



GMO Pepabo, Inc.

Fiscal Year 2022 3rd Quarter Results Presentation

November 7, 2022

Event Summary

[Company Name]	GMO Pepabo, Inc.	
[Company ID]	3633-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Fiscal Year 2022 3rd Quarter Results Presentation	
[Fiscal Period]	FY2022 Q3	
[Date]	November 7, 2022	
[Number of Pages]	38	
[Time]	16:30 – 17:03 (Total: 33 minutes, Presentation: 16 minutes, Q&A: 17 minutes)	
[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	2	
	Kentaro Sato	CEO and President
	Yoshito Igashima	Executive Director and CFO
[Analyst Names]*	Kazuki Tokunaga	Daiwa Securities Co. Ltd.

*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



Presentation

Moderator: Thank you very much for joining the financial results briefing of GMO Pepabo, Inc. for Q3 of the fiscal year ending December 31, 2022.

I would now like to introduce today's attendees. Kentaro Sato, CEO and President.

Sato: I'm Sato. Thanks.

Moderator: Yoshito Igashima, Executive Director and CFO.

Igashima: I am Igashima. Thanks.

Moderator: These two. Today, Sato will provide an overview of our financial results. Let's begin.

Sato: I am Sato, the President. Thank you very much for taking the time out of your busy schedule to join us today. We will begin the presentation of financial results for Q3 of the fiscal year ending December 31, 2022.

GMOペパボ

ホスティング事業と金融支援事業が好調もECが伸び悩む

前年同期比で増収 減益

- ホスティング事業が好調、金融支援事業は黒字化
- SUZURI、minneの流通額が伸び悩む
- 通期連結業績予想を修正

1

In Q3, both sales and profits increased compared YoY.

The hosting business and financial support business performed well, but distribution of flow-type services such as SUZURI and minne was sluggish.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

 **SCRIPTS**
Asia's Meetings, Globally

消費行動の変化や外出抑制の解除による影響を受け、フロー型サービスの
流通額が想定を下回ったことから業績予想を修正
配当予想は配当性向50%以上の基準に合わせ50円へ変更

(百万円)	2022年12月期 (期初予想)	2022年12月期 (修正予想)	増減額	増減率
売上高	11,482	10,499	△982	△8.6%
営業利益	1,143	732	△411	△36.0%
経常利益	1,156	760	△396	△34.3%
親会社株主に帰属する 当期純利益	785	522	△262	△33.5%
EPS (円)	147.92	98.64	—	—
1株当たり配当額 (円)	74.00	50.00	—	—
配当性向 (%)	50.0	50.7	—	—

2

In conjunction with today's announcement of financial results, we are also revising our full-year earnings forecasts.

In the fiscal year ending December 31, 2022, flow-type services were significantly affected by changes in consumption trends due to reopening, resulting in lower-than-expected distribution.

In addition, efforts to curb corporate and other costs were not sufficient to offset the decline in sales due to the decrease in distribution value, and we have decided to revise our full-year consolidated earnings forecast. The revised full-year sales for the fiscal year ending December 31, 2022, are JPY10.499 billion. Operating income is expected to be JPY732 million.

The dividend forecast has also been changed to JPY50 in line with the revised earnings forecast.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



AGENDA

- 2022年12月期3Q 決算概況 4 ページ
- 2022年12月期業績進捗と今後の施策 27 ページ

GMOペパボ



Here is today's agenda. The second half of the report also includes reference materials, so please have a look at it when you have time.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

 **SCRIPTS**
Asia's Meetings, Globally

新収益適用後の売上高は前年同期比 105.3%、
営業利益はSUZURIのプロモーション強化により前年同期比 81.7%

(百万円)	適用前	新収益 適用後		増減額	前年同期比
	2021年12月期 (3Q累計)	2021年12月期 (3Q累計) ※	2022年12月期 (3Q累計)		
売上高	8,958	7,414	7,809	+395	105.3%
営業利益	706	698	570	△127	81.7%
営業利益率 (%)	7.9	9.4	7.3	—	—
経常利益	739	731	599	△131	82.1%
親会社株主に帰属する 四半期純利益	533	525	418	△106	79.7%

※ 「収益認識に関する会計基準」（企業会計基準第29号 2020年3月31日）等を第1四半期連結会計期間の期首から適用しており、2021年12月期に係る各数値については、当該会計基準等を遡って適用した後の未監査の数値となっております。

5

I will begin with an overview of the financial results for Q3 of the fiscal year ending December 31, 2022.

The Company has applied the new revenue recognition standard from this fiscal year. Thereafter, it will be referred to as the new standard. Since the impact of this change on net sales is particularly big, the figures for the previous year are replaced by those obtained using the new standard.

Net sales for Q3 of FY2022 were JPY7,809 million, 105.3% YoY. Operating income was JPY570 million, 81.7% YoY. Ordinary income and net income are as stated.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

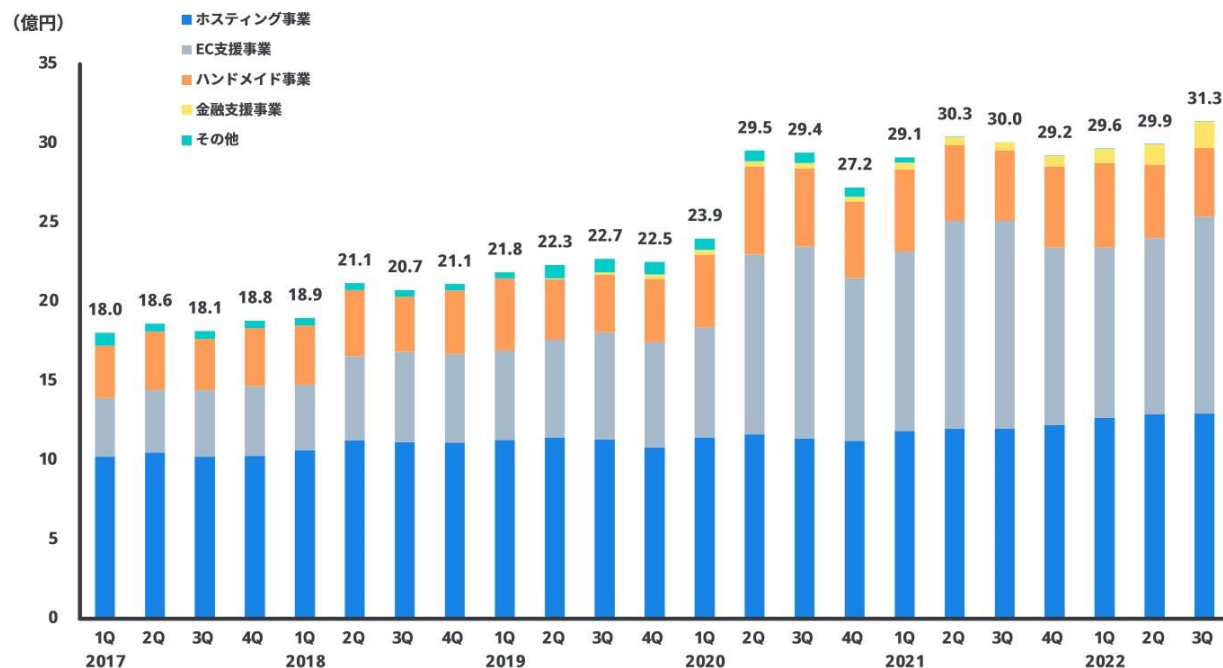
North America 1.800.674.8375
Email Support support@scriptasia.com

 **SCRIPTS**
Asia's Meetings, Globally

四半期売上高推移（収益認識基準等の適用前での比較）

GMOペパボ

※売上高の長期推移については新収益適用前との比較が困難となることから、収益認識会計基準等の適用前での数値比較となります



6

Quarterly sales figures for 2022 are shown replaced by the old standard, but Q3 sales were JPY31.3 billion, a record high.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

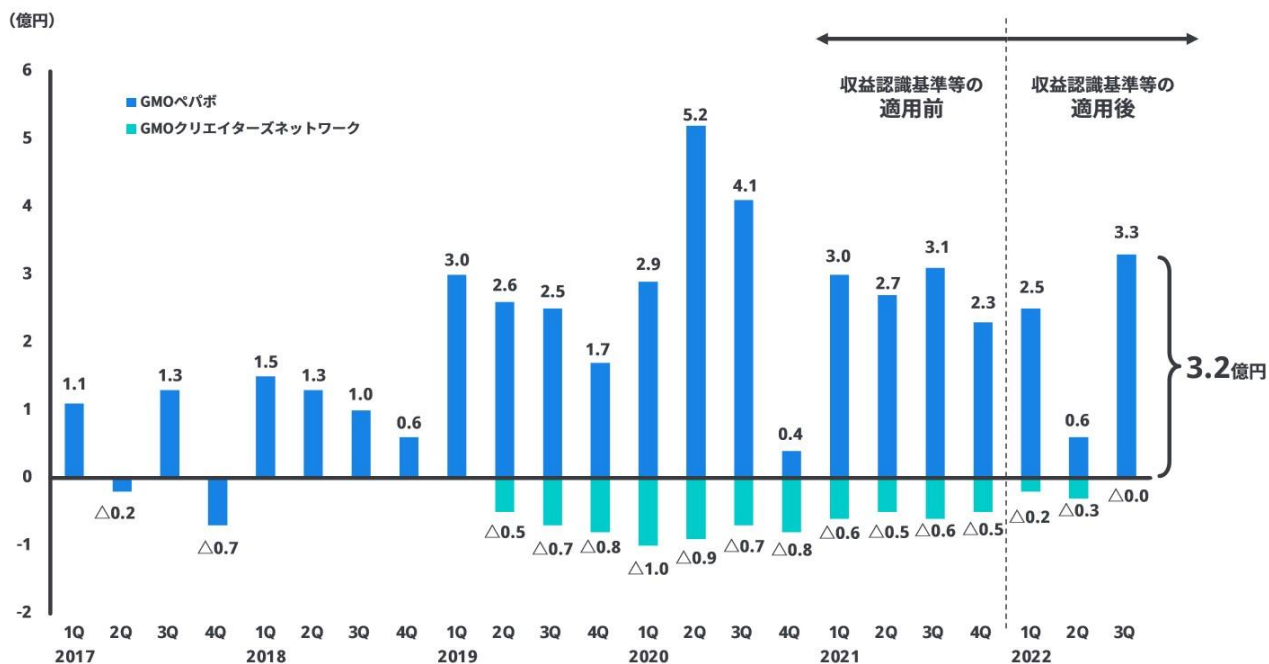
North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

四半期営業利益推移

GMOペパボ

※営業利益の長期推移については影響が軽微であることから、2022年1Qより収益認識会計基準等の適用後の数値比較となります



7

Quarterly operating income was JPY320 million in Q3, a significant increase compared to Q2 when SUZURI incurred TV commercial costs.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

