

**Fiscal Year 2022  
Third Quarter  
Results Presentation**

**GMO** INTERNET GROUP

STOCK CODE: 9449

**November 14, 2022**

# Changes in rules to record the revenues\* | Impact

Net sales based on new rules (concept diagram)

## Net sales

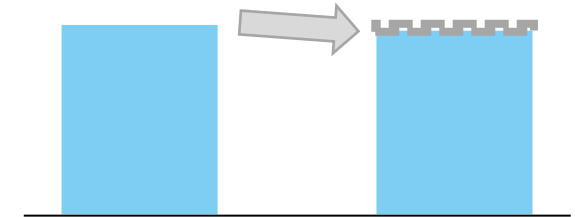
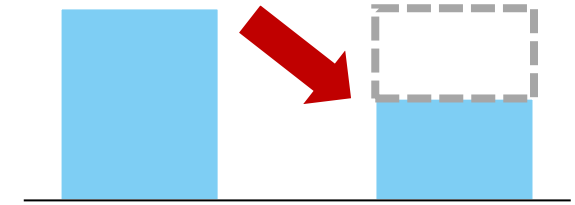
- **Online Advertising & Media**

Net amount processing of ad spot purchase amount in advertising agency leads to an **apparent drop**

- **Infrastructure**

**Limited impact** is observed despite change from one time processing at the time of concluding contract to proration in accordance with the term of contract and the net amount processing in Ecommerce Solutions

- **Finance, Cryptoassets, and Incubation:** no material impact



## Operating profit: limited impact

\* "Accounting standards related to revenue recognition" (accounting standard No. 29)

# Changes in rules to record the revenues\* | Comparison with the same period last year

## Affected divisions (consolidated, Infrastructure, Online Advertising & Media)

► Compared to the same period last year (old v.s. old) to show the actual conditions of the business

( Compared to the same period last year (old v.s. new) included in Appendix)

## Non-affected divisions (Finance, Cryptoassets)

► Compared to the same period last year (old v.s. new)

\* "Accounting standards related to revenue recognition" (accounting standard No. 29)

1. Overview
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  - ii) Online Advertising & Media
  - iii) Internet Finance
  - iv) Cryptoassets
4. Topics

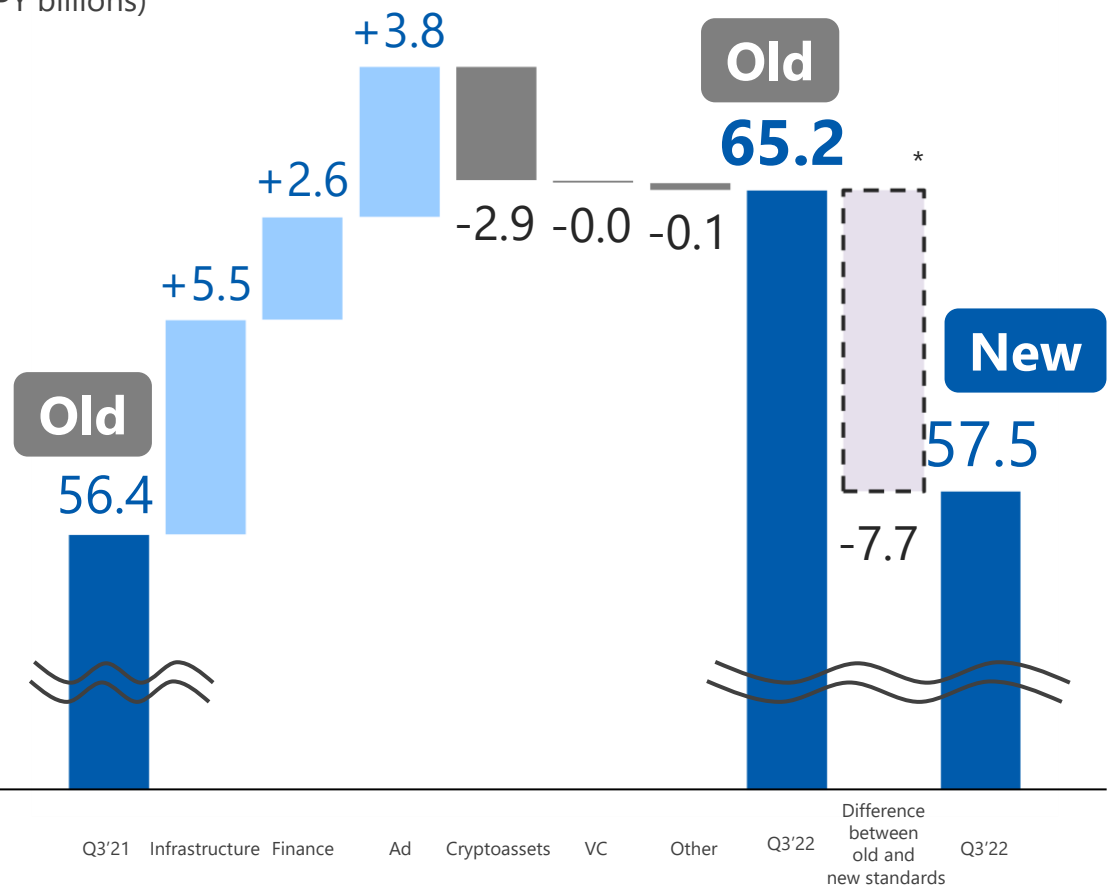
# Overview | Executive Summary: Q3 FY2022 (Jul-Sep)

	Old	New	Old	Compared to the same period last year (old v.s. old)	
(JPY billions)	Q3'21 (Jul-Sep)	Q3'22 (Jul-Sep)	Q3'22 (Jul-Sep)	YoY Change	Change
Net Sales	56.4	<b>57.5</b>	<b>65.2</b>	<b>+8.8</b>	<b>+15.6%</b>
Operating Profit	8.0	<b>7.0</b>	<b>6.8</b>	<b>-1.1</b>	<b>-14.0%</b>
Ordinary Profit	8.6	<b>8.9</b>	<b>8.7</b>	<b>+0.1</b>	<b>+2.1%</b>
Net Profit	3.5	<b>-1.6</b>	<b>-1.8</b>	<b>-5.4</b>	<b>-</b>

# Overview | Executive Summary: Q3 FY2022 (Jul-Sep)

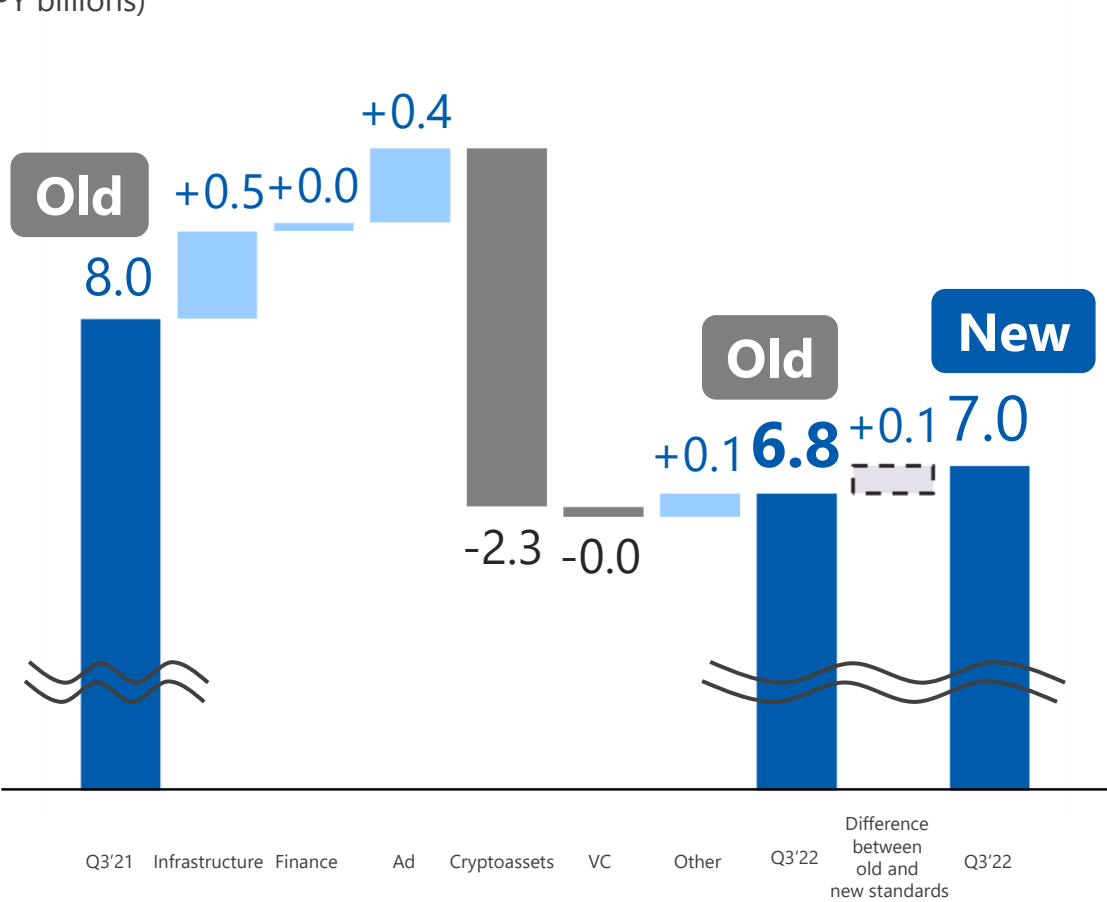
**Net sales**  
Up **8.8B** YoY

(JPY billions)



**OP**  
Down **1.1B** YoY

(JPY billions)



\*Breakdown of difference between old and new standards:  
Infrastructure -1.7B; Ad -7.0B; inter-segment adjustment +1.0B, etc.

# Overview | Executive Summary: Q3 FY2022 (Jul-Sep)

Compared to the same period  
last year (old v.s. old)

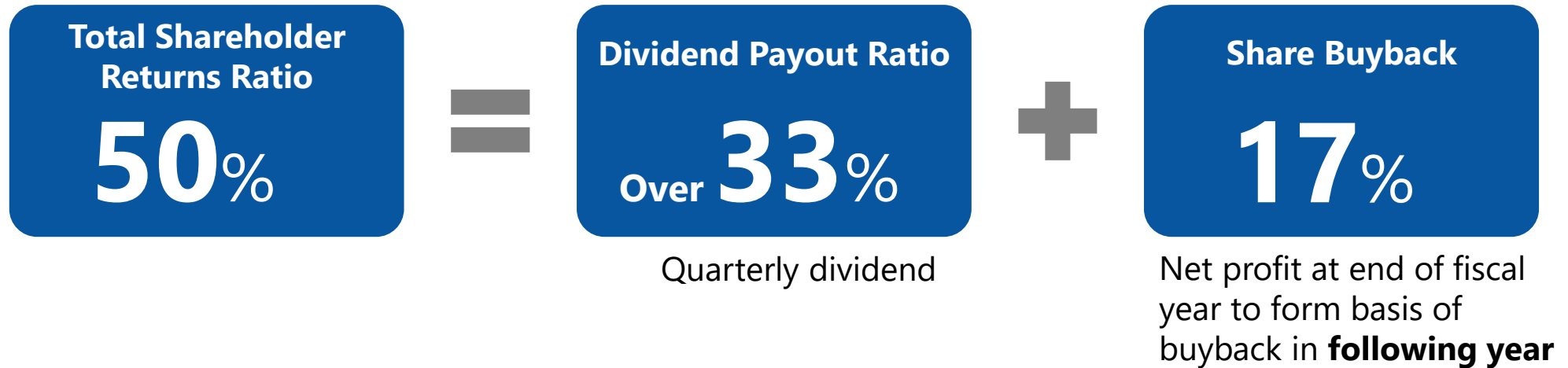
Evaluation  
Q3 Q2

Internet Infrastructure	Net sales	JPY <b>39.8B</b>	(Up <b>16.0%</b> YoY)	Services each hold top share in their respective markets in Japan → ● Double-digit increase in profits despite amortization of goodwill and strategic investments → ●	➡	●	●
	OP	JPY <b>4.5B</b>	(Up <b>14.0%</b> YoY)				
Online Ad & Media	Net sales	JPY <b>15.9B</b>	(Up <b>32.0%</b> YoY)	Continue to recover our trend → ● Record high revenue → ●	➡	●	●
	OP	JPY <b>0.7B</b>	(Up <b>189%</b> YoY)				
Internet Finance	Net sales	JPY <b>10.0B</b>	(Up <b>35.4%</b> YoY)	FX: profitability was "x" due to weak yen CFD: favorable trading volume and revenue trends → ● Gaika ex byGMO joined the Group, which led to an increase in revenue and profit → ●	➡	○	○
	OP	JPY <b>2.6B</b>	(Up <b>2.1%</b> YoY)				
Cryptoassets	Net sales	JPY <b>0.7B</b>	(Down <b>78.9%</b> YoY)	Customer accounts and market share → ● Market environment continues to be "x"	➡	△	△
	OP	JPY <b>-0.8B</b>	(Q3 FY2021: <b>1.4B</b> )				

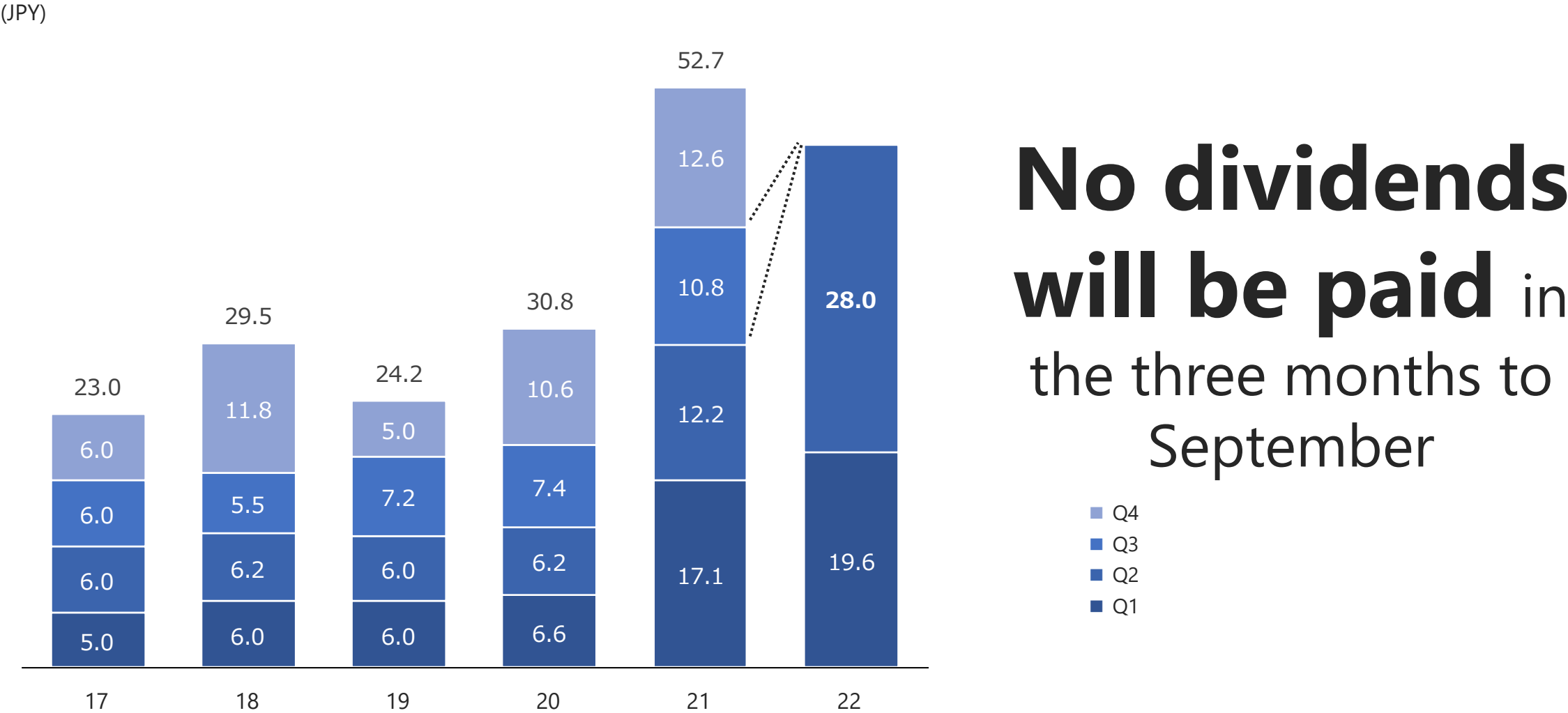
# Overview | Executive Summary: Q3 FY2022

	Old	New	Old	Compared to the same period last year (old v.s. old)	
(JPY billions)	Q3'21 (Jan-Sep)	Q3'22 (Jan-Sep)	Q3'22 (Jan-Sep)	YoY Change	Change
Net Sales	176.9	<b>183.1</b>	<b>206.7</b>	<b>+29.7</b>	<b>+16.8%</b> <b>Record high</b>
Operating Profit	30.6	<b>38.0</b>	<b>37.8</b>	<b>+7.2</b>	<b>+23.6%</b> <b>Record high</b>
Ordinary Profit	32.2	<b>42.4</b>	<b>42.2</b>	<b>+10.0</b>	<b>+31.3%</b> <b>Record high</b>
Net Profit	13.3	<b>13.8</b>	<b>13.7</b>	<b>+0.4</b>	<b>+3.1%</b> <b>Record high</b>

# Overview | Shareholder Returns (Policy)



# Overview | Shareholder Returns (dividend per share)

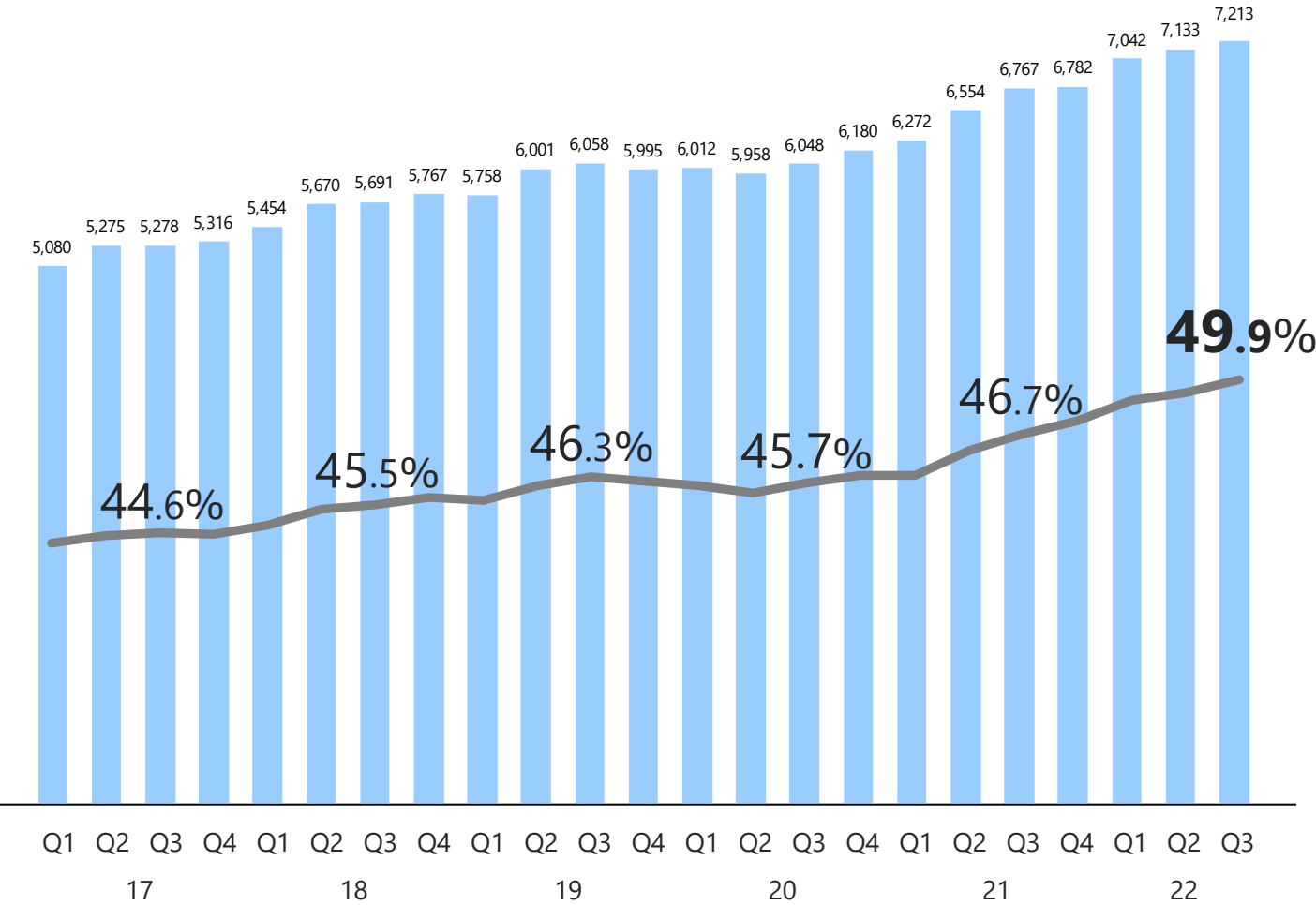


# Strengths

## Strengths (1)

**Operations and  
development of our  
own technology**

# Strengths (1) | Operations and development of our own technology



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

Partners  
% Engineers

\* Not including partners of GMO Internet Group affiliates accounted for by the equity method (such as GMO Aozora Net Bank), which was 228 as of the end of September 2022.

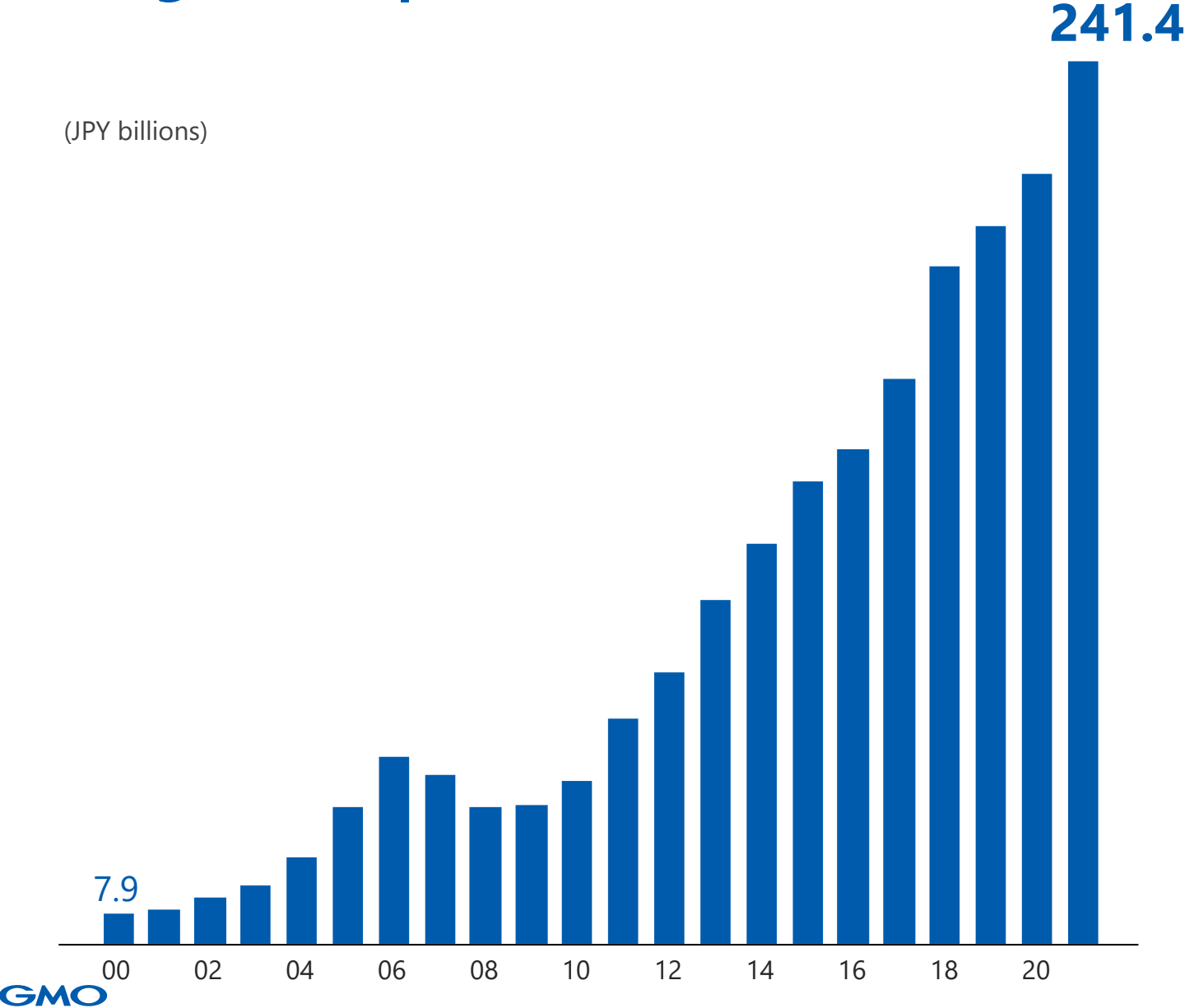
## Strengths (2)

**Solid recurring revenues**

## **Strengths (2) | Solid recurring revenue**

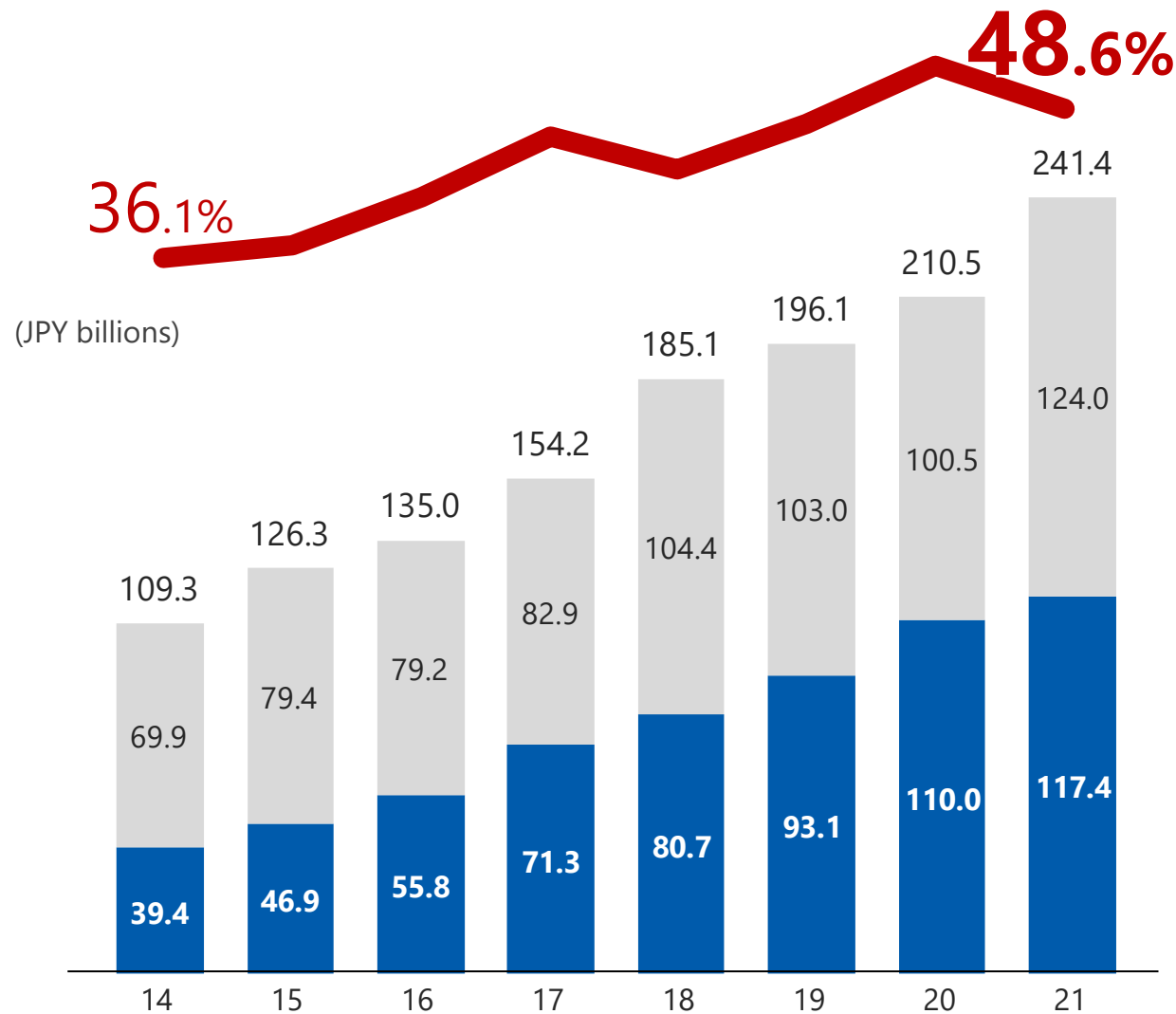
**Indispensable products that will not  
disappear  
and  
recurring revenue business model**

