

Fiscal Year 2018 Second Quarter Results Presentation



STOCK CODE : 9449

Supplementary Materials

August 9, 2018

Significant Group Companies

136 Group Companies (111 consolidated, 18 non-consolidated, 4 equity method affiliates, 3 non-equity method affiliates) *As of June 2018

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)
- Hokkaido Pref.
- GMO DIGITAL Lab, Inc.
- Kyushu and Chugoku regions
- GMO CLOUD, Inc. (Shimonoseki Branch)
- GMO Pepabo, Inc. (Fukuoka Branch)
- GMO Internet, Inc. (Kokura Office)
- GMO Internet, Inc. (Miyazaki Office)
- GMO NIKKO, Inc. (Miyazaki Office)
- GMO TECH, Inc. (Miyazaki Office)
- Osaka region
- GMO Internet, Inc.
- (Osaka Sales Office)
- GMO CLOUD, K.K.
- GMO Payment Gateway, Inc.
- GMO Solution Partner, Inc.
- GMO DigiRock, Inc.

Internet Finance

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

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)

Cryptocurrency

- GMO Internet, Inc.
- GMO Coin

Incubation

- GMO Venture Partners, Inc.

- Europe

(UK)

GMO-Z.com Trade UK LTD.

GMO GlobalSign Ltd.

(Belgium)

GlobalSign NV

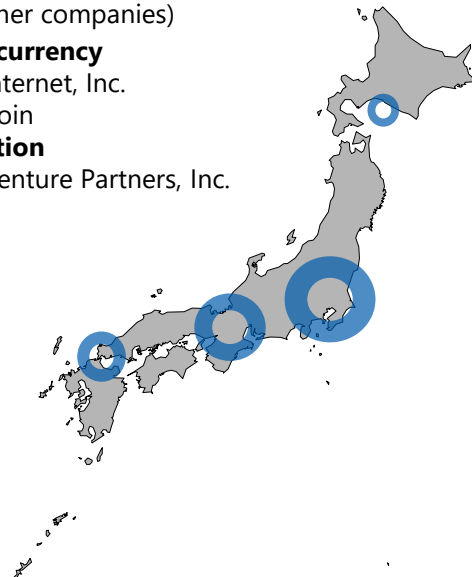
(Switzerland)

GMO-Z.com Switzerland AG

(US)

GMO GlobalSign, Inc.

GMO-Z.com USA, Inc.



- Asia

GMO Globalsign China (PRC)

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

GMO-Z.com PAYMENT GATEWAY HK Limited. (Hong Kong)

(UAE)

GMO GlobalSign FZ-LLC

(India)

GMO GlobalSign Certificate Services Private limited; GMO Research Pvt.Ltd.

(Myanmar)

GMO-Z.com ACE Co. Ltd.

(Thailand)

GMO-Z.com Securities Thailand; GMO-Z.com NetDesign Holdings Co.,Ltd

(Singapore)

GMO-Z.com Pte. Ltd.; GMO GlobalSign Pte. Ltd.; GMO-Z.com PAYMENT GATEWAY Pte Ltd.

(Malaysia)

MACRO KIOSK BERHAD

(Vietnam)

GMO-Z.com Runsystem JSC; GMO-Z.com Vietnam Lab Center Co. Ltd.

(Philippines)

GMO GlobalSign Inc.

★ Listed Company
(total 9 companies)

Group News (1) 3 mths to June

- | | | |
|------|----------------------------|--|
| 4/9 | GMO PEPABO inc. | Gather at Tokyo Big Sight for Golden Week Holiday! "minne Handmade Market 2018" will be held from Friday, April 27 to Sunday, April 29: Three days of handicrafts, from accessories to foods |
| 4/18 | GMO PAYMENT GATEWAY | GMO-PG starts to support data scientist development together with the Graduate School of Information and Science Technology, University of Tokyo |
| 4/20 | GMO INTERNET | GMO Internet's Z.com Cloud Blockchain is adopted into Home Delivery Box utilizing the blockchain technology: Start testing and operating for Kaeru PARCO users |
| 4/23 | GMO MAKESHOP | GMO MAKESHOP's "MakeShop" has No.1 transaction volume in ASP online store industry for the 6th consecutive year and achieved JPY 148B in 2017, and growth of apparel category drove MakeShop's transaction volume to a record high |
| 5/15 | GMO PAYMENT GATEWAY | Release of "GMO B2B Early Payment": multilateral support for B2B E-commerce operators together with the release of "GMO B2B AR Guarantee" |
| 5/18 | GMO PAYMENT GATEWAY | "Ginko Pay" platform to be delivered to Japan Post Bank: interoperable with the Bank of Yokohama, Fukuoka FG (Fukuoka Bank, Kumamoto Bank and Shinwa Bank), Resona Gr. and the Japan Post Bank |
| 5/30 | GMO Coin | GMO Coin launches trading with leverage for all available cryptocurrencies |

Group News (2) 3 mths to June

| | | |
|------|------------------------|---|
| 5/31 | GMO INTERNET | GMO Internet launches "CryptoChips byGMO" that enables distribution of Bitcoin as remuneration within the game application in August 2018 |
| 6/6 | GMO INTERNET | GMO Internet Group is launching the new mining machine "GMO miner B2" equipped with ASIC mining chips "GMO 72b" using a cutting-edge 7 nm process technology: Each mining hardware unit will have a performance of 24 TH/s and achieve a power reduction of 20% max per 1 TH/s |
| 6/11 | GMO COMMERCE | GMO Commerce's new function "YAMADA Check-In Plus" was added to the application YAMADA DENKI Keitai de Anshin: YAMADA point can be acquired at GMO Check-In merchants nationwide |
| 6/12 | GMO PEPABO inc. | Pepabo R&D Institute presented the thesis related to dynamic loading of SSL certificates at the workshop ADMNET 2018 in the international conference IEEE COMPSAC 2018 |
| 6/25 | GMO PEPABO inc. | GMO Pepabo launches its new feature that automatically integrates regular retail service "Color Me Repeat" with future payment service called "GMO payment after delivery": Extending the purchase opportunities by expanding the means of payment |
| 6/27 | GMO INTERNET | GMO Internet opened "GMO kitaQ," the first engineer center in Kitakyushu City: The full-scale launch of the system protection center that will take part in the monitoring, maintenance, and management of services |
| 6/27 | GMO INTERNET | GMO Internet will kick off its long-awaited smartphone game Captain Tsubasa ZERO shortly. The number of customers who have registered in advance surpassed 500,000. On the game distribution date, gorgeous benefits will be given to all of its customers who have registered in advance |

Listed Group Companies (3 mths to June)



(JPY millions)

| Stock Code | TSE 1st Section 3769 | | | |
|------------------|-----------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| | Internet Infrastructure (Payment) | | | |
| | Q3 FYE 9/2017 (3mths to Jun) | Q3 FYE 9/2018 (3mths to Jun) | Q3 FYE 9/2018 (9mths to Jun) | FYE 9/2018 Forecast (Progress) |
| Net Sales | 5,333 | 6,563 | 19,122 | 26,107 (73.2%) |
| Operating Profit | 1,090 | 1,920 | 5,190 | 6,475 (80.2%) |
| Net Profit | 706 | 1,053 | 3,016 | 3,933 (76.7%) |

*Adopting IFRS since FYE 9/2018. Previous year’s numbers are based on IFRS.

*Compiled from each companies’ quarterly P/L statements

Listed Group Companies (3 mths to June)



(JPY millions)

| Stock Code | JASDAQ Standard 7177 | | |
|------------------|-----------------------------------|----------------------------------|------------------------------------|
| | Internet Finance & Cryptocurrency | | |
| | Q2 FYE 12/2017 (3mths to Jun) | Q2 FYE 12/2018 (3mths to Jun) | FYE 12/2018 Forecast (Progress) |
| Net Sales | 6,871 | 9,007 | — |
| Operating Profit | 2,435 | 3,275 | — |
| Ordinary Profit | 2,406 | 3,292 | — |
| Net Profit | 1,640 | 2,148 | — |

*Compiled from each companies' quarterly P/L statements

Listed Group Companies (3 mths to June)



(JPY millions)

| Stock Code | TSE 1st Section 3788 | | | |
|------------------|---|----------------------------------|----------------------------------|------------------------------------|
| | Internet Infrastructure (Hosting & Cloud, Security) | | | |
| | Q2 FYE 12/2017 (3mths to Jun) | Q2 FYE 12/2018 (3mths to Jun) | Q2 FYE 12/2018 (6mths to Jun) | FYE 12/2018 Forecast (Progress) |
| Net Sales | 3,007 | 3,133 | 6,240 | 12,825 (48.7%) |
| Operating Profit | 203 | 340 | 701 | 1,167 (60.1%) |
| Ordinary Profit | 232 | 385 | 737 | 1,167 (63.2%) |
| Net Profit | 176 | 293 | 524 | 700 (75.0%) |

*Compiled from each companies’ quarterly P/L statements

Listed Group Companies (3 mths to June)



(JPY millions)

| Stock Code | JASDAQ Standard 4784 | | | |
|------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------------|
| | Online Advertising & Media | | | |
| | Q2 FYE 12/2017 (3mths to Jun) | Q2 FYE 12/2018 (3mths to Jun) | Q2 FYE 12/2018 (6mths to Jun) | FYE 12/2018 Forecast (Progress) |
| Net Sales | 8,068 | 7,774 | 16,795 | 33,600 (50.0%) |
| Operating Profit | 93 | 138 | 280 | 600 (46.7%) |
| Ordinary Profit | 105 | 157 | 295 | 615 (48.0%) |
| Net Profit | -249 | 37 | 157 | 200 (78.7%) |

*Compiled from each companies’ quarterly P/L statements

Listed Group Companies (3 mths to June)



