



Consolidated Financial Results for the Three Months Ended March 31, 2025 [Japanese GAAP]

May 13, 2025

Company name: GMO GlobalSign Holdings K.K.

Listing: Tokyo Stock Exchange

Securities code: 3788

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

President & CEO and Executive Officer

Executive Officer

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended March 31, 2025 (January 1, 2025 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2025	4,909	4.0	285	(32.6)	283	(39.1)	202	(39.6)
March 31, 2024	4,720	11.5	423	10.2	465	(0.3)	335	12.8

(Note) Comprehensive income: Three months ended March 31, 2025: ¥ (123) million [-%]
Three months ended March 31, 2024: ¥ 623 million [62.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	17.63	-
March 31, 2024	29.08	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	17,719	8,936	50.3
December 31, 2024	18,027	9,487	52.5

(Reference) Equity: As of March 31, 2025: ¥ 8,909 million
As of December 31, 2024: ¥ 9,460 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	0.00	0.00	0.00	37.22	37.22
Fiscal year ending December 31, 2025	0.00				
Fiscal year ending December 31, 2025 (Forecast)		0.00	0.00	49.84	49.84

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending December 31, 2025 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025(January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	20,397	6.4	1,434	15.1	1,422	9.6	880	3.0	76.67

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 11,693,000 shares
December 31, 2024: 11,693,000 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 211,358 shares
December 31, 2024: 211,358 shares

3) Average number of shares outstanding during the period:

Three months ended March 31, 2025: 11,481,642 shares
Three months ended March 31, 2024: 11,519,320 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

This section provides guidance on the appropriate use of the results forecasts and additional relevant information. The forecasts are prepared based on reasonable assumptions and adequate information. However, actual results may differ from these forecasts due to various factors.

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Qualitative Information Regarding This Quarterly Financial Results

(1) Discussion of Operating Results / Explanation of Business Performance

Our Group operates in the internet services market, providing security services that utilize authentication technologies. These are primarily delivered through the Digital Certificate and eSignature segment, which offers electronic authentication and e-signature solutions globally; the Cloud Infrastructure segment, which leverages over 28 years of operational experience and expertise to deliver hosting and managed cloud services; and the Digital Transformation segment, which promotes operational efficiency and high-value-added services through DX initiatives to support companies addressing various challenges. We aim to deliver internet services that combine convenience, security, and trust, supporting the online business activities of numerous companies.

During the first quarter of the consolidated fiscal period, sales of our key strategic offerings—the electronic contract service "GMO Sign" and Identity as a Service (IDaaS) "GMO Trust Login"—showed strong growth. Additionally, as companies continue to promote digital transformation, the cloud market has steadily expanded, driven by the increasing adoption of AI-powered cloud services. Consequently, sales of our managed cloud service, "CloudCREW by GMO," also experienced steady growth.

On the other hand, in the Digital Certificate and eSignature segment, increased system investments and promotional activities aimed at future growth resulted in higher depreciation and selling expenses, which impacted operating profit.

Furthermore, there has been no direct impact from the United States' tariffs policy under the Trump administration on our group's business. However, if market conditions for our customers change due to broader impacts of global economic factors related to this policy, our business operations and financial performance could be affected.

As a result, for the first quarter of the consolidated fiscal period, net sales totaled 4,909,765 thousand yen (a 4.0% year-on-year), operating profit was 285,167 thousand yen (a 32.6% decrease), ordinary profit was 283,637 thousand yen (a 39.1% decrease), and net profit attributable to shareholders of the parent company was 202,408 thousand yen (a 39.6% decrease).

Performance Overview by Segment

(Digital Certificate and eSignature Segment)

In the Digital Certificate and eSignature segment, we have positioned the electronic contract service "GMO Sign" and Identity as a Service (IDaaS) the "GMO Trust Login" as our key strategic offerings. We are actively working to expand this business through mid- and long-term growth initiatives by enhancing brand recognition through investment in human resources and more aggressive marketing efforts.

During the first quarter of the consolidated fiscal period, sales of "GMO Sign," which is under strategic investment, continued to perform well. Both the number of contracted companies and the number of transactions transmitted increased steadily, allowing us to maintain profitability in this segment.

Regarding "GMO Sign Electronic Contract," designed to improve the convenience of administrative service and staff productivity by digitalizing local government operations, we reinforced efforts primarily among municipalities with existing implementation track records. We are actively promoting further adoption to strengthen our competitive advantage.

