



Code : 3788

Q3 2021

Financial Results Briefing Slides

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1. Q3 2021 Financial Results and Topics

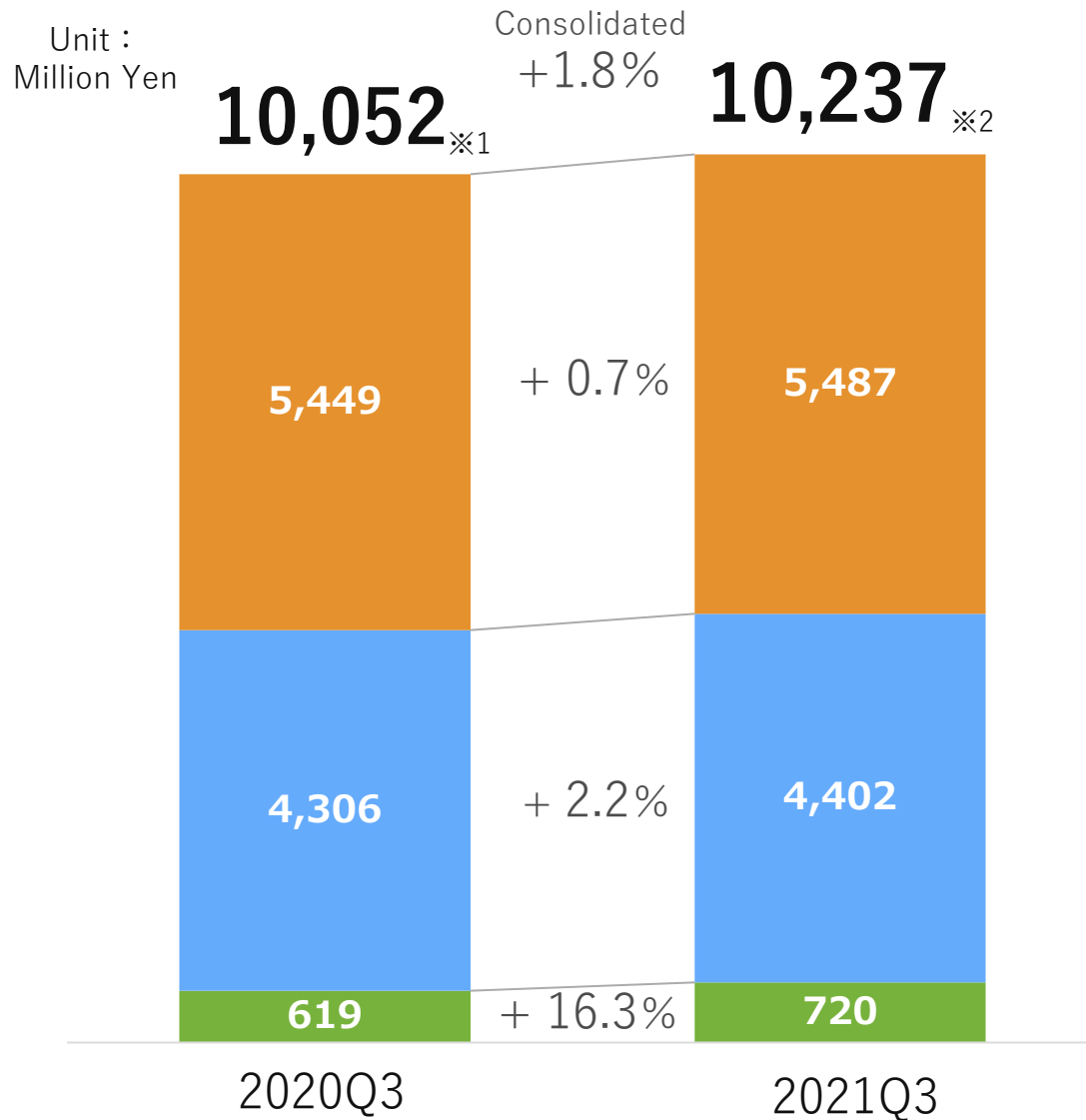
While with some delay in sales progress in the Digital Transformation segment, progress is mostly as planned

- Impact of lower unit prices due to the reduction of SSL validity period has completed at the end of August, and sales are recovering
- The prolonged Link Drive project in the Digital Transformation segment has led to a delay in the progress of sales
- Profits decreased due to continuous strategic investments in GMO Sign

FY2021 Q3 Consolidated Sales and Profit

	FY2020	FY2021	YoY	FY2021 (Forecast)	Achievement Ratio
Unit : Million Yen					
Sales	10,052	10,237	+1.8%	14,229	71.9%
Operating Profit	1,089	674	△38.1%	1,008	66.9%
Ordinary Profit	1,179	720	△38.9%	1,050	68.6%
Profit Attributable to Owners of Parent	885	506	△42.8%	775	65.4%

FY2021 Q3 Consolidated Sales and Profit



Digital Certificate and eSignature Segment

- Impact of the shortened SSL validity period is improving Sales increased due to strong new sales

Cloud Infrastructure Segment

- Sales increased as CloudCREW sales continued to perform well (+106% year-over-year)

