



Fiscal Year 2025 Consolidated Financial Results (Japanese GAAP)

February 12, 2026

Name of Listed Company: GMO Internet, Inc.

Exchange Listing: Tokyo Stock Exchange

Stock Code: 4784

URL: <https://internet.gmo>

Representative: Tadashi Ito, President and CEO

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Date of Annual General Meeting of Shareholders: March 18, 2026

Start Date of Dividend Payout: March 19, 2026

Date of Annual Securities Report Release: March 17, 2026

Preparation of Supplementary Documents Pertaining to Financial Results: Yes

Financial Results Briefing: Yes (For institutional investors and analysts / live stream only)

(all amounts rounded down to the nearest million yen)

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

(1) Consolidated Operating Results

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
Fiscal year ended December 31, 2025	78,548	504.3	8,224	—	8,345	—	5,563	—
December 31, 2024	12,997	-12.8	139	—	151	-15.7	-4	—

(Note) Comprehensive Income: FY 2025 ¥ 5,855 million (— %) FY 2024 ¥ 32 million (— %)

	Basic earnings per share	Diluted earnings per share	Ratio of net profit to shareholders' equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	¥	¥	%	%	%
Fiscal year ended December 31, 2025	20.28	20.26	59.0	27.0	10.5
December 31, 2024	-0.30	—	-0.1	1.4	1.1

(Reference) Earnings/loss on equity method investment: FY 2025 ¥ -0 million FY 2024 ¥2 million

(Note) Diluted earnings per share for the fiscal year ended December 31, 2024 is not reported because, although dilutive shares exist, net loss per share is reported.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ millions	¥ millions	%	¥
As of December 31, 2025	51,528	14,069	26.6	49.90
December 31, 2024	10,356	5,246	50.0	321.02

(Reference) Shareholders' equity: FY 2025 ¥13,686 million FY 2024 ¥5,176 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
	¥ millions	¥ millions	¥ millions	¥ millions
Fiscal year ended December 31, 2025	13,669	-712	-6,326	13,829
December 31, 2024	6	-144	-22	4,024

2. Dividends

	Dividends per share					Total dividend	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	¥	¥	¥	¥	¥	¥ millions	%	%
Fiscal year ended December 31, 2024	0.00	0.00	0.00	6.90	6.90	111	—	2.1
December 31, 2025	4.61	4.17	5.84	5.64	20.26	5,555	100.0	10.9
Fiscal year ending December 31, 2026 (forecast)	—	—	—	—	21.51		100.0	

(Note) Dividend for Q1 of FY2025 consists of a commemorative dividend of ¥1.61 and an ordinary dividend of ¥3.00.

Dividend for Q2 of FY2025 consists of a commemorative dividend of ¥1.47 and an ordinary dividend of ¥2.70.

Dividend for Q3 of FY2025 consists of a commemorative dividend of ¥2.04 and an ordinary dividend of ¥3.80.

Dividend for Q4 of FY2025 consists of a commemorative dividend of ¥1.94 and an ordinary dividend of ¥3.70.

Although only the dividend forecast for a full year is disclosed, dividends will be paid on a quarterly basis.

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

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Basic earnings per share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	Yen
First half	—	—	—	—	—	—	—	—	—
Full year	82,000	4.4	9,460	15.0	9,100	9.0	5,900	6.1	21.51

(Notes) The Company does not disclose consolidated results forecast for the first half. Please see “1. Overview of Operating Results, etc., (4) Future outlook” on page 5 of the attached documents for details.

*Notes

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

New: 9 (GMO-Z.com RUNSYSTEM Joint Stock Company and 8 other companies) Exclusion: 1 (GMO Solution Partner Inc.)

(2) Changes in accounting policy, changes in accounting estimates, restatements

1. Changes resulting from revisions to accounting standards: Yes
2. Changes other than those specified above: No
3. Changes in accounting estimates: No
4. Restatements: No

(3) Number of outstanding shares (Common stock)

(Unit: shares)

1. Number of outstanding shares at end of period (including treasury stock)
2. Number of treasury stock at end of period
3. Average number of shares during period

Dec. 31, 2025	274,698,528	Dec. 31, 2024	16,757,200
Dec. 31, 2025	451,504	Dec. 31, 2024	632,667
FY2025	274,206,089	FY2024	16,122,933

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

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

The forward-looking statements included in this report, including results forecast, are based on the information currently available to the Company and certain assumptions deemed reasonable, and actual results may differ from the forecast due to a variety of factors. Please see “1. Overview of Operating Results, etc., (4) Future outlook” on page 5 of the attached documents for results forecast.

