

Financial results briefing for the 4Q of FY2015 (October 1, 2014 - September 30, 2015)

Themes : Expand the “Money Service Business” actively,
achieve more than 25% profit growth

November 2, 2015

GMO Payment Gateway, Inc.

(3769: Tokyo Stock Exchange section-1)

The 43rd IR Meeting

GMO PAYMENT GATEWAY

<http://corp.gmo-pg.com/>

A Cautionary Note About the Contents of this Document

The contents of this document are based on generally recognized economic and social conditions, as well as premises judged to be reasonable by GMO Payment Gateway as of November 2, 2015.

However, please note that they are subject to change without prior notice in the event of changes in the business environment or other unforeseen occurrences.

Agenda

1. Summary
2. Growth strategy
3. Financial highlights

1. Summary

1.1 Business Highlights

With our business expansion, merchants/transactions/projects getting larger. Challenge to a new growth toward next stage

Growth of our existing business

Cultivate (win back) large e-commerce merchants within and outside Japan

Establish a Joint Venture company for payment processing services with SMBC

“zei.tokyo” (Metropolitan Tax Credit Card Payment Site) started

Development of new services for PPS(Power Producer and Supplier)

Developing new business areas

Winning orders for large-scale projects

Development of new system for BtoB credit card payment

Expanding the “Money Service Business” / FinTech

Development of new services in relation to the Regional revitalization

Winning the shares of rapidly growing CtoC e-commerce markets

Strengthen the management base

Business and capital partnership with SMFG, SMBC and GMO Internet

The issuance of new shares through a third-party allotment (approx. ¥8bn)

1.2.1 Summary^①

Good shape in payment processing service and subsidiaries', and profit contributions from the "Money Service Business"

■ Actual results for the term ending September 2015 (October 2014 to September 2015, consolidated)

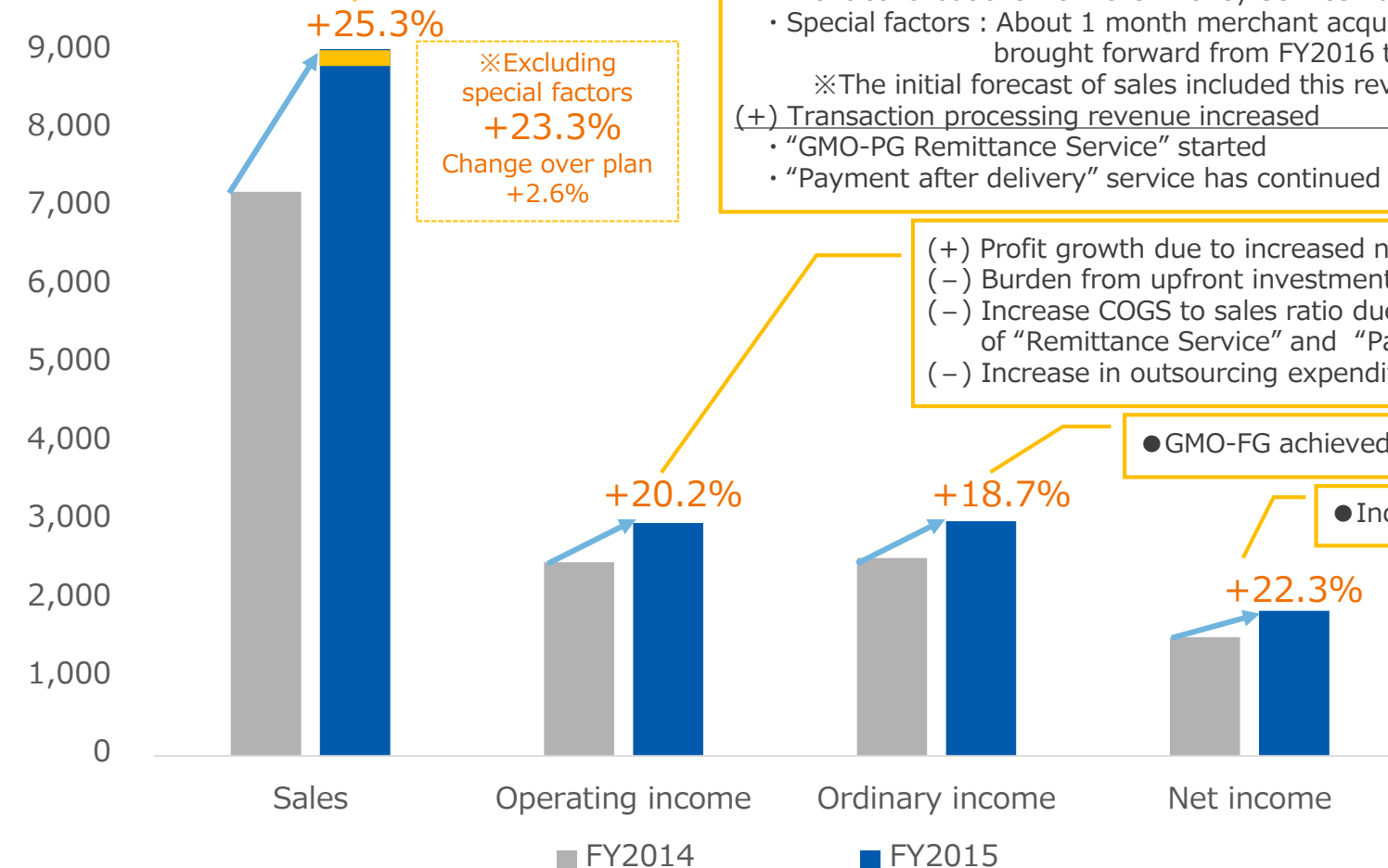
(Million yen)	<u>FY2015</u>	<u>FY2014</u>	<u>% Change</u>	<u>FY2015 (Forecast)</u>	<u>% Change</u>
Sales	9,030	7,205	+ 25.3%	8,656	+4.3%
Operating income	2,977	2,476	+ 20.2%	2,974	+0.1%
Ordinary income	3,000	2,527	+ 18.7%	2,985	+0.5%
Net income	1,853	1,515	+ 22.3%	1,797	+3.1%
Ordinary income ratio	33.2%	35.1%			
ROE	16.1%	24.4%			
Dividend (Yen)	18.0	15.0	+3.0	18.0	+0

※Our company issued 2,587,300 shares of common stock through a third-party allotment with a payment date of June 25, 2015

1.2.2 Summary②

Sales are in good shape but operating income in line with initial plans due to the sales increase of high sales-cost ratio services

10,000 Million yen



※Excluding special factors
+23.3%
Change over plan
+2.6%

(+) Merchant acquiring service revenue increased +38.4%(YoY)

- Cultivate large e-commerce merchants
- Profit contributions from the "Money Service Business"
- Special factors : About 1 month merchant acquiring service revenue brought forward from FY2016 to FY2015

※The initial forecast of sales included this revenue

(+) Transaction processing revenue increased +28.9%(YoY)

- "GMO-PG Remittance Service" started
- "Payment after delivery" service has continued to perform favorably

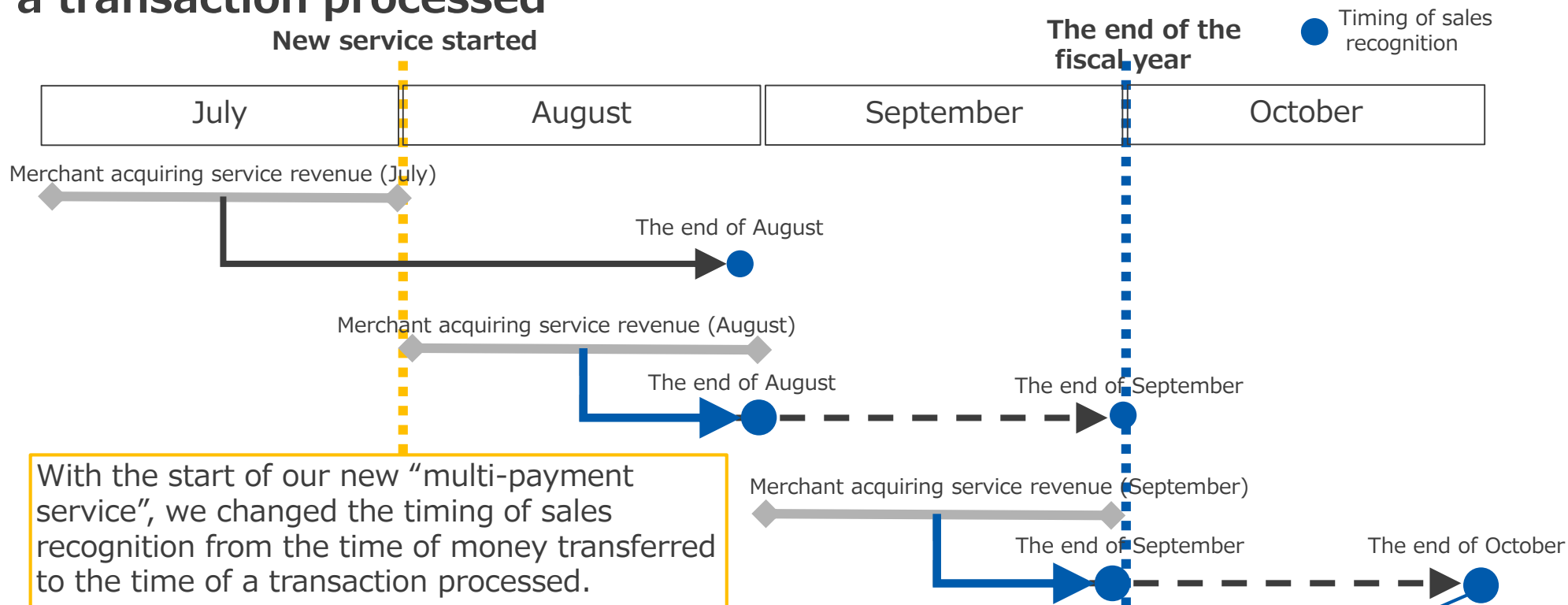
(+) Profit growth due to increased new services
(-) Burden from upfront investments (PS, global business)
(-) Increase COGS to sales ratio due to the sales increase of "Remittance Service" and "Payment after delivery"
(-) Increase in outsourcing expenditure (finance lease)

●GMO-FG achieved profitability

●Income from securities sold

(Reference) With the start of a new service, changed the timing of sales recognition

