

# Third Quarter Results Presentation for the 2007 Fiscal Year

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November 14, 2007

GMO Internet, Inc.

(TSE First Section: 9449)

◆ Supplementary Materials ◆



Internet for Everyone

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

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1. GMO Internet Group

2. Internet Infrastructure

3. Internet Media

4. Internet Finance

# 1. GMO Internet Group

TSE Stock Code: 9449



# FY2007 3Q Financial Statement – Scope of Consolidation

1. GMO Internet Group

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Business Segment	2007 Fiscal Year 2nd Quarter		2007 Fiscal Year 3rd Quarter		Notes
	Company Name	Proportion of Voting Rights (%)	Company Name	Proportion of Voting Rights (%)	
Internet Use Support (Infrastructure)	GMO Internet, Inc.	Parent Company	GMO Internet, Inc.	Parent Company	New
	GMO Hosting & Security, Inc.	63.2	GMO Hosting & Security, Inc.	51.3	
	Global Sign Ltd. (England)	(100.0)	GlobalSign K.K.	(88.2)	
	GlobalSign NV (Belgium)	(100.0)	GlobalSign Ltd. (England)	(100.0)	
	GlobalSign K.K.	(88.2)	GlobalSign NV (Belgium)	(100.0)	
	Grandsphere Co. Ltd.	92.5	GlobalSign, Inc. (US)	(100.0)	
	Hosting & Security, INC. (US)	(51.2)	Grandsphere Co. Ltd.	92.5	
	INTERNET Number Corporation	69.6	Hosting & Security, INC. (US)	(51.2)	
	paperboy&co.	59.6	INTERNET Number Corporation	69.6	
	GMO Payment Gateway, Inc.	52.3	paperboy & co.	59.6	
	@YMC Corporation	(100.0)	GMO Payment Gateway, Inc.	52.3	
	GSS Corporation	(100.0)	@YMC Corporation	(100.0)	
	MakeShop, Inc.	(100.0)	GSS Corporation	(100.0)	
	Epsilon, Inc.	58.7	MakeShop, Inc.	58.7	
	Mighty Server, Inc.	(100.0)	Epsilon, Inc.	(100.0)	
GMO Solution Partner, Inc.	(100.0)	Mighty Server, Inc.	(100.0)		
Global Web Co. Ltd.	76.0	GMO Solution Partner, Inc.	76.0		
	70.0	Global Web Co. Ltd.	70.0		
Internet Advertising Support (Media)	Magclick, Inc.	43.0	Magclick, Inc.	43.0	New
	GMO Research, Inc.	78.2	GMO Research, Inc.	78.2	
	GMO Media Holdings, Inc.	100.0	GMO Media Holdings, Inc.	100.0	
	GMO Media, Inc.	(81.6)	GMO Media, Inc.	(86.3)	
	NETCLUE Co. Ltd. (Korea)	(100.0)	NETCLUE Co. Ltd. (Korea)	(100.0)	
	GMO San Planning, Inc.	(90.0)	GMO San Planning, Inc.	(90.0)	
	Tea Cup Communication Ltd.	51.0	Tea Cup Communication Ltd.	51.0	
	JWord, Inc.	62.7	JWord, Inc.	62.7	
	GMO Ad Networks, Inc.	(100.0)	GMO Ad Networks, Inc.	(100.0)	
	GMO Games, Inc.	100.0	GMO Games, Inc.	100.0	
	BOM Inc.	100.0	BOM, Inc.	100.0	
	GMO Marketing, Inc.	51.0	GMO Marketing, Inc.	51.0	
			GMO Mobile, Inc.	(100.0)	
Internet Finance	GMO LOAN-CREDIT HOLDINGS, Inc.	91.1	GMO Venture Partners, Inc.	100.0	
	GMO NetCard, Inc.	(100.0)	GMO Venture Partners Investment Limited	(71.4)	
	MIKI-SHOJI, Inc.	(100.0)	Partnership	(19.8)	
	Jaxon Finance, Inc.	(100.0)	Blog Business Fund Investment Limited		
	Just Inc. (and 13 other companies)	(100.0)	Partnership		
	GMO Internet Securities, Inc.	90.2			
	GMO Venture Partners, Inc.	100.0			
	GMO Venture Partners Investment Limited Partnership	(31.7)			
Blog Business Fund Investment Limited Partnership	(9.9)				

