

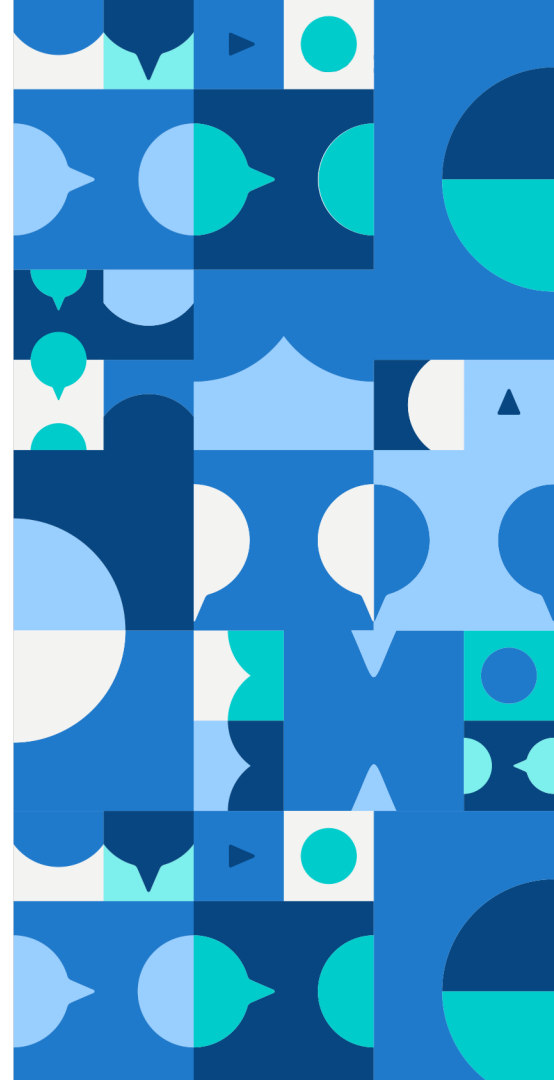


Fiscal Year 2024 Third Quarter

Results Presentation

GMO Pepabo, Inc.

Stock code: 3633 (TSE Standard Market)



- The full-year FY2024 forecast has been revised, with operating profit rising from 700 million yen to 820 million yen and the dividend per share increasing from 40 yen to 53 yen.
- Investing in new services to drive the growth of business in the next fiscal year

Hosting business

(servers, domains)

The continued positive impact of price revisions and the higher ratio of high unit price plans in subscriptions are driving strong performance.

- Lolipop! recorded increased sales thanks to the ongoing effects of price revisions and a higher ratio of high unit price plans. Optimized personnel allocation resulted in increased costs for Lolipop!
- The MuuMuu Domain grew in terms of both sales and profit due to the impact of newly introduced service maintenance adjustment fees.

E-commerce Support business and Handmade Products business

(e-commerce site building, original goods and handmade goods)

**Strong, steady results for Color Me Shop
Decline in gross merchandise value in non-recurring businesses in response to slumping e-commerce market**

- Color Me Shop achieved higher sales and profit, driven by production outsourcing sales supported by IT subsidies and reduced customer service costs through AI.
- The non-recurring businesses of SUZURI and minne experienced a year-on-year decrease in gross merchandise value due to the slowdown of the e-commerce market, but profits increased due to effective cost management.

Financial Support business

(factoring for FREENANCE)

Significant contraction in extent of losses due to decline in bad debt-related expenses


Sales declined, reflecting a decrease in the amount of purchases of invoices due to stricter purchase criteria.

Other

New service offerings: GMO SOKURESU AI for AI-powered inquiry support, and Alive Studio, a screen design service tailored to streamers and VTubers



AGENDA

- Summary of Results in Q3 FY2024 Page 3
 - Detailed Results by Segment Page 10
 - FY2024 New Services
 - Alive Studio Page 21
 - GMO SOKURESU AI Page 27
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Summary of Results in Q3 FY2024

Consolidated Results in Q3 FY2024

- Net sales decreased compared with the same period last year, as a result of a decrease in the amount of purchases of invoices due to stricter purchase criteria in the Financial Support business.
- Operating profit increased significantly due to reduced bad debt-related expenses in the Financial Support business and lower customer service costs from AI integration.
- Ordinary profit reflects gains from the valuation of investment securities.

(Million yen)

Item	Q3 FY2023 (nine months)	Q3 FY2024 (nine months)	Difference	YoY
Net sales	8,225	8,105	-119	98.5%
Operating profit	-582	782	+1,364	-
Ordinary profit	-504	833	+1,338	-
Profit attributable to owners of parent	-724	551	+1,275	-

- Investment planned for new services and initiatives to support growth in the next fiscal year
- Dividend per share revised from 40.00 yen to 53.00 yen in line with profit growth.

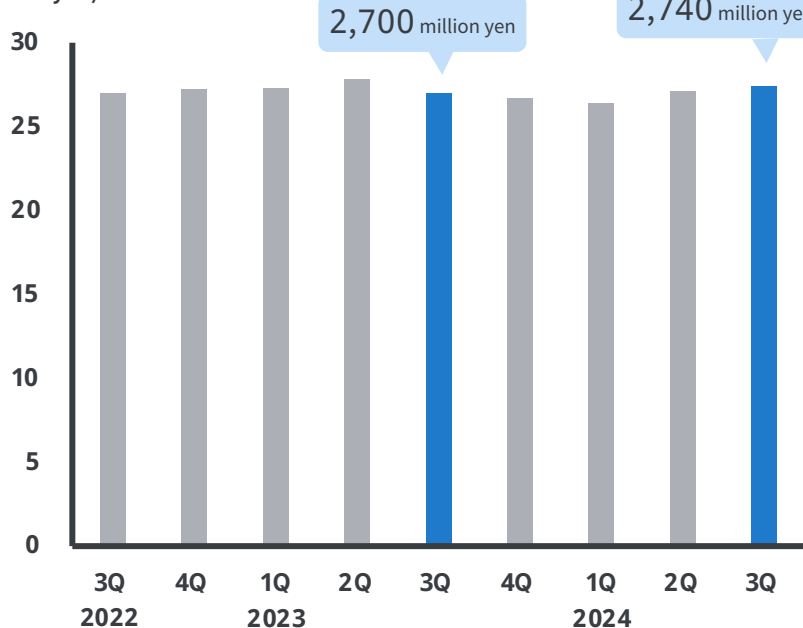
(Million yen)

Item	FY2023 (Full-Year forecast)	FY2024 (Initial forecast) (1)	FY2024 (Revised forecast) (2)	Difference ((2) - (1))	Change (%) (2)/(1)
Net sales	10,903	10,963	10,831	-131	-1.2%
Operating profit	-340	700	820	+119	+17.1%
Ordinary profit	-246	700	867	+167	+23.9%
Profit attributable to owners of parent	-628	421	554	+132	+31.4%
EPS (yen)	-119.16	79.95	105.02	+25.07	+31.4%
Dividends per share (yen)	—	40.00	53.00	—	—
Payout ratio (%)	—	50.0	50.5	—	—

- Quarterly net sales increased year on year, driven by the positive impact of price revisions in the Hosting business.
- Quarterly operating profit has remained stable since the recording of bad debt-related expenses in Q2 of FY2023.

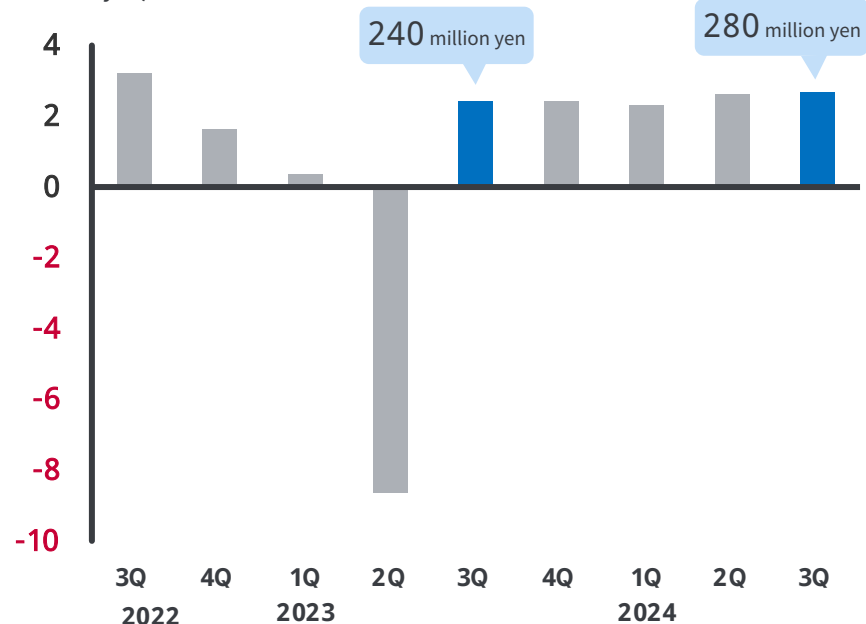
Net sales

(100 million yen)



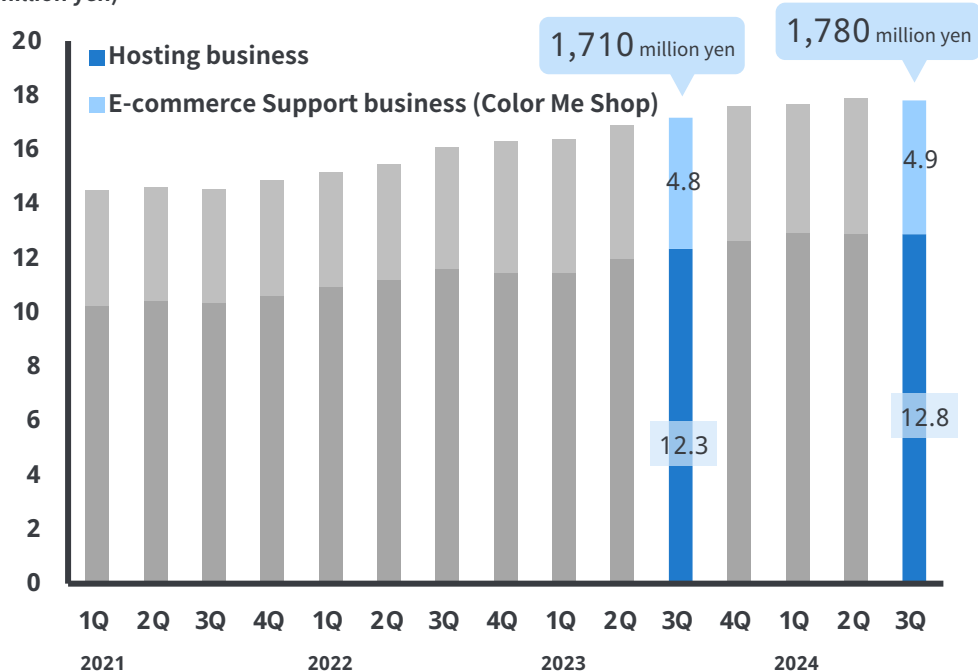
Operating profit

(100 million yen)



- In the recurring-type business, quarterly net sales grew moderately, positively affected by the price revision in the Hosting business.
- New services, MuuMuu Server and Lolipop! for Gamers, were introduced to build additional recurring revenue streams.

