Summary of Consolidated Financial Statements for Q2 FY2024 (IFRS)

May 10, 2024

Name of listed company: GMO Payment Gateway, Inc. Exchange: Tokyo Stock Exchange
Stock code: 3769 URL: https://www.gmo-pg.com/en/corp/
Representative: Issei Ainoura President & Chief Executive Officer
Contact: Ryu Muramatsu Director, Executive Vice President Tel: +81-3-3464-0182
Scheduled submission date of securities report: May 13, 2024 Scheduled date of commencement for dividend payment: —
Supplemental materials prepared for financial results: Yes
Information meeting arranged related to financial results: Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Statements for Q2 FY2024 (From October 1, 2023 to March 31, 2024)

(1) Consolidated Financial Statements (Cumulative)

(Percentages represent year-on-year change)

	Revenue		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%
Q2 FY2024	36,099	18.5	12,652	22.2	13,118	33.1	8,608	36.8	8,328	35.9	9,347	81.3
Q2 FY2023	30,454	26.6	10,350	25.1	9,856	13.4	6,292	12.1	6,129	11.1	5,154	△58.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q2 FY2024	109.81	108.61
Q2 FY2023	80.81	80.02

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of total equity attributable to owners of parent to total assets
	Mil Yen	Mil Yen	Mil Yen	%
Q2 FY2024	334,497	97,251	94,572	28.3
FY2023	292,346	94,804	92,274	31.6

2. Dividends

	Annual dividend				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	0.00	0.00	0.00	89.00	89.00
FY2024	0.00	0.00			
FY2024 (forecast)			0.00	103.00	103.00

(Note) Revision to the most recently released dividend forecast: No

3. Consolidated Financial Forecast for the Fiscal Year Ending September 2024 (From October 1, 2023 to September 30, 2024)

(% represents year-on-year change)

	Revenue		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of parent		Basic earnings per share
	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%	Yen
FY2024	73,286	16.1	25,000	23.1	23,904	15.8	15,961	15.5	15,523	15.2	204.68

(Note) Revision to the most recently released financial results forecast: No

※ Notices

(1) Changes of important subsidiaries during the period (change of specific subsidiaries that leads to a change in the scope of consolidation): No

Number of new subsidiaries: - (Name:); Number of excluded subsidiaries: - (Name:)

(2) Changes in the accounting policy / changes in the accounting estimation

[1] Changes in accounting policy required by IFRS.: No

[2] Changes in accounting policy other than [1]: No

[3] Changes in accounting estimations: No

(3) Number of shares issued (common stock)

[1] Number of shares issued at the end of the term (including treasury stock)	Q2 FY2024: 76,557,545	FY 2023: 76,557,545
[2] Number of treasury shares at the end of the term	Q2 FY2024: 709,752	FY 2023: 715,071
[3] Average number of shares during the term	Q2 FY2024: 75,844,415	Q2 FY2023: 75,842,492

(Note) Number of treasury shares at the end of the term above include the shares attributed to the directors' remuneration board incentive plan trust and J-ESOP (709,705 shares for FY2023; 704,305 shares for Q2 FY2024.)

※ These financial statements are not subject to the review procedures.

※ Notes regarding the appropriate use of financial forecast and other important notes.

1. The above forecasts are outlooks based on information currently available and include various uncertain factors. Actual performance may differ substantially from the forecasts due to changes in business conditions and other factors. For the assumption on which financial forecasts are based and matters to be considered in using financial forecasts, please refer to "(3) Earnings Forecast" under "1. Qualitative Information on Consolidated Financial Statements for the Quarter" on page 9 of the attachment.
2. Results Presentation for investors and analysts to be held on May 13, 2024. Supporting materials and a video of the presentation will be made available promptly on the company's website after the event.

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１．Qualitative Information on Consolidated Financial Statements for the Quarter

（１）Consolidated operating results

Forward-looking statements in the document are based on the judgement of GMO Payment Gateway, Inc. (GMO-PG or the Company) and its consolidated subsidiaries at the end of the quarter under review.

