

Presentation of Interim Financial Results for the 2006 Fiscal Year

August 16th 2006

GMO Internet Inc.

(TSE First Section: 9449)

■ Supplementary Data



Internet for Everyone!

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

1. Supplementary Data
(Consolidated)

2. Internet Infrastructure
Business

3. Internet Media Business

4. Internet Finance Business

Supplementary Data (C o n s o l i d a t e d)

Stock Code: 9449



Interim Financial Results for the 2006 Fiscal Year: Scope of the Consolidation

**1. Supplementary Data
(Consolidated)**

**2. Internet Infrastructure
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Business Segment	1 st Quarter of the 2006 Fiscal Year		2006 Fiscal Year Interim		Notes
	Company Name	Proportion of Voting Rights (%)	Company Name	Proportion of Voting Rights (%)	
Internet Infrastructure (Internet Use Support Business)	GMO Internet Inc.	Parent Company	GMO Internet Inc.	Parent Company	
	GMO Hosting & Security Inc.	63.8	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)	
	Grand Sphere Inc.	92.5	Grand Sphere Inc.	92.5	
	WEBKEEPERS, INC. (USA)	(70.0)	WEBKEEPERS, INC. (USA)	(70.0)	
	INTERNET Number Inc.	69.6	INTERNET Number Inc.	69.6	
	paperboy & co Inc.	50.2	paperboy & co Inc.	50.2	
	GMO Payment Gateway Inc.	52.7	GMO Payment Gateway Inc.	52.4	
	@YMC Inc.	(100.0)	@YMC Inc.	(100.0)	
	Payment One Inc.	100.0	Payment One Inc.	100.0	
	GMO Blog Inc.	100.0	GMO Blog Inc.	(100.0)	
	Make Shop Inc.	58.7	Make Shop Inc.	58.7	New
Epsilon Inc.	(100.0)	Epsilon Inc.	(100.0)	New	
Mighty Server Inc.	(100.0)	Mighty Server Inc.	(100.0)	New	
Internet Media (Internet Advertising Support Business)	MagClick Inc.	43.1	MagClick Inc.	43.1	
	GMO Research Inc.	81.0	GMO Research Inc.	81.0	
	GMO Media Inc.	81.6	GMO Media Holdings Inc.	100.0	New
	Net Clue Co. Ltd. (Korea)	(100.0)	GMO Media Inc.	(81.6)	
	GMO San Planning Inc.	(67.0)	Net Clue Co., Ltd. (Korea)	(100.0)	
	Tea Cup Communication Inc.	51.0	GMO San Planning Inc.	(75.6)	
	JWord Inc.	62.7	Tea Cup Communication Inc.	51.0	
	Net Clue Japan Inc.	100.0	JWord Inc.	62.7	
	GMO Affiliate Inc.	51.0	GMO Ad Networks Inc.	(100.0)	Change of Name
GMO Entertainment Inc.	100.0	GMO Games Inc.	100.0		
Internet Finance Business	GMO NetCard	98.3	GMO NetCard	98.3	
	GMO Internet Securities Inc.	100.0	GMO Internet Securities Inc.	87.2	New
			GMO VenturePartner Inc.	100.0	New
			GMO VenturePartners Investment Limited Partnership	(31.7)	New
			Blog Business Fund Investment Limited Partnership	(9.9)	New

Stock Code: 9449



State of Business: Sales Breakdown

1. Supplementary Data
(Consolidated)2. Internet Infrastructure
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Business	2005/2Q	2005/3Q	2005/4Q	2006/1Q	2006/2Q	(¥Millions)
Internet Infrastructure (Internet Use Support Business)						
Access	716	696	655	633	595	
Domain Acquisition	380	367	396	457	502	
Rental Server	1,763	1,795	1,819	1,872	1,956	
Home Page Building Support	221	190	231	268	214	
Security	68	70	67	108	101	
Payment Processing	303	432	371	384	404	
Communications for Business	377	202	209	99	77	Special Line
Other	20	55	76	202	146	
Sub Total	3,851	3,809	3,827	4,027	3,998	Shopping Cart Business
Internet Media (Internet Advertising Support Business)						
Internet Media Development	447	492	474	442	420	
Internet Advertising Sales	1,587	1,581	1,946	1,837	1,388	
JWord	834	783	712	834	904	
Online Games	210	199	184	192	227	
Other	19	37	74	82	66	
Adjustment for Internal Transactions	(237)	(236)	(257)	(146)	(232)	
Sub Total	2,861	2,857	3,135	3,243	2,775	
Internet Finance Business						
Internet Finance Business	-	4,759	4,629	4,506	4,633	
Adjustment for Internal Transactions	-66	-16	-86	-63	-78	
Consolidated Sales	6,646	11,409	11,508	11,713	11,329	

Stock Code: 9449



Changes in Costs and Cost Composition (Consolidated)

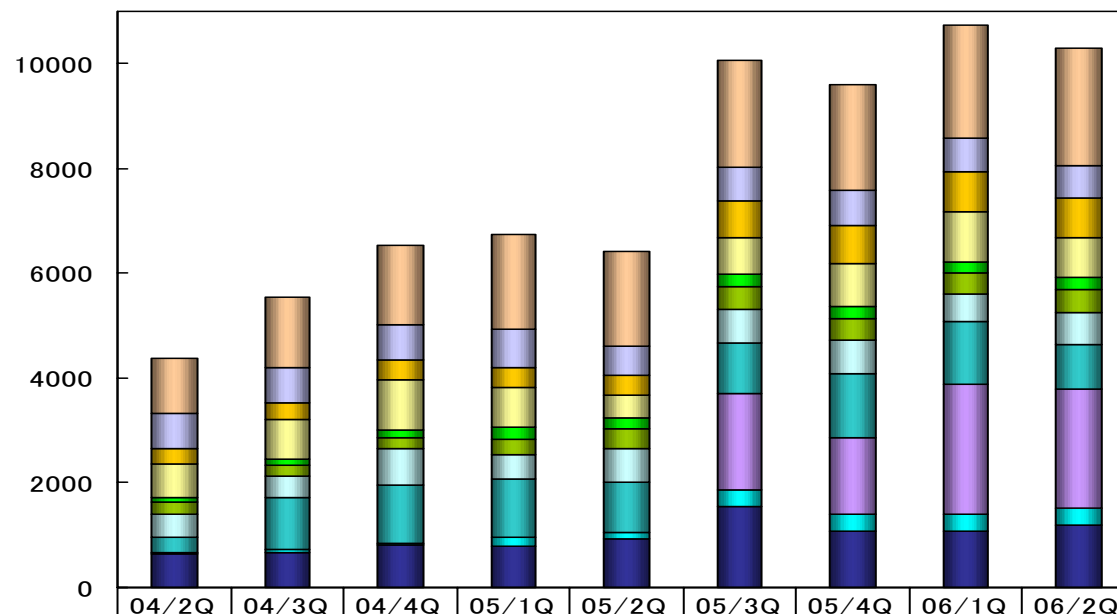
1. Supplementary Data
(Consolidated)

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(¥ Millions)



