

# Presentation of FY 2006 Q1 Results

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May 19, 2006

GMO Internet, Inc.

(Tokyo Stock Exchange 1st Section 9449)

## ■ Supplementary Data



1. Supplementary Data  
(Consolidated)

2. Internet Infrastructure  
Business

3. Internet Media Business

4. Internet Finance Business

# Supplementary Data (Consolidated)



# First Quarter of FY 2006 Scope of Consolidation

1. Supplementary Data  
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2. Internet Infrastructure  
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Business segment	Fourth quarter of FY 2005		First quarter of FY 2006		Notes
	Name of company	Percentage of voting rights (%)	Name of company	Percentage of voting rights (%)	
Internet Use Support Business (Internet Infrastructure Business)	GMO Internet, Inc.	Parent company	GMO Internet, Inc.	Parent company	
	GMO HOSTING & SECURITY, INC.	64.2	GMO HOSTING & SECURITY, INC.	63.8	
	GMO Research Institute Inc.	100.0	GMO Research Institute Inc.	100.0	
	GeoTrust Japan, Inc.	(97.1)	GeoTrust Japan, Inc.	(97.1)	
	Grandsphere Co., Ltd.	92.5	Grandsphere Co., Ltd.	92.5	
	WEBKEEPERS, INC. (U.S.A.)	(70.0)	WEBKEEPERS, INC. (U.S.A.)	(70.0)	
	Internet Number Corporation	69.6	Internet Number Corporation	69.6	
	Paperboy & Co.	50.2	Paperboy & Co.	50.2	
	GMO Payment Gateway, Inc.	52.8	GMO Payment Gateway, Inc.	52.7	
	@YMC CORPORATION	(100.0)	@YMC CORPORATION	(100.0)	
	Payment-One, Inc.	100.0	Payment-One, Inc.	100.0	
	GMO blog, Inc.	100.0	GMO blog, Inc.	100.0	
Solis Corporation	100.0	MAKESHOP Co., Ltd.	58.7	New	
GMO Communications Co., Ltd.	100.0	Epsilon, Inc.	(100.0)	New	
TELECOM ONLINE Inc.	100.0	Mighty Server, Inc.	(100.0)	New	
Internet Advertising Support Business (Media Business)	Magclick Inc.	43.2	Magclick Inc.	43.1	
	GMO Research, Inc.	81.0	GMO Research, Inc.	81.0	
	GMO Media Inc.	81.6	GMO Media Inc.	81.6	
	Netclue Co., Ltd. (S. Korea)	(100.0)	Netclue Co., Ltd. (S. Korea)	(100.0)	
	GMO San Planning INC.	(67.0)	GMO San Planning INC.	(67.0)	
	Tea Cup Communication, LTD.	51.0	Tea Cup Communication, LTD.	51.0	
	JWord Inc.	62.7	JWord Inc.	62.7	
	Netclue Japan Co., Ltd.	100.0	Netclue Japan Co., Ltd.	100.0	
	GMO Affiliate, Inc.	51.0	GMO Affiliate, Inc.	51.0	
	GMO-interTAINMENT, Inc.	100.0	GMO-interTAINMENT, Inc.	100.0	
Internet Finance Business	Orient Credit Co., Ltd.	98.3	Orient Credit Co., Ltd.	98.3	
			GMO internet securities, Inc.	100.0	New



# Business Conditions by Segment – Sales Summary

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Businesses	2005/1Q	2005/2Q	2005/3Q	2005/4Q	2006/1Q
Internet Use Support Business (Internet Infrastructure Business)					
Provider	751	716	696	655	633
Domain registration	399	380	367	396	457
Web hosting	1,649	1,763	1,795	1,819	1,872
Website construction and support	360	221	190	231	268
Security	57	68	70	67	108
Credit card payment processing	288	303	432	371	384
Enterprise communications	1,020	377	202	209	99
Others	39	20	55	76	202
Total segment sales	4,566	3,851	3,809	3,827	4,027
Internet Advertisement Related Business (Media Business)					
Internet media construction	630	447	492	474	442
Internet advertising sales	1,944	1,587	1,581	1,946	1,837
JWord	698	834	783	712	834
Online gaming	180	210	199	184	192
Others	34	19	37	74	82
Subtraction of intra-segment sales	(336)	(237)	(236)	(257)	(146)
Total segment sales	3,151	2,861	2,857	3,135	3,243
Internet Finance Business					
Personal finance operations	-	-	4,759	4,629	4,506
Deduction of dealings between segments					
	-60	-66	-16	-86	-63
<b>Consolidated sales</b>	<b>7,657</b>	<b>6,646</b>	<b>11,409</b>	<b>11,508</b>	<b>11,713</b>

(Million yen)



# Changes in Expenses and in the Composition of Expenses (Consolidated)

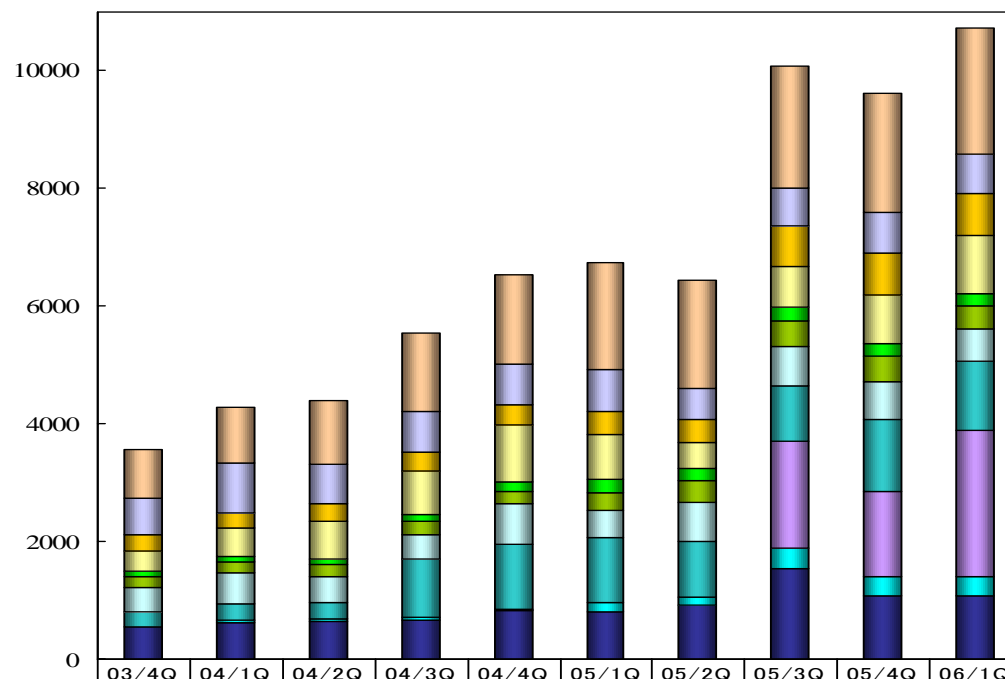
1. Supplementary Data (Consolidated)