① Consolidated operating results

Cumulative financial results for the consolidated second quarter 2024 (October 1, 2023 to March 31, 2024) as follows.

(Unit: Thousand Yen)

	Q2 FY2023 (From October 1, 2022 to March 31, 2023)	Q2 FY2024 (From October 1, 2023 to March 31, 2024)	Rate of change (%)
Revenue	30,454,383	36,099,661	18.5
Operating profit	10,350,230	12,652,564	22.2
Profit before income taxes	9,856,370	13,118,209	33.1
Profit attributable to owners of parent	6,129,098	8,328,671	35.9

ａ．Revenue

Revenue reached ¥36,099 mil, up 18.5% YoY. The sum total of online billing, recurring billing, Card Present (CP) payment and GMO Payment After Delivery’s transaction volume increased by 20.4% YoY and transaction value by 24.8% YoY. As a result, the Payment Processing Business revenue reached ¥27,241 mil (up 18.1% YoY), Money Service Business (MSB) revenue was ¥8,216 mil (up 19.4% YoY) and Payment Enhancement Business revenue was ¥693 mil (up 34.6% YoY). For details, please refer to page 5 of “② Results by segment” found under “(1) Consolidated operating results” of “1. Qualitative Information on Consolidated Financial Statements for the Quarter”.

Revenue breakdown by business model is as follows.

(Unit: Thousand Yen)

Business model	Q2 FY2023 (From October 1, 2022 to March 31, 2023)	Q2 FY2024 (From October 1, 2023 to March 31, 2024)	Rate of change (%)
Initial (Initial revenue)	5,275,587	6,376,456	20.9
Stock (Fixed revenue)	4,526,686	5,484,639	21.2
Fee (Transaction processing revenue)	8,568,672	10,360,394	20.9
Spread (Merchant acquiring service revenue)	12,083,437	13,878,171	14.9
Total	30,454,383	36,099,661	18.5

b． Operating profit

Operating profit reached ¥12,652 mil, up by 22.2% YoY, making steady progress towards achieving the full year earnings forecast for the fiscal year ending September 2024 (FY2024).

By segment, Payment Processing Business segment profit (operating profit) was ¥12,515 mil, up 21.0% YoY; Money Service Business segment profit (operating profit) stood at ¥2,043 mil, up 38.1% YoY; Payment Enhancement Business segment profit (operating profit) of ¥184 mil (up 62.2% YoY). For details, please refer to page 5 of "② Results by segment" found under "(1) Consolidated operating results" of "1. Qualitative Information on Consolidated Financial Statements for the Quarter".

c． Profit before income taxes

Profit before income taxes reached ¥13,118 mil, up 33.1% YoY. The reason for the second quarter pre-tax profit to increase by 33.1% YoY compared to the operating profit growth rate of 22.2% YoY is due to recording financial expenses of ¥953 mil, including foreign currency loss of ¥526 mil, in same period of the previous fiscal year.

② Results by segment

Performance by reportable segment is explained below.

(Unit: Thousand Yen)

Segment	Q2 FY2023 (From October 1, 2022 to March 31, 2023)	Q2 FY2024 (From October 1, 2023 to March 31, 2024)	Rate of change (%)
Payment Processing Business			
Revenue	23,070,074	27,241,363	18.1
Segment profit (△=loss)	10,341,836	12,515,966	21.0
Money Service Business			
Revenue	6,879,418	8,216,799	19.4
Segment profit (△=loss)	1,479,802	2,043,432	38.1
Payment Enhancement Business			
Revenue	515,165	693,607	34.6
Segment profit (△=loss)	113,941	184,812	62.2
Adjustments			
Revenue	△10,274	△52,109	—
Segment profit (△=loss)	△1,585,350	△2,091,647	—
Total			
Revenue	30,454,383	36,099,661	18.5
Segment profit (△=loss)	10,350,230	12,652,564	22.2

a． Payment Processing Business

The Payment Processing Business focusses on expanding payment processing services for online billing, recurring billing, and CP payments, as well as providing Banking as a Service (BaaS) support to financial institutions and business operators. In the online billing and recurring billing domain, we focused our efforts to acquire large and medium- to small-sized merchants across various industries as well as expand our services to a wide array of non-EC merchants, given the backdrop of the steadily expanding E-Commerce (EC) market.

