Fiscal Year 2016 Results Presentation



STOCK CODE: 9449

Supplementary Materials

February, 6 2017

Significant Group Companies



136 Group Companies (107 consolidated, 21 non-consolidated, 4 equity method affiliates, 4 non-equity method affiliates)

GMO Payment Gateway, Inc. (Western Japan Sales Office) GMO Solution Partner, Inc.

(Osaka Sales Office)

GMO DigiRock, Inc.

GMO CLOUD, Inc. (Shimonoseki Branch) GMO Pepabo, Inc. (Fukuoka Branch) GMO NIKKO, Inc. (Miyazaki Office) GMO Internet, Inc. (Miyazaki Office)

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GMO DIGITAL Lab, Inc.

Internet Infrastructure

- ★GMO Internet, Inc. (TSE:9449)
- ★ GMO Payment Gateway, Inc. (TSE:3769)
- ★GMO CLOUD, Inc. (TSE:3788)
- ★GMO Pepabo Inc. (JASDAQ: 3633)

GlobalSign K.K.

GMO Fast Translation, Inc.

GMO MAKESHOP Co. Ltd.

GMO Commerce, Inc.

GMO Epsilon, Inc.

GMO Payment Services, Inc.

GMO Financialgate,Inc.

GMO Registry, Inc.

GMO System Consulting, Inc.

GMO Creators Network, Inc.

GMO Pepabo OC

GMO Brights Consulting, Inc.(and other companies)

(UK)

GMO-Z.com Trade UK LTD. GMO GlobalSign Ltd.

(Belgium)

GlobalSign NV (CA)

(China)

GlobalSign China

(Hong Kong)
GMO-Z.com Forex HK Limited.

(US)

GMO GlobalSign, Inc.

GMO Game Center USA, Inc.

(Myanmar)

GMO-Z.com ACE Co. Ltd.

(Thailand)

GMO-Z.com Net Design Holdings Co.,Ltd

(Vietnam)

GMO RunSystem JSC

GMO Vietnam Lab Center Co. Ltd.

(Philippines)

GMO GlobalSign Inc.

(Singapore)

GMO-Z.com Pte. Ltd.

GMO GlobalSign Pte. Ltd.

GMO PAYMENT GATEWAY Pte. Ltd.

(malaysia)

MACRO KIOSK BERHAD

Online Advertising & Media

- ★GMO AD Partners, Inc. (JASDAQ:4784)
 - GMO NIKKO, Inc.

GMO AD Marketing

GMO Insight, Inc.

- ★ GMO Research, Inc. (MOTHERS: 3695)
- ★ GMO Media, Inc. (MOTHERS: 6180)
 - GMO Solution Partner, Inc.
- ★ GMO TECH, Inc. (MOTHERS: 6026)

GMO INNOVATORS, Inc.

GMO Kumapon, Inc. (and other companies)

Internet Securities

★GMO CLICK Holdings , Inc. (JASDAQ:7177) GMO CLICK Securities, Inc.

FX PRIME by GMO Corporation

Incubation

GMO Venture Partners, Inc.

Mobile Entertainment

GMO Game Center, Inc. GMO GamePot, Inc.

(and other companies)

★ Listed Company (total 9 companies)

(as of December 2016)

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Group News (1)



10/5	GMO PAYMENT GATEWAY	A first for Japanese banks: GMO-PG teams up with the Bank of Yokohama to jointly develop a smartphone payment service that links directly to bank accounts.
10/25	GMO PEPABO inc.	GMO Pepabo's handmade market "minne" adds "Apple Pay" as one of its payment methods.
11/1	GMO PAYMENT GATEWAY	GMO Payment Gateway adds its "GMO Pay Later" service as a payment option on one of Japan's largest online fashion stores "ZOZOTOWN."
11/7	GMOREGISTRY GlobalSign. GMONTERNETGROUP	The new domain ".shop" begins providing specialized ".shop SSL" server certificates.
11/8	GMO MEDIA	GMO Media launches video SNS app "millemo by GMO," which allows users to communicate their emotions through virtual stickers.
11/16	GMO TECH	O2O App Builder "GMO AppCapsule" strengthens its reservation capabilities by partnering with reservation and customer ledger service "Toreta."
11/29		"Onamae.com" offers the first year of the ".shop" domain's server certificate service ".shop SSL" for free.

Group News (2)



12/9	GMO REGISTRY	Preliminary survey shows that ".shop" domain has surpassed 100,000 domain name registrations.
12/12	GMO COMMERCE	GMO Commerce launches the "GMO Repeater" service, which encourages shoppers to become repeat customers.
12/16	GMO INTERNET	GMO Internet develops a PaaS platform that can create distributed applications via blockchain.
12/20	GMO INTERNET	Two GMO Internet Group companies led a demonstration with Saison Information Systems on how to utilize blockchain technology and IoT.
1/17	GMO INTERNET	The company GMO Wallet is launched as an entry point into the business area of virtual currency exchange and trading services.
1/26	GMOCLICK SEC	GMO Click Securities achieves the No.1 annual FX transaction volume globally, which marks 5 consecutive years of being No.1 since 2012.
1/27	∋M○ CultureIncubatio	Headliners for the electronic dance music festival "EDC JAPAN 2017" are announced! The lineup features 24 artists, including the No.1 ranked DJ globally, Martin Garrix.



