



Code : 3788

Q4 2021

Financial Results Briefing Slides

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1. Q4 2021 Financial Results and Topics

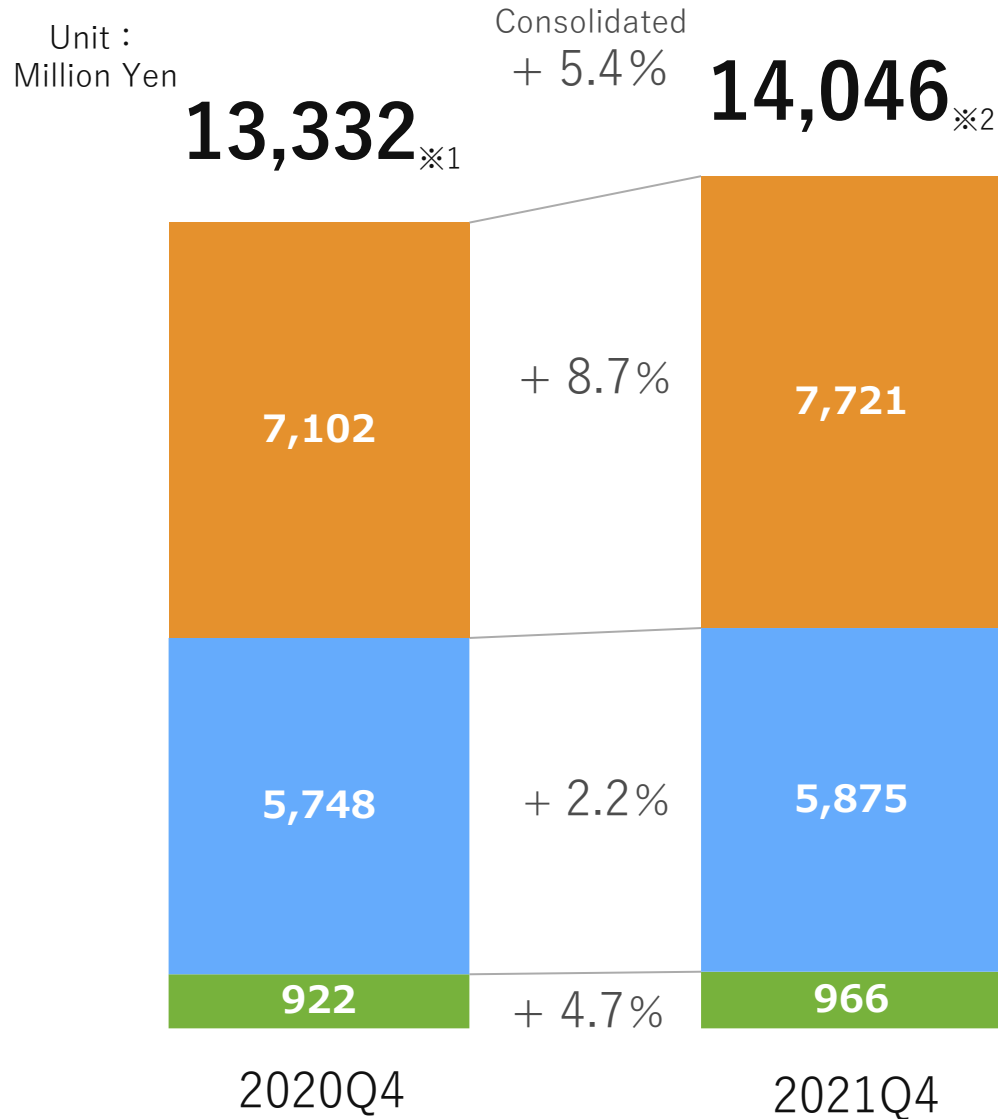
Full-year Operating Profit Targets Achieved

- Profits in electronic authentication and seal business grew in Q4, and full-year operating profit targets achieved
- Failed to achieve DX business sales targets due to effects of extending LINK Drive project
- Increased sales and decreased profits compared to FY2020 due to continued strategic investments in GMO Sign

FY2021 Q4 Consolidated Sales and Profit

	FY2020	FY2021	YoY	FY2021 (Forecast)	Achievement Ratio
Unit : Million Yen					
Sales	13,332	14,046	+5.4%	14,229	98.7%
Operating Profit	1,357	1,171	△13.7%	1,008	116.2%
Ordinary Profit	1,394	1,199	△13.9%	1,050	114.3%
Profit Attributable to Owners of Parent	1,170	483	△58.7%	775	62.4%

