

# IR Introduction

## - Business Overview & Business Model -

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Fiscal year ending September 2022

November 15, 2022

**GMO** PAYMENT GATEWAY

# GMO PAYMENT GATEWAY

**1 Business Overview p.3**

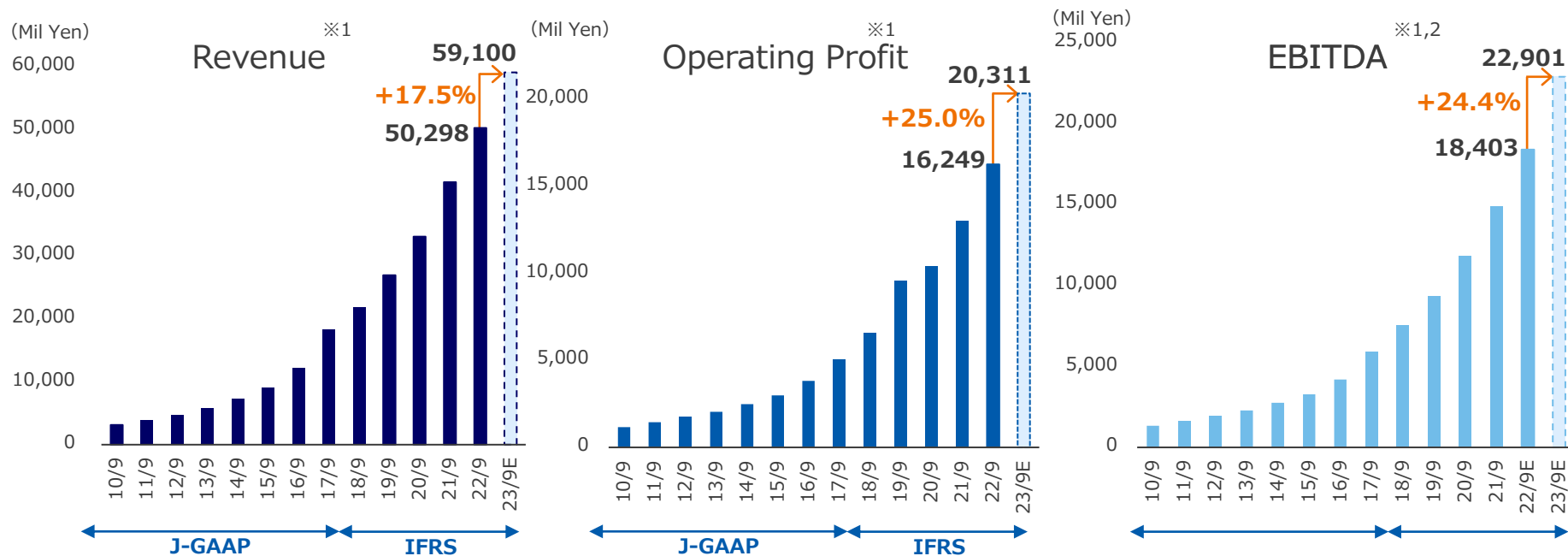
2 Focus Areas p.17

3 Reference Materials p.37

Abbreviations used in the materials are as follows:  
GMO-PG: GMO Payment Gateway  
GMO-EP: GMO Epsilon  
GMO-MR: GMO Medical Reservations Technology  
GMO-PS: GMO Payment Service  
GMO-FG: GMO Financial Gate  
GMO-CAS: GMO Card System  
PF: Platform

# 1.1 Our Track Record of Growth

The results of management policy focused on sustainable growth



<b>Operating Stores</b> ※3,4	<b>Annual TRX volume</b> ※3	<b>Annual TRX value</b> ※3
<b>142,396</b>	<b>4.86 billion</b>	<b>¥11.3 trillion</b>

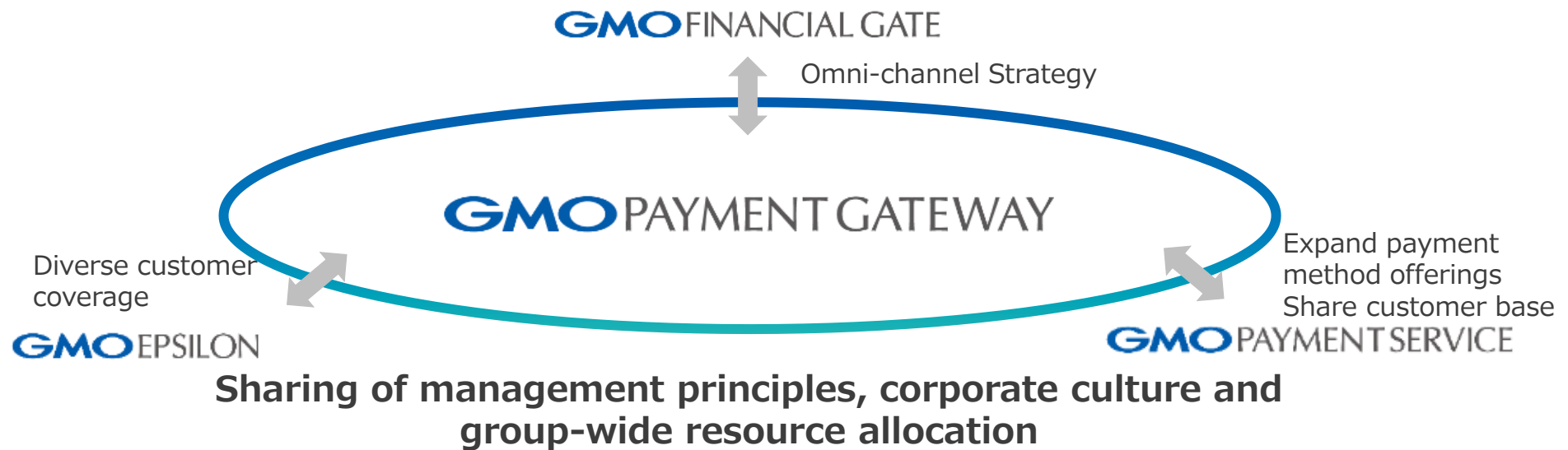
(※1) Macro Kiosk has been deconsolidated in FY ending September 2020, the revenue figures above present the continuing operations only and exclude the discontinued operations.  
 (※2) EBITDA under J-GAAP is calculated as the sum-total of operating profit, depreciation and amortization; and EBITDA under IFRS is calculated as the sum-total of operating profit and depreciation.

(※3) Operating stores present the figures for GMO-PG and GMO-EP; transaction volume and value present figures for GMO-PG, GMO-EP, GMO-PS, GMO-FG; of this, online payment present figures for GMO-PG, GMO-EP and GMO-PS.  
 The number of operating stores is at the end of September 2022. Annual transaction volume and transaction value are the figures from October 2021 to September 2022. Annual transaction volume and transaction value include the figures of GMO Financial Gate Inc.

(※4) The standards for calculation the number of operating stores has been revised from Q2 FY2022. Figures exclude a specific case and an operating store related to a major delivery service operator. If included, the number of operating stores is 455,958 stores as of end of September 2022 (up 44.7% YoY).

# 1.2 Consolidated management

Realize Group-wide stable growth through sound business operation that agilely responds to the business environments at the major Group companies.



	<b>GMO-PG</b>	<b>GMO-EP</b>	<b>GMO-FG</b>	<b>GMO-PS</b>
<b>Major business</b>	Online payment processing business	Online payment processing business	Offline payment processing business	BNPL business
<b>Customer</b>	Municipalities, large to mid-sized corporates (non-merchandise, and merchandise)	Small operators (mainly merchandise)	Offline stores, Unattended machines	Merchandise/Non-merchandise operators, consumers

# 1.3 Three Business Segments

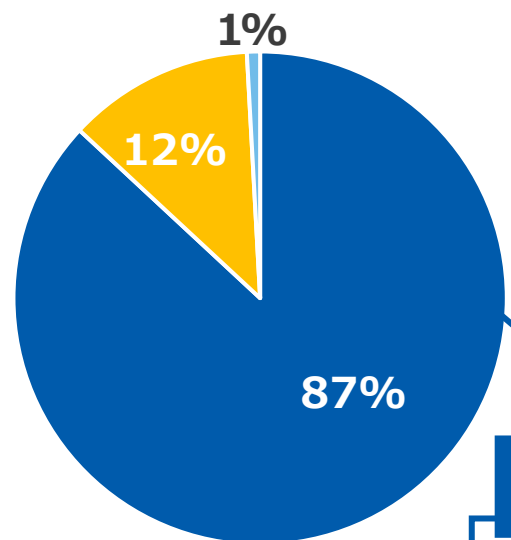
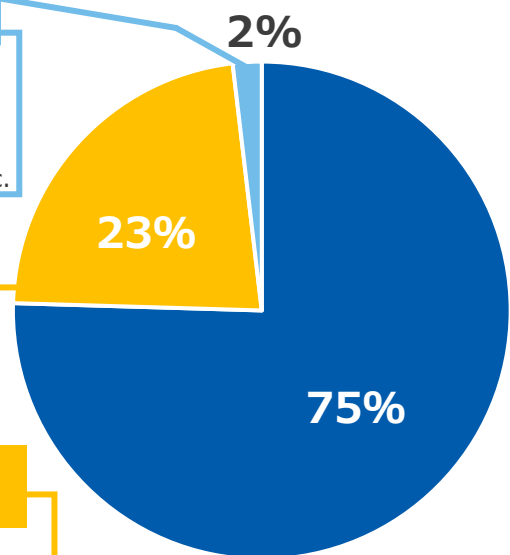
Sustain an over 25% OP growth from the expansion of mainstay payment processing business and its peripheral businesses

(Actual data for FY2022)

Revenue Breakdown

Operating Profit Breakdown

**Payment Enhancement Business**  
Online Advertising Service  
SSL Service  
Delivery Service  
Medical Kakumei byGMO etc.



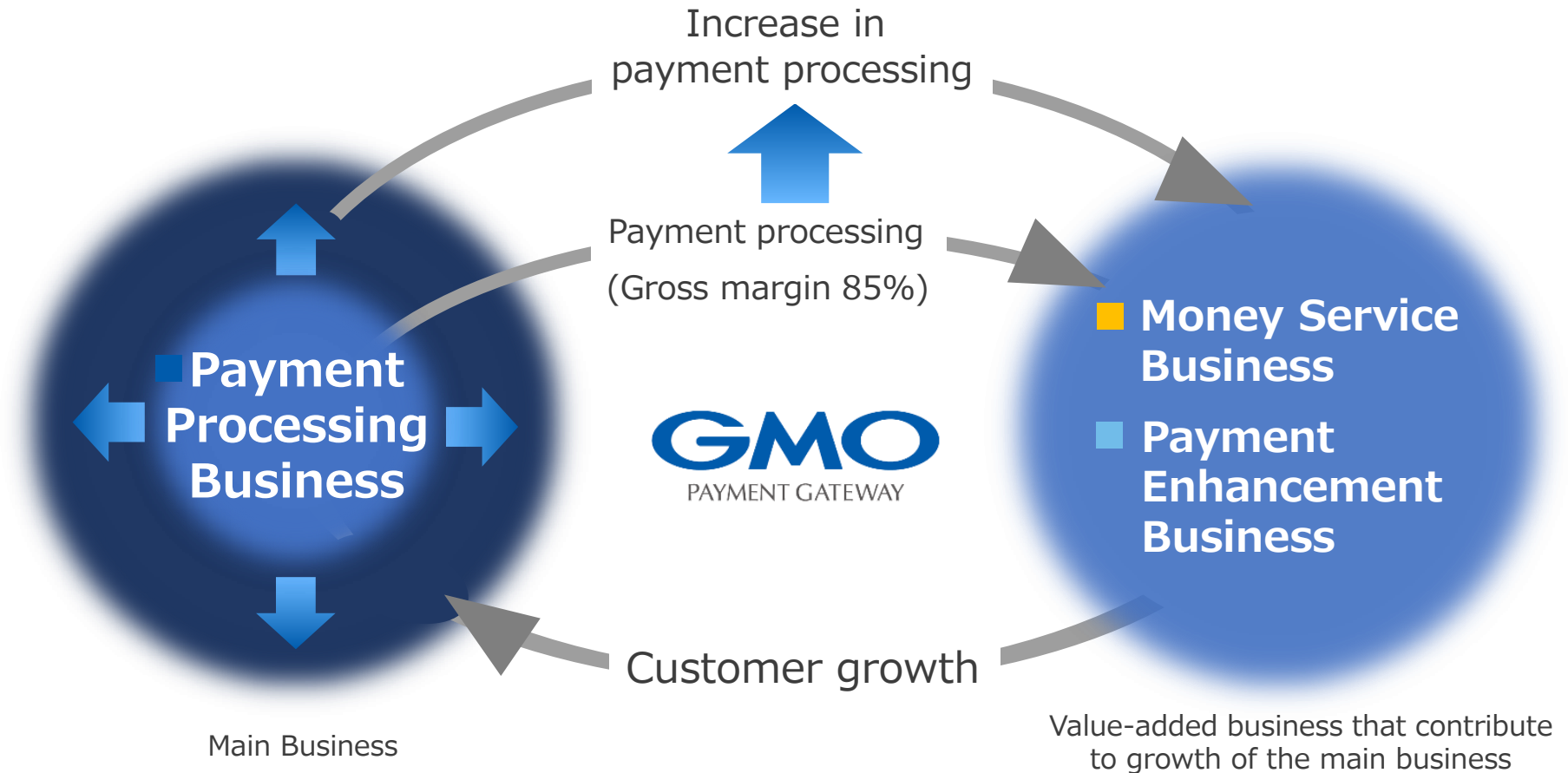
**Money Service Business (MSB)**  
GMO Payment After Delivery/  
GMO B2B Pay On Credit  
Remittance Service/  
Instant Salary byGMO  
Overseas Lending  
Early Payment Service  
B2B Factoring  
Transaction Lending etc.

**Payment Processing Business**  
Online Payment<sup>※1</sup>  
Offline Payment  
Ginko Pay/Processing  
System Development etc.

※ Online payment includes pay-as-you-go and recurring payment and Z.com Payment (overseas payment service).

