



Financial Results Briefing for Q3 FY2023

**Progressing Towards Achieving FY2023 Guidance and
Addressing Challenges to Ensure Growth Beyond This Year**

August 10, 2023

74th Investor Meeting

Safe Harbor Statement for Forward Looking Statements

The contents of this document is based on generally recognized economic and social conditions, as well as certain assumptions judged to reasonable by GMO Payment Gateway as of August 10, 2023. Please note that the contents are subject to change without prior notice in the event of changes in the business environment, etc.

Abbreviations used in this documents are as follows:

GMO-PG	: GMO Payment Gateway
GMO-EP	: GMO Epsilon
GMO-MR	: GMO Medical Reservation Technology
GMO-PS	: GMO Payment Service
GMO-FG	: GMO Financial Gate
GMO-CAS	: GMO Card System
Merchandise EC	: Apparel, food & beverage, cosmetic & health food, delivery & newspaper, daily good & office supplies and CtoC, etc.
Non-merchandise EC	: Digital content & telecommunication, utility, travel & ticket, insurance, membership fees & services, etc.
PF	: Platform
MSB	: Money Service Business
BaaS	: Banking as a Service

- 1. Summary of Financial Results for Q3 FY2023**
- 2. Growth Strategy and Initiatives in Focus Areas**
- 3. Sustainability**
- 4. Financial Highlights and Reference Materials**

1. Summary of Financial Results for Q3 FY2023

1.1 Summary of Consolidated Results

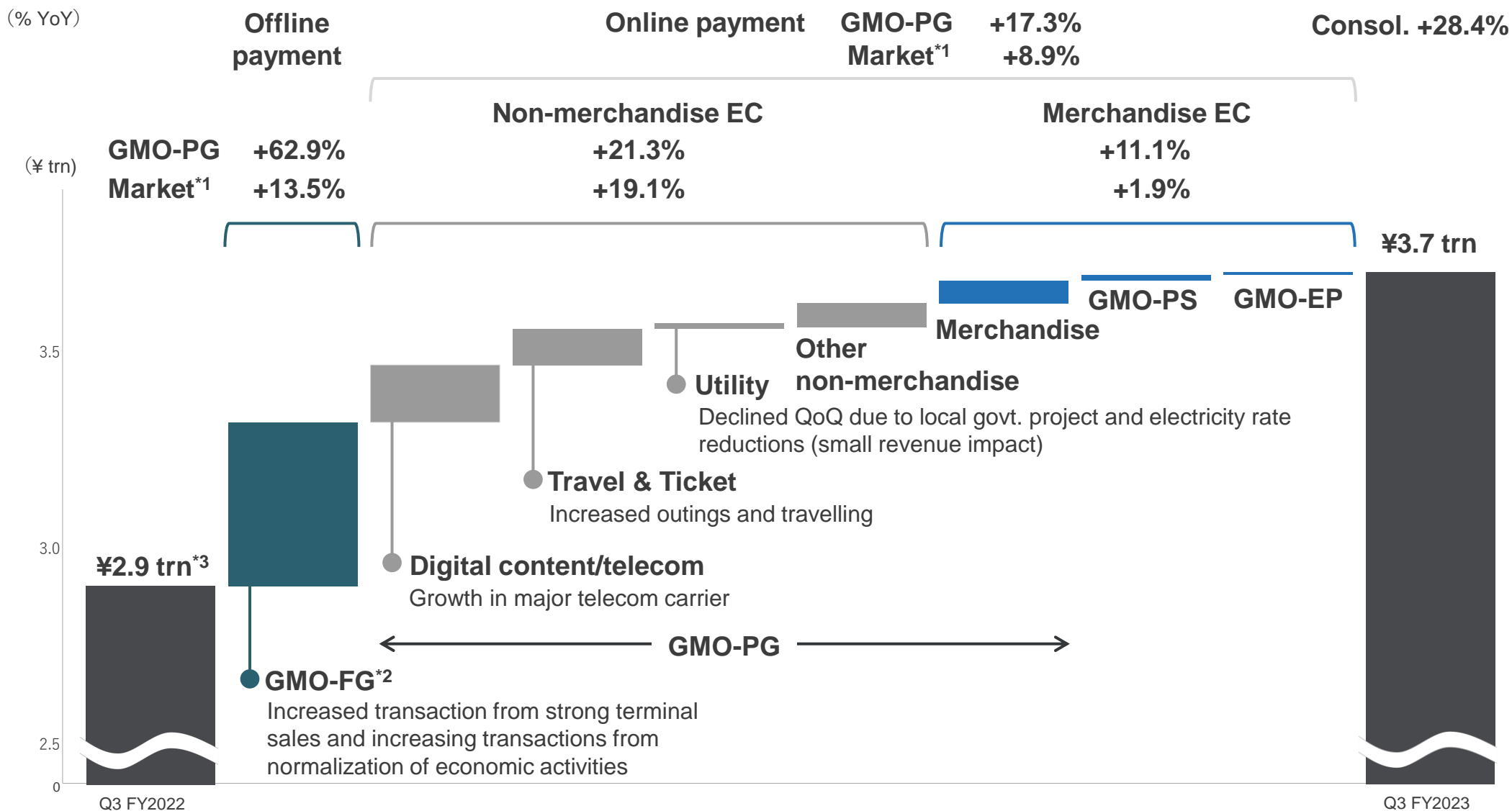
Earnings outperformed plans with the offline domain driving topline growth

(¥ mil)	Q3 FY2022 Cumulative	Q3 FY2023 Cumulative	% YoY	FY2023 Guidance (Achievement %)	Q3 FY2023 Standalone (% YoY)
Revenue	36,956	47,000	+27.2%	59,100 (79.5%)	16,546 (+28.3%)
Gross Profit	24,781	29,780	+20.2%	—	10,171 (+20.7%)
Operating Profit	12,788	16,022	+25.3%	20,311 (78.9%)	5,671 (+25.7%)
Pre-tax Profit	30,500	15,954	-47.7%	18,837 (84.7%)	6,098 (-72.0%)
Profit attributable to owners of parent	21,129	10,515	-50.2%	12,368 (85.0%)	4,386 (-71.9%)
EBITDA*1	14,360	17,798	+23.9%	—	6,288 (+24.3%)
	Operating Stores*2*3 Operating terminals*2 (end-Q3 FY2023)	Consol. TRX Volume (Q3 FY2023 Standalone)*2*4	Consol. TRX Value (Q3 FY2023 Standalone)*2		
KPI (% YoY)	155,598 stores (+12.7%) 273,298 units (+48.7%)	Approx. 1.58 bn (+26.4%) o.w., online approx. 1.42 bn (+23.6%)	Approx. ¥3.7 trn (+28.4%) o.w., online approx. ¥2.5 trn (+17.3%)		

*1 Sum total of operating profit and depreciation. *2 The figure for operating stores is for GMO-PG and GMO-EP, and the figures for operating terminals are for GMO-FG. Consolidated TRX volume and value figures are the sum totals for GMO-PG, GMO-EP, GMO-PS and GMO-FG. The online payment figures are the sum totals for GMO-PG, GMO-EP and GMO-PS. *3 The standards for recognition of the number of operating stores has been revised from Q3 FY2023. Figures exclude a specific case and frcode byGMO. If figures for the specific case is included, the number of operating stores for the same period would be 562,598 stores, up 31.6% YoY. *4 TRX volume is calculated based on fee revenue standards, which in the case of online consist of multiple (1 to 3) transactions per payment of a single authorization or actual proceed amount, and one transaction per payment in the case of offline.

1.2 Waterfall Chart of Consol. TRX Value (Q3 standalone)

Online payment grew 17.3% from the impact of electricity rate reductions and local government projects



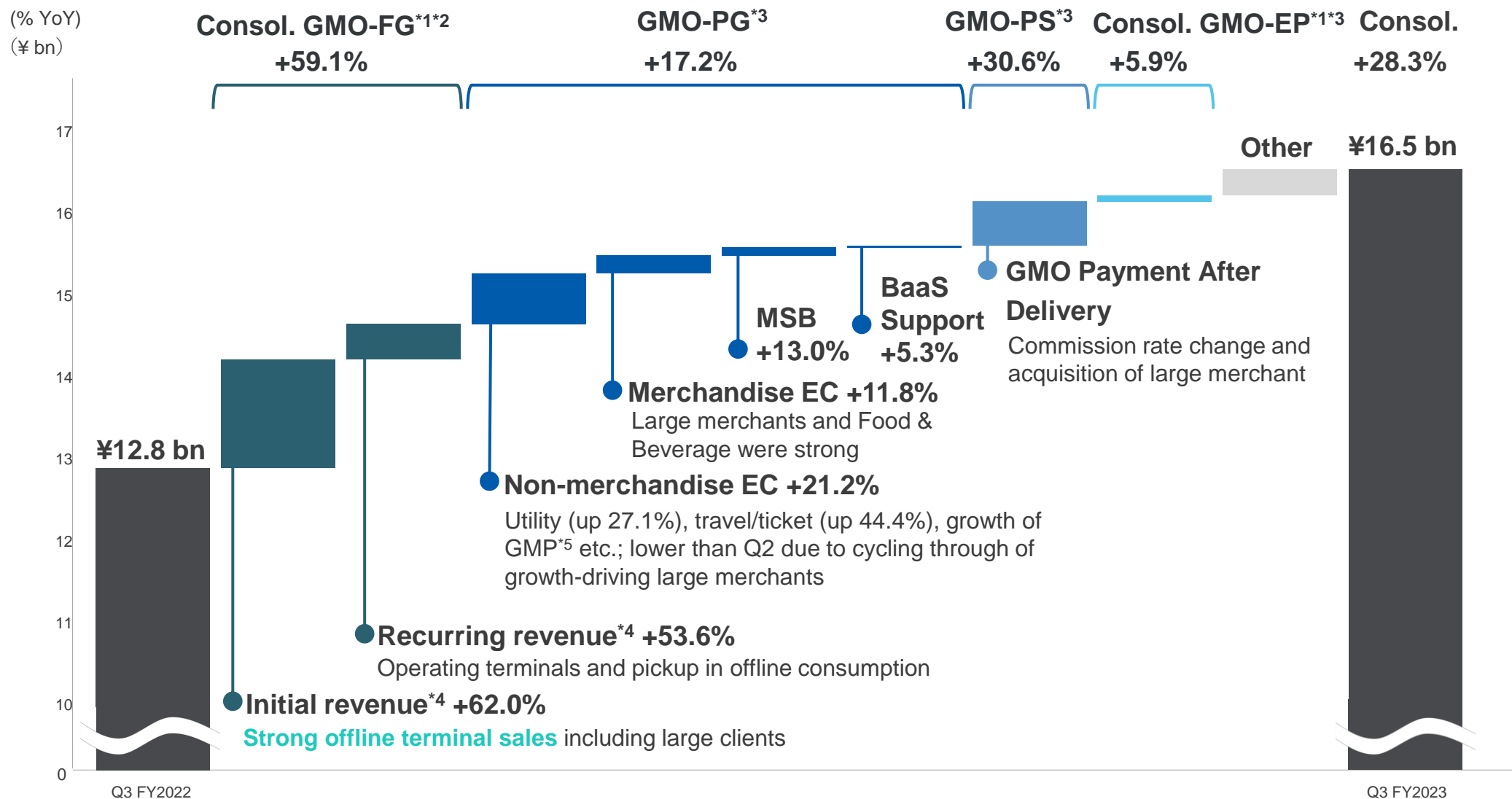
*1 Figures for offline market show the % YoY growth for the sum of April and May, as June 2023 data is not available as of this writing.

