

Presentation of Financial Results for the First Quarter of Fiscal Year 2011

May 11th, 2011

GMO CLOUD K.K.

(Mothers of the Tokyo Stock Exchange3788)

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<http://ir.gmocloud.com/>

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Agenda

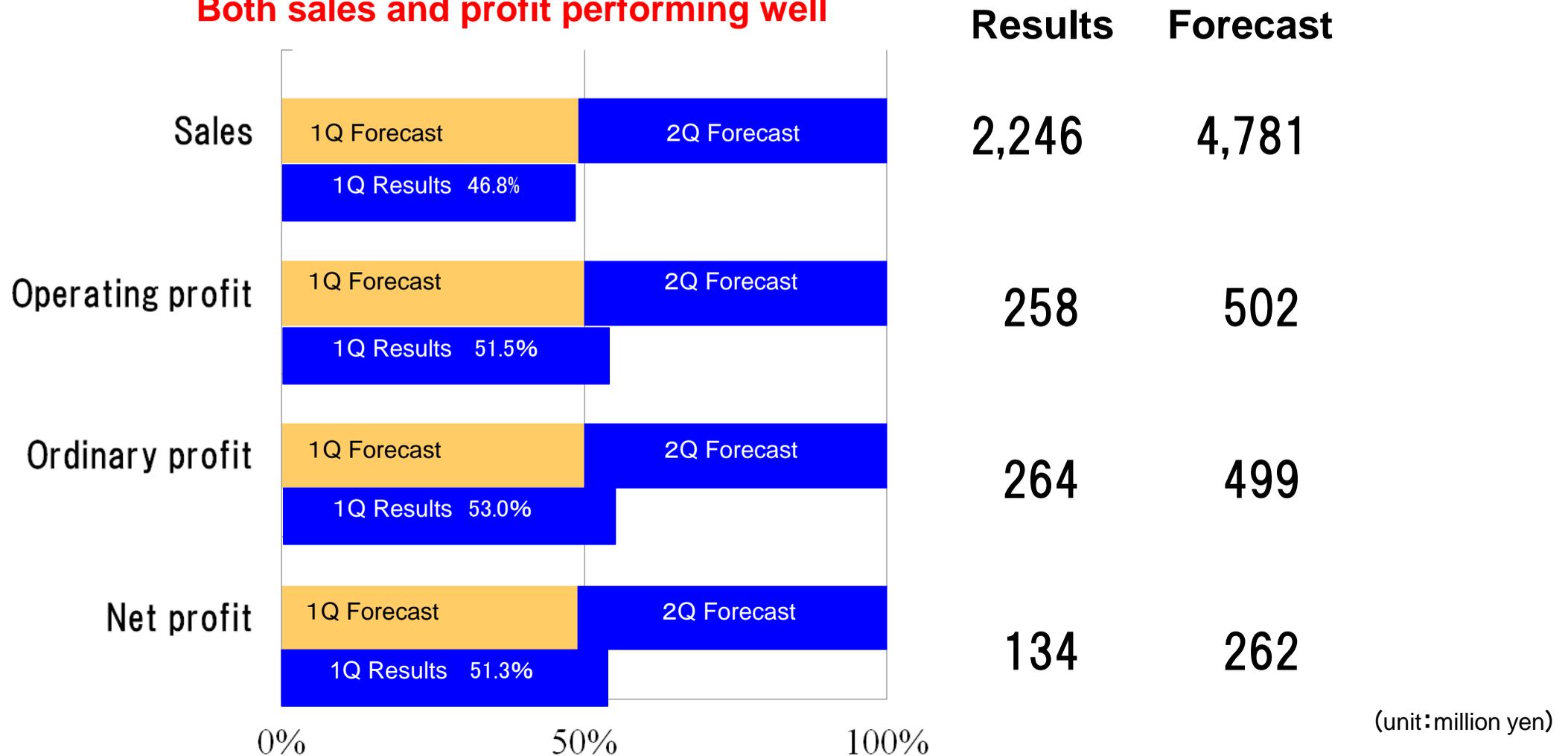
1. Summary and Conclusion
2. Financial Highlights
3. Business Overview
 - Hosting Business
 - Security Business
 - Solutions Business
4. Financial Forecast 2011

1. Summary and Conclusion

Summary through First Quarter FY2011

Progress for the Second Quarter Consolidated Accounting Period (Interim)

Both sales and profit performing well



Main Points of Fiscal Results for 1Q of FY 2011

◇ Hosting Services

1. Shared hosting services
Sales and contracts were both up, rising 20.2% and 55.5%, respectively, from the previous fiscal year after the appeal of the low-end brand launched in the preceding year and following the inclusion of Wadax Inc. in the Group.
2. Dedicated and managed hosting services
Sales and contracts remained firm: Sales were up 14.5% and contracts grew 16.1% from the preceding year.
3. The GMO Cloud private cloud solution was released in February.
=> In April, the *IQ cloud* virtual private cloud and *GMO Cloud Public* were released.

◇ Security Services

1. Steady growth achieved: Sales up 15.6% and operating profit up 46.9% from the previous fiscal year.
2. Geographic expansion continued with a 39.6% year-on-year increase in resellers, from 2,137 to 2,984.

◇ Solutions Services

1. Sales dropped partly because of the Great East Japan Earthquake: sales down 5.2% and operating profit falling 13,965,000 yen from the preceding quarter.
2. The number of users of the fast translation service continue to climb, rising to 12,454, up 79.7% from a year earlier.
3. Services for smartphones achieved steady sales.

2. Financial Highlights

Consolidated States of Income

(Unit: million yen)	Fiscal Term		Y o Y
	1Q of FY2010	1Q of FY2011	
Sales	2,021	2,246	+11.1%
Costs of Sales	776	910	+17.3%
Gross profit on sales	1,244	1,336	+7.4%
Sales, general & administrative expenses	984	1,077	+9.5%
Operating profit	260	258	-0.8%
Ordinary profit	265	264	-0.4%
Net profit	133	134	+0.8%

