

# Fiscal Year 2023 Results Presentation

**GMO** INTERNET GROUP

STOCK CODE: 9449

February 13, 2024

1. Overview
2. Group Overview
3. Segment Report
  - i) Internet Infrastructure
  - ii) Online Advertising & Media
  - iii) Internet Finance
  - iv) Cryptoassets
4. Topics

# Overview | Executive Summary: FY2023

Revenue grows for 15th consecutive year, driven by core businesses

Net profit increased

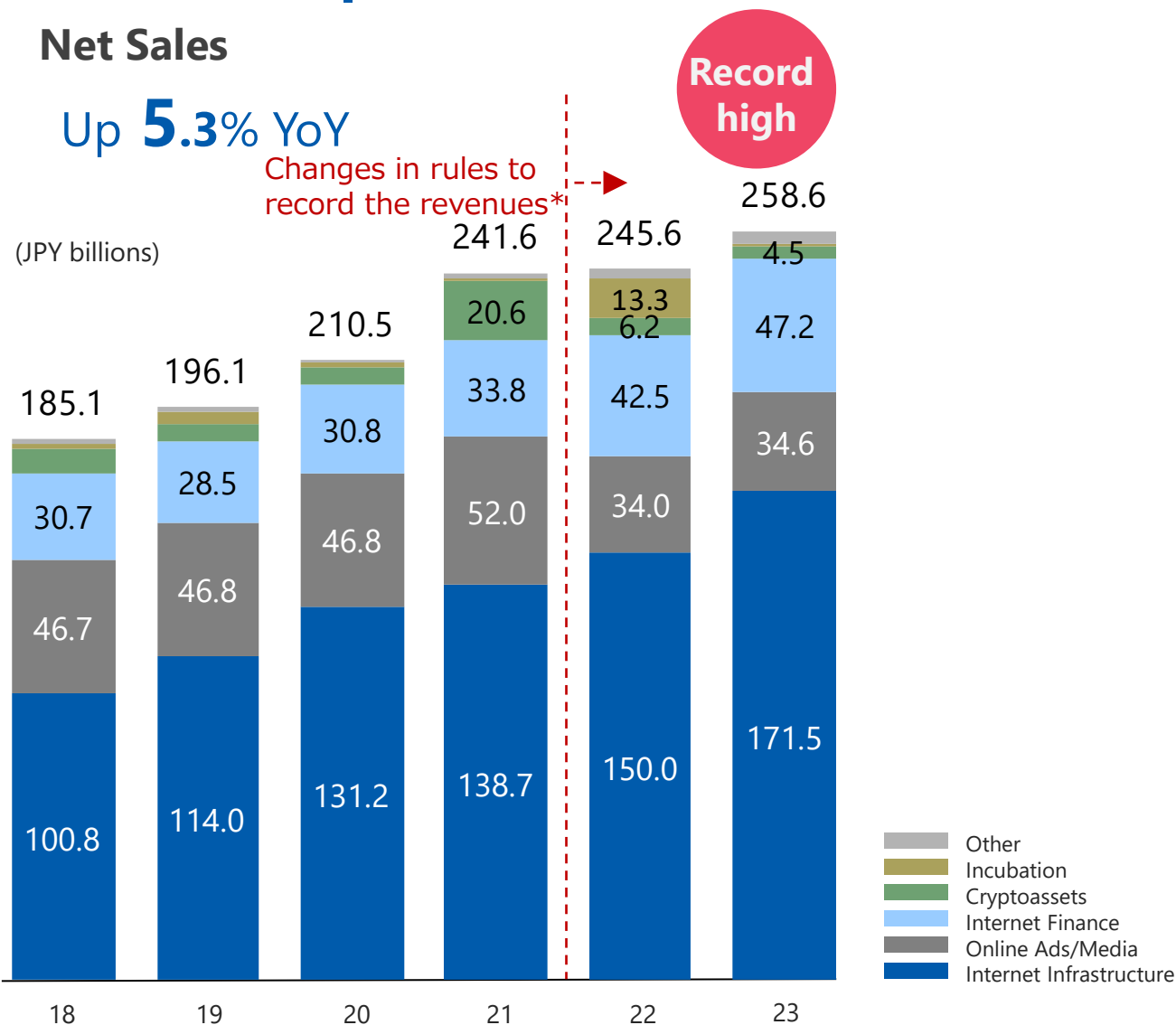
( JPY billions )	FY22	FY23	YoY Change	Change
Net Sales	245.6	258.6	+12.9	+5.3%
Operating Profit	43.7	42.4	-1.2	-2.9%
Ordinary Profit	46.0	45.9	-0.0	-0.2%
Net Profit	13.2	14.1	+0.9	+7.4%

Record  
high

# Overview | Financial Results for FY2023

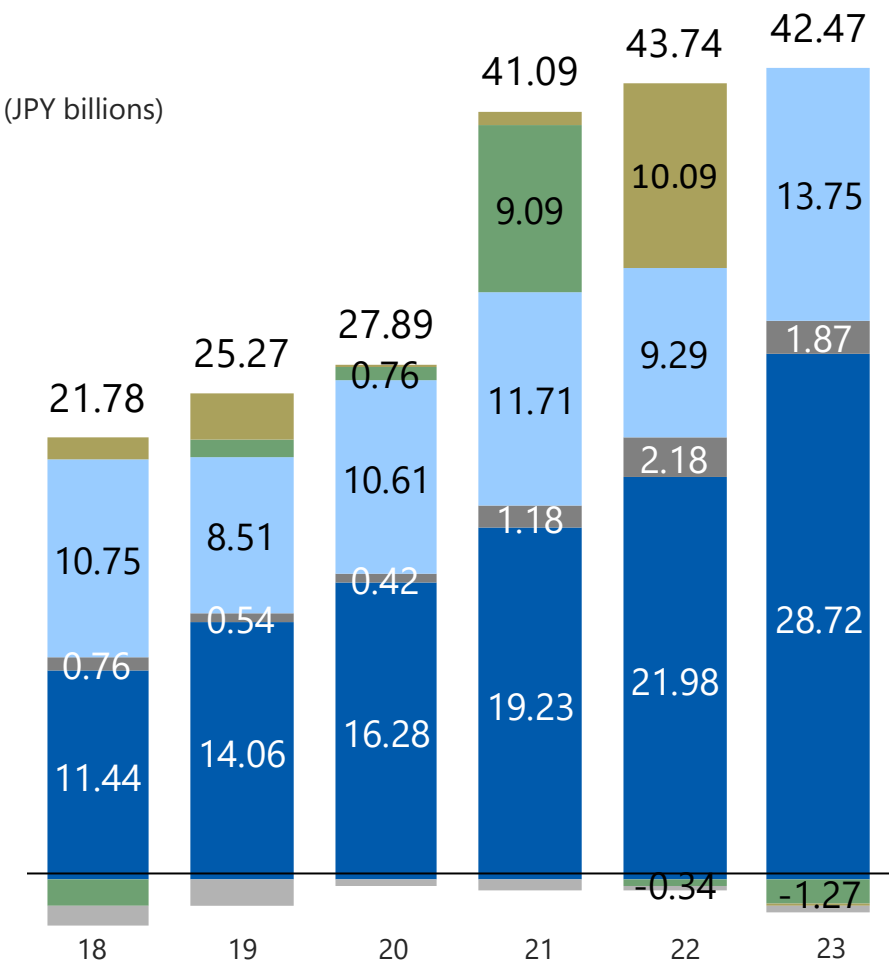
## Net Sales

Up **5.3%** YoY



## Operating Profit

Down **2.9%** YoY



**GMO** \* "Accounting standards related to revenue recognition" (accounting standard No. 29)

# Overview | Executive Summary: FY2023


Evaluation  
FY23 FY22


Record high


## Internet Infrastructure

Net sales JPY **171.5B** (Up **14.3%** YoY)

OP JPY **28.7B** (Up **30.7%** YoY)

Services each hold top share in their respective markets in Japan → 

Large transactions in the face-to-face payments business drove sales → 


Large transactions in the Brand security business also contributed to results → 


➡  

## Online Ad & Media

Net sales JPY **34.6B** (Up **1.8%** YoY)

OP JPY **1.8B** (Down **14.3%** YoY)

Online Ad: In the advertising agency business, there was a reactionary decline in some clients → 

Media: Both existing and new businesses perform well → 


➡  


Record high

## Internet Finance

Net sales JPY **47.2B** (Up **11.1%** YoY)

OP JPY **13.7B** (Up **48.0%** YoY)

Thailand's Internet Securities posted the provision of allowance for doubtful accounts of JPY 3.1B. → 


FX profitability improved and became the highest performing → 


➡  

## Cryptoassets

Net sales JPY **4.5B** (Down **26.7%** YoY)

OP JPY **-1.2B** (FY2022: **-0.3B**)

Market environment is weak, but signs of recovery in recent trading volume → 

Other than the exchange business remain slow → 

## Incubation

Net sales JPY **0.6B** (FY2022: **13.3B**)

OP JPY **-0.1B** (FY2022: **10.0B**)

In the previous fiscal year, there was a large exit of investee stocks. In the current fiscal year, Carefully select investments based on the market environment

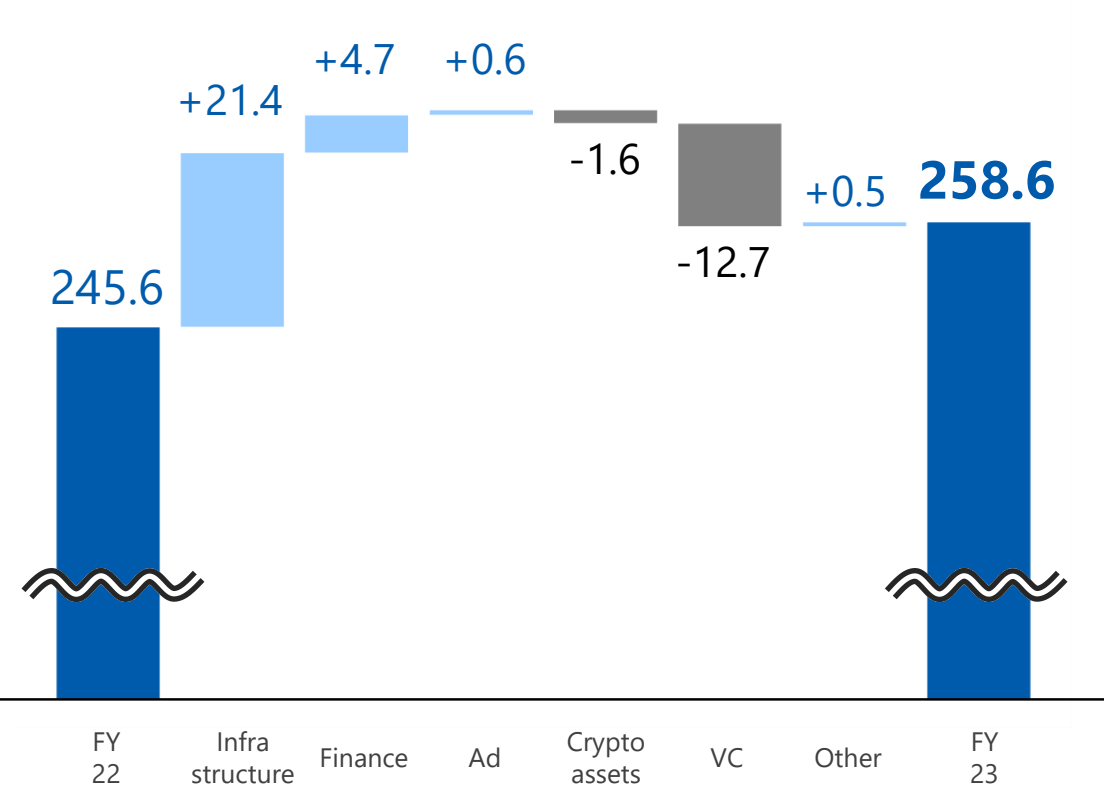
 

# Overview | Executive Summary: FY2023

## Net sales

Up **12.9B** YoY

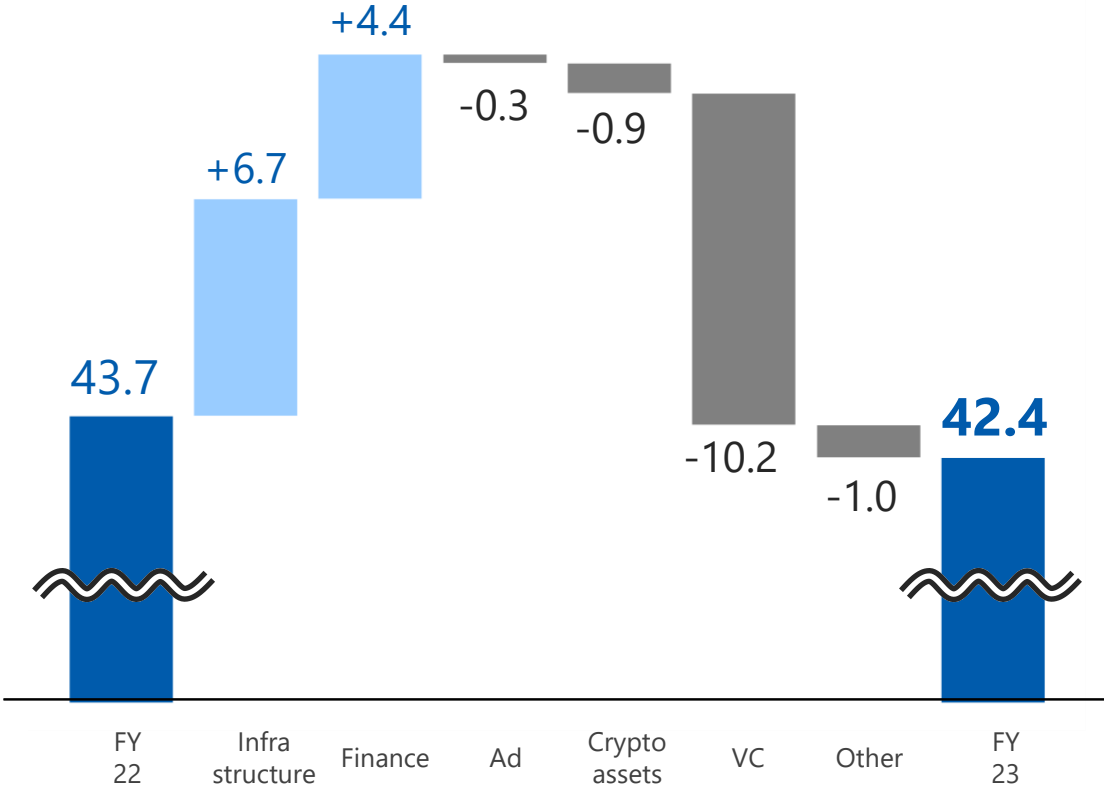
( JPY billions )



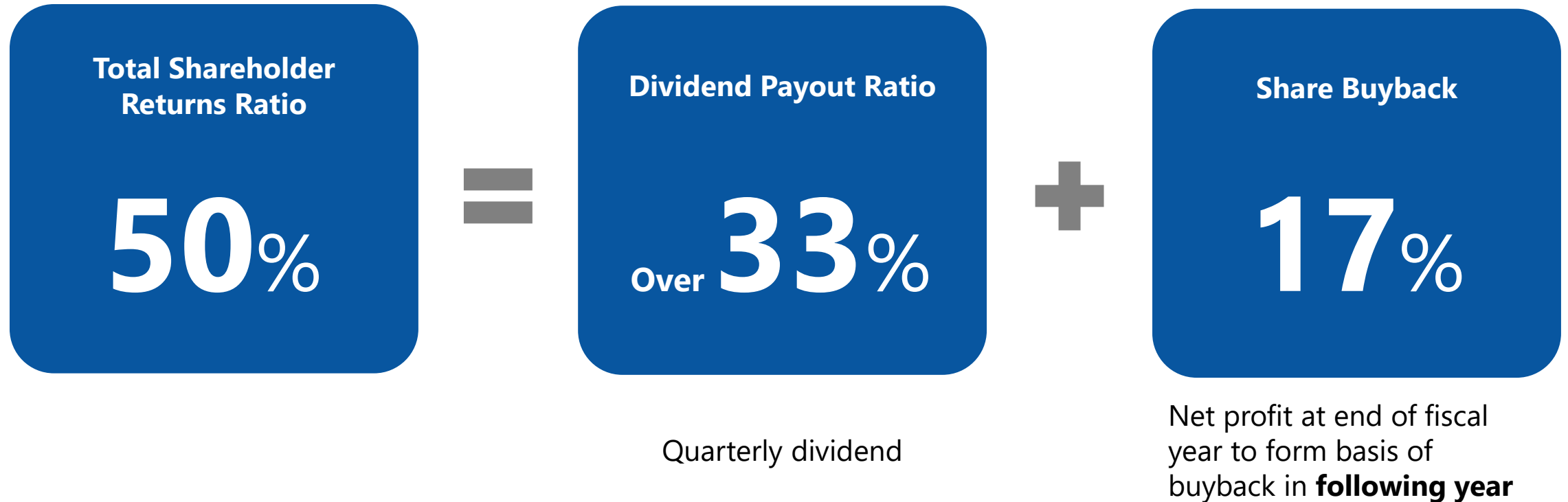
## Operating Profit

Down **1.2B** YoY

( JPY billions )

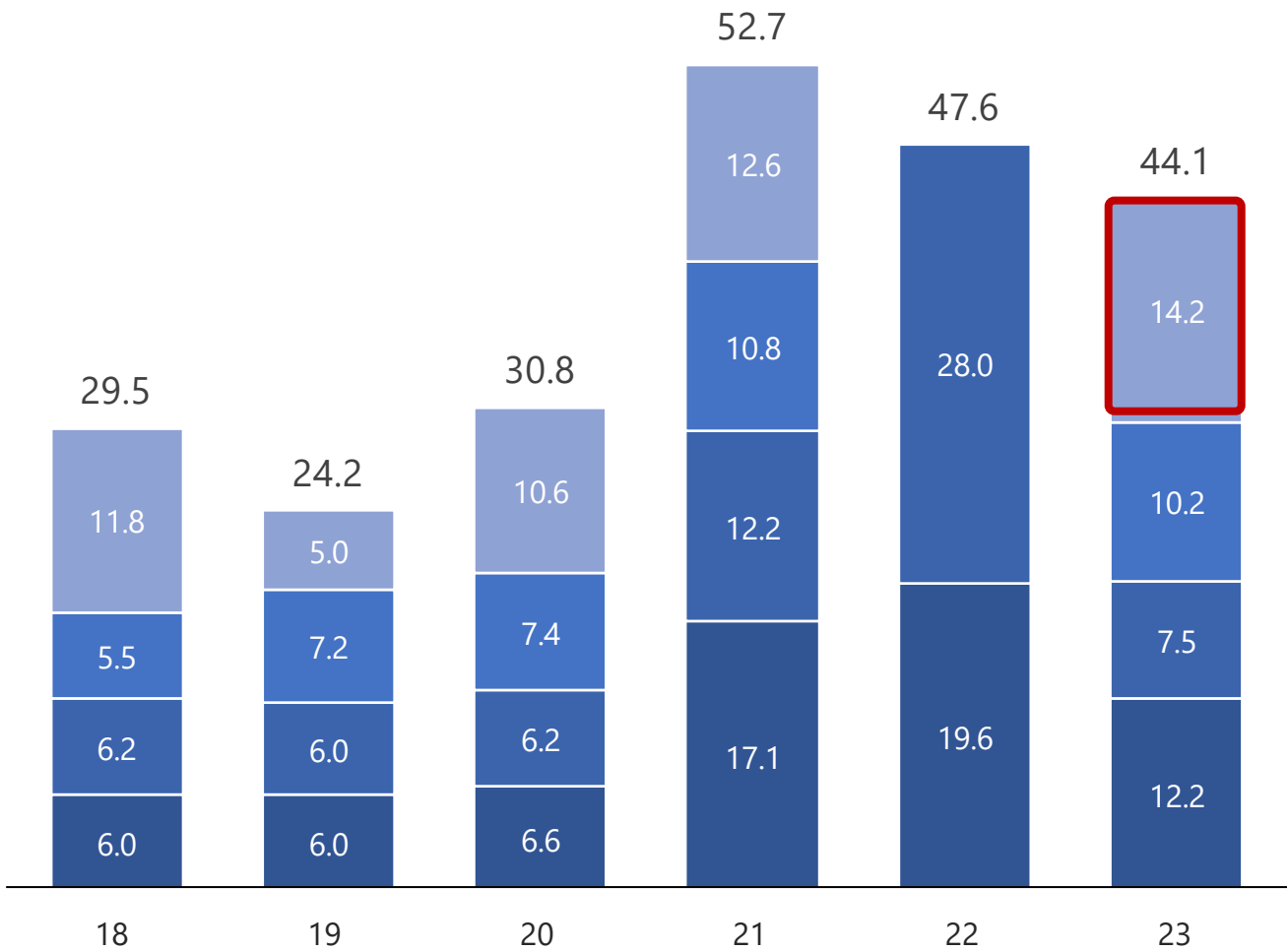


# Overview | Shareholder Returns ( Policy )



# Overview | Shareholder Returns ( Dividend per share )

( JPY )



Based on our policy,  
**dividend payout  
ratio is a minimum  
of 33%**

■ Q4  
■ Q3  
■ Q2  
■ Q1



## Overview | Shareholder Returns (treasury stock acquired/retired)

c.f. press release dated July 30, 2015, entitled “**Notice of Revision to Shareholder Returns Policy with Long Term Share Buyback Plan**”

<b>Long-term aim</b>	<b>38.35</b> M shares	
<b>Acquired</b>	<b>12.68</b> M shares	(progress: <b>33.1</b> %)
<b>Retired</b>	<b>7.69</b> M shares	(progress: <b>20.1</b> %)

# Overview | Shareholder Returns (total shareholder returns)

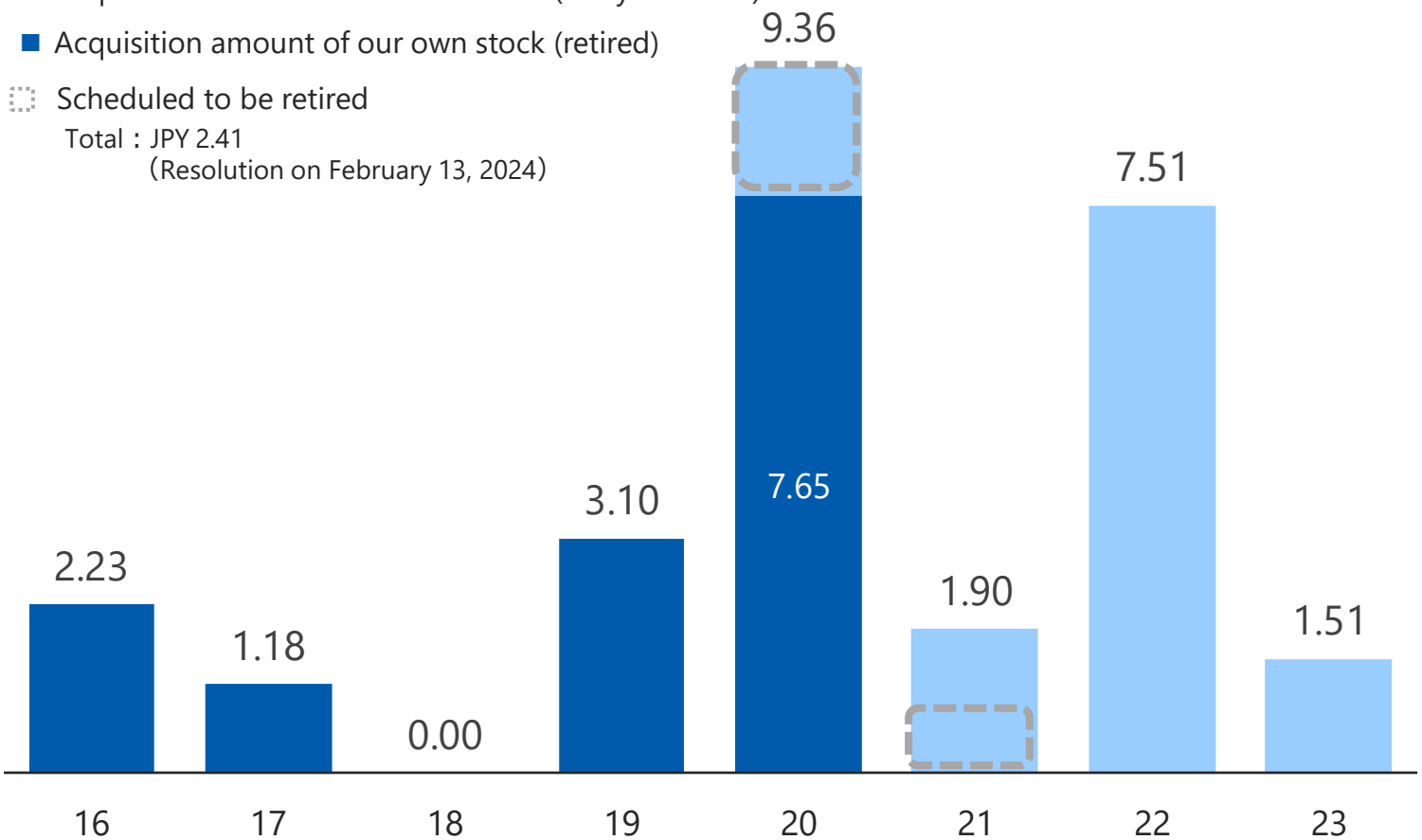
(JPY billions)

■ Acquisition amount of our own stock (not yet retired)

■ Acquisition amount of our own stock (retired)

□ Scheduled to be retired

Total : JPY 2.41  
(Resolution on February 13, 2024)



Total acquisition  
amount of our own  
stock :

JPY **26.8B**

## Overview | Shareholder Returns (acquisition of treasury stock)

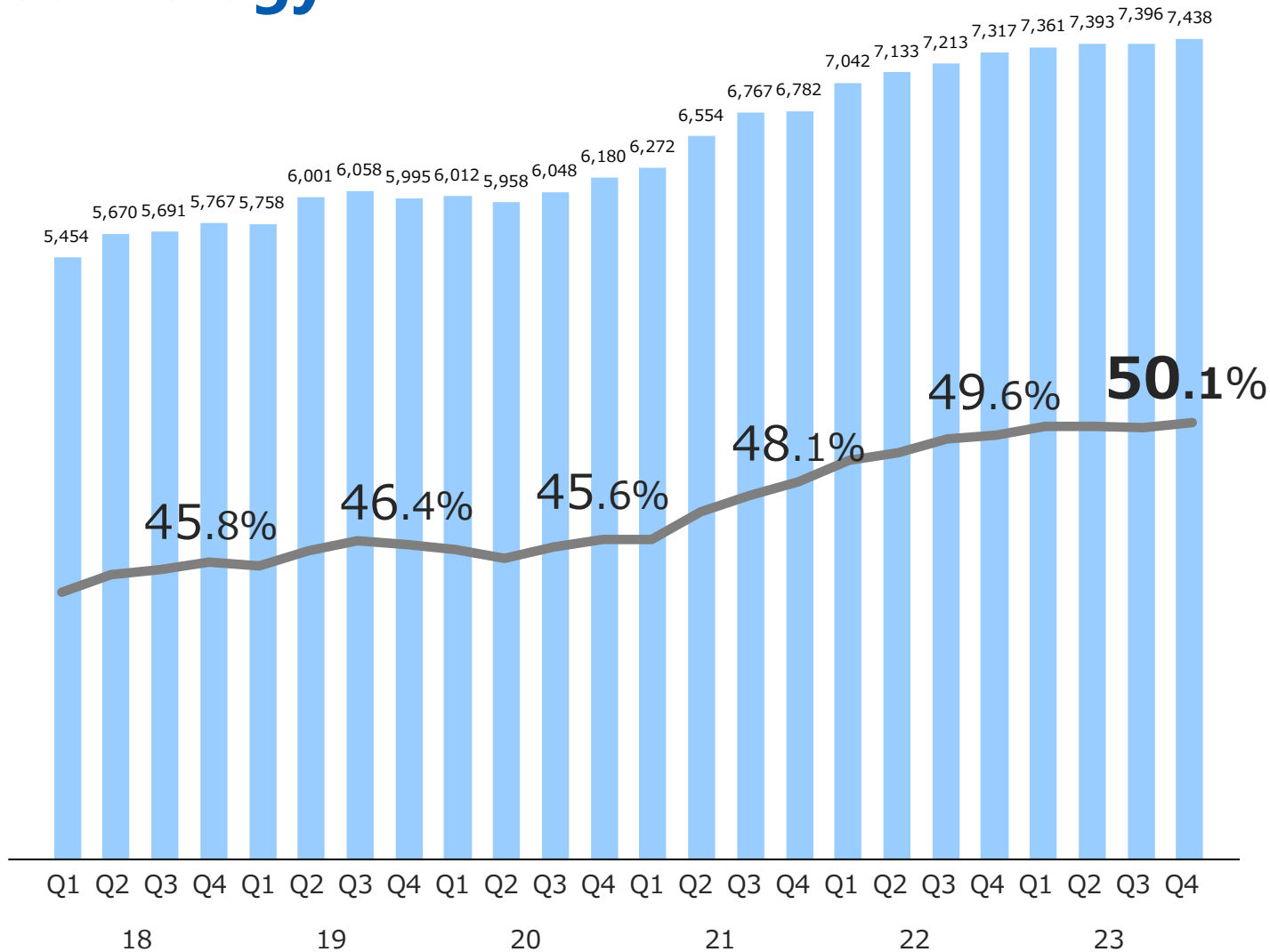
Total cost of share acquisition	Up to JPY <b>2.41B</b>
Total number of shares to be acquired	Up to <b>1.1M</b> shares (to be retired) <b>1.04%</b> of shares issued (as of December 2023)
Acquisition period	February 14, 2024, through to February 7, 2025

# Strengths

## Strengths (1)

**Operations and  
development of our  
own technology**

# Strengths (1) | Operations and development of our own technology



Goal: Workforce of over  
**60%**  
engineers & creators

Partners  
% Engineers & Creators

- Not including partners of GMO Internet Group affiliates accounted for by the equity method ( such as GMO Aozora Net Bank ).  
The number of employees applicable to the above will be 306 as of the end of December 2023.

## Strengths (2)

**Solid recurring revenues**

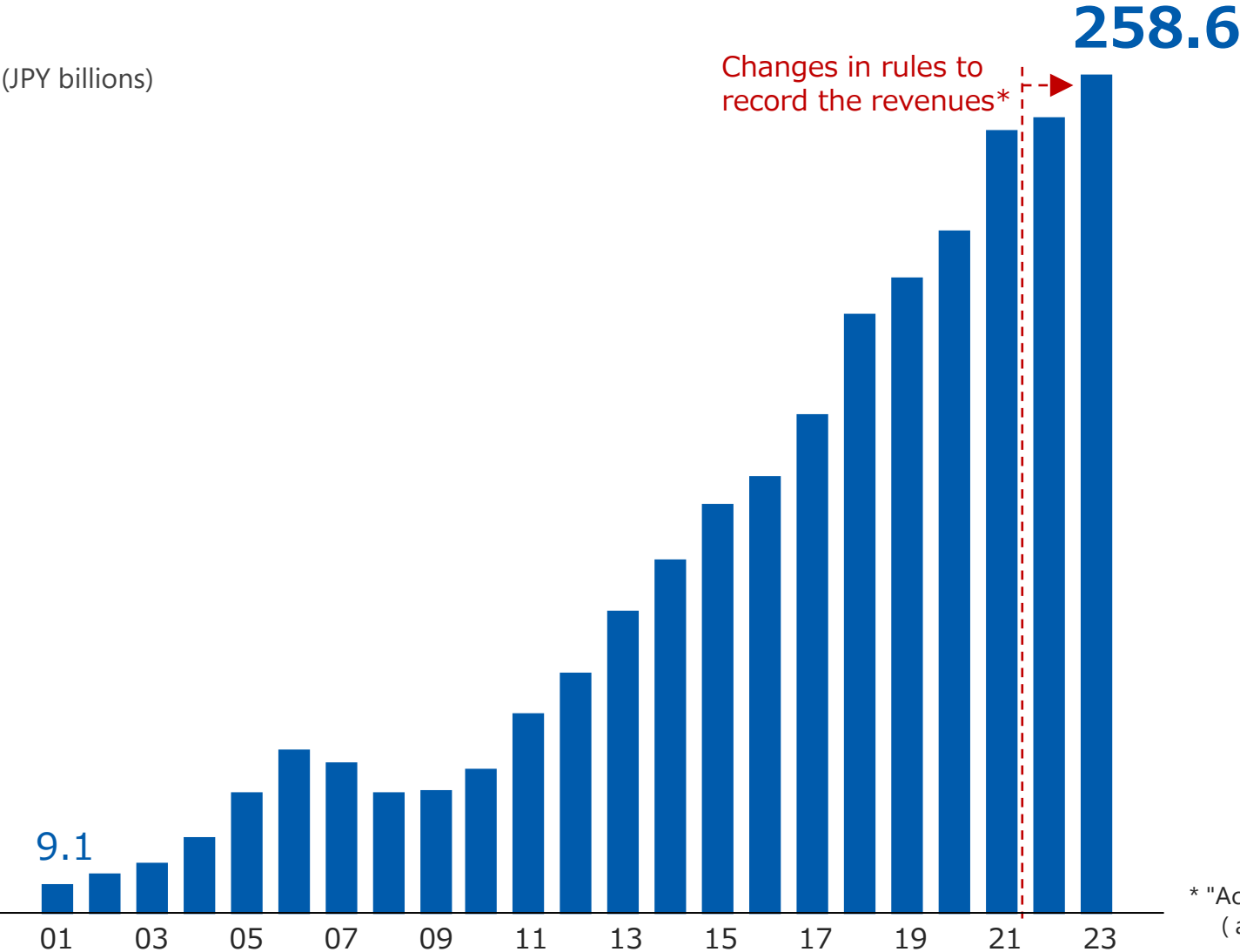
## **Strengths (2) | Solid recurring revenue**

**Indispensable products that will not  
disappear  
and  
recurring revenue business model**



# Strengths (2) | Consolidated net sales

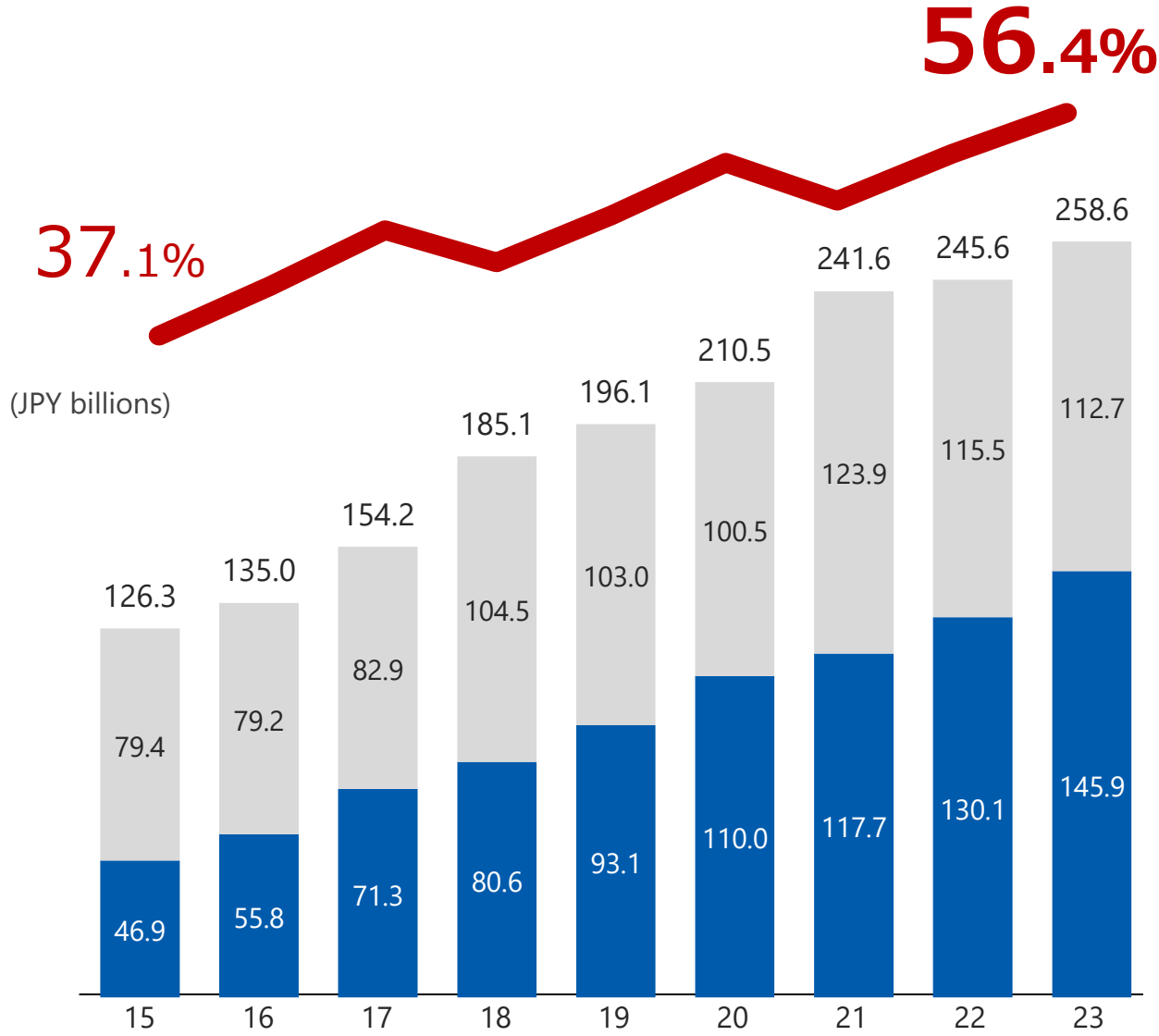
(JPY billions)