EC Market: Based on Ministry of Internal Affairs and Communication's "Family Income and Expenditure Survey," figures are categorized into merchandise and non-merchandise according to the Company's standards using the Internet expenditure amount per household.

*2 Excludes GMO-PG's offline payment (GMO Cashless Platform) *3 Rounded off to nearest trillion of yen.

1.3.1 Waterfall Chart for Consol. Revenue (Q3 standalone)

28.3% growth driven by offline terminals despite temporary slowdown in non-merchandise EC



*1 GMO-FG consolidated is comprised of GMO-FG, GMO-CAS. GMO Epsilon consolidated is comprised of GMO-EP, GMO-MR. *2 Figures present financial results of GMO-FG consolidated.

*3 Figures of each company are before the eliminations from consolidating into GMO-PG.

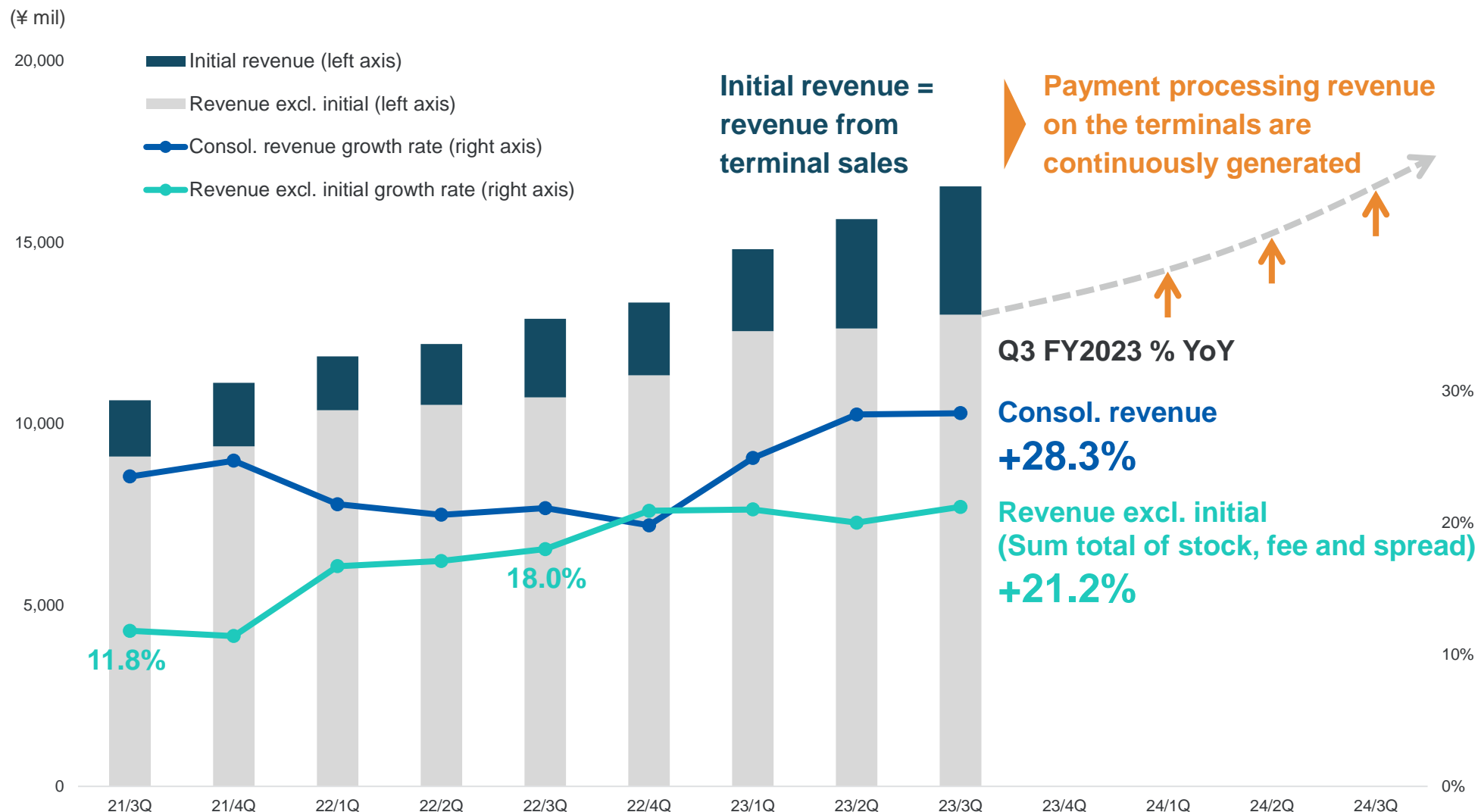
*4 Figures for initial and recurring revenue (consists of stock, spread and fee revenue and excludes initial revenue that mainly consists of payment terminal sales) are after eliminations.

*5 GMP stands for Global Major Players.

1.3.2 Change in Consolidated Revenue Mix

Revenue Excluding Initial growth rate increased by 9.4% pts. since Q3 FY2021

Consolidated revenue breakdown and YoY growth (quarterly)



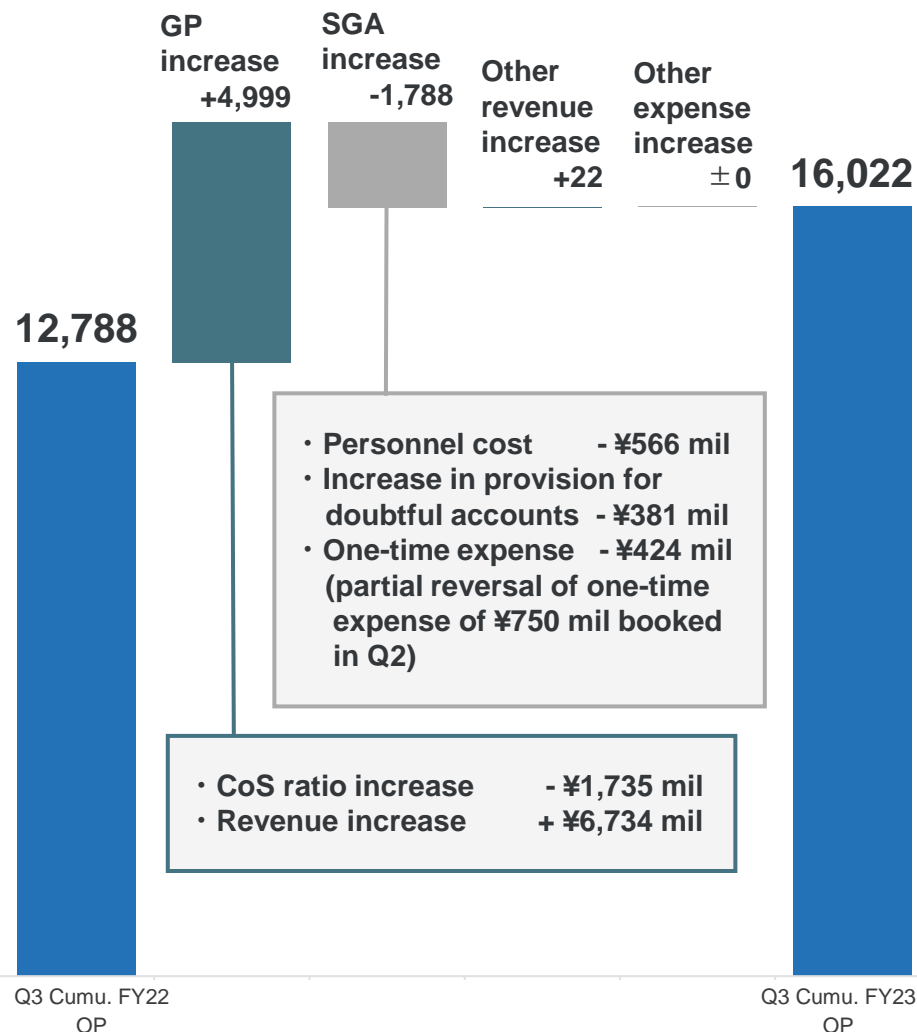
1.3.3 Waterfall Chart for Consol. OP and Pre-tax Profit (Q3 Cumulative)