# Strengths (2) | Consolidated net sales



**Sustainable  
growth**

# Strengths (2) | Analysis of consolidated net sales

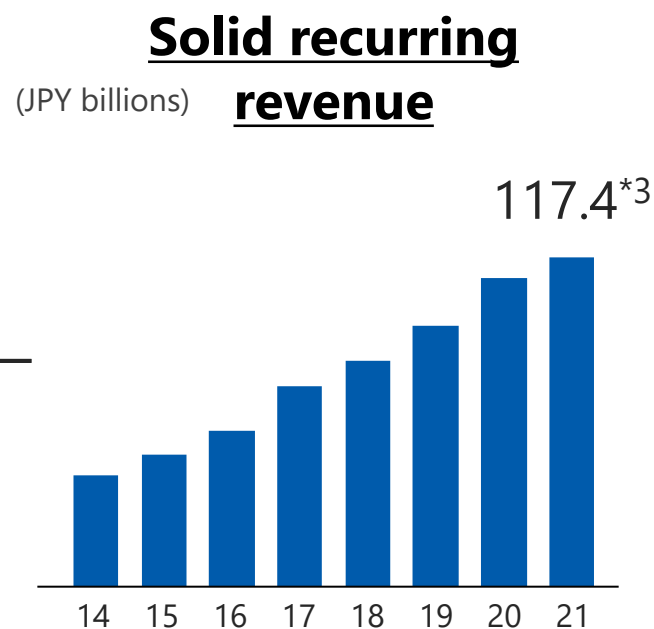
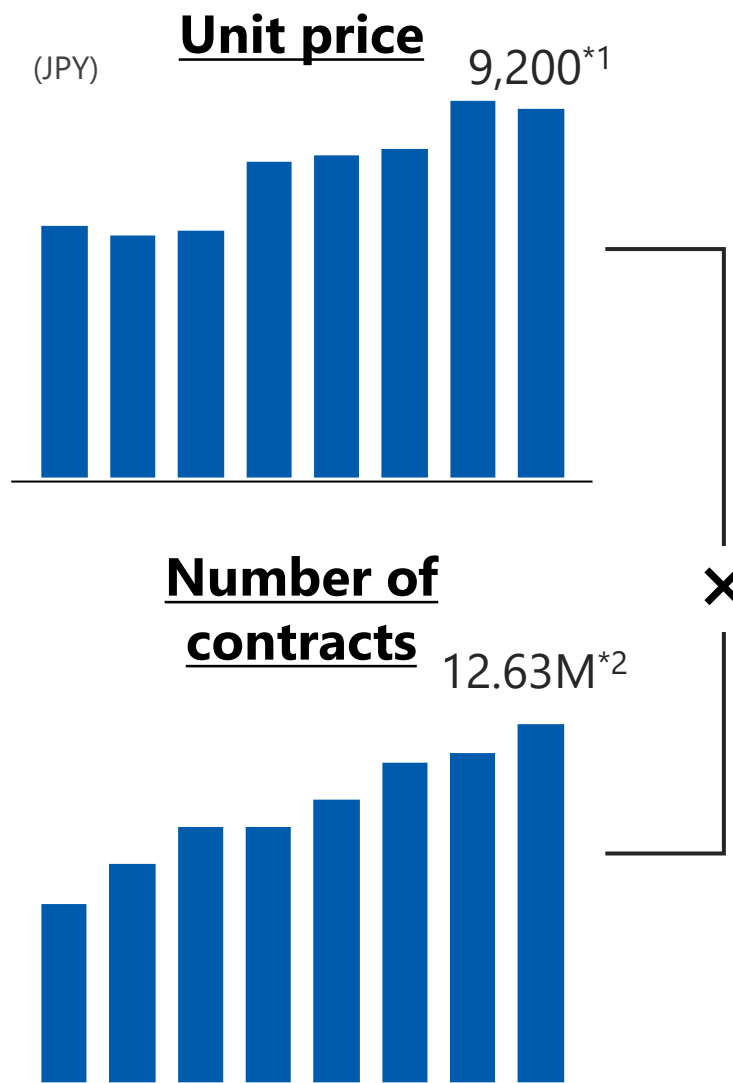


**Solid recurring  
revenues that  
support sustainable  
growth**

- Solid recurring revenue\*
- Other revenue
- Solid recurring revenue ratio (%)

\* The sum of Domain, Hosting & Cloud, Security, part of the Ecommerce Solutions (ecommerce platform), and part of the Payment (recurring and transaction revenues)

# Strengths (2) | Analysis of solid recurring revenues



Approx. JPY **10K**<sup>\*1</sup>

×

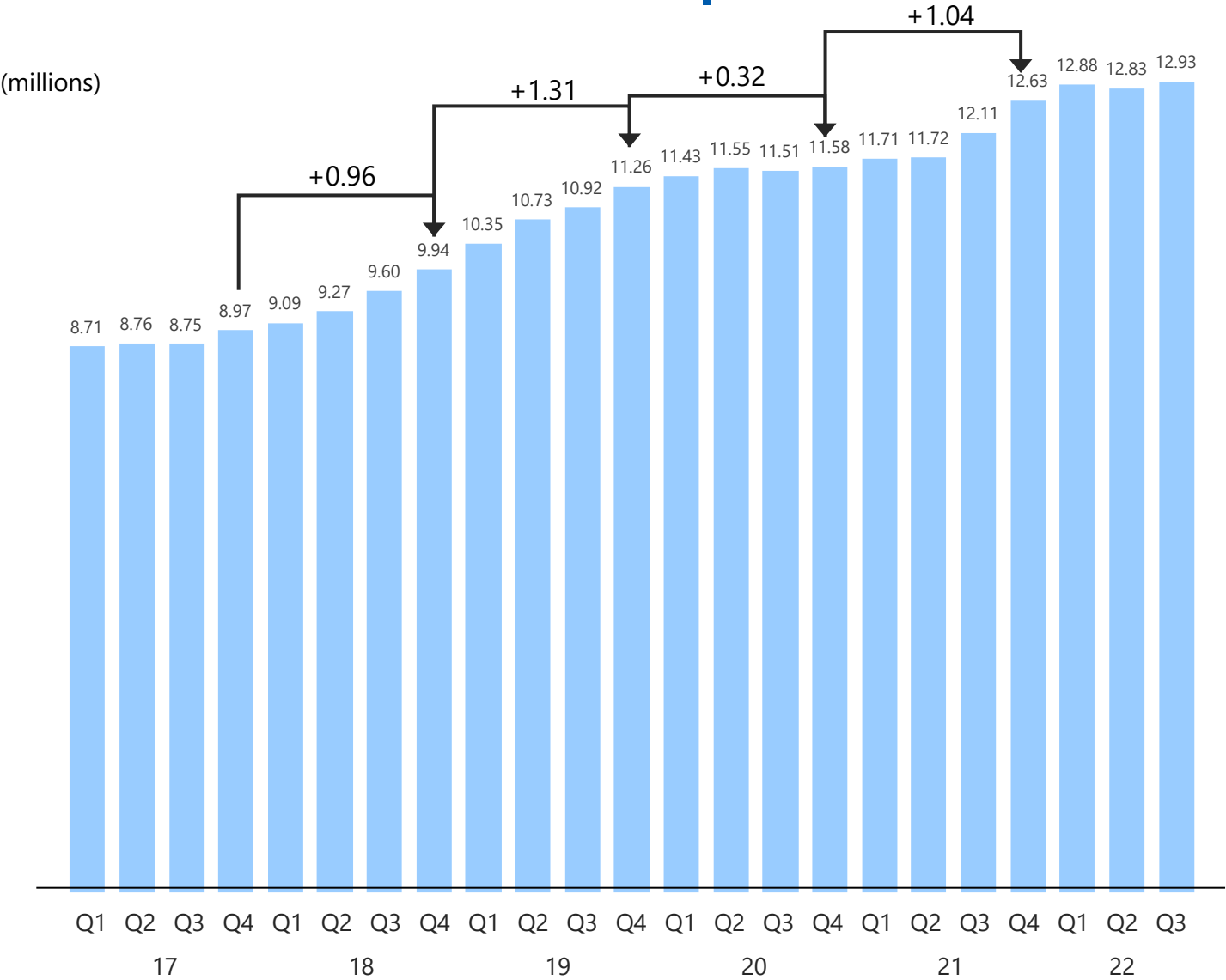
Approx. **12M** contracts<sup>\*2</sup>

▼

Approx. JPY

**120B**<sup>\*3</sup>

# Internet Infrastructure | Contracts



Solid revenue base  
**12.93M**  
customers

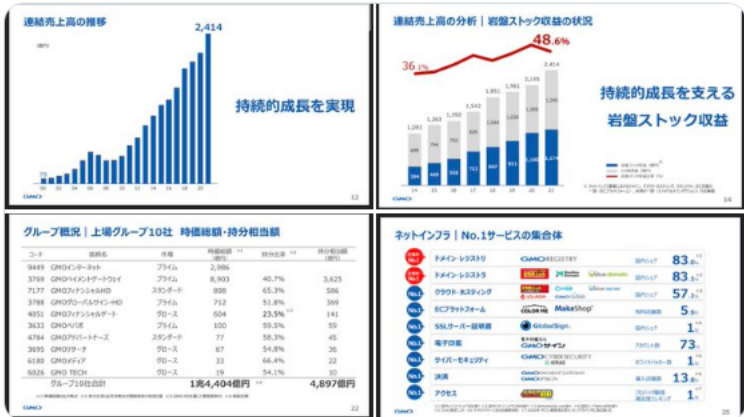
# Social reactions



北岡恭明 (Kitaoka Yasuaki)

@ya\_kit7 · Follow

If you look at GMO's financial results, you can see the strength of "continuing to stay on the Internet" to reduce all the risks (this is difficult). GMO-PG and GMO CLOUD are so amazing. Sometimes they lose to foreign startups but usually win against domestic startups.



8:18 AM · Aug 9, 2022



Read the full conversation on Twitter



4



Reply



Share

Read 1 reply



白犬隼人

@SiroHaya · Follow

GMO is gradually becoming a huge company that leads Japan's cutting-edge digital scene. Did President Kumagai even imagine it? Like a Katamari Damacy, it rolls and grows large. The company usually stays behind the scenes. Well done.

11:34 PM · Oct 24, 2022



9



Reply

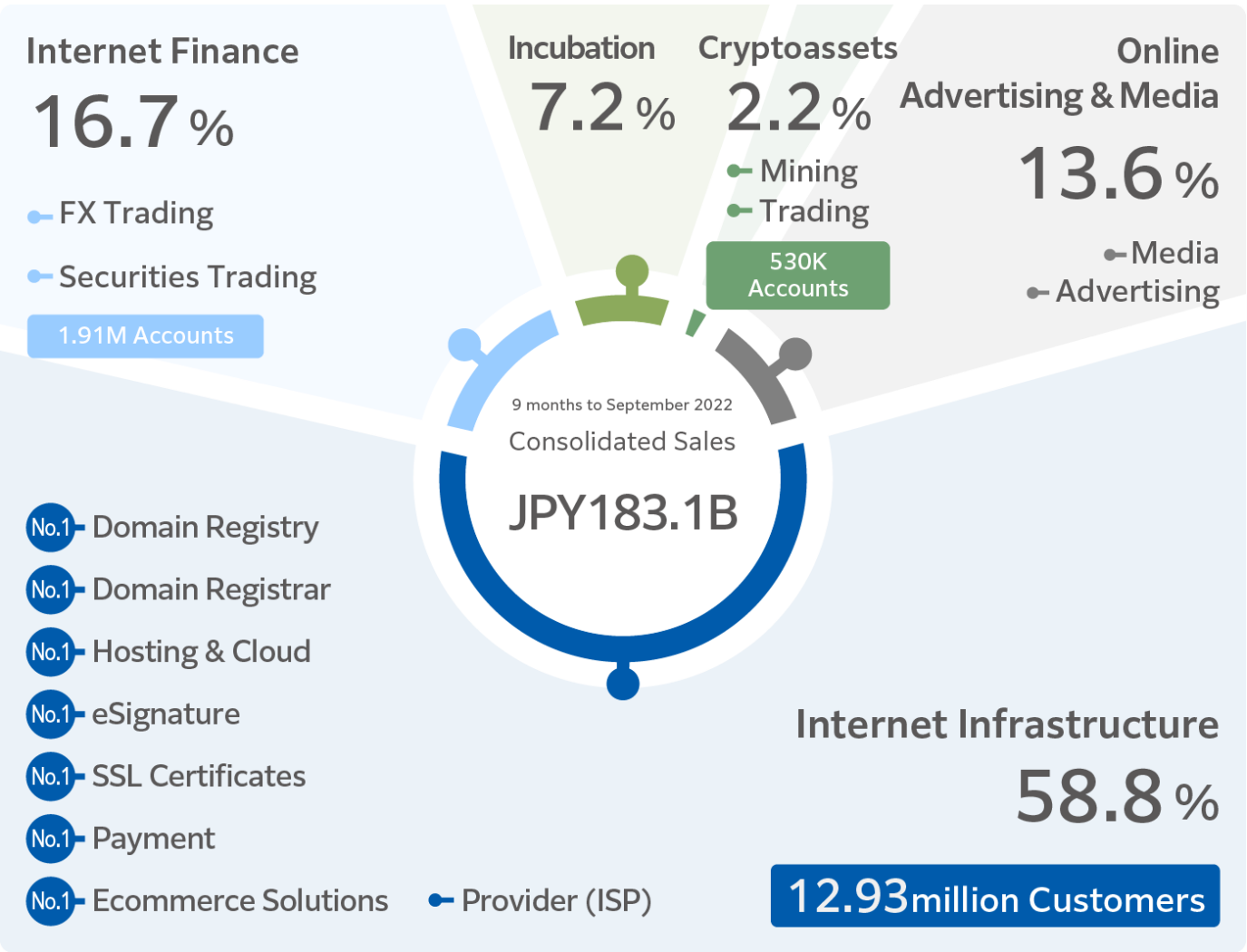


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1. Overview
2. **Group Overview**
3. Segment Report
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# Group Overview | Business Segments (Composition)



Solid revenue base +  
financial customer  
base

**15.38M** customers

Up  
**1.41M**  
YoY

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

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

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

\* Old standard: Infrastructure 54.4%; Online Advertising & Media 21.5%; Finance 14.7%; Cryptoassets 1.9%; and Incubation 6.3%.

# Group Overview | Listed Group Companies: Equity Share

Stock Code	Stock Name	Exchange	Market Cap <sup>*1</sup> (JPY billions)	% Ownership <sup>*2</sup>	Equity Share (JPY billions)
9449	GMO Internet Group	Prime	290.9		
3769	GMO Payment Gateway	Prime	904.9	40.7%	368.4
7177	GMO Financial Holdings	Standard	66.6	65.3%	43.4
3788	GMO GlobalSign HD	Prime	54.8	51.8%	28.4
4051	GMO Financial Gate	Growth	59.1	23.5% <sup>*3</sup>	13.8
3633	GMO Pepabo	Prime	11.5	59.5%	6.8
4784	GMO AD Partners	Standard	7.4	57.6%	4.2
3695	GMO Research	Growth	6.2	54.8%	3.4
6180	GMO Media	Growth	3.1	66.4%	2.0
6026	GMO TECH	Growth	1.8	54.1%	0.9
Group Total			<b>1,406.7<sup>*4</sup></b>		<b>471.9</b>

\*1 Market value as of November 11, 2022

\*2 Includes indirect holdings (as of the end of September)

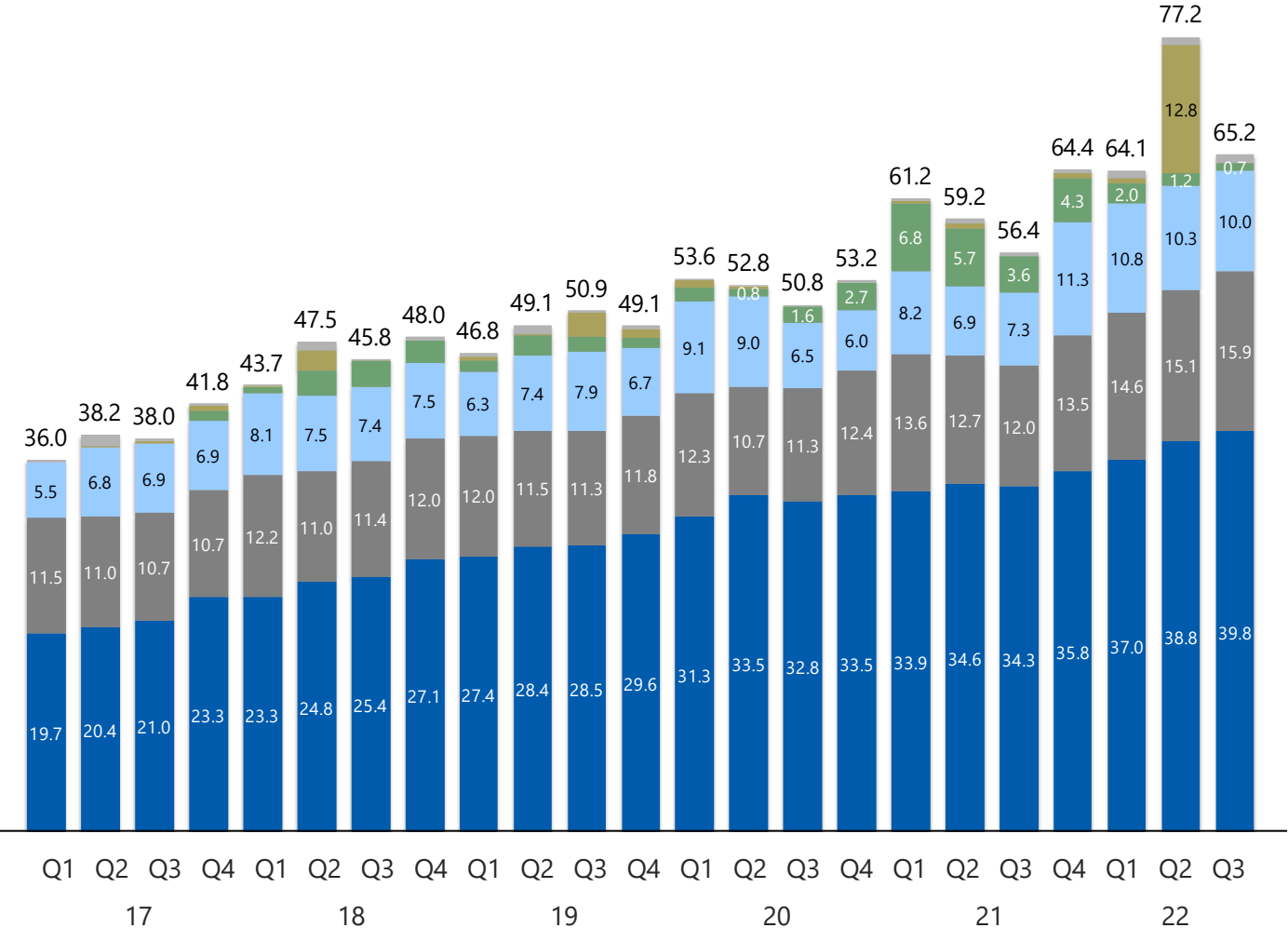
\*3 GMO Internet Group owns 23.5% of GMO-FG indirectly through GMO-PG

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

# Group Overview | Net Sales by Segment

(JPY billions)

Compared to the same period last year (old v.s. old)



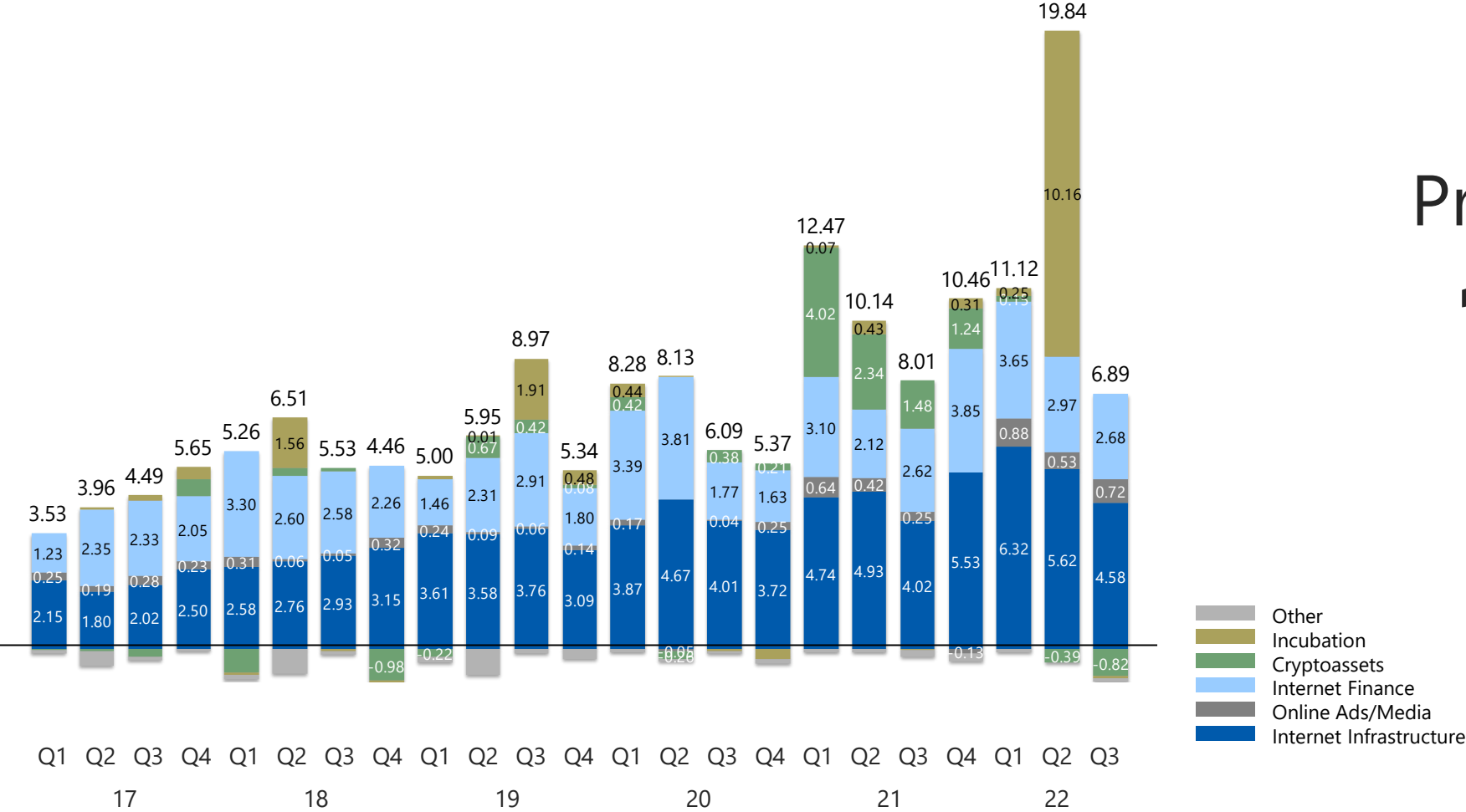
Revenue up  
**15.6%**  
YoY

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

# Group Overview | Profit by Segment

(JPY billions)

Compared to the same period last year (old v.s. old)



Profit down  
**14.0%**  
YoY

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# Internet Infrastructure | Collection of No. 1 services

Strong No. 1	Domain Registry	GMO REGISTRY	Domestic market share at <b>83.0%</b> *1
Strong No. 1	Domain Registrar	  	Domestic market share at <b>82.4%</b> *2
No. 1	Hosting & Cloud	    	Domestic market share at <b>56.7%</b> *3
No. 1	ASP Cart	 	<b>59k</b> paid stores
No. 1	Security		Domestic market share at <b>No. 1</b> *4
No. 1	eSignature	電子印鑑なら 	<b>914k</b> accounts
No. 1	Cybersecurity	 	Number of white hat hackers <b>No. 1</b> *5
No. 1	Payment	 	<b>142,396</b> merchants *6
No. 1	Provider (ISP)	 <small>by GMO</small>	<b>No. 1</b> *7 provider in terms of customer satisfaction

\*1 Based on our own data \*2 Based on ICANN data in July \*3 Based on domaintools.com data \*4 Country code based on Netcraft data

\*5 Based on the Fermi estimate

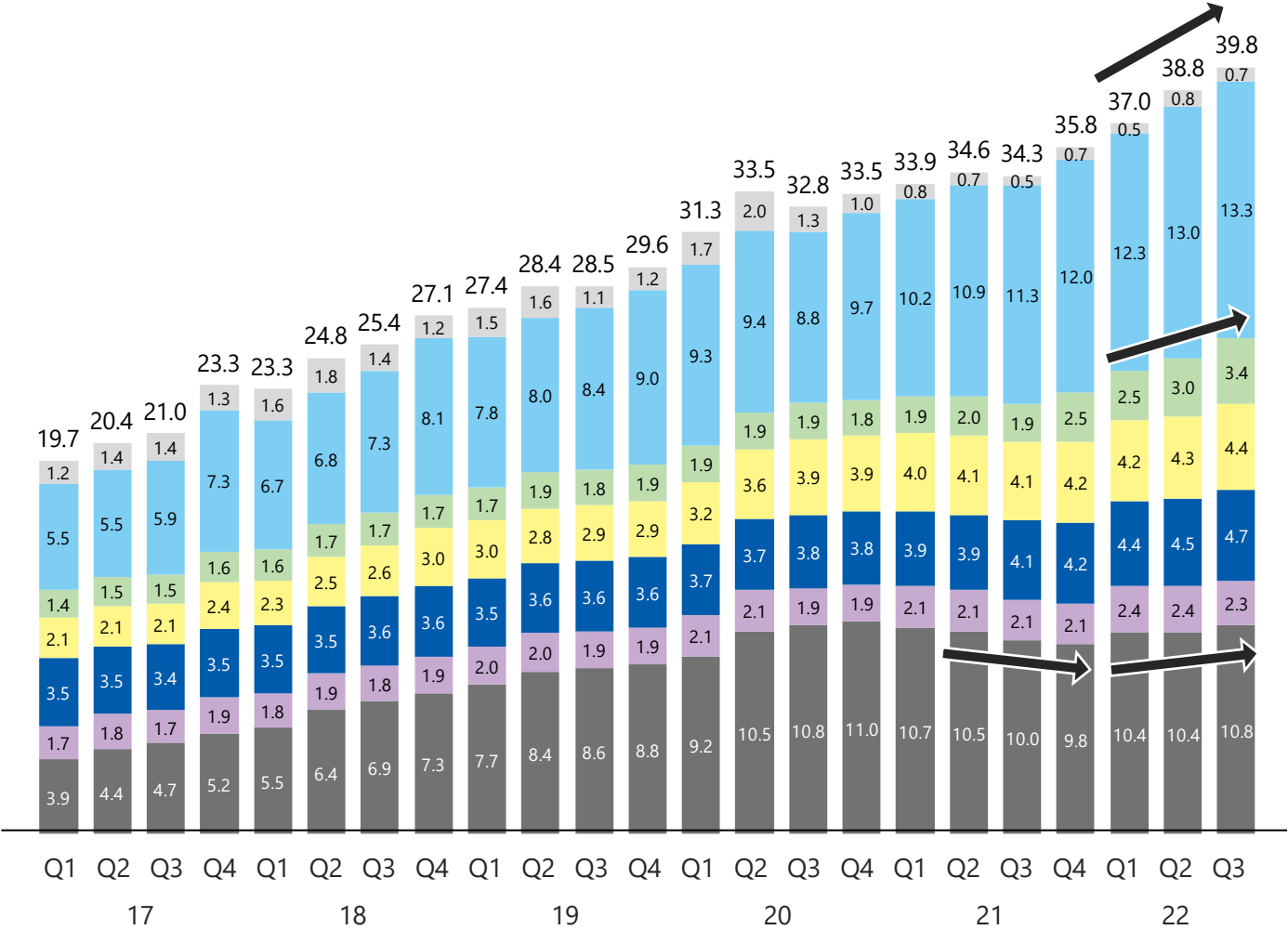
\*6 Figure excludes the number of stores related to major delivery services

