



Code : 3788

**Q4 2020**

**Financial Results Briefing Slides**

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## Disclaimer

This report was based on the current economic situation and several data on February 12th 2021. The numbers and statements of this report have possibility to be suddenly changed through unavoidable circumstances around our business.

# 1. GMO GlobalSign HD KK Corporate Profile

Name	GMO GlobalSign Holdings K.K.
Securities Code	3788 (Tokyo Stock exchange, the 1st section)
Establish	May, 1997
Business	Total internet service
Business Segment	Security (SSL Certificates, Code Signing, PDF Signing etc. ) Cloud Hosting Solution (IoT Solution, Smartphone App and Web page production, Network Gaming Engine, Electronic contract Service, Vehicle Remote Diagnosis)
Parent Company	GMO Internet, Inc. (9449) ownership ratio 51.8% * Joined to GMO Internet Group from May, 2001
Subsidiaries	16 Consolidated (Japan 7, Overseas 7) Non-consolidated 2(Overseas 2) (The end of December, 2020)
Employees	Consolidated 963 (The end of December, 2020)

# GMO GlobalSign HD K.K. Business Segment

To Sustain Secure Internet Communication

## Security Segment

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

## Cloud Hosting Segment

Provide Secure Cloud infrastructure

To Make Enterprise's Cloud Utilization Convenient

## Solution Segment

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

## 2. Q4 2020 Financial Results and Topics

# Topics

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- No. 1 in Japanese market share
- Partnered with DandoLi Works (construction management app)
- Partnered with X-point (workflow system for SMEs)
- Launched “e-Contract Service GMO Sign for Administrative Reform DX” (E-contract service for national and local governments)



- Launched free electronic certificate service for secure communications/control of flying vehicles and drones



- Partnered with Kaonavi (cloud talent management system)

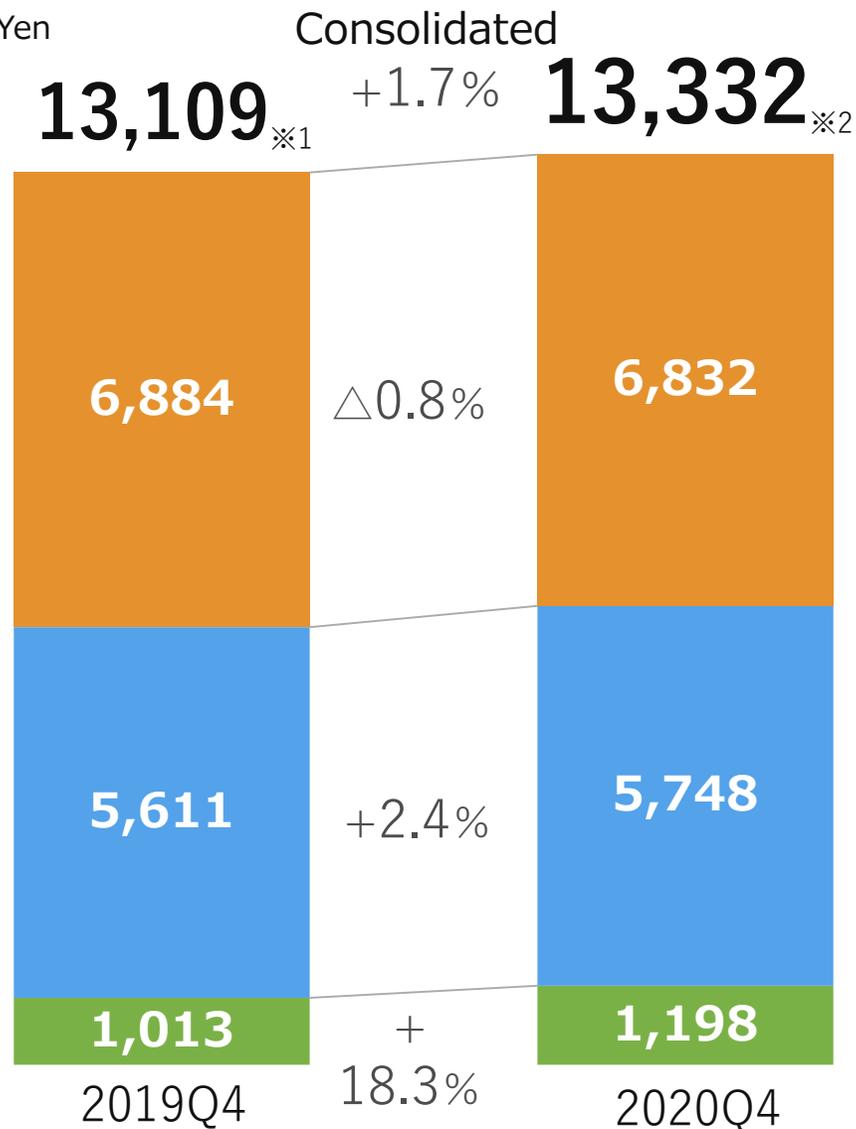
# FY2020 Q4 Consolidated Sales and Profit

- Accelerated investment to gain No. 1 dominant market share for “GMO Sign”
- Temporary decrease in sales due to shortened SSL validity period (from 2 years to 1 year renewal) to enhance security; foreign exchange movements reduced profit

Unit : Million Yen	FY2019	FY2020 (Forecast)	<b>FY2020</b>	YoY	Achievement rate
Sales	13,109	13,691	<b>13,332</b>	+1.7%	97.4%
Operating Profit	1,439	1,542	<b>1,357</b>	△5.7%	88.1%
Ordinary Profit	1,485	1,570	<b>1,394</b>	△6.2%	88.8%
Profit Attributable to Owners of Parent	1,073	1,132	<b>1,170</b>	+9.1%	103.4%

# FY2020 Q4 Consolidated Sales and Profit

Unit : Million Yen



## Security Segment

- Domestic and overseas orders increased despite shortened SSL validity period and exchange rate movements