OP grew 25.3% as gross profit increased on the back of revenue growth that offset the increase in SG&A

OP Waterfall Chart

Up 25.3% YoY

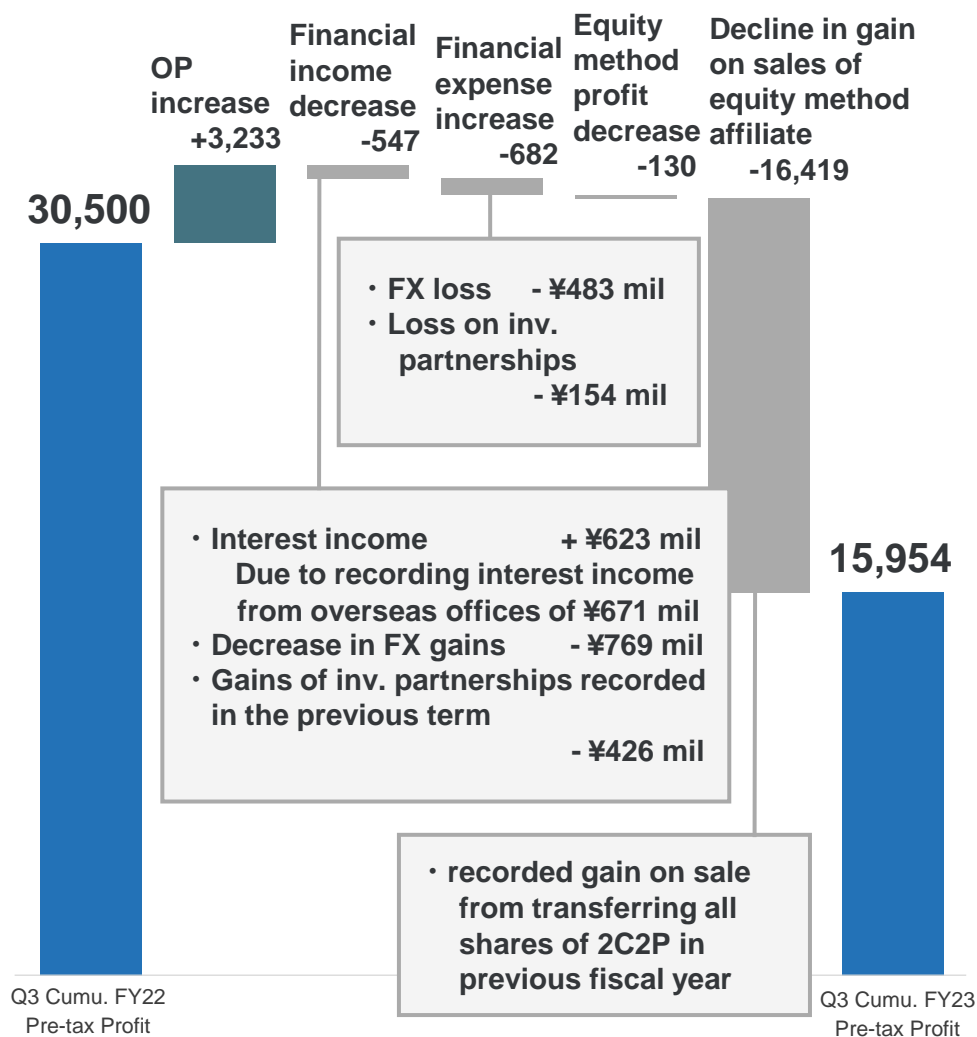
(¥ mil)



Pre-tax Profit Waterfall Chart

Down 49.3% YoY

(¥ mil)

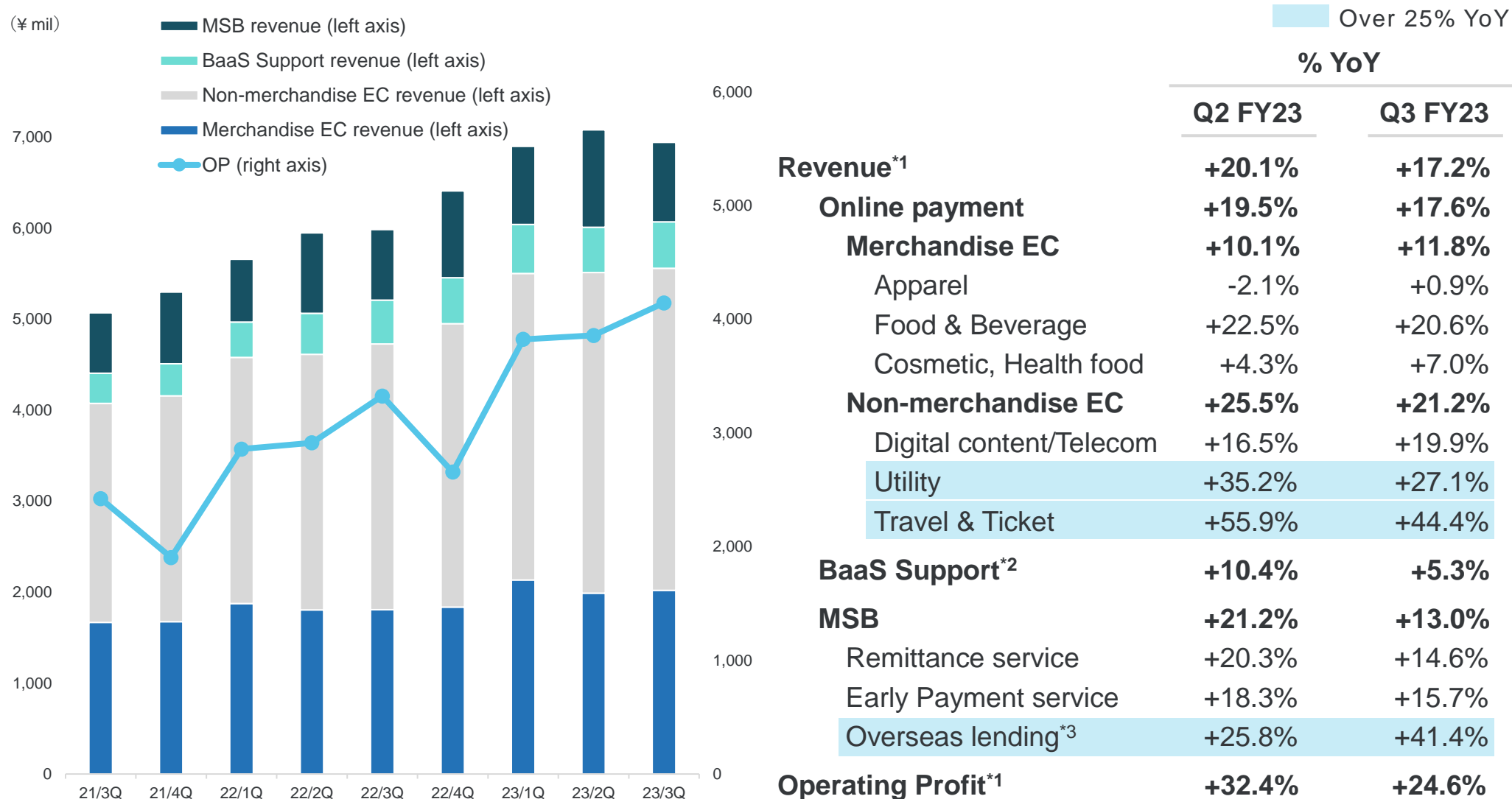


* The "+" and "-" sign denote the direction of the impact to operating profit and pretax profit.

1.4.1 GMO-PG Non-consolidated Performance

Revenue grew 17.2% from cycling through of major project that accelerated growth over the past year

GMO-PG Non-consolidated Revenue & OP



*1 Figures for revenue and operating profit are before consolidated eliminations. *2 Figures for BaaS Support is the sum total of Ginko Pay and Processing PF.

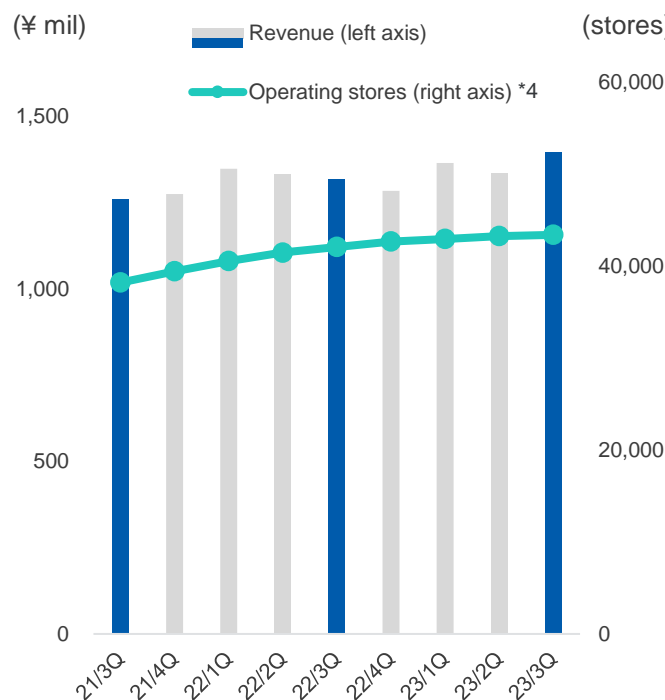
*3 Figures show the consolidated revenue for overseas lending. Calculated by excluding one-time revenues recorded before the previous term. PG non-consol. would be down 8.8% YoY for Q2 FY2023 and down 19.7% for Q3 FY2023.

