

Third Quarter

Results Presentation for the 2007 Fiscal Year

November 14, 2007

GMO Internet, Inc.

(TSE First Section: 9449)

Internet for Everyone

<http://www.gmo.jp/en>

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About the Use of this Document

This document includes projections based on expectations, premises and plans for the future as of November 14, 2007. These projections may differ from actual results due to factors including changes in the global economy, competition and exchange rates or unforeseen events such as natural disasters. Some of the figures given such as market share are based on our own calculations. These figures may differ from research agency figures. Information published in this document is provided for information purposes only and does not constitute a solicitation of investors. Further, the 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 is accepted for any damage sustained as a result of actions taken based on this information, regardless of the reason.

Agenda

1. Summary
2. Financial Highlights
3. Strengths & Business Domains
4. Segment Report – Current Status and Growth Strategy
 1. Internet Use Support (Infrastructure)
 2. Internet Advertising Support (Media)

1. Summary

2. Financial Highlights

3. Strengths & Business
Domains

4. Segment Report

①Internet Infrastructure

②Internet Media

Summary

TSE Stock Code: 9449



Summary (I)

1. Summary

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4. Segment Report

①Internet Infrastructure

②Internet Media

Financial Highlights – Reduction in interest bearing liabilities yields major improvement in shareholders' equity ratio

Consolidated Balance Sheet

	9/2007	6/2007	Amount of Change
➤ Total Assets	¥43.30B	¥134.33B	– ¥91.03B
➤ Interest Bearing Liabilities	¥22.14B	¥75.46B	– ¥53.32B
➤ Shareholders' Equity	¥4.45B	¥650M	¥3.80B
➤ Shareholders' Equity Ratio	10.3%	0.5 %	+ 9.8%

→Balance sheet “slimmed down” after withdrawal from finance business and reduction in interest-bearing liabilities

→Reduction in liabilities to lead to reduced interest paid

→All loans in violation of financial covenants now completely paid off

→Shareholders' equity up ¥3.8 billion as a result of solid operating revenue and sale of investments in securities

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Summary (II)

1. Summary

2. Financial Highlights

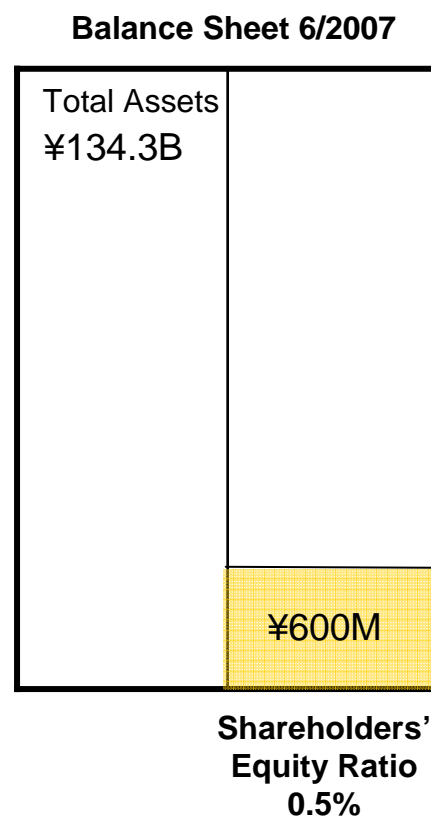
3. Strengths & Business Domains

4. Segment Report

①Internet Infrastructure

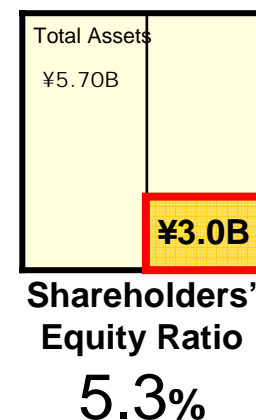
②Internet Media

Improving the Balance Sheet



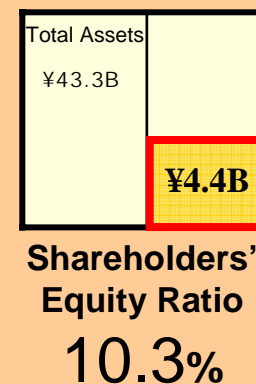
Forecast at time of FY07 Interim Results Presentation

Balance Sheet 8/14/2007



Actual Performance

Balance Sheet 9/2007



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Summary (III)

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①Internet Infrastructure

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Financial Highlights – After recording a loss resulting from finance business pullout in the first six months of the year, profitability recovered and profits increased between July and September.

Consolidated P/L (1-9/2007)

	Entire Group			Finance Segment P/L Excluded		
	1-9/2007	1-9/2006	YOY % Change	1-9/2007	1-9/2006	YOY % Change
➤Sales	¥37.71B.	¥35.94B	+4.9%	¥23.55B	¥21.05B	+11.8 %
➤Operating Profit	-¥9.76B	¥2.54B	-	¥2.59B	¥2.46B	+5.9 %
➤Ordinary Profit	-¥10.28B	¥2.40B	-	¥2.09B	¥2.21B	-5.0%

Consolidated P/L (7-9/2007)

Entire Group

	7-9/2007	7-9/2006	YOY % Change
➤Sales	¥7.68B	¥12.89B	-40.4%
➤Operating Profit	¥720M	¥530M	+35.1%
➤Ordinary Profit	¥520M	¥470M	+10.1%

Operating Profit up 35% and Ordinary Profit up 10% despite decrease in income following pullout of finance business.

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Summary (VI)

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Segment Breakdown

Internet Infrastructure

	1-9/2007	1-9/2006	YOY %Change	7-9/2007	7-9/2006	YOY %Change
➤ Sales	¥13.98B	¥12.39B	+12.8%	¥4.56B	¥4.36B	+4.5 %
➤ Operating Profit	¥1.76B	¥2.02B	-12.8%	¥460M	¥740M	-37.7 %

→ January to September sales reached ¥13.98 billion up 12.8% year on year. Profits fell temporarily due to aggressive initial investment in the security business.

Internet Media

	1-9/2007	1-9/2006	YOY %Change	7-9/2007	7-9/2006	YOY %Change
➤ Sales	¥9.81B	¥8.90B	+10.2%	¥3.17B	¥2.88B	+10.1 %
➤ Operating Profit	¥790M	¥330M	+136.2%	¥260M	¥70M	+249.0 %

→ Strong third quarter performance in the Internet & search media business pushed operating profit up 136.2% year on year to ¥790 million.

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①Internet Infrastructure

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Financial Highlights

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FY2007 3rd Quarter Consolidated P&L

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①Internet Infrastructure

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Profitability recovers in the 3rd quarter of FY2007

(¥millions)

	7-9/2007	7-9/2006	YOY % Change	1-9/2007	1-9/2006	YOY % Change
Sales	7,685	12,897	-40.4%	37,714	35,940	+4.9%
Business Expenses	3,426	3,514	-2.5%	11,244	10,188	+10.4%
SGA	3,532	8,846	-60.1%	36,239	23,205	+56.2%
Operating Profit	726	537	+35.1%	-9,769	2,546	-
Ordinary Profit	523	475	+10.1%	-10,286	2,402	-
Extraordinary Profit	4,921	1,339	+267.3%	4,967	2,849	+74.4%
Extraordinary Loss	8	251	-96.5%	6,641	2,357	+181.7%
Corporate Tax etc. & Minority Equity	1,759	1,223	+43.9%	62	2,360	-97.4%
Net Profit	3,676	340	+979.0%	-12,022	533	-

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Reduction in deferred tax asset due to sale of securities: ¥13 billion

Profit on sale of subsidiaries (GMO Securities & GMO HS): ¥3.6 billion
Profit on sale of investments in securities (e-BANK): ¥1.3 billionLoss resulting from pullout of finance business
Loans and credit business shrinkage loss: -¥5.8 billionCosts in the Finance Segment
Addition to interest repayment reserve: -¥7.2 billion
Addition to allowance for doubtful debt: -¥10.3 billion

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FY2007 3rd Quarter Consolidated Balance Sheet (I)

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Major improvement in financial condition - shareholders' equity up and interest bearing liabilities down

	(¥millions)		
	FY2007 End of September	FY2007 End of June	% Change
Current Assets	33,000	99,355	-66.8%
Cash & Deposits	16,127	27,976	-42.4%
Fixed Assets	10,300	34,975	-70.6%
Assets Total	43,300	134,331	-67.8%
Current Liabilities	20,871	102,309	-79.6%
Fixed Liabilities	11,001	24,210	-54.6%
Liabilities Total	31,872	126,549	-74.8%
Net Assets (including minority equity)	11,427 (6,970)	7,782 (7,095)	+46.8%

¥66.3 billion decrease

→mainly as a result of withdrawal from loans and credit business

- Securities business assets: -¥21.0 billion
- Operating loans: -¥56.6 billion
- Allowance for doubtful debts: -¥18.3 billion
- Short term loans: +¥6.6 billion
- Accrued amount receivable: +¥1.9 billion

¥24.6 billion decrease

→mainly as a result of withdrawal from loans and credit business

- Goodwill: -¥11.5 billion
- Sale of investments in securities: - ¥5.4 billion

¥94.6 billion decrease

→ due to loans and credit business withdrawal

- Securities business liabilities: - ¥19.2 billion
- Interest repayment reserve: -¥13.2 billion
- Short and long term debt: -¥34.9 billion
- Bonds: -¥4.1 billion

→ due to repayment of interest bearing liabilities

- Short and long term debt: -¥14.2 billion

¥3.6 billion increase

- Business profits and sale of securities boost earned surplus up to ¥3.6 billion

FY2007 3rd Quarter Consolidated Balance Sheet (II)

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Balance sheet – current state and outlook

• Increase a result of Operating Cash Flow

Consolidated Balance Sheet (7/2007)	
Cash & deposits ¥16.1B	Interest bearing liabilities Loans: ¥16.1B CB: ¥5.0B Bonds: ¥1.0B Total ¥22.1B
Other financial assets ¥13.2B	Advance payments & deposits ¥5.1B
Trade assets ¥11.5B	Other liabilities ¥4.6B
Deferred tax asset ¥2.4B	Net assets ¥11.4B (incl. shareholders' equity ¥4.4B)
Total Assets ¥43.3B	Liabilities & Shareholders' Equity Total ¥43.3B

Outlook

Further Reduction!
(Projection for 12/2007)
Loans: ¥12.0B
CB: ¥5.0B
Bonds: ¥1.0B

Outlook

Further Increase!
• Performance recovery to boost shareholders' equity
• Use of loss brought forward

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Sales and Operating Profit - Quarterly Change by Segment

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

4. Segment Report

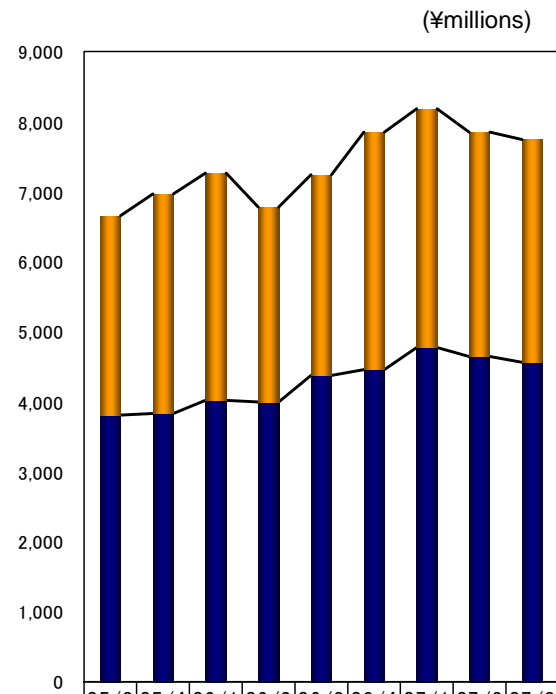
① Internet Infrastructure

② Internet Media

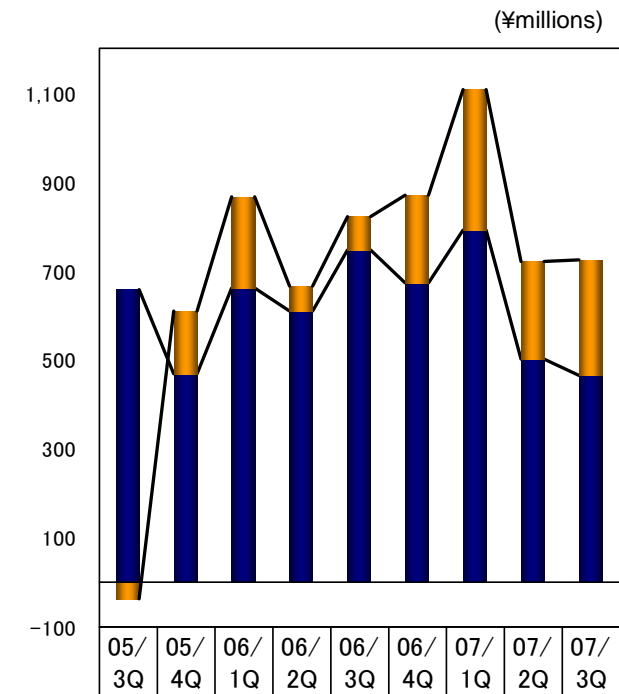
Internet Infrastructure Operating Profit: fell temporarily due to aggressive initial investment in the security business

Internet Media Operating Profit: up 136.2% year-on-year as a result of strong performance in the Internet & search media business

Sales



Operating Profit



	05/3Q	05/4Q	06/1Q	06/2Q	06/3Q	06/4Q	07/1Q	07/2Q	07/3Q
Internet Media	2,857	3,135	3,243	2,775	2,886	3,387	3,426	3,206	3,178
Internet Infrastructure	3,809	3,827	4,027	3,998	4,366	4,467	4,764	4,653	4,562