DX Segment

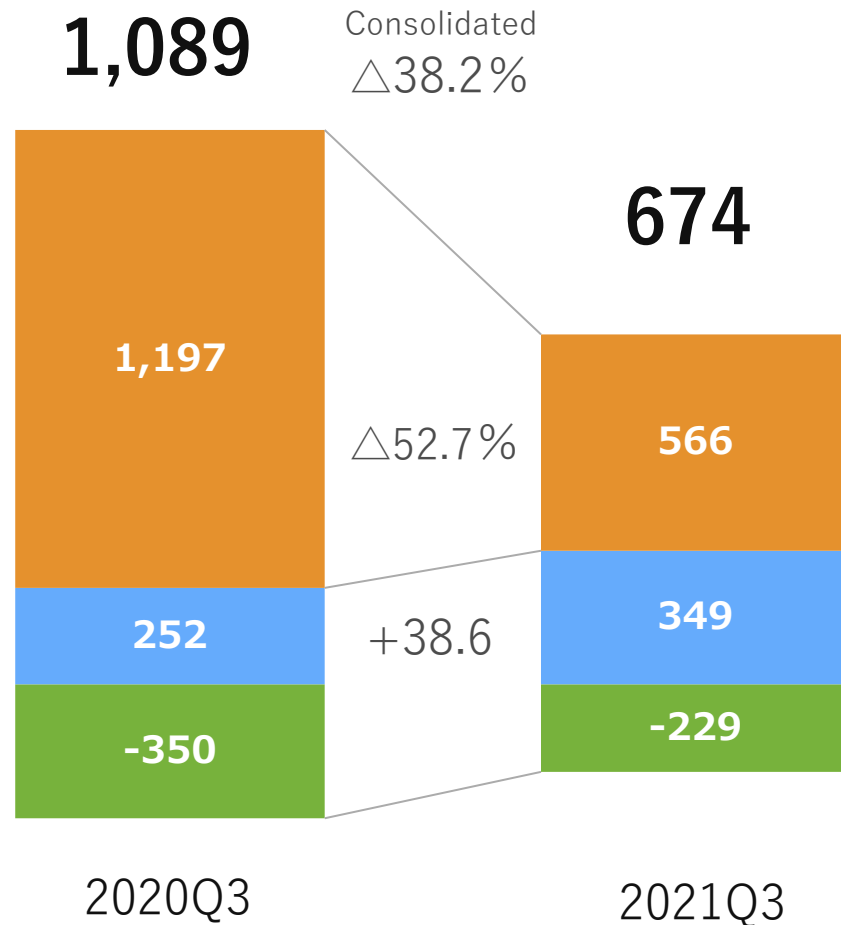
- Sales increased due to higher sales from GMO Shop App

※1 Internal Transaction 321M

※2 Internal Transaction 373M

FY2021 Q3 Consolidated Sales and Profit

Unit :
Million Yen



Digital Certificate and eSignature Segment

- Profit fell due to higher strategic investment expenses (related to promotion/recruitment) and depreciation expenses

Cloud Infrastructure Segment

- Profit increased due to higher CloudCREW sales and cost optimization

DX Segment

- Profit increased due to higher GMO Shop App sales

FY2021 Quarterly Comparison

- Profit decreased as advertising and personnel expenses rose due to strategic investments for the Digital Certificate and eSignature segment

Unit : Million Yen	FY2020 3 Q	FY2020 4 Q	FY2021 1 Q	FY2021 2 Q	FY2021 3 Q	QoQ
Sales	3,271	3,279	3,417	3,455	3,369	△2.6%
Operating Profit	277	267	308	195	171	△12.4%
Ordinary Profit	257	214	293	196	230	+17.3%
Profit Attributable to Owners of Parent	186	285	229	174	102	△41.1%

2. Business Overview

Topics

電子印鑑なら GMOサイン

- Entered into a partnership agreement with Daiwa Securities Co. Ltd. Supports customers in promoting digital transformation using GMO Sign
- Legality of GMO Sign has been confirmed by the Digital Agency, Ministry of Justice, and Ministry of Finance as being a “valid electronic signature that can substitute a physical signature or seal”
- Began providing the GMO Sign Engine, the core system of the e-contract service that is most adopted by Japanese companies

GlobalSign[®] by GMO

- GMO GlobalSign K.K. to participate in the E-Invoice Promotion Association (EIPA)

GMO おみせアプリ

- Provided the “Mobile Gift Certificate Platform by GMO” to digitize certificates in Yorocho, Gifu Prefecture
- Began providing the “GMO Shop App for Color Me Shop,” a smartphone app for attracting customers and promoting sales at physical shops, from the Color Me Shop App Store

Digital Certificate and eSignature Segment

Digital Certificate and eSignature Segment



Provide all signatures (witness type/contract party type)
No.1 in Japan for number of companies
adopting our e-contract service



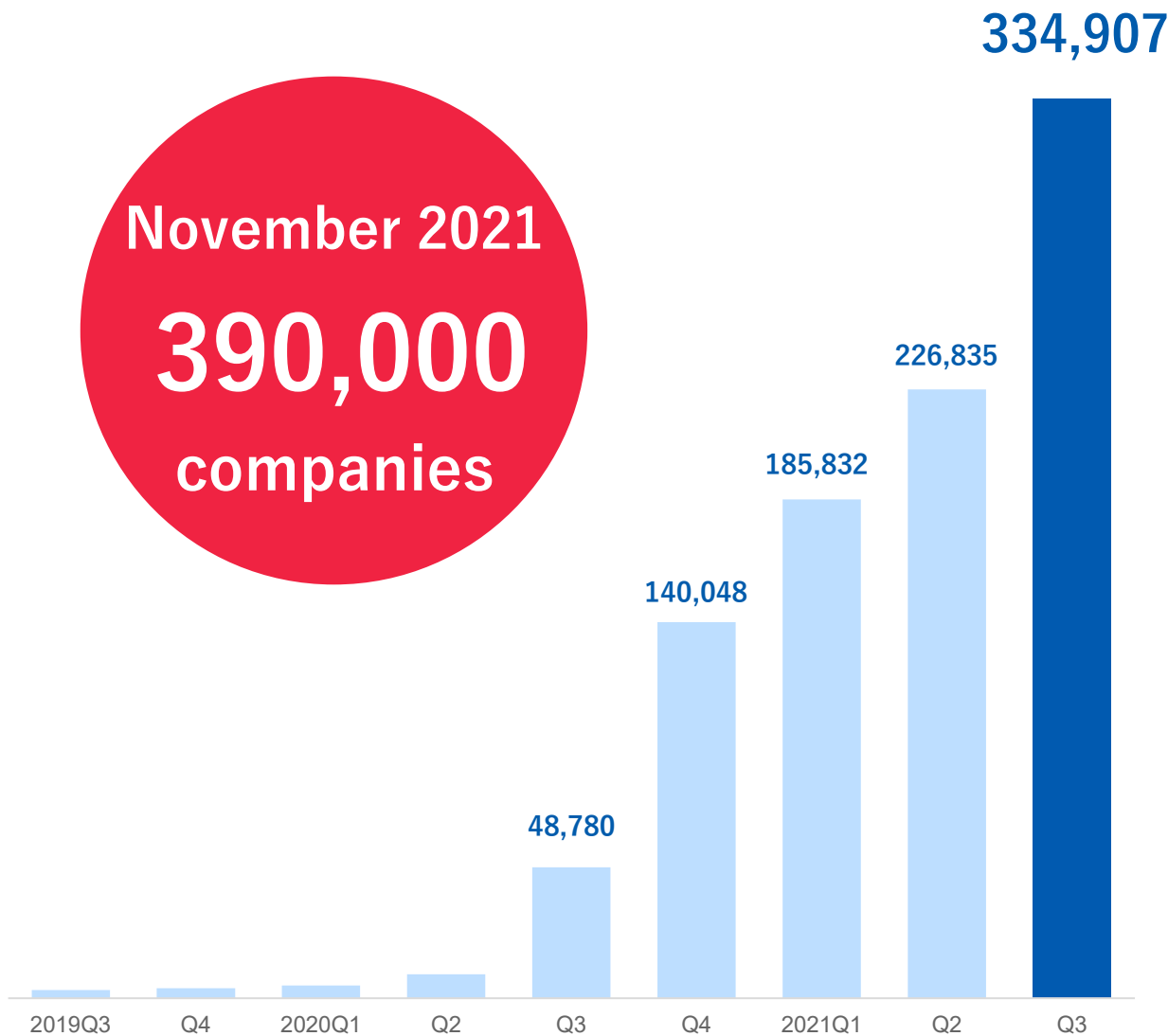
Domestic Certificate Authority operated in-house
SSL market share: **No. 1** in Japan, No. 3 worldwide