\*7 In 2020, Oricon announced that GMO TokuToku BB became the top-ranked provider in terms of customer satisfaction

# Internet Infrastructure | Net Sales by Sub-Segment

(JPY billions)

Compared to the same period last year (old v.s. old)



Revenue up  
**16.0%**  
YoY

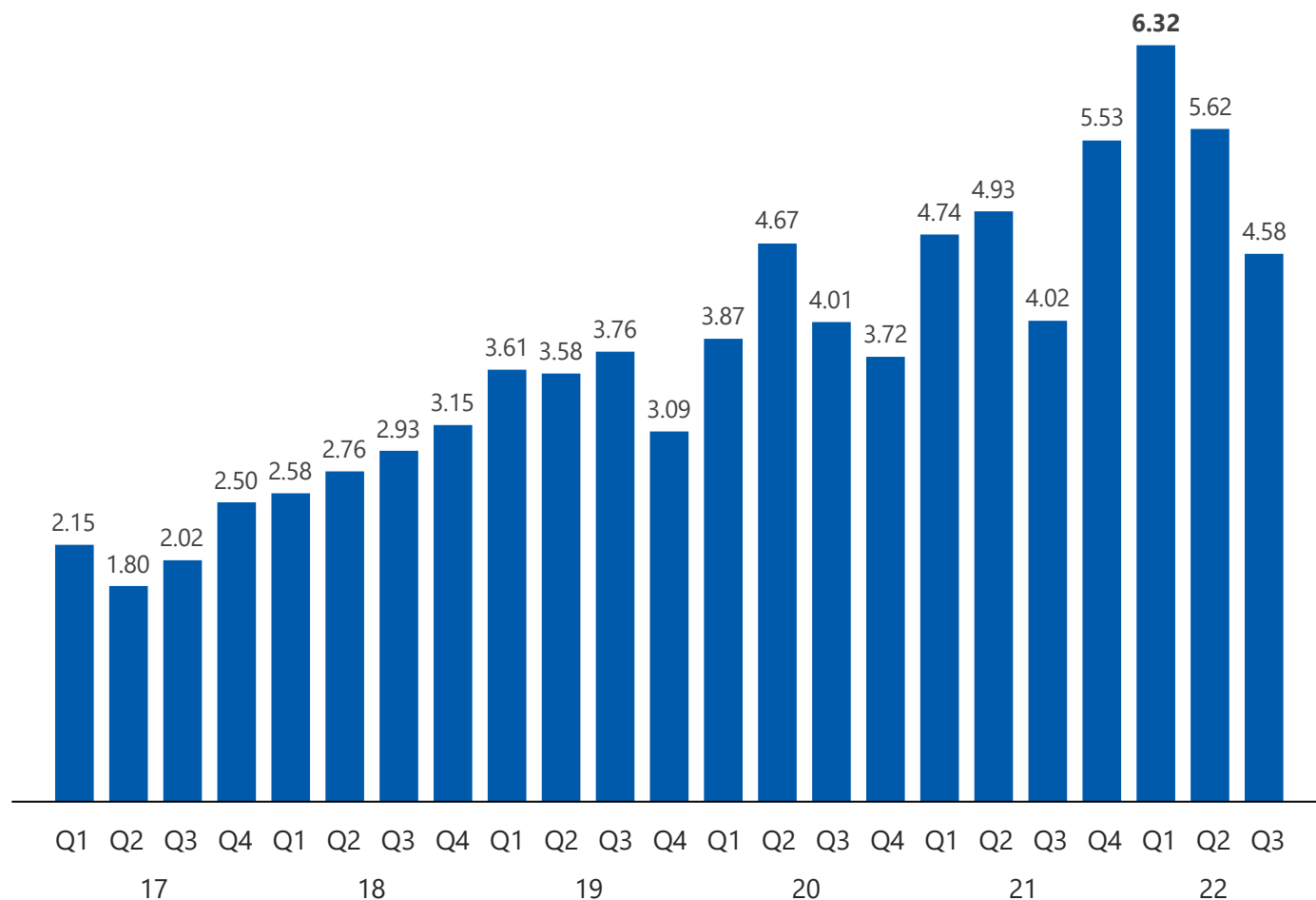
- Other
- Payment
- Security
- Ecommerce Solutions
- Hosting & Cloud
- Domain
- Provider

\* Numbers of domain and security businesses revised retroactively to Q1 FY2017 due to changes in the structure of the segment

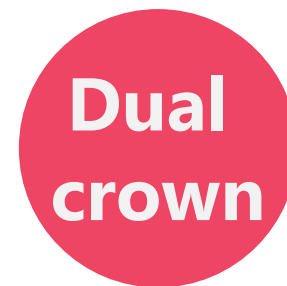
# Internet Infrastructure | Operating Profit

(JPY billions)

Compared to the same period last  
year (old v.s. old)



Profit up  
**14.0%**  
YoY



電子印鑑なら  
GMOサイン

Number of e-contract accounts: **No. 1**

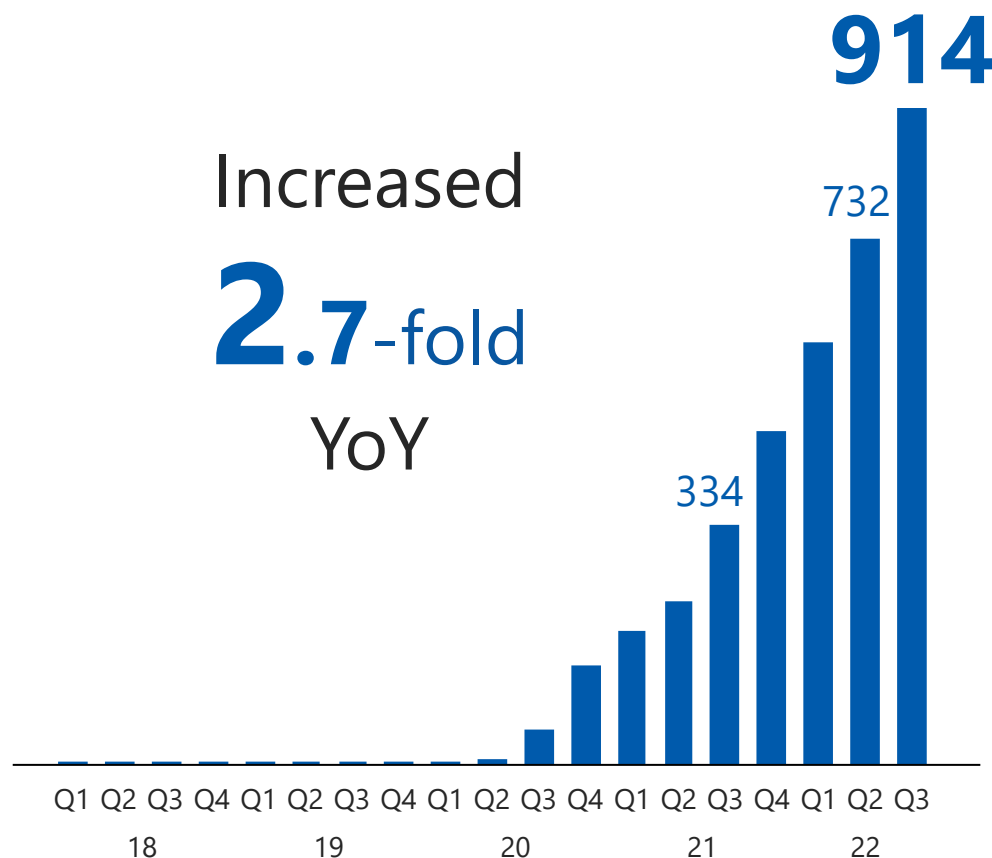
Number of contracts: **No. 1**

# Internet Infrastructure | Number of e-contract accounts

電子印鑑なら  
**GMOサイン**

(thousands)

Increased  
**2.7-fold**  
YoY



Number of e-contract  
accounts  
**No. 1**

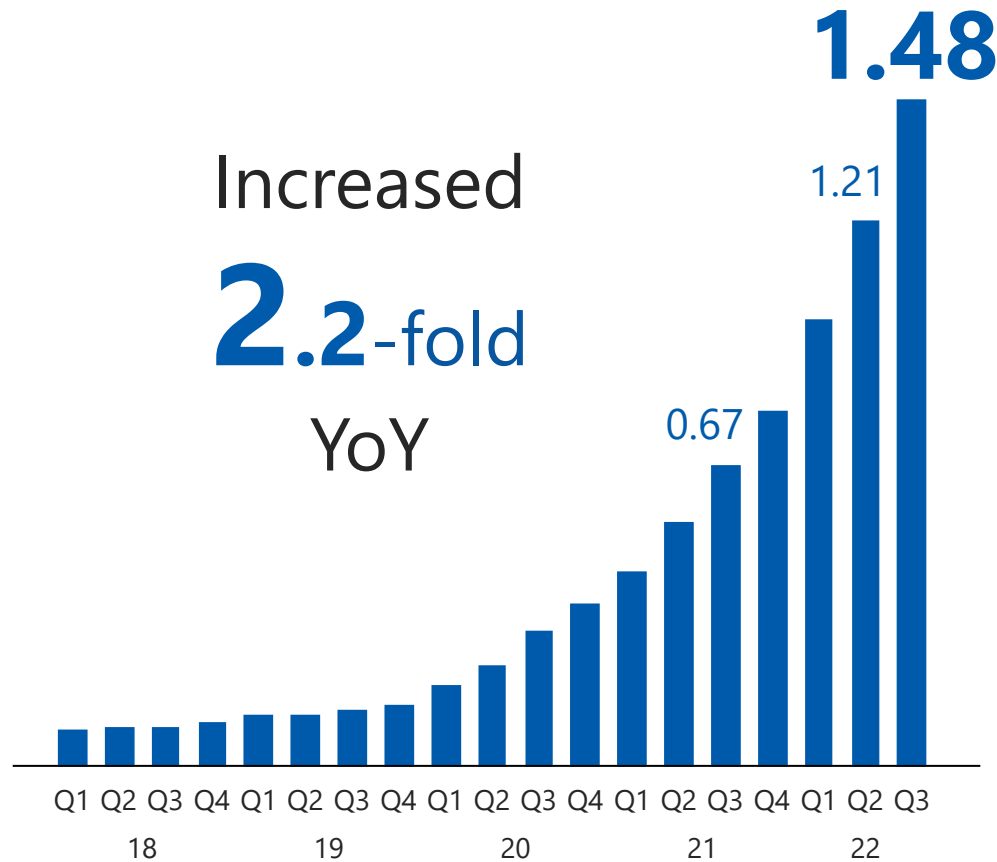
User companies (extract)



# Internet Infrastructure | Number of contracts

電子印鑑なら  
**GMOサイン**

(millions)



**Dual  
crown**



**Number of contracts  
No. 1**



# Internet Infrastructure | Digital government

電子印鑑なら  
**GMOサイン**

New

福岡市



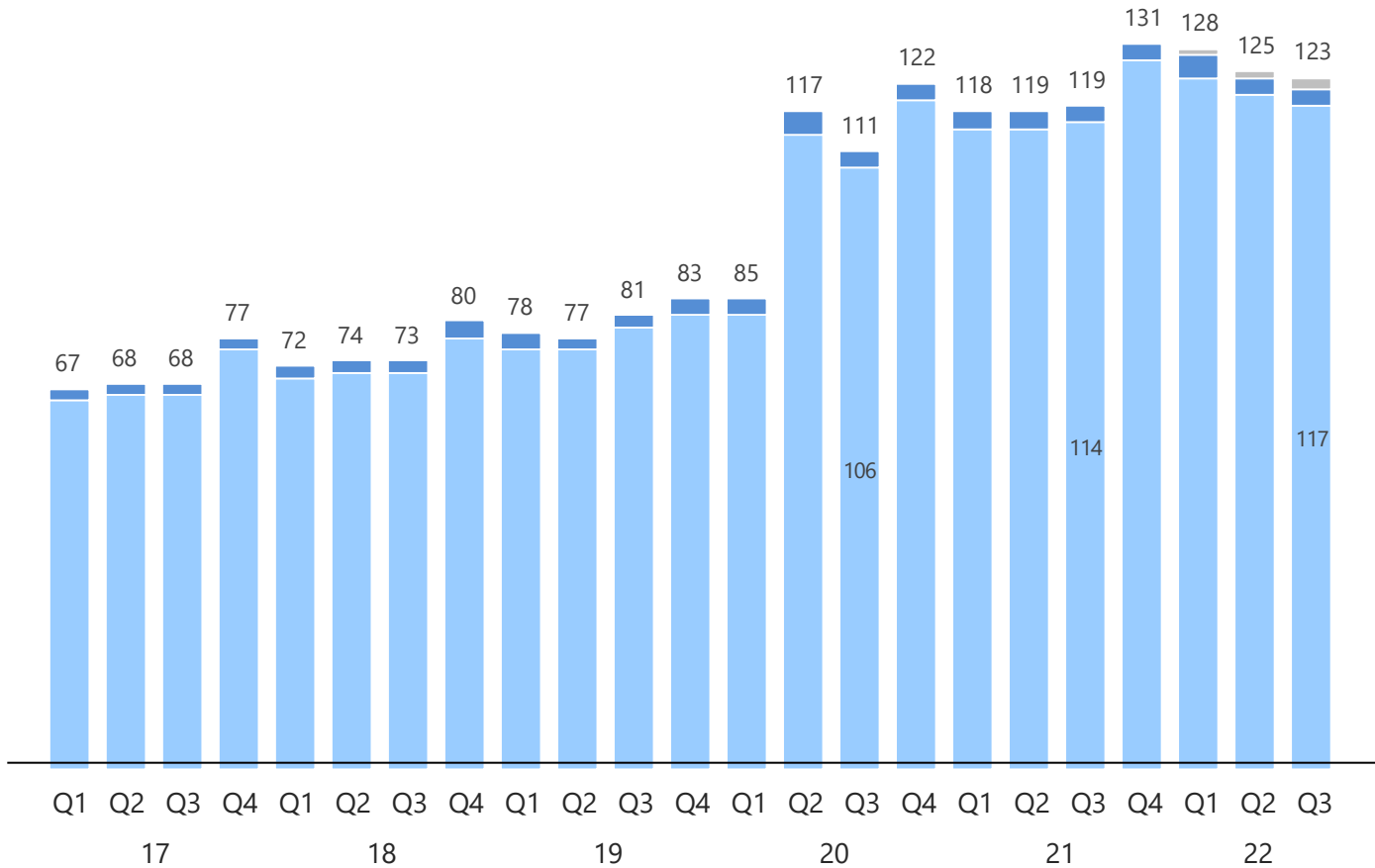
茅ヶ崎市  
CHIGASAKI CITY



Adoption by **24** local  
governments was determined

# Internet Infrastructure | Ecommerce Solutions: transaction volume

(JPY billion)



Up  
**3.9%**  
YoY

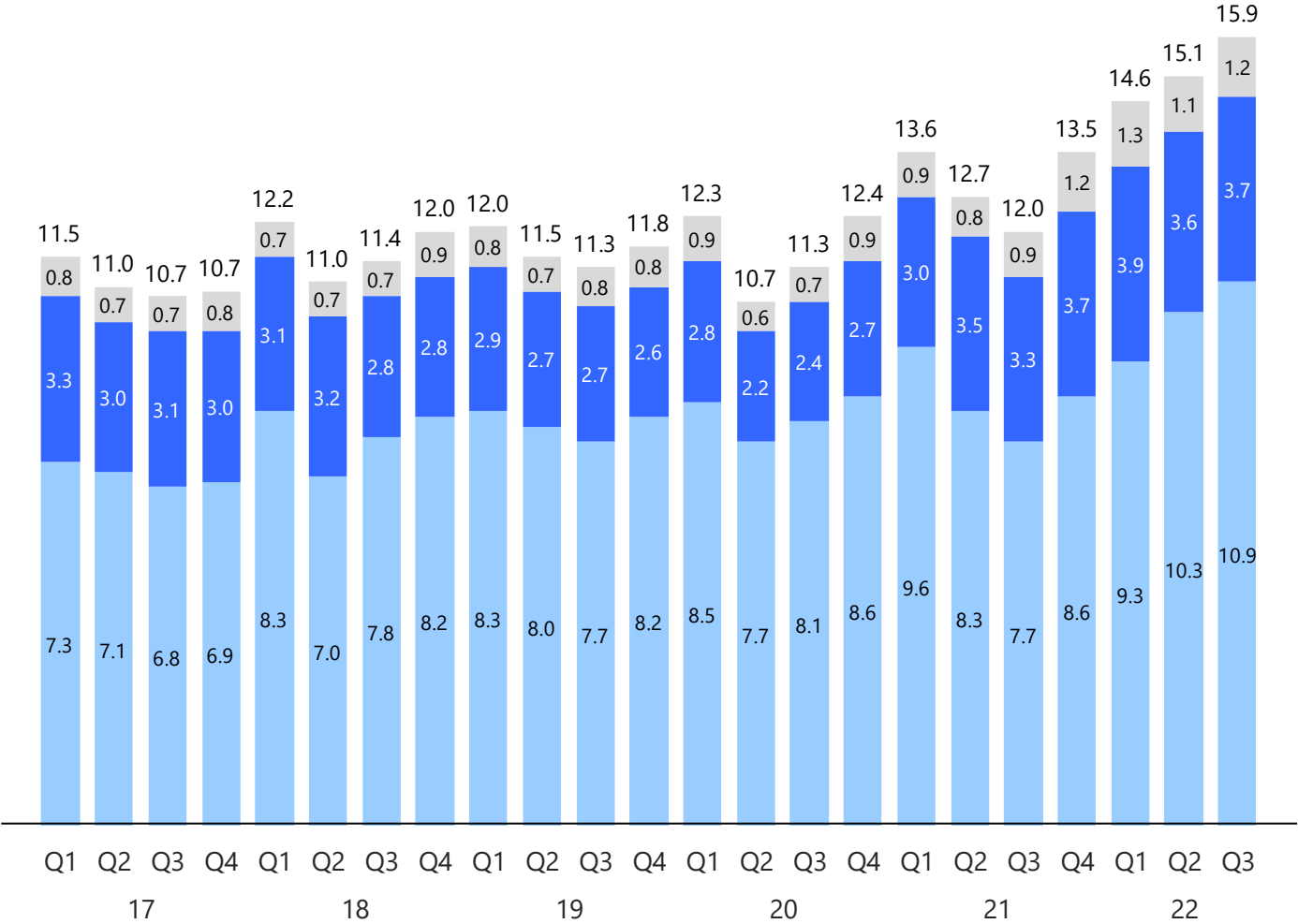
Freenance  
SUZURI, Canvath  
minne  
Ecommerce Platform

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# Online Advertising & Media | Net Sales

(JPY billions)

Compared to the same period last year (old v.s. old)



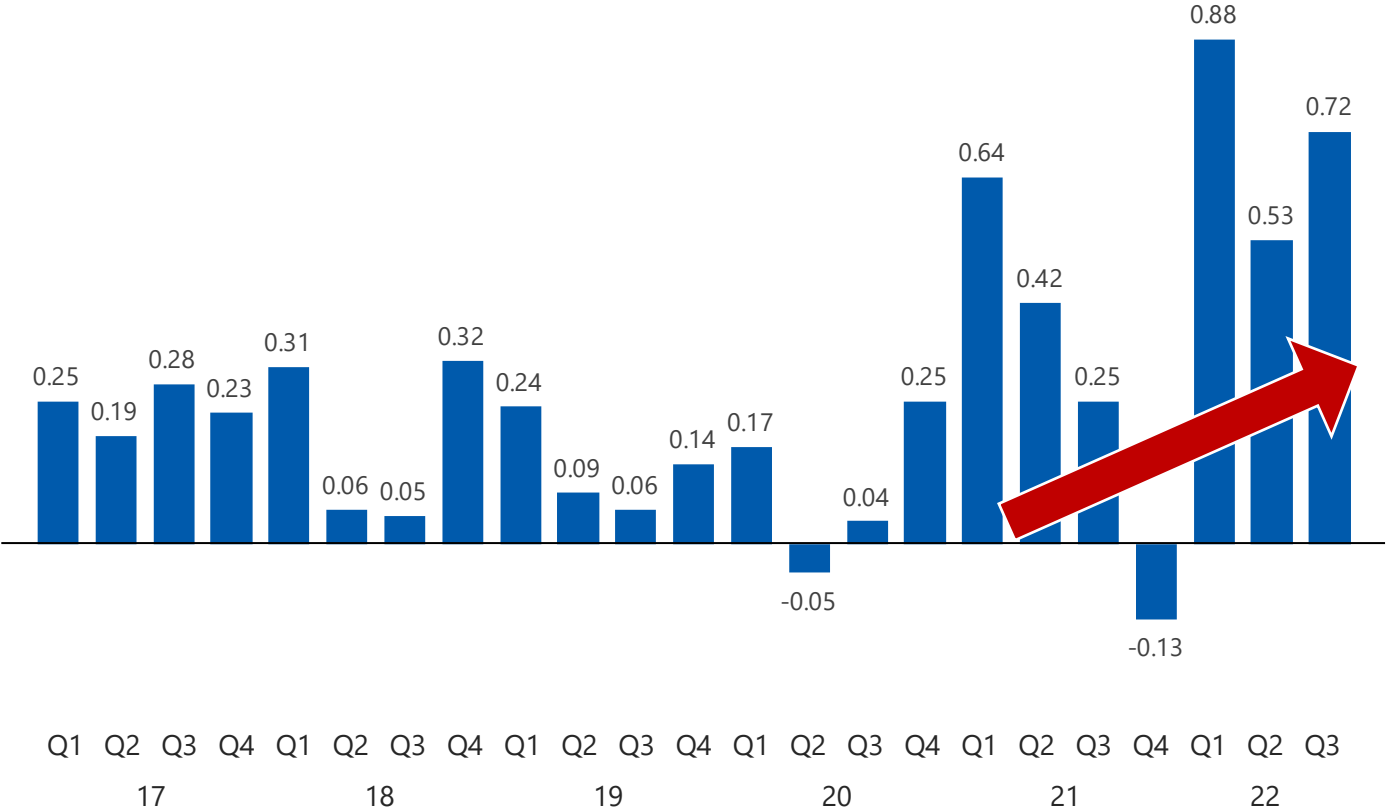
Revenue up  
**32.0%**  
YoY

- Internet Research/Other
- Internet Media
- Online Advertising

# Online Advertising & Media | Operating Profit

(JPY billions)

Compared to the same period last year (old v.s. old)



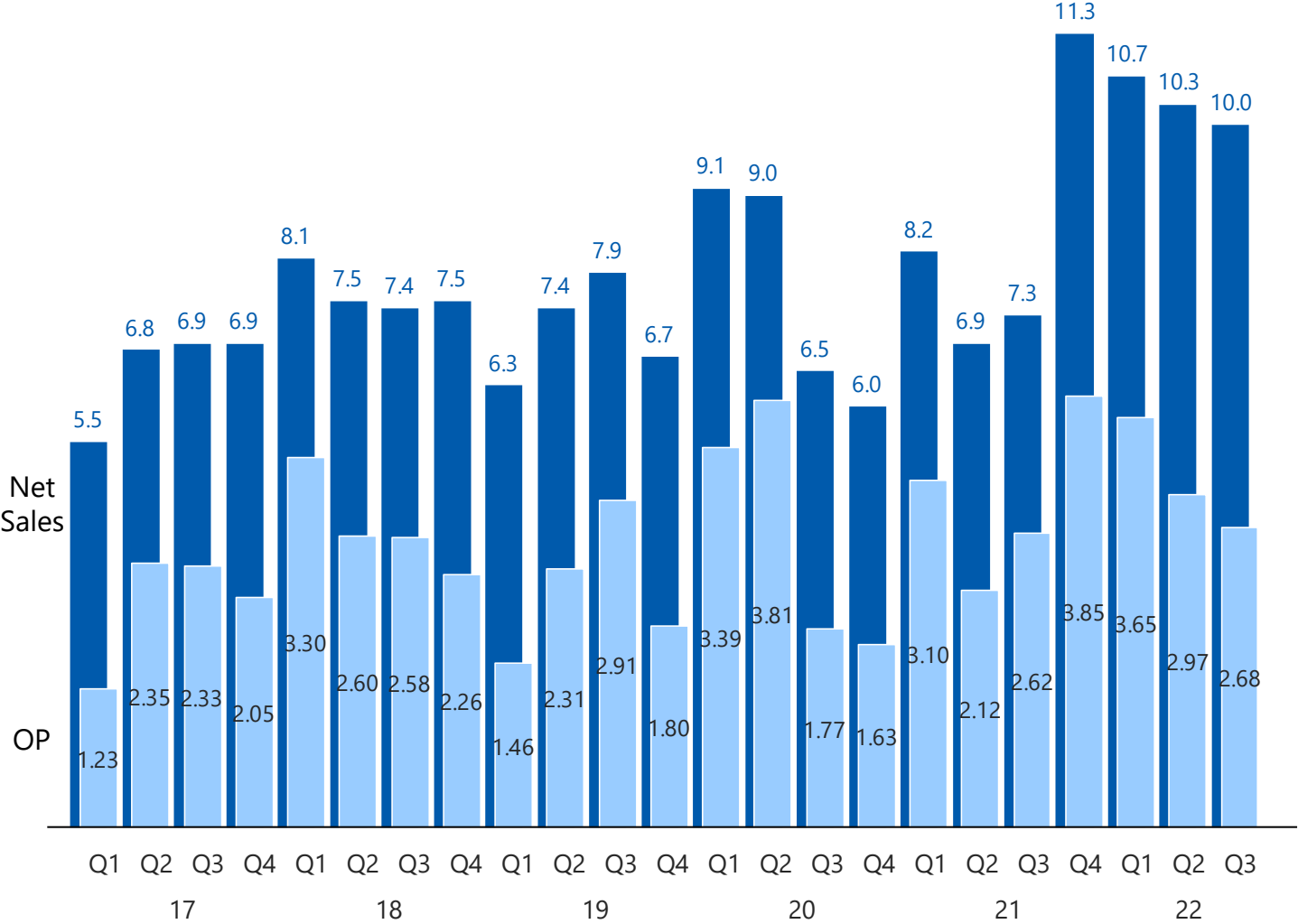
Profit up  
**189%**  
YoY

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# Internet Finance | Historical Performance by Quarter

(JPY billions)