For "GMO Sign Electronic Official Seal," which digitalizes notices of disposition and other communications for government agencies and local governments, its awareness increased through system integrations with companies such as FUJI ELECTRIC CO., LTD., leading to expanded adoption and new customer acquisition.

In March, "GMO Sign Electronic Official Seal" was adopted in Osaka Prefecture, enabling digitalization of document delivery operations such as notices of disposition. This contributed to streamlining municipal operations and improving services, while also helping to expand our track record in the public sector and enhancing convenience and security.

In terms of sales, the global electronic certificate business grew steadily in emerging markets such as India. Domestically, our market share of SSL server certificate reached 42.4%, demonstrating the competitiveness of our services. Additionally, our single sign-on service "GMO Trust Login," Japan's leading IDaaS solution, continued to grow favorably, driven by increased security awareness and efforts to strengthen organizational structures and dealer strategies.

However, sales in North America and Europe remained sluggish due to deteriorating economic conditions and other factors.

With regard to expenses, in anticipation of future growth, we promoted system investments related to our electronic certification authority and intensified promotional activities for key offerings, leading to increases in depreciation and selling expenses.

As a result, for the first quarter of the consolidated fiscal period, this segment recorded sales of 3,136,945 thousand yen (a 3.6% increase year-on-year) and segment profit of 272,505 thousand yen (a 31.3% decrease).

(Cloud Infrastructure Segment)

In the Cloud Infrastructure segment, our managed cloud service "CloudCREW by GMO," (hereinafter referred to as CloudCREW) which supports cloud adoption, design, construction, monitoring, and operational management, continues to expand steadily. This growth is driven by enhanced security measures for cloud safety, our extensive infrastructure operation track record spanning over 29 years, and high-level technical capabilities, including AWS certification.

During the first quarter of the consolidated fiscal period, demand continued to grow due to increased digital transformation initiatives among companies and the expansion of the public cloud market, supporting a favorable order environment. "CloudCREW" leverages synergies with GMO Cybersecurity by Ierae, Inc. and GMO Flatt Security inc., which handle cybersecurity services, to differentiate ourselves through high-quality security solutions. We aim for medium- term growth. The sales steadily increased by securing large scale orders.

Despite the growth, costs increased due to sales expansion of "CloudCREW" and security services. We are working to optimize costs by improving operational efficiencies, including the relocation of data centers.

As a result, for the first quarter of the consolidated fiscal period, this segment posted sales of 1,693,852 thousand yen (a 7.5% increase year-on-year) and segment profit of 45,213 thousand yen (a 1.1% increase).

(Digital Transformation Segment)

In the Digital Transformation (DX) segment, we leverage expertise gained from the Digital Certificate and eSignature, and Cloud Infrastructure segments to support companies addressing various challenges. This is achieved by promoting operational efficiencies and high-value-added services through DX initiatives.

During the first quarter of the consolidated fiscal period, the number of stores that adopted "GMO Shop App," a dedicated app to attract customers for businesses and stores, has steadily increased.

Additionally, we have added My Number Card authentication functionality using the Digital Agency's Digital Authentication App to our "Mobile Gift Voucher Platform by GMO", which digitizes paper gift certificates issued by municipalities and businesses. By enhancing user identity verification, we have suppressed the risk of unauthorized use and strengthened security, thereby differentiating our service. As a result, the adoption of our platform has been expanding among municipalities and private-sector companies nationwide.

In February, in collaboration with NEC Corporation, we linked the " Mobile Gift Voucher Platform by GMO" with a resident portal service and launched an integrated app that consolidates local government services and enables targeted information delivery to residents. We plan to expand this service geographically by replicating the model in other municipalities.

Moving forward, we will promote paperless initiatives and data utilization through collaboration and feature enhancements, supporting DX efforts to assist small and medium-sized enterprises in customer acquisition and operational improvements.

As a result, for the first quarter of the consolidated fiscal period, sales in the DX segment totaled 212,666 thousand yen (a 13.9% decrease year-on-year), and the segment incurred a loss of 38,410 thousand yen (compared to a loss of 22,334 thousand yen in the same period last year).

(2) Discussion of Financial Position / Explanation of Financial Condition

(Current Assets)

At the end of the first quarter of the consolidated fiscal period, the balance of current assets was 11,811,315 thousand yen, representing a decrease of 137,174 thousand yen compared to the previous fiscal year-end. The primary factors were a reduction of 100,265 thousand yen in cash and deposits and a decrease of 130,838 thousand yen in accounts receivable and contract assets, partially offset by an increase of 68,322 thousand yen in prepaid expenses.

