



Code : 3788

Q2 2020

Financial Results Briefing Slides

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Disclaimer

This report was based on the current economic situation and several data on August 11th 2020. The numbers and statements of this report have possibility to be suddenly changed through unavoidable circumstances around our business.

1. GMO Cloud KK Corporate Profile

Corporate Profile

Name	GMO CLOUD K.K.
Securities Code	3788 (Tokyo Stock exchange, the 1st section)
Establish	May, 1997
Business	Total internet service
Business Segment	<p>Cloud Hosting</p> <p>Security (SSL Certificates, Code Signing, PDF Signing etc.)</p> <p>Solution (IoT Solution, Smartphone App and Web page production, Network Gaming Engine, Electronic contract Service, Vehicle Remote Diagnosis)</p>
Parent Company	<p>GMO Internet, Inc. (9449) ownership ratio 51.8%</p> <p>*Joined to GMO Internet Group from May, 2001</p>
Subsidiaries	<p>16 Consolidated (Japan 7, Overseas 7)</p> <p>Non-consolidated 2(Overseas 2) (The end of June, 2020)</p>
従業員数	Consolidated 945 (The end of June, 2020)

GMO Cloud K.K. Business Segment

To Sustain Secure Internet Communication

Cloud Hosting
Segment

Provide Secure Cloud infrastructure

Security
Segment

Defend Internet Communication by Electronic Verification system
Defend User's ID and Password by ID Management system

To Make Enterprise's Cloud Utilization Convenient

Solution
Segment

「IoT Solutions」 「Online to Offline App」
「Gaming Network Engine」 「Electronic Contract」 「Vehicle Remote Diagnosis」

2. Q2 2020 Financial Results and Topics

Topics



GMO CLOUD



GMO グローバルサイン・HD

 **GlobalSign**

Our company name will be changing as of September 1st, 2020 to
"GMO GlobalSign Holdings, K.K."

Topics

1.8 Million
signatures per month



The number of electronic signatures provided by GlobalSign **exceeded 1.8 million per month**

The number of users
rapid expansion

電子契約の電子署名・サインは
GMO 電子印鑑 Agree

The number of users is **rapidly expanding** in our “e-Contract Service Agree” in Solution Segment

FY2020 Q2 Consolidated Sales and Profit

Unit : Million Yen	2019 Q 2	2020 Q 2	YoY
Sales	6,462	6,781	+4.9%
Operating Profit	747	812	+8.7%
Ordinary Profit	753	922	+22.3%
Profit Attributable to Owners of Parent	632	698	+10.4%

↑ Increase factor

- Security Segment pulled the consolidated result.
- The growth of the Managed Cloud Business in Cloud Hosting Segment.

