

**Fiscal Year 2023**  
**First Quarter**  
**Results Presentation**

**GMO** INTERNET GROUP

May 11, 2023













1. Overview
2. Group Overview
3. Segment Report
  - i) Internet Infrastructure
  - ii) Online Advertising & Media
  - iii) Internet Finance
  - iv) Cryptoassets
4. Topics

# Overview | Executive Summary: Q1 FY2023

(JPY billions)	Q1'22 (Jan-Mar)	Q1'23 (Jan-Mar)	YoY Change	Change
Net Sales	56.0	65.5	+9.5	+17.0%
Operating Profit	11.1	10.9	-0.1	-1.2%
Ordinary Profit	12.0	11.9	-0.1	-1.4%
Net Profit	6.4	3.9	-2.4	-38.9%

# Overview | Executive Summary: Q1 FY2023

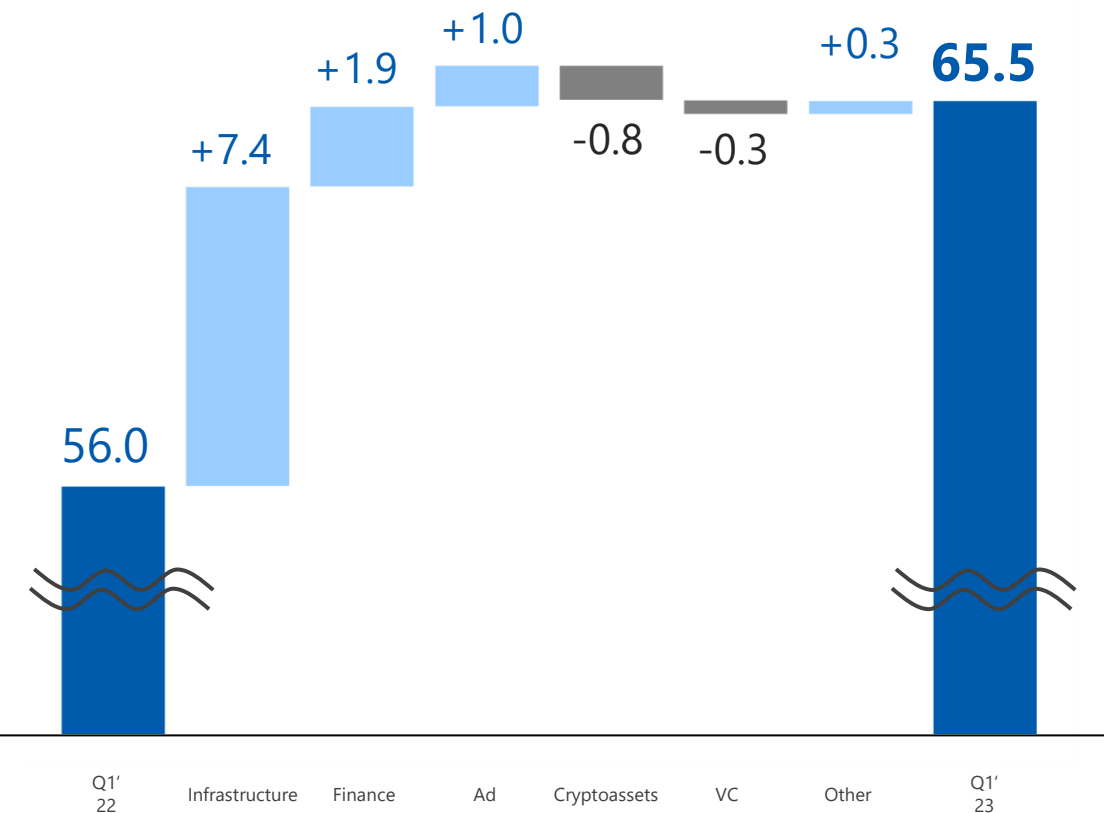
Evaluation

Internet Infrastructure	Record high	Net sales	JPY <b>42.1B</b>	(Up 21.3% YoY)	Services each hold top share in their respective markets Online and offline payment contributed to an increase in net sales			
		OP	JPY <b>6.9B</b>	(Up 11.3% YoY)				
Online Ad & Media		Net sales	JPY <b>8.9B</b>	(Up 12.8% YoY)	In-house products and media grew as the market environment recovered			
		OP	JPY <b>0.6B</b>	(Down 28.0% YoY)	Increase in headcount and temporary factors resulted in recognition of costs ahead of sales			
Internet Finance		Net sales	JPY <b>12.7B</b>	(Up 18.5% YoY)	FX: Profitability further improved since FY2022 CFD: Revenue hit a record high with continued favorable performance			
		OP	JPY <b>3.7B</b>	(Up 3.1% YoY)	Overseas: Thailand's Internet Securities posted provision of allowance for doubtful accounts of JPY 1.5B			
Cryptoassets		Net sales	JPY <b>1.2B</b>	(Down 41.7% YoY)	Unchanging mid-to long-term expectations but the market environment is "X"			
		OP	JPY <b>-0.3B</b>	(JPY 0.1B in Q1 FY2022)				

# Overview | Executive Summary: Q1 FY2023

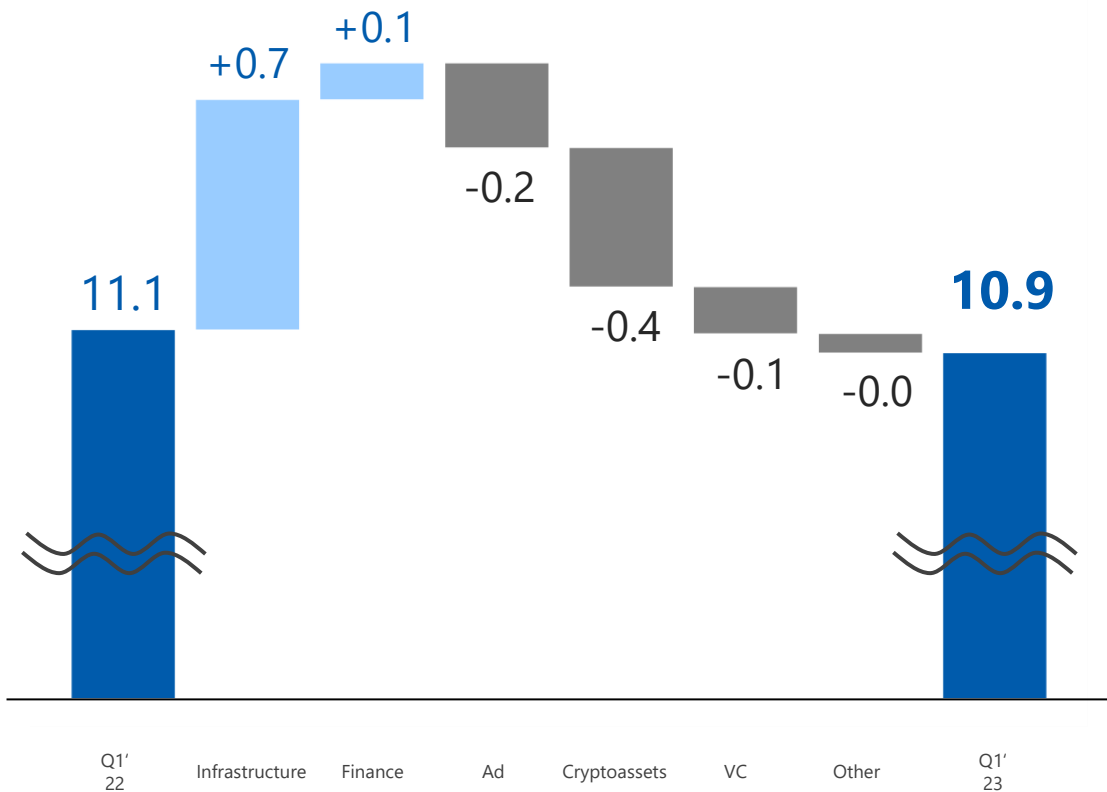
**Net sales**  
Up **9.5B** YoY

(JPY billions)

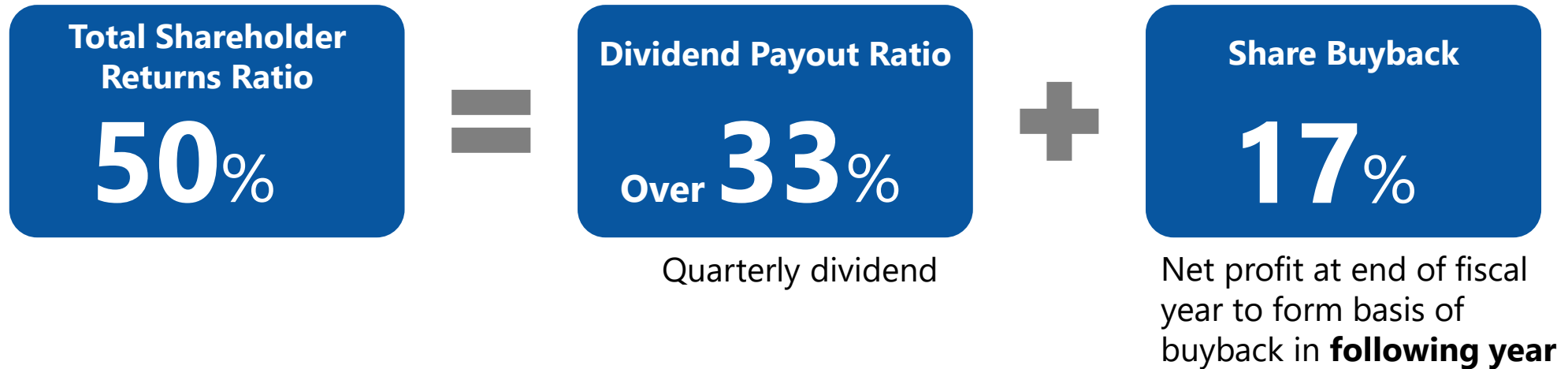


**OP**  
Down **0.1B** YoY

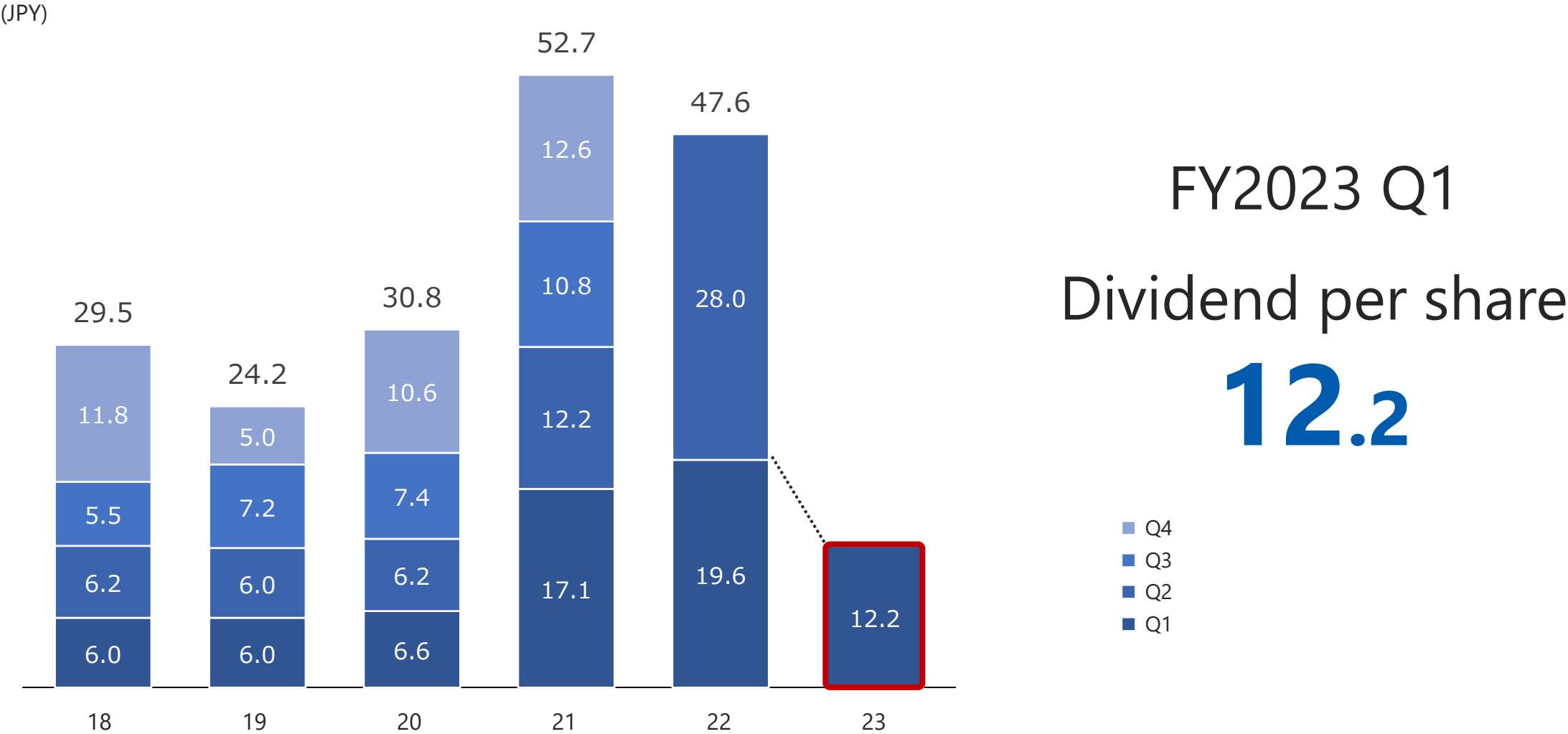
(JPY billions)



# Overview | Shareholder Returns (Policy)



# Overview | Shareholder Returns (dividend per share)



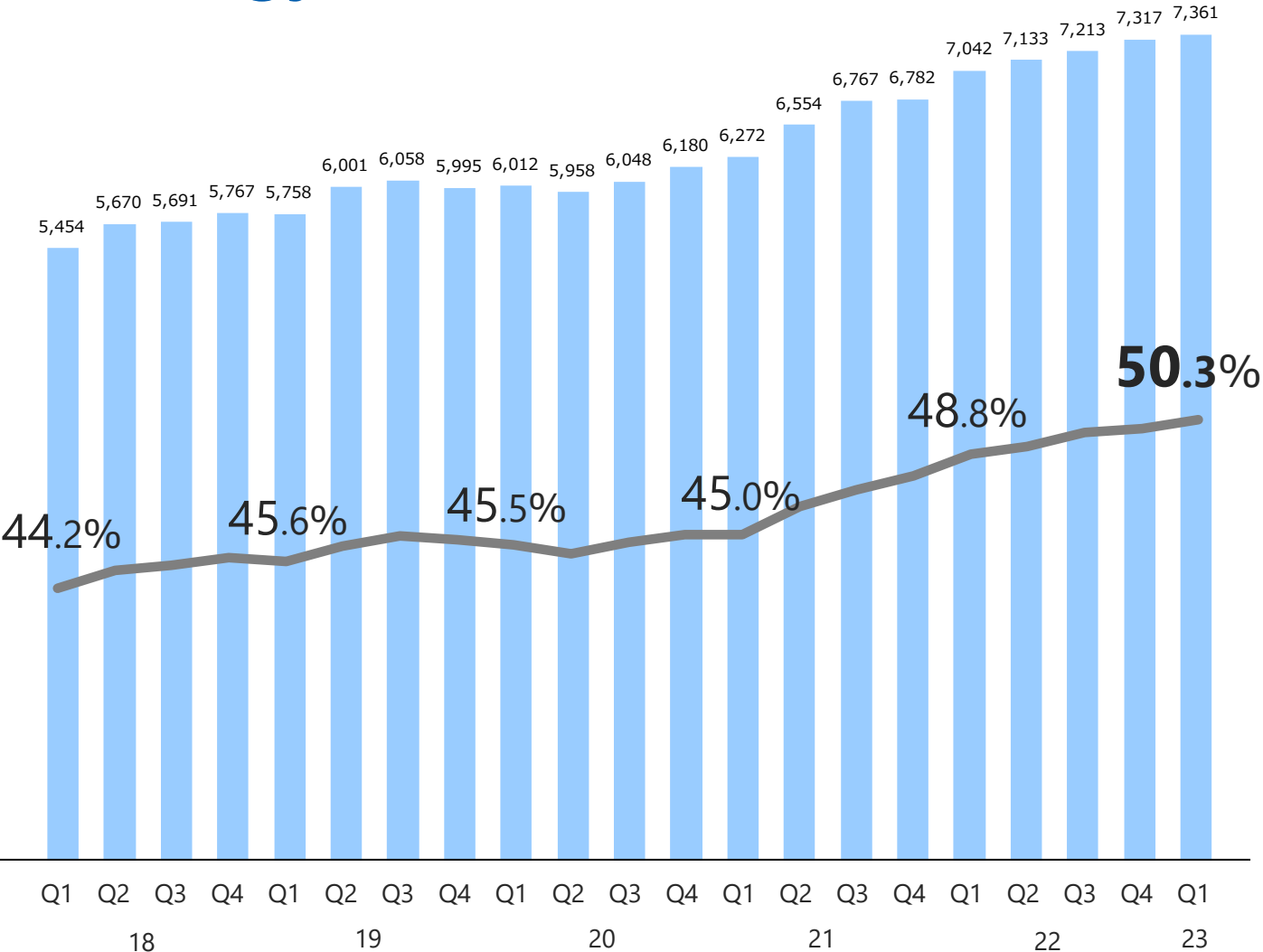
# Strengths



## Strengths (1)

**Operations and  
development of our  
own technology**

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



Goal: Workforce of over  
**60%**  
engineers & creators

Partners  
% Engineers

\* Not including partners of GMO Internet Group affiliates accounted for by the equity method (such as GMO Aozora Net Bank), which was 272 as of the end of March 2023.

## Strengths (2)

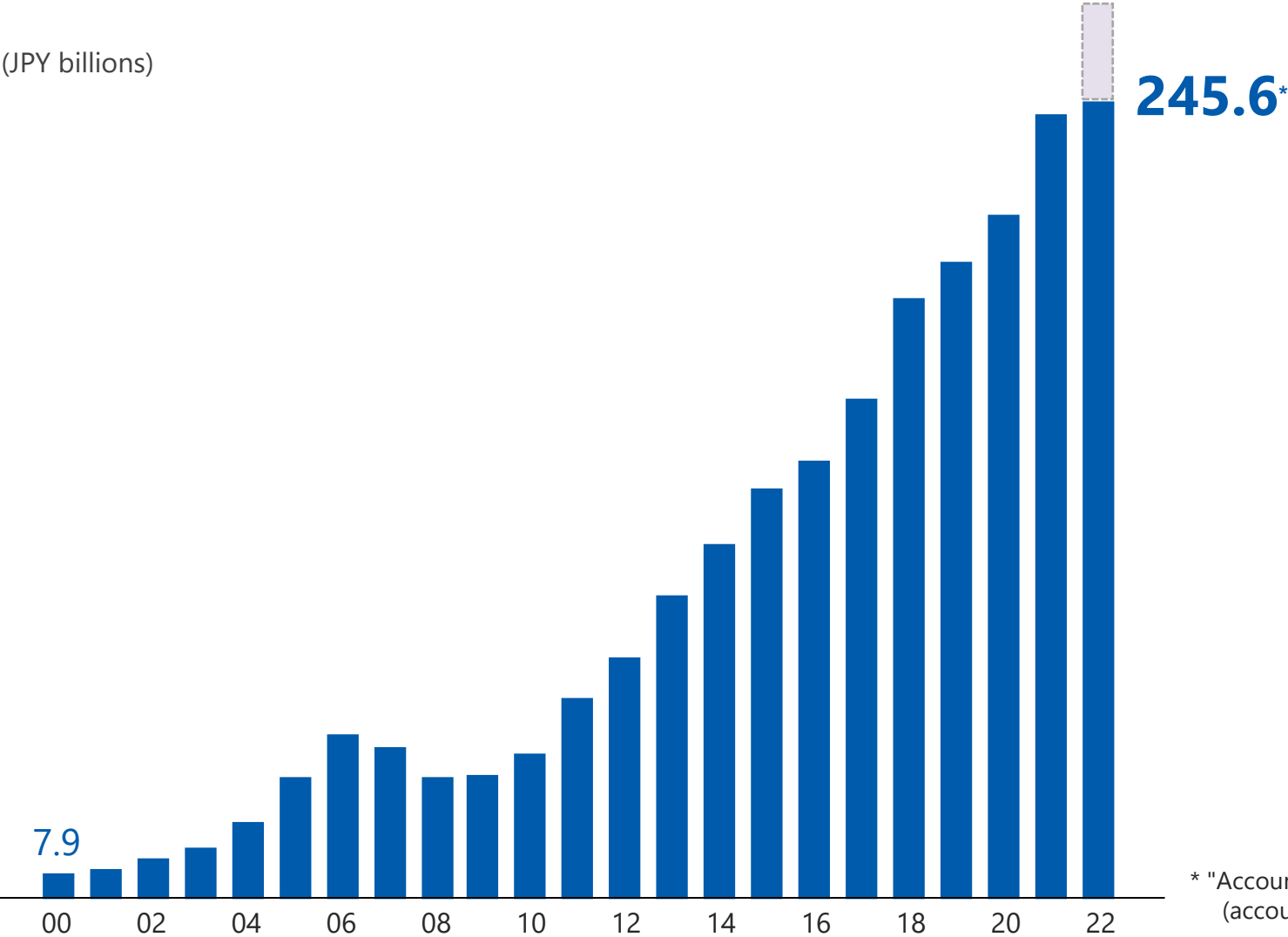
**Solid recurring revenues**

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

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

# Strengths (2) | Consolidated net sales

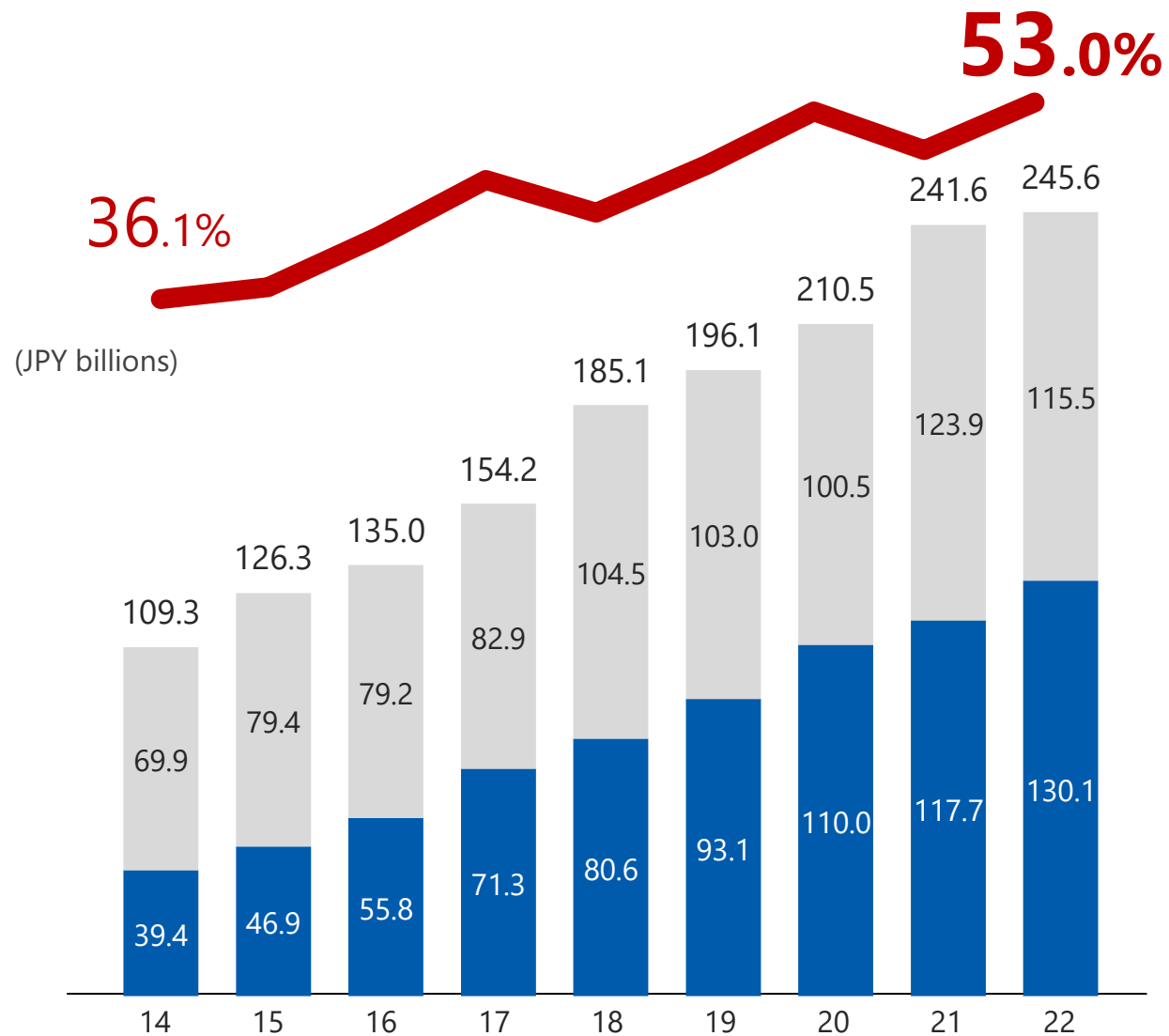
(JPY billions)



