

Financial Results Briefing for Q2 FY2025

Lower trends in Initial revenue due to downward trends in SME.
Recurring revenue leads to operating profit progress. Aim to expand TAM by expanding business domain

May 15, 2025

GMO Financial Gate, Inc.

(Ticker:4051, TSE-Growth)

20th IR Presentation

GMO FINANCIAL GATE

<https://gmo-fg.com/>

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1

Summary of Financial Results for Q2 FY2025

1.1 Q2 FY2025 Summary

Recurring revenue and software development revenue leads to growth in profits at each stage
Revenue slightly down YoY due to downward trend in SME, large project in the previous fiscal year

● Q2 FY2025 Results P 6

-Revenue: **¥9.04 bn (YoY ▲2.1%)**

Progress towards **1H** forecast **93.5%**、Progress towards **full-year** forecast **40.7%**

-Operating Profit: **¥1.38 bn (YoY+48.5%)**

Progress towards **1H** forecast **126.8%**、Progress towards **full-year** forecast **68.5%**

● Revenue Categories P 8

-Initial Revenue: **¥5.02 bn (YoY ▲17.1%)**

-Recurring-Model revenue: **¥4.02 bn (YoY+26.4%)**

● KPI P 14-16

-Transaction Volume (Number of Transactions): **0.23 bn (YoY+38.7%)** -GMV: **¥1.92 tn (YoY+28.0%)**

-Number of Active Terminals (Q2): **411 K (YoY+66K、YoY+19.3%)**

Business Topics

- Initial revenue: Downward trend in SME merchants. Aim to recover by forwarding large projects, raising SME base trend P 7-9
- Recurring revenue: Continue initiatives in “payment related business DX”, “support increased payment activity” to continue YoY+25% growth P 10, 21, 23
- Expansion of TAM: Expand business domain to “payment related business DX”, “support increased payment activity” to achieve operating profit of 10 billion yen by 2033. Continue to outgrow the market P 20

Organization Topics

- ESG: Preparing to apply for SBT. Aiming to be the first growth company to achieve net-zero GHG emissions by 2050 SBT P 27

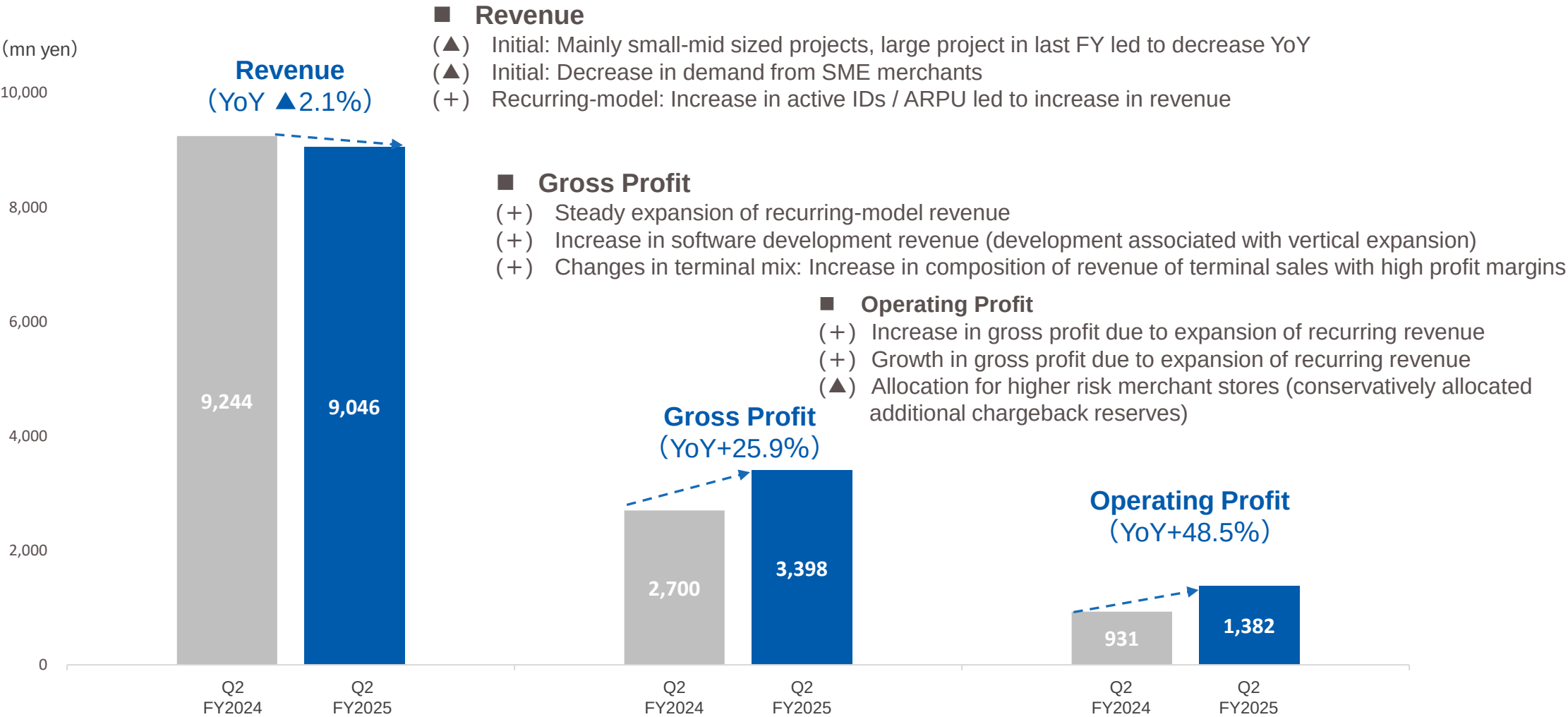
1.2 Summary of Financial Results

Financial: Profit growth due to the expansion of recurring revenue and software development revenue
 KPI: Transaction volume/value steadily increased due to acquisition of highly active merchants

(mn yen)	1H FY2024	1H FY2025	YoY	Forecast FY2025 1 st half (Full-year)	Progress towards forecast
Revenue	9,244	9,046	▲ 2.1%	9,677 (22,200)	93.5% (40.7%)
Gross profit	2,700	3,398	+25.9%	2,914 (6,498)	116.6% (52.3%)
Operating profit	931	1,382	+48.5%	1,090 (2,020)	126.8% (68.5%)
Profit before income taxes	924	1,379	+49.2%	1,081 (2,002)	127.5% (68.9%)
Profit attributable to owners of parent	621	1,034	+66.4%	677 (1,316)	152.9% (78.6%)
KPI (YoY)	Number of active terminals (Q2 FY2025 Only)		Transaction Volume (Q2 FY2025 Only)		Transaction Value (GMV) (Q2 FY2025 Only)
	411,163 ID (+19.3%)		c. 236.6mn (+38.7%)		c. ¥ 1,922bn (+28.0%)

1.3 Major Topics Regarding Financial Results

Initial results were down due to decrease in demand from SME, large projects from the previous FY
Profit continues to grow strongly due to the expansion of recurring revenue and software development revenue



1.4 Revenue by Business Model (YoY)

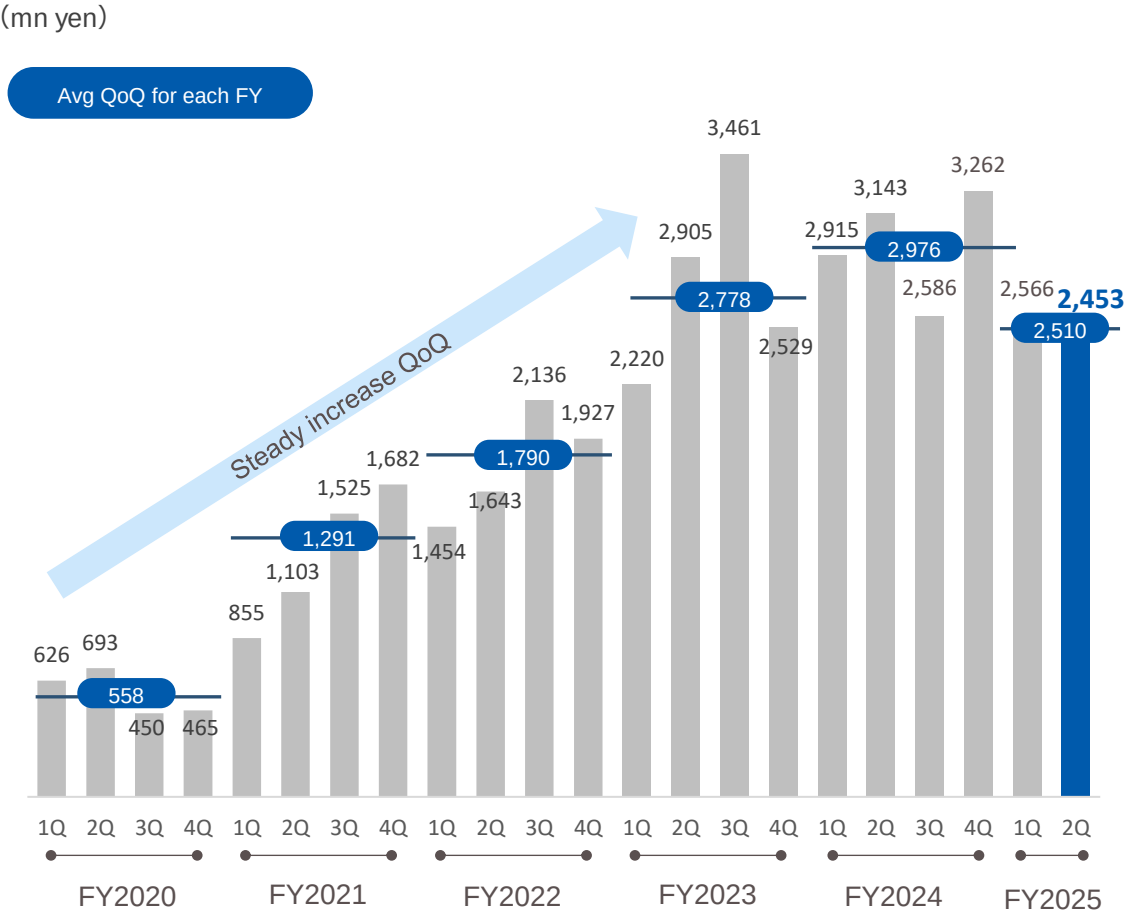
Initial: Decrease in demand from SME, impact of large-scale projects in the previous FY led to YoY decrease
Recurring-model: High activity from select merchants led to growth mainly from fee revenue

(mn yen)	1H FY2024 (Composition %)	1H FY2025 (Composition %)	YoY
Initial	6,059 (65.5%)	5,020 (55.5%)	▲ 17.1%
Recurring-Model	3,185 (34.5%)	4,025 (44.5%)	+26.4%
Stock	818 (8.9%)	986 (10.9%)	+20.5%
Fee	1,695 (18.3%)	2,301 (25.4%)	+35.7%
Spread	670 (7.3%)	737 (8.2%)	+10.0%
Total Revenue	9,244 (100.0%)	9,046 (100.0%)	▲ 2.1%

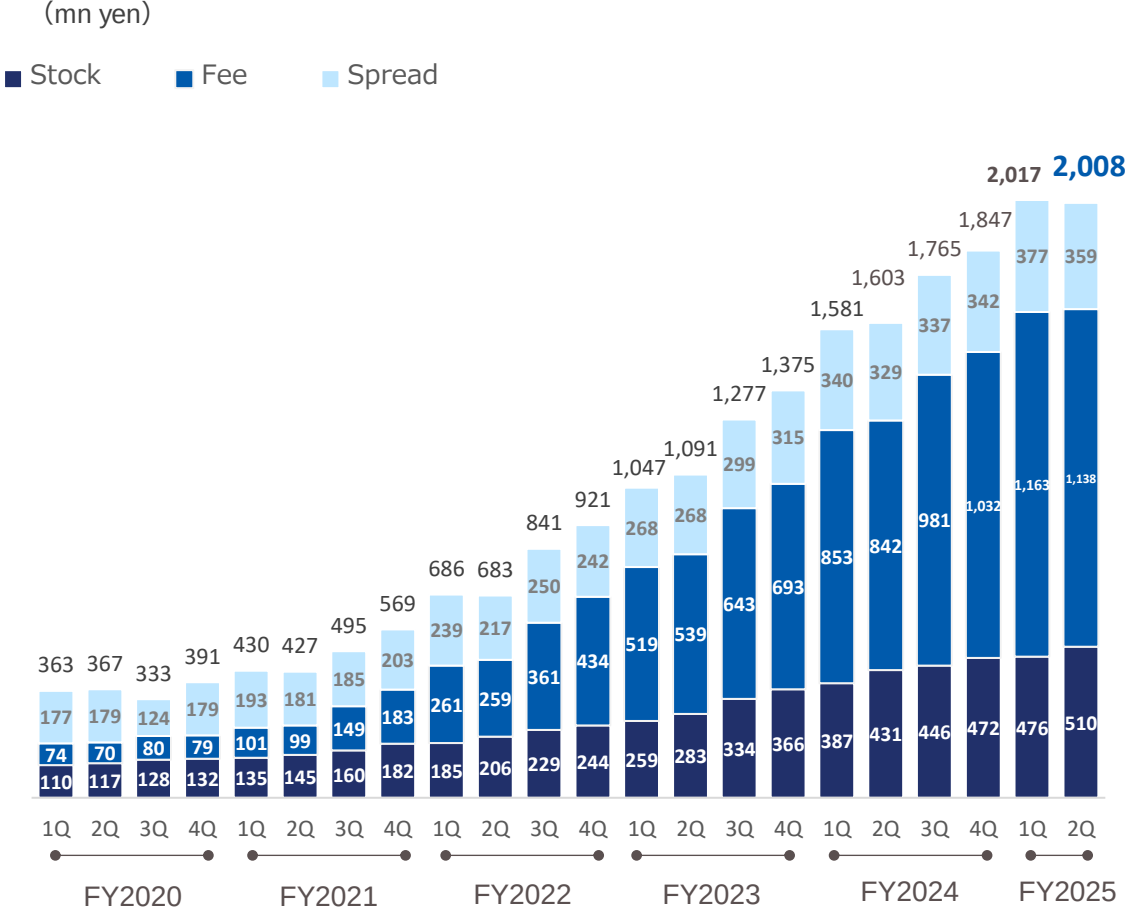
1.5 Revenue by Business Model (Quarterly)

Initial: steady growth, with focus on small and medium-sized projects
Recurring-model: activation of terminals from large projects concentrated in end of Q2 – recurring model as a whole will further accelerate from Q3

Initial Revenue



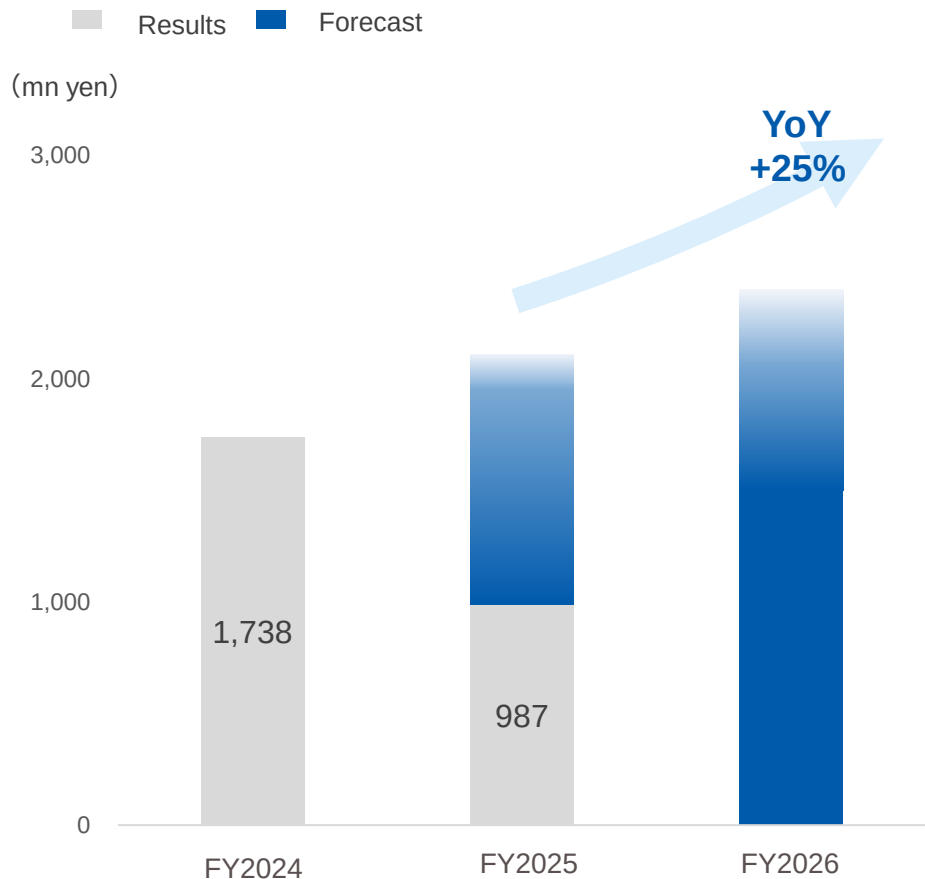
Recurring Revenue



1.6 Stock Revenue Expansion Initiatives

Strengthening initiatives in payment related business DX and support increased payment activity – will return to YoY+25% growth by FY26

Stock Revenue Expansion Image



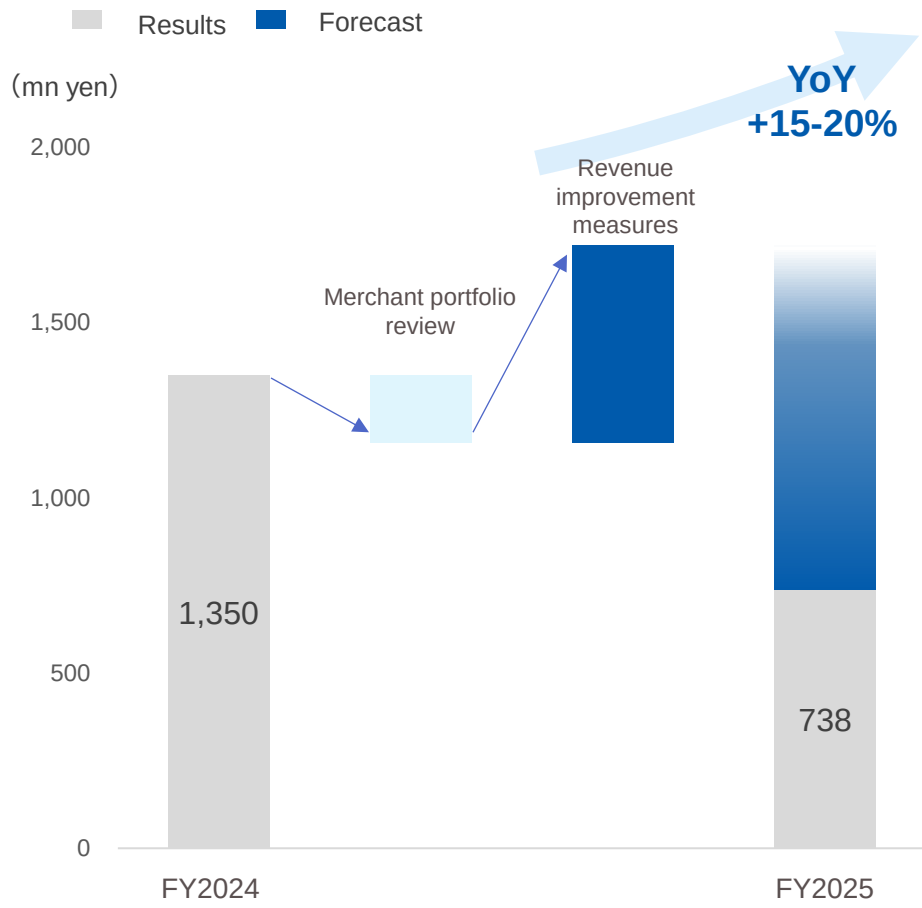
Initiatives

	Core Payment Solutions	Support increased payment activity
Large Merchants	Streamlined contract process for IoT terminals	Development of mobile order system
	Strengthening collaboration with merchant apps	Strengthening e-KYC solutions
	DX of daily accounting operations using AI solutions	
SME	Development of merchant management system for card companies	Provide restaurant operation support system

1.7 Measures to improve spread revenue

Cover the impact of reviewing merchant portfolio with revenue improvement measures
Aim for +15-20% YoY growth

Spread Revenue Expansion Image



Spread Revenue Initiatives

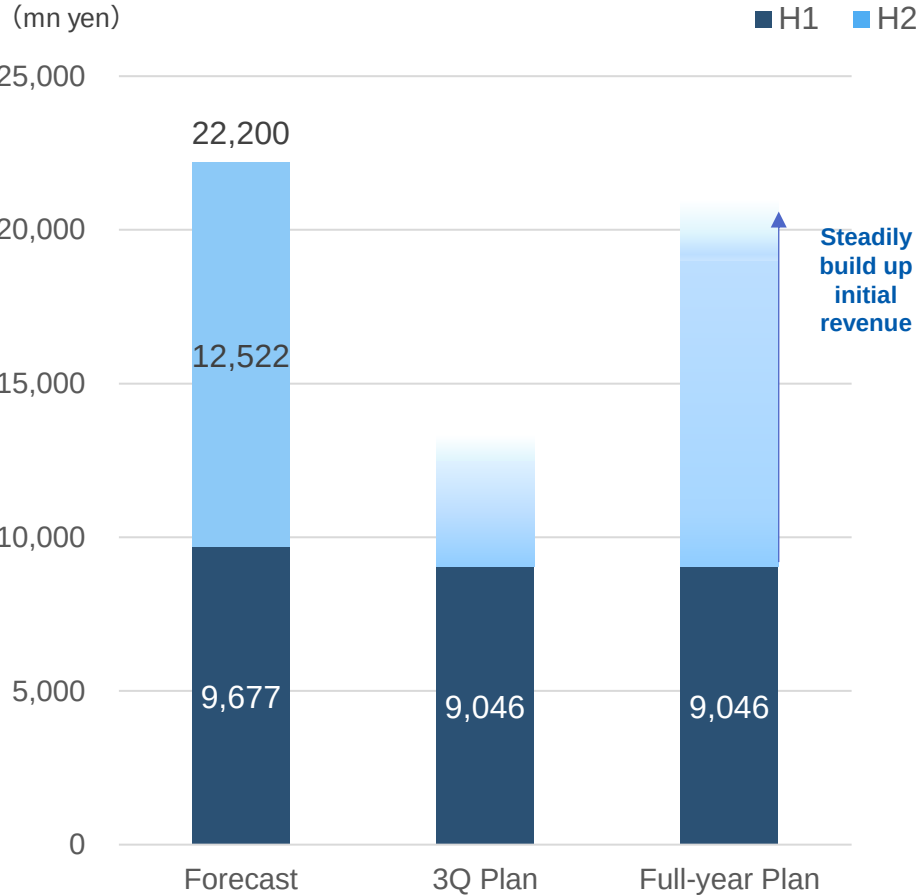
Category	Details	Revenue Contribution Date	Revenue impact
New Merchants	Hotel/Travel Developed new merchants using new cashless solutions	April	↑
	Apparel Developed rapidly growing imported apparel brands	June	
	Inbound Tourism - Developed restaurants, high-cost medical care and regenerative medicine merchants that meet the needs of Chinese tourists - Introduction of Chinese QR code payment solutions	June	
	Amusement Started Japan's first credit card payment function in a prize game	August	
Existing Merchants	Small-mid enterprises Improving profitability by changing transaction conditions with acquirers	March	↑
	Coin parking Improving the cashless ratio by expanding payment methods	July	

1.8 Operating Profit Forecast beyond 3Q

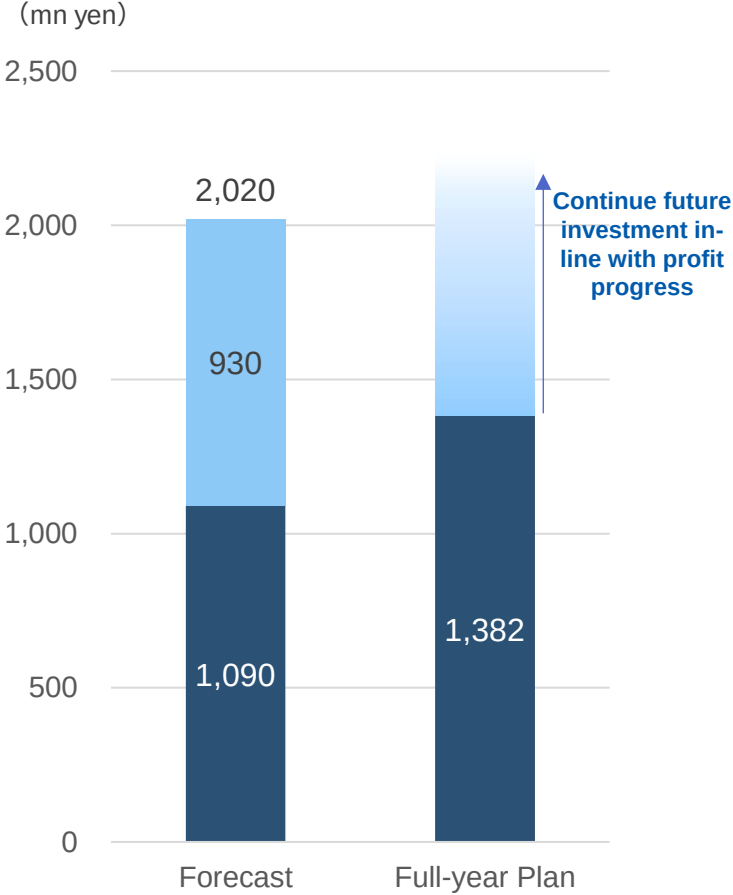
Revenue: Aim to steadily build up initial revenue

Operating profit: Progress is exceeding budget. 2H will see future investments based on profit progress

Revenue



Operating Profit



Measures

Revenue

- Initial
(Large) Early release of large projects
(SME) Raising SME base trends through collaboration with alliance partners
- Recurring
(Large) Continue to acquire high ARPU merchants, with focus on stock and fee
(SME) Strengthen marketing to industries with high spread revenue

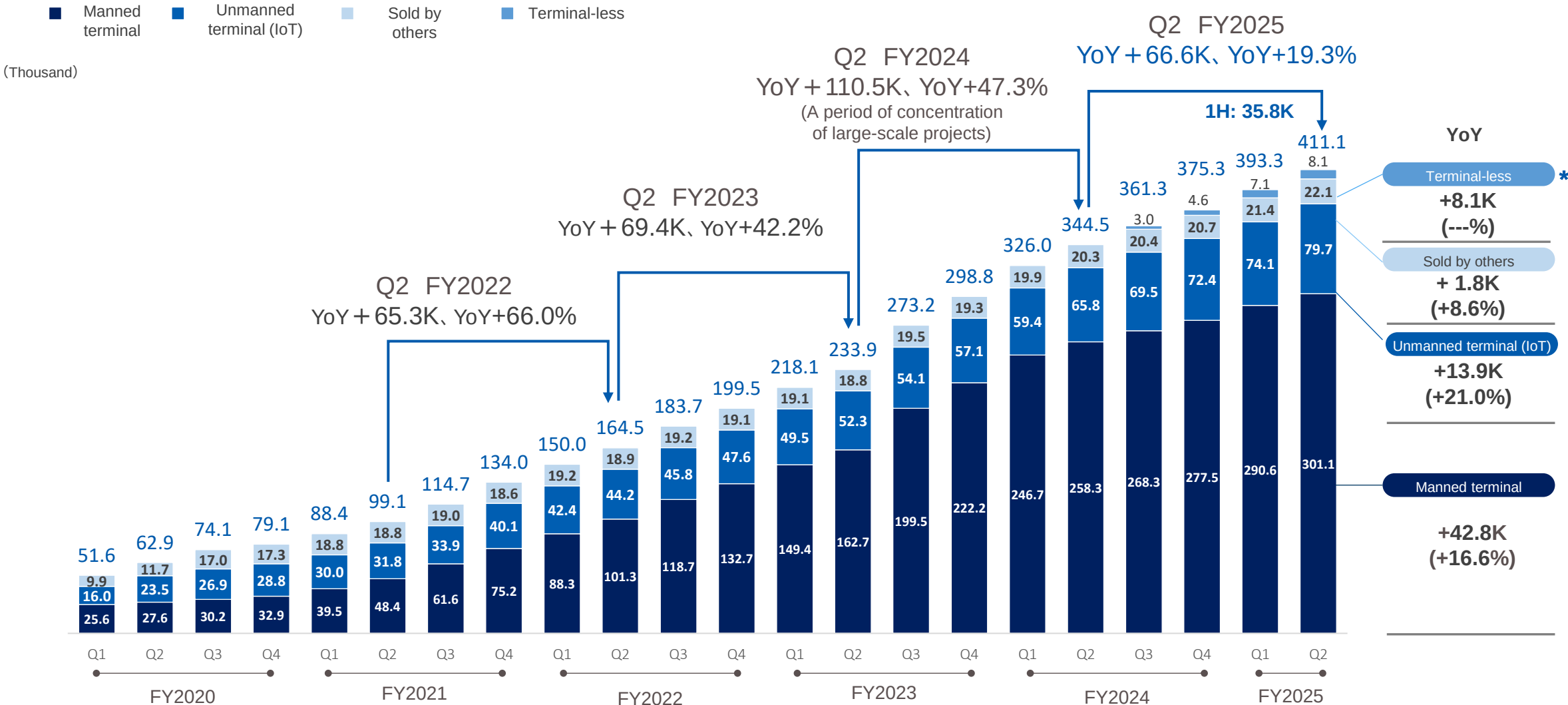
Operating Profit

- Continue future investment in-line with profit progress (human resources, governance, system infrastructure, ESG, etc.)

