

Fiscal Year 2025 Consolidated Financial Results (IFRS)

March 19, 2026

Name of Listed Company: GMO Internet Group, Inc.

Exchange Listing: Tokyo Stock Exchange

Stock Code: 9449

URL: <https://group.gmo/en>

Representative: Masatoshi Kumagai, Founder, Chairman and Group CEO

Official Contact: Masashi Yasuda, Director, Executive Vice President and Group CFO, Deputy to Group CEO

Contact Number: +81-3-5456-2555

Date of Annual Securities Report Release: March 23, 2026

(all amounts rounded down to the nearest million yen)

1. Consolidated Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025 - December 31, 2025)

(1) Consolidated Operating Results

(Percentages shown represent year-on-year % change)

	Revenue		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of the parent		Total comprehensive income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2025	285,261	3.3	59,132	19.5	52,942	10.9	36,731	11.6	16,749	12.8	19,464	-47.9
FY2024	276,046	—	49,492	—	47,741	—	32,902	—	14,846	—	37,385	—

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity attributable to owners of the parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to revenue
	¥	¥	%	%	%
FY2025	163.89	162.47	16.3	2.7	20.7
FY2024	140.49	139.35	16.4	2.6	17.9

(Reference) Share of profit/loss of investments accounted for using the equity method: FY2025 ¥132 million, FY2024 ¥-891 million

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of total equity attributable to owners of the parent to total assets	Total equity attributable to owners of the parent per share
	¥ millions	¥ millions	¥ millions	%	¥
FY2025	2,036,559	239,990	111,221	5.5	1,110.50
FY2024	1,893,576	227,120	93,683	4.9	895.27

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	¥ millions	¥ millions	¥ millions	¥ millions
FY2025	55,537	-9,901	37,526	554,418
FY2024	86,656	-71,499	56,898	467,690

2. Dividends

	Annual Dividend					Total dividends	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the parent (Consolidated)
	End of Q1	End of Q2	End of Q3	End of Q4	Total			
	¥	¥	¥	¥	¥	¥ millions	%	%
FY2024	17.20	6.90	7.70	10.00	41.80	4,411	29.8	4.9
FY2025	17.60	16.80	9.50	8.10	52.00	5,291	31.7	5.2
FY2026 (forecast)	—	—	—	—	—	—	—	—

3. Consolidated Results Forecast for the Fiscal Year Ending December 31, 2026 (January 1, 2026 - December 31, 2026)

As the Group's business "Internet Finance business," "Cryptoassets business" and "Incubation business" are affected by economic conditions, financial markets, cryptoassets and other market conditions, it is difficult to forecast business performance, and therefore we do not disclose consolidated business results and dividend forecast. GMO Financial Holdings, Inc., our subsidiary, discloses sales indicators, such as foreign exchange transaction volume, stock brokerage trading value, CFD trading value, cryptoassets trading value and the number of customer accounts, and operating revenue on a monthly basis.

***Notes**

(1) Significant changes in scope of consolidation during the current period: Yes

New inclusion: 2 (Prime Strategy Co., Ltd., GMO DesignOne, Inc.)

(2) Changes in accounting policies and changes in accounting estimates

1. Changes in accounting policies required by IFRS: No
2. Changes other than those specified above: No
3. Changes in accounting estimates: No

(3) Number of outstanding shares (Ordinary share)

(Unit: shares)

1. No. of outstanding shares at the end of the period (including treasury shares)	FY2025	108,273,680	FY2024	109,176,555
2. Number of treasury shares at the end of the period	FY2025	8,119,433	FY2024	4,534,546
3. Average number of shares during the period	FY2025	102,193,543	FY2024	105,675,689

***Consolidated financial results are not subject to audit by independent auditors.**

***Notes regarding the appropriate use of results forecasts and other items**

1. As announced in "Notice Regarding Voluntary Adoption of International Financial Reporting Standards (IFRS)" dated February 12, 2026, the Board of Directors resolved at the meeting held on the same day to voluntarily adopt International Financial Reporting Standards (IFRS) in place of Japanese Generally Accepted Accounting Principles (Japanese GAAP) for the consolidated financial statements in the Annual Securities Report for the fiscal year ending December 31, 2025.
2. The Company will voluntarily adopt International Financial Reporting Standards (IFRS) for the consolidated financial statements in the Annual Securities Report for the fiscal year ending December 31, 2025. The consolidated financial results for the fiscal year ended December 31, 2025 prepared under Japanese GAAP were released on February 12, 2026.

Contents

1. Policy Regarding Choice of Accounting Standards.....	2
2. Consolidated Financial Statements and Major Notes	3
(1) Consolidated statement of financial position	3
(2) Consolidated statements of income and comprehensive income	5
(3) Consolidated statement of changes in equity	7
(4) Consolidated statement of cash flows	9
(5) Notes to consolidated financial statements	11
(Notes regarding going concern assumption)	11
(Business combination, etc.)	11
(Segment information)	13
(Per share information)	17
(Significant subsequent events)	18
(First-time adoption)	19

1. Policy Regarding Choice of Accounting Standards

To enhance the international comparability of financial information in capital markets and strengthen the Group's mid- and long-term management foundation, the Group will voluntarily adopt International Financial Reporting Standards (IFRS), in place of the currently applied Japanese GAAP, starting with its consolidated financial statements to be included in the Annual Securities Report for the fiscal year ending December 31, 2025.

2. Consolidated Financial Statements and Major Notes

(1) Consolidated statement of financial position

(Unit: ¥millions)

	January 1, 2024 (Transition date)	December 31, 2024	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents	392,058	467,690	554,418
Trade and other receivables	150,042	160,711	169,263
Inventories	38,300	60,210	61,285
Securities segment assets	856,758	841,519	872,958
Operational investment securities	46,320	51,323	31,082
Income taxes receivable	709	139	570
Other financial assets	22,700	23,720	47,404
Other current assets	11,013	14,413	14,450
Total current assets	1,517,902	1,619,728	1,751,433
Non-current assets			
Property, plant and equipment	84,488	87,459	84,914
Investment property	22,795	38,028	38,497
Goodwill and intangible assets	48,171	53,604	59,545
Investments accounted for using the equity method	10,589	12,194	12,373
Deferred tax assets	3,277	6,019	8,984
Other financial assets	39,846	73,831	78,624
Other non-current assets	1,872	2,709	2,185
Total non-current assets	211,042	273,848	285,126
Total assets	1,728,944	1,893,576	2,036,559

(Unit: ¥millions)

	January 1, 2024 (Transition date)	December 31, 2024	December 31, 2025
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	196,732	235,993	281,079
Bonds and borrowings	212,513	224,920	291,327
Provisions	1,722	2,055	2,450
Contract liabilities	23,271	25,547	25,997
Securities segment liabilities	716,031	725,789	760,097
Income taxes payable	7,212	7,857	13,544
Other financial liabilities	8,526	9,043	9,362
Other current liabilities	24,294	36,025	30,845
Total current liabilities	1,190,305	1,267,233	1,414,705
Non-current liabilities			
Bonds and borrowings	259,663	328,777	310,148
Provisions	1,995	2,326	2,256
Deferred tax liabilities	3,544	2,567	3,773
Other financial liabilities	65,930	62,716	62,834
Other non-current liabilities	2,547	2,835	2,850
Total non-current liabilities	333,679	399,222	381,863
Total liabilities	1,523,985	1,666,455	1,796,569
Equity			
Share capital	5,000	5,000	5,000
Capital surplus	33,475	32,691	51,331
Retained earnings	55,667	63,559	74,181
Treasury shares	-10,166	-11,400	-24,062
Other components of equity	3,492	3,833	4,771
Total equity attributable to owners of the parent	87,468	93,683	111,221
Non-controlling interests	117,489	133,437	128,769
Total equity	204,958	227,120	239,990
Total liabilities and equity	1,728,944	1,893,576	2,036,559

