

Financial Results Briefing for Q2 FY2022

Solid progress in earnings irrespective of externalities; making progress in growth initiatives for next year and beyond

May 13, 2022

69th Investor Meeting

GMO PAYMENT GATEWAY

Agenda

1. Summary of Financial Results for Q2 FY2022
2. Growth Strategy and Initiatives in Focus Areas
3. Financial Highlights and Reference Materials

Safe Harbor Statement

The contents of this document are based on generally recognized economic and social conditions, as well as assumptions judged to be reasonable by GMO Payment Gateway as of May 13, 2022.

Please note that the contents are subject to change without prior notice in the event of changes in the business environment or other unforeseen occurrences.

1. Summary of Financial Results for Q2 FY2022

1.1 Earnings Summary

Q2 was in line with plans, 1H exceeded guidance

IFRS (¥ Mil)	1H FY2021	1H FY2022	% YoY	1H FY2022 Guidance (Achievement %)	Q2 FY2022 (% YoY)
Revenue	19,888	24,059	+21.0%	23,438 (102.7%)	12,201 (+20.6%)
Operating Profit	6,593	8,276	+25.5%	8,117 (102.0%)	4,159 (+19.9%)
Pre-tax Profit	6,638	8,691	+30.9%	7,738 (112.3%)	4,392 (+22.0%)
Profit Attributable to Owners of Parent	4,169	5,518	+32.4%	4,795 (115.1%)	3,001 (+21.8%)
EBITDA	7,499	9,300	+24.0%	—	—
	Operating Stores at end of March 2022	Consol. TRX Volume (Jan. 2022 ~ Mar. 2022)		Consol. TRX Value (Jan. 2022 ~ Mar. 2022)	
KPI (% YoY)	134,096 (+12.8%)	Approx. 1.15 bn (+39.7%) o.w., online approx. 1.07 bn (+34.8%)		Approx. ¥2.7 trn (+44.2%) o.w., online approx. ¥2.1 trn (+31.8%)	

※ EBITDA=Operating Profit + Depreciation.

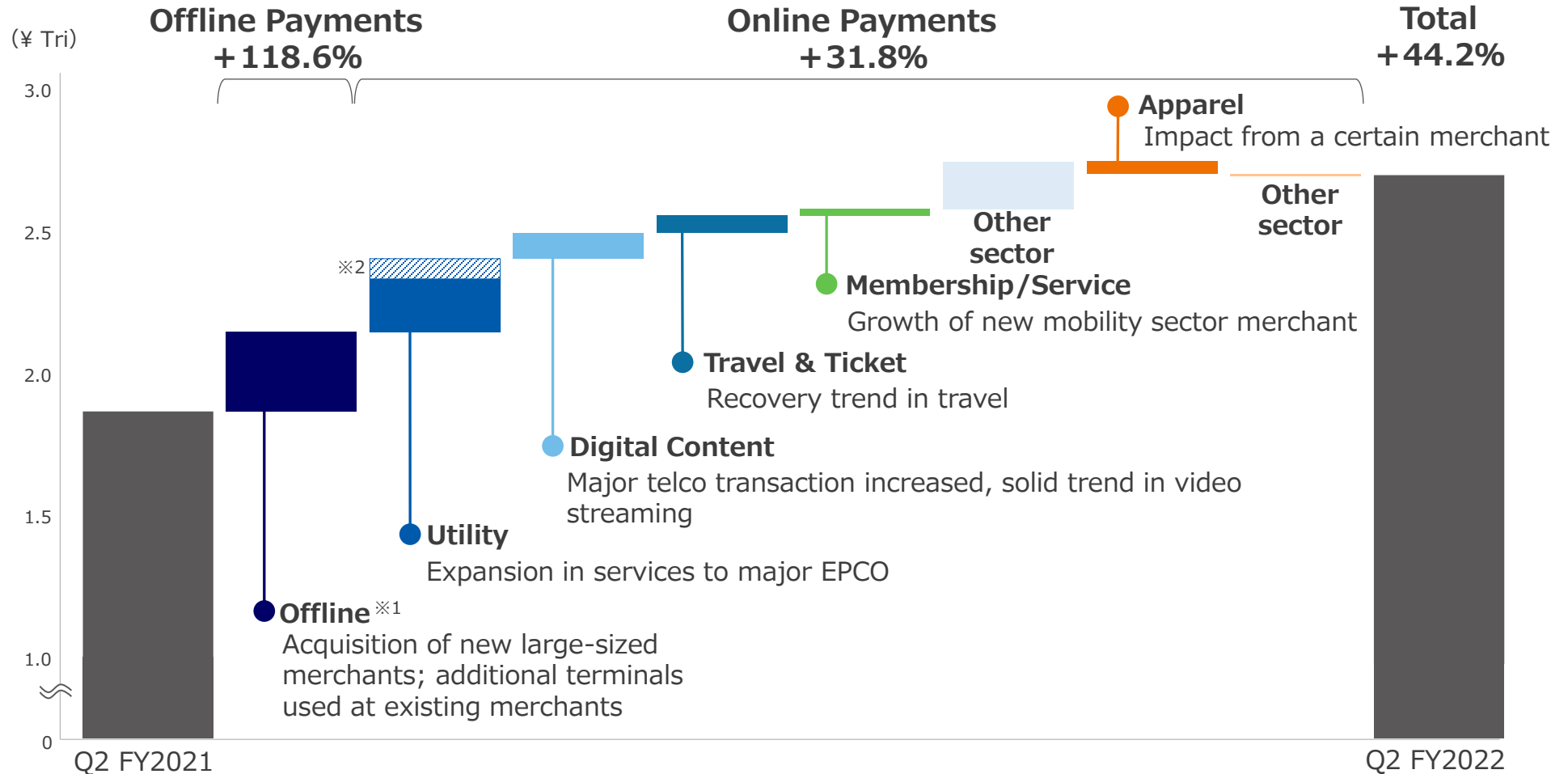
※ Operating stores figure is for GMO-PG and GMO Epsilon (EP). Consolidated TRX volume and value figures are the sum totals for GMO-PG, GMO-EP, GMO Payment Service (GMO-PS) and GMO Financial Gate (GMO-FG). The online payment figures are the sum totals for GMO-PG, GMO-EP and GMO-PS.

※ The standards for calculation the number of operating stores has been revised from Q2 FY2022. Figures exclude a specific case and the operating store related to a major delivery service operator. If included, the number of operating stores is 397,670 stores as of end of March 2022 (up 59.9% YoY).

1.2 Waterfall chart for TRX Value

TRX value increased from growth in offline payments and increasing transactions from large-sized merchants

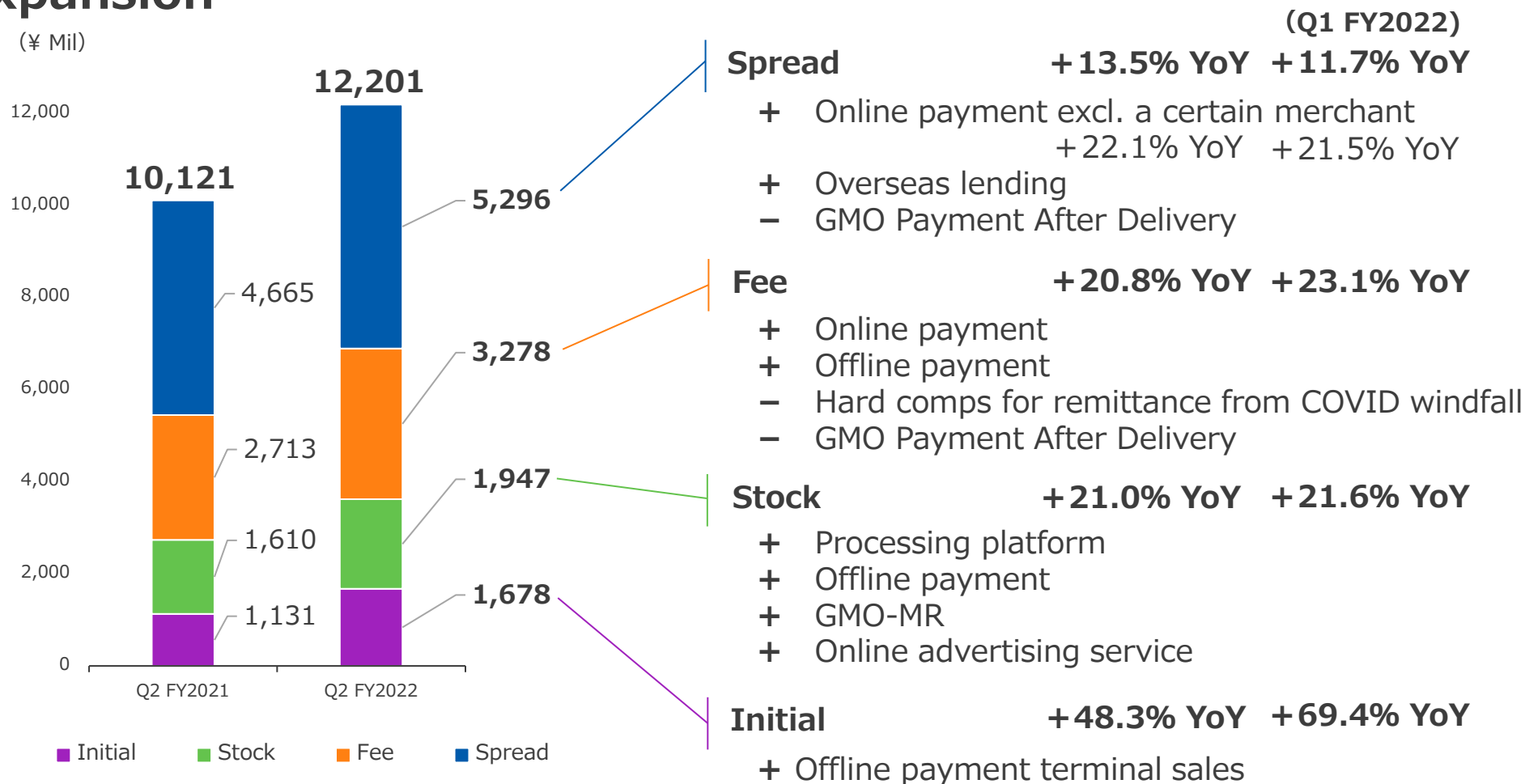
TRX Value of offline and by sector: % YoY (unit: % YoY)



*1 Excludes GMO-PG's offline payment (GMO Cashless Platform). *2 Financial institution linked utility.

1.3 Revenue by Business Model (Q2 FY2022)

Solid performance by stock revenue from processing platform expansion



※ GMO-MR stands for GMO Medical Reservations Technologies Co. Ltd.

※ The "+" signs indicate growth rates higher than the revenue by business model and the "-" indicates growth rates that are lower.

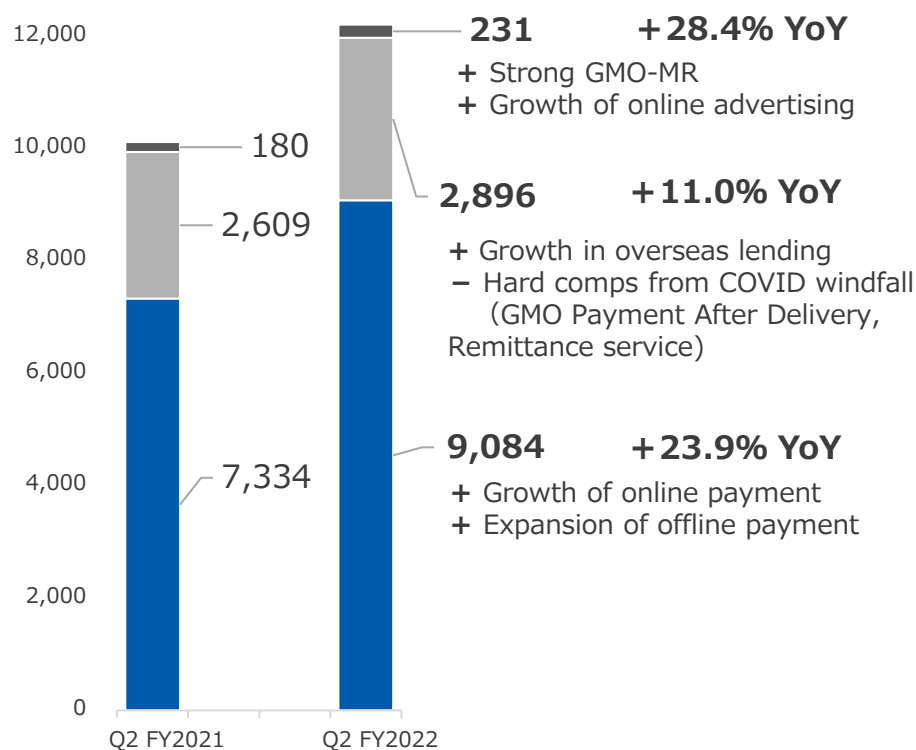
1.4 Segment Results (Q2)

Each segment making steady progress towards full year guidance

Segment Revenue

Consol. +20.6% YoY

(¥ Mil)

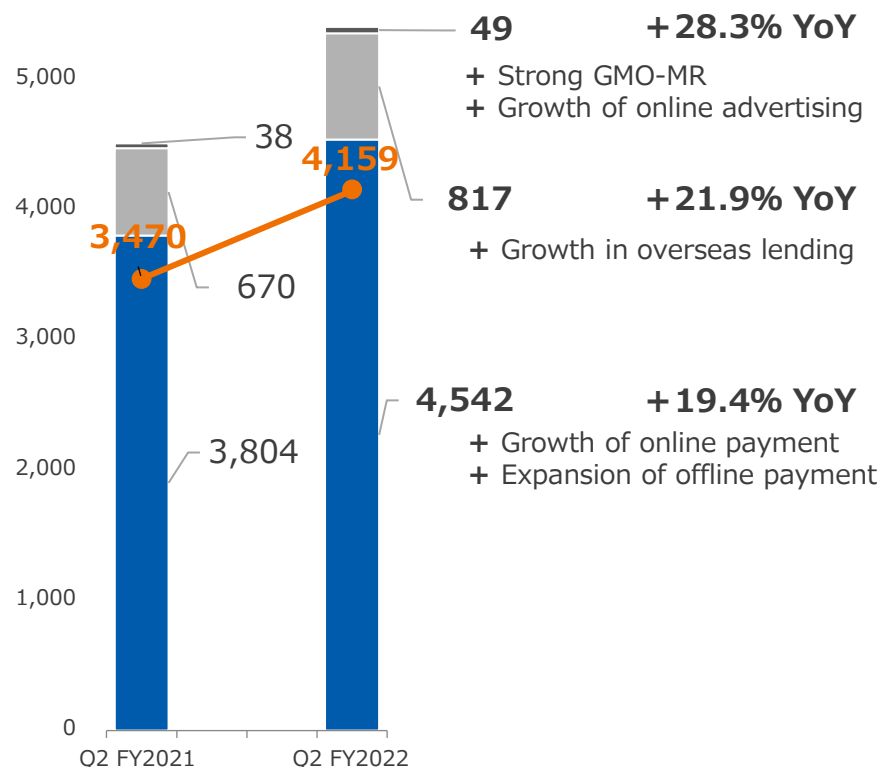


Segment Profit

+19.9% YoY

(after consol. adjustments)

(¥ Mil)



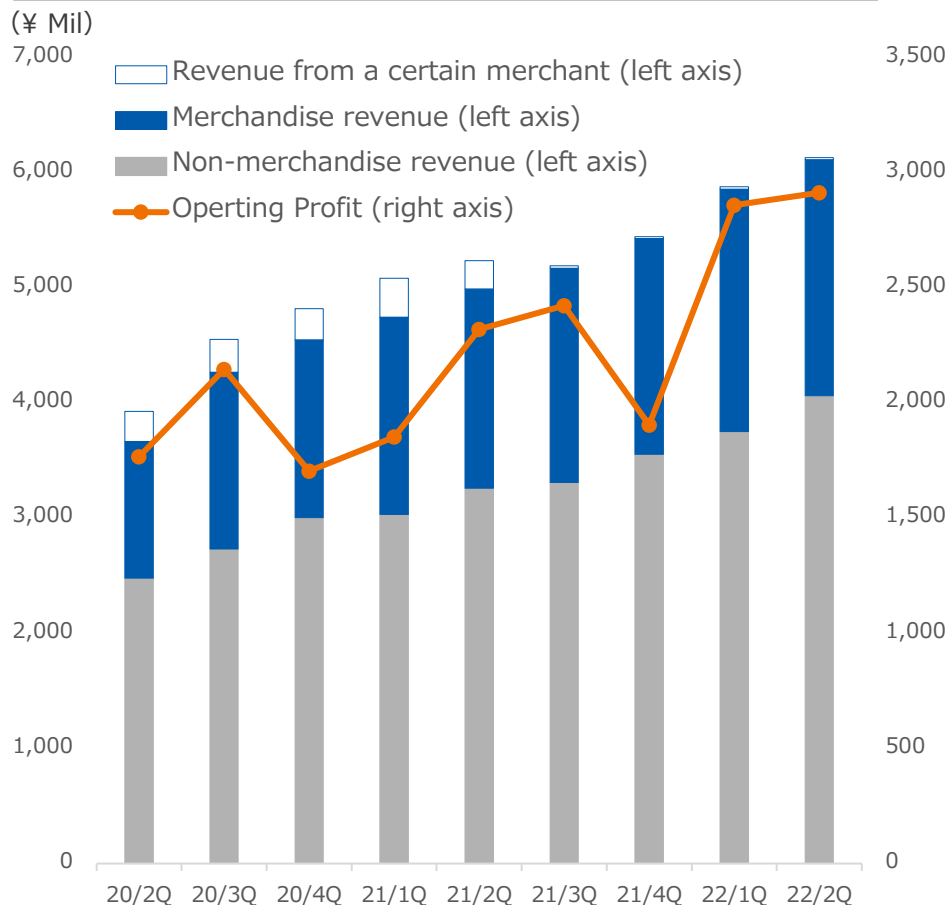
■ Payment Processing Business ■ Money Service Business ■ Payment Enhancement Business —●— Operating Profit

※ GMO-MR: GMO Medical Reservations Technologies Co. Ltd.

1.5.1 GMO-PG Non-consolidated performance: (Quarterly trend)

Non-merchandise continues to grow over 25%

GMO-PG Non-consolidated Revenue and OP



	% YoY	
	Q2 FY2022	Q1 FY2022
Revenue	+ 17.6%	+ 16.5%
Excl. a certain merchant	+ 22.6%	+ 23.8%
Online payment	+ 17.2%	+ 16.6%
Excl. a certain merchant	+ 23.8%	+ 25.7%
Merchandise EC	+ 3.0%	+ 0.9%
Excl. a certain merchant	+ 18.3%	+ 21.4%
Apparel	- 38.9%	- 44.9%
Excl. a certain merchant	+ 10.1%	+ 12.6%
Food & Beverage	+ 28.1%	+ 35.8%
Cosmetics, Health food	+ 8.5%	+ 12.4%
Non-merchandise EC	+ 25.2%	+ 26.1%
Digital content	+ 28.4%	+ 37.8%
Utility	+ 30.6%	+ 47.1%
Travel & Ticket	+ 47.7%	+ 30.5%
BaaS Support	+ 40.6%	+ 26.7%
Money Service Business	+ 11.3%	+ 10.1%
Remittance service	+ 8.0%	+ 5.1%
Early Payment	+ 40.3%	+ 58.4%
Overseas Lending	+ 40.2%	+ 46.2%

※ Revenues figures present amounts before eliminations and adjustments. Online payment revenue figures are after elimination and adjustments. The figures for BaaS Support is the sum total for Ginko Pay and processing platform. GMO-PG stands for GMO Payment Gateway.