Segment Information

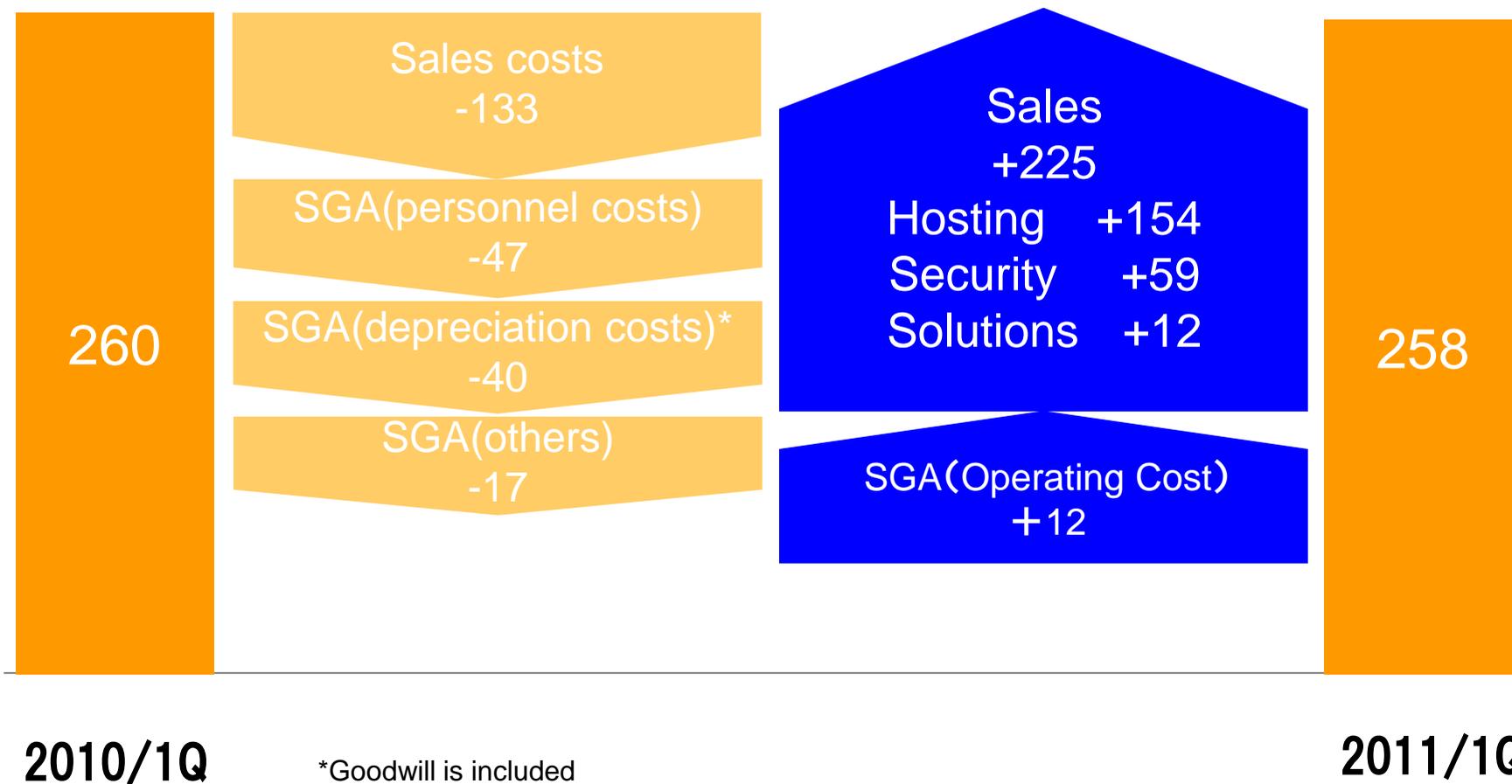
(Unit: million yen)	Sales			(Unit: million yen)	営業利益		
	FY2010 1Q	FY2011 1Q	Y o Y		FY2010 1Q	FY2011 1Q	Y o Y
Hosting Services	1,530	1,694	+10.7%	Hosting Services	222	208	-6.0%
Security Services	393	455	+15.6%	Security Services	40	59	+46.9%
Solutions Services	115	127	+9.9%	Solutions Services	-6	-14	-
Intercompany transaction adjustment or all companies	-18	-30	-	Intercompany transaction adjustment or all companies	4	4	-
Consolidated total	2,021	2,246	+11.1%	Consolidated total	260	258	-0.6%

Consolidated Operating Profit :

Factors behind increase and decreases by type (Q o Q)

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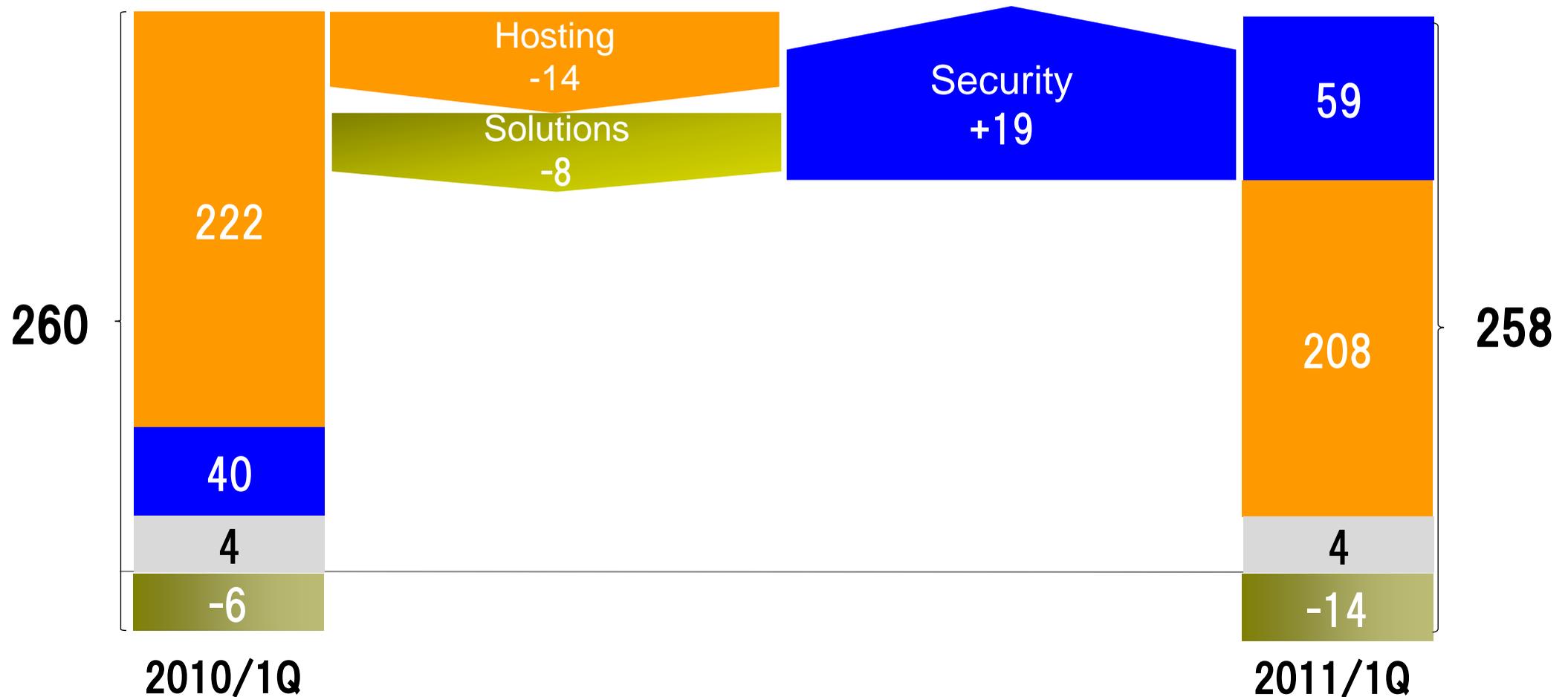
(Unit: million yen)



Consolidated Operating Profit :

Factors behind increase and decreases by segments (Q o Q)