(JPY millions)

| Stock Code | JASDAQ Standard 3633 | | | |
|------------------|--|----------------------------------|----------------------------------|------------------------------------|
| | Internet Infrastructure (Domain, Hosting & Cloud, Ecommerce Solutions) | | | |
| | Q2 FYE 12/2017 (3mths to Jun) | Q2 FYE 12/2018 (3mths to Jun) | Q2 FYE 12/2018 (6mths to Jun) | FYE 12/2018 Forecast (Progress) |
| Net Sales | 1,863 | 2,117 | 4,015 | 7,800 (51.5%) |
| Operating Profit | -26 | 136 | 288 | 330 (87.4%) |
| Ordinary Profit | -18 | 151 | 306 | 330 (92.8%) |
| Net Profit | -18 | 128 | 269 | 259 (104.1%) |

*Compiled from each companies' quarterly P/L statements

Listed Group Companies (3 mths to June)



(JPY millions)

| Stock Code | TSE MOTHERS 3695 | | | |
|------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------------|
| | Online Advertising & Media | | | |
| | Q2 FYE 12/2017 (3mths to Jun) | Q2 FYE 12/2018 (3mths to Jun) | Q2 FYE 12/2018 (6mths to Jun) | FYE 12/2018 Forecast (Progress) |
| Net Sales | 793 | 727 | 1,500 | 3,497 (42.9%) |
| Operating Profit | 62 | 7 | 63 | 325 (19.5%) |
| Ordinary Profit | 65 | 10 | 50 | 305 (16.5%) |
| Net Profit | 41 | 9 | 38 | 207 (18.4%) |

*Compiled from each companies' quarterly P/L statements

Listed Group Companies (3 mths to June)



(JPY millions)

| Stock Code | TSE MOTHERS 6026 | | | |
|------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------------|
| | Online Advertising & Media | | | |
| | Q2 FYE 12/2017 (3mths to Jun) | Q2 FYE 12/2018 (3mths to Jun) | Q2 FYE 12/2018 (6mths to Jun) | FYE 12/2018 Forecast (Progress) |
| Net Sales | 576 | 673 | 1,303 | 2,900 (45.0%) |
| Operating Profit | 11 | -41 | -115 | 110 (-) |
| Ordinary Profit | 11 | -43 | -119 | 110 (-) |
| Net Profit | 2 | -40 | -120 | 65 (-) |

*Compiled from each companies’ quarterly P/L statements

Listed Group Companies (3 mths to June)



(JPY millions)

| Stock Code | TSE MOTHERS 6180 | | | |
|------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------------|
| | Online Advertising & Media | | | |
| | Q2 FYE 12/2017 (3mths to Jun) | Q2 FYE 12/2018 (3mths to Jun) | Q2 FYE 12/2018 (6mths to Jun) | FYE 12/2018 Forecast (Progress) |
| Net Sales | 957 | 1,180 | 2,575 | 4,700 (54.8%) |
| Operating Profit | 60 | 37 | 195 | 372 (52.5%) |
| Ordinary Profit | 59 | 36 | 194 | 368 (52.9%) |
| Net Profit | 39 | 27 | 133 | 252 (53.0%) |

*Compiled from each companies’ quarterly P/L statements

Finance, Payment, and Cryptocurrency | Group relationship

NEW

Domain, hosting & cloud, provider, cryptocurrency mining

GMO Internet (TSE1)

Cryptocurrency mining

GMO-Z.com Switzerland AG

Cryptocurrency mining

Net Bank

GMO Aozora Net Bank

(Aozora Bank 85.1% / GMO Internet 7.5% / GMO Financial HD 7.5%)

Infrastructure & Ecommerce

Rental server, hosting & cloud

GMO CLOUD (TSE1)

SSL server certificate

GMO GlobalSign

Domain registration, rental server, ecommerce

GMO Pepabo (JASDAQ)

Payment processing service

GMO Payment Gateway (TSE1)

Transaction lending

GMO Epsilon

Future payment

GMO Payment Service

Offline payment

GMO Financial Gate

Finance

Financial holdings company

GMO Financial HD (JASDAQ)

FX trading, online securities trading

GMO CLICK Securities

FX trading

FX Prime byGMO

Cryptocurrency exchange

Cryptocurrency exchange, cryptocurrency FX

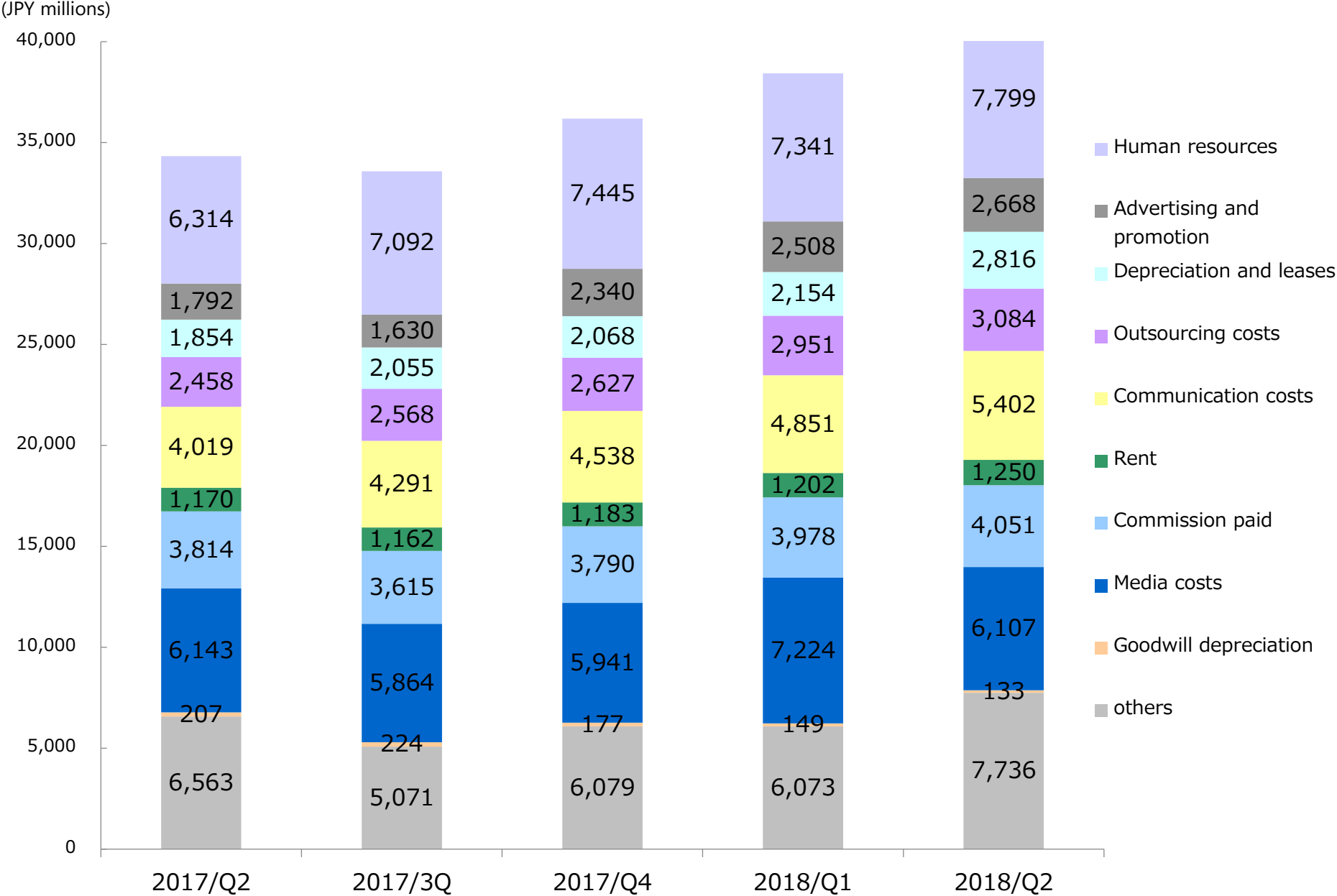
GMO Coin

Revenue Breakdown by Segment

(JPY millions)