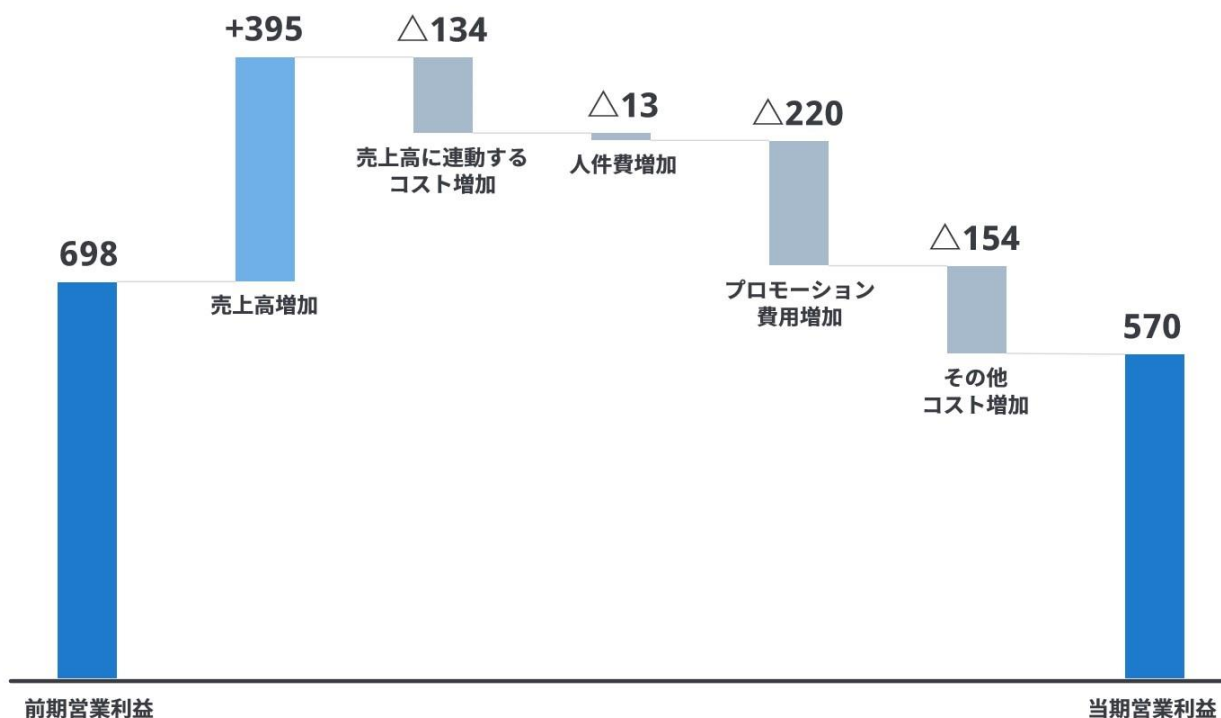
North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

営業利益増減分析

GMOペパボ

(単位：百万円)



※ 「収益認識に関する会計基準」(企業会計基準第29号 2020年3月31日)等を第1四半期連結会計期間の期首から適用しており、2021年12月期に係る各数値については、当該会計基準等を遡って適用した後の未監査の数値となっております。

8

Looking at changes in operating income, it was JPY570 million in the current period compared to JPY698 million in the previous period, a decrease of JPY128 million.

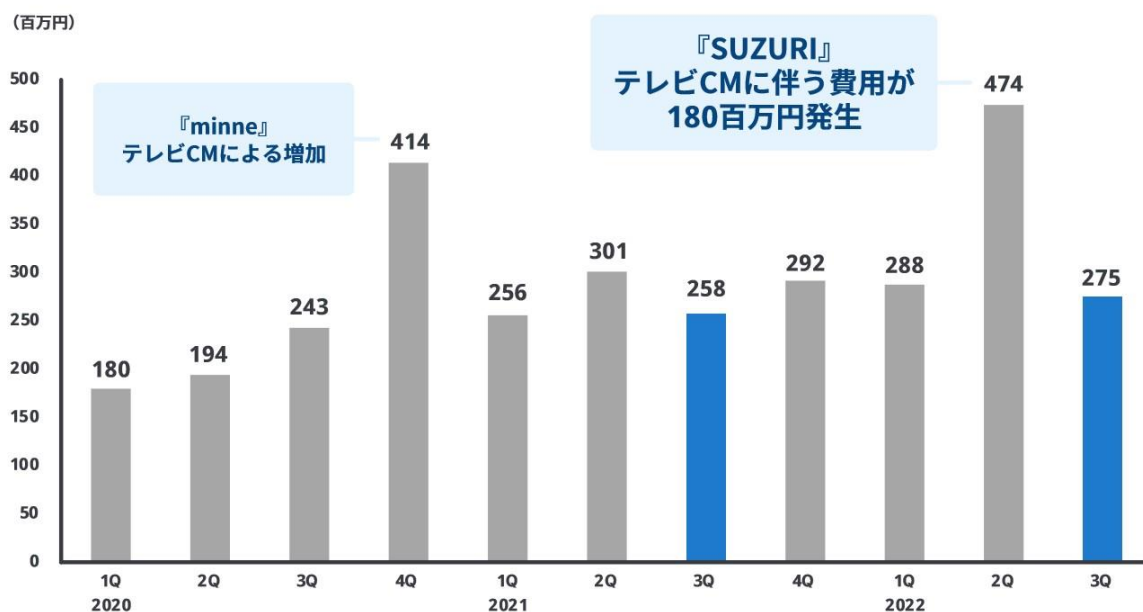
Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

SUZURI のプロモーション費用発生がなくなり、第3四半期は前年同期並み



As we reported earlier, the increase in promotional expenses has had an impact. As for the breakdown of promotion expenses, Q3 was flat YoY due to the absence of expenses incurred for SUZURI's TV commercials in Q2.

価格改定の効果や高単価ドメインの販売により好調に推移	
ホスティング	売上高： 3,840 百万円 （ 108.6 % ） 営業利益： 1,318 百万円 （ 122.4 % ）
カラーミーショップは前年並みで推移、SUZURIが想定を下回る	
EC支援	売上高： 2,347 百万円 （ 94.9 % ） 営業利益： 557 百万円 （ 62.8 % ）
消費行動の変化により流通額が軟調、プロモーション等の費用が増加	
ハンドメイド	売上高： 1,233 百万円 （ 100.6 % ） 営業利益： 69 百万円 （ 41.4 % ）
請求書買取額の拡大が継続、業績黒字化を達成	
金融支援	売上高： 386 百万円 （ 267.7 % ） 営業利益： 4 百万円 （ 117 百万円増 ）

※ () 内は前年同期比

※ 「収益認識に関する会計基準」（企業会計基準第29号 2020年3月31日）等を第1四半期連結会計期間の期首から適用しており、2021年12月期に係る各数値については、当該会計基準等を遡って適用した後の未監査の数値となっております。

10

Looking at performance by segment, the hosting business performed well, but SUZURI, an ecommerce support business, performed below expectations, and the handmade business saw an increase in promotion expenses. The financial support business achieved a return to profitability in Q3.

Support

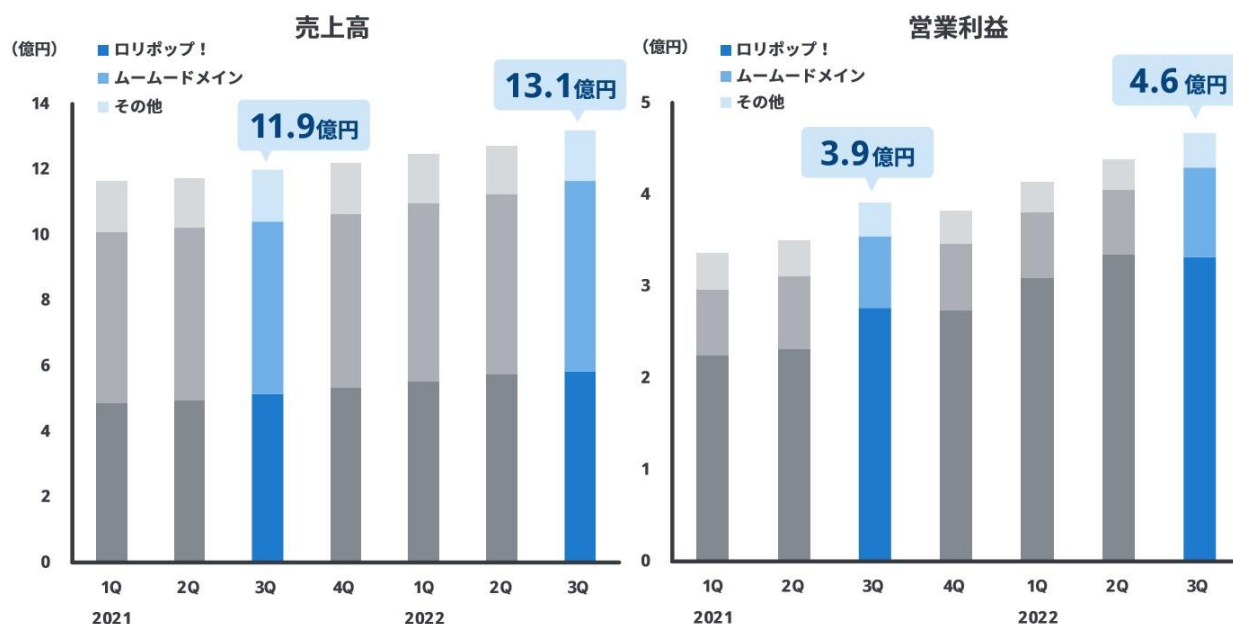
Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

累計期間

売上高： 3,840百万円 (前年同期比 108.6%)

営業利益： 1,318百万円 (前年同期比 122.4%)



※ 「収益認識に関する会計基準」(企業会計基準第29号 2020年3月31日)等を第1四半期連結会計期間の期首から適用しており、2021年12月期に係る各数値については、当該会計基準等を遡って適用した後の未監査の数値となっております。

12

I will now focus on each segment. YoY comparisons by segment are based on the previous year's figures, which have been replaced by the new standards.

