

## Summary of Consolidated Financial Statements for the Third Quarter FY2023 (IFRS)

August 9, 2023

Name of listed company: GMO Payment Gateway, Inc. Exchange: Tokyo Stock Exchange  
 Stock code: 3769 URL: <https://www.gmo-pg.com/en/corp/>  
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 Scheduled submission date of quarterly report August 10, 2023 Scheduled date of commencement for dividend payment —  
 Supplemental materials prepared for financial results Yes  
 Information meeting arranged related to financial results Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

### 1. Consolidated Financial Statements for the Third Quarter, FY2023

(From October 1, 2022 to June 30, 2023)

(1) Consolidated Financial Statements (Cumulative)

(Percentages represent year-on-year % change)

	Revenue		Operating profit		Profit before income taxes		Quarterly Profit		Profit attributable to owners of parent		Total comprehensive income	
	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%
Q3 FY2023	47,000	27.2	16,022	25.3	15,954	△47.7	10,795	△49.3	10,515	△50.2	13,348	△57.8
Q3 FY2022	36,956	21.0	12,788	25.1	30,500	189.8	21,298	201.2	21,129	204.6	31,606	296.0
	Basic earnings per share				Diluted earnings per share							
	Yen				Yen							
Q3 FY2023	138.65				137.23							
Q3 FY2022	278.60				275.19							

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of total equity attributable to owners of parent to total assets
	Mil Yen	Mil Yen	Mil Yen	%
Q3 FY2023	294,874	90,481	88,025	29.9
FY2022	273,407	89,260	87,122	31.9

### 2. Dividends

	Annual dividend				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	0.00	0.00	0.00	160.00	160.00
FY2023	0.00	0.00	0.00		
FY2023 (forecast)				82.00	82.00

(Note) Revision to the most recently released dividend forecast: No

### 3. Consolidated Financial Forecast for the Fiscal Year Ending September 2023

(From October 1, 2022 to September 30, 2023)

(% represents year-on-year change)

	Revenue		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of parent		Basic earnings per share
	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%	Mil Yen	%	Yen
Full Year	59,100	17.5	20,311	25.0	18,837	△45.8	12,635	△48.1	12,368	△48.8	163.08

(Note) Revision of the most recently released financial forecast: No

※ Notices

- (1) Changes of important subsidiaries during the period (change of specific subsidiaries that leads to a change in the scope of consolidation): No  
Number of new subsidiaries: - (Name:      ); Number of excluded subsidiaries: - (Name:      )

- (2) Changes in the accounting policy / changes in the accounting estimation

[1] Changes in accounting policy required by IFRS.: No

[2] Changes in accounting policy other than [1]: No

[3] Changes in accounting estimations: No

- (3) Number of shares issued (common stock)

[1] Number of shares issued at the end of the term (including treasury stock)	Q3 FY2023: 76,557,545	FY 2022: 76,557,545
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[2] Number of treasury shares at the end of the term	Q3 FY2023: 715,071	FY 2022: 714,996
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[3] Average number of shares during the term	Q3 FY2023: 75,842,486	Q3 FY2022: 75,842,549
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(Note 1) Number of treasury shares at the end of the term above include the shares attributed to the directors' remuneration board incentive plan trust and J-ESOP (709,705 shares for FY2022; 709,705 shares for Q3 FY2023.)

\* These quarterly financial statements are not subject to the quarterly review procedures.

\* Notes regarding the appropriate use of financial forecast and other important notes

1. The above forecasts are outlooks based on information currently available and include various uncertain factors. Actual performance may differ substantially from the forecasts due to changes in business conditions and other factors. For the assumption on which financial forecasts are based and matters to be considered in using financial forecasts, please refer to "(3) Review of consolidated earnings forecasts and other forecasts" under "1. Qualitative Information on Consolidated Financial Statements for the Quarter" on page 9 of the attachment.

2 Results Presentation for Investors and Analysts to be held on August 10, 2023. Supporting materials and a video of the presentation will be made available promptly on the company's website after the event.