	05/3Q	05/4Q	06/1Q	06/2Q	06/3Q	06/4Q	07/1Q	07/2Q	07/3Q
Internet Media	-38	139	205	57	74	200	314	220	260
Internet Infrastructure	658	470	662	609	748	671	793	500	466

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①Internet Infrastructure

②Internet Media

Strengths & Business Domains

TSE Stock Code: 9449



GMO Internet Group Business Operations

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2. Financial Highlights

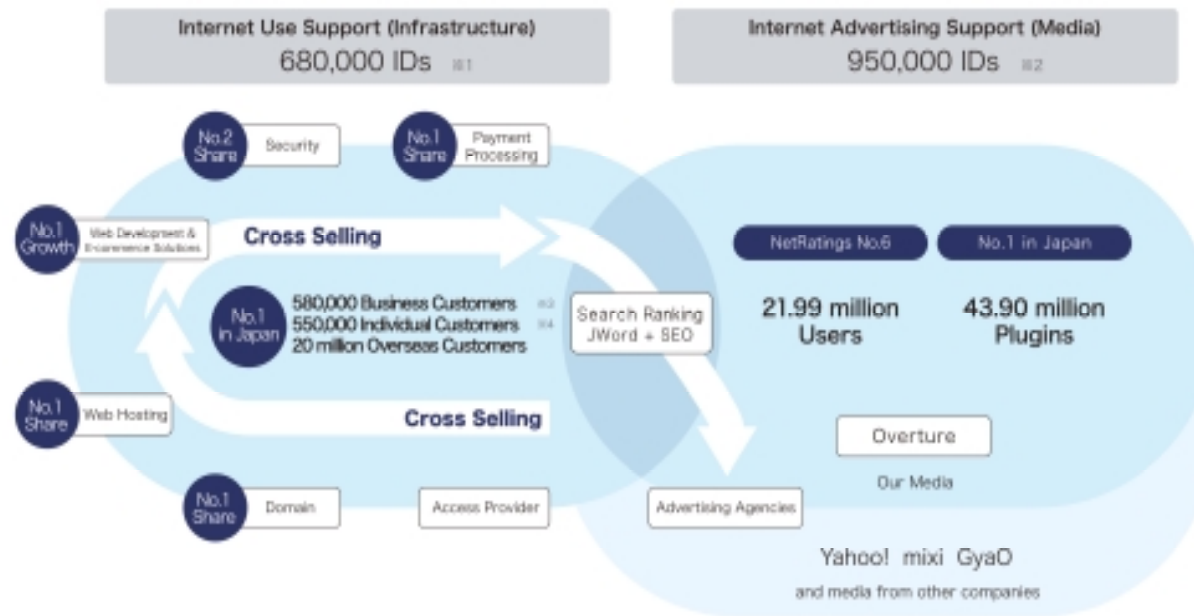
3. Strengths & Business Domains

4. Segment Report

①Internet Infrastructure

②Internet Media

Management resources concentrated in 2 business areas. Supporting the information transfer and net businesses of 1.13 million(*6) customers.



Notes:

1. Business and Individual domain registrations = No. of Integrated Customer Database IDs
2. GMO ID members
3. Total number of business members of domain, web hosting, web development & EC solutions, security and payment processing services.
4. Total number of individual members of domain and web hosting services.
5. Total number of digital certificates worldwide that rely on the public trust provided by the GlobalSign root (GlobalSign established in Belgium in 1996)
6. Paying members
7. 100,000 access provider business customers not included in the above figures

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Strengths of the GMO Internet Group

1. Summary

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①Internet Infrastructure

②Internet Media

The “Internet Department to Japan”!

Stable Customer Base
580,000 businesses
550,000 individuals
680,000 IDs

Customers

NetRatings Japan Ranking: 6
21.99 million individual users
950,000 IDs

Up-Selling X Cross-Selling

We Develop Our Own Technology

Overwhelming Domain & Server Market Shares

Advancing into **Global** Security Market

E-Commerce / Payment Processing
31,000 stores and rising

Search / CGM
43.9 million Plugins

Marketing & Selling Power

Web Marketing
78 Sites

Call Center
300 Booths

On the Road
350 Sales Reps

Sales
5,600 Partners

No. 1 Customer Support Satisfaction

Support Center Open
24 hours **365** days

Quick Response
 Phone **9** secs. Mail **9** mins.

CTI
 Customer Management System

Only One in Industry
 HDI Japan **3 Stars**

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All supported by a formidable organizational strength!

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①Internet Infrastructure

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Segment Report

Current State and Growth Strategy

① Internet Use Support (Infrastructure)

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Business Performance – Internet Infrastructure Segment Sales

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

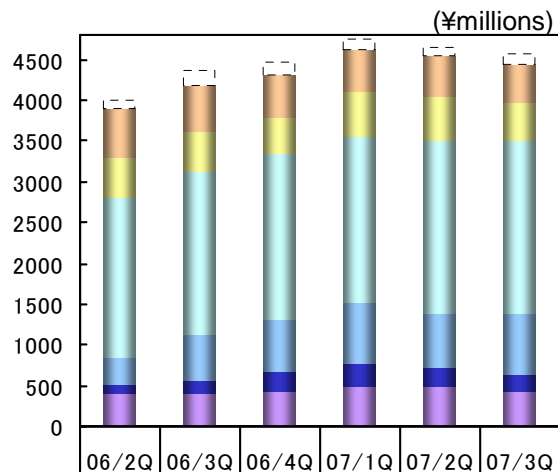
4. Segment Report

①Internet Infrastructure

②Internet Media

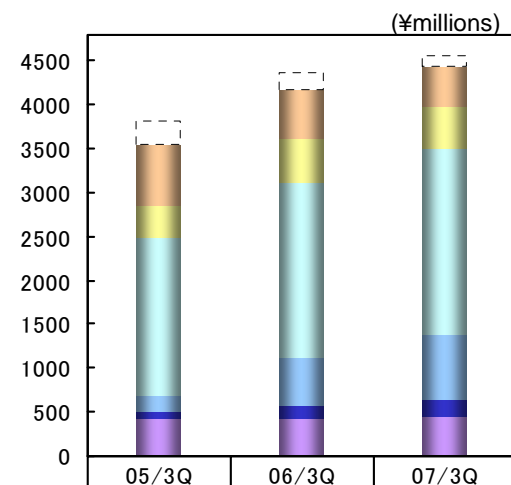
A 4.4% year-on-year increase. (10.1% overall in the five major services) Sales up in every major service except domain registration.

Internet Infrastructure Sales Quarterly Change



	06/2Q	06/3Q	06/4Q	07/1Q	07/2Q	07/3Q
Other	95	190	145	132	105	111
Access Provider	595	560	536	521	488	472
Domain	502	497	437	541	555	476
Web Hosting	1,956	1,984	2,043	2,049	2,097	2,102
Web Dev. & EC	343	562	638	733	688	741
Security	101	147	216	288	239	209
Payment Processing	404	423	450	497	479	449

Internet Infrastructure Sales Year-on-Year



	05/3Q	06/3Q	07/3Q
Other	258	190	111
Access Provider	696	560	472
Domain	367	497	476
Web Hosting	1,795	1,984	2,102
Web Dev. & EC	190	562	741
Security	70	147	209
Payment Processing	432	423	449

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*As of the current consolidated accounting term, operations have been reclassified due to changes in the composition of existing businesses and the significance of each business to the group.

Website Development & E-commerce Solutions is composed of the former Website Construction Support business and E-commerce Support business. The Other classification now also includes the former Corporate Communications business.

Business Performance – Internet Infrastructure Segment Operating Profit

1. Summary

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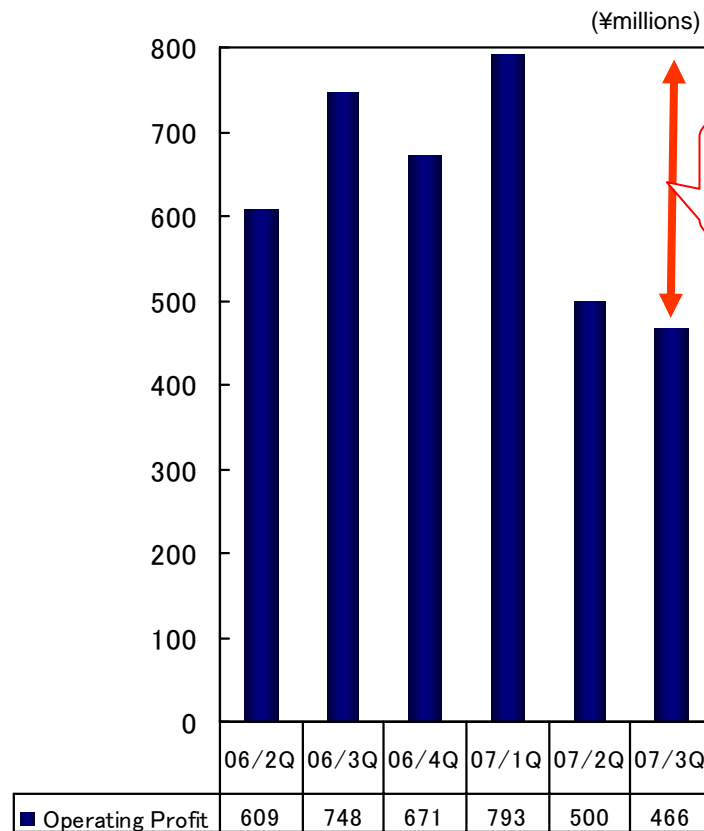
4. Segment Report

① Internet Infrastructure

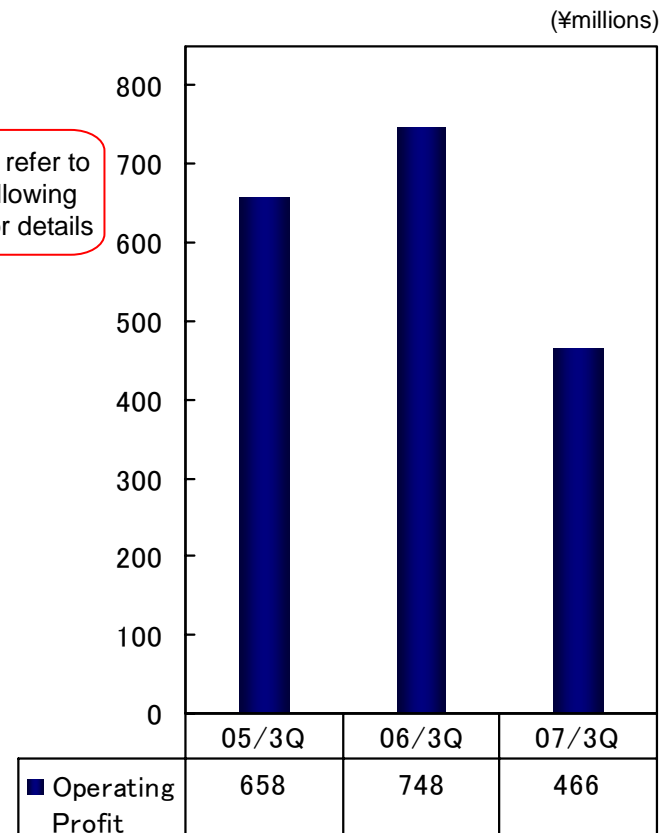
② Internet Media

A 37.6% drop in year-on-year profit the result of investment in global expansion of new GlobalSign brand

Internet Infrastructure Operating Profit Quarterly Change



Internet Infrastructure Operating Profit Year-on-Year



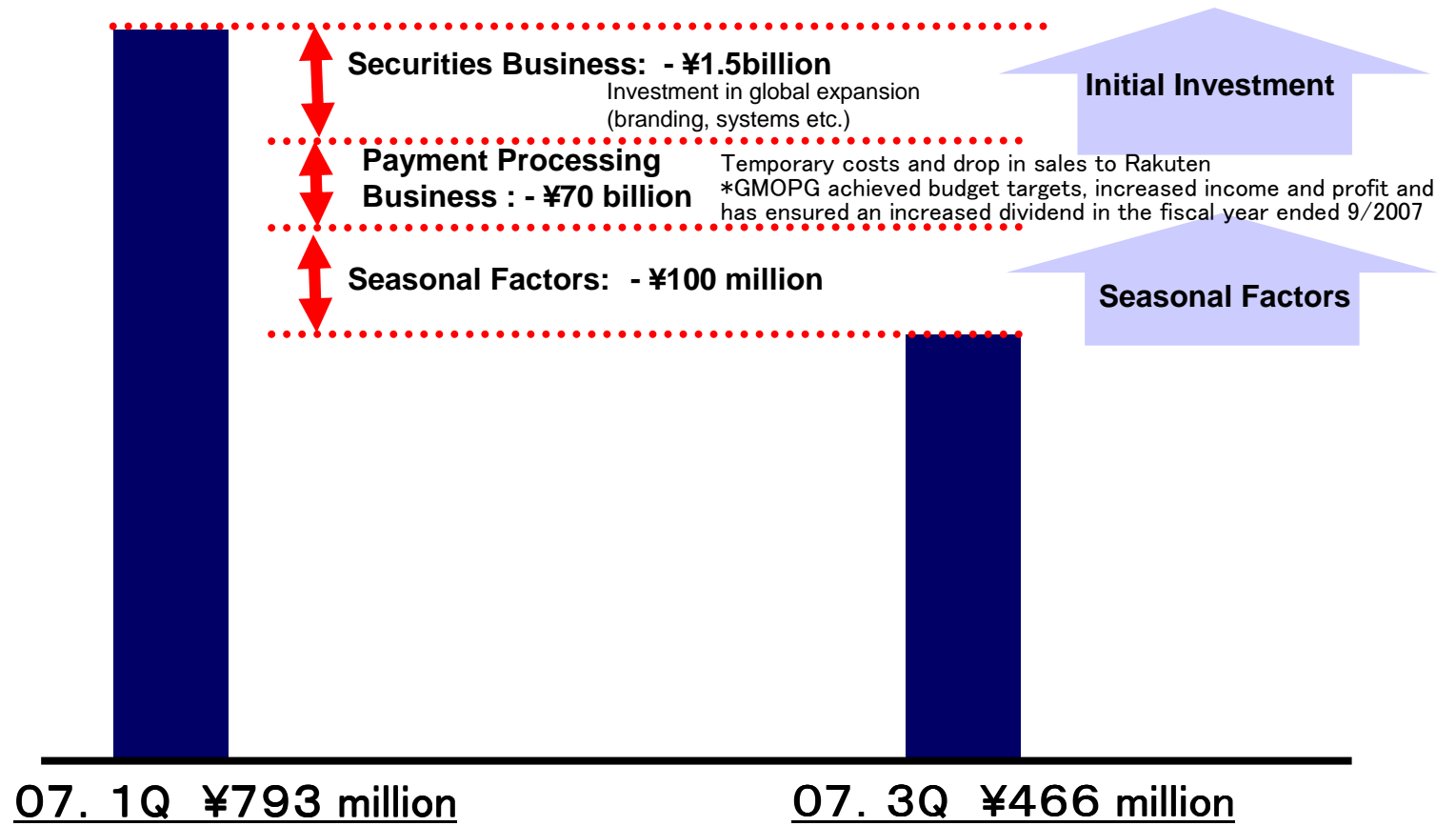
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Business Performance – Internet Infrastructure Operating Profit