## Sales Breakdown Under New Business Classification

1. GMO Internet Group

2. Internet Infrastructure

3. Internet Media

4. Internet Finance

Business	2006/3Q	2006/4Q	2007/1Q	2007/2Q	2007/3Q	(¥millions)
<b>◆ Internet Use Support (Infrastructure) ◆</b>						
Access Provider	560	536	521	488	472	
Domain	497	437	541	555	476	
Web Hosting	1,984	2,043	2,049	2,097	2,102	
Web Development & EC Solutions	562	638	733	688	741	
Security	147	216	288	239	209	
Payment Processing	423	450	497	479	449	
Other	190	145	132	105	111	
<b>Segment Total</b>	<b>4,366</b>	<b>4,467</b>	<b>4,764</b>	<b>4,653</b>	<b>4,562</b>	
<b>◆ Internet Advertising Support (Media) ◆</b>						
Internet Media & Search Media	1,336	1,521	1,694	1,662	1,623	
Internet Advertising Agencies	1,438	1,764	1,583	1,365	1,352	
Other	330	331	279	283	318	
Adjustment for transactions between segments	-219	-229	-131	-105	-116	
<b>Segment Total</b>	<b>2,886</b>	<b>3,387</b>	<b>3,426</b>	<b>3,206</b>	<b>3,178</b>	
<b>◆ Internet Finance ◆</b>						
Loans & Credit	5,674	7,077	6,707	6,735	-	
Internet Securities	66	132	246	469	-	
Other	-	10	4	0	1	
<b>Segment Total</b>	<b>5,741</b>	<b>7,220</b>	<b>6,957</b>	<b>7,204</b>	<b>1</b>	
Adjustment for transactions between segments	-97	-174	-88	-94	-57	
<b>Consolidated Sales</b>	<b>12,897</b>	<b>14,901</b>	<b>15,059</b>	<b>14,970</b>	<b>7,685</b>	

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## Sales Breakdown Under Former Business Classification

1. GMO Internet Group

2. Internet Infrastructure

3. Internet Media

4. Internet Finance

Business	2006/3Q	2006/4Q	2007/1Q	2007/2Q	2007/3Q
<b>◆ Internet Use Support (Infrastructure) ◆</b>					
Access Provider	560	536	521	488	472
Domain	497	437	541	555	476
Web Hosting	1,984	2,043	2,049	2,097	2,102
Web Construction	300	321	451	418	395
Security	147	216	288	239	209
Payment Processing	423	450	497	479	449
E-Commerce Support	262	317	282	269	345
Corporate Communications	104	53	51	17	25
Other	86	91	81	87	85
<b>Segment Total</b>	<b>4,366</b>	<b>4,467</b>	<b>4,764</b>	<b>4,653</b>	<b>4,562</b>
<b>◆ Internet Advertising Support (Media) ◆</b>					
Internet Media Construction	443	601	697	570	614
Internet Advertising Sales	1,438	1,764	1,583	1,365	1,352
JWord	893	919	997	1,092	1,009
Online Games	237	214	135	141	148
Other	93	116	143	142	169
<b>Adjustment for Internal Transactions</b>	<b>-219</b>	<b>-229</b>	<b>-131</b>	<b>-105</b>	<b>-116</b>
<b>Segment Total</b>	<b>2,886</b>	<b>3,387</b>	<b>3,426</b>	<b>3,206</b>	<b>3,178</b>
<b>◆ Internet Finance ◆</b>					
Internet Finance	5,741	7,220	6,957	7,204	1
<b>Segment Total</b>	<b>5,741</b>	<b>7,220</b>	<b>6,957</b>	<b>7,204</b>	<b>1</b>
<b>Adjustment for Internal Transactions</b>	<b>-97</b>	<b>-174</b>	<b>-88</b>	<b>-94</b>	<b>-57</b>
<b>Consolidated Sales</b>	<b>12,897</b>	<b>14,901</b>	<b>15,059</b>	<b>14,970</b>	<b>7,685</b>

(¥millions)

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# Changes in Costs and Cost Composition (Consolidated)