No. 1 in Japan for number of companies
adopting our single sign-on service

Number of User Companies

November 2021
390,000
companies



Domestic market share

No.1

Increased
6.9-fold
YoY

and Digital Certificate Segment

Number of Contract Transmissions



88 local governments participate in pilot tests ※

More and more larger governments are participating



※ 88 local governments, including 47 local governments that already announced their participation, are participating in pilot tests using “GMO Sign for Administrative Reform through Digital Transformation” (November 5th, 2021)

and Digital Certificate Segment

Significantly saves time and cost



横須賀市
Yokosuka City

電子印鑑なら
GMOサイン

■ Contracting-related work time

Paper-based contracting

268時間40分

GMO Sign

177時間44分

➔ Shortened 34%

■ Period from drafting to signing

10,292時間

547時間40分

➔ Shortened 95%

■ Paper usage

約49,600枚

0枚

➔ Reduced 100%

電子印鑑なら
GMOサイン

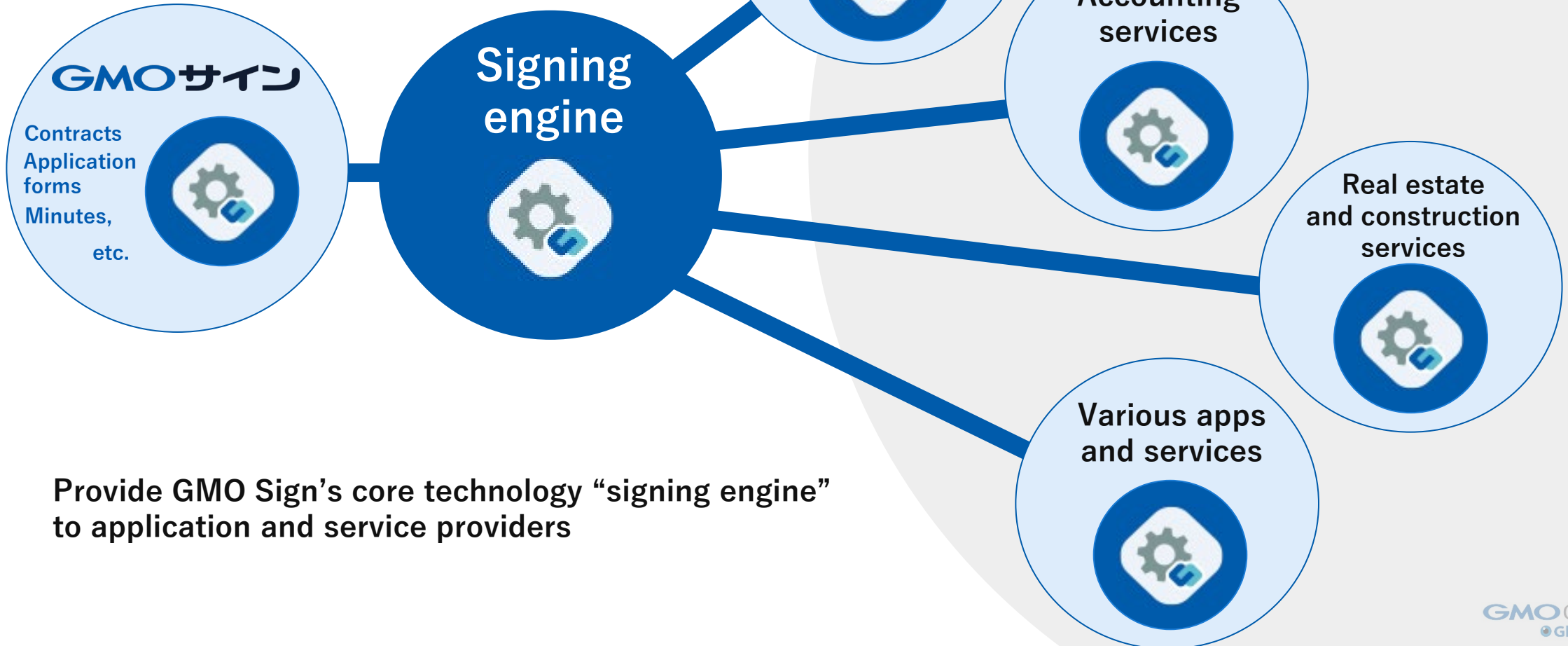
Confirmed again as **lawful** within the
System to Remove Gray Zone Areas

デジタル庁
Digital Agency

 法務省
MINISTRY OF JUSTICE

財務省
Ministry of Finance, JAPAN

Aiming to be No.1 in the digital signature market by utilizing the strengths of being a Certificate Authority

