

**Fiscal Year 2024
Third Quarter
Results Presentation**

GMO INTERNET GROUP

STOCK CODE: 9449

Nov 12, 2024

1. Overview
2. Group Management Strategy
3. Segment Report
 - i)Group Overview
 - ii) Internet Infrastructure
 - iii) Online Advertising & Media
 - iv)Internet Finance
 - v) Cryptoassets
4. Transition to a holding company structure
5. Shareholder Returns

Overview

- Become a group that will continue to over the next century by thoroughly implementing long-term management, pursuing No.1 products and recurring revenue through operations and development of our own technology.
- In Q3, almost our companies achieved increasing in profits, resulting of independent management.
In the Infrastructure segment, non-payment businesses also increased in profit.
In Q4 ,Plan to invest overall and finalize all losses for Thai securities by year-end.
- In 2025, GMO IG is to change into a holding company to strengthen our group management ,creating a huge synergies by AI & Robotics and Cybersecurity businesses.

Overview | Executive Summary: Q3 FY2024

Infrastructure driven, Internet Finance business improved profitability.

Due to foreign exchange impact, both Ordinary Profit and Net Profit were decreased.

(JPY billions)	Q3'23 (Jul-Sep)	Q3'24 (Jul-Sep)	YoY Change	Change
Net Sales	62.5	69.6	+7.1	+11.4% Record high
Operating Profit	9.4	11.8	+2.3	+24.8%
Ordinary Profit	9.7	9.4	-0.2	-2.5%
Net Profit	3.2	2.4	-0.8	-24.4%

Overview | Executive Summary: Q1-Q3 FY2024

Infrastructure business was favorable to absorb temporary costs in Finance business

(JPY billions)	Q3'23 (Jan-Sep)	Q3'24 (Jan-Sep)	YoY Change	Change
Net Sales	192.5	206.1	+13.5	+7.0%
Operating Profit	30.0	35.8	+5.7	+19.1%
Ordinary Profit	32.2	34.6	+2.4	+7.6%
Net Profit	9.6	10.2	+0.5	+6.0%

Overview | Executive Summary: Q3 FY2024

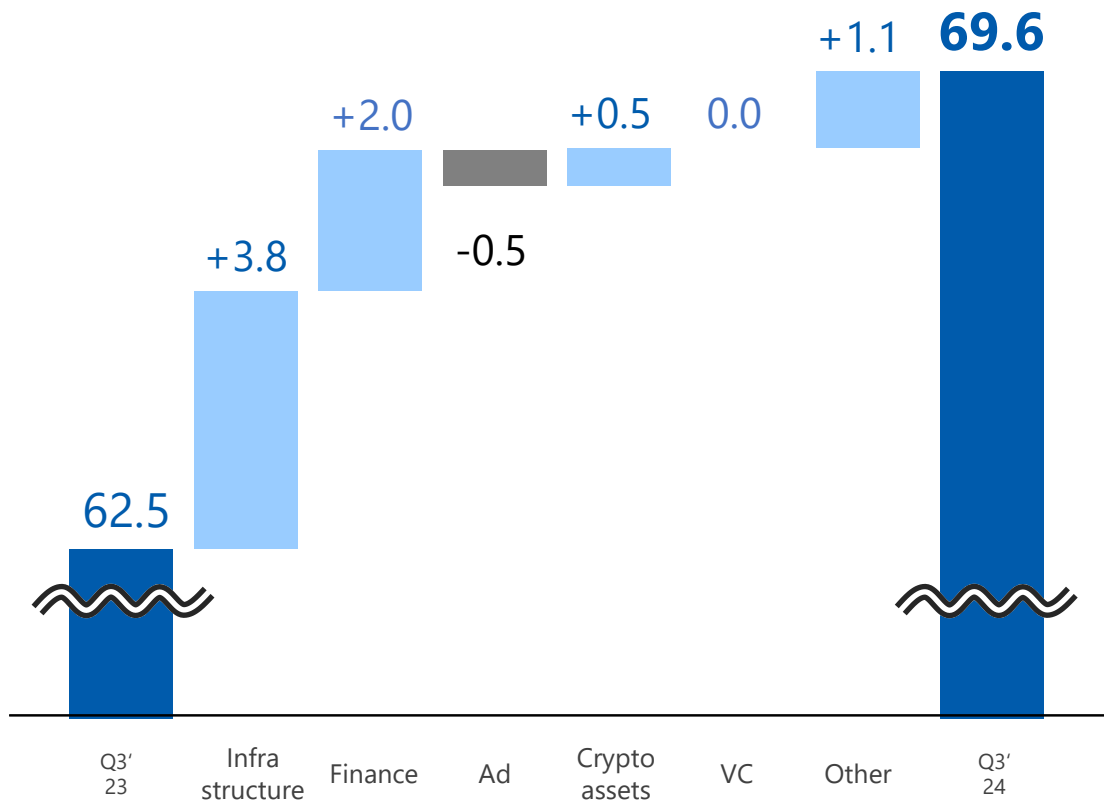
					Evaluation	
					Q3	Q2
Internet Infrastructure	Net sales	JPY 46.3B	(Up 9.1% YoY)	<ul style="list-style-type: none"> Overwhelmingly No.1 services, both payments and non-payments well performed. Achieved record-breaking quarterly sales for four consecutive quarters. 	"✓✓"	"✓✓"
	OP	JPY 7.7B	(Up 27.2% YoY)			
Online Ad & Media	Net sales	JPY 8.0B	(Down 6.2% YoY)	<ul style="list-style-type: none"> Growth in high-margin our products and in-house Media. 	"✓"	"poor"
	OP	JPY 0.6B	(Up 29.5% YoY)			
Internet Finance	Net sales	JPY 12.6B	(Up 19.9% YoY)	<ul style="list-style-type: none"> FX : Favorable, due to increased Exchange volatility, cost efficiency in progress. CFD : Both transactions and revenues remained strong. Thai : Recorded ¥2.2 billion allowance for doubtful accounts at Thai securities business, and the service will be terminated. 	"poor"	"bad"
	OP	JPY 3.3B	(Down 8.2B)			
Cryptoassets	Net sales	JPY 1.5B	(Up 58.4% YoY)	<ul style="list-style-type: none"> Exchange business was good, and keeps profit for four consecutive quarters 	"✓"	"✓"
	OP	JPY 0.2B	(Up 0.7B in Q3'23)			

Overview | Executive Summary: Q3 FY2024

Net sales

Up **7.1B** YoY

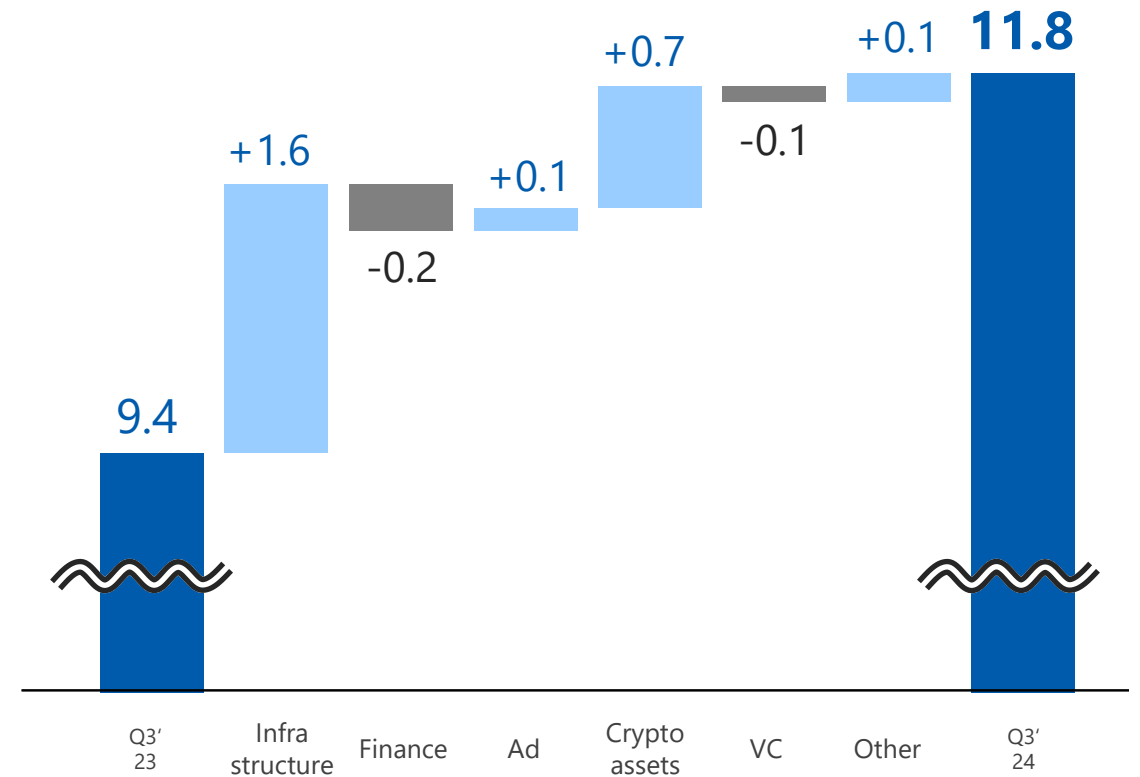
(JPY billions)



Operating Profit

Up **2.3B** YoY

(JPY billions)



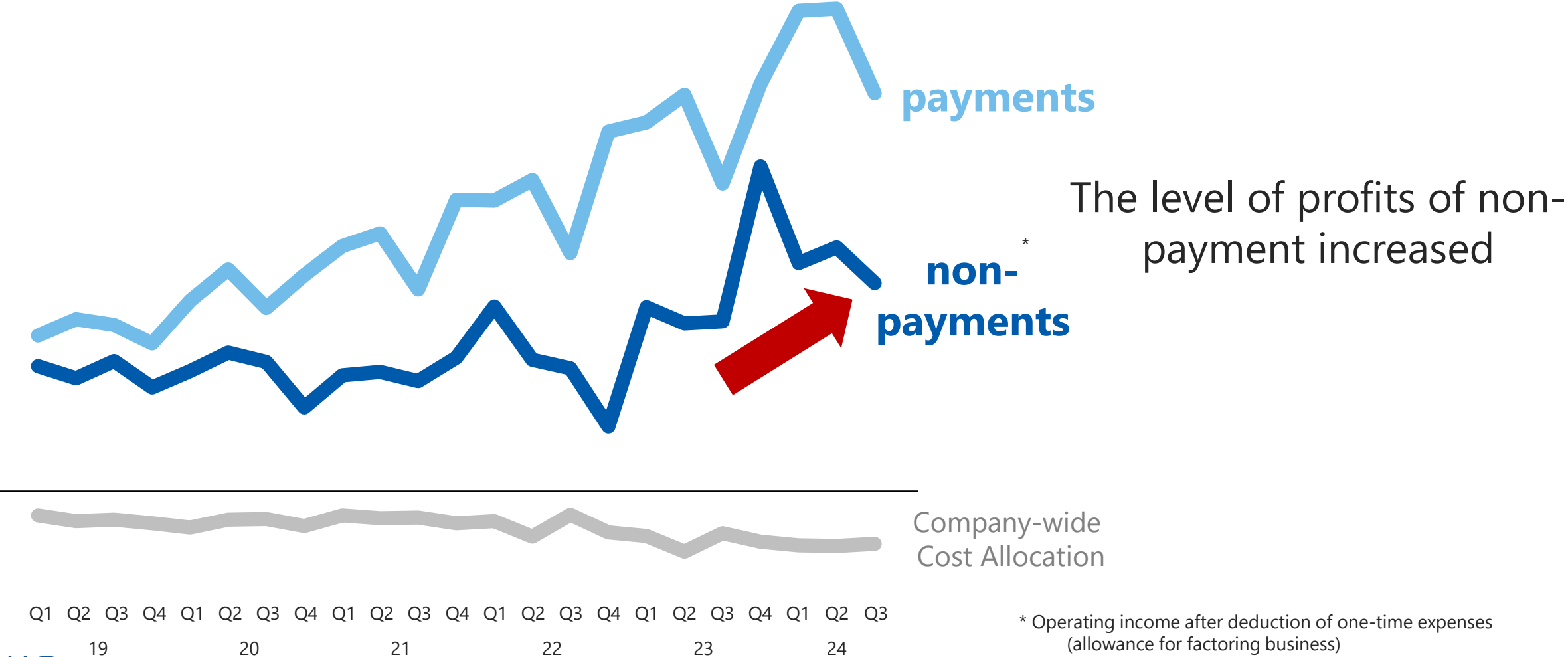
Products in Internet infrastructure

Expanding customer base and new areas of focus on

Provide wide range of "indispensable, essential" value. Focus on AI x Robotics and Security Business.

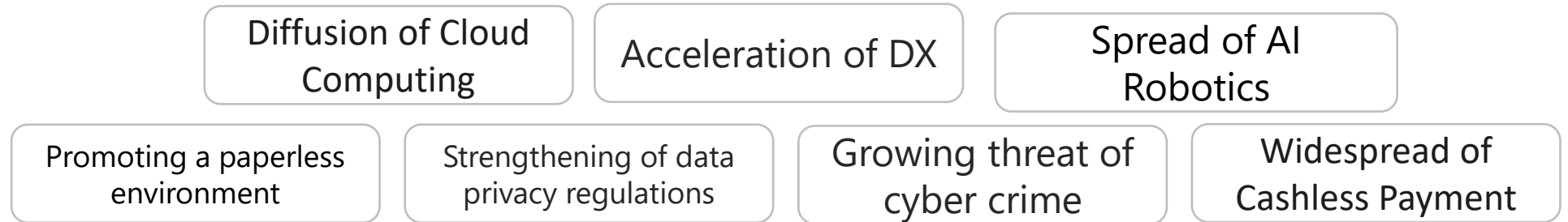


Profit Trends in internet infrastructure| payments and non-payments



Our response to social trends

Megatrend /
Depending on the times



Some of Our Company's
Product Lineup



Our Strengths



Accelerating Through
transition to
holding company structure



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Our Strengths

for

Sustainable Growth

Our Strengths for Sustainable Growth

- 1. Independent management**
- 2. Operations and development of our own technology**
- 3. Solid recurring revenue**

1. Independent management

Each group company pursues the No. 1 strategy under the “GMO-ism” and creates growth products.

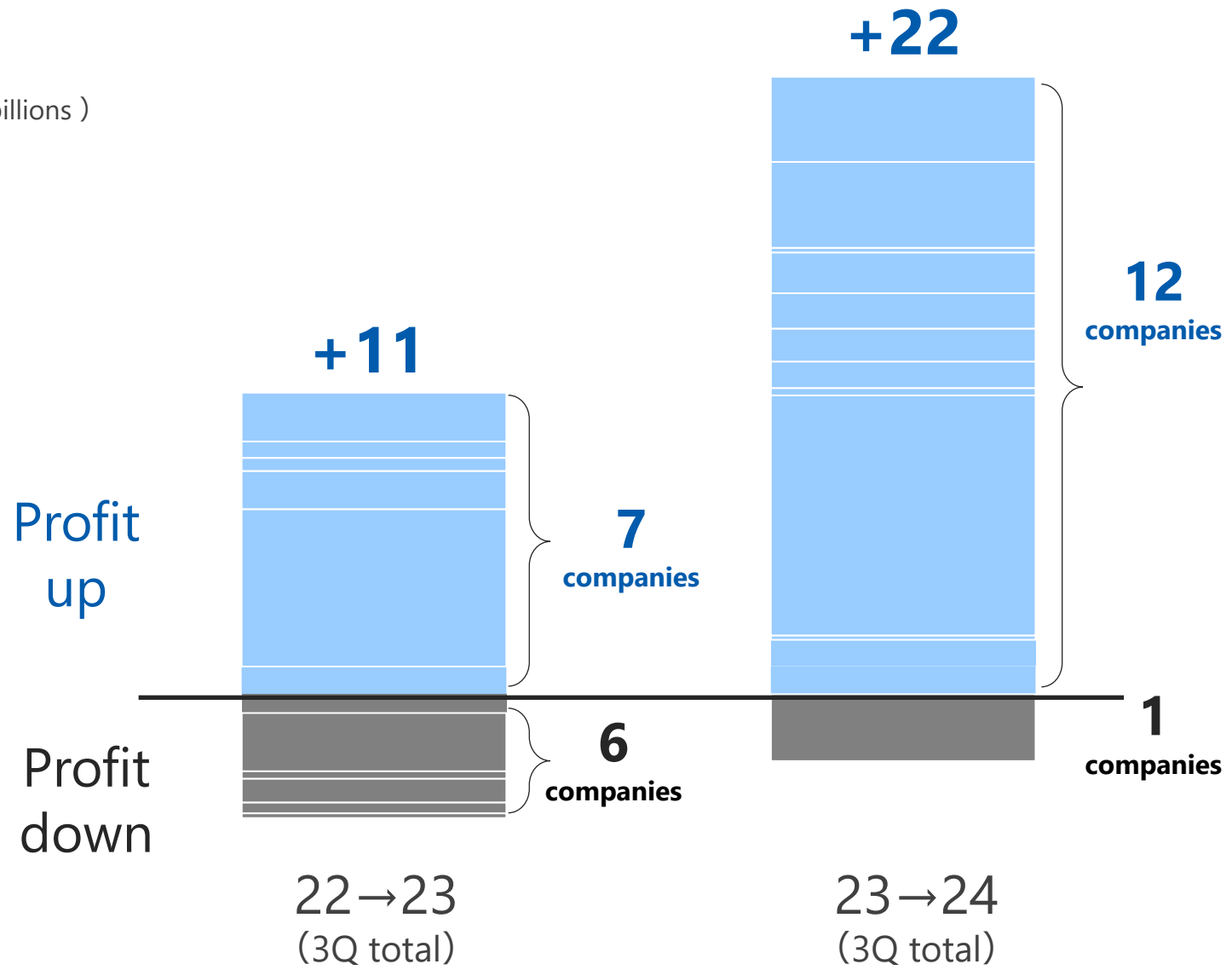


As a result, our group with diversified risk management strategy.

1. Independent management

Infrastructure segment profit achievement by each group excluding payment*

(JPY billions)

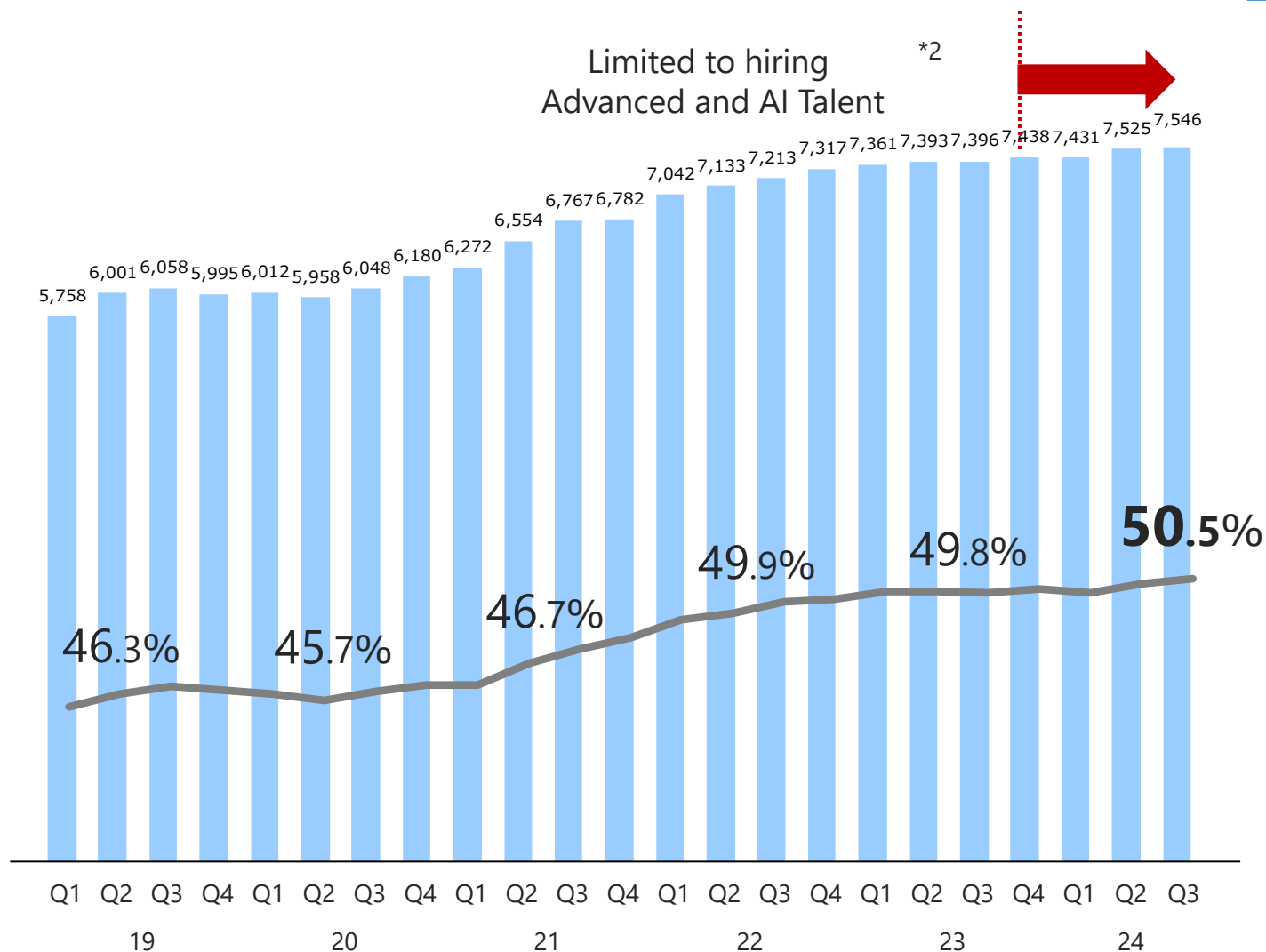


Most group companies achieved increased in profits

Group's overall getting strong

* Excluding new consolidated companies from 2024

2. Operations and development of our own technology Engineers & Creators ratio



Goal: Workforce of over
60%

■ Total number of partners (excluding officers and part-time officers)
— % Engineers & Creators

*1 Not including partners of GMO Internet Group affiliates accounted for by the equity method (such as GMO Aozora Net Bank).
The number of the Bank's employees 308 was excluded as of end of September 2024.

*2 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~)

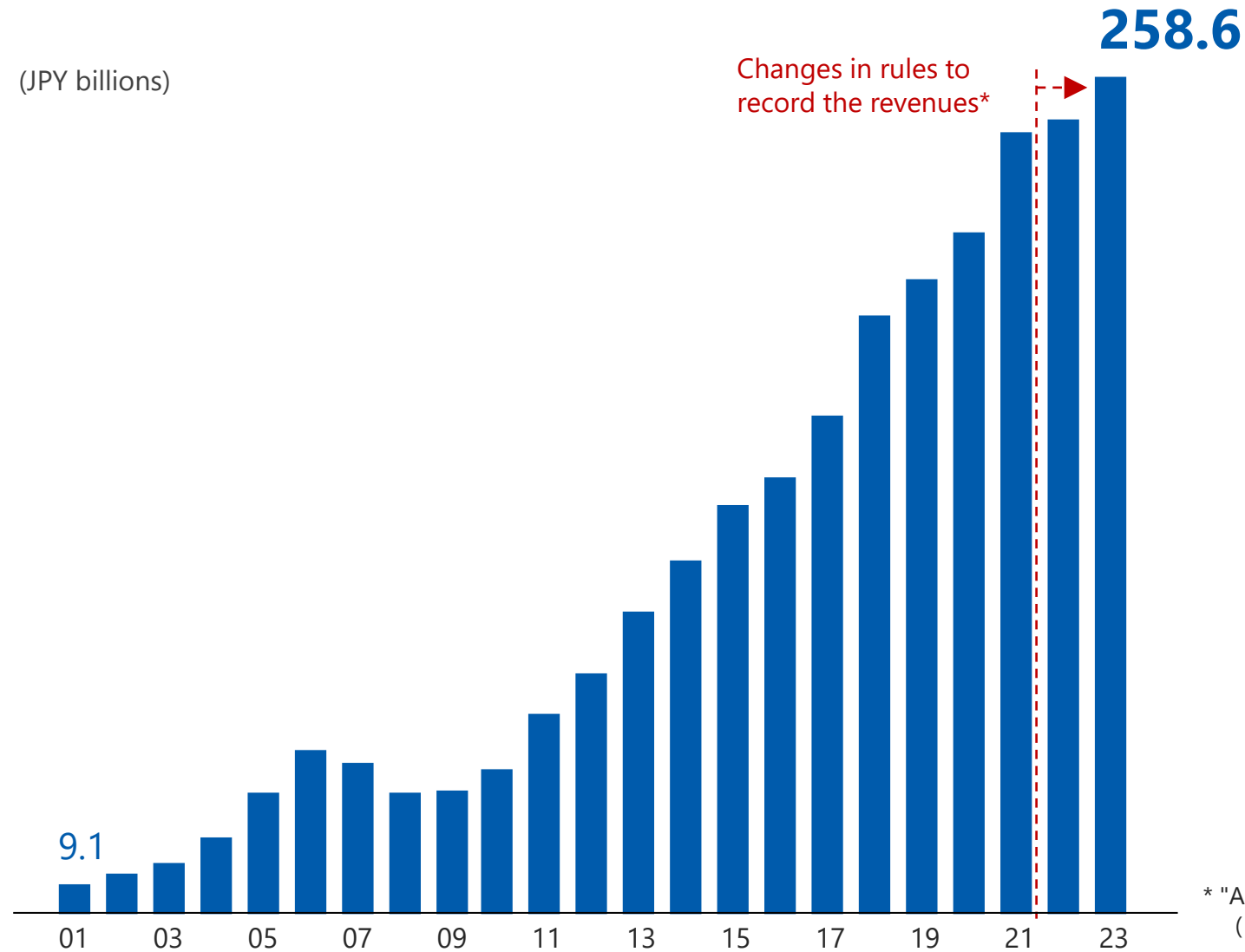
3. Solid recurring revenue

That means our core business policies,

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

Consolidated Net Sales

(JPY billions)

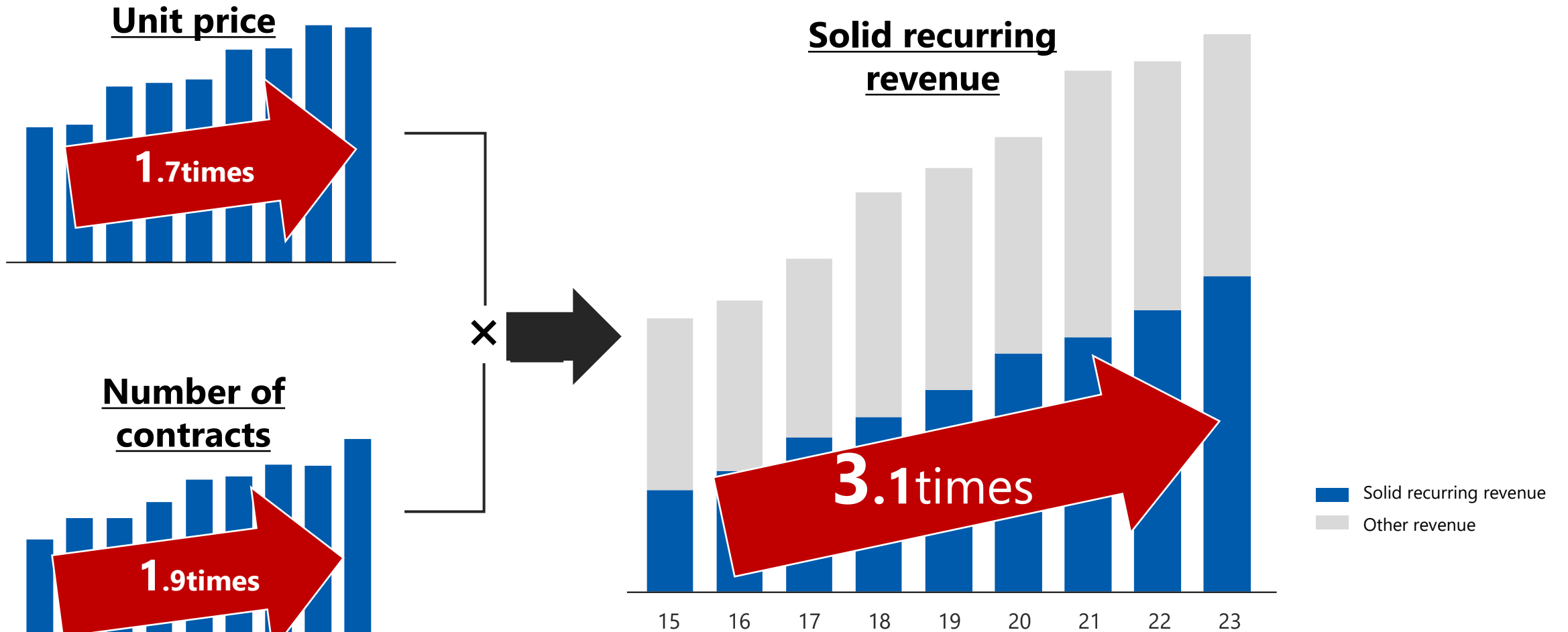


Sustainable growth

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

3. Solid recurring revenues

Both unit price and number of contracts increased, leading to expansion.