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# 1. Qualitative Information on Consolidated Financial Statements for the Quarter

## (1) Consolidated operating results

Forward-looking statements in the document are based on the judgement of the Group at the end of the quarter under review.

### ① Consolidated operating results

The Group announces its earnings results for the cumulative third quarter of the consolidated fiscal year 2023 (October 1, 2022 to June 30, 2023) as follows.

(Unit: Thousand Yen)

	Q3 FY2022 (From October 1, 2021 to June 30, 2022)	Q3 FY2023 (From October 1, 2022 to June 30, 2023)	Rate of change (%)
Revenue	36,956,780	47,000,632	27.2
Operating profit	12,788,081	16,022,020	25.3
Profit before income taxes	30,500,544	15,954,566	△47.7
Profit attributable to owners of parent	21,129,578	10,515,637	△50.2

#### a. Revenue

Revenue reached ¥47,000 mil, up 27.2% YoY. The transaction volume and value, which is the sum total of online billing, recurring billing, offline payment and GMO Payment After Delivery, increased by 28.3% YoY and by 32.9% YoY, respectively. As a result, the Payment Processing Business revenue reached ¥35,792 mil (up 28.5% YoY), Money Service Business (MSB) revenue was ¥10,393 mil (up 23.5% YoY) and Payment Enhancement Business revenue was ¥832 mil (up 16.2% YoY). For details, please refer to page 5 of “② Results by segment” found under “(1) Consolidated operating results” of “1. Qualitative Information on Consolidated Financial Statements for the Quarter”.

Revenue breakdown by business model is as follows.

(Unit: Thousand Yen)

Business model	Q3 FY2022 (From October 1, 2021 to June 30, 2022)	Q3 FY2023 (From October 1, 2022 to June 30, 2023)	Rate of change (%)
Initial (Initial revenue)	5,329,724	8,812,192	65.3
Stock (Fixed revenue)	5,836,563	6,934,834	18.8
Fee (Transaction processing revenue)	9,823,863	12,999,067	32.3
Spread (Merchant acquiring service revenue)	15,966,628	18,254,537	14.3
Total	36,956,780	47,000,632	27.2

b. Operating profit

Operating profit reached ¥16,022 mil, up by 25.3% YoY, making steady progress towards achieving the full year earnings forecast for the fiscal year ending September 2023 (FY2023).

By segment, Payment Processing Business segment profit (operating profit) was ¥16,012 mil, up 18.4% YoY; Money Service Business segment profit (operating profit) stood at ¥2,270 mil, up 10.2% YoY; Payment Enhancement Business segment profit (operating profit) of ¥207 mil (up 21.4% YoY).

For details please refer to page 5 of “② Results by segment” of the “(1) Consolidated operating results” of “1. Qualitative Information on Consolidated Financial Statements for the Quarter”.

c. Profit before income taxes

Pre-tax profit reached ¥15,954 mil, down 47.7% YoY. The reason the cumulative Q3 FY2023 pre-tax profit declined by 47.7% YoY compared to the operating profit growth rate of 25.3% YoY is due to recording gain on sale of affiliate accounted for using the equity method of ¥16,419 mil, arising from the transfer of all the shares of the former equity method affiliate 2C2P Pte. Ltd.

② Results by segment

Performance by reportable segment is explained below.

(単位：千円)

Segment	Q3 FY2022 (From October 1, 2021 to June 30, 2022)	Q3 FY2023 (From October 1, 2022 to June 30, 2023)	Rate of change (%)
Payment Processing Business			
Revenue	27,846,597	35,792,321	28.5
Operating profit (△=loss)	13,524,683	16,012,960	18.4
Money Service Business			
Revenue	8,414,516	10,393,189	23.5
Operating profit (△=loss)	2,061,007	2,270,585	10.2
Payment Enhancement Business			
Revenue	716,867	832,923	16.2
Operating profit (△=loss)	170,633	207,148	21.4
Adjustments			
Revenue	△21,200	△17,801	—
Operating profit (△=loss)	△2,968,242	△2,468,674	—
Total			
Revenue	36,956,780	47,000,632	27.2
Operating profit (△=loss)	12,788,081	16,022,020	25.3

a . Payment Processing Business

The Payment Processing Business focusses on expanding payment processing services for online billing, recurring billing, and offline payments, as well as providing Banking as a Service (BaaS) support to financial institutions and business operators. In the online billing and recurring billing domain, we focused our efforts to acquire large and medium-to-small sized merchants across various industries as well as expand our services to a wide array of non-EC merchants, given the backdrop of the steadily expanding E-Commerce (EC) market.