From the time of money transferred to the time of a transaction processed



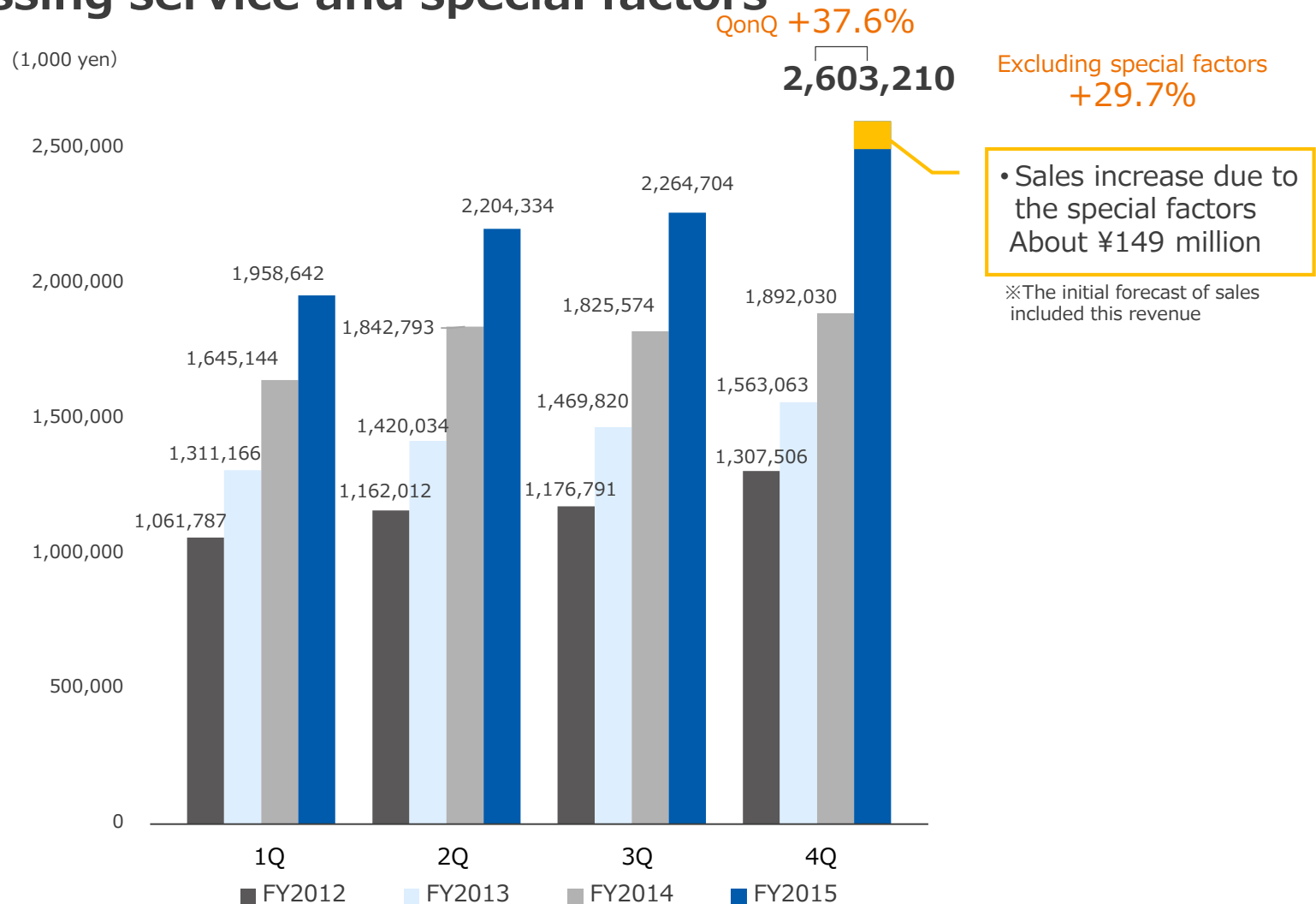
Merchant acquiring service revenue (about 1month sales) brought forward from FY2016 to FY2015 (※The initial forecast of sales included this revenue)

Impact : Sales +149,656,000 yen
Operating income +131,991,000 yen

1.3 Sales(Quarterly changes)

4Q sales marked +37.6% growth due to the good performance of payment processing service and special factors

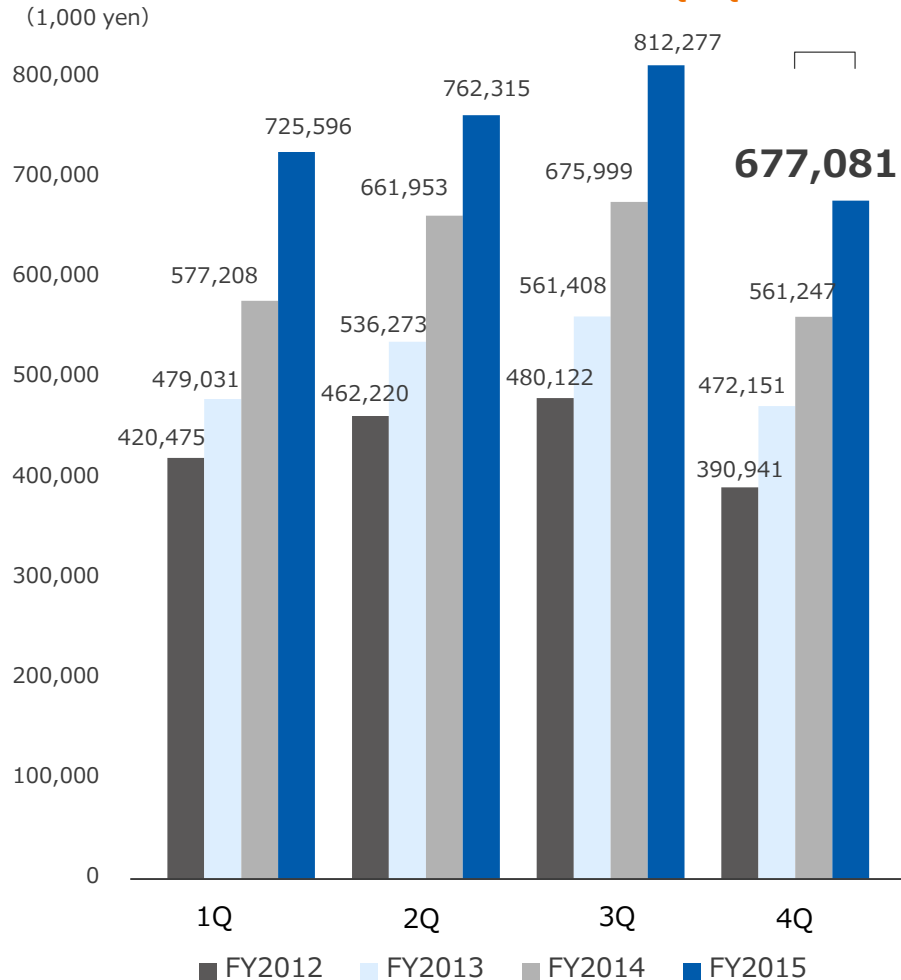
■ Sales



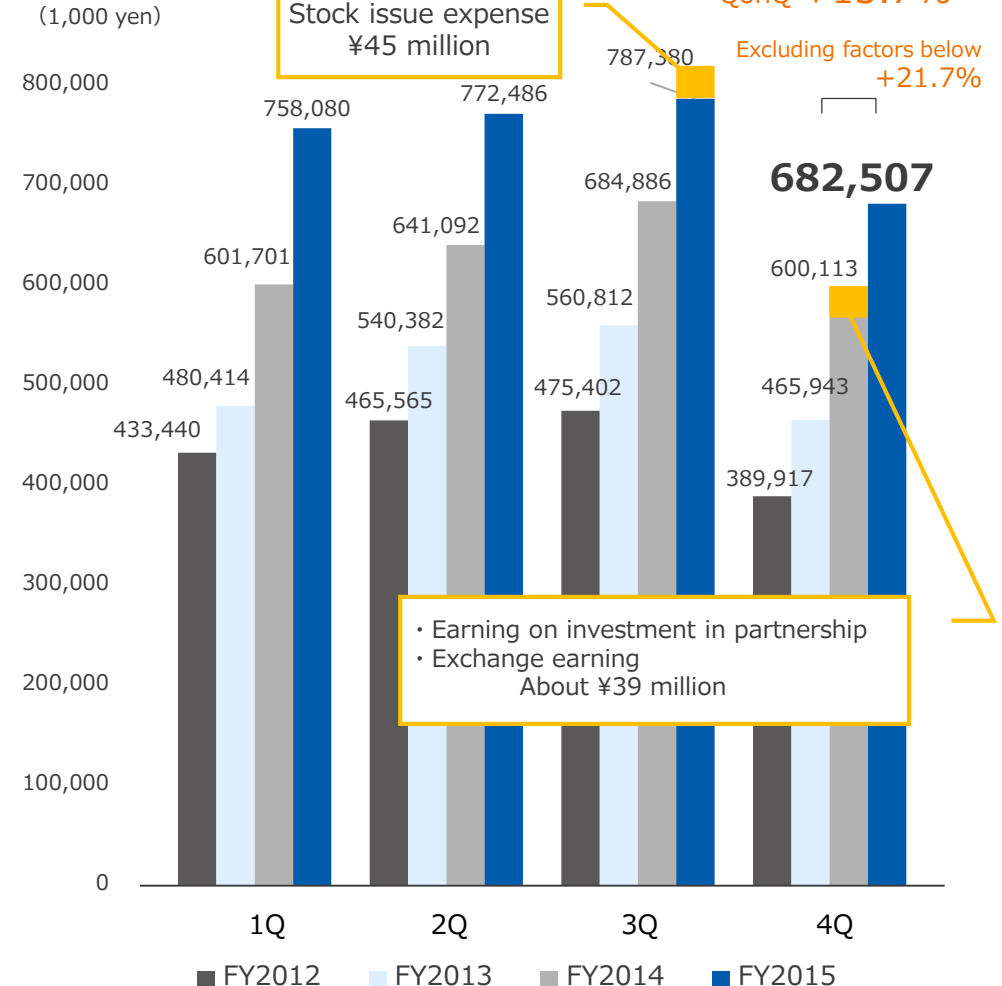
1.4 Income (Quarterly changes)

Operating income up 20.6%, ordinary income up 13.7%

■ Operating income



■ Ordinary income



1.5.1 Forecast①

Entering to new stage, GMO-PG commit to achieve more than 25% profit growth

■ Priority measures

● Growth of our existing business

(Foundation for 20% profit growth)

- Cultivate (win back) large e-commerce merchants within and outside Japan
- Horizontal expansion of “Tax Credit Card Payment Site”
- Deregulation-related business and system upgrade (Electric • Gas • Telecommunications • Utility)

● Developing new business areas

(To achieve more than 5% profit growth)

- FinTech / Money Service Business
- BtoB
- New services in relation to the Regional revitalization
- Upfront investments (PS, global business)