FY2021 Q4 Consolidated Sales and Profit



Digital Certificate and eSignature Segment

- Increased sales due to mitigating the negative impact of shortened SSL expiration dates, and to growth of new sales

Cloud Infrastructure Segment

- Increased sales (+71% YoY) due to strong sales of CloudCREW

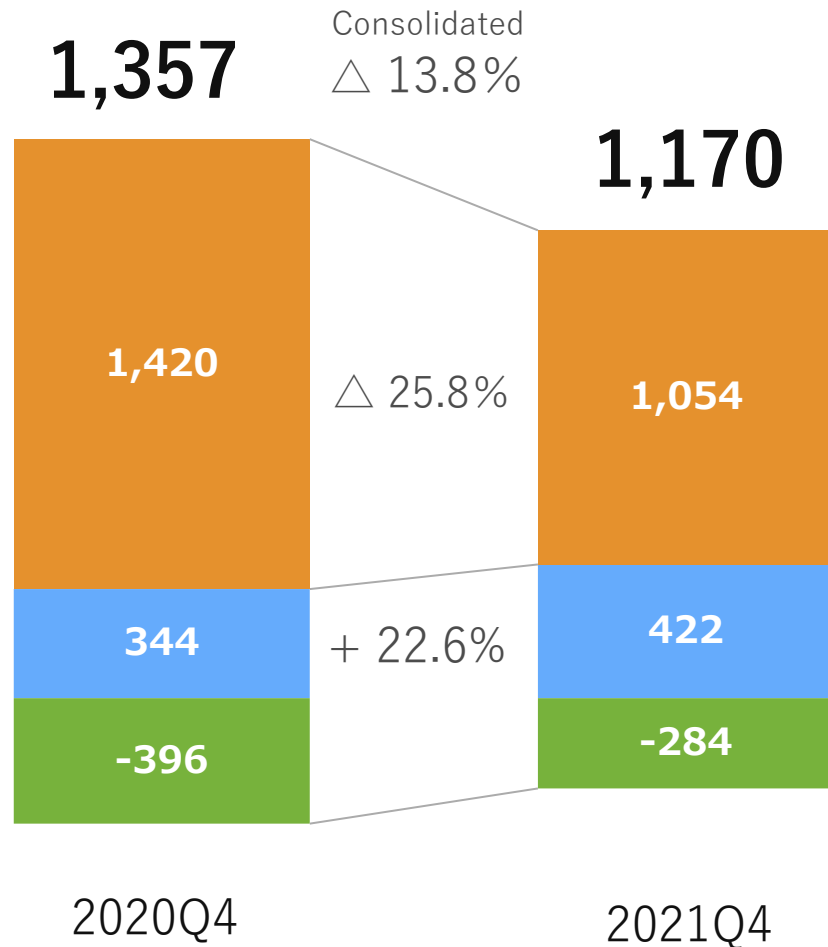
DX Segment

- Increased sales due to strong sales of GMO Omise App

※1 Internal Transaction 440M

※2 Internal Transaction 517M

FY2021 Q4 Consolidated Sales and Profit



Digital Certificate and eSignature Segment

- Decreased profits due to additional strategic investments in GMO Sign

Cloud Infrastructure Segment

- Increased profits due to increased sales of CloudCREW and cost optimizations

DX Segment

- Increased profits due to increased sales of GMO Omise App, and to reduced SG&A expenses in IoT business

FY2021 Quarterly Comparison

- Increased sales due to mitigating the negative impact of shortened SSL expiration dates
- Decreased profits attributable to the parent due to impairment losses in DX business

Unit : Million Yen	FY2020 4Q	FY2021 1Q	FY2021 2Q	FY2021 3Q	FY2021 4Q	QoQ
Sales	3,279	3,417	3,455	3,364	3,808	+16.1%
Operating Profit	267	308	195	171	497	+86.0%
Ordinary Profit	214	293	196	230	479	+123.8%
Profit Attributable to Owners of Parent	285	229	174	102	△ 23	—

FY2022 Annual Forecast

- Continued strategic investment in GMO Sign, with the goal of leading the market in the number of contract transmissions
- Effects of shortened SSL expiration dates eliminated, with expected increase in sales and profits

Unit : Million Yen	FY2021 (Actual)	FY2022 (Forecast)	Forecast against Actual
Sales	14,046	15,187	+ 8.1%
Operating Profit	1,171	1,524	+ 30.1%
Ordinary Profit	1,199	1,521	+ 26.8%
Profit to Owners of parent	483	900	+ 86.1%
Net Earnings per Share(Yen)	41.98	78.13	-