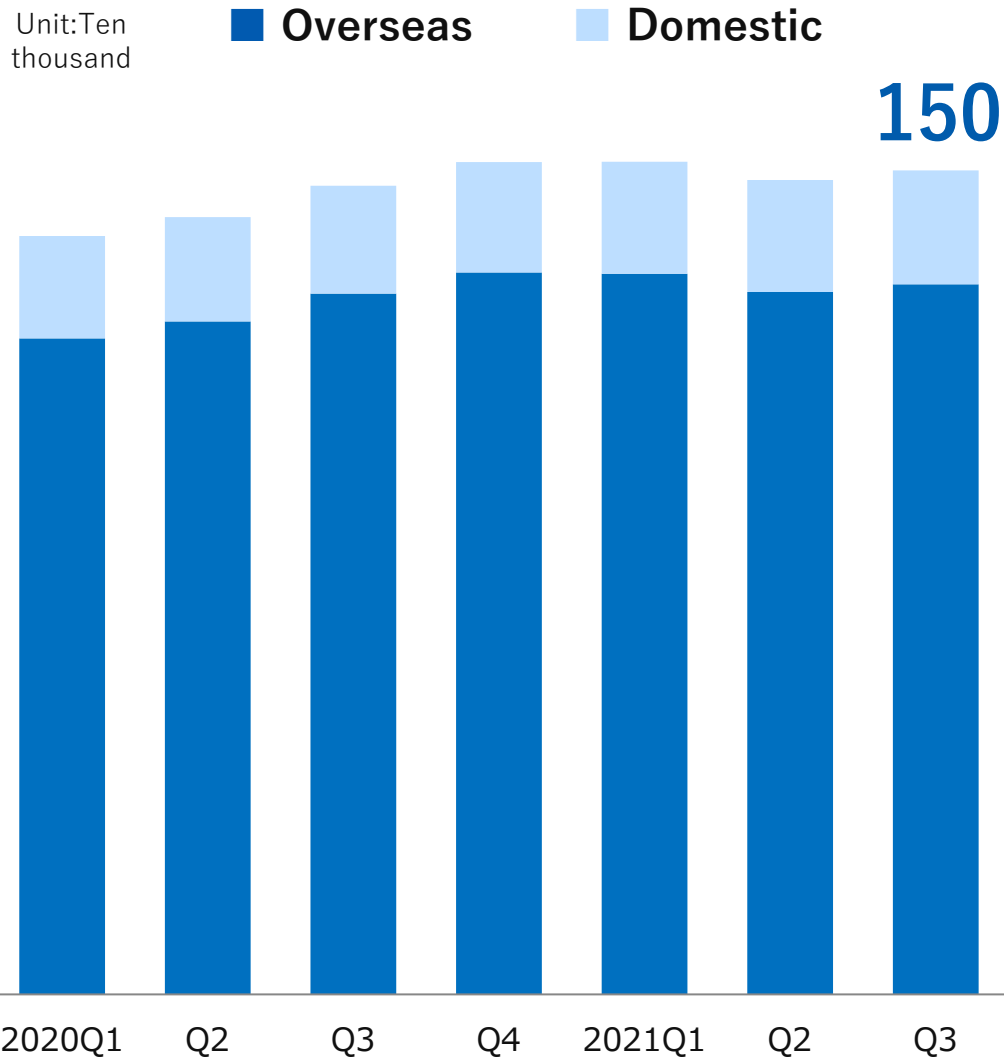


- Invoices
- Blueprints
- Audit evidence
- Diplomas
- Credentials
- Purchase orders & Order receipts
- Financial statements
- Medical data
- Proof of vaccination
- Wills, etc.

Provide GMO Sign's core technology "signing engine" to application and service providers

and Digital Certificate Segment

Number of Valid SSL Certificates Issued*

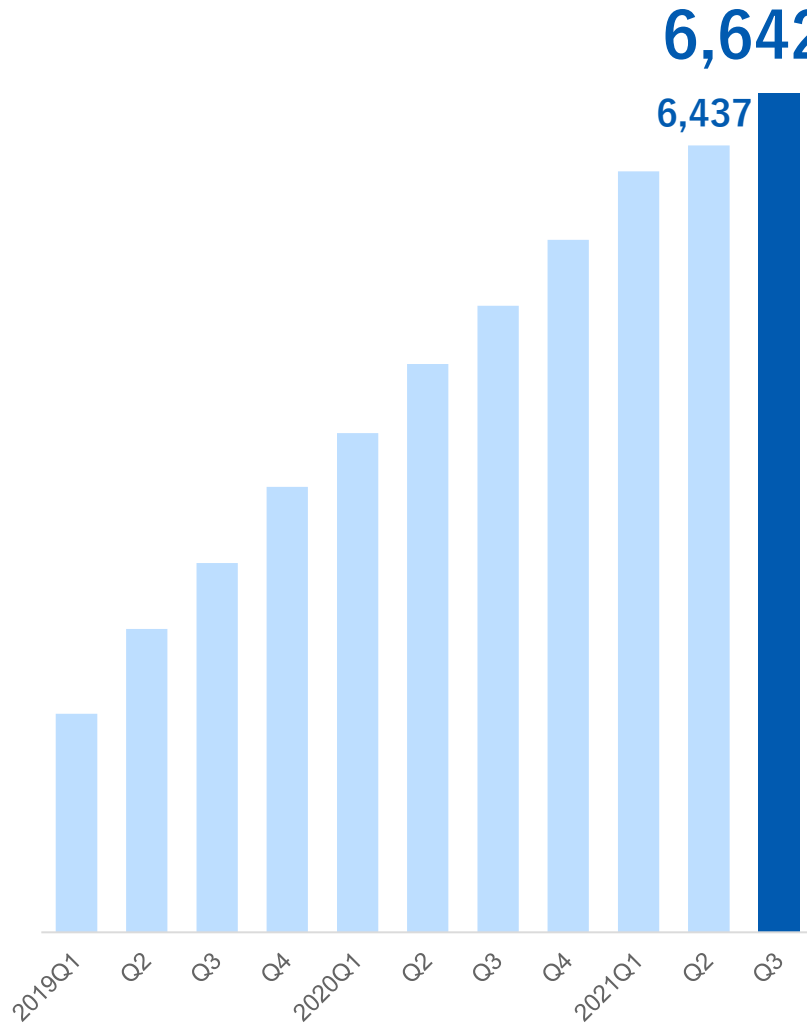


Sales are trending up primarily among major customers
Number of SSL certificates issued remains stagnant