In the online billing and recurring billing domains, revenue in the non-merchandise sectors grew for the second quarter under review, thanks to the growth of payments in public taxes/utilities and travel/ticket sectors and the increase of online payments by new industries given the heightened needs for digital transformation (DX), despite the adverse impact on transaction value from electricity tariff reduction caused by government measures to mitigate the impact of rapid economic change. In the merchandise sectors, daily household goods and food and beverage sector increased, although small-sized merchants continue to be negatively affected due to the shift towards CP consumption.

In the CP domain during the second quarter under review, initial revenue benefited from the steady sales of payment terminals led by ‘stera,’ IoT terminals such as unattended machines, mobile terminals used in taxis, etc., thanks to the continuing high demand for cashless due to the increase in inbound consumption. In addition, stock, fee and spread revenues also increased from the stable operation of payment terminals from the contribution of inbound consumption from the increase in foreign tourists.

Furthermore, in the Banking as a Service (BaaS) service, processing platform service revenue increased from the revenue contribution of a large-scale project commencing from the first quarter, given the backdrop of expanding DX needs and cashless migration of payments by financial institutions and business operators.

As a result, segment revenue reached ¥27,241 mil, up 18.1% YoY and segment profit (operating profit) was ¥12,515 mil, up 21.0% YoY.

b． Money Service Business

Money Service Business (MSB) consists of Early Payment service to help merchants improve their cash flow; Transaction Lending service, a loan service for merchants; Lending service to overseas FinTech operators; Remittance service; Instant Salary byGMO, a salary prepayment service, and GMO Payment After Delivery provided by the consolidated subsidiary GMO Payment Service, Inc.

During the second quarter under review, revenue for Payment After Delivery service increased from the acquisition of large merchants despite the cycling through of commission rate revisions in the previous fiscal year. Also, the new Buy Now Pay Later (BNPL) service “atokara” that enables installment payment and addresses CP transactions was launched on February 7, 2024 together with Sumitomo Mitsui Card Company, Limited. In the lending service to overseas FinTech operators, loan balance grew 25.3% YoY particularly in North America and India, which also contributed to segment revenue growth. Furthermore, the number of contracts trended steadily for Instant Salary byGMO.

As a result, segment revenue reached ¥8,216 mil, up 19.4% YoY and segment profit (operating profit) was ¥2,043 mil, an increase of 38.1% YoY thanks to the decline in default rates that enabled credit cost to be controlled for Payment After Delivery service as well as the growth in lending service to overseas FinTech operators.

c . Payment Enhancement Business

Payment Enhancement Business comprises of online advertising service to support the revenue growth at merchants the Group transacts with, and “Medical Kakumei byGMO,” a reservation management system exclusively for medical institutions to enable operational efficiency at reception counters, provided by the consolidated subsidiary GMO Medical Reservations Technology Co. Ltd.

In the second quarter under review, demand increased for services offered by GMO Medical Reservation Technology Co. Ltd., such as smartphone-based app to make reservations, fill out medical questionnaires, complete reception and payment as well as to consolidate multiple patient registration cards from medical institutions on the smartphone, resulting in a favorable revenue growth of 71.1% YoY as well as positively contributing to profits. In addition, online advertising revenue also increased.

As a result of the above, segment revenue was ¥693 mil, up 34.6% YoY and segment profit (operating profit) was ¥184 mil, up 62.2% YoY.