FY2022 Annual Forecast (Segment)

Sales

Unit: Million Yen	FY2021 (Actual)	FY2022 (Forecast)	Forecast against Actual
Digital Certificate & eSignature	7,721	8,638	+11.9%
Cloud Infrastructure	5,875	5,901	+0.4%
DX	966	1,232	+27.5%
Internal Transaction	△517	△ 584	—
Total	14,046	15,187	+8.1%

Operating Profit

Unit: Million Yen	FY2021 (Actual)	FY2022 (Forecast)	Forecast against Actual
Digital Certificate & eSignature	1,054	1,402	+32.9%
Cloud Infrastructure	422	423	+0.2%
DX	△284	△ 274	—
Internal Transaction	△20	△ 27	—
Total	1,171	1,524	+30.3%

2. Business Overview

Topics

電子印鑑なら GMOサイン

- Chigasaki City, Kanagawa Prefecture, confirms the adoption of “Electronic Seal GMO Sign for Administrative Reform DX”
- Secure and convenient batch processing of large volumes of employment contracts! Launch of new “Electronic Seal GMO Sign for Human Resources DX” plan
- A Japan-first! GMO Global Sign Holdings and TOKYU LIVABLE commence practical implementation of electronic signatures in real estate sales contracts using My Number Card authentication
- Launch of Japan’s first LGWAN-compatible electronic contract service “Electronic Seal GMO Sign”
- FC Ryukyu J-League soccer team adopts “Electronic Seal GMO Sign”



- “Trust Login by GMO” receives the highest-rank Leader Badge in the SSO and ID Management categories at the ITreview Grid Award 2022 Winter for a seventh consecutive year



- Launch of Google Cloud business with “CloudCREW by GMO”

Digital Certificate and eSignature Segment

Digital Certificate and eSignature Segment



Provide all signatures (witness type/contract party type)
No.1 in Japan for number of companies
adopting our e-contract service



Domestic Certificate Authority operated in-house
SSL market share: **No. 1** in Japan, No. 3 worldwide



No. 1 in Japan for number of companies
adopting our single sign-on service

Number of User Companies

February 2022
500,000
companies



Domestic market share

No.1

Increased
3.3-fold
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and Digital Certificate Signature

Increased
2.2-fold
YoY



98 local governments participate in pilot tests*

～Promote improved operational efficiency through “GMO Sign for Administrative Reform DX”～



* 98 local governments, including 47 local governments that already announced their participation, are participating in pilot tests using “GMO Sign for Administrative Reform through Digital Transformation” (February 11th, 2022)

and Digital Transformation



February 2022

**Adoption Confirmed
by Seven Local Governments
and Organizations**

- ✓ Work together with industry leaders to pioneer electronic real estate contracts

~Promote real estate DX through product development and awareness-raising activities~