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- 4. Segment Report
- ① Internet Infrastructure**
- ② Internet Media

Breakdown of the drop in infrastructure operating profit



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①Internet Infrastructure

②Internet Media

Segment Report

Current State and Growth Strategy

Internet Infrastructure Growth Strategy

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Growth Strategy in the Internet Infrastructure Segment

1. Summary

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①Internet Infrastructure

②Internet Media

The “Internet Department to Japan”!

Goal: To take on all Japan’s business and individual information transmission and net business outsourcing needs

Strategy: ①Further increase market share of all services
②Improve ARPU by strengthening cross selling mechanisms
③Offer new services for improved web sites

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Growth Strategy in the Internet Infrastructure Segment

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①Internet Infrastructure

②Internet Media

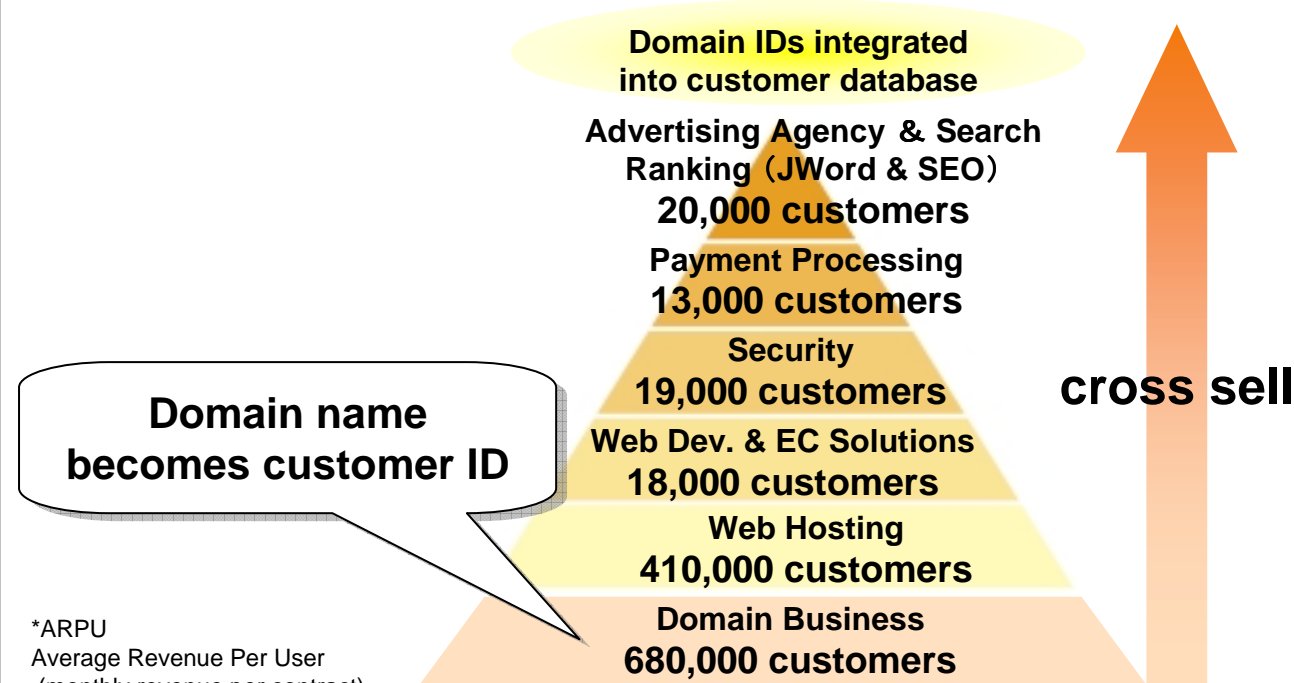
Cross sell strategy for improved ARPU*

①Phase 1(Preliminary Phase) Establish brand, Increase brand recognition

- Top services to provide gateway to other top services creating a synergy that boosts product recognition and builds a strong brand

②Phase 2 (Results Phase) Improved performance

- Integrated marketing database helps sales reps to understand use patterns before they approach the customer
- Look at combined sales for quantitative evidence of cross sell efficacy



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*ARPU
Average Revenue Per User
(monthly revenue per contract)

Growth Strategy in the Internet Infrastructure Segment

1. Summary

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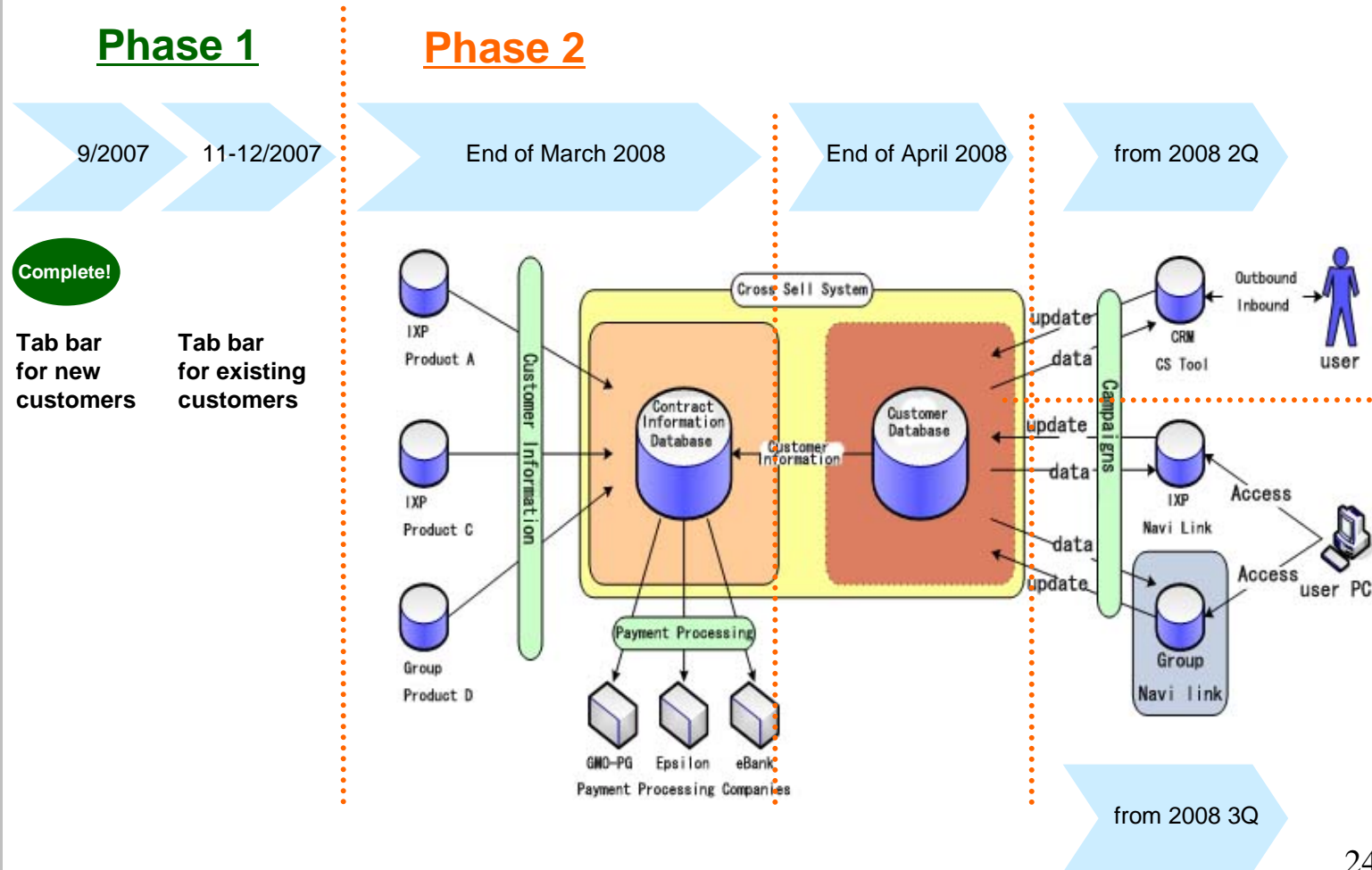
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Roadmap of the cross sell strategy



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Growth Strategy in the Internet Infrastructure Segment

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①Internet Infrastructure

②Internet Media

Cross sell strategy (I) – Introduction of cross sell tab bar for new customers

Scheduled Completion	Mechanism	Target
	Cross sell tab bar <u>(Phase 1)</u>	New Customers (major infrastructure service sites for corporate customers)



The tab bar appears on each service site enabling customers to move freely between sites



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Building a one-stop-shop Internet infrastructure service brand

Growth Strategy in the Internet Infrastructure Segment

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Cross sell strategy (II) – Introduction of cross sell tab bar for existing customers

Scheduled Completion	Mechanism	Target
4Q 2007	Cross sell tab bar (Phase 1)	Existing Customers (customized user page)



Customers can also reach each of our service sites from their own customized page

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Growth Strategy in the Internet Infrastructure Segment

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①Internet Infrastructure

②Internet Media

Cross sell strategy (III) – Push sales employing customer database

Scheduled Completion	Mechanism	Target
3Q 2008	Service Recommendations (Phase 2)	Existing Customers (customized user page)



Push: Service recommendations appear here

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Launch of database supported web recommendations

1. Summary

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①Internet Infrastructure

②Internet Media

Segment Report

Current State and Growth Strategy

Internet Infrastructure Products

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Domain Business – Key Factors

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

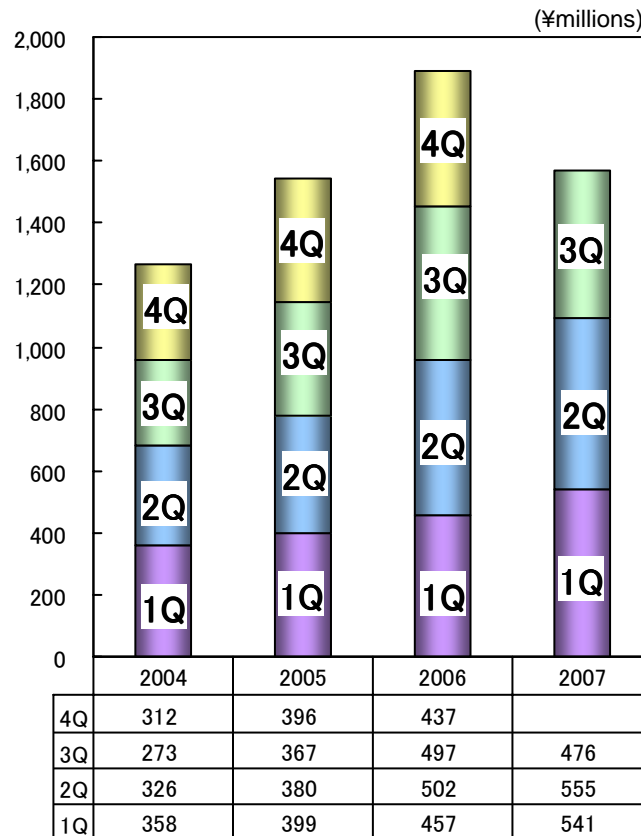
4. Segment Report

①Internet Infrastructure

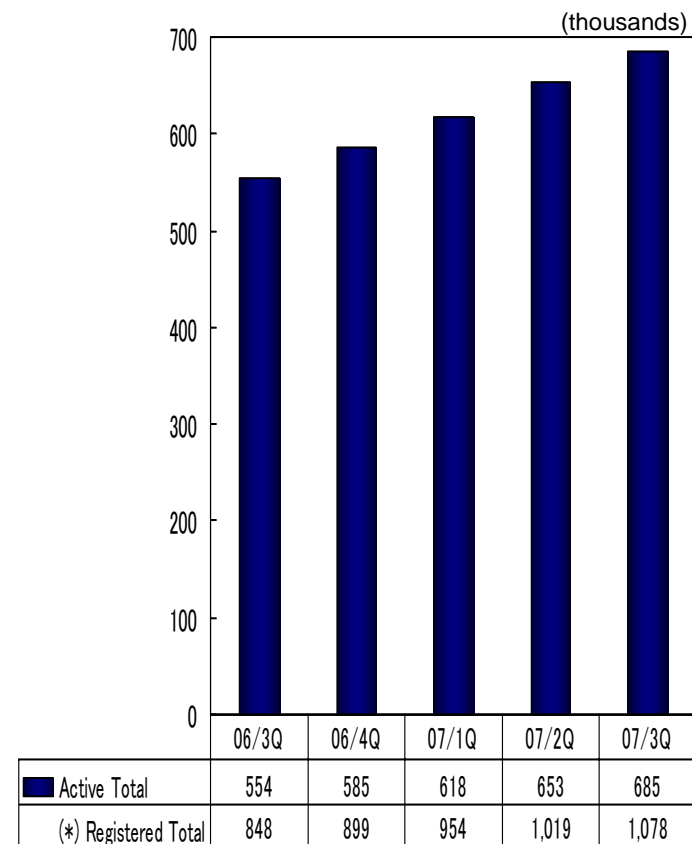
②Internet Media

Sales were ¥1.57 billion at the end of the third quarter (up 7.9% YOY). Domain registrations hit 680,000 (up 23.5% YOY).