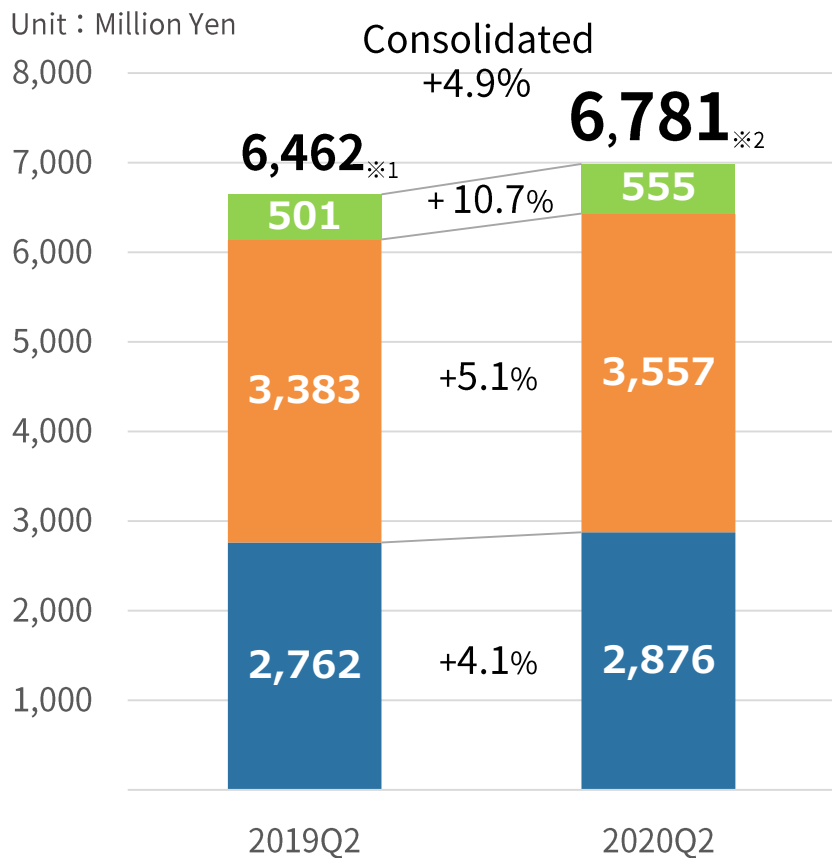
↘ Decrease factor

- The growth of personnel costs related to the Managed Cloud Business.
- The growth of campaigns and marketing expenditures to “e-Contract Service Agree”.

FY2020 Q2 Consolidated Sales and Profit

Sales by Segment

■ : Cloud Hosting, ■ : Security, ■ : Solution



※1 Internal Transaction 185M
 ※2 Internal Transaction 207M

Cloud Hosting Segment

- ✓ “CloudCREW” sales are in good shape.

Security Segment

- ✓ OP income increased due to expanded sales of domestic and international clients.
- ✓ In Japan, the spread of COVID-19 has had a negative impact.

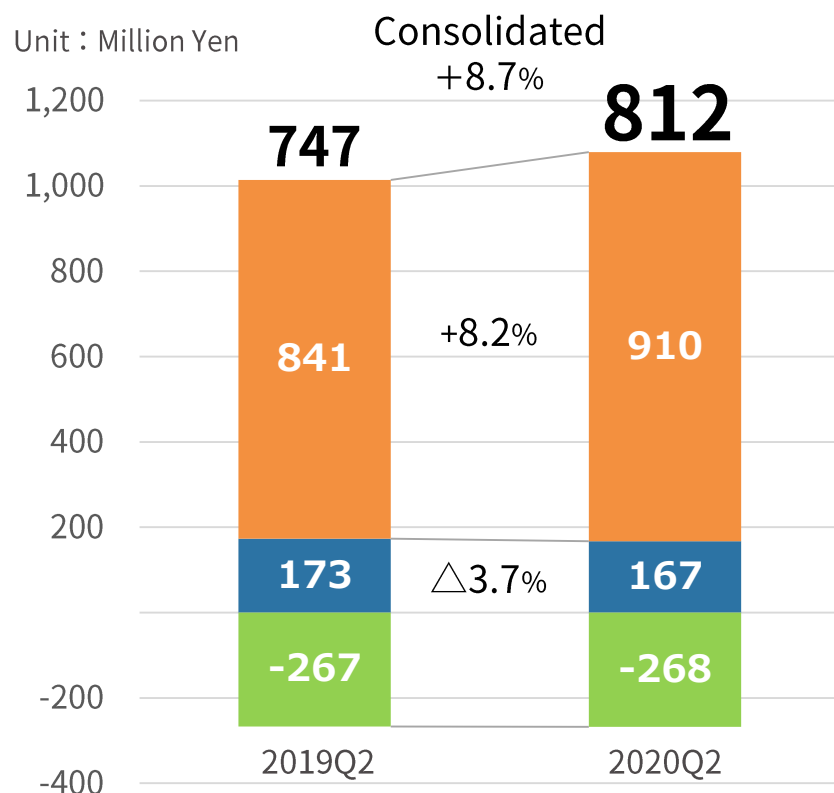
Solution Segment

- ✓ “e-Contract Service Agree” sales are in good shape.
- ✓ The spread of COVID -19 has had a negative impact on O2O app sales.

FY2020 Q2 Consolidated Sales and Profit

Operating Income by Segment

■: Cloud Hosting, ■: Security, ■: Solution



Cloud Hosting Segment

- ✓ COGS and personnel expenses increased due to the launch of "CloudCREW".

Security Segment

- ✓ Sales and OP income grew despite increased personnel expenses and investments.

Solution Segment

- ✓ Investments to "e-Contract Service Agree" for future growth increased OP loss.

FY2020 Quarterly Comparison

- ✓ Sales and OP income increased compared to Q2 of the previous year due to growth in Security Segment.
- ✓ Decreased sales and OP income compared to Q1 due to aggressive investment in “e-Contract Service Agree”.