In the third quarter under review, the online billing and recurring billing domains showed a continued increase in online payments to purchase daily goods, digital content and public dues/taxes as internet usage becomes habitual since the nesting consumption behavior during COVID-19 pandemic. In addition, online payments were adopted by new industries given the increasing demand for digital transformation (DX). Furthermore, with the increase in travel and outings from the normalization of economic activities thanks to reclassifying COVID-19 in the same category as common infectious diseases in May, payments increased in the non-merchandise domain, especially in travel and ticket sectors. However, in the merchandise domain, small-scale operators continue to be adversely affected from the cycling through of nesting demand and the shift towards offline consumption, despite signs of recovery at some large-scale merchants.

In the offline domain, GMO Financial Gate, Inc.'s initial revenue reached ¥8,587 mil (up 64.0% YoY), mostly consisting of sales of 'stera' payment terminals, thanks to high volumes of payment terminal shipments used for large-scale projects from the beginning of the fiscal year to this quarter. In addition, transaction volume and value trended favorably from the recovery in consumption fueled by the normalization of economic activities as well as the partial contribution from inbound demand with the increase in inbound tourists.

Contribution to segment revenue also came from growth of the Processing Platform service, which is part of the BaaS (Banking as a Service) support service, by capturing cashless payment and DX needs at financial institutions and business operators.

As a result, segment revenue reached ¥35,792 mil, up 28.5% YoY, however, segment profit (operating profit) was ¥16,012 mil, up 18.4% YoY due to recording a partial reversal of one-time expenses in this third quarter, that was incurred in previous quarter.

b . Money Service Business

Money Service Business (MSB) consists of Early Payment service to help merchants improve their cash flow; Transaction Lending service, a loan service for merchants; Lending service to overseas FinTech operators; Remittance service; Instant Salary byGMO, a salary prepayment service, and GMO Payment After Delivery provided by the consolidated subsidiary GMO Payment Service, Inc.

During the third quarter under review, revenue from GMO Payment After Delivery, a BNPL payment method service, increased from the acquisition of large merchants and the impact of rate revisions despite the lingering negative impact from the cycling through of nesting demand in the merchandise domain. Also, loan balance grew 43.4% YoY for the lending service to overseas FinTech operators particularly in North America and India, which contributed to the segment profit.

As a result, segment revenue reached ¥10,393 mil, up 23.5% YoY, however, segment profit (operating profit) reached ¥2,270 mil, an increase of 10.2% YoY due to higher credit costs for GMO Payment After Delivery and changes in the segment revenue mix.

c. Payment Enhancement Business

Payment Enhancement Business comprises of online advertising service to support the revenue growth at merchants the Group transacts with, and “Medical Kakumei byGMO,” a reservation management system to enable operational efficiency at reception counters offered exclusively to medical institutions, provided by the consolidated subsidiary GMO Medical Reservations Technology Co. Ltd.

In the third quarter under review, demand increased for services offered by GMO Medical Reservation Technology Co. Ltd., such as smartphone-based app to make reservations, fill out medical questionnaires, complete reception and payment as well as to consolidate multiple patient registration cards from medical institutions on the smartphone, resulting in revenue growth of 37.0% YoY. On the other hand, online advertising revenue decreased from decline in customer demand.

As a result of the above, segment revenue was ¥832 mil, up 16.2% YoY and segment profit (operating profit) was ¥207 mil, up 21.4% YoY.

The table below shows the companies providing the various businesses/services by segment.