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(Million yen)



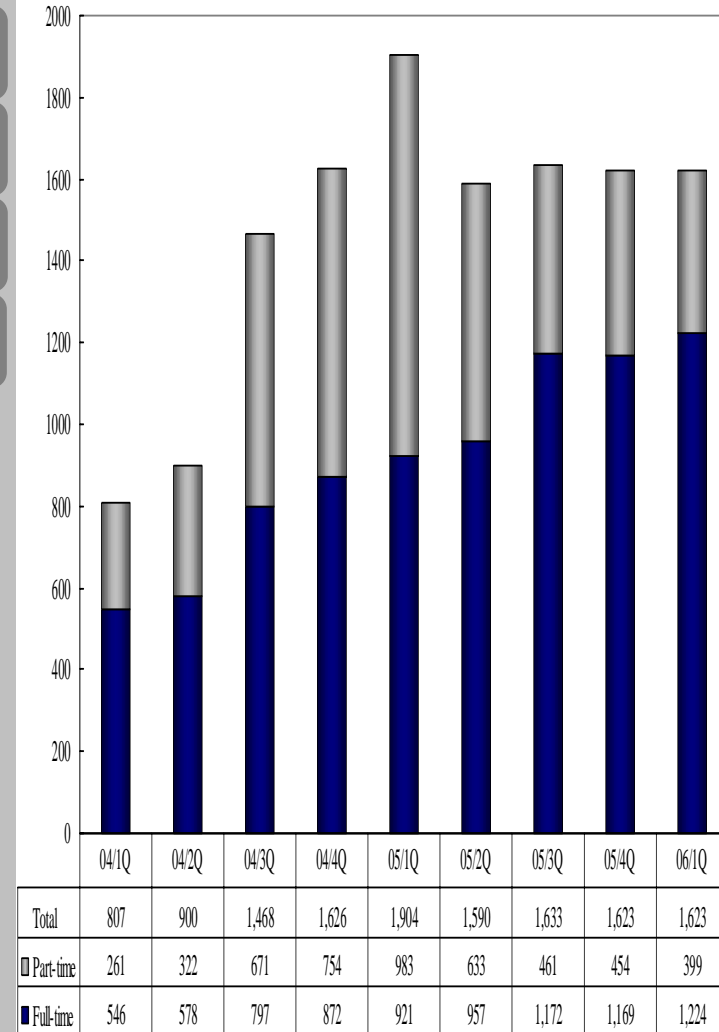
	03/4Q	04/1Q	04/2Q	04/3Q	04/4Q	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
Sum of personnel expenses + SGA	3,572	4,275	4,390	5,555	6,535	6,743	6,438	10,077	9,620	10,732
Personnel expense	832	935	1,065	1,337	1,521	1,819	1,827	2,060	2,019	2,138
Advertising, sales promotion expenses	623	853	670	693	673	708	540	642	688	666
Depreciation, rent	271	253	298	321	365	386	379	698	710	731
Subcontracting expense, outsourcing expense	353	474	641	734	968	767	437	696	839	977
Communication expense	85	92	91	116	145	222	206	234	213	211
Rent	179	195	205	227	217	305	386	428	421	400
Commissions paid	408	530	446	408	696	464	657	655	653	541
Media expense	255	279	290	989	1,092	1,113	942	944	1,222	1,180
Financing costs and allowance for bad debt								1,839	1,452	2,474
Amortization of consolidation adjustment account	17	53	27	49	34	154	137	338	326	333
Others	544	611	652	675	820	802	922	1,539	1,071	1,076



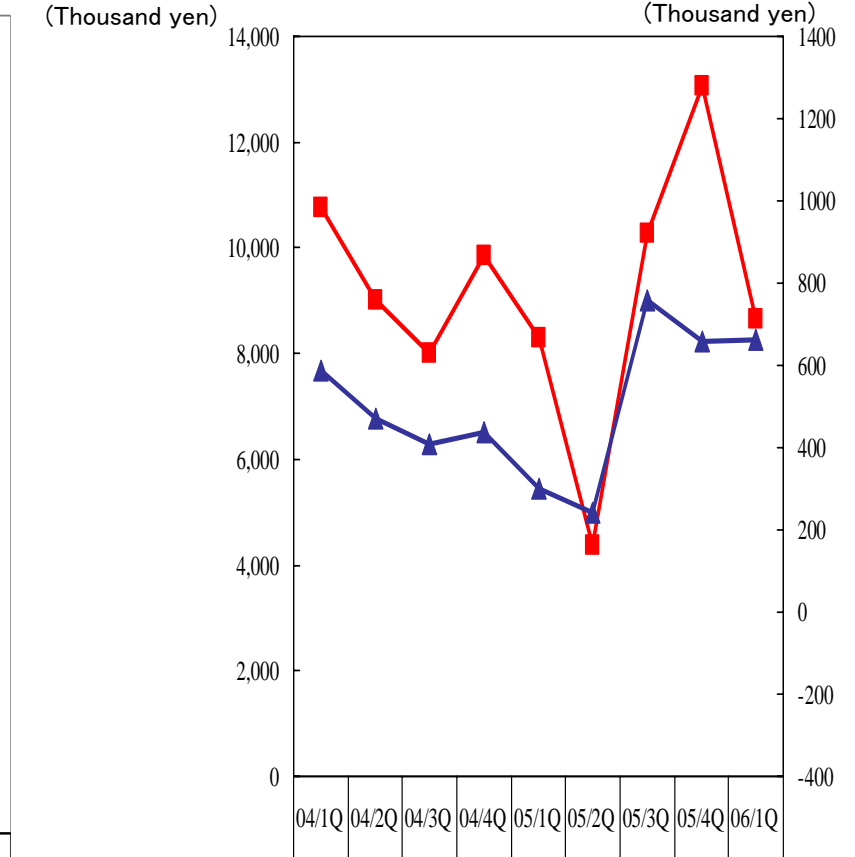
# Number of Employees, and Sales/Ordinary Profit per Employee (Consolidated)