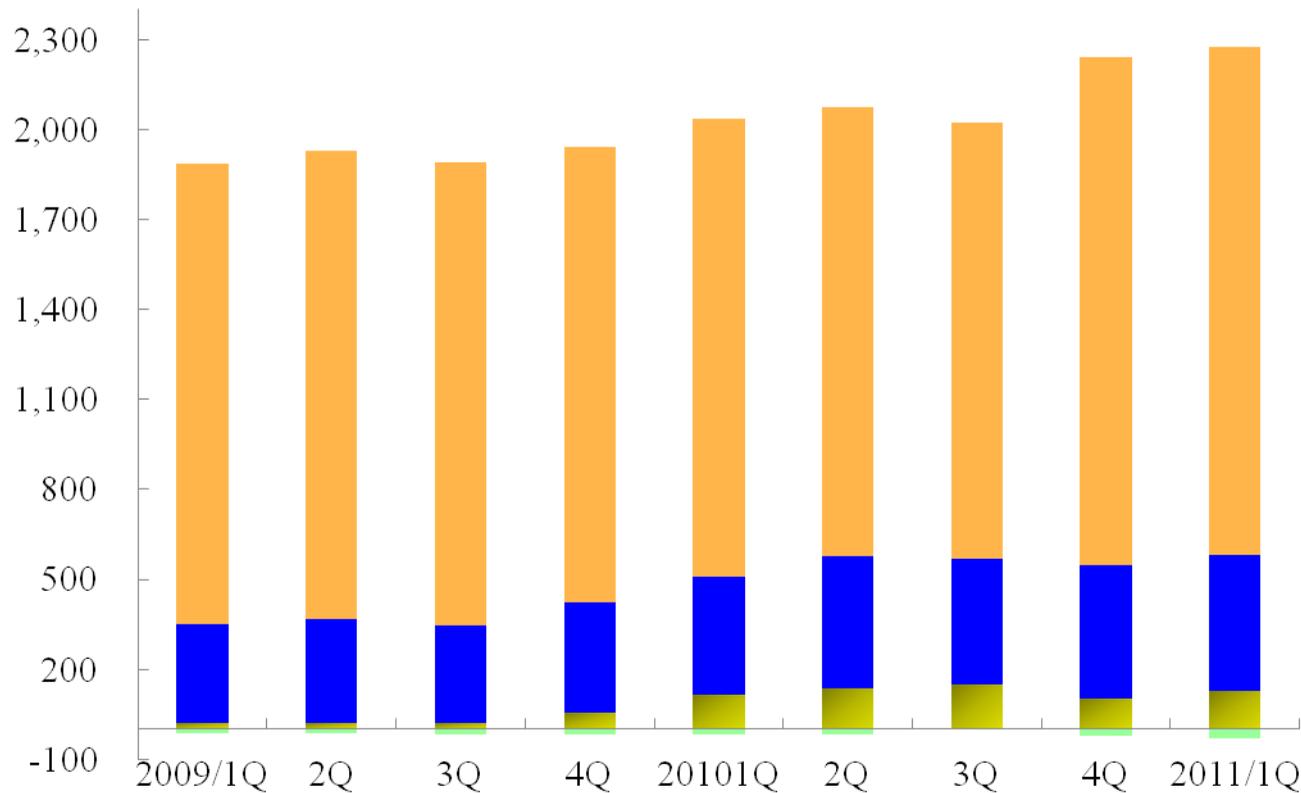
(Unit: million yen)



Sales by Segment (Quarterly Trends)

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■ Elimination ■ Solutions ■ Security ■ Hosting



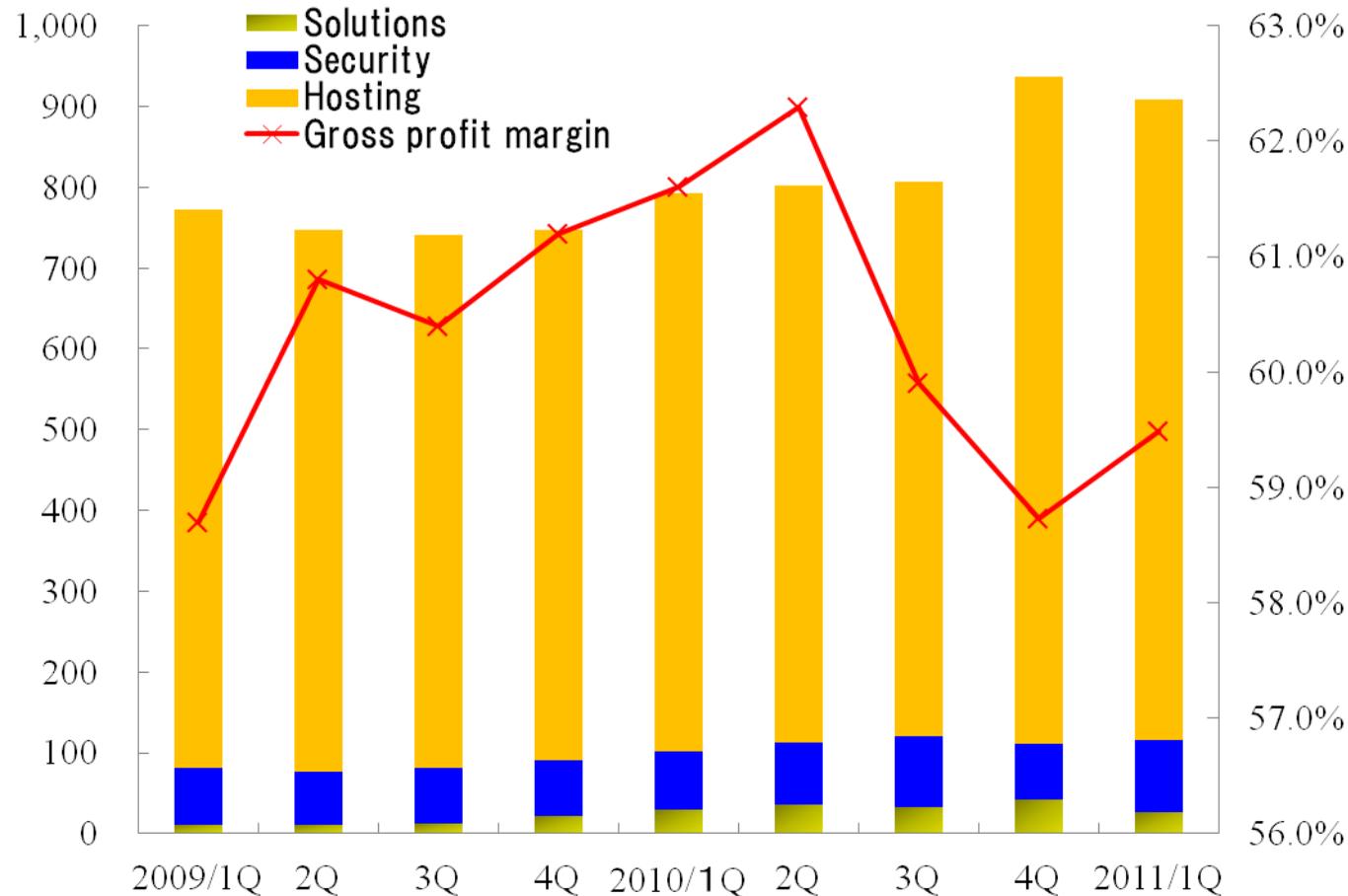
(Unit: million yen)

Hosting Services
 1,694 million yen
 (up 10.7% year on year,
 down 0.0% quarter on quarter)
 => Good performance shown by Wadax Inc.