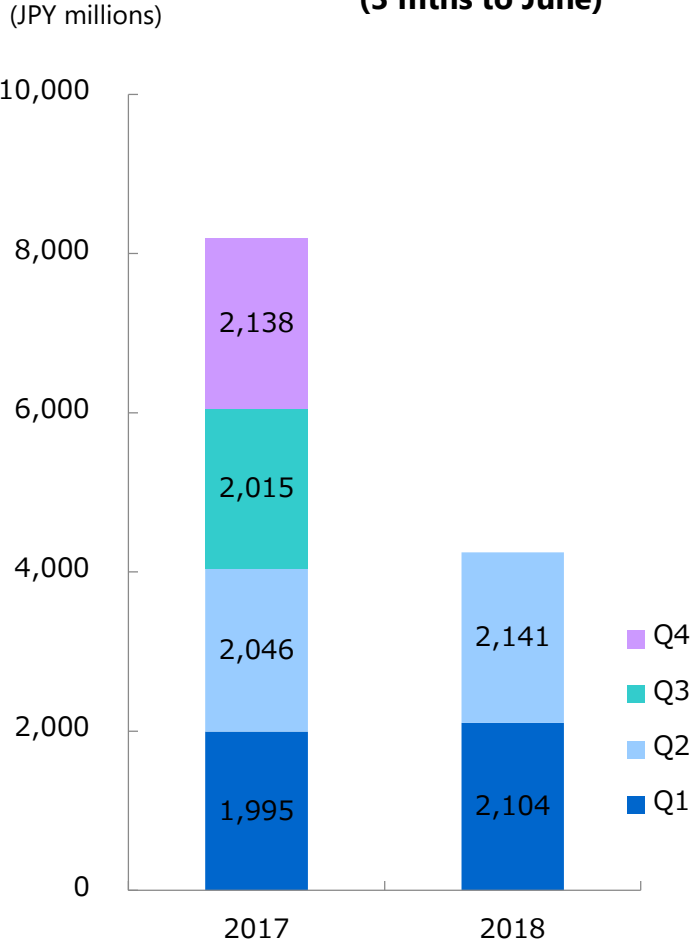
| | 2017/Q2 | 2017/Q3 | 2017/Q4 | 2018/Q1 | 2018/Q2 |
|----------------------------------|---------|---------|---------|---------|---------|
| ◆Internet Infrastructure | | | | | |
| Internet provider | 4,455 | 4,766 | 5,205 | 5,586 | 6,460 |
| Domain | 2,046 | 2,015 | 2,138 | 2,104 | 2,141 |
| Cloud & hosting | 3,533 | 3,494 | 3,511 | 3,527 | 3,519 |
| Ecommerce solutions | 2,109 | 2,167 | 2,448 | 2,379 | 2,510 |
| Security | 1,291 | 1,282 | 1,443 | 1,423 | 1,484 |
| Payment | 5,590 | 5,951 | 7,313 | 6,748 | 6,819 |
| Other | 1,424 | 1,401 | 1,304 | 1,619 | 1,887 |
| Segment total | 20,452 | 21,080 | 23,364 | 23,390 | 24,823 |
| ◆Online Advertising & Media | | | | | |
| Internet media | 3,056 | 3,160 | 3,037 | 3,152 | 3,235 |
| Online advertising | 7,160 | 6,818 | 6,928 | 8,339 | 7,058 |
| Internet research, other | 785 | 736 | 822 | 774 | 718 |
| Segment total | 11,001 | 10,715 | 10,789 | 12,267 | 11,012 |
| ◆Internet Finance | | | | | |
| Segment total | 6,869 | 6,960 | 6,973 | 8,151 | 7,560 |
| ◆Cryptocurrency | | | | | |
| Cryptocurrency exchange | 0 | (109) | 869 | 192 | 1,420 |
| Cryptocurrency mining | - | - | 97 | 442 | 1,237 |
| Segment total | 0 | (109) | 966 | 635 | 2,657 |
| ◆Incubation | | | | | |
| Segment total | 253 | 337 | 654 | 180 | 2,018 |
| ◆Other Businesses | | | | | |
| Segment total | 1,152 | 256 | 222 | 139 | 851 |
| Internal Transactions Adjustment | (1,430) | (1,172) | (1,125) | (1,059) | (1,358) |
| Consolidated Net Sales | 38,299 | 38,068 | 41,847 | 43,705 | 47,564 |

Cost Composition (Consolidated)

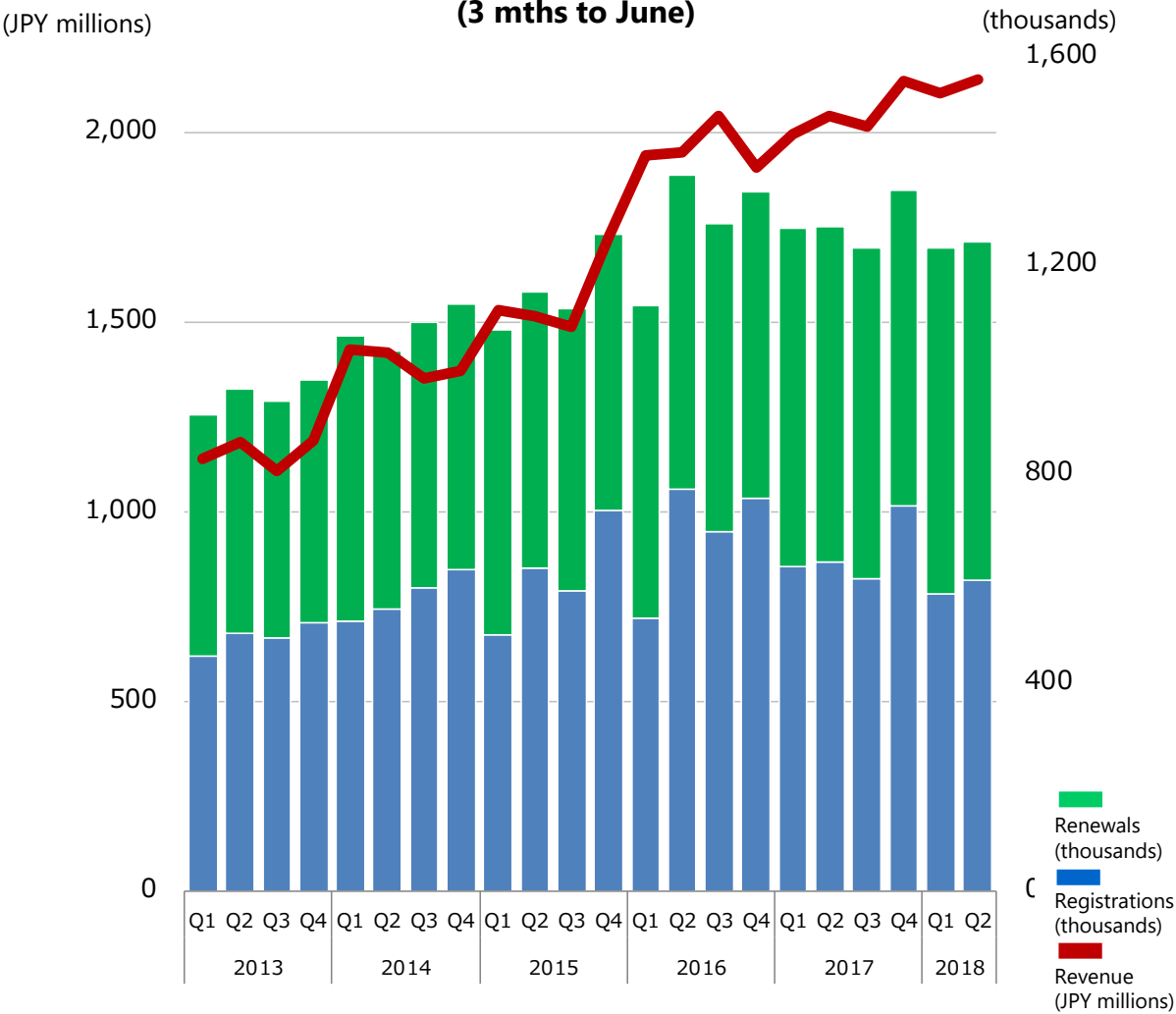


Internet Infrastructure | Domain Registration

Revenue
+4.6%
(3 mths to June)



Registrations
-2.2%
(3 mths to June)



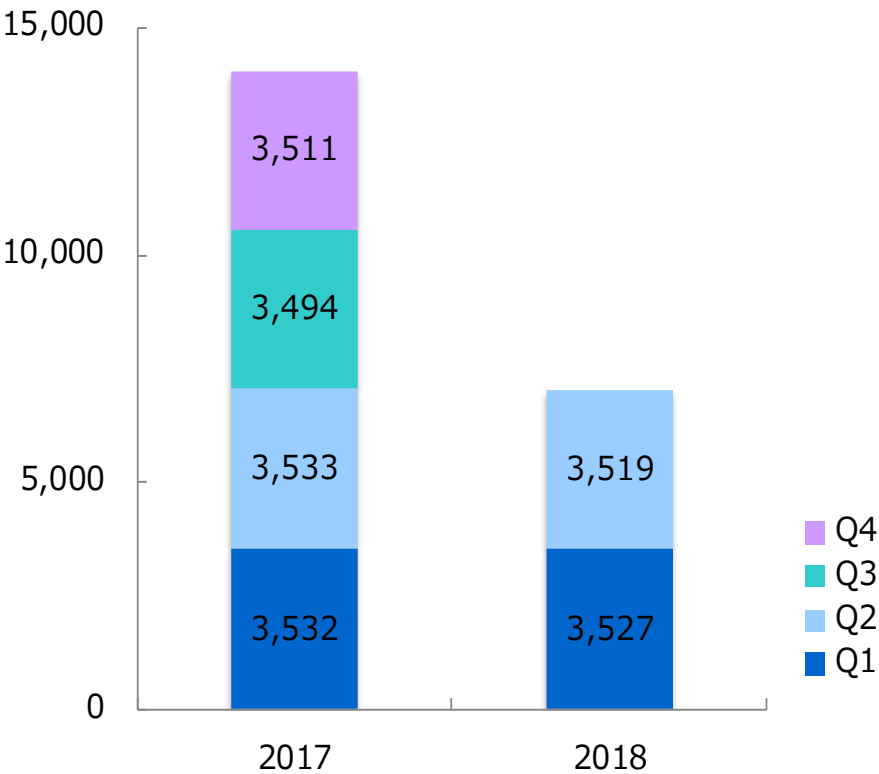
Internet Infrastructure | Hosting & Cloud - KPIs

Revenue

-0.4%

(3 mths to June)

