

Fiscal Year 2017 First Quarter

Results Presentation




STOCK CODE: 9449

Supplementary Materials

May 15, 2017

128 Group Companies (100 consolidated, 20 non-consolidated, 4 equity method affiliates, 4 non-equity method affiliates)

(Osaka Sales Office)
GMO CLOUD,K.K
GMO Payment Gateway, Inc.
GMO Solution Partner, Inc. GMO
GMO DigiRock, Inc. GMO DIGITAL Lab, Inc.



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

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.
- Global Card System, Inc.
- GMO Registry, Inc.
- GMO System Consulting, Inc.
- GMO Creators Network, Inc.
- GMO Brights Consulting, Inc.(and other companies)

(UK)
GMO-Z.com Trade UK LTD.
GMO GlobalSign Ltd.
(Belgium)
GlobalSign NV (CA)

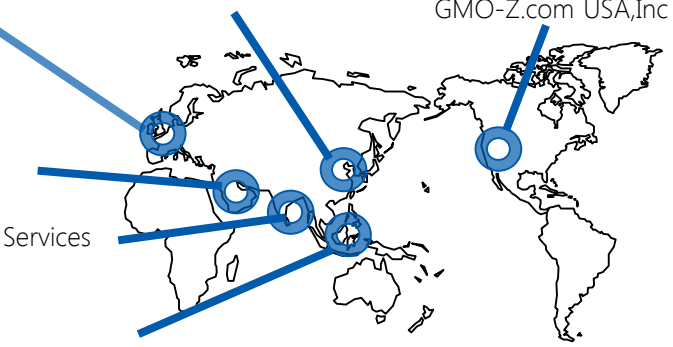
(UAE)
GMO GlobalSign FZ-LLC
(India)
GMO Research Pvt.Ltd.
GMO GlobalSign Certificate Services
Private limited
(Myanmar)
GMO-Z.com ACE Co. Ltd.
(Thailand)
GMO-Z.com Net Design Holdings Co.,Ltd
(Vietnam)
GMO-Z.com RunSystem JSC
GMO-Z.com Vietnam Lab Center Co. Ltd.
(Philippines)
GMO GlobalSign Inc.

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 Kumapon, Inc.
- (and other companies)

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

(US)
GMO GlobalSign, Inc.
GMO-Z.com USA, Inc



(Singapore)
GMO-Z.com Pte. Ltd.
GMO GlobalSign Pte. Ltd.
GMO PAYMENT GATEWAY Pte. Ltd.
(malaysia)
MACRO KIOSK BERHAD

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 March 2017)

- 1/17  GMO INTERNET
GMO Internet Group enters virtual currency conversion and transaction business with GMO Wallet.
- 1/17  GMO PAYMENT GATEWAY
GMO-PG now offering "Wando Platform," Inagora's cross-border e-commerce platform for the Chinese market: Boosting services for overseas deployments by e-commerce operators to support their business expansions.
- 1/24  GMO PAYMENT GATEWAY
GMO-PG introduces "Paid," a deferred payment service for BtoB transactions, offering a "Payment Package for BtoB E-Commerce Businesses" with optimum payment methods: A one-stop offer of "Paid," credit card payments, virtual accounts, account transfers, and more.
- 1/26  GMOCLICK | SEC
SECURITIES
GMO Click Securities' annual FX trading volume is No.1 worldwide in 2016 for the 5th consecutive year since 2012.
- 1/27  GMOCLICK | SEC
SECURITIES
GMO Click Securities is the first in the financial industry to launch VR trading app "GMO-FX VR Trade" for smartphones (iOS / Android).
- 1/31  GlobalSign®
GlobalSign collaborates with JC Square, a leading Korean company in IoT segment: Realizing IoT platform that secures wide-ranging IoT devices.

- 2/1  GMO QUICKTRANSLATE launches "Translation API" that enables low cost, seamless, manual translation of a large amount of content: Perfect for cross-border ecommerce and the operators of websites targeting foreign visitors to Japan.
- 2/14  GMO TECH launches "GMO AppCapsule PRO," an O2O app creation platform that enables flexible customization similar to unique development: Links with member data retained by companies and enables multilingual display.
- 2/15  GMO CLOUD launches electronic contract service "Agree" API that enables seamless creation, execution, and storage of contract agreement by linking with label sheet and work flow system.
- 2/23  GMO Click Securities launches investment trust in which investors can start investing with one coin.
- 3/17  GlobalSign joins "ARM mbed IoT Device Platform Partnership": Joint partnership enhances security at the system-on-a-chip level for the Internet of Things.
- 4/4  GMO PEPABO inc. will hold "minne Handmade Market 2017" on Friday, April 28, and Saturday/Public Holiday, April 29: Two days of handmade goods and great food.

GMO PAYMENT GATEWAY

(JPY millions)

Stock Code	TSE 1st Section 3769			
	Internet Infrastructure (Payment)			
	Q2 FYE 9/2016 (3mths to Mar)	Q2 FYE 9/2017 (3mths to Mar)	Q2 FYE 9/2017 (6mths to Mar)	FYE 9/2017 Forecast (Progress)
Net Sales	2,997	5,645	9,992	20,370 (49.1%)
Operating Profit	1,008	1,335	2,536	5,013 (50.6%)
Ordinary Profit	994	1,260	2,370	4,673 (50.7%)
Net Profit	554	487	1,084	2,762 (39.3%)

*Compiled from each companies' quarterly P/L statements



(JPY millions)

Stock Code	JASDAQ Standard 7177			
	Internet Finance			
	Q4 FYE 3/2016 (3mths to Mar)	Q4 FYE 3/2017 (3mths to Mar)	FYE 3/2017 (12mths to Mar)	Forecast
Net Sales	6,734	5,580	26,196	—
Operating Profit	2,199	1,301	9,014	—
Ordinary Profit	2,164	1,306	8,928	—
Net Profit	1,462	871	6,159	—

*Compiled from each companies' quarterly P/L statements

GMO CLOUD

(JPY millions)

Stock Code	TSE 1st Section 3788		
	Internet Infrastructure (Hosting & Cloud, Security)		
	Q1 FYE 12/2016 (3mths to Mar)	Q1 FYE 12/2017 (3mths to Mar)	FYE 12/2017 Forecast (Progress)
Net Sales	2,829	3,007	12,000 (25.1%)
Operating Profit	167	273	950 (28.7%)
Ordinary Profit	119	268	950 (28.2%)
Net Profit	20	186	550 (33.9%)

*Compiled from each companies' quarterly P/L statements

GMO AD PARTNERS

(JPY millions)

Stock Code	JASDAQ Standard 4784		
	Online Advertising & Media		
	Q1 FYE 12/2016 (3mths to Mar)	Q1 FYE 12/2017 (3mths to Mar)	FYE 12/2017 Forecast (Progress)
Net Sales	7,836	8,517	34,000 (25.1%)
Operating Profit	138	209	550 (38.2%)
Ordinary Profit	152	205	560 (38.6%)
Net Profit	58	106	142 (74.9%)

*Compiled from each companies' quarterly P/L statements

GMO PEPABO inc.

(JPY millions)

Stock Code	JASDAQ Standard 3633		
	Internet Infrastructure (Domain, Hosting & Cloud, Ecommerce Solutions)		
	Q1 FYE 12/2016 (3mths to Mar)	Q1 FYE 12/2017 (3mths to Mar)	FYE 12/2017 Forecast (Progress)
Net Sales	1,651	1,805	7,650 (23.6%)
Operating Profit	▲174	117	0 (-)
Ordinary Profit	▲157	118	0 (-)
Net Profit	▲103	117	0 (-)

*Compiled from each companies' quarterly P/L statements

GMO RESEARCH

(JPY millions)

Stock Code	TSE MOTHERS 3695		
	Online Advertising & Media		
	Q1 FYE 12/2016 (3mths to Mar)	Q1 FYE 12/2017 (3mths to Mar)	FYE 12/2017 Forecast (Progress)
Net Sales	812	834	3,490 (23.9%)
Operating Profit	87	143	325 (44.2%)
Ordinary Profit	79	131	305 (43.0%)
Net Profit	47	87	181 (48.1%)

*Compiled from each companies' quarterly P/L statements

GMO TECH

(JPY millions)

Stock Code	TSE MOTHERS 6026		
	Online Advertising & Media		
	Q1 FYE 12/2016 (3mths to Mar)	Q1 FYE 12/2017 (3mths to Mar)	FYE 12/2017 Forecast (Progress)
Net Sales	855	673	3,000 (22.4%)
Operating Profit	▲4	1	110 (1.1%)
Ordinary Profit	▲4	0	108 (0.8%)
Net Profit	▲10	▲0	65 (-)

*Compiled from each companies' quarterly P/L statements

GMO MEDIA

(JPY millions)