Domain Business Sales



Domain Registrations



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Web Hosting Business – Key Factors

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

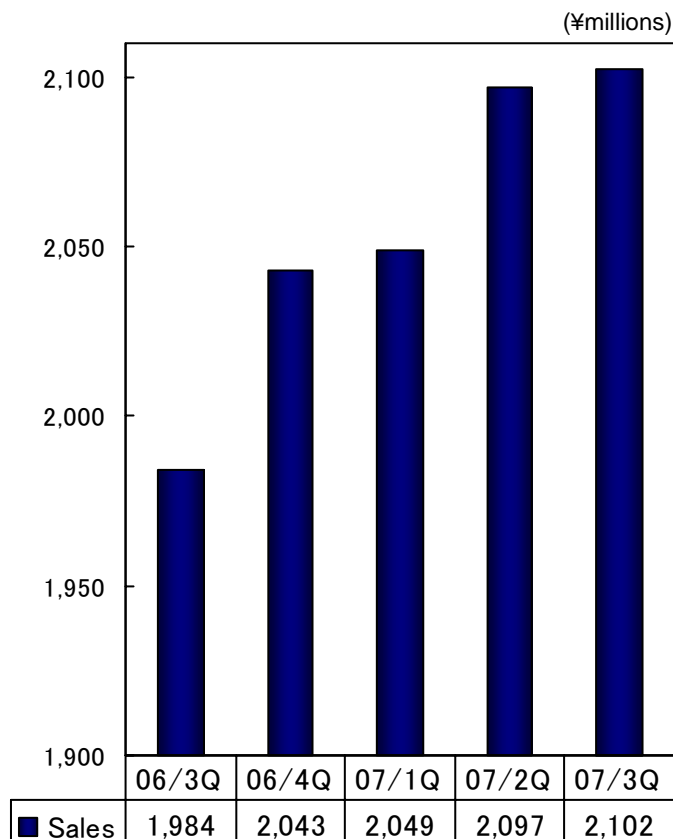
4. Segment Report

①Internet Infrastructure

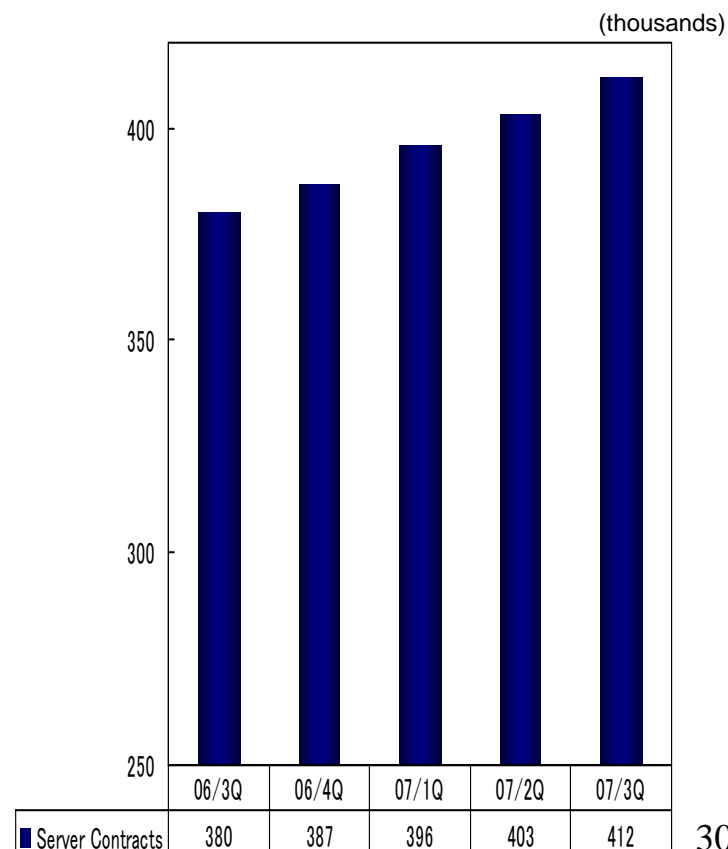
②Internet Media

Sales top **¥2.1 billion** in the third quarter (6.0% year-on-year increase). The number of server contracts has risen 8.4% year-on-year to over **410,000**.

Web Hosting Sales



Web Hosting Contracts



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Web Development and EC Solutions Business – Key Factors

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

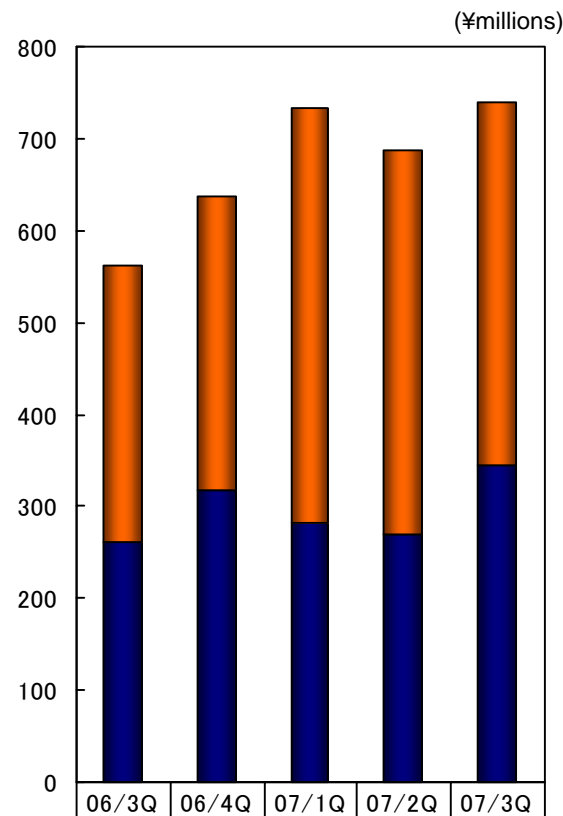
4. Segment Report

① Internet Infrastructure

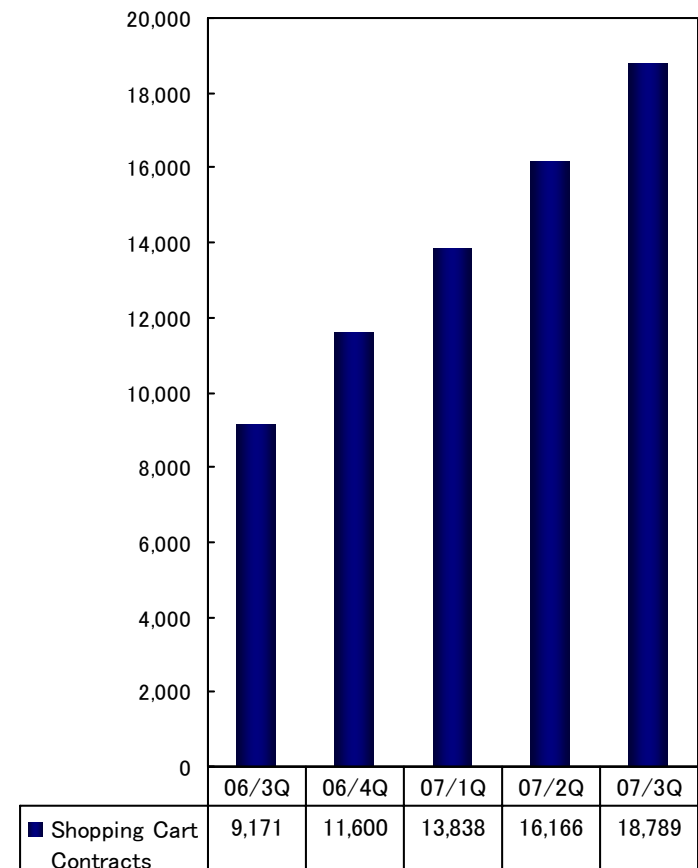
② Internet Media

Contracts up 104.9% year-on-year to over 18,000!

Web Development & EC Solution Sales



E-Commerce Solution Contracts



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Security Business – Key Factors

1. Summary

2. Financial Highlights

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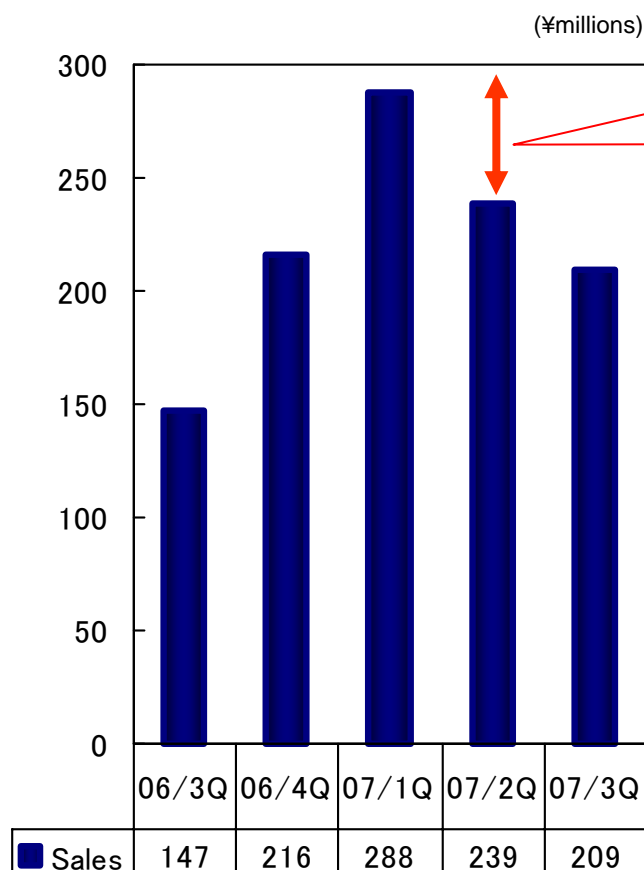
4. Segment Report

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② Internet Media

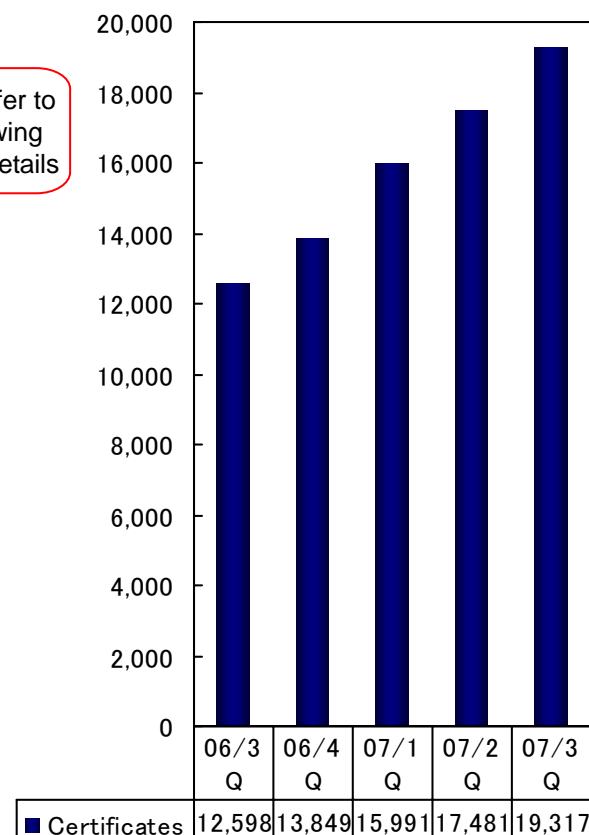
Contracts up 53.3% year-on-year

Security Sales



Please refer to the following page for details

Certificates Issued (domestic only)



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Security Business – Initial Investment