(100 million yen) **Trend in net sales of recurring revenue business**



Q3 FY2023
(nine months)

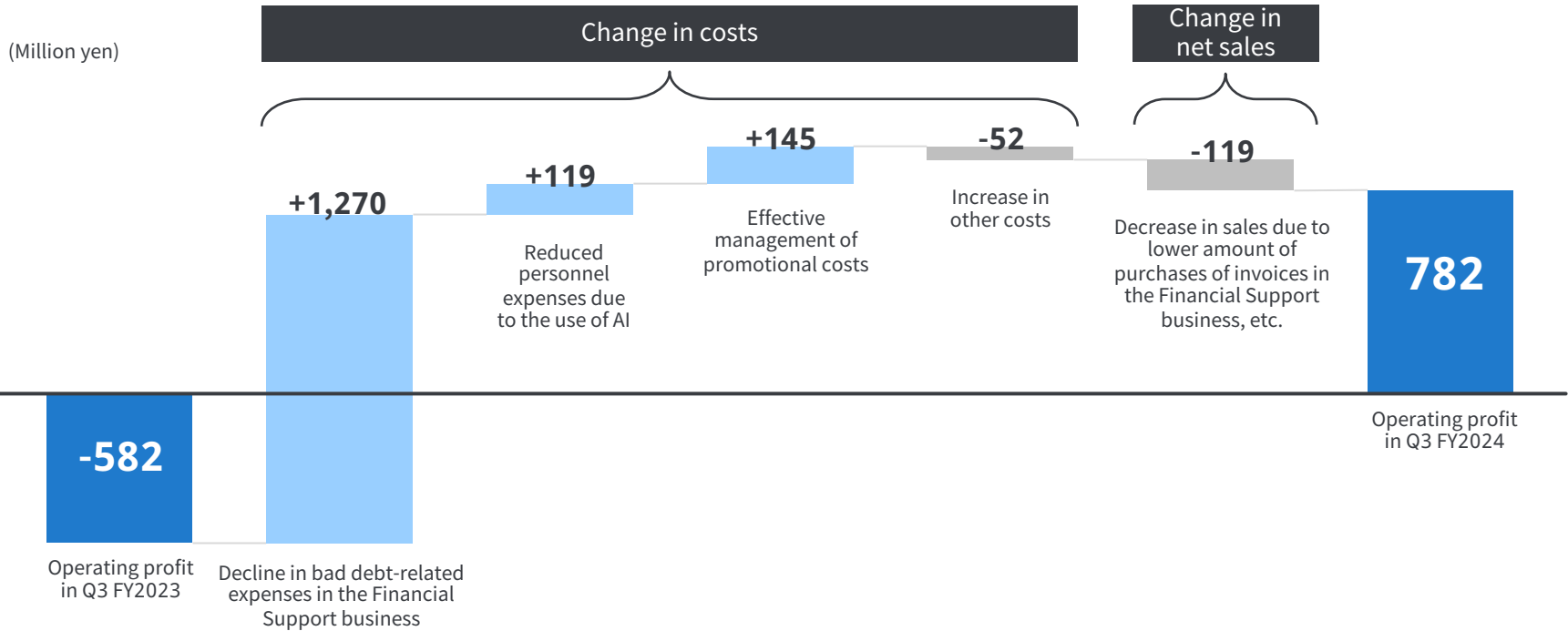
Q3 FY2024
(nine months)

5,040
million yen



5,330
million yen

- In the Financial Support business bad debt-related expenses declined and profit increased considerably year on year, reflecting decreased personnel expenses due to the use of AI and the effective management of promotional costs



- While the Hosting business performed well, net sales decreased year on year due to stricter purchase criteria in the Financial Support business and challenges in non-recurring businesses.
- Operating profit increased due to lower bad debt-related expenses in the Financial Support business, cost savings in customer services using AI, and the more efficient management of promotion costs.

(Million yen)

Item	Segment	Q3 FY2023 (nine months)	Q3 FY2024 (nine months)	Difference	YoY
Net sales		8,225	8,105	-119	98.5%
	Hosting business	4,257	4,563	+305	107.2%
	E-commerce Support business	2,283	2,222	-61	97.3%
	Handmade Products business	1,131	995	-135	88.0%
	Financial Support business	552	322	-230	58.3%
Operating profit		-582	782	+1,364	-
	Hosting business	1,328	1,488	+159	112.0%
	E-commerce Support business	508	586	+77	115.2%
	Handmade Products business	10	45	+34	414.9%
	Financial Support business	-1,140	-5	+1,134	-

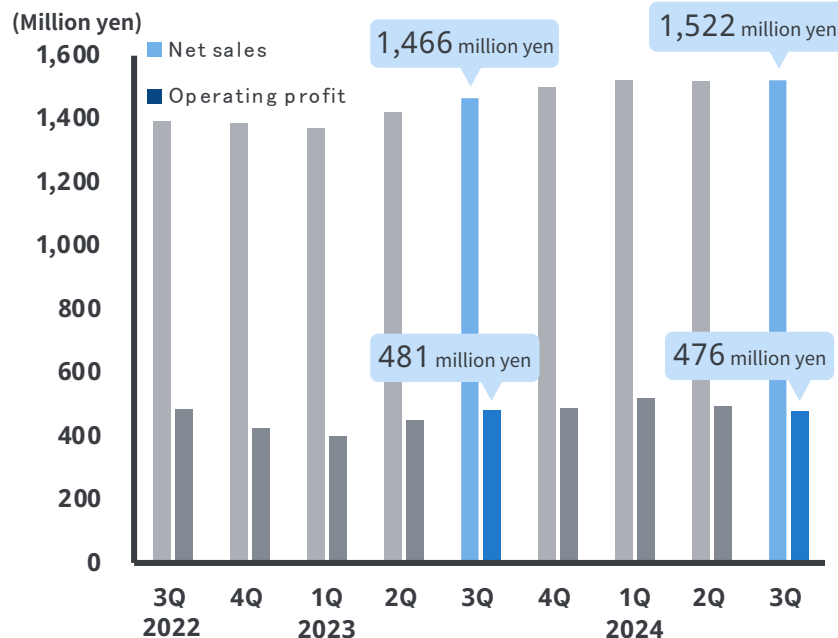
* Excluding head office costs, etc.

* Following an organizational change effective August 1, 2024, customer service departments previously under "Adjustments" were reclassified into the Hosting, E-commerce Support, and Handmade Products segments. Comparisons and analyses for FY2024 first nine months reflect the new segment structure.

Detailed Results by Segment

- In the first nine months, net sales and operating profit increased year on year, driven by price adjustments and a higher subscription ratio of high unit price plans.
- Operating profit of the first nine months for Lolipop! was impacted by increased costs due to the concentration of personnel resources for the development of Lolipop! for Gamers.

Trend in Hosting Business results



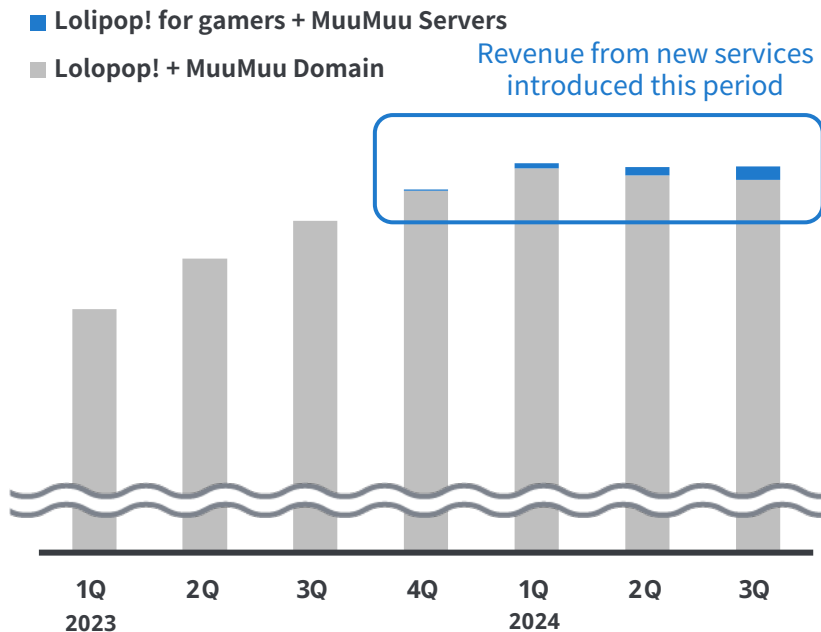
	Q3 FY2023 (nine months)	Q3 FY2024 (nine months)	Difference	YoY
Net sales				
Hosting business	4,257	4,563	+305	107.2%
Lolipop!	1,854	1,932	+78	104.2%
MuuMuu Domain	1,729	1,948	+218	112.6%

	Q3 FY2023 (nine months)	Q3 FY2024 (nine months)	Difference	YoY
Operating profit				
Hosting business	1,328	1,488	+159	112.0%
Lolipop!	986	945	-40	95.9%
MuuMuu Domain	212	337	+125	159.1%

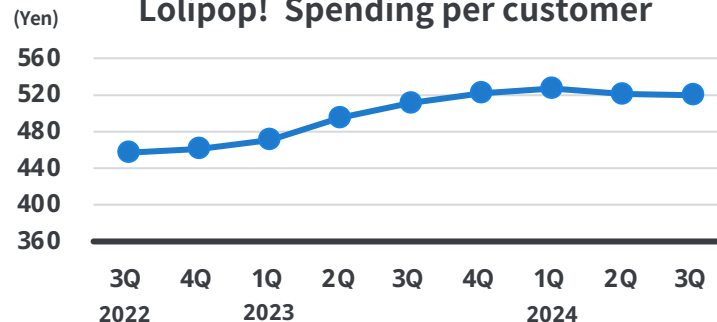
- Net sales**
 - Lolipop! recorded increased sales thanks to the ongoing effects of price revisions and a higher ratio of high unit price plans
 - MuuMuu Domain saw ongoing effects from the introduction of service maintenance adjustment expenses
- Operating profit**
 - Concentration of personnel resources for the development of Lolipop! for Gamers
 - Some costs were shifted from MuuMuu Domain to Lolipop! as a result of optimizing personnel allocations inside the segment

- Recurring revenue remained stable, with contributions from Lolipop! for Gamers and MuuMuu Server.
- Due to the effects of price revisions and the higher ratio of high unit price plans, spending per customer increased for MuuMuu Domain.

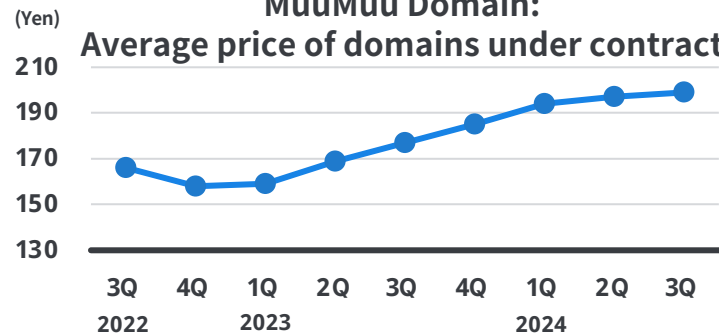
Recurring revenue breakdown



Lolipop! Spending per customer



MuuMuu Domain: Average price of domains under contract



- Expanded the range of supported games to drive new subscriptions to Lolipop! for Gamers.
- The number of new MuuMuu Server subscriptions has increased, with the number reaching 4,570 for the first nine months of FY2024.

