

## ESG initiatives in GMO Financial Gate Group

The GMO Financial Gate Group provides cashless payment services to create highly efficient and convenient societies based on our mission to leverage our expertise in helping customers create value.

We contribute to the wider acceptance of cashless payments in Japan through secure and convenient payment infrastructure, striving to become the No.1 cashless platformer and a force for transforming society.

Based on the concept that a company is its people, we support the growth of our executives and employees as human beings through human resources development and welfare programs. We strive to create an organization that moves forward together to achieve our business goals.

## Environment

### Creating an Eco-Friendly Society

The GMO Financial Gate Group provides eco-friendly, cashless solutions in offline payment markets, as opposed to traditional cash payments. Our solutions solve difficulties in society and in business enterprises, contributing to the growth of both.

The role of cashless payment in offline markets has become even more important due to the spread of COVID-19. In response to this situation, we continue to invest in businesses that will further the penetration of cashless payments in Japan and establish an eco-friendly society.

In addition to encouraging the adoption of cashless payments, we provide several eco-friendly solutions through our offline payment platform, including the benefits below.

- Use of recycled paper as receipts when physical receipts are required
- Use of eco-friendly components in payment terminals

# Social

## Human Resources

We believe the source of our corporate value is a diverse base of human resources. by hiring skillful employees and providing education through variety of programs, we aim to solve social problems, raise enterprise value, and achieve continuous growth.

## Vocational Training/Welfare Programs

(Career Design Program)

A system in which each employee declares their own ideas and approach to their future career.

(360-Degree Feedback Program)

A program by which employees evaluate their bosses anonymously.

(Initiatives to Combat the Declining Birthrate in Japan)

We offer financial support, flexible work systems, and a number of other support programs for employees, beginning at the marriage stage and continuing through the raising of families.

## Work-Style Reform

We believe a company is a place to foster people. Based on this believe we strive for work-style reform in Japan, offering training and welfare programs as part of becoming a group in which employees can maximize their potential. We endeavor to share this vision among all employees to achieve business and corporate growth.

As an example, we encourage work-from-home systems for employee safety, pregnancy/maternity leavy, short-time work for childcare, re-employment after retirement, etc.

