



Code: 3788

Q2 2021

Financial Results Briefing Slides

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1. Q2 2021 Financial Results and Topics

Continuing from Q1, Q2 2021

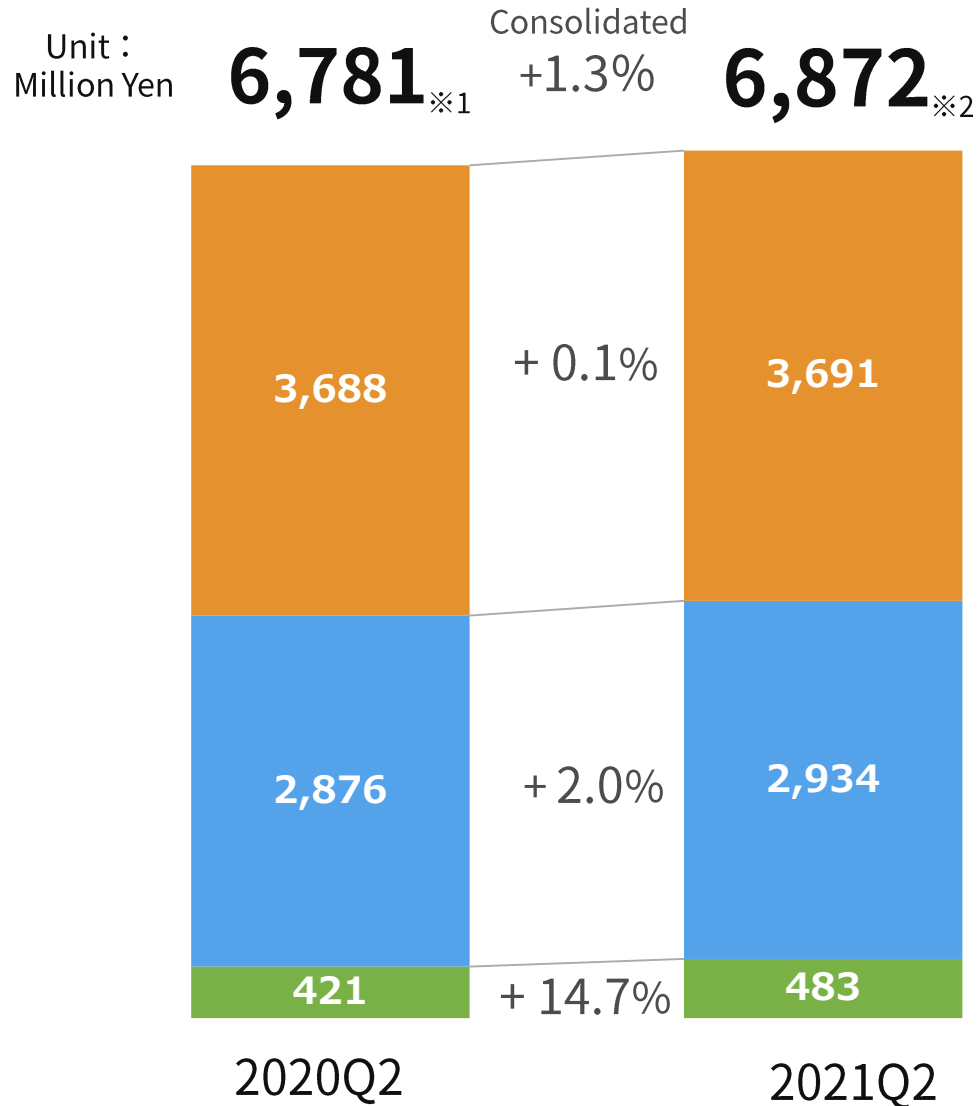
progress on track to meet the annual forecast

- Sales increase due to higher sales of “CloudCREW” and “GMO Shop App”
- New sales progress steadily despite impact of lower unit prices due to reduction of SSL validity period
- Profits lowered due to strategic investments in “GMO Sign”

FY2021 Q2 Consolidated Sales and Profit

	FY2020	FY2021	YoY	FY2021 (Forecast)	Achievement Ratio
Unit : Million Yen					
Sales	6,781	6,872	+1.3%	14,229	48.3%
Operating Profit	812	503	△38.0%	1,008	49.9%
Ordinary Profit	922	490	△46.8%	1,050	46.7%
Profit Attributable to Owners of Parent	698	403	△42.2%	775	52.1%

FY2021 Q2 Consolidated Sales and Profit



Digital Certificate and eSignature Segment

- Sales increase due to higher new sales despite impact of reduction of SSL validity period

Cloud Infrastructure Segment

- Sales increase as CloudCREW sales perform well (+126% year-over-year)