Let's start with the hosting business. Net sales were JPY3,840 million, up 108.6% YoY. Operating income was JPY1,318 million, 122.4% YoY.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

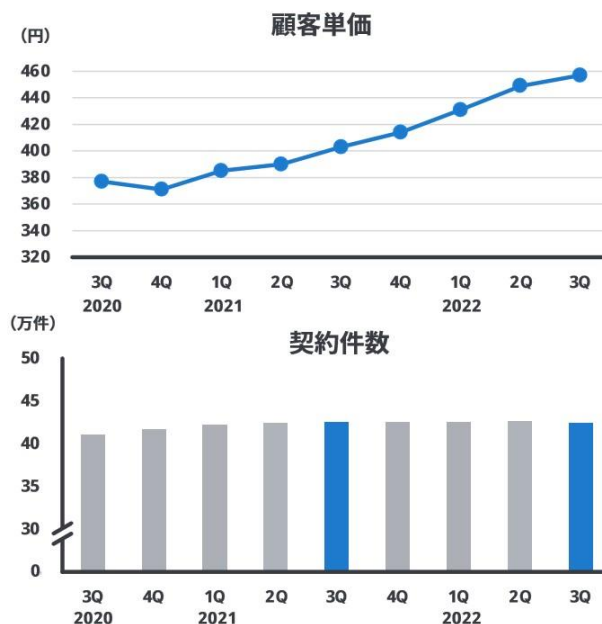
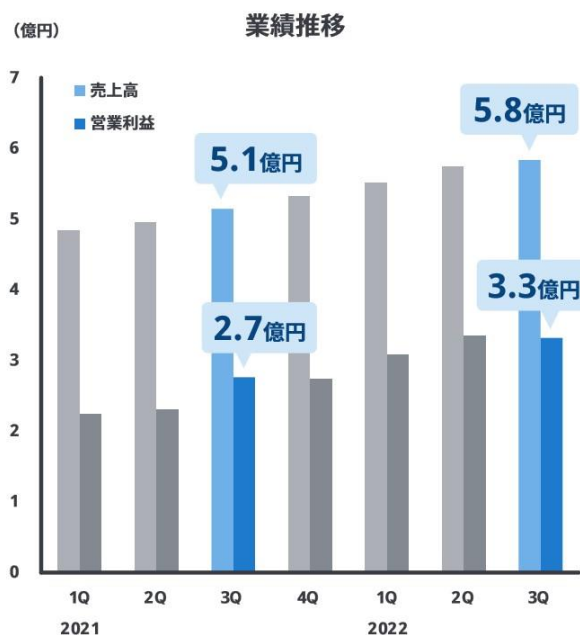
North America 1.800.674.8375
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

累計期間

売上高：1,710百万円（前年同期比 114.4%）

営業利益：975百万円（前年同期比 133.4%）



※「収益認識に関する会計基準」（企業会計基準第29号 2020年3月31日）等を第1四半期連結会計期間の期首から適用しており、2021年12月期に係る各数値については、当該会計基準等を遡って適用した後の未監査の数値となっております。

13

Rental server service Lollipop! posted sales of JPY1.71 billion. Operating income was JPY975 million. Unit price per customer continues to increase due to the effect of price revisions.

With regard to the number of subscriptions, while the number of subscriptions to high unit price plans increased steadily, cancellations of subscriptions to low unit price plans continued, resulting in a slight decrease in the number of subscriptions. We will continue to focus on acquiring contracts for higher-end plans through domain linkage and affiliate utilization.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

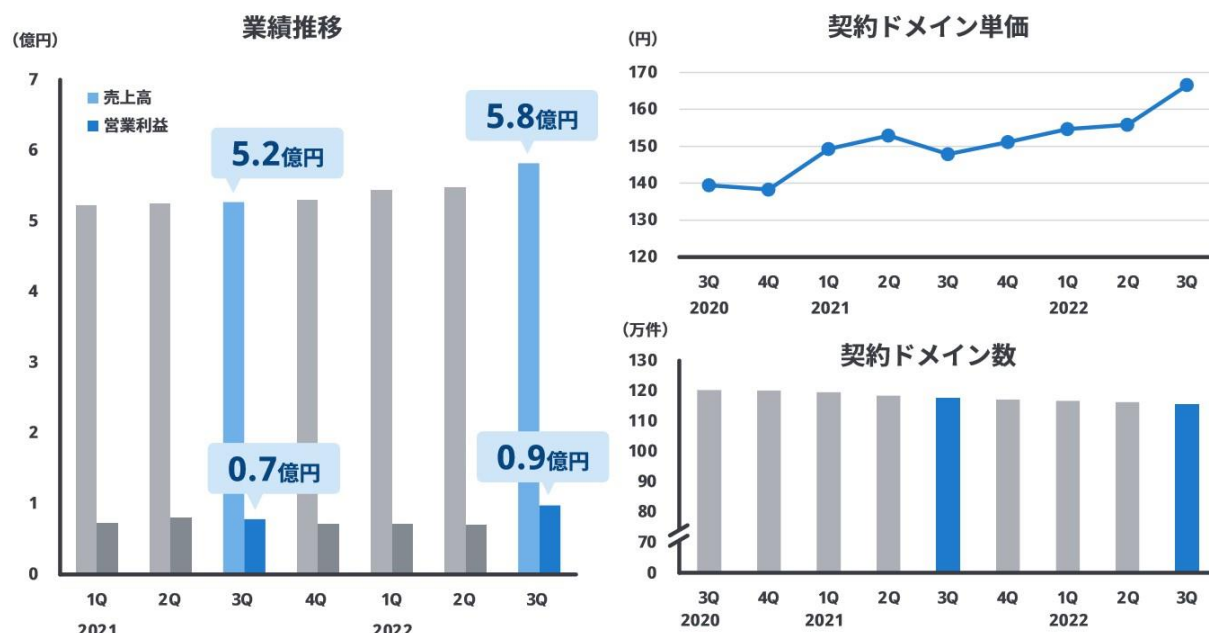
North America 1.800.674.8375
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

累計期間

売上高：1,674百万円（前年同期比 106.2%）

営業利益：239百万円（前年同期比 103.7%）



※「収益認識に関する会計基準」（企業会計基準第29号 2020年3月31日）等を第1四半期連結会計期間の期首から適用しており、2021年12月期に係る各数値については、当該会計基準等を遡って適用した後の未監査の数値となっております。

14

Next is the domain acquisition service, MuuMuu domain.

MuuMuu domain posted sales of JPY1,674 million and operating income of JPY239 million. Q3 was marked by the sale of high-value domains, which resulted in the recognition of one-time revenues. As a result, the unit price of contracted domains increased approximately JPY10 in Q3, and both net sales and operating income increased YoY.

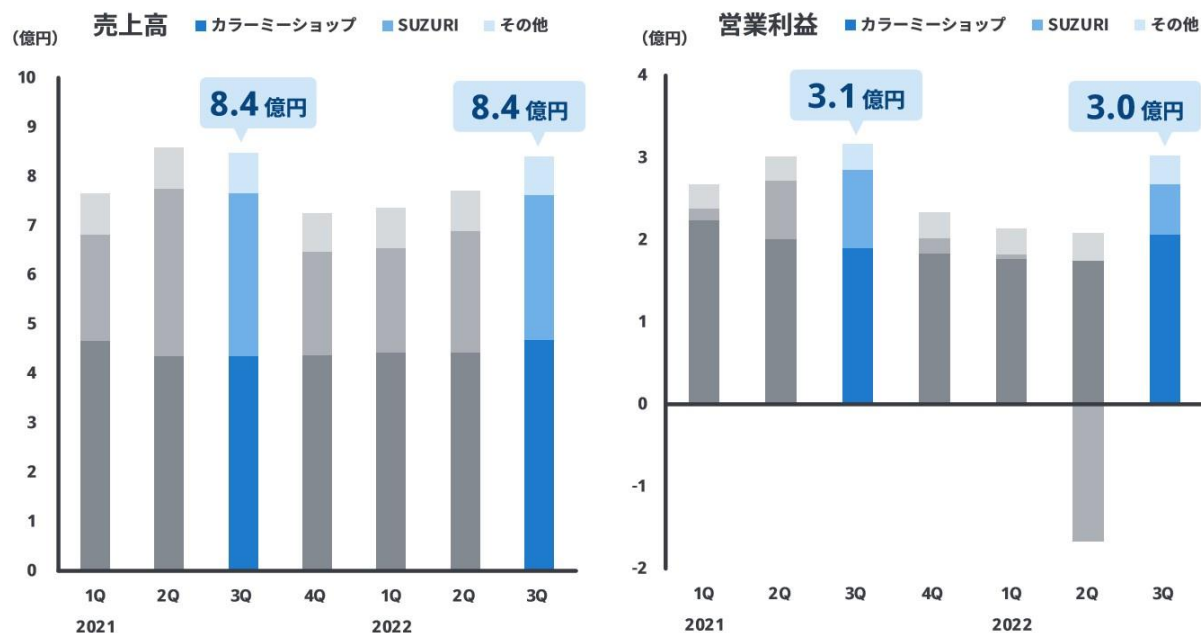
Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

累計期間 売上高： 2,347百万円 (前年同期比 94.9%)
 営業利益： 557百万円 (前年同期比 62.8%)



※ 「収益認識に関する会計基準」(企業会計基準第29号 2020年3月31日)等を第1四半期連結会計期間の期首から適用しており、2021年12月期に係る各数値については、当該会計基準等を遡って適用した後の未監査の数値となっております。

16

Next is the EC support business. Sales increased 94.9% YoY to JPY2,347 million. Operating income was JPY557 million, 62.8% YoY.

Support

Japan 050.5212.7790
 Tollfree 0120.966.744

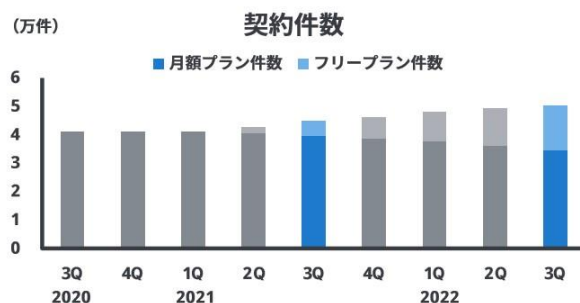
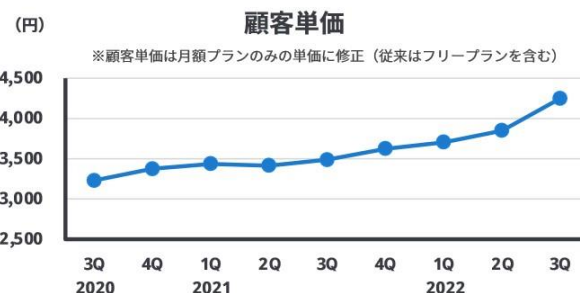
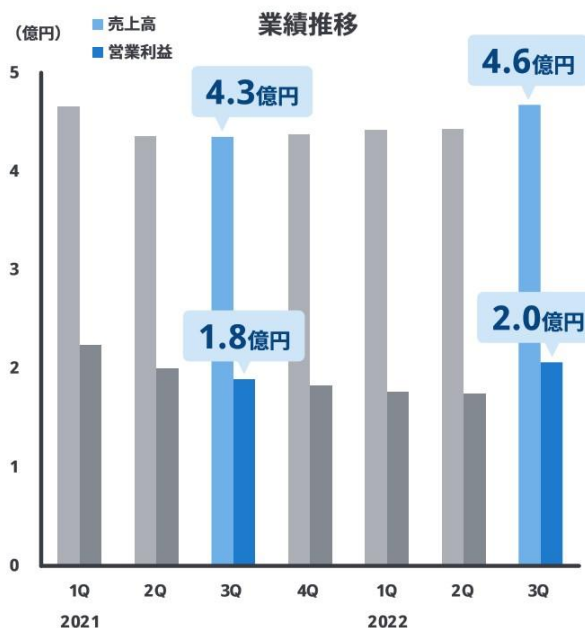
North America 1.800.674.8375
 Email Support support@scriptsasia.com

SCRIPTS
 Asia's Meetings, Globally

累計期間

売上高：1,352百万円（前年同期比 101.1%）

営業利益：557百万円（前年同期比 90.9%）



※「収益認識に関する会計基準」（企業会計基準第29号 2020年3月31日）等を第1四半期連結会計期間の期首から適用しており、2021年12月期に係る各数値については、当該会計基準等を遡って適用した後の未監査の数値となっております。

17

While Color Me Shop sales were on par with the previous year, SUZURI distribution fell short of expectations, resulting in lower sales and profits YoY. The online store creation service, Color Me Shop, posted sales of JPY1,352 million and operating income of JPY557 million.