Lolipop! for Gamers

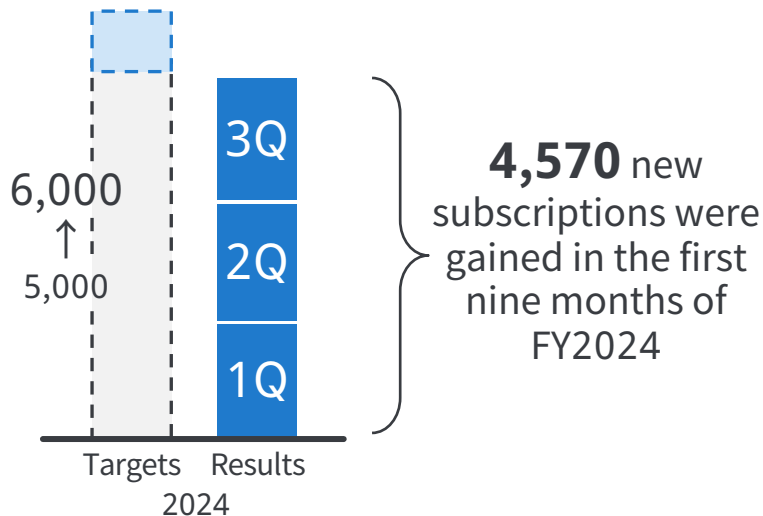
Eight new game titles added, now supporting a total of 14 titles, with a focus on acquiring new subscriptions.



Minecraft (Bedrock/Java Editions)		Palworld	
ARK	Rust	Soulmask	7 Days to Die
FiveM (GTA V)	Terraria	Satisfactory	Garry's Mod
Core Keeper	Abiotic Factor	Enshrouded	Factorio

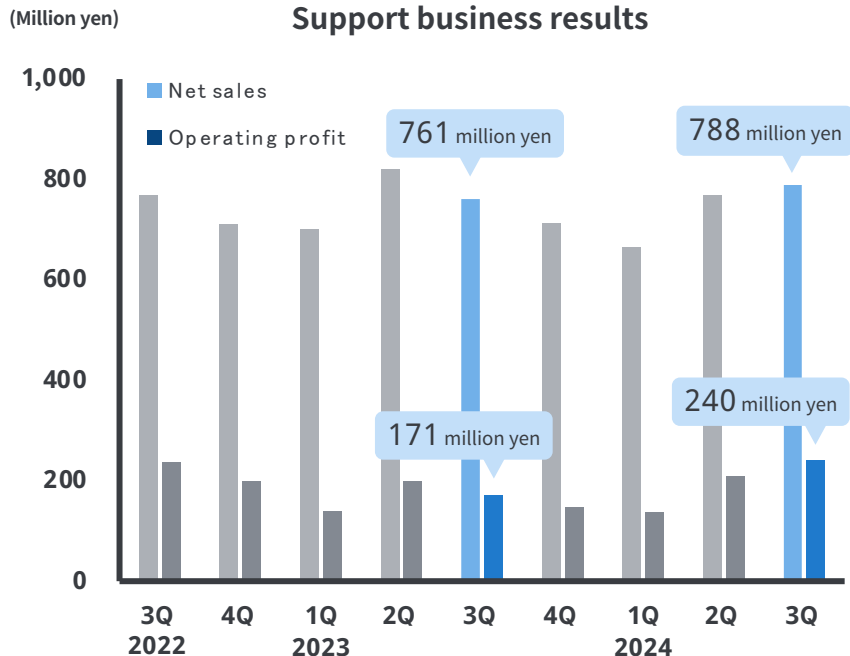
MuuMuu Servers

In 2024, progress has been strong, and the initial target of 5,000 new subscriptions has been increased to 6,000.



- Color Me Shop achieved the year-on-year growth of sales, benefiting from production outsourcing sales supported by IT subsidies. However, overall net sales in the E-commerce Support business declined due to a drop in SUZURI's gross merchandise value.
- Operating profit increased as AI utilization across services reduced customer service costs.

Trend in E-commerce Support business results



Net sales	Q3 FY2023 (nine months)	Q3 FY2024 (nine months)	Difference	YoY
E-commerce Support business	2,283	2,222	-61	97.3%
Color Me Shop	1,542	1,593	+50	103.3%
SUZURI	729	629	-99	86.3%

Operating profit

E-commerce Support business	508	586	+77	115.2%
Color Me Shop	495	573	+77	115.7%
SUZURI	51	42	-8	83.5%

Net sales

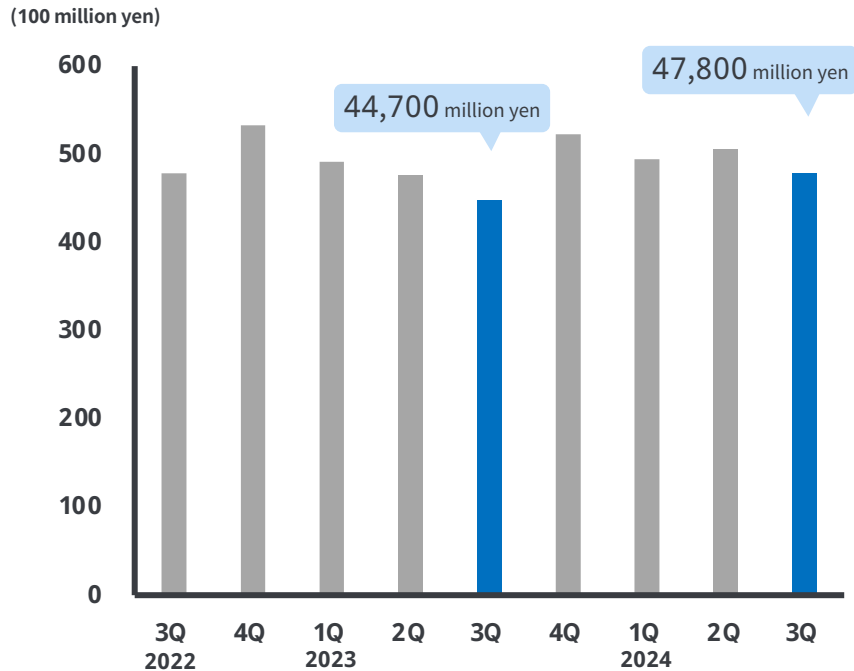
- Color Me Shop recorded increased sales for production outsourcing utilizing IT subsidies.
- SUZURI experienced a decline in sales due to lower gross merchandise value.

Operating profit

- Color Me Shop achieved the growth of profit by using AI to reduce customer service costs.
- Despite efforts to control costs, SUZURI's profit declined due to lower gross merchandise value.

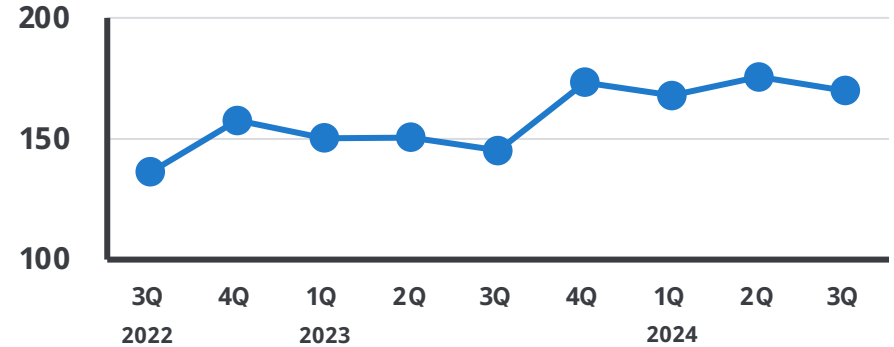
- Quarterly gross merchandise value was 106.1% of the same period the previous year
- Average spending per customer calmed somewhat as the effects of price revisions ran their course, but quarterly gross merchandise value per store is on the rise and we will continue to provide new functions and gain subscriptions to expand the merchandise moved by subscribing stores

Trend in gross merchandise value



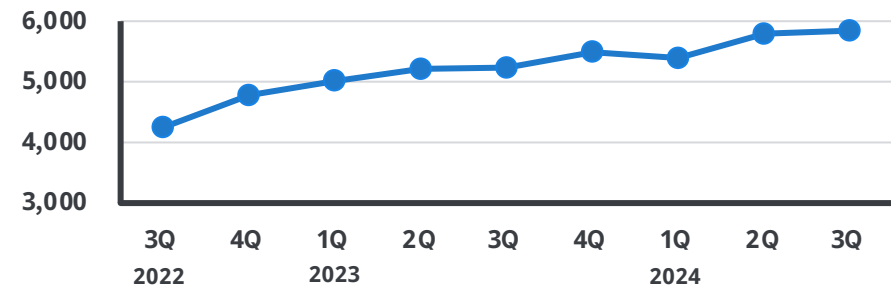
(10,000 yen)

Quarterly GMV per store

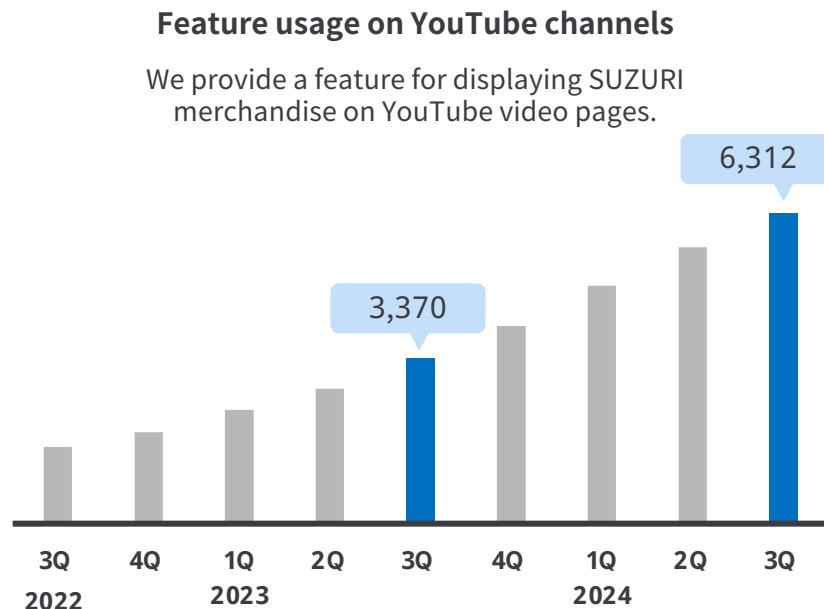
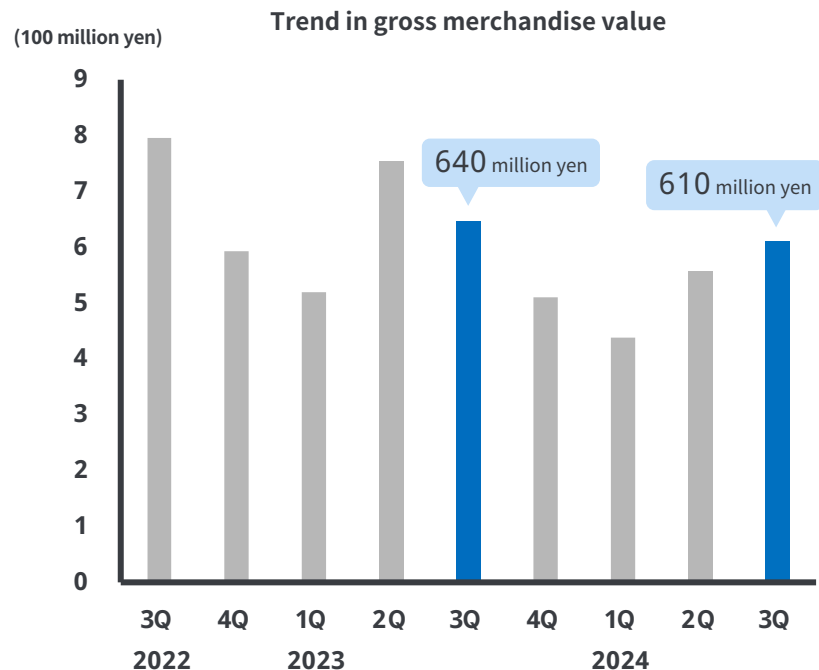


