

April 18, 2022

Company Name: GMO Internet, Inc.
(TSE Prime Market, Code: 9449)
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Notice Regarding Change in Equity Method Affiliate and Gain on Sale from Transfer of Shares

GMO Internet, Inc. (the Company) hereby announces that its consolidated subsidiary, GMO Payment Gateway, Inc. (TSE Prime Market: 3769; hereinafter, "GMO-PG") has resolved at the Board meeting held today to transfer all of the shares of its equity method affiliate 2C2P Pte. Ltd. (2C2P) owned by the subsidiary GMO-Z.COM PAYMENT GATEWAY PTE. LTD. (GMO-Z PG SG).

In addition, the transfer of shares will result in the exclusion of 2C2P as an equity method affiliate.

1. Reasons for the Transfer of Shares

In order to expand the payment processing business in the Asian region, GMO-PG, which develops comprehensive payment-related services and financial-related services in the Internet Infrastructure segment, acquired shares of 2C2P, a company providing payment processing business mainly in Thailand, through the consolidated subsidiary GMO-Z PG SG and made 2C2P an equity method affiliate in August 2016. 2C2P has steadily improved its business performance in Southeast Asia, and GMO-PG has recently received an offer from a global payment processing company based in China to acquire the shares owned in 2C2P.

GMO-PG has agreed to the sale and executed an agreement for the transfer of shares based on the decision that the transfer would be beneficial for the future growth of GMO-PG as well as 2C2P and by taking a comprehensive view that the price of the share transfer is valid and reasonable, and that the acquiror's policy is to further enhance 2C2P by making it a subsidiary. The transfer of shares will be completed once all the preconditions and terms are fulfilled (estimated timing of closure is June 2022).

GMO-PG will continue its policy to expand the Payment Processing Business and the Money Service Business overseas, particularly in Southeast Asia. The funds received from the share transfer will strengthen the financial soundness of GMO-PG as well as be used for growth investments including overseas lending operations in order to further our efforts to achieve sustainable growth and enhance the corporate value.

2. Name of equity method affiliate to be transferred

2C2P Pte. Ltd.

3. Schedule of share transfer

June 2022 (planned)

4. Name of the counterparty in the share transfer

ADVANCED NEW TECHNOLOGIES (SINGAPORE) HOLDING PTE.LTD.

5. Number of shares to be transferred and the percentage of shareholding before and after the transfer

(1)	Shares owned before the change	3,292,272 shares	(ownership of voting rights:29.34%)
(2)	Number of shares to be transferred	3,292,272 shares	
(3)	Shares owned after the transfer	0 shares	(ownership of voting rights: 0%)

(Note): The amount of the transfer price is not disclosed due to non-disclosure obligations agreed to between the parties. Note that the transfer price will not be identical to the amount calculated by dividing the gain on sale from share transfer with the ownership proportion of voting rights.

6. Outlook

Due to the transfer of shares, the fiscal year ending December 2022 is estimated to record a gain on sales of investments in securities of ¥17.0bn. Part of the transfer value is stored in an escrow account as set forth in the share transfer agreement, and the Company expects to post a gain on sale, etc. of approximately ¥1.0bn by the fiscal year ending December 2024, when conditions are met. Note that the transfer price, etc. are estimates as of this writing and the actual amounts may vary. The foreign exchange rate assumed is 1 USD = 122.41JPY (as of March 31, 2022). The difference in gain on sales between GMO-PG's press release "Notice Regarding Change in Equity Method Affiliate, Gain on Sale from Transfer of Shares, and Revision of Financial Earnings Forecast" published today and the current press release is because of different investment book value due to the difference in accounting standards between GMO-PG and the Company.

We are closely assessing the impact of this share transfer on the consolidated business performance of the Company for the year ending December 31, 2022. The Company will promptly disclose any further important information which has come to light.