GMOPAYMENT GATEWAY

ioris)					
Charle Carda	TSE 1st Section 3769				
Stock Code	I	nternet Infrastructure(Payment)		
	Q1 FYE 9/2016	Q1 FYE 9/2017	FYE 9/2017		
	(3mths to Dec)	(3mths to Dec)	Forecast(Progress)		
Net Sales	2,732	4,346	18,767 (+23.2%)		
Operating Profit	870	1,201	5,013 (+24.0%)		
Ordinary Profit	924	1,109	4,673 (+23.7%)		
Net Profit	596	597	2,762 (+21.6%)		

^{*}Compiled from each companies' quarterly P/L statements





Ct - d. C - d.	JASDAQ Standard 7177						
Stock Code		Internet Securities					
	Q3 FYE 3/2016	Q3 FYE 3/2017	Q3 FYE 3/2017	FYE 3/2017			
	(3 mths to Dec)	(3 mths to Dec)	(9 mths to Dec)	Forecast			
Net Sales	6,762	6,771	20,616				
Operating Profit	2,599	2,309	7,713				
Ordinary Profit	2,597	2,261	7,622				
Net Profit	1,550	1,573	5,287				

^{*}Compiled from each companies' quarterly P/L statements



GMO CLOUD

Clark Carlo	TSE 1st Section 3788					
Stock Code		Internet Infrastructure(Hosting & Cloud, Securit	y)		
	Q4 FYE 12/2015	Q4 FYE 12/2016	FYE 12/2016	FYE 12/2017		
	(3 mths to Dec)	(3 mths to Dec)	(12 mths to Dec)	Forecast (YoY)		
Net Sales	2,997	2,971	11,854	12,000 (+1.2%)		
Operating Profit	240	192	845	950 (+12.4%)		
Ordinary Profit	219	209	795	950		
Net Profit	76	110	490	550 (+12.0%)		

^{*}Compiled from each companies' quarterly P/L statements



GMOAD PARTNERS

Stock Code	JASDAQ Standard 4784							
Stock Code		Online Advertising & Media						
	Q4 FYE 12/2015	Q4 FYE 12/2016	FYE 12/2016	FYE 12/2017				
	(3 mths to Dec)	(3 mths to Dec)	(12 mths to Dec)	Forecast (YoY)				
Net Sales	7,126	7,953	30,737	34,000				
Operating Profit	17	103	497	550 (+10.6%)				
Ordinary Profit	79	102	508	560 (+10.1%)				
Net Profit	▲ 55	\$ 5	128	142 (+10.4%)				

^{*}Compiled from each companies' quarterly P/L statements



GMO PEPABO inc.

Stack Code	JASDAQ Standard 3633					
Stock Code	Internet Infra	astructure (Domain, 1	Hosting & Cloud, Ecomm	erce Solutions)		
	Q4 FYE 12/2015	Q4 FYE 12/2016	FYE 12/2016	FYE 12/2017		
	(3 mths to Dec)	(3 mths to Dec)	(12 mths to Dec)	Forecast (YoY)		
Net Sales	1,572	1,749	6,890	7,650 (+11.0%)		
Operating Profit	▲327	103	108	0		
Ordinary Profit	▲320	102	135	O (-)		
Net Profit	▲ 522	99	153	O (-)		

^{*}Compiled from each companies' quarterly P/L statements



GMORESEARCH

Starl, Carla	TSE MOTHERS 3695					
Stock Code		Online Adver	rtising & Media			
	Q4 FYE 12/2015	Q4 FYE 12/2016	FYE 12/2016	FYE 12/2017		
	(3 mths to Dec)	(3 mths to Dec)	(12 mths to Dec)	Forecast (YoY)		
Net Sales	765	820	3,091	3,490 (+12.9%)		
Operating Profit	91	78	285	325 (+13.7%)		
Ordinary Profit	88	102	279	305 (+9.2%)		
Net Profit	44	▲ 24	77	181 (+133.2%)		

^{*}Compiled from each companies' quarterly P/L statements



GMOTECH

	TSE MOTHERS 6026					
Stock Code		Online Adve	rtising & Media			
	Q4 FYE 12/2015	Q4 FYE 12/2016	FYE 12/2016	FYE 12/2017		
	(3 mths to Dec)	(3 mths to Dec)	(12 mths to Dec)	Forecast (YoY)		
Net Sales	867	641	2,867	3,000 (+4.6%)		
Operating Profit	80	39	33	110 (+228.2%)		
Ordinary Profit	80	37	29	108 (+270.5%)		
Net Profit	49	33	7	65 (+763.0%)		