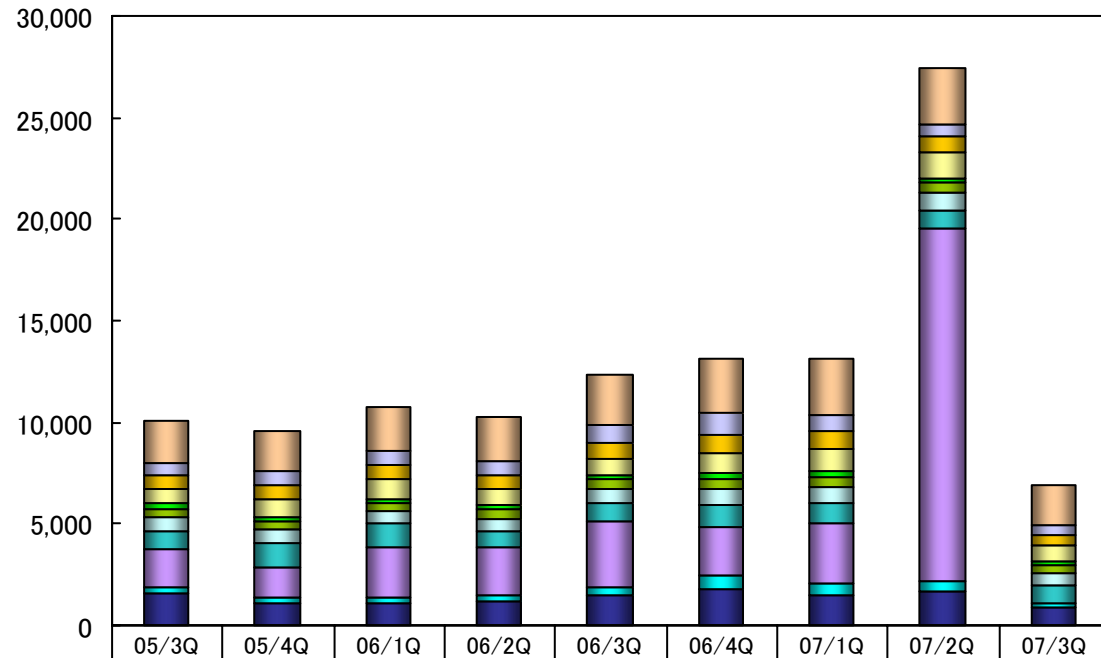
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3. Internet Media

4. Internet Finance

(¥millions)



	05/3Q	05/4Q	06/1Q	06/2Q	06/3Q	06/4Q	07/1Q	07/2Q	07/3Q
Business Expenses + SGA Total	10,077	9,620	10,732	10,301	12,360	13,176	13,116	27,408	6,958
Human Resource Costs	2,060	2,019	2,138	2,245	2,441	2,753	2,700	2,767	2,065
Advertising and Promotion Costs	642	688	666	620	897	1,049	802	573	427
Depreciation and Rental Costs	698	710	731	753	821	910	916	771	517
Outsourcing / Sub-contracting Expenses	696	839	977	768	792	935	1,107	1,254	825
Communication Costs	234	213	211	221	239	297	254	243	133
Rent	428	421	400	431	465	514	508	519	437
Commission Paid	655	653	541	626	706	780	806	853	609
Media Costs	944	1,222	1,180	827	849	1,054	966	836	810
Finance Expenses / Bad Debt Costs	1,839	1,452	2,474	2,283	3,283	2,431	3,020	17,380	15
Consolidated Adjustment Account	338	326	333	333	414	630	545	555	208
Other	1,539	1,071	1,076	1,190	1,447	1,819	1,487	1,653	904

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# No. of Employees, Sales/Ordinary Profit per Employee (Consolidated)