公益社団法人
全国宅地建物取引業協会連合会
人と住まいをつなぎます

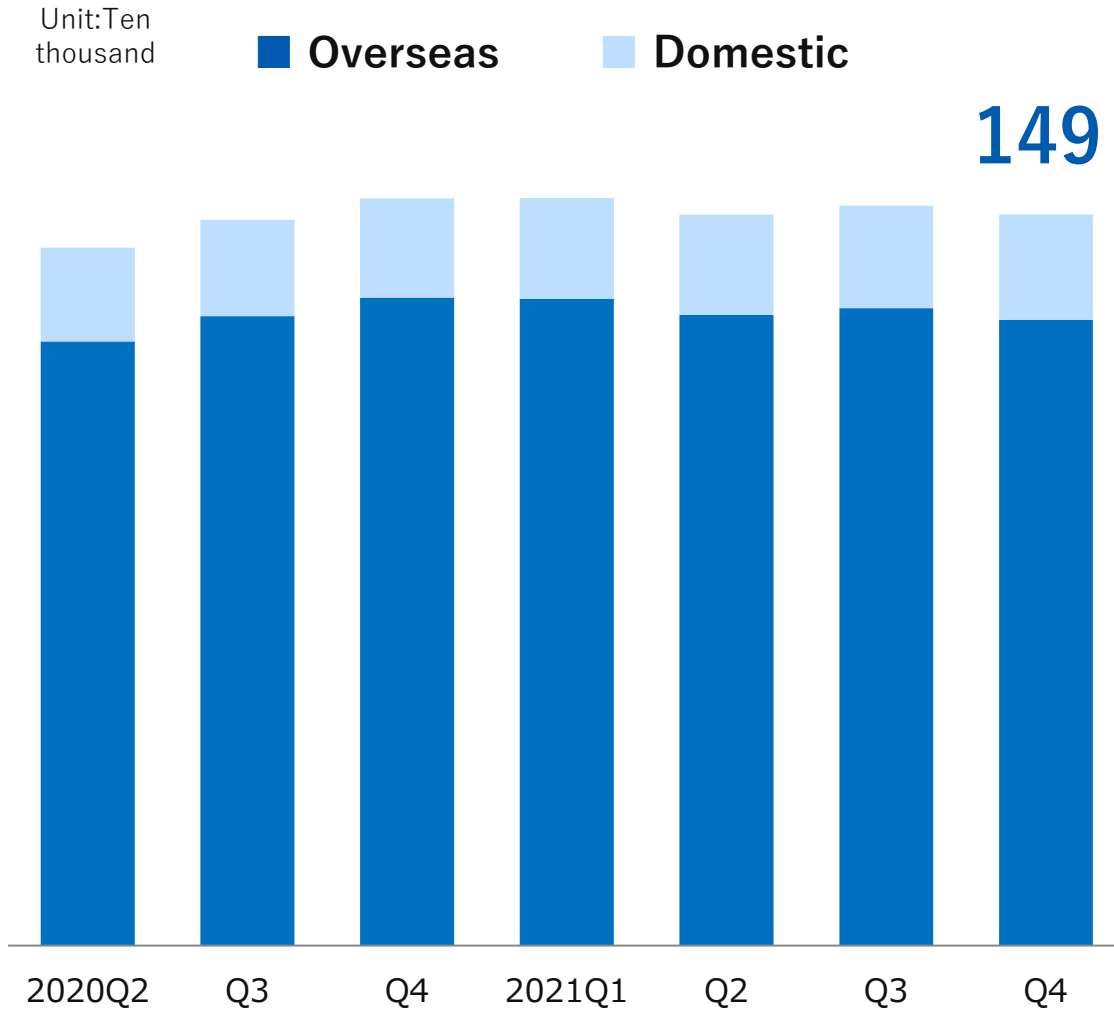
- ✓ Establish “GMO Sign for Human Resources DX” as the standard for HR contracts

~Collaborate with HIKARI TSUSHIN Group to expand sales~



Number of Valid SSL Certificates Issued*

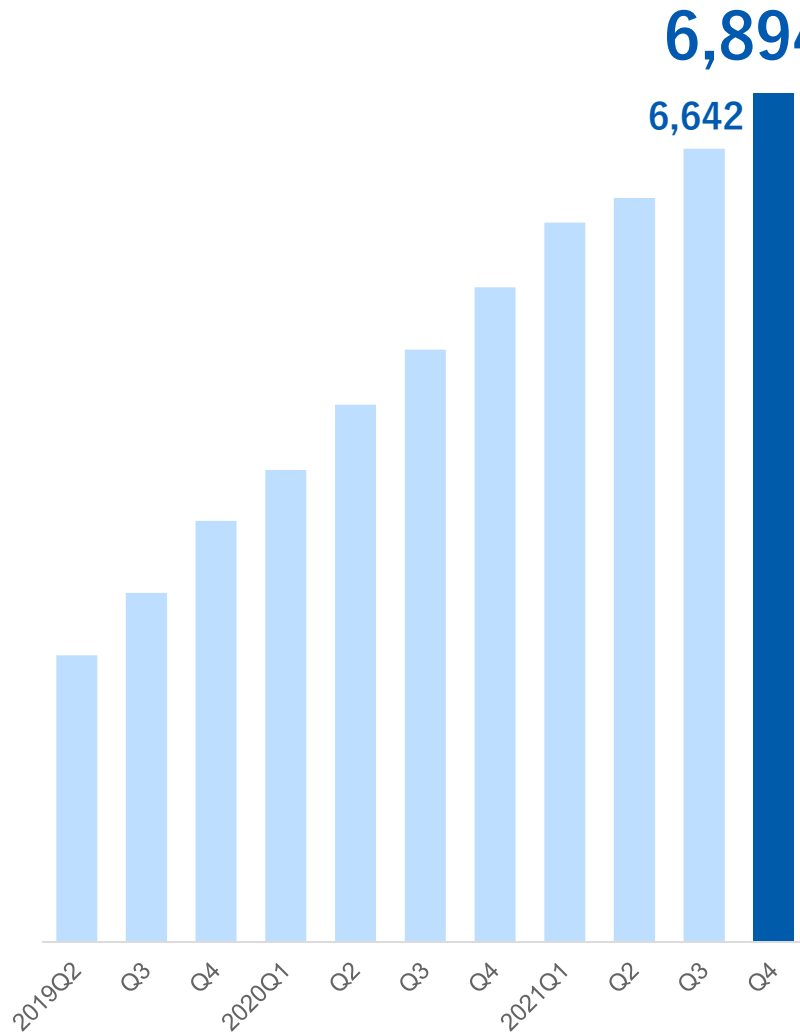
Digital Certificate Segments



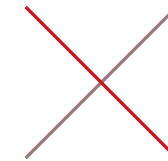
Strong global sales
Number of certificate issues
remains flat