(2) Consolidated statements of income and comprehensive income

Consolidated statement of income

(Unit: ¥millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Revenue	276,046	285,261
Cost of sales	-109,259	-114,211
Investment profit/loss	3,202	116
Gross profit	169,989	171,165
Other operating income	2,439	2,691
Selling, general and administrative expenses	-117,449	-109,869
Other operating expenses	-5,486	-4,855
Operating profit	49,492	59,132
Other finance income	4,513	2,961
Other finance costs	-5,373	-9,284
Share of profit/loss of investments accounted for using the equity method (- represents loss)	-891	132
Profit before income taxes	47,741	52,942
Income tax expenses	-14,838	-16,210
Profit	32,902	36,731
Profit attributable to:		
Owners of the parent	14,846	16,749
Non-controlling interests	18,055	19,982
Profit	32,902	36,731
Earnings per share		
Basic earnings per share (Yen)	140.49	163.89
Diluted earnings per share (Yen)	139.35	162.47

Consolidated statement of comprehensive income

(Unit: ¥millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	32,902	36,731
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	-1,045	-16,447
Share of other comprehensive income of investments accounted for using the equity method	-33	25
Total items that will not be reclassified to profit or loss	-1,078	-16,421
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	5,264	-1,839
Effective portion of changes in fair value of cash flow hedges	297	994
Total items that may be reclassified subsequently to profit or loss	5,561	-845
Other comprehensive income, net of tax	4,483	-17,266
Comprehensive income	37,385	19,464
Comprehensive income attributable to:		
Owners of the parent	15,354	18,725
Non-controlling interests	22,031	739
Total	37,385	19,464

(3) Consolidated statement of changes in equity

Fiscal year ended December 31, 2024

(Unit: ¥millions)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance at January 1, 2024	5,000	33,475	55,667	-10,166	3,492	87,468	117,489	204,958
Profit	—	—	14,846	—	—	14,846	18,055	32,902
Other comprehensive income	—	—	—	—	507	507	3,975	4,483
Total comprehensive income	—	—	14,846	—	507	15,354	22,031	37,385
Acquisition of treasury shares	—	—	—	-3,643	—	-3,643	—	-3,643
Retirement of treasury shares	—	-2,410	—	2,410	—	—	—	—
Dividends	—	—	-4,872	—	—	-4,872	—	-4,872
Dividends to non-controlling interests	—	—	—	—	—	—	-8,430	-8,430
Share-based payments	—	-6	—	—	158	152	—	152
Transfer from retained earnings to capital surplus	—	2,410	-2,410	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	325	—	-325	—	—	—
Equity transactions with non-controlling interests	—	-777	1	—	—	-776	2,347	1,571
Total transactions with owners	—	-783	-6,955	-1,233	-167	-9,139	-6,083	-15,223
Balance at December 31, 2024	5,000	32,691	63,559	-11,400	3,833	93,683	133,437	227,120

Fiscal year ended December 31, 2025

(Unit: ¥millions)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance at January 1, 2025	5,000	32,691	63,559	-11,400	3,833	93,683	133,437	227,120
Profit	—	—	16,749	—	—	16,749	19,982	36,731
Other comprehensive income	—	—	—	—	1,976	1,976	-19,242	-17,266
Total comprehensive income	—	—	16,749	—	1,976	18,725	739	19,464
Acquisition of treasury shares	—	—	—	-15,037	—	-15,037	—	-15,037
Retirement of treasury shares	—	-2,375	—	2,375	—	—	—	—
Dividends	—	—	-5,526	—	—	-5,526	—	-5,526
Dividends to non-controlling interests	—	—	—	—	—	—	-11,005	-11,005
Share-based payments	—	153	—	—	715	869	—	869
Transfer from retained earnings to capital surplus	—	2,375	-2,375	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	1,753	—	-1,753	—	—	—
Equity transactions with non-controlling interests	—	18,485	21	—	—	18,507	5,597	24,104
Total transactions with owners	—	18,639	-6,127	-12,661	-1,037	-1,187	-5,407	-6,595
Balance at December 31, 2025	5,000	51,331	74,181	-24,062	4,771	111,221	128,769	239,990

(4) Consolidated statement of cash flows

(Unit: ¥millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	47,741	52,942
Depreciation and amortization	17,216	18,481
Impairment losses	3,107	736
Finance income and finance costs (- represents income)	2,004	8,651
Share of profit/loss of investments accounted for using the equity method (- represents profit)	891	-132
Changes in inventories (- represents increase)	-22,882	-862
Changes in trade and other receivables (- represents increase)	-13,932	-8,068
Changes in trade and other payables (- represents decrease)	39,113	40,036
Changes in securities segment assets and liabilities	24,996	2,895
Other	10,640	-41,547
Subtotal	108,898	73,132
Interest and dividends received	2,828	3,508
Interest paid	-7,379	-7,279
Income taxes paid	-17,690	-13,824
Cash flows from operating activities	86,656	55,537
Cash flows from investing activities		
Placement of fixed-term deposit	-606	-40
Proceeds from withdrawal of fixed-term deposit	781	1,948
Acquisition of property, plant and equipment	-10,914	-7,111
Acquisition of intangible assets	-4,855	-4,937
Acquisition of investment property	-15,196	-
Acquisition of investment securities	-52,266	-18,147
Proceeds from sale of investment securities	19,873	23,352
Acquisition of investments accounted for using the equity method	-2,500	-
Acquisition of subsidiaries' shares resulting in change in scope of consolidation	-3,454	-4,993
Proceeds from acquisition of subsidiaries' shares resulting in change in scope of consolidation	-	176
Payment for sale of subsidiaries' shares resulting in change in scope of consolidation	-	-670
Payment of deposit money	-3,334	-3,244
Collection of deposit money	1,516	2,191
Government subsidy received	-	1,925
Other	-542	-349
Cash flows from investing activities	-71,499	-9,901

(Unit: ¥millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from financing activities		
Net changes in short-term borrowings (- represents decrease)	11,639	18,218
Proceeds from long-term borrowings	71,613	28,184
Repayment of long-term borrowings	-15,500	-34,084
Repayment of lease liabilities	-5,679	-5,787
Acquisition of treasury shares	-3,644	-15,037
Payment from investment partners	2,281	2,778
Payment to investment partners	-653	-762
Proceeds from issuance of bonds	20,868	34,842
Redemption of bonds	-10,223	-426
Dividends paid	-4,877	-5,527
Dividends paid to non-controlling interests	-7,777	-10,242
Payment from non-controlling interests	108	56
Acquisition of subsidiaries' shares not resulting in change in scope of consolidation	-620	-674
Proceeds from sale of subsidiaries' shares not resulting in change in scope of consolidation	—	25,906
Other	-635	81
Cash flows from financing activities	<u>56,898</u>	<u>37,526</u>
Effect of exchange rate changes on cash and cash equivalents	3,577	1,331
Changes in cash and cash equivalents (- represents decrease)	75,632	84,493
Cash and cash equivalents at January 1	<u>392,058</u>	<u>467,690</u>
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	2,234
Cash and cash equivalents at December 31	<u><u>467,690</u></u>	<u><u>554,418</u></u>

- (5) Notes to consolidated financial statements
(Notes regarding going concern assumption)
Not applicable.

(Business combination, etc.)

Transactions under common control, etc.