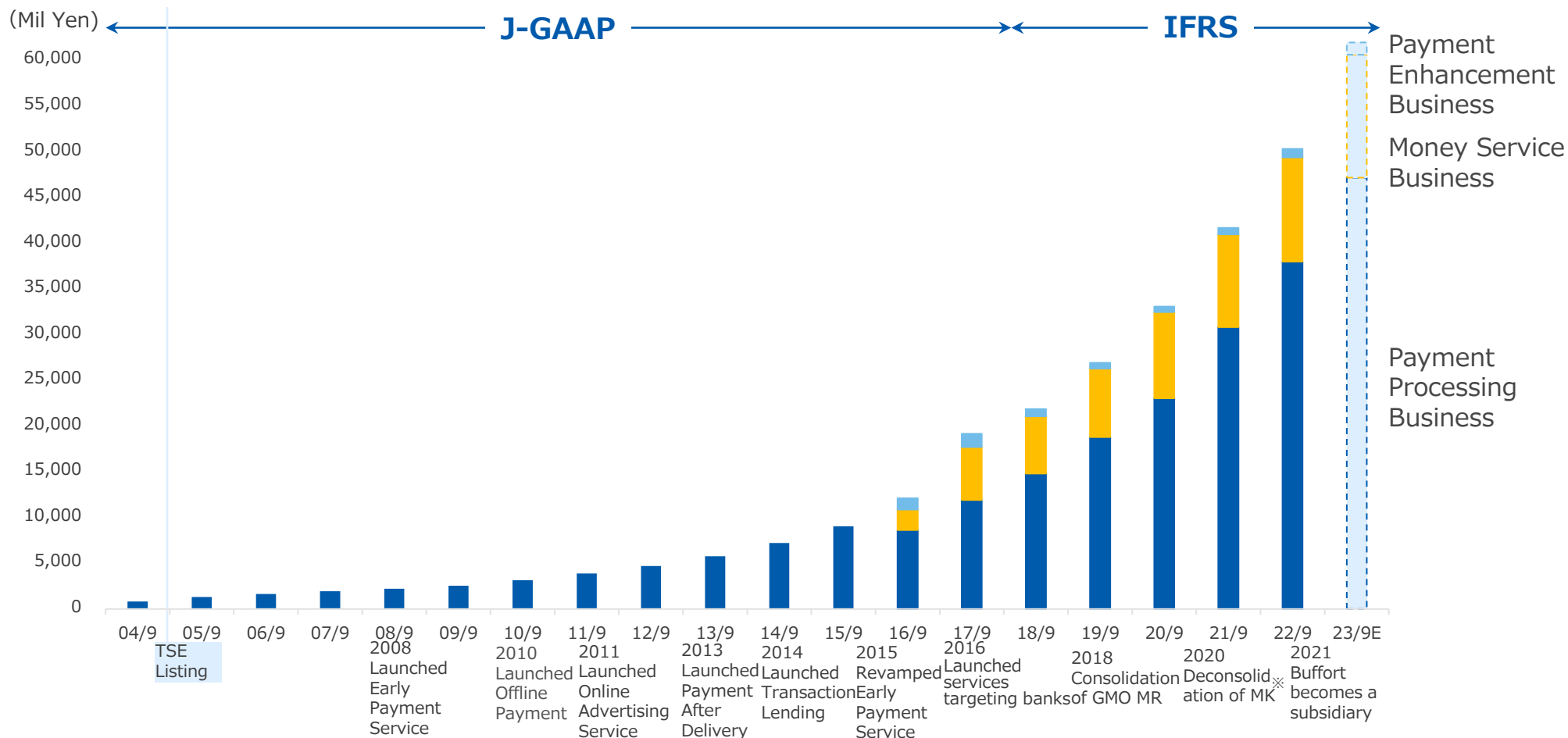
# 1.4 Our Business Eco-system

An expanding eco-system of our value-added services complementing our main business to achieve mutual growth



# 1.5 Revenue Trend by Segment

## 3 segments of Payment Processing Business, Money Service Business and, Payment Enhancement Business



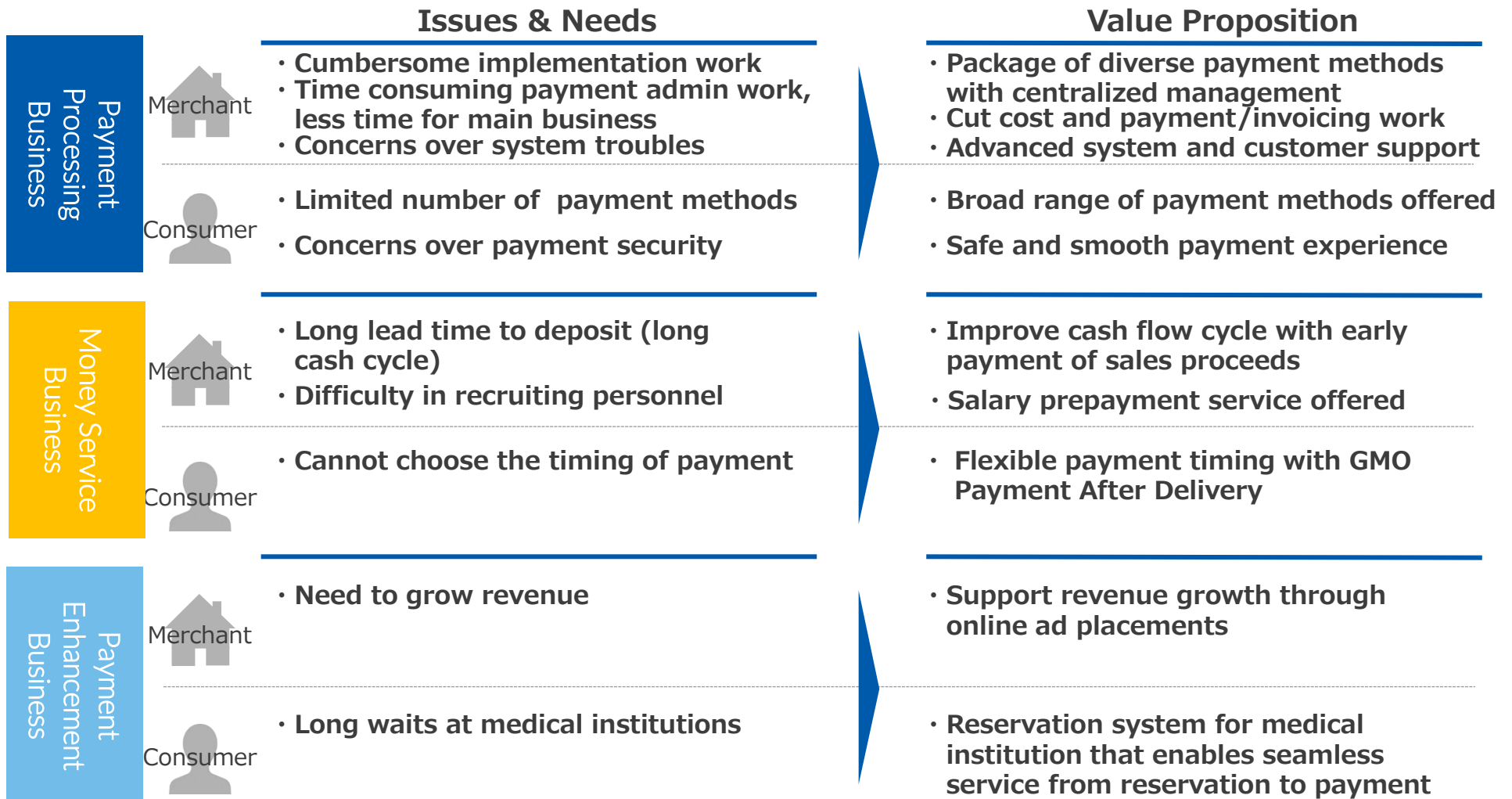
※ There was only one segment of Payment Processing Business until September 2015; segment information disclosure began from FY ending September 2016.

MK stands for MACROKIOSK.

Due to the deconsolidation of MACROKIOSK from FY2020, its business has been reclassified as a discontinued operations and is excluded from the revenue figures shown above.

# 1.6 Our value proposition

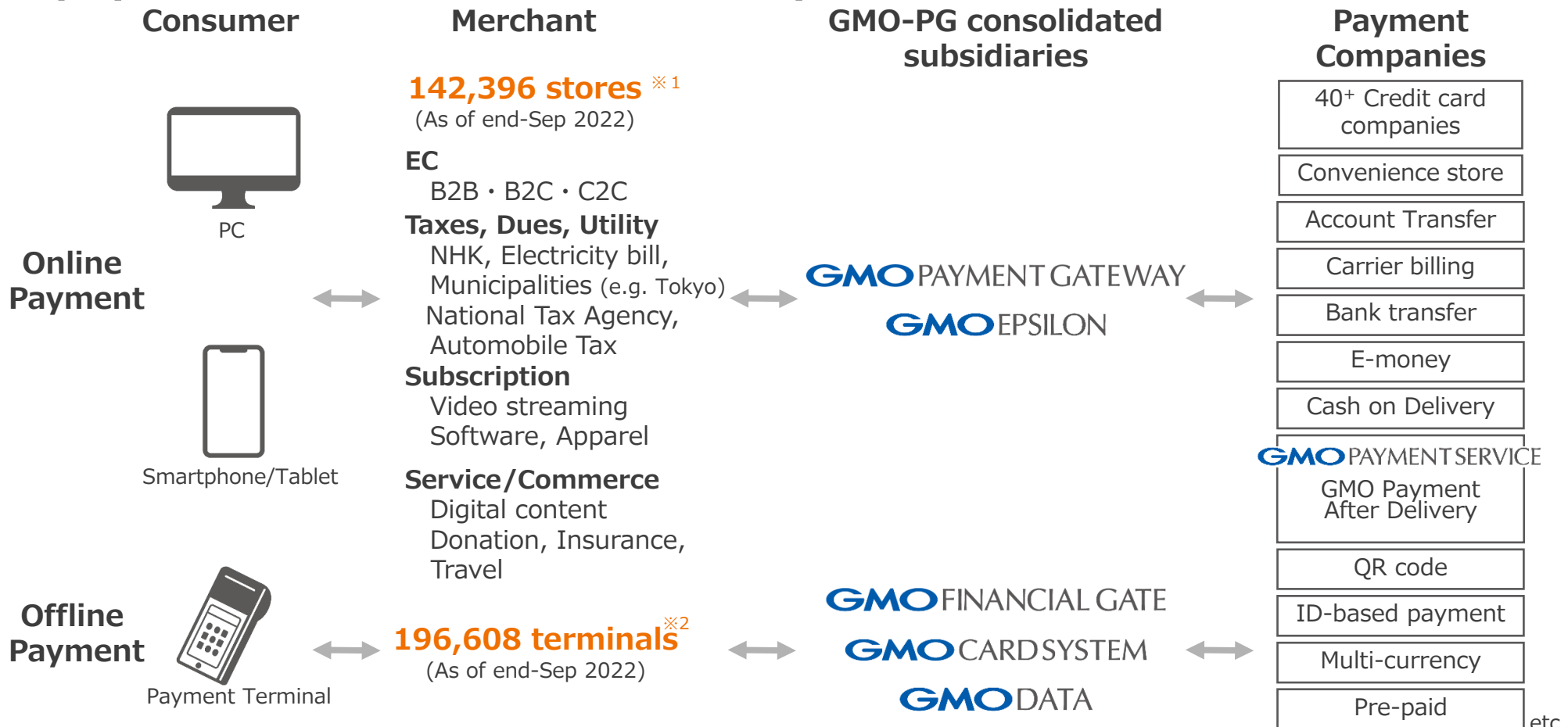
## Businesses and services to comprehensively cater to customer's needs





# 1.7 Positioning of GMO-PG group

Connecting merchants and payment companies through 'contracts,' 'payment information,' and 'money flow'.



※1 The standards for calculation the number of operating stores has been revised from Q2 FY2022. Figures exclude a specific case and an operating store related to a major delivery service operator. If included, the number of operating stores is 455,958 stores as of end of September 2022 (up 44.7% YoY).

※2 Operating payment terminals: Starting from FY2021 the figure presents the combined number of payment terminals sold through sales partner and embedded-type payment terminals. (up 51.0% YoY)

# 1.8 Payment Processing Business: Revenue model of credit card payment processing

## Revenue model determined by merchant size and type

- Four revenue types (i.e., business models)

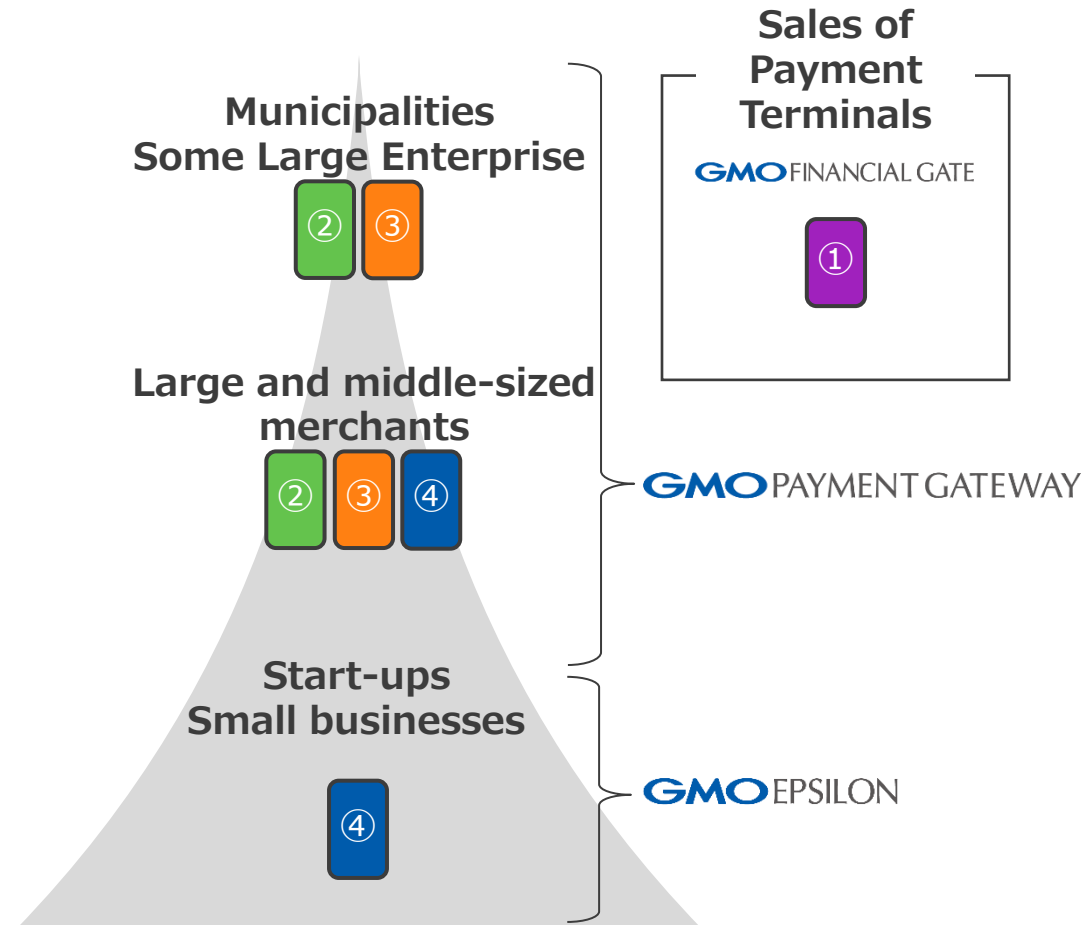
**① Initial (Initial revenue)**  
Payment Terminal Sales  
 Coefficient: Number of terminals (units)  
 Revenue:  $\frac{\text{Terminal sales (units)}}{\text{Terminal sales (units)}} \times \text{\_Yen}$ ; paid at start of service

**② Stock (Fixed revenue)**  
Fixed Monthly Revenue  
 Coefficient: Number of operating stores  
 Revenue:  $\text{Operating stores} \times \text{\_Yen}$

**③ Fee (Transaction processing revenue)**  
Fee based on transaction volume  
 Coefficient: Number of payments processed  
 Revenue:  $\frac{\text{Number of payments processed}}{\text{Number of payments processed}} \times \text{\_Yen}$

**④ Spread (Merchant's revenue)**  
Spread on the transaction value  
 Coefficient: Value of transaction  
 Revenue:  $\text{Value of transaction} \times \text{\_}\%$

- Revenue type determined by merchant type/size



# 1.9 Payment Processing: Two types of merchant contracts

## Direct contract

### No. of contracts

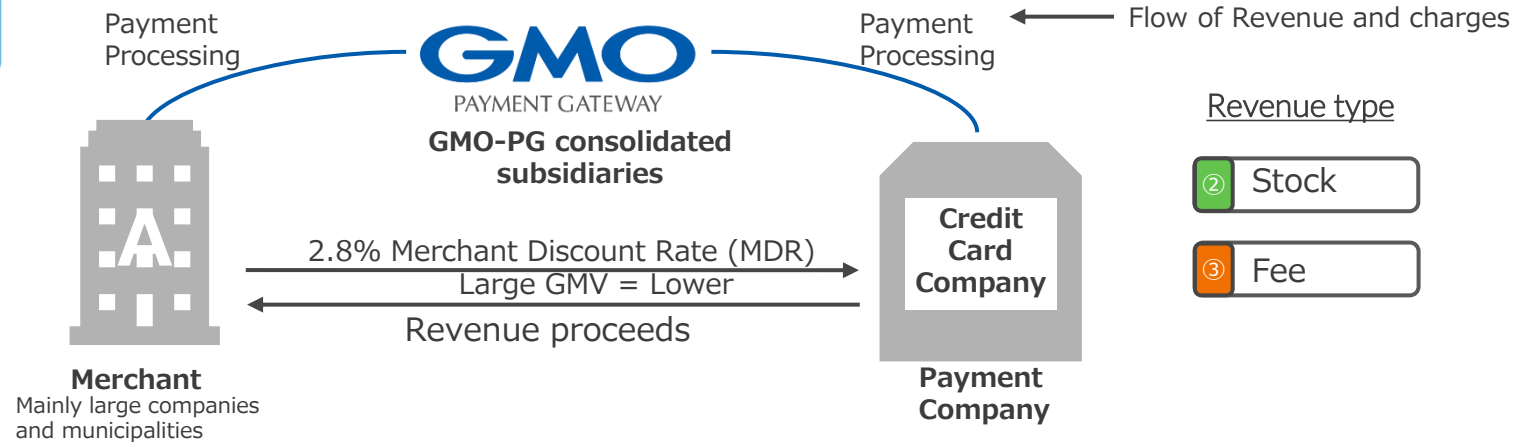
Several contracts with multiple payment companies

