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February 12, 2025

Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (Under Japanese GAAP)

Company name: GMO GlobalSign Holdings K.K.
 Listing: Tokyo Stock Exchange
 Securities code: 3788
 URL: <https://www.gmogshd.com/english>
 Representative: Mitsuru Aoyama President & CEO
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 Scheduled date of annual general meeting of shareholders: March 19, 2025
 Scheduled date to commence dividend payments: March 24, 2025
 Scheduled date to file annual securities report: March 21, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	19,166	9.5	1,246	(3.3)	1,297	(1.4)	854	15.5
December 31, 2023	17,499	9.6	1,289	13.0	1,316	8.3	739	(12.6)

Note: Comprehensive income For the fiscal year ended December 31, 2024: ¥1,376 million [17.4%]
 For the fiscal year ended December 31, 2023: ¥1,172 million [(4.7)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2024	74.22	-	9.4	7.7	6.5
December 31, 2023	64.21	-	8.9	8.7	7.4

Note: Diluted earnings per share are not presented because there were no potential shares.

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended December 31, 2024: ¥ -

For the fiscal year ended December 31, 2023: ¥ -

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	18,027	9,487	52.5	823.97
December 31, 2023	15,693	8,665	55.0	749.90

Reference: Equity

As of December 31, 2024: ¥ 9,460 million

As of December 31, 2023: ¥ 8,638 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	2,807	(1,604)	280	8,449
December 31, 2023	2,203	(1,799)	(645)	6,645

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2023	0.00	0.00	0.00	38.46	38.46	443	59.9	5.3
Fiscal year ended December 31, 2024	0.00	0.00	0.00	37.22	37.22	427	50.2	4.7
Fiscal year ending December 31, 2025 (Forecast)	0.00	0.00	0.00	49.84	49.84		65.0	

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	20,397	6.4	1,434	15.1	1,422	9.6	880	3.0	76.67

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies

Excluded: - companies

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	11,693,000 shares
As of December 31, 2023	11,693,000 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	211,358 shares
As of December 31, 2023	173,680 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2024	11,514,389 shares
Fiscal year ended December 31, 2023	11,519,340 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended 12 31, 2024 (from January 01, 2024 to December 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	8,196	11.9	(417)	-	411	1.0	381	24.8
December 31, 2023	7,323	6.4	(714)	-	407	28.7	305	(15.9)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2024	33.17	-
December 31, 2023	26.56	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	7,225	2,644	36.6	230.30
December 31, 2023	6,321	2,793	44.2	242.50

Reference: Equity

As of December 31, 2024: ¥2,644 million

As of December 31, 2023: ¥2,793 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Explanation about the proper use of results forecasts, and additional information.

The results forecasts are prepared based on adequate information, but actual results might be different from them, depending on a range of factors.

Overview of Business Performance

(1) Overview of Current Period Business Performance

Our group operates in the global internet services market, offering trusted solutions such as digital seals using SSL server certificates and authentication technologies within the "Digital Certificate and eSignature Segment." Leveraging over 28 years of experience, we also provide rental server (hosting) and managed cloud services under the "Cloud Infrastructure Segment." In the "Digital Transformation Segment," we enhance operational efficiency and add value through digitalization, addressing various challenges.

Through these initiatives, we offer internet services that blend convenience with security, supporting numerous companies' online businesses.

During the current consolidated fiscal year, the key products, "GMO Sign" and "GMO Trust Login," saw significant expansion. Our "GlobalSign" brand's digital certificate issuance service, authenticated by our proprietary certification authority, continues its global growth as a core revenue driver. We are expanding in the Global South by setting up sales bases. The burgeoning cloud market, fueled by AI-driven digital transformation, has bolstered sales of "CloudCREW by GMO."

However, a temporary dip in orders in China's Digital Certificate and eSignature Segment and rising software license fees in the Cloud Infrastructure Segment affected operating profit.