DX Segment

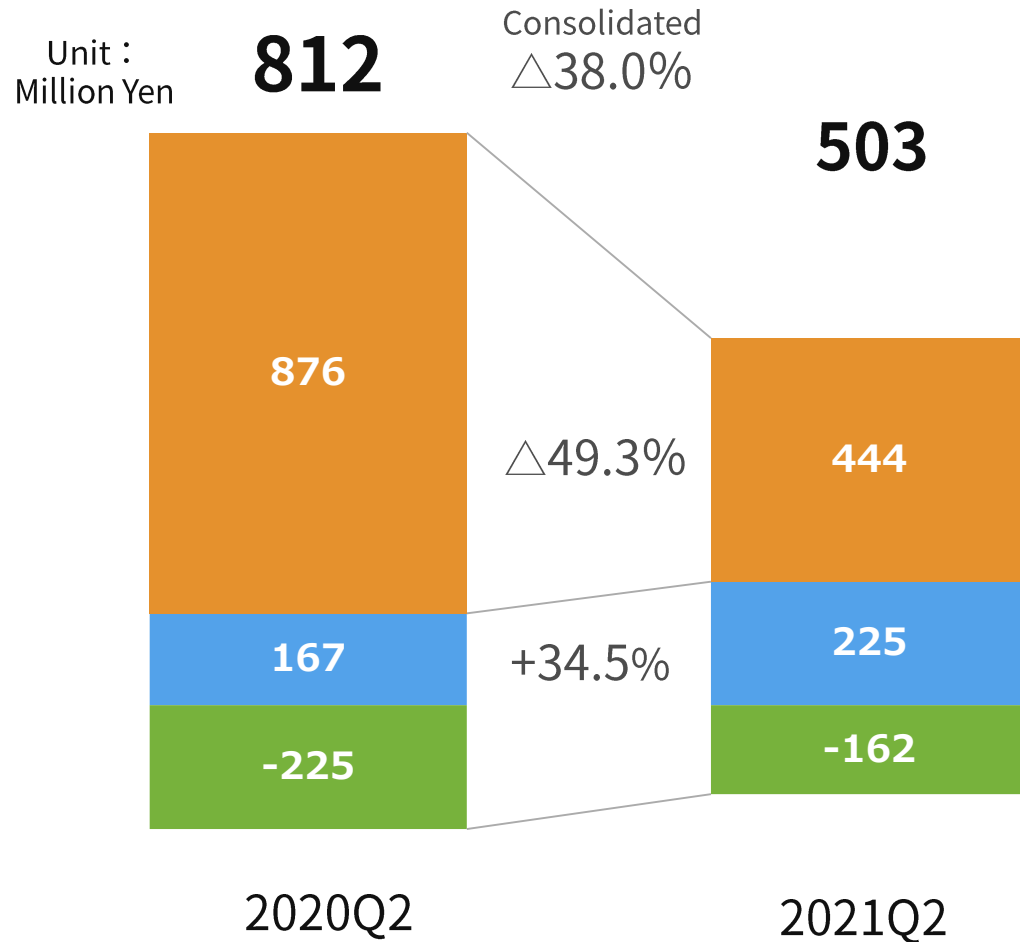
- Sales increase due to higher sales for GMO Shop App

※1 Internal Transaction 205M

※2 Internal Transaction 237M

FY2021 Q2 Consolidated Sales and Profit

Financial Results



Digital Certificate and eSignature Segment

- Profits decreased due to greater strategic investment expenses (related to sales promotion and service development)

Cloud Infrastructure Segment

- Profits increased due to improved operational efficiency

DX Segment

- Profits increased due to increased sales

FY2021 Quarterly Comparison

- Sales increased in the Cloud Infrastructure and Digital Transformation segments
- Profit decreased as advertising expenses rose due to strategic investments for the Digital Certificate and eSignature segment

Unit : Million Yen	FY2020 2 Q	FY2020 3 Q	FY2020 4 Q	FY2021 1 Q	FY2021 2 Q	QoQ
Sales	3,336	3,271	3,279	3,417	3,455	+1.1%
Operating Profit	396	277	267	308	195	△36.6%
Ordinary Profit	428	257	214	293	196	△33.2%
Profit Attributable to Owners of Parent	338	186	285	229	174	△24.1%

2. Business Overview

Topics



- Began providing function to link with My Number Card, a first in Japan, as e-contract service in order to popularize “GMO Sign for everyone”
- “GMO Sign” linked to operations automation service “ActRecipe” to make it possible to link with cloud storage services such as Box and Google Drive
- “GMO Sign” linked with operations digitalization cloud “SmartDB” for corporations



- Participated in “Public-Private Conference for Future Air Mobility Revolution” organized by the Ministry of Economy, Trade and Industry (METI) and the Ministry of Land, Infrastructure, Transport and Tourism (MLIT)
Contributed to the growth of next-generation mobility industry by cooperating from the security technology field



- Utilized in NTT docomo’s online presentation and the rock band RADWIMPS’s virtual concert