* Number of valid certificates issued refers to the number of active electronic certificates that have not expired and are in use

and Digital Center for Significant



Expand service collaborations
Strengthen sales competitiveness

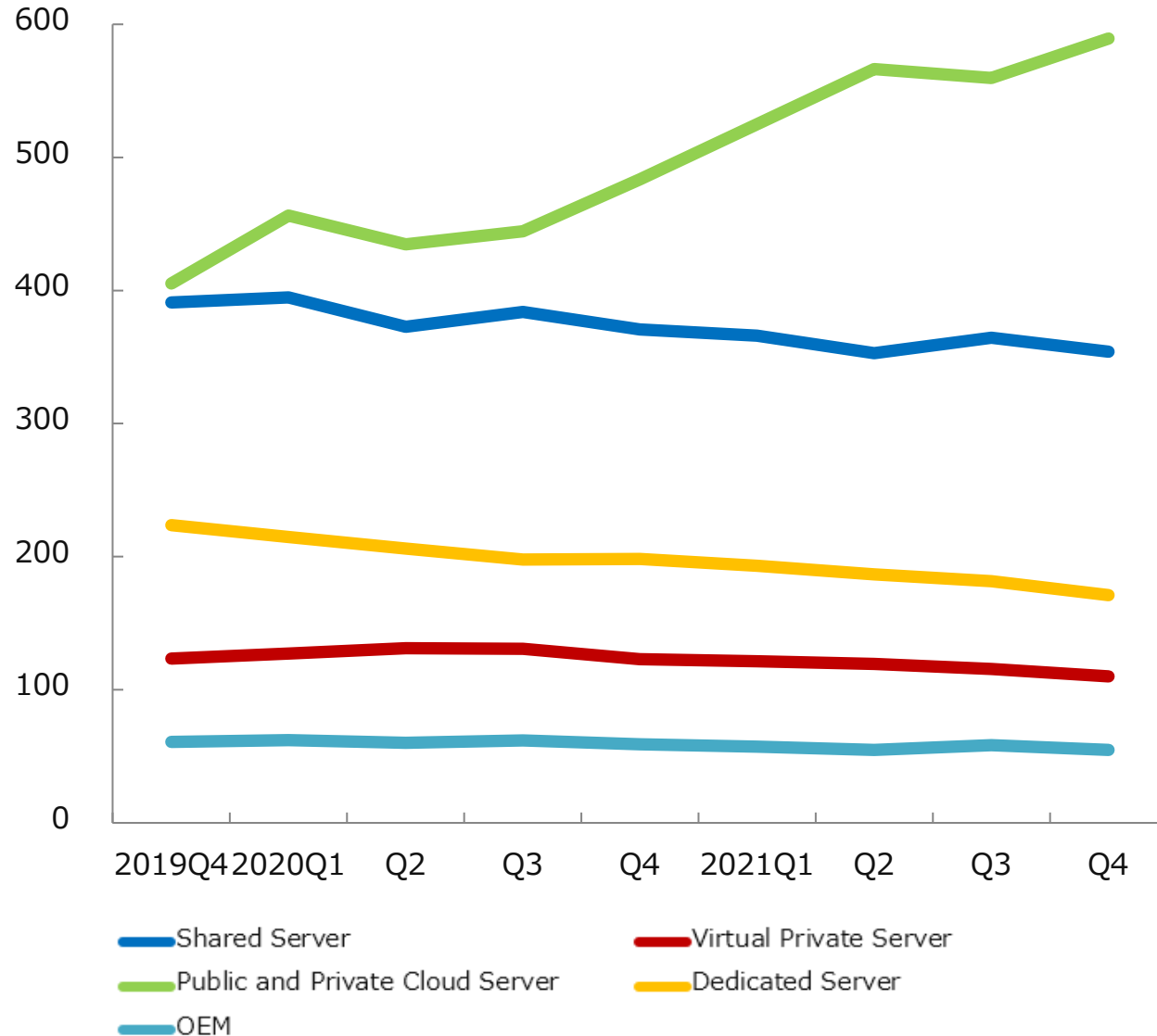


* Number of enterprises using TrustLogin by GMO. One account per business operator (enterprise or individual). If multiple accounts are used, the duplicates are eliminated. As a result of a duplicate account check, the 2021 Q2 figure has been corrected from 6,737 companies to 6,437 companies.