	04/2Q	04/3Q	04/4Q	05/1Q	05/2Q	05/3Q	05/4Q	06/1Q	06/2Q
Business Expenses + SGA Total	4,390	5,555	6,535	6,743	6,438	10,077	9,620	10,732	10,301
Human Resource Costs	1,065	1,337	1,521	1,819	1,827	2,060	2,019	2,138	2,245
Advertising and Promotion Costs	670	693	673	708	540	642	688	666	620
Depreciation and Rental Costs	298	321	365	386	379	698	710	731	753
Outsourcing and Subcontracting Expenses	641	734	968	767	437	696	839	977	768
Communication Costs	91	116	145	222	206	234	213	211	221
Rent	205	227	217	305	386	428	421	400	431
Payment Handling Fees	446	408	696	464	657	655	653	541	626
Media Costs	290	989	1,092	1,113	942	944	1,222	1,180	827
Financing Costs and Bad Debts						1,839	1,452	2,474	2,283
Adjustment for Doubtful Debts	27	49	34	154	137	338	326	333	333
Other	652	675	820	802	922	1,539	1,071	1,076	1,190

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Number of Employees, Sales Per Employee, Ordinary Profit Per Employee (Consolidated)

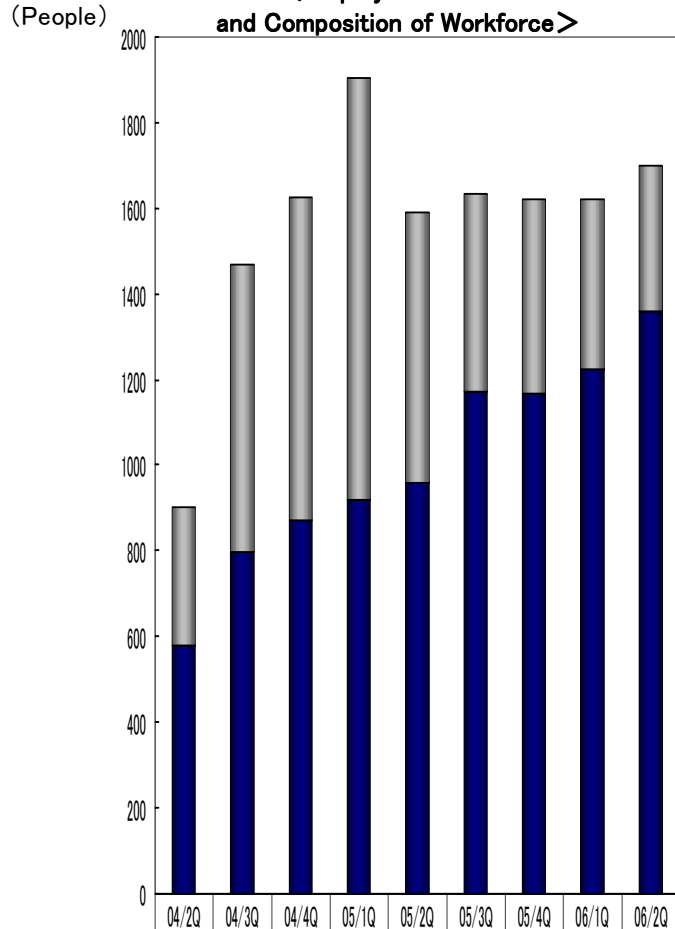
1. Supplementary Data (Consolidated)

2. Internet Infrastructure Business

3. Internet Media Business

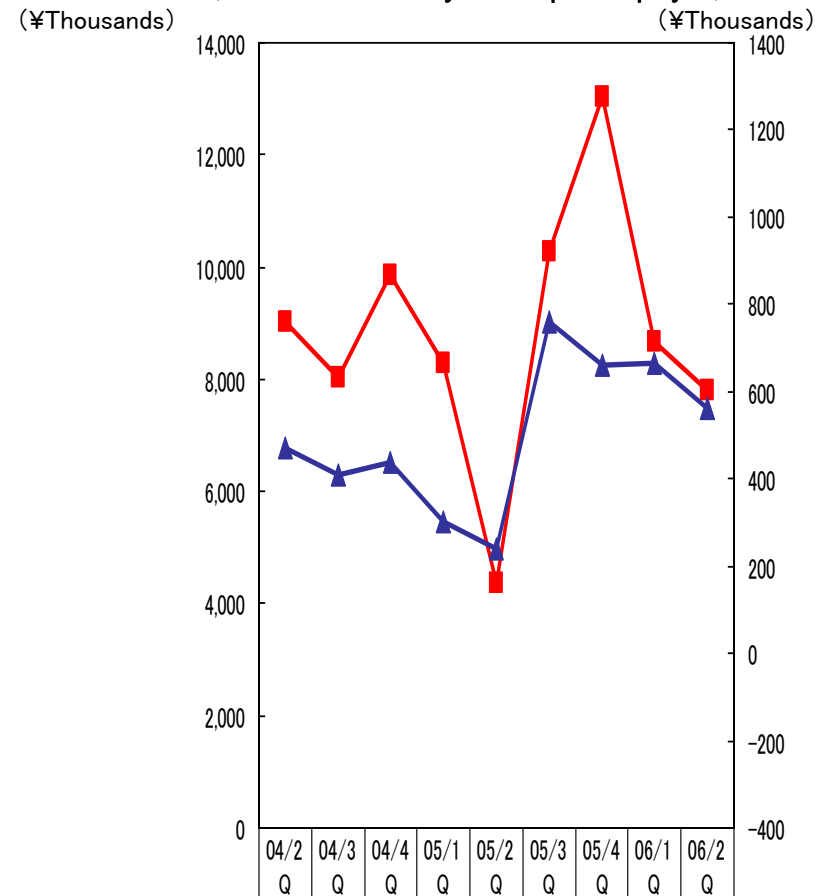
4. Internet Finance Business

<Employee Numbers and Composition of Workforce>



Total	900	1,468	1,626	1,904	1,590	1,633	1,623	1,623	1,700
Part Time Employees	322	671	754	983	633	461	454	399	340
Full Time / Contract Employees	578	797	872	921	957	1,172	1,169	1,224	1,360

<Sales and Ordinary Profit per Employee>



Ordinary Profit Per Employee	760	631	866	667	163	920	1,278	713	605
Sales Per Employee	6,787	6,291	6,519	5,457	4,986	9,019	8,242	8,278	7,468
Interim Average Number of Employees	726	985	1,156	1,403	1,333	1,265	1,396	1,415	1,517

※Number of People shown is the number of people at the end of each term.