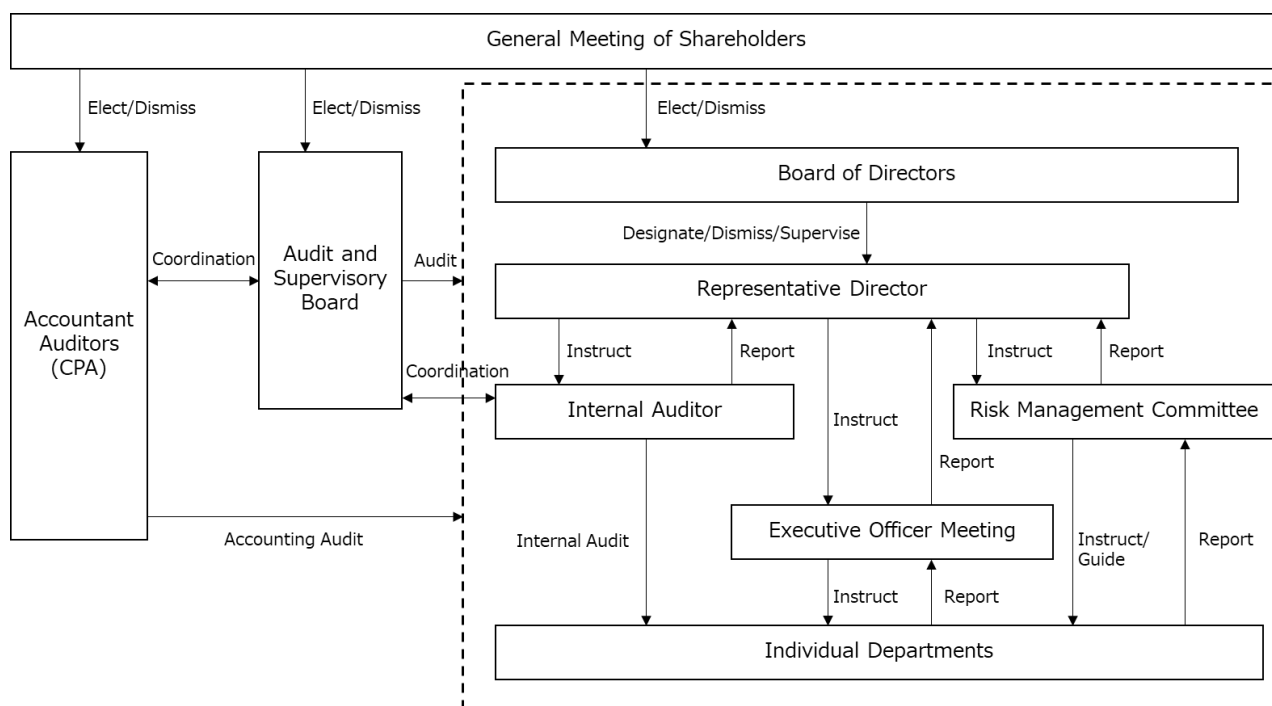
# Governance

## Basic Principles

The GMO Financial Gate Group strives for fair and transparent business operations. To this end, we focus on establishing positive relationship with shareholders, customers, local communities, employees, and other stakeholders to enhance company value through business activities oriented toward the longer term.

We believe efficiency, integrity, and transparency in corporate management are necessary to enhance corporate value. These are crucial and basic factors that make up corporate governance, and we place significant importance on these factors for stable corporate management.

In this way, we strive for stable corporate governance through positive relationship with all stakeholders based on compliance. We have also established a speedy and accurate decision-making system capable of handling sudden changes in business environment. At the same time, we pursue fair and transparent business operations in our efforts to achieve strong corporate governance.



## **Board of Directors**

The GMO Financial Gate board of directors consists of seven directors including one outside director. As a rule, board meetings are held monthly and when necessary for making decisions about important matters.

The three members of the Audit and Supervisory Board attend board of directors to observe and monitor the process of board decision-making.

The company's articles of incorporation provide for eleven or fewer directors.

## **Executive Officer Meeting**

The board of directors is the primary decision-making body of the company. The board meets monthly to decide basic management policies and other important matters stipulated in the Companies Act.

In addition to board of directors, the company holds executive officer meetings, which consists of all directors and executive officers. Meetings occur every Friday to ensure speedy decision-making and flexible operations.

## **Audit and Supervisory Board**

GMO Financial Gate has adopted a system that includes an Audit and Supervisory Board. The following are the bodies stipulated in Companies Act:

- Audit and Supervisory Board: Audit function
- Board of directors: Decision-making function/supervisory function
- Representative director: execution function

The Audit and Supervisory Board consists of three members, including two external members. Meetings are held monthly as a forum for members to discuss issues related to compliance and observations related to the operation of board of director meetings.

The Audit and Supervisory Board cooperates with internal auditors and accounting auditors (CPA) to share information and experience supporting efficient audit processes.

## **Director Compensation**

We define the role of directors as enhancing corporate value by designing group management policies and strategies, and by advising and supervising employees.

Director compensation is determined in board of directors based on individual contribution to the company, length of service, contribution to business performance, etc.

Compensation for members of the Audit and Supervisory Board consists of a fixed amount determined by the Audit and Supervisory Board. We ensure the independence of members of the Audit and Supervisory board through fixed compensation which does not fluctuate based on business performance.

## **Investor Relations**

We strive to conduct transparent and fair investor relations activities via timely disclosure and announcements to investors, endeavoring to achieve the purpose of corporate governance.

We hold information meetings related to financial results on a quarterly basis after we publish our financial results. We also upload financial report presentation materials on TDnet and our own website to ensure access to financial results information for all interested parties on a timely basis.

We disclose information fairly and actively through investor relations meetings (one-on-one meetings and small meetings) with sell-side analysts and institutional investors after our disclosure of financial results.