The Company resolved at its Board of Directors meeting held on June 25, 2024 to transfer its Internet Infrastructure business (Domain, Cloud & rental server (hosting), and Provider (ISP)) and Online Advertising & Media business to its consolidated subsidiary GMO Internet, Inc. (the company name was changed from GMO AD Partners Inc. on January 1, 2025, "GMO-I") through an absorption-type company split, and signed an absorption-type company split agreement on the same day. In conjunction with the company split, the Company transitioned to a holding company structure on January 1, 2025.

(1) Overview of the business combination

(i) Name and business description of the target business

Internet Infrastructure business (Domain, Cloud & rental server (hosting), and Provider (ISP)) and Online Advertising & Media business

(ii) Date of the business combination

January 1, 2025

(iii) Legal form of the business combination

Absorption-type company split, with the Company as the demerged company and GMO-I as the successor company

(iv) Company name after the combination

GMO Internet, Inc.

(v) Purpose of the business combination

1. Strengthening the system for the AI & robotics revolution

The Group, under the slogan "Becoming the No. 1 Corporate Group Pioneering the Future with AI," is actively promoting the use of AI across the entire group quickly. We have established GMO AI & Robotics Corporation, anticipating significant progress in the development of robots highly compatible with AI. We are building a framework for the upcoming AI robotics revolution.

We believe that the transitioning to a holding company structure at this time will streamline the business flow and create smoother synergies.

2. Sustainable growth and maximization of corporate value for GMO-I

GMO-I is the core company of the internet advertising and media business. To respond to rapid changes and intensifying competition in the Internet advertising market, we aim to develop our business quickly by leveraging the strengths of both companies by integrating our Internet infrastructure business with GMO-I's internet advertising and media business. We have determined that these actions will lead to sustainable growth and maximization of corporate value for GMO-I and the Company.

3. Strengthening group management functions

By transitioning to a holding company structure, we will further strengthen our system for achieving sustainable growth by focusing on group management functions and further enabling speedy management.

(2) Overview of accounting treatments

Business combinations under common control are transactions where combining entities or businesses are ultimately controlled by the same party before and after the combination, and that controls is not transitory. The Group accounts for all business combinations under common control using the carrying amounts on an ongoing basis.

Business combination through acquisition

The Company resolved at its Board of Directors meeting held on November 25, 2025 (i) to acquire ordinary shares of Prime Strategy Co., Ltd. (Securities Code: 5250, listed on Standard Market of the Tokyo Stock Exchange, "Prime Strategy") through a tender offer ("Tender Offer") under the Financial Instruments and Exchange Act (Law No. 25 of 1948, as amended), and (ii) to enter into a capital and business alliance agreement with Prime Strategy. The Tender Offer commenced on November 26, 2025 and was completed on December 23, 2025.

The company changed its name to "GMO Prime Strategy Co., Ltd." on February 27, 2026.

(1) Overview of the business combination

(i) Name and business description of the acquiree

Name of the acquiree: Prime Strategy Co., Ltd.

Business description: KUSANAGI Stack business, development and provision of KUSANAGI Stack

(ii) Main reason for the business combination

We believe that sufficient business synergies exist between the Company and Prime Strategy, and we have determined that a capital alliance agreement between the two companies would enable the implementation of measures to further enhance their corporate value. Accordingly, we have concluded that entering into a capital alliance will contribute to the enhancement of medium- and long-term corporate value of the Group and Prime Strategy.

(iii) Date of acquisition

December 26, 2025

(iv) Method of acquiring control of the acquiree

Acquisition of shares for cash consideration

(v) Company name after the business combination

Prime Strategy Co., Ltd.

(vi) Ratio of voting rights acquired

63.1%

(2) Consideration of acquisition

Consideration of acquisition	Cash	¥3,543 million
Acquisition costs		¥3,543 million

(3) Acquisition-related costs

Disclosure is omitted as the amount is immaterial.

(4) Fair value of assets acquired and liabilities assumed, non-controlling interests and goodwill

(Unit: ¥millions)

Fair value of consideration	3,543
Fair value of assets acquired and liabilities assumed	
Current assets (Note) 1	1,419
Non-current assets	175
Current liabilities	142
Non-current liabilities	22
Net fair value of assets acquired and liabilities assumed	1,428
Equity warrants	131
Non-controlling interests (Note) 2	527
Goodwill (Note) 3	2,774

(Notes) 1. Current assets include cash and cash equivalents of ¥1,290 million.

2. Non-controlling interests are measured at the proportionate share of the acquisition-date fair value of the acquiree's identifiable net assets.

3. Goodwill represents excess earning power expected from future business development. The amount of goodwill has been provisionally calculated because the allocation of acquisition costs has not been completed as of December 31, 2025.

(5) Profit or loss information from the date of acquisition related to the business combination

Disclosure of revenue and profit of the acquiree from the date of acquisition, as well as revenue and profit of the acquiree assuming that the business combination had been completed on January 1, 2025, is omitted as the impact is immaterial.

(Segment information)

(1) Overview of reportable segments

The Group's reportable segments are based on the business segments which are components of the Group for which separate financial information is available that are reviewed by the Company' Board of Directors regularly to make decisions regarding the allocation of management resources and evaluate operating performance.

The Group operates a comprehensive line up of Internet related services. The Group's operation is divided according to service type into six reportable segments: Internet Infrastructure, Internet Security, Online Advertising & Media, Internet Finance, Cryptoassets, and Incubation.

The Internet Infrastructure segment provides services that comprise the business base for customers with online businesses. Services include domain, cloud & rental server (hosting), ecommerce solutions, payment and provider (ISP). The Internet Security segment provides comprehensive security services addressing diversified digital risks surrounding society and companies in three domains of cipher security, cybersecurity, and brand security. The Online Advertising & Media segment provides marketing solutions for customers with online businesses, and includes online advertising and Internet media sub-segments. The Internet Finance segment operates online securities transaction service, foreign exchange margin transaction service and CFD trading service. The Cryptoassets segment engages in cryptoassets exchange, cryptoassets trading service, mining and payment businesses. The Incubation segment invests primarily in unlisted Internet related businesses.

Accounting policies for the reportable business segments are in accordance with those adopted in preparing the consolidated financial statements. The Group uses segment profit or loss as a management indicator to make decisions regarding the allocation of management resources and evaluate operating performance. Segment profit or loss is a profit measure derived from operating profit, adjusted to exclude impairment losses and other items that are considered non-recurring or incidental in nature. This is intended to more appropriately reflect the performance of each segment based on its ongoing business activities. Amortization of intangible assets recognized in connection with business acquisitions is included in the calculation of segment profit as a cost attributable to ongoing business activities.

Intersegment revenue and transfers are based on the same transaction terms as those applied to external customers. The Company does not allocate assets and liabilities to reportable segments.

(2) Information by reportable segment

(i) Operating revenue and segment profit or loss

Revenue and operating results of the Group's reportable segments are as follows.

Fiscal year ended December 31, 2024

(Unit: ¥millions)

	Internet Infrastructure	Internet Security	Online Advertising & Media	Internet Finance	Cryptoassets	Incubation	Total	Other (Note) 1	Adjustment (Note) 2	Total
Revenue										
Revenue from external customers	162,550	19,310	33,813	43,652	9,567	111	269,006	7,040	—	276,046
Investment profit/loss	—	—	—	—	—	3,202	3,202	—	—	3,202
Intersegment revenue	1,882	606	1,611	27	—	—	4,128	675	-4,803	—
Total	164,432	19,917	35,425	43,679	9,567	3,313	276,336	7,716	-4,803	279,248
Segment profit/loss (- represents loss)	34,344	1,853	3,753	5,210	3,848	2,692	51,701	293	543	52,539

(Notes) 1. "Other" includes Real estate leasing and other businesses not included in any reportable segments.

