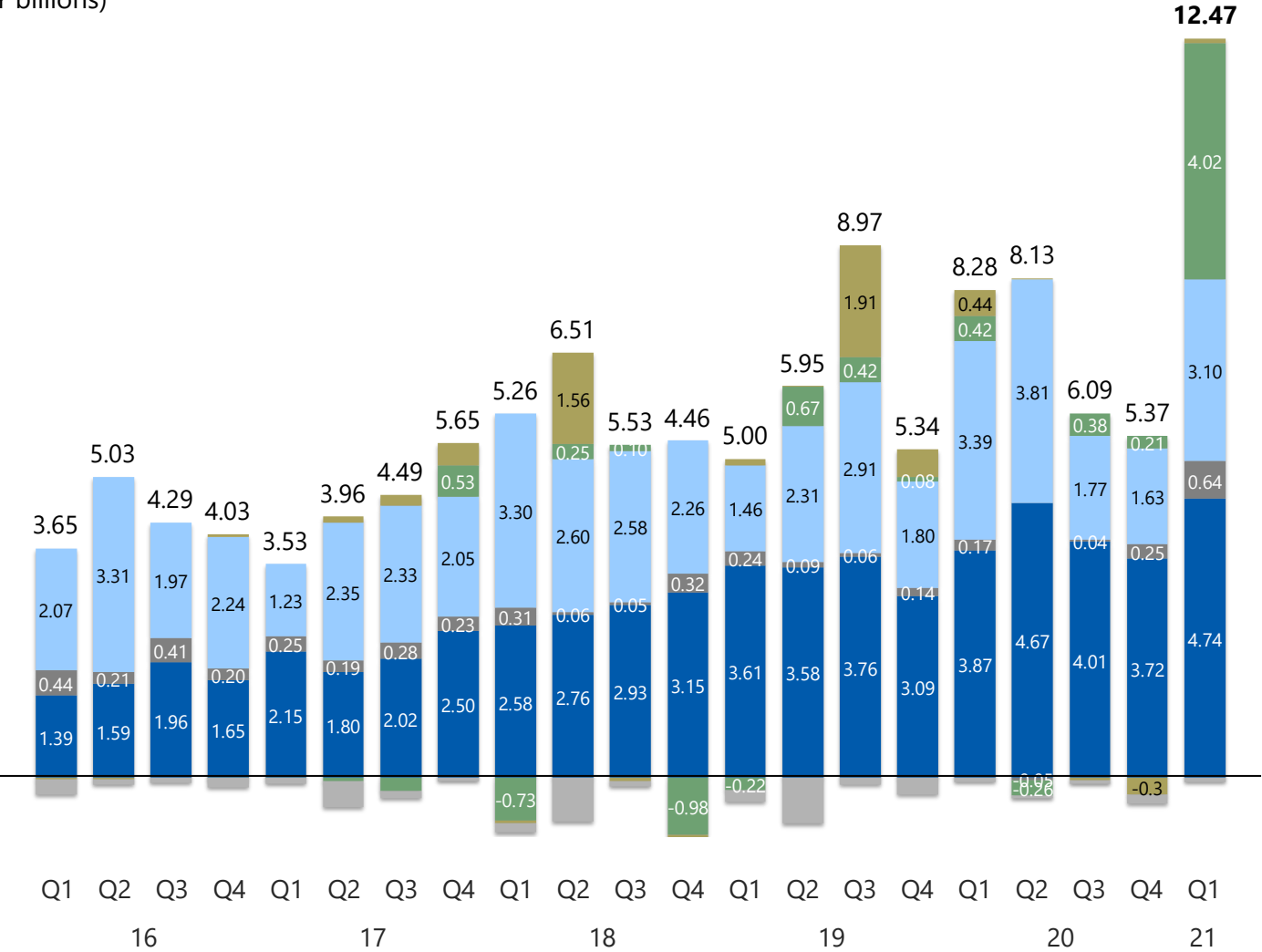
(JPY billions)



Revenue up
14.1%
YoY

Financial Results | Profit by Segment

(JPY billions)



Profit up
50.7%
YoY

Cryptoassets is the
third pillar of
business

- Other
- Incubation
- Cryptoassets
- Internet Finance
- Online Ads/Media
- Internet Infrastructure

1. Overview
2. Financial Results
3. Segment Report
 - i) Group Overview
 - ii) Internet Infrastructure
 - iii) Online Advertising & Media
 - iv) Internet Finance
 - v) Cryptoassets
4. NFT Business

Group Overview | Listed Group Companies: Equity Share

Stock Code	Stock Name	Exchange	Market Cap ^{*1} (JPY billions)	% Ownership ^{*2}	Equity Share (JPY billions)
9449	GMO Internet	TSE1	336.7		
3769	GMO Payment Gateway	TSE1	934.4	41.3%	385.6
7177	GMO Financial Holdings	TSE JQS	97.8	65.5%	64.0
4051	GMO Financial Gate	TSE MOTHERS	66.6	24.0% ^{*3}	16.0
3788	GMO GlobalSign HD	TSE1	62.4	51.8%	32.3
3633	GMO Pepabo	TSE1	31.8	59.4%	18.8
4784	GMO AD Partners	TSE JQS	8.6	57.2%	4.9
6180	GMO Media	TSE MOTHERS	3.8	66.4%	2.5
3695	GMO Research	TSE MOTHERS	3.2	54.9%	1.7
6026	GMO TECH	TSE MOTHERS	2.2	54.1%	1.2
Group Total			1,547.9^{*4}		527.4

*1 Market value as of May 11, 2021

*2 Includes indirect holdings (as of the end of March)

*3 GMO Internet owns 24.0% of GMO-FG indirectly through GMO-PG

*4 Calculated as the sum of the listed market cap values

Group Overview | Business Segments (Composition)

Internet Finance

13.0%

No.1 FX Trading

No.6 Securities Trading

1,382,000 Accounts

Cryptoassets

10.8%

Mining Trading

374,000 Accounts

Online Advertising
& Media

21.6%

Media Advertising

No.1 Domain Registry

No.1 Domain Registrar

No.1 Hosting & Cloud

No.1 eSignature

No.1 SSL Certificates

No.1 Payment

No.1 Ecommerce Solutions Provider (ISP)

3 months to March 2021
Consolidated Sales

JPY61.2 B

Internet
Infrastructure

53.6%

11.71million Customers

Solid revenue base

13.47M customers

(Infrastructure and Finance)

Up

0.42M

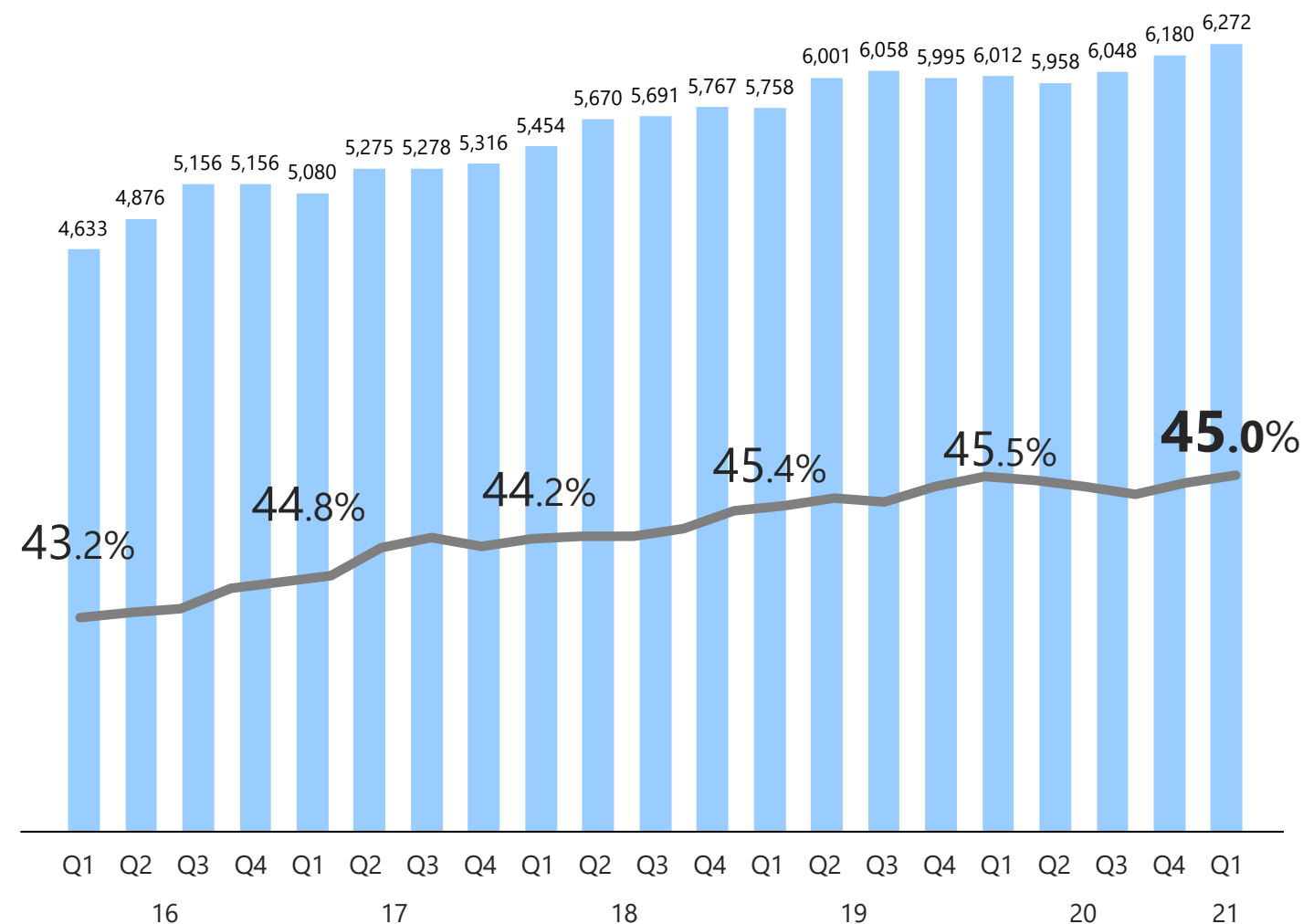
YoY

*Net sales ratio is calculated based on the numbers before cancelling inter-segment transactions.

*Number of customers is an aggregate number of customers (the actual number) in Infrastructure, Finance, and Cryptoassets segments.

*Regarding Internet Finance, the number of accounts does not include GMO Aozora Net Bank's accounts.

Group Overview | Strengths: Technology



Goal: Workforce of
over **50%**
engineers

1. Overview
2. Financial Results
3. Segment Report
 - i) Group Overview
 - ii) Internet Infrastructure**
 - iii) Online Advertising & Media
 - iv) Internet Finance
 - v) Cryptoassets
4. NFT Business

Internet Infrastructure | Collection of No. 1 services

Strong
No. 1

Domain Registry

GMO REGISTRY GMO Brights Consulting

Domestic market share at

82.5%¹

Strong
No. 1

Domain Registrar



Domestic market share at

84.0%²

No. 1

Hosting & Cloud



Domestic market share at

57.9%³

No. 1

eSignature

電子印鑑なら



186K accounts

No. 1

ASP Cart



64,580 paid stores

No. 1

Security



Domestic market share at

50.5%⁴

No. 1

Payment



184,355 merchants

No. 1

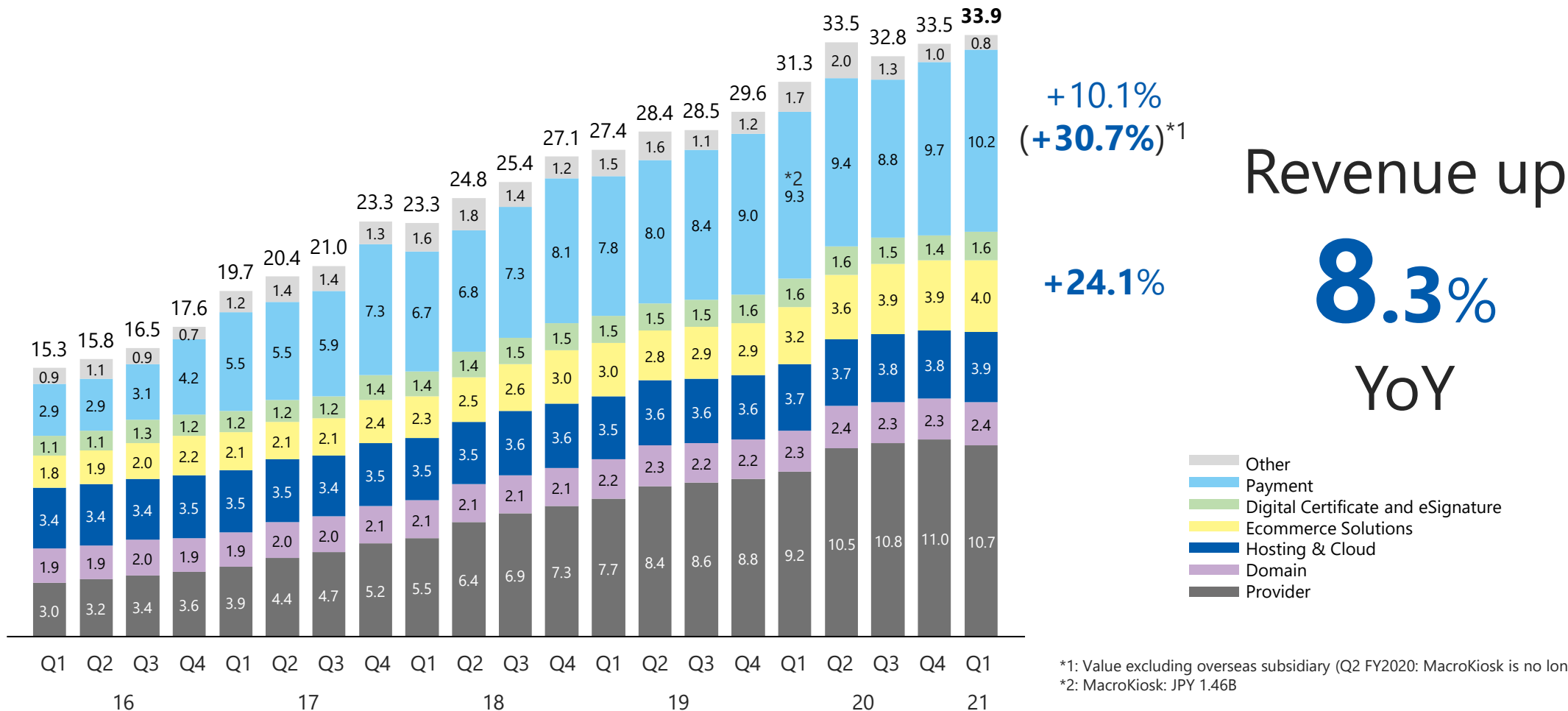
Provider (ISP)