1.4.2 Performance of GMO-EP, GMO-PS and GMO-FG

Growth rate improves from April onwards at GMO-EP and GMO-PS; GMO-FG continues is high growth

Consol. GMO-EP*1*2

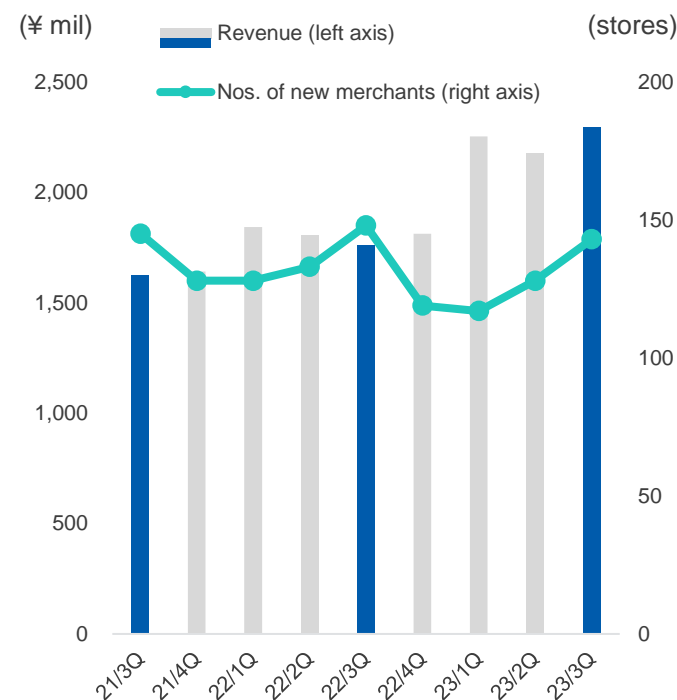
(% YoY)	Q2 FY23	Q3 FY23
Revenue	+0.3%	+5.9%
OP	-0.4%	+7.2%



One-time uplift leads to revenue growth, (or up 3.3% excl. this factor)
GMO-MR grew +40.1%

GMO-PS*2

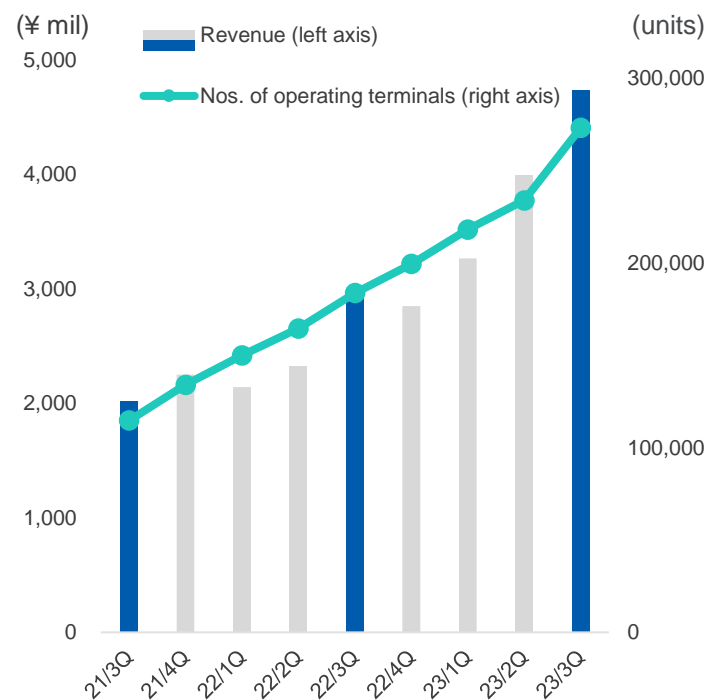
(% YoY)	Q2 FY23	Q3 FY23
Revenue	+20.5%	+30.6%
OP	-50.5%	+215.3%



Revenue increased from commission rate revision and ramp up of major merchant; credit costs still undergoing adjustments

Consol. GMO-FG*1*3

(% YoY)	Q2 FY23	Q3 FY23
Revenue	+71.8%	+59.1%
OP	+119.6%	+76.9%

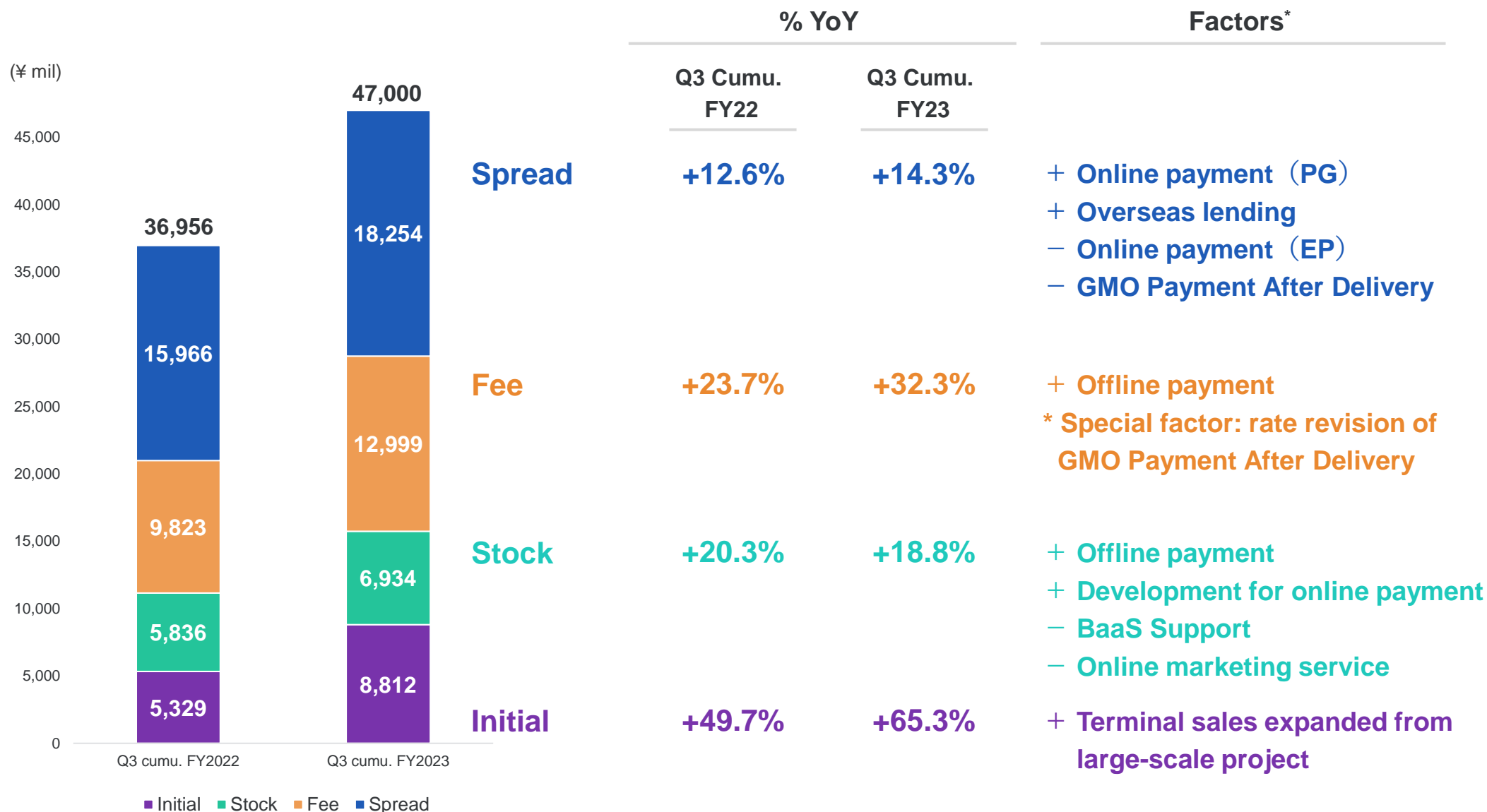


Rollout of stera terminal to Japan Post (full year est. approx. 26K units); recurring revenue*5 +53.6%

*1 GMO-EP consol. includes GMO-EP and GMO-MR. GMO-FG consol. includes GMO-FG and GMO-CAS. *2 Figures are before GMO-PG consolidated eliminations. *3 Figures are taken from GMO-FG's consolidated financial results. *4 Figures present the number of B2C EC merchants. *5 Recurring revenue (sum total of stock, fee and spread and excludes initial which mostly consists of terminal sales) is after GMO-PG consolidated eliminations.