(How to obtain the supplementary documents pertaining to financial results)

The Company will stream a financial results briefing live today (February 12, 2026). The explanatory materials to be used on the day will be made available on the Company's website and TDNet concurrently with the release of this Financial Results Report.

The presentation and explanation (video) will also be made available on our website promptly after the briefing.

(Change in presentation unit of figures)

Figures for account items presented in the Company's consolidated financial statements and other disclosure items were previously reported in thousands of yen, but, from the fiscal year ended December 31, 2025, they are presented in millions of yen.

To facilitate comparison, figures for the fiscal year ended December 31, 2024 are also reported in millions of yen

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year ended December 31, 2025

On January 1, 2025, the Company succeeded the Internet Infrastructure business and the Online Advertising & Media business from GMO Internet Group, Inc. through an absorption-type company split and changed the company name to GMO Internet, Inc. ("Absorption Split"). Under the corporate slogan "Internet for Everyone," we provide the Internet Infrastructure business succeeded from the GMO Internet Group, Inc. while continuing to engage in the Online Advertising & Media business we have previously provided.

As a result of the Absorption Split, net sales, operating profit, ordinary profit and profit attributable to owners of the parent for the fiscal year ended December 31, 2025 have significantly changed from those for the fiscal year ended December 31, 2024.

Also, as released in the "Notice of Acquisition of Shares and Assignment of Claims Involving Change of Subsidiary" dated March 21, 2025, the Company acquired shares of overseas subsidiaries from GMO Internet Group, Inc. on March 31, 2025 ("Acquisition of Overseas Subsidiaries") and included nine companies in the scope of consolidation from the fiscal year ended December 31, 2025.

And following the Absorption Split, effective January 1, 2025, the segmentation of the reportable segments has been changed to "Internet Infrastructure business," "Online Advertising & Media business," and "Other." In addition, the business results of nine companies included in the scope of consolidation through the Acquisition of Overseas Subsidiaries are included in the Internet Infrastructure business from the fiscal year ended December 31, 2025. Year-on-year changes (in amounts and percentages) for segment sales and profit are not presented as the comparison with the fiscal year ended December 31, 2024 is difficult.

In the Internet Infrastructure business, one of our business domains, we believe our business opportunities are expanding more than ever due to factors including the continued spread of the Internet, the progress of Digital Transformation (DX) and the spread of online consumption, as well as the growing use of AI and the related need for high-performance computing capabilities in recent years.

In the online advertising market, advertising expenses in fiscal 2024 reached ¥3,651.7 billion, up 9.6% year-on-year, surpassing advertising expenses of the four major mass media channels and accounting for 47.6% of the total advertising expenses (research by DENTSU INC.).

For the fiscal year ended December 31, 2025, while stock-model revenue from the existing businesses in the Internet Infrastructure business continued to grow steadily, GPU hosting service "GMO GPU Cloud," a new business launched in November 2024, achieved profitability on a standalone basis in the three months ended December 31, 2025 as its earnings structure stabilized following the up-front investment in the ramp-up period. In the Online Advertising & Media business, sales and profit decreased mainly due to the growing trend of advertisers shifting their marketing operations in-house, but both recovered as a result of restructuring of our organizational structure.

As a result, for the fiscal year ended December 31, 2025, the Group recorded net sales of ¥78,548 million (up 504.3% year-on-year), operating profit of ¥8,224 million (operating profit of ¥139 million for the fiscal year ended December 31, 2024), ordinary profit of ¥8,345 million (ordinary profit of ¥151 million for the fiscal year ended December 31, 2024) and profit attributable to owners of the parent of ¥5,563 million (loss attributable to owners of the parent of ¥4 million for the fiscal year ended December 31, 2024).

Business results by segment are as follows.