No. 1⁵
provider in terms of customer satisfaction

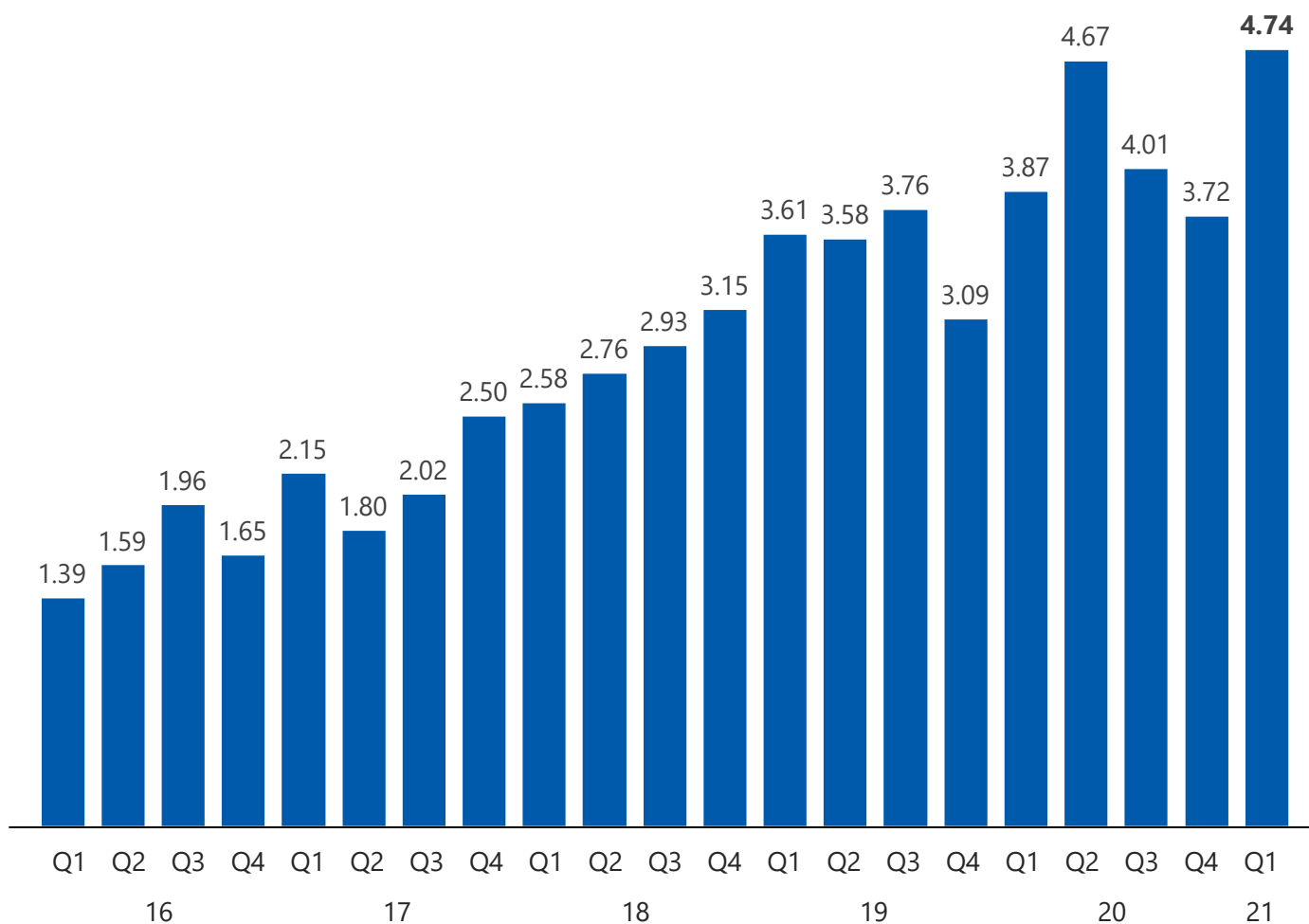
Internet Infrastructure | Net Sales by Sub-Segment

(JPY billions)



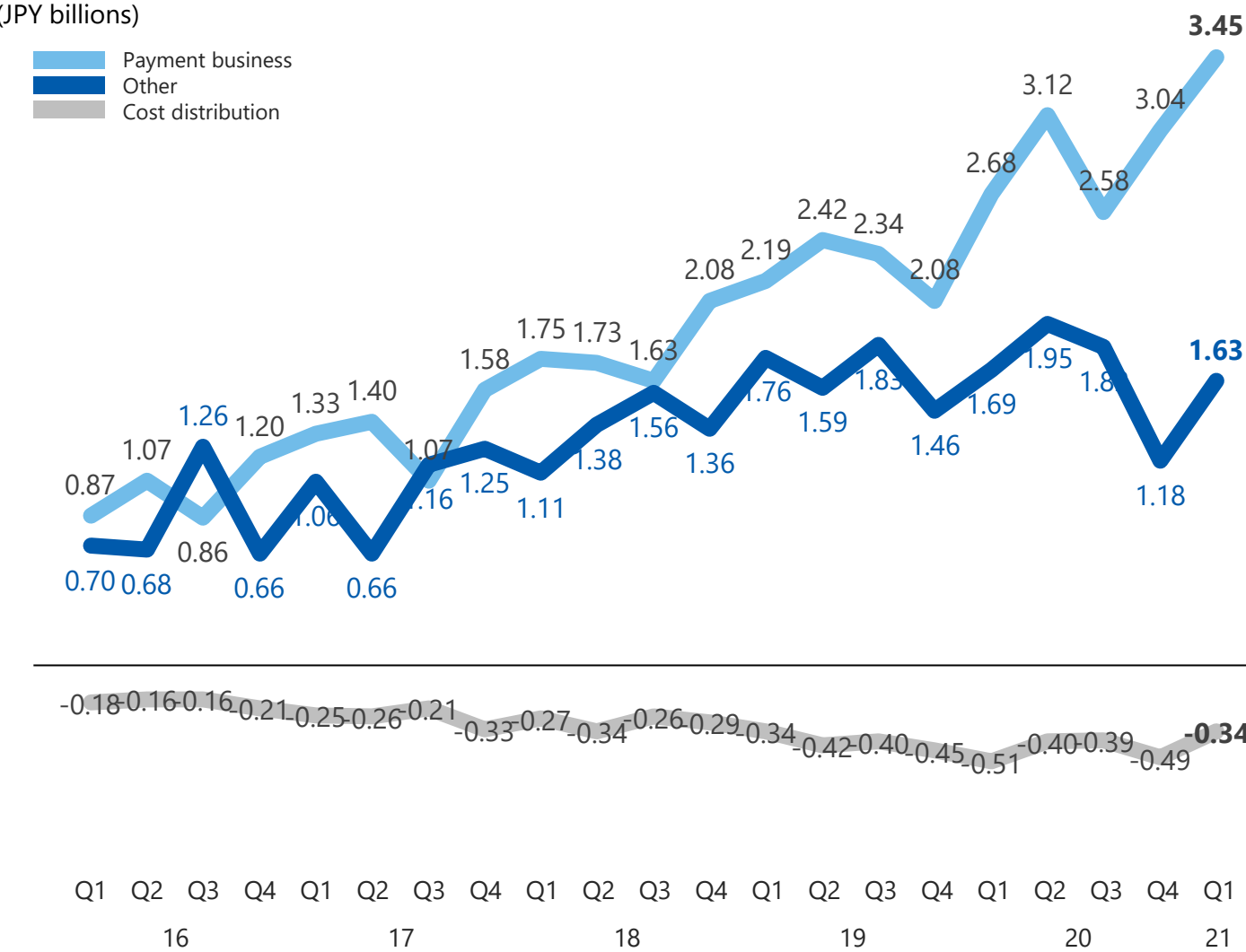
Internet Infrastructure | Operating Profit

(JPY billions)



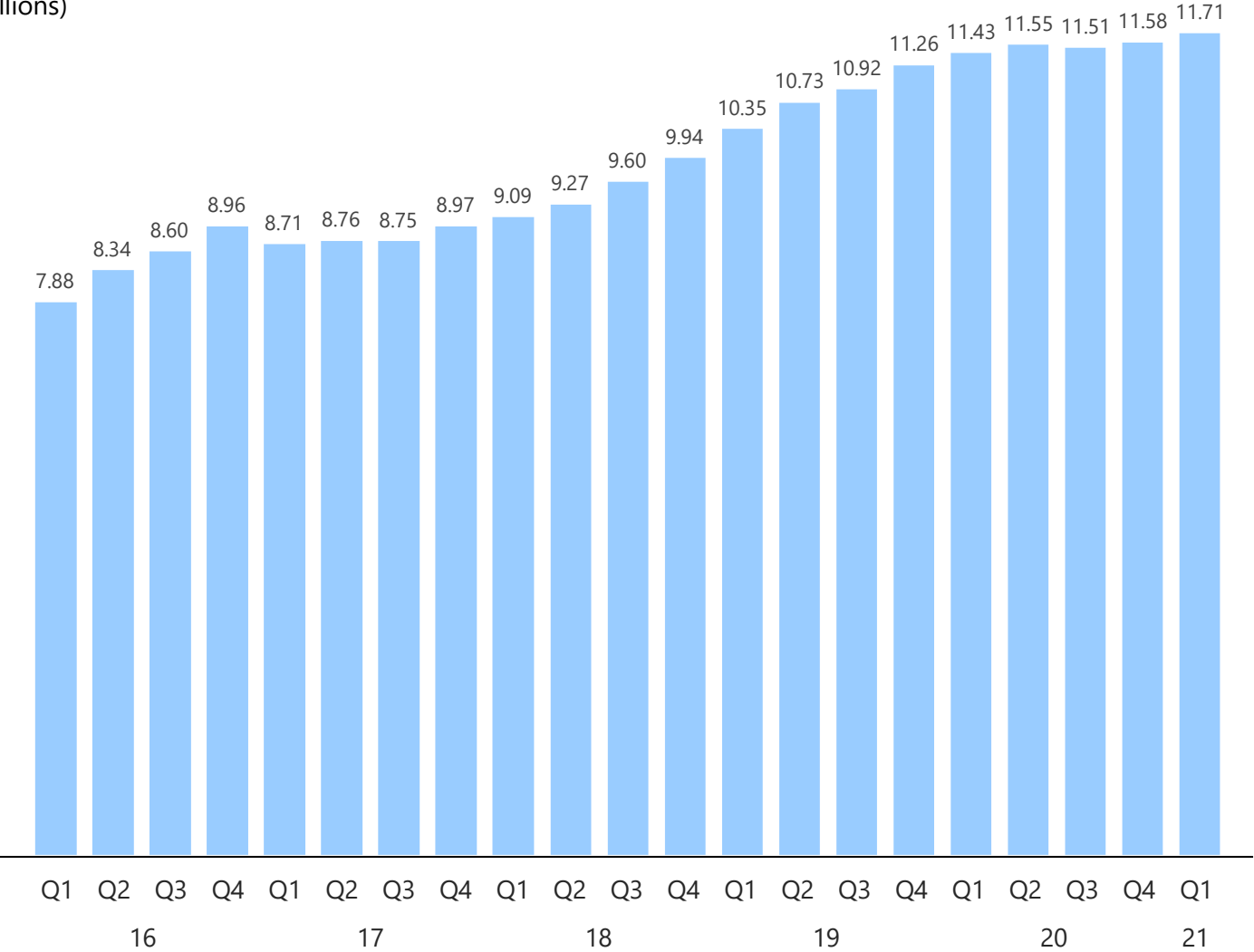
Profit up
22.5%
YoY

Internet Infrastructure | Breakdown of Operating Profit



Internet Infrastructure | Contracts

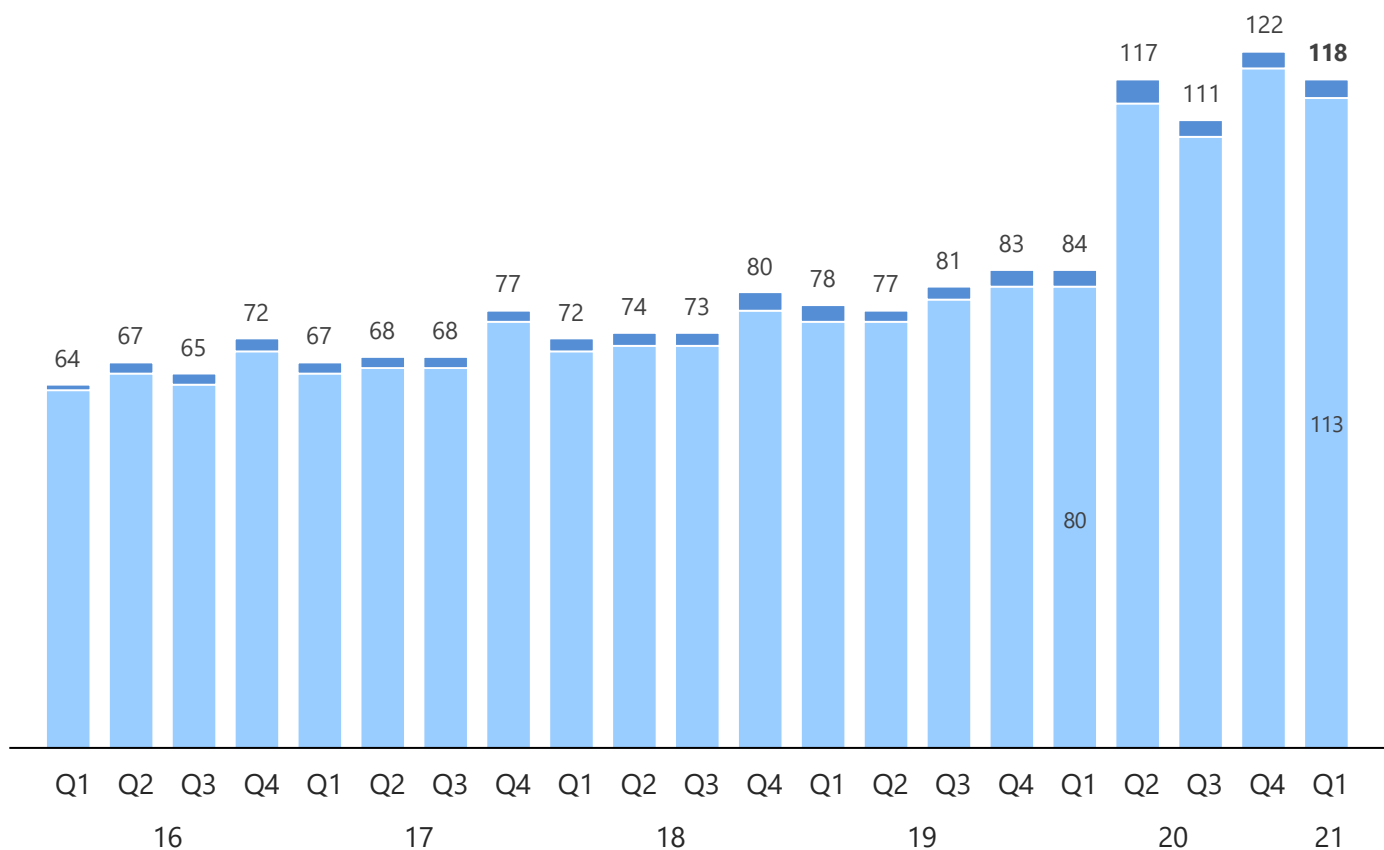
(millions)



Solid revenue base
11.71M
customers

Internet Infrastructure | Ecommerce Solutions: transaction volume

(JPY billion)



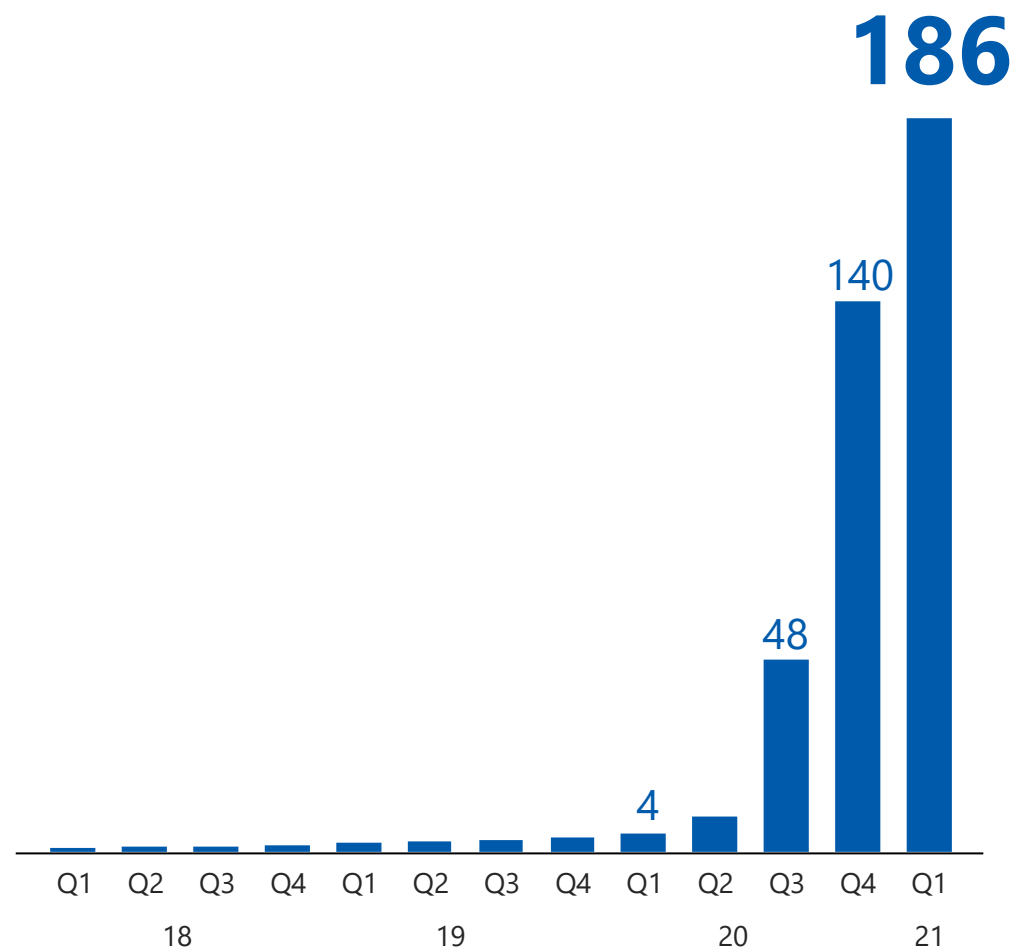
Up
39.8%
YoY

Freenance
SUZURI, Canvath
minne
Ecommerce Platform

Internet Infrastructure | Number of e-contract accounts

電子印鑑なら
GMOサイン

(thousands)