1. GMO Internet Group

2. Internet Infrastructure

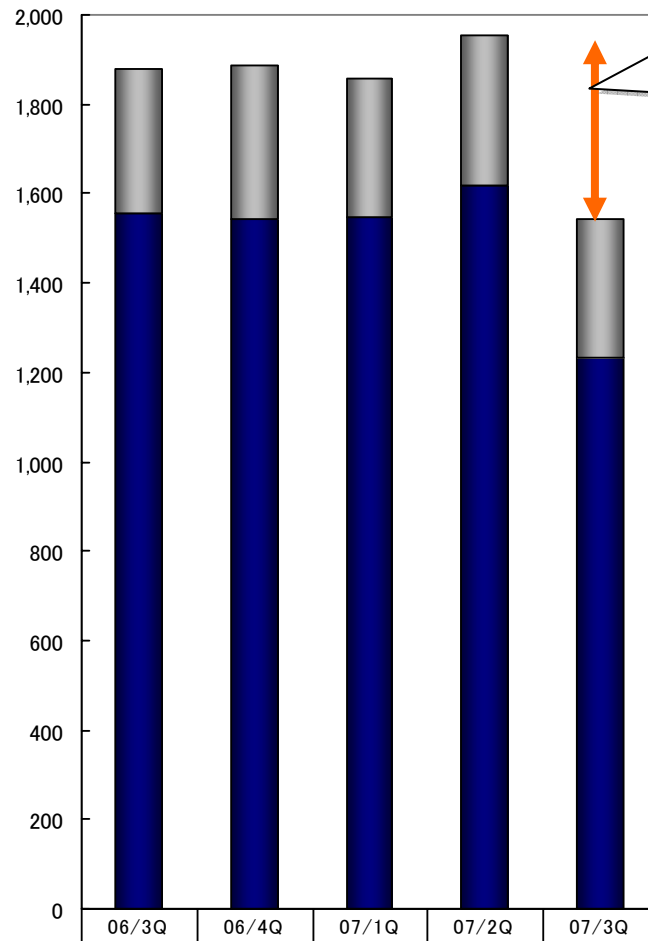
3. Internet Media

4. Internet Finance

TSE Stock Code: 9449

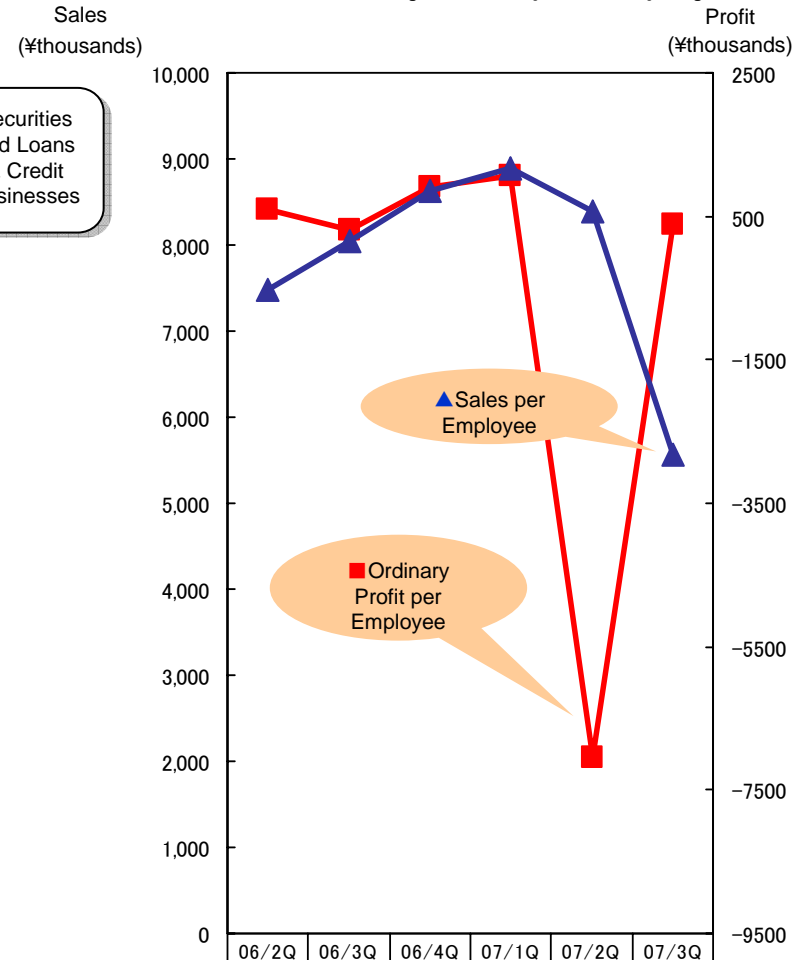


### Number of Employees



Securities and Loans & Credit Businesses

### Sales and Ordinary Profit per Employee



\*Average Number of Employees: Full-time employees are counted as 1 and part-time employees are counted as 0.5.

\*No. of Employees represents the figure at the end of each period.