1.5 Revenue by Business Model (Q3 Cumulative)

Fee revenue grew 32.3% from increased TRX volume for offline payment

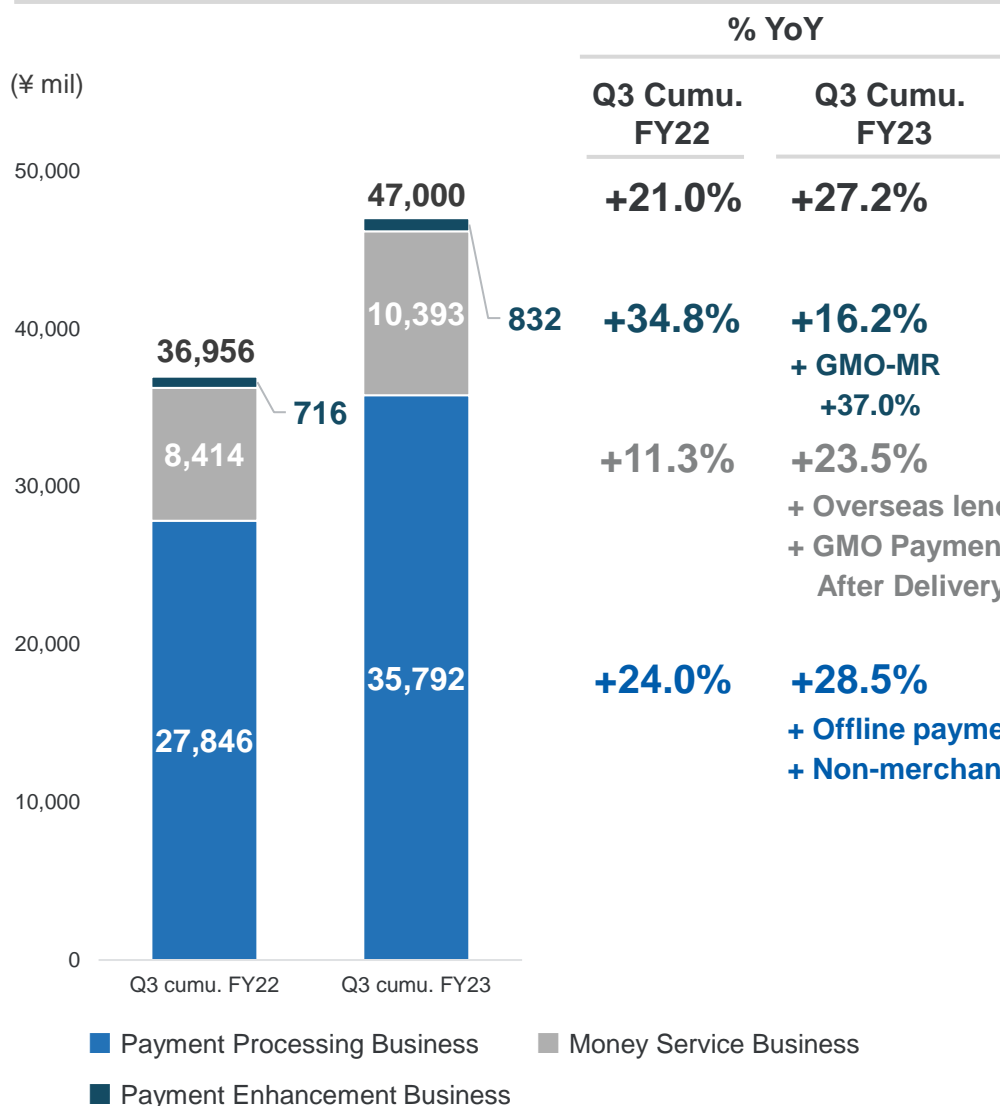


* The "+" signs indicate services with growth rates that are higher than 25% or if the growth rate is higher than that of the business model; the "-" indicates growth rates that are lower.

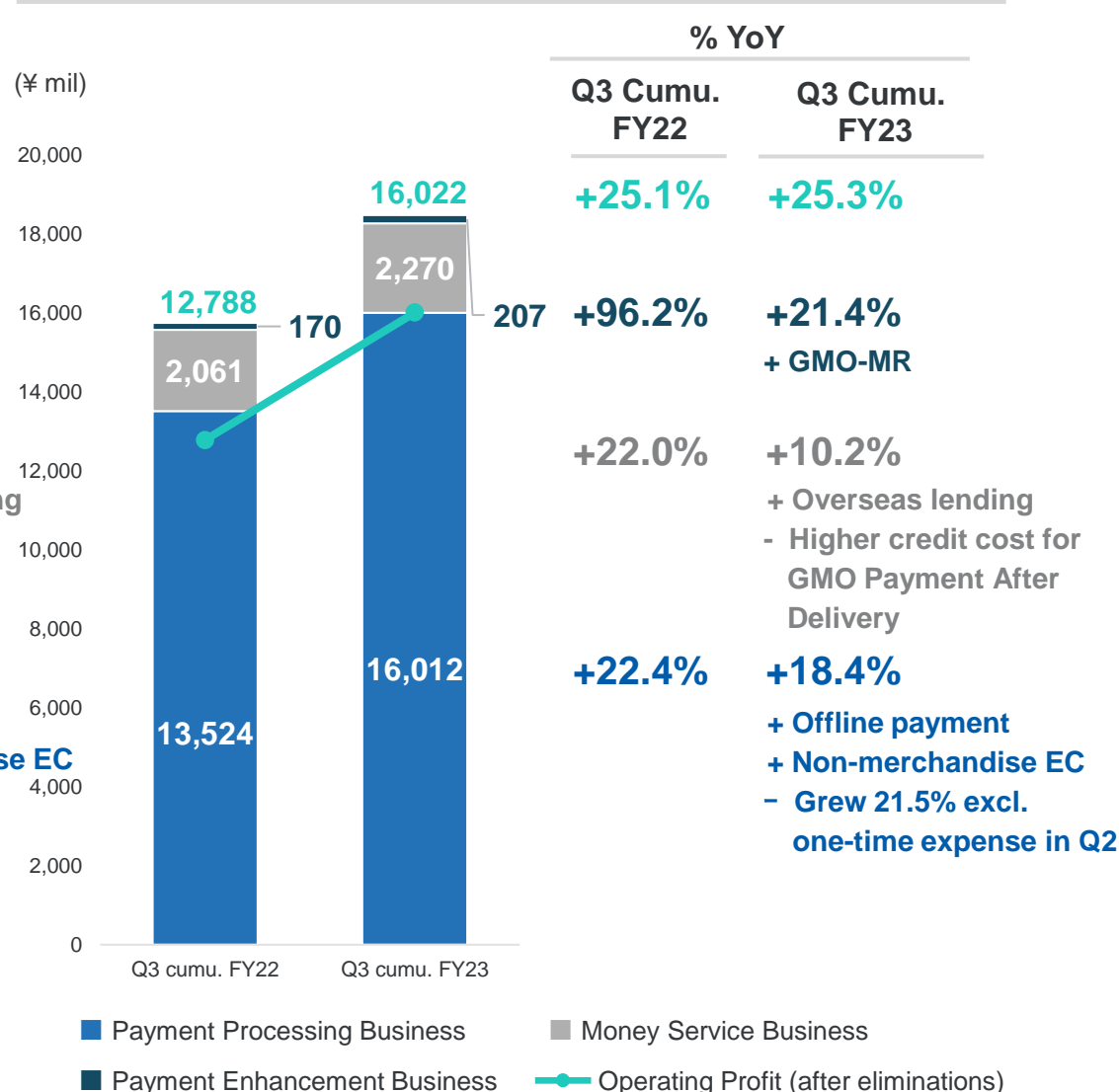
1.6 Segment Results (Q3 Cumulative)

Each segment making solid progress towards achieving full year guidance

Segment Revenue



Segment Profit



2. Growth Strategy and Initiatives in Focus Areas

2.1.1 Snapshot of Major Business Portfolio

Challenges and responses of consolidated subsidiaries' revenue growth rates

Challenges and responses for each companies' growth potential

	% YoY		Challenges/Factors	Response	Growth Initiatives
	Q3 FY22	Q3 FY23			
GMO-PG	+19.2%	+17.2%	<ul style="list-style-type: none"> • Project delays • Improved project profitability • External factors 	<ul style="list-style-type: none"> • Strengthen PM capability • Thorough management of profitability 	2.3.1 2.4
	<p>Temporary slowdown</p>				
Consol. GMO-EP*	+4.6%	+5.9%	<ul style="list-style-type: none"> • Weak SME merchandise • Measures in growing domains falls behind • High dependency on existing partners 	<ul style="list-style-type: none"> • Further penetrating non-merchandise domain • Strengthen product and sales system • Acquire anchor merchant with new sales partner 	2.3.2
	<p>Flat</p>				
GMO-PS	+8.4%	+30.6%	<ul style="list-style-type: none"> • Delay in new BNPL • Improved margins • Enroute to optimize credit cost 	<ul style="list-style-type: none"> • Strengthen PM capability • Improvement credit assessment accuracy 	2.6
	<p>Improving</p>				
Consol. GMO-FG*	+47.4%	+59.1%	<ul style="list-style-type: none"> • Measures to maintain high growth of terminal sales • Cross-sell services 	<ul style="list-style-type: none"> • Develop major clients and business partners • Improve value-added and ARPU of merchants 	2.5
	<p>Improving</p>				

* GMO-EP consol. includes GMO-EP and GMO-MR. GMO-FG consol. includes GMO-FG and GMO-CAS.



