

Presentation of FY 2003 Interim and Q2 Results

**August 21, 2003
(JASDAQ:9449)**

Global Media Online Inc.

Results Presentation Program

Part 1: Overview of FY2003 Interim and Q2 consolidated results.

Part 2: Business conditions by segment

Part 3: Results forecasts

Part 4: Future growth strategies

These presentation materials include future forecasts based on assumptions, predictions and plans valid as of August 21, 2003. Actual results may differ greatly from that forecast herein due to the risks associated with the global economy, competitive conditions, and exchange rate fluctuations, as well as unknown factors such as natural disasters.

[Part 1]

Overview of FY2003 Interim and Q2 consolidated results

Interim Results Highlights

Interim consolidated sales were up 26.0% on last year to 7,468 million yen.

Dramatic increase in revenue from Internet advertising media business, and good performance in the IxP business.

- Sales power was enhanced with the sourcing of new small and midsize agencies through Magclick, Inc., opt-in mail became more powerful as a medium with increased subscriber numbers, and March seasonal factors were also a contributing element.
- Healthy Domain renewals (Ix P Business)
- GMO Hosting and Technologies (formerly iSLE Inc.) shows steady sales.

Interim consolidated operating profit and ordinary profit saw massive increases on last year of 95.7% and 108.7% respectively to stand at 1,049 million yen and 958 million yen.

Increased earnings from affiliates and increased profits through thorough budget control, in addition to increased revenue as detailed above.

Net profit was 383.9% up on last year, at 192 million yen.

Improved net profit ratio with a contraction in the losses of affiliate companies.

FY2003 Interim Results

June 2003 Interim Results – Scope of Consolidated Results

GMO Communications, Inc. (formerly Daiichi-Tsushin, Inc.) moved into different business segments.

Classification	Business segment	Period ending December 2002		June 2003 Interim Results	
		Name of company	Percentage of voting rights (%)	Name of company	Percentage of voting rights (%)
Parent company and consolidated subsidiaries	I x P	Global media online inc. Isle inc.	Parent company 82.6	Global media online inc. GMO hosting and technologies inc.(former Isle inc.) GMO communications inc. (former Daiichi-tsushin inc.) GMO research institute inc. Onamae.com inc.	Parent company 82.6 100 100 82.0
	Internet Advertising Media	(Magclick inc. Kabegami.com. inc Magforce inc. GMO media and solutions inc. GMO magazines inc. E-sumai inc. Daiichi-tsushin inc.	37.0 100.0 (100.0) 81.5 100 (50.9) 100.0	Magclick inc. Kabegami.com. inc Magforce inc. GMO media and solutions inc. GMO magazines inc. E-sumai inc.	40.6 100.0 (100.0) 84.6 100 (50.9)
Affiliated equity method companies		Idea cube Inc. U cast communications Inc. Payment one Inc.	(35.0) 47.6 40.6	Idea cube inc. U cast communications inc. Payment one inc	(35.0) 47.6 40.6

The Point Mail Business was taken over by GMO Media and Solutions, Inc. and therefore from this period, GMO Communications, Inc. (formerly Daiichi-Tsushin, Inc.) will be involved in a different business segment.

For reasons of financial consequence, from this period, GMO Research Institute and Onamae.com Inc. became consolidated subsidiaries.

Note: Proportions of voting rights (shown in parentheses) are for indirect possession.

There were no changes to consolidation from Q1 2003.

With the revision of commercial registration regulations in November 2002 it is now possible to use Roman alphabet in company trading names. Therefore from March 28, 2003, the Japanese phonetic characters “ジ-エム-オー” (jii-emu-oo) used in company names were changed to “GMO” in English. Thus the Japanese company names changed as in the examples below.

FY2003 Interim Results - Overview of Consolidated Profit & Loss

- The Internet Advertising Media Business saw an expansion in Opt-in Mail sales.
- Both the Server Business and Domain Business continued to perform well.

	2002 Interim results	2003 Interim results	Year-on-year comparison
Sales (million yen)	5,925	7,468	Up 26.0%
Operating profit (million yen)	536	1,049	Up 95.7%
Ordinary profit (million yen)	459	958	Up 108.7%
Net profit (million yen)	131	394	Up 200.5%
EPS (yen)	4.74	14.24	Up 200.5%

FY2003 Interim Balance Sheet (Consolidated)

Cash and deposits increased with increased advances received as a result of strong I x P business performance.

(million yen)

<Assets>	2002 Interim Results	2003 Interim Results	Increase and decrease	Notes
Current Assets	7,917	8,823	906	Strong IxP business performance
Cash and deposits	5,176	6,211	1,035	
Accounts receivable – trade	1,897	2,242	345	
Deferred tax asset	410	314	-96	
Other assets	814	531	283	
Allowance for doubtful debts	381	477	-96	
Fixed assets	5,361	5,195	-166	
Total of assets	13,279	14,018	739	
< Liabilities >				
Current liabilities	1,742	2,287	545	Increases in advances received
Fixed liabilities	17	16	-1	
Total of liabilities	1,760	2,303	543	
< Minority equity >				
Minority equity	2,472	2,540	68	
< Shareholders' equity >				
Capital stock	3,311	3,311	0	
Capital surplus	4,432	4,432	0	
Earned surplus	1,582	1,909	327	
Other gaps in appraisal of securities	85	-113	-198	
Own stocks	-364	-364	0	
Total of shareholders' equity	9,046	9,174	128	
Total of liabilities, minority equity and shareholders' equity	13,279	14,018	739	

FY2003 Interim Cash Flow Statement

Cash flow from operating activities stood at 1,085 million yen, with Total cash flow at 370 million yen.

(million yen)

Cash flow from operating activities	1,085	
Current net profit before adjustment of taxes, etc.	946	
Depreciation charge	156	
Increase in allowance for doubtful debts	126	
Loss from investments by the equity method	99	
Increase in accounts receivable	-385	
Payment of corporate tax, etc.	-186	Payment of corporate tax, etc.
Other increase and decrease	329	
Cash flow from investing activities	-595	
Expenditure incurred by acquisition of intangible fixed assets	-140	
Expenditure incurred by acquisition of investment securities	-494	Expenditure by Magclick, Inc. on company bonds.
Expenditure incurred by loans	-396	
Revenue accrued by collection of loans	304	
Other increase and decrease	131	
Cash flow from financial activities	-120	
Payment of dividends	-109	Payment of dividends
Other increase and decrease	-11	
Total of cash flow	370	
Balance of cash and cash equivalents at the beginning of the term	5,519	
Increase in cash and cash equivalents with increase in the number of consolidated subsidiaries	184	
Balance of cash and cash equivalents at the end of the term	6,074	

Q2 FY2003 Results

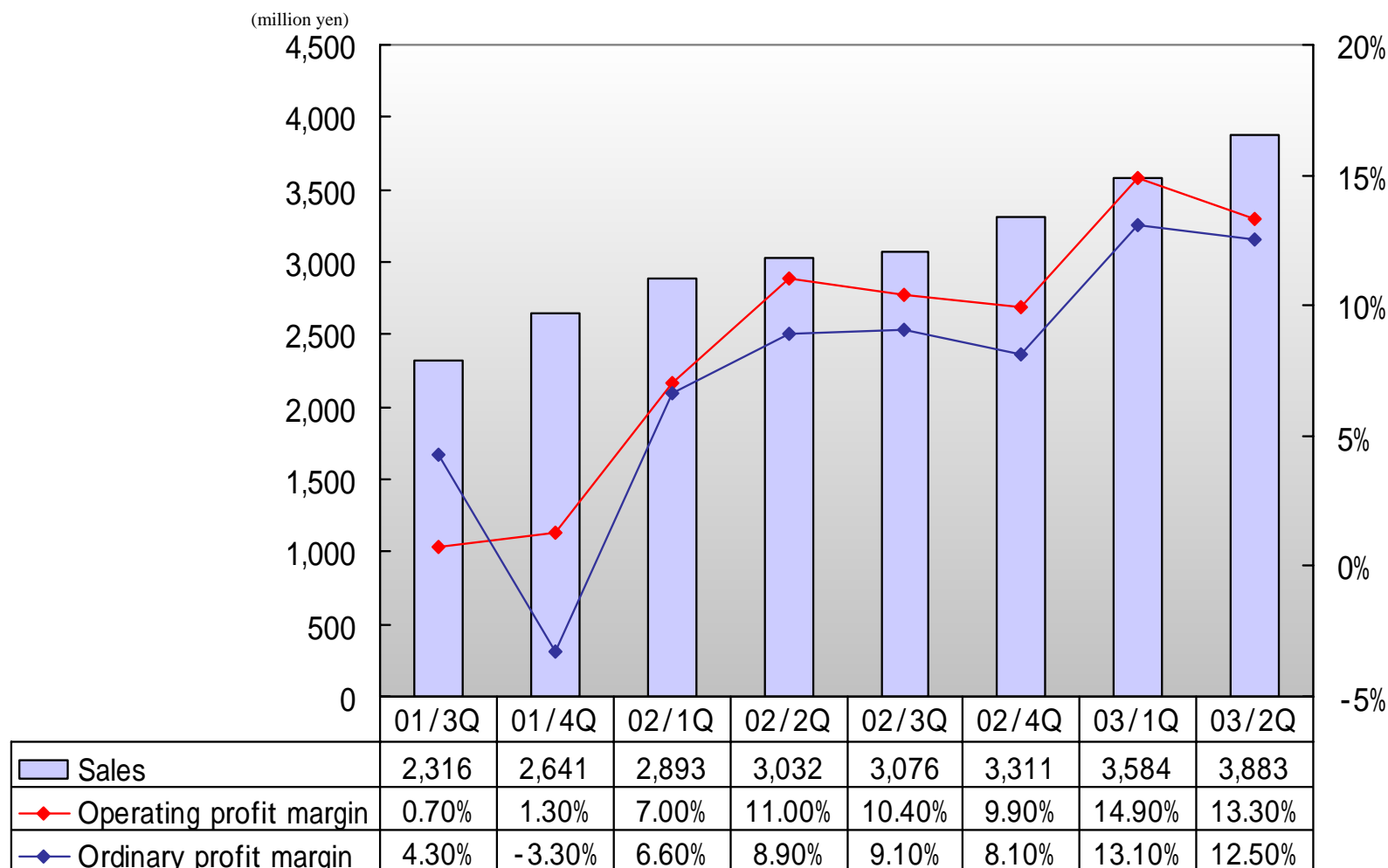
Q2 FY2003 Overview of Consolidated Profit & Loss

- The Internet Advertising Media Business saw an expansion in Opt-in Mail sales.
- Both the Server Business and Domain Business continued to perform well.

	Q2 of 2002	Q2 of 2003	Year-on-year comparison
Sales (million yen)	3,032	3,883	Up 28.1%
Operating profit (million yen)	333	516	Up 54.7%
Ordinary profit (million yen)	269	489	Up 81.6%
Net profit (million yen)	91	201	Up 120.9%
EPS (yen)	3.29	7.26	Up 121.0%

Changes in Sales and Profit Margins (Consolidated)

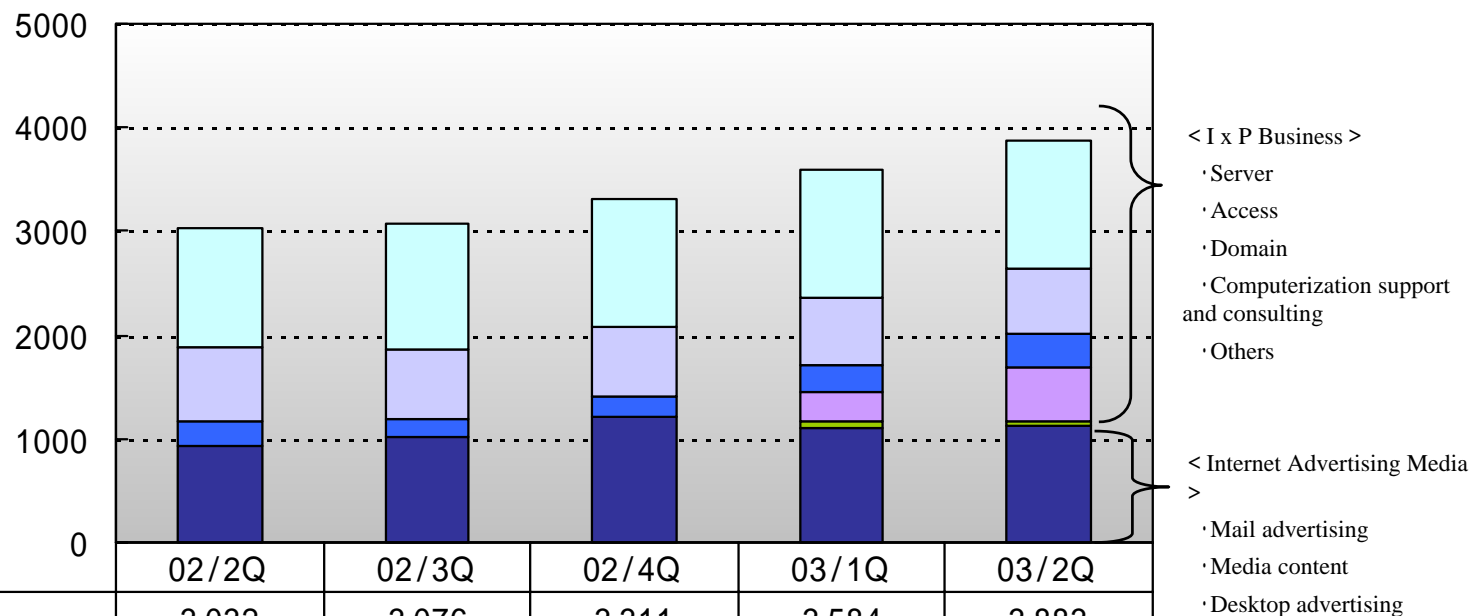
Although there was a slight drop compared to Q1 FY2003, the Company will continue to work on increasing profit margins.