(Yen)

Spending per customer for paid stores

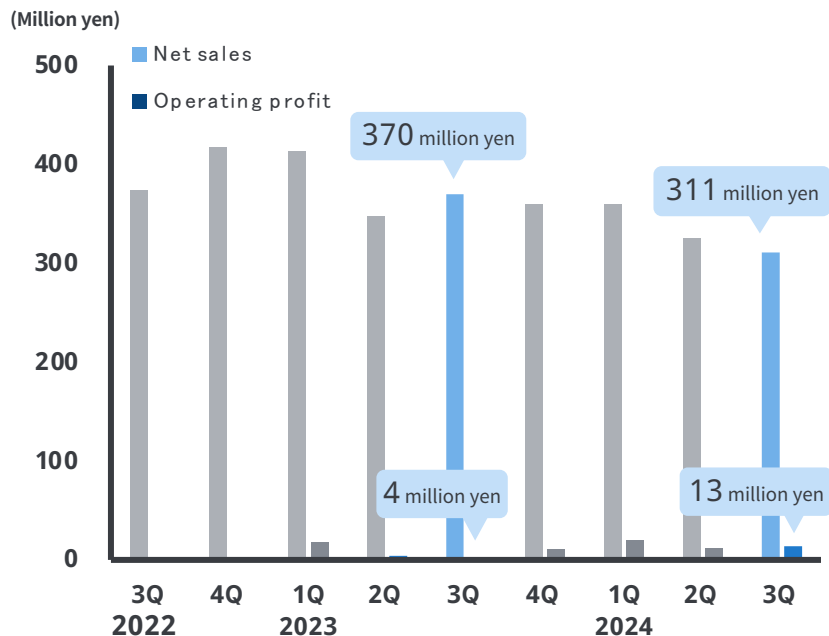


- Gross merchandise value decreased year on year.
- To support the growing number of creators on YouTube and other online video and live streaming platforms, we offer a feature that displays SUZURI merchandise on video pages, enhancing fan engagement and boosting merchandise sales for creators.



- Net sales declined due to a year-on-year decrease in gross merchandise value in response to a slumping e-commerce market.
- The operating profit margin improved and profit increased due to the implementation of minne ads, which supports the promotional activities of creators.

Trend in Handmade Products business results

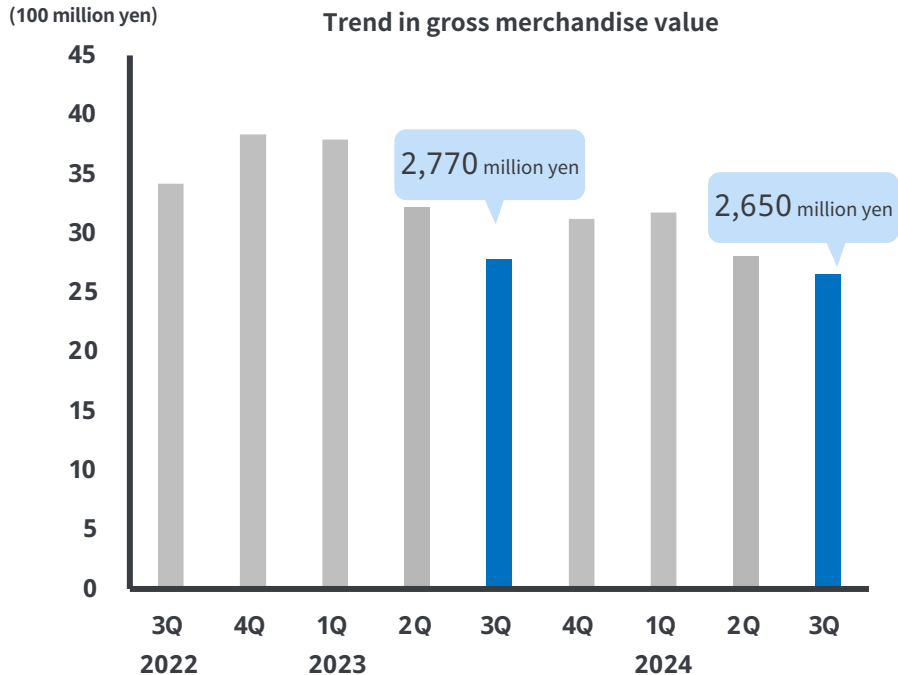


Net sales	Q3 FY2023 (nine months)	Q3 FY2024 (nine months)	Difference	YoY
Handmade Products business				
minne	1,131	995	-135	88.0%

Operating profit	Q3 FY2023 (nine months)	Q3 FY2024 (nine months)	Difference	YoY
Handmade Products business				
minne	10	45	+34	414.9%

- Net sales** • Gross merchandise value declined, with sales reaching 88.0% of the same period the previous year
- Operating profit** • Improved profit margin through the operation of minne ads to support creators' promotional activities.

- Gross merchandise value declined year on year in response to a slumping e-commerce market.
- Aiming to increase the functionality and awareness of minne PLUS, a subscription plan that supports the promotional and marketing activities of creators and brands, while attracting new creators and brands through handmade product markets and other events.



Future Measures



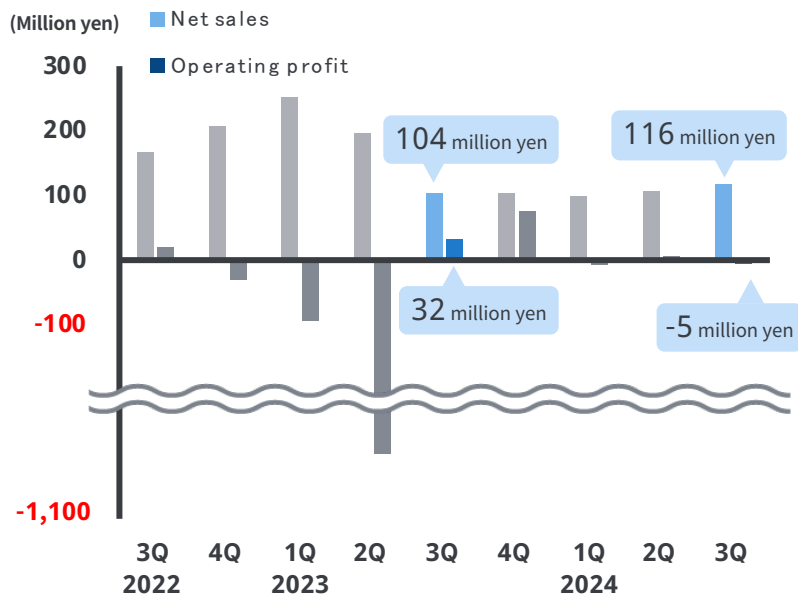
Increasing the functionality of minne PLUS (product registration, messaging, and fee discounts), along with campaigns to increase awareness



Hosting Handmade Market 2024, Japan's largest handmade product market, at Saitama Super Arena on November 30 and December 1, 2024

- Sales declined, reflecting a decrease in the amount of purchases of invoices due to stricter purchase criteria. This will mitigate business risks leading to a stable performance.
- Continued debt collection efforts led to a return to profitability, albeit on a smaller scale than last year when a large overdue receivable was recovered.

Trend in Financial Support business results



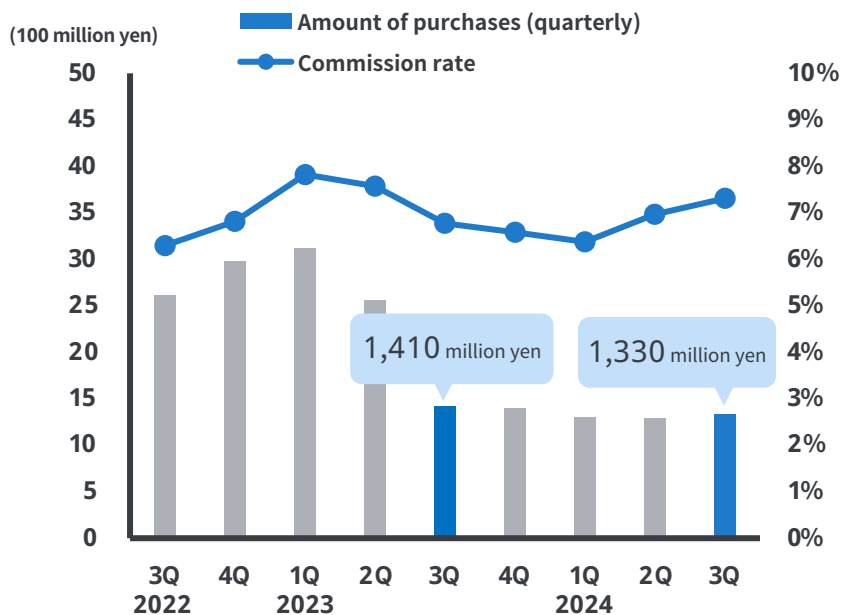
Net sales	Q3 FY2023 (nine months)	Q3 FY2024 (nine months)	Difference	YoY
Financial Support business				
FREENANCE	552	322	-230	58.3%

Operating profit	Q3 FY2023 (nine months)	Q3 FY2024 (nine months)	Difference	YoY
Financial Support business				
FREENANCE	-1,140	-5	+1,134	-

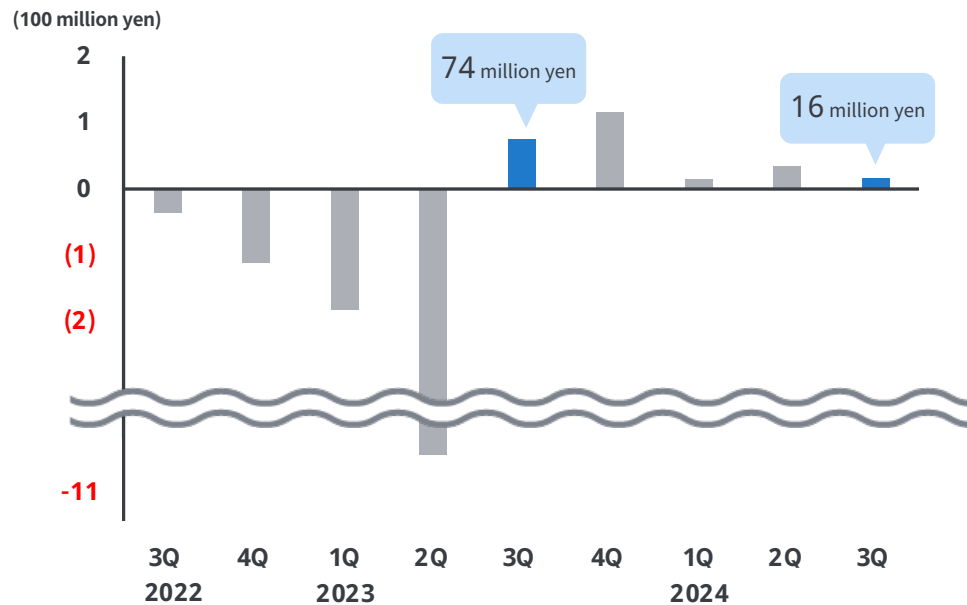
- Net sales** • Sales declined year on year, reflecting a decrease in the amount of purchases of invoices due to stricter purchase criteria.
- Operating profit** • As a result of efforts to collect receivables, bad debt-related expenses for overdue receivables declined significantly.