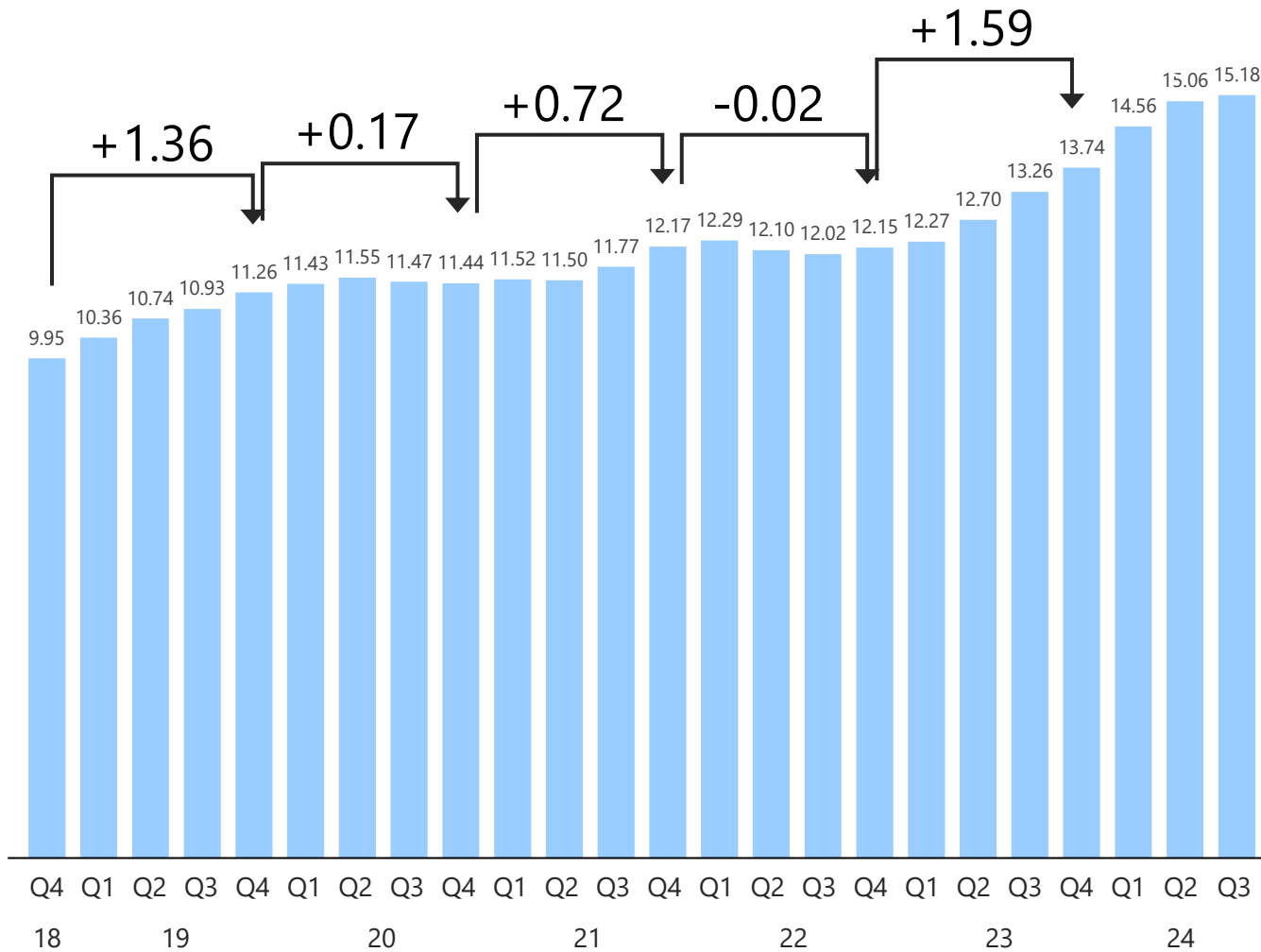


* The combined value of stock and transaction revenues in the infrastructure business (domains, cloud hosting, part of security, part of EC support, part of payment, and access)

Internet Infrastructure | Contracts

(millions)

COVID-19 Impact period*



Solid recurring revenues base

15.18M

customers

Increased contracts

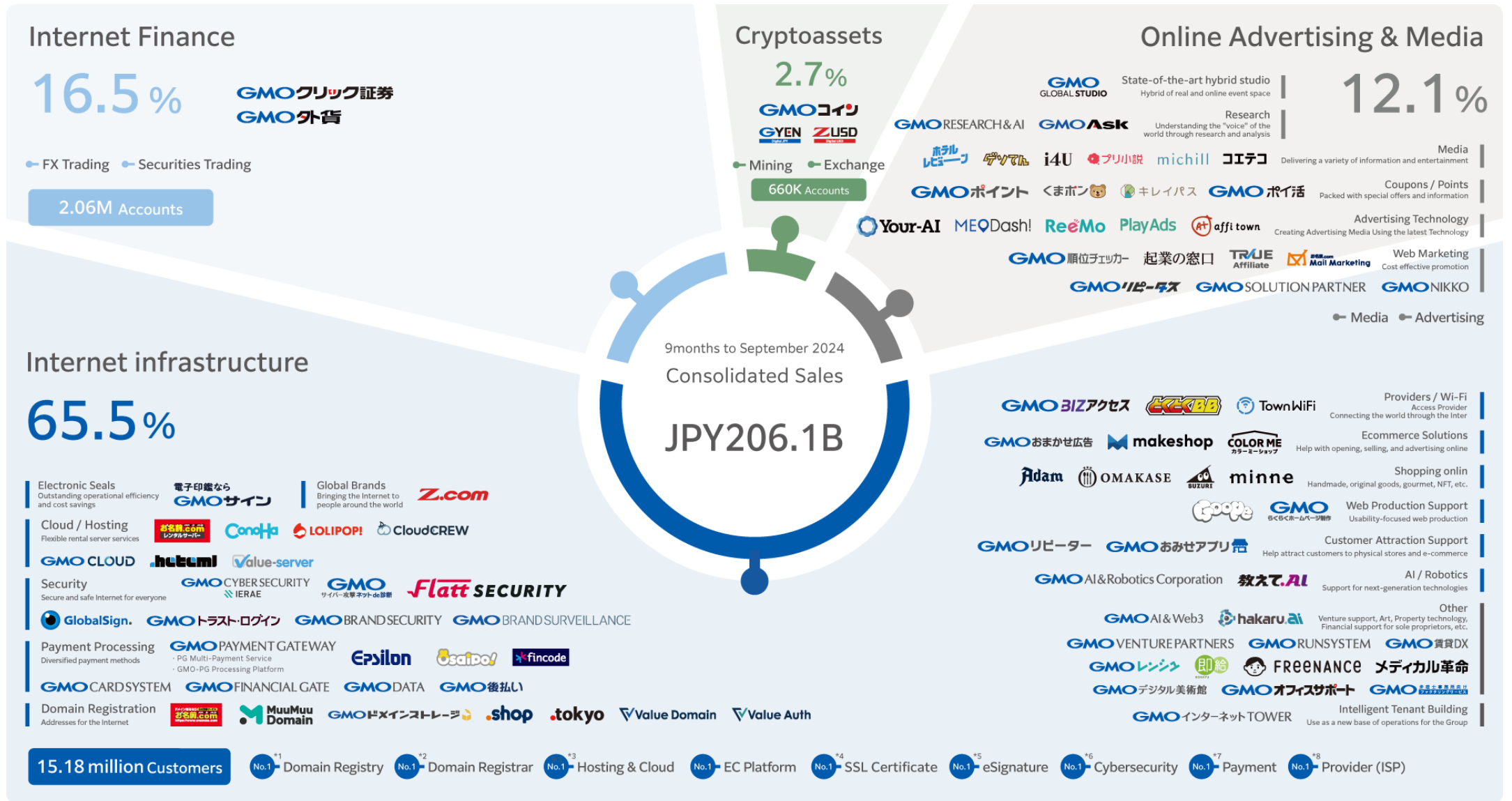
1.92M

YoY

*The period of declaration of a state of emergency and application of priority measures to prevent the spread

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Group of businesses with a customer base of 17.91 million



*1 Based on our own data *2 Based on ICANN data *3 Based on domaintools.com data *4 Country code based on Netcraft data *5 GMO GlobalSign Holdings survey, number of e-contract accounts that have introduced "GMO Sign" and number of contracts. *6 Based on the Fermi estimate
*7 From 23Q3, certain franchisees with a large number of tenants are counted as one shop, regardless of the number of tenants *8 Winner of the Best Satisfaction Award in Hikari Collaboration Award 2023

Listed Group Companies: Market Cap and Equity Share

Stock Code	Company Name	Exchange	Market Cap ^{*1} (JPY billions)	% Ownership ^{*2}	Equity Share (JPY billions)
9449	GMO Internet Group	Prime	292.9		
3769	GMO Payment Gateway	Prime	677.5	40.7%	275.8
7177	GMO Financial Holdings	Standard	81.8	65.8%	53.8
4051	GMO Financial Gate	Growth	64.9	23.2% ^{*3}	15.0
3788	GMO GlobalSign HD	Prime	34.8	51.8%	18.0
3633	GMO Pepabo	Standard	8.0	59.5%	4.7
4784	GMO AD Partners	Standard	7.2	57.0%	4.1
6026	GMO TECH	Growth	6.8	54.1%	3.7
6180	GMO Media	Growth	6.4	64.9%	4.1
3695	GMO Research & AI	Growth	4.1	54.8%	2.2
Group Total			1,184.8^{*4}		38.19

*1 Market value as of November 11, 2024

*3 Indirect holdings through GMO Payment Gateway.

*2 Includes indirect holdings (as of the end of June)

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

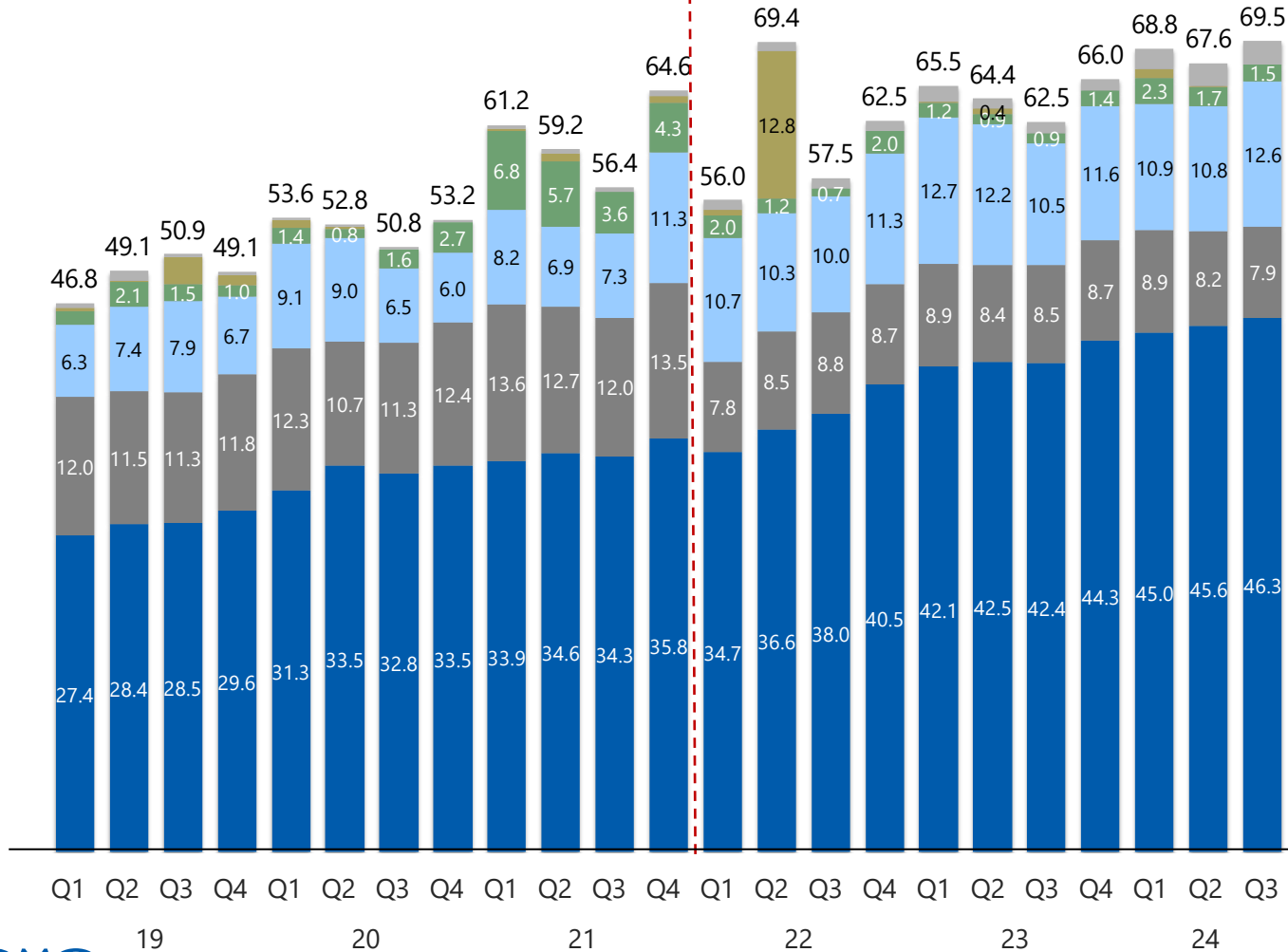
Net Sales by Segment

(JPY billions)



COVID-19 Impact period*2

Changes in rules to record the revenues*1



Revenue up

11.4%

YoY

Sustainable growth of infrastructure business.

Expansion of transaction volume in the financial business.

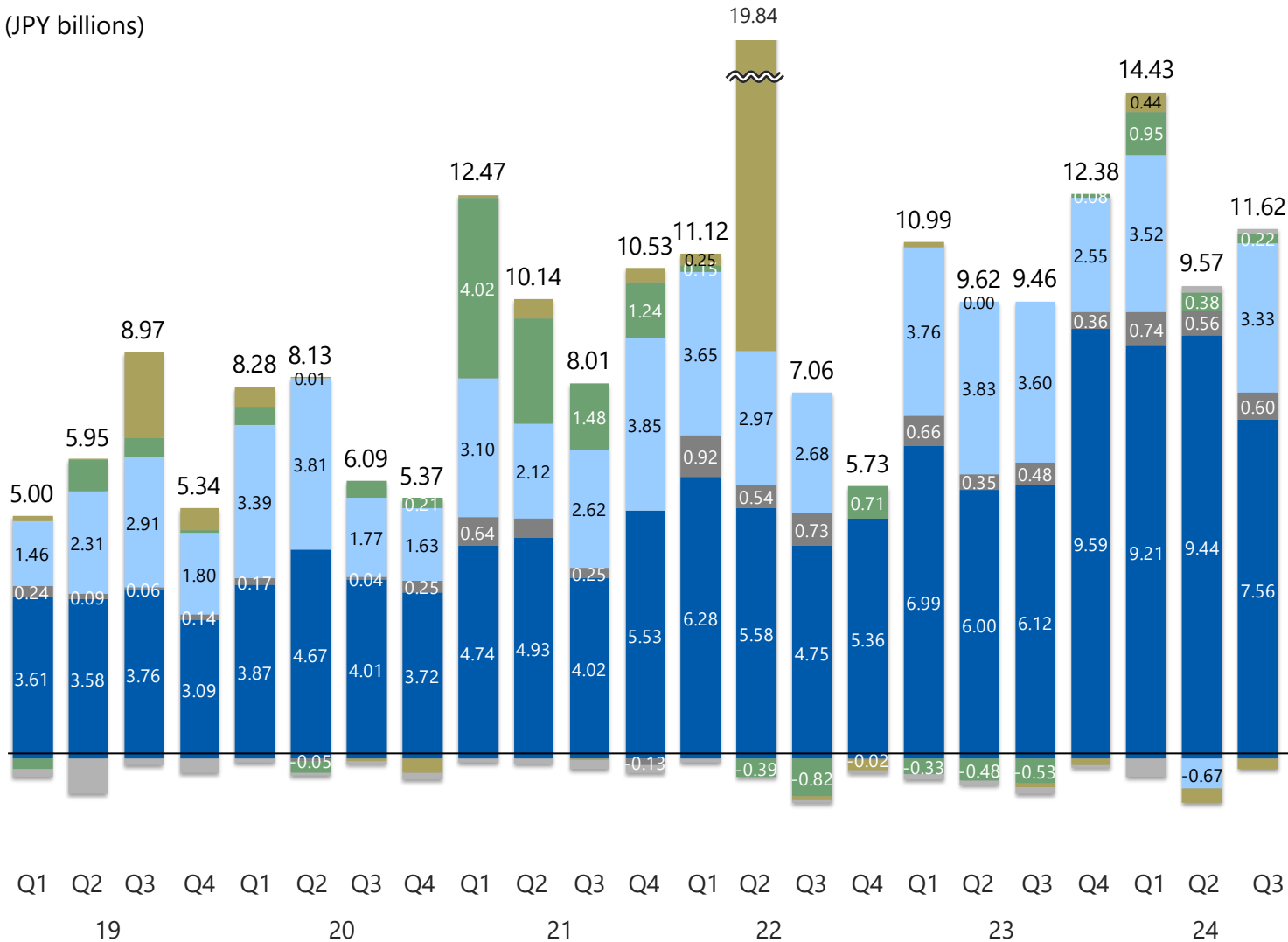
- Other
- Incubation
- Cryptoassets
- Internet Finance
- Online Ads/Media
- Internet Infrastructure

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

*2 The period of declaration of a state of emergency and application of priority measures to prevent the spread

Profit by Segment

(JPY billions)



Profit up
24.8%
YoY

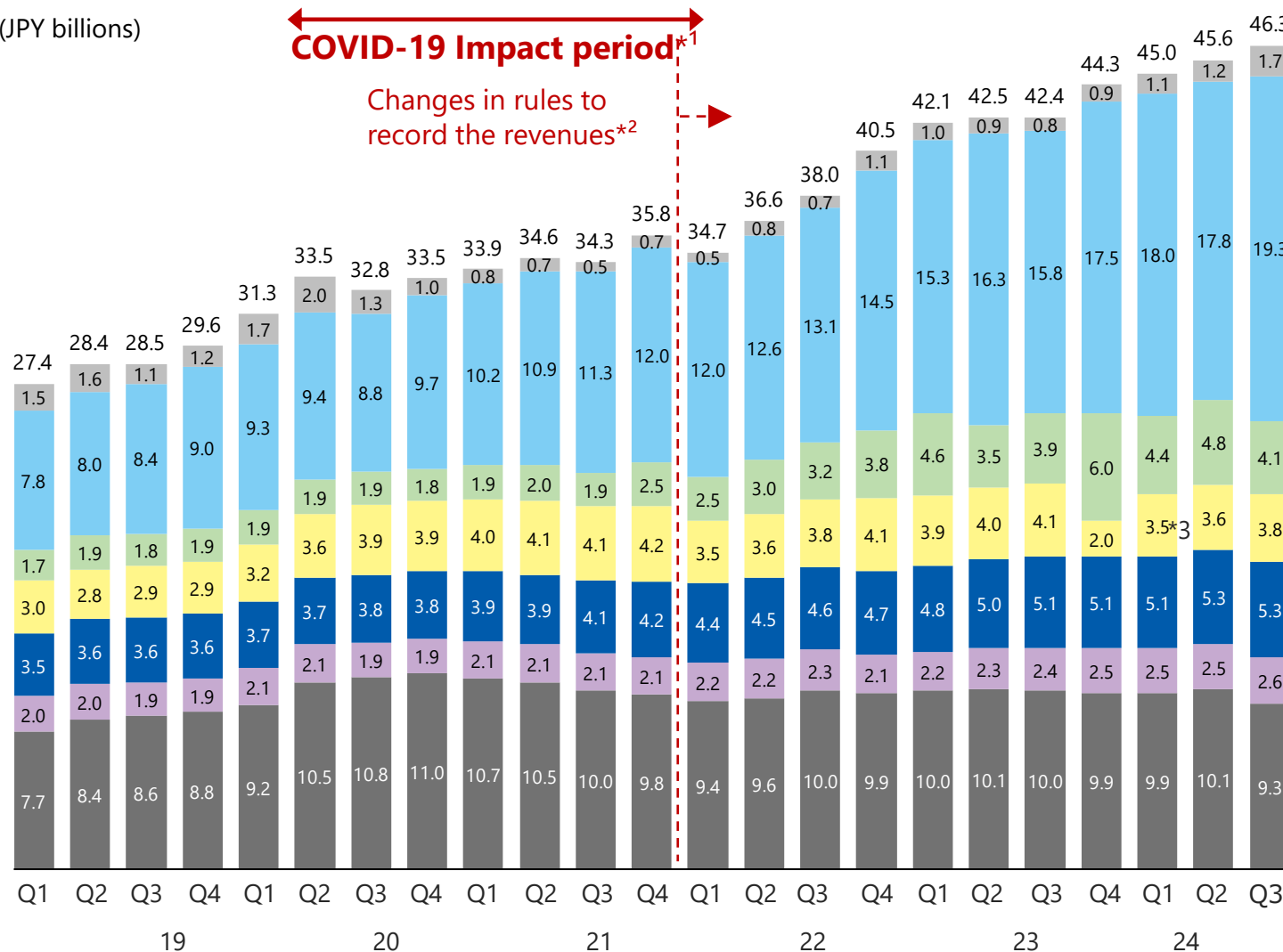
Infrastructure business performed well.
Finance business improved profitability.

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

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Internet Infrastructure | Net Sales by Sub-Segment

(JPY billions)



Revenue up

9.1%

YoY



**Growth in payments.
Accumulation of Solid
recurring revenues .**

- Other
- Payment
- Security
- Ecommerce Solutions
- Hosting & Cloud
- Domain
- Provider

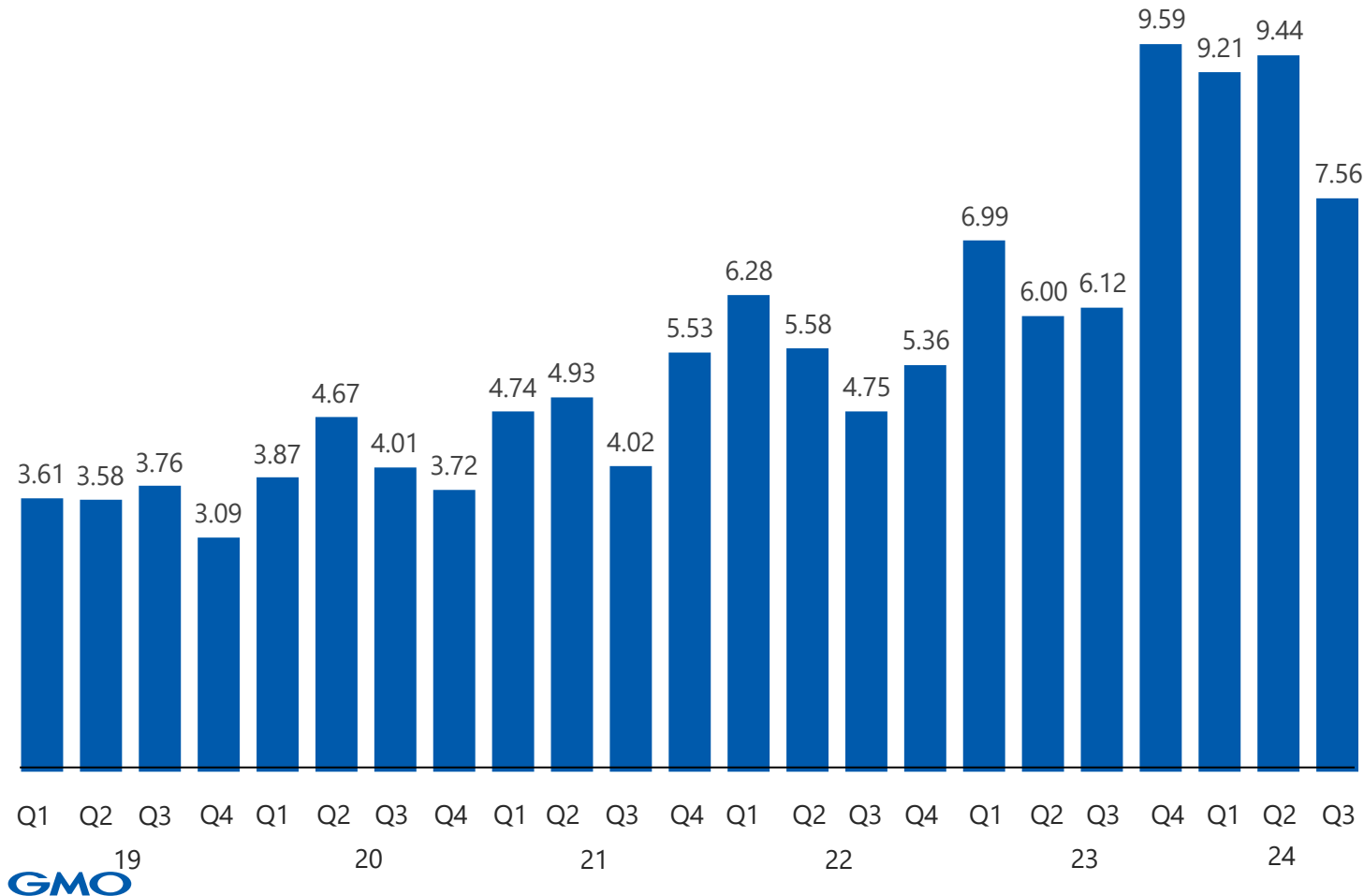
*1 The period of declaration of a state of emergency and application of priority measures to prevent the spread

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

*3 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
27.2%
YoY

In Q3, profits increased due to the accumulation of Solid recurring revenues without large project.