1.5.2 Performance of GMO-EP, GMO-PS and GMO-FG (Quarterly Trend)^{※1}

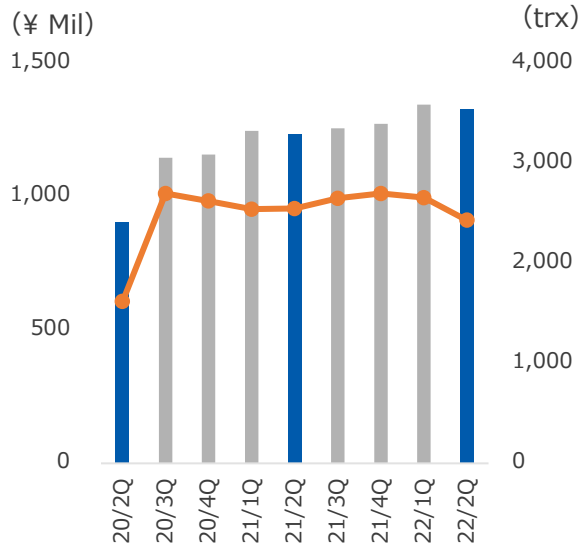
EP/PS accelerates initiatives to return to the growth trajectory, GMO-FG continues strong performance

■ Revenue (Right axis) ● KPI (Left axis)

GMO-EP Consol.

Revenue **+7.7% YoY**
(2-yr CAGR) **+21.3%**

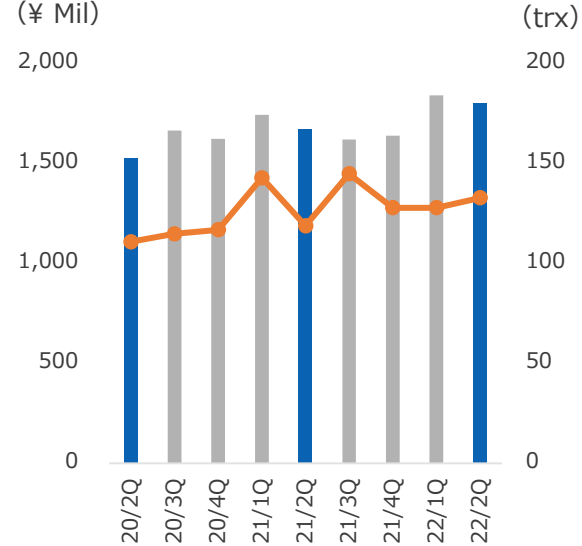
KPI: new merchant acquisitions



GMO-PS

Revenue **+7.9% YoY**
(2-yr CAGR) **+8.6%**

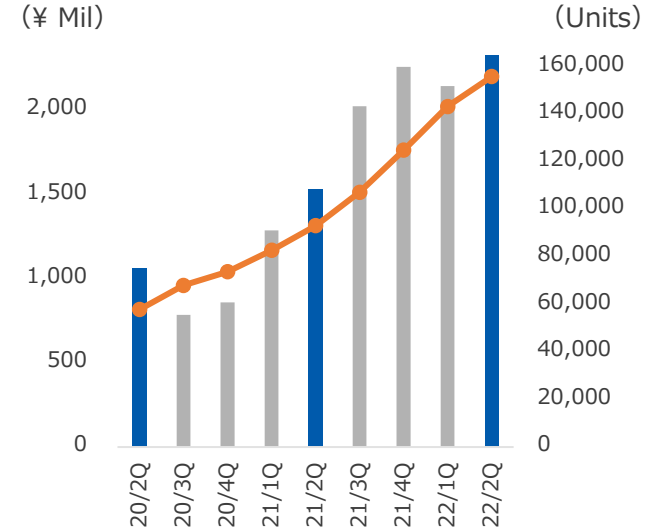
KPI: new merchant acquisitions



GMO-FG Consol.

Revenue **+52.0% YoY**
(2-yr CAGR) **+48.0%**

KPI: Operating terminals



Functions expands from new payment services
Purse non-merchandise partner strategy

Expand product lineup; focusing on B2B services

Stock-type revenue up 56.4% from increased transactions thanks to expanding terminal footprint

※1 The figures for all the companies stated above are amounts before eliminations and consolidated adjustments. GMO-EP Consol. includes GMO Epsilon and GMO Medical Reservations Technology. GMO-PS: GMO Payment Service, GMO-FG Consol. includes GMO Financial Gate and GMO Card System.

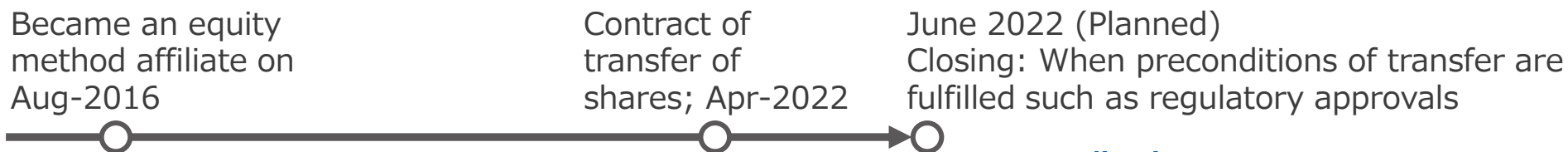
※2 FG consolidated initial revenue is an excerpt from GMO-FG's disclosed financial results and stock-type revenue is the sum total of stock, fee, and spread revenues.

1.6.1 Transfer of Shares of 2C2P

Gains from investment to strengthen BS, continue to focus on overseas by accelerating growth investments

Expand overseas businesses including Payment Processing and Money Service Business in the Asian region

**2C2P Operates payment processing business mainly in Thailand (share of voting rights: 29.34%)
To be excluded as an equity method affiliate**



Shares to be transferred	All shares held in 2C2P
Counterparty	ADVANCED NEW TECHNOLOGIES (SINGAPORE) HOLDING PTE.LTD.
Transfer Price	Not disclosed (Full amount in cash)
Reasons for transfer	Received offer and began deliberations. After comprehensively considering the price of transfer, acquiror's policy, business environment, and concluded that this reconciles with future growth of GMO-PG
Gain (est.)	Approx. ¥16.0 bn against an investment BV of ¥2.0bn (FY2022) and approx. ¥1.0bn (by FY2024)*

Implication

- Results of investment capability
- Reallocate management resources
- Strengthen BS
- Secure funds for growth investment

Accelerate growth investments, etc. such a global lending

* Figures are as of this writing and may vary in actuality. Figures assume a foreign exchange rate of 1USD = 122.41 JPY (a of March 31, 2022).

1.6.2 Revision to FY2022 Guidance

FY2022 full year guidance is revised to reflect the estimated gains from transfer of shares of 2C2P

- No change to revenue and OP guidance
- Year end dividend forecast also unchanged at ¥66 per share

Revision to FY2022 Consolidated Financial Forecast (announced on April 18, 2022)

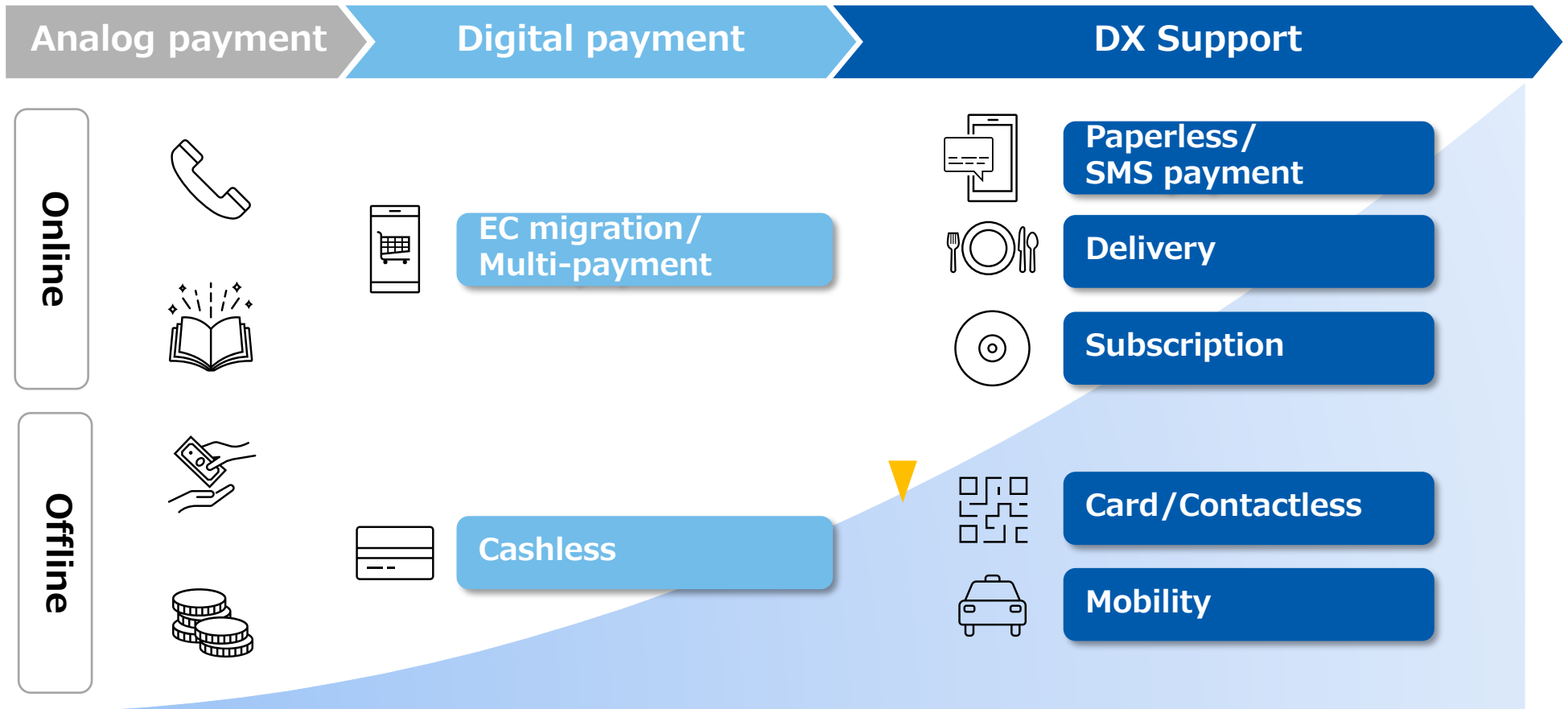
IFRS (¥ Mil)	FY2022 Previous Forecast (A)	FY2022 Revised Forecast (B)	Change (B-A)	% Change (B/A)	(Reference) FY2021	(Reference) % YoY of Revised Forecast
Revenue	50,000	50,000	-	-	41,667	+ 20.0%
Operating Profit	16,234	16,234	-	-	12,987	+ 25.0%
Pre-tax Profit	15,538	31,538	16,000	103.0%	13,285	+ 137.4%
Profit	10,048	21,048	11,000	109.5%	8,982	+ 134.3%
Profit Attributable to Owners of Parent	9,860	20,860	11,000	111.6%	8,818	+ 136.5%
Basic Earnings per share Profit	¥130.01	¥275.04	-	-	¥117.98	+ 133.1%

2. Growth Strategy and Initiatives in Focus Areas

2.1.1 Expanding Scope of Business

Promote DX with digital payment as payment shifts from analog to the digital

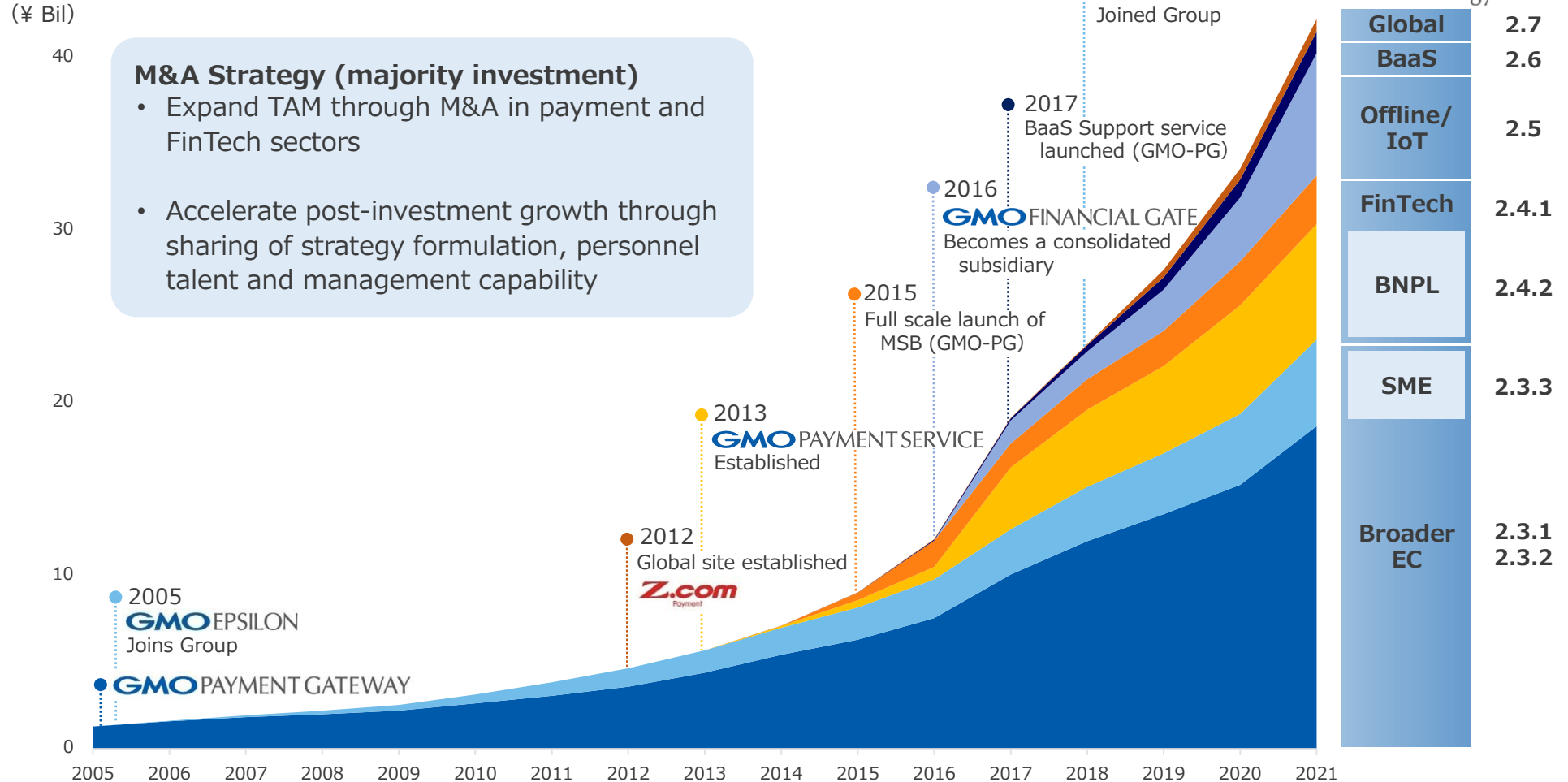
Business scope expands from niche to core



2.1.2 Expanding Scope of Business

Sustain high growth from expanding service line-up and entering into new domains

Consolidated subsidiaries revenue by service



※ Figures present amounts before eliminations and adjustments.

2.2 Progress of Priority Initiatives

Further buildup of project pipeline to secure 25% growth next FY and beyond

	OP (¥ bil)		Initiatives and Progress	Estimated rollout time			
	2021 (Act.)	2025 (Target as of 2021)		FY2022 2H	FY2023 1H 2H		
Broader EC	9.5	18.0~22.0	Utility	Co. B SMS Choice of Payment		●.....→	
			Co. C SMS Choice of Payment NEW		●.....→		
			Tax payment using smartphone		●.....→		
			GMP	Co. B 1 st phase launched	●.....→		
			Co. C In negotiation for next FY contracting		●.....→		
			Foreign Corporates	Support Japan business of multiple companies NEW	●.....→	●.....→	
			Telecom	Rollout of 2 nd phase		●.....→	
			Real Estate	Rent, deposit amount, e-contract NEW	●.....→	●.....→	
SME	New payment service launched	●.....→					
FinTech	2.0	3.0~	B2B BNPL	Promote GMO B2B Pay On Credit	●.....→		
			BNPL	Expand nos. of partners	●.....→		
			New initiatives NEW		●.....→		
Offline · IoT	0.58	2.0~	stera · Unattended Market penetration	●.....→			
BaaS	0.6	1.0~	New service add-ons on GMO-PG processing platform NEW	●.....→			
			Expand services to payment customers		●.....→		
Global	-	3.0~	Overseas lending	Strengthen organization; Expand pipeline	●.....→		
			Test launch of products in overseas markets NEW		●.....→		

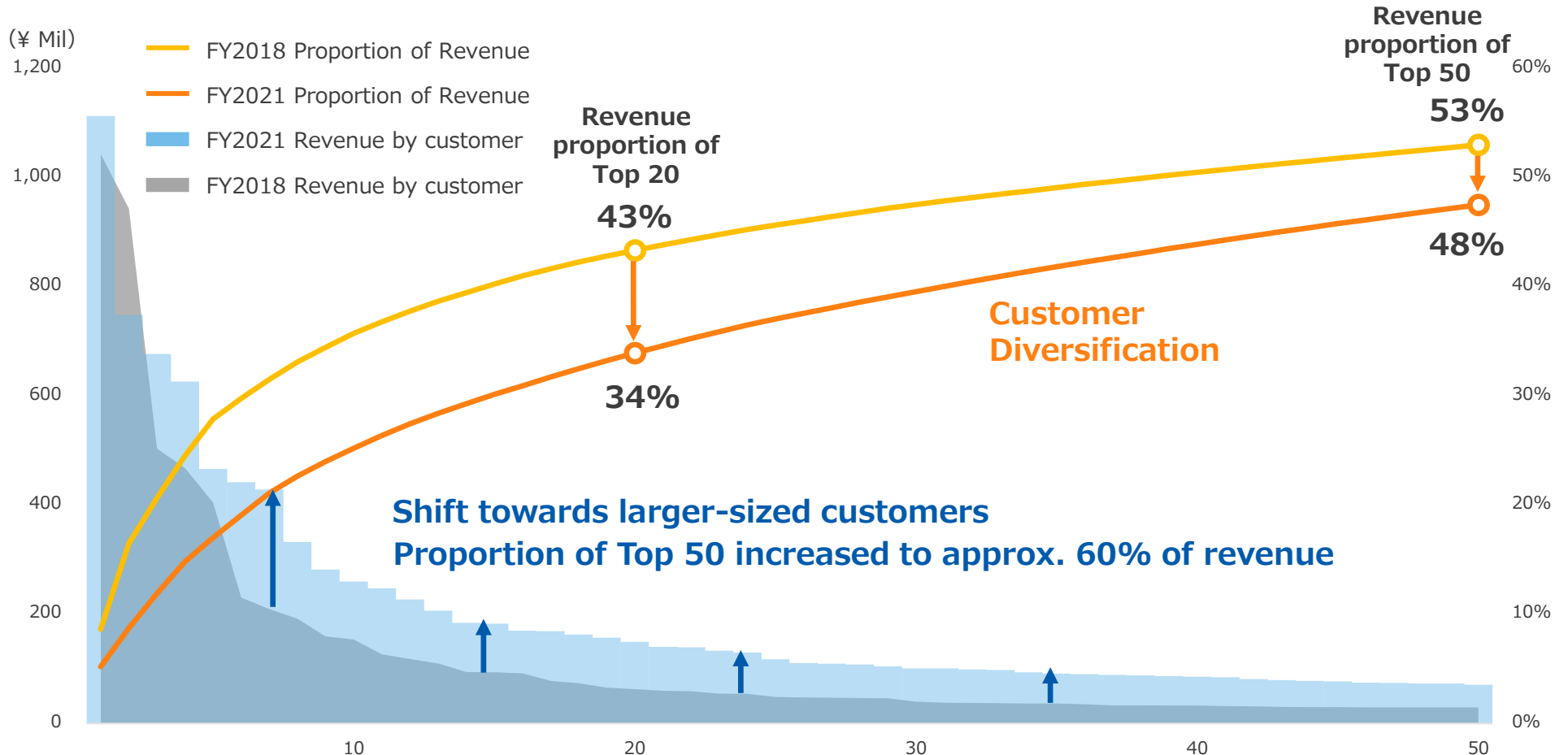
※ GMP stands for Global Major Players, the Offline/IoT includes companies other than GMO Financial Gate, GMO Card System.