(Fixed Assets)

At the end of the first quarter of the consolidated fiscal period, the balance of fixed assets at the end of the first quarter was 5,908,113 thousand yen, a decrease of 170,419 thousand yen from the previous fiscal year-end. The primary factors were a decline of 41,613 thousand yen in tools, furniture, and fixtures (net), a decrease of 160,173 thousand yen in software, and an increase of 33,912 thousand yen in long-term prepaid expenses.

(Current Liabilities)

At the end of the first quarter of the consolidated fiscal period, the balance of current liabilities was 5,611,009 thousand yen, an increase of 8,007 thousand yen compared to the previous fiscal year-end. The primary factors were an increase of 30,391 thousand yen in accounts payable, an increase of 120,000 thousand yen in short-term portions of long-term borrowings, a decrease of 142,145 thousand yen in accounts payable and accrued expenses, an increase of 66,530 thousand yen in contract liabilities, and a decrease of 49,505 thousand yen in deposits held in custody (included in "Others") of 49,505 thousand yen.

(Fixed Liabilities)

At the end of the first quarter of the consolidated fiscal period, the balance of fixed liabilities was 3,172,226 thousand yen, an increase of 235,398 thousand yen from the previous fiscal year-end. The primary factors were an increase of 287,500 thousand yen in long-term borrowings, offset by a decrease of 42,343 thousand yen in deferred tax liabilities.

(Net Assets)

At the end of the first quarter of the consolidated fiscal period, net assets totaled 8,936,193 thousand yen, a decrease of 550,999 thousand yen from the previous fiscal year-end. The primary factors were a decrease of 224,937 thousand yen in retained earnings, mainly due to recording net income attributable to owners of the parent of 202,408 thousand yen and dividends payments of 427,346 thousand yen; a decrease of 331,511 thousand yen in foreign currency translation adjustments; and an increase of 61 thousand yen in non-controlling interests.

(3) Forward-Looking Information, Including Consolidated Earnings Forecasts and Other Future Projections

There are no revisions to the consolidated earnings forecast for the fiscal year ending December 2025. The forecast remains unchanged from the figures disclosed in the "Financial Results for the Fiscal Year Ended December 2024," announced on February 12, 2025.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	8,459,291	8,359,025
Accounts receivable - trade and contract assets	2,647,831	2,516,993
Prepaid expenses	760,454	828,776
Other	275,619	270,099
Allowance for doubtful accounts	(194,707)	(163,580)
Total current assets	11,948,489	11,811,315
Non-current assets		
Property, plant and equipment		
Buildings	148,736	150,381
Accumulated depreciation	(95,510)	(94,552)
Buildings, net	53,225	55,829
Vehicles	4,053	3,862
Accumulated depreciation	(4,053)	(3,862)
Vehicles, net	-	-
Tools, furniture and fixtures	2,786,672	2,773,515
Accumulated depreciation	(2,078,528)	(2,106,985)
Tools, furniture and fixtures, net	708,143	666,530
Leased assets	552,060	566,363
Accumulated depreciation	(205,505)	(227,327)
Leased assets, net	346,555	339,035
Total property, plant and equipment	1,107,924	1,061,394
Intangible assets		
Software	4,056,064	3,895,891
Other	56,973	55,828
Total intangible assets	4,113,037	3,951,719
Investments and other assets		
Investment securities	302,255	302,223
Shares of subsidiaries and associates	130,250	130,250
Long-term prepaid expenses	156,382	190,294
Deferred tax assets	80,525	86,088
Other	188,157	186,141
Total investments and other assets	857,571	894,999
Total non-current assets	6,078,533	5,908,113
Total assets	18,027,023	17,719,429

(Thousands of yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	24,987	55,378
Current portion of long-term borrowings	770,000	890,000
Accounts payable - other	720,837	578,691
Accrued expenses	585,568	587,117
Contract liabilities	2,754,313	2,820,843
Lease liabilities	119,091	119,377
Income taxes payable	189,264	184,882
Accrued consumption taxes	150,343	141,723
Provision for bonuses	80,604	81,057
Other	207,992	151,936
Total current liabilities	5,603,002	5,611,009
Non-current liabilities		
Long-term borrowings	1,842,500	2,130,000
Lease liabilities	285,044	273,407
Deferred tax liabilities	705,030	662,686
Other	104,253	106,132
Total non-current liabilities	2,936,827	3,172,226
Total liabilities	8,539,830	8,783,236
Net assets		
Shareholders' equity		
Share capital	916,900	916,900
Retained earnings	6,995,840	6,770,902
Treasury shares	(263,331)	(263,331)
Total shareholders' equity	7,649,408	7,424,470
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	43,806	49,194
Foreign currency translation adjustment	1,767,294	1,435,782
Total accumulated other comprehensive income	1,811,100	1,484,977
Non-controlling interests	26,683	26,745
Total net assets	9,487,193	8,936,193
Total liabilities and net assets	18,027,023	17,719,429