Cloud Infrastructure Segment

Product Sales

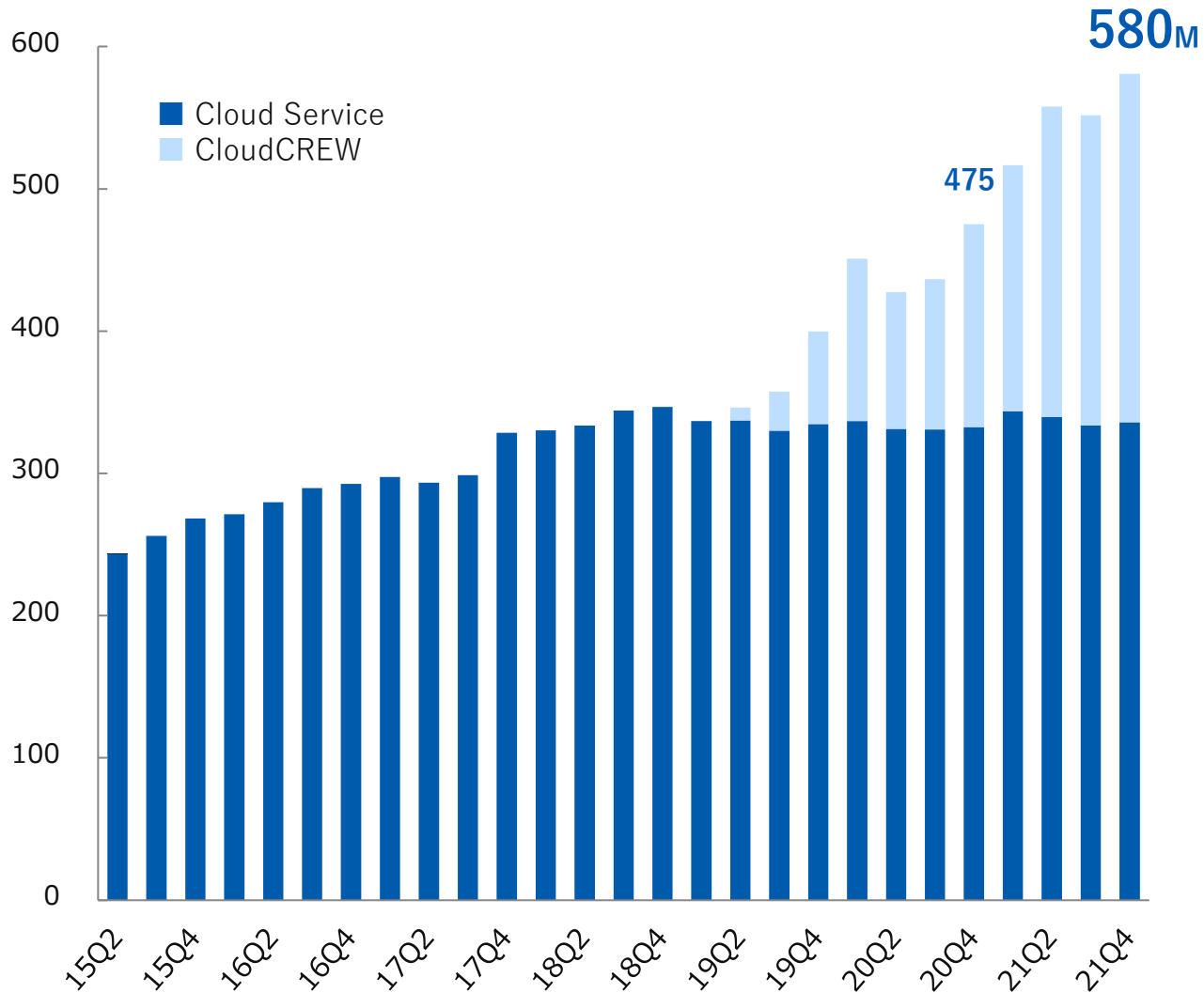
Unit :
Million Yen



Steady increase in sales
Growth remains strong

Cloud Service Sales

Cloud Segment Structure



FY2021 Q4

Sales : **580M**

YoY: **+22.2%**

Commenced support for use of Google Cloud As a Google Cloud Service Partner



Cloud Segment Structure

DX Segment

Number of Shops Using App



Promote resolution of various industry issues



DX Segment

Reference Materials

Summary of Consolidated Balance Sheet

Unit : Million Yen	FY2020 Q4	FY2021 Q4	Ratio
Net Sales	13,332	14,046	+5.4%
Cost of Sales	5,379	5,603	+4.2%
Gross Profit	7,953	8,442	+6.1%
Selling, General and Administrative Expenses	6,596	7,270	+10.2%
(Marketing Expenses)	503	786	+56.4%
(Depreciation)	188	308	+63.8%
Operating Income	1,357	1,171	△13.7%
(Operating Income Ratio)	10.2%	8.3%	—
Ordinary Income	1,394	1,199	△13.9%
Income before income taxes	1,352	879	△35.0%
Income taxes expense	251	434	+72.8%
Profit Attributable to Owners of Parent	1,170	483	△58.7%

Summary of Consolidated Balance Sheet

Unit : Million Yen	2020 Dec.	2021 Dec.	Ratio
Current Assets	7,390	7,517	+1.7%
(Cash and Deposits)	4,670	4,590	△1.7%
(Account Receivable)	1,399	1,653	+18.2%
Fix Assets	3,672	3,995	+8.8%
(Software)	1,659	2,021	+21.8%
(Investment Securities)	586	590	+0.7%
Amount of Assets	11,063	11,512	+4.1%
Liabilities	3,774	4,360	+ 15.5%