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<Changes in the number of employees> (Persons)



<Changes in sales and ordinary profit per employee> (Thousand yen)



	04/1Q	04/2Q	04/3Q	04/4Q	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q
Per capita ordinary profit	984	760	631	866	667	163	920	1,278	713
Per capita sales	7,668	6,787	6,291	6,519	5,457	4,986	9,019	8,242	8,278
Average number of employees during the term	639	726	985	1,156	1,403	1,333	1,265	1,396	1,415



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

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

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# Internet Use Support Business (Internet Infrastructure Business)



# Provider Business

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Business

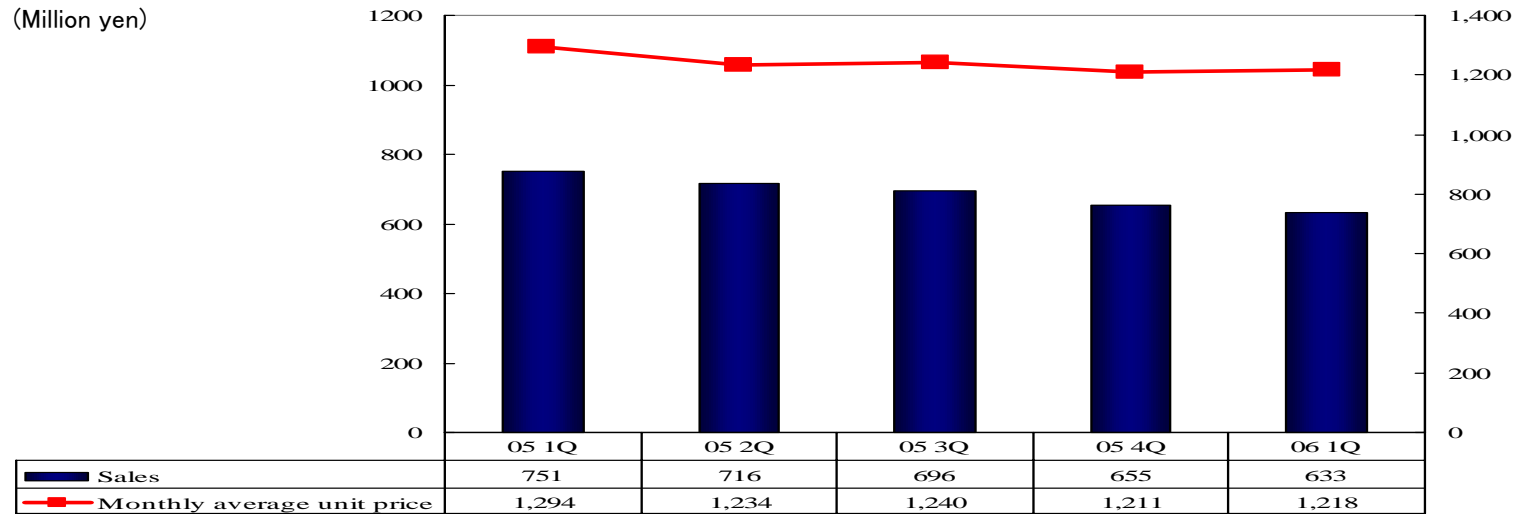
3. Internet Media Business

4. Internet Finance Business

<Changes in sales>

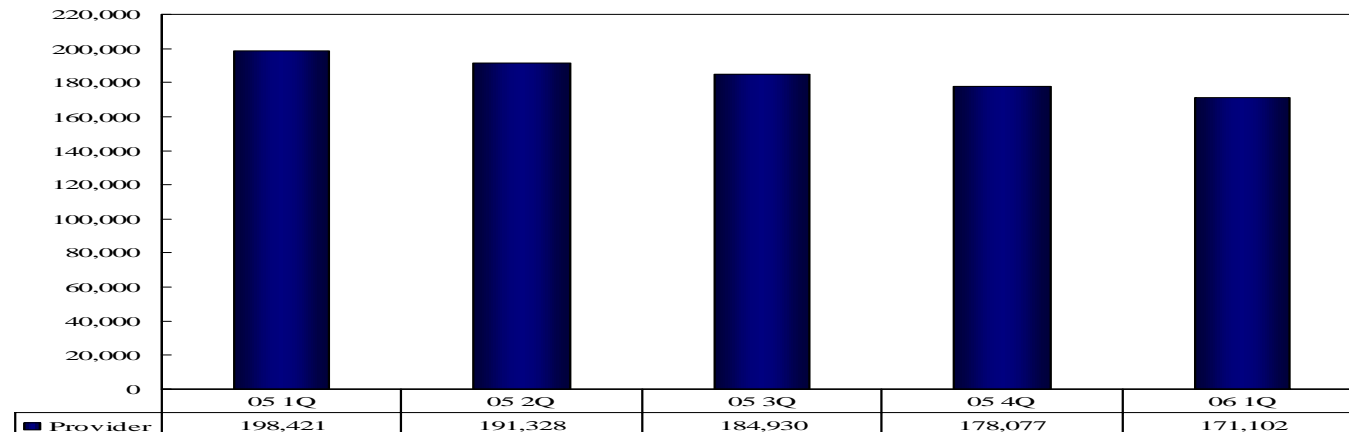
(Million yen)

(Yen)



(Persons)