2. Adjustment includes corporate expenses not allocated to reportable segments and intersegment eliminations.

Fiscal year ended December 31, 2025

(Unit: ¥millions)

	Internet Infrastructure	Internet Security	Online Advertising & Media	Internet Finance	Cryptoassets	Incubation	Total	Other (Note) 1	Adjustment (Note) 2	Total
Revenue										
Revenue from external customers	174,026	21,360	32,113	39,370	8,315	—	275,186	10,074	—	285,261
Investment profit/loss	—	—	—	—	—	116	116	—	—	116
Intersegment revenue	1,681	607	2,895	40	—	—	5,225	1,328	-6,553	—
Total	175,708	21,968	35,009	39,410	8,315	116	280,528	11,402	-6,553	285,377
Segment profit/loss (- represents loss)	41,700	1,353	2,795	13,229	2,396	-419	61,056	100	138	61,296

(Notes) 1. "Other" includes Real estate leasing and other businesses not included in any reportable segments.

2. Adjustment includes corporate expenses not allocated to reportable segments and intersegment eliminations.

Reconciliation between segment profit/loss and profit before income taxes

(Unit: ¥millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Segment profit/loss (- represents loss)	52,539	61,296
Other operating income	2,439	2,691
Other operating expenses	-5,486	-4,855
Operating profit	49,492	59,132
Other finance income	4,513	2,961
Other finance costs	-5,373	-9,284
Share of profit/loss of investments accounted for using the equity method (- represents loss)	-891	132
Profit before income taxes	<u>47,741</u>	<u>52,942</u>

(ii) Other income/expense items

Other income/expense items by reportable segment are as follows.

Fiscal year ended December 31, 2024

(Unit: ¥millions)

	Internet Infrastructure	Internet Security	Online Advertising & Media	Internet Finance	Cryptoassets	Incubation	Total	Other (Note) 1	Adjustment (Note) 2	Total
Depreciation and amortization	10,955	1,952	1,372	2,812	43	7	17,143	77	-3	17,216
Impairment losses	93	—	8	342	495	—	939	2,167	—	3,107

- (Notes) 1. "Other" includes Real estate leasing and other businesses not included in any reportable segments.
2. Adjustment includes corporate expenses not allocated to reportable segments and intersegment eliminations.

Fiscal year ended December 31, 2025

(Unit: ¥millions)

	Internet Infrastructure	Internet Security	Online Advertising & Media	Internet Finance	Cryptoassets	Incubation	Total	Other (Note) 1	Adjustment (Note) 2	Total
Depreciation and amortization	7,093	2,433	6,158	2,580	39	9	18,314	120	46	18,481
Impairment losses	119	—	107	6	416	—	649	86	—	736

- (Notes) 1. "Other" includes Real estate leasing and other businesses not included in any reportable segments.
2. Adjustment includes corporate expenses not allocated to reportable segments and intersegment eliminations.

(3) Information by product and service

Disclosure is omitted as the classification of products and services are the same as that of the reportable segments.

(4) Information by geographic region

Revenue from external customers and non-current assets by geographic region are as follows. Disclosure of investment profit/loss is omitted.

Revenue from external customers

(Unit: ¥millions)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Japan	261,562	269,768
Other	14,483	15,492
Total	276,046	285,261

(Note) Revenue is classified by country or region based on the customer's location

Non-current assets

(Unit: ¥millions)

	January 1, 2024 (Transition date)	December 31, 2024	December 31, 2025
Japan	151,736	176,131	179,019
Other	5,592	5,670	6,123
Total	157,329	181,802	185,142

(Note) Non-current assets are classified based on the location of the assets and do not include financial instruments and deferred tax assets.

(5) Major customers

Disclosure is omitted as no single external customer accounts for 10% or more of revenue on the consolidated statement of income.

(Per share information)

The basis for calculating basic and diluted earnings per share attributable to owners of the parent is as follows:

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit attributable to ordinary shareholders of the parent (¥ millions)		
Profit attributable to owners of the parent	14,846	16,749
Profit not attributable to ordinary shareholders of the parent	—	—
Profit used to calculate basic earnings per share	14,846	16,749
Adjustment: Profit adjustment related to potential ordinary shares of subsidiaries	-119	-145
Profit used to calculate diluted earnings per share	14,726	16,603
Average number of ordinary shares during the period (Shares)		
Average number of ordinary shares during the period	105,675,689	102,193,543
Adjustment	—	—
Average number of ordinary shares adjusted for the effect of dilution	105,675,689	102,193,543
Earnings per share (attributable to owners of the parent)		
Basic earnings per share (Yen)	140.49	163.89
Diluted earnings per share (Yen)	139.35	162.47

- (Notes) 1. The Group has dilutive potential ordinary shares arising from equity warrants and convertible bonds with equity warrants issued by certain subsidiaries.
2. Overview of potential ordinary shares not included in the calculation of diluted earnings per share because of their anti-dilutive effect is as follows.

Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Consolidated subsidiaries	Consolidated subsidiaries
i. GMO AD Partners Inc. (Note)	i. GMO CONNECT, Inc.
Share Options 6th Round	Equity Warrants 1st Round
Ordinary shares: 199,800 shares	Ordinary shares: 35 shares
ii. GMO Financial Holdings, Inc.	Equity Warrants 2nd Round
Equity Warrants 2nd Round	Ordinary shares: 42 shares
Ordinary shares: 1,260,000 shares	
iii. GMO CONNECT, Inc.	
Equity Warrants 1st Round	
Ordinary shares: 35 shares	
Equity Warrants 2nd Round	
Ordinary shares: 42 shares	

(Note) GMO AD Partners Inc. changed its name to GMO Internet, Inc. effective January 1, 2025.

(Significant subsequent events)

(Acquisition of treasury shares)

At the Board of Directors meeting held on February 12, 2026, it was resolved to acquire treasury shares in accordance with the Company's Articles of Incorporation pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act of Japan. Details are as follows:

- (1) Reason for acquisition of treasury shares
To improve shareholder returns and capital efficiency
- (2) Details of the acquisition
 - (i) Class of shares to be acquired: Ordinary shares of the Company
 - (ii) Number of shares to be acquired: 1.10 million shares (maximum)
 - (iii) Total cost of share acquisition: ¥2,740 million (maximum)
 - (iv) Acquisition period: From February 13, 2026 to February 10, 2027
 - (v) Acquisition method: Market purchase at the Tokyo Stock Exchange

(Retirement of treasury shares)

At the Board of Directors meeting held on February 12, 2026, it was resolved to retire treasury shares in accordance with the Company's Articles of Incorporation pursuant to the provisions of Article 178 of the Companies Act of Japan, and the retirement has been completed on March 18, 2026.

- (i) Reason for retirement of treasury shares: To improve shareholder returns and capital efficiency
- (ii) Class of shares to be retired: Ordinary shares of the Company
- (iii) Total number of shares to be retired: 924,559 shares (percentage to total number of outstanding shares before retirement: 0.85%)
- (iv) Date of retirement: March 18, 2026
- (v) Total number of outstanding shares after retirement: 107,349,121 shares

(First-time adoption)

The Group presents the consolidated financial statements in accordance with IFRS from the fiscal year ended December 31, 2025. The most recent consolidated financial statements prepared in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”) were for the fiscal year ended December 31, 2024, and the date of transition to IFRS is January 1, 2024.

(1) Exemptions under IFRS 1 *First-time Adoption of International Financial Reporting Standards*

IFRS requires that, in principle, an entity that is adopting IFRS for the first time to apply the standards required under IFRS retrospectively. However, IFRS 1 provides optional exemptions from the requirements of certain IFRS standards. The Group applies IFRS 1 in preparing its consolidated financial statements. The effects of applying these provisions have been recognized as adjustments to retained earnings or other components of equity at the date of transition to IFRS.