Segment	Major service	Major companies of the service
Payment Processing Business	Payment processing service (Online billing and recurring billing)	GMO Payment Gateway, Inc. GMO Epsilon, Inc. (consolidated subsidiary)
	Payment processing service (Offline)	GMO Financial Gate, Inc. (consolidated subsidiary)
Money Service Business	GMO Payment After Delivery	GMO Payment Service, Inc. (consolidated subsidiary)
	Remittance service	GMO Payment Gateway, Inc. GMO Epsilon, Inc. (consolidated subsidiary)
	Transaction Lending	GMO Payment Gateway, Inc. GMO Epsilon, Inc. (consolidated subsidiary)
	Overseas Lending	GMO Payment Gateway, Inc.
	Early Payment service	GMO Payment Gateway, Inc. GMO Epsilon, Inc. (consolidated subsidiary)
Payment Enhancement Business	Online Advertising service	GMO Payment Gateway, Inc.
	Medical Kakumei byGMO	GMO Medical Reservations Technology Co., Ltd. (consolidated subsidiary)

## (2) Status of consolidated financial position

### ① Assets, liabilities and equity

#### a. Assets

Total assets at the end of the consolidated third quarter increased by ¥21,467 mil from the end of the previous fiscal year to reach ¥294,874 mil. This is mainly due to the decline in deposits to subsidiaries and affiliated companies of ¥11,200 mil. and other financial assets of ¥7,427 mil, which was offset by the increase in cash and cash equivalents of ¥20,213 mil, trade and other receivables of ¥4,435 mil, advances paid of ¥6,058 mil, accrued revenues of ¥5,778 mil, inventory of ¥1,209 mil and goodwill and intangible assets by ¥1,960 mil.

The balance of cash and cash equivalents at the end of the consolidated third quarter under review includes ¥6,080 mil in deposits to subsidiaries and affiliated companies, as stated in “① Cash and cash equivalents” of “(6) Notes regarding consolidated financial statements.” Together with the ¥5,300 mil of deposits to subsidiaries and affiliated companies stated in the consolidated balance sheet, the total balance of deposits to subsidiaries and affiliated companies stands at ¥11,380 mil. These deposits are GMO Internet Group’s cash on hand which is deposited under the cash management system (CMS) implemented and managed by GMO Internet Group Inc. This allows GMO-PG and its consolidated subsidiaries to withdraw necessary funds in accordance with their expanding businesses, by registering a withdrawal request after taking into account the number of days required to process the application, without the need to wait until the preset CMS repayment date.

#### b. Liabilities

Balance of liabilities at the end of the consolidated third quarter under review stood at ¥204,392 mil, an increase of ¥20,246 mil from the end of the previous consolidated fiscal year. This is mainly due to the increase in accrued expenses of ¥3,504 mil, deposits received of ¥14,723 mil and borrowings of ¥6,350 mil, despite the decline in income tax payables of ¥3,673 mil.

#### c. Equity

Equity balance at the end of the consolidated third quarter under review was ¥90,481 mil, an increase of ¥1,220 mil from the end of the previous consolidated fiscal year. This was mainly due to the increase in quarterly profit of ¥10,795 mil and recording of other comprehensive income of ¥2,552 mil, despite the decrease in retained earnings for dividend payment of ¥12,134 mil.

### ② Consolidated cash flow

Cash and cash equivalents (“funds”) at the end of the consolidated third quarter under review was ¥134,181 mil, an increased of ¥20,213 mil versus the balance at the start of the term. The state of cash flow over the third quarter under review is discussed below.

#### a. Cash flow from operating activities

Net funds provided by operating activities during the consolidated third quarter was ¥9,797 mil, which compares to net funds provided of ¥8,591 mil during the same period of the previous year. This resulted from cash outflows from (i) increase in trade and other receivables of ¥4,202 mil, (ii) increase in advances paid of ¥6,058 mil, (iii) increase in accrued revenue of ¥5,882 mil and (iv) income tax payments of ¥8,917 mil, which was offset by cash inflows from (i) quarterly profit before tax of ¥15,954 mil, (ii) increase in accrued expenses of ¥3,819 mil and (iii) increase in deposits received of ¥14,723 mil.

