

## Summary of Consolidated Financial Statements for the Third Quarter FY2022 (IFRS)

August 8, 2022

Exchange: Tokyo Stock Exchange

Name of listed company:	GMO Payment Gateway, Inc.		
Stock code:	3769	URL:	<a href="https://www.gmo-pg.com/en/corp/">https://www.gmo-pg.com/en/corp/</a>
Representative:	Issei Ainoura	President & Chief Executive Officer	
Contact:	Ryu Muramatsu	Director, Executive Vice President	Tel: +81-3-3464-0182
Scheduled submission date of quarterly report	August 12, 2022	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 one million yen)

### 1. Consolidated Financial Statements for the Third Quarter, FY2022

(From October 1, 2021 to June 30, 2022)

(1) Consolidated Financial Statements (Cumulative)

(Percentages represent year-on-year % change)

	Revenue		Operating profit		Profit before income taxes		Quarterly Profit		Profit attributable to owners of parent		Total comprehensive income	
	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%
Q3 FY2022	36,956	21.0	12,788	25.1	30,500	189.8	21,298	201.2	21,129	204.6	31,606	296.0
Q3 FY2021	30,535	26.6	10,222	31.4	10,526	25.1	7,070	21.7	6,937	20.6	7,982	29.6
	Basic earnings per share				Diluted earnings per share							
Q3 FY2022												
Q3 FY2021												

(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	%
Q3 FY2022	265,435	84,930	82,841	31.2
FY2021	215,455	57,820	55,845	25.9

### 2. Dividends

	Annual dividend				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2021	0.00	0.00	0.00	59.00	59.00
FY2022	0.00	0.00	0.00		
FY2022 (forecast)				66.00	66.00

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

### 3. Consolidated Financial Forecast for the Fiscal Year Ending September 2022

(From October 1, 2021 to September 30, 2022)

(% 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
Full Year	50,000	20.0	16,234	25.0	31,538	137.4	21,048	134.3	20,860	136.5	275.04

(Note) Revision of the most recently released financial 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)	Q3 FY2022: 76,557,545	FY 2021: 76,557,545
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[2] Number of treasury shares at the end of the term	Q3 FY2022: 714,996	FY 2021: 714,996
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[3] Average number of shares during the term	Q3 FY2022: 75,842,549	Q3 FY2021: 74,382,106
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(Note 1) 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 FY2021; 709,705 shares for Q3 FY2022.)

\*These quarterly financial statements are not subject to the quarterly 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) Review of consolidated earnings forecasts and other forecasts" 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 August 10, 2022. Supporting materials and a video of the presentation will be made available 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 the Group at the end of the quarter under review.

#### ① Consolidated operating results

The Group announces its earnings results for the cumulative third quarter of the consolidated fiscal year 2022 (October 1, 2021 to June 30, 2022) as follows.

(Unit: Thousand yen)

	Q3 FY2021 (From October 1, 2020 to June 30, 2021)	Q3 FY2022 (From October 1, 2021 to June 30, 2022)	Rate of change (%)
Revenue	30,535,072	36,956,780	21.0
Operating profit	10,222,260	12,788,081	25.1
Profit before income taxes	10,526,081	30,500,544	189.8
Profit attributable to owners of parent	6,937,696	21,129,578	204.6

#### a. Revenue

The Group's revenue reached to ¥36,956 mil, up by 21.0% Year-on-Year (YoY). The Payment Processing Business revenue grew, led by steady growth of E-Commerce (EC) market for online billing and recurring billing coupled with the expansion of the Group's services in the offline domain. The Money Service Business (MSB) revenue increased from growth of GMO Payment After Delivery transactions (a Buy Now Pay Later or BNPL service), Early Payment service and Lending service to overseas FinTech operators. Transaction volume, which is the sum total of online billing and recurring billing, offline payment and GMO Payment After Delivery, increased by 37.4% YoY, transaction value increased by 40.2% YoY that led to the Payment Processing Business revenue growing to ¥27,846 mil (up 24.0% YoY), Money Service Business (MSB) revenue was ¥8,414 mil (up 11.3% YoY) and Payment Enhancement Business revenue was ¥716 mil (up 34.8% 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	Q3 FY2021 (From October 1, 2020 to June 30, 2021)	Q3 FY2022 (From October 1, 2021 to June 30, 2022)	Rate of change (%)
Initial (Initial revenue)	3,560,338	5,329,724	49.7
Stock (Fixed revenue)	4,850,707	5,836,563	20.3
Fee (Transaction processing revenue)	7,942,720	9,823,863	23.7
Spread (Merchant acquiring service revenue)	14,181,305	15,966,628	12.6
Total	30,535,072	36,956,780	21.0