(Advances by customers)	1,725	1,952	+ 13.1%
(Debt + Lease)	524	693	+ 32.2%
Net Assets	7,288	7,152	△1.9%
(Shareholders' Equity)	6,826	6,621	△3.0%
(AOCI)	168	511	+ 202.8%
(Non-Controlling interest)	293	19	△93.5%
Liabilities + Net Assets	11,063	11,512	+4.1%

Summary of Consolidated Cash Flows

Unit : Million Yen	FY2020 4 Q	FY2021 4 Q	Factors
Cash Flows from Operating Activities	1,902	1,564	Depreciation and amortization + 107M Impairment loss +343M Increase in accounts receivable Δ 206M Decrease in accounts payable Δ 103M Increase in advances received + 135M
Cash Flow from Investing Activities	Δ 1,158	Δ 1,191	Acquisition of fixed assets + 50M Acquisition of investment securities Δ 55M
Cash Flows from Financing Activities	Δ 64	Δ 822	Proceeds from short-term loans Δ 100M Acquisition of shares in subsidiaries Δ 327M
Net Increase in Cash and Cash Equivalents	+626	Δ 230	
Cash and Cash Equivalents	5,250	5,020	

FY2021 Quarterly Comparison of Segment

Sales				Operating Profit				Million Yen
Segment	FY2020 4 Q	FY2021 4 Q	YoY	Segment	FY2020 4 Q	FY2021 4 Q	YoY	
Digital Certificate & eSignature	1,653	2,234	+ 35.2%	Digital Certificate & eSignature	223	487	+ 118.5%	
Cloud Infrastructure	1,442	1,472	+ 2.1%	Cloud Infrastructure	92	72	△ 21.0%	
D X	303	245	△ 18.9%	D X	△46	△54	-	
Internal Transaction	△118	△143	-	Internal Transaction	△1	△8	-	
Total	3,279	3,808	+ 16.1%	Total	267	497	+ 86.0%	