#### b. Cash flow from investing activities

Net funds provided by investing activities during the consolidated third quarter under review totaled ¥15,386 mil, compared to the net funds provided of ¥1,776 mil during the same period of the previous year. This resulted from cash inflows from (i) withdrawals from restricted deposits of ¥20,916 mil, (ii) withdrawal of deposits to subsidiaries and affiliated companies of ¥16,500 mil, which was partially offset by cash outflows from (i) payment into restricted deposits of ¥12,533 mil, (ii) purchase of intangible assets of ¥3,220 mil and (iii) payment into deposits



to subsidiaries and affiliated companies of ¥5,300 mil.

c. Cash flow from financing activities

Net funds used by financing activities over the consolidated third quarter under review was ¥6,287 mil which compares to net provided of ¥1,087 mil during the same period of the previous year. This is mainly due to cash inflows from (i) net increase in short term borrowings of ¥2,900 mil and (ii) increase in long term borrowings of ¥3,450 mil which was offset by cash outflows from dividend payouts of ¥12,127 mil.

(3) Review of consolidated earnings forecasts and other forecasts

GMO-PG and its consolidated subsidiaries are positioned primarily within the E-Commerce (EC) market in Japan, and the current B2C EC market for consumer merchandise is trending sluggishly due to the normalization of economic activities. However, this market is expected to continue to grow over the medium-to-long term helped by favorable externalities such as logistics industry reforms. In addition, continued high growth is expected from the solid progress in online migration of payments in non-merchandise services and sectors closely related to daily life such as public utilities, taxes/public dues and medical expenses. Also, the scope of the EC market itself is expanding driven by the online migration of inter-company transactions (B2B) and inter-consumer transactions (C2C).

The offline domain, where the consolidated subsidiary GMO Financial Gate, Inc. is positioned, is undergoing an acceleration in cashless adoption of various payment methods including credit cards, which is leading to new business opportunities as well as to expand the scope of businesses for GMO-PG and its consolidated subsidiaries. However, the business environment for FY2023 faces continued uncertainty over private consumption caused by rising prices on the back of soaring raw material prices, volatile capital markets and the decline in real wages, despite the positive effects of normalization of economic activities, recovery of inbound (foreign tourists) consumption and rising momentum for wage increases. Despite these headwinds, the impact to revenues for GMO-PG and its consolidated subsidiaries is expected to be minimal, given the defensive nature of online payments in the non-merchandise domain such as the utility sector, and the steady expansion of priority initiatives such as industry-specific DX platforms, BaaS support services to financial institutions and business operators and the next generation payment platform of 'stera'. Furthermore, there was a partial reversal in third quarter of one-time expenses incurred in the previous quarter.

The consolidated earnings forecast for the fiscal year ending September 2023 is revenue ¥59,100 mil (up 17.5% YoY), operating profit of ¥20,311 mil (up 25.0% YoY). The profit line items from profit before income taxes and below are affected, in particular, by the transfer of all the shares of 2C2P Pte. Ltd. (a former equity method affiliate), which resulted in a gain on sale of affiliate accounted for using equity method of ¥16,932 mil. As a result, profit before income taxes is forecast at ¥18,837 mil (down 45.8% YoY) and profit of ¥12,635 mil (down 48.1% YoY) and profit attributable to owners of parent of ¥12,368 mil (down 48.8% YoY).

## 2. Condensed Consolidated Financial Statements and Major Notes

### (1) Consolidated balance sheet

(Unit: Thousand Yen)			
	Notes	End of previous consolidated fiscal year (September 30, 2022)	End of Q3 of current consolidated fiscal year (June 30, 2023)
<b>Assets</b>			
Current assets			
Cash and cash equivalents	①	113,967,930	134,181,625
Trade and other receivables	②	13,964,116	15,711,203
Advances paid		54,422,846	60,481,701
Accrued revenue		30,331,694	36,110,004
Inventories		1,532,298	2,741,966
Deposits to subsidiaries and affiliates	③	16,500,000	5,300,000
Other financial assets		12,917,180	4,302,404
Other current assets		620,923	885,440
Total current assets		244,256,990	259,714,346
Non-current assets			
Property, plant and equipment		3,542,380	3,430,707
Goodwill and other intangible assets		6,942,428	8,902,802
Investments accounted for using equity method		8,608,123	8,913,125
Trade and other receivables	②	3,501,426	6,189,344
Other financial assets		5,095,976	6,282,866
Deferred Tax Assets		1,342,570	1,349,558
Other non-current assets		117,283	91,570
Total non-current assets		29,150,189	35,159,974
Total assets		273,407,179	294,874,321