**Sustainable  
growth**

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

# Strengths (2) | Analysis of consolidated net sales

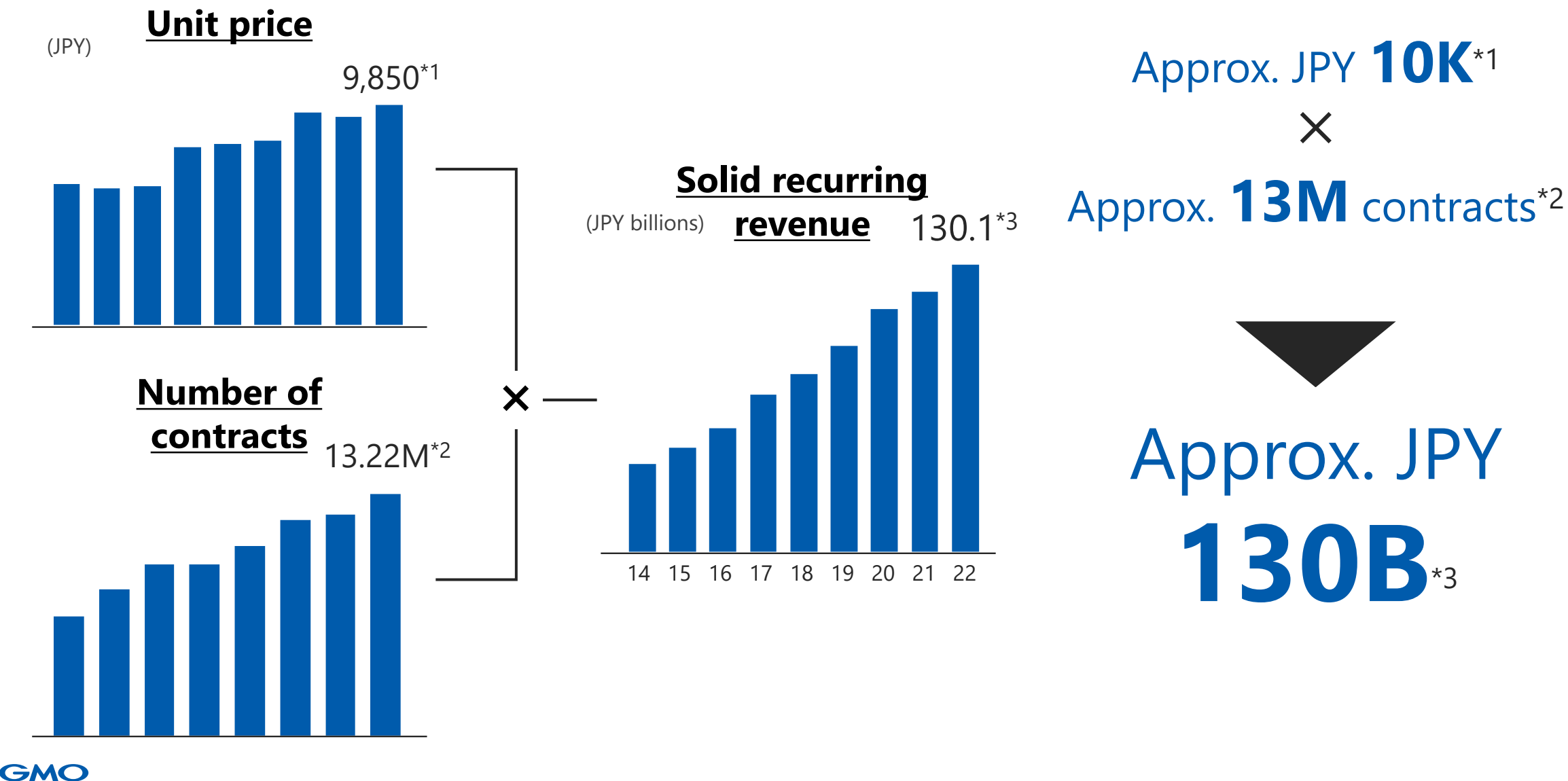


**Solid recurring  
revenues that  
support sustainable  
growth**

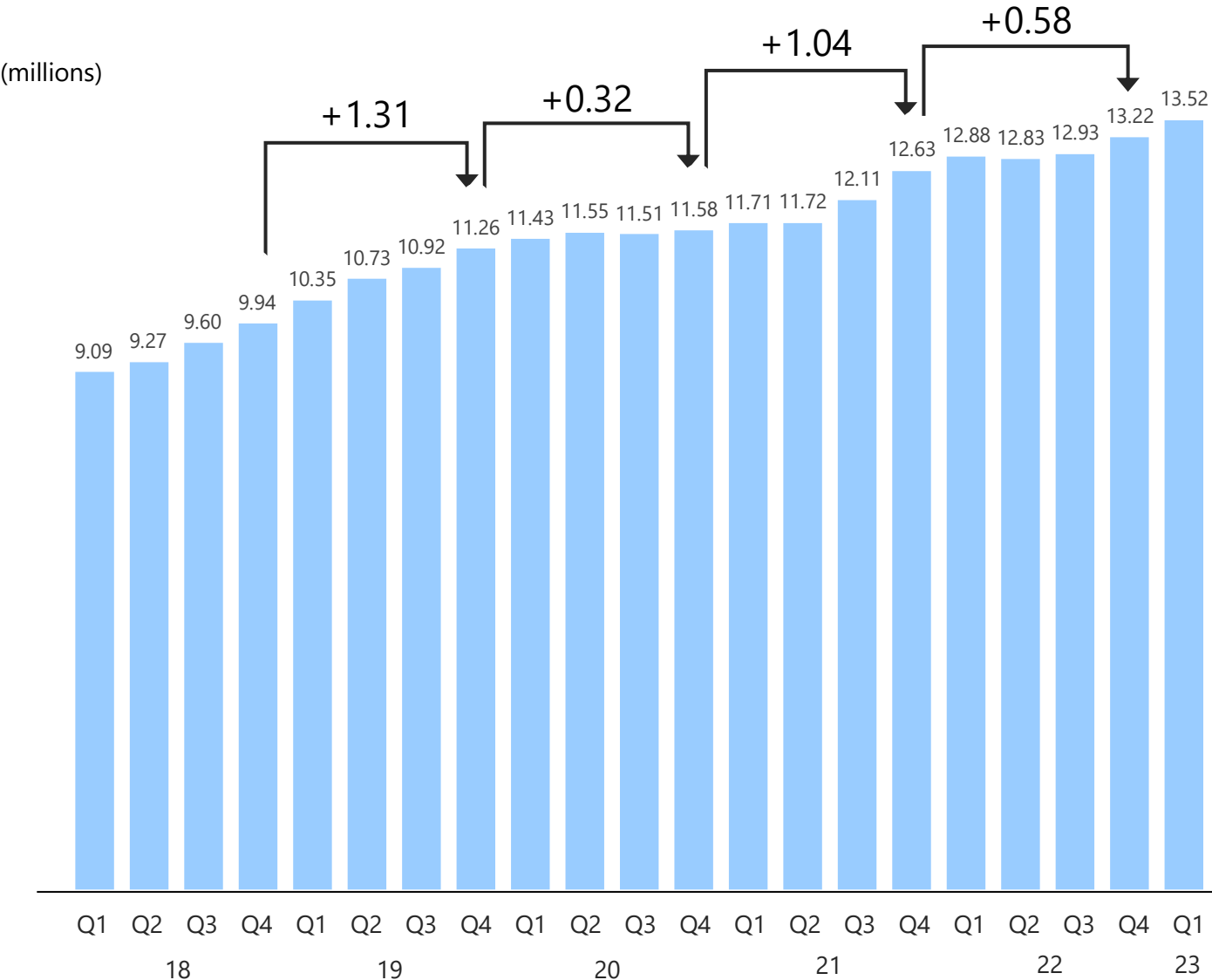
- Solid recurring revenue\*
- Other revenue
- Solid recurring revenue ratio (%)

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

# Strengths (2) | Analysis of solid recurring revenues



# Internet Infrastructure | Contracts



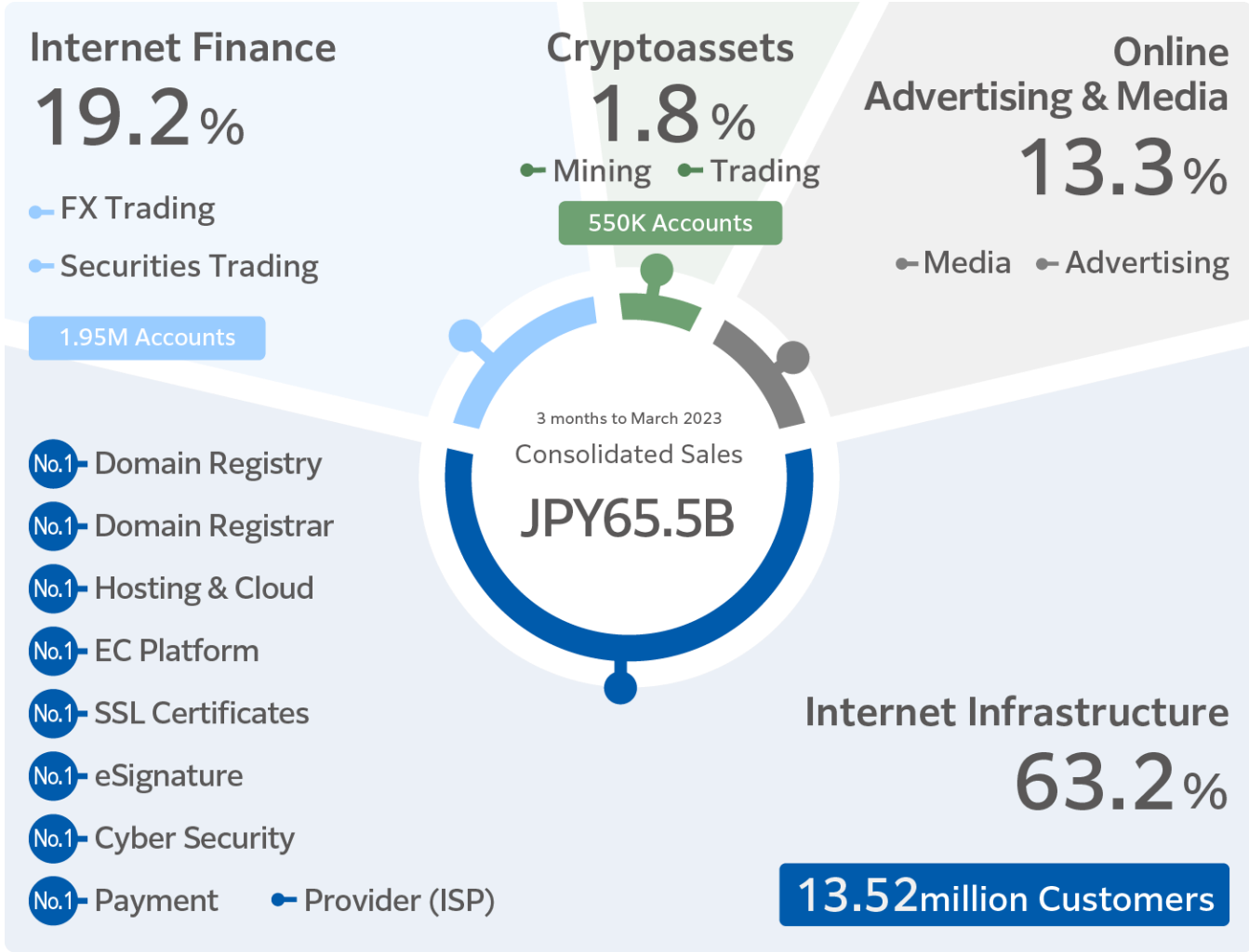
Solid revenue base  
**13.52M**  
customers

Increased approx.  
**0.81M/year**



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# Group Overview | Business Segments (Composition)



Solid revenue base +  
financial customer  
base

**16.03M** customers

13.52million Customers

1.95M Accounts

550K Accounts

Up  
**0.77M**  
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.

# 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	295.4		
3769	GMO Payment Gateway	Prime	818.4	40.7%	333.2
4051	GMO Financial Gate	Growth	95.1	23.4% <sup>*3</sup>	22.2
7177	GMO Financial Holdings	Standard	77.6	65.2%	50.6
3788	GMO GlobalSign HD	Prime	48.3	51.8%	25.0
3633	GMO Pepabo	Prime	9.3	59.5%	5.5
4784	GMO AD Partners	Standard	7.2	57.0%	4.1
3695	GMO Research	Growth	5.1	54.8%	2.8
6180	GMO Media	Growth	4.0	66.0%	2.6
6026	GMO TECH	Growth	2.9	54.1%	1.5
Group Total			<b>1,363.7<sup>*4</sup></b>		<b>448.0</b>

\*1 Market value as of May 10, 2023

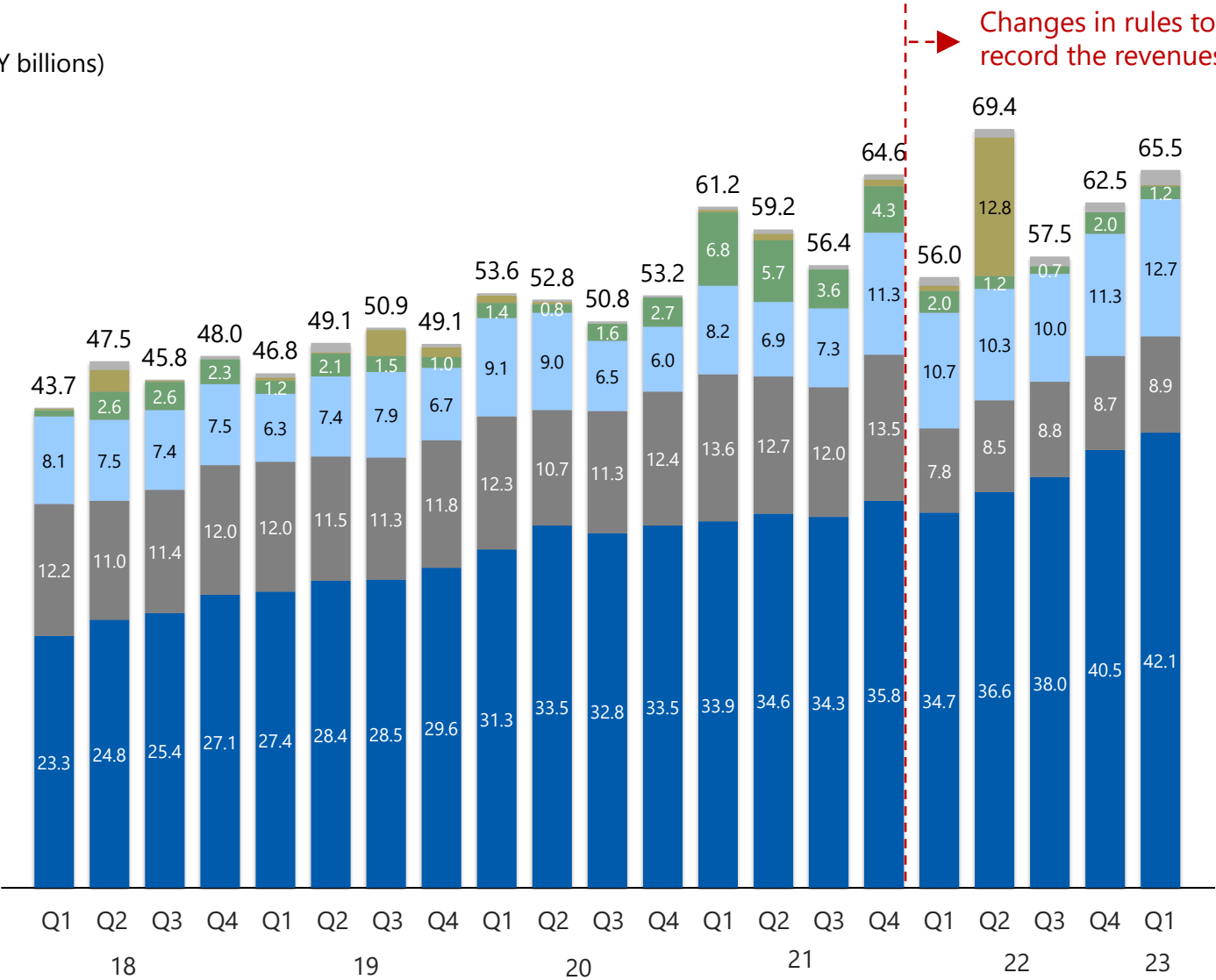
\*2 Includes indirect holdings (as of the end of March)

\*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)

Changes in rules to record the revenues\*



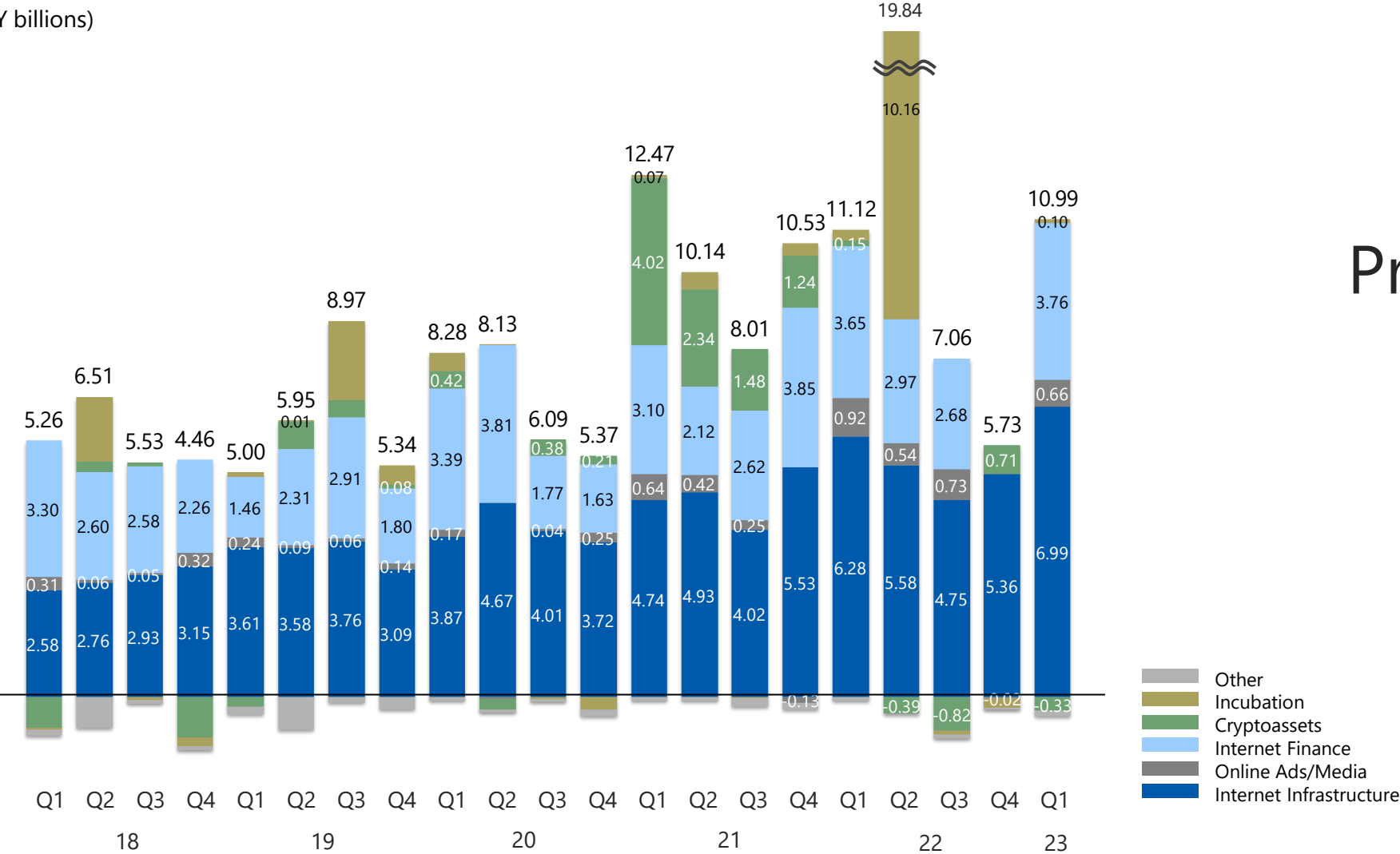
Revenue up  
**17.0%**  
YoY

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

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

# Group Overview | Profit by Segment



(JPY billions)



Profit down  
**1.2%**  
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>81.5%</b> *2
No. 1	Hosting & Cloud	    	Domestic market share at <b>57.2%</b> *3
No. 1	ASP Cart	 	<b>56K</b> paid stores
No. 1	SSL Security		Domestic market share at <b>No. 1</b> *4
No. 1	eSignature	電子印鑑なら 	<b>1.25M</b> accounts
No. 1	Cybersecurity	 	Number of white hat hackers <b>No. 1</b> *5
No. 1	Payment	 	<b>160K</b> merchants *6
No. 1	Provider (ISP)		<b>No. 1</b> *7 provider in terms of customer satisfaction

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

\*5 Based on the Fermi estimate

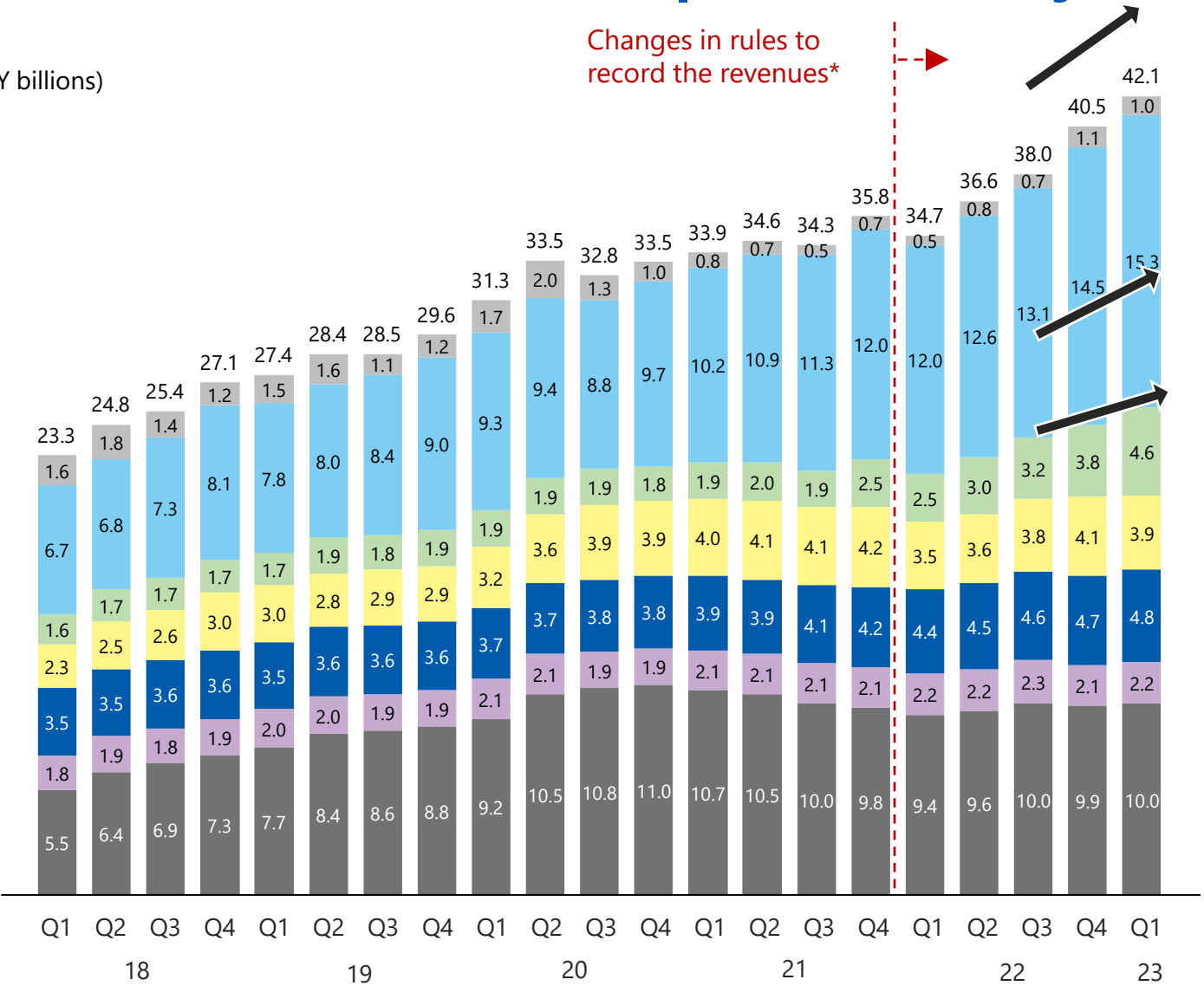
\*6 Figure excludes the number of stores related to major delivery services

\*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)

Changes in rules to record the revenues\*



Record high

Revenue up  
**21.3%**  
YoY

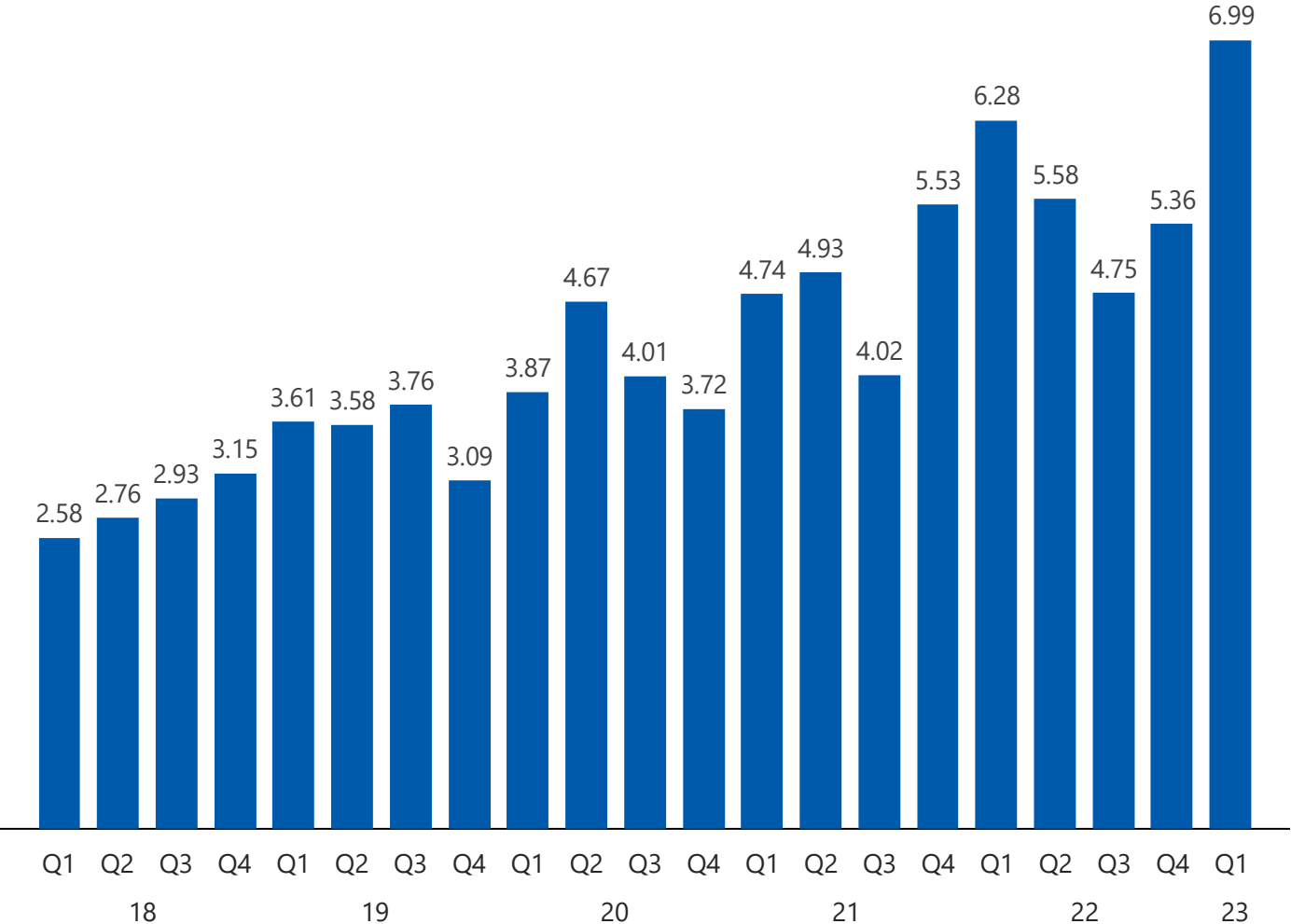
- Other
- Payment
- Security
- Ecommerce Solutions
- Hosting & Cloud
- Domain
- Provider

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



# Internet Infrastructure | Operating Profit

(JPY billions)