**Sustainable growth**

\* "Accounting standards related to revenue recognition" ( accounting standard No. 29 )

# Strengths (2) | Analysis of consolidated net sales

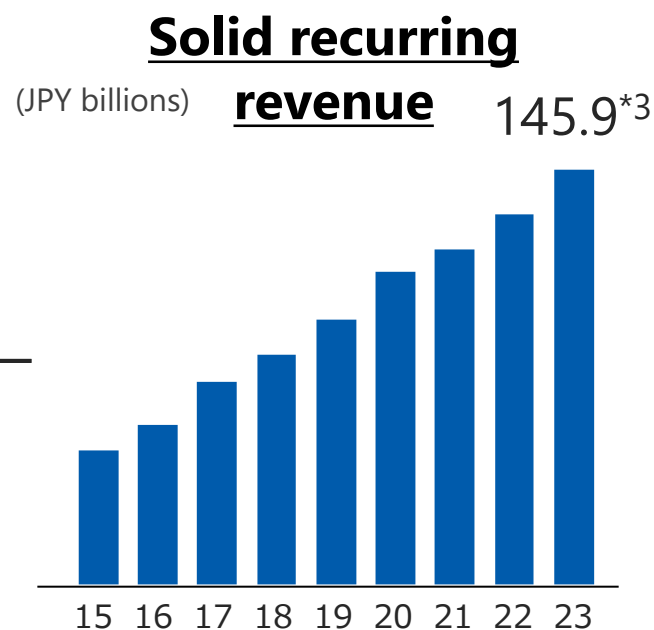
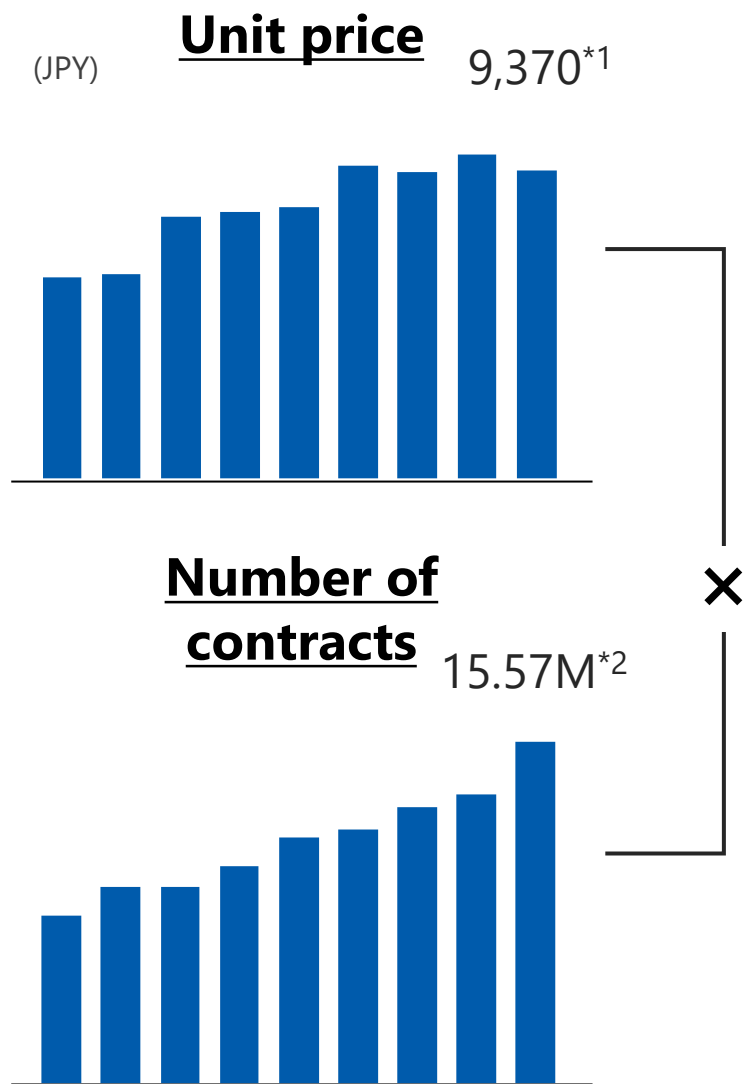


**Solid recurring  
revenues that  
support sustainable  
growth**

- Solid recurring revenue\*
- Other revenue
- Solid recurring revenue ratio (%)

\* The sum of Domain, Hosting & Cloud, Security, part of the Ecommerce Solutions (ecommerce platform), part of the Payment (recurring and transaction revenues) and Provider

# Strengths (2) | Analysis of solid recurring revenues



Approx. JPY **9.5K**<sup>\*1</sup>

×

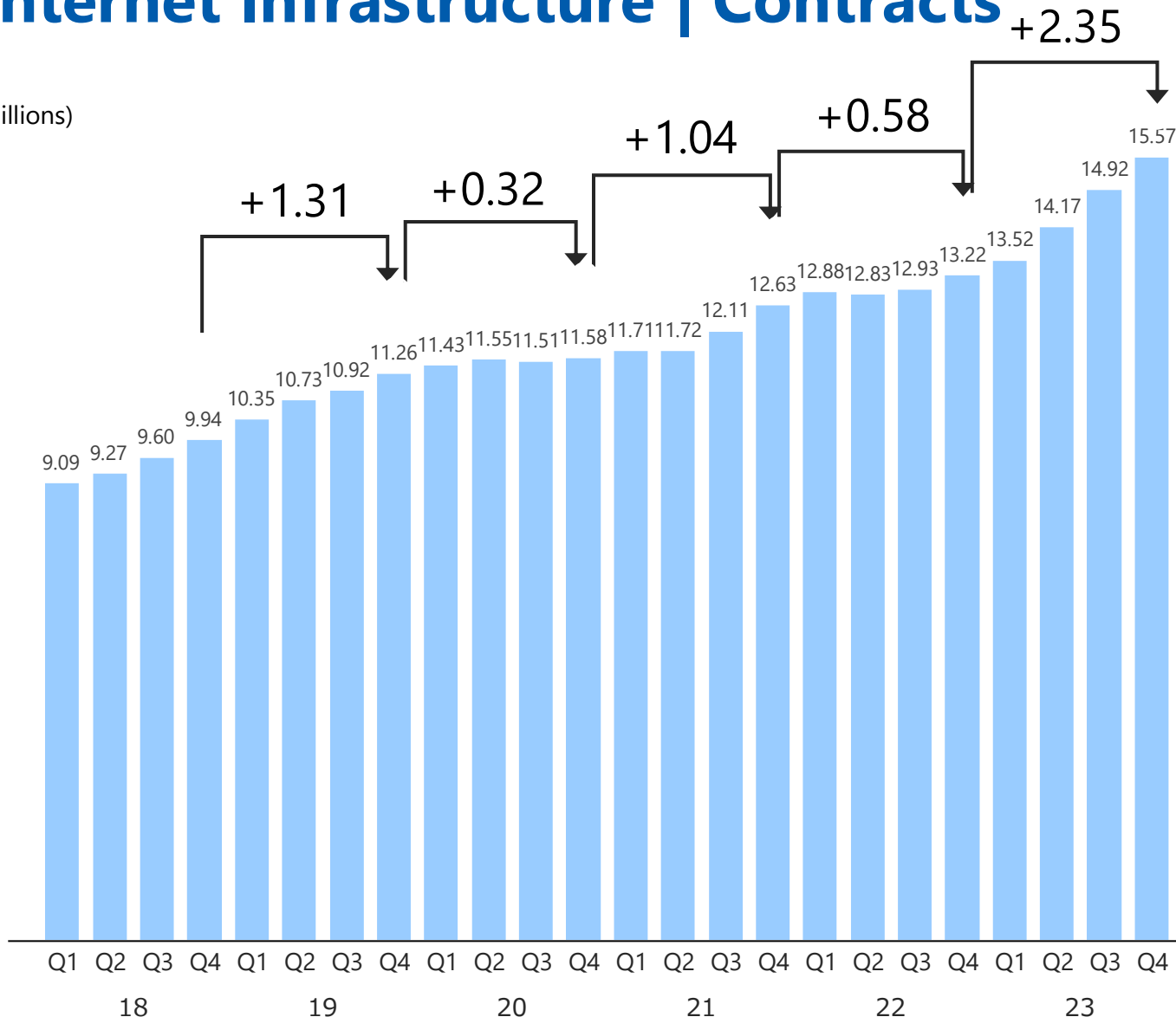
Approx. **15M** contracts<sup>\*2</sup>



Approx. JPY  
**145B**<sup>\*3</sup>

# Internet Infrastructure | Contracts

(millions)



Solid revenue base

**15.57M**

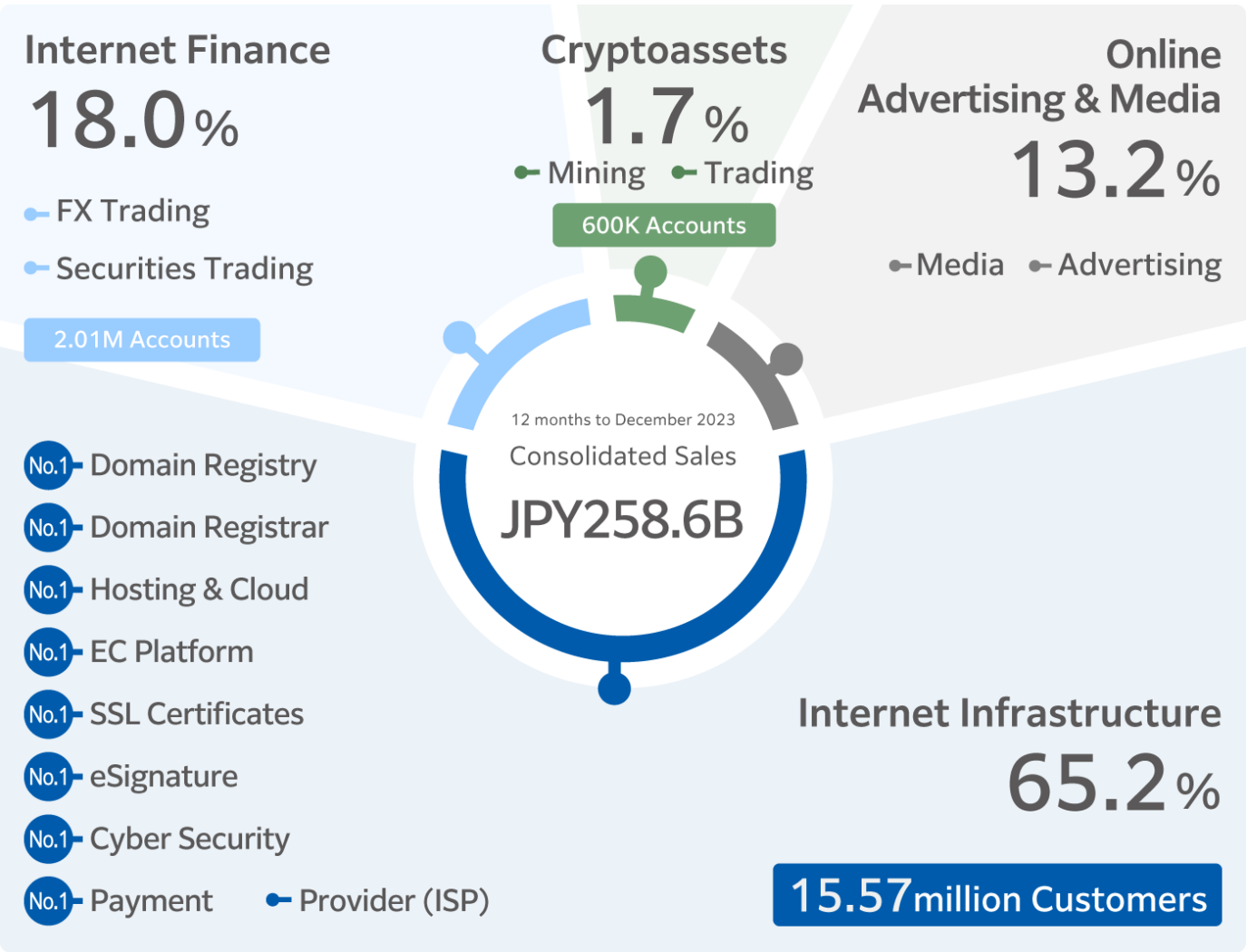
customers

Increased approx.

Avg. **1.12M/year**

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# Group Overview | Business Segments (Composition)



Solid revenue base +  
financial customer  
base

**18.19M** customers

Up  
**2.49M**  
YoY

\*Net sales ratio is calculated based on the numbers before cancelling inter-segment transactions. \*Number of customers is an aggregate number of customers ( the actual number ) in Infrastructure, Finance, and Cryptoassets segments.  
\*Regarding Internet Finance, the number of accounts does not include GMO Aozora Net Bank's accounts.

# Group Overview | Listed Group Companies: Equity Share

Stock Code	Company Name	Exchange	Market Cap <sup>*1</sup> ( JPY billions )	% Ownership <sup>*2</sup>	Equity Share ( JPY billions )
9449	GMO Internet Group	Prime	287.5		
3769	GMO Payment Gateway	Prime	696.7	40.7%	283.4
4051	GMO Financial Gate	Growth	87.0	23.3% <sup>*3</sup>	20.3
7177	GMO Financial Holdings	Standard	84.8	65.8%	55.8
3788	GMO GlobalSign HD	Prime	32.0	51.8%	16.6
3633	GMO Pepabo	Standard	6.5	59.5%	3.9
6180	GMO Media	Growth	6.1	65.2%	4.0
4784	GMO AD Partners	Standard	5.6	57.0%	3.2
3695	GMO Research	Growth	4.6	54.8%	2.5
6026	GMO TECH	Growth	4.5	53.9%	2.4
Group Total			<b>1,215.3<sup>*4</sup></b>		<b>392.1</b>

\*1 Market value as of February 9, 2024

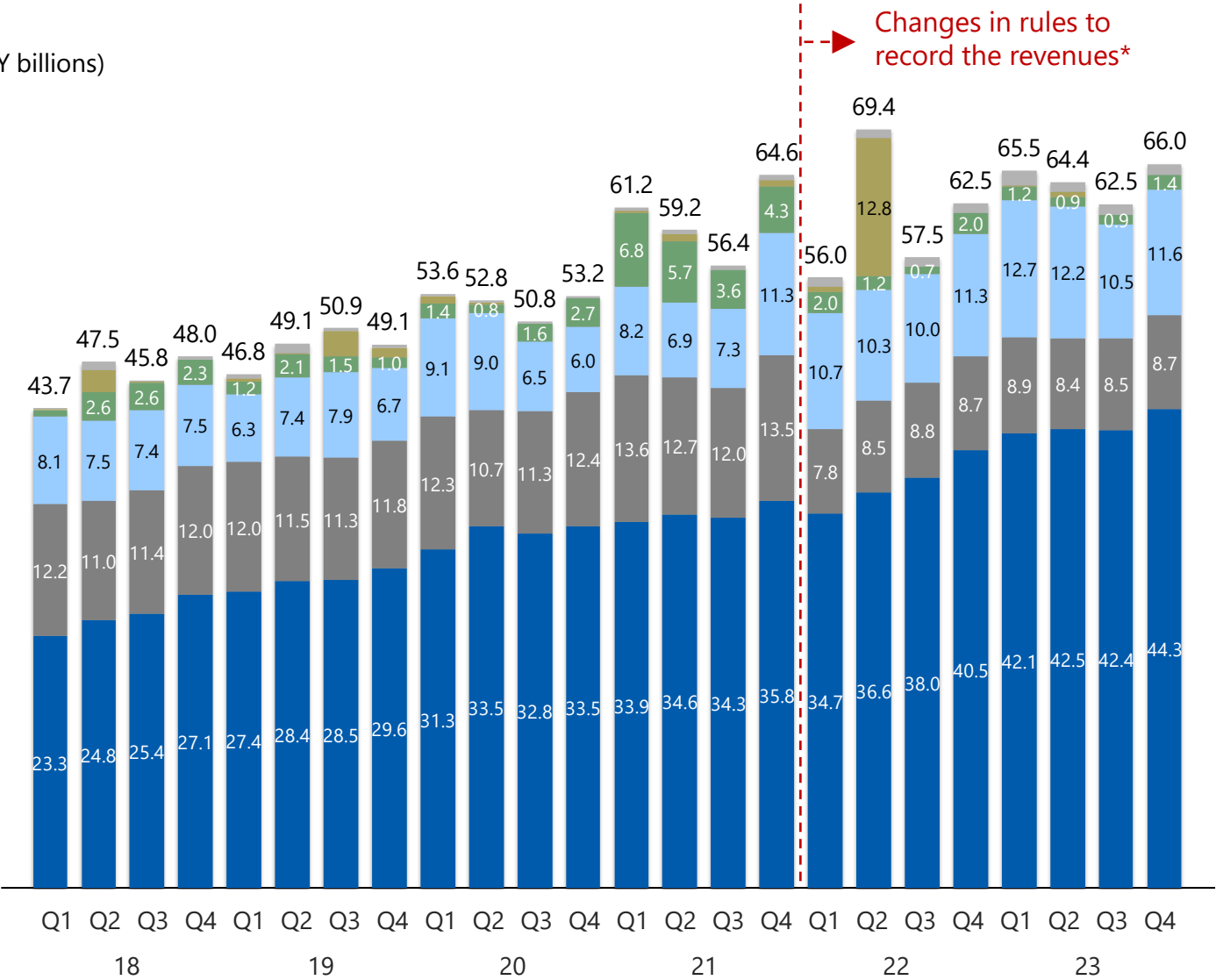
\*2 Includes indirect holdings (as of the end of December)

\*3 GMO Internet Group owns 23.3% of GMO-FG indirectly through GMO-PG

\*4 Calculated as the sum of the listed market cap values

# Group Overview | Net Sales by Segment

(JPY billions)



Revenue up  
**5.7%**  
YoY

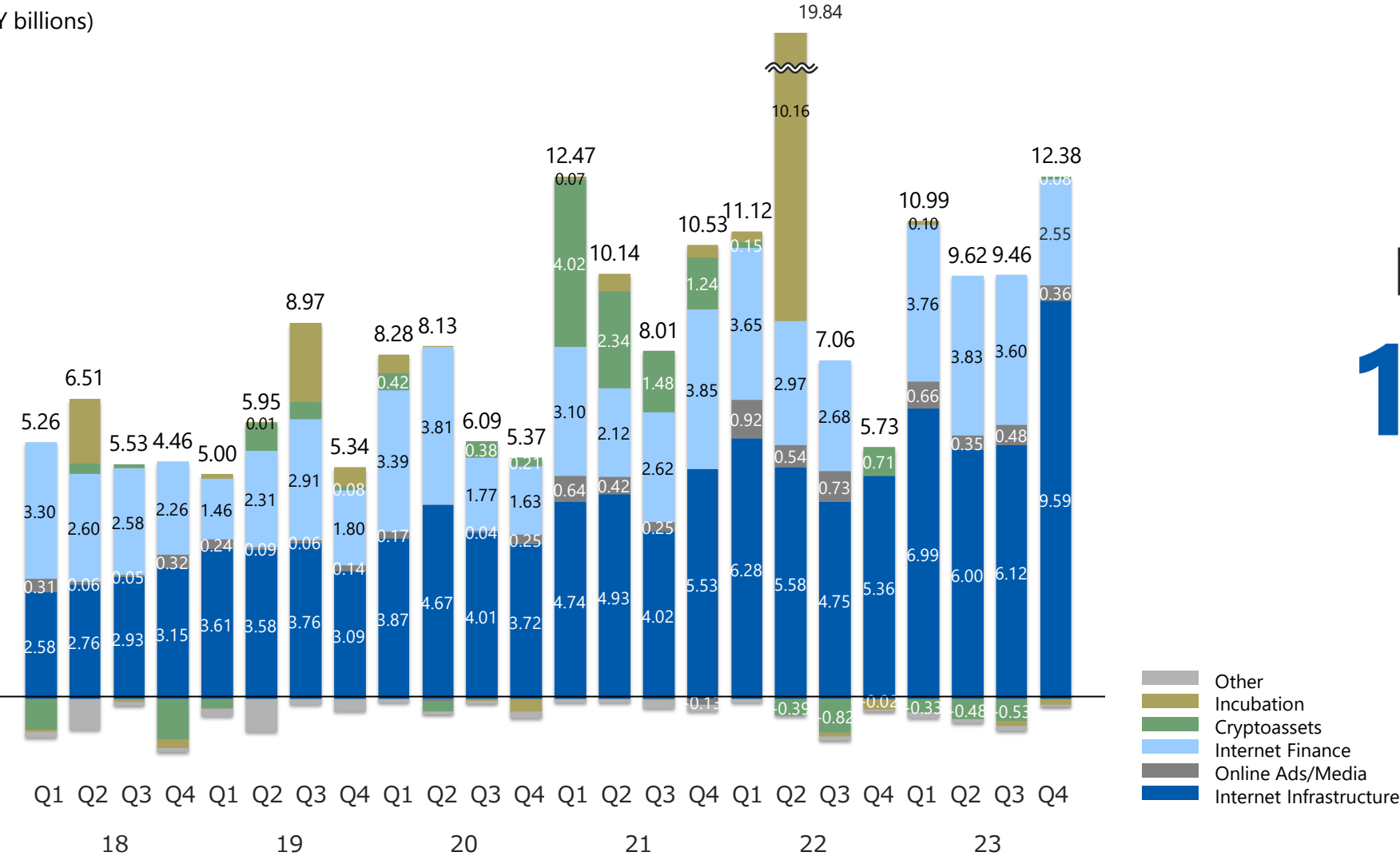
- Other
- Incubation
- Cryptoassets
- Internet Finance
- Online Ads/Media
- Internet Infrastructure

\* "Accounting standards related to revenue recognition" ( accounting standard No. 29 )



# Group Overview | Profit by Segment






(JPY billions)



Profit up  
**115.9%**  
YoY

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# Internet Infrastructure | Collection of No. 1 services

Strong No. 1	Domain Registry	GMO REGISTRY	Domestic market share at <b>83.0%</b> *1
Strong No. 1	Domain Registrar	  	Domestic market share at <b>82.7%</b> *2
No. 1	Hosting & Cloud	    	Domestic market share at <b>58.7%</b> *3
No. 1	ASP Cart	 	<b>51K</b> paid stores
No. 1	Security		Domestic market share at <b>No. 1</b> *4
No. 1	eSignature	電子印鑑なら 	<b>1.83M</b> accounts
No. 1	Cybersecurity	 	Number of white hat hackers <b>No. 1</b> *5
No. 1	Payment	 	<b>151K</b> merchants *6
No. 1	Provider (ISP)		<b>No. 1</b> *7 “Hikari Collaboration Award” Satisfaction Ranking

\*1 Based on our own data \*2 Based on ICANN data in Dec. \*3 Based on domaintools.com data \*4 Country code based on Netcraft data

\*5 Based on the Fermi estimate \*6 From 23Q3, certain franchisees with a large number of tenants are counted as one shop, regardless of the number of tenants

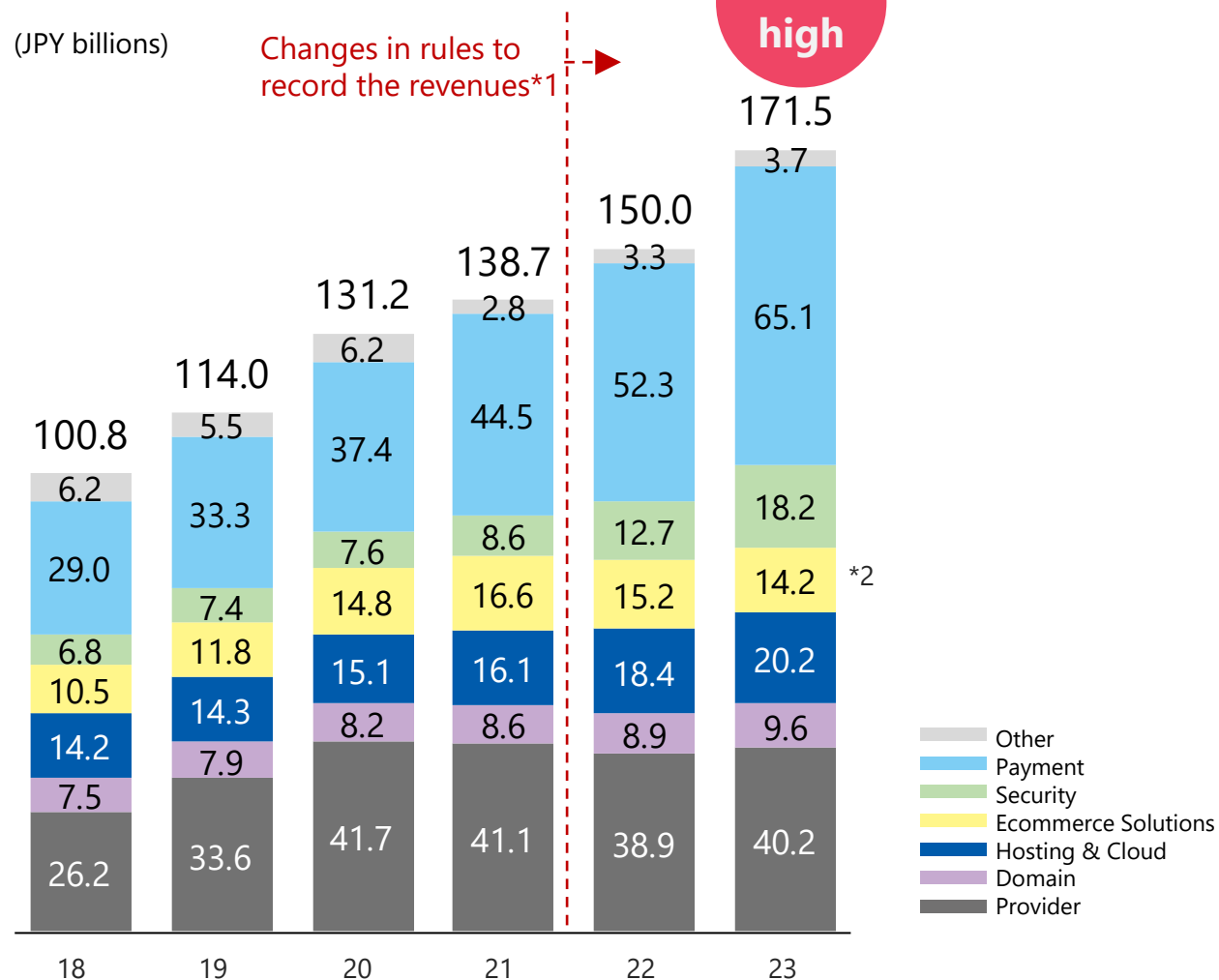
\*7 Winner of the Best Satisfaction Award in Hikari Collaboration Award 2023

# Internet Infrastructure | Full-year results trends

Net Sales: Up **14.3%** YoY

(JPY billions)

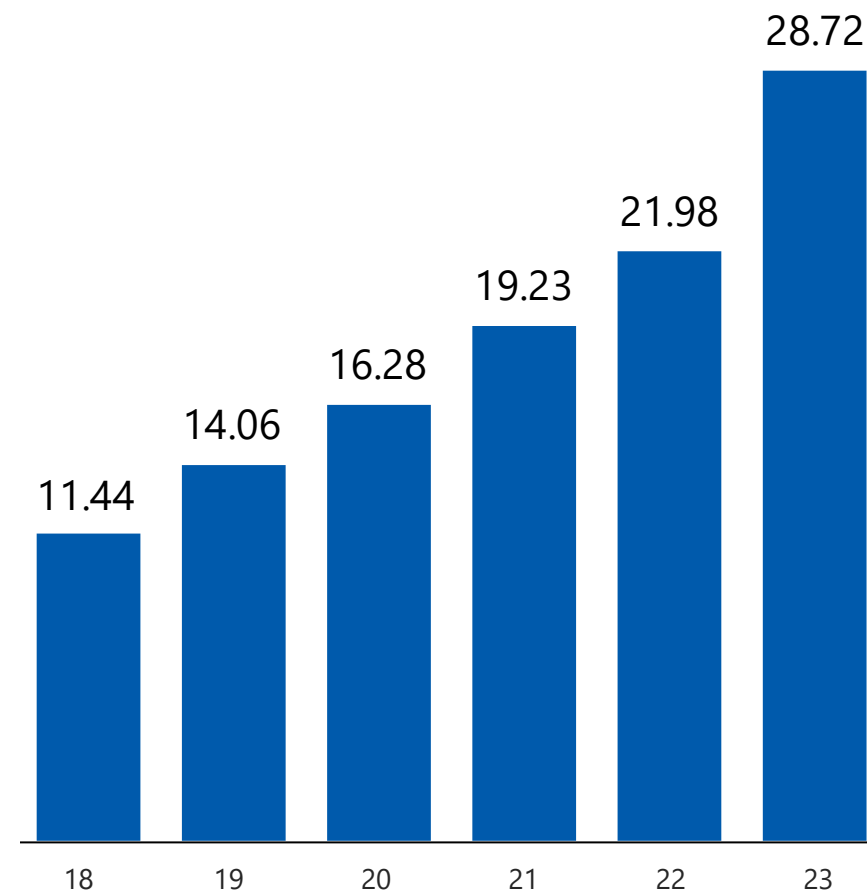
Changes in rules to record the revenues\*1



Operating Profit: Up **30.7%** YoY

(JPY billions)

Record high

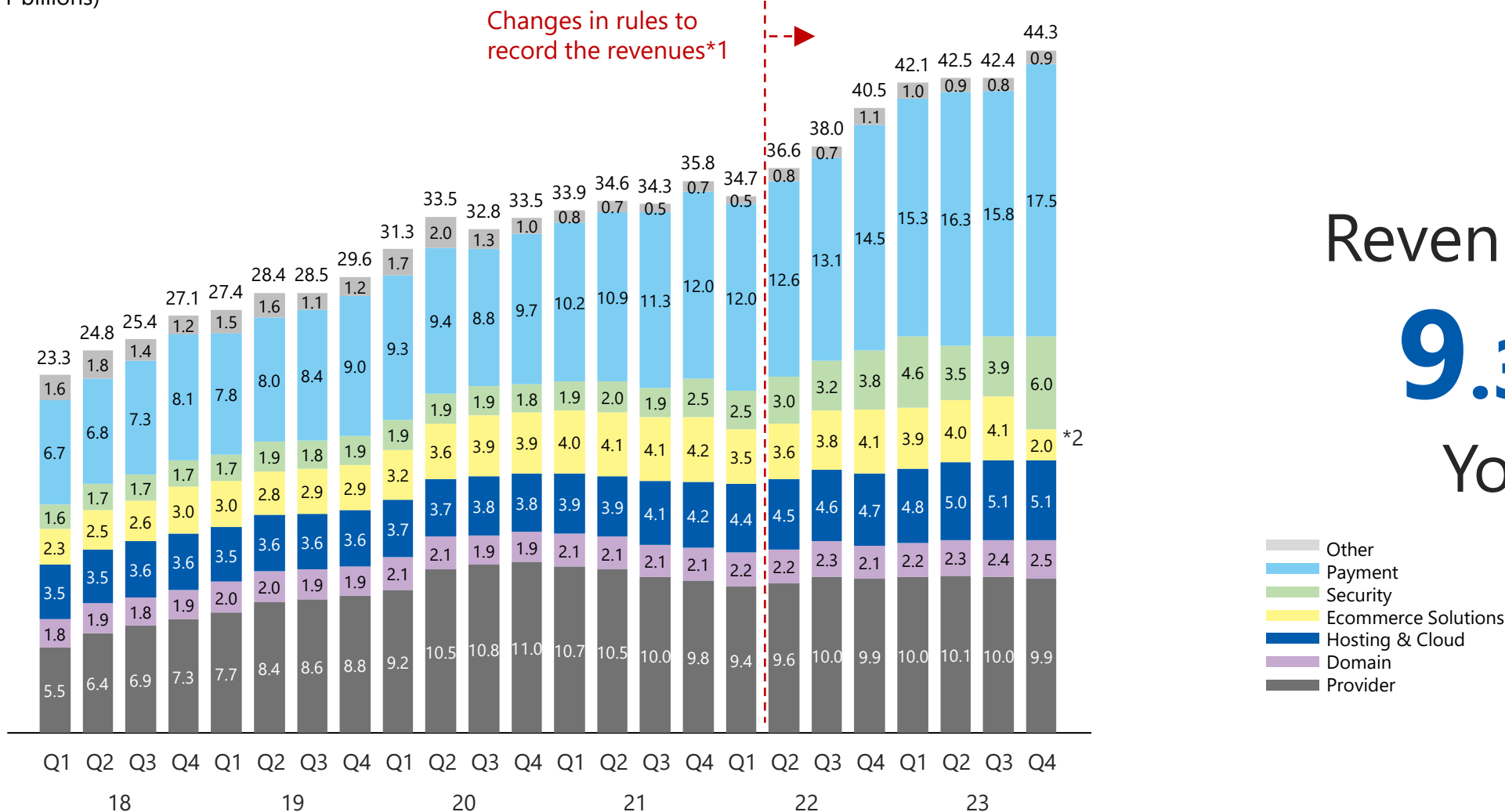


\*1 "Accounting standards related to revenue recognition" ( accounting standard No. 29 )

\*2 Includes a decrease of approximately JPY 2 B due to the change to a net amount treatment.