※Average Number of Employees is calculated as 1 for every full time employee and 0.5 for every part time employee

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(Consolidated)

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Internet Infrastructure

(Internet Use Support Business)

Stock Code: 9449



Access Business

1. Supplementary Data
(Consolidated)

2. Internet Infrastructure
Business

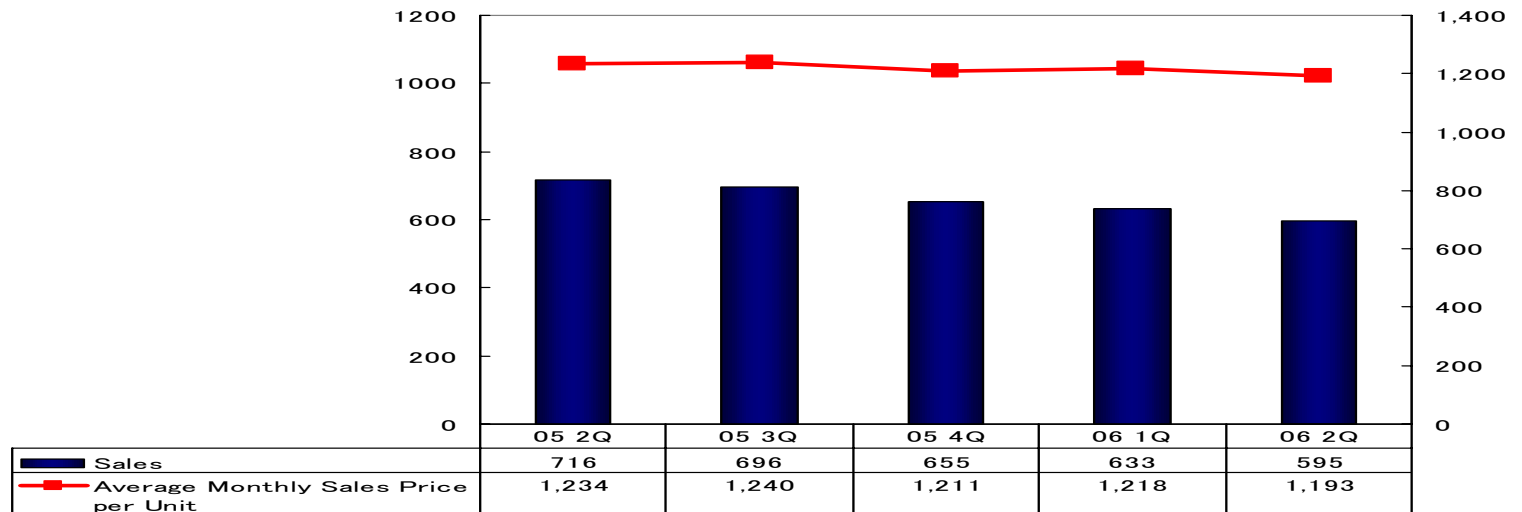
3. Internet Media Business

4. Internet Finance Business

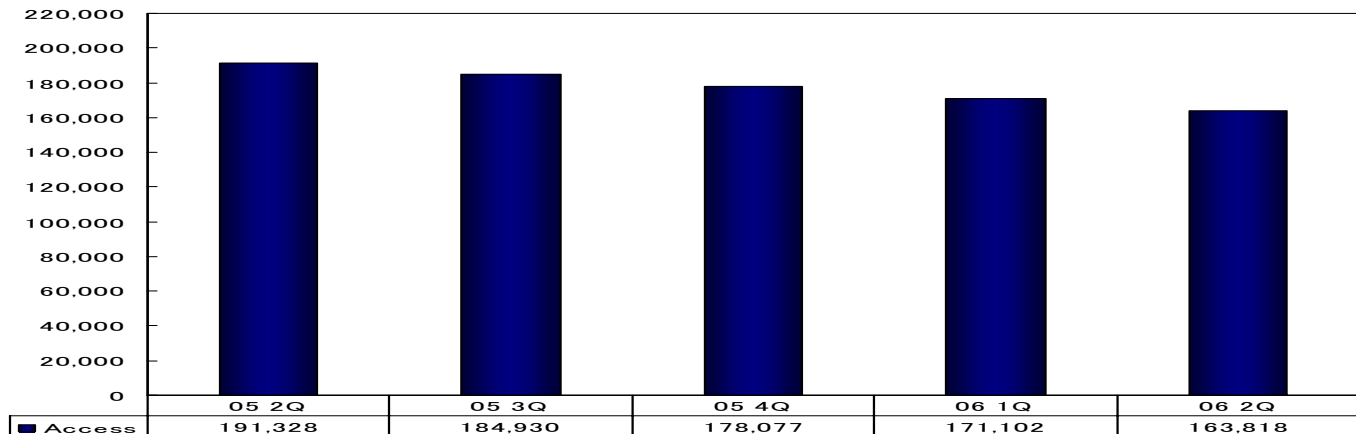
< Sales >

(¥Millions)

(¥)



(People) < Number of Members >



Stock Code: 9449



Domain Acquisition Business

1. Supplementary Data (Consolidated)

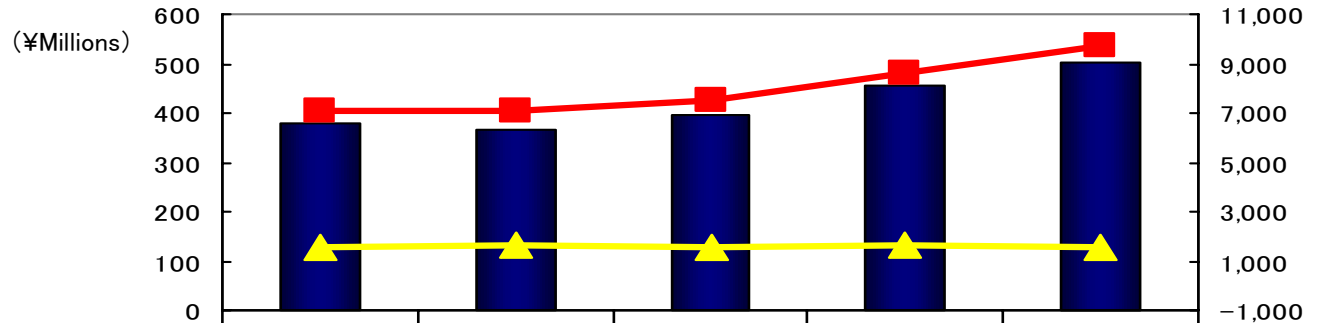
2. Internet Infrastructure Business

3. Internet Media Business

4. Internet Finance Business

< Sales >

(¥)

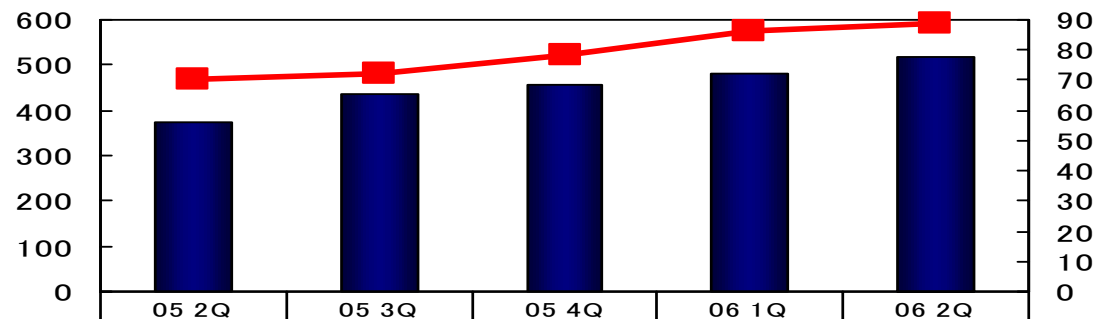


■ Domain	380	367	396	457	502
— Average Unit Price	7,065	7,118	7,499	8,627	9,720
▲ Unit Price for Individual Customers (non corporate)	1,565	1,609	1,551	1,611	1,561

< Domain Registration >

(Thousands)

(Thousands)



■ Total Managed Domains	376	436	456	480	516
— No. of Registrations and renewals	70	72	78	86	89
Total no. of Registrations	591	666	709	752	798

Stock Code: 9449



Note) Total Managed Domains refers to the number of active registered domain names

