Fiscal Year 2017 Results Presentation



STOCK CODE: 9449

Supplementary Materials

February 9, 2018

Significant Group Companies



131 Group Companies (104 consolidated, 19 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 DIGITAL Lab, Inc. GMO DigiRock, 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 CARS, 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) (China) GlobalSign China (Hong Kong)

GMO-Z.com Forex HK Limited.

(US)

GMO GlobalSign, Inc. GMO-Z.com USA,Inc

(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 NetDesign 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) (Singapore)

GMO-Z.com Pte. Ltd.

GMO GlobalSign Pte. Ltd.

GMO PAYMENT GATEWAY Pte. Ltd.

(Malaysia)

MACRO KIOSK BERHAD

Internet Finance

★ GMO Financial Holdings, Inc. (JASDAQ:7177) GMO CLICK Securities, Inc. FX PRIME by GMO Corporation **GMO** Coin

Incubation

GMO Venture Partners, Inc.

Mobile Entertainment

GMO APP STUDIO, Inc. (and other companies)

★ Listed Company (total 9 companies)

(as of December 2017)

Group News (1)



10/18 GMOINTERNET	GMO Internet launches KYC making it easy to quickly verify identity, the 5th phase of GMO Blockchain Open Source Software Project: Reduces identification costs when opening bank accounts
10/19 CMO INTERNET FINANCIAL HD	GMO Internet Group and Aozora Bank Group decide to launch a new Internet bank "GMO Aozora Net Bank" in July 2018
10/24 GMO NIKKO GMOADPARTNERS	GMO NIKKO develops a new service "Rich Advertising Creative Template," the 2nd phase of a Next-Generation Ad Creative Lab: Producing 11 types of advertisement designs, such as weather information and 3D
10/24 GMOINTERNET	GMO Internet's Bitcoin mining business launches token sale (ICO) for the sales of next-generation mining boards
10/26 GMOMEDIA	GMO Media's online gaming platform "Gesoten" provides 9 titles to Saison Point Mall: Runs campaign for customers who can receive points
10/27 GMOPAYMENT GATEWAY	GMO-PG to launch a comprehensive payment solution "GMO-PG Processing Platform": Payment infrastructure to support card issuing and merchant business

Group News (2)



10/30 GMOINTERNET

GMO Internet launches Pay@Table for autonomous at-the-table bill payment, the 6th phase of the GMO Blockchain Open Source Software Project

11/27 GMO PEPABO inc.

GMO Pepabo's Color Me Shop! is the first ASP online store to adopt Yamato Transport's service that allows customers to receive parcels at TA-Q-BIN Agencies: Launches its service at more than 25,000 locations nationwide on November 27

11/30 **GMO**CARS

GMO CARS' used vehicle flea market site "culumo byGMO" launches a free solution for sellers and buyers, the 2nd phase of service collaboration: Operating at about 3,000 body shops nationwide and offering car maintenance after purchase

12/12 GMOINTERNET

GMO Internet Group's partners can receive part of their salaries in Bitcoin

12/20 GMOINTERNET

GMO Internet launches cryptocurrency mining business

12/25 GMO PEPABO inc.

Total annual transaction volume of GMO Pepabo's minne, Japan's leading handmade market, has increased about 10-fold over the past 3 years, and has exceeded JPY 10 billion in 2017: Drawing attention as "Sharing Economy Service," a service that enables sharing of skills



GMOPAYMENT GATEWAY

0113)						
Stock Code	TSE 1st Section 3769					
Stock Code		Internet Infrastructure (Payment)				
	Q1 FYE 9/2017	Q1 FYE 9/2017 Q1 FYE 9/2018 FYE 9/2018				
	(3mths to Dec)	(3mths to Dec)	Forecast (Progress)			
Net Sales	4,826	6,098	26,107 (+23.4%)			
Operating Profit	1,238	1,594	6,475 (+24.6%)			
Net Profit	609	860	3,953 (+21.8%)			