# Internet Infrastructure | Net Sales by Sub-Segment

(JPY billions)



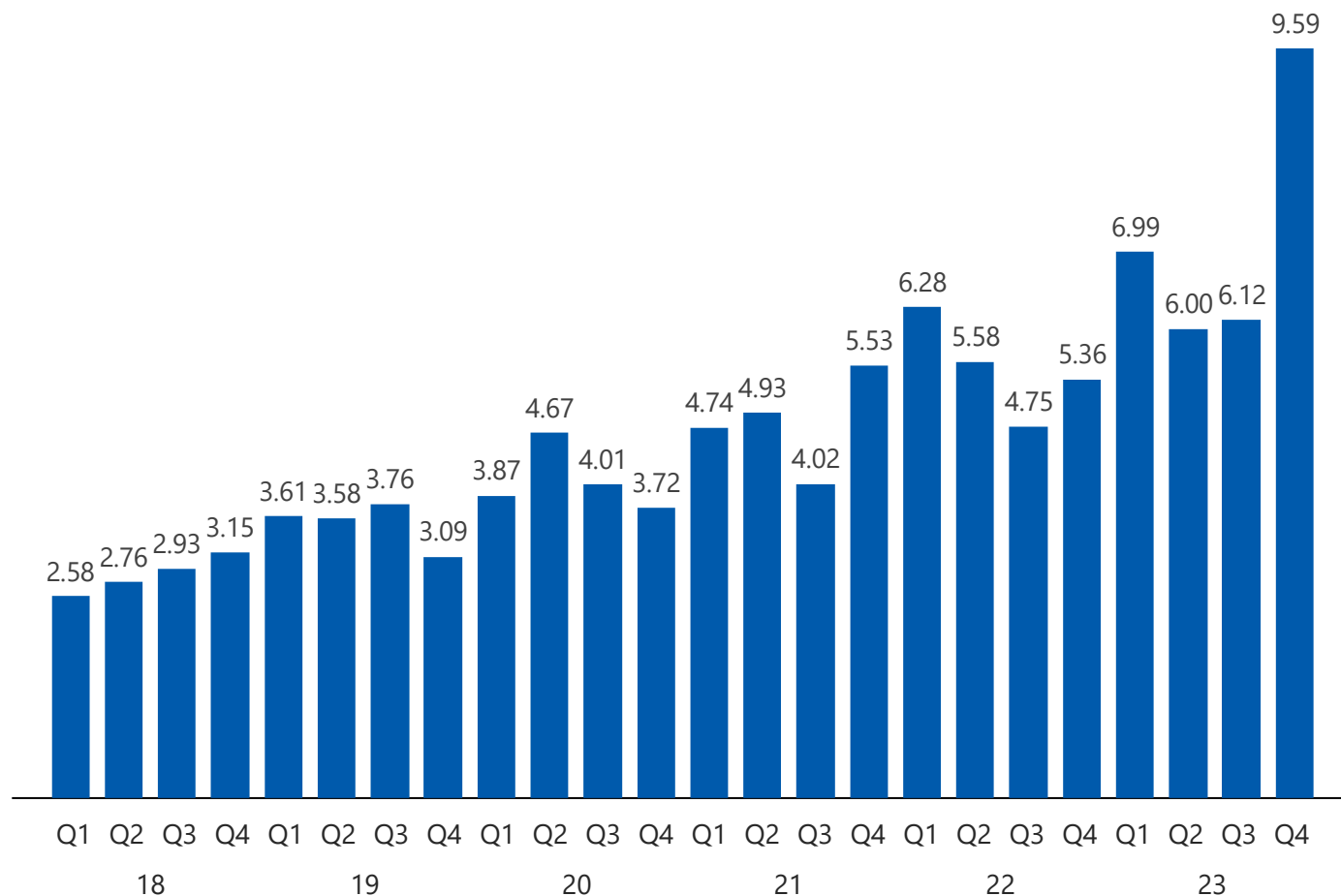
Revenue up  
**9.3%**  
YoY

\*1 "Accounting standards related to revenue recognition" ( accounting standard No. 29 )

\*2 The effect of applying the net amount treatment, approximately -2.0 billion yen, is taken into account in Q4'23.

# Internet Infrastructure | Operating Profit

(JPY billions)



Profit up  
**78.9%**  
YoY

# **Safe and Secure Internet for Everyone**

## Security | Three areas

### 1. **Encryption** security



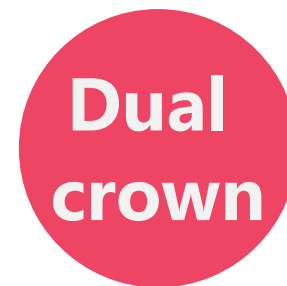
### 2. **Cyber** security



### 3. **Brand** security







電子印鑑なら  
**GMOサイン**

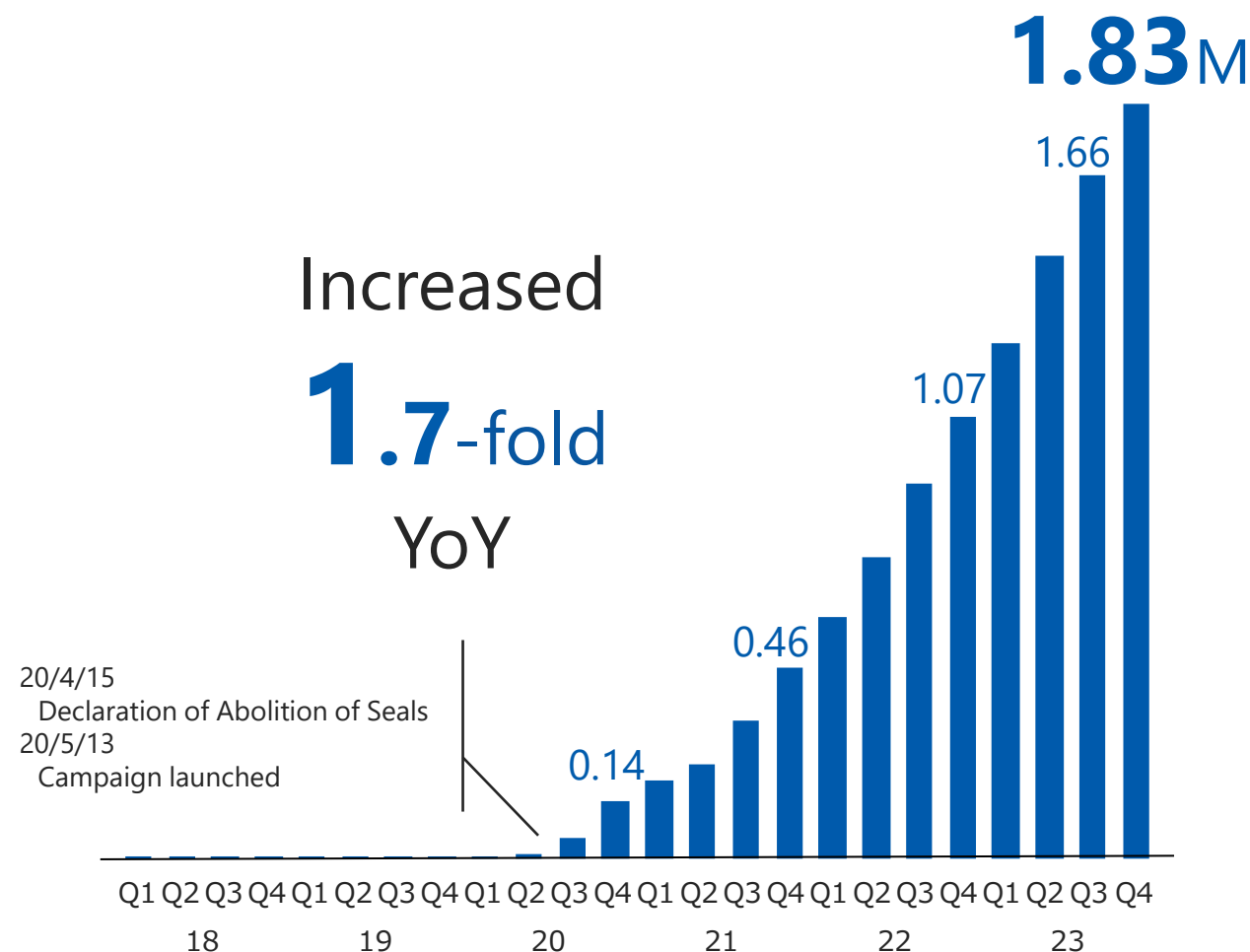
Number of e-contract accounts: **No.1**

Number of contracts: **No.1**

# Internet Infrastructure | Number of e-contract accounts

電子印鑑なら  
**GMOサイン**

( millions )



**Number of e-contract accounts No.1**

User companies ( extract )

**MIZUHO** みずほ銀行 **大和証券** Daiwa Securities **MUFG** 三菱UFJ銀行

よろこびがつなぐ世界へ **KIRIN** **BMW GROUP** **LINEヤフー** **kikkoman**

**東急リバブル** **ORIX** オリックス生命 **MIZUNO** **MAZDA**

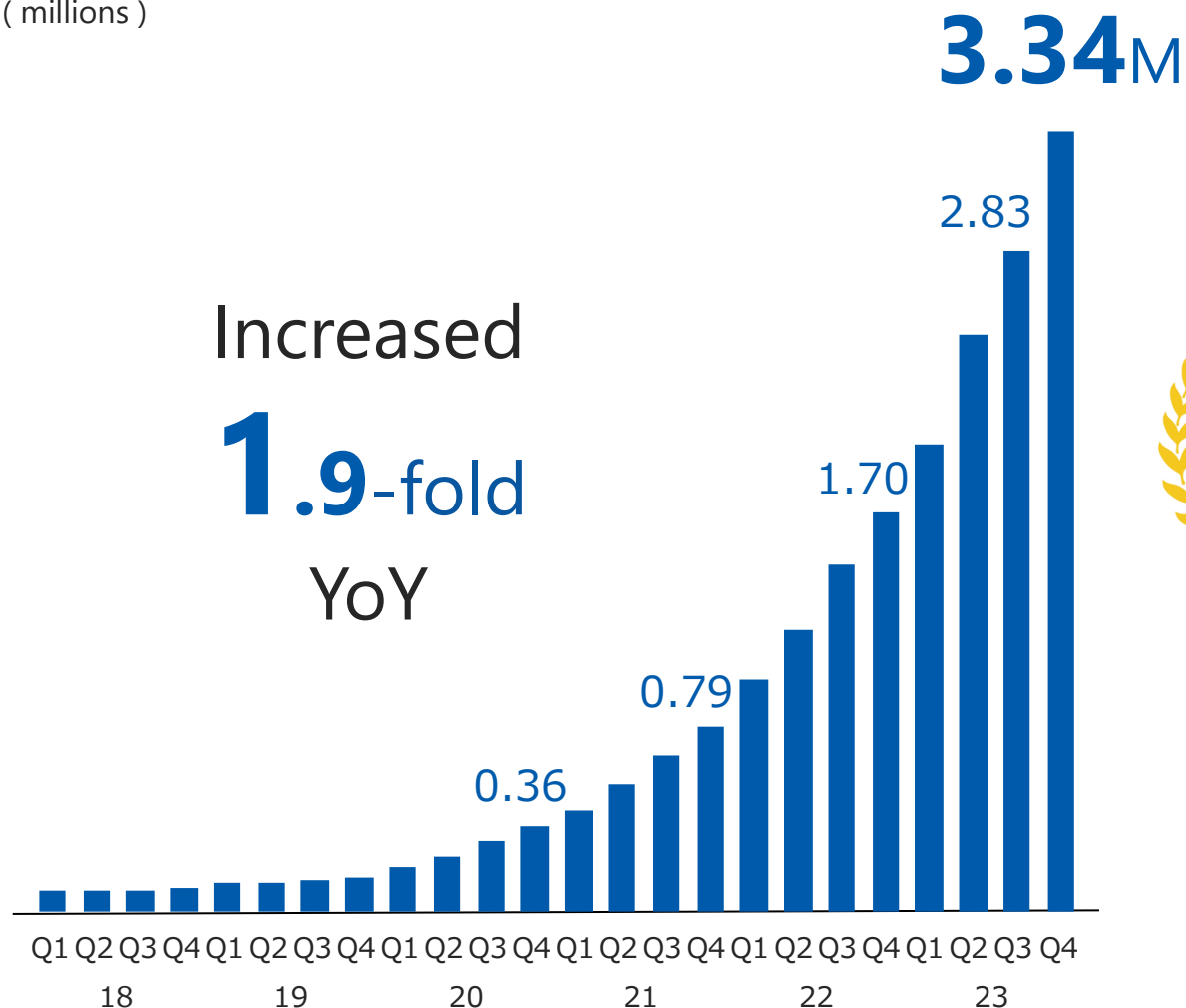
**TIPNESS** フィットネスクラブ ティップネス **UNITED ARROWS LTD.** 「心躍る」を 解き放つ **HIS** **PASONA**

**Francfranc** **Menicon** **NEDO**

**OPEN HOUSE** **三井住友信託銀行グループ** 三井住友トラスト不動産 **H2O RETAILING**

# Internet Infrastructure | Number of contracts

( millions )

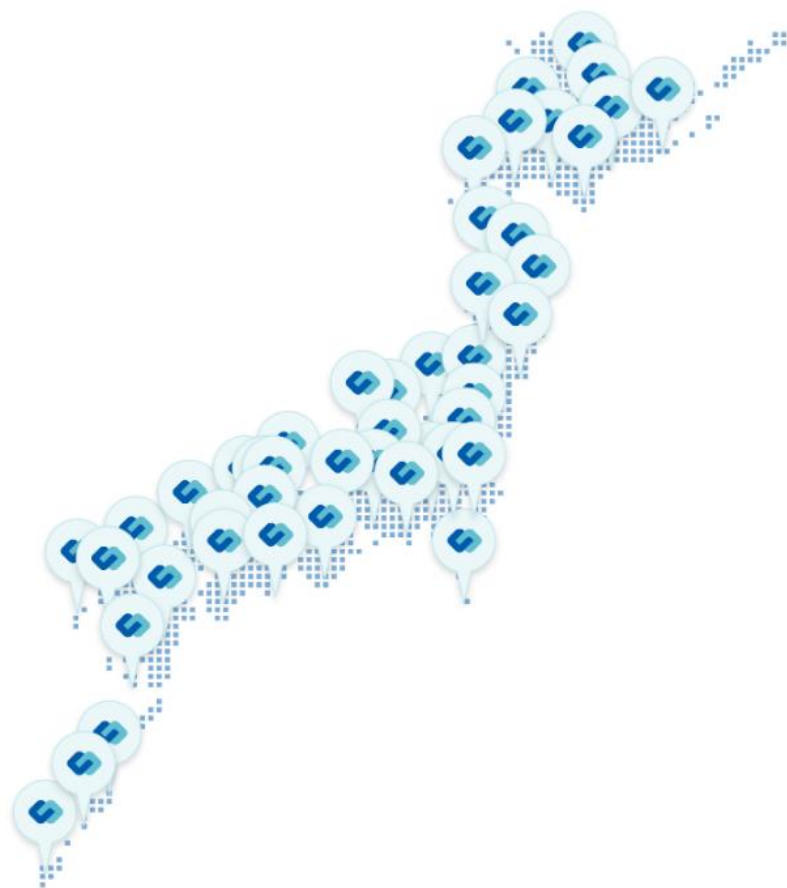


**Number of contracts**  
**No.1**



Adoption by **72** local governments was determined \*

**Become No.1 in terms of the  
number of local governments  
introducing GMO Sign.  
Aim at triple crown.**



Local governments introducing GMO Sign  
( extract )

Tokyo	Kanagawa	Shizuoka	Gunma	Hokkaido	Yamaguchi	Oita
Shibuya-ku, Tokyo		Adachi-ku, Tokyo			Fukuoka, Fukuoka Pref	
Toyota, Aichi Pref		Kawasaki, Kanagawa Pref			Yokosuka, Kanagawa Pref	
Chigasaki, Kanagawa Pref		Higashi-Osaka City, Osaka Pref			Toyonaka, Osaka Pref	
Hirakata, Osaka Pref		Shijonawate, Osaka Pref			Neyagawa, Osaka Pref	
Kadoma, Osaka Pref		Izumisano, Osaka Pref			Yao, Osaka Pref	
Sakai, Osaka Pref		Suita, Osaka Pref			Tondabayashi, Osaka Pref	
Minoh, Osaka Pref		Kishiwada, Osaka Pref			Ibaraki, Osaka Pref	
Izumi, Osaka Pref		Tatsuno, Hyogo Pref			Amami, Kagoshima Pref	
Inabe, Mie Pref		Sanjo, Niigata Pref			Sakai, Fukui Pref	
Shiso, Hyogo Pref		Nagahama, Shiga Pref			Koriyama, Fukushima Pref	
Kitakami, Iwate Pref		Kitakyushu, Fukuoka Pref			Chita, Aichi Pref	

\* Public bodies with paid contracts



**Japan's strongest white hat hacker  
organization**

# Internet Infrastructure | Cybersecurity Opened SOC



23 Jan.  
Open

**GMO**  
イエラエSOC 用賀



Finished of API collaboration with **6 million** customers for domain.

## Internet Infrastructure | Flatt Security Inc. joined the Group



**Product Security Expert Group**

13 Feb.  
Disclose

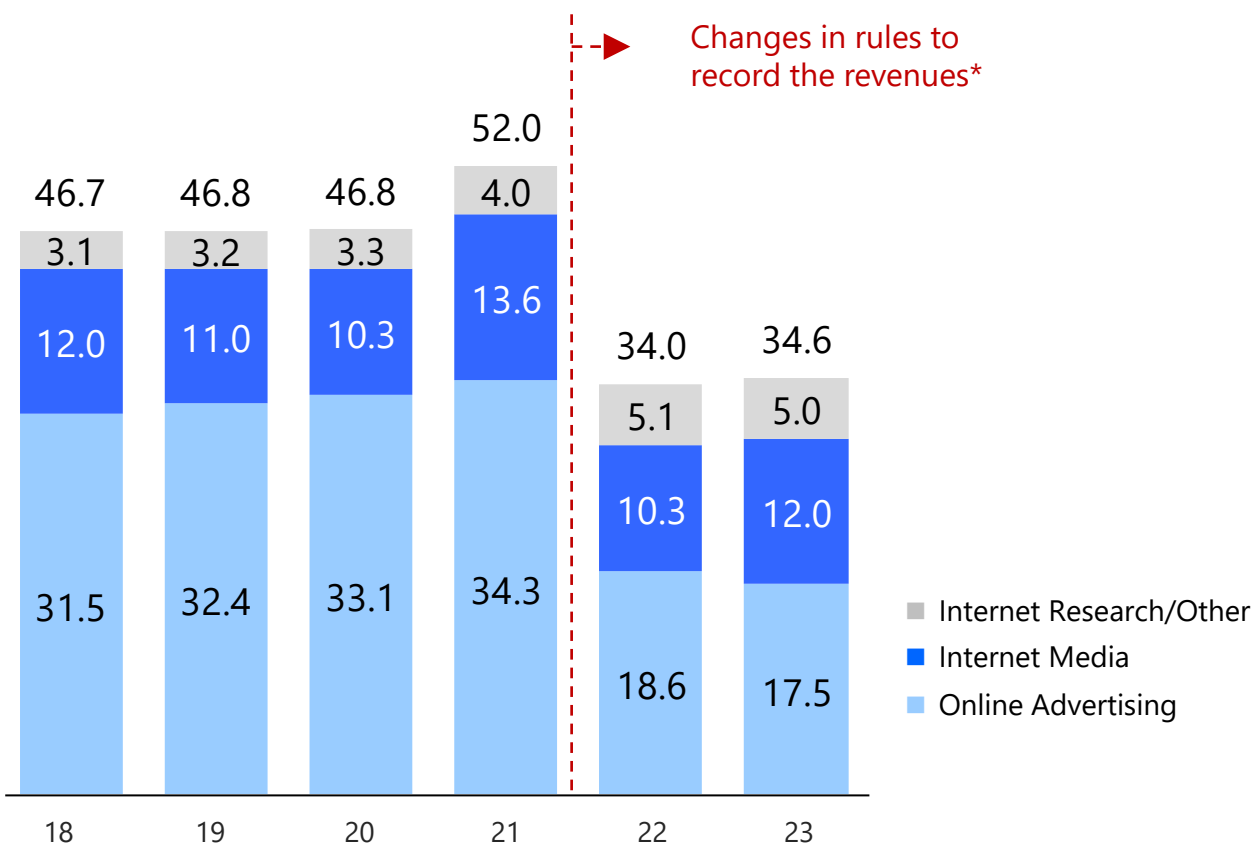


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# Online Advertising & Media | Full-year results trends

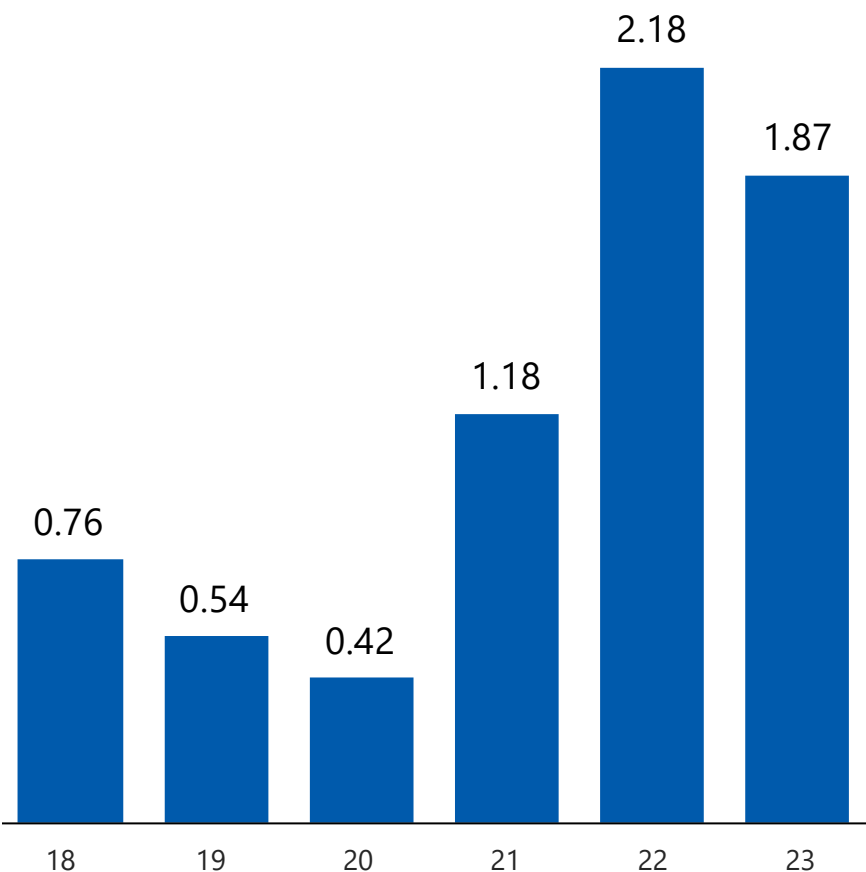
Net Sales: Up **1.8%** YoY

(JPY billions)



Operating Profit: Down **14.3%** YoY

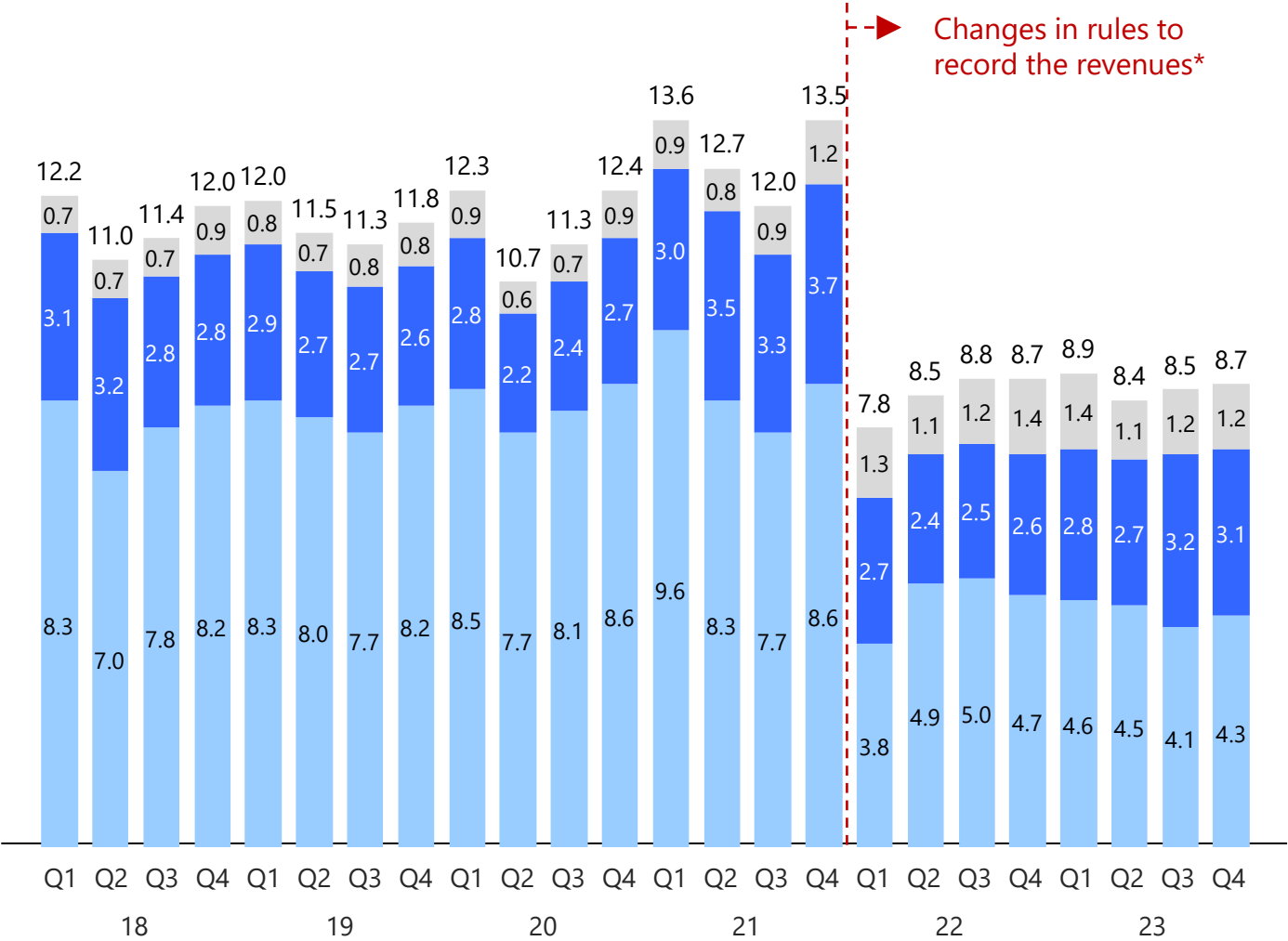
(JPY billions)



\* "Accounting standards related to revenue recognition"  
( accounting standard No. 29 )

# Online Advertising & Media | Net Sales

(JPY billions)



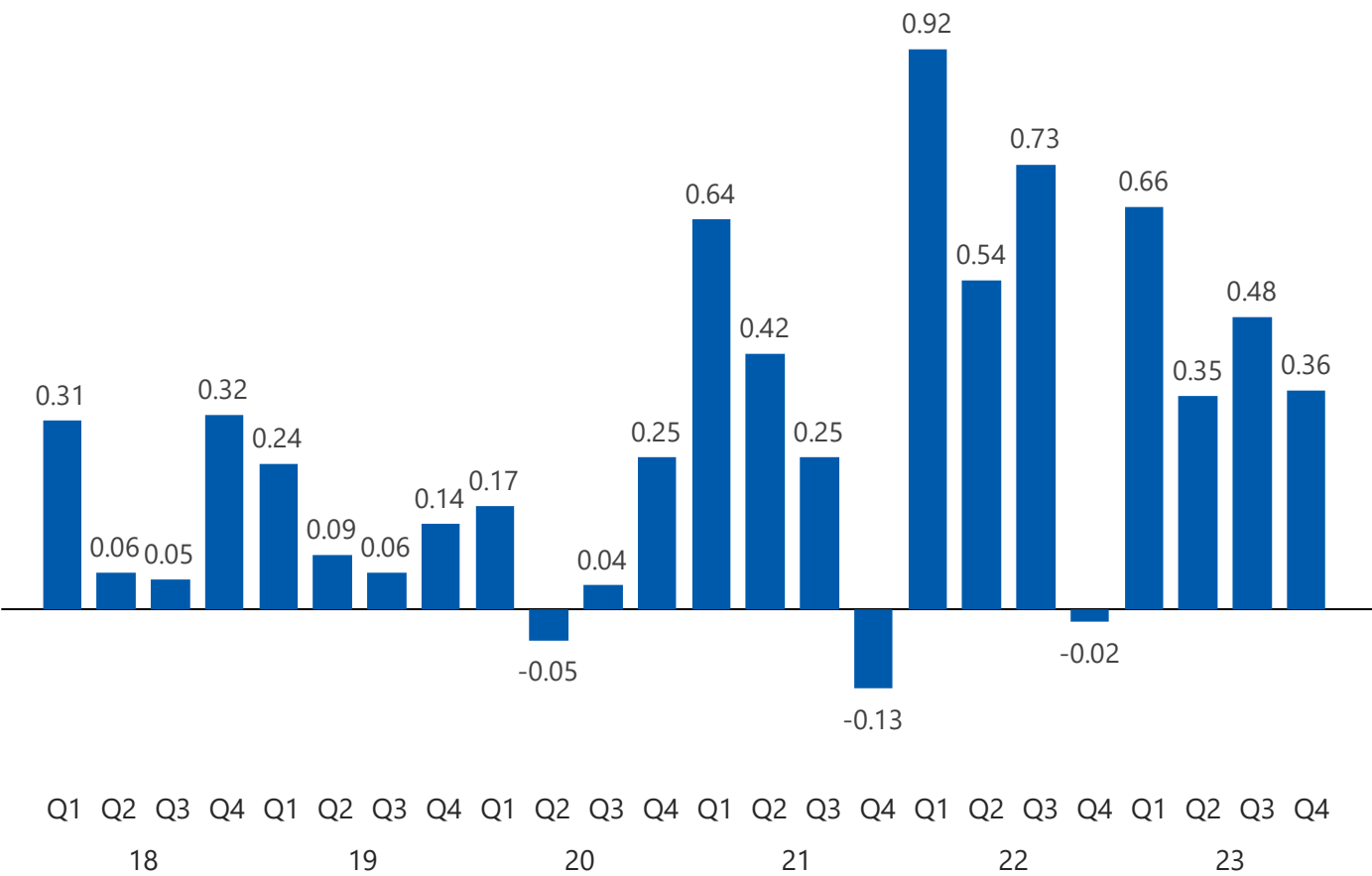
Revenue down  
**0.4%**  
YoY

- Internet Research/Other
- Internet Media
- Online Advertising

\* "Accounting standards related to revenue recognition" ( accounting standard No. 29 )

# Online Advertising & Media | Operating Profit

(JPY billions)



Operating Profit  
JPY **0.36B**

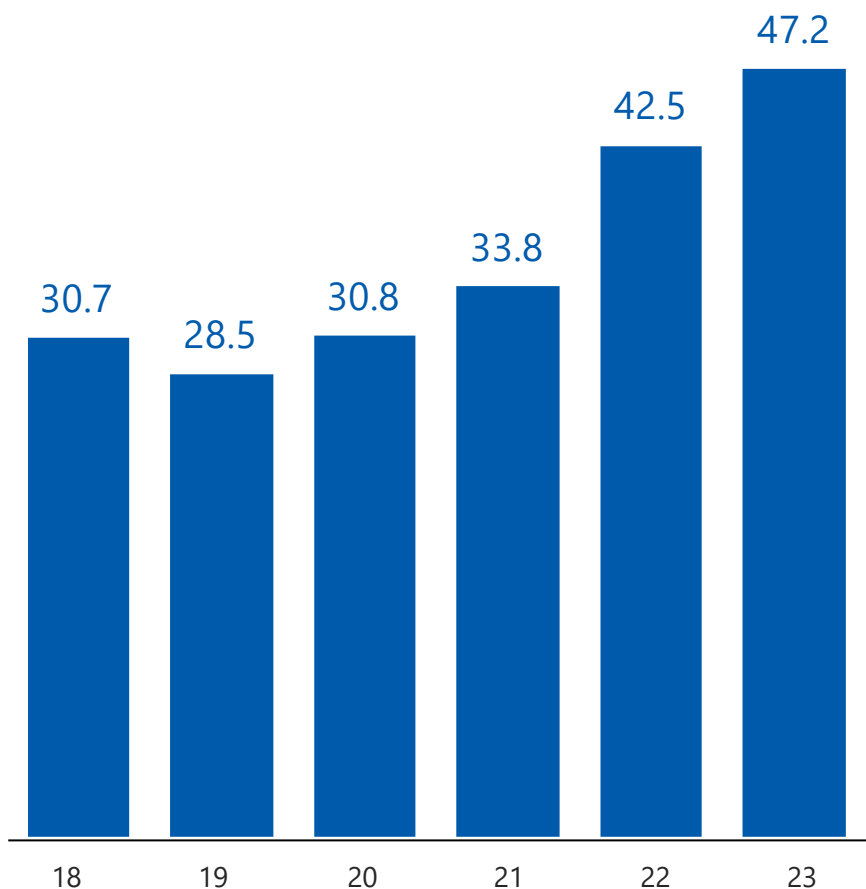
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# Internet Finance | Full-year results trends

Net Sales: Up **11.1%** YoY

(JPY billions)

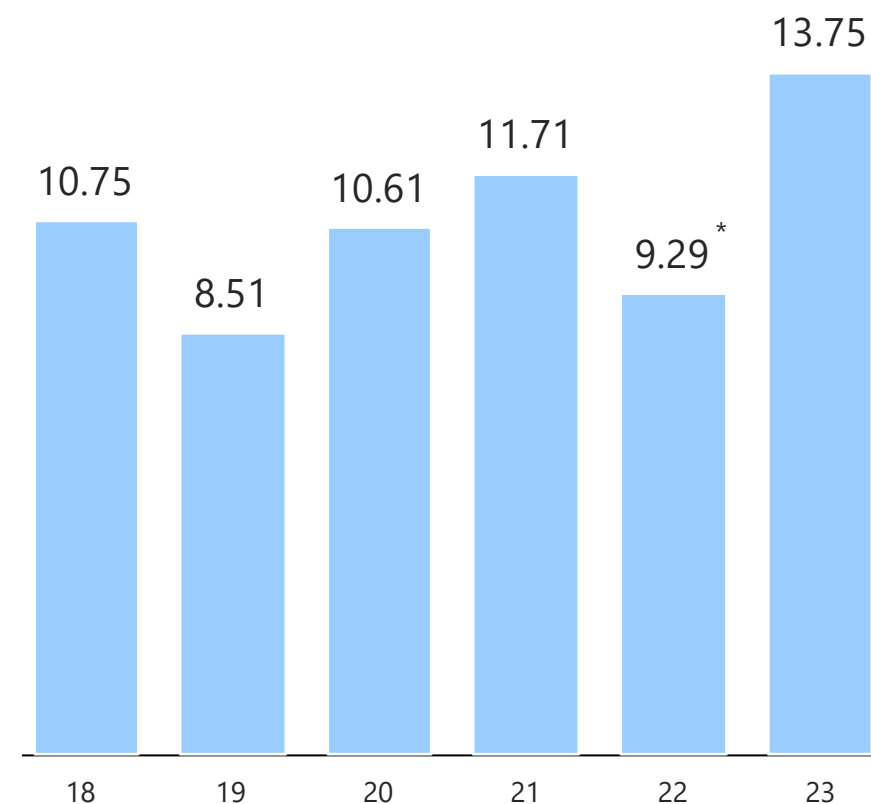
Record  
high



Operating Profit: Up **48.0%** YoY

(JPY billions)