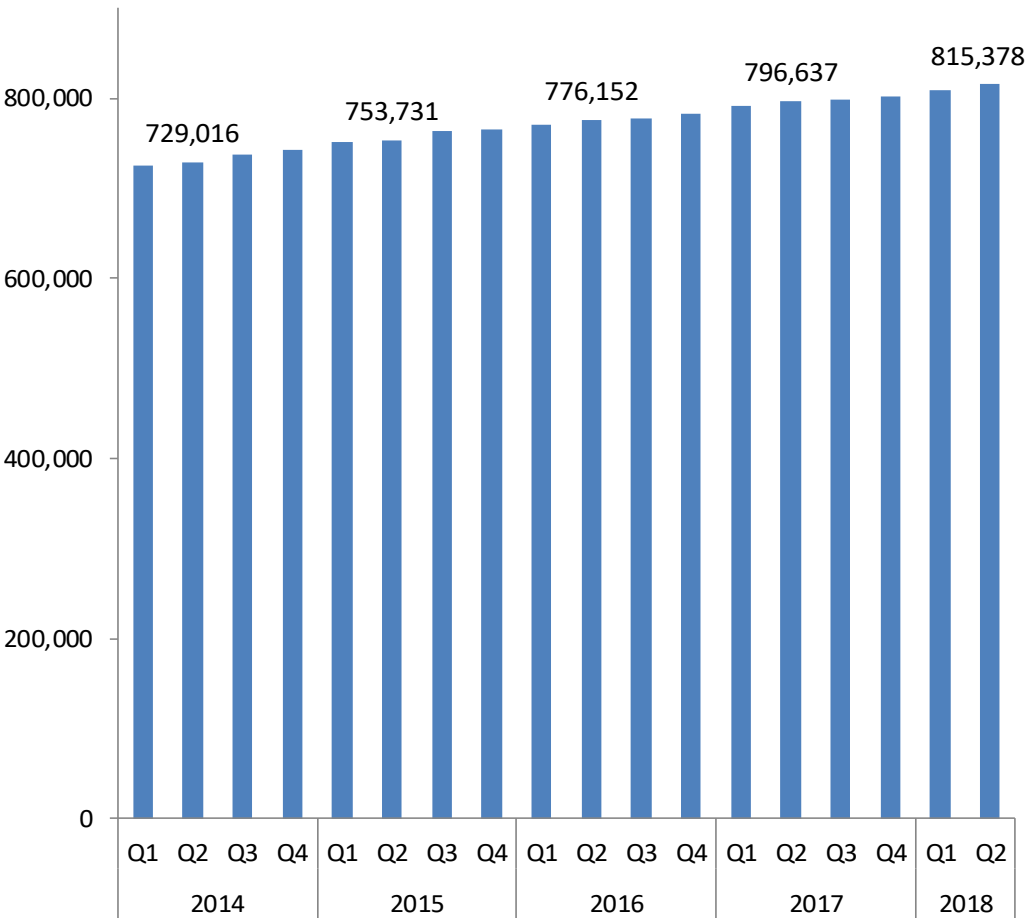
(JPY millions)



Contracts

+2.4%

(3 mths to June)

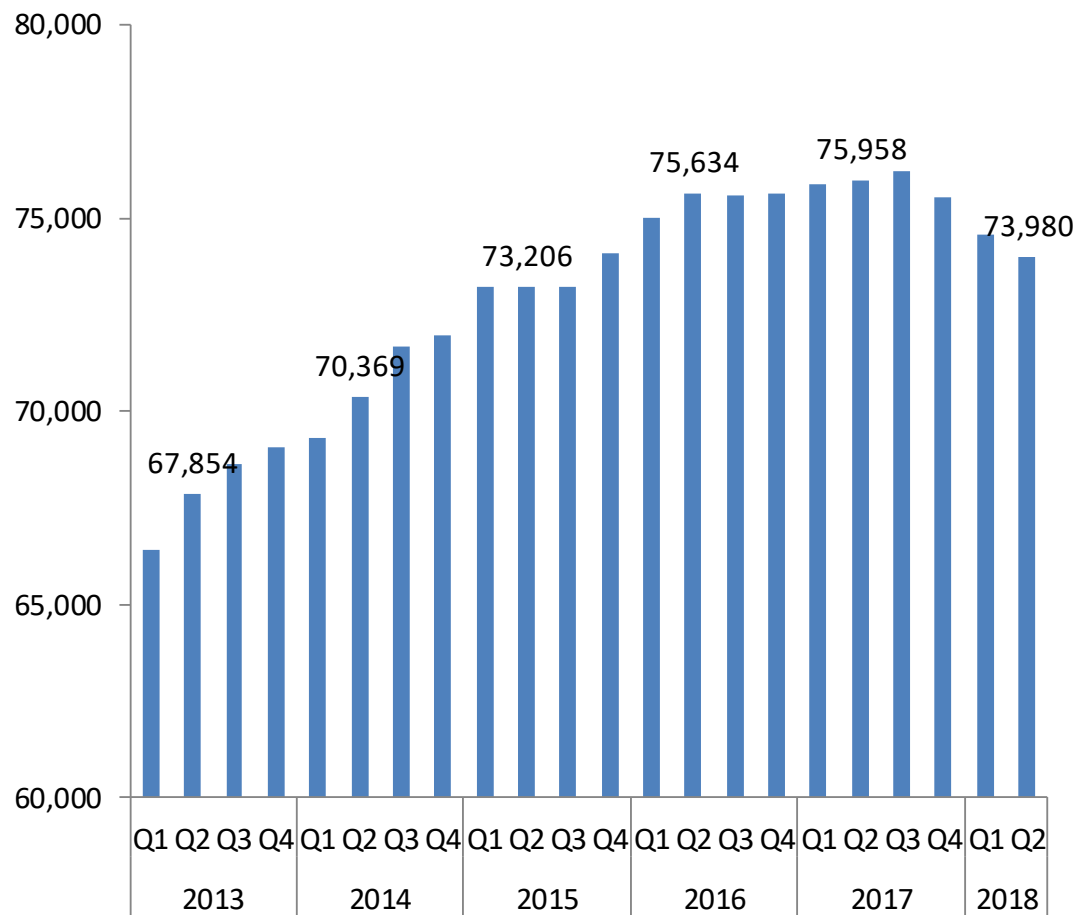
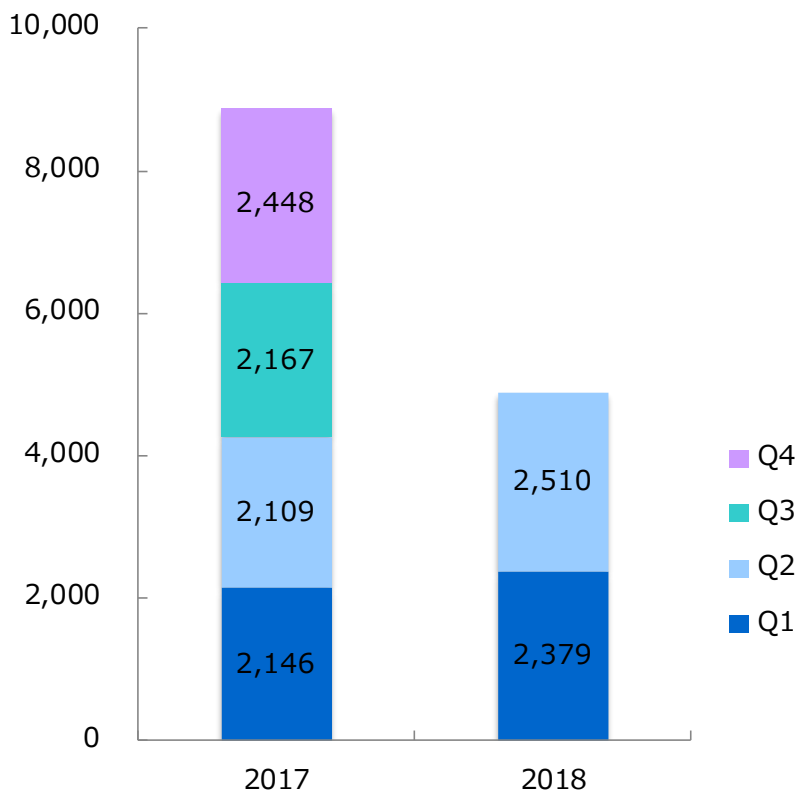


Internet Infrastructure | Ecommerce Solutions - KPIs

Revenue
+19.0%
(3 mths to June)

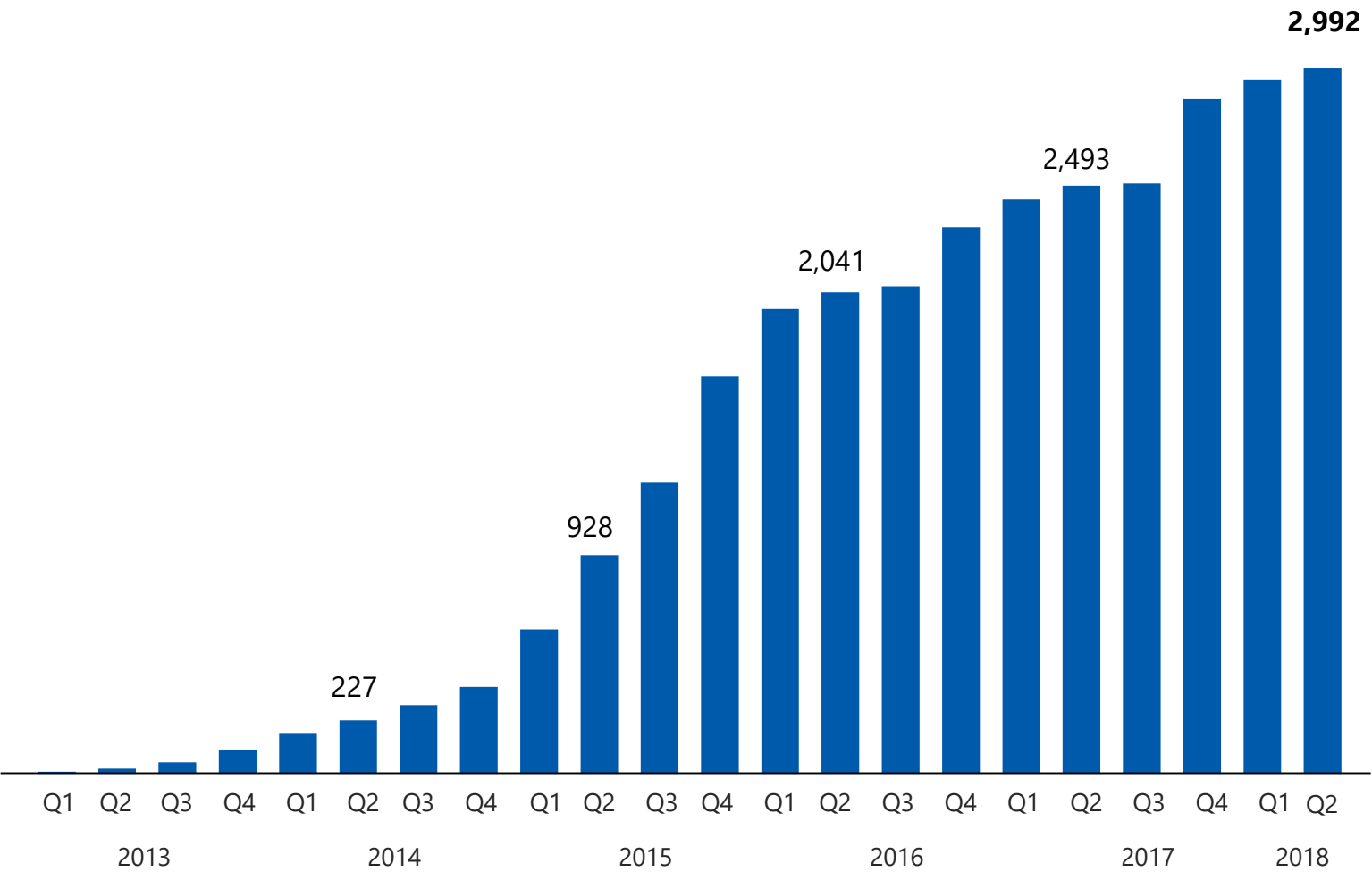
Contracts
-2.6%
(3 mths to June)

