

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

Address: 26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo, JAPAN

Representative: Masatoshi Kumagai, Founder, Chairman and Group CEO

Contact: Masashi Yasuda, Director, Executive Vice President and Group
CFO, Deputy to Group CEO, Head of Group Management
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Notice of Acquisition of Shares (Acquisition of Subsidiary) and Subscription to Third-Party Allotment of Shares of Flatt Security Inc.

GMO Internet Group, Inc. ("the Company") Board of Directors has resolved at a meeting convened today to acquire shares in Flatt Security Inc. ("Flatt Security"), thereby turning it into a subsidiary, and to subscribe to a third-party allotment of new shares.

1. Reason for acquisition of shares and underwriting of capital increase through third-party allotment
In 1995, GMO Internet Group has launched the Internet business under the corporate slogan "Internet for Everyone." As of today, GMO Internet Group is growing into a business group that comprehensively develops Internet Infrastructure (which is a business at the core of the group), Online Advertising & Media, Internet Finance, Cryptoassets, and Incubation businesses.

As digital transformation (DX) advances across all business sectors, cyber-attacks on corporate and organizational information assets have become a routine challenge, with information leakage and business disruption emerging as serious societal issues. In response to these challenges, within our core Internet infrastructure business, we are committed to addressing the rapidly growing need for security under the banner of "Safe and Secure Internet for Everyone."

We are expanding our activities in the areas of encryption security, cybersecurity and brand security.

Since the launch of our security business in 2019, Flatt Security has continued to grow based on the concept of providing globally competitive products and services with an eye toward overseas expansion.

With the corporate catchphrase, "Delivering next-generation security services for developers and accelerating product development around the world," we are a group of product security professionals who have supported the product security efforts of various companies regardless of industry. Based on the knowledge we have gained through in-house development of product security, support for various product development companies, and thorough user interviews, we provide a companionable product security service that works closely with each and every client organization.

By welcoming Flatt Security, a group of highly talented security engineers with strong product development capabilities and a wealth of knowledge and expertise in product security regardless of industry, to the GMO Internet Group, we anticipate strong synergies with the Group's customer base.

Furthermore, through friendly competition with GMO Cybersecurity by Ierae, Inc., a cyber security business, we will contribute to the development of cyber security in Japan and abroad, and realize " Safe and Secure Internet " in Japan and the world.

2. Overview of the new subsidiary

(1)	Name	Flatt Security Inc.	
(2)	Location	Core Hongo Building 2A, 3-chōme-43-16 Hongo, Bunkyo-ku, Tokyo, Japan	
(3)	Name & Title of Representative	Koki Ide, CEO	
(4)	Business Description	Cyber Security Related Services	
(5)	Capital	JPY 100 million	
(6)	Establishment	May 2017	
(7)	Major Shareholders and Ownership Ratio	Koki Ide 56.2 %	
(8)	Relationship with GMO Internet	Capital relations	Not applicable
		Human relations	Not applicable
		Business relations	Not applicable
(9)	Consolidated business performance and financial standing over the last three years (Millions of yen, except per share figures)		
	Fiscal year-end	FYE4/2021	FYE4/2022
	Net assets	39	83
	Total assets	99	160
	Net assets per share	27.42	54.2
	Revenues from operations	81	186
	Operating income	-102	-86
	Recurring income	-102	-85
	Net income	-103	-85
	Net profit per share	-72.3	-54.99
	Dividend per share	—	—

3. About the shareholders whose shares will be acquired

(1)	Name	Koki Ide
(2)	Location	Taito-ku, Tokyo
(3)	Relationship with GMO Internet	There are no capital, human, and business relations between GMO Internet Group, Inc. and Koki Ide required to be referred to herein.

* Although shares are also acquired from sellers not stated above (investment funds, operating companies, investment companies, and other individuals), sellers whose shareholding ratios are less than 10% are omitted. There are no capital, human, and business relations between the Company and such sellers required to be referred to herein.

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

(1)	Shareholdings before the acquisition	0 shares (number of voting rights: 0) (ratio of voting rights: 0%)
(2)	Number of shares to be acquired by transfer	875,944 shares (number of voting rights: 875,944)
(3)	Number of shares to be acquired by underwriting a third-party allotment	659,000 shares (number of voting rights: 659,000)

(4)	Amount of acquisition	By transfer	JPY 1,330 million
		By underwriting a third-party allotment	JPY 1,000 million
		Estimated advisory costs, etc.	JPY 21 million
		Total (estimated amount)	JPY 2,351 million
(5)	Shareholdings after the acquisition	1,534,944 shares (number of voting rights: 1,534,944) (ratio of voting rights: 66.6%)	

* Cost of share acquisition is decided via discussions with sellers based on an assessed value that is determined by an independent third-party organization.

5. Schedule

(1)	Date of resolution by the Board of Directors	February 13, 2024
(2)	Contract execution	February 13, 2024
(3)	Date of closing	February 29, 2024

6. Future outlook

We do not expect this share acquisition to have a material impact on our consolidated financial results for the fiscal year 2024, but we will promptly announce any matters that need to be disclosed..