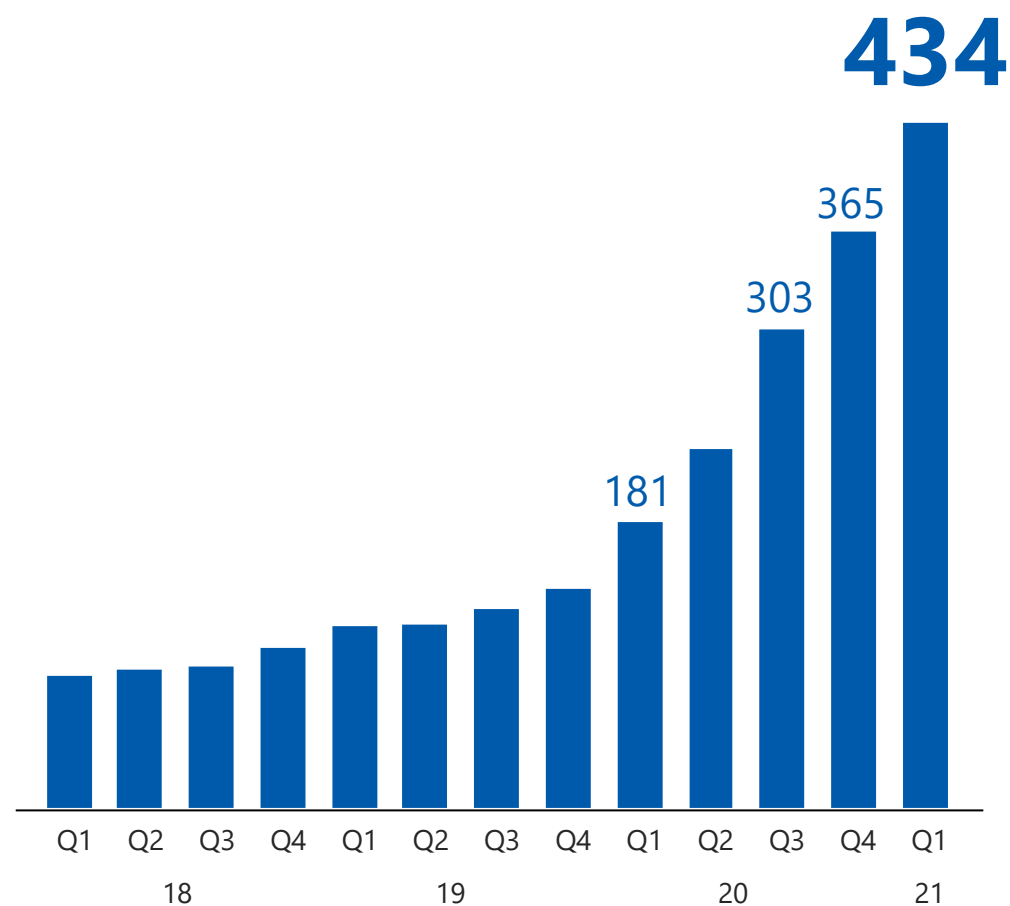


Increased
39-fold
YoY

Internet Infrastructure | Number of contracts

電子印鑑なら
GMOサイン

(thousands)



Increased
2.4-fold
YoY

Internet Infrastructure | Launches application

Released
on May 12

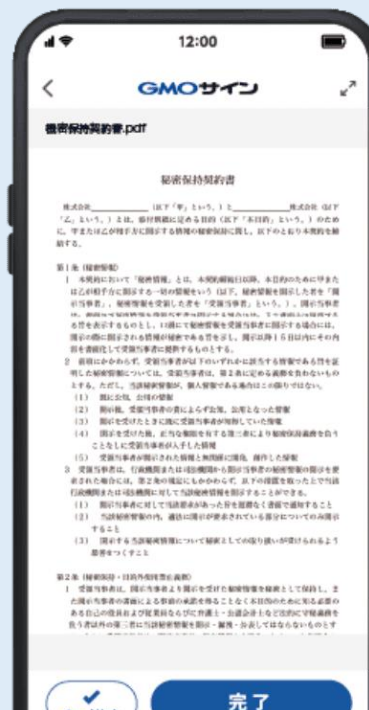
電子印鑑なら
GMOサイン

Safe e-contract service available to everyone at anytime, anywhere

1. Tap notification



2. Confirm document



3. Complete signature in 3 steps or less



Internet Infrastructure | Initiatives on digital government

Demonstration experiment with 19 municipalities

電子印鑑なら
GMOサイン

Municipalities participating in the "Goodbye Seal Impression: Digitize 100 Million Project"



Internet Infrastructure | Sanjo City uses GMO Sign

First municipality in Japan to use GMO Sign

電子印鑑なら
GMOサイン



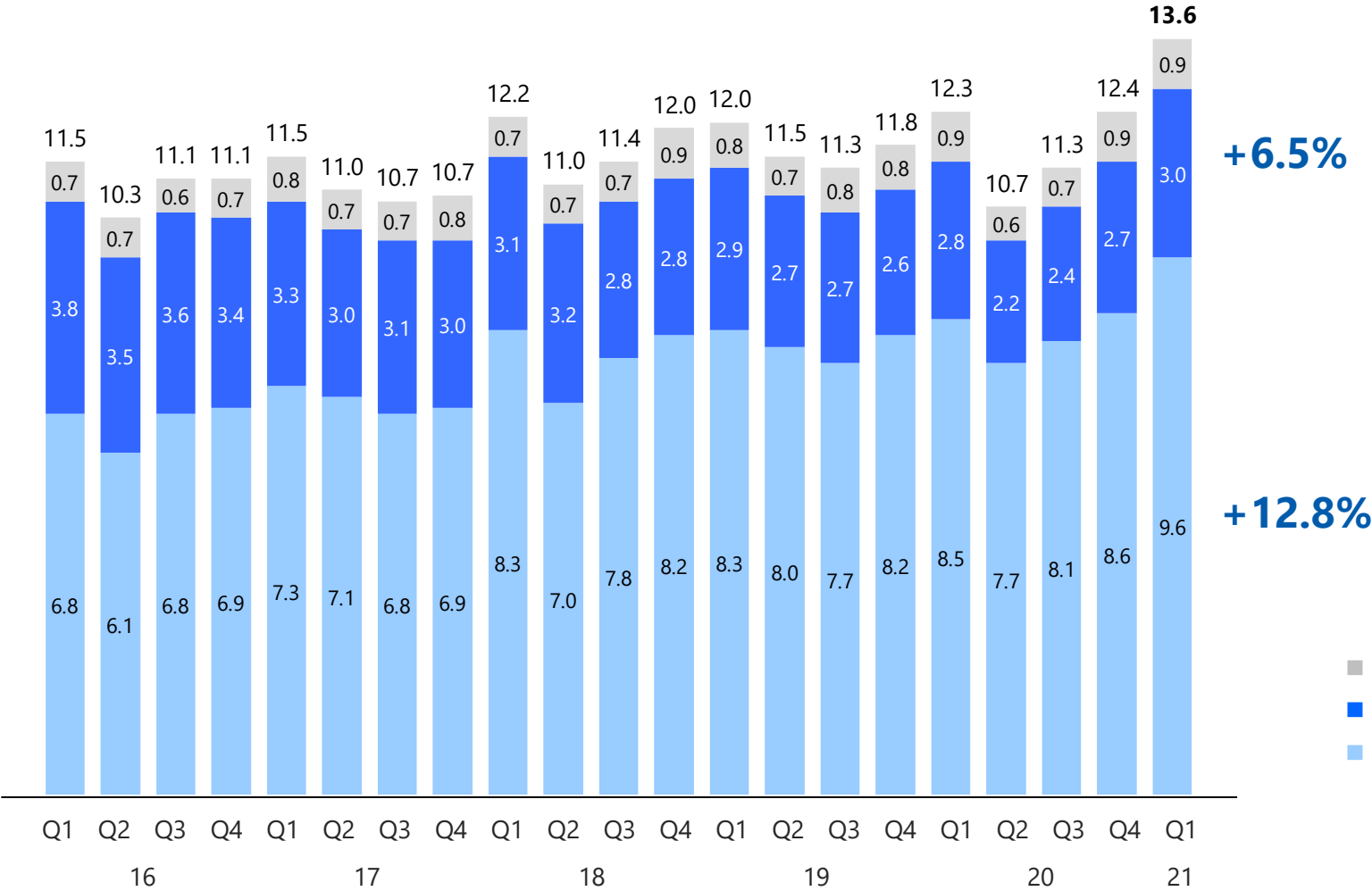
Contract digitalization

- ✓ Improving the user-friendliness of civil services
- ✓ Work-style reforms of employees
- ✓ Improving the civil services

1. Overview
2. Financial Results
3. Segment Report
 - i) Group Overview
 - ii) Internet Infrastructure
 - iii) Online Advertising & Media**
 - iv) Internet Finance
 - v) Cryptoassets
4. NFT Business

Online Advertising & Media | Net Sales

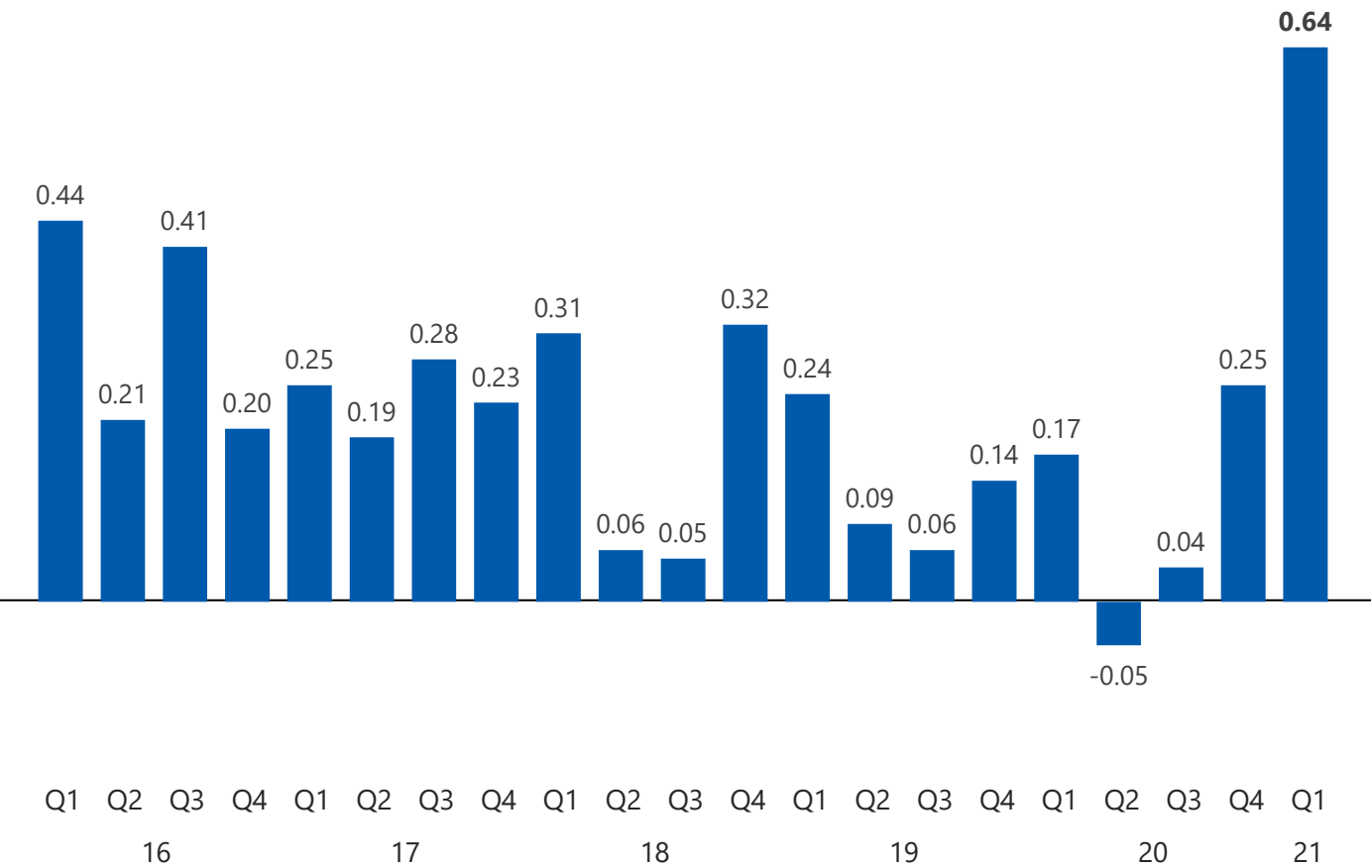
(JPY billions)



Revenue up
10.9%
YoY

Online Advertising & Media | Operating Profit

(JPY billions)

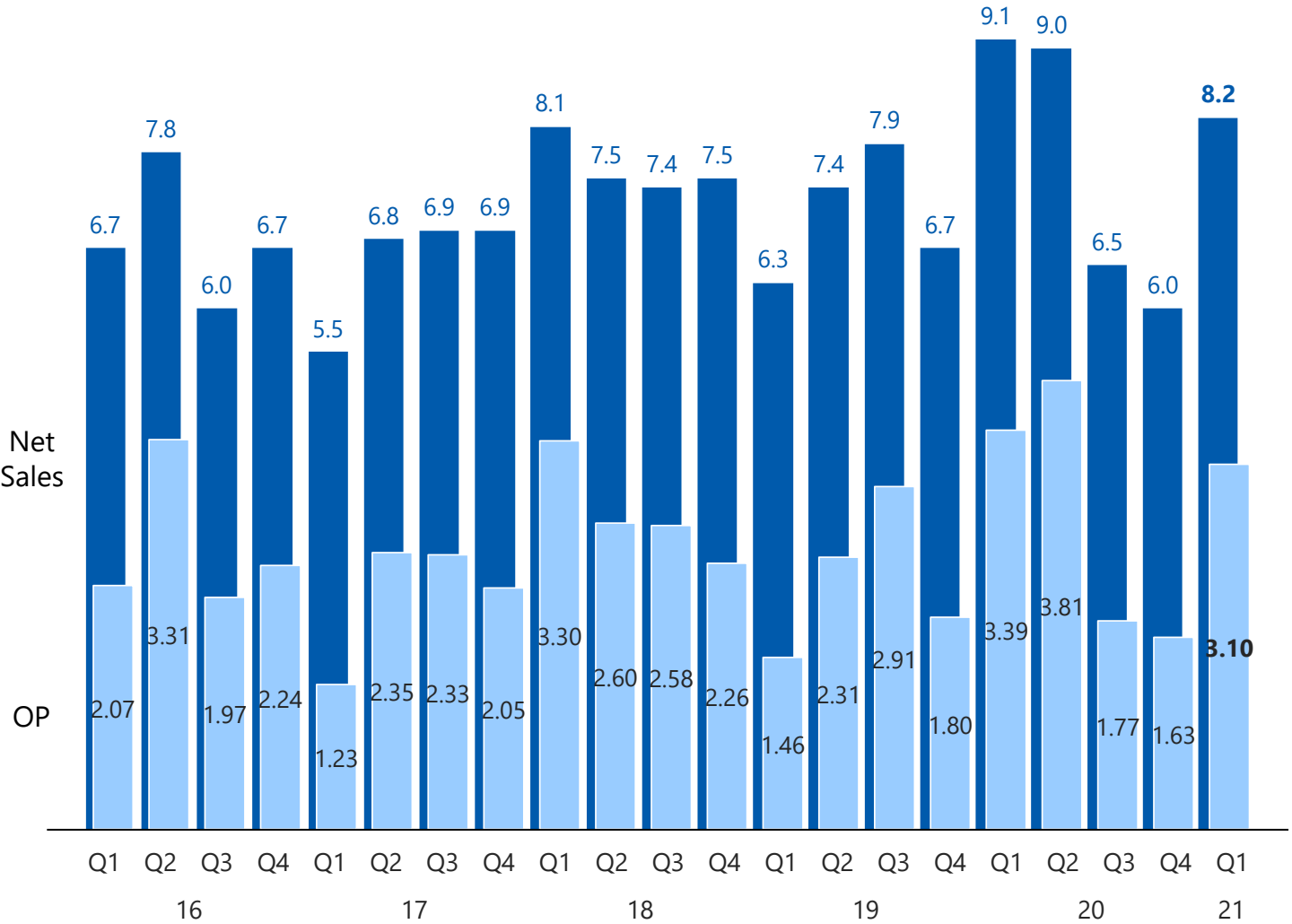


Profit up
264%
YoY

1. Overview
2. Financial Results
3. Segment Report
 - i) Group Overview
 - ii) Internet Infrastructure
 - iii) Online Advertising & Media
 - iv) Internet Finance**
 - v) Cryptoassets
4. NFT Business