1) Internet Infrastructure business

The Internet Infrastructure business provides infrastructure-related services that are persistent and essential in using the Internet. Main products include “domain” that functions as an address on the Internet, “servers” to store data, and lines and providers to connect to the Internet. “GMO GPU Cloud,” a new GPU hosting service that provides a development platform for AI and machine learning launched in November 2024, is also included in this segment.

All of the Internet Infrastructure businesses succeeded from GMO Internet Group, Inc. are included in this segment. Also, as stated above, the nine companies included in the scope of consolidation through the Acquisition of Overseas Subsidiaries are included in this segment from the fiscal year ended December 31, 2025.

For the fiscal year ended December 31, 2025, while sales and profit from the existing businesses such as domain, servers and Internet access continued to grow steadily, “GMO GPU Cloud” achieved profitability on a standalone basis in the three months ended December 31, 2025 as its earnings structure stabilized following the up-front investment in the ramp-up period.

As a result, the Internet Infrastructure business posted net sales of ¥65,993 million and segment profit of ¥8,631 million.

2) Online Advertising & Media business

“Online Advertising & Media business” is engaged primarily in online advertising agency service such as sales of advertising products and management and operation of advertising offered, provision of ad servicing platforms including “GMOSSP” with the largest connections in the industry, and Internet media operations including operation of our own web media and provision of associated tools.

The Online Advertising business and Internet Media business operated by the consolidated group of former GMO AD Partners are included in this segment, and the Online Advertising & Media business succeeded from GMO Internet Group, Inc. is also included in this segment.

For the fiscal year ended December 31, 2025, sales and profit decreased mainly due to the growing trend of advertisers shifting their marketing operations in-house, but both recovered as a result of company-wide efforts to optimize the organizational structure, including the reallocation of personnel to the Internet Infrastructure business.

In addition, due to the aforementioned business succession from GMO Internet Group, Inc., both sales and profit increased compared to the fiscal year ended December 31, 2024.

As a result, the Online Advertising & Media business recorded net sales of ¥13,166 million and segment profit of ¥201 million.

(2) Overview of financial position as of December 31, 2025

(Current assets)

As of December 31, 2025, the Group's current assets increased ¥27,025 million from December 31, 2024 to ¥35,686 million (December 31, 2024: ¥8,660 million). Major factors included an increase of ¥9,864 million in cash and deposits to ¥13,888 million (December 31, 2024: ¥4,024 million) and an increase of ¥8,614 million in trade notes, accounts receivable and contract assets to ¥12,135 million (December 31, 2024: ¥3,521 million) mainly due to the succession of the Internet Infrastructure business and the Online Advertising & Media business from GMO Internet Group, Inc. through an absorption-type company split ("Absorption Split").

(Non-current assets)

As of December 31, 2025, non-current assets increased ¥14,146 million from December 31, 2024 to ¥15,842 million (December 31, 2024: ¥1,696 million). Major factors included an increase of ¥5,352 million in tools, furniture and fixtures to ¥5,402 million (December 31, 2024: ¥49 million) and an increase of ¥2,784 million in leased assets, mainly due to the Absorption Split.

As a result, total assets increased ¥41,172 million from December 31, 2024 to ¥51,528 million (December 31, 2024: ¥10,356 million).

(Current liabilities)

As of December 31, 2025, current liabilities increased ¥25,917 million from December 31, 2024 to ¥30,685 million (December 31, 2024: ¥4,768 million). Major factors included an increase of ¥10,110 million in contract liabilities to ¥10,241 million (December 31, 2024: ¥131 million) and an increase of ¥6,322 million in other payables to ¥6,665 million (December 31, 2024: ¥343 million), mainly due to the Absorption Split.

(Non-current liabilities)

As of December 31, 2025, non-current liabilities increased ¥6,433 million from December 31, 2024 to ¥6,773 million (December 31, 2024: ¥340 million). Major factors included an increase of ¥4,123 million in long-term debt and an increase of ¥2,290 million in lease obligations, mainly due to the Absorption Split.

As a result, total liabilities increased ¥32,350 million from December 31, 2024 to ¥37,459 million (December 31, 2024: ¥5,109 million).