(JPY millions)

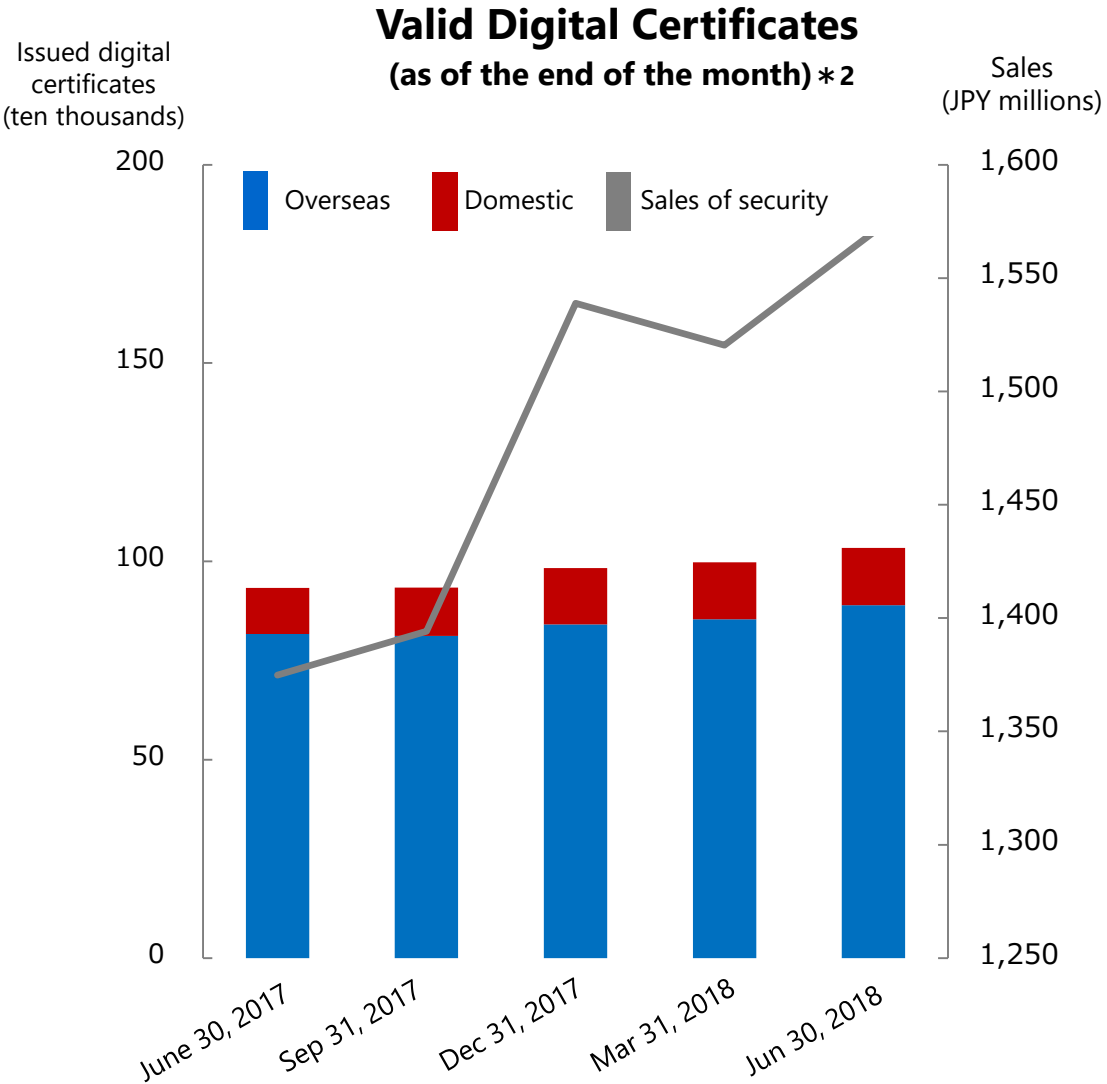
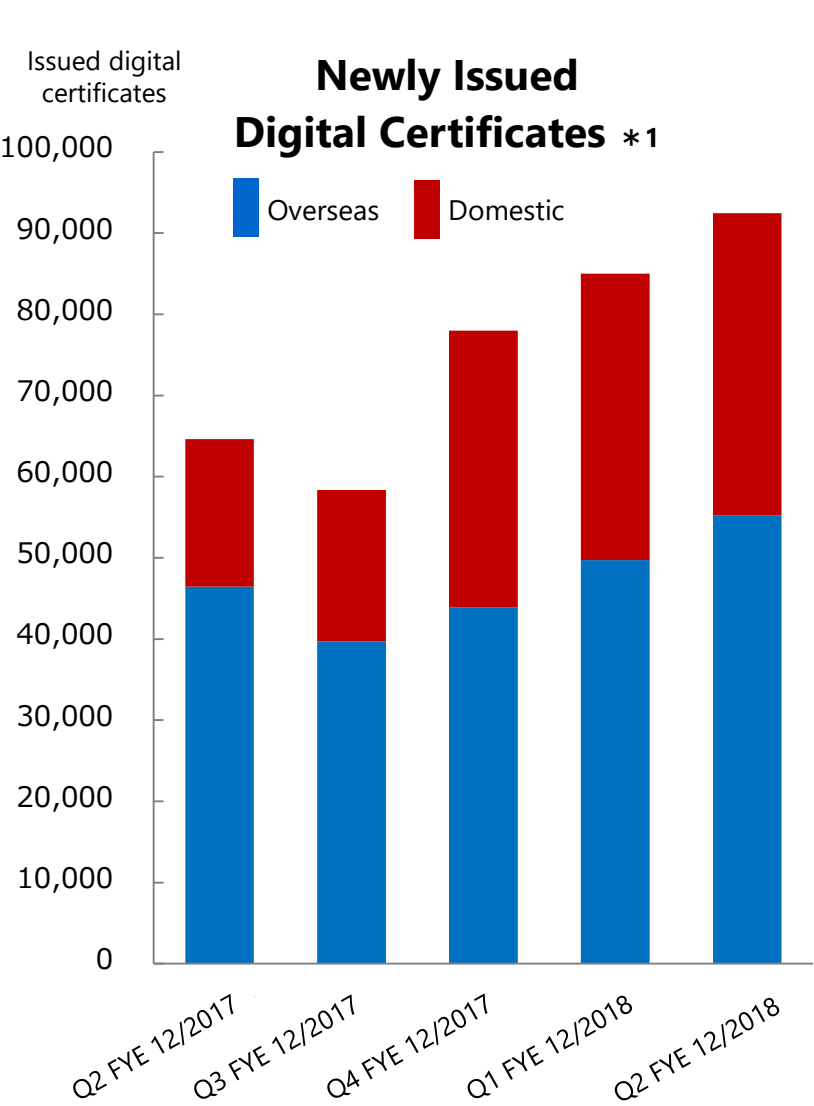


Internet Infrastructure | Ecommerce solutions business minne : Total transaction volume

(JPY millions)