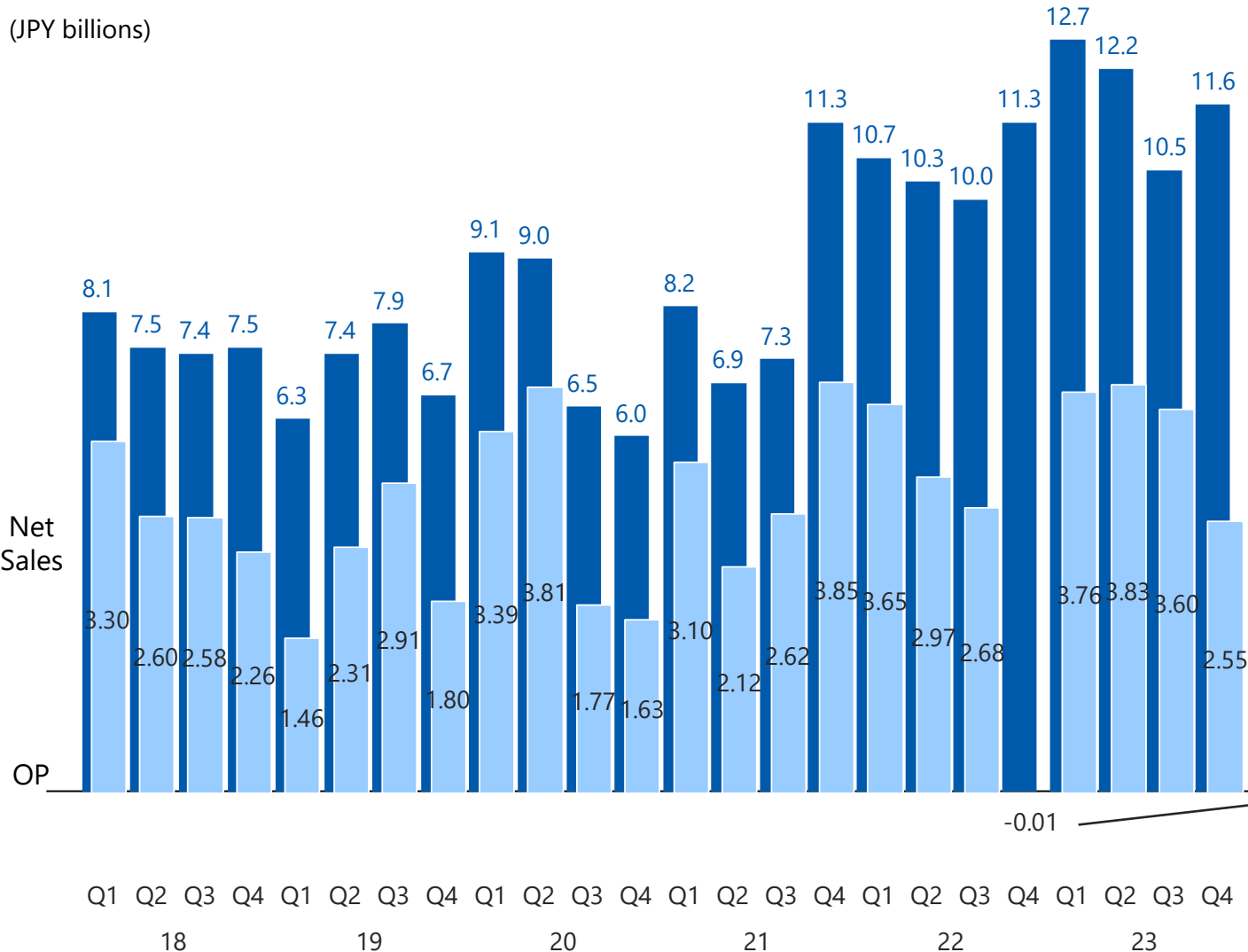
Record  
high



\* Thailand's Internet Securities : the provision of allowance for doubtful accounts 3.5B (FY22), 3.1B(FY23)

# Internet Finance | Historical Performance by Quarter

(JPY billions)



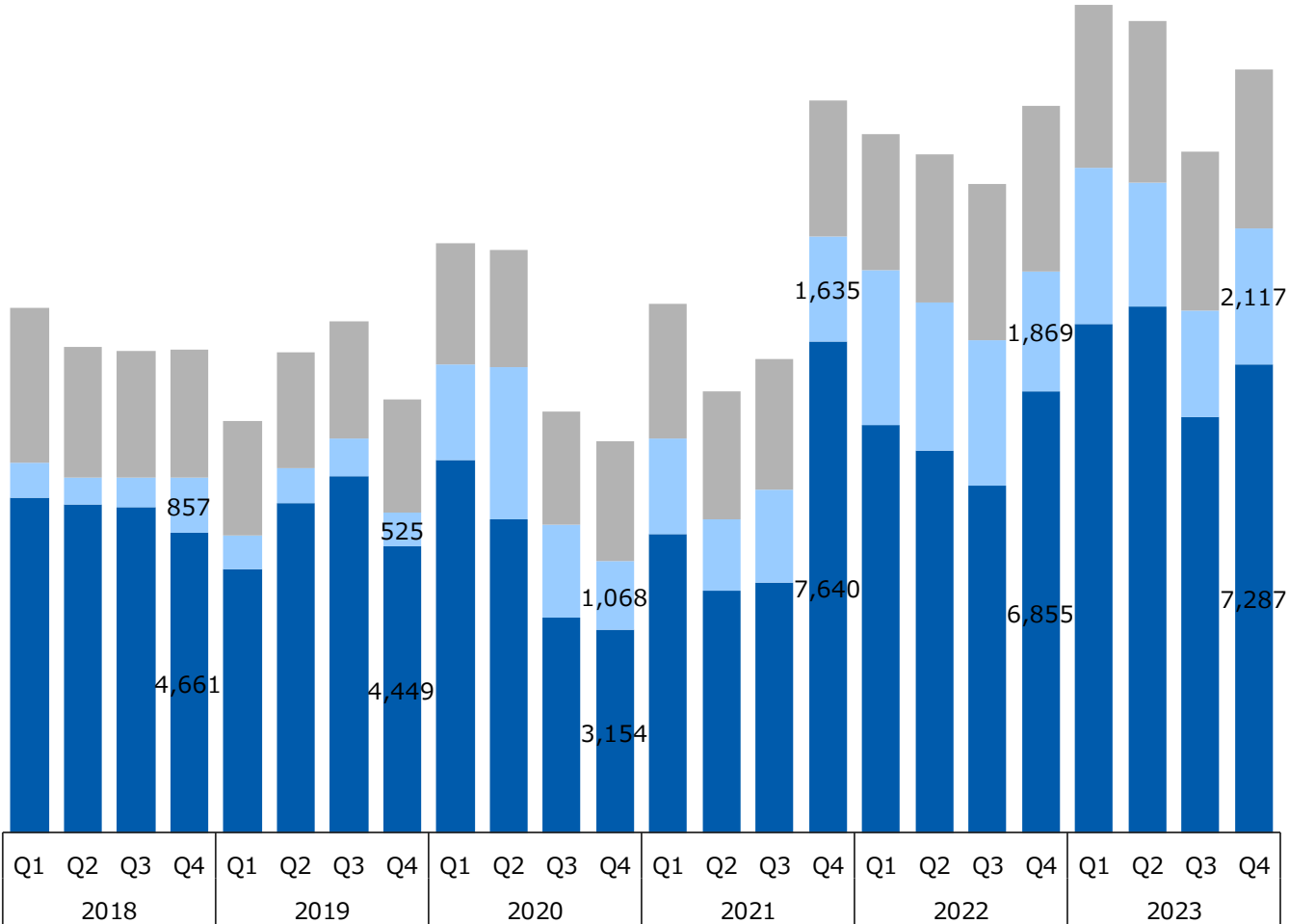
Revenue up  
**2.6%** YoY

Increased profit  
**JPY 2.5B**  
YoY

Finance: Thailand's Internet Securities posted the provision of allowance for doubtful accounts of JPY 3.5B

# Internet Finance | Net sales by each product

(JPY millions)

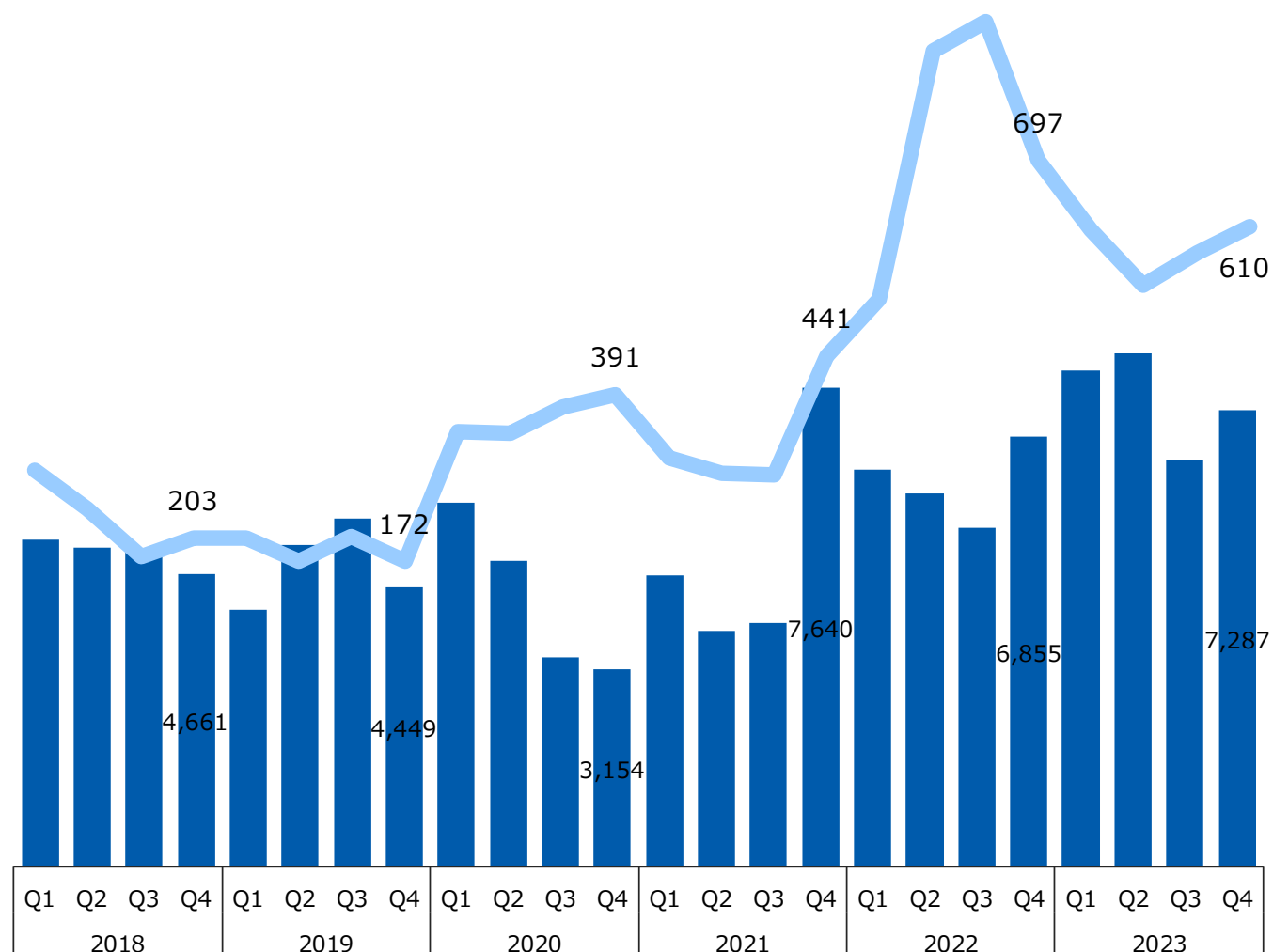


**FX : Profitability improved**  
**CFD: Firm**

Securities and others  
CFDs / Stock Index Binary Options  
OTC-FX / Binary Options



# Internet Finance | FX net sales and trading volume

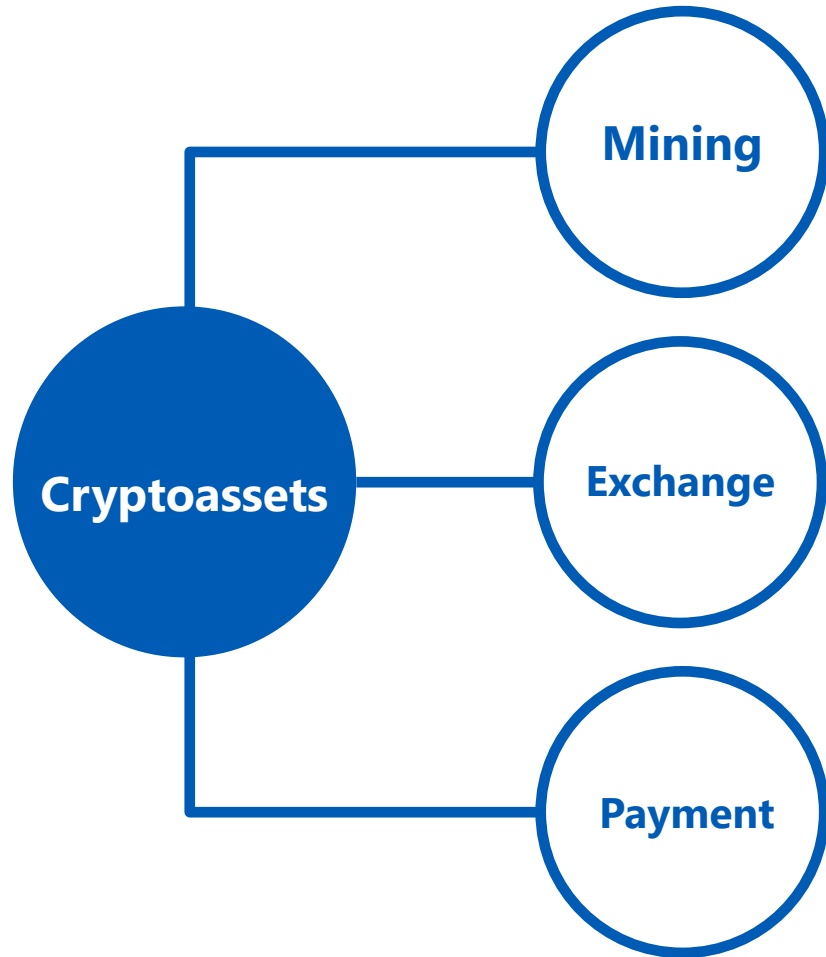


**FX : Profitability  
measures  
implemented  
(from Q4 2022)**

- Net sales of OTC-FX/binary options (JPY millions)
- FX Trading volume (JPY trillions)\*

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# Cryptoassets business



**Cryptoassets mining business**

**Cryptoassets exchange business**

**GMO Coin**

**Cryptoassets payment**

└ Issue stablecoin

**GYEN ZUSD**  
Digital JPY Digital USD

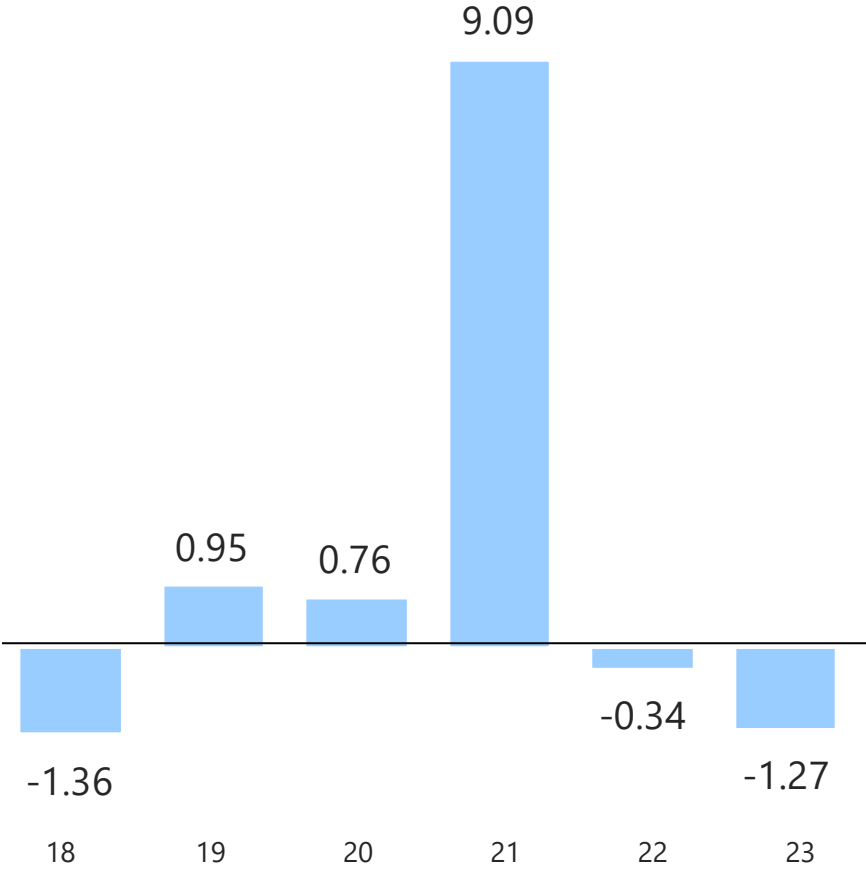
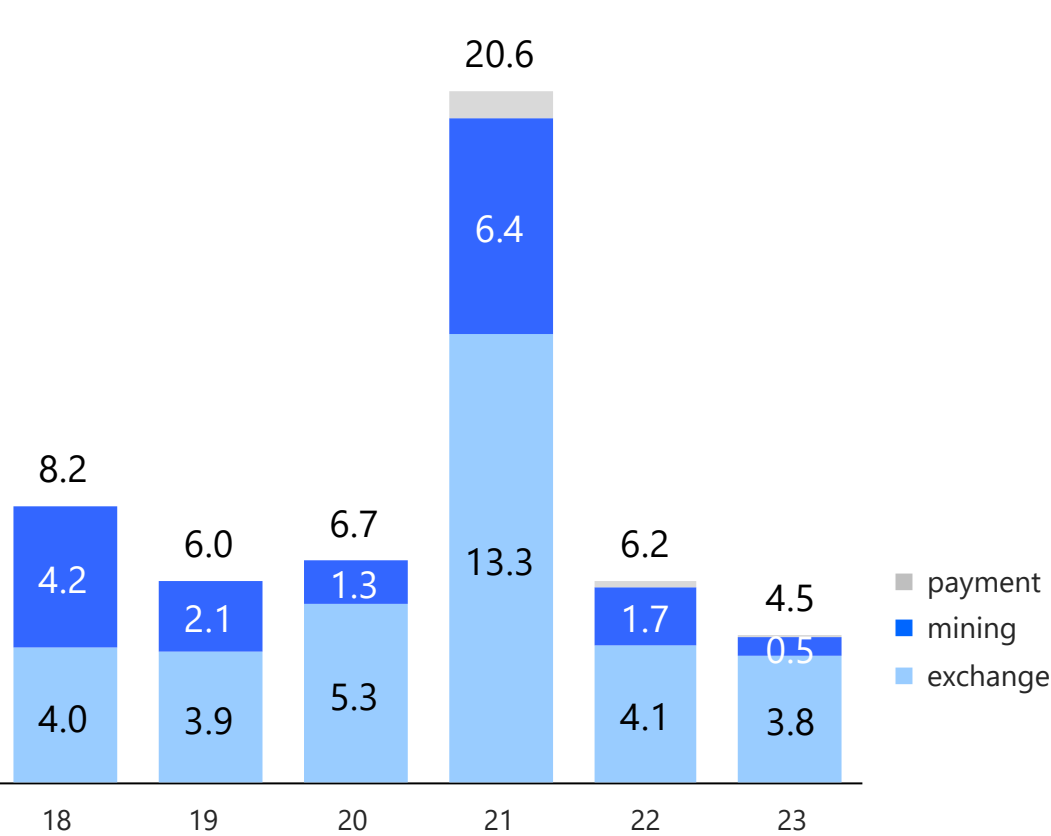
# Cryptoassets business | Full-year results trends

Net Sales: Down **26.7%** YoY

Operating Loss: **1.27B**

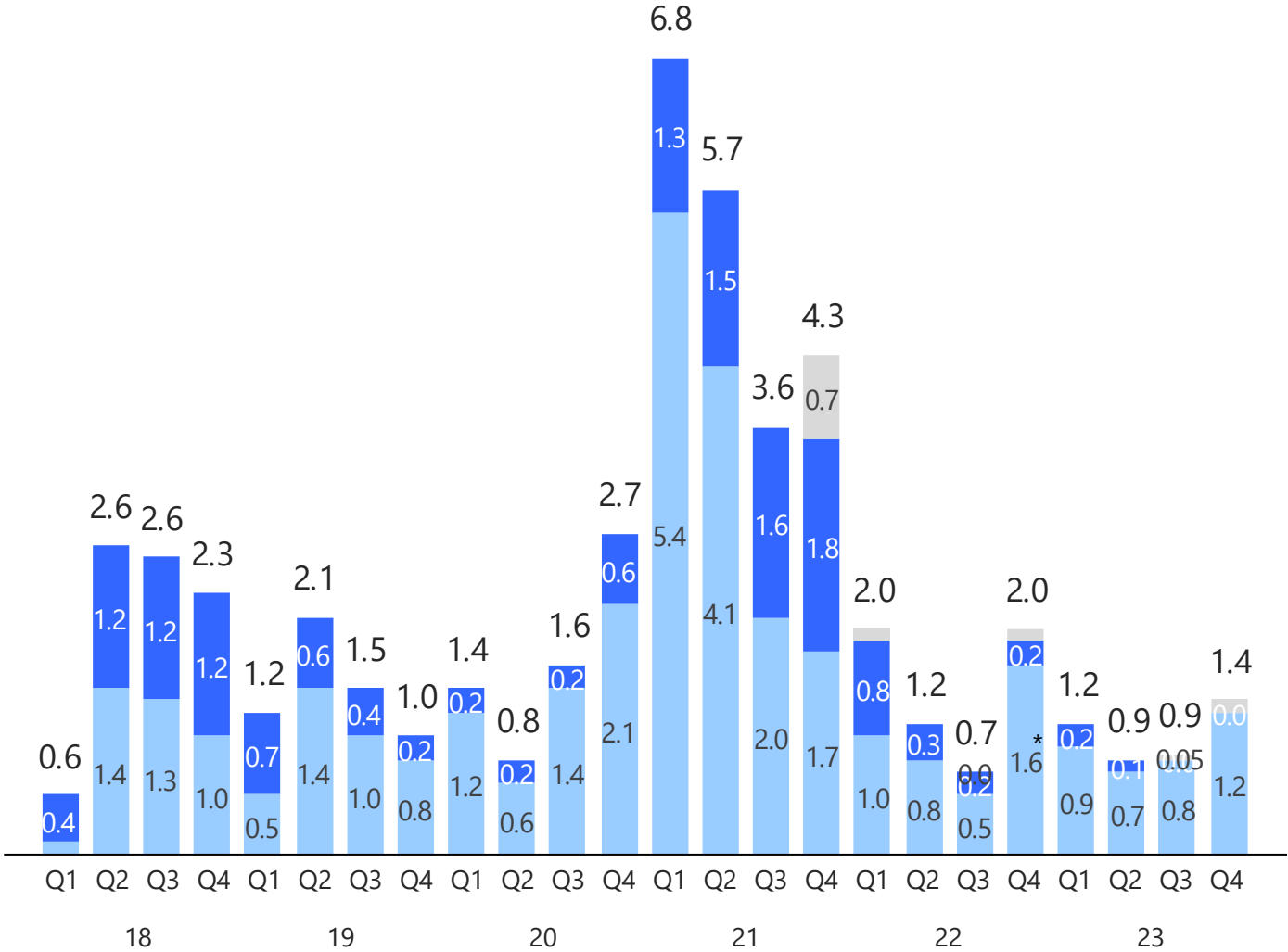
(JPY billions)

(JPY billions)



# Cryptoassets business | Net Sales

(JPY billions)



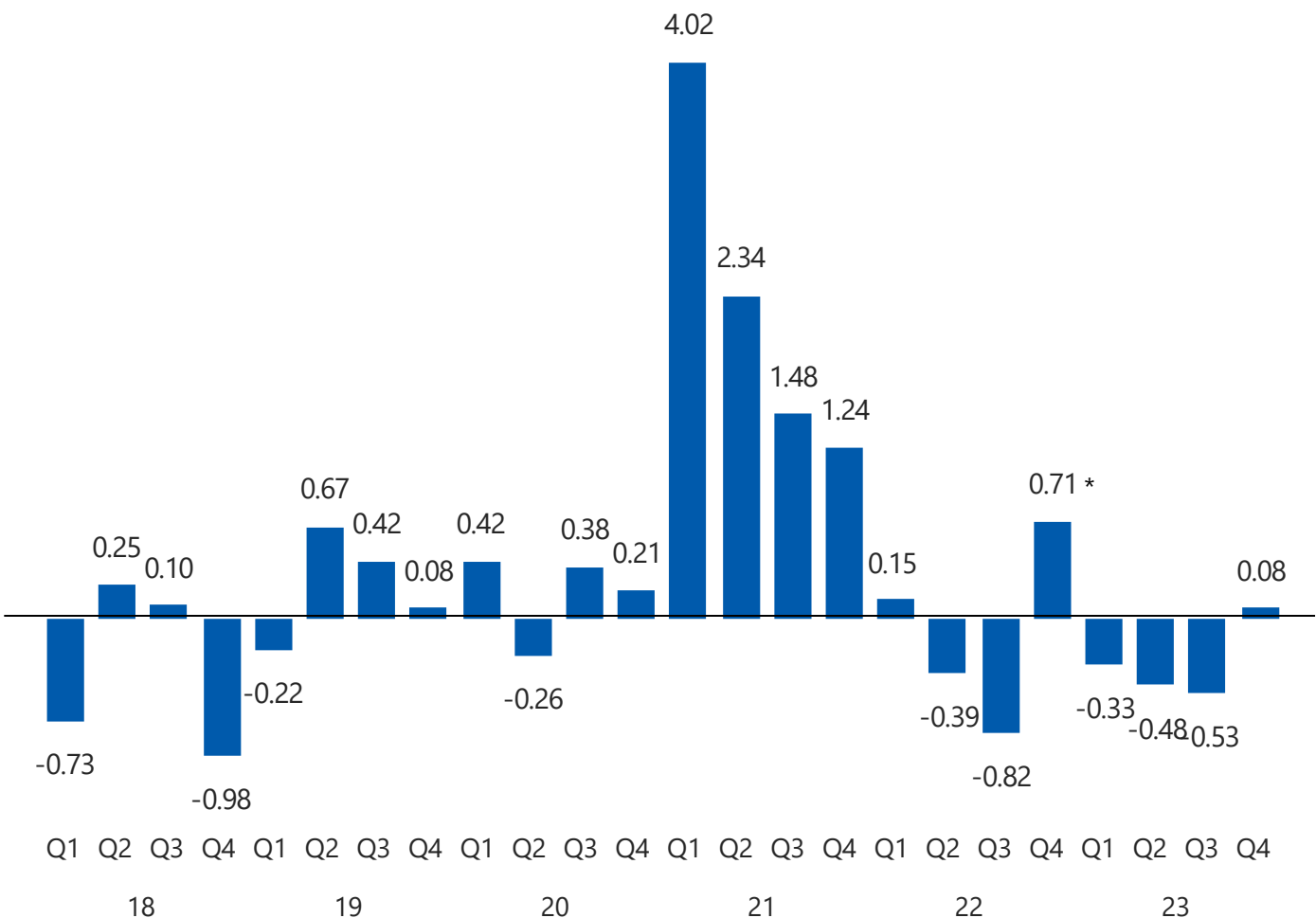
Revenue up  
**49.6%**  
QoQ

■ payment  
■ mining  
■ exchange

\* The Company started recording hedging costs previously deducted from net sales as non-operating profit and loss in October 2022. As a result, net sales increased by JPY 870 million in Q4 FY2022 (including a correction to the figures from Q1 to Q3 FY2022).

# Cryptoassets business | Operating Profit

(JPY billions)



Turning  
a profit  
QoQ

\* The Company started recording hedging costs previously deducted from net sales as non-operating profit and loss in October 2022. As a result, operating profit increased by JPY 870 million in Q4 FY2022 (including a correction to the figures from Q1 to Q3 FY2022).

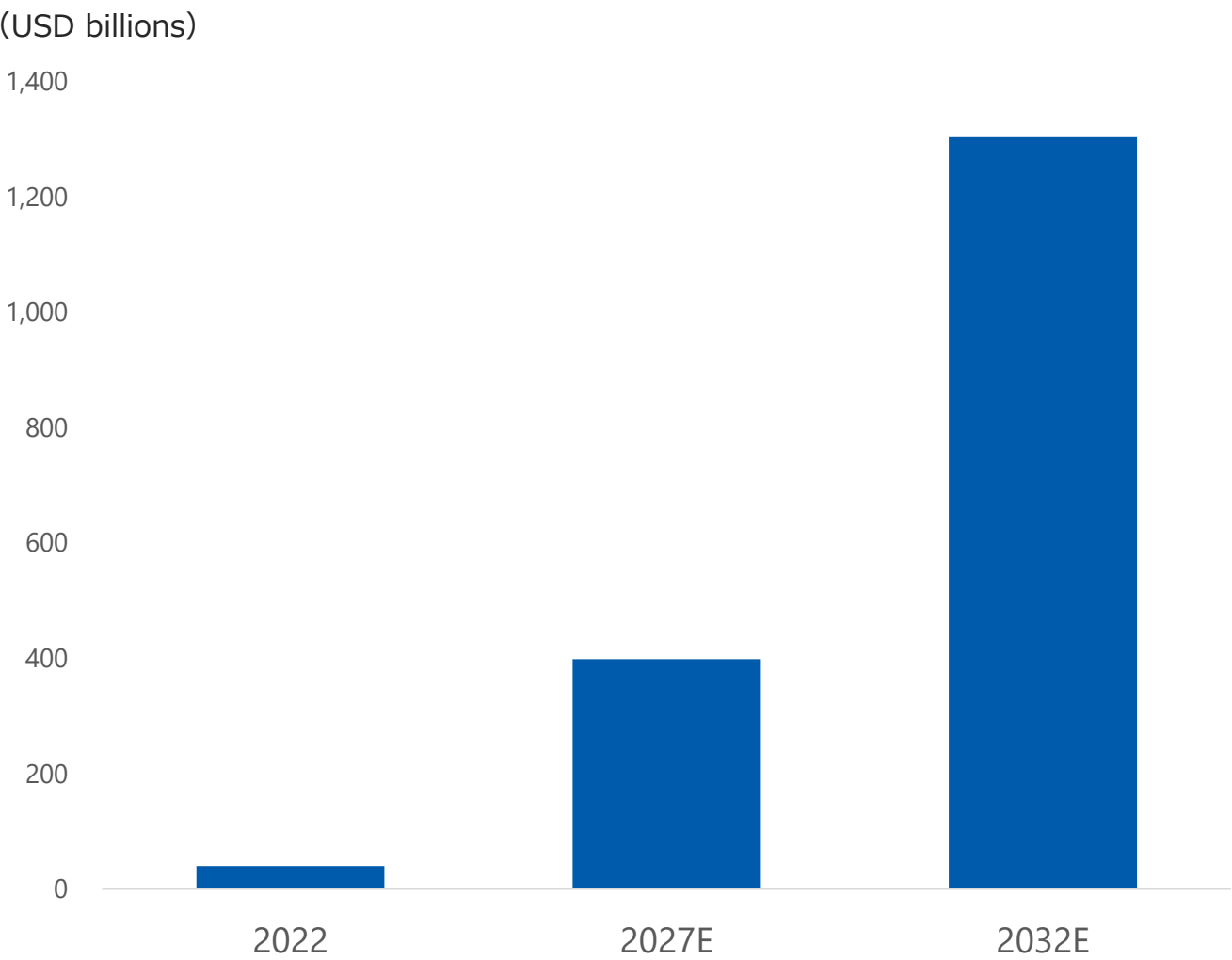
1. Overview
2. Group Overview
3. Segment Report
  - i) Internet Infrastructure
  - ii) Online Advertising & Media
  - iii) Internet Finance
  - iv) Cryptoassets
4. Topics

New

# **Efforts Towards Becoming No.1 Corporate Group in Creating the Future with AI**



# Outlook for the Generative AI Market



**in 2032**  
**USD 1.3**  
**trillion**

Source: Bloomberg

# No.1 Corporate Group in Creating the Future with AI | Investor's Focus

- 1. How much cost savings?**
- 2. How many personnel reductions?**  
(General Hiring Restraints, Hiring Advanced AI Talent,  
Convert existing personnel to AI Talent)
- 3. How much sales expansion?**

# No.1 Corporate Group in Creating the Future with AI | Cost savings

FY24 Targets

worth JPY **1.8B**

of operational efficiencies

# No.1 Corporate Group in Creating the Future with AI

## | Personnel cut (General Hiring Restraints, Hiring Advanced AI Talent)

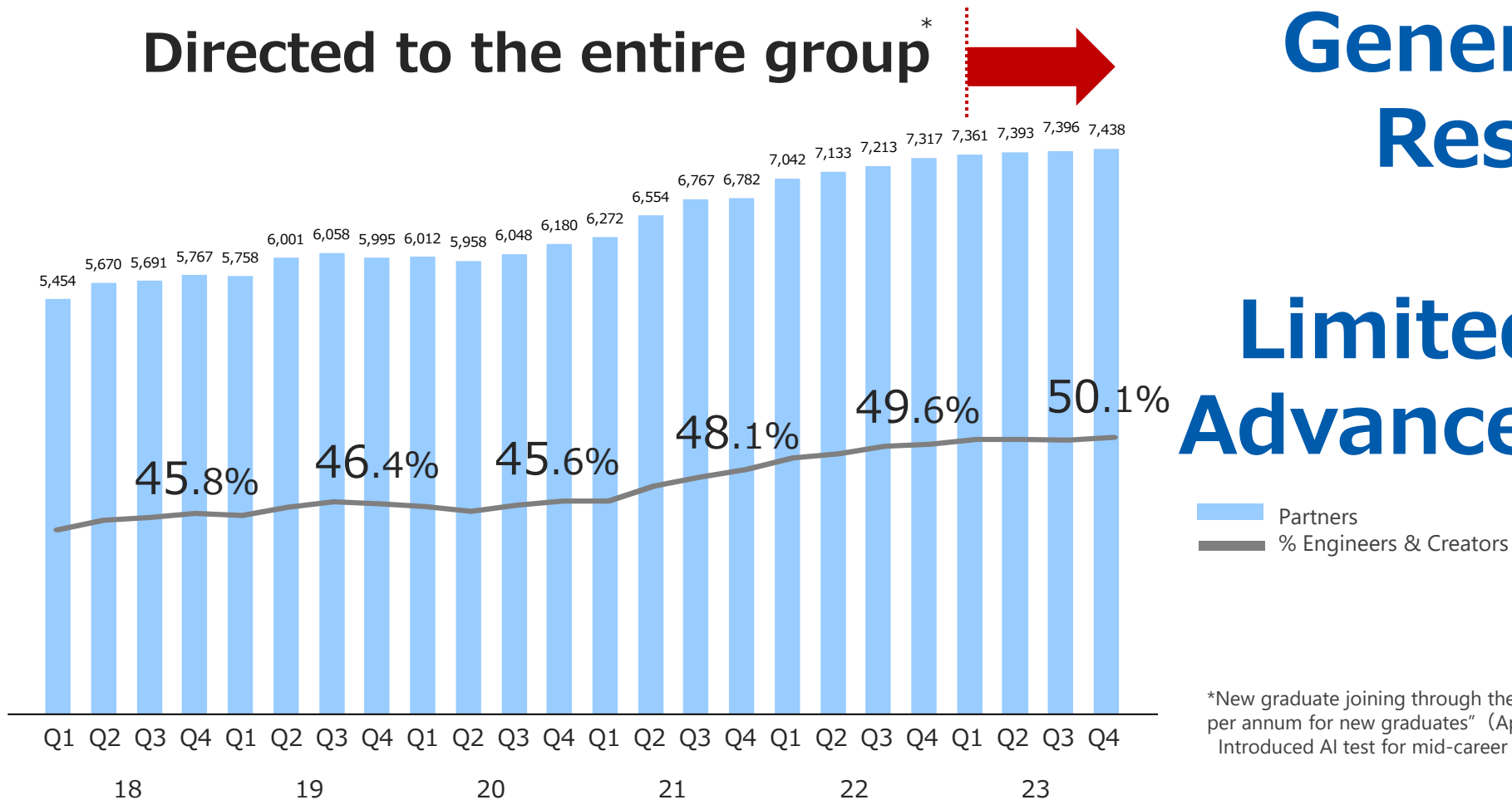
Number of partners

Directed to the entire group\*



## General Hiring Restraints

## Limited to hiring Advanced AI Talent



\*New graduate joining through the "The program of paying JPY 7.1 million per annum for new graduates" (Apr. 2023~)  
Introduced AI test for mid-career hires. (Jun. 2023~)