Advanced Digital Certificate Segment

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

and Digital Certificate Segment



Promote expansion of customer base by strengthening external collaborations

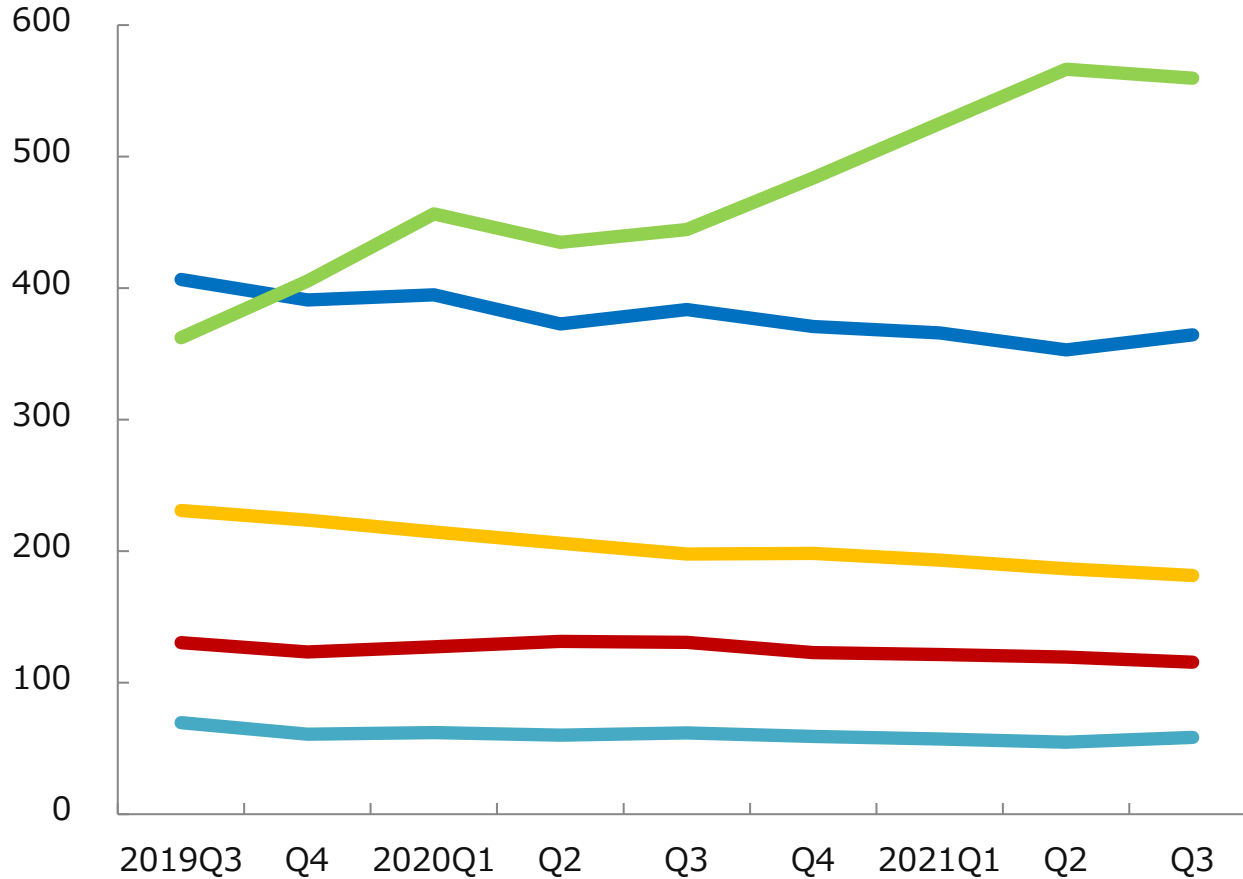


* Number of enterprises using TrustLogin by GMO. One account per business operator (enterprise or individual). If multiple accounts are used, the duplicates are eliminated. As a result of a duplicate account check, the 2021 Q2 figure has been corrected from 6,737 companies to 6,437 companies.