Stock Code	TSE MOTHERS 6180		
	Online Advertising & Media		
	Q1 FYE 12/2016 (3mths to Mar)	Q1 FYE 12/2017 (3mths to Mar)	FYE 12/2017 Forecast (Progress)
Net Sales	1,393	1,247	5,000 (25.0%)
Operating Profit	201	151	510 (29.7%)
Ordinary Profit	201	150	505 (29.8%)
Net Profit	132	103	323 (32.0%)

*Compiled from each companies' quarterly P/L statements

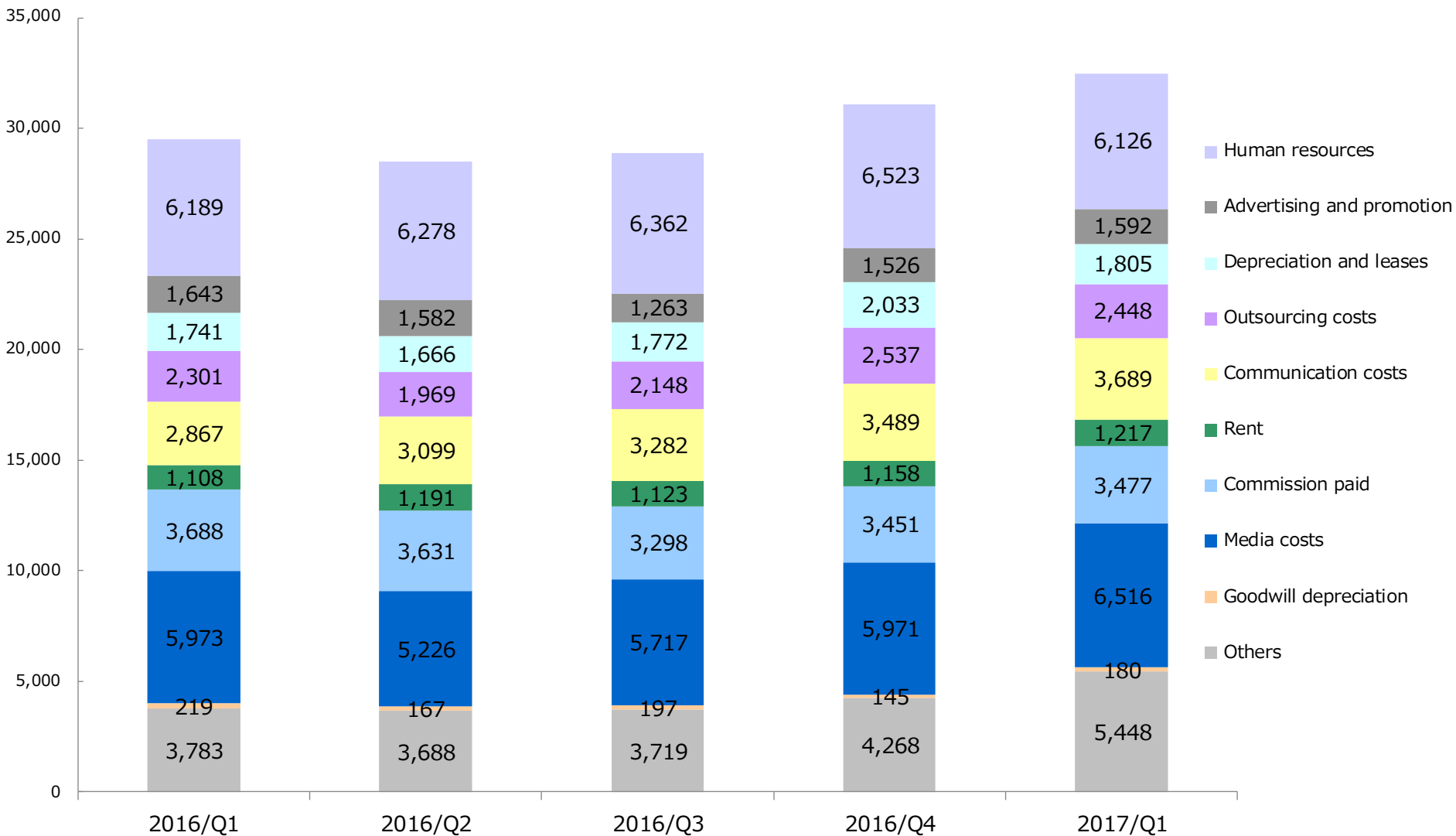
Revenue Breakdown by Segment

(JPY millions)

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
◆Internet Infrastructure					
Internet provider	3,057	3,272	3,497	3,653	3,968
Domain	1,939	1,949	2,045	1,910	1,995
Hosting & cloud	3,430	3,445	3,451	3,554	3,532
Ecommerce solutions	1,883	1,973	2,021	2,299	2,146
Security	1,140	1,127	1,378	1,255	1,281
Payment	2,908	2,983	3,184	4,243	5,534
Other	962	1,131	952	759	1,268
Segment total	15,323	15,882	16,531	17,677	19,727
◆Online Advertising & Media					
Internet media	3,883	3,540	3,633	3,400	3,379
Online advertising	6,865	6,112	6,806	6,983	7,373
Internet research, other	754	711	695	798	819
Segment total	11,504	10,363	11,134	11,182	11,572
◆Internet Finance					
Internet Finance	6,734	7,808	6,036	6,771	5,578
Segment total	6,734	7,808	6,036	6,771	5,578
◆Mobile Entertainment					
Mobile Entertainment	690	572	472	403	299
Segment total	690	572	472	403	299
◆Incubation					
Incubation	5	27	210	205	70
Segment total	5	27	210	205	70
◆Other Businesses					
Other Businesses	39	44	51	59	52
Segment total	39	44	51	59	52
Internal Transactions Adjustment	(1,122)	(1,165)	(1,260)	(1,158)	(1,260)
Consolidated Net Sales	33,173	33,533	33,176	35,142	36,040

Cost Composition (Consolidated)

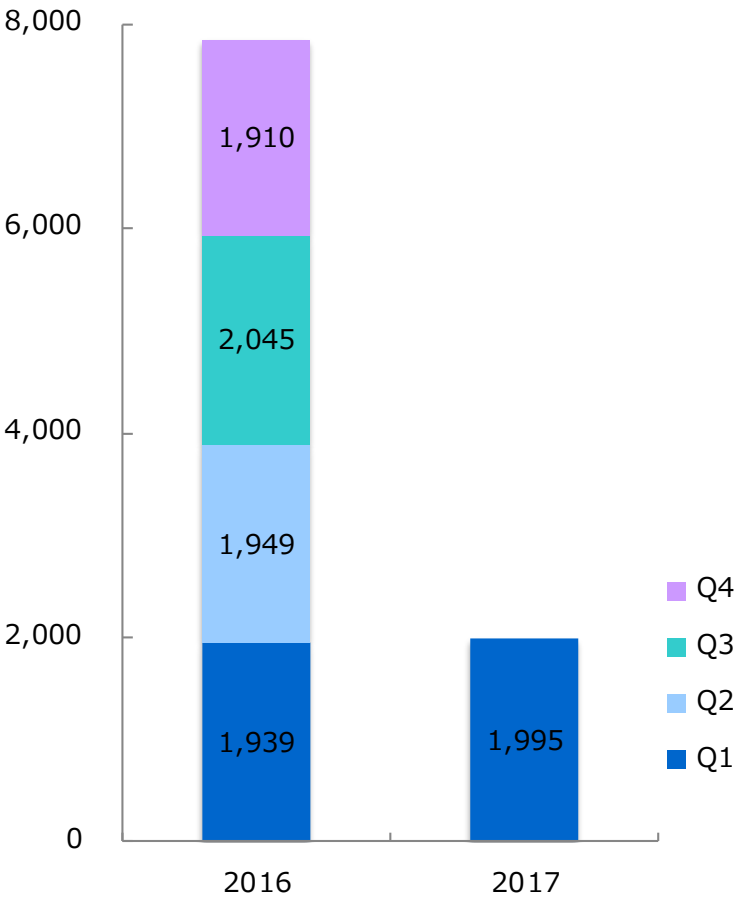
(JPY millions)



Revenue

+ 2.9%
(3 mths to March)

(JPY millions)