### MDR

Direct negotiations with payment companies

### GMO-PG's role

Data processing only



## Representative contract

### No. of contract

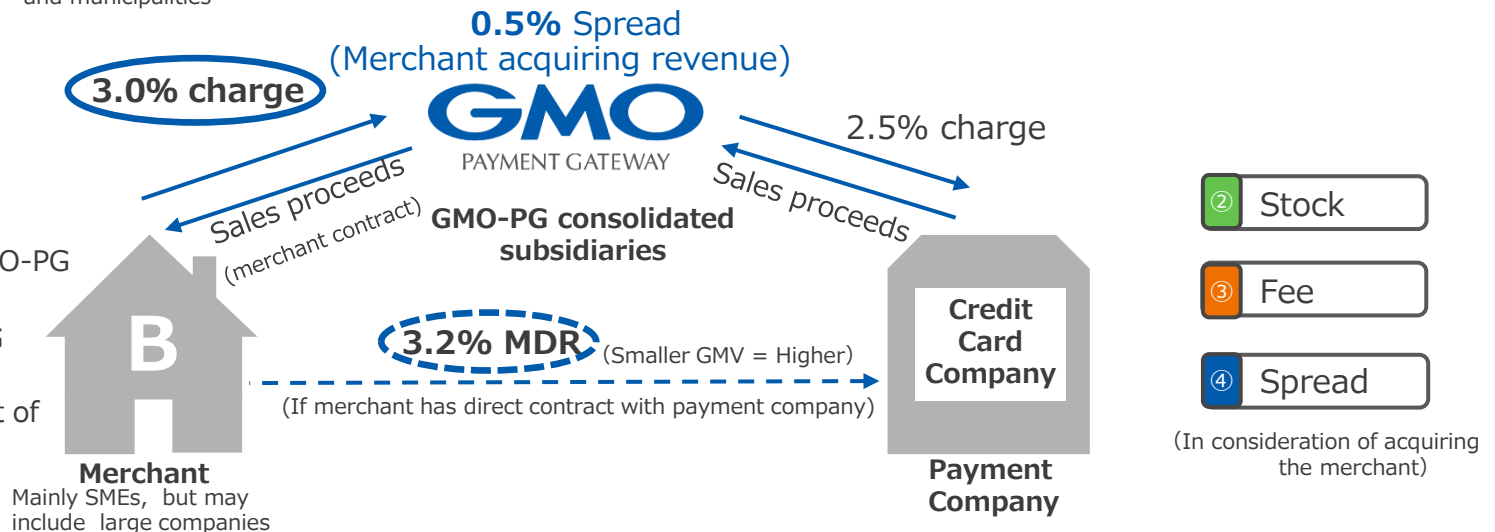
Single contract with GMO-PG

### MDR

Reduceable via GMO-PG

### GMO-PG's role

Data processing/Deposit of sales proceeds

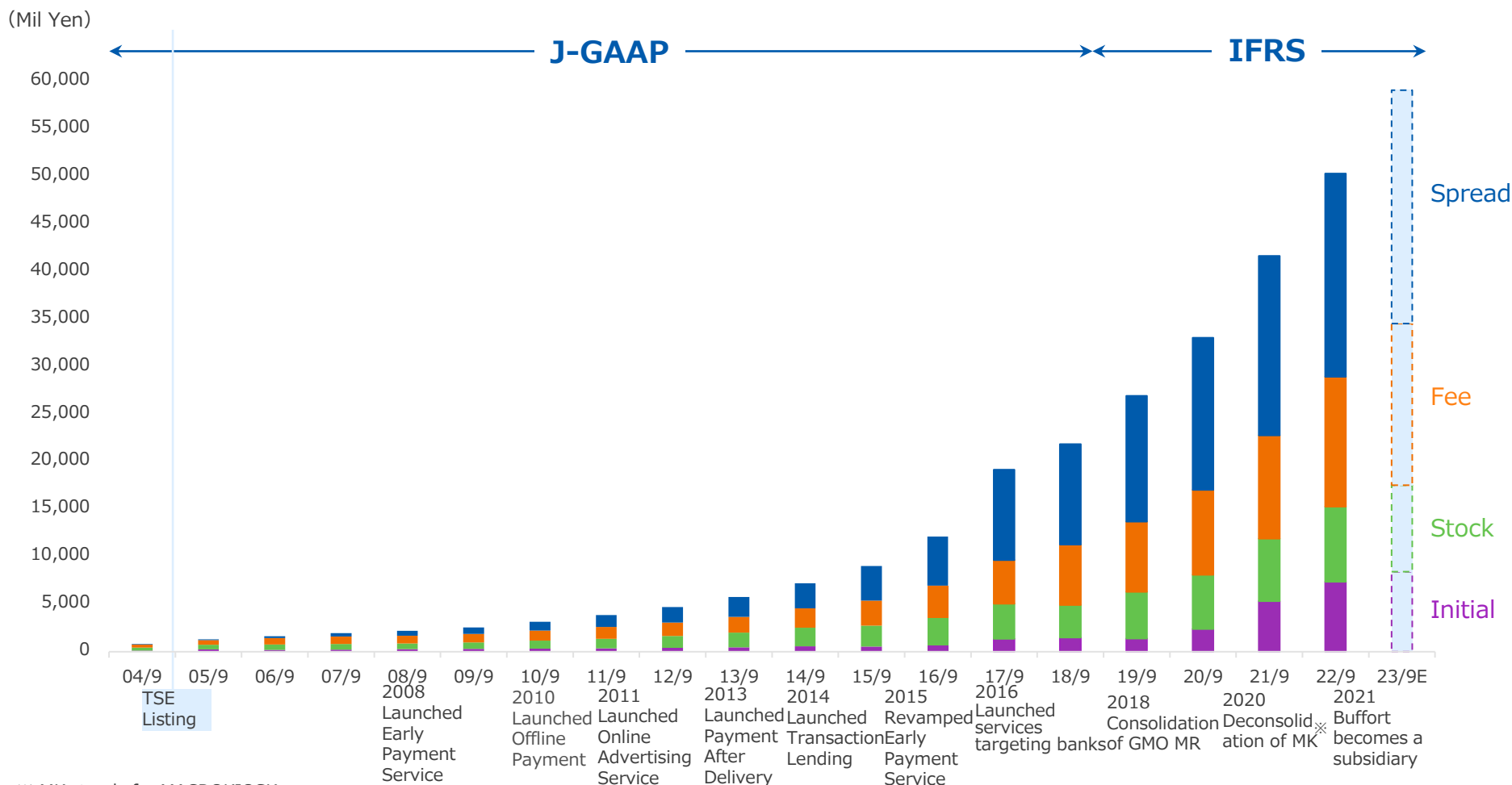


※ Figures included are for illustration and reference purposes only.

※ This illustration represents the contracts for credit card. GMO Epsilon revenues are only derived from spreads (See page 10).

# 1.10 Revenue Breakdown by Business Model

Aiming for a balanced revenue growth by pursuing various initiatives



※ MK stands for MACROKIOSK.

※ Due to adoption of IFRS accounting standards, the online marketing service (stock) and finance lease (spread) revenue recognition standard is changed from gross basis to net basis from fiscal year ending September 2018.

Due to the deconsolidation of MACROKIOSK from FY2020, its business has been reclassified as a discontinued operations and is excluded from the revenue figures shown above.

# 1.11 Summary Table of Segments, Business Model and Services

## Reporting in 3 Segments and 4 business models

### ■ Business Model

Initial (Initial revenue)	Online Payment <sup>※</sup>
	Offline Payment
	SSL Service
Stock (Fixed revenue)	Online Payment
	Offline Payment
	Ginko Pay / Processing / GCP <sup>※</sup>
	System Development
	Online advertising service
	Medical Kakumei byGMO
Fee (Transaction processing revenue)	Online Payment
	Offline Payment
	GMO Payment After Delivery
	GMO B2B Pay On Credit
	Remittance Service
	Instant Salary byGMO
	Delivery service
Medical Kakumei byGMO	
Spread (Merchant acquiring service revenue )	Online Payment/frcode byGMO
	Offline Payment
	GMO Payment After Delivery
	GMO B2B Pay On Credit
	Overseas Lending
	Early Payment Service
	B2B Factoring
Transaction Lending	

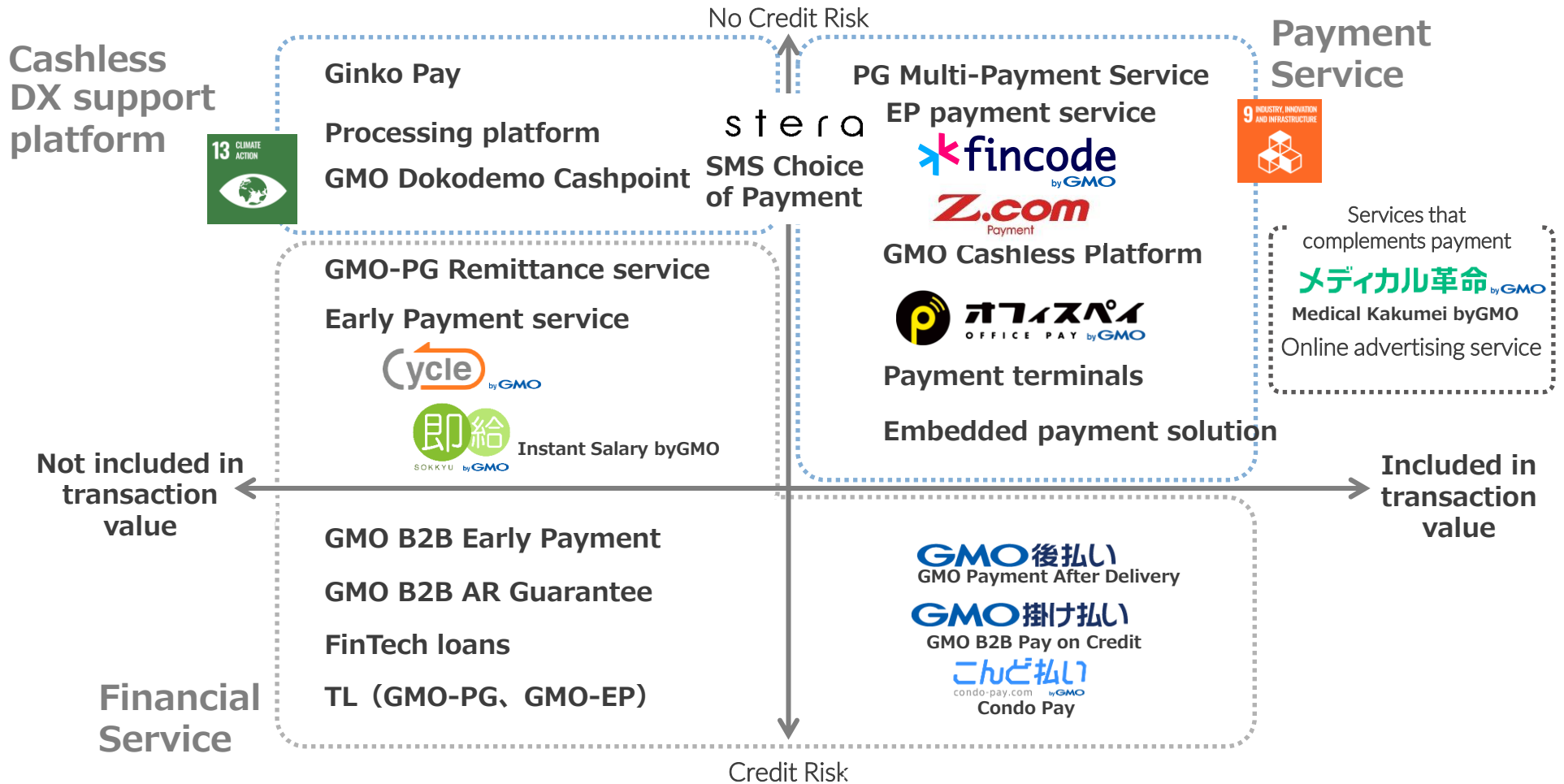
### ■ Segment

Payment Processing Business	Online Payment <sup>※</sup> / frcode byGMO
	Offline Payment
	Ginko Pay/Processing/GCP <sup>※</sup>
	System Development
Money Service Business (MSB)	GMO Payment After Delivery
	GMO B2B Pay On Credit
	Remittance Service
	Instant Salary byGMO
	Overseas Lending
	Early Payment Service
	B2B Factoring
Transaction Lending	
Payment Enhancement Business	Online advertising service
	SSL service
	Delivery service
	Medical Kakumei byGMO

※ Online Payment includes pay-as-you-go payment, recurring payment, Z.com Payment (overseas payment service), GCP stands for GMO Cashless Platform.

# 1.12 Product map

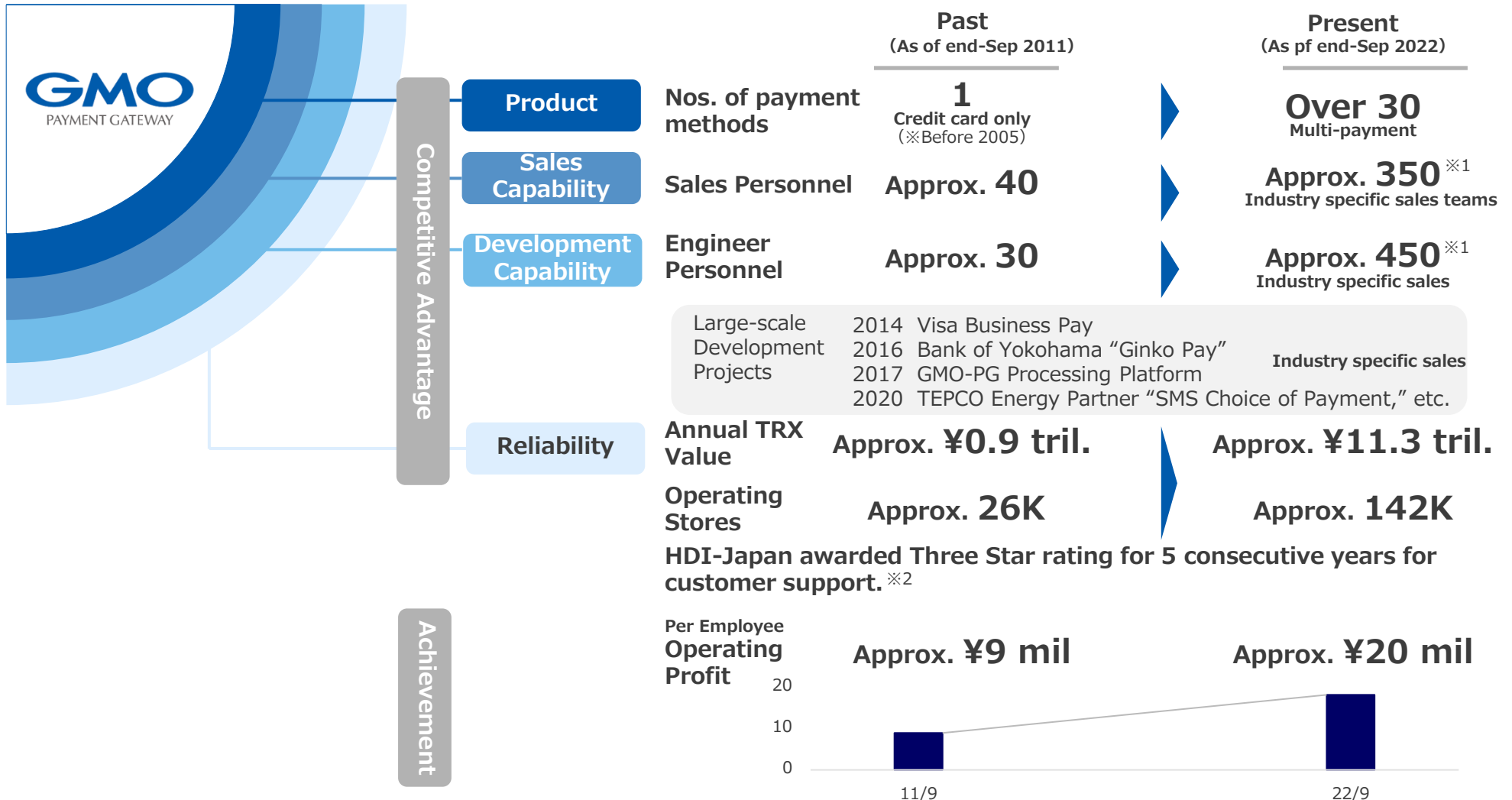
## GMO-PG's definition of payment: what enables the digitalization of money flow



※ TL stands for Transaction Lending


# 1.13 Competitive Advantage and Achievement

Expand the value provided to clients, contribute to client's



※1 The number of sales and engineer personnel includes partners of GMO-PG group of consolidated subsidiaries and external collaborators.