^{*}Compiled from each companies' quarterly P/L statements



GMOMEDIA

Stack Code	TSE MOTHERS 6180					
Stock Code		Online Adver	tising & Media			
	Q4 FYE 12/2015	Q4 FYE 12/2016	FYE 12/2016	FYE 12/2017		
	(3 mths to Dec)	(3 mths to Dec)	(12 mths to Dec)	Forecast (YoY)		
Net Sales	1,135	1,265	5,304	5,000 (▲ 5.7%)		
Operating Profit	51	90	505	510 (+0.8%)		
Ordinary Profit	42	89	503	505 (+0.3%)		
Net Profit	A 3	49	319	323 (+1.2%)		

^{*}Compiled from each companies' quarterly P/L statements

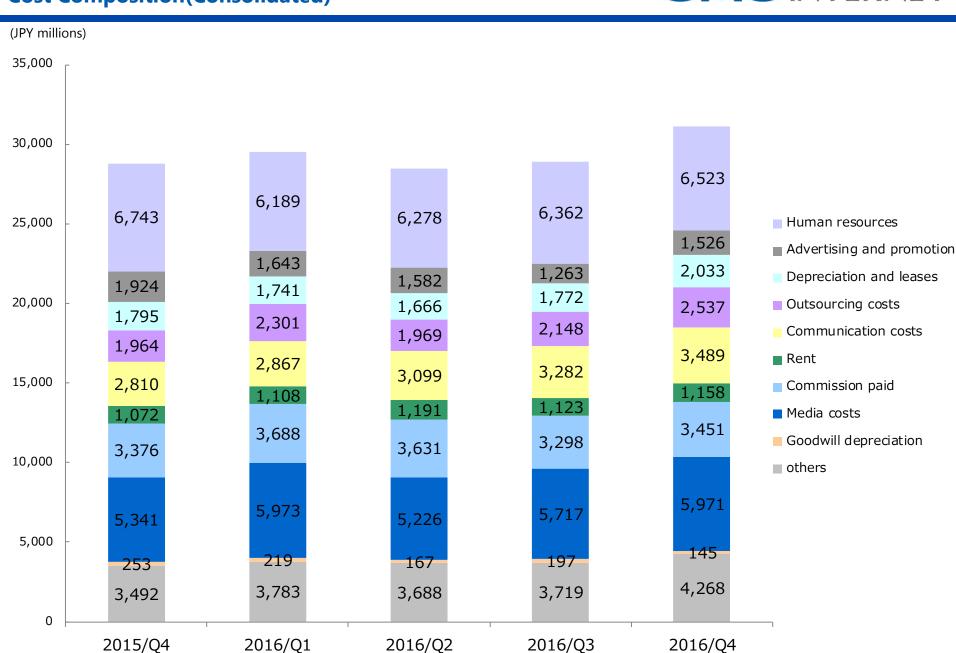
Revenue Breakdown by Segment



(JPY millions) Q4 2015 Q1 2016 Q2 2016 Q3 2016 Q4 2016 ◆Internet Infrastructure Internet provider 2,941 3,057 3,272 3,497 3,653 1,727 1,939 2,045 1,949 1,910 Domain Cloud & hosting 3,539 3,430 3,445 3,451 3,554 1,887 1,883 1,973 2,021 2,299 **Ecommercd** solutions 1,127 1,378 1,255 1,174 1,140 Security Payment 2,649 2,908 2,983 4,243 3,184 979 952 759 Other 962 1,131 14,899 15,323 15,882 16,531 17,677 Segment total ◆Online Advertising & Media Internet media 3,427 3,883 3,540 3,633 3,400 6,237 6,865 6,806 6,983 Online advertising 6,112 669 754 711 695 798 Internet research, other 11,504 10,363 10,333 11,134 11,182 Segment total ◆Internet Securities **Internet Securities** 6,762 6,734 7,808 6,036 6,771 6,762 6,734 7,808 6,036 6,771 Segment total ◆ Mobile Entertainment 780 690 572 472 403 Mobile Entertainment 780 572 472 Segment total 690 403 ◆Incubation 12 27 210 205 Incubation 12 27 210 205 Segment total ♦ Other Businesses Other Businesses 39 44 51 59 39 51 59 Segment total 44 (1,288)(1,122)(1,165)(1,260)(1,158)Internal Transactions Adjustment Consolidated Net Sales 31,502 33,173 33,533 33,176 35,142