## Cloud Hosting Segment

- Continued growth of “CloudCREW” (managed cloud service) expanded segment sales

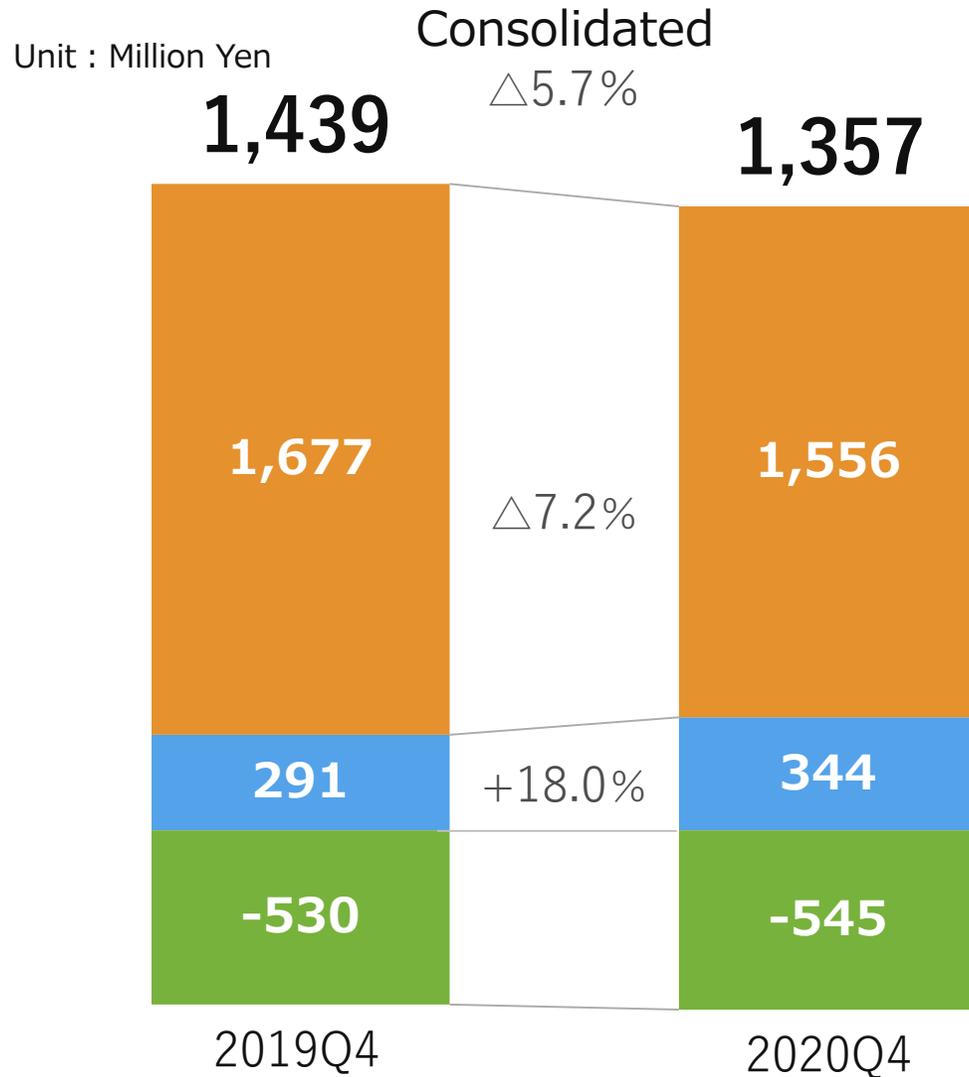
## Solution Segment

- Segment sales expanded although “GMO Sign” is free, due to rise in users

※1 Internal Transaction 400M

※2 Internal Transaction 447M

# FY2020 Q4 Consolidated Sales and Profit



## Security Segment

- Enhancing high-speed electronic certificate system increased costs

## Cloud Hosting Segment

- Streamlining reduced SGA

## Solution Segment

- “GMO Sign” investment costs increased

# FY2020 Quarterly Comparison

Unit : Million Yen	FY2019 4 Q	FY2020 1 Q	FY2020 2 Q	FY2020 3 Q	<b>FY2020 4 Q</b>	YoY
<b>Sales</b>	3,434	3,445	3,336	3,271	<b>3,279</b>	△4.5%
<b>Operating Profit</b>	367	415	396	277	<b>267</b>	△27.3%
<b>Ordinary Profit</b>	393	493	428	257	<b>214</b>	△45.5%
<b>Profit Attributable to Owners of Parent</b>	153	359	338	186	<b>285</b>	+86.2%

# FY2020 Quarterly Comparison of Segment

- SE Segment: Changes in SSL validity period and exchange rates reduced sales and profit
- CH Segment: “CloudCREW” growth increased profit
- SO Segment: “GMO Sign” and “O2O app” increased sales and expanded segment sales

Sales		Million Yen	
Segment	FY2019 4 Q	FY2020 4 Q	YoY
Cloud・Hosting	1,842	<b>1,579</b>	△ 14.3%
Security	1,445	<b>1,442</b>	△ 0.2%
Solution	274	<b>380</b>	+ 38.4%
Internal Transaction	△128	<b>△122</b>	-
<b>Total</b>	<b>3,434</b>	<b>3,279</b>	△ 4.5%

Operating Profit		Million Yen	
セグメント	FY2019 4 Q	FY2020 4 Q	YoY
Cloud・Hosting	454	<b>269</b>	△ 40.8%
Security	39	<b>92</b>	+ 133.0%
Solution	△127	<b>△94</b>	-
Internal Transaction	1	<b>0</b>	-
<b>Total</b>	<b>367</b>	<b>267</b>	△ 27.3%