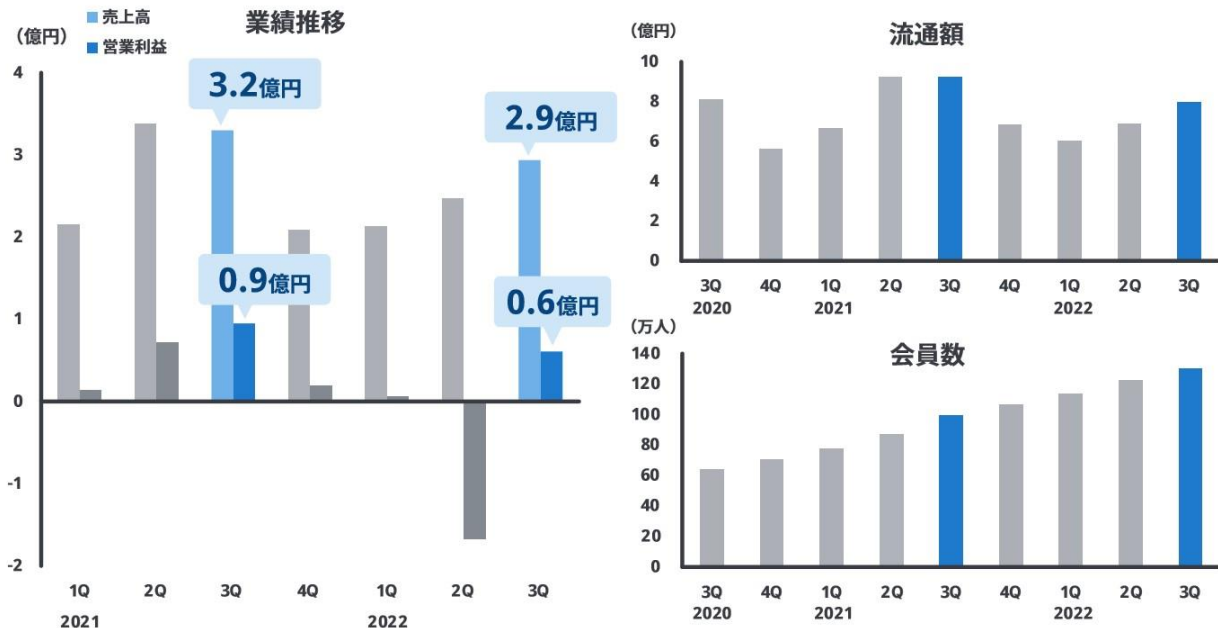
Although sales were generally flat, operating expenses increased due to the Color Me Shop Awards, especially for the cost of holding the awards ceremony in real life, and operating expenses from infrastructure enhancements, resulting in a decrease in profit. Although the number of subscriptions to monthly plans has been gradually declining, per-customer spending has been increasing due to the effect of the price revision implemented in April.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

累計期間 売上高: **753百万円 (前年同期比 85.2%)**
 営業利益: **△99百万円 (前年同期比 281百万円減)**



※ 「収益認識に関する会計基準」(企業会計基準第29号 2020年3月31日)等を第1四半期連結会計期間の期首から適用しており、2021年12月期に係る各数値については、当該会計基準等を遡って適用した後の未監査の数値となっております。

18

Next, there is SUZURI, a service to create and sell original goods.

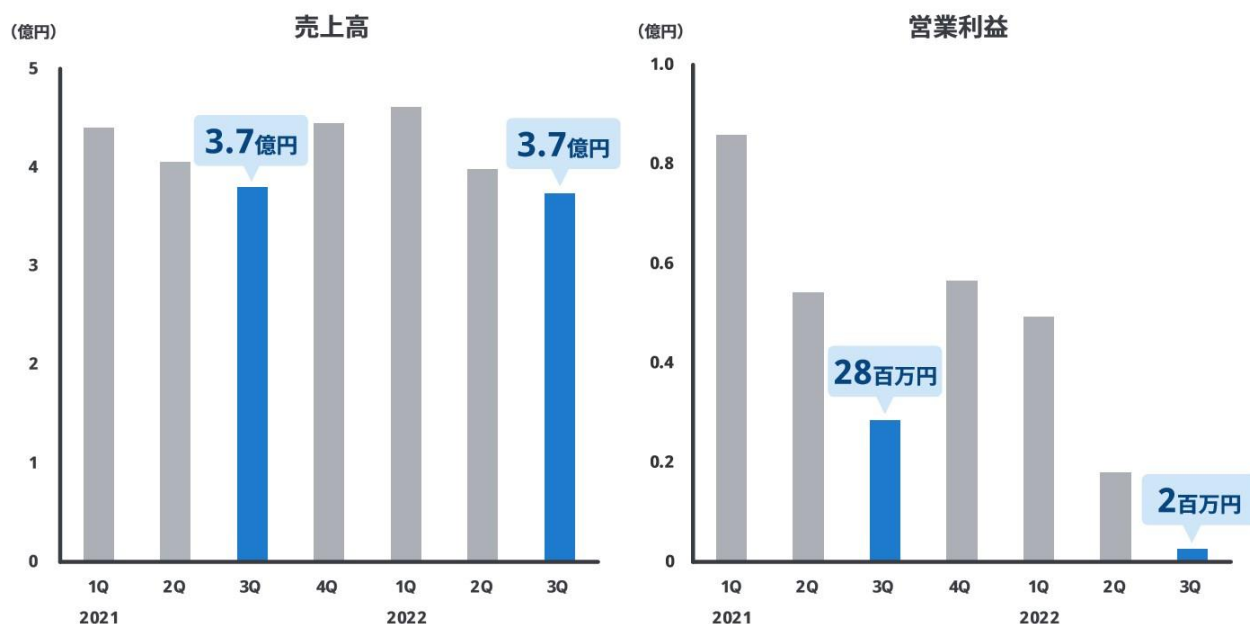
SUZURI posted sales of JPY753 million and operating income of minus JPY99 million. In Q2, despite the implementation of promotional measures for TV commercials, distribution volume was slower than expected, resulting in lower sales and profits compared YoY.

Support

Japan 050.5212.7790
 Tollfree 0120.966.744

North America 1.800.674.8375
 Email Support support@scriptasia.com

累計期間 売上高: **1,233**百万円 (前年同期比 **100.6%**)
営業利益: **69**百万円 (前年同期比 **41.4%**)



※ 「収益認識に関する会計基準」(企業会計基準第29号 2020年3月31日)等を第1四半期連結会計期間の期首から適用しており、2021年12月期に係る各数値については、当該会計基準等を遡って適用した後の未監査の数値となっております。

20

Let's move on to the handmade products business, minne.

Sales at minne were JPY1,233 million, up 100.6% YoY. Operating income was JPY69 million, 41.4% YoY. Although a discount campaign was implemented to encourage users to purchase, the amount of distribution was lower than expected due to changes in consumption trends.

In addition, promotional expenses increased due to the implementation of discount campaign measures. As for minne's KPIs, the number of authors and brands reached 840,000, the number of works reached 15.68 million, and the number of app downloads reached 13.92 million.

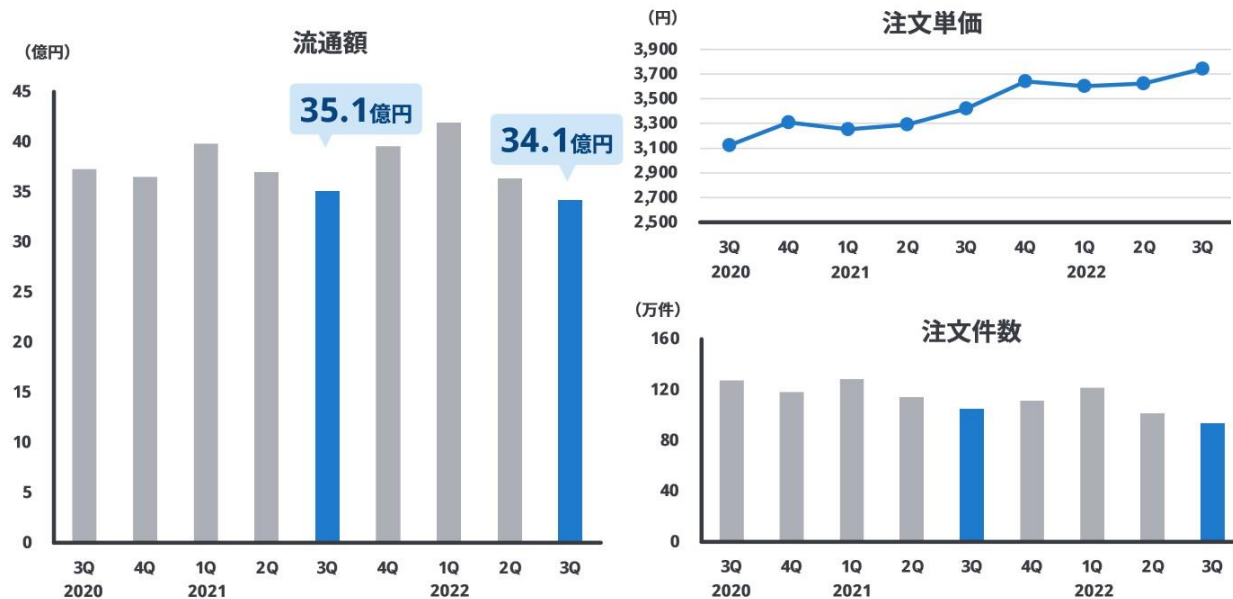
Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

累計期間	流通額：	112.4億円	(前年同期比 100.5%)
	注文単価：	3,743 円	(前年同期比 109.4%)
	注文件数：	316.7万件	(前年同期比 91.1%)



※ 商品の配送料、キャンセル分は除く発送済みの作品価格（オプション価格含む）の合計（税抜）

22

As for distribution value, unit price per order, and the number of orders, distribution value was on par with the previous year. Although the number of orders distributed decreased, the unit price per order increased.