**Safe and Secure
Internet for Everyone**

Security | Three areas

1. Encryption security



2. Cyber security



3. Brand security



Vulnerability Assessment Penetration test

Total results **Over 9,800** cases



GMO GPUクラウド

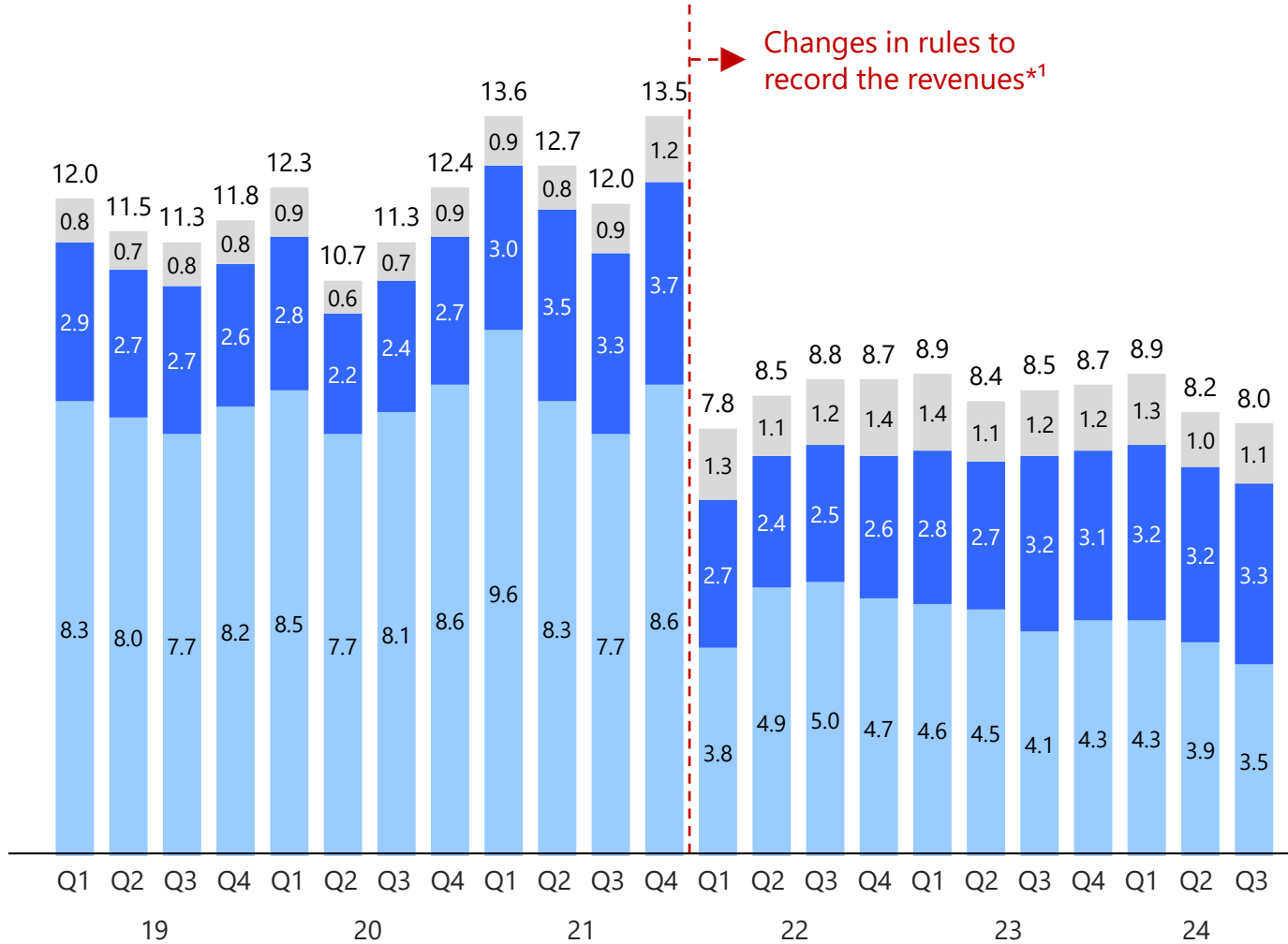
The service will be available in late November 2024

Online Advertising & Media | Net Sales

(JPY billions)

COVID-19 Impact period*2

Changes in rules to record the revenues*1



Revenue down

6.2%

YoY

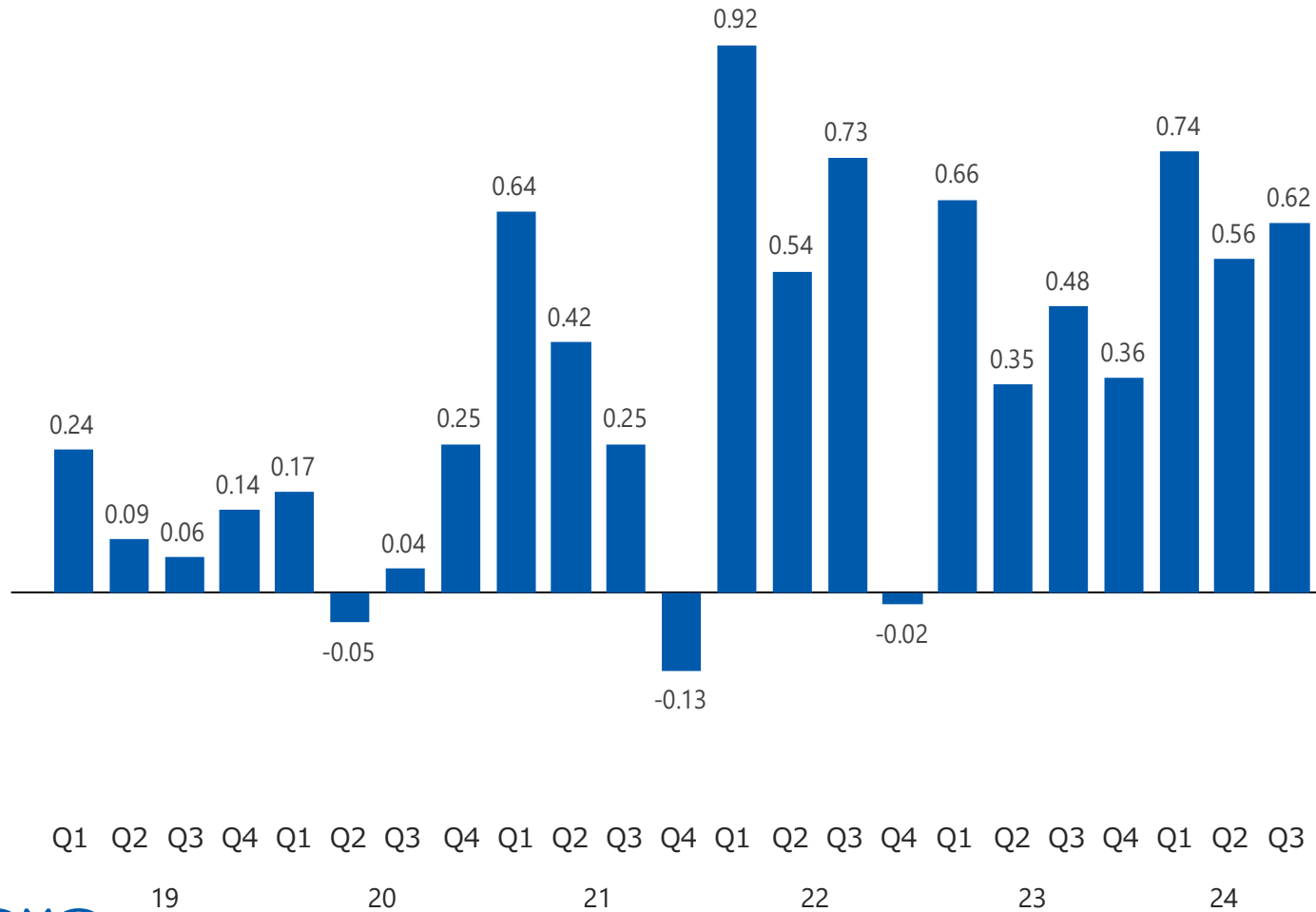
- Internet Research/Other
- Internet Media
- Online Advertising

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

*2 The period of declaration of a state of emergency and application of priority measures to prevent the spread

Online Advertising & Media | Operating Profit

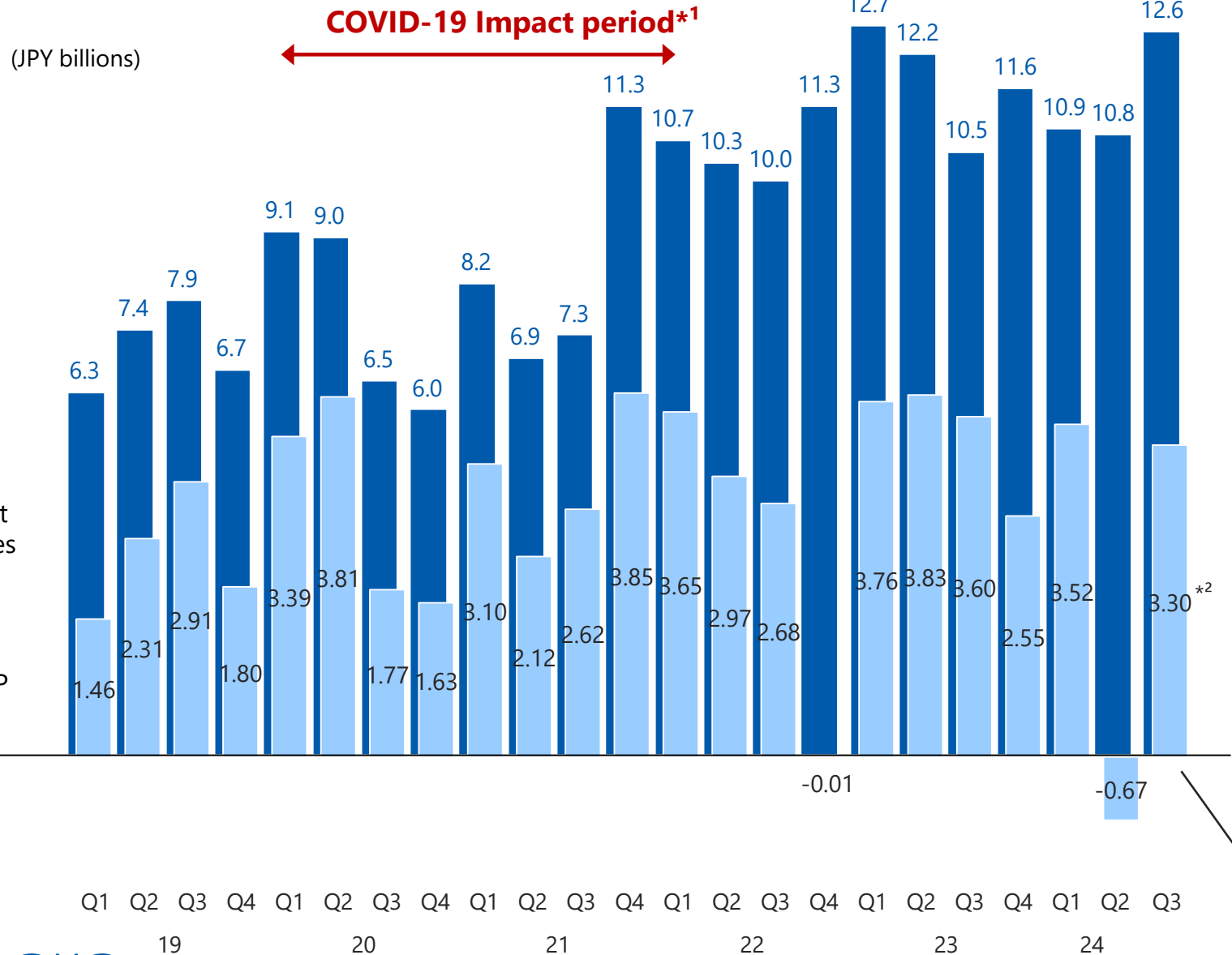
(JPY billions)



Profit up
29.5%
YoY

**Growth in high margin
our products**

Internet Finance | Historical Performance by quarter



Revenue up
19.9% YoY

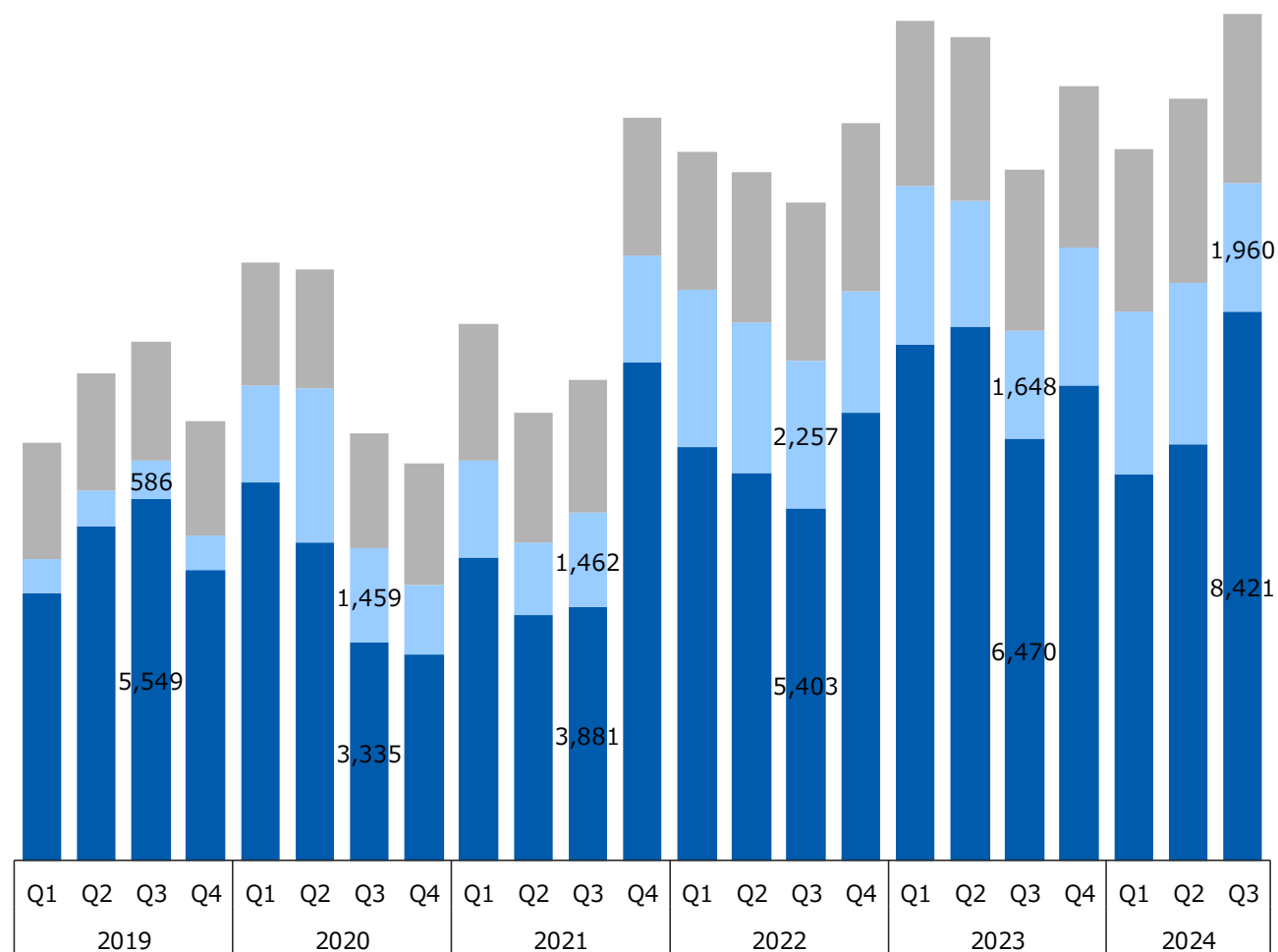
Although profitability improved,
the impact of provisions in
Thailand,
Profit down
8.2% YoY

*1 The period of declaration of a state of emergency and application of priority measures to prevent the spread

*2 Finance: Thailand's Internet Securities posted the provision of allowance for doubtful accounts of JPY 22B

Internet Finance | Net sales by each product

(JPY millions)



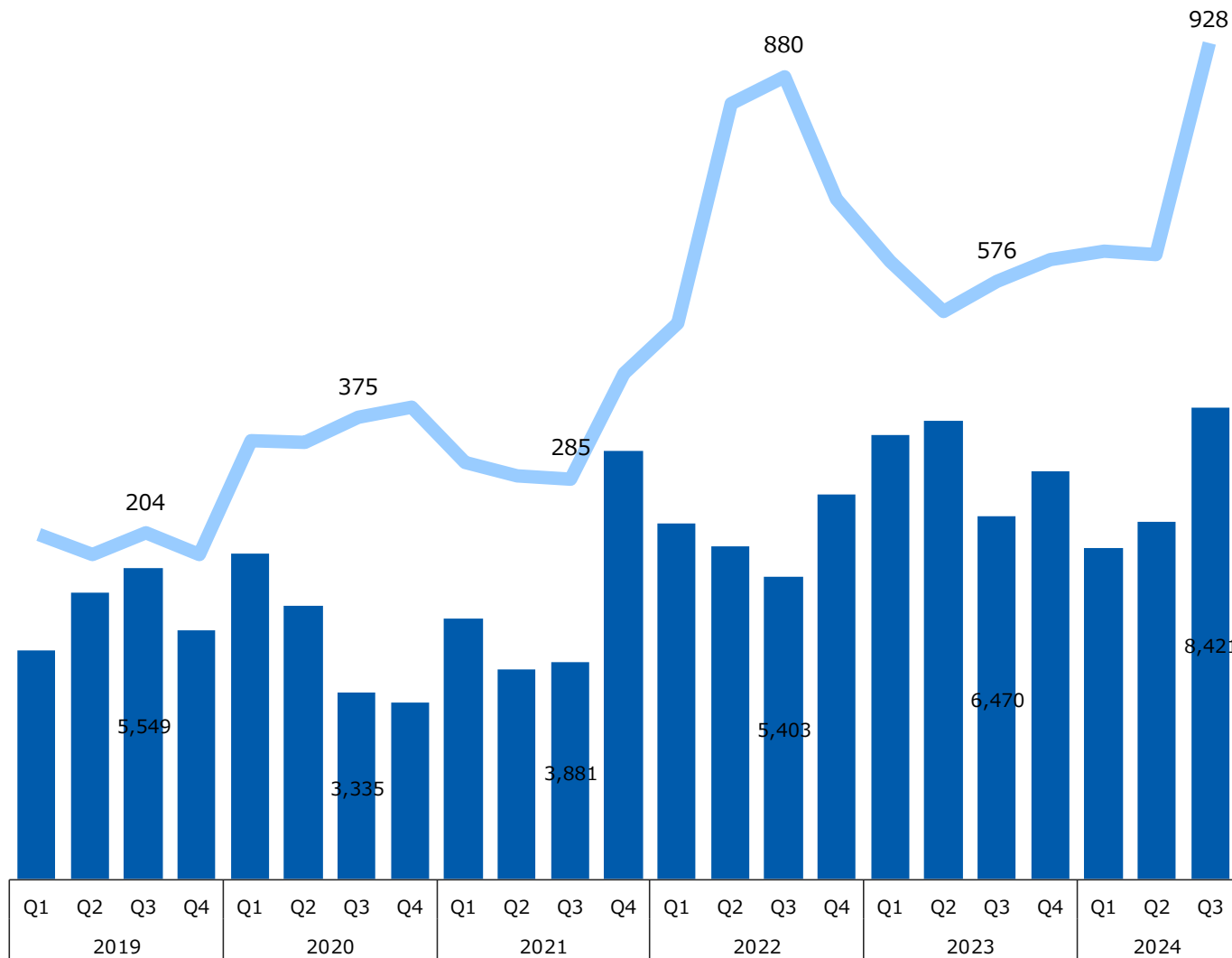
Increased trading volume
Revenue Up

FX^{*1} **30.2%** YoY

CFD^{*2} **18.9%** YoY

Securities and others
 CFDs / Stock Index Binary Options^{*2}
 Currency-related over-the-counter derivatives^{*1}

Internet Finance | FX net sales and trading volume



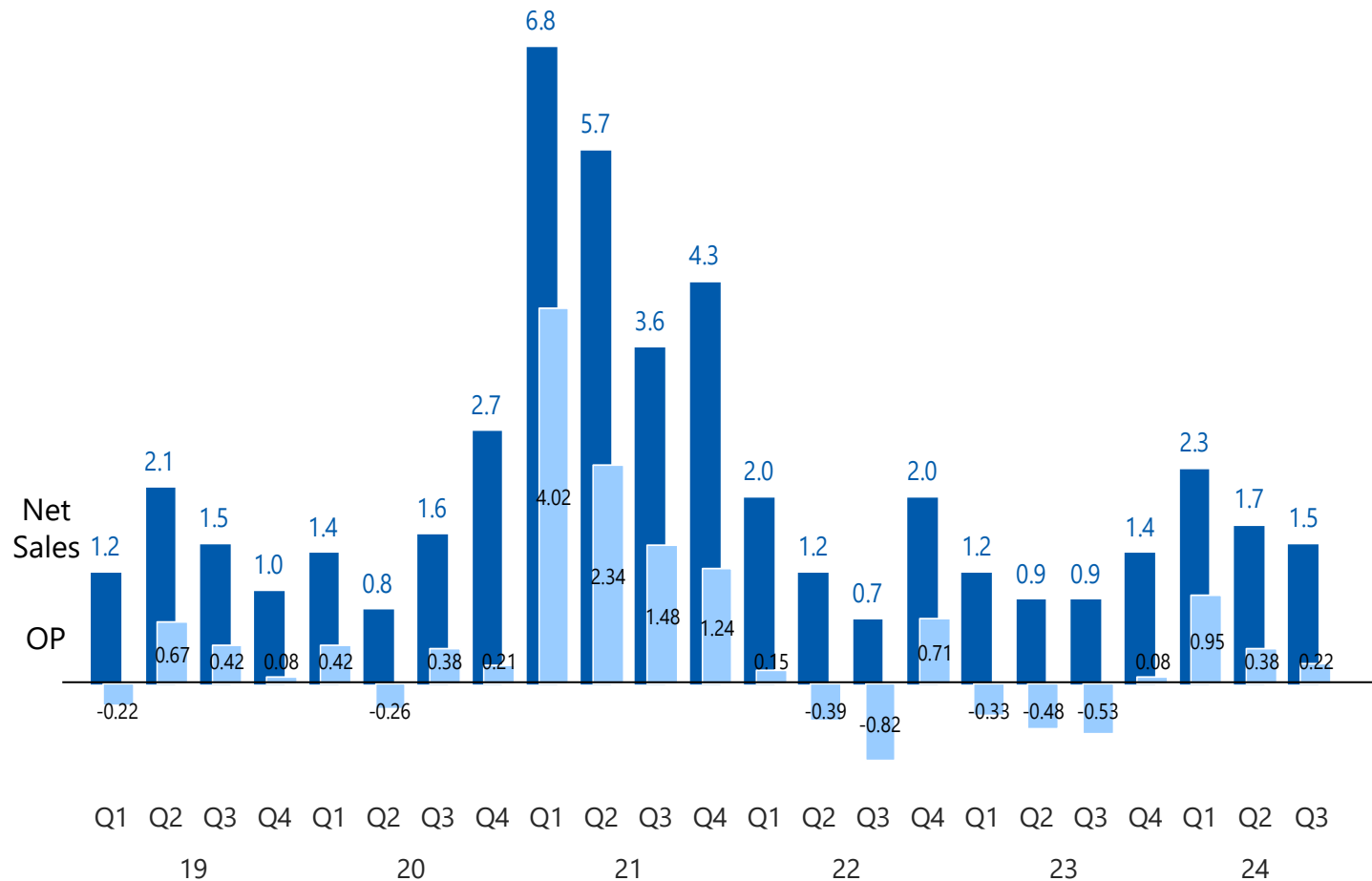
Favorable, due to increased Exchange volatility
Cost efficiency in progress.

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

Cryptoassets business | Historical Performance by Quarter

(JPY billions)

COVID-19 Impact period*²



Revenue up

58.4%

YoY

Profit up

JPY 0.7B

YoY

* The period of declaration of a state of emergency and application of priority measures to prevent the spread

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Purpose

**Become a group
that thrives over hundreds of years.**

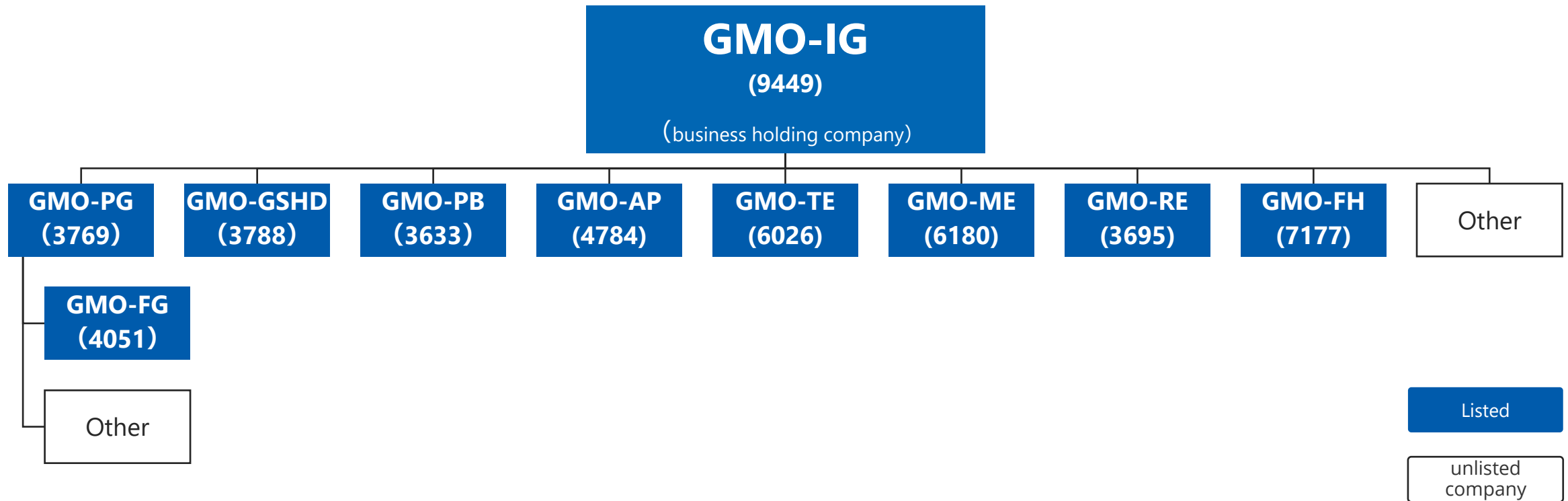
Strong organization to realize sustainable growth.

Transition to a holding company structure

- **Focus on group management functions, with responsible for optimizing business portfolio and building a foundation for powerful group synergies.**
- **Delegate authorities to each group company to accelerate their growth.**

Group Structure | At present

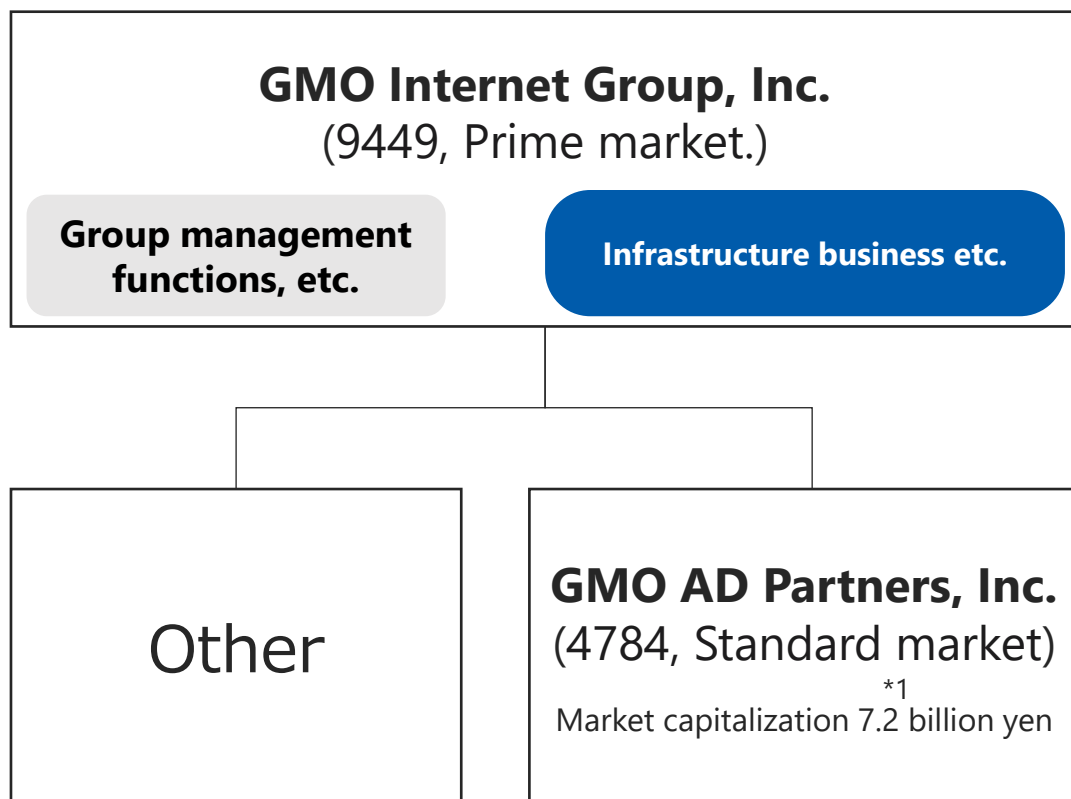
Under the structure, each company operates themselves independently, leveraging their unique strengths and expertise.