# FY2020 Annual Budgets and Results

Unit : Million Yen

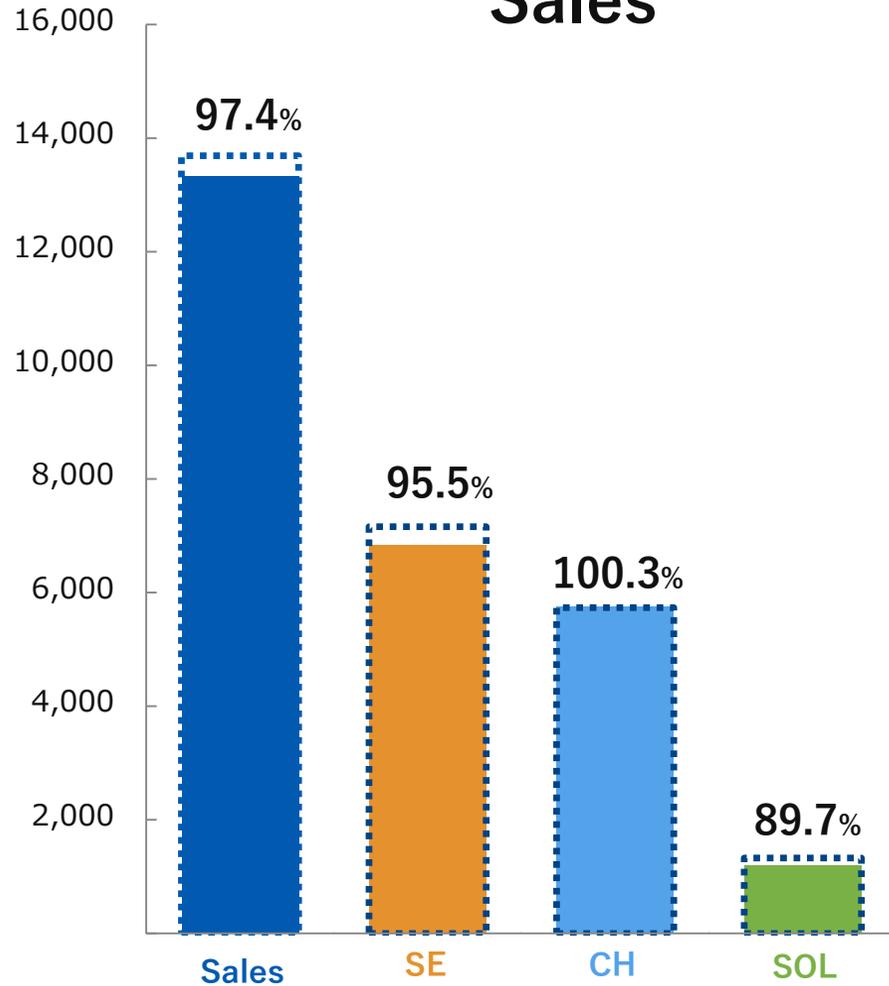
:%:Achievement Ratio

■ Q4 Accumulated Total

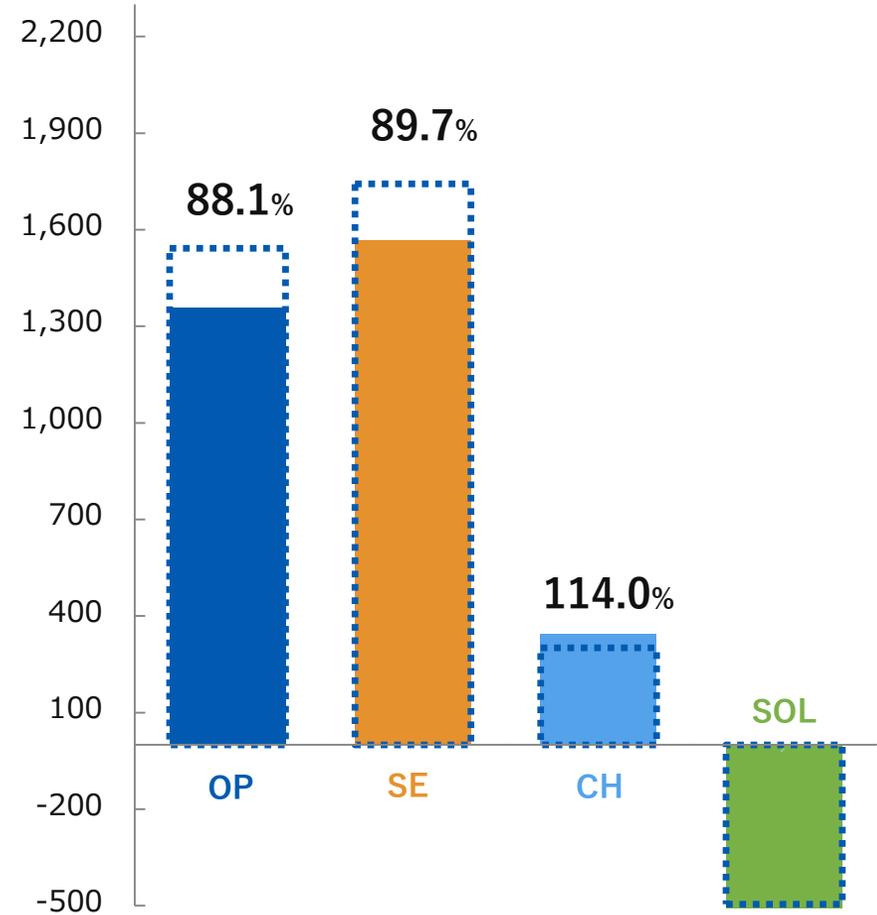
▤ Annual Plan at The End of 2020

Financial Results

## Sales



## Operating Profit



CH: Cloud Hosting SE: Security SOL: Solution

# Summary of Consolidated Balance Sheet

Unit : Million Yen	2019 Dec.	2020 Dec.	Ratio
Current Assets	6,864	7,390	+7.7%
(Cash and Deposits)	4,433	4,670	+5.3%
(Account Receivable)	1,509	1,399	△7.3%
Fix Assets	3,089	3,672	+18.9%
(Software)	1,141	1,659	+45.4%
(Investment Securities)	617	586	△5.0%
Amount of Assets	9,954	11,063	+11.1%
Liabilities	3,519	3,774	+7.2%
(Advances by customers)	1,753	1,725	△1.6%
(Debt + Lease)	284	524	+84.7%
Net Assets	6,434	7,288	+13.3%
(Shareholders' Equity)	6,204	6,826	+10.0%
(AOCI)	203	168	△17.1%
(Non-Controlling interest)	26	293	+1005.8%
Liabilities + Net Assets	9,954	11,063	+11.1%
<b>ROE</b>		<b>17.5%</b>	
<b>ROA</b>		<b>13.3%</b>	