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



GMOFINANCIAL HD

Stock	JASDAQ Standard 7177					
Code		Internet	Finance			
	Q3 FYE 3/2017	Q3 FYE 12/2017	Q3 FYE 12/2017	FYE 12/2018		
	(3mths to Dec)	(3mths to Dec)	(9 mths to Dec)	Forecast		
Net Sales	6,771	7,826	21,657	_		
Operating Profit	2,309	2,637	7,462			
Ordinary Profit	2,261	2,625	7,349			
Net Profit	1,573	1,476	5,141	<u>—</u>		

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



GMOCLOUD

Ct I. C I -	TSE 1st Section 3788				
Stock Code		Internet Infrastructure (Hosting & Cloud, Security)			
	Q4 FYE 12/2016	Q4 FYE 12/2017	Q4 FYE 12/2017	FYE 12/2018	
	(3mths to Dec)	(3mths to Dec)	(12mths to Dec)	Forecast (YoY)	
Net Sales	2,971	3,172	12,206	12,825	
Operating Profit	189	350	1,075	1,167 (+10.0%)	
Ordinary Profit	206	347	1,101	1,167 (+7.4%)	
Net Profit	72	132	678	700 (+10.1%)	

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



GMOADPARTNERS

Stock Code				
Stock Code		Online Adve	rtising & Media	
	Q4 FYE 12/2016	Q4 FYE 12/2017	Q4 FYE 12/2017	FYE 12/2018
	(3mths to Dec)	(3mths to Dec)	(12mths to Dec)	Forecast (YoY)
Net Sales	7,878	7,672	31,961	33,500 (+4.8%)
Operating Profit	39	101	542	600 (+10.6%)
Ordinary Profit	38	104	558	615 (+10.1%)
Net Profit	-49	264	163	200 (+22.7%)

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



GMO PEPABO inc.

Staals Cada	JASDAQ Standard 3633				
Stock Code	Internet Ir	frastructure (Domain, Ho	osting & Cloud, Ecomme	rce Solutions)	
	Q4 FYE 12/2016	Q4 FYE 12/2017	Q4 FYE 12/2017	FYE 12/2018	
	(3mths to Dec)	(3mths to Dec)	(12mths to Dec)	Forecast (YoY)	
Net Sales	1,670	1,880	7,365	7,800 (+5.9%)	
Operating Profit	129	-79	143	330 (+129.7%)	
Ordinary Profit	131	-64	172	330 (+90.9%)	
Net Profit	30	-95	119	259 (+116.2%)	

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



GMORESEARCH

Stools Code	TSE MOTHERS 3695				
Stock Code		Online Adve	rtising & Media		
	Q4 FYE 12/2016	Q4 FYE 12/2017	Q4 FYE 12/2017	FYE 12/2018	
	(3mths to Dec)	(3mths to Dec)	(12mths to Dec)	Forecast (YoY)	
Net Sales	820	812	3,185	3,497 (9.8%)	
Operating Profit	78	57	325	325 (0.0%)	
Ordinary Profit	102	59	321	305 (-5.1%)	
Net Profit	-24	25	207	207	

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



GMOTECH

Charle Carda		ГНERS 6026		
Stock Code		Online Adve	rtising & Media	
	Q4 FYE 12/2016	Q4 FYE 12/2017	Q4 FYE 12/2017	FYE 12/2018
	(3mths to Dec)	(3mths to Dec)	(12mths to Dec)	Forecast (YoY)
Net Sales	641	732	2,818	2,900 (102.9%)
Operating Profit	39	41	104	110 (105.3%)
Ordinary Profit	37	38	103	110 (106.6%)
Net Profit	33	8	47	65 (136.3%)

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



GMOMEDIA

Stools Code		TSE MOT	THERS 6180	
Stock Code		Online Adve	rtising & Media	
	Q4 FYE 12/2016	Q4 FYE 12/2017	Q4 FYE 12/2017	FYE 12/2018
	(3mths to Dec)	(3mths to Dec)	(12mths to Dec)	Forecast (YoY)
Net Sales	1,265	1,127	4,377	4,700 (7.3%)
Operating Profit	90	74	371	372
Ordinary Profit	89	73	368	368
Net Profit	49	51	252	252 (0.0%)