KPI / Business Highlights

2.1 Consolidated KPI (Number of active terminals)

Activation of terminals for large merchants contributes to steady increase in Active IDs
Continue to increase Active IDs to yearly increase goal of 60-70Ks

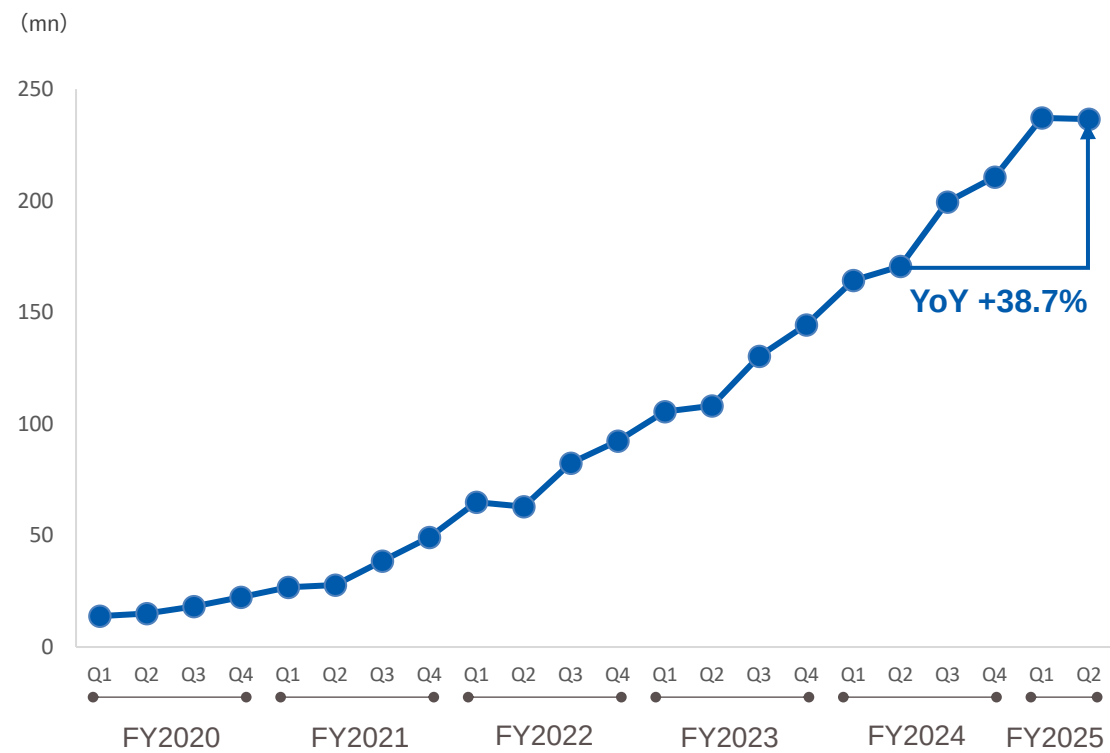


*due to launch of "stera tap", Terminal-less will be separated from "sold by others" from Q3 FY24

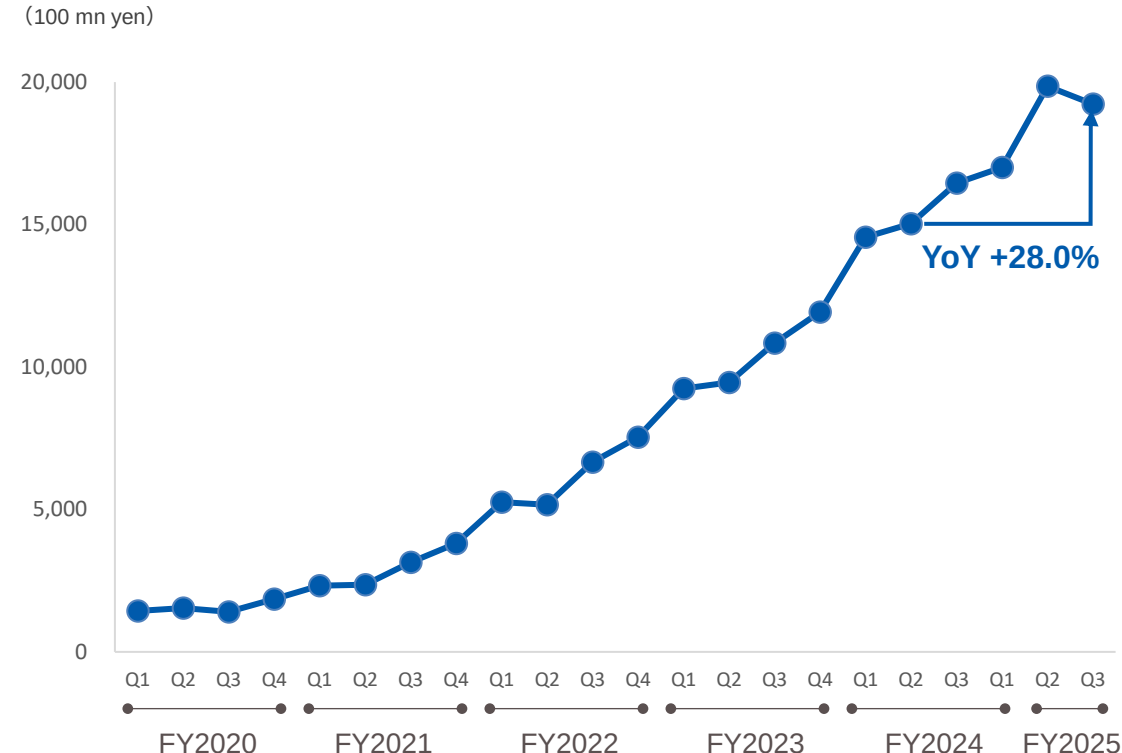
2.2 Consolidated KPI (Quarterly Transaction volume / GMV)

In addition to seasonal effects, activation of terminals at large merchants were concentrated near the end of Q2, resulting in a decrease QoQ

Number of Transaction Volume



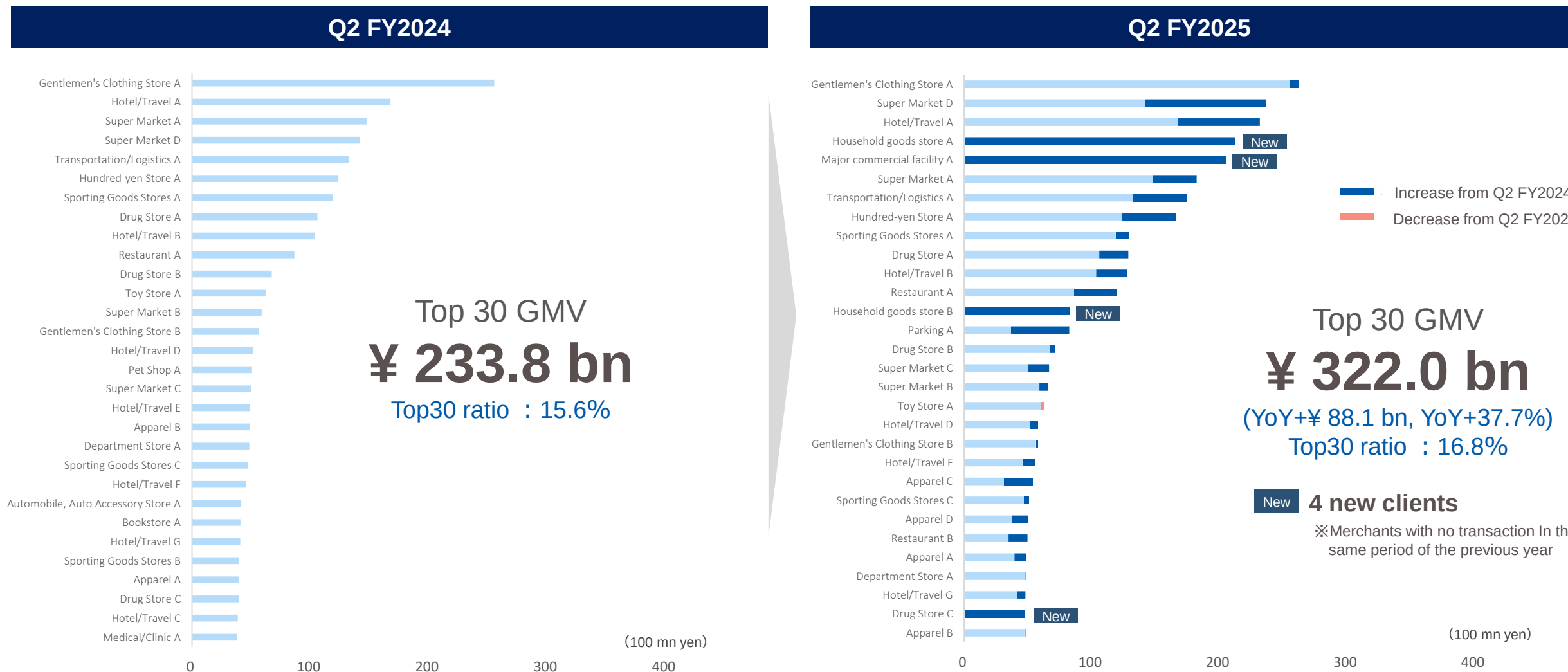
Transaction Value (GMV)



	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q3 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
Transaction volume(10 K)	2,682	2,774	3,848	4,913	6,497	6,292	8,237	9,224	10,553	10,804	13,026	14,438	16,431	17,057	19,935	21,066	23,710	23,661
Transaction value(GMV) (¥100 mn)	2,328	2,361	3,141	3,810	5,251	5,161	6,658	7,530	9,242	9,459	10,842	11,930	14,552	15,023	16,451	17,000	19,852	19,223
(Reference) Average Settlement Price(¥)	8,680	8,510	8,163	7,755	8,082	8,203	8,084	8,163	8,758	8,756	8,323	8,263	8,856	8,807	8,252	8,070	8,373	8,124

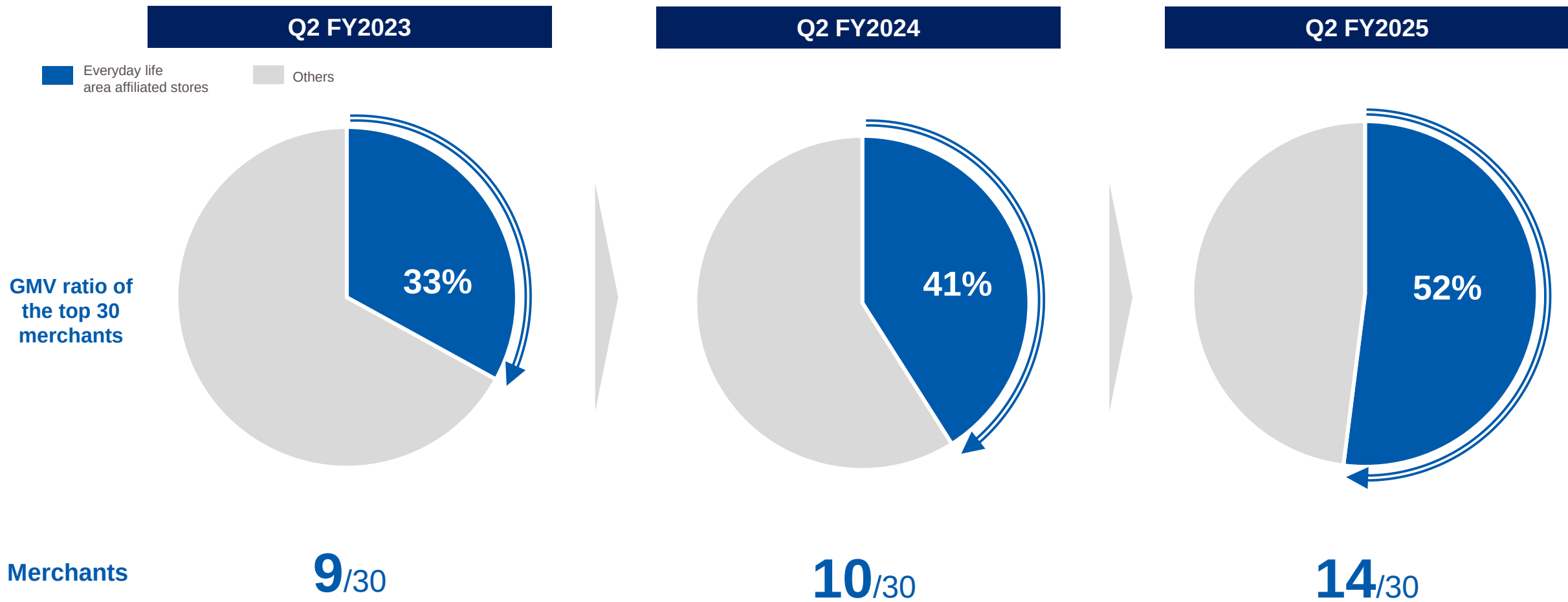
2.3 Top 30 Merchants (GMV basis)

Two household goods stores, a major commercial facility, and a drug store have newly entered the top rankings. As for existing merchants, the daily life necessities genre (supermarket, 100 yen shop, restaurants) is increasing



2.4 Expanding No. of Merchants in Daily Life Necessities (top 30 merchants)

Steady acceleration in the acquisition of merchants in daily life necessities – an area that is less affected by economic trends (supermarkets, household goods stores, drug stores, 100-yen shops, etc.)



Growth Strategy and Progress

3.1 Profit Roadmap

Promoting mid- to long-term measures to achieve operating profit of 10 billion yen by 2033

Strategy

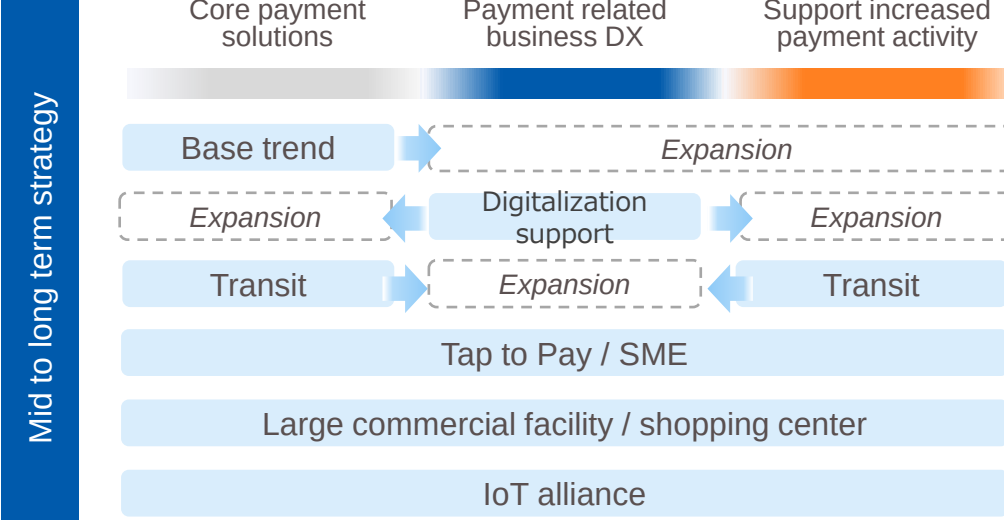
- Strategy
- 1

Acquire multi-industry/high-growth enterprises by launching next-generation multipayment terminals
- 2

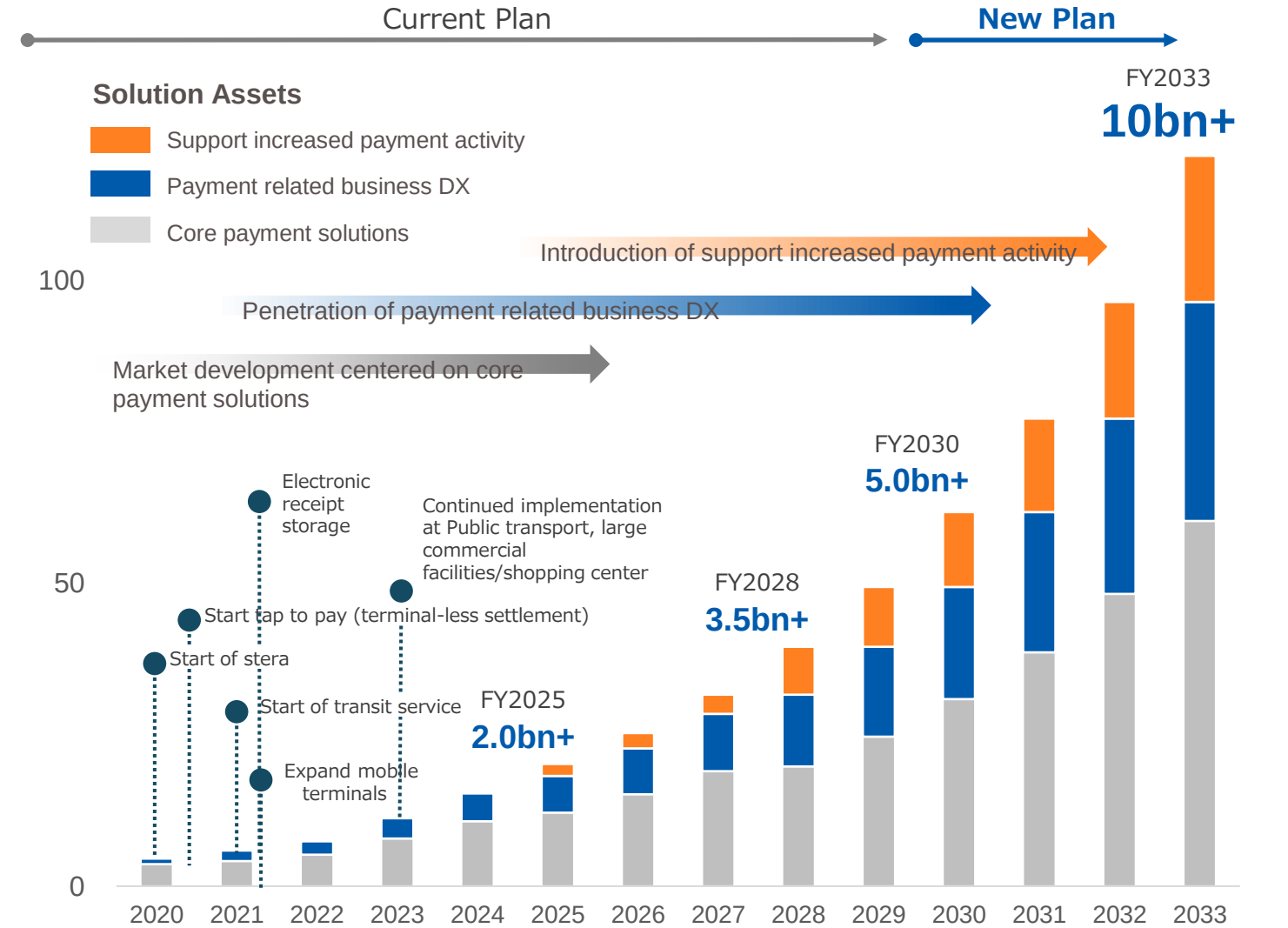
Expand IoT payments by supporting contactless (tap) and unattended payments
- 3

Acquire large scale merchants through expansion of alliances with QR, points, etc.
- 4

Increase added value by strengthening processing center functions



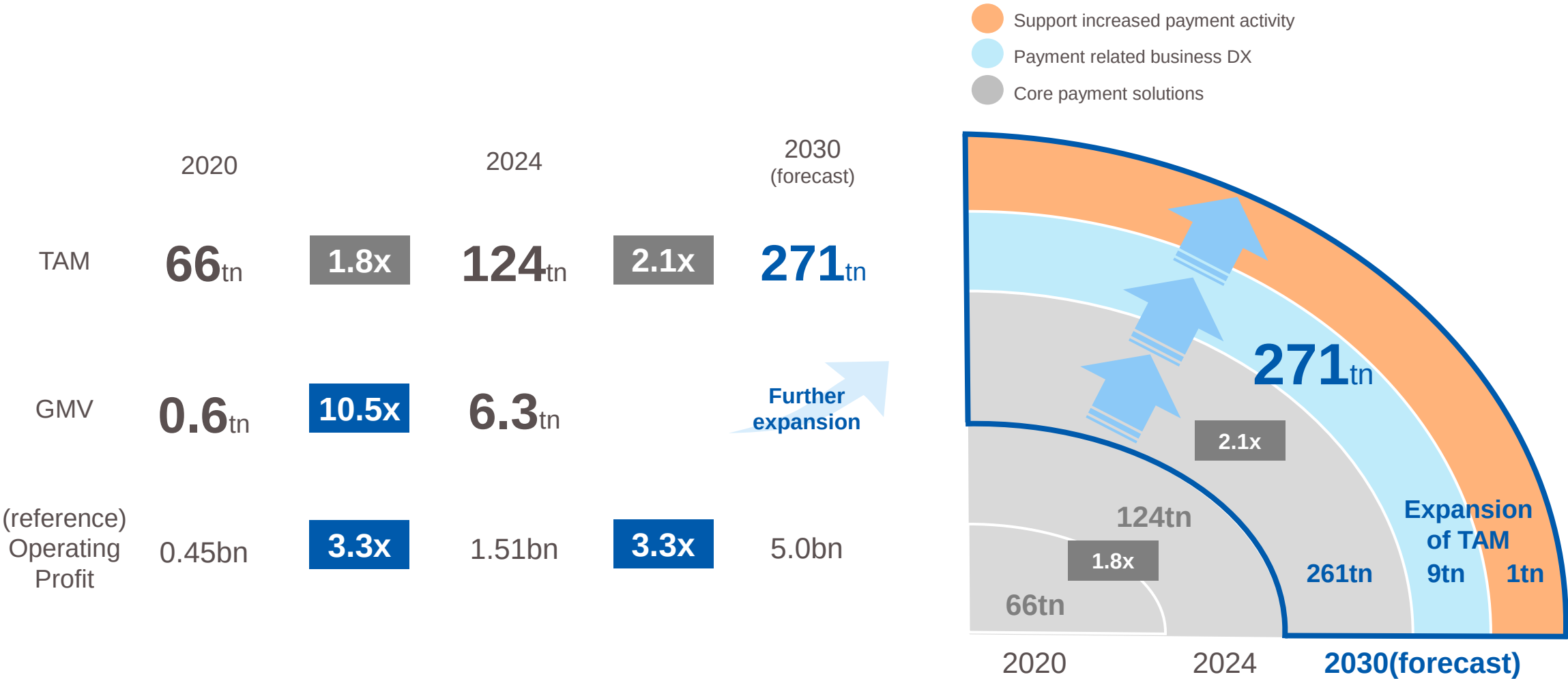
Operating Profit Growth Curve



(left axis: operating profit bn yen) (right axis: operating profit bn yen) 19

3.2 Expanding TAM for profit growth

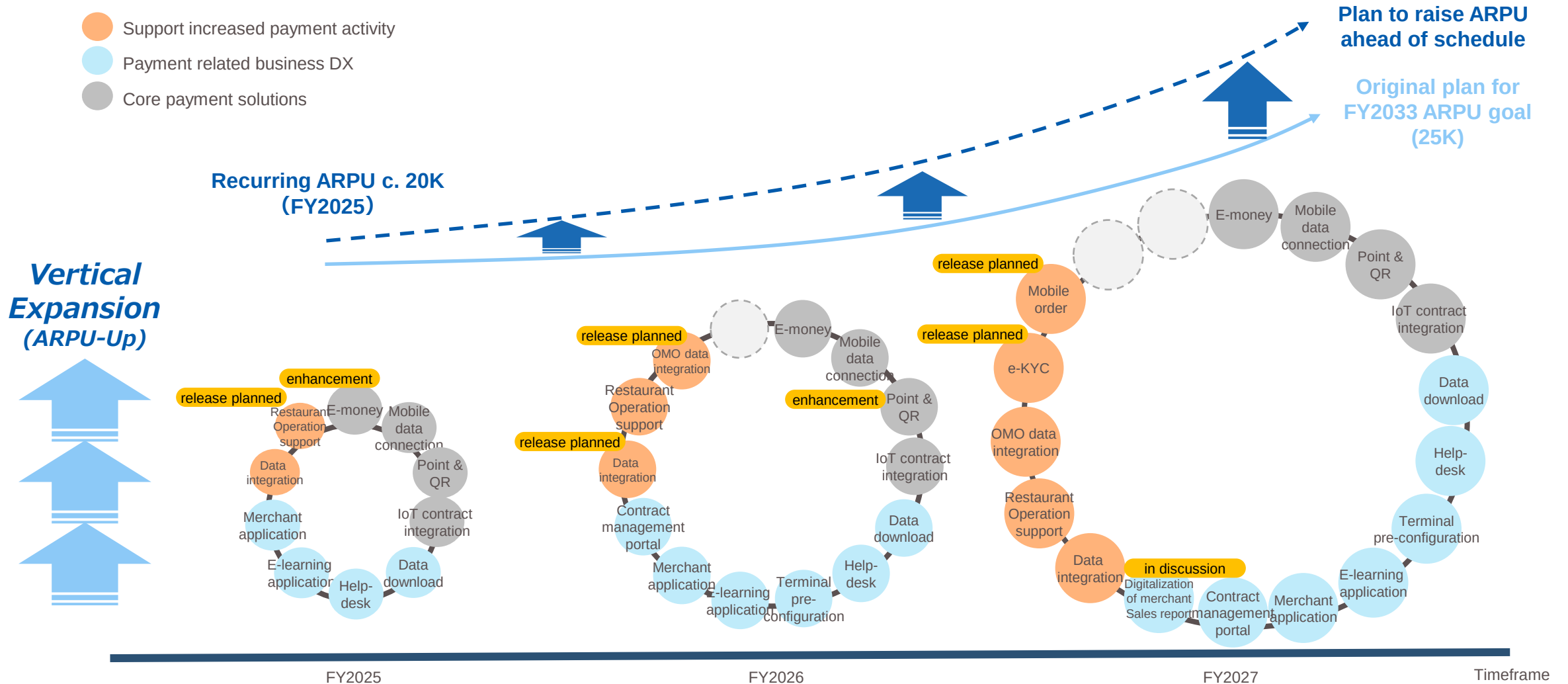
After IPO, GMO-FG outgrew the core payment solutions market – will expand TAM to payment related business DX and support increased payment activity



3.3 Ecosystem Expansion

Core payment solutions: expanding monetization through enhanced functionality

Payment related business DX, support increased payment activity: continue to increase ARPU by expanding solution asset lineup

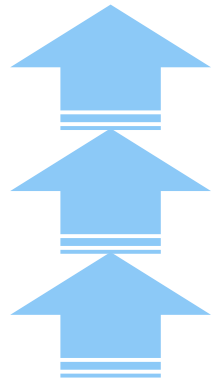


3.4 Recurring ARPU Initiatives

Acquiring merchants that are expected to have high transaction volumes (high ARPU)
We plan to further increase ARPU by proposing additional solutions (+α) to these merchants

Recurring ARPU

Vertical
Expansion
(ARPU-Up)

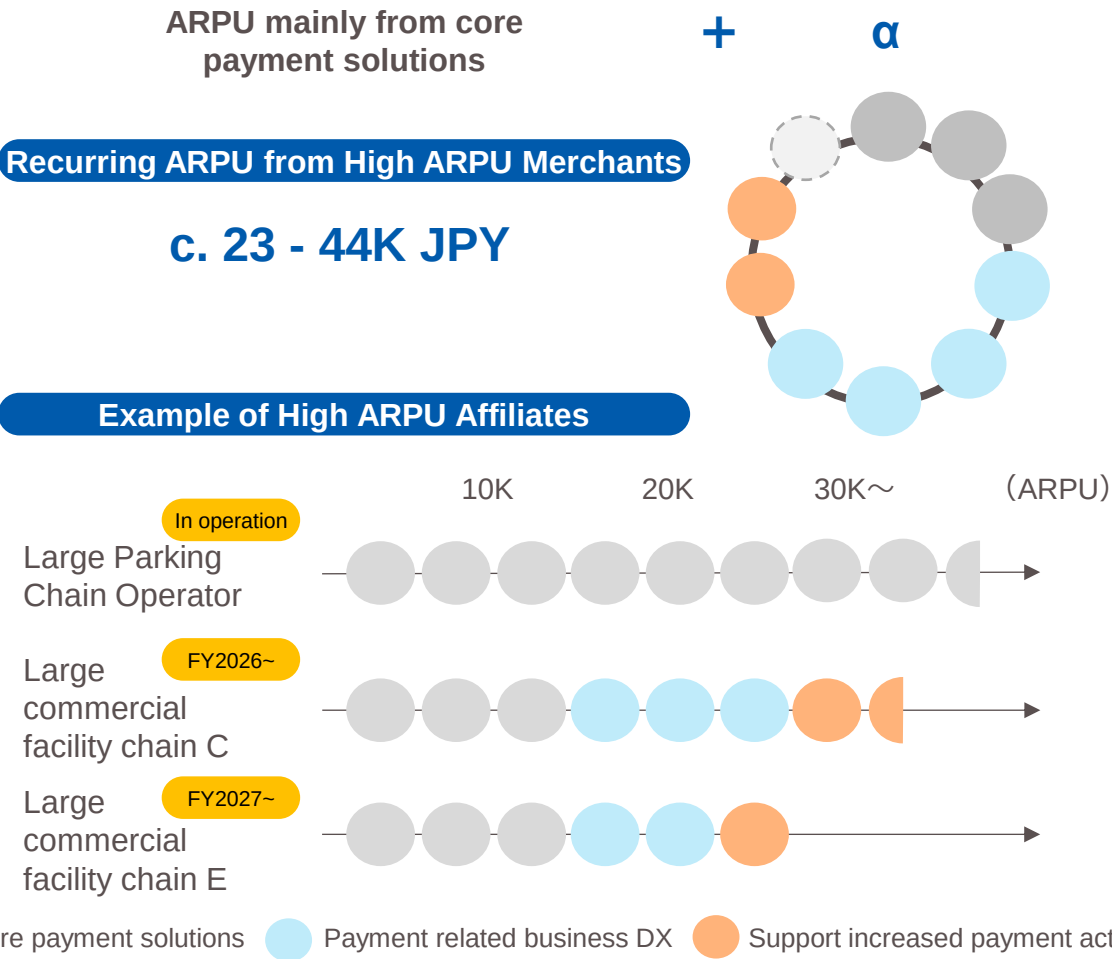


Recurring ARPU in Large Merchants

c. 20 - 30K JPY

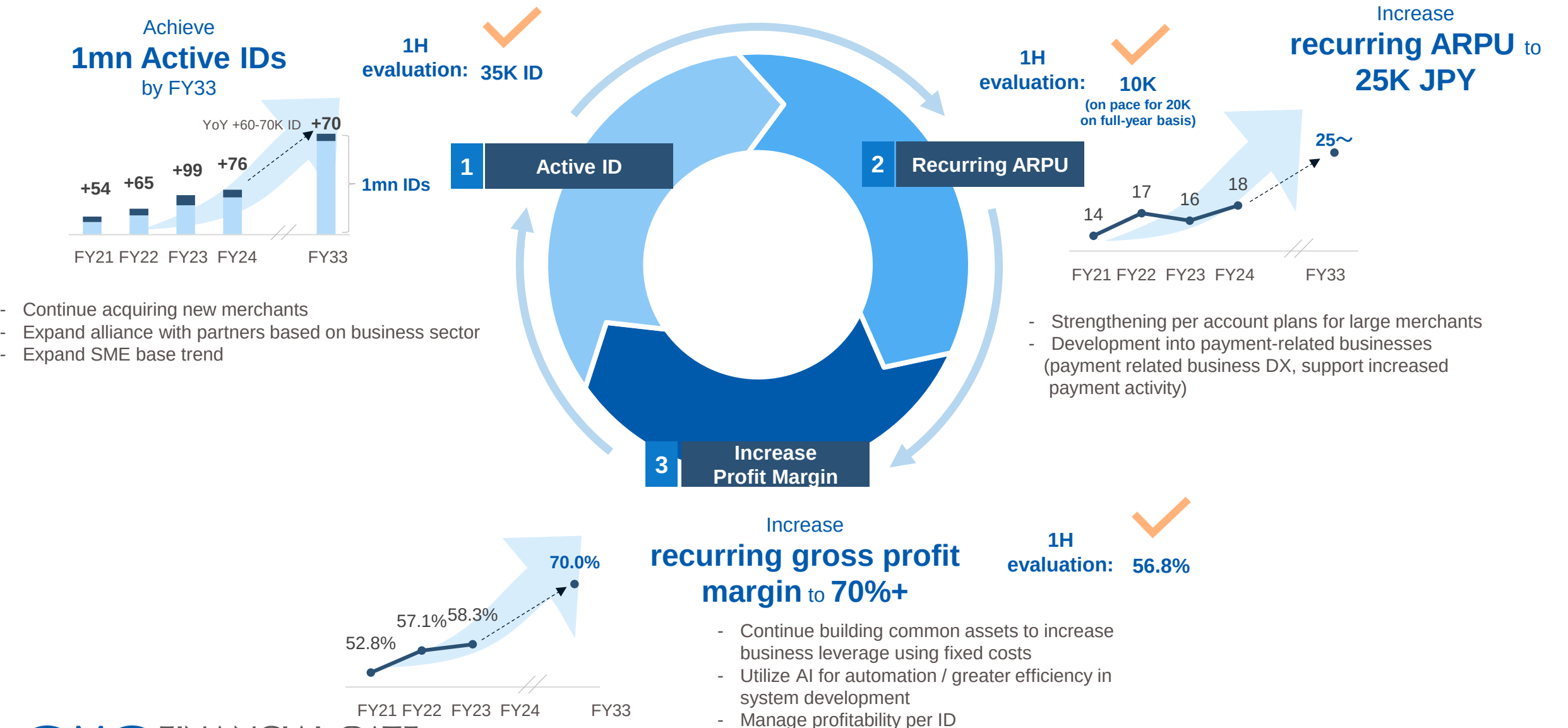
- Acquire affiliated stores that are expected to see high transaction volume, mainly in daily life necessities
- Expand solution assets in other than core payments (payment related business DX, support increased payment activity)
- Develop solution assets specialized for specific industries