Security Services
 455 million yen
 (up 15.6% year on year,
 up 2.6% quarter on quarter)
 => Healthy results at sales bases mainly outside
 Japan

Solutions Services
 127 million yen
 (up 10.4% year on year,
 down 3.6% quarter on quarter)
 => The fall resulting from a sales decline due to the
 Great East Japan Earthquake

Cost of Sales by Segment (Quarterly Trends)



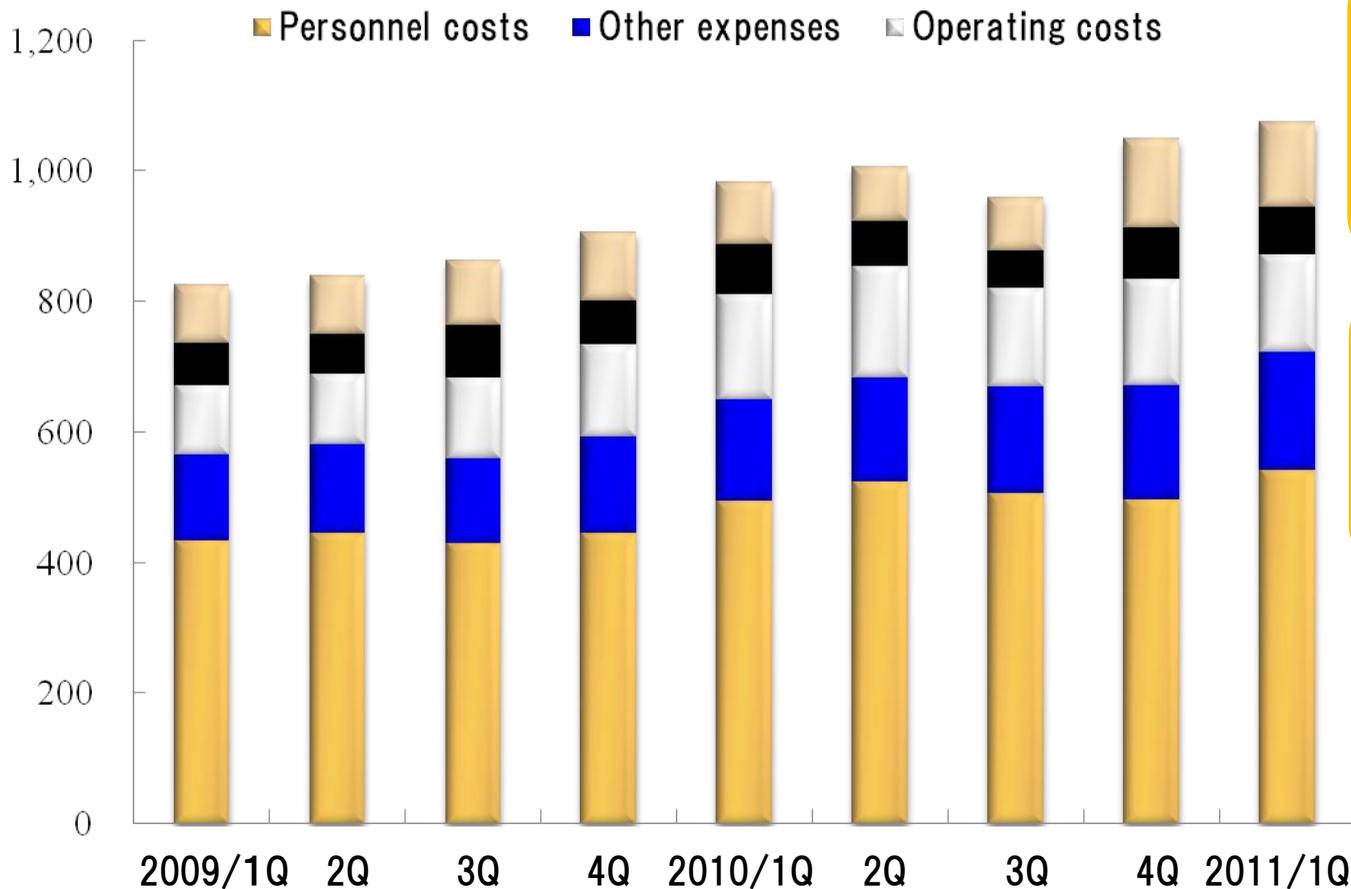
(Unit: million yen)

Hosting Services
 794 million yen
 (up 17.0% year on year,
 down 2.2% quarter on quarter)
 => Increased after Wadax Inc. joined the Group last year (effect evident from 4Q of 2010 onwards)

Security Services
 88 million yen
 (up 22.9% year on year,
 up 27.7% quarter on quarter)
 => Cost of strengthening the certificate authority

Solutions Services
 27 million yen
 (up 5.3% year on year,
 down 19.1% quarter on quarter)
 => The fall resulting from a sales decline due to the Great East Japan Earthquake

SG&A Expenses by Segment (Quarterly Trends)



Hosting Services

679 million yen

(up 10.2% year on year,
up 4.2% quarter on quarter)

=> Increased after Wadax Inc. joined the Group last year

Security Services

305 million yen

(up 9.0% year on year,
down 1.9% quarter on quarter)

=> Growth of overseas sales personnel

Solutions Services

89 million yen

(up 5.7% year on year,
up 1.7% quarter on quarter)

(Unit: million yen)

Consolidated Balance Sheets

(Unit: million yen)	4Q FY2010	1Q FY2011	(Unit: million yen)	4Q FY2010	1Q FY2011
Current assets	3,846	3,967	Current liabilities	2,518	2,568
Cash and deposits	2,733	2,843	Advance payment received	1,584	1,606
Accounts receivable	705	724	Other current liabilities	933	962
Other current assets	413	407	Fixed liabilities	195	238
Provision for doubtful debts	-5	-7	Total liabilities	2,714	2,807
Fixed assets	2,828	2,778	Shareholders' equity	4,177	4,074
Tangible fixed assets	296	378	Gaps in appraisals, conversions, etc. Foreign current transaction accounts	-259	-177
Intangible fixed assets	2,030	1,909	Minority equity	43	41
Of the above, software	669	649	Net assets	3,961	3,938
Of the above, goodwill	1,346	1,245	Liabilities, net assets total	6,675	6,746
Investments and other assets	501	489			
Total assets	6,675	6,746			