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

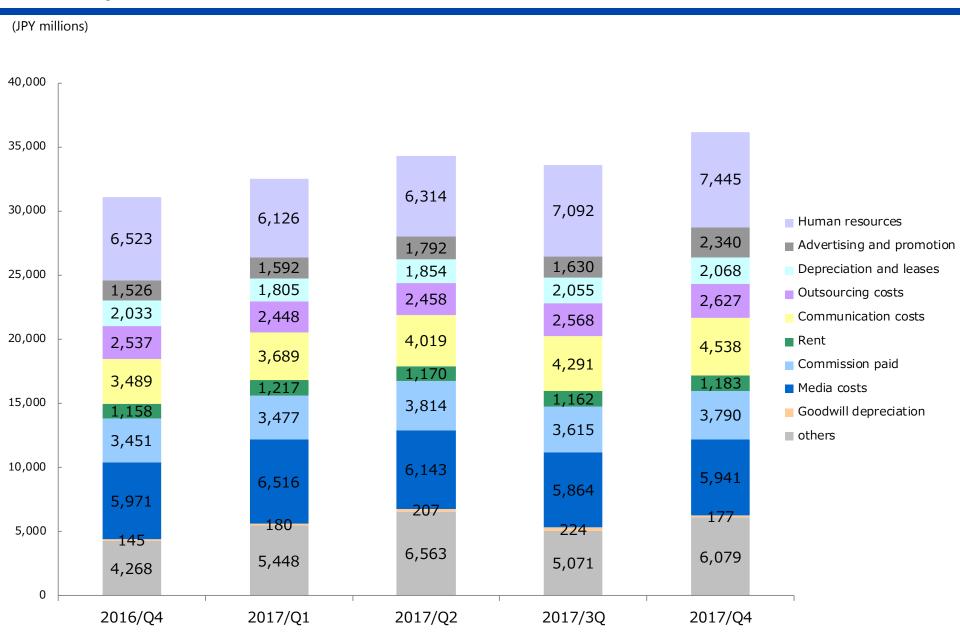
Revenue Breakdown by Segment



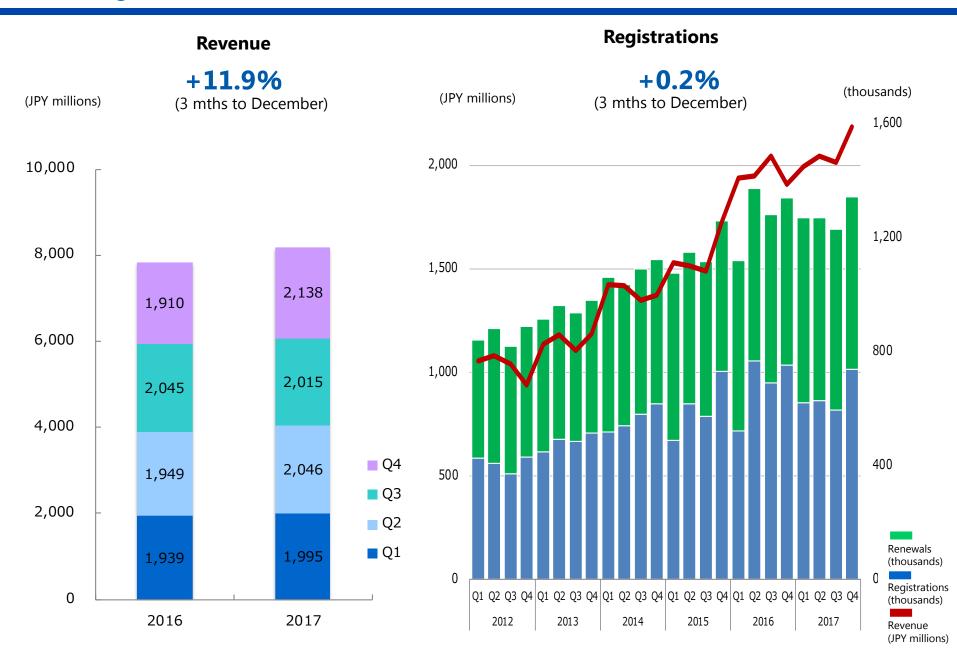
uillions)	Q3 2016	Q4 2016	2017/1Q	2017/2Q	2017/3Q	Q4 2017
◆Internet Infrastructure						
Internet provider	3,497	3,653	3,968	4,455	4,766	5,205
Domain	2,045	1,910	1,995	2,046	2,015	2,138
Cloud & hosting	3,451	3,554	3,532	3,533	3,494	3,511
Ecommercd solutions	2,021	2,299	2,146	2,109	2,167	2,448
Security	1,378	1,255	1,281	1,291	1,282	1,443
Payment	3,184	4,243	5,534	5,590	5,951	7,313
Other	952	759	1,268	1,424	1,401	1,401
Segment total	16,531	17,677	19,727	20,452	21,080	23,462
◆Online Advertising & Media				0	0	
Internet media	3,633	3,400	3,379	3,056	3,160	3,037
Online advertising	6,806	6,983	7,373	7,160	6,818	6,928
Internet research, other	695	798	819	785	736	822
Segment total	11,134	11,182	11,572	11,001	10,715	10,789
◆Internet Finance				0	0	
Internet Finance	6,036	6,771	5,578	6,869	6,847	7,824
Segment total	6,036	6,771	5,578	6,869	6,847	7,824
◆ Mobile Entertainment				0	0	
Mobile Entertainment	472	403	299	232	204	157
Segment total	472	403	299	232	204	157
♦Incubation				0	0	
Incubation	210	205	70	253	337	654
Segment total	210	205	70	253	337	654
♦Other Businesses				0	0	
Other Businesses	51	59	52	919	52	64
Segment total	51	59	52	919	52	64
Internal Transactions Adjustment	(1,260)	(1,158)	(1,260)	(1,430)	(1,169)	(1,106)
Consolidated Net Sales	33,176	35,142	36,040	38,299	38,068	41,847,237

Cost Composition (Consolidated)