FY18 annual transaction volume
target of JPY 12.5B

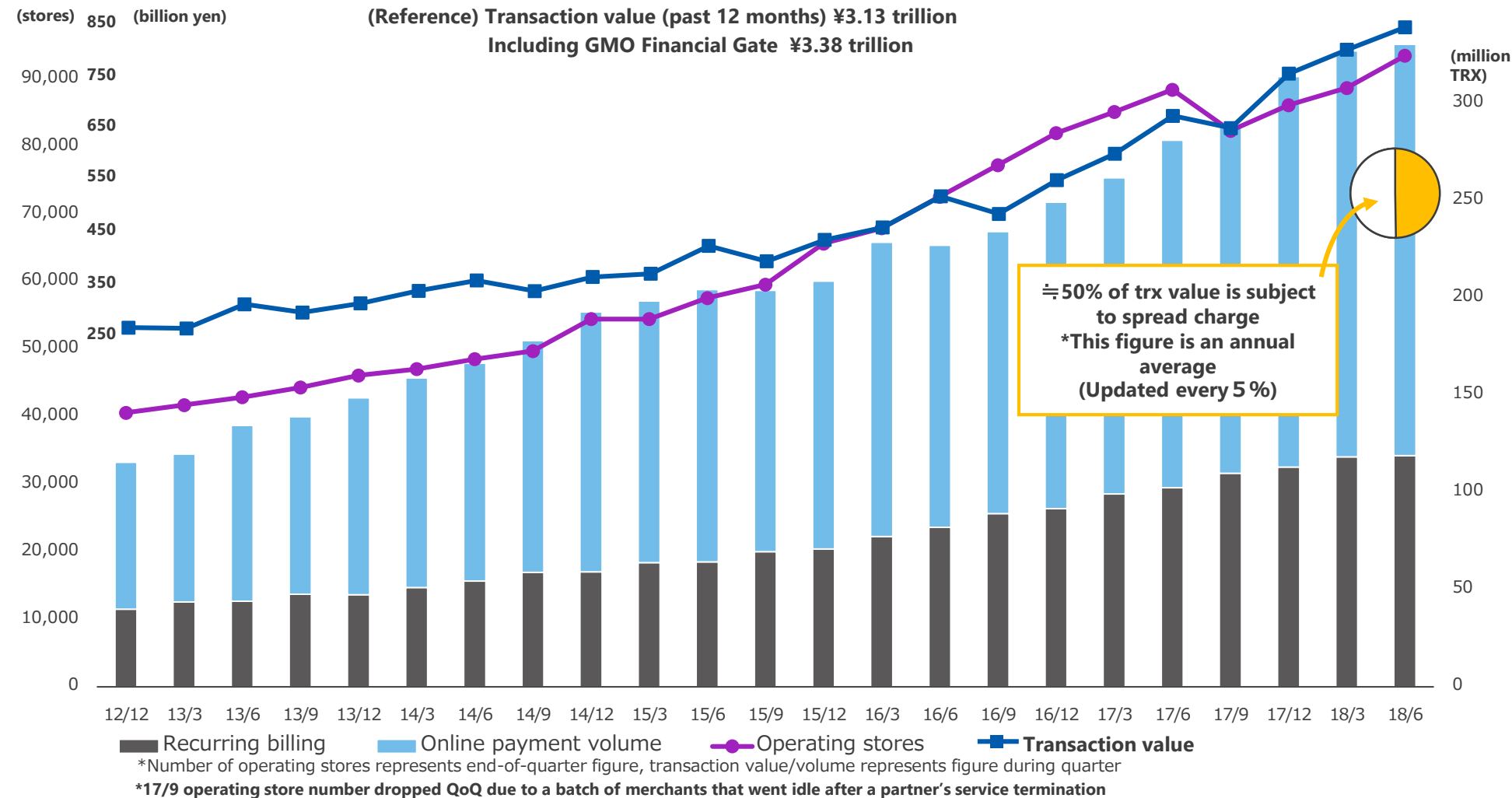


The Company created the above graphs based on GMO CLOUD's "Fiscal Year 2018 2nd Quarter Results Presentation - Supplementary Materials."

*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 ¥3.3 trillion

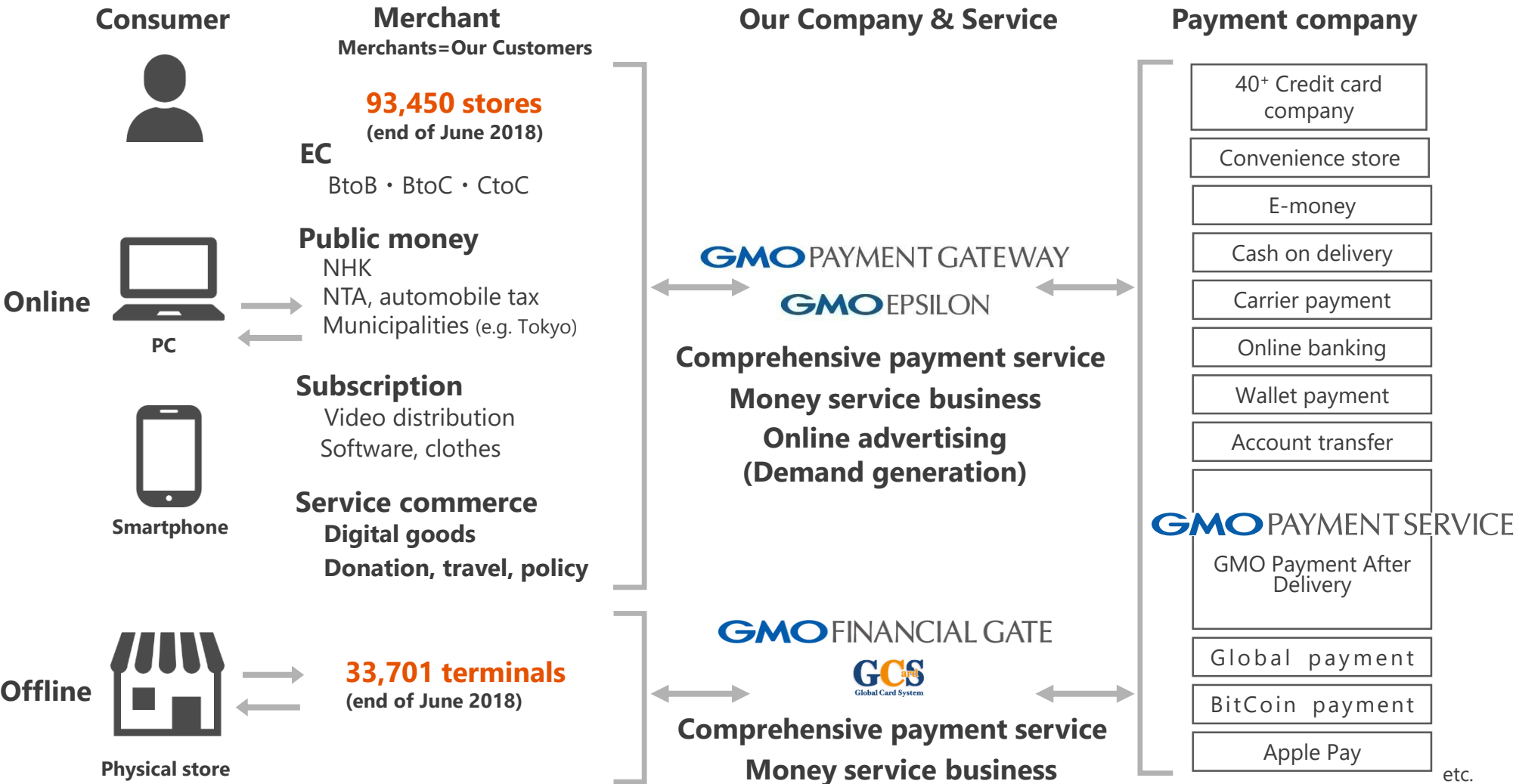
Operating stores: 93,450; Transaction: ¥860 billion (value), 348 million (volume)



*Based on GMO-PG data.

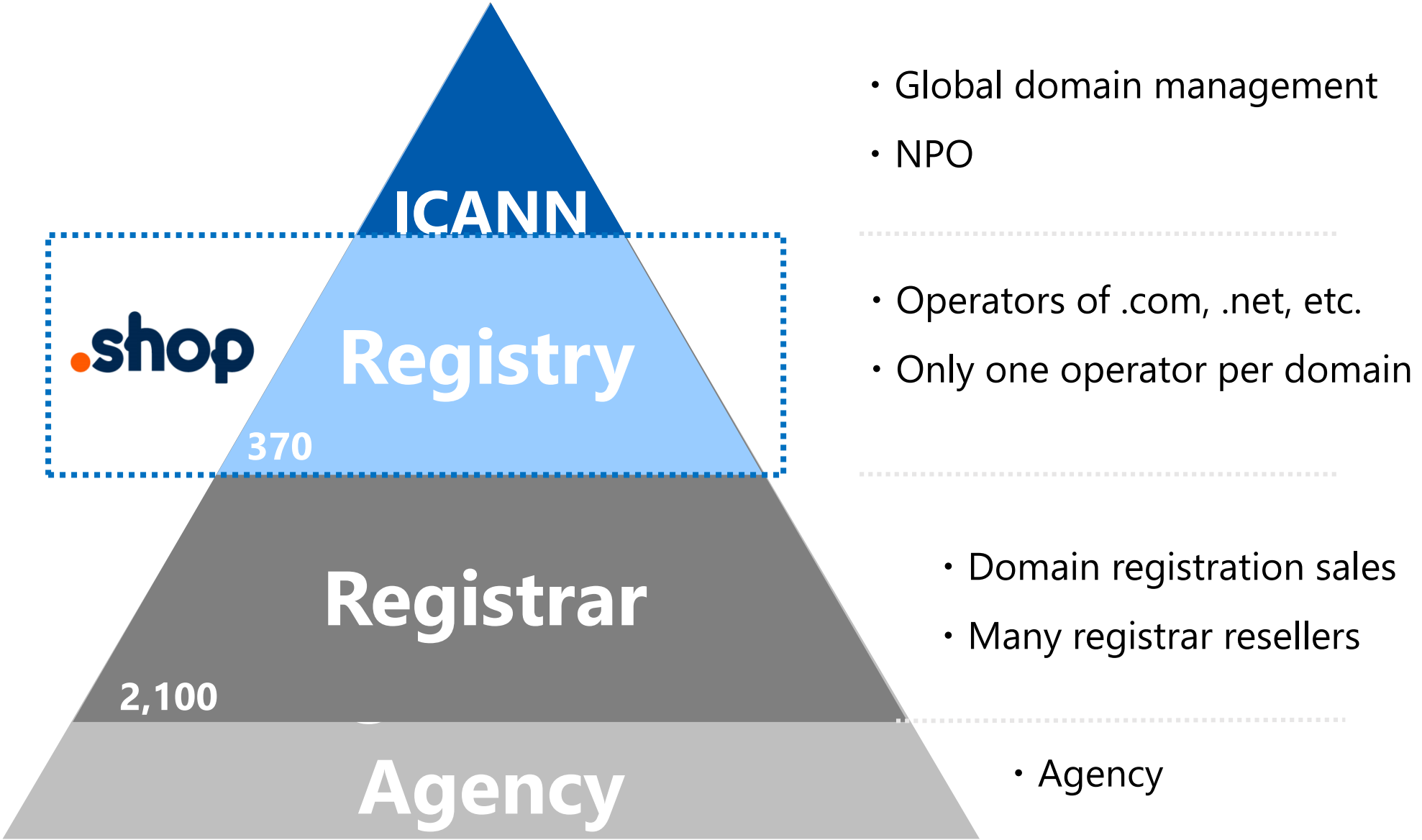
Internet Infrastructure | Payment Processing - Overview