<Members>





# Domain Registration Business

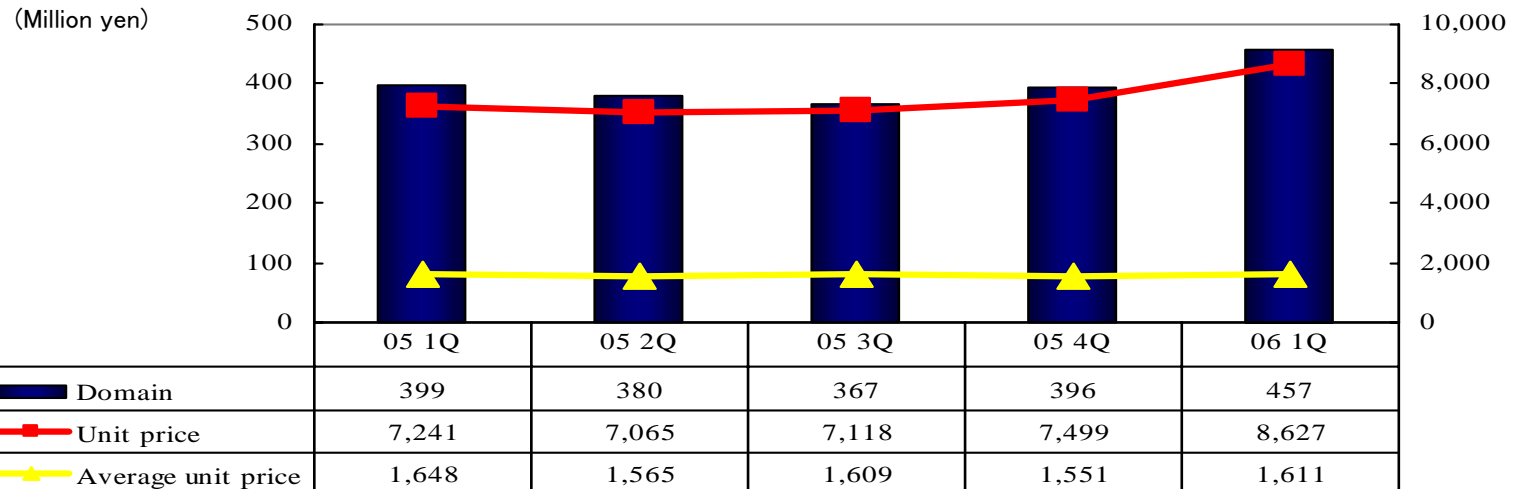
1. Supplementary Data  
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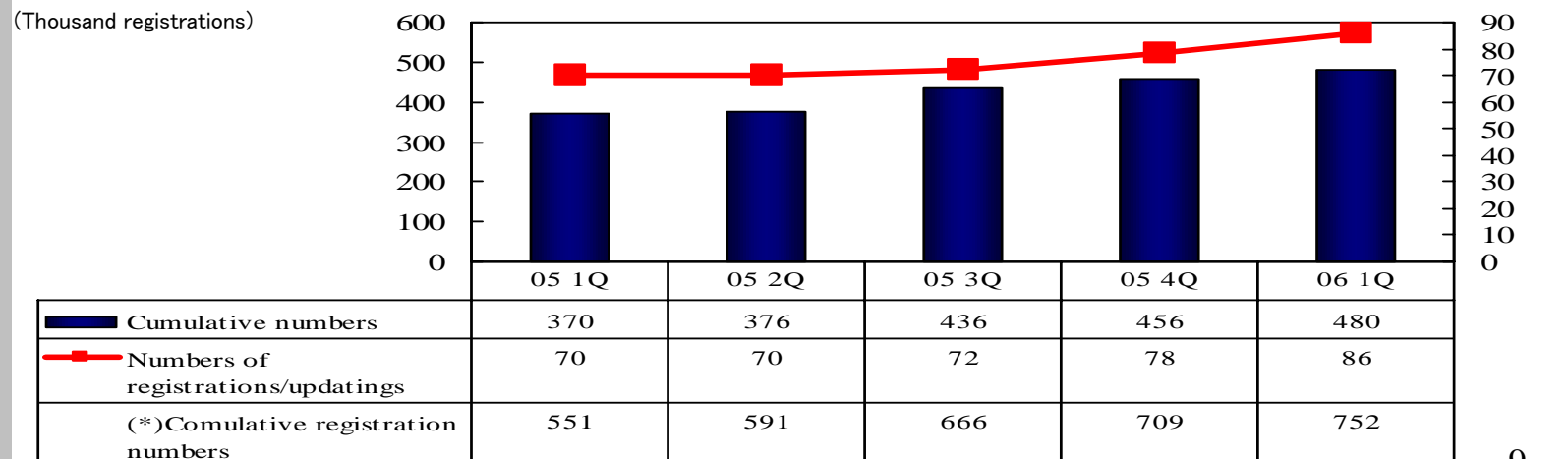
3. Internet Media Business

4. Internet Finance Business

<Changes in sales>



<Number of domain registrations>



Note: The cumulative number of domains managed refers to the number of effective domain registrations.