Record high

Profit up  
**11.3%**  
YoY

Dual  
crown

電子印鑑なら  
GMOサイン

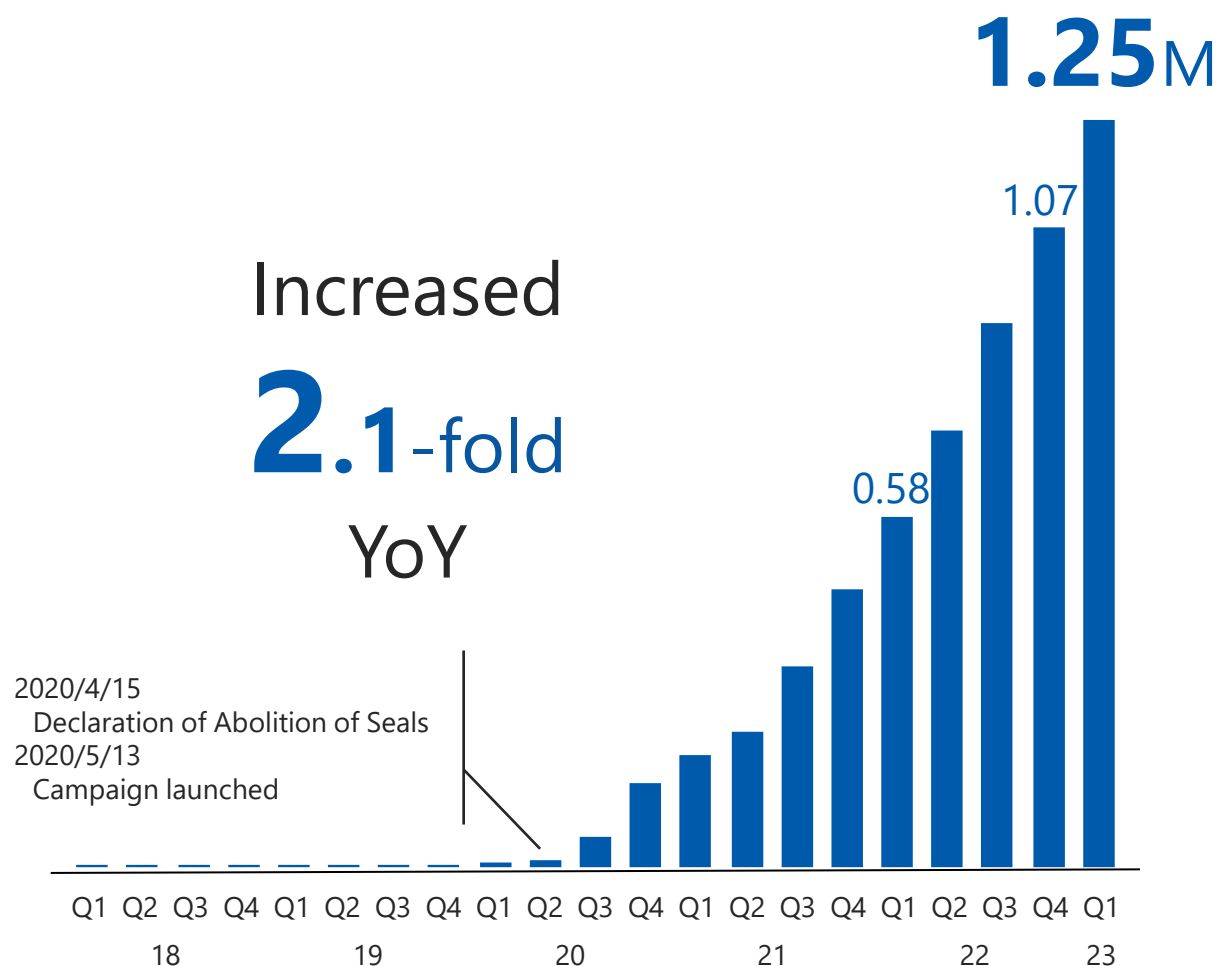
Number of e-contract accounts: **No. 1**

Number of contracts: **No. 1**

# Internet Infrastructure | Number of e-contract accounts

電子印鑑なら  
**GMOサイン**

(millions)



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

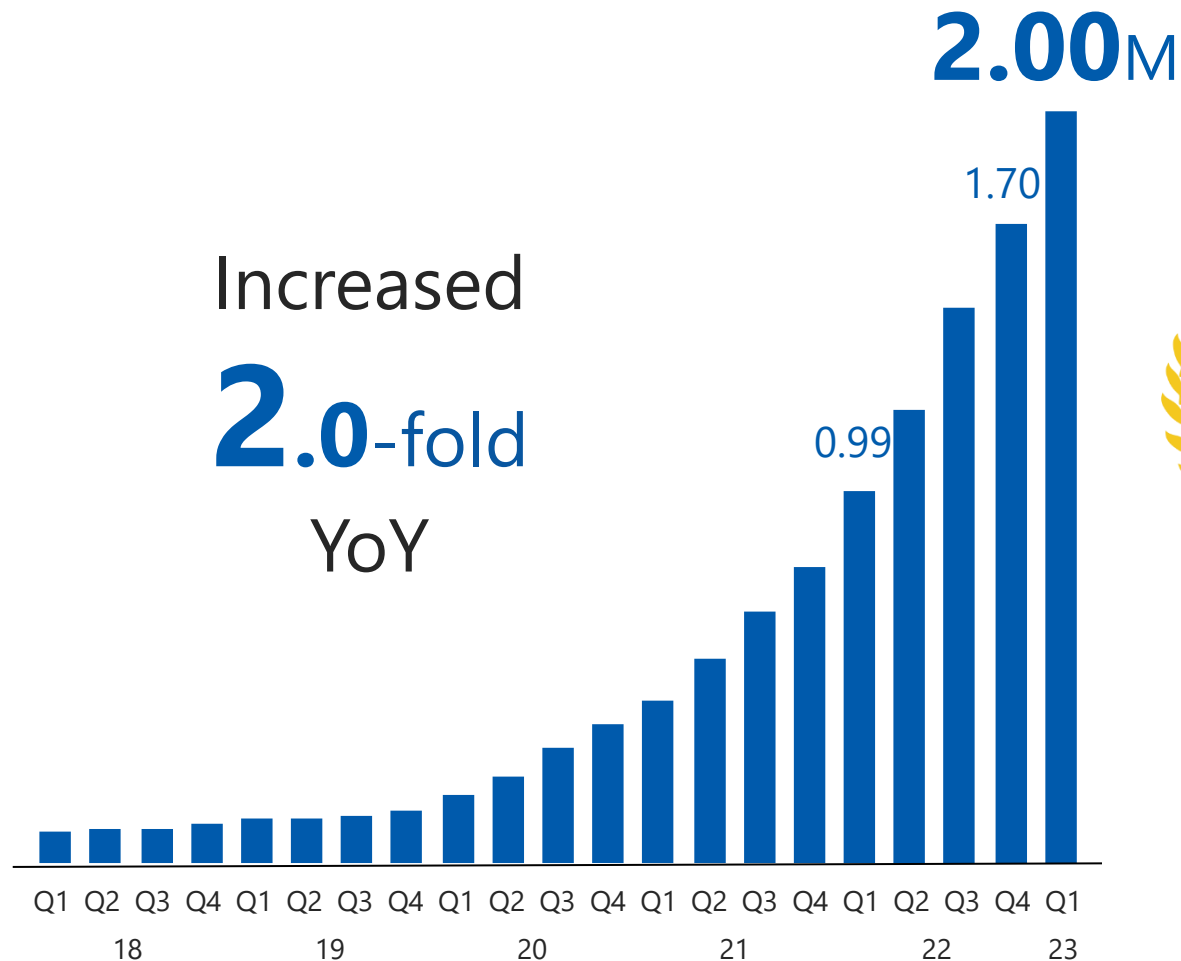


User companies (extract)

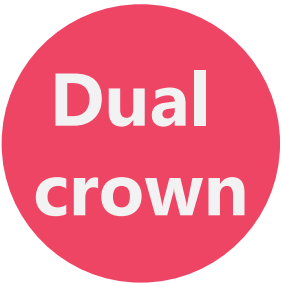


# Internet Infrastructure | Number of contracts

(millions)



**Number of contracts**  
**No. 1**



Adoption by **34** local governments was determined ※1

**Become No. 1 in terms of the  
number of local governments  
introducing GMO Sign.  
Aim at triple crown.**



Local governments introducing GMO Sign (extract)

Tokyo<sup>\*2</sup>

Yamaguchi

Shibuya-ku, Tokyo

Kawasaki City, Kanagawa Pref.

Hadano City, Kanagawa Pref.

Higashi Osaka City, Osaka Pref.

Amami City, Kagoshima Pref.

Sakai City, Fukui Pref.

Kanagawa

Oita

Fukuoka City, Fukuoka Pref.

Yokosuka City, Kanagawa Pref.

Sakado City, Saitama Pref.

Toyonaka City, Osaka Pref.

Inabe City, Mie Pref.

Shiso City, Hyogo Pref.

Gunma

Saga

Toyota City, Aichi Pref.

Chigasaki City, Kanagawa Pref.

Tatsuno City, Hyogo Pref.

Sanjo City, Niitaga Pref.

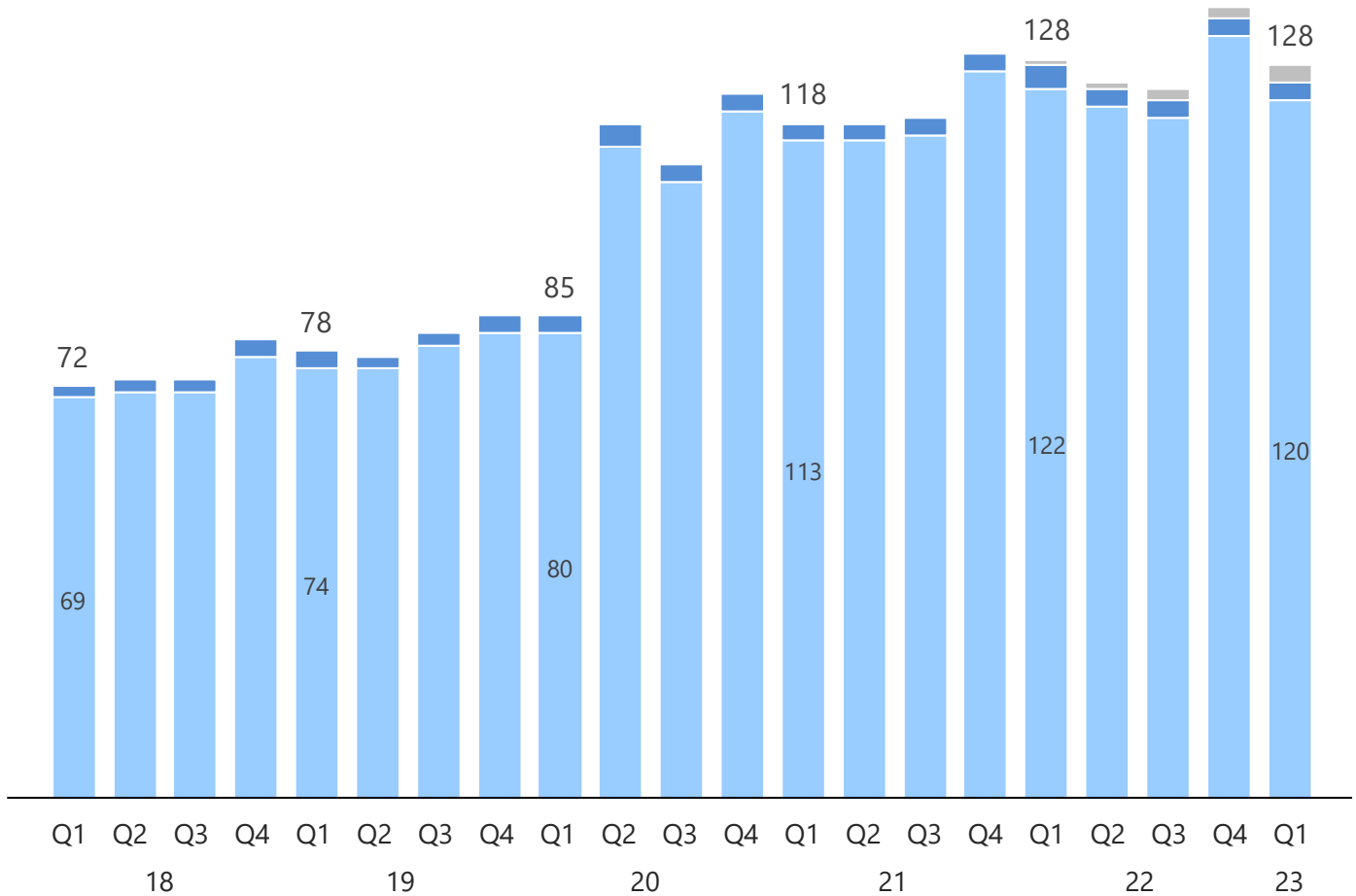
Nagahama City, Shiga Pref.

\*1: Including local governments at an experimental stage such as trials.

\*2: Business Chance Navi managed by Tokyo Metropolitan Small and Medium Enterprise Support Center introduced GMO Sign.

# Internet Infrastructure | Ecommerce Solutions: transaction volume

(JPY billion)



Down  
**0.3%**  
YoY

- Freenance
- SUZURI, Canvath
- minne
- Ecommerce Platform

# Internet Infrastructure | Price Increase

Implemented cost increase in response to an increase in costs due to rise in electricity charges, weak yen, semiconductor shortages, etc.

▶ **No impact on customer retention rate and the number of new applications**

▶ Gradual impact on financial results due to proration over the contract term

Net sales	Price revision ratio	Schedule
<b>Domain</b>	<b>Around 10-20%</b> ※	Applies to procedures and billed amount on February 1, 2023, and beyond
<b>Hosting &amp; Cloud</b>	<b>10%</b> ※	
<b>EC Platform</b> (MakeShop, etc.)	<b>10%</b>	Applies to procedures and billed amount on April 1, 2023, and beyond

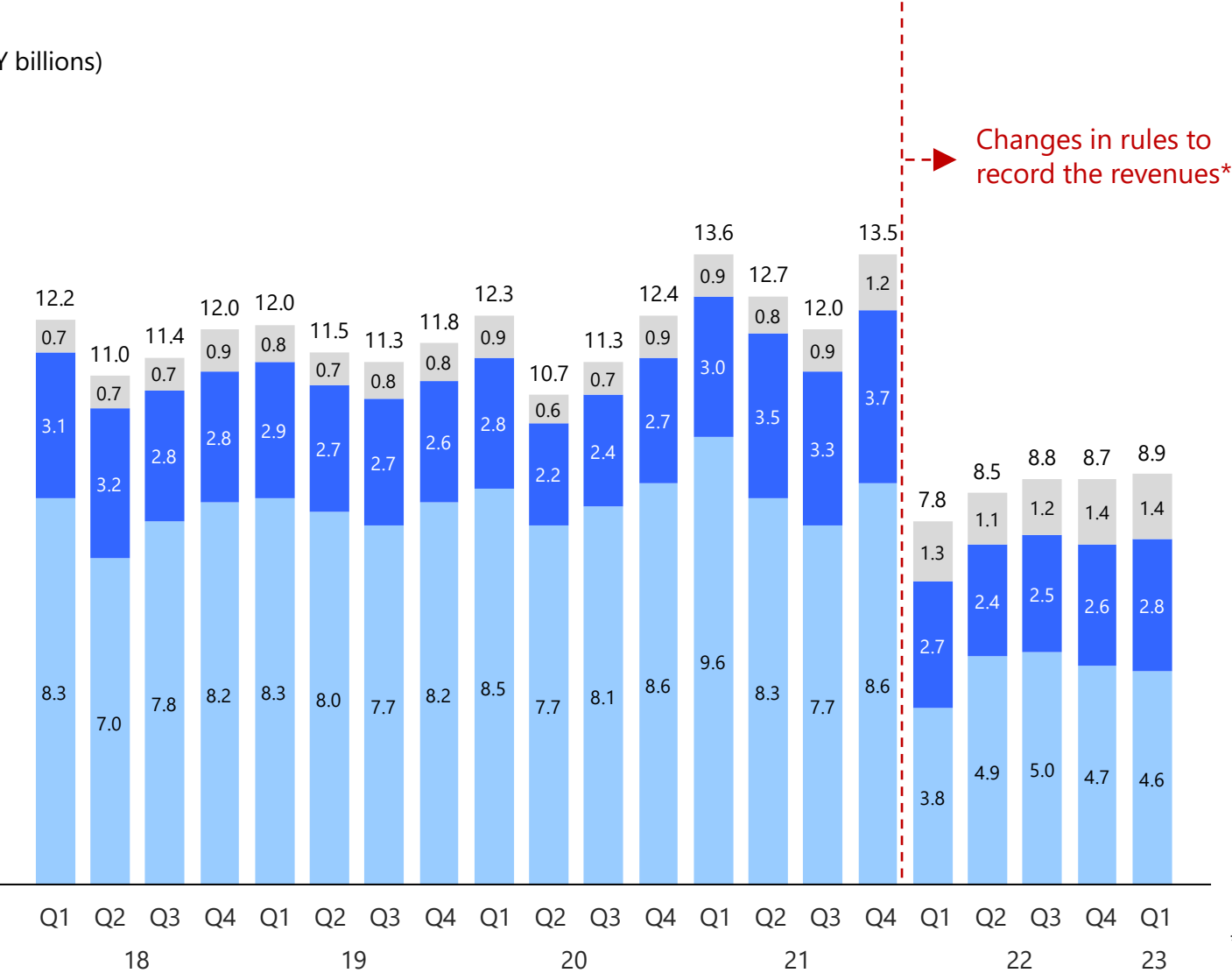
\* We will review costs based on the market conditions once a month or once every three months and explain to customers using our services about the change, if any.

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# Online Advertising & Media | Net Sales

(JPY billions)



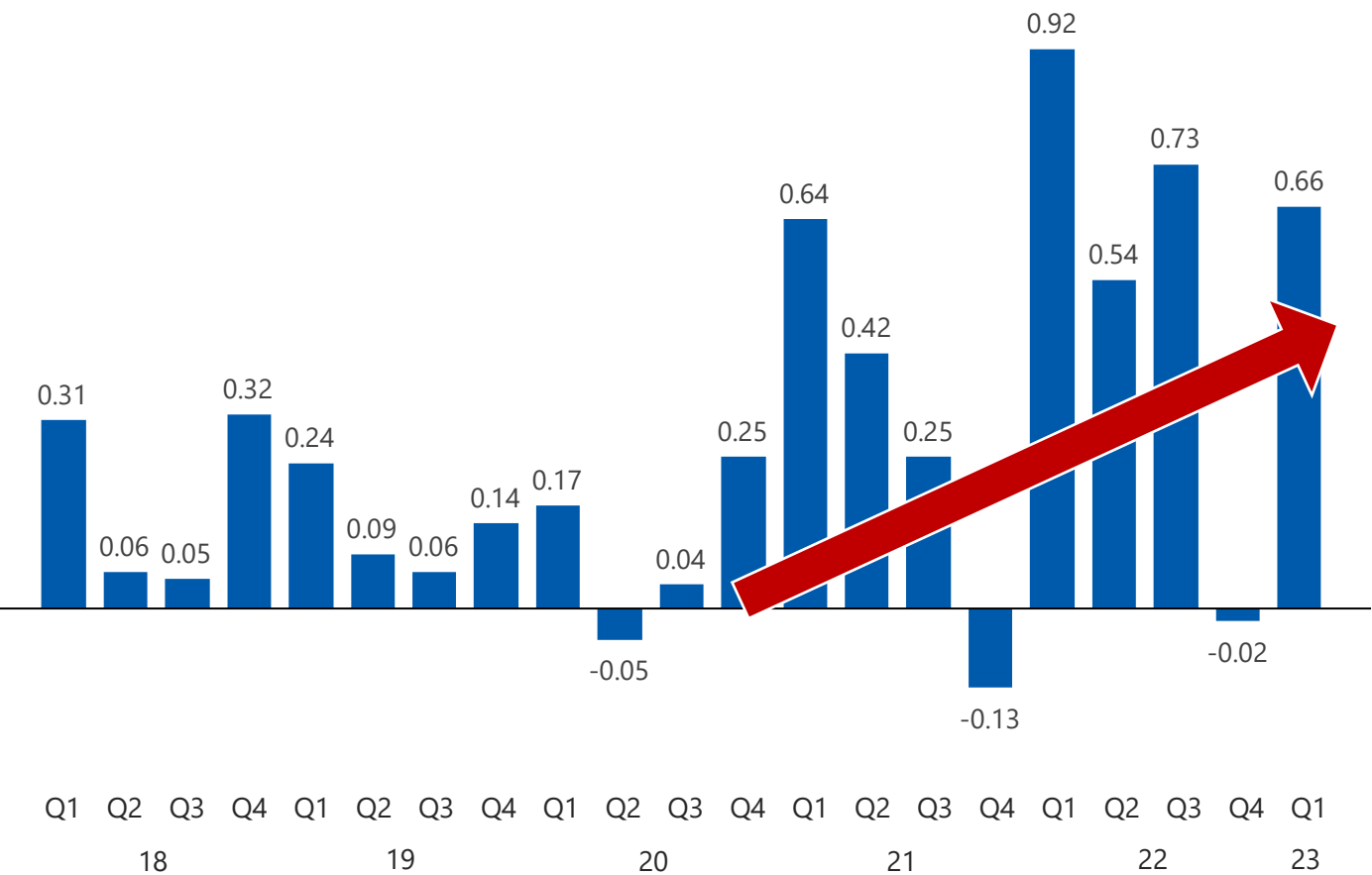
Revenue up  
**12.8%**  
YoY

- Internet Research/Other
- Internet Media
- Online Advertising

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

# Online Advertising & Media | Operating Profit

(JPY billions)

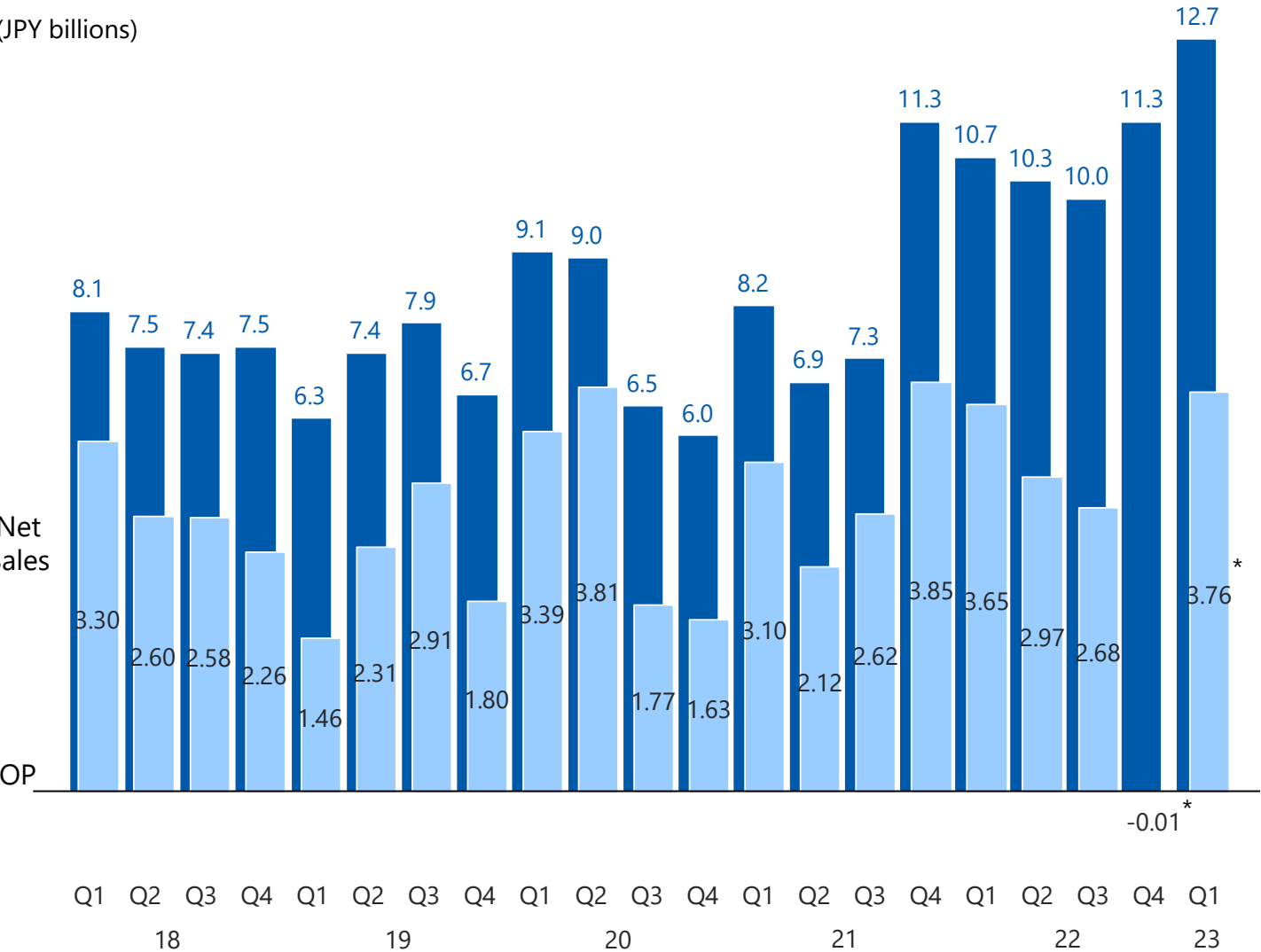


Profit down  
**28.0%**  
YoY

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# Internet Finance | Historical Performance by Quarter

(JPY billions)

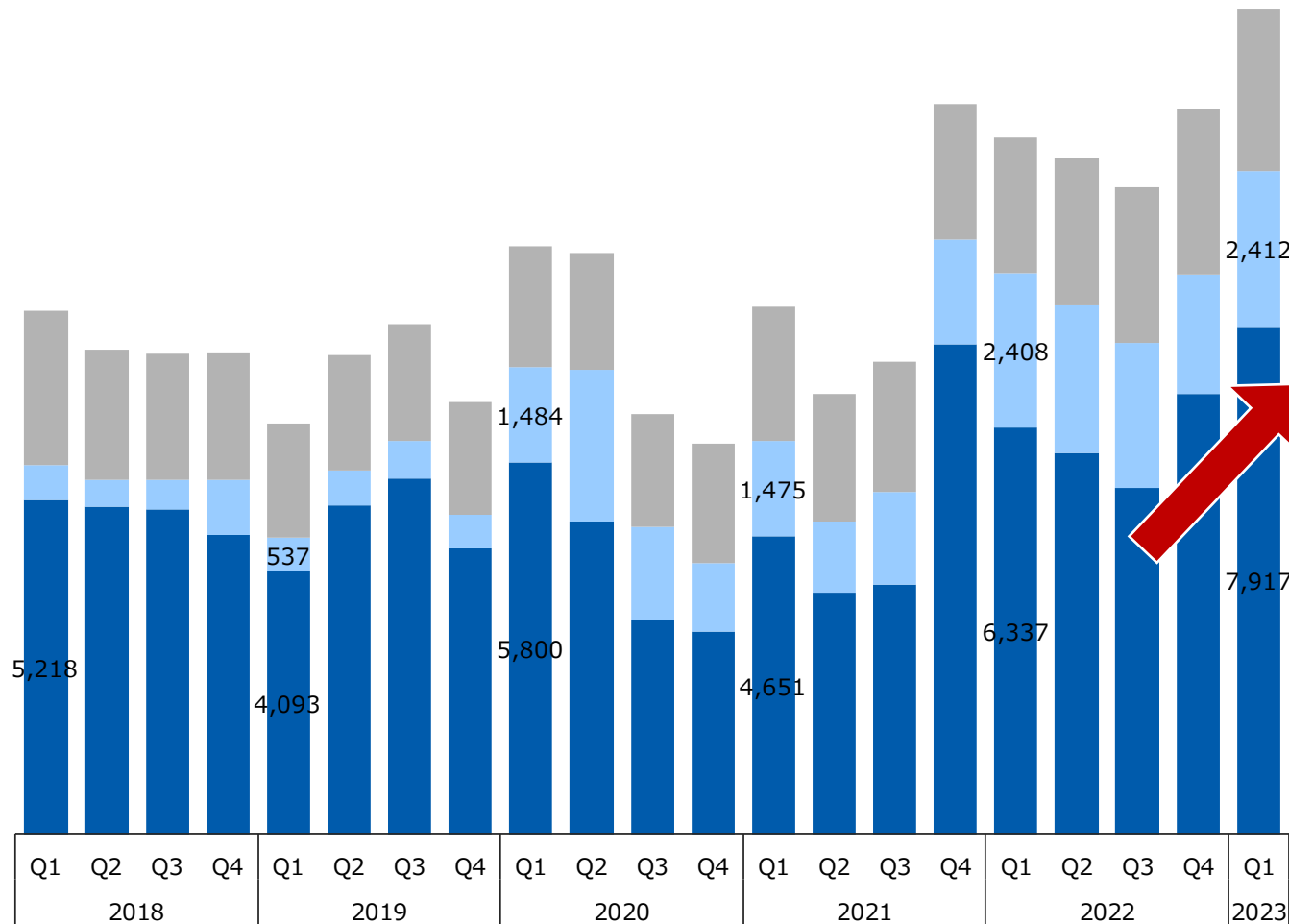


Revenue up  
**18.5%**  
Profit up  
**3.1%**  
YoY

\* Thailand's Internet Securities : the provision of allowance for doubtful accounts  
22Q4 3.5B, 23Q1 1.5B