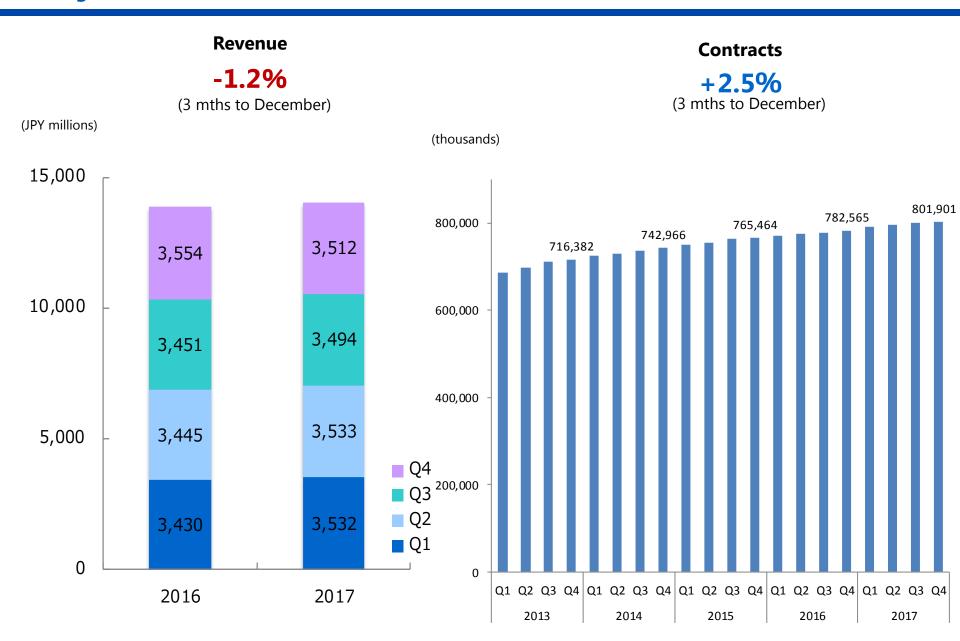




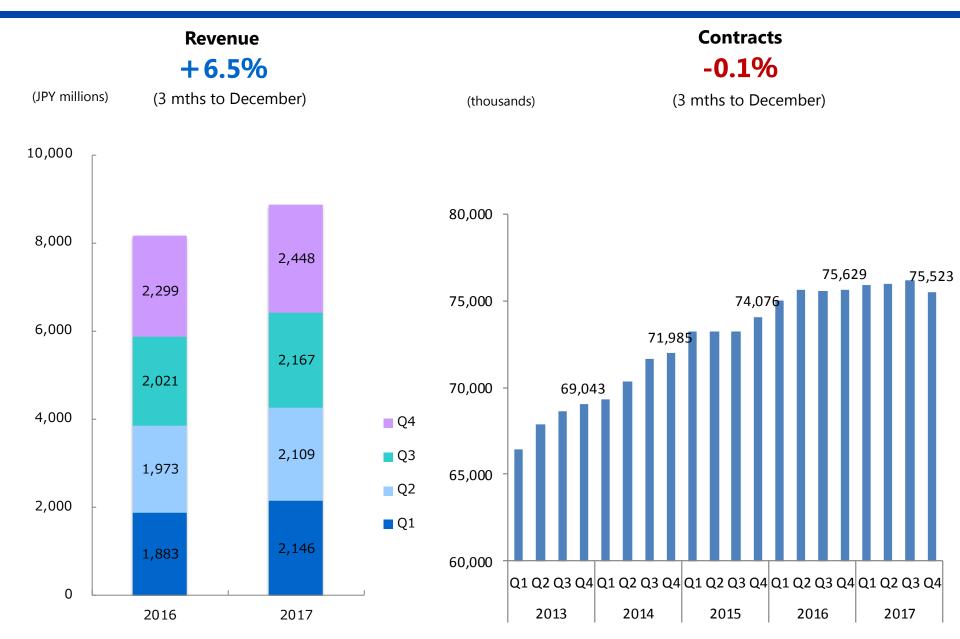


Hosting & Cloud - Performance







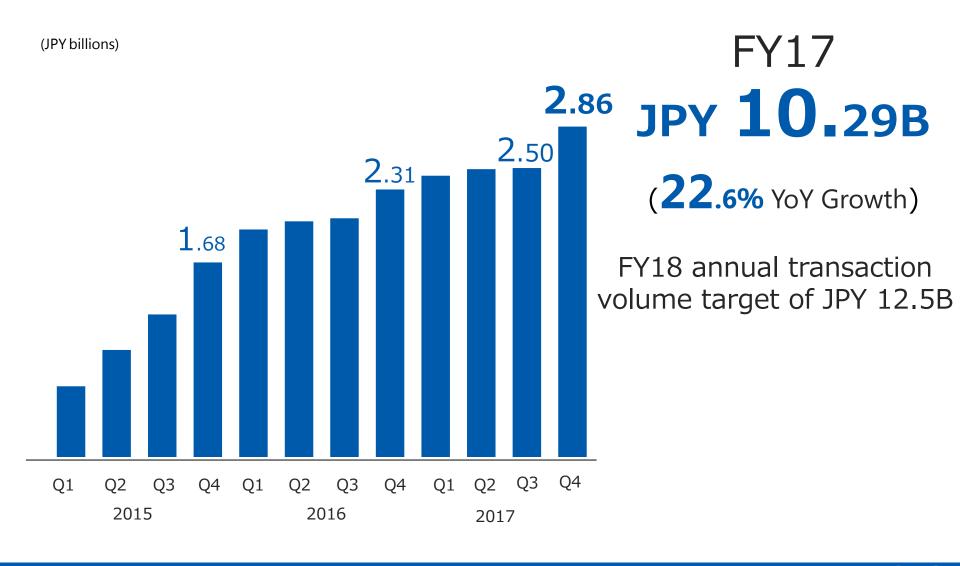




	カラーミーショップ by GMO ベバボ	MakeShop [®] _{wGMO}	Total
Stores (Paid)	59,000	16,000	75,000
Transaction Volume (Quarterly)	JPY34.0B	JPY40.3B	JPY74.3B