Backlog

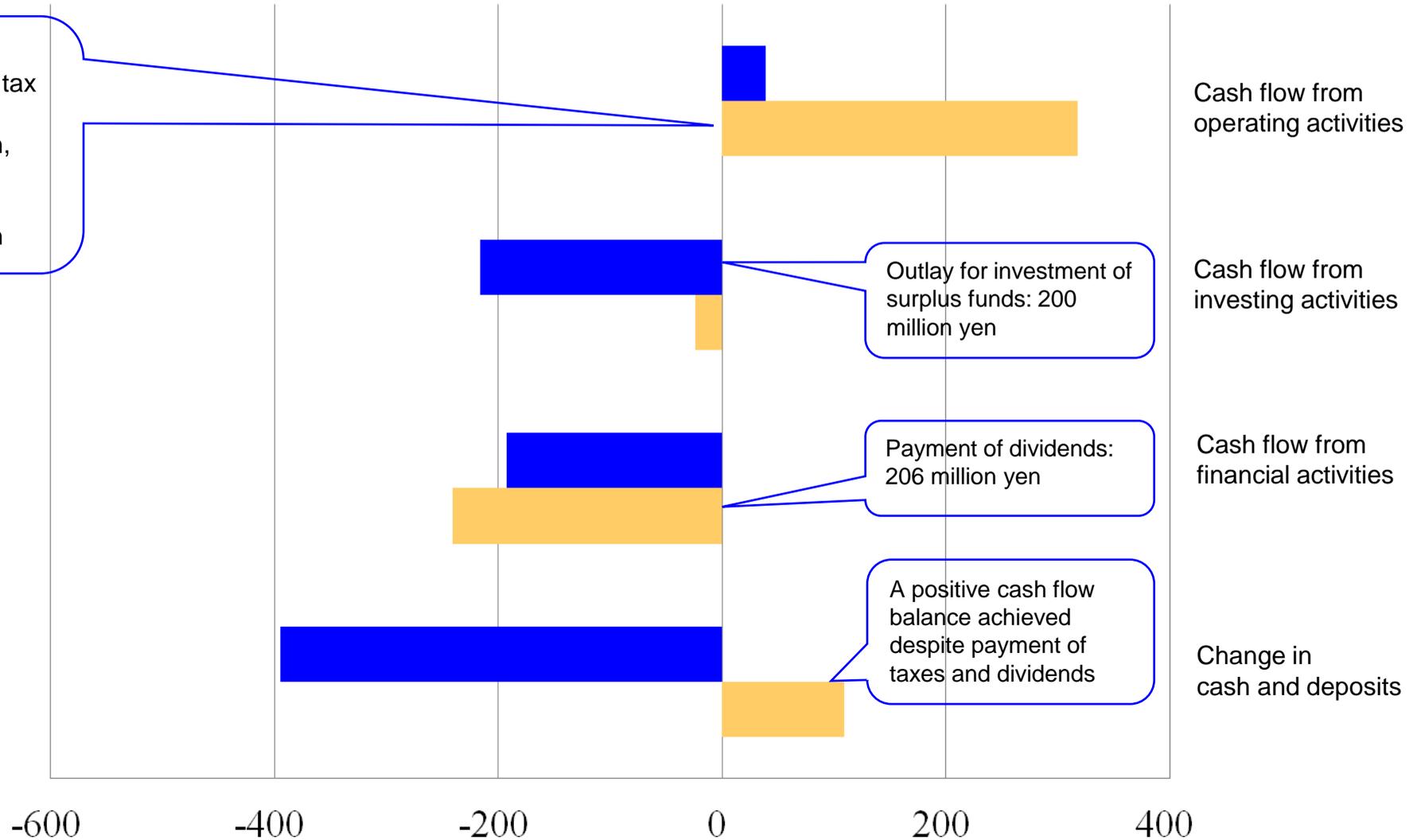
Dividend payment

Increase in leased assets

Consolidated Cash Flow

■ 2010/ 1Q ■ 2011/1Q

Quarterly net income before tax adjustments: 280 million yen, Goodwill amortization: 101 million yen



3. Business Overview 【Hosting Business】

Hosting Business : Summary

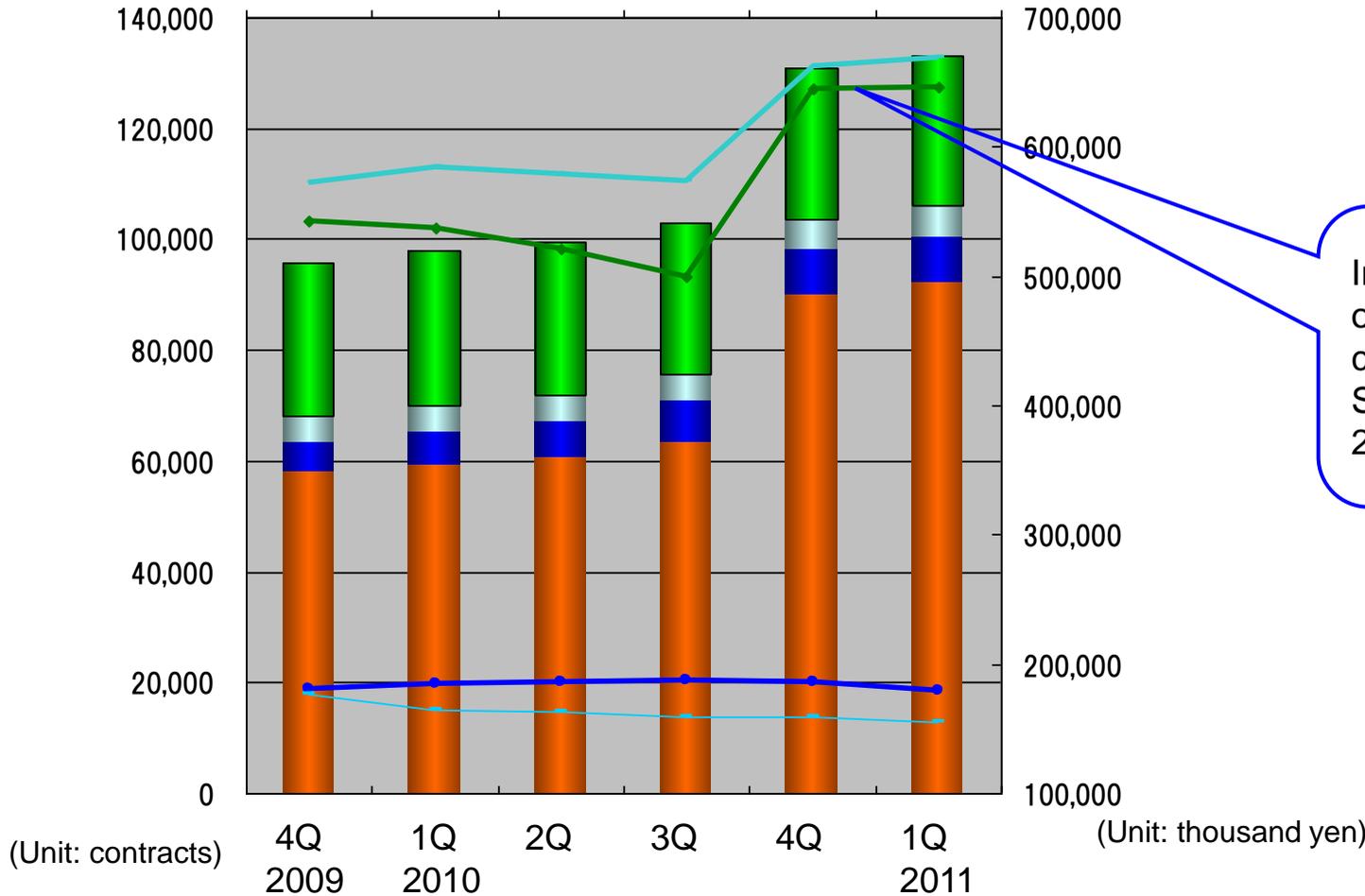
◇ Shared / VPS hosting services

- Services continue to expand to low-end markets with growth potential.
 - Low-end brands of Rocket Net and DOMAIN KING
 - Reorganization of Wadax Inc. into a Group company