# Internet Finance | Net sales by each product

(JPY millions)

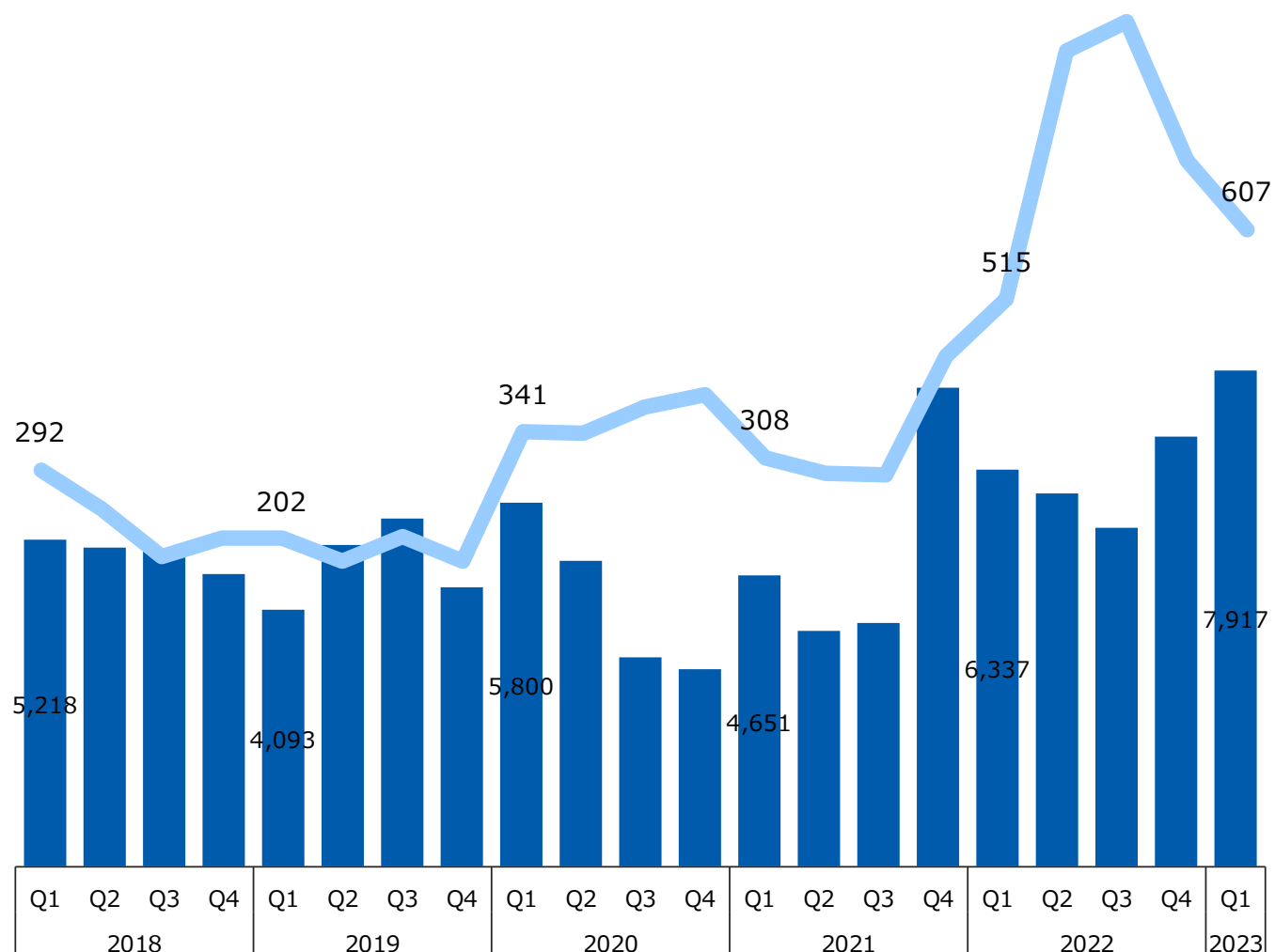


**FX : Recovery  
Continues.**

**CFD : Record high.**

Securities and others  
CFDs / Stock Index Binary Options  
OTC-FX / Binary Options

# Internet Finance | FX net sales and trading volume

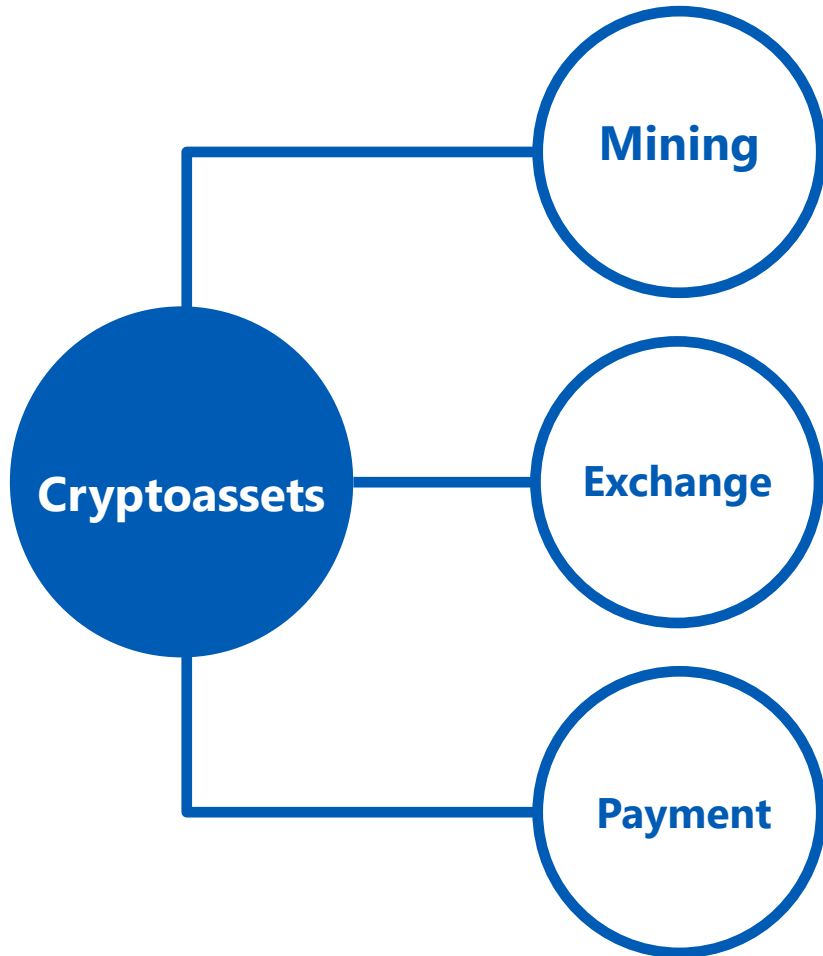


**FX profitability improved QoQ**

- Net sales of OTC-FX/binary options (JPY millions)
- FX Trading volume (JPY trillions)\*

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# Cryptoassets business



**Cryptoassets mining business**

**Cryptoassets exchange business**

**GMO Coin**

**Cryptoassets payment**

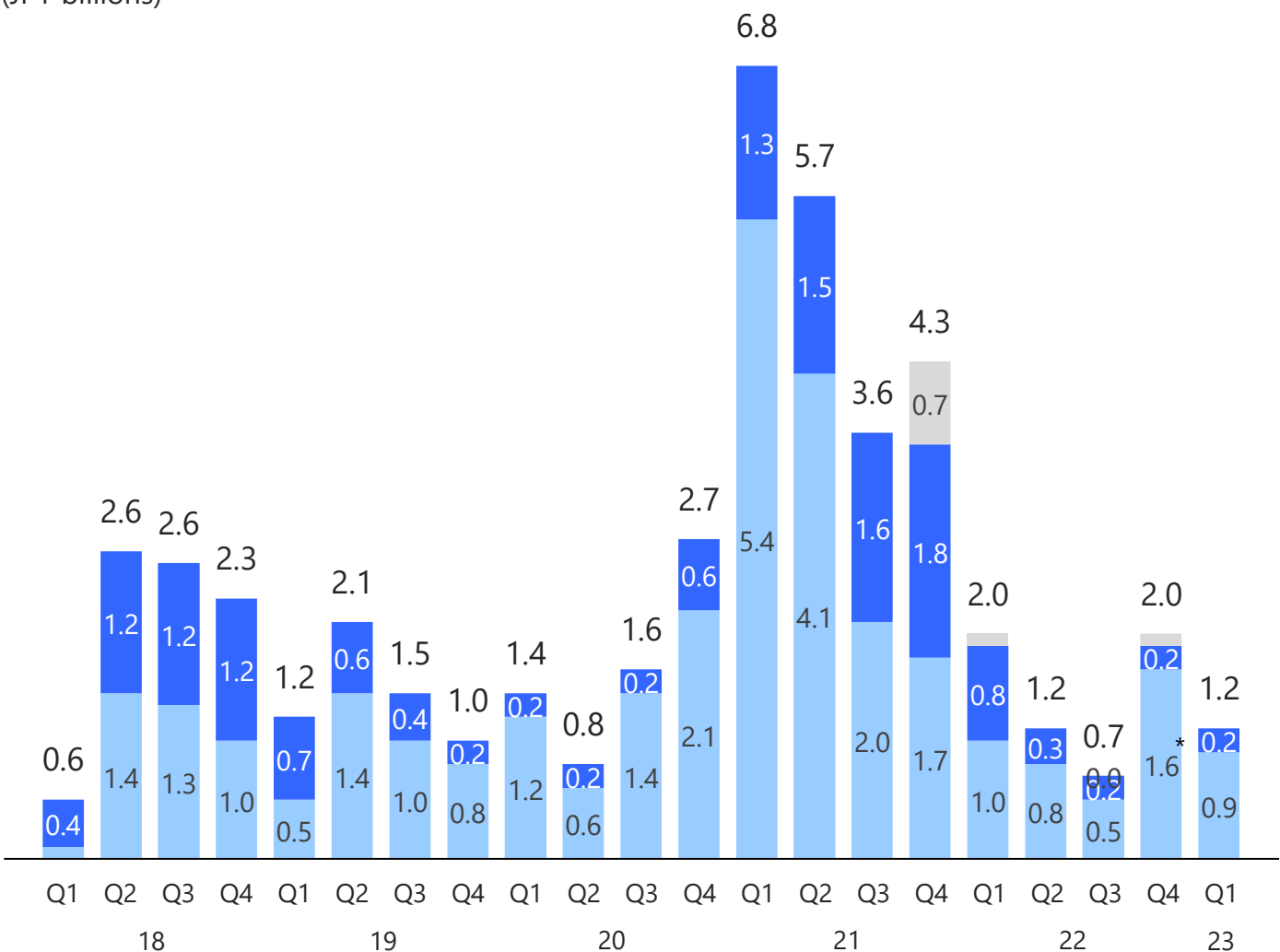
└ Issue stablecoin

**GYEN Z USD**  
Digital JPY Digital USD



# Cryptoassets business | Net Sales

(JPY billions)



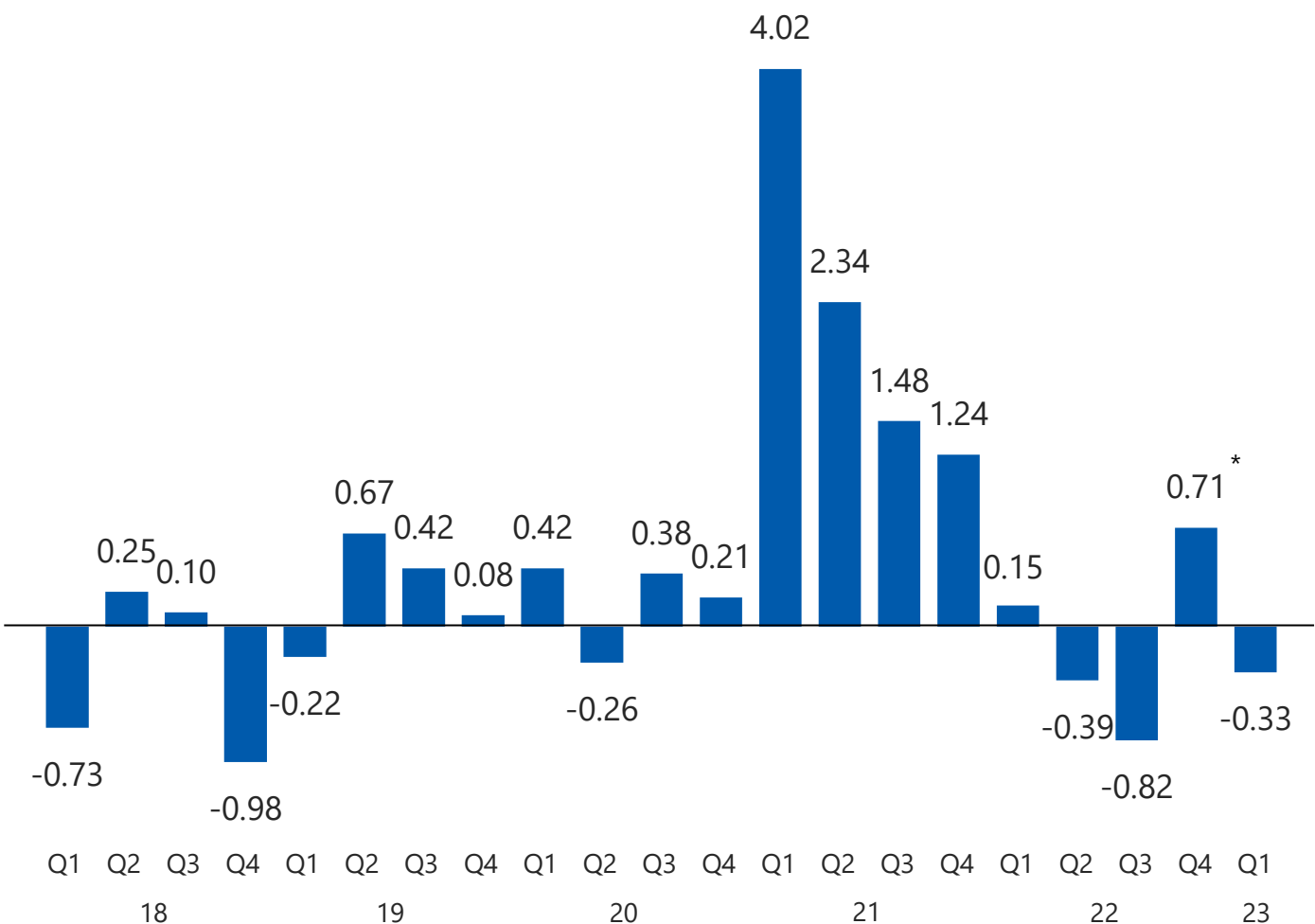
Revenue down  
**41.7%**  
YoY

■ payment  
■ mining  
■ exchange

\* The Company started recording hedging costs previously deducted from net sales as non-operating profit and loss in October 2022. As a result, net sales increased by JPY 870 million in Q4 FY2022 (including a correction to the figures from Q1 to Q3 FY2022).

# Cryptoassets business | Operating Profit

(JPY billions)



Operating loss  
JPY **0.33B**

\* The Company started recording hedging costs previously deducted from net sales as non-operating profit and loss in October 2022. As a result, net sales increased by JPY 870 million in Q4 FY2022 (including a correction to the figures from Q1 to Q3 FY2022).

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# **Safe and Secure Internet for Everyone**

## Security | Three areas

### 1. **Crypto**security



### 2. **Cyber**security



### 3. **Brand** security





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

# Cybersecurity business | Service usage



## Cyber Security Assessment

### More than **6,000** cases



※1:Car Hacking Village at DEFCON26 in 2018: World No.1 ※2:Practical CAN Bus hacking CTF in 2017: No.1 in Japan ※3:Based on our survey  
※4:Received the Cybersecurity Encouragement Prize of the Minister for Internal Affairs and Communications (March 16, 2023)  
※5:Received a letter of appreciation from the Metropolitan Police Department (January 30, 2023)



**GMO** CYBER SECURITY  
IERAE

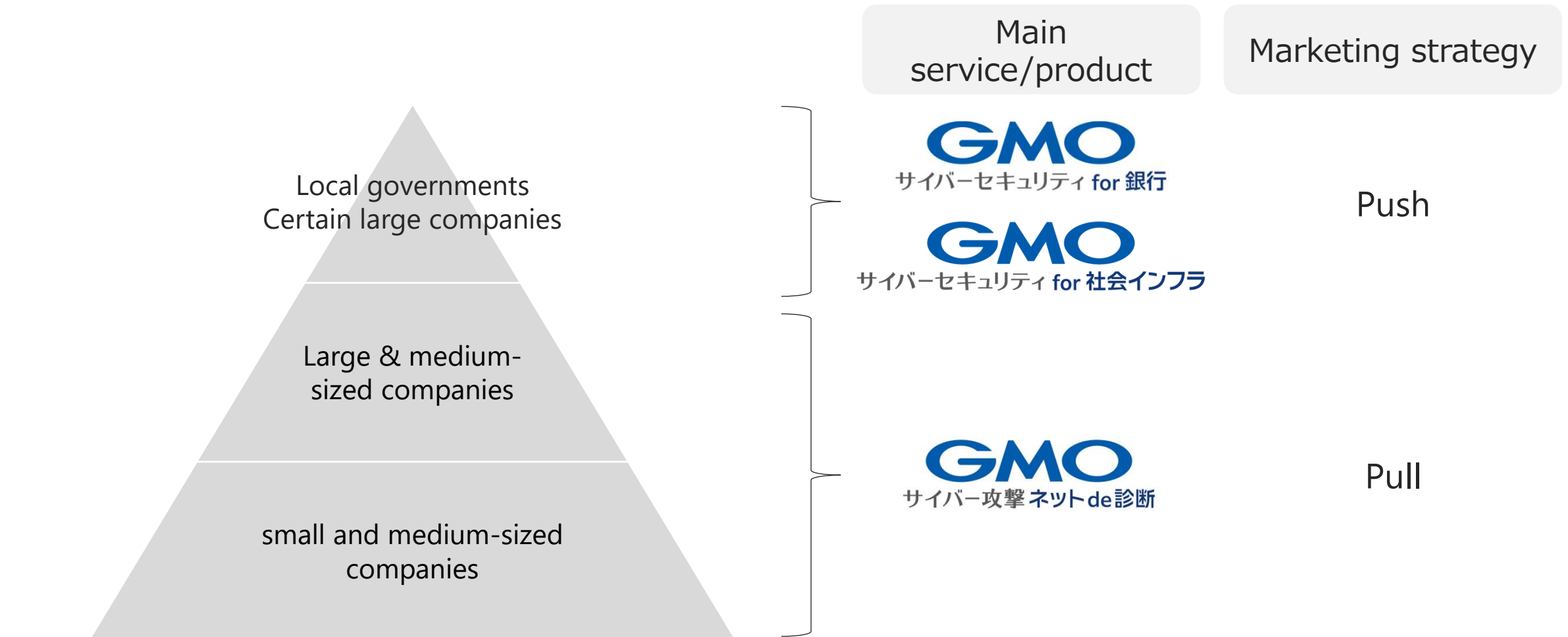
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**Check your company's website for free**

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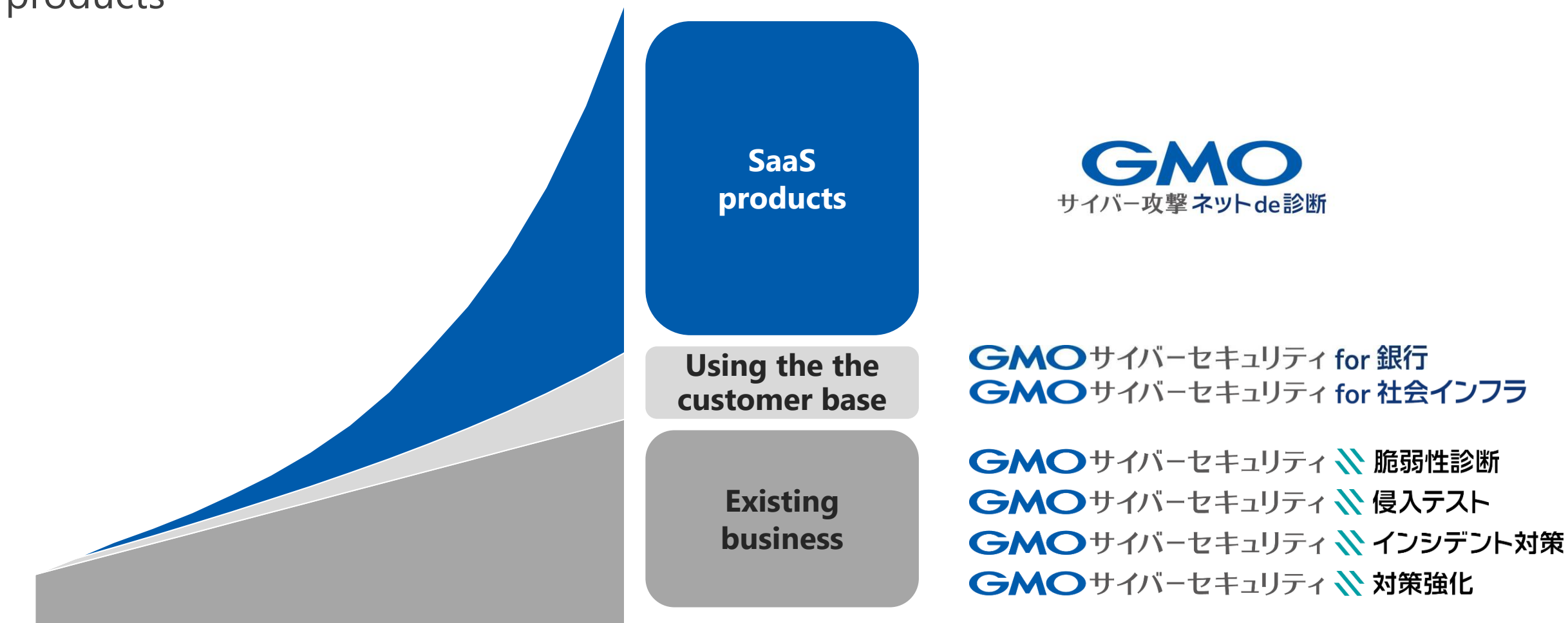
# Cybersecurity business | Synergy

Use the customer base of 13.52 million



# Cybersecurity business | Mid- to long-term growth

Expand the business scale by using the customer base and introducing SaaS products



# **Adapting to AI Technology**

# About AI | CEO Kumagai's tweets (Feb-Mar)



熊谷正寿【GMO】👍 @m\_kumagai · 2月17日

...

I personally am making great use of it. The whole group will be using it in the future as well.

How will Japanese companies use ChatGPT? DOCOMO "banned", Rakuten "exploring", LINE "in-house development"...14 companies surveyed (BUSINESS INSIDER JAPAN)



熊谷正寿【GMO】👍 @m\_kumagai · 2月26日

...

The use of new technologies, such as ChatGPT, will determine the future of companies and individuals

Success should not be limited



熊谷正寿【GMO】👍 @m\_kumagai · 3月10日

...

To actively promote the use of ChatGPT, we will hold the "ChatGPT Business Application Contest" with a total prize money of 10 million yen.



熊谷正寿【GMO】👍 @m\_kumagai · 3月29日

...

There are many theories about the first year of AI, but the first year of AI in terms of its penetration into people's lives is definitely this year.

Past industrial revolutions lasted 55 years on average.

The Internet Revolution, which began in 1995, is now in its 28th year; if we compare it to a 24-hour period, it is just noon. AI will be the star of the afternoon.

# About AI | CEO Kumagai's tweets (Apr-May)



熊谷正寿【GMO】👍 @m\_kumagai · 4月9日

OpenAI released ChatGPT API on March 1, followed by plug-in support on March 23.

March 2023 will be a historic turning point for the IT industry.



熊谷正寿【GMO】👍 @m\_kumagai · 4月10日 · 📝

AI is capable and useful to many people.

On the other hand, AI changes its answers depending on the ability of the person who uses it.

I thought AI would reduce inequality and make people smile. However, I realized the opposite.

From now on, the gap between people and companies who can use it well and those who can't will increase.



熊谷正寿【GMO】👍 @m\_kumagai · 4月19日

It is important to proactively incorporate AI into management.

However, if it does not lead to improved productivity and cost reductions, it will be completely meaningless.



熊谷正寿【GMO】👍 @m\_kumagai · 5月1日

I have known the Internet for 30 years. I have been running an internet company for 28 years. I feel that this industry has changed the most in the last 3 months.



熊谷正寿【GMO】👍 @m\_kumagai · 5月1日

Compared to what we have seen over the past 30 years with the proliferation of the Internet, the expansion of web and search services, the emergence of smartphones, and social networking, the current pace of development and proliferation related to AI is incomparably more ferocious.



熊谷正寿【GMO】👍 @m\_kumagai · 5月6日

There is an argument that AI will take jobs.

In past industrial revolutions, there were indeed fewer jobs for horse-drawn carriages. On the other hand, railroad jobs were created.

New technologies will create new jobs while eliminating some



熊谷正寿【GMO】👍 @m\_kumagai · 5月6日

AI will spread faster than anyone can imagine.

As a result, society, work, and life will change rapidly.






This much is certain.

