

May 25, 2021

Company Name: GMO Internet, Inc.
(TSE First Section, Code: 9449)
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Notice Regarding Share Acquisition (Conversion into Subsidiary) of YJFX, Inc. by GMO Financial Holdings, Our Consolidated Subsidiary

GMO Internet, Inc. (the "Company") hereby announces that the consolidated subsidiary, GMO Financial Holdings, Inc. (JASDAQ: 7177) ("GMO-FH") has decided, at its Board of Directors meeting held on May 25, 2021, to acquire all shares in YJFX, Inc. ("YJFX"). As a result of this acquisition, YJFX will become a subsidiary of the Company.

We intend to change the company name from YJFX to Gaika ex byGMO, Inc. on the effective date of the share transfer.

1. Reason for the stock acquisition

GMO-FH operates Securities & FX and Cryptoassets businesses that offer services - to mainly retail investors - through which various financial instruments such as securities, FX, CFD, cryptoasset, etc. can be traded online, under the corporate philosophy of "Make financial services more reasonable, more fun, and more flexible." OTC-FX trading services of GMO CLICK Securities, a subsidiary of GMO-FH, are the core products of the Securities & FX business. Its customer base is expanding by pursuing a convenient trading environment, and its OTC-FX trading services have No.1^{*1} transaction volume in Japan for the 9th consecutive year, leading the industry.

Established in September 2003, YJFX has been offering its online FX transaction services and has become Yahoo Japan Corporation's finance-related strategic subsidiary in January 2013. YJFX's ultimate aim is "Putting interrobangs^{*2} beside finance." It offers strong smartphone tools that are easy to use and help expand its customer base, and has seen steady growth.

GMO-FH's strategic policy is to "Enhance our strengths" and we have strengths in OTC-FX business. Therefore, we have been endeavoring to expand the FX market share and improve the profitability of FX, with the aim of realizing sustainable growth. GMO-FH has determined that sharing the knowledge, know-how, and business resources both companies have cultivated until now and strengthening the integration may improve service value, further expand our market share, further improve profitability, and accelerate both companies' growth, so it has been decided to acquire YJFX shares.

^{*1} According to Finance Magnates (January 2012-December 2020)

^{*2} Interrobang (‡) is a mark with a question mark (?) superimposed on the exclamation mark (!) and has both meanings.

2. Outline of subsidiary acquiring the shares

(1) Name	GMO Financial Holdings, Inc.
(2) Location	1-2-3 Dōgenzaka, Shibuya City, Tokyo
(3) Name & title of representative	Hiroyasu Kito, CEO
(4) Business description	Management of consolidated subsidiaries and other related operations.
(5) Capital	JPY 705 million (as of March 31, 2021)
(6) Establishment	January 4, 2012

3. Overview of the new subsidiary

(1) Name	YJFX, Inc.			
(2) Location	1-3 Kioichō, Chiyoda City, Tokyo			
(3) Name & title of representative	Yoshifumi Matsumoto, President and Representative Director, CEO			
(4) Business description	Type I financial instruments business based on the Financial Instruments and Exchange Act, Type II financial instruments business based on the Financial Instruments and Exchange Act, Investment Advisory Business based on the Financial Instruments and Exchange Act			
(5) Capital	JPY 490 million			
(6) Establishment	September 1, 2003			
(7) Major shareholders and ownership ratio	Yahoo Japan Corporation: 100%			
(8) Relationship with GMO Financial Holdings	Capital relations	Not applicable		
	Human relations	Not applicable		
	Business relations	Not applicable		
(9) Operating results and financial standing over the last three years (Yen in millions)				
	Fiscal year-end	FYE 3/2019	FYE 3/2020	FYE 3/2021
Net assets		23,392	24,968	22,120
Total assets		129,319	134,985	137,438
Net assets per share (JPY)		1,444,011.65	1,541,270.63	1,365,463.52
Operating Revenues		7,747	8,525	9,783
Operating income		1,999	2,581	2,779
Ordinary income		1,990	2,377	3,049
Net income		917	1,587	2,115
Net income per share (JPY)		56,632.98	97,992.00	130,555.75
Dividend per share (JPY)		0	0	310,000

* YJFX will award a dividend of JPY 11,000 million to existing shareholders before the effective date of the share transfer.

4. Outline of the counterparty of the share acquisition

(1)	Name	Yahoo Japan Corporation	
(2)	Location	1-3 Kioichō, Chiyoda City, Tokyo	
(3)	Name & title of representative	Kentaro Kawabe, President and Representative Director, CEO	
(4)	Business description	e-Commerce business, Members Services business, Internet Advertising business, Other businesses	
(5)	Capital	JPY 199,250 million (as of March 31, 2021)	
(6)	Establishment	May 10, 2019	
(7)	Net assets	JPY 586,382 million	
(8)	Total assets	JPY 1,064,180 million	
(9)	Major shareholders and ownership ratio	Z Intermediate Holdings Corporation: 100%	
(10)	Relationship with GMO Financial Holdings	Capital relations	Not applicable
		Human relations	Not applicable
		Business relations	Not applicable
		Related party relationship	Not applicable

5. Number of shares to be acquired, amount of acquisition, and shareholdings before and after the acquisition

(1)	Shareholdings before the acquisition	0 shares (0%) (number of voting rights: 0)	
(2)	Number of shares to be acquired	16,200 shares (number of voting rights: 16,200)	
(3)	Amount	Common stock of YJFX, Inc.	JPY 28,824 million
		Estimated advisory costs, etc.	JPY 100 million
		Total (estimated amount)	JPY 28,924 million
(4)	Shareholdings after the acquisition	16,200 shares (100%) (number of voting rights: 16,200)	

* Upon the computation of the cost of the share acquisition, a third-party organization conducted appropriate due diligence investigations, calculated the value of the shares via the DCF Analysis, and conducted enough assessment of the validity of the prices.

6. Schedule

(1)	Date of resolution by the Board of Directors	May 25, 2021
(2)	Contract execution	May 28, 2021
(3)	Effective date of the share transfer	Late September 2021 (plan)*

* This assumes that the Japan Fair Trade Commission has finished assessing the business combination.

7. Future outlook

The Company will reflect YJFX's results in the consolidated earnings from the fourth quarter (October 1, 2021, to December 31, 2021) FYE 12/2021. The Company will decide the valuation and amortization period of goodwill and intangible assets pertaining to the stock acquisition following a close examination. The Company will also promptly disclose the important information following a close examination of the impact of a new subsidiary YJFX on the consolidated results if matters to be disclosed arise.

Internet Finance and Cryptoassets Exchange businesses, which are developed by GMO-FH, are significantly affected by economic conditions or market volatility. As it is difficult to forecast business results, the Company does not disclose the forecast.