Number of New Domains and Domain Renewals

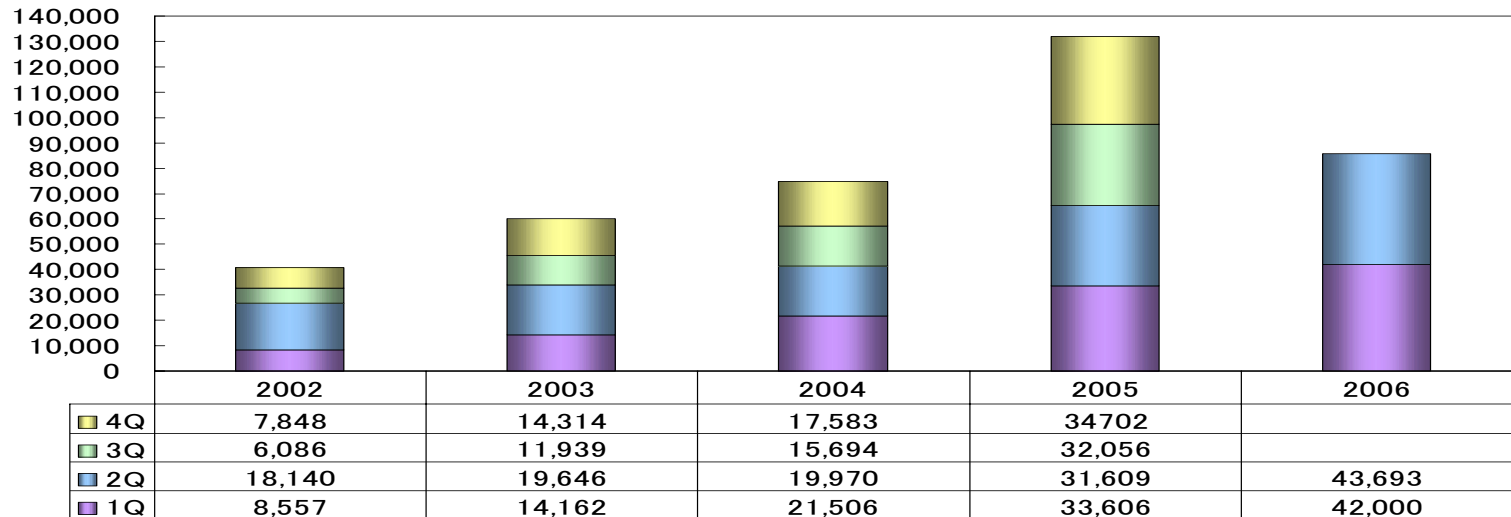
1. Supplementary Data
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Business

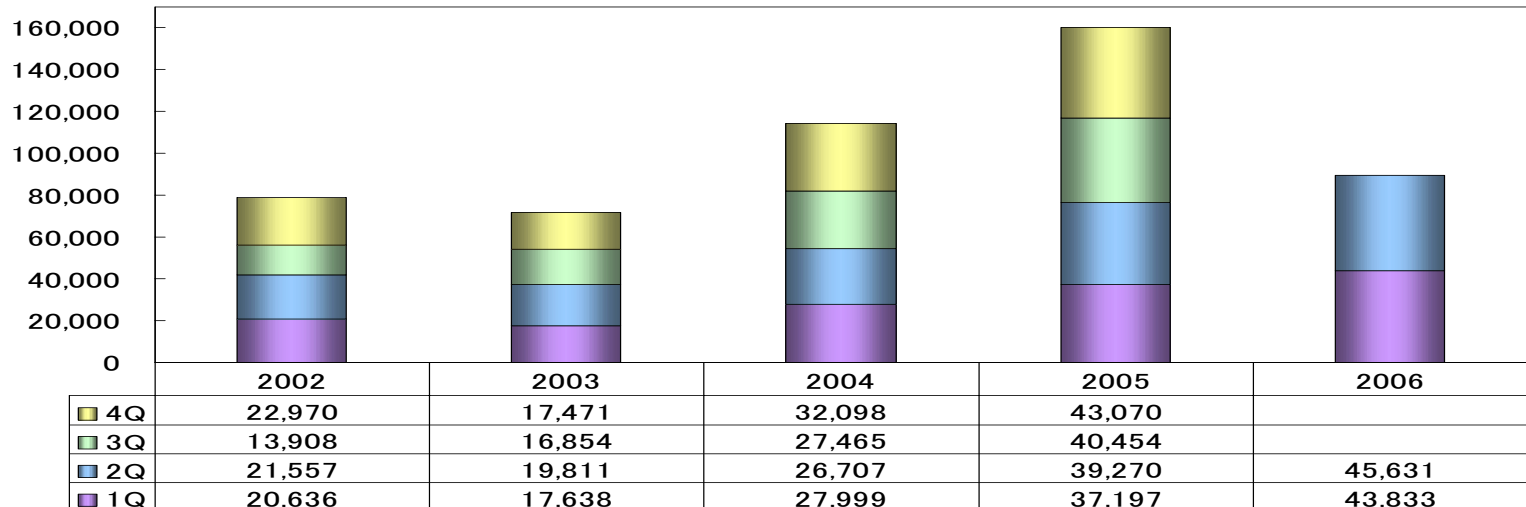
3. Internet Media Business

4. Internet Finance Business

<Number of Domain Renewals>



<Number of New Domains>



Stock Code: 9449



Rental Server Business

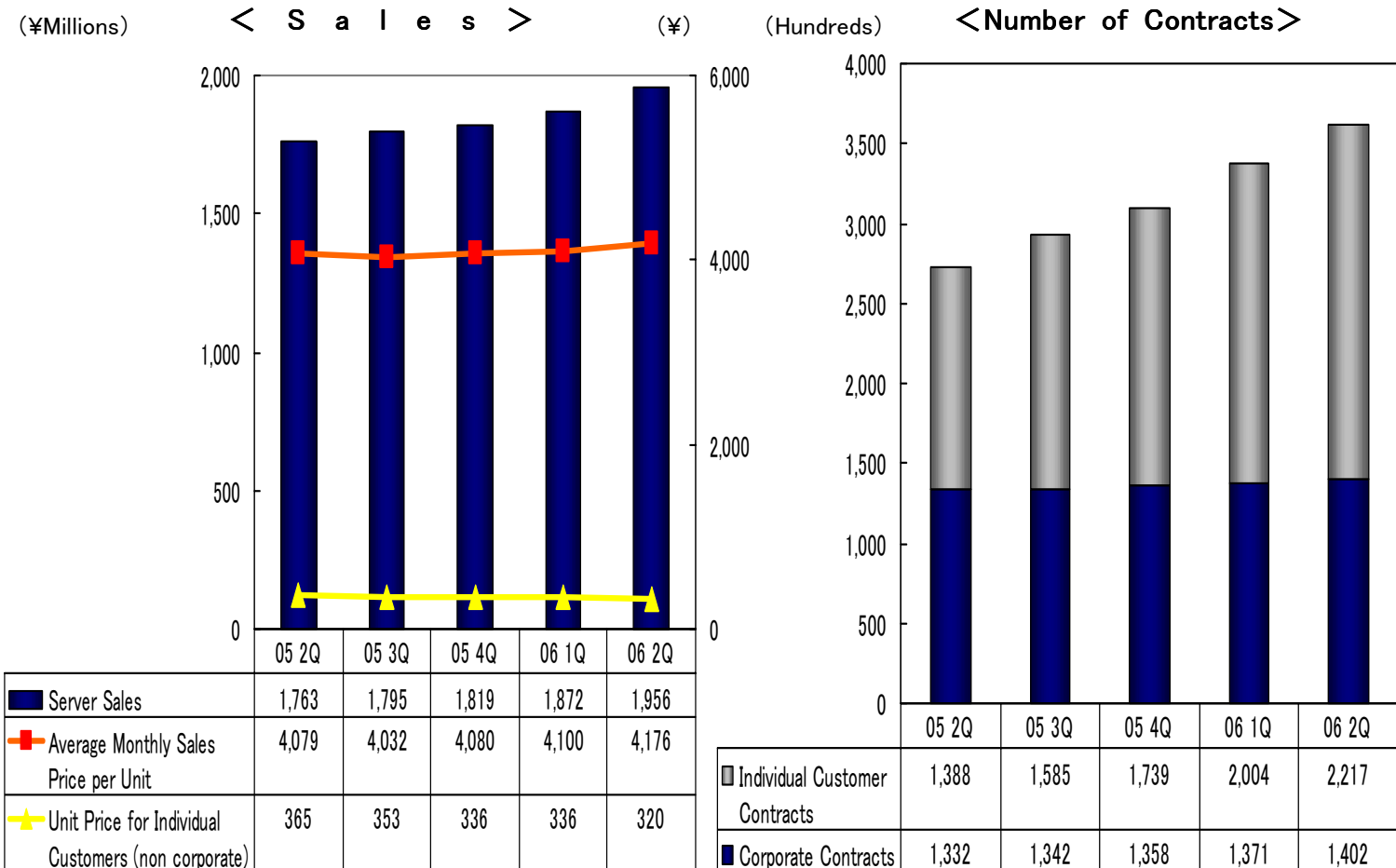
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S a l e s a n d S a l e s P a r a m e t e r s