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

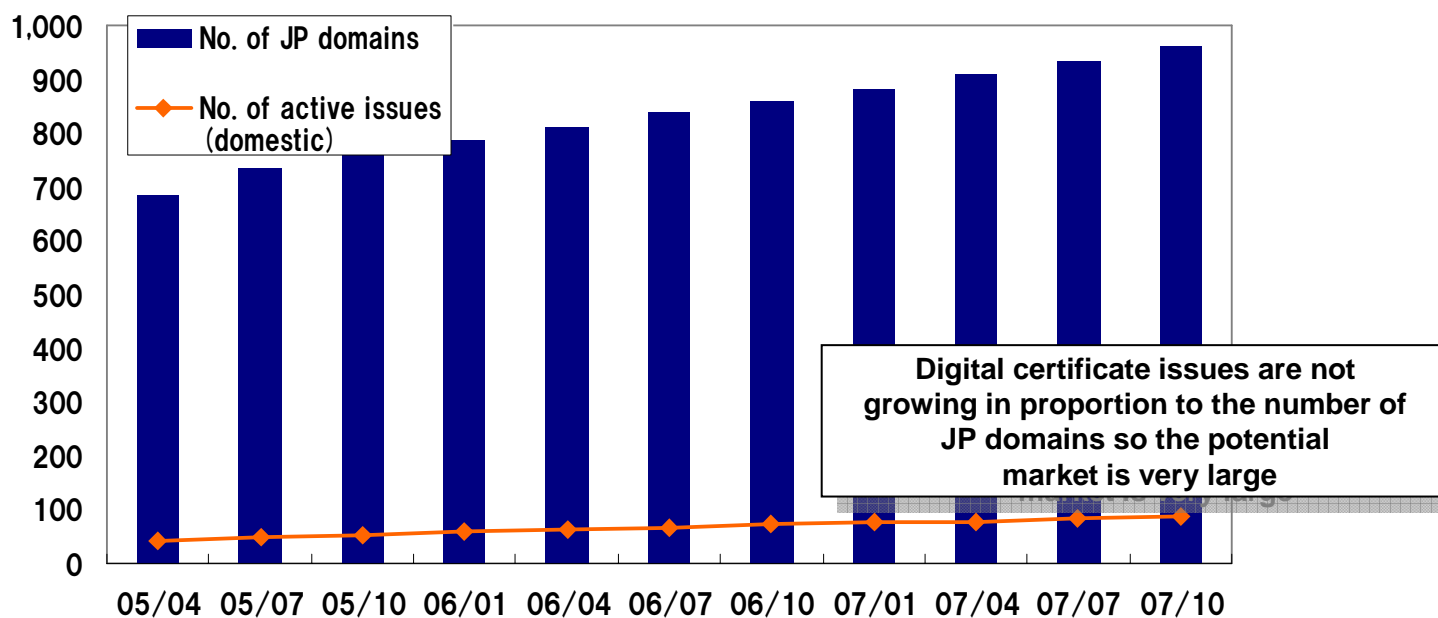
4. Segment Report

①Internet Infrastructure

②Internet Media

High market growth potential and large potential market (I)

(thousands) Comparison: No. of JP Domains VS No. of Certificates Issued in Japan



Digital certificate issues are not growing in proportion to the number of JP domains so the potential market is very large

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Security Business – Initial Investment

1. Summary

2. Financial Highlights

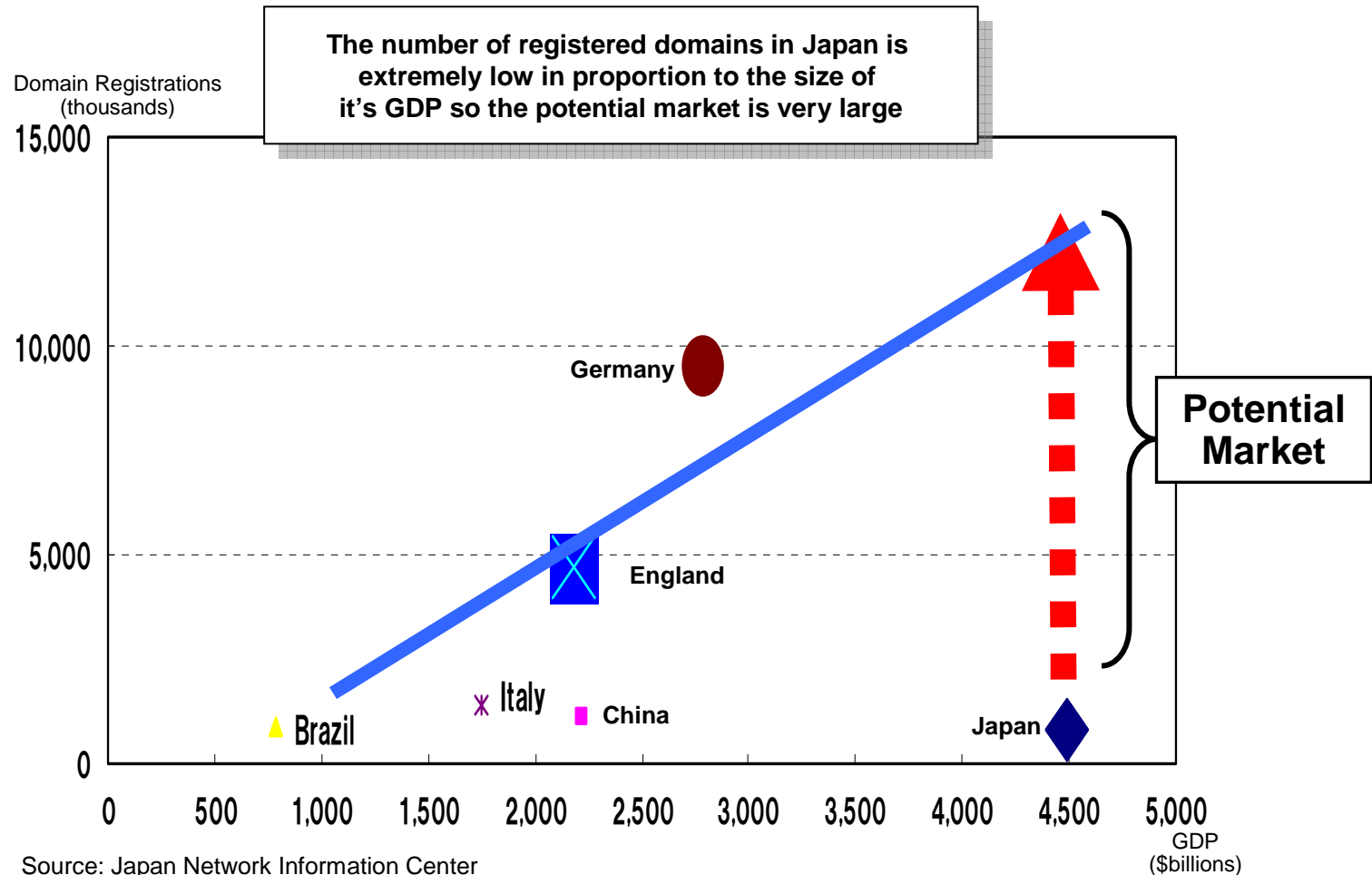
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① Internet Infrastructure

② Internet Media

High market growth potential and large potential market (II)



TSE Stock Code: 9449



Security Business – Initial Investment

1. Summary

2. Financial Highlights

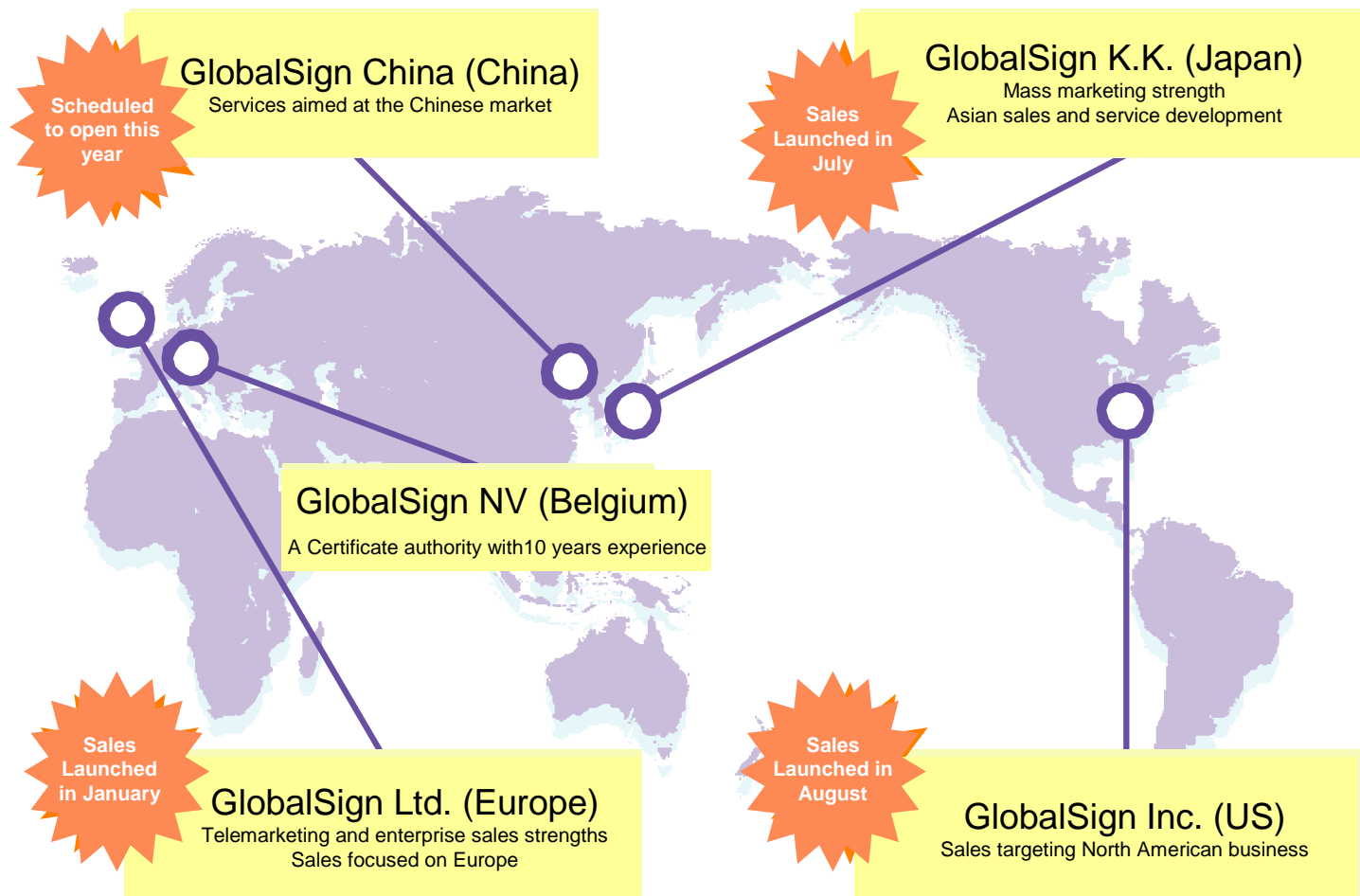
3. Strengths & Business Domains

4. Segment Report

①Internet Infrastructure

②Internet Media

From Certificate Authority distributor to Certificate Authority: Building a global sales network



TSE Stock Code: 9449



Security Business – Initial Investment

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3. Strengths & Business Domains

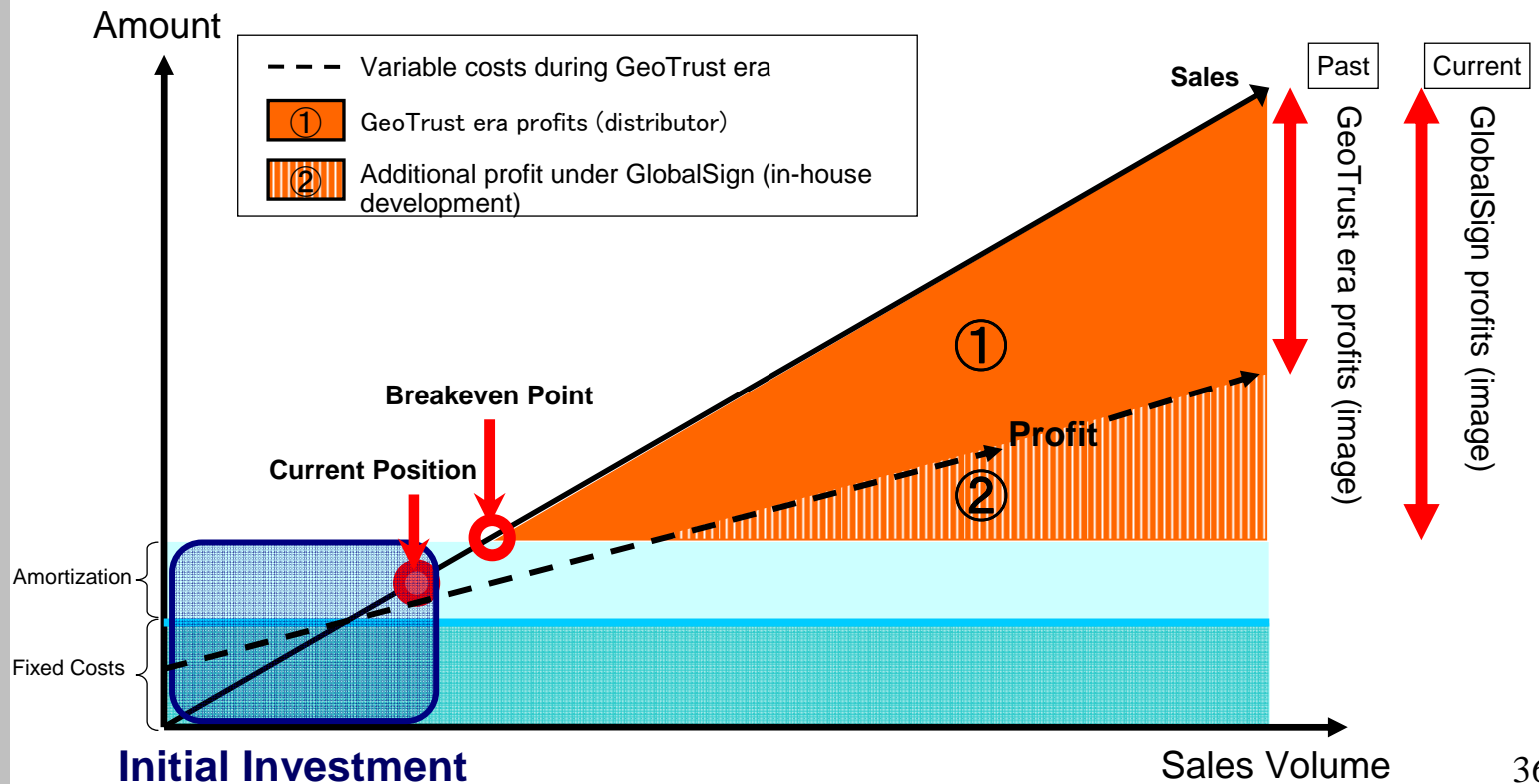
4. Segment Report

① Internet Infrastructure

② Internet Media

Aggressive initial investment in building an even more profitable business

Purpose of Initial Investment	Market: Domestic → Global	Shift the breakeven point Accelerated growth after breaking even
	Cost composition: Distributor → In-house development	