## Assets Fluctuation

- Increase of Cash and Deposits +237M
- accounts receivable △110M
- Software +518M

## Debts Fluctuation

- Accounts payable – facilities △147M
- Income taxes payable △134百万円

# Summary of Consolidated Cash Flows

Unit : Million Yen	FY2019 4 Q	FY2020 4 Q	Factors
Cash Flows from Operating Activities	1,726	<b>1,902</b>	Depreciation and Amortization +86百万円 Impairment Loss △77百万円 Increase in Notes and Accounts Receivable-Trade +128百万円 Increase in Notes and Accounts Payable-Trade +102百万円 Decrease in Advances Received △226百万円
Cash Flow from Investing Activities	△891	△ <b>1,158</b>	Acquisition of Fixed Assets △403百万円 Acquisition of Investment Securities +135百万円
Cash Flows from Financing Activities	△671	△ <b>64</b>	Proceeds from Short-term Borrowings +300百万円 Proceeds from Non-controlling Shareholders +332百万円
Net Increase in Cash and Cash Equivalents	+126	<b>+626</b>	
Cash and Cash Equivalents	4,623	<b>5,250</b>	

# FY2021 Annual Forecast

- Further accelerate investment in GMO Sign to gain No. 1 dominant market share. Increase sales and reduce profit.
- August 2021 marks one year since shortening the SSL validity period. Eliminate negative impact on sales beyond August.

Unit : Million Yen	FY2020 (Actual)	<b>FY2021 (Forecast)</b>	Forecast against Actual
<b>Sales</b>	13,332	<b>14,229</b>	+ 6.7%
<b>Operating Profit</b>	1,357	<b>1,008</b>	△ 25.7%
<b>Ordinary Profit</b>	1,394	<b>1,050</b>	△ 24.7%
<b>Profit to Owners of parent</b>	1,170	<b>775</b>	△ 33.8%
<b>Net Earnings per Share(Yen)</b>	101.62	<b>67.28</b>	-

# Changes in 2021 Reporting Segments

Maximize segment synergies around verification technology

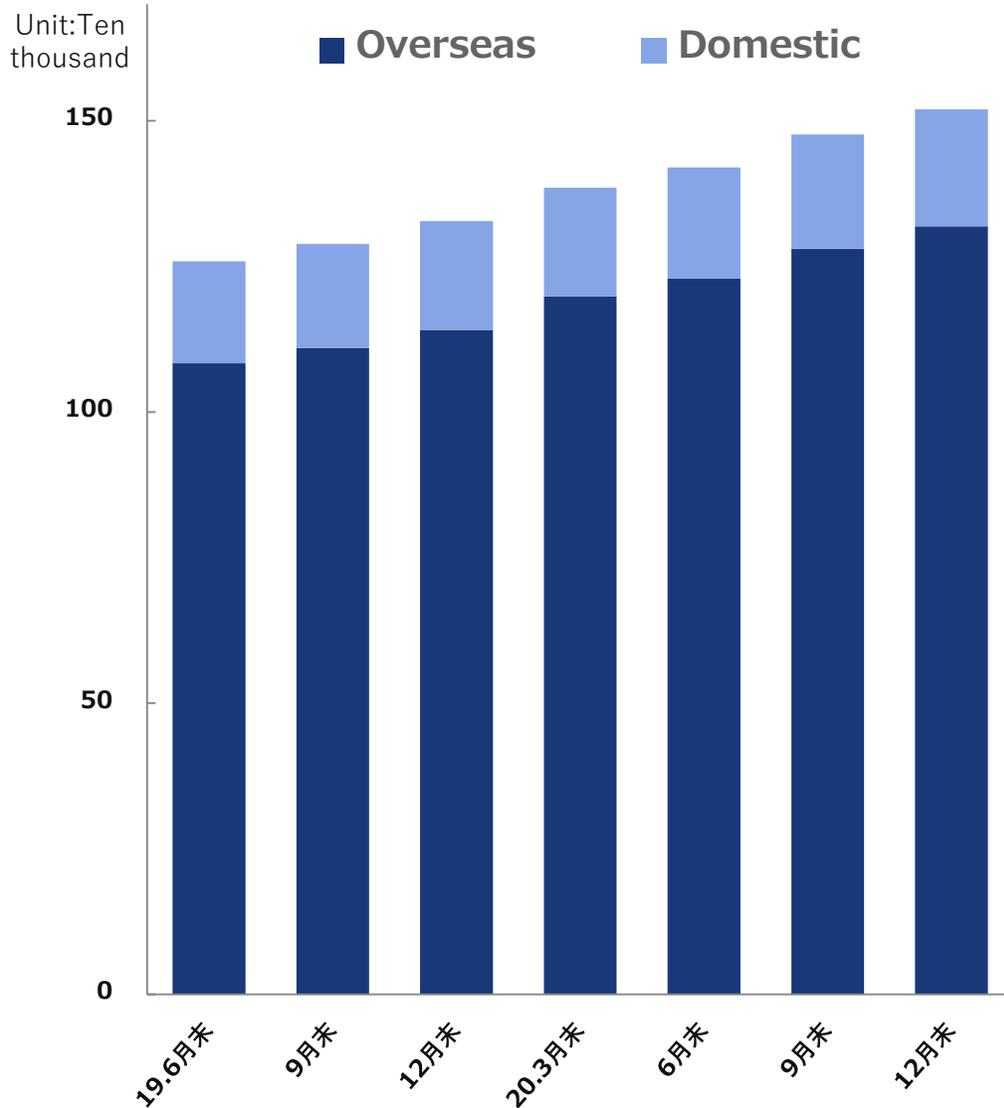
Existing Segments	New Segments	FY2021 (Forecast)	
Security Segment	 <b>GlobalSign</b> <small>GMO INTERNET GROUP</small> Digital Certificate and eSignature	Sales	7,545
		Operating Profit	1,109
Cloud Hosting Segment	電子印鑑なら <b>GMOサイン</b> Cloud Infrastructure	Sales	5,748
		Operating Profit	344
Solution Segment	Digital Transformation	Sales	1,384
		Operating Profit	△446
<b>Total</b>		Sales	14,229
		Operating Profit	1,008