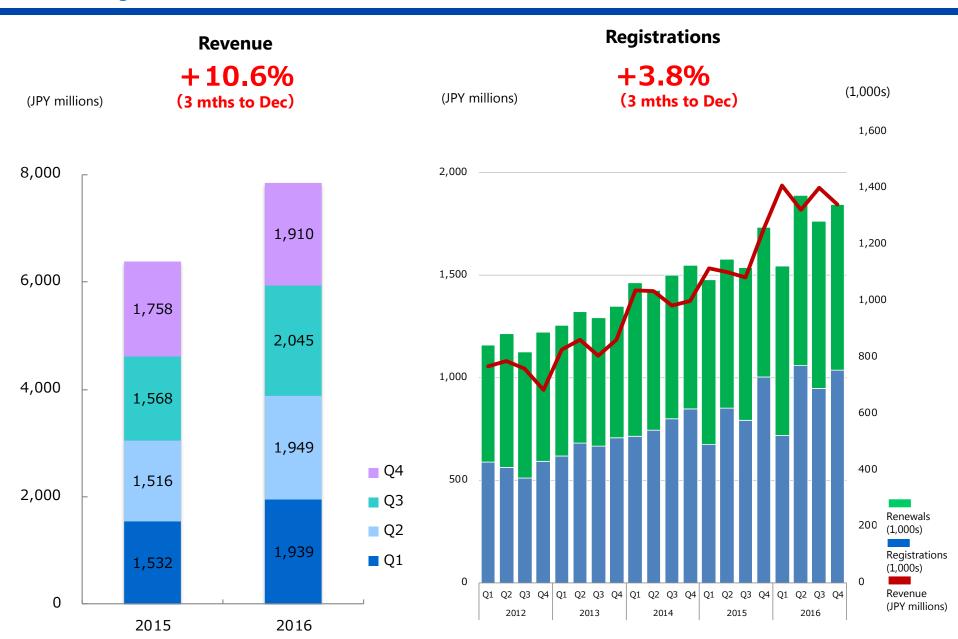
Cost Composition(Consolidated)



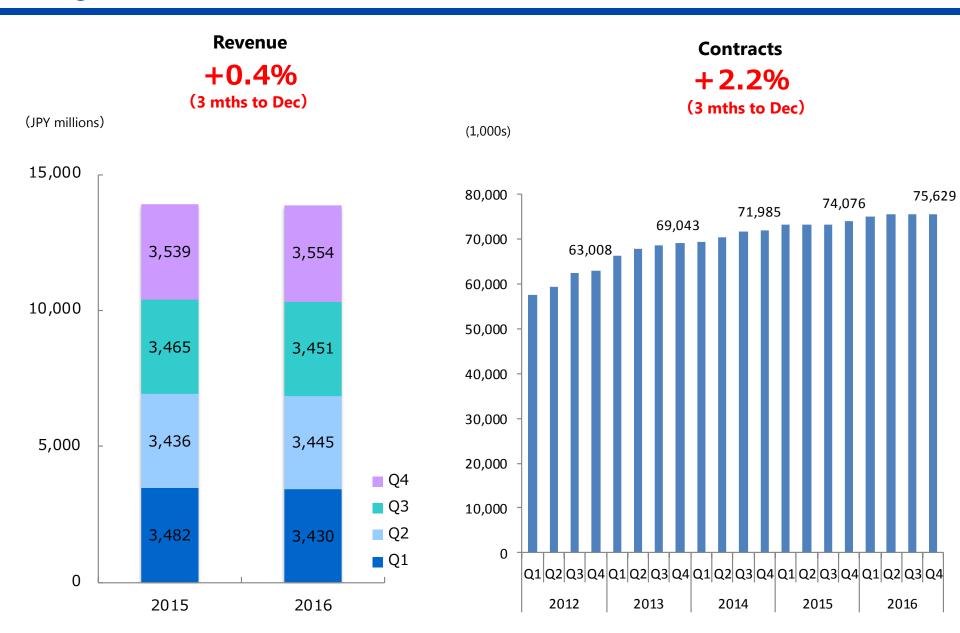


Domain Registration















	カラーミーショップ by GMOペパポ	Make Shop [®] усмо	Total
Stores (Paid)	59,000	15,000	75,000
Transaction Volume (Quarterly)	JPY31.7B	JPY38.2B	JPY69.9B

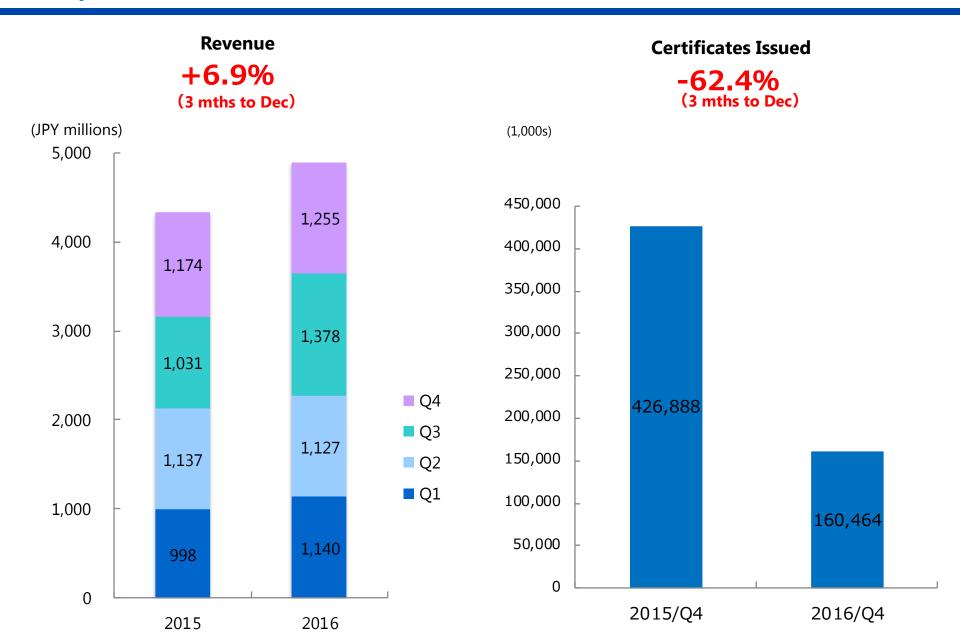
(As of December 2016)