# No.1 Corporate Group in Creating the Future with AI | Personnel cut (Convert existing personnel to AI Talent)

## Contents

## Start

GMO AI セミナー

Jun. 2023～

GMO AI パスポート

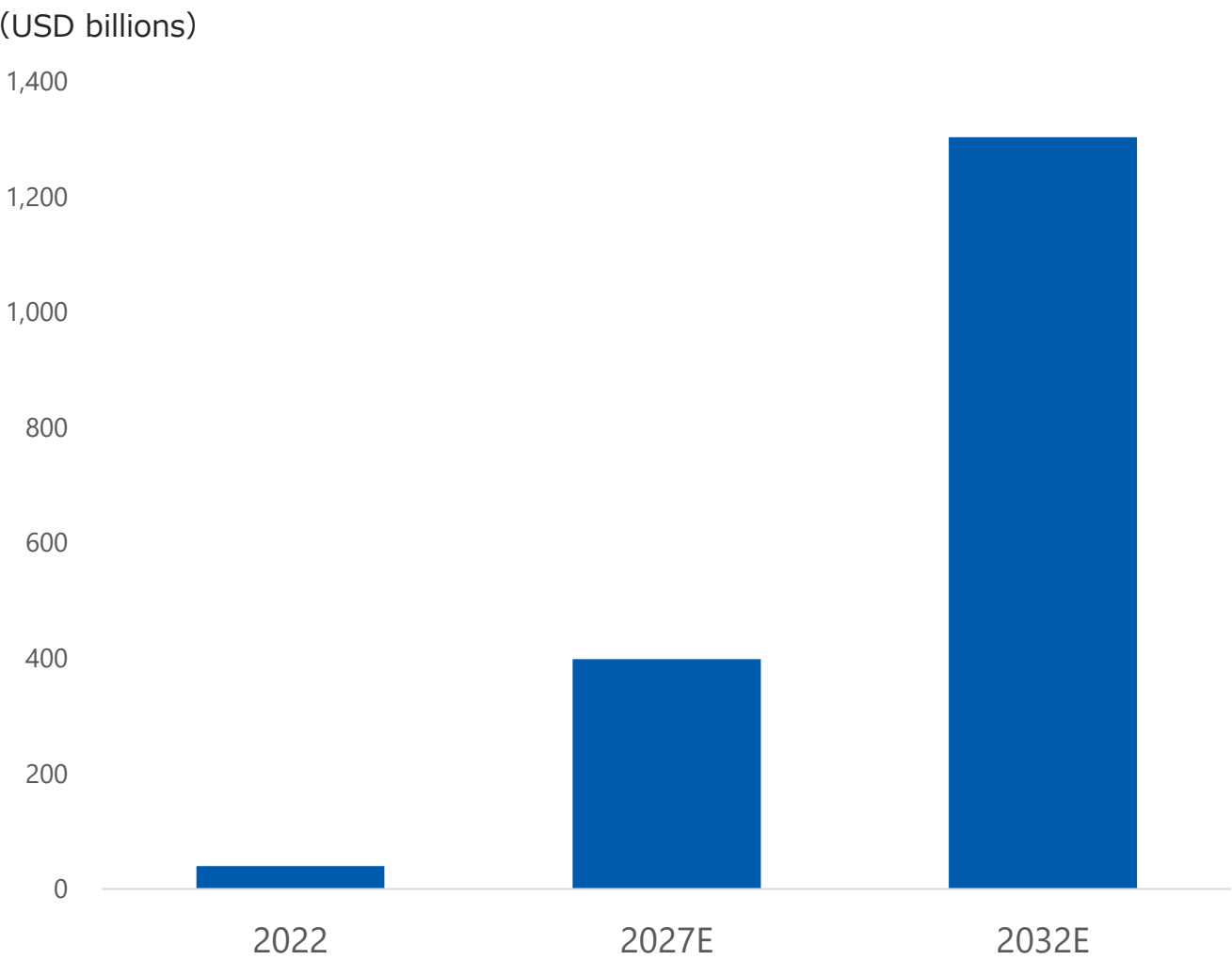
Sep. 2023～

Short-term AI Talent  
Development  
Program

虎の穴 New

Feb. 2024～

# Outlook for the Generative AI Market

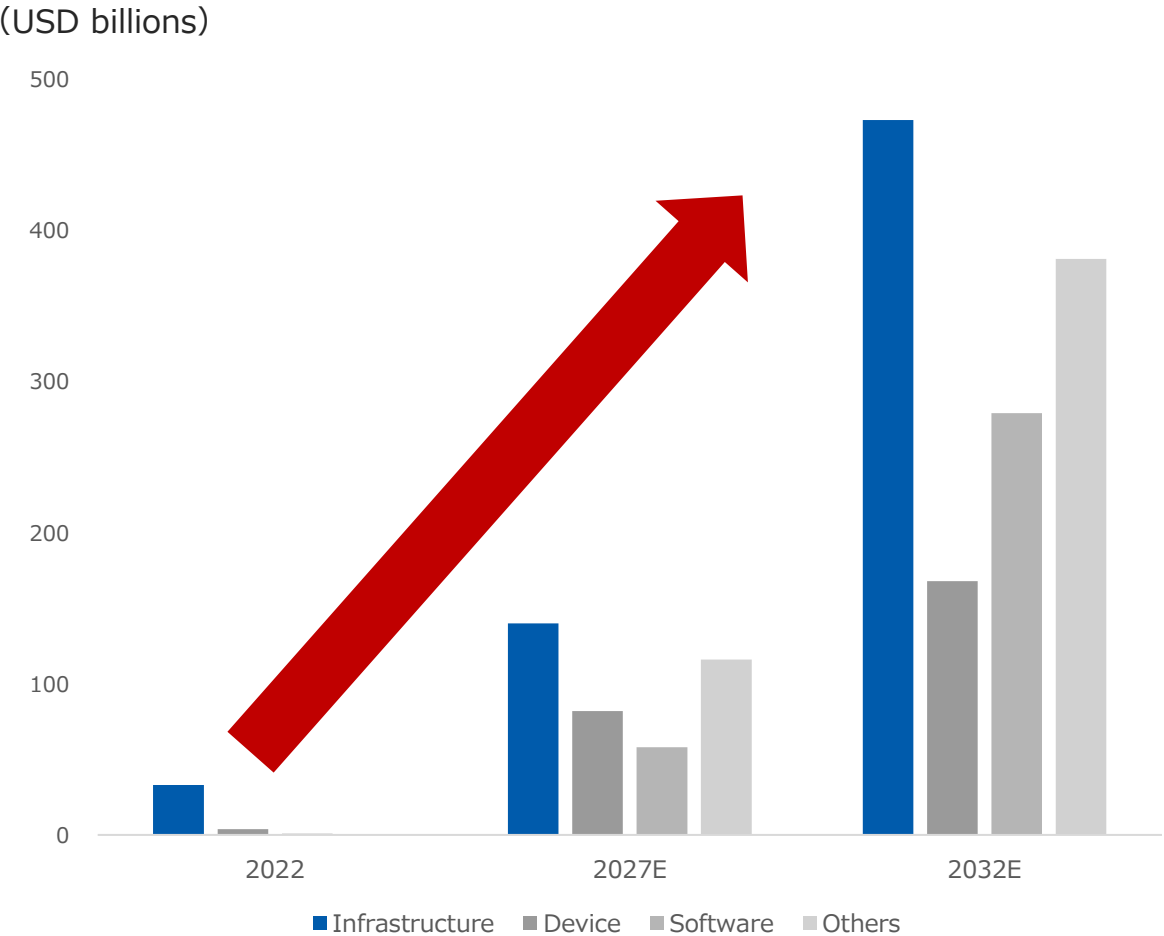


**in 2032**  
**USD 1.3**  
**trillion**

Source: Bloomberg

# No.1 Corporate Group in Creating the Future with AI | Expand sales

Revenue Forecast by Generated AI Segment



Areas of greatest growth  
in the AI industry



Infrastructure

Source: Bloomberg intelligence, IDC, eMarketer, Statista

# No.1 Corporate Group in Creating the Future with AI | Expand sales

Various initiatives are underway to become the infrastructure of the AI industry

## Infrastructure



## Startup Support





**No.1 Corporate Group in Creating the Future with AI | Expand sales**



**Accelerate collaboration to  
Expansion of AI Industry  
Plans to Invest in server  
Approx. JPY 10B**

\*We are planning to submit an application to the Ministry of Economy, Trade and Industry (METI) regarding a plan to secure the supply of the "Cloud Program," a specified critical commodity under the Economic Security Promotion Act.

For details, please refer to "Notice Regarding Acquisition of Fixed Assets (GPU Server)" (February 13, 2024)

# Conclusion

## Conclusion

The core businesses of **infrastructure and finance both achieved record-breaking performance**

**26.6% profit increase** excluding discontinuous operations, strong growth

This fiscal year, we aim to **pursue sustainable growth based on our solid recurring revenues.**

Under our new policy to **No.1 Corporate Group in Creating the Future with AI**, in FY2024, we will make it a year to "**quantify and visualize the outcomes**" of AI investment and utilization.

**Internet for Everyone**

**GMO**

# GMO INTERNET GROUP

**We are planning on making an earnings announcement for FY2024 First Quarter after 3 pm on May 10, 2024.**

This document includes projections based on expectations, premises and plans as of February 13, 2024. These projections may differ from actual results due to factors including changes in the global economy, competition, exchange rate fluctuations, market cap of cryptoasset, natural disasters and other unforeseeable events. Some of the figures given, such as market share are based on our own calculations. These figures may differ from research agency figures.

Information contained in this document is provided for information purposes only and does not constitute solicitation of investors. Further, results forecasts and other forward-looking statements are based on premises that include risks and factors that are largely indeterminable. Please understand that actual results may differ significantly as a result of forces including economic conditions and market environment. No responsibility for any reason is accepted for damage sustained as a result of actions taken based on this information.

# Appendix

## **□ Group Overview**

□ Financial condition and strategy

□ Consolidated results

□ ESG activities

# Group Overview

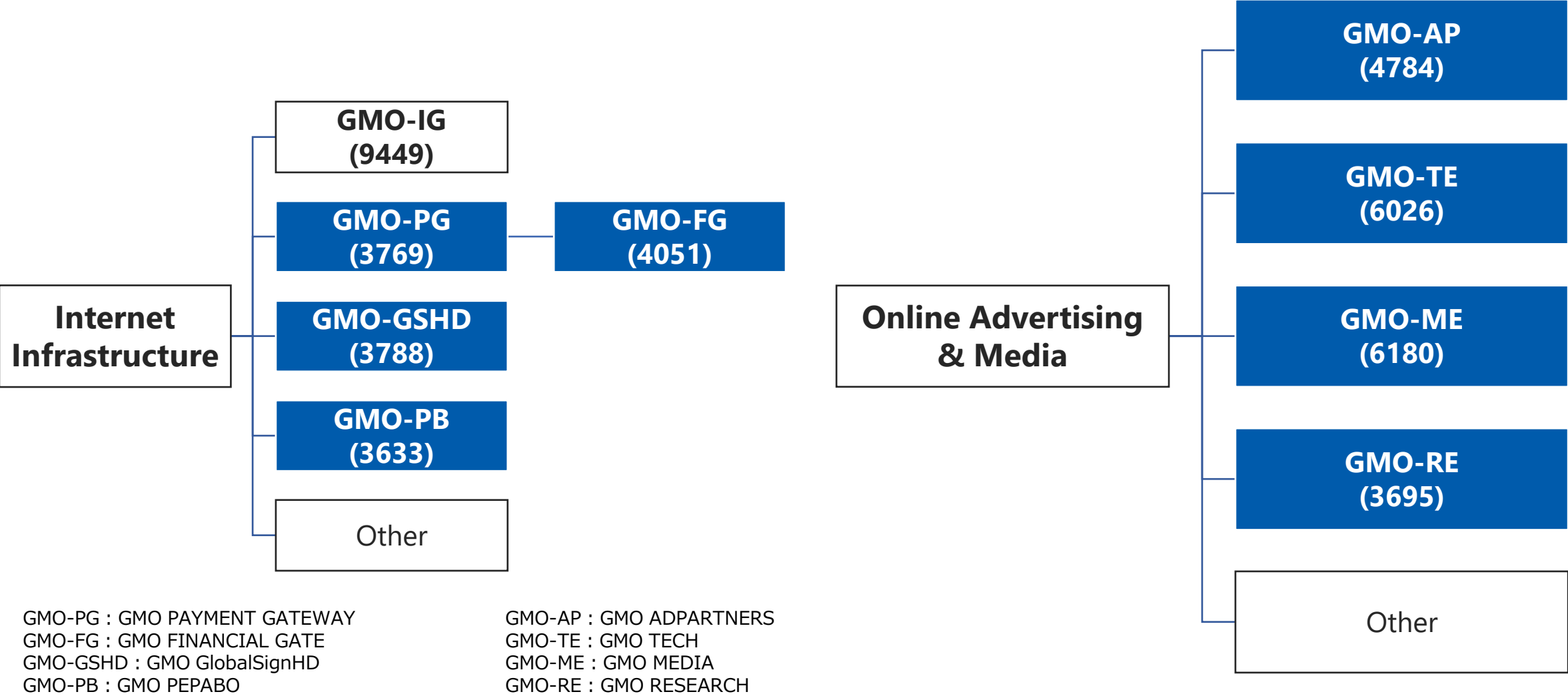
Company Name	GMO Internet Group, Inc.
Founder, Chairman and Group CEO	Masatoshi Kumagai
Address	(Group Head Office) Cerulean Tower 26-1 Sakuragaokacho, Shibuya-ku Tokyo (The 2nd Group Head Office) SHIBUYA FUKURAS1-2-3 Dogenzaka, Shibuya-ku, Tokyo
Established	May 24, 1991
Stock Listing	9449 (Tokyo Stock Exchange Prime Market)
Business Segments	Internet Infrastructure Online Advertising & Media Internet Finance Cryptoassets
Capital (including capital reserve)	JPY5.0 billion
Consolidated Staff	7,438
Group companies	106(As of Dec 2023)

**Decentralized group management  
in order to adapt rapid changes of  
Internet industry.**



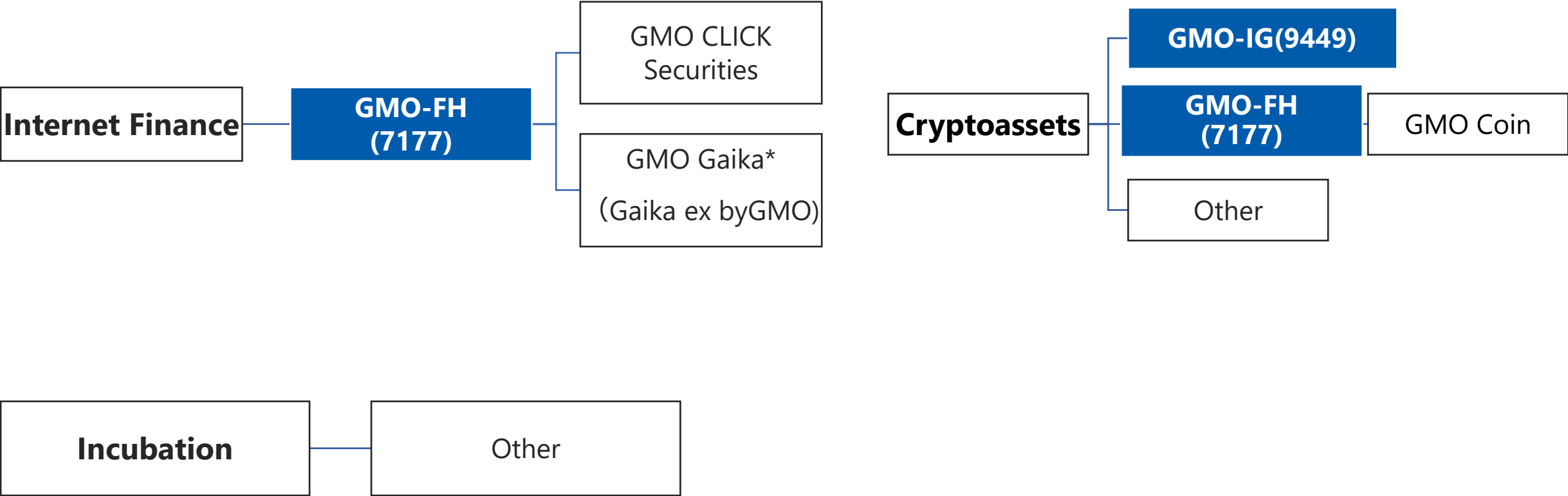


# Group Structure by each segment(1/2)



Listed subsidiaries

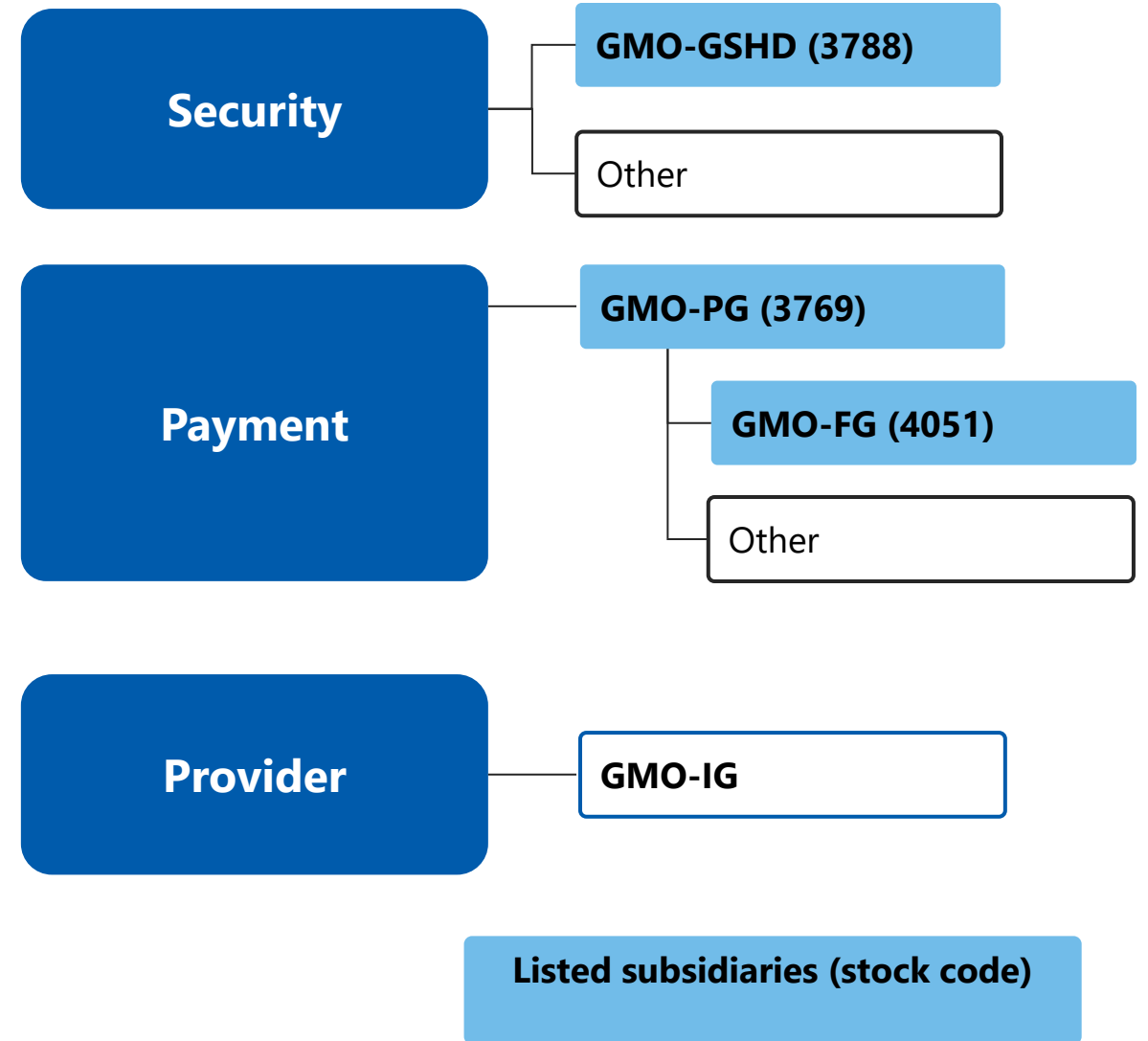
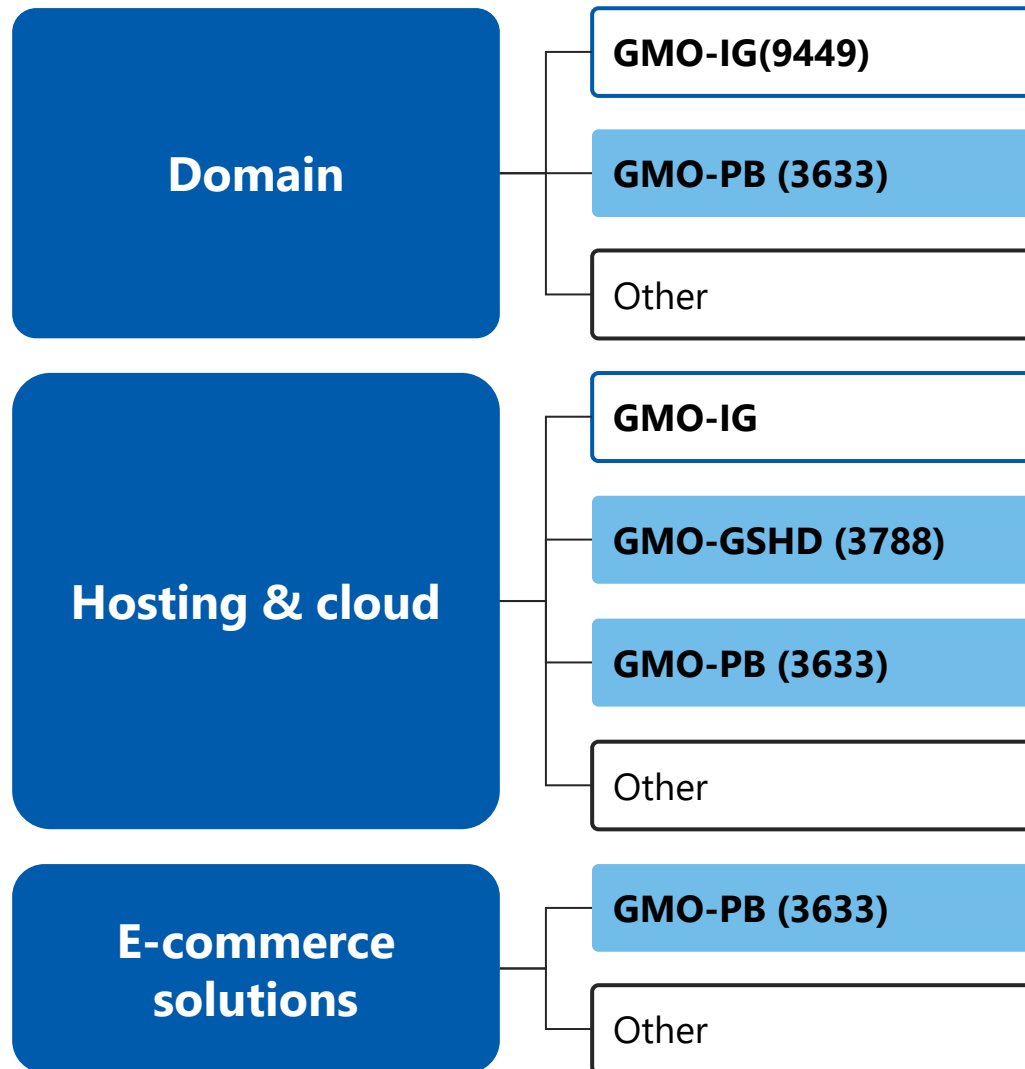
# Group Structure by each segment(2/2)



GMO-FH : GMO FINANCIAL HD  
\*Gika ex byGMO has changed its name GMO Gaika in July 2023.

Listed subsidiaries

# Internet services operations



□ Group Overview

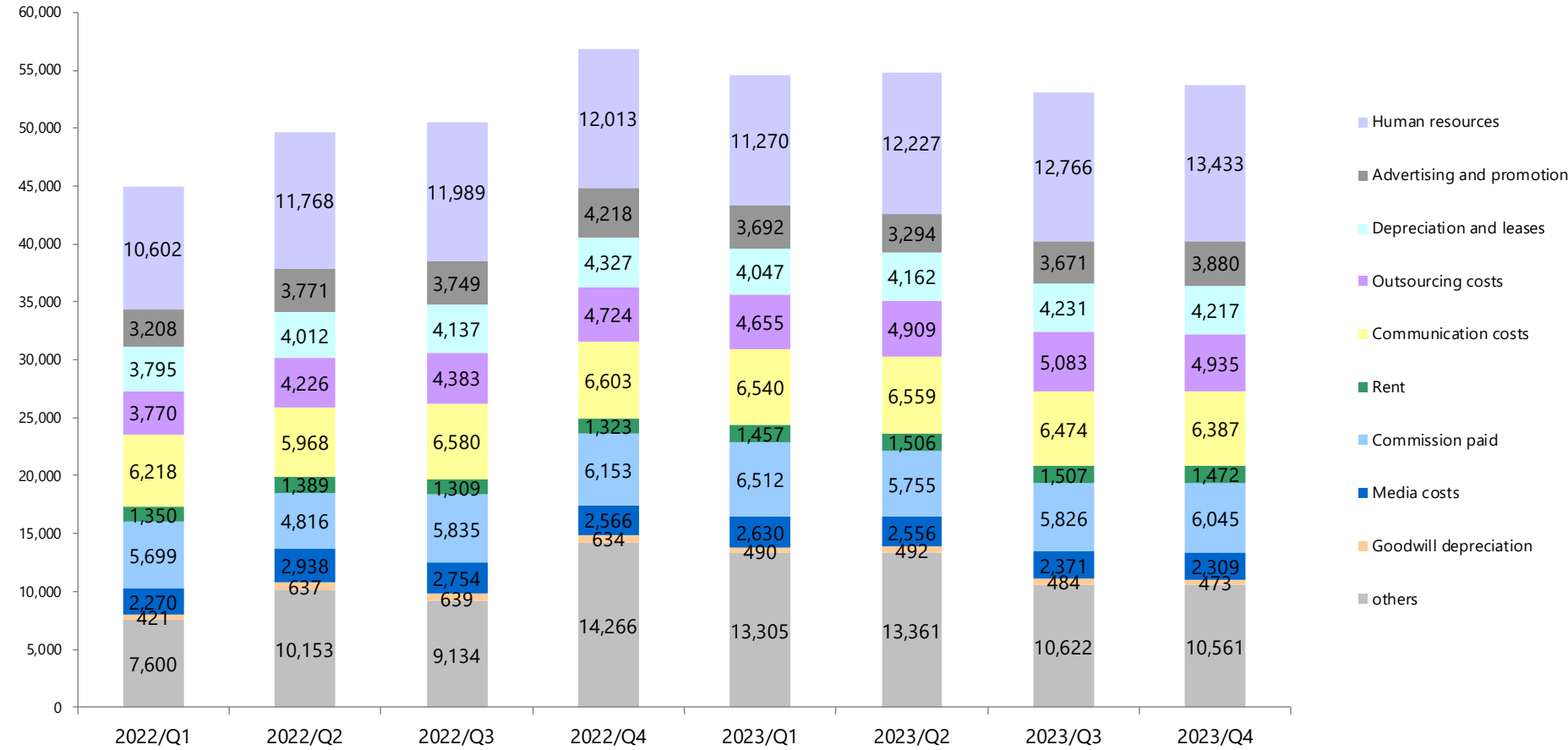
□ **Financial condition and strategy**

□ Consolidated results

□ ESG activities

# Consolidated Cost Composition

(JPY millions)



# Consolidated Balance Sheets

(JPY millions)	End of 12/22	End of 12/23	Changes	GMO Financial HD (End of 12/23)	GMO Internet Group (End of 12/23)
Current Assets	1,408,015	<b>1,614,257</b>	206,242	1,089,851	165,380
Cash & Deposits	341,970	<b>393,452</b>	51,482	83,095	117,949
Fixed Assets	134,725	<b>143,379</b>	8,653	35,647	96,447
Goodwill	17,708	<b>15,957</b>	-1,750	9,018	-
Software	11,472	<b>15,367</b>	3,895	2,090	1,159
Investment Securities	29,780	<b>30,687</b>	906	9,208	48,987
Total Assets	1,542,740	<b>1,757,636</b>	214,895	1,125,498	261,827
Total Liabilities	1,388,051	<b>1,584,797</b>	196,745	1,079,058	238,000
Interest-bearing debts	391,161	<b>473,568</b>	82,406	201,361	202,318
Equity	154,688	<b>172,839</b>	18,150	46,440	23,827
Non-controlling Minority Equity	82,469	<b>90,242</b>	7,772	9	-
Shareholders' Equity	72,176	<b>82,541</b>	10,365	46,430	23,827
Retained earnings	37,730	<b>47,416</b>	9,685	43,656	25,210
(Shareholders' Equity Ratio)	4.7%	<b>4.7%</b>	-0.1pt	4.1%	9.1%
Total Liabilities and equity	1,542,740	<b>1,757,636</b>	214,895	1,125,498	261,827

# Consolidated Statement of income

(JPY millions)	FY2022	<b>FY2023</b>	Changes	supplementary information
Net Sales	245,696	<b>258,643</b>	5.3%	
Gross Profit on Sales	149,886	<b>153,130</b>	2.2%	
Operating Income	43,746	<b>42,471</b>	-2.9%	
(OP Margin)	17.8%	<b>16.4%</b>	-1.4pt	
Non Operating Profit and Loss	2,278	<b>3,475</b>	52.5%	
Ordinary Profit	46,025	<b>45,947</b>	-0.2%	
Extraordinary Profit or loss	11,635	<b>-2,963</b>	-	
Income before Income Taxes	57,660	<b>42,983</b>	-25.5%	
Provision for Income taxes	17,967	<b>16,729</b>	-6.9%	
Equity-method investment activity	26,482	<b>12,062</b>	-54.5%	
Net Income	13,209	<b>14,191</b>	7.4%	

# Consolidated Cash Flow

(JPY billions)	FY22	FY23	Significant Factors(compare to FY2022)	GMO-FH (Jan-December)
Operating Cash Flow	+25.6	+14.9	<ul style="list-style-type: none"> <li>•Net profit for the current period before tax adjustments: +42.9B (+57.6B in 2022)</li> <li>•Corporate tax and other tax payments: -15.2B (-18.6B)</li> <li>•Net change in self-owned cryptocurrency assets: -12.3B (+11.5B)</li> </ul>	+9.6
Investing Cash Flow	-2.8	-16.3	<ul style="list-style-type: none"> <li>•Income from the sale of investment securities: +20.6B (+24.5B )</li> <li>•Expenses from the acquisition of investment securities: -26.6B (-3.9B)</li> </ul>	-10.6
Financing Cash Flow	+62.4	+64.9	<ul style="list-style-type: none"> <li>•Borrowing and repayment through loans: +20.3 billion yen (+86.1B)</li> <li>•Issuance of corporate bonds: +59.3B (+5.9B)</li> </ul>	+9.1
Change in Cash and Equivalents	+88.1	+66.6		+ 8.9
Balance of Cash and Equivalents	322.2	388.9		81.1



# Financial Strategy

- Avoid excessive risk-taking, considering balance of Shareholders equity
- Aiming to Equity balance, 100 Billion yen.

## Asset management

### ① Business investment

All investments are subjected to our Risk management policy which up to 2/3 of Equity

### ② Cash on hand

Secure and reliable payments of debt loans and bonds

### ③ Surplus Cash

Stable Investment

## Procurement

### ① Multiple ways

Agile procurement

### ② lengthening term

Long term debt

### ③ Fixed interest rate

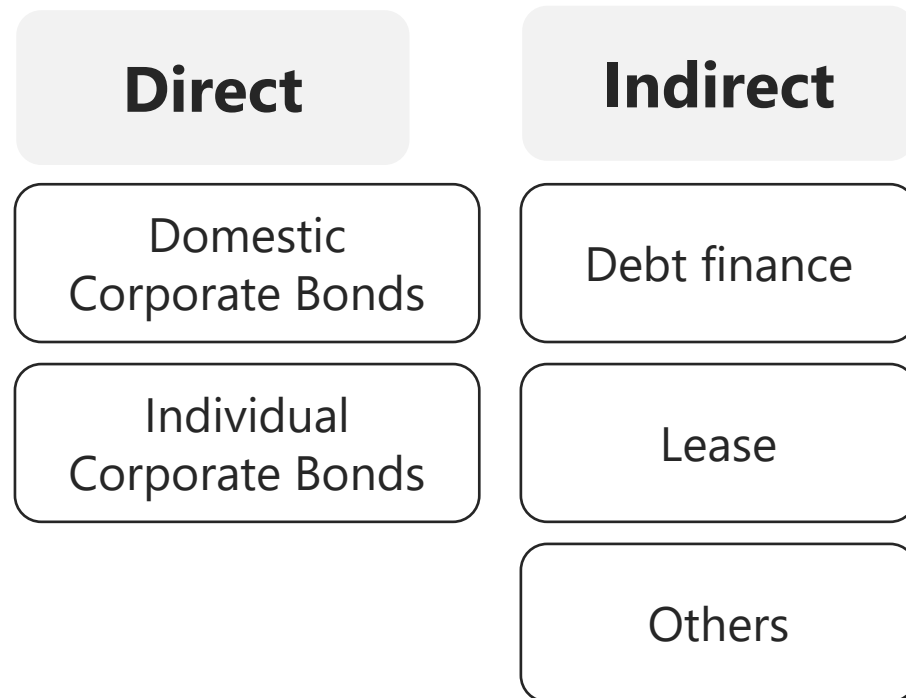
Procure Fixed rates

# Financial Strategy | Procurement①

## Multi ways of financing

- Continuous procurement helps growth capital ensured.

### The way to procure



### Total Interest-bearing debt

(JPY 100M)	FY21	FY22	FY23
<b>Total</b>	2,946	3,911	4,735
Corporate bond	659	717	1,312
Debt finance	2,286	3,193	3,423

# Financial Strategy | Procurement②③

## Lengthening term ・ Fixed interest rate

- Aiming to build a strong financial base

### Debt balance average term

(Year)	FY21	FY22	FY23
Corporate bond	5.7	3.9	3.5
Debt finance (long term)	3.8	3.8	3.6

### Fixed interest rate ratio

(%)	FY21	FY22	FY23
Corporate bond	100.0	100.0	100.0
Debt finance (long term)	53.6	62.6	72.8

## Financial Strategy | Asset management②Cash on hand

- Keeping enough repayment cash(the amount for debt financing repayment next year and for corporate bond's repayment next 2 years)

(100M Yen)	FY21	FY22	FY23
cash and cash equivalents	2,340	3,222	3,889
Balance of interest debt within 3Years	429	793	1,106
Within 1 year	97	209	231
Over 1year within 2 years	165	220	188
Over 2 years within 3 years	166	364	686

## Others | Credit rating

### Thinking

- Plan to maintain current rating and aiming to be upgraded.
- Having conversation with R&I before-hand, when decision making on a huge investment to be carried out.