Internet Finance | Historical Performance by Quarter

(JPY billions)



Revenue down

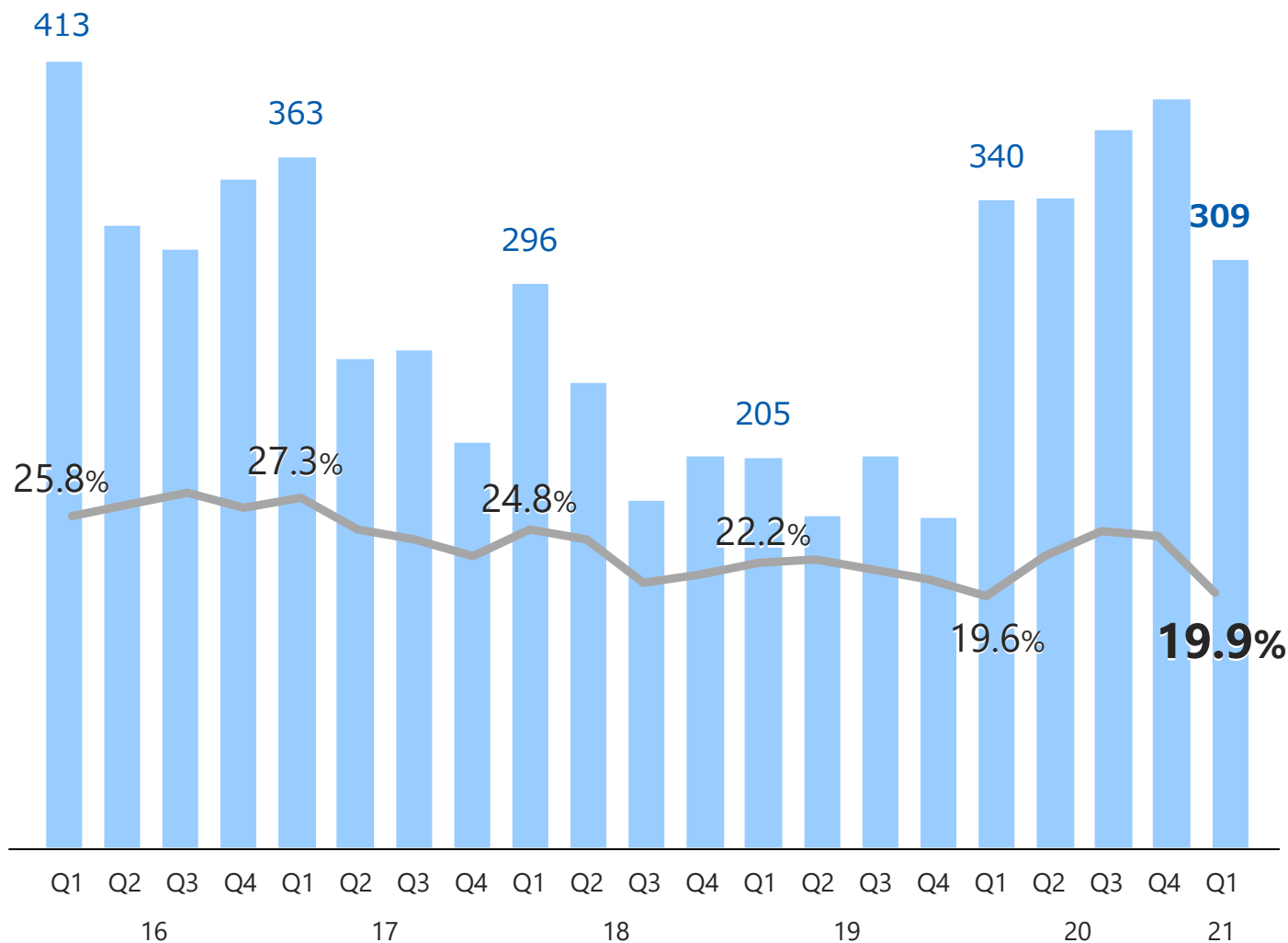
10.1%

Profit down

8.7%

YoY

Internet Finance | FX Trading Volume



No.1
market share in
Japan

Trading volume (JPY trillions)
Share (%)

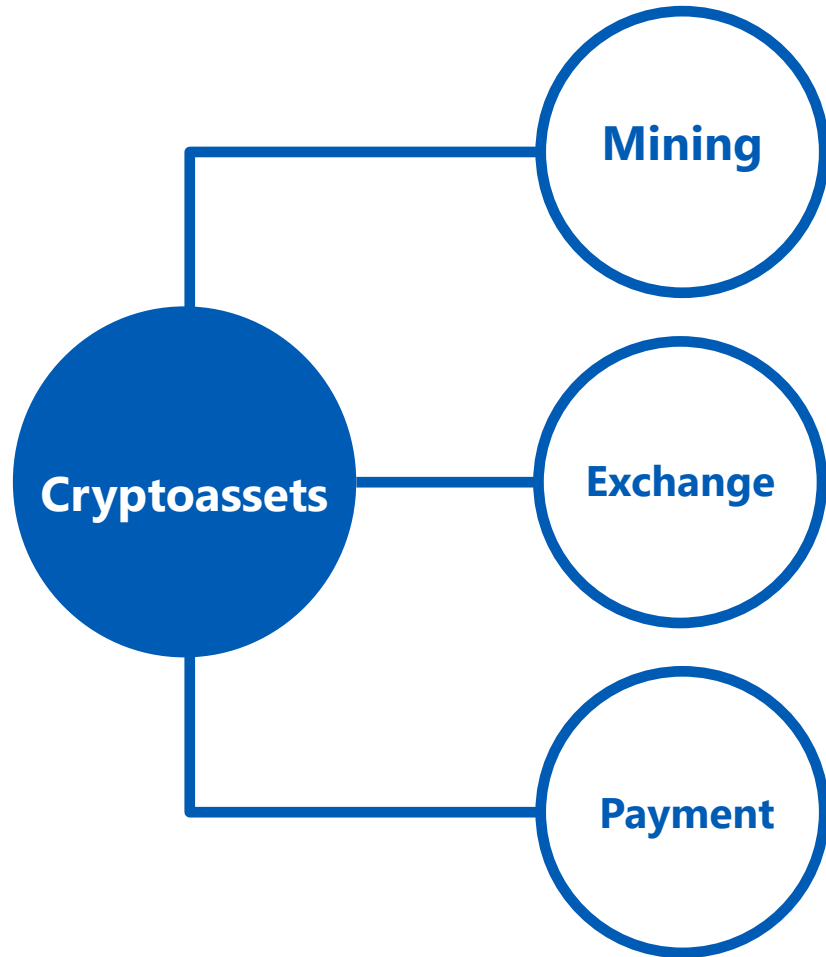
Prepared based on Results Presentation of GMO Financial HD for Q1 of FY2021 and “Monthly Statistical Bulletin on Over-The Counter Retail FX Margin Trading” published by the Financial Futures Association of Japan (FFAJ)

*1: According to Finance Magnates

*2: Group share calculated based on the sum of GMO Financial HD's revenues for the applicable three-month period, assuming that “Monthly Statistical Bulletin on Over-The Counter Retail FX Margin Trading” published by the Financial Futures Association of Japan (FFAJ) is a market as a whole.

1. Overview
2. Financial Results
3. Segment Report
 - i) Group Overview
 - ii) Internet Infrastructure
 - iii) Online Advertising & Media
 - iv) Internet Finance
 - v) Cryptoassets**
4. NFT Business

Cryptoassets business



Cryptoassets mining business

Cryptoassets exchange business

GMO Coin

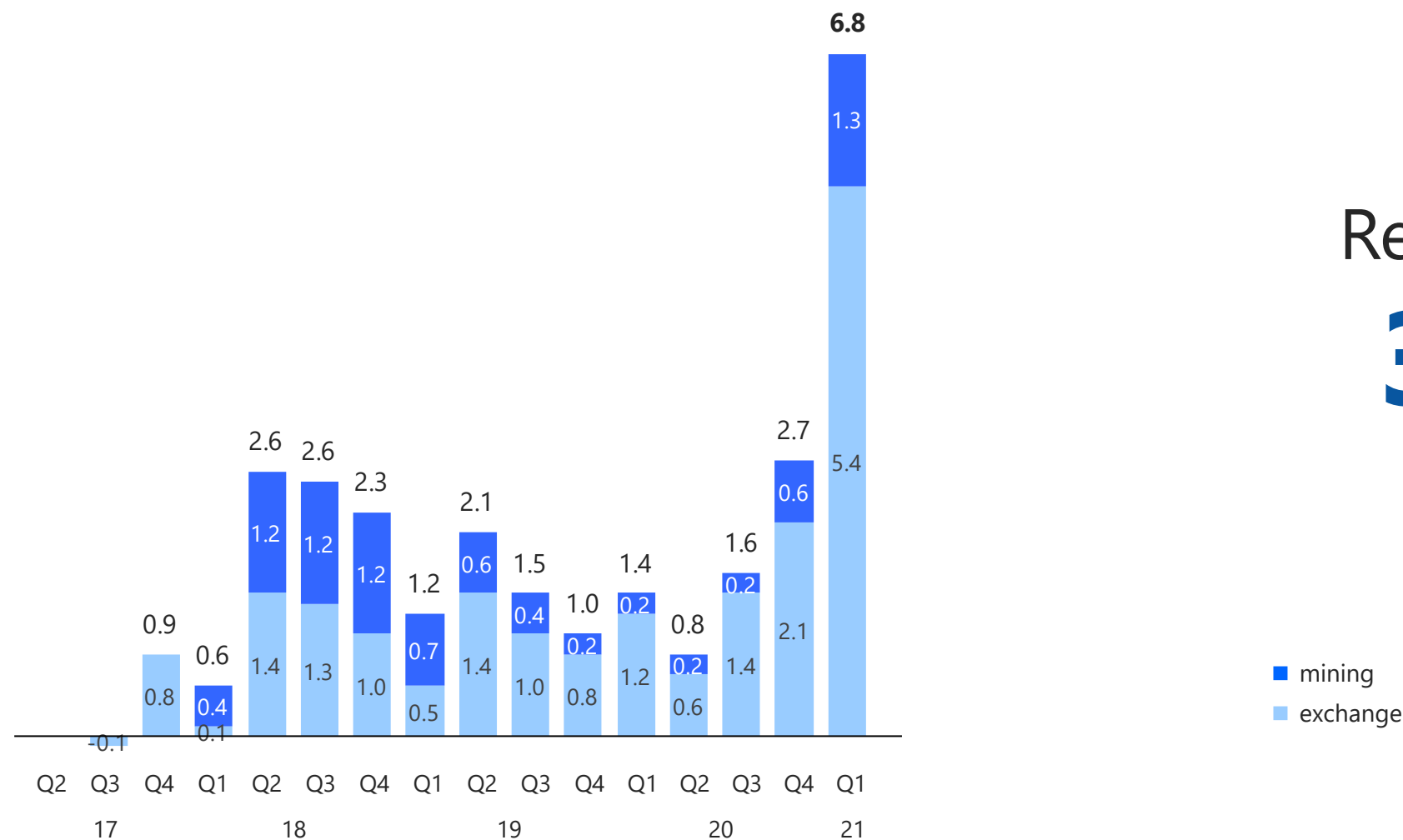
Cryptoassets payment

└ Issue stablecoin

GYEN Z USD
Digital JPY Digital USD

Cryptoassets business | Net Sales

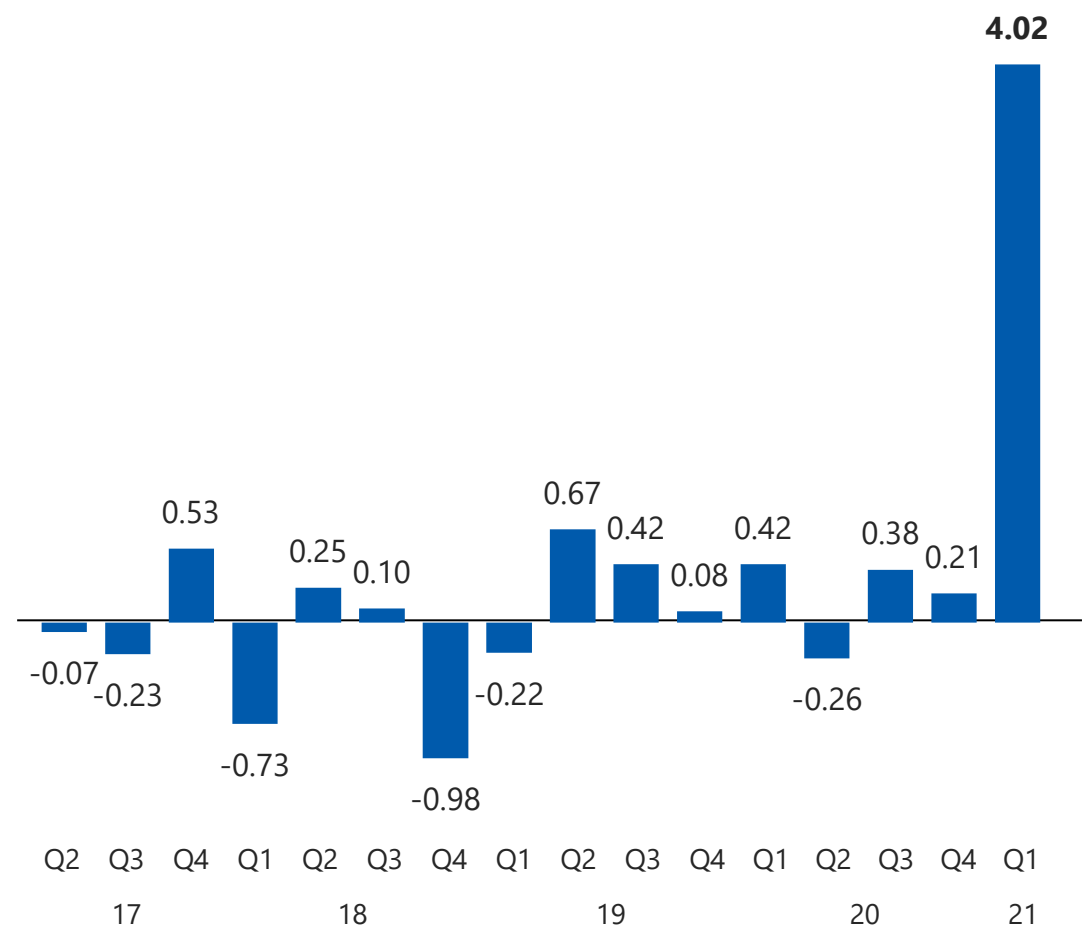
(JPY billions)



Revenue up
377%
YoY

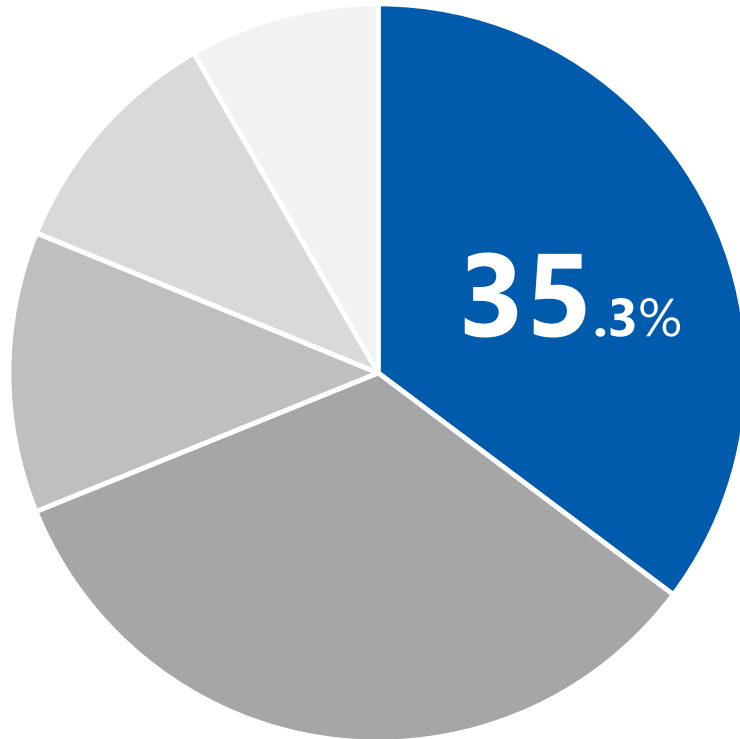
Cryptoassets business | Operating Profit