(Unit: Thousand Yen)		
	Notes	
	End of previous consolidated fiscal year (September 30, 2022)	End of Q3 of current consolidated fiscal year (June 30, 2023)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	5,595,583	6,423,556
Accrued expenses	23,280,877	26,785,790
Deposits received	91,410,677	106,133,757
Borrowings	17,000,000	20,260,000
Other financial liabilities	1,014,590	417,408
Income taxes payable, etc.	4,916,655	1,242,728
Provisions	320,229	328,863
Other current liabilities	4,281,866	3,574,210
Total current liabilities	147,820,480	165,166,315
Non-current liabilities		
Corporate bonds	19,678,403	19,742,352
Borrowings	6,000,000	9,090,000
Other financial liabilities	2,342,950	2,260,340
Provisions	130,576	130,770
Deferred tax liabilities	5,642,475	5,960,269
Other non-current liabilities	2,531,640	2,042,811
Total non-current liabilities	36,326,046	39,226,543
Total liabilities	184,146,527	204,392,859
Equity		
Capital stock	13,323,135	13,323,135
Capital surplus	15,272,474	15,240,637
Retained earnings	49,424,496	47,800,956
Treasury stock	△1,152,444	△1,153,329
Other items of equity	10,255,198	12,814,184
Total equity attributable to owners of parent	87,122,860	88,025,585
Non-controlling interests	2,137,790	2,455,876
Total equity	89,260,651	90,481,462
Total liabilities and equity	273,407,179	294,874,321

## (2) Condensed consolidated statement of income and consolidated statement of comprehensive income

## Condensed consolidated statement of income

(Unit: Thousand Yen)			
	Notes	Q3 FY2022 (From October 1, 2021 to June 30, 2022)	Q3 FY2023 (From October 1, 2022 to June 30, 2023)
Revenue		36,956,780	47,000,632
(of which, interest income※)		6,834,040	8,509,494
Cost of revenue		△12,175,610	△17,219,643
Gross profit		24,781,170	29,780,989
Other income		192,582	215,550
Selling, general and administrative expenses		△12,144,137	△13,932,230
Other expense		△41,532	△42,288
Operating profit		12,788,081	16,022,020
Financial income		1,278,938	731,542
Financial expense		△169,601	△851,916
Equity method investment gains or loss		183,852	52,920
Gain on sale of equity method affiliate		16,419,272	—
Profit before income taxes		30,500,544	15,954,566
Income tax expenses		△9,201,545	△5,159,371
Quarterly profit		21,298,999	10,795,195
Quarterly profit attributable to			
Owners of parent		21,129,578	10,515,637
Non-controlling interests		169,420	279,557
Quarterly Profit		21,298,999	10,795,195
Earnings per share (Yen/share)			
Basic earnings per share		278.60	138.65
Diluted earnings per share		275.19	137.23

(※) The figure present the interest income calculated using the effective interest method as per IFRS 9 Financial Instruments.

Condensed consolidated statement of comprehensive income

(Unit: Thousand Yen)

	Notes	Q3 FY2022 (From October 1, 2021 to June 30, 2022)	Q3 FY2023 (From October 1, 2022 to June 30, 2023)
Quarterly Profit		21,298,999	10,795,195
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Fair value of financial assets measured through other comprehensive income		643,729	321,057
Share of other comprehensive income of equity method affiliates		5,475,394	302,981
Total of Items that will not be reclassified to profit or loss		6,119,124	624,038
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		4,374,272	1,928,948
Share of other comprehensive income of equity method affiliates		△ 186,034	—
Total of items that will be reclassified to profit or loss		4,188,238	1,928,948
Other comprehensive income after income taxes		10,307,362	2,552,987
Comprehensive income		31,606,361	13,348,182
Comprehensive income attributable to			
Owners of parent		31,429,608	13,074,624
Non-controlling interests		176,753	273,558
Total		31,606,361	13,348,182

