

# Summary of Consolidated Financial Results (Japanese Accounting Standard) for the Fiscal Year Ended December 31, 2015

February 8, 2016

Name of listed company: **GMO CLOUD K.K.** Exchange: **Tokyo Stock Exchange**  
 Code: **3788** URL: <http://ir.gmocloud.com/>  
 Representative: **Mitsuru Aoyama, President & CEO**  
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 Scheduled date of general meeting of shareholders: **March 18, 2016** Scheduled date of payment of dividend: **March 22, 2016**  
 Scheduled date of filing Annual Security Report: **March 22, 2016**  
 Supplementary documents for quarterly results: **Yes**  
 Financial results briefing: **Yes (for analysts and institutional investors)**

(Amounts rounded down to the nearest one million yen)

## 1. Consolidated Financial Results (from January 1, 2015 to December 31, 2015)

### (1) Consolidated results of operations

(Percentages represent year-over-year changes)

	Sales		Operating profit		Ordinary profit		Net profit	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Fiscal year ended December 31, 2015	11,278	7.5	480	-43.5	559	-39.2	327	-34.6
Fiscal year ended December 31, 2014	10,490	4.8	850	-10.2	920	1.5	500	-5.7

(Note)Comprehensive income (million yen)                      FY 2015:      700 ( -98.9% )                      FY 2014:      732 ( -22.2% )

	Net profit per share	Diluted net profit per share	ROE	Ordinary profit to total assets	Operating profit to sales
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2015	28.10	-	6.1	6.1	4.3
Fiscal year ended December 31, 2014	42.96	-	9.5	10.5	8.1

Reference:Equity in earnings of affiliates (million yen)                      FY 2015:                      -37                      FY 2014:                      -

## (2) Consolidated financial conditions

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Million Yen	Million Yen	%	Yen
As of December 31, 2015	9,216	5,441	57.3	453.61
As of December 31, 2014	9,259	5,657	59.3	472.00

Reference: Shareholders' equity (million yen) As of December 31, 2015: 5,280 As of December 31, 2014: 5,494

## (3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Closing balance of cash and cash equivalents
	Million Yen	Million Yen	Million Yen	Million Yen
Fiscal year ended December 31, 2015	1,457	166	-460	3,770
Fiscal year ended December 31, 2014	1,380	-1,599	-475	2,633

## 2. Dividends

	Dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	Q1	Q2	Q3	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FY 2013	—	—	—	19.50	19.50	227	45.4	4.3
FY 2014	—	—	—	14.00	14.00	162	49.8	3.0
FY 2015 (forecast)	—	—	—	14.50	14.00		51.6	

## 3. Projections of Consolidated Business Results (from January 1, 2016 to December 31, 2016)

(Percentages represent year-over-year changes)

	Sales		Operating profit		Ordinary profit		Net profit		Net profit per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Fiscal year ended December 31, 2016	12,100	7.3	660	37.4	550	-1.8	327	0.0	28.10

## Consolidated balance sheet

(Thousand Yen)

	The previous fiscal year (2014.12.31)	The current fiscal year (2015.12.31)
Assets		
Current assets		
Cash and deposits	※ 12,693,080	※ 13,330,247
Deposit paid in subsidiaries and associates	—	※ 2500,000
Accounts receivable - trade	1,266,964	1,379,473
Securities	700,000	—
Prepaid expenses	291,352	295,273
Deferred tax assets	119,355	56,136
Other	231,453	131,873
Allowance for doubtful accounts	Δ37,440	Δ72,046
Total current assets	5,264,767	5,620,957
Non-current assets		
Property, plant and equipment		
Buildings	54,192	63,866
Accumulated depreciation	Δ26,828	Δ32,797
Buildings, net	27,364	31,068
Vehicles	2,801	2,647
Accumulated depreciation	Δ1,163	Δ1,544
Vehicles, net	1,638	1,102
Tools, furniture and fixtures	1,654,067	1,671,024
Accumulated depreciation	Δ1,022,432	Δ1,075,261
Tools, furniture and fixtures, net	631,634	595,763
Leased assets	1,047,422	1,272,839
Accumulated depreciation	Δ481,963	Δ674,997
Leased assets, net	565,459	597,841
Total property, plant and equipment	1,226,096	1,225,776
Intangible assets		
Goodwill	1,611,176	1,034,380
Software	350,861	421,218
Other	93,532	80,387
Total intangible assets	2,055,571	1,535,986
Investments and other assets		
Investment securities	321,926	326,149

Shares of subsidiaries and associates	※ 3 84,501	※ 3 304,114
Lease and guarantee deposits	133,185	138,047
Deferred tax assets	0	23,309
Other	173,472	41,807
Total investments and other assets	713,085	833,427
Total non-current assets	3,994,753	3,595,190
Total assets	9,259,521	9,216,148
Liabilities		
Current liabilities		
Accounts payable - trade	※ 1 283,820	※ 1 239,232
Accounts payable - other	497,181	575,454
Advances received	1,474,558	1,499,058
Lease obligations	200,491	242,521
Income taxes payable	26,033	180,761
Accrued consumption taxes	185,525	101,286
Other	204,034	273,167
Total current liabilities	2,871,644	3,111,482
Non-current liabilities		
Lease obligations	401,153	494,328
Deferred tax liabilities	43,232	—
Other	286,276	168,630
Total non-current liabilities	730,661	662,958
Total liabilities	3,602,306	3,774,440
Net assets		
Shareholders' equity		
Capital stock	916,900	916,900
Capital surplus	1,005,648	1,005,648
Retained earnings	3,284,822	3,390,737
Treasury shares	△38,982	△38,982
Total shareholders' equity	5,168,388	5,274,304
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	57,485	51,889
Foreign currency translation adjustment	268,988	△45,364
Total accumulated other comprehensive income	326,474	6,524
Minority interests	162,351	160,879
Total net assets	5,657,214	5,441,708
Total liabilities and net assets	9,259,521	9,216,148

