Consolidated Financial Results
for the Six Months Ended June 30, 2019
[Japanese GAAP]

July 31, 2019

Company name: GMO Pepabo, Inc.
Stock exchange listing: Tokyo Stock Exchange
Code number: 3633
URL: https://pepabo.com/
Representative: Kentaro Sato, CEO and President
Contact: Yoshito Igashima, CFO and Board Director

Scheduled date of filing quarterly securities report: August 1, 2019
Scheduled date of commencing dividend payments: —
Availability of supplementary briefing material on quarterly financial results: Available
Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)


(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

<table>
<thead>
<tr>
<th></th>
<th>Net sales</th>
<th>Operating profit</th>
<th>Ordinary profit</th>
<th>Profit attributable to owners of parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six months ended</td>
<td>Million yen %</td>
<td>Million yen %</td>
<td>Million yen %</td>
<td>Million yen %</td>
</tr>
<tr>
<td>June 30, 2019</td>
<td>4,419</td>
<td>-</td>
<td>506</td>
<td>-</td>
</tr>
<tr>
<td>June 30, 2018</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(Note) Comprehensive income: Six months ended June 30, 2019: ¥371 million [- %]

<table>
<thead>
<tr>
<th></th>
<th>Basic earnings per share</th>
<th>Diluted earnings per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six months ended</td>
<td>Yen</td>
<td>Yen</td>
</tr>
<tr>
<td>June 30, 2019</td>
<td>76.70</td>
<td>75.98</td>
</tr>
<tr>
<td>June 30, 2018</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(Notes) 1. The Company disclosed non-consolidated financial results for the six months ended June 30, 2018, but starting from the three months ended March 31, 2019, financial results are disclosed on a consolidated basis. Accordingly, financial results for the six months ended June 30, 2018 and percentage changes from the previous corresponding period are not presented.

2. The Company executed a two-for-one stock split on April 1, 2019. Accordingly, the figures for basic earnings per share and diluted earnings per share have been calculated assuming that the stock split was executed at the beginning of the fiscal year ending December 31, 2019.

(2) Consolidated Financial Position

<table>
<thead>
<tr>
<th></th>
<th>Total assets</th>
<th>Net assets</th>
<th>Equity ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of June 30, 2019</td>
<td>Million yen</td>
<td>Million yen</td>
<td>%</td>
</tr>
<tr>
<td>As of December 31, 2018</td>
<td>5,887</td>
<td>1,614</td>
<td>25.9</td>
</tr>
</tbody>
</table>

(Reference) Equity: As of June 30, 2019: ¥1,525 million
As of December 31, 2018: ¥ - million

(Note) As the Company started preparing quarterly consolidated financial statements from the three months ended March 31, 2019, figures for the fiscal year ended December 31, 2018 are not provided.
2. Dividends

<table>
<thead>
<tr>
<th>Fiscal year ended December 31, 2018</th>
<th>1st quarter-end</th>
<th>2nd quarter-end</th>
<th>3rd quarter-end</th>
<th>Year-end</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yen</td>
<td>Yen</td>
<td>Yen</td>
<td>Yen</td>
<td>Yen</td>
</tr>
<tr>
<td>Fiscal year ending December 31, 2019</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>105.00</td>
<td>105.00</td>
</tr>
<tr>
<td>Fiscal year ending December 31, 2019 (Forecast)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>65.00</td>
<td>65.00</td>
</tr>
</tbody>
</table>

(Note) 1. Revision to the dividends forecast most recently announced: No
2. The Company executed a two-for-one stock split on April 1, 2019. Accordingly, the figures for dividends for the fiscal year ended December 31, 2018 have been calculated as actual dividends before the stock split. Also the dividends for the fiscal year ending December 31, 2019 (forecast) have been calculated as actual dividends after the stock split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2019 (from January 1, 2019 to December 31, 2019)

<table>
<thead>
<tr>
<th></th>
<th>Net sales</th>
<th>Operating profit</th>
<th>Ordinary profit</th>
<th>Profit attributable to owners of parent</th>
<th>Basic earnings per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year</td>
<td>Million yen</td>
<td>%</td>
<td>Million yen</td>
<td>%</td>
<td>Million yen</td>
</tr>
<tr>
<td></td>
<td>9,200</td>
<td>-</td>
<td>950</td>
<td>-</td>
<td>962</td>
</tr>
</tbody>
</table>

(Note) 1. Revision to the results forecast most recently announced: No
2. The Company executed a two-for-one stock split on April 1, 2019. Accordingly, the figures for basic earnings per share in the forecast have been calculated using the total number of issued shares (excluding treasury stock) after the stock split.

*Notes:*
1. Changes in significant subsidiaries during the six months ended June 30, 2019: Yes (Changes in specified subsidiaries resulting in changes in scope of consolidation)
   - New: One (GMO Creators Network, Inc.)
   - Excluded: None
2. Adoption of special accounting methods in preparation of quarterly consolidated financial statements: No
3. Changes in accounting policies, changes in accounting estimates and retrospective restatement:
   1) Changes in accounting policies due to the revision of accounting standards: No
   2) Changes in accounting policies other than 1) above: No
   3) Changes in accounting estimates: No
   4) Retrospective restatement: No
4. Total number of issued shares (common shares):
   1) Total number of issued shares at the end of the period (including treasury stock):
      - June 30, 2019: 5,434,600 shares
      - December 31, 2018: 5,434,600 shares
   2) Total number of treasury stock at the end of the period:
      - June 30, 2019: 238,006 shares
      - December 31, 2018: 158,746 shares
   3) Average number of shares during the period:
      - Six months ended June 30, 2019: 5,228,066 shares
      - Six months ended June 30, 2018: 5,268,308 shares
(Note) The Company executed a two-for-one stock split on April 1, 2019. Accordingly, the figures for total number of issued shares (including treasury stock), total number of treasury stock at the end of the period, and average number of shares during the period have been calculated assuming that the stock split was executed at the beginning of the fiscal year ended December 31, 2018.

* These quarterly financial results are outside the scope of quarterly review by certified public accountants or audit firms

* Explanation of the proper use of financial results forecast and other notes
The statements concerning future performance presented in this document are based on currently available information and certain preconditions which the Company believes to be reasonable at this time. Actual results may be substantially different from these forecasts presented herein due to various factors.