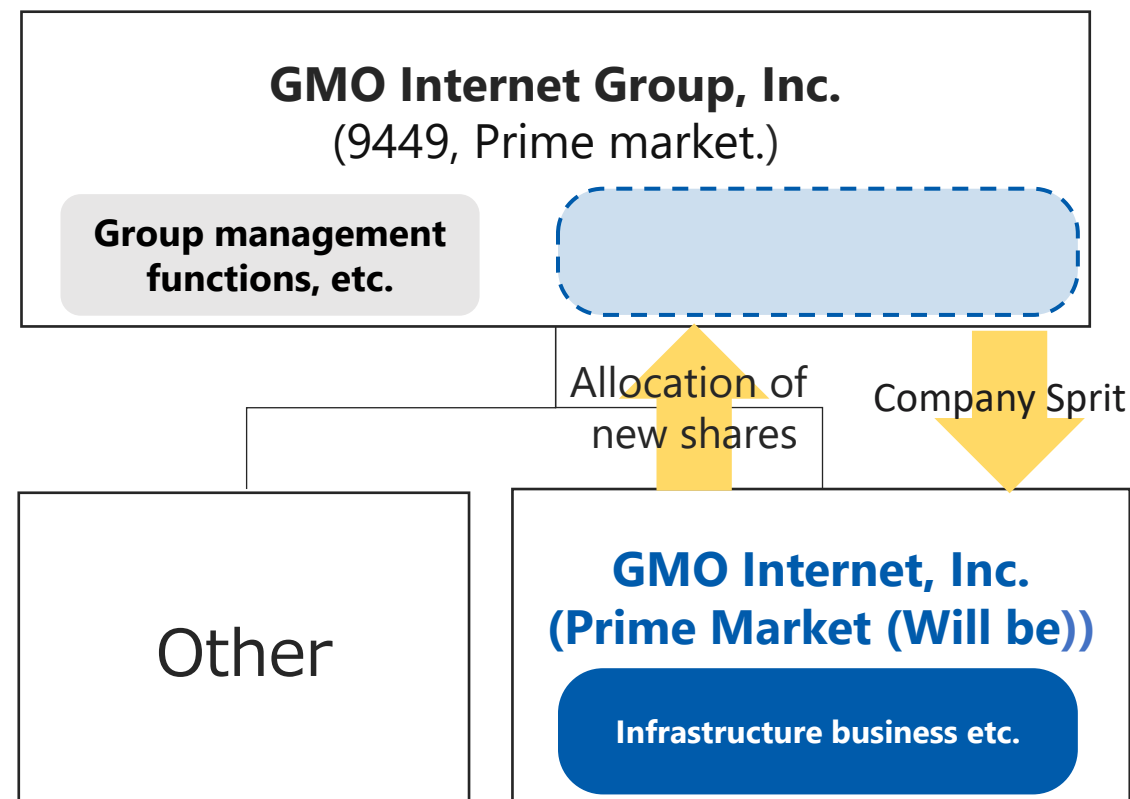
Internet-group restructuring | scheme

Transferring the core business to GMO-AP.

present



After the effective date^{*2}



New GMO Internet, Inc. | Business Overview and Main Services

As a cornerstone of the group, businesses that have been established for 28 years will be transferred to GMOI for further growth.



* After January 1, 2025

* New GMO Internet, Inc. | FY2023 Financial Highlights

This merger greatly expands the scope of our businesses.

Infrastructure Business

(Succession from GMO-IG)

Online Ad & Media

(GMO-AP)

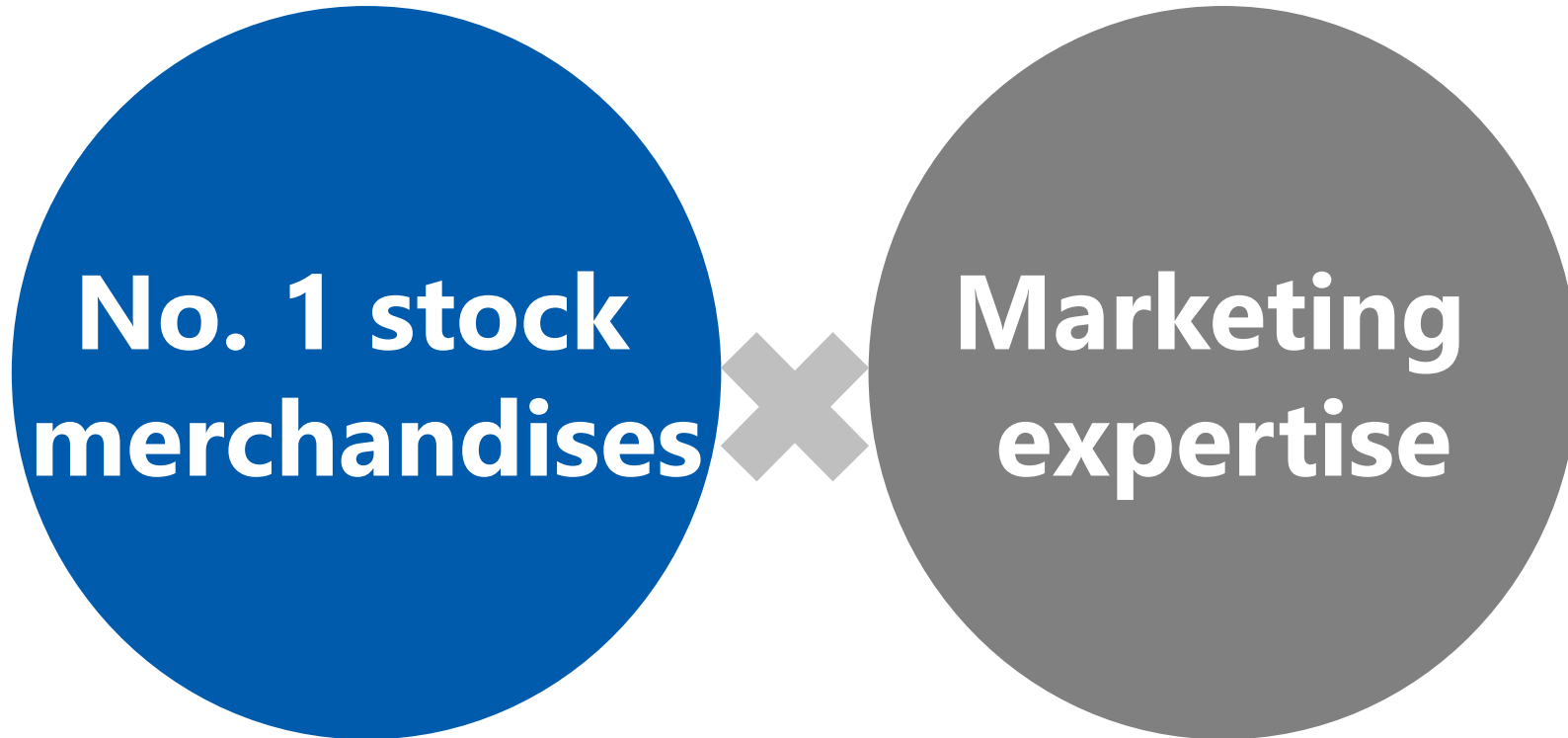
Net Sales	JPY 61.5B *2	14.9B
Operating Profit	JPY 6.1B *2	-0.02B

* As of January 1, 2025 *2 Pro-forma PL, not audited

^{*}
New GMO Internet, Inc. | synthesis effect

Infrastructure business
(Succession from GMO-IG)

Online Ad & Media
(GMO-AP)



**To attract customers
more strongly**

^{*} After January 1, 2025

Future Plans

GMO Internet Group
(9449)

- To achieve 55-years plan, which is super long-term goal, we will optimize **business portfolio** and **building a foundation** for **powerful group synergies**.

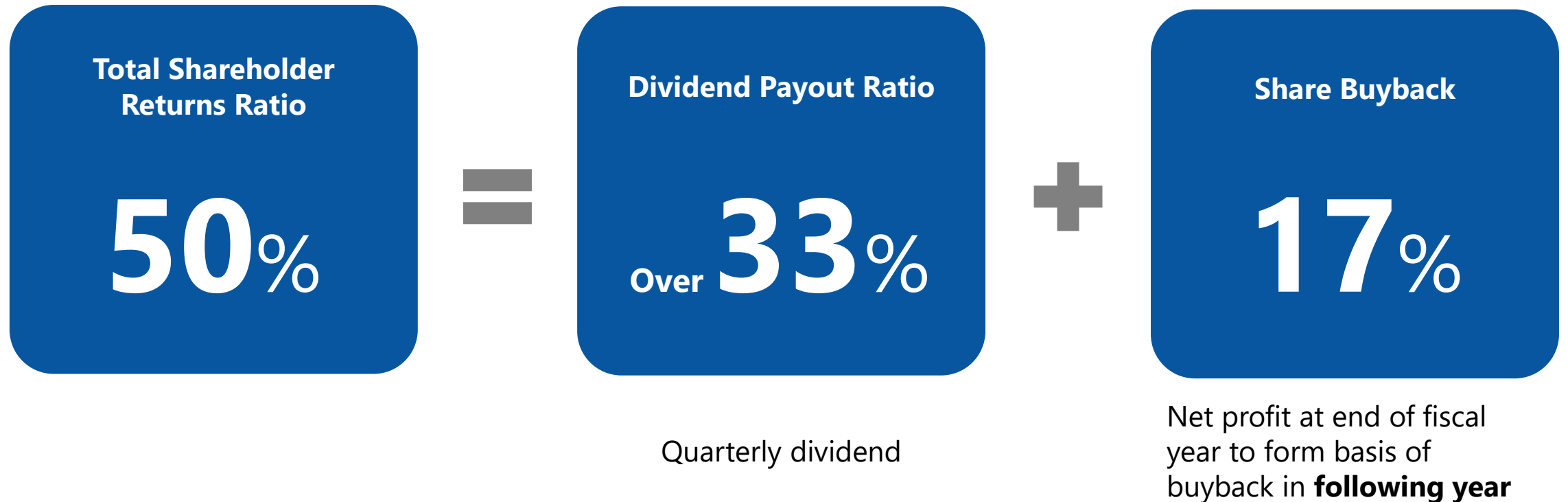
GMO Internet, Inc.^{*}
(4784)

- **Synergy creation** by leveraging existing businesses.
- **Launch of GPU Cloud Services** as a new business initiative.

* After January 1, 2025

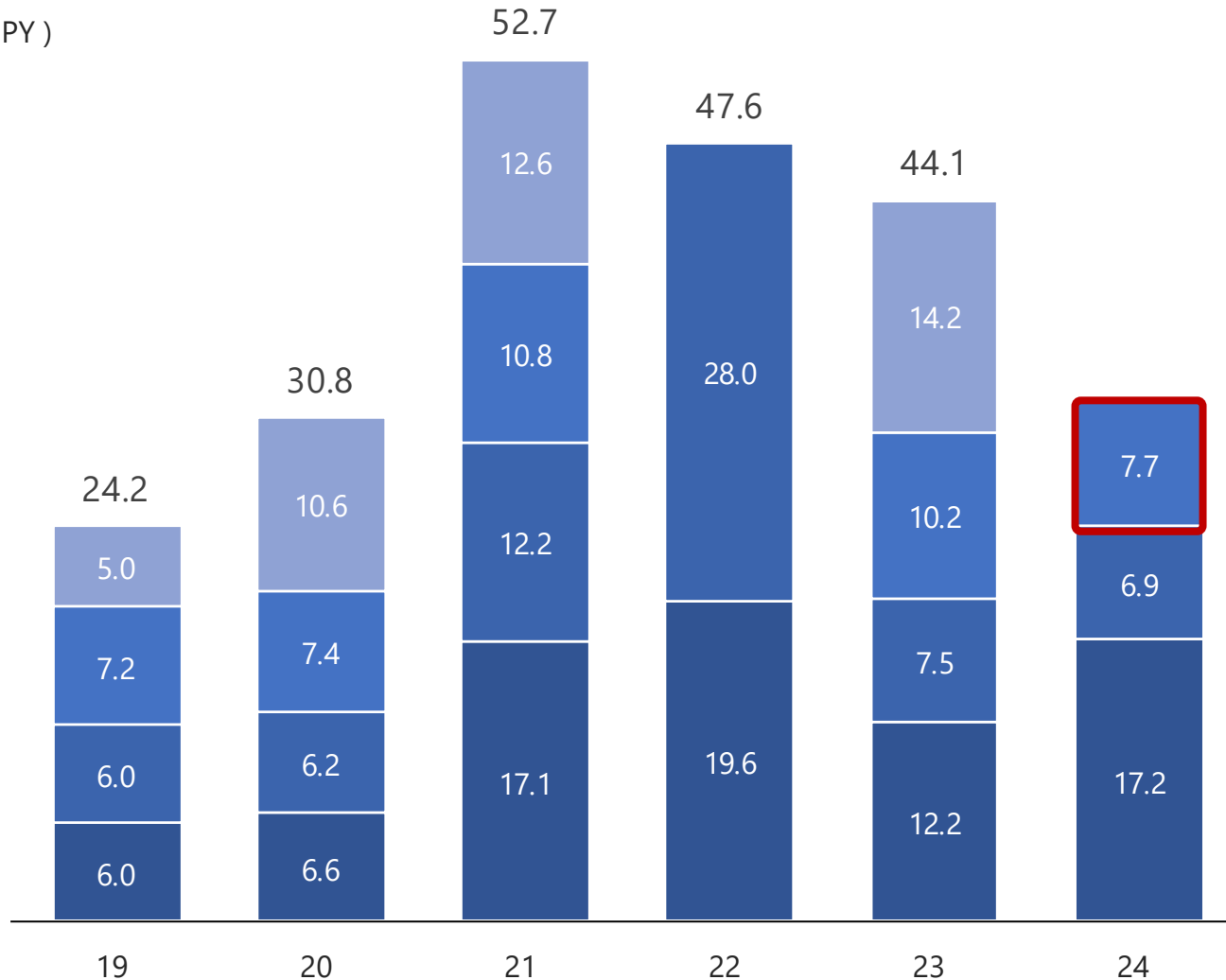
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Shareholder Returns | Policy



Shareholder Returns | Dividend per share

(JPY)



Based on our policy,
dividend payout ratio
at least over 33%

- Q4
- Q3
- Q2
- Q1

Shareholder Returns | repurchasing treasury stock · Retirement

Progress smoothly

	Plan	Progress (As of the end of October)
Total cost of share acquisition	JPY 5.0B(max.) [*]	JPY 3.64B
Total number of shares to be acquired	2.9M [*] shares (max.)	1.51M

^{*}Plans to retire all treasury shares acquired during the purchase period : 14th Feb FY2024 to 7th Feb FY2025

Internet for Everyone

GMO

GMO INTERNET GROUP

Earning announcement for FY2024 Fourth Quarter to be planned after 3 pm on February 12th, 2025.

This document includes projections based on expectations, premises and plans as of November 12, 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

□ Topics

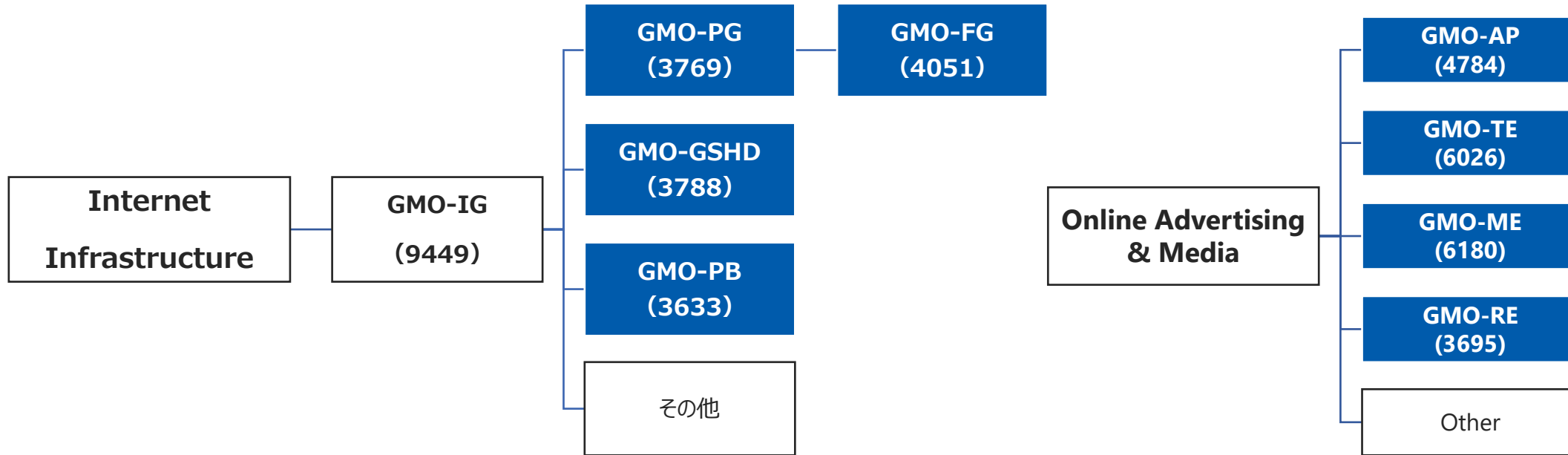
□ ESG activities

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	7,546
Group companies	111(As of September 2024)



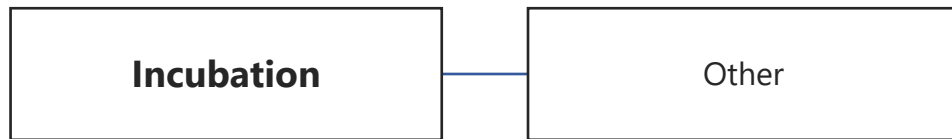
Operating companies(1/2)



GMO-PG : GMO PAYMENT GATEWAY
GMO-FG : GMO FINANCIAL GATE
GMO-GSHD : GMO GlobalSignHD
GMO-PB : GMO PEPABO

GMO-AP : GMO ADPARTNERS
GMO-TE : GMO TECH
GMO-ME : GMO MEDIA
GMO-RE : GMO RESEARCH&AI

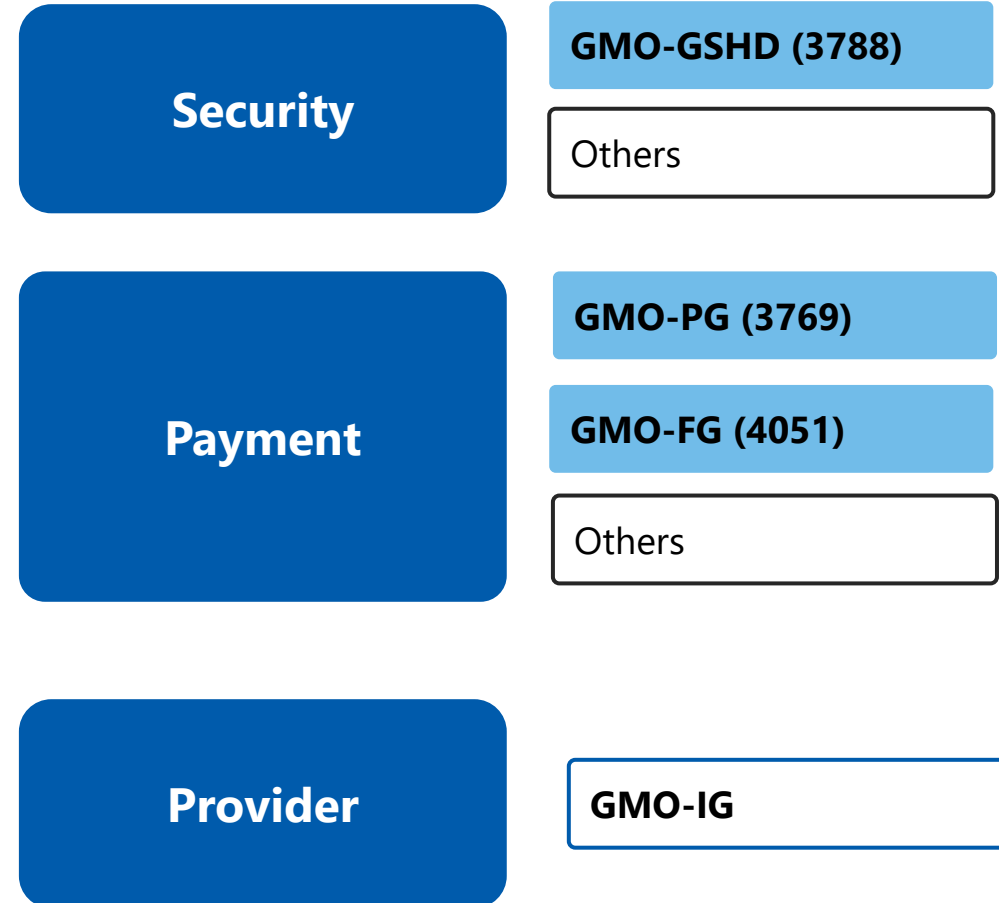
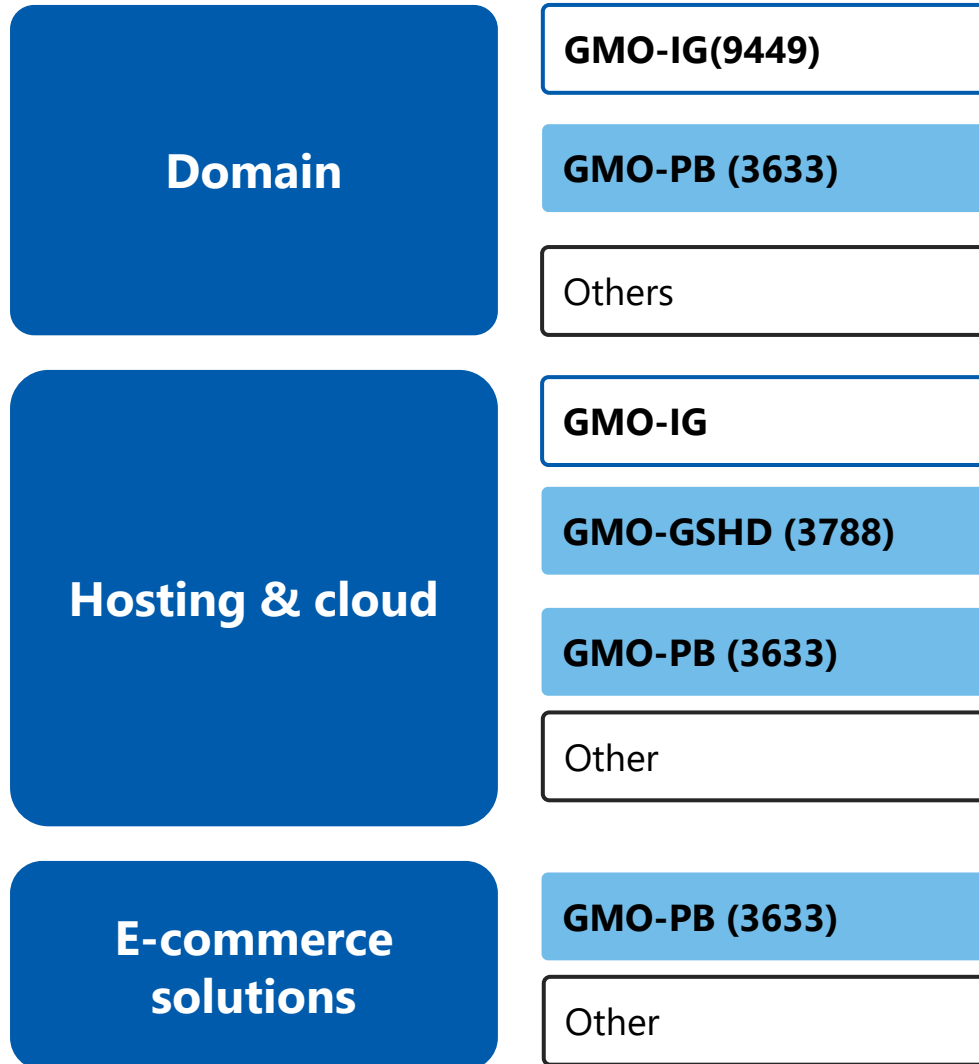
Operating companies(2/2)



Listed subsidiaries

GMO-FH : GMO FINANCIAL HD

Internet services operations



Listed subsidiaries (stock code)

□ Group Overview

□ **Financial condition and strategy**

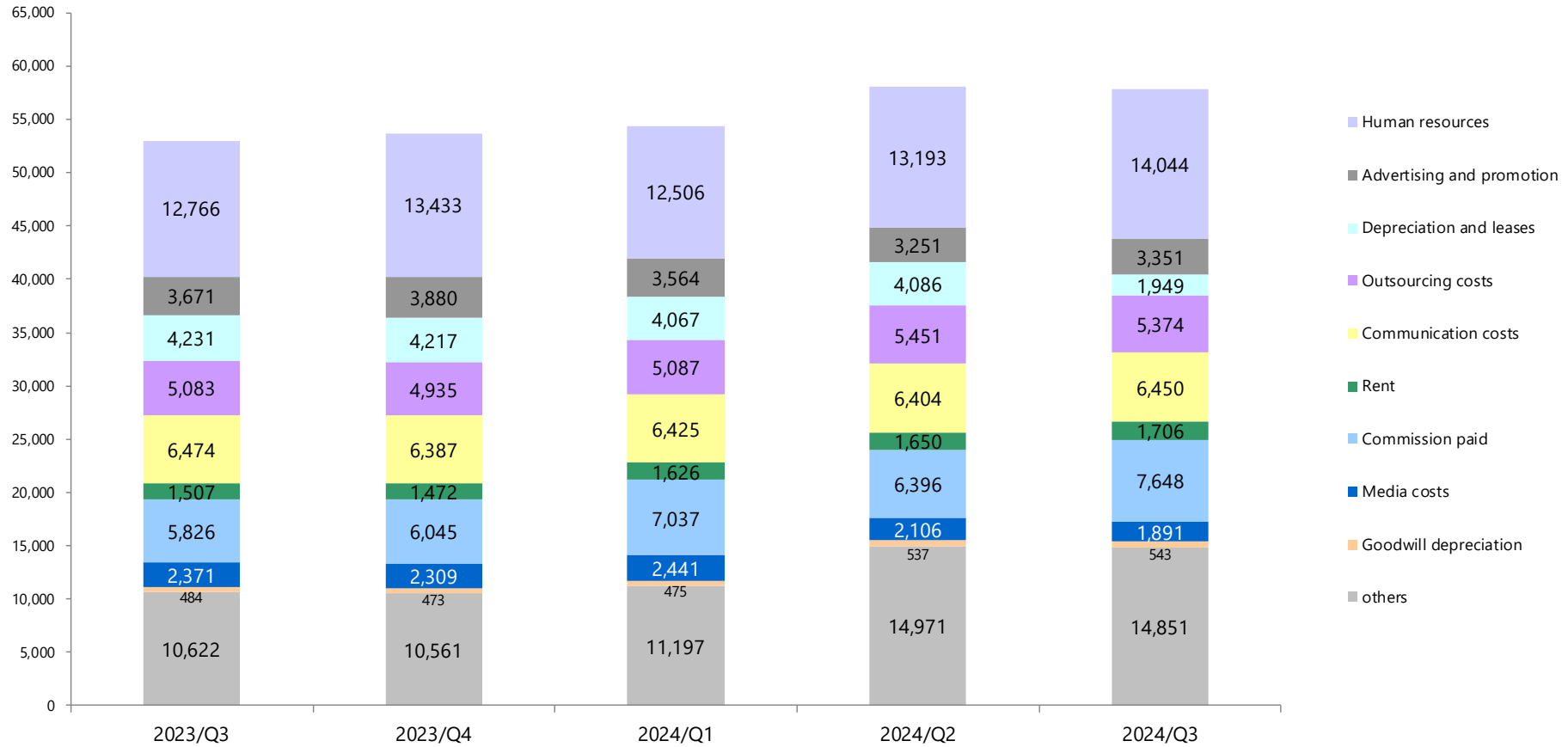
□ Consolidated results

□ Topics

□ ESG activities

Consolidated Cost Composition

(JPY millions)