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## 2. Internet Use Support (Infrastructure)

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# Domain Registration

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2. Internet Infrastructure

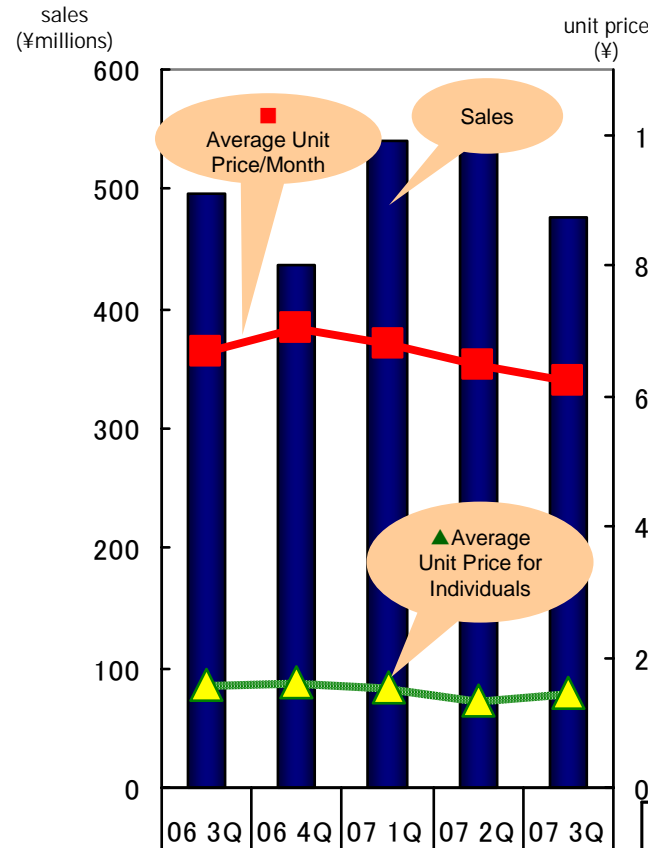
3. Internet Media

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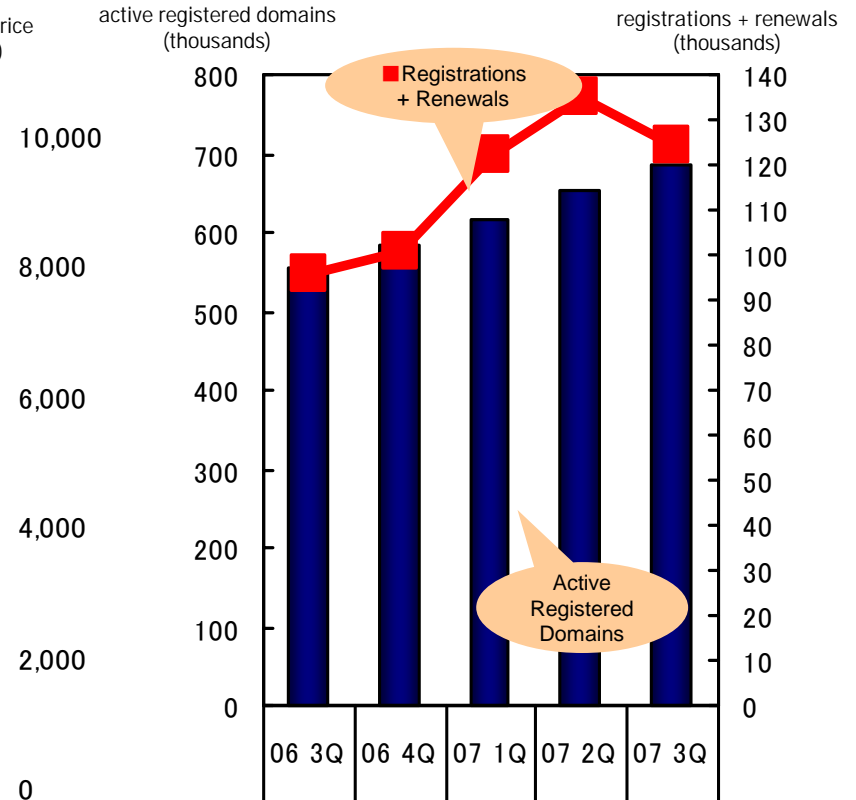


## Sales



Sales	497	437	541	555	476
Average Unit Price/Month	6,667	7,038	6,814	6,474	6,240
Average Unit Price for Individuals	1,586	1,605	1,540	1,343	1,467

## Domain Registrations



Active Registered Domains	554	585	618	653	685
Registrations + Renewals	96	101	122	135	124
(*) Cumulative Registrations Total	848	899	954	1,019	1,078