Unit : Million Yen	FY2019 2 Q	FY2019 3 Q	FY2019 4 Q	FY2020 1 Q	FY2020 2 Q	YoY	QoQ
Sales	3,239	3,212	3,434	3,445	3,336	+3.0%	△3.2%
Operating Profit	351	324	367	415	396	+12.9%	△4.5%
Ordinary Profit	357	338	393	493	428	+20.0%	△13.0%
Profit Attributable to Owners of Parent	306	287	153	359	338	+10.5%	△5.9%

FY2020 Quarterly Comparison of Segment

- ✓ In Cloud Hosting Segment, sales and OP income increased due to growth in “CloudCREW”.
- ✓ In Security Segment, sales and OP income increased due to sales growth centered on major customers.
- ✓ In Solutions Segment, sales declined due to aggressive investment in "e-Contract Service Agree" and a delay in sales progress of O2O App.

Sales				Operating Profit			
Million Yen				Million Yen			
Segment	FY2019 2Q	FY2020 2Q	YoY	Segment	FY2019 2Q	FY2020 2Q	YoY
Cloud • Hosting	1,392	1,411	+ 1.3%	Cloud • Hosting	72	82	+ 12.9%
Security	1,685	1,781	+ 5.7%	Security	415	474	+ 14.3%
Solution	253	250	△ 1.3%	Solution	△136	△157	-
Internal Transaction	△185	△101	-	Internal Transaction	0	0	-
Total	3,239	3,336	+ 3.0%	Total	351	399	+ 12.9%

Summary of Consolidated Balance Sheet

Unit : Million Yen	2019 Dec.	2020 Jun.	Ratio
Current Assets	6,864	6,888	+0.3%
(Cash and Deposits)	4,433	4,606	+3.9%
(Account Receivable)	1,509	1,458	△3.4%
Fix Assets	3,089	3,417	+10.6%
(Software)	1,141	1,367	+19.7%
(Goodwill)	-	-	-
(Investment Securities)	617	554	△10.1%
(Shares of Subsidiaries)	57	57	-
Amount of Assets	9,954	10,305	+3.5%
Liabilities	3,519	3,551	+0.9%
(Advances by customers)	1,753	1,768	+0.8%
(Debt+Lease)	284	270	△4.9%
Net Assets	6,434	6,754	+5.0%
(Shareholders' Equity)	6,204	6,354	+2.4%
(AOCI)	203	52	△74.3%
(Non-Controlling interest)	26	346	+1208.1%
Liabilities + Net Assets	9,954	10,305	+3.5%

Assets Fluctuation

- Increase of Cash and Deposits +172M
- Tools, furniture & fixtures +108M
- Software +225M

Debts Fluctuation

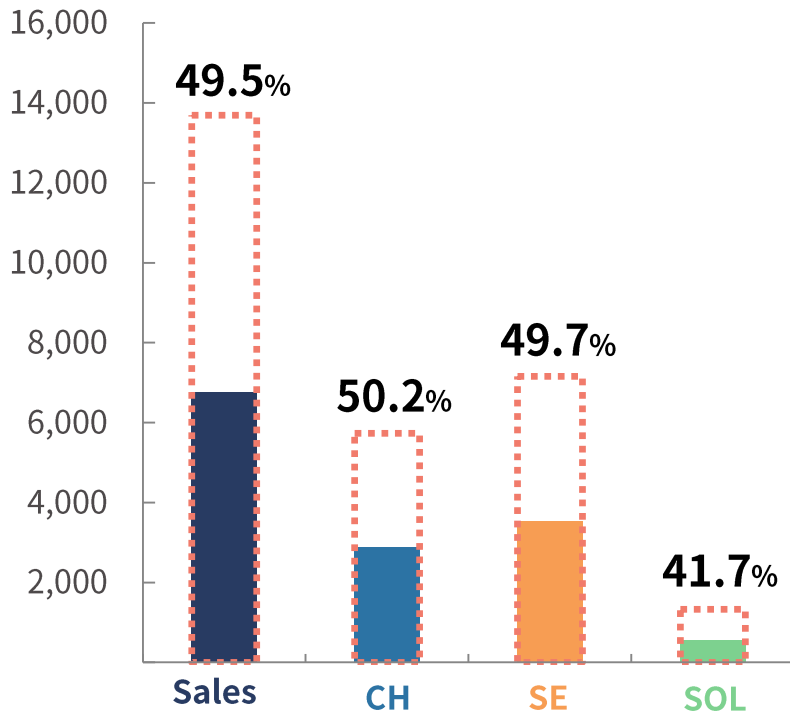
- Accounts payable-other
△101M
- Accrued expenses
△39M