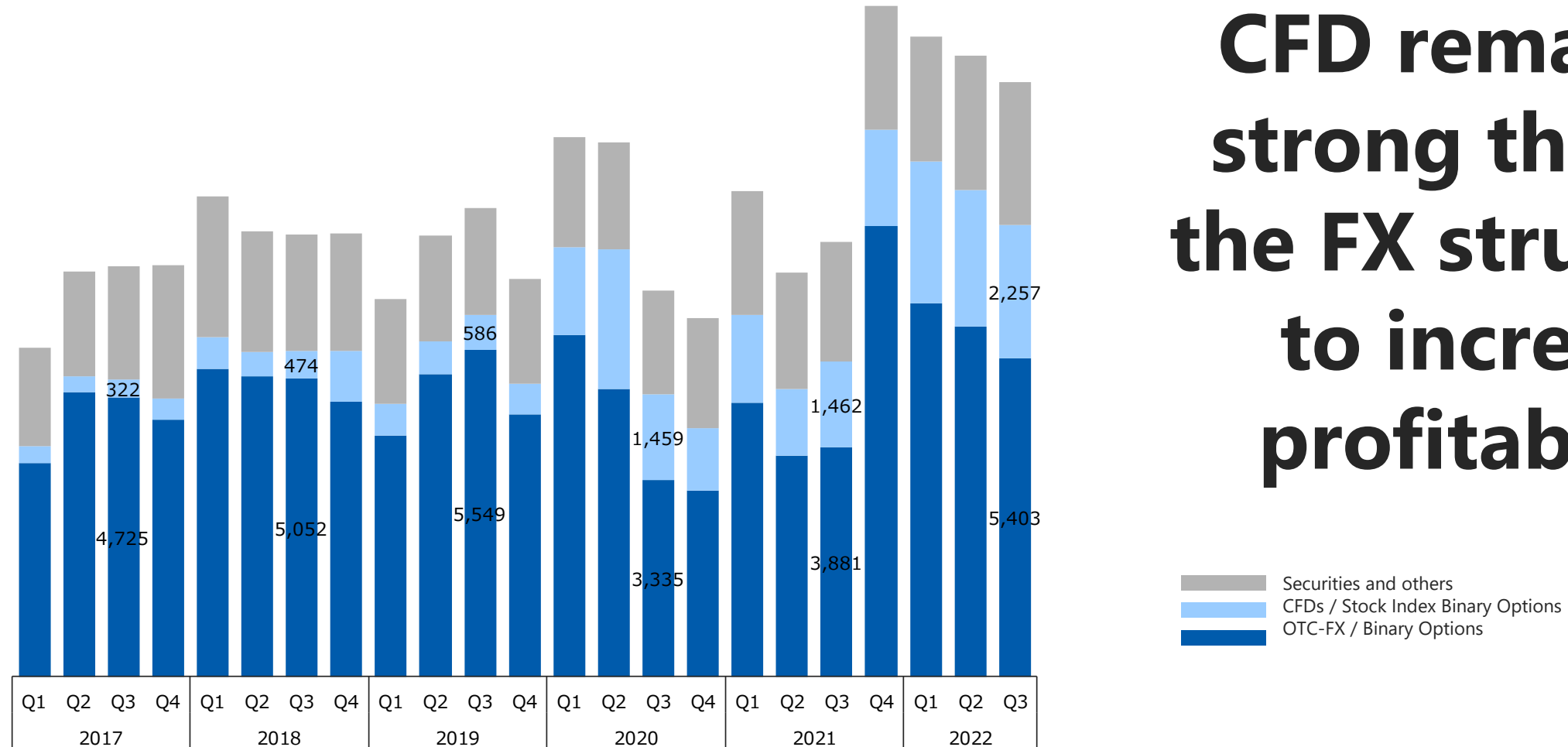
Compared to the same period last year (old v.s. new)



Revenue up  
**35.4%**  
Profit up  
**2.1%**  
YoY

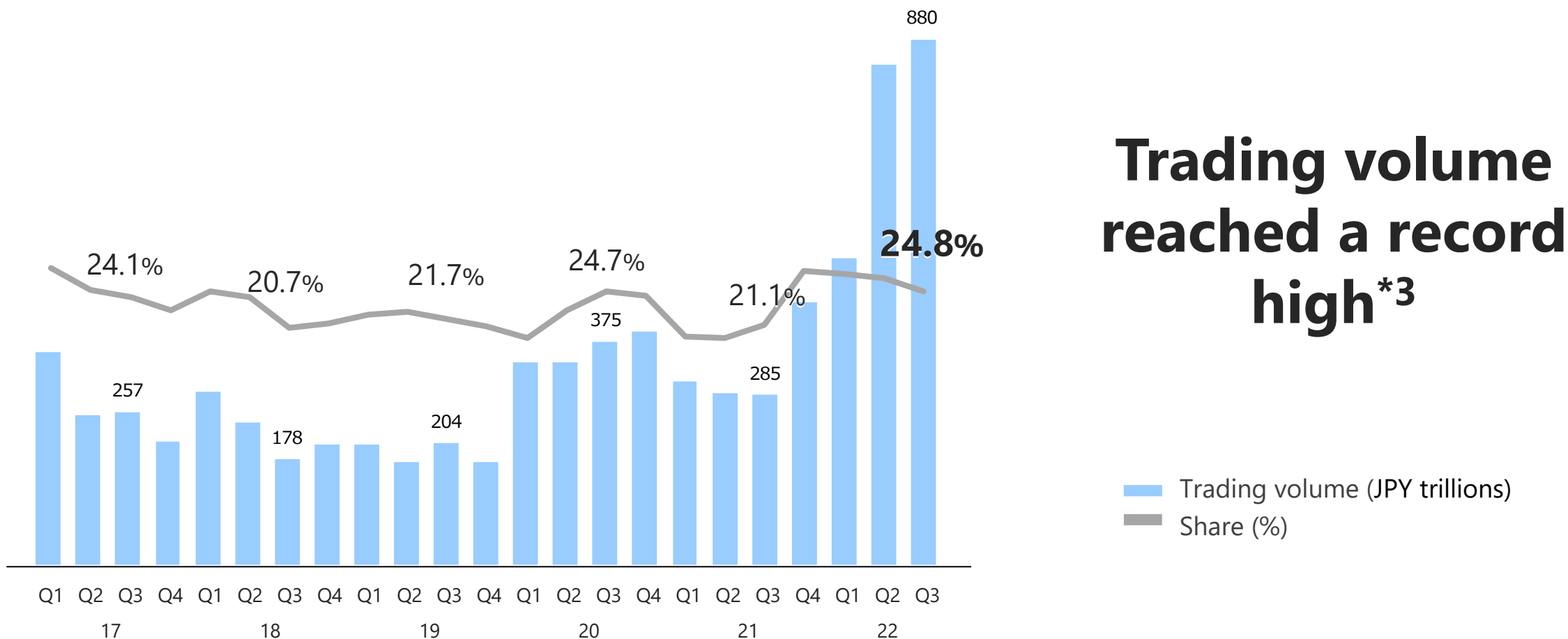
# Internet Finance | Net sales by each product

(JPY millions)



**CFD remained strong though the FX struggled to increase profitability**

# Internet Finance | FX Trading Volume



Prepared based on Results Presentation of GMO Financial HD for Q3 of FY2022 and “Monthly Statistical Bulletin on Over-The Counter Retail FX Margin Trading” published by the Financial Futures Association of Japan (FFAJ)

\*1: Aggregate of the trading volume of GMO CLICK Securities, FX PRIME byGMO, and Gaika ex byGMO

\*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.

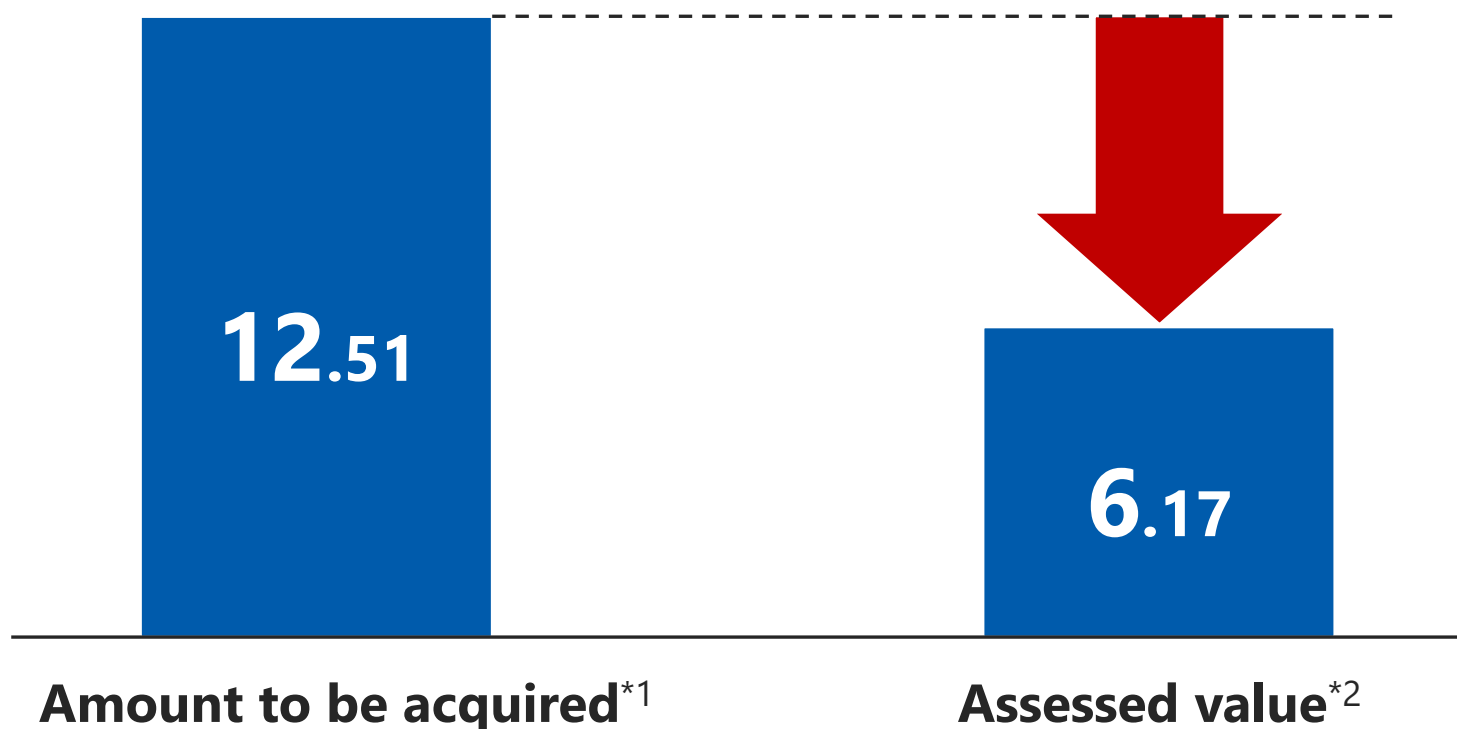
\*3: According to GMO CLICK Securities

**GMO** AOZORA NET BANK

## Net bank | Extraordinary loss

Reduction in the valuation of shares the Company will acquire in the future due to delays in achieving positive figures, recording the difference as an extraordinary loss

(JPY millions)



**Provision for loss contracts**

**JPY 6.34B**

\*1: Amount of shares to be acquired from Aozora for increasing the ratio of voting rights from 14.9% to 50.0%, assuming that GMO group companies become the major shareholder.

\*2: Assessed value based on the calculation of the stock price.

# Net bank | KPI

Steadily growing

Number of business accounts

(thousands)

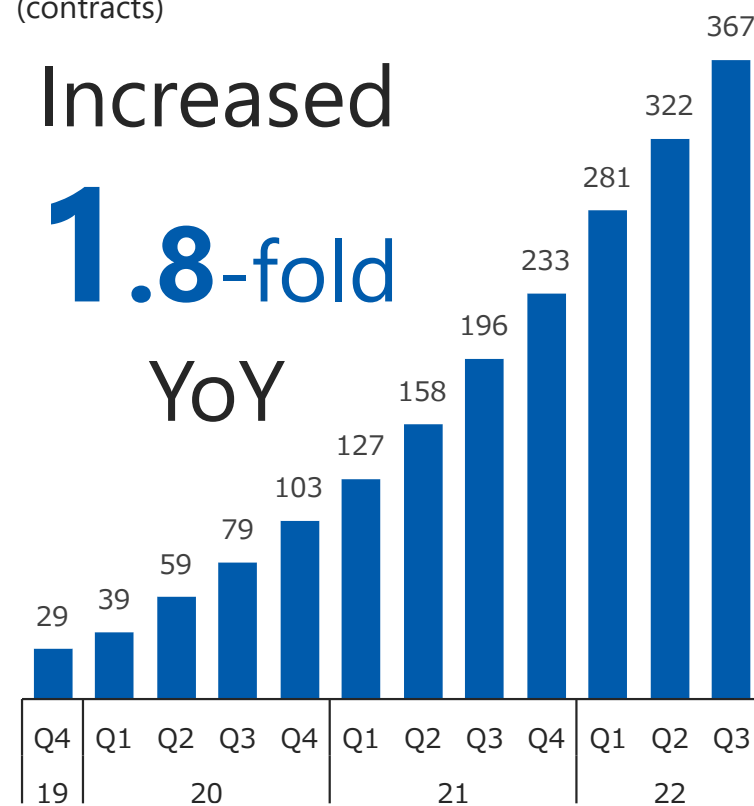
Increased  
**2.1-fold**  
YoY



Number of customers using built-in type financial services\*

(contracts)

Increased  
**1.8-fold**  
YoY



\*Including the number of API connection contract services

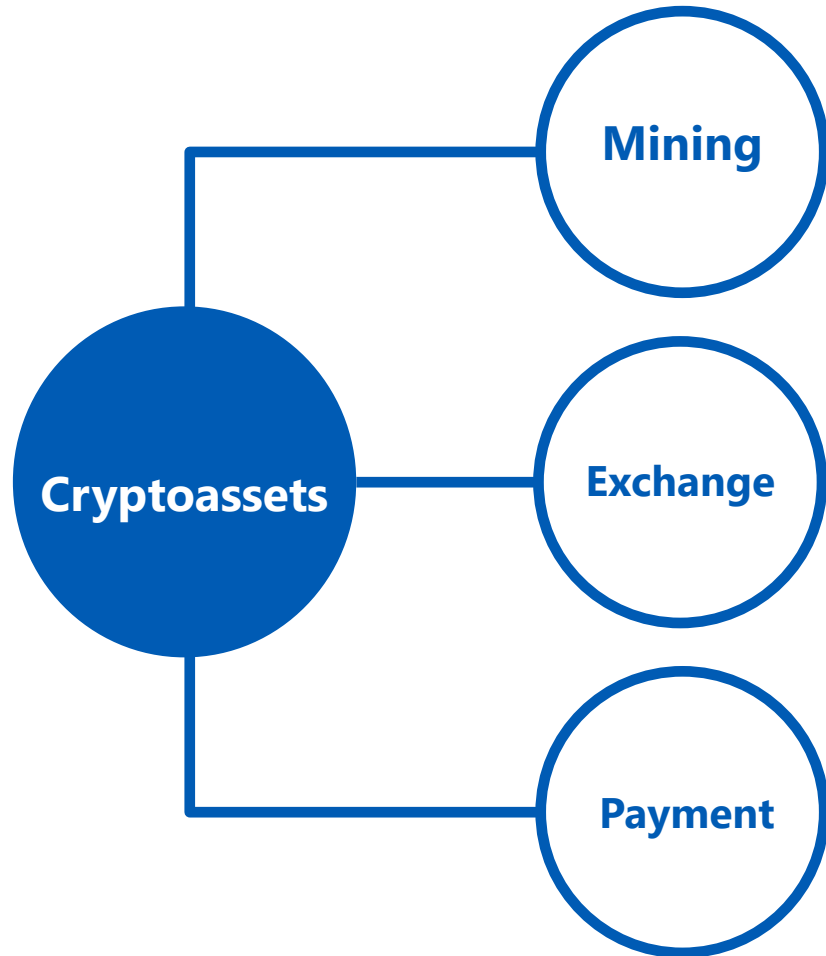
## Net bank | Mid- to long-term strategies

No changes to the three pillars

- 1 **No. 1 bank for small and start-up companies**
- 2 **No. 1 built-in type finance**
- 3 **No. 1 tech first bank**

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# Cryptoassets business



**Cryptoassets mining business**

**Cryptoassets exchange business**

**GMO Coin**

**Cryptoassets payment**

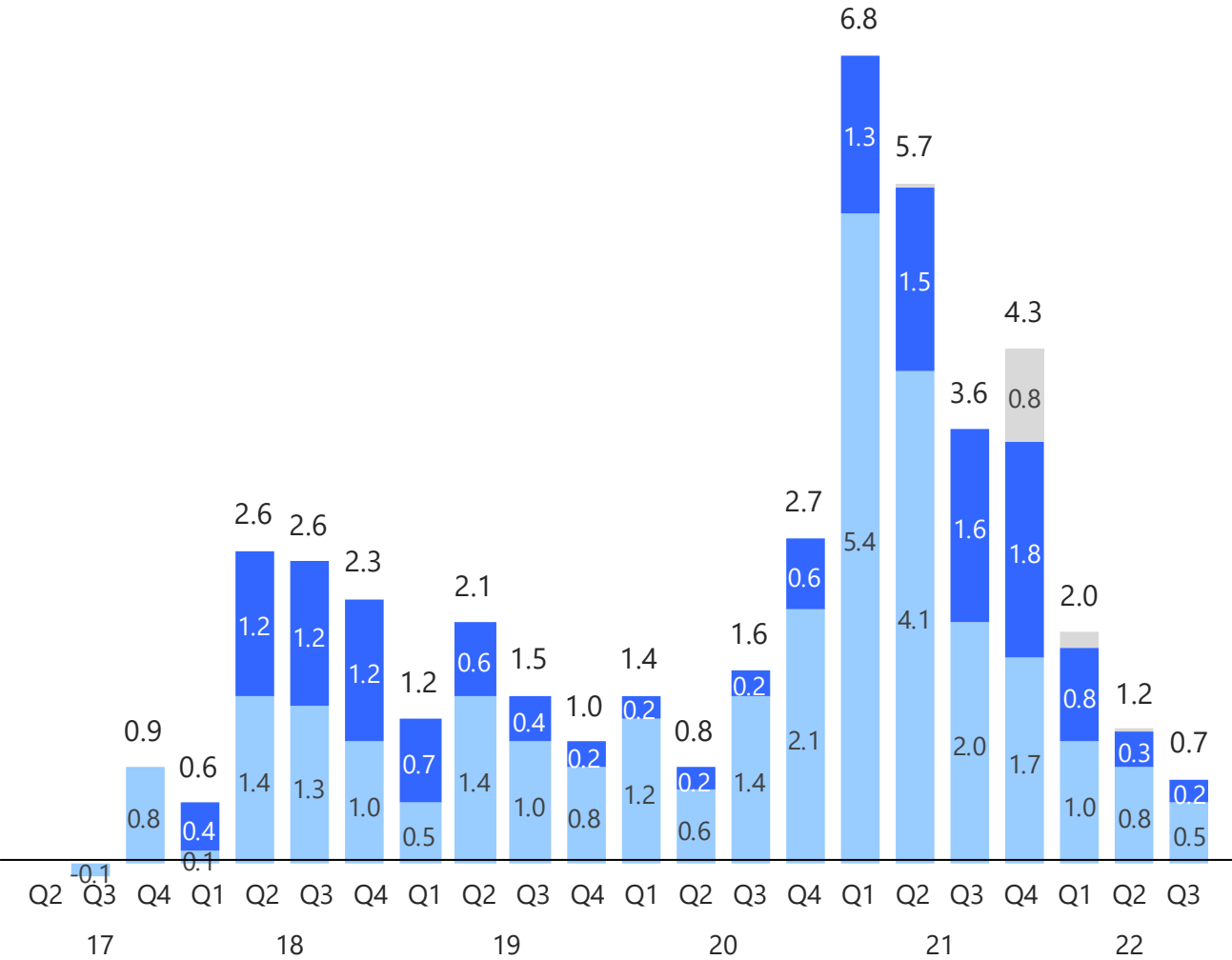
└ Issue stablecoin

**GYEN Z USD**  
Digital JPY Digital USD

# Cryptoassets business | Net Sales

(JPY billions)

Compared to the same period last year (old v.s. new)



Revenue down  
**78.9%**  
YoY

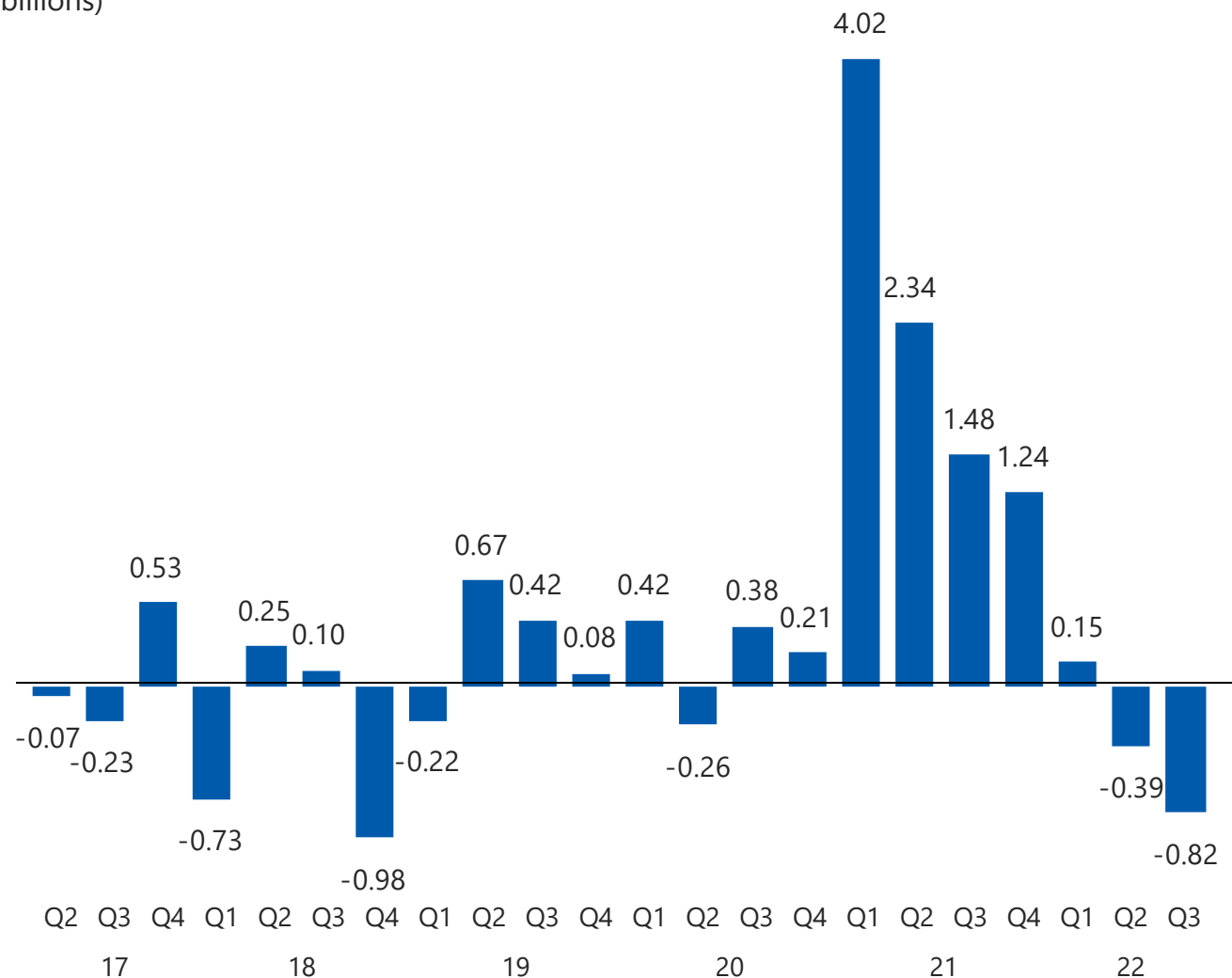
payment  
mining  
exchange

# Cryptoassets business | Operating Profit

(JPY billions)

Compared to the same period last year (old v.s. new)

Operating loss  
JPY **0.82B**



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**Japan's strongest white hat hacker  
organization**

# New service | Site seal

Site seal displayed on gmo.jp



## Site seal displayed on website after diagnosis



# New service | Site seal

## Become the de facto symbol of cyber defense

GMOサイバーセキュリティ byイエラエ | サイトシール - Google Chrome

siteseal.gmo-cybersecurity.com/profile/?domain=www.gmo.jp&utm\_source=siteseal.www.gmo.jp...

 サイバー攻撃対策サイト

### Web Site Profile

GMOサイバーセキュリティ byイエラエがこのサイトの不正アクセス対策をサポートしています。

#### サイト情報

URL	https://www.gmo.jp
有効期限	2022/9/27 - 2023/9/27
ステータス	有効

- 本情報に関するお問い合わせは[こちら](#)
- [サイトシール](#)はGMOサイバーセキュリティ byイエラエの許可なく複製及び使用することは固く禁じます。
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Click



SAMPLE

 **GMO**  
CYBER SECURITY  
by IERAE

サイバー攻撃対策サイト 

## New service | In brief



||

**Technological capability**  
(Certificate Authority, white hat hacker)

×

**Solid recurring revenues**

||

**Products cannot be replicated**

**Internet for Everyone**

**GMO**

# GMO INTERNET GROUP

**We are planning on making an earnings announcement for FY2022 after 3 pm on February 13, 2023.**

This document includes projections based on expectations, premises and plans as of November 14, 2022. 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

## **□ Group Overview**

□ Finance conditions and policy

□ Consolidated results

□ ESG activities

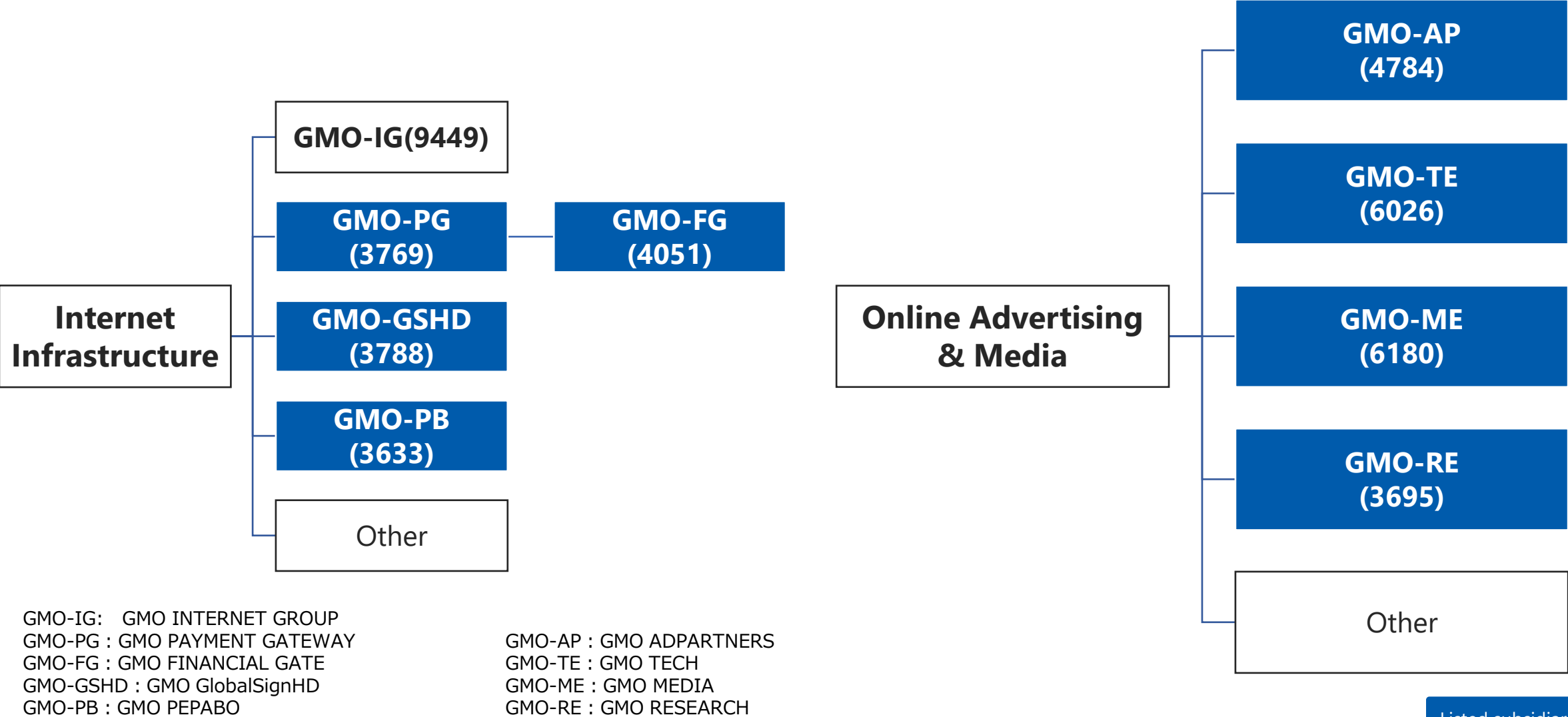
# Group Overview

Company Name	GMO Internet Group, Inc. (Changed from GMO Internet, Inc. on 1 <sup>st</sup> Sep 2022)
Founder, Chairman and Group CEO	Masatoshi Kumagai
Address	(Group Head Office) Cerulean Tower 26-1 Sakuragaokacho, Shibuya-ku Tokyo (The 2nd Group Head Office) SHIBUYA FUKURAS1-2-3 Dogenzaka, Shibuya-ku, Tokyo
Established	May 24, 1991
Stock Listing	9449 (Tokyo Stock Exchange Prime Market)
Business Segments	Internet Infrastructure Online Advertising & Media Internet Finance Cryptoassets
Capital (including capital reserve)	JPY5.0 billion
Consolidated Staff	7,213
Group companies	110 (As of Sep 2022)