The table below shows the companies providing the various businesses/services by segment.

Segment	Major service	Major companies of the service
Payment Processing Business	Payment processing service (Online billing and recurring billing)	GMO Payment Gateway, Inc. GMO Epsilon, Inc. (consolidated subsidiary)
	Payment processing service (CP)	GMO Financial Gate, Inc. (consolidated subsidiary)
Money Service Business	GMO Payment After Delivery	GMO Payment Service, Inc. (consolidated subsidiary)
	Remittance service	GMO Payment Gateway, Inc. GMO Epsilon, Inc. (consolidated subsidiary)
	Transaction Lending	GMO Payment Gateway, Inc. GMO Epsilon, Inc. (consolidated subsidiary)
	Overseas Lending	GMO Payment Gateway, Inc.
	Early Payment service	GMO Payment Gateway, Inc. GMO Epsilon, Inc. (consolidated subsidiary)
	Instant Salary byGMO	GMO Payment Gateway, Inc.
Payment Enhancement Business	Online Advertising service	GMO Payment Gateway, Inc.
	Medical Kakumei byGMO	GMO Medical Reservations Technology Co., Ltd. (consolidated subsidiary)

（２） Status of consolidated financial position

① Assets, liabilities and equity

ａ. Assets

Total assets at the end of the consolidated second quarter increased by ¥42,150 mil from the end of the previous fiscal year to reach ¥334,497 mil. This is mainly due to the increase in cash and cash equivalents of ¥33,252 mil, trade and other receivables of ¥4,092 mil, advances paid of ¥3,502 mil, accrued revenues of ¥2,200 mil, inventories of ¥956 mil, other financial assets of ¥988 mil and goodwill and intangible assets by ¥1,140 mil, despite the decline in deposits to subsidiaries and affiliated companies of ¥5,300 mil.

ｂ. Liabilities

Balance of liabilities at the end of the consolidated second quarter under review stood at ¥237,246 mil, an increase of ¥39,704 mil from the end of the previous consolidated fiscal year. This is mainly due to the increase in trade and other payables of ¥1,260 mil, accrued expenses of ¥3,343 mil, deposits received of ¥33,356 mil and borrowings of ¥4,175 mil., despite the decrease in income tax payables of ¥3,437 mil.

ｃ. Equity

Equity balance at the end of the consolidated second quarter under review was ¥97,251 mil, an increase of ¥2,446 mil from the end of the previous consolidated fiscal year. This was mainly due to the increase in profit of ¥8,608 mil. and other comprehensive income of ¥738 mil despite the decrease in retained earnings for dividend payment of ¥6,749 mil. despite the increase

③ Consolidated cash flow

Cash and cash equivalents (“funds”) at the end of the consolidated second quarter under review increased by ¥33,252 mil compared to the balance at the start of the term, to reach ¥166,910 mil. The state of cash flows over the second quarter under review is discussed below.

ａ. Cash flow from operating activities

Net funds provided by operating activities during the consolidated second quarter under review amounted to ¥33,859 mil, which compares to ¥18,625 mil in net funds acquired in the same period of the previous year. This resulted from cash outflows from (i) increase in trade and other receivables of ¥4,235 mil, (ii) an increase in advances paid of ¥3,502 mil, (iii) an increase in accrued revenues of ¥2,200 mil, (iv) income tax payments of ¥7,976 mil, which was offset by cash inflows of (i) profit before income tax of ¥13,118 mil, (ii) increase in accrued expenses of ¥3,174 mil, (iii) increase in deposits received of ¥33,356 mil.

ｂ. Cash flow from investing activities

Net funds provided by investing activities during the consolidated second quarter under review totaled ¥1,827 mil, compared to the net funds acquired of ¥12,904 mil during the same period of the previous year. This resulted from cash outflows from (i) purchase of intangible assets of ¥2,216 mil, (ii) purchase of investment securities of ¥1,271 mil, which was offset by cash inflows from withdrawal of deposits to subsidiaries and affiliated companies of ¥5,300 mil.