Stock Code: 9449



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I n t e r n e t M e d i a

(Internet Advertising Support Business)

Stock Code: 9449



JWord Business

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(Consolidated)

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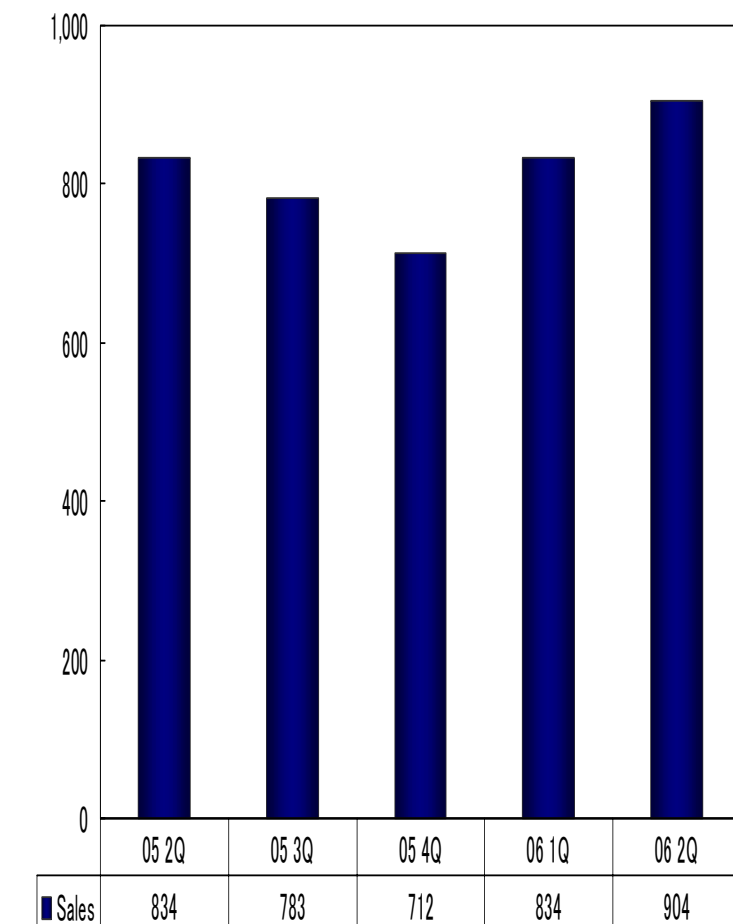
4. Internet Finance Business

Stock Code: 9449

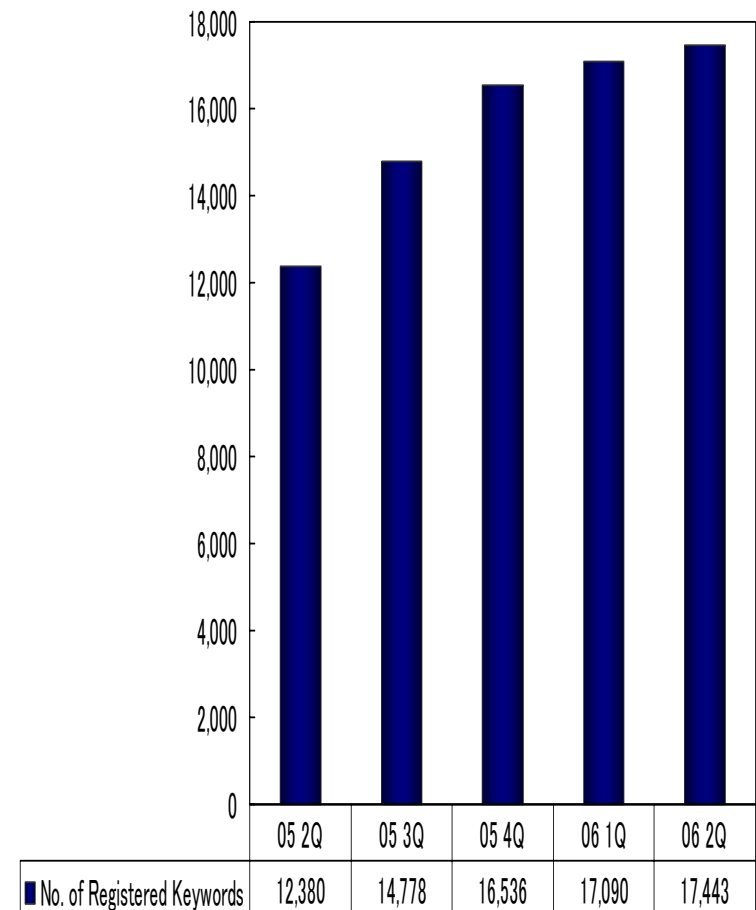


Sales and Number of Active Registered Keywords

< J W o r d S a l e s >
(¥Millions)



< Number of Registered Keywords >
(Thousands)