Cloud Infrastructure Segment

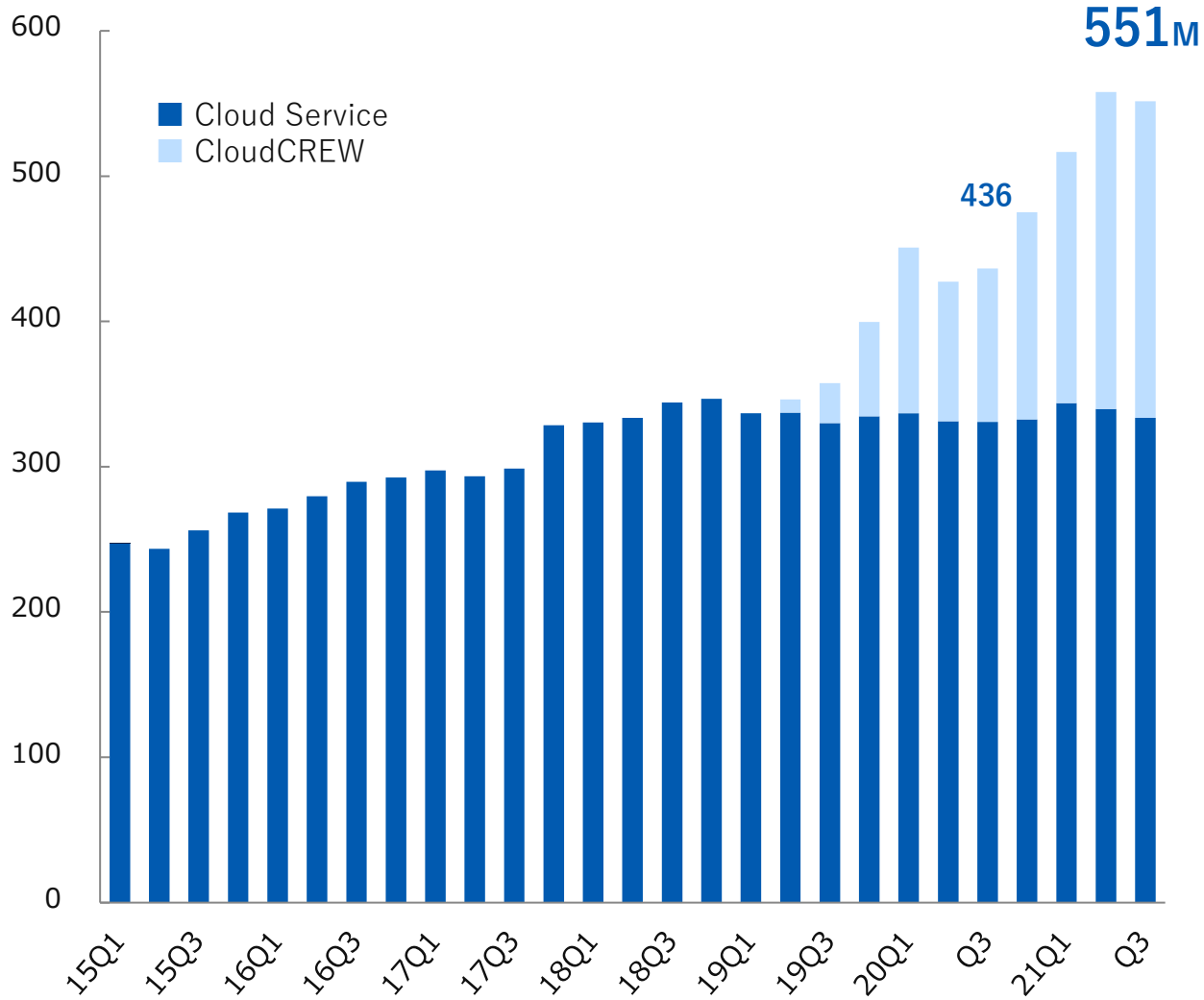
Product Sales

Unit :
Million Yen



Steady sales growth continues
Sales in other cloud services saw slight decrease

- Shared Server
- Public and Private Cloud Server
- OEM
- Virtual Private Server
- Dedicated Server



FY2021 Q3

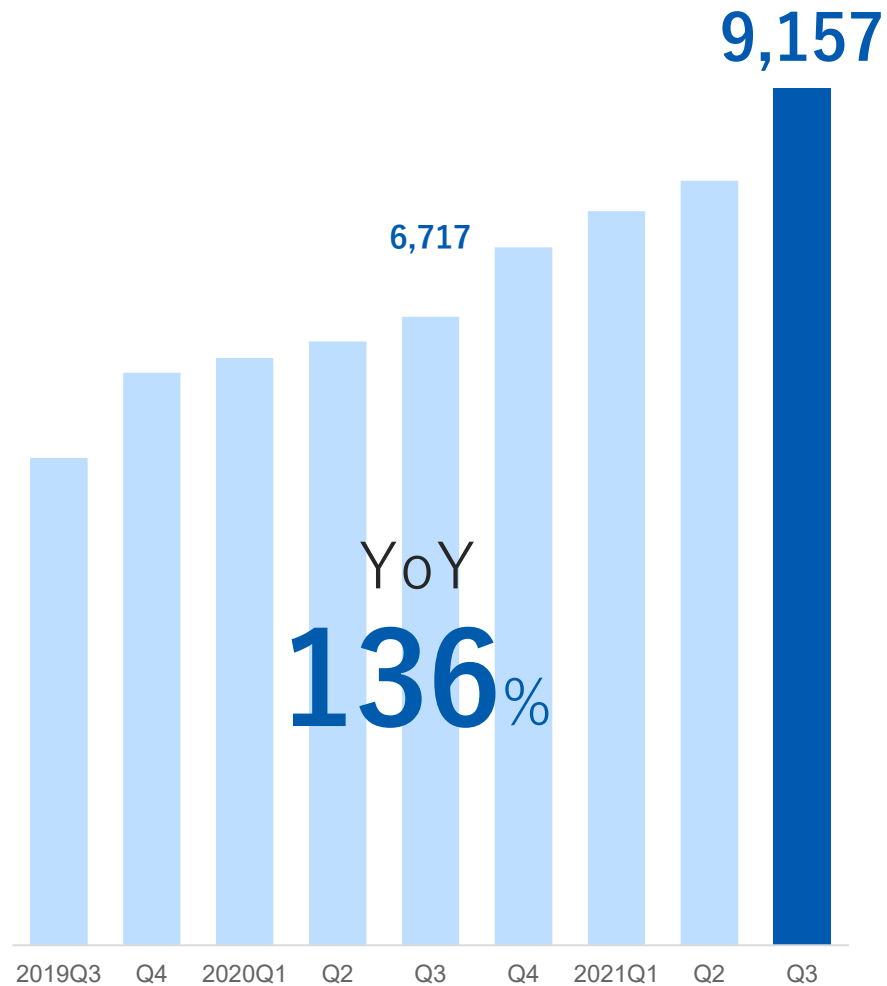
Sales : **551M**

(CloudCREW : 218M)

YoY: **+26.4%**

DX Segment

Number of Shops Using App



Collaborative services are to be rolled out

10/1

「モバイル商品券プラットフォーム byGMO」
 養老町に導入決定

地域経済の活性化
 地方自治体のDXを支援

GMO DIGITAL Lab | GMO PAYMENT GATEWAY

10/12

GMO おみせアプリ 
 for カラーミーショップ

アプリがリリースされました

GMO DIGITAL Lab | COLOR ME アプリストア byGMO 

Reference Materials

Summary of Consolidated Income Statement

Unit : Million Yen	FY2020 Q3	FY2021 Q3	Ratio
Net Sales	10,052	10,237	+1.8%
Cost of Sales	4,015	4,149	+3.3%
Gross Profit	6,037	6,087	+0.8%
Selling, General and Administrative Expenses	4,947	5,413	+9.4%
(Marketing Expenses)	362	589	+62.6%
(Depreciation)	128	221	+72.5%
Operating Income	1,089	674	△38.1%
(Operating Income Ratio)	10.8%	6.6%	—
Ordinary Income	1,179	720	△38.9%
Income before income taxes	1,176	676	△42.5%
Income taxes expense	338	211	△37.6%
Profit Attributable to Owners of Parent	885	506	△42.8%

Summary of Consolidated Balance Sheet

Unit : Million Yen	2020 Dec.	2021 Aug.	Ratio
Current Assets	7,390	6,936	△6.1%
(Cash and Deposits)	4,670	4,184	△10.4%
(Account Receivable)	1,399	1,508	+7.8%
Fix Assets	3,672	4,223	+15.0%
(Software)	1,659	2,112	+27.3%
(Investment Securities)	586	622	+6.2%
Amount of Assets	11,063	11,159	+0.9%
Liabilities	3,774	4,078	+ 8.1%
(Advances by customers)	1,725	1,860	+ 7.8%
(Debt + Lease)	524	703	+ 34.1%
Net Assets	7,288	7,081	△2.9%
(Shareholders' Equity)	6,826	6,644	△2.7%
(AOCI)	168	420	+ 149.2%
(Non-Controlling interest)	293	15	△94.8%
Liabilities + Net Assets	11,063	11,159	+0.9%

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

FY2021 Annual Forecast (Segment)