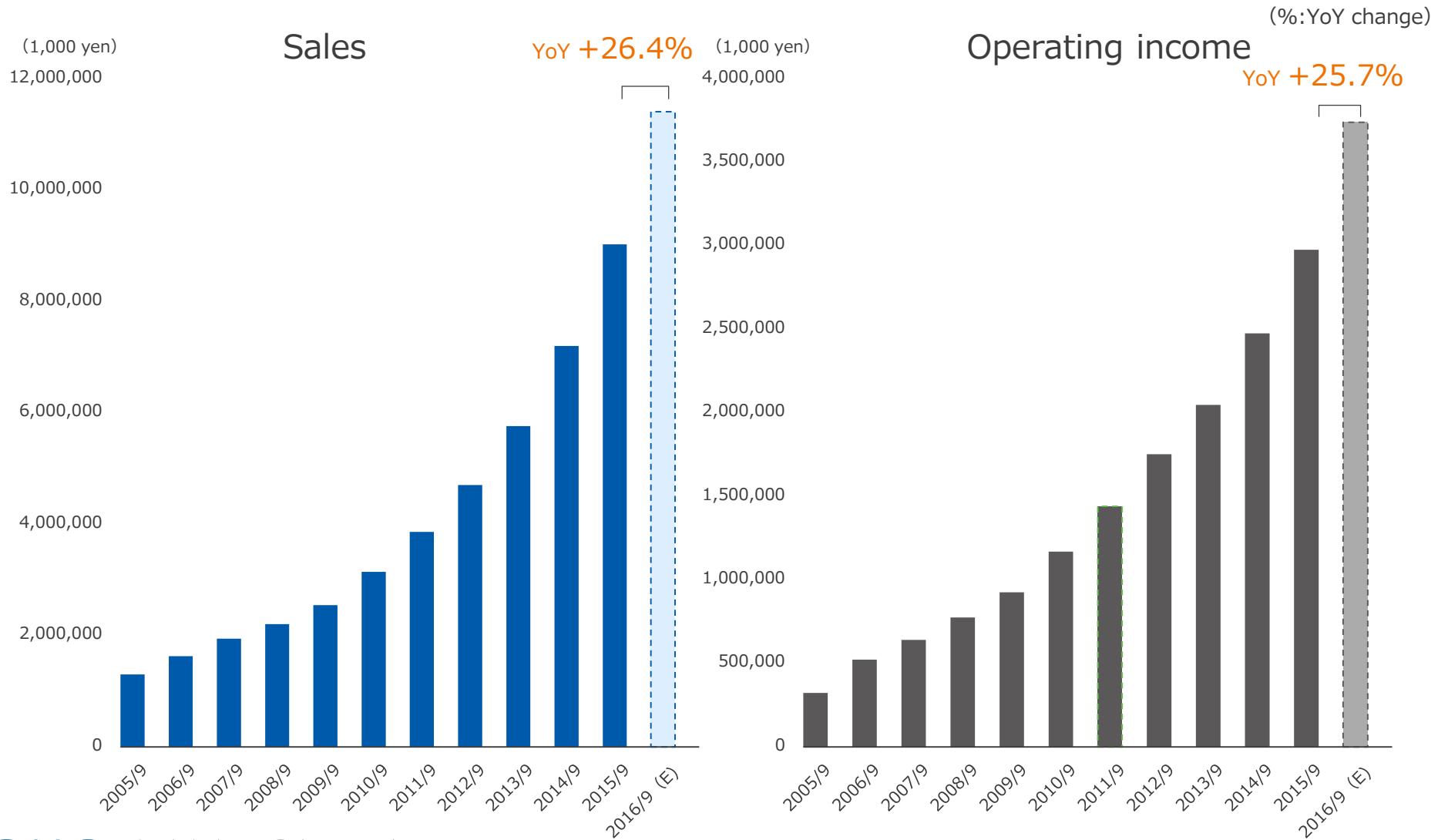
■ Forecast for the period ending September 30, 2016

(% Year-on-year change)

(Million yen)	[Sales]	[Operating income]	[Ordinary income]	[Net income]
Full year	11,413 (26.4%)	3,741 (25.7%)	3,750 (25.0%)	2,335 (26.0%)
1 Half (six months ending March 31, 2016)	5,216 (25.3%)	1,741 (17.0%)	1,742 (13.8%)	1,075 (14.7%)

1.5.2 Forecast②

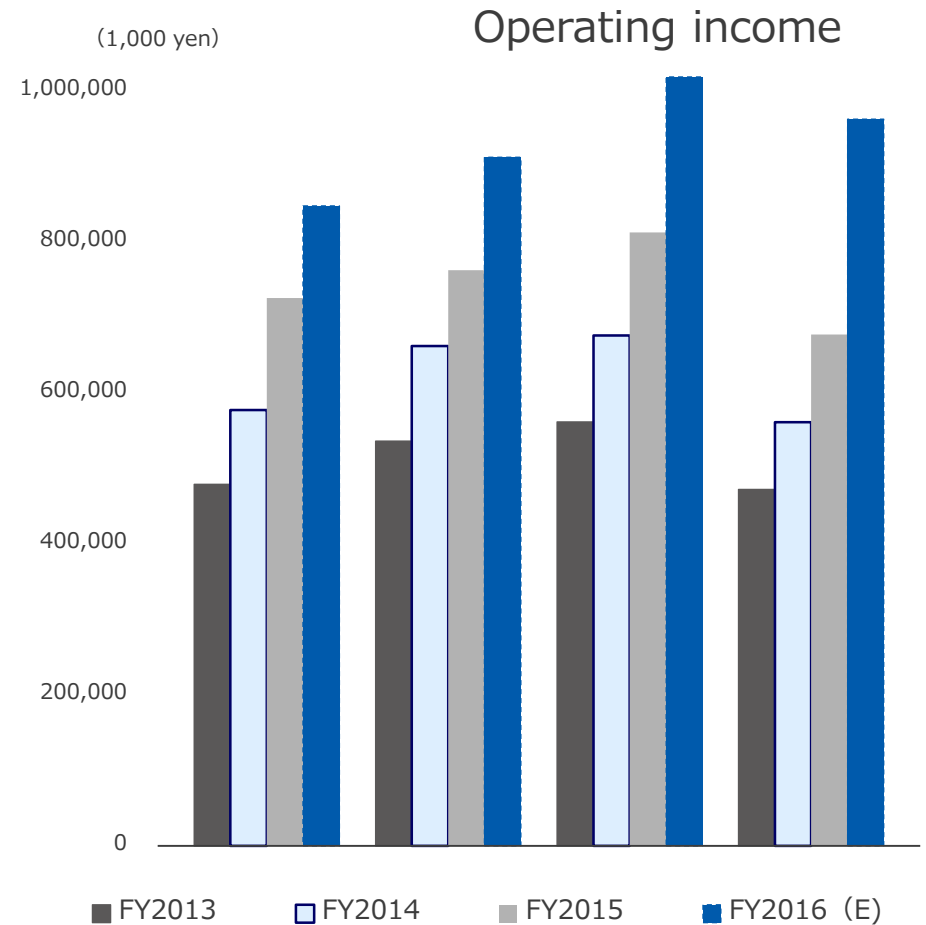
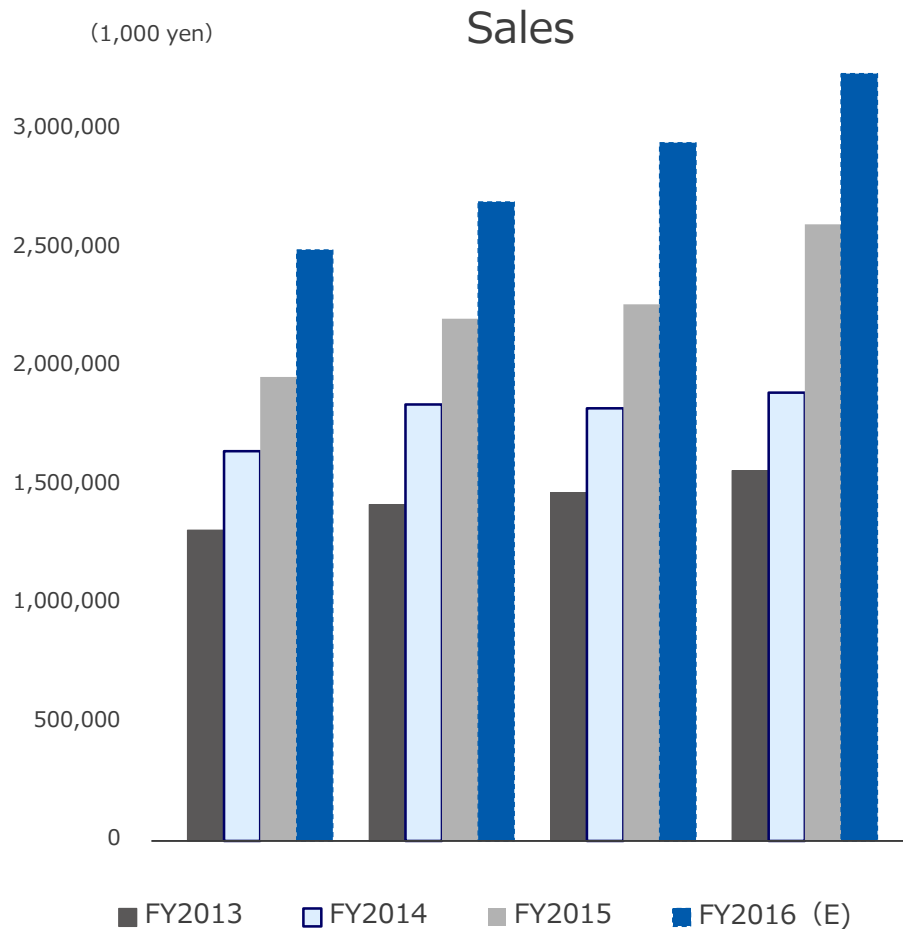
Sales up 26.4%, Operating income up 25.7%



1.5.3 Forecast③

QonQ Forecast

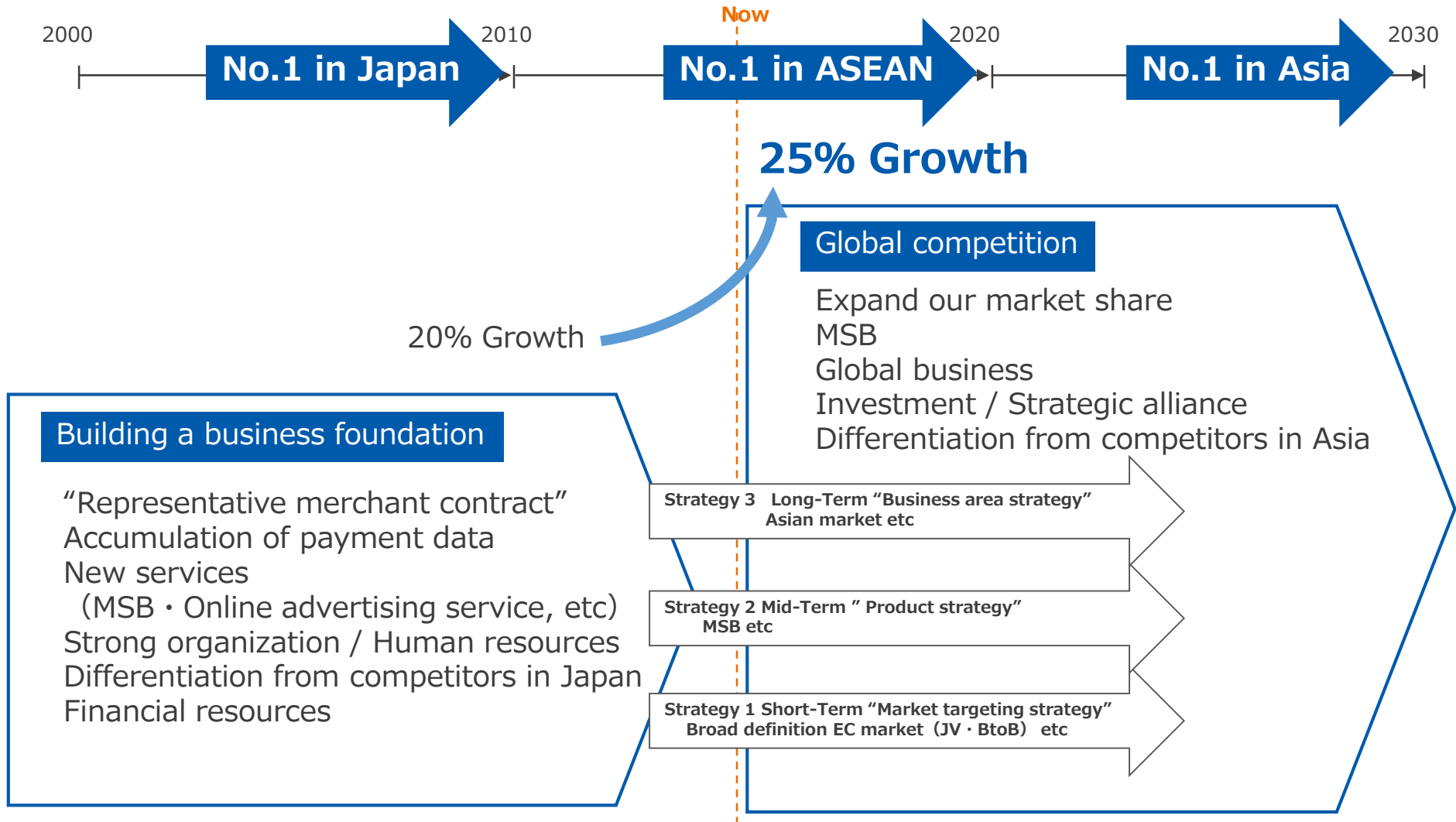
■ Forecast for the period ending September 30, 2016