(Net assets)

As of December 31, 2025, net assets increased ¥8,822 million from December 31, 2024 to ¥14,069 million (December 31, 2024: ¥5,246 million). Major factors included an increase of ¥7,471 million in capital surplus as a result of the Absorption Split, an increase of ¥1,442 million in retained earnings (an increase of ¥5,563 million resulting from recording profit attributable to owners of the parent and a decrease of ¥4,120 million due to dividend payments), and a decrease of ¥801 million in capital stock due to reversal of capital stock to reclassify to other capital surplus based on the resolution of the extraordinary general meeting of shareholders held on September 11, 2024.

(3) Overview of cash flows for the fiscal year ended December 31, 2025

As of December 31, 2025, the Group's cash and cash equivalents ("cash") increased ¥9,805 million from December 31, 2024 to ¥13,829 million.

(Cash flows from operating activities)

For the fiscal year ended December 31, 2025, net cash provided by operating activities was ¥13,669 million (net cash provided of ¥6 million for the fiscal year ended December 31, 2024). Major inflow included profit before income taxes of ¥8,277 million and depreciation of ¥4,611 million. Major outflow included an increase in trade receivables of ¥667 million and a decrease in trade payables of ¥560 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥712 million (net cash used of ¥144 million for the fiscal year ended December 31, 2024). Major inflow included government subsidies received of ¥1,925 million and refund of deposits paid to subsidiaries and associates of ¥900 million. Major outflow included purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥1,765 million and purchase of property, plant and equipment of ¥976 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥6,326 million (net cash used of ¥22 million for the fiscal year ended December 31, 2024). Major inflow included proceeds from long-term debt of ¥2,000 million. Major outflow included dividends paid of ¥4,113 million and a net decrease in short-term debt of ¥1,925 million.

(4) Future outlook

The Group's consolidated results forecast for the fiscal year ending December 31, 2026 is as follows.

(Unit: ¥millions)

	FY2025 Results	FY2026 Forecast	Y-on-Y change	
			Amount	%
Net sales	78,548	82,000	3,451	4.4
Operating profit	8,224	9,460	1,235	15.0
Ordinary profit	8,345	9,100	754	9.0
Profit attributable to owners of the parent	5,563	5,900	336	6.1

On January 1, 2025, the Company succeeded the Internet Infrastructure business and Online Advertising & Media business from GMO Internet Group, Inc. through an absorption-type company split and changed the company name to GMO Internet, Inc.

As a result, in addition to the online advertising business, domains, cloud & rental server and Internet connection services are added to the Company's business.

For the fiscal year ending December 31, 2026, as in FY2025, the Company will work to create synergies expected from the reorganization and strengthen and streamline the organizational structure and also aim to achieve sustainable growth and enhance corporate value through business expansion under four basic policies: (1) sustainable growth of existing businesses, (2) creation of synergies between the Internet infrastructure and Online Advertising & Media businesses, (3) growth and investment in new businesses, and (4) formation of alliances (M&A, joint ventures, etc.).

Basic policy on profit sharing and dividends for the current and next fiscal years

The Group recognizes returning profits to its shareholders as one of its important management issues, and its basic policy has been to achieve a consolidated payout ratio of 50% while comprehensively taking into account business results for each year, enhancement of its business structure and future business development.

In the fiscal year ended December 31, 2025, we raised the target consolidated dividend payout ratio to 65% to further enhance returning of profits to our shareholders while maintaining stable financial foundation.

For the frequency of dividends, our basic policy was to pay dividend annually with a general meeting of shareholders as a decision-making body. However, with an aim to implement capital policy speedily and flexibly and return profits to shareholders speedily, we began paying quarterly dividend with record dates of March 31, June 30, September 30 and December 31 every year from the fiscal year ended December 31, 2025.

Under this policy, we plan to pay ¥20.26 per share as the annual dividend for the fiscal year ended December 31, 2025.

Under the above basic policy, for the fiscal year ending December 31, 2026, we plan to pay an annual dividend, including quarterly dividends, of ¥14.00 per share. In addition, we will also pay a commemorative dividend of ¥7.51 per share, based on the dividend payout ratio of 35%, to express our appreciation to our shareholders in conjunction with the restructuring. As a result, the total annual dividend for the fiscal year ending December 31, 2026 will be ¥21.51 per share.