- The amount of purchases of invoices declined due to stricter screening criteria introduced from Q3 of FY2023.
- Operating profit benefits from the positive impact of declining bad debt-related expenses and efforts to collect overdue receivables.

Trend in amount of purchases of invoices



Impacts of bad debt-related expenses on operating profit



FY2024 New Services Alive Studio

Creator economy

Where creators are active

Products / content / skills

Products

Server/domains

LOLIPOPI Xserver
MuuMuu Domain お名前.com

EC

COLOR ME BASE
SUZURI UP-T

Handmade products

minne Creema

Content

Videos / Live streaming

17LIVE
Pocoche
ツイキャス
twitch
TikTok
YouTube

Text

note
Ameba
Hatena Blog

Illustrations / photos

pixiv
Instagram

Music / audio

voicy
Spotify

Gaming

STEAM
EPIC GAMES

Skills

coconala
Skeb
VIVIVIT

Engagement

CAMPFIRE community
PIXIV FANBOX
Misskey
X

Creator support services

Financing

FREENANCE
Daytner

Support for production

Adobe
Canva

Sales support

Follop
toridori

Operation

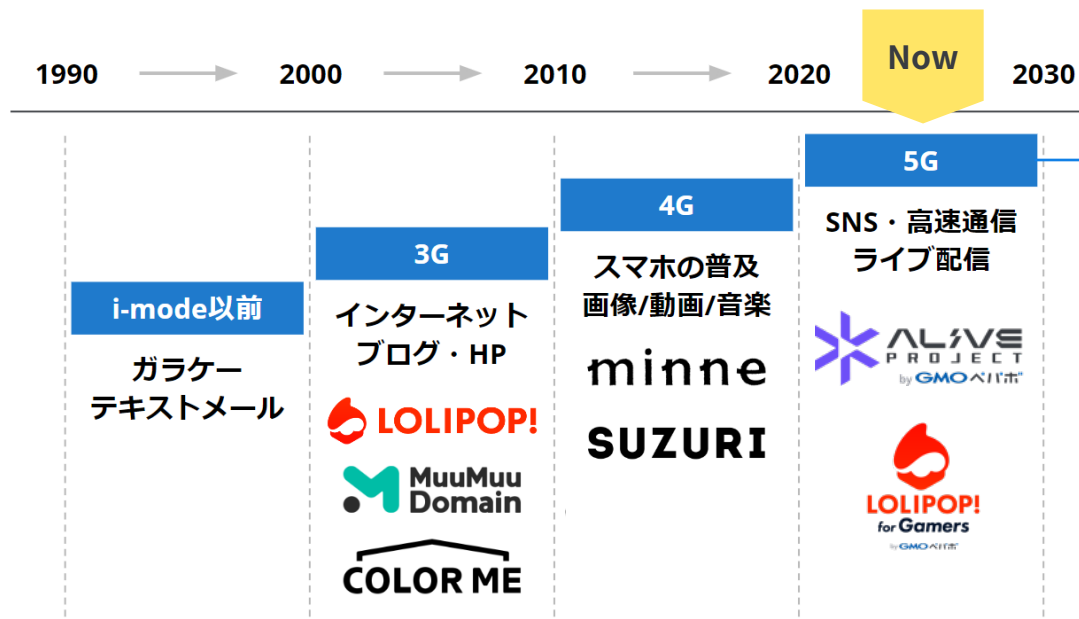
free
MoneyForward クラウド

Agent

UUUM
にせじ
hololive production

* Source: Mitsubishi UFJ Research and Consulting "Domestic Creator Economy Research Results (2023)"
[Figure 1] Created by GMO Pepabo by referencing examples of well-known companies and services for each platform and service type

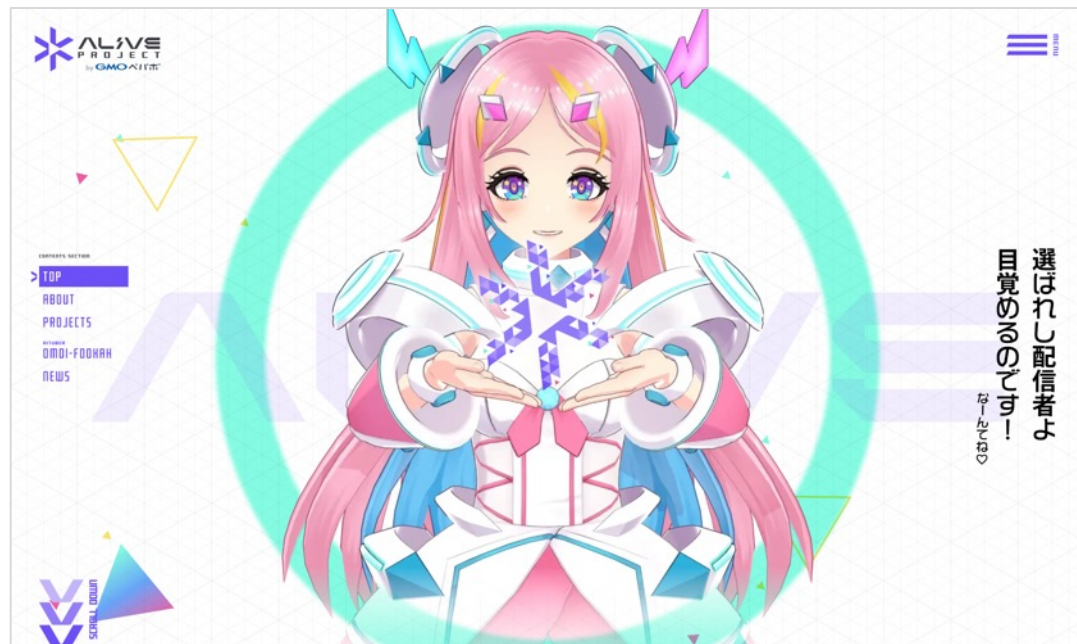
- Supporting creative output by offering services that lower technical barriers in line with technological advancements
- Supporting creators by approaching the video and live streaming sectors in alignment with the shift toward content rich in creative expression



Entry into streaming support business

Enabling creative output through our services
 Lowering technical barriers using our strengths in technology
 Offering services designed for video and live streaming

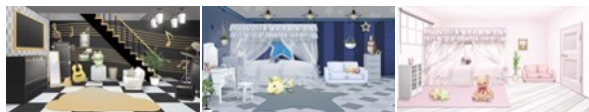
- Launched the Alive Project and its dedicated website in September 2024 to engage with streaming culture
- Established our media outlet, Streamer Magazine, to support streamers



- Started offering Alive Studio, a service allowing streamers and VTubers to easily create background scenes and props
- Supporting creative output by lowering barriers in the streaming field



Users can easily create streaming screens, even without design knowledge, with rich backgrounds and seasonal items.



Monthly 3,300 yen (including tax)
As part of a launch campaign, all materials are free to access until November 30, 2024.



- Launched a collaboration with the animated theatrical feature **Give It All (Ganbatte Ikimashoi)** which was released nationwide on October 25, 2024
- **Usanekomemory** created the background scenes and props used in the movie that are now available in Alive Studio.



FY2024 New Services

GMO SOKURESU AI

- Introduced GMO SOKURESU AI at Amami City Hall on October 1, 2024
- Combining customer inquiry expertise and AI knowledge to streamline inquiries for municipalities and companies, improving citizen and customer satisfaction

GMO 即レスAI

**奄美市役所にて
10月1日より運用開始**

AI活用をGMOペパボが支援



AIコクトくん

GMO ペパボ

Before implementation

Amami City Hall handled citizen inquiries through staffed desks and phone lines, which required significant resources and limited support outside of business hours.



After introduction

GMO SOKURESU AI now assists with high-frequency inquiries about waste and recycling and general questions about Amami City, enabling out-of-hours support and increasing operational efficiency.

- Introduced GMO SOKURESU AI for KDDI Web Communications' website creation service Jimdo on October 25, 2024
- Enabling 24/7 support for customer inquiries and streamlining customer support operations

GMO 即レスAI

KDDI

KDDI Web Communications

KDDIウェブコミュニケーションズが
GMO即レスAIを採用しました

GMOペパボ

Before implementation

There were delayed response times to user inquiries regarding Jimdo AI Builder and Jimdo Creator, especially on weekends and holidays when support was unavailable.



After introduction

Jimdo AI Builder and Jimdo Creator now feature 24/7 support via GMO SOKURESU AI, enhancing the efficiency of user support.

GMO パパポ

GMO Pepabo, Inc.

Stock code: 3633



Questions and answers

How to use Zoom

- ① Click the Raise Hand button below the Zoom screen.
Note: You can cancel your questions by clicking the Lower Hand button.
- ② The moderator will allow people to ask questions.
If you are allowed to ask a question, unmute yourself.
- ③ Please ask your question.



Reference Materials

Consolidated Statement of Income (Q3)

(Million yen)	FY2023 Q3 (nine months)	FY2024 Q3 (nine months)	YoY
Net sales	8,225	8,105	98.5%
Cost of sales	3,714	3,843	103.5%
Gross profit	4,510	4,262	94.5%
Selling, general and administrative expenses	5,093	3,480	68.3%
Of SG&A expenses, promotion cost*	837	691	82.6%
Operating profit	△582	782	—
(Operating profit margin)	—	9.6%	—
Ordinary profit	△504	833	—
Profit before income taxes	△504	833	—
Profit attributable to owners of parent	△724	551	—

* Promotion cost is the sum of advertising expenses, promotion expenses, and provision for point card certificates.