2. Growth strategy

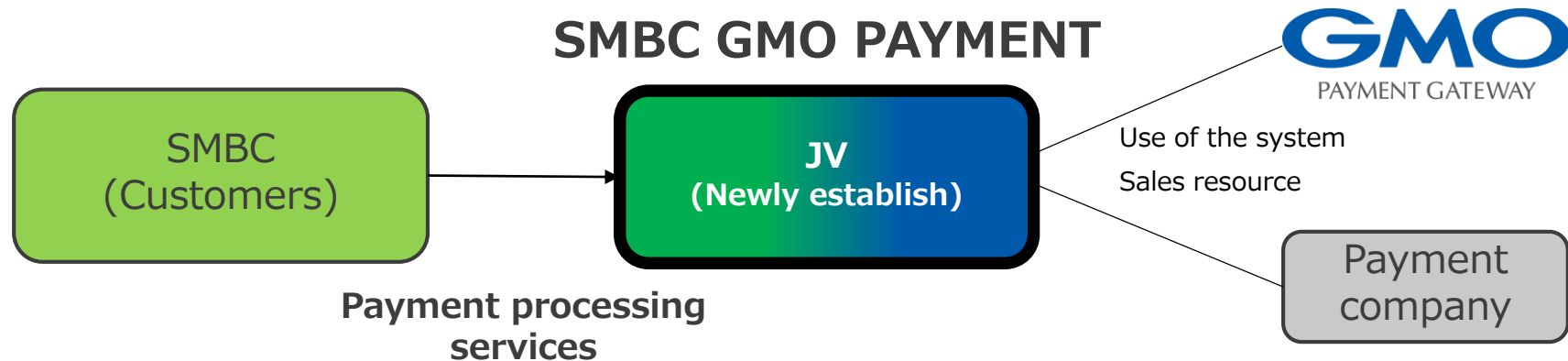
2.1 Next growth stage and strategies

Overwhelming No.1 in Japan ⇒ No.1 in Asia



2.2.1 Strategy 1 “Market targeting strategy” Business and capital partnership

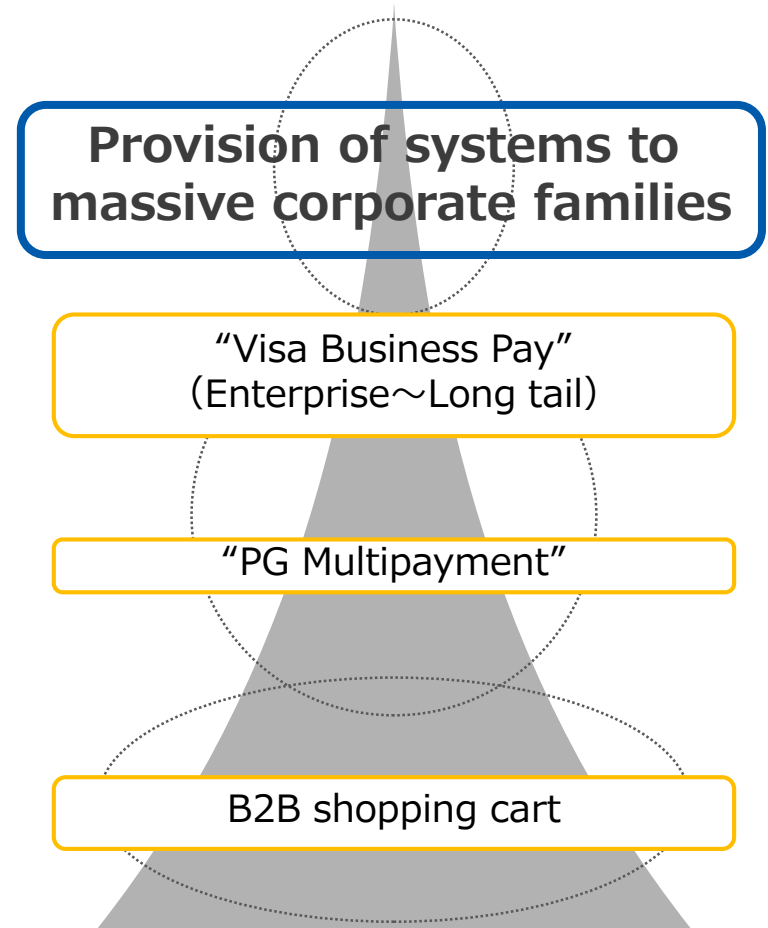
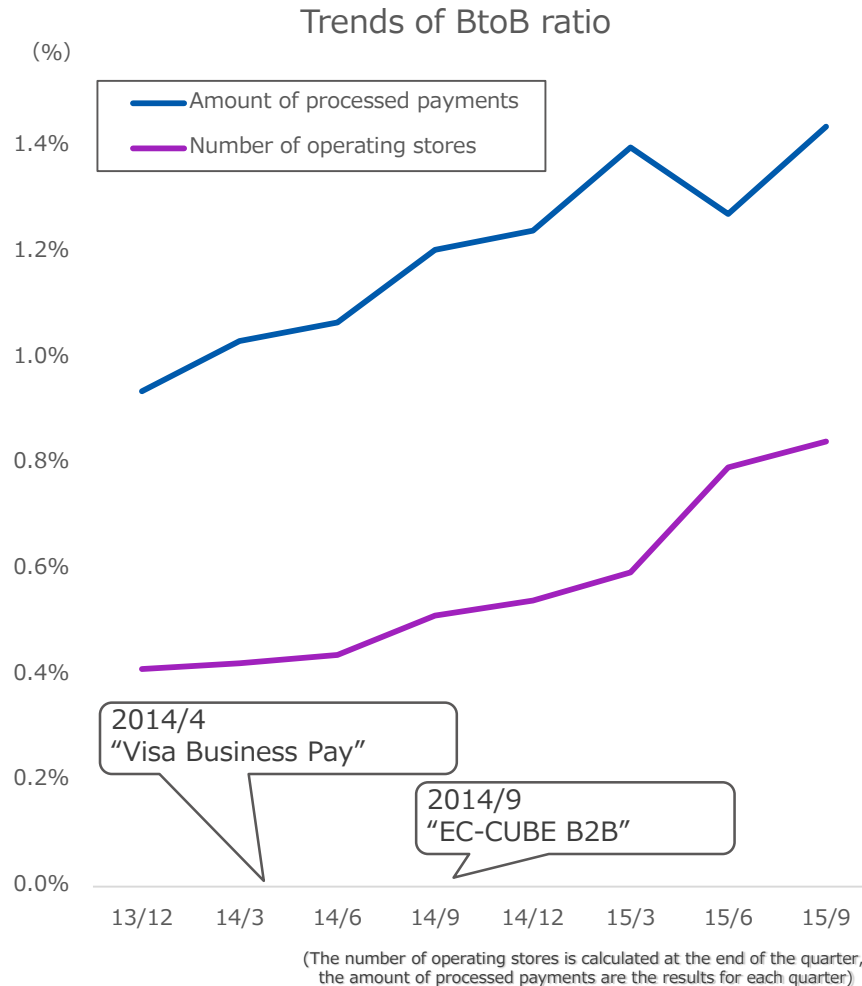
Establishment of a Joint Venture Company (November 2)



- Capital stock : ¥310 million (the first year)
- Shares : SMBC=80%、GMO-PG=20%
※GMO-PG’s shares increase to 49% finally
- Business : Online payment processing service
- Representative : Tomoyuki Murakami (Director of GMO-PG)
– (SMBC)
- The scheduled date of starting the operation : January 2016

