

Financial Results Briefing for Q1 FY2025

Recurring revenue is steadily expanding. New roadmap for OP income of 10 billion yen opens door into a new growth phase

February 13, 2025

GMO Financial Gate, Inc.

(Ticker:4051, TSE-Growth)

19th IR Presentation

GMO FINANCIAL GATE

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

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Main Agenda

- 1. Summary of Financial Results for Q1 FY2025**
- 2. KPI / Business Highlights**
- 3. Growth Strategy and Progress**

Supplemental Information

4. Financial Information, Investment and Shareholder Return Policies
5. ESG Initiatives (Details)
6. Appendix

Summary of Financial Results for Q1 FY2025

1.1 Q1 FY2025 Summary

Recurring sales are steadily expanding. Initial was affected by large projects in the previous fiscal year, as well as decrease due to growth in IDs which do not contribute to terminal sales. Profit at each stage is progressing ahead of schedule against full-year targets

● Q1 FY2025 Results P6

- Revenue: **¥4.58 bn (YoY+1.9%)** Progress towards 1H forecast **47.4%**、Progress towards full-year forecast **20.7%**
- Operating Profit: **¥0.82 bn (YoY+69.1%)** Progress towards 1H forecast **75.9%**、Progress towards full-year forecast **41.0%**

● Revenue Categories P8

- Initial Revenue: **¥2.56 bn (YoY▲12.0%)**
- Recurring-Model revenue: **¥2.01 bn (YoY+27.6%)**

● KPI P12-15

- Transaction Volume (Number of Transactions): **0.23 bn (YoY+44.3%)**
- GMV: **¥1.98 tn (YoY+36.4%)**
- Number of Active Terminals (Q4): **393 K (YoY+67K、YoY+20.6%)**

Business Topics

- Mid-term plan: Operating income of 10 billion yen in 2033 through “Core payment solutions” “merchant business DX”, and “support increased payment activity” P18
- Profit growth cycle: Set three KPIs to accelerate actions towards operating income of 10 billion yen P19
- Spread: Secured double-digit growth while reviewing merchant portfolio. Aim for YoY +15% growth P10

Organization Topics

- ESG: Developed a policy on human capital and disclosed on website. Aiming to improve corporate value through active investment in human resources P26

1.2 Summary of Financial Results

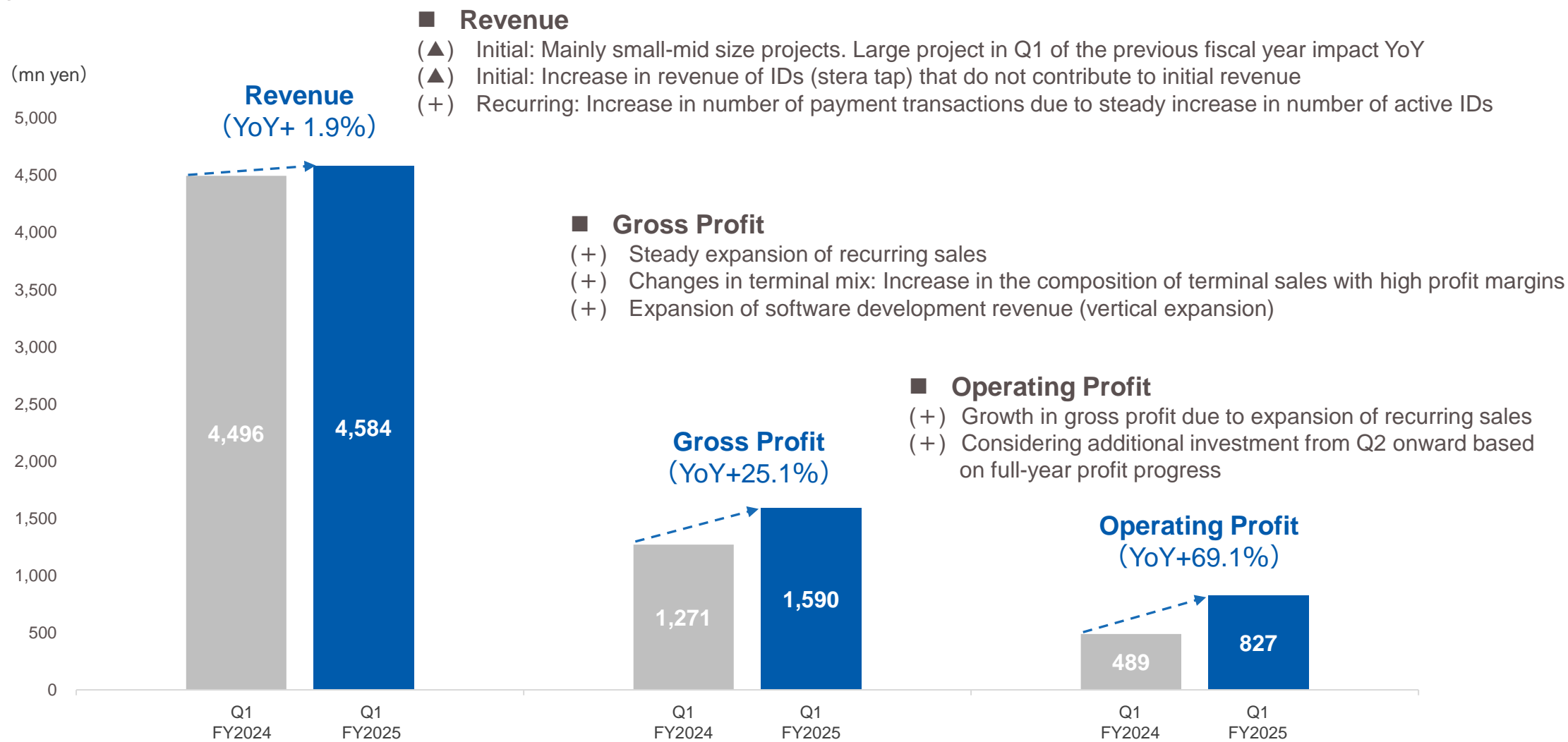
Financial results: Steady profit growth due to expansion of recurring-model sales

KPI: Payment volume and GMV steadily increased due to holiday sales season and inbound tourist demand

(mn yen)	Q1 FY2024	Q1 FY2025	YoY	Forecast FY2025 1 st half (Full-year)	Progress towards forecast
Revenue	4,496	4,584	+ 1.9%	9,677 (22,200)	47.4% (20.7%)
Gross profit	1,271	1,590	+25.1%	2,914 (6,498)	54.6% (24.5%)
Operating profit	489	827	+69.1%	1,090 (2,020)	75.9% (41.0%)
Profit before income taxes	486	829	+70.5%	1,081 (2,002)	76.7% (41.4%)
Profit attributable to owners of parent	317	602	+90.1%	677 (1,316)	89.0% (45.8%)
KPI (YoY)	Number of active terminal (Q1 FY2025 Only)		Transaction Volume (Q1 FY2025 Only)		Transaction Value (GMV) (Q1 FY2025 Only)
	393,379 (+20.6%)		c. 237.1mn (+44.3%)		c. ¥ 1,985bn (+36.4%)

1.3 Major Topics Regarding Financial Results

Although initial revenue decreased YoY due to large-scale projects in the previous year, gross profit steadily grew due to steady expansion of recurring revenue. Operating Profit grew, however, plan to actively invest from Q2 onward



1.4 Revenue by Business Model (YoY)

Initial: Despite impact from large-scale projects in the previous fiscal year, steady progress

Recurring-model: Driven by stock and fee, composition ratio of recurring-model revenue increases

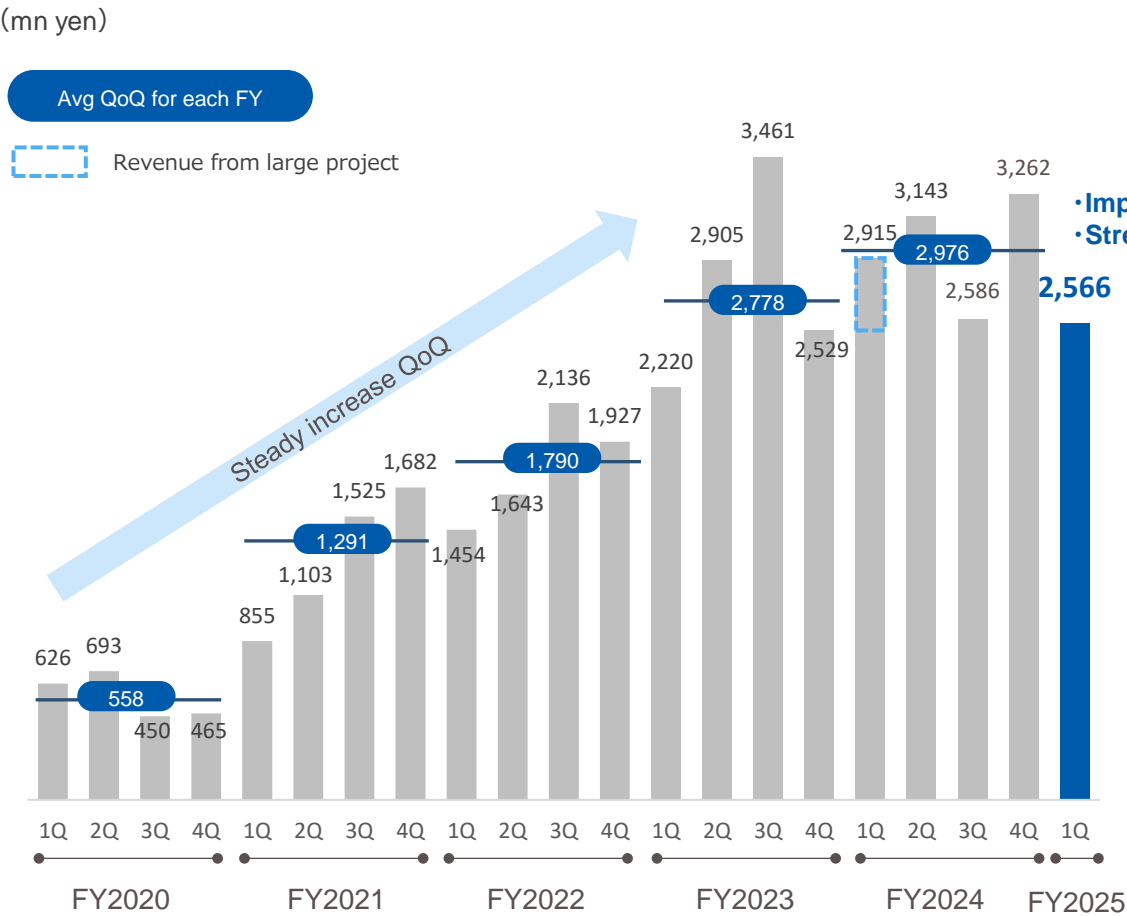
(mn yen)	Q1 FY2024 (Composition %)	Q1 FY2025 (Composition %)	YoY
Initial	2,915 (64.8%)	2,566 (56.0%)	▲ 12.0%
Recurring-Model	1,581 (35.2%)	2,017 (44.0%)	+27.6%
Stock	387 (8.6%)	476 (10.4%)	+23.0%
Fee	853 (19.0%)	1,163 (25.4%)	+36.4%
Spread	340 (7.6%)	377 (8.2%)	+10.8%
Total Revenue	4,496 (100.0%)	4,584 (100.0%)	+ 1.9%

1.5 Revenue by Business Model (Quarterly)

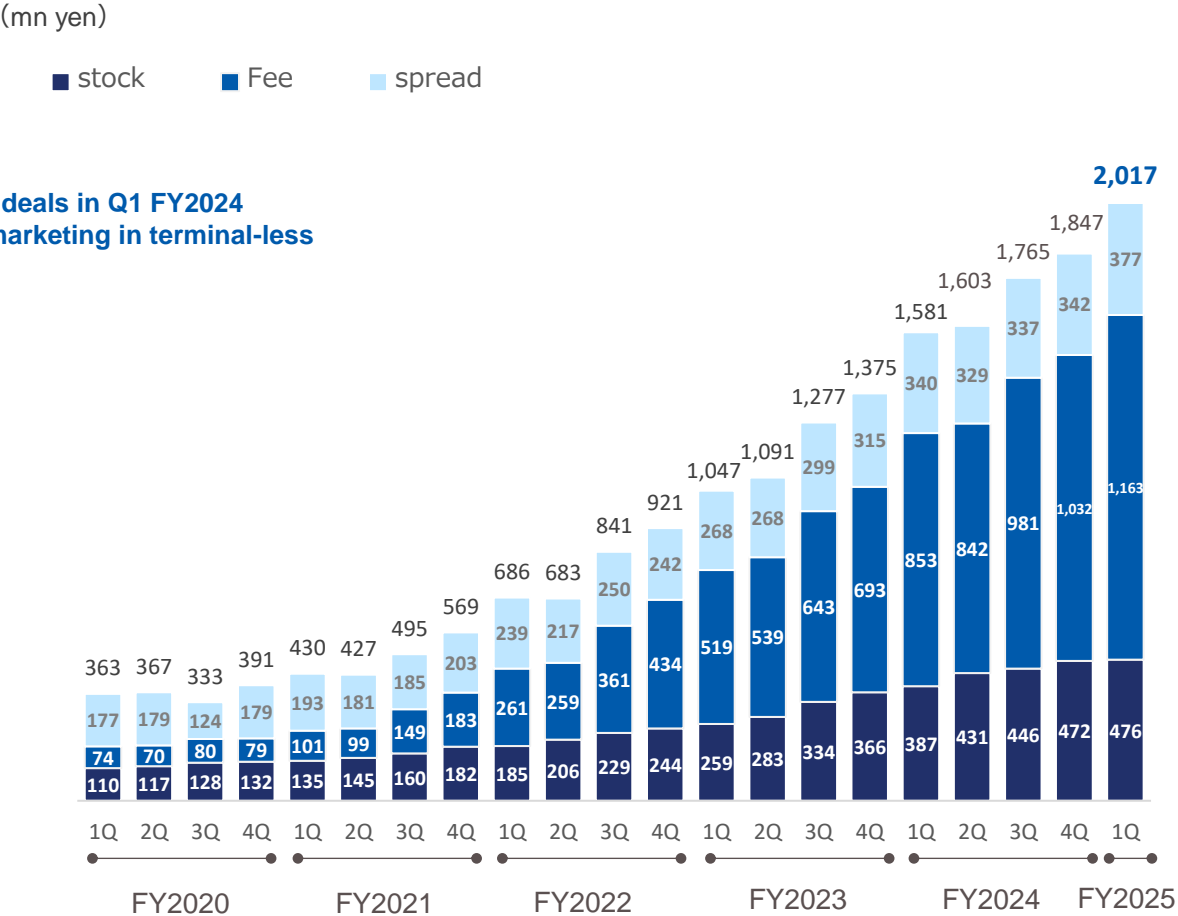
Initial: Initial revenue accumulated steadily from small and medium-sized projects

Recurring: Continued high growth as the number of active IDs increases

Initial Revenue



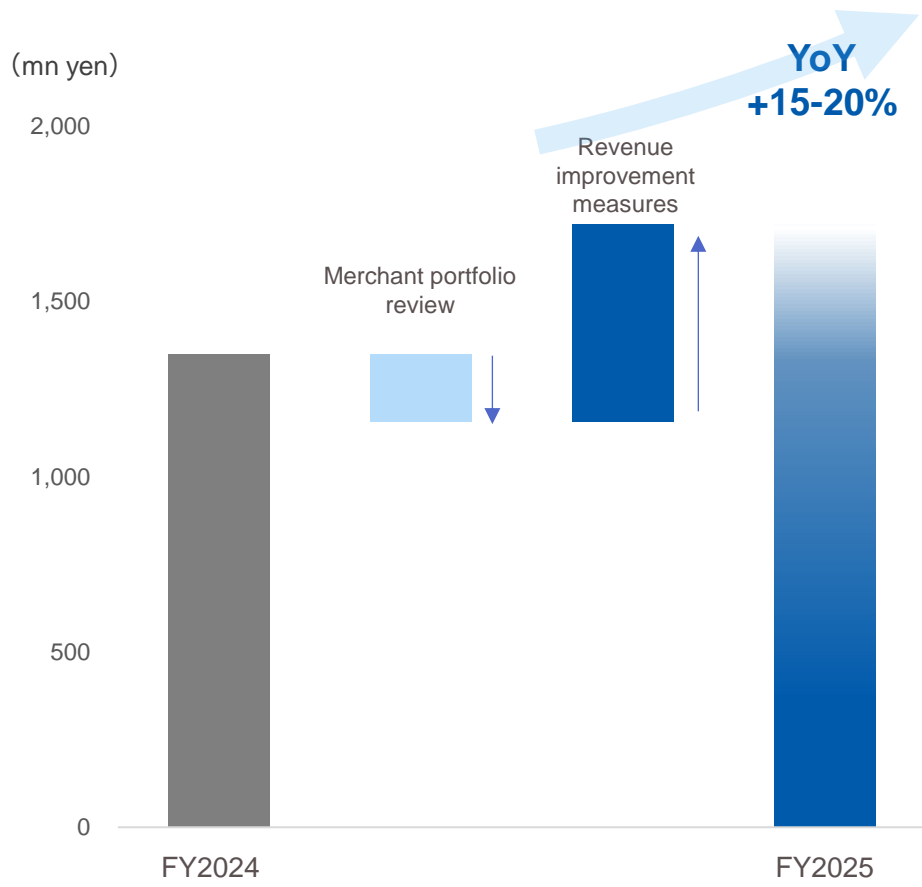
Recurring Revenue



1.6 Measures to improve spread revenue

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

FY2025 spread revenue (image)



Spread Revenue Improvement Measures

	Category	Details	Sales impact
New Merchants	Hotel/Travel	Developed new merchants using new cashless solutions	↑
	Apparel	Developed rapidly growing imported apparel brands	
	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	
	Amusement	Started Japan's first credit card payment function in a prize game	
Existing Merchants	Small-mid enterprises	Improving profitability by changing transaction conditions with acquirers	↑
	Coin parking	Improving the cashless ratio by expanding payment methods	

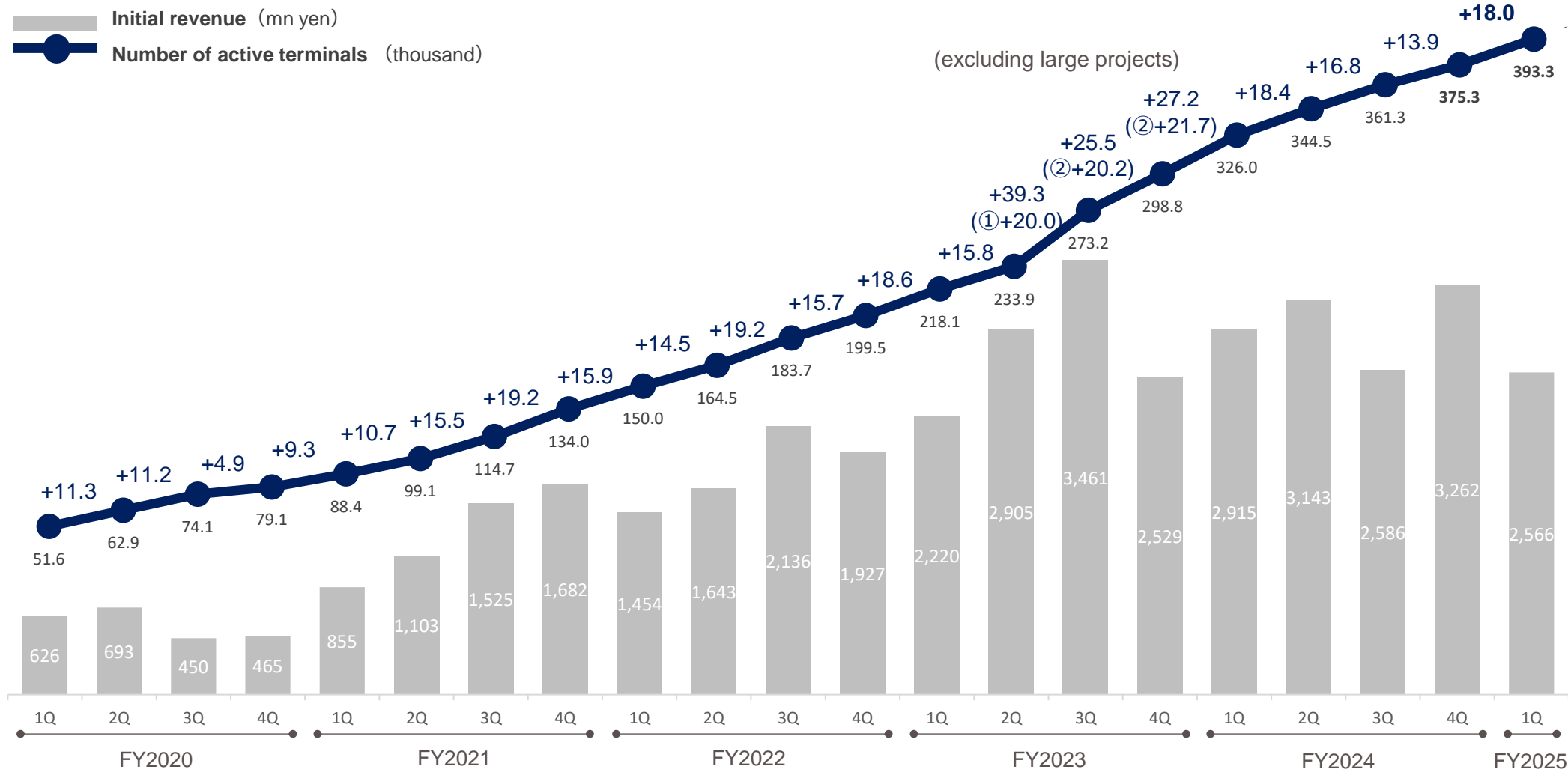
KPI / Business Highlights

2.1 Initial Revenue and No. of Active Terminals (Quarterly)

Active ID will see moderate growth due to delay of in-service of terminals for large merchants
Scheduled to catch up beyond Q2

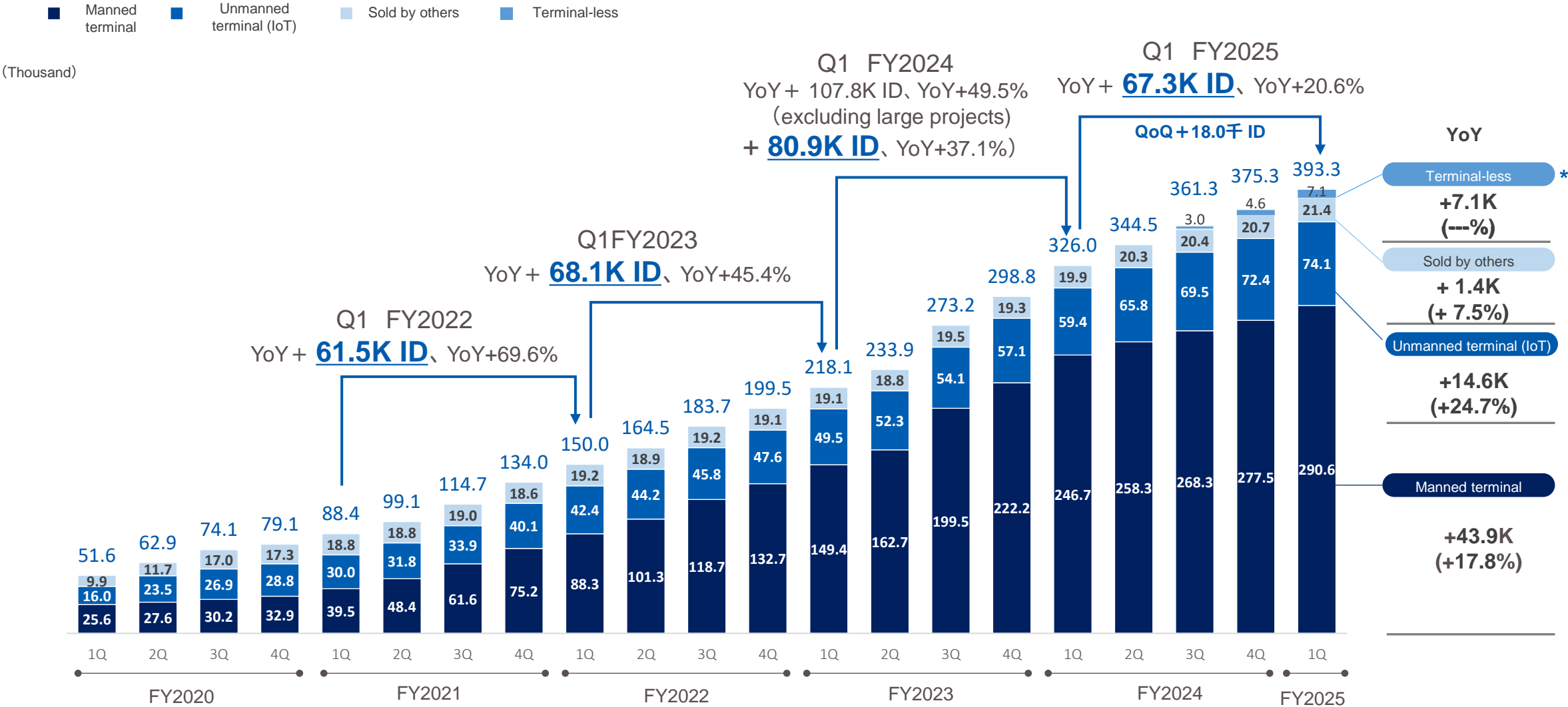
*Large number of active IDs expected to contribute beyond Q2

- Major drug-store
- Major everyday household goods store



2.2 Consolidated KPI (Number of active terminals)

The number of active IDs is steadily growing due to the accumulation of small and medium-sized projects

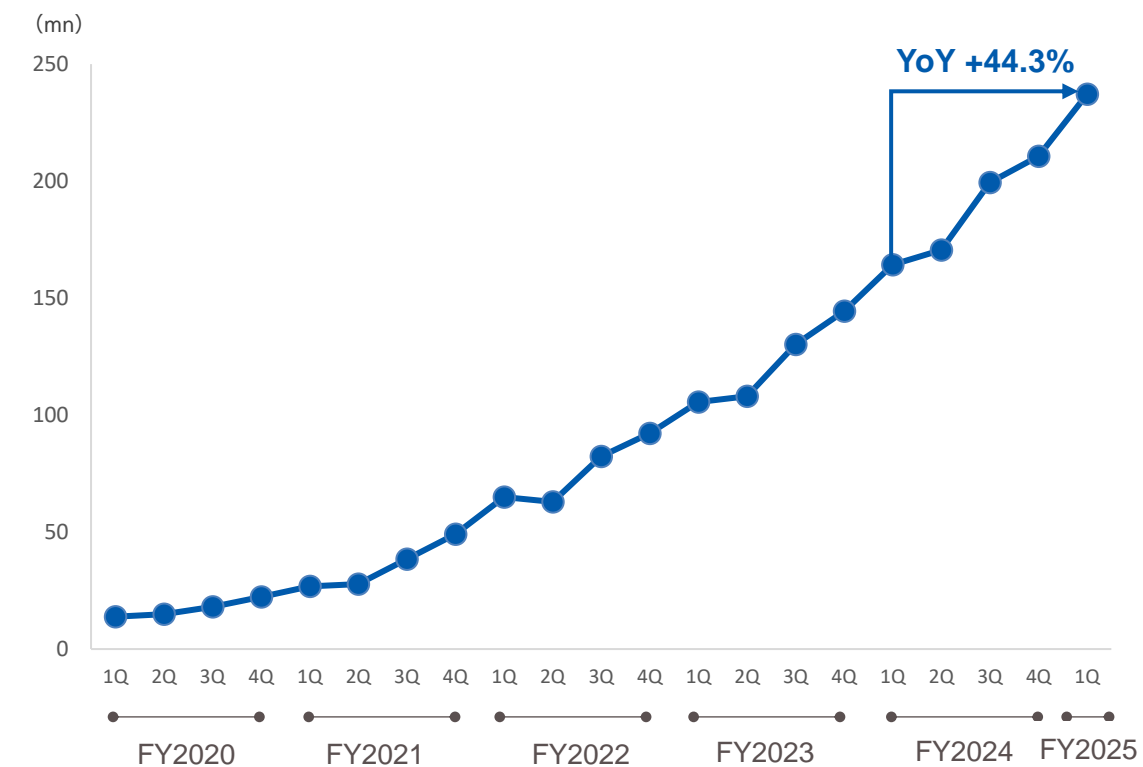


*due to launch of "stera tap", Terminal-less will be separated from "sold by others" from Q3 FY24