Consolidated Balance Sheets

(JPY millions)	End of 12/23	End of 9/2024	Changes	GMO Financial HD (End of 9/2024)	GMO Internet Group (End of 9/24)
Current Assets	1,614,257	1,677,295	63,038	1,119,904	193,225
Cash & Deposits	393,452	446,004	52,551	100,168	127,373
Fixed Assets	143,379	197,435	54,055	37,003	144,078
Goodwill	15,957	16,925	967	9,132	-
Software	15,367	17,143	1,775	1,712	1,352
Investment Securities	30,687	58,759	28,071	12,154	72,268
Total Assets	1,757,636	1,874,730	117,093	1,156,908	337,303
Total Liabilities	1,584,797	1,689,830	105,033	1,108,619	316,772
Interest-bearing debts	473,568	527,894	54,326	194,409	274,477
Equity	172,839	184,899	12,060	48,289	20,531
Non-controlling Minority Equity	90,242	101,282	11,040	260	-
Shareholders' Equity	82,541	83,551	1,009	48,029	20,531
Retained earnings	47,416	51,148	3,732	44,679	25,330
(Shareholders' Equity Ratio)	4.7%	4.5%	-0.2pt	4.2%	6.1%
Total Liabilities and equity	1,757,636	1,874,730	117,093	1,156,908	337,303

Consolidated Statement of income

(JPY millions)	Q3'23 (1-9/2023)	Q3'24 (1-9/2024)	Changes	supplementary information
Net Sales	192,545	206,104	7.0%	
Gross Profit on Sales	111,842	123,494	10.4%	
Operating Income	30,085	35,825	19.1%	
(OP Margin)	15.6%	17.4%	+1.8pt	
Non Operating Profit and Loss	2,158	-1,126	-	
Ordinary Profit	32,244	34,698	7.6%	
Extraordinary Profit or loss	-1,059	1,263	-	
Income before Income Taxes	31,184	35,962	15.3%	
Provision for Income taxes	12,298	14,378	16.9%	
Equity-method investment activity	9,252	11,374	22.9%	
Net Income	9,633	10,208	6.0%	

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

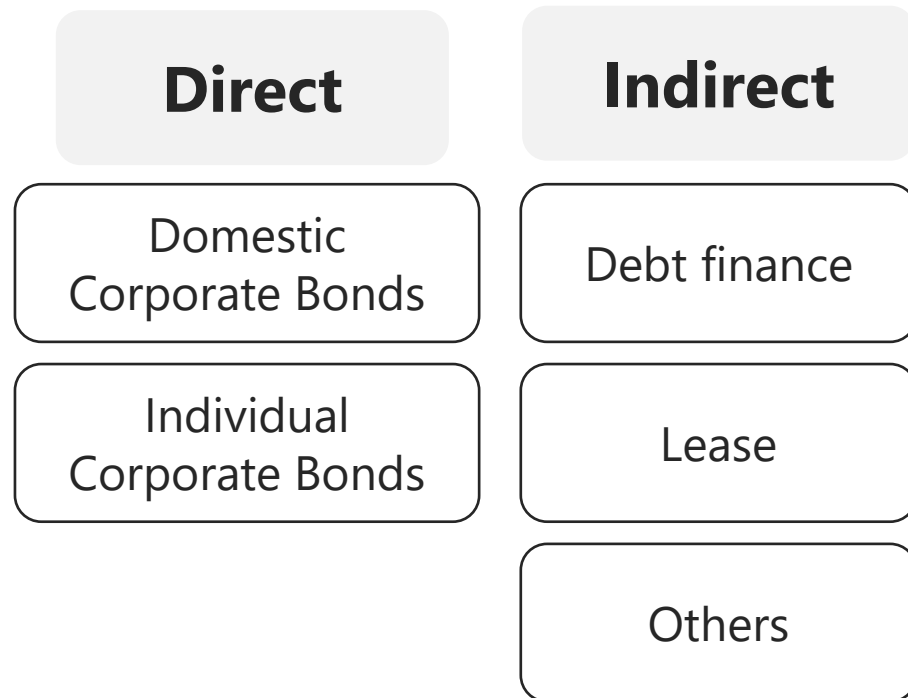
Procure Fixed rates

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
Total	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

Strategy

- 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

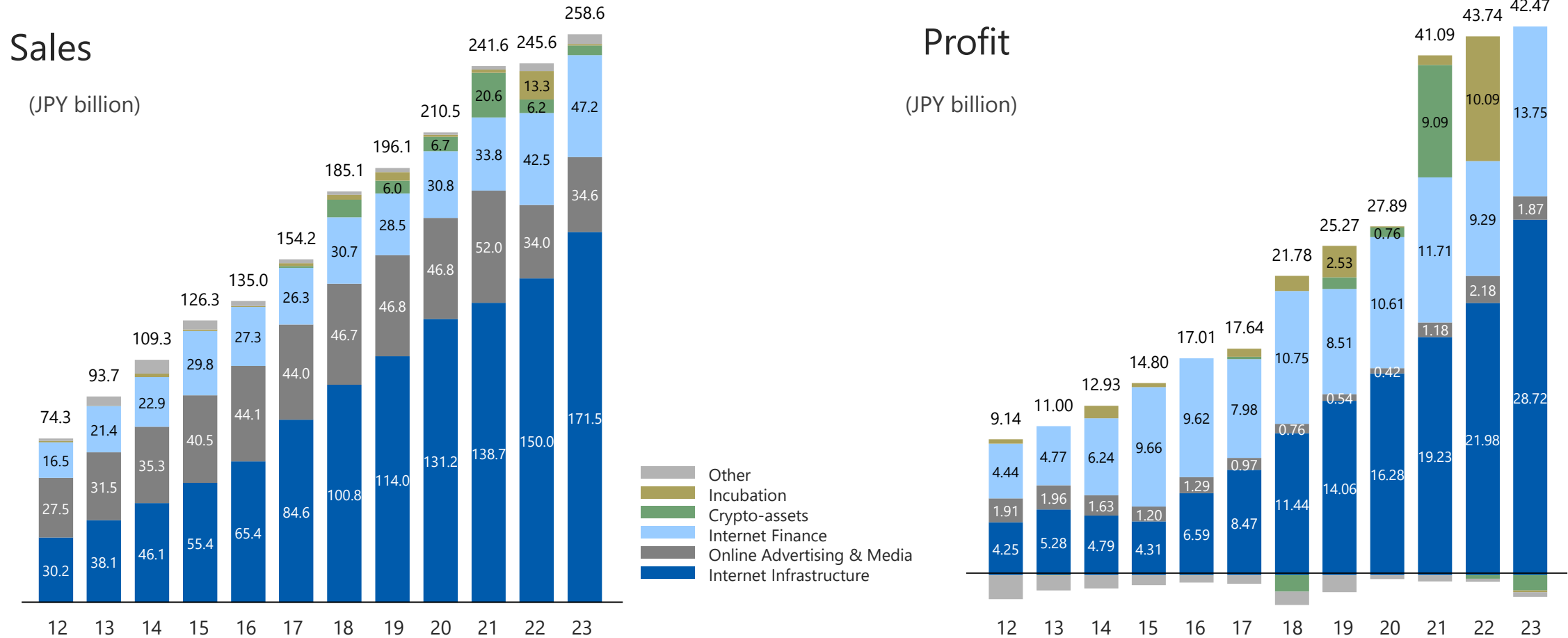
□ Consolidated results

□ Topics

□ ESG activities

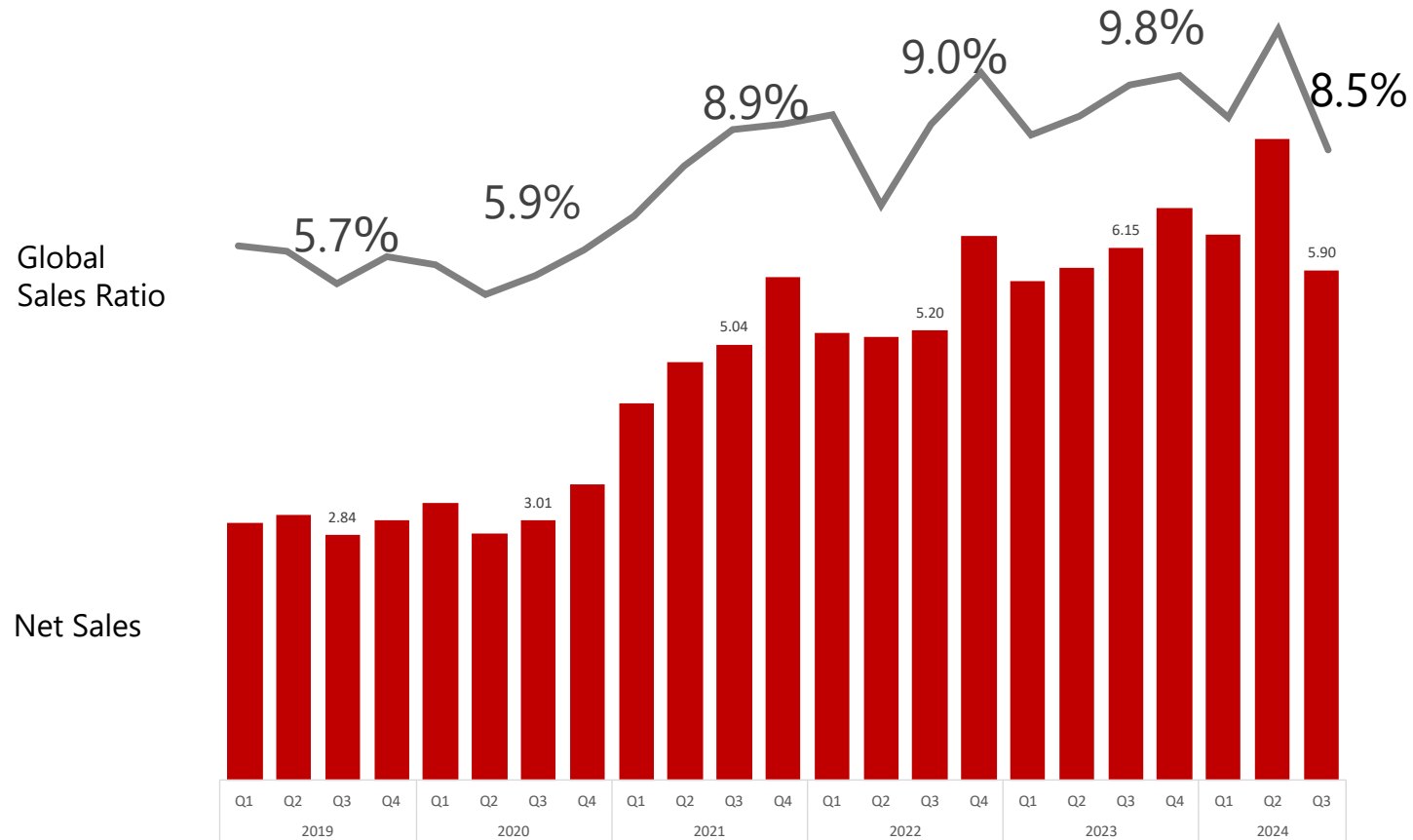
Consolidated results transition

Sales increased for 15 consecutive fiscal years



Global Operations | Global Net Sales

(JPY billions)



Net sales

YoY

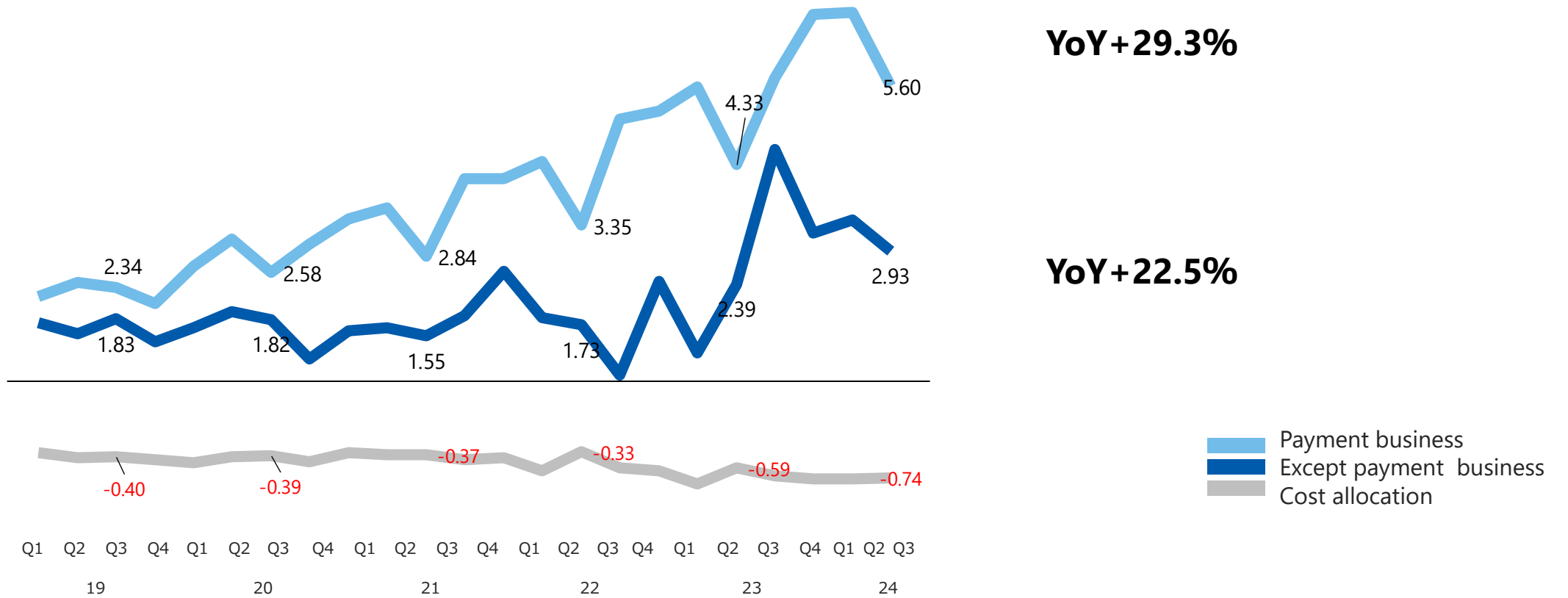
4.0% Down

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

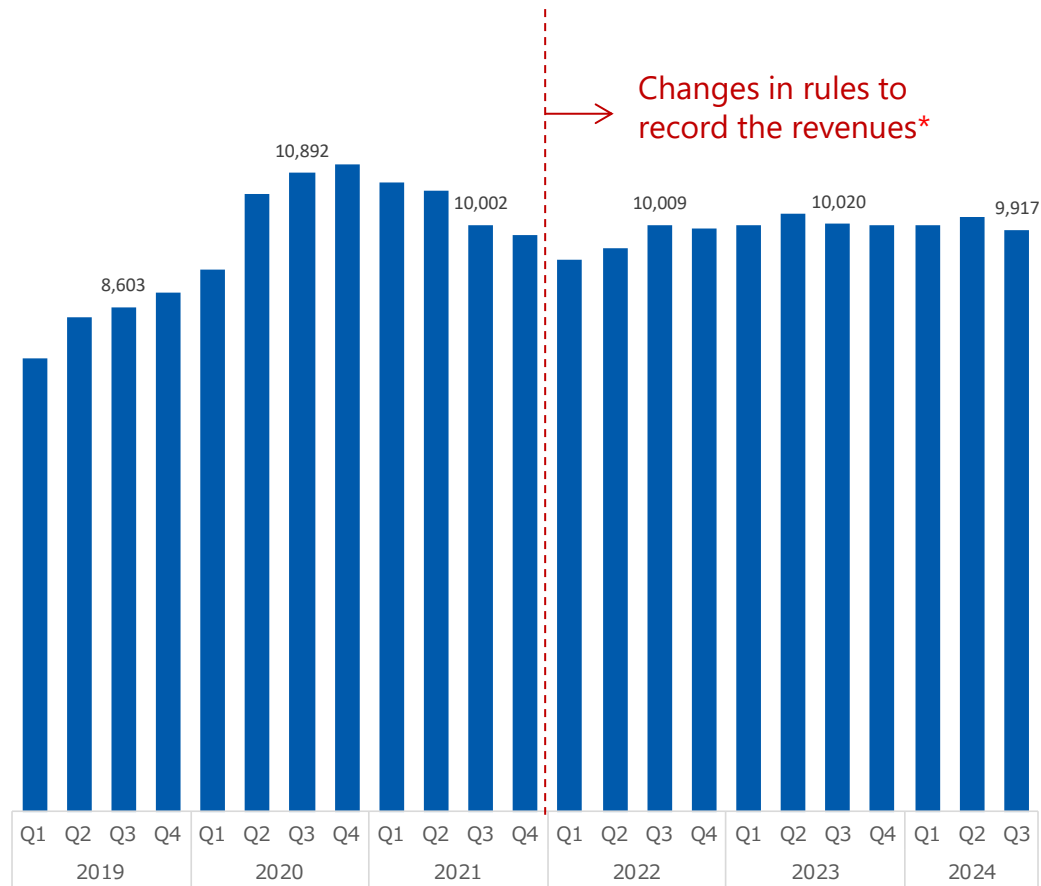
(JPY billions)



Internet Infrastructure | Provider - KPIs

Revenue

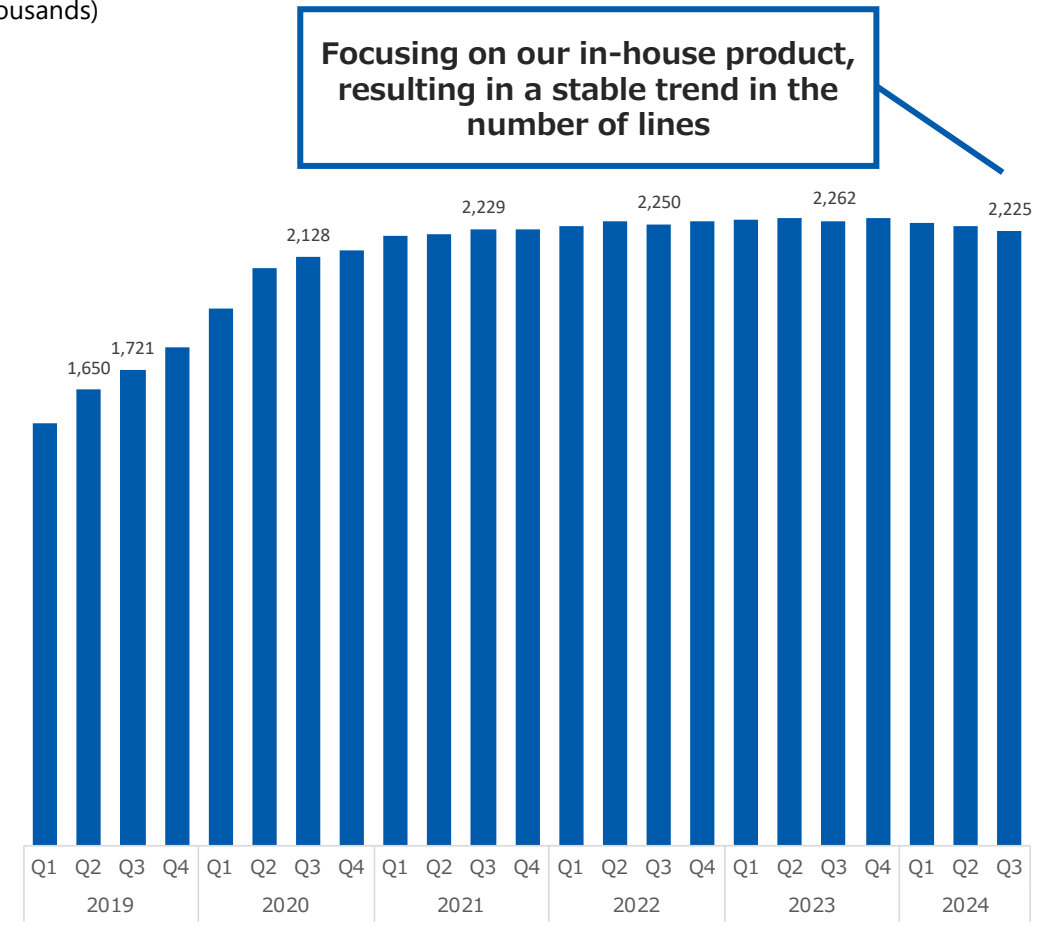
(JPY millions)



Changes in rules to record the revenues*

Subscriptions

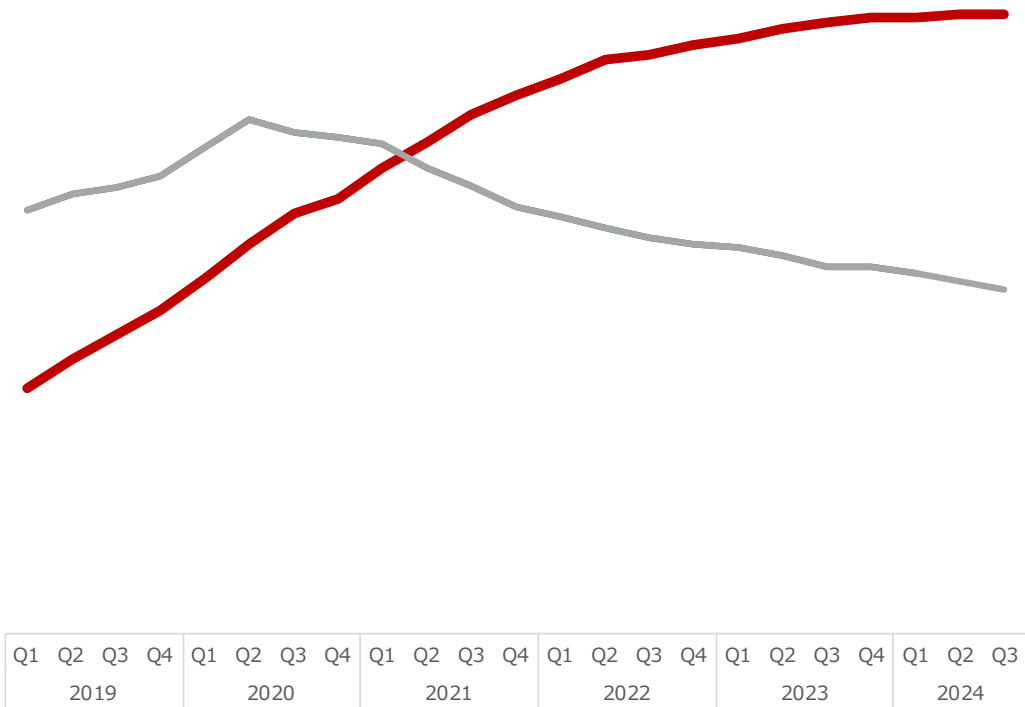
(thousands)



Focusing on our in-house product, resulting in a stable trend in the number of lines

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

Internet Infrastructure | Provider - KPIs (number of lines)



Optical line **ドコモ光** etc
とくとくBB光
by GMO

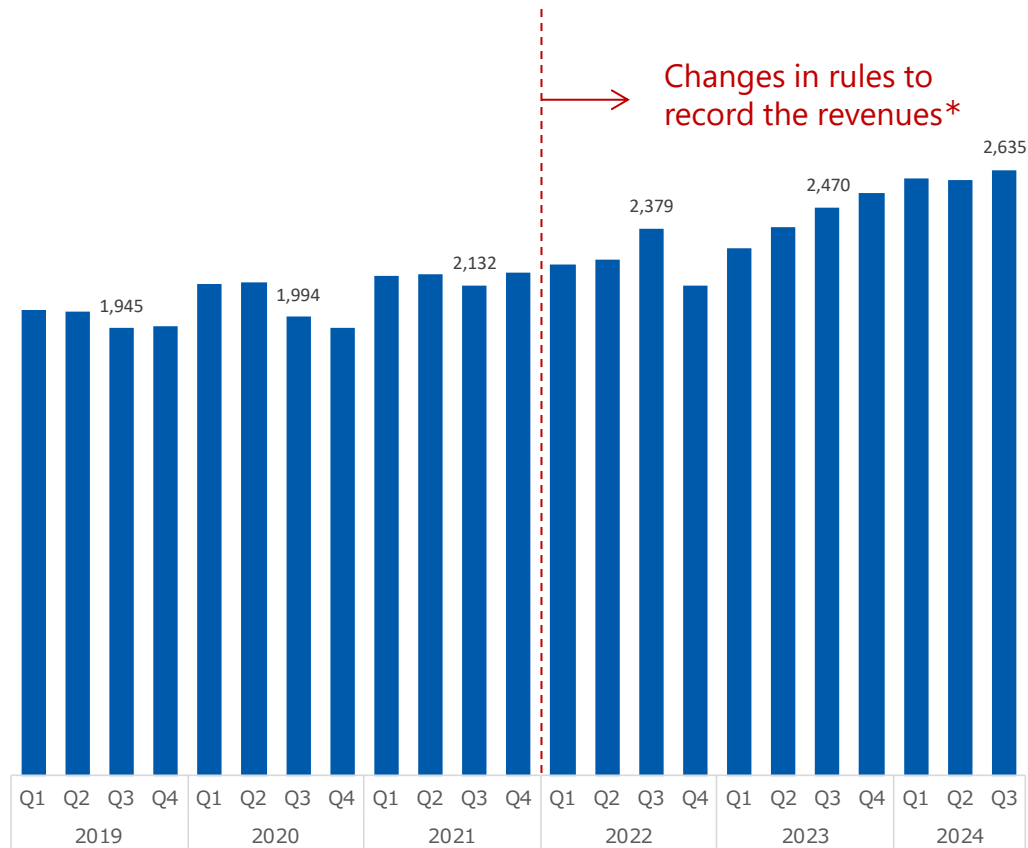
Mobile+Others

*Mobile and others indicated combined after FY23Q3

Internet Infrastructure | Domain Registration - KPIs

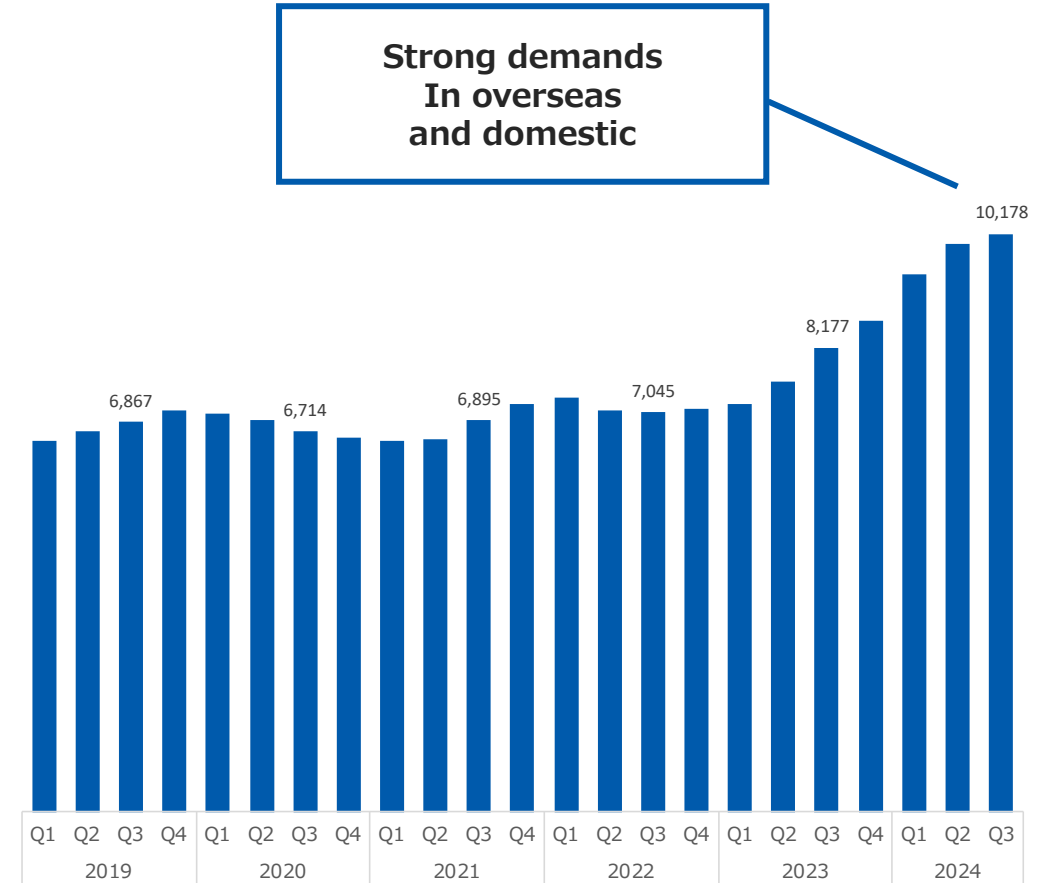
Revenue

(JPY millions)