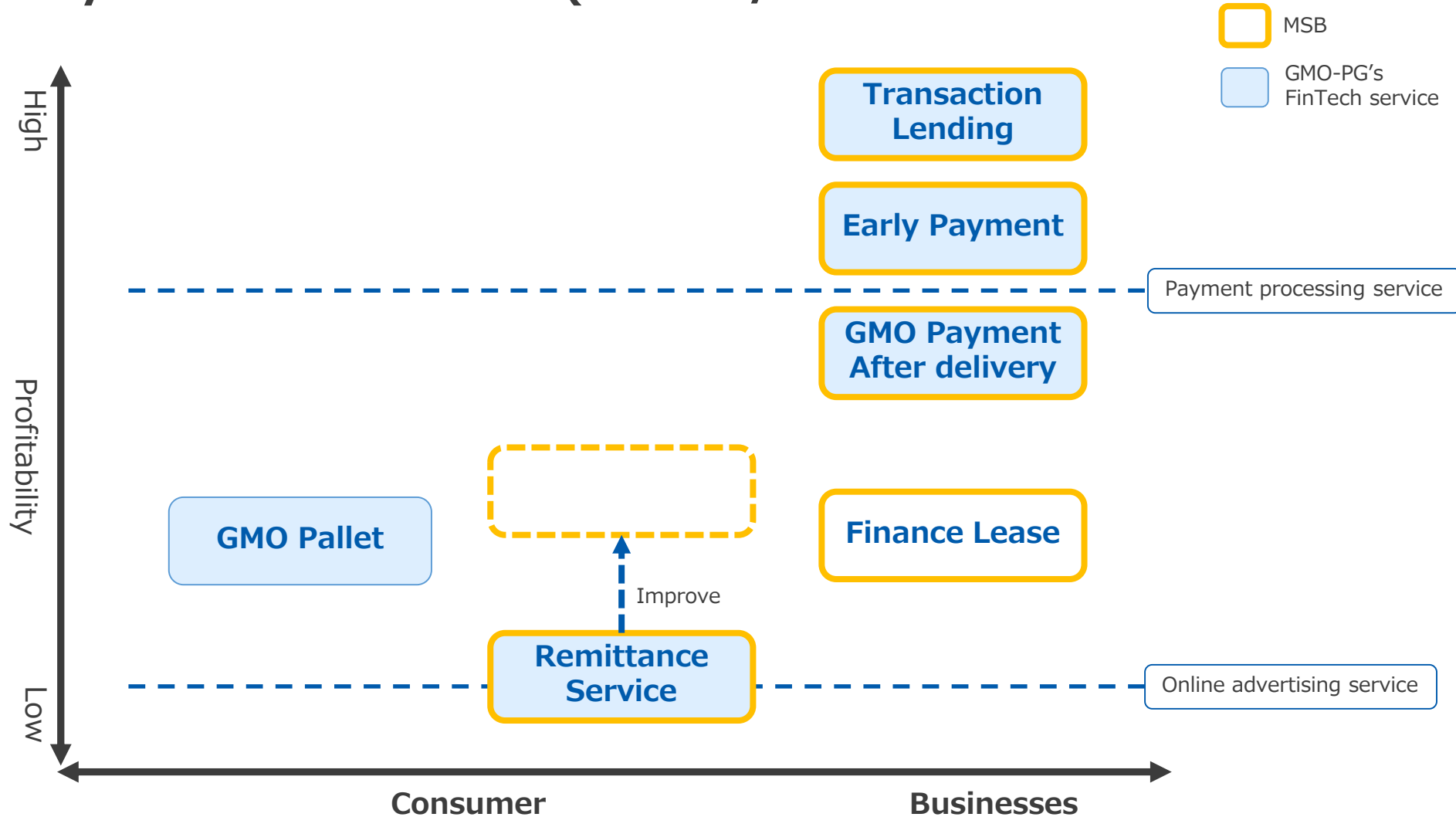
2.2.2 Strategy 1 “Market targeting strategy” BtoB Market

To promote the use of credit cards for BtoB transactions with four channels strategy



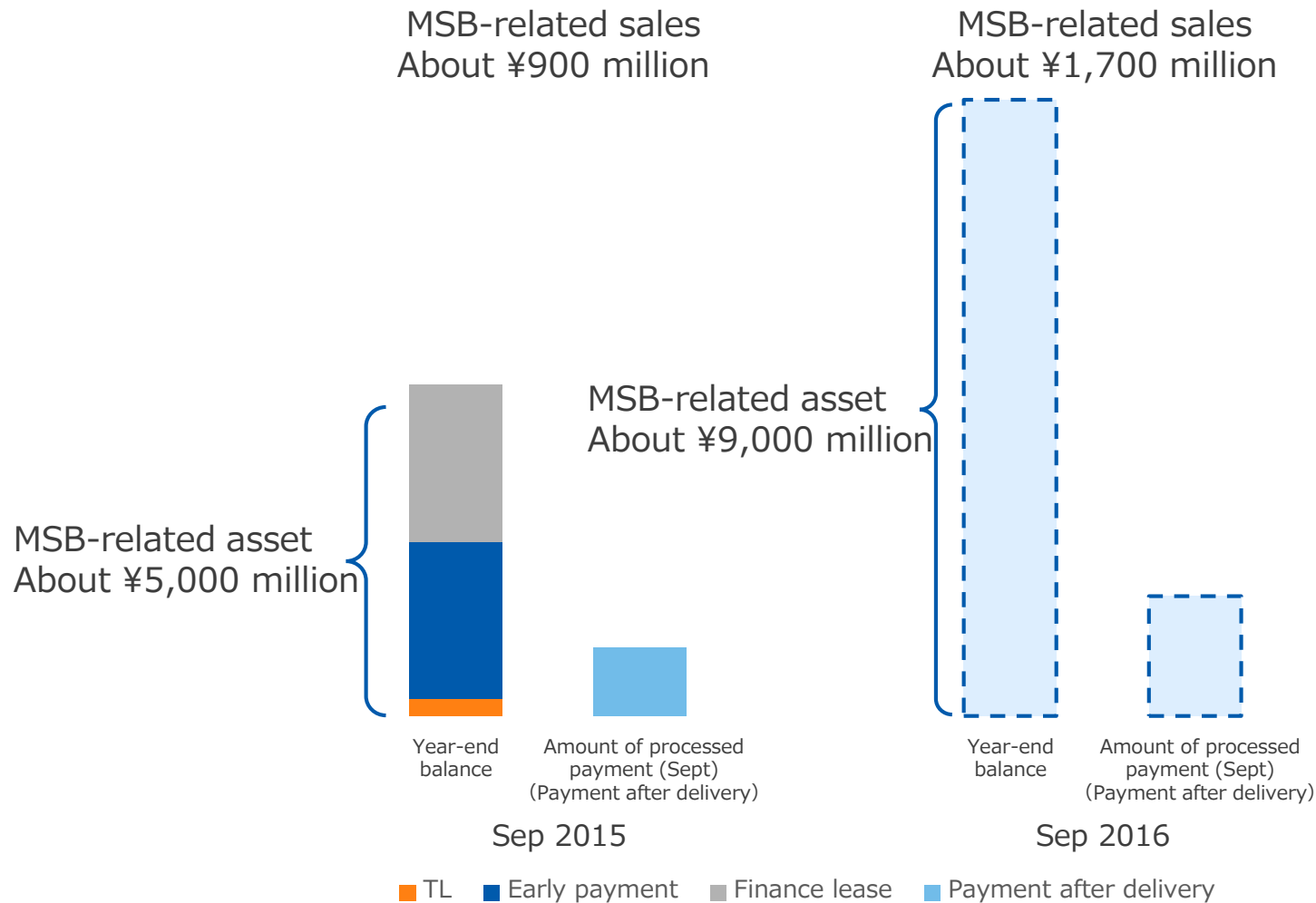
2.3.1 Strategy 2" Product strategy" Money Service Business

"Money Service Business" (MSB) / "FinTech"



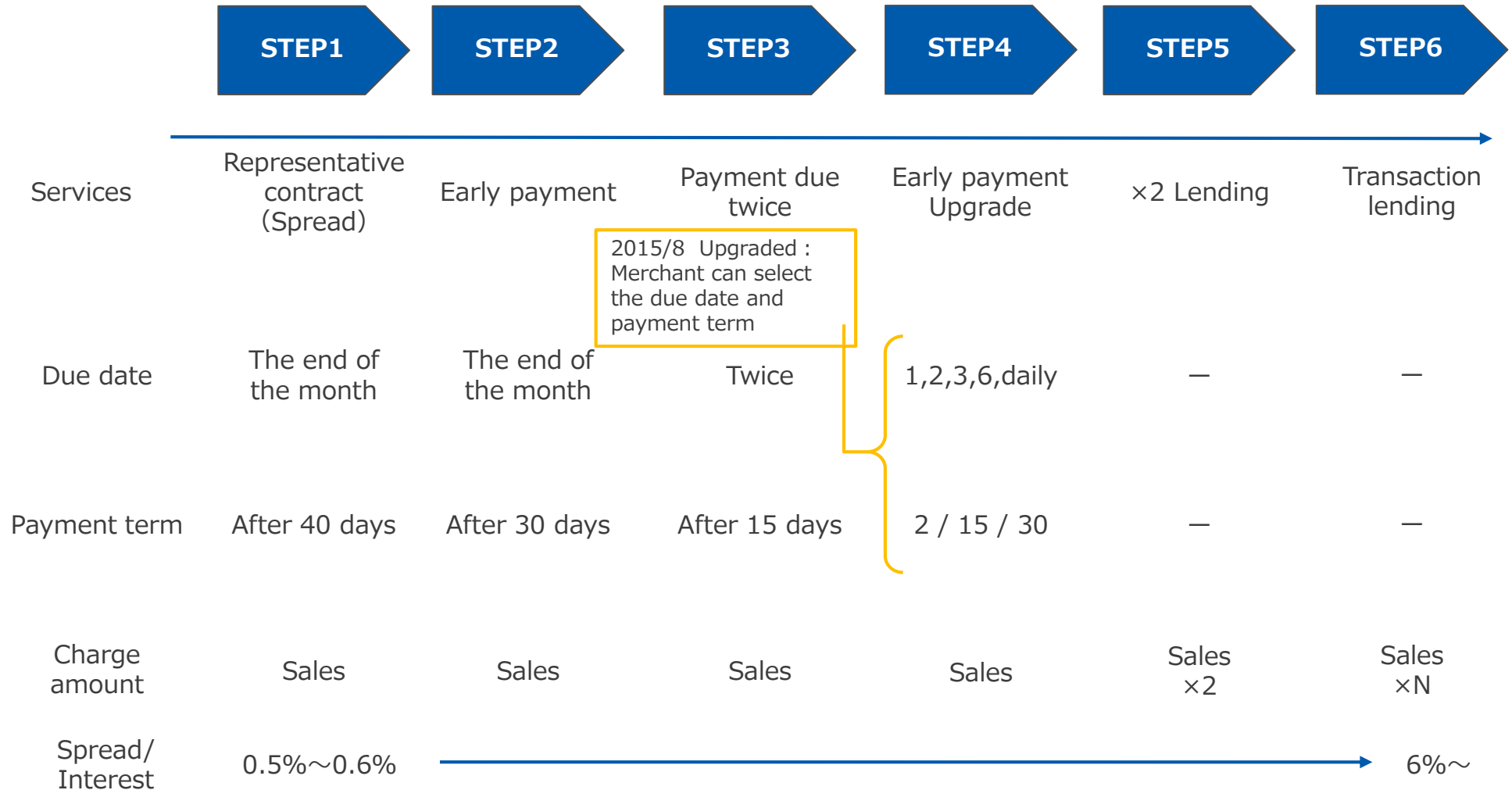
2.3.2 Strategy 2” Product strategy” Money Service Business