◇ Dedicated / managed hosting services

- GMO Cloud private cloud solution released in February 2011
- Strengthening of sales force and revision to the organization and system since October 2010
 - Their effect expected in the coming second half

Hosting Business : Sales and Number of Contracts by Product



Impacts of reorganization of Wadax Inc. into a Group company:
Sales of 267 million yen
24,000 contracts

*Numbers of shared service contracts that are 50,000 or more are shown.

3. Business Overview 【 Security Business】

Security Business : Summary

◇ Geographical expansion

- Sales in overseas bases (in the UK and US) expanded steadily.
- Expansion to neighboring countries (in Europe, the Americas and Southeast Asia) proceeded steadily.

◇ Expanding sales channels

- The number of partners was increased by introducing a one-click SSL service.
- Support was enhanced.

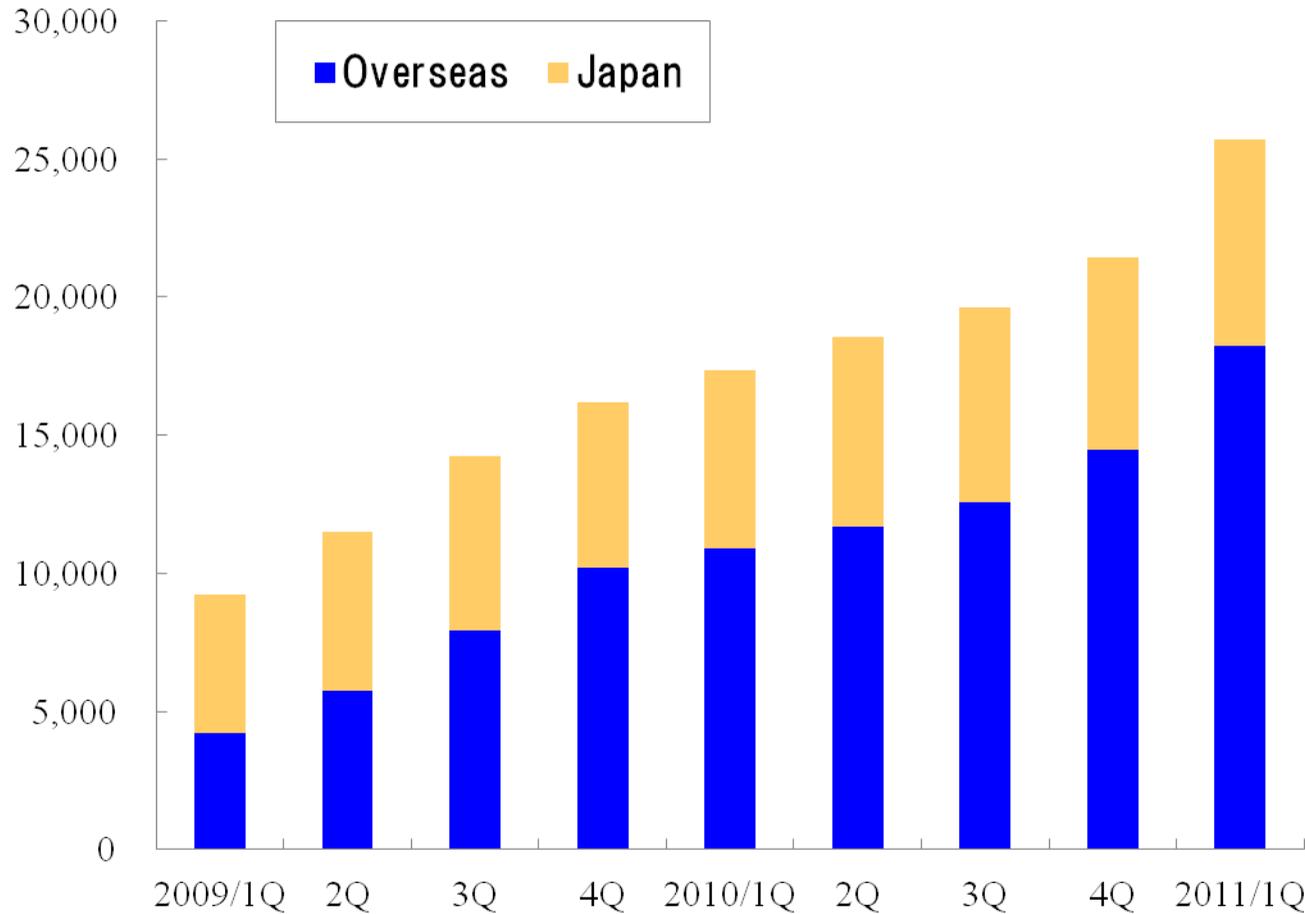
◇ Providing convenient products

- Provision of JCAN certification authority service and JCAN business certificate service for the Japan Institute for Promotion of Digital Economy and Community (JIPDEC) was started.
 - An AWS version of the second-generation, one-click SSL service (patented) was jointly developed with ired, Inc. and began to be provided.
 - A service for cloud service started.
(A single-server certificate that can be used for multiple servers)

◇ Challenge

- Operations were streamlined in response to rapidly surging numbers of certificates sold.