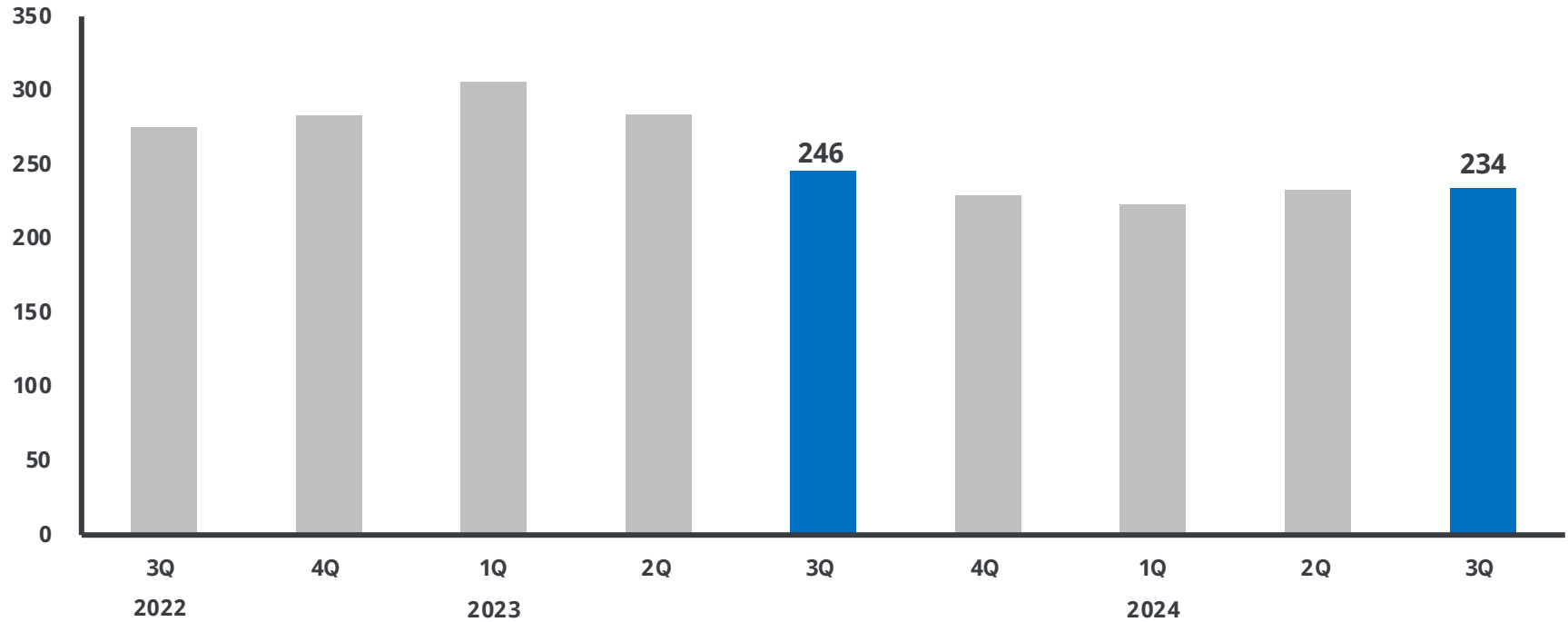
Consolidated Balance Sheet

(Million yen)	FY2023	FY2024 Q3	Change
Current assets	8,568	8,723	+ 154
Cash and deposits*	4,360	4,109	△ 251
Accounts receivable	2,185	2,133	△ 52
Accounts receivable - other	1,620	1,432	△ 188
Non-current assets	2,306	2,108	△ 197
Total assets	10,874	10,832	△ 42
Current liabilities	7,913	7,652	△ 261
Accounts payable – other	1,860	1,670	△ 190
Advances received	4,292	4,373	+ 81
Non-current liabilities	1,150	853	△ 296
Net assets	1,811	2,326	+ 515
Liabilities and net assets	10,874	10,832	△ 42

* Cash and deposits include deposits paid to subsidiaries and associates.

Analysis of Change in Operating Profit (in Detail)

(Million yen)



Company Profile

Company Information

Company Name GMO Pepabo, Inc.

Established January 10, 2003

Share capital 262.22 million yen

Representative Director and CEO Kentaro Sato

Head office Cerulean Tower, 26-1 Sakuragaoka-cho, Shibuya-ku,
Tokyo

Branch Tenjin Prime, 2-7-21 Tenjin, Chuo-ku, Fukuoka, Fukuoka
Prefecture

Office Dai-2 NT Building 3-1 Uearatacho, Kagoshima, Kagoshima
Prefecture

Subsidiaries GMO Creators Network, Inc.

Stock exchange Tokyo Stock Exchange (Standard Market) (stock
code:3633)

Share capital 262.22 million yen

Number of employees (consolidated) 407 (343 full-time employees, 67 temporary employees)

(As of September 30, 2024)



“Make it more playful”

Creative activities on the Internet are changing and the range of them is expanding. In this environment, we want to continue to take on challenges to create more interesting things. That passion is implied in our corporate philosophy.

We can make innumerable things more interesting. We can create interesting services and plans. We can enable users to have interesting experiences. We can work out ways to enjoy our jobs.

We will create more interesting things and make our jobs more interesting. We will continue to evolve ourselves.

Mission

Increase the output of humanity

We harness the power of the Internet and technology to lower the barriers to information sharing, amplifying all kinds of outputs globally.

By continuing to create products that encourage the output of humanity, we at GMO Pepabo have incorporated the resolve to evolve and expand together with our users into our mission.

History

- November 2001 ● Starts to provide Lolipop!
- January 2003 ● Established paperboy&co. Y.G. in Fukuoka.
- March 2004 ● Becomes a consolidated subsidiary of GMO Internet, Inc.
- May 2004 ● The head office moves to Tokyo.
- February 2005 ● Starts Color Me Shop, which provides an online shop opening/creation service.
- December 2008 ● Listed on JASDAQ (stock code: 3633)
- January 2012 ● Starts minne, a handmade products market.
- April 2014 ● Renamed GMO Pepabo, Inc.
- April 2014 ● Starts SUZURI, which provides an original goods creation and sale service.
- February 2019 ● Makes GMO Creators Network, Inc. a consolidated subsidiary.
- December 2019 ● Listed on the Second Section of the Tokyo Stock Exchange
- December 2020 ● Assigned to the First Section of the Tokyo Stock Exchange
- April 2022 ● Assigned to the Section of the Tokyo Prime Market
- April 2022 ● Starts GMO Renshu, which provides liaison and collection service for teams and classrooms.
- October 2023 ● Assigned to the Section of the Tokyo Standard Market.
- March 2024 ● Starts "GMO SOKURESU AI" which provides an inquiry response support service with AI
- October 2024 ● Starts "Alive Studio" which provides a screen creation service for streamers and VTubers



Pepabo offers a wide range of web services and smartphone applications to support creative expression. These services are categorized as follows

Hosting Business



E-commerce Support Business



Handmade Products Business



Other



Financial Support Business



One of Japan's largest rental server services



Ready to use, ready to go the distance. You can achieve whatever you set out to do.

This service offers low-cost, high-performance servers for those who want to pursue their passions, whether it's building websites or creating email addresses. We support individuals who use technology on the Internet to engage in creative expression.

Rate plans	99 yen~ / month
Main Users	Individuals and small and medium-sized corporations
Number of contracts	0.40 million

※ As of September 30, 2024

※Rate plans : Economy 99 yen~, Light 264 yen~, Standard 495 yen~, High Speed 550 yen~, Enterprise 2,200 yen~



Domain name acquisition agency



The gateway to every form of self-expression on the Internet.

This service enables you to acquire and manage your desired domain name from a selection of over 400 types. We support the business and creative endeavors of those looking to build their own unique websites and online stores.

Rate plans*	85 yen~ / year
Main Users	Individuals and small and medium-sized corporations
Number of contracts	1.06 million

※ As of September 30, 2024

※ Service maintenance and adjustment fees are charged separately in addition to the usage fees



Creation of online shops



COLOR ME

Supporting businesses of all sizes and enhancing the diversity of e-commerce.

Whether you're just starting out or already running a growing business, this service enables you to build an e-commerce site that can scale with your needs, regardless of your product or business size. We offer a wide range of features and dedicated support to help you succeed in your business endeavors.

Rate plans* FREE / Regular / Large / Premium

Main users Individuals and small and medium-sized corporations

Number of contracts 50,000

※ As of September 30, 2024

※Rate plans : FREE 0 yen~, Regular 4,950 yen~, Large 9,595 yen~, Premium 39,600 yen~



COLOR ME 特長 プラン・料金 機能 事例 サポート お知らせ ログイン 資料請求

新規開設を検討中の方へ

低コスト・高機能な ECサイト構築サービス

販売手数料0円! 350種類以上の機能と、安心の電話サポート。
食品・ファッション・雑貨など多くの事業者さまに選ばれています。

30日間無料で試してみる 資料をダウンロードする

販売手数料0円! 350種類以上の機能と、安心の電話サポート。
食品・ファッション・雑貨など多くの事業者さまに選ばれています。

30日間無料で試してみる 資料をダウンロードする

ECサイト導入支援金 **COLOR ME**

今なら **最大100万円**

《最大100万円》ECサイト導入支援
《先着20名さま限定!》支援額最大100万円「ECサイト導入支援金」のお申込み中。

詳しくみる →

Creation and sale of original goods

SUZURI

Creating is easy for everyone, Reaching as many people as possible with what you've made.

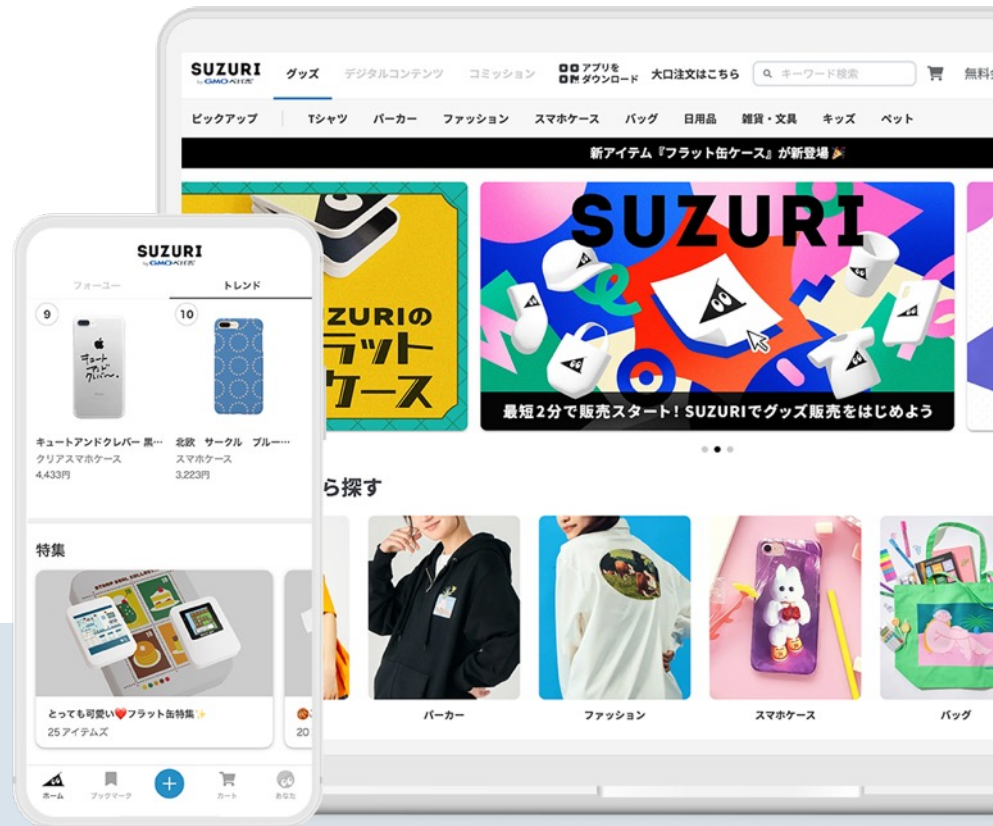
This service enables users to easily create and sell high-quality original items like T-shirts, phone cases, and mugs using their own illustrations and photos. We help creators expand the possibilities of their creative work.