# Changes in the Number of New Domain Registrations and the Number of Domain Renewals

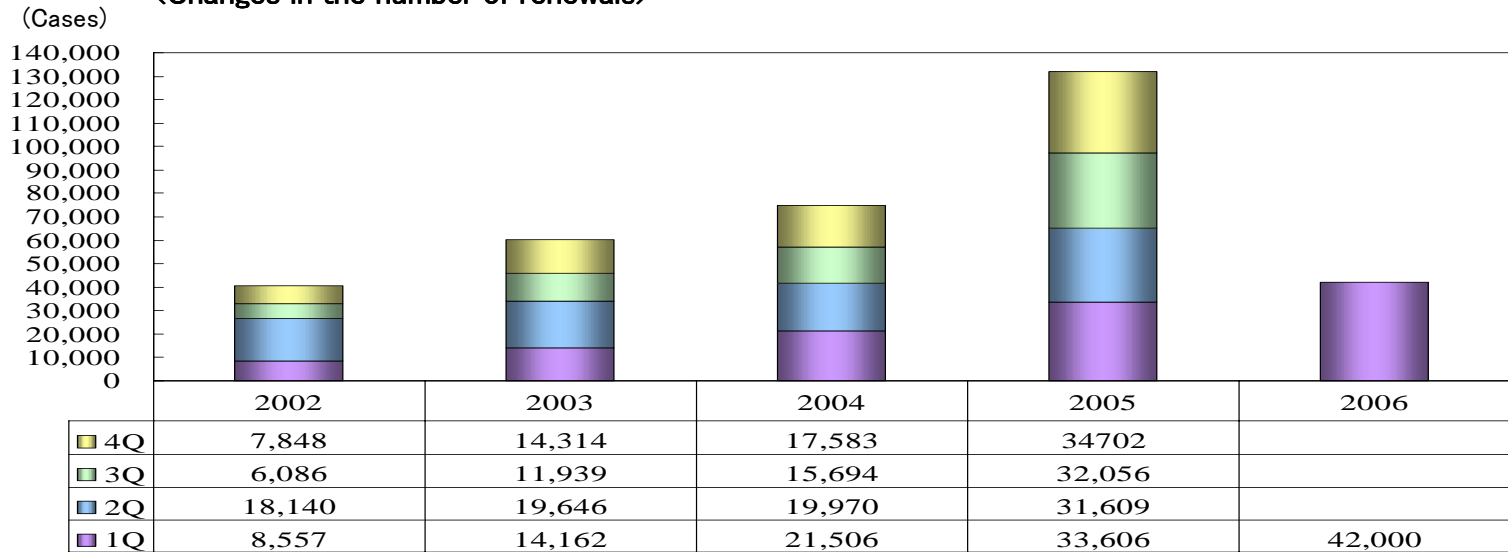
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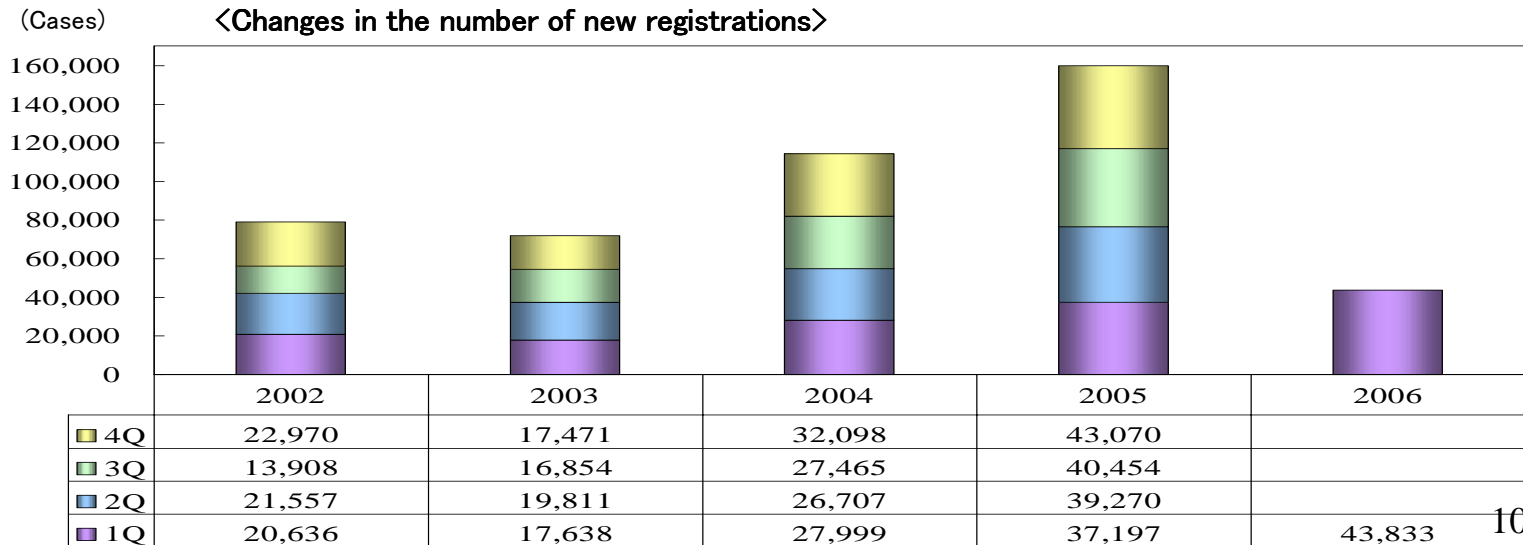
3. Internet Media Business

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<Changes in the number of renewals>



<Changes in the number of new registrations>



# Web Hosting Operations

1. Supplementary Data  
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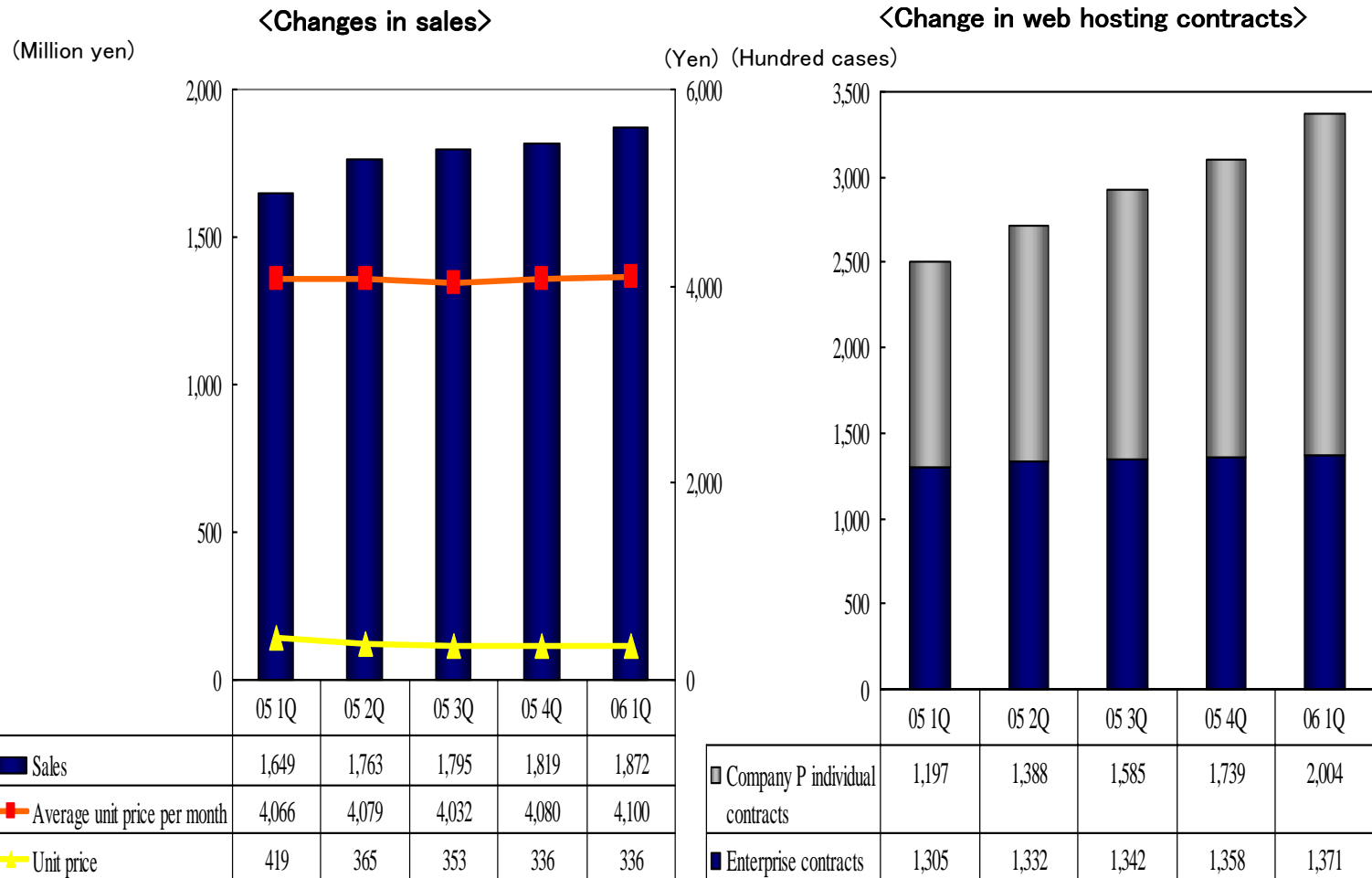
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## Sales and parameters