If you don't respond to AI, your company and human resources are sure to be out of fashion🙄.

from **Anticipation**  
to **Alarm**

# Our approach to ChatGPT

## Proactive use to improve operational efficiency and introduction to services

Division	Description	Timing
 INTERNET GROUP (All entities)	Started using ChatGPT in operations	March 2023
 	Started marketing support function in 3 EC-related services	March 2023
 TECH	Launched AI research project "GMO TECH PROTINUS"	March 2023
 ADPARTNERS	Started offering auto message generation feature to LINE official account management tool "TRUE Connect byGMO" and AI chat feature "michill AI Concierge (β version)"	April 2023



# No. 1 AI Application Group

**Internet for Everyone**

**GMO**

# GMO INTERNET GROUP

**We are planning on making an earnings announcement for FY2023 Second Quarter after 3 pm on August 9, 2023.**

This document includes projections based on expectations, premises and plans as of May 11, 2023. 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**

□ Financial condition and strategy

□ Consolidated results

□ ESG activities

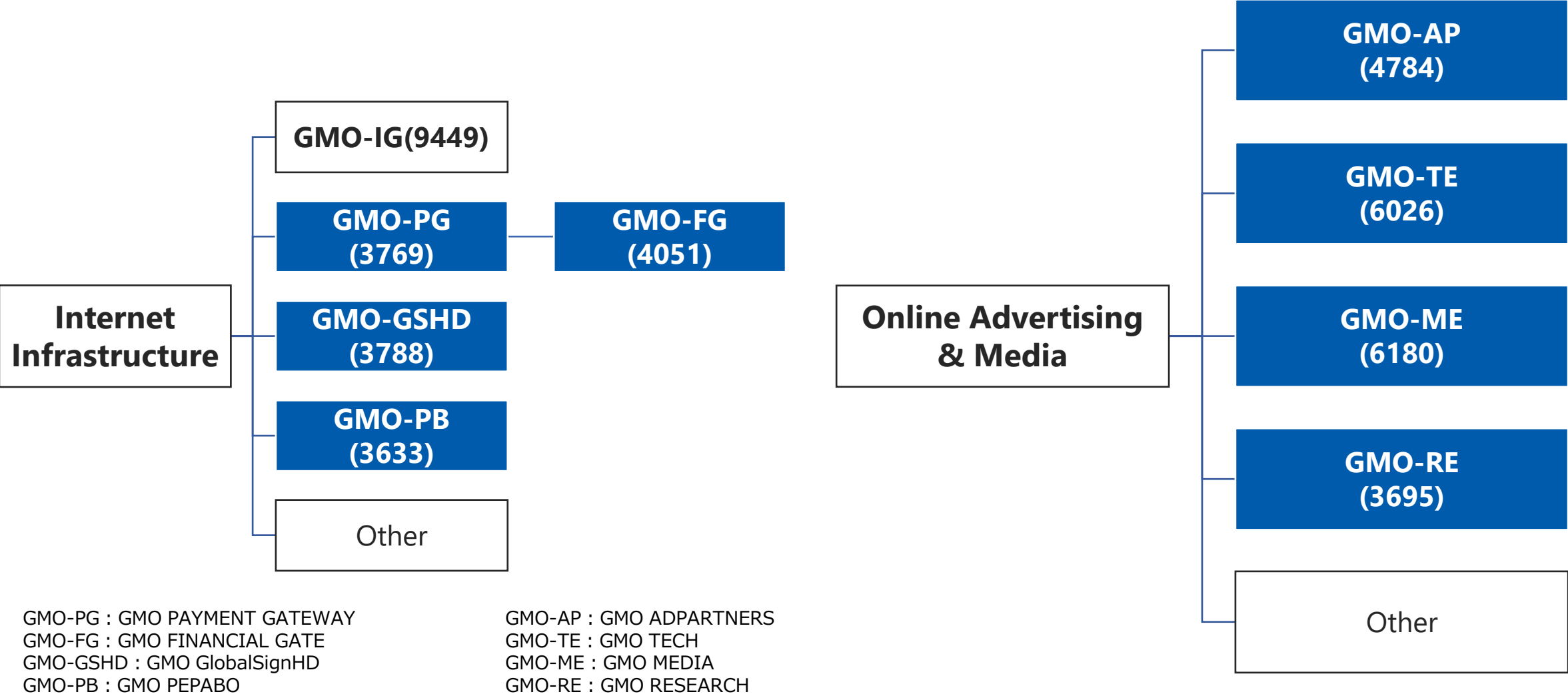
# Group Overview

Company Name	GMO Internet Group, Inc.
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	7,361
Group companies	107(As of March 2023)

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

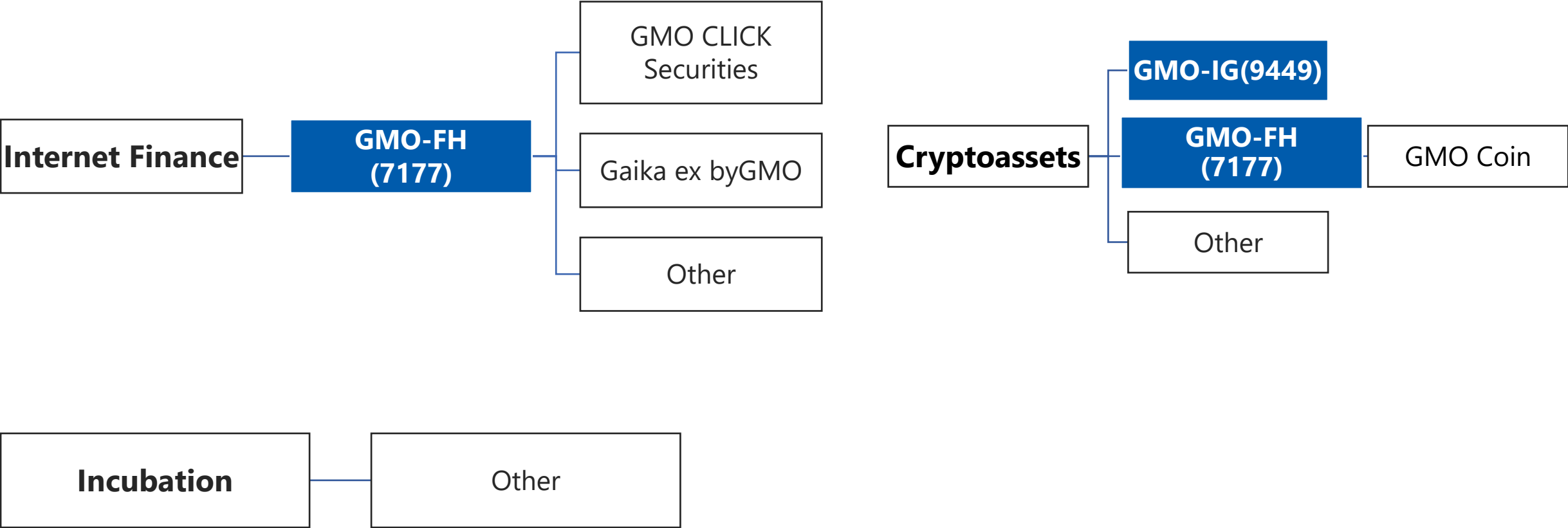


# Group Structure by each segment(1/2)



Listed subsidiaries

# Group Structure by each segment(2/2)

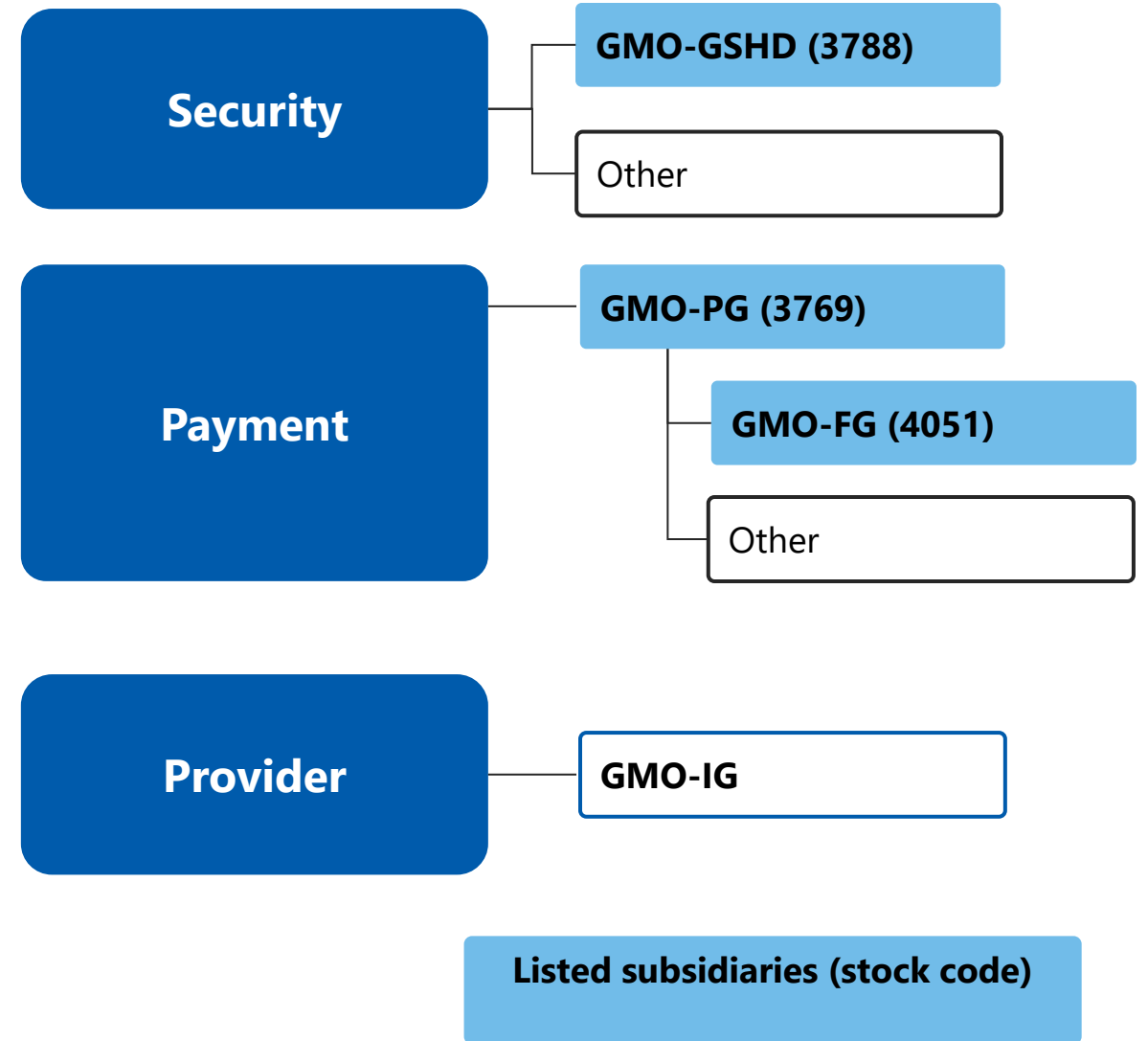
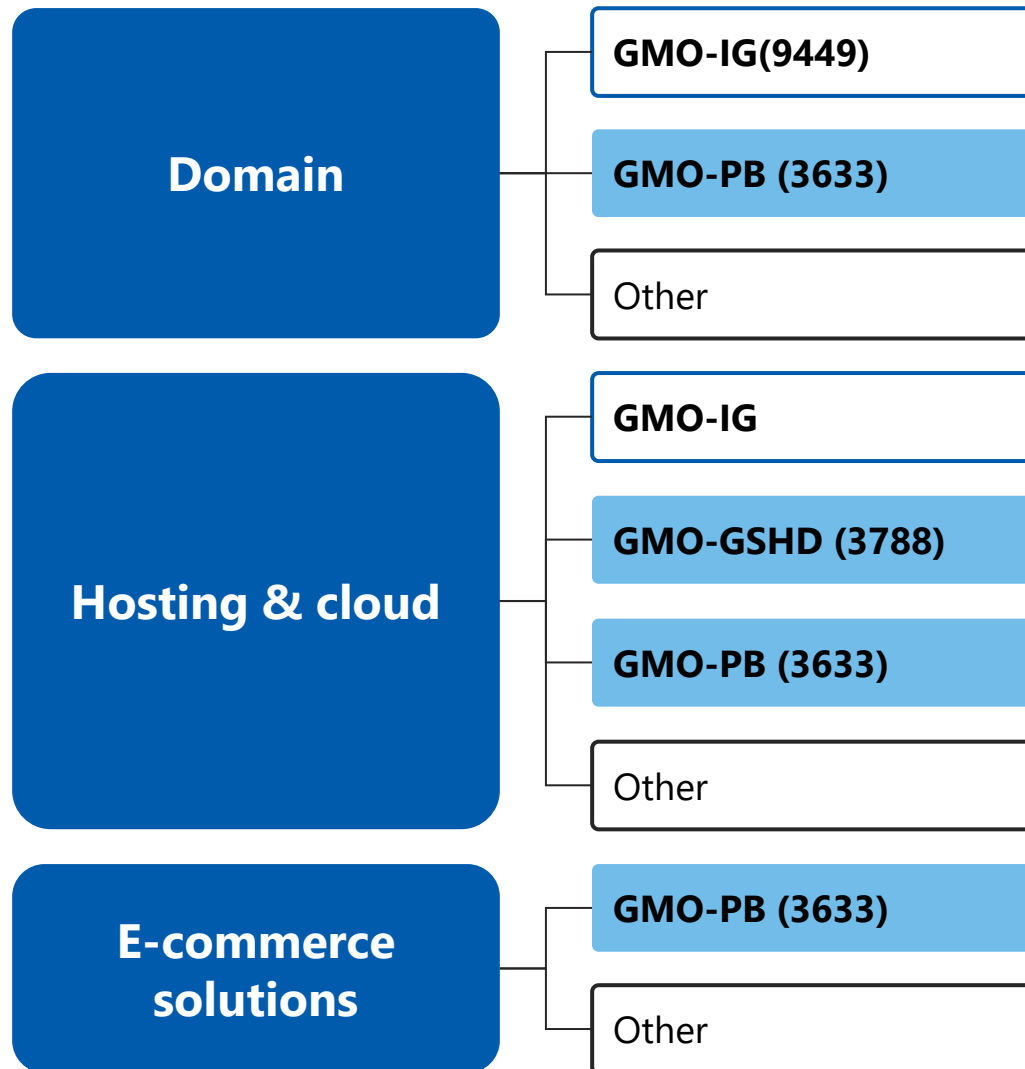


GMO-FH : GMO FINANCIAL HD

Listed subsidiaries



# Internet services operations



□ Group Overview

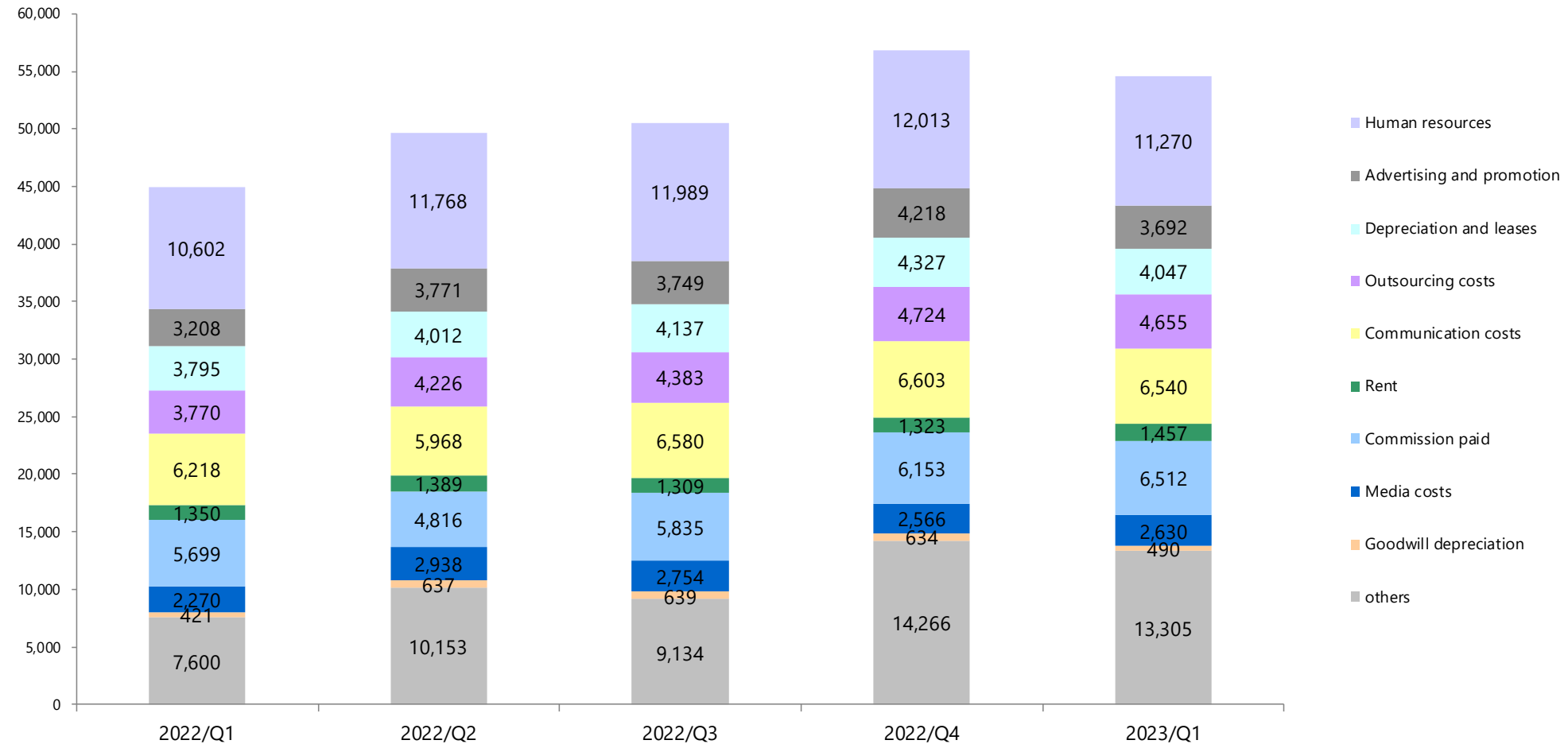
□ **Financial condition and strategy**

□ Consolidated results

□ ESG activities

# Consolidated Cost Composition

(JPY millions)



# Consolidated Balance Sheet

(JPY millions)	End of 12/22	End of 3/23	Change	GMO Financial HD (End of 3/23)	GMO Internet Group (End of 3/23)
Current Assets	1,408,015	<b>1,483,746</b>	75,730	1,024,683	138,054
Cash & Deposits	341,970	<b>358,863</b>	16,892	76,713	110,477
Fixed Assets	134,725	<b>140,698</b>	5,973	29,380	105,293
Goodwill	17,708	<b>17,217</b>	-490	9,711	-
Software	11,472	<b>11,613</b>	140	2,336	743
Investment Securities	29,780	<b>29,755</b>	-24	4,587	53,314
Total Assets	1,542,740	<b>1,624,445</b>	81,704	1,054,063	243,347
Liabilities	1,388,051	<b>1,463,385</b>	75,333	1,011,076	221,420
Interest-bearing debts	391,161	<b>412,894</b>	21,732	184,947	175,108
Net Assets	154,688	<b>161,059</b>	6,370	42,987	21,927
Non-controlling Minority Equity	82,469	<b>85,572</b>	3,103	1,669	-
Shareholders' Equity	72,176	<b>75,439</b>	3,263	41,317	21,927
Earned Surplus	37,730	<b>40,152</b>	2,421	41,243	22,484
(Shareholders' Equity Ratio)	4.7%	<b>4.6%</b>	-0.0pt	3.9%	9.0%
Liabilities/Net Assets Total	1,542,740	<b>1,624,445</b>	81,704	1,054,063	243,347

# Consolidated Profit and Loss

(JPY millions)	Q1'22 (1-3/2022)	Q1'23 (1-3/2023)	Change	supplementary information
Net Sales	56,065	<b>65,593</b>	17.0%	
Gross Profit on Sales	34,276	<b>38,412</b>	12.1%	
Operating Profit	11,128	<b>10,990</b>	-1.2%	
(OP Margin)	19.8%	<b>16.8%</b>	-3.0pt	
Non Operating Profit and Loss	971	<b>942</b>	-3.0%	
Ordinary Profit	12,099	<b>11,933</b>	-1.4%	
Extraordinary Profit or loss	2,496	<b>32</b>	-98.7%	
Profit before Tax	14,596	<b>11,965</b>	-18.0%	
Corporate Taxes etc.	3,991	<b>4,458</b>	11.7%	
non-controlling interests	4,173	<b>3,575</b>	-14.3%	
Profit attributable to Owners of the Parent	6,431	<b>3,931</b>	-38.9%	

# Financial Strategy

- Avoid excessive risk-taking, considering balance of Shareholders equity
- Aiming to increase the absolute amount of Shareholders Equity, 100 Billion yen.

## Asset management

### ① Business investment

Risk investment in principle admitted within 2/3 of each subsidiary's capital adequacy

### ② Cash on hand

Ensure repayment cash for debt finance and bond

### ③ Surplus Cash

Stable Investment

## Procurement

### ① Multiple way

Agile procurement

### ② lengthening term

Long term debt

### ③ Fixed interest rate

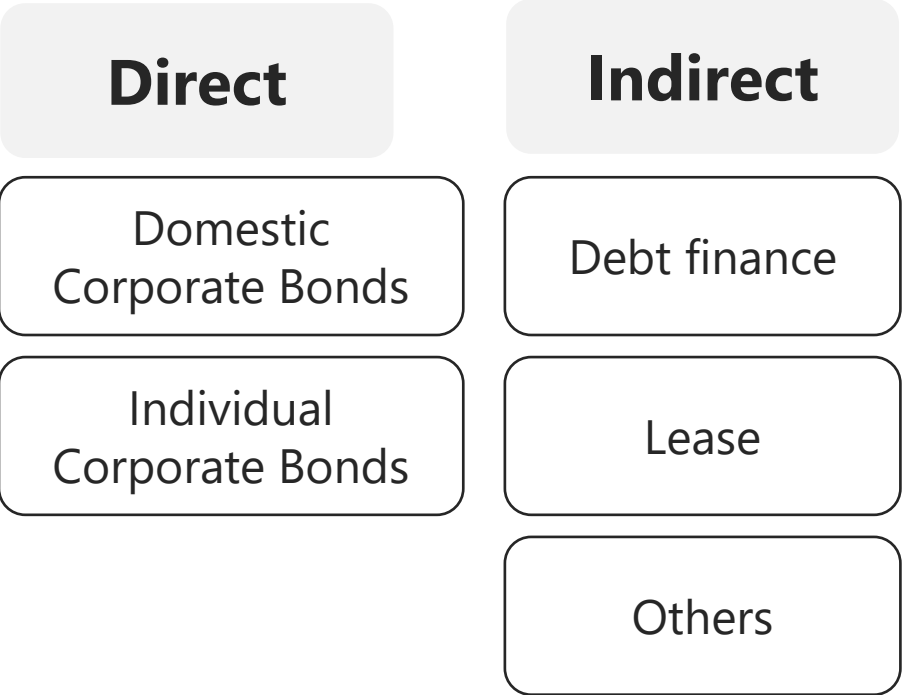
Procure with fixed rate

# Financial Strategy | Procurement①

## Multi ways of financing

- Continuous procurement helps growth capital to be ensured.

### The way to procure



### Total Interest-bearing debt

(JPY 100M)	FY20	FY21	FY22
Total	2,083	2,946	3,911
Corporate bond	166	659	717
Debt finance	1,916	2,286	3,193

# Financial Strategy | Procurement②③

## Lengthening term · Fixed interest rate

- Aiming to build a strong financial base

### Debt balance average term

(Year)	FY20	FY21	FY22
Corporate bond	2.4	5.7	3.9
Debt finance (long term)	3.0	3.8	3.8

### Fixed interest rate ratio

(%)	FY20	FY21	FY22
Corporate bond	100.0	100.0	100.0
Debt finance (long term)	25.3	53.6	62.6



## Financial Strategy | Asset management②Cash on hand

- Keeping enough repayment cash(the amount for debt financing repayment next year and for corporate bond's repayment next 2 years)

(100M Yen)	FY20	FY21	FY22
cash and cash equivalents	2,186	2,340	3,222
Balance of interest debt within 3Years	187	429	793
Within 1 year	107	97	209
Over 1year within 2 years	46	165	220
Over 2 years within 3 years	33	166	364

## Others | Credit rating

### Thinking

- 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.