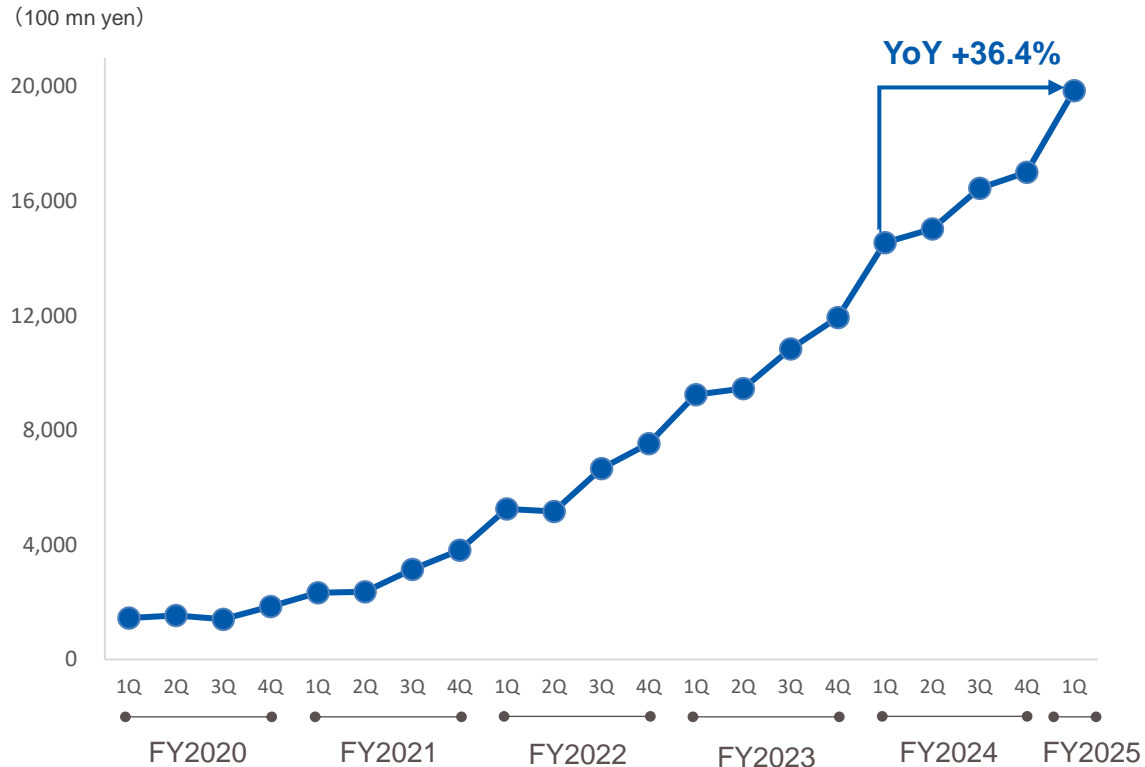
2.3 Consolidated KPI (Quarterly Transaction volume / GMV)

The percentage of merchants with a high proportion of small-value payments, such as 100yen shops and supermarkets, is increasing – number of transaction volume is outgrowing transaction value

Number of Transaction Volume



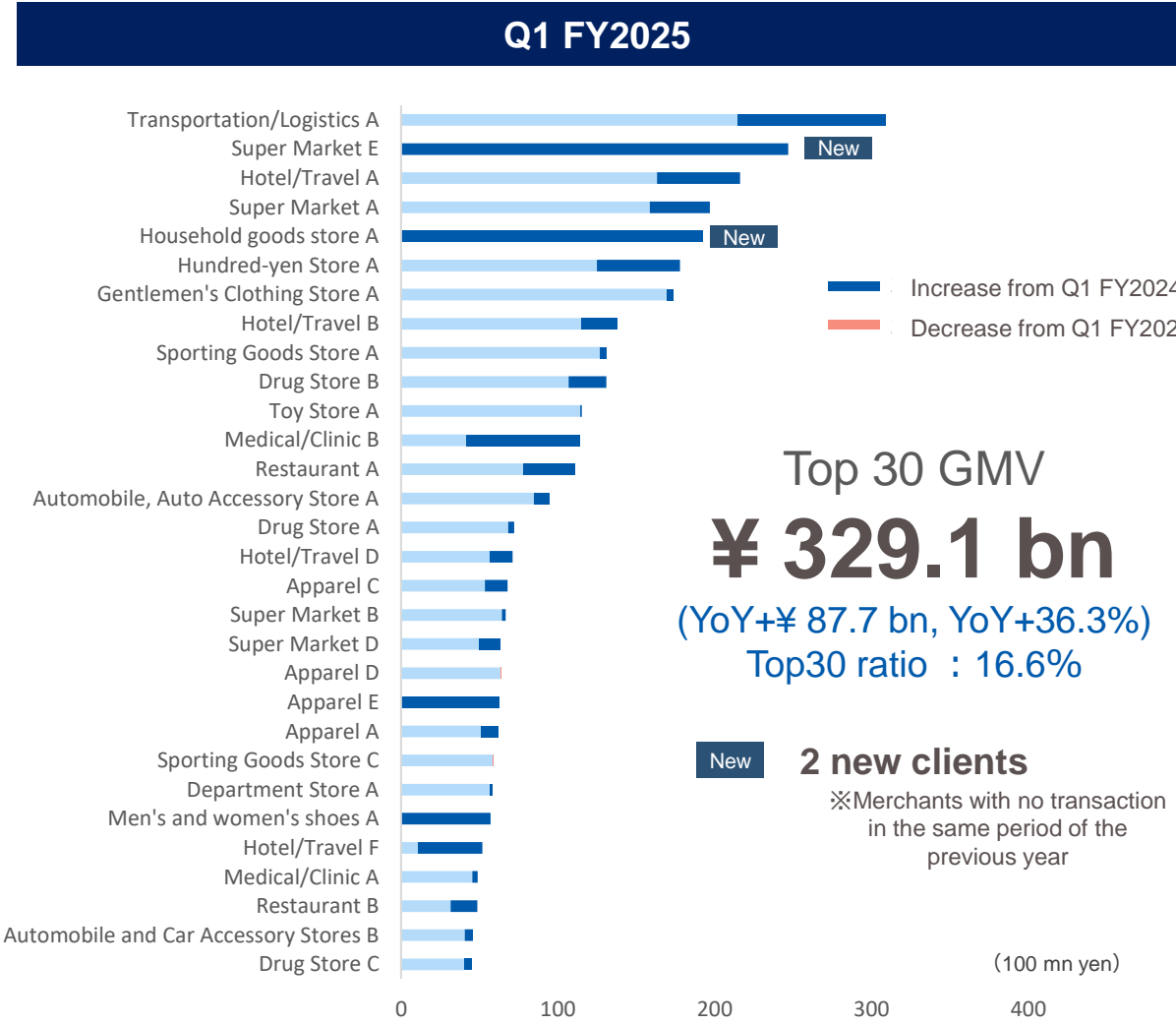
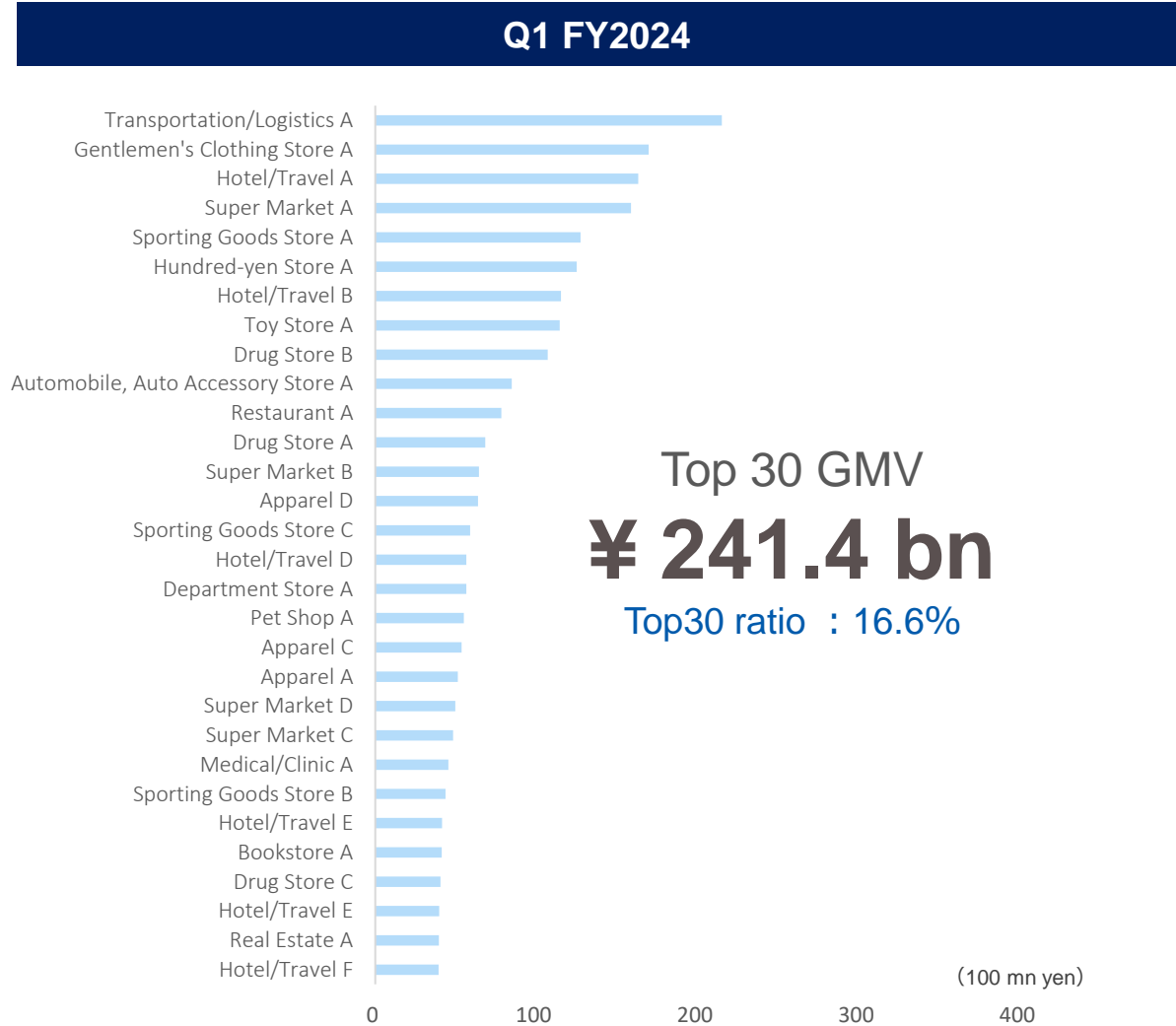
Transaction Value (GMV)



	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
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
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
(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

2.4 Top 30 Merchants (GMV basis)

In addition to major supermarket in previous Q2, household goods store have newly entered the rankings – among existing merchants, 100 yen shops, medical, and apparel continue to expand



Growth Strategy and Progress

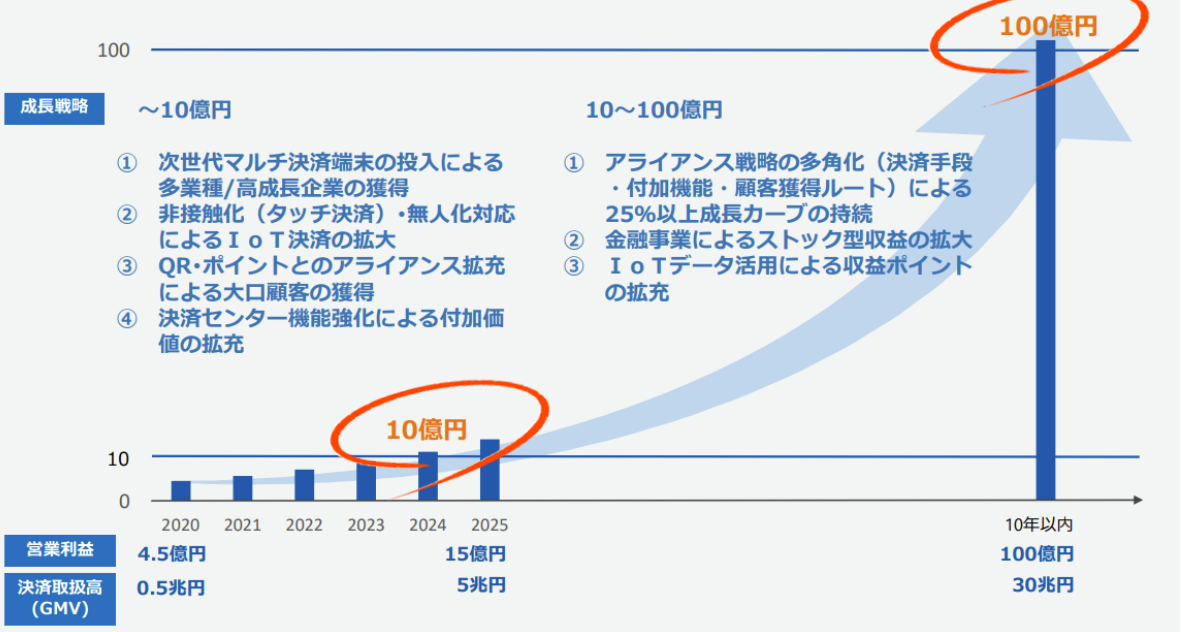
3.1 Long Term Growth Vision at IPO

The roadmap disclosed at the time of IPO is one year ahead of schedule
Visibility of long-term vision of operating profit of 10 billion yen has improved

Long Term Growth Vision at IPO

営業利益10億円、100億円へのロードマップ

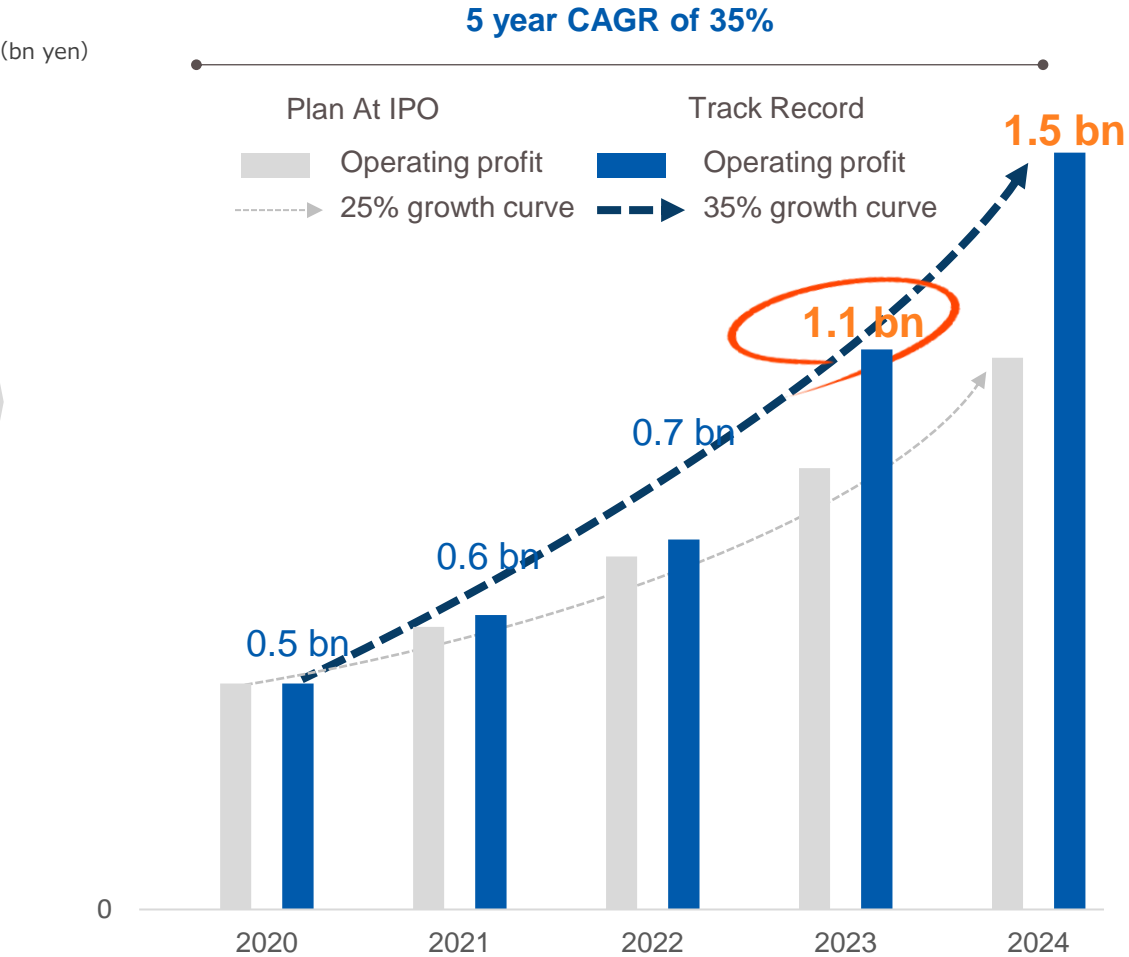
25%以上の営業利益成長の継続により、2024年9月期に営業利益10億円超、その後10年以内を目途として、営業利益100億円企業への成長を目指す



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Source : Q3 FY2020 Financial Results

Operating Profit Track Record



3.2 Profit Roadmap

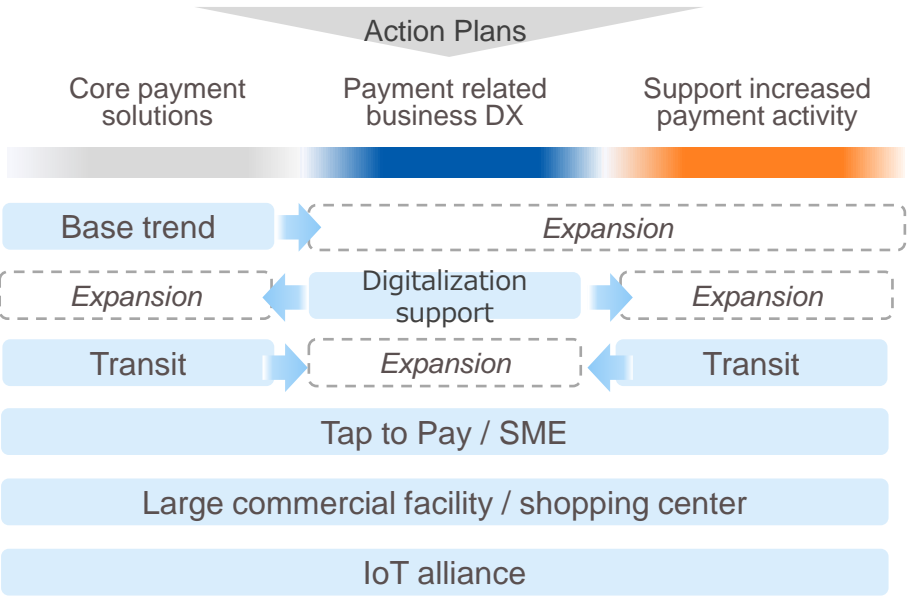
Promoting mid- to long-term measures to achieve operating profit of 10 billion yen by 2033

Strategy

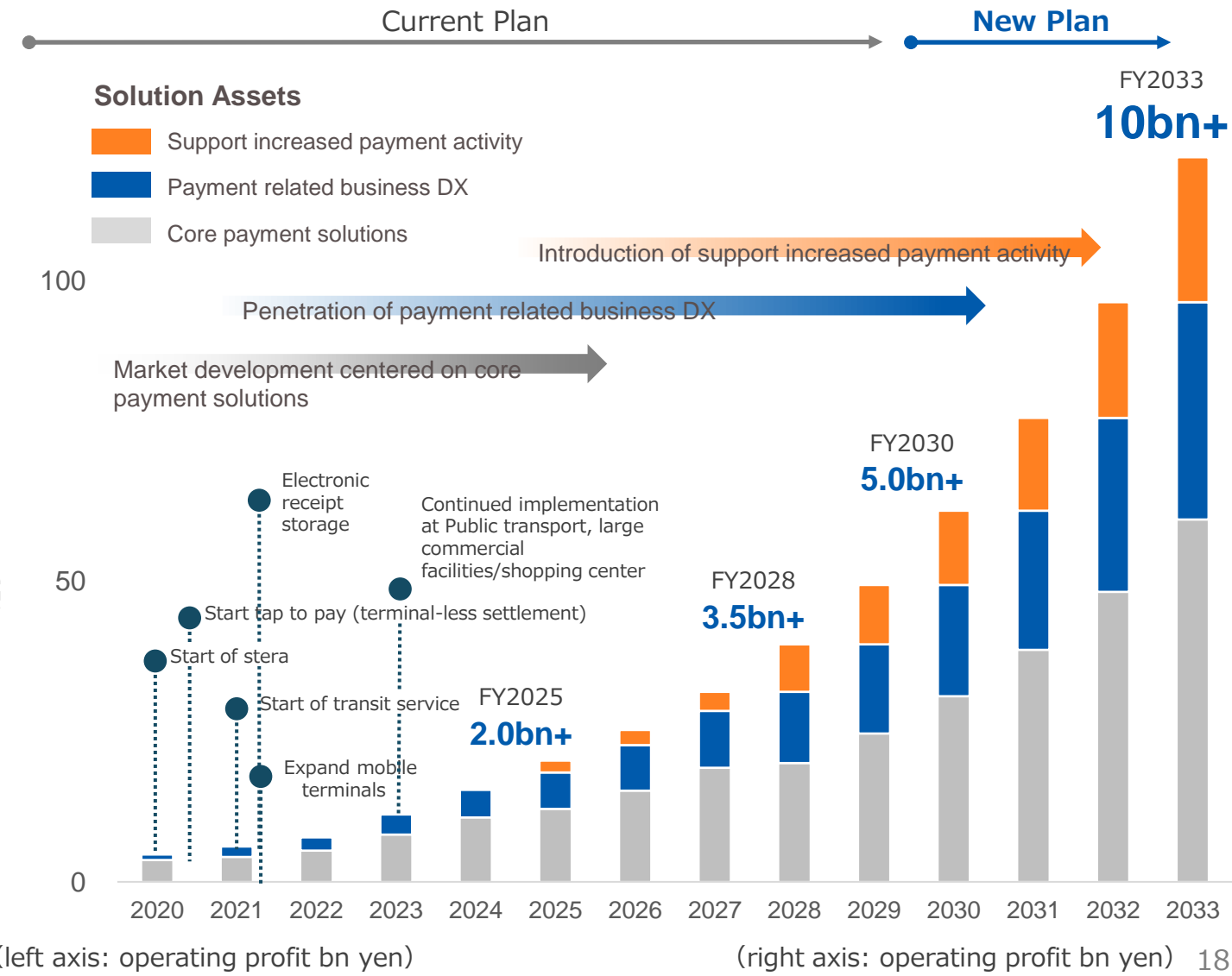
Strategy

- 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

Mid to long term strategy

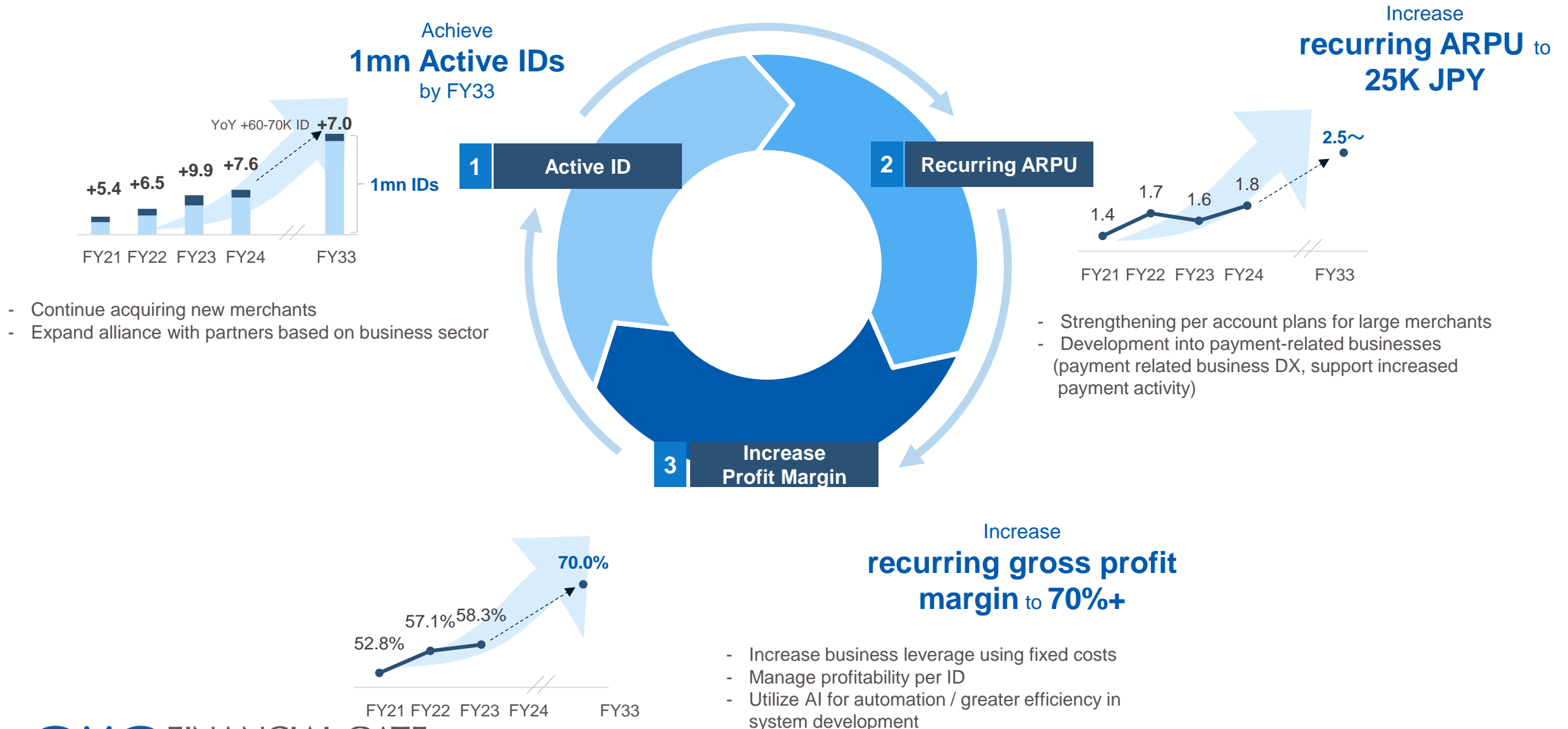


Operating Profit Growth Curve



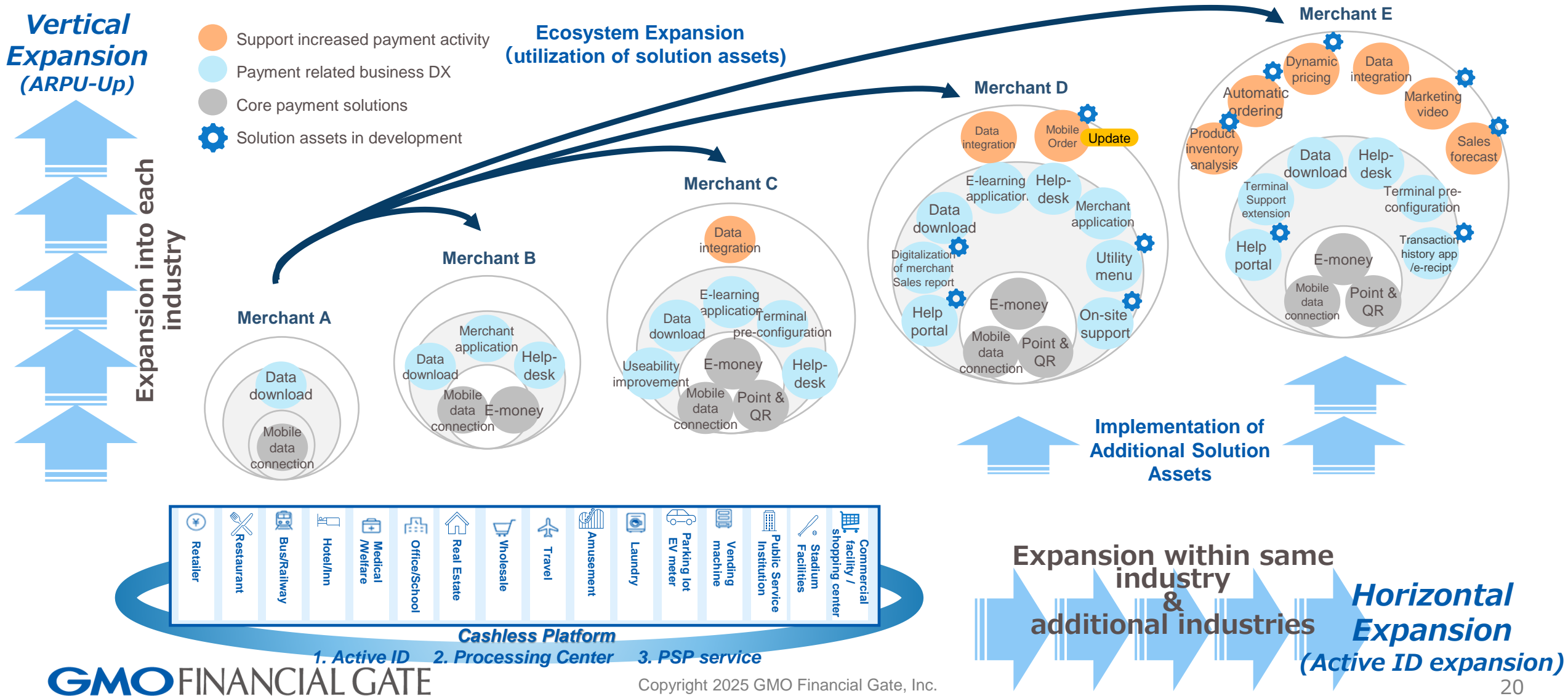
3.3 Profit Growth Cycle Based on Track Record

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



3.4 Ecosystem Expansion

Horizontal : Core payment X solution assets contributes to YoY increase in active IDs
Vertical : "Payment related business DX" and "support increased payment activity" will increase ARPU



3.5 ARR Expansion

Continue to increase in ARR for FY25. Will continue Vertical X Horizontal strategy for large corporate groups - will continue increasing ARPU beyond FY26

