

The following is a summary of questions asked by attendees at the earnings presentation to investors held on February 12, 2019. The questions are answered by Founder & Group CEO Masatoshi Kumagai and CFO Masashi Yasuda.

- Financial results for FY2018

【Q1】 You mentioned that the company will not disclose the forecast for FY2019. What is the outlook for the 2019 fiscal year?

【A1】 Earnings in Infrastructure and Finance businesses - our core businesses - achieved a record high. We expect the growth will continue as the external environment is favorable. We have a cryptocurrency mining business on top of these existing businesses. However, we will not disclose the forecast for FY2019 as the earnings in FX and cryptocurrency mining businesses is affected by market fluctuation.

【Q2】 Will the payment and SSL subsegments continue to drive the growth in the Infrastructure business?

【A2】 All products in the Infrastructure segment are number one in their respective markets. These products generate recurring revenue, so we expect our customers will continue to use them as long as the Internet exists. Therefore, we expect the growth to continue. If we focus only on the domestic market, the growth may eventually stop but we will provide similar or better products overseas through our global brand Z.com in order to sustain the growth.

- Cryptocurrency business

【Q3】 What are the factors that led to the growth in the cryptocurrency exchange business, and what is the outlook?

【A3】 The business model of cryptocurrency exchange business and that of FX business under the Finance segment are similar, so we are able to utilize the expertise cultivated through the Finance segment, which has led to the growth in the cryptocurrency exchange business.

- 【Q4】 You mentioned that you will relocate the mining center to a region that will allow you to secure less expensive power supply. How will the business structure change?
- 【A4】 Regarding the two sites in Northern Europe, we have already closed down one site, and are currently relocating the other, which is expected to be completed by the end of the year. The electricity cost in the new location, which is confidential, is less than half of that in Northern Europe, which is 7-8 cents per kWh including running costs. We believe the relocation will impact our earnings this summer.
- 【Q5】 Please explain the cryptocurrency payment business, the launch schedule of GYEN, and where the GYEN will be issued.
- 【A5】 Regarding the plan to launch GYEN as announced last year, we plan to issue it in overseas this year. We have set up a subsidiary and appointed a person who is in charge of the operation, so we will be able to announce shortly where the GYEN will be issued.
- 【Q6】 How will the expansion of the Finance segment affect the composition of net sales? Will you invest in each segment proportionally to this ratio?
- 【A6】 We will continue to focus on the Finance segment but we will not invest proportionally. Building up a new pillar of business by strengthening the Infrastructure, Finance, and overseas sales is more important than the composition of net sales.
- 【Q7】 GMO Aozora Net Bank currently focuses on the payment. What is the future plan?
- 【A7】 The combination of payment and technology is our strength. GMO Aozora Net Bank is aiming to become a platform bank that monetizes transaction rather than engage in financing that uses the balance sheet.