The main optional exemptions that the Group has elected to apply are as follows:

(a) Business combinations

IFRS 1 permits entities to elect not to apply IFRS 3 *Business Combinations* retrospectively to business combinations that occurred before the date of transition to IFRS. The Group has elected not to retrospectively apply IFRS 3 to business combinations that occurred before the date of transition to IFRS. As a result, goodwill arising in business combinations prior to the transition date were recognized at the carrying amount under Japanese GAAP. The Group performed impairment tests on goodwill at the transition date, irrespective of indications of impairment.

(b) Exchange differences on translation of foreign operations

Under IFRS 1, the cumulative exchange differences on translation of foreign operations may be deemed to be zero at the transition date. The Group has elected to reset the cumulative exchange differences on translation of foreign operations to zero at the transition date.

(c) Designation of financial instruments recognized prior to the transition date

Under IFRS 1, entities may classify financial instruments in accordance with IFRS 9 *Financial Instruments* on the basis of the facts and circumstances that exist at the transition date, rather than the date of initial recognition. Entities may also designate equity instruments as financial assets measured at fair value through other comprehensive income on this basis. The Group has elected to apply this exemption and designated certain equity instruments as financial assets measured at fair value through other comprehensive income.

(d) Share-based payment

IFRS 1 permits entities to elect not to apply IFRS 2 *Share-based Payment* to share-based payment that vested prior to the date of transition to IFRS. The Group has elected not to apply IFRS 2 to share-based payment that vested prior to the date of transition to IFRS.

(e) Leases

Under IFRS 1, a first-time adopter may apply the new lease definition to a contract existing at the date of transition to IFRS on the basis of facts and circumstances existing at that date. In recognizing lease liabilities and right-of-use assets, a first-time adopter that is a lessee may also measure a lease liability and a right-of-use asset at the transition date for all of its leases. The Group has measured lease liabilities at the transition date at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the transition date. The Group has measured right-of-use assets at the transition date at the amount equal to the corresponding lease liabilities (adjusted by the amount of any prepaid or accrued lease payments relating to the leases recognized in the statement of financial position immediately before the transition date). However, payments for leases for which the lease term ends within 12 months of the transition date and those for which the underlying asset is of low value are recognized as an expense.

(f) Deemed costs

Under IFRS 1, a first-time adopter may elect to use the fair value of intangible assets at the transition date as their deemed costs at that date. The Group has elected to use the fair value of certain intangible assets at the transition date as their deemed cost at that date.

(g) Assets and liabilities of subsidiaries

Under IFRS 1, if an entity becomes a first-time adopter later than its subsidiary, the entity shall, in its consolidated financial statements, measure the assets and liabilities of the subsidiary at the same carrying amounts as in the financial statements of the subsidiary (after adjusting for consolidation and for the effects of the business combination in which the entity acquired the subsidiary). The Group measures the assets and liabilities of its consolidated subsidiaries that have already applied IFRS at the same carrying amounts as in their financial statements.

(2) Mandatory exceptions to the retrospective application under IFRS 1

IFRS 1 prohibits retrospective application of IFRS for certain items, including estimates, non-controlling interests, and classification and measurement of financial assets. The Group has applied IFRS prospectively for these items from the transition date.

(3) Reconciliations between Japanese GAAP and IFRS

The reconciliation tables required to be disclosed on first-time adoption of IFRS are presented below. Items that do not affect retained earnings or comprehensive income are included in "Reclassification," whereas adjustments that do affect retained earnings and comprehensive income are included in "Differences in recognition and measurement." Under Japanese GAAP, subsidiaries of insignificant materiality were excluded from the scope of consolidation; however, under IFRS, such subsidiaries are included in the scope of consolidation. Adjustments related to this difference are included in "Differences in recognition and measurement."

(a) Reconciliation of equity at the date of transition to IFRS (January 1, 2024)

(Unit: ¥millions)

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Assets						Assets
Current assets						Current assets
Cash and deposits	393,452	-2,308	914	392,058	a, l	Cash and cash equivalents
Trade notes, accounts receivable and contract assets	38,133	116,288	-4,379	150,042	b	Trade and other receivables
Inventory	20,709	17,742	-150	38,300	c	Inventories
Owned cryptoassets	17,046	-17,046	—	—		
Cryptoassets under custody	156,511	—	-156,511	—	m	
Securities segment deposits	511,989	-511,989	—	—		
Securities segment margin transaction assets	127,497	-127,497	—	—		
Securities segment loan secured by securities	12,531	-12,531	—	—		
Securities segment short term guarantee deposits	70,719	-70,719	—	—		
Securities segment variation margin paid	98,051	-98,051	—	—		
	—	826,535	30,222	856,758	d, n	Securities segment assets
Operational investment securities	13,260	—	33,059	46,320	o	Operational investment securities
Other	161,970	-161,970	—	—		
	—	709	—	709		Income taxes receivable
	—	22,738	-38	22,700	a	Other financial assets
	—	10,400	613	11,013	v	Other current assets
Allowance for doubtful debts	-7,616	7,616	—	—	b	
Total current assets	1,614,257	-84	-96,270	1,517,902		Total current assets
Fixed assets						Non-current assets
Tangible fixed assets	46,836	-22,795	60,447	84,488	p, u	Property, plant and equipment
	—	22,795	—	22,795	e	Investment property
Intangible fixed assets	44,305	84	3,781	48,171	q, r	Goodwill and intangible assets
Investments and other assets						
Investment securities	30,687	-30,687	—	—		
	—	10,862	-273	10,589	f	Investments accounted for using the equity method
Deferred tax asset	3,872	—	-594	3,277	s	Deferred tax assets
Other	25,104	-25,104	—	—		
	—	36,716	3,129	39,846	f, o, p	Other financial assets
	—	785	1,087	1,872	v	Other non-current assets
Allowance for doubtful debts	-7,427	7,427	—	—		
Total fixed assets	143,379	84	67,578	211,042		Total non-current assets
Total assets	1,757,636	—	-28,692	1,728,944		Total assets

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Liabilities						Liabilities
Current liabilities						Current liabilities
Trade notes and accounts payable	15,124	-15,124	—	—		
Amount payable	52,083	-52,083	—	—		
Deposits received	130,175	-130,175	—	—		
	—	200,596	-3,863	196,732	h	Trade and other payables
Short term debt	184,133	-184,133	—	—		
Current portion of bonds	10,200	-10,200	—	—		
Current portion of long term debt	13,188	-13,188	—	—		
	—	212,522	-8	212,513	g	Bonds and borrowings
	—	1,722	—	1,722	i	Provisions
Contract liabilities	23,053	—	218	23,271		Contract liabilities
Securities segment deposits received	61,555	-61,555	—	—		
Securities segment margin transaction liability	31,816	-31,816	—	—		
Securities segment guarantees received	560,407	-560,407	—	—		
Securities segment variation margin received	11,677	-11,677	—	—		
Securities segment debt secured by securities	15,698	-15,698	—	—		
	—	685,209	30,821	716,031	d, n	Securities segment liabilities
Deposits received for cryptoassets	156,511	—	-156,511	—	m	
Accrued corporate tax etc.	7,957	-746	2	7,212		Income taxes payable
Allowance for bonuses	2,422	-2,422	—	—		
Allowance for bonuses to directors	526	-526	—	—		
Advance payment received	1,264	-1,264	—	—		
Other	29,217	-29,217	—	—		
	—	3,263	5,263	8,526	u	Other financial liabilities
	—	22,221	2,073	24,294	j, w	Other current liabilities
Total current liabilities	1,307,015	5,295	-122,005	1,190,305		Total current liabilities
Fixed liabilities						Non-current liabilities
Bonds	100,500	-100,500	—	—		
Convertible bonds with equity warrants	20,550	-20,550	—	—		
Long term debt	144,996	-144,996	—	—		
	—	261,046	-1,382	259,663	g	Bonds and borrowings
	—	2,041	-46	1,995	i	Provisions
Deferred tax liability	1,145	—	2,399	3,544	s	Deferred tax liabilities
Other	9,647	-9,647	—	—		
	—	5,734	60,195	65,930	u	Other financial liabilities
	—	1,576	971	2,547	w	Other non-current liabilities
Total fixed liabilities	276,839	-5,295	62,136	333,679		Total non-current liabilities
Statutory reserve						
Financial instruments transaction liability reserve	942	—	-942	—	t	
Total statutory reserve	942	—	-942	—		
Total liabilities	1,584,797	—	-60,811	1,523,985		Total liabilities