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

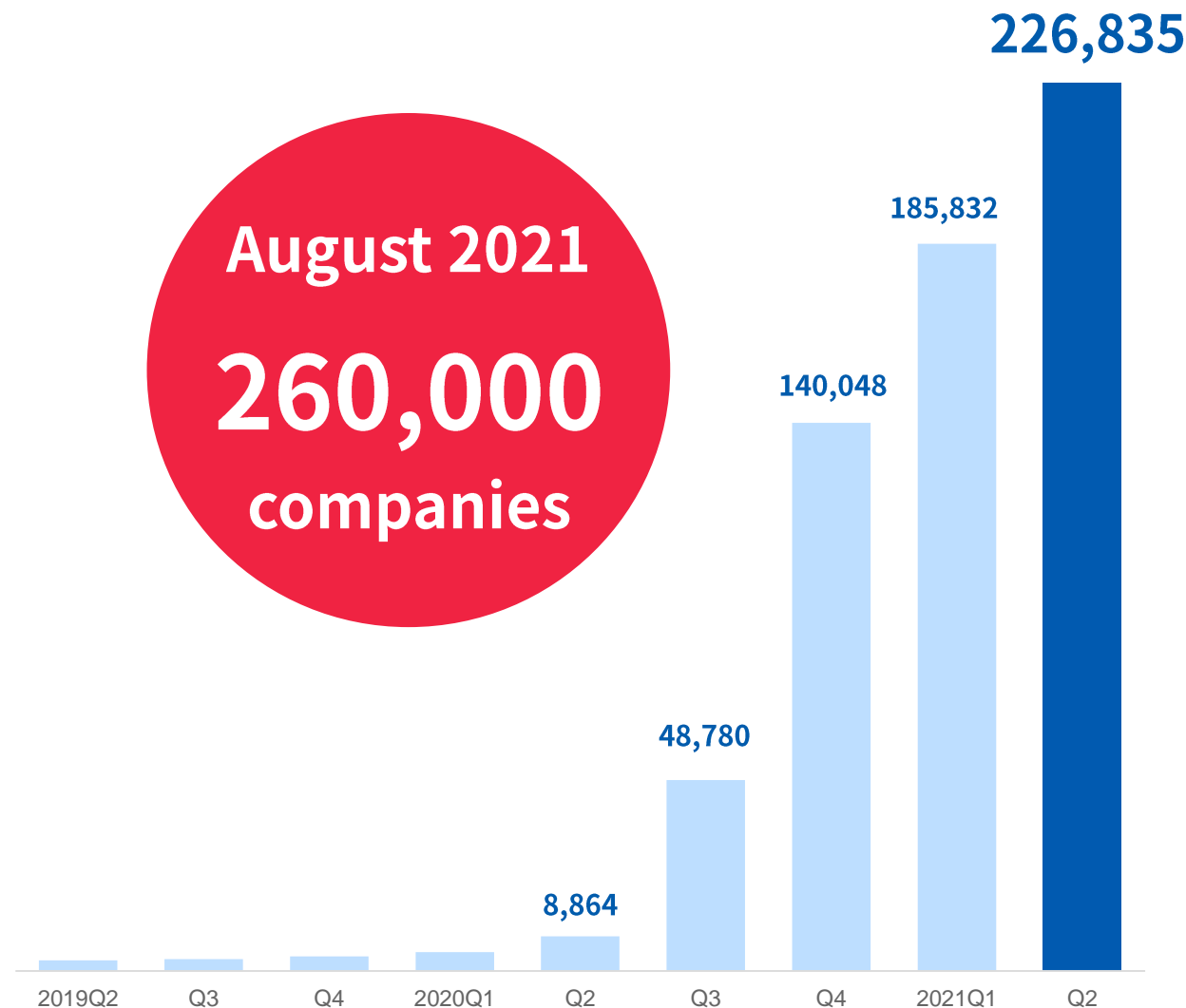


Domestic Certificate Authority operated in-house
SSL market share: **No. 1** in Japan, No. 3 worldwide



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

Number of User Companies



August 2021
260,000
companies

Domestic market share

No.1

Increased

26-fold
YoY

Digital Transformation and Segment

Number of Contract Transmissions

Digital Nature Significant and

Increased
2.4-fold
YoY



導入企業 (一部抜粋)

First in Japan! Began linkage functionality with My Number Card

～Prove identity as well as official seal just by tapping a smartphone app～

Major uses

Real estate
procedures

Banking/financial
procedures

Construction/
building
procedures

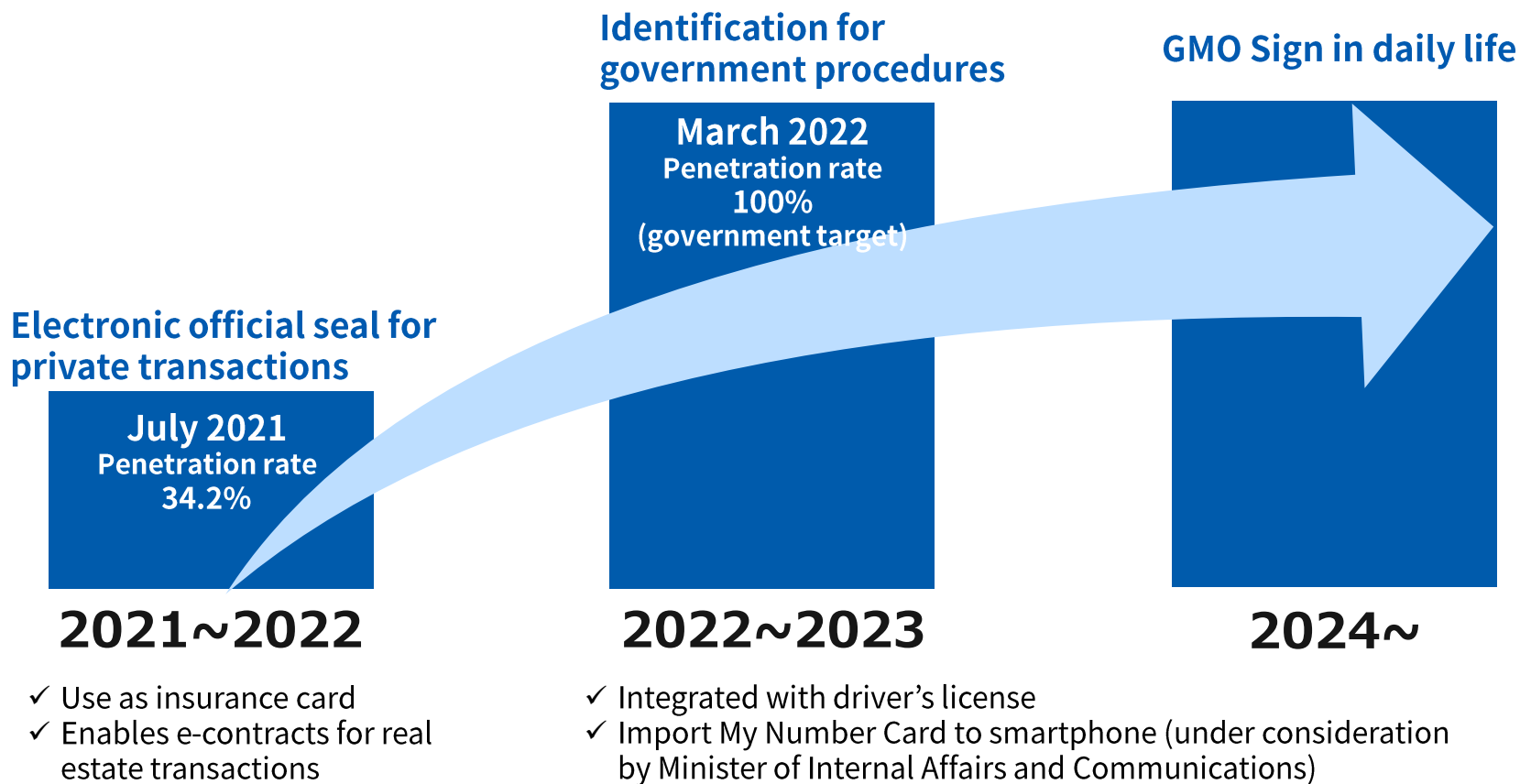
Government
service
procedures

土地売買 / 住宅購入 / 不動産取引 / 口座開設
/ 銀行融資・ローン / 生命保険・自動車保険な
どの各種保険の加入 / 金銭その他貸借証書・
契約書の作成 / 著作権管理契約