### Current situation

Rating agency	Issuer Rating
JCR	A-(Stable)
R&I	BBB+(Stable)

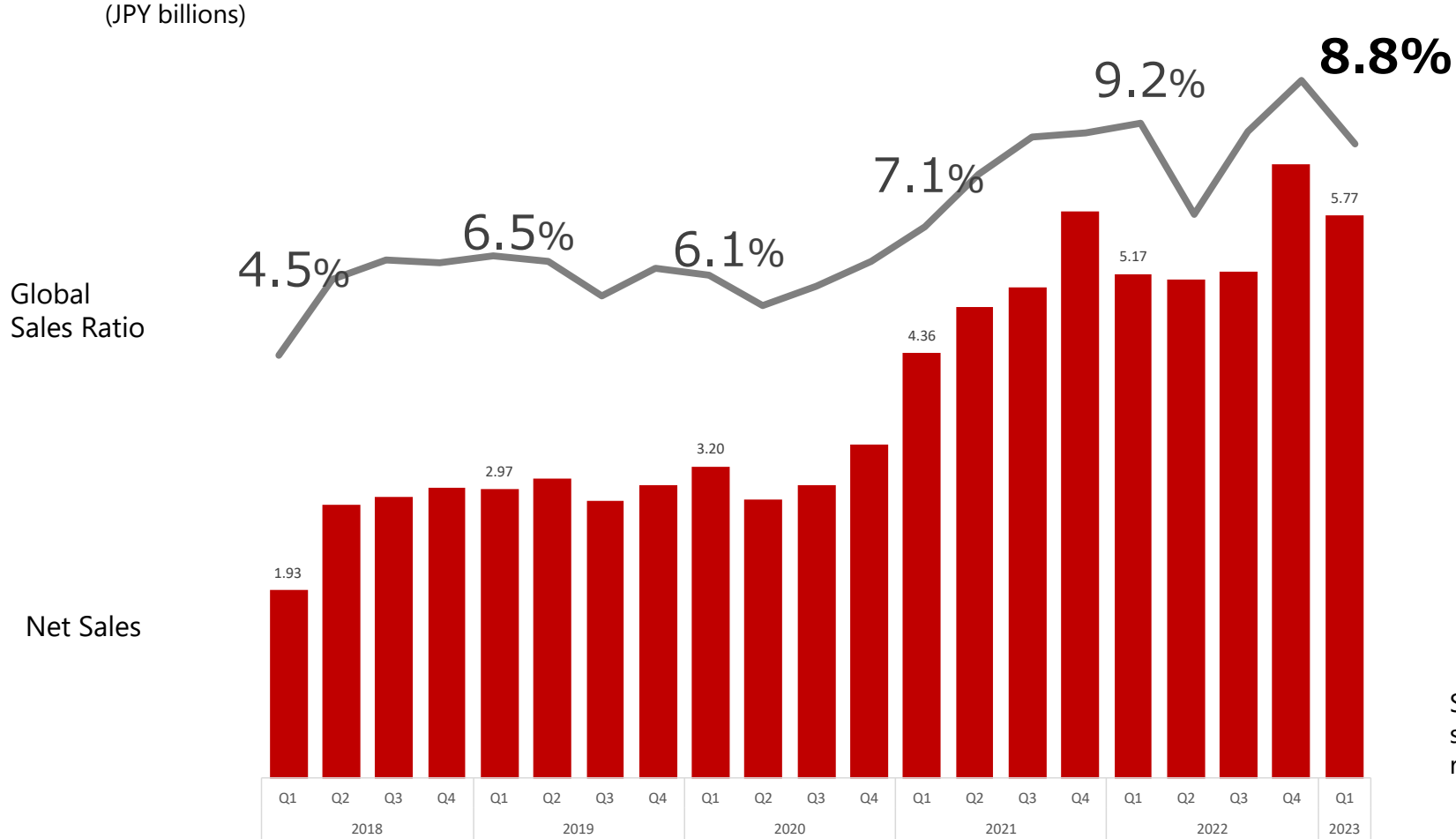
□ Group Overview

□ Financial condition and strategy

**□ Consolidated results**

□ ESG activities

# Global Operations | Global Net Sales



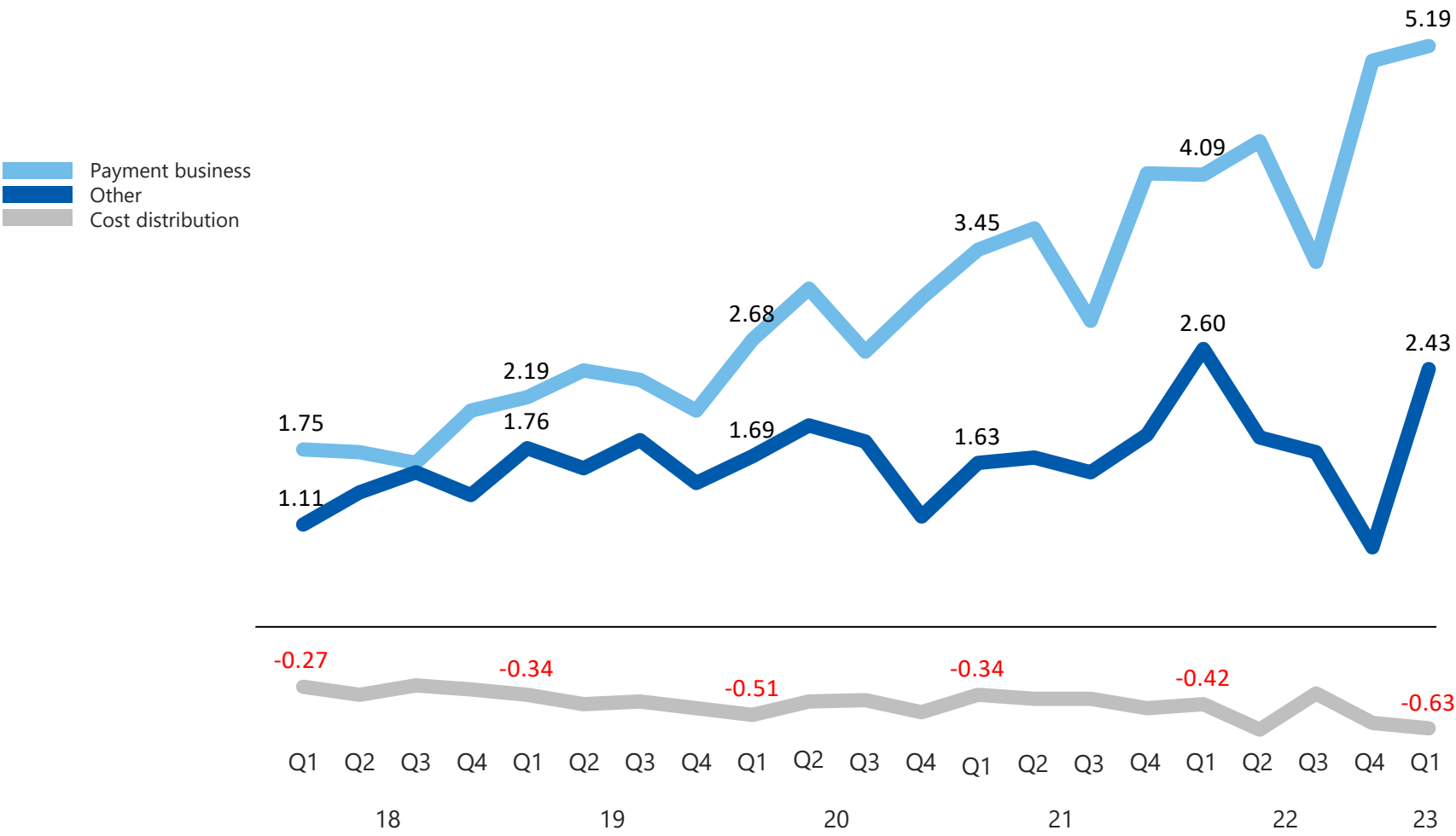
Net sales  
YoY  
**11.6%UP**

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 | Breakdown of Operating Profit

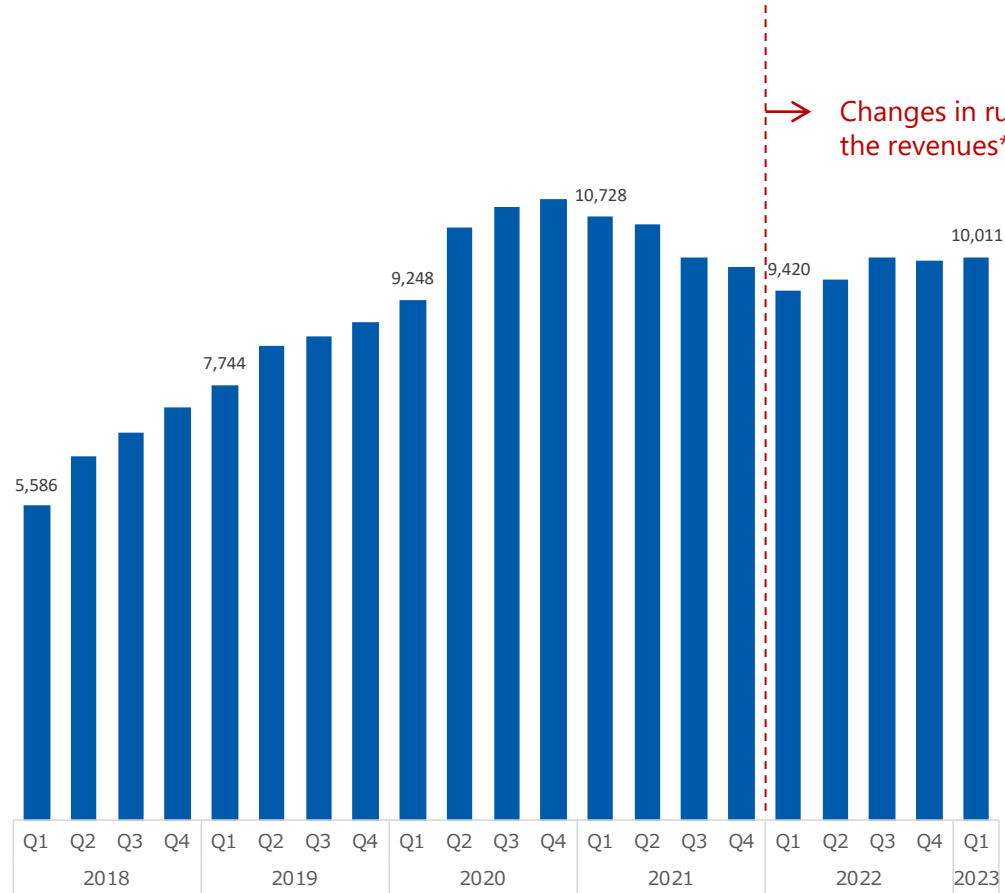
(JPY billions)



# Internet Infrastructure | Provider - KPIs

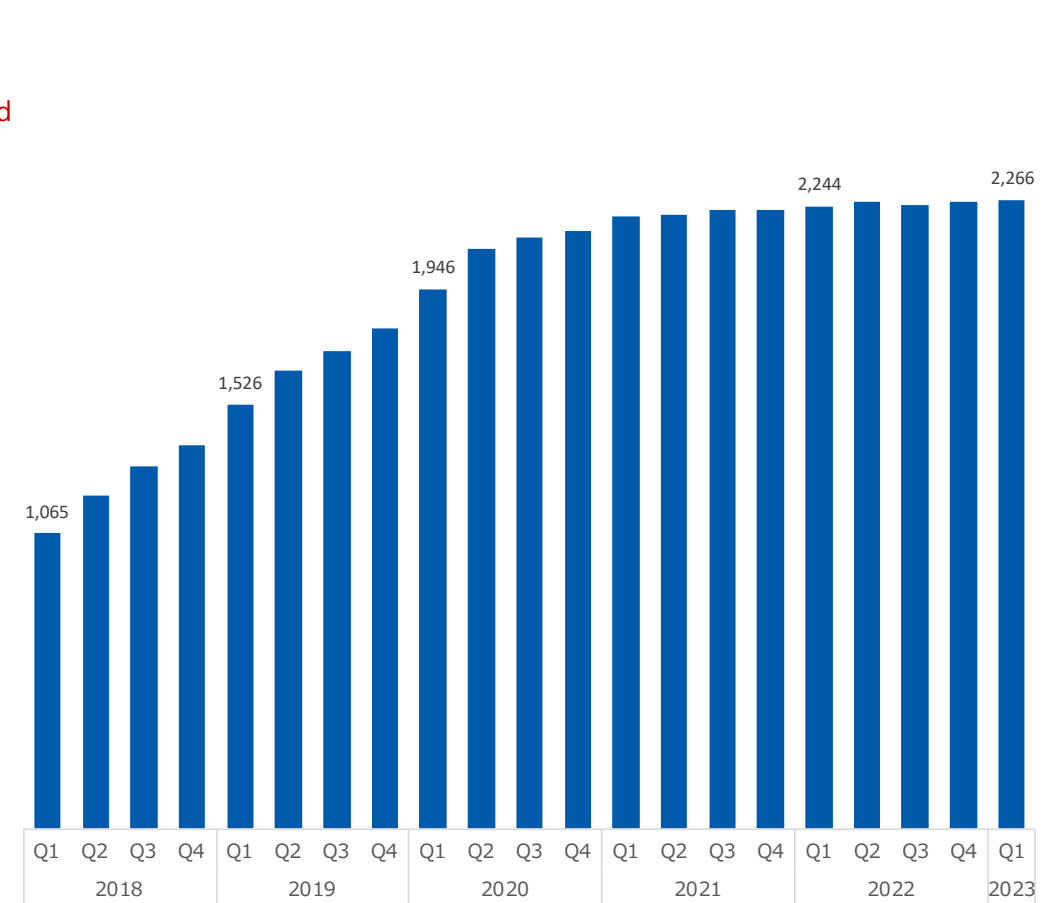
## Revenue

(JPY millions)



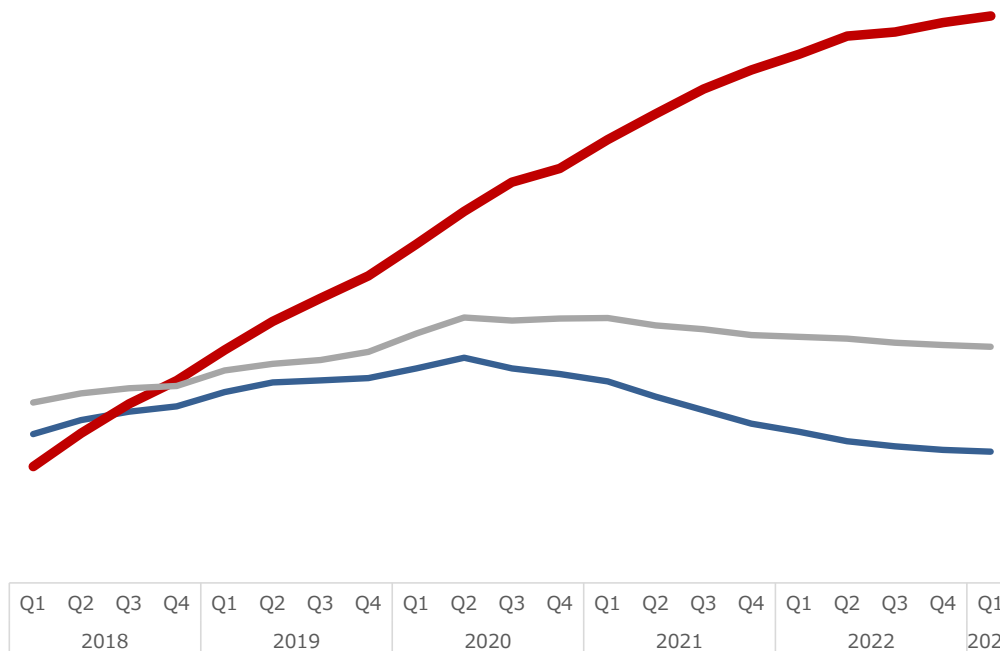
## Subscriptions

(thousands)



\*Accounting Standards for Revenue Recognition (Corporate Accounting Standard No. 29)

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



Optical line

GMO光アクセス

(Since July 2021)

Others

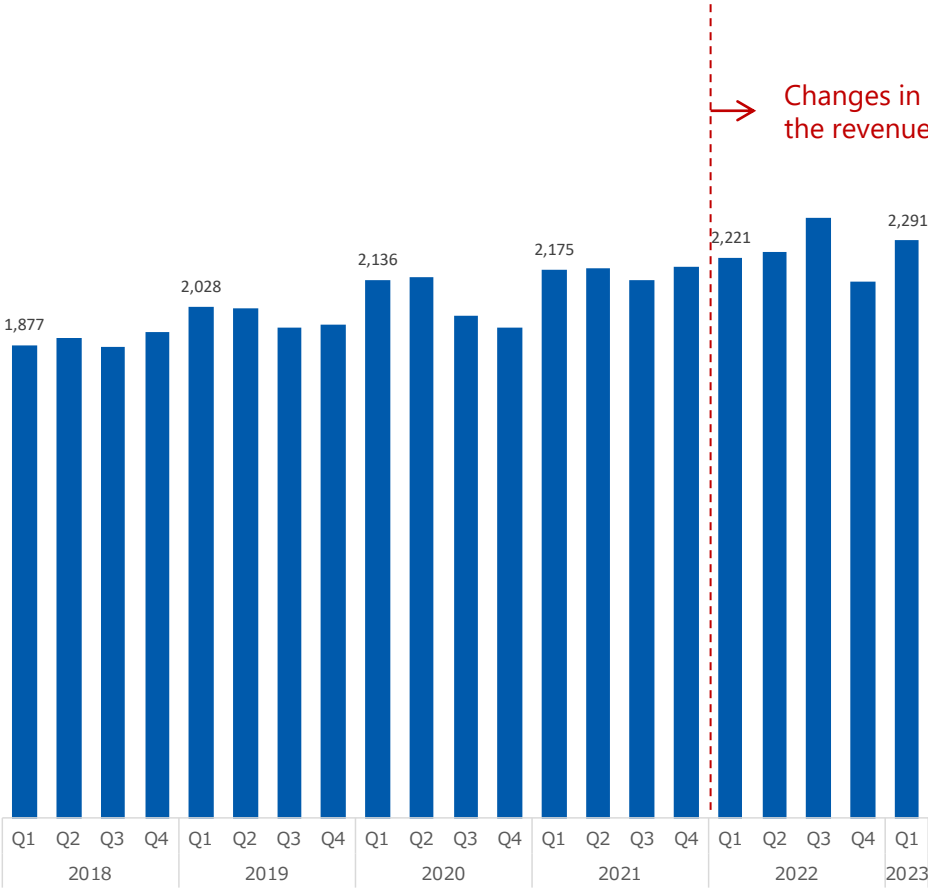
Mobile



# Internet Infrastructure | Domain Registration - KPIs

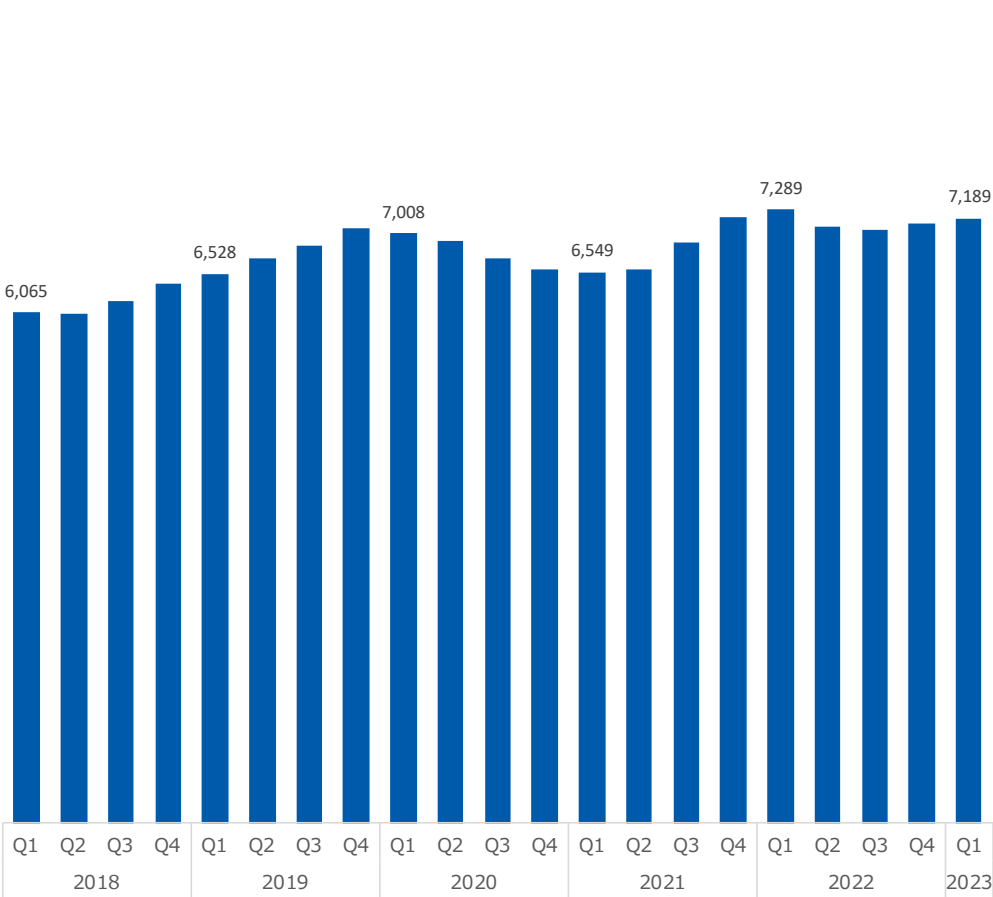
Revenue

(JPY millions)



Contracts

(thousands)



\*Accounting Standards for Revenue Recognition (Corporate Accounting Standard No. 29)

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

# Internet Infrastructure | Domain business

**Registry  
(wholesale)**

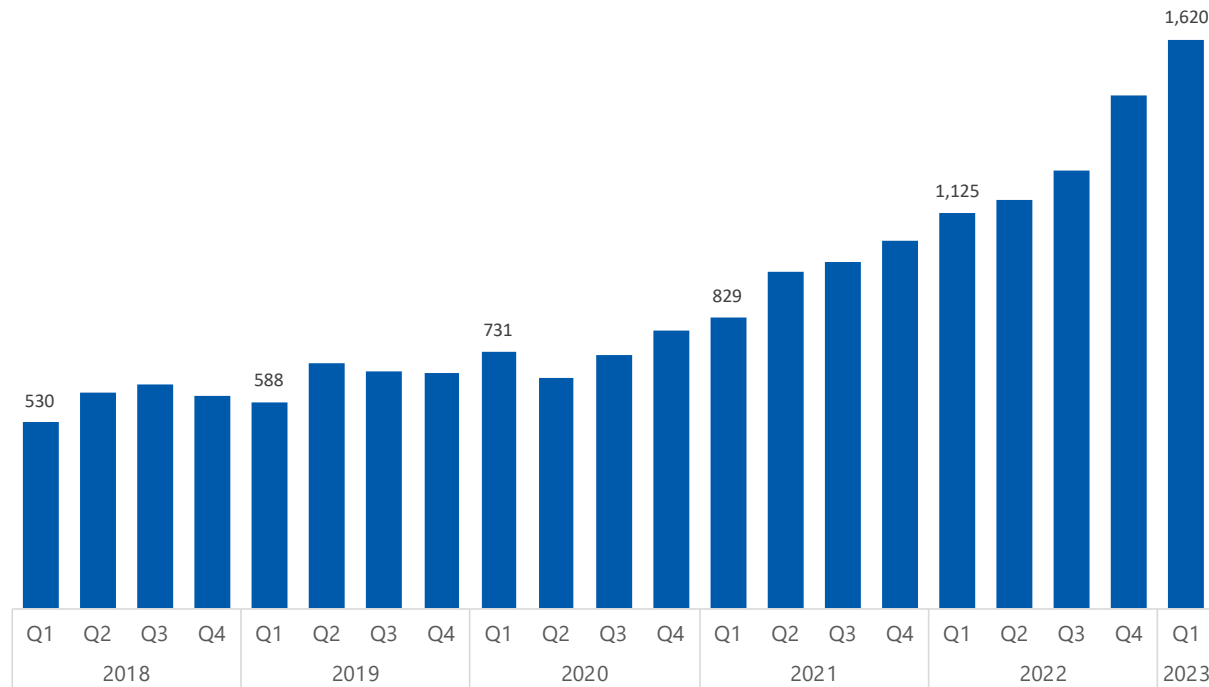
**Registrar  
(registration/sale)**



# Internet Infrastructure | Domain business

**shop** contracts progress

(thousands)



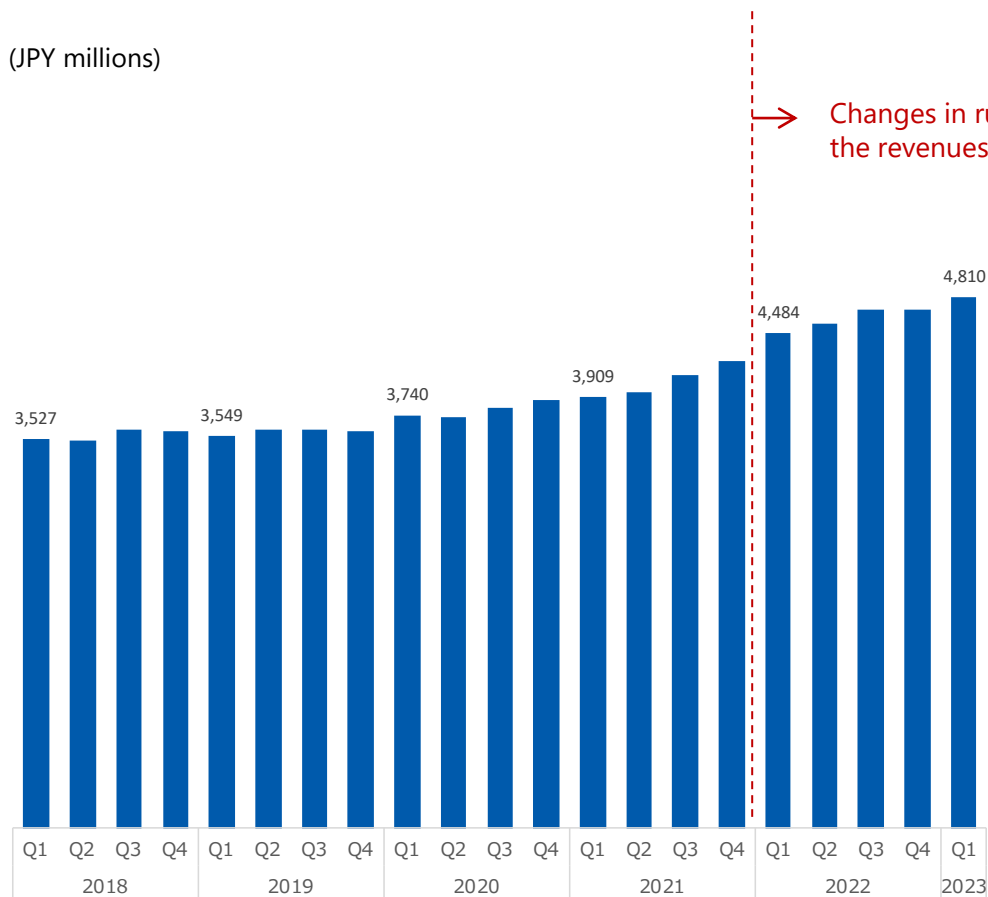
Renewal rate: **67.9%**\*

\* Renewal rate for domains registered between September 2016 and February 2021 (2nd renewal)

# Internet Infrastructure | Hosting & Cloud - KPIs

## Revenue

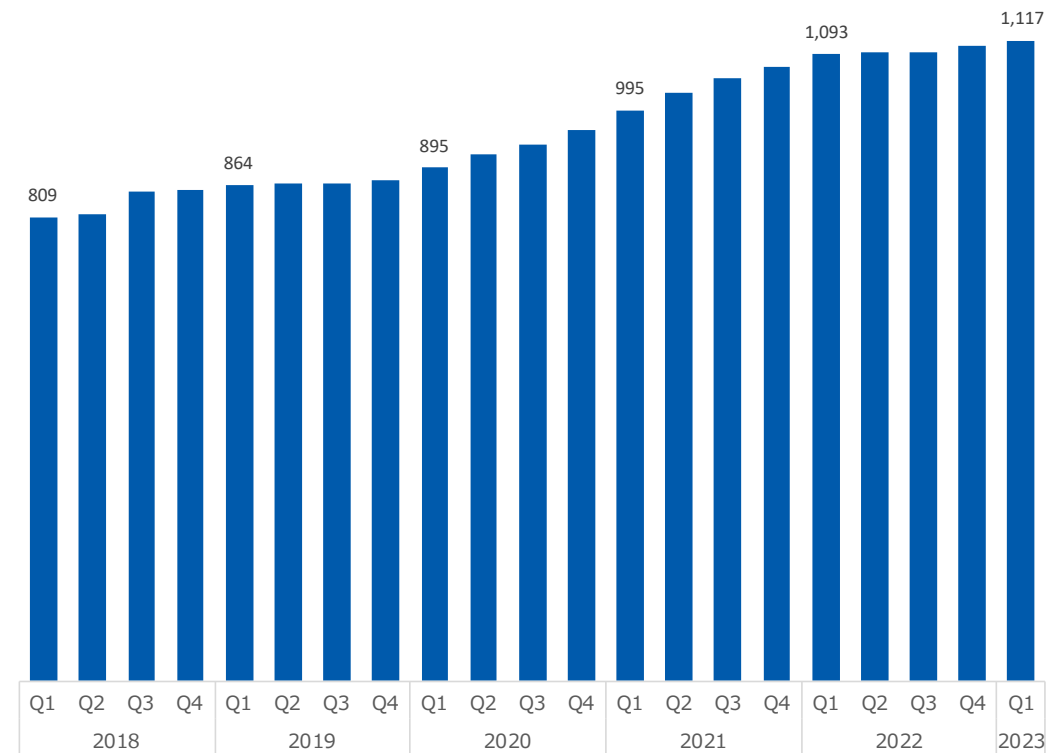
(JPY millions)



→ Changes in rules to record the revenues\*

## Contracts

(thousands)



\*Accounting Standards for Revenue Recognition (Corporate Accounting Standard No. 29)