Unit : Million Yen

# 3. Appendix

# Security Segment

# Number of Valid SSL Certificates Issued\*



**Continuous increase  
in number of users,  
esp. major clients**

\* Number of valid certificates issued refers to the number of active electronic certificates that have not expired and are in use

## 社内・社外から安全にアクセス

Partnered with services that have many users



Strengthened ID authentication through single sign-on and multi-factor authentication

Supported convenience and safety improvements

【詳細URL】 [https://www.gmogshd.com/news/press/globalsign/201222\\_3109.html](https://www.gmogshd.com/news/press/globalsign/201222_3109.html)

# Use GlobalSign's high-volume, high-speed electronic certificate issuance technology to strengthen security of IoT services



Certificate Authority



**3,000**  
Certificates  
per sec.  
High-volume, high-speed  
issuance of  
certificates



Online medical consultation



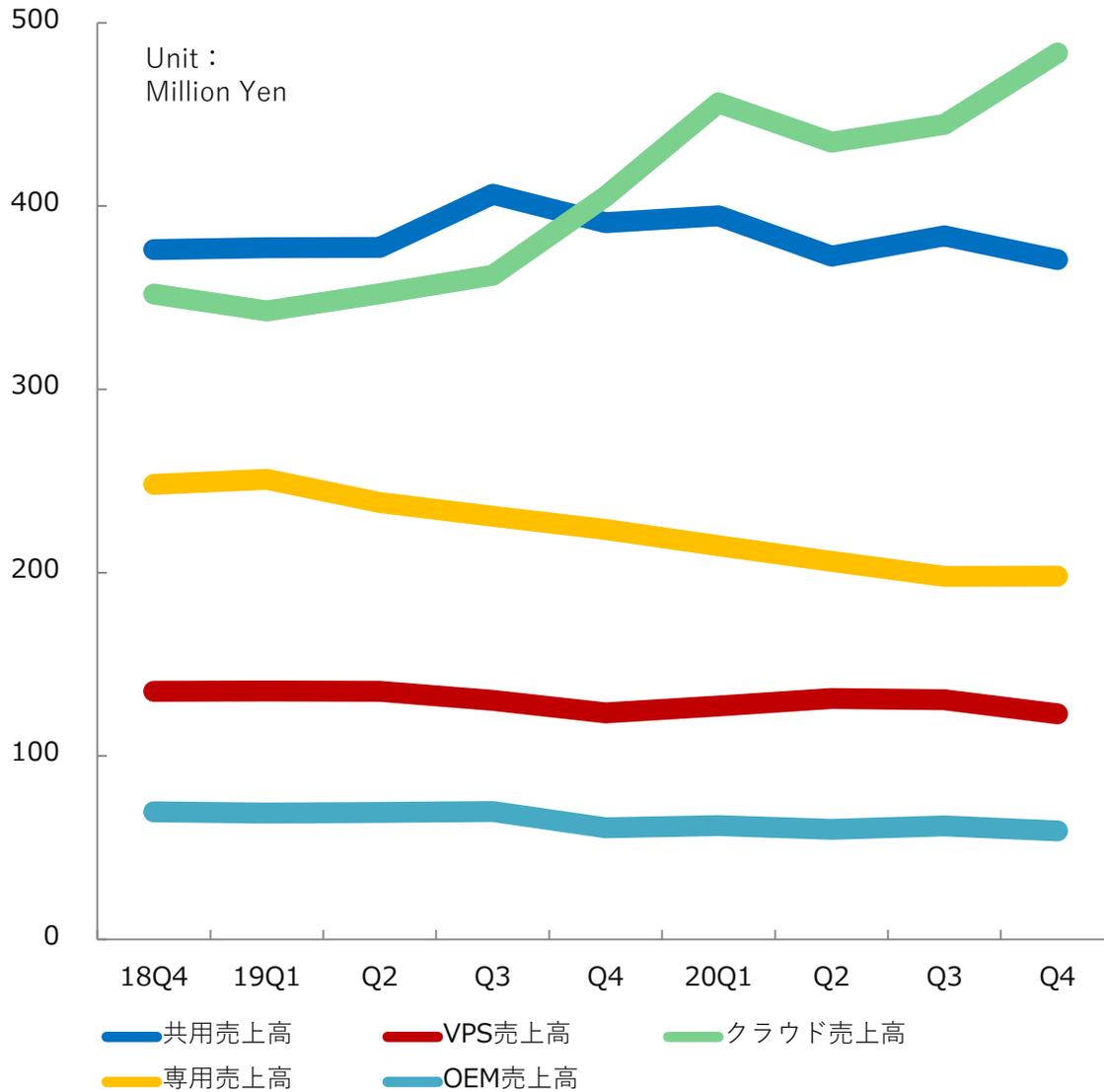
Security camera



Drone

# Cloud Hosting Segment

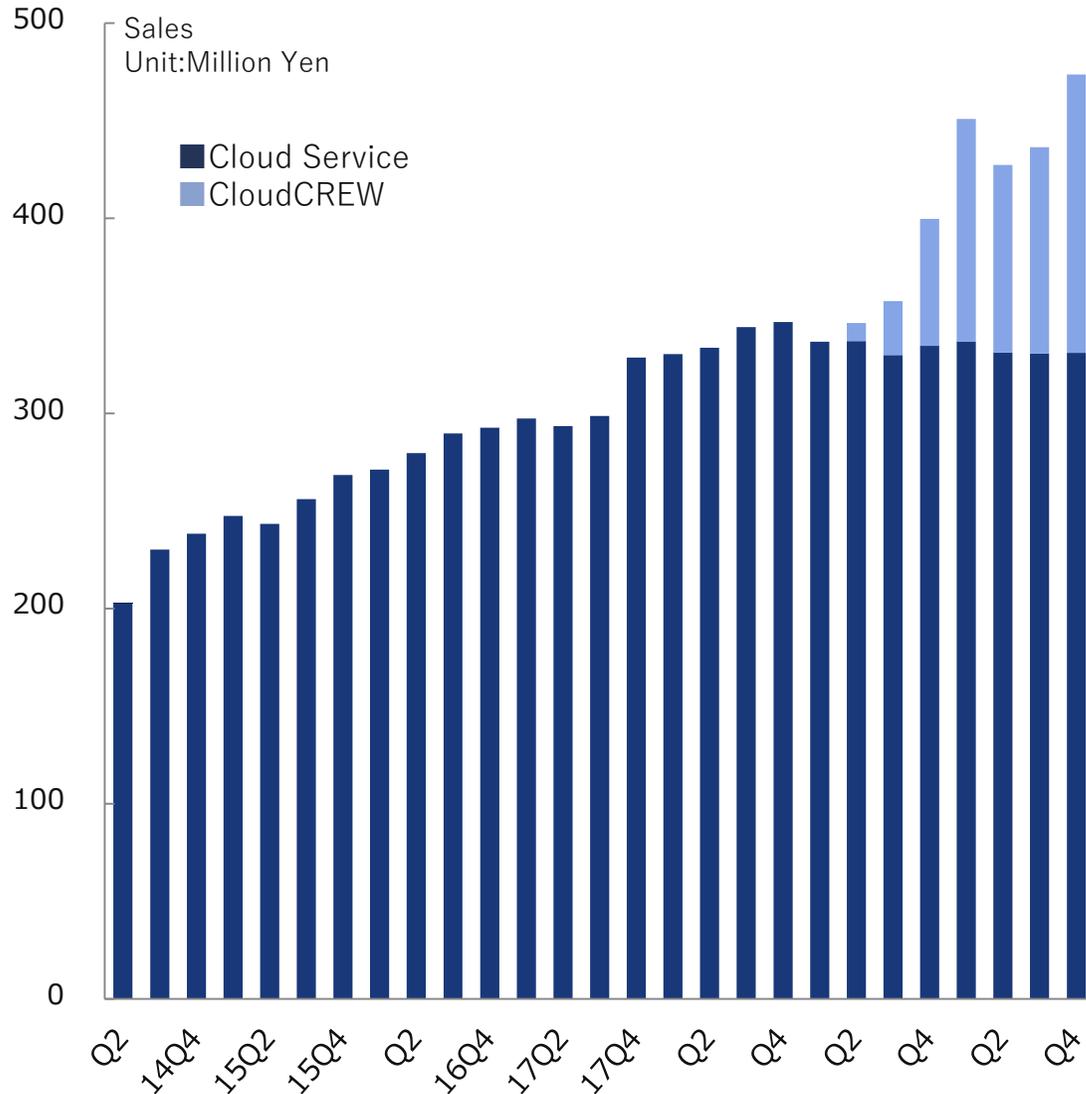
# Product Sales



# Drove up sales

Cloud Hosting Segment

Cloud Hosting Segment



FY2020Q 4

Sales : **473M**

(CloudCREW : 142M)

YoY: **+18.5%**



## Strengthened sales competitiveness by improving technology

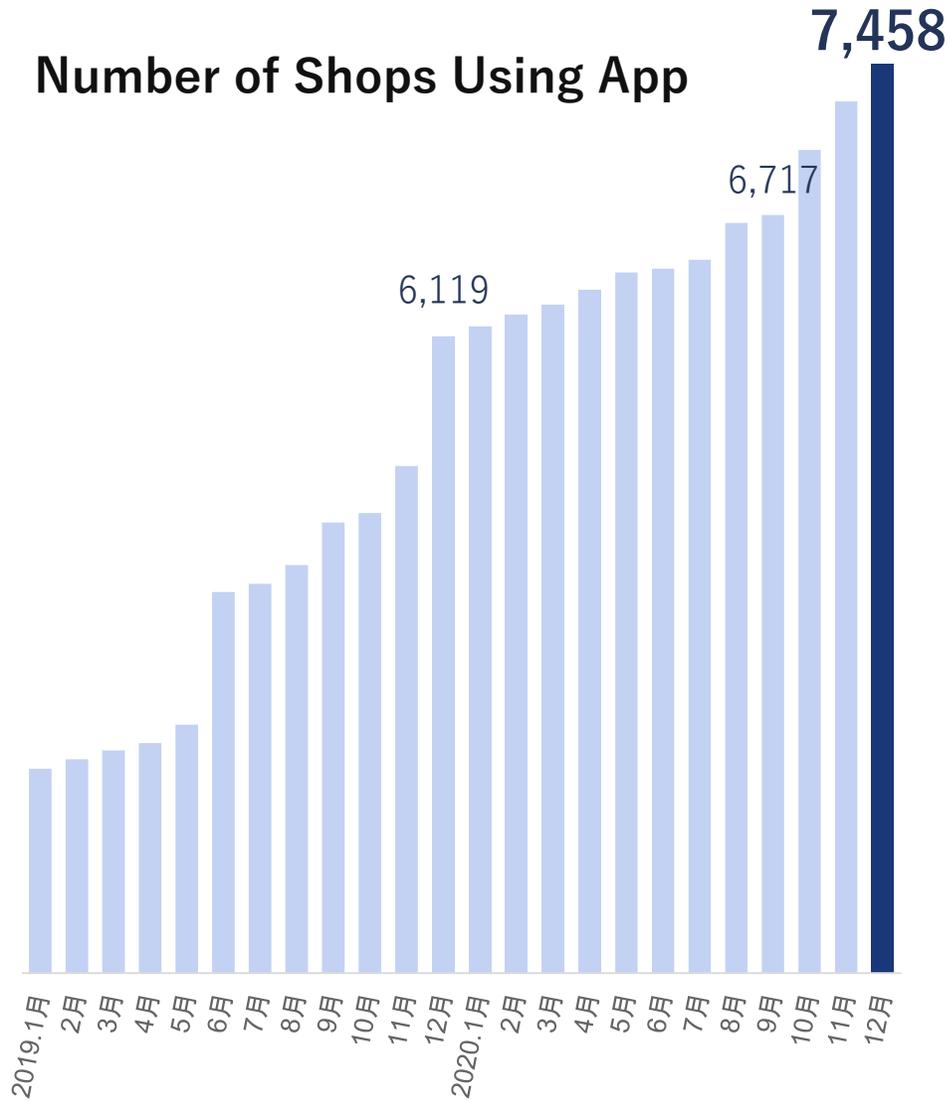
Achieved “APN Advanced Consulting Partner” and “Public Sector Partner” status.