Support

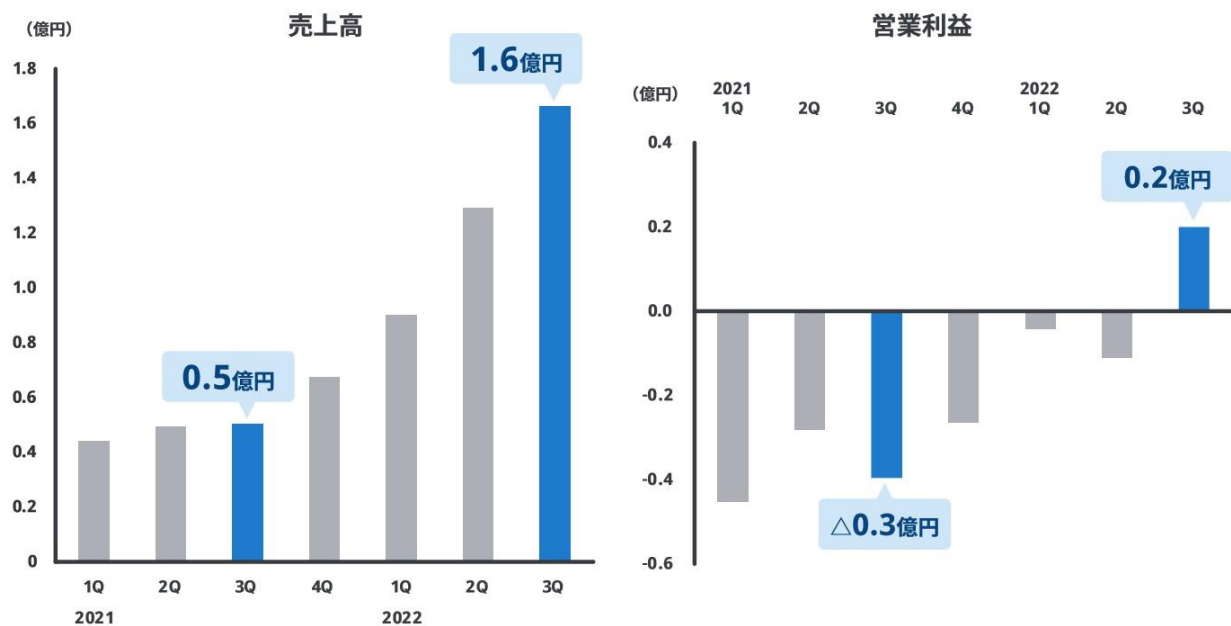
Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

累計期間

売上高： **386百万円** (前年同期比 **267.7%**)
 営業利益： **4百万円** (前年同期比 **117百万円増**)



※ 「収益認識に関する会計基準」(企業会計基準第29号 2020年3月31日)等を第1四半期連結会計期間の期首から適用しており、2021年12月期に係る各数値については、当該会計基準等を遡って適用した後の未監査の数値となっております。

24

Next is the financial support business. Net sales totaled JPY386 million, a significant YoY growth of 267.7%. Operating income was plus JPY4 million, achieving profitability in Q3.

Support

Japan 050.5212.7790
 Tollfree 0120.966.744

North America 1.800.674.8375
 Email Support support@scriptsasia.com

請求書買取総額

II

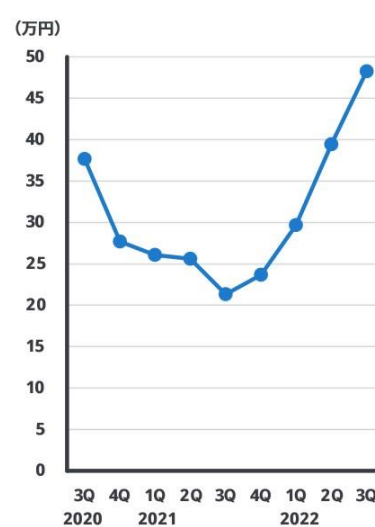
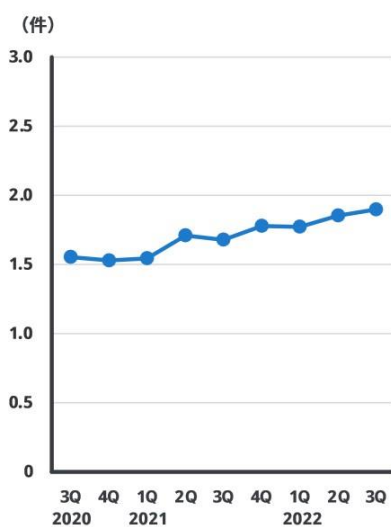
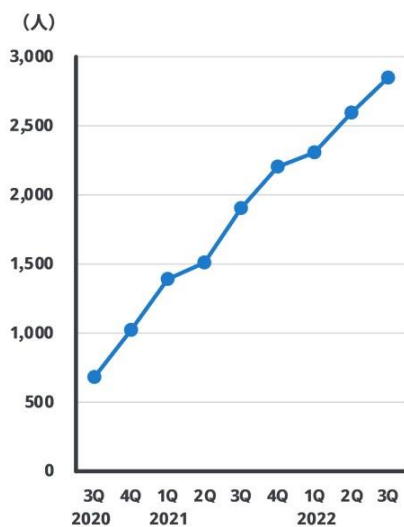
利用者数

×

一人あたり利用件数

×

平均買取単価



25

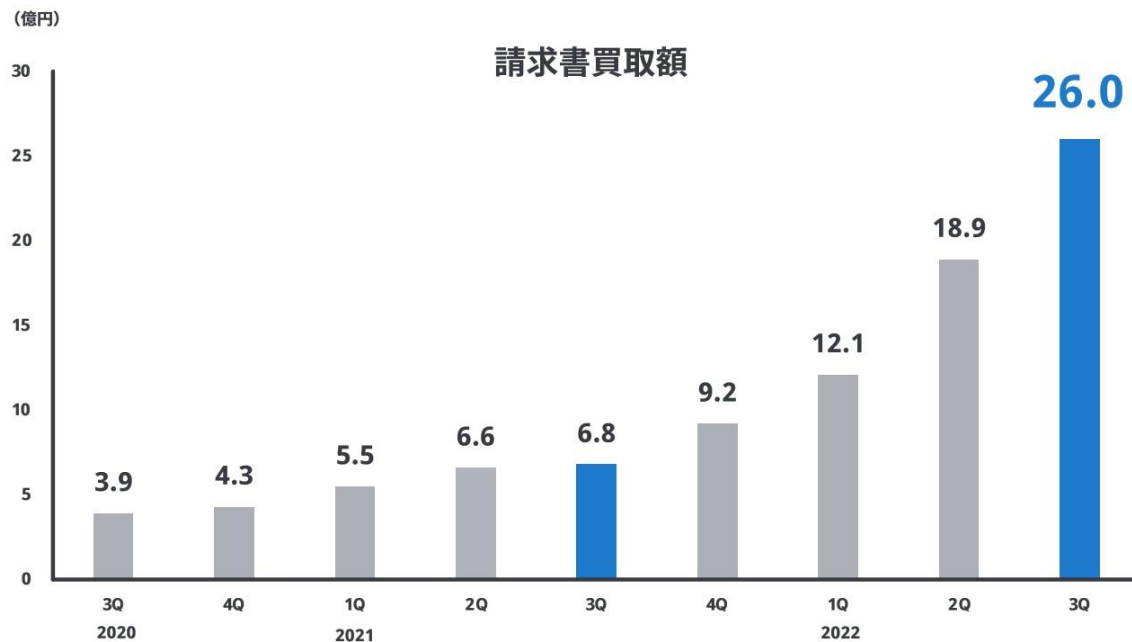
As for FREENANCE's KPIs, the number of users is steadily increasing. The number of transactions with existing partners has increased and their credit has grown, and three-way transactions continue to grow.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

利用者数、平均買取単価が増加傾向にあり、請求書買取額も過去最高を更新



26

The average transaction unit price also increased due to the expansion of credit lines of our business partners. The amount of invoice purchases in the quarter also increased, with purchases in Q3 of 2022 reaching JPY2.6 billion, well above the same period last year.

This is the explanation for each segment.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

セグメント別 通期の業績進捗（修正予想）

GMOペパボ

		期初予想 (2022年通期)	修正予想 (2022年通期)	増減率
ホスティング 前年に実施した 価格改定の効果により好調	売上高	5,059 百万円	5,142 百万円	1.6 %
	営業利益	1,561 百万円	1,712 百万円	9.7 %
EC支援 カラーミーショップは前年並み、 SUZURIの流通額が想定を下回る	売上高	3,826 百万円	3,120 百万円	△18.5 %
	営業利益	1,390 百万円	817 百万円	△41.2 %
ハンドメイド 作家誘致と購入者の拡大を目指すも、 流通額が想定を下回る	売上高	2,041 百万円	1,673 百万円	△18.0 %
	営業利益	262 百万円	87 百万円	△66.8 %
金融支援 請求書買取額が大幅に増加、 初の黒字化を達成	売上高	549 百万円	558 百万円	1.6 %
	営業利益	4 百万円	4 百万円	12.0 %
その他（本社費等） 採用計画の見直しなどの 本社費を抑制	売上高	4 百万円	4 百万円	—
	営業利益	△2,075 百万円	△1,889 百万円	—

28

Next, I will explain the progress of our business performance for the fiscal year ending December 31, 2022, and our future plans.

In 2022, a comparison of the initial forecast and the revised forecast by segment shows that the hosting business is performing well, partly due to the effect of the price revision implemented in the previous year, and thus the figures exceed the initial forecast. The financial support business also remains largely unchanged from the basic forecast.

On the other hand, in the EC support business, SUZURI's distribution value fell far short of the initial forecast. Similarly, in the handmade business, the distribution value fell below the initial forecast. As a result, operating income on sales in the EC support business and the handmade business have been revised.

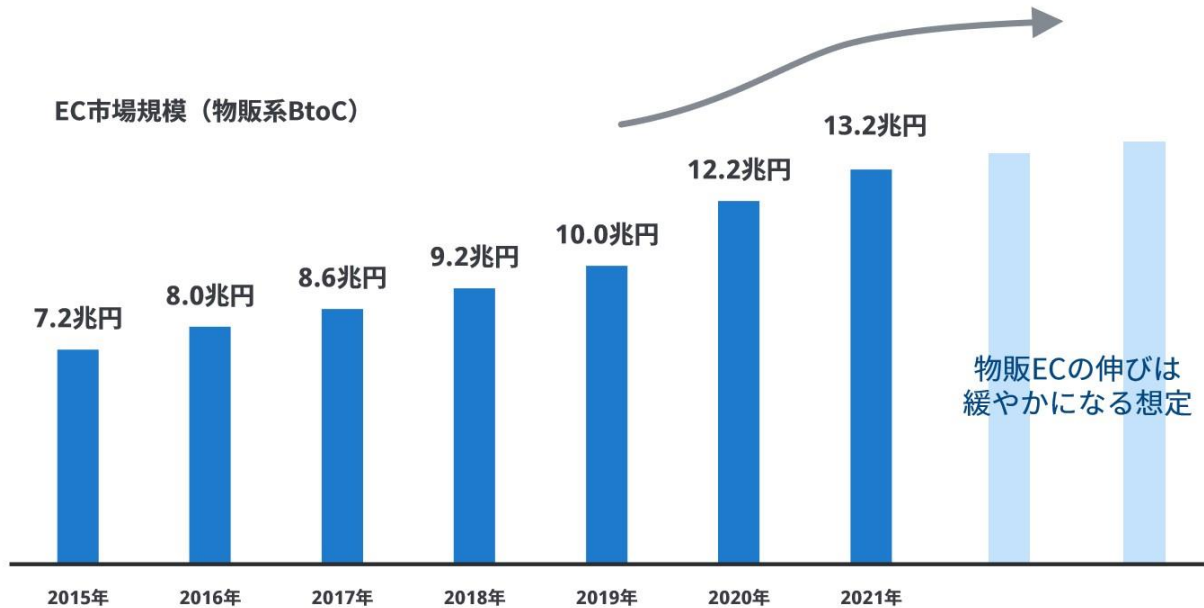
Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

 **SCRIPTS**
Asia's Meetings, Globally

物販ECの市場は成長しているものの、市場成長は緩やかになることが想定される



※出典：経済産業省「令和3年度 産業経済研究委託事業（電子商取引に関する市場調査）」

29

Regarding the market for EC for goods sales, however, the market growth rate shows that growth is slower than in 2020, when the market grew rapidly due to the Stay-at-home demand. We expect the overall market to continue to grow, but at a slightly slower rate.