2.3.1 Broader EC: Evolving customer base

2025 OP Target
¥18.0~¥22.0bn

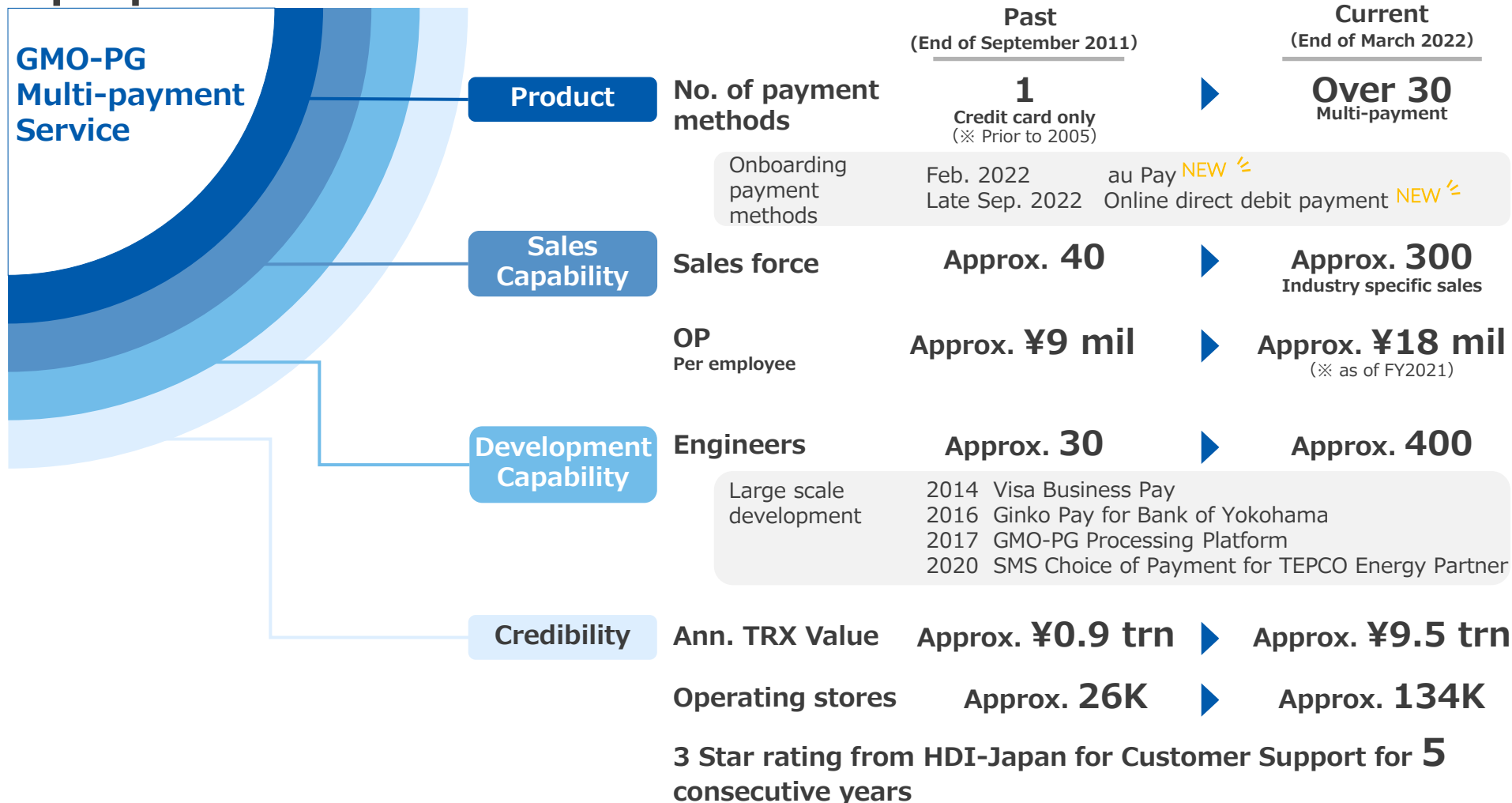
Pursue diversified and large customers through targeted initiatives by customer segment

Top 50 customer companies: Revenue by customer and cumulative proportion: FY2018 vs FY2021



2.3.2 Broader EC: Competitive advantage of core product

Contribute to customer's growth by expanding the value proposition



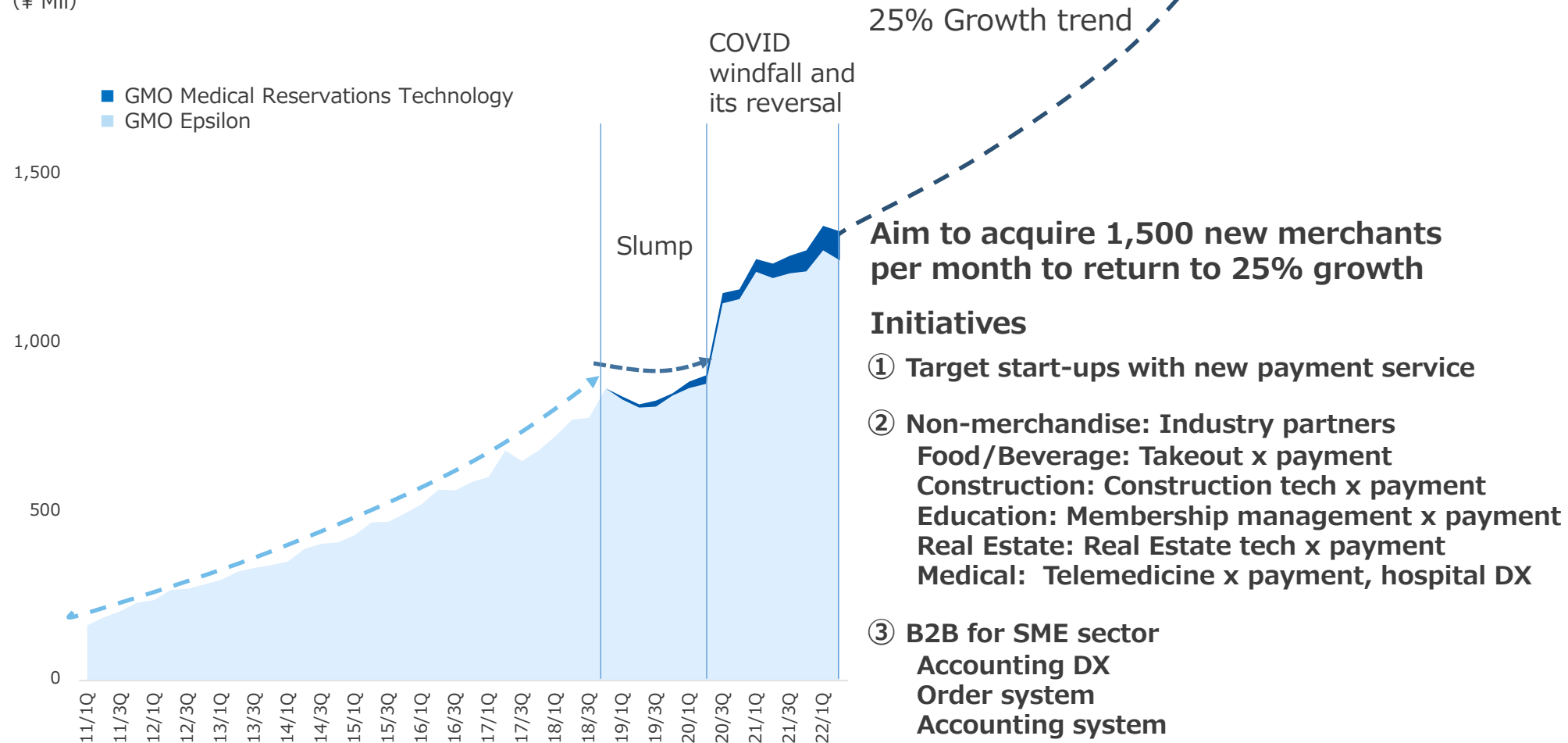
※ The figures for sales force and engineers include the number of partners of GMO-PG consolidated subsidiaries and external collaborators.

2.3.3 Broader EC: SME Sector

Aim for revenue to return to 25% growth trajectory through new initiatives and entering into new domains

Revenue from SME sector and growth trajectory (quarterly)

(¥ Mil)

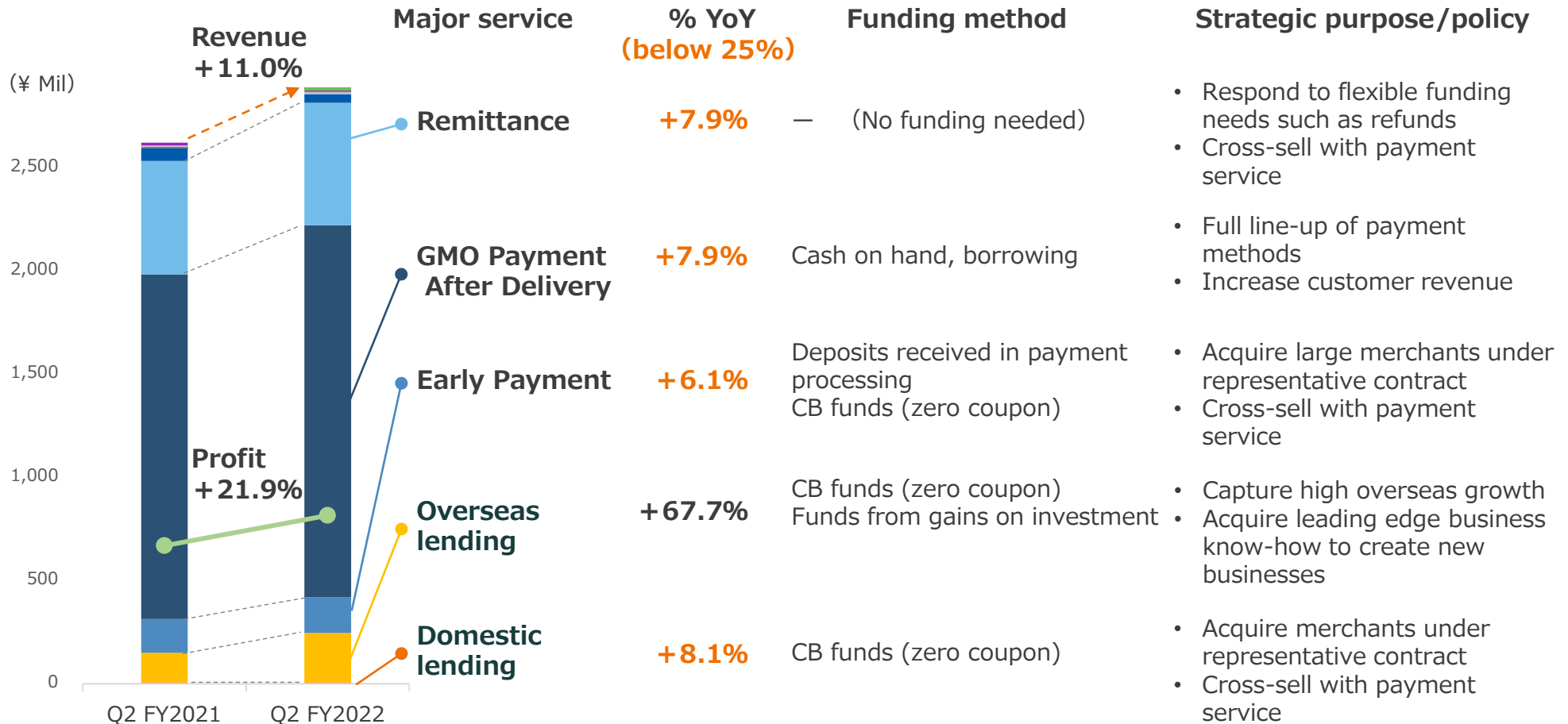


2.4.1 FinTech

2025 OP Target
¥3.0 bn ~

Expand service to achieve strategic goals while paying attention to financial environment

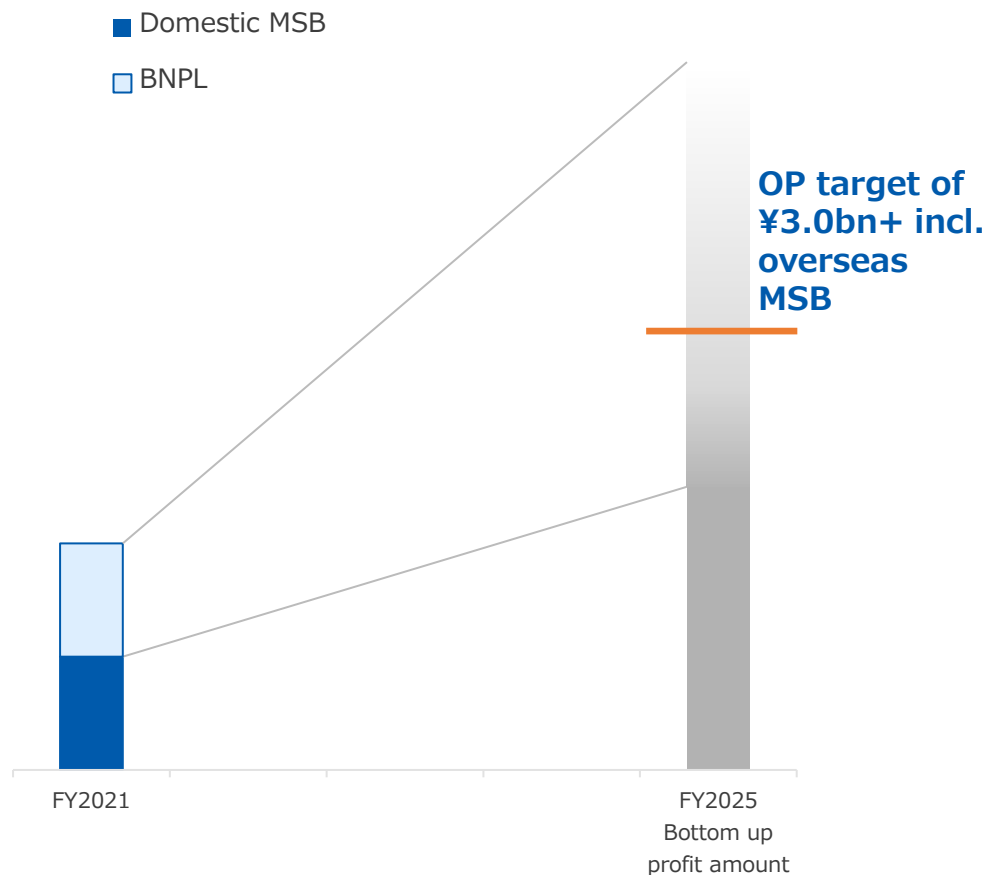
Money Service Business performance (% YoY)



2.4.2 FinTech: Domestic SMB sector's potential

Preparing multiple medium-term initiatives in the promising BNPL

Domestic MSB segment profit and target (image)



BNPL business (GMO-PS)

- Strategy ①** New initiative (to be launched)
- Strategy ②** Penetrate into non-merchandise sector (e.g. entertainment, education, home equipment and reform)
- Strategy ③** Provide BNPL to B2B platformers
 - B2B wholesale mall "Netsea"
 - Cloud commerce platform "ebisumart"
 - Cloud sales management system for apparel "One'sCloset"
- Strategy ④** Raised credit line to several merchants

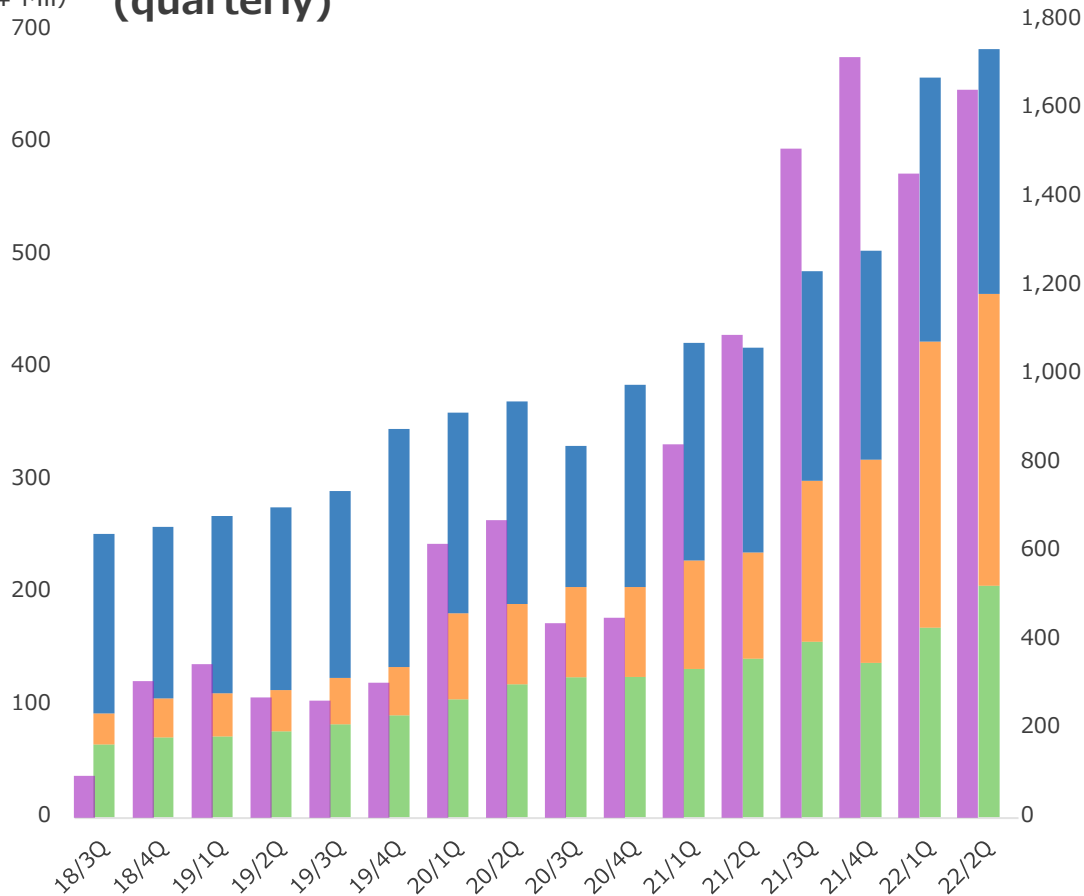
2.5.1 Offline and IoT

2025 OP Target ※1
¥2.0bn ~

Growth of KPI and stock-type revenue by acquiring large merchants to drive terminal sales

GMO-FG & GMO-CAS Revenue by business model ※3

(¥ Mil) (quarterly)



KPI	Q2 FY2022	Q2 FY2021
TRX Volume	+126.8%	+85.7%
TRX Value	+118.6%	+53.9%
Revenue		
Initial (right axis)	+50.7%	+62.3%
Stock (left axis)	+33.3%	+19.3%
Fee (left axis)	+166.6%	+32.4%
Spread (left axis)	+17.3%	+1.0%

※1 The figures for 2025 OP target includes companies other than GMO Financial Gate and GMO Card System.