(JPY billions)



Profit up
843%
YoY

Market share for cryptoasset exchanges
(April 2021)

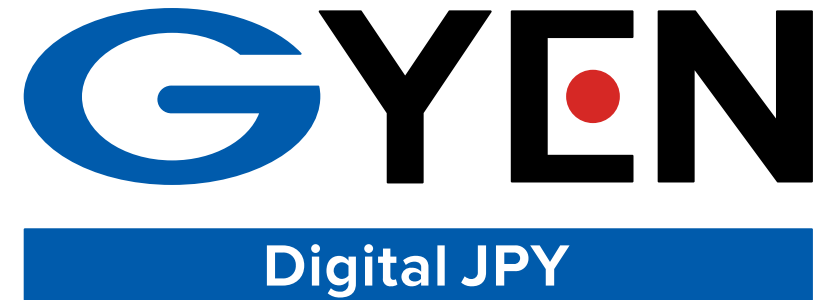


No.1
market share in
Japan*

Monthly trading volume of JPY/BTC currency pair (BTC-denominated)
Source: <https://jpbitcoin.com/market/volume>

Cryptoassets payment business | Stablecoin GYEN



Listed on the world's largest cryptoassets exchange on May 12



1. Overview
2. Financial Results
3. Segment Report
 - i) Group Overview
 - ii) Internet Infrastructure
 - iii) Online Advertising & Media
 - iv) Internet Finance
 - v) Cryptoassets
4. NFT Business

Relationship between content and format

e.g. transaction of books

	Physical book 	E-book (Kindle) 	NFT
What is bought/sold	Print	Digital data (right to read, DRM)	Token (≡ certificate of the registered matters)
Secondary distribution	○	×	○
Copyright holder's economic opportunity at the time of secondary distribution	×	—	○ (Various designs are possible)

Economic opportunity by stakeholder

NFT allows various designs of fee models on smart contracts

	Physical book (physical exchange)		E-book (right to read, DRM)		NFT	
	Primary distribution	Secondary and subsequent distributions	Primary distribution	Secondary and subsequent distributions	Primary distribution	Secondary and subsequent distributions
Copyright holder	○	×	○	-	○	○
Publishing company	○	×	○	-	○	○
Primary distributor	○	×	○	-	○	○
Secondary distributor	-	○	-	-	-	○



Digital content distribution revolution

Issues



熊谷正寿【GMO】
@m_kumagai



Generally, NFT is still difficult to use.

- Open accounts with crypto exchanges
- Purchase at marketplaces
- Keep in NFT wallets

GMO can comprehensively optimize UI/UX.

So please be expectant about our NFT business.

Adam byGMO

adam.jp

5:36 p.m. on April 10, 2021 · Twitter Web App

* The above has been translated from a part of the Japanese original for reference purposes only.

NFT marketplace “Adam byGMO”

www.adam.jp

Internet for Everyone

GMO



We are planning on making an earnings announcement for FY2021 Second Quarter after 3 pm on August 10, 2021.

This document includes projections based on expectations, premises and plans as of May 12, 2021. These projections may differ from actual results due to factors including changes in the global economy, competition, exchange rate fluctuations, market cap of cryptoasset, 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.

Information contained in this document is provided for information purposes only and does not constitute solicitation of investors. Further, results forecasts and other forward-looking statements are based on premises that include risks and factors that are largely indeterminable. Please understand that actual results may differ significantly as a result of forces including economic conditions and market environment. No responsibility for any reason is accepted for damage sustained as a result of actions taken based on this information.

Appendix

Consolidated Balance Sheet

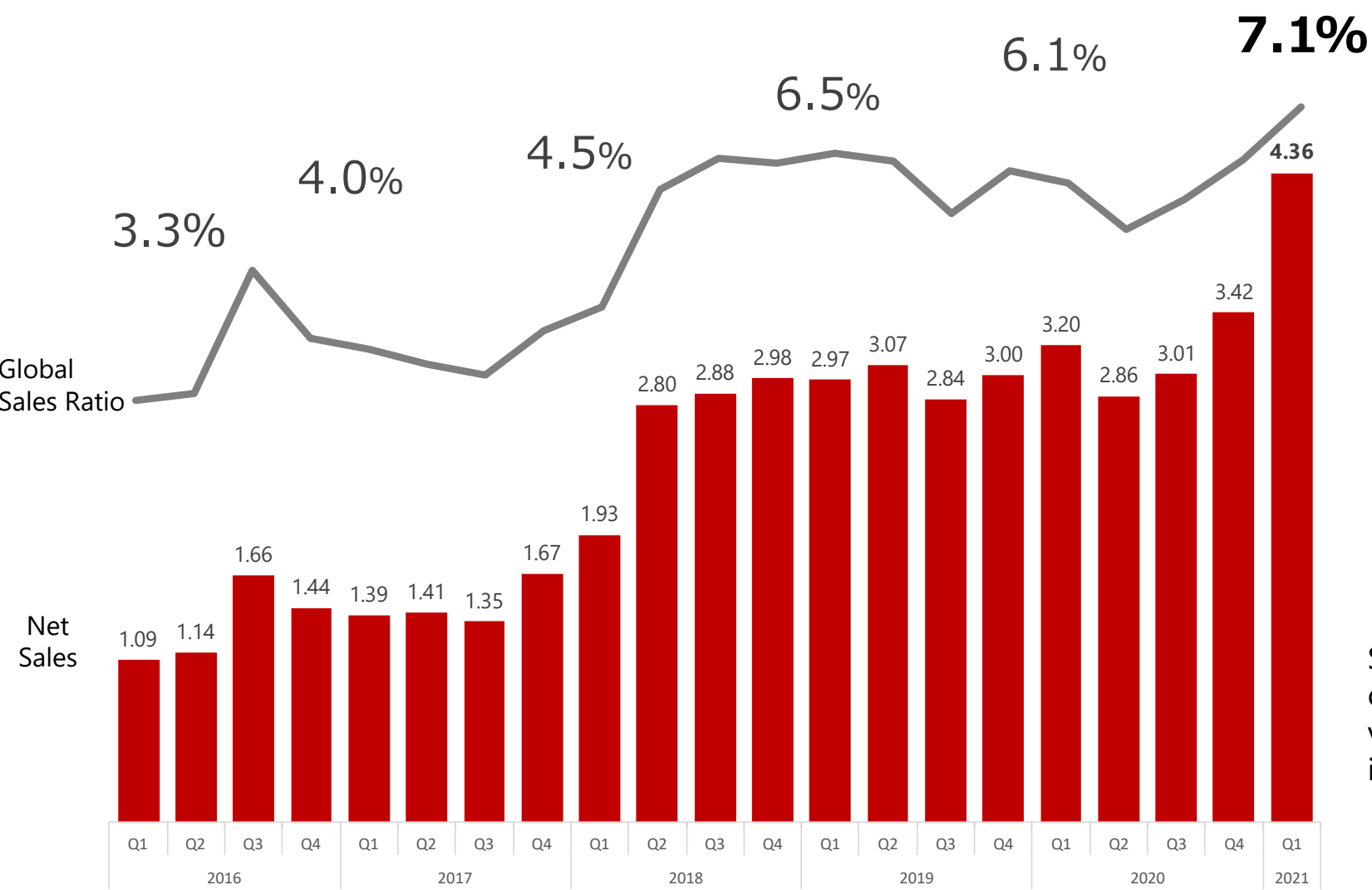
(JPY millions)	End of 12/2020	End of 3/2021	Change	GMO Financial HD (End of 3/2021)	Change
Current Assets	1,005,226	1,099,662	94,436	822,932	105,680
Cash & Deposits	220,745	224,757	4,011	69,828	7,828
Fixed Assets	65,318	70,928	5,610	7,801	-313
Goodwill	657	635	-21	244	-40
Software	7,924	8,170	246	1,678	-137
Investment Securities	18,838	26,581	7,742	2,805	-60
Total Assets	1,070,544	1,170,590	100,046	830,733	105,366
Liabilities	970,429	1,049,714	79,284	789,591	101,555
Interest-bearing debts	212,425	226,230	13,805	132,344	22,677
Net Assets	100,114	120,876	20,762	41,142	3,811
Non-controlling Minority Equity	49,140	58,268	9,127	1,789	433
Shareholders' Equity	50,905	62,546	11,640	39,352	3,377
Earned Surplus	26,959	28,289	1,330	39,939	3,058
(Shareholders' Equity Ratio)	4.8%	5.3%	+0.6pt	4.7%	-0.2pt
Liabilities/Net Assets Total	1,070,544	1,170,590	100,046	830,733	105,366

Consolidated Profit and Loss

(JPY millions)	Q1'20 (1-3/2020)	Q1'21 (1-3/2021)	Change	supplementary information
Net Sales	53,699	61,246	14.1%	
Gross Profit on Sales	27,377	32,937	20.3%	
Operating Profit	8,283	12,479	50.7%	
(OP Margin)	15.4%	20.4%	+5.0pt	
Non Operating Profit and Loss	-226	1,064	-	
Ordinary Profit	8,056	13,543	68.1%	
Extraordinary Profit or loss	-371	77	-	Q1'20 Foreign exchange loss JPY-0.2B Q1'21 Foreign exchange gain JPY+0.98B
Profit before Tax	7,684	13,620	77.2%	
Corporate Taxes etc.	2,984	4,889	63.8%	
non-controlling interests	2,443	3,074	25.8%	
Profit attributable to Owners of the Parent	2,256	5,656	150.7%	

Global Operations | Global Net Sales

(JPY billions)



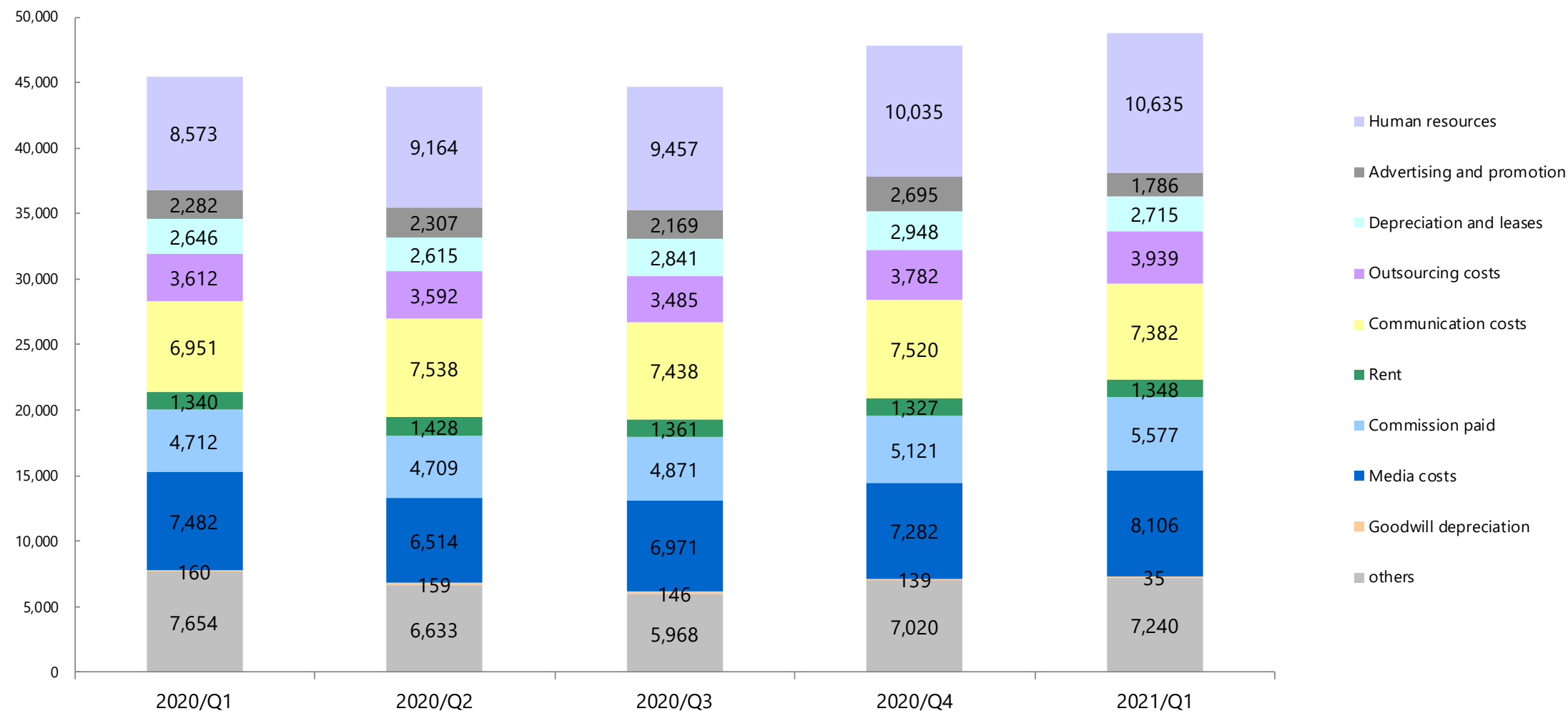
Net sales
YoY

36.1% UP

Since Q2 FY2020, MacroKiosk is no longer a consolidated subsidiary. We deducted MacroKiosk values from net sales retroactively to Q1 FY2017 in this chart.

Cost Composition (Consolidated)

(JPY millions)

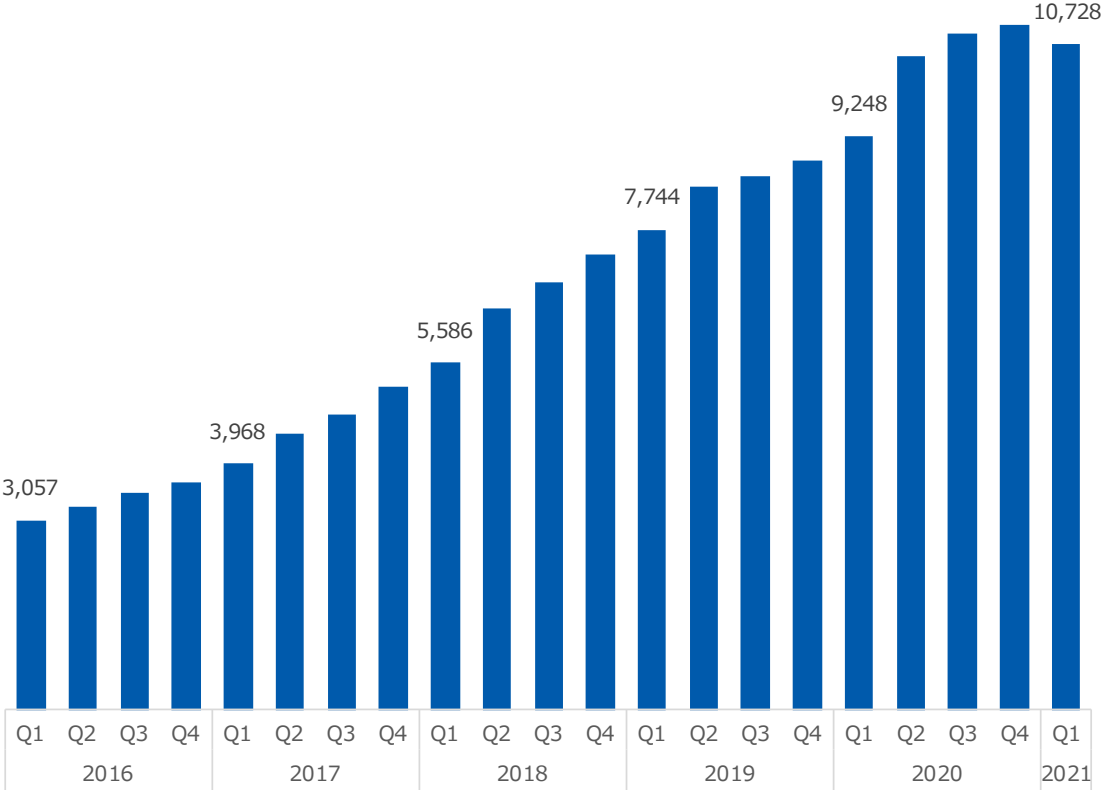


Internet Infrastructure

Internet Infrastructure | Provider - KPIs

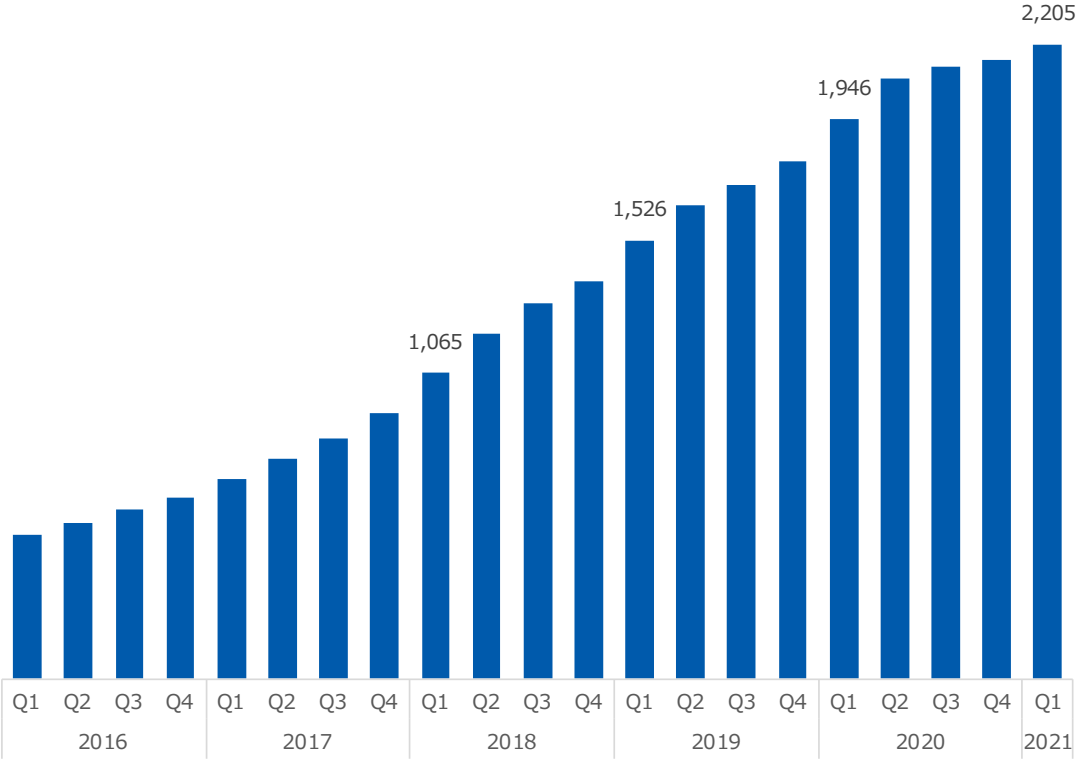
Revenue

(JPY millions)