Changes in Sales by Business (Consolidated)

From this period, the new category, Computerization support and consulting, was included in calculations.

(million yen)



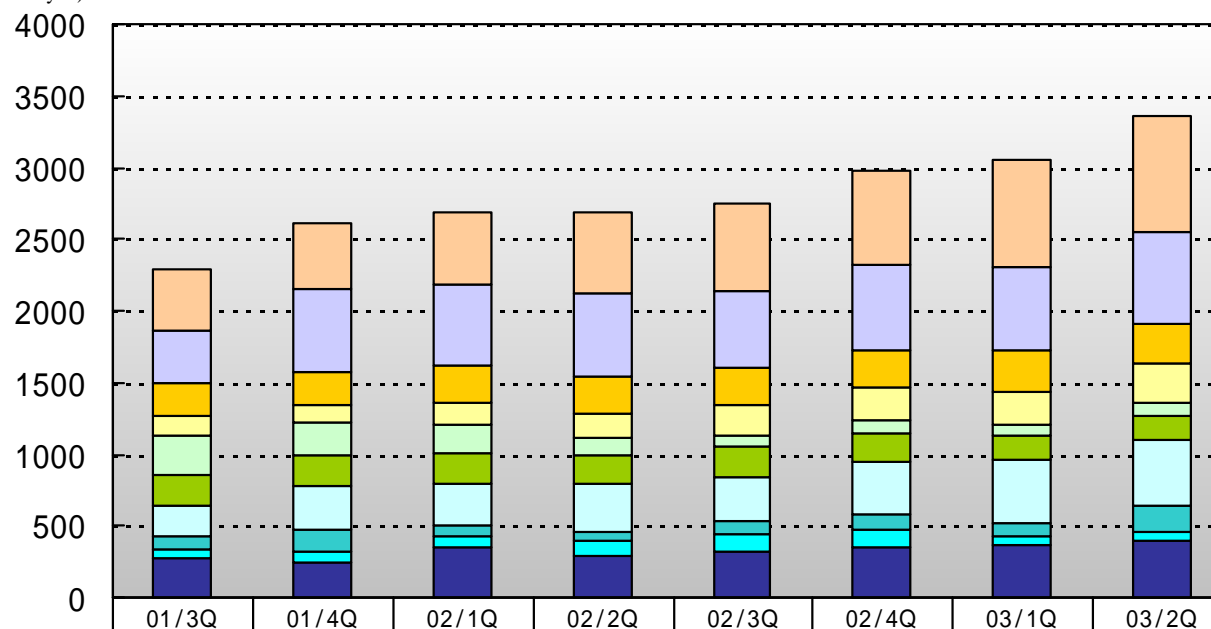
	02/2Q	02/3Q	02/4Q	03/1Q	03/2Q
Total	3,032	3,076	3,311	3,584	3,883
Server	1,145	1,210	1,239	1,234	1,246
Access	714	676	657	632	615
Domain	247	171	202	278	324
Computerization support and consulting	-	-	-	274	533
Others	3	3	9	58	28
Internet ads media	921	1,014	1,203	1,108	1,136

The change in GMO Communications, Inc.'s business segment and the new addition of the Computerization support and consulting category in the calculations during Q1 FY2003 have had an effect on the breakdown of Server Business sales and Internet Advertising Media Business sales. Sales for the Server business and the Media business for Q1 FY2003 based on the original categories would be 1,292 million yen and 1,330 million yen respectively.

Changes in Expenses (Consolidated)

Expenses increased with the employment of new graduates, stronger Push marketing, and by dealing in non-Group mediums.

(million yen)

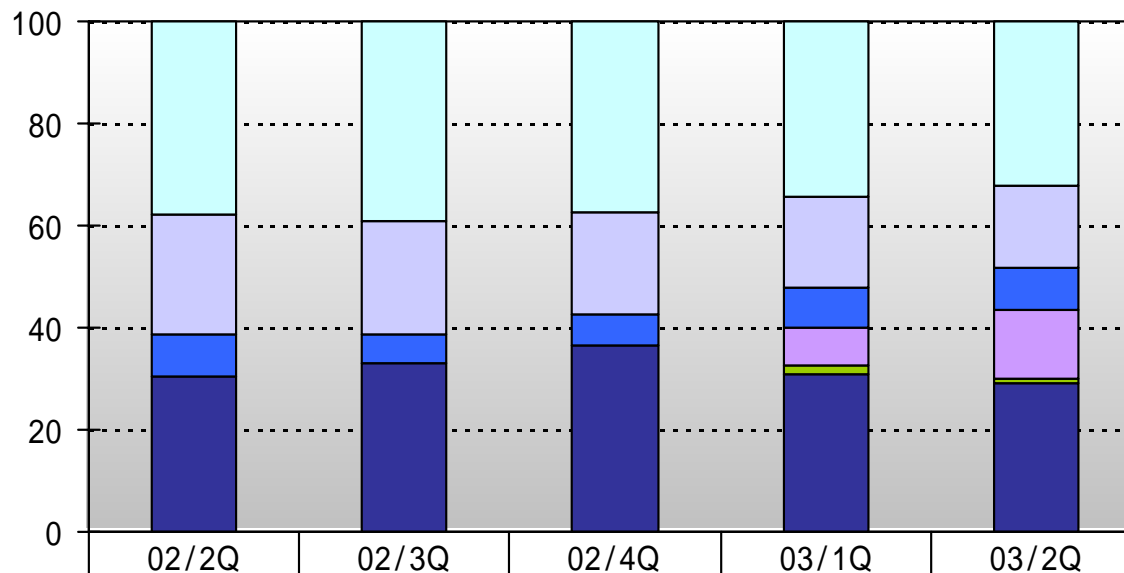


Personnel expense	427	445	507	572	607	659	741	807
Advertising, sales promotion expenses	369	586	567	576	544	586	577	640
Depreciation, rent	234	236	252	263	261	270	286	289
Subcontracting expense, outsourcing expense	144	115	150	161	204	229	232	274
Communication expense	266	225	206	121	80	83	84	89
Rent	214	215	208	199	210	204	170	159
Commissions paid	208	305	295	336	313	367	434	463
Media expense	106	150	66	61	91	104	97	183
Transferred from allowance for doubtful debts	61	85	78	111	120	124	61	68
Others	268	242	356	293	321	351	364	390

Quarterly Sales Ratios by Business (Consolidated)

The Computerization support and consulting business accounted for an increased share of sales.

(%)

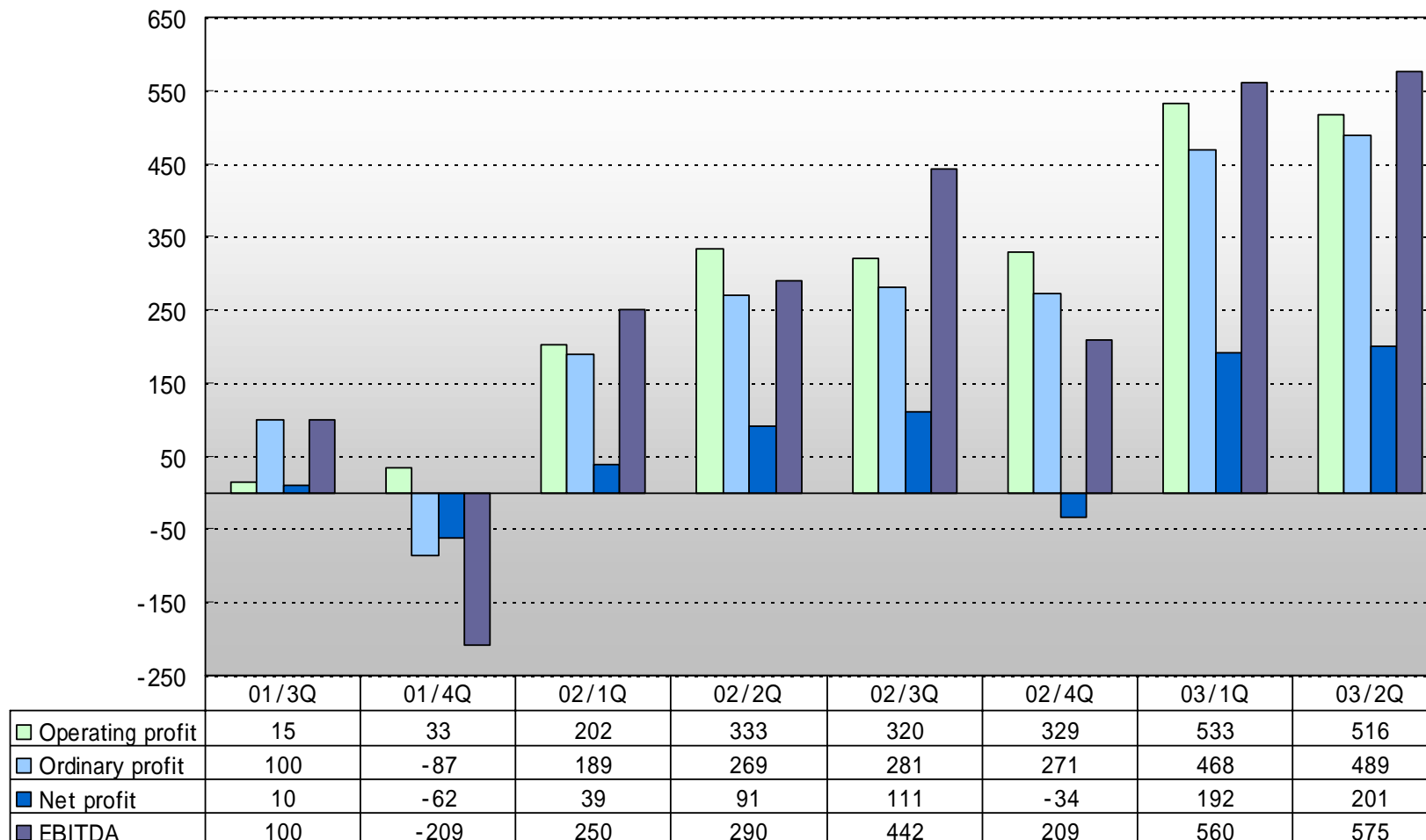


	02/2Q	02/3Q	02/4Q	03/1Q	03/2Q
Server	37.8	39.3	37.4	34.4	32.1
Access	23.5	22	19.8	17.6	15.8
Domain	8.2	5.6	6.1	7.8	8.3
Computerization support and consulting	-	-	-	7.6	13.7
Others	0.1	0.1	0.3	1.6	0.7
Internet ads media	30.4	33	36.4	30.9	29.2

Changes in Profits and Earning Capacity (Consolidated)

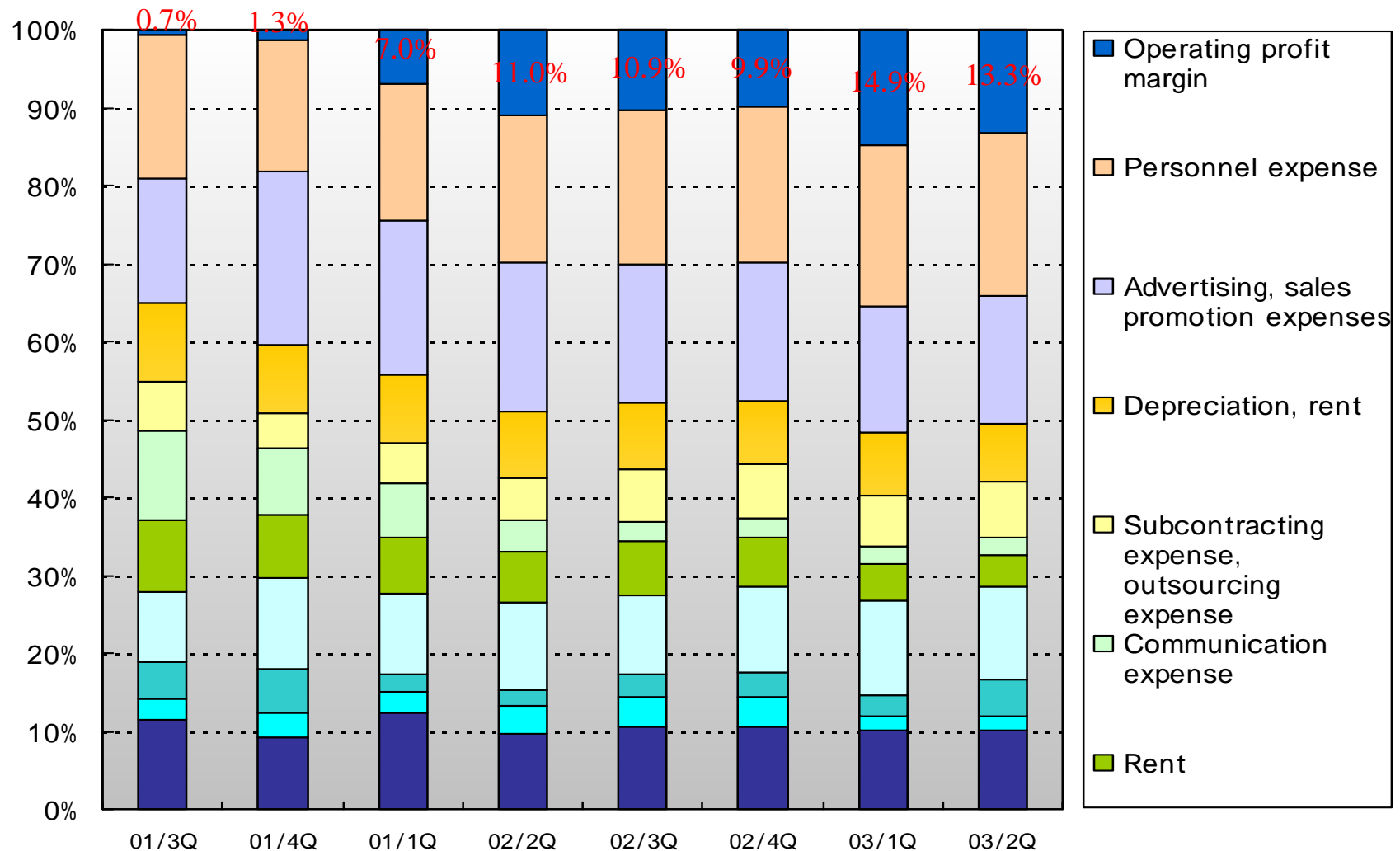
With a reduction in investment-related losses, ordinary profit increased this quarter.