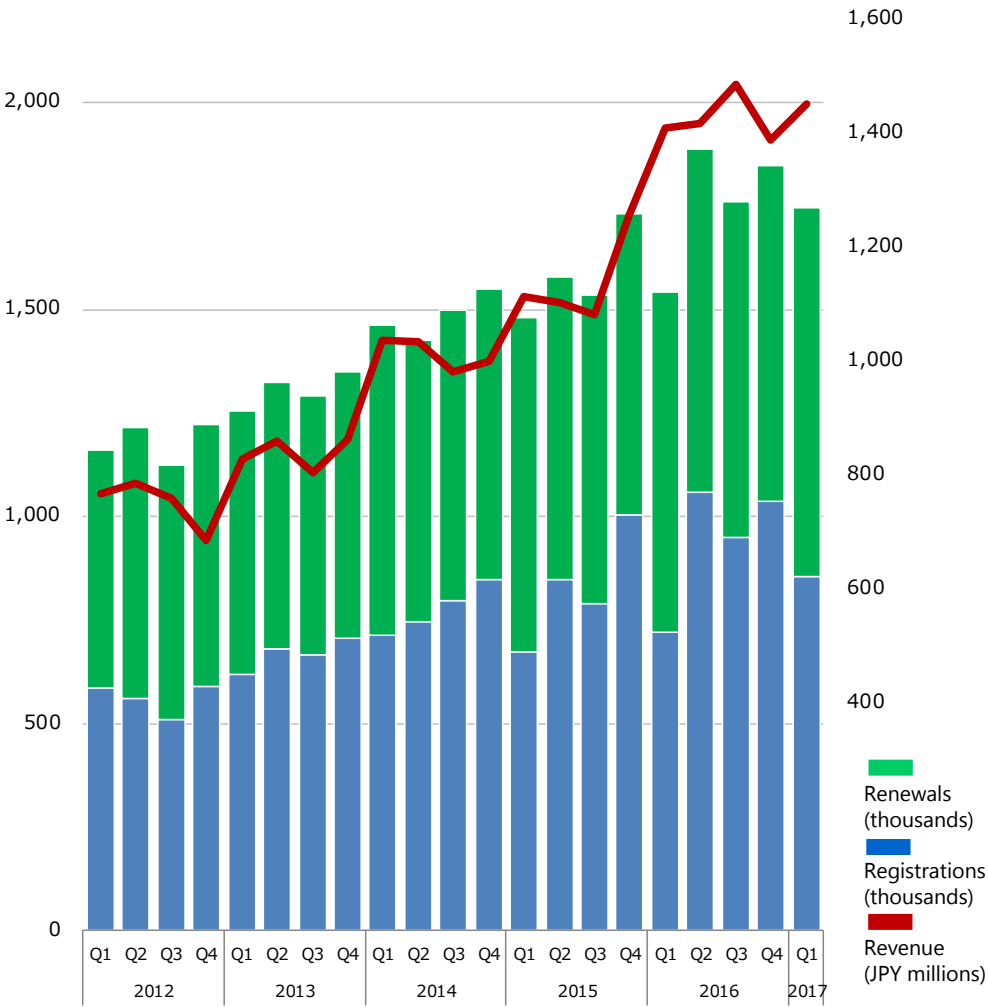


Registrations

+ 13.2%
(3 mths to March)

(JPY millions)

(thousands)

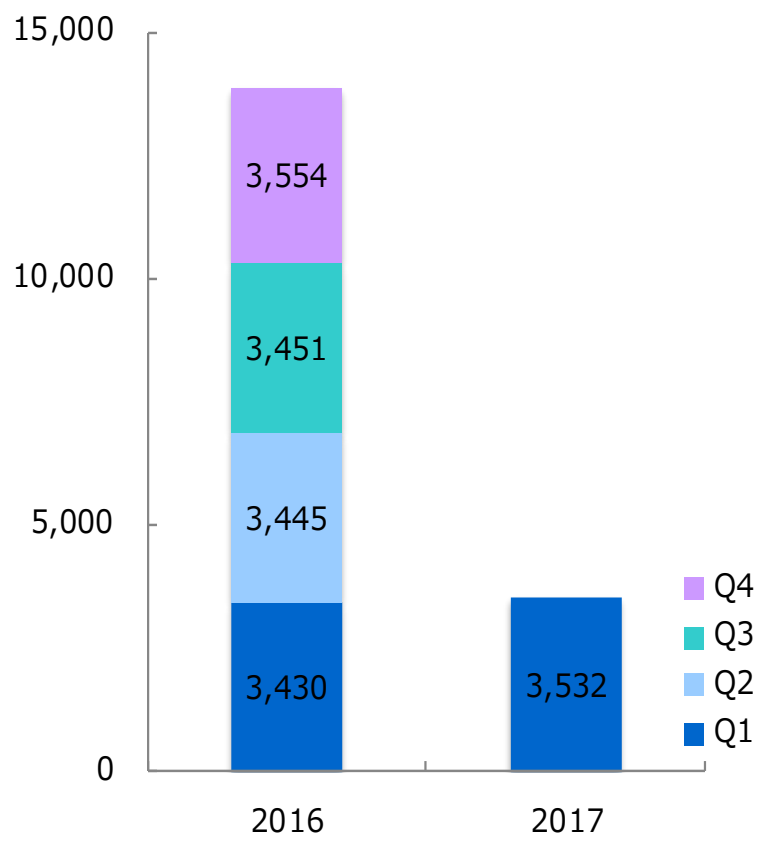


Revenue

+2.9%

(3 mths to March)

(JPY millions)

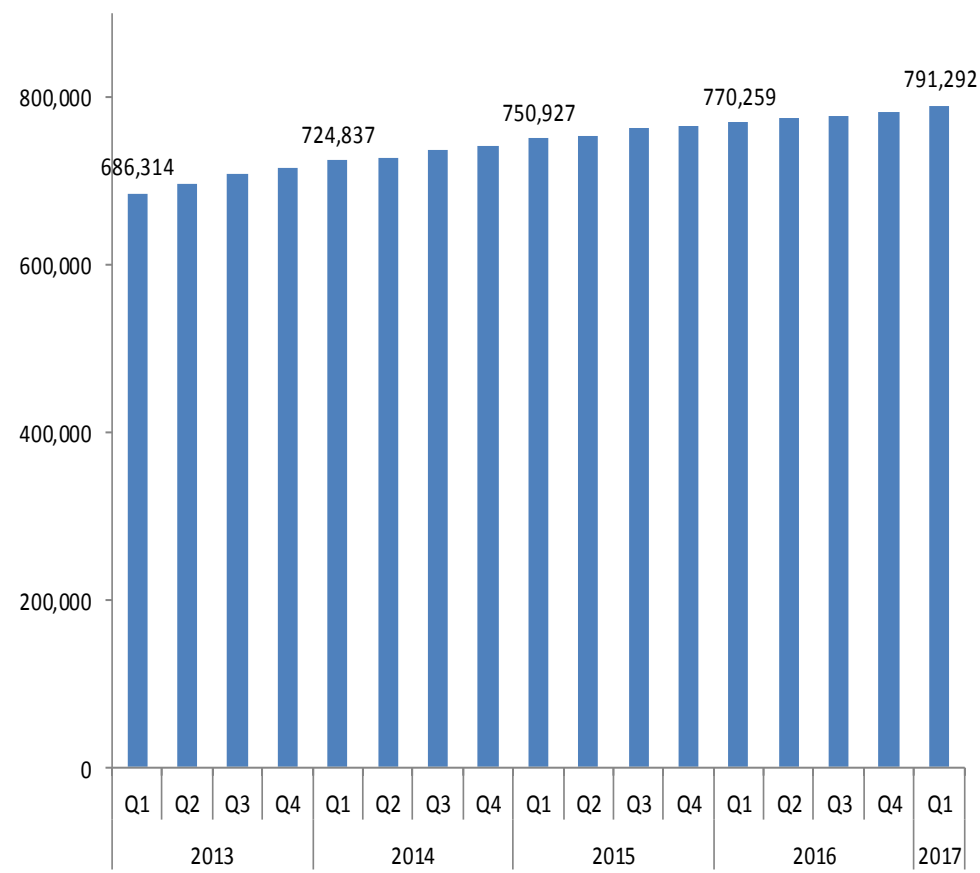


Contracts

+2.7%

(3 mths to March)

(thousands)