ｃ. Cash flow from financing activities

Net funds used by financing activities over the consolidated second quarter under review was ¥3,095 mil which compares to net funds used of ¥8,338 mil during the same period of the previous year. This is mainly due to cash inflows from net increase in short term borrowings of ¥3,900 mil which was offset by cash outflows from dividend payouts of ¥6,745 mil.

（３）Earnings forecast

The businesses of GMO-PG and its consolidated subsidiaries are positioned primarily within the E-Commerce (EC) market, and the current merchandise sector of the B2C EC market is expected to continue to grow thanks to large-scale business operators expanding their sales channel and changes in consumption behavior, despite some saturation in the market segment addressed primarily by small-sized merchants. Additionally, the non-merchandise domain, such as services and sectors closely related to daily life such as public utilities, taxes/public dues and medical expenses, is expected to continue its high growth from the solid progress in online migration of payments. In addition, the scope of the EC market itself is expanding driven by the online migration of inter-company transactions (B2B) and inter-consumer transactions (C2C).

The CP domain which is addressed by the consolidated subsidiary GMO Financial Gate, Inc. is undergoing an acceleration in cashless adoption of various payment methods including credit cards. This is leading to new business opportunities as well as to expand the scope of businesses for GMO-PG and its consolidated subsidiaries.

The business environment for the fiscal year ending September 2024 (FY2024) faces continued uncertainty over private consumption caused by uncertainties over the global state of affairs leading to volatile capital markets, inflation and the decline in real wages, despite positive effects from the shift of economic activities to a post-COVID ‘new Normal’ leading to an increase in inbound consumption and rising momentum for wage increases by corporates. This is expected to have a negative impact on online payment for GMO-PG and its consolidated subsidiaries in the near term. Given this business environment, we will work to strengthen the business foundation to continue to grow operating profit at a compound average growth rate (CAGR) of 25% by pursuing the priority initiatives such as acquiring large-scale, growth-oriented merchants and undertaking large-scale projects, industry-specific DX platforms that offers ‘payment + α’ solutions, BaaS support services to financial institutions and business operators and the next generation payment platform of ‘stera’.

The consolidated earnings forecast for FY2024 is revenue ¥73,286 mil (up 16.1% YoY), operating profit of ¥25,000 mil (up 23.1% YoY), profit before income taxes of ¥23,904 mil (up 15.8% YoY) and profit of ¥15,961 mil (up 15.5% YoY) and profit attributable to owners of parent of ¥15,523 mil (up 15.2% YoY).

２．Condensed Consolidated Financial Statements and Major Notes

（１）Condensed consolidated balance sheet

(Unit: Thousand Yen)

	Notes	End of previous consolidated fiscal year (September 30, 2023)	End of Q2 of current consolidated fiscal year (March 31, 2024)
Assets			
Current assets			
Cash and cash equivalents	①	133,658,153	166,910,556
Trade and other receivables	②	18,953,746	24,052,998
Advances paid		63,387,197	66,890,125
Accrued revenue		33,395,131	35,595,530
Inventories		2,405,040	3,361,400
Deposits to subsidiaries and affiliates	③	5,300,000	—
Other financial assets		650,307	715,096
Other current assets		717,719	910,020
Total current assets		258,467,295	298,435,726
Non-current assets			
Property, plant and equipment		3,353,504	3,958,967
Goodwill and other intangible assets		9,310,325	10,450,874
Investments accounted for using equity method		9,194,822	9,583,290
Trade and other receivables	②	3,622,301	2,615,698
Other financial assets		6,615,112	7,539,222
Deferred Tax Assets		1,700,228	1,712,293
Other non-current assets		83,227	201,669
Total non-current assets		33,879,522	36,062,016
Total assets		292,346,818	334,497,743