Annual gross merchandise value 2.4 billion yen (2023 result)

Number of creators 0.86 million

Number of members 1.94 million

※ As of September 30, 2024



One of Japan's largest handmade products markets

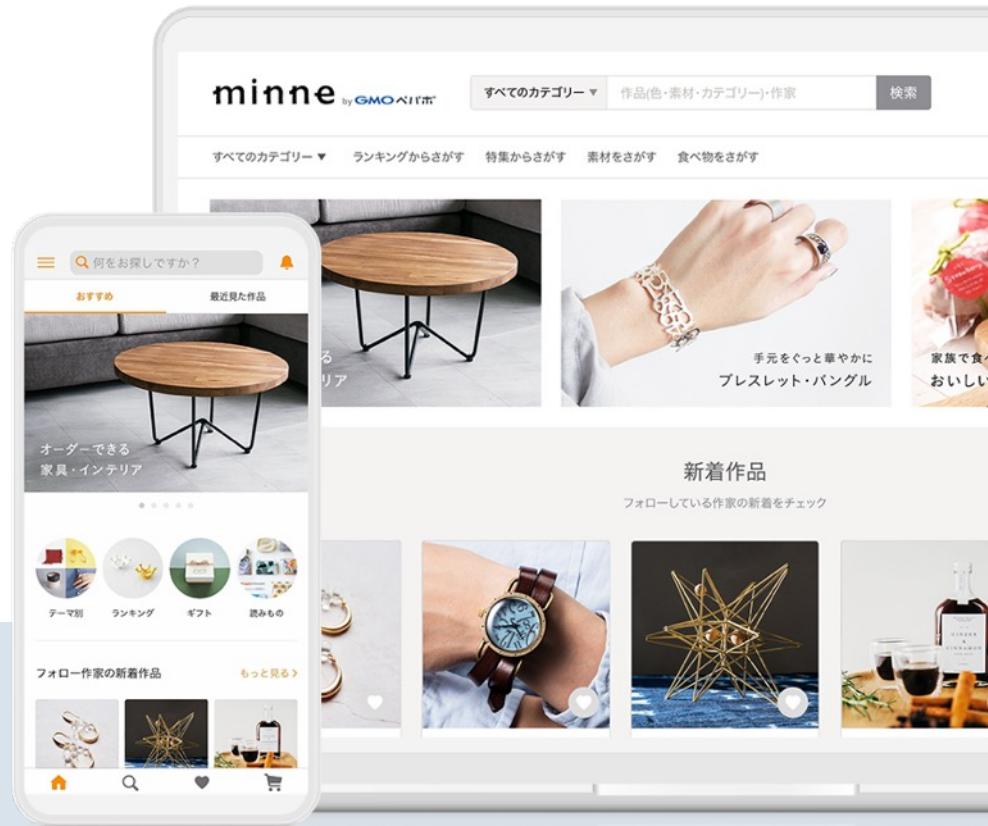
minne

Expanding the possibilities of making and creating a world where everyone can express their creativity.

It's a handmade marketplace that connects 'people who want to buy' with 'people who want to sell' their handmade creations. As a comprehensive platform for craftsmanship, we support artists and brands in expanding the possibilities of their craft.

Annual gross merchandise value	12.9 billion yen (2023 result)
Number of creators and brands	0.92 million
Number of works	17.66 million
Number of app downloads	15.17 million

※ As of September 30, 2024



Support sole proprietors' business activities by providing immediate payment (factoring) and liability insurance.

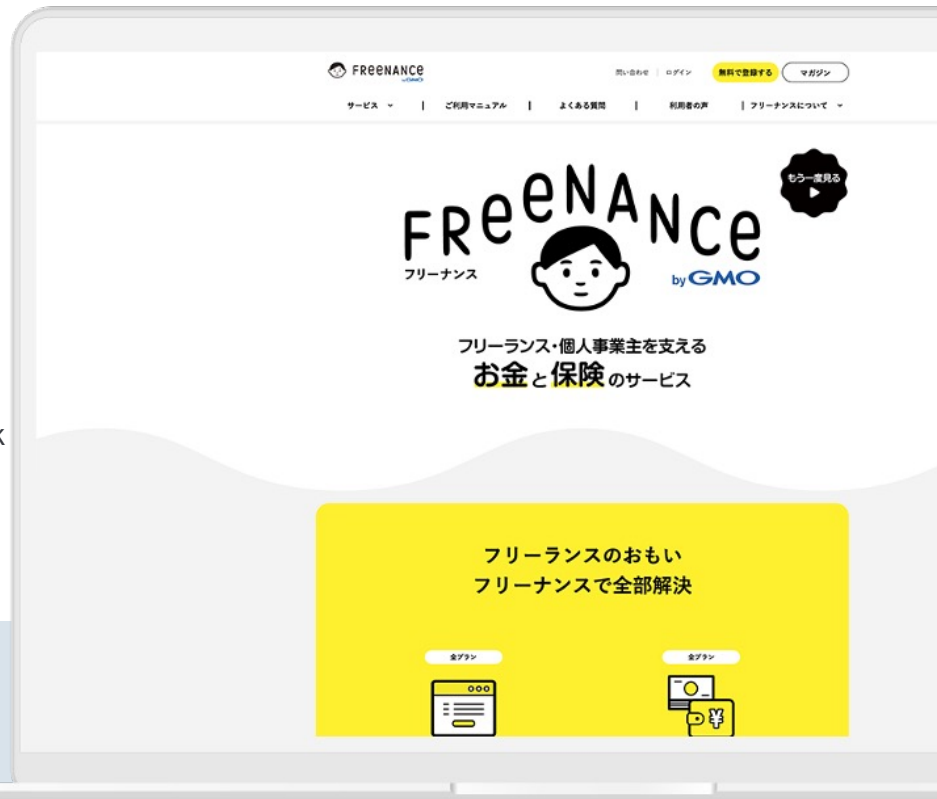


Providing immediate payment (factoring) and indemnity insurance to support the activities of sole proprietors.

Creating a future where freelancers can thrive. We support the activities of freelancers and sole proprietors with financial and insurance solutions, empowering individuals with expertise to work confidently, energetically, and freely, allowing them to focus on what they do best.

Minimum amount of invoice purchase	10,000 yen～
Commission rate	3%-10% of invoice face value
Main services	Immediate payment / GMO Freelance factoring / insurance, etc.
Amount of purchases of invoices	8.4billion yen (FY2023)

※ As of September 30, 2024



AI-powered inquiry support service



Using AI to streamline corporate inquiry support and address social challenges

Offering end-to-end support from AI chatbot implementation to operations, helping address the decrease in the labor force, a societal challenge faced by Japan

Usage fee Pricing: Available upon request
Main users Small and medium-sized corporations



(As of September 30, 2024)

A screen creation service for streamers and VTubers



Creating a future where anyone can easily produce videos and live streams, lowering the barriers for streamers and VTubers

As creators' forms of expression diversify to include video, live streaming, and VTubers, Alive Studio offers a service that enables anyone to engage in video and live streaming without any specialized knowledge, skills, or equipment being required.

Usage fee	From monthly 3,300 yen
Main users	Individuals

(As of September 30, 2024)



Identification of three material sustainability issues: addressing social challenges and enhancing corporate value through business activities

Under the corporate philosophy of "Make it more playful," we increase the output of humans through business activities and seek to enhance corporate value and solve social issues with every stakeholder to help achieve a sustainable society.

Consideration for the global environment and conservation of it through reduction of environmental impact



Support for people from all walks of life to increase human output



Strengthening governance for sound and transparent corporate management



Please find our sustainability activities and concrete efforts on the websites below.

- Sustainability at GMO Pepabo <https://pepabo.com/sustainability/>
- Sustainability data <https://pepabo.com/sustainability/data/>

COLOR ME



- Support for Kagoshima and other provincial regions

Collaboration with local governments in Color Me Shop and organization of online shop seminars for local retailers

- Launch of an SDGs award

Honoring shops selling sustainability-conscious products in the Color Me Shop Award 2023

minne



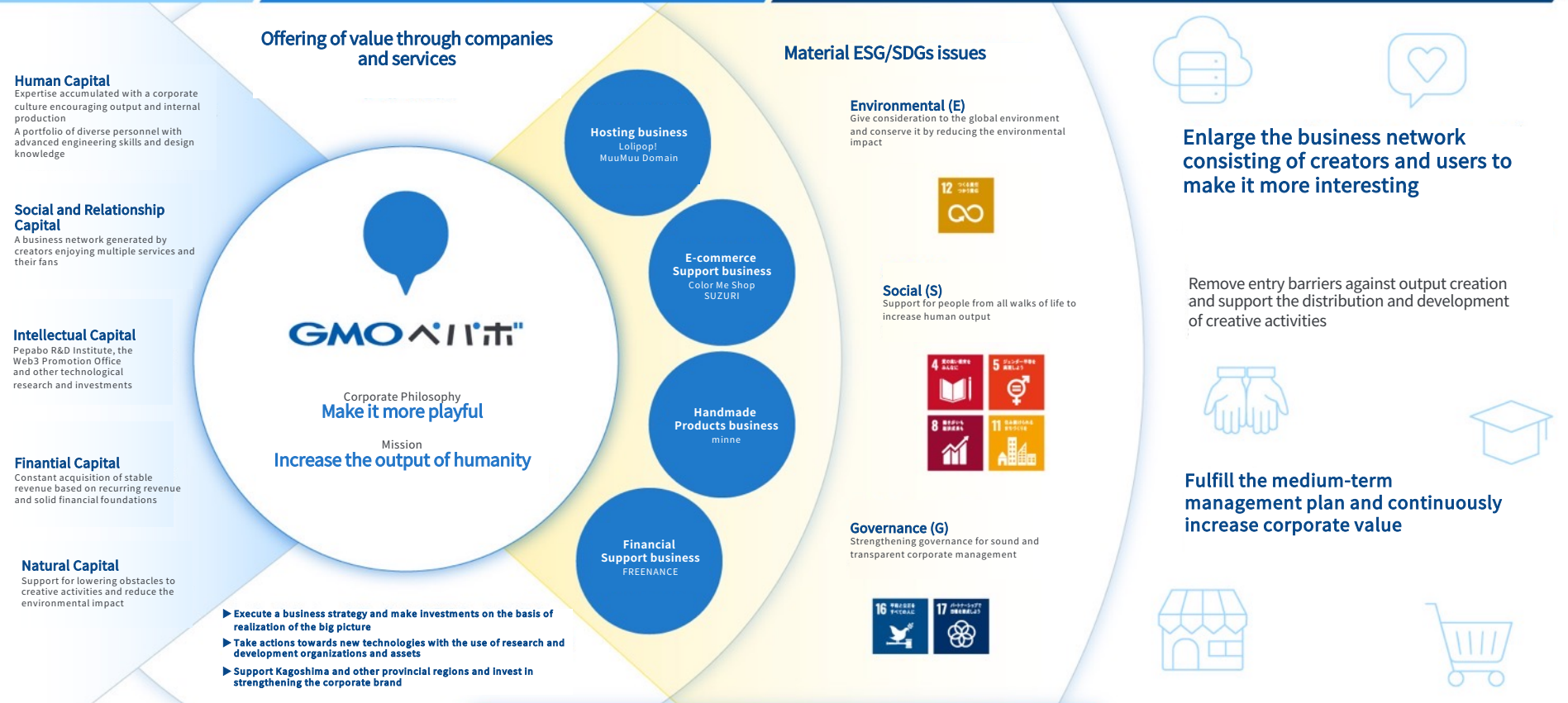
- Special features on environmental works