b. Operating profit

Operating profit reached ¥12,788 mil, up by 25.1% YoY, making steady progress towards achieving the full year earnings forecast for the fiscal year ending September 2022.

By segment, Payment Processing Business segment profit (operating profit) was ¥13,524 mil, up 22.4% YoY; Money Service Business segment profit (operating profit) stood at ¥2,061 mil, up 22.0% YoY; Payment Enhancement Business segment profit (operating operating) of ¥170 mil (up 96.2% YoY).

For details please refer to page 5 of “② Results by segment” of the “(1) Consolidated operating results” of “1. Qualitative Information on Consolidated Financial Statements for the Quarter”.

c. Profit before income taxes

Pre-tax profit reached ¥30,500 mil, up 189.8% YoY. The reason the pre-tax profit growth rate of 189.8% YoY is higher than the operating profit growth rate of 25.1% YoY is due to gains on foreign exchange of ¥769 mil and gains on investment partnerships of ¥426 mil that increased the financial income to ¥1,278 mil, gains on sales of affiliate accounted for using the equity method arising from the transfer of all the shares of 2C2P Pte. Ltd. of ¥16,419 mil.

② Results by segment

Performance by reportable segment is explained below.

(Unit: Thousand yen)

Segment	Q3 FY2021 (From October 1, 2020 to June 30, 2021)	Q3 FY2022 (From October 1, 2021 to June 30, 2022)	Rate of change (%)
Payment Processing Business			
Revenue	22,454,331	27,846,597	24.0
Operating profit	11,046,570	13,524,683	22.4
Money Service Business			
Revenue	7,558,425	8,414,516	11.3
Operating profit	1,689,120	2,061,007	22.0
Payment Enhancement Business			
Revenue	531,926	716,867	34.8
Operating profit	86,982	170,633	96.2
Adjustments			
Revenue	△9,610	△21,200	—
Operating profit (△=loss)	△2,600,412	△2,968,242	—
Total			
Revenue	30,535,072	36,956,780	21.0
Operating profit	10,222,260	12,788,081	25.1

#### a. Payment Processing Business

The Payment Processing Business focusses on payment processing services for online billing, recurring billing, and offline payments, as well as expanding support services to financial institutions and financial service providers. 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 EC market.

The impact from COVID-19 was limited during the third quarter under review as was the case in the previous fiscal year. In the online billing and recurring billing domain, the lifting of the Quasi-State of Emergency in the cumulative period to second quarter caused travel and ticket payments to grow from increased movement/travel while causing a slowdown in some merchandise sectors from the easing of nesting demand. Additionally, micropayments increased from rising adoption of cashless payment and E-commerce (EC) usage and online payments increased in areas such as daily goods, digital content, public utilities and taxes as internet usage takes root on the back of continued nesting demand.

In the offline domain during the third quarter under review, the transaction volume and value recovered for some merchants primarily in the restaurant sector due to the lifting of the Quasi-State of Emergency that was issued during the cumulative period to second quarter. In addition, segment revenues benefited from the increase in initial revenues and transaction volume and value, due to favorable payment terminal sales driven by the expansion of offline cashless payment market from consumers refraining from handling physical cash as a safer means of payment as well as the continued growth since last fiscal year of payment terminal sales of *stera*, the next generation payment platform. Furthermore, steady progress was made in project orders related to the Unattended Market such as ticket machines and fare adjustment machines, which is one of the target markets. Furthermore, growth is accelerating from the expansion of Processing Platform service, which is part of the service to financial institutions and financial service operators.

As a result, segment revenue was ¥27,846 mil, up 24.0% YoY and segment profit (operating profit) was ¥13,524 mil up 22.4% YoY.