High ARPU merchant acquisition status / future outlook



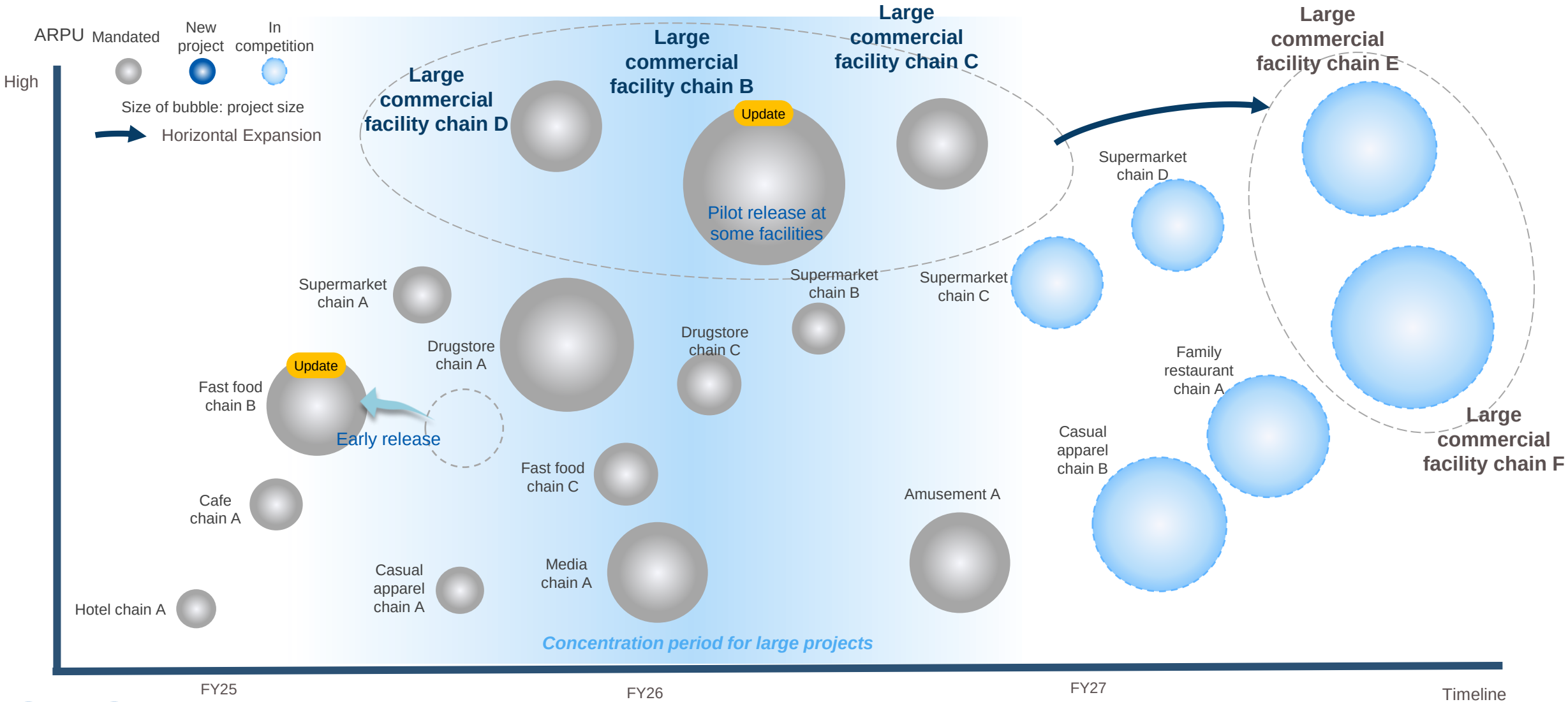
3.5 Profit Growth Cycle Based on Track Record

Continue to implement profit growth based on below three KPIs to achieve operating profit target



3.6 Progress of Project Pipelines

Pilot release at some facilities for large commercial facility chain B



3.7 Expansion of Payment Platforms - Mobility Domain

134 institutions have installed the mobility domain due to the increase in inbound tourists
Service implementation is planned for the Sapporo Municipal Subway

Implementation at Public Transportation Institutions

Number of mobility introduction cases in GMO-FG platform

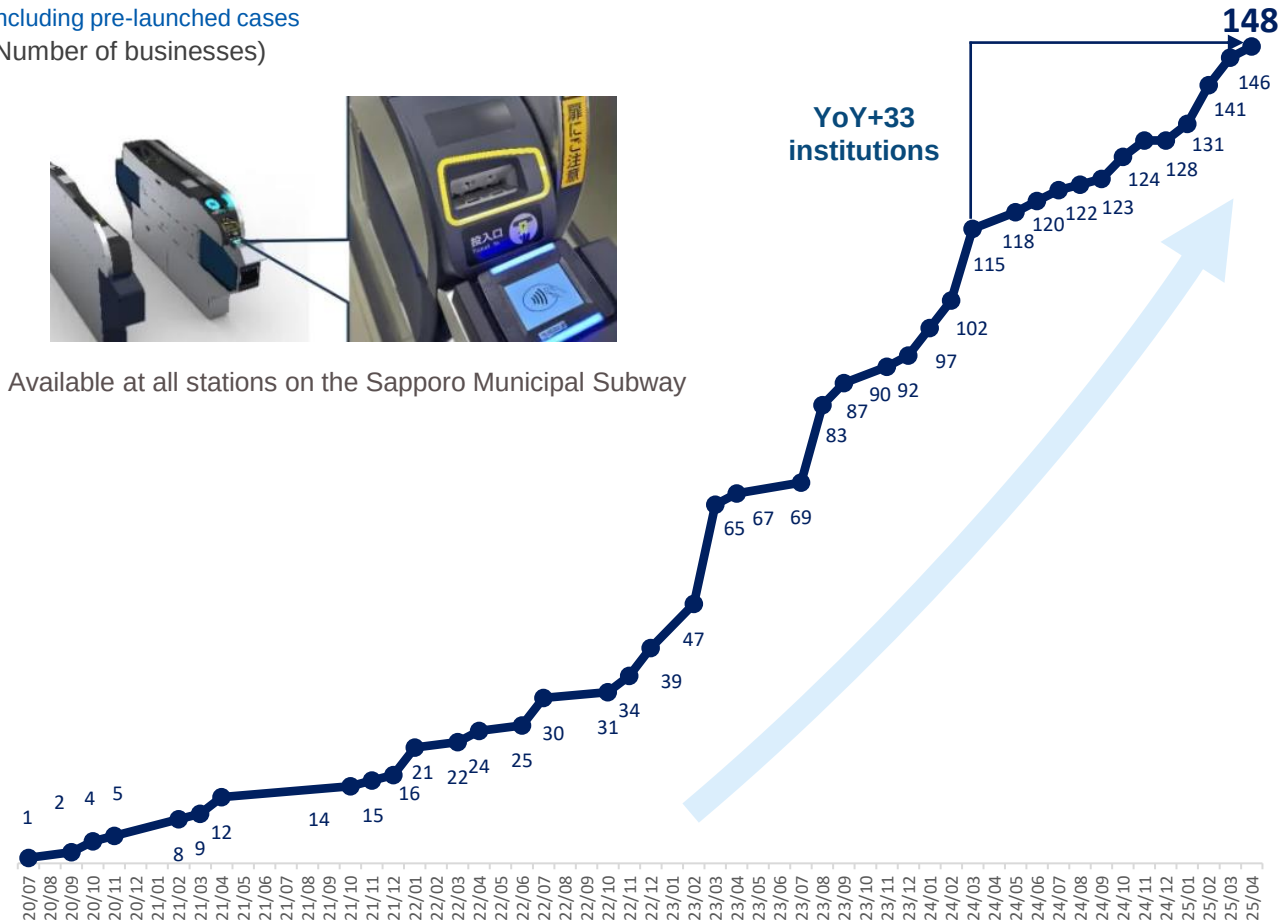
*including pre-launched cases
(Number of businesses)



Available at all stations on the Sapporo Municipal Subway

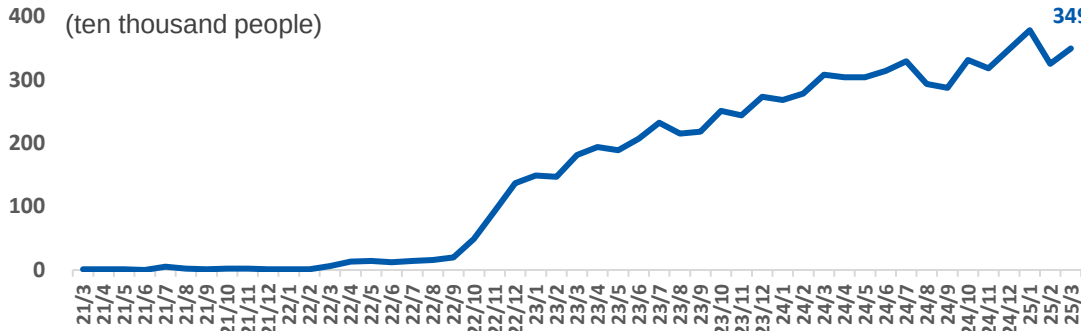
Apr 2025 : 148 insitutions*
(40 prefectures)

YoY+33
institutions



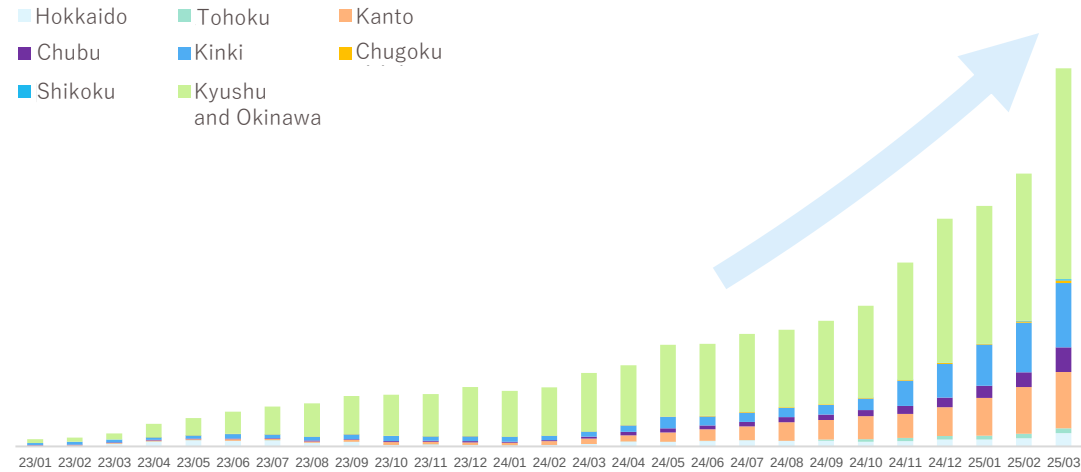
Number of Tourists and Mobility Settlements

Number of Tourists



Source: Japan National Tourism Organization (JNTO)

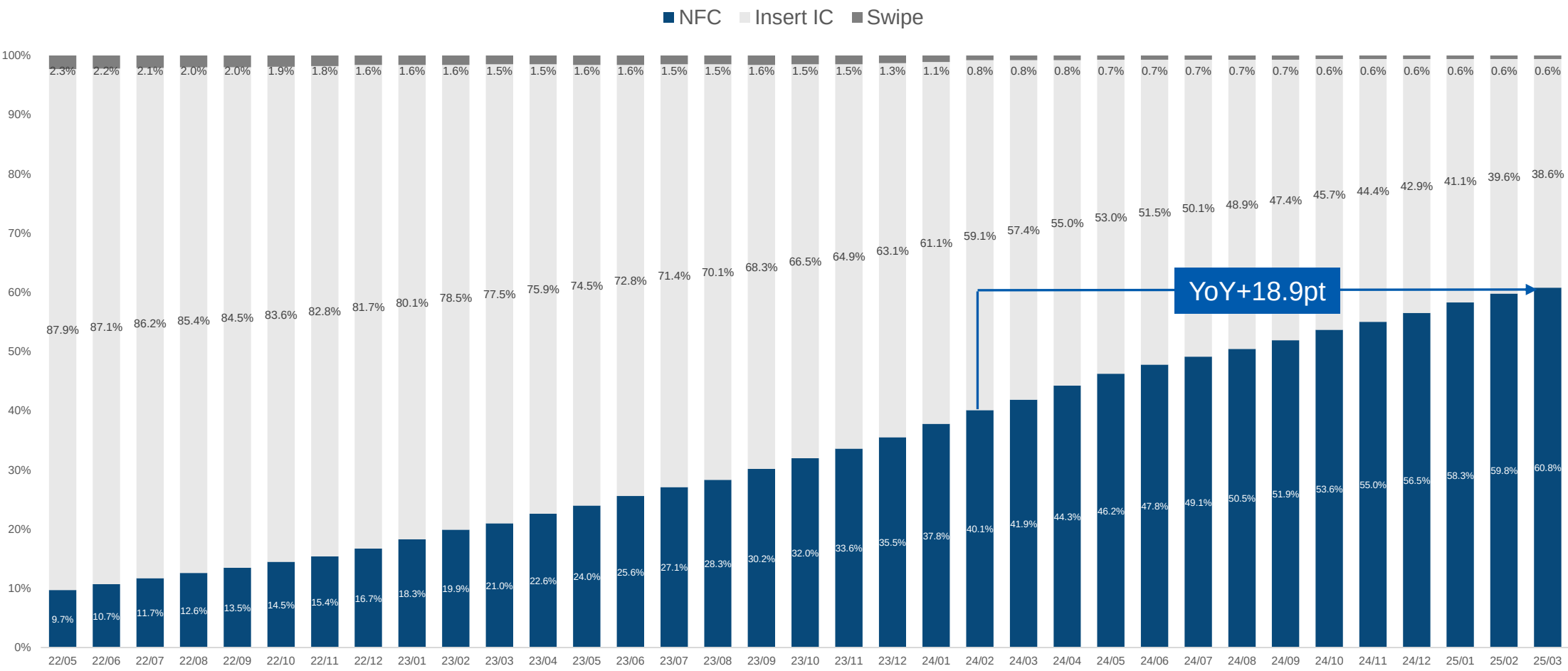
Numbers of Mobility Settlements



3.8 Expanding use of Contactless NFC Payment

The percentage of credit touch payments at our processing center has exceeded 60%. Growing awareness of the convenience of NFC is driving the future spread of credit touch in the mobility field

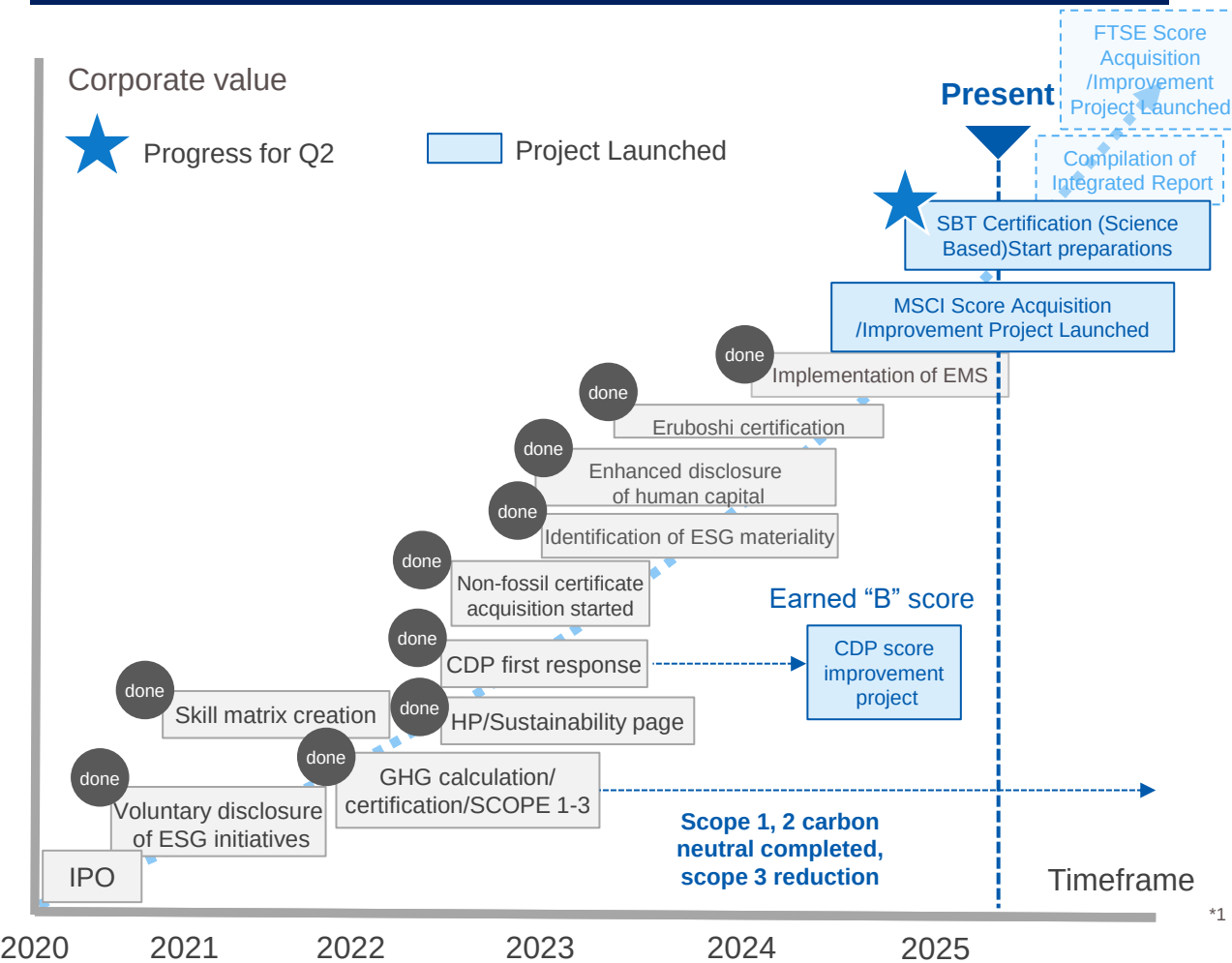
Credit and debit payments at our processing centers / Proportion of payment methods



3.9 Expanding ESG Initiatives

Set long-term greenhouse gas reduction targets (2030 and 2050)
Plan to be the first TSE growth company to achieve net-zero GHG emissions for 2050 SBT*1

ESG Initiative Roadmap



To Do's

Obtaining SBT*1 certification

- With the help of external consultants, we have set long-term greenhouse gas reduction targets (2030 and 2050) and completed our application for SBT. We aim to obtain certification within the CDP response deadline
- Continue engaging with payment terminal manufacturers, system development contractors, etc. to achieve reduction targets

Continue CDP score improvement project

- The company has achieved a B rating for two consecutive years since 2023, and aims to achieve a B rating or higher in 2025.
- Aiming to achieve an A in the future, we will continue the score improvement project with external consulting.

MSCI promotes Sustainalytics score acquisition and improvement project

- Continue to make improvements based on advice from external consultants regarding ESG rating agencies (MSCI, Sustainalytics)
- Continue to enhance strategic initiatives and disclosure, including on human capital

Continued operation of EMS*2

Formed Project Team

- Visualize and reduce our company's environmental impact
- The status of our efforts is published on our website. We aim to improve the scores of each ESG rating agency.

*1 : Abbreviation for Science Based Targets initiative. SBTi certifies greenhouse gas emission reduction targets set by each company by comparing them with the standards required by the Paris Agreement.

*2 : An abbreviation for Environmental Management System. The purpose of this system is to create a system that allows companies to set and demonstrate their own environmental policies and goals in order to independently promote environmental conservation efforts in their management.

Supplemental Information

Financials, Investment / Shareholder Returns

4.1 Profit & Loss

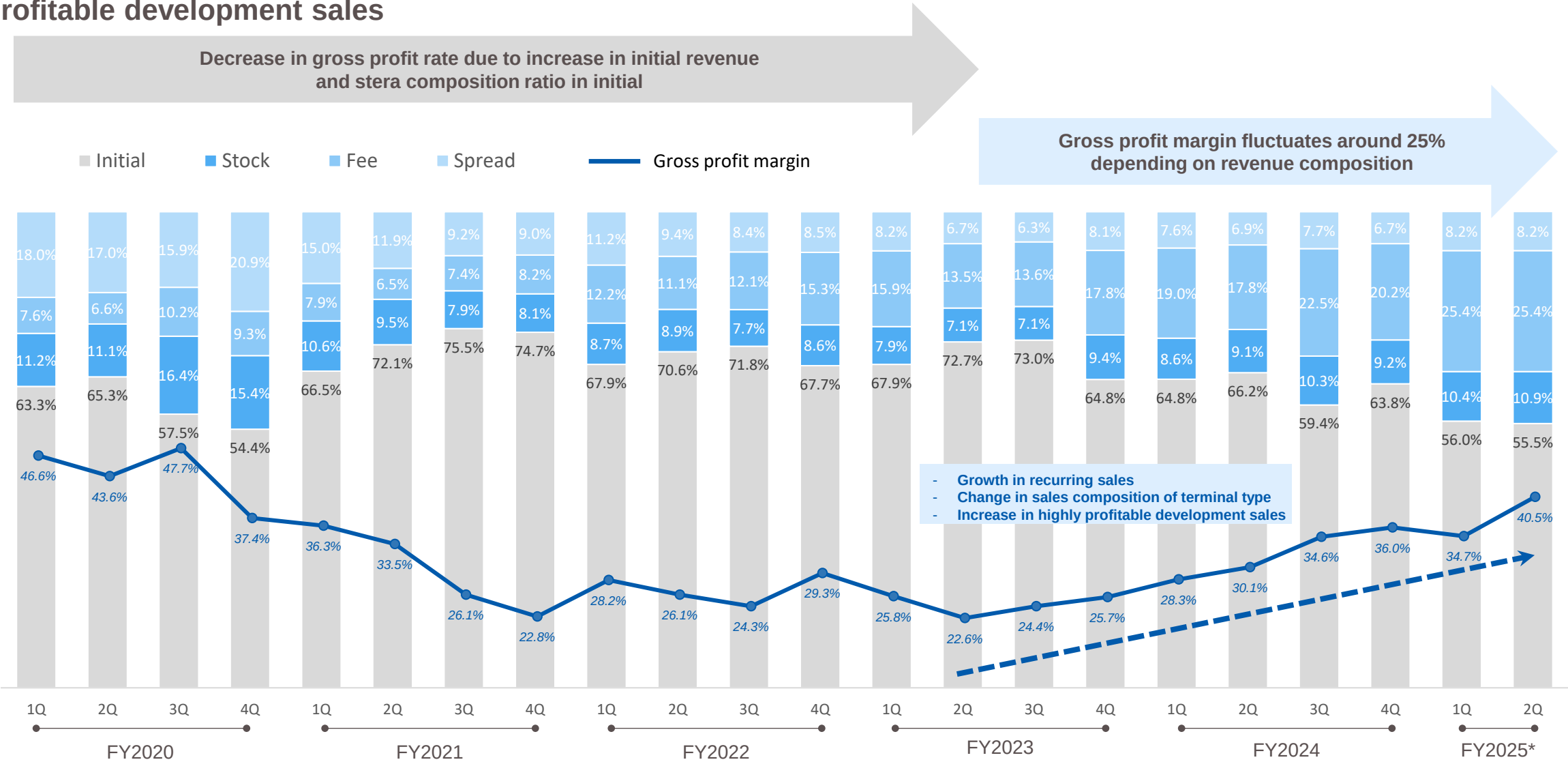
(Thousand)	1H FY2024	1H FY2025	YoY
Revenue	9,244,148	9,046,196	▲ 2.1%
COGS	6,543,482	5,647,354	▲ 13.7%
Gross profit	2,700,665	3,398,842	+25.9%
SG&A	1,769,553	2,038,170	+ 15.2%
Operating profit	931,263	1,382,864	+48.5%
Profit before income taxes	924,400	1,379,388	+49.2%
Profit attributable to owners of parent	621,770	1,034,854	+66.4%

4.2 Revenue by Business Model (Quarterly)

(mn yen)	Q1 FY2021	Q2 FY2021	Q3 FY2021	Q4 FY2021	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022	Q1 FY2023	Q2 FY2023	Q3 FY2023	Q4 FY2023	Q1 FY2024	Q2 FY2024	Q3 FY2024	Q4 FY2024	Q1 FY2025	Q2 FY2025
Initial	855	1,103	1,525	1,682	1,454	1,643	2,136	1,927	2,220	2,905	3,461	2,529	2,915	3,143	2,586	3,262	2,566	2,453
Stock-model	430	427	495	569	686	683	841	921	1,047	1,091	1,277	1,375	1,581	1,603	1,765	1,847	2,017	2,008
Stock	135	145	160	182	185	206	229	244	259	283	334	366	387	431	446	472	476	510
Fee	101	99	149	183	261	259	361	434	519	539	643	693	853	842	981	1,032	1,163	1,138
Spread	193	181	185	203	239	217	250	242	268	268	299	315	340	329	337	342	377	359
Total	1,286	1,531	2,020	2,252	2,141	2,327	2,978	2,849	3,267	3,997	4,738	3,905	4,496	4,747	4,351	5,110	4,584	4,461

4.3 Changes in Revenue Composition and Changes in Gross Profit Margin

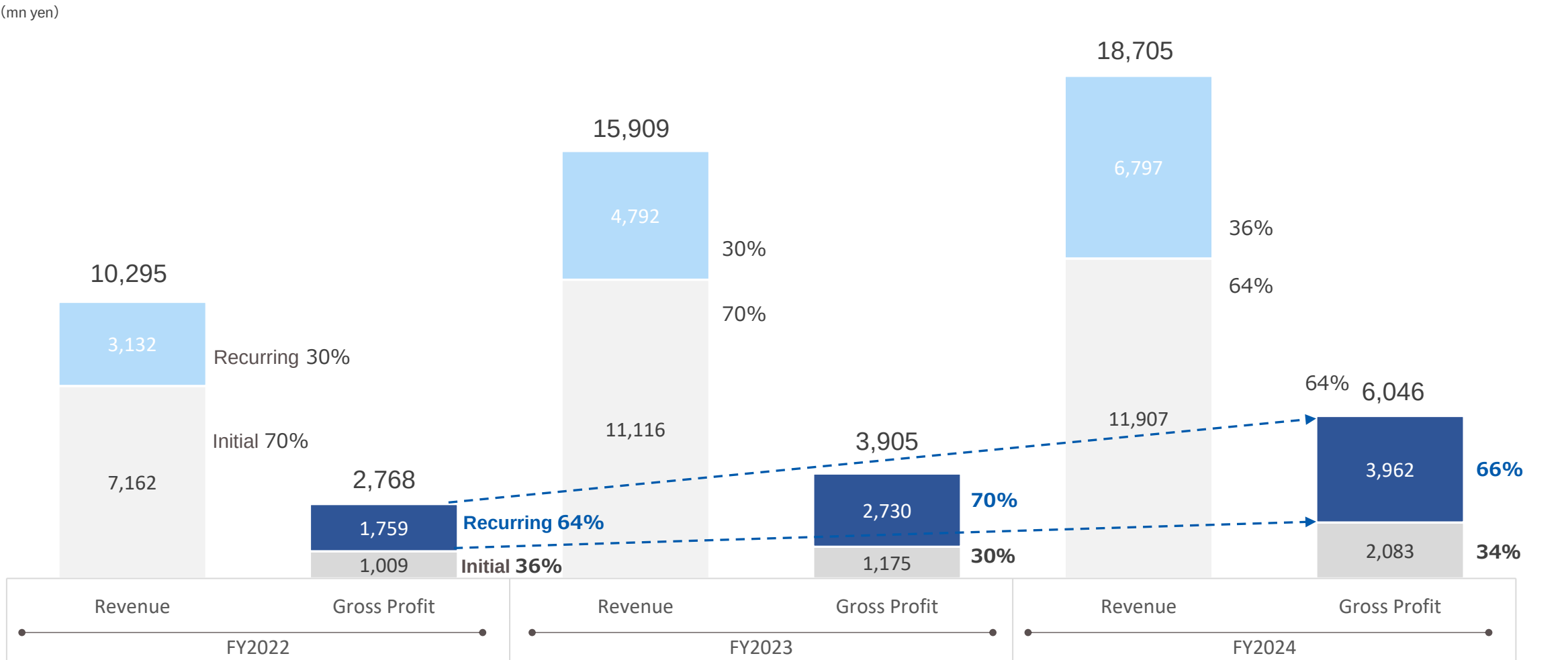
Gross profit margin fluctuates depending on sales composition, but has been on an upward trend since 2023/9 (Q2)
Initial's gross profit margin continues to improve due to changes in terminal revenue mix and the contribution of highly profitable development sales



4.4 Gross profit composition ratio

Growth in recurring revenue leads to steady profitability base

Composition by Product Category (Revenue and Gross Profit)



4.5 Balance Sheet

Cash and cash equivalents: Decrease due to acquisition of treasury stock and dividend payments
Inventories: Ensure stable inventory levels

Q2 FY2025 (thousand)	
Cash and cash equivalents	Current liabilities
4,122,390	4,475,254
Trade receivables and other receivables	Non-current liabilities
2,434,177	2,088,672
Merchandise	Total capital
2,779,870	5,902,713
Other	
457,696	
Non-current assets	
2,672,504	
Assets	Equity / Debt

Cash and cash equivalents : ¥ 4.12 bn

A decrease of 940 million yen from the end of the fourth quarter. Mainly due to the acquisition of treasury stock and dividend payments

Inventory : ¥ 2.77 bn

Despite a decrease of 390 million yen from the end of the fourth quarter, stable inventory levels were maintained

Current liabilities : ¥ 4.48 bn

Decreased by 1.76 billion yen compared to the end of the fourth quarter, mainly due to a decrease in trade payables

Assets : ¥ 5.92 bn

No significant change compared to end of 4Q

4.6 Balance Sheet (IFRS)

(mn yen)			Q4 FY2024	Q1 FY2025	Q2 FY2025	QoQ
Assets	Current assets	Cash and cash equivalents	5,060	3,653	4,122	+469
		Trade accounts receivable	3,166	2,186	2,434	+248
		Merchandise	3,170	2,914	2,779	▲135
		Other	234	268	457	+189
	Non-current assets		2,574	2,394	2,672	+278
	Total Assets		14,206	11,417	12,466	+1,049
Liabilities	Current liabilities		6,233	3,861	4,475	+614
	Non-Current liabilities		2,082	2,078	2,088	+10
Total equity			5,890	5,476	5,902	+426
Total liabilities and equity			14,206	11,417	12,466	+1,049

4.7 Balance Sheet (Quarterly : Japanese GAAP)

(mn yen)			Q4 FY2021	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022	Q1 FY2023	Q2 FY2023	Q3 FY2023	Q4 FY2023	Q1 FY2024	Q2 FY2024	Q3 FY2024	Q4 FY2024	QoQ	YoY
Asset	Current assets	Cash and cash equivalents	3,434	1,425	1,618	2,231	2,519	1,720	2,190	2,779	4,015	3,897	4,216	4,256	5,072	+815	+1,056
		Merchandise	1,615	2,177	2,523	1,545	1,507	2,511	3,131	2,733	2,396	3,077	3,344	2,959	3,169	+210	+773
		Others	741	868	1,007	884	990	1,527	1,520	1,412	1,093	1,555	1,557	2,111	3,394	+1,283	+2,301
	Non-current assets		1,347	1,409	1,445	1,497	1,622	1,567	1,651	1,692	1,757	1,846	1,893	1,911	2,317	+406	+560
	Total assets		7,136	5,879	6,593	6,157	6,638	7,326	8,493	8,617	9,262	10,376	11,011	11,238	13,955	+2,716	+4,693
Liabilities	Current liabilities		2,720	1,538	2,135	1,575	1,929	2,801	3,220	2,114	2,604	3,298	3,619	3,519	6,088	+2,569	+3,483
	Non-current liabilities		40	37	33	30	39	39	539	1,540	1,541	2,042	2,062	2,064	2,066	+2	+525
Net Asset			4,376	4,304	4,425	4,552	4,671	4,485	4,732	4,962	5,115	5,036	5,329	5,654	5,799	+145	+684
Total liabilities and net assets			7,136	5,879	6,593	6,157	6,638	7,326	8,493	8,617	9,262	10,376	11,011	11,238	13,955	+2,716	+4,693

4.8 Consolidated KPIs (Number of Active Terminals)

The number of unmanned terminals continues to increase due to the trend of self-service and labor shortages

(thousand)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	QoQ (%)	YoY (%)
Manned	39.5	48.4	61.6	75.2	88.3	101.3	118.7	132.7	149.4	162.7	199.5	222.2	246.7	258.3	268.3	277.5	290.6	301.1	+10.5 (+3.6%)	+42.8 (+16.6%)
Unmanned (IoT)	30.0	31.8	33.9	40.1	42.4	44.2	45.8	47.6	49.5	52.3	54.1	57.1	59.4	65.8	69.5	72.4	74.1	79.7	+5.6 (+7.6%)	+13.9 (+21.0%)
Sold by others	18.8	18.8	19.0	18.6	19.2	18.9	19.2	19.1	19.1	18.8	19.5	19.3	19.9	20.3	20.4	20.7	21.4	22.1	+0.7 (+3.1%)	+1.8 (+8.6%)
Terminal-less										*due to launch of 「stera tap」, Terminal-less will be separated from “sold by others” from Q3 FY24					3.0	4.6	7.1	8.1	+1.0 (---%)	+8.1 (---%)
Total	88.4	99.1	114.7	134.0	150.0	164.5	183.7	199.5	218.1	233.9	273.2	298.8	326.0	344.5	361.3	375.3	393.3	411.1	+17.7 (+4.8%)	+66.6 (+19.3%)

4.9 Capital Allocation Policy

Aim to achieve continuous business growth in accordance with the investment funding policy and capital allocation policy

Investment Source Funding Policy

- Priority of investment resources
(1) Operating cash flow, (2) Interest-bearing debt, (3) Equity

(1) Operating Cash Flow

Leverage operating CF from continuous profit growth



(2) Interest-bearing debt, etc.