Contracts

(thousands)



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

Internet Infrastructure | Domain business

**Registry
(wholesale)**

**Registrar
(registration/sale)**



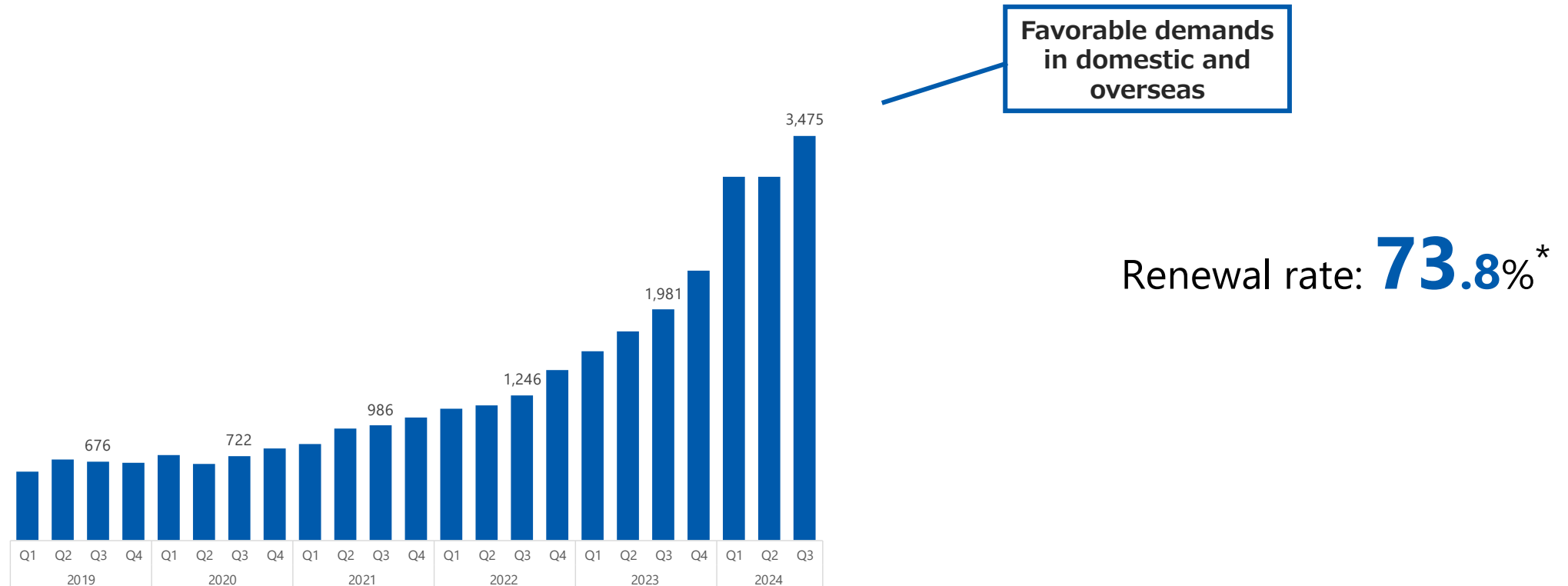
Japan

Overseas

Internet Infrastructure | Domain business

.shop contracts progress

(thousands)

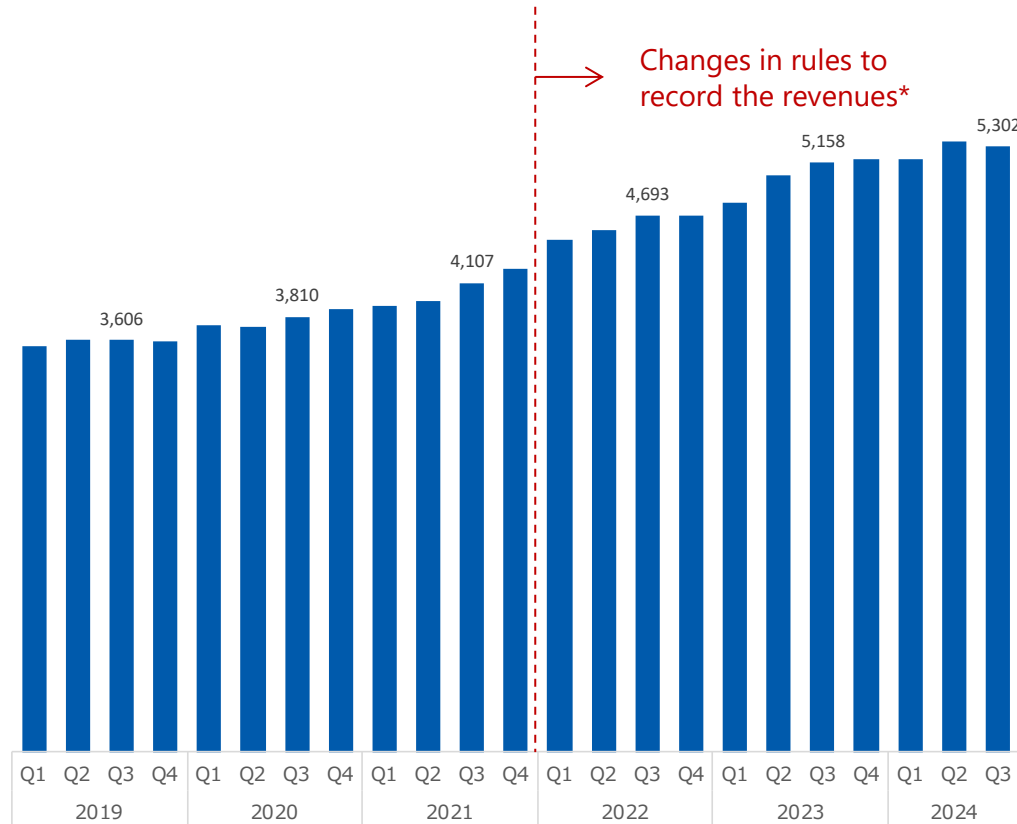


From FY24.Q3, the renewal rate calculation method has been updated to 'weighted average of second and subsequent renewal rates'

Internet Infrastructure | Hosting & Cloud - KPIs

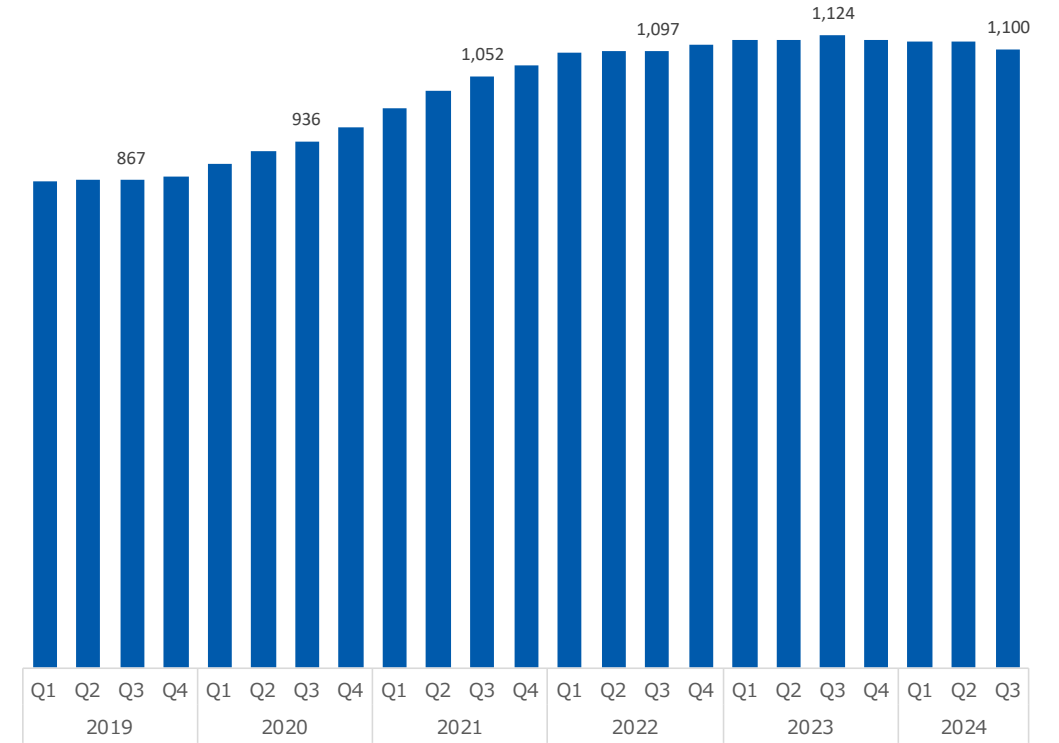
Revenue

(JPY millions)



Contracts

(thousands)



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

Group synergies case ASP shopping cart × payment

Recurring revenue and transaction revenue through a natural cross-selling

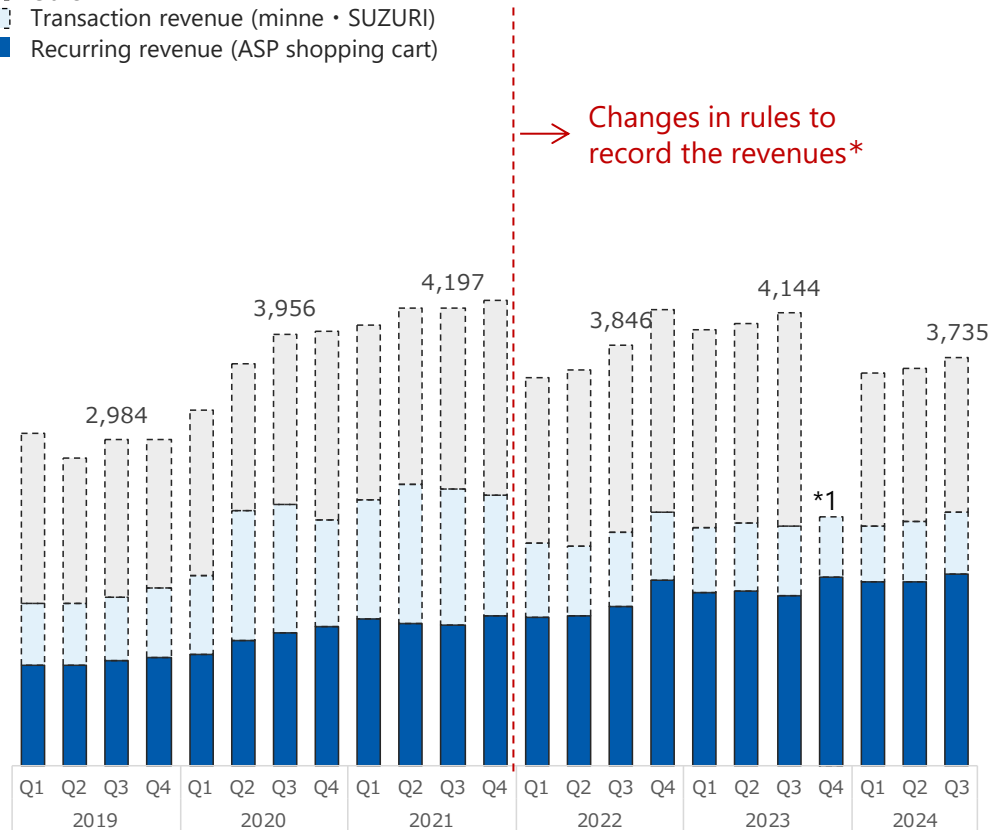
Feature	Online store	Payment
Service	 	 
Business model	Recurring	Transaction
Revenue	Number of stores x unit price	GMV x commission rate, etc.
Reportable segments	Ecommerce Solutions	Payment

Internet Infrastructure | Ecommerce solutions - KPIs

Revenue

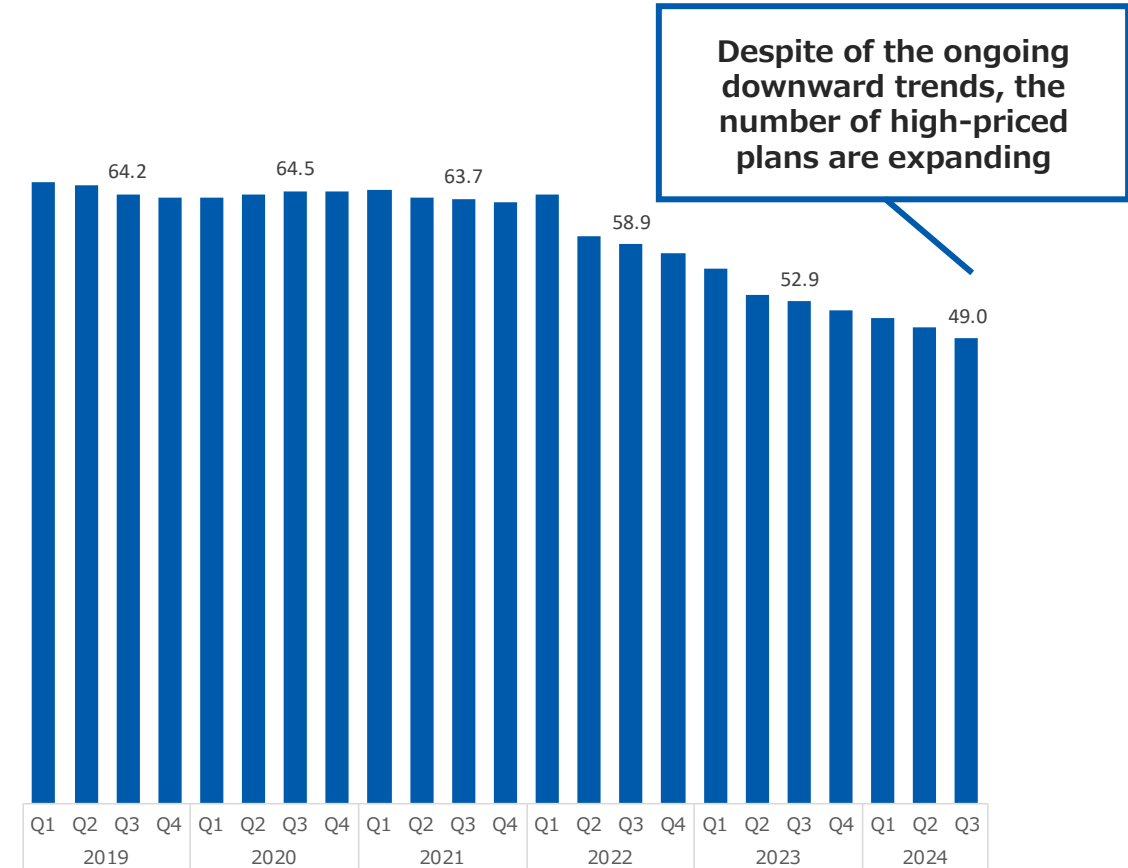
(JPY millions)

- Other
- Transaction revenue (minne・SUZURI)
- Recurring revenue (ASP shopping cart)



Contracts (ASP shopping cart)

(thousands)

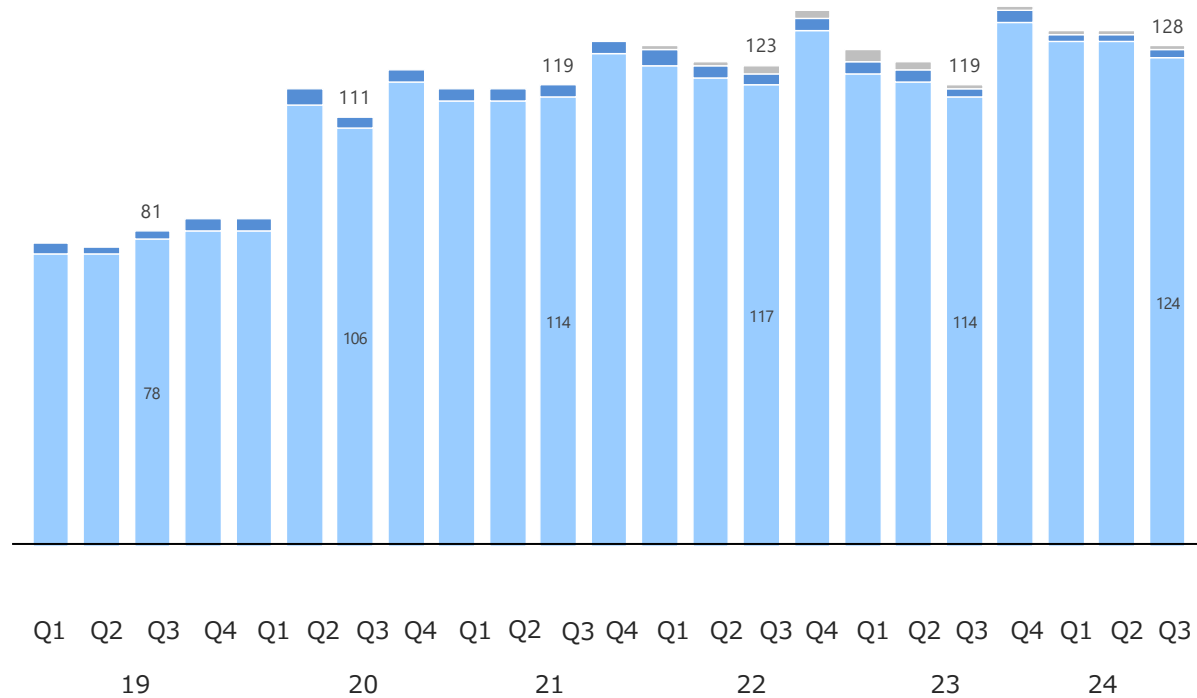


*Accounting Standards for Revenue Recognition (Corporate Accounting Standard No. 29)

*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

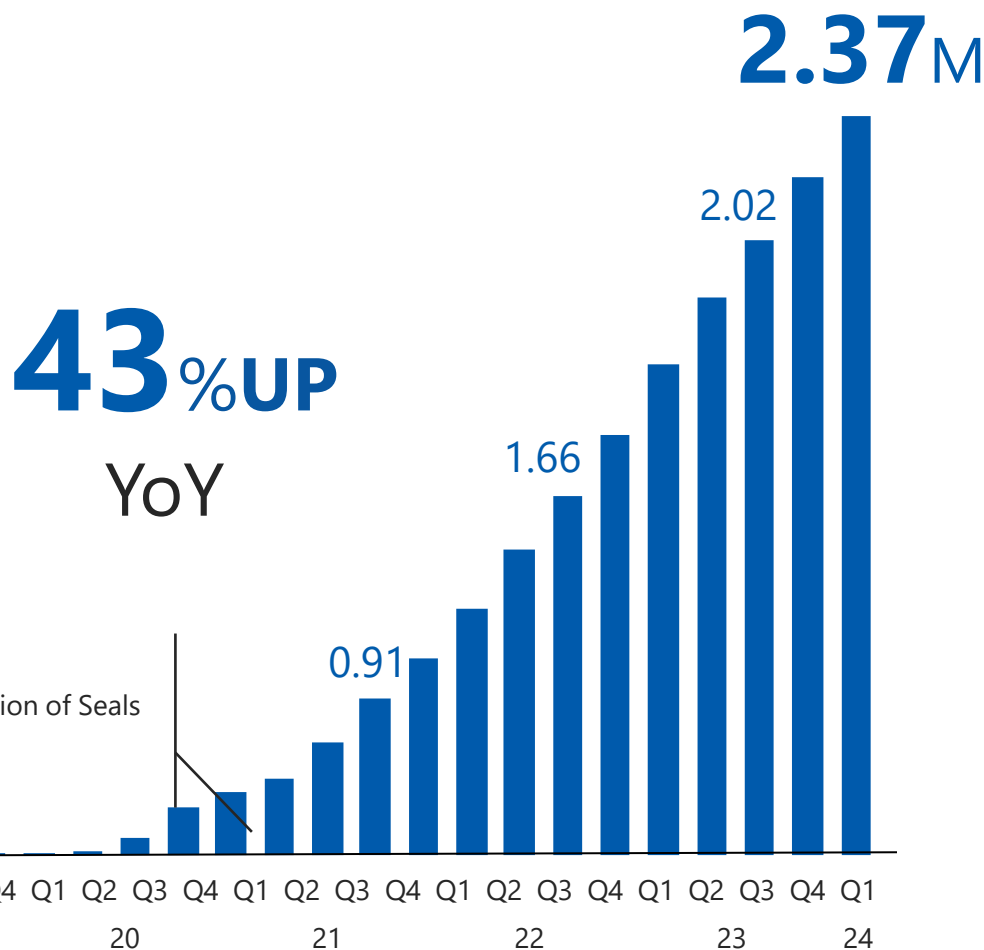
7.5% UP

- Freenance
- SUZURI, Canvath
- minne
- Ecommerce Platform

Internet Infrastructure | Number of e-contract accounts

電子印鑑なら
GMOサイン

(millions)



20/4/15
Declaration of Abolition of Seals
20/5/13
Campaign launched

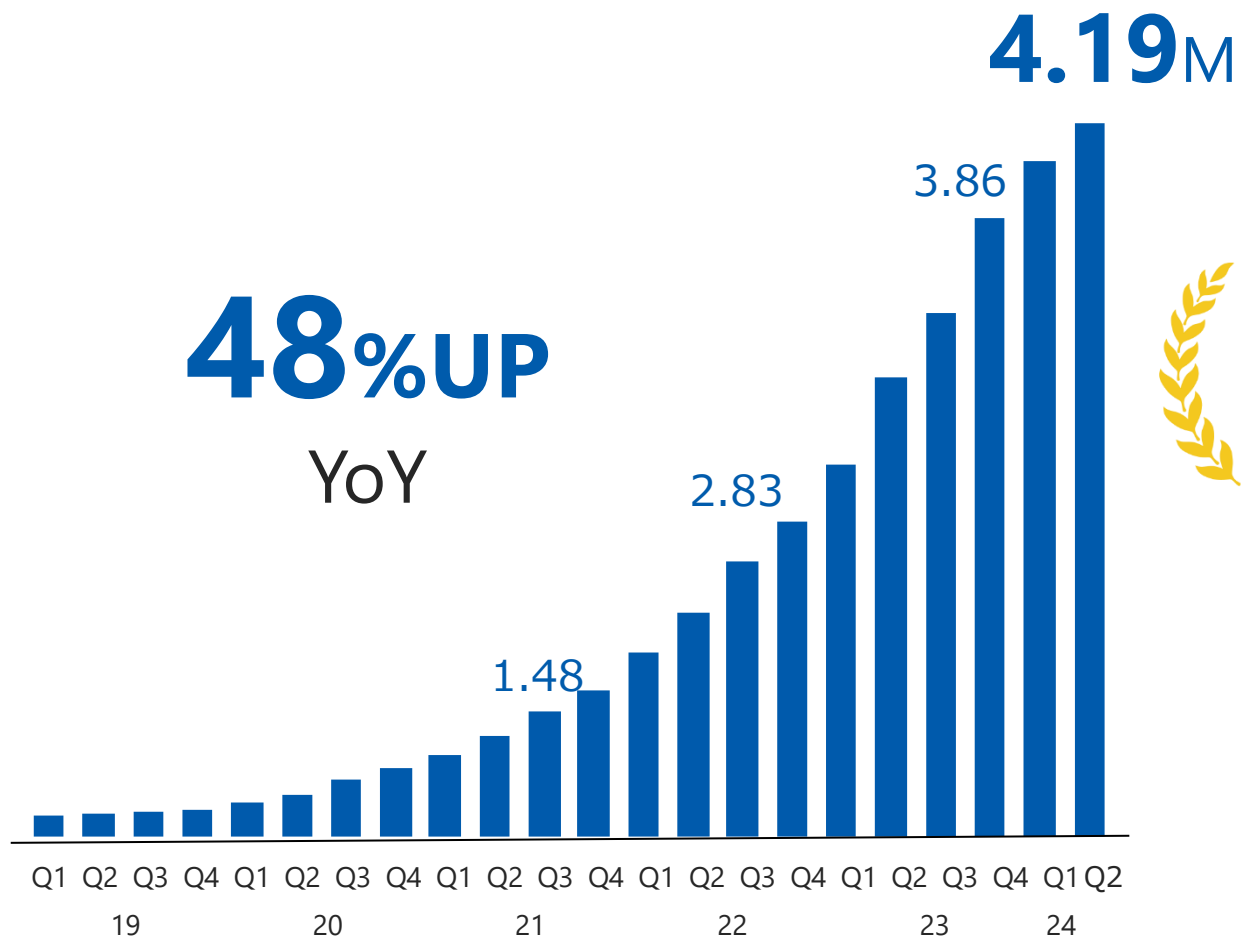
Number of e-contract accounts No.1

User companies (extract)

- MIZUHO みずほ銀行
- 大和証券 Daiwa Securities
- MUFG 三菱UFJ銀行
- KIRIN
- BMW GROUP
- LINEヤフー
- kikkoman
- 東急リバブル
- ORIX オリックス生命
- Mizuno
- Menicon
- TIPNESS フィットネスクラブ ティップネス
- UNITED ARROWS LTD.
- HIS
- PASONA
- RETAILING
- Francfranc
- OPEN HOUSE
- NEDO
- 三井住友信託銀行グループ 三井住友トラスト不動産
- ヤマト運輸
- MISAWA ミサワホーム
- KEIO 京王電鉄
- YKK AP
- DAISO ダイソー
- CAINZ
- YAMADA HOMES

Internet Infrastructure | Number of contracts

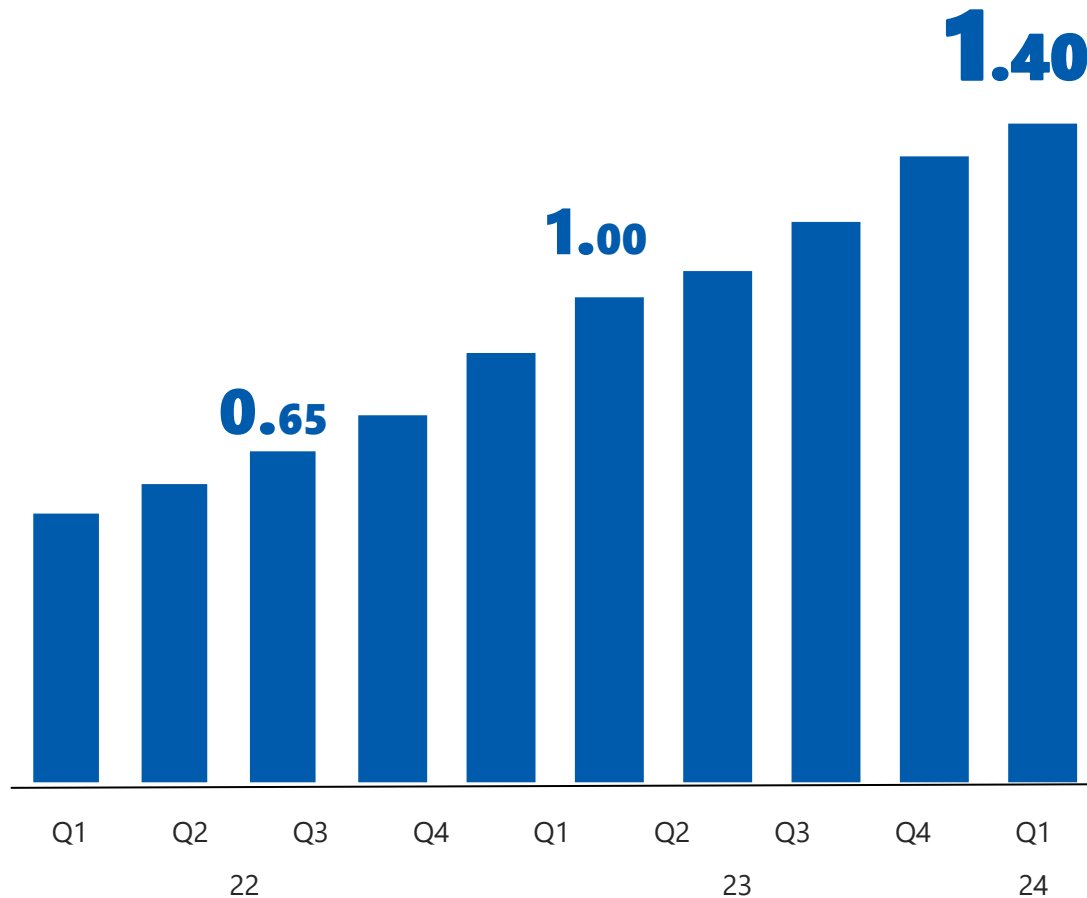
(millions)



Number of contracts
No.1

Internet Infrastructure | ARR (Annual Recurring Revenue)*

(JPY billions)

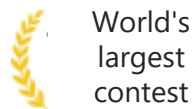


40%UP
YoY

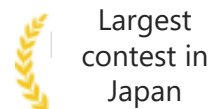
* Calculated by multiplying the total monthly fees at the end of each quarter by twelve (excluding one-time revenues).