#### b. Money Service Business

Money Service Business (MSB) consists of Early Payment service to help merchants improve their cash flow by receiving sales proceeds earlier according to the merchant's cash cycle needs; Transaction Lending service, a loan service for merchants to lend growth capital based on payment and other related data; Lending service to overseas FinTech operators; Remittance service; Instant Salary byGMO, a salary prepayment service, and GMO Payment After Delivery provided by a consolidated subsidiary GMO Payment Service, Inc.

In this third quarter under review, segment revenue and profit increased from strong contribution of Early Payment service driven by the growth in Payment Processing Business segment, as well as from Lending service to overseas FinTech operators that made progress in securing new potential customers to generate stable revenues going forward. However, Remittance service revenue growth decelerated despite the growth in transaction volume and GMO Payment After Delivery, a BNPL payment method, also decelerated due to hard comps against the strong nesting demand last year.

As a result, segment revenue reached ¥8,414 mil, up 11.3% YoY and segment profit (operating profit) reached ¥2,061 mil, up 22.0% YoY.

c. Payment Enhancement Business

Payment Enhancement Business comprises of online advertising service which provides analytics and advertisement management service based on product sales trends to support the merchants' revenue growth, and "Medical Kakumei byGMO," a reservation management system to enable operational efficiency at the reception counters offered exclusively to medical institutions by our consolidated subsidiary GMO Medical Reservations Technology Co. Ltd.

GMO Medical Reservations Technology Co. Ltd. offers a smartphone-based app to make reservations, fill in medical questionnaires, complete the reception and payment, in addition to consolidating multiple patient registration cards on a smartphone for the medical institutions that implement this service. In the third quarter under review, this service' revenue increased 93.4% YoY from the heightened demand due to COVID-19. In addition, revenues from online advertising service and SSL coupons also grew, contributing to the segment's revenue growth.

As a result of the above, segment revenue was ¥716 mil, up 34.8% YoY and segment profit (operating profit) was ¥170 mil, up 96.2% YoY.

Please see below for the table of the major businesses and companies providing these businesses 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 (Offline)	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)
Payment Enhancement Business	Online Advertising	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 third quarter under review increased by ¥49,979 mil from the end of the previous fiscal year end to reach ¥265,435 mil. This is mainly due to the increase in cash and cash equivalents by ¥12,642 mil, advances paid by ¥5,043 mil, accrued revenues by ¥5,937 mil, deposits to subsidiaries and affiliates by ¥14,500 mil, other financial assets by ¥4,783 mil and equity method investment by ¥5,220 mil.

The Group has ¥4,880 mil in deposits to subsidiaries and affiliated companies included in the balance of cash and cash equivalents at the end of the consolidated third quarter under review, as stated in ① Cash and cash equivalents" of (6) Notes regarding condensed consolidated financial statements. Together with the ¥16,500 mil of deposits to subsidiaries and affiliated companies stated in the condensed consolidated balance sheet, the total balance of the deposits to subsidiaries and affiliated companies stands at ¥21,380 mil. These deposits are GMO Internet's Group-wide cash on hand that is deposited under the cash management system (CMS) implemented and managed by GMO Internet. This allows the Group to withdraw necessary funds without the need to wait until the preset CMS repayment date, by registering a request after taking into account the number of days required for processing the application.

#### b. Liabilities

Balance of liabilities at the end of the consolidated third quarter under review stood at ¥180,505 mil, an increase of ¥22,869 mil from the end of the previous consolidated fiscal year. This is mainly due to an increase in accrued expenses of ¥3,826 mil, an increase in deposits received of ¥8,152 mil, and an increase in borrowings of ¥6,141 mil. and deferred tax liabilities of ¥4,945 mil.

#### c. Equity

Equity balance at the end of the consolidated third quarter under review was ¥84,930 mil, an increase of ¥27,109 mil from the end of the previous consolidated fiscal year. This was mainly due to the increase from recording the quarterly profit of ¥21,298 mil and the recognition of other comprehensive income of ¥10,307 mil arising mainly from fair value measurements of financial instruments held by associates accounted for using the equity method and foreign currency translation difference of overseas business activities, which was partially offset by the decline in retained earnings of ¥4,474 mil from dividend payouts.