eSignature for everyone

～Promote project along with popularization of My Number Cards～



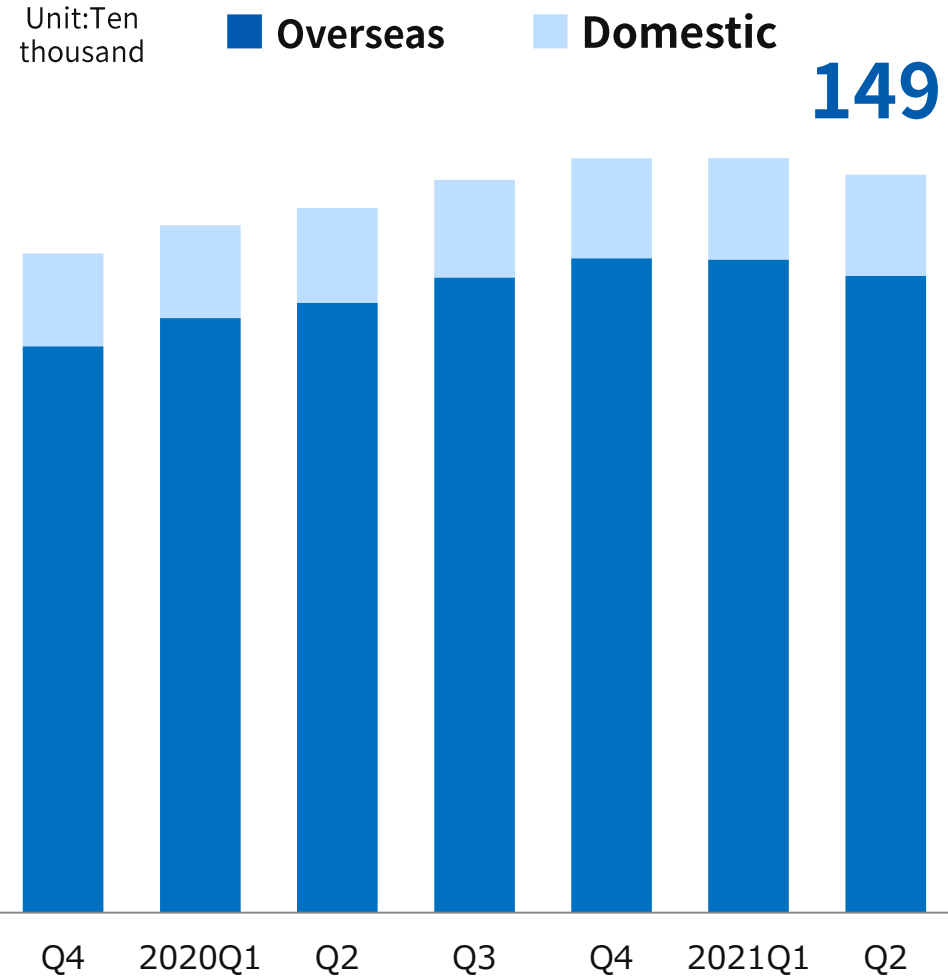
75 local governments participate in pilot tests ※

Local governments covering approximately 45% of population participate. Aim for implementation next fiscal year.



※ 75 local governments, including 41 local governments that already announced their participation, are participating in pilot tests using “GMO Sign for Administrative Reform through Digital Transformation” (July 16th, 2021)

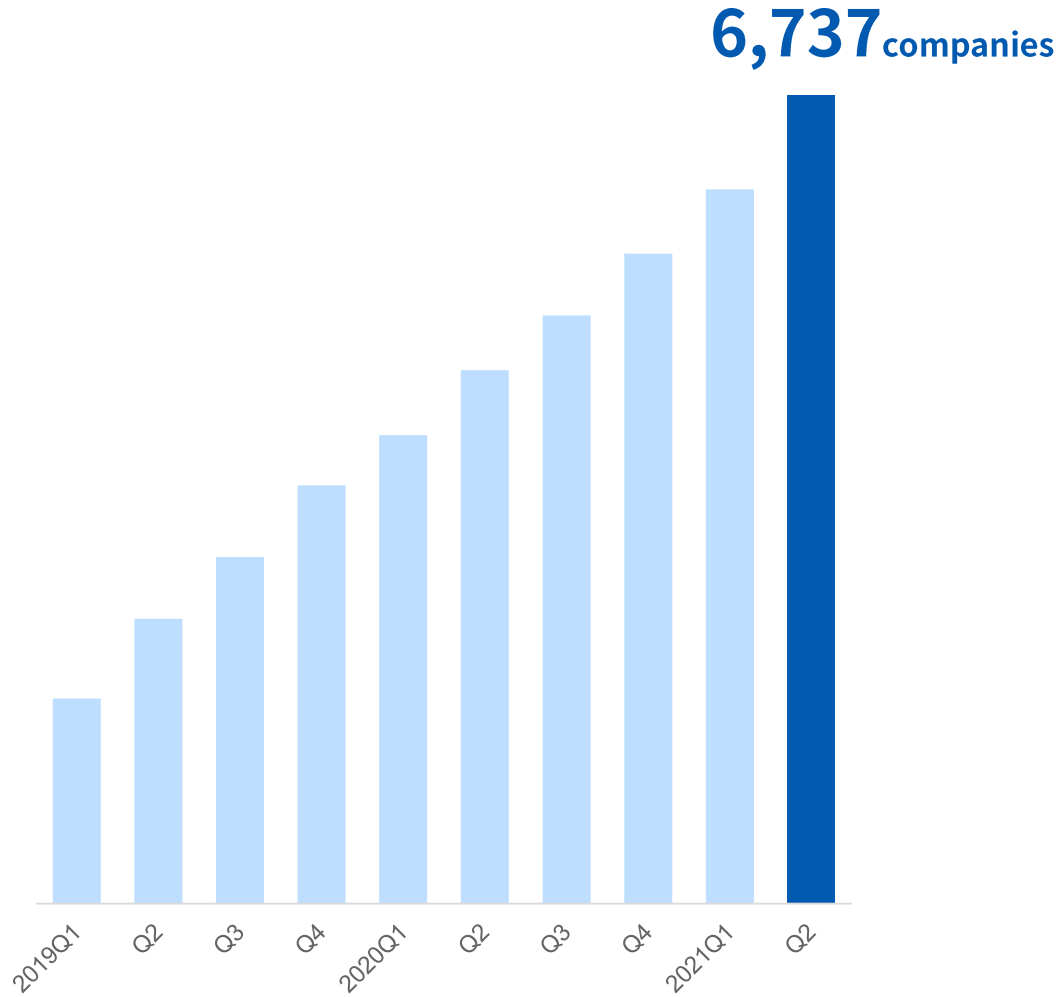
Number of Valid SSL Certificates Issued*