ARR

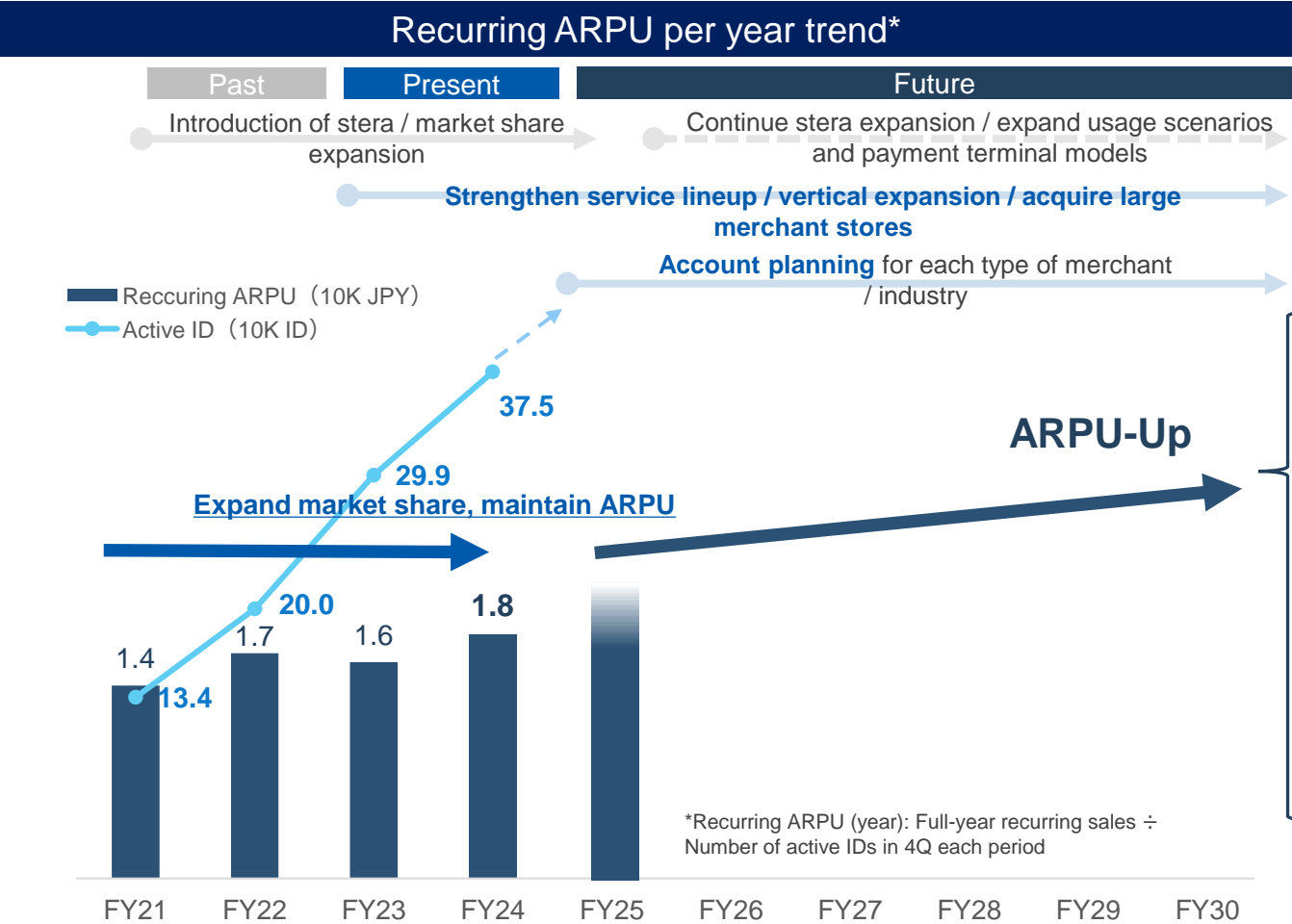
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Active IDs

×

ARPU

*ARR : Annual Recurring Revenue (yearly recurring model revenue)



ARPU improvement measures

ARPU-Up Recurring ARPU: Approx. **20-30K JPY**

- Aim to further increase active ID and improve ARPU with Horizontal × Vertical

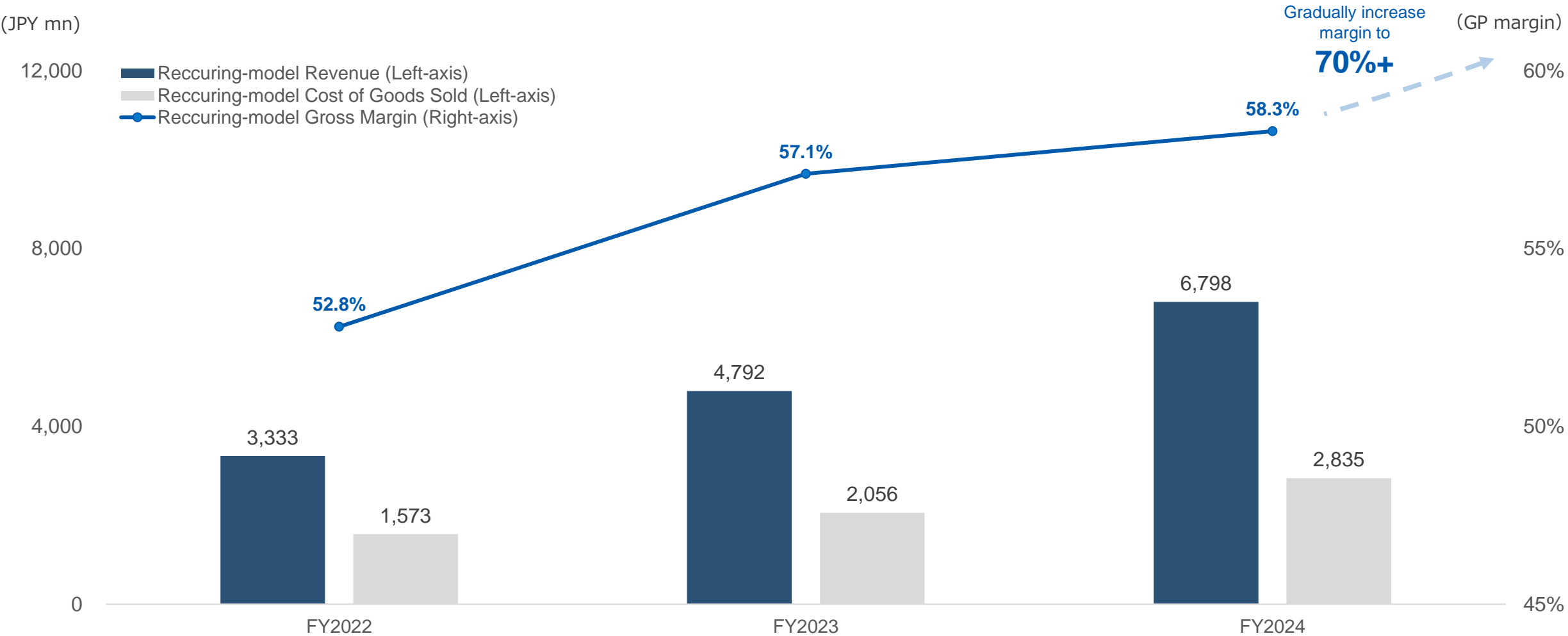
Maintain ARPU Recurring ARPU: Approx. **10-10.5K JPY**

- Expand subscription model based packaged product offering
- Target small to medium-sized merchants with highly active terminals

Approx. 2x Recurring APRU

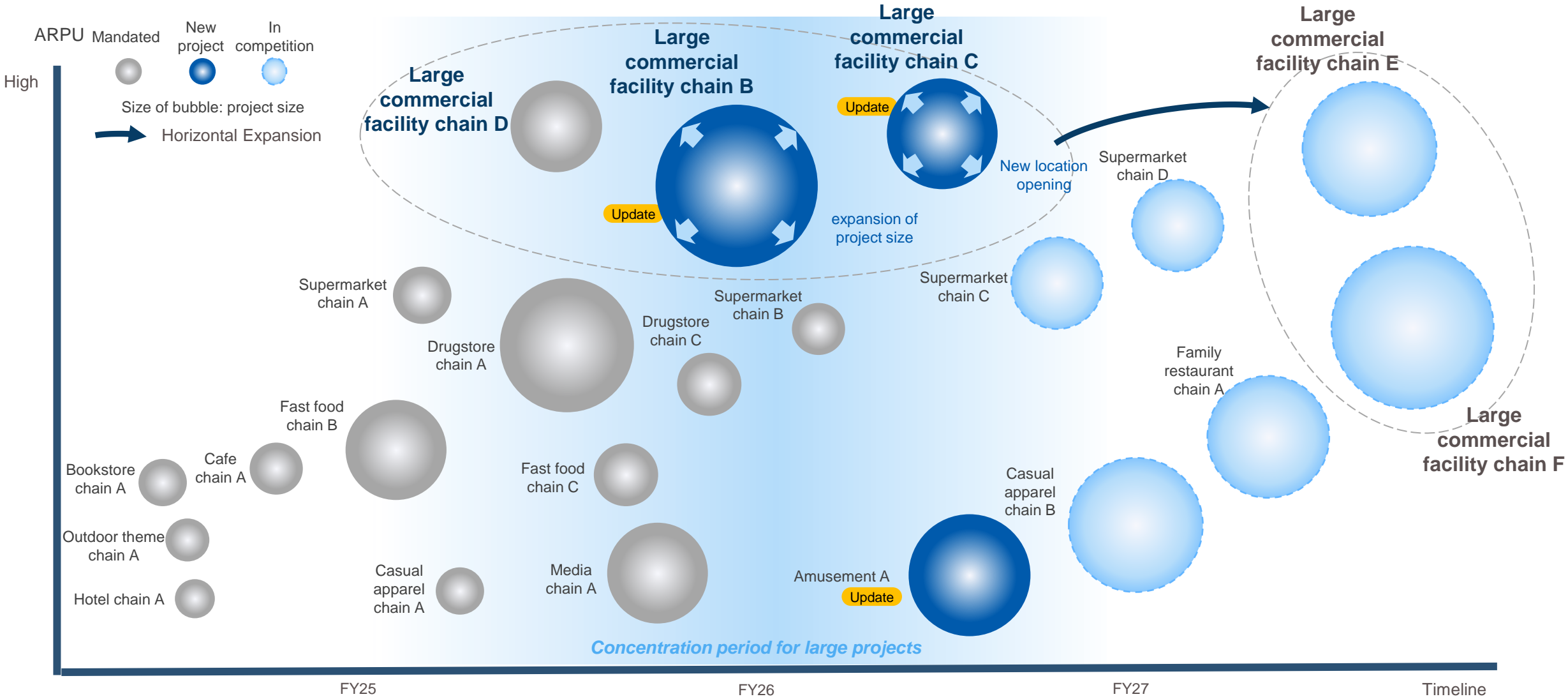
3.6 Increase of Recurring-Model Gross Margin

Gross profit margin is expanding due to increased payment activity at merchants



3.7 Progress of Project Pipelines

Expansion of project size for large commercial facility chain B and C
New project in amusement sector



3.8 Expansion of Payment Platforms - Mobility Domain

134 institutions have installed the mobility domain due to the increase in inbound tourists
Mastercard is accepted starting October 2024

Implementation at Public Transportation Institutions

(Number of businesses)

Start of Mastercard service since 2024

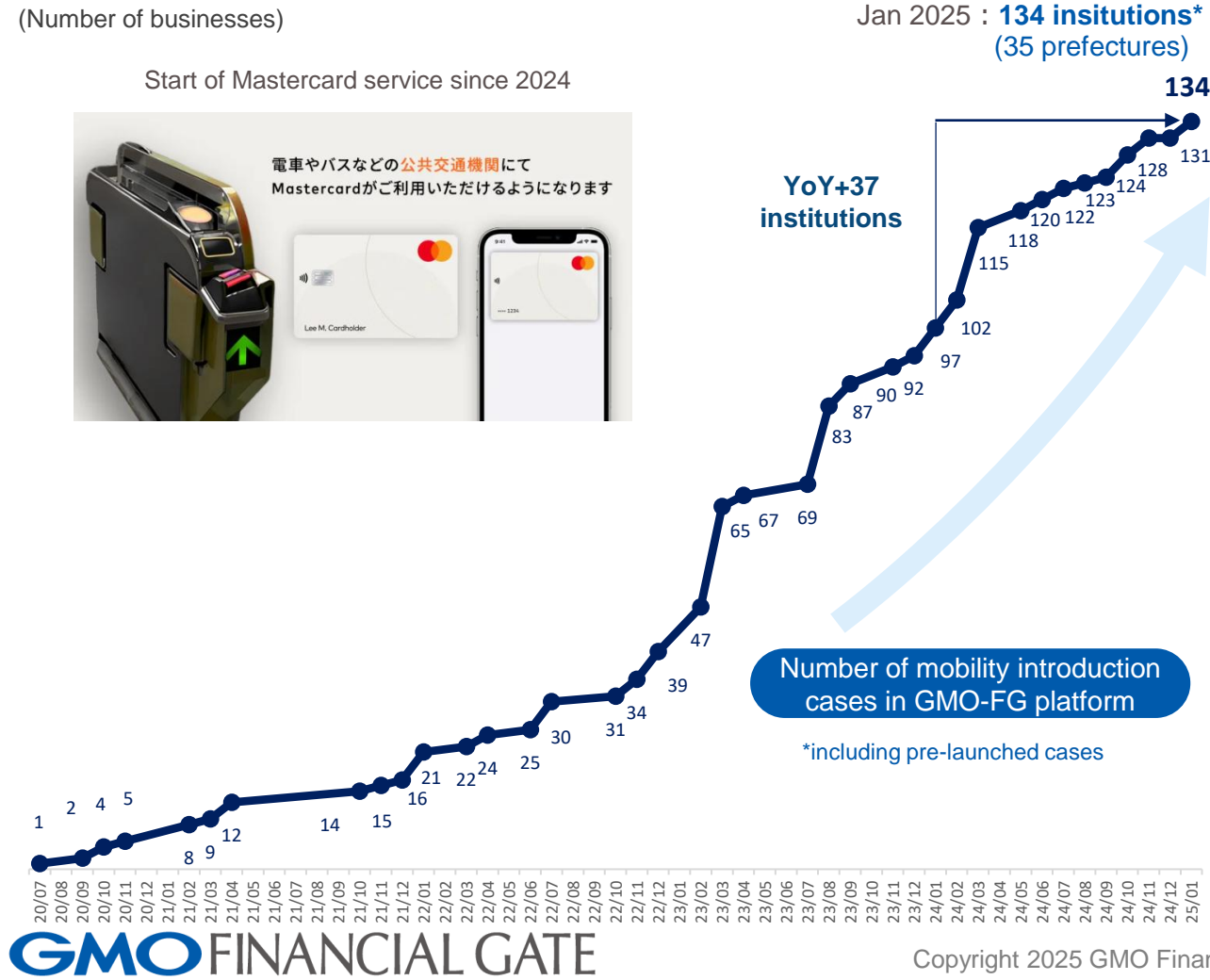


Jan 2025 : **134 institutions***
(35 prefectures)

YoY+37
institutions

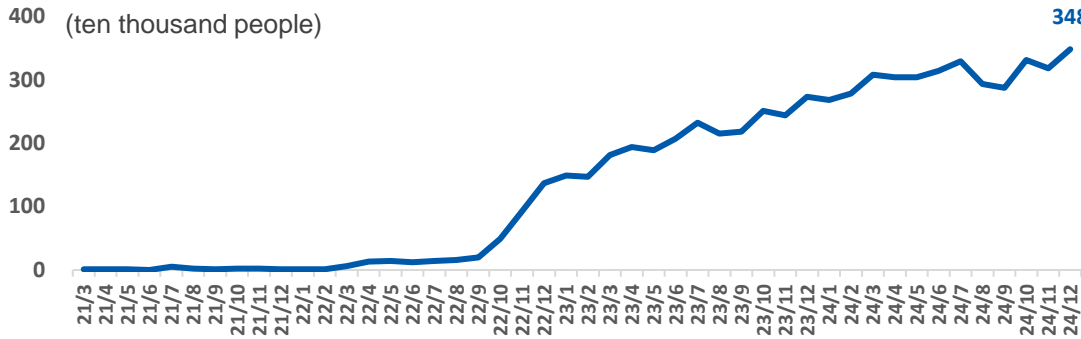
Number of mobility introduction
cases in GMO-FG platform

*including pre-launched cases



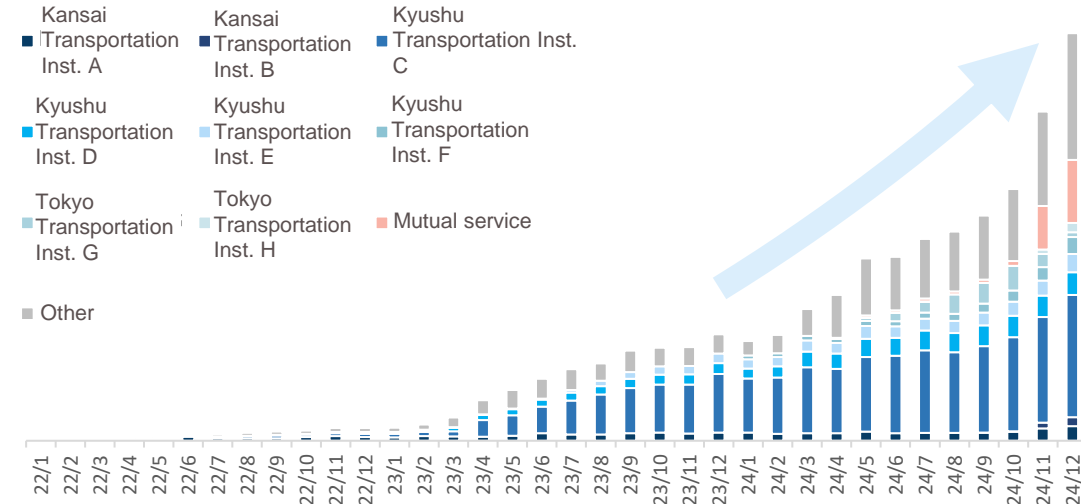
Number of Tourists and Mobility Settlements

Number of Tourists



Source: Japan National Tourism Organization (JNTO)

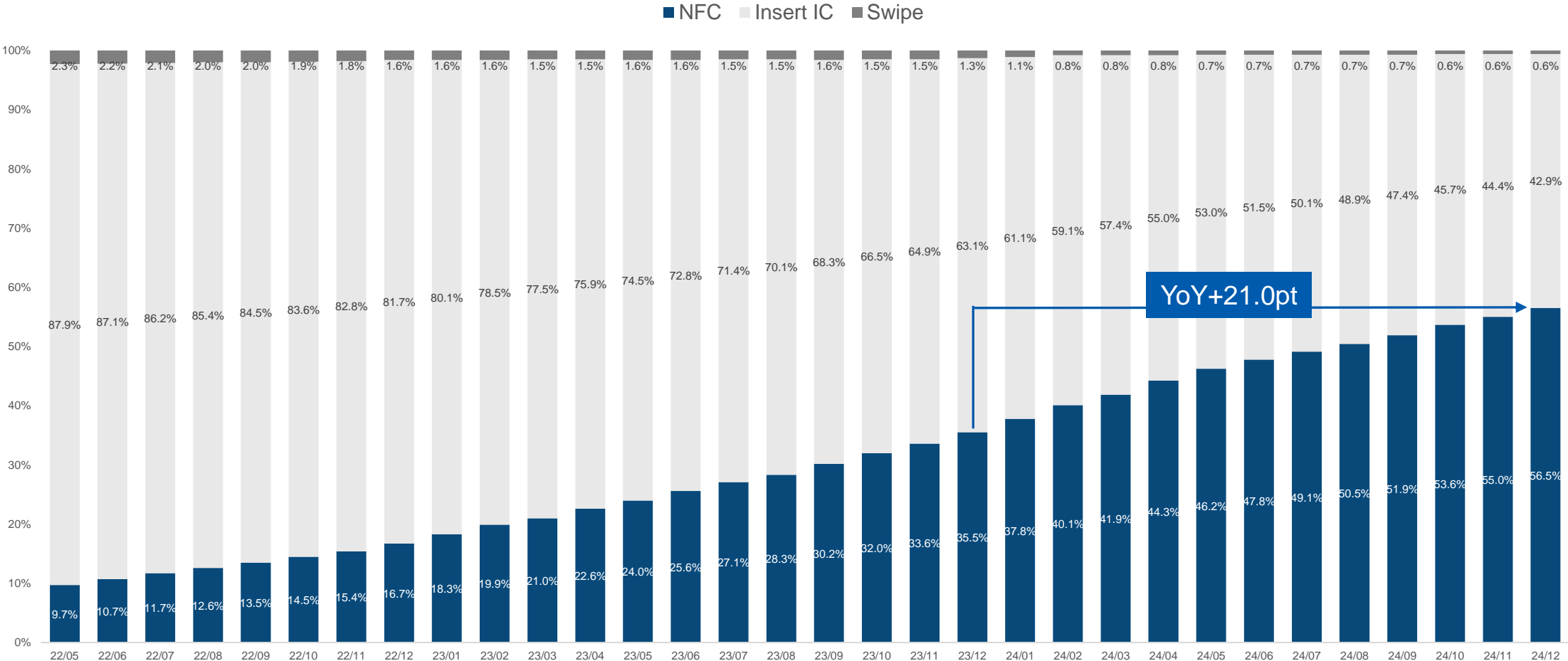
Numbers of Mobility Settlements



3.9 Expanding use of Contactless NFC Payment

The percentage of credit touch payments at our processing center has exceeded 50%. 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



3.10 CDP score update

Achieved a score of B for the second year in a row as the standards have increased since last year
In the TSE growth market, we are the only company with a B score or higher for two consecutive years

What is CDP?

- Carbon Disclosure Project, an international NGO investigating global warming countermeasures. We send a questionnaire once a year to major listed companies around the world on topics such as greenhouse gas emissions and business risks and opportunities due to climate change, and evaluate 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 positioning

- B score is **considered to be at the “management level”**, and indicates that the company has been evaluated as **"understanding and acting on its own environmental risks and impacts"**
- The average for the industry to which our company belongs, the Asian region average, and the world average is "C"
- We are the only TSE growth market listed company to receive a “B” score.**
- We will continue to strive to enhance disclosed information and **aim to obtain an A score.**



Your CDP score



UNDERSTANDING YOUR SCORE REPORT



Supplemental Information

Financials, Investment / Shareholder Returns

4.1 Profit & Loss

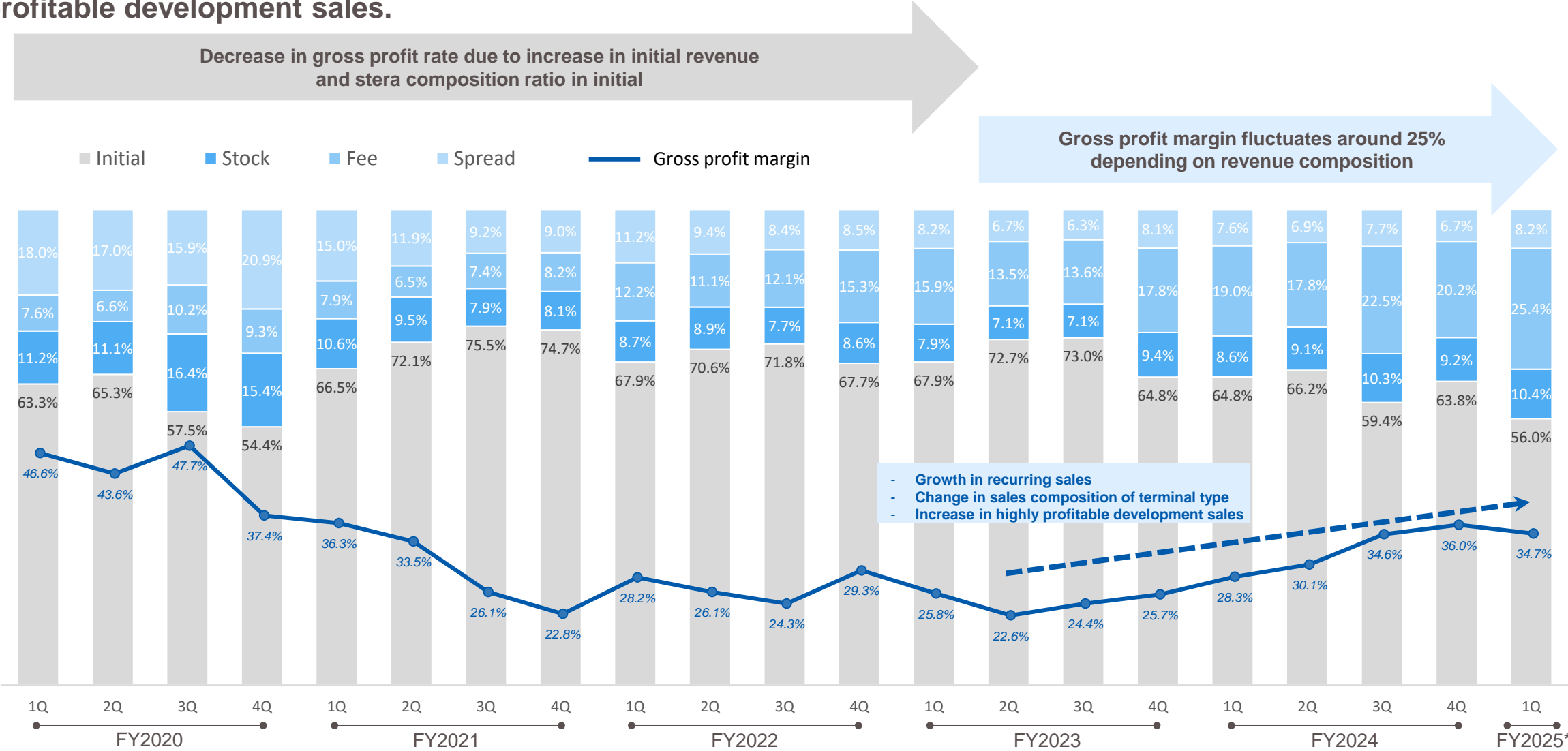
(Thousand)	Q1 FY2024	Q1 FY2025	YoY
Revenue	4,496,898	4,584,394	+ 1.9%
COGS	3,225,866	2,994,230	▲ 7.2%
Gross profit	1,271,031	1,590,163	+25.1%
SG&A	781,267	784,480	+ 0.4%
Operating profit	489,774	827,998	+69.1%
Profit before income taxes	486,464	829,554	+70.5%
Profit attributable to owners of parent	317,104	602,830	+90.1%

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
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
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
Stock	135	145	160	182	185	206	229	244	259	283	334	366	387	431	446	472	476
Fee	101	99	149	183	261	259	361	434	519	539	643	693	853	842	981	1,032	1,163
Spread	193	181	185	203	239	217	250	242	268	268	299	315	340	329	337	342	377
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

4.3 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 Balance Sheet

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

Q1 FY2025 (thousand)	
Cash and cash equivalents (32.0%) 3,653,303	Current liabilities 3,861,932
Trade receivables and other receivables 2,186,715	Non-current liabilities 2,078,710
Merchandise 2,914,853	Total capital (48.0%) 5,476,367
Other 268,045	
Non-current assets 2,394,092	

Assets

Equity and Debt

■ Note

Cash and cash equivalents : ￥ 3.65 bn

Decreased by 1.4 billion yen from the end of 4Q. Mainly due to acquisition of treasury stock and dividend payment .

Inventory : ￥ 2.91 bn

Despite a decrease of 260 million yen from the end of 4Q, a stable inventory level was maintained.

Current liabilities : ￥ 3.86 bn

Decreased by 2.37 billion yen from the end of 4Q. Reduced operating debt, paid corporate tax .

Assets : ￥ 5.47 bn

No significant change compared to end of 4Q .

4.5 Balance Sheet (IFRS)

(mn yen)			Q4 FY2024	Q1 FY2025	QoQ
Assets	Current assets	Cash and cash equivalents	5,060	3,653	▲1,407
		Trade accounts receivable	3,166	2,186	▲979
		Merchandise	3,170	2,914	▲255
		Other	234	268	+ 33
	Non-current assets		2,574	2,394	▲180
	Total Assets		14,206	11,417	▲2,789
Liabilities	Current liabilities		6,233	3,861	▲2,371
	Non-Current liabilities		2,082	2,078	▲3
Total equity			5,890	5,476	▲414
Total liabilities and equity			14,206	11,417	▲2,789

4.6 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

4.7 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	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	+13.1 (+4.7%)	+43.9 (+17.8%)
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	+1.7 (+2.3%)	+14.7 (+24.7%)
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	+0.7 (+3.4%)	+1.5 (+7.5%)
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	+2.5 (---%)	+7.1 (---%)
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	+18.0 (+4.8%)	+67.3 (+20.6%)

4.8 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

4.9 Investment Policy

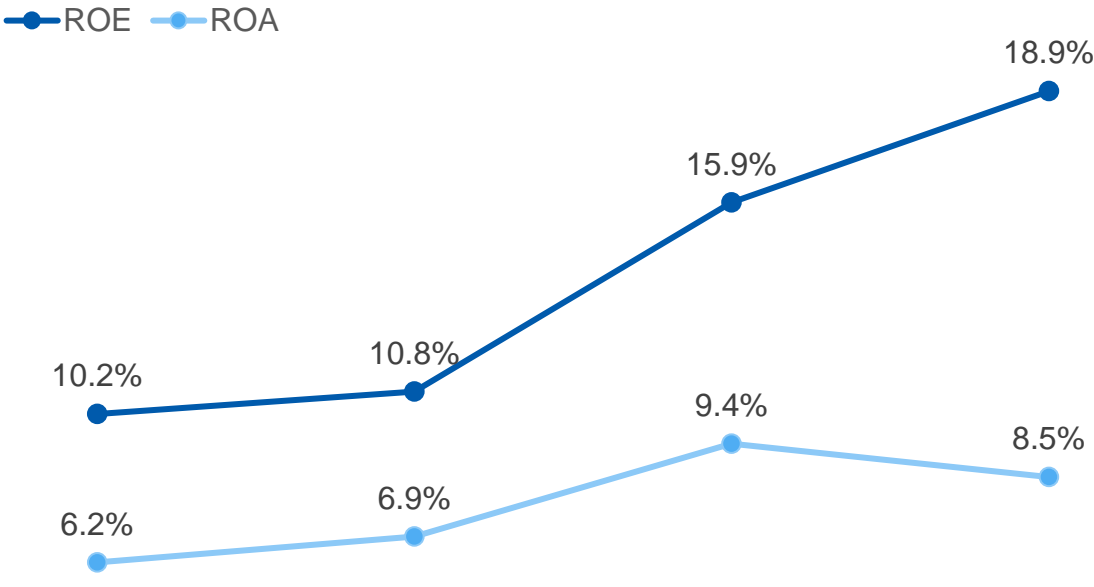
Proactive business investment to execute "market share expansion strategy" necessary for medium to long-term operating profit growth of +25% YoY

	Business investment	Growth investment
Main Investment Target	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• Careful verification of business profitability and growth potential• Start lean and small• Expand investment limits in phases where return on investment is expected

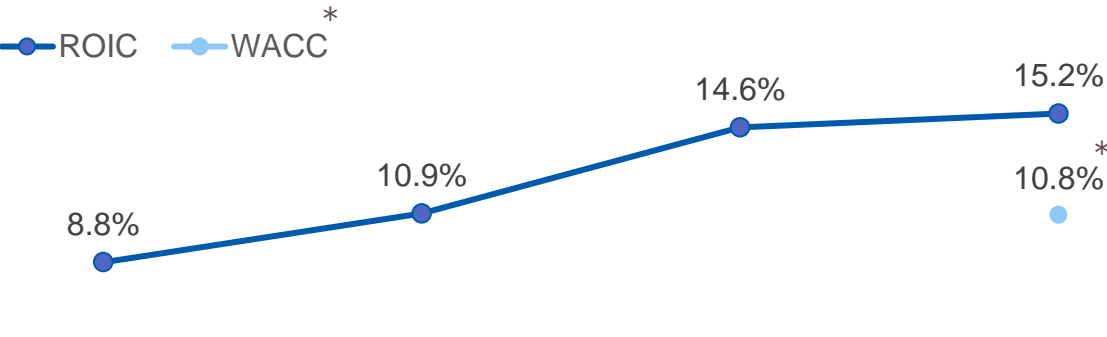
4.10 Efficiency Indicators and Cost of Capital

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

4.11 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).