The financial performance for the current consolidated fiscal year is as follows: Sales of 19,166,085 thousand yen (up 9.5% YoY), operating profit of 1,246,620 thousand yen (down 3.3% YoY), ordinary profit of 1,297,351 thousand yen (down 1.4% YoY), and net income attributable to owners of the parent of 854,560 thousand yen (up 15.5% YoY).

Starting this fiscal year, to better evaluate each segment's performance, we shifted from ordinary to operating profit as a segment profit measure. In January 2024, we revised our organizational structure, reclassifying segment categories. Some activities previously under "Digital Transformation Segment" now fall under the "Cloud Infrastructure Segment."

Consequently, the previous year's figures have been adjusted in line with the new classifications.

(2) Performance by Segment

(Digital Certificate and eSignature Segment)

In this segment, we are positioning "GMO Sign" as a pivotal product for medium- to long-term growth, enhancing brand recognition through intensified human resource and marketing investments.

This fiscal year, "GMO Sign" has achieved steady sales growth through continued strategic investments. Both the number of client contracts and transmission counts are rising, driving profitability.

The "GMO Sign Administrative Reform DX" initiative enhances administrative service convenience and productivity by digitalizing local government operations. We are increasing implementations by providing superior security features and advancing services like "GMO Sign Electronic Official Seal" for government agencies.

In December, Yokohama Bank adopted "GMO Sign" due to its robust security, compliance with domestic and international standards, and adherence to the Ministry of Internal Affairs and Communications' two-factor authentication guidelines. We will continue expanding its use among financial institutions to enhance convenience and safety.

Sales faced a brief decline in electronic certificate issuance in China, but strong growth in Europe and the U.S. sustained our upward trend. Our "GMO Trust Login" service, leading in domestic IDaaS solutions by app integrations, saw considerable expansion due to enhanced organizational and agency strategies.

Personnel costs and depreciation have risen due to increased labor costs in Europe and the U.S. and development investments for future authentication growth.

As a result, sales in the Digital Certificate and eSignature Segment reached 12,120,026 thousand yen (up 11.7% YoY), with segment profit at 1,151,680 thousand yen (down 9.7% YoY).

(Cloud Infrastructure Segment)

"CloudCREW by GMO," providing managed cloud services, is growing steadily, supported by its security strengths, long-standing infrastructure management, and technical expertise, including AWS certifications.

This fiscal year, robust demand from businesses' Digital Transformation (DX) efforts and public cloud growth maintained a favorable order environment. "CloudCREW" focuses on medium-term expansion by differentiating through strong security services and group synergies with GMO Cybersecurity by Ielae and GMO Flatt Security.

Within rental server services, competition has slowed sales, but we are optimizing costs through operational efficiencies like relocating data centers.

Consequently, the Cloud Infrastructure Segment reported sales of 6,634,199 thousand yen (up 6.0% YoY) and segment profit of 154,619 thousand yen (up 59.0% YoY).

(Digital Transformation Segment)

In this segment, we use expertise from the Digital Certificate and eSignature and Cloud Infrastructure Segments for operational efficiency and high-value digital transformation, aiding companies in overcoming challenges.

The "GMO Shop App," supporting customer acquisition, grew to 10,962 installed stores by year-end (up 7.4% YoY). We continue promoting DX support, customer attraction, and operational efficiency for SMEs, using collaborative strategies, flexible customization, and promoting paperless operations and data utilization.

The "Shop Pocket" service with GMO Financial Gate expanded installations through functional enhancements, aiding stock sales accumulation. The "Mobile Gift Certificate Platform by GMO" digitizes gift certificates and is strengthening implementation through collaboration with agents beyond municipalities to enterprises.

As a result, the Digital Transformation Segment reported sales of 944,871 thousand yen (down 1.5% YoY), with a segment loss of 72,801 thousand yen (69,748 thousand yen loss the previous year).