Online Gaming Business

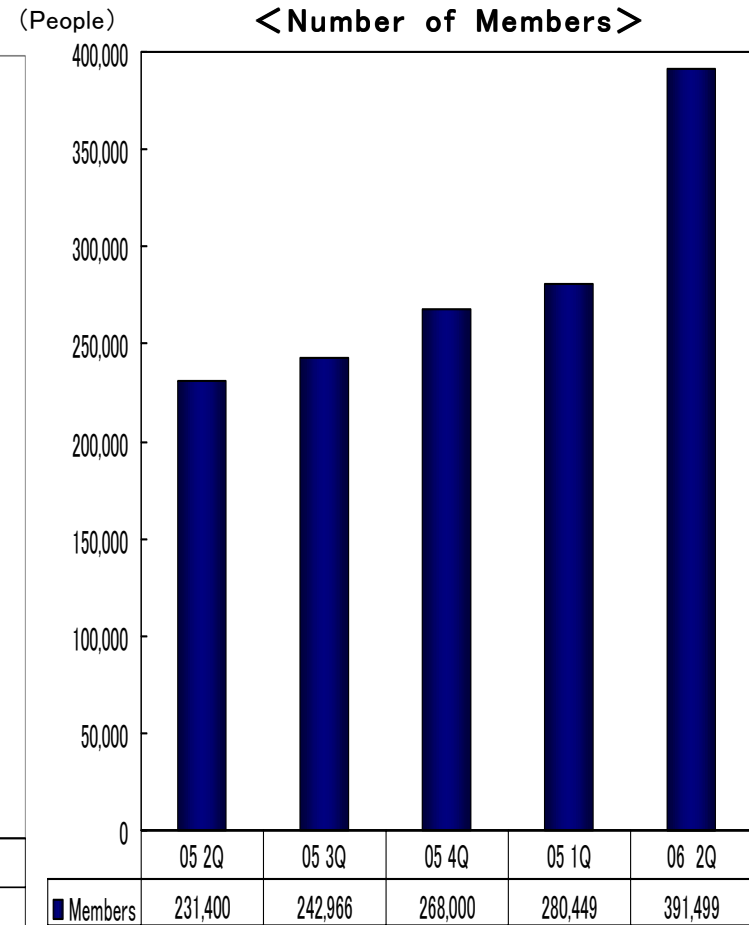
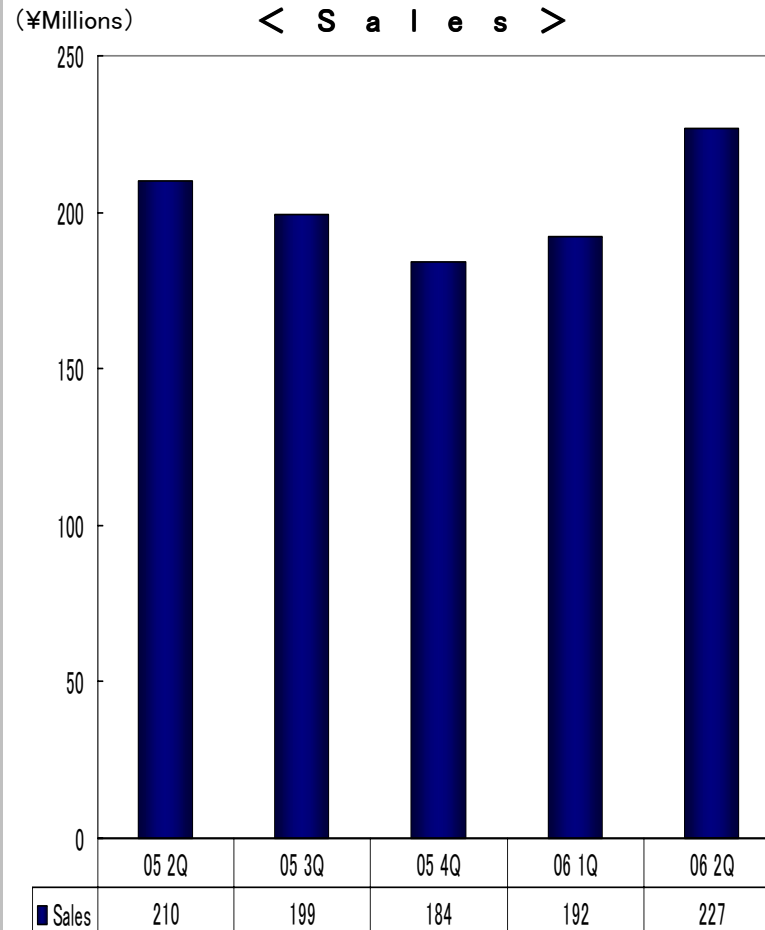
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Sales and Number of Members



Stock Code: 9449



1. Supplementary Data
(Consolidated)

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4. Internet Finance Business

Internet Finance Business

Stock Code: 9449



Credit and Loan Business

1. Supplementary Data
(Consolidated)

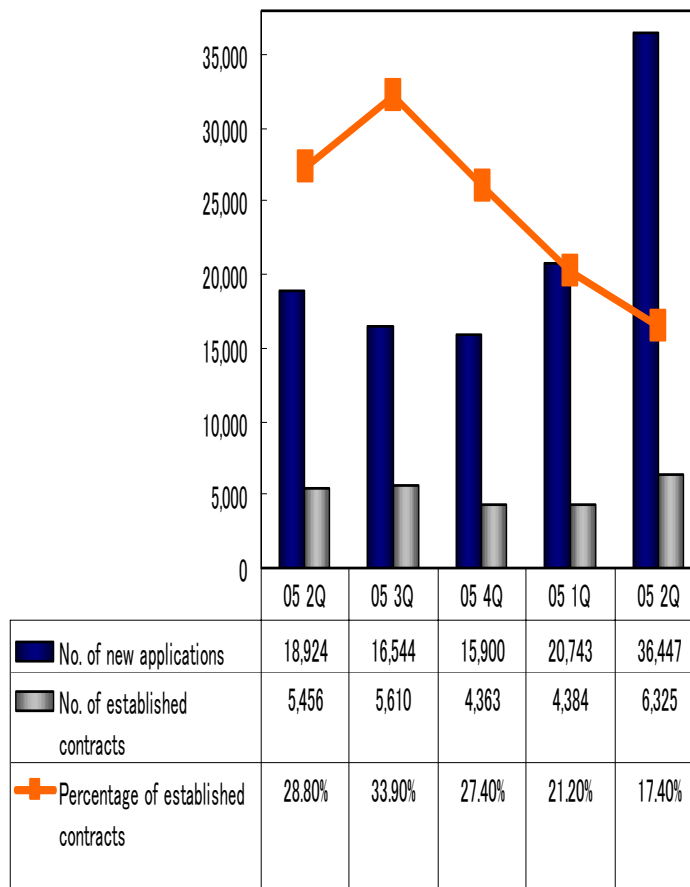
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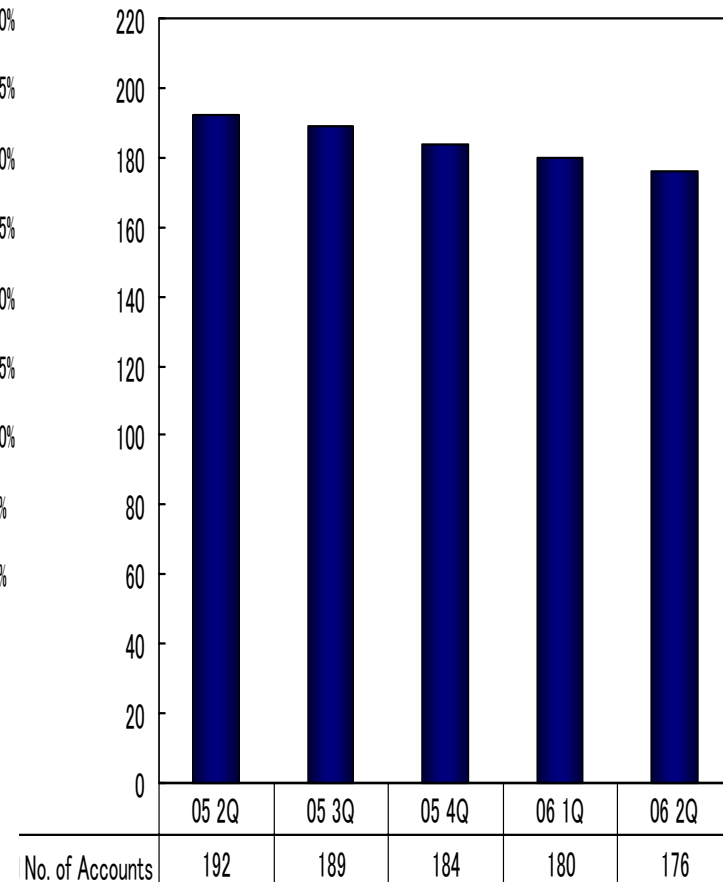
4. Internet Finance Business