P: Consolidated subsidiary Paperboy & Co.

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# Internet Advertisement Related Business (Media Business)

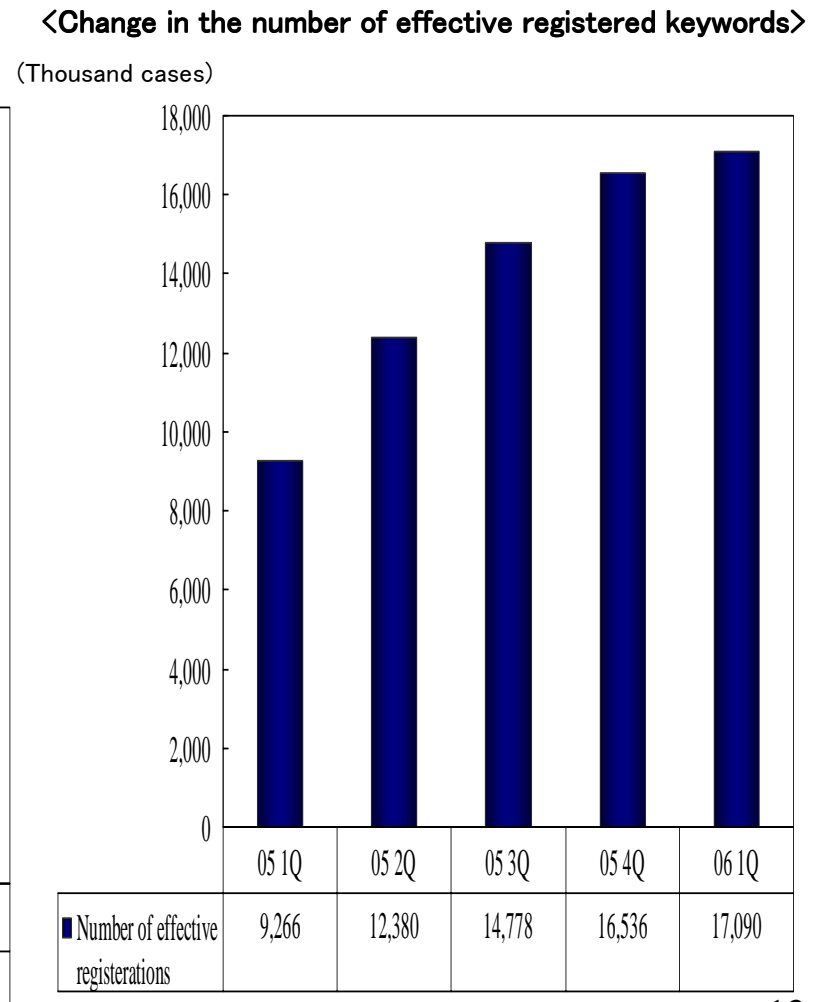
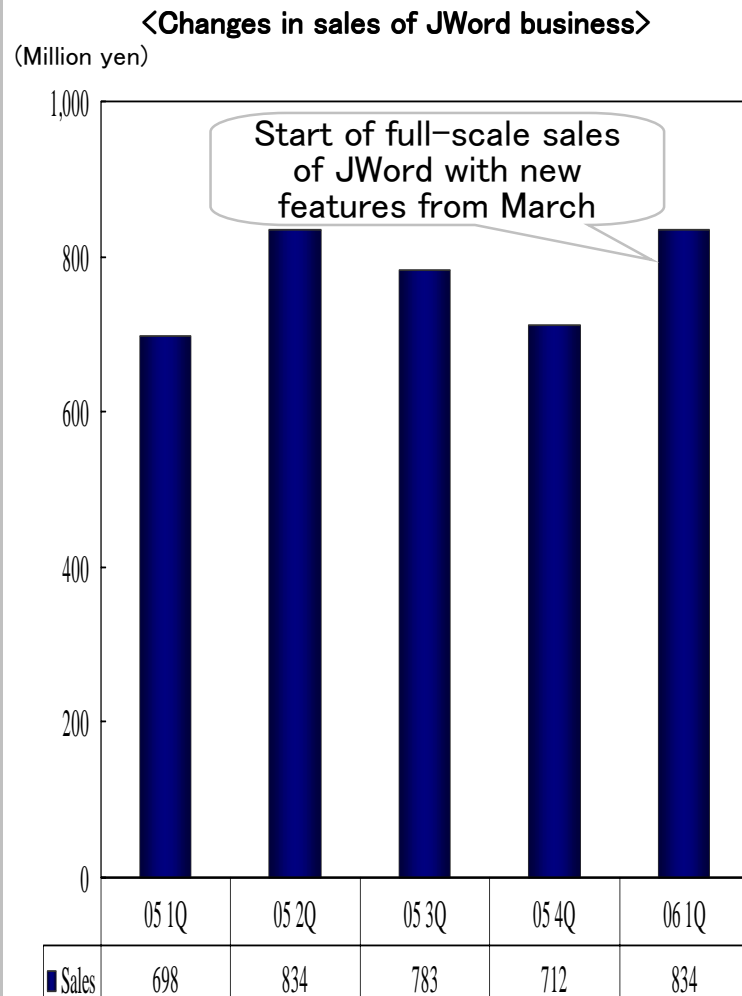