(million yen)



Changes in the Operating Profit Margin and Cost Structure (Consolidated)

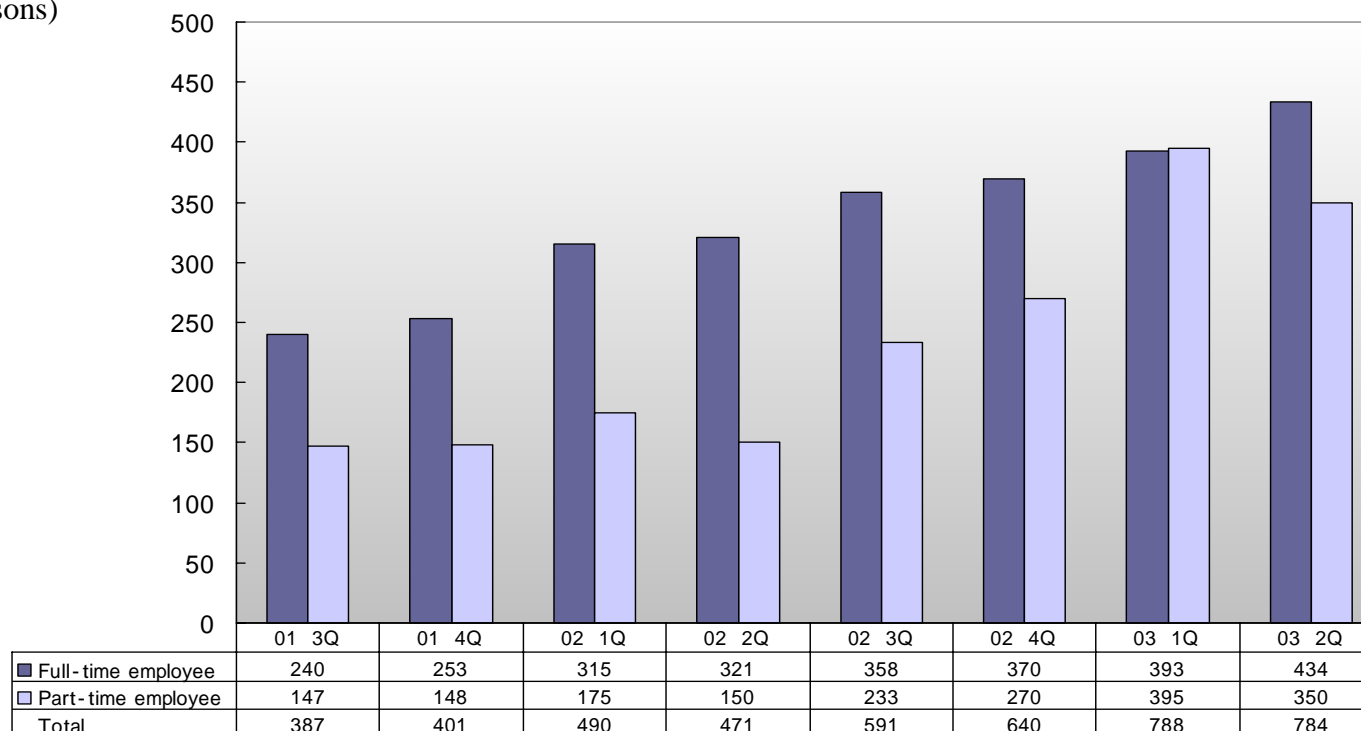
The operating profit margin fell slightly with the employment of new graduates and stronger Push marketing, etc.



Changes in the No. of Employees (Consolidated)

The number of employees rose due to mid-career recruitment and the employment of new graduates in the Computerization support and consulting business.

(persons)



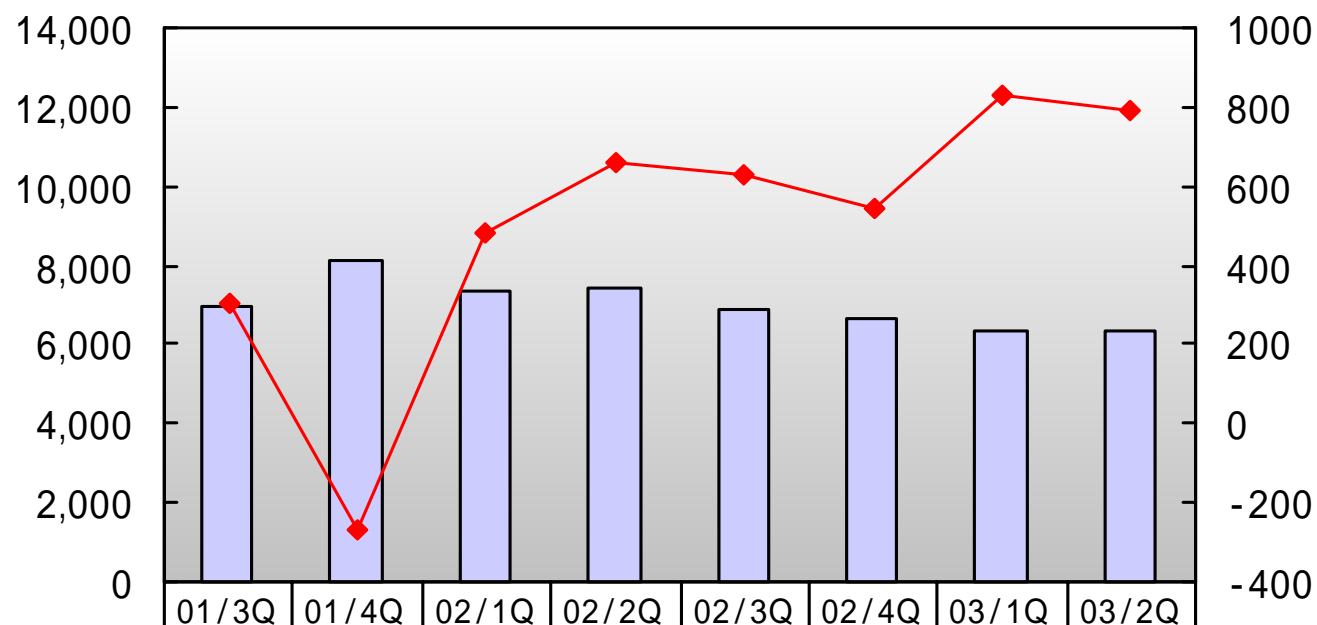
The number of employees shown refers to the number of employees at the end of each quarter.

Per-Capita Sales and Ordinary Profit (Consolidated)

Per-capita sales remained more or less steady.

(thousand yen)

(thousand yen)

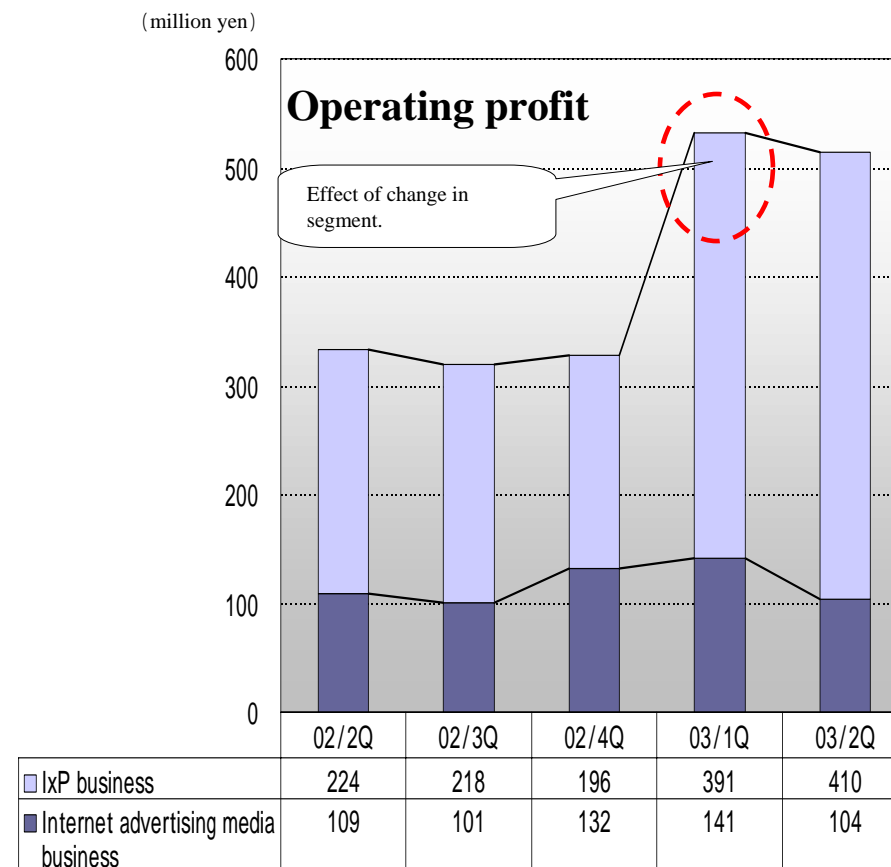
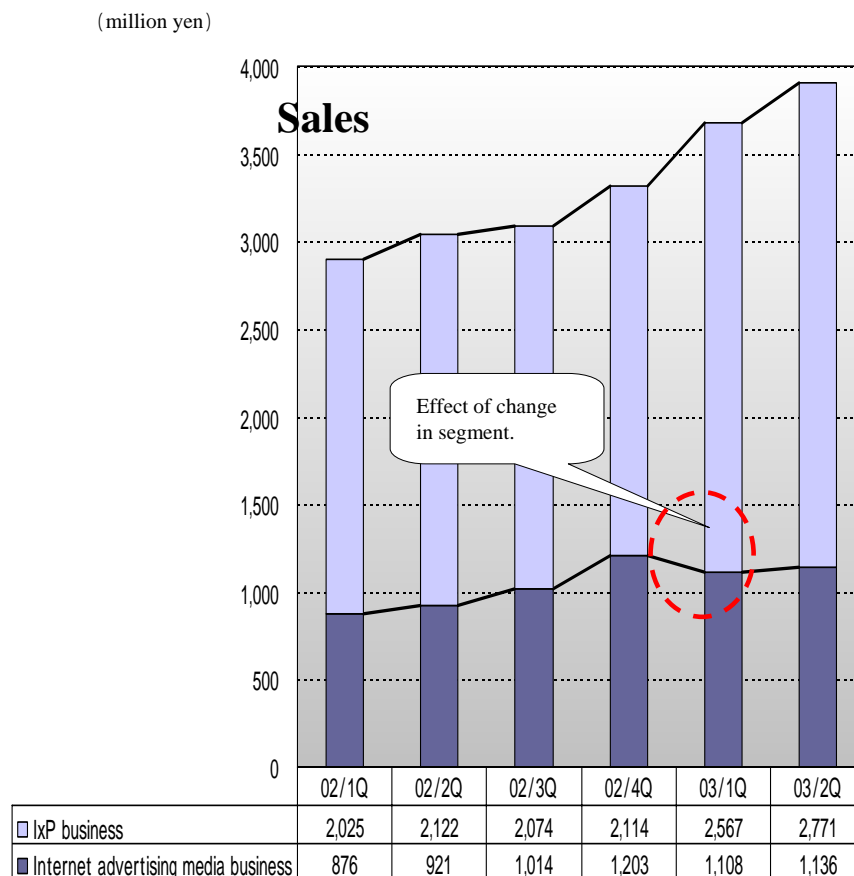


Per capita sales	6,953	8,103	7,344	7,459	6,866	6,675	6,339	6,306
Per capita ordinary profit	301	-269	481	663	628	547	829	794
Average number of employees during the term	333	326	394	406	448	496	565	615

Average number of employees during the term is calculated counting full-time employees as 1 and part-time employees as 0.5.

Change in Sales and Profit by Business Segment (Consolidated)

Sales in both segments were strong, but profit fell slightly in the Internet Advertising Media Business.



As GMO Communications, Inc. made the transition from the Internet Advertising Media Business to the IxP Business segment, part of the Mail Advertising Business sales are added into the IxP Business in Q1 FY2003.

[Part 2]

Business Conditions by Segment

Business Conditions by Segment - Sales Summary

(million yen)

Business	2002.2Q	2002.3Q	2002.4Q	2003.1Q	2003.2Q
IxP					
Access	714	676	657	632	615
Server	1,145	1,210	1,239	1,234	1,246
Domain	247	171	202	278	324
Computerization support and consulting	-	-	-	274	533
Others	15	15	15	147	52
Segment total	2,122	2,074	2,114	2,567	2,771
Internet advertising media					
Mail advertising, media content, desktop advertising	921	1,014	1,203	1,108	1,136
Segment total	921	1,014	1,203	1,108	1,136
Subtotal					
	3,043	3,088	3,318	3,675	3,908
Elimination of inter-segment transaction	-11	-12	-6	-90	-24
Consolidated sales	3,032	3,076	3,311	3,584	3,883

The change in GMO Communications, Inc.'s business segment and the new addition of the Computerization support and consulting category in the calculations during Q1 FY2003 have had an effect on the breakdown of Server Business sales and Internet Advertising Media Business sales. Sales for the Server business and the Media business for Q1 FY2003 based on the original categories would be 1,292 million yen and 1,330 million yen respectively.