(3) Condensed consolidated statement of changes in equity

Third quarter of the previous consolidated fiscal year (From October 1, 2021 to June 30, 2022)

(Unit: Thousand Yen)

Notes	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other items of equity	Total equity attributable to owners of parent	Non-controlling interests	Total Equity
Balance as of October 1, 2021	13,323,135	15,191,927	26,546,151	△1,152,444	1,937,175	55,845,946	1,974,433	57,820,379
Quarterly Profit	—	—	21,129,578	—	—	21,129,578	169,420	21,298,999
Other comprehensive income	—	—	—	—	10,300,030	10,300,030	7,332	10,307,362
Quarterly comprehensive income	—	—	21,129,578	—	10,300,030	31,429,608	176,753	31,606,361
Dividends	—	—	△4,474,710	—	—	△4,474,710	—	△4,474,710
Dividends paid to non-controlling interests	—	—	—	—	—	—	△89,232	△89,232
Transfer from other components of equity to retained earnings	—	—	3,233,324	—	△3,233,324	—	—	—
Share-based payment transaction	—	91,350	—	—	△399	90,951	—	90,951
Changes in the interest in controlled subsidiary	—	△49,103	—	—	—	△49,103	26,072	△23,030
Other Increase or Decrease	—	—	—	△718	—	△718	—	△718
Total transactions with owners	—	42,247	△1,241,385	△718	△3,233,723	△4,433,581	△63,160	△4,496,741
Balance as of June 30, 2022	13,323,135	15,234,175	46,434,344	△1,153,163	9,003,482	82,841,974	2,088,026	84,930,000

Third quarter of the current consolidated fiscal year (From October 1, 2022 to June 30, 2023)

(Unit: Thousand Yen)

Notes	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other items of equity	Total equity attributable to owners of parent	Non-controlling interests	Total Equity
Balance as of October 1, 2022	13,323,135	15,272,474	49,424,496	△1,152,444	10,255,198	87,122,860	2,137,790	89,260,651
Quarterly Profit	—	—	10,515,637	—	—	10,515,637	279,557	10,795,195
Other comprehensive income	—	—	—	—	2,558,986	2,558,986	△5,999	2,552,987
Quarterly comprehensive income	—	—	10,515,637	—	2,558,986	13,074,624	273,558	13,348,182
Purchase of treasury stock	—	—	—	△884	—	△884	—	△884
Dividends	—	—	△12,134,807	—	—	△12,134,807	—	△12,134,807
Dividends paid to non-controlling interests	—	—	—	—	—	—	△102,856	△102,856
Share-based payment transaction	—	33,231	—	—	—	33,231	—	33,231
Changes in the interest in controlled subsidiary	—	△65,069	—	—	—	△65,069	147,384	82,315
Other Increase or Decrease	—	—	△4,369	—	—	△4,369	—	△4,369
Total transactions with owners	—	△31,837	△12,139,177	△884	—	△12,171,899	44,527	△12,127,371
Balance as of June 30, 2023	13,323,135	15,240,637	47,800,956	△1,153,329	12,814,184	88,025,585	2,455,876	90,481,462

## ( 4 ) Condensed consolidated statement of cash flows

(Unit: Thousand Yen)