Security Business : Number of SSL Server Certificates Issued



Constant growth overseas

1Q of 2011

Japan: 7,462 certificates

Overseas: 18,242 certificates

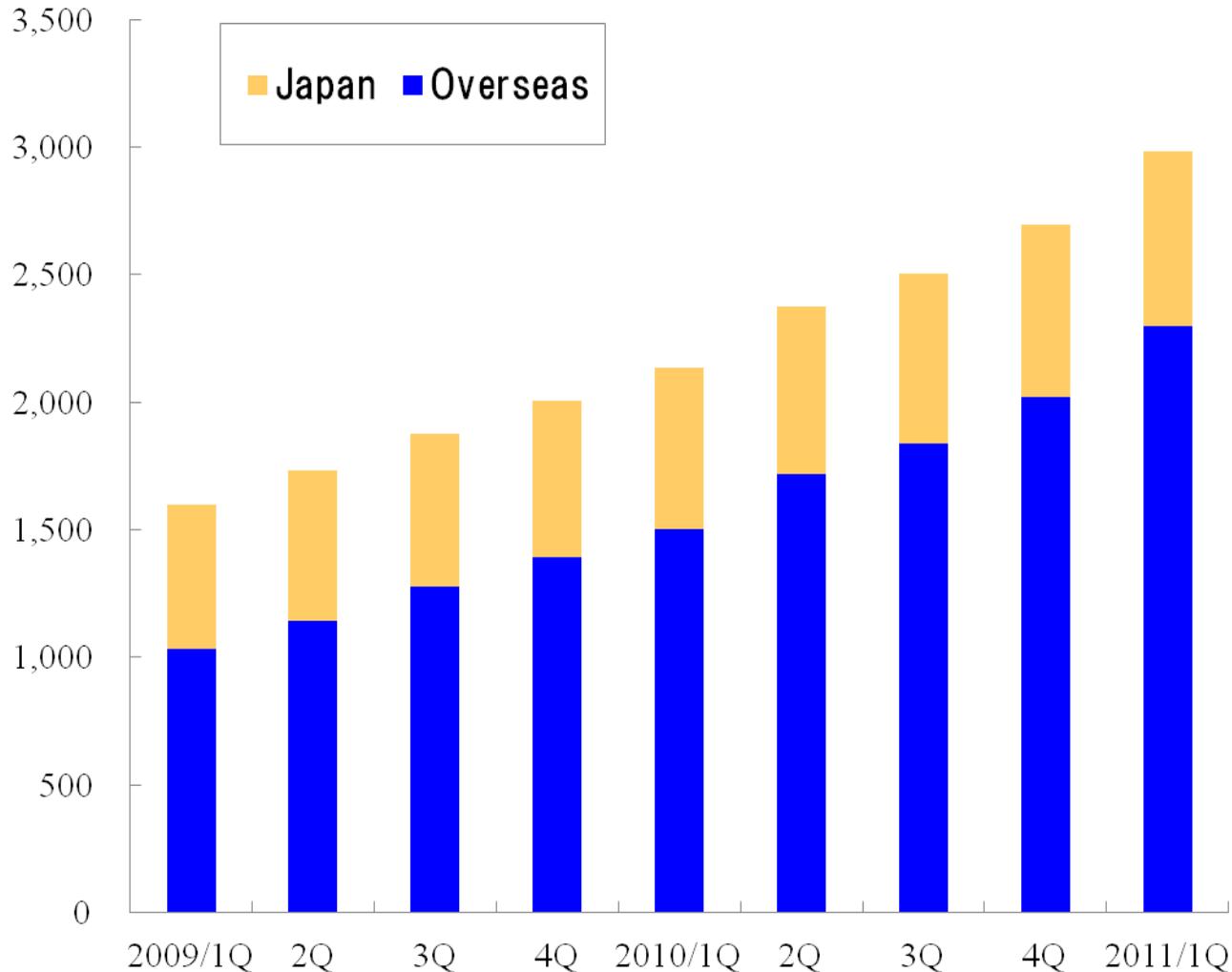
Total: 25,704 certificates

- Up 48.0% year on year

- Up 20.1% quarter on quarter

(Unit: Certificates)

Security Business : Number of Resellers



The resellers network is broadening across the globe

1Q of 2011

Japan: 685 companies

Overseas: 2,299 companies

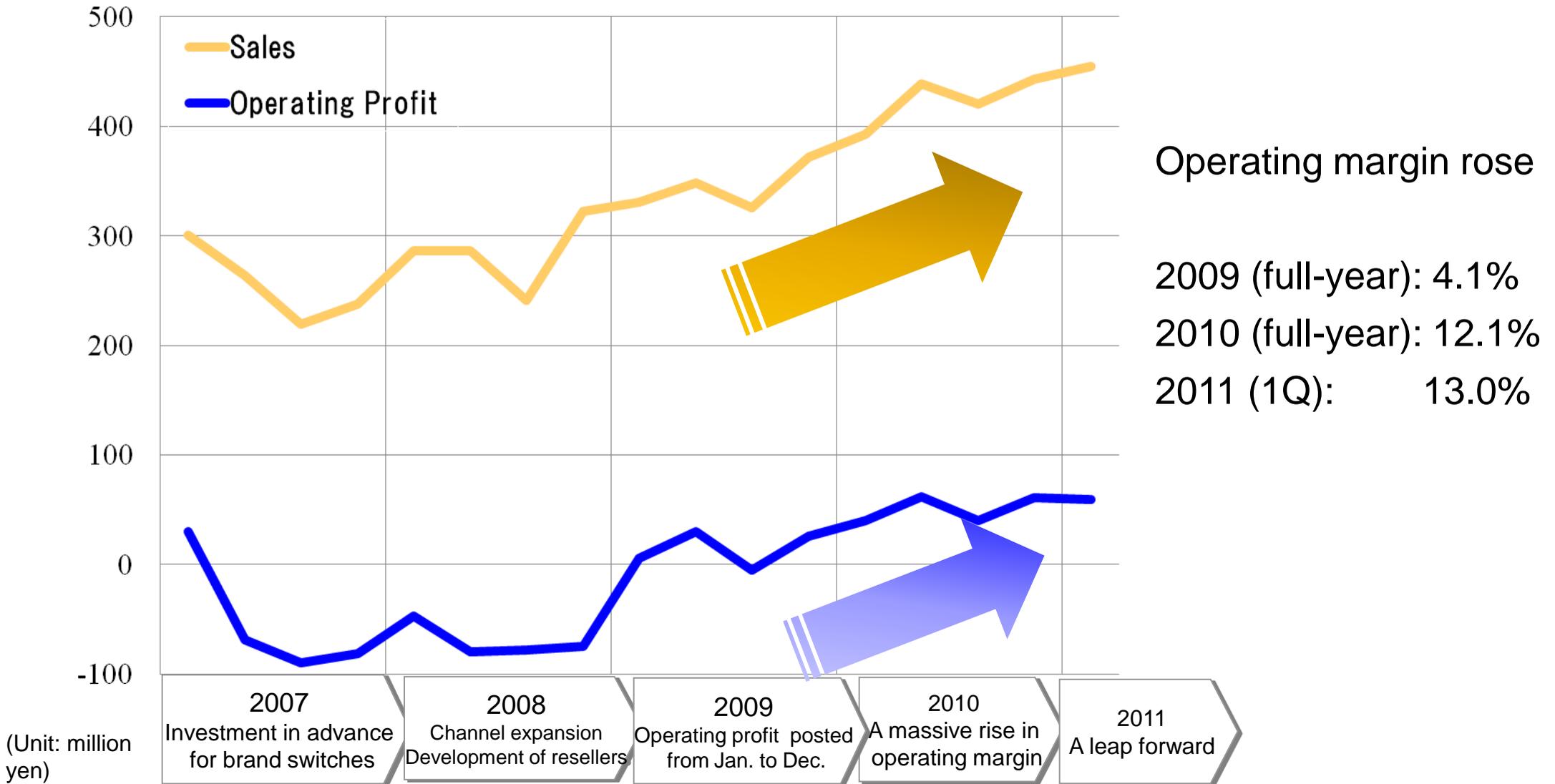
Total: 2,984 companies

- Up 39.6% year on year

- Up 10.8% quarter on quarter

(Unit: resellers)