### Current situation

Rating agency	Issuer Rating
JCR	A-(Stable)
R&I	BBB+(Stable)

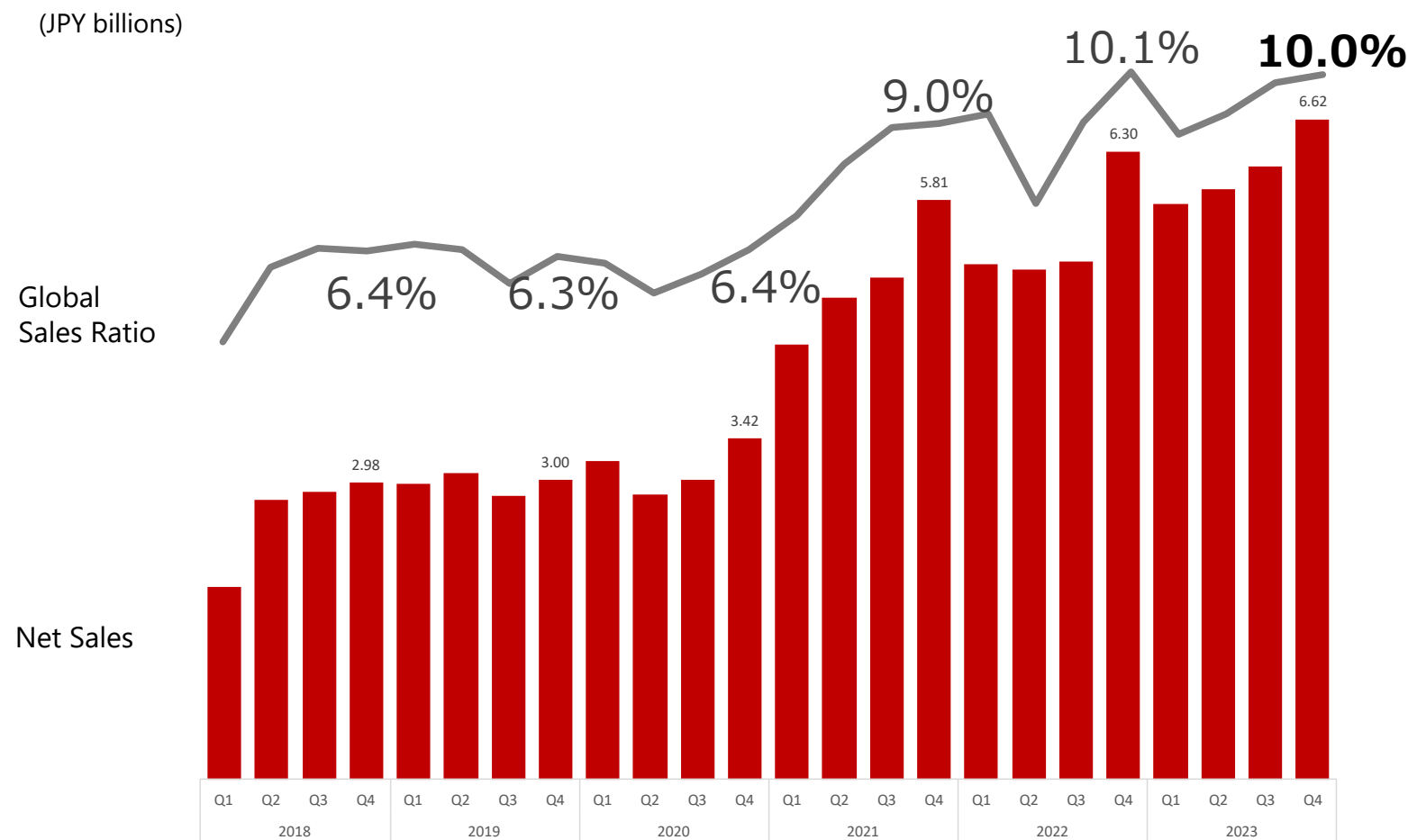
□ Group Overview

□ Financial condition and strategy

**□ Consolidated results**

□ ESG activities

# Global Operations | Global Net Sales



Net sales  
YoY

**5.0%UP**

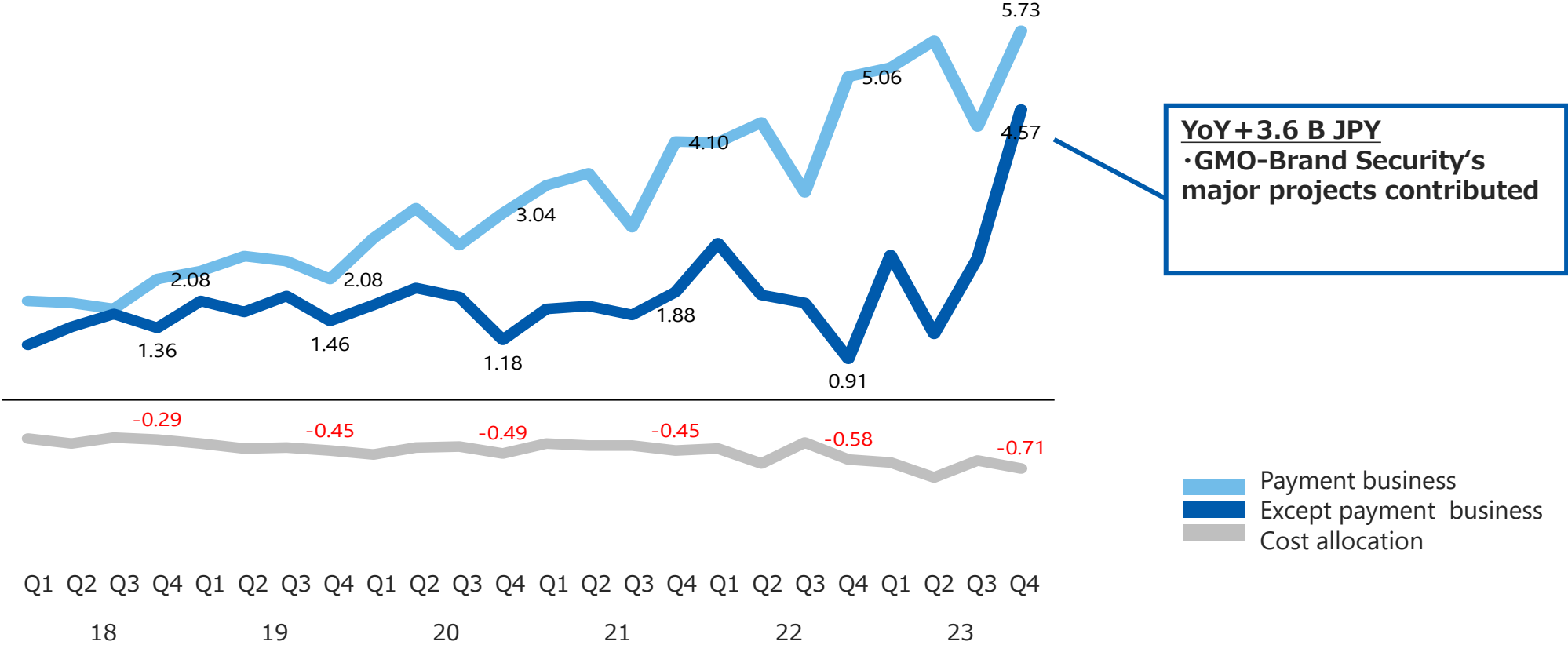
Since Q2 FY2020, MacroKiosk is no longer a consolidated subsidiary. We deducted MacroKiosk values from net sales retroactively to Q1 FY2017 in this chart.

# Internet Infrastructure



# Internet Infrastructure | Breakdown of Operating Profit

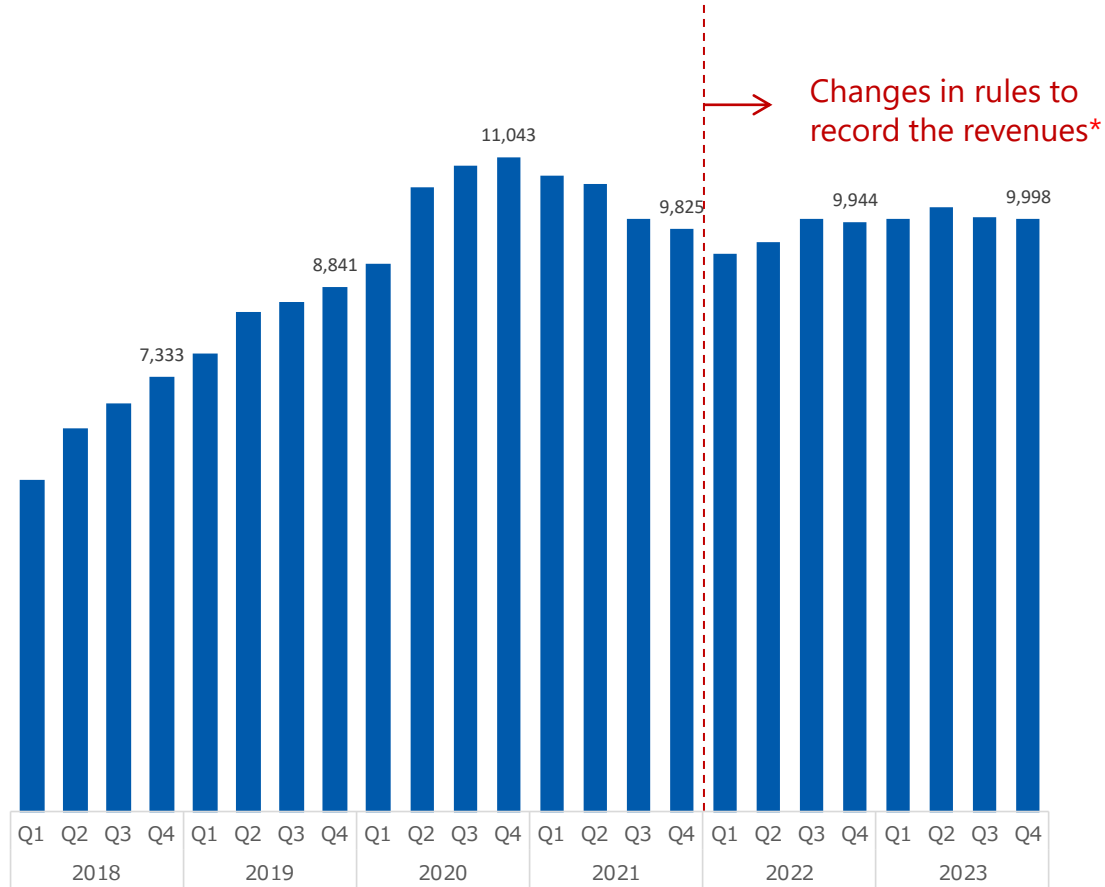
(JPY billions)



# Internet Infrastructure | Provider - KPIs

## Revenue

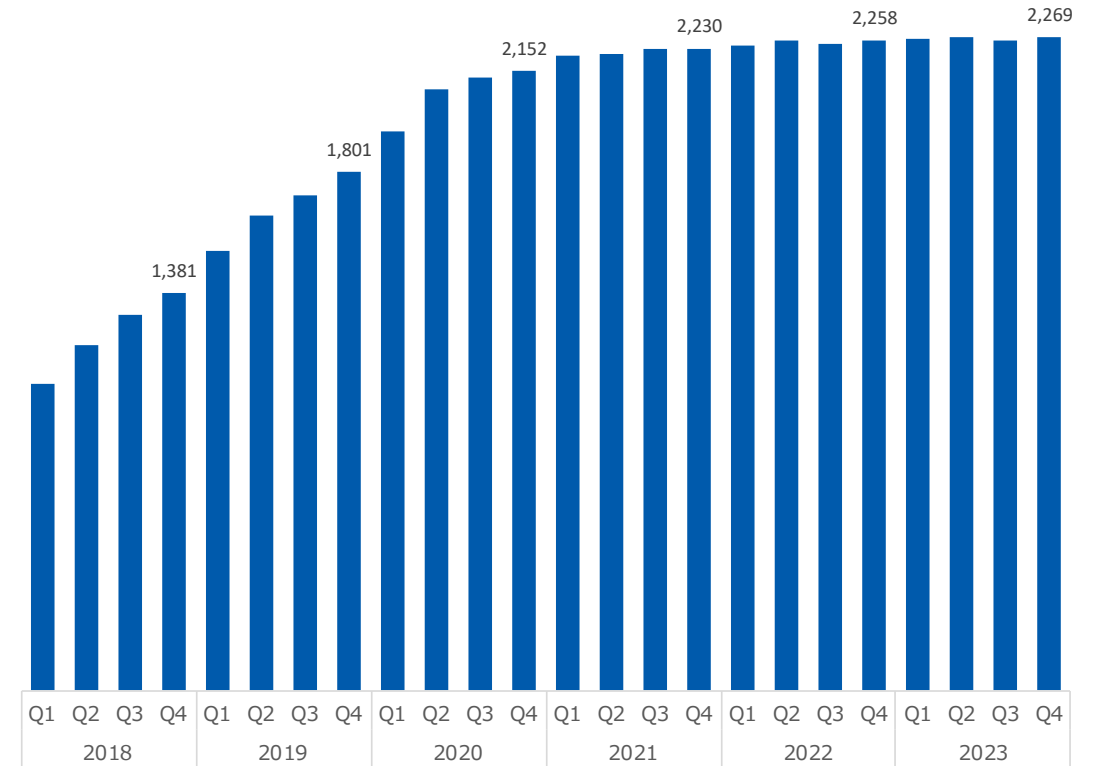
(JPY millions)



## Subscriptions

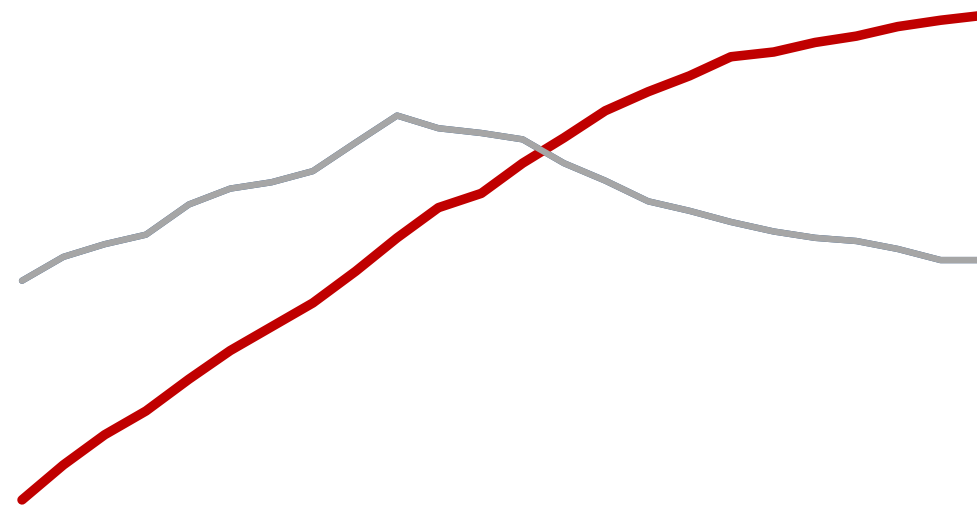
(thousands)

To offset the decrease in mobile product sales , we focused on our in-house product, resulting in a stable trend in the number of line



\*Accounting Standards for Revenue Recognition (Corporate Accounting Standard No. 29)

# Internet Infrastructure | Provider - KPIs (number of lines)



Wholesale

(ドコモ光 etc)

Optical line



Mobile+Others

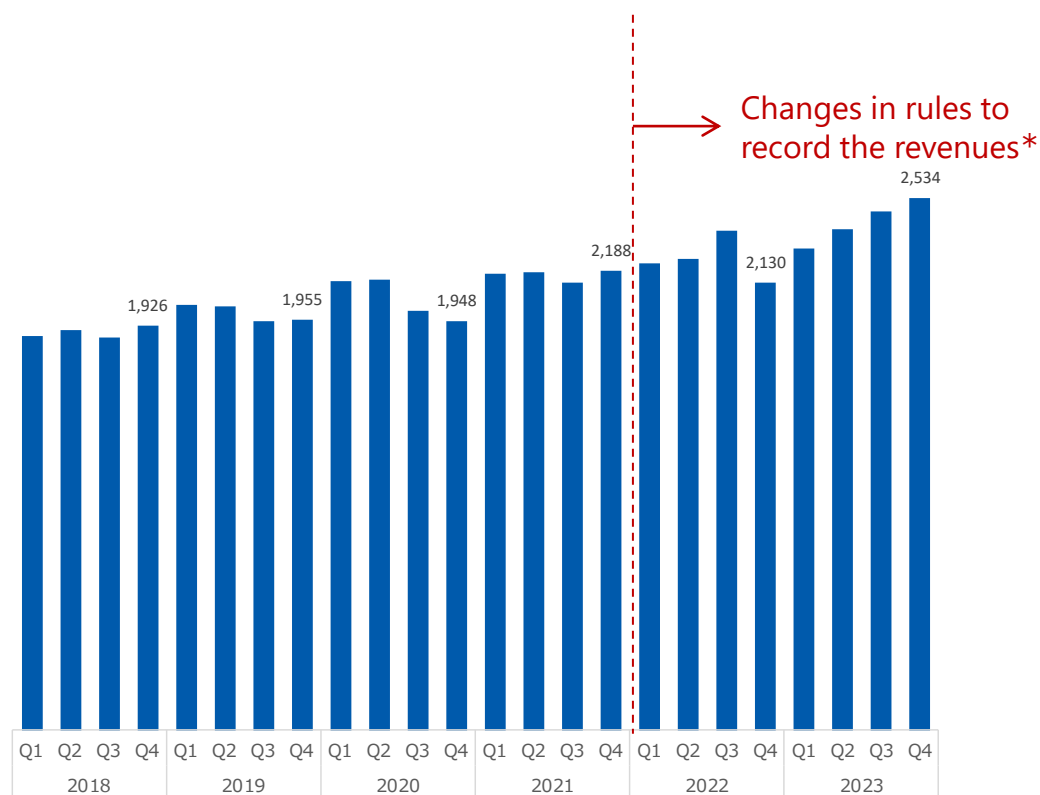
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2018				2019				2020				2021				2022			

※Mobile and others indicated combined after FY23Q3

# Internet Infrastructure | Domain Registration - KPIs

## Revenue

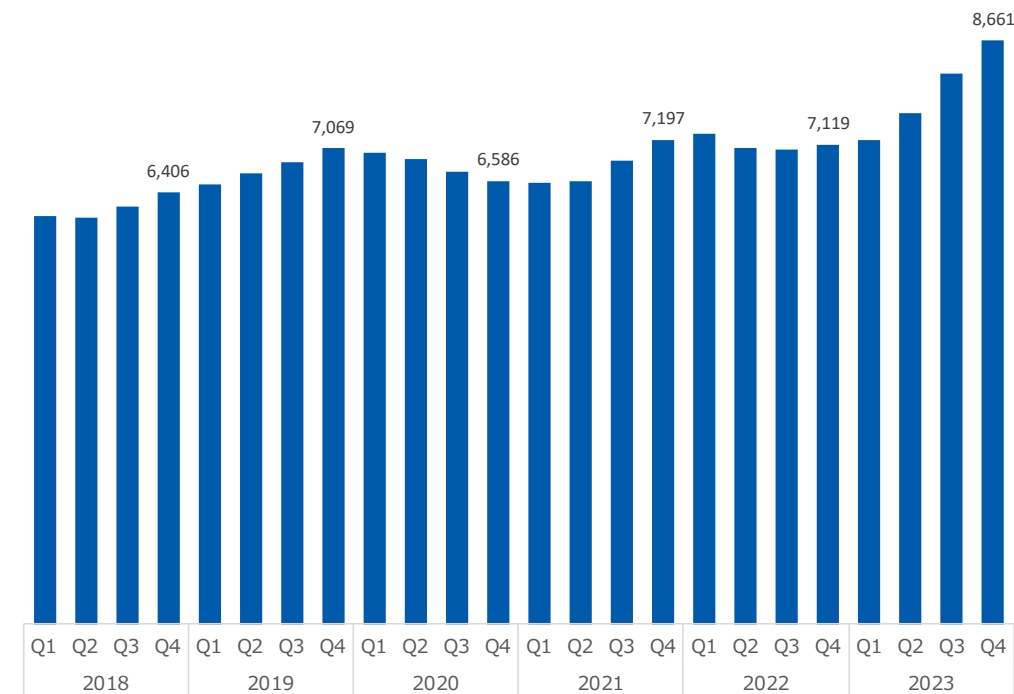
(JPY millions)



## Contracts

(thousands)

Overseas sales and strengthening domestic sales promotion



# Internet Infrastructure | Domain business

**Registry  
(wholesale)**

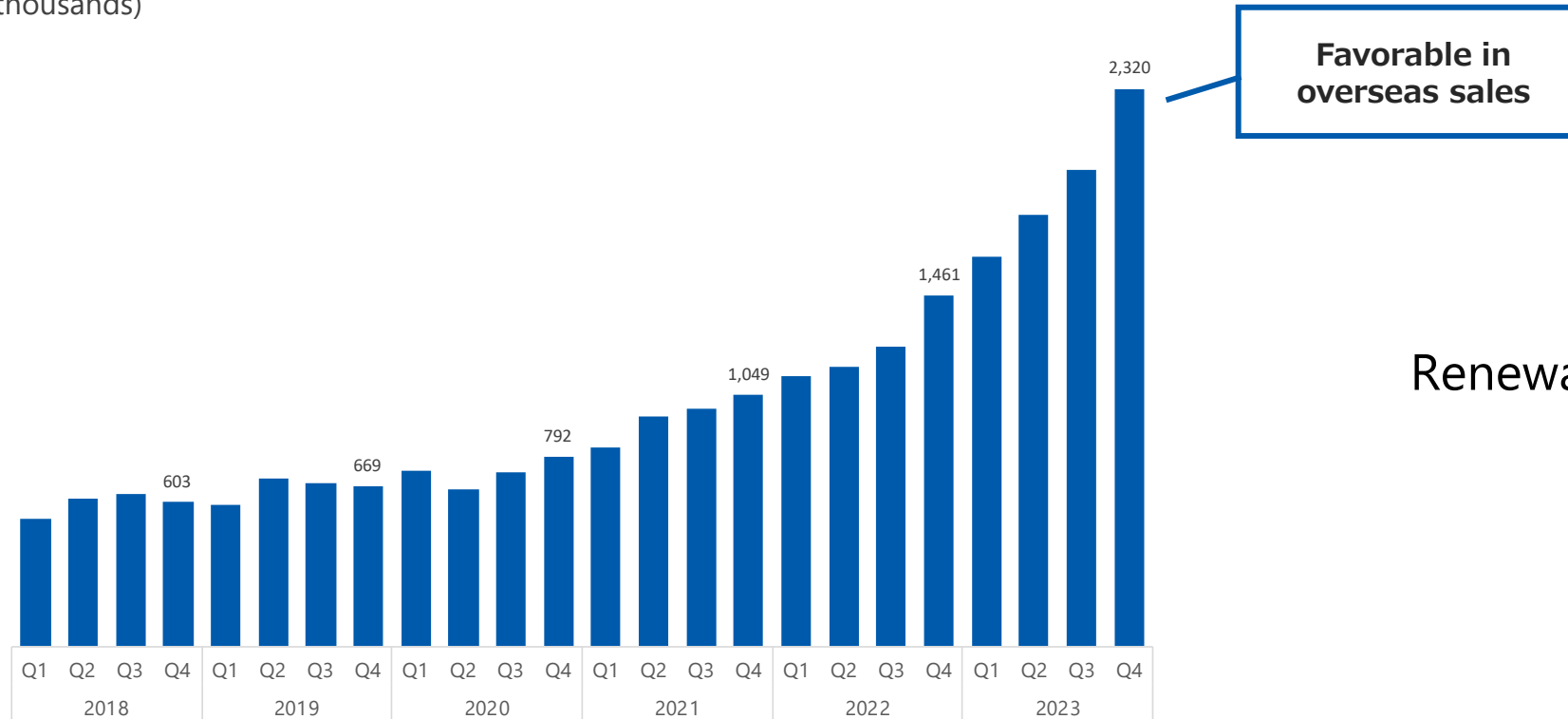
**Registrar  
(registration/sale)**



# Internet Infrastructure | Domain business

**shop** contracts progress

(thousands)



Renewal rate: **66.2%**\*

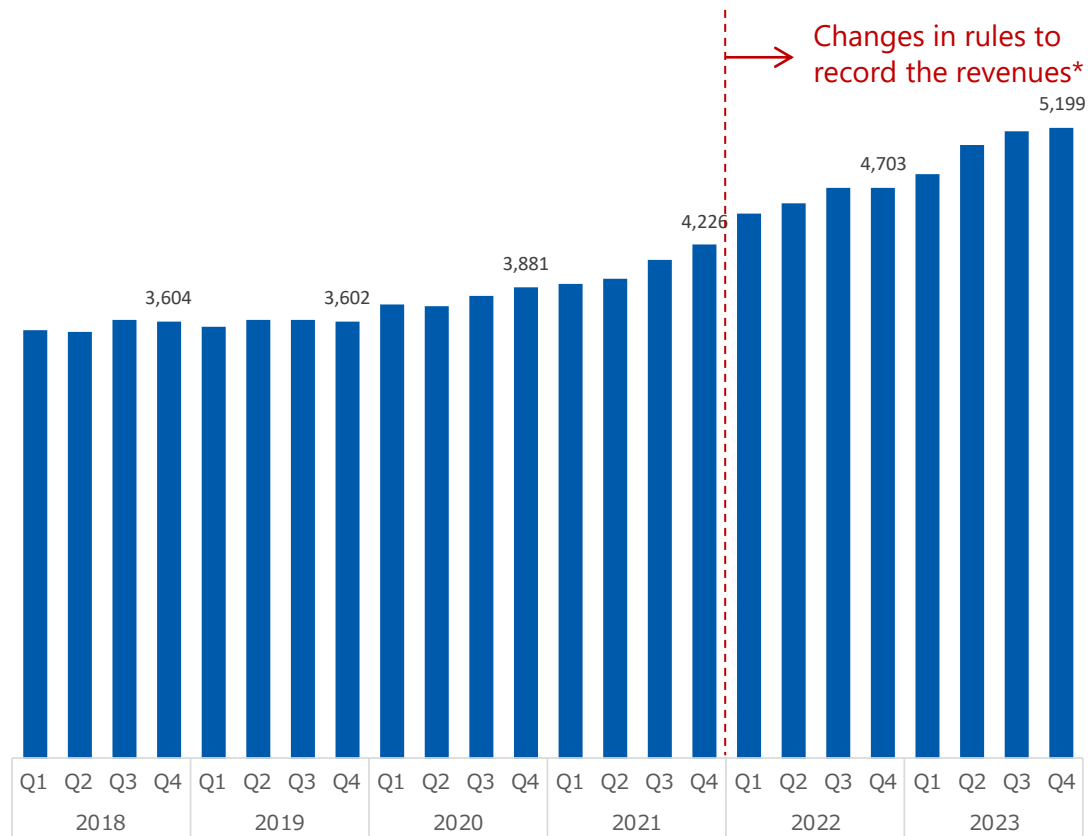
\* Renewal rate for domains registered between September 2016 and Nov 2021 (2nd renewal)

# Internet Infrastructure | Hosting & Cloud - KPIs

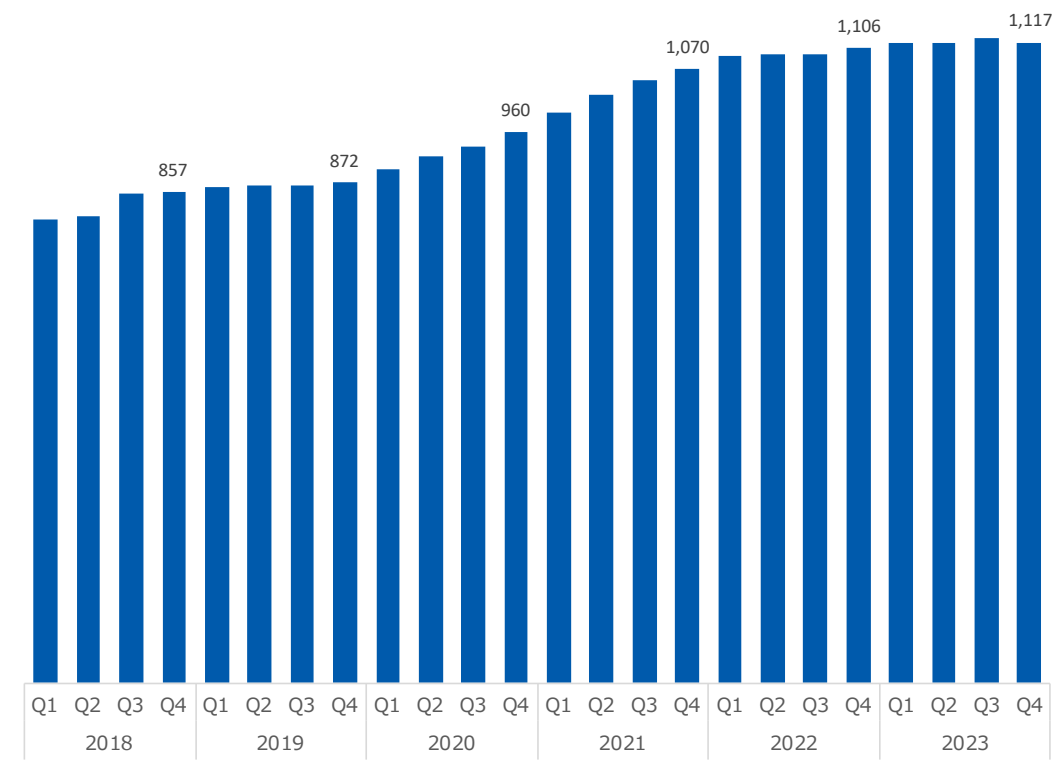
## Revenue

## Contracts

(JPY millions)



(thousands)



\*Accounting Standards for Revenue Recognition (Corporate Accounting Standard No. 29)

# Broad ASP shopping cart businesses

Recurring revenue and transaction revenue through a natural cross-selling

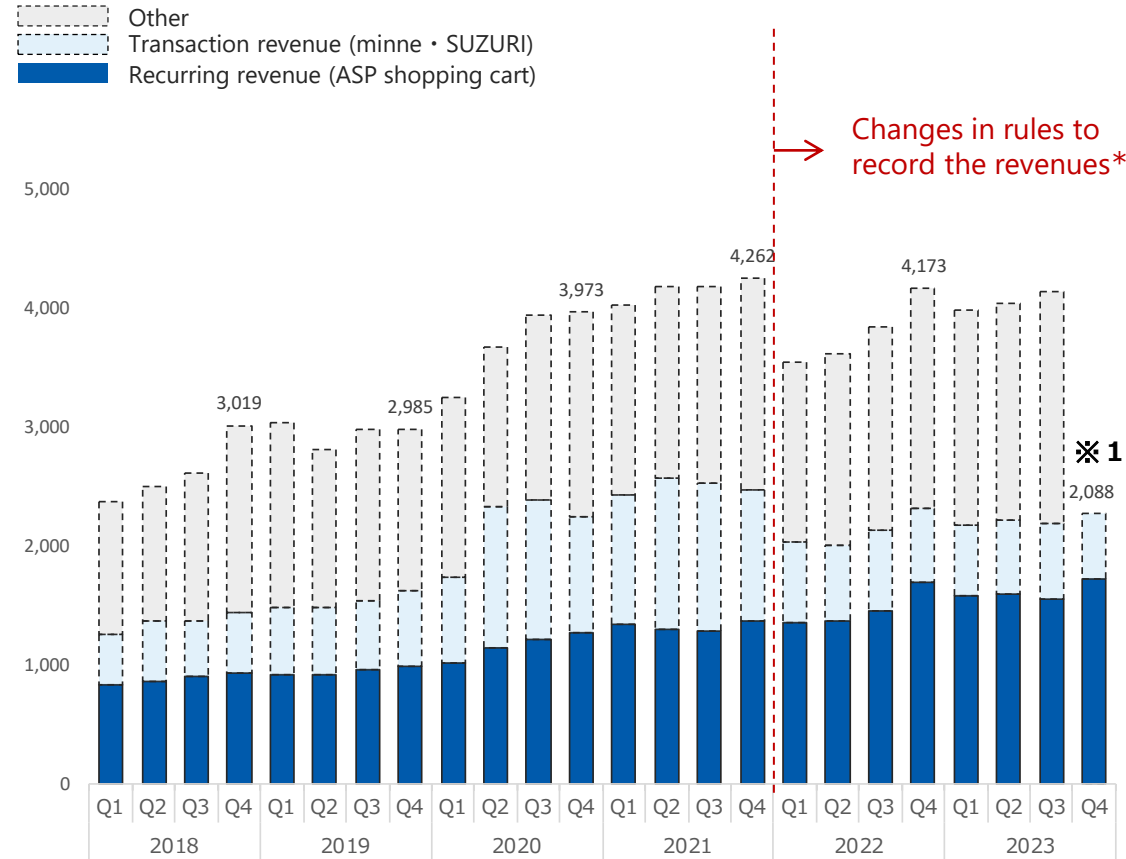
Feature	Online store	Payment
Service		
Business model	Recurring	Transaction
Revenue	Number of stores x unit price	GMV x commission rate, etc.
Reportable segments	Ecommerce Solutions	Payment



# Internet Infrastructure | Ecommerce solutions - KPIs

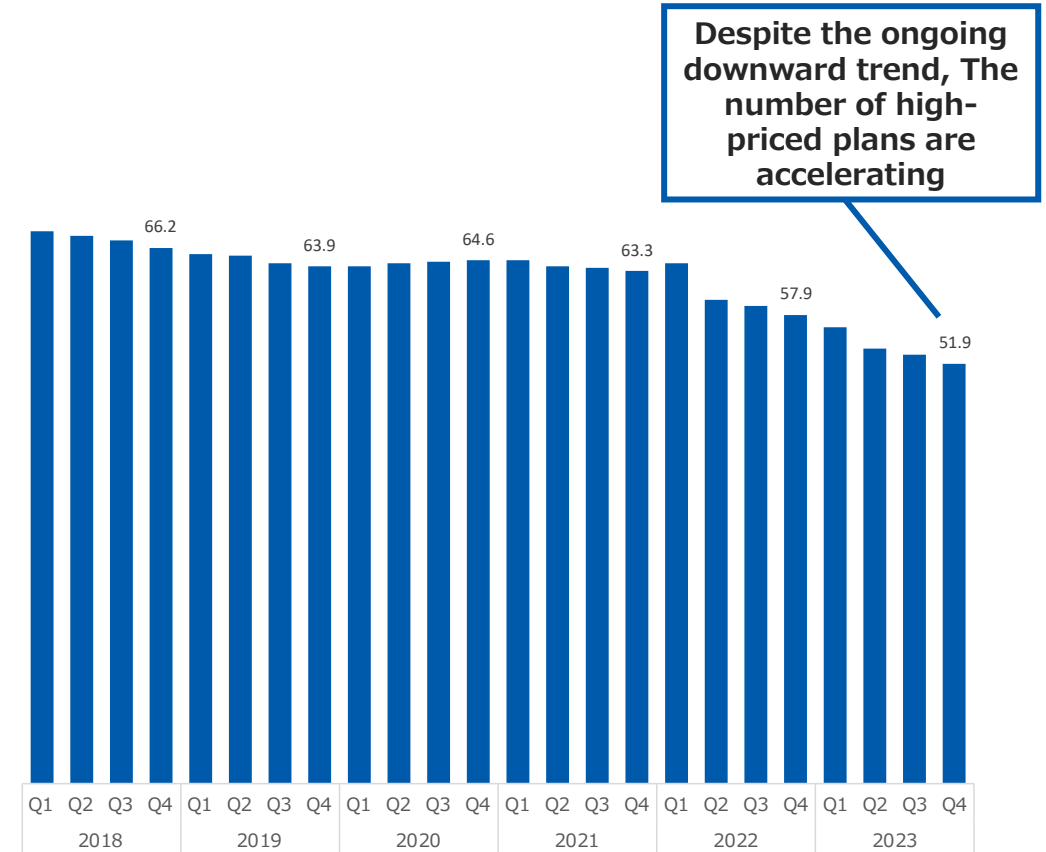
## Revenue

(JPY millions)



## Contracts (ASP shopping cart)

(thousands)

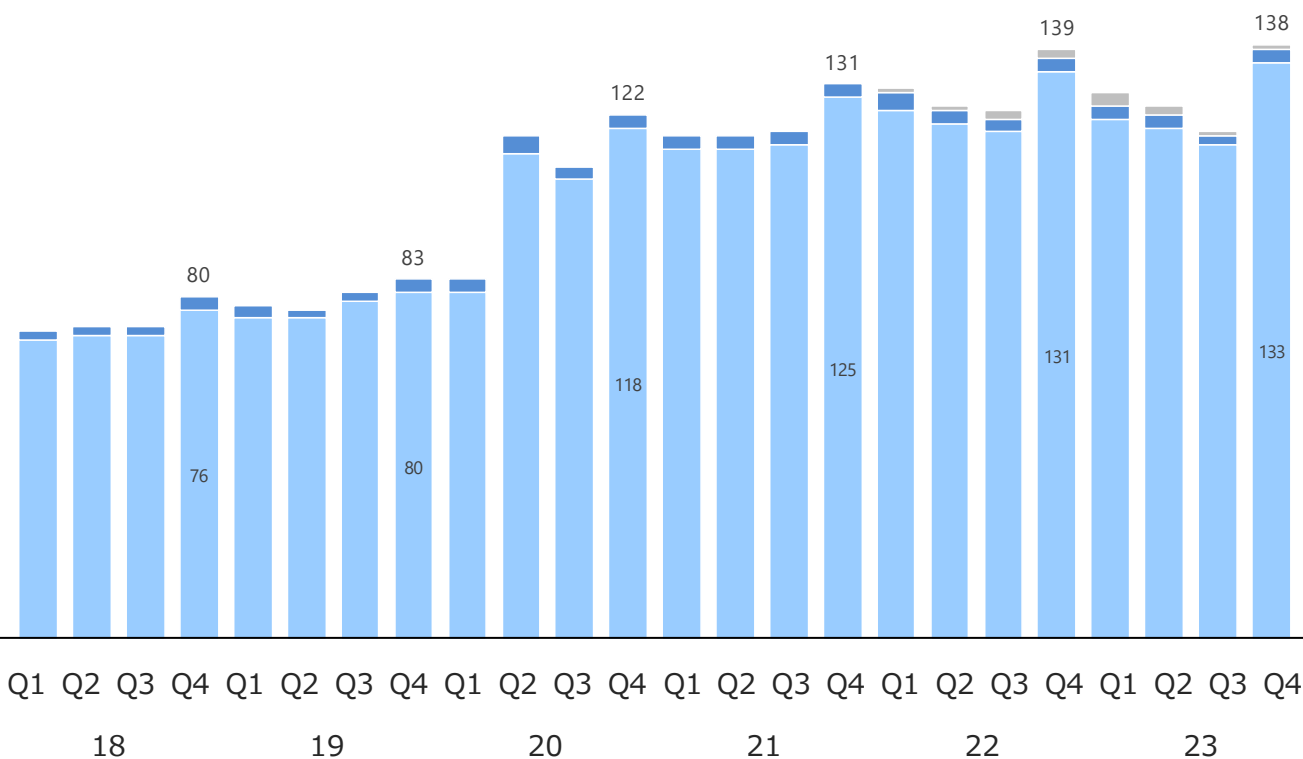


\*Accounting Standards for Revenue Recognition (Corporate Accounting Standard No. 29)

※1: Includes a decrease of approximately JPY 2 B due to the change to a net amount treatment.