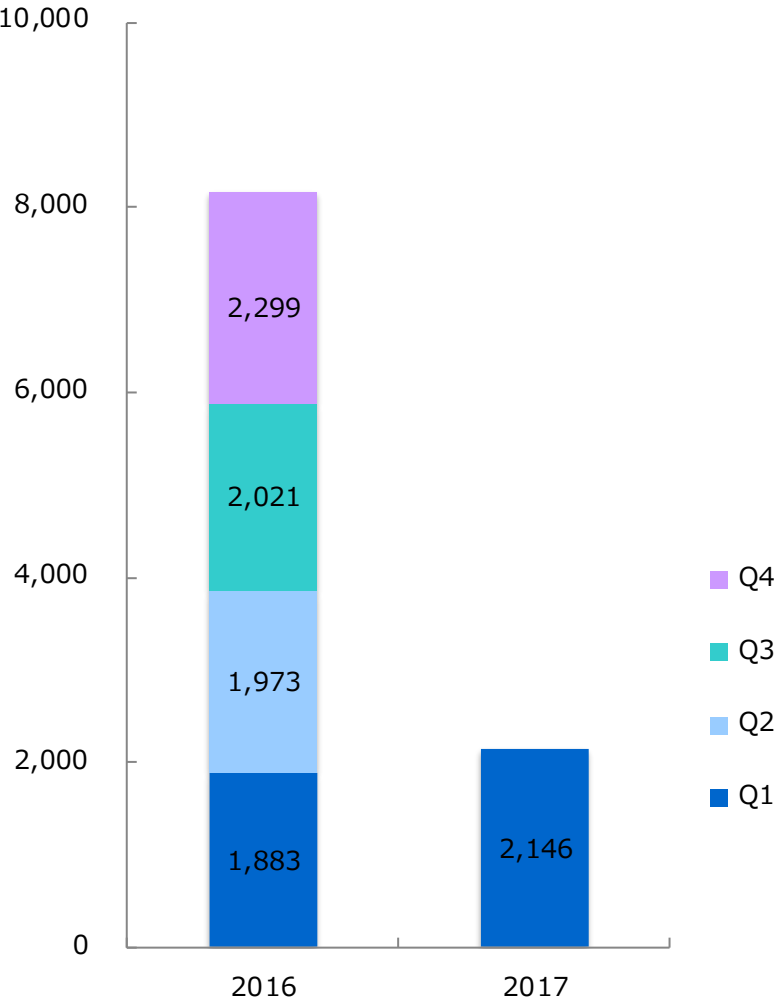


Revenue

+13.9%

(3 mths to March)

(JPY millions)

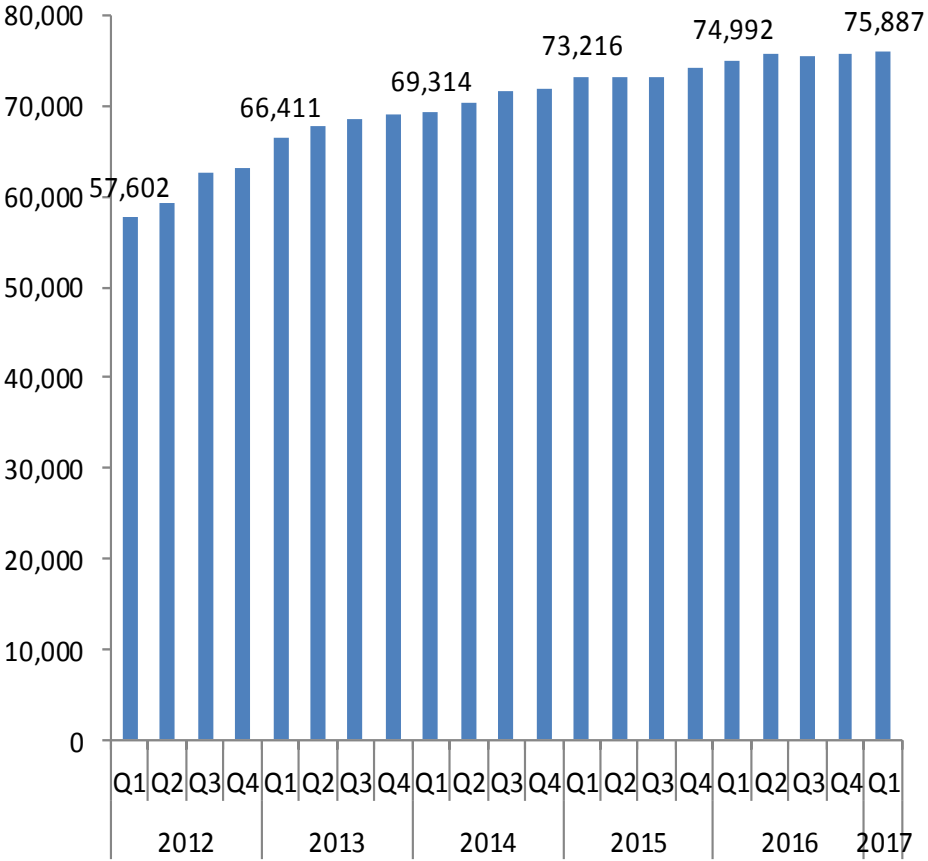




Contracts

+1.2%

(3 mths to March)

(thousands)



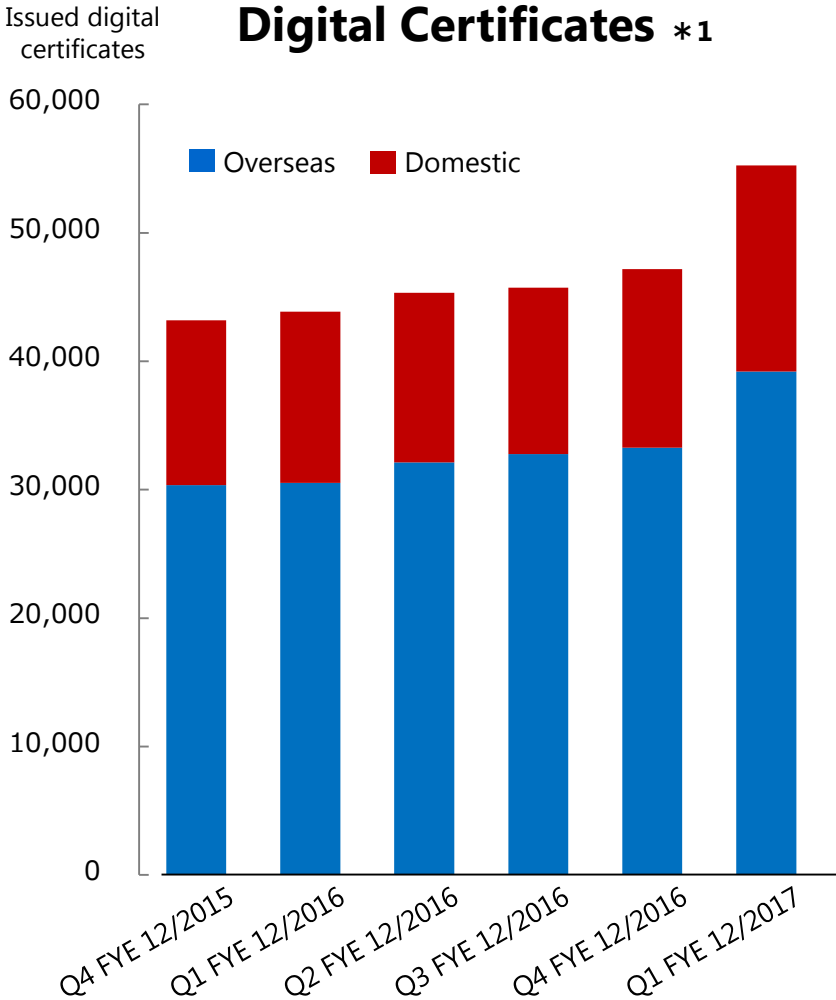
			Total
Stores (Paid)	59,000	15,000	75,000
Transaction Volume (Quarterly)	JPY29.6B	JPY35.6B	JPY65.2B

(As of March 2017)