# JWord Business

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## Changes in sales/Change in the number of effective registered keywords



# Online Gaming Business

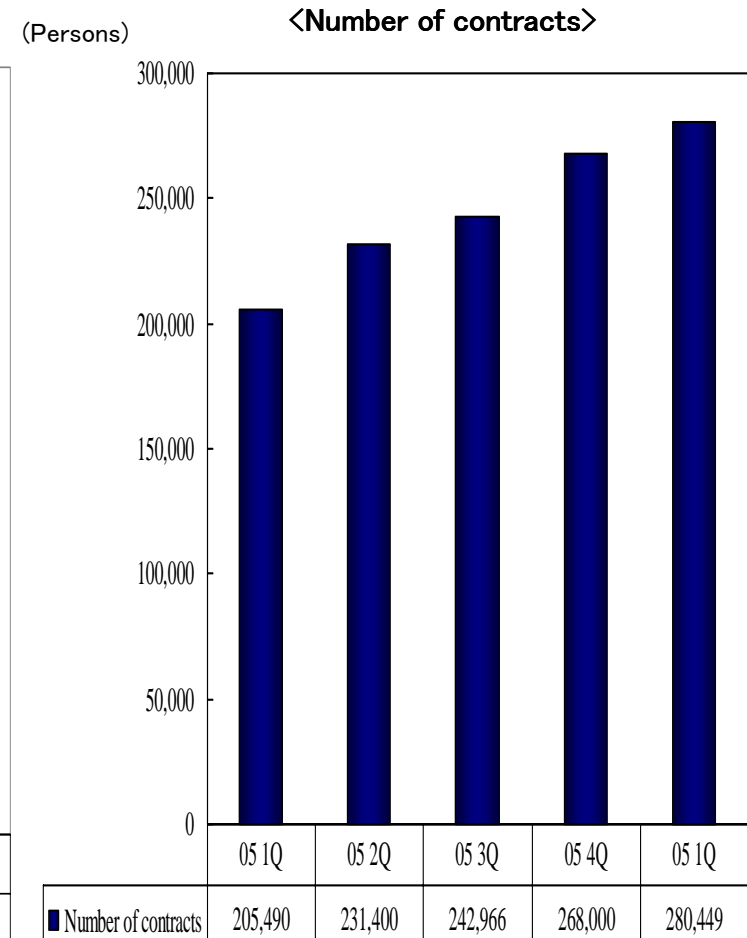
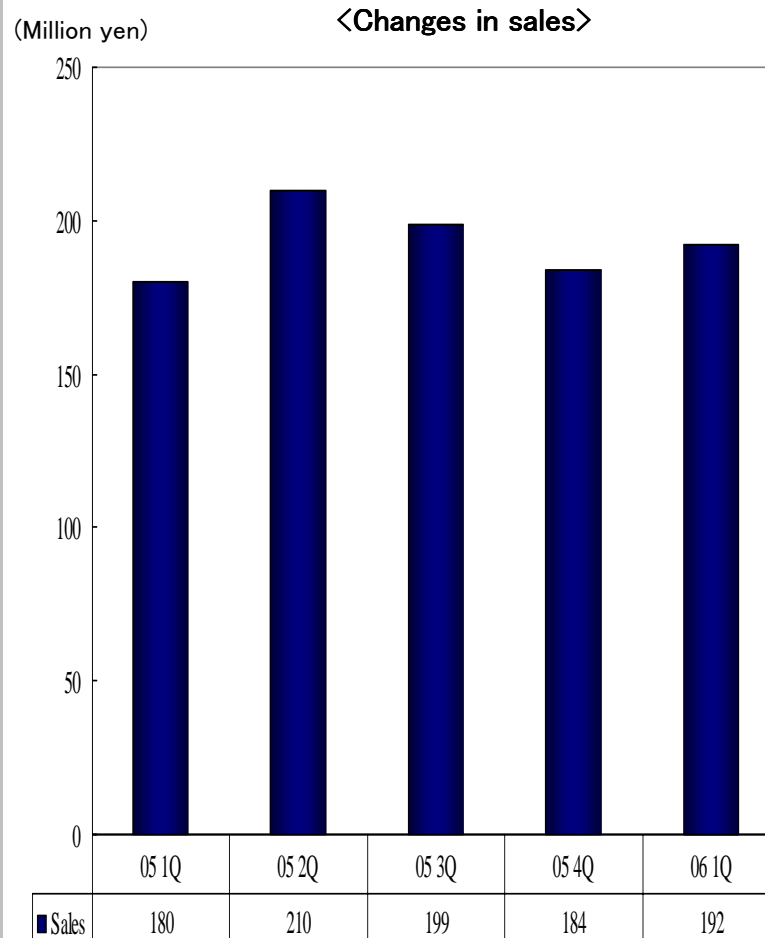
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## Changes in sales and the number of contracts