**Decentralized group management in order to adapt rapid changes of Internet industry.**

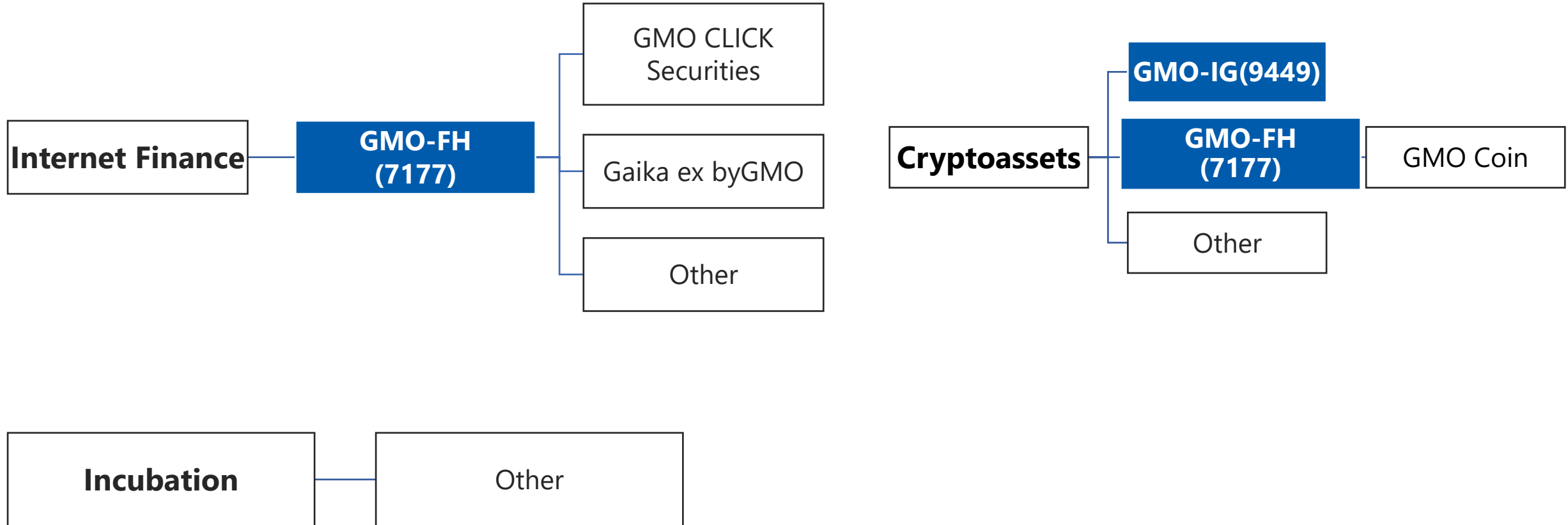


# Group Structure by each segment(1/2)



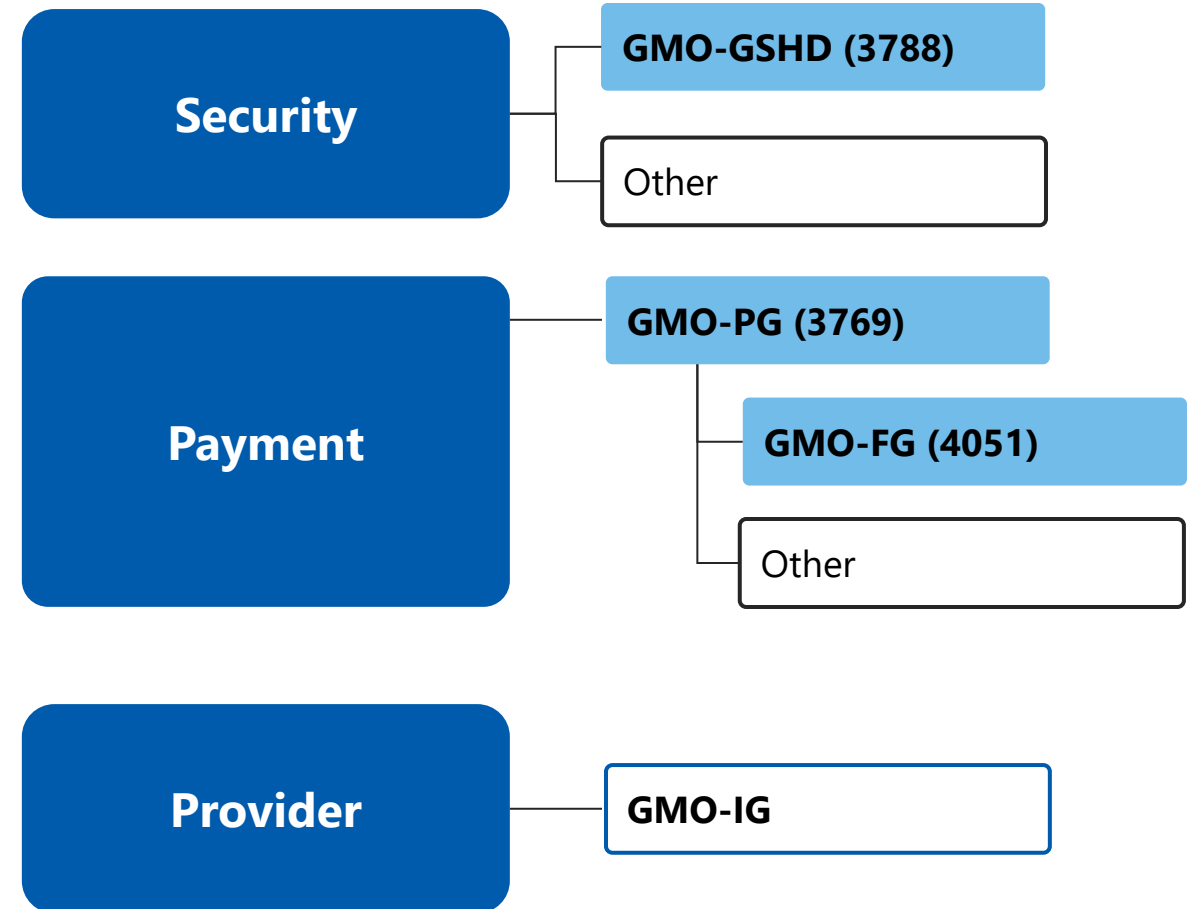
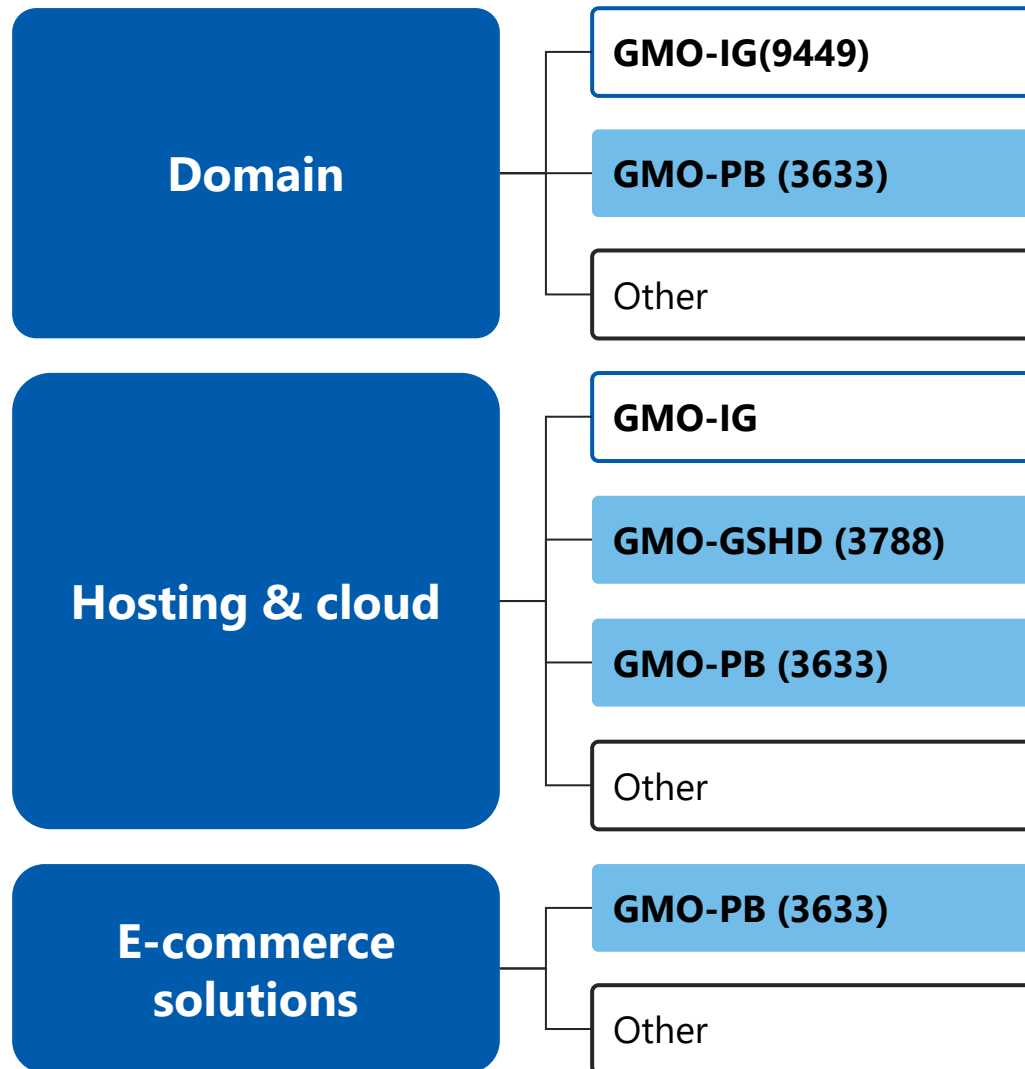
Listed subsidiaries

## Group Structure by each segment(2/2)



GMO-FH : GMO FINANCIAL HD

# Internet services operations



Listed subsidiaries  
(stock code)

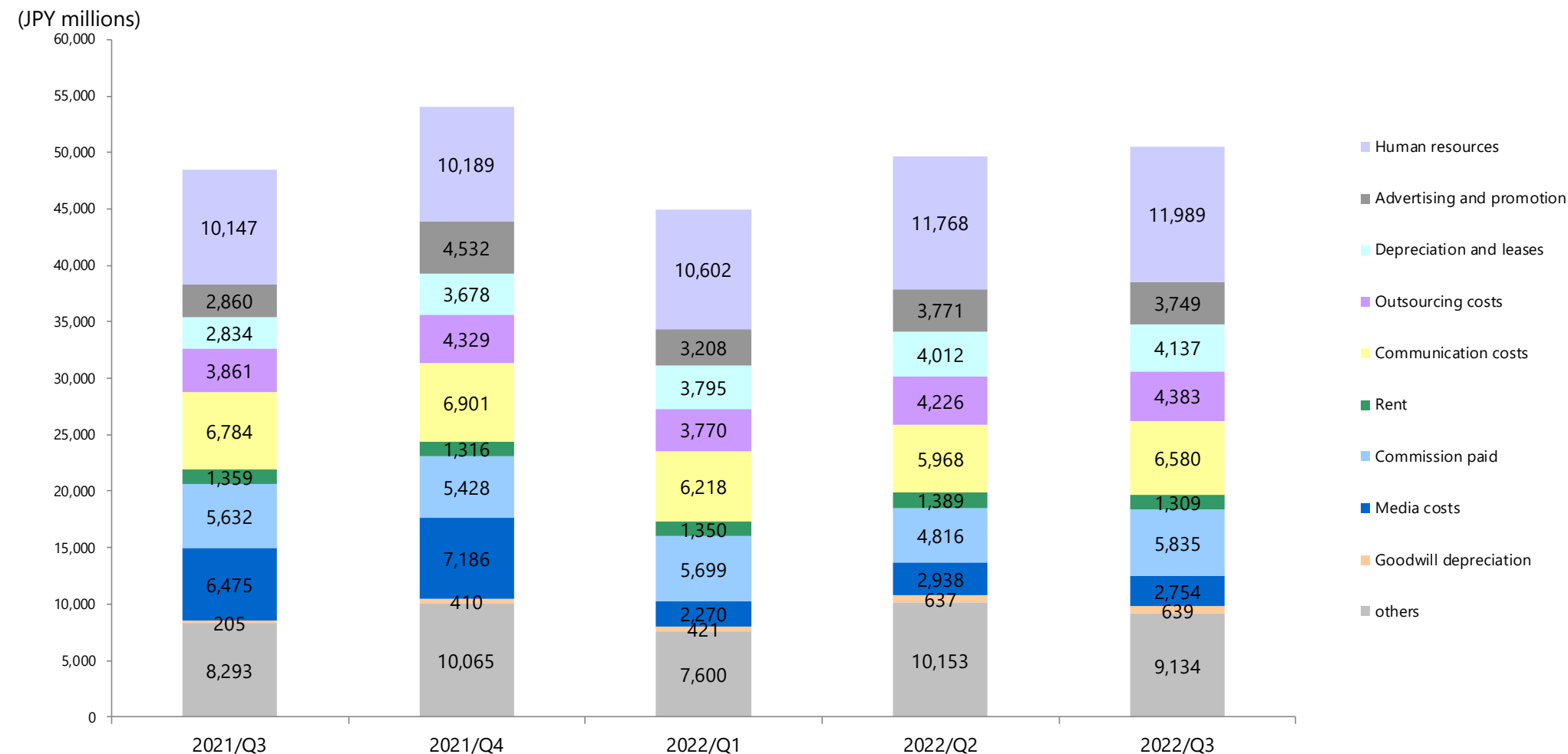
□ Group Overview

□ **Finance conditions and policy**

□ Consolidated results

□ Strategic Topics

# Consolidated Cost Composition



# Consolidated Balance Sheet

(JPY millions)	End of 12/2021	End of 9/2022	Change	GMO Financial HD (End of 9/2022)	GMO Internet Group (End of 9/2022)
Current Assets	1,292,984	<b>1,411,533</b>	118,549	1,003,563	120,016
Cash & Deposits	240,136	<b>311,600</b>	71,464	60,387	89,566
Fixed Assets	125,952	<b>133,870</b>	7,917	27,057	103,845
Goodwill	14,251	<b>20,388</b>	6,136	10,174	-
Software	10,181	<b>11,225</b>	1,044	2,575	682
Investment Securities	28,605	<b>27,680</b>	-925	3,529	56,221
Total Assets	1,418,936	<b>1,545,403</b>	126,466	1,030,621	223,861
Liabilities	1,278,533	<b>1,381,718</b>	103,184	987,762	205,503
Interest-bearing debts	298,997	<b>375,421</b>	76,423	176,744	150,144
Net Assets	140,402	<b>163,685</b>	23,282	42,858	18,357
Non-controlling Minority Equity	66,802	<b>89,435</b>	22,633	1,931	-
Shareholders' Equity	73,548	<b>74,209</b>	661	40,926	18,357
Earned Surplus	35,756	<b>38,374</b>	2,618	40,310	20,016
(Shareholders' Equity Ratio)	5.2%	<b>4.8%</b>	-0.4pt	4.0%	8.2%
Liabilities/Net Assets Total	1,418,936	<b>1,545,403</b>	126,466	1,030,621	223,861

# Consolidated Profit and Loss

(JPY millions)	Q3'21 (1-9/2021)	Q3'22 (1-9/2022)	Change	supplementary information
Net Sales	176,951	<b>183,134</b>	3.5%	
Gross Profit on Sales	93,004	<b>113,261</b>	21.8%	
Operating Profit	30,633	<b>38,010</b>	24.1%	
(OP Margin)	17.3%	<b>20.8%</b>	+3.4pt	
Non Operating Profit and Loss	1,589	<b>4,428</b>	178.7%	
Ordinary Profit	32,222	<b>42,438</b>	31.7%	
Extraordinary Profit or loss	721	<b>13,005</b>	1701.7%	
Profit before Tax	32,943	<b>55,443</b>	68.3%	
Corporate Taxes etc.	11,503	<b>16,446</b>	43.0%	
non-controlling interests	8,139	<b>25,143</b>	208.9%	
Profit attributable to Owners of the Parent	13,300	<b>13,854</b>	4.2%	

# Finance policy

## Investment Policy

**Avoid excessive risk-taking,  
considering balance of Shareholders equity.**

	As of September FY.22	Future plans
<b>Financial Activity</b>	After June.2021, Issued unsecured straight corporate bond totally 51billion Yen.	①Try to issue debt finance from short term to long term. ②Continuous issuing
		Aiming to increase the absolute amount of Shareholders Equity, 100 Billion yen.
<b>Shareholder returns</b>	The status of Share Repurchases (as of July)  Repurchased : 1.59M shares/To be purchased Up to 3M shares Total cost : JPY 4.25B /Up to JPY 5 B	Continue to carry out the acquisition of treasury stock, aiming to acquire approx.38.35M shares, which was issued when the capital had been increased due to withdrawal from Loan credit business from 2006 to 2007.
<b>Credit rating</b>	BBB+ (R&I)	Plan to maintain current rating and aiming to be upgraded. Having conversation with R&I before-hand, when decision making on a huge investment to be carried out.

□ Group Overview

□ Finance conditions and policy

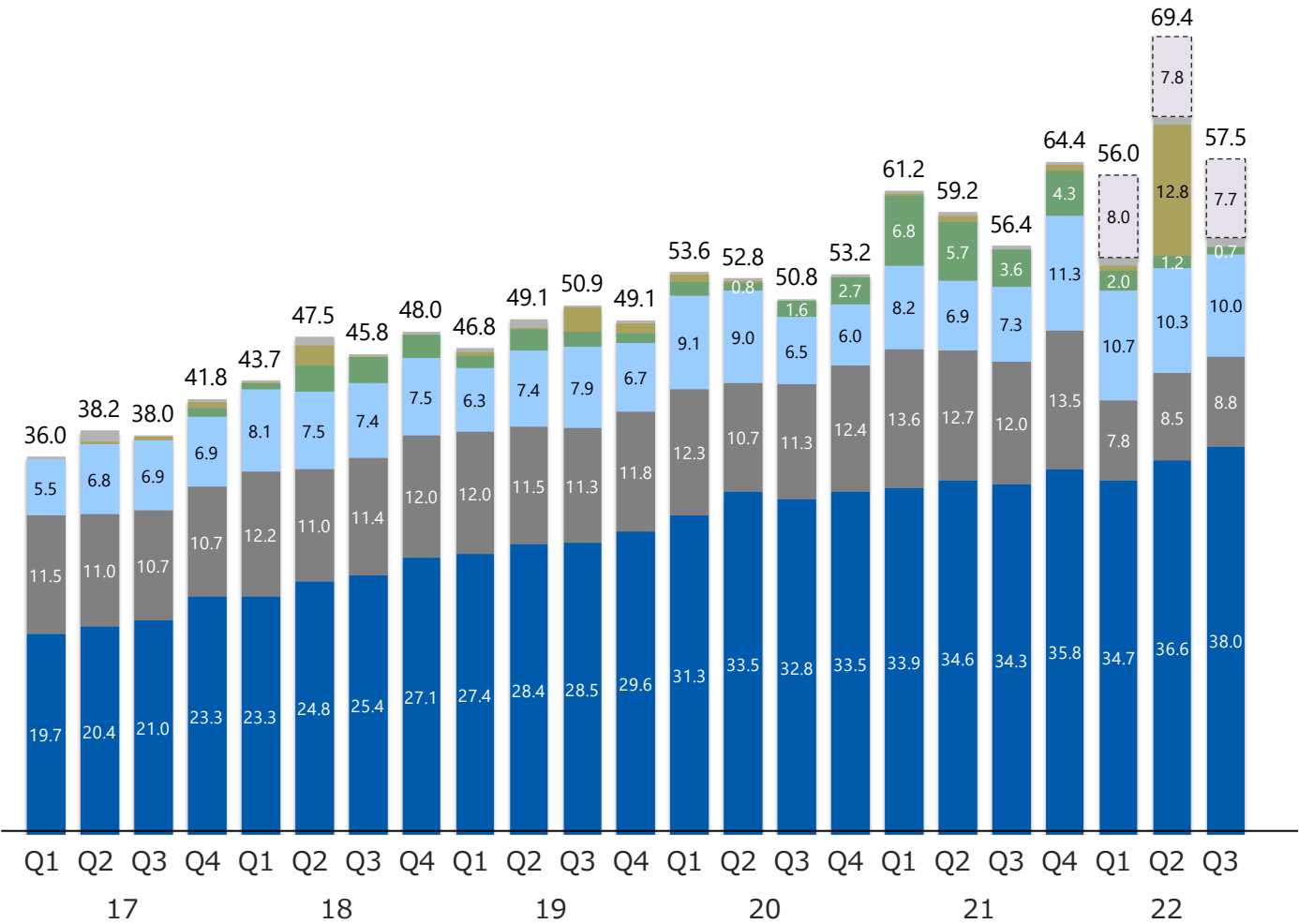
**□ Consolidated results**

□ ESG activities

# Financial Results | Net Sales by Segment

(JPY billions)

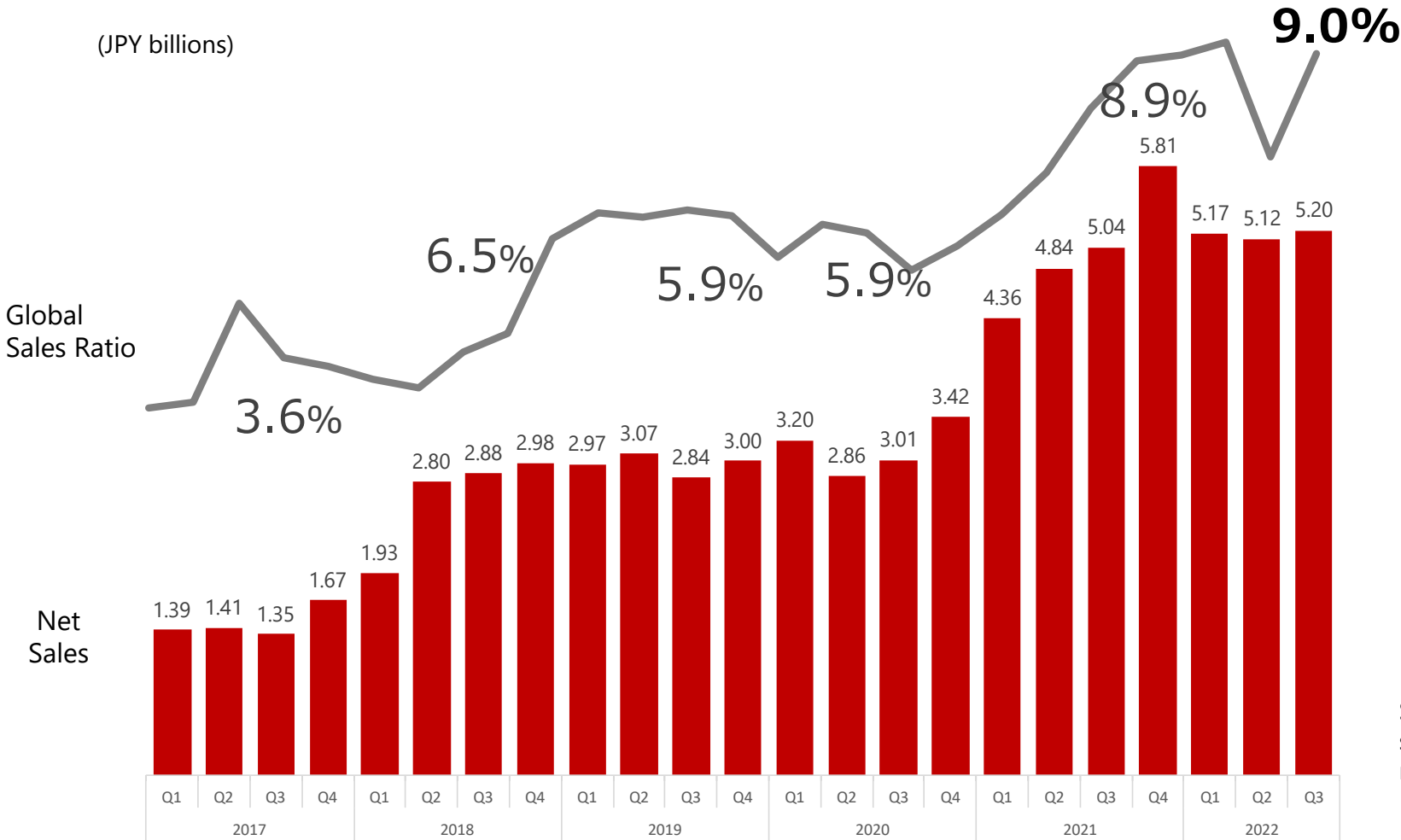
Compared to the same period last year (old v.s. new)



Revenue UP  
**2.0%**  
YoY

- Difference between old and new standards
- Other
- Incubation
- Cryptoassets
- Internet Finance
- Online Ads/Media
- Internet Infrastructure

# Global Operations | Global Net Sales



Net sales  
YoY

**3.2%UP**

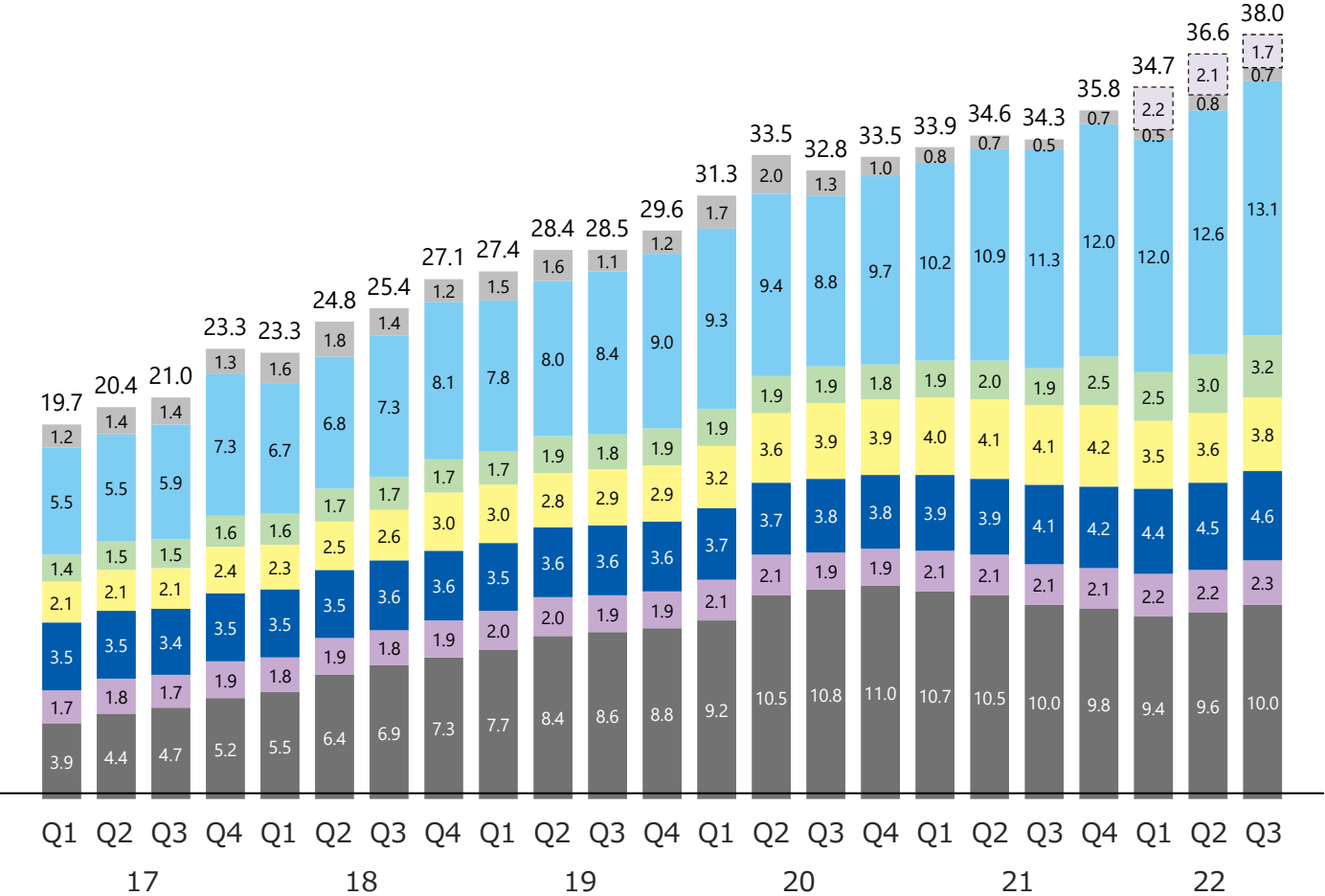
Since Q2 FY2020, MacroKiosk is no longer a consolidated subsidiary. We deducted MacroKiosk values from net sales retroactively to Q1 FY2017 in this chart.