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Net sales	4,720,549	4,909,765
Cost of sales	1,754,355	1,988,218
Gross profit	2,966,193	2,921,547
Selling, general and administrative expenses	2,542,853	2,636,379
Operating profit	423,340	285,167
Non-operating income		
Interest income	6,594	12,668
Dividend income	28,985	22,349
Gain on investments in investment partnerships	1,501	1,440
Foreign exchange gains	5,546	-
Other	8,509	20,628
Total non-operating income	51,136	57,087
Non-operating expenses		
Interest expenses	5,605	6,911
Loss on investments in investment partnerships	1,558	6,694
Foreign exchange losses	-	44,252
Other	1,693	759
Total non-operating expenses	8,858	58,617
Ordinary profit	465,618	283,637
Profit before income taxes	465,618	283,637
Income taxes - current	85,345	107,833
Income taxes - deferred	43,618	(28,022)
Total income taxes	128,964	79,810
Profit	336,653	203,826
Profit attributable to non-controlling interests	1,646	1,417
Profit attributable to owners of parent	335,007	202,408

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousands of yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Profit	336,653	203,826
Other comprehensive income		
Valuation difference on available-for-sale securities	490	5,388
Foreign currency translation adjustment	286,780	(332,867)
Total other comprehensive income	287,270	(327,479)
Comprehensive income	623,924	(123,653)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	621,030	(123,714)
Comprehensive income attributable to non-controlling interests	2,894	61

(3) Note to the Quarterly Consolidated Financial Statements

1. Notes on the Going Concern Assumption

No significant matters to report.

2. Notes on Significant Changes in Shareholders' Equity

No significant matters to report.

3. Notes on Changes in Accounting Policies

(Adoption of Accounting Standards for Corporate Income Tax, Inhabitant Tax, Business Tax, etc.)

The "Accounting Standard for Income Taxes" (ASBJ Statement No. 27, issued on October 28, 2022) has been applied from the beginning of the current first quarter of the consolidated fiscal year. This adoption had no impact on the quarterly consolidated financial statements.

4. Notes on the Quarterly Consolidated Statement of Cash Flows

The quarterly consolidated statement of cash flows for the cumulative first quarter has not been prepared. However, depreciation and amortization expenses (including those related to intangible fixed assets) for the period are as follows:

Depreciation and Amortization Expenses	(Thousands of yen)
Period	Amount
Three months ended March 31, 2024	362,203
Three months ended March 31, 2025	422,550

5. Notes to Segment Information, etc.

The amounts of the net sales and profit or loss by reporting segment

Three months ended March 31, 2024

(Thousands of yen)

	Reportable segment			Total	Adjustment amount (Note) 1	Quarterly consolidated income statement amounts (Note) 2
	Digital Certificate and eSignature	Cloud Infrastructure	Digital Transformation			
Net sales						
Revenue from external customers.	2,981,419	1,500,716	238,413	4,720,549	-	4,720,549
Internal sales or transfers between segments	47,352	74,923	8,618	130,895	(130,895)	-
Total	3,028,772	1,575,640	247,031	4,851,444	(130,895)	4,720,549
Segment profit or loss	396,447	44,715	(22,334)	418,828	4,512	423,340

Three months ended March 31, 2025

(Thousands of yen)

	Reportable segment			Total	Adjustment amount (Note) 1	Quarterly consolidated income statement amounts (Note) 2
	Digital Certificate and eSignature	Cloud Infrastructure	Digital Transformation			
Net sales						
Revenue from external customers.	3,095,539	1,611,452	202,773	4,909,765	-	4,909,765
Internal sales or transfers between segments	41,405	82,400	9,892	133,698	(133,698)	-
Total	3,136,945	1,693,852	212,666	5,043,464	(133,698)	4,909,765
Segment profit or loss	272,505	45,213	△38,410	279,308	5,859	285,167

Notes: 1 The adjustment amount for segment profit is elimination of inter-segment transactions.

2 Segment profit is adjusted from operating profit reported in the quarterly consolidated income statement.