MSB-related asset and amount of processed payment



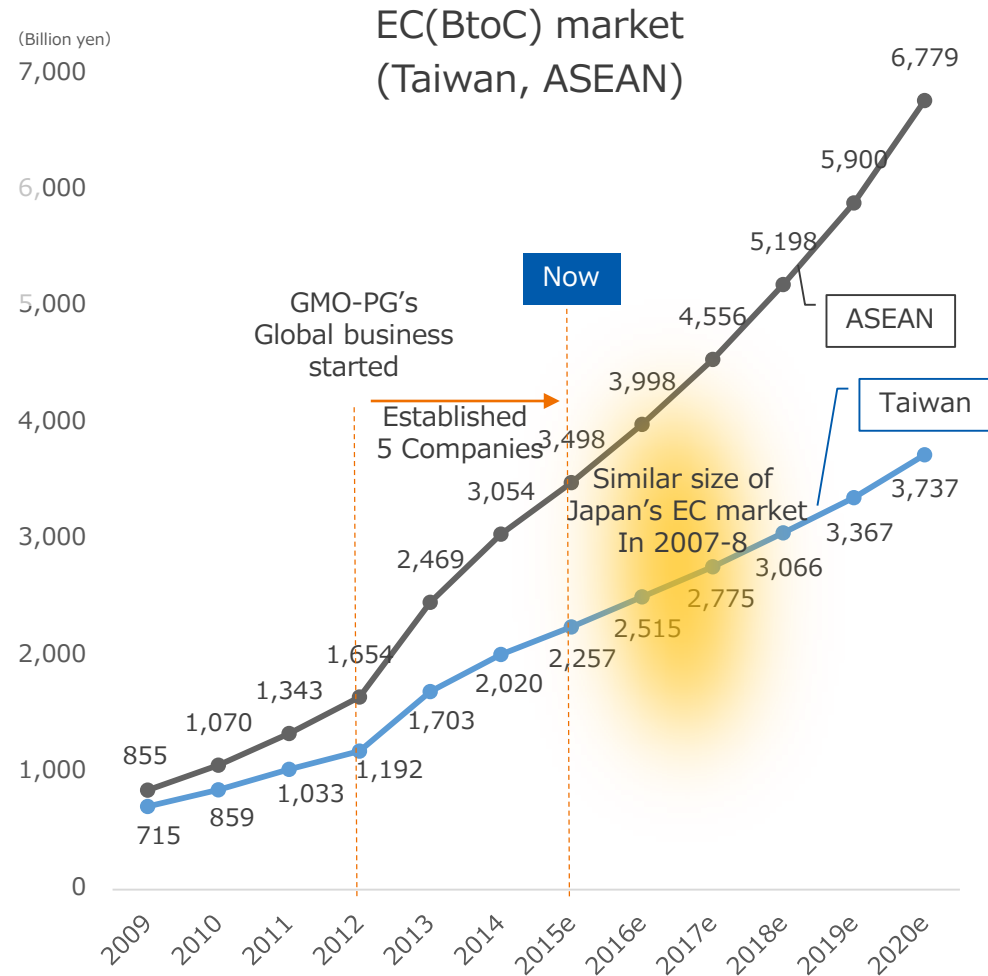
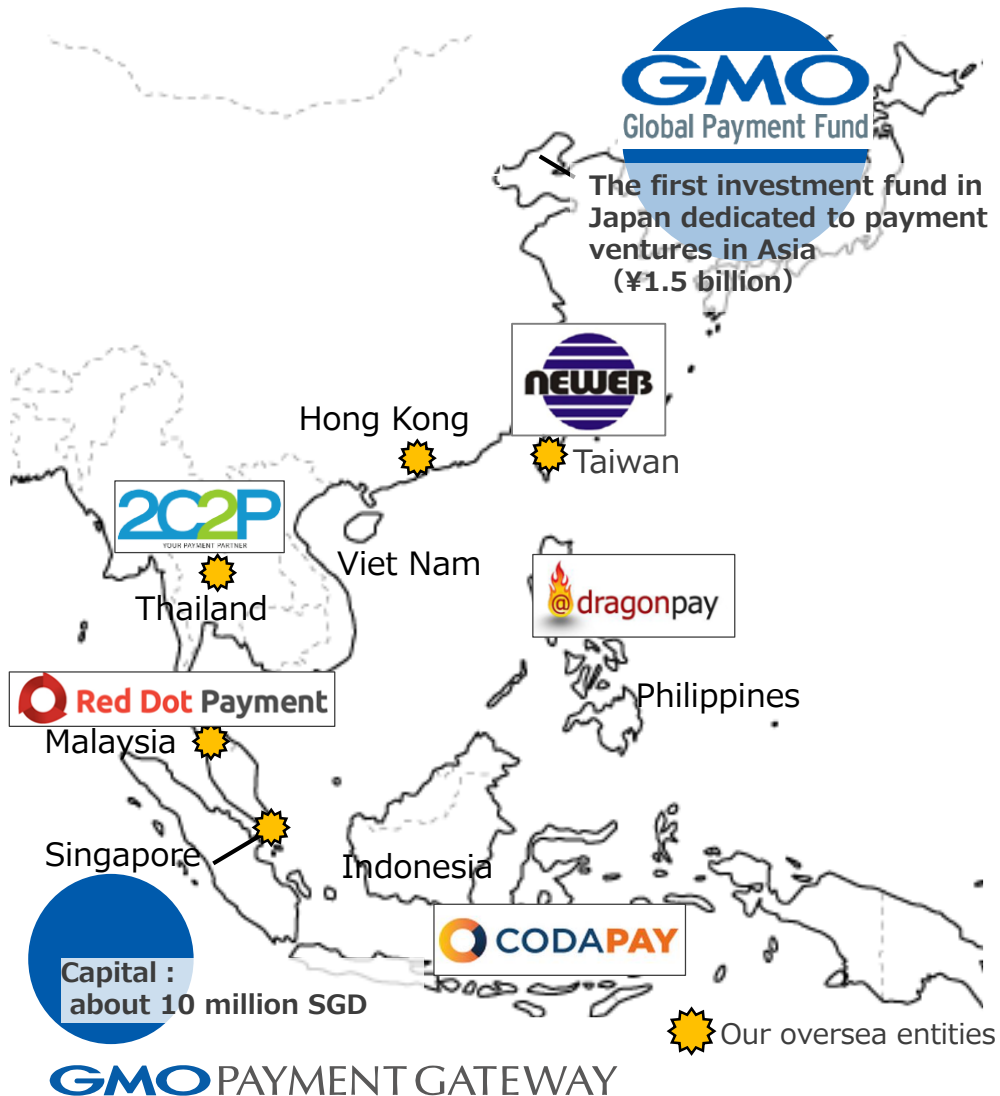
(Remind) Money Service Business

To develop businesses in stages



2.4.1 Strategy 3 “Business area strategy” Global business

Greater China and ASEAN e-commerce market



Reference : Euromonitor and GMO-PG
 ※ASEAN : Indonesia, Malaysia, Philippines, Singapore, Thailand, Viet Nam
 Copyright (C) 1995 GMO Payment Gateway, Inc. All Rights Reserved. **21**

2.4.2 Strategy 3 “Business area strategy”

Global business

Achievements in the global business

Amount of processed payment

11.2 times
In the past 2 years

Number of operating stores

8.4 times
In the past 2 years

October 5, 2015
“Twelve countries have reached a broad agreement in Trans-Pacific Partnership free trade negotiations”

International e-commerce is expected to expand

15/9-1Q 15/9-4Q 16/9-4Q (E)

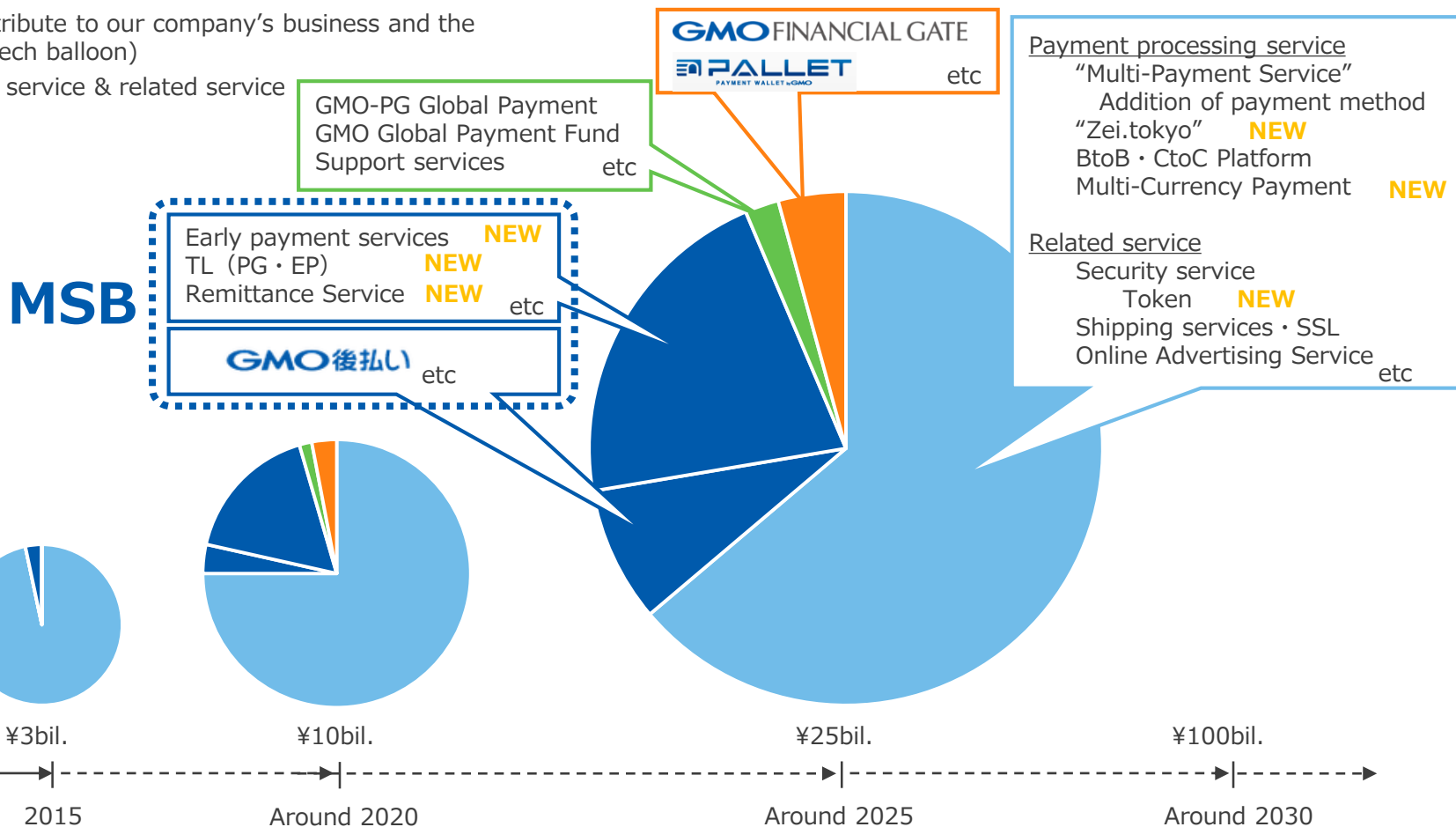
15/9-1Q 15/9-4Q 16/9-4Q (E)

2.5 Portfolio of income (Image)

Growing with the target of the ordinary income of 10 billion yen around the fiscal year 2020 as a passing point

The products that contribute to our company's business and the profitable growth (Speech balloon)

- Payment processing service & related service
- MSB
- Oversea
- Face to face, other



※Ordinary income : 2005:actual, 2015:forecast, Other number: targets
 MSB : Money service business
NEW : Results of FY2015