Connecting merchants and payment companies on contract, payment data and money flow



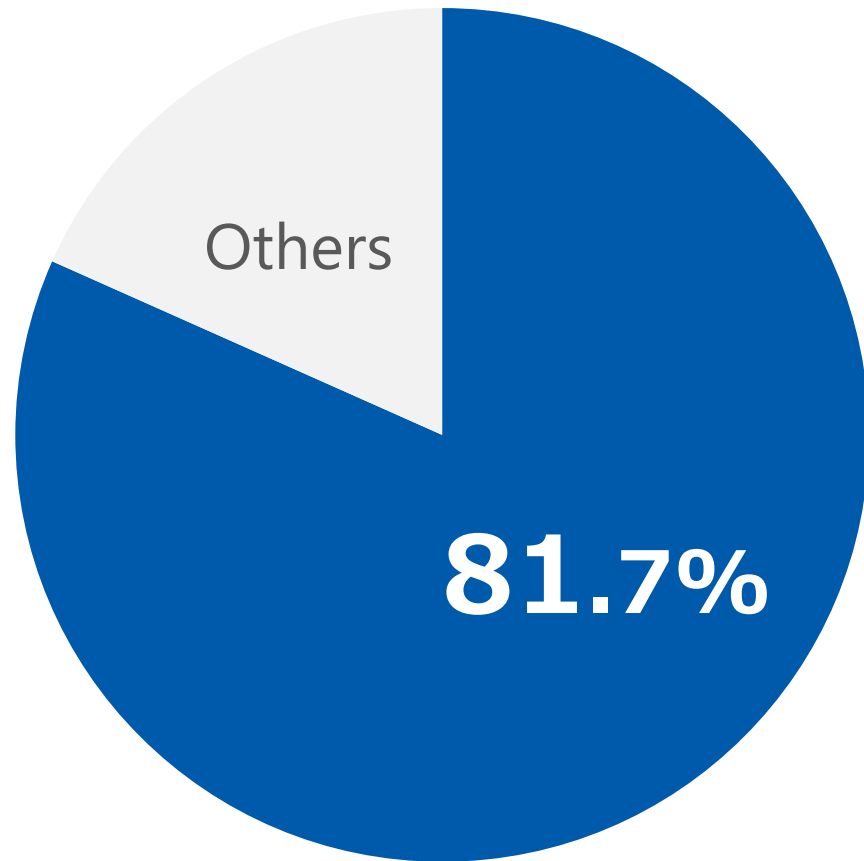
*GMO Payment Gateway's presentation materials

Internet Infrastructure | Domains Industry Structure



Internet Infrastructure | Domains Registry Share

Japan gTLD Operation and Management Market Share



No.1
in Japan
81.7%

GMO REGISTRY

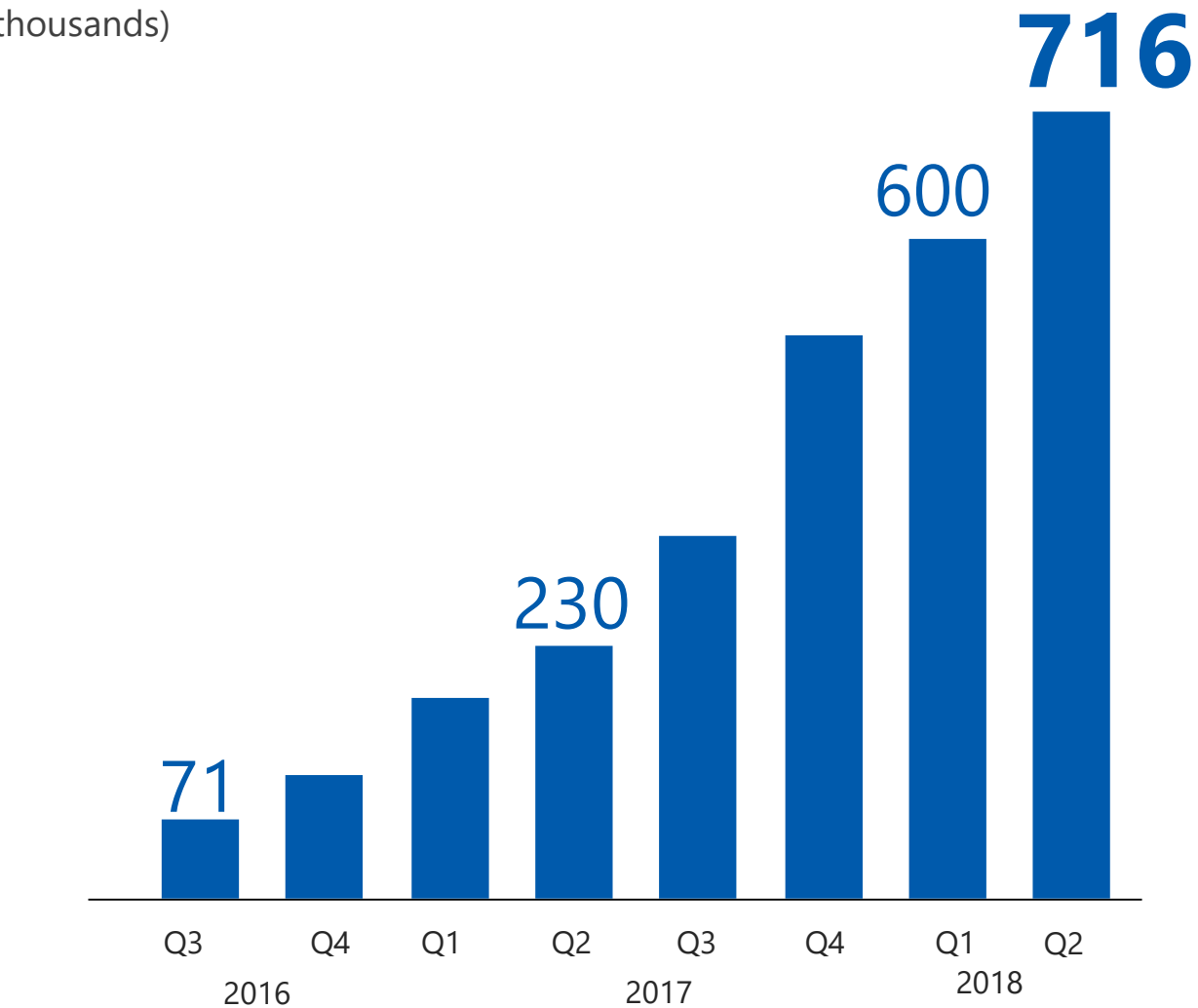
+

GMO Brights Consulting

.shop
.nagoya
.canon

.tokyo
.yokohama
.hitachi

Internet Infrastructure | “.shop”: Registration progress



*1) Source: <https://ntldstats.com/tld/> (as of August 8, 2018)

*2) Average renewal rate (Sep-Feb)

Over **700K** since launch

“.shop” came in 8th place for the category of New gTLD*¹

Renewal rate: **45.5%***²

New gTLD registration rankings

| | | |
|--------|---------|-------|
| No. 1 | .top | 3.19M |
| No. 2 | .loan | 2.27M |
| No. 3 | .xyz | 2.05M |
| No. 4 | .club | 1.37M |
| No. 5 | .vip | 0.89M |
| No. 6 | .online | 0.85M |
| No. 7 | .win | 0.64M |
| No. 8 | .shop | 0.63M |
| No. 9 | .site | 0.51M |
| No. 10 | .ltd | 0.47M |

Internet Infrastructure | Domains Global Registrars



Source: <http://webhosting.info/domain-names/registrars> (as of July 2018)

Internet Finance | FX and securities: KPIs

FX

Trading Volume

(Apr-Jun, 2018)

JPY **244**tr

JPY 257tr YoY

Share of Trading Volume

(Apr-Jun, 2018)

24.0%

24.8% YoY

Customer Assets Balance

(As of June 30, 2018)

JPY **168.4**B

JPY 143.4B

Securities

Trading Volume

(Apr-Jun, 2018)

JPY **4.0**tr

JPY 5.2tr YoY

Share of Trading Volume

(Apr-Jun, 2018)

5.6%

7.5% YoY

Margin Transaction Balance

(As of June 30, 2018)