※2 HDI ; World's largest membership organization of IT support services.



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# 2.1 Expansion of TAM and Profit Targets

Expand scope of business in the enormous market to achieve 2025 OP target of ¥25 bn

■ TAM by market segment, GMV, <sup>※1</sup>OP target and Priority Initiatives

Market Segment	Broader EC P.21-22		FinTech P.23-26		BaaS <sup>※2</sup> P.27-29		Offline IoT P.30-31		Global P.32-33	
	2020	2025	2020	2025	2020	2025	2020	2025	2020	2025
TAM (¥ trn)	20 (BtoC EC)	45	1 (BNPL)	3	2	2~	87	118 (Offline cashless market)	50	50~ (Overseas lending)
	352 (BtoB EC)	408~	2.5 (Early Payment, Transaction Lending)	8	2	2~ (IT investment by Financial Institutions)				
GMV (¥ trn)			200 (Salary bank transfer)	220~						
	5	13	—	—	—	—	1	5	—	—
OP (¥ bn)	75	180 ~220	18	30~	5	10~	5	20~	— <sup>※3</sup>	30~
Priority Initiatives	DX Platform GMP <sup>※4</sup> fincode byGMO		Buy Now Pay Later GMO Payment After Delivery GMO B2B Pay On Credit Instant Salary byGMO		DX Platform		Offline Payment (IoT) FinTech		Global FinTech	

※1 Figures for TAM, GMV, OP (operating profit) are GMO-PG's estimates and targets. Figures are estimates and are rounded up to the nearest whole number.

There is some overlap in the OP figures for FinTech and Global. Offline OP includes companies other than GMO Financial Gate consolidated subsidiaries.

TAM: Total Addressable Market, BaaS: Bank as a Service, GMV: transaction value.

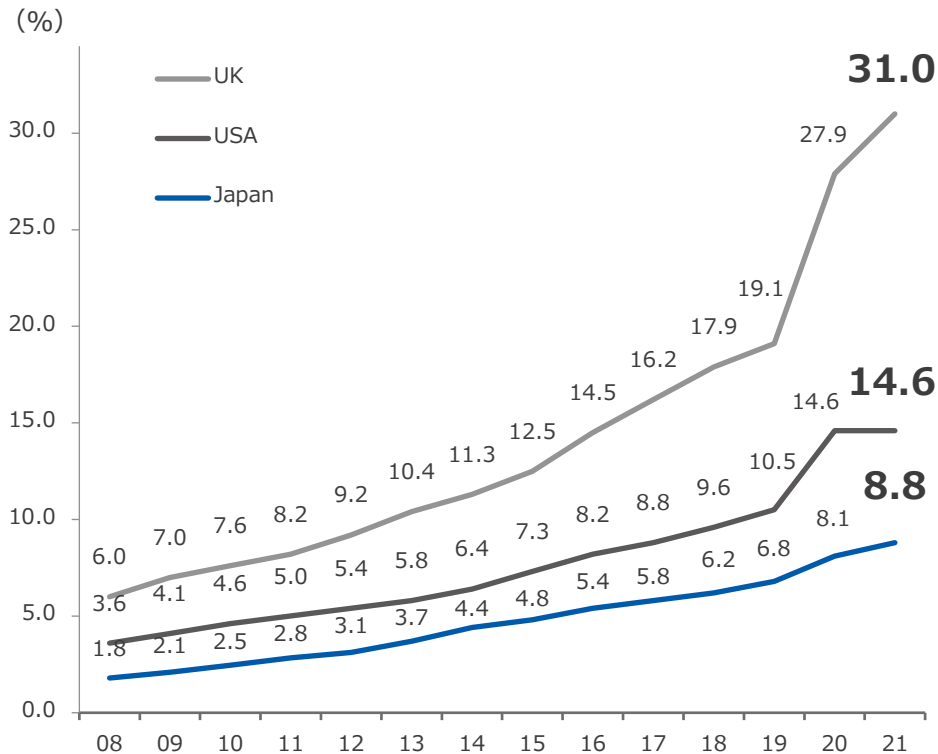
※2 BaaS/Cashless includes embedded finance.

※3 The OP figure for Global is included in FinTech for FY2020. ※4 Global Major Players (GMP): large corporates that provide IT-utilizing services globally.

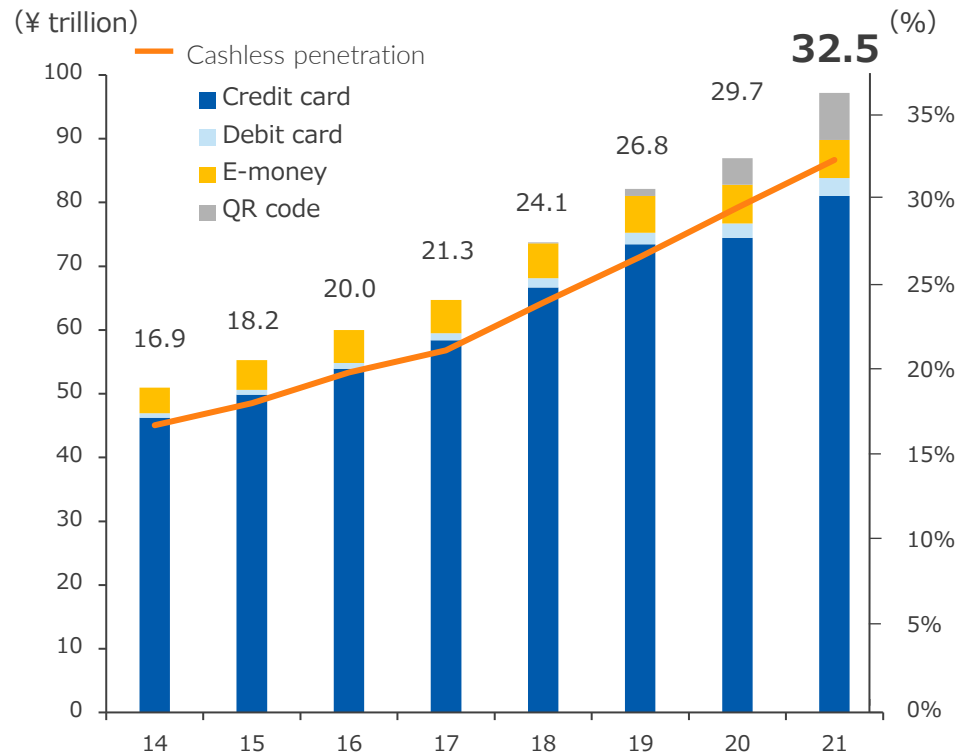
# 2.2.1 Narrowly-defined EC: B2C EC Market

## Low cashless and EC penetration compared to US/European countries

■ EC Penetration Rates in Developed Markets



■ Cashless penetration in Japan (ratio to private final consumption)



※ METI “FY2021 Global Survey Project Concerning Integrated Domestic and External Economic Growth Strategy Building (E-Commerce market survey)”  
 U.S. Bureau of the Census “The 2nd<sup>Q</sup> Quarter 2022 Retail E-Commerce Sales Report”;  
 Office for National Statistics “Retail Sales Index internet sales, October 2022”

※ Cabinet Office “System of National Accounts”  
 Japan Consumer Credit Association’s Credit Card Statistics  
 Bank Of Japan’s Payment and Settlement Statistics  
 Payments Japan Association’s Code Payment Statistics

## 2.2.2 Key Characteristics of Payment Business

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### Stable industry with high entry barriers and low churn rates

#### High entry barriers

**Regulation  
(Amended ISA etc.)**

- Responding to tightening regulations through repeated amendments
- Merchant management, security enforcement

**Payment company  
Network**

- Unique payment practices (huge range of payment methods) requires transactions with multiple payment companies (page 9)

**Business scale**

- Scale is key given low ASP
- Merchant acquisition requires development capability, sales capability and track record

#### Low churn rate

**Business  
Characteristics**

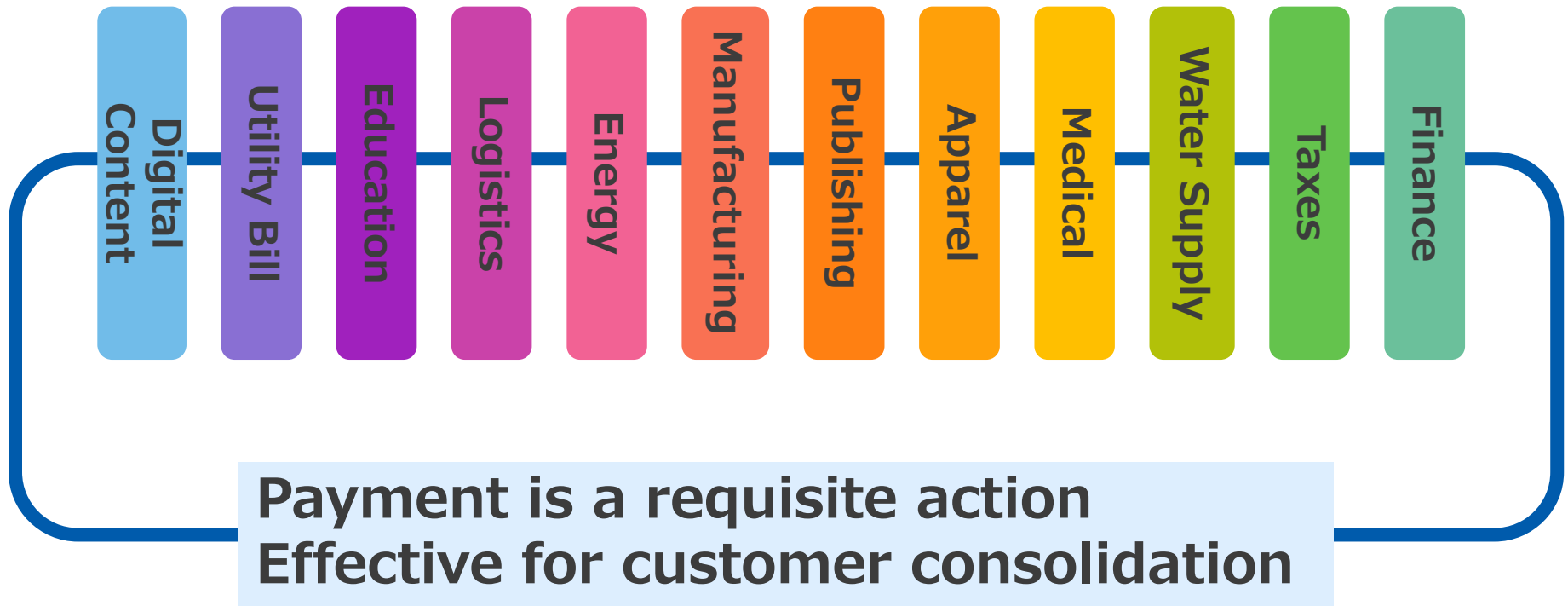
- Payment is a critical operation that cannot be halted
- Sharing of personal information such as credit card information

**Initiatives**

- Involved in development from upstream level given unique operations/work-flow and needs
- Concurrently provide high-demand financial services

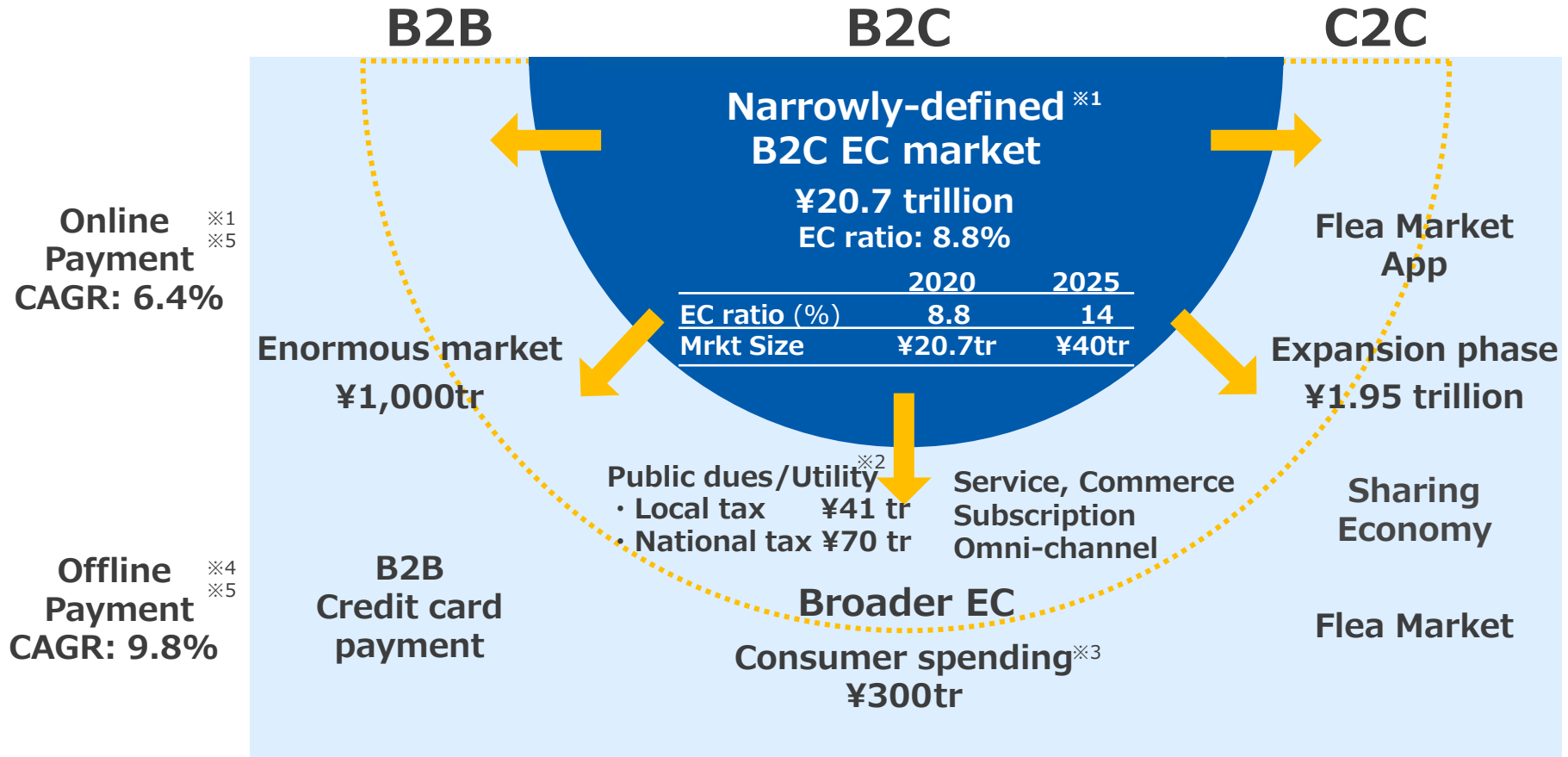
## 2.2.3 Characteristic of Payment Business: Cross-Industry

Payment is a required action for any purchase and is a highly sticky application



## 2.3 Broader EC: Expanding Scope of Cashless Business

Japan's migration towards cashless payment is contributing to GMO-PG group's growth acceleration



※1 References : METI's "FY2021 Global Survey Project Concerning Integrated Domestic and External Economic Growth Strategy Building (E-Commerce market survey)". Figures for 2025 are our estimates.

※2 MIAC "Breakdown of national tax and local tax revenue (FY2022 Budget and Local Government Finance Plan)"

※3 THE WORLD BANK "Household final consumption expenditure (current USD)"

※4 Payments Japan Association's "Cashless Roadmap 2019"; Yano Research Institute's "Domestic Cashless Settlement Market 2022."

※5 Online payment CAGR refers to the 5-year CAGR from 2016 to 2021 for online payment market size. Offline CAGR: refers to the 5-year CAGR from 2016 to 2021 for the offline cashless market.