3. Financial highlights

3.1 Summary of the consolidated results

Sales and income exceed the forecast

(Million yen)	FY2015		FY2014		FY2015(Forecast)			
	Results	Sales composition	Growth	Change	Results	Sales Composition	Foercast	Change
Sales	9,030	100.0 ^(%)	1,825	+25.3 ^(%)	7,205	100.0 ^(%)	8,656	+4.3 ^(%)
Cost of sales	1,919	21.3	483	+33.7	1,436	19.9	-	-
Gross income	7,111	78.7	1,341	+23.3	5,769	80.1	-	-
SG&A	4,133	45.8	840	+25.5	3,292	45.7	-	-
Operating income	2,977	33.0	500	+20.2	2,476	34.4	2,974	+0.1
Ordinary income	3,000	33.2	472	+18.7	2,527	35.1	2,985	+0.5
Net income	1,853	20.5	339	+22.3	1,515	21.0	1,797	+3.1
Net income per share (Yen)	52.60	-	8.68	-	43.92	-	51.00	-

※Our company issued 2,587,300 shares of common stock through a third-party allotment with a payment date of June 25, 2015

3.2 Summary of the consolidated balance sheets

¥4billion capital increase, MSB linked to current assets

(Million yen)	Results for FY2015	Results for FY2014	Change	(Million yen)	Results for FY2015	Results for FY2014	Change
Current assets	38,469	22,476	15,993	Current liabilities	25,448	17,624	7,823
Cash and deposits	30,152	20,386	9,766	Deposits	21,184	15,589	5,594
Lease receivables	2,293	0	2,293	Accounts payable	1,911	692	1,219
Advance payments	2,303	585	1,718	Other current liabilities	2,353	1,343	1,010
Accounts receivable	1,156	504	652	Non-current liabilities	197	173	23
Allowance for doubtful accounts	△186	△56	△130	Shareholders' equity	16,067	6,727	9,340
Other current assets	2,751	1,057	1,694	Capital stock	4,711	708	4,003
Fixed assets	3,362	2,137	1,225	Total Accumulated other comprehensive income	116	81	34
Tangible fixed assets	215	231	△16	Total net assets	16,186	6,815	9,370
Intangible fixed assets	934	764	170	Total of liabilities and net assets	41,831	24,613	17,218
Software	751	661	89				
Investments and other assets	2,211	1,140	1,071				
Total assets	41,831	24,613	17,218				

Related to Finance Lease

Increase of Early Payment Service

Increase of Payment Pater

Short-term loan receivables (=TL-related asset) is included in "Other current assets"

Deposits by merchants through representative merchant service

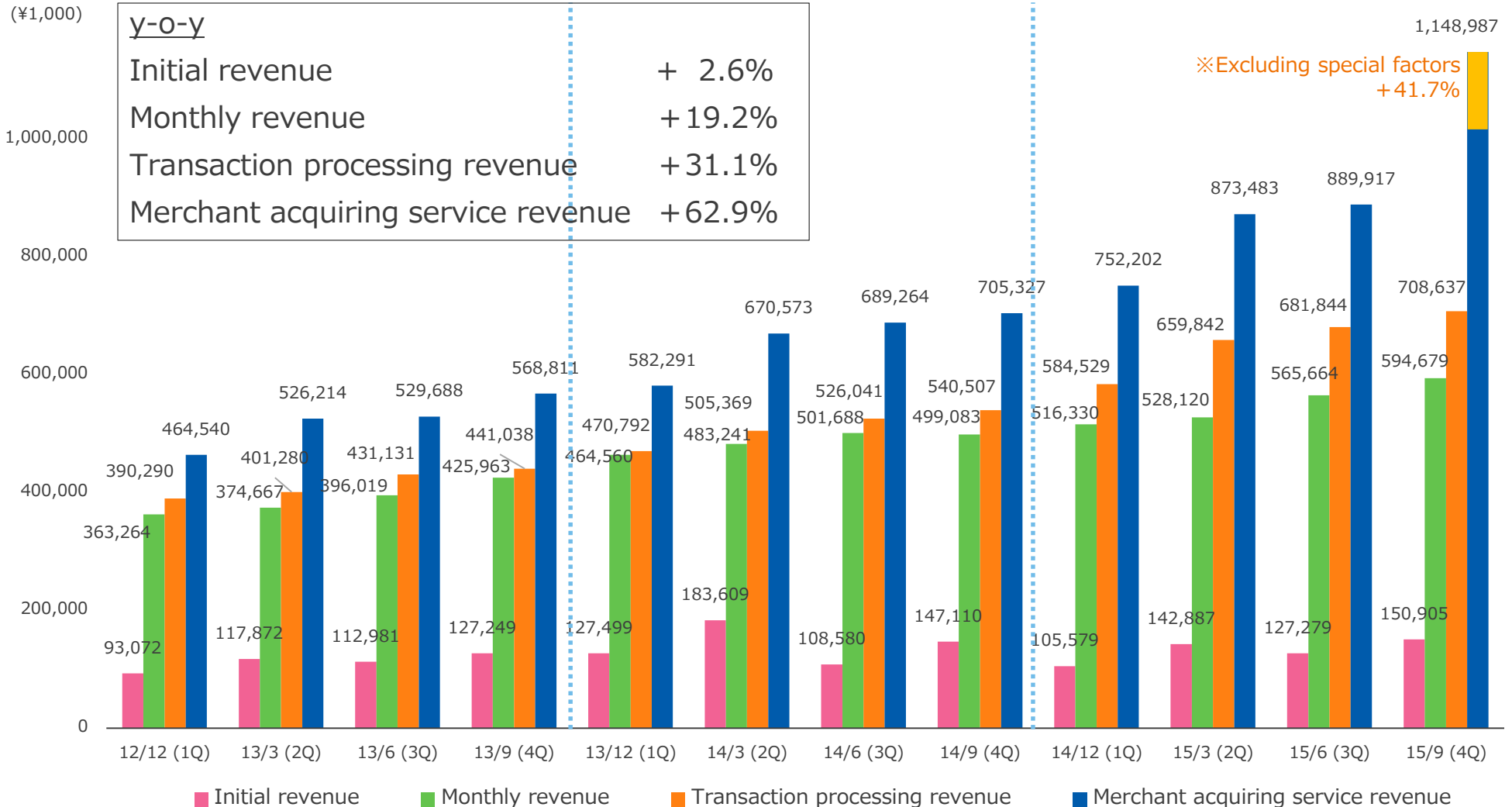
*Discrepancy occurs with the pace of merchants' sales growth due to change in merchants' cutoff date and payment cycle

Third-party allotment

Increase in investment securities and investments in other securities of subsidiaries and affiliates

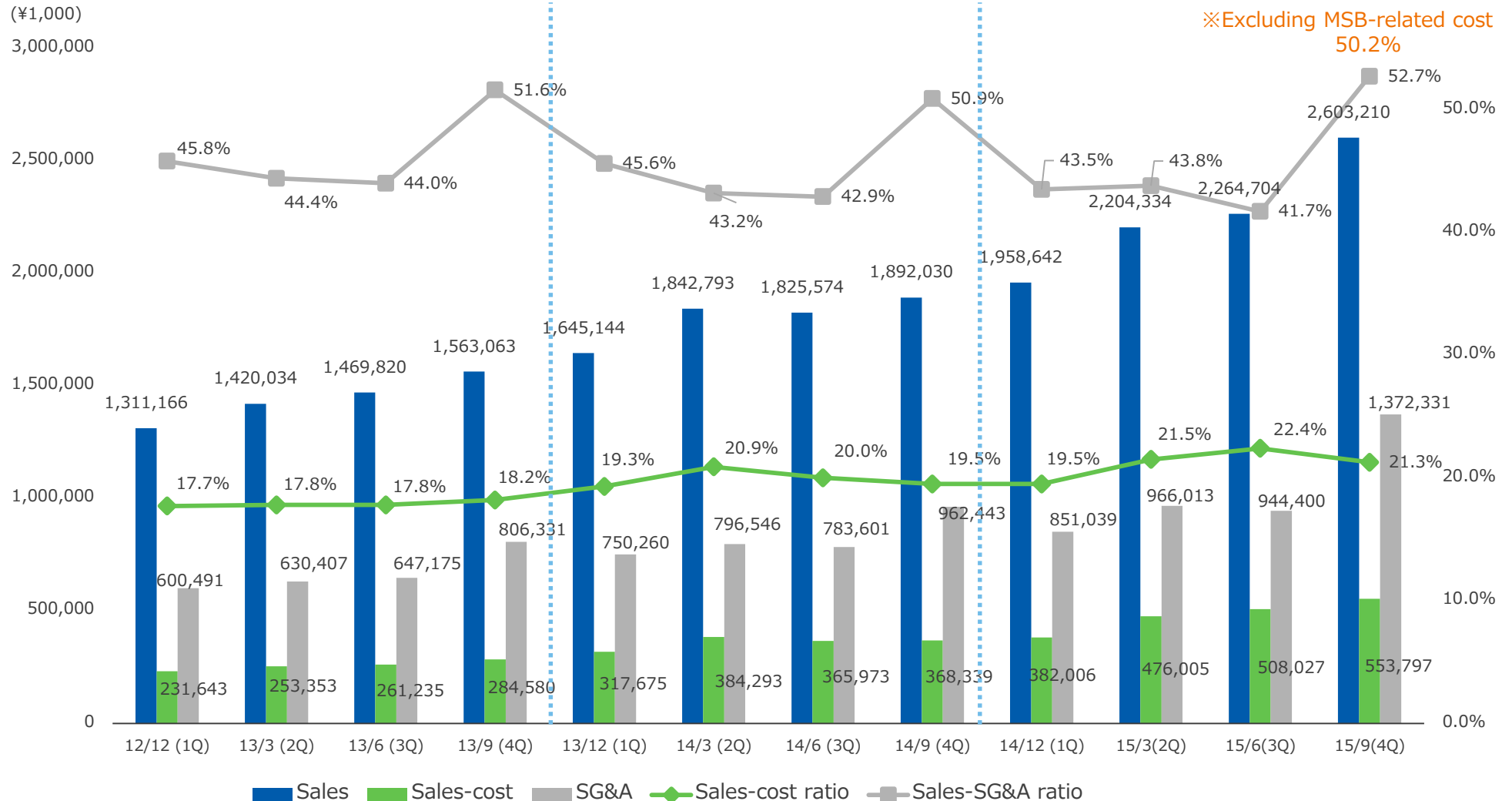
3.3 Sales results for each segment

Transaction processing revenue and merchant acquiring service revenue are in good shape