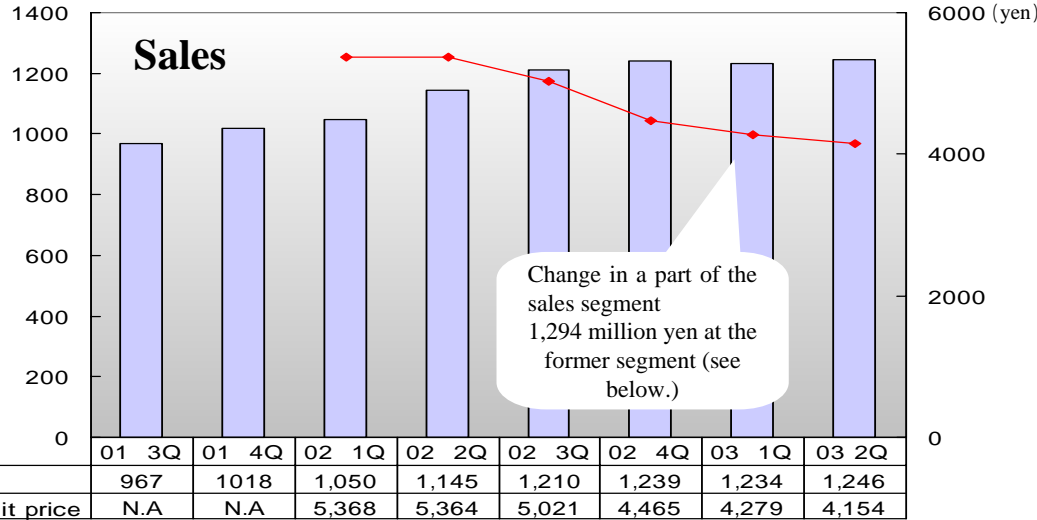
Server Business

	Business segment	Name of company /equity position		Business description		
Consolidated sales/consolidated operating profit	I x P business	Global Media Online inc.	Parent company	Access business (Internet connection service)		
				Domain business (Domain registration service)		
				Computerization support and consulting operations Home page production and management support business		
				Server business (Rental server service (hosting service))		
		GMO hosting and technologies, inc.(former ILSE inc)	82.6%			
		Onamae.com Co., Ltd	82.0%			
			GMO communications Co., Ltd.	100.0%	Computerization support and consulting business	
			GMO research institute inc.	100.0%	Information gathering about the Internet	
	Internet advertising media business			KabeGami.com, Inc.	100.0%	Desktop advertising business (KabeGami)
				GMO magazines, inc.	100.0%	Media content business
				Magforce Co., Ltd.	100.0%	Other media businesses
		GMO media and solutions inc.	84.6%	Planning and development/management of mail media Opt-in mail		
		e-sumai, Inc	50.9%	Management of the site for real estates and advertising		
		Magclick inc.	40.6%	Sale of e-mail advertisements		
Ordinary profit and loss	Equity method companies			U cast communications inc.	47.6%	Desk top advertising business (second browser)
				Payment-one, inc.	40.6%	Settlement business (credit card billing service)
				Idea cube inc.	35.0%	Other media businesses

Server Business: Changes in sales and the number of contracts plus future issues.

(million yen)

Sales see an 8.8% YoY increase.



Compared to Q2 last year...

23.2% jump in sales

< Factors behind increased sales >

- Driven by market expansion due to brand penetration and the spread of BB.

< Q2 Achievements >

- The capture of cross-over demand, agency policies and pull marking all worked to keep new contract growth steady.

- Continued strong development of customer base for outsourcing from major corporations, as well as of the small-medium sized enterprise and SOHO customer base.

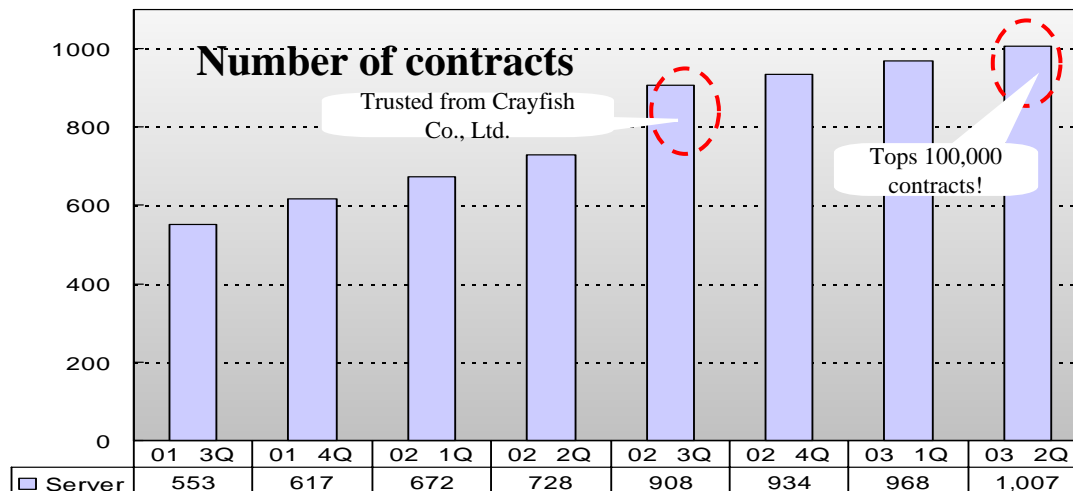
< Future Issues >

- To further boost sales power and improve services.

- To enhance customer service by upgrading the support system, etc.

- To increase sales unit price by providing value-added services.

(million contracts)



With the inclusion of the Computerization support and consulting business from the previous quarter, part of Server sales are now included in this category. Under the original categories, sales for the previous quarter would be 1,294 million yen.

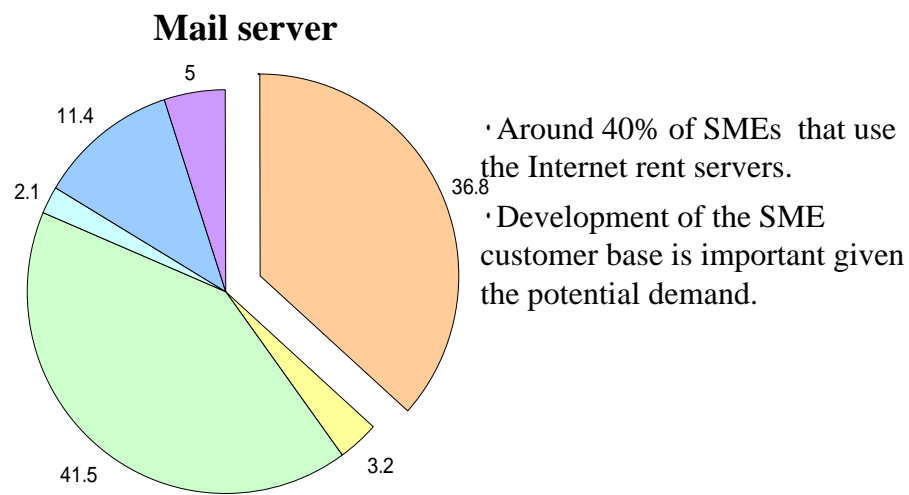
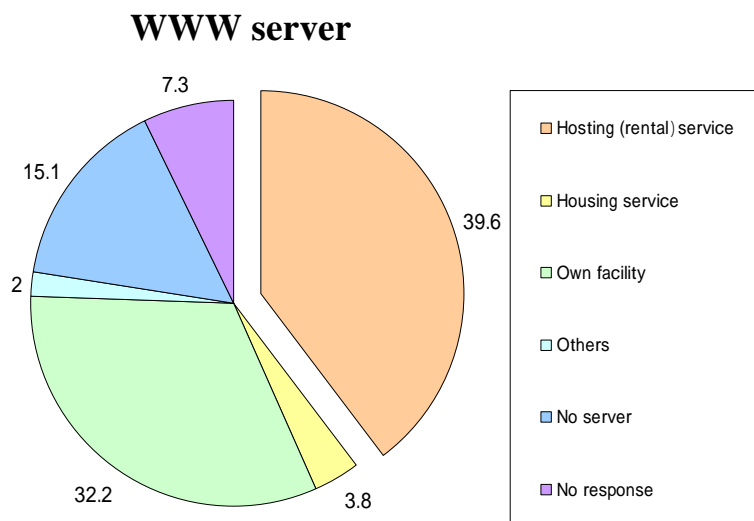
Trends in the Rental Server Industry

< Comparison with other major players in the domestic rental server business >

Company Name	No.of Contracts	Vs.3 months ago	Period
Global Media Online Group*	100,749	(+3,868)	2003.6
Firstserver	20,000	(+1,000)	2003.6
Estore 17,953		(+ 67)	2003.6
Admiral Systems	10,642	(+ 75)	2003.6

* Our figures include 8,784 contracts consigned from Crayfish Co., Ltd. The figures for other companies were taken from company press releases, etc.

< Types of Servers Operated in Small-Mid Sized Enterprises (SMEs) >



- Around 40% of SMEs that use the Internet rent servers.
- Development of the SME customer base is important given the potential demand.

Source: "Survey on status of information security measures" Ministry of Public Management, Home Affairs, Posts and Telecommunications (Sept. 2002)

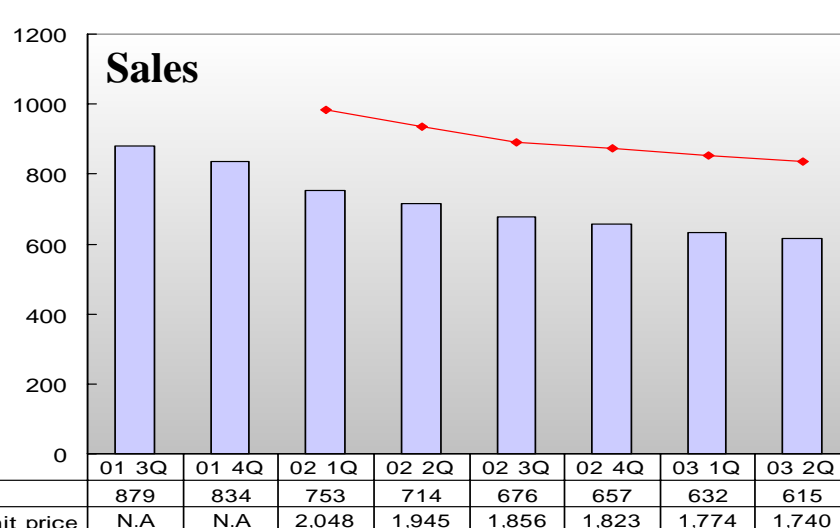
Access Business

	Business segment	Name of company /equity position		Business description
Consolidated sales/consolidated operating profit	I x P business	Global Media Online inc.	Parent company	Access business (Internet connection service)
				Domain business (Domain registration service)
				Computerization support and consulting operations Home page production and management support business
				Server business (Rental server service (hosting service))
		GMO hosting and technologies, inc. (former ILSE inc.)	82.6%	
		Onamae.com Co., Ltd	82.0%	
		GMO communications Co., Ltd.	100.0%	Computerization support and consulting business
	GMO research institute inc.	100.0%	Information gathering about the Internet	
	Internet advertising media business	KabeGami.com, Inc.	100.0%	Desktop advertising business (KabeGami)
		GMO magazines, inc.	100.0%	Media content business
		Magforce Co., Ltd.	100.0%	Other media businesses
		GMO media and solutions inc.	84.6%	Planning and development/management of mail media Opt-in mail
		e-sumai, Inc	50.9%	Management of the site for real estates and advertising
Magclick inc.		40.6%	Sale of e-mail advertisements	
Ordinary profit and loss	Equity method companies	U cast communications inc.	47.6%	Desk top advertising business (second browser)
		Payment-one, inc.	40.6%	Settlement business (credit card billing service)
		Idea cube inc.	35.0%	Other media businesses

Access Business: Changes in sales and the number of contracts plus future issues.

Falls in average unit price starting to level out.

(million yen)



Server

Compared to Q2 last year...

13.6% jump in sales

< Factors behind increased sales >

- Fall in demand for dial-up connections with the spread of broadband.

- Driven by market expansion due to brand penetration and the spread of BB.

< Q2 Achievements >

- Launch of interQ MEMBERS FLET's-compatible IP telephony service.

- Launch of interQ MEMBERS NTT DoCoMo Free D service

- Launch of BB plus FLET's-compatible IP telephony service

- Launch of BB plus NTT DoCoMo Free D service

- Launch of BB plus Domain mail and Web service

< Future Issues >

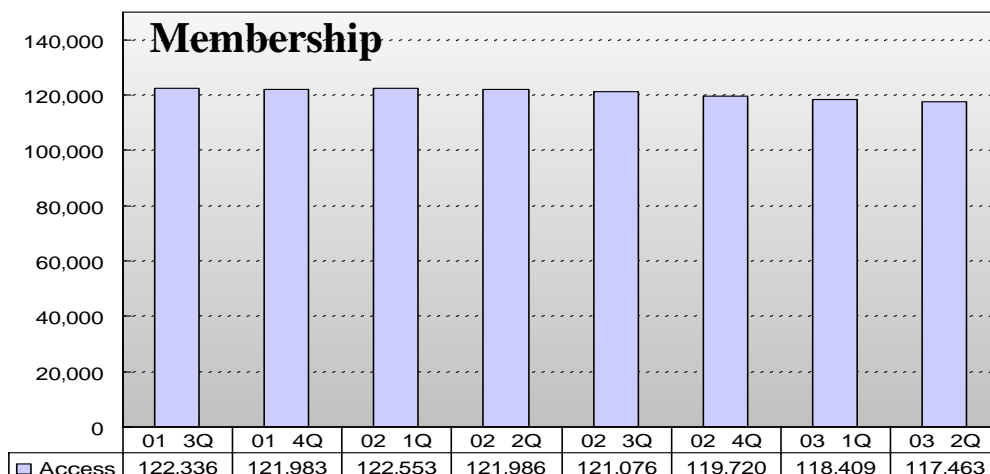
- To differentiate ourselves from competitors by boosting interQ MEMBERS service contents and attracting new subscribers
- Strengthen Only One strategy, launch low-price ADSL and FTTH plans, meet growing broadband needs, and strengthen new customer acquisition.