TSE Stock Code: 9449



Security Business – Initial Investment

1. Summary

2. Financial Highlights

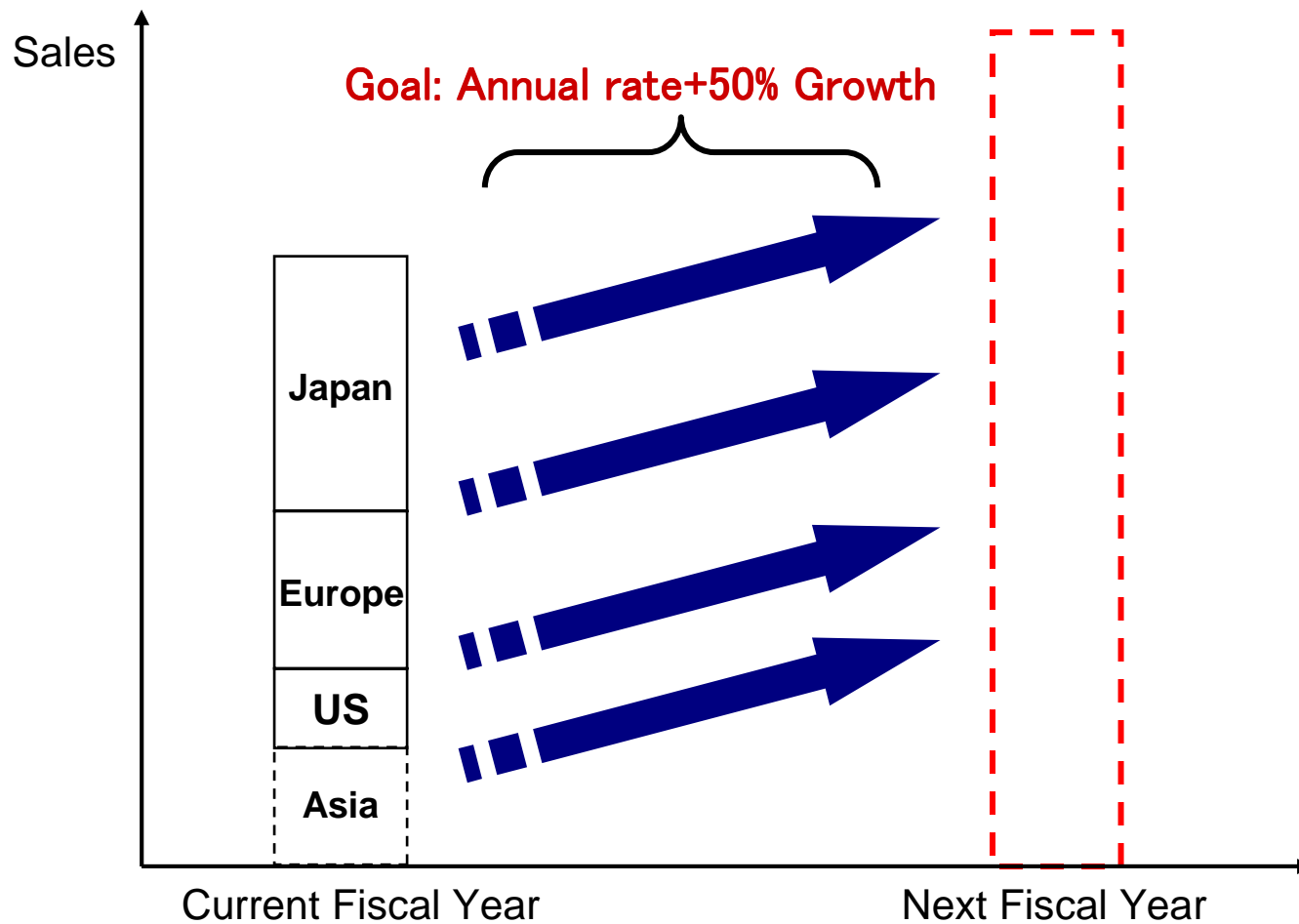
3. Strengths & Business Domains

4. Segment Report

① Internet Infrastructure

② Internet Media

Goal: Annual rate + 50% growth in each market including new markets



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Security Business – Initial Investment

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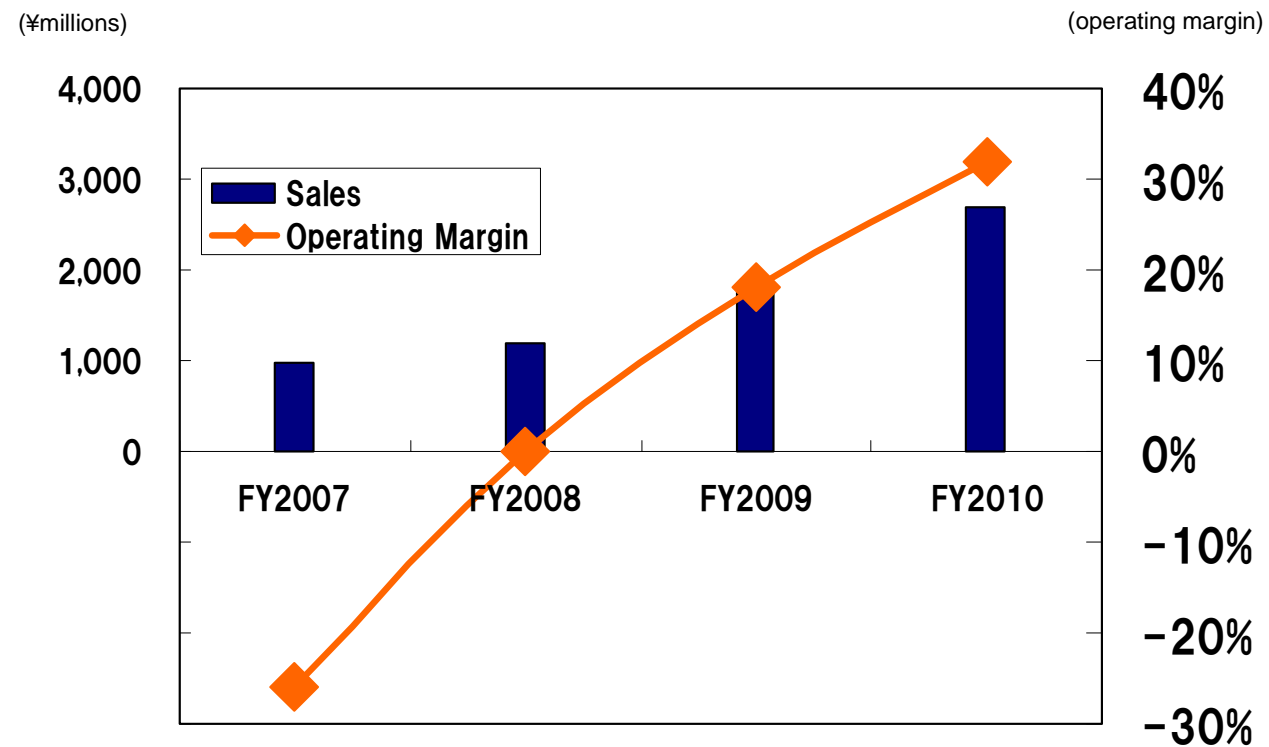
4. Segment Report

①Internet Infrastructure

②Internet Media

High market growth potential and large potential market

- A forecast based on:
- Current cost composition
 - Sales growth of 50% in each market



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Credit Card Payment Processing Business – Key Factors

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

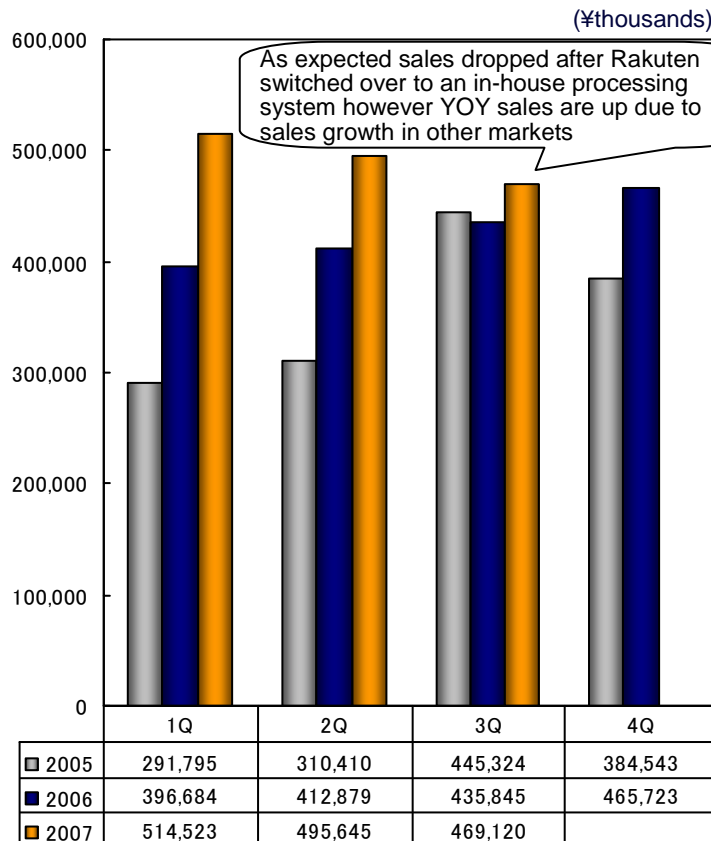
4. Segment Report

① Internet Infrastructure

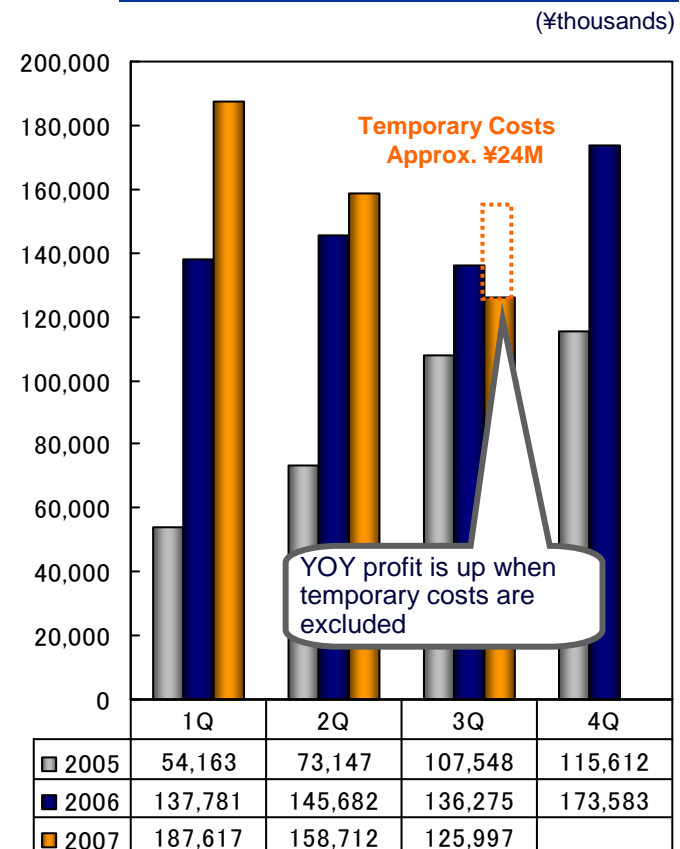
② Internet Media

Consolidated sales up 7.6% year-on-year, ordinary profit up 7.5% Increase in full-year sales and profit (September Financial Statement, GMO Payment Gateway)

Credit Card Payment Processing Sales



Credit Card Payment Processing Ordinary Profit



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*Both graphs based on GMO Payment Gateway figures up to the 3rd quarter of 2005, and consolidated figures from the 4th quarter of 2005