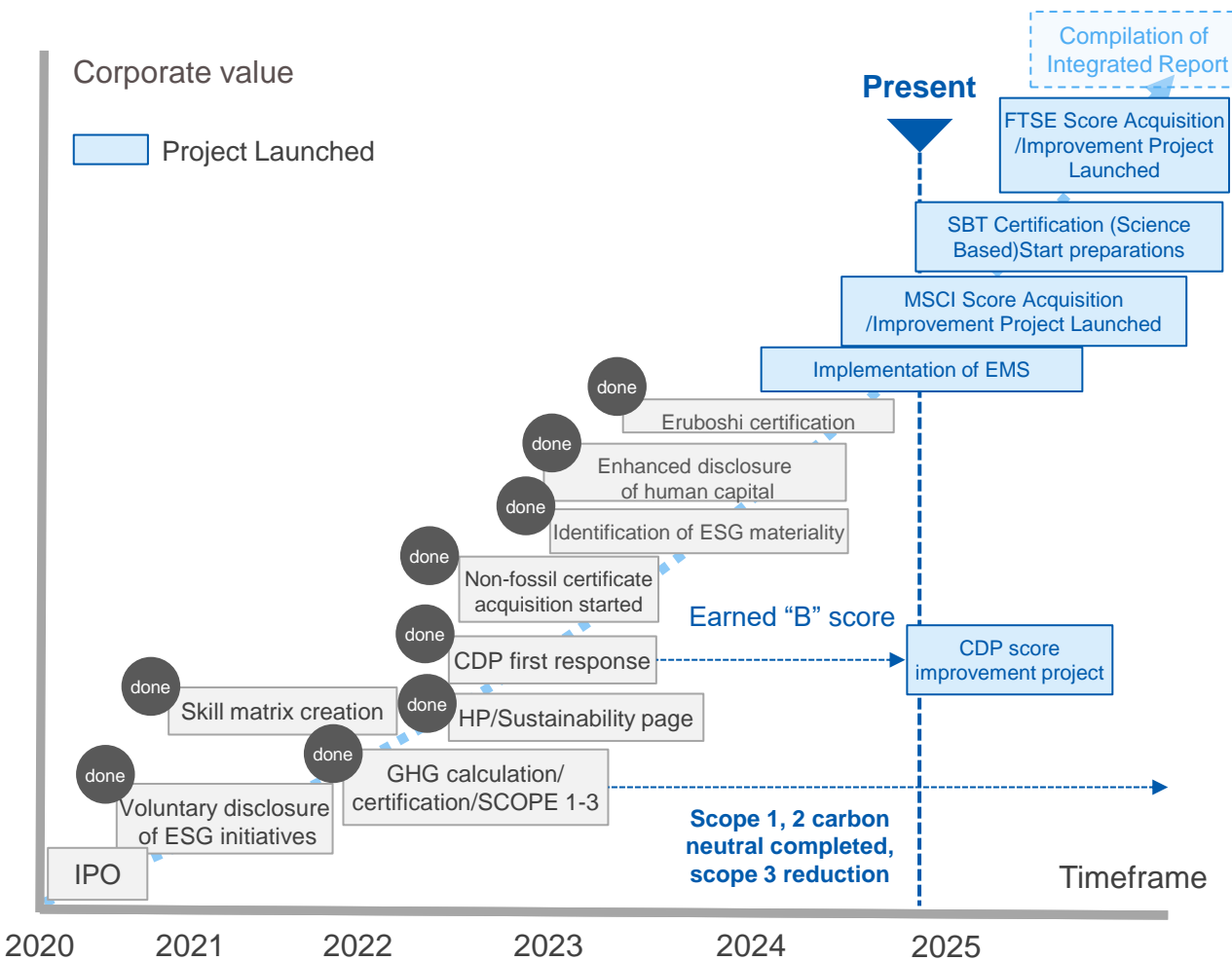
Supplemental Information

ESG Initiatives (Details)

5.1 (Reprint) Expanding ESG Initiatives

Received "Eruboshi Certification (2 stars) as a company that promotes women's active participation as from the Ministry of Health, Labor and Welfare
Plan to introduce EMS(environmental management system) *1 to improve ESG rating

ESG Initiative Roadmap



To Do's

Implementation of Environmental Management System (EMS)*1

- Visualize energy usage status and reduce burden on the environment
- Aim to improve score of each ESG rating agency by implementing EMS

Promote MSCI score acquisition/improvement project

- Continue cooperation with external consultant regarding ESG rating (MSCI, Sustainalytics)
- Strategically improve disclosure levels including human capital
- By improving ratings, aim to be included in MSCI index in Sept. 2025

Project launched for SBT certification (Science Based Targets)

- The SBT (Science Based Targets) Secretariat carries out certification after comparing the levels required by the Paris Agreement with the greenhouse gas emission reduction targets set by each company.
- A project has been launched to reduce greenhouse gases, and targets will be set at the same time as the introduction of EMS. Continued dialogue with payment terminal manufacturers

CDP score improvement project

- Earned B score in 2023
- Will strive to earn A score by implementing external consultants

Creation of Integrated Report

Formed Project Team

- Plan to create an integrated report from the perspective of enhancing information disclosure to promote management that involves more stakeholders.

*1 EMS : Abbreviation for environmental management system. The aim is to build a system that allows management to set and demonstrate environmental policies and goals when voluntarily promoting environmental conservation initiatives.

5.2 (Reprint) CDP score update

Achieved a score of B for the second year in a row as the grading standards have increased since last year. In the TSE growth market, we are the only company with a B score or higher for two consecutive years

What is CDP?

- Carbon Disclosure Project, an international NGO investigating global warming countermeasures. We send a questionnaire once a year to major listed companies around the world on topics such as greenhouse gas emissions and business risks and opportunities due to climate change, and evaluate 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 positioning

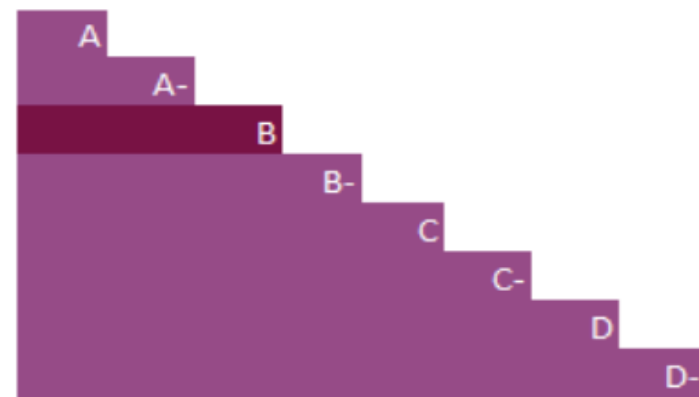
- B score is **considered to be at the “management level”**, and indicates that the company has been evaluated as "understanding and acting on its own environmental risks and impacts"
- The average for the industry to which our company belongs, the Asian region average, and the world average is "C"
- We are the only TSE growth market listed company to receive a “B” score.**
- We will continue to strive to enhance disclosed information and **aim to obtain an A score.**



Your CDP score



UNDERSTANDING YOUR SCORE REPORT



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-CO2)	0	0	To be announced as soon as calculated
SCOPE 2 (t-CO2)	105	0	—
SCOPE 3 (t-CO2)	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.

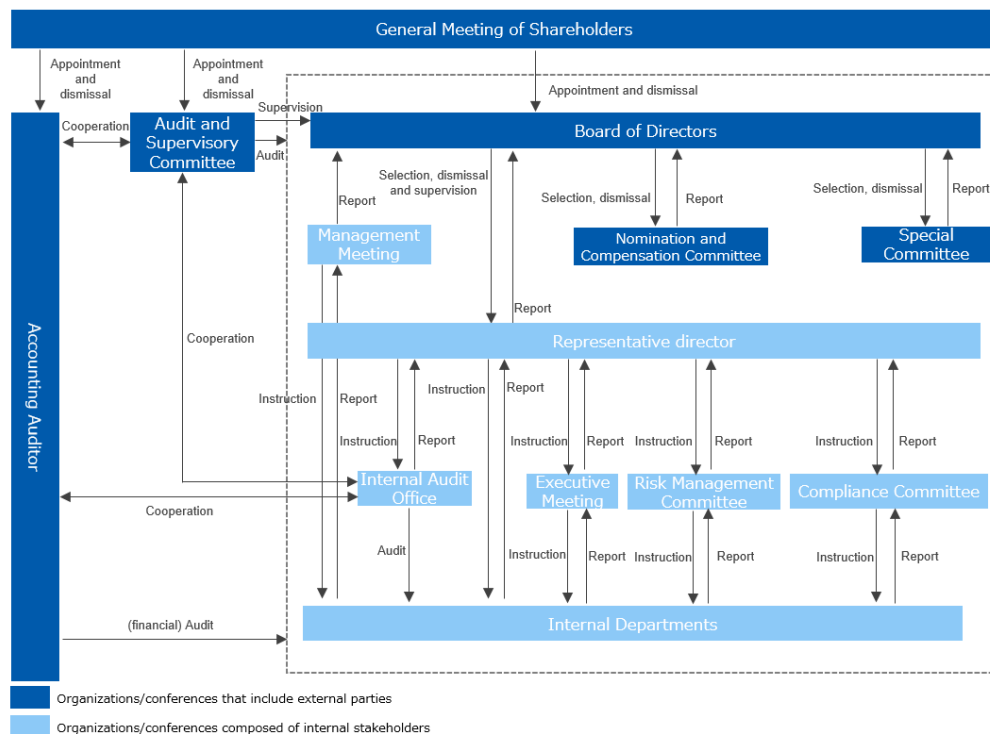
* From the fiscal year ending September 2023, contracted and dispatched partners will be excluded from the calculation of the turnover rate.

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)

[illegible]

* 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 Independent Outside Director	Asayama Independent Outside Director	Nagasawa Independent Outside Director	Ozawa 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

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 Skills Matrix

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	<div>Nao Shimamura</div> <div>outside the companyIndependent Director</div>	<div>Rie Asayama</div> <div>outside the companyIndependent Director</div>	<div>Takayoshi Nagasawa</div> <div>outside the companyIndependent Director</div>	<div>Satoru Ozawa</div> <div>outside the companyIndependent Director</div>
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)	

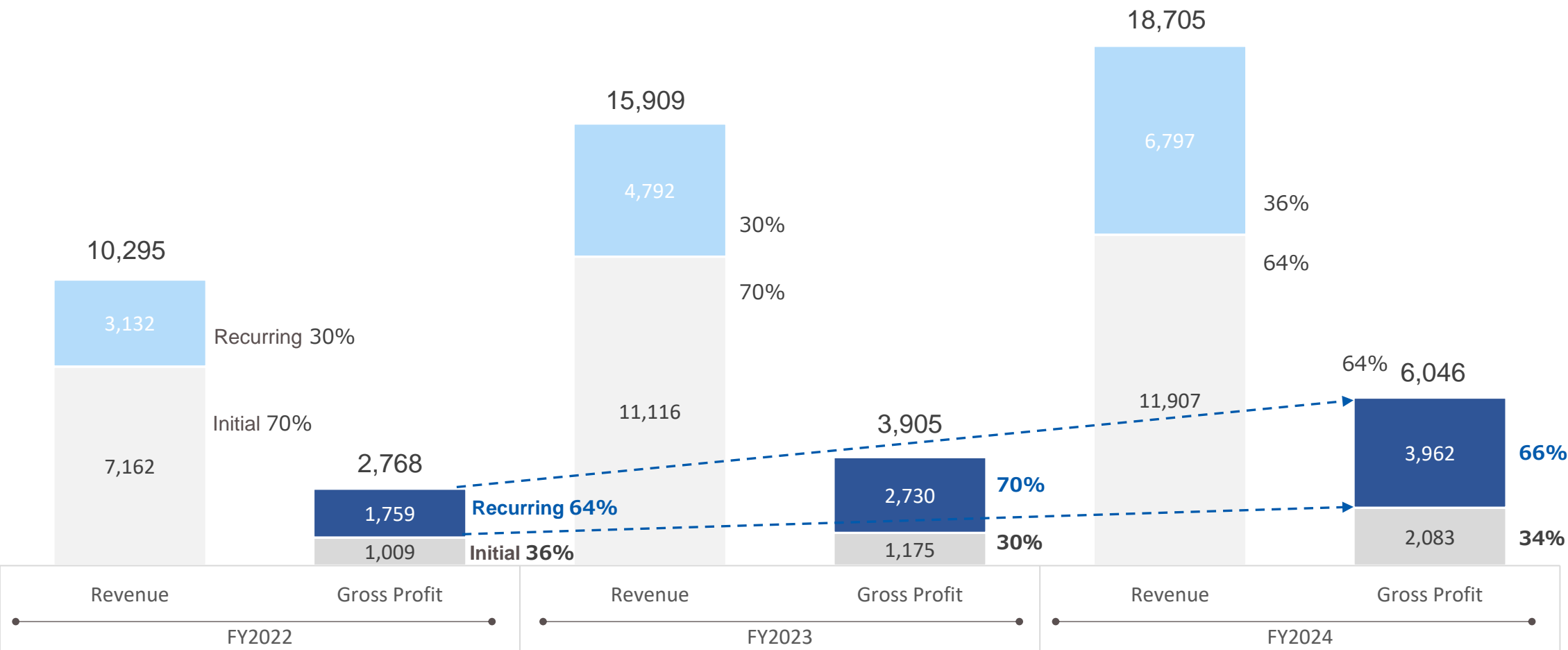
- Physical hardware network
- Proprietary programming code specifications
- Regulation

Gross profit composition ratio

Growth in recurring revenue leads to steady profitability base

Composition by Product Category (Revenue and Gross Profit)

(mn yen)



Rev Models: Financial Gate vs. Payment Gateway

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

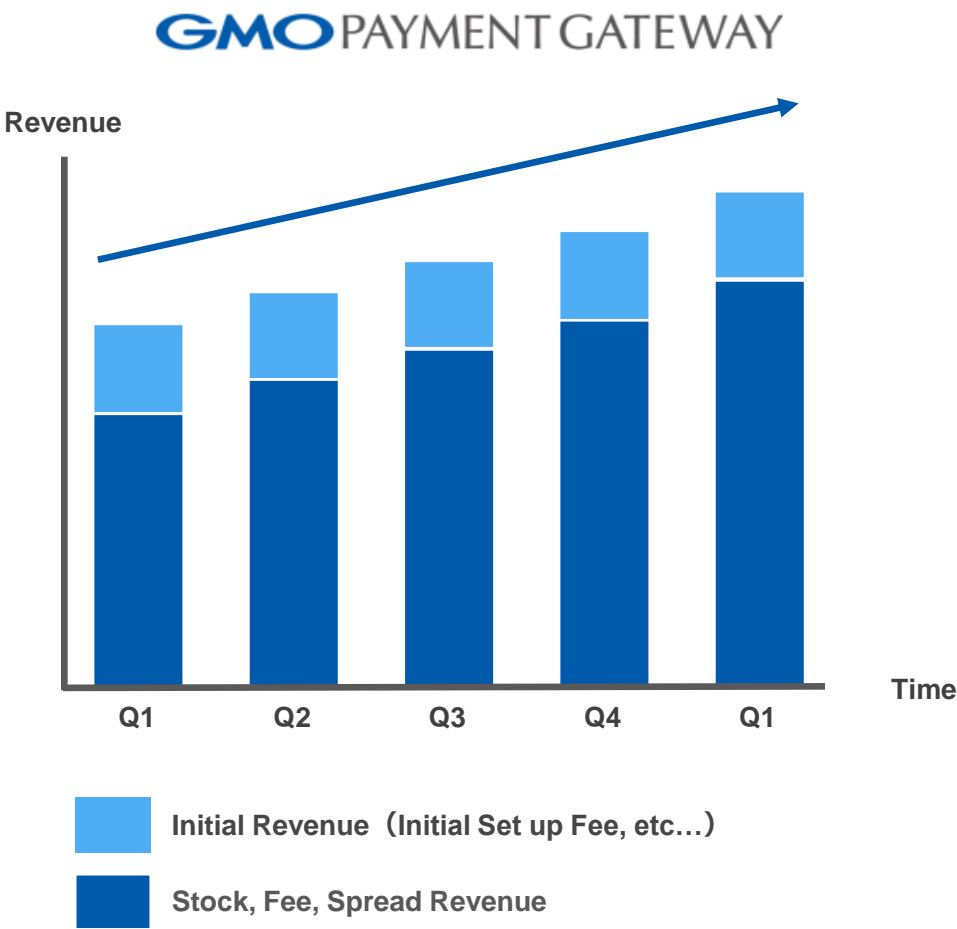
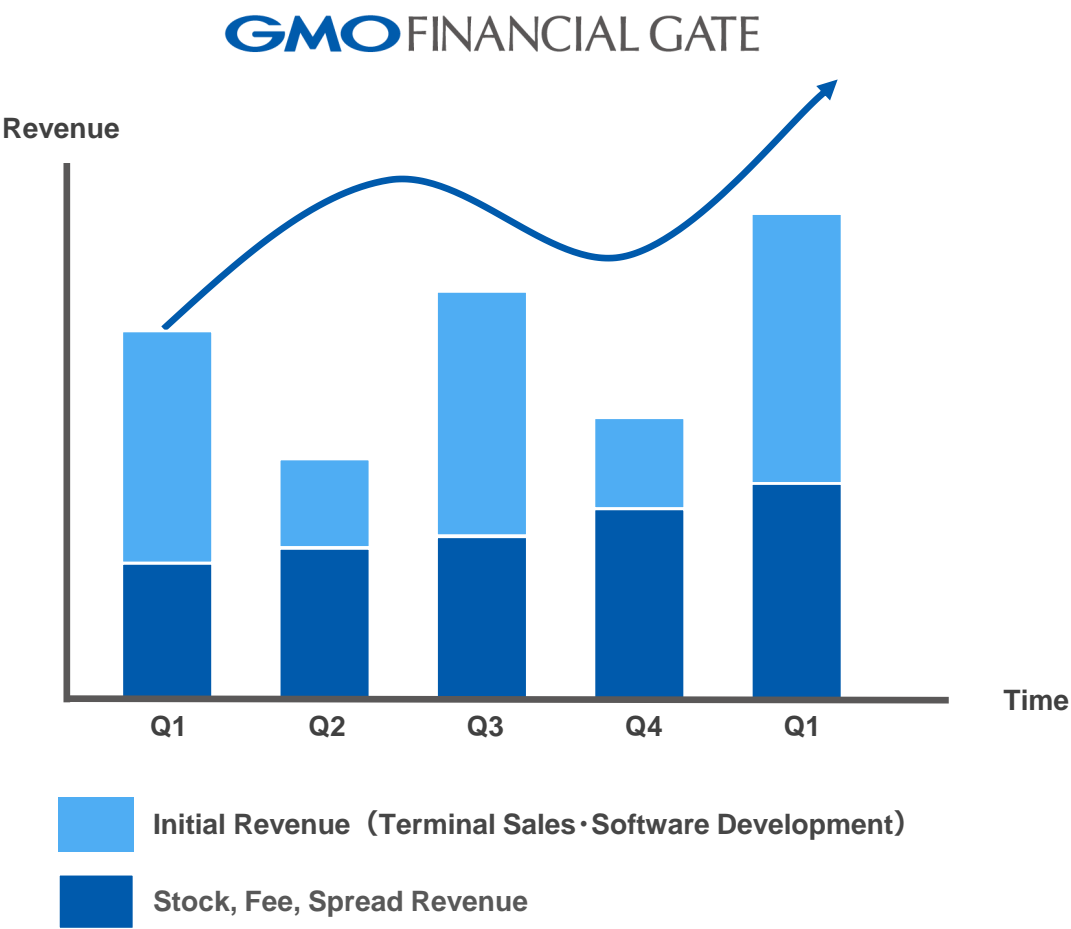
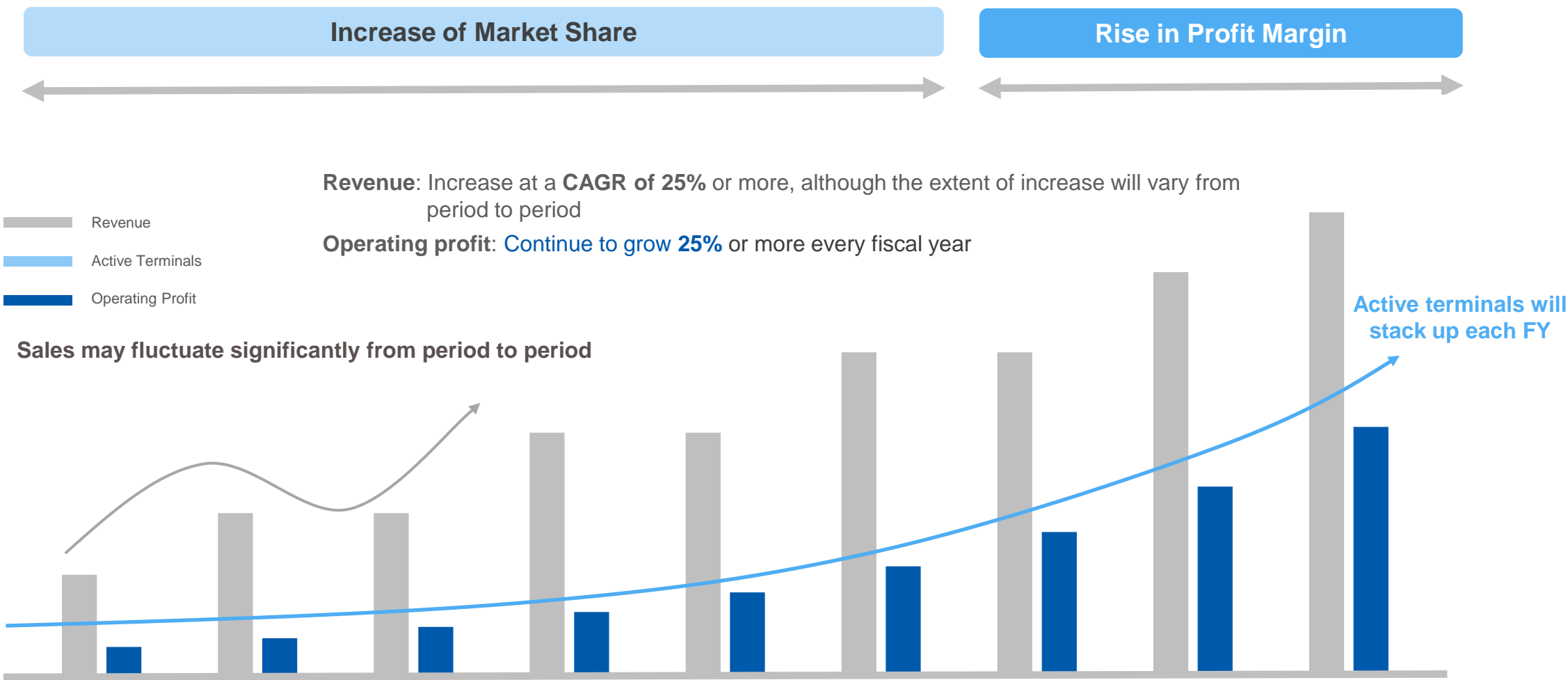


Image of rise in Rev & OP

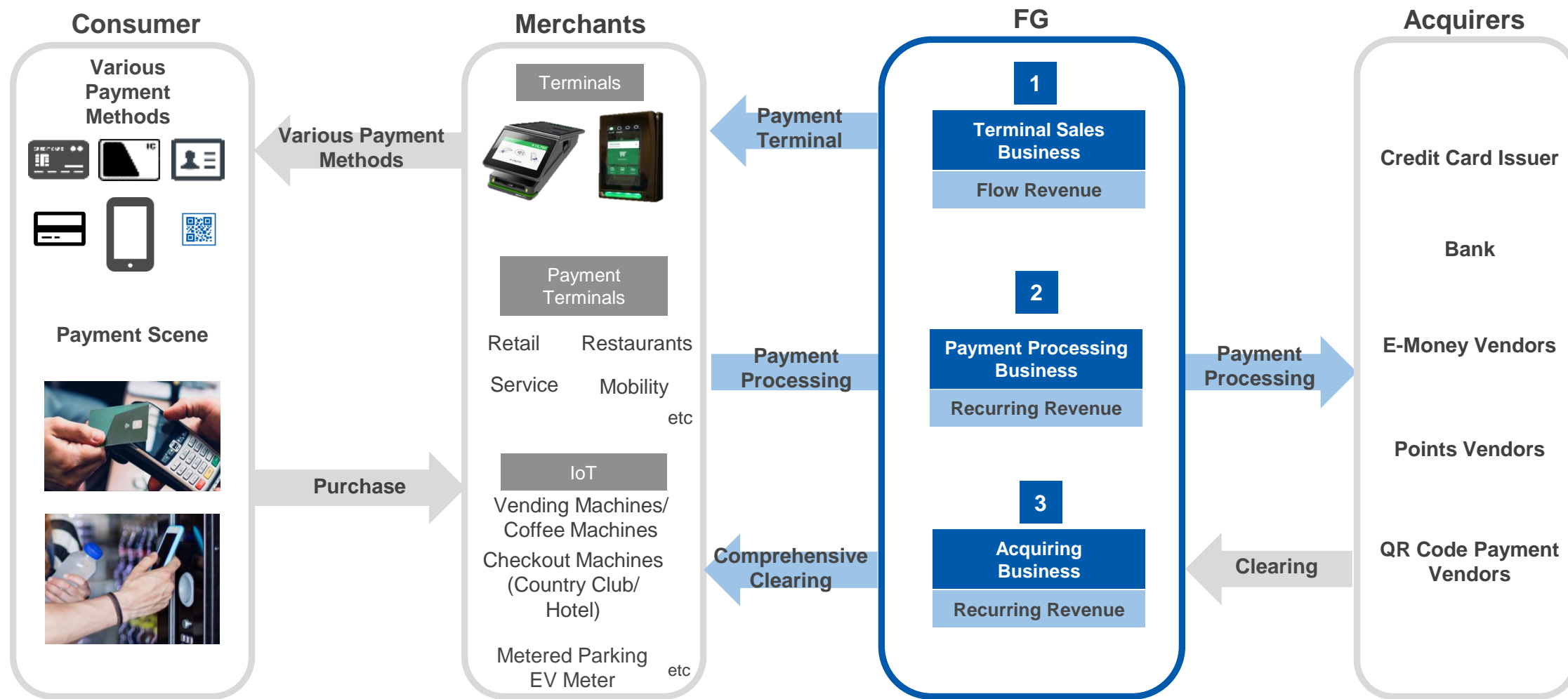
Market Share Expansion Phase: focus on sales/activation of payment terminals and revenue will be fluctuated.
Margin Increase Phase: recurring revenue will increase due to increase in active IDs which will contribute to operating profit growth