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Net assets						Equity
Shareholders' equity						
Capital stock	5,000	—	—	5,000		Share capital
Capital surplus	31,866	—	1,608	33,475		Capital surplus
Earned surplus	47,416	—	8,251	55,667	y	Retained earnings
Treasury stock	-10,166	—	—	-10,166		Treasury shares
Accumulated other comprehensive income						
Other securities valuation differences	3,542	-3,542	—	—		
Foreign currency translation adjustments	4,962	-4,962	—	—		
Deferred hedging profit/loss	-78	78	—	—		
Equity warrants	55	-55	—	—		
	—	8,481	-4,988	3,492	k, o, x	Other components of equity
				87,468		Total equity attributable to owners of the parent
Non-controlling interests	90,242	—	27,247	117,489		Non-controlling interests
Total net assets	172,839	—	32,119	204,958		Total equity
Total liabilities and net assets	1,757,636	—	-28,692	1,728,944		Total liabilities and equity

(b) Reconciliation of equity at December 31, 2024

(Unit: ¥millions)

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Assets						Assets
Current assets						Current assets
Cash and deposits	469,168	-2,823	1,345	467,690	a, l	Cash and cash equivalents
Trade notes, accounts receivable and contract assets	41,789	123,739	-4,817	160,711	b	Trade and other receivables
Inventory	26,024	34,890	-705	60,210	c	Inventories
Owned cryptoassets	32,954	-32,954	—	—		
Cryptoassets under custody	398,713	—	-398,713	—	m	
Securities segment deposits	506,548	-506,548	—	—		
Securities segment margin transaction assets	102,134	-102,134	—	—		
Securities segment loan secured by securities	9,067	-9,067	—	—		
Securities segment short term guarantee deposits	76,370	-76,370	—	—		
Securities segment variation margin paid	101,083	-101,083	—	—		
	—	801,482	40,036	841,519	d, n	Securities segment
Operational investment securities	15,075	—	36,248	51,323	o	Operational investment securities
Other	175,012	-175,012	—	—		
	—	139	0	139		Income taxes receivable
	—	23,747	-27	23,720	a	Other financial assets
	—	13,636	776	14,413	v	Other current assets
Allowance for doubtful debts	-8,043	8,043	—	—	b	
Total current assets	1,945,899	-314	-325,856	1,619,728		Total current assets
Fixed assets						Non-current assets
Tangible fixed assets	67,458	-38,028	58,029	87,459	p, u	Property, plant and equipment
	—	38,028	—	38,028	e	Investment property
Intangible fixed assets	45,961	314	7,328	53,604	q, r	Goodwill and intangible assets
Investments and other assets						
Investment securities	62,811	-62,811	—	—		
	—	12,039	154	12,194	f	Investments accounted for using the equity method
Deferred tax asset	7,150	—	-1,130	6,019	s	Deferred tax assets
Other	40,145	-40,145	—	—		
	—	71,757	2,073	73,831	f, o, p	Other financial assets
	—	847	1,861	2,709	v	Other non-current assets
Allowance for doubtful debts	-18,311	18,311	—	—		
Total fixed assets	205,215	314	68,318	273,848		Total non-current assets
Total assets	2,151,114	—	-257,538	1,893,576		Total assets

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Liabilities						Liabilities
Current liabilities						Current liabilities
Trade notes and accounts payable	15,036	-15,036	—	—		
Amount payable	50,573	-50,573	—	—		
Deposits received	170,089	-170,089	—	—		
	—	240,063	-4,069	235,993	h	Trade and other payables
Short term debt	198,079	-198,079	—	—		
Current portion of bonds	226	-226	—	—		
Current portion of long term debt	26,615	-26,615	—	—		
	—	224,921	-0	224,920	g	Bonds and borrowings
	—	2,055	—	2,055	i	Provisions
Contract liabilities	25,249	—	297	25,547		Contract liabilities
Securities segment deposits received	64,631	-64,631	—	—		
Securities segment margin transaction liability	28,963	-28,963	—	—		
Securities segment guarantees received	553,667	-553,667	—	—		
Securities segment variation margin received	17,628	-17,628	—	—		
Securities segment debt secured by securities	14,064	-14,064	—	—		
	—	684,723	41,065	725,789	d, n	Securities segment liabilities
Deposits received for cryptoassets	398,713	—	-398,713	—	m	
Accrued corporate tax etc.	8,703	-844	-0	7,857		Income taxes payable
Allowance for bonuses	3,310	-3,310	—	—		
Allowance for bonuses to directors	201	-201	—	—		
Advance payment received	1,442	-1,442	—	—		
Other	43,492	-43,492	—	—		
	—	4,602	4,441	9,043	u	Other financial liabilities
	—	32,698	3,326	36,025	j, w	Other current liabilities
Total current liabilities	1,620,688	197	-353,653	1,267,233		Total current liabilities
Fixed liabilities						Non-current liabilities
Bonds	121,362	-121,362	—	—		
Convertible bonds with equity warrants	20,330	-20,330	—	—		
Long term debt	188,260	-188,260	—	—		
	—	329,952	-1,175	328,777	g	Bonds and borrowings
	—	2,409	-83	2,326	i	Provisions
Deferred tax liability	766	—	1,801	2,567	s	Deferred tax liabilities
Other	8,766	-8,766	—	—		
	—	4,347	58,368	62,716	u	Other financial liabilities
	—	1,811	1,024	2,835	w	Other non-current liabilities
Total fixed liabilities	339,485	-197	59,935	399,222		Total non-current liabilities
Statutory reserve						
Financial instruments transaction liability reserve	893	—	-893	—	t	
Total statutory reserve	893	—	-893	—		
Total liabilities	1,961,067	—	-294,611	1,666,455		Total liabilities

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Net assets						Equity
Shareholders' equity						
Capital stock	5,000	—	—	5,000		Share capital
Capital surplus	31,088	—	1,602	32,691		Capital surplus
Earned surplus	53,506	—	10,052	63,559	y	Retained earnings
Treasury stock	-11,400	—	—	-11,400		Treasury shares
Accumulated other comprehensive income						
Other securities valuation differences	749	-749	—	—		
Foreign currency translation adjustments	7,336	-7,336	—	—		
Deferred hedging profit/loss	60	-60	—	—		
Equity warrants	57	-57	—	—		
	—	8,203	-4,370	3,833	k, o, x	Other components of equity
				93,683		Total equity attributable to owners of the parent
Non-controlling interests	103,650	—	29,787	133,437		Non-controlling interests
Total net assets	190,047	—	37,073	227,120		Total equity
Total liabilities and net assets	2,151,114	—	-257,538	1,893,576		Total liabilities and equity

(c) Notes on reconciliation of equity

(Notes on reclassification)

a. Cash and cash equivalents

Fixed term deposits with maturities exceeding three months that were included in "Cash and deposits" under Japanese GAAP are included in "Other financial assets" under current assets under IFRS.

b. Trade and other receivables

"Advance payments" and "Other receivables" that were included in "Other" under current assets under Japanese GAAP are included in "Trade and other receivables" under IFRS. Also, "Trade notes, accounts receivable and contract assets" and "Allowance for doubtful debts" under Japanese GAAP are included in "Trade and other receivables" under IFRS.

c. Inventories

"Owned cryptoassets" under Japanese GAAP are included in "Inventories" under IFRS.

d. Securities segment assets and liabilities

"Securities segment deposits," "Securities segment margin transaction assets," "Securities segment loan secured by securities," "Securities segment short term guarantee deposits," "Securities segment variation margin paid," and "Trading financial instruments" included in "Other" under current assets under Japanese GAAP are included in "Securities segment assets" under IFRS.