Credit Card Payment Processing Business - Strategic Progress

1. Summary

2. Financial Highlights

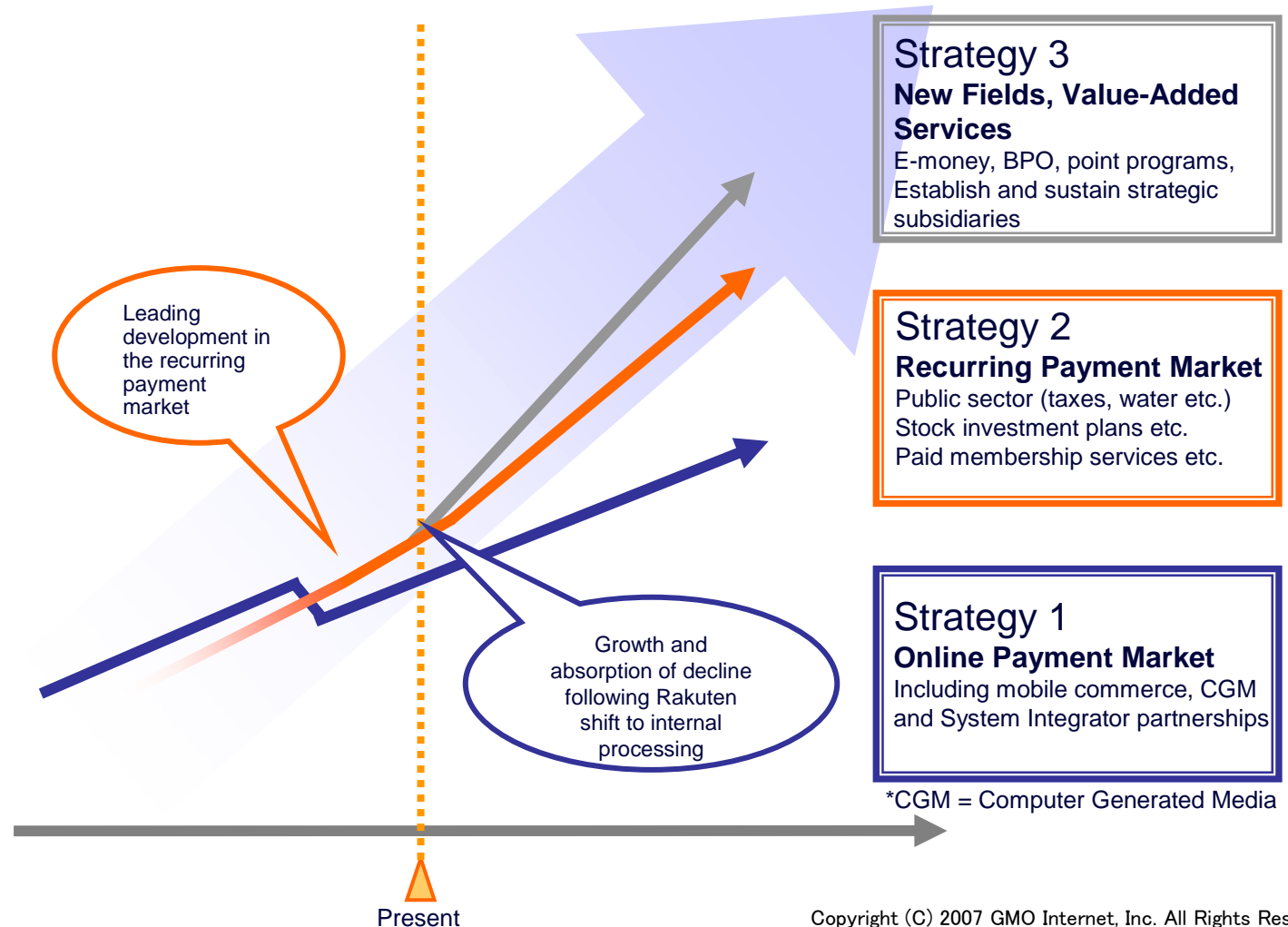
3. Strengths & Business Domains

4. Segment Report

①Internet Infrastructure

②Internet Media

New growth driver - online payments. We aim to further expand the recurring payment market and introduce services in new fields.



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1. Summary

2. Financial Highlights

3. Strengths &
Business Domains

4. Segment Report

①Internet Infrastructure

②Internet Media

Segment Report

Current State and Growth Strategy

② Internet Advertising Support (Media)

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Business Performance - Internet Media Segment Sales

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

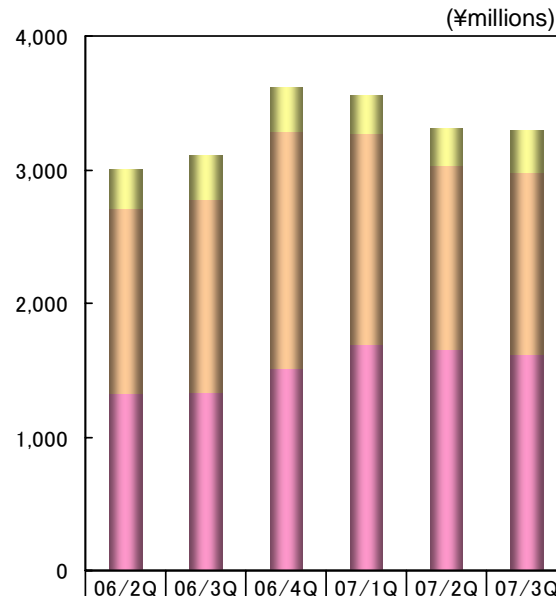
4. Segment Report

① Internet Infrastructure

② Internet Media

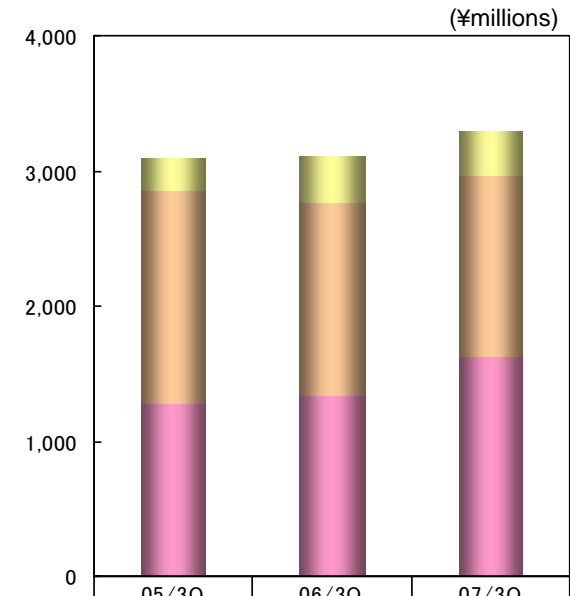
Sales up 10.2% year on year. Strong performance in the Media and Search Media business.

Internet Media Sales Quarterly Change



	06/2Q	06/3Q	06/4Q	07/1Q	07/2Q	07/3Q
Other	294	330	331	279	283	318
Advertising Agencies	1,388	1,438	1,764	1,583	1,365	1,352
Media & Search Media	1,324	1,336	1,521	1,694	1,662	1,623

Internet Media Sales Year-on-Year



	05/3Q	06/3Q	07/3Q
Other	236	330	318
Advertising Agencies	1,581	1,438	1,352
Media & Search Media	1,276	1,336	1,623

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*As of the current consolidated accounting term operations have been reclassified due to changes in the composition of existing businesses and the significance of each business to the group.

The Internet Media & Search Media business is composed of the former Internet Media Construction and JWord businesses. The Other classification now also includes the former Online Games business.

Business Performance - Internet Media Segment Operating Profit

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

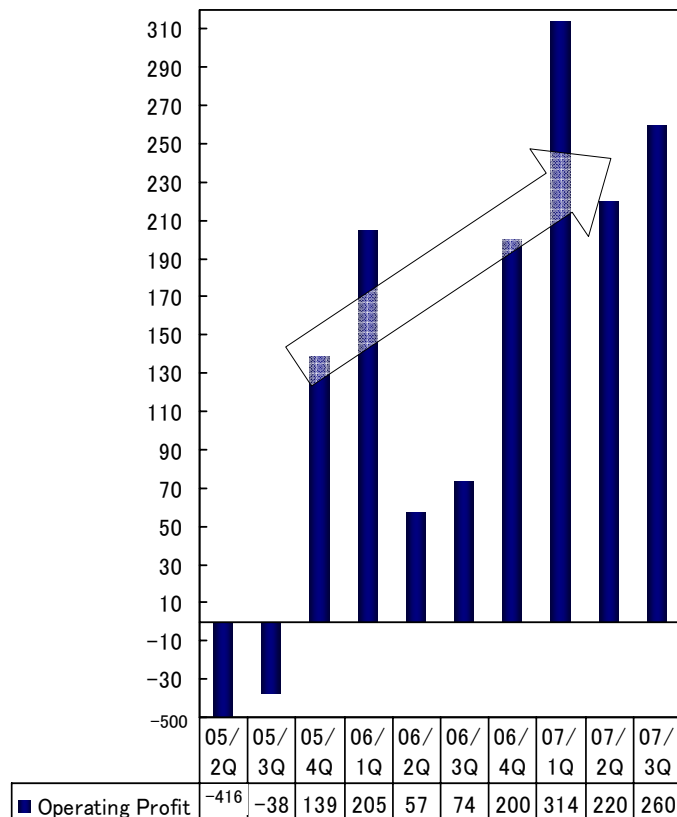
4. Segment Report

① Internet Infrastructure

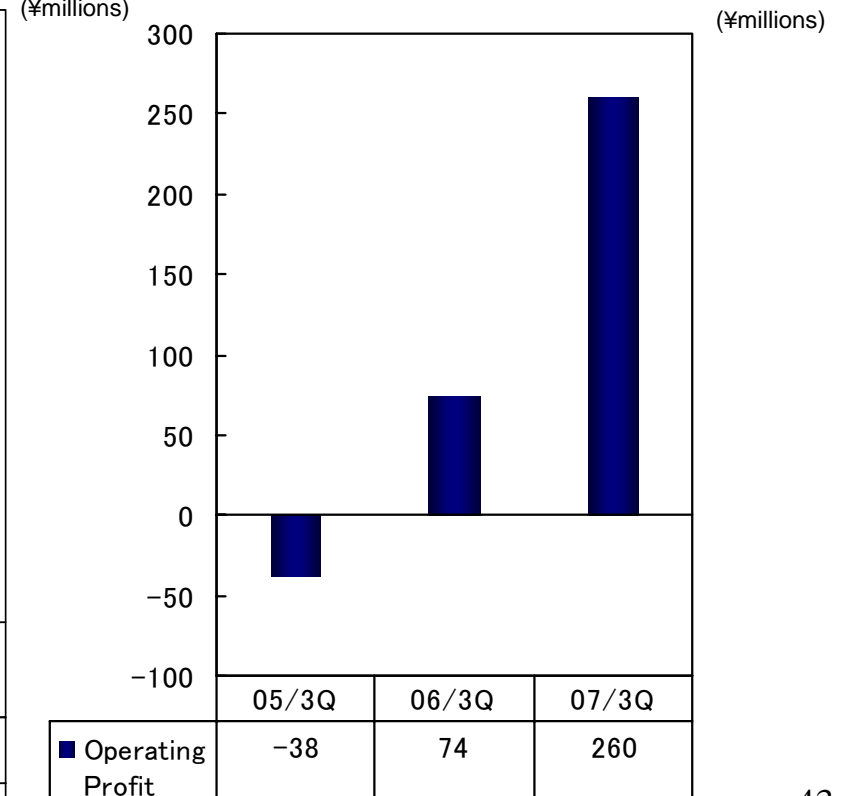
② Internet Media

Operating profit up 251% year-on-year
Strong performance in the high margin Overture business

Internet Media Operating Profit Quarterly Change



Internet Media Operating Profit Year-on-Year



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Internet Media – users in this segment

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

4. Segment Report

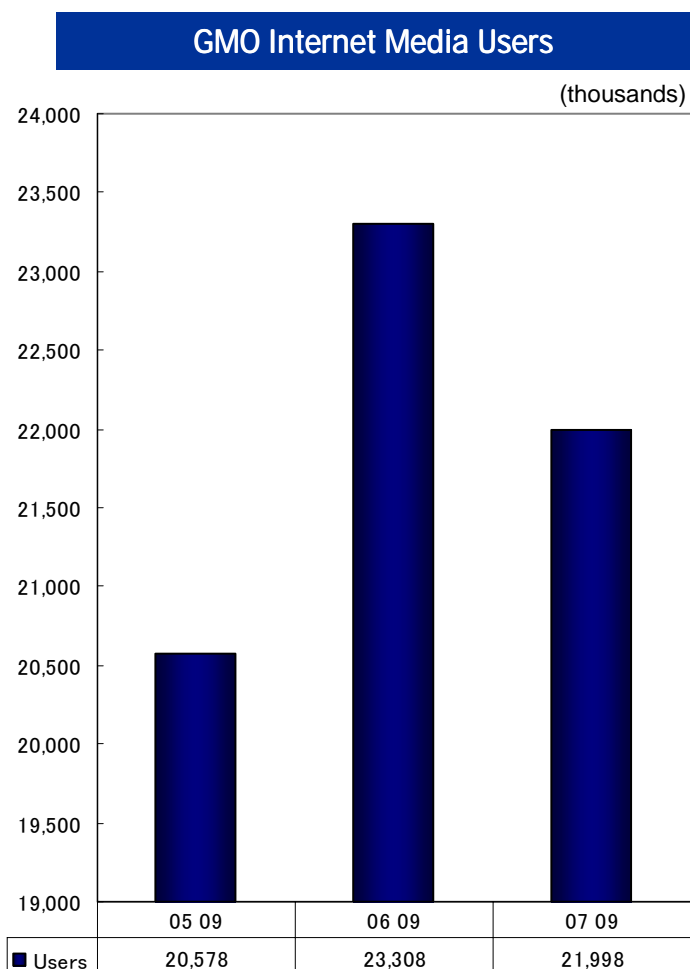
① Internet Infrastructure

② Internet Media

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21.99 million users!



Media Users

Property	Users	Reach (%)	Page View Ranking
Yahoo!	41,283	88.62	1
Rakuten	26,606	57.11	2
Google	25,837	55.46	3
NTT.Com	24,424	52.43	5
Microsoft	22,767	48.87	8
GMO	21,998	47.22	7
Nifty	21,169	45.44	11
FC2	20,341	43.66	6
NEC	18,749	40.25	10
Livedoor	18,981	40.75	12

*NetRatings, 09/2007 44

Internet Media - Major Internet Media Service Brands

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

4. Segment Report

①Internet Infrastructure

②Internet Media

Services accessed by over one million users* every month

JWord
4.72 million (approx.)



yaplog!
6.27 million (approx.)



JUGEM
7.64 million (approx.)