### ② Status of consolidated cash flows

Cash and cash equivalents ("funds") at the end of the consolidated third quarter under review increased by ¥12,642 mil versus the balance at the start of the term, to reach ¥117,166 mil. The state of cash flow over the third quarter under review is discussed below.

#### a. Cash flow from operating activities

Net funds provided by operating activities during the consolidated third quarter under review amounted to ¥8,591 mil, which compares to ¥9,050 mil in net funds used in the same period of the previous year. This resulted from cash outflows from (i) gain on sales of investment of equity method affiliate, which is taken as an adjustment item in investment activities of ¥16,419 mil, (ii) an increase in advances paid of ¥5,043 mil, (iii) an increase in accrued revenues of ¥5,540 mil, (iv) incomes tax payments of ¥5,210 mil, which was offset by cash inflows of (i) profit before tax of ¥30,500 mil, (ii) increase in accrued expenses of ¥3,522 mil, and (iii) increase in deposits received of ¥8,146 mil.

#### b. Cash flow from investing activities

Net funds provided by investing activities during the consolidated third quarter under review totaled ¥1,776 mil, which compares to a net funds provided of ¥2,696 mil in the same period of the previous year. This is due to



(i) cash outflows from payment into restricted deposits of ¥5,282 mil, (ii) payment into deposits to subsidiaries and affiliated companies of ¥16,500 mil. which was offset by cash inflows from proceeds from sale of investment securities of ¥24,360 mil.

c. Cash flow from financing activities

Net funds provided by financing activities over the consolidated third quarter under review was ¥1,087 mil, which compares to net funds provided of ¥16,155 mil in the same period of the previous year. This is due to cash inflows from the net increase in short term borrowings of ¥6,300 mil which was partially offset by net outflows from dividend payouts of ¥4,471 mil.

### (3) Review of consolidated earnings forecasts and other forecasts

The Group's core business is positioned within the E-commerce (EC) market in Japan, and Japan's B2C EC market for consumer merchandizing continues to grow very rapidly, helped by favorable externalities such as increased functionality of smartphones and logistic/distribution industry reforms. In addition, online migration continues to progress solidly for payments related to daily life such as non-merchandise services, public utilities, taxes/public dues and medical expenses, as well as online consumption taking root under the 'new normal' lifestyle brought about by COVID-19. In addition, the scope of the EC market itself is expanding driven by the online migration of B2B and C2C transactions. The consolidated subsidiary GMO Financial Gate, Inc., which addresses the offline market, is contributing to expand the Group's scope of business by capturing business opportunities emerging from the acceleration of cashless adoption of various payment methods, including credit cards, in the offline domain.

The business environment for the fiscal year ending September 2022 is faced with lingering uncertainty over private consumption, caused by the weakening yen and surging raw material costs, although vaccination rates for COVID-19 continues to progress and movement/travel restrictions are eased. Despite this, GMO-PG group's business is characterized by its resiliency to macro-economic fluctuations due to the diverse exposure to merchants across various industries, favorable trends in cashless penetration, online migration of payments and by expanding businesses that respond to corporate needs for cost reductions and business model transformation through DX (Digital Transformation). Hence, the impact to the Group's revenues is believed to be minimal as of this writing. Furthermore, revenue expansion is expected in all reportable segments from acquiring large and high-growth merchants, deepening penetration into financial institutions, winning orders for large projects, revenue expansion from priority initiatives such as DX platforms and the next generation payment platform *stera*.