# Broad ASP shopping cart businesses

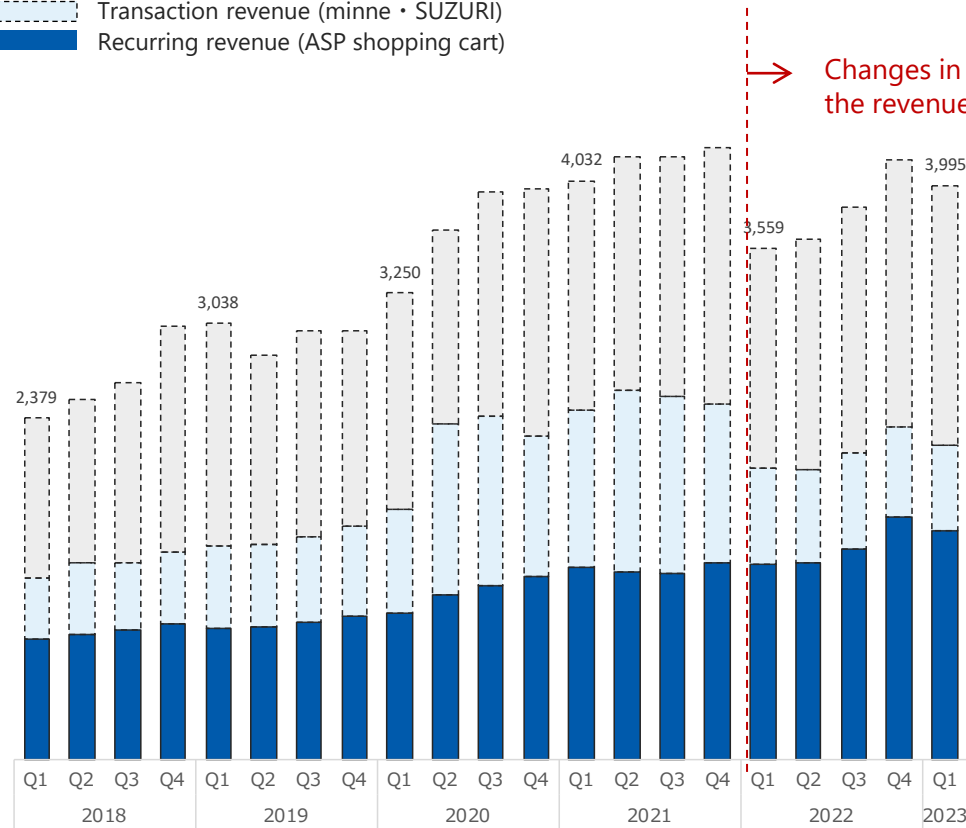
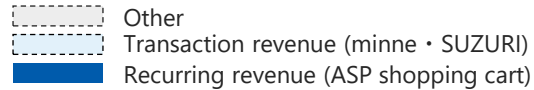
Recurring revenue and transaction revenue through a natural cross-selling

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

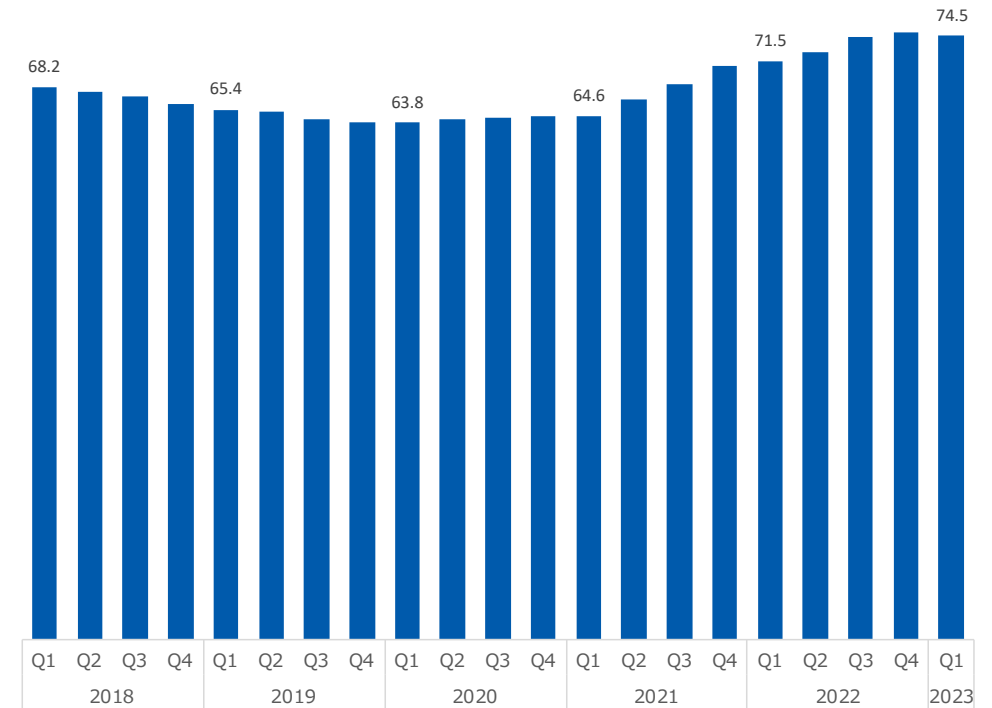
## Revenue

(JPY millions)



## Contracts (ASP shopping cart)\*

(thousands)



\*Accounting Standards for Revenue Recognition (Corporate Accounting Standard No. 29)



\* 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

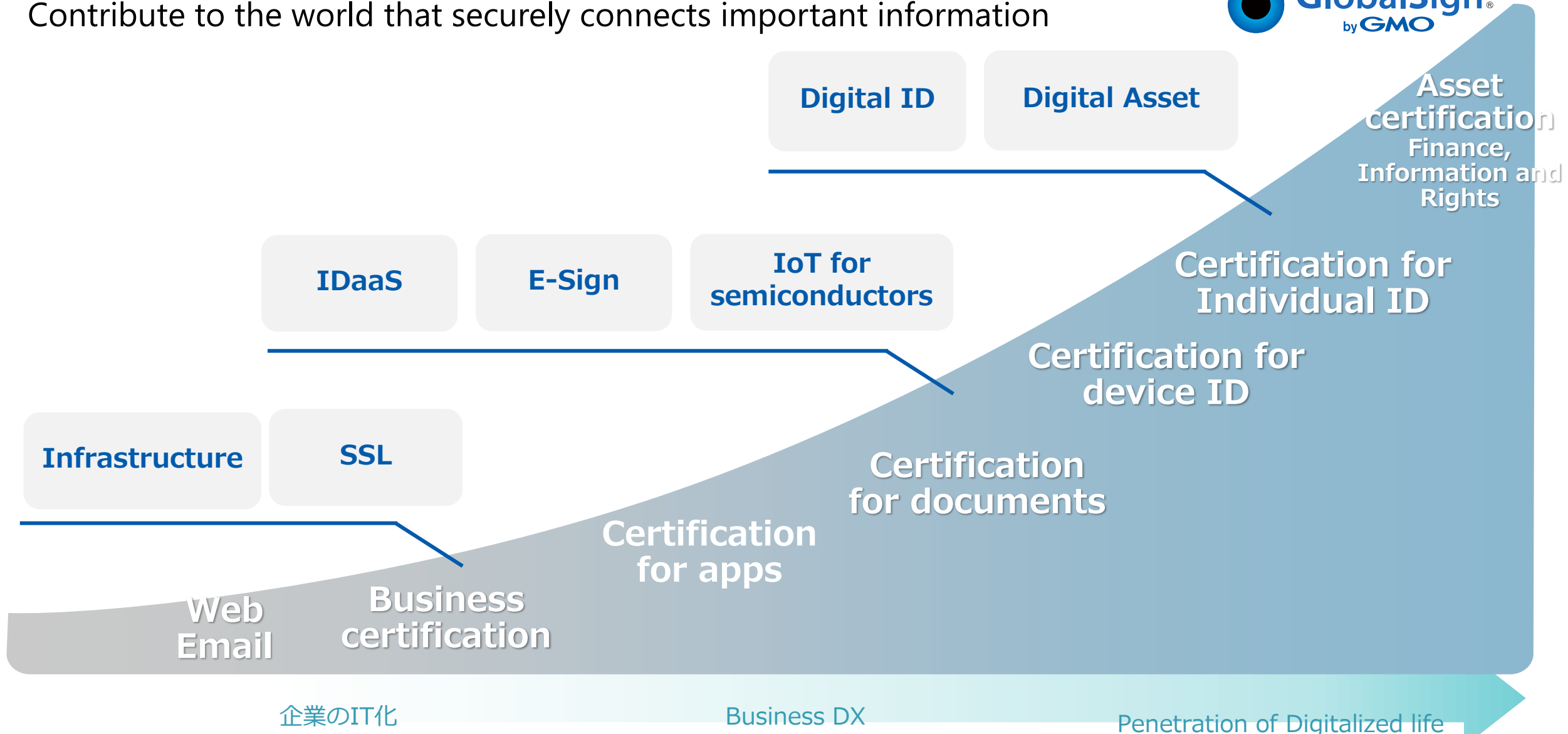


Having our own Certificate Authority, we can provide both of types

	◆ 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

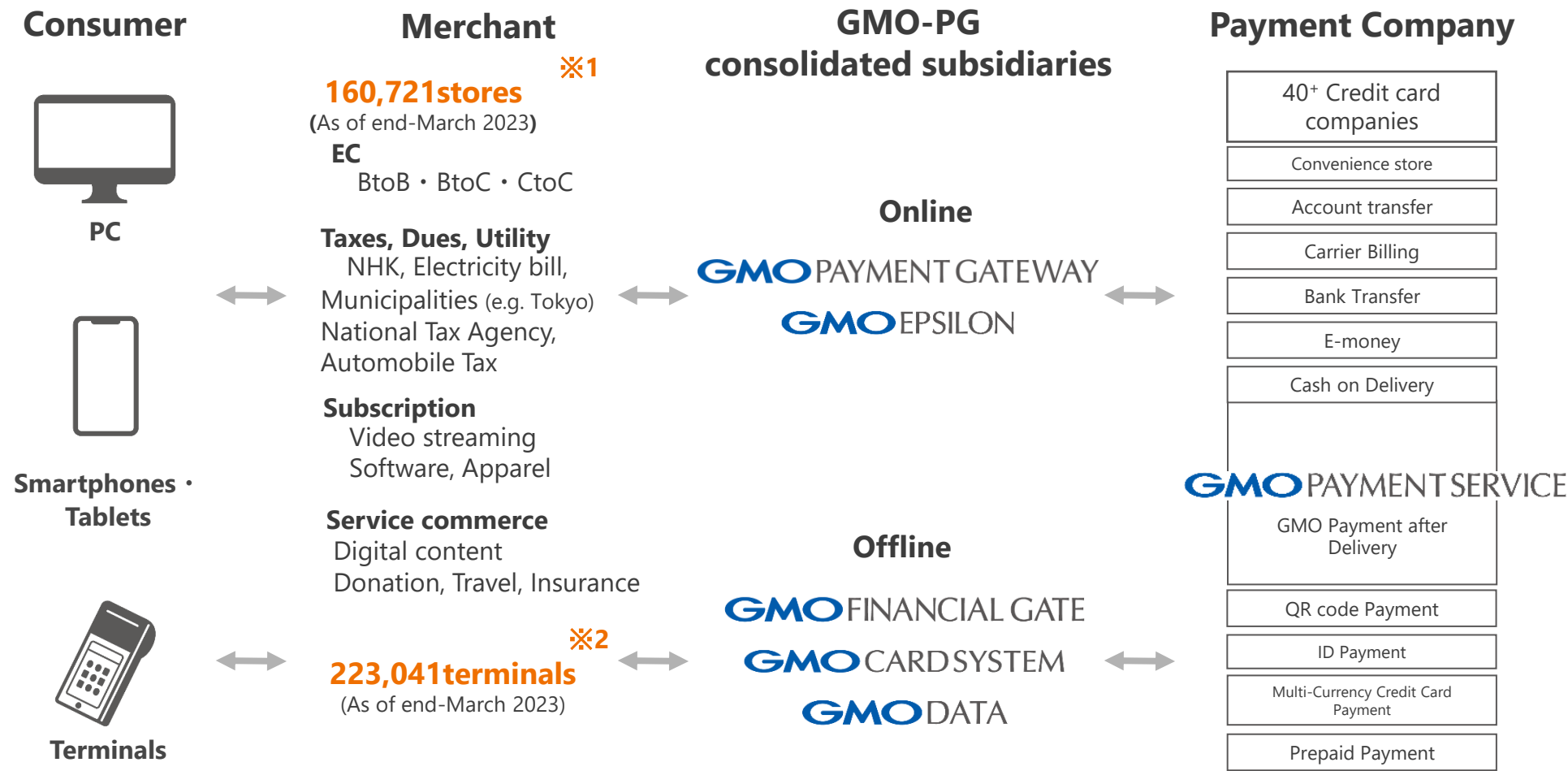
Contribute to the world that securely connects important information





# Internet Infrastructure | Payment processing -Our Role

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



\*1 The standards for calculation the number of operating stores has been revised from Q2 FY2022. Figures exclude a specific case and fincode byGMO. If included, the number of operating stores is 536,588 stores as of end of March 2023 (up 34.9% 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 43.1% YoY)

# Internet Infrastructure | Payment Quarterly KPIs

Group-wide annual TRX value reaches approx. ¥13.2 trillion

		Operating Stores <sup>*1</sup> /Terminals	TRX volume <sup>*3</sup>		TRX value	
		IG:FY2023.Q1 *PG :End Q2	IG:FY2023.Q1 *PG:Q2	Last twelve months	IG:FY2023.Q1 PG:Q2	Last twelve months
Group-wide		-	1.48bn	5.53bn	¥3.6trn	13.2trn
	YoY	-	+ 28.7%	+ 33.2%	+ 36.3%	+ 39.1%
Online		160,721 stores	1.35bn	5.05bn	¥2.7trn	¥9.8trn
	YoY	+ 19.9%	+ 25.7%	+ 29.7%	+ 24.6%	+ 26.9%
Offline		223,041 terminals	0.13bn	0.47bn	¥0.9trn	¥3.4trn
	YoY	+ 42.9%	+ 70.0%	+ 86.9%	+ 82.8%	+ 91.0%

**Proportion of Representative contract in online TRX value : approx. 40%<sup>\*2</sup>**

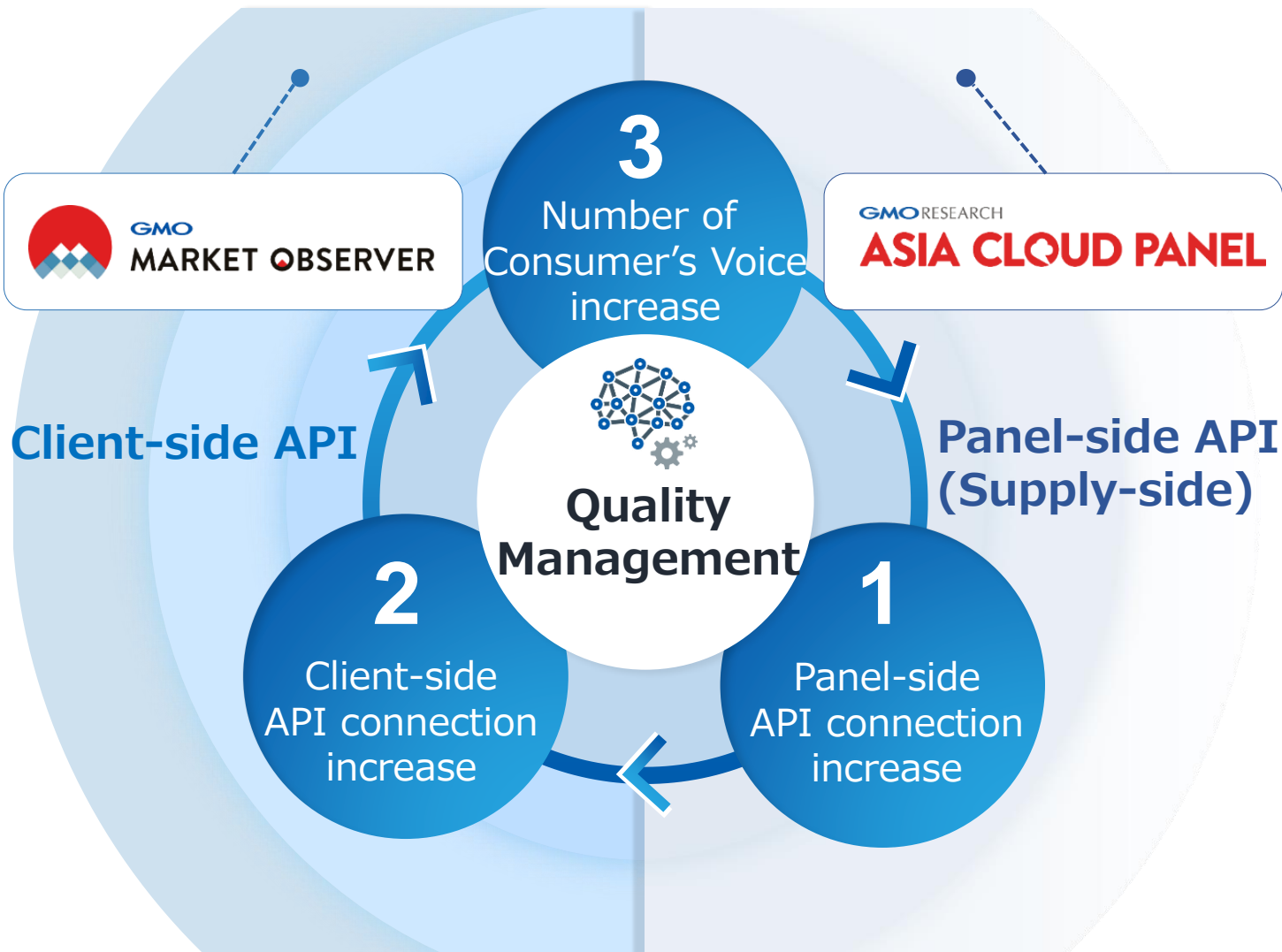
※1 Figures exclude an operating stores of a specific case and fincode byGMO. Figures exclude the stores related to a large delivery company from Q1 FY2017. If included, operating stores would be 502,160 (up 37.6% YoY). ※2 Operating stores are measured on an end-of-quarter basis. Figures for GMV value and volume are the total for the respective quarter.

※3 The graph is based using only online payment figures. ※4 The standards for calculation the number of operating stores has been revised from Q2 FY2022. Figures from Q3 FY2015 have been retroactively adjusted on the same basis.

# Online Advertising & Media

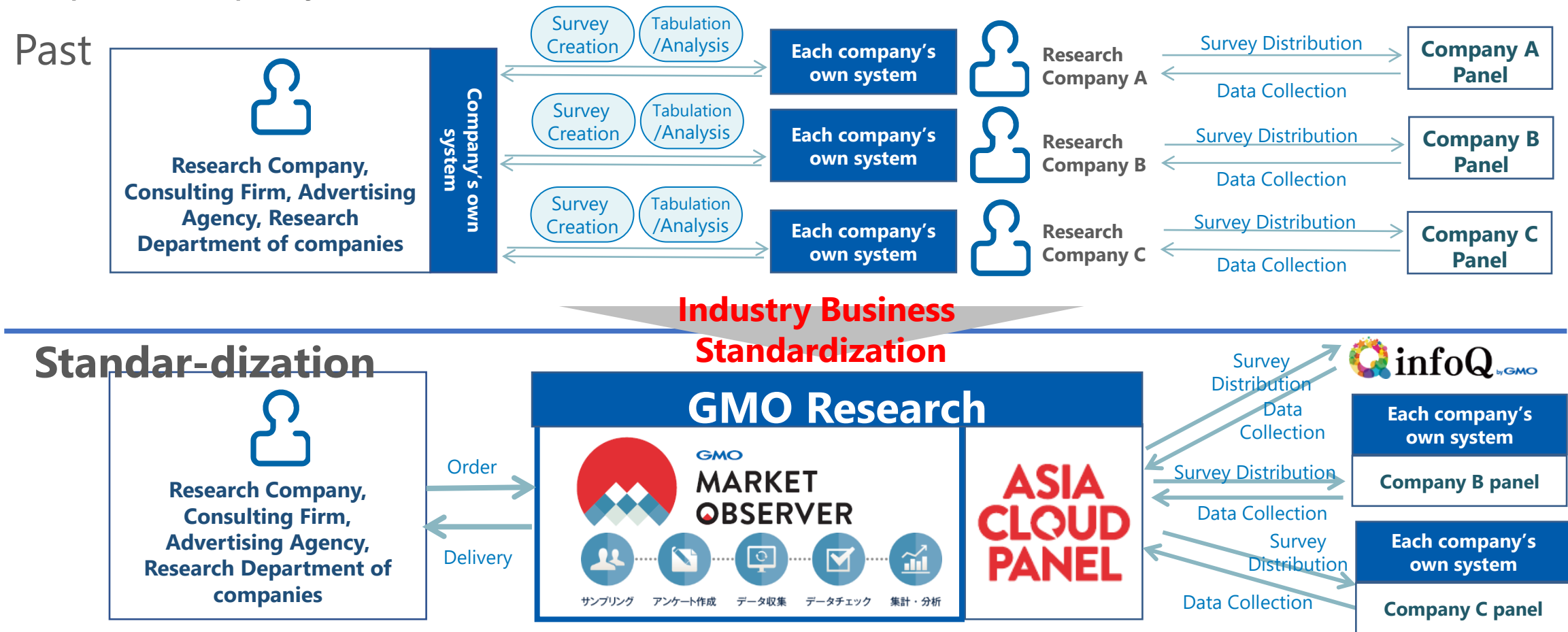
# GMO-Research | Audience Engagement Platform

## Audience Engagement Platform



# GMO-Research | Business Model

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



# 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



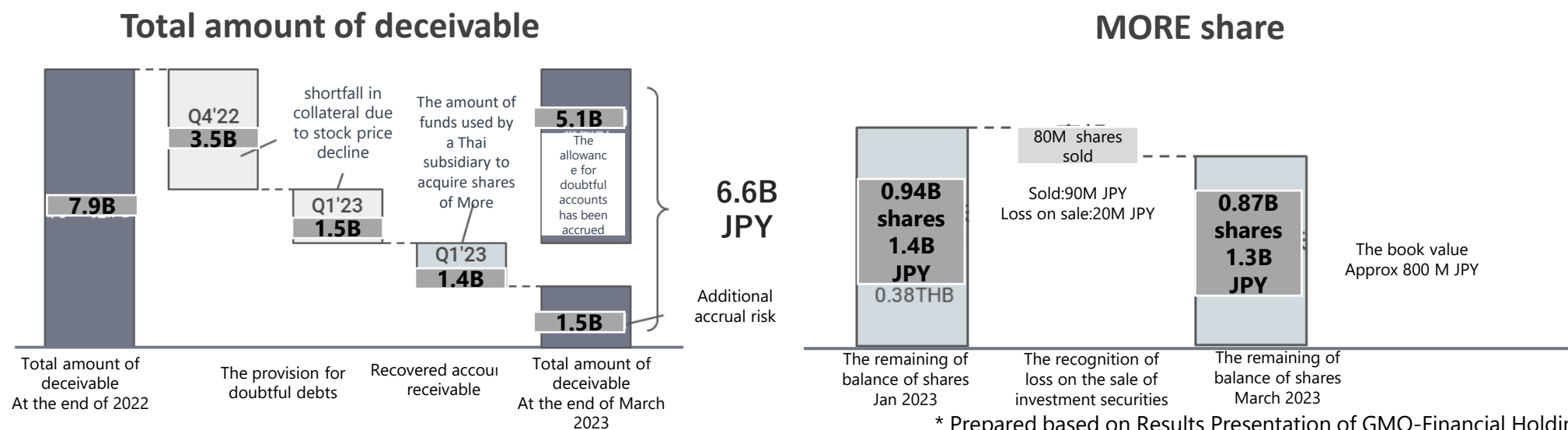
\*Source :ESOMAR, Evolution of the Data, Analytics and Insights Industry, A forecast into 2023

# Internet Finance

# The recognition of provision for doubtful accounts at consolidated subsidiary in the Thai securities business

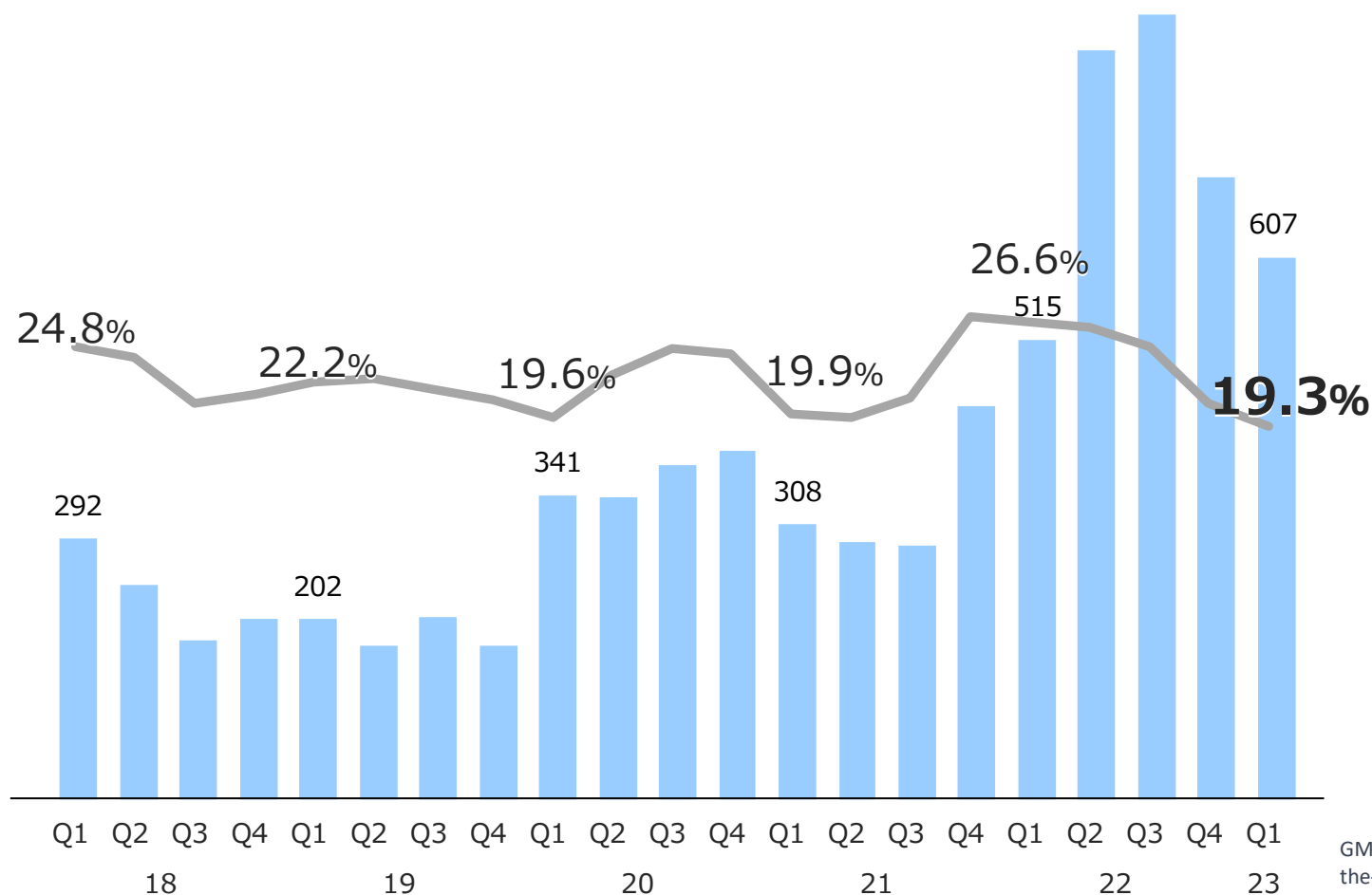
## Background and Response to Recognition of this matter

- In Q4'22, there were suspicious transactions related to More Return shares in the Thai securities market, which raised concerns of unfairness.
  - The Thai subsidiary reviewed the recoverability of credit transaction loans secured by the relevant securities, and recognized approximately 3.5 billion yen in additional provision for doubtful accounts in Q4'22.
- As of the end of December 2022, the total amount of receivables was approximately 7.9 billion yen.
- In Q1'23, to improve debt recovery, the subsidiary acquired More shares and recognized an additional provision for doubtful accounts of approximately 1.5 billion yen.