2,180 yen ADSL plan launched from July 30.

Low-price FTTH plan scheduled for release during Q3.

- To introduce bank account transfer payment method for BB plus to attract more corporate customers and expand customer base.

(million contracts)

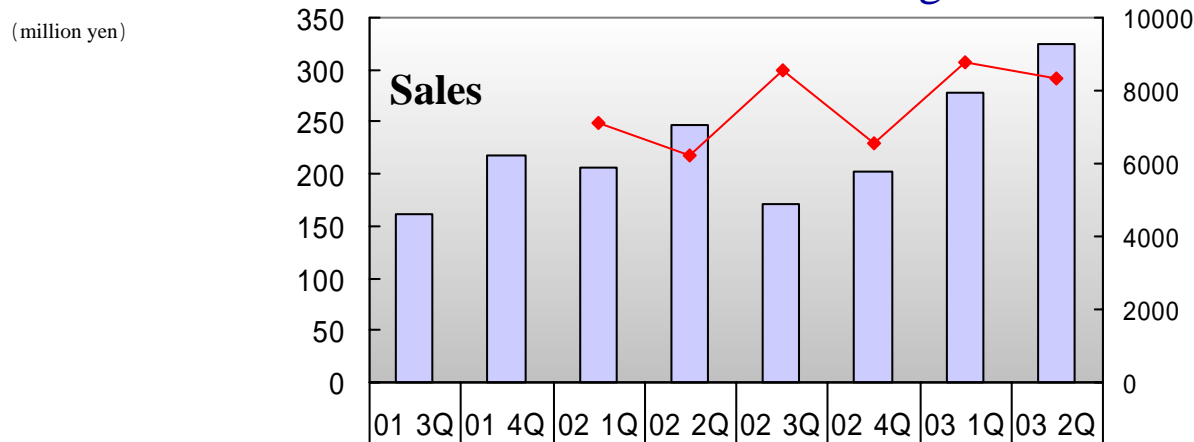


Domain Business

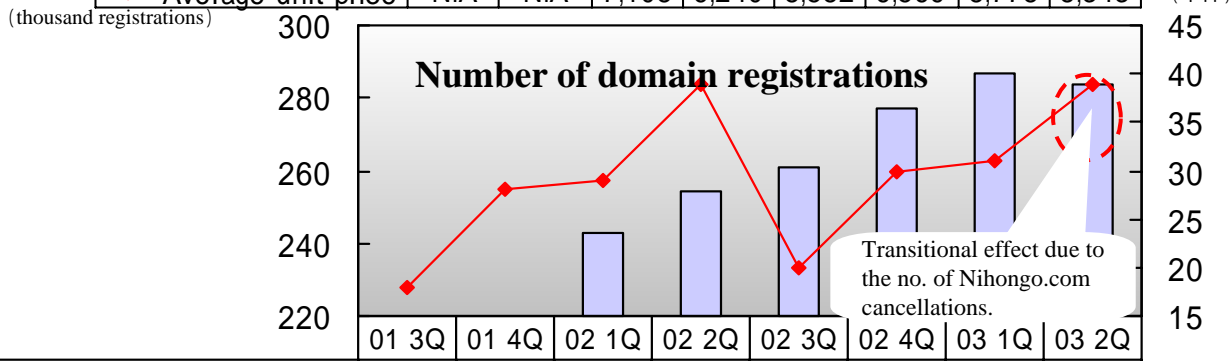
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		Onamae.com Co., Ltd	82.0%	
	GMO communications Co., Ltd.	100.0%	Computerization support and consulting business	
	GMO research institute inc.	100.0%	Information gathering about the Internet	
	Internet advertising media business	KabeGami.com, Inc.	100.0%	Desktop advertising business (KabeGami)
		GMO magazines, inc.	100.0%	Media content business
		Magforce Co., Ltd.	100.0%	Other media businesses
GMO media and solutions inc.		84.6%	Planning and development/management of mail media Opt-in mail	
e-sumai, Inc		50.9%	Management of the site for real estates and advertising	
Magclick inc.		40.6%	Sale of e-mail advertisements	
Ordinary profit and loss	Equity method companies	U cast communications inc.	47.6%	Desk top advertising business (second browser)
		Payment-one, inc.	40.6%	Settlement business (credit card billing service)
		Idea cube inc.	35.0%	Other media businesses

Domain Business: Changes in sales and registrations, plus future issues.

Domain renewal demand generated steady sales.



Domain	161	217	207	247	171	202	278	324
Average unit price	N.A	N.A	7,108	6,240	8,582	6,569	8,778	8,343



Cumulative numbers	N.A	N.A	243	254	261	277	287	284
Number of registrations/updatings	18	28	29	39	20	30	31	39
(*) Cumulative registration numbers	225	249	270	291	305	328	346	365

Compared to Q2 last year...

30.9% increase in sales

< Factors behind increased sales >

- Active demand for renewals thanks to detailed renewal notices provided when renewal was due.

- Pull marketing was effective is generating strong growth in new registrations.

< Q2 Achievements >

- Launch of Dynamic DNS service for DION subscribers.

- Development of new advertising mediums.

< Future Issues >

- To generate new demand by developing sales channels (agents, etc.) other than Pull sales

- To retain customers by generating synergy effects with server products.

- To provide new domains.

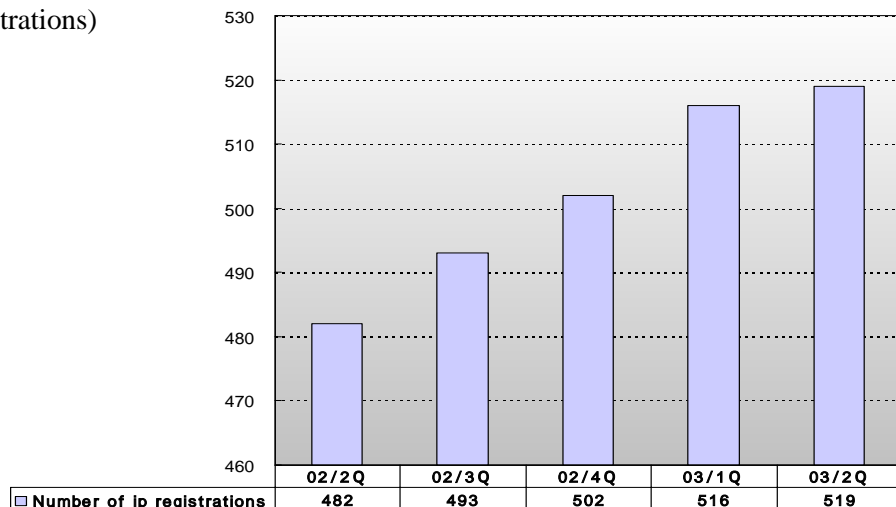
Note: From the previous period, the number of domains is graphically represented by the cumulative number of domains managed, rather than cumulative registration numbers. The cumulative number of domains managed refers to the number of effective domain registrations.

Trends in the Domain Industry

Steady increase in JP domains with Onamae.com the number-one ranking domain provider.

(thousand registrations)

Changes in the total number of JP domain registrations (cumulative)*



No. of JP domain registrations

519,653 (increased by 3,116 within 3 months)

< Breakdown >

Association plus region types (“co.jp,” “ne.jp”) 299,667

General purpose (“.jp”, “Japanese.jp”) 219,986

< Source: JPRS. >

< Rankings of general purpose JP domain name registration service providers >

No. 1 Onamae.com/ Global Media Online

No. 2 O C N/ NTT Communications

No. 3 Domain Name For Use (D4U)/Humeia Registry

No. 12 iSLE/GMO Hosting & Technologies

< Source: JPRS. As of August 4, 2003 >

* Prepared by GMO using materials released by JPRS.

Breakdown of domain acquisitions (According to GMO statistics)

- Corporate entities 39%
- SOHO catalog businesses 13%
- SOHO stores 10%
- Shopping arcades, cooperatives, associations, etc. 9%
- Medical corporations 3%
- Lawyers, judicial scriveners, politicians, etc. 3%
- Religious entities 3%
- Entertainers, etc. 1%
- Personal interest 19%

Business users account for around 80% !

Based on a random sample of 100 GMO user domains.

Computerization support and consulting operations, Home page production and management support business.

	Business segment	Name of company /equity position		Business description
Consolidated sales/consolidated operating profit	I x P business	Global Media Online inc.	Parent company	Access business (Internet connection service)
				Domain business (Domain registration service)
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		Onamae.com Co., Ltd	82.0%	
		GMO communications Co., Ltd.	100.0%	Computerization support and consulting business
	GMO research institute inc.	100.0%	Information gathering about the Internet	
	Internet advertising media business	KabeGami.com, Inc.	100.0%	Desktop advertising business (KabeGami)
		GMO magazines, inc.	100.0%	Media content business
		Magforce Co., Ltd.	100.0%	Other media businesses
		GMO media and solutions inc.	84.6%	Planning and development/management of mail media Opt-in mail
e-sumai, Inc		50.9%	Management of the site for real estates and advertising	
Magclick inc.		40.6%	Sale of e-mail advertisements	
Ordinary profit and loss	Equity method companies	U cast communications inc.	47.6%	Desk top advertising business (second browser)
		Payment-one, inc.	40.6%	Settlement business (credit card billing service)
		Idea cube inc.	35.0%	Other media businesses

Computerization Support and Consulting Business: Results and Future Issues (1)

Homepage production and management support business & Solutions sales for enterprises -GMO



Tangible demand development

GMO sales department compiles manuals and theoretical approaches based on successful marketing ventures to be used to source large-scale customers.

SAIDCAS Theory

Q2 Achievements

- Sales of 77 million yen.
- Launch of Web Management Service based on our SAIDCAS theory.
- Launch of customer-specific plans for SEO service

Future Issues

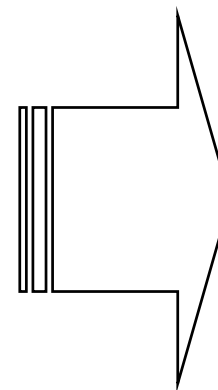
- To increase sales through synergy effects with domains, servers and other products.
- To focus efforts on marketing proposals for the promotion of new products.
- To provide customer-specific solutions.

<http://www.omakaseweb.com/>

Introducing our SAIDCAS Theory

~ A new marketing approach based on our own experiences and know-how ~

SAIDCAS Theory: This is a theory that the GMO Group has put together based on the Pull marketing success and know-how we have built up. A business model patent application is now pending for a Push solution marketing approach based on SAIDCAS.



Positioned as the cornerstone of our sales approach, this method is used to target large-scale customers.

<http://consulting.gmo.jp/>

Computerization Support and Consulting Business: Achievements and future issues (2)

Marketing of solutions for SOHOs and small-mid sized enterprises – GMO Communications



<http://www.kantanpack.jp/>

<http://www.gmo-com.jp/>

PUSH marketing for SOHOs and small-mid sized enterprises

Concentrated on building a direct sales team and on network device sales so as to compile a database of prospective customers, sourcing 62,000 prospective corporate customers for computerization support.

Q2 Achievements

- Sales of 409 million yen
- Compilation of a new potential customer database
- 95 sales staff
- 150 call-center staff

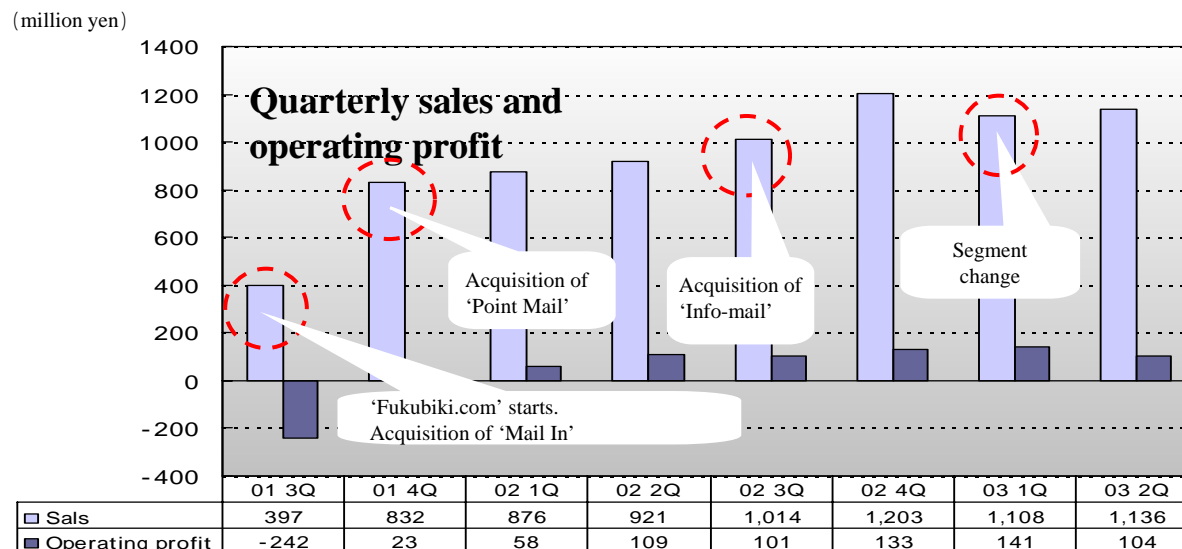
Future Issues

- To realize one-stop solutions in order increase customer satisfaction levels.

Internet Advertising Media Business

	Business segment	Name of company /equity position		Business description
Consolidated sales/consolidated operating profit	I x P business	Global Media Online inc.	Parent company	Access business (Internet connection service)
				Domain business (Domain registration service)
				Computerization support and consulting operations Home page production and management support business
				Server business (Rental server service (hosting service))
		GMO hosting and technologies, inc. (former ILSE inc.)	82.6%	
		Onamae.com Co., Ltd	82.0%	
		GMO communications Co., Ltd.	100.0%	Computerization support and consulting business
		GMO research institute inc.	100.0%	Information gathering about the Internet
	Internet advertising media business	KabeGami.com, Inc.	100.0%	Desktop advertising business (KabeGami)
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		Payment-one, inc.	40.6%	Settlement business (credit card billing service)
		Idea cube inc.	35.0%	Other media businesses

Internet Advertising Media Business: Changes in sales and profit, plus future issues.