Cyber Security Assessment

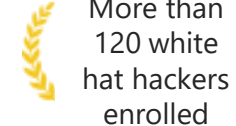
More than 9,800 cases



No.1  *1



No.1  *2



No.1  *3

*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

Internet Infrastructure | Service usage



Simplex Inc.



sansan



GIFTPAD 株式会社 ポケモン



dwango

Sammy Networks



SORACOM



RENOSY X



NAGASHIMA OHNO
& TSUNEMATSU
長島・大野・常松 法律事務所

MACNICA

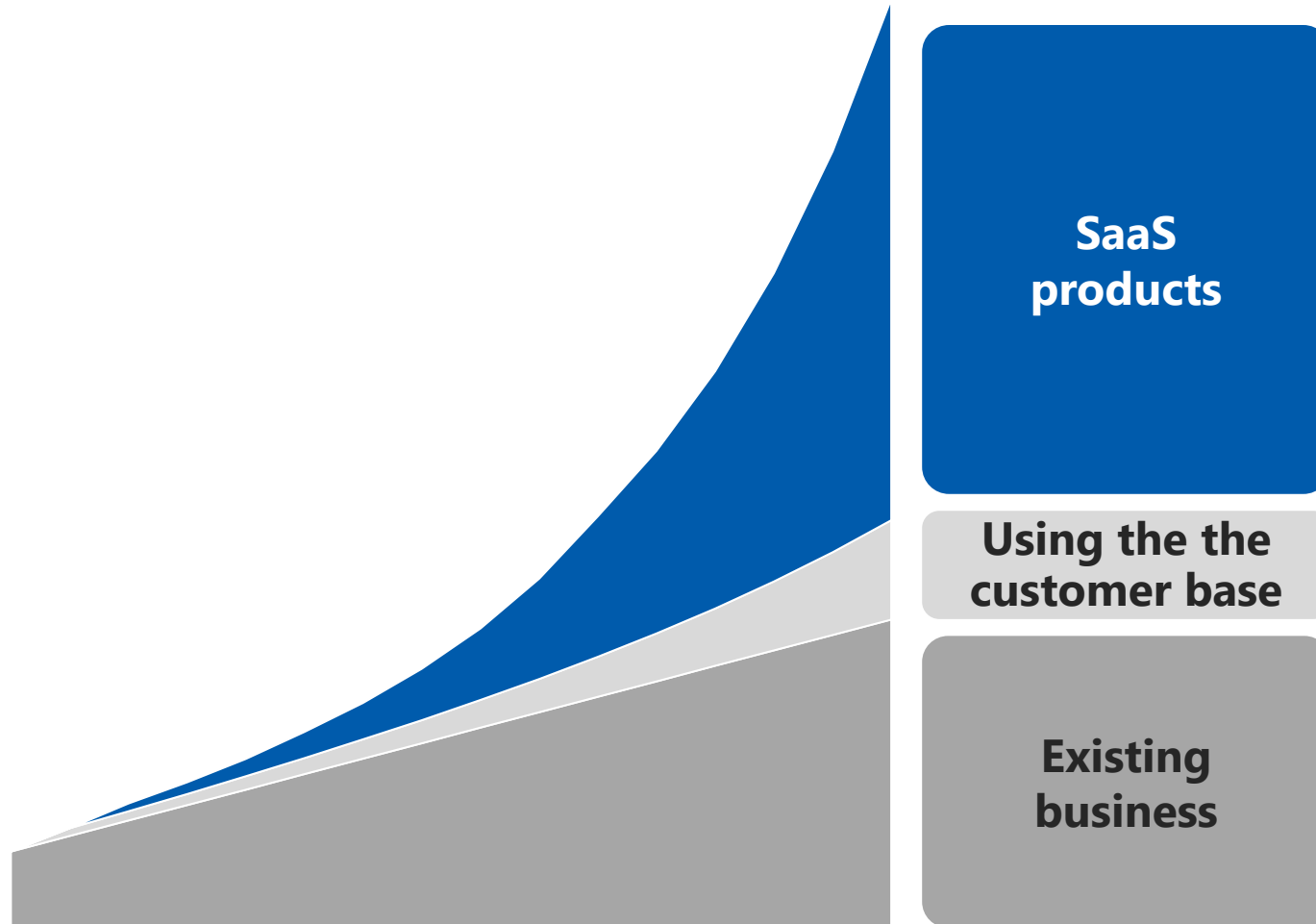


WILL GROUP

パーソルキャリア
PERSOL

Cybersecurity business | Mid- to long-term growth

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

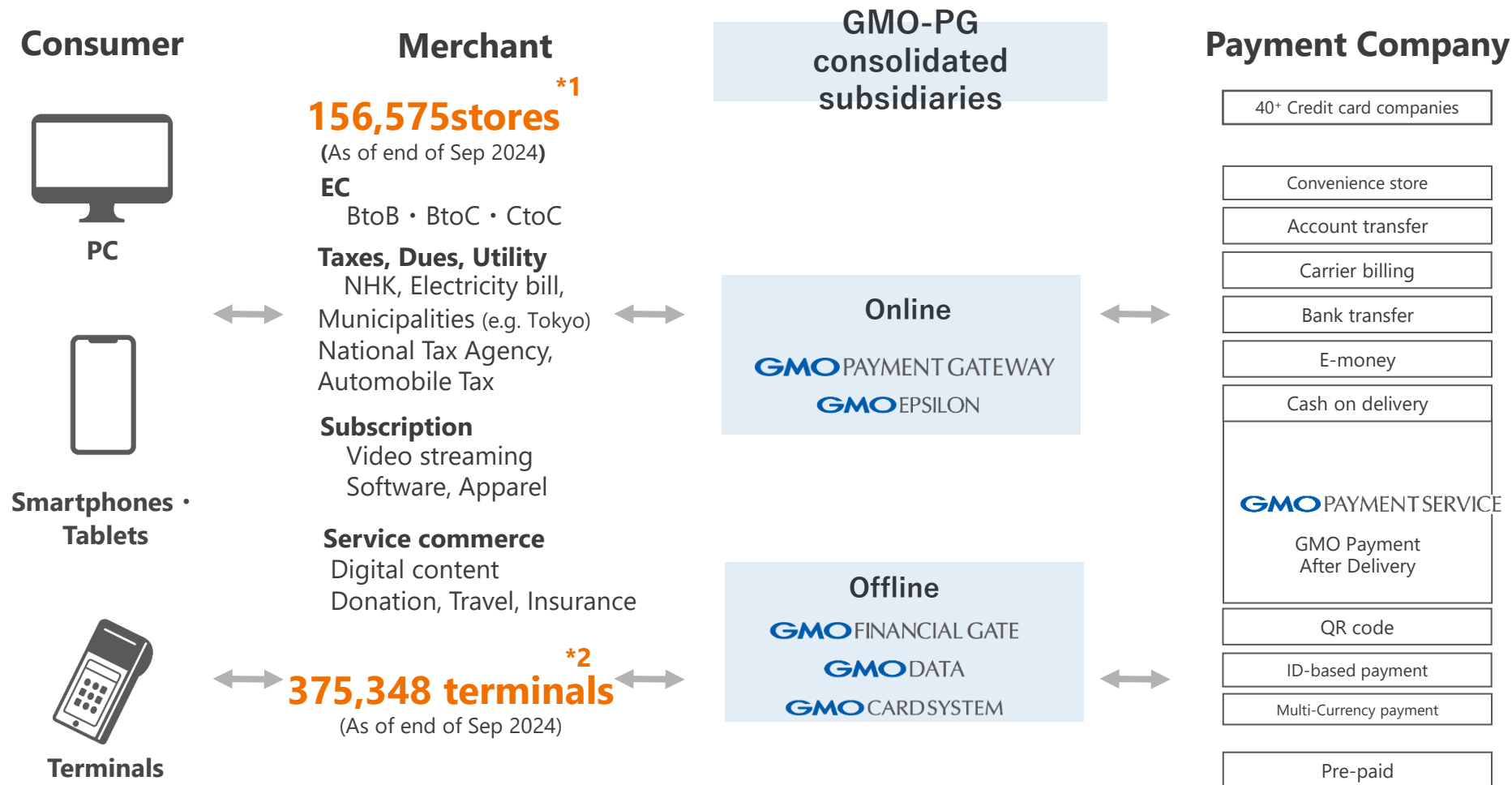


GMO サイバーセキュリティ for 銀行
GMO サイバーセキュリティ for 社会インフラ

GMO サイバーセキュリティ ≡ 脆弱性診断
GMO サイバーセキュリティ ≡ 侵入テスト
GMO サイバーセキュリティ ≡ インシデント対策
GMO サイバーセキュリティ ≡ 対策強化
GMO サイバーセキュリティ for 医療

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. (Q3 for GMO-IG)Figures exclude a specific case and fincode byGMO. If included, the number of operating stores is 634,831 stores as of end of June 2024 (up 18.3% YoY). etc.

*2 Payment terminals exclude GMO-PG's offline payment (GMO Cashless Platform) and include GMO-FG's terminal-less active IDs, up 32.2% YoY. Operating terminals exclude GMO-PG's offline payment (GMO Cashless Platform),.

Internet Infrastructure | Payment Quarterly KPIs

Group-wide annual TRX value reaches approx. ¥18.7 trillion in the past 12 months

	Operating Stores ^{*1} /Terminals ^{*2}	TRX volume ^{*2*3}		TRX value ^{*2}	
	At the end of FY2024.9	FY2024. 7-9	Past 12-months	FY2024.7-9	Past 12-months
Consol.	-	1.98 bn	7.40 bn	¥4.9 trn	¥18.7 trn
% YoY	-	+ 18.4%	+ 19.3%	+ 26.1%	+ 25.5%
Online	156,575	1.70 bn	6.41 bn	¥3.1 trn	¥12.1 trn
% YoY	+ 6.8%	+ 13.6%	+ 14.4%	+ 16.7%	+ 14.0%
Offline^{*2}	375,348	0.28bn	0.98 bn	¥1.8 trn	¥6.6 trn
% YoY	+ 25.6%	+ 60.3%	+ 65.0%	+ 46.6%	+ 53.6%

Proportion of Representative contract in online TRX value : approx. 40%^{*4}

^{*1} The standards for calculation the number of operating stores has been revised from Q4 FY2023 (Q3 for GMO-IG). Figure exclude an operating stores of a specific merchant and fincode byGMO. If included, operating stores would be 689,884 (up 19.1% YoY).

^{*2} The figures for operating terminals are GMO-FG's figures and include terminal-free active IDs and exclude GMO-PG's GMO Cashless Platform.

CP transaction volume and value includes GMO-PG's CP payment (GMO Cashless Platform).

^{*3} Transaction 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 (tentative sales proceeds) or actual sales proceeds, and one transaction per payment in the case of CP. ^{*4} Annual average is shown in 5% increments.

Internet Infrastructure | Collection of No. 1 services

Strong No. 1

Domain Registry

GMO REGISTRY

Domestic market share at

83.0% *1

Strong No. 1

Domain Registrar

お名前.com
http://www.onamee.com

MuuMuu Domain

value-domain

Domestic market share at

84.1% *2

No. 1

Hosting & Cloud

お名前.com
レンタルサーバー
by GMO

ConoHa

value-server

LOLIPOP!

GMO CLOUD

Domestic market share at

59.9% *3

No. 1

ASP Cart

COLOR ME

makeshop

48K paid stores

No. 1

Security

GlobalSign®

Domestic market share at

No. 1 *4

No. 1

eSignature

電子印鑑なら
GMOサイン

2.37M accounts

No. 1

Cybersecurity

GMO CYBER SECURITY

IERAE

Flatt SECURITY

Number of white hat hackers

No. 1 *5

No. 1

Payment

GMO PAYMENT GATEWAY

GMO EPSILON

156K merchants *6

No. 1

Provider (ISP)

KKKB
by GMO

No. 1 *7

"Hikari Collaboration Award" Satisfaction Ranking

Internet Finance

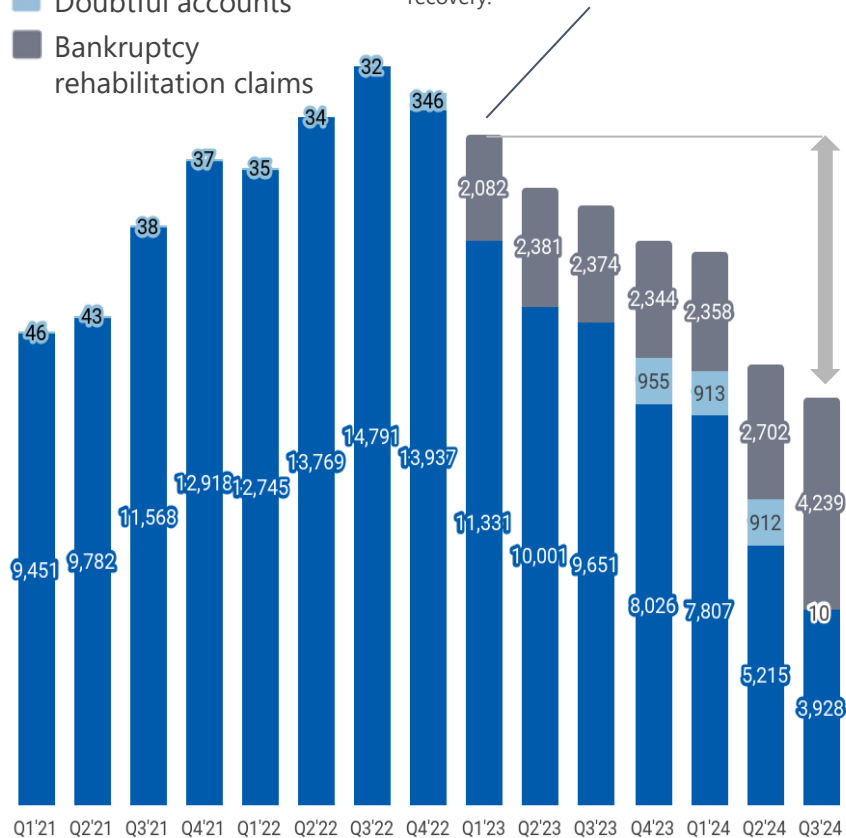
Thai securities business | The outstanding credit balance and the trend of non-performing loans

Provision for doubtful accounts in Q3'24 was approximately 2.2 billion yen cumulative total of approximately 6.7 billion yen for Jan-Sep

(Million THB)

- Credit Balance
- Doubtful accounts
- Bankruptcy rehabilitation claims

After the incident in the Thai securities market in November 2022, all doubtful accounts were transferred to bankruptcy rehabilitation claims. Under the new contract, we are currently in the process of debt recovery.



The difference from the credit transaction balance at the end of Q4'22 amounted to 5,760 million THB (approximately 22.5 billion yen), including the actual decrease amount, which also incorporates the amount of receivables already collected. Converted at the exchange rate of 4.429 yen per 1 THB at the end of Sep '24. *

Transferred bankruptcy rehabilitation claims for which repayments continue according to the new contract to doubtful accounts.

Client count : 63

Number of unique collateral stocks: 122 issues

Residual risks related to non-performing loans

Maximum risk amount: **3.96 billion yen** secured by collateral
If collateral value declines and the expected recoverable amount decreases, there is a possibility of recording additional provision for doubtful accounts.

Non-performing loans balance	18.81 billion yen
The amount secured by collateral	3.96 billion yen
The allowance for doubtful account	14.85 billion yen

Risks associated with margin trading service

Maximum risk amount: **17.39 billion yen** in margin loans outstanding
In cases where the stock prices of collateral securities significantly decline, and uncollectible margin loans are anticipated, there is a possibility of recording additional provision for doubtful accounts.

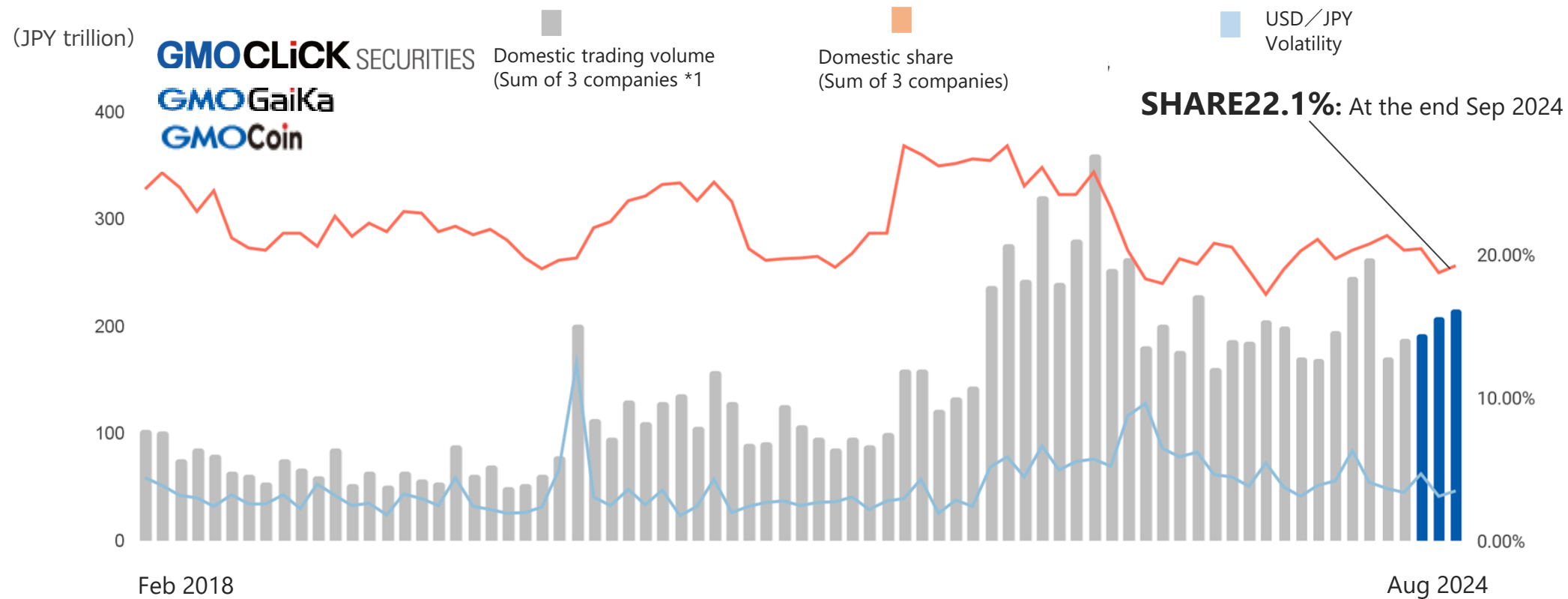
Outstanding balance of margin loans	17.39 billion yen
--	--------------------------

* Non-performing loan balance: Total amount of doubtful receivables and bankrupt or quasi-bankrupt assets

* All yen-denominated figures: Converted to yen using the exchange rate as of Sep 30, 2024

Internet Finance | Domestic FX volume and share transition

Stable trading share 20% or so

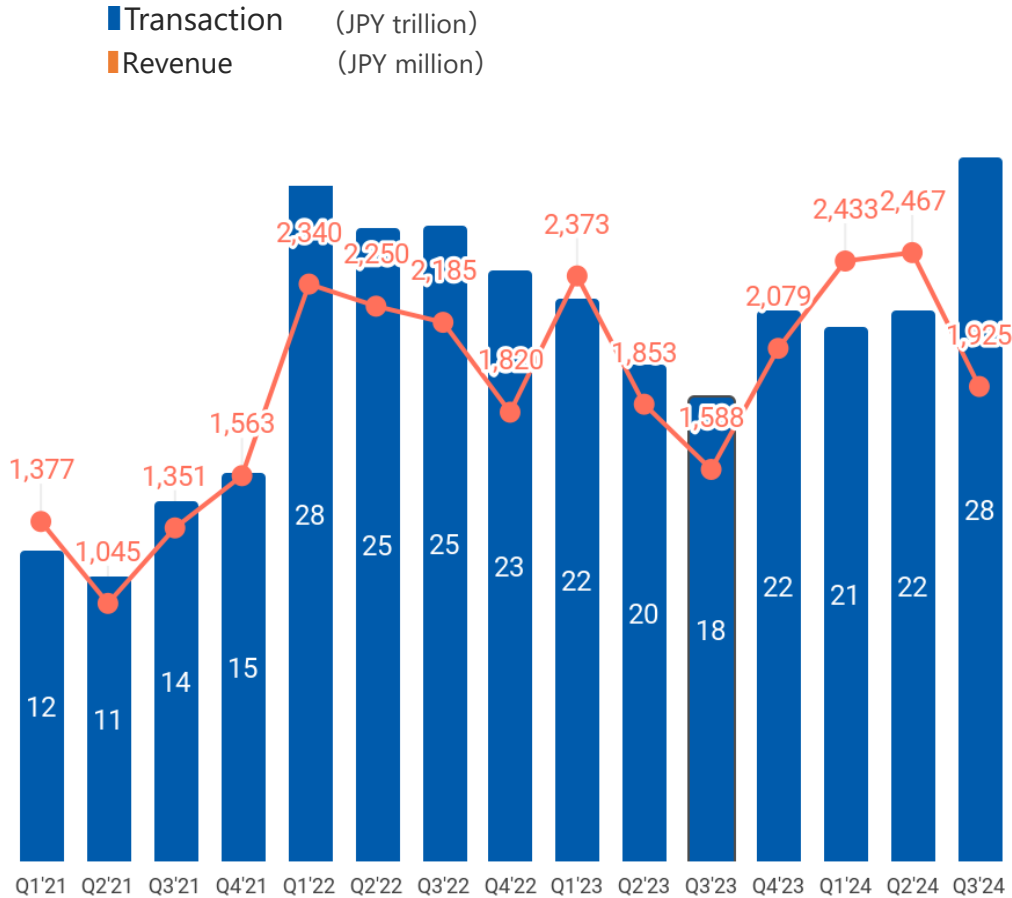


*This information is prepared by GMO-FH accordance with a "Over-the-Counter FX Monthly Report," published by Japan Financial Futures Association

*The FX transaction volume : Until GMO GaiKa joined in September 2021, the numbers included two companies: GMO Click Securities and FX Prime by GMO. After Q4 2023, FX Prime by GMO merged with GMO Coin.

* The domestic FX share is calculated based on publicly disclosed data from the Japan Financial Futures Association, encompassing the entire market.