## 2.3.2 Broader EC: Public Dues and Utility Bills

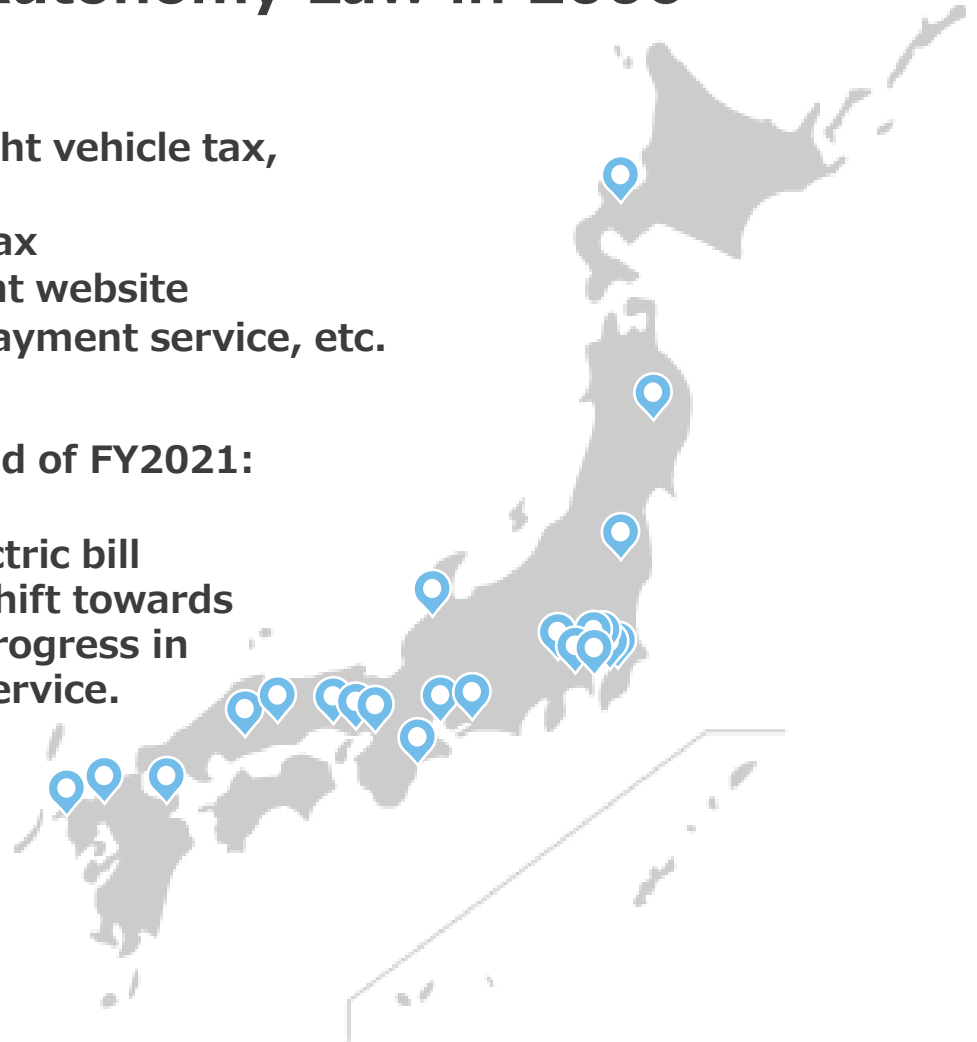
Introducing card payments for public dues and taxes since the amendment of the Local Autonomy Law in 2006

**Local governments** Local Taxes (automobile tax, light vehicle tax, fixed assets tax, etc.)  
Water bill, gas bill, hometown tax  
National tax credit card payment website  
National tax smartphone app payment service, etc.

**NHK** Broadcasting subscription fee  
Credit card usage rate at the end of FY2021:  
18.1% (Up +0.6% YoY) ※

**TEPCO Energy Partner** Supporting digitalization of electric bill payment to realize significant shift towards paperless operations. Making progress in cross-industry deployment of service.

Expansion expected to continue:  
Maintenance fee, cram school tuition fee  
parking fee, school meal charge, etc.



※ Japan Broadcasting Corporation "Business Report for FY2021"

## 2.4.1 FinTech: Money Service Business (MSB)

Financial services that only a payment processing company can offer

	<u>Services</u>	<u>Related assets</u>	<u>Business Model</u>
✓	<b>GMO Payment After Delivery</b> <b>GMO B2B Pay On Credit</b>	Pay the sales proceed ahead of the deposit from the consumer	Accrued revenues ③ Fee ④ Spread
✓	<b>Remittance service</b> <b>Instant Salary byGMO</b> ※	Efficient and secure refund and remittance processing	Advances paid ③ Fee
✓	<b>Overseas Lending/ Transaction Lending</b>	Lending of growth funds	Accounts receivable-trade (short term loans) ④ Spread
✓	<b>Early Payment service</b>	Improves cash flows by bringing forward the payment date	Advances paid ④ Spread
✓	<b>B2B Factoring</b>	Early cash conversion of accounts receivable	Accrued revenues ④ Spread

※ Instant Salary byGMO in offered in two types of deposit-type and reimbursement-type. Advances paid is recorded only for the reimbursement-type

# 2.4.2 FinTech: Japan's BNPL market

## Expand business by capturing the Japan's unique BNPL needs

### BNPL needs in Japan



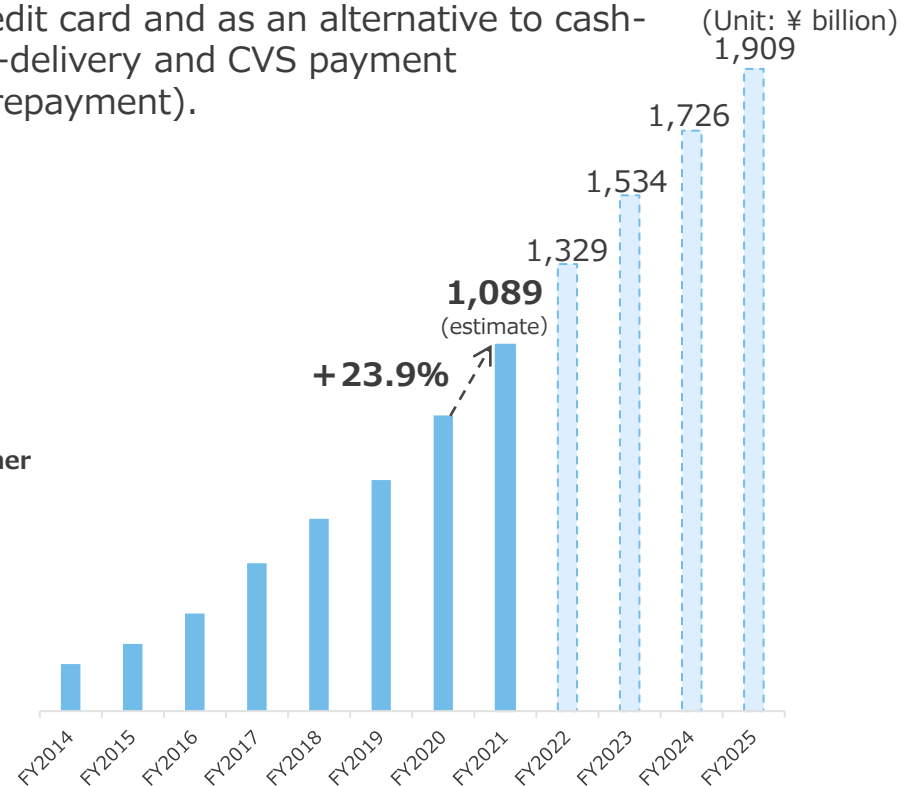
- Receiving goods before payment
- Cash payment
- Manage and control spending
- Limit face time with delivery person



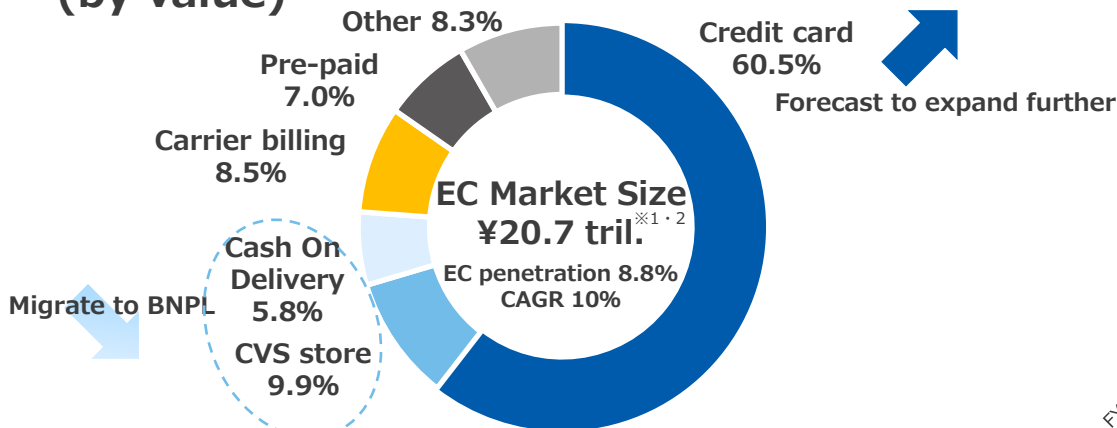
- Widen customer reach
- Means of sales promotion
- Reduce & manage return risk

### Outlook of Japan's BNPL market ※3

A growing payment method driven by the expansion of EC, use in conjunction with credit card and as an alternative to cash-on-delivery and CVS payment (prepayment).



### EC market breakdown by payment method (by value)



※1 METI "FY2021 Global Survey Project Concerning Integrated Domestic and External Economic Growth Strategy Building (E-Commerce market survey)"

※2 Yano Research Institute Ltd. "Online Payment/Settlement Service Providers 2022"

※3 Yano Research Institute Ltd. "Online Payment/Settlement Service Providers 2022" and "Domestic Cashless Settlement Market 2019." The figure for FY2021 is an estimate, the figures for FY2022~FY2025 are forecasts.



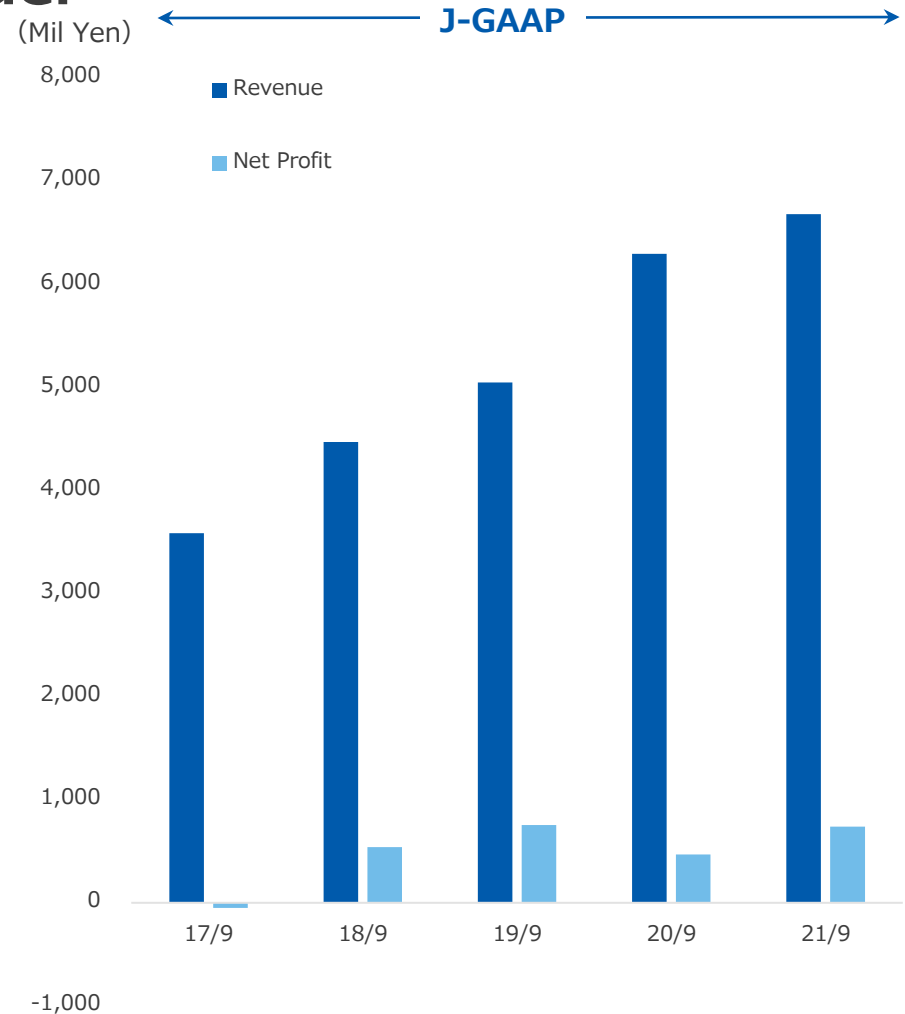
## 2.4.3 FinTech: BNPL business of GMO-PS

### Established top-tier market share and earnings base as a comprehensive payment provider

#### Key features of our BNPL business

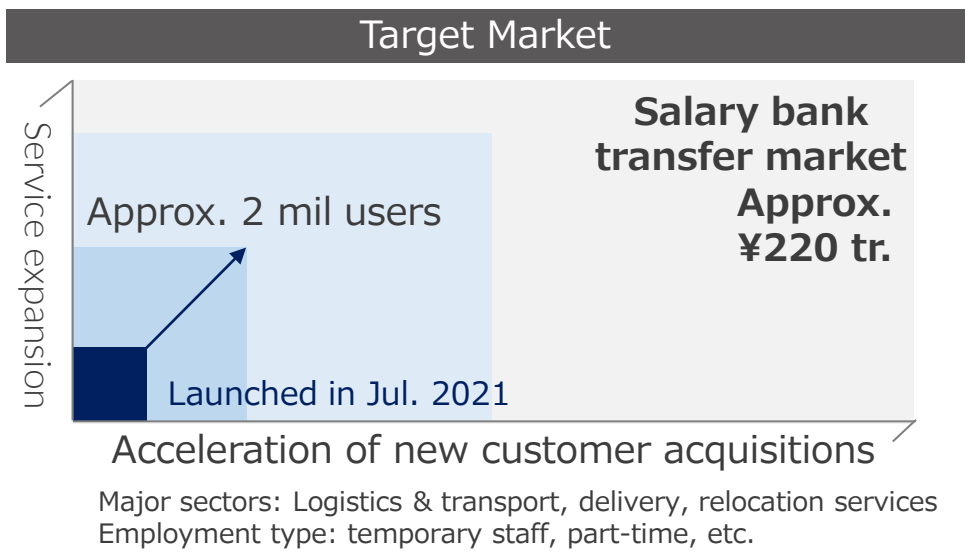
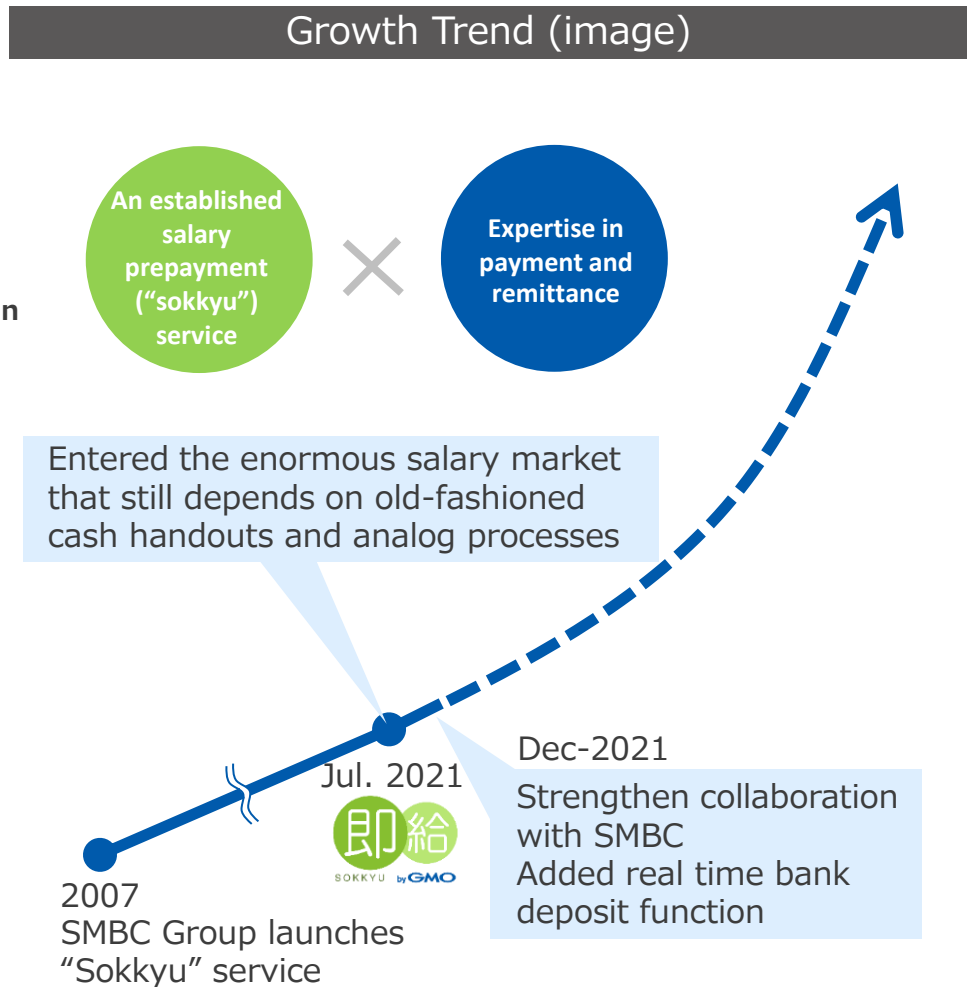
- Apply machine learning that utilizes the large amount of credit data
- Lower default rate by accumulating credit data and collection know-how
- Provide all payment methods needed in the EC market as a comprehensive payment provider
- Rollout business-use BNPL by collaborating with B2B operators
- Planning to provide offline transactions using stera platform and long-term installment payment with the business alliance with SMCC

- Stable profit generation and expansion of transaction value
- Leverage group synergy and build top tier business foundation



# 2.4.4 FinTech: Instant Salary byGMO

To be the de facto digital and seamless service provider in the ¥220 trillion salary market



※ SMFG: Sumitomo Mitsui Financial Group, Inc. SMBC Group: Sumitomo Mitsui Banking Corporation group (including Sakura Information System Co. Ltd.)