※2 Stock-type revenue is the sum total of stock, fee and spread revenues.

※3 Figures present GMO-PG's earnings (after eliminations and adjustment).

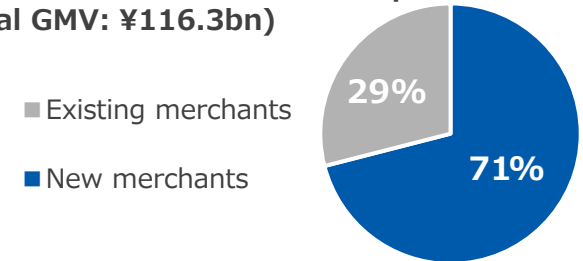
2.5.2 Offline and IoT

Accelerate growth through diverse strategies

Growth strategy ① Merchant acquisition leveraging company's strengths

- Acquire large merchants by leveraging the collaboration with SMCC and the advantage of owning payment centers
- Of the Top 30 GMV contributors, 13 were newly acquired within a year and/or merchants whose GMV increased

Q2 FY2022 Share of GMV of Top 30 merchants (Total GMV: ¥116.3bn)



Growth strategy ② Expand scope of cashless support

- Customer base expanding with payment terminals being deployed in mobility area and government offices



Growth strategy ③ Leverage Group synergy

- Provide cashless payment infrastructure through PG+FG for omni-channel (online+offline) needs
- Collaboration with restaurant platformer and GMO OMAKASE

Offline and Online customers

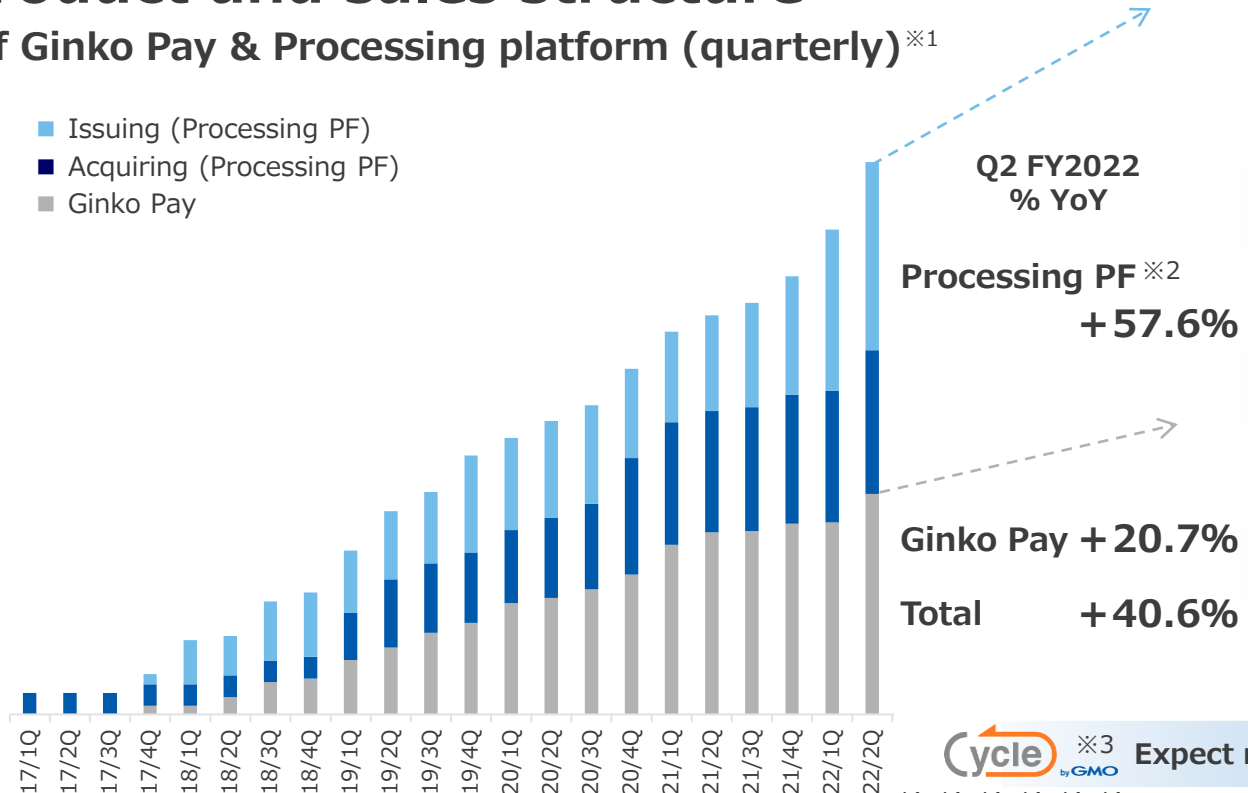
Coffee chain store	Entertainment
English lessons	Bookstore/ Publisher
Gym	Ticket
Apparel	Health Food

2.6.1 BaaS (Embedded Finance)

2025 OP Target
¥1.0bn ~

Expand BaaS/Embedded Finance by further strengthening the product and sales structure

Revenue of Ginko Pay & Processing platform (quarterly) ※1



External environment/Needs

Expand BaaS/ Embedded Finance

Reduce system development load

Respond to tighter security

Cycle ※3 Expect rollout to several start-ups

Processing PF ※2
Expand functions

GMO-PG Processing platform

Add-on Function Issuing gateway Network service FEP service
NEW
NEW
NEW

Expand customer



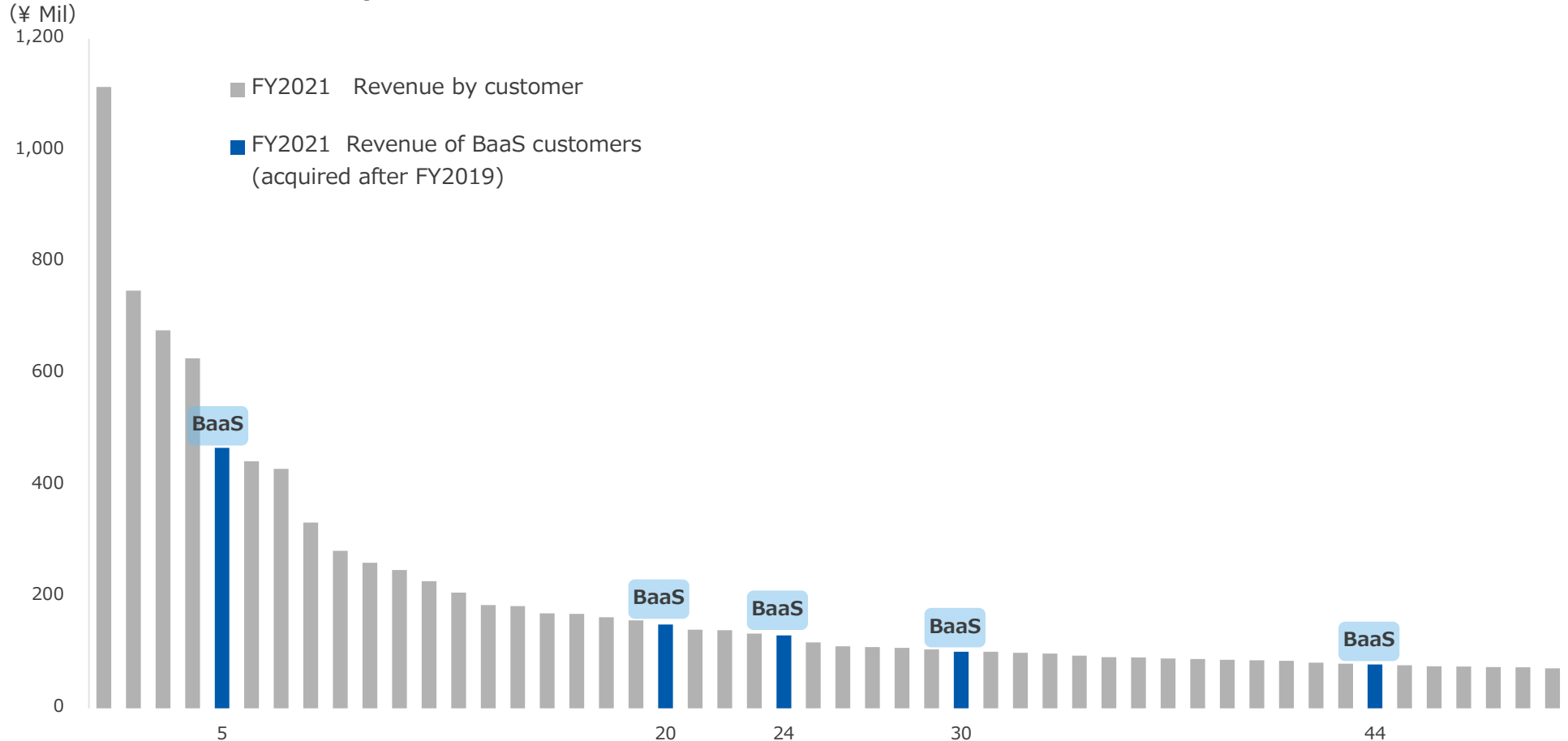
※1 Includes revenues from non-financial institutions for Ginko Pay and processing platform.
 ※2 PF stands for platform. ※3 Cycle byGMO: Revenue linked business card.

2.6.2 BaaS: Acquiring large customers

(Embedded Finance)

Acquired multiple large customers over the past few years with strategic deployment of BaaS support services

FY2021 Revenue of Top 50 customer

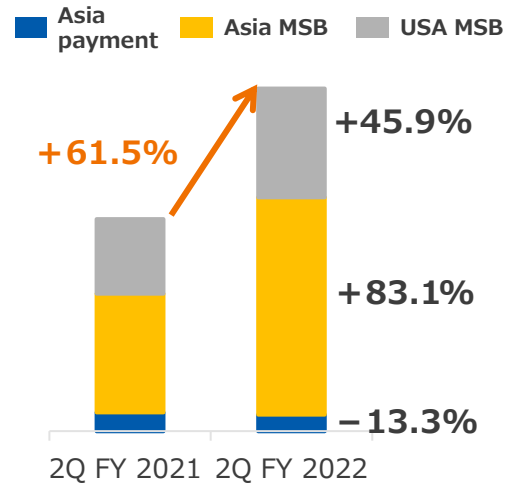


2.7.1 Global

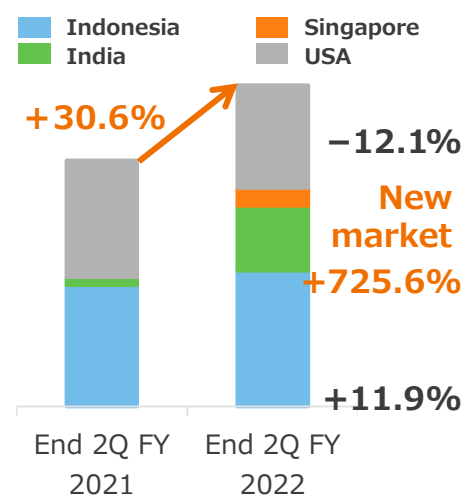
2025 OP Target
¥3.0 bn~

Expand FinTech loans in the rapidly growing credit markets of India and Singapore

Revenue (% YoY)



Loan balance (% YoY)



Growth potential of Indian market



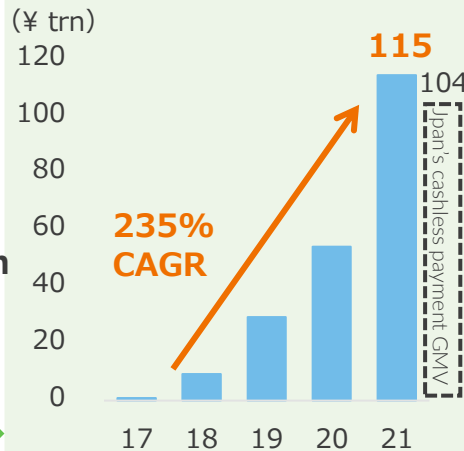
- Nominal GDP: Approx. ¥516 trn (2025) ^{※1}
- Population: Approx. 1.45 bn (2025) ^{※2}
- Smartphone/Internet users: 2nd globally
- No. of unicorns: 81 companies, 3rd globally (end 2021) ^{※3}
- Govt. led DX promotions accelerate with COVID

Executed loan to a key Indian FinTech unicorn

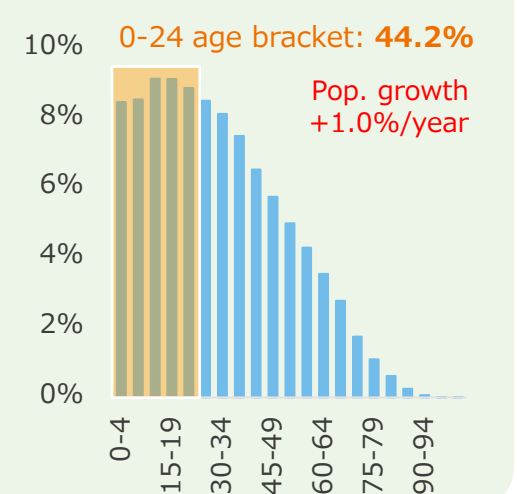
- Issue VISA card (digital/physical) for young generation
- Exceeded registered users of 10 mil. by leveraging strong design capability

Expand pipeline by strengthening organization (offices/personnel, etc.)

UPI Usage ^{※4}



Population pyramid (2020) ^{※2}



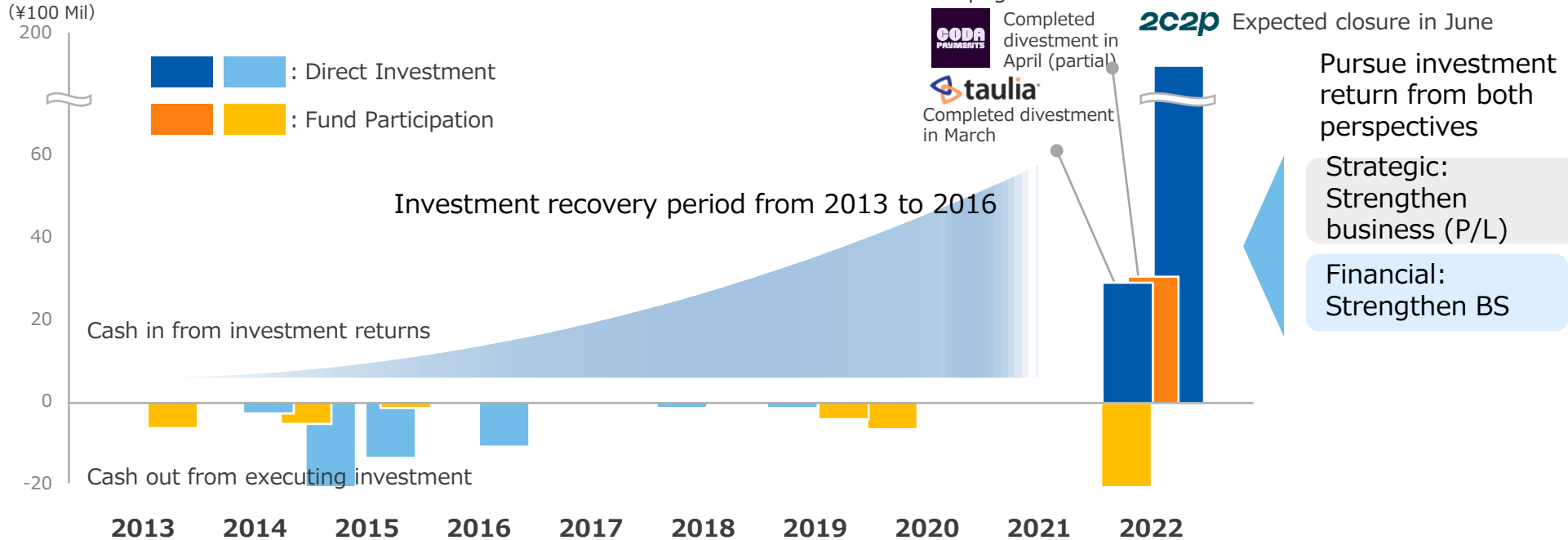
※1 Figures from IMF. ※2 United Nation's "Population Division". ※3 VENTURE INTELLIGENCE. ※4 National Payment Corporation of India (NPCI).

※UPI : United Payments Interface and is the largest, government-led digital payment method, where C2C payments are free of cost and offers instant remittance function. Only a bank account and smartphone is needed to use this payment method.