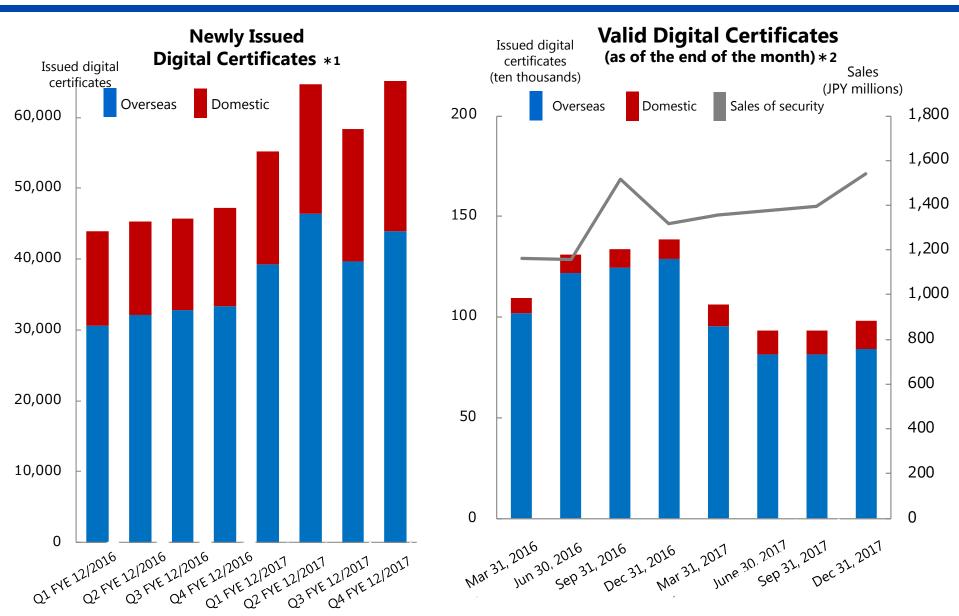
(As of December 2017)





Security - Performance





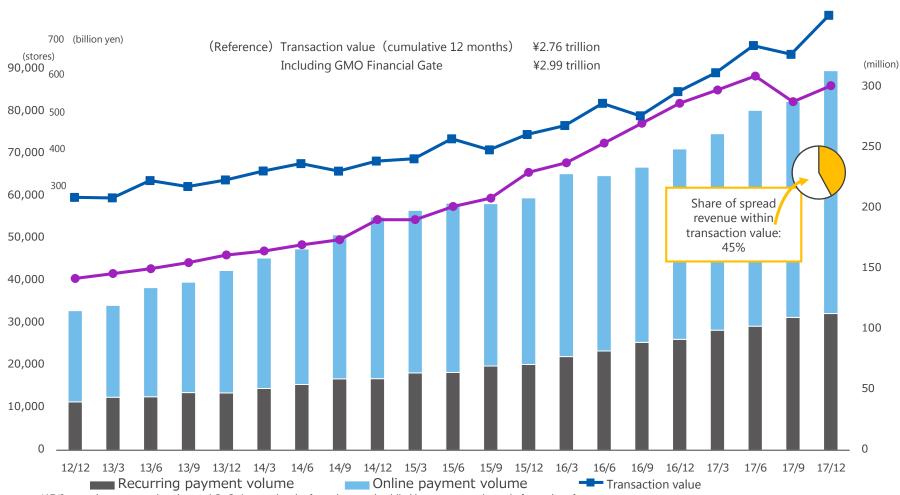
The Company created the above graphs based on GMO CLOUD's "Fiscal Year 2017 3rd Quarter Results Presentation - Supplementary Materials".

