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Announcement Concerning Differences between Financial Results for FY2021 and FY2020

GMO Internet announces the following differences between financial results for FY2021 and FY2020.

1. Differences between the actual financial results for FY2021 and the previous fiscal year

(Millions of yen, except per share figures)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net profit per share
Actual for FY2020 (A)	210,559	27,893	27,136	10,284	93.00
Actual for FY2021 (B)	241,446	41,097	43,393	17,527	159.69
Change (B-A)	30,887	13,204	16,256	7,243	-
% change	14.7%	47.3%	59.9%	70.4%	-

(1) Reasons for the differences

The Internet Infrastructure segment, comprising multiple No. 1 products, reported record high earnings with strong performance mainly in Payment and Ecommerce solutions partly due to the spread of online consumption. The Online Advertising & Media segment showed steady growth thanks to a recovery of the advertising market in addition to our efforts including product change in FY2020, revamp of sales approach and cost reduction. The Internet Finance segment reported record high earnings due to profitability improvement in OTC FX and consolidation of Gaika ex byGMO, Inc. despite weak growth in the transaction volume compared to FY2020 which enjoyed booming markets. In the Cryptoassets segment, the Cryptoassets exchange business

carried out aggressive marketing activities aimed at enhancing its market recognition and increasing market share while enjoying a strong growth in transaction volume supported by rising cryptoasset prices. In the Cryptoassets mining business, mining profitability increased, contributing to record high earnings.

As a result, for the fiscal year ended December 31, 2021, the Group recorded net sales of ¥241,446 million (up 14.7% year-on-year), operating profit of ¥41,097 million (up 47.3% year-on-year), ordinary profit of ¥43,393 million (up 59.9% year-on-year), and net profit attributable to owners of the parent of ¥17,527 million (up 70.4%), all hitting record highs. For details, please see the press release dated February 10, 2022, entitled “Fiscal Year 2021 Consolidated Financial Results (Japanese GAAP).”

2. Differences between the actual non-consolidated financial results for FY2021 and the previous fiscal year

(Millions of yen, except per share figures)	Net sales	Operating profit	Ordinary profit	Net profit	Net profit per share
Actual for FY2020 (A)	64,251	5	7,207	7,040	63.66
Actual for FY2021 (B)	66,872	4,208	14,681	11,828	107.77
Change (B–A)	2,621	4,202	7,473	4,788	-
% change	4.1%	-	103.7%	68.0%	-

(1) Reasons for the Differences

Net sales saw steady growth mainly due to the growth in hosting & cloud contracts. The significant increase in operating profit was because of the posting of bonuses linked to performance in the same period last year in addition to proper promotion costs. Dividend income grew as the Group companies expanded their businesses, so the ordinary profit increased. Although the Company posted a gain on sale of investment securities in the same period last year, net profit was up due to the increase in the operating profit and ordinary profit.