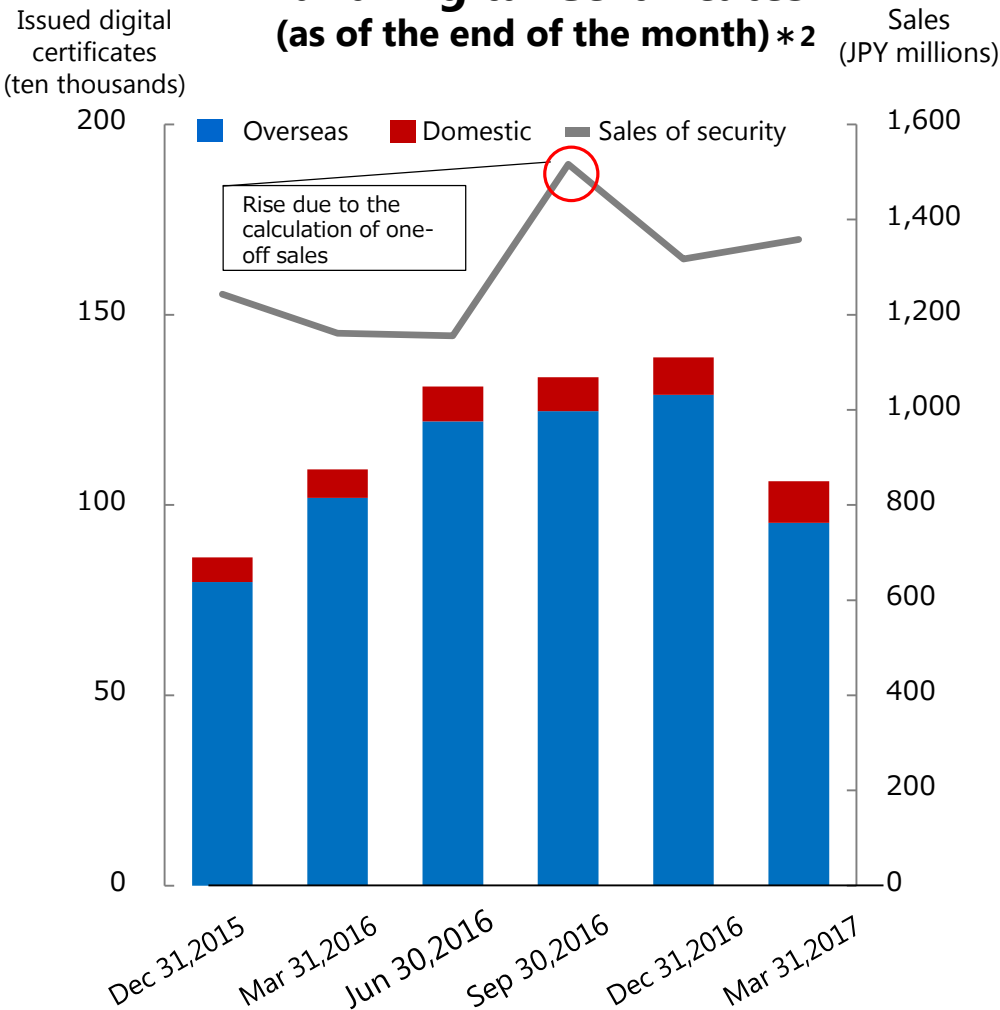
	minne	tetote	Creema	iichi
Sellers	330,000	40,000	80,000	20,000
Products	5.24M	1,24M	3.50M	510,000
DL	7.19M	—	210 (forecast as of 2/2016)	40,000 DL (as of 2/2016)
Operator	GMO Pepabo		Creema	Pinkoi Japan
Item Limit	None	None	None	500
Monthly Fee	free	free	free	free
Commission (ex. Tax)	10%	12%	8-14%	20%
Buyer Costs	None	Processing fee for payments under JPY1,500	None	None
Launched	1/2012	6/2011	6/2010	7/2011
App	iOS 10/2012 Android 11/2013	—	iOS 11/2014 Android 1/2015	iOS 5/2015

*Compiled by GMO Pepabo (as of 3/2017)

Newly Issued
Digital Certificates *1



Valid Digital Certificates
(as of the end of the month) *2



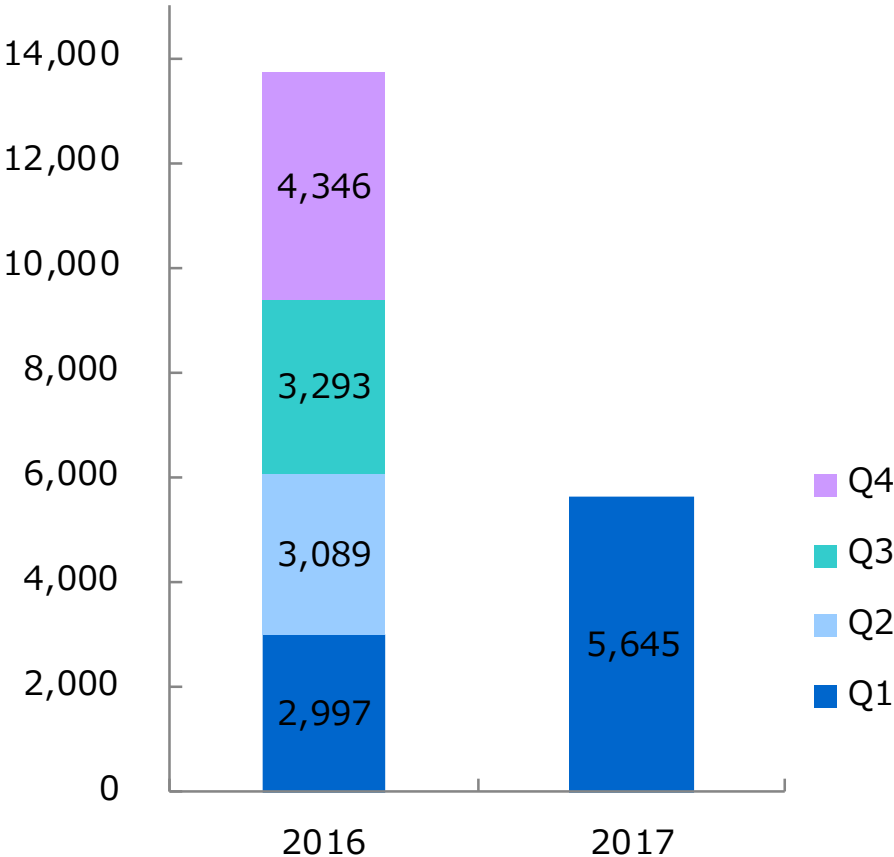
The Company created the above graphs based on GMO CLOUD's "Fiscal Year 2017 1st Quarter Results Presentation - Supplementary Materials".

*1 Adjusted number of unlimited issuance contract and monthly high-volume issuance.*2 The number of valid digital certificates is the number of certificates that are actually used.

Revenue

+ 88.3%
(3 mths to March)

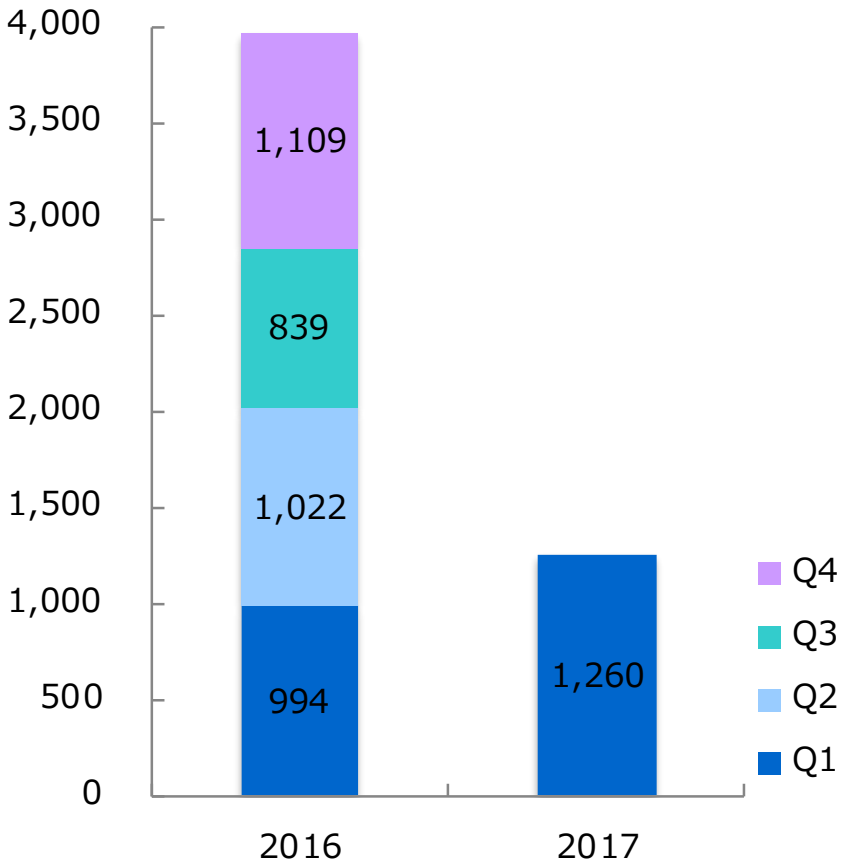
(JPY millions)



Ordinary Profit

+ 26.8%
(3 mths to March)