2. Basic Policy Regarding Choice of Accounting Standards

The Group applies Japanese GAAP in consideration of comparability of the consolidated financial statements between periods and with other companies. Regarding the application of International Financial Reporting Standards (“IFRS”), we will take appropriate actions in consideration of domestic and international trends.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheet

(Unit: ¥millions)

	FY2024 (As of December 31, 2024)	FY2025 (As of December 31, 2025)
Assets		
Current assets		
Cash and deposits	4,024	13,888
Trade notes, accounts receivable and contract assets	3,521	12,135
Prepaid expenses	164	6,580
Deposits paid to subsidiaries and associates	900	—
Other	83	3,524
Allowance for doubtful debts	-34	-443
Total current assets	8,660	35,686
Non-current assets		
Property, plant and equipment		
Buildings (net)	216	916
Tools, furniture and fixtures (net)	49	5,402
Leased assets (net)	—	2,784
Other	4	97
Total property, plant and equipment	270	9,201
Intangible assets		
Goodwill	16	1,335
Software	190	1,791
Other	2	706
Total intangible assets	210	3,832
Investments and other assets		
Investment securities	673	1,016
Deferred tax assets	161	1,199
Other	404	692
Allowance for doubtful debts	-25	-100
Total investments and other assets	1,214	2,808
Total non-current assets	1,696	15,842
Total assets	10,356	51,528

(Unit: ¥millions)

	FY2024 (As of December 31, 2024)	FY2025 (As of December 31, 2025)
Liabilities		
Current liabilities		
Accounts payable	3,314	3,586
Current portion of long-term debt	–	1,381
Lease obligations	–	1,075
Other payables	343	6,665
Income taxes payable	154	2,628
Contract liabilities	131	10,241
Allowance for bonuses	85	118
Allowance for bonuses to directors	6	5
Allowance for reward points	43	44
Other	689	4,939
Total current liabilities	4,768	30,685
Non-current liabilities		
Long-term debt	–	4,123
Lease obligations	–	2,290
Deferred tax liabilities	8	11
Retirement benefit liability	–	63
Other	331	285
Total non-current liabilities	340	6,773
Total liabilities	5,109	37,459
Net assets		
Shareholders' equity		
Capital stock	1,301	500
Capital surplus	2,150	9,621
Retained earnings	1,878	3,321
Treasury stock	-251	-179
Total shareholders' equity	5,078	13,263
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	97	402
Foreign currency translation adjustments	–	20
Total accumulated other comprehensive income	97	422
Stock acquisition rights	26	206
Non-controlling interests	44	176
Total net assets	5,246	14,069
Total liabilities and net assets	10,356	51,528

(2) Consolidated statements of income and comprehensive income

Consolidated statement of income

(Unit: ¥millions)

	FY2024 (January 1, 2024 to December 31, 2024)	FY2025 (January 1, 2025 to December 31, 2025)
Net sales	12,997	78,548
Cost of sales	7,023	52,581
Gross profit	5,974	25,966
Selling, general and administrative expenses	5,834	17,741
Operating profit	139	8,224
Non-operating income		
Interest income	6	19
Dividend income	0	12
Foreign exchange gain	0	185
Other	30	93
Total non-operating income	37	311
Non-operating expenses		
Interest expenses	—	128
Loss on investments in partnerships	24	13
Other	1	48
Total non-operating expenses	25	189
Ordinary profit	151	8,345
Extraordinary income		
Gain on sale of businesses	—	29
Government subsidies	—	1,925
Other	5	22
Total extraordinary income	5	1,977
Extraordinary loss		
Impairment loss	8	242
Loss on valuation of investment securities	34	6
Loss on tax purpose reduction entry of non-current assets	—	1,795
Other	—	1
Total extraordinary loss	43	2,045
Profit before income taxes	113	8,277
Income taxes - current	154	2,475
Income taxes - deferred	-48	259
Total income taxes	106	2,734
Profit	7	5,542
Profit (loss) attributable to non-controlling interests	12	-20
Profit (loss) attributable to owners of the parent	-4	5,563