# Internet Infrastructure

# Internet Infrastructure | Net Sales by Sub-Segment

(JPY billions)

Compared to the same period last year (old v.s. new)



Revenue up  
**10.9%**  
YoY

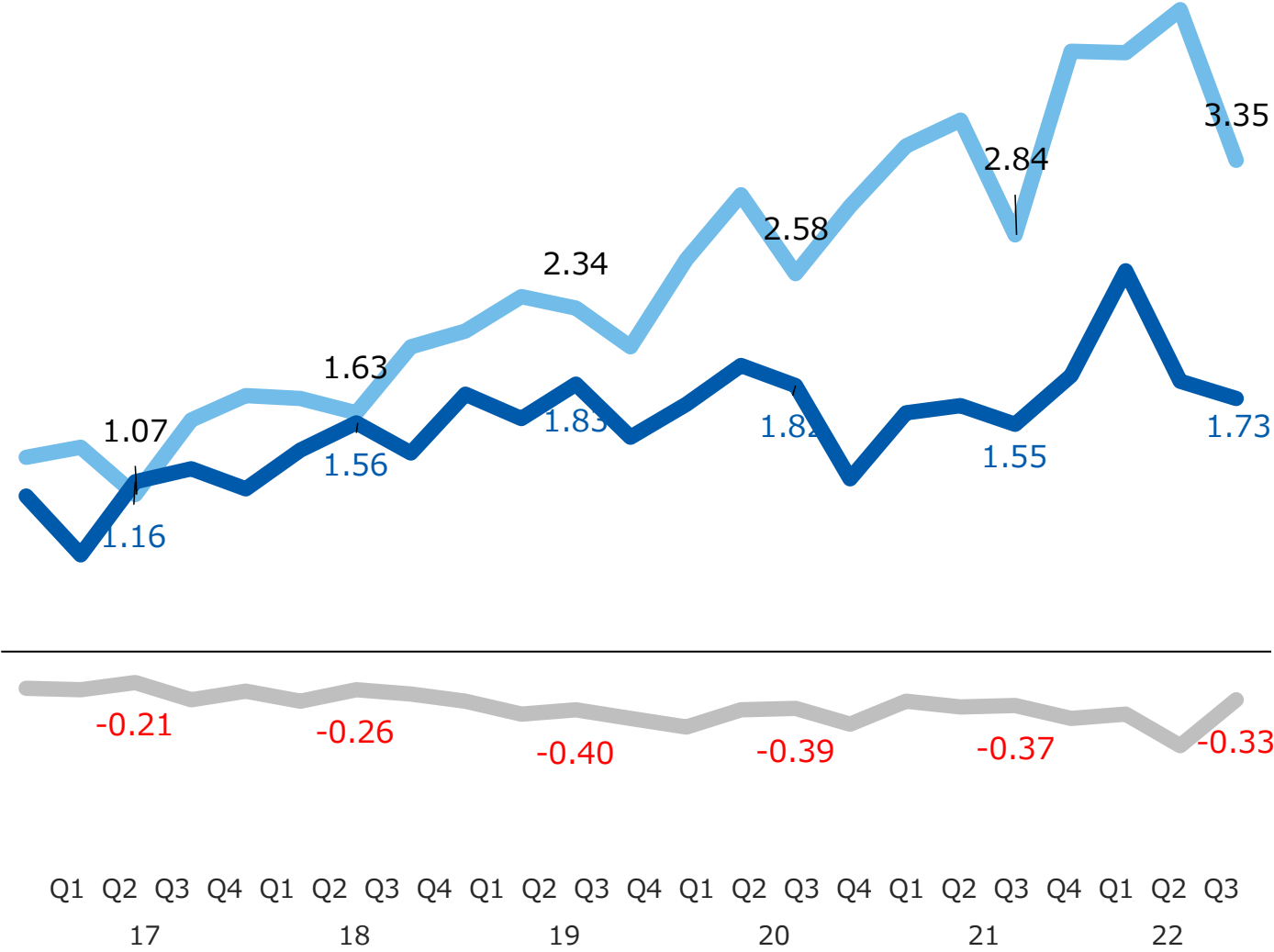
- Difference between old and new standards
- Other
- Payment
- Security
- Ecommerce Solutions
- Hosting & Cloud
- Domain
- Provider

\* Numbers of domain and security businesses revised retroactively to Q1 FY2017 due to changes in the structure of the segment

# Internet Infrastructure | Breakdown of Operating Profit

(JPY billions)

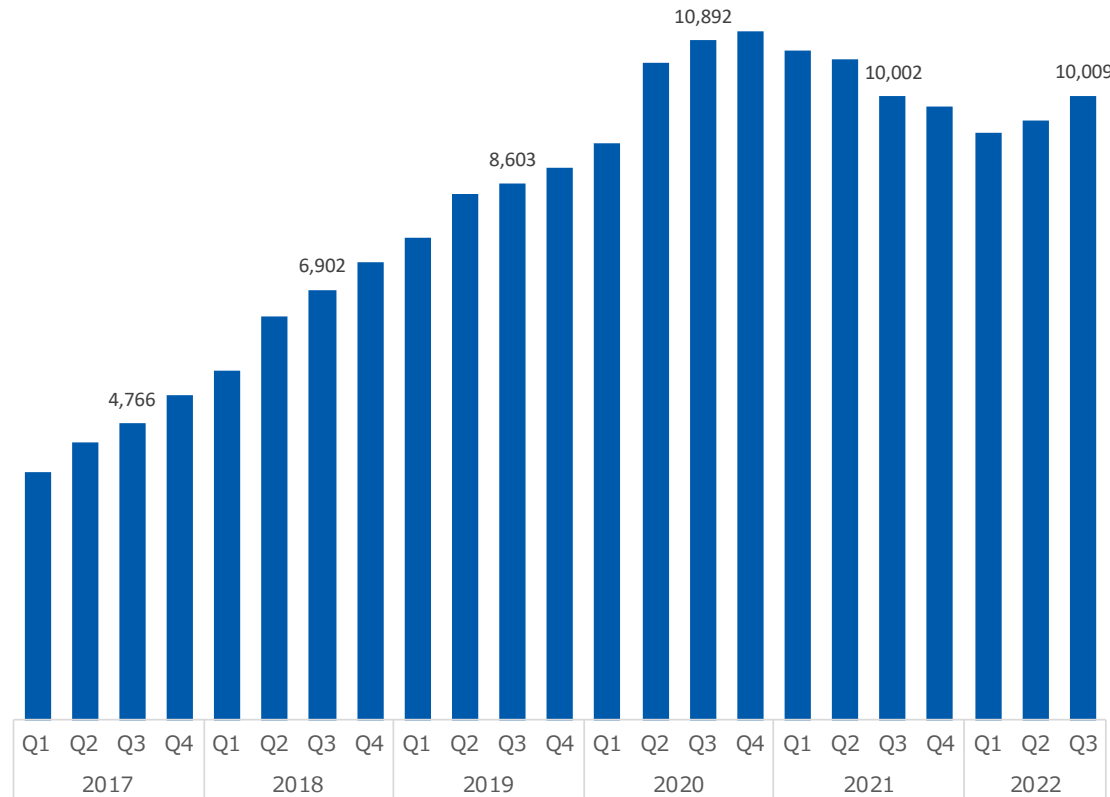
Payment business  
Other  
Cost distribution



# Internet Infrastructure | Provider - KPIs

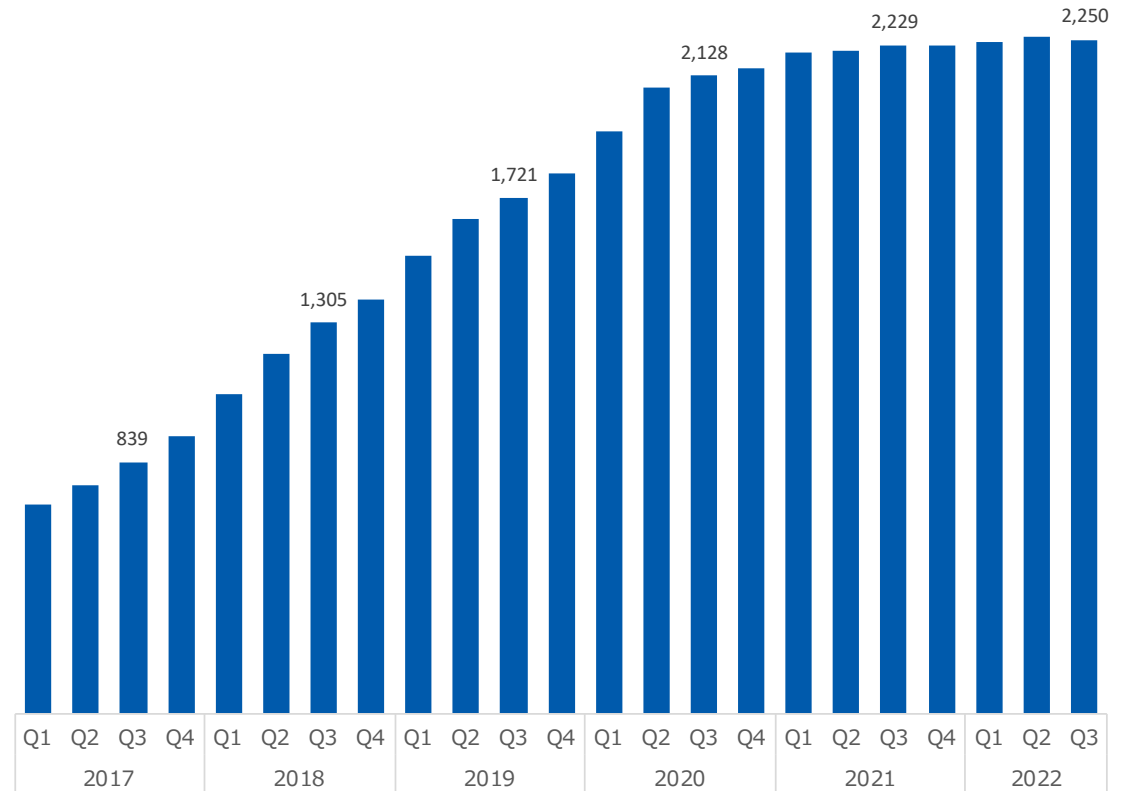
## Revenue

(JPY millions)



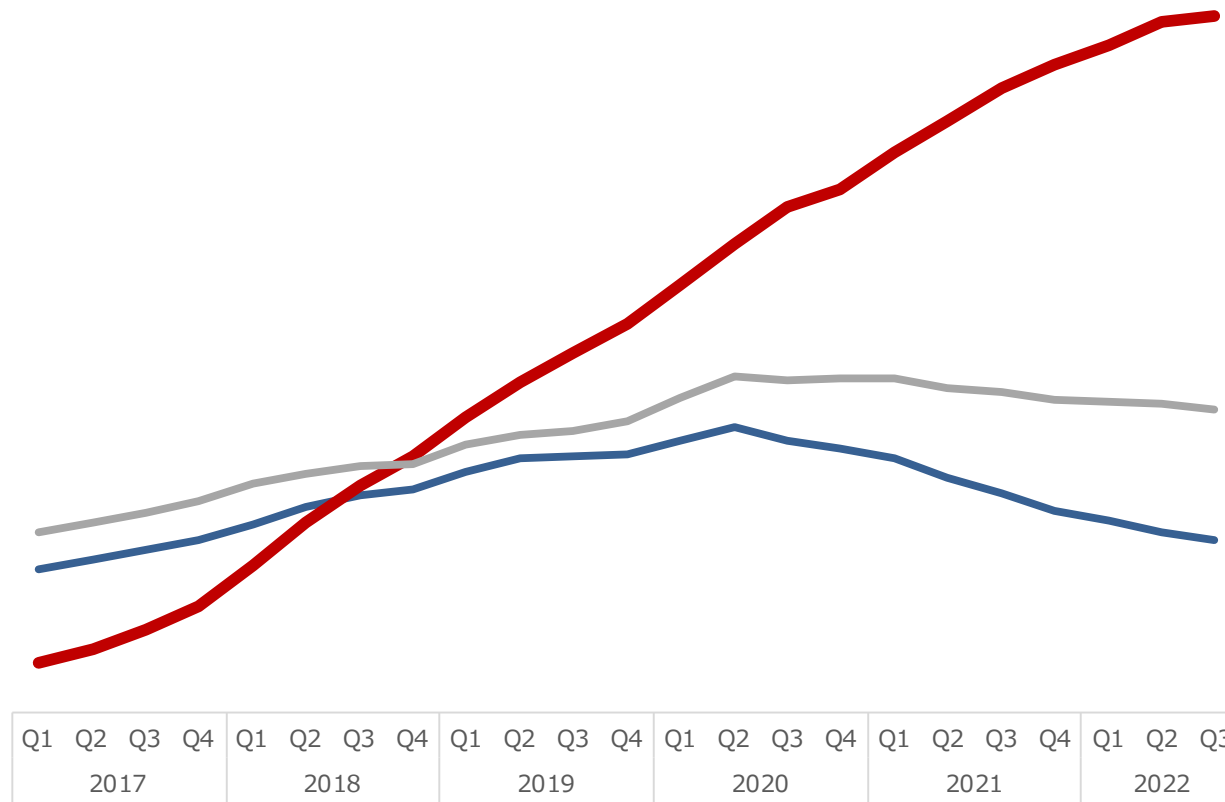
## Subscriptions

(thousands)



※Difference between old and new standards FY22Q1▲1,018 M,Q2▲881M,Q3▲812M (JPY)

# Internet Infrastructure | Provider - KPIs (number of lines)



Optical line

GMO光アクセス

(Since July 2021)

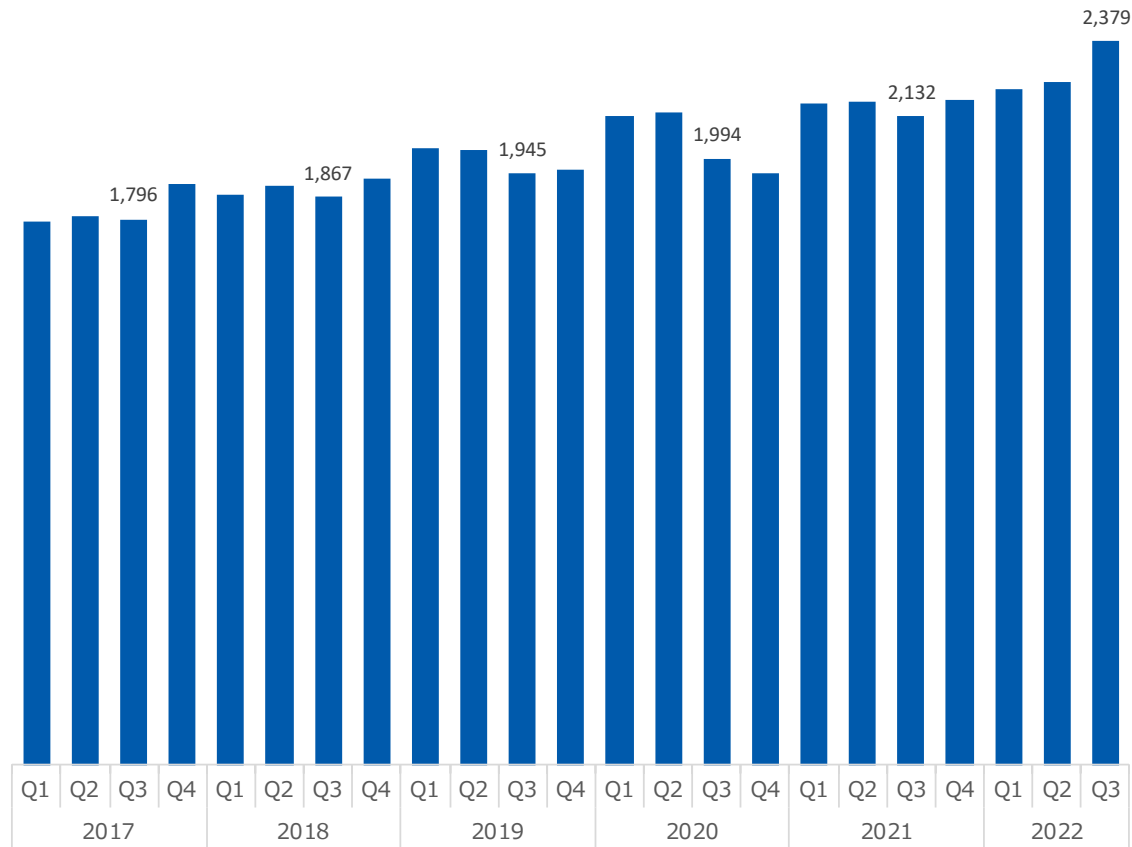
Others

Mobile

# Internet Infrastructure | Domain Registration - KPIs

## Revenue

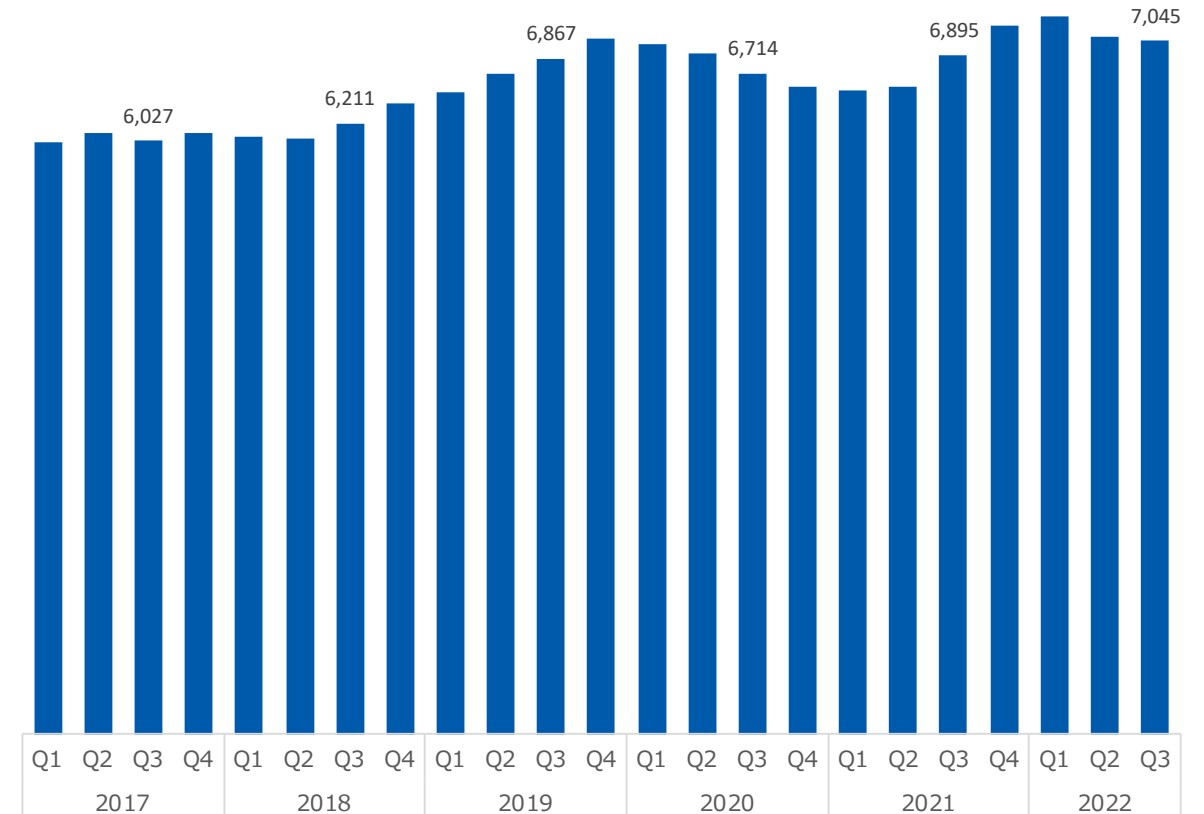
(JPY millions)



※Difference between old and new standards FY22Q1▲181M,Q2▲177M,Q3+57M(JPY)

## Contracts

(thousands)



※Retroactive correction after FY2017 Q1,due to reorganization of subsegment

# Internet Infrastructure | Domain business

**Registry  
(wholesale)**

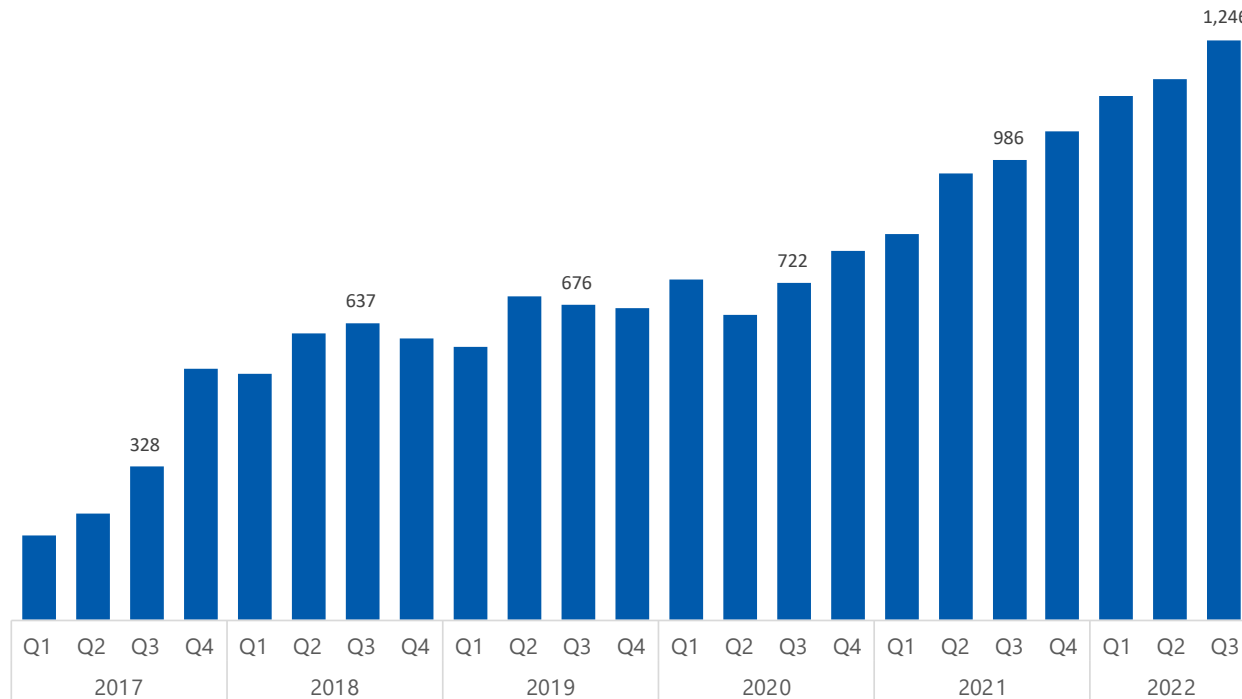
**Registrar  
(registration/sale)**



# Internet Infrastructure | Domain business

**.shop** contracts progress

(thousands)



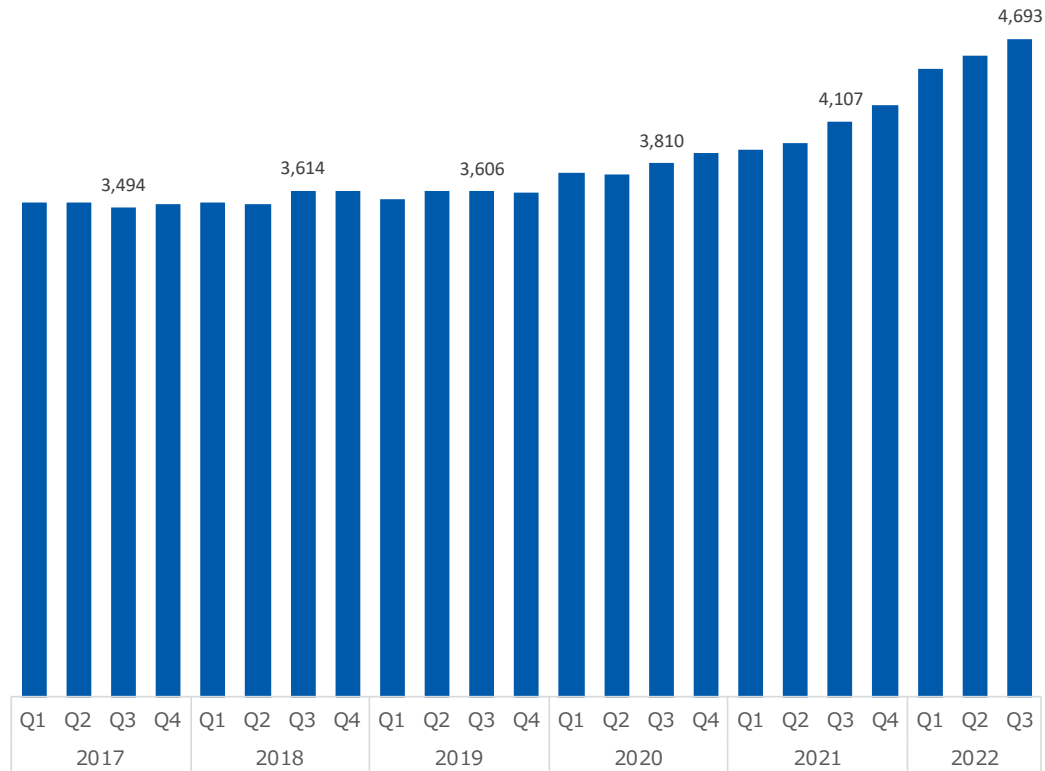
Renewal rate: **69.5%**\*

\* Renewal rate for domains registered between September 2016 and Aug 2020 (2nd renewal)

# Internet Infrastructure | Hosting & Cloud - KPIs

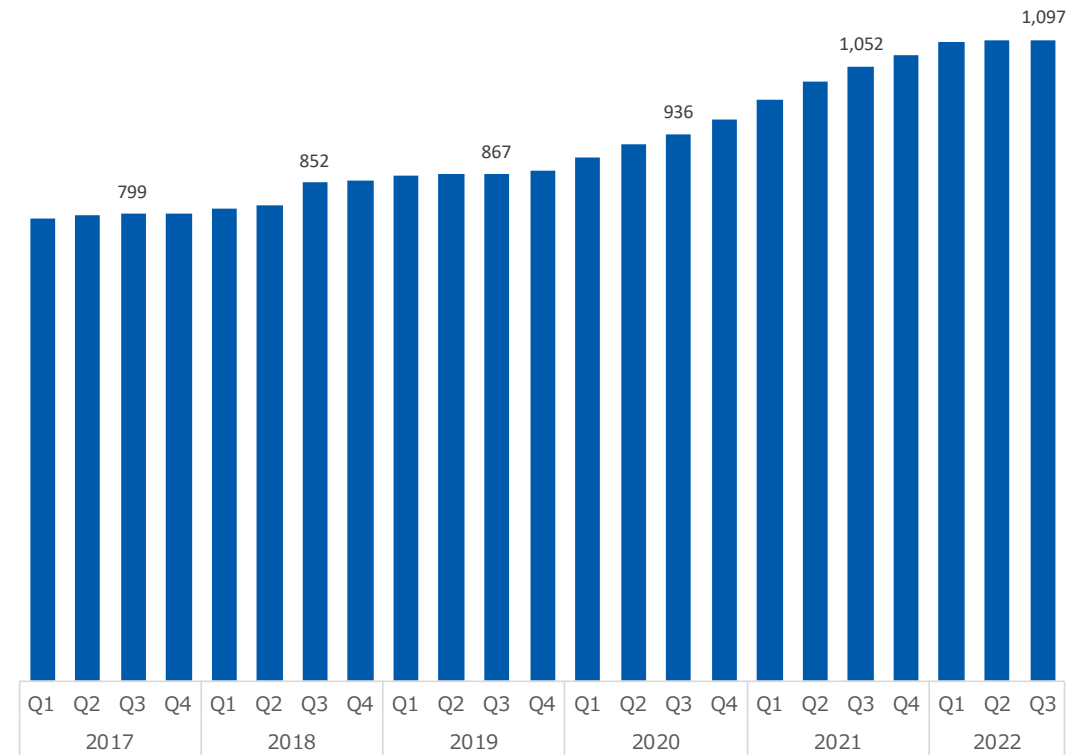
## Revenue

(JPY millions)