2.1.2 Reason for Sluggish Revenue Growth

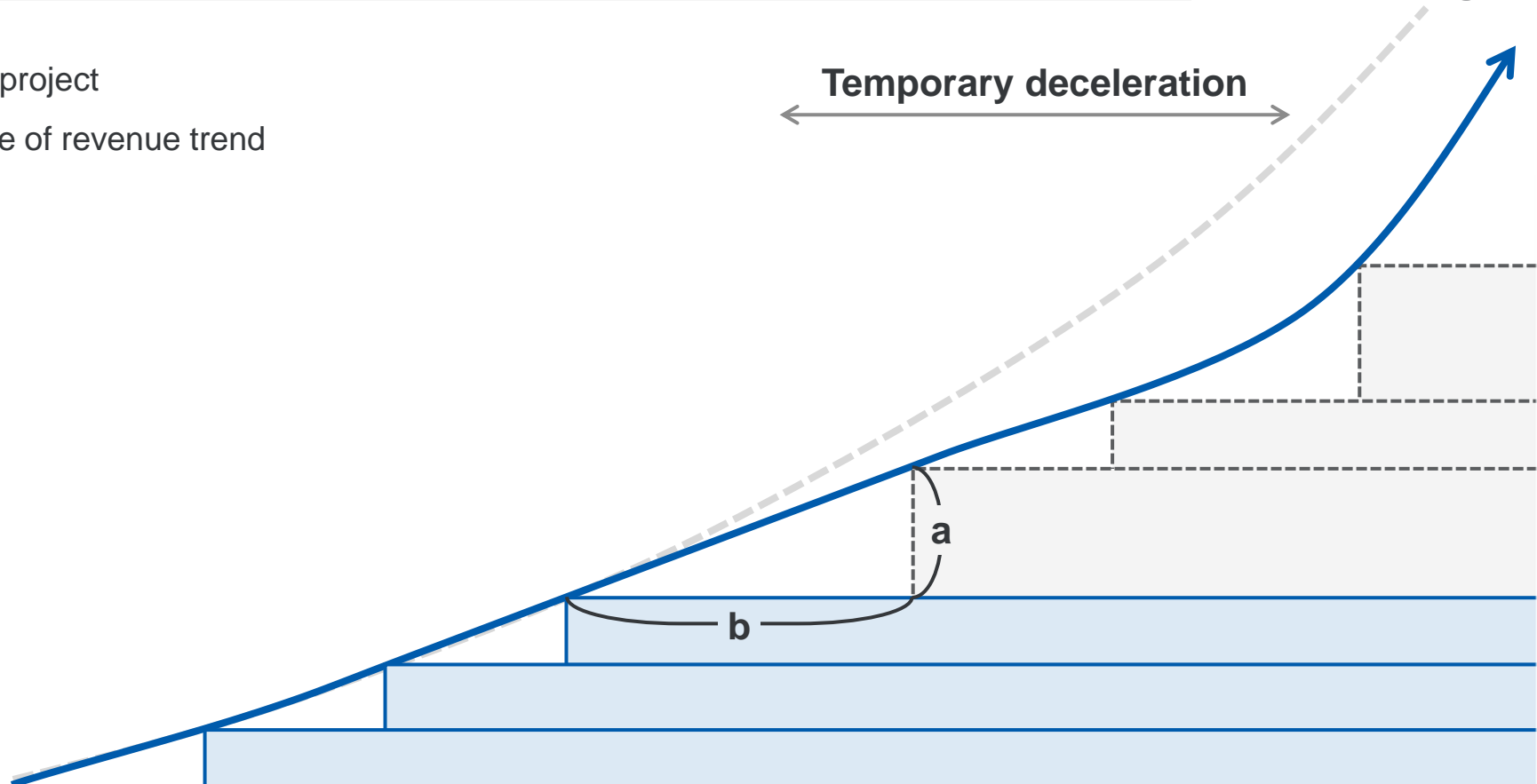
Measures in place to fill the temporary lull before the contribution from new projects

Image of revenue and startup of new projects

In order to sustain high growth, it is necessary to expand revenue and profit size per contract
However, the larger the project, (a) the longer the lead time and (b) raises the bar on maintaining high growth on a yearly basis

Growth trajectory
at cruising speed

 New project
 Image of revenue trend



2.2 Initiatives in Each Focus Areas

Generating and launching large projects to return to high growth; raising efficiency of new acquisitions

Basic strategy

1. Generate large-scale projects with high gross margins and achieve on-schedule launch
2. Improve yield rates by efficiently acquiring new customers that use simplified payment services

Building pipeline of new large-scale projects in various verticals

Focus Areas ■ Broader EC ■ FinTech ■ BaaS ■ Offline payment

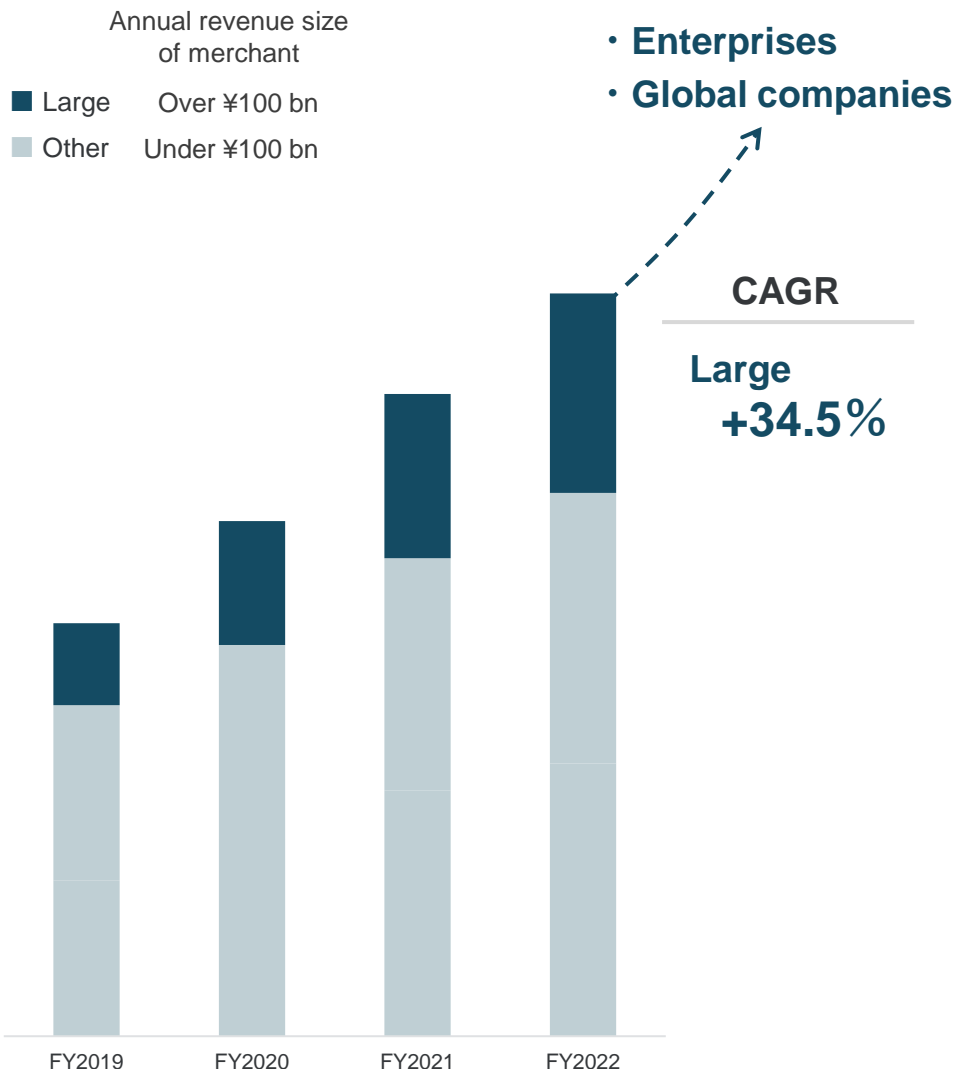
★ Projects are described in slide 2.3 to 2.7

City halls, stera launched to Japan Post ★	Commercial facilities/ Train station facilities				JTB Payment PF for accommodation facilities
Digital local currency	Issuing support	Credit card issuing ★			Mobility payment ★
Payment after Delivery/ Pay On Credit	Salary DX	Expand to fee and spread model	Unmanned terminals (parking, etc.)		fincode byGMO ★
Customer-related business operation DX	BNPL OEM ★	PF for major banks	Payment after Delivery/ Pay On Credit	Early Payment service	Digital gift voucher
National Tax Agency's smartphone app	Pay On Credit for Restaurant PF	Processing PF ★	RE-related business operation DX	Remittance service to major Chinese corporate ★	Services for customer's eco-system
SMS Choice of Payment	Proprietary brand payment method	New BNPL with SMCC ★	Leasing/Guarantee DX	Expand payment methods	BPSP
Credit card payment	Vending machine	BPSP	e-contract	OpenAPI-type implemented ★	Cashless payment of insurance premiums
Utility	Retail/Merchandise	Finance	Real Estate	GMP*1	Other non-merchandise*2

*1 GMP stands for Global Major Players. *2 Other non-merchandise includes insurance, digital content, broadcast and telecom, travel and transport.