## Consolidated income statement

(Thousand Yen)

	The previous fiscal year (From 2014.1.1 To 2014.12.31)	The current fiscal year (From 2015.1.1 To 2015.12.31)
Net sales	10,490,260	11,278,488
Cost of sales	4,239,862	4,660,051
Gross profit	6,250,397	6,618,437
Selling, general and administrative expenses	※ 1 5,399,899	※ 1 6,138,215
Operating income	850,498	480,222
Non-operating income		
Interest income	25,305	17,353
Gain on investments in partnership	23,416	13,565
Foreign exchange gains	43,639	59,081
Subsidy income	28,062	16,801
Other	23,581	36,781
Total non-operating income	144,004	143,584
Non-operating expenses		
Interest expenses	20,889	18,684
Share of loss of entities accounted for using equity method	—	37,865
Loss on investments in partnership	—	5,439
Going public expenses	16,860	—
Settlement package	7,000	—
Other	29,363	1,824
Total non-operating expenses	74,114	63,814
Ordinary income	920,388	559,991
Extraordinary income		
Gain on sales of shares of subsidiaries	—	84,887
Gain on sales of investment securities	959	139,025
Total extraordinary income	959	223,912
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	14,951	—
Loss on valuation of investment securities	24,828	22,159
Office transfer expenses	10,637	—
Impairment loss	※ 2 60,897	※ 2 112,629
Other	8,633	—
Total extraordinary losses	119,948	134,789

Income before income taxes and minority interests	801,398	649,115
Income taxes - current	157,396	286,001
Income taxes - deferred	76,088	8,138
Total income taxes	233,485	294,139
Income before minority interests	567,912	354,975
Minority interests in income	67,758	27,887
Net income	500,154	327,088

## Consolidated Statements of Cash Flows indirect method

(Thousand Yen)

	The previous fiscal year (From 2014.1.1 To 2014.12.31)	The current fiscal year (From 2015.1.1 To 2015.12.31)
Cash flows from operating activities		
Income before income taxes and minority interests	801,398	649,115
Depreciation	579,772	594,529
Impairment loss	60,897	112,629
Amortization of goodwill	263,989	435,694
Increase (decrease) in allowance for doubtful accounts	12,329	34,849
Interest income	△25,305	△17,353
Interest expenses	20,889	18,684
Share of (profit) loss of entities accounted for using equity method	—	37,865
Loss (gain) on investments in partnership	△23,416	△8,126
Foreign exchange losses (gains)	△7,883	14,037
Loss (gain) on sales of shares of subsidiaries	—	△84,887
Loss (gain) on sales of investment securities	△959	△139,025
Loss (gain) on valuation of investment securities	24,828	22,159
Loss on valuation of shares of subsidiaries and associates	14,951	—
Settlement package	7,000	—
Subsidy income	△28,062	△16,801
Decrease (increase) in notes and accounts receivable - trade	△18,753	△274,690
Increase (decrease) in notes and accounts payable - trade	△61,786	34,554
Increase (decrease) in accounts payable - other	△36,442	21,481
Increase (decrease) in advances received	△48,978	59,655
Other, net	120,302	28,364
Subtotal	1,654,771	1,522,736
Interest income received	24,779	15,723
Interest expenses paid	△20,889	△18,684
Proceeds from subsidy income	28,062	16,801
Settlement package paid	△7,000	—
Income taxes paid	△298,871	△79,555
Net cash provided by (used in) operating activities	1,380,852	1,457,022
Cash flows from investing activities		
Purchase of property, plant and equipment	△364,091	△293,790

Purchase of intangible assets	Δ134,272	Δ217,736
Purchase of investment securities	Δ26,397	Δ64,533
Proceeds from sales of investment securities	959	144,247
Purchase of shares of subsidiaries	—	Δ60,841
Purchase of shares of subsidiaries and associates	—	Δ330,000
Proceeds from withdrawal of investments in silent partnership	—	74,687
Proceeds from redemption of securities	—	700,000
Proceeds from distribution of investment in partnerships	—	26,331
Proceeds from cancellation of insurance funds	—	29,511
Payments of loans receivable	Δ28,966	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	Δ1,035,298	※ <sup>2</sup> —
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	※ <sup>3</sup> 108,877
Other, net	Δ11,064	50,239
Net cash provided by (used in) investing activities	Δ1,599,131	166,993
Cash flows from financing activities		
Increase in short-term loans payable	4,592	—
Decrease in short-term loans payable	Δ11,304	Δ4,395
Proceeds from long-term loans payable	7,865	5,009
Repayments of long-term loans payable	Δ42,800	—
Cash dividends paid to minority shareholders	—	Δ6,274
Repayments of finance lease obligations	Δ212,660	Δ227,602
Cash dividends paid	Δ221,604	Δ227,673
Purchase of treasury shares	Δ45	—
Net cash provided by (used in) financing activities	Δ475,956	Δ460,935
Effect of exchange rate change on cash and cash equivalents	50,628	Δ89,099
Net increase (decrease) in cash and cash equivalents	Δ643,607	1,073,980
Cash and cash equivalents at beginning of period	3,268,581	2,633,080
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	8,106	63,186
Cash and cash equivalents at end of period	※ <sup>1</sup> 2,633,080	※ <sup>1</sup> 3,770,247