Sales

Unit: Million Yen	FY2020 (Actual)	FY2021 (Forecast)	Forecast against Actual
Digital Certificate & eSignature	7,102	7,545	+6.2%
Cloud Infrastructure	5,748	5,748	+0.0%
DX	922	1,384	+50.1%
Internal Transaction	△440	△ 448	—
Total	13,332	14,229	+6.7%

Operating Profit

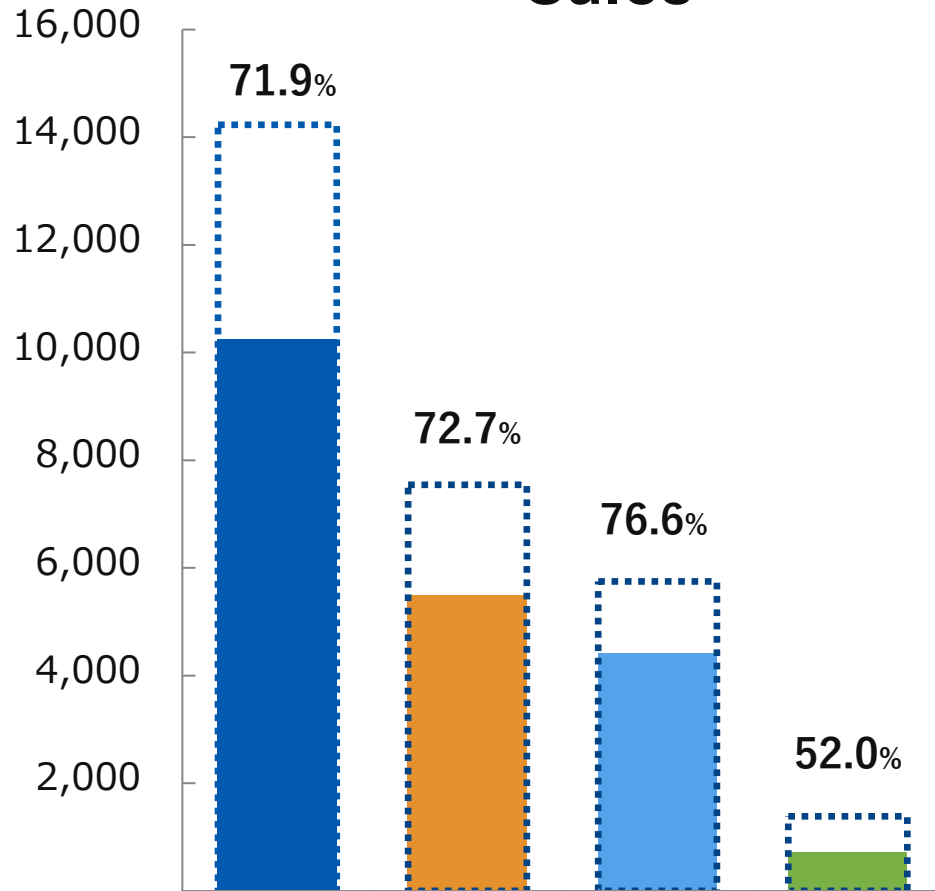
Unit: Million Yen	FY2020 (Actual)	FY2021 (Forecast)	Forecast against Actual
Digital Certificate & eSignature	1,420	1,109	△21.9%
Cloud Infrastructure	344	344	+0.0%
DX	△396	△ 446	—
Internal Transaction	△11	+1	—
Total	1,357	1,008	△25.7%

FY2021 Q3 Annual Budgets and Results

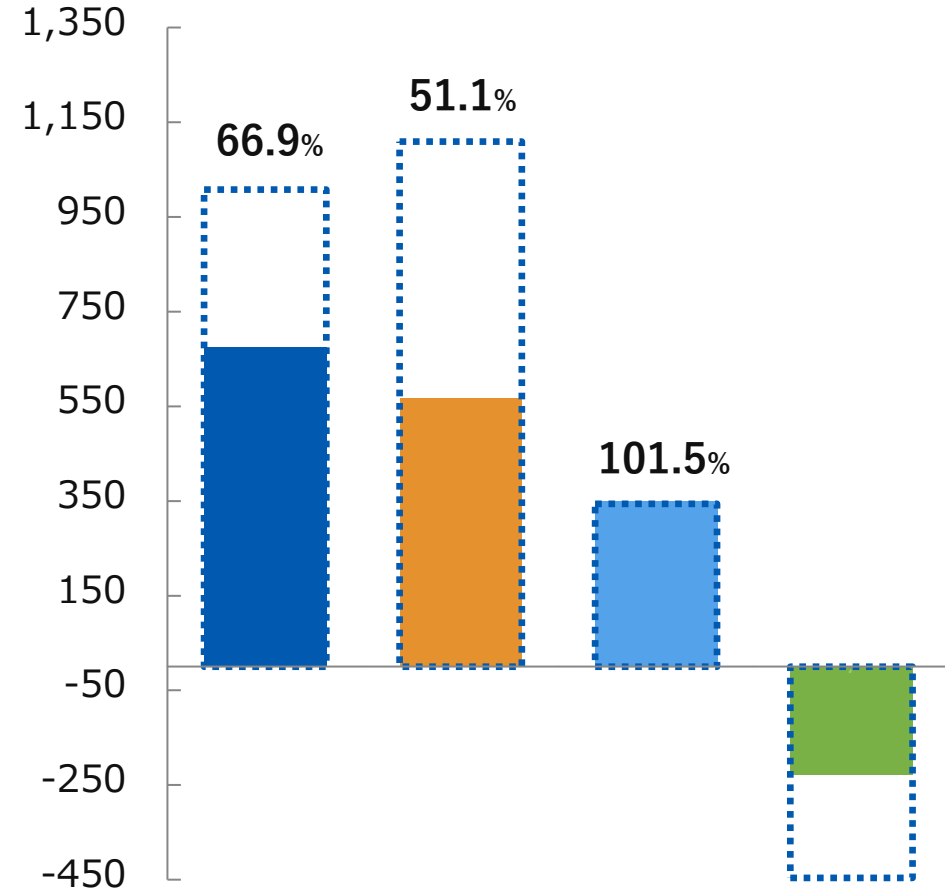
■ Q3 Accumulated Total
 □ Annual Plan at The End 2021
 (%:Achievement Ratio)