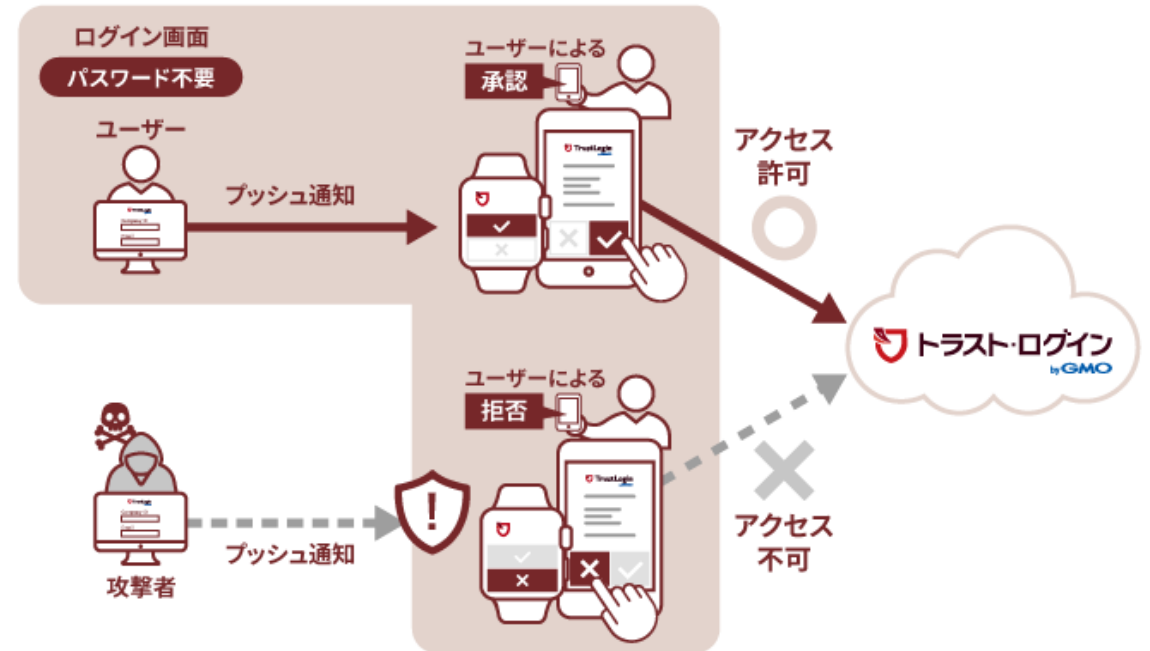
**Sales are trending up,
but fell this quarter
due to enterprise shift**

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

Digital Nature Segments and



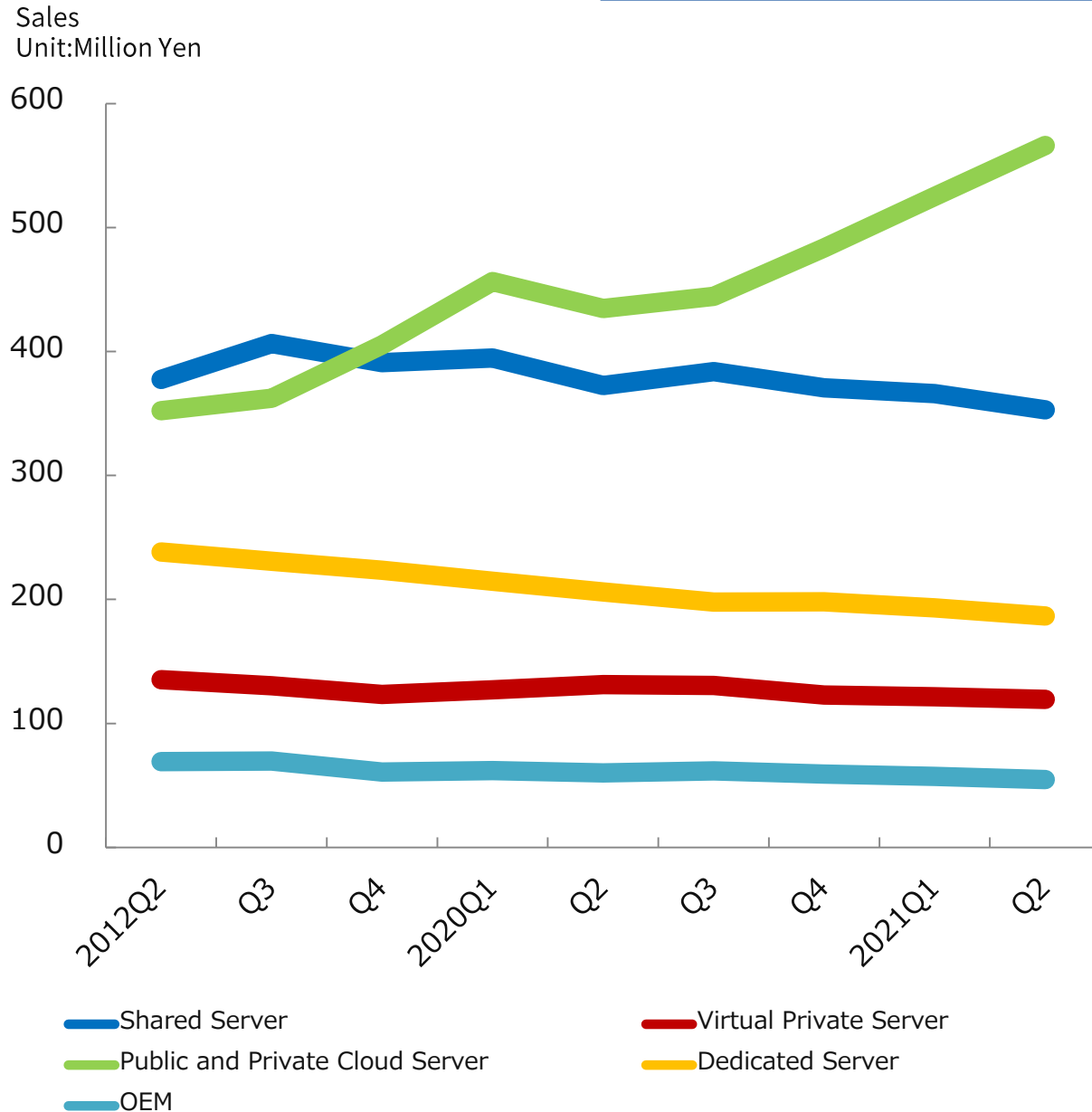
Released password-less identification function