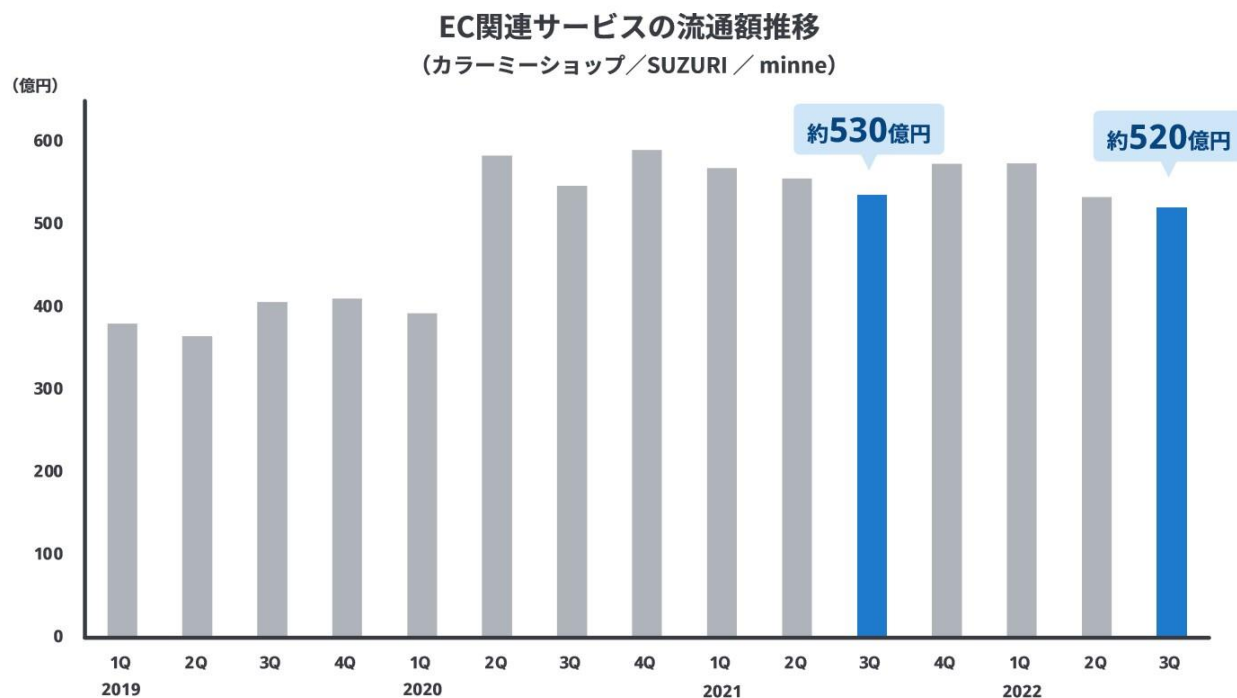
Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

カラーミーショップ、SUZURI、minne 3サービスの合計流通額は横ばい



30

The total distribution value of EC-related services, which includes Color Me Shop, SUZURI, and minne, was approximately JPY52 billion in Q3, down from the same period last year, due to the impact of changes in consumption trends.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

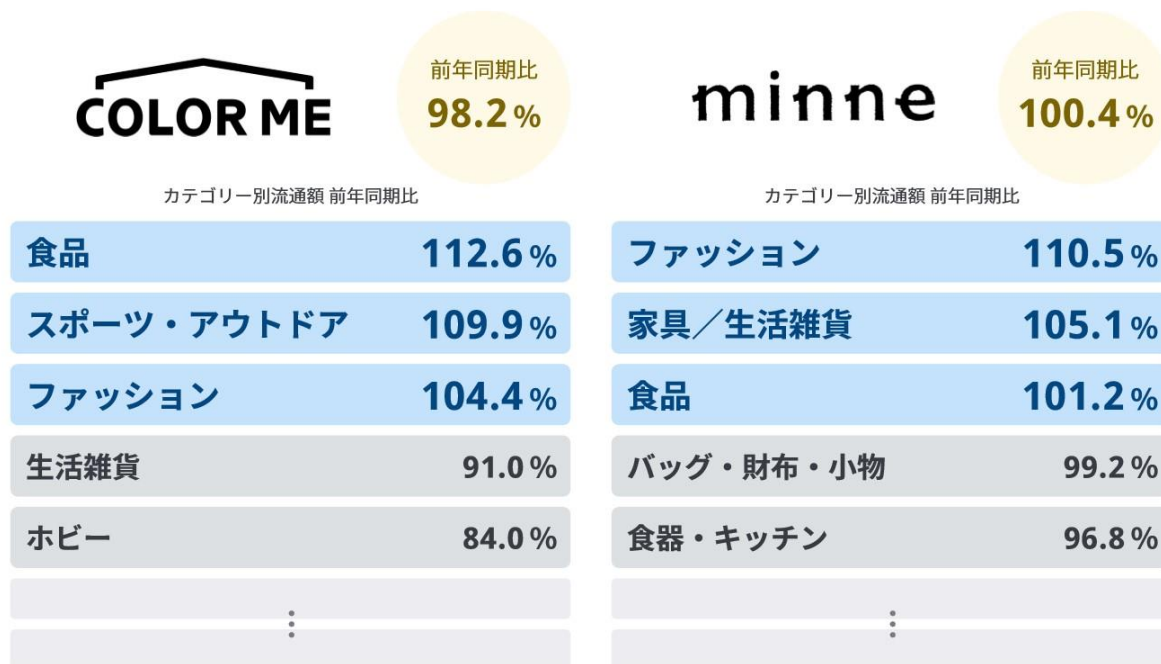
North America 1.800.674.8375
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

カラーミーショップ、minneのカテゴリー別流通（前年同期比）

GMOペパボ

第3四半期累計のカテゴリー別流通額を比較すると、流通額全体は横ばいとなるなか、成長カテゴリーを中心に強化することで事業成長を目指す



※ 流通規模の多い主要カテゴリーから算出

31

Comparing the YoY distribution value by category for Color Me Shop and minne respectively, the food, sports, outdoor, and fashion categories have grown in Color Me Shop. Fashion, furniture, household goods, and food are growing in minne.

While the distribution value of EC-related services remained flat, the fashion and food categories were able to grow as in the previous year. In order to further grow these growth categories, we will focus on strengthening functions specialized in the food field in the Color Me Shop and strengthening the furniture and antique categories in minne.

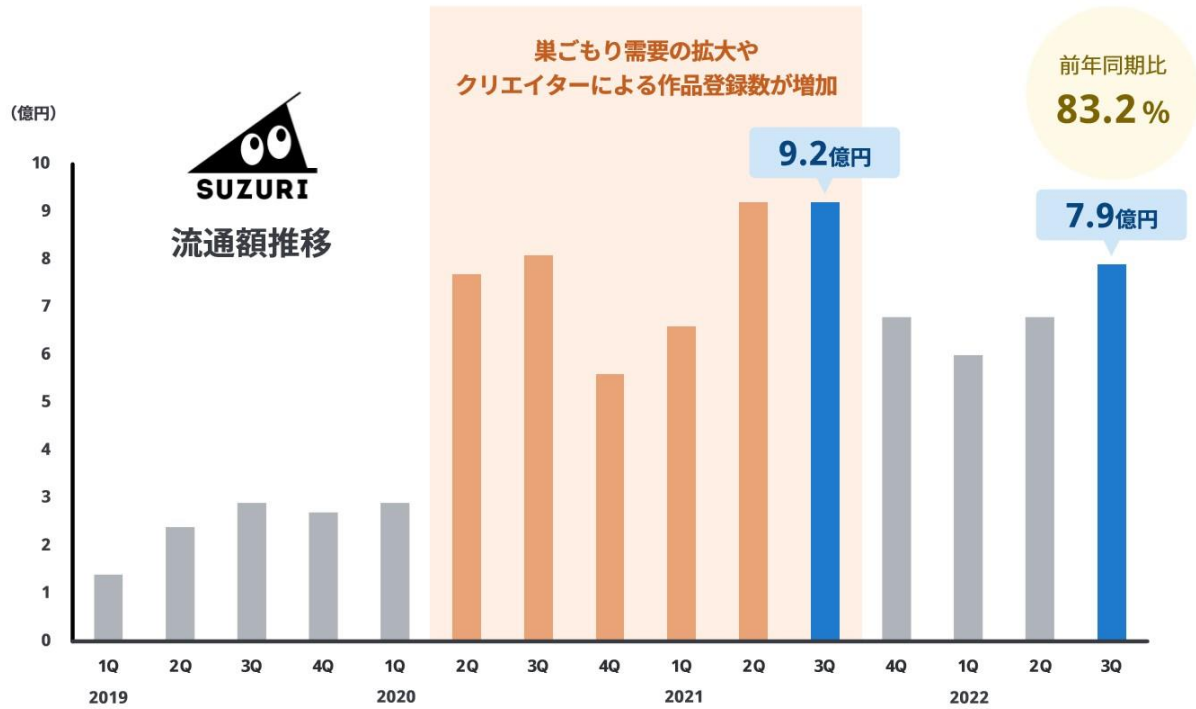
Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

コロナ禍で巣ごもり需要やクリエイターの作品登録数が拡大も、足元は流通が鈍化
作品登録を促すためのアイテム追加と、新規訪問者獲得のための広告出稿を実施



32

During the COVID-19 pandemic, SUZURI saw an increase in the number of works registered by creators whose activities in real life had been curtailed, as well as an effect of the nesting demand, and distribution increased.

We will continue to add items to encourage creators to register their works. In terms of advertising, we have been focusing on retargeting ads for visitors to the site, but we would like to switch to operations to attract more new visitors, and in particular, we would like to strengthen our placement of ads on Twitter, which has a high affinity with SUZURI.

