

Remuneration of eleven Directors of GMO Internet Group is more than JPY 100 million in 2020: Projects to become No. 1 in terms of the average salary level of partners (employees) are progressing

Tokyo, Japan – May 14, 2021 – GMO Internet Group (<https://www.gmo.jp/en/>) announces that the amount of remuneration of eleven Directors has exceeded 100 million yen, and it has a duty to disclose this in the Annual Securities Report for FY2020.

GMO Internet Group comprehensively develops Internet Infrastructure, Online Advertising & Media, Internet Finance, and Cryptoassets businesses, and consists of 100 Group companies including 10 listed companies, 59 offices in 19 countries, and approximately 6,300 partners (employees)*1.

We have continued profit growth as a result of focusing our business resources on bringing smiles to our customers through our No. 1 services since we have launched the Internet business in 1995. Regarding the consolidated results of the Group in the fiscal year ending December 2020, in consideration of the fact that both revenue and profit were up for the 12th consecutive year, the Group provided bonuses linked to business results*2 to Directors and partners. Our goal is a solid, fully transparent management, and we are reporting the remuneration of all Directors for the Group.

*1. As of March 31, 2021

*2. Bonuses were provided at GMO Internet, Inc.

[Management Philosophy of GMO Internet Group]

GMO Internet Group's ultimate aims are: enriching people's lives through the Internet and making them more fun; creating new Internet culture and industry, smiles, and excitement; and striving towards contributing to society and the people. It is intended to become an autonomous organization through fair, fully transparent group management.

Transparent governance is built by disclosing - within the Group - performance targets, results, and the amount of remuneration of all the Directors of the Group who support management, and by monitoring whether the treatment for the Directors is fair and is based on their duties and their results.

[Remuneration Package for Directors]

GMO Internet Group's compensation plan focuses on the remuneration system linked to the level of achievement of performance targets and other such factors to contribute to the sustainable growth of the Group and to ensure an increase in corporate value. The committee consisting of several Members of the Board who have volunteered to become the committee members discuss whether to revise the system, and all Group companies will introduce a system finalized by GMO's Board of Directors including three Independent External Directors.

GMO Internet has adopted a fair remuneration system based on performance, professional responsibilities, and the results of each Director, by evaluating each Director from various perspectives, such as action metrics in the department that a given Director is taking charge of, in addition to the quantitative evaluation of the following three important items.

1. Quantitative items for the achievement of performance targets (net sales, ordinary profit, dividend, etc.)
2. Quantitative items that promote sustainable growth (growth in net sales, ordinary profit, etc.)
3. Quantitative items GMO Internet has been working on in the mid-term (customer retention rate, employee retention rate, etc.)

[Compensation in FY2020]

The following actual compensation amount is stated in the Annual Securities Report for the Group companies in FY2020.

Company Name	Title	Name	Compensation amount (JPY)
GMO Financial Holdings, Inc.	Director, Chairman and Representative Executive Officer	Hideyuki Takashima	222 million
GMO Financial Holdings, Inc.	Director, President and Representative Executive Officer	Hiroyasu Kito	210 million
GMO Internet, Inc.	Founder and Group CEO	Masatoshi Kumagai	204 million
GMO Payment Gateway, Inc.	President and Chief Executive Officer	Issei Ainoura	151 million ^{*3}
GMO Internet, Inc.	Executive Vice President and COO	Hiroyuki Nishiyama	122 million
GMO Internet, Inc.	Executive Vice President	Tadashi Ito	120 million
GMO Internet, Inc.	Executive Vice President and CFO	Masashi Yasuda	117 million
GMO Payment Gateway, Inc.	Director, Executive Vice President	Satoru Isozaki	108 million ^{*3}
GMO Internet, Inc.	Senior Managing Director	Hirofumi Yamashita	104 million
GMO Payment Gateway, Inc.	Director, Executive Vice President	Ryu Muramatsu	102 million ^{*3}
GMO Internet, Inc.	Senior Managing Director	Katsumi Arisawa	100 million

Masatoshi Kumagai, Founder & Group CEO, says "I am proud that we have raised more than ten players whose compensation has exceeded 100 million yen."

*3. Including some share-based payment

[Compensation in the Future]

GMO Internet Group contributes to the remote work and the improvement of business productivity by providing services such as hosting & cloud, e-commerce solutions, security, electronic contract services, etc.

needed in the digital transformation (DX) of the industries during the pandemic. These are thanks to the high technical capabilities and management expertise in each area of specialization, and support from our advanced partners. GMO Internet Group believes these will allow our partners to be proud that they offer No. 1 services providing smiles to customers (i.e. mental success).

GMO Internet Group was the first one in Japan to start working from home on January 27, 2020, in order to prepare for the spread of the novel coronavirus infection, and until now focused its business resources on continuing and growing the business while protecting the lives of partners.

Regarding post corona in the future, employees will work from home on some days and report to their offices to do the work on other days, so leveraging existing office space effectively without increasing the floor area of the office even if the number of partners grows will reduce future rent, improve our production efficiencies, and promote the sustainable growth of the business.

We aim to be the number one in terms of the average salary level by returning the amount of reduction in office rent per employee (i.e. fixed cost) and the amount exceeding profit margin - established by GMO Internet Group – due to the growth of the business to partners in the form of salaries.

GMO Internet Group will gather advanced partners and develop businesses that enrich many individuals' lives through the Internet, based on state-of-the-art technology, to create smiles and excitement.

GMO Internet Group

GMO Internet Group is an Internet service industry leader, developing and operating Japan's most widely used domain, hosting & cloud, ecommerce, security, and payment solutions. The Group also includes the world's largest online FX trading platform, as well as online advertising, Internet media, and cryptoassets related services. GMO Internet, Inc. (TSE: 9449) is headquartered in Tokyo, Japan. For more information, please visit <https://www.gmo.jp/en/>

Press Inquiries

GMO Internet Group

Group Communication

TEL: +81-3-5456-2695

Email: pr@gmo.jp

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