Consolidated statement of comprehensive income

	(Unit: ¥millions)	
	FY2024 (January 1, 2024 to December 31, 2024)	FY2025 (January 1, 2025 to December 31, 2025)
Profit	7	5,542
Other comprehensive income		
Valuation difference on available-for-sale securities	25	304
Foreign currency translation adjustments	—	8
Total other comprehensive income	25	313
Comprehensive income	32	5,855
Comprehensive income attributable to:		
Owners of the parent	20	5,888
Non-controlling interests	12	-32

(3) Consolidated statement of changes in net assets

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(Unit: ¥millions)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	1,301	2,149	1,903	-252	5,102
Changes during the year					
Dividends			-20		-20
Loss attributable to owners of the parent			-4		-4
Disposal of treasury stock		0		1	2
Net changes in items other than shareholders' equity during the year					
Total changes during the year	—	0	-25	1	-23
Ending balance	1,301	2,150	1,878	-251	5,078

	Accumulated other comprehensive income		Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Beginning balance	71	71	31	35	5,242
Changes during the year					
Dividends					-20
Loss attributable to owners of the parent					-4
Disposal of treasury stock					2
Net changes in items other than shareholders' equity during the year	25	25	-5	8	28
Total changes during the year	25	25	-5	8	4
Ending balance	97	97	26	44	5,246

Fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(Unit: ¥millions)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	1,301	2,150	1,878	-251	5,078
Changes during the year					
Dividends			-4,120		-4,120
Profit attributable to owners of the parent			5,563		5,563
Purchase of treasury stock				-0	-0
Disposal of treasury stock		42		71	114
Changes due to transactions under common control with the parent		6,704			6,704
Changes in the parent's interests due to transactions with non-controlling interests		-77			-77
Transfer from capital stock to capital surplus	-801	801			—
Net changes in items other than shareholders' equity during the year					
Total changes during the year	-801	7,471	1,442	71	8,184
Ending balance	500	9,621	3,321	-179	13,263

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Beginning balance	97	—	97	26	44	5,246
Changes during the year						
Dividends						-4,120
Profit attributable to owners of the parent						5,563
Purchase of treasury stock						-0
Disposal of treasury stock						114
Changes due to transactions under common control with the parent						6,704
Changes in the parent's interests due to transactions with non-controlling interests						-77
Transfer from capital stock to capital surplus						—
Net changes in items other than shareholders' equity during the year	304	20	325	180	131	637
Total changes during the year	304	20	325	180	131	8,822
Ending balance	402	20	422	206	176	14,069

(4) Consolidated statement of cash flows

(Unit: ¥millions)

	FY2024 (January 1, 2024 to December 31, 2024)	FY2025 (January 1, 2025 to December 31, 2025)
Cash flows from operating activities		
Profit before income taxes	113	8,277
Depreciation	151	4,611
Impairment loss	8	242
Share-based compensation expense	—	206
Amortization of goodwill	8	153
Interest and dividend income	-6	-32
Interest expenses	—	128
Foreign exchange gains or losses (- represents gains)	—	-86
Gain or loss on investments in partnerships (- represents gain)	24	13
Gain or loss on valuation of investment securities (- represents gain)	34	6
Government subsidies	—	-1,925
Loss on tax purpose reduction entry of non-current assets	—	1,795
Loss or gain on sale of businesses (- represents gain)	—	-29
Changes in allowance for doubtful debts (- represents decrease)	-2	40
Changes in allowance for bonuses (- represents decrease)	-7	7
Changes in retirement benefit liability (- represents decrease)	—	18
Changes in trade receivables (- represents increase)	-19	-667
Changes in trade payables (- represents decrease)	-376	-560
Changes in consumption tax payable/refund receivable	83	2,170
Changes in guarantee deposits received (- represents decrease)	-97	-83
Other	-127	-295
Subtotal	-211	13,990
Interest and dividends received	6	32
Interest paid	—	-128
Subsidies received	8	34
Income taxes refunded	226	0
Income taxes paid	-23	-260
Cash flows from operating activities	6	13,669

(Unit: ¥millions)