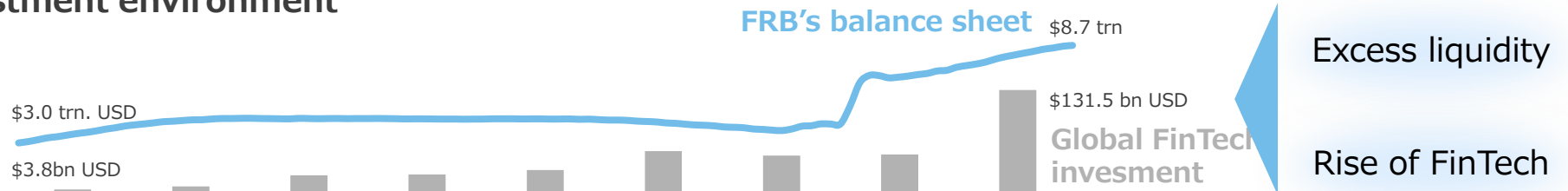
2.7.2 Global: Overseas Investment Strategy

Maximize investment returns by deploying optimal strategies that captures the trends

Overseas investment



Investment environment*

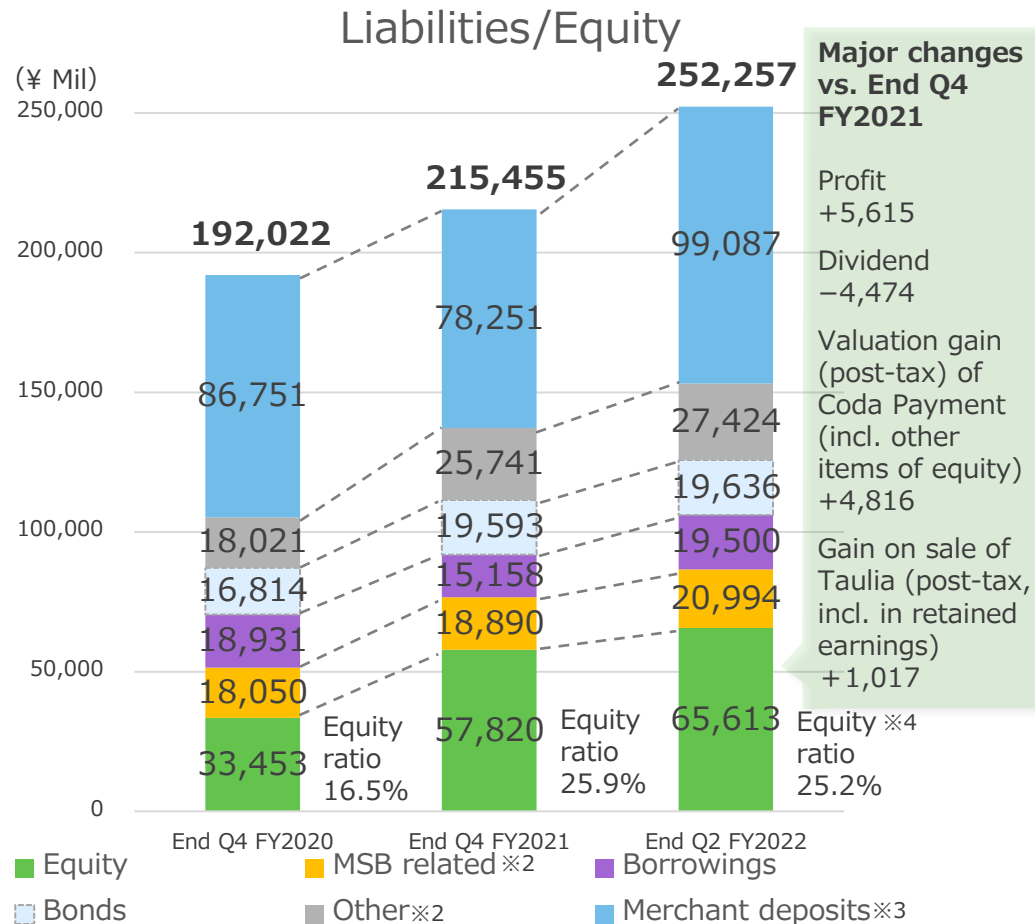
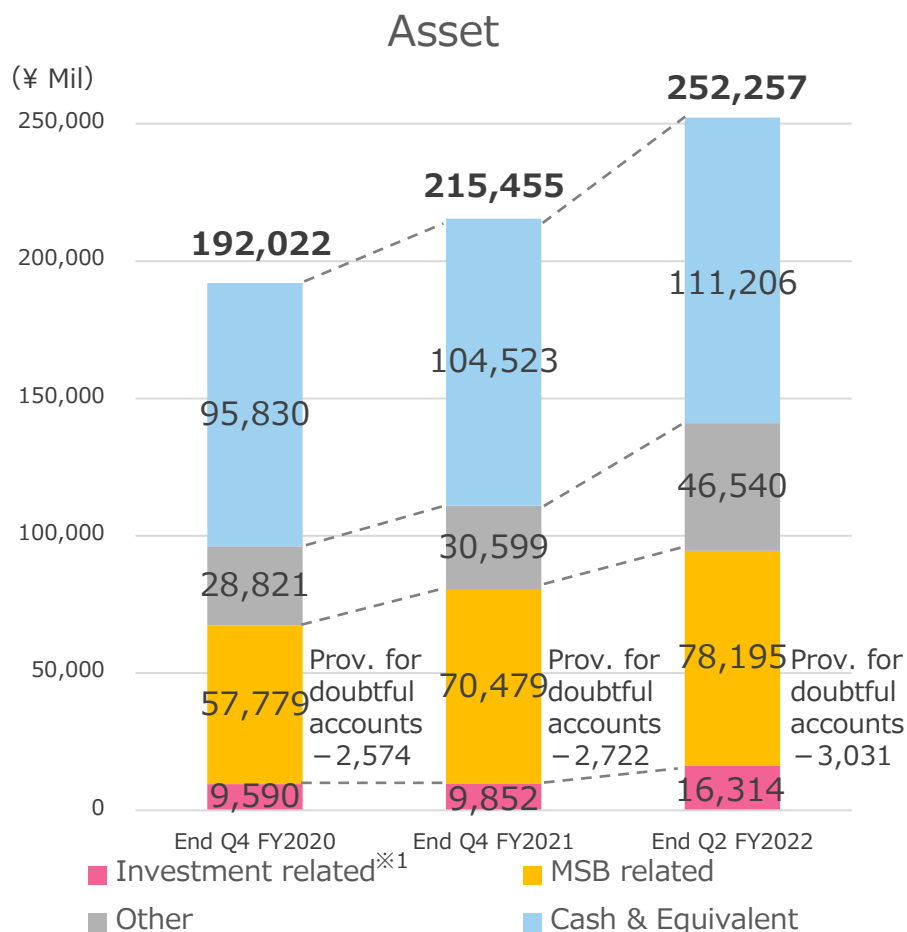


* FRB balance sheet: Board of Governors of the Federal Reserve System. Global FinTech investment figure is based on CB Insights' "State of FinTech" and "FinTech Trends to Watch".

3. Financial Highlights and Reference Materials

3.1.1 Balance Sheet Changes

Financial strength improved from investment returns



※1 Securities classified under investment securities and investment accounted for under the equity method.

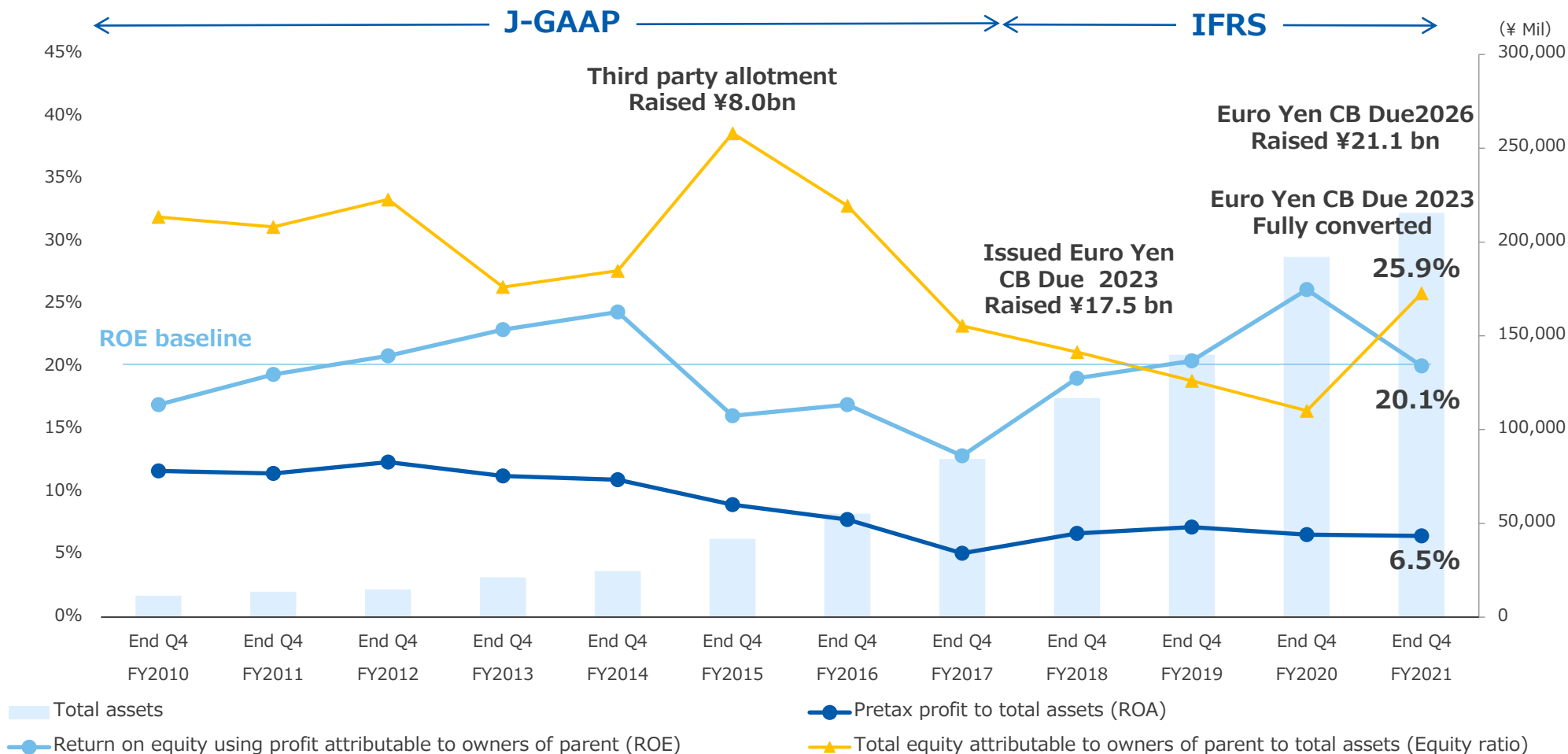
※2 MSB Related Asset = Lease assets, Short term loans, Advances paid, Accrued revenue (net of provision for doubtful accounts). MSB Related Liabilities = Accrued expenses

※3 Deposits received from merchants under the Representative Contract.. ※4 Equity ratio is total equity attributable to owners of parent divided by total assets.

※5 Some figures are shown in net amounts of financial assets and liabilities.

3.1.2 Major Financial Indicators

Strengthened equity base with the expansion of MSB



※For figures before FY ending September 2017 are based on J-GAAP standards. As such, total assets refers to assets, equity refers to net assets and total equity attributable to owners of parent to total assets refers to equity ratio, return on total assets using profit attributable to owners of parent refers to ordinary profit to assets ratio, and return on equity using profit attributable to owners of parent (ROE) refers to net profit to equity ratio.

※ Adopted IFRS accounting standards for FY ending September 2018. The figures for FY ending September 2017 are restated on the same basis.

3.2 OP and Pre-tax Profit Waterfall Chart (Q2 Cumu.)

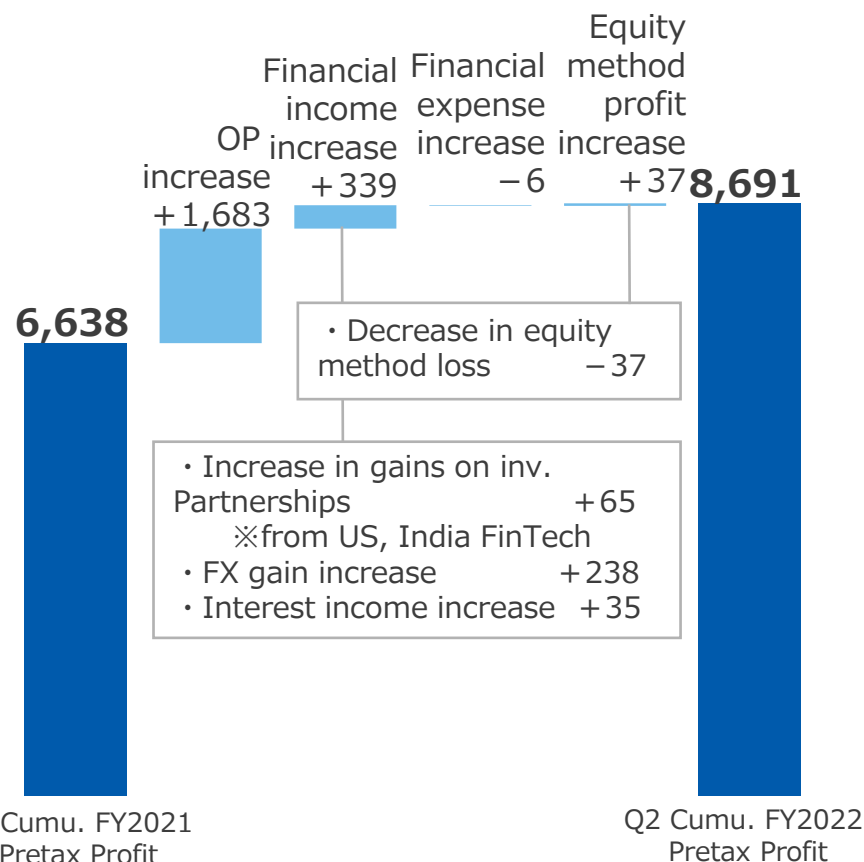
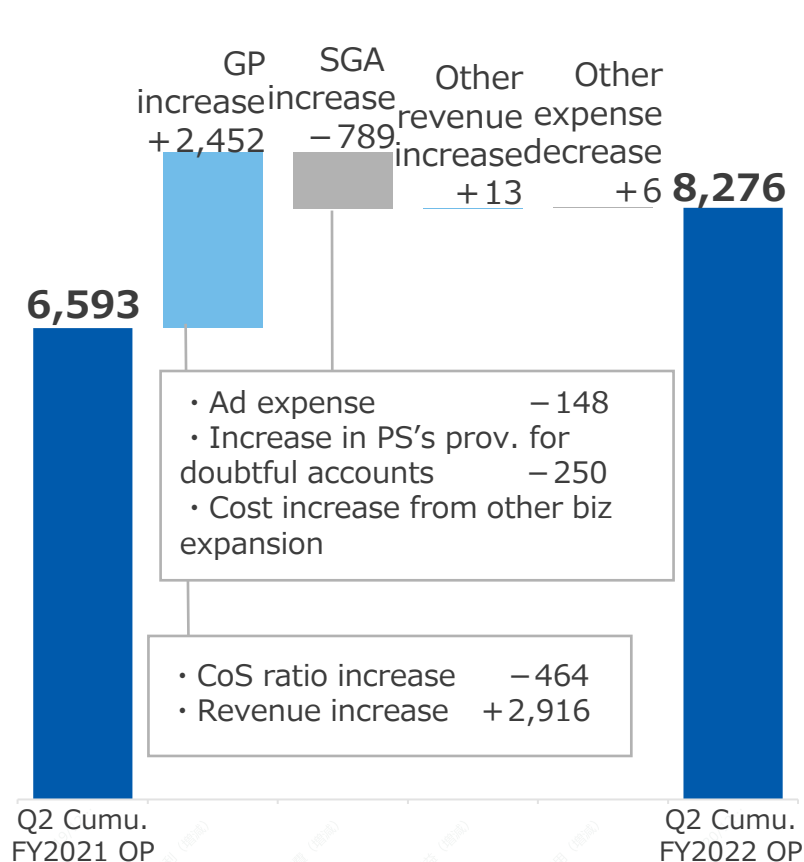
Pre-tax profit grew 30.9% from profit contribution from forex gains related to overseas investments/loans and gains on investment

OP YoY: waterfall chart
(+25.5% YoY)

(¥ Mil)

Pre-tax profit YoY: waterfall chart
(+30.9% YoY)

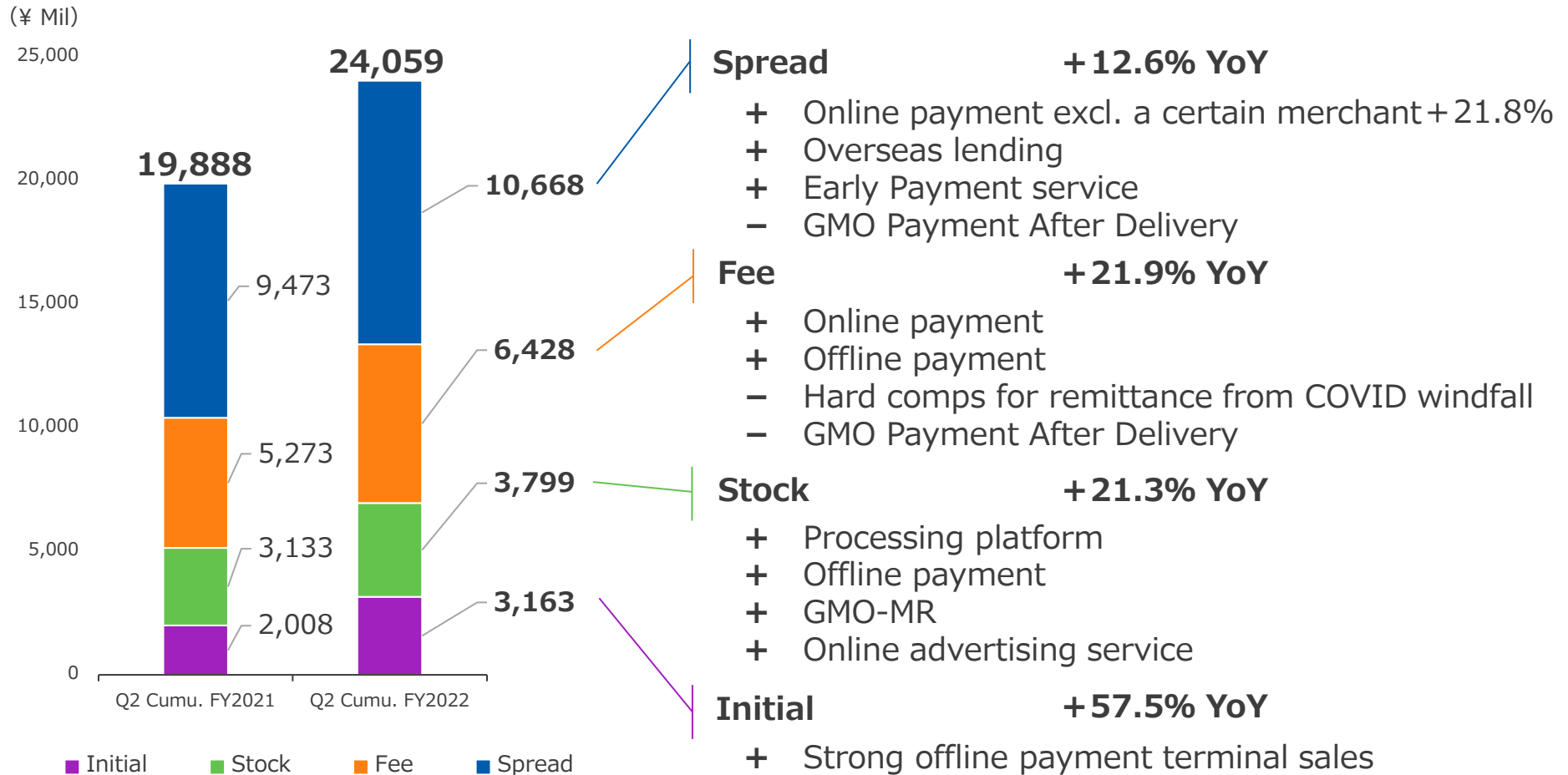
(¥ Mil)



※ The "+" and "-" sign denote the direction of the impact to operating profit and pretax profit.