CloudCREW recognized for advanced technical capabilities, ability to propose solutions, and public sector know-how and track record.

※日本マーケティングリサーチ機構調べ（2020年4月時点）

# Solution Segment

Number of Shops Using App



# Promote companies' DX

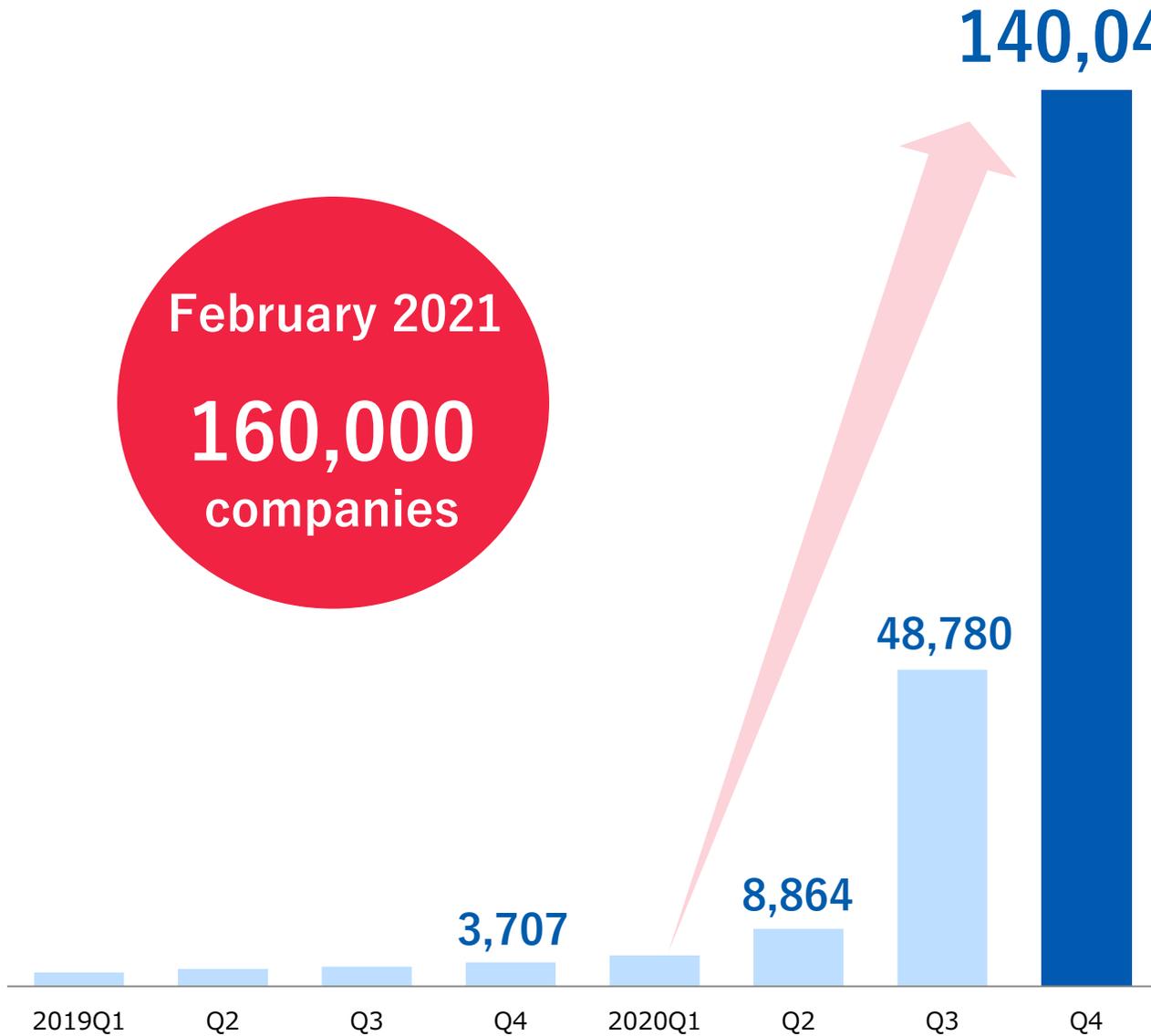
Chosen for “Mantan: San-Ai Oil Group,” official app of major oil company San-Ai Oil Co., Ltd.



【URL】 [https://www.gmogshd.com/news/press/cmt/201223\\_3111.html](https://www.gmogshd.com/news/press/cmt/201223_3111.html)