	minne	ĕ tetote	Creema	iichi
Sellers	300,000	40,000	80,000	20,000
Products	4.63M	1,18M	3.50M	490,000
DL	6.79M	_	210 (forecast as of 2/2016)	40,000 DL (as of 2/2016)
Operator	GMO Pepabo	GMO Pepabo OC	Creema	Pinkoi Japan
Item Limit	None	None	None	500
Monthly Fee	free	free	free	free
Commission (ex. Tax)	10%	12%	8%-14%	20%
Buyer Costs	none	Processing fee for payments under JPY1,500	none	none
Launched	1/2012	6/2011	6/2010	7/2011
Арр	iOS 10/2012 Android 11/2013	-	iOS 11/2014 Android 1/2015	iOS 5/2015

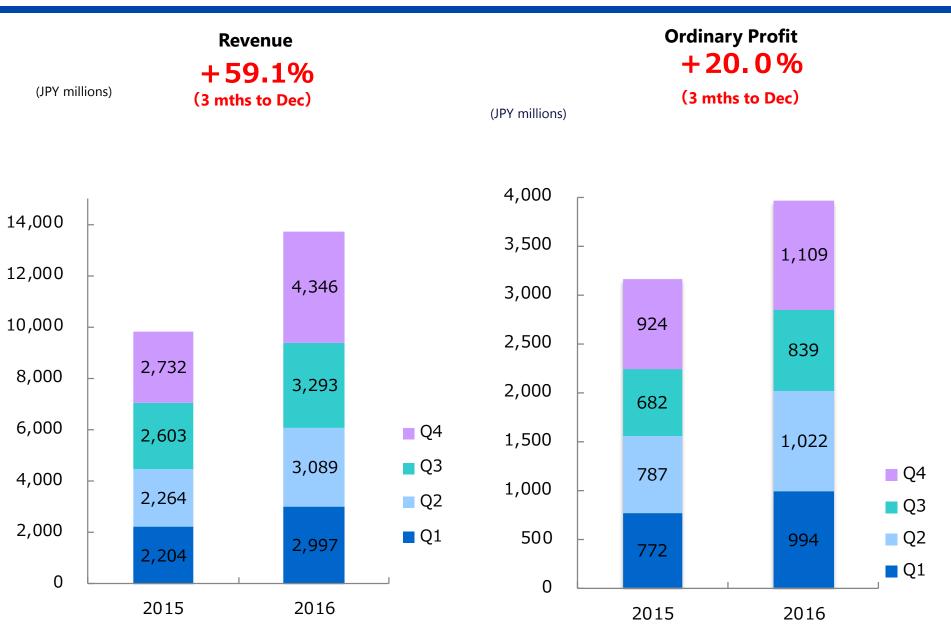
*Compiled by GMO Pepabo (as of 9/2016)