Subscriptions

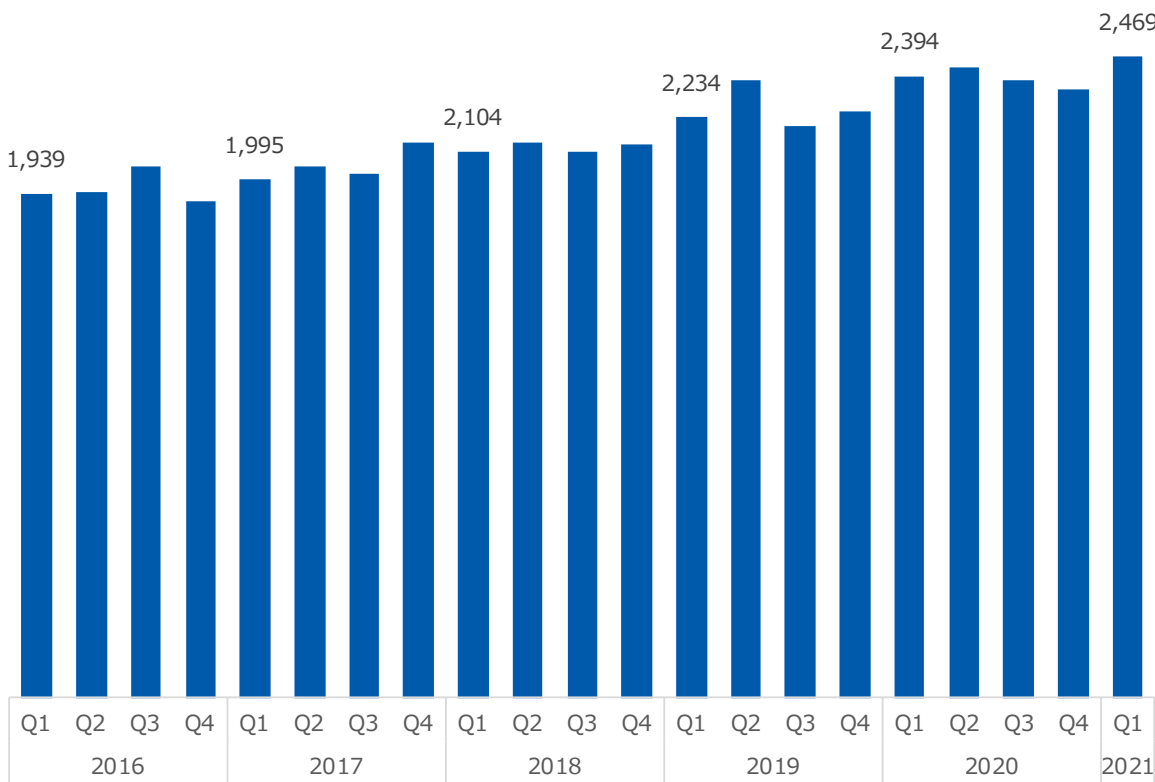
(thousands)



Internet Infrastructure | Domain Registration - KPIs

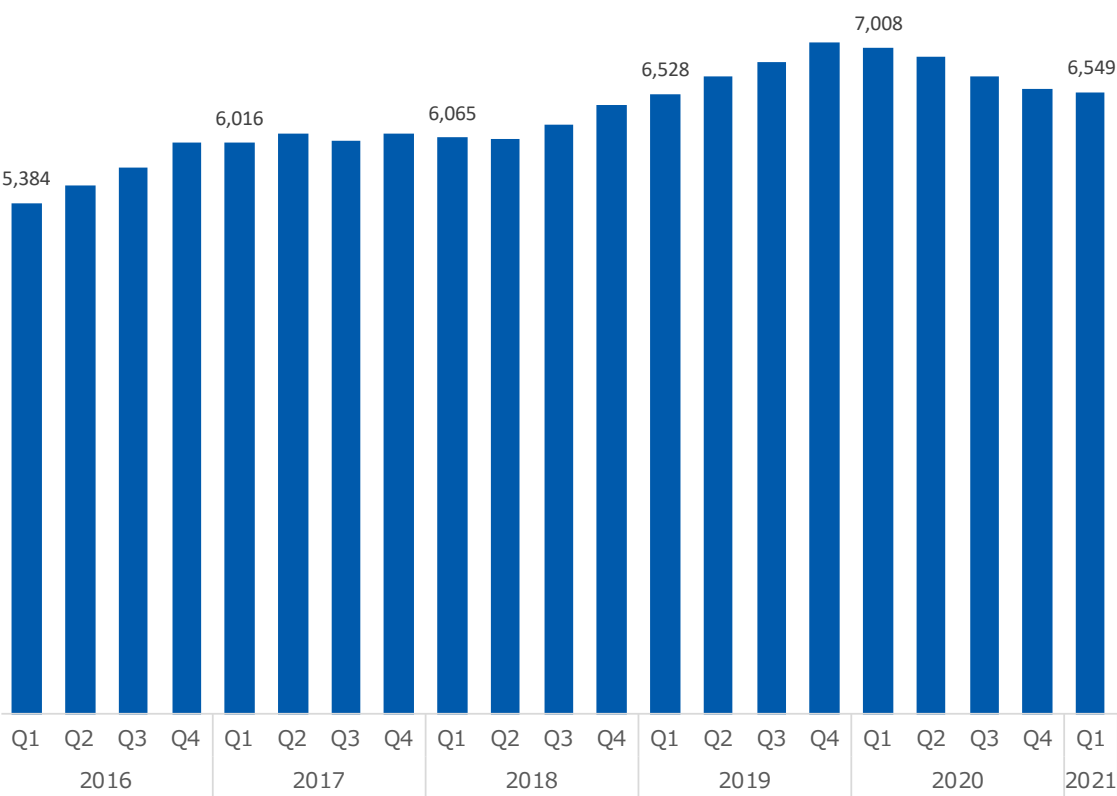
Revenue

(JPY millions)



Contracts

(thousands)



Internet Infrastructure | Domain business

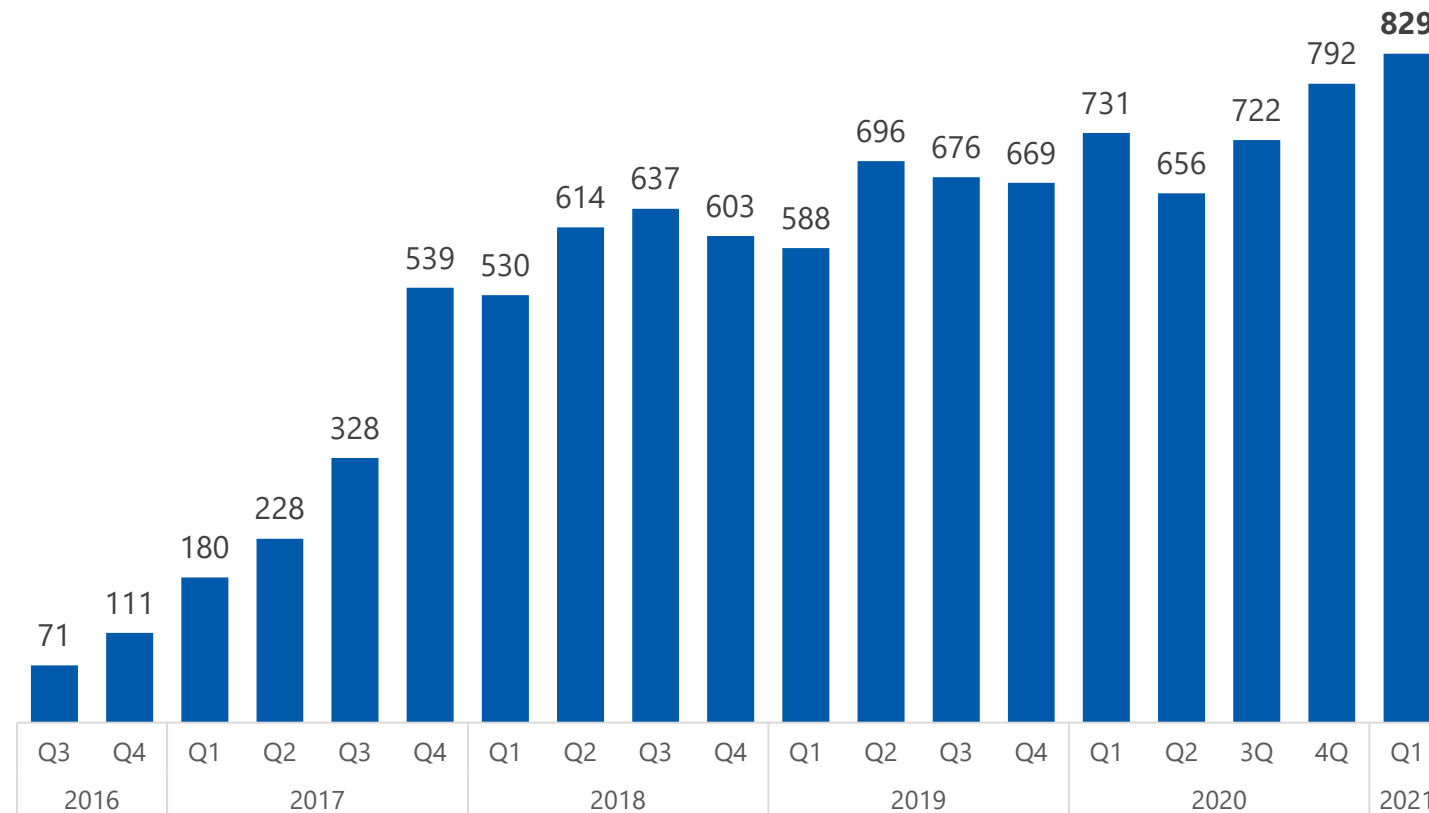
**Registry
(wholesale)**

**Registrar
(registration/sale)**



Internet Infrastructure | Domain Business” .shop ”: Registration progress

(thousands)



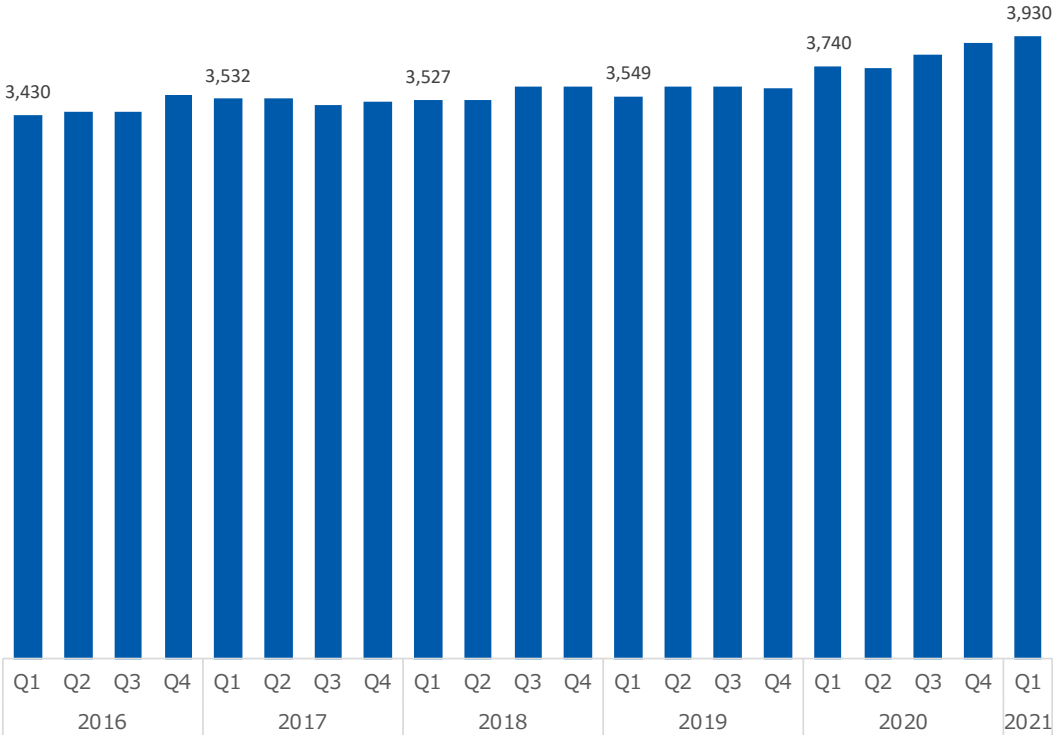
Renewal rate: **71.8%***

* Renewal rate for domains registered between September 2016 and February 2019 (2nd renewal)

Internet Infrastructure | Hosting & Cloud - KPIs

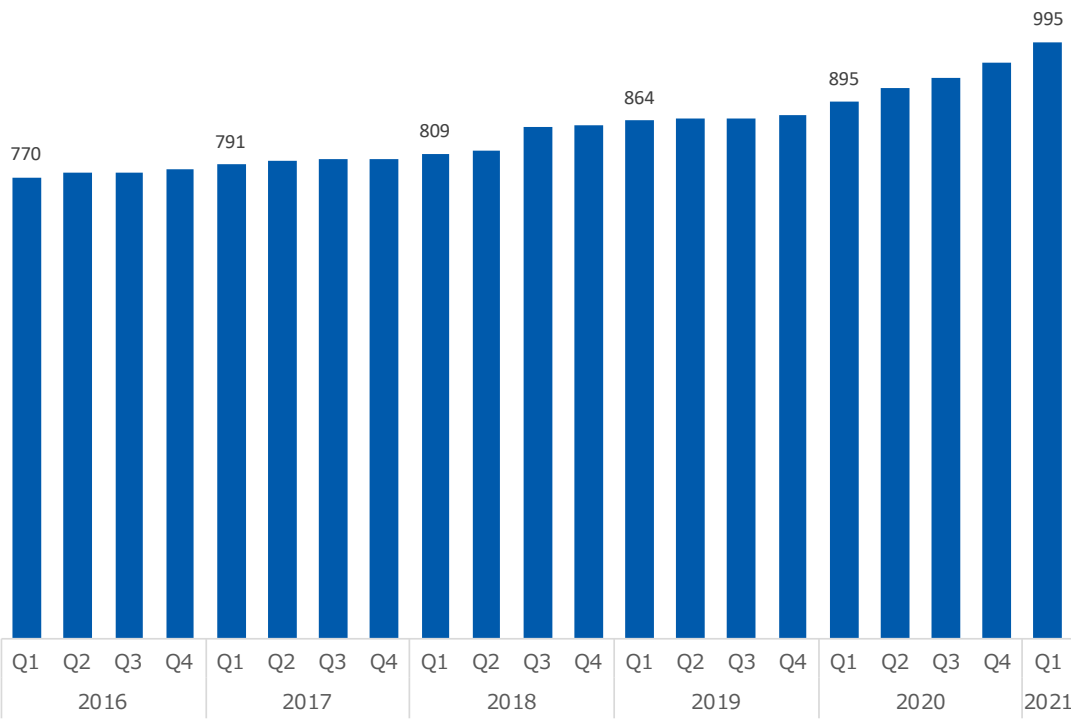
Revenue

(JPY millions)