< Q2 Achievements >

Sales remained level while operating profit fell.

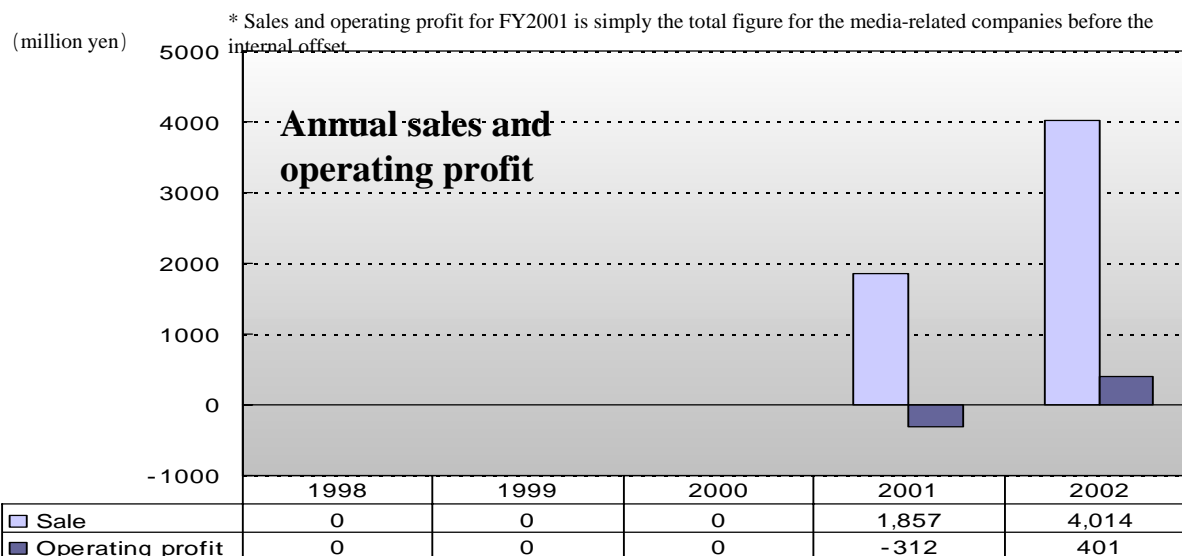
The fall in Opt-in advertising sales due to the withdrawal of mobile products was supplemented by desktop advertising and the EC business.

< Factors behind decreased operating profit >

- Withdrawal of mobile products.
- Seasonal factors
(Downturn after strong March sales)
- Shift to specialized agency search word advertising.

< Future Issues >

- To boost the competitiveness of Opt-in Mail Service.
- To turn loss-making subsidiaries into profitable ones.



* Sales and operating profit for FY2001 is simply the total figure for the media-related companies before the internal offset

The State of the Internet Advertising Media Business

Conditions in Q2 2003

Opt-in Mail advertising sales fell with the withdrawal of mobile Opt-in Mail products.

Mail advertising	Opt-in Mail	Fall in sales affected by Withdrawal of mobile products Seasonal factors Shift to specialized agency search word advertising.
	Mail Magazines	Introduction of new products, including tie-up type products. This covered the fall in mobile product sales, so that overall sales remained more or less level.
Desktop advertising	Wall paper	Slight increase in sales due to healthy mobile service performance. Preparations for tie-ups with major sites.
	My Pop	Efforts focused on attracting members, just like last quarter. The rapid increase in sales continues to aid expenditure improvements.

Conditions in Q3 2003

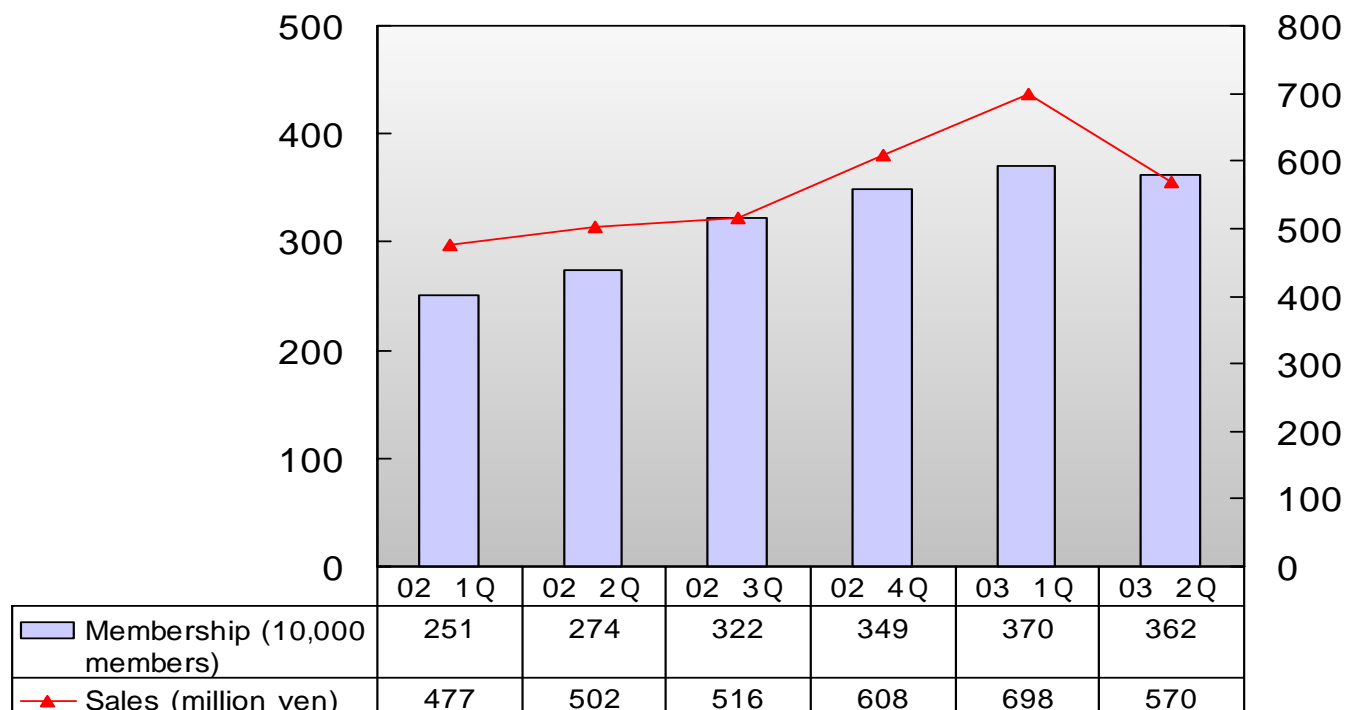
Focus efforts on boosting medium strength, mainly by attracting members, strengthen sales, and make unprofitable subsidiaries profitable.

Mail advertising	Opt-in Mail	Focus on boosting medium strength, mainly by attracting members.
	Mail Magazines	Focus on demand development with the introduction of segment-specific, rich media, and tie-up type products.
Desktop advertising	Wallpaper	Due to start tie-ups with major sites. Aim to turn over quarterly profits.
	My Pop	Continue to make attracting members the primary focus. Aim to return to positive FC figures on a monthly non-consolidated bases during this quarter.

Opt-In Mail Services: Changes in memberships and sales

Memberships	Fell with the withdrawal of mobile products (Mobile members: 220,000) PC members: + 140,000
Sales	Fell due to Withdrawal of mobile products Seasonal factors (Downturn after March figures) Shift to specialized agency search word advertising.

Changes in overall membership and gross sales for the GMO Group's Opt-In Mail Services
(M@ilin, Fukubiki.com, Point Mail)



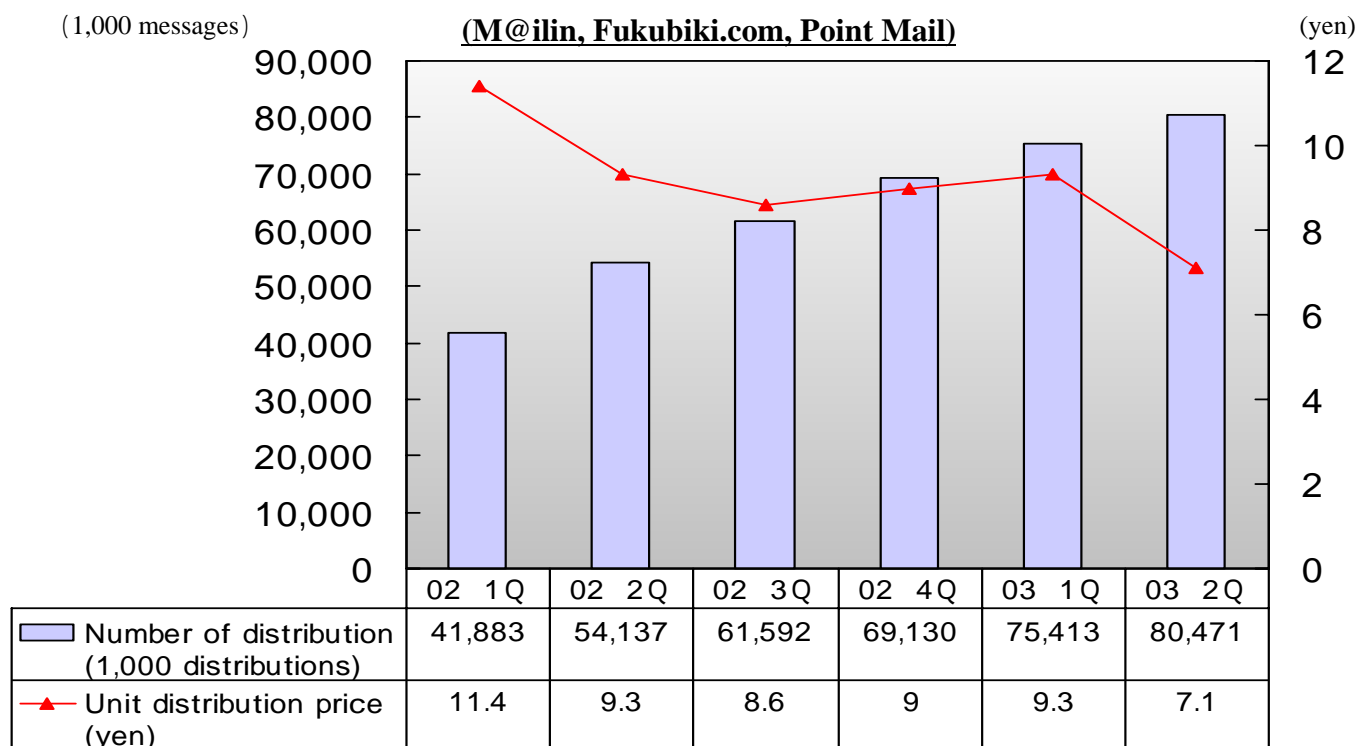
·Sales represent gross sales prior to the deduction of agency commissions.

·These figures represent Opt-In Mail Service products only and exclude Mail Magazines and Web-related sales figures.

Opt-In Mail Services: No. of distributions and unit price

No. of Distributions	Increased thanks to the addition of GW special products and the campaign to boost the no. of distributions.
Unit Distribution Price	Unit prices fell as a result of introducing lower unit price products for the above campaign.

Changes in total distributions and unit distribution price for the GMO Group's Opt-in Mail Services

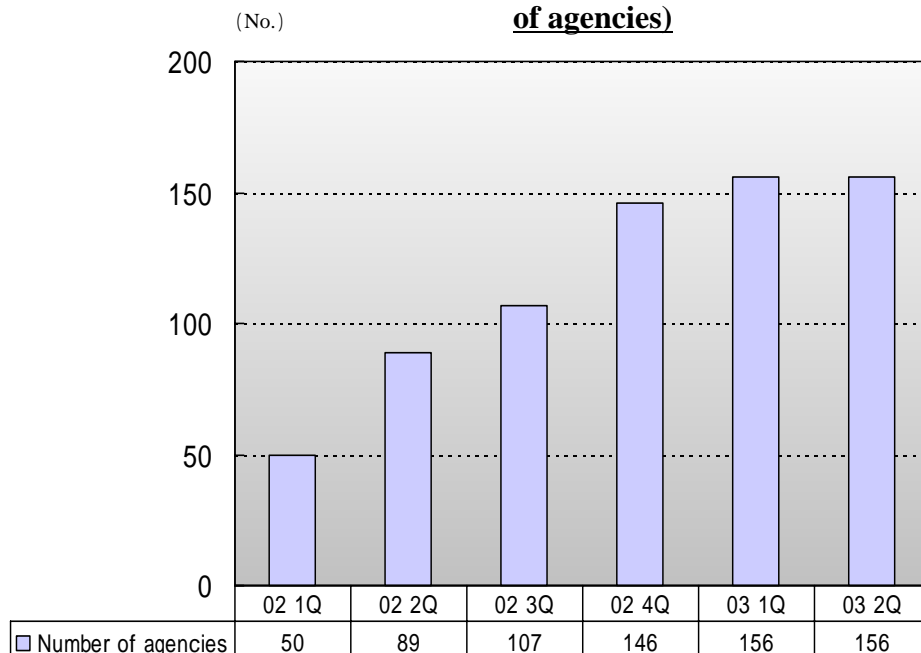


· These figures represent Opt-In Mail Service products only and exclude Mail Magazines and Web-related sales figures.