	FY2024 (January 1, 2024 to December 31, 2024)	FY2025 (January 1, 2025 to December 31, 2025)
Cash flows from investing activities		
Payments into time deposits	–	-28
Proceeds from withdrawal of time deposits	–	98
Purchase of property, plant and equipment	-9	-976
Purchase of intangible assets	-31	-967
Purchase of investment securities	-90	-92
Proceeds from sale of investment securities	–	57
Proceeds from distributions from investment partnerships	23	37
Placement of deposits paid to subsidiaries and associates	-900	–
Refund of deposits paid to subsidiaries and associates	860	900
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	-1,765
Government subsidies received	–	1,925
Proceeds from sale of businesses	–	56
Other	2	41
Cash flows from investing activities	-144	-712
Cash flows from financing activities		
Net changes in short-term debt (- represents decrease)	–	-1,925
Proceeds from long-term debt	–	2,000
Repayments of long-term debt	–	-1,181
Repayments of lease obligations	–	-1,187
Payment of dividends	-20	-4,113
Payment of dividends to non-controlling interests	-3	-7
Proceeds from exercise of stock acquisition rights	1	88
Other	–	-0
Cash flows from financing activities	-22	-6,326
Effect of exchange rate changes on cash and cash equivalents	–	174
Changes in cash and cash equivalents (- represents decrease)	-160	6,805
Balance of cash and cash equivalents at beginning of year	4,185	4,024
Increase in cash and cash equivalents resulting from absorption split	–	3,000
Balance of cash and cash equivalents at end of year	4,024	13,829

(5) Notes to consolidated financial statements

(Notes regarding going concern assumption)

Not applicable.

(Note regarding significant changes in shareholders' equity)

Based on the resolution at the extraordinary meeting of the Board of Directors held on September 11, 2024, on January 1, 2025, the Company reduced capital stock by ¥801 million to ¥500 million from ¥1,301 million and capital reserve by ¥1,806 million to ¥250 million from ¥2,056 million. Pursuant to provisions of Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act, the Company reduced the amounts of capital stock and capital reserve as stated above and reclassified the reduced amounts to other capital surplus. As a result, capital surplus increased by ¥801 million in the fiscal year ended December 31, 2025.

In addition, based on the resolution at the Board of Directors' meeting held on June 25, 2024, the Company succeeded the Internet Infrastructure business and the Online Advertising & Media business from GMO Internet Group, Inc. effective January 1, 2025. As a result, capital surplus increased by ¥6,704 million in the fiscal year ended December 31, 2025.

(Changes in scope of consolidation or equity method application)

1. Significant changes in scope of consolidation

From the fiscal year ended December 31, 2025, the Company included GMO-Z.com, RUNSYSTEM Joint Stock Company and eight other companies in the scope of consolidation due to purchase of shares.

GMO Solution Partner Inc., which was a consolidated subsidiary until December 31, 2024, was excluded from the scope of consolidation from the fiscal year ended December 31, 2025 as it was dissolved through an absorption-type merger, with the Company as the surviving company.

2. Significant changes in scope of equity method application

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

On January 1, 2025, the Company applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022, "Revised Accounting Standard 2022").

Revisions to categories in which current income taxes, etc. (taxation on other comprehensive income) should be recorded conform to the transitional treatments prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the proviso of Paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, "Revised Guidance 2022"). This change in the accounting policy has no impact on the consolidated financial statements.

With regard to revisions related to changes in the treatment in the consolidated financial statements when gains or losses on sales of shares of subsidiaries, etc. arising from transactions between consolidated companies are deferred for tax purposes, the Company applied the Revised Guidance 2022 effective January 1, 2025. The change in the accounting policy was applied retrospectively to the consolidated financial statements for the fiscal year ended December 31, 2024. This change in the accounting policy has no impact on the consolidated financial statements for the fiscal year ended December 31, 2024.

(Notes regarding segment information, etc.)

(Segment information)

1. Overview of reportable segments

(1) Method to determine reportable segments

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

(2) Types of products and services of each reportable segment

"Internet Infrastructure business" provides services that form the business foundation for customers engaged in online businesses, and services include domain, cloud & rental server and provider (ISP).

"Online Advertising & Media business" provides customer acquisition support services for customers engaged in online business, and services include online advertising agency, development and management of ad technology products and development and management of media contents.