# New Domains and Domain Renewals

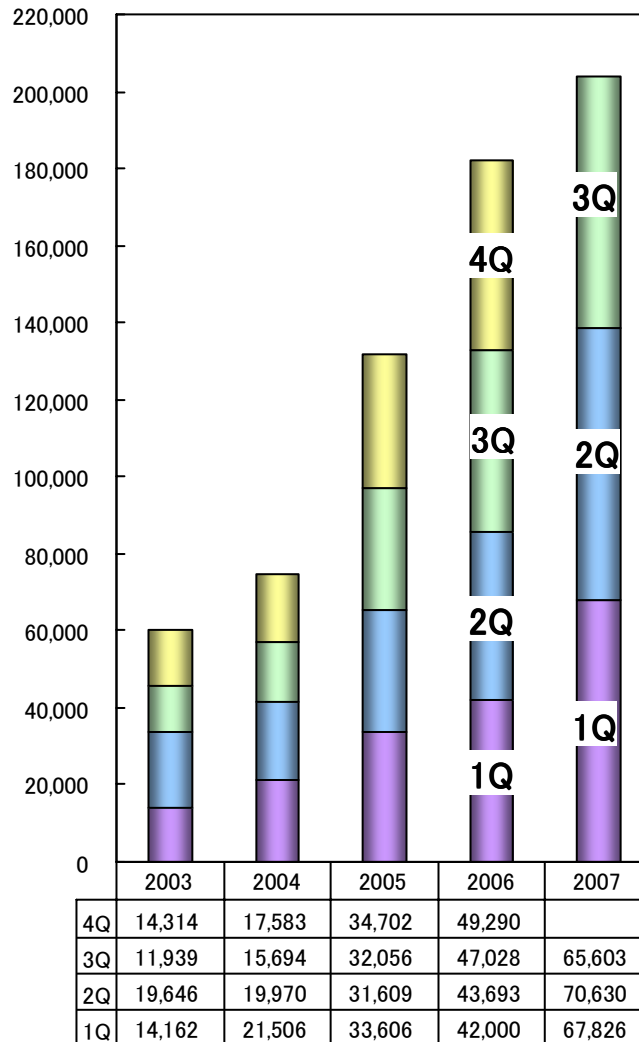
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2. Internet Infrastructure

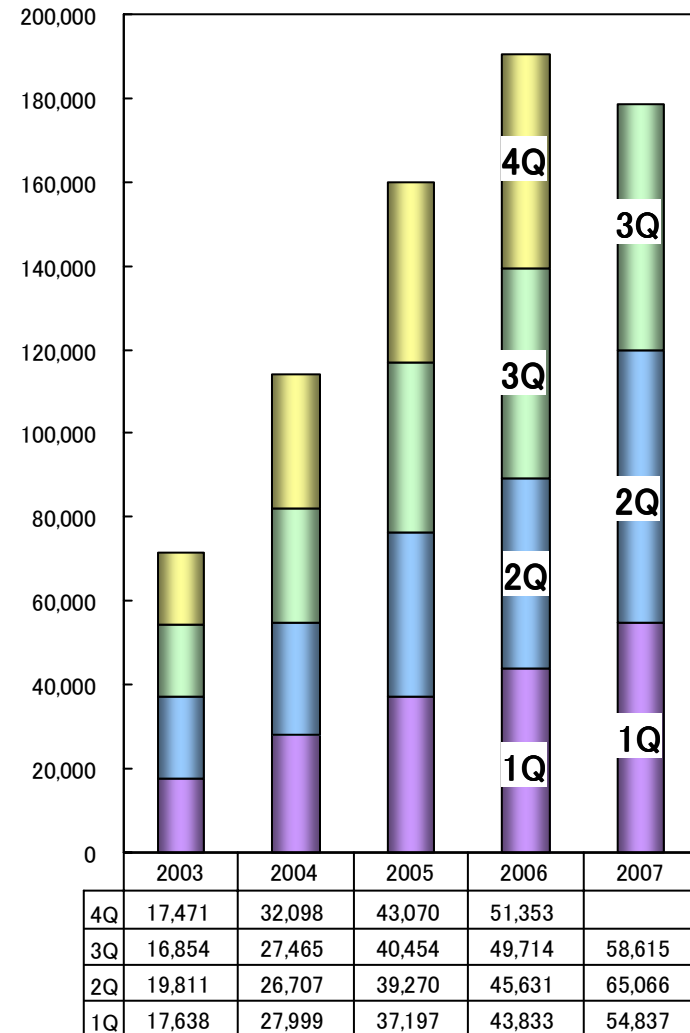
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### Renewals