Number of Contracts and Number of Accounts

<Number of New / Established Contracts and
Proportion of Established Contracts >
(Contracts)



<Number of Accounts >
(Thousands)



Stock Code: 9449



Credit and Loan Business

1. Supplementary Data
(Consolidated)

2. Internet Infrastructure
Business

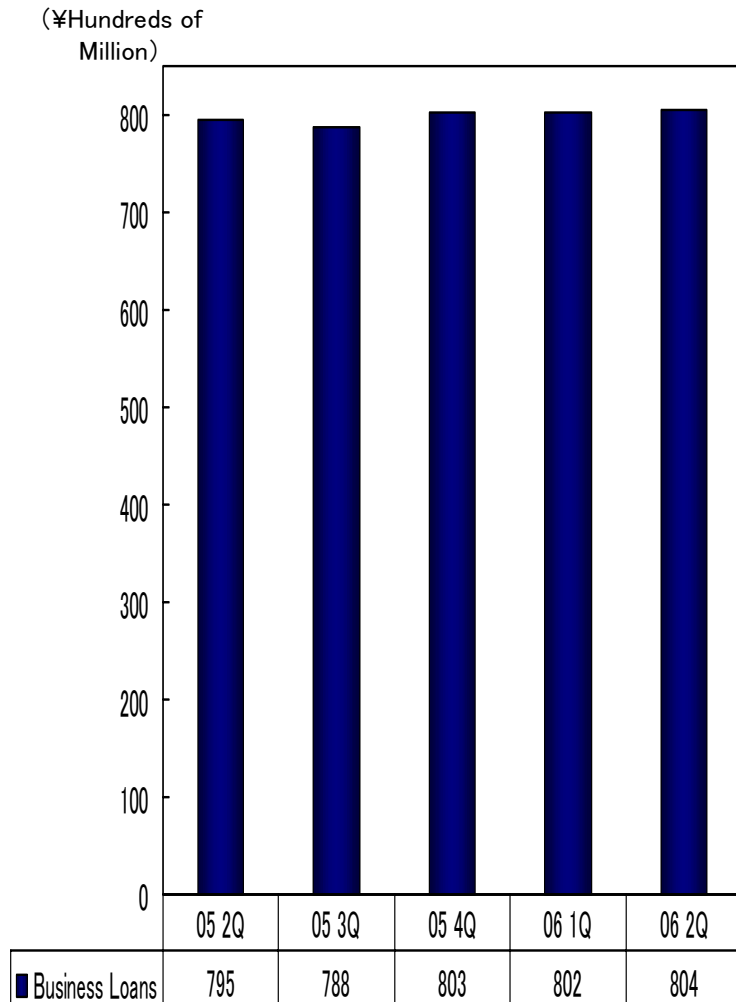
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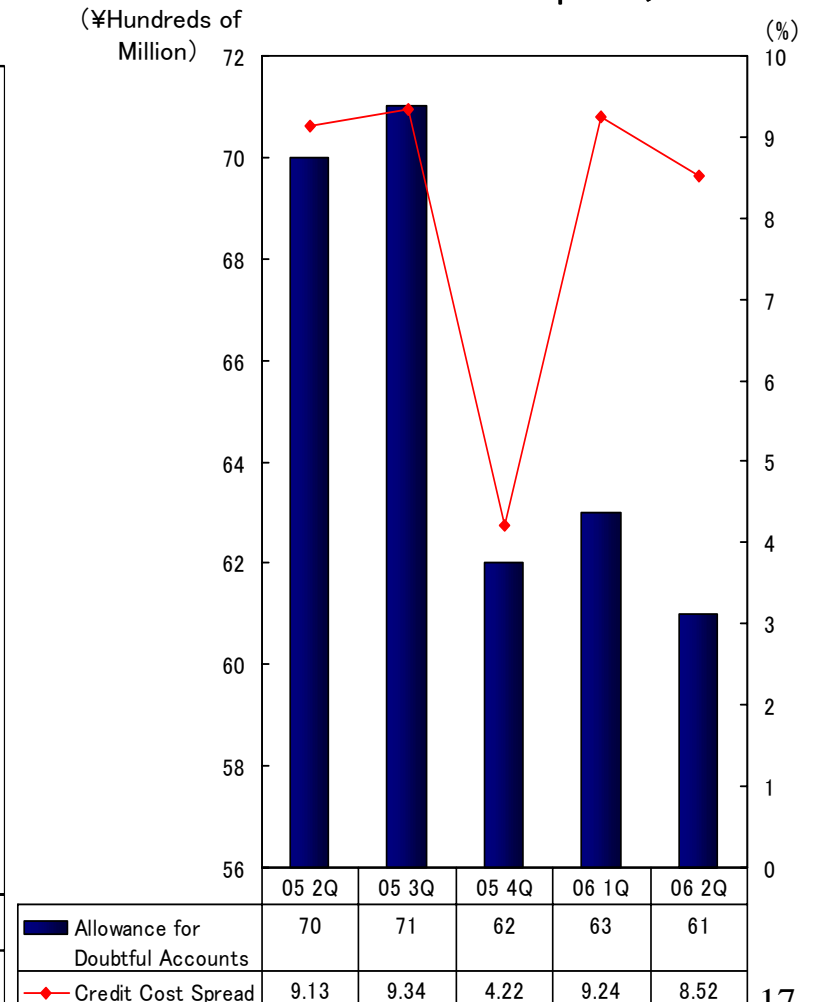
Stock Code: 9449