# Internet Finance | Domestic FX Volume and share transition(1)



**Implementing a daily trading limit,  
our market share  
has declined**

■ Transaction Volume(JPY Tri)  
■ Domestic Share(%)

GMO-FH's financial results presentation and the Financial Futures Association of Japan's "Over-the-Counter FX Monthly Report" (created by our company)

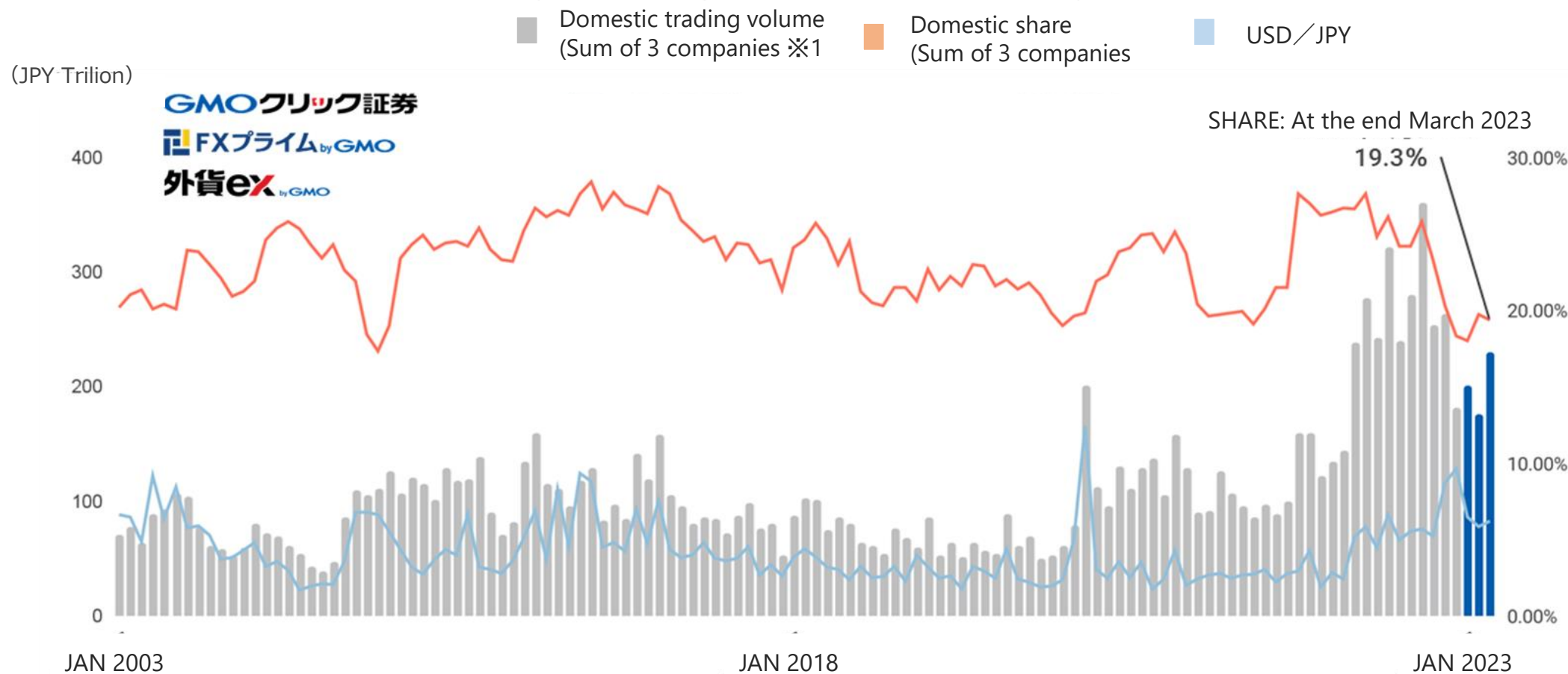
\* The trading volume for GMO Click Securities, FX Prime by GMO, and Foreign Exchange by GMO is the combined figure for the three companies

\* Group share is calculated based on the total trading volume over a three-month period as reported in the Financial Futures Association of Japan's "Over-the-Counter FX Monthly Report"

\* Prepared based on Results Presentation of GMO-Financial Holdings

# Internet Finance | Domestic FX Volume and share transition(2)

Despite of a daily trading limit, profitability has improved.



GMOFH made this material with FFAJ FX monthly bulletin

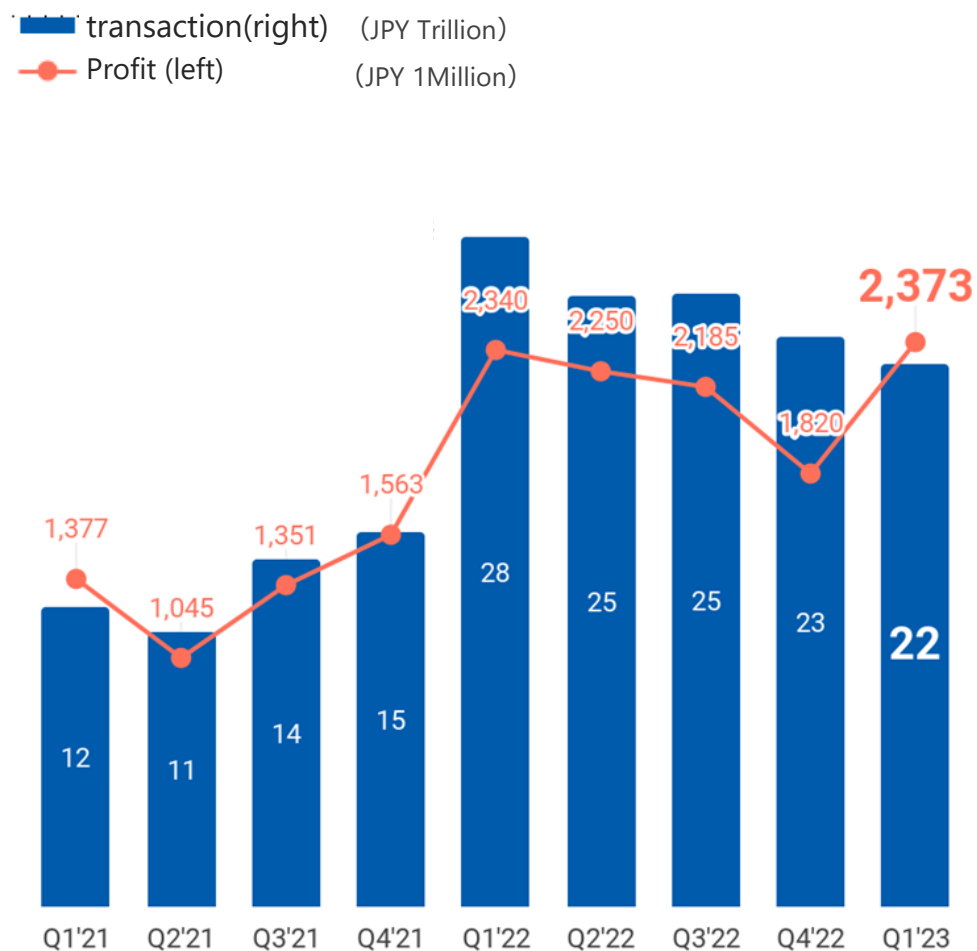
※FX trading volume : Earlier than Feb 2015, GMO Click's single unit number only. After March 2015 FX Prime byGMO was added. After Oct 2021 Gaika exbyGMO was also added.

※FX share: the number officially announced by FFAJ calculated as the whole market.

\* Prepared based on Results Presentation of GMO-Financial Holdings

# Internet Finance | CFD Transaction and Profit transition

GMOCLICK SECURITIES



Transaction volume

YoY **18.9% Down**

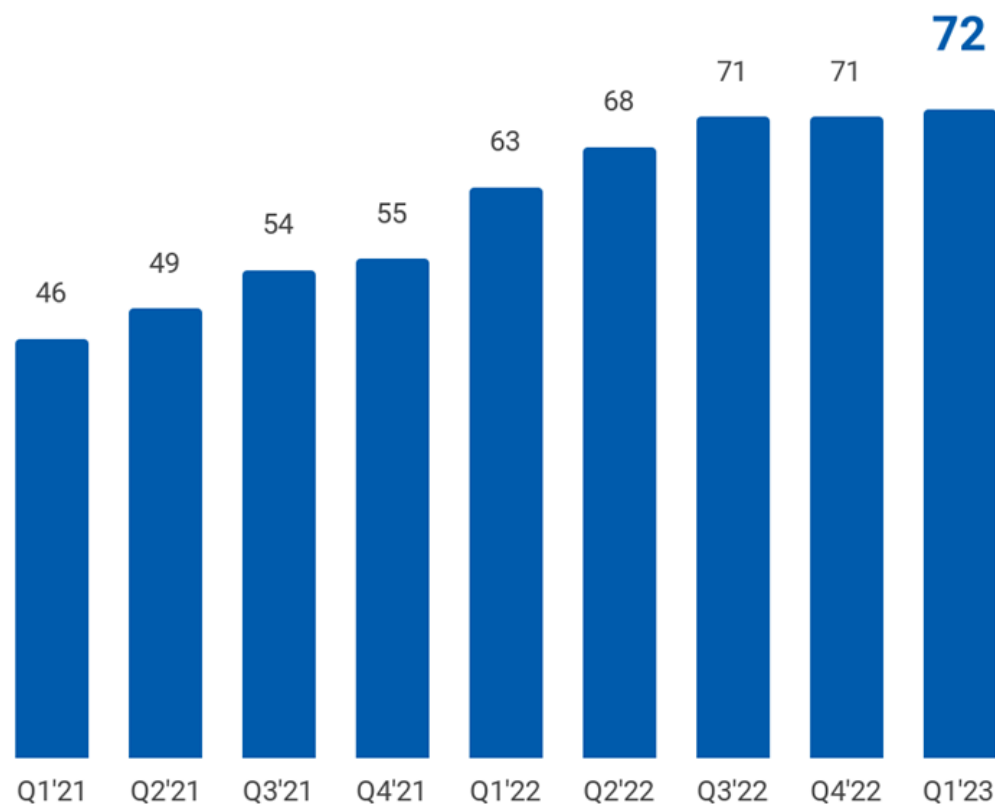
Profit

YoY **1.4% UP**

# Internet Finance | CFD deposit margin balance

GMOCLICK SECURITIES

(JPY billion)

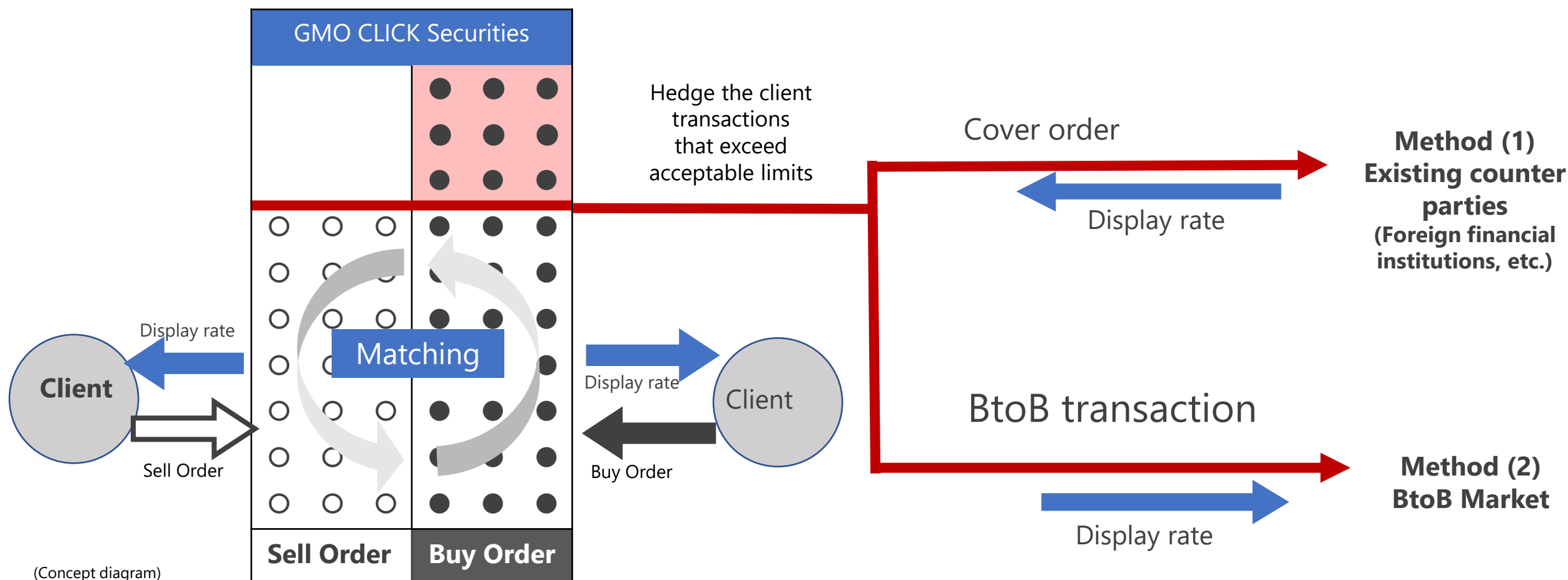


YoY **13.4 %UP**

# Internet Finance | FX Business Model

**GMOCLICK** SECURITIES

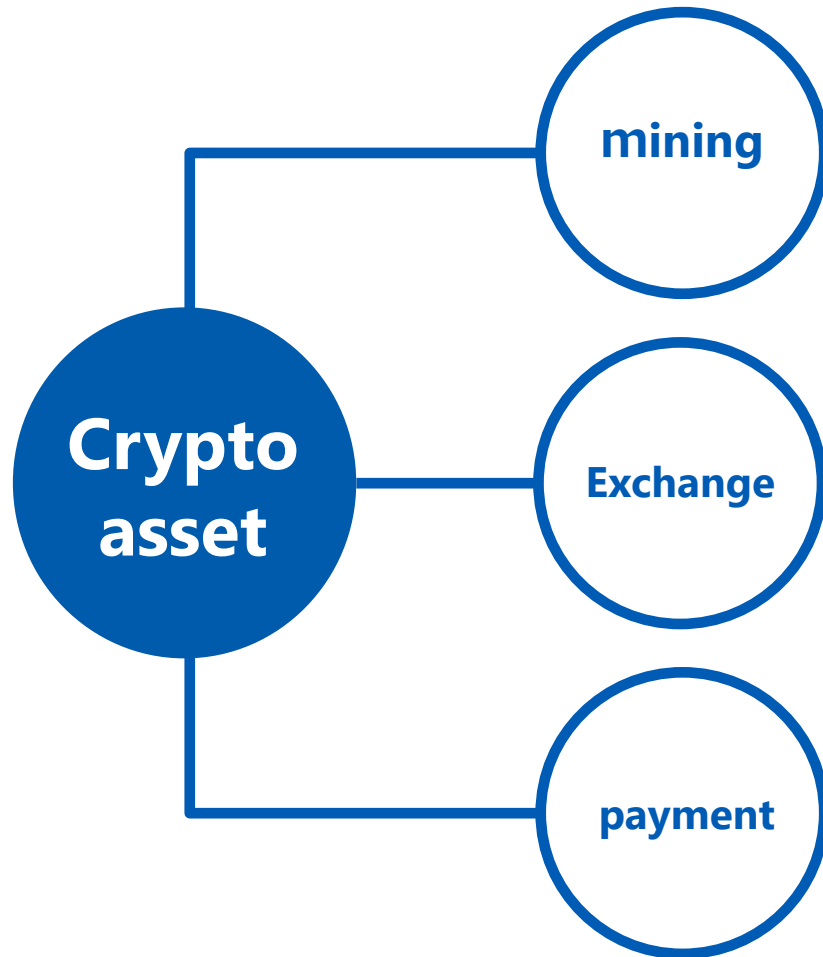
- Effective matching and thorough risk minimization with cover transactions executed with counter parties as soon as customer orders exceed acceptable risk position.



(Concept diagram)

# Cryptoassets

# Cryptoasset Business



**Mining Business**

**Exchange business**

**Payment business**

└ Issuing Stablecoin

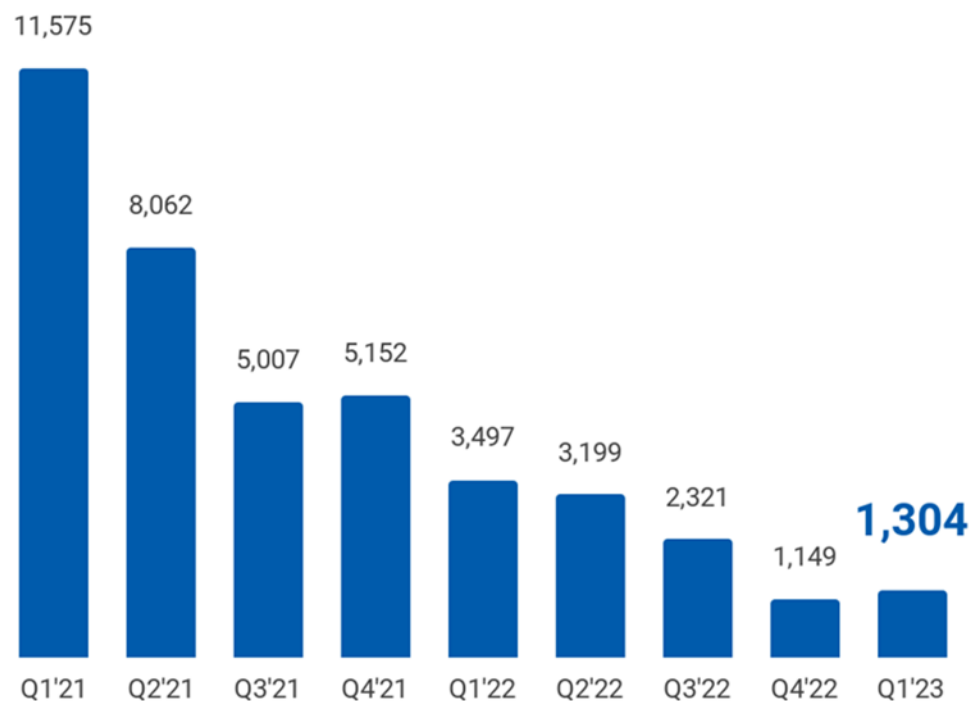
**GMO Coin**

**GYEN Z USD**  
Digital JPY Digital USD

# Cryptoasset Exchange Business | Transaction volume



(JPY Billion)



YoY **62.7%**  
**DOWN**

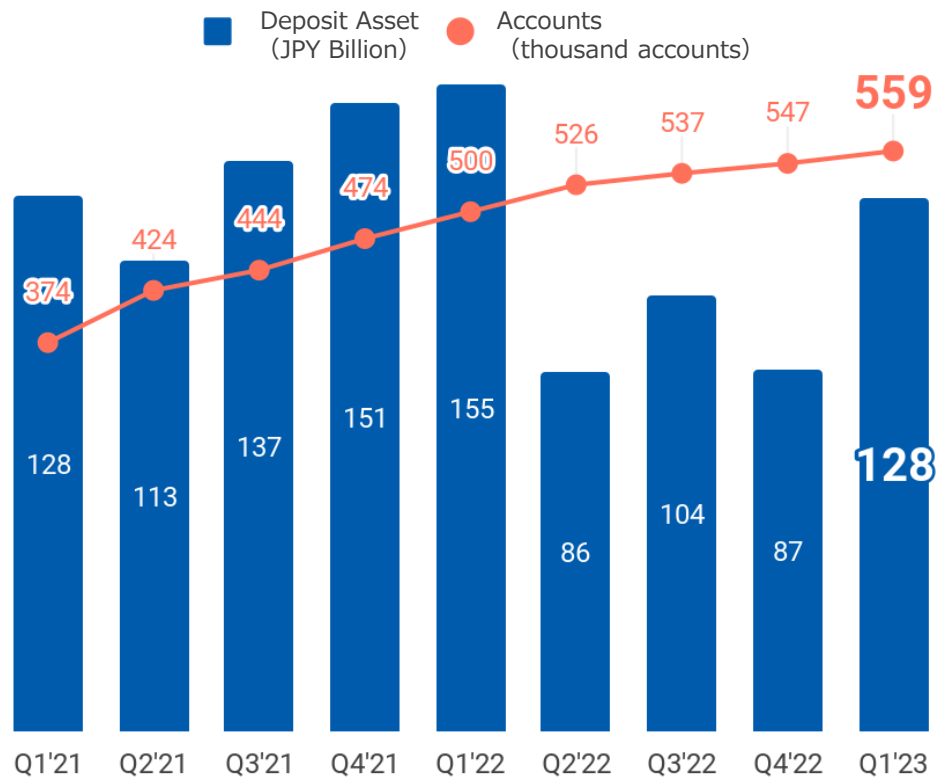
## < New Services >

- 1<sup>st</sup> March: "lending premium for cryptocurrency" service to corporate accounts
- 22<sup>nd</sup> March: handling Aster (ASTR)
- 26<sup>th</sup> April: started providing "foreign exchange FX" services



# Cryptoasset Exchange Business | Accounts and deposit asset transition

GMOCoin



Accounts

YoY **58k UP**

Deposit Asset

YoY **17.4% DOWN**

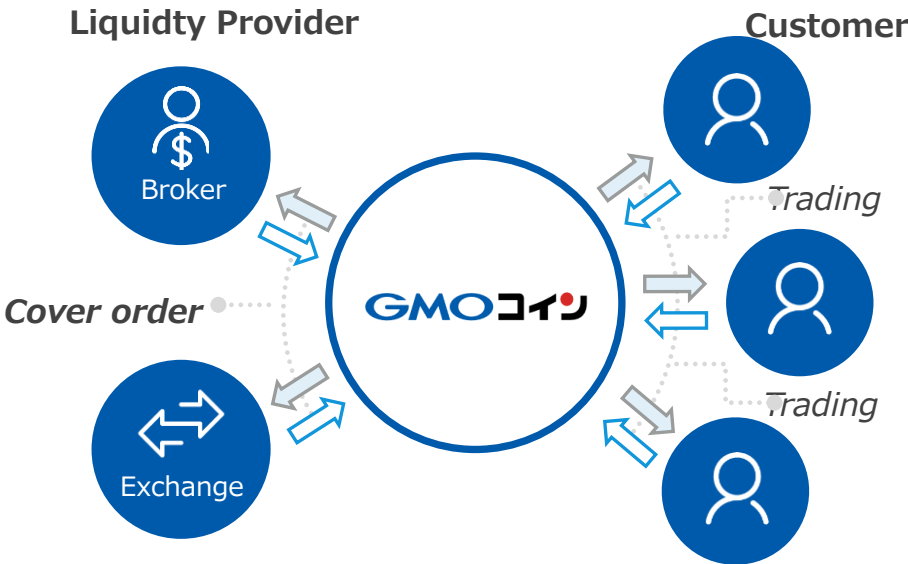
\* Prepared based on Results Presentation of GMO-Financial Holdings

# 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



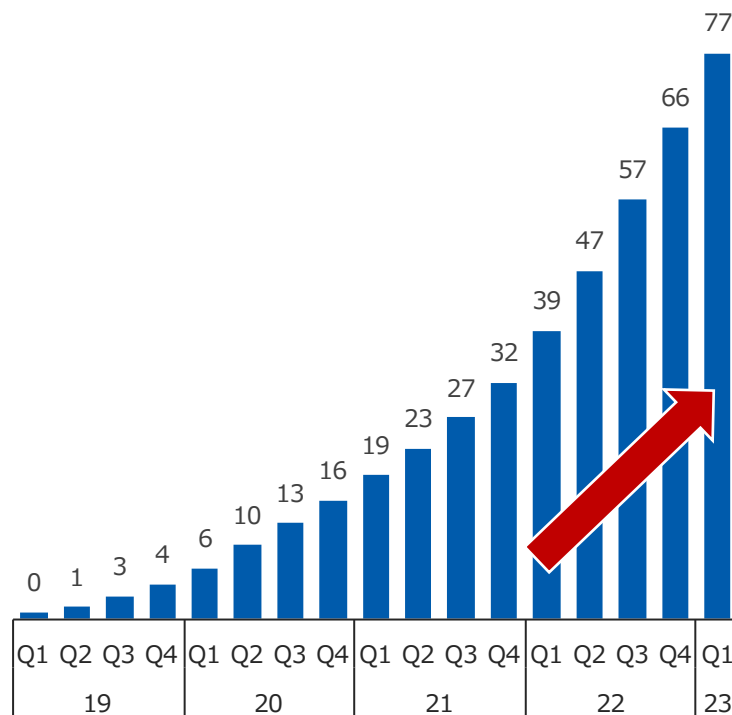
Main income : Transaction fee

**GMO AozoraNet Bank**

# Net Bank | Number of business accounts

GMO AOZORA NET BANK

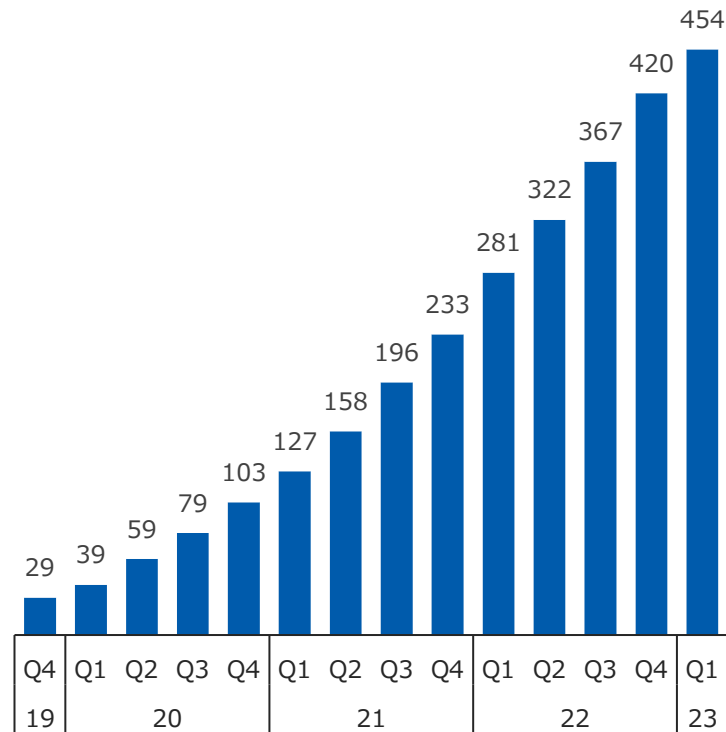
(Thousands)



1.9-fold UP YoY

# Net Bank | Total number of contracted Embedded Financial service

GMO AOZORA NET BANK



**Strong trend**

□ Group Overview

□ Financial condition and strategy

□ Consolidated results

**□ 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**

<https://www.gmo.jp/csr/gri/>



**Internet for Everyone**

**GMO**