

Company Name: GMO Internet Group, Inc.
(TSE Prime Market, Code: 9449)

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Recording the Provision of Allowance for Doubtful Accounts at Consolidated Subsidiary

GMO Internet Group, Inc. (the "Company") hereby announces that GMO-Z com Securities (Thailand) Public Company Limited, a consolidated subsidiary of the Company, has decided the posting of the provision of allowance for doubtful accounts.

1. Overview and background of recording the provision of allowance for doubtful accounts

In consideration of the fact that nontransparent transactions have taken place across the stock market of Thailand regarding substitute securities (one stock) accepted as collateral from customers when providing margin transactions at GMO-Z com Securities (Thailand) Public Company Limited, which operates online securities trading services in Thailand and is the consolidated subsidiary of GMO Financial Holdings, Inc. (Standard: 7177), a consolidated subsidiary of the Company, the value of such securities has plummeted significantly. GMO-Z com Securities (Thailand) Public Company Limited has accepted such securities as collateral from customers and has been considering recoverable amounts of customers' borrowing on margin transactions, which the estimated allowance for doubtful accounts reflects. In the fourth quarter of the fiscal year ended December 31, 2022 (October 1, 2022, to December 31, 2022), the company will record the provision of allowance for doubtful accounts of 4,677 million yen as selling, general and administrative expenses, including the above items.

The value of the impact of this matter on the consolidated net profit of the Company will be approximately 3.0 billion yen.

GMO-Z com Securities (Thailand) Public Company Limited will strive to recover customers' borrowing on margin transactions, and the Company will strive to enhance the governance of the risk management of its overseas subsidiary, prevent a recurrence, and reduce credit risks.

2. Outlook

In the future, GMO-Z com Securities (Thailand) Public Company Limited may obtain additional information when estimating the allowance for doubtful accounts and if so, it may revise the provision of allowance for doubtful accounts. The Company will promptly provide notice as soon as additional items to be disclosed have arisen.