### New Domain Registrations



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# Web Hosting

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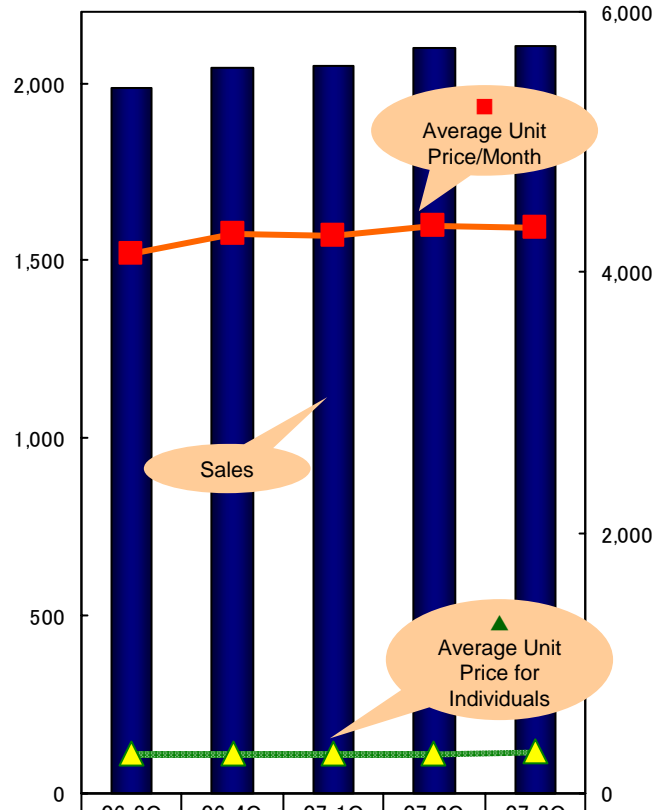
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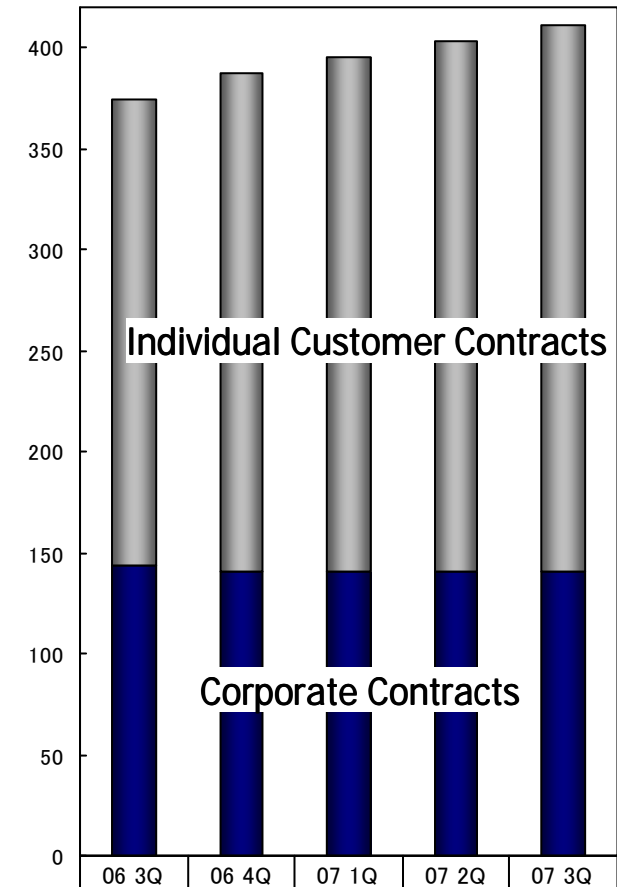


**Sales**  
sales (¥millions)      unit price (¥) (thousands)



	06 3Q	06 4Q	07 1Q	07 2Q	07 3Q
Sales	1,984	2,043	2,049	2,097	2,102
Average Unit Price	4,149	4,295	4,283	4,361	4,342
Average Unit Price for Individuals	307	305	308	313	320

**No. of Contracts**  
(thousands)



	06 3Q	06 4Q	07 1Q	07 2Q	07 3Q
Individual Contracts	230	246	254	262	270
Corporate Contracts	144	141	141	141	141

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## 2. Internet Advertising Support (Media)

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# Internet Advertising Agencies