# Internet Infrastructure | Ecommerce Solutions: transaction volume

( JPY billion )





YoY  
**0.8%**  
**Down**

Freenance  
SUZURI, Canvath  
minne  
Ecommerce Platform

# Internet Infrastructure | Security business

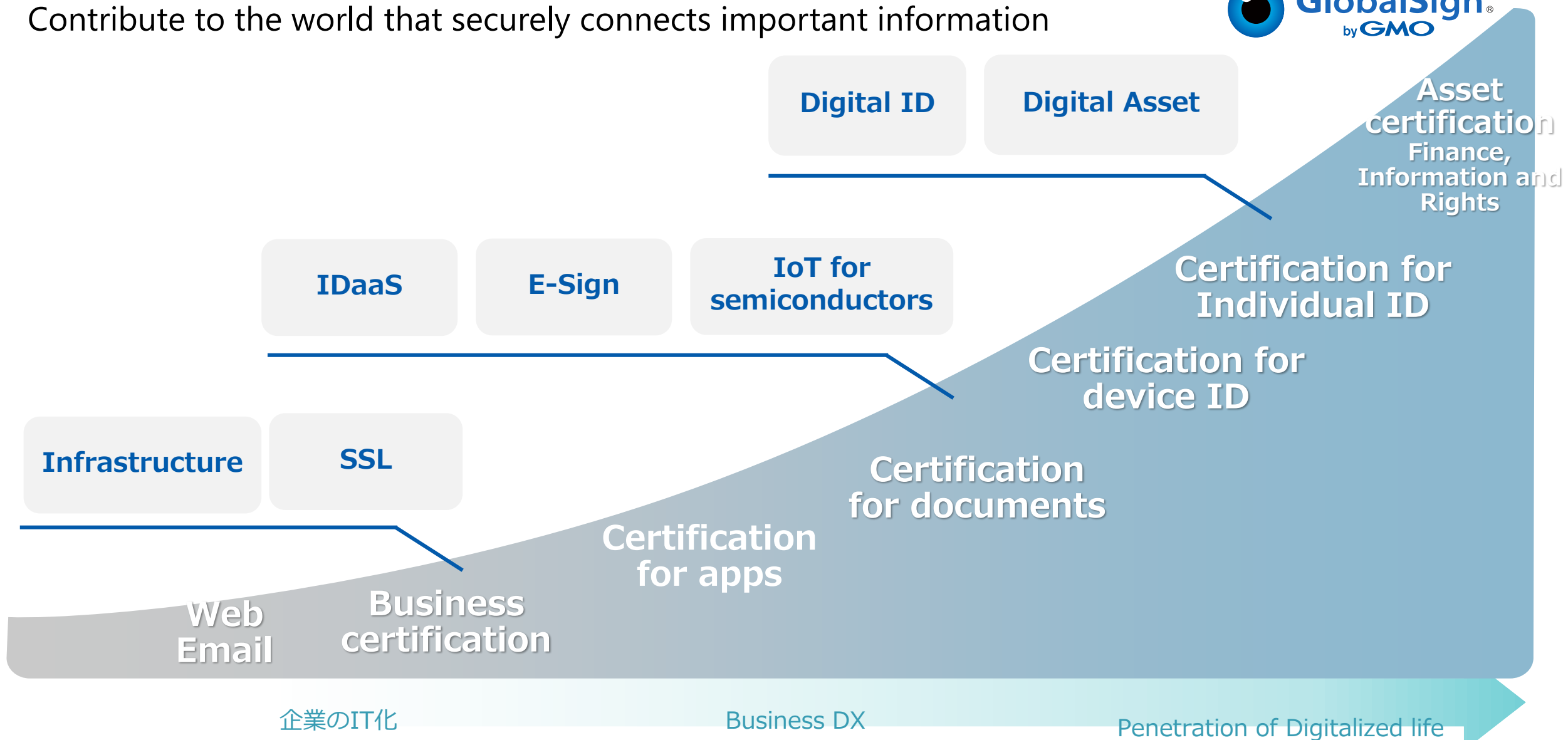


Having our own Certificate Authority, we can provide both of types

	◆ E-sign	◆ Digital-Sign
<b>Proof strength</b>	 (Electronic Signature Law Article 3)	
<b>Process</b>	Approved by Certificate Authority	Verified by email
<b>Merit</b>	strict governance	Less load for contractual partners
<b>Demerit</b>	Much load for partners	Complicated management of the stamp rights

# Internet Infrastructure | Security business | Our vision

Contribute to the world that securely connects important information



## Cyber Security Assessment

### More than **7,500** cases



※1: 2023 DEF CON 31 'Cloud Village CTF: World No.1 ※2: Practical CAN Bus hacking CTF in 2017: No.1 in Japan ※3: Based on our survey  
※4: Received the Cybersecurity Encouragement Prize of the Minister for Internal Affairs and Communications ( March 16, 2023 )  
※5: Received a letter of appreciation from the Metropolitan Police Department ( January 30, 2023 )

# Internet Infrastructure | Cybersecurity business | Service usage

GMO CYBER SECURITY  
IERAE

 **Sammy Networks**

 **CyberAgent**

 **横浜銀行**

 **ふくおかフィナンシャルグループ**

 **徳島大正銀行**

 **SOMPO  
CYBER  
SECURITY**

**Simplex Inc.**

**ACCESS**

  
**TIS**  
TIS INTEC Group

ALways Security OK  
**ALSOX**

 **freee**

**sansan**

 **休.com**

 **LIQUID**

**dwango**

**note**

 **KT**

株式会社 **ポケモン**

 **DRECOM**  
with entertainment

  
フジテック・デジタル・テクノロジー・ソリューションズ株式会社

 **SKIYAKI**

 **SORACOM**

 **sysmex**

 **LIFENET**

**RENOSY X**

  
移動で人を幸せに。

 **森永乳業**  
かがやく“笑顔”のために

**hey**

**MACNICA**

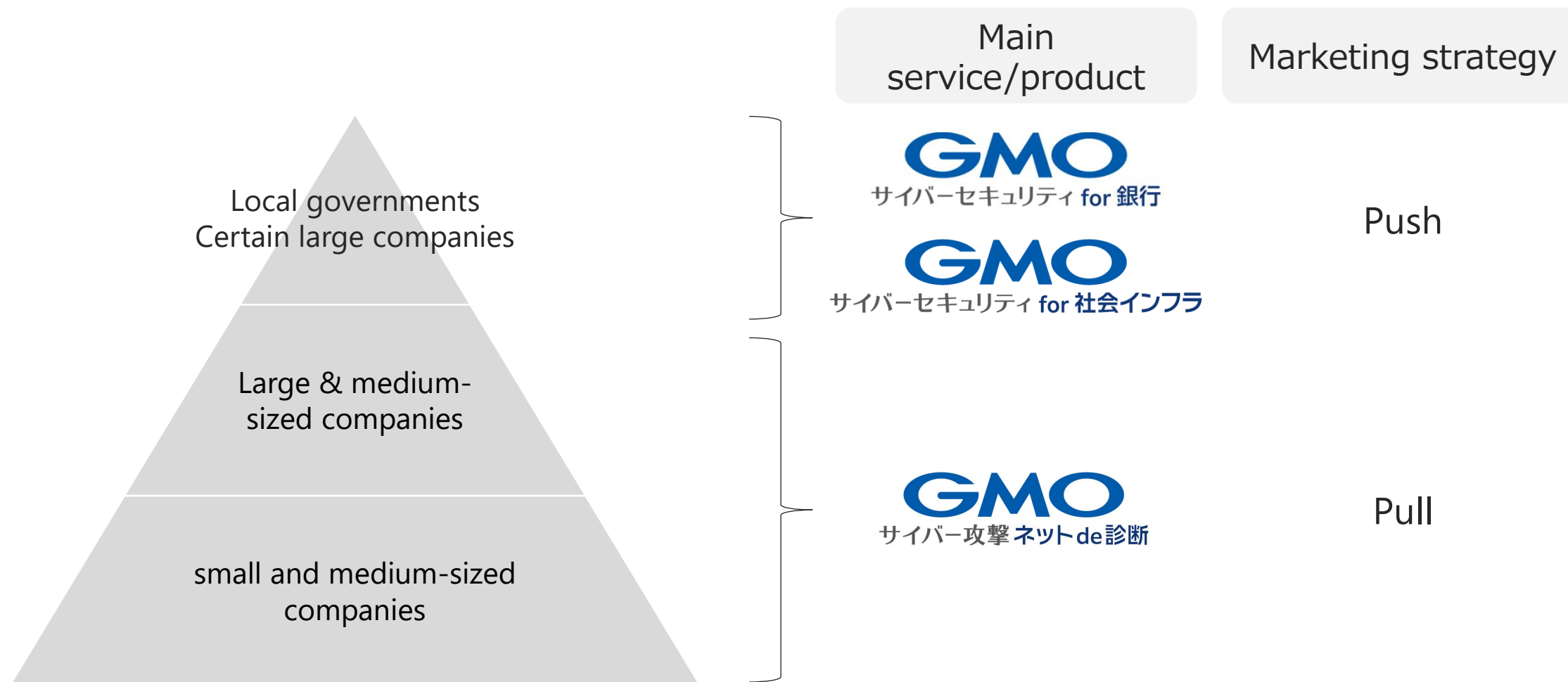
**FORVAL**

 **WILL GROUP**

 **パーソルキャリア**  
PERSOL

# Internet Infrastructure | Cybersecurity business | Synergy

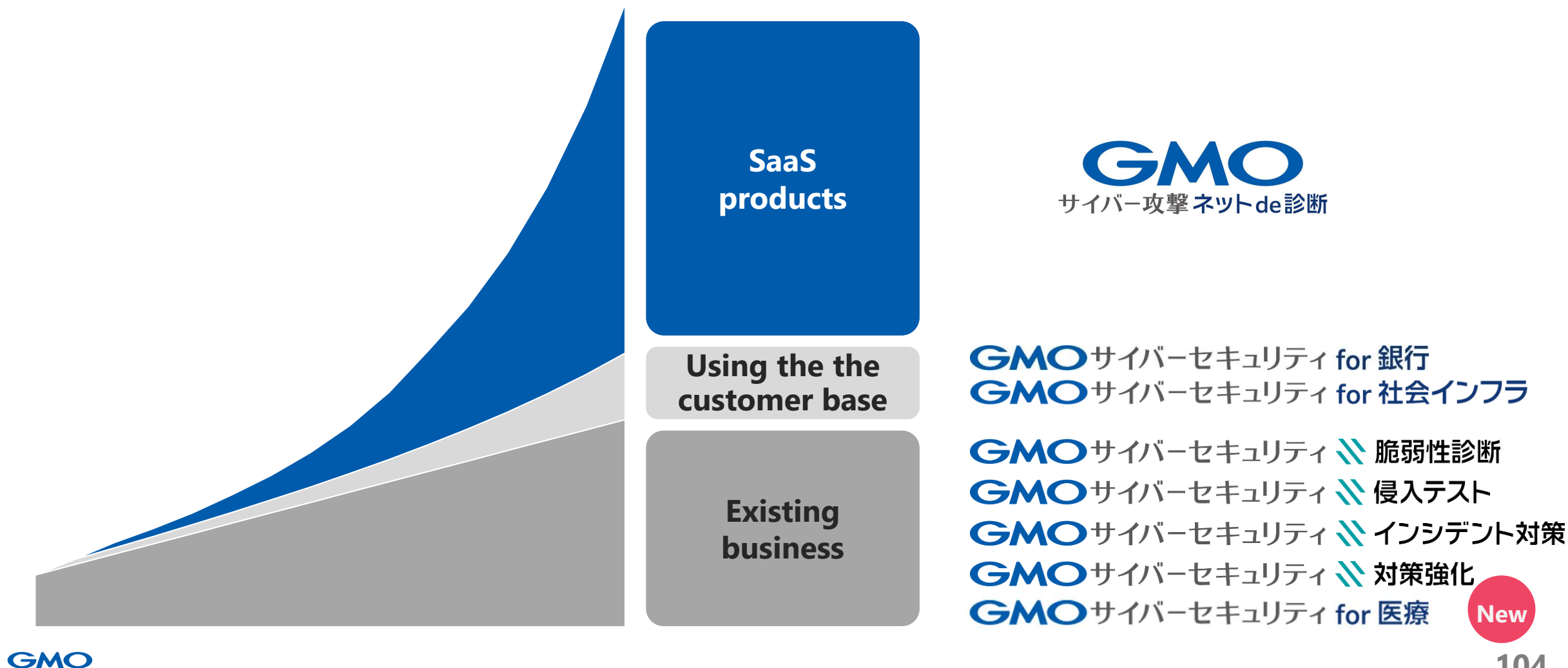
Use our customer base



# Internet Infrastructure | Cybersecurity business | Mid- to long-term growth

GMO CYBER SECURITY  
IERAE

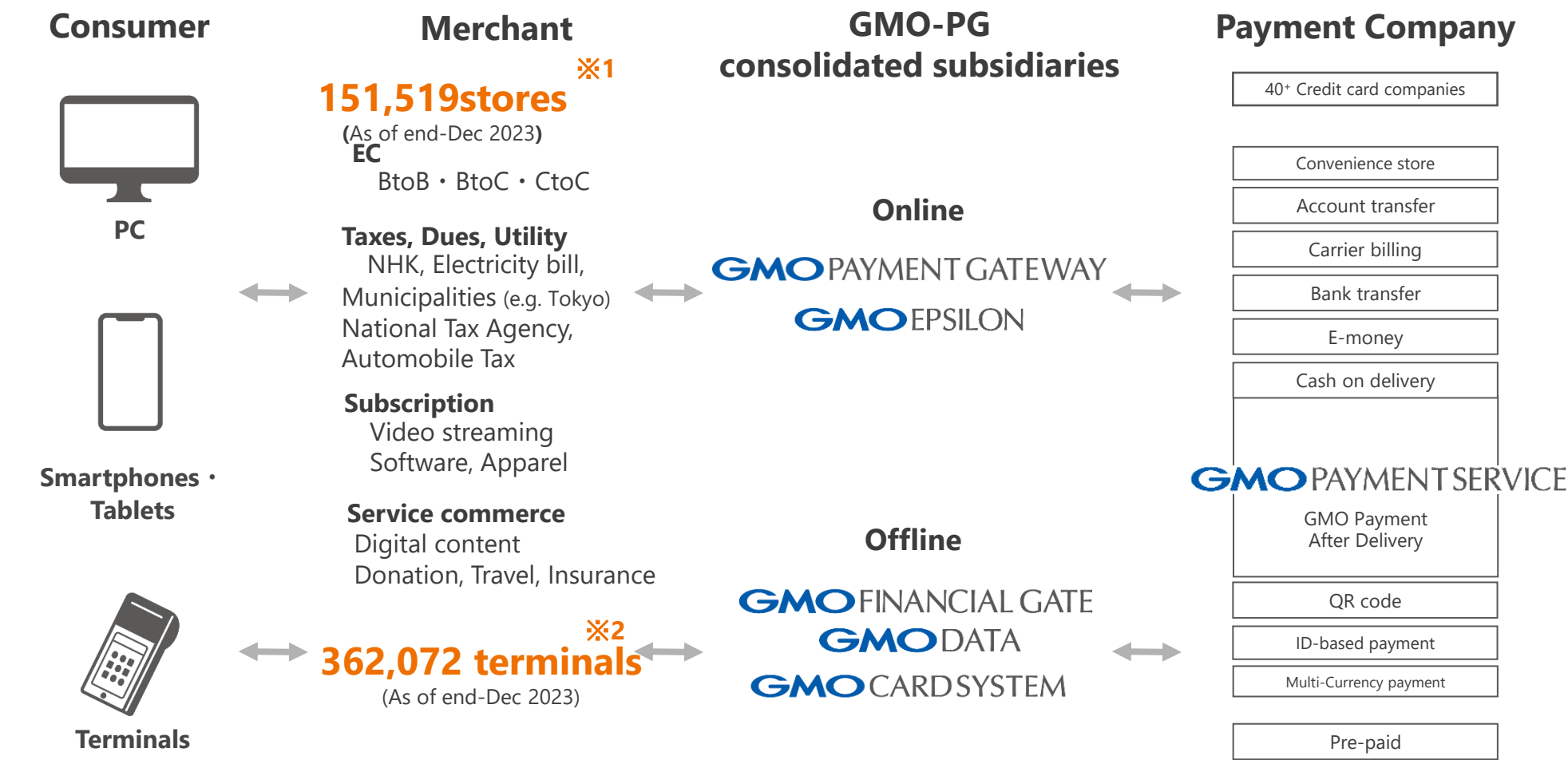
Expand the business scale by using the customer base and introducing SaaS products





# Internet Infrastructure | Payment processing -Our Role

Connecting merchants and payment companies through 'contracts,' 'payment information,' and 'money flow'.



\*1 The standards for calculation the number of operating stores has been revised from Q4 FY2023. Figures exclude an operating stores of a specific merchant and fincode byGMO. If included, the number of operating stores is 606,262 stores as of end of December 2023 (up 20.7% YoY).

\*2 Operating payment terminals: Starting from FY2021 the figure presents the combined number of payment terminals sold through sales partner and embedded-type payment terminals, up 49.5% YoY. Operating terminals exclude GMO-PG's offline payment (GMO Cashless Platform), etc.

# Internet Infrastructure | Payment Quarterly KPIs

**Group-wide annual TRX value reaches approx. ¥15.8 trillion**

		Operating Stores <sup>*1</sup> /Terminals <sup>*2</sup>	TRX volume <sup>*2*3</sup>		TRX value <sup>*2</sup>	
		GMO:FY2023.Q4 PG:FY2024.Q1	GMO:FY2023.Q4 PG:FY2024.Q1	Past 12-month	GMO:FY2023.Q4 PG:FY2024.Q1	Past 12-month
Consol.		-	1.76 bn	6.51 bn	¥4.4 trn	¥15.8 trn
	% YoY	-	+ 20.9%	+ 25.2%	+ 23.7%	+ 28.9%
Online		151,519	1.55 bn	5.83 bn	¥2.9 trn	¥10.9 trn
	% YoY	+ 11.3%	+ 16.5%	+ 21.9%	+ 11.2%	+ 17.7%
Offline <sup>*2</sup>		326,072	0.21 bn	0.68 bn	¥1.5 trn	¥4.9 trn
	% YoY	+ 49.5%	+ 66.3%	+ 63.2%	+ 57.7%	+ 63.3%

**Proportion of Representative contract in online TRX value : approx. 40%<sup>\*4</sup>**

<sup>\*1</sup> The standards for calculation the number of operating stores has been revised from Q4 FY2023. Figure exclude an operating stores of a specific merchant and fincode byGMO. If included, operating stores would be 606,262(up 20.7% YoY).

<sup>\*2</sup> Payment terminals exclude GMO-PG's offline payment (GMO Cashless Platform). Offline TRX volume and value includes GMO-PG's offline payment (GMO Cashless Platform).

<sup>\*3</sup> TRX volume is calculated based on fee revenue standards, which in the case of online consist of multiple (1 to 3) transactions per payment of a single authorization or actual proceed amount, and one transaction per payment in the case of offline. <sup>\*4</sup> Annual average is shown in 5% increments.

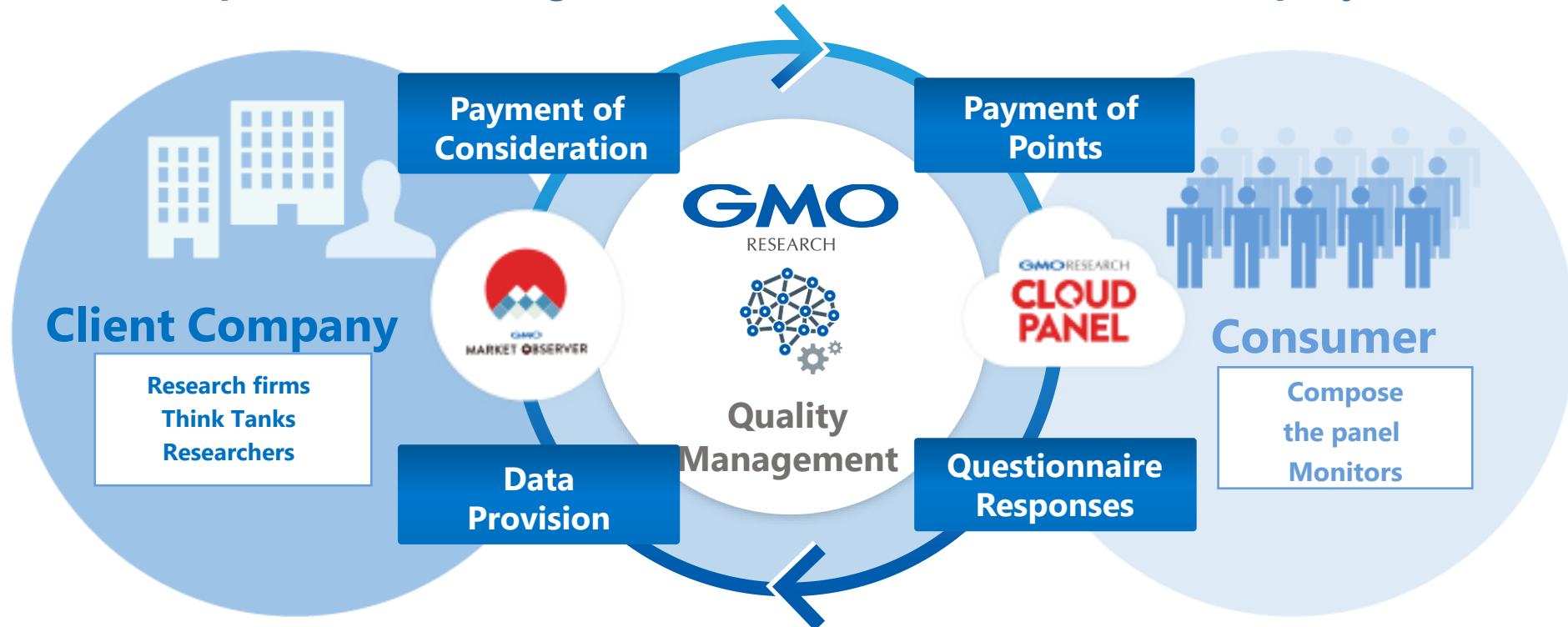
# Online Advertising & Media

# GMO Research | Audience Engagement Platform/

Developing a platform across Asia to connect survey clients and monitors who respond to surveys

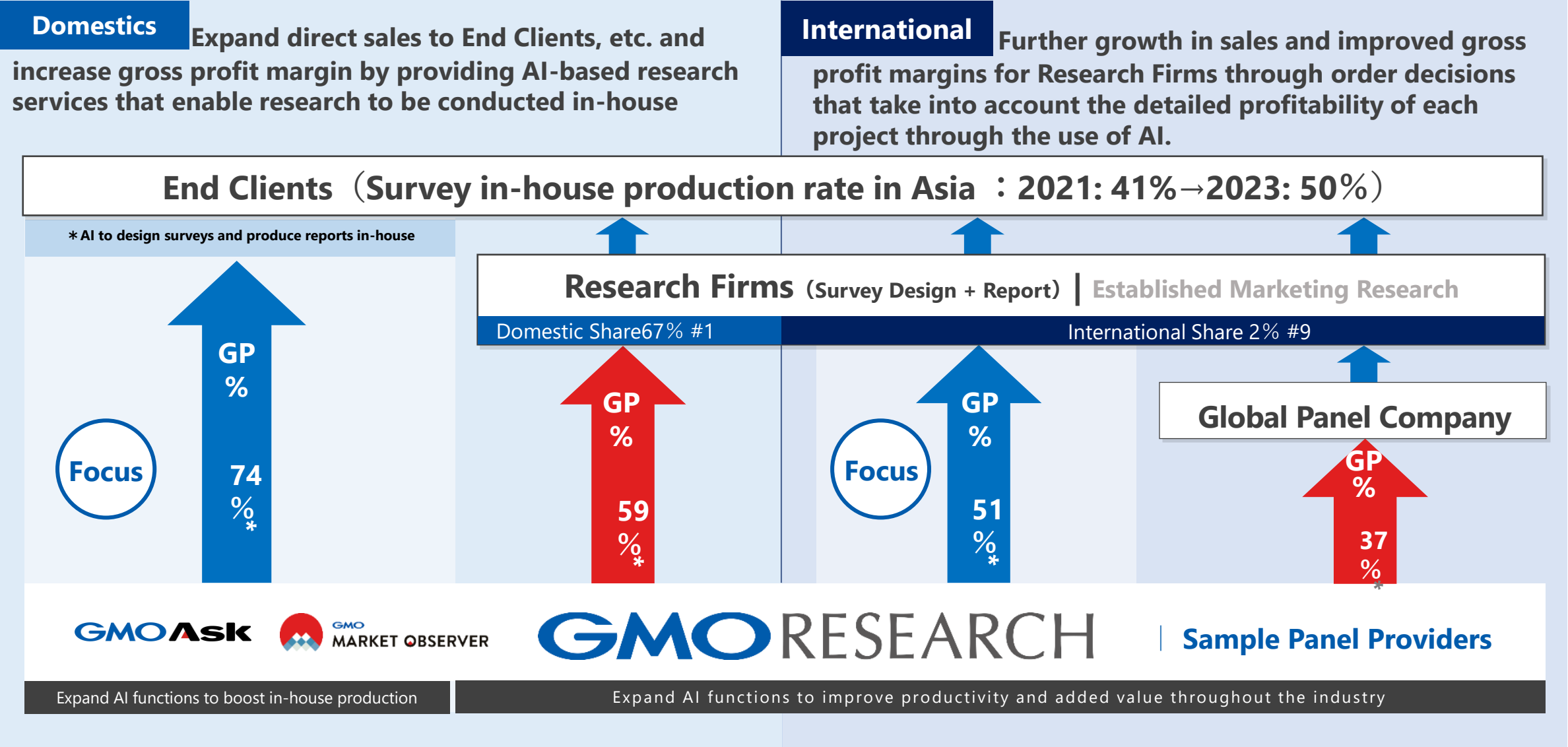
## Audience Engagement Platform

A platform that brings the voice of the consumer to the company



# GMO Research | Business Strategy for 2024

Focus on transactions with high gross profit margins



# Internet Finance

# Thai securities business | Regarding of Non-performing loans and special losses situation

•As of the end of December 2023, the balance of non-performing loans recorded in the balance sheet amounted to 13.54 billion yen, with an allowance for doubtful accounts of 7.05 billion yen (including an additional provision of 1.20 billion yen in Q4 2023).

In Q4 2023, an additional special loss of 310 million yen was recognized as investment securities valuation loss due to the decline in market value of securities acquired by the Thai subsidiary to determine the amount of receivables. The total amount of special losses recognized for fiscal year 2023 was 960 million yen.

(Billion Yen) **Non-performing loans** As of Dec 2023

Bad Debts ※1	13.54 B
The allowance for doubtful accounts	7.05 B
Additional risk	6.48 B

(Recovered debt amount ※2 2.67 billion yen)

**Special Loss**

Remaining shares at acquisition	1.47 B
Recording loss on sale ※3	0.04B
Special Loss	0.96 B
Q4	0.31B
End of period balance	0.34 B

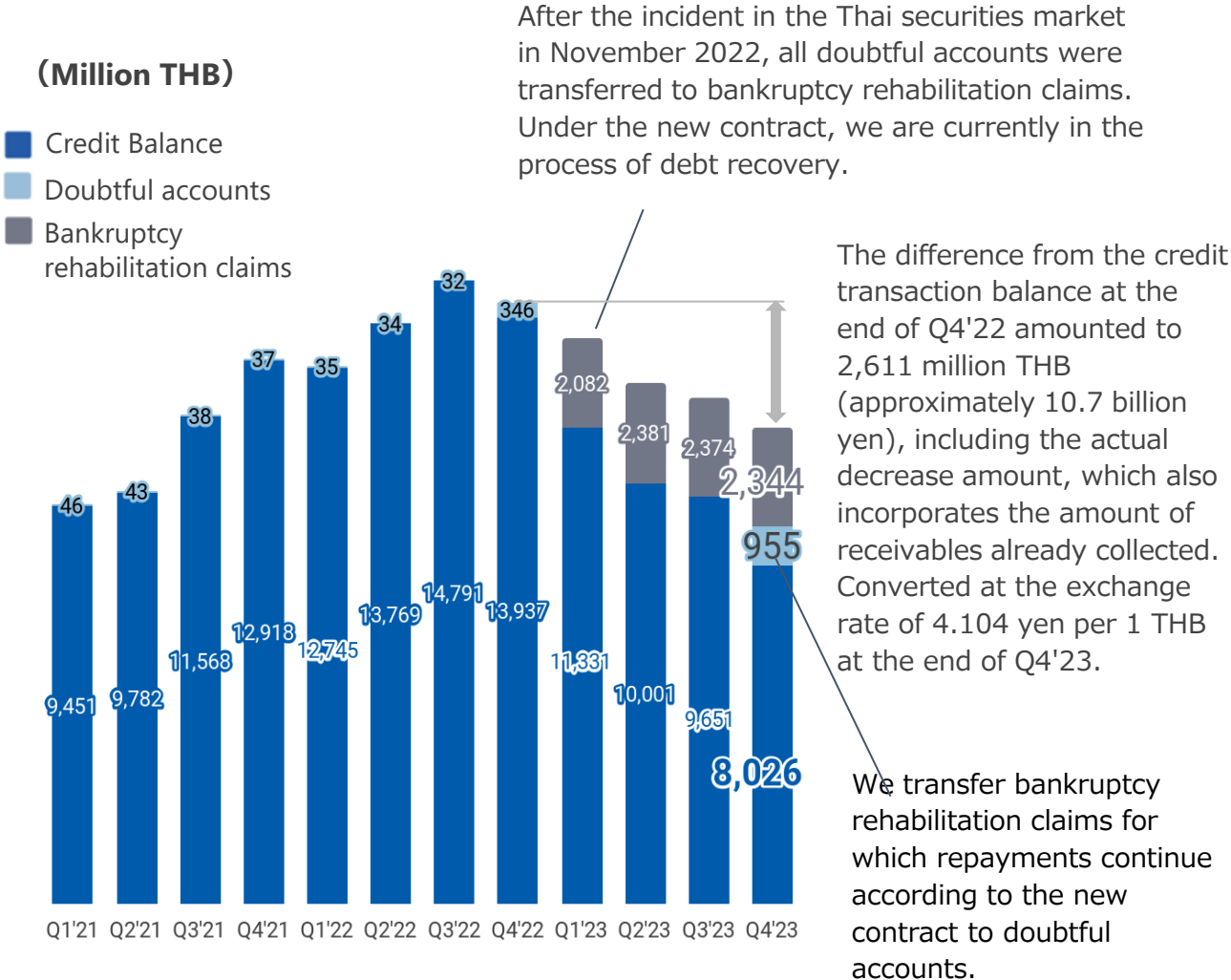
\*1: Total amount of doubtful accounts and bankruptcy rehabilitation claims in the Thai securities business.

\*2: Amount recovered through acquisition of collateral shares and amount recovered through cash.

\*3: The impact of the decrease in book value due to sales▲0.16 B JPY

# Thai securities business |

## The outstanding credit balance and the status of risk management



### Exposure to risks

- Concentration in specific collateral securities
- Concentration of lending to specific investors

### Handling with those risks

- Diversification of collateral
- Compression of the overall credit exposure (with a target of reducing it by half or less)

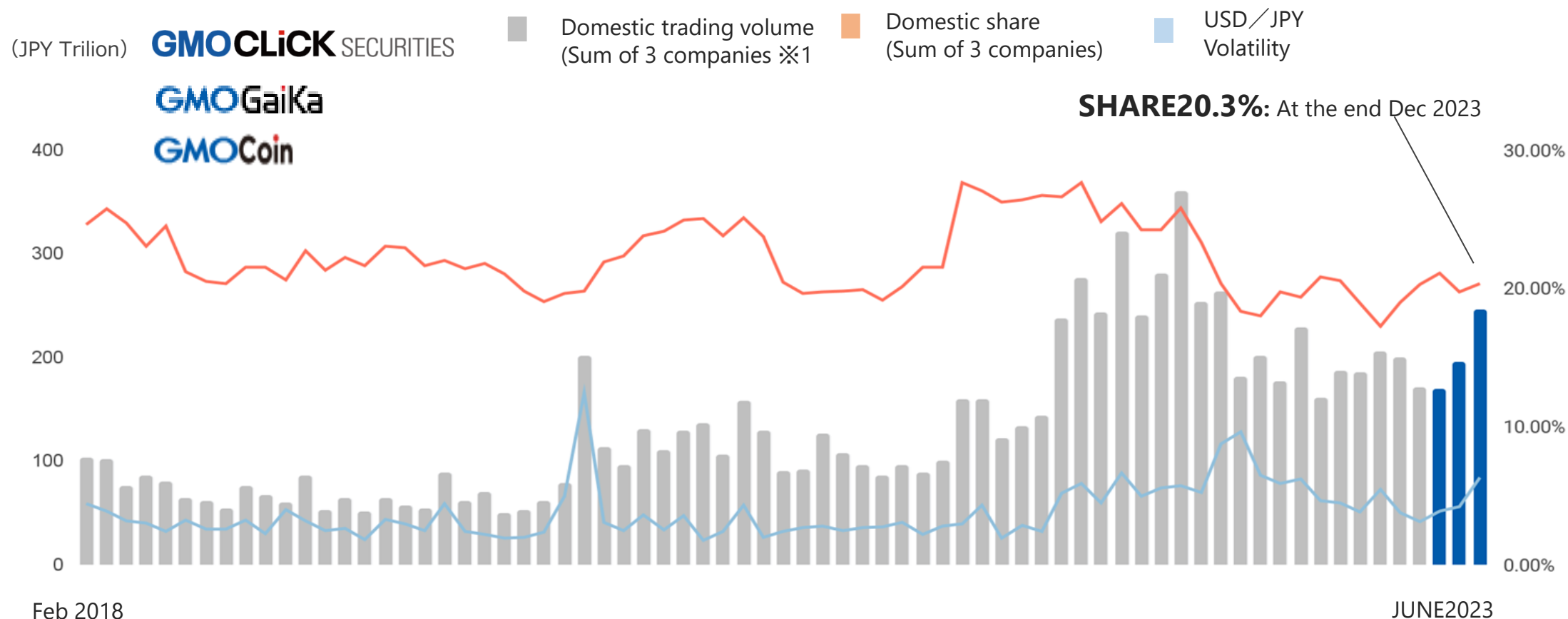
### Current progress

- Request for capital repayment or additional collateral deposit from high-value clients
- Enhancement of stop-loss criteria
- Suspension of new transactions



# Internet Finance | Domestic FX volume and share transition

Stable trading share 20% or so



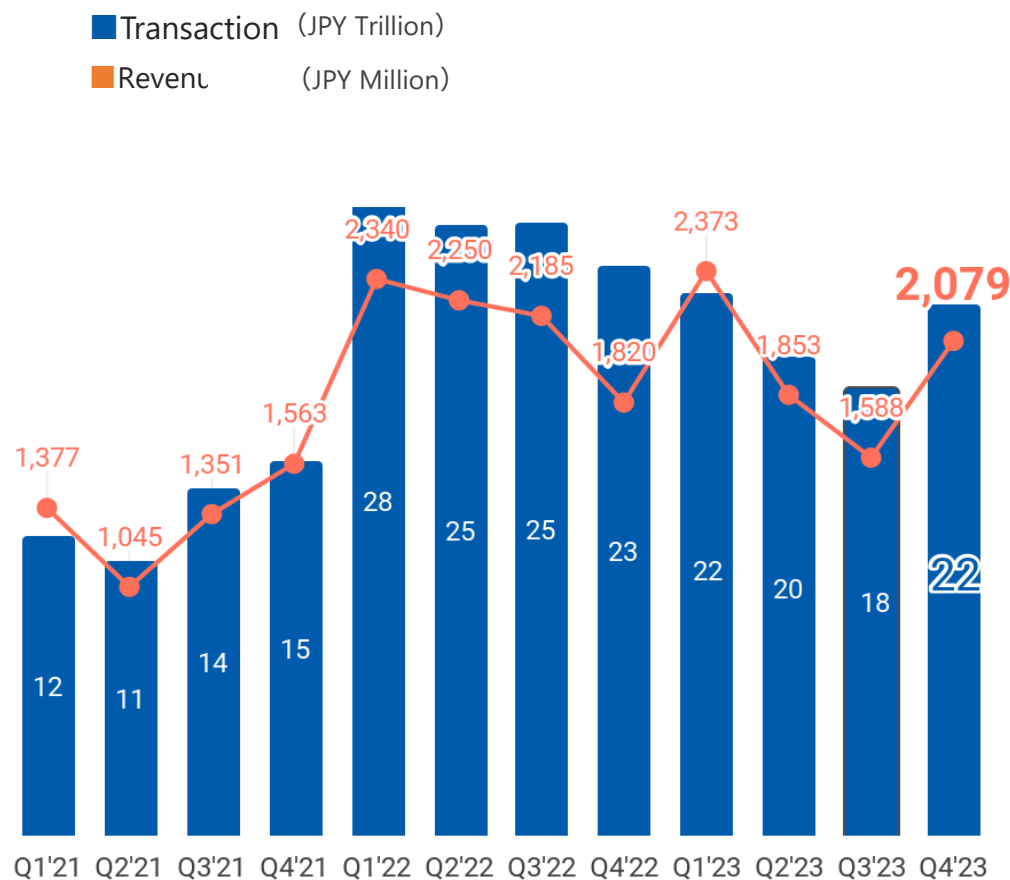
※The information you provided is related to a financial futures trading association's "Over-the-Counter FX Monthly Report," which was created by GMO Financial HD

※This figure represents the total trading volume for over-the-counter foreign exchange (FX) transactions in the domestic market. Until September 2021, it included data from two companies, GMO Click Securities and FX Prime by GMO, which were part of the GMO Group. In September 2023, GMO Prime merged with GMO Coin.