Note that the Company has resolved at the Board meeting held on April 18, 2022, to transfer all of the shares of its equity method affiliate 2C2P Pte. Ltd. owned by the consolidated subsidiary GMO-Z.COM PAYMENT GATEWAY PTE. LTD. As disclosed in the "Notice Regarding Change in Equity Method Affiliate, Gain on Sale from Transfer of Share, and Revision to Financial Earnings Forecast" released on the same date, the financial earnings forecast for the fiscal year ending September 2022 that was initially disclosed on November 11, 2021, have been revised. Due to the transfer of shares, the third quarter of the fiscal year ending September 2022 recorded a gain on sales from the transfer of shares of an equity method investment of ¥16,419 mil. The revised consolidated earnings forecast for the fiscal year ending September 2022 is revenue ¥50,000 mil (up 20.0% YoY), operating profit of ¥16,234 mil (up 25.0% YoY), profit before income taxes of ¥31,538 mil (up 137.4% YoY), profit of ¥21,048 mil (up 134.3% YoY) and profit attributable to owners of parent of ¥20,860 mil (up 136.5% 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, 2021)	End of Q3 of current consolidated fiscal year (June 30, 2022)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	①	104,523,965	117,166,267
Operating and other receivables	②	10,308,474	12,794,597
Advances paid		45,321,043	50,364,515
Accrued revenue		24,893,665	30,830,755
Inventories		1,664,548	1,549,209
Deposits to subsidiaries and affiliates	③	2,000,000	16,500,000
Other financial assets		455,403	6,006,407
Other current assets		335,983	533,834
<b>Total current assets</b>		<b>189,503,084</b>	<b>235,745,586</b>
<b>Non-current assets</b>			
Property, plant and equipment		3,948,522	3,594,892
Goodwill and other intangible assets		5,521,782	6,474,650
Investments accounted for using equity method		4,593,784	9,814,158
Operating and other receivables	②	4,231,100	3,386,455
Other financial assets		6,005,805	5,238,034
Deferred Tax Assets		1,529,043	1,048,979
Other non-current assets		122,769	132,492
<b>Total non-current assets</b>		<b>25,952,808</b>	<b>29,689,664</b>
<b>Total assets</b>		<b>215,455,892</b>	<b>265,435,251</b>

		(Unit: Thousand yen)	
	Notes	End of previous consolidated fiscal year (September 30, 2021)	End of Q3 of current consolidated fiscal year (June 30, 2022)
Liabilities and equity			
Liabilities			
Current liabilities			
Operating and other payables		5,230,945	5,125,209
Accrued expenses		20,537,297	24,364,179
Deposits received		84,593,904	92,746,340
Borrowings		15,138,420	21,300,000
Other financial liabilities		621,363	612,062
Income taxes payable, etc.		2,602,652	3,842,531
Provisions		327,157	320,230
Other current liabilities		3,662,794	2,780,744
Total current liabilities		132,714,534	151,091,299
Non-current liabilities			
Corporate bonds		19,593,627	19,657,209
Borrowings		20,095	—
Other financial liabilities		2,889,479	2,441,827
Provisions		130,180	130,432
Deferred tax liabilities		78,148	5,023,228
Other non-current liabilities		2,209,447	2,161,252
Total non-current liabilities		24,920,978	29,413,950
Total liabilities		157,635,512	180,505,250
Equity			
Capital stock		13,323,135	13,323,135
Capital surplus		15,191,927	15,234,175
Retained earnings		26,546,151	46,434,344
Treasury stock		△1,152,444	△1,153,163
Other items of equity		1,937,175	9,003,482
Total equity attributable to owners of parent		55,845,946	82,841,974
Non-controlling interests		1,974,433	2,088,026
Total equity		57,820,379	84,930,000
Total liabilities and equity		215,455,892	265,435,251

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

## Condensed consolidated statement of income

(Unit: Thousand yen)			
	Notes	Q3 FY2021 (From October 1, 2020 to June 30, 2021)	Q3 FY2022 (From October 1, 2021 to June 30, 2022)
Revenue		30,535,072	36,956,780
(of which, interest income※)		6,189,736	6,834,040
Cost of revenue		△9,586,807	△12,175,610
Gross profit		20,948,264	24,781,170
Other income		165,685	192,582
Selling, general and administrative expenses		△10,862,189	△12,144,137
Other expense		△29,499	△41,532
Operating profit		10,222,260	12,788,081
Financial income		377,986	1,278,938
Financial expense		△146,510	△169,601
Equity method investment gains or loss		72,344	183,852
Gain from sale of equity method investment		—	16,419,272
Profit before income taxes		10,526,081	30,500,544
Income tax expenses		△3,455,765	△9,201,545
Quarterly profit		7,070,315	21,298,999
Quarterly profit attributable to			
Owners of parent		6,937,696	21,129,578
Non-controlling interests		132,618	169,420
Quarterly Profit		7,070,315	21,298,999
Earnings per share (Yen/share)			
Basic earnings per share		93.27	278.60
Diluted earnings per share		91.58	275.19