3.3.1 Revenue by Business Model (Q2 Cumulative)

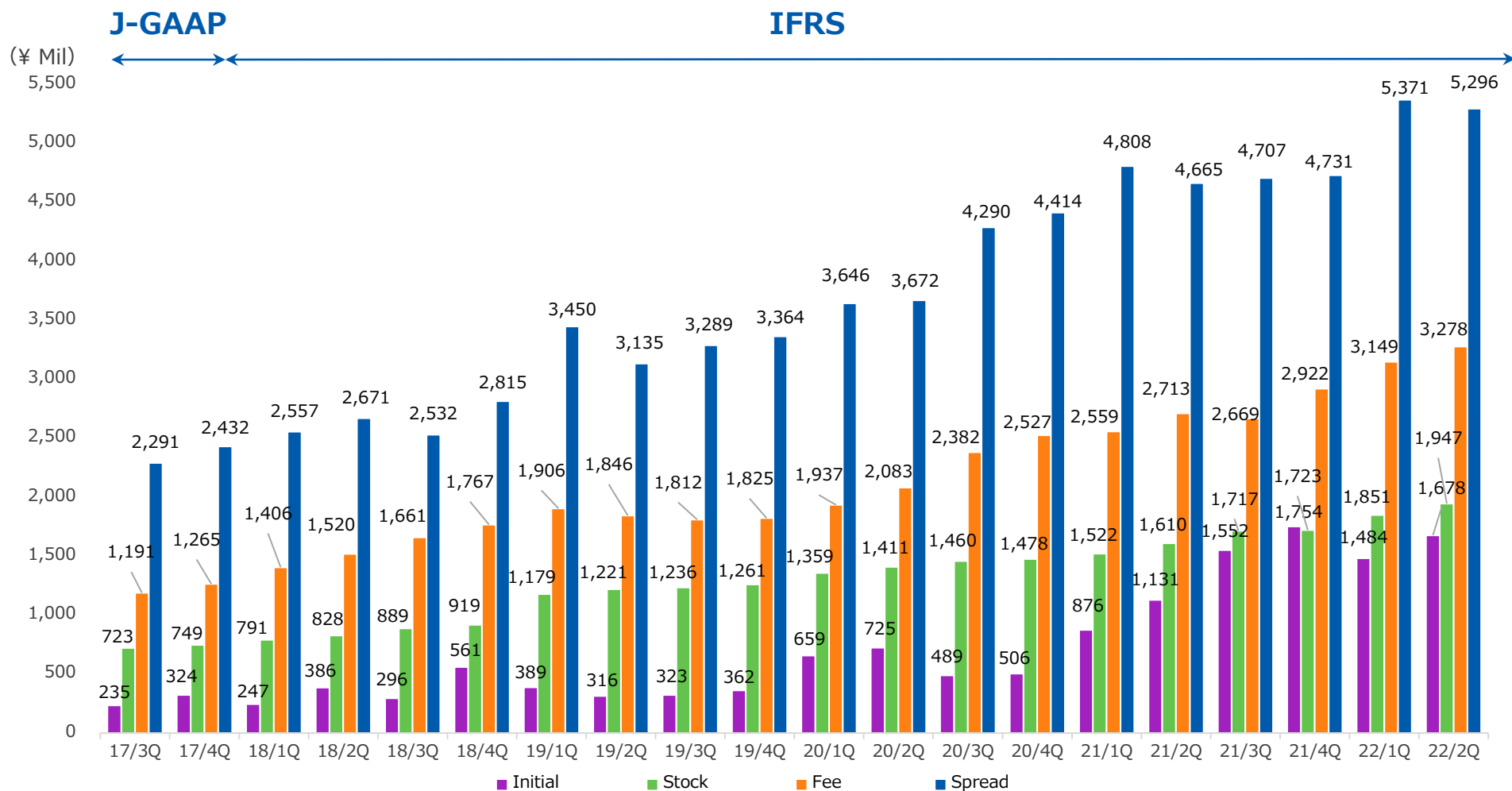
Solid stock revenue from expansion of processing platform



※ GMO-MR stands for GMO Medical Reservations Technologies Co. Ltd.

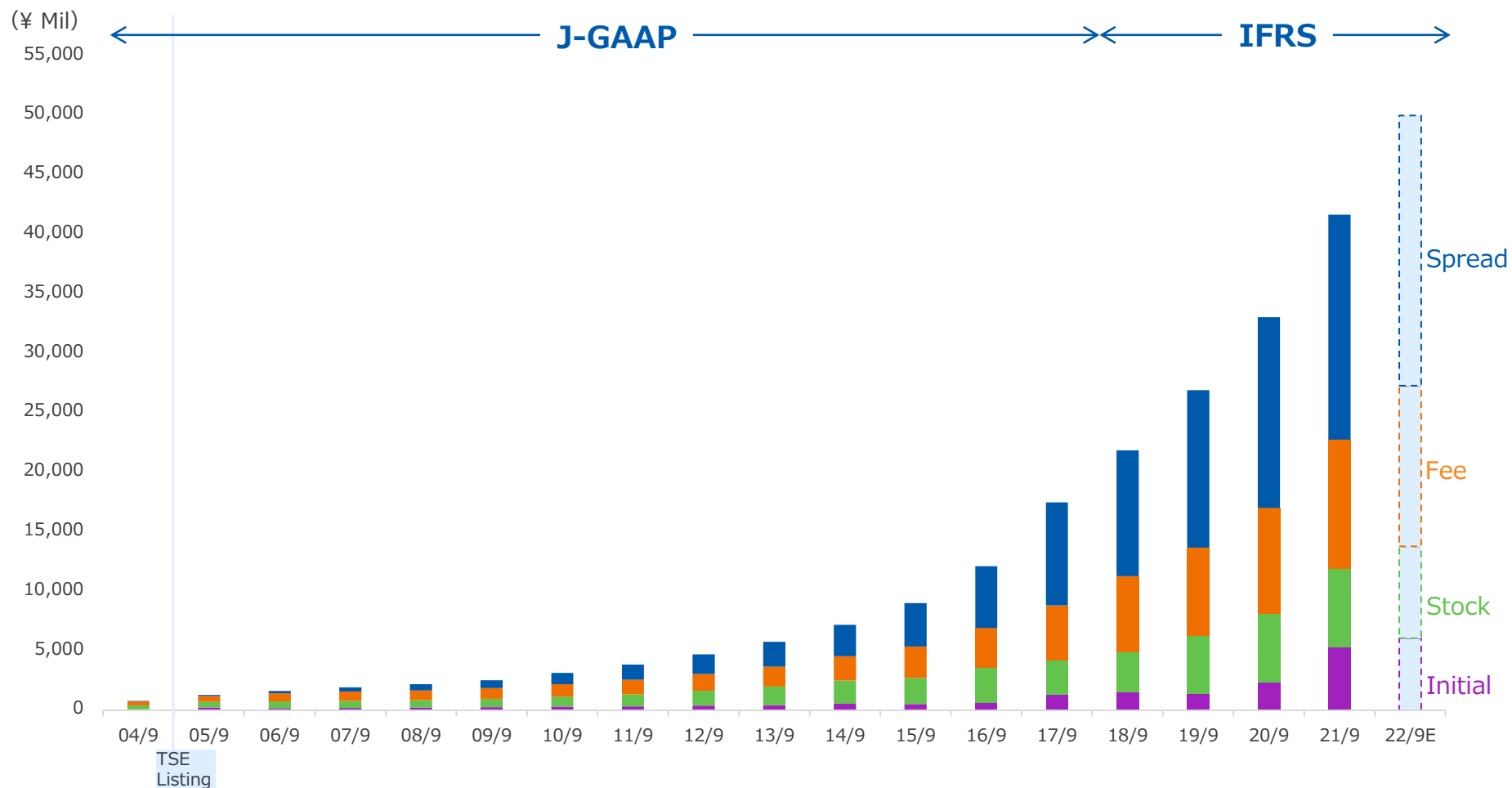
※ The "+" signs indicate growth rates higher than the revenue by business model and the "-" indicates growth rates that are lower.

3.3.2 Quarterly Trend of Revenue by Business Model



※ Online advertising service (stock) and finance lease (spread) revenues are recognized as a net amount with the IFRS adoption rather than the gross method from FY Ending September 2018. The figures for revenues by business model present the continuing operations only and exclude MACROKIOSK, due to its deconsolidation in May 2020.

3.3.3 Revenue Trend by Business Model (Annual)

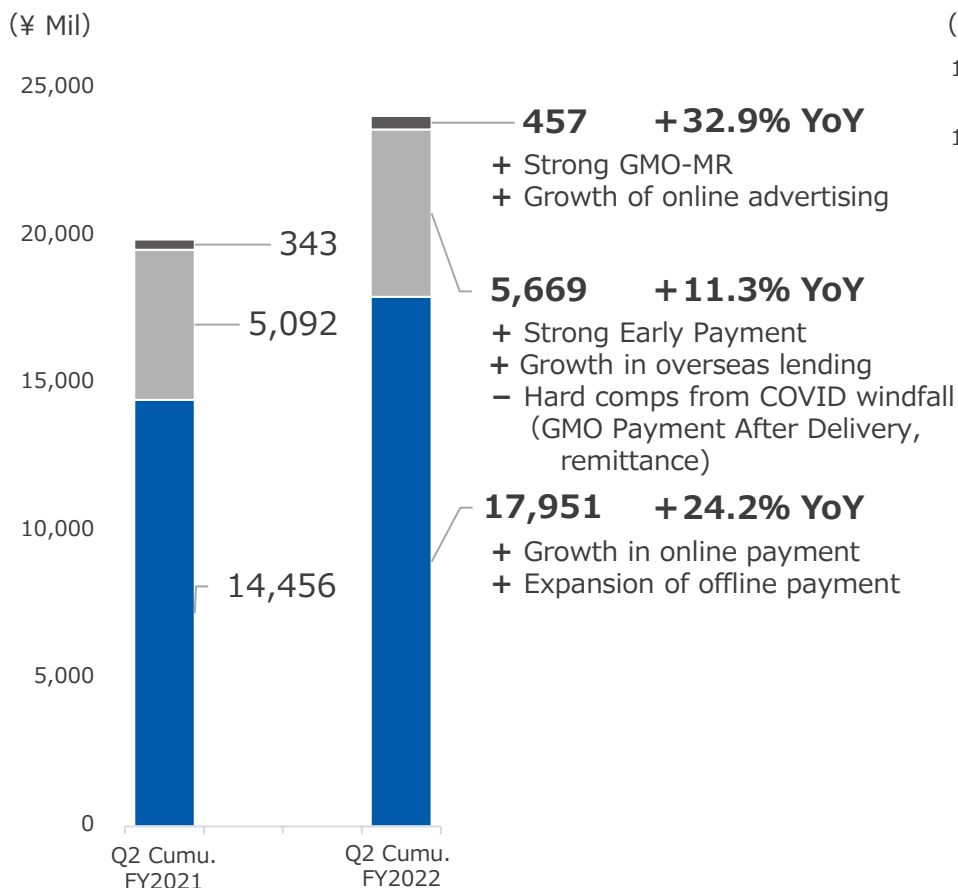


※ Online advertising service (stock) and finance lease (spread) revenues are recognized as a net amount with the IFRS adoption rather than the gross method from FY Ending September 2018. The figures for revenues by business model present the continuing operations only and exclude MACROKIOSK, due to its deconsolidation in May 2020.

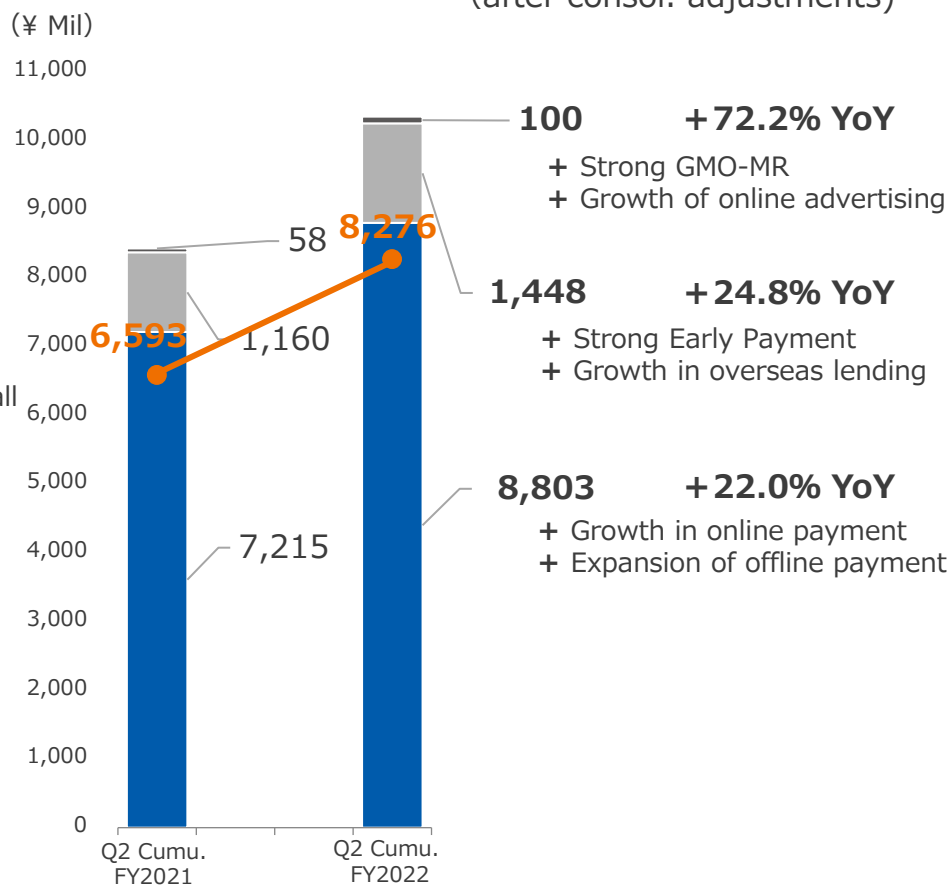
3.4 Segment Results (Q2 Cumulative)

Steady progress in all segments towards full year guidance

Segment Revenue Consol. +21.0% YoY



Segment Profit +25.5% YoY (after consol. adjustments)



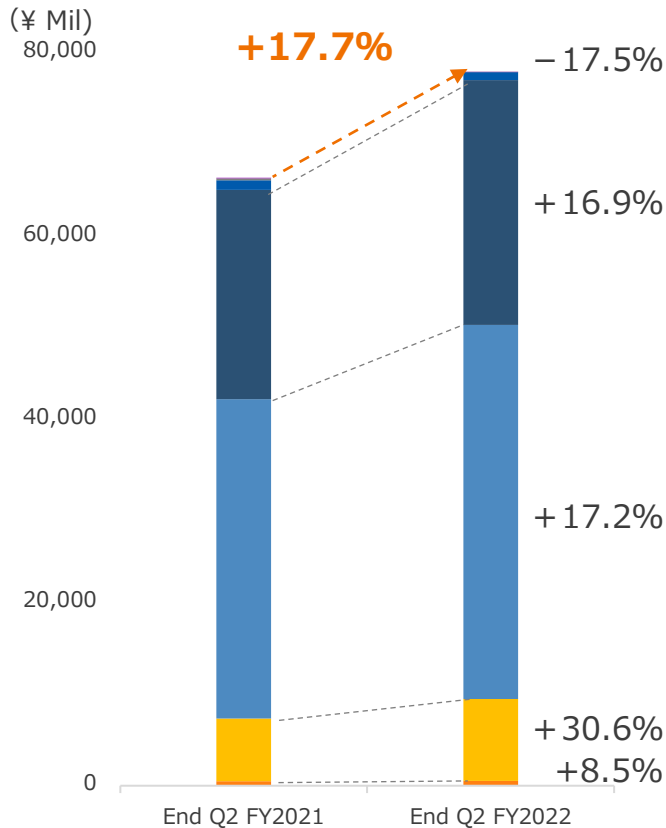
■ Payment Processing Business ■ Money Service Business (MSB) ■ Payment Enhancement Business —●— Operating Profit

※ GMO-MR: GMO Medical Reservations Technologies Co. Ltd.

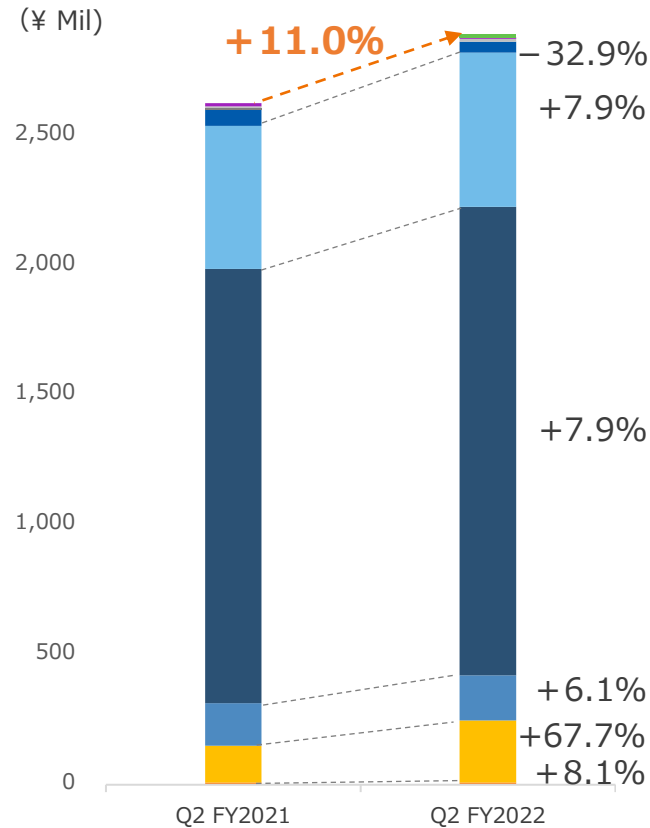
3.5.1 FinTech: Assets & Profit Growth (Q2 FY2022)

Steady profit trend from expansion of high margin services

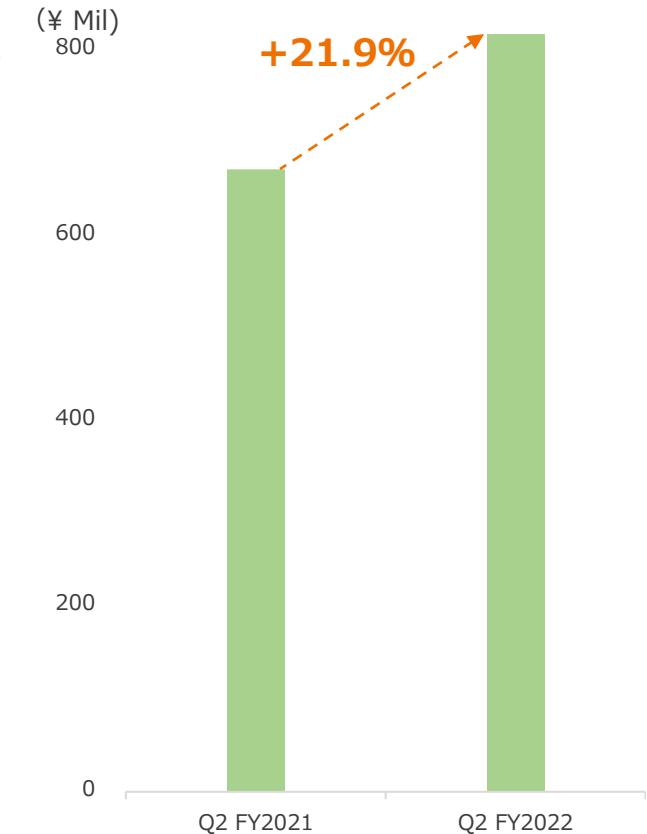
MSB related assets (end-Mar.)