3.4 Cost of sales ratio/SG&A ratio

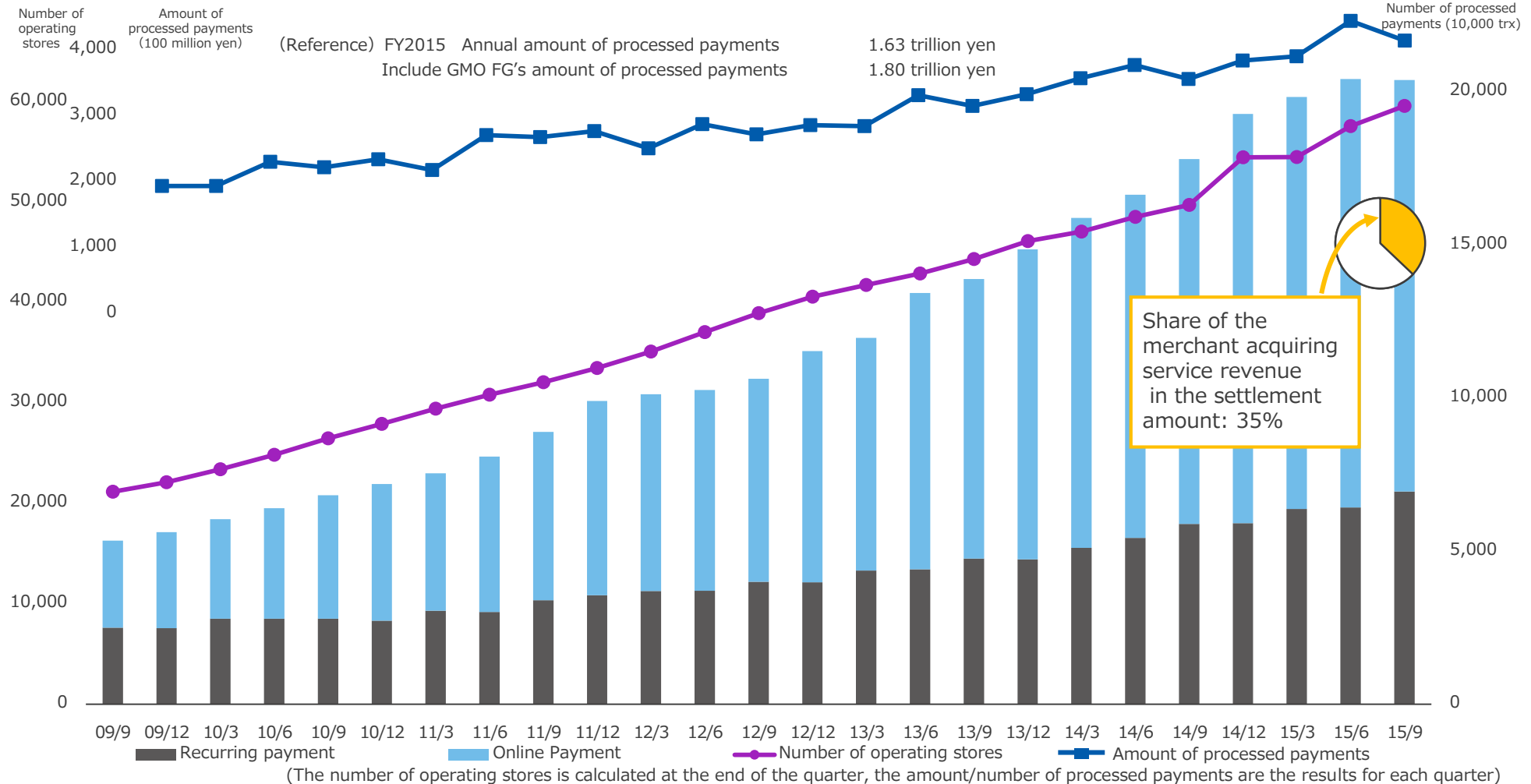
The sales-cost ratio increased due to the sales mix



3.5 Transition of the major factors

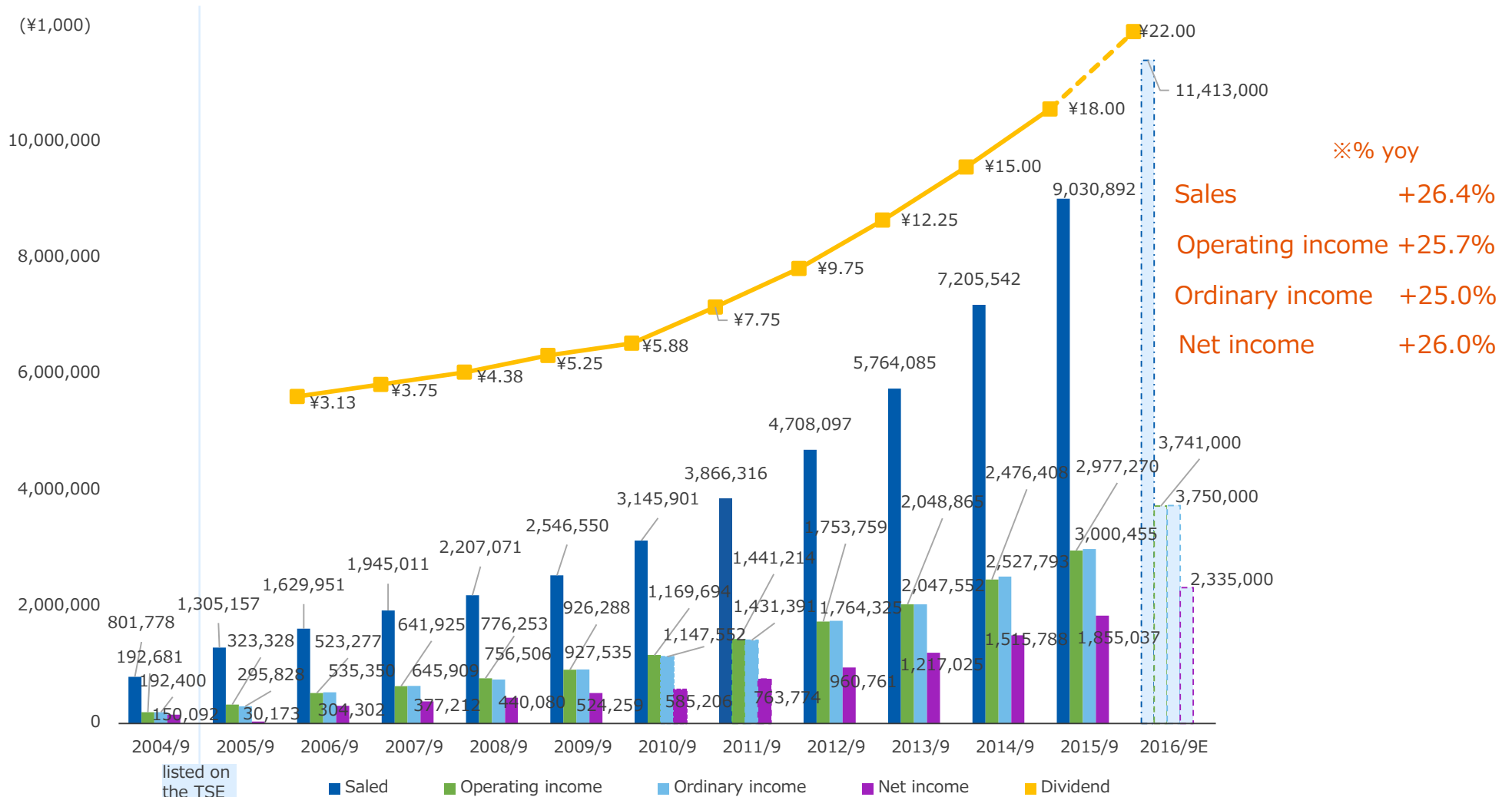
Share of the amount related to merchant acquiring service revenue in the amount of processed payments became 35%

Number of operating stores 59,559, /Amount of processed payments ¥410billion, /Number of processed payments 203million



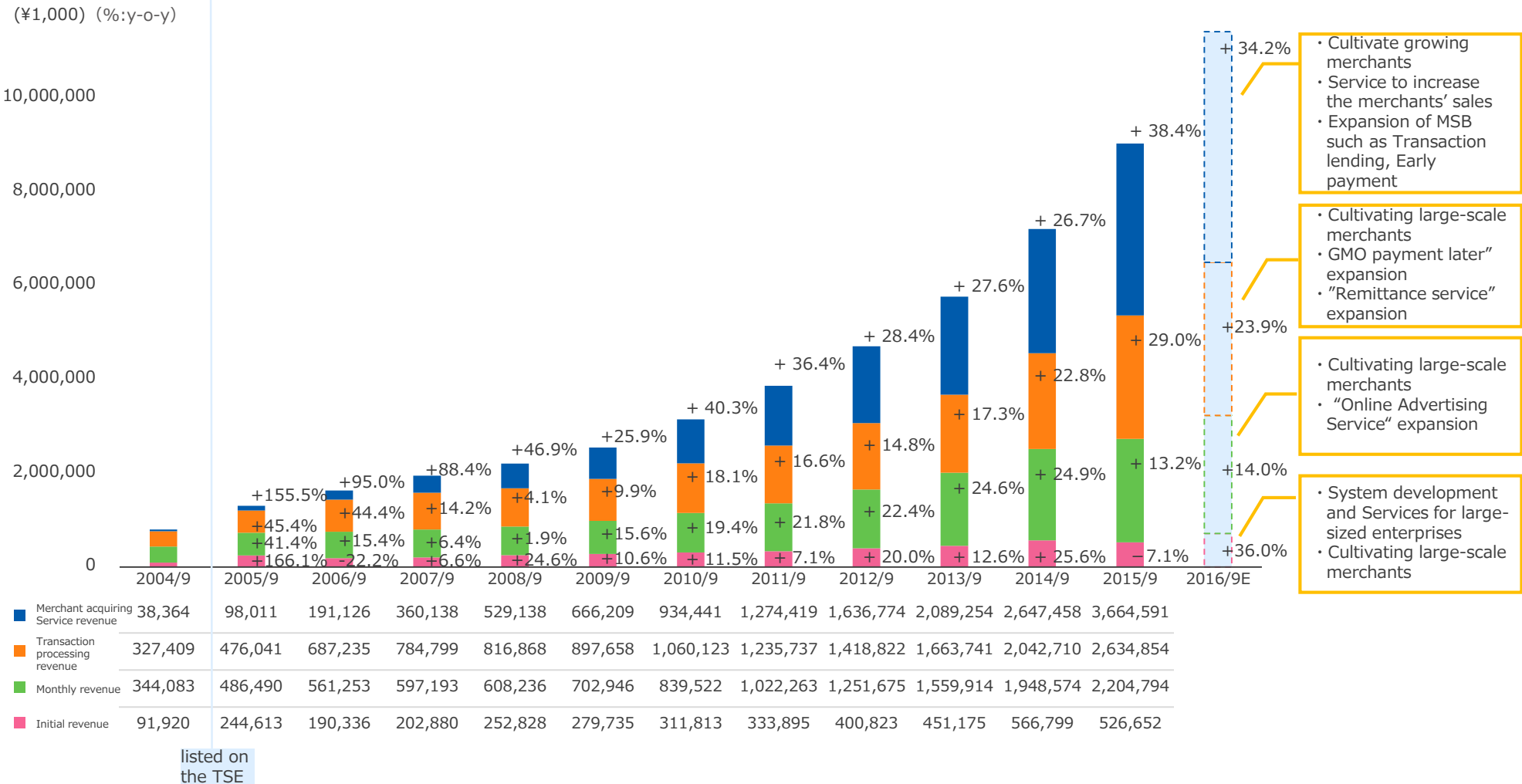
3.6 Summary of the consolidated results

Forecast 25% for income growth, Planning ¥22.0 for dividend



3.7 Sales for each segment

Action plans to realize the growth in all segments



Thank you very much!

GMO PAYMENT GATEWAY

GMO Payment Gateway Inc.
(T S E : 3 7 6 9)

URL <http://corp.gmo-pg.com/>

For more information, please contact the Company Value Creation Strategy Division

Investor relations office TEL:+81-3-3464-0182