Contracts

(thousands)



Broad ASP shopping cart businesses

Recurring revenue and transaction revenue through a natural cross-selling

Feature	Online store	Payment
Service	 The image shows two logos. The top logo is 'MakeShop' in blue and black text with a registered trademark symbol. Below it is 'COLOR ME' in black text, with a black line above the letters 'O' and 'R' connecting them.	 The image shows two logos. The top logo is 'GMO PAYMENT GATEWAY' in blue and black text. Below it is 'GMO EPSILON' in blue and black text.
Business model	Recurring	Transaction
Revenue	Number of stores x unit price	GMV x commission rate, etc.
Reportable segments	Ecommerce Solutions	Payment

Internet Infrastructure | Ecommerce Solutions - KPIs

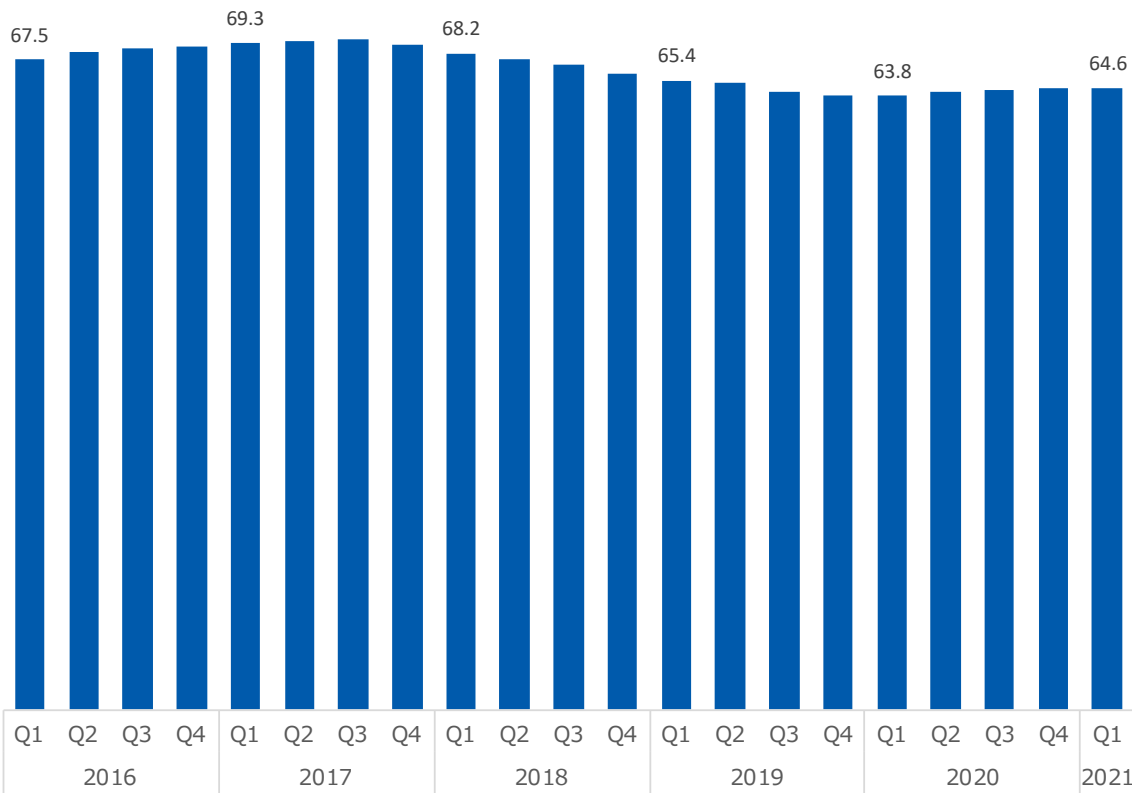
Revenue

(JPY millions)



Contracts (ASP shopping cart)*

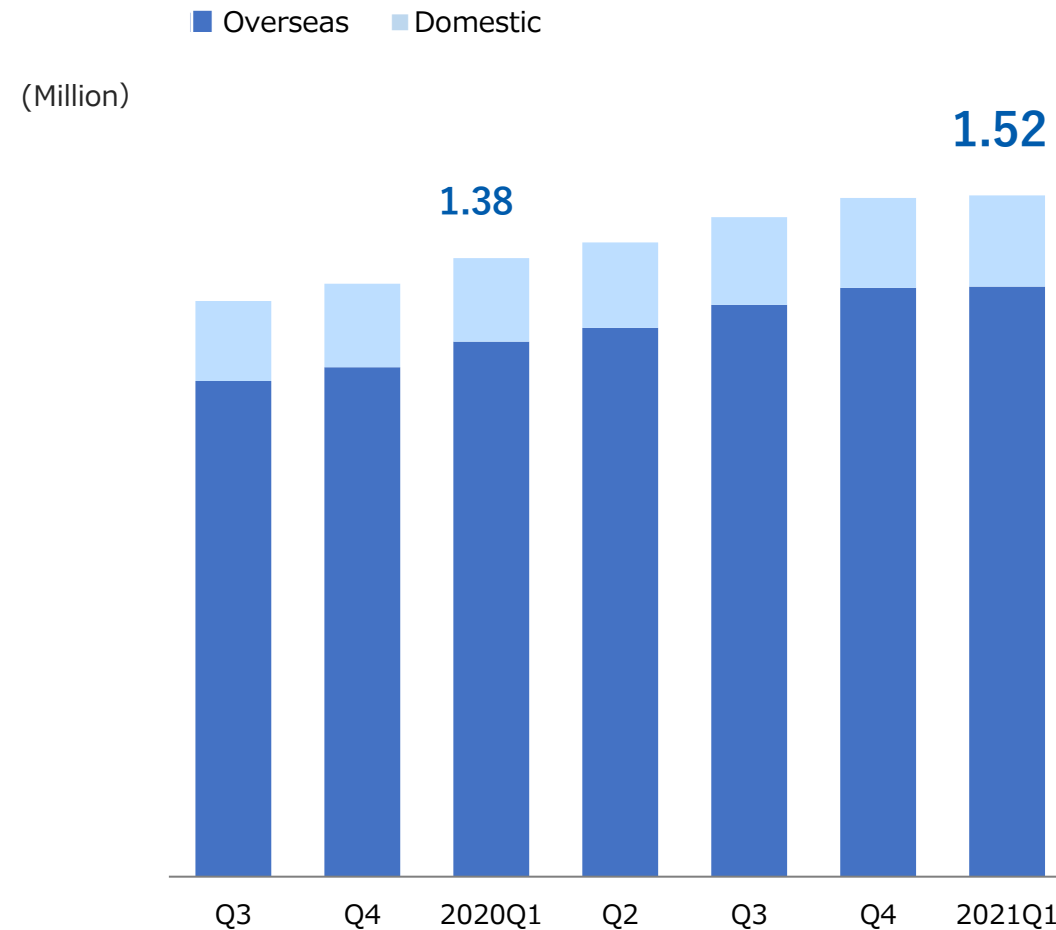
(thousands)



* Figures corrected retroactively to 2015 as the OEM contains certain free accounts.

Internet Infrastructure | Digital Certificate and eSignature business



The number of SSL valid digital certificates



* The number of valid digital certificates is the number of certificates that are actually used.

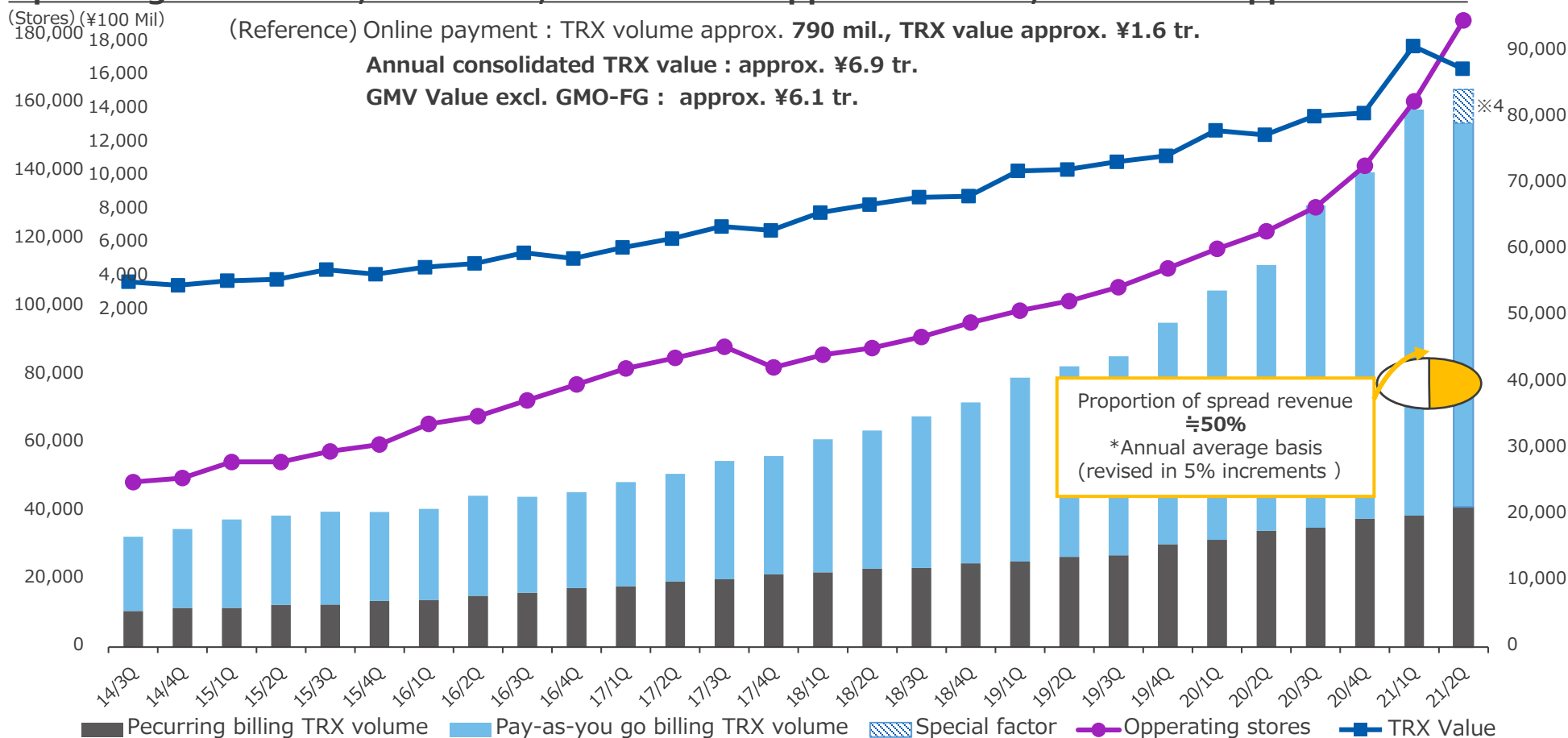
Internet Infrastructure | Digital Certificate and eSignature business

Having our own Certificate Authority, we can provide both of types

	◆The identical person type (Directly Involved)	◆Third party type (Indirectly involved)
Proof strength	 (Electronic Signature Law Article 3)	
Process	Approvement by Certificate Authority	Verification by email
Merit	strict governance	Less load of contractual partners
Demerit	Much load of partners	Complicated management of the stamp rights

Group-wide TRX value reaches ¥6.9 trillion

Operating stores: 184,355 stores^{※1}, GMV volume approx. 820 mil., GMV value approx. ¥1.8tr.^{※2}



※1 Figure excludes a significant increase in operating stores from a specific merchant. If included, operating stores would be 244,356 outlets as of end-March 2021 (down 13.2% YoY).

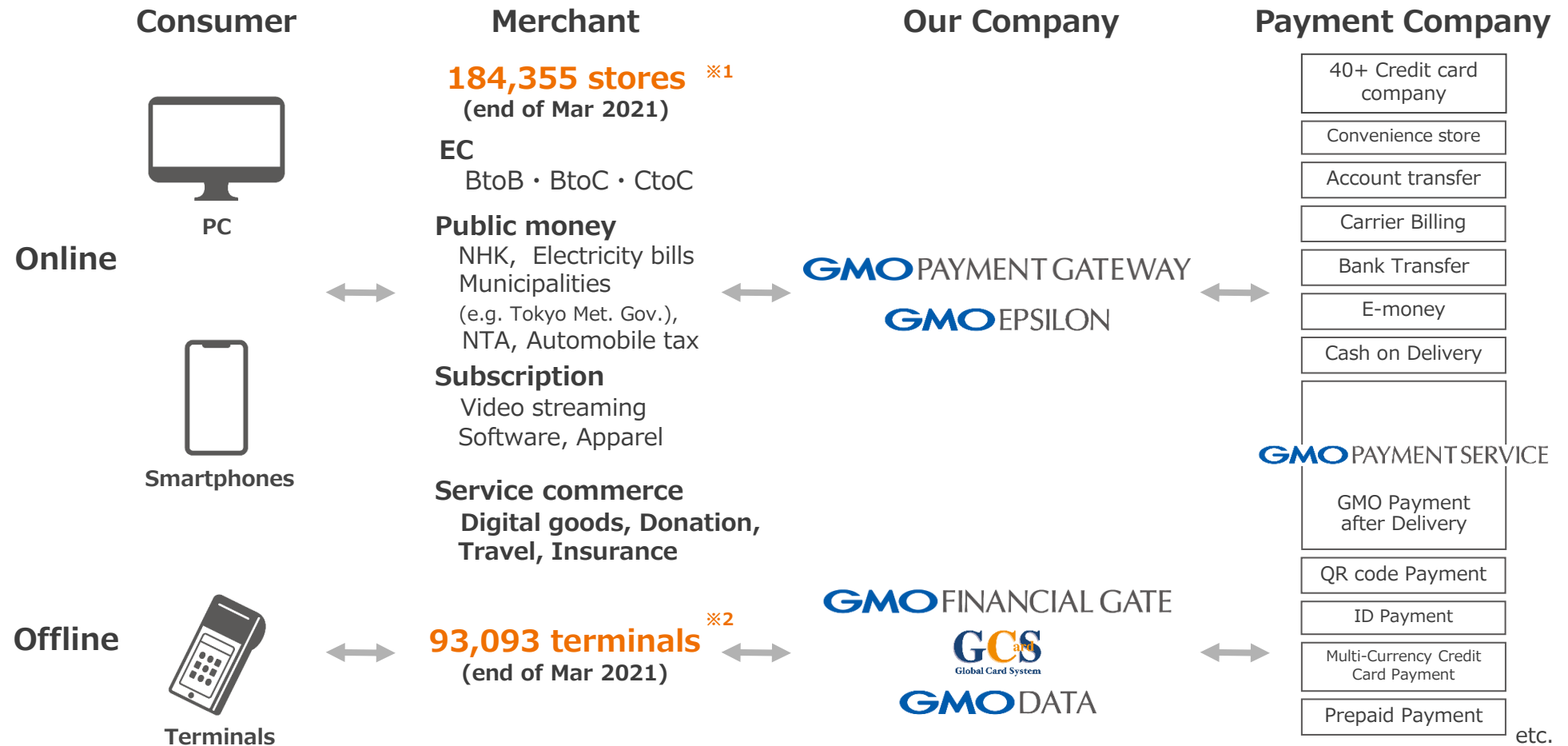
※2 Operating stores are measured on an end-of-quarter basis. GMV value and volume are the total for the respective quarter.

※3 Graphs are based on figures for online payments only ※4 Special factors due to change in accounting method of some merchants for the number of payments processed.