Also, "Securities segment deposits received," "Securities segment margin transaction liability," "Securities segment guarantees received," "Securities segment variation margin received," "Securities segment debt secured by securities," and "Trading financial instruments" included in "Other" under current liabilities under Japanese GAAP are included in "Securities segment liabilities" under IFRS.

e. Investment property

"Tangible fixed assets" under Japanese GAAP that meet the definition of investment property under IFRS are separately presented under IFRS.

- f. Other financial assets, investments accounted for using the equity method
Of the items included in “Investment securities” under Japanese GAAP, “Equity method investment” is separately presented and all other items are included in “Other financial assets” under non-current assets under IFRS.
- g. Bonds and borrowings
“Short term debt,” “Current portion of bonds,” and “Current portion of long term debt” under Japanese GAAP are included in “Bonds and borrowings” under current liabilities under IFRS.
Also, “Bonds,” “Convertible bonds with equity warrants” and “Long-term debt” under Japanese GAAP are included in “Bonds and borrowings” under non-current liabilities under IFRS.
Although long-term borrowings that are in breach of financial covenants at the transition date are classified as “Bonds and borrowings” under current liabilities under IFRS, no borrowings were in breach of financial covenants as of December 31, 2024.
- h. Trade and other payables
“Trade notes and accounts payable,” “Amount payable,” and “Deposits received” under Japanese GAAP are included in “Trade and other payables” under IFRS.
- i. Provisions
“Other” under current and non-current liabilities under Japanese GAAP that meets the definition of provisions under IFRS are separately presented.
- j. Other current liabilities
“Allowance for bonuses,” “Allowance for bonuses to directors,” and “Advance payment received” under Japanese GAAP are included in “Other current liabilities” under IFRS.
- k. Other components of equity
“Other securities valuation differences,” “Deferred hedging profit/loss,” “Foreign currency translation adjustments,” and “Equity warrants” that were separately presented under Japanese GAAP are included in “Other components of equity” under IFRS.

(Notes on differences in recognition and measurement)

- l. Scope of consolidation
Under Japanese GAAP, the Group excluded subsidiaries of insignificant materiality from the scope of consolidation and accounted for investments in such subsidiaries as “Investment securities. Under IFRS, these subsidiaries are included in the scope of consolidation.
- m. Cryptoassets entrusted by customers
Under Japanese GAAP, cryptoassets entrusted by customers were separately presented as “Cryptoassets under custody” under current assets and “Deposits received for cryptoassets” under current liabilities. Under IFRS, these cryptoassets and the corresponding liabilities are not recognized as assets and liabilities, respectively.
- n. Adjustments related to trade date accrual
Under Japanese GAAP, when recognizing proprietary trades on a trade-date basis, trade date accrual is recognized on a net basis as the contra entry to trading assets and liabilities. For customer brokerage transactions, trade date accrual is not recognized, and only commission fee is recognized on the trade date. Under IFRS, offsetting between financial assets and financial liabilities with different counterparties is permitted only when an entity has a legally enforceable right to set off the amounts and an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Accordingly, trade date accruals arising from proprietary trading transactions are, in principle, recognized on a gross basis. In addition, for customer brokerage transactions, receivables and payables are, in principle, recognized with both the seller and the buyer, and trade date accruals are recorded on a gross basis.
- o. Adjustments to operational investment securities and investment securities
Under Japanese GAAP, operational investment securities that do not have a quoted market price were measured at cost, and impairment loss was recognized based on the financial condition and other relevant circumstances of the issuer. Under IFRS, these financial instruments are, in principle, measured at fair value, with subsequent changes in fair value recognized in profit or loss. However, for equity instruments designated as financial instruments measured at fair value through other comprehensive income (FVTOCI), subsequent changes in fair value are recognized in other comprehensive income.

- p. Adjustments to property, plant and equipment
Under Japanese GAAP, tangible fixed assets (excluding lease assets) were depreciated mainly using the declining-balance method. Under IFRS, property, plant and equipment is depreciated using the straight-line method.
Under Japanese GAAP, a portion of real estate trust beneficiary rights was classified as “Tangible fixed assets” to the extent of the proportionate interest in the trust assets. Under IFRS, those that qualify as debt instruments are classified as FVTPL, with subsequent changes in fair value recognized in profit or loss.
- q. Adjustments to goodwill
Goodwill was amortized under Japanese GAAP but is not amortized under IFRS. In addition, under Japanese GAAP, impairment tests were performed only when there was an indication of impairment, whereas under IFRS, impairment tests are performed annually irrespective of whether there is any indication of impairment. Also, under IFRS 1, if an entity becomes a first-time adopter later than its subsidiary, the entity shall, in its consolidated financial statements, measure the assets and liabilities of the subsidiary at the same carrying amounts as in the financial statements of the subsidiary. The Group amortized goodwill of its consolidated subsidiaries that had already applied IFRS in preparing the consolidated financial statements under Japanese GAAP. Under IFRS, however, such goodwill is measured at the same carrying amounts as in the financial statements of these subsidiaries.
- r. Adjustments to intangible assets with indefinite useful lives
Intangible assets that were amortized under Japanese GAAP but are classified as having indefinite useful lives under IFRS are not amortized under IFRS. In addition, under Japanese GAAP, impairment tests were performed only when there was an indication of impairment, whereas under IFRS, impairment tests are performed annually irrespective of whether there is any indication of impairment.
- s. Adjustments to deferred tax assets and liabilities
Adjustments have been made to “Deferred tax assets” and “Deferred tax liabilities” due to temporary differences arising from the transition from Japanese GAAP to IFRS. In addition, the recoverability of deferred tax assets has been reassessed in connection with the adoption of IFRS.
- t. Adjustments to statutory reserve
Statutory reserve recognized under Japanese GAAP relates to potential future losses that do not exist as of the reporting date and therefore does not meet the liability recognition criteria under IFRS. As a result, the reserve is reversed under IFRS.
- u. Adjustments to lease transactions
Under Japanese GAAP, the Group classified leases for which it is the lessee as either finance leases or operating leases, and operating leases were accounted for in a manner similar to ordinary rental transactions. Under IFRS, leases for which the Group is the lessee are not classified as finance leases or operating leases; instead, for all leases other than short-term leases and leases of low-value underlying assets, a right-of-use asset and a lease liability are recognized.
- v. Capitalization of contract acquisition costs
Under Japanese GAAP, payments for affiliate programs and sales commissions to agents were expensed as incurred. Under IFRS, those costs that would not have been incurred if the contract had not been secured are capitalized as contract acquisition costs to the extent that they are expected to be recovered.
- w. Recognition of liabilities for unused paid leave, etc.
Under Japanese GAAP, employees benefit obligations related to paid leave entitlements and long-service awards were not recognized. Under IFRS, a liability is recognized when employees have rendered the related service.
- x. Transfer of cumulative exchange differences on translation of foreign operations
Upon first-time adoption of IFRS, the Group elected to apply the exemption under IFRS 1 and reclassified all cumulative exchange differences at the transition date to retained earnings.
- y. Adjustments to retained earnings
The major items of the adjustments for differences in recognition and measurement of retained earnings are as follows. The amounts shown reflect the related tax effects.

