

January 29, 2025

Company Name: GMO Internet Group, Inc.  
(TSE Prime Market, Code: 9449)  
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## Regarding the article on Diamond Online.

This is to address the report published on January 27, 2025, by Diamond Online, operated by Diamond, Inc., regarding a lawsuit involving our cryptocurrency mining business in the United States (hereinafter referred to as "the Litigation"). The article contains inaccuracies, and we hereby provide the following clarifications.

(This article refers to the Japanese report published on Diamond Online: <https://diamond.jp/articles/-/357500>. Please note that the source material is only available in Japanese.)

### 1. About the Litigation

The Litigation concerns our claim for damages against Whinstone US, Inc. (hereinafter "Whinstone") due to their failure to supply electricity as per the contract at the mining data center operated by our U.S. subsidiary. Furthermore, our mining machines were removed without our consent, leading us to seek compensation for the lost profits.

From the outset, we have supported Winston Corporation financially through our contractual relationship while conducting our business operations. However, after conducting a thorough investigation into Winston Corporation's actions, we have determined that it is necessary to pursue legal claims, including damages, against the company. We take our responsibility to our shareholders seriously and find it unacceptable to cause them any inconvenience. Accordingly, we are taking decisive legal action with a firm and resolute stance.

### 2. Parties Involved in the Litigation

#### (1) Plaintiffs:

GMO Internet Group, Inc.  
GMO GameCenter USA, Inc.

#### (2) Defendant:

Whinstone US, Inc.

### 3. Points of Inaccuracy in the Article

#### (1) Title of the Article

The article is titled: "Delisting Rush 2025: [Exclusive] GMO Faces Massive Lawsuit Exceeding JPY 90 Billion! Cryptocurrency Mining Business Failure Leads to U.S. Corporate Conflict." However, the title fails to specify the plaintiffs and defendants clearly, potentially leading to the misconception that GMO is the defendant facing a JPY 90 billion claim. While it is true that the defendant has filed certain counterclaims, the primary lawsuit was initiated by our company.

#### (2) Inaccuracies in the Article Body

Refer to the attached annex for specific details of inaccuracies.

4. Future Outlook

The impact of this case, including litigation-related costs, on our consolidated financial results is expected to be minimal. Any updates requiring disclosure, such as a favorable ruling in the Litigation, will be promptly shared.

(Annex) Specific Inaccuracies in Diamond Online Article

Claim	Fact
<p>GMO established mining bases in Iceland in 2017 and Norway in 2018, but both projects failed.</p> <p>(Omitted text)</p> <p>However, GMO did not abandon its mining business. In November 2018, the company signed a contract with Whinstone US, Inc. (the "Louisiana Contract") to operate a data center in Louisiana and started mining operations there.</p> <p>Due to delays in Louisiana, GMO signed another contract with Whinstone in October 2019 to continue mining operations in Texas (the "Texas Contract").</p>	<p>The projects in Iceland and Norway were not failures but were relocated for cost reduction.</p> <p>From the beginning, Whinstone faced financial difficulties, and we provided financial support through contractual agreements.</p> <p>Due to Whinstone's financial issues, they were unable to supply electricity as per the contract in Louisiana. As a result, they proposed relocating to Texas, where better electricity conditions were available.</p> <p>A new contract (referred to as the "Texas Contract" in the Diamond Online article) was signed, incorporating a clause for compensation for lost profits in Louisiana, valid until the end of 2029.</p>
<p>The failure in Louisiana was due to insufficient electricity supply. As a result, GMO was able to use the Texas data center at an exceptionally low rate.</p> <p>The compensation for GMO's lost profits due to the electricity shortage in Louisiana was to be determined through negotiations between both companies. However, according to Whinstone, GMO unilaterally invoiced approximately USD 3 million in April 2021.</p> <p>Furthermore, one year later, in April 2022, the invoice amount inexplicably increased to approximately USD 35 million.</p>	<p>We never issued an invoice for approximately USD 3 million.</p> <p>The USD 35 million claim was calculated based on contractual terms.</p> <p>Negotiations regarding lost profits were ongoing, but in March 2022, our mining machines were removed without our consent. As a result, we formally submitted our claim for lost profits.</p>
<p>GMO informed Whinstone that they would not negotiate a new contract until an agreement was reached regarding lost profits due to the electricity shortage. Meanwhile, GMO continued using the Texas data center under favorable contract terms.</p> <p>Since GMO refused to negotiate, Whinstone sent a contract termination notice in June 2023, demanding the removal of mining equipment and eviction from the facility.</p> <p>GMO ultimately vacated the facility in October 2023.</p>	<p>We engaged in good-faith negotiations, but no agreement was reached.</p> <p>Whinstone proposed new contract terms; however, they were not conditions we could accept as a group.</p> <p>During ongoing negotiations, Whinstone unilaterally terminated the contract and removed our mining machines.</p>