Improve security and convenience to differentiate functionality

Cloud Infrastructure Segment

Product Sales

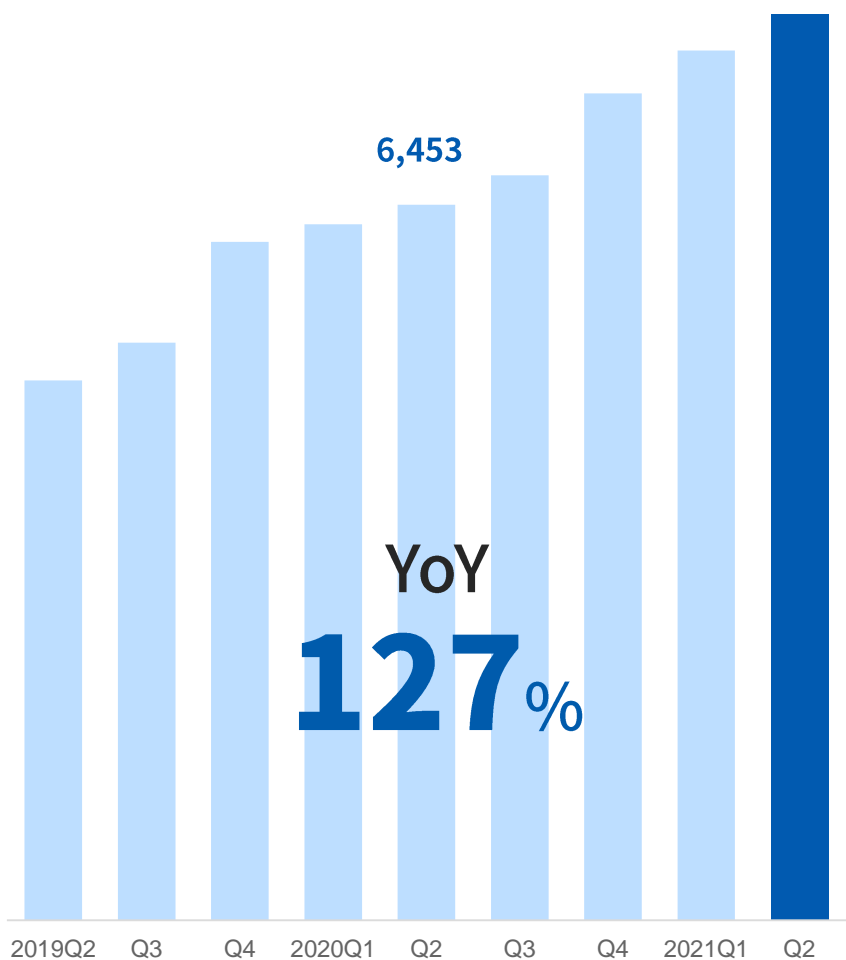


Sales growth continues

Cloud Infrastructure Segment

DX Segment

Number of Shops Using App **8,169**



Began sales country-wide

Loaded Shop App functionality by default to “SMBD GMO PAYMENT” device



stera terminal



Promoted digital transformation of events

Utilized in NTT docomo online event
“docomo Open House 2021”



Utilized in virtual live event of the
rock band RADWIMPS



DX Segment

Reference Materials

Summary of Consolidated Income Statement

Unit : Million Yen	FY2020Q2	FY2021Q2	Ratio
Net Sales	6,781	6,872	+1.3%
Cost of Sales	2,714	2,788	+2.7%
Gross Profit	4,067	4,084	+0.4%
Selling, General and Administrative Expenses	3,254	3,580	+10.0%
(Marketing Expenses)	233	388	+66.2%
(Depreciation)	77	136	+75.0%
Operating Income	812	503	△38.0%
(Operating Income Ratio)	12.0%	7.3%	—
Ordinary Income	922	490	△46.8%
Income before income taxes	918	490	△46.6%
Income taxes expense	241	125	△48.2%
Profit Attributable to Owners of Parent	698	403	△42.2%

Summary of Consolidated Balance Sheet

Unit : Million Yen	2020 Dec.	2021 Jun.	Ratio
Current Assets	7,390	7,002	△5.2%
(Cash and Deposits)	4,670	4,277	△8.4%
(Account Receivable)	1,399	1,440	+3.0%
Fix Assets	3,672	4,126	+12.3%
(Software)	1,659	1,983	+19.5%
(Investment Securities)	586	650	+10.9%
Amount of Assets	11,063	11,128	+0.6%
Liabilities	3,774	4,113	+9.0%
(Advances by customers)	1,725	1,859	+7.7%
(Debt+Lease)	524	715	+36.4%
Net Assets	7,288	7,015	△3.8%
(Shareholders' Equity)	6,826	6,542	△4.2%
(AOCI)	168	443	+162.3%
(Non-Controlling interest)	293	30	△89.7%
Liabilities + Net Assets	11,063	11,128	+0.6%

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%
D X	922	1,384	+50.1%
Internal Transaction	△440	△ 448	—
Total	13,332	14,229	+6.7%