Opt-In Mail Services: Sales conditions

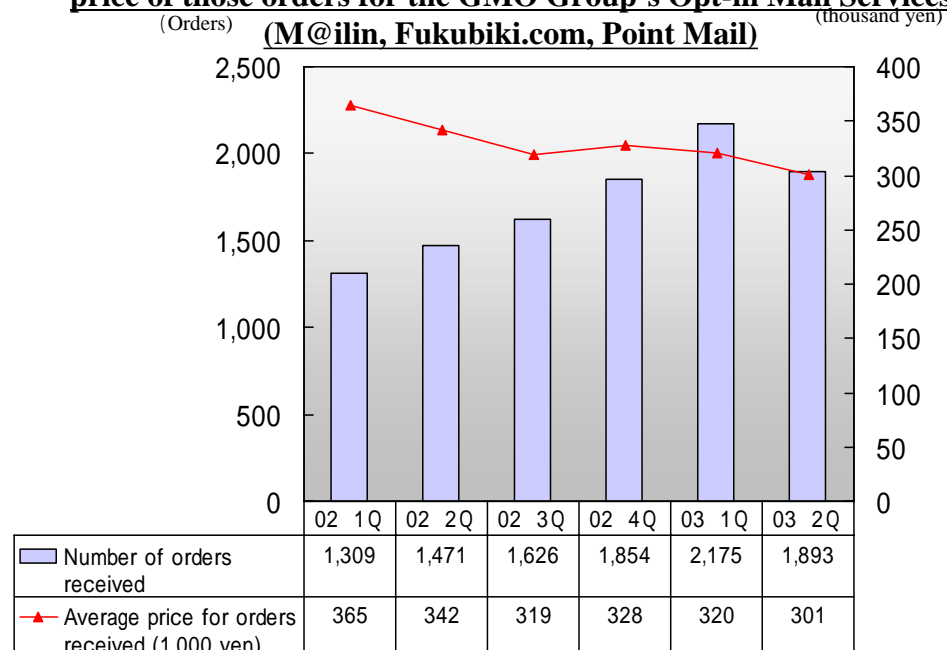
Magclick, Inc. No. of agencies Q1	Remained level due to seasonal factors.
No. of orders received	Fell with the shift towards specialized agency search word advertising products (Google · Overture) and the withdrawal of mobile products.
Average price for orders received	Fell with the release of products designed for the lower unit price campaign.

Change the no. of Magclick, Inc. clients (no. of agencies)



· The number of agencies includes all agencies dealt with at some stage during the quarter, even if just

Change in the total number of orders received and the average price of those orders for the GMO Group's Opt-in Mail Services (M@ilin, Fukubiki.com, Point Mail)



· These figures represent Opt-In Mail Service products only and exclude Mail Magazines and Web-related sales figures.

EC Business – Achievements and Issues

EC Business launched with the idea of maximizing value for GMO mail media members.

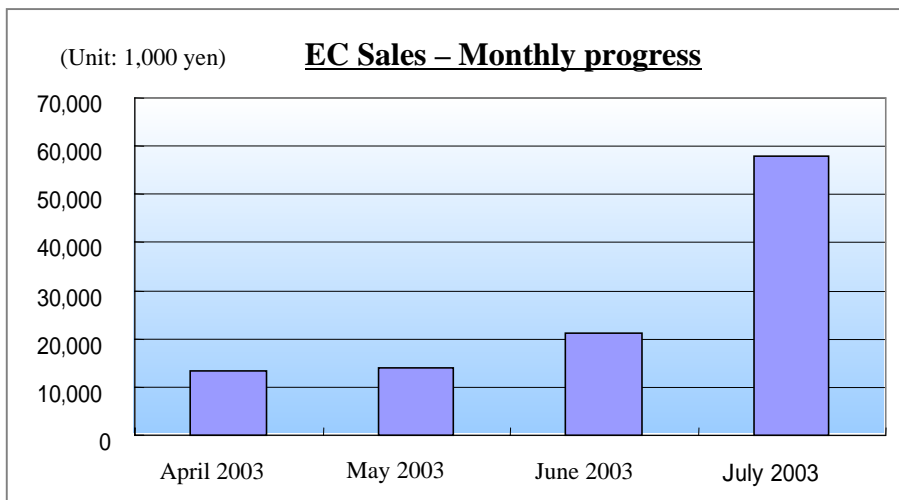


Q2 Achievements

Sales: 4,875 million yen

Successful launch

The EC Business was successfully launched on schedule in April 2003. During this quarter the EC division showed profitable figures on a monthly non-consolidated basis. Monthly non-consolidated sales are growing and look to exceed Q2 sales figures.



Future Issues

To promote the establishment of the My Needs brand (site renewal, etc.), enhancement of the product line-up, and OEM strategy.

[Part 3]

Results Forecasts

Forecast for FY2003 Full-Year Consolidated Results

Million yen

	FY2003 Full-Year Forecast	Compared to previous year	FY2002 Full-Year Results
Sales	16,100	+ 30.7%	12,313
Ordinary profit	1,850	+ 82.9%	1,011
Net profit	750	+ 260.3%	207

[Part 4]

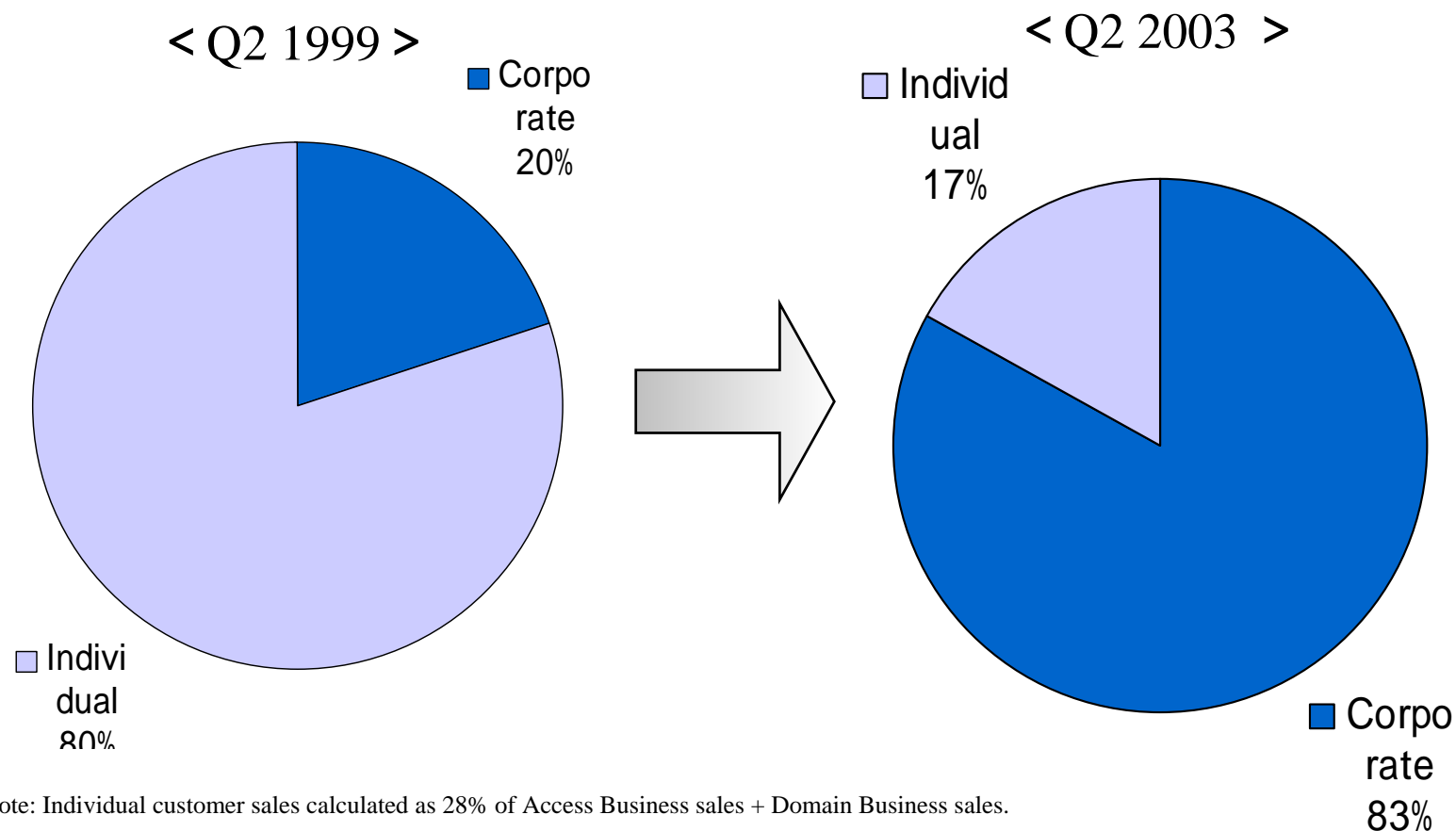
Future Growth Strategies

【Strategy 1】

Changes to GMO's profit structure and analysis of corporate entities.

Change in GMO Customer Base

~ Shift to corporate customers that account for a large percentage of sales ~



Note: Individual customer sales calculated as 28% of Access Business sales + Domain Business sales.

Japanese Domestic Market (1)

~ Computerization progresses from large corporations to SMEs and SOHOs ~

No. of corporate entities (1)

Large Organizations

3,148 companies (1000 or more employees)

Middle Organizations

49,660 companies (100 or more employees)

Small Businesses (Upper)

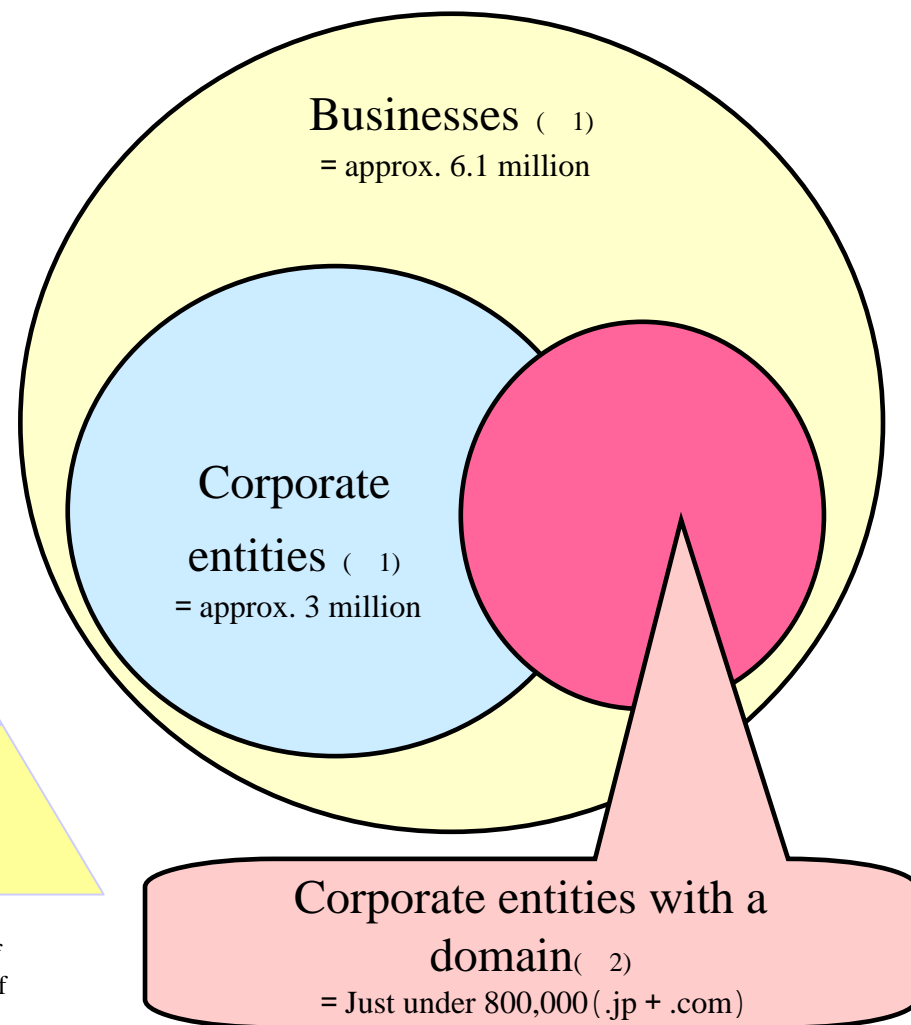
455,896 businesses (20 or more employees)

Small Businesses (Lower)

641,952 businesses (10 or more employees)

Micro Businesses

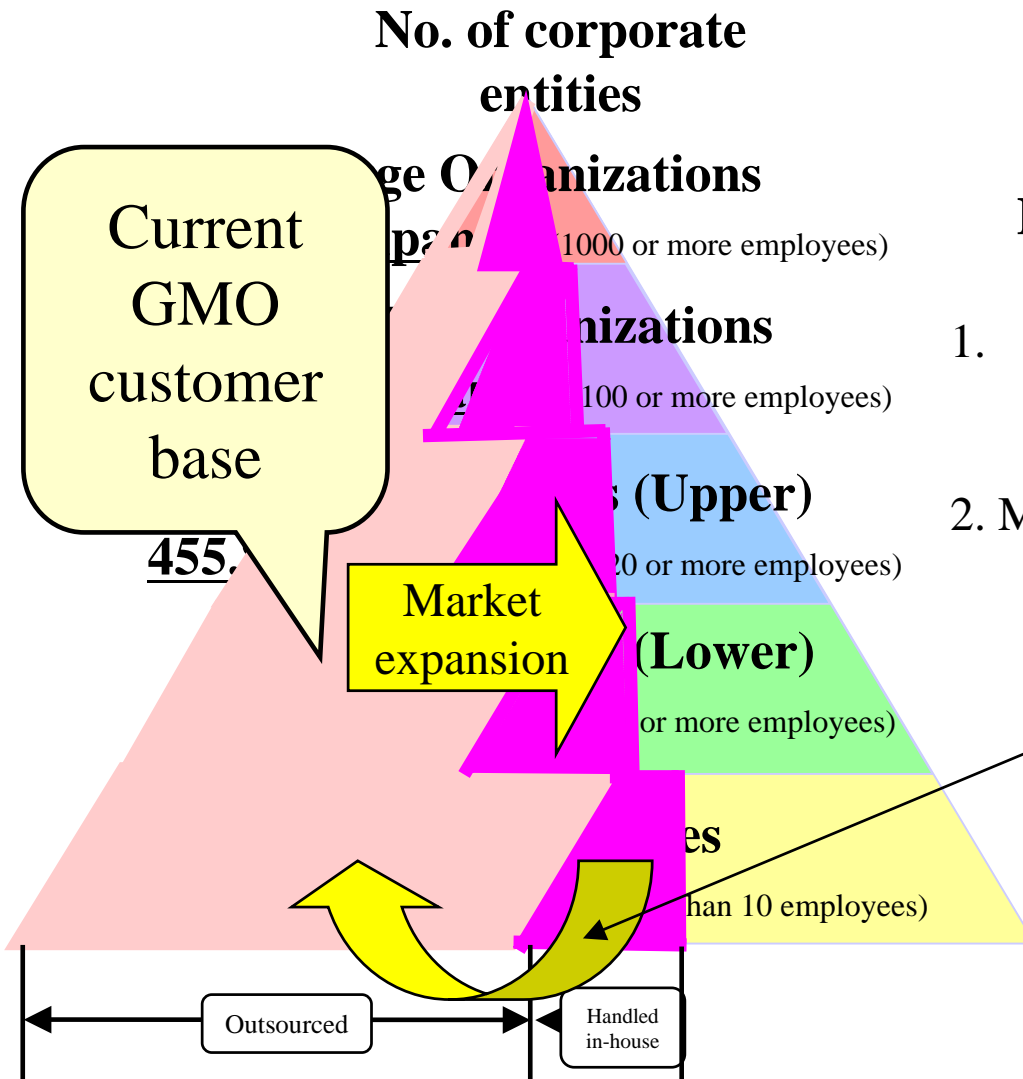
4,979,989 businesses (less than 10 employees)



1.No. of private enterprises according to FY2001 statistics from the Ministry of Public Management, Home Affairs, Posts and Telecommunications, and the no. of corporate entities according to EC research. 2. GMO estimate.

