

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

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Notice Regarding Discontinuation of Business at a Consolidated Subsidiary

GMO Financial Holdings, Inc. (Securities Code: 7177, TSE Standard; hereinafter "GMO-FH"), a consolidated subsidiary of our company that operates Internet financial and cryptocurrency businesses, announced that its consolidated subsidiary, GMO-Z com Securities (Thailand) Public Company Limited (hereinafter the "Thai Subsidiary"), which operates a securities business in Thailand, resolved at its Board of Directors meeting held on January 27, 2025, to discontinue all of its business operations. The details are as follows.

The Thai Subsidiary is expected to be dissolved and liquidated following the discontinuation of its business.

1. Reason for Business Discontinuation

The Thai Subsidiary commenced operations in November 2017, aiming to achieve the "No.1 market share in margin trading balance" in Thailand. The subsidiary steadily increased its margin trading balance and achieved profitability in its third year of operations, in the fiscal year ending December 2020.

However, in November 2022, an incident involving unfair trading related to substitute securities accepted as collateral for margin trading occurred. This incident was primarily due to the concentration of lending to large-scale customers and specific collateral stocks, leading to a significant additional allowance for doubtful accounts. Since then, the Thai Subsidiary has undertaken comprehensive risk management reforms, including a complete suspension of new loans and stricter loss-cut standards. Despite these measures, continuous recognition of allowances for doubtful accounts due to further stock price declines resulted in continued deficits from the fiscal year ending December 2022 onward. In response, the company terminated its margin trading service as of December 20, 2024.

After deciding to terminate its core margin trading service, the Thai Subsidiary explored the continuation of its cash equity trading service and the possibility of new business ventures. However, it was ultimately determined that achieving profitability would be difficult, leading to the decision to discontinue all business operations.

2. Overview of the Thai Subsidiary

(1) Company Name	GMO-Z com Securities (Thailand) Public Company Limited
(2) Head Office	No. 9, G Tower, Grand Rama 9, 15th Floor, South Wing, Rama 9 Road, Huaykwang, Huaykwang, Bangkok 10310, Thailand
(3) CEO	Chief Executive Officer and Authorized Director Prakrit Thanwalai
(4) Business Activities	Financial instrument trading in Thailand

(5) Capital	THB 4,879 million (JPY 22,330 million*)		
(6) Establishment Date	November 28, 2016		
(7) Major Shareholder and Ownership Ratio	GMO-FH 99.99%		
(8) Relationship between the Listed Company and the Subject Company	Capital Relationship	GMO-FH holds 99.99% of the shares of the subject company.	
	Personnel Relationship	Two directors of GMO-FH concurrently serve as directors of the subject company, and two employees of GMO-FH have been seconded to the subject company and serve as directors.	
	Business Relationship	There are agreements in place related to debt guarantees and other arrangements between GMO-FH and the subject company.	
(9) Financial Status and Performance (Thai Financial Reporting Standards) "THB million (JPY million)" *			
Fiscal Year	Ending December 2021	Ending December 2022	Ending December 2023
Total Assets	13,884 (63,537)	15,397 (70,459)	12,030 (55,051)
Total Equity	2,997 (13,717)	2,479 (11,346)	1,716 (7,855)
Revenue	719 (3,293)	1,040 (4,759)	1,115 (5,104)
Profit Before Tax	299 (1,369)	-558 (-2,555)	-473 (-2,165)
Net Profit	261 (1,195)	-519 (-2,377)	-517 (-2,367)

(* Exchange rate as of December 31, 2024: 1 THB = 4.576 JPY)

3. Schedule for Business Discontinuation

(1) Board resolution date	January 27, 2025
(2) Planned business discontinuation date	December 31, 2025

4. Future Outlook

The impact of this business discontinuation on the company's consolidated financial results for the fiscal year ending December 2024 is expected to be minimal.

As previously disclosed, the Thai Subsidiary has already ceased its margin trading service. As of the end of September 2024, the margin loan balance stood at approximately JPY 17.4 billion. Prior to the termination, efforts were made to collect outstanding balances or transition them to repayment agreements secured by additional collateral, such as real estate. Customers who did not comply were subject to forced settlements, resulting in an estimated outstanding balance of approximately JPY 11.0 billion as of the end of December 2024. Further details regarding receivables and future policies will be disclosed in GMO-FH's earnings presentation scheduled for February 4, 2025.

If there are any additional material matters to be disclosed, we will provide timely updates.