Three Biz Models Over a Single, One-Stop Platform

Business Model

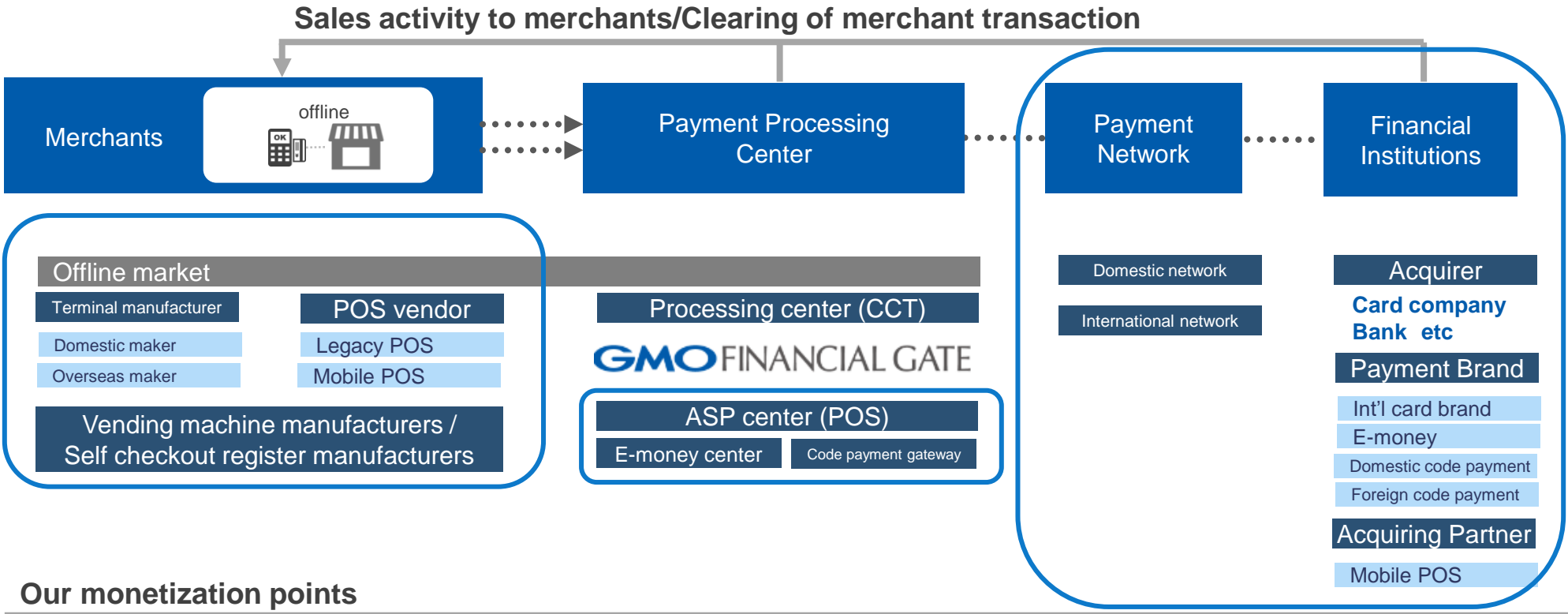
One-stop platform covering all settlement processes between merchants and acquirers



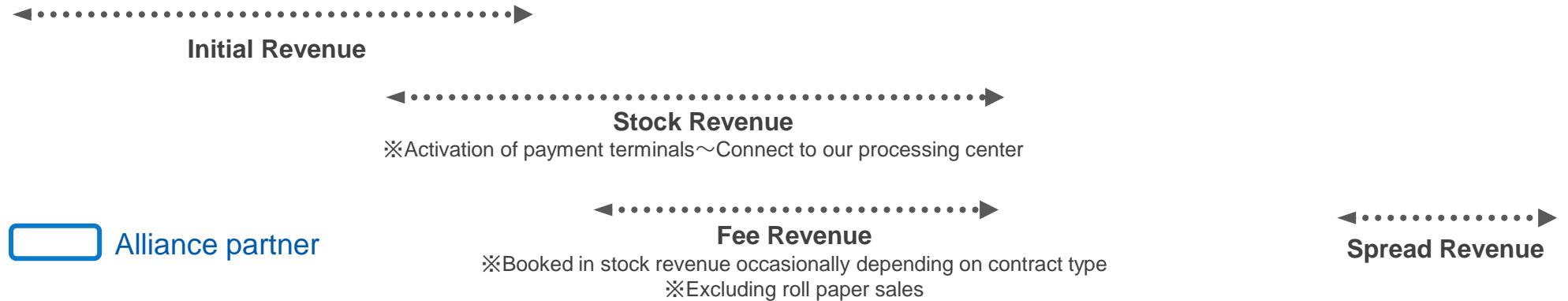
Stock Revenue Expansion Originating From Terminal Sales

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	% (Q1 FY2025)
Flow Model Rev	① Terminal Sales Business	Initial	56.0%
Stock Model Rev	② Payment Processing Business	Stock	10.4%
		Fee	25.4%
	③ Acquiring Business	Spread	8.2%



Our monetization points



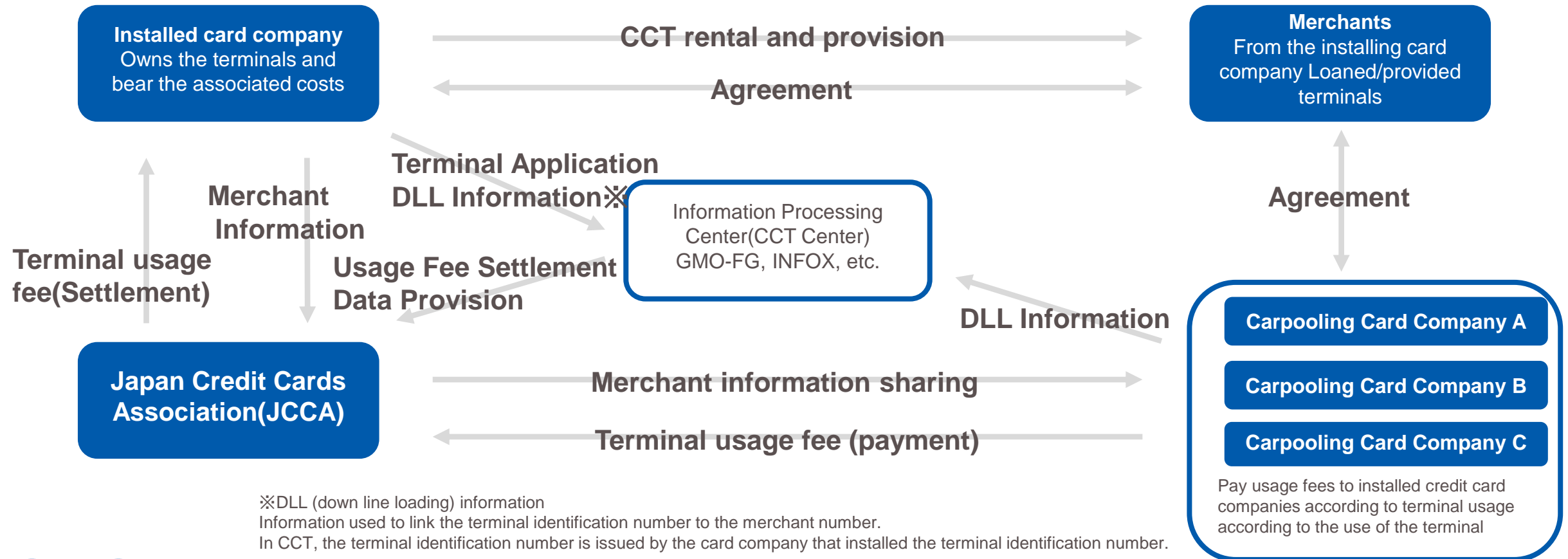
 Alliance partner

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

Business Model

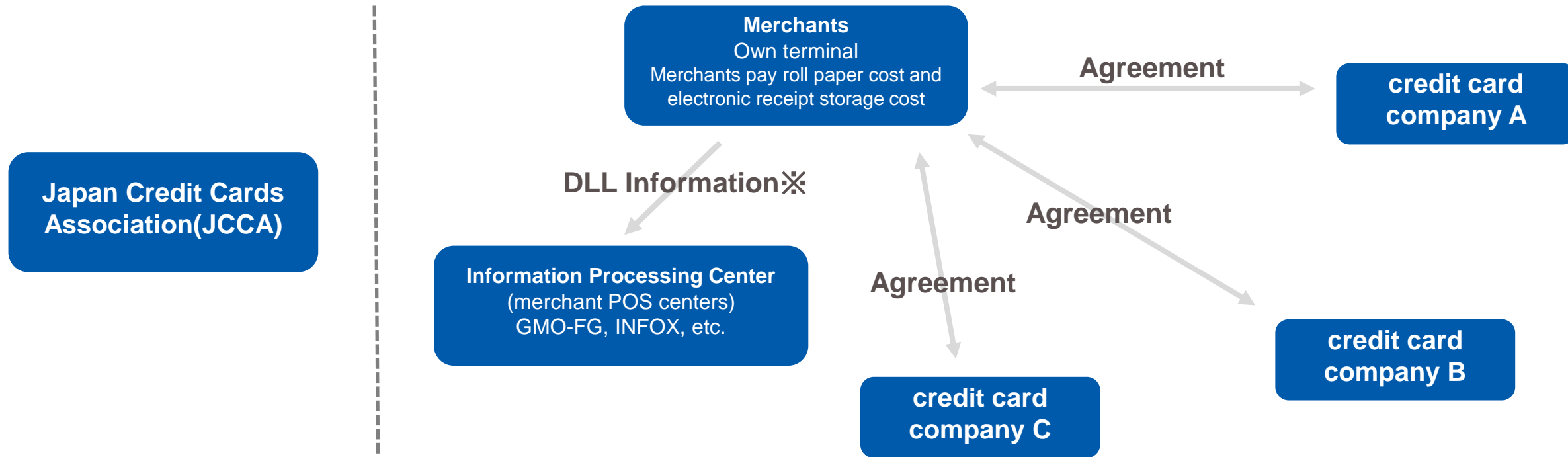
CCT(Credit Center Terminal)

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

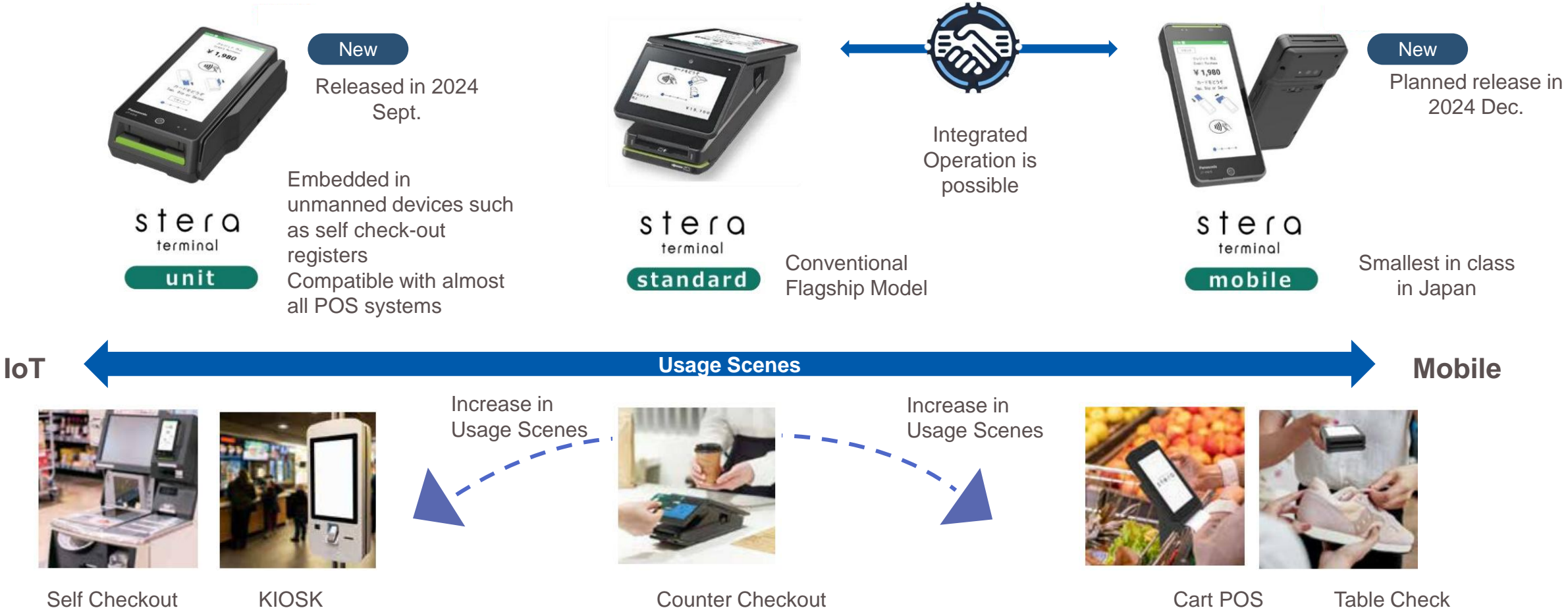
In general, POS (Point of Sales) is a generic term for a service that provides information on sales performance trends such as the date, time, quantity, and price of products sold, but in the credit industry, the term merchant POS is customarily used to refer to all terminals capable of processing credit 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.

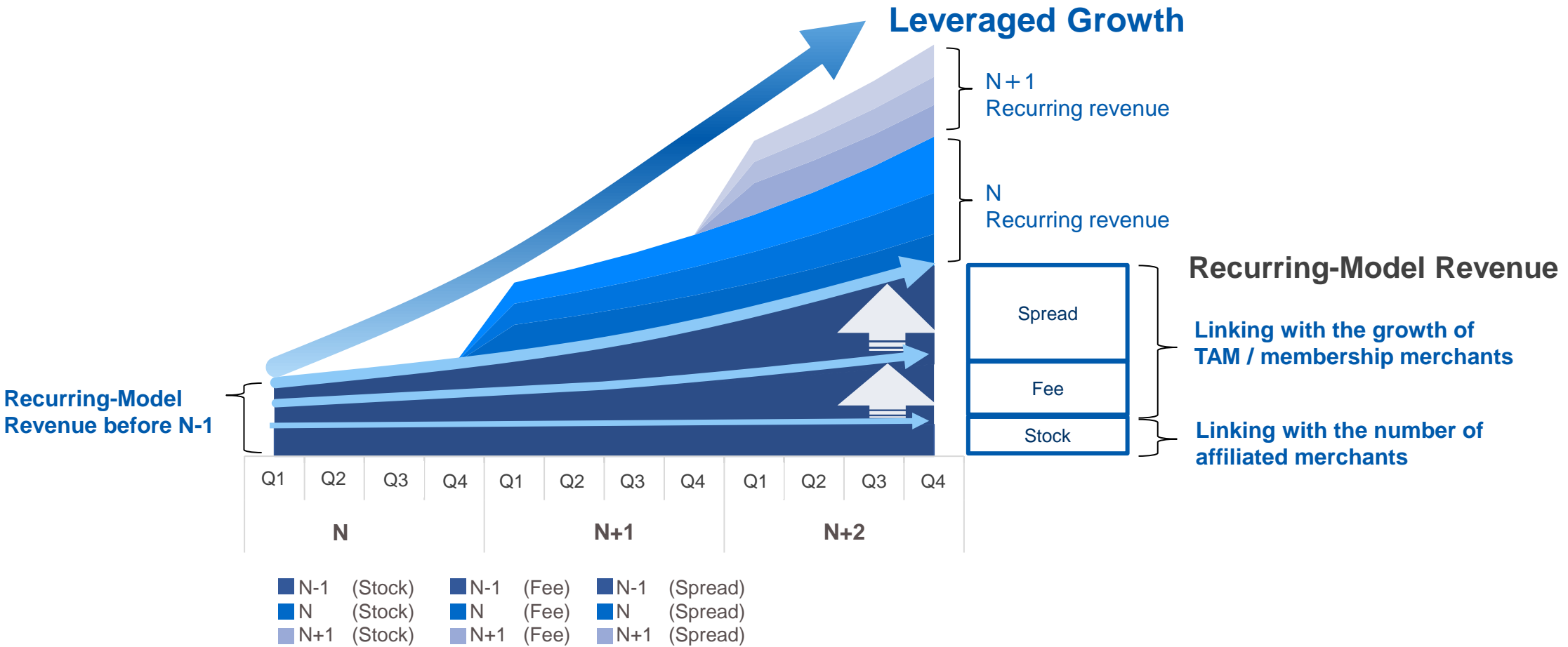
Expansion in stera lineup

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



Leveraged Growth Model

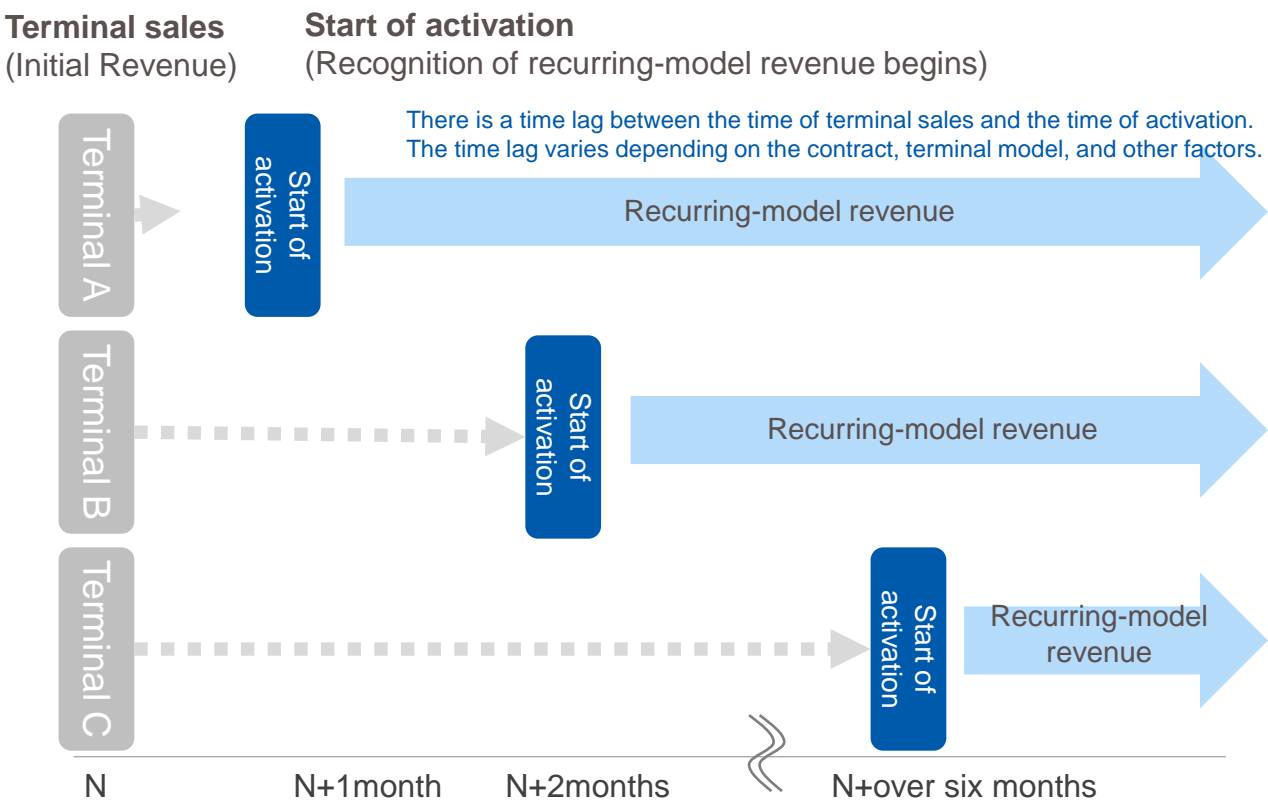
Fee and spread revenue are expanding with the market /growth in membership merchants



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

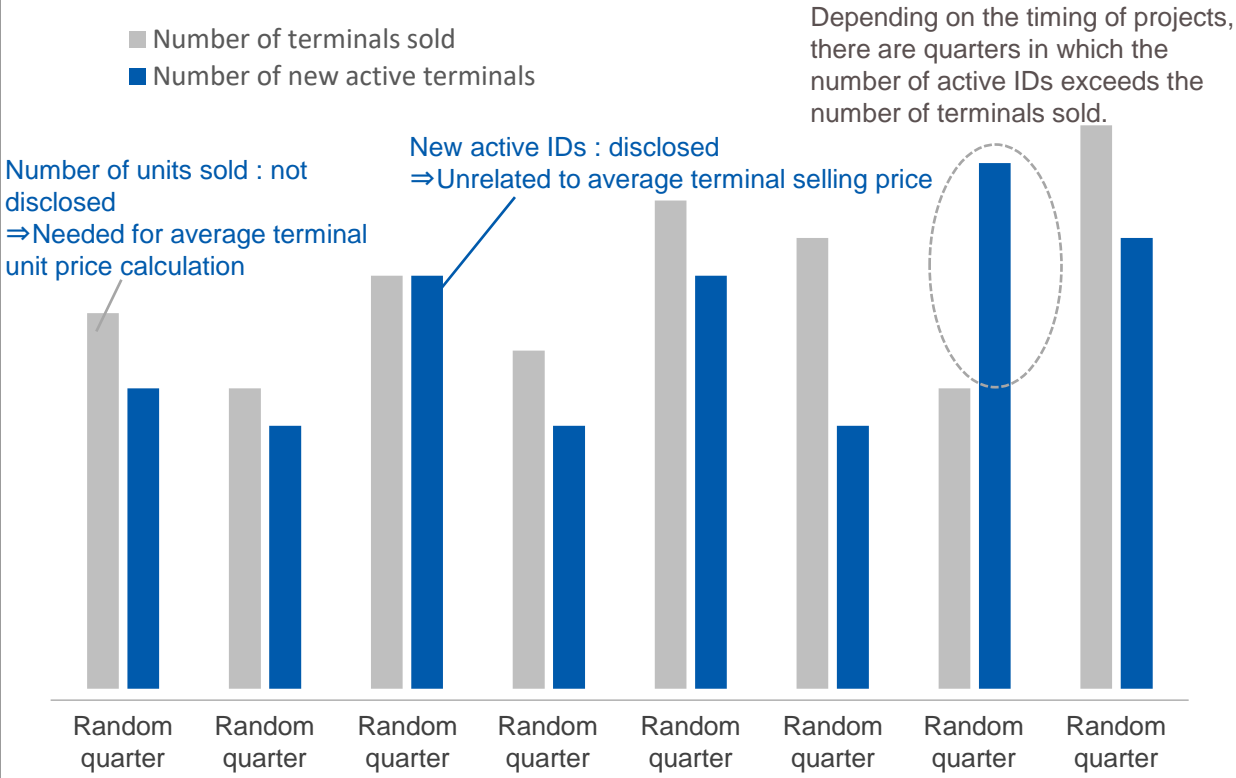
Initial revenue = Number of terminals sold × Average selling price per terminal + Accessory sales + Development sales
Number of active IDs = Number of terminals that have processed payment at least once in the quarter

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

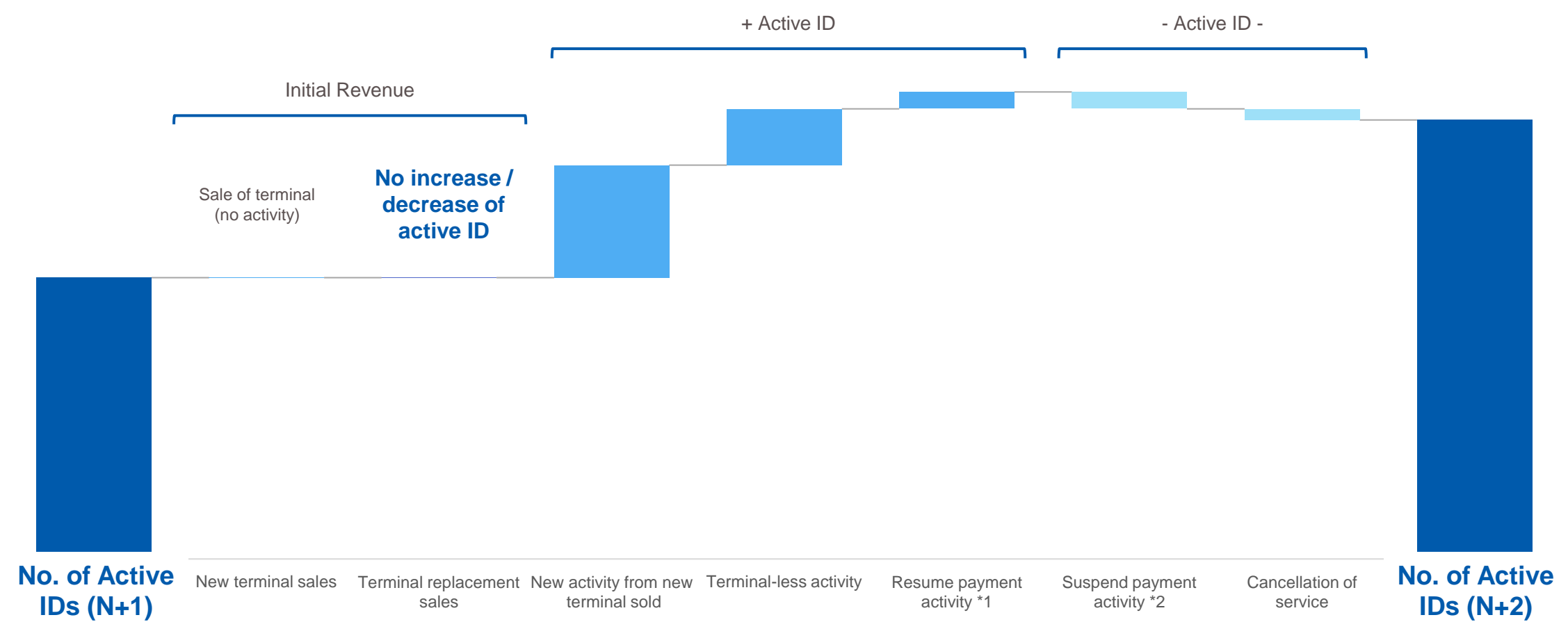
Image of quarterly balance in "Terminals sold" and "new active IDs"



- 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.	<ul style="list-style-type: none"> • Terminal Selling Price × Units Sold <ul style="list-style-type: none"> ✓ 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	<ul style="list-style-type: none"> • Number of Deals × Ordered value <ul style="list-style-type: none"> ✓ 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	<ul style="list-style-type: none"> • Number of contracts × Service Price <ul style="list-style-type: none"> ✓ 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	
Processing (Monthly fixed fee model)	It is a processing fee based on monthly fixed rate <small>*Basically, it is defined as "Fee" revenue when it comes to the case we charge as Pay As You Go billing, not fixed rate</small>	<ul style="list-style-type: none"> • Number of contracts × Monthly Fixed Fee <ul style="list-style-type: none"> ✓ Monthly fixed fee will vary depending on the size of contract etc..

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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)	<p>We charge spread fee (α) towards clearing amount to merchants</p> <p>We received indicator rate (N) from acquirers, then we acquire merchants instead of acquirers with the new rate ($N + \alpha$ = merchant fee)</p>	<p>GMV of Agent Contract × Spread fee we charge (about 0.3~0.4%)</p>

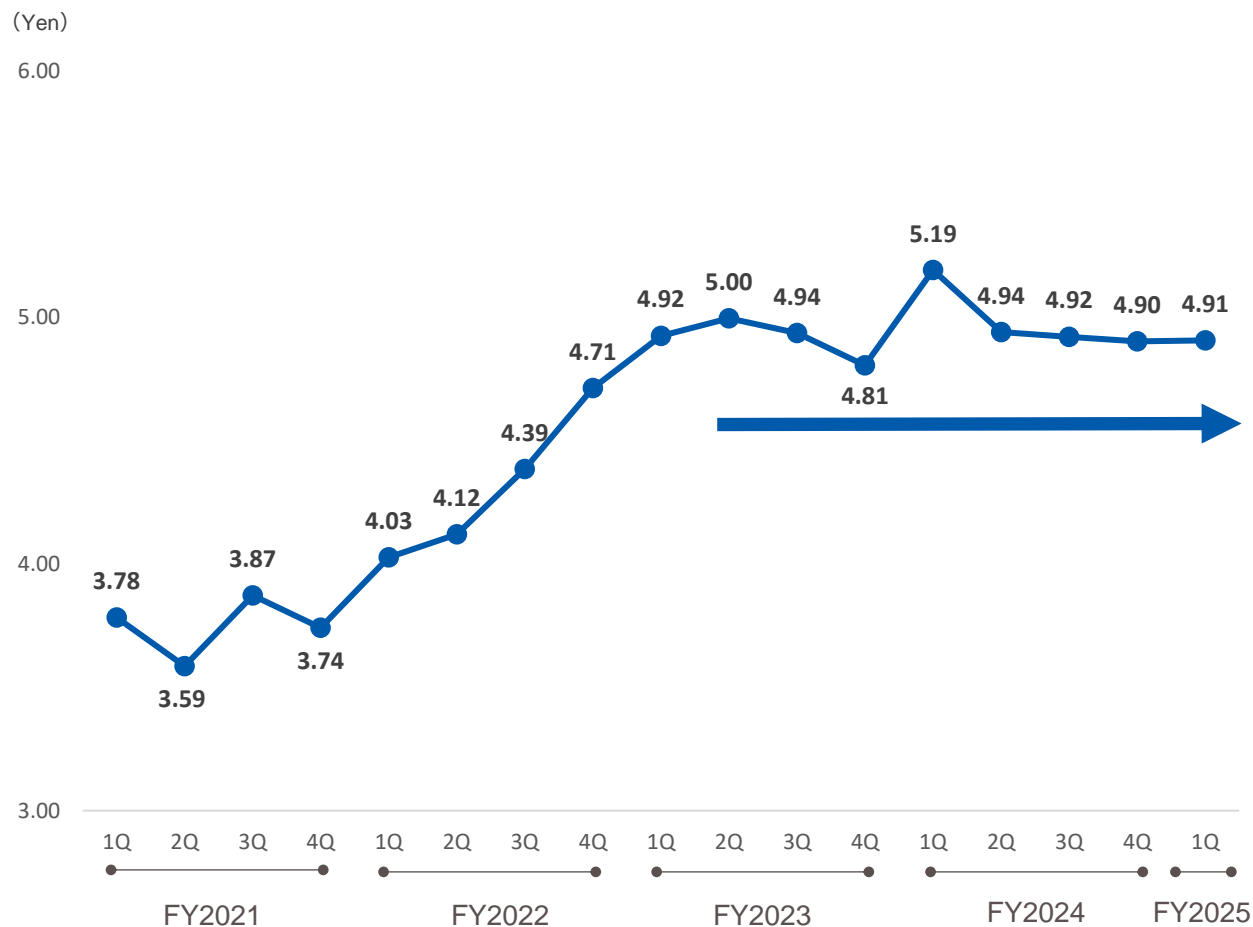
Fee ARPU (Fee revenue divided by Transaction volume)

Business Model

The unit fee price is currently trending at just under 5 yen and roll paper sales contribute to fluctuations in the unit fee price.