# 2.5.1 BaaS

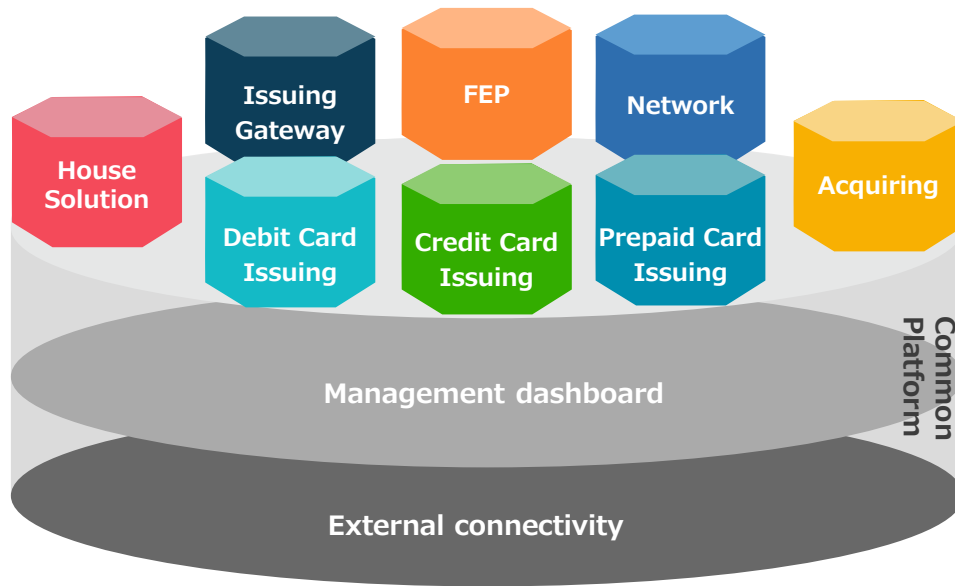
(Embedded Finance)

## One-stop payment solution by leveraging payment know-how and our track record

### 【Background】

- Expansion of cashless/DX needs
- Financial services provided by business operators

### 【GMO-PG Processing Platform】



### 【End-user】



### 【Alliance partner】 Financial Institution, Card company, Business operators



### GMO-PG Processing Platform

### GMO PAYMENT GATEWAY

Payment know-how,  
development capability, etc.

## 2.5.2 BaaS (Embedded Finance)

### Enable low-cost and swift credit card issuing

Commence credit card issuing system “H-ALIS” through the collaboration of four companies, from October 2023<sup>※</sup>



#### 【H-ALIS】

The credit card core platform provided by HCC, the No. 1 company in issuing affiliated cards in South Korea<sup>※</sup>

#### 【Role of GMO-PG】

GMO-PG will offer the Japan-localized H-ALIS as an ASP service by carrying out the sales activities, development and FEP in the Japanese market<sup>※</sup>

#### 【Background】

Increasing needs of operators for speedy issuing of various types of credit cards as these operators pursue cashless initiative

Offer H-ALIS as the “Credit Card Issuing Support” of the “GMO-PG Processing Platform” service

#### 【Value Proposition】

- Enables low-cost and swift credit card issuing
- Seamless system linkage by using API base
- Prompt functional upgrades

<sup>※</sup> The four companies refers to Hyundai Card Co., Ltd., Bankware Global Co., Ltd., EXA CORPORATION, GMO Payment Gateway, Inc.  
FEP stands for Front End Processor and refers to the system required for a credit card company to connect/access an external network.

## 2.5.3 BaaS & Cashless

### Increase Ginko Pay adopters, interlink each service to create an infrastructure-like service

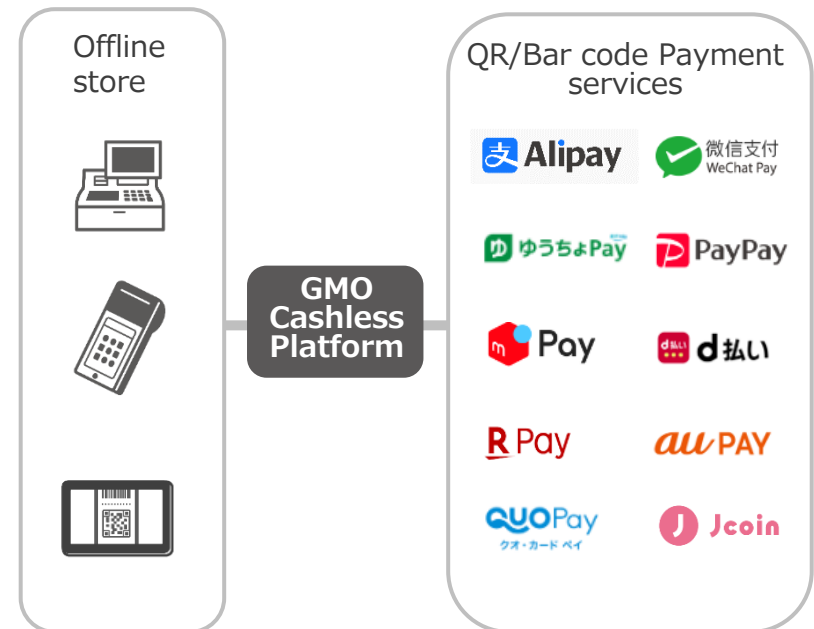
#### ■ Ginko Pay

Smartphone-based payment app marketed to financial institutions that allows for immediate debit from user's bank account



#### ■ GMO Cashless Platform

Cashless solution for offline stores which offers a package of payments methods including QR/Bar code. Planning to launch new cashless payment method.



# 2.6.1 IoT: Offline Payment Market



## Expand business scale through cashless migration and alliance strategy

### Offline payment

GMO Financial Gate offers payment terminals for payments made at offline stores.

### Growth factors of the offline market

- Cashless demand from changing externalities such as the “new normal” lifestyles

#### Mobile terminal



#### Embedded-type EMV terminal※



### stera

Rollout of a new payment platform to provide a one-stop service that handles variety of payment methods.



※ EMV : Uniform standard for IC-chip embedded credit cards formulated by Visa and MasterCard.



## 2.6.2 GMO Financial Gate, Inc.: Overview

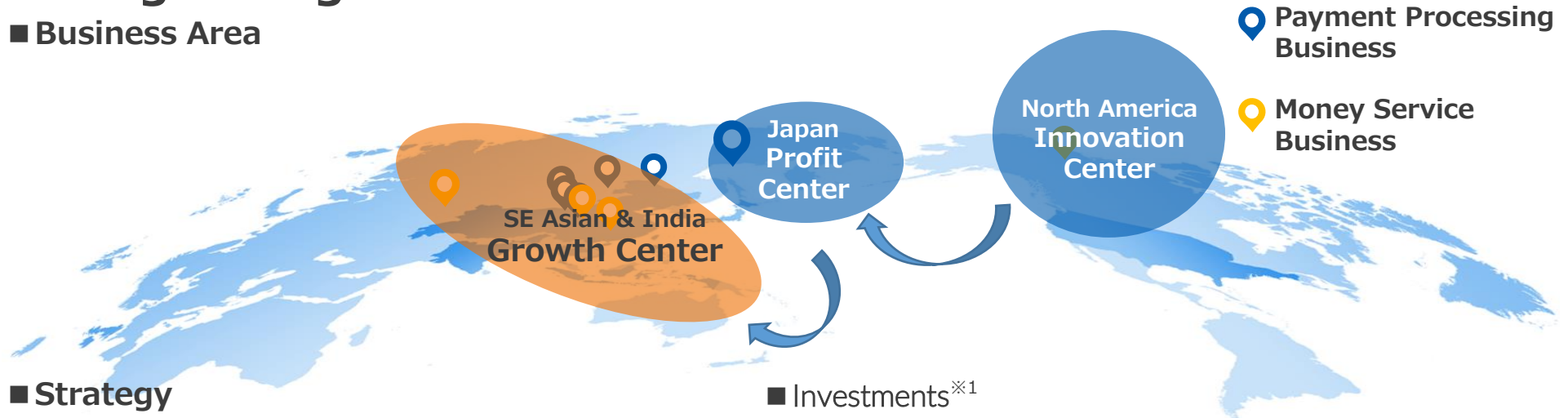
■ Name	GMO Financial Gate, Inc. (TSE Growth, security code 4051)	
■ Date of Establishment	September 1999	
■ Location	Humax Shibuya Building 7F, 1-14-6 Dogenzaka, Shibuya-ku, Tokyo	
■ Capital Stock	¥1,618 million yen (As of September 30, 2022)	
■ Major Shareholders	GMO Payment Gateway, Inc. and others	
■ Management	President and CEO Kentaro Sugiyama Chairman Akira Takano Managing Director Akio Aoyama (GM of Sales Department) Director Tomonaga Fukuda (GM of System Department) Director Tatsuya Koide (Managing Executive Officer of GMO Payment Gateway Inc.) External Director Nao Shimamura External Director Rie Asayama External Auditor Takayoshi Nagasawa External Auditor Satoru Ozawa Auditor Takashi Iinuma (CPA; Representative of Iinuma General Accounting Firm)	
■ Auditor	Ernst & Young ShinNihon LLC	
■ Consolidated Subsidiaries	GMO Card System, Inc. (Equity stake: 100%) GMO Data, Inc. (51.0% stake; Sumitomo Mitsui Card Company, Ltd. 49.0%)	 
■ Business Description	Provides cashless payment infrastructure for credit card, debit card, e-money, etc.	

(As of November 14, 2022)

# 2.7.1 Global: Overseas Strategy

Leverage synergy of N. American investments and focus on the growing SE Asian and Indian Markets

## Business Area



## Strategy

### Payment Processing Business

Collaborate with investee to provide local payment services

### Money Service Business

Invest/Lend to key FinTech companies in NAM and Asia

- Acquire, introduce and transfer the latest expertise and know-how
- Strengthen relations with borrowers and investees

Payment Processing Business

Money Service Business

## Investments<sup>※1</sup>

Country	Major investees	Major borrowers
		investree <sup>※2</sup> funding societies
	2c2p <sup>※2</sup>	
	LENDINGKART	
		CROWDE
	<sup>※2</sup>	DRIP/c <sup>※2</sup> reali <sup>※2</sup>

※1 Investment and borrowers of GMO Payment Gateway and GMO Global Payment Fund  
 ※2 Already divested and/or investment recovered.



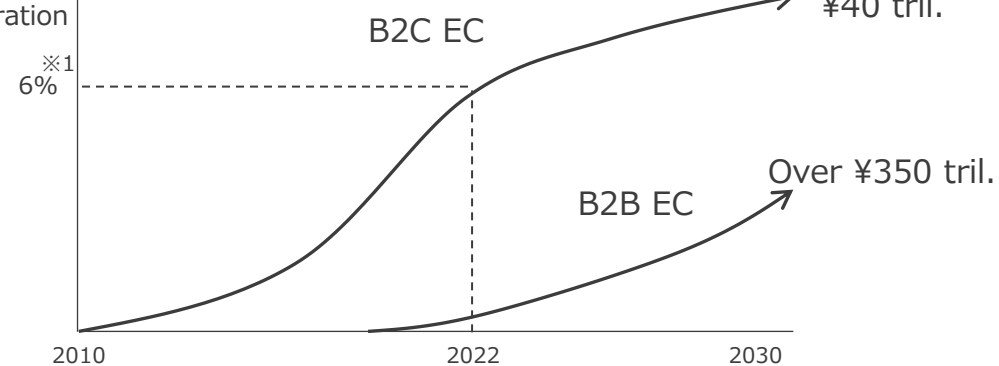
# 2.7.2 Global: The 20-year track record of overseas investment strategy

## Major functions shifted to India/Pacific region: Evolving into a credit provider from a payment service provider

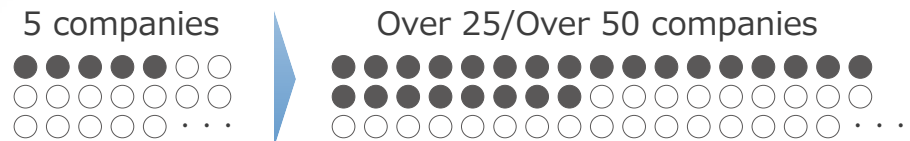
Major overseas investment and loan portfolio



Market expansion of SE Asia & India



**Emergence of high-growth FinTech**  
Image of the increase in FinTech unicorns supported by GMO-PG



※1 Calculated using final private consumption and B2C EC penetration rates for both regions.

※2 Figures are GMO-PG estimates using GDP forecasts for both regions and B2C/B2B EC market penetration rates for US/Japan

# 2.8.1 Sustainability

## Integrated Report outlines the various initiatives to realize sustainability

28<sup>th</sup> Integrated Report

URL : [https://www.gmo-pg.com/en/corp/newsroom/pdf/211220\\_gmo\\_pg\\_ir\\_integrated\\_report\\_en.pdf](https://www.gmo-pg.com/en/corp/newsroom/pdf/211220_gmo_pg_ir_integrated_report_en.pdf)

Foundations to Support Sustainable Growth

### Sustainability Management

Driving Social Progress and Advancement by Supporting DX and Decarbonization  
Promoting Social Inclusion through Credit and Digital Technology

Based on the GMO-PG group's management principle to "nurture both material and spiritual prosperity through our contributions to the progress and development of society," the Company engages in SDG initiatives by driving social innovations in payment and financial technology, as well as providing services centered on payment that support DX, paper-less, cashless, and online migration. In addition, the Company will contribute to social inclusion where anybody can participate in and embrace diversity.

**Focus Areas for the Realization of Sustainability**  
The Company focuses on the following areas stated below for the realization of a sustainable society, taking into consideration businesses and the opinions of stakeholders. Going forward, the Company will identify the relevant materiality issues that should be prioritized from a medium-to-long term perspective in order to advance its sustainability management.