Flexibly consider the use of interest-bearing debt in accordance with our investment policy based on our financial condition, market environment, and interest rate levels



(3) Equity

We will make a comprehensive evaluation of the stock price level, market environment, financial condition, and other factors. and financial conditions, etc., and consider capital procurement to realize continuous business growth through investment. Consider capital procurement to achieve sustainable business growth through investment based on a comprehensive assessment of stock price levels, market environment, financial conditions, etc.

Capital Allocation Policy

- Priority will be given to business investment and growth investment in accordance with our business strategy, while at the same time, we will continue to provide a certain level of shareholder returns.

Business Investment

Business investment to implement market share expansion strategy

Growth Investments

Strategic investments in preparation for profit margin increase strategy

Shareholder Returns

Stable and continuous dividend payments while securing internal reserves for business and growth investments to support continuous business growth

4.10 Investment Policy

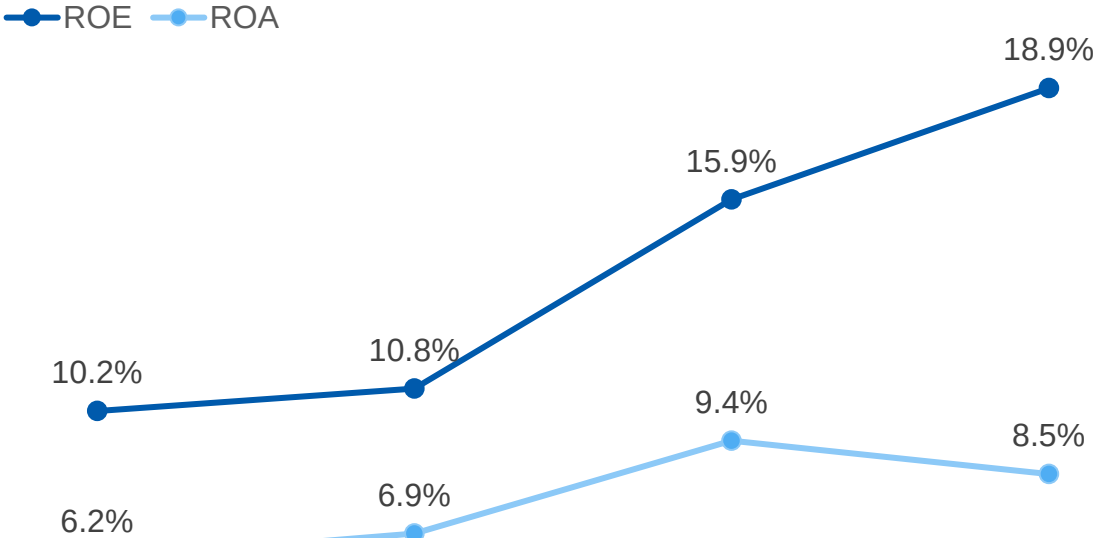
Proactive business investment to execute "market share expansion strategy" necessary for medium to long-term operating profit growth of +25% YoY

	Business investment	Growth investment
Main Investment Target	• Investments in data centers, terminal development, and internal systems • Investment in human resources (organizational enhancement, hiring, performance-linked compensation, etc.) • Development investment for IoT (mobility), touch settlement in transportation systems (trains, buses, etc.), and labor-saving/self-support	• Support for cashless transactions in the area of small and medium-sized merchants • New business related to money services/payment • Data service/marketing support business • Building alliances (business alliances, capital tie-ups, etc.)
Basic Investment Policy	• In principle, business investments are made within the budgeted framework based on the assumption that the profit plan will be achieved, and additional investments are made according to the progress of actual performance.	• Careful verification of business profitability and growth potential • Start lean and small • Expand investment limits in phases where return on investment is expected

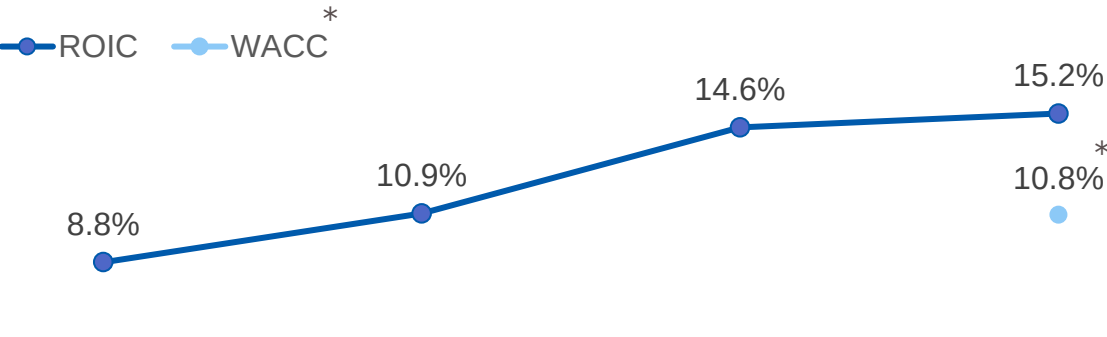
4.11 Efficiency Indicators and Cost of Capital

Management that is conscious of efficiency, investment return, and capital cost

ROE
·
ROA



ROIC
·
WACC



*WACC calculation will start from FY2024 due to the introduction of IFRS.

Mid-term plan

ROE : 25%+

ROA : 10%+

ROIC20 : %+

Continue to increase EVA (economic value added)

WACC

Remaining stable

Future Measures

ROE

- Increase profit level by improving recurring type sales
- Execution of fellowship projects that contribute to profit growth

ROA

- Decline due to increase in cash and cash equivalents and provision for chargebacks
- Aim for improvement by optimizing inventory management and increasing high-margin recurring sales

ROIC

- Implementing growth investments with sound investment returns and M&A

WACC

- Aim for stable WACC by maintaining financial soundness, pursuing optimal capital structure, and providing timely information to investors

4.12 Shareholder Return Policy

Aiming to increase corporate value through business growth while providing stable and continuous dividends simultaneously

Basic Policy on Shareholder Returns

Increase in corporate value

- **Aim to increase market capitalization over the medium to long term** through continuous business growth

To increase net income attributable to shareholders through business growth in revenue (CAGR 25%) and operating profit (+25% YoY or more) . Increase net income attributable to shareholders through business growth

Stable and continuous dividends

- Stable and continuous dividend payments

Aim for shareholder returns of **50% or more** while ensuring capital needs and internal reserves to support business growth (currently in place).

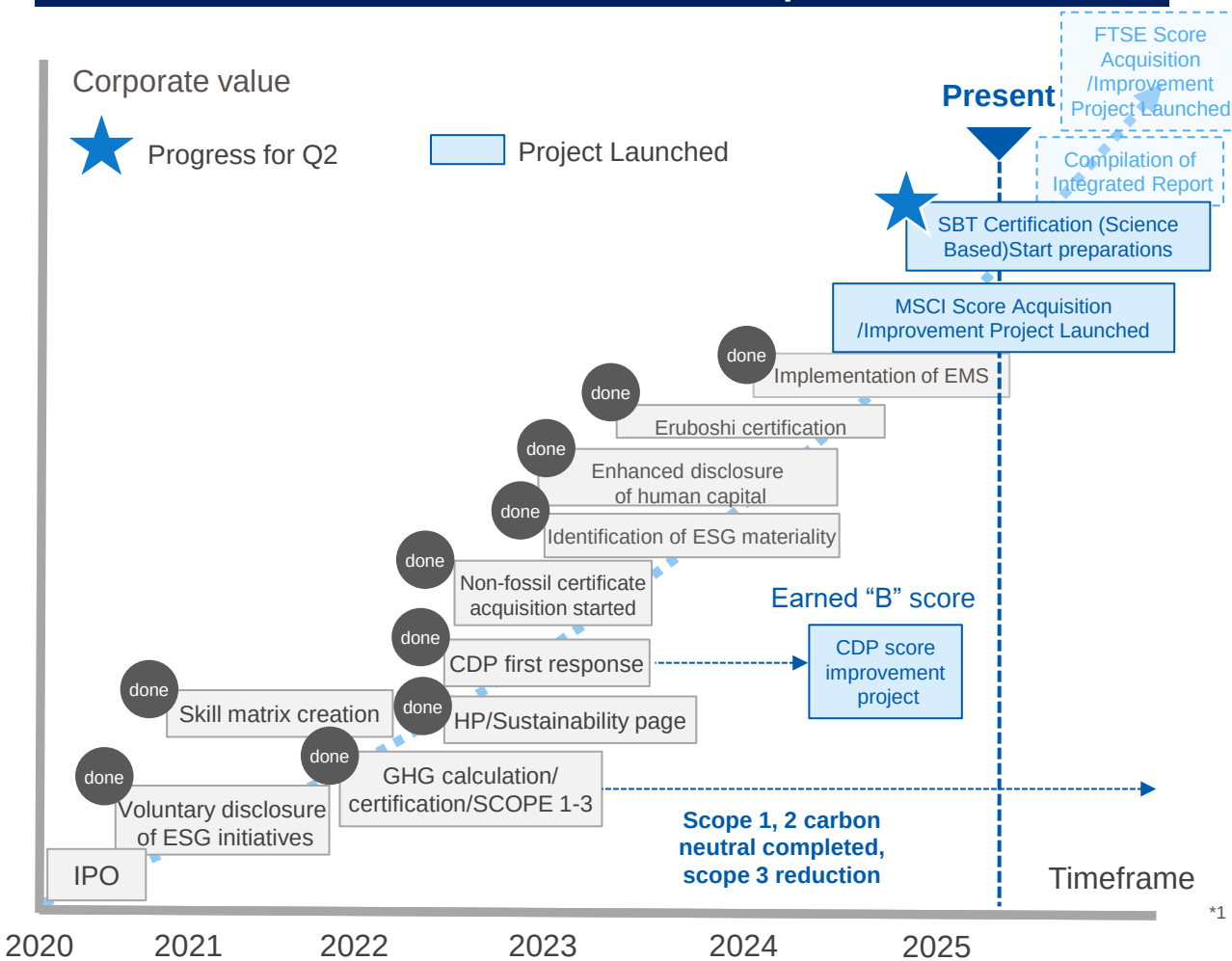
Supplemental Information

ESG Initiatives (Details)

5.1 (Reprint) Expanding ESG Initiatives

Set long-term greenhouse gas reduction targets (2030 and 2050)
Plan to be the first TSE growth company to achieve net-zero GHG emissions for 2050 SBT*1

ESG Initiative Roadmap



To Do's

Obtaining SBT*1 certification

- With the help of external consultants, we have set long-term greenhouse gas reduction targets (2030 and 2050) and completed our application for SBT. We aim to obtain certification within the CDP response deadline
- Continue engaging with payment terminal manufacturers, system development contractors, etc. to achieve reduction targets

Continue CDP score improvement project

- The company has achieved a B rating for two consecutive years since 2023, and aims to achieve a B rating or higher in 2025.
- Aiming to achieve an A in the future, we will continue the score improvement project with external consulting.

MSCI promotes Sustainalytics score acquisition and improvement project

- Continue to make improvements based on advice from external consultants regarding ESG rating agencies (MSCI, Sustainalytics)
- Continue to enhance strategic initiatives and disclosure, including on human capital

Continued operation of EMS*2

- Visualize and reduce our company's environmental impact
- The status of our efforts is published on our website. We aim to improve the scores of each ESG rating agency.

*1 : Abbreviation for Science Based Targets initiative. SBTi certifies greenhouse gas emission reduction targets set by each company by comparing them with the standards required by the Paris Agreement.

*2 : An abbreviation for Environmental Management System. The purpose of this system is to create a system that allows companies to set and demonstrate their own environmental policies and goals in order to independently promote environmental conservation efforts in their management.

5.2 ESG-related topics (Materiality Identification/CDP Score B earned)

(1) Identify materiality. (2) Received a B score for two consecutive years, the only one in the growth market, from CDP, which is centered on prime companies. Aim to improve scores in low-rated items and obtain an A.

ESG Materiality				
		Materiality	Contribution to SDGs	
Social Responsibility	1	Infrastructure & Security	Provide safe and secure face-to-face cashless payment infrastructure	11 住み続けられるまちづくりを
	2	Decarbonization & Environment	Provide environmentally friendly payment terminals	7 エネルギーをみんなにそしてクリーンに 12 つくる責任 つかう責任 13 気候変動に具体的な対策を 17 パートナリシップで目標を達成しよう
	3	Business Innovation	Incorporate technological advancements	8 働きがいも経済成長も 9 産業と技術革新の基盤をつくろう
Senior Management	4	Human Resources Human Rights	Secure highly specialized human resources and strengthen investment in their training	3 すべての人に健康と福祉を 5 ジェンダー平等を實現しよう
	5	Governance	Establish a fair and equitable governance structure	16 平和と公正をすべての人に

CDP Score: B earned

What is CDP

Non-government organization for global warming countermeasures. Sends out a questionnaire to leading companies around the world on topics such as greenhouse gas emissions, business risks and opportunities due to climate change, and evaluates companies' responses to climate change issues based on their responses. Ratings are given in 8 stages: A, A-, B, B-, C, C-, D, D- (B rating is third from the top)

B Score

A score of "B" is considered to be at the management level, and indicates that the company has been evaluated as **"taking coordinated action on climate issues"**

- While the average for our industry, the Asian region, and the world as a whole is a "C," we are the only company listed on a growth market to receive a "B" score for two consecutive years.
- We will continue to strive to enhance disclosed information and **aim to obtain an A score**

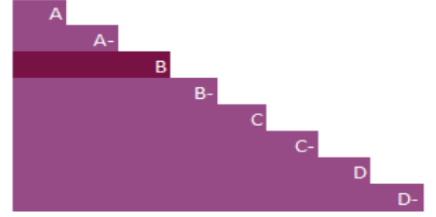


Discloser 2024

Your CDP score



UNDERSTANDING YOUR SCORE REPORT



For details, refer to See the release "February 13, 2024 CDP 'Climate Change Report 2023' Receives 'B' Score Rating" URL:https://gmo-fg.com/news/20240213_cdpsuconaintei.pdf

5.3 ESG Initiatives / Environment

In the provision of our payment platform, we promote business operations that consider environmental impact. Working to reduce CO₂ emissions related to our business

Specific Efforts

- **Recycled paper is used for receipts (paper rolls)** used at each payment terminal.
- **Provide electronic storage services** for sales slips to reduce the number of receipts (paper rolls)
- **Use of environmentally friendly materials** for payment terminal components
- **Reuse of payment terminals returned by merchants** as replacement terminals (refurbished terminals) in the event of malfunctions, etc.
- **Established Supply Chain Promotion Department to strengthen supply chain management** of payment terminals, paper rolls, etc.

Environment Related Data

Our Supply Chain					
upstream		GMO-FG		downstream	
SCOPE 3		SCOPE 1	SCOPE 2	SCOPE 3	
Procurement, Manufacturing and Distribution		Fuel Combustion	Electricity use	Use and disposal	
payment terminal	Sales of roll paper	-	Office, Settlement Centers	Payment Terminal Use	Payment terminal Disposal

Supply chain CO ₂ emissions	FY2022	FY2023	FY2024
SCOPE 1 (t-CO ₂)	0	0	To be announced as soon as calculated
SCOPE 2 (t-CO ₂)	105	0	—
SCOPE 3 (t-CO ₂)	13,927	19,501	—
Electricity consumption for SCOPE 1 and 2 (kwh)	231,210	200,949	206,963

* The subject companies are GMO Financial Gate, GMO Card Systems, and GMO Data, a consolidated group of companies.
* Data for SCOPE 1~3 will be verified by a third-party verification organization in the future.
* Effectively 100% renewable energy by using renewable energy corresponding to the amount of electricity used in SCOPE2.
* SCOPE3 (Categories 1-11, upstream and downstream) are available on our Sustainability page (ESG-related data).

<https://gmo-fg.com/en/sustainability/esg-data/index.html>

5.4 ESG Initiatives / Social

Aiming for sustainable growth by hiring excellent human resources and enhancing various systems that contribute to improving the capabilities of all partners* in order to create corporate value and solve social issues

*Employees are referred to as partners

Initiatives

- **Human Resource Development and Welfare System**
 - **Career design system** : System to provide advice and support on career development
 - **360-degree multidimensional evaluation system** : A system that allows partners to evaluate their supervisors without a name.
 - **Countermeasures to the falling birthrate** : Financial benefits and special exceptions for work at various stages of marriage, childcare, etc.
- **Work-style reform**
 - Promote a telework work system that takes into consideration the safety of executives and employees
 - Promotion of maternity and paternity leave
 - Encouraging shorter working hours for childcare
 - Providing post-retirement reemployment opportunities
 - Providing an hourly annual leave system, etc.
- **Employment of the Disabled**
 - Inclusivity of diverse employees, creating a better workplace

Social Related Data

	FY2021	FY2022	FY2023	FY2024
Number of Partners*	102	124	148	161
(Breakdown) Number of employee partners	81	96	108	123
(Breakdown) Number of temporary partners	21	28	40	38
Percentage of women among employee partners	29.8%	22.8%	32.4%	29.8%
Percentage of women in management partners	10.5%	14.3%	13.6%	11.5%
Average years of service	3.7y	3.6y	3.8y	3.7y
Average age	39.9	40.9	42.7	39.9
Turnover rate	10.2%	9.5%	4.6%	6.5%
Training hours per person	—	—	13.6 h	40.9 h

*Number of partners" covers the consolidated corporate group GMO Financial Gate, GMO Card Systems, and GMO Data.

*Number of partners" is the total number of regular employees, rehired employees, contract employees, and seconded employees (excluding employees seconded from our group to outside the group, but including employees seconded from outside the group to our group) .

*Number of temporary partners" is the average total number of part-timers and temporary employees during the past year.

* Figures for "Ratio of women among employee partners" and "Ratio of women among management partners" are for "employee partners.

* Average years of service, average age, and turnover rate are non-consolidated figures for GMO Financial Gate.

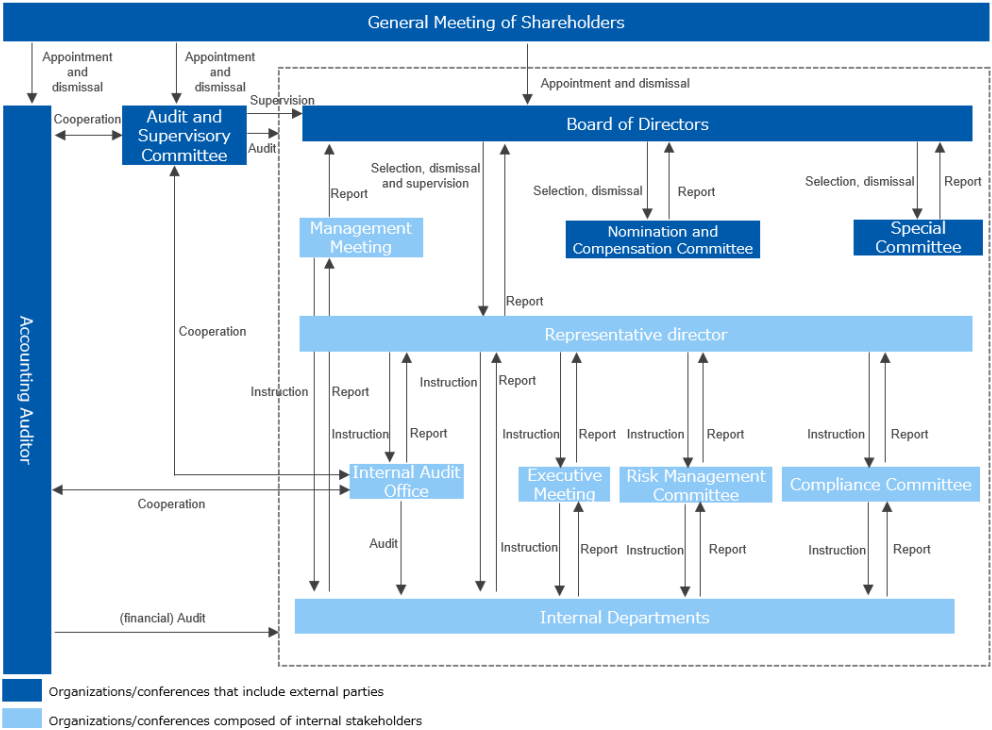
* From the fiscal year ending September 2023, contracted and dispatched partners will be excluded from the calculation of the turnover rate.

5.5 ESG Initiatives / Governance

Focus on enhancing corporate governance by establishing a decision-making structure that responds quickly and appropriately to changes in the business environment, a fair, transparent, and efficient business execution structure

Specific Efforts

- Transition to a company with an audit and supervisory committee** : External directors account for more than 1/3 of the Board of Directors, eliminating decision-making that would create a conflict of interest with shareholders.
- Establishment of a special committee** : Strengthen the governance of the board of directors and protect the interests of minority shareholders



Governance Related Data

Outside Directors/Female Directors		FY2024
Number of directors		9
Number of independent outside directors (%)		4 (44.4%)
Number of female directors (%)		1 (14.3%)

*Number and percentage of directors in office as of December 31, 2024.

Attendance rate at Board of Directors Meetings (FY2024)

Times Held	Held/ Percentage	Sugiyama	Aoyama	Fukuda	Tamai	Koide	Shimamura	Asayama	Nagasawa	Ozawa
		President and Representative Director	Board Member	Board Member	Board Member	Board Member	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director
17 times	Times Attended attendance rate	17 100%	17 100%	17 100%	17 100%	17 100%	17 100%	17 100%	17 100%	17 100%

* The above figures are for directors in office as of the fiscal year ending September 30, 2024.

Audit and Supervisory Committee(FY2024)

Times Held	Held/ Percentage	Shimamura	Asayama	Nagasawa	Ozawa
		Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director
10 times	Times Attended	10	10	10	10
	attendance rate	100%	100%	100%	100%

Nomination and Remuneration Committee(FY2024)

Times Held	Held/ Percentage	Tamai	Koide	Shimamura	Asayama	Nagasawa
		Board Member	Board Member	Independent Outside Director	Independent Outside Director	Independent Outside Director
4 times	Times Attended	4	4	4	4	4
	attendance rate	100%	100%	100%	100%	100%

IR Activities

	FY2022	FY2023	FY2024
Financial Results Briefing	4	4	4
Number of 1-on-1 meetings	267	232	286
Group meetings sponsored by brokerage firms	3	3	7

5.6 ESG Initiatives / Board of Directors

Governance structure built around technology and financial background

Internal Director (Managing Director)

Kentaro Sugiyama /
President and Representative Director

Worked in the systems industry for 14 years with clients in the financial industry; joined GMO-FG in May 2017 after having worked for GMO-PG since 2014; became President and Representative Director in December



Akio Aoyama /
Director, General Manager, Solution Partner Division

Worked in the systems industry for 21 years with clients in the financial industry; joined GMO-FG in April 2018; became Director in December 2018, responsible for Solution Partner Division; President and Representative Director of GMO Data since August 2019



Tomonaga Fukuda /
Director, General Manager, IT Platform Division

18 years in the systems industry, working with clients in the financial industry; joined GMO-FG in September 2019, appointed as Director in December 2020, in charge of the IT Platform Division



Tomoki Tamai /
Director, General Manager, Corporate Support Division

Engaged in sales and corporate affairs at major banks and operating companies; joined GMO-FG in August 2021; appointed Director in December 2022; in charge of Corporate Support Division



Director concurrently serving as GMO-PG

Tatsuya Koide / Director

35 years in the systems industry, working with clients in the public and manufacturing industries. Joined GMO-PG in September 2021, also serving as Director of GMO-FG. Appointed Senior Executive Officer of GMO-PG in December 2021



Independent External Director

Nao Shimamura /
External Director (Audit and Supervisory Committee Member)

Engaged in legal practice in the legal industry for 15 years; appointed as an outside director in September 2019 (appointed as an outside director because he has the knowledge and experience to make decisions on important management matters of the Company and to supervise the execution of business operations in an accurate and fair manner).



Rie Asayama /
External Director (Audit and Supervisory Committee Member)

Engaged in finance-related business for 36 years at a major banking group; appointed outside director in December 2021 (appointed as outside director because of her experience in promoting diversity and as executive vice president of a general business company).



Takayoshi Nagasawa /
External Director (Audit and Supervisory Committee Member)

36 years in the systems industry, working with clients in the financial and distribution industries; appointed as an auditor in December 2016 (appointed as an outside director as a member of the audit committee to strengthen the internal control system and to audit the directors' execution of their duties); concurrently serving as an auditor of GMO Data from August 2019



Satoru Ozawa /
External Director (Audit and Supervisory Committee Member)

46 years in the systems industry, working with clients in the corporate management and banking industries; appointed as an auditor in December 2016 (appointed as an outside director as an audit committee member to strengthen the internal control system and to audit the directors' execution of their duties).



Definition of notation

GMO-FG: GMO Financial Gate, GMO-PG: GMO Payment Gateway

* Describes directors in office as of December 31, 2024.

5.7 ESG Initiatives / Executive Skill Chart

Appointment of human resources that contribute to the enhancement of corporate value as directors, with a view to building a system that enables the Board of Directors to function effectively.

Identity	Kentaro Sugiyama	Akio Aoyama	Tomonaga Fukuda	Tomoki Tamai	Tatsuya Koide	Nao Shimamura outside the companyIndependent Director	Rie Asayama outside the companyIndependent Director	Takayoshi Nagasawa outside the companyIndependent Director	Satoru Ozawa outside the companyIndependent Director
Job title	President and Representative Director	Director, General Manager, Solution Partner Division	Director, General Manager, IT Platform Division	Director, General Manager, Corporate Support Division	Director	Director (Audit and Supervisory Board Member)	Director (Audit and Supervisory Board Member)	Director (Audit and Supervisory Board Member)	Director (Audit and Supervisory Board Member)
Practicing GMO-ism*	●	●	●	●	●	●	●	●	●
Corporate management	●	●					●		●
System Security			●						
Risk managAement			●	●			●	●	●
Legal & Governance				●		●		●	●
Finance, Accounting & Tax				●					
Sales and Marketing		●			●				
Investment (M&A)				●					
Financial Business							●		
Human Resource Development and Recruitment, Diversity					●		●		
ESG & Sustainability				●		●	●		

* GMO-ism is the collective name for the company motto and company precepts that express the "Spirit Venture Declaration" and "55-Year Plan," the unchanging goals of the GMO Internet Group, as well as "Executive Principles" and "Laws of Victory."
 * Describes directors in office as December 31, 2024.