■ Fee ARPU (Fee revenue divided by Transaction volume)

■ Composition of Fee ARPU



Low

Image of linkage ratio to the number of transaction volume

High

Electronic voucher storage fee

➡ Growing trend of subscriptions

Roll paper sales

Processing fee

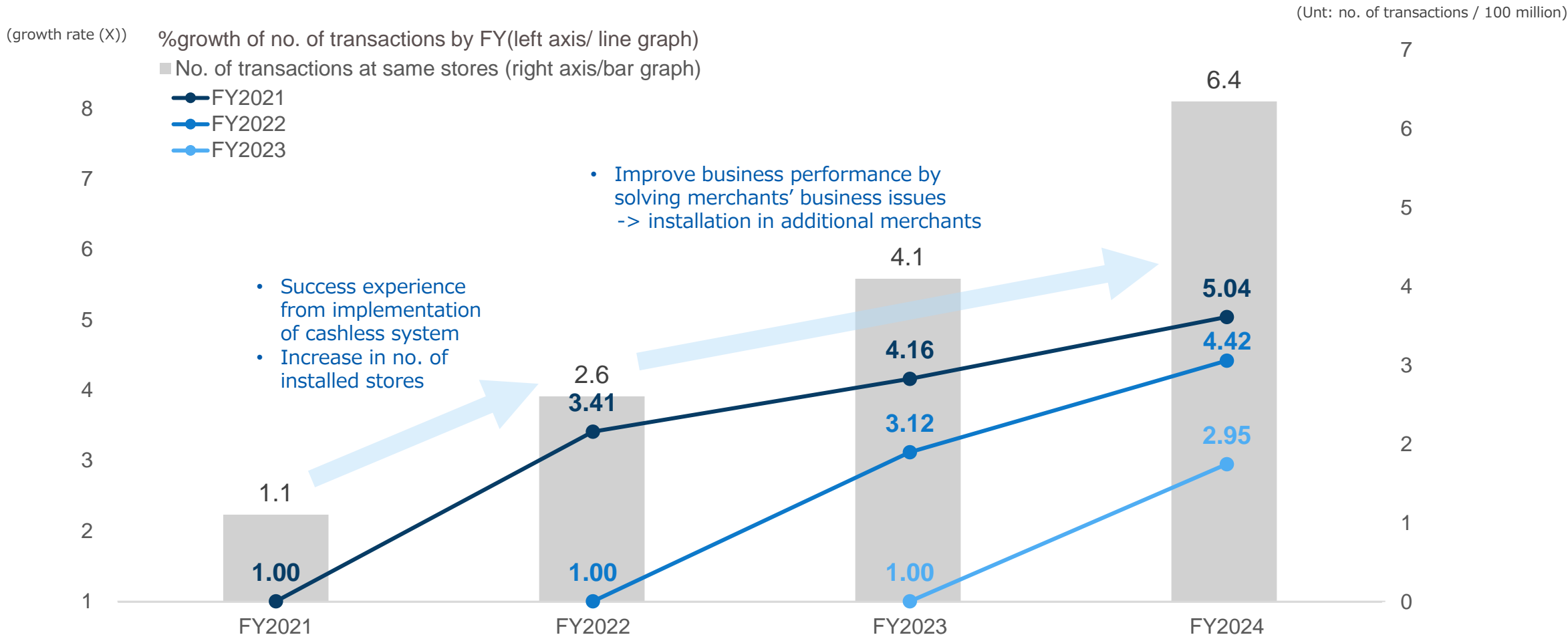
Number of transaction volume*

*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)

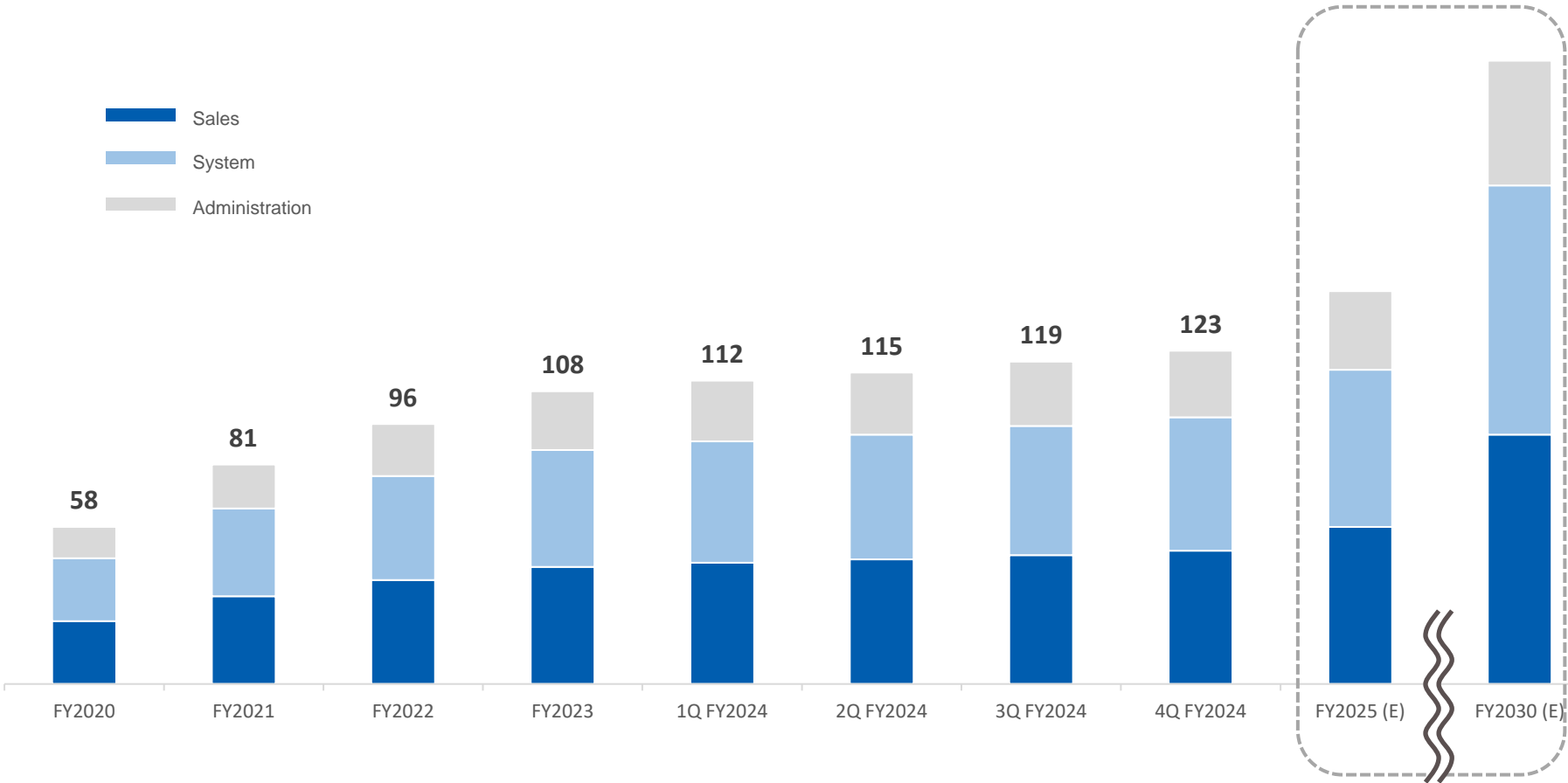


Number of Employees(Consolidated basis)

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.

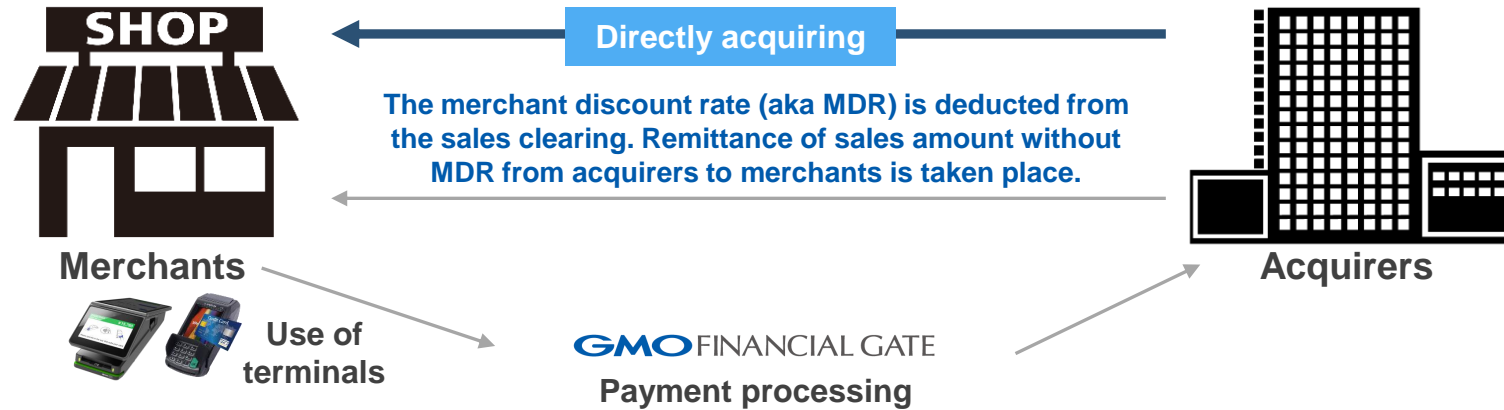
Administration : Talents who can promote the establishment of an advanced management system in line with business expansion.

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

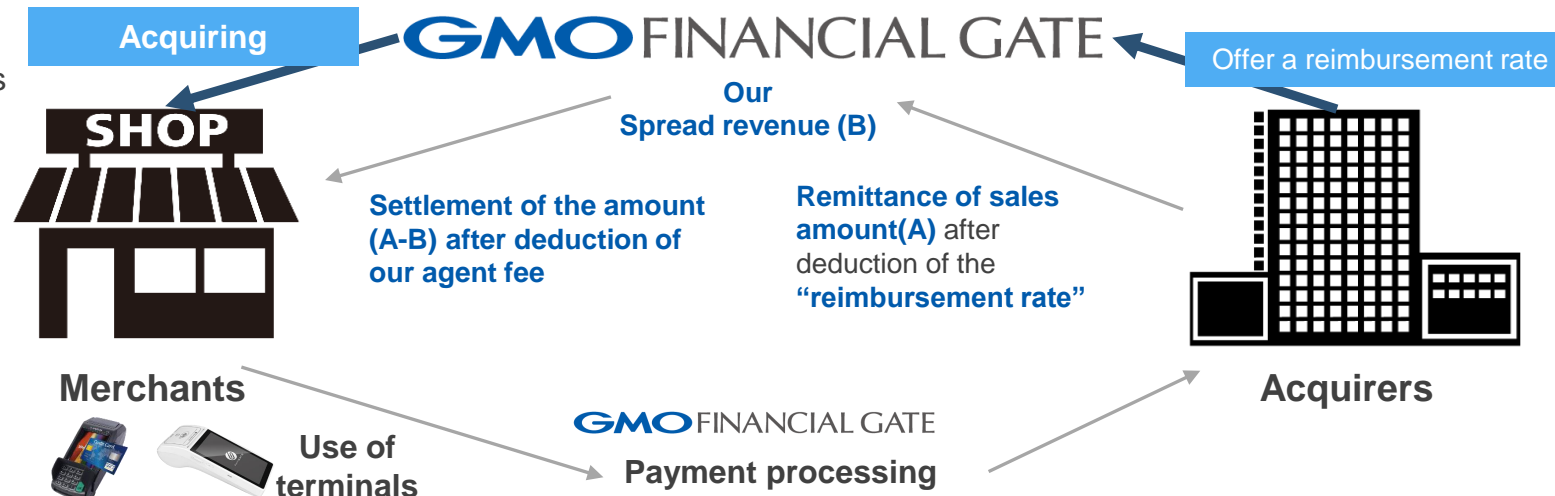
Initial

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



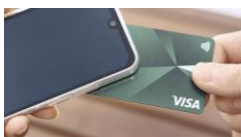
Embedded Model



POS Model

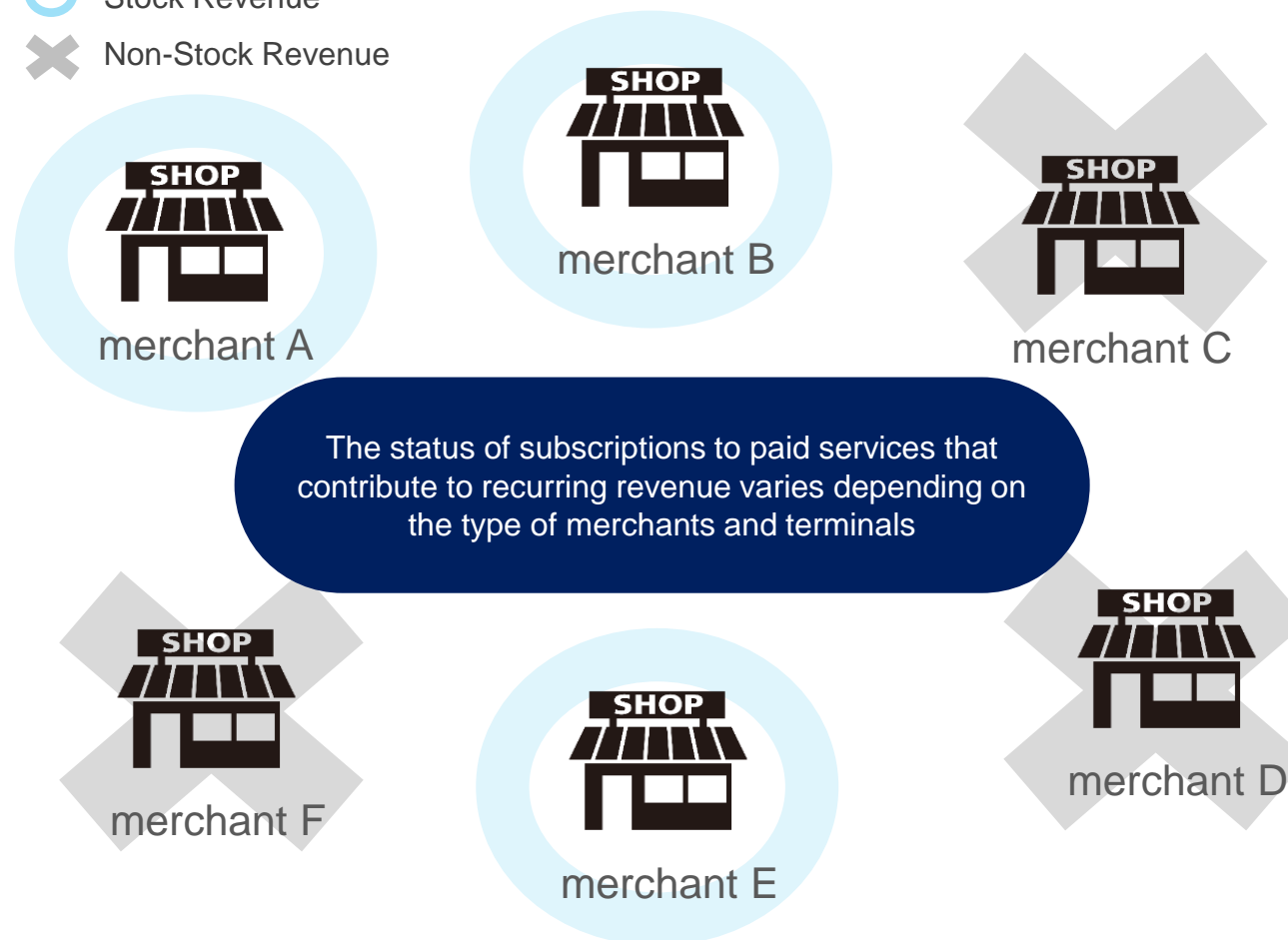


Terminal-less



Merchants (Acquisition opportunity image of Stock revenue)

- Stock Revenue
- ✕ Non-Stock Revenue



Monetization by Payment Method

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.

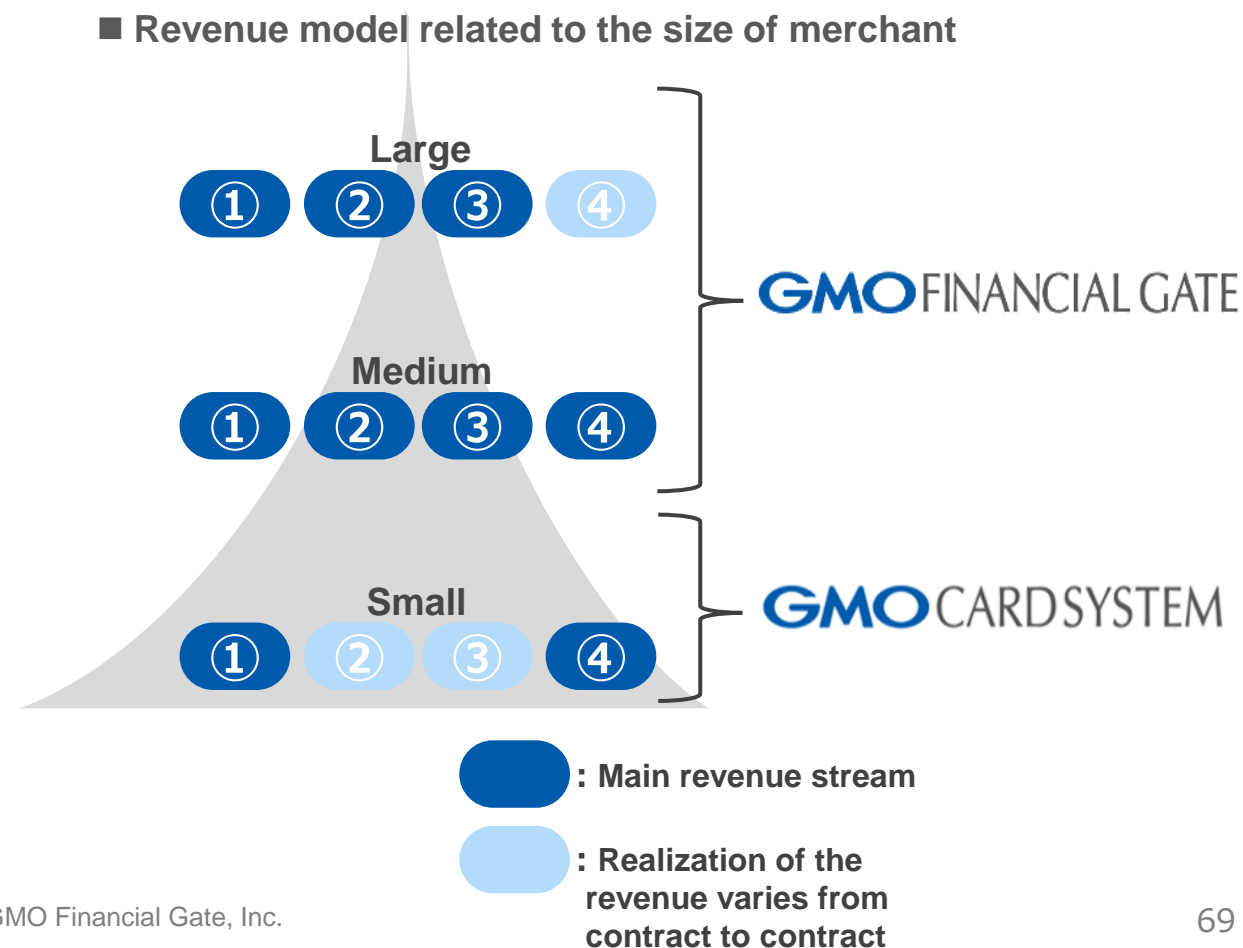
Revenue Model by Merchant Size

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

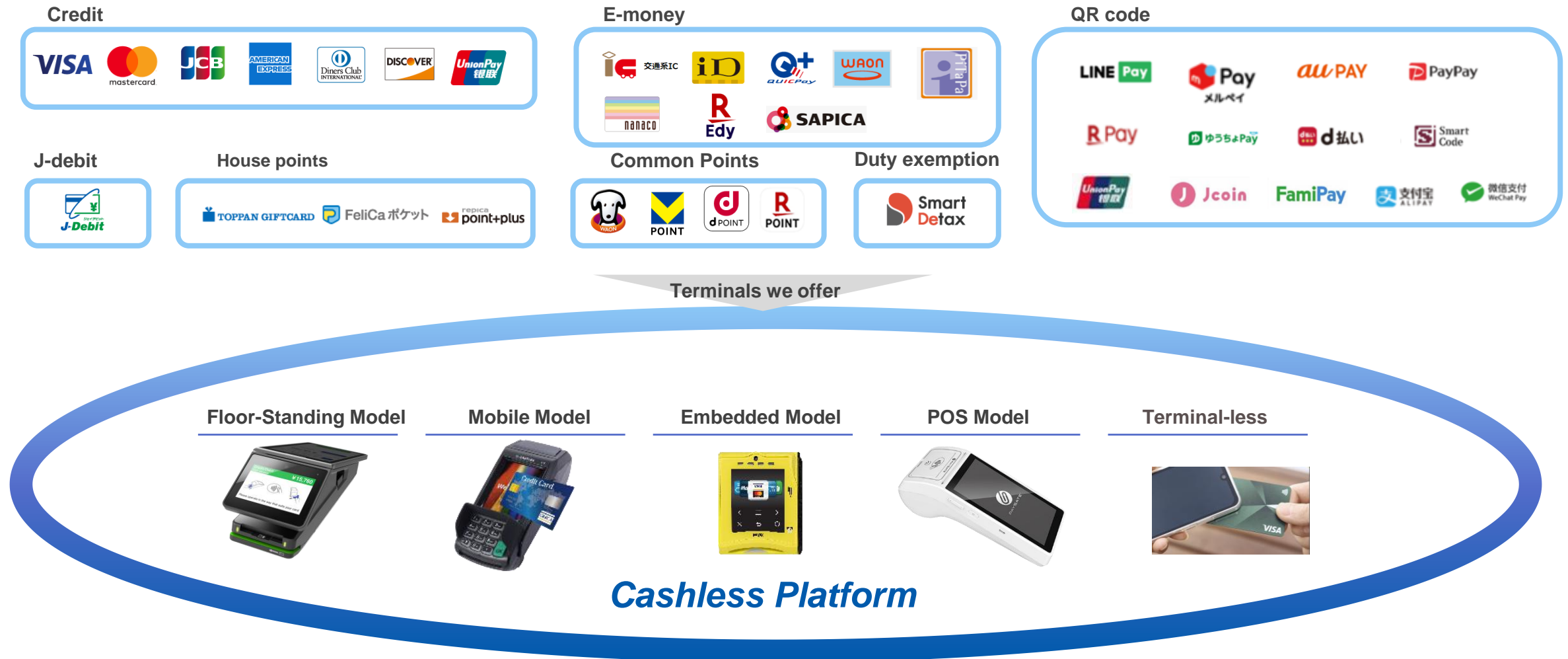
■ Revenue model related to the size of merchant



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



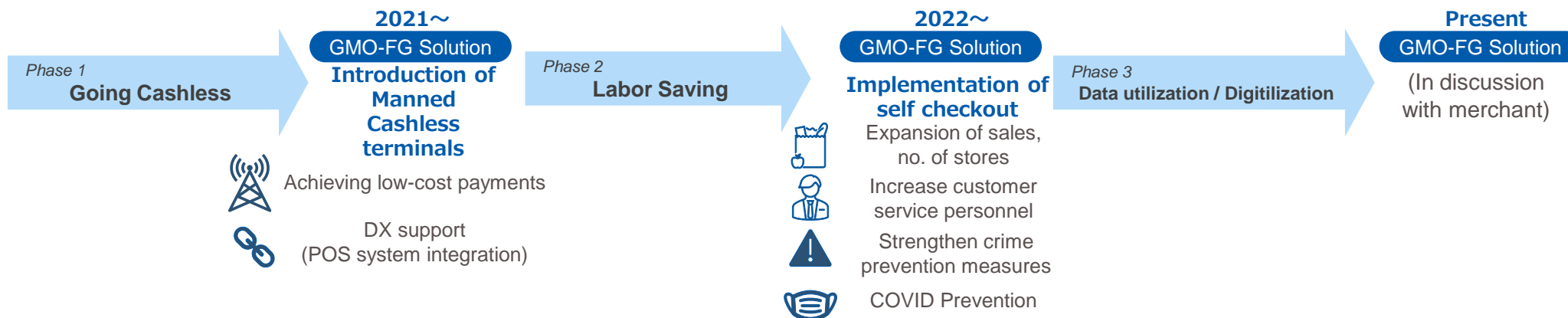
Win-Win Ecosystem Formation Case Study

Business Model

Providing solution assets to solve merchant business issues

Forming a win-win ecosystem where merchant sales and our ARPU grow together

Solving Merchant Issues

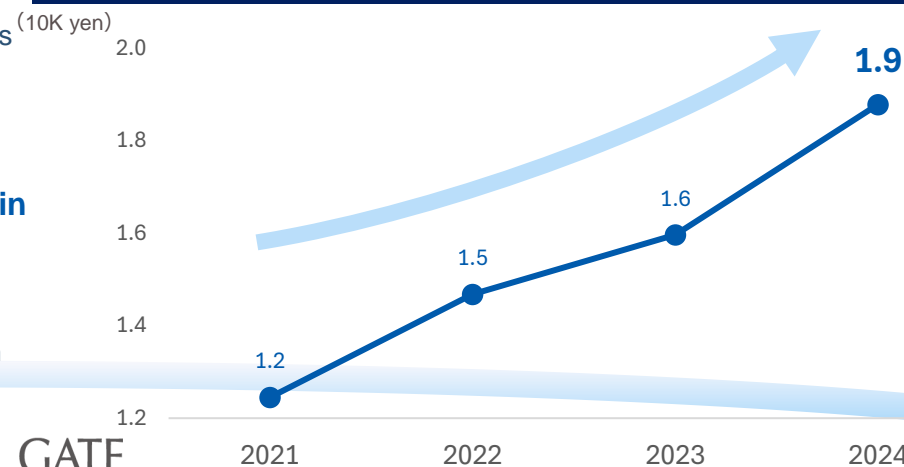
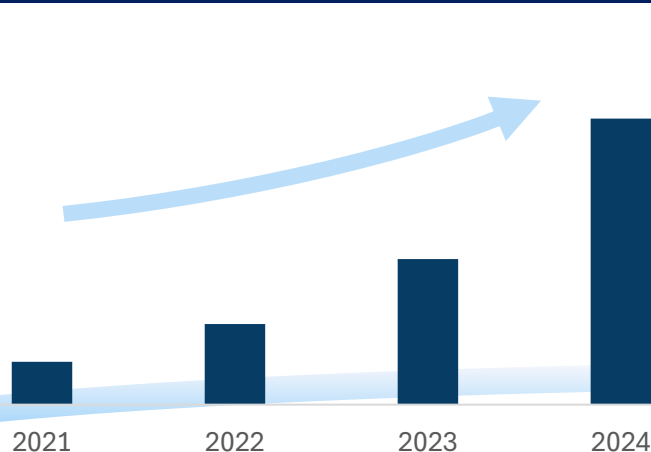


Merchant: Improve sales and profit through labor saving and higher efficiency

Increase ARPU by increasing active IDs

Revenue of Merchant Stores
(sales of merchant A)

Our ARPU
(Recurring ARPU from merchant A)