Focus Areas	Related ESG	Contribution to SDGs	Initiatives
Digital inclusion**	E Environment S Social	9, 17	<ul style="list-style-type: none"> <li>Realize a convenient and comfortable society by promoting cashless migration and EC penetration</li> <li>Support merchants with varied forms of digital sales such as EC website and delivery through payment services</li> <li>Open innovation with business business partners</li> </ul>
Financial inclusion**	E Environment S Social	1, 8, 9	<ul style="list-style-type: none"> <li>Provide impact finance to FinTech companies (microfinance) that promote financial inclusion</li> <li>Expand Salary hi/DAI service enables receiving salary at the preferred timing</li> <li>Access to e-commerce (EC) to non-credit card holders by offering BNPL (Buy Now Pay Later)</li> <li>Lending service provides loans to operators for working capital needs</li> </ul>
Contribution to the environment	E Environment	7, 13	<ul style="list-style-type: none"> <li>Support merchant's decarbonization by supporting DX initiatives such as paperless operation</li> <li>Commerce payment processing using de facto renewable energy</li> </ul>
Contribution to human capital	S Social	5	<ul style="list-style-type: none"> <li>Utilize diverse human resources (promotion of diversity)</li> <li>Based on the belief that "people determine the company," support personal growth through proprietary human resource development programs and share in the corporate vision</li> <li>Based on the idea that "Corporation is a place to foster personal growth," provide a workplace in fully utilize the potential and capability of the workforce (workstyle reforms)</li> </ul>
Practice of sound management	G Governance	17	<ul style="list-style-type: none"> <li>Develop systems for an effective corporate government</li> <li>Strengthen information security as the highest priority issue</li> <li>Strengthen compliance</li> </ul>

\*\* Initiatives to realize a society where everyone enjoys the benefits of digital technology where no one is left behind and the disparity in access to digital technology is alleviated  
\*\* Initiatives to realize a society where everyone enjoys the benefits of financial services, where no one is left behind and the disparity in access to financial services is alleviated

### Specific initiatives (excerpt)

Realize convenient and comfortable society by promoting EC and cashless adoption

Promote impact finance to financial inclusion FinTech companies (microfinance)

Support merchant's decarbonization through DX support and paperless operations

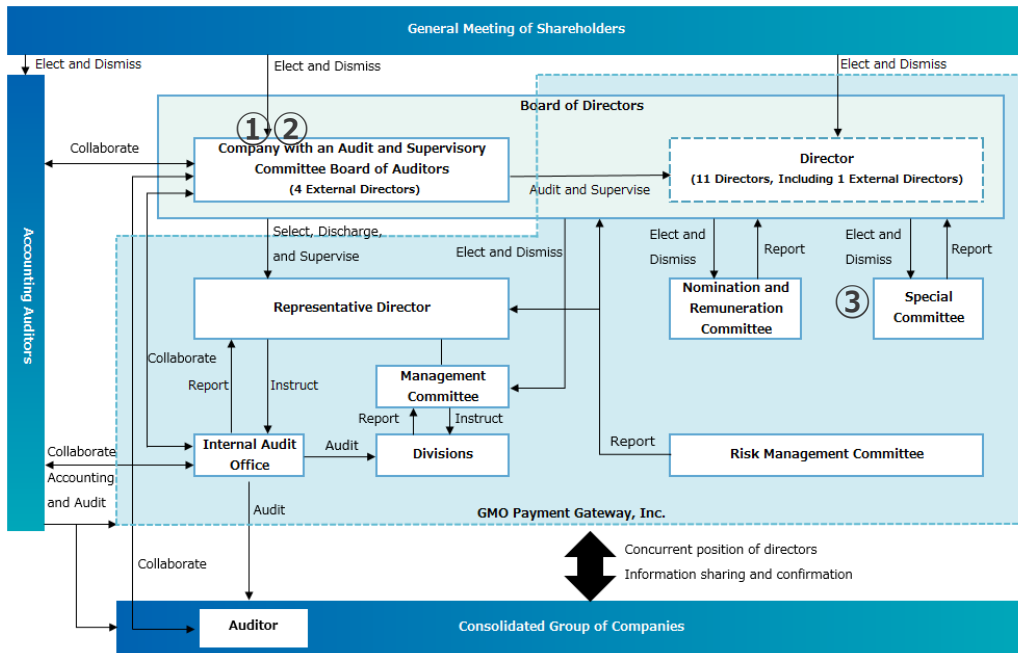
Start payment processing using de facto renewable energy

Selected as Best Place to work for 8 consecutive times by the Best Place to Work survey

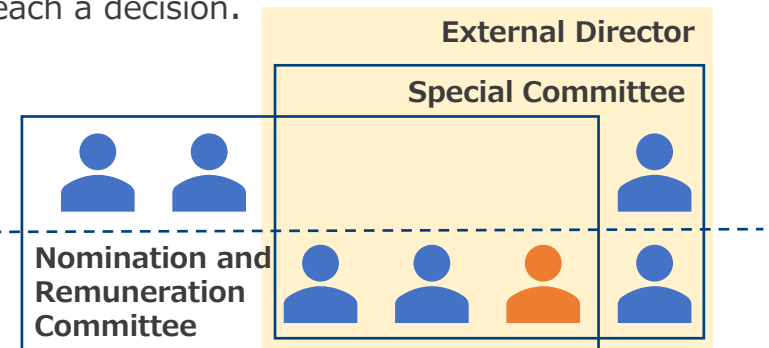
# 2.8.2 Strengthening Governance Structure

Realize medium- to long-term improvement in enterprise value through strengthening of supervisory function of the Board

## Corporate Governance Organizational Structure




- ① Transition to company with Audit and Supervisory Committee
- ② Proportion of External Director rises to a third
- ③ Established a Special Committee
  - Comprised of five External Directors
  - Strengthen protection of interests of non-controlling shareholders
  - Transactions and actions that entail a conflict of interest between the controlling shareholder and non-controlling shareholders are evaluated and deliberated at the Special Committee and reported to the Board which is vested to reach a decision.



Director



Directors that are members of the Audit and Supervisory Committee

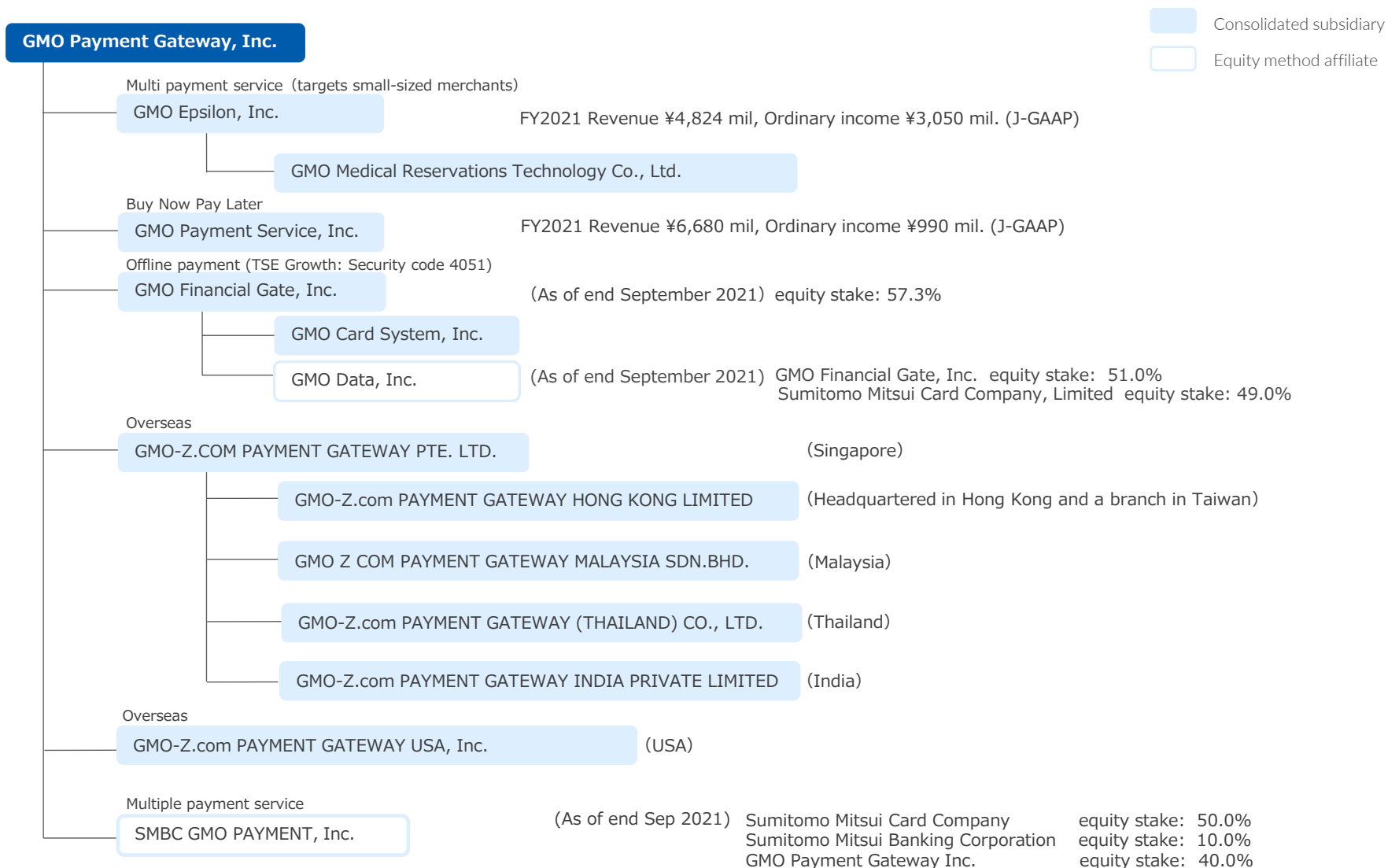


1	Business Overview	p.3
2	Focus Areas	p.17
<b>3</b>	<b>Reference Materials</b>	<b>p.37</b>

# 3.1 Company Outline (as of October 1, 2022)

- Name  
GMO Payment Gateway, Inc. (3769; Tokyo Stock Exchange Prime)
- Date of establishment March 1995
- Location  
FUKURAS office (Head office)  
SHIBUYA FUKURAS 15F, 1-2-3 Dogenzaka, Shibuya-ku,  
Tokyo, 150-0043 Japan  
Humax Office  
Humax Shibuya Building 7F, 1-14-6, Dogenzaka, Shibuya-ku,  
Tokyo Japan
- Capital stock 13,323 million yen
- Major shareholders  
GMO Internet, Inc., Sumitomo Mitsui Banking Corporation,  
Mr. Issei Ainoura ,etc
- Auditor  
Ernst & Young ShinNihon LLC
- Major consolidated subsidiaries  
GMO Epsilon, Inc., GMO Payment Service, Inc.,  
GMO Financial Gate, Inc.,  
GMO-Z.com Payment Gateway Pte. Ltd. (Singapore), etc.
- Major Equity affiliates  
SMBC GMO Payment, Inc., GMO Data, Inc., etc.
- Management team  
Chairman & Director  
President & Chief Executive Officer  
Director, Executive Vice President  
Director, Executive Vice President  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
External Director  
External Director, Audit & Supervisory Committee  
External Director, Audit & Supervisory Committee  
External Director, Audit & Supervisory Committee  
External Director, Audit & Supervisory Committee  
Senior Managing Executive Officer  
Senior Managing Executive Officer  
Senior Managing Director  
Senior Managing Director  
Managing Executive Officer  
Managing Executive Officer  
Managing Executive Officer  
Managing Executive Officer  
Managing Executive Officer  
Executive officer  
Executive officer  
Executive officer  
Executive officer  
Executive officer  
Executive officer  
Executive officer  
Executive officer  
Executive officer  
Executive Officer  
Executive Officer  
Executive Officer  
Executive Officer  
Masatoshi Kumagai  
Issei Ainoura  
Ryu Muramatsu  
Satoru Isozaki  
Masashi Yasuda  
Hirofumi Yamashita  
Yuki Kawasaki  
Teruhiro Arai  
Noriko Inagaki  
Takashi Shimabara  
Akio Sato  
Kazutaka Yoshida  
Kazuhiko Okamoto  
Yumi Hokazono  
Fumio Kai  
Shinichi Sugiyama  
Tatsuya Koide  
Yuichi Hisada  
Takashi Mitani  
Tomoyuki Murakami  
Masaru Yoshioka  
Takeshi Yoshii  
Katsunari Mukai  
Kazunari Taguchi  
Kiyonobu Inayama  
Shingo Ito  
Yoshinori Inokuchi  
Hirofumi Tozawa  
Yasunori Hatada  
Mariko Takeda  
Junpei Kendo  
Katsuyoshi Sota  
Takeshi Yoshida  
Yusuke Nakayama  
Osamu Nishioka

## 3.2 Major subsidiaries and equity-method affiliates (IFRS standards)

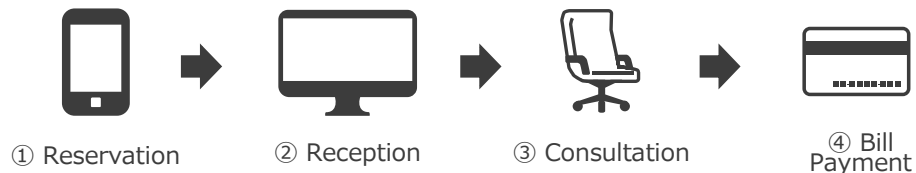


# 3.3 GMO Medical Reservations Technology メディカル革命 by GMO

## Provides reservation management system to improve operations at hospitals and clinics

### ■ Medical Kakumei byGMO

Seamless services that not only includes online reservation function, but also reception, e-medical records links and cashless payment function.\*



### ■ Omatome Shinsatsuken byGMO

Bundle multiple medical cards of several hospitals and clinics onto a single app  
Contributes to improving reception work efficiency and cancellation rates

#### Other services also available

- Medical Kakumei byGMO for veterinary hospitals
- Dentry byGMO

\*1 The following services of reception machines for repeat visits, e-medical record links and payment functions are available as option services.

\*2 The revenue figure is based on J-GAAP.

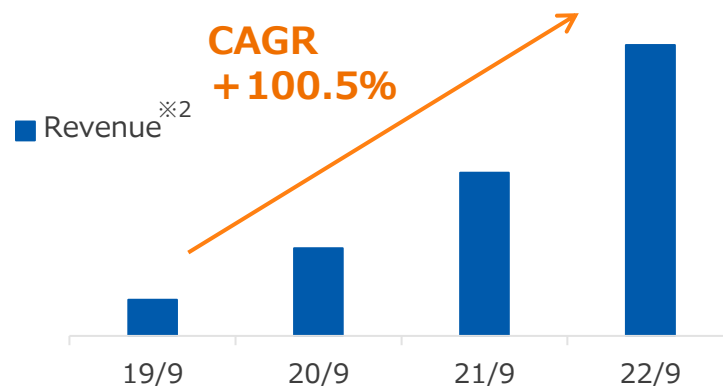
### ■ Corporate Overview

Corporate name      GMO Medical Reservations Technology Co. Ltd.