(Unit: Thousand Yen)

	Notes	End of previous consolidated fiscal year (September 30, 2023)	End of Q2 of current consolidated fiscal year (March 31, 2024)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		6,555,211	7,815,535
Accrued expenses		25,371,033	28,714,578
Deposits received		97,231,797	130,588,776
Borrowings		20,395,000	24,340,000
Other financial liabilities		388,765	677,743
Income taxes payable, etc.		7,888,647	4,451,082
Provisions		320,963	308,034
Other current liabilities		5,138,950	5,670,957
Total current liabilities		163,290,369	202,566,708
Non-current liabilities			
Corporate bonds		19,763,730	19,806,486
Borrowings		8,955,000	9,185,000
Other financial liabilities		2,128,594	2,361,735
Provisions		130,854	131,024
Deferred tax liabilities		1,221,695	1,141,387
Other non-current liabilities		2,051,729	2,053,923
Total non-current liabilities		34,251,605	34,679,557
Total liabilities		197,541,975	237,246,265
Equity			
Capital stock		13,323,135	13,323,135
Capital surplus		15,247,534	15,187,277
Retained earnings		50,768,961	52,351,139
Treasury stock		△1,153,329	△1,115,669
Other items of equity		14,088,034	14,826,531
Total equity attributable to owners of parent		92,274,336	94,572,414
Non-controlling interests		2,530,506	2,679,063
Total equity		94,804,843	97,251,478
Total liabilities and equity		292,346,818	334,497,743

（２） Condensed consolidated statement of income and consolidated statement of comprehensive income

Condensed consolidated statement of income

(Unit: Thousand Yen)

	Notes	Q2 FY2023 (From October 1, 2022 to March 31, 2023)	Q2 FY2024 (From October 1, 2023 to March 31, 2024)
Revenue		30,454,383	36,099,661
(of which, interest income※)		5,573,649	6,679,073
Cost of revenue		△10,845,249	△12,831,709
Gross profit		19,609,134	23,267,952
Other income		138,085	166,958
Selling, general and administrative expenses		△9,361,960	△10,776,264
Other expense		△35,029	△6,082
Operating profit		10,350,230	12,652,564
Financial income		462,285	585,775
Financial expense		△953,859	△266,031
Equity method investment gains or loss		△2,285	145,901
Profit before income taxes		9,856,370	13,118,209
Income tax expenses		△3,563,564	△4,509,573
Quarterly profit		6,292,805	8,608,636
Quarterly profit attributable to			
Owners of parent		6,129,098	8,328,671
Non-controlling interests		163,707	279,964
Quarterly Profit		6,292,805	8,608,636
Earnings per share (Yen/share)			
Basic earnings per share		80.81	109.81
Diluted earnings per share		80.02	108.61

（※） The figure present the interest income calculated using the effective interest method as per IFRS 9 Financial Instruments.

Condensed consolidated statement of comprehensive income

(Unit: Thousand Yen)

	Notes	Q2 FY2023 (From October 1, 2022 to March 31, 2023)	Q2 FY2024 (From October 1, 2023 to March 31, 2024)
Quarterly Profit		6,292,805	8,608,636
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Fair value of financial assets measured through other comprehensive income		45,157	△250,239
Share of other comprehensive income of equity method affiliates		△119,218	67,636
Total of Items that will not be reclassified to profit or loss		△74,061	△182,602
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		△1,064,106	921,441
Total of items that will be reclassified to profit or loss		△1,064,106	921,441
Other comprehensive income after income taxes		△1,138,168	738,838
Comprehensive income		5,154,636	9,347,475
Comprehensive income attributable to			
Owners of parent		4,997,978	9,067,776
Non-controlling interests		156,658	279,698
Total		5,154,636	9,347,475

（３） Condensed consolidated statement of changes in equity

Second quarter of the previous consolidated fiscal year (from October 1, 2022 to March 31, 2023)