Security Business : Trends in Sales and Operating Profit



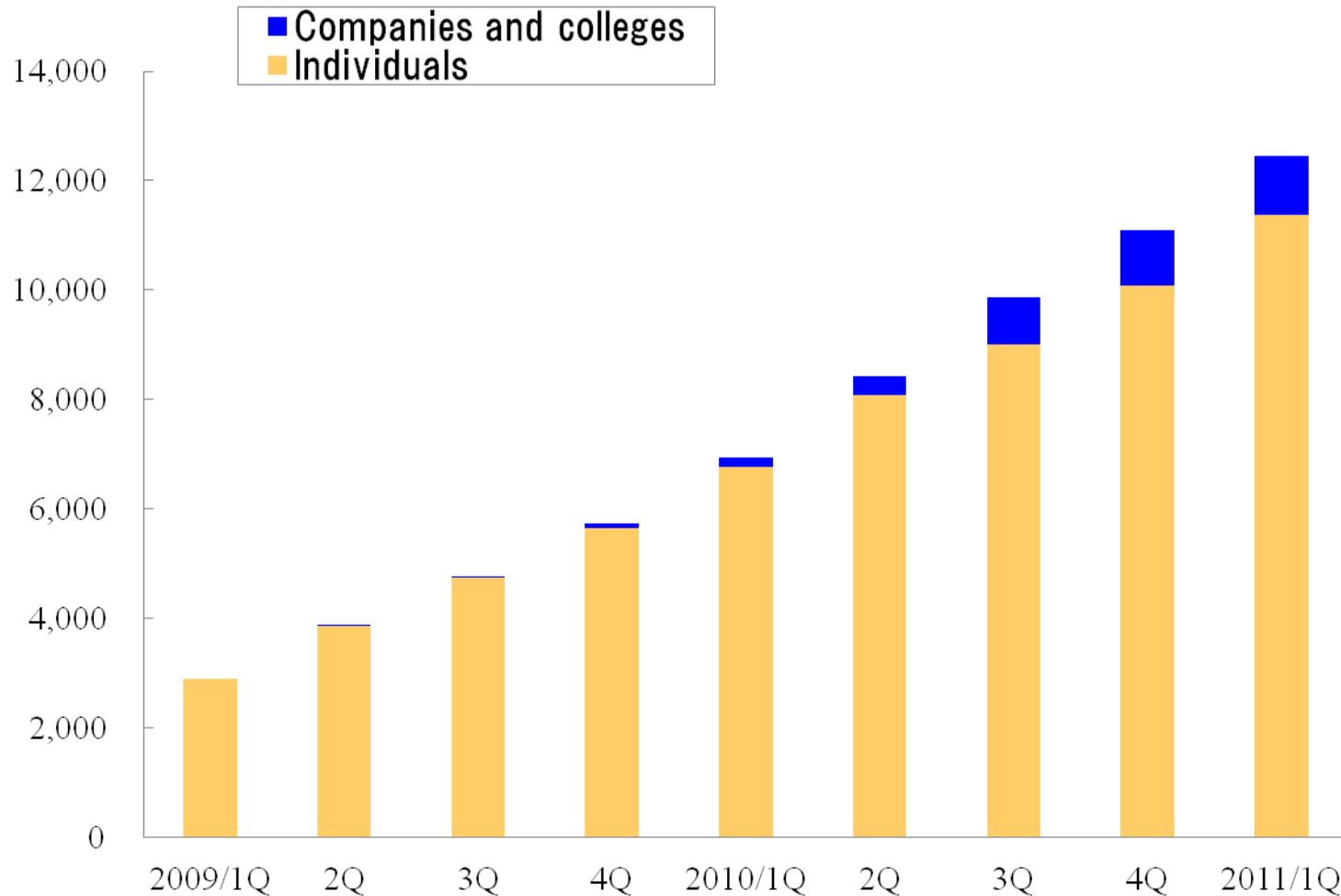
3. Business Overview

【 Solutions Business】

Solutions Business : Summary

	(1) Aiming to be the leader in the region	(2) SaaS
Companies	COMMUNICATION TELECOM INC. CMT Inc.	GMO Fast Translation, INC.
Brands (Services)	 <p>Website production support</p>	 <p>Translation service</p>
	 <p>Support for web production companies</p>	
	 <p>Sales support for online stores (development and sale of customer attraction tools for websites for mobile terminals)</p>	
	Support for corporate introduction of information technology	

Solutions Business : Fast Translation Service



- Alliance with portal sites
- Increases in name recognition

Number of members
as of 1Q of 2011

Individuals: 11,376

Companies and colleges: 1,078

Total: 12,454

- Up 79.7% year on year

- Up 12.2% quarter on quarter

Solutions Business : Services for Smartphones

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Electronic book distribution solution
(Smartphone-ready)



Strong sales of cell-phone websites
(Smartphone-ready)

4. Financial Forecast 2011

Financial Forecast : Qualitative Information

◆ Hosting Services

- Launch new services in the growing market for cloud services.
 - GMO Cloud private cloud solution released on February 7
- Increase sales of enterprise services.
- Achieve profitability for low-end brands.

◆ Security Services

- Continue to expand global market share.
 - Promote multilingual operations and alliances with local partners.
- Continue to strengthen overseas resellers.
 - Convenience of the patented one-click SSL
- Introduce new services.
 - Provision of JCAN certification authority service and JCAN business certificate service for the Japan Institute for Promotion of Digital Economy and Community (JIPDEC) started

◆ Solutions Services

- Services for cloud solutions
 - Sales of smartphones, production of cell-phone websites and electronic book distribution solution
- Fast translation service

Financial Forecast : FY2011 Financial Forecast

(Unit: million yen)	FY2010	FY2011(Forecast)	Percentage Change
Sales	8,333	9,791	+17.5%
Operating Profit	1,064	1,156	+8.6%
Ordinary Profit	1,069	1,150	+7.6%
Net Profit	681	636	-6.6%
Net profit per share (yen)	5,807.06	5,485.43	-5.5%

【Sales】◆ **Hosting Business**

7,230million yen (Y o Y +16.9%)

◆ **Security Business**

2,007million yen (Y o Y +18.3%)

◆ **Solutions Business**

607million yen (Y o Y +14.2%)

【Operating Profit】◆ **Hosting Business**

844million yen (Y o Y +1.3%)

◆ **Security Business**

243million yen (Y o Y +19.0%)

◆ **Solutions Business**

45million yen (Y o Y +6346.0%)

Financial Forecast : Segment Information

(Unit: million yen)	Sales		Y o Y	(Unit : million yen)	Operating Profit		Y o Y
	FY2010	FY2011 (Forecast)			FY2010	FY2011 (Forecast)	
Hosting Services	6,184	7,230	+16.9%	Hosting Services	835	844	+1.1%
Security Services	1,697	2,007	+18.3%	Security Services	204	243	+19.0%
Solutions Services	531	607	+14.2%	Solutions Services	0	45	+6,346%
Intercompany transaction adjustment or all companies	-79	-53	—	Intercompany transaction adjustment or all companies	24	24	—
Consolidated total	8,333	9,791	+17.5%	Consolidated total	1,064	1,156	+8.6%

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