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# Internet Finance Business

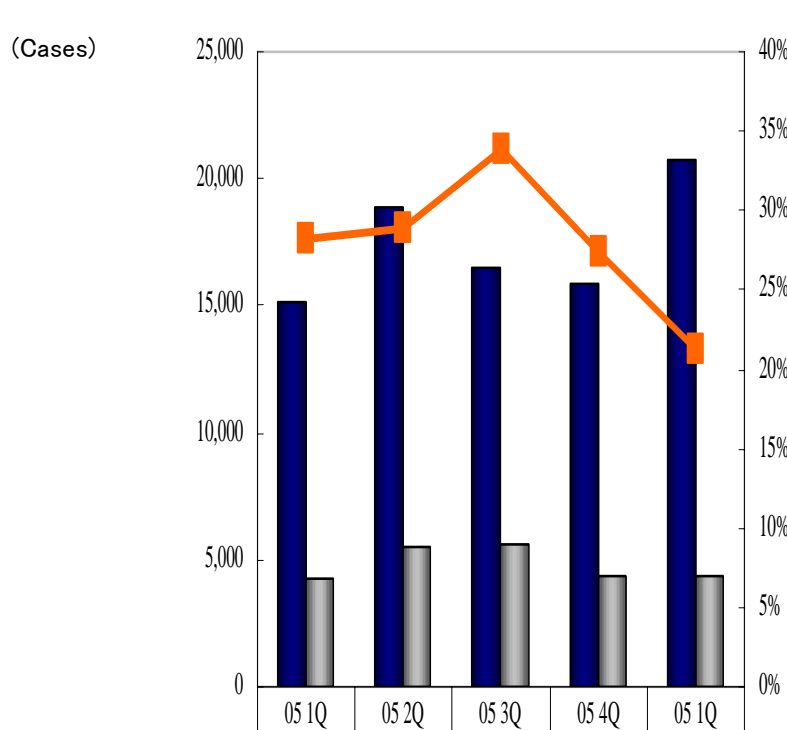


# Internet Finance Business Major Parameter 1

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- 2. Internet Infrastructure Business
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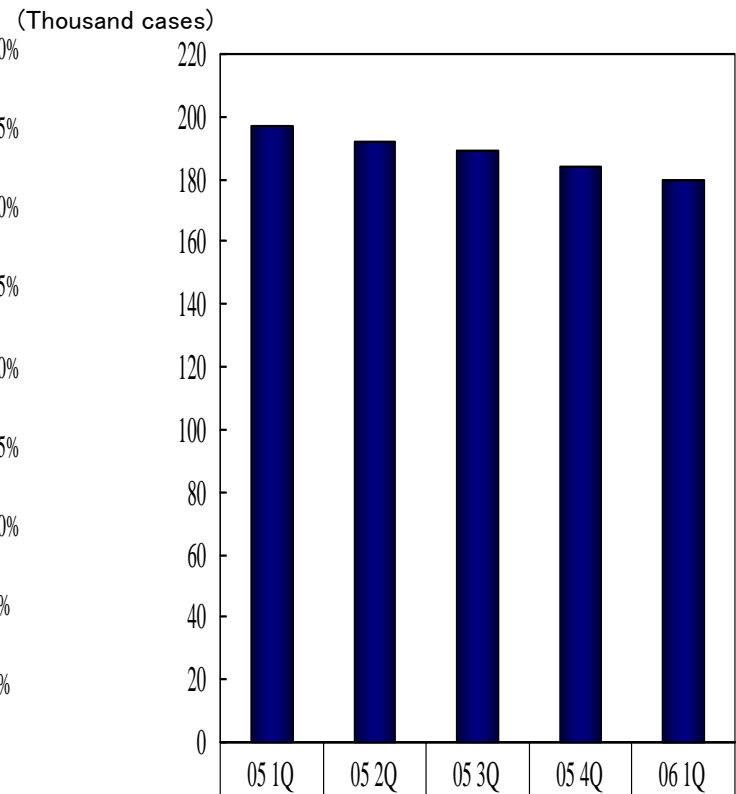
## Change in the number of contracts and the number of accounts

<No. of new applications, no. of contracts& the close rate>



<span style="color: #002060;">■</span> No. of new applications	15,187	18,924	16,544	15,900	20,743
<span style="color: #808080;">■</span> No. of contracts	4,282	5,456	5,610	4,363	4,384
<span style="color: #FF8C00;">+</span> Close rate	28.20%	28.80%	33.90%	27.40%	21.20%

<Change in the number of accounts>



<span style="color: #002060;">■</span> Change in the number of accounts	197	192	189	184	180
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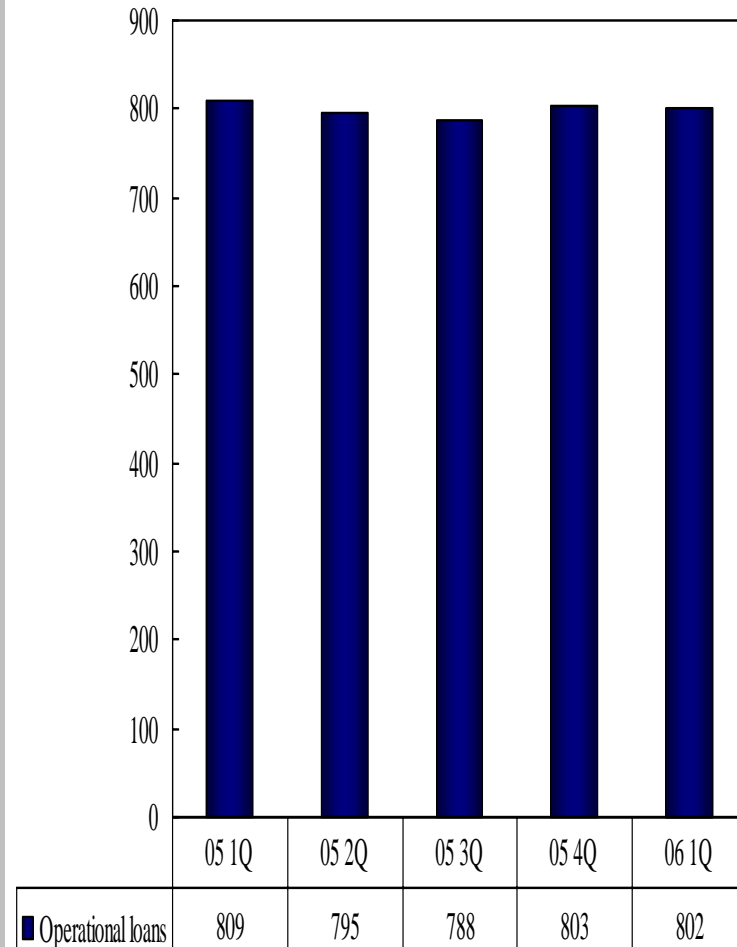
# Internet Finance Business Major Parameter 2

- 1. Supplementary Data (Consolidated)
- 2. Internet Infrastructure Business
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- 4. Internet Finance Business



<Change in operational loans>

(Hundred million yen)



<Change in allowance for bad debt/

Change in credit cost spread>

(Hundred million yen)

(%)