	(Unit: ¥millions)	
	January 1, 2024 (Transition date)	December 31, 2024
o. Operational investment securities and investment securities	3,105	2,992
p. Property, plant and equipment	-599	-557
q. Goodwill	415	2,058
r. Intangible assets with indefinite useful lives	1,361	1,638
t. Statutory reserve	421	398
u. Leases	-5	-459
v. Contract acquisition costs	1,066	954
x. Liabilities for unused paid leave, etc.	-1,517	-1,628
y. Transfer of cumulative exchange differences on translation of foreign operations	4,987	4,987
Other	-982	-332
Total	8,251	10,052

(d) Reconciliation of profit or loss and comprehensive income for the fiscal year ended December 31, 2024

(Unit: ¥millions)

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Net sales	277,407	-2,322	961	276,046	a	Revenue
Cost of sales	-111,264	1,752	252	-109,259	a, e	Cost of sales
	—	569	2,632	3,202	a, d	Investment profit/loss
Gross profit on sales	166,142	—	3,846	169,989		Gross profit
	—	2,568	-129	2,439	b	Other operating income
Sales, general & administrative expenses	-119,489	-76	2,117	-117,449	f, g	Selling, general and administrative expenses
	—	-4,995	-490	-5,486	b	Other operating expenses
Operating profit	46,653	-2,503	5,343	49,492		Operating profit
Non-operating revenue	6,899	-6,899	—	—		
Non-operating expenses	-6,987	6,987	—	—		
Extraordinary profit	1,703	-1,703	—	—		
Extraordinary loss	-3,381	3,381	—	—		
	—	6,034	-1,520	4,513	b, h	Other finance income
	—	-4,023	-1,349	-5,373	b, g, h	Other finance costs
	—	-1,349	457	-891	b	Share of profit/loss of investments accounted for using the equity method (- represents loss)
Net profit before adjustment for tax etc.	44,887	-76	2,930	47,741		Profit before income taxes
Corporate, municipal and enterprise taxes	-18,861	76	505	-18,279		
Corporate tax etc. adjustment	3,362	—	78	3,440		
Total corporate taxes etc.	-15,498	76	583	-14,838	c	Income tax expenses
Net profit	29,388	—	3,513	32,902		Profit
						Profit attributable to:
Profit attributable to owners of the parent	13,373	—	1,473	14,846		Owners of the parent
Profit attributable to non-controlling interests	16,015	—	2,040	18,055		Non-controlling interests

(Unit: ¥millions)

Accounts under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Net profit	29,388	—	3,513	32,902		Profit
Other comprehensive income						Other comprehensive income
						Items that will not be reclassified to profit or loss
Other securities valuation differences	-2,318	—	1,273	-1,045	h	Financial assets measured at fair value through other comprehensive income
Share of other comprehensive income of affiliates accounted for using equity method	-66	—	33	-33		Share of other comprehensive income of investments accounted for using the equity method
						Items that may be reclassified subsequently to profit or loss
Foreign currency translation adjustments	5,339	—	-75	5,264		Exchange differences on translation of foreign operations
Deferred hedging profit/loss	210	—	86	297		Effective portion of changes in fair value of cash flow hedges
Total other comprehensive income	3,165	—	1,317	4,483		Total other comprehensive income, net of tax
Comprehensive income	32,554	—	4,830	37,385		Comprehensive income
(Breakdown)						Comprehensive income attributable to:
Comprehensive income attributable to owners of the parent	13,093	—	2,260	15,354		Owners of the parent
Comprehensive income attributable to non-controlling interests	19,461	—	2,570	22,031		Non-controlling interests

(e) Notes on reconciliation of profit or loss and comprehensive income

(Notes on reclassification)

a. Investment profit/loss

Under Japanese GAAP, operational investment securities that do not have a quoted market price were measured at cost, and impairment loss was recognized based on the financial condition and other relevant circumstances of the issuer. Under IFRS, these financial instruments are, in principle, measured at fair value, with subsequent changes in fair value recognized in profit or loss.

In addition, of income and expenses related to operational investment securities that were included in “Net sales” and “Cost of sales” under Japanese GAAP, those arising from subsequent changes in fair value under IFRS 9 are presented on a net basis as “Investment income/loss” under IFRS.

b. Other operating income, other operating expenses, other finance income, other finance costs

Of the items classified as “Non-operating revenue,” “Non-operating expenses,” “Extraordinary profit” and “Extraordinary loss” under Japanese GAAP, finance-related income and costs are presented under IFRS as “Other finance income” and “Other finance costs” while all other items are presented as “Other operating income,” “Other operating expenses,” and “Share of profit/loss of investments accounted for using the equity method”.

c. Income tax expenses

Under Japanese GAAP, “Corporate, municipal and enterprise taxes” and “Corporate tax etc. adjustment” were separately presented. Under IFRS, they are presented collectively as “Income tax expenses.”

(Notes on differences in recognition and measurement)

d. Adjustments to operational investment securities

Under Japanese GAAP, operational investment securities that do not have a quoted market price were measured at cost, and impairment loss was recognized based on the financial condition and other relevant circumstances of the issuer. Under IFRS, these financial instruments are, in principle, measured at fair value, with subsequent changes in fair value recognized in profit or loss.

- e. Adjustments to intangible assets with indefinite useful lives
Intangible assets that were amortized under Japanese GAAP but are classified as having indefinite useful lives under IFRS are not amortized under IFRS. In addition, under Japanese GAAP, impairment tests were performed only when there was an indication of impairment, whereas under IFRS, impairment tests are performed annually irrespective of whether there is any indication of impairment.
 - f. Adjustments to goodwill
Goodwill was amortized under Japanese GAAP but is not amortized under IFRS. In addition, under Japanese GAAP, impairment tests were performed only when there was an indication of impairment, whereas under IFRS, impairment tests are performed annually irrespective of whether there is any indication of impairment.
 - g. Adjustments to lease transactions
Under Japanese GAAP, operating leases were accounted for in a manner similar to ordinary rental transactions. Under IFRS, a right-of-use asset and a lease liability and the related depreciation and interest expense are recognized.
 - h. Adjustments to other comprehensive income
Under Japanese GAAP, operational investment securities and investment securities that do not have a quoted market price were measured at cost, and impairment loss was recognized based on the financial condition and other relevant circumstances of the issuer. Under IFRS, these financial instruments are, in principle, measured at fair value, with subsequent changes in fair value recognized in profit or loss. However, for equity instruments designated as financial instruments measured at fair value through other comprehensive income (FVTOCI), subsequent changes in fair value are recognized in other comprehensive income.
In addition, under Japanese GAAP, gains and losses on sale and impairment losses of operational investment securities and investment securities were recognized in profit or loss. Under IFRS, for financial assets measured at fair value through other comprehensive, gains and losses on sale and impairment losses are recognized in other comprehensive income.
Furthermore, under Japanese GAAP, unrealized gains and losses arising from operational investment securities and investment securities with a quoted market price were recognized in other comprehensive income. Under IFRS, changes in fair value of equity instruments not designated at FVTOCI are recognized in profit or loss.
- (f) Reconciliation of cash flows for the fiscal year ended December 31, 2024
Under Japanese GAAP, operating lease payments are classified as cash flows from operating activities. Under IFRS, as the recognition of lease liabilities is required, in principle, for all leases, cash outflows related to repayments of lease liabilities are classified as cash flows from financing activities.