Payment- Performance



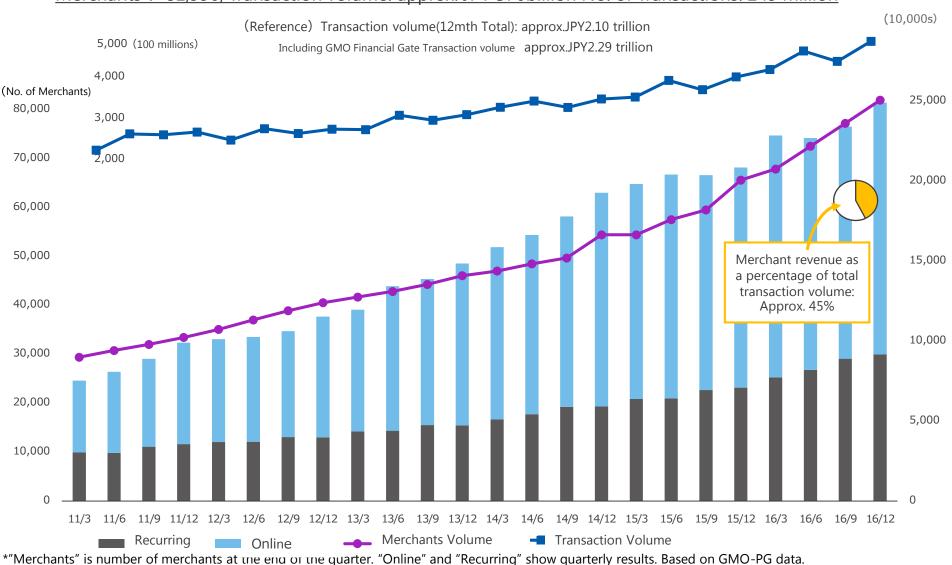


*Based on GMO Payment Gateway, Inc. data



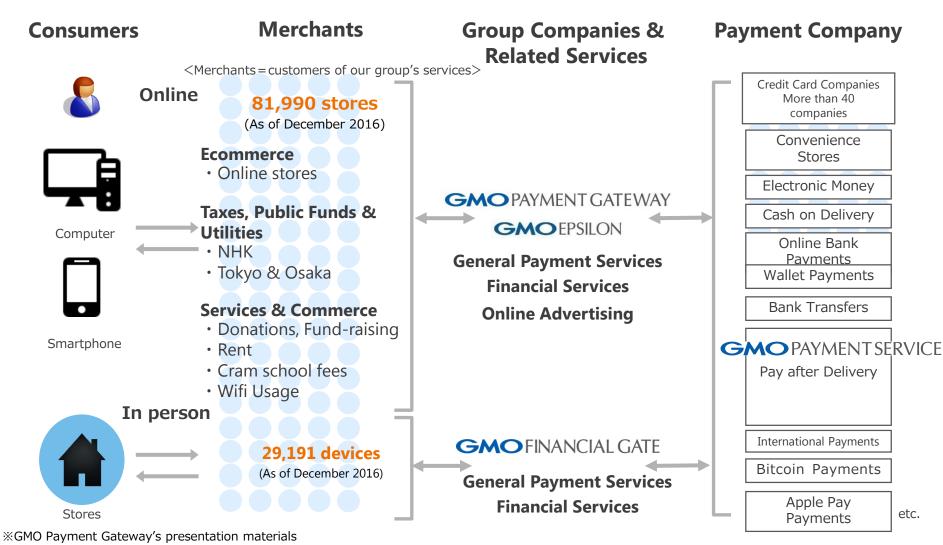
Transaction volume exceeds JPY2 trillion

Merchants: 81,990, Transaction volume: approx. JPY 570billion No. of Transactions: 249 million

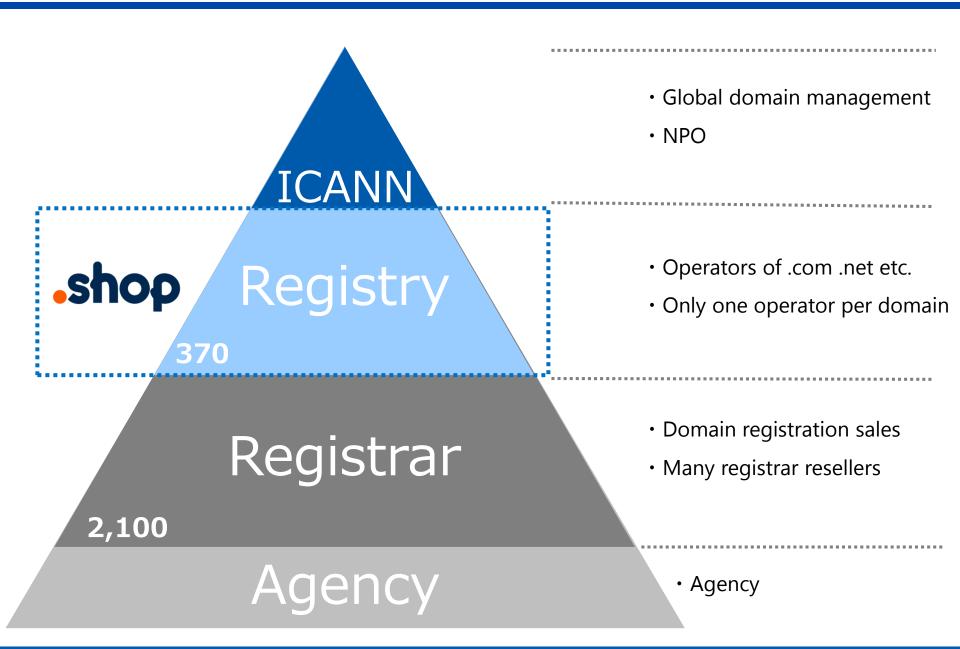




Powering merchants' and payment companies' contract, financial information, and money related exchanges