Establishment      April 11, 2016

Parent company      GMO Epsilon, Inc.      (Equity stake: 100.0%)  
(Joined the Group in August 2018)

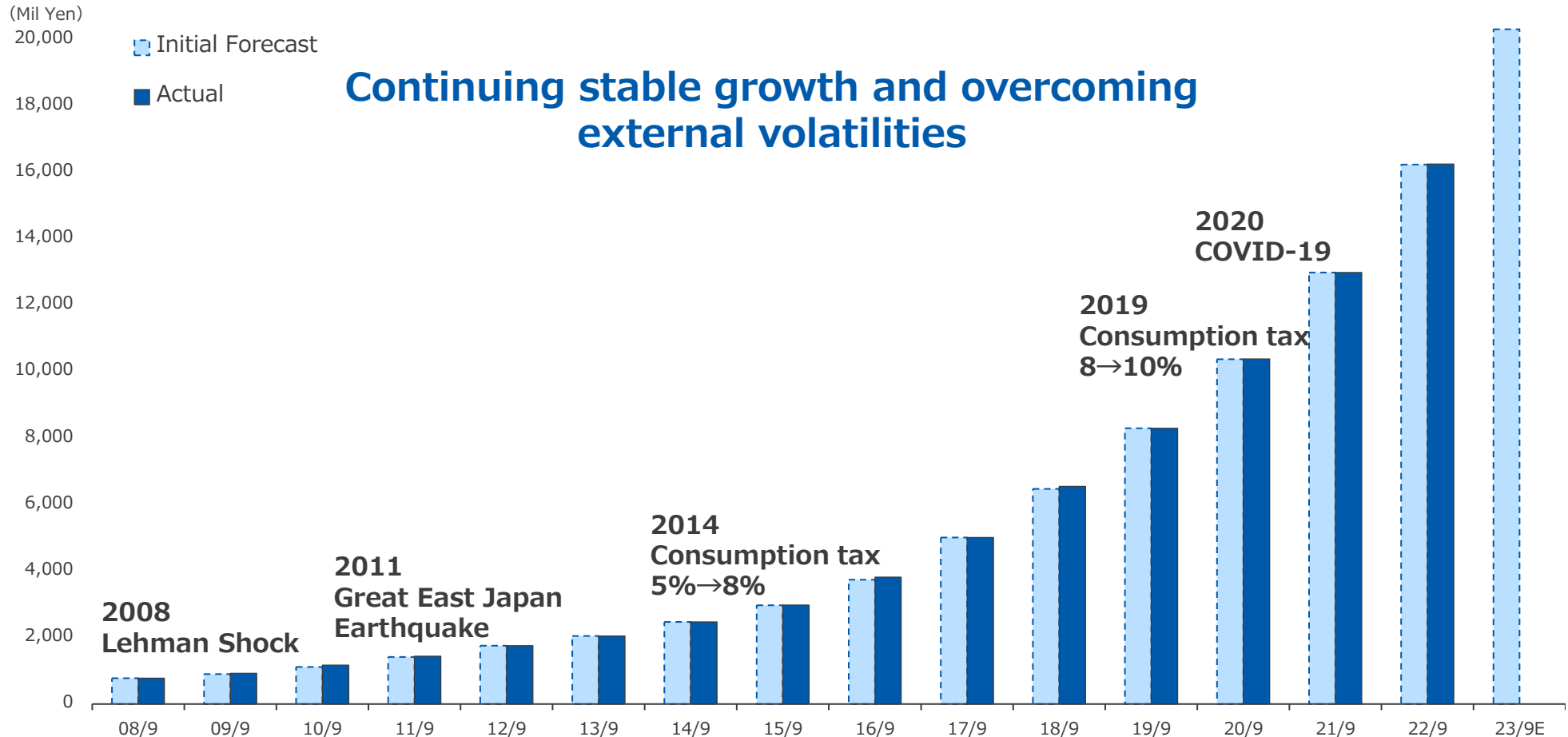
Address      Tokyo HQ: Humax Shibuya Building 7F, 1-14-6 Dogenzaka, Shibuya-ku, Tokyo  
Hamamatsu Branch: Chanson Building 6F, 125 Daikumachi, Naka-ku, Hamamatsu-shi, Shizuoka



# 3.4 Continuous achievement of OP target

Earnings targets achieved through the earnings structure with high visibility and a disciplined business operation

Operation Profit<sup>※</sup>



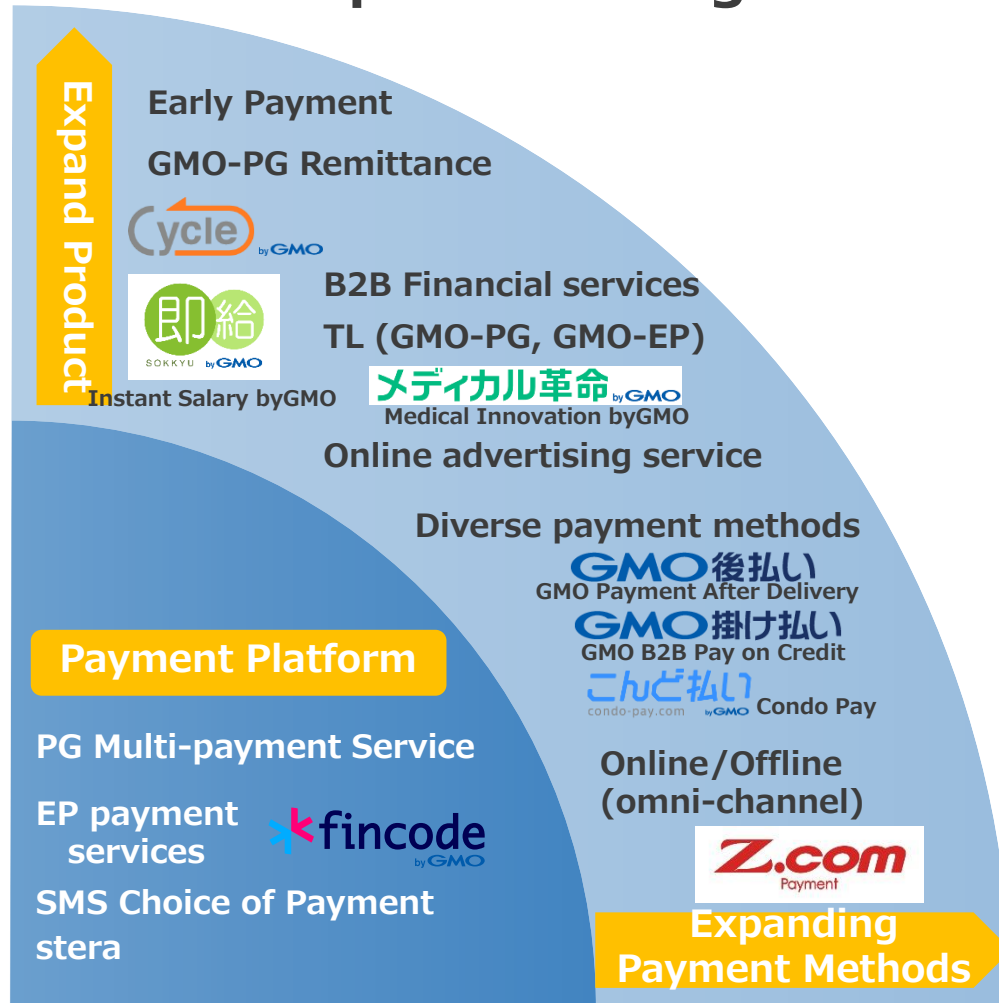
※ Initial forecast for FY2018 is based on revised forecast to reflect the voluntary adoption of IFRS. Figures before FY2019 present operating profit before the deconsolidation of MACROKIOSK and include both continuing and discontinued businesses.



# 3.5 Expand line-up and expand revenue per customer

Diverse value proposition to existing customers

Promote up-sell through resolving customers' issues

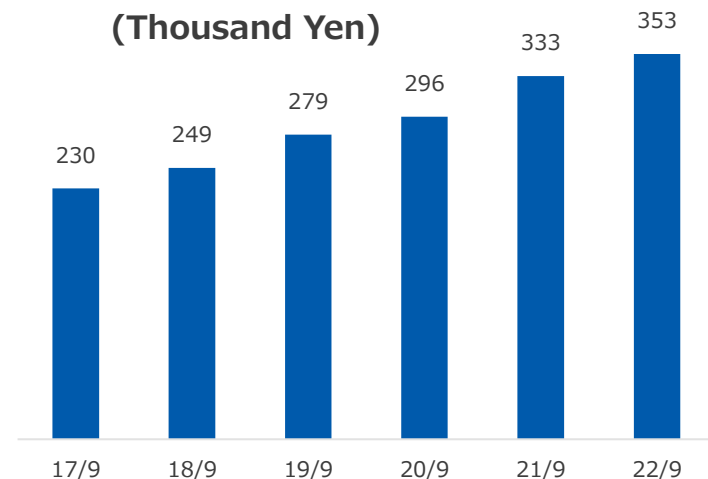


## Our Strengths/Value Proposition

- Highly scalable payment platform
- Incorporates various payment methods
- Win-win model of providing value added services that contribute to revenue/TRX
- Multiparty platform for consumer, merchants, and payment companies

## Revenue per merchant

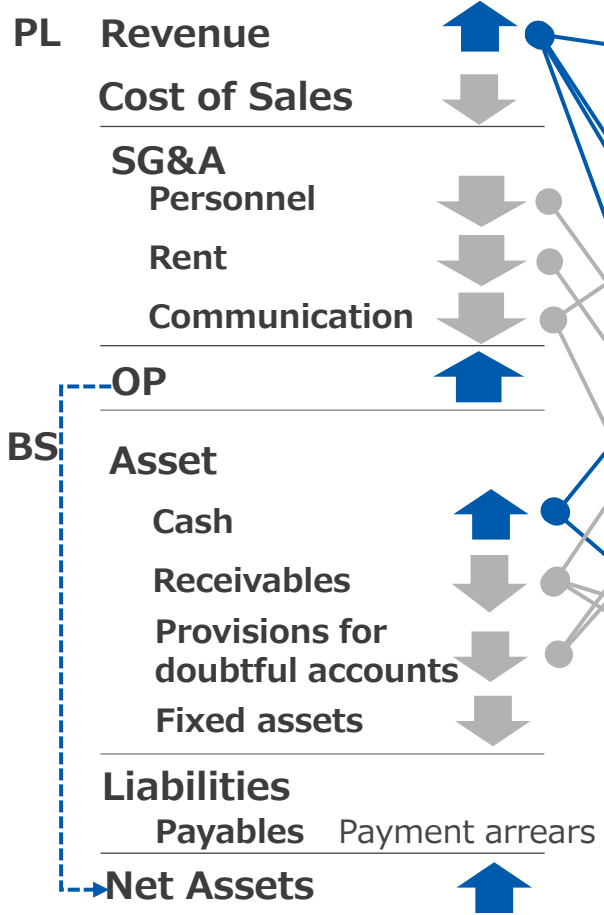
(Thousand Yen)



# 3.6 DX Support Services to Improve Clients PL/BS

## Service line-up that can respond to the diverse clients' needs

### Customer needs & PL/BS changes



### Use cases

#### EC shop, Utility bills

- Multiple payment methods
- Paperless (lower postal cost)
- CF improvement service
- Improve collection rate
- Prevent suspicious transactions

#### Restaurants

- Delivery sales
- Cashless implementation
- Increase recruits (lower personnel cost)
- Store closures (lower rent expense)
- CF improvement service

#### Event, Ticket Sales

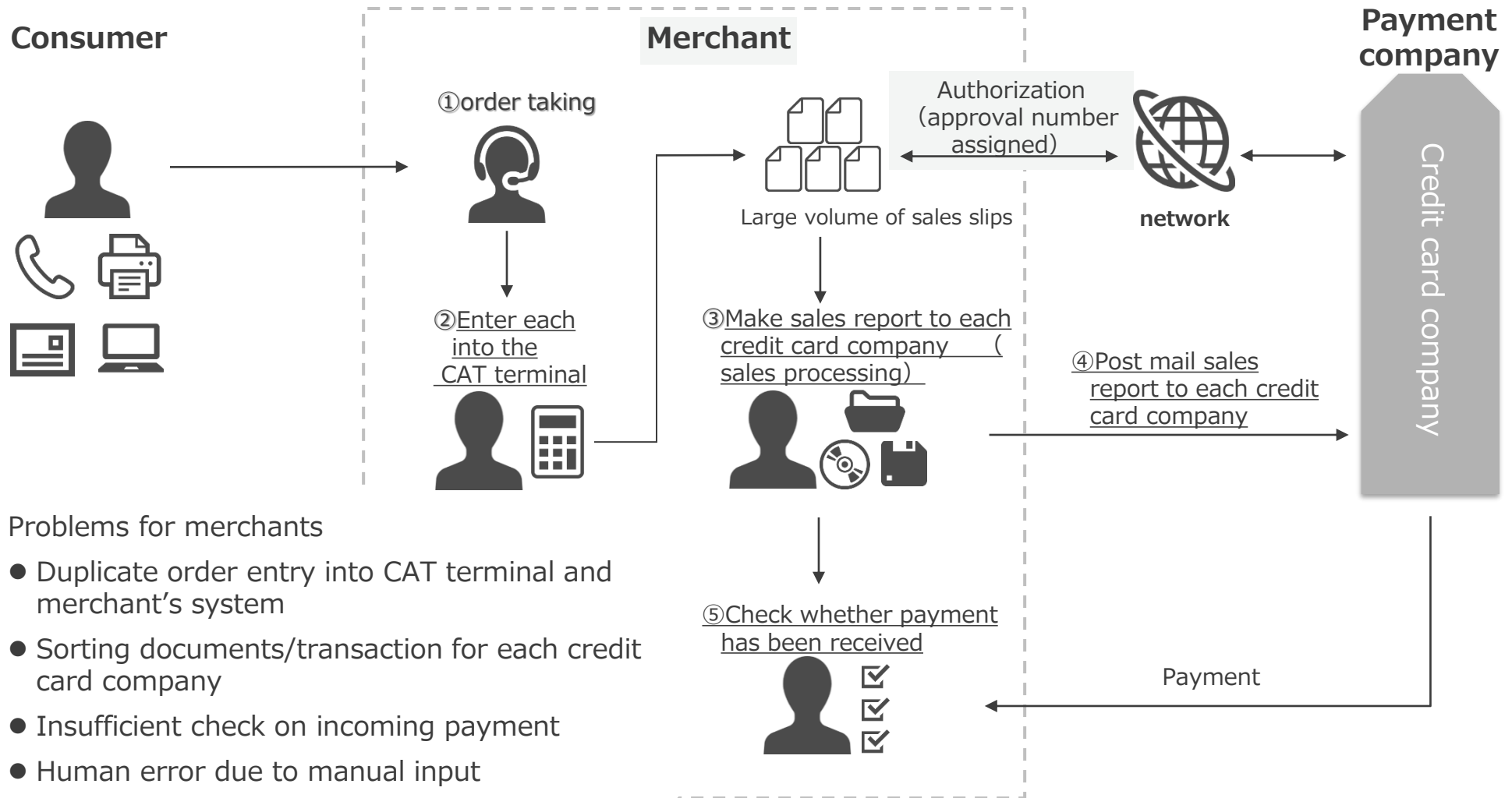
- Merchandise sale
- Refund demand (lower postage cost)

### Our DX support services

- PG Multi-Payment service
- TEPCO EP's**
- SMS Payment Choice**
- Cycle byGMO**
- GMO B2B Early Payment
- Invoice Smartphone Payment**
- Fraud prevention service (Sift)**
- Online sales support**
- GMO Cashless Platform**
- Instant Salary byGMO**
- Electronic Invoice Early Payment**
- GMO B2B AR Guarantee
- Online sales support**
- Remittance service (for refunds)

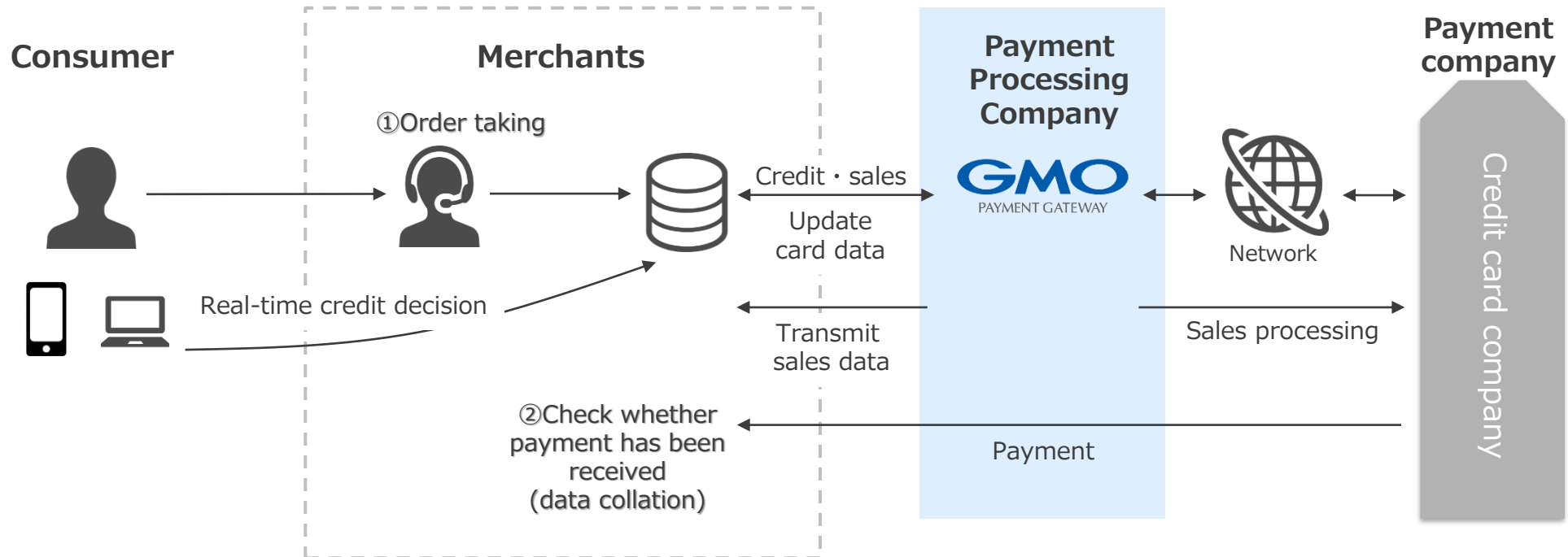
# 3.7.1 Business outline of payment processing company (1)

## Problems with online credit card payment in the early days of E-Commerce



## 3.7.2 Business outline of payment processing company (2)

Payment processing service realizes operational efficiency in credit card payment operations



In the early days of Ecommerce, credit card payment was processed offline between the merchant and the credit card company, resulting in work burden on both sides.

The establishment of payment processing companies eliminated this burden for both parties.