FY2020 Annual Budgets and Results

Sales

Unit : Million Yen

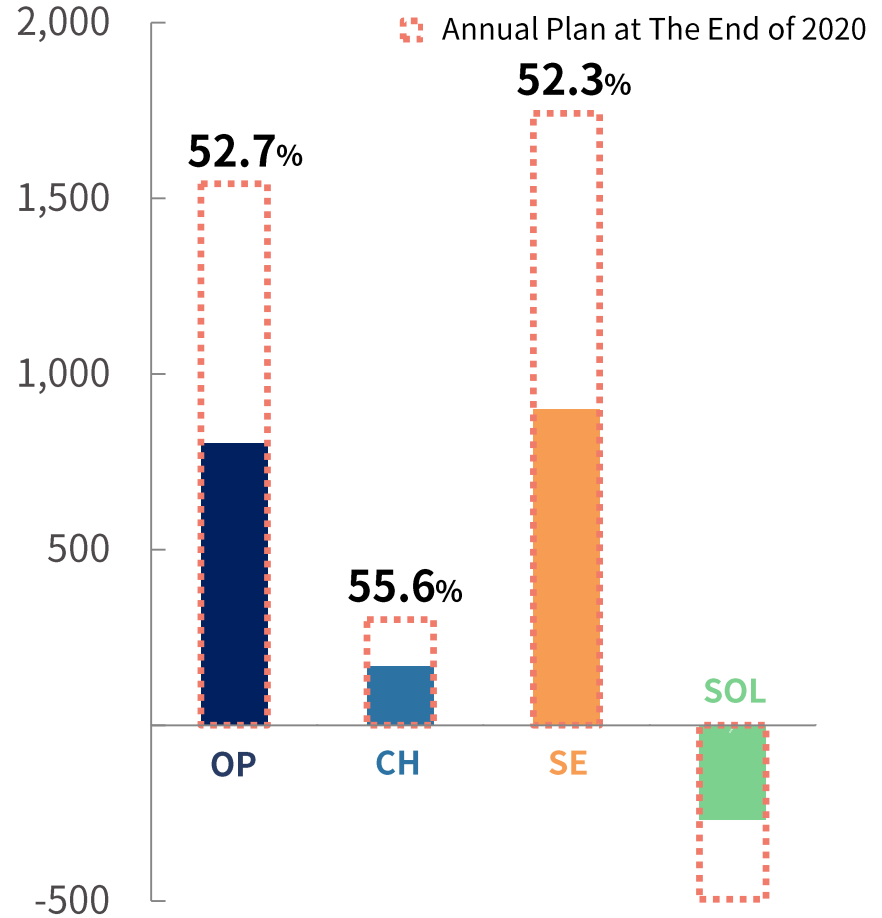
%:Achievement Ratio



Operating Profit

■ Q2 Accumulated Total

▨ Annual Plan at The End of 2020



CH: Cloud Hosting SE: Security SOL: Solution

FY2020 Annual Forecast

Unit : Million Yen	FY2019 (Actual)	FY2020 (Forecast)	Forecast against Actual
Sales	13,109	13,691	+ 4.4%
Operating Profit	1,439	1,542	+ 7.1%
Ordinary Profit	1,485	1,570	+ 5.7%
Profit to Owners of parent	1,073	1,132	+ 5.5%
Net Earnings per Share(Yen)	93.18	98.27	-

FY2020 Annual Forecast (Segment)

Sales

Unit: Million Yen	FY2019 Actual	FY2020 Forecast	Forecast against Actual
Cloud • Hosting	5,611	5,734	+2.2%
Security	6,884	7,161	+4.0%
Solution	1,013	1,328	+31.1%
Internal Transaction	△400	△ 532	—
Total	13,109	13,691	+4.4%

Operating Profit

Unit: Million Yen	FY2019 Actual	FY2020 Forecast	Forecast against Actual
Cloud • Hosting	291	301	+3.4%
Security	1,677	1,742	+3.9%
Solution	△530	△ 495	—
Internal Transaction	+ 0	△ 6	—
Total	1,439	1,542	+7.1%

3. Appendix

Please check the PDF file at the below URL,
which has several KPIs to Know more GMO CLOUD K.K.

IR Fact book

<https://ir.gmocloud.com/english/ir/tool/>

GMO CLOUD

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