Accelerate approach to global large customers by improving competitiveness of major products

GMO-PG/GMO-EP Revenue trend by merchant size



Growth initiatives

- Acquisition of large-sized merchants
- Rollout of industry-specific PF

Major update of PG Multi-payment Service

May 2023

Implemented advanced “OpenAPI-type” ★
(specification according to global standard)

- Cut lead time for onboarding additional payment method to **one-tenth***
- Easy onboarding of Japan-originated payment method



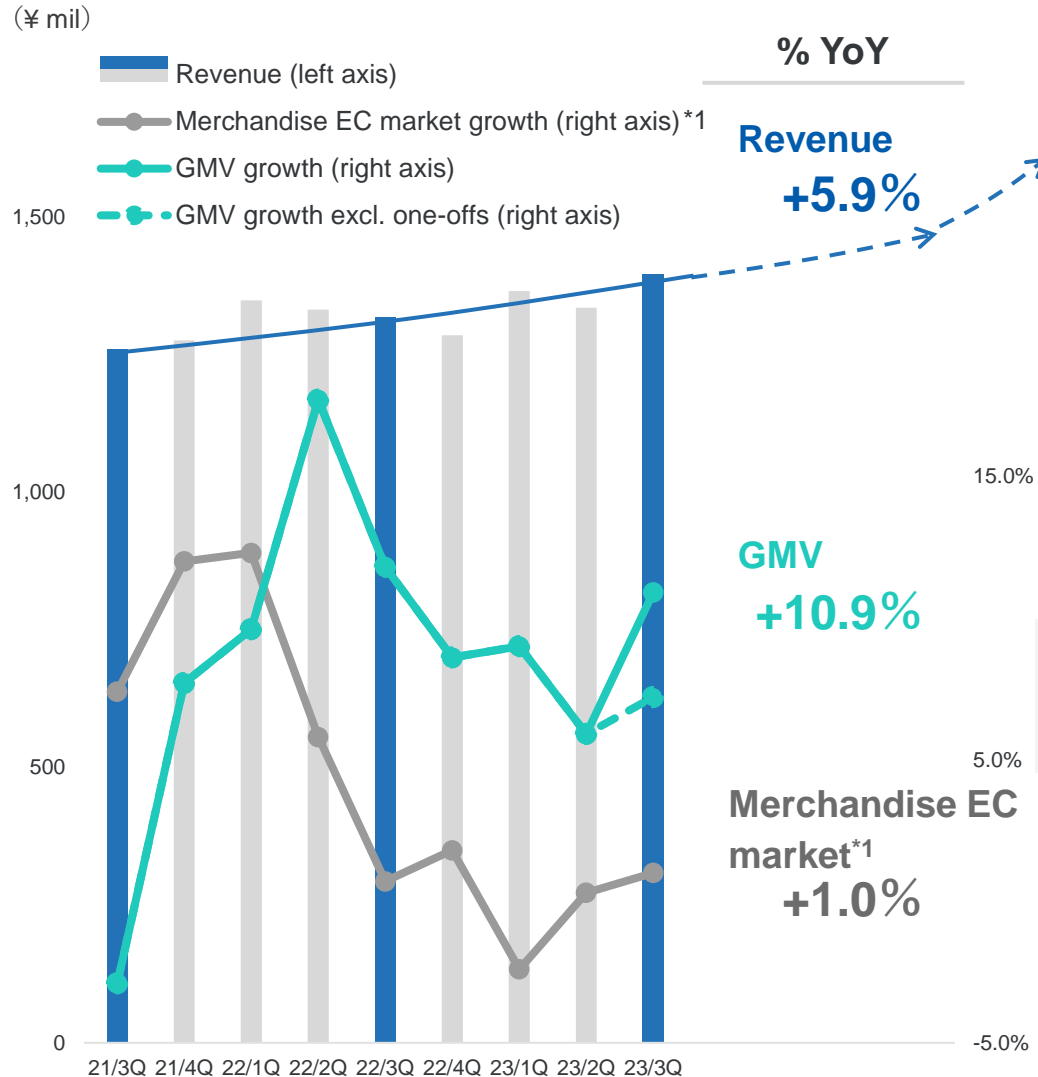
Explaining the advantages to EC operators at a press briefing

* Based on GMO-PG research.

2.3.2 Broader EC: Return to Growth in Small Operator Segment

Expand services and focus on target domains to return to growth

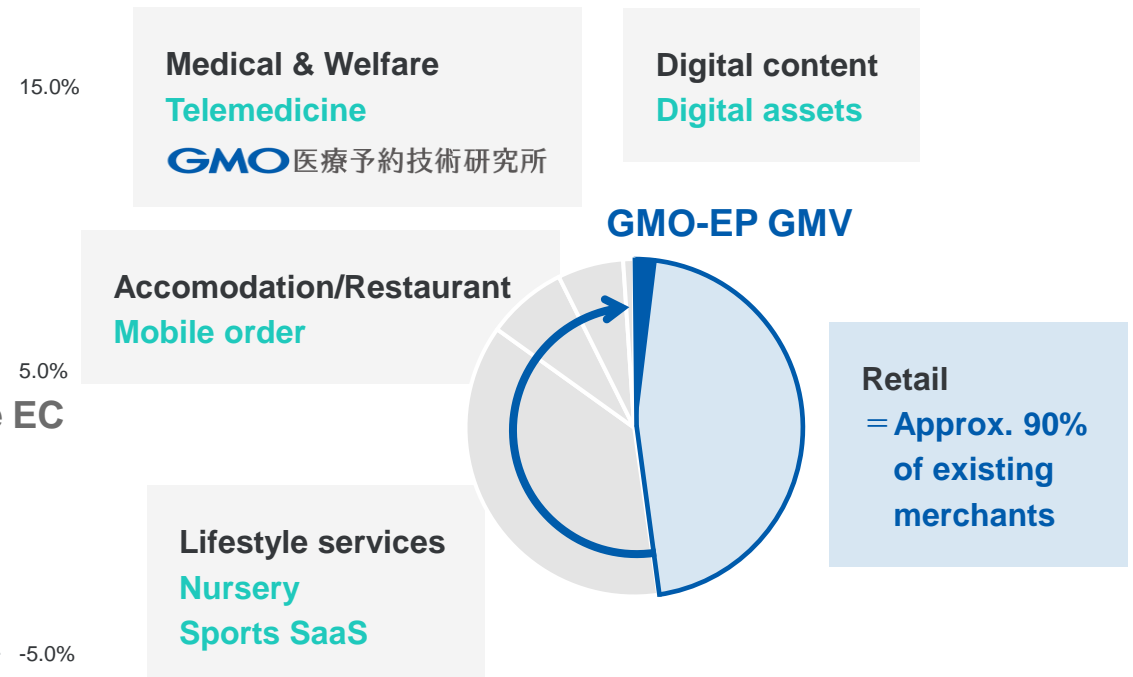
Consol. GMO-EP revenue & GMV growth rate



Growth initiatives

- Drill down into non-merchandise domain
Acquire merchants across verticals by providing industry-specific PFs fincode byGMO★
- Expand financial services

Target market (SME EC) *2

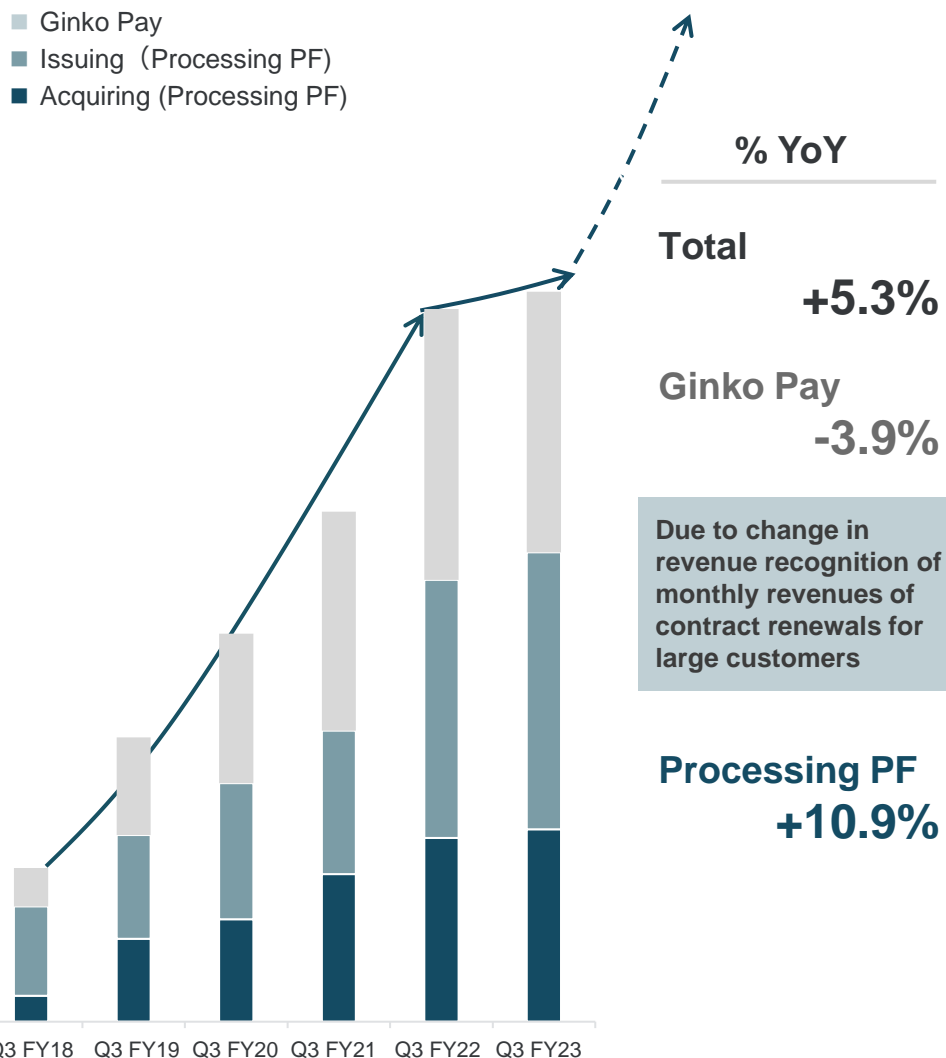


*1 Ministry of Internal Affairs and Communication, "Annual report on the survey of household economy." Figures are categorized into merchandise and non-merchandise according to expenses made using the internet.

*2 Company estimate.