Unit : Million Yen

Sales



Operating Profit



■ Total ■ Digital Certificate & eSignature ■ Cloud Infrastructure ■ DX

Corporate Profile

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	<ul style="list-style-type: none">• Digital Certificate and eSignature (SSL Certificates, Electronic contract Service, Code Signing, PDF Signing etc.)• Cloud Infrastructure• DX (IoT Solution, Smartphone App and Web page production, Network Gaming Engine, 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 6, Overseas 7) Non-consolidated 3(Overseas 3) (The end of September, 2021)
Employees	Consolidated 992 (The end of September, 2021)

GMO GlobalSign HD K.K. Business Segment

To Sustain Secure Internet Communication

Digital Certificate and eSignature Segment

Defend Internet Communication by Electronic Verification system

Defend User's ID and Password by ID Management system

Cloud Infrastructure Segment

Provide Secure Cloud infrastructure

To Make Enterprise's Cloud Utilization Convenient

DX Segment

- IoT Solutions
- Online to Offline App
- Gaming Network Engine
- Vehicle Remote Diagnosis

Replace conventional “paper + seal” contracts with cloud-based contract services to sign contracts via “electronic document + eSignature”

Major advantages of GMO Sign

Fast

Streamline contract work

Reduced costs

Cut postage/archiving costs & no stamp duty required

Secure

Strengthen compliance; Equivalent to a real seal in court (admissible as evidence)

Paper contracts vs. GMO Sign

	Paper contract	GMO Sign
Format	Paper document	Electronic data (PDF)
Sign	Seal or signature	eSignature
Send	Post / Hand-carry	Internet
Archive	Bookshelf	Server
Stamp duty	Levied	Not levied
Court-admissible	Yes	Yes

In addition to “business signature type” eSignatures with email authentication, “contract party type” eSignatures that use a Certificate Authority and are equivalent to using a real seal are provided as a standard feature



※One digital certificate provided for free per year

The only Japan-based Certificate Authority operating worldwide, providing digital certificates for all types of internet services

Years in
operation

24

Many years of
operation experience

Companies
worldwide

5

Certificate Authority
with a global market
share

PC browser
usage

99.8%



eSignatures
per month

2 million

Also used by
DocuSign (USA)



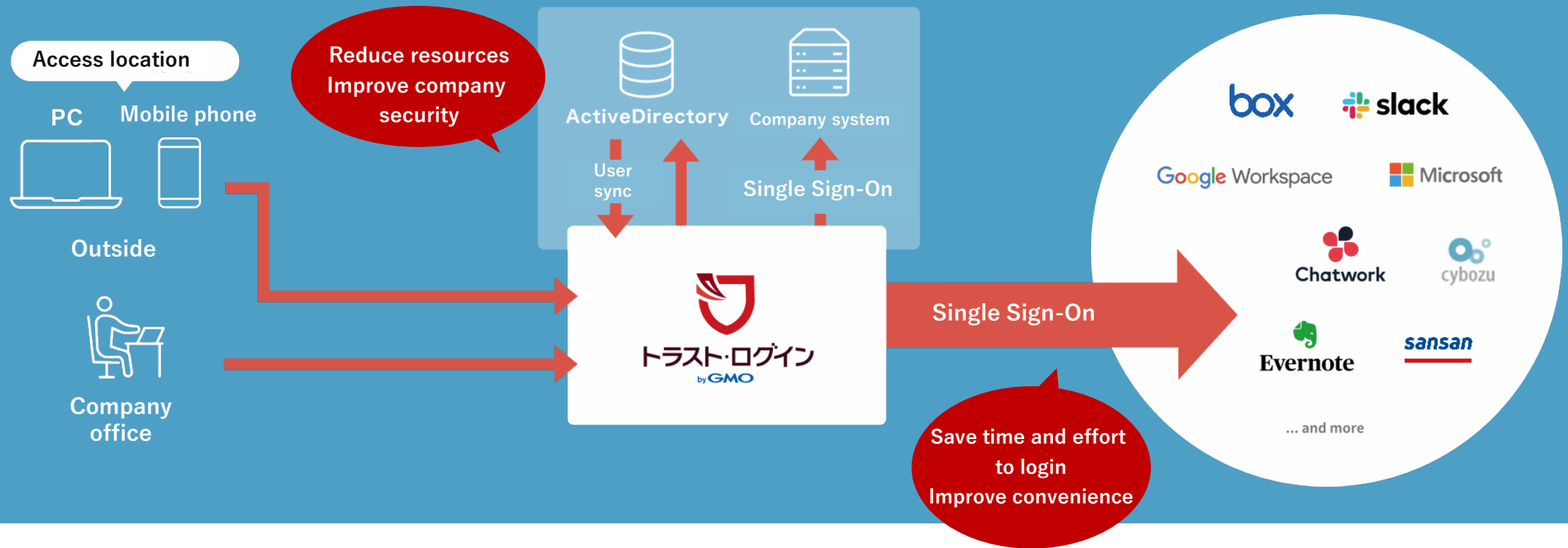
A Certificate Authority is an organization that certifies identities on the internet



Adopted by companies and organizations around the world, including government-related agencies and major companies

Centralized management of IDs/passwords for multiple cloud-based services Also provides all-in-one information leak protection, including access controls

Corporate



Company users (sample)



Provide support for cloud system building & operation

AWS Billing & Assessment Support

Cloud Assessment

- AWS Reseller



Cloud monitoring/outsourced operation/building

Managed Cloud

- Cloud Integration (CI)
- MSP (monitoring/operation)
- Provide solutions

- 3 Strengths -

- 1. Customer support** managed in-house
- 2. Customer base** from in-house services
- 3. Operational know-how** based on 24 years of experience

Provide proprietary apps to various enterprises and brands

“Digitize” sales promotion methods to reduce marketing costs and achieve personalized customer communication



Efficiently promote return visits



Attract customers during the off-season



Digitize sales promotion methods



Centralize information scattered across the web and social media



Achieve contactless communication



Effectively utilize customer data



Promote digital transformation of stores



Increase opportunities for customer contact



Network engine that easily enables multi-player functionality

C
o
r
p
o
r
a
t
e



Providing a system environment to produce online games and events easily and at low cost





Store various information about cars on the cloud, automatically analyze it, and assist with “Data Utilization” business

～Visualize your car’s state for your safety and convenience～

クルマの状態を見える化
安心・便利なカーライフを

Improve the efficiency of meter inspections through AI just by taking a photo with a smartphone app



Complete inspection just by taking photo of meter with smartphone app



Analyze image with AI and automatically enter numerical data to web registry



Alert administrator or person in charge if abnormal value detected



Meter image and CSV data available to download and use as inspection evidence