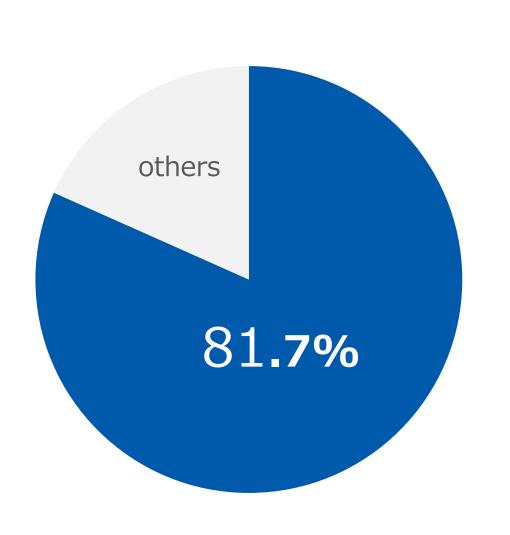








Japan gTLD Operation and Management Market Share



Japan No1 81.7%



.canon

hitachi



Global top 10 registrars

Godaddy®















HICHINA ZHICHENG TECHNOLOGY LTD

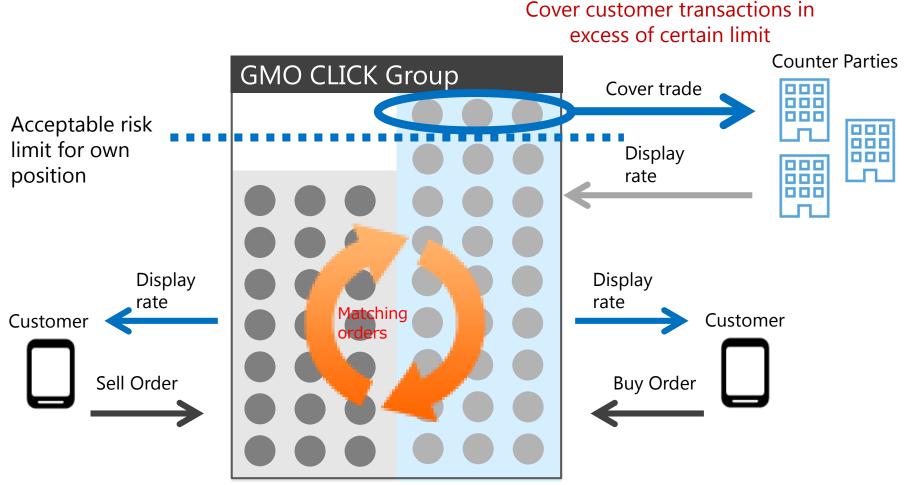
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Source: http://webhosting.info/domain-names/registrars (as of 10/31)

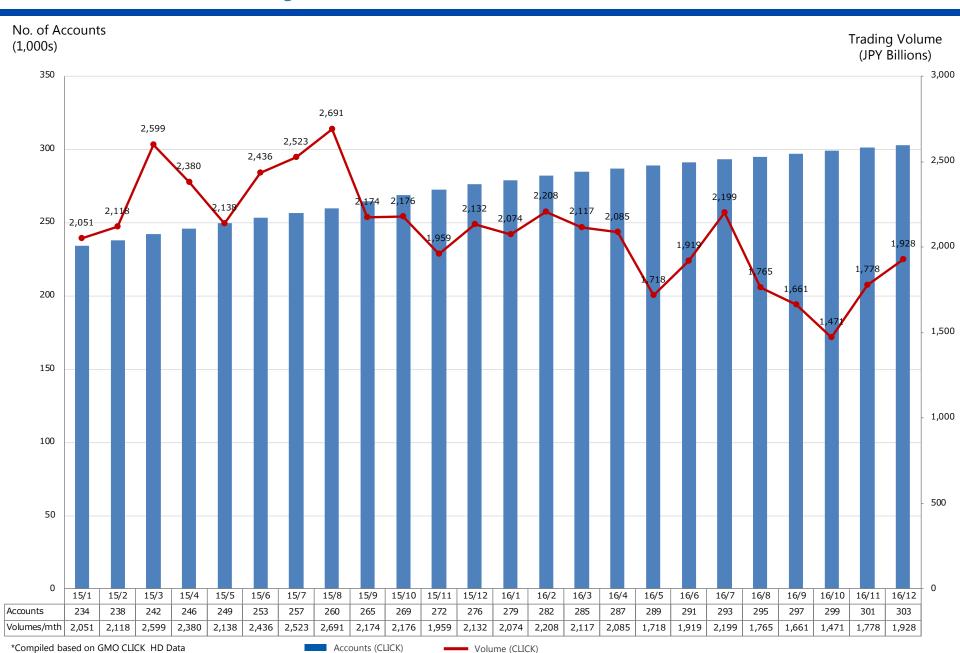


Risk Minimization. Cover transactions executed with counter parties as soon as customer orders exceed acceptable risk position

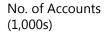


Securities –Accounts & Trading Volume (GMO CLICK Securities)

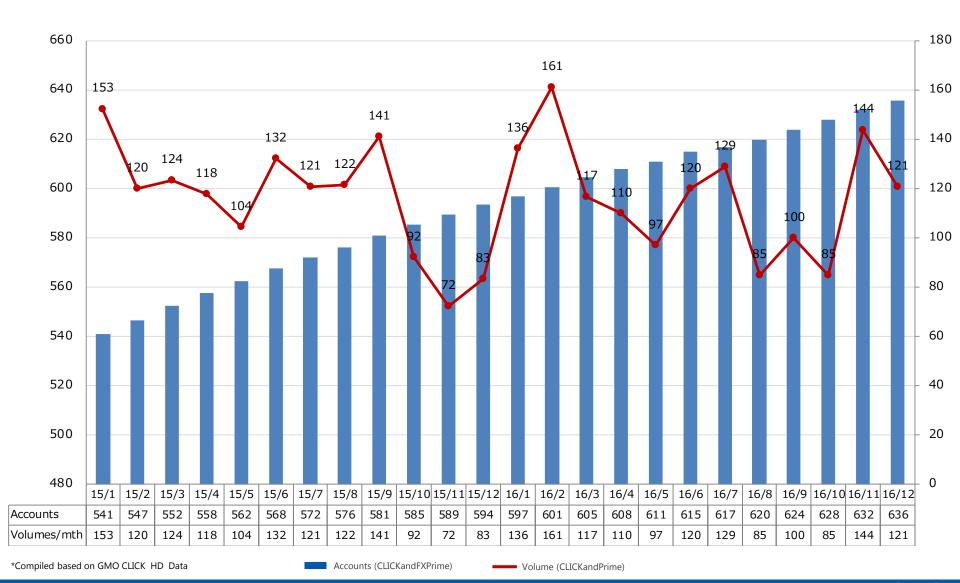




FX-Accounts & Trading Volume (GMO CLICK Securities, FX Prime byGMO) GMO INTERNET



Trading Volume (JPY trillions)