^{*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.



Annual transaction value reaches ¥3 trillion

Operating stores: 86,136; Transaction: ¥770 billion (value), 313 million (volume)



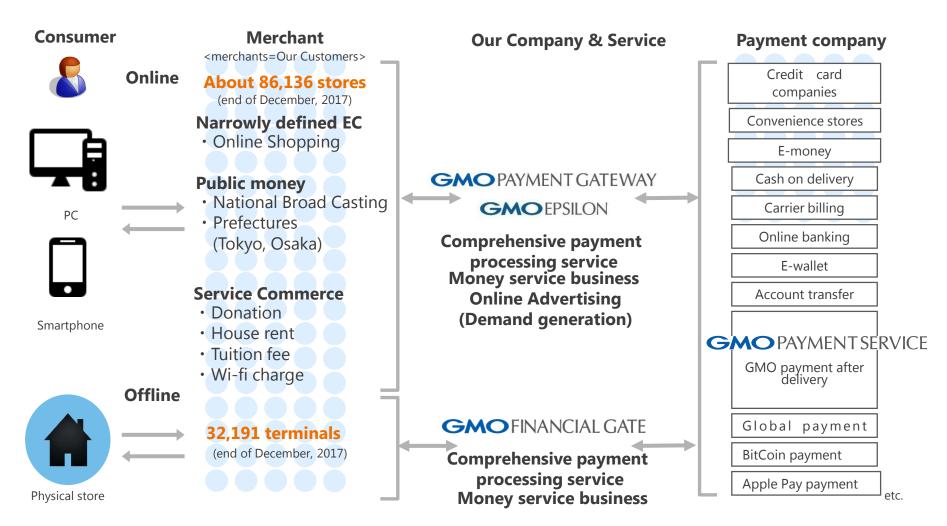
^{*17/9} operating store number dropped QoQ due to a batch of merchants going idled in response to the end of a service of a partner

^{*}Number of operating stores represents end-of-quarter figure, transaction value/volume represents figure during quarter

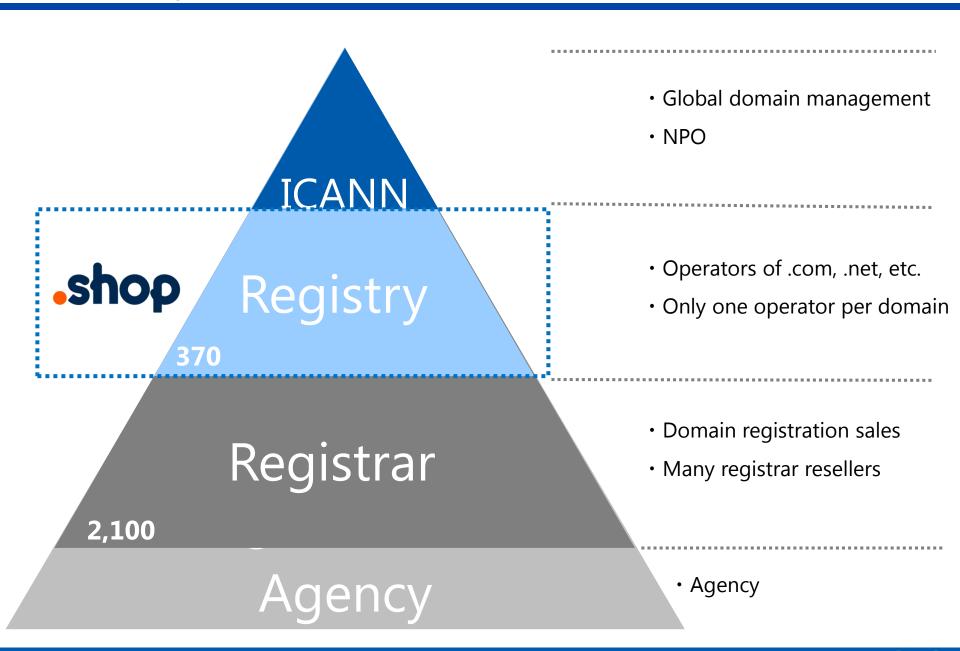
^{*}Based on GMO-PG data.