Teacup
7.7 million (approx.)



kabegami.com
1.96 million (approx.)



freeml
3.4 million (approx.)



FeedBurner
2.6 million (approx.)



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*NetRatings, 09/2007 45

Internet Media – Implementation of the GMO ID

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

4. Segment Report

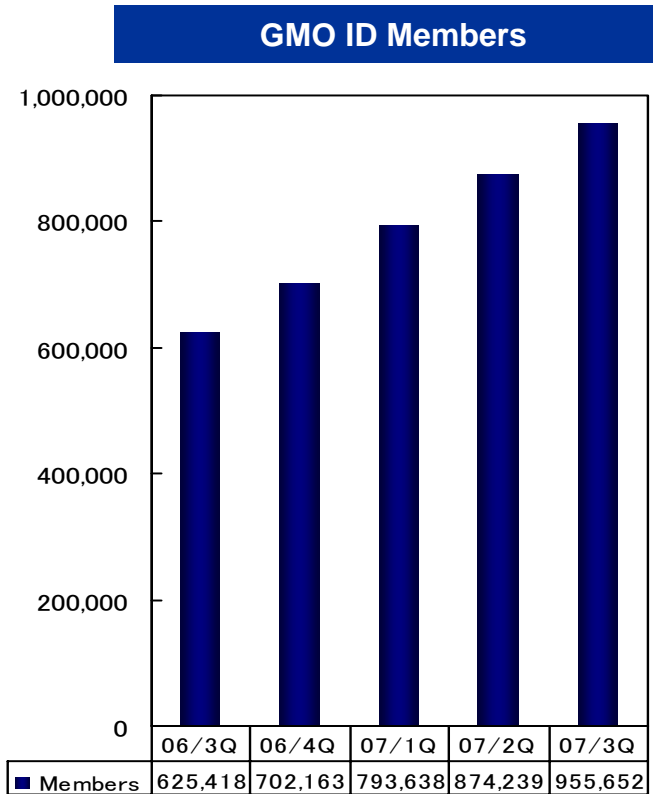
① Internet Infrastructure

② Internet Media

GMO ID integration project: GMO ID membership up 52.8% year-on-year

There are now 2.22 million GMO ID members

In the first quarter of 2008, 4.80 million members of existing services will be converted to the single sign-in ID!



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1. Summary

2. Financial Highlights

3. Strengths &
Business Domains

4. Segment Report

①Internet Infrastructure

②Internet Media

Segment Report

Current State and Growth Strategy

Media Segment Products

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Media & Search Media - Business Performance

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

4. Segment Report

①Internet Infrastructure

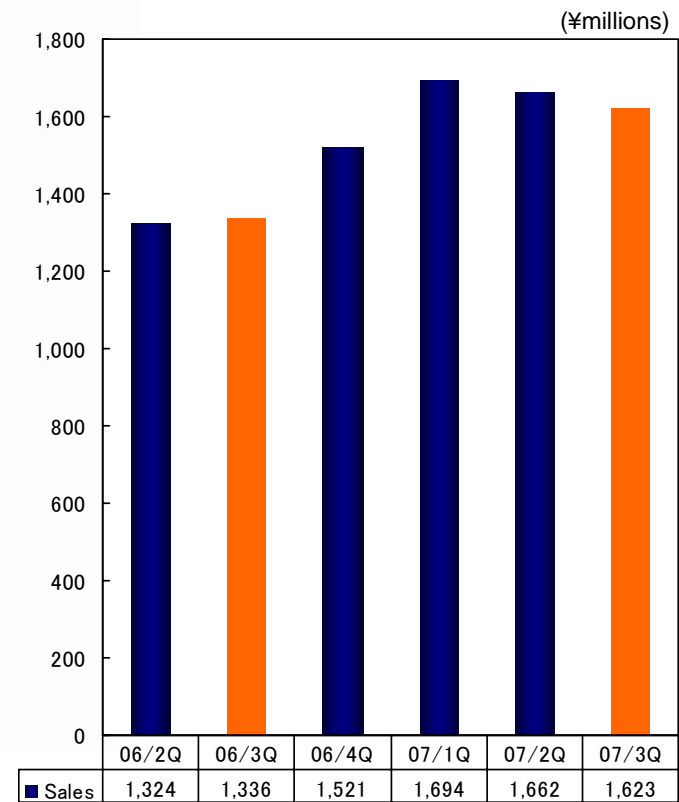
②Internet Media

Strong performance: Sales up 21.4% year-on-year

Media & Search Media Sales Composition (Main)



Media & Search Media Sales Quarterly Change



TSE Stock Code: 9449



Media & Search Media – Search Engine Ranking Services (JWord & SEO)

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

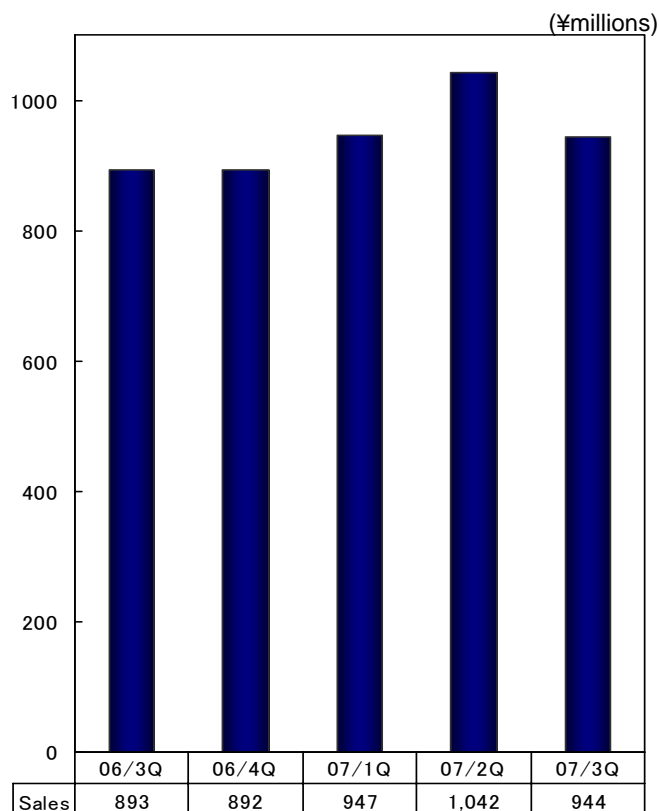
4. Segment Report

① Internet Infrastructure

② Internet Media

Search engine ranking services up 5.7% year-on-year. JWord fourth in user number rankings in Japan (4.23 million users).

Search Ranking Service Sales



Major Portal Site Search Engines

Site	Users (thousands)	Page Views (thousands)
Yahoo! Search	31,892	2,291,036
Google Search	17,974	1,142,529
MSN Search	6,786	16,4193
JWord Search	4,230	44,770
goo Web Search	2,610	76,164
@nifty Search	2,329	60,112
BIGLOBE Search	2,231	130,693
Infoseek Search	1,489	35,672
livedoor Search	1,013	10,587
OCN Search	737	34,161

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Media & Search Media – Search Engine Ranking Services (JWord & SEO)

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

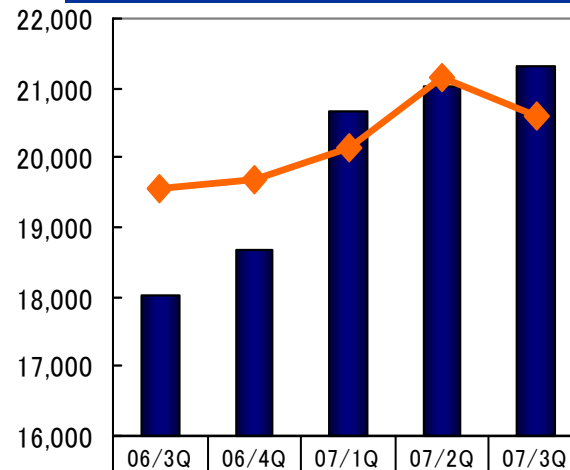
4. Segment Report

① Internet Infrastructure

② Internet Media

Over 20,000 search engine ranking service customers (up 18.2% year-on-year). ARPU at over ¥175,000.

Search Engine Ranking Service Keywords



Keywords (cumulative)	18,038	18,665	20,678	21,024	21,316
Keywords (new + renewals)	4,161	4,287	4,821	6,027	5,380

3rd Quarter Results

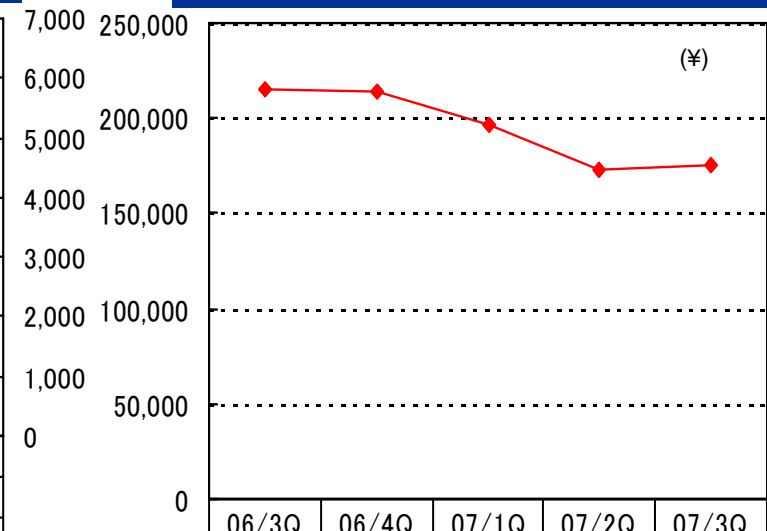
Search Assist (simultaneous search tab bar) service relaunch increases media strength

New exposure on partner sites (infoseek/livedoor)

4th Quarter Plans

New customer acquisition through tie-up with Real Media (Test sales with Sankei newspaper)

Search Engine Ranking Services Monthly ARPU



ARPU (¥)	214,620	214,427	196,573	172,804	175,467
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3rd Quarter Results

Researched effective selling of products with low unit prices (JWord/SEO)

4th Quarter Plans

Increase unit price of low-priced products by offering options and multi-year contracts

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*ARPU per month was reported up until the previous quarter (07/2Q). ARPU per quarter is reported from the current quarter (07/3Q)
 *Keywords: (Total JWord new keywords and renewals in the quarter + the number of keywords in a month based on SEO sales) / Sales: (JWord quarter sales and SEO quarter sales)

Media & Search Media – Overture

1. Summary

2. Financial Highlights

3. Strengths & Business Domains

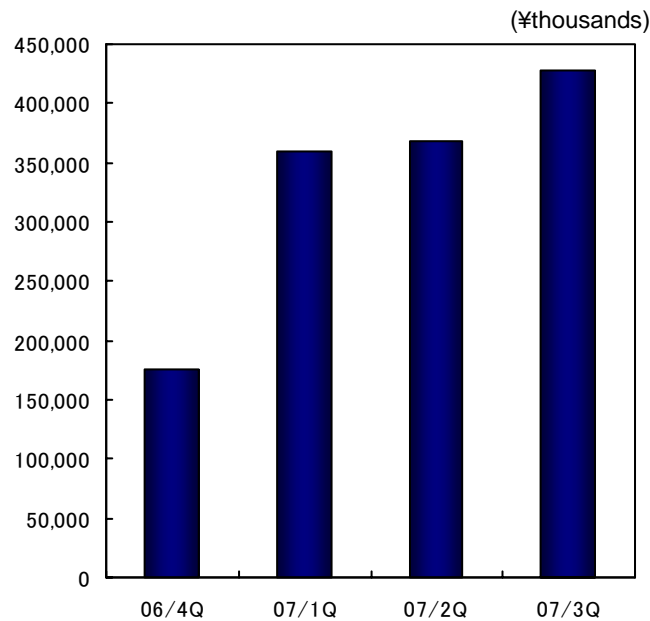
4. Segment Report

① Internet Infrastructure

② Internet Media

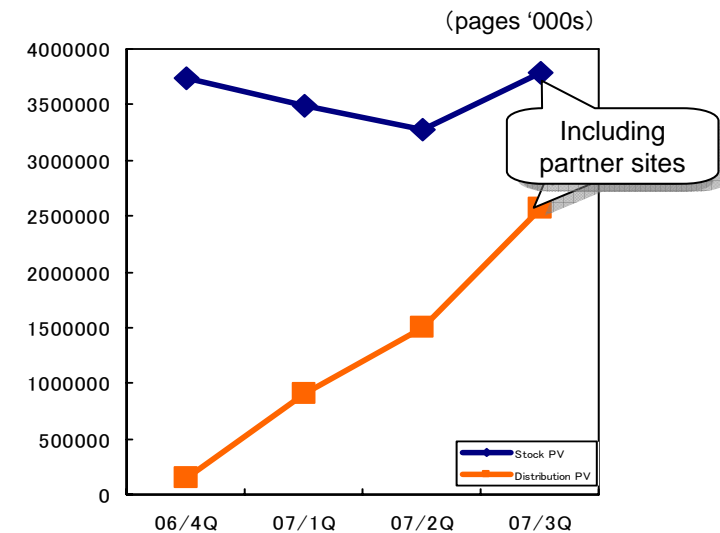
¥420 million sales resulting from the Overture partnership in the third quarter

Overture Partnership Sales (Net Sales)



Entering the growth phase after impact of conversion to Panama (Overture advertising distribution system) subsides

Stock PV & Distribution PV



3rd Quarter Results

- 1) Partner site syndication
- 2) Expansion of mobile media advertising

4th Quarter Plans

- 1) Partner site syndication
- 2) Increased exposure of keyword advertising
- 3) Increased advertising spaces (mail media sites)

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*For business development reasons we do not disclose CTR or CPC
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