Solution Segment

# Number of User Companies\*



Domestic market share

# No. 1

Further accelerate investment to gain dominant market share

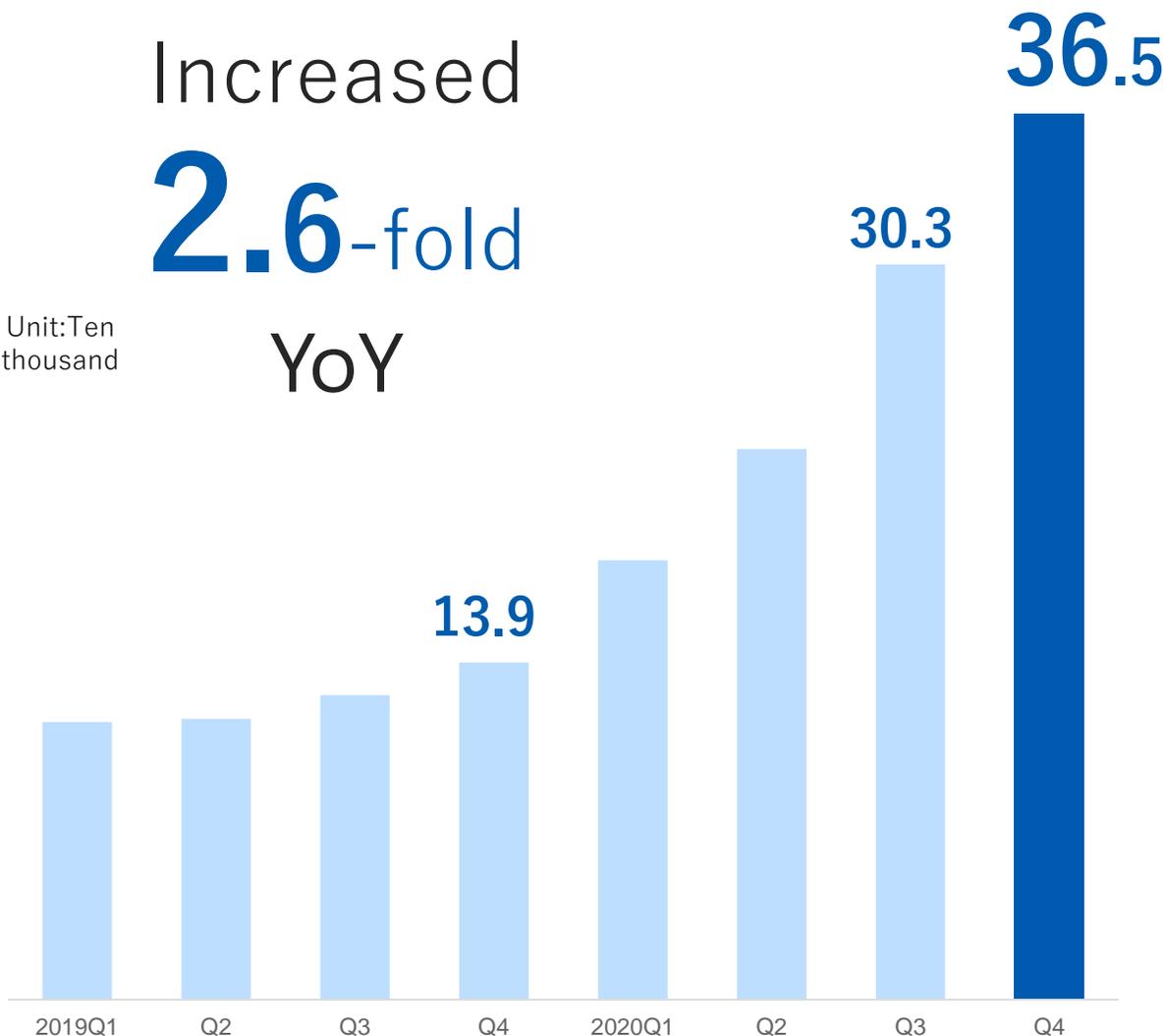
\*1 Number of companies using "Electronic Seal GMO Sign" that supports either "first-party signature" or "third-party signature."  
One account per operator (company or individual). If a given operator uses multiple accounts, duplicated accounts are excluded.

Solution Segment

# Number of Contract Transmissions

Increased  
**2.6-fold**  
YoY

Unit: Ten thousand



Use by major clients increased

Company users (sample)



## GMO Sign now available to local governments

### Pilot tests launched



Discourage the use  
of seal impression!

Digitize

100M

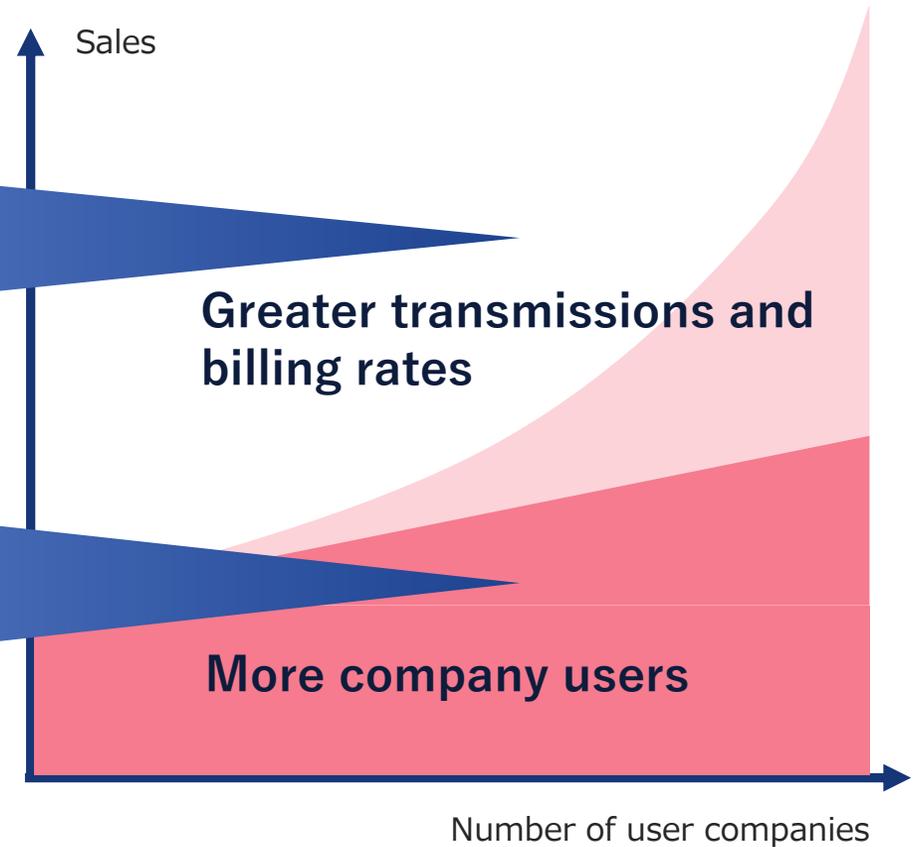
With a goal of covering

80% of the municipality population

# No.1 dominant market share

Focus management resources

- 1. UI and UX improvements
- 2. Strengthen external partnerships
- 3. Strengthen promotion
- 4. Boost personnel



Solution Segment