Supplemental Agenda

Appendix

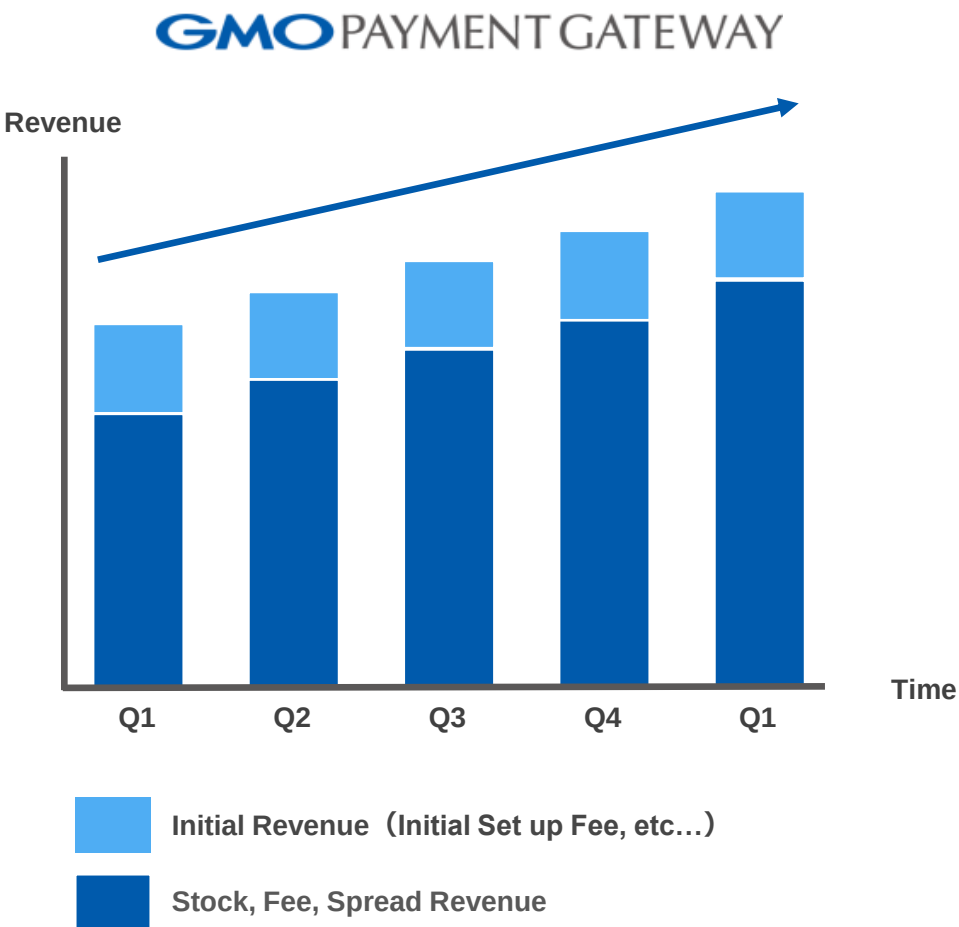
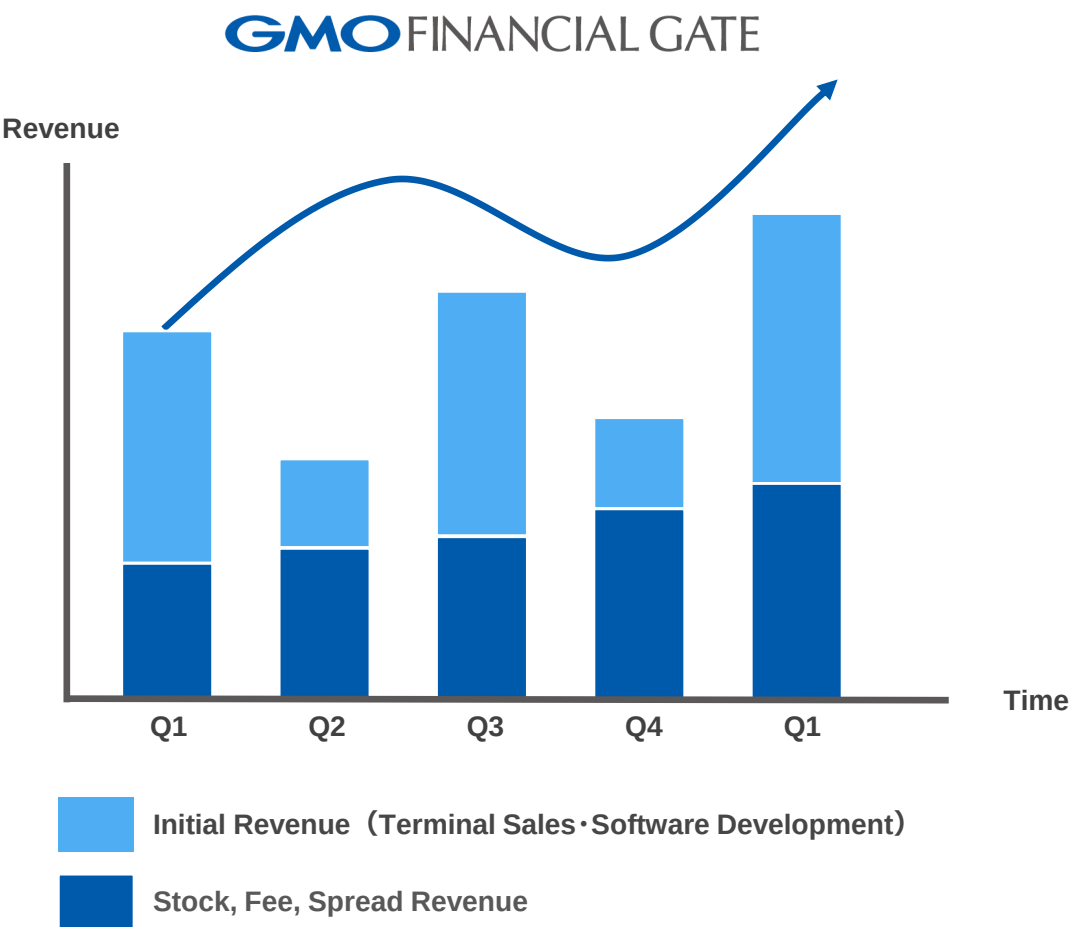
Gmo-FG is focusing on offline payment

Company name	GMO FINANCIAL GATE		GMO PAYMENT GATEWAY	
Business Domain	GMO Financial Gate (Payment at Brick & Mortar + IoT)		GMO Payment Gateway (EC)	
Payment method	Payment by passing card/QR code over the reader		Payment by entering credit card information in PC / mobile phone	
Medium	Payment terminal		EC (terminal is unnecessary)	

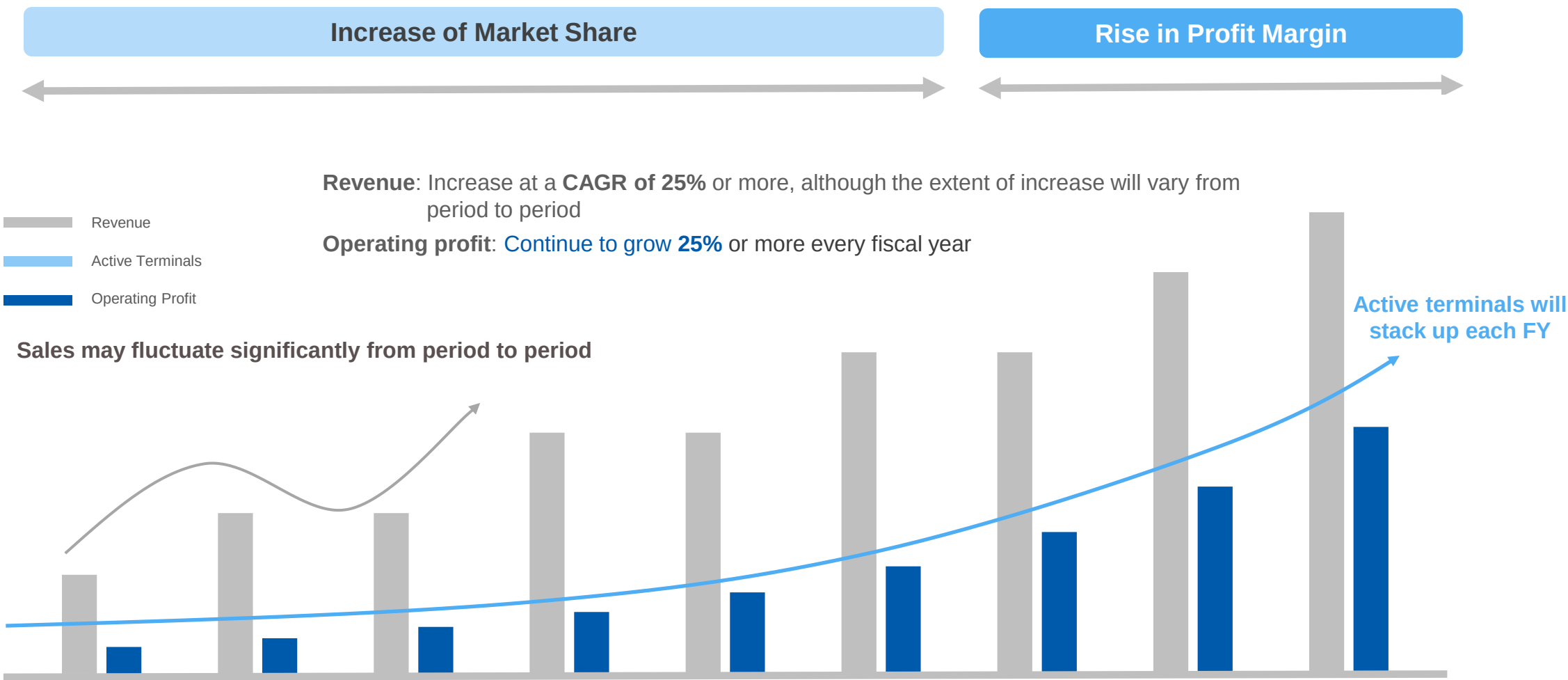
- Physical hardware network
- Proprietary programming code specifications
- Regulation

Rev Models: Financial Gate vs. Payment Gateway

Initial revenue in offline payment is tend to be fluctuate because of its seasonality of terminal delivery



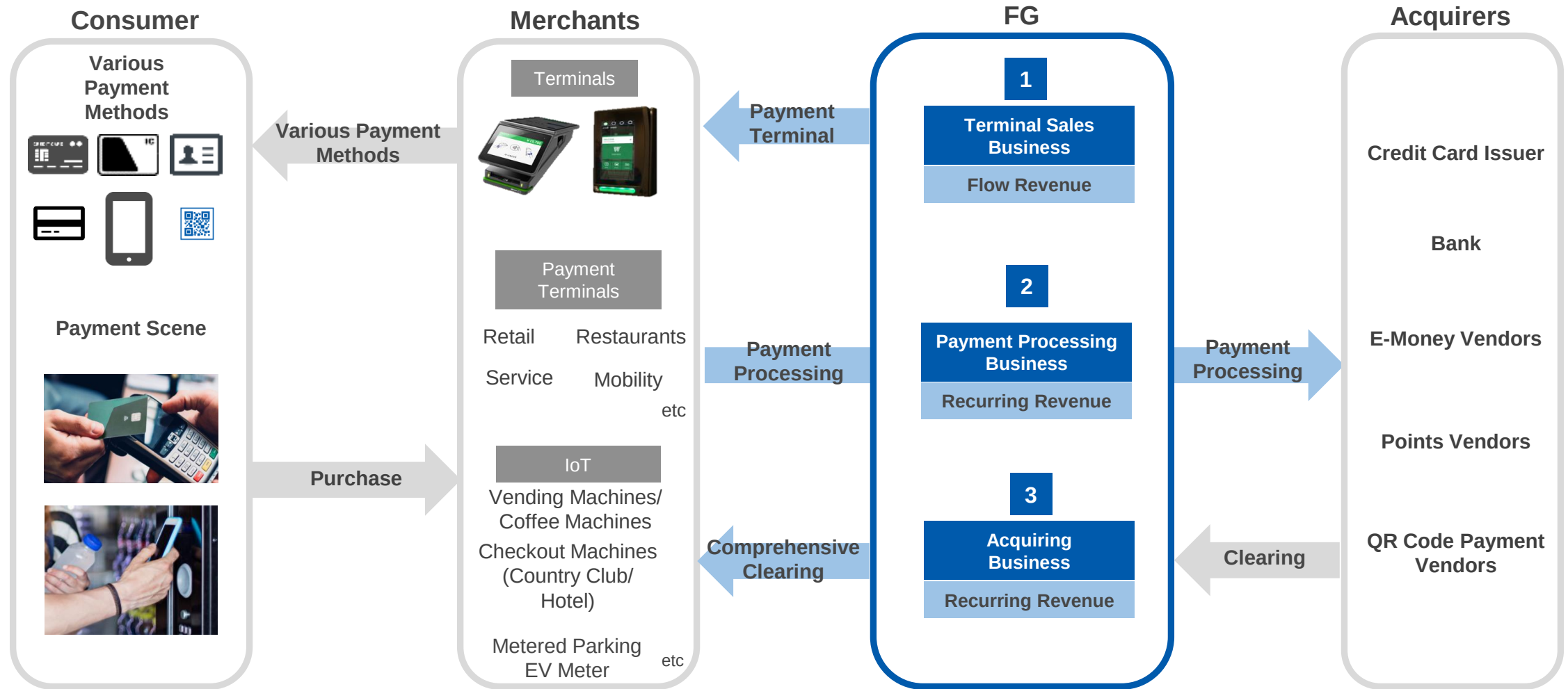
Market Share Expansion Phase: focus on sales/activation of payment terminals and revenue will be fluctuated.
Margin Increase Phase: recurring revenue will increase due to increase in active IDs which will contribute to operating profit growth



Three Biz Models Over a Single, One-Stop Platform

Business Model

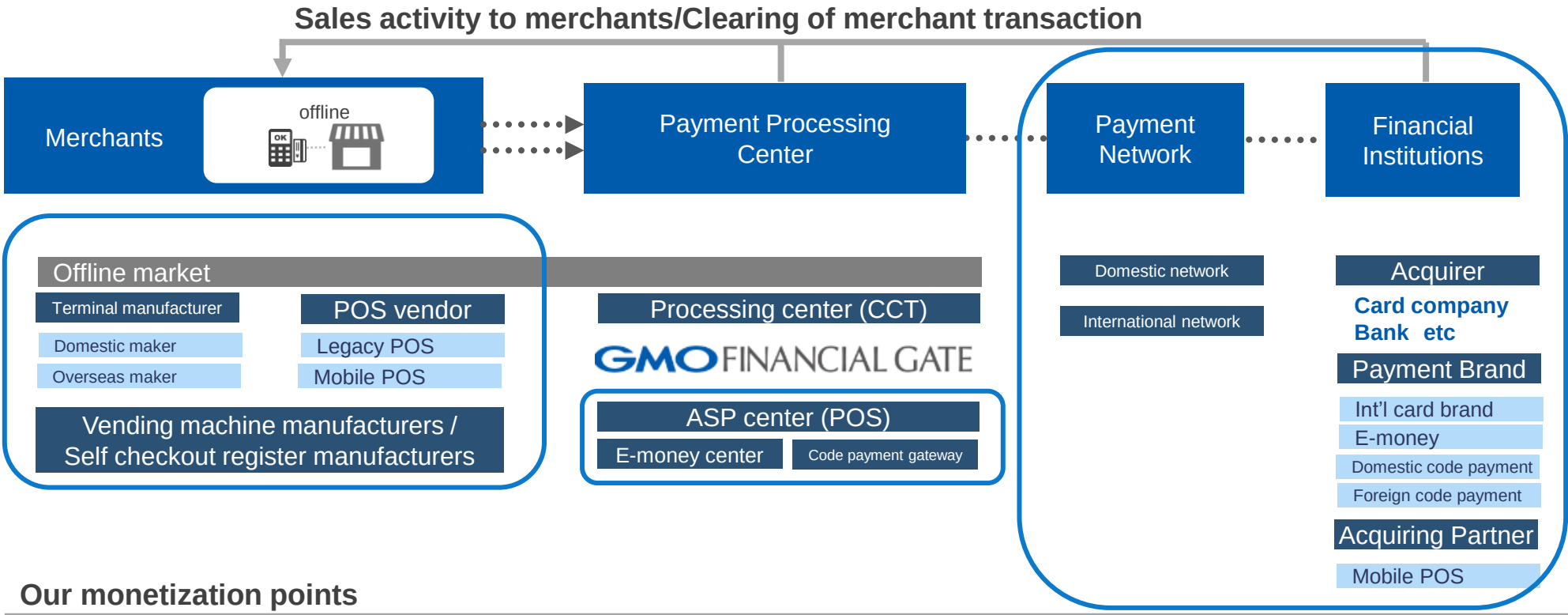
One-stop platform covering all settlement processes between merchants and acquirers



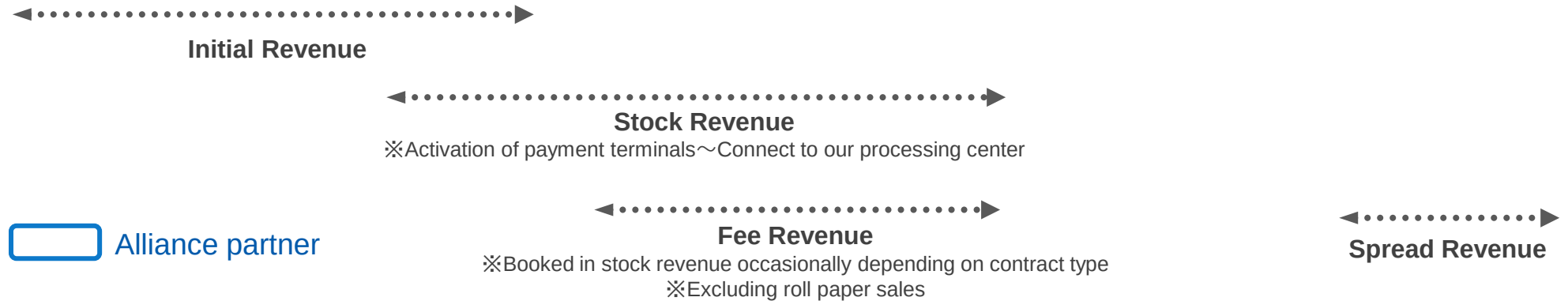
Stock Revenue Expansion Originating From Terminal Sales

Stock revenue grows with flow model revenue which is mainly coming form the sales of payment terminals

Revenue Model	3 Business	4 Types of Revenue	% (1H FY2025)
Flow Model Rev	① Terminal Sales Business	Initial	55.0%
Stock Model Rev	② Payment Processing Business	Stock	10.9%
		Fee	25.4%
	③ Acquiring Business	Spread	8.2%



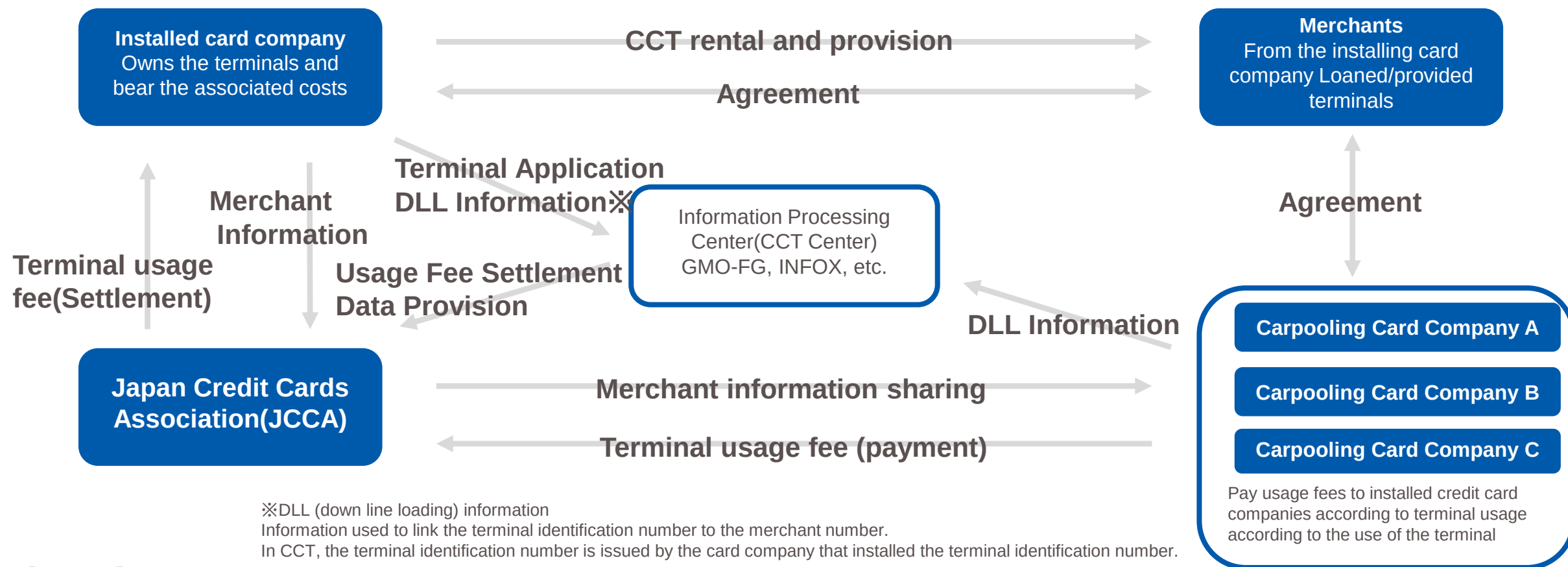
Our monetization points



CCT (Credit Center Terminal, ⇒Card company-owned terminal)

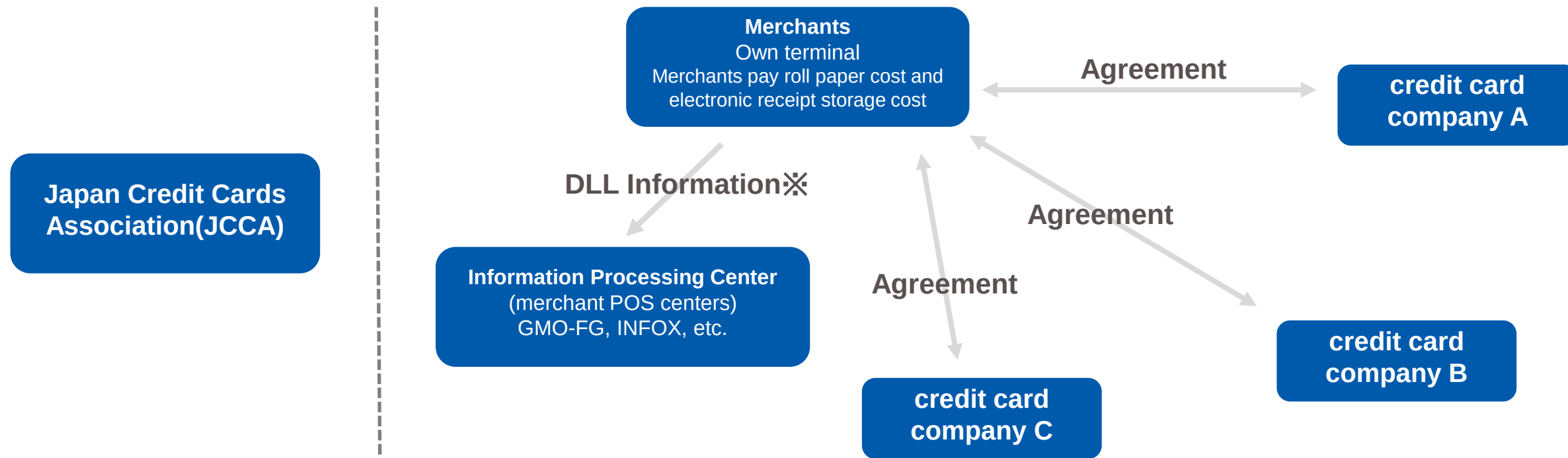
CCT(Credit Center Terminal)

It is a terminal name authorized by the information processing center (CCT Center) designated by the Japan Credit Card Association (JCCA) and operated in accordance with the guidelines, etc., established by the JCCA. A single card company owns the terminal on behalf of another card company and lends it to a merchant for installation. Multiple card companies jointly use the terminals and pay usage fees to the card companies that installed them



Merchant POS

In general, POS (Point of Sales) is a generic term for a service that provides information on sales performance trends such as the date, time, quantity, and price of products sold, but in the credit industry, the term merchant POS is customarily used to refer to all terminals capable of processing credit card transactions that are not CCT terminals. In a merchant POS, the merchant itself owns the terminal, prepares the card payment environment, and makes a separate contract with the credit card company. While this requires more time and effort on the part of the merchant, it also allows for a more flexible design that is not bound by the JCCA (Japan Credit Card Association) guidelines



※ DLL (down line loading) information
Information used to link the terminal identification number to the merchant number.
In merchant POS, the terminal identification number is issued by the merchant.

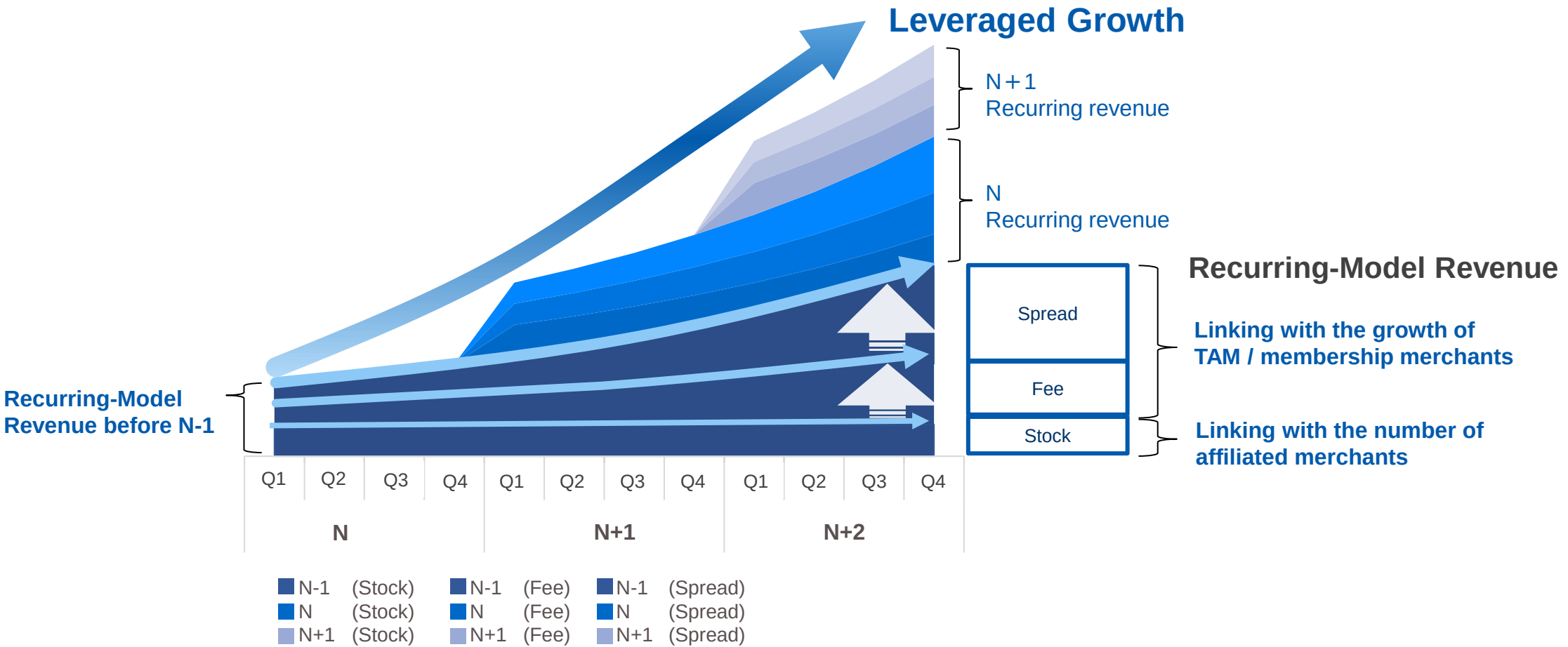
Expansion in stera lineup

stera unit, mobile has been released in addition to stera terminal
Usage expected to increase in different scenes



Leveraged Growth Model

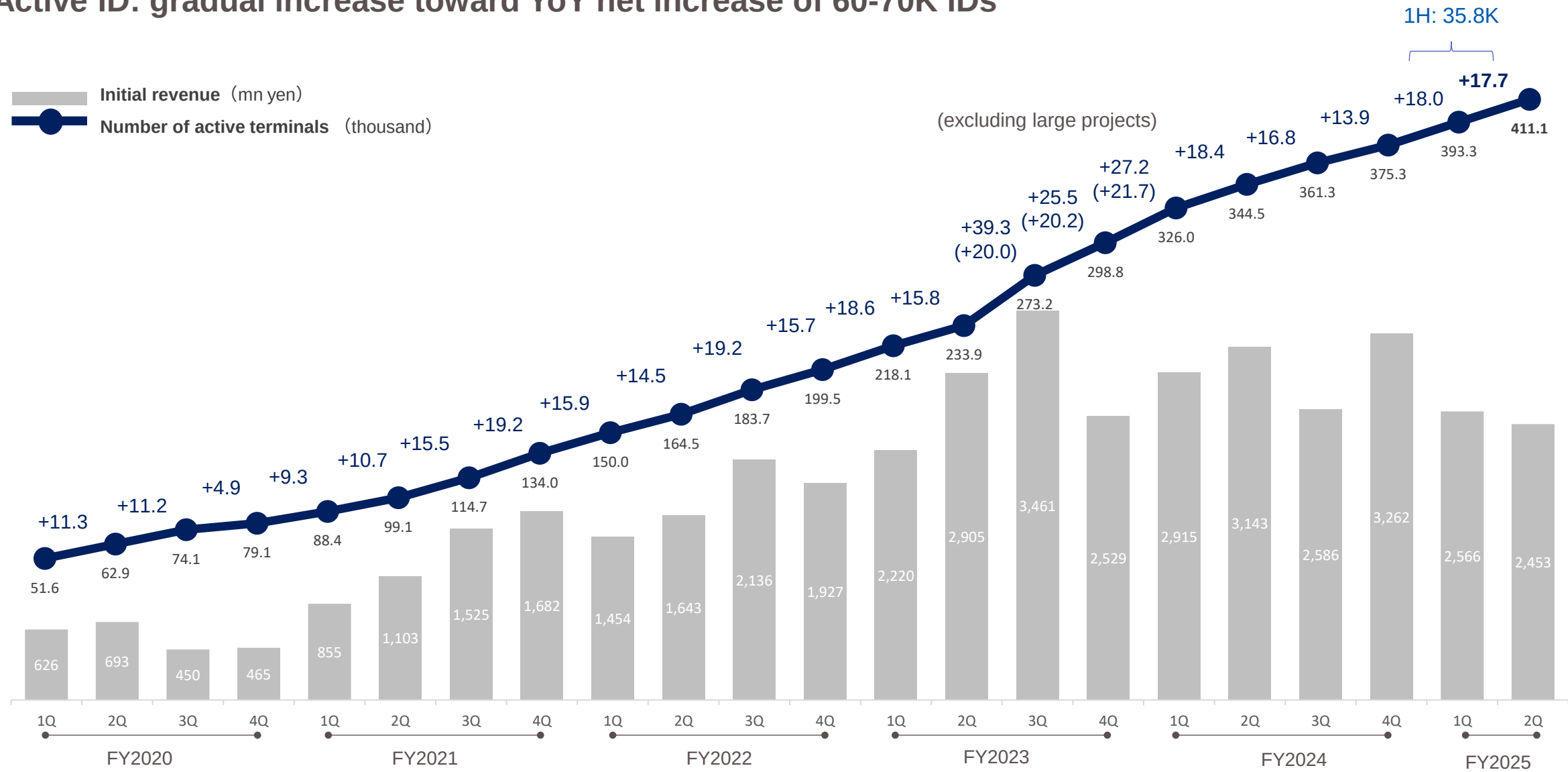
Fee and spread revenue are expanding with the market /growth in membership merchants



Initial Revenue and No. of Active Terminals (Quarterly)