Showcasing on the website sustainable handmade works created in consideration of the global environment and resources

- Setup of the minne College

Founding a business school with a focus on manufacturing to widen the range of re-skilling and skill sharing

Value Creation Process



GMOペパボ

Corporate Philosophy
Make it more playful

Mission
Increase the output of humanity

- ▶ Execute a business strategy and make investments on the basis of realization of the big picture
- ▶ Take actions towards new technologies with the use of research and development organizations and assets
- ▶ Support Kagoshima and other provincial regions and invest in strengthening the corporate brand



Enlarge the business network consisting of creators and users to make it more interesting

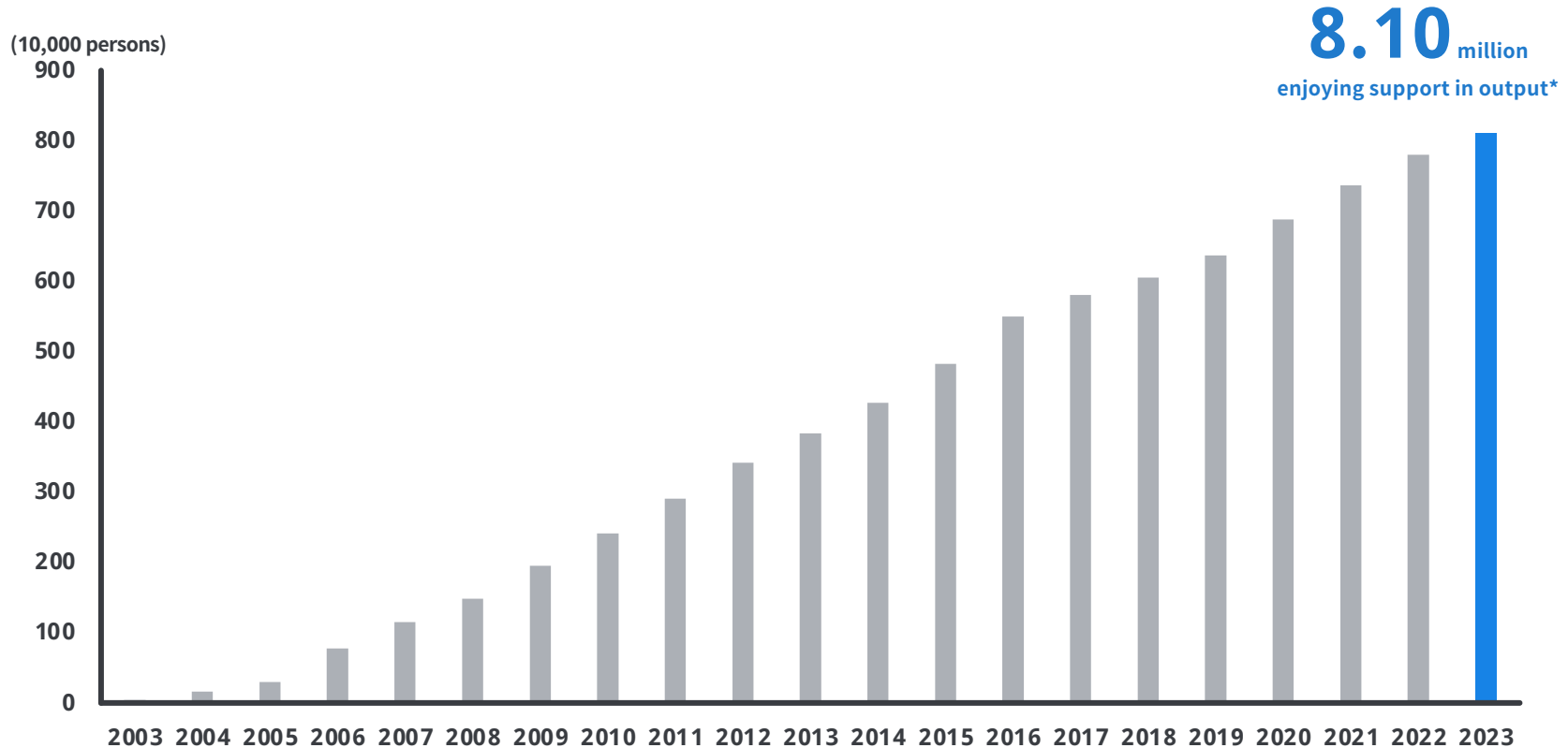
Remove entry barriers against output creation and support the distribution and development of creative activities



Fulfill the medium-term management plan and continuously increase corporate value



Remove obstacles to creative activities for output and increase the output of humanity



8.10 million

enjoying support in output*

* Number of persons who have enjoyed support including other services and services that were transferred in the past

Dividends

	2021	2022	2023	2024 (Forecast)
Annual dividends per share (yen)	68.00	50.00	0.00	53.00
Payout ratio (%)	50.3	51.9	—	50.5

Shareholder benefits

*Continuous shareholding conditions will be applied to shareholder benefits from the end of June 2024 onward (see corporate website for details)

*Preferential benefits will be offered to shareholders who have continuously held at least one unit of shares for six months or more under the same shareholder number.

Benefit

1

Points and coupons that can be used for services provided by the Company, etc.

- Holding one unit (100 shares) Worth 1,500 yen
- Holding two units (200 shares) or more Worth 3,000 yen

Benefit

2

Cashback equivalent to a commission fee if a shareholder buys or sells certain securities at GMO CLICK securities

- Cashback on buying commission fees (limited to purchases of shares in the Company)
- Cashback on trading commission fees
 - Holding one unit (100 shares) 1,500 yen maximum
 - Holding two units (200 shares) or more 3,000 yen maximum

FY24 Q2_Results_Presentation_DataSheet

Business Results by Segment/Service (Quarterly) *1

(単位：百万円)

		FY23				FY24		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Consolidated	Net Sales*2	2,735	2,788	2,701	2,677	2,647	2,718	2,740
		1,369	1,422	1,466	1,500	1,522	1,518	1,522
Hosting business	Lolipop	594	621	638	648	650	642	640
	MuuMuu Domain	553	577	598	618	644	650	653
	Other*3	222	224	230	234	228	226	229
E-commerce Support business		700	821	761	713	665	767	788
	Color Me Shop	511	536	494	524	504	546	542
	SUZURI	184	280	264	188	161	221	246
	Other*3	5	5	3	0	0	0	0
Handmade Products business minne		413	347	370	359	359	325	311
Financial Support business	FREANANCE	251	196	104	103	99	106	116
		FY23				FY24		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Consolidated	Operating Profit*2	36	-861	243	241	234	262	268
		398	448	481	485	519	492	476
Hosting business	Lolipop	307	327	351	346	344	304	296
	MuuMuu Domain	45	77	89	91	109	116	111
	Other*3	46	44	41	48	66	72	69
E-commerce Support business		139	198	171	147	137	208	240
	Color Me Shop	184	172	137	159	174	208	189
	SUZURI	-36	40	47	0	-27	9	60
	Other*3	-9	-14	-13	-12	-10	-9	-9
Handmade Products business minne		17	4	-11	10	19	12	13
Financial Support business	FREANANCE	-93	-1,078	32	75	-6	6	-5

※For details, please refer to "Fiscal Year 2024 1st Quarter Data sheet" on our IR page.

*1 Quarterly are rounded down to the million yen *2 Excluding sales and operating profit of others (office expenses, etc.) *3 Figures subtracted from business totals

*4 Starting from Q3 2024, with the organizational changes effective August 1, 2024, the Customer Service Divisions, previously grouped under "Adjustment," have been reallocated to each of the Hosting, E-commerce Support, and Handmade segments. For the purposes of comparison and analysis, results for the cumulative period of Q3 2024 are presented based on this updated segmentation.

KPI by Segment/Service (as of end of quarter)

			FY23				FY24		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3
			3/31	6/30	9/30	12/31	3/31	6/30	9/30
Hosting business	Lolipop	Number of contracts (Numbers)	419,605	417,710	415,394	412,781	410,474	409,327	407,470
	MuuMuu Domain	Number of contracts (Numbers)	1,139,334	1,125,732	1,114,075	1,102,604	1,085,334	1,076,138	1,063,083
E-commerce Support business	Color Me Shop	Number of contracts (Numbers)	50,537	50,337	50,264	50,379	50,320	50,388	50,352
	SUZURI	Number of creators (ten thousands users)	69	72	75	77	80	83	86
		Number of members (ten thousands users)	141	149	156	163	172	184	194
Handmade Products business	minne	Number of products (ten thousands items)	1,625	1,656	1,687	1,710	1,729	1,749	1,766
		Number of creators (ten thousands users)	87	88	89	90	91	91	92
		Number of app downloads (ten thousands DLs)	1,428	1,442	1,454	1,473	1,492	1,504	1,517

KPI by Segment/Service (Quarterly)

			FY23				FY24		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3
			3/31	6/30	9/30	12/31	3/31	6/30	9/30
Hosting business	Lolipop	Spending per customer(yen)	471	495	511	522	527	521	520
E-commerce Support business	Color Me Shop	Spending per customer(yen)*1	5,014	5,213	5,233	5,492	5,391	5,791	5,844
	SUZURI	Gross merchandise value (100 million yen)	5.2	7.5	6.4	5.1	4.3	5.5	6.1
Handmade Products business	minne	Gross merchandise value (100 million yen)	37.8	32.1	27.7	31.1	31.7	28.0	26.5
		Number of orders (ten thousands orders)	102.2	83.6	73.3	77.4	81.6	69.8	65.2
		Average price of orders(yen)	3,823	3,888	3,901	4,071	4,051	4,117	4,231
Financial Support business FREENANCE		Amount of Purchases of Invoices (100 million yen)	31.2	25.5	14.1	14.0	13.0	12.8	13.3
		Number of invoices(Invoices)	6,006	6,204	5,146	5,076	4,733	5,255	5,647
		Average invoice purchase (Thousand yen)	519	412	275	276	275	244	235
		Number of users(users)	3,298	3,459	3,246	3,110	2,919	3,157	3,438

※For details, please refer to "Fiscal Year 2024 1st Quarter Data sheet" on our IR page.


- This material is intended to offer insight into our Company and is not for the purpose of soliciting investment.
- We have taken reasonable care to ensure the accuracy of this material. However, there are inherent uncertainties in forward-looking statements, and we do not guarantee them.
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- We own all rights to this material. We ask you not to fabricate or change it without permission, regardless of method or purpose.


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GMO Pepabo, Inc.

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 Corporate site
<https://pepabo.com/>

 IR information
<https://pepabo.com/ir/>

 Pepabo's official X account
[@pepabo](https://twitter.com/pepabo)