Revenue Structure **Customer Trades**

Cover Trades

(Customer spread x Trading volume) — (Cover spread x Cover trades)

Increase in Volatility

Decrease in Volatility

Decrease in Volatility

Decrease

Decrease

Decrease

(Concept diagram)

*from GMO CLICK HD FYE3/2017 Financial Results Presentation

Domain Terminology (1)



1. Domains

Domain/Domain Name	A domain name is a string of letters that identifies a computer on the Internet in accordance with a set of rules. Although it is often referred to as an Internet "address," in fact only an IP address can enable access to a computer on the Internet. More accurately speaking, a domain is a string of letters that enables addresses on the Internet to be easily located. Each domain name is associated with an IP address, and this relationship is managed on the name server (DNS server).
Top Level Domain	Domain names have a hierarchical structure. For example, in the domain www.gmo-registry.com, ".com" on the far right is the top-level domain. To the left of top level domain, separated by a dot, is the second level domain (SLD), and next to that is the third level domain (3LD). Top level domains are managed by a registry, and second level domains are managed by a registrar under contract with the registry.

2. Domain Structure

IP Address	An IP address is a numerical identification assigned to computers on the Internet in accordance with Internet Protocol. Eg. 123.456.12.3 All computers connected to the Internet have an IP address.
DNS	Domain Name System The network that handles domain names and IP addresses. When a user accesses a web site, their local name server queries DNS servers to determine the IP address of the domain name. DNS returns the IP address allowing the user to view the web server at that address.
DNS Server	A server that supports the operation of DNS, also known as a name server. DNS servers are used to translate a hostname or domain name to its corresponding IP address.
Root Server	The root server is a DNS server that operates the DNS root zone at the top level of the DNS hierarchy. When a new domain is registered or a domain name server is changed, it is first recognized as valid by the root server. There are currently 13 root server networks worldwide, including Japan, that balance server load and reduce risk.

3. Types of Domains

	ccTLD	Country code Top Level Domain Egjp (Japan), .us (US), .uk (UK) Top level domains based on two letter ISO 3166-1 country codes. There are approximately 250 ccTLDs used to identify countries including .jp (Japan), .us (US), .cn (China), .uk (UK) and .be (Belgium).
	gTLD	generic Top Level Domain Egcom, .net, .org etc. Before the establishment of ICANN there were 8 gTLDs. Today there are over 1,000.
	Premium Domain	Short, memorable, generic terms that have high value as marketing and branding tools and are traded around the world at premium prices.

Domain Terminology (2)



4. Domain Industry Structure

ICANN	Internet Corporation for Assigned Names and Numbers is a US based not for profit organization responsible for managing the assignment of domain names and IP addresses. ICANN also holds the authority to designate official domain registrars. ICANN holds international conferences three times a year, in between it also hosts workshops and other events.
Registry	An organization that maintains a central database of domain names data for a particular domain. Different domains are managed by different registries. Registries are required to maintain neutrality and guarantee equal access to the Shared Registry System (SRS) for all registrars. GMO Registry is the registry for .shop, .tokyo and other domains.
Registrar	ICANN accredited registrars can directly register domain data into registry databases under contract with the relevant registry. While there is only one registry for each top-level domain, multiple registrars exist to promote competitive pricing and service. Onamae.com is one of 18 ICANN accredited registrars in Japan.

5. New Domains

New gTLD	The new gTLD program was opened in 2012 to allow for the expansion of new Top Level Domains and to promote diversity and competition in the domain industry. Some of the TLDs introduced as a result of the new gTLD program include GeoTLDs .tokyo, .yokohama, brand TLDs such as .canon, .hitachi and generic TLDs such as .shop and .eco.
Brand TLD	A type of new gTLD. A brand name or corporate name TLD in which all the registrations belong to the brand. The TLD is closed to the general public. It is a branding tool that also promotes consumer trust.

6. TLD Launch Schedule

Sunrise Period	An application period ahead of the official launch open exclusively to trademark holders.
Early Access Period (EAP)	An advance registration phase open to all during which a one-time early access fee is charged at the time of registration. This fee reduces over the course of the EAP.
General Availability	After the completion of the Sunrise period and any other launch periods (such as EAP), when registrations are open to all at the standard registration fee.

7. Other

Registration/Renewal	A Domain registration fee is charged at the time the domain name is created. Each year after, a renewal fee is charged. This fee
Fee	varies between registrars and domains.