Initial revenue: steadily increasing through small and medium-sized projects

Active ID: gradual increase toward YoY net increase of 60-70K IDs

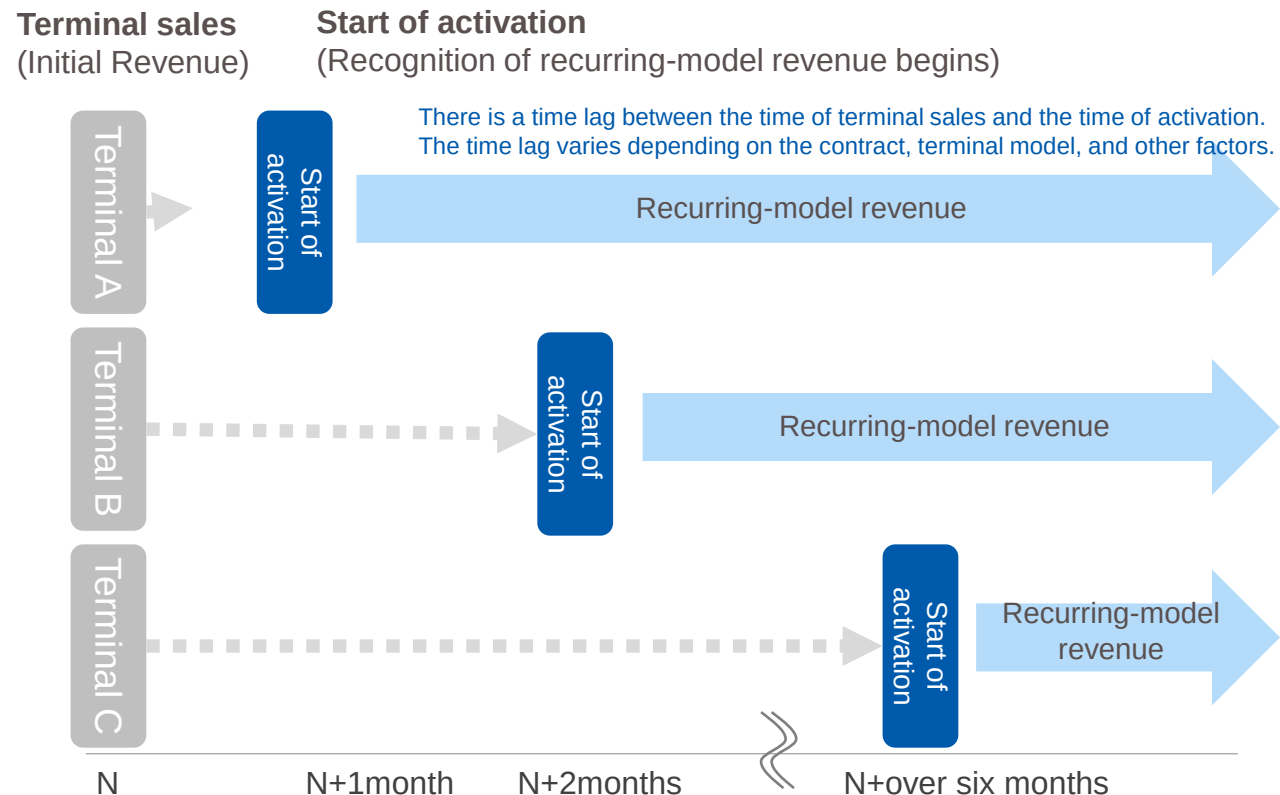


Difference between the number of terminals sold and the number of active IDs Part 1

Business Model

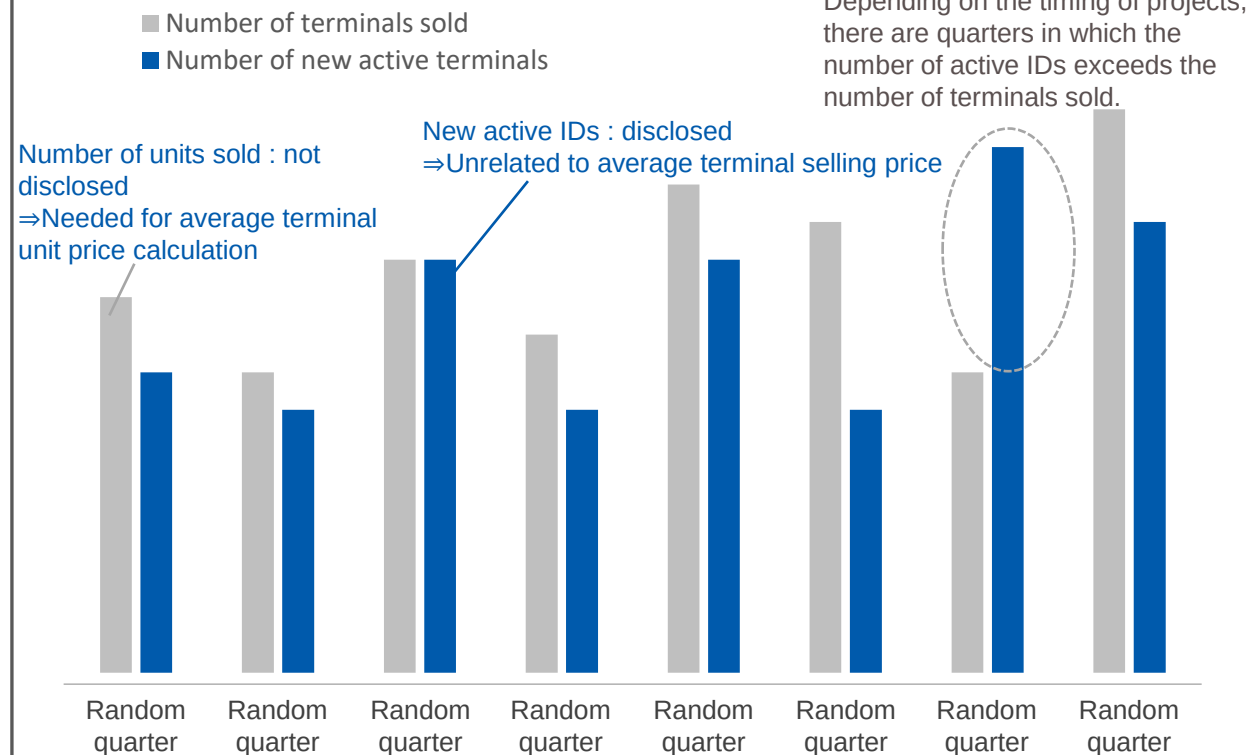
Initial revenue = Number of terminals sold × Average selling price per terminal + Accessory sales + Development sales
Number of active IDs = Number of terminals that have processed payment at least once in the quarter

Time lag between terminal sales and activation



- Even if a company sells terminals, it will not generate recurring revenue unless the terminals are in operation. We place importance on the number of active IDs, which is the source of recurring revenue, and disclose it as a KPI.
- Initial sales ÷ increase in the number of active IDs ≠ average unit price per terminal

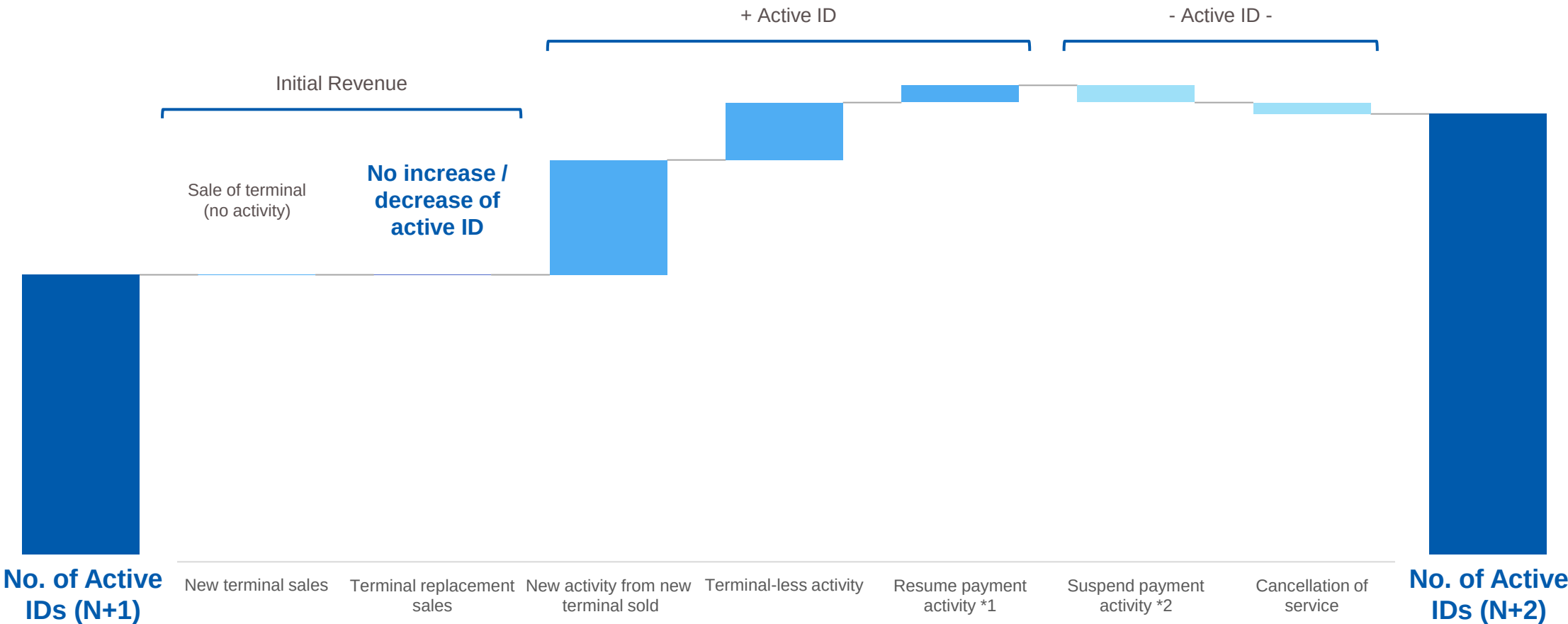
Image of quarterly balance in "Terminals sold" and "new active IDs"



- Sales and capacity utilization both rise and fall each quarter, depending on the project, and are not completely linked.
- However, there are also quarters in which "utilization > sales" due to simultaneous utilization of large projects, etc.
- However, there are also quarters when "utilization exceeds sales" due to large projects going into operation simultaneously, etc.

Difference between the number of terminals sold and the number of active IDs 2

Number of active ID is calculated quarterly and is not directly linked to initial revenue
Replacing existing devices contributes to initial revenue, however, does not increase or decrease the number of active IDs



*1: If the ID that was not used for payment in period N is used in period N+1
*2: If the ID used for payment in period N is not used in period N+1 (Store (Many temporary factors include long-term renovations, closure of some checkout lanes during off-season, etc.)

Initial	Content	Revenue Model
Payment terminal sales	Revenue from Payment terminals purchased from terminal manufacturers, and then confirm certain measures of payment methods that each merchant needs to accept.	• Terminal Selling Price × Units Sold ✓ More than 10 types of terminals ✓ Price range is from about ¥30K up to ¥100K
Software development	Software development that meets customers needs such as widening acceptable payment measures and adding point-payment functionality	• Number of Deals × Ordered value ✓ Since software development is tailor made type revenue, deal size and margin vary from time to time
Stock	Content	Revenue Model
Transaction Inquiry Service	It is a service that provides merchants with their daily sales data that go through our processing center. We charge it as monthly fixed fee	• Number of contracts × Service Price ✓ Service price is around ¥500 to ¥1K per terminal per month
Points & QR	It is a service to add point/QR payment app to the terminals merchants have. We charge it as monthly fixed fee	
Rental (Mobile terminal)	It is a service to rent mobile type terminals that enable merchants to use them in wireless setting. We charge it as monthly fixed fee	
Mobile SIM	It is a SIM card fee to use mobile type terminals. We charge it as monthly fixed fee	
Digitalization Assistance	Revenue from settlement data transferred to merchants, registration changes, assistance which leads to back office support for clients	• Number of contracts × Monthly Fixed Fee ✓ Monthly fixed fee will vary depending on the size of contract etc..
Processing (Monthly fixed fee model)	It is a processing fee based on monthly fixed rate *Basically, it is defined as "Fee" revenue when it comes to the case we charge as Pay As You Go billing, not fixed rate	

Generally, the economics of services above vary depend on merchants. And there are services that some merchants do not apply

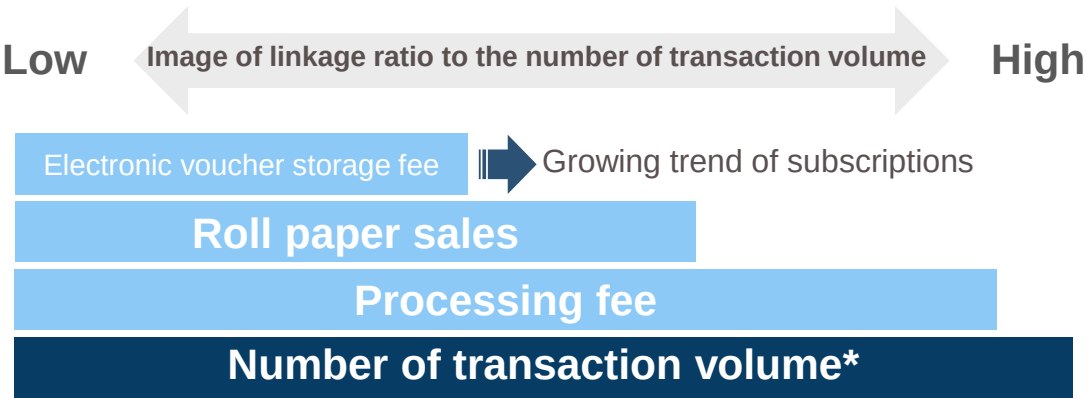
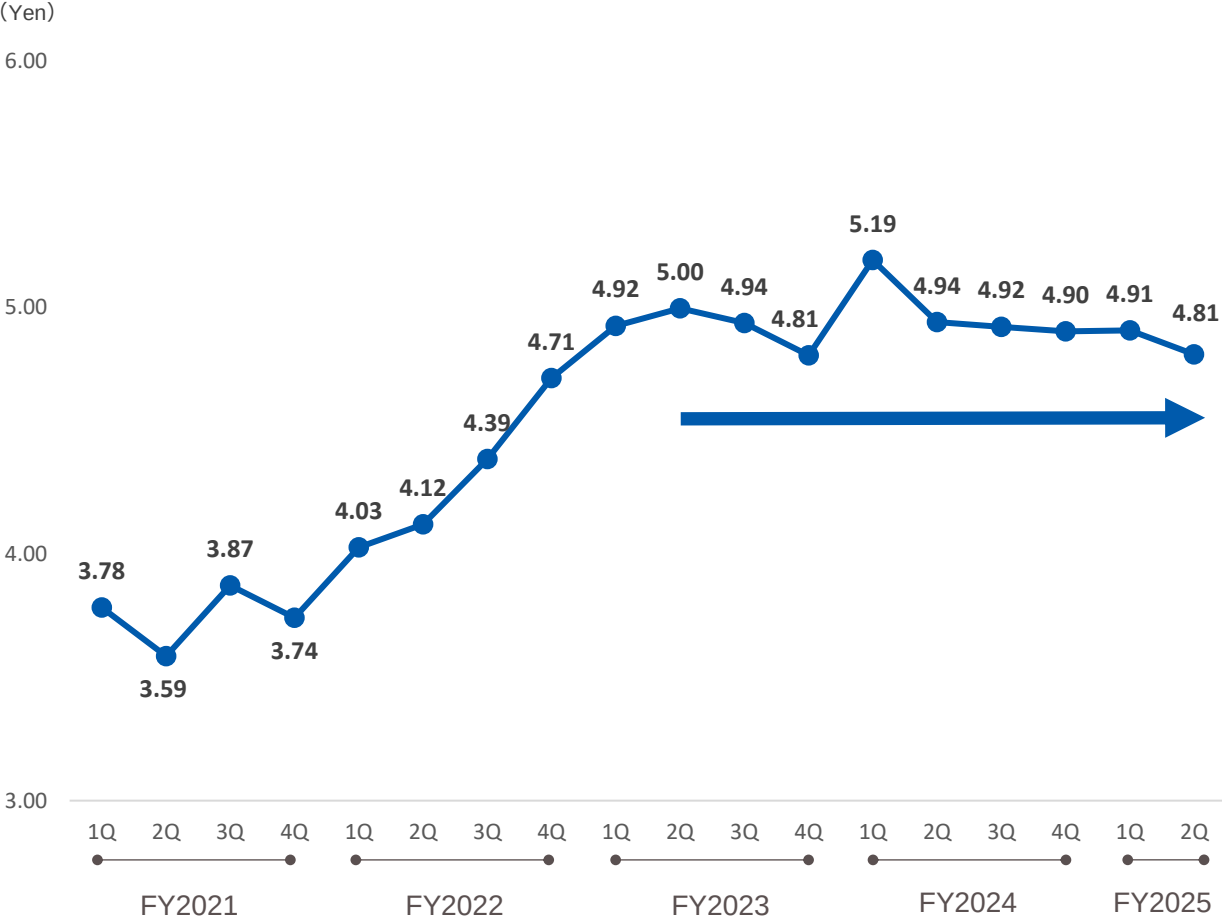
Fee	Content	Revenue Model
Processing	It is a fee we charge toward monthly transaction volume based on the rate per transaction	• TRX Volume × Processing Fee ✓ Processing fee is about ¥3 per transaction
Roll paper	This is a sales of roll paper that is used with payment terminals at stores	• Number of Order × Price of Roll Paper ✓ The price range of roll paper is about ¥130 to ¥200.
Electronic receipt storage	Optional service to store vouchers electronically, sales to be billed based on the number of payment transactions subject to the contract	• Number of settlement processes subject to contract x unit processing fee ✓ Unit processing fee is about ¥1 per transaction

Spread	content	Revenue Model
Acquiring (Settlement agent)	We charge spread fee (α) towards clearing amount to merchants We received indicator rate (N) from acquirers, then we acquire merchants instead of acquirers with the new rate ($N + \alpha$ = merchant fee)	GMV of Agent Contract × Spread fee we charge (about 0.3~0.4%)

Fee ARPU (Fee revenue divided by Transaction volume)

■ Fee ARPU (Fee revenue divided by Transaction volume)

■ Composition of Fee ARPU

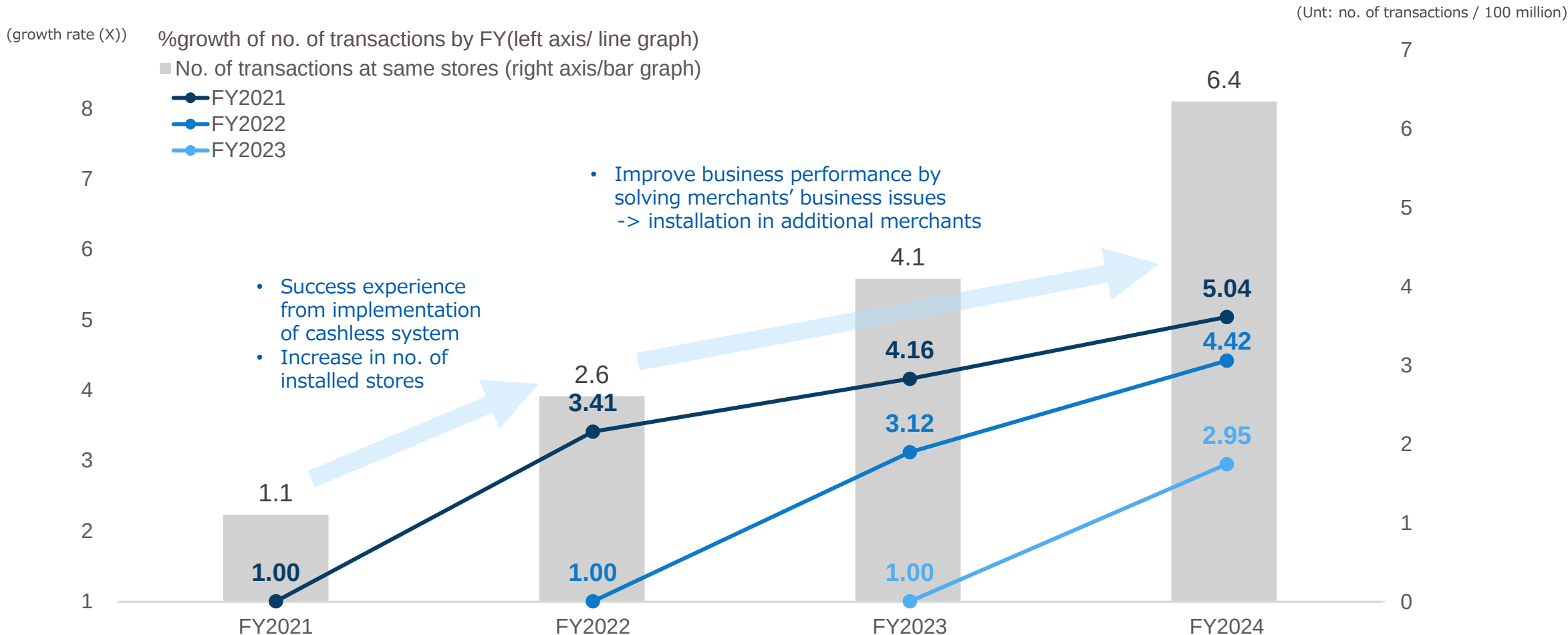


*Length is an image and does not reflect actual numbers or scale

Same-store (Merchant) Growth (Number of Transactions)

Payment activity at merchant merchants increases YoY
Accurately captured merchants needs which keeps merchants onto our payment platform

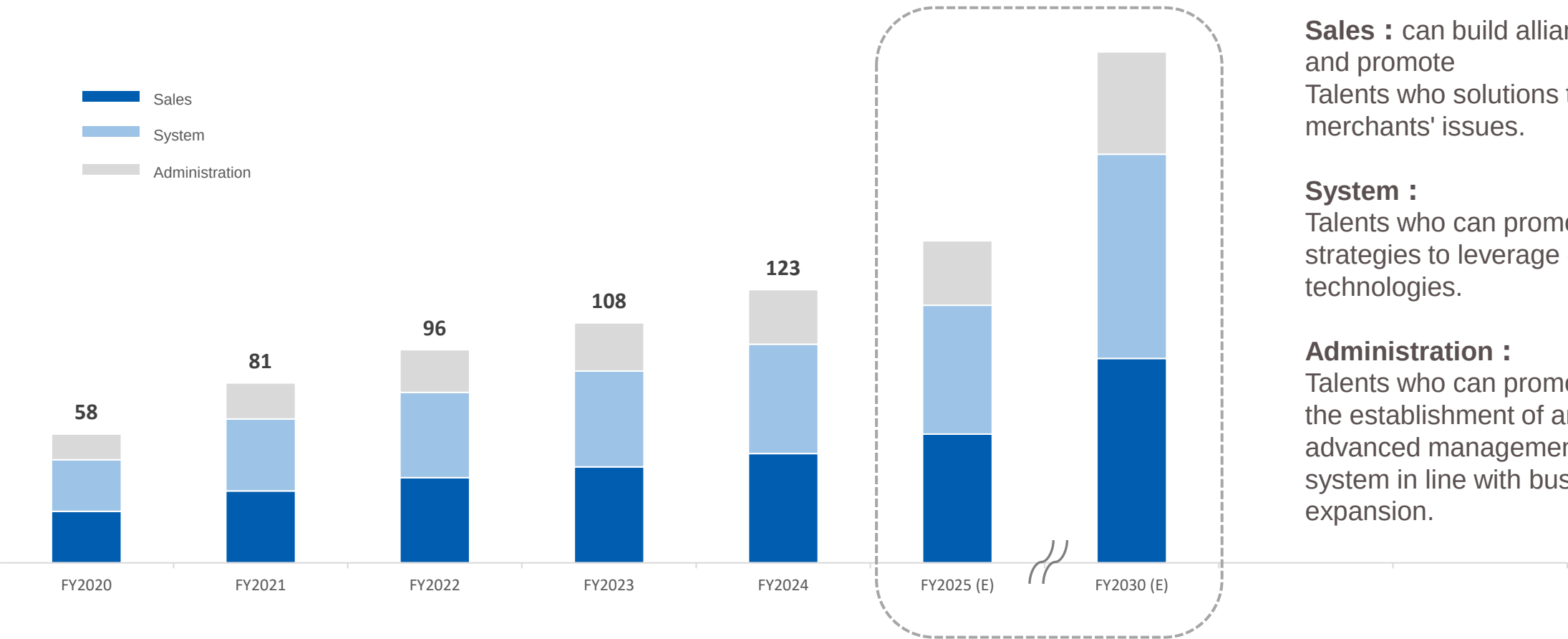
Same-store (Merchant) Growth (Number of Transactions)



Number of Employees(Consolidated basis)

Plans a net increase of 15 to 20 employees per fiscal year to achieve the management benchmarks.
Assumed composition of work force is approximately 40% sales, 40% systems, and 20% administration

Plan to hire 15-20 people (consolidated basis) each fiscal year Planned



Sales : can build alliances and promote Talents who solutions to merchants' issues.

System : Talents who can promote strategies to leverage digital technologies.

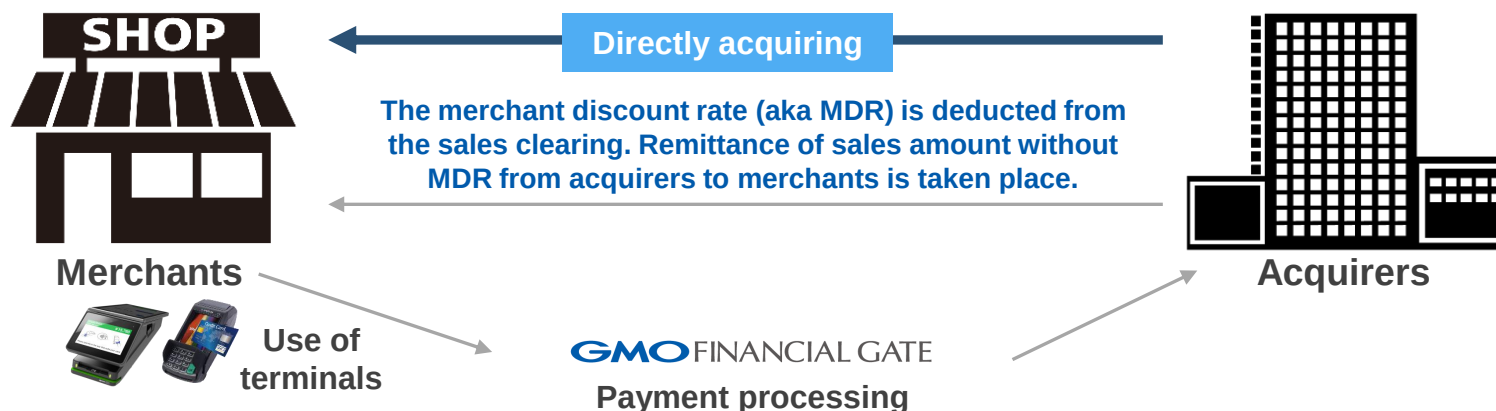
Administration : Talents who can promote the establishment of an advanced management system in line with business expansion.

Concept of Spread revenue ratio to GMV

Our total GMV is the sum of ① and ② below. Spread revenue is generated only in the case of ② Agent contract. Since ① also contributes significantly to GMV, the linkage between total GMV and Spread revenue tends to decline

1 Direct contract

Mainly large merchants



Enjoyable revenue

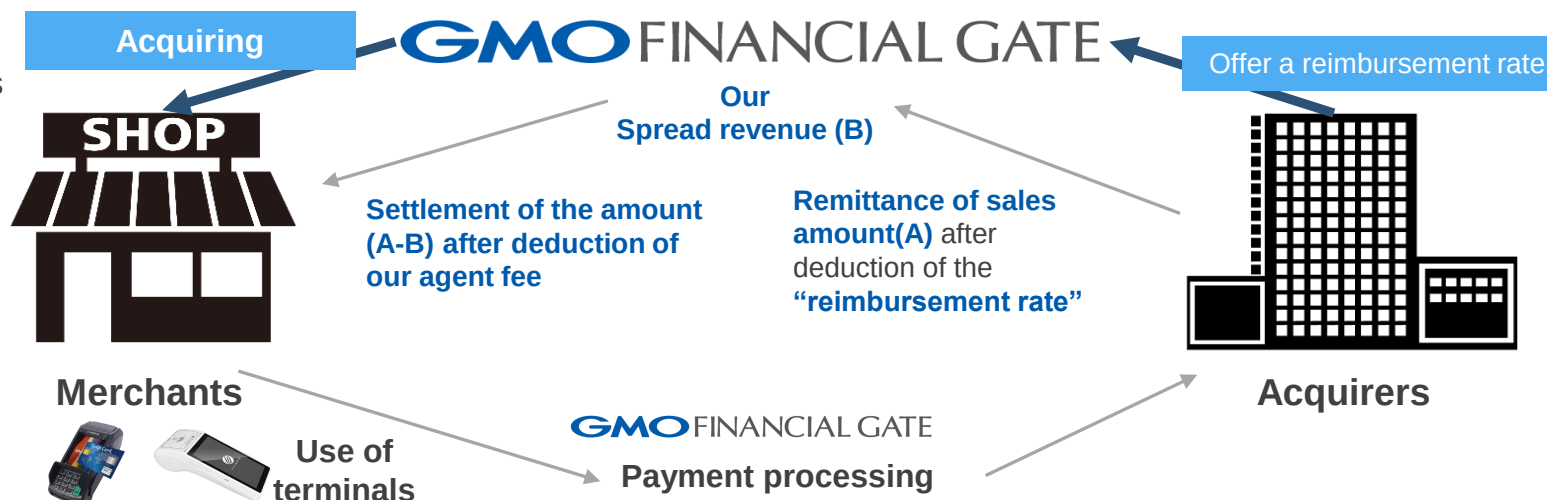
Initial

Stock

Fee

2 Agent contract

Mainly small medium merchants



Initial

Stock

Fee

Spread

Relationship between number of active IDs & stock revenue

Business Model

In addition to the increase in the number of active IDs, revenue opportunities for Stock revenue will increase, but the status of subscriptions to paid services will differ depending on the needs/demand of merchants

Payment Terminal Offering

Floor-Standing Model



Mobile Model



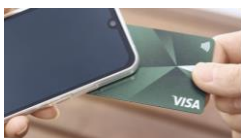
Embedded Model



POS Model



Terminal-less



Merchants (Acquisition opportunity image of Stock revenue)

- Stock Revenue
- ✕ Non-Stock Revenue



The status of subscriptions to paid services that contribute to recurring revenue varies depending on the type of merchants and terminals

Monetization by Payment Method

Business Model

We operate different business models according to payment method as a cashless platformer. Growth in each payment method contributes to our growth as well

		Flow model revenue		Recurring model revenue		
		① Initial	② Stock	③ Fee	④ Spread	
Credit • China Union Pay • J-debit	➔	○	○	○	○	
E-money	➔	○	○	○*	○	
QR code	➔	○	○	○*	○	
Point	➔	○	○	○*	—	
House point • House E-money	➔	○	○	○*	—	
Duty exemption	➔	○	○	○*	—	

*There is no "processing fee" that constitutes Fee revenue because the transaction is not processed at our processing center, but the paper rolls consumed in conjunction with the transaction contribute to the increase of Fee revenue.