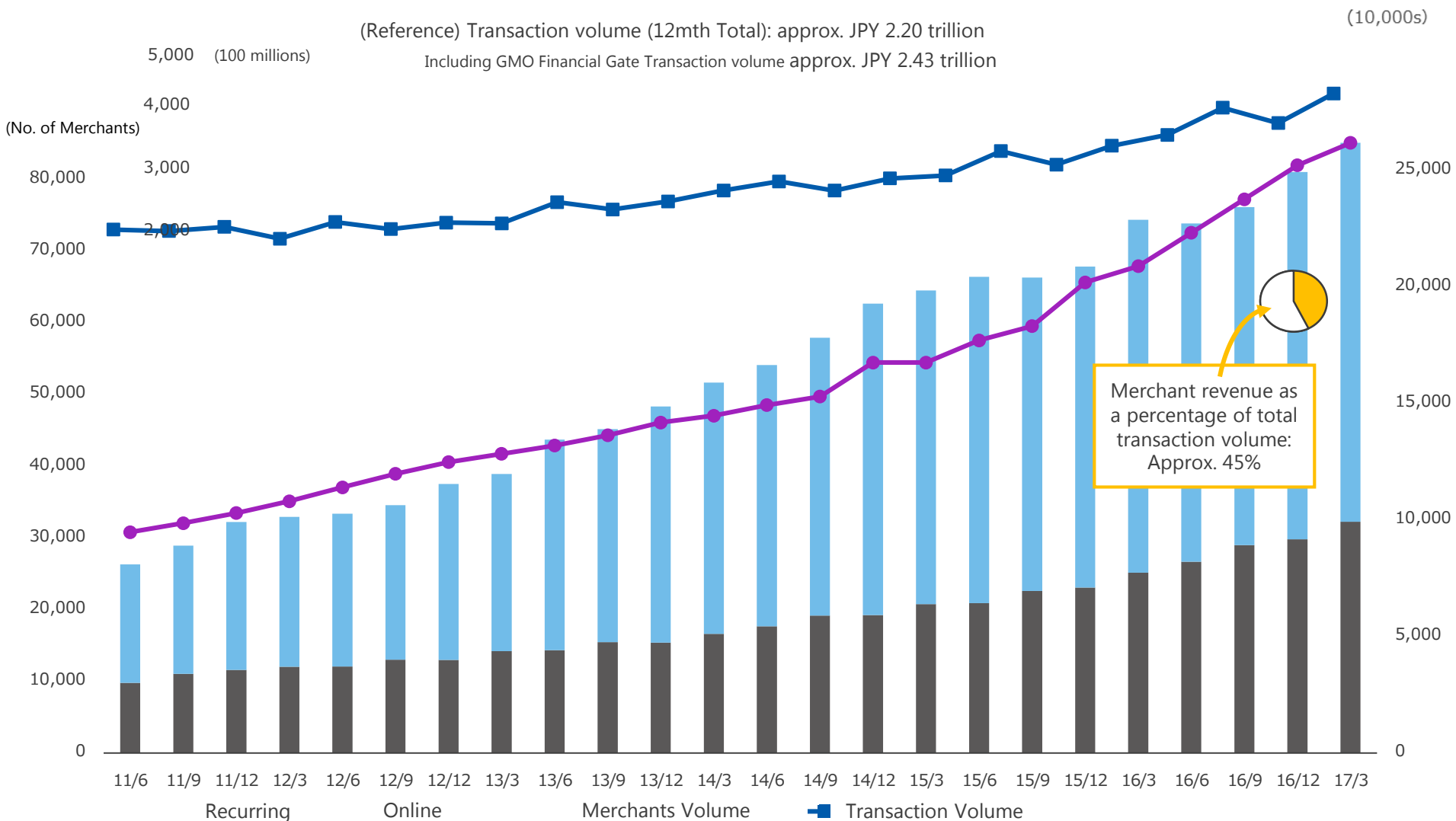
(JPY millions)



*Based on GMO Payment Gateway, Inc. data

Transaction volume exceeds JPY2 trillion

Merchants: 85,123, Transaction volume: approx. JPY 620 billion, No. of Transactions: 261 million



*"Merchants" is the number of merchants at the end of the quarter. "Online" and "Recurring" show quarterly results. Based on GMO-PG data.

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

Consumers



Online

Merchants

<Merchants = customers of our Group's services>

85,123 stores
(As of March 2017)

Ecommerce

- Online stores

Taxes, Public Funds & Utilities

- NHK
- Tokyo & Osaka

Services & Commerce

- Donations, Fund-raising
- Rent
- Cram school fees
- Wifi Usage

In person



29,910 devices
(As of March 2017)

Group Companies & Related Services

GMO PAYMENT GATEWAY
GMO EPSILON

General Payment Services
Financial Services
Online Advertising

GMO FINANCIAL GATE

General Payment Services
Financial Services

Payment Company

Credit Card Companies
More than 40 companies

Convenience
Stores

Electronic Money

Cash on Delivery

Online Bank
Payments

Wallet Payments

Bank Transfers

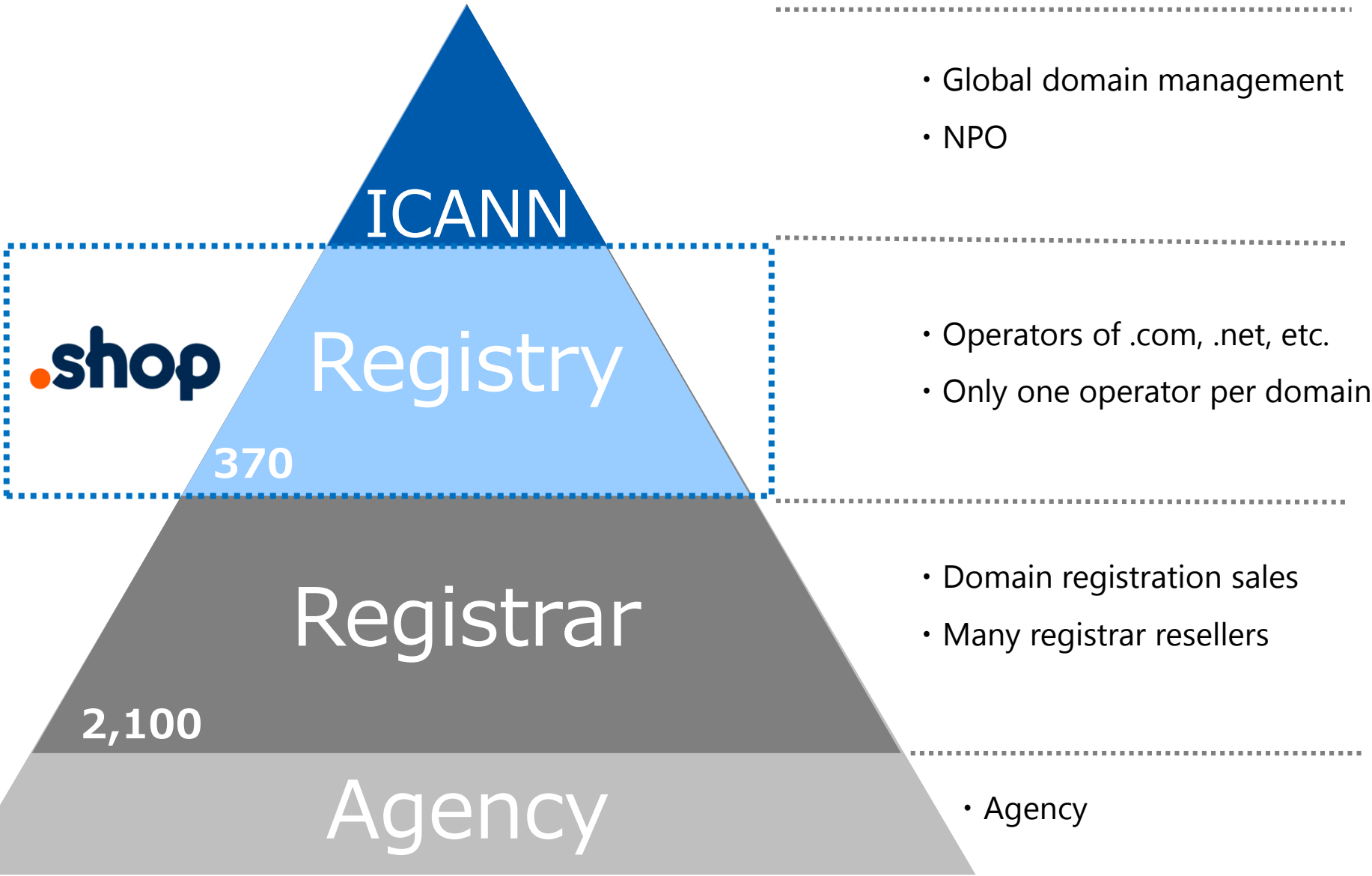
GMO PAYMENT SERVICE
Pay Later

International Payments

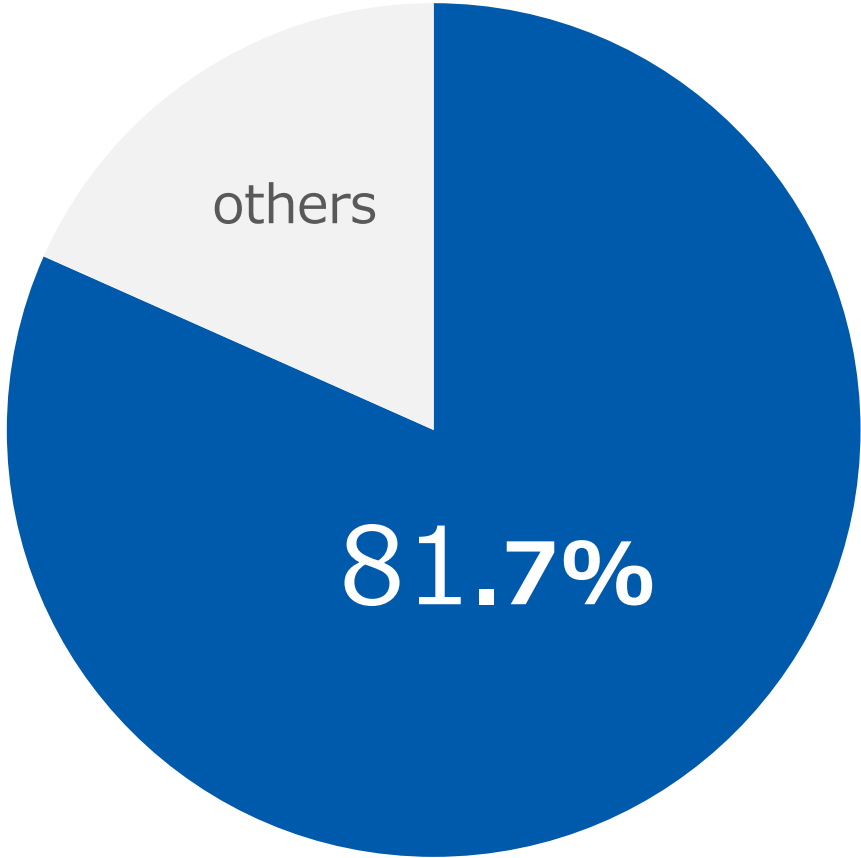
Bitcoin Payments

Apple Pay
Payments

etc.