	Notes	Q3 FY2022 (From October 1, 2021 to June 30, 2022)	Q3 FY2023 (From October 1, 2022 to June 30, 2023)
Net cash provided by (used in) operating activities			
Profit before income taxes		30,500,544	15,954,566
Depreciation & Amortization		1,571,024	1,772,380
Financial income and expense (△=gain)		△1,109,337	120,374
Equity method investment gain/loss (△=increase)		△183,852	△52,920
Gain on sale of equity method affiliate		△16,419,272	—
Increase/decrease in inventories (△=increase)		115,338	△1,209,668
Increase/decrease in trade and other receivables (△=increase)		△714,062	△4,202,945
In/Decrease in advances paid (△=increase)		△5,043,471	△6,058,855
Accrued revenues (△=increase)		△5,540,797	△5,882,795
In/Decrease in trade payables (△=decrease)		△107,745	803,581
In/Decrease in accrued expenses (△=decrease)		3,522,920	3,819,993
In/Decrease in deposits received (△=decrease)		8,146,355	14,723,436
In/Decrease in other current liabilities (△=decrease)		△856,124	△823,058
In/Decrease in other non-current liabilities △=decrease)		42,756	△446,621
Other		△123,762	△443,838
Subtotal		13,800,514	18,073,628
Interest and dividends received		70,997	751,755
Interest paid		△68,811	△110,678
Income taxes paid		△5,210,966	△8,917,020
Net cash provided by (used in) operating activities		8,591,735	9,797,684
Net cash provided by (used in) investing activities			
Payments into restricted deposits		△5,282,800	△12,533,900
Withdrawals from restricted deposits		—	20,916,744
Purchase of property, plants and equipment		△201,770	△378,853
Purchase of intangible assets		△1,696,021	△3,220,550
Purchase of investment securities		△454,557	△708,536
Proceeds from sale of investment securities		24,360,517	98,106
Purchase of investments accounted for using equity method		△500,000	—
Proceeds from distribution of investments partnerships		286,573	167,854
Payments into deposits to subsidiaries and affiliates		△16,500,000	△5,300,000
Proceeds from withdrawal of deposits to subsidiaries and affiliates		2,000,000	16,500,000
Purchase of other financial assets		△30,894	△150,525
Proceeds from sales of other financial assets		7,561	401
Others		△212,293	△4,091
Net cash provided by (used in) investing activities		1,776,315	15,386,648

(Unit: Thousand Yen)			
	Notes	Q3 FY2022 (From October 1, 2021 to June 30, 2022)	Q3 FY2023 (From October 1, 2022 to June 30, 2023)
Net cash provided by (used in) financing activities			
In/Decrease in short-term borrowings (△=decrease)		6,300,000	2,900,000
Increase in long-term borrowings		—	3,450,000
Repayment of long-term borrowings		△158,515	—
Dividends paid		△4,471,420	△12,127,045
Dividends paid to non-controlling interests		△89,232	△102,856
Capital contributions from non-controlling interests		25,080	23,890
Other		△518,113	△431,705
Net cash provided by (used in) financing activities		1,087,798	△6,287,717
Effect of exchange rate changes on cash and cash equivalents		1,186,453	1,317,078
Increase and decrease in cash and cash equivalents (△=decrease)		12,642,302	20,213,694
Balance of cash and cash equivalents at the beginning of the period	①	104,523,965	113,967,930
Cash and cash equivalents at the end of period	①	117,166,267	134,181,625



( 5 ) Notes regarding the going concern assumptions

N/A

( 6 ) Notes regarding condensed consolidated financial statements

① Cash and cash equivalents

Breakdown of cash and cash equivalents are as follows.

(Unit: Thousand Yen)

	End of previous consolidated fiscal year (September 30, 2022)	End of Q3 of current consolidated fiscal year (June 30, 2023)
Cash and cash equivalents	109,337,930	128,101,625
Deposits to subsidiaries and affiliates	4,630,000	6,080,000
Total	113,967,930	134,181,625

② Trade and other receivables

Breakdown of trade and other receivables are as follows.

(Unit: Thousand Yen)

	End of previous consolidated fiscal year (September 30, 2022)	End of Q3 of current consolidated fiscal year (June 30, 2023)
Trade and other receivables	6,454,035	7,530,373
Operating loans	10,677,593	13,925,696
Other	457,134	572,683
Provisions for doubtful accounts	△ 123,220	△ 128,204
Total	17,465,542	21,900,548
Current assets	13,964,116	15,711,203
Non-current assets	3,501,426	6,189,344
Total	17,465,542	21,900,548

③ Deposits to subsidiaries and affiliates

The deposits to subsidiaries and affiliates are deposits made under the CMS (cash management system) of GMO Internet Group.