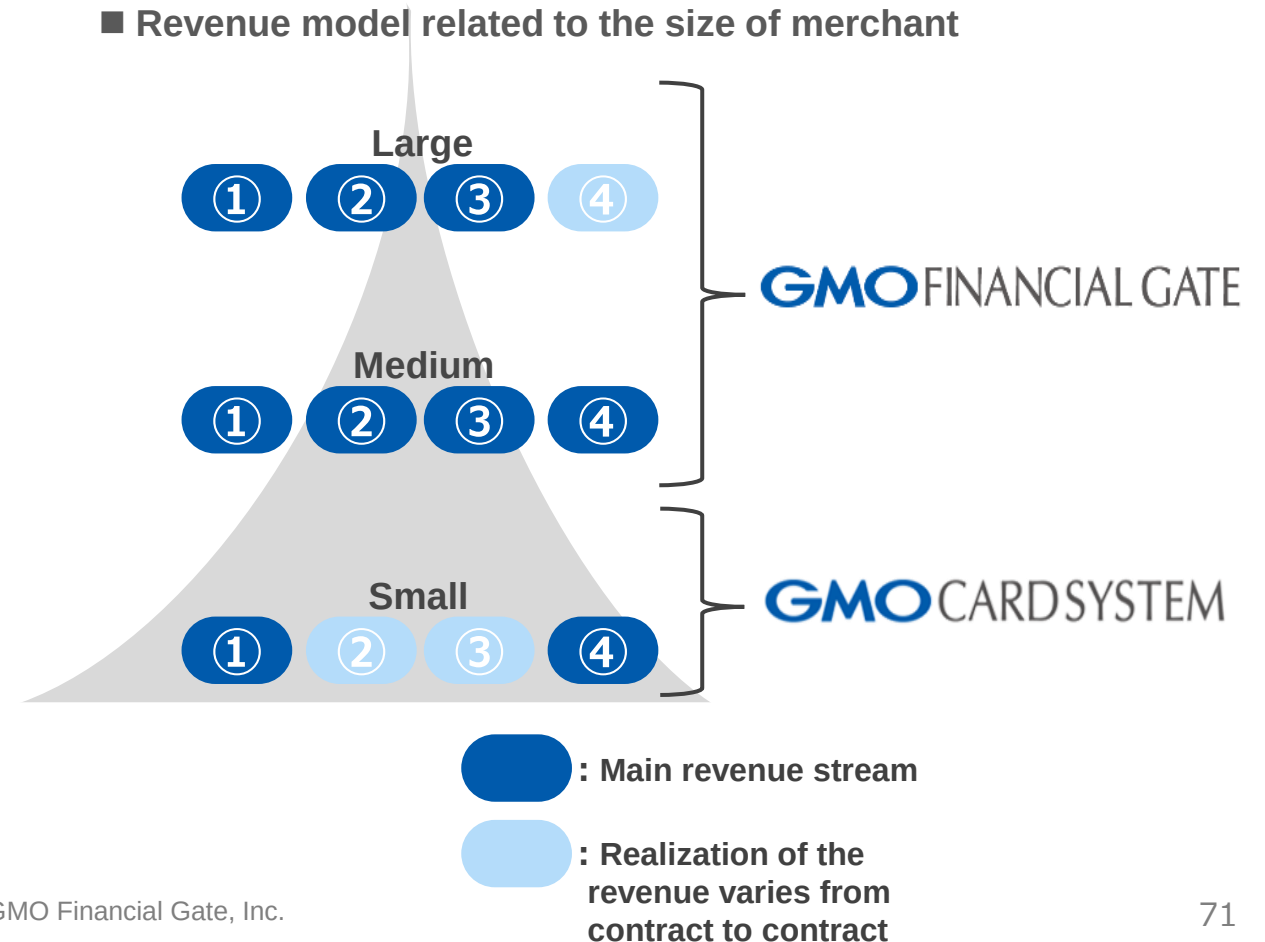
Revenue Model by Merchant Size

We mainly acquire medium- to large-sized merchants through alliances with major financial institutions.
We mainly acquire small merchants (=long tail segment) through our subsidiaries

■ Four types of revenue model

① Initial	Terminal sales, Software development, Initial registration fee, etc...
② Stock	Monthly recurring revenue, communication fee of terminals, etc...
③ Fee	Processing revenue related to TRX volume, Receipt paper sales, etc...
④ Spread	Commission fee based on TRX value

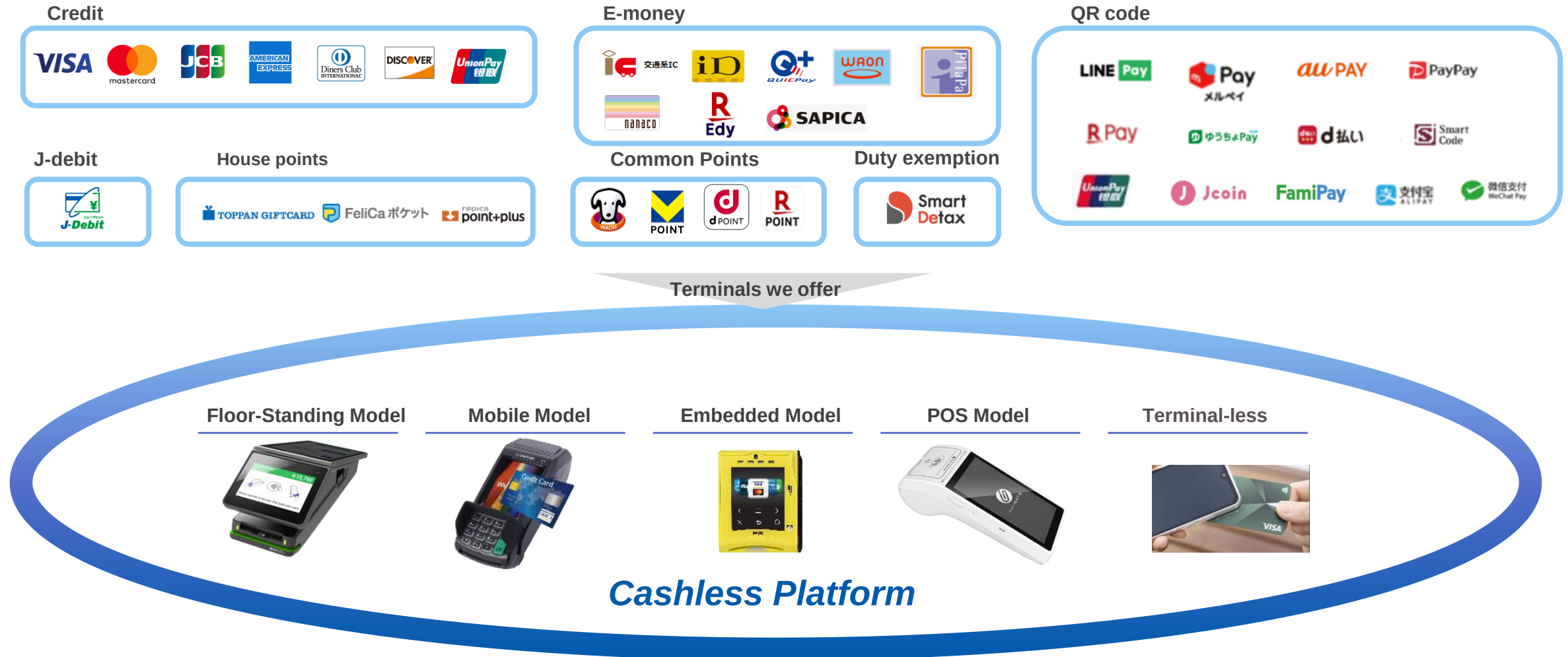
■ Revenue model related to the size of merchant



Medium-Term Strategy Acquiring major merchants by focusing on alliances

Business Model

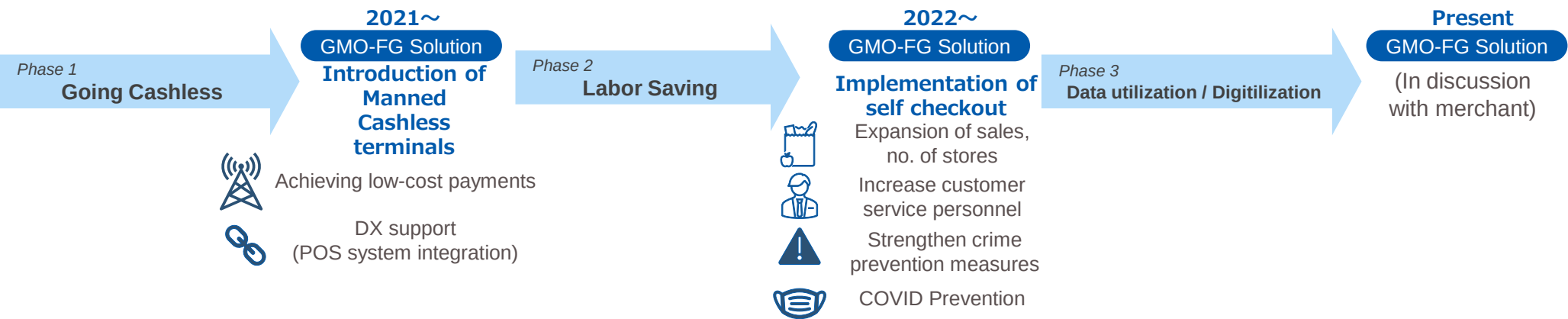
Meeting customer needs through enhanced credit payment functions and alliances with QR / points vendors



Win-Win Ecosystem Formation Case Study

Providing solution assets to solve merchant business issues
Forming a win-win ecosystem where merchant sales and our ARPU grow together

Solving Merchant Issues



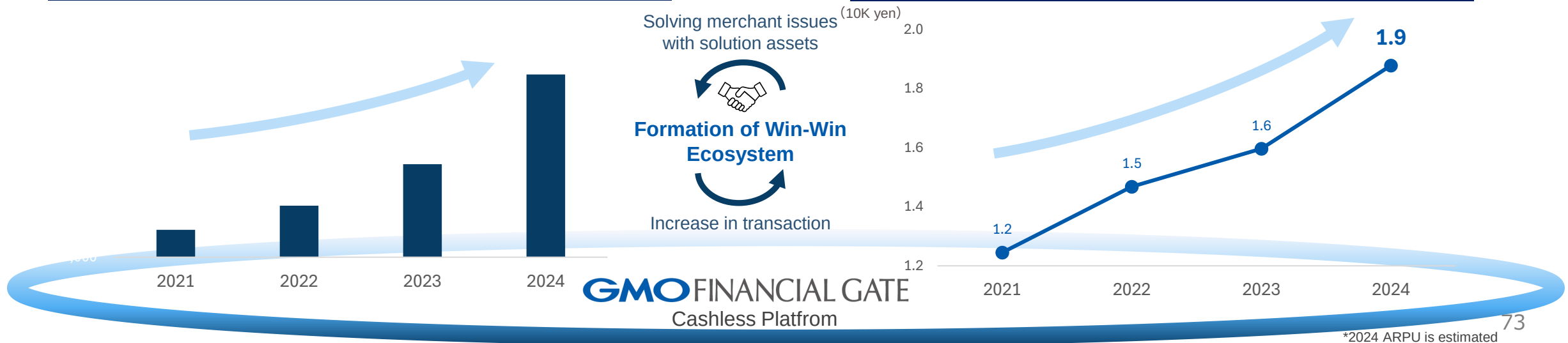
Formation of Win-Win Ecosystem

Merchant: Improve sales and profit through labor saving and higher efficiency

Increase ARPU by increasing active IDs

Revenue of Merchant Stores
(sales of merchant A)

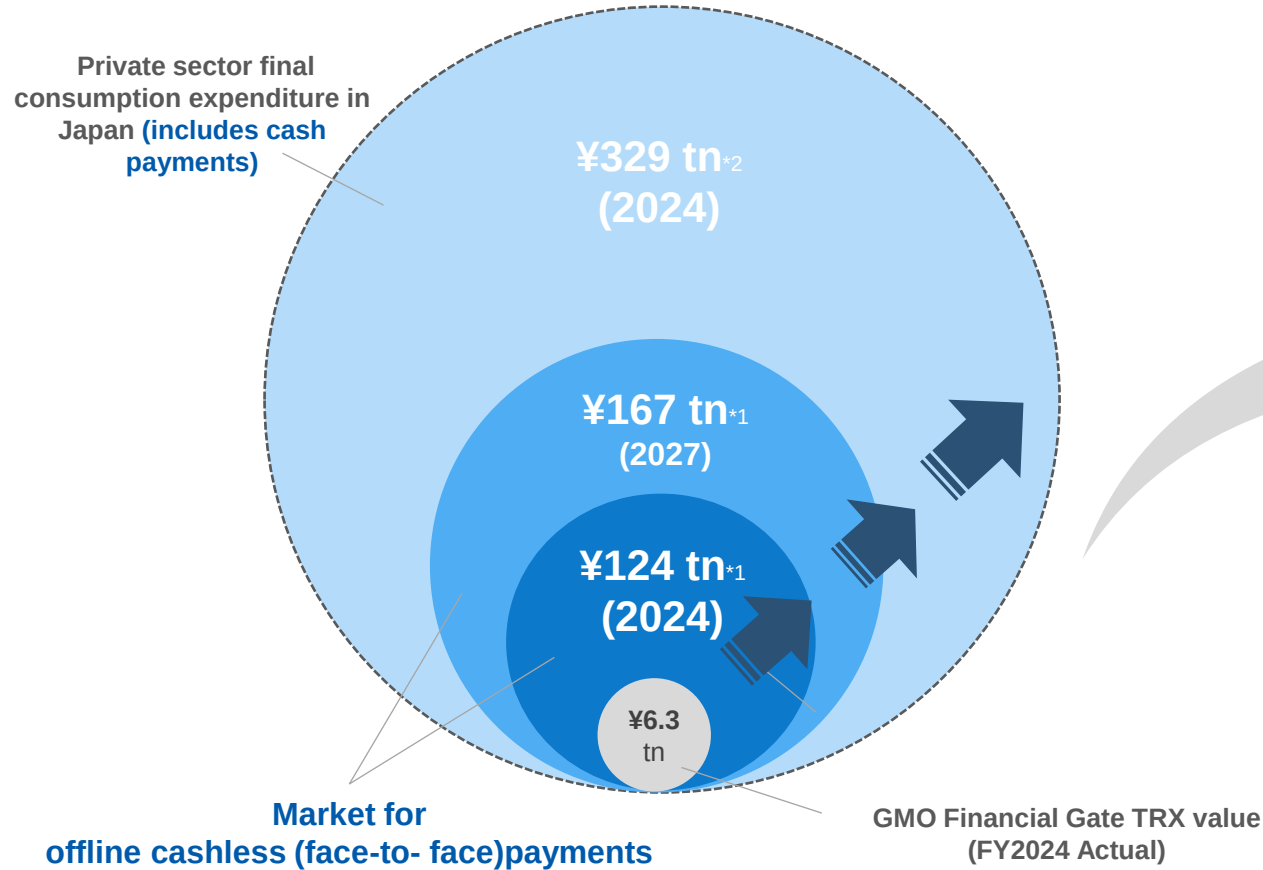
Our ARPU
(Recurring ARPU from merchant A)



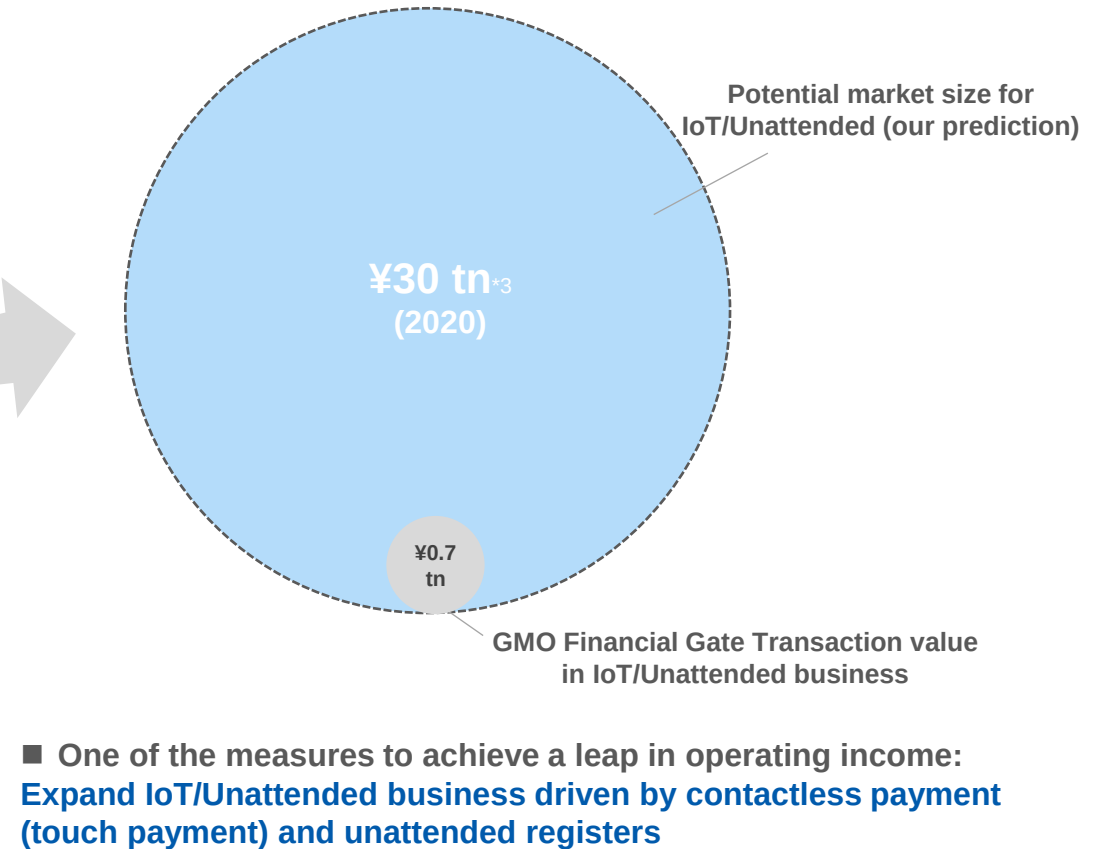
TAM (Total Addressable Market)

Transaction Value of cashless (face-to-face) payment is expanding rapidly, as the value of IoT / Unattended

■ Offline Transaction value in Japan



■ Potential market value of IoT/Unattended



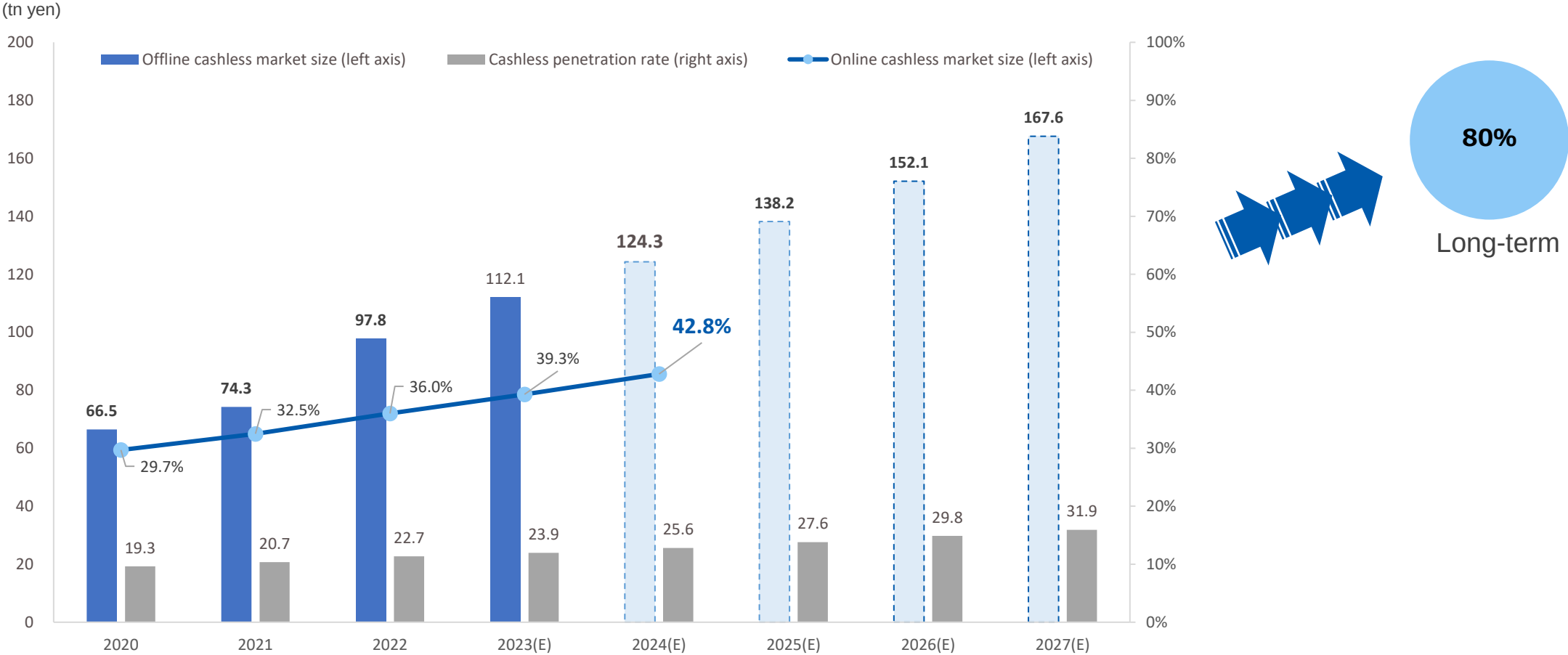
(^{*1}) "2024 Edition: Actual Status and Future Forecast of the Cashless Payment Market in Japan" and "2024 Edition: Current Status and Future Forecast of Online Payment Service Providers" Yano Research Institute Ltd.

(^{*2}) "Composition of Final Consumption Expenditures by Household Type" the Cabinet Office.

(^{*3}) "Breakdown of Domestic Household Final Consumption Expenditure" by the Cabinet Office, Japan Vending Machine Manufacturers Association, and Japan Parking Business Association's "Survey on the Coin-operated (pay-by-the-hour) Automobile Parking Market," etc. The potential market size of unattended parking facilities is calculated based on the market size of buses/railways, hotels/inns, amusement, vending machines, and parking lots/EVs, which are the areas where IoT/Unattended is expected to grow in the future.

Growth trend of domestic offline cashless market

The market for offline cashless payments is currently ¥112 tn, five times larger than the online market. The cashless payment ratio has reached the government's target of 40%. We will continue to improve the environment to reach the long-term target of 80%.

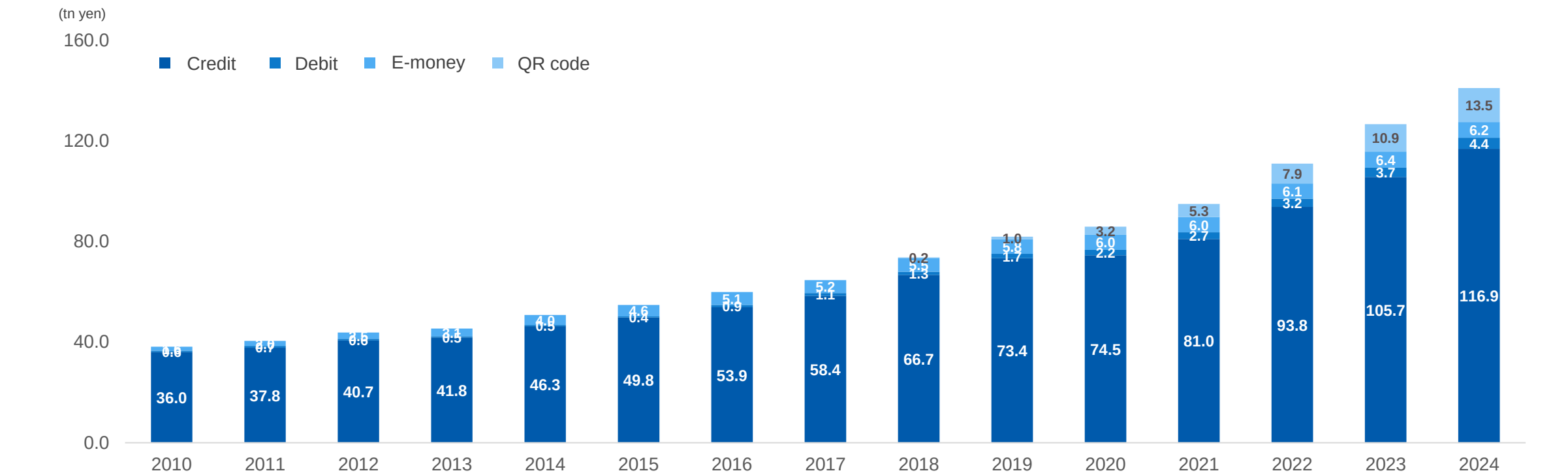


Source: Cashless payment ratio in 2023,METI
“2024 Edition: Actual Status and Future Forecast of the Cashless Payment Market in Japan ” Yano Research Institute Ltd
“2024 Edition: Current Status and Future Forecast of Online Payment Service Providers” Yano Research Institute Ltd.

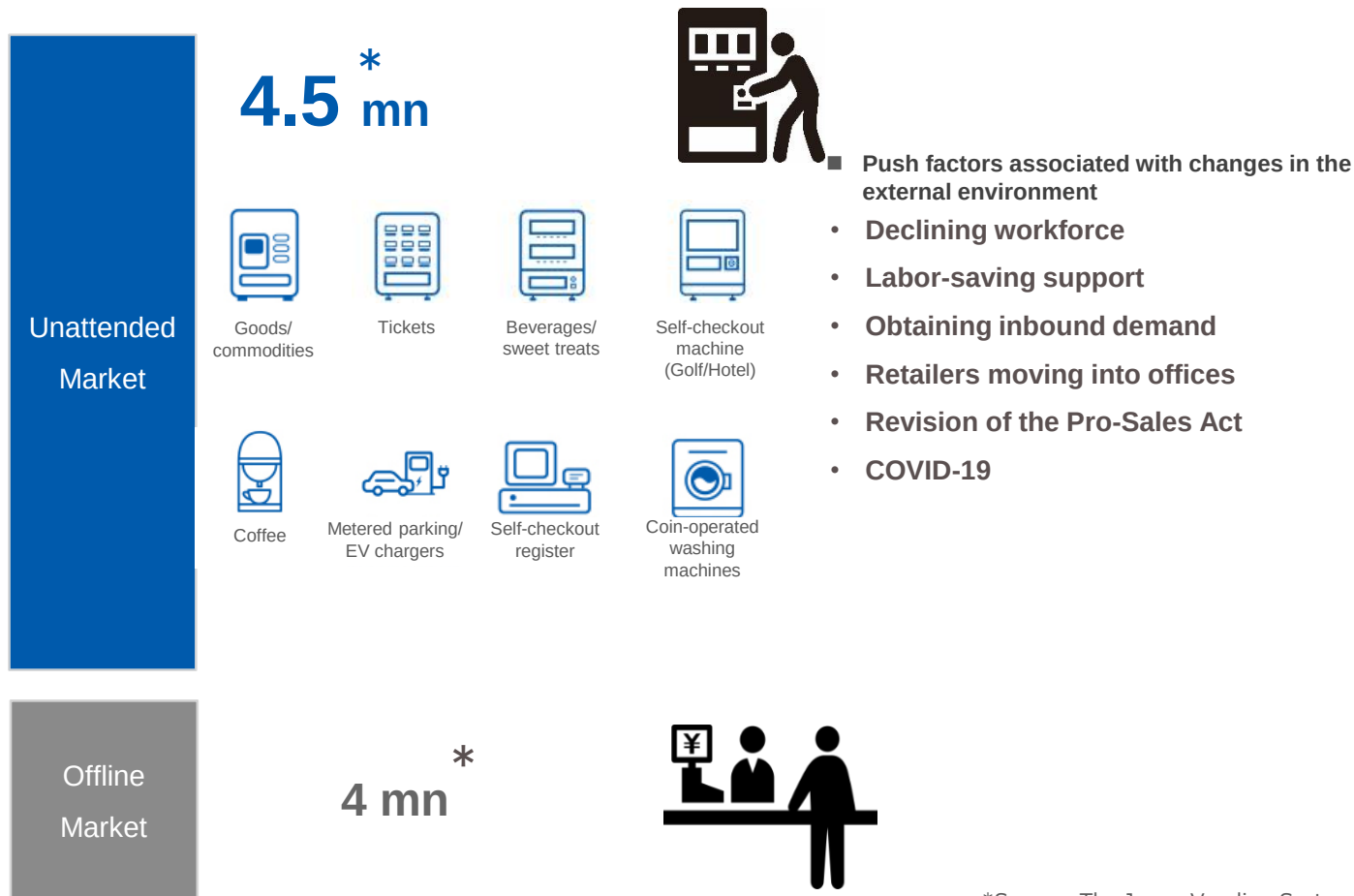
Composition Ratio of Domestic Cashless Payment Methods

Even in an environment of significant growth in the proportion of QR codes, transaction value of credit continue to grow

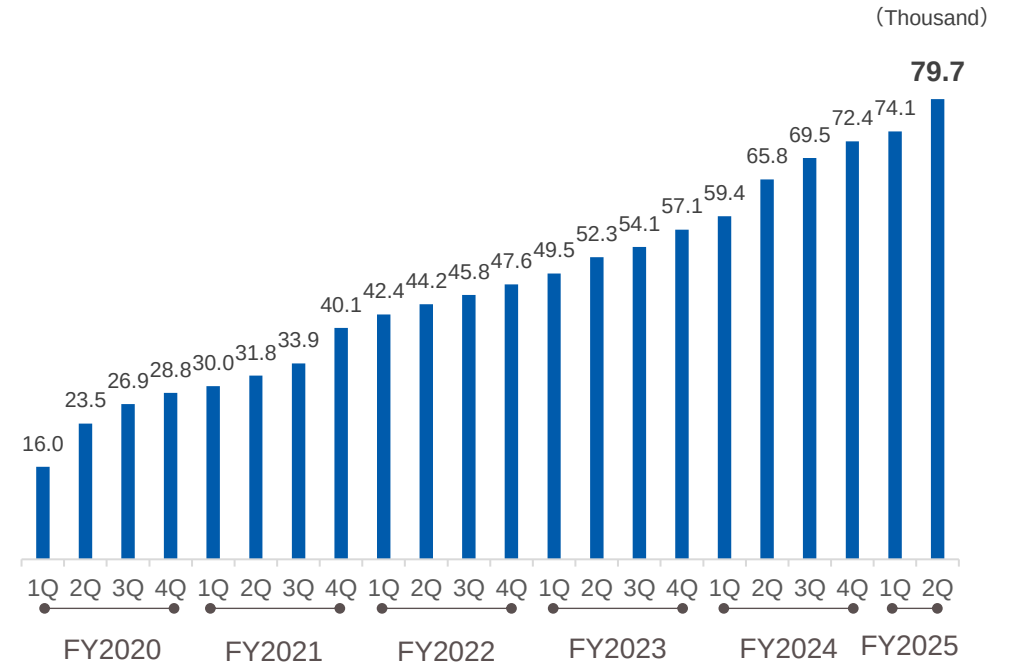
Transaction Value Composition ratio	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Credit	94.1%	93.5%	93.0%	92.0%	91.2%	90.8%	89.9%	90.2%	90.7%	89.7%	86.8%	85.3%	84.5%	83.5%	82.9%
Debit	1.7%	1.6%	1.3%	1.1%	0.9%	0.8%	1.5%	1.7%	1.8%	2.1%	2.5%	2.8%	2.9%	2.9%	3.1%
E-money	4.3%	4.9%	5.6%	6.9%	7.9%	8.5%	8.6%	8.0%	7.5%	7.0%	7.0%	6.3%	5.5%	5.1%	4.4%
QR code									0.2%	1.2%	3.7%	5.6%	7.1%	8.6%	9.6%



The number of terminals is expected to be equal to or greater than the market for payment terminals in real stores. Unattended market (= general term for vending/service machine market) is expected to expand further due to changes in the external environment such as a decrease in the working population



■ No of active IoT terminals

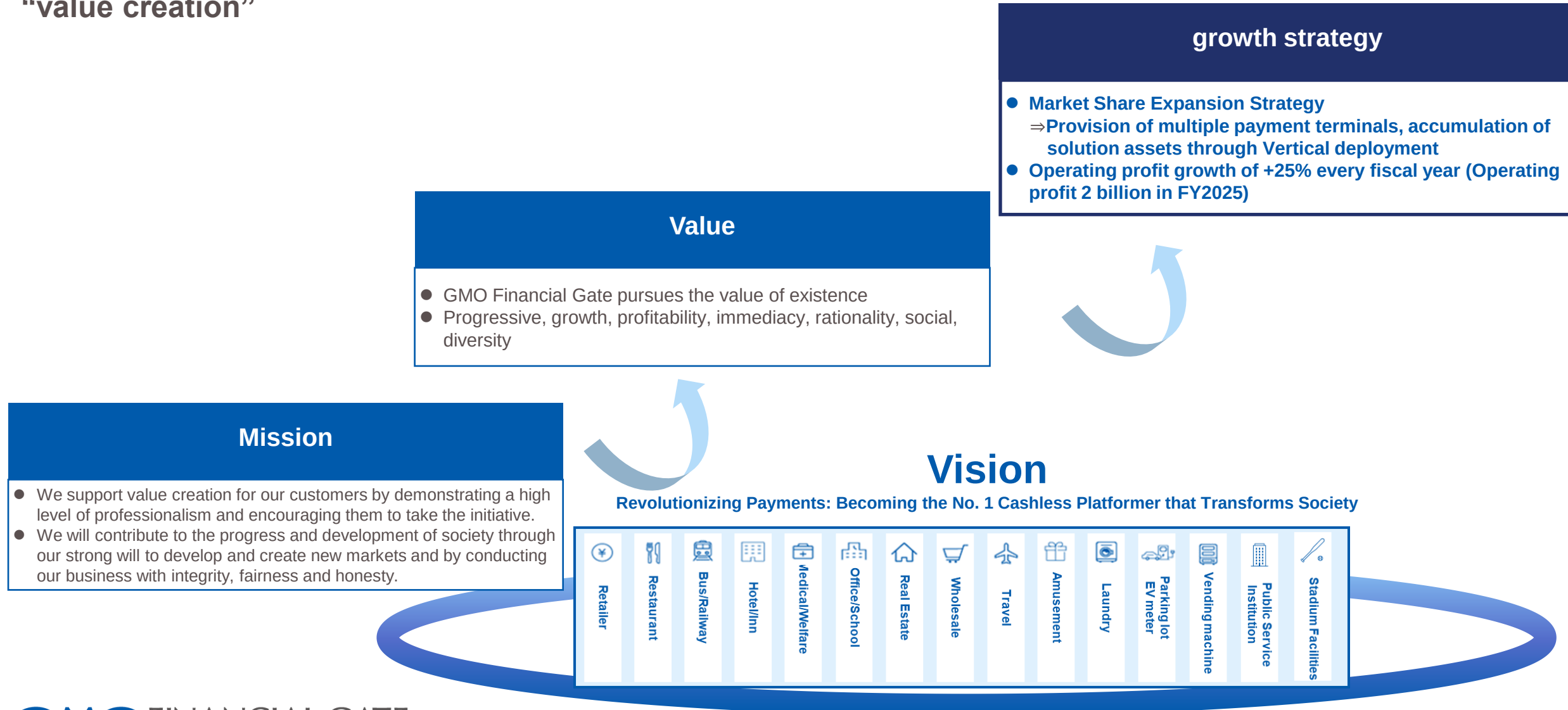


*Source: The Japan Vending System Manufacturers Association, Japan Ministry of Health Labor and Welfare, Yano Research Institute Ltd.