Internet Finance | CFD transaction and revenue transition



Transaction volume

YoY **51.5% UP**

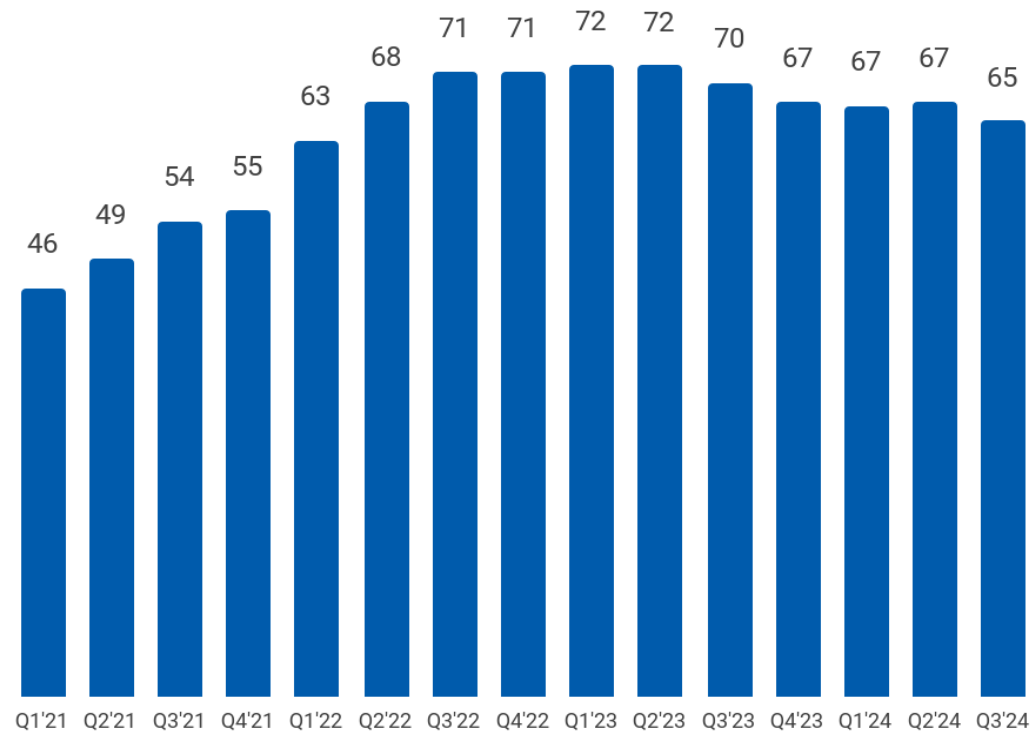
Profit

YoY **21.1% UP**

Transaction increased, profit decreased
Due to a tightening of spreads

Internet Finance | CFD deposit margin balance

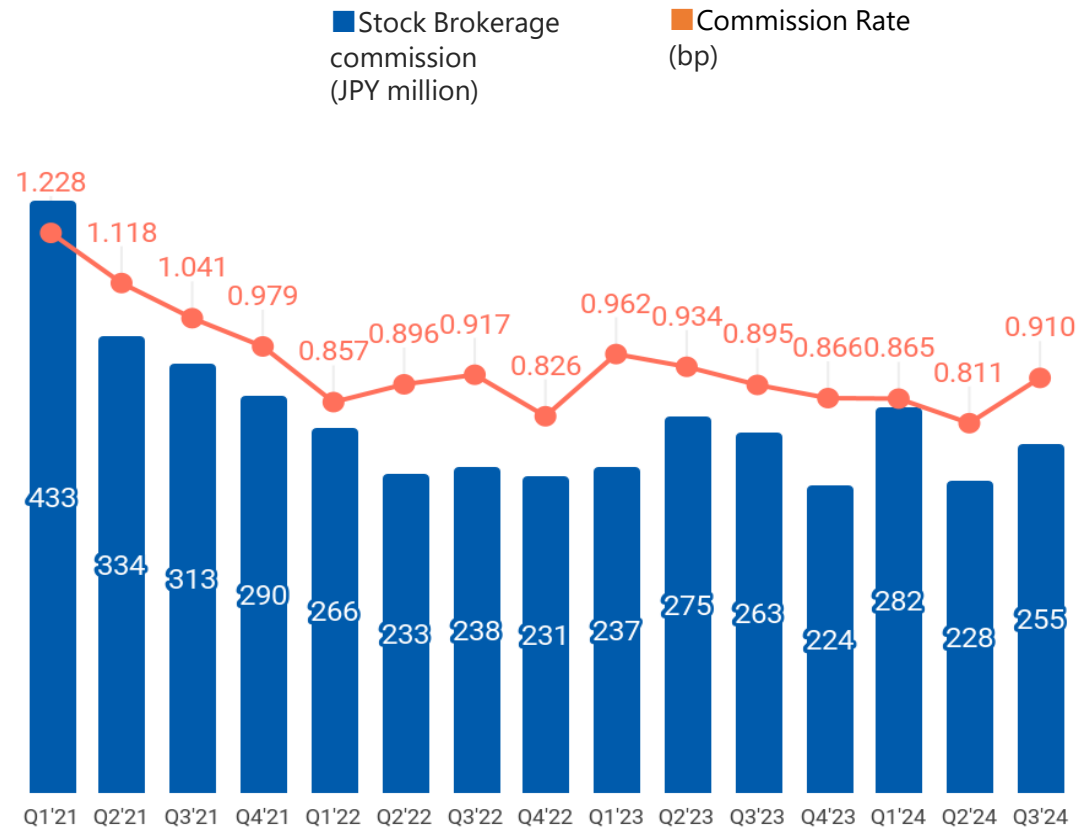
(JPY billion)



YoY **6.3 %DOWN**

Stable balance
Hit by Recent Volatility Losses

Internet Finance | Stock brokerage commission and the rate transition



Stock Brokerage Commission

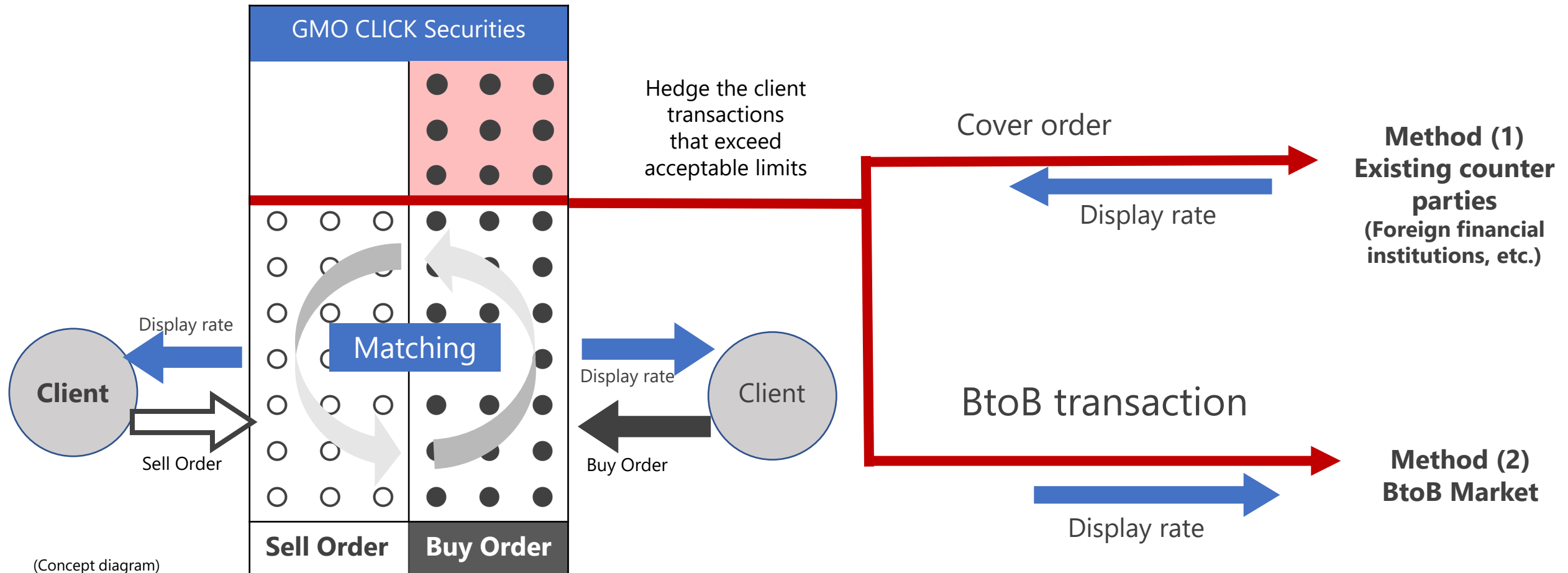
YoY **3.2% DOWN**

Trading volume down
Commission fees decreased

Q3'24 Stock Transaction Value : **YoY 4.8% down**
Q3'24 Trading volume share : **1.7%**

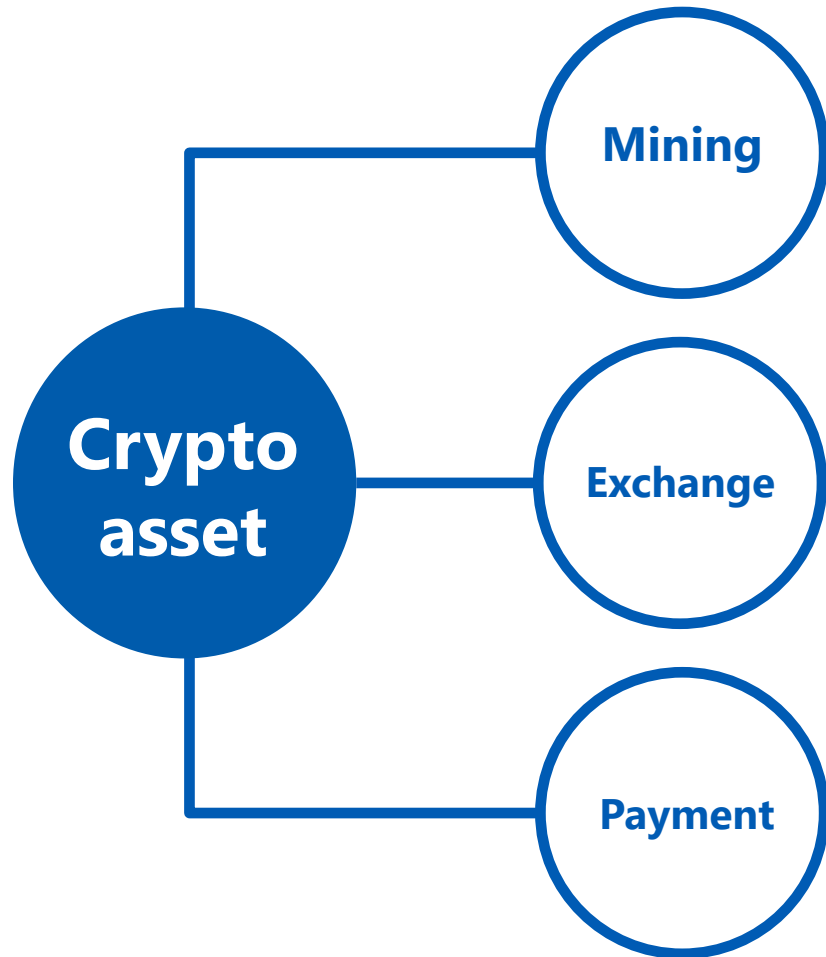
Internet Finance | FX Business Model

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



Cryptoasset

Cryptoasset Business



Mining Business

Exchange business

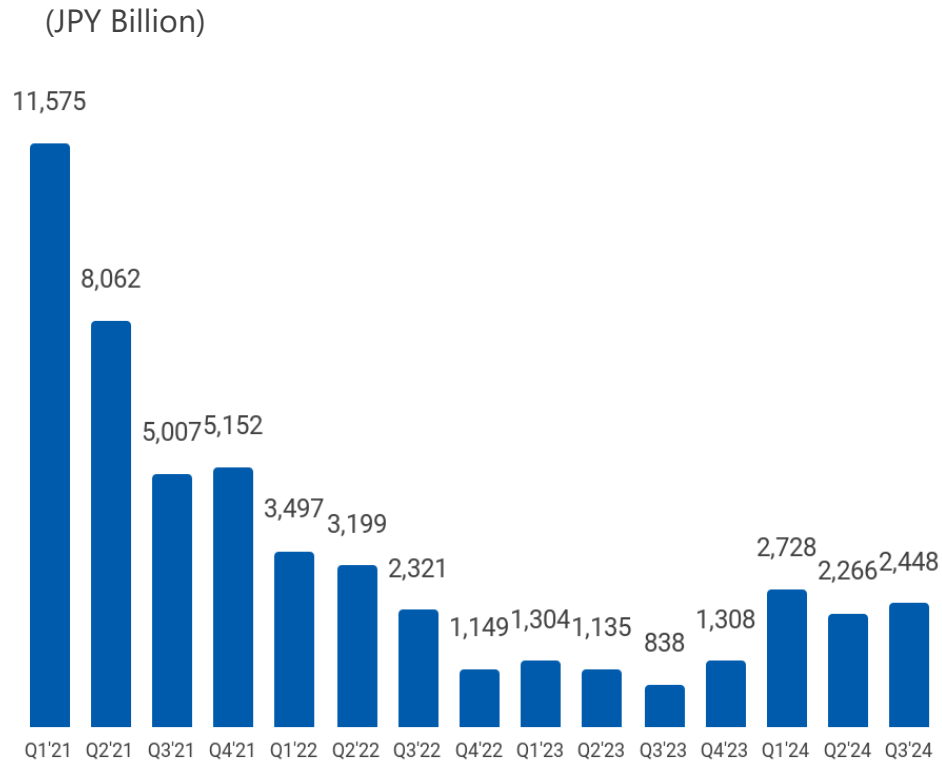
Payment business

↳ Issuing Stablecoin

GMO Coin

GYEN Z USD
Digital JPY Digital USD

Cryptoasset Exchange Business | Trading volume

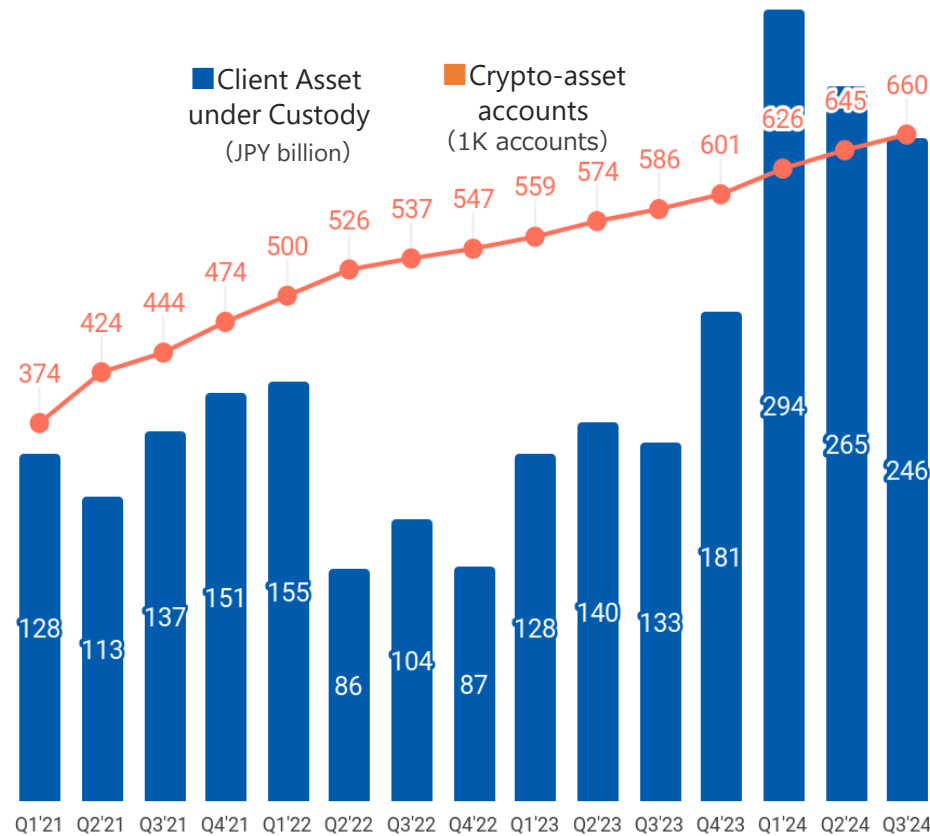


YoY **192.1%UP**

BTC price increased, Trading volume up YoY

*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

73 K UP

Deposit Asset

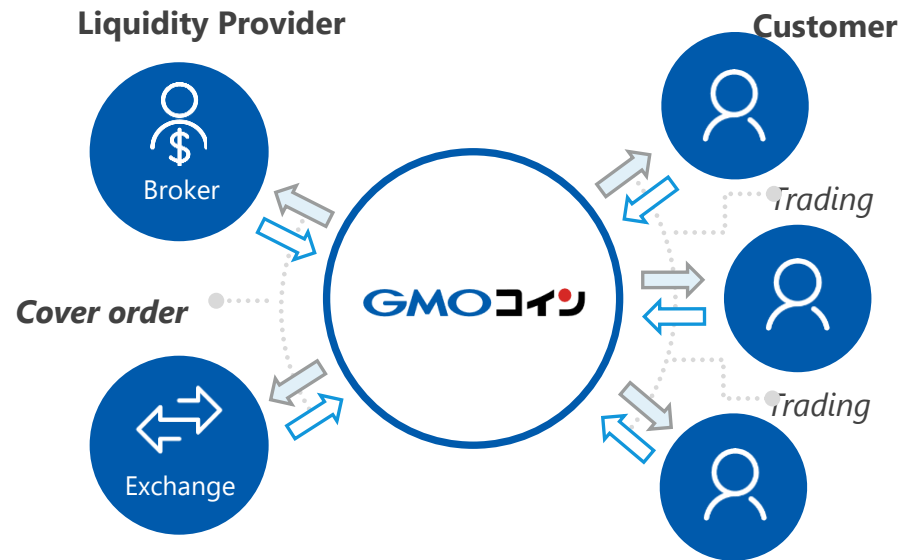
YoY

84.6% UP

Cryptoassets Exchange | Business model

OTC Trading

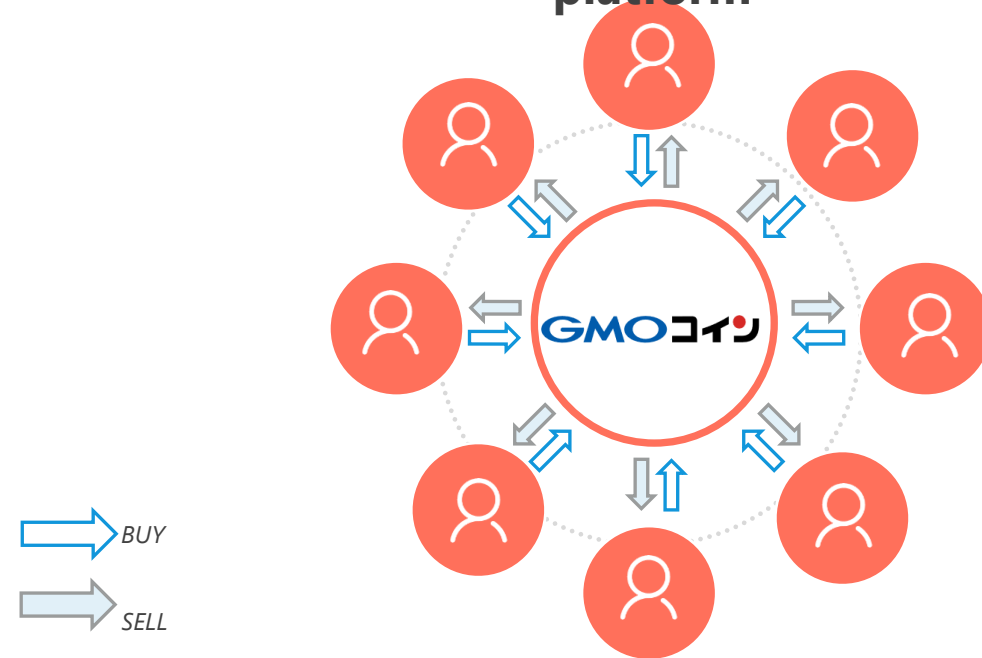
Hedging counter part positions
by cover order



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

AOZORA

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

Point
4

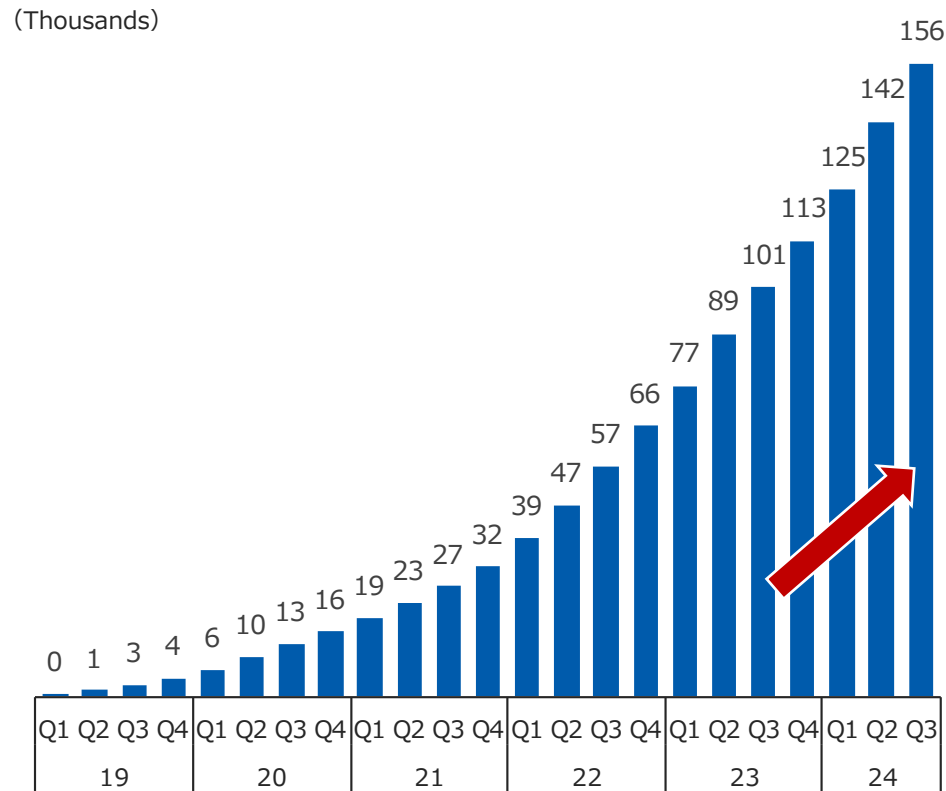
BaaS byGMOAozora

Point
5

Approximately 40% of employees are engineers

Net Bank | Number of business accounts

GMO AOZORA NET BANK



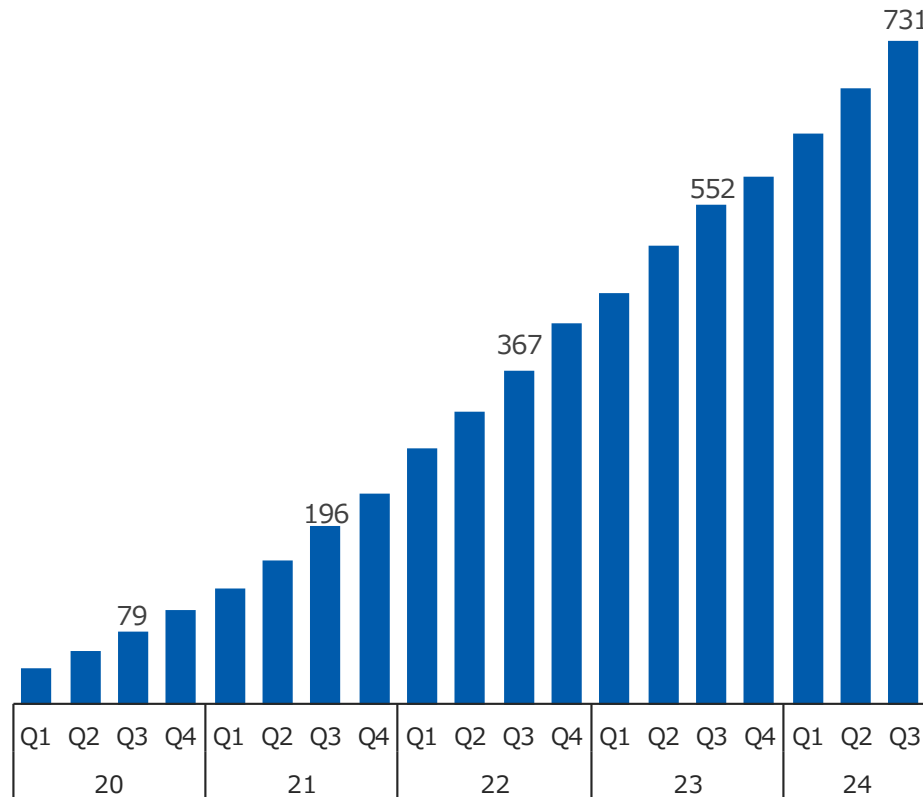
about **1.5-fold**
UP YoY

Net Bank | BaaS byGMO Aozora KPI

Total number of contracted Embedded Financial service

GMO AOZORA NET BANK

(per contract)



progress well

□ Group Overview

□ Financial condition and strategy

□ Consolidated results

□ Topics

□ ESG activities

Becoming the No.1 Corporate Group Pioneering the Future with AI



Our initiatives towards realization (1/2)

Driving research and development in AI, particularly in financial data analysis, and achieved significant results since hiring our first data scientist approximately 10 years ago.

FY2013	GMO NIKKO has built and analyzed big data analytics(DMP)infrastructure GMO AdMarketing developed and analyzing recommendation widget systems and machine learning models.
FY2014	Consistently reinforce our recruitment efforts for AI talented after the 1 st data scientist was hired.
FY2015	Intensified our research and development efforts in AI
FY2016	The initial AI-supported product "TAXEL" was released, marking the beginning of GMO Click Securities data analysis platform development.
FY2017	GMO Click Securities started data analysis operations
Jan.2020	Restructured to the data analysis and development group. GMO TownWifi started utilizing casual inference techniques for measuring the effectiveness of functions and initiatives.
Apr.2022	Established of the AI Research and Development Department

Our initiatives towards realization (2/2)

We promptly began utilizing ChatGPT across the entire group, expecting its potential impact after the emergence of it in November 2022.

① **Time and Cost savings**

② **Improvement in the quality of existing services**

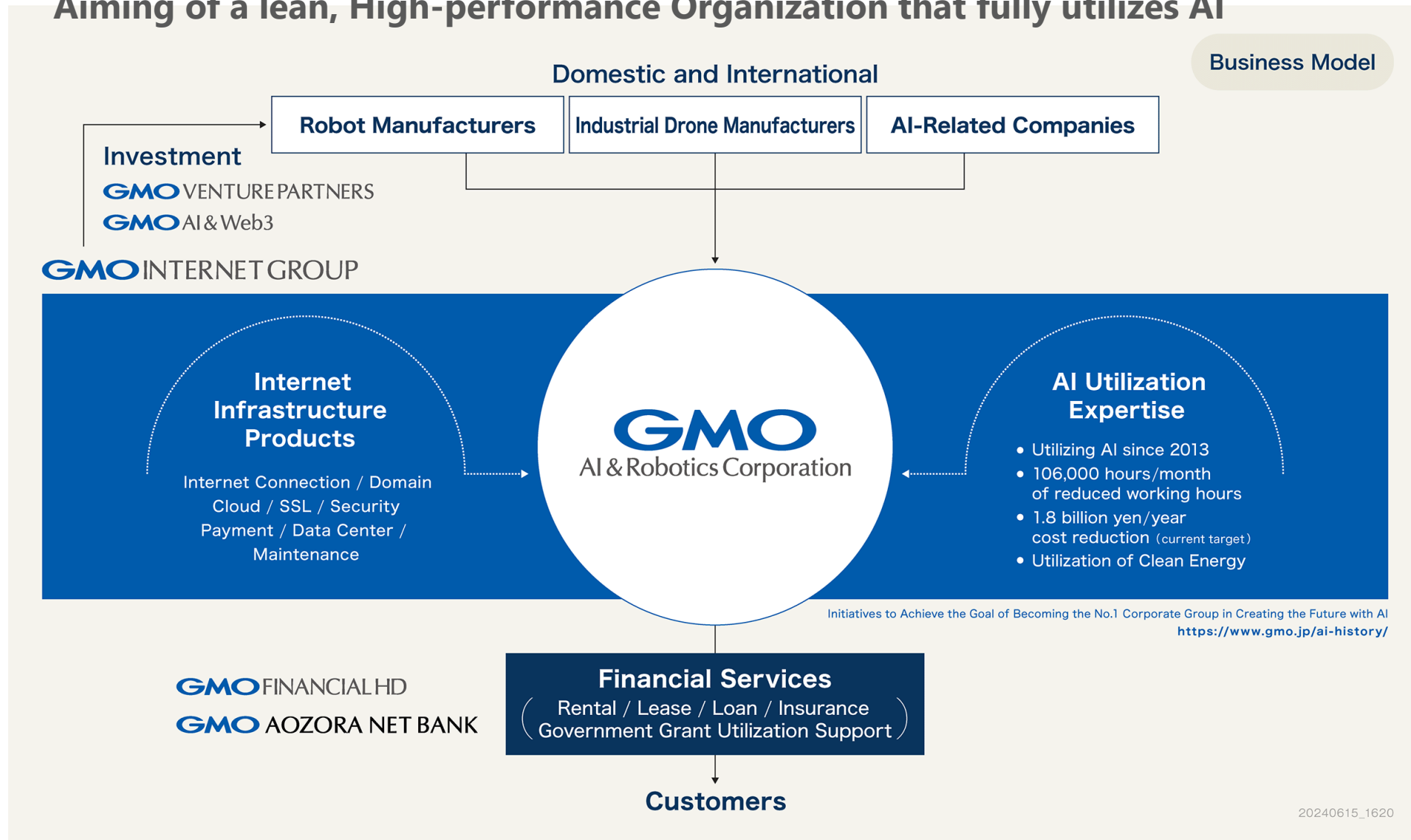
③ **Offering new services to the AI Industry**

Based on these three pillars, we continue our efforts to become the "No.1 AI-Utilizing Corporate Group" while staying up-to-date with the latest AI developments on a daily basis. Furthermore, in 2024, we will evolve our catchphrase to "Becoming the No.1 Corporate Group Creating the Future with AI," and accelerate its realization.

Details : <https://www.gmo.jp/ai-history/>

Established GMO-AIR Co.Ltd | Business Model

Aiming of a lean, High-performance Organization that fully utilizes AI



□ 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.

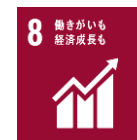
We are dedicated to providing the dominant No.1 service in the Internet industry by operating and developing our own technology.



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/External Evaluation

[Disclosure Progress]

Assessment by ESG rating agencies / Inclusion in ESG indexes



In April 2024, GMO Internet Group, Inc. received a rating of "BBB" (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment *1



FTSE Blossom Japan Sector Relative Index *2



Mar. 2023



Dec. 2023

Jan. 2024



Expanding Human capital disclosure

Plans to publish integrated report (September 2025.)

FTSE ESG Ratings
2.8

FTSE ESG Ratings
2.3

FTSE ESG Ratings
1.2

Identifying Material Issues.

TCFD Disclosure

Expanding ESG disclosure

Introduced of a group executive officer system

Updated CG report

Set up sustainability promotion committee

Drawn up basic sustainability policy

Released our Activities for SDGs

Dec. 2013



2021

2022

2023

2024

*1 THE USE BY GMO Internet Group, Inc. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF GMO Internet Group, Inc. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

*2 FTSE Russell confirms that GMO Internet Group, Inc. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

Internet for Everyone

GMO