Operating Profit

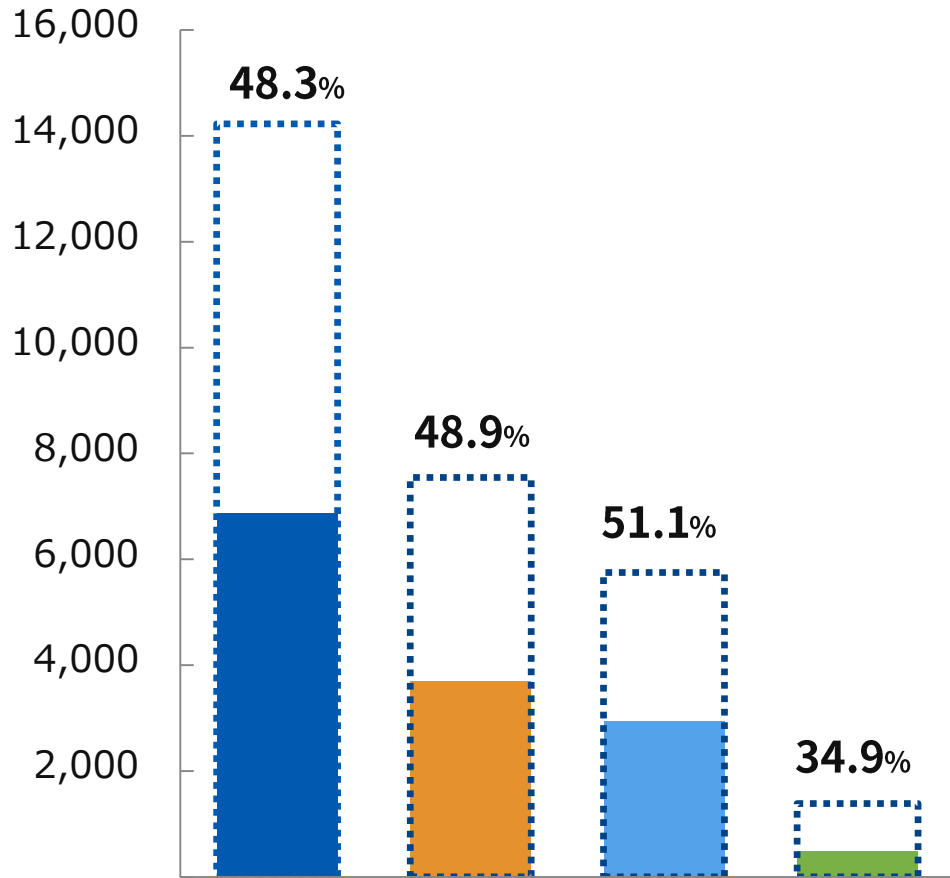
Unit: Million Yen	FY2020 (Actual)	FY2021 (Forecast)	Forecast against Actual
Digital Certificate & eSignature	1,420	1,109	△21.9%
Cloud Infrastructure	344	344	+0.0%
D X	△396	△ 446	—
Internal Transaction	△11	+1	—
Total	1,357	1,008	△25.7%

FY2021 Q2 Annual Budgets and Results

Reference Materials

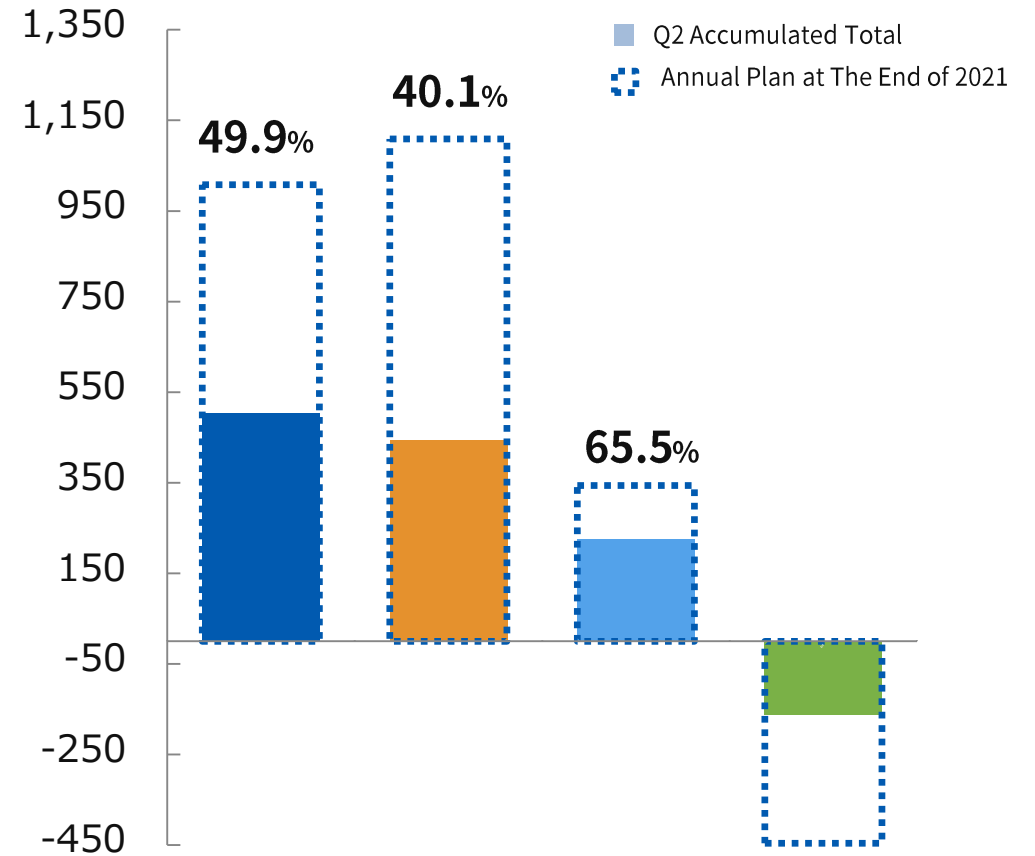
Unit : Million Yen

Sales



Operating Profit

(%: Achievement Ratio)