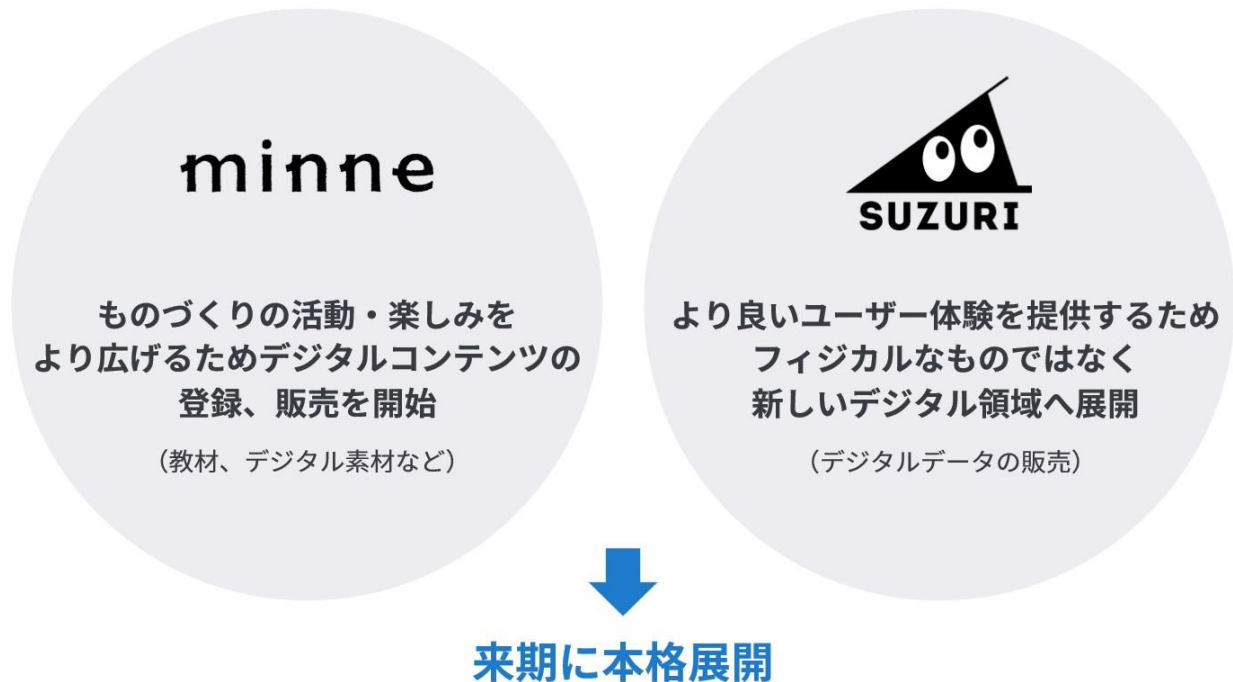
Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

デジタルコンテンツの取り扱いなど非物販ECの取り組みをスタート



33

In addition, minne and SUZURI have also launched initiatives for non-goods ecommerce. We plan to begin handling and selling digital content next year for full-scale development.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

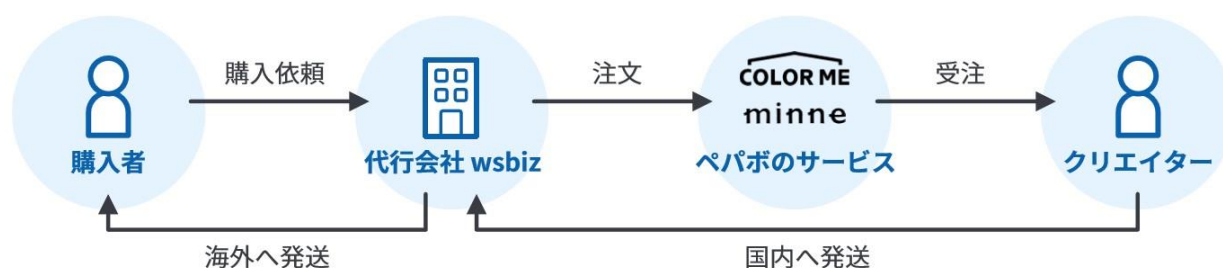
North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

海外ユーザーに向けた需要の取り込みとして、越境ECの支援サービスや機能を提供



「WorldShoppingBIZ」との連携イメージ



34

With regard to EC-related services, we intend to expand our cross-border EC services in order to respond to the recent rapid depreciation of the yen and to meet inbound demand and product purchases by overseas users.

Each service has linked with WorldShopping BIZ to start handling orders from overseas, or Color Me Shop also offers Buyee Connect application linkage, which handles payment, CS, and delivery on behalf of overseas users. In addition to WorldShopping BIZ, minne has begun working with Neokyo to expand the scope of its purchase agency services.

As the domestic ecommerce market remains sluggish, we see a great opportunity to expand our sales channels overseas, where future growth is expected.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

カラーミーショップのさらなる収益機会を創出するため
月商規模の大きい上位層の店舗に合わせた支援や機能強化を実施

ECカートサービス推計流通額 約2兆円※



※ ECカートサービス各社決算資料より自社推計（2021年）

35

In addition, the number of existing Color Me Shop stores with gradually increasing monthly sales is increasing, and we plan to provide support and enhancements next year to meet the needs of these top-tier stores.

We have been working to attract entry-level customers since the introduction of the free plan implemented last year, and we believe that expanding our support to the higher end of the market, which has a larger market size, will lead to more profitable opportunities.

Support

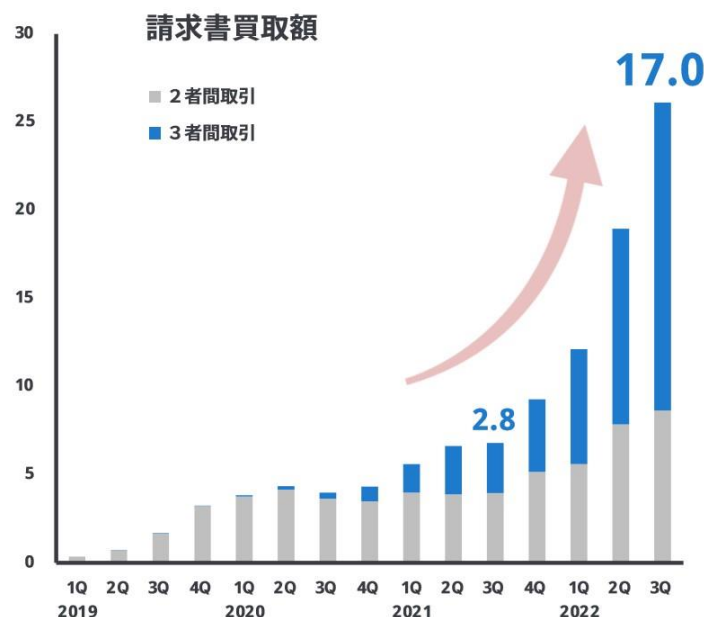
Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

企業連携の拡大により、3者間取引による請求書買取額が増加
第3四半期時点で業績黒字化を達成

(億円)



2023年3Q時点で

黒字化達成

2022年12月期 3Q

3者間取引は前年同四半期比

611.0%の成長

36

In the financial support business, which appeared to return to profitability this fiscal year, the number of invoices purchased for third-party transactions further expanded, growing 611% YoY. The number of suppliers and the number of purchases continues to increase, particularly in the transportation industry.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

企業側の報酬をカード決済できる機能『FREENANCEカード決済』及び有料プランを2022年10月19日（水）より提供開始

FREENANCEカード決済

発行したURLもしくはQRコードを請求書やメールなどに記載するだけで、クライアントはFREENANCE会員に対する支払いにカード決済が利用可能になる



有料プランの導入

	フリープラン	レギュラープラン	プレミアムプラン
月額料金※	¥0	¥590	¥1,200
損害賠償保険	最高5,000万円の補償	最高5,000万円の補償 + 最高500万円の業務過誤補償	
長期所得補償	諸条件あり	即加入可能	
バーチャルオフィス	別途申し込み	別途申し込み	ライトプラン付き
カード決済（決済利用料）	4.43%	3.93%	3.43%

※ 年払いにした場合の料金：レギュラー ¥5,880（月 ¥490）、プレミアム ¥11,760（月 ¥980）

37

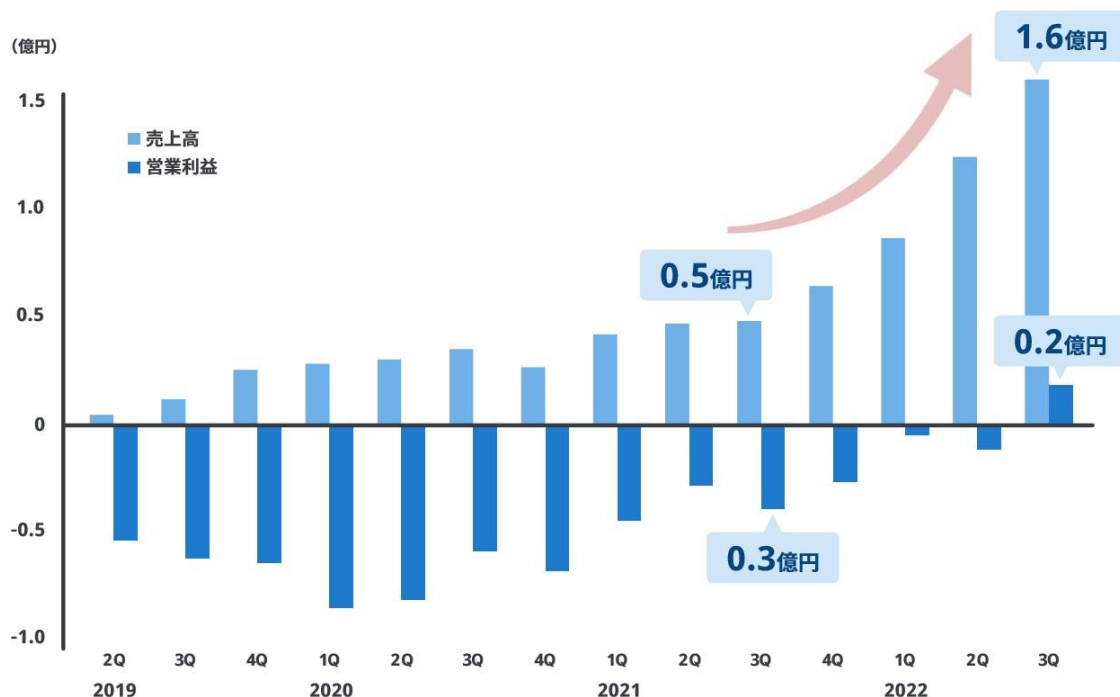
On October 19, FREENANCE launched a new feature that allows companies to use card payments for rewards, as well as a new paid plan that offers better terms and compensation to users. In the future, subscribers will be able to receive discounts on card payment fees and insurance benefits by subscribing to a paid plan.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

請求書買取額の拡大に合わせて、売上規模も順調に成長し、黒字化を実現
 コロナ禍の需要落ち込みも一服し、成長局面へ



38

Looking at FREENANCE's sales and operating profit trends, FREENANCE usage was sluggish during COVID-19 or in the years 2020 to 2021, and sales continued to stall, but since Q3 of 2021, the Company has continued to grow steadily with the expansion of third-party transactions through corporate partnerships.

We were also able to return to profitability in Q3, so we will continue to strengthen our corporate alliances and aim for business growth. In particular, for the current fiscal year, although the EC business had been planning based on growth in FY2020 and FY2021, we have made a conservative downward revision to reflect the slowdown in the economy, as well as our expectation that we will continue to be affected by the recent weak yen and high prices.