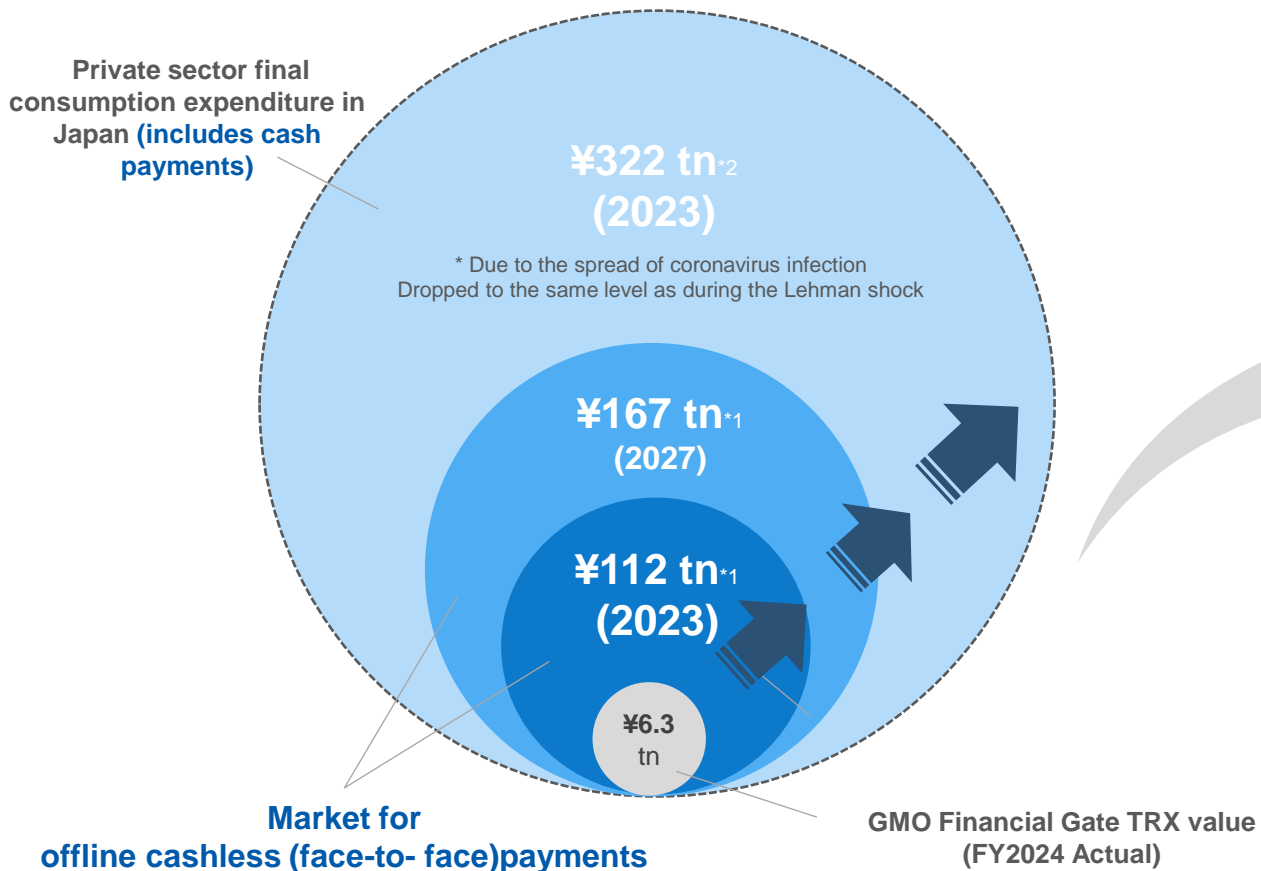


GMO FINANCIAL GATE
Cashless Platform

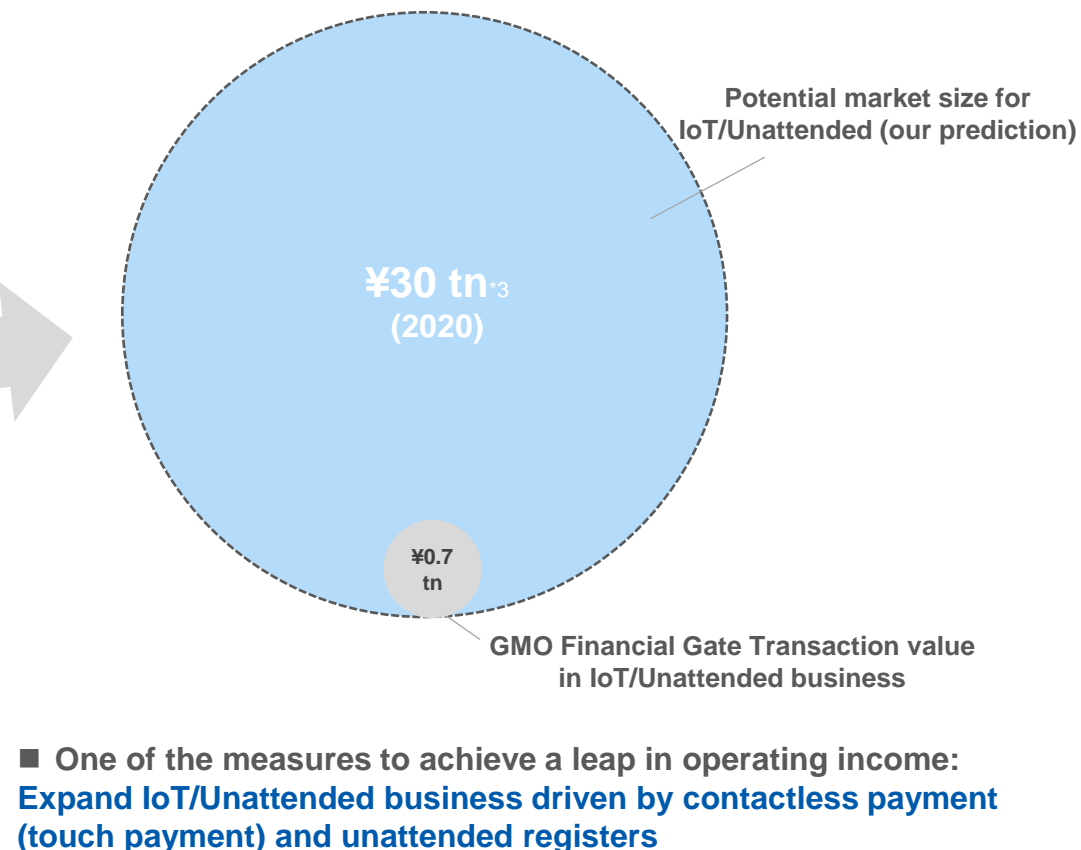
*2024 ARPU is estimated

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



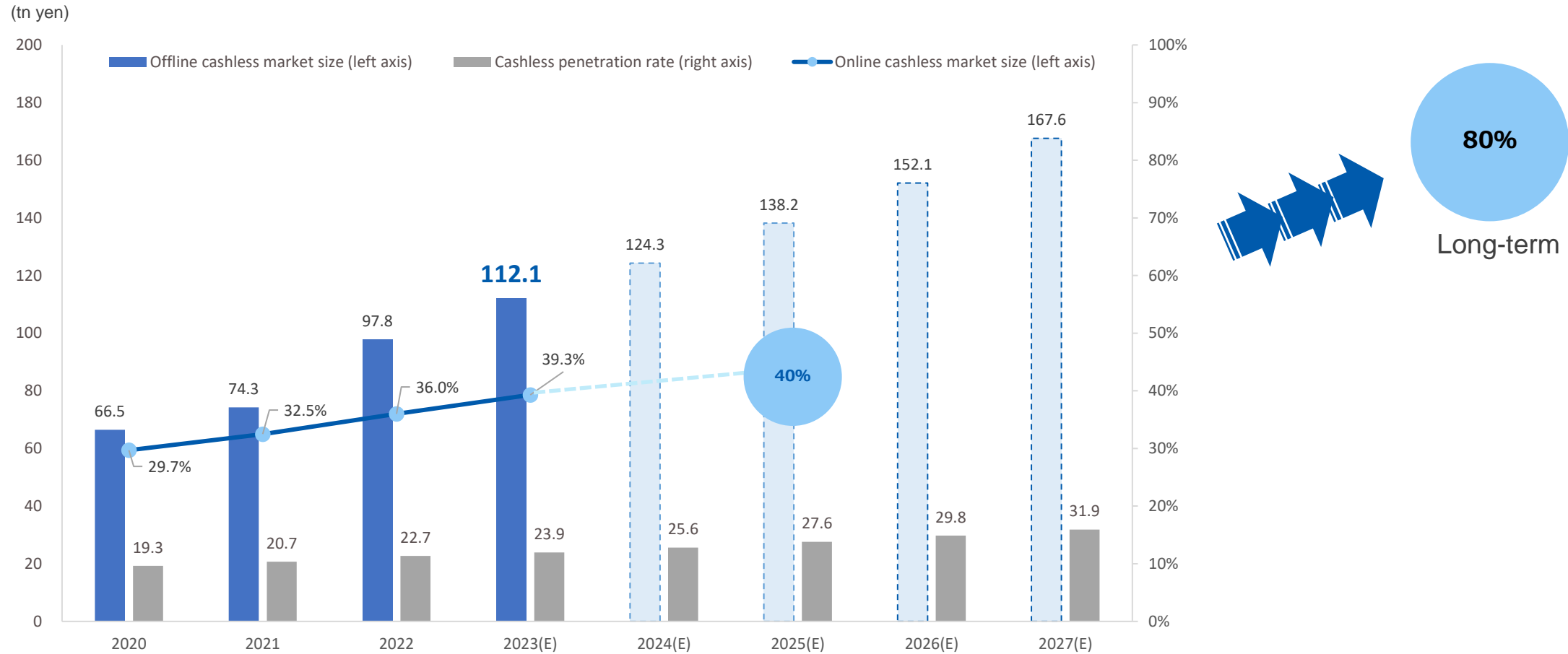
(^{*1}) "2024 Edition: Actual Status and Future Forecast of the Cashless Payment Market in Japan" and "2024 Edition: Current Status and Future Forecast of Online Payment Service Providers" Yano Research Institute Ltd.

(^{*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 ¥98 tn, four times larger than the online market. Cashless penetration is expected to rise driven by government-led cashless policies



Source: Cashless payment ratio in 2023, METI

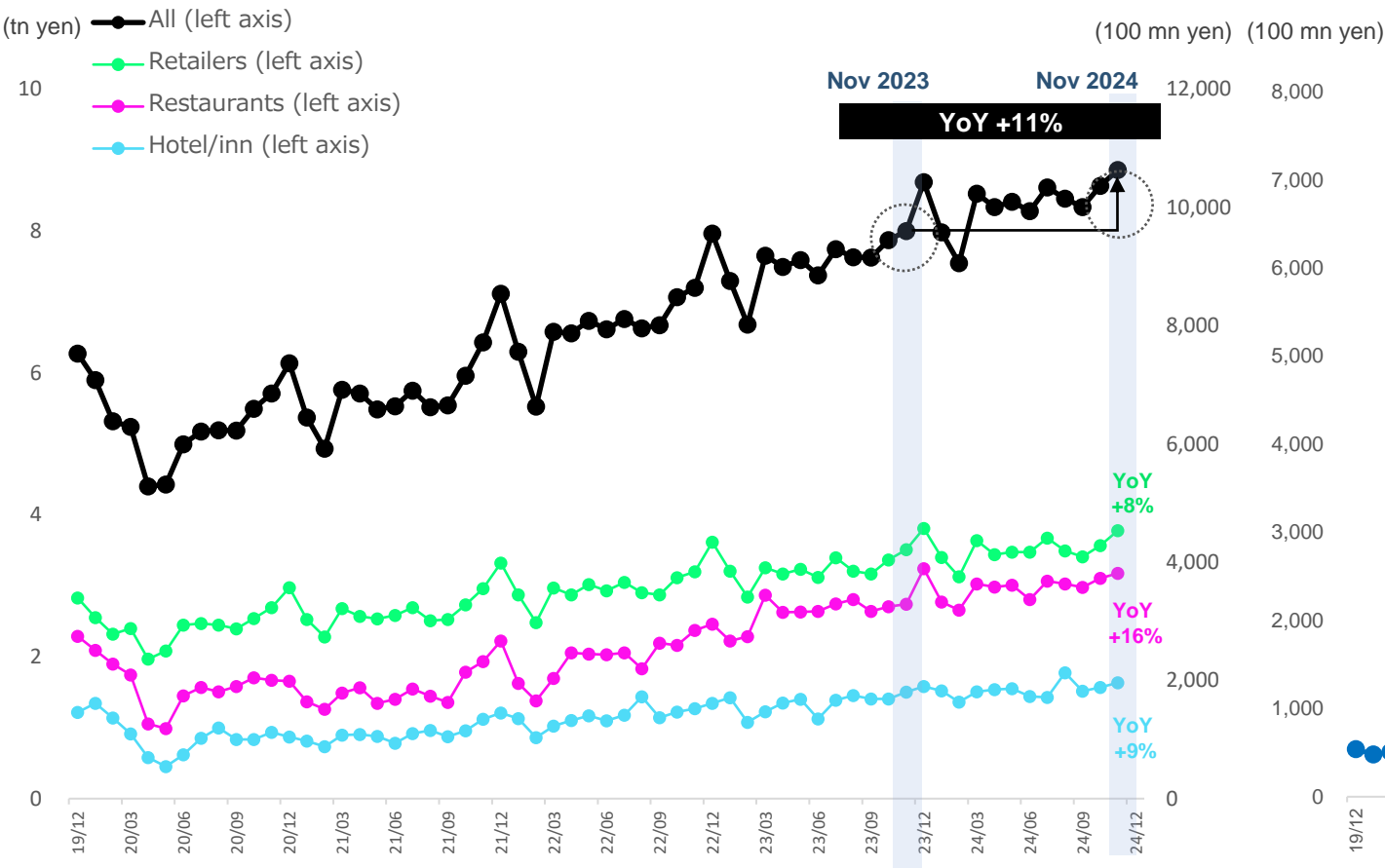
"2024 Edition: Actual Status and Future Forecast of the Cashless Payment Market in Japan" Yano Research Institute Ltd

"2024 Edition: Current Status and Future Forecast of Online Payment Service Providers" Yano Research Institute Ltd.

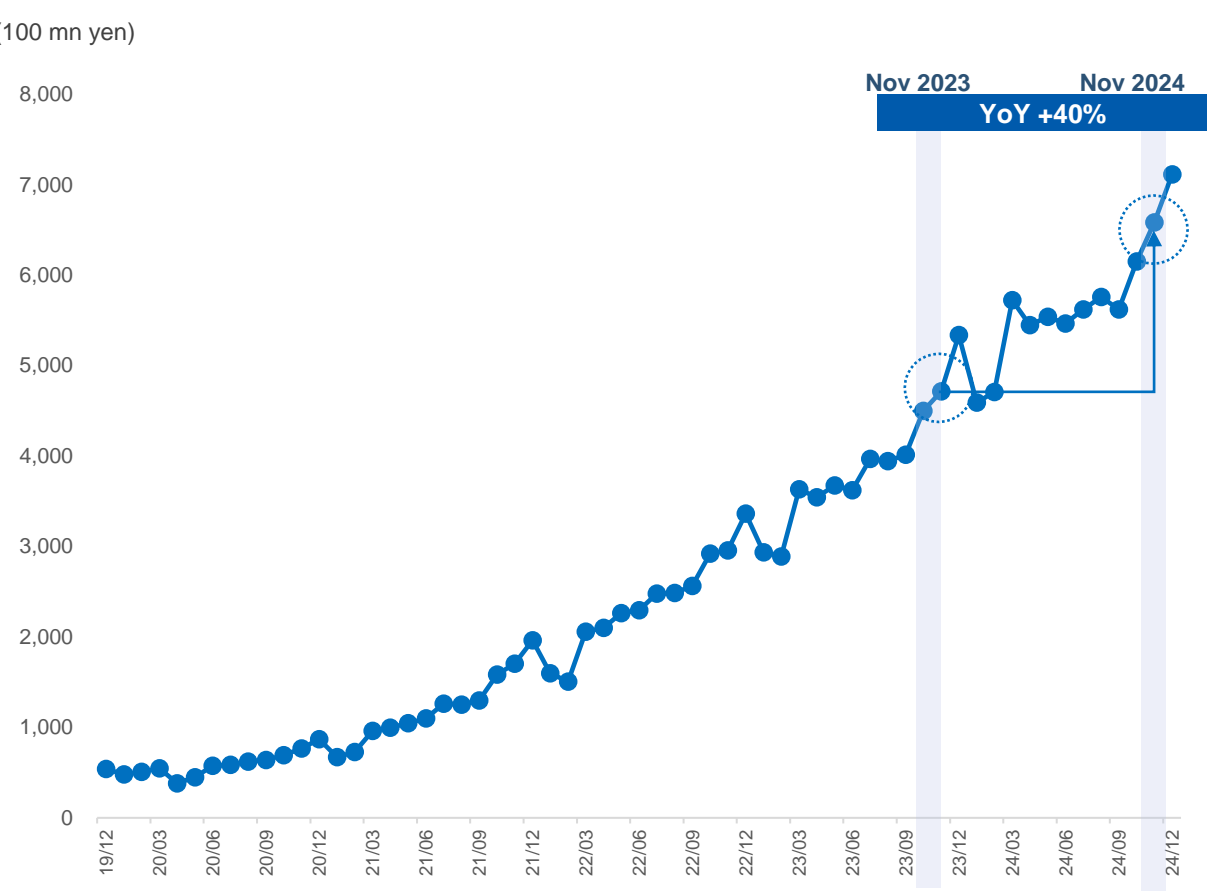
Comparison to Market Growth (May YoY)

Overall market growth is +11% YoY while GMO-FG grew +40% YoY, significantly exceeding macro trends

Market GMV (Transaction value of credit card payment)



GMO-FG GMV



Composition Ratio of Domestic Cashless Payment Methods

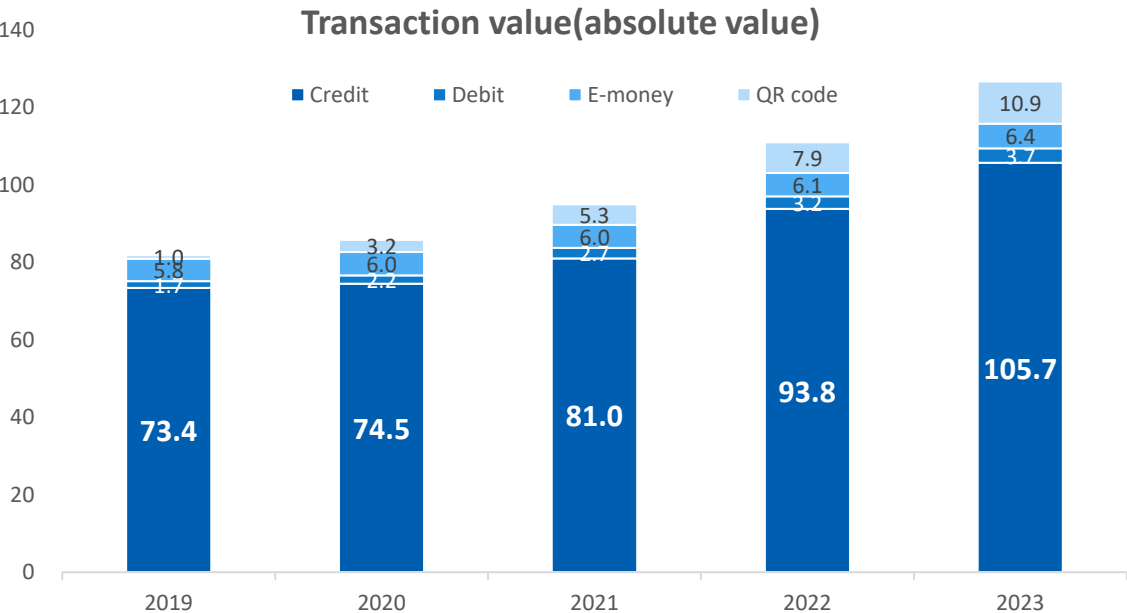
Market Environment

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

Transaction Value

Composition	2019	2020	2021	2022	2023
Credit	89.7%	86.8%	85.3%	84.5%	83.5%
Debit	2.1%	2.5%	2.8%	2.9%	2.9%
E-money	7.0%	7.0%	6.3%	5.5%	5.1%
QR code	1.2%	3.7%	5.6%	7.1%	8.6%

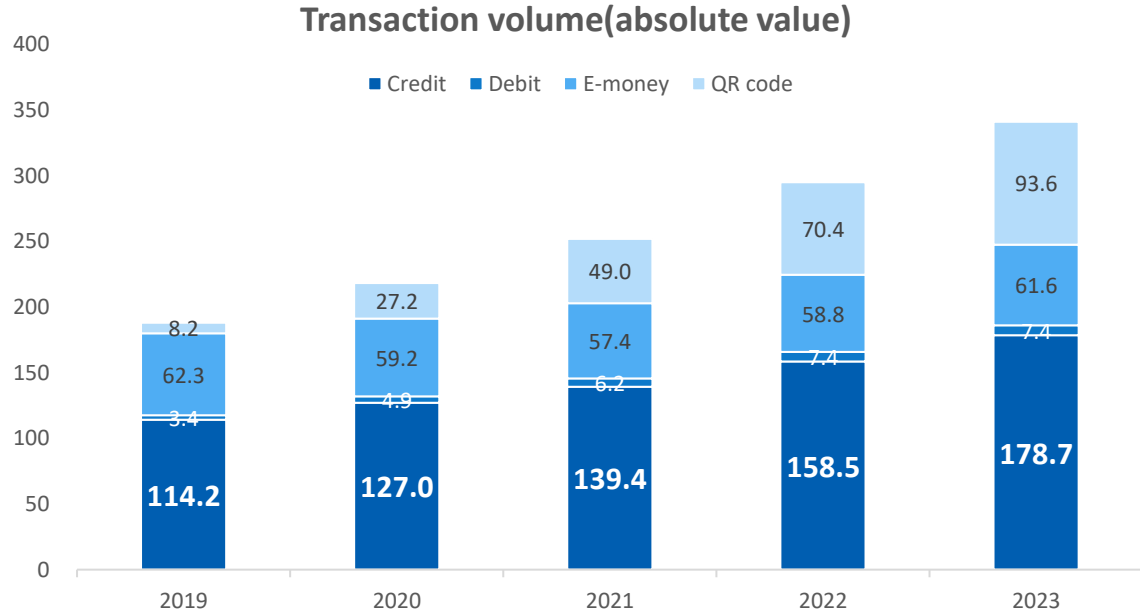
(tn yen)



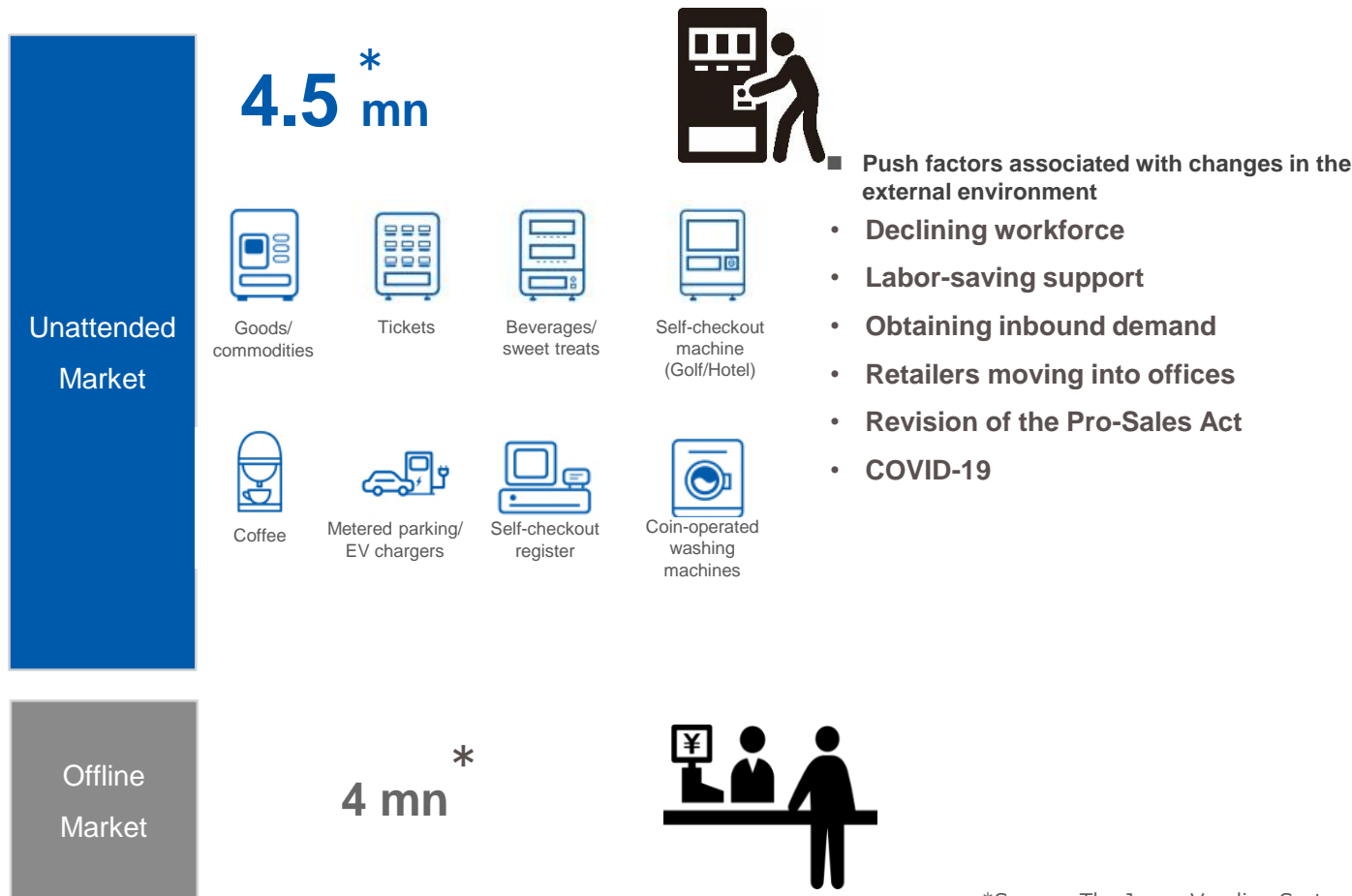
Transaction Volume

Composition	2019	2020	2021	2022	2023
Credit	60.7%	58.2%	55.3%	53.7%	52.4%
Debit	1.8%	2.2%	2.5%	2.5%	2.2%
E-money	33.1%	27.1%	22.8%	19.9%	18.0%
QR code	4.3%	12.4%	19.4%	23.9%	27.4%

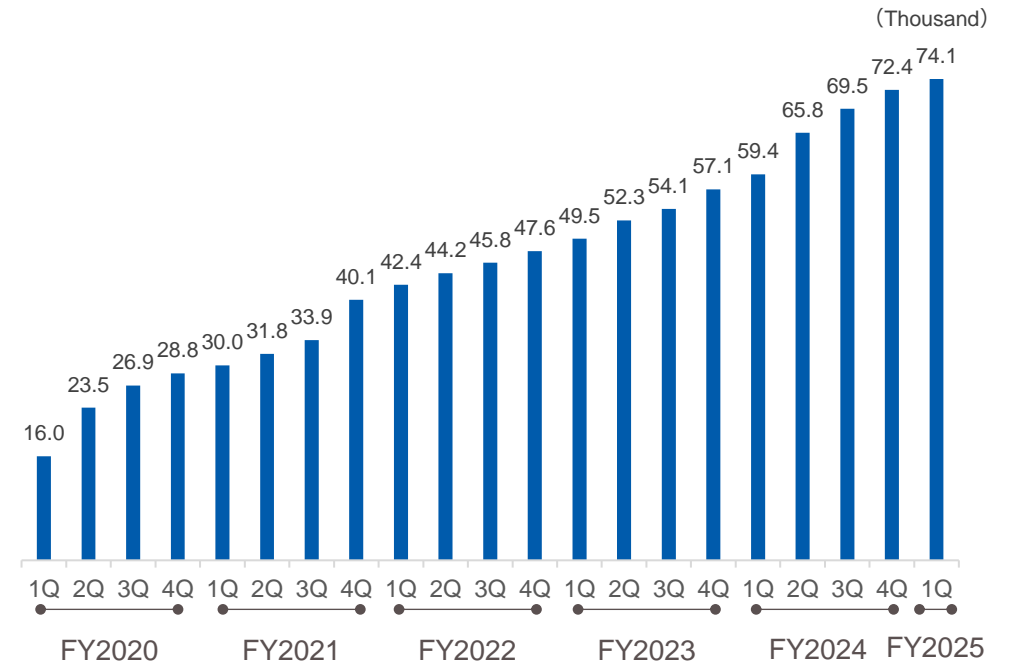
(100 mn)



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

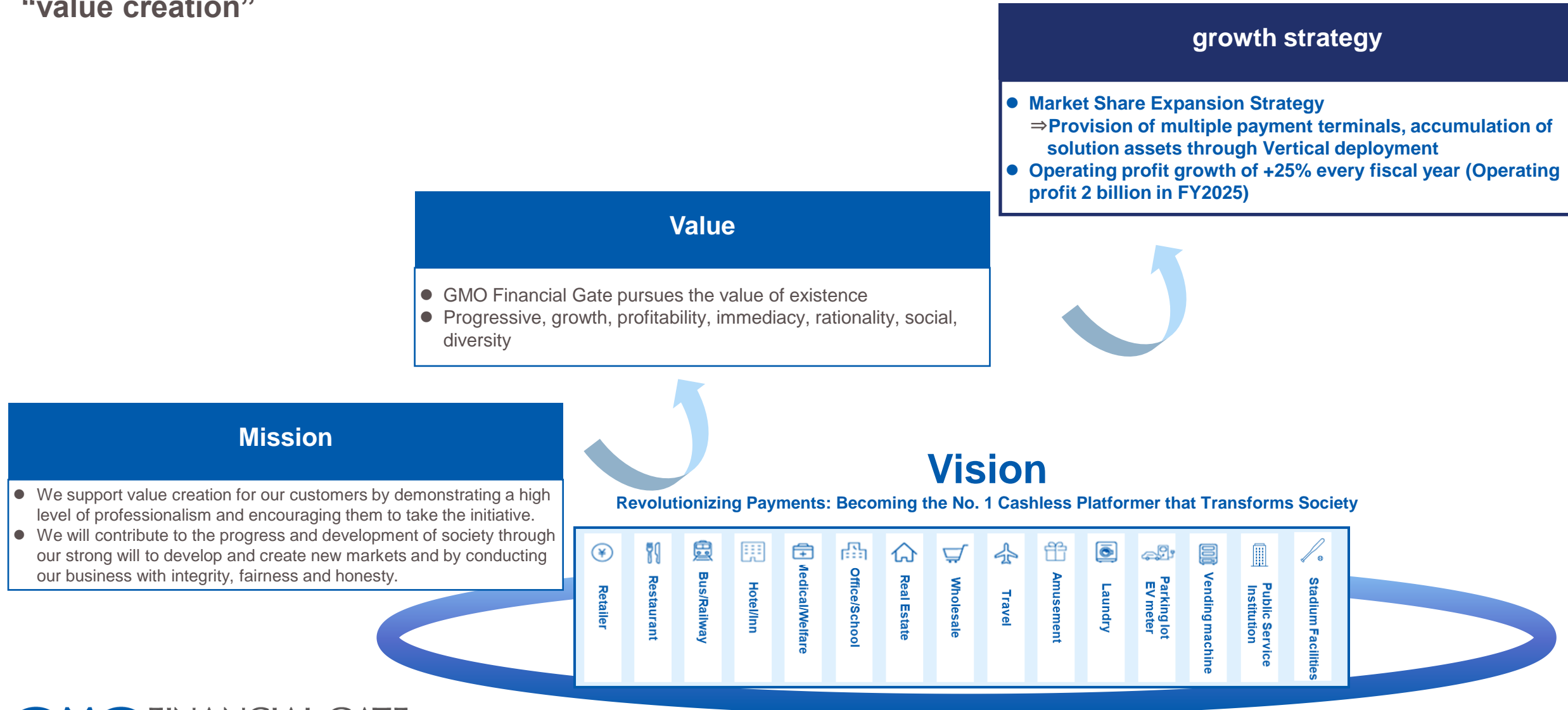


*Source: The Japan Vending System Manufacturers Association, Japan Ministry of Health Labor and Welfare, Yano Research Institute Ltd.