## Contracts

(thousands)



Difference between old and new standards: FY22,Q1▲3M,Q2▲4M,Q3▲9M(JPY)

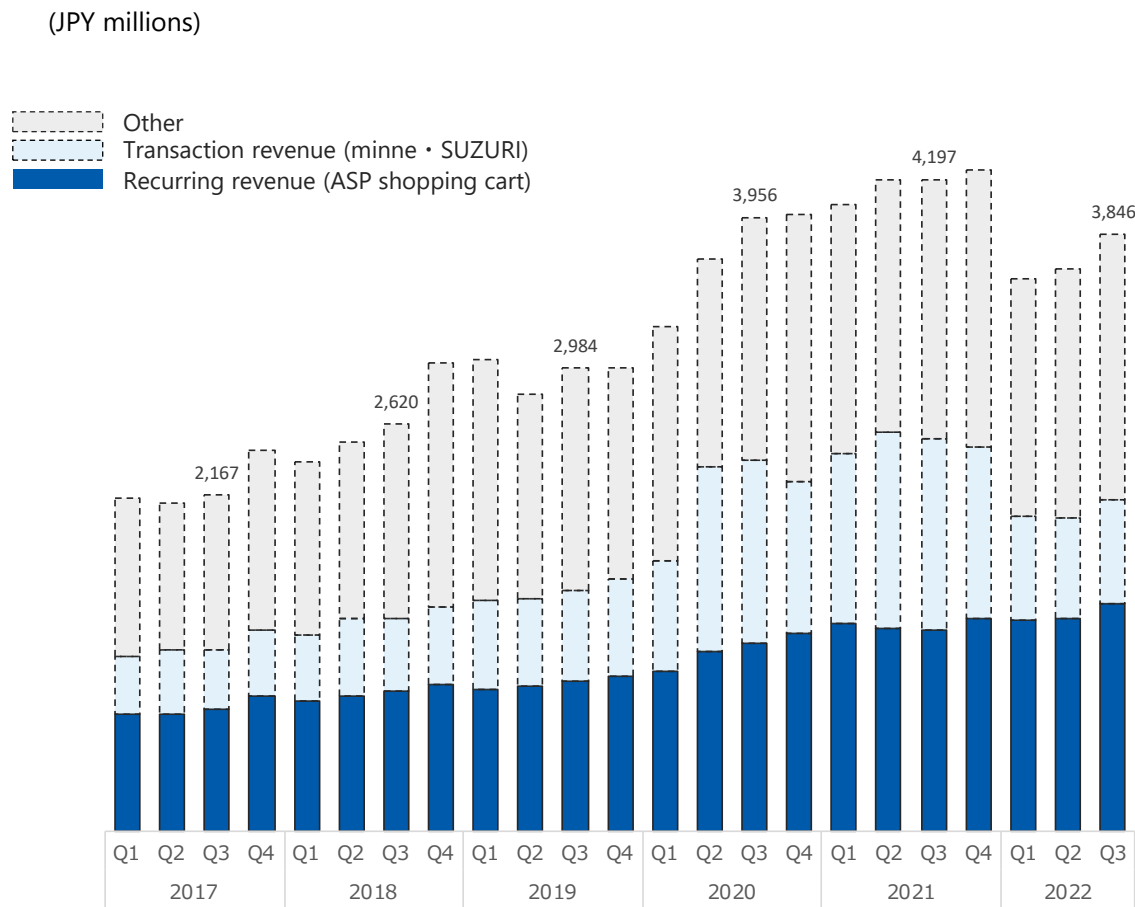
# Broad ASP shopping cart businesses

Recurring revenue and transaction revenue through a natural cross-selling

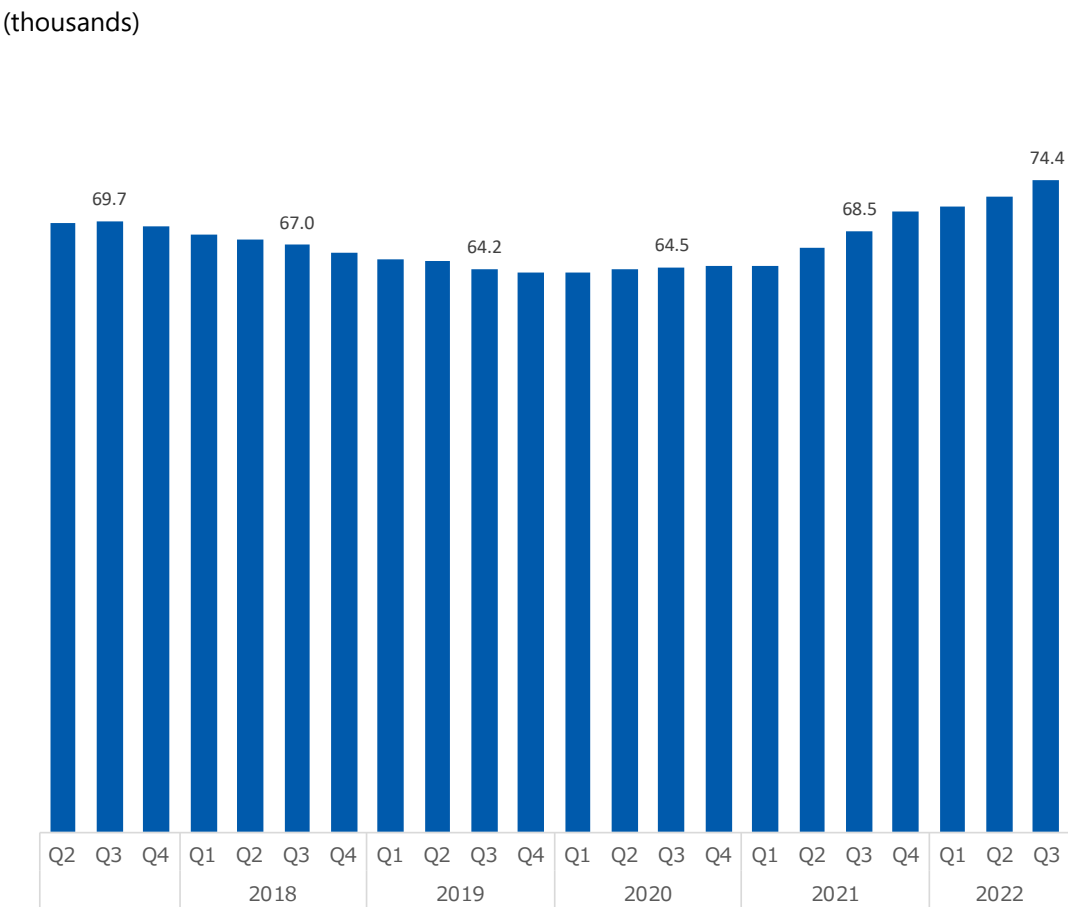
Feature	Online store	Payment
Service		
Business model	Recurring	Transaction
Revenue	Number of stores x unit price	GMV x commission rate, etc.
Reportable segments	Ecommerce Solutions	Payment

# Internet Infrastructure | Ecommerce solutions - KPIs

Revenue



Contracts (ASP shopping cart)\*



Difference between old and new standards: FY22Q1▲702M,Q2▲694M,Q3▲624M(JPY)



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

\*The number of customers using a free plan of Color Me Shop! has been added since Q2 FY2021.

# Internet Infrastructure | Security business

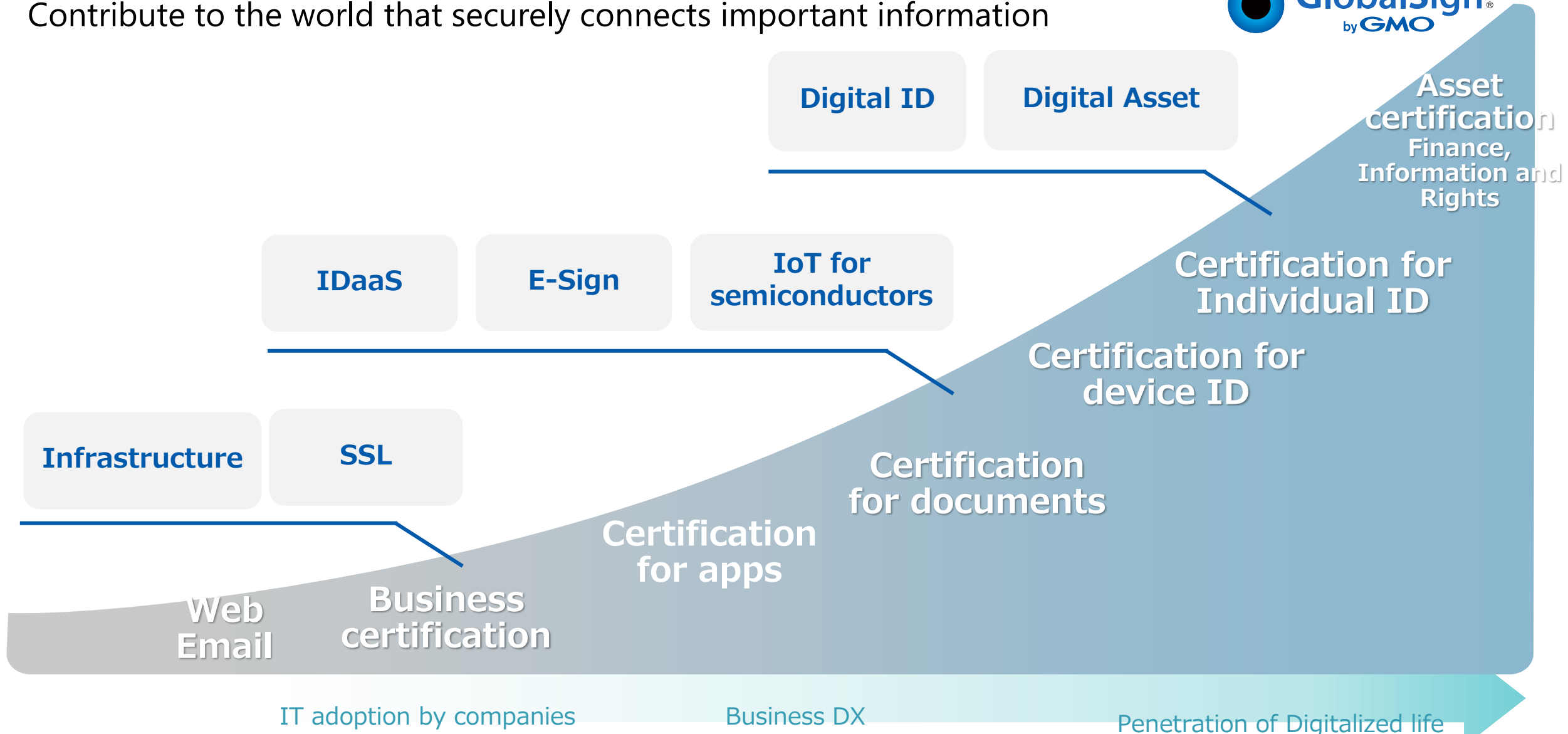


Having our own Certificate Authority, we can provide both of types

	◆ E-sign	◆ Digital-Sign
<b>Proof strength</b>	 (Electronic Signature Law Article 3)	
<b>Process</b>	Approved by Certificate Authority	Verified by email
<b>Merit</b>	strict governance	Less load for contractual partners
<b>Demerit</b>	Much load for partners	Complicated management of the stamp rights

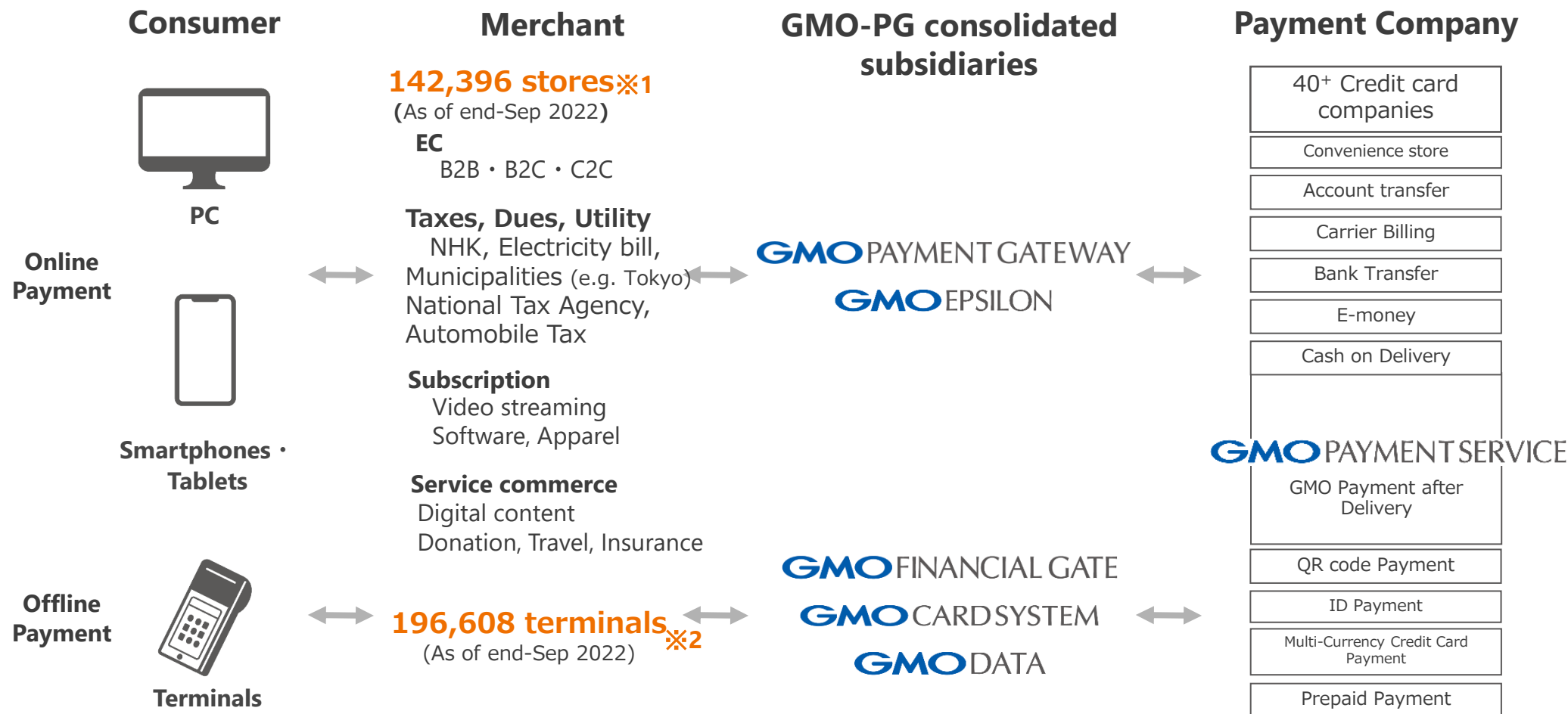
# Internet Infrastructure | Security business | Our vision

Contribute to the world that securely connects important information



# Internet Infrastructure | Payment processing - Overview

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



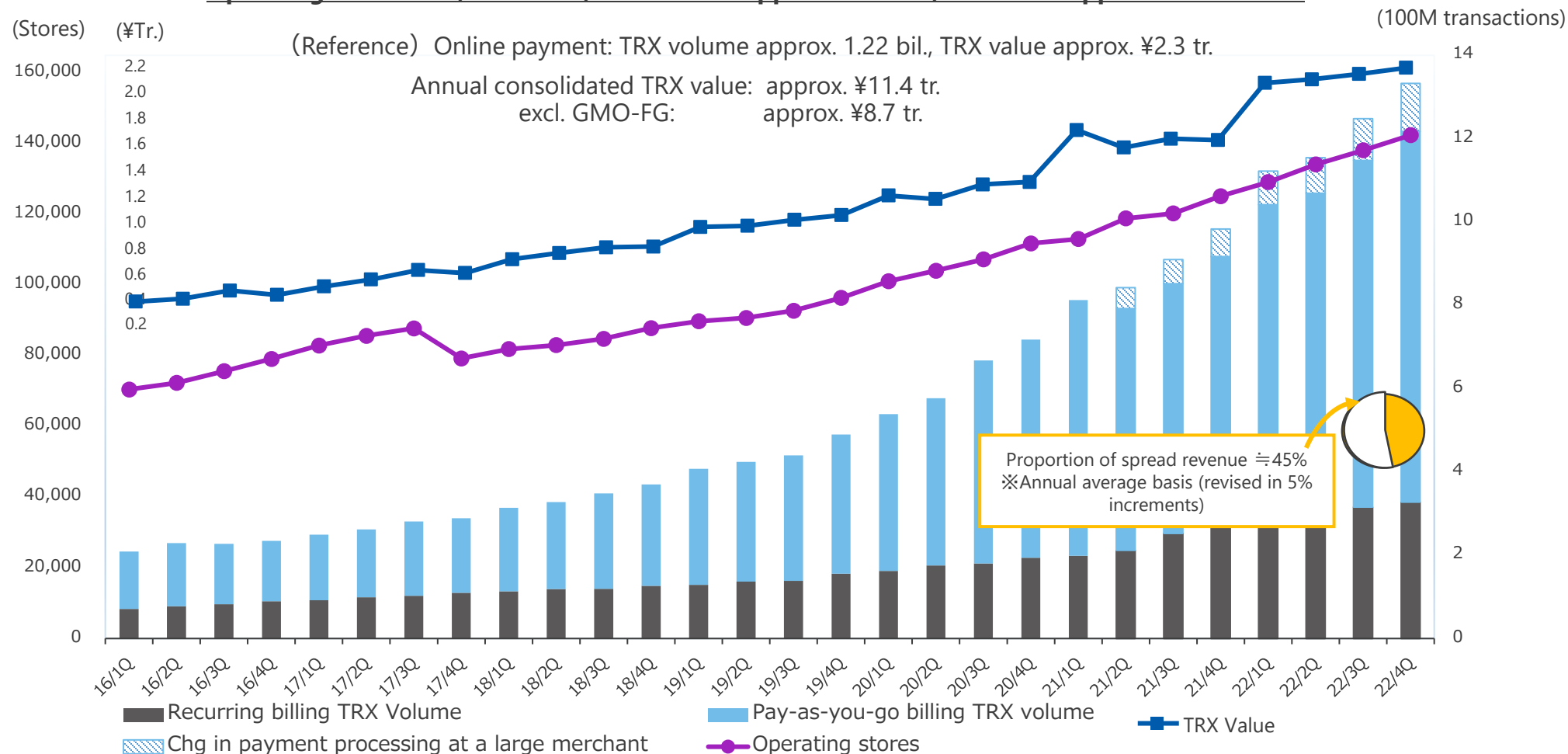
※1 Changed the basis of recording from 3Q FY2022. Figures exclude a specific case and the operating stores related to a major delivery service operator. If included, the number of operating stores is 455,958 stores as of end of September 2022 (up 44.7% YoY).

※2 Operating payment terminals: Starting from FY2021 the figure presents the combined number of payment terminals sold through sales partner and embedded-type payment terminals. (up 51.0% YoY)

# Internet Infrastructure | Payment Quarterly KPIs

## Group-wide annual TRX value reaches ¥11.4 trillion

Operating stores: 142,396 stores, TRX volume approx. 1.33 bil., TRX value approx. ¥3.0 trillion.



※1 Figure excludes a significant increase in operating stores from a specific merchant. Figures exclude the stores related to a large delivery company from Q1 FY2017. If included, operating stores would be 455,958 (up 44.7% YoY).

※2 Operating stores are measured on an end-of-quarter basis. GMV value and volume are the total for the respective quarter. ※3 The graph is based using only online payment figures.

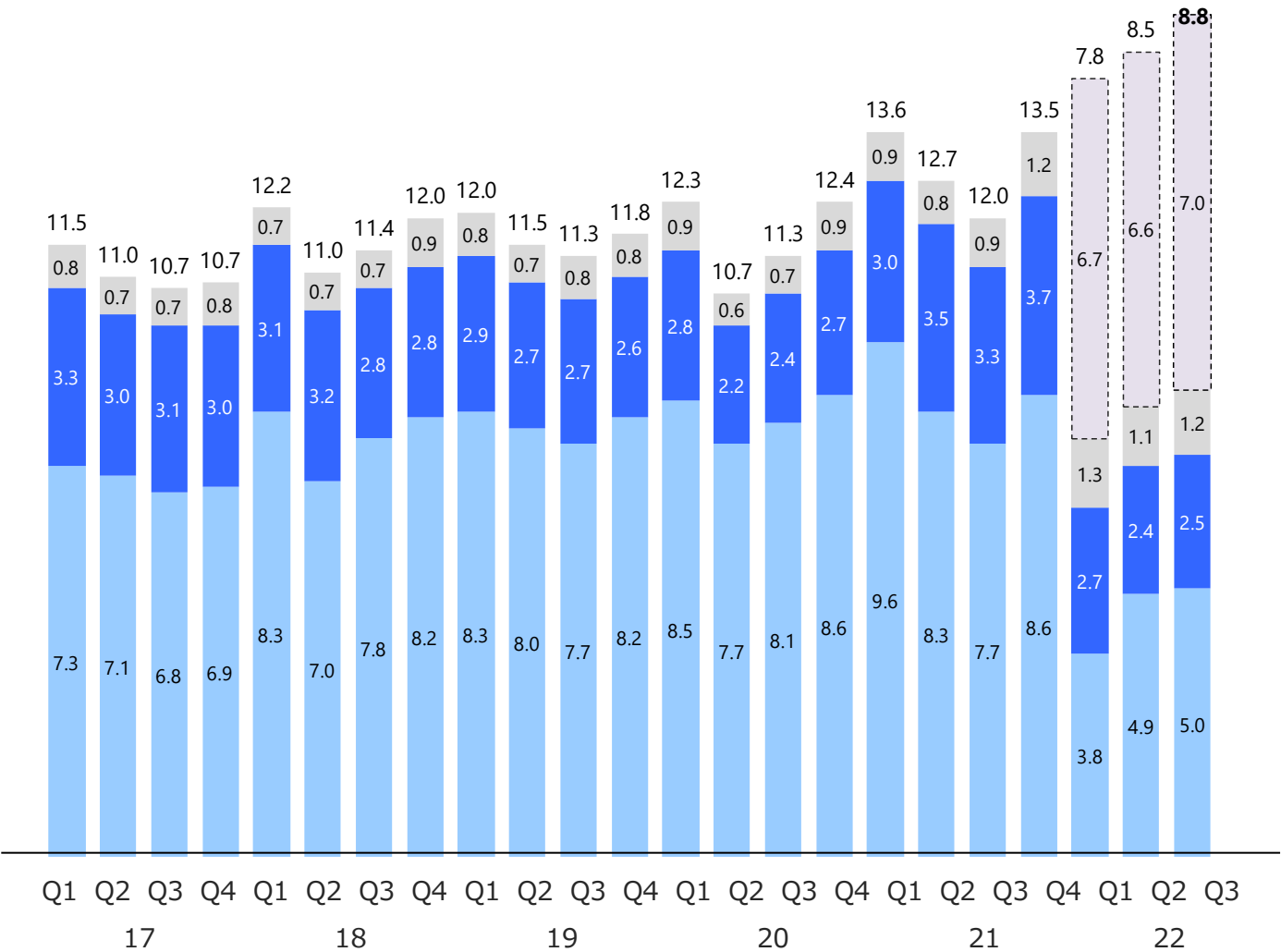
※4 The Basis for recording for the number of Operating stores were changed from Q2 FY2020. Accordingly, figures were retroactively revised from Q3 FY2015.

# Online Advertising & Media

# Online Advertising & Media | Net Sales

(JPY billions)

Compared to the same period last year (old v.s. new)



Revenue down  
**26.3%**  
YoY

- Difference between old and new standards
- Internet Research/Other
- Internet Media
- Online Advertising

# GMO-Research | Audience Engagement Platform

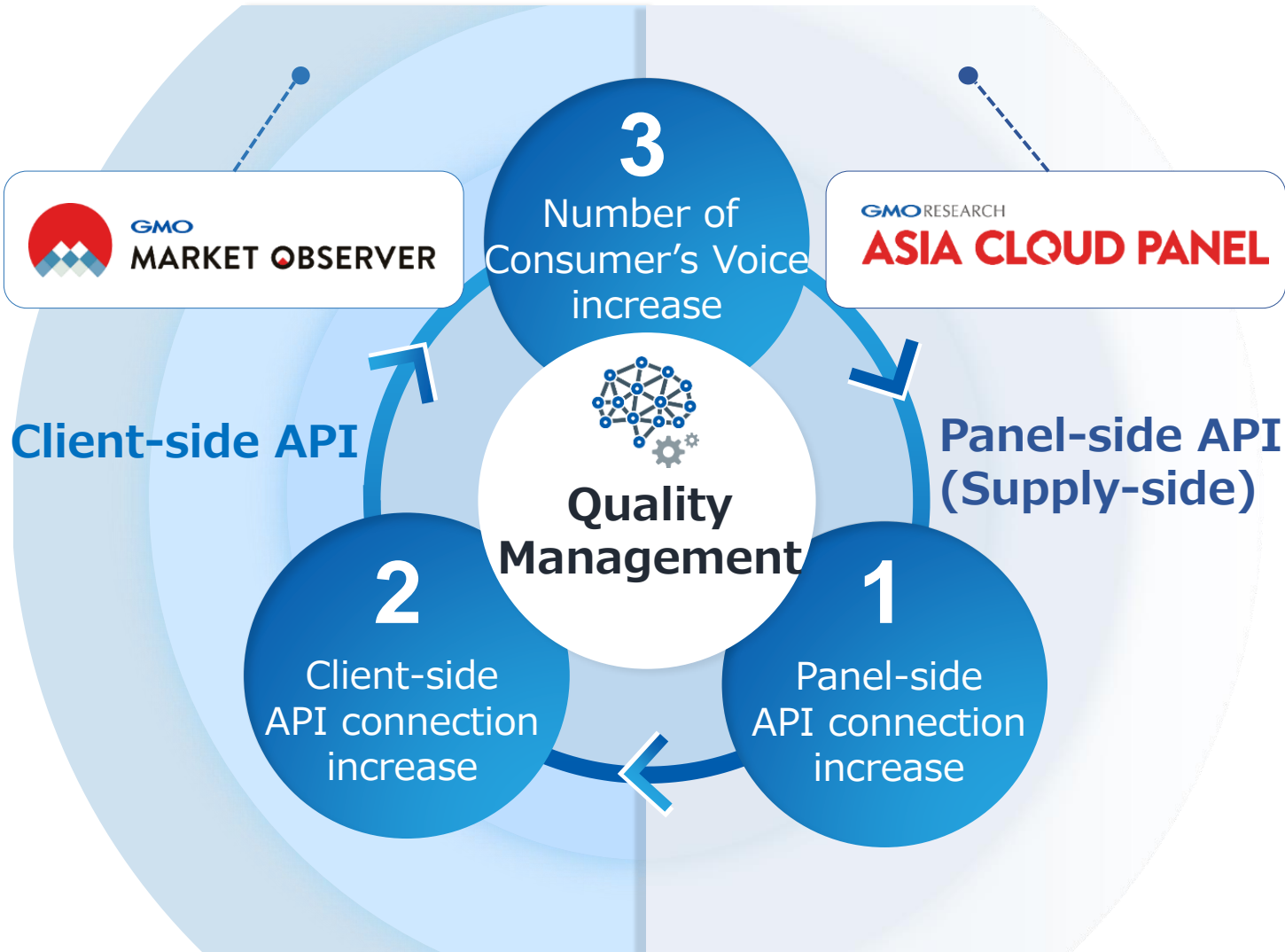
## Audience Engagement Platform



GMO  
MARKET OBSERVER

GMO RESEARCH

ASIA CLOUD PANEL

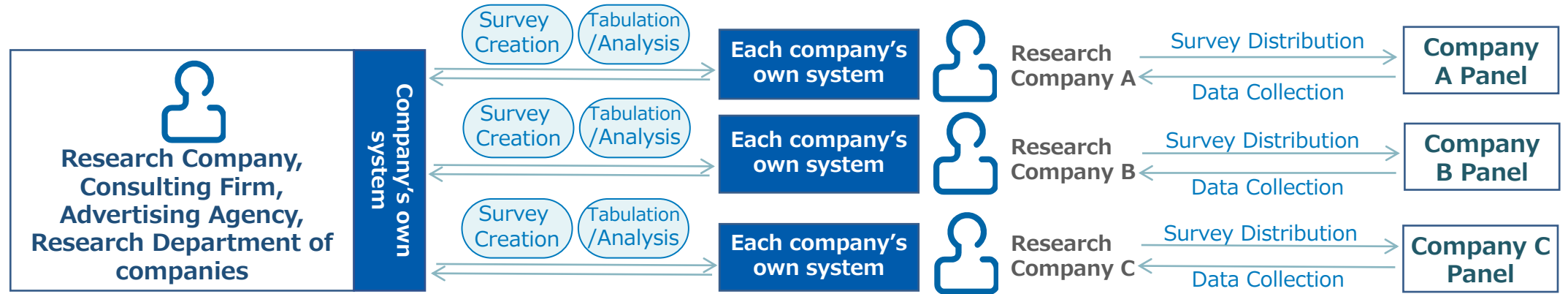


\* Prepared based on Presentation material of GMO-RESEARCH

# GMO-Research | Business Model

Standardization of low-cost internet research tools which were previously developed on a per-company basis