< Loan Balance >



< Allowance for Doubtful Accounts and Credit Cost Spread >



Credit and Loan Business

1. Supplementary Data (Consolidated)

2. Internet Infrastructure Business

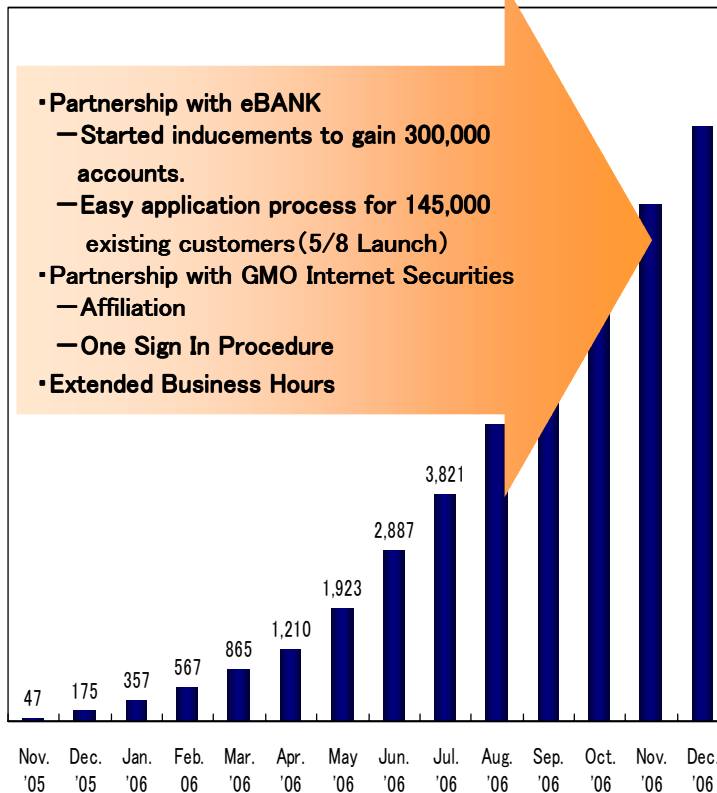
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Objective: Increase Number of Accounts by 30% Progress Report

< GMO NetCard Growth Projects and Number of Accumulated Accounts >

(No. of Accounts)



- Partnership with eBANK
 - Started inducements to gain 300,000 accounts.
 - Easy application process for 145,000 existing customers (5/8 Launch)
- Partnership with GMO Internet Securities
 - Affiliation
 - One Sign In Procedure
- Extended Business Hours

< Other Growth Measures >

June

Company name is changed to 「GMO NetCard Inc.」

Introduction of Small Business Loans

Introduction of Debt Consolidation Loans

December

Launch of Stock Collateral Loan

Group Common ID Project

– One Sign In Procedure

– Point Program

– One Stop Payment

Introduction of Credit Card Service

Stock Code: 9449



Actual Achievement

Projected Increase
as a result of Synergy Effects

※Net Card accumulated accounts are all active accounts with customer use records.

Credit and Loan Business

1. Supplementary Data (Consolidated)

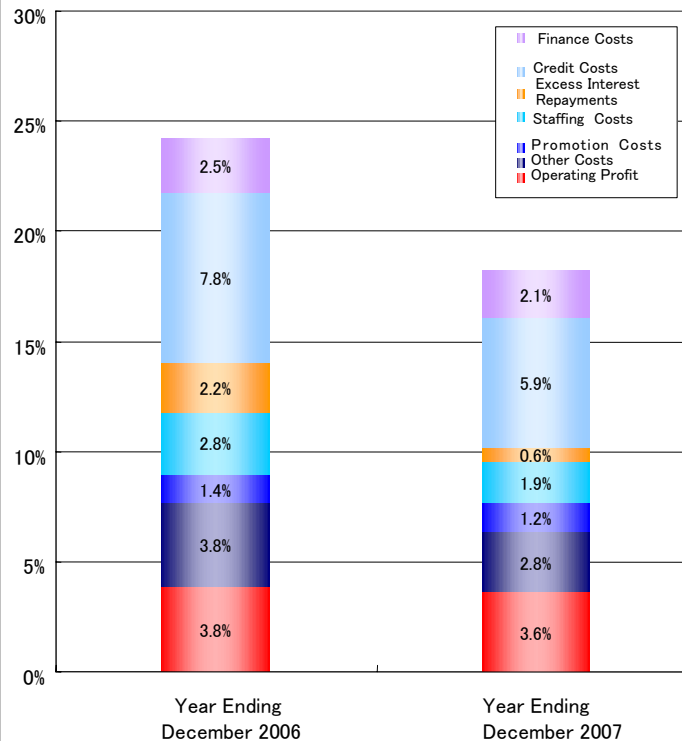
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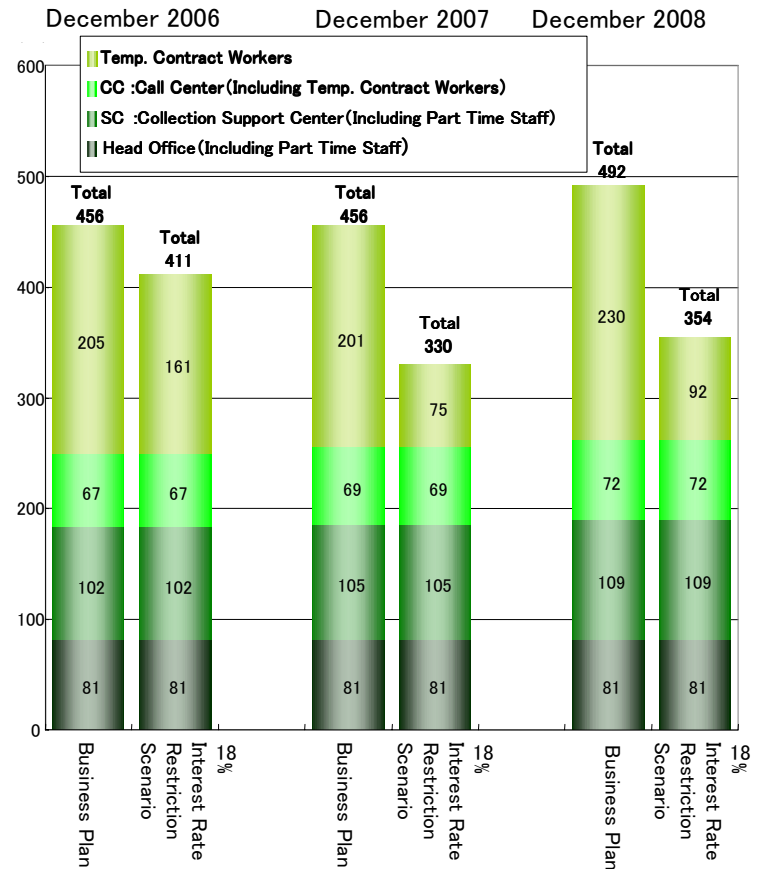
Objective: Reduce Costs by 15% Progress Report

< Forecast Earnings Spread with a Maximum Interest Rate of 18% >



※ When the calculation of the Credit Cost Spread excludes wholesale there is a yearly reduction of 0.6%.

< Simulation of Required Staff if an 18% Maximum Interest Rate is Introduced >



※1 Gross Annual Costs per Temporary Contract Worker are approx. ¥3 million

※2 Monthly Rate of Decrease in Temporary Contract Workers is 2%

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Credit and Loan Business

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Expansion as a result of the purchase of another company in the same industry.

<Portfolio Comparison>

	Miki Credit Inc.	GMONetCard Inc.
Balance	9.26 billion yen (March 2006)	77.55 billion yen (March 2006)
No. of Accounts	28 000 (March 2006)	180 000 (March 2006)
Value per Account	331 000 yen	431 000 yen
The average number of Lenders Exchange	4.0 (March 2006)	3.59 (March 2006)
Default Rate	7.6% (May 2005 to April 2006)	8.6% (April 2005 to March 2006))
Overdue Payments (Over 31 Days)	3.3% (April 2006)	5.5% (March 2006)
Number of overdue dates for default	Over 365 days	Over 151 days
Excess Interest Repayments	65 million yen (August 2005 to July 2006)	615 million yen (April 2005 to March 2006)

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