■ 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 7, Overseas 7) Non-consolidated 2(Overseas 2) (The end of March, 2021)
Employees	Consolidated 987 (The end of June, 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%



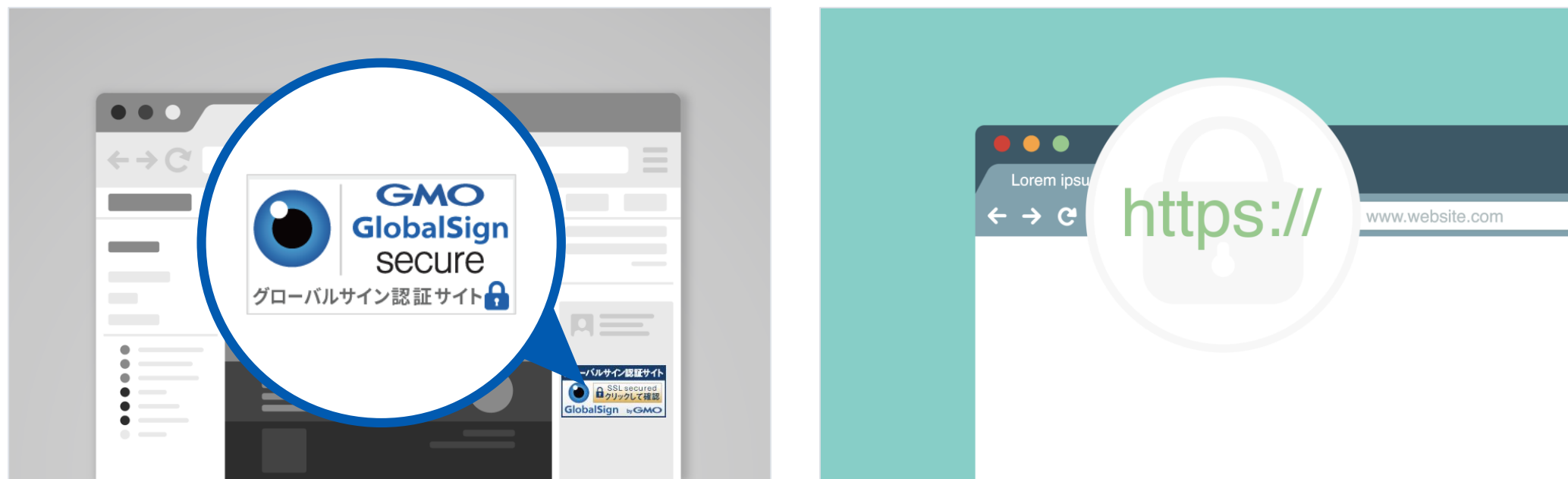
eSignatures
per month

2million

Also used by
DocuSign (USA)



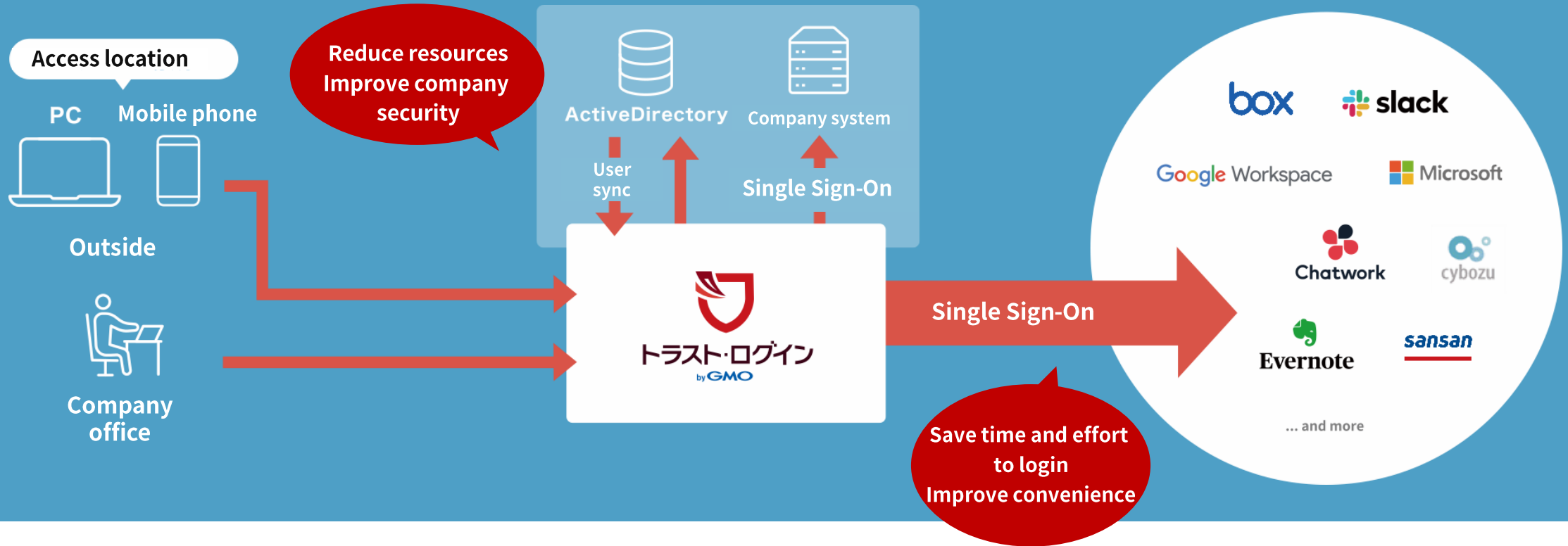
A Certificate Authority is an organization that certifies identities on the internet



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

C
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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



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

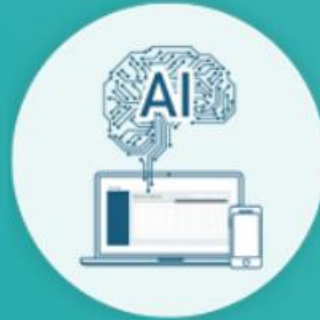
~Visualize your car’s state for your safety and convenience~

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