Japan gTLD Operation and Management Market Share



No.1
in Japan
81.7%

GMO REGISTRY
+
GMO Brights Consulting

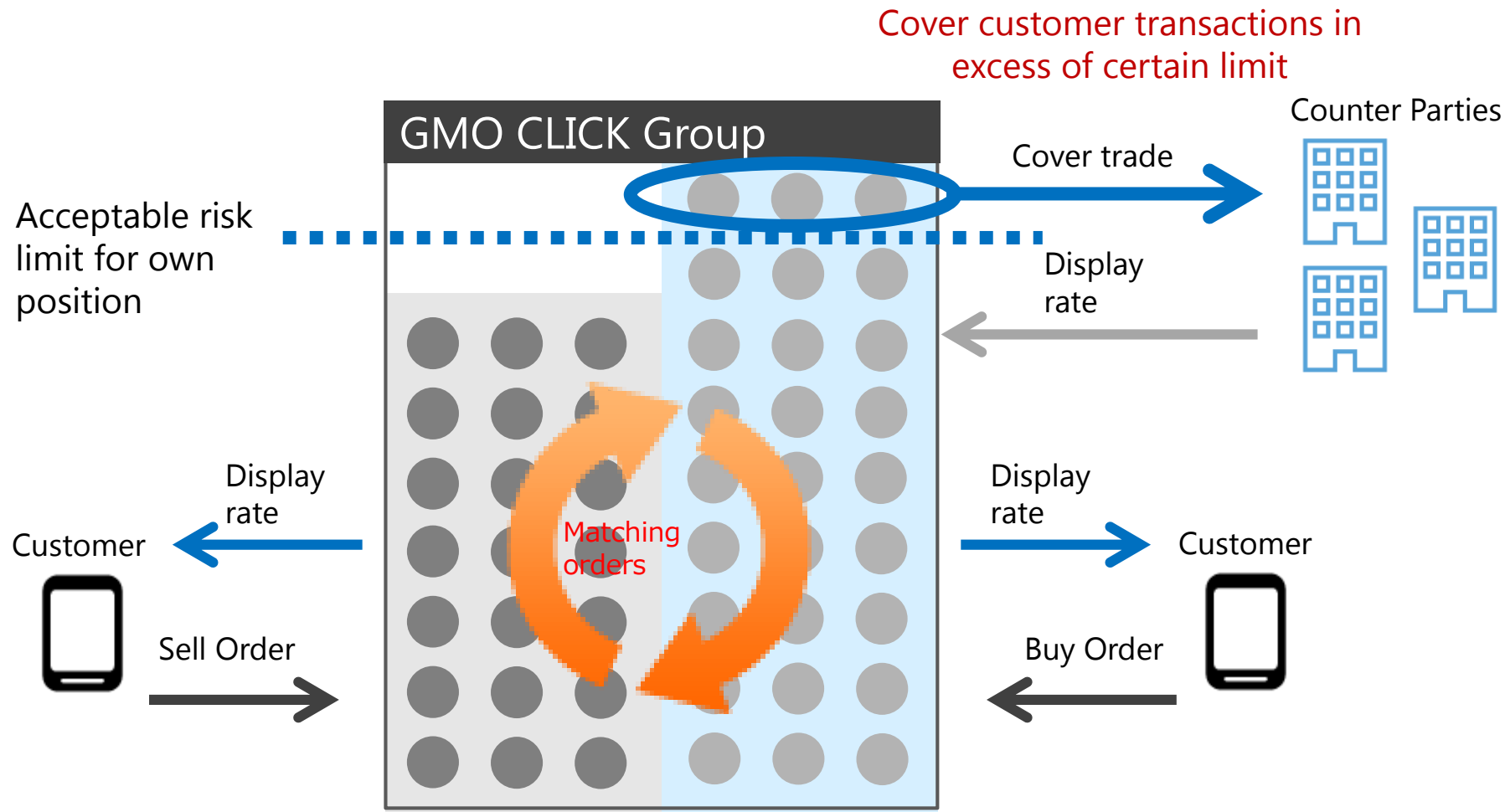
- .shop
 - .nagoya
 - .canon
- .tokyo
 - .yokohama
 - .hitachi

Global top 10 registrars



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

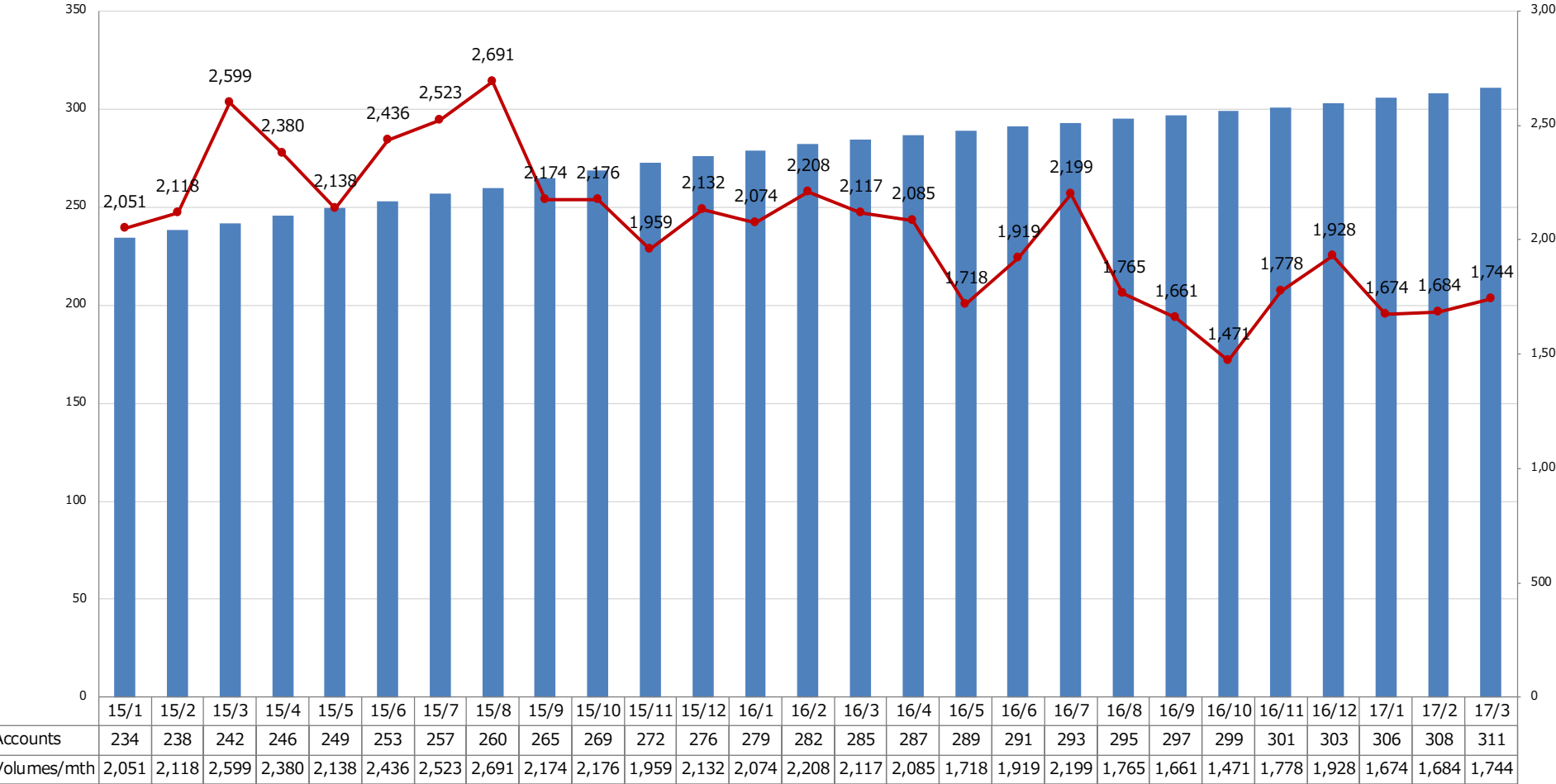
Risk Minimization. Cover transactions executed with counter parties as soon as customer orders exceed acceptable risk position