The ecommerce market will continue to grow, but we would like to focus not only on the current ecommerce of goods, but also on digital contents and cross-border ecommerce, which is easily affected positively by the weak yen.

That is all from me. Thank you very much.

Moderator: This concludes our explanation of the financial results. Thank you very much.

Question & Answer

Moderator [M]: We will now move on to the question-and-answer session. Please ask your question after you have mentioned your company name and name.

First, Daiwa Securities, Mr. Tokunaga, please ask your questions.

Tokunaga [Q]: This is Tokunaga from Daiwa Securities. I have three questions.

The first point is regarding profit. Q3 ended with a profit of nearly JPY300 million. Compared to Q2, I think it was a relatively profitable quarter, even excluding the decrease in advertising expenses. On the other hand, if we consider the full year plan after revision, the profit was just over JPY100 million, and it looks as if the profit will fall a little in Q3 and Q4.

I would like to ask you, first of all, was there some kind of extraordinary or one-time profit in Q3? Second, I think the plan for this quarter is a bit conservative, but I wonder that you are going to invest in something?. This is the first point.

Moderator [M]: Thank you very much, Mr. Tokunaga. President, please answer.

Sato [A]: Thank you for your question. In Q3, the impact of the SUZURI sale was slightly delayed from Q2 due to the postponement of the sales period, so there was the effect of this. There are also transient, high-value domain sales, which amount to several tens of millions of dollars.

The profit level in Q3 was higher than in other quarters due to a slight increase in the sales base in Q3, which was partly due to such specialized sales and partly due to the effect of the postponement of the period. Although Q4, which is not affected by such factors, shows a slight slowdown compared to Q3, I do not think that there is a significant change in Q3 and Q4 in particular when they are evened out.

However, the future market conditions are still a bit unpredictable, so the revised forecast is based on a conservative profit level for Q4. I hope this answered your question.

Tokunaga [Q]: Thank you very much. Now the second question. The second question is which will be more important in the future, profit growth or sales growth? When you aim for the mid-term plan, which has higher priority, sales or profit?

Sato [A]: Thank you. Originally, the plan was based on the assumption of profit growth, but the top line, especially EC, was based on the assumption of growth, and this has slowed down a bit.

We have not yet been able to finalize our plans for this part. It is a question of where to place the weight, but for the time being, sales have been slower than expected. While maintaining profitability, we are considering actions to expand the top line of sales to various targets. We would like to invest in the areas I mentioned earlier, such as cross-border sales, digital content, and the creation of new targets, especially in the area of ecommerce.

Since there are no immediate results in this area, the current status is that we are making medium- to long-term investments to generate sales first, while at the same time making a plan not to decrease profits to some extent, since we have lost a lot of money this time.

I'm sorry, I can't give you a clear answer yet, but that's all I have to say.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



Tokunaga [Q]: I understand. Thank you very much. Third, in response to the weakening of the EC market, as I think was mentioned earlier, the most important thing up to now seems to have been to firmly increase the EC-related service distribution value.

However, looking at the current market, some of your companies, such as FREENANCE, have grown considerably, and I wonder if there is a possibility that you will be shifting your investment from EC-related to finance-related investments in the future.

In light of the recent weakness in the market, which services do you intend to promote on a consolidated basis in the future, and what is your brand mix, or service mix, on a consolidated basis? That's all from me.

Sato [A]: Thank you. First of all, if we divide the stock and the flow within our company, the stock is the hosting and infrastructure business that we have continued to pursue, as well as the monthly Color Me plans and other such activities.

As for flow, sales from SUZURI, minne, and Color Me Shop are linked to the distribution amount, and some of FREENANCE is also divided into stock and flow.

We have invested heavily in the flow part of the ecommerce market based on the assumption that the market would grow, but we have been a little too optimistic in our planning, or in our reading of the market. We are aware that we need to further strengthen the stock, and not the flow part.

Therefore, we would like to gradually increase the top line of flow services as the market grows.

In the EC business, we are considering whether it would be possible to take action to build up stock rather than flow, and we also need to change the focus of the entire company from the infrastructure business and the monthly fee of the Color Me EC business, which used to focus more on flow, to stock.

FREENANCE, of course, is not so much investing on a large scale as it is investing in acquiring new members and offering new features that will significantly increase the layers of revenue. We would like to continue our efforts here. That's all from me.

Tokunaga [Q]: I understand. Let me follow up. I believe that the stock revenue is growing quite steadily, and the hosting service is also quite strong, the unit price of Color Me is increasing, and there is a new service at FREENANCE, which I am quite impressed with.

On the other hand, we are concerned about whether you will still be able to increase unit prices after the impact of the price revision has run its course. Please tell us about the current status of price revisions for hosting, EC support, and FREENANCE, how much further we can go, and how many more years we can expect to have high profitability of our stock and raise unit prices. That's all from me.

Sato [A]: Regarding price revisions, there are efforts to raise prices all at once, and there are also efforts to raise prices by conducting up-sales in stages. Last year, we revised our hosting prices and raised them all at once, but we are continuing to work on measures to raise prices per unit.

On the other hand, there is also a need for a little bit more large-scale hosting than small- and medium-scale hosting, which has been a little bit weaker. Also, there was a certain amount of money which was lost from EC users who leave our service after distribution is created, so we are also thinking about designing a plan and providing services that will prevent EC users leaving our services after a certain amount of money or distribution has been generated. We would like to make moves in the future not only to revise prices in such areas, but also to tackle new targets.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



Tokunaga [Q]: As for hosting, the Company's plan for this fiscal year has been revised upward quite strongly, but is it correct to think that this trend of increasing unit price or profitability will not run its course, and that it can still be raised through various measures?

Sato [A]: Yes, although it is not as much as in the current fiscal year, we are still feeling some residual effects from the price revision, and we are planning to provide services more suited to corporate and business needs. We believe that we will be able to achieve these effects in the future.

Tokunaga [M]: I understand. That's all from me. Thank you very much.

Sato [M]: Thank you very much.

Moderator [M]: Thank you very much, Mr. Tokunaga. Are there any other questions?

Next up is Mr. Yamada. Please ask your question.

Yamada [Q]: My name is Yamada from Toyo Keizai. Thank you for your presentation today. Regarding FREENANCE, I understand that it turned profitable in Q3, but has it entered a phase where profits are basically stable? I was wondering if you could give us some sense of direction as to how we should be looking at this, or if there will be times when you will be rattled by investments to increase the number of users.

Sato [A]: Thank you for your question. With regard to FREENANCE, as the number of members increases, the amount of purchase invoices will also increase and the number of copies will also increase, so we do not think that there will be such a large investment impact in the future. On the other hand, when we offer new functions, new services, or new products in FREENANCE, we will invest in development and promotion.

There will be some changes in those areas, but basically, they are repeats, so they do not undergo that big of a change. Basically, FREENANCE's plan is to continue to turn a profit and generate profits. However, since this business model requires cash first, FREENANCE's current approach is to make sure that cash can be accumulated and that it is easy to raise.

If there is any additional information from Mr. Igashima?

Igashima [A]: Thank you for your question. I assumed that your concern about FREENANCE was whether or not there is any possibility of a deficit due to large-scale investments, et cetera. However, there is no such concern at this point in time. We are now entering a much more stable phase, and we believe that this service will be a firm driving force for our company. That's all from me.

Yamada [Q]: Thank you very much. I would also like to ask one more point. Regarding SUZURI, I think you mentioned that you are going to start using Twitter ads for advertising, from retargeting to new acquisitions. I would like to ask if you have any additional information on the user trends of SUZURI, such as whether there are many repeat buyers or not, or what the weak points are, or if you have any analysis on the user trends.

Sato [A]: Thank you. As for SUZURI, first of all, we have been dropping advertisements to extend. The retargeting ads were where we would show that product one more time to those who had visited it once. Our assumption was that this would be effective in an environment where the ecommerce market would grow, but that assumption is now falling apart, so the first step now is to change the promotion to attract creators who will use SUZURI.

The advantage of SUZURI is that there is no inventory, so the seller can continue to use the product without the risk of inventory or production.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasias.com



On the other hand, there are places where there is no such risk, and we believe that we need to have continuous promotion. We need to have our clients communicate through social networking services that they are working on new items and new designs. Of course, there are similarities between this and a regular ecommerce site, but I think this is the most important part of SUZURI's unique characteristics.

This is an area that is particularly likely to affect repeat business, as the number of buyers who visit SUZURI tends to decrease after a certain amount of time has passed and social networking has stopped.

In order to ensure repeat business in such areas, it is necessary to increase the number of SNS messages from the creators, which we feel is an issue that needs to be addressed.

Yamada [M]: I understand very well. Thank you very much.

Moderator [M]: Thank you very much, Mr. Yamada.

Do you have any other questions? There are still a few minutes left, but since there are no other questions, we will conclude the question-and-answer session.

This concludes the online financial results briefing for GMO Pepabo, Inc. for Q3 of the fiscal year ending December 31, 2022.

Sato [M]: Thank you very much.

Igashima [M]: Thank you.

[END]

Document Notes

1. *Portions of the document where the audio is unclear are marked with [Inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
4. *This document has been translated by SCRIPTS Asia.*

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasias.com



Disclaimer

SCRIPTS Asia reserves the right to edit or modify, at its sole discretion and at any time, the contents of this document and any related materials, and in such case SCRIPTS Asia shall have no obligation to provide notification of such edits or modifications to any party. This event transcript is based on sources SCRIPTS Asia believes to be reliable, but the accuracy of this transcript is not guaranteed by us and this transcript does not purport to be a complete or error-free statement or summary of the available data. Accordingly, SCRIPTS Asia does not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information contained in this event transcript. This event transcript is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

In the public meetings and conference calls upon which SCRIPTS Asia's event transcripts are based, companies may make projections or other forward-looking statements regarding a variety of matters. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the applicable company's most recent public securities filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are accurate and reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the anticipated outcome described in any forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE PUBLIC MEETING OR CONFERENCE CALL. ALTHOUGH SCRIPTS ASIA ENDEAVORS TO PROVIDE ACCURATE TRANSCRIPTIONS, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE TRANSCRIPTIONS. IN NO WAY DOES SCRIPTS ASIA OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BY ANY PARTY BASED UPON ANY EVENT TRANSCRIPT OR OTHER CONTENT PROVIDED BY SCRIPTS ASIA. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S PUBLIC SECURITIES FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS. THIS EVENT TRANSCRIPT IS PROVIDED ON AN "AS IS" BASIS. SCRIPTS ASIA DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, AND ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT.

None of SCRIPTS Asia's content (including event transcript content) or any part thereof may be modified, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of SCRIPTS Asia. SCRIPTS Asia's content may not be used for any unlawful or unauthorized purposes.

The content of this document may be edited or revised by SCRIPTS Asia at any time without notice.

Copyright © 2022 SCRIPTS Asia Inc. ("SCRIPTS Asia"), except where explicitly indicated otherwise. All rights reserved.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com