(3) Matters regarding changes in reportable segments

Following the absorption-type company split on January 1, 2025, from the fiscal year ended December 31, 2025, the Company changed its reportable segments to "Internet Infrastructure business" and "Online Advertising & Media business" from "Online advertising business" and "Internet media business."

The disclosure of the segment information for the fiscal year ended December 31, 2024 is omitted as the Company operated a single segment of the "Online Advertising & Media business" under the new segmentation.

2. Calculation method of net sales, profit or loss, assets, liabilities and other items by reportable segment

Accounting policies applied to prepare the segment information are generally consistent with those applied to prepare the consolidated financial statements. The prices for inter-segment transactions and transfers are determined based on market prices.

The Group does not allocate assets to reportable segments.

3. Net sales, profit or loss, assets, liabilities and other Items by reportable segment

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

The disclosure is omitted as the Company operated a single segment of the "Online Advertising & Media business" for the fiscal year ended December 31, 2024.

Fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(Unit: ¥millions)

	Reportable segments			Other (Note) 1	Adjustments (Note) 2	Consolidated financial statements (Note) 3
	Internet Infrastructure business	Online Advertising & Media business	Total			
Net sales						
Sales to unaffiliated customers	65,864	12,490	78,355	193	—	78,548
Inter-segment sales and transfers	128	676	805	—	-805	—
Total	65,993	13,166	79,160	193	-805	78,548
Segment profit	8,631	201	8,833	113	-722	8,224
Other items						
Depreciation	4,495	77	4,572	39	—	4,611

- (Notes) 1. “Other” represents business segments not included in reportable segments.
2. Adjustment for segment profit of ¥-722 million consists mainly of elimination of inter-segment transactions and general and administrative expenses not attributable to reportable segments.
3. Segment profit is adjusted to operating profit presented on the consolidated statement of income.
4. Segment assets and liabilities are not disclosed as they are not allocated to reportable segments.

[Information relating to impairment loss on non-current assets by reportable segment]

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

The disclosure is omitted as the Company operated a single segment of the “Online Advertising & Media business” for the fiscal year ended December 2024.

Fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(Unit: ¥millions)

	Reportable segments			Other	Corporate/ Elimination	Total
	Internet Infrastructure business	Online Advertising & Media business	Total			
Impairment loss	185	56	242	—	—	242

[Information regarding amortization and unamortized balance of goodwill by reportable segment]

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

The disclosure is omitted as the Company operated a single segment of the “Online Advertising & Media business” for the fiscal year ended December 2024.

Fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(Unit: ¥millions)

	Reportable segments			Other	Corporate/ Elimination	Total
	Internet Infrastructure business	Online Advertising & Media business	Total			
Amortization during the year	144	8	153	—	—	153
Balance at end of year	1,326	8	1,335	—	—	1,335

(Per share information)

(Unit: yen)

FY2024 (January 1, 2024 to December 31, 2024)		FY2025 (January 1, 2025 to December 31, 2025)	
Net assets per share	321.02	Net assets per share	49.90
Basic earnings per share	-0.30	Basic earnings per share	20.28
Diluted earnings per share	—	Diluted earnings per share	20.26

(Notes) 1. Diluted earnings per share for the fiscal year ended December 31, 2024 is not reported because, although dilutive shares exist, net loss per share is reported.

2. Calculation of basic and diluted earnings per share is based on the following:

	FY2024 (January 1, 2024 to December 31, 2024)	FY2025 (January 1, 2025 to December 31, 2025)
Earnings per share		
Profit (loss) attributable to owners of the parent (¥millions)	-4	5,563
Amount not attributable to common shareholders (¥millions)	—	—
Profit (loss) attributable to owners of the parent related to common stock (¥millions)	-4	5,563
Average number of common stock during the period (shares)	16,122,933	274,206,089
Diluted earnings per share		
Adjustment to profit attributable to owners of the parent (¥millions)	—	—
Increase in number of common stock (shares)	—	360,257
(Of which, stock acquisition rights (shares))	—	360,257
Dilutive shares not included in the calculation of diluted earnings per share because of their anti-dilutive effect	—	—

(Significant subsequent events)

Not applicable