※ This figure indicates the market share of over-the-counter FX trading in the domestic market. It is calculated based on publicly disclosed data from the Japan Financial Futures Association, encompassing the entire market.

# Internet Finance | CFD transaction and revenue transition

GMOCLICK SECURITIES



Transaction volume

YoY

**6.5% Down**

Profit

YoY

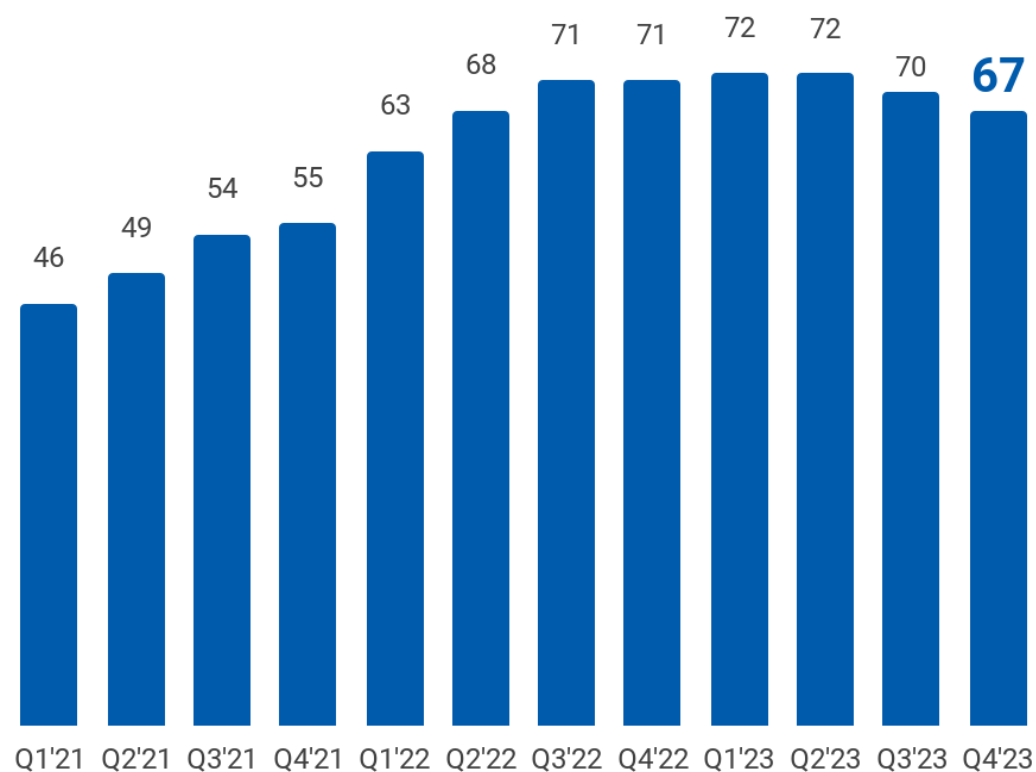
**14.2% UP**

Trading Volume has increased, particularly in stock index for Japan and the United States, as well as commodities such as crude oil and gold

# Internet Finance | CFD deposit margin balance

GMOCLICK SECURITIES

(JPY billion)

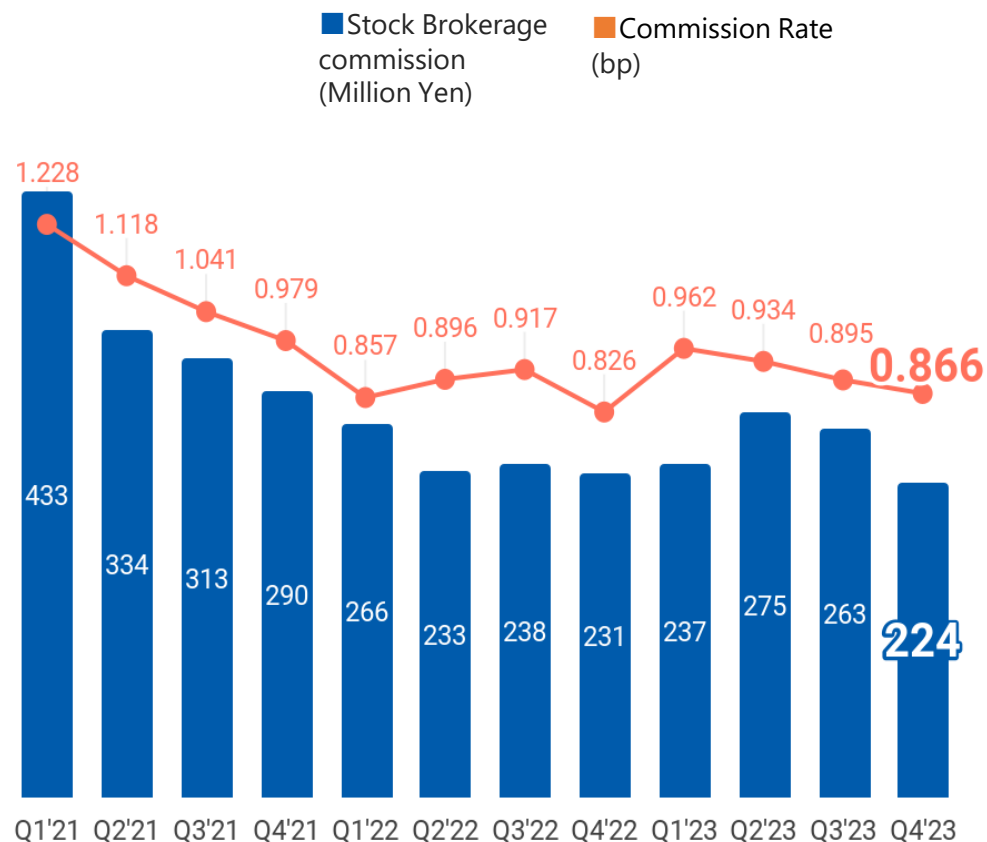


YoY **4.9 %Down**

**A slight decrease  
but the level remains high**

# Equity service | Stock brokerage commission and commission rate transition

GMOCLICK SECURITIES



## Stock Brokerage Commission

YoY **2.9% Down**

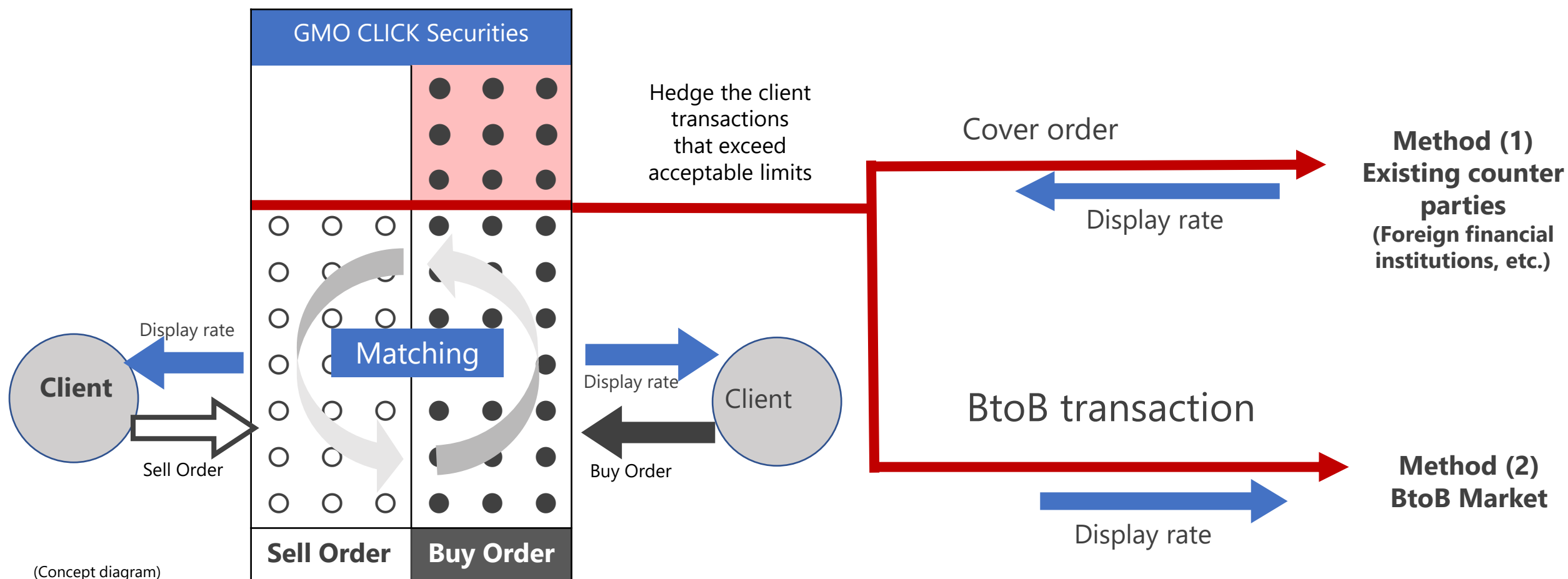
Due to the impact of competitor companies offering commission-free services, there has been a decrease in trading volume

Q4'23 Stock Transaction Value : **YoY 7.3% Down**  
 Q4'23 Trading volume share : **1.9%**

# Internet Finance | FX Business Model

**GMOCLICK** SECURITIES

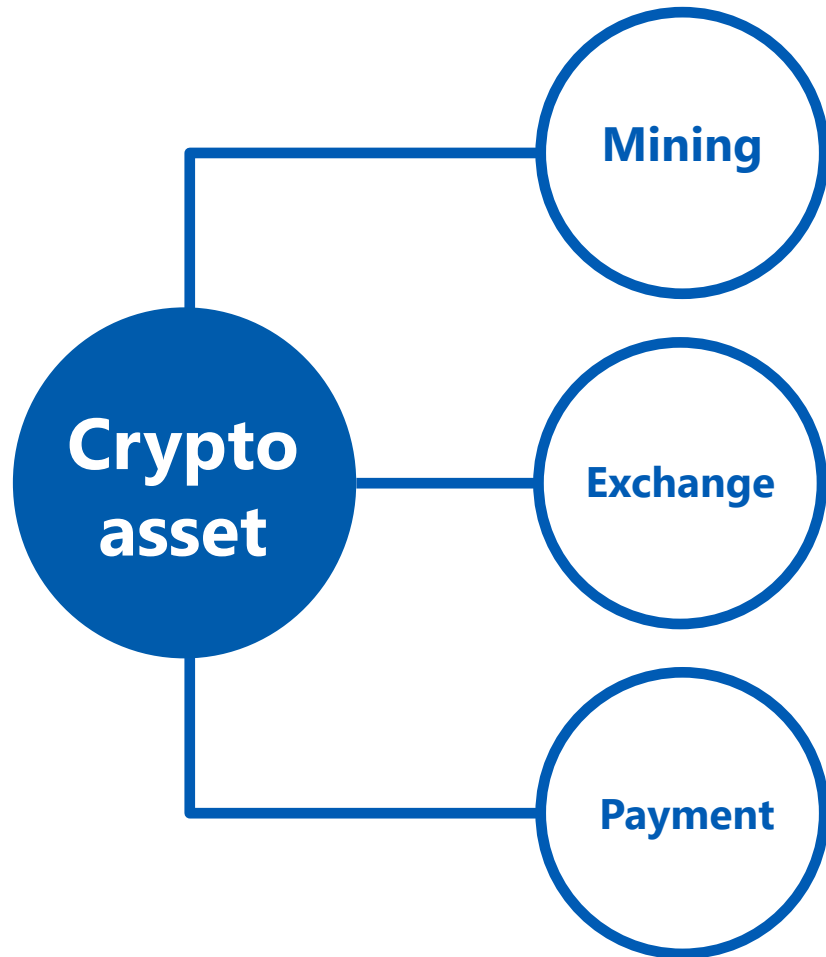
- Effective matching and thorough risk minimization with cover transactions executed with counter parties as soon as customer orders exceed acceptable risk position.



(Concept diagram)

# Cryptoassets

# Cryptoasset Business



**Mining Business**

**Exchange business**

**Payment business**

└ Issuing Stablecoin

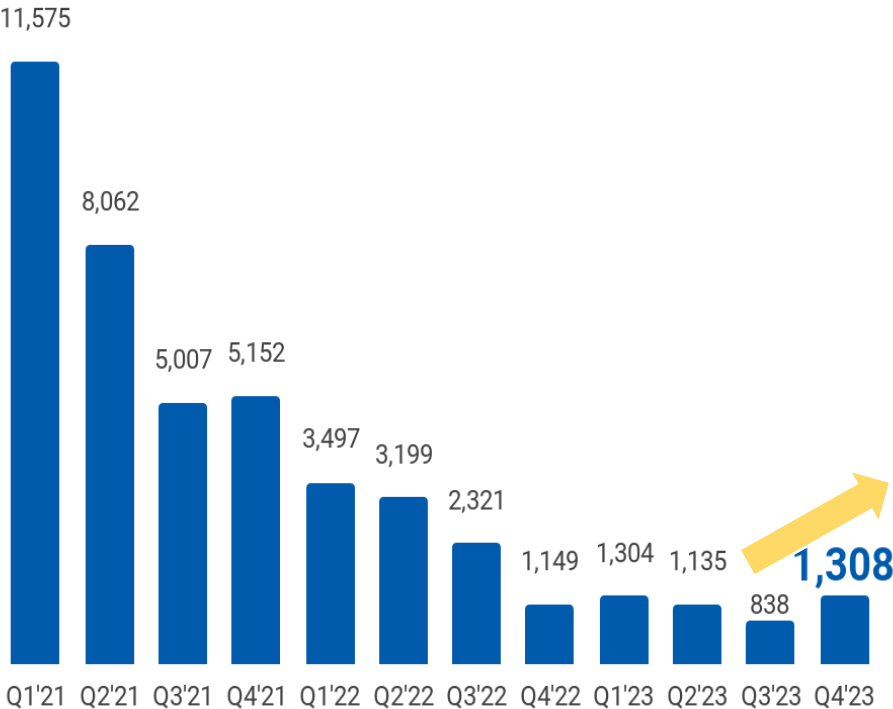
**GMO Coin**

**GYEN Z USD**  
Digital JPY Digital USD

# Cryptoasset Exchange Business | Trading volume



(JPY Billion)



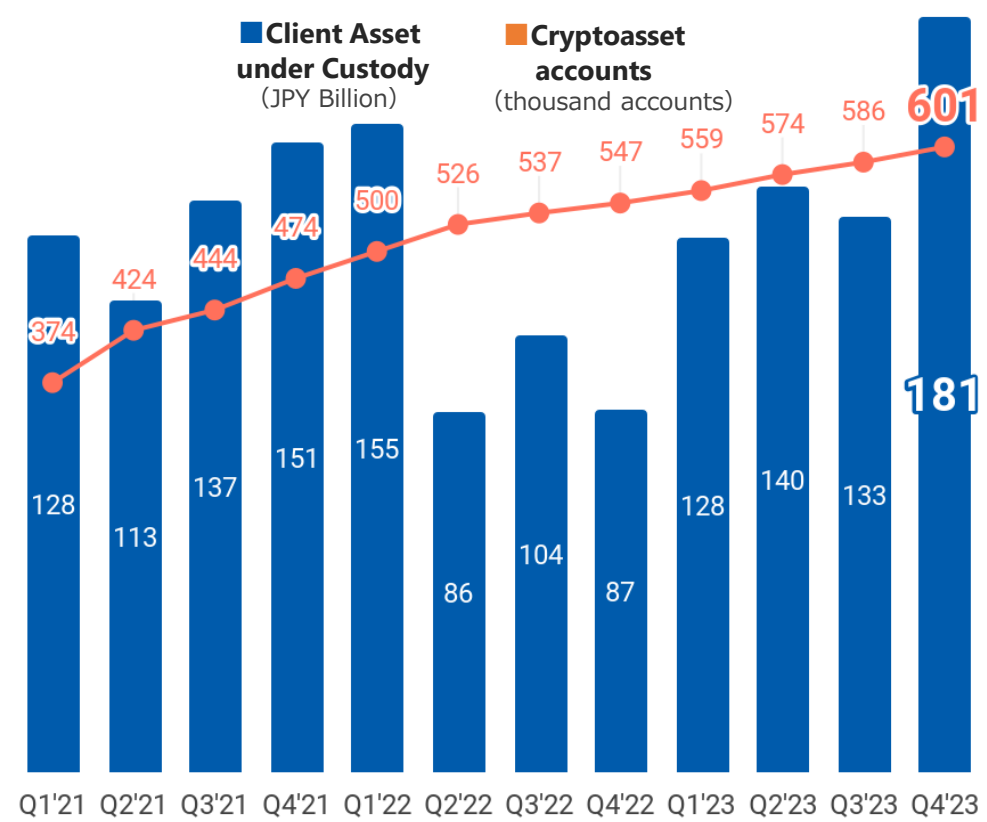
YoY **13.8%UP**

Trading volume has increased by the rise in cryptocurrency prices, particularly Bitcoin.

※Regarding market share, the market's trading volume is based on the data published by the Japan Cryptocurrency Exchange Association, while the trading volume of GMO Coin is an approximate estimate calculated based on our data (exchange trading volume is calculated at half of our disclosed value)



# Cryptoasset Exchange Business | Accounts and deposit asset transition



Accounts

YoY **53 K Up**

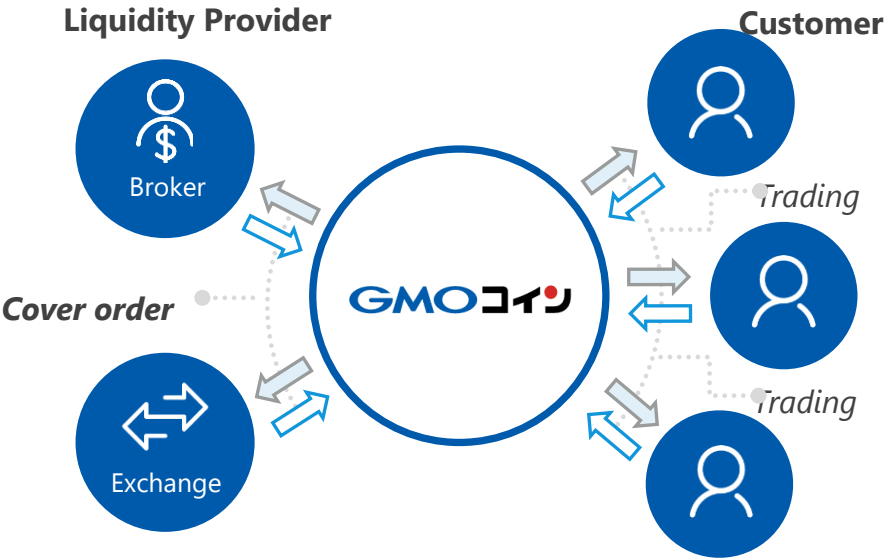
Deposit Asset

YoY **107.9% Up**

# Cryptoassets Exchange | Business model

## OTC Trading

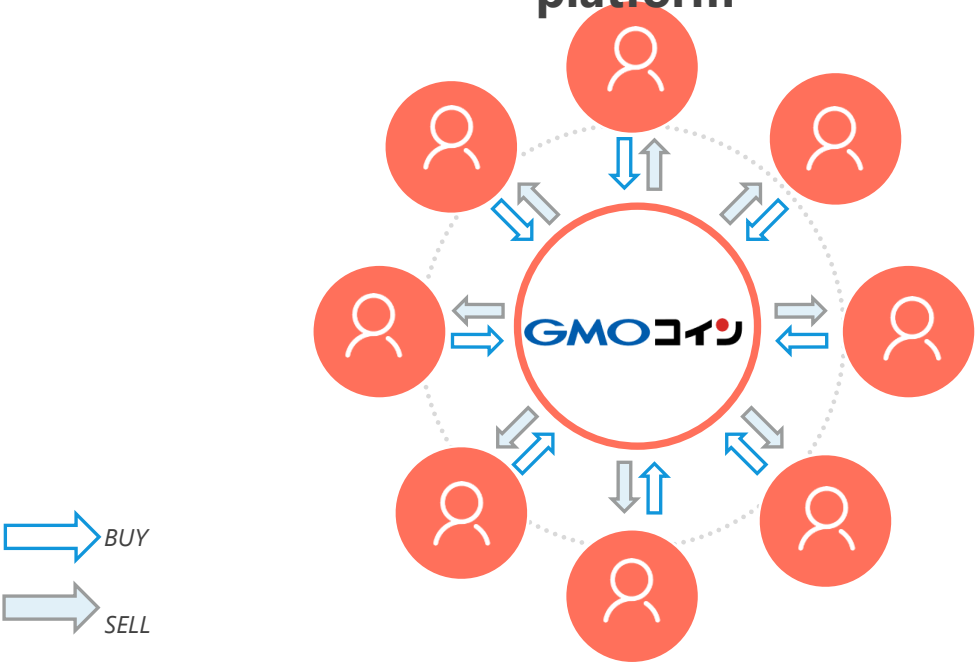
Hedging counter part positions  
by cover order



Main income : Spreads  
(buy and sell spreads)

## Exchange Trading

Offering the order matching  
platform



Main income : Transaction fee

**GMO Aozora Net Bank**

# Bank×IT

**Born in July 2018**



あおぞら銀行

**Banking management know-how**



**Technology**

すべてはお客さまのために。

# No.1

テクノロジーバンクを目指して

All for our customers. Strive to be the No.1 Tech Bank.

Point  
1

**Focus on corporate clients**

---

Point  
2

**The core business :  
Exchange, Debit cards, and business loans**

---

Point  
3

**Bank System + Bank API + In-house development**

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Point  
4

**BaaS byGMOAozora**

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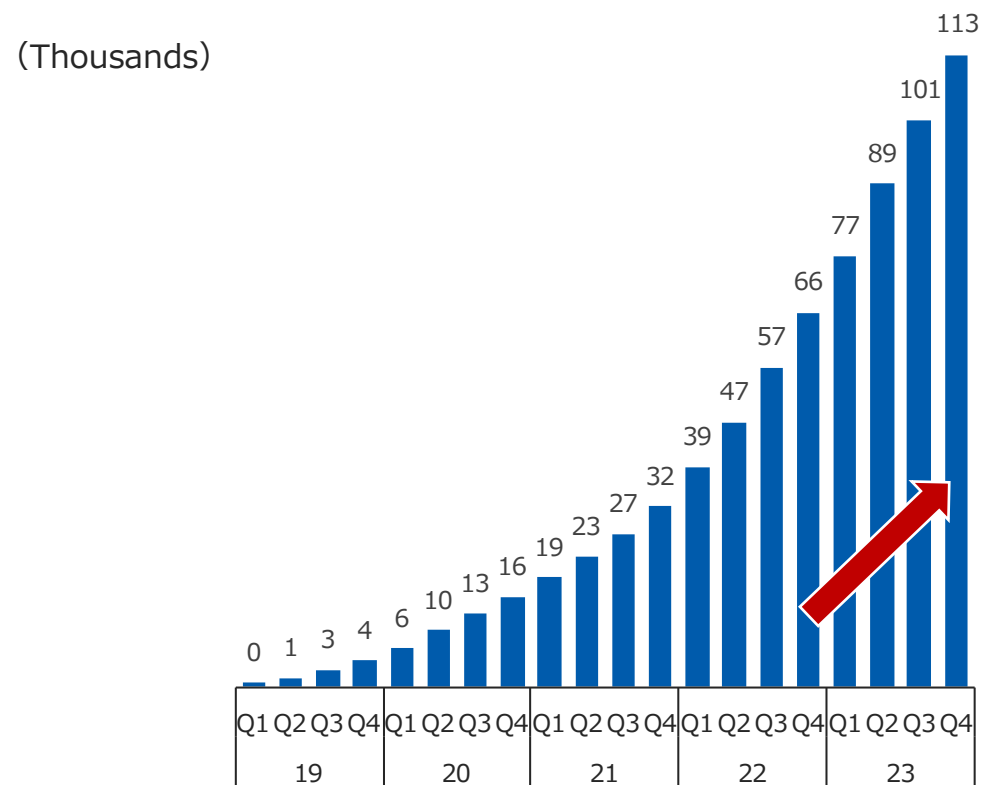
Point  
5

**Approximately 40% of employees are engineers**

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# Net Bank | Number of business accounts

GMO AOZORA NET BANK

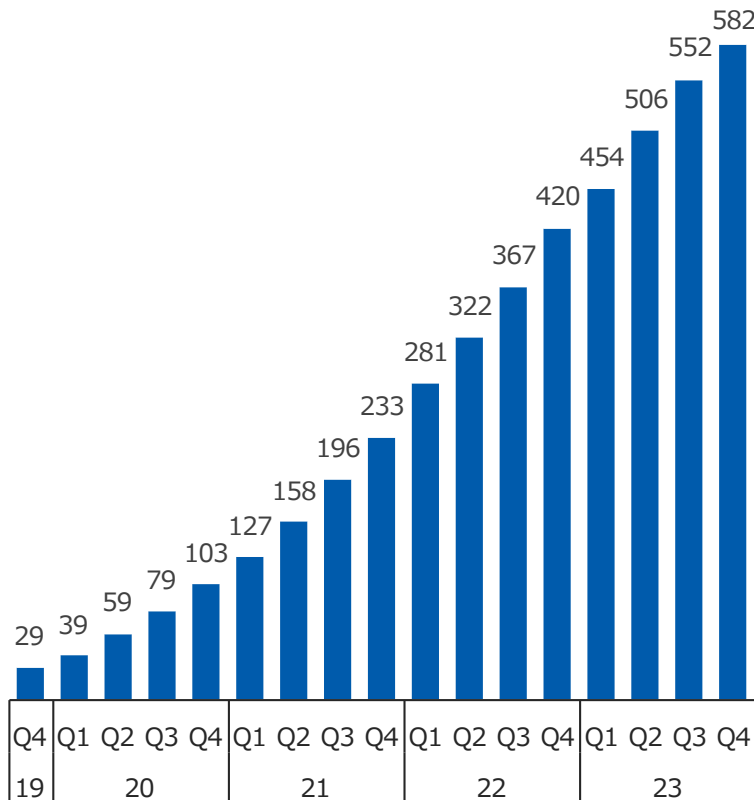


about **1.9-fold UP**  
YoY

# Net Bank |BaaS byGMO Aozora KPI

Total number of contracted Embedded Financial service  
**GMO** AOZORA NET BANK

(per contract)



**progressing well**



□ Group Overview

□ Financial condition and strategy

□ Consolidated results

**□ ESG activities**

# ESG activities | Materiality

## Solving social issues through business

### Challenge

#### Dedication to the No.1 Service.

We are dedicated to providing the dominant No.1 service in the Internet industry by operating and developing our own technology.

### Safety

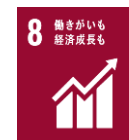
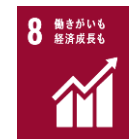
#### Responsibility to protect our customers' smiles.

We ensure a safe and secure Internet infrastructure to protect our customers' smiles.

### Environment

#### Solving social issues through business activities.

We strive to address pressing challenges that benefit the environment, society, and individuals.



## Strengthening the foundation of management

### Human Talent

#### Cultivating a group that evolves together.

An environment where every partner excels is key to creating the No.1 service.

### Trust

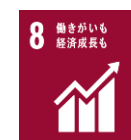
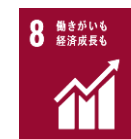
#### Maximizing stakeholders' smiles.

We aim to increase our fanbase through dialogue with everyone involved.

### Governance

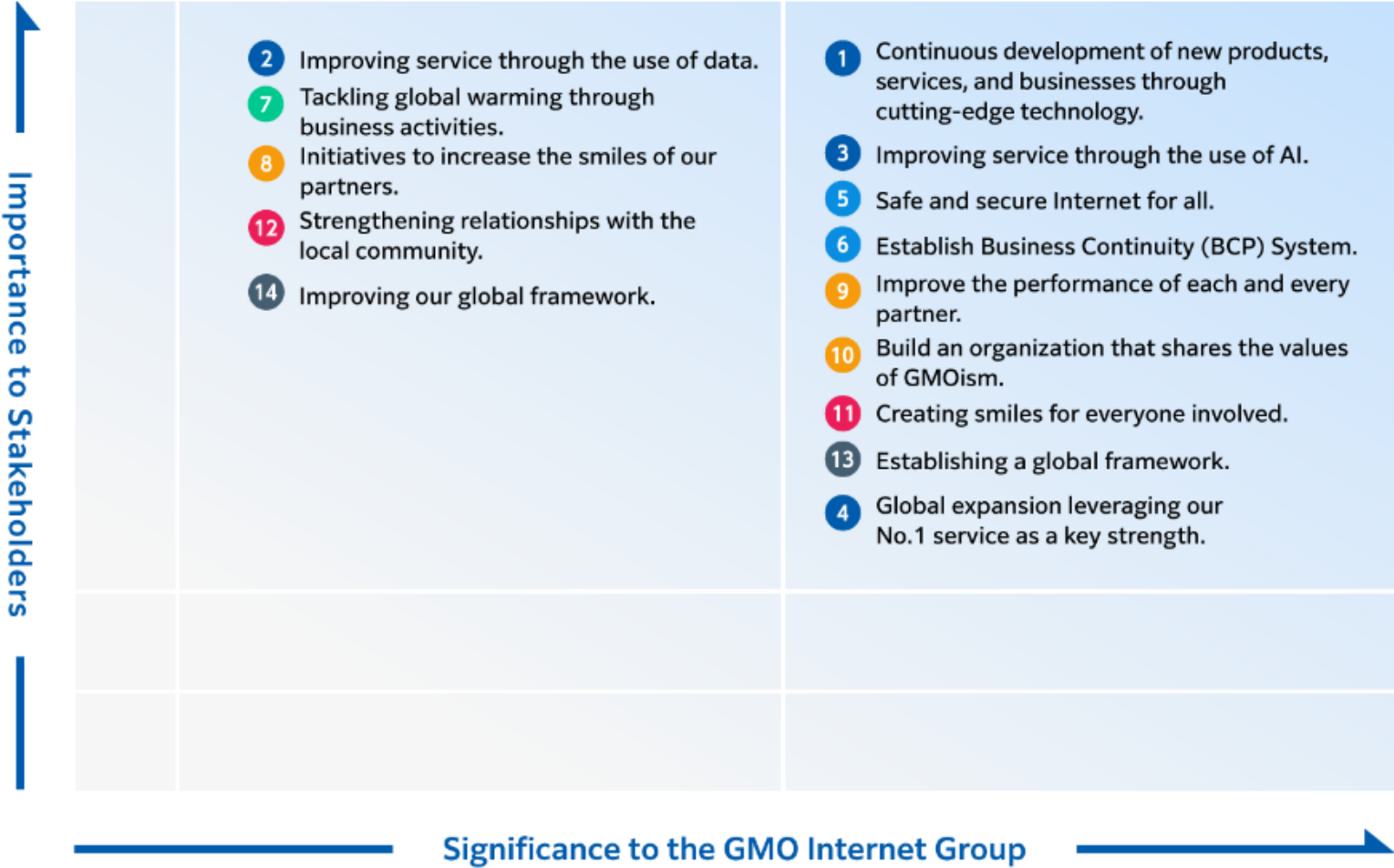
#### Foundation for Hundreds of Years.

We are building a robust structure that will ensure our business group thrives for hundreds of years, prioritizing sustainable growth.



# ESG activities | Materiality Matrix

The key issues were identified through an assessment based on opportunities and risks from the perspective of both "importance to stakeholders" and "Significance to GMO Internet Group."



# ESG activities | Sustainability management for SDGs

電子印鑑なら  
**GMOサイン**



**コエテコ** by **GMO**



**GMO光アクセス**  
for **Education**



**GMO CYBER SECURITY**  
IERAE



⋮

**Our business helps  
Social and  
environmental issues  
to be solved.**

# ESG activities | Disclosure Processes/Health Management/External Evaluation

	Disclosure Processes	Health Management	External Evaluation (FTSE ESG Ratings)
2021	<ul style="list-style-type: none"> <li>Released our Activities for SDGs</li> <li>Drawn up basic sustainability policy</li> <li>Set up sustainability promotion committee</li> </ul>		<b>1.2</b> As of Dec. 2021
2022	<ul style="list-style-type: none"> <li>Updated CG report</li> <li>Introduced of a group executive officer system</li> <li>Expanding ESG disclosure</li> </ul>	<ul style="list-style-type: none"> <li><b>GMO Health Management Declaration</b> The company's declaration to increase the smiles of its partners is reiterated as the GMO Health Management Declaration.</li> </ul>	<b>2.3</b> As of Dec. 2022
2023	<ul style="list-style-type: none"> <li>TCFD Disclosure</li> <li>Identifying Material Issues etc.</li> </ul>	<ul style="list-style-type: none"> <li><b>GMO Internet Group Recognized as a "Corporation with Excellent Health Management 2023"</b> GMO Internet Group Inc. was recognized for its health initiatives, and on March 8, 2023, the Ministry of Economy, Trade and Industry and the Japan Health Council recognized GMO Internet Group Inc. as a "Corporation with Excellent Health Management 2023" under the Certification System for Excellent Health Management implemented by the Ministry of Economy, Trade and Industry and the Japan Health Council.</li> </ul>	<b>2.8</b> As of Dec. 2023
2024	<ul style="list-style-type: none"> <li>Expanding Human capital disclosure</li> </ul>		

**Internet for Everyone**

**GMO**