Past



Industry Business  
Standardization

Standard-dization



# GMO-Research | What's happening in the Sample Panel Market

- Established Market Research companies continue to outsource online sample management
- Marketers easily perform lite research with panels (consumers) with Self Service Platforms
- API connections with other sample panel providers using lite research platform continues



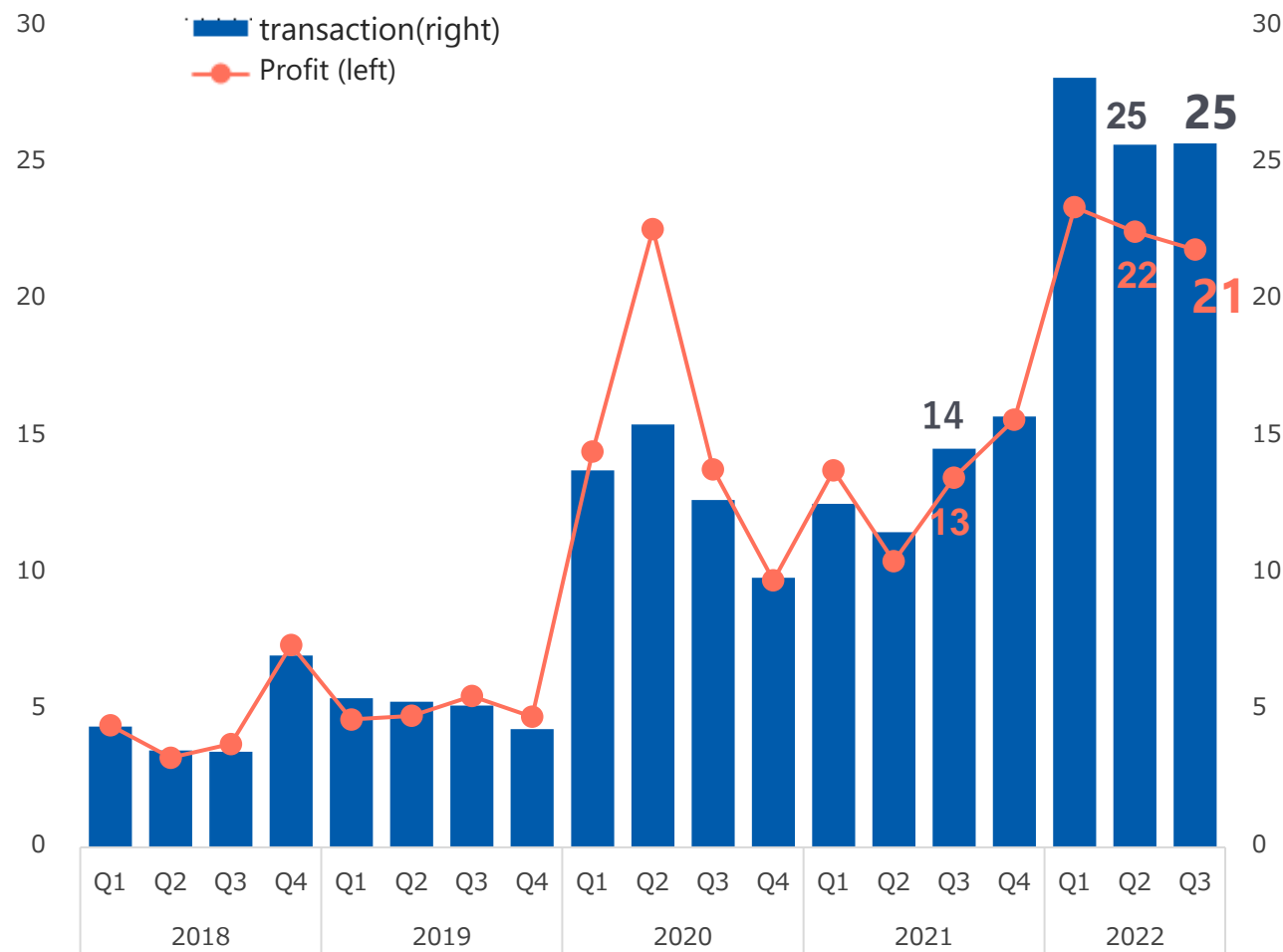
# Internet Finance

# Internet Finance | CFD Transaction and Profit transition

GMOCLICK SECURITIES

(JPY 100 million)

(JPY trillion)



Transaction volume

YoY

**76.6%UP**

Profit

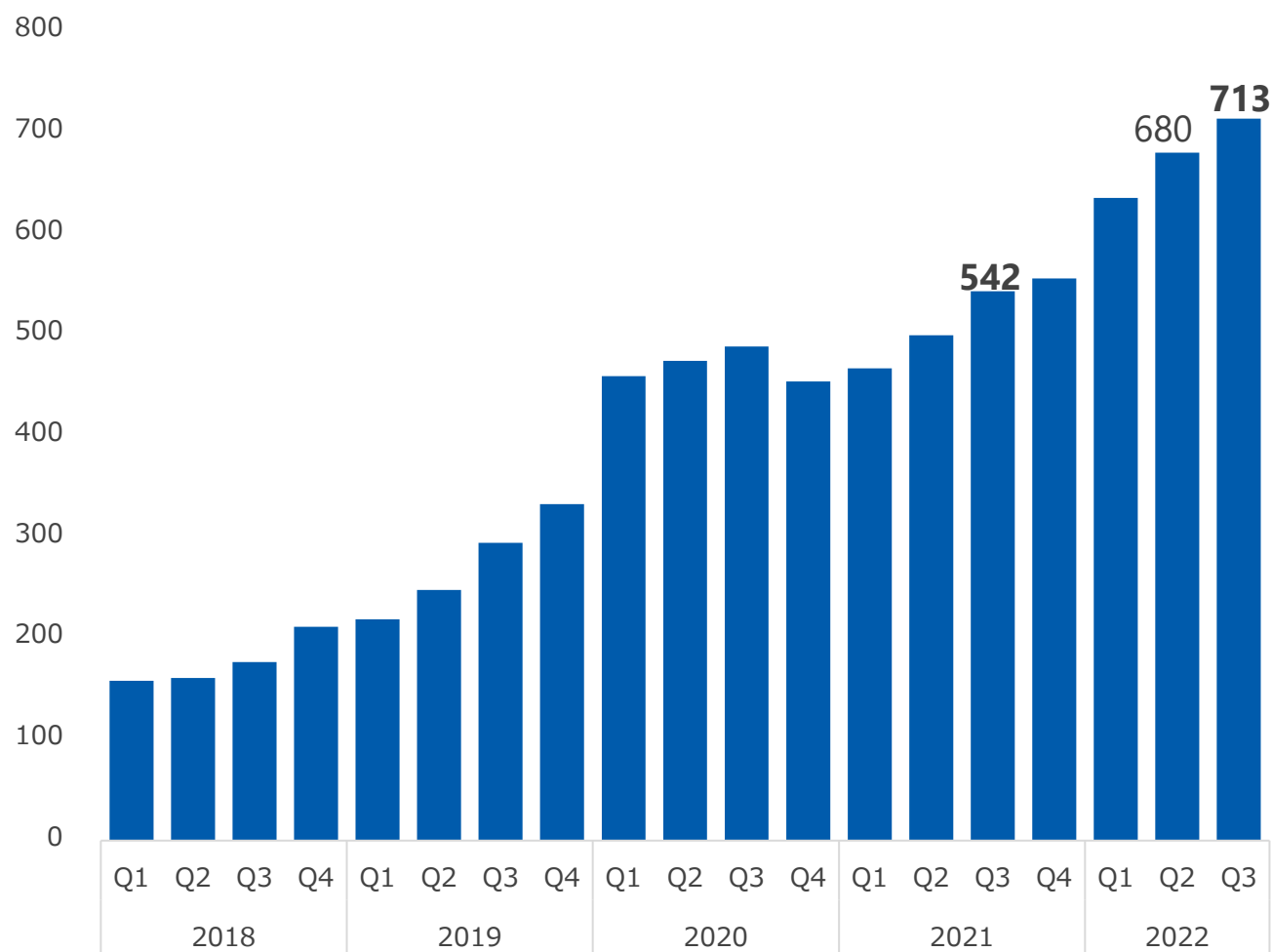
YoY

**61.6%UP**

# Internet Finance | CFD deposit margin balance

GMOCLICK SECURITIES

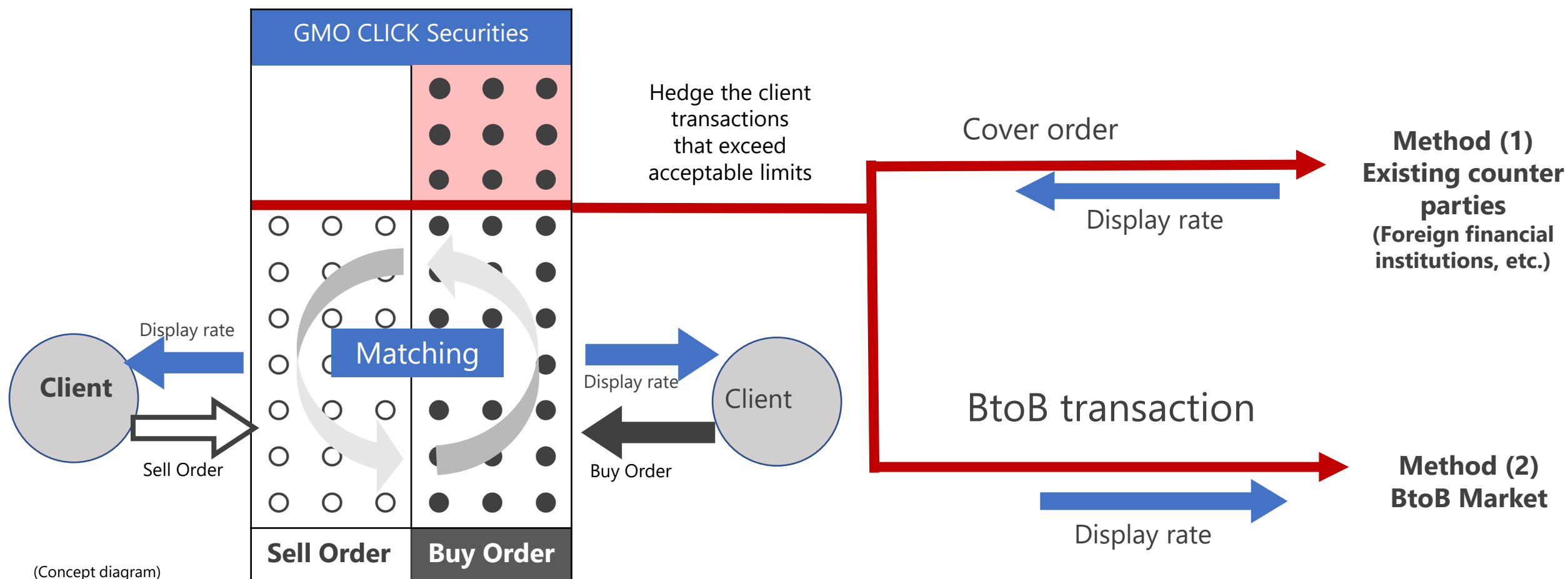
(JPY100 million)



YoY **31.4 %UP**

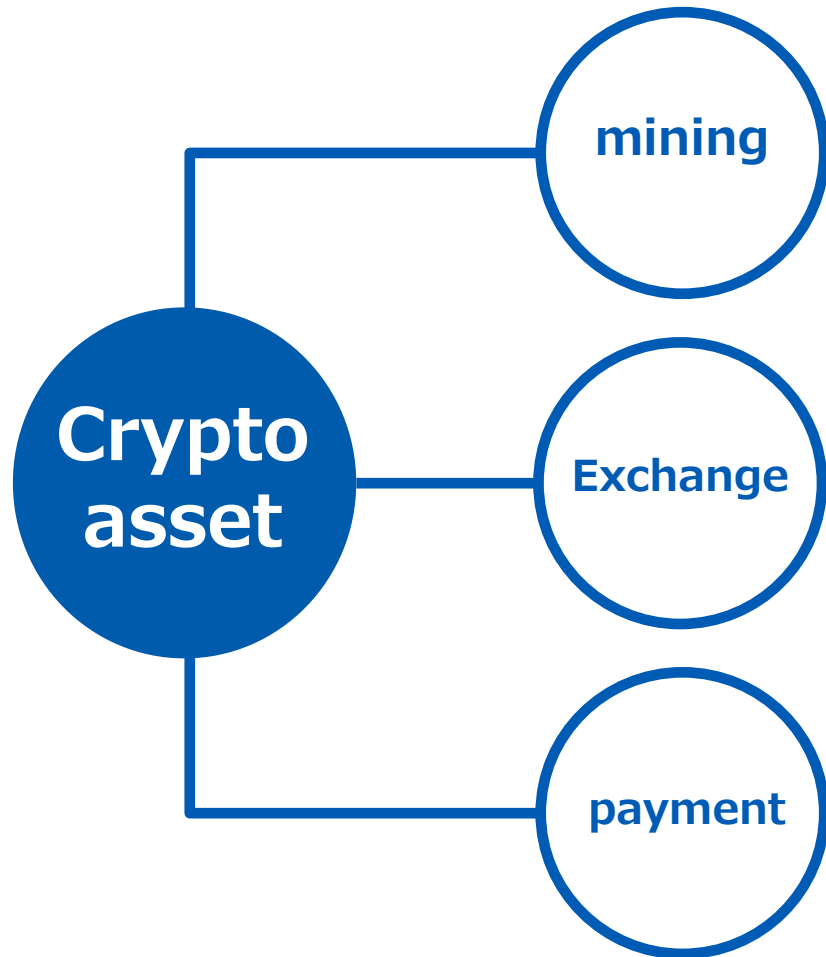
# Internet Finance | FX Business Model

- Effective matching and thorough risk minimization with cover transactions executed with counter parties as soon as customer orders exceed acceptable risk position.



# Cryptoassets

# Cryptoasset Business



**Mining Business**

**Exchange business**

**Payment business**

└ Issuing Stablecoin

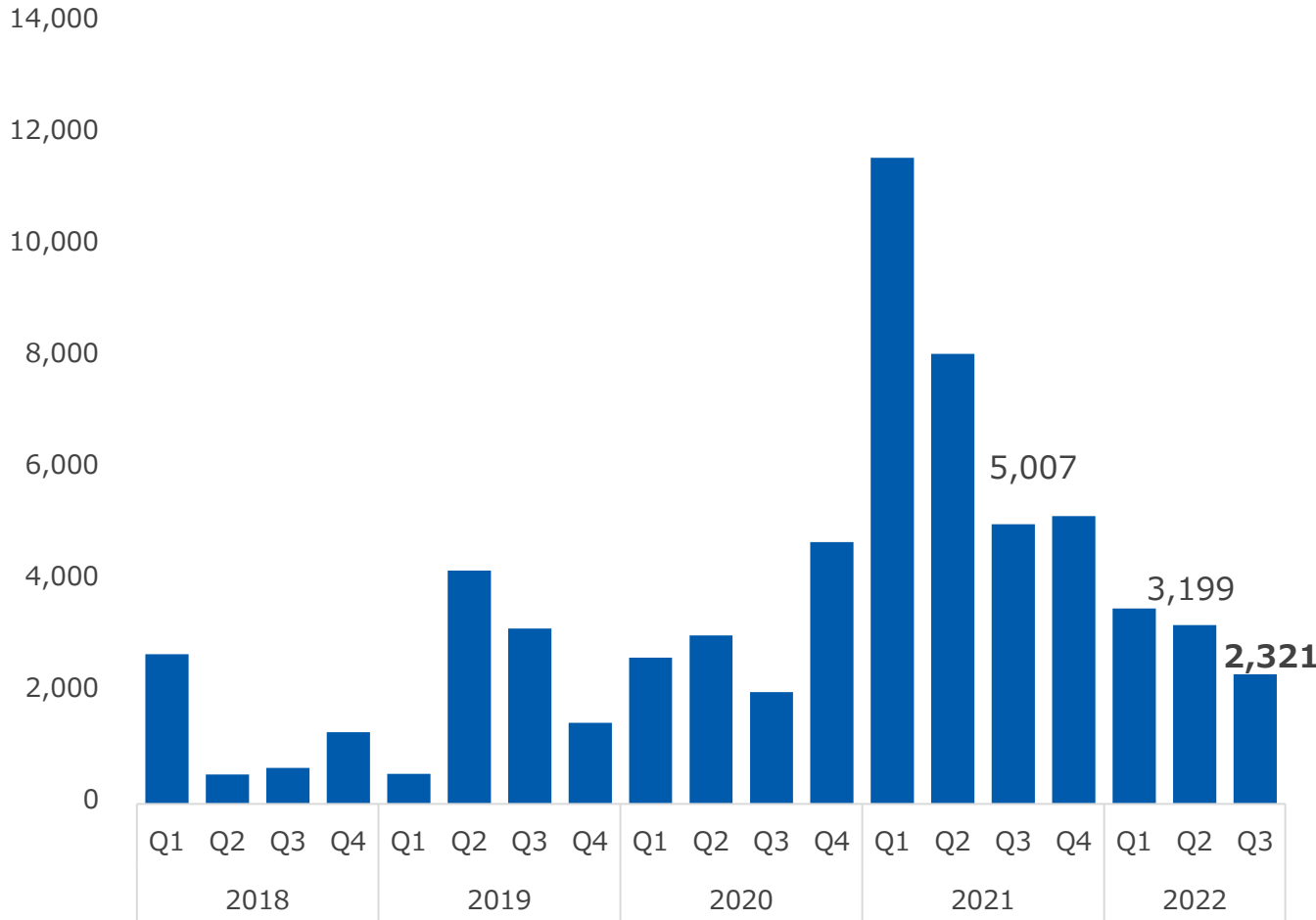
**GMO Coin**

**GYEN Z USD**  
Digital JPY Digital USD

# Cryptoasset Exchange Business | Transaction volume



(JPY billion)



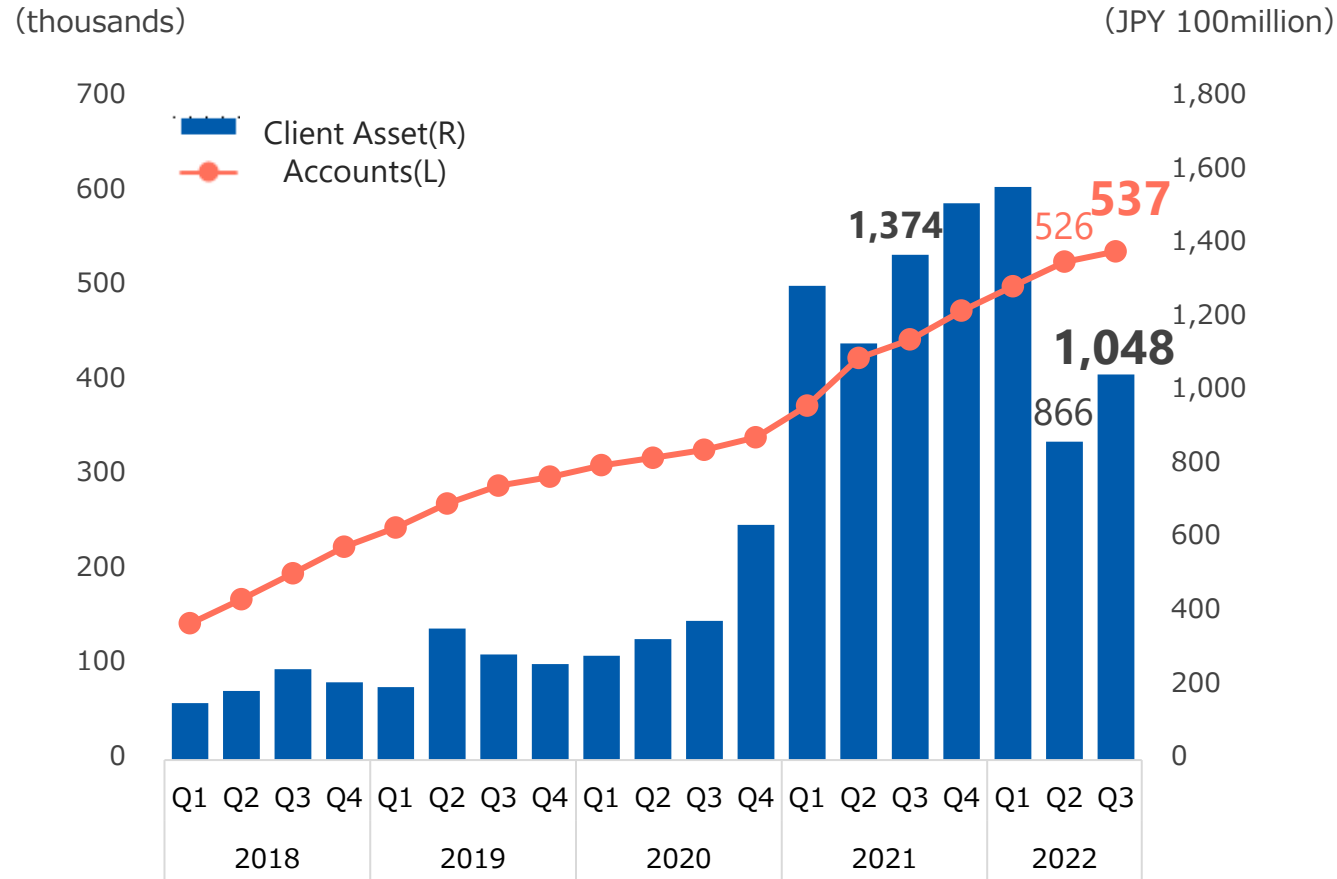
YoY **53.6%**  
**DOWN**

<Q3'22 New Services >

- 13<sup>th</sup> July New Added ADA,MKR,DAI,LINK on Trading Exchange
- 25<sup>th</sup> July Started to accept New IEO
- 21<sup>st</sup> Sep Started Staking service
- 28<sup>th</sup> Sep Expanded new function 'Web Trader' for PC

# Cryptoasset Exchange Business | Accounts and deposit asset transition

GMOCoin



Accounts

YoY **93 k UP**

Deposit Asset

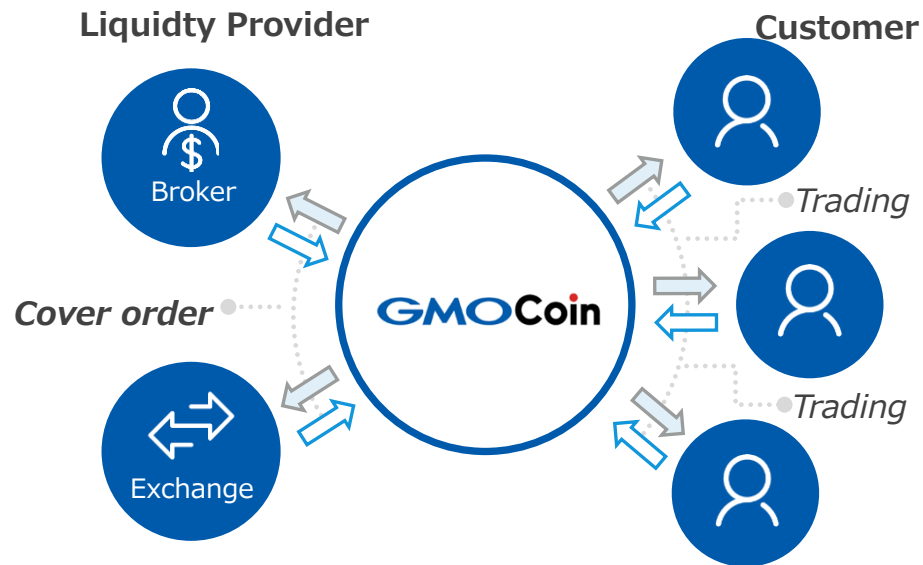
YoY **23.8% DOWN**

# Cryptoassets Exchange | Business model



## OTC Trading

Hedging counter part positions  
by cover order



Main income : Spread  
(buy and sell spread)

## Exchange Trading

Offering the order matching platform





Main income : Transaction fee

**GMO AozoraNet Bank**

# GMO AozoraNet Bank | Our Share holding situation

- ① Recorded extraordinary loss 6.34B JPY, downgraded the amount of acquisition for the future.
- ② Will acquire at the re-planned unit price for the amount of capital increased at this time.  
(Non extraordinary loss)
- ③ Total expenditure for future will be 16.09B.

	Issued (Unit Price : Initially Planned)	Capital Increase (Unit Price : Re-planned)	Subtotal
Obtained (14.9%)	 <b>2.65B</b> Recognized as an equity method loss	<b>0.75B</b>	<b>3.41B</b>
To acquire (35.1%)	 <b>① 12.51B</b> Provision for contract loss 6.34B (22Q3)	<b>② 3.58B</b>	<b>③ 16.09B</b>

**GMO Web3**

# Team



Chairman  
**Masatoshi Kumagai**  
GMO Internet Group, Inc.  
Chairman and Group CEO  
**Expertise:** Growth and management of IT companies



Representative Director and CEO  
**Tomohiro Uchida**  
GMO Internet Group, Inc.  
General Manager, Corporate Development  
**Expertise:** Investment, M&A



Director  
**Masakazu Masushima**  
MORI HAMADA & MATSUMOTO  
**Expertise:** Financial Regulations, FinTech, M&A, Governance



Director  
**Yuki Naito**  
Drecom Co., Ltd.  
President & CEO  
**Expertise:** Growth and management of an IT company / Web3 Business Development in entertainment space

# Team

GMO Web3



Director

**Toshiaki Horiuchi**

GMO Internet Group, Inc.

Group Senior Managing Executive Officer

**Expertise:** Research and development/technical support for cutting-edge technologies such as AI and blockchain



Director

**Kentaro Sato**

GMO Pepabo, Inc.

Representative Director and CEO

**Expertise:** Web Creative Creator Support



Director

**Kentaro Nakamura**

GMO-Z.com Trust Company, Inc.

CEO

**Expertise:** Stable Coin Development and Operation



Director

**Makoto Makita**

GMO Cybersecurity by Ierae, Inc.

Representative Director

**Expertise:** Cyber security from attackers' perspective

# Team



**Satoshi Makita**

GMO Internet Group, Inc.

General Manager, Infrastructure & Operations Division,  
Systems Management Headquarters

**Expertise:**Blockchain, Mining operations



Director

**Kosuke Kotani**

GMO Coin, Inc.

Director

**Expertise:**Crypto asset (cryptocurrency)  
exchange  
IEO Support



Director

**Takeo Hayashi**

GMO Aozora Net Bank, Ltd.

Head of Corporate Planning Team

**Expertise:**Internet Finance  
Business planning and development



Director

**Mai Fujimoto**

BlockchainPROseed

Co-founder

**Expertise:**Promotion activities in the  
blockchain area

# Team



Advisor  
**Kazuyuki Shudo**  
Kyoto University  
Professor  
**Expertise:** Computer Science and Engineering



Advisor  
**Sota Watanabe**  
Astar Network  
Founder  
**Expertise:** Public blockchain development



Advisor  
**Isao Moriyasu**  
Former President and CEO of DeNA Co.  
**Expertise:** Business development and business growth

# ESG Activities

# ESG | Sustainability management for SDGs

電子印鑑なら  
**GMOサイン**



**コエテコ** by **GMO**



**GMO光アクセス**  
for **Education**



**GMO CYBER SECURITY**  
IERAE



⋮

**Our business help  
Social and  
environmental issues  
to be solved.**

## ESG | Disclosure processes



**Preferentially  
attempting to expand  
ESG disclosure**

**Internet for Everyone**

**GMO**