(Unit: Thousand Yen)

	Notes	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other items of equity	Total equity attributable to owners of parent	Non-controlling interests	Total Equity
Balance as of October 1, 2022		13,323,135	15,272,474	49,424,496	△1,152,444	10,255,198	87,122,860	2,137,790	89,260,651
Quarterly Profit		−	−	6,129,098	−	−	6,129,098	163,707	6,292,805
Other comprehensive income		−	−	−	−	△1,131,119	△1,131,119	△7,049	△1,138,168
Quarterly comprehensive income		−	−	6,129,098	−	△1,131,119	4,997,978	156,658	5,154,636
Purchase of treasury stock		−	−	−	△884	−	△884	−	△884
Dividends		−	−	△12,134,807	−	−	△12,134,807	−	△12,134,807
Dividends paid to non-controlling interests		−	−	−	−	−	−	△102,856	△102,856
Share-based payment transaction		−	22,393	−	−	−	22,393	−	22,393
Changes in the interest in controlled subsidiary		−	△67,386	−	−	−	△67,386	145,618	78,231
Other Increase or Decrease		−	−	△4,369	−	−	△4,369	−	△4,369
Total transactions with owners		−	△44,993	△12,139,177	△884	−	△12,185,055	42,761	△12,142,294
Balance as of March 31, 2023		13,323,135	15,227,481	43,414,417	△1,153,329	9,124,078	79,935,783	2,337,210	82,272,994

Second quarter of the current consolidated fiscal year (from October 1, 2023 to March 31, 2024)

(Unit: Thousand Yen)

	Notes	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other items of equity	Total equity attributable to owners of parent	Non-controlling interests	Total Equity
Balance as of October 1, 2023		13,323,135	15,247,534	50,768,961	△1,153,329	14,088,034	92,274,336	2,530,506	94,804,843
Quarterly Profit		−	−	8,328,671	−	−	8,328,671	279,964	8,608,636
Other comprehensive income		−	−	−	−	739,104	739,104	△266	738,838
Quarterly comprehensive income		−	−	8,328,671	−	739,104	9,067,776	279,698	9,347,475
Purchase of treasury stock		−	−	−	△777	−	△777	−	△777
Disposal of treasury stock		−	△333	−	−	−	△333	−	△333
Dividends		−	−	△6,749,980	−	−	△6,749,980	−	△6,749,980
Dividends paid to non-controlling interests		−	−	−	−	−	−	△165,221	△165,221
Transfer from other components of equity to retained earnings		−	−	△205	−	205	−	−	−
Share-based payment transaction		−	△71,117	−	38,437	−	△32,680	−	△32,680
Changes in the interest in controlled subsidiary		−	11,194	−	−	−	11,194	34,080	45,274
Other Increase or Decrease		−	−	3,691	−	△812	2,878	−	2,878
Total transactions with owners		−	△60,257	△6,746,493	37,659	△607	△6,769,698	△131,141	△6,900,840
Balance as of March 31, 2024		13,323,135	15,187,277	52,351,139	△1,115,669	14,826,531	94,572,414	2,679,063	97,251,478

（４） Condensed consolidated statement of cash flows

(Unit: Thousand Yen)

