

July 22, 2025

For Immediate Release

Company name	GMO Pepabo, Inc.
Representative	Kentaro Sato, Representative Director and CEO (Securities code: 3633, TSE Standard Market)
Contact	Yoshito Igashima, Executive Director
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Notice of Change in Consolidated Subsidiaries (Share Transfer)

GMO Pepabo, Inc. (the “Company”) hereby announces that on July 22, 2025, it resolved to enter into a share transfer agreement to transfer all the shares it holds (the “Share Transfer”) in GMO Creators Network, Inc. (“GMO Creators Network”), a consolidated subsidiary of the Company. The proposal for the Share Transfer was unanimously approved in writing by all Directors and, under Article 370 of the Companies Act and Article 27 of the Articles of Incorporation, was deemed to have been passed by a resolution of the Board of Directors. The Share Transfer requires approval at the general meeting of shareholders of CN Inc., a consolidated subsidiary of the Company, scheduled for July 31, 2025.

1. Reasons for the share transfer

Since its founding in 2003, the Company has been operating in the Domain and Rental Server (Hosting) business, E-commerce Support business, Handmade Products business, and Financial Support business to provide an environment that fosters self-expression and self-actualization for many individuals.

GMO Creators Network offers the FREENANCE byGMO service, which supports freelance workers and sole proprietors by providing same-day payment factoring and liability insurance.

The Company has evaluated its business portfolio, optimized its management resources, and identified key areas on which it will focus. The Company has also reviewed the future of GMO Creators Network and decided to transfer its shares in the company, expecting that GMO Creators Network will explore new opportunities to enhance its services.

2. Profile of the company to be transferred

(1)	Name	GMO Creators Network, Inc.
(2)	Address	Cerulean Tower, 26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo
(3)	Representative	Yoshito Igashima, President and Representative Director
(4)	Business	Financial assistance services for freelance workers

(5)	Share capital	100,000 thousand yen (As of December 31, 2024)		
(6)	Established	April 30, 2002		
(7)	Major shareholders and their shareholding ratios	CN Inc. 100%		
(8)	Relationships between GMO Creators Network and the listed company	Capital relationship	CN Inc., a consolidated subsidiary of the Company, owns 100% of the shares of GMO Creators Network.	
		Personnel relationship	An officer of the Company concurrently serves as an officer of GMO Creators Network.	
		Business relationship	The Company provides business support to GMO Creators Network.	
(9)	Operating results and financial position for the last three years (thousand yen)			
	Fiscal year-end	FY2022	FY2023	FY2024
	Net assets	-48,408	-1,239,792	-1,381,883
	Total assets	2,346,893	1,187,539	1,212,961
	Net assets per share	-12,629.32	-323,452.21	-360,522.62
	Net sales	593,839	655,796	452,981
	Operating profit	-136,303	-1,171,886	-124,573
	Ordinary profit	-146,888	-1,191,094	-141,800
	Profit	-147,178	-1,191,384	-142,090
	Earnings per share	-38,397.83	-310,822.89	-37,070.41
	Dividends per share	-	-	-

* CN Inc., a consolidated subsidiary of GMO Pepabo, Inc., owns GMO creators network as its wholly-owned subsidiary. Regarding the capital deficit, it has already been resolved through the transfer of GMO creators network's loan obligations amounting to JPY 2,500 million to CN Inc. as of April 1, 2025.

3. Schedule

(1)	The Board of Directors' resolution to approve the acquisition of shares	July 22, 2025
(2)	Date of the share transfer agreement	July 22, 2025
(3)	Date of share transfer	September 1, 2025 (plan)

4. Profile of the transferee

(1)	Name	freee K.K.
(2)	Address	1-2-2 Osaki, Shinagawa-ku, Tokyo
(3)	Representative	Daisuke Sasaki, CEO and Representative Director
(4)	Business	Developing and providing integrated cloud ERP services

(5)	Share capital	26,690 million yen (As of December 31, 2024)	
(6)	Established	July 2012	
(7)	Major shareholders and their shareholding ratios	Daisuke Sasaki MSIP CLENT SECURETIES GOLDMAN SACHS & Co. REG Morgan Stanley MUFG Securities Co., Ltd. BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	18.68% 10.13% 7.81% 4.04% 3.95%
(8)	Relationships between GMO Creators Network and the listed company	Capital relationship	Not applicable.
		Personnel relationship	Not applicable.
		Business relationship	The Company has a business relationship with free K.K.

5. Number of shares to be transferred, transfer price and the number of shares held before and after transfer

(1)	Number of shares held before the transfer	3,833 shares (number of voting rights: 3,833, ownership ratio of voting rights: 100%)
(2)	Number of shares to be transferred	3,833 shares (number of voting rights: 3,833)
(3)	Transfer price	1,100 million yen (estimate)
(4)	Number of shares held after change	0 shares (number of voting rights: 0, ownership ratio of voting rights: 0%)

6. Future outlook

As a result of the Share Transfer, GMO Creators Network will be excluded from the scope of consolidation. The Company is carefully examining the impact of the Share Transfer on its results for the fiscal year ending December 31, 2025. The Company will promptly disclose any information that should be disclosed.