Segment revenue



Segment profit (% YoY)



- Lending (domestic)
- Lending (overseas)
- B2B Factoring
- Finance Lease^{※2}
- Early Payment
- B2B AR Guarantee^{※2}
- Condo Pay^{※2}
- GMO Payment After Delivery
- Remittance
- Instant Salary byGMO^{※2}

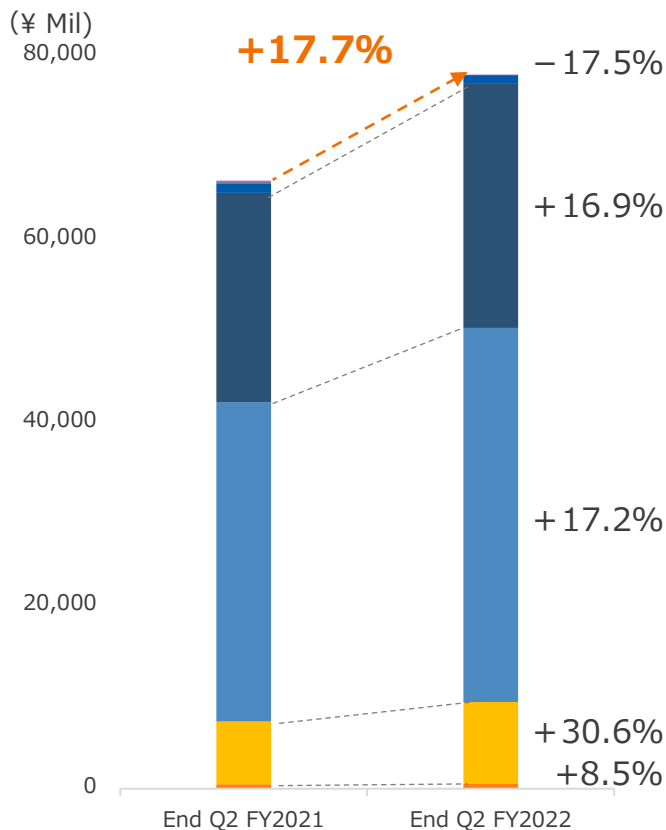
※1 Figures for GMO Payment After Delivery related assets (accrued revenues) is net of allowance for doubtful accounts.

※2 The % YoY figures for finance lease, B2B AR Guarantee, Condo Pay is not displayed.

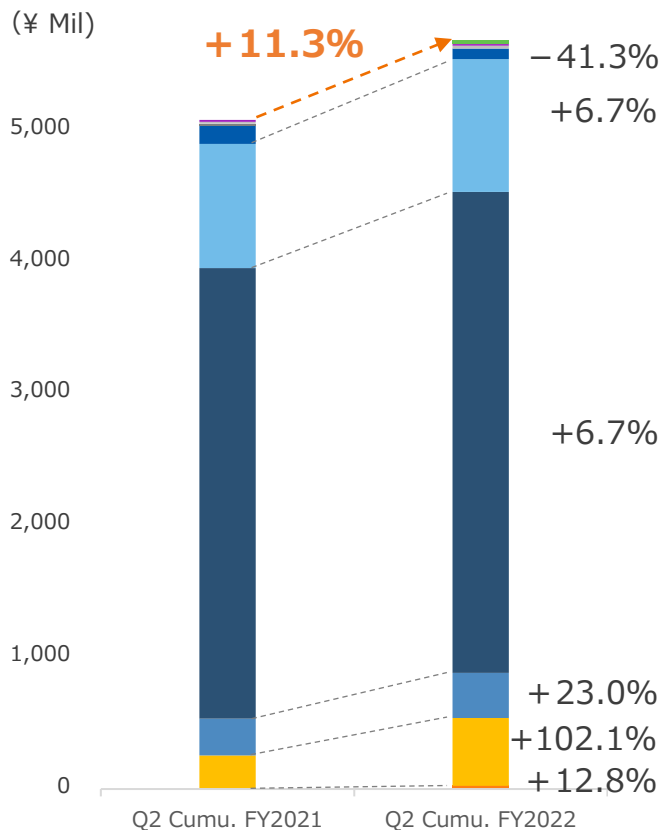
3.5.2 FinTech: Assets & Profit Growth (Q2 Cumulative)

Steady profit trend from expansion of high margin services

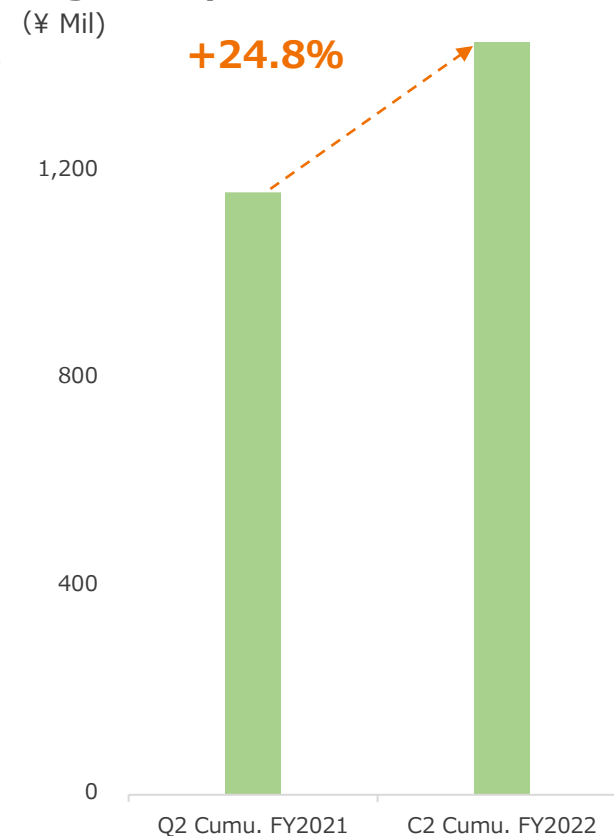
MSB related assets (end-Mar.)



Segment revenue



Segment profit (% YoY)



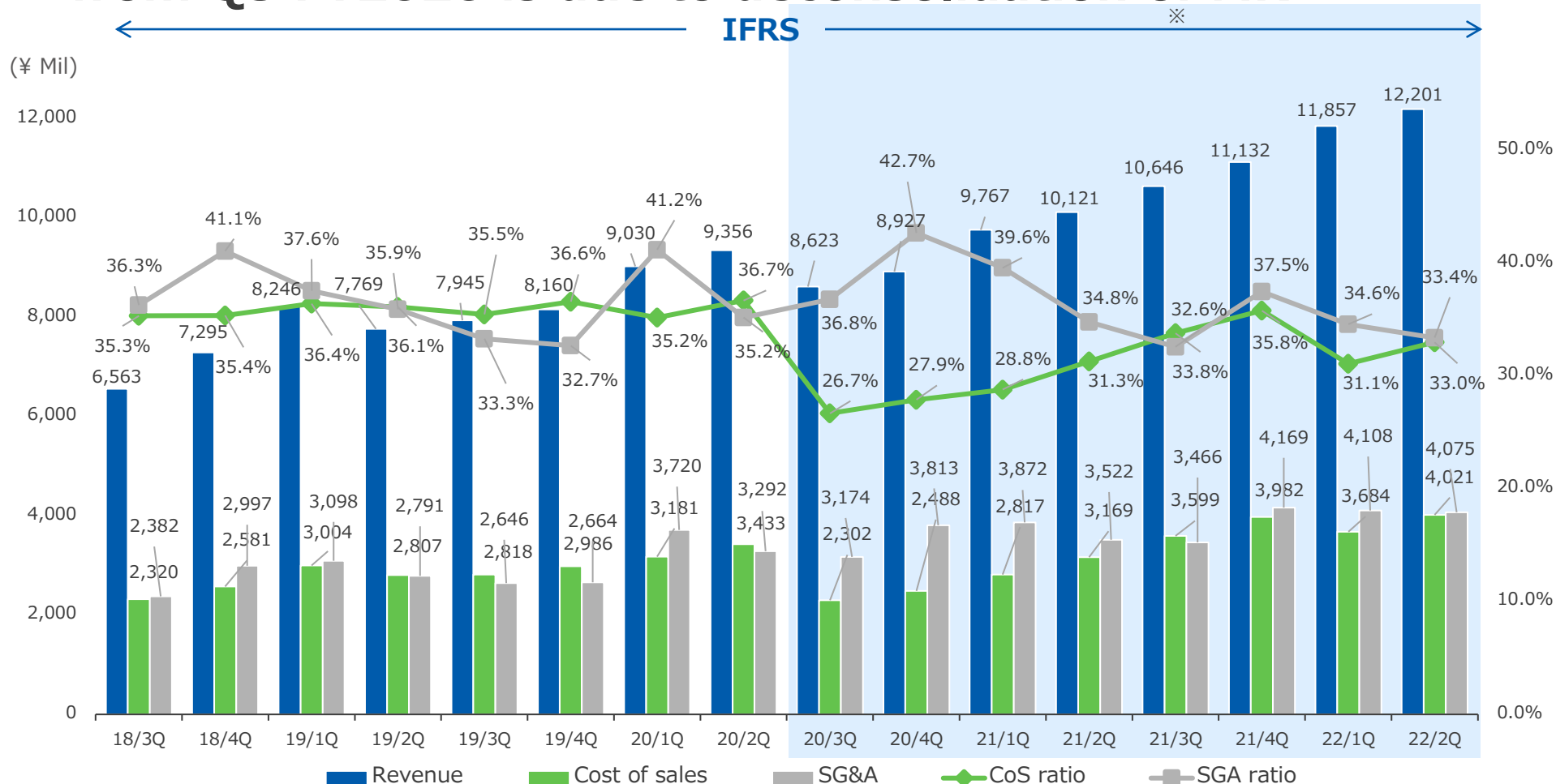
- Lending (domestic)
 ■ Lending (overseas)
■ Early Payment
■ GMO Payment After Delivery
■ Remittance
- B2B Factoring
 ■ Finance Lease^{※2}
■ B2B AR Guarantee^{※2}
■ Condo Pay^{※2}
■ Instant Salary byGMO^{※2}

※1 Figures for GMO Payment After Delivery assets (accrued revenues) is net of allowance for doubtful accounts.

※2 The % YoY figures for finance lease, B2B AR Guarantee, Condo Pay is not displayed.

3.6.1 Quarterly Trend of CoS and SGA Ratio

CoS ratio fluctuates with changes in revenue mix; decline from Q3 FY2020 is due to deconsolidation of MK

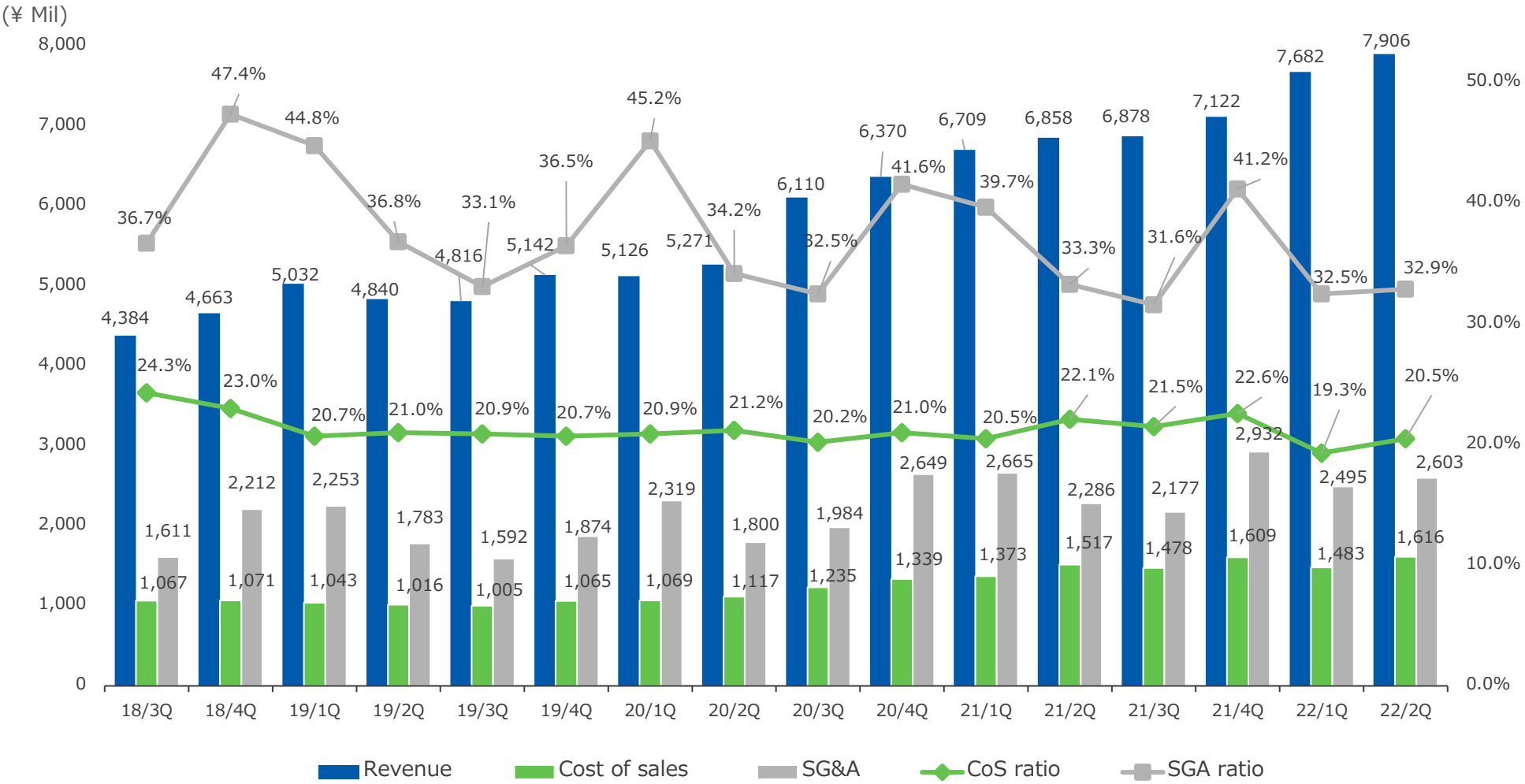


※ Figures with asterisk exclude outsourcing expense related to MSB. These outsourcing expenses are not recorded in SG&A from December 2017 (Q1) due to change in accounting standards.

※ Figures only present the continuing operation from Q3 FY2020 and onwards and exclude MACROKIOSK (reclassified as discontinued operation) due to its deconsolidation in May 2020.

3.6.2 CoS/SGA ratio of GMO-PG & GMO-EP (Quarterly Trend)

Cost of sales ratio for online payment business trending stably



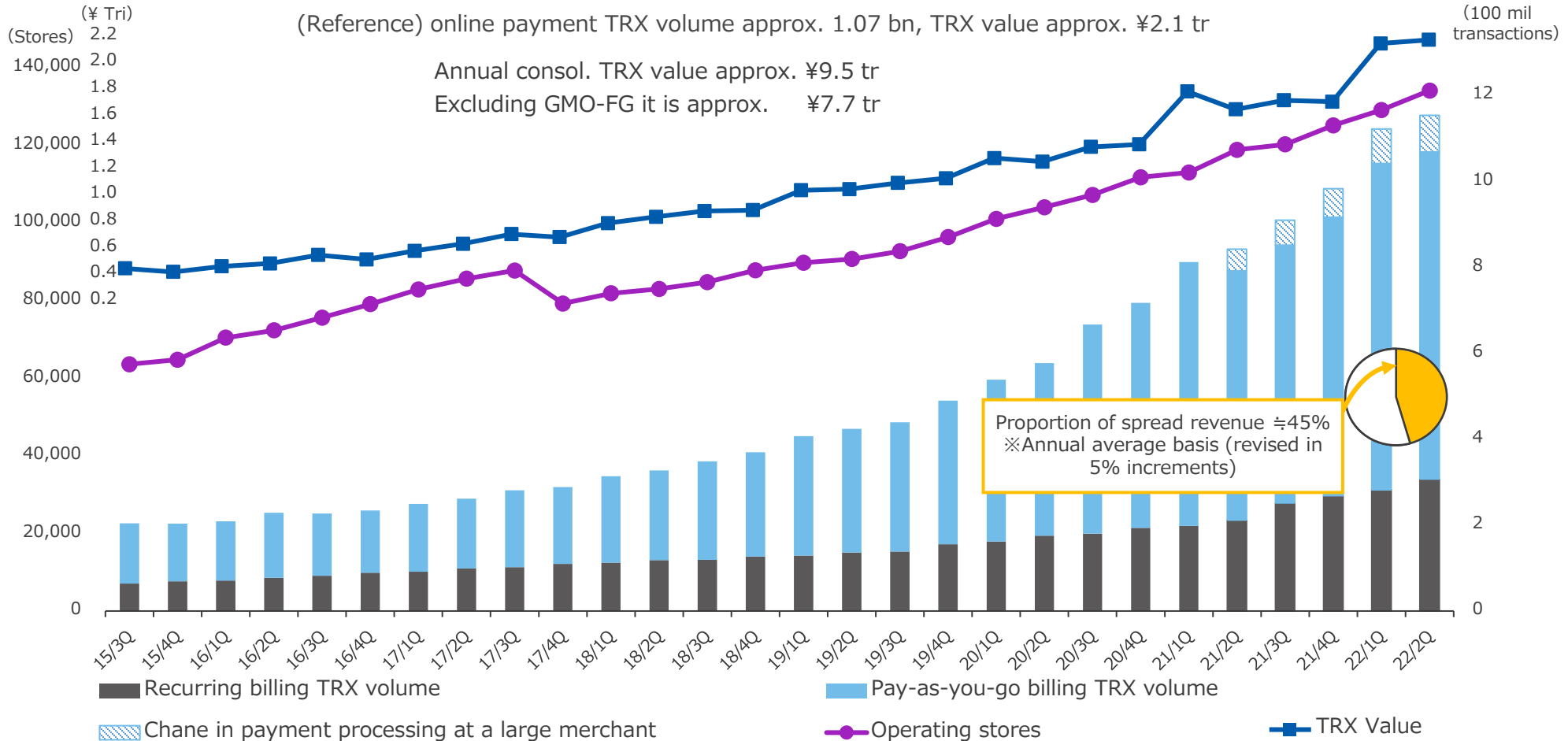
3.7.1 Operating Stores, TRX Volume and Value (Quarterly Trend)

Group-wide annual TRX value reaches ¥9.5 trillion

Operating stores 134,096 stores^{※1}, consol. TRX volume approx. 1.15 bn, consol. TRX value approx. ¥2.7 trillion^{※2}

(Reference) online payment TRX volume approx. 1.07 bn, TRX value approx. ¥2.1 tr

Annual consol. TRX value approx. ¥9.5 tr
Excluding GMO-FG it is approx. ¥7.7 tr



※1 Figure excludes a significant increase in operating stores from a specific merchant. Figures exclude the stores related to a large delivery company from Q1 FY2017. If included, operating stores would be 397,670 (up 59.9% YoY).