Our philosophy on growth strategies

Growth Strategy

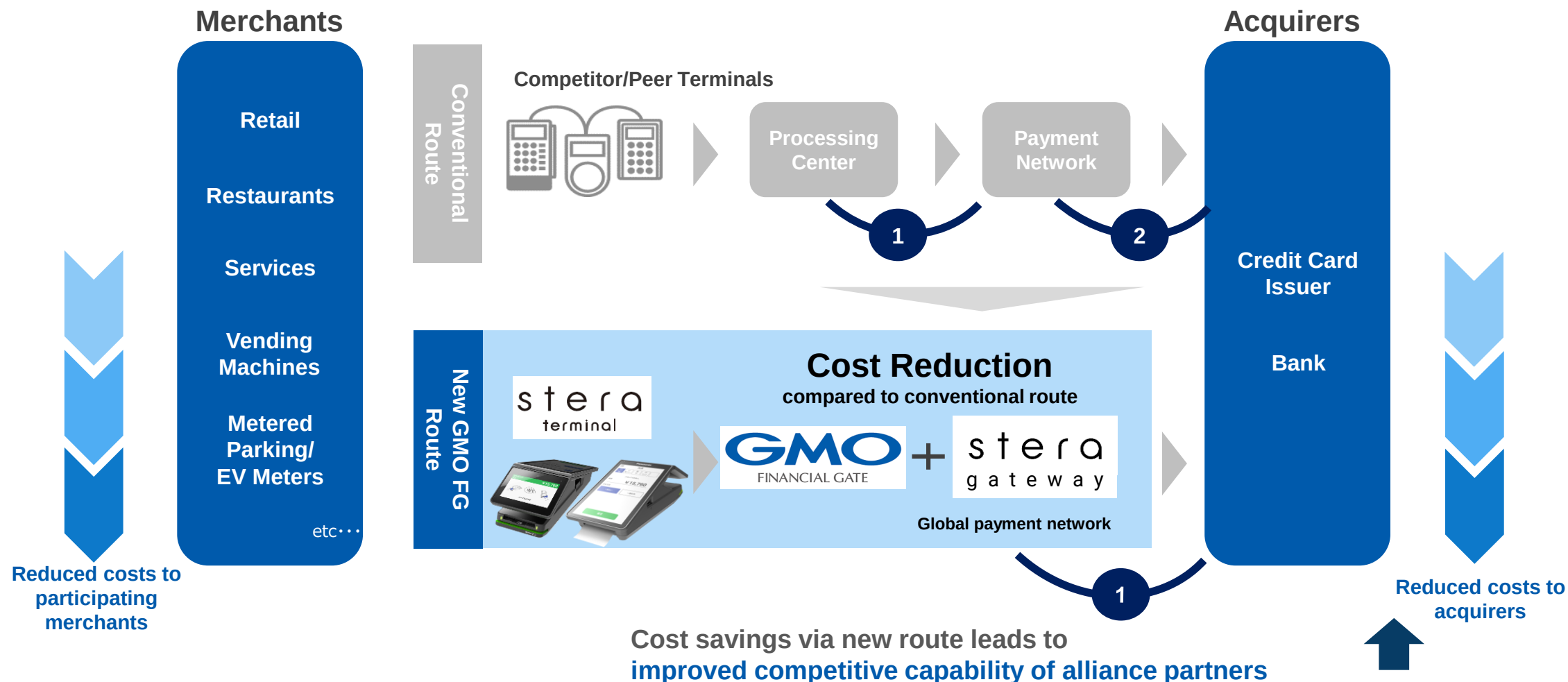
Our growth strategy is based on the perspective of "a payment platform that provides value to society as an infrastructure company supporting a cashless society". We develop growth strategies focusing on "value creation"



Strategy to Maximize Transaction Value

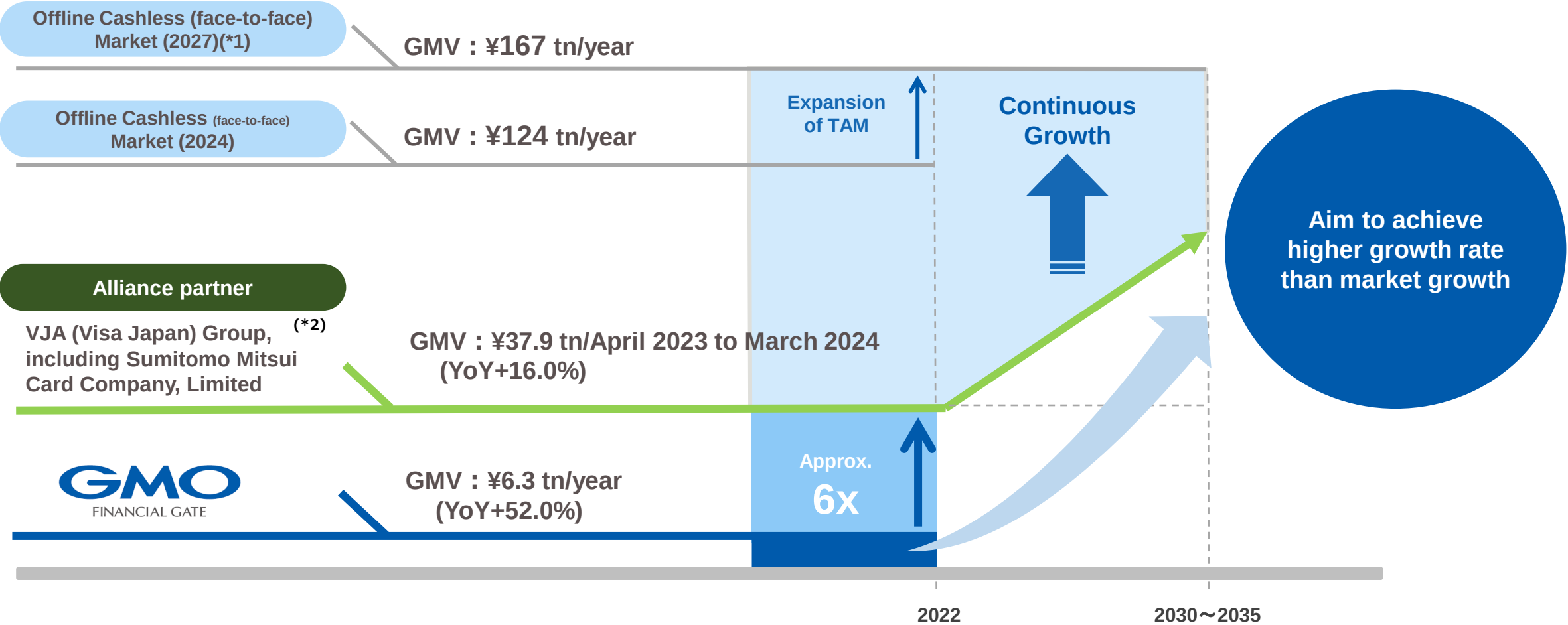
Growth Strategy

We created a new payment processing route with alliance partners. This route increases GMV, as the route reduces costs to participating merchants and acquirers



Strategy to Maximize Transaction Value

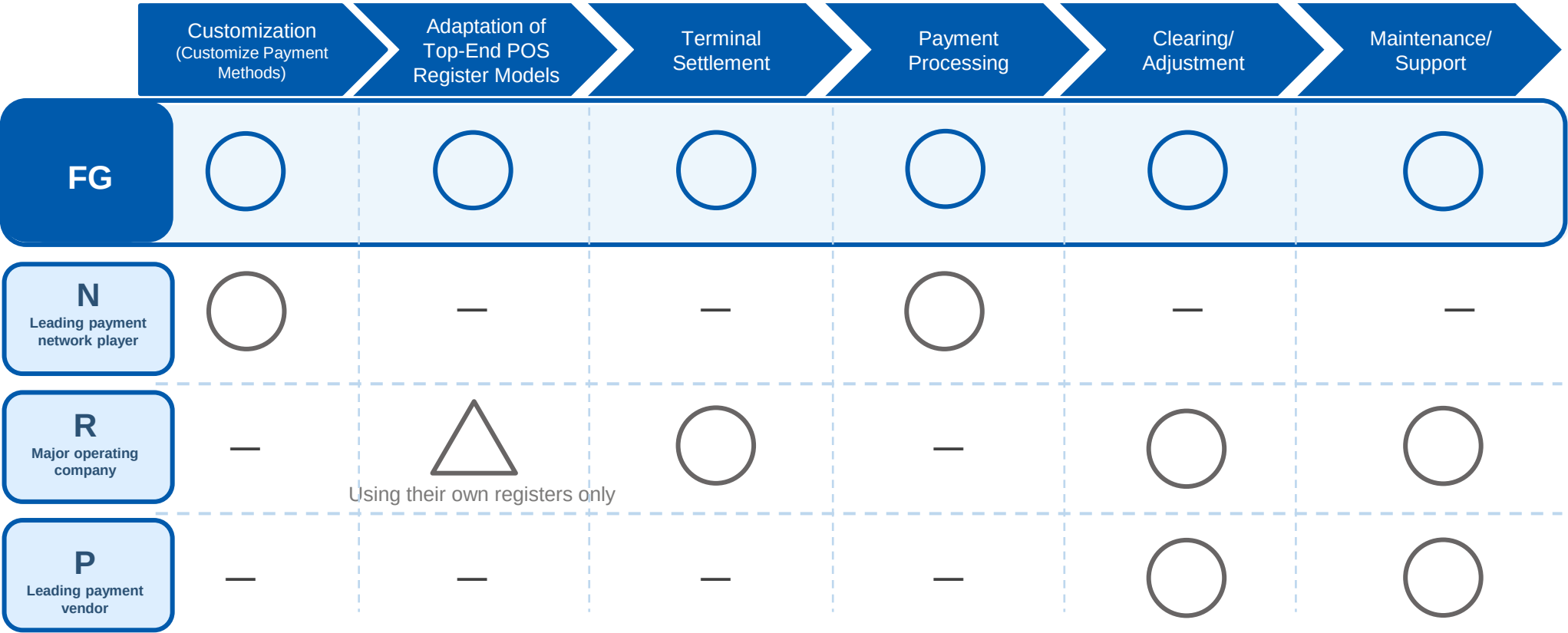
Due to cashless settlement penetration, TAM of our service scope has continuously expanded
New processing network alliance partner will contribute to GMV increase



(*) Source: "2024 Edition: Actual Status and Future Forecast of the Cashless Payment Market in Japan" and "2024 Edition: Current Status and Future Forecast of Online Payment Service Providers" Yano Research Institute Ltd.
(*) Source: VJA

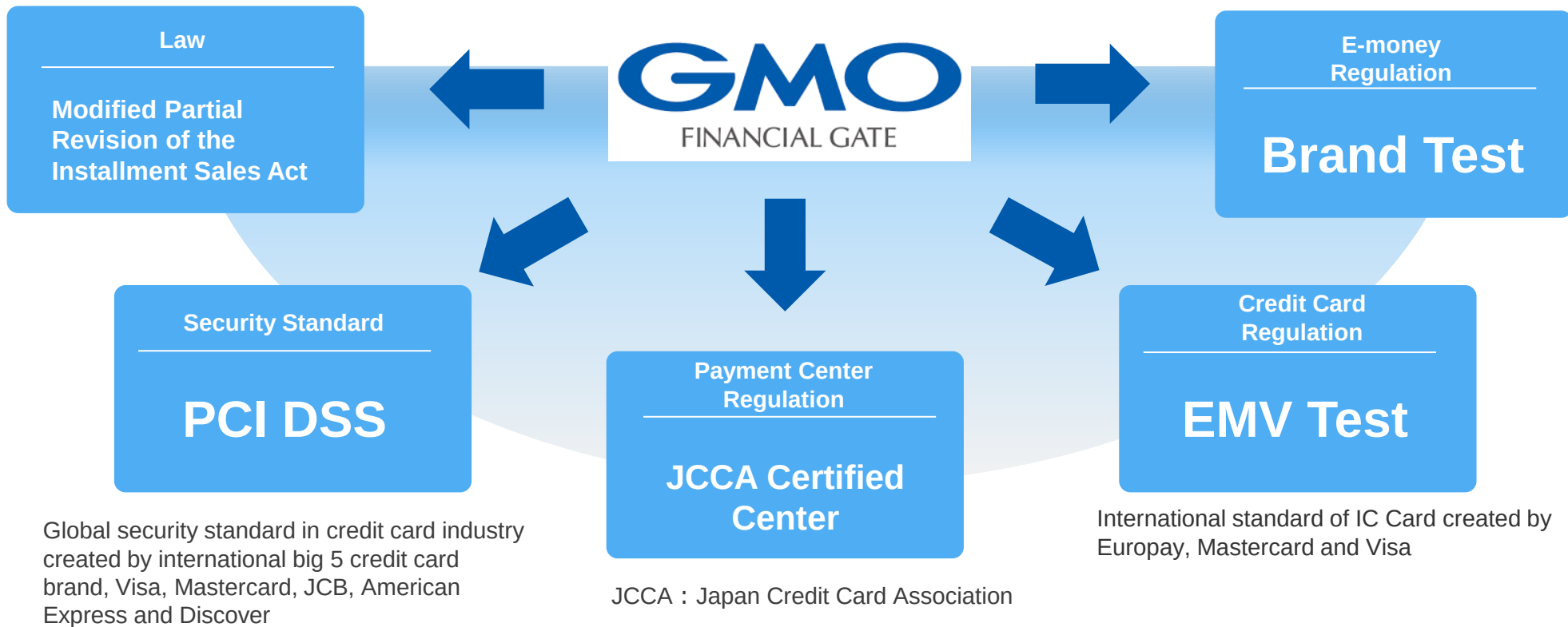
End-to-end solutions via one-stop platform allows us to create alliances with many players in the market

Solutions in Offline Payment Market

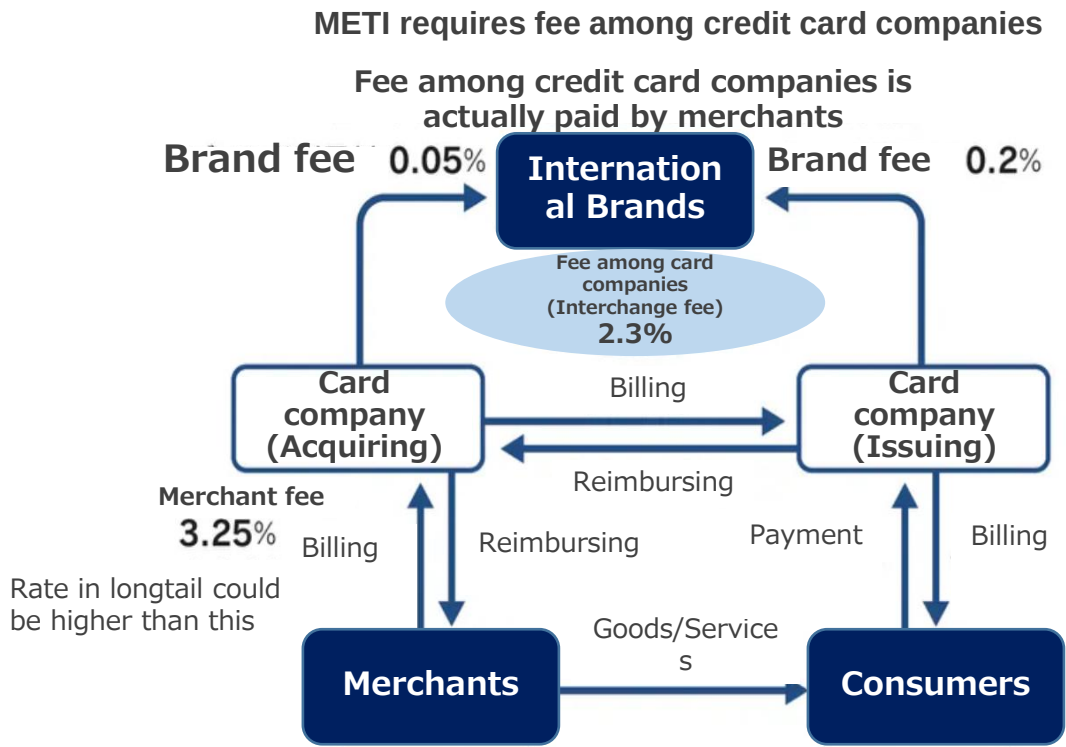


Barriers to Entry (Regulations to be Followed)

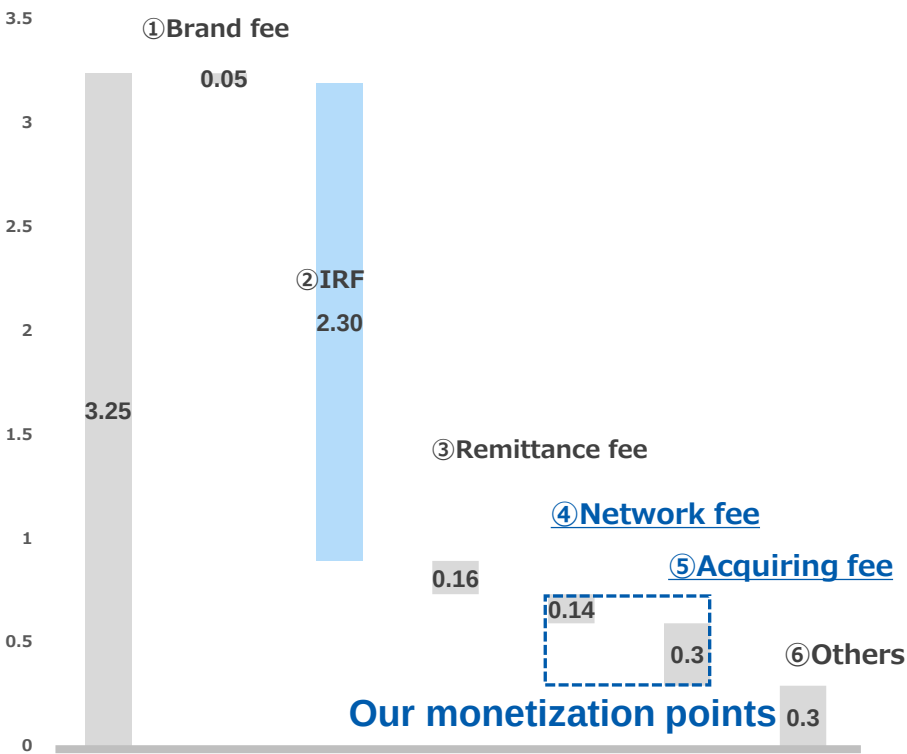
Many kinds of regulations exist in the face-to-face payment market depending on the payment method, and the number of regulations are increasing. As payment methods become more diversified, the barriers to entry become more challenging



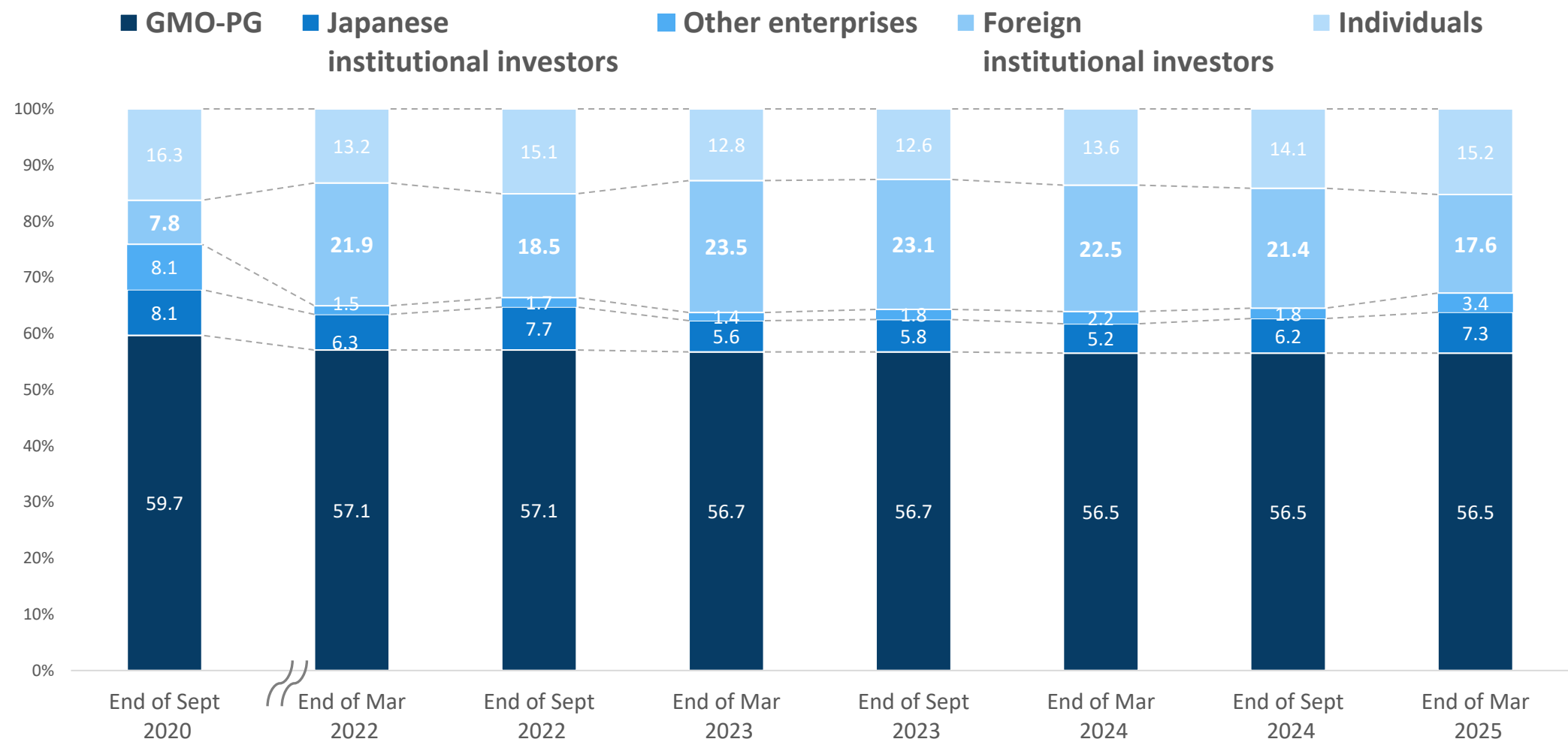
In response to a request from the Japan Fair Trade Commission, Visa, Mastercard, and UnionPay announced their intention to disclose their interchange fee rates by the end of November



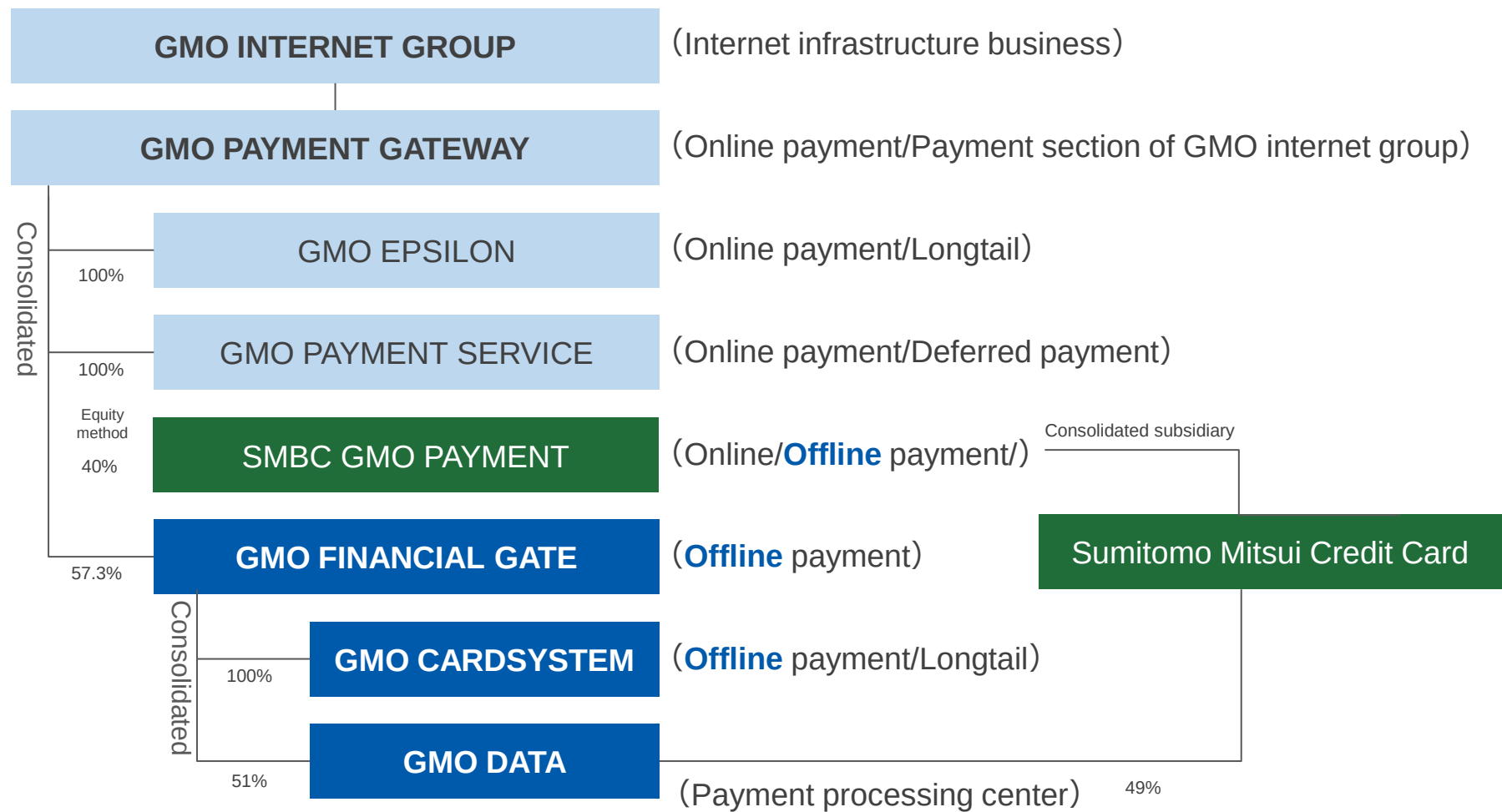
Breakdown of MDR
(model case : AOV ¥5K SME merchant)



Actively engaged in IR activities, including one-on-one meetings and participation in conferences hosted by securities companies. Ownership ratio of foreign institutions remains at a high level.



GMO-FG serves in offline face to face payment market as a consolidated subsidiary of GMO-PG



■ Company	GMO Financial Gate, Inc. (TSE Growth Ticker:4051)	
■ Foundation	September 1999	
■ Address	Humax Shibuya Building 7F, Shibuya Dogenzaka 1-14-6, Tokyo	
■ Stock Capital	¥1,638 mn(End of March 2025)	
■ Major Shareholder	GMO Payment Gateway, Inc.	
■ Board Member	Representative Director, President	Kentaro Sugiyama
	Director	Akio Aoyama (Solution Partner Division Executive Manager)
	Director	Tomonaga Fukuda (IT Platform Division Executive Manager)
	Director	Tomoki Tamai (Corporate Support Division Executive Manager)
	Director	Tatsuya Koide (GMO Payment Gateway, Inc. Chief Managing Executive Officer)
	External Director*	Nao Shimamura
	External Director*	Rie Asayama
	External Director*	Takayoshi Nagasawa
	External Director*	Satoru Ozawa
	*Audit and Supervisory Committee Member	

■ Auditing Firm	Ernst & Young ShinNihon LLC	
■ Subsidiary	GMO CARD SYSTEM, Inc.	shareholding ratio:100% 
	GMO DATA, Inc.	shareholding ratio: 51.0% (Mitsui Card Company, Limited:49.0%) 
■ Business	Cashless payment infrastructure service (credit card, debit card, e-money etc.)	



Floor-Standing Model



Mobile Model



Embedded Model



POS Model



Terminal-less

Reference

Site name	URL
GMO Financial Gate	https://gmo-fg.com/
IR	https://gmo-fg.com/ir/
Sustainability	https://gmo-fg.com/sustainability/
Recruitment information	https://gmo-fg.com/recruit/
GMO Financial Gate (English)	https://gmo-fg.com/en/
GMO Payment Gateway	https://www.gmo-pg.com/
Cashless Roadmap 2024	https://paymentsjapan.or.jp/publications/20241225_rm2024/
Selected Service Industry Current Statistics Survey	https://www.meti.go.jp/statistics/tyo/tokusabido/index.html
Cashless payment ratio in 2024	https://www.meti.go.jp/press/2024/03/20250331005/20250331005.html
Statistics of foreign visitors to Japan	https://www.jnto.go.jp/statistics/data/visitors-statistics/

Thank you

GMO FINANCIAL GATE

GMO Financial Gate, Inc.
(TSE Growth 4051)

IR web site URL <https://gmo-fg.com/en/index.html>