Our philosophy on growth strategies

Growth Strategy

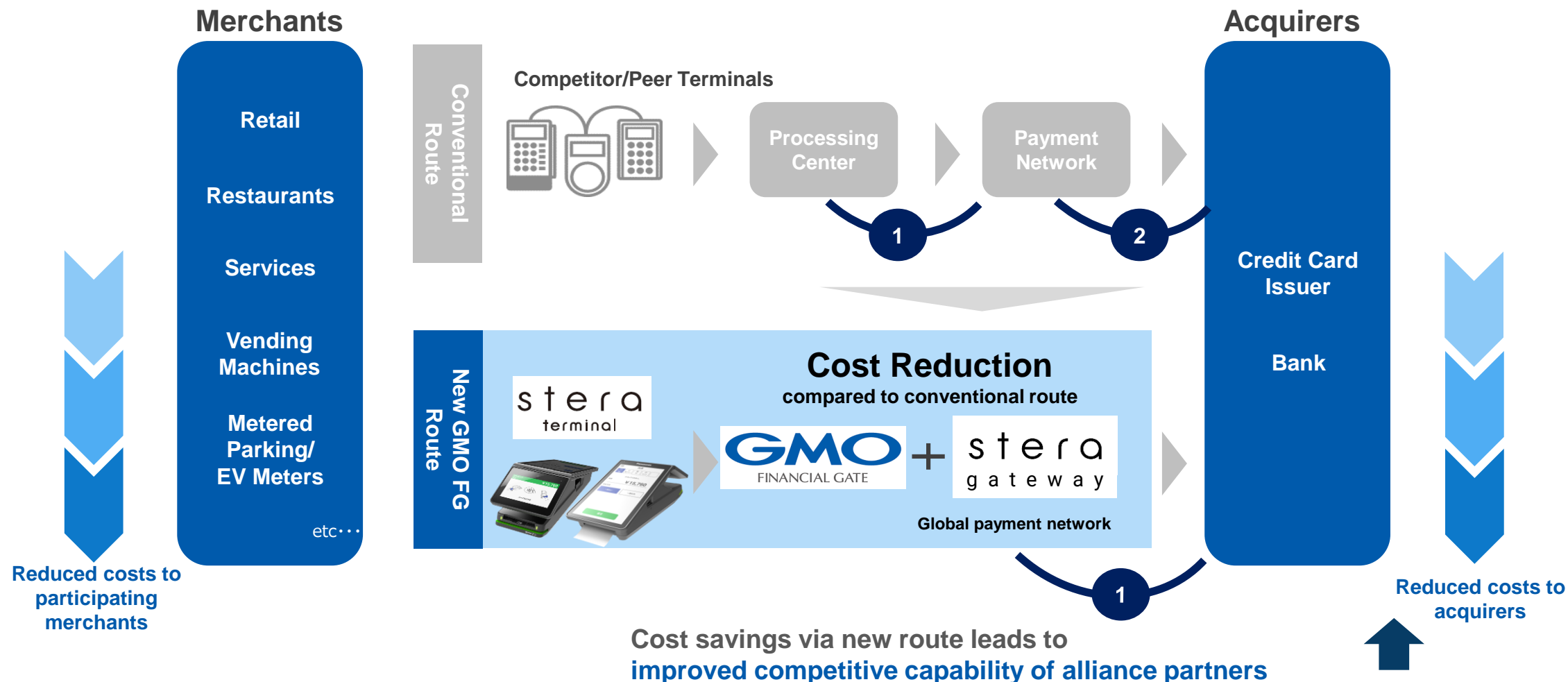
Our growth strategy is based on the perspective of "a payment platform that provides value to society as an infrastructure company supporting a cashless society". We develop growth strategies focusing on "value creation"



Strategy to Maximize Transaction Value

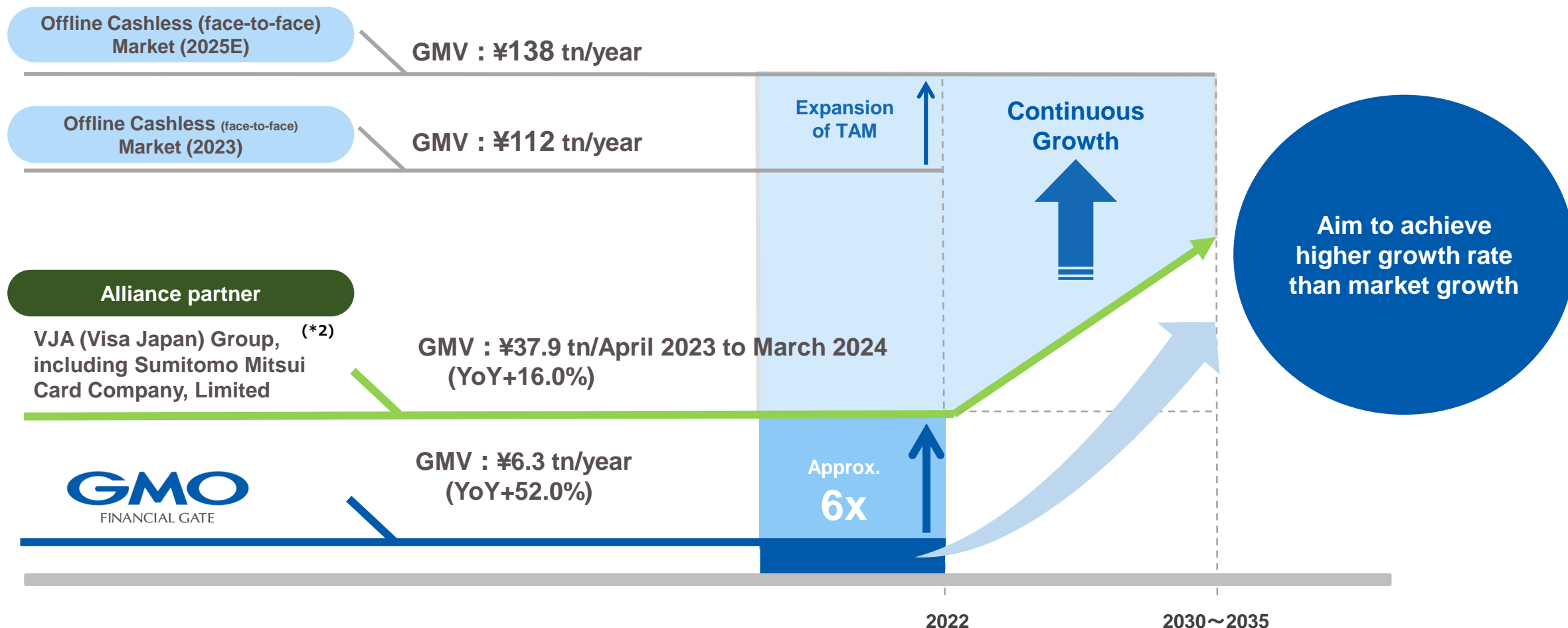
Growth Strategy

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

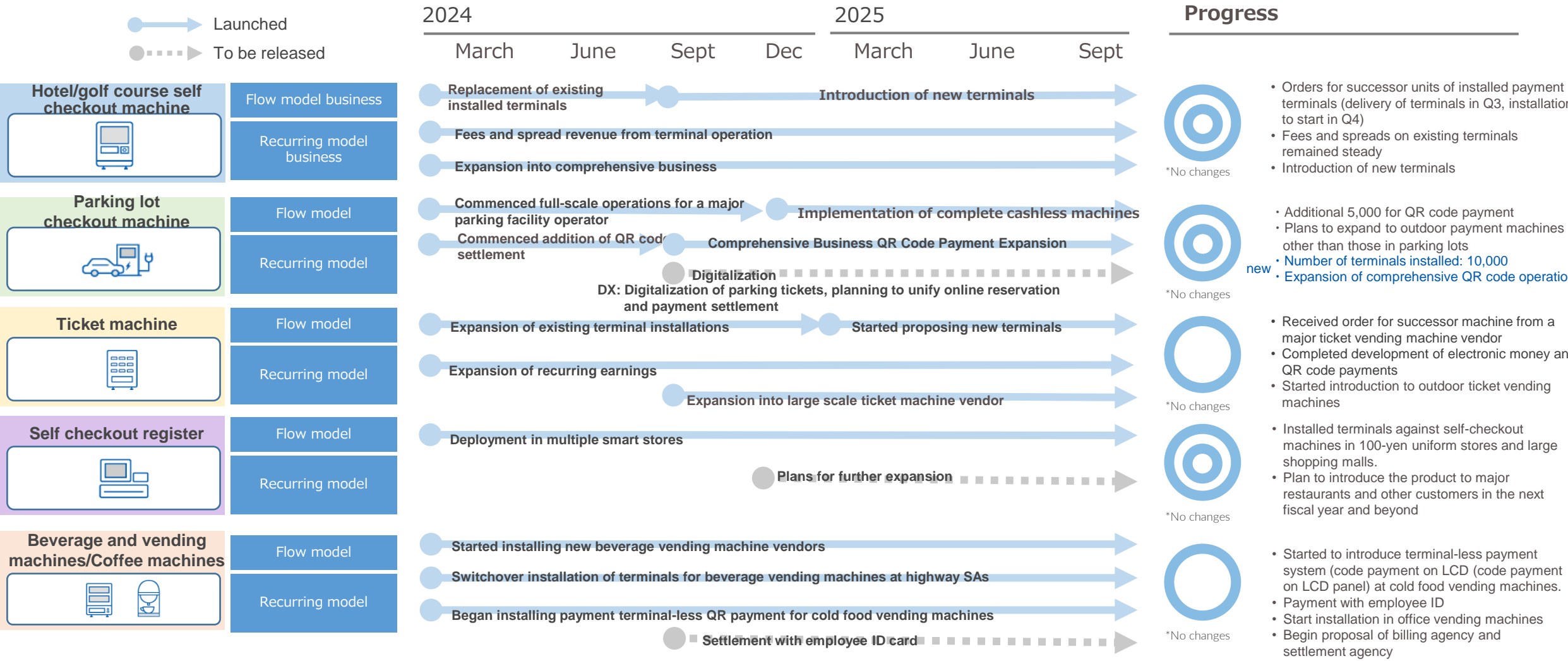
Due to cashless settlement penetration, TAM of our service scope has continuously expanded – New process network alliance partner will contribute to GMV increase



(*1) 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.
(*2) Source: VJA

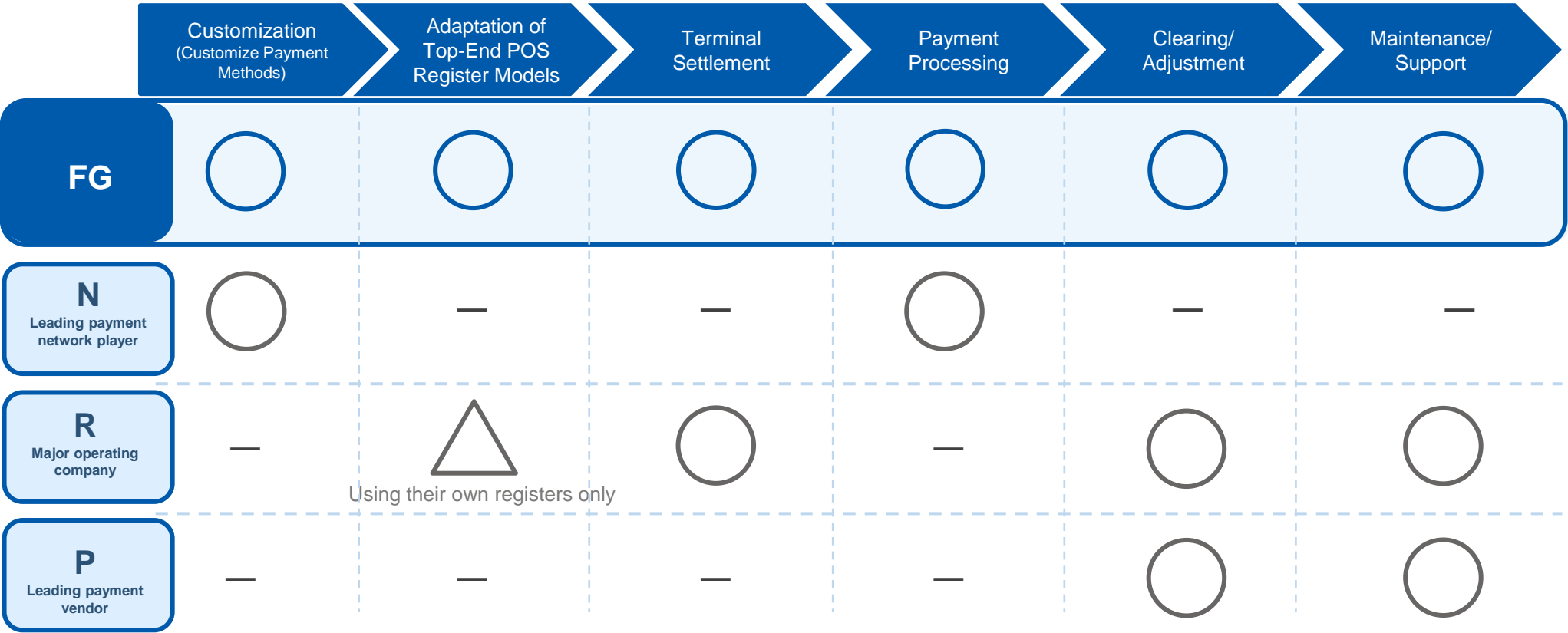
Improvements in Unmanned Terminals (IoT)

Unmanned Terminals (IoT) has strengthened alliance initiatives in multiple areas
Initiatives to monetize data is planned to materialize in the near future



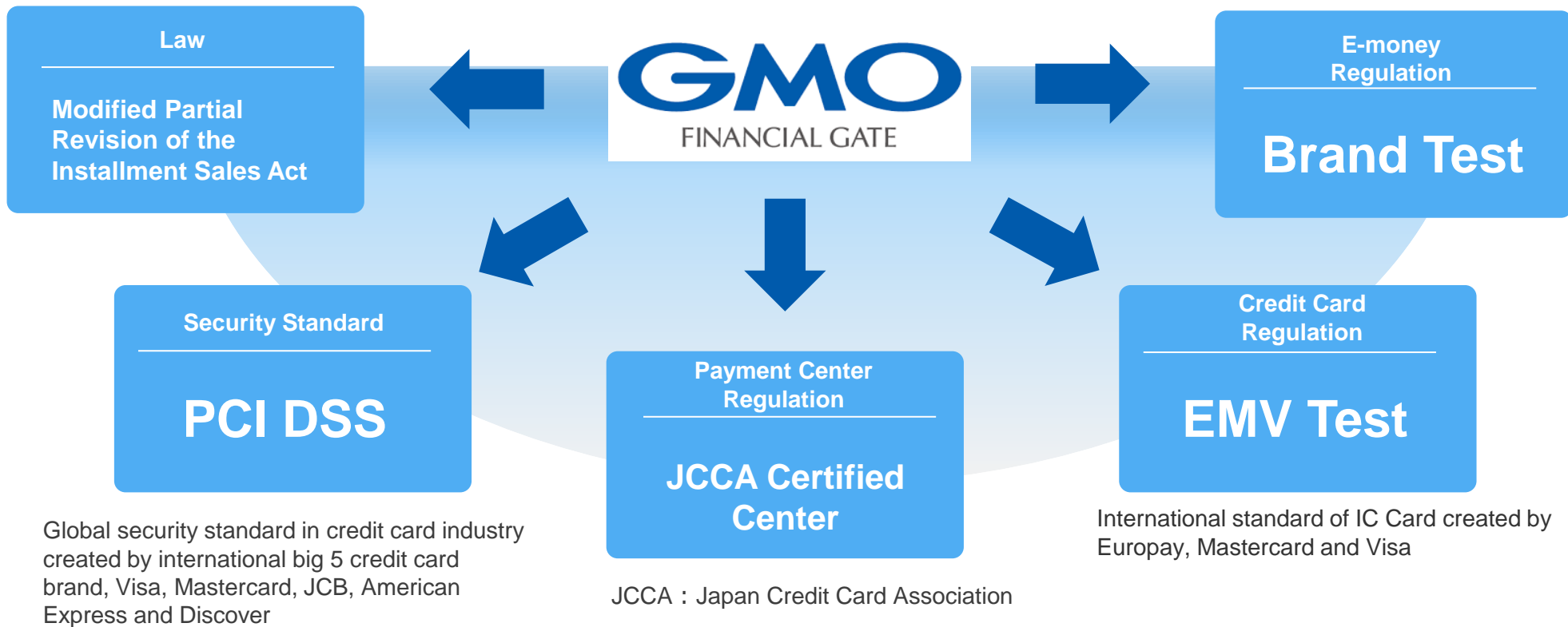
End-to-end solutions via one-stop platform allows us to create alliances with many players in the market

Solutions in Offline Payment Market



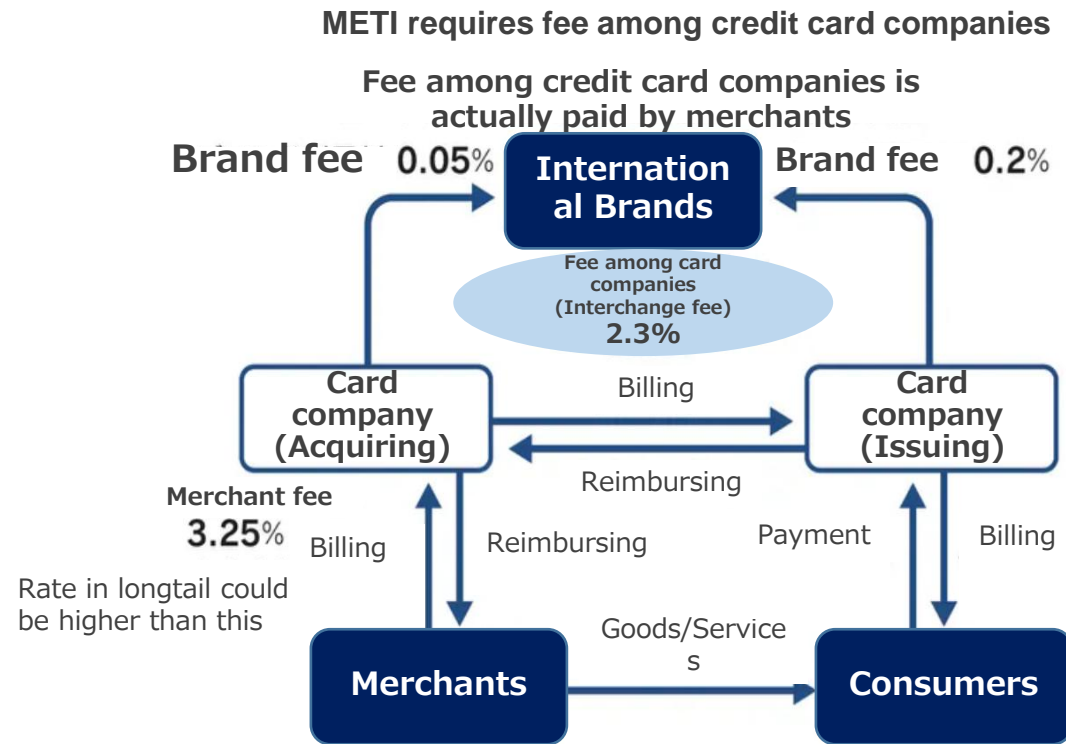
Barriers to Entry (Regulations to be Followed)

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

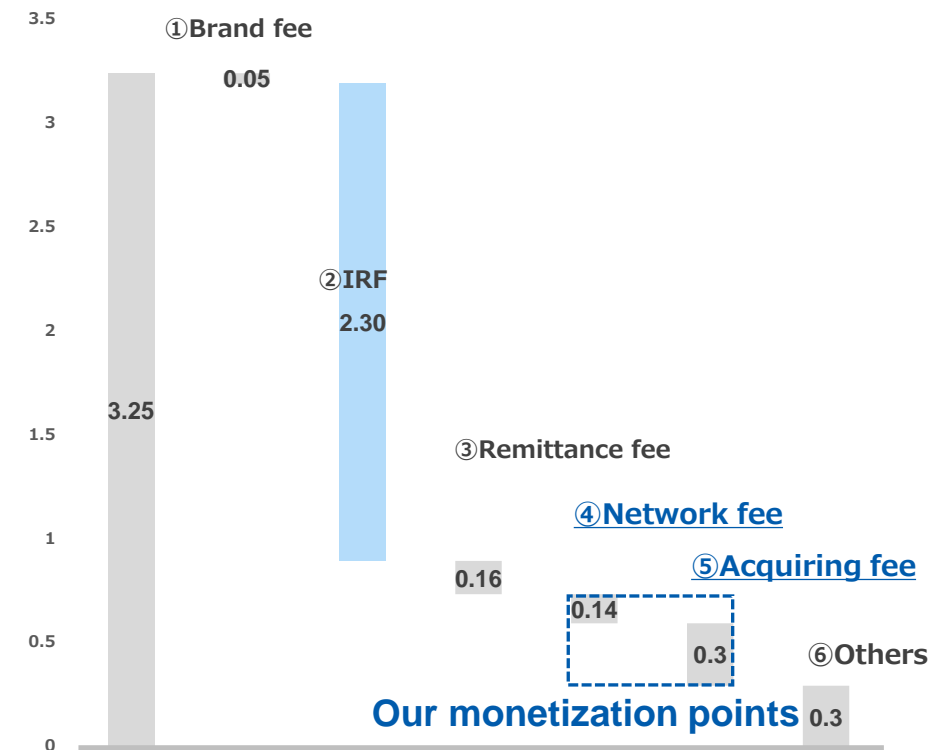


New topic of credit card industry

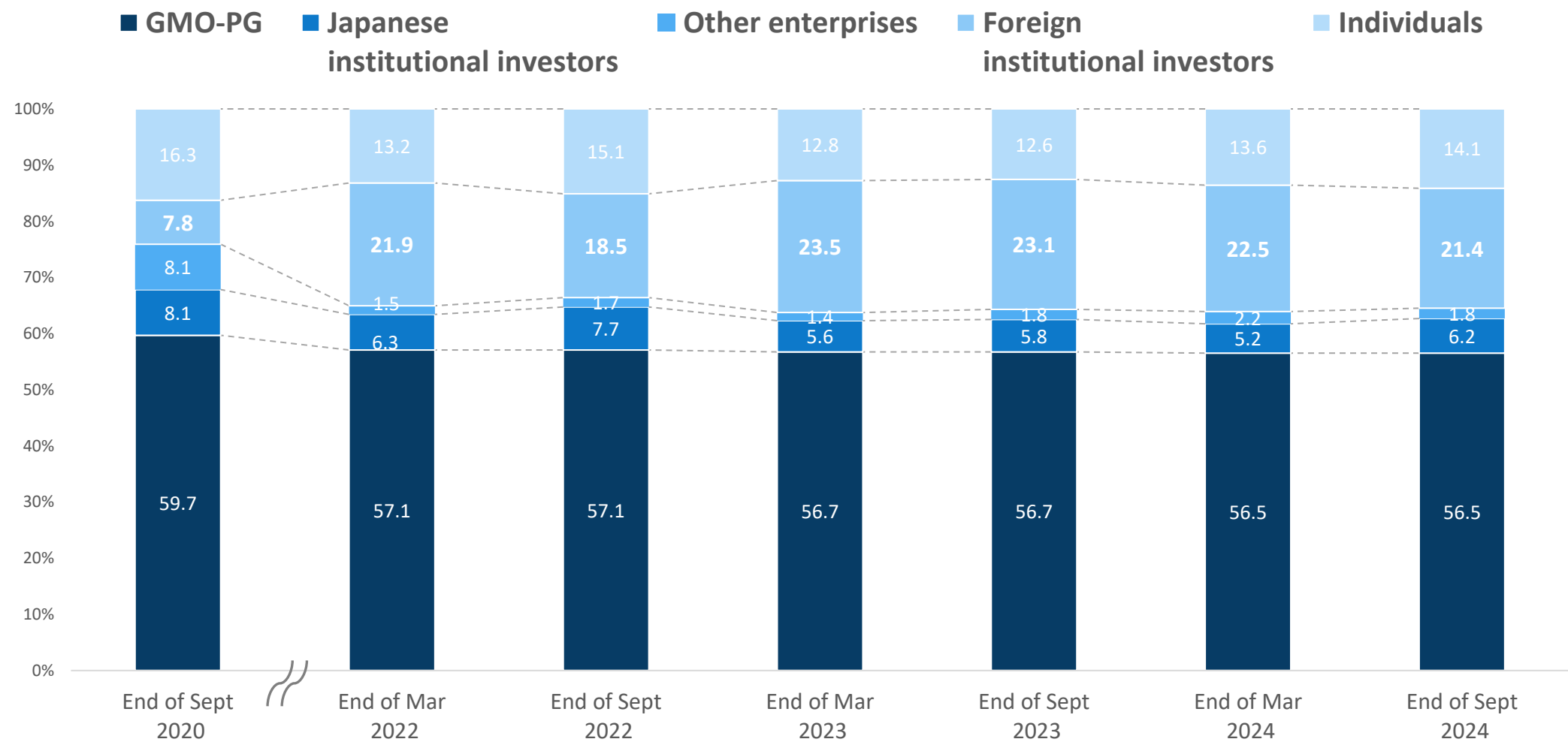
In response to a request from the Japan Fair Trade Commission, Visa, Mastercard, and UnionPay announced their intention to disclose their interchange fee rates by the end of November



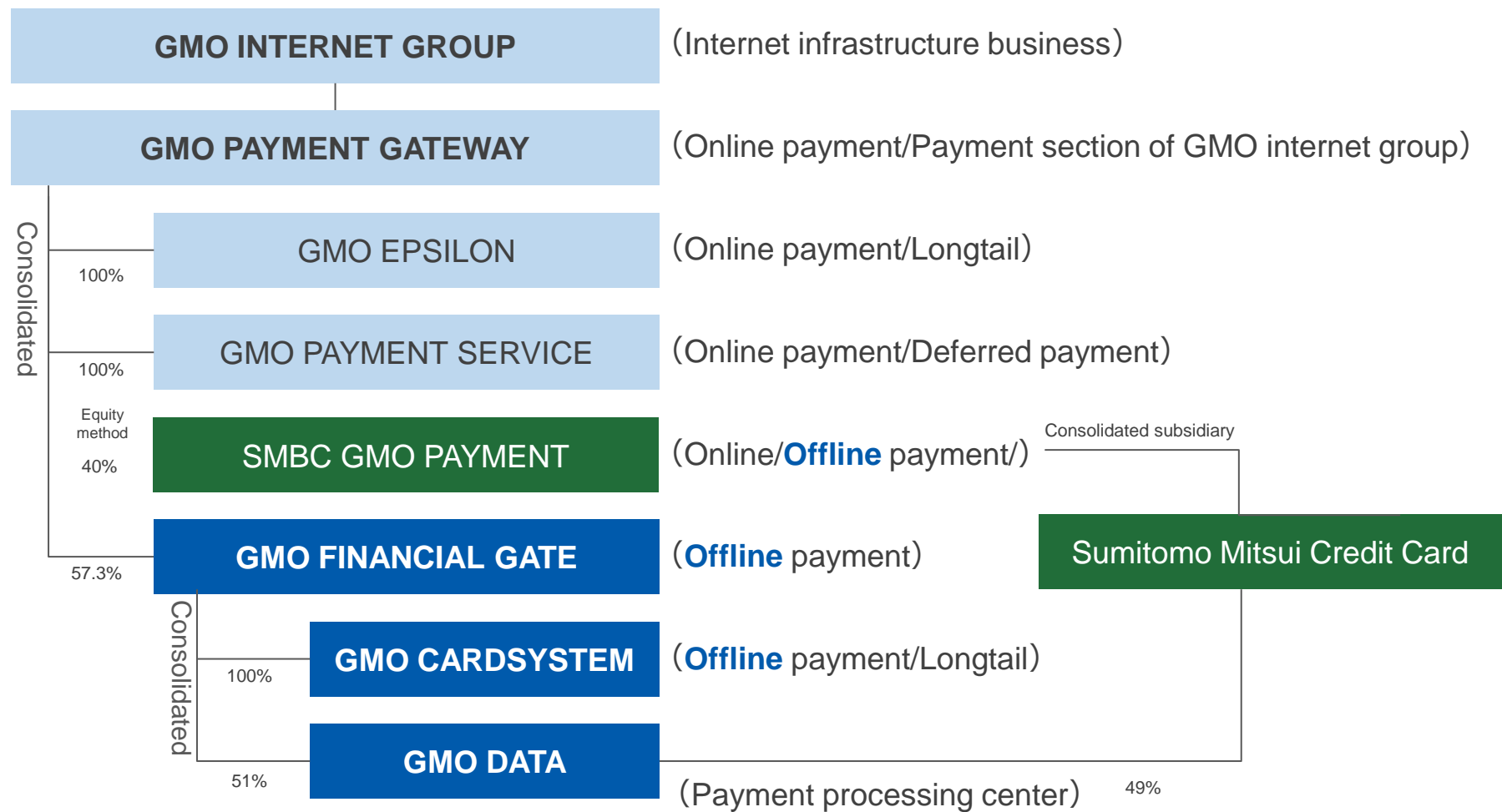
Breakdown of MDR
(model case : AOV ¥5K SME merchant)





Actively engaged in IR activities for domestic and foreign institutional investors through 1-on-1 meetings and conference appearances, maintaining the ratio of foreign institutional investors at over 20%.



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 December 2024)		
■ Major Shareholder	GMO Payment Gateway, Inc.		
■ Board Member	Representative Director, President	Kentarō 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 2023	https://www.meti.go.jp/press/2023/03/20240329006/20240329006.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>