We connect merchants and payment companies in contracts, payment information and money transactions

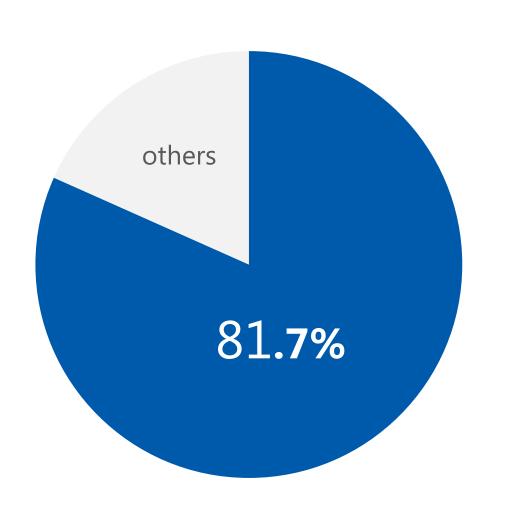








Japan gTLD Operation and Management Market Share



No.1 in Japan 81.7%









Global top 10 registrars

1 Godaddy

6 TURN COMMERCE

2 Wtucows

7



3 network solutions

8



4 enomo

9



5 HICHINA ZHICHENG TECHNOLOGY LTD

10



Source: http://webhosting.info/domain-names/registrars (as of December 2017)



FX

Trading Volume

(Oct-Dec, 2017)

JPY **213**tr

JPY 351tr YoY

Share of Trading Volume

(Oct-Dec, 2017)

22.7%

26.6% YoY

Customer Assets Balance

(As of December 31, 2017)

JPY **157.2**B

JPY 132.4B (As of December 31, 2016)

Securities

Trading Volume

(Oct-Dec, 2017)

JPY 6.0tr

JPY 5.1tr YoY

Share of Trading Volume

(Oct-Dec, 2017)

6.7%

7.5% YoY

Margin Transaction Balance

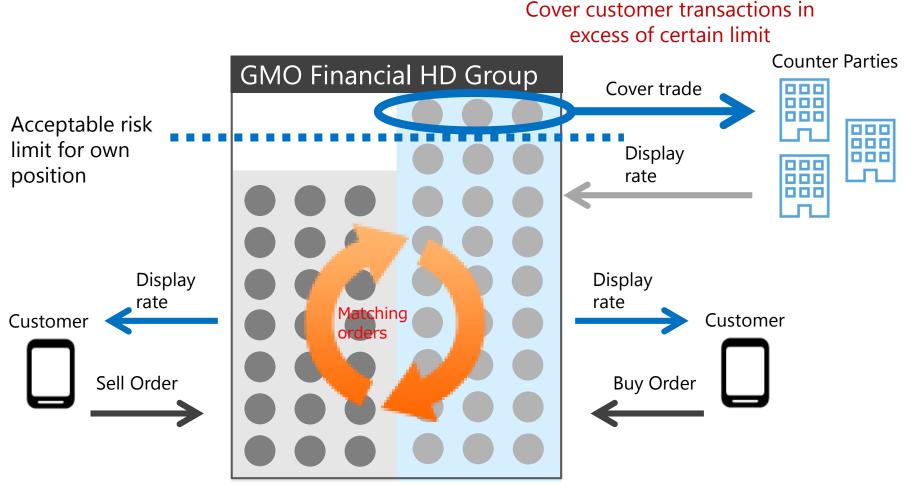
(As of December 31, 2017)

JPY **129.1**_B

JPY 102.1B (As of December 31, 2016)



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



*from GMO Financial HD FYE3/2016 Financial Results Presentation



Revenue Structure **Customer Trades**

Cover Trades

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

Increase in Volatility

Decrease in Volatility

Decrease Decrease

Decrease

(Concept diagram)

*From GMO Financial 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 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.