	Notes	Q2 FY2023 (From October 1, 2022 to March 31, 2023)	Q2 FY2024 (From October 1, 2023 to March 31, 2024)
Net cash provided by (used in) operating activities			
Profit before income taxes		9,856,370	13,118,209
Depreciation & Amortization		1,167,932	1,574,278
Financial income and expense (△=gain)		491,573	△319,744
Equity method investment gain/loss (△=increase)		2,285	△145,901
Increase/decrease in inventories (△=increase)		△1,611,996	△956,359
Increase/decrease in trade and other receivables (△=increase)		△5,059,409	△4,235,297
In/Decrease in advances paid (△=increase)		△5,349,818	△3,502,927
In/Decrease in accrued revenues (△=increase)		△2,675,833	△2,200,419
In/Decrease in trade payables (△=decrease)		1,362,305	1,260,144
In/Decrease in accrued expenses (△=decrease)		2,232,829	3,174,208
In/Decrease in deposits received (△=decrease)		25,186,724	33,356,912
In/Decrease in other current liabilities (△=decrease)		△1,113,538	528,643
In/Decrease in other non-current liabilities (△=decrease)		△461,552	29,974
Other		△427,855	△352,299
Subtotal		23,600,018	41,329,422
Interest and dividends received		407,769	595,306
Interest paid		△71,437	△88,455
Income taxes paid		△5,310,850	△7,976,401
Net cash provided by (used in) operating activities		18,625,500	33,859,872
Net cash provided by (used in) investing activities			
Payments into restricted deposits		△9,088,620	—
Proceeds from withdrawal of restricted deposits		13,763,269	—
Purchase of property, plants and equipment		△350,731	△168,848
Purchase of intangible assets		△2,179,039	△2,216,696
Purchase of investment securities		△570,754	△1,271,720
Purchase of investments accounted for using equity method		—	△200,000
Proceeds from distributions of investments partnerships		150,582	415,538
Payments into deposits to subsidiaries and affiliates		△5,300,000	—
Proceeds from withdrawal of deposits to subsidiaries and affiliates		16,500,000	5,300,000
Others		△20,498	△30,976
Net cash provided by (used in) investing activities		12,904,208	1,498,580

(Unit: Thousand Yen)

	Notes	Q2 FY2023 (From October 1, 2022 to March 31, 2023)	Q2 FY2024 (From October 1, 2023 to March 31, 2024)
Net cash provided by (used in) financing activities			
Net in/decrease in short-term borrowings (△=decrease)		1,700,000	3,900,000
Increase in long-term borrowings		2,450,000	500,000
Repayment of long-term borrowings		―	△225,000
Dividends paid		△12,121,488	△6,745,593
Dividends paid to non-controlling interests		△102,856	△165,221
Capital contributions from non-controlling interests		23,890	17,495
Other		△288,469	△376,853
Net cash provided by (used in) financing activities		△8,338,924	△3,095,173
Effect of exchange rate changes on cash and cash equivalents		△752,242	660,405
Increase and decrease in cash and cash equivalents (△=decrease)		22,438,542	33,252,403
Balance of cash and cash equivalents at the beginning of the period	①	113,967,930	133,658,153
Balance of cash and cash equivalents at the end of period	①	136,406,472	166,910,556

（５） Notes regarding the going concern assumptions

N/A

（６） Notes regarding condensed consolidated financial statements

① Cash and cash equivalents

Breakdown of cash and cash equivalents are as follows.

(Unit: Thousand Yen)

	End of previous consolidated fiscal year (September 30, 2023)	End of Q2 of current consolidated fiscal year (March 31, 2024)
Cash and cash equivalents	127,578,153	166,910,556
Deposits to subsidiaries and affiliates	6,080,000	―
Total	133,658,153	166,910,556

② Trade and other receivables

Breakdown of trade and other receivables are as follows.

(Unit: Thousand Yen)

	End of previous consolidated fiscal year (September 30, 2023)	End of Q2 of current consolidated fiscal year (March 31, 2024)
Trade and other receivables	7,414,365	9,654,981
Operating loans	14,760,925	16,587,364
Other	661,867	760,519
Provisions for doubtful accounts	△261,110	△334,168
Total	22,576,047	26,668,696
Current assets	18,953,746	24,052,998
Non-current assets	3,622,301	2,615,698
Total	22,576,047	26,668,696

③ Deposits to subsidiaries and affiliates

The deposits to subsidiaries and affiliates are deposits made from cash-on-hand to the CMS (cash management system) operated by GMO Internet Group, for use by the entire GMO Internet Group companies.