(※) 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	Q3 FY2021 (From October 1, 2020 to June 30, 2021)	Q3 FY2022 (From October 1, 2021 to June 30, 2022)
Quarterly Profit		7,070,315	21,298,999
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Fair value of financial assets measured through other comprehensive income		46,904	643,729
Shares of other comprehensive income of equity method affiliates		537,686	5,475,394
Total of Items that will not be reclassified to profit or loss		584,591	6,119,124
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		247,787	4,374,272
Shares of other comprehensive income of equity method affiliates		79,571	△186,034
Total of items that will be reclassified to profit or loss		327,358	4,188,238
Other comprehensive income after income taxes		911,949	10,307,362
Comprehensive income		7,982,265	31,606,361
Comprehensive income attributable to			
Owners of parent		7,848,763	31,429,608
Non-controlling interests		133,502	176,753
Total		7,982,265	31,606,361

## (3) Condensed consolidated statement of changes in equity

Third quarter of the previous consolidated fiscal year (From October 1, 2020 to June 30, 2021) (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, 2020	4,712,900	5,675,561	20,725,465	△1,149,341	1,769,560	31,734,145	1,719,369	33,453,515
Quarterly Profit	—	—	6,937,696	—	—	6,937,696	132,618	7,070,315
Other comprehensive income	—	—	—	—	911,066	911,066	883	911,949
Quarterly comprehensive income	—	—	6,937,696	—	911,066	7,848,763	133,502	7,982,265
Purchase of treasury stock	—	—	—	△2,454	—	△2,454	—	△2,454
Dividends	—	—	△3,826,483	—	—	△3,826,483	—	△3,826,483
Dividends paid to non-controlling interests	—	—	—	—	—	—	△63,671	△63,671
Issuance of convertible bond-type bonds with stock acquisition rights	—	1,006,926	—	—	—	1,006,926	—	1,006,926
Conversion of convertible bond-type bonds with stock acquisition rights	8,610,235	8,430,623	—	—	—	17,040,858	—	17,040,858
Transfer from other items of equity to retained earnings	—	—	428,809	—	△428,809	—	—	—
Share-based payment transaction	—	77,669	—	—	△39	77,629	—	77,629
Changes in the interest in controlled subsidiary	—	△26,969	—	—	—	△26,969	129,142	102,173
Change in associates' interest in controlled subsidiary	—	12,893	—	—	—	12,893	—	12,893
Total transactions with owners	8,610,235	9,501,143	△3,397,673	△2,454	△428,849	14,282,401	65,471	14,347,872
Balance as of June 30, 2021	13,323,135	15,176,704	24,265,489	△1,151,796	2,251,776	53,865,309	1,918,343	55,783,653

Third quarter of the current consolidated fiscal year (From October 1, 2021 to June 30, 2022) (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, 2021	13,323,135	15,191,927	26,546,151	△1,152,444	1,937,175	55,845,946	1,974,433	57,820,379
Quarterly Profit	—	—	21,129,578	—	—	21,129,578	169,420	21,298,999
Other comprehensive income	—	—	—	—	10,300,030	10,300,030	7,332	10,307,362
Quarterly comprehensive income	—	—	21,129,578	—	10,300,030	31,429,608	176,753	31,606,361
Dividends	—	—	△4,474,710	—	—	△4,474,710	—	△4,474,710
Dividends paid to non-controlling interests	—	—	—	—	—	—	△89,232	△89,232
Transfer from other items of equity to retained earnings	—	—	3,233,324	—	△3,233,324	—	—	—
Share-based payment transaction	—	91,350	—	—	△399	90,951	—	90,951
Changes in the interest in controlled subsidiary	—	△49,103	—	—	—	△49,103	26,072	△23,030
Other Increase/Decrease	—	—	—	△718	—	△718	—	△718
Total transactions with owners	—	42,247	△1,241,385	△718	△3,233,723	△4,433,581	△63,160	△4,496,741
Balance as of June 30, 2022	13,323,135	15,234,175	46,434,344	△1,153,163	9,003,482	82,841,974	2,088,026	84,930,000

## (4) Condensed consolidated statement of cash flows

(Unit: Thousand yen)