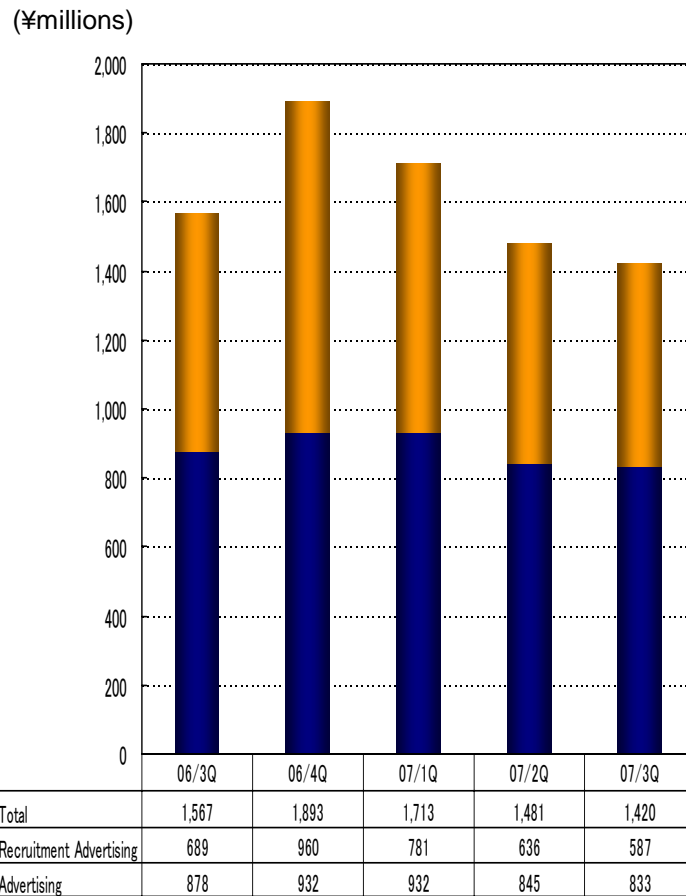
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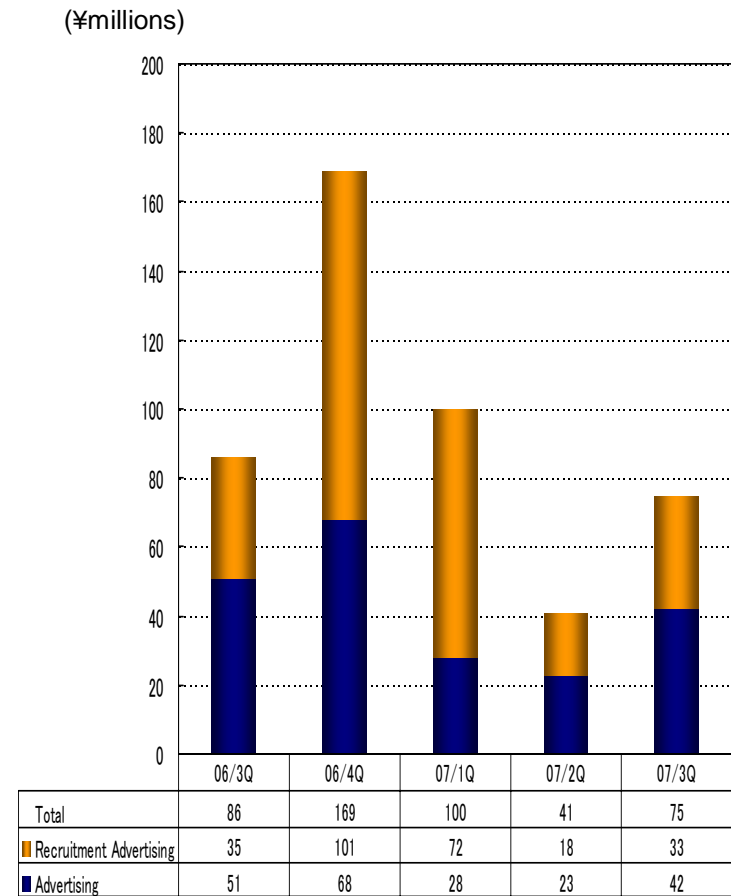
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## Internet Advertising Agency Sales



\*Figures shown as released by Magclick, Inc.

## Internet Advertising Agency Ordinary Profit



\*Figures shown as released by Magclick, Inc.

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