FY2021 Annual Budgets and Results

■ Q4 Accumulated Total

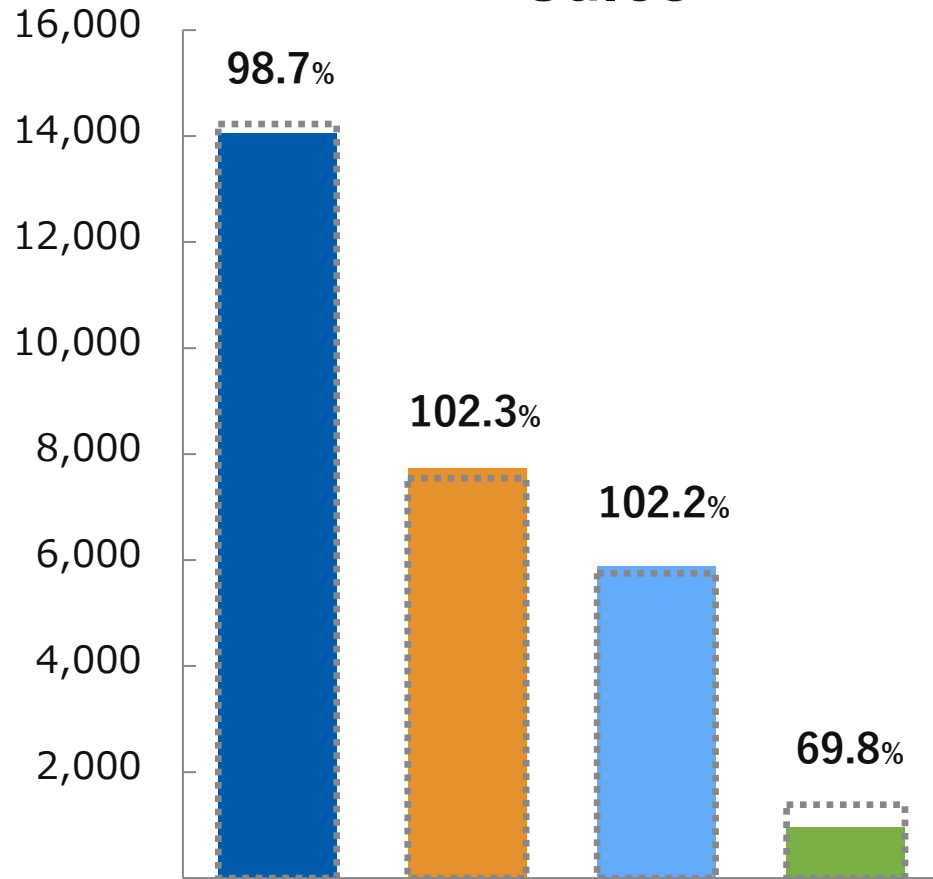
▤ Annual Plan at The End of 2021

Unit : Million Yen

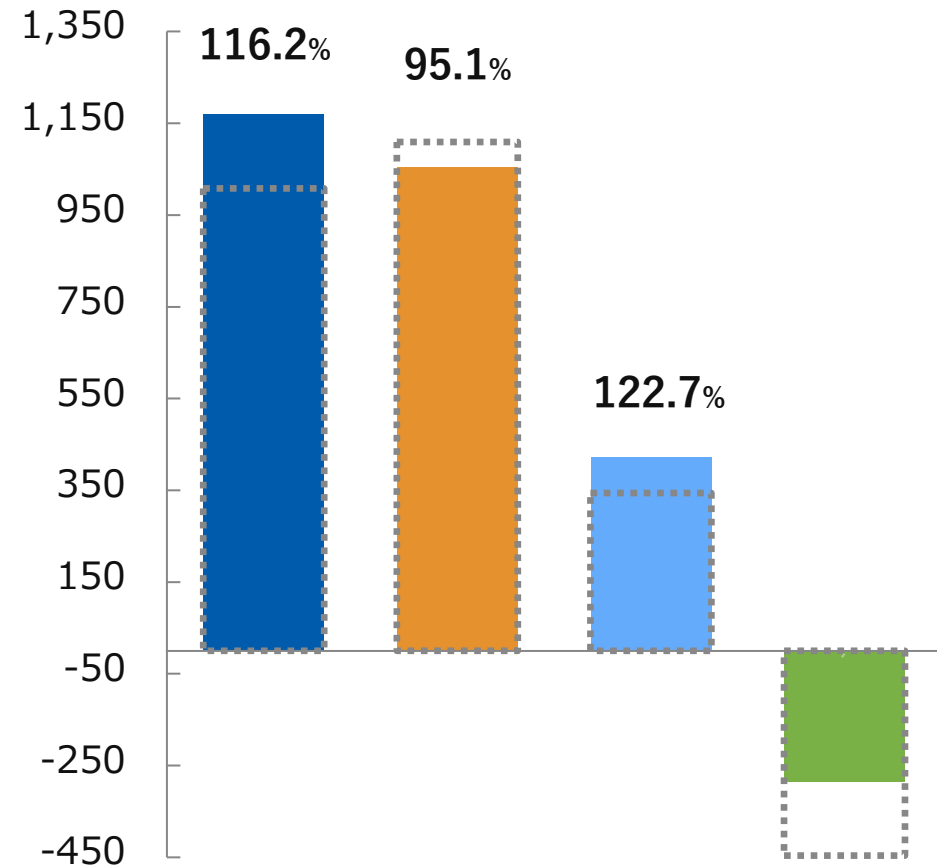
:%:Achievement Ratio

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Sales



Operating Profit



■ : Digital Certificate and eSignature ■ : Cloud Infrastructure ■ : DX