Notes	Q3 FY2021 (From October 1, 2020 to June 30, 2021)	Q3 FY2022 (From October 1, 2021 to June 30, 2022)
Net cash provided by (used in) operating activities		
Profit before income taxes	10,526,081	30,500,544
Depreciation & Amortization	1,387,859	1,571,024
Financial income and expense (△=gain)	△231,476	△1,109,337
Equity method investment gain/loss (△=gain)	△72,344	△183,852
Gain on sale of equity method investment	—	△16,419,272
Increase/decrease in inventories (△=increase)	332,434	115,338
Increase/decrease in operating and other receivables (△=increase)	△233,425	△714,062
In/Decrease in advances paid (△=increase)	△12,261,272	△5,043,471
Accrued revenues (△=increase)	△1,292,995	△5,540,797
In/Decrease in operating payables (△=decrease)	189,890	△107,745
In/Decrease in accrued expenses (△=decrease)	1,120,577	3,522,920
In/Decrease in deposits received (△=decrease)	△3,750,323	8,146,355
In/Decrease in other current liabilities (△=decrease)	△238,224	△856,124
Other	187,035	△81,006
Subtotal	△4,336,183	13,800,514
Interest and dividends received	17,547	70,997
Interest paid	△101,009	△68,811
Income taxes paid	△4,631,067	△5,210,966
Net cash provided by (used in) operating activities	△9,050,713	8,591,735
Net cash provided by (used in) investing activities		
Payment into restricted deposit	—	△5,282,800
Purchase of property, plants and equipment	△205,535	△201,770
Purchase of intangible assets	△1,198,103	△1,696,021
Purchase of investment securities	△102,954	△454,557
Proceeds from sale of investment securities	489,922	24,360,517
Purchase of investments accounted for using equity method	—	△500,000
Proceeds from redemption of investments partnerships	136,132	286,573
Payments into deposits to subsidiaries and affiliates	△2,000,000	△16,500,000
Proceeds from w/drawal of deposits to subsidiaries and affiliates	5,000,000	2,000,000
Purchase of other financial assets	△158	△30,894
Proceeds from sales of other financial assets	700,555	7,561
Purchase of shares in subsidiary resulting in change in scope of consolidation	△108,566	—
Others	△14,993	△212,293
Net cash provided by (used in) investing activities	2,696,297	1,776,315

(Unit: Thousand yen)

	Notes	Q3 FY2021 (From October 1, 2020 to June 30, 2021)	Q3 FY2022 (From October 1, 2021 to June 30, 2022)
Net cash provided by (used in) financing activities			
In/Decrease in short-term borrowings (△=decrease)		—	6,300,000
Repayment of long-term borrowings		△602,055	△158,515
Proceeds from the issuance of bonds		21,057,055	—
Dividends paid		△3,825,963	△4,471,420
Dividends paid to non-controlling interests		△63,493	△89,232
Capital contributions from non-controlling interests		122,413	25,080
Other		△532,735	△518,113
Net cash provided by (used in) financing activities		16,155,221	1,087,798
Effect of exchange rate changes on cash and cash equivalents		77,129	1,186,453
Increase and decrease in cash and cash equivalents (△=decrease)		9,877,935	12,642,302
Balance of cash and cash equivalents at the beginning of the period	①	95,830,807	104,523,965
Cash and cash equivalents at the end of period	①	105,708,743	117,166,267



(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, 2021)	End of Q3 of current consolidated fiscal year (June 30, 2022)
Cash and cash equivalents	81,593,965	112,286,267
Deposits to subsidiaries and affiliates	22,930,000	4,880,000
Total	104,523,965	117,166,267

② Operating and other receivables

Breakdown of operating and other receivables are as follows.

(Unit: Thousand yen)

	End of previous consolidated fiscal year (September 30, 2021)	End of Q3 of current consolidated fiscal year (June 30, 2022)
Trade and other receivables	5,740,246	6,266,445
Operating loans	8,846,384	9,914,383
Other	92,408	159,134
Allowance for doubtful accounts	△139,464	△158,910
Total	14,539,574	16,181,053
Current assets	10,308,474	12,794,597
Non-current assets	4,231,100	3,386,455
Total	14,539,574	16,181,053

③ Deposits to subsidiaries and affiliates

Our deposits to subsidiaries and affiliates are the deposits under the CMS (cash management system) of GMO Internet Group.