Japanese Domestic Market (2)

~ Computerization progresses from large corporations to SMEs and SOHOs ~



Prerequisites for growth

1. Increase outsourcing: Subcontract out more operations handled in-house.
2. Market expansion: Source more customers.

【Strategy 2】

Growth strategy for I x P (Internet infrastructure related) business.

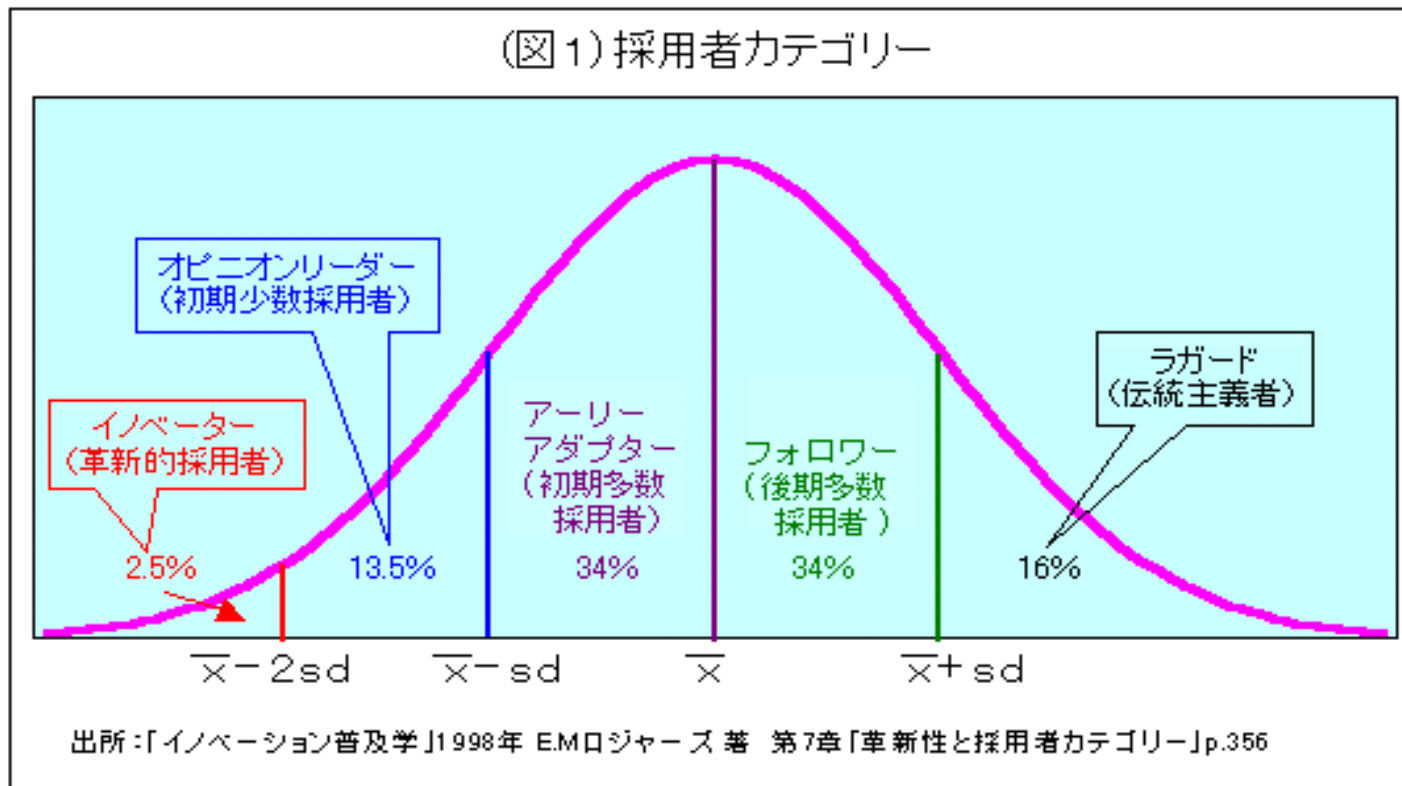
Growth Strategy for I x P (Internet infrastructure related) Business

~ One-Stop Solutions and Push Marketing ~

Key concepts for growth of the I x P (Internet infrastructure related) business

- 1 . The provision of “One-Stop Solutions” as part of product strategy.
- 2 . The strengthening of Push Marketing as part of sales strategy.

Combining Push Marketing with Pull Marketing



Product strategy

Offer single products

Offer One-Stop Solutions

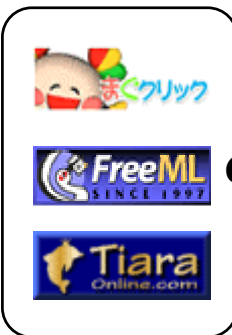
Sales strategy

Pull-type: catalog sales
(Attract customers through advertising)

Push-type: customer visits
(Sales staff recruit customers)

Providing One-Stop Internet Solutions to Enterprises

116,000 users



6,000,000 users

Opt-in Mail

3,700,000 users



Around 365,000 registrations



Used by around 100,000 companies



Desktop advertising



Establishment of a Direct-Sell Marketing (Push marketing) System (1)

From the second half of the quarter (July) GMO Communications will work on building a system for the full-scale implementation of direct-sell (Push) marketing.

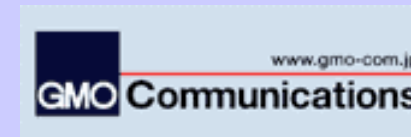
1 . Compilation of a prospective customer database

Approx. 62,000 customers sourced through network product marketing. Visits conducted to survey and database the IT status of companies. (Domain ownership, server usage, type of Internet connection, etc.)

Number of sales staff (as of June 30)

Sales staff: 95

Call-center staff: 150



2. Establishing GMO brand – “ GMO for Internet Solutions”

3 . Thorough promotion of “9199 quick response 2003”

【Strategy 3】

Growth strategy for Internet Advertising Media
Business

Basic Strategy for Internet Advertising Media Division (1)

Concentrate on mailer and desktop advertising and avoid competition from portals like Yahoo and MSN.

The screenshot shows an Outlook Express window with an email from 'nishiya@magick.com'. The email body contains an advertisement for the 'sigmarion III' laptop. The ad includes the 'Do Co Mo' logo, the text 'Mobileの新基準 sigmarion III Debut', and an image of the laptop. A red box highlights the main ad content, and a green box highlights a small pop-up window at the bottom right of the ad area.

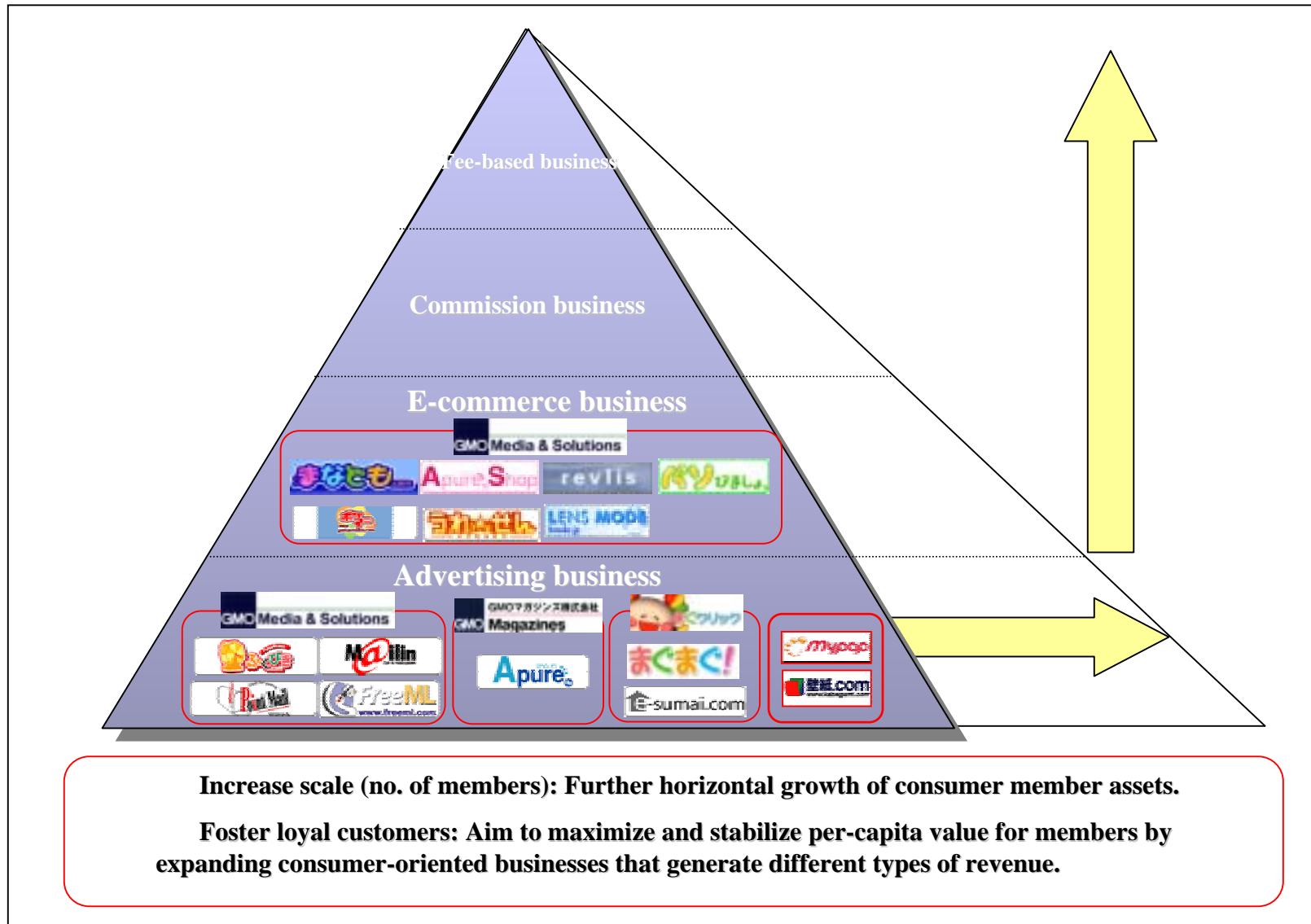
Mail media

- Mail magazines
- Mailing lists

Desktop media

- Wallpaper
- my pop

Basic Strategy for Internet Advertising Media Division (2)



【Strategy 4】

Growth strategy 4: Business domain expansion

Security Business

GeoTrust Japan, Inc. starts operations.



Started operations more or less as planned.

- Around 70% of all customers are SOHO or individual customers.

Q2 Achievements

- Start of business: May 17

Future Issues

- To establish the Company's brand image.
- To promote overseas business (targeting the Asian region.)

<http://www.geotrust.co.jp/>

Planned investment in INTERNET Number Corporation



What is an Internet number?

Using this system of Internet numbers, users can easily access a range of websites by entering just numbers into the browser address entry field instead of the usual long string of numbers and letters that comprise a URL address. This system can be used on PCs and is compatible with DoCoMo, EZWeb, and J-SKY Internet-enabled mobile phones, as well as L-mode. It has already been adopted and is being used by 1,100 enterprises, organizations and personal users. The official au, TU-KA, and J-PHONE websites have also been allocated Internet numbers. Ten million media access numbers are being used by 15 companies and 80 magazines (2002 statistics).

Future Expansion

Based on our experience and know-how from 300,000 domain registrations (equivalent to 40% of the domestic market, based on GMO statistics), GMO will endeavor to promote the spread of Internet numbers. As our first step in promoting the use of Internet numbers, GMO will combine domain and Internet number services so as to provide corporate entities who have registered a domain with an Internet number that is the same as their general telephone number free of charge. This highly convenient service will enable users to access websites by entering either the domain or the telephone number in the URL field.

Outcomes

- Increase user base by making URL entry more user-friendly.
- Differentiate ourselves in the Domain business.

The planned investment will involve GMO acquiring ordinary shares in the INTERNET Number Corporation through the allocation of new shares to a third party in around October, through which the INTERNET Number Corporation will become a consolidated subsidiary.

The Internet for Everyone

Thank you.