*from GMO CLICK HD FYE3/2016 Financial Results Presentation

No. of Accounts
(thousands)

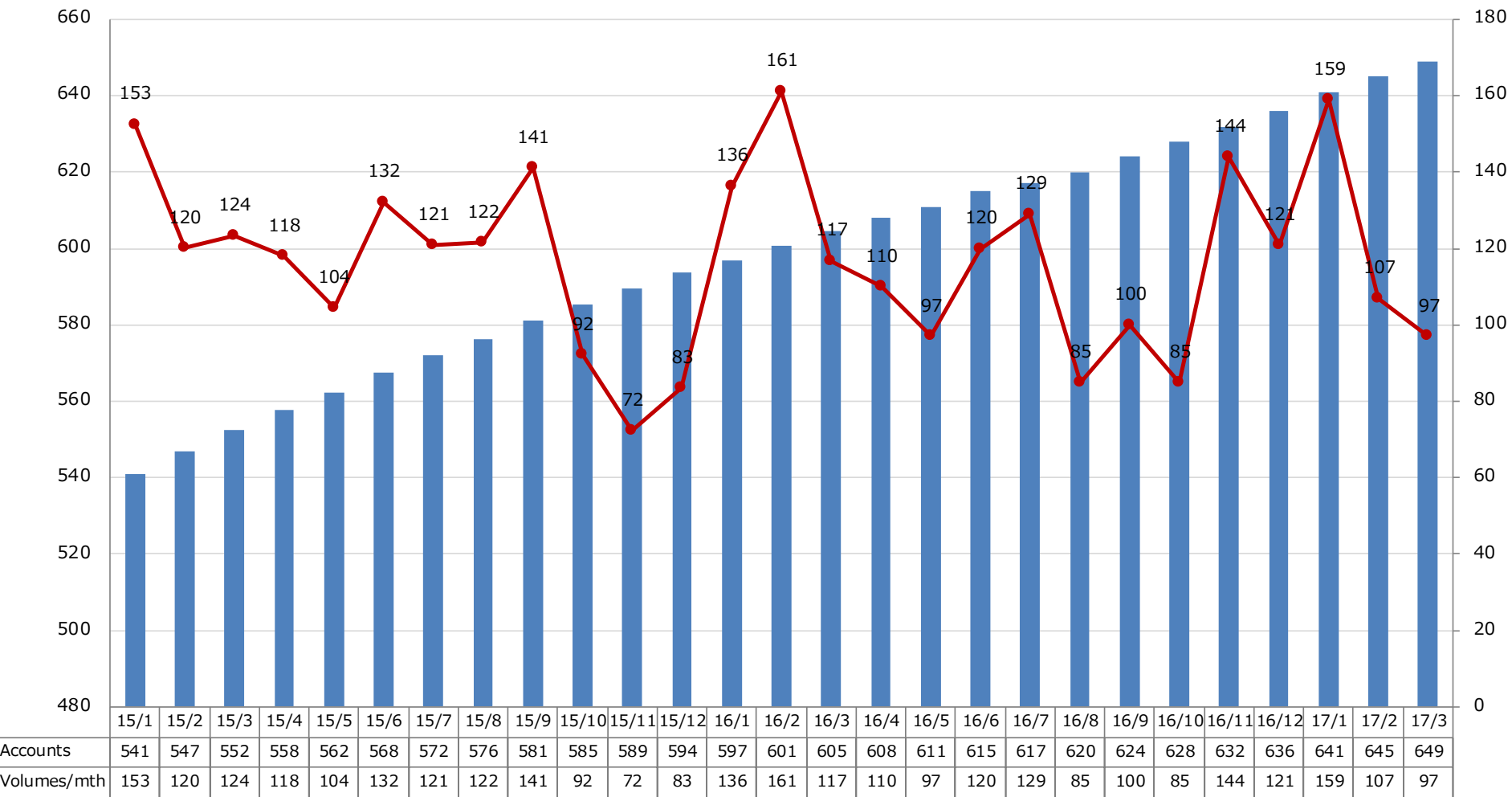
Trading Volume
(JPY billions)



*Compiled based on GMO CLICK HD Data

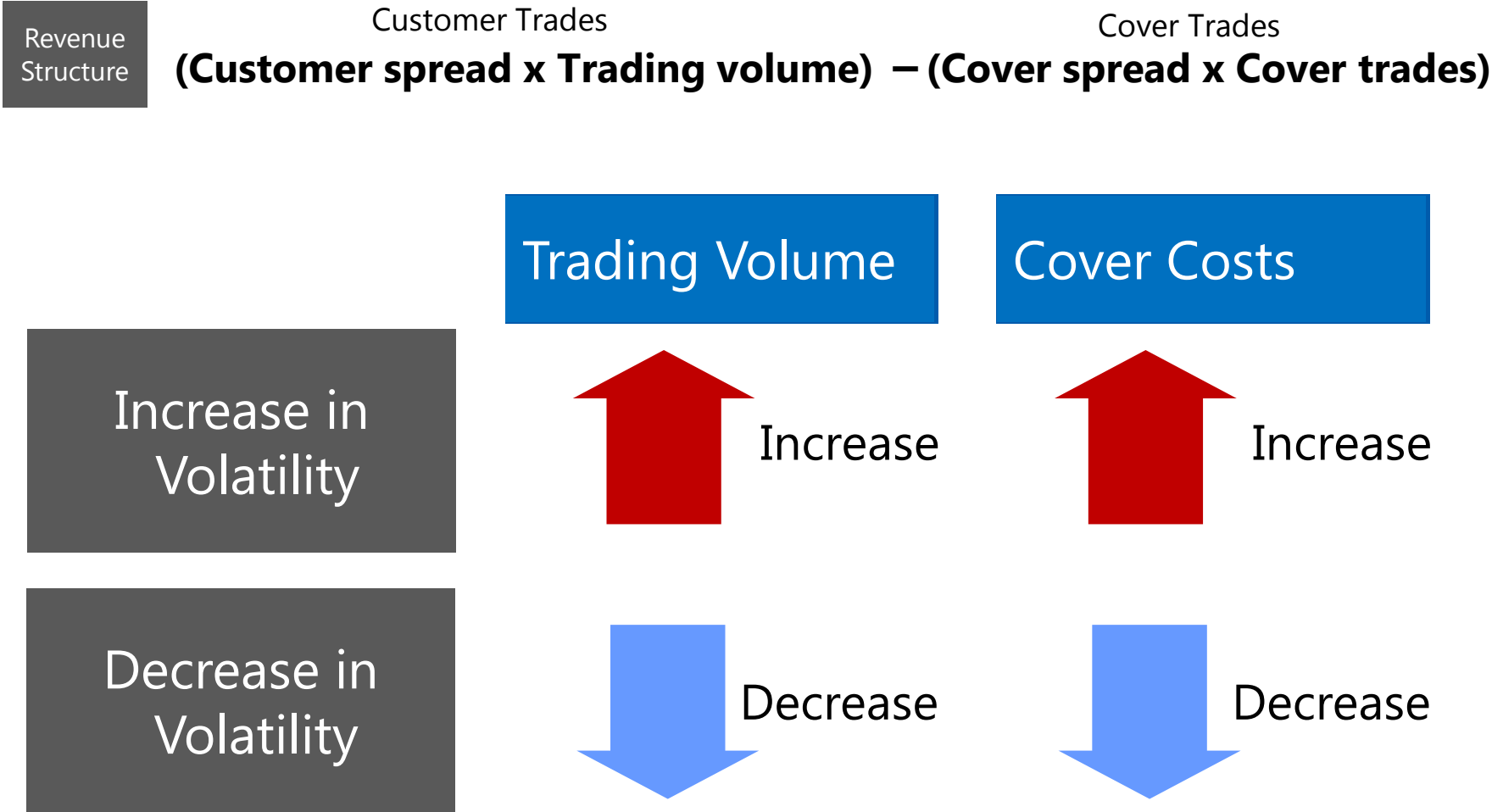
No. of Accounts
(thousands)

Trading Volume
(JPY trillions)



*Compiled based on GMO CLICK HD Data

Accounts (CLICKandFXPrime) Volume (CLICKandPrime)



(Concept diagram)

*From GMO CLICK HD FYE 3/2017 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 Eg. .jp (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 Eg. .com, .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 Fee	A Domain registration fee is charged at the time the domain name is created. Each year after, a renewal fee is charged. This fee varies between registrars and domains.
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