※2 Operating stores are measured on an end-of-quarter basis. GMV value and volume are the total for the respective quarter. ※3 The graph is based using only online payment figures.

※4 The standards for calculation the number of operating stores has been revised from Q2 FY2022. Figures from Q3 FY2015 have been retroactively adjusted on the same basis.

3.7.2 TRX volume and value (Quarterly Trend)

TRX volume and value continues its robust growth; both offline and online trended strongly

Consol. TRX Volume

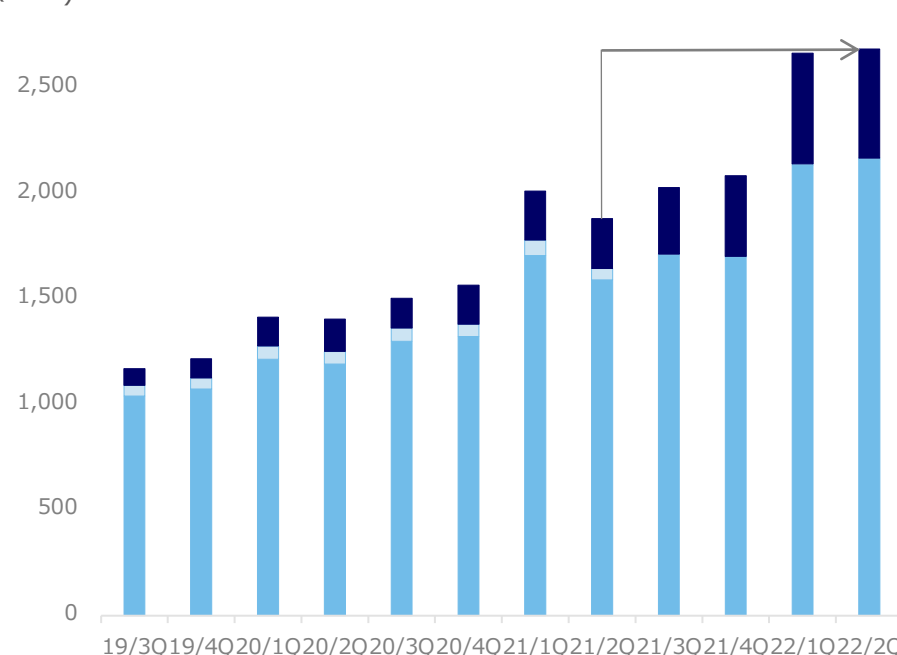
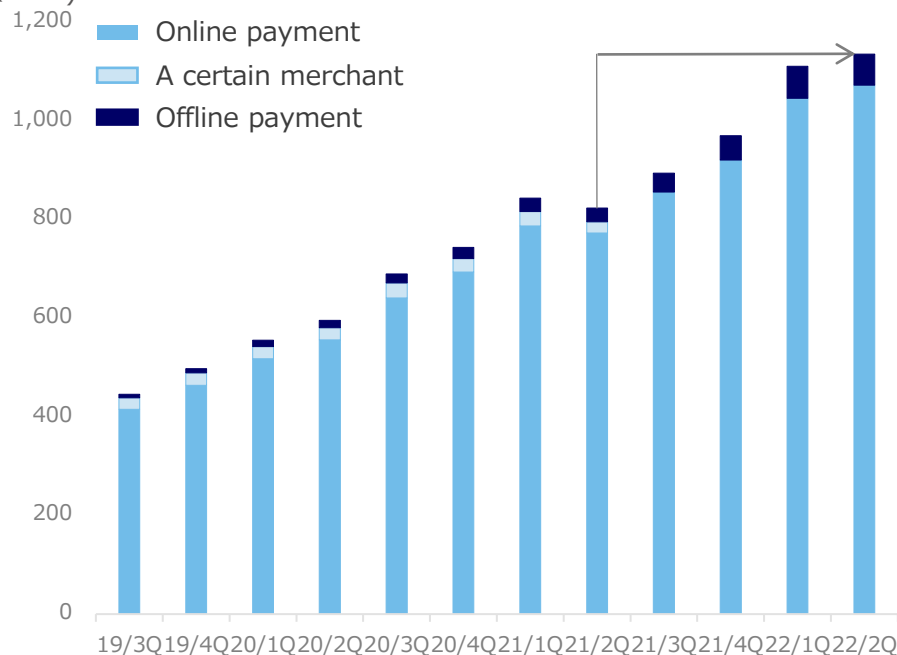
+39.7% YoY

Consol. TRX Value

+44.2% YoY

(¥ Mil)

(¥ Bil)



Offline payment (GMO-FG)*

+126.8%

Offline payment (GMO-FG)*

+118.6%

Online payment

+34.8%

Online payment

+31.8%

Digital content

+57.3%

Digital content

+47.6%

Utility

+162.0%

Utility

+167.5%

Travel & Ticket

+40.1%

Travel & Ticket

+96.9%

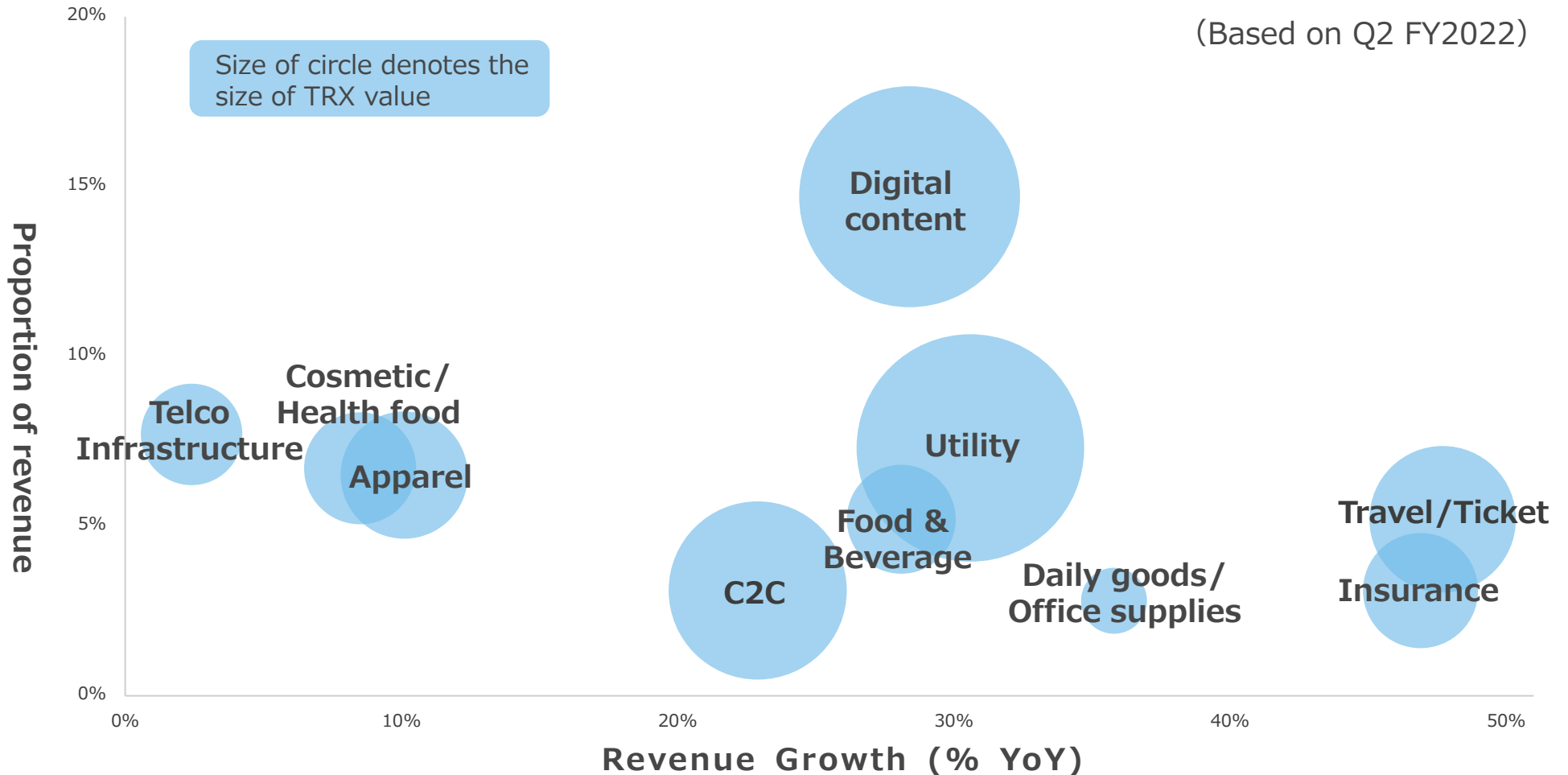
* Excludes the offline payment of GMO-PG (GMO Cashless Platform).

3.7.3 Scatter chart of major merchant sectors

Sector diversification achieves both stability and growth

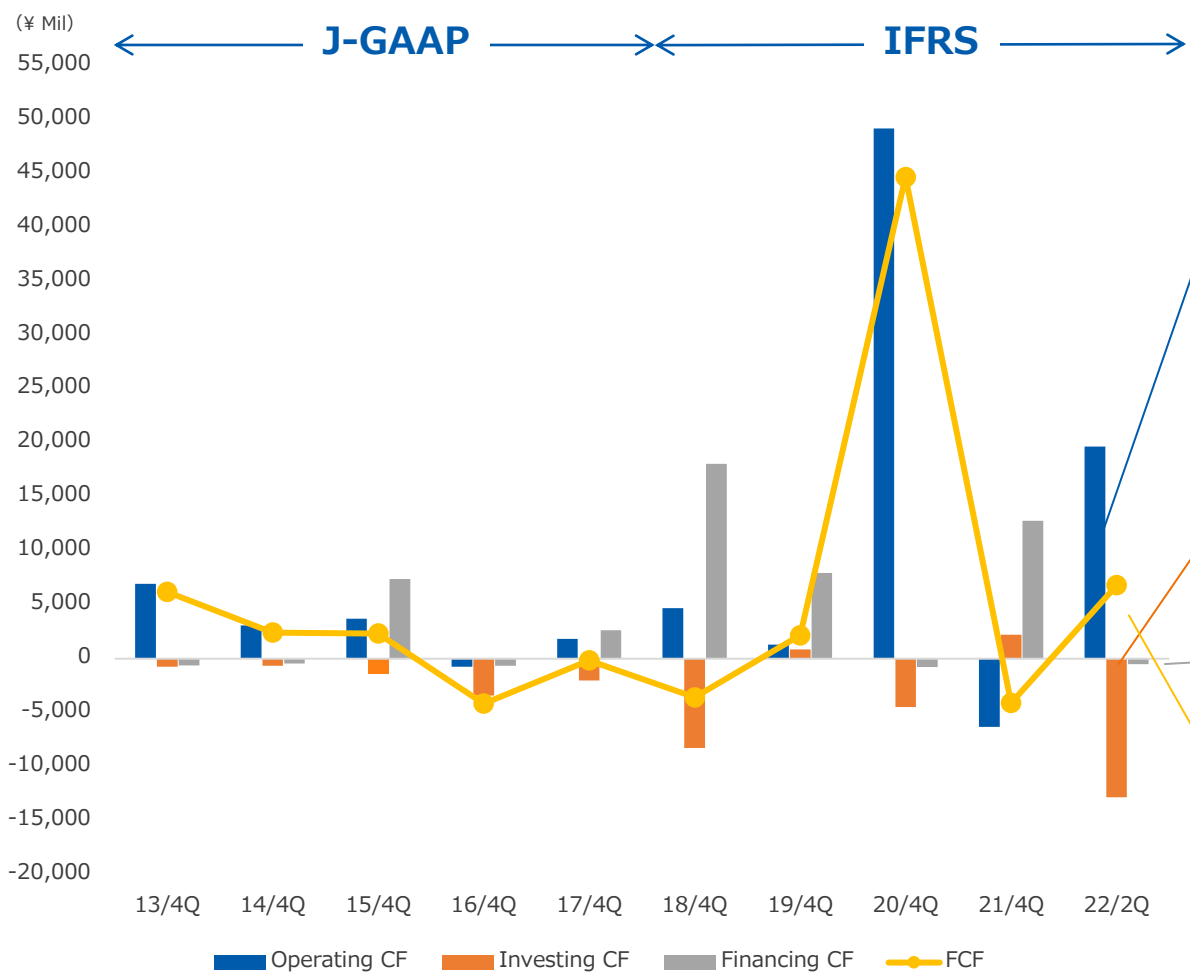
■ Revenue proportion by sector (vertical axis)/Revenue growth rate (horizontal axis)

(Based on Q2 FY2022)



※ Apparel excludes a certain merchant.

3.8.1 Consolidated Cashflow Statement



Q2 FY2022 changes by item (¥ Mil)




Operating CF :	+19,682
Pretax profit	+8,691
Depreciation	+1,021
Advances paid	-3,953
Accrued revenue	-3,639
Accrued expense	+2,153
Deposits received	+20,430
Income taxes	-2,942
Investing CF :	-12,867
Sales of inv.	+3,519
Deposits to subsidiaries and affiliates	-16,500
Financing CF :	-516
Increase in ST borrowing	+4,500
Repayment of LT borrowing	-158
Dividends paid	-4,471
FCF :	+6,815
Cash & Equivalents:	111,206

※ FCF is calculated as the sum total of Operating CF and Investing CF. Only major items of the cash flow statement are shown on this page.

Mainly Money Service Business

3.8.2 Changes in the Consolidated CF Statement

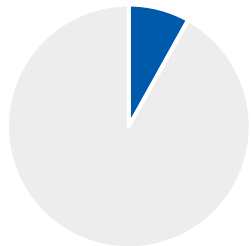
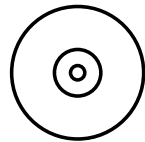
Following factors affect operating CF other than the pretax profit

	<u>Related Liabilities & Assets</u>	<u>Impact from business expansion</u>	
Payment Processing Business			
Sales proceeds from merchants under Representative Contract	Deposits received (liability)	Liability 	Operating CF 
		Yearly fluctuations can be large as annual TRX value of trillions of yen can be carried over to following year	
Money Service Business			
Early Payment service	Advances paid (asset)	Asset 	Operating CF 
BNPL service	Accrued revenue (asset)	Asset 	Operating CF 
	Accrued expense (liabilities)	Liabilities 	Operating CF 
Others	Deposits to subsidiaries and affiliates (asset)	Asset —	Investing CF —

Funds that are temporarily deposited into the CMS of GMO Internet Group, which can be withdrawn at any time depending on cash requirements.

3.9 Potential Market

Massive business opportunity in the vast DX domain



EC Migration

※1



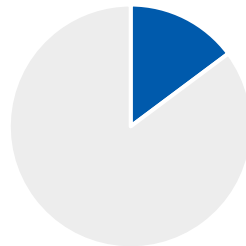
Proportion of food delivery to restaurant revenue

※2



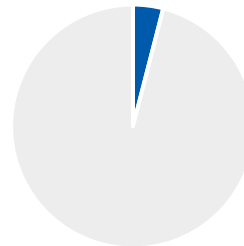
Usage rate of fixed subscription charge video streaming service

※3



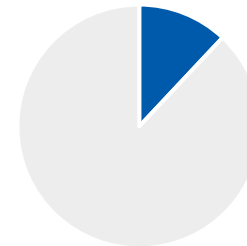
Usage rate of taxi hire app

※4



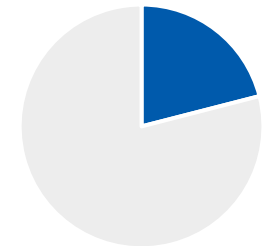
Rent payments using credit card

※5



Life insurance premiums paid by credit card

※5



Electric bills paid by credit card

※5

※1 METI "FY2020 Global Survey Project Concerning Integrated Domestic and External Economic Growth Strategy Building (E-Commerce market survey)"

※2 NPD Japan's 2021 report on restaurant and ready-to-eat meals survey. ※3 ICT Report & Consulting's 2021 report on "Usage trends of paying video streaming services."

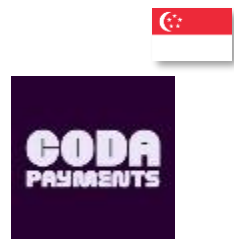
※4 ICT Report & Consulting's 2021 report on "survey report on taxi reservation app usage". ※5 Japan Credit Card Association/Nomura Research Institute's 2019 report on "research report on objective assessment of consumption patterns in a cashless society".

3.10 Divestments of overseas investments (after Q2 FY2022)

Reap the fruits of growth through investments in leading FinTech start-ups



- Payment processing company operating in the main SEAsian markets of Thailand, Singapore, Malaysia
- Owns a vast payment network for online/offline, clients include mega-tech, online marketplace operators, global companies
- Announced strategic partnership with AntGroup in April 2022 and became its subsidiary
- **Impact to earnings: Deal close expected in June, not included in Q2 results**



- Major SEAsian content payment provider, headquartered in Singapore
- Operates Asia's largest game & in-game platform Codashop
- Onboards over 300 diverse payment methods, service footprint covering more than 50 regions
- Top tier investors such as Smash Capital, Insight Partners, GIC partially acquired from investors including Global Payment Fund in April 2022 (\$690 mil USD)
- **Impact to earnings: Fair value measurement based on divestment price, leading to increase in other items o equity**



- Major provider of working capital management solutions, offering supply chain finance, AR finance
- Built powerful eco-system to support fund raising with major financial institutions such as J.P. Morgan, etc.
- Fund processing GMV of over \$500bn annually, with a network of over 2 million corporates utilizing Taulia's platform
- SAP acquired majority of shares owned by investors including GMO-PG in March 2022
- **Impact to earnings: Gain on sale led to increase in retained earnings via other comprehensive income**

3.11 S (Society): Contributions to talent

Build an environment for each person to have high aspirations and ownership to grow



Acquired the “Kurumin Mark”^{※1} certifying us as a company that supports child-raising under the Act on Advancement of Measures to Support Raising Next Generation Children (certified in March 2022)

【Points evaluated positively】

- Revision of staggered office hours and scheme for short working hours
- Implementation of subsidy for babysitter use



Selected as Best Company in the Great Place to Work^{※2} survey by Great Place To Work® Institute Japan for 7 consecutive times (selected in July 2021)

【Points evaluated positively】

- Place for partners to fully exercise their potential
- Sharing vision with all partners towards organizational growth of businesses and company
- Developed proprietary talent development system and employee benefits, etc.

Major employee welfare system

In-company nursery (GMO Bears) / Maternity leave / Spouse pregnancy leave / Line change system / Childcare leave, etc.

※1 Given the rapid decline in birth rates, this Act was formulated under the joint auspices of government, municipals and corporates to promote the healthy growth of children that will lead the next generation. The Act was promulgated in April 2005.

※2 A specialized organization with activities in approximately 60 countries that conducts surveys and analysis of “great place to work and announces the results of those companies/organizations that exceed a certain level in major media outlets.

Thank You Very Much

GMO PAYMENT GATEWAY

GMO Payment Gateway, Inc.
(3769; Tokyo Stock Exchange Prime)

URL : <https://www.gmo-pg.com/en/corp/>

For inquiries, please contact our IR team at the telephone number below:
Corporate Value Creation Strategy Division (IR Department)
TEL: +81-3-3464-0182
E-mail : ir-contact@gmo-pg.com