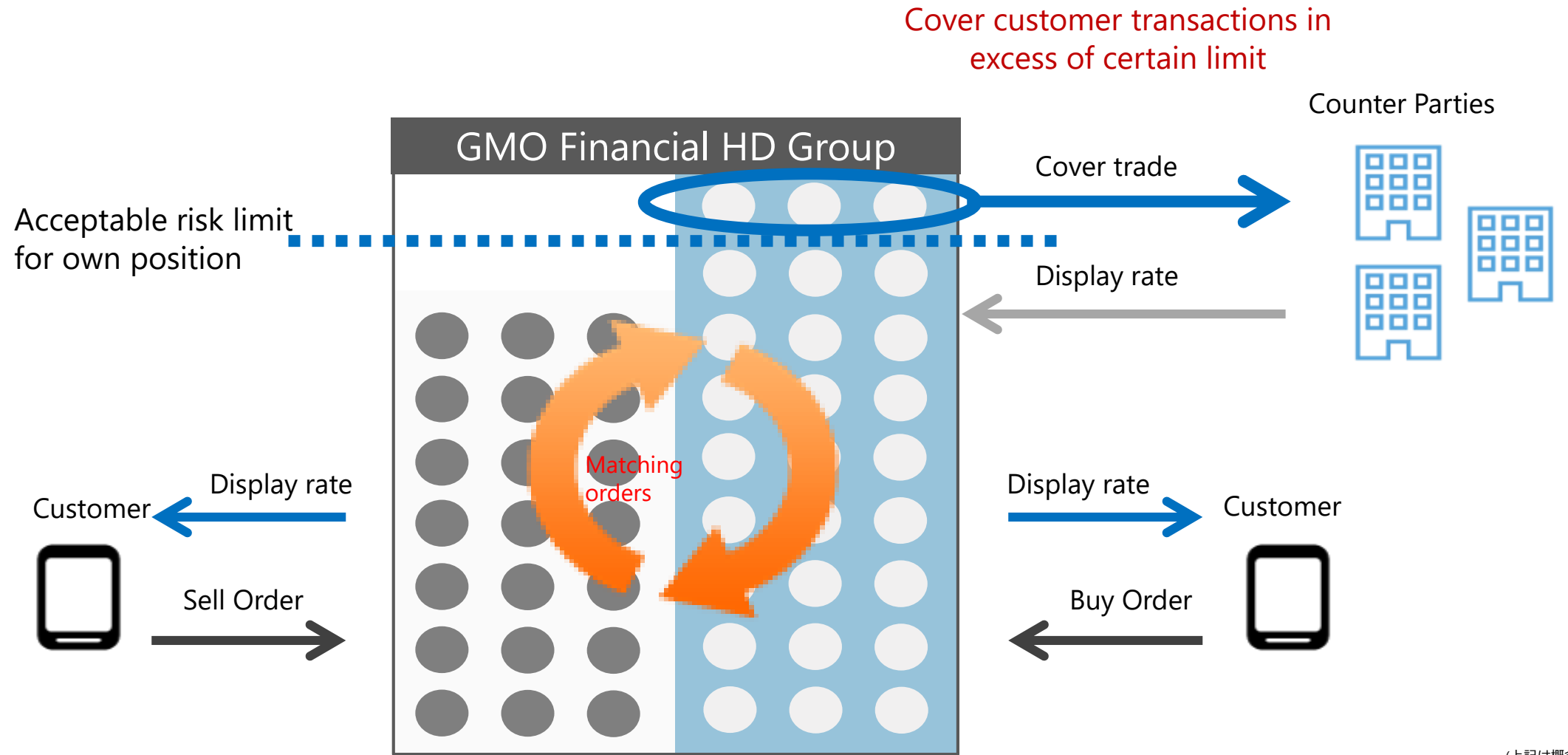
JPY **116.7**B

JPY 114.6B

The share of trading volume for FX and securities are prepared based on Futures Association of Japan and Japan Exchange Group publication data.

Internet Finance | FX Business Model (Matching)

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



(上記は概念図)

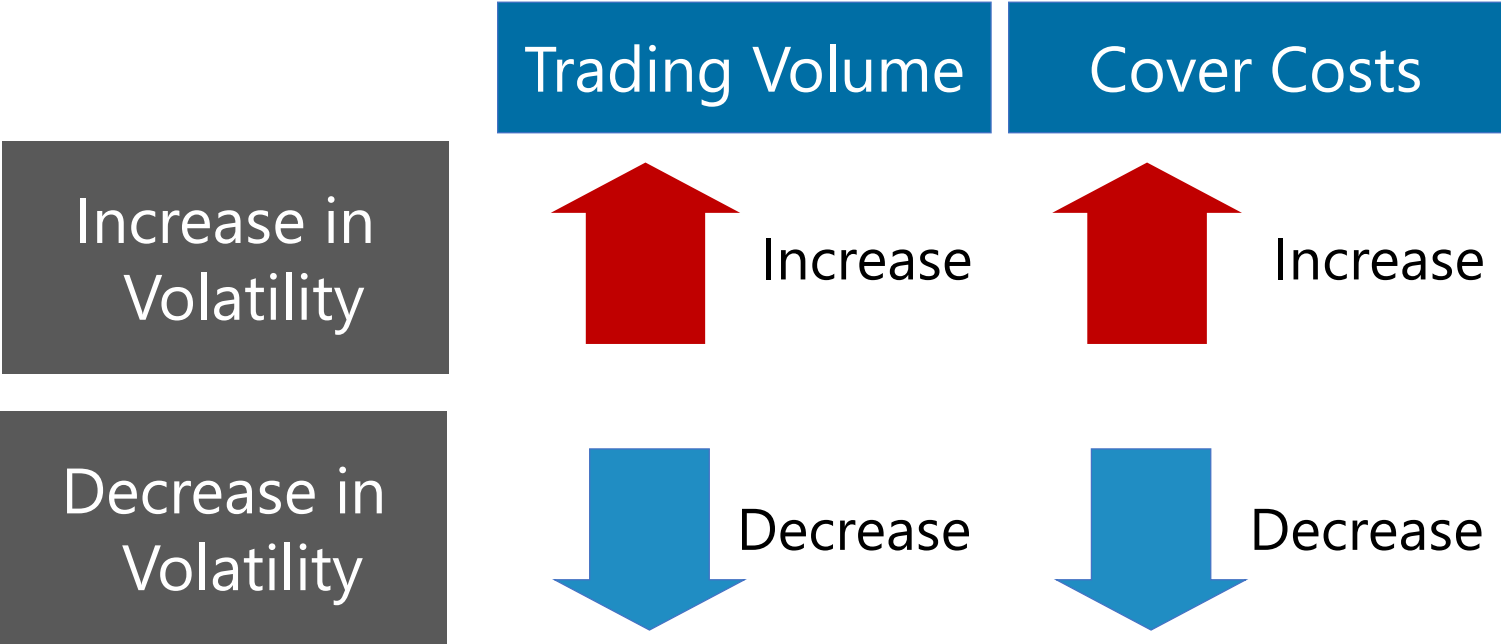
Internet Finance | FX Volatility and Revenues

Revenue Structure

Customer Trades

Cover Trades

$$(\text{Customer spread} \times \text{Trading volume}) - (\text{Cover spread} \times \text{Cover trades})$$



(Concept diagram)

Cryptocurrency business | Accounting policy

| Item | Recognized | Classification |
|------------------------|---|--|
| Mining revenue | At the time of mining (market value) | Operating profit or loss in the consolidated statement |
| Realized gain or loss | Upon sale | |
| Valuation gain or loss | Year end* (market value) | |

*Reference: Tentative Practical Solution on the Accounting for Virtual Currencies under the Payment Services Act

Customer first at any time to become the

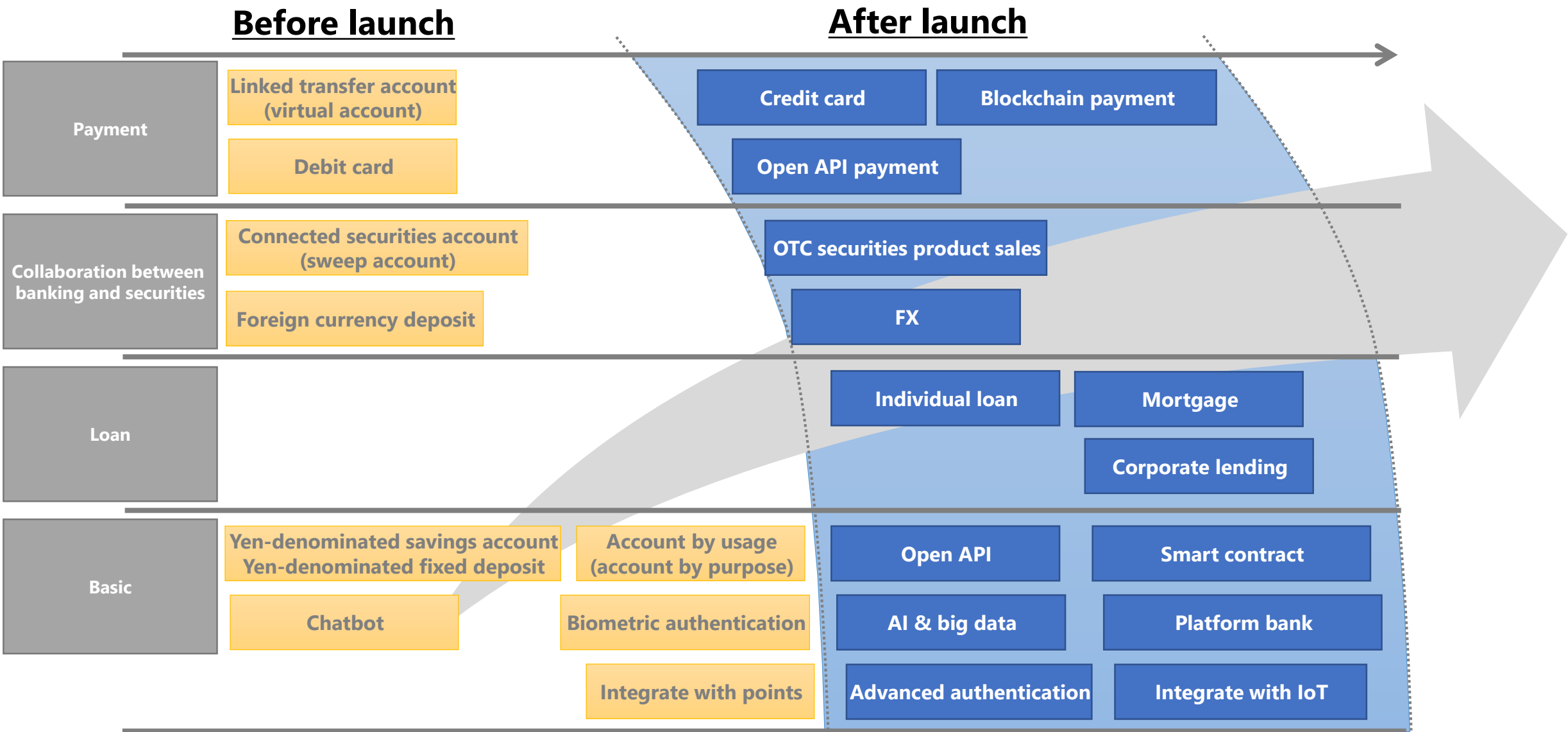
No.1 technology bank



Our objective is a differentiation with
existing banks by utilizing technology,
offering customers **6 values**.



*Source: GMO Aozora Net Bank launch presentation on July 17, 2018



*Source: GMO Aozora Net Bank launch presentation on July 17, 2018