*GMO Payment Gateway's presentation materials

Internet Infrastructure | Payment Processing - Overview

Connecting merchants and payment companies on contract, payment data and money flow



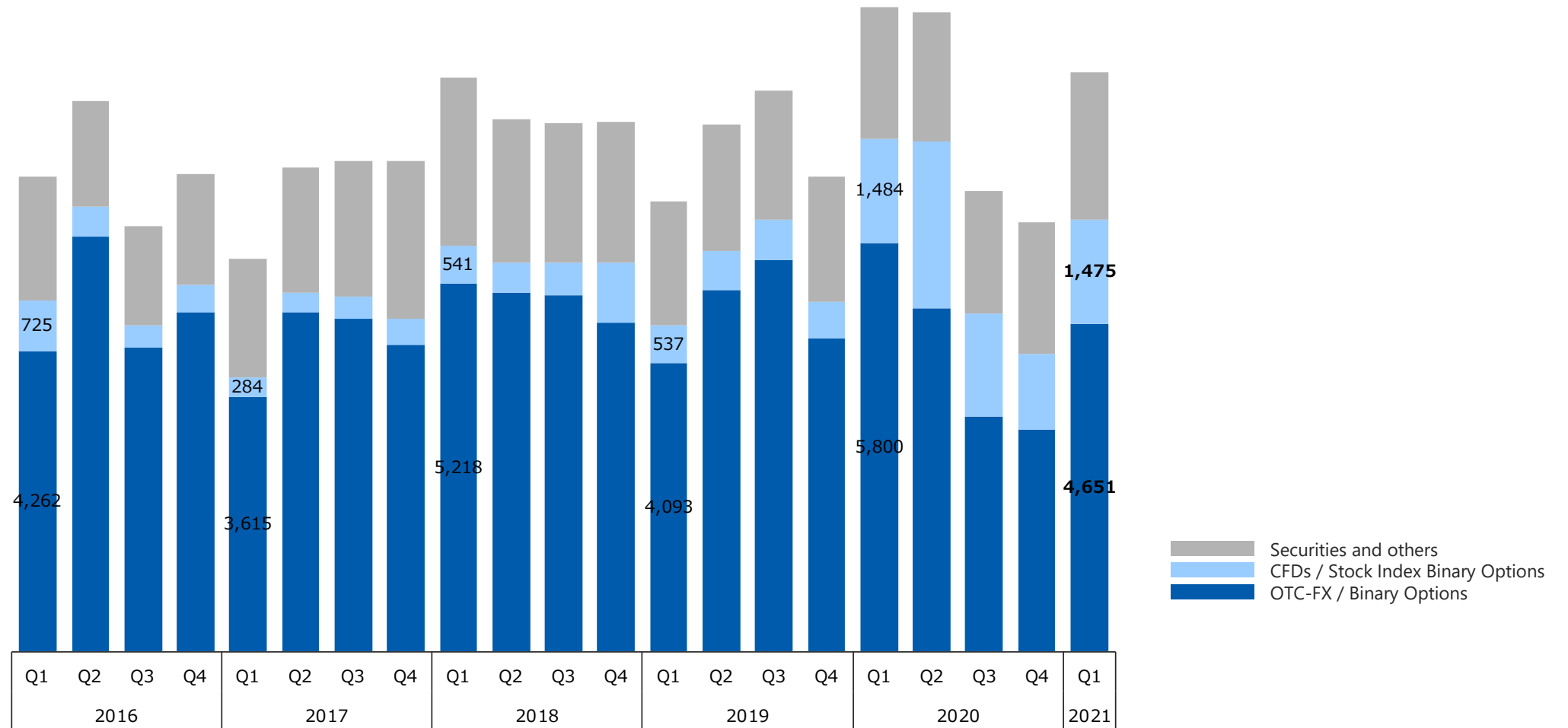
※ 1 Figures exclude a significant increase in operating stores caused by a specific merchant. If included, the number of operating stores is 244,356 stores as of end of March 2021.

※ 2 Operating payment terminals: starting from FY2021 the figure presents the combined number of payment terminals and embedded-type payment terminals, sold through sales partners. (up 61.6% YoY).

Internet Finance

Internet Finance | Net sales by product

(JPY million)



* Prepared based on Results Presentation of GMO-FH

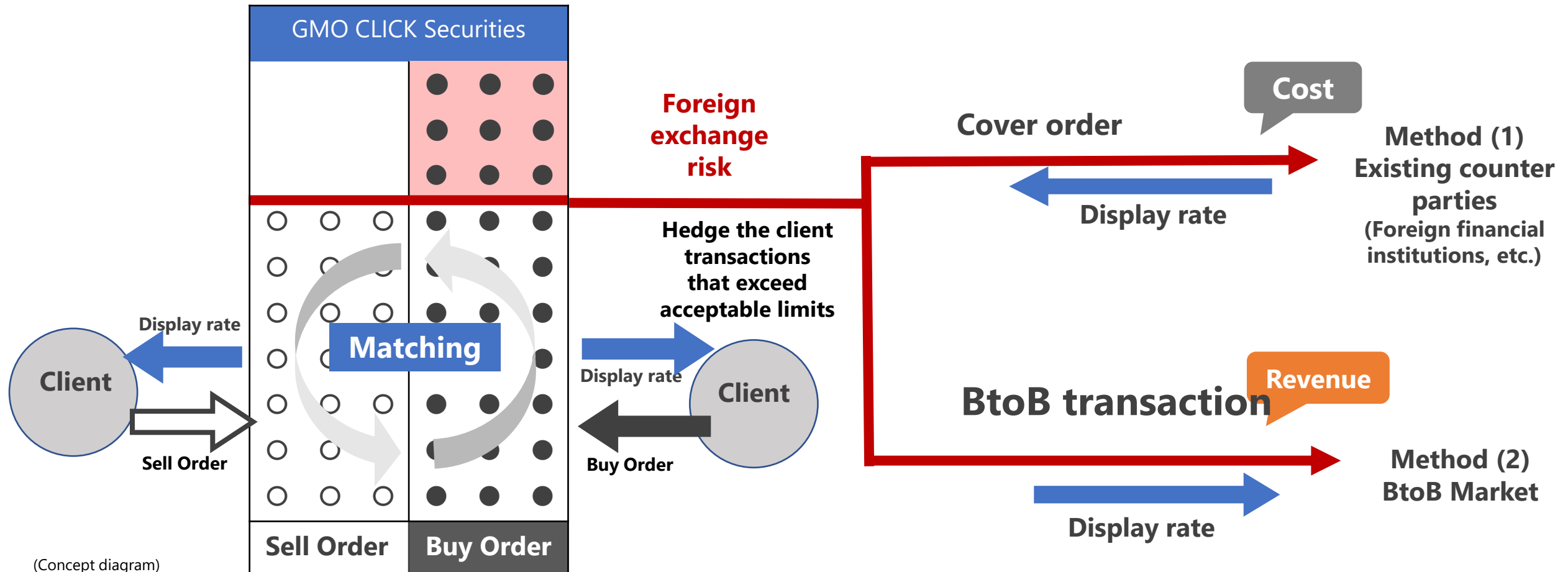
Internet Finance | FX, CFD, and Securities : KPIs

FX	CFD	Securities
<div>Trading Volume</div> <div>JPY 309_{tr}</div> <div>Q4 FY2019: JPY 340_{tr}</div>	<div>Trading value</div> <div>JPY 12.5_{tr}</div> <div>Q4 FY2019: JPY 13.7_{tr}</div>	<div>Trading value</div> <div>JPY 3.5_{tr}</div> <div>Q4 FY2019: JPY 3.5_{tr}</div>
<div>Share of Trading Volume</div> <div>19.9%</div> <div>Q4 FY2019: 19.6 %</div>	<div>Account</div> <div>152_K</div> <div>Dec. 31, 2019: 129_K</div>	<div>Share of Trading Value</div> <div>3.3%</div> <div>Q4 FY2019: 4.6%</div>
<div>Customer Assets Balance</div> <div>JPY 224.7_B</div> <div>Dec. 31, 2019: JPY 191.2_B</div>	<div>Customer Assets Balance</div> <div>JPY 46.6_B</div> <div>Dec. 31, 2019: JPY 45.8_B</div>	<div>Margin Transaction Balance</div> <div>JPY 107.5_B</div> <div>Dec. 31, 2019: JPY 71.1_B</div>

The share of trading volume for FX and securities are prepared based on Futures Association of Japan and Japan Exchange Group publication data. Securities and CFD data are the numbers of GMO CLICK Securities.

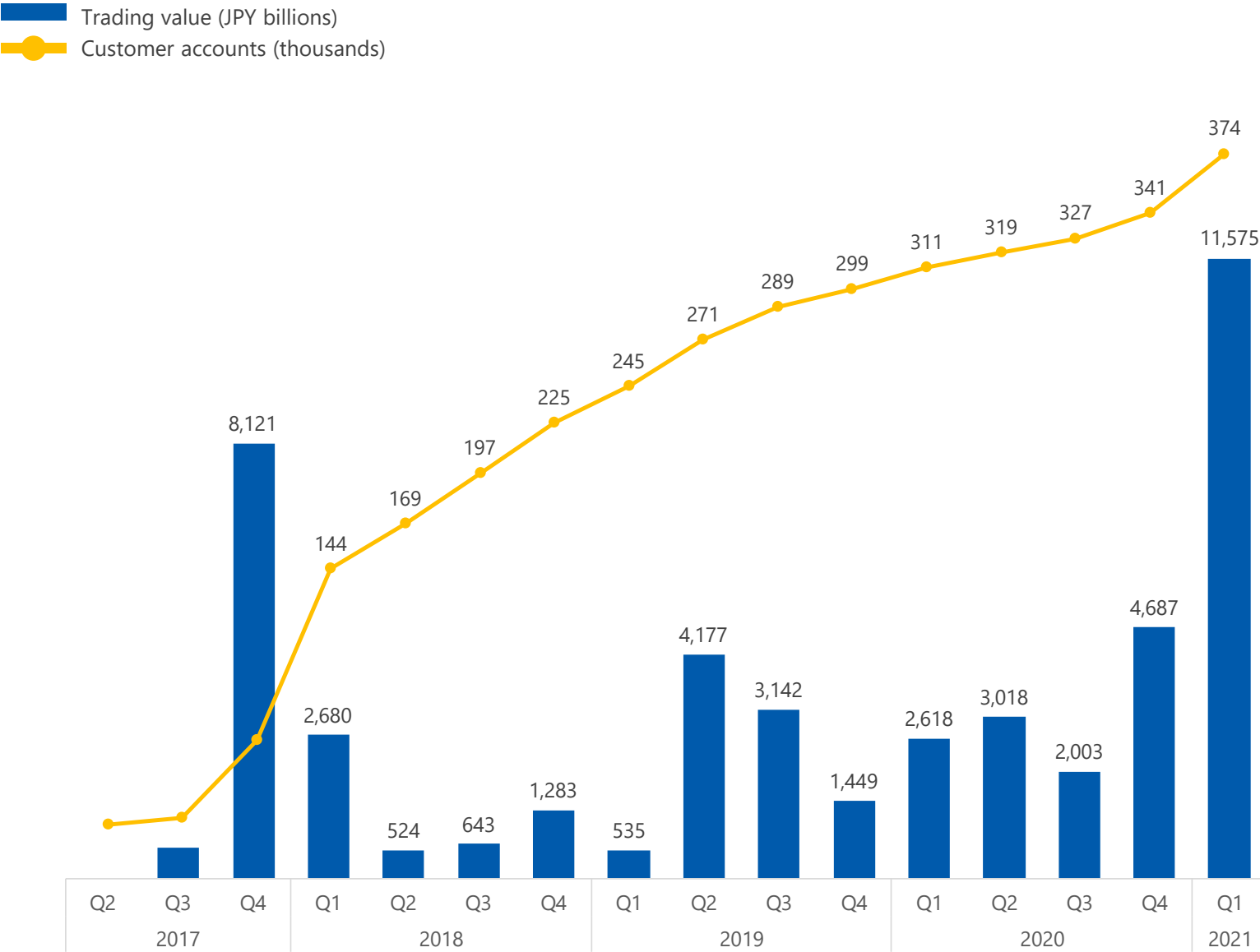
Internet Finance | FX Business Model (over the counter derivatives)

- Effective matching and thorough risk minimization with cover transactions executed with counter parties as soon as customer orders exceed acceptable risk position.
- As a new hedging method, "BtoB" is in trial to reduce cover costs and generate profits.



Cryptoassets

Cryptoasset Trading | Trading value and customer accounts

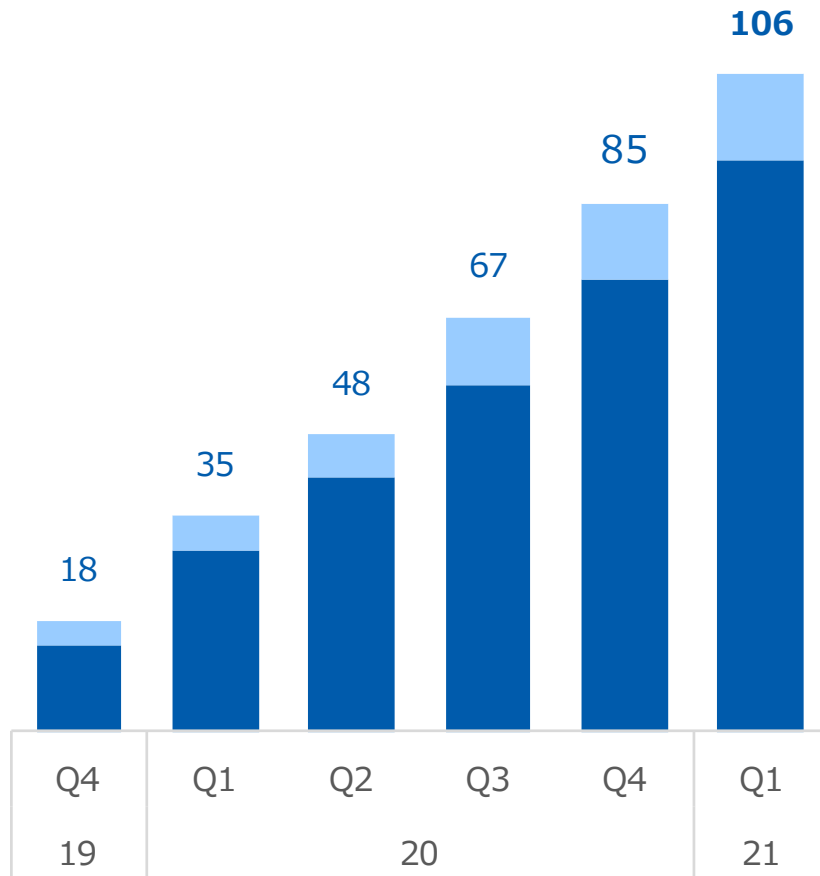


GMO Aozora Net Bank

Net Bank | Number of bank API connection

GMO AOZORA NET BANK

(Number of firms)









Become **No. 1**
in terms of the
number of bank
API connection





- Public access (electronic payment processing, etc.)
- Private access (general business companies, etc.)

Other

Group News (1) 3 mths to March

- | | | |
|------|---|---|
| 1/14 |  | GMO Media's programming class search site "Coeteco byGMO," a programming robot class for elementary school students, has become number one in terms of the number of classrooms listed: Exceeding 10,000 classrooms, the significant increase in the number of classrooms listed compared to 2018 |
| 3/2 |  | GMO Internet's US subsidiary GMO-Z.com Trust Company, Inc. launched the world's first Japanese yen-pegged stablecoin GYEN and USD-pegged stablecoin ZUSD, which must comply with the US banking laws and regulations |
| 3/9 |  | GMO MAKESHOP's "MakeShop byGMO" has No.1 transaction volume in ASP online store industry for the 9th consecutive year: The consumption increased due to stay-at-home orders during the pandemic, which led to an increase in the number of stores and the stores' revenue |
| 3/9 |  | GMO Internet announces Town WiFi byGMO, which is a free WiFi automatic connection application, has reached 10 million downloads! |
| 3/22 |  | GMO Internet is a diamond sponsor of CODEGYM Academy, a project that offers programming education for students for free during the pandemic: Train IT personnel that will play important roles in the next generation |
| 3/22 |  | Sanjo City is the first municipality in Japan that has decided to adopt GMO GlobalSign HD's e-contract service |

Group News (2) 3mths to March

- | | | |
|------|---|---|
| 4/1 |  PAYMENT GATEWAY | Financial and payment system developer BUFFORT Inc. acquired and joins GMO-PG consolidated companies |
| 4/5 |  DIGITAL Lab | GMO DIGITAL Lab's GMO Shop App has launched GMO Store App Coordination with MakeShop that realizes a seamless integration between PCs, smartphones, and offline shops |
| 4/9 |  INTERNET | GMO Internet Group enters the NFT business to support the online content distribution revolution, releasing its new marketplace Adam byGMO |
| 4/16 |  MEDIA | GMO Media enters the DX business of programming schools: "Coeteco byGMO" has acquired Smart Manage, a tool to manage students, from Educational Design Co., Ltd. |

Internet for Everyone

GMO