Return to growth next fiscal year from contribution of large-scale projects, and expand the revenue model

Ginko Pay/Processing PF revenue*2 (Q3 standalone)



Growth initiatives

- Expand issuing PF
- Service offered to business operators other than banks
- Expand revenue model

Progress on projects

Ginko Pay

- Contract extension at several banks from FY2023 to FY2024
- Add-on functionality
 - Link to “COTRA tax public fund service” from April 2023
 - Unified QR code for local govt. taxes to enable payment of local taxes

Processing PF ★

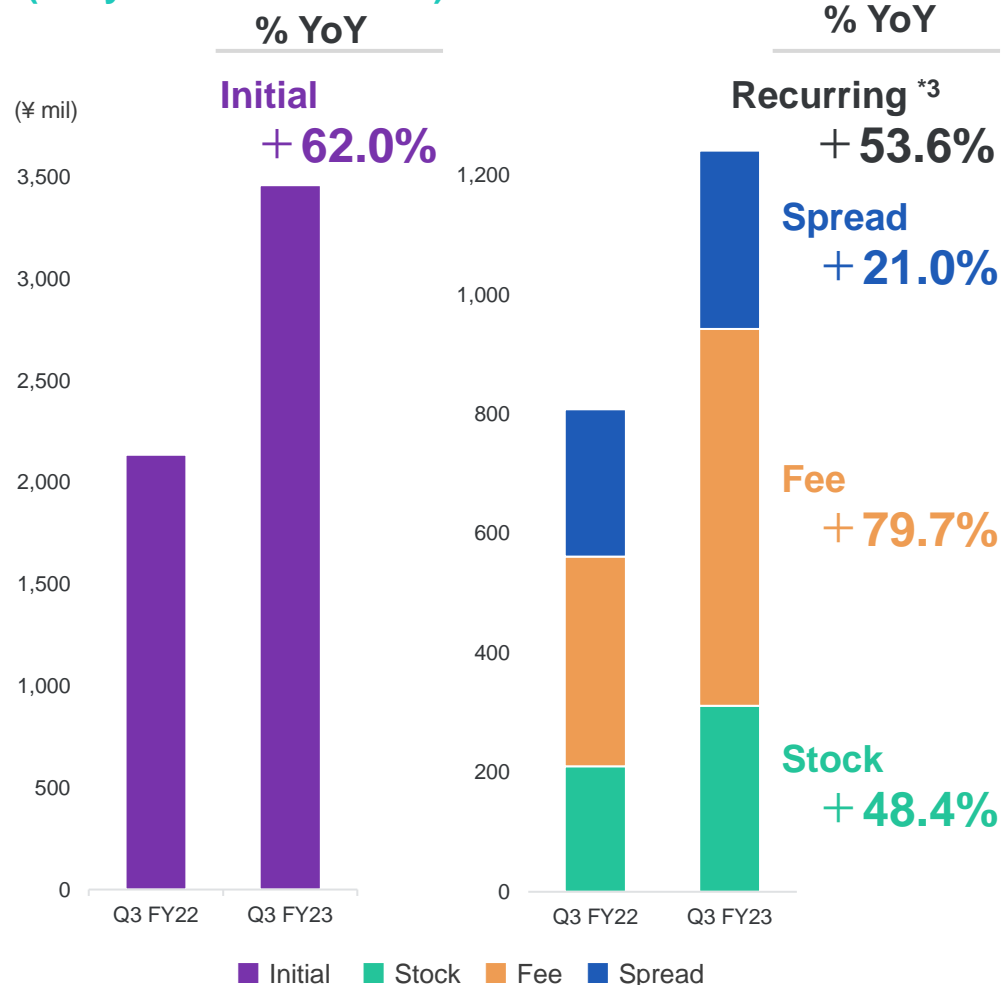
- Co. Y 24/1Q ●>
 - Co. Z 24/3Q ●>
 - Co. A 24/4Q ●>
- Launch of credit card issuing system function that utilizes H-ALIS★

*1 EF stands for Embedded Finance. *2 Includes revenues for Ginko Pay and Processing PF received from business operators other than banks/financial institutions.

Focusing on new domains to secure medium-to-long term high growth

GMO-FG/CAS revenue by business model*2 (Quarterly)

Stera terminals rolled out to Japan Post★
(full year est. 26K units)



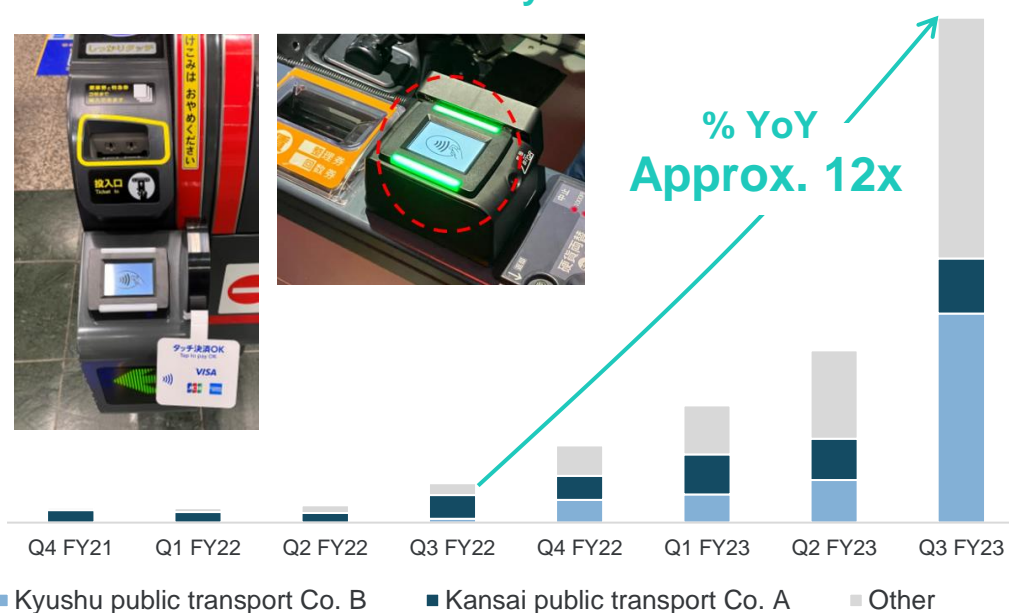
Growth initiatives

- Enter into new domains
Public transport/Large commercial facilities/
Inbound/SMEs, etc.
- Value-added services and new business creation to
improve merchant ARPU

Expanding TRX volume in the mobility domain

Increase in mobility payments in metropolitan areas with
the increase in inbound tourists

PoC test to comment for Tokyo Metro from FY2024★



*1 The operating profit target for 2025 includes companies other than GMO-FG and GMO-CAS. *2 Figures are after GMO-PG consolidated eliminations.

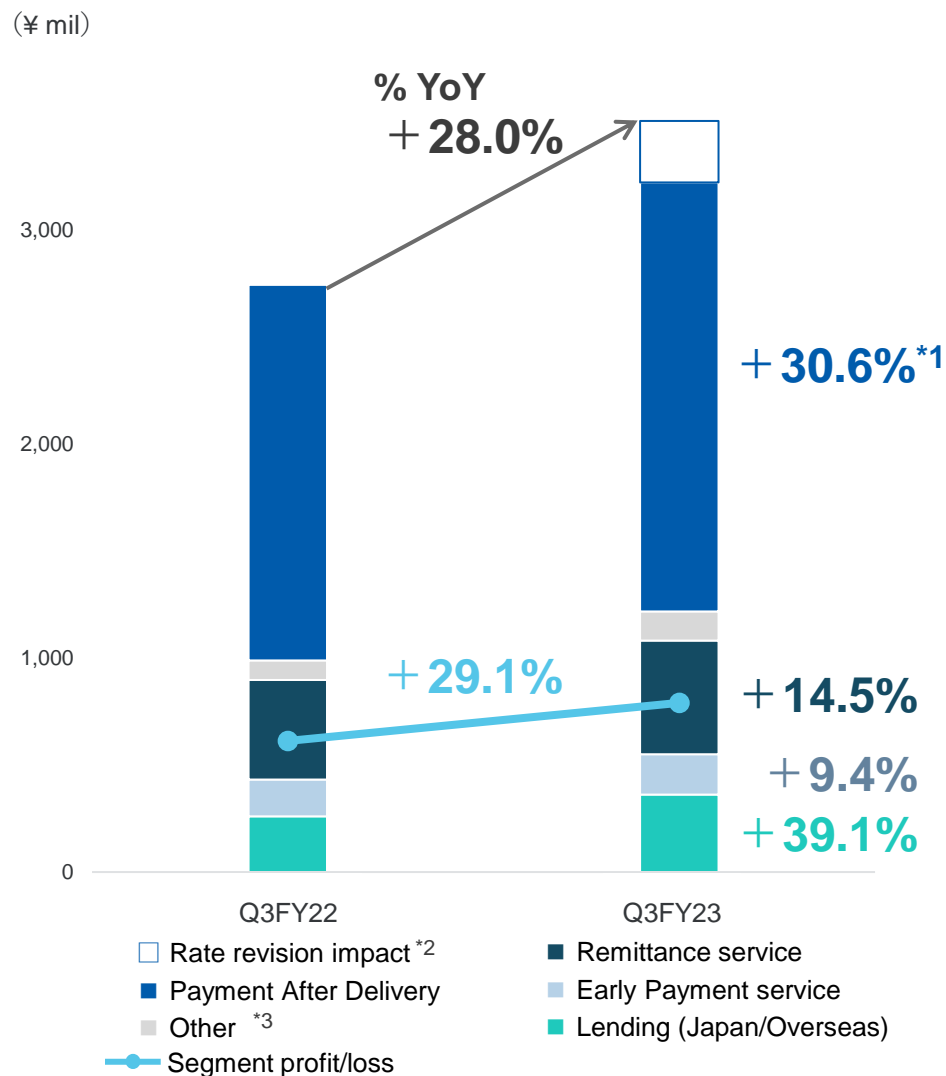
*3 Recurring revenue is the sum total of stock, fee and spread and excludes initial which mostly consists of terminal sales.

2.6 FinTech: GMO Payment After Delivery

FinTech OP target:
2025 ¥3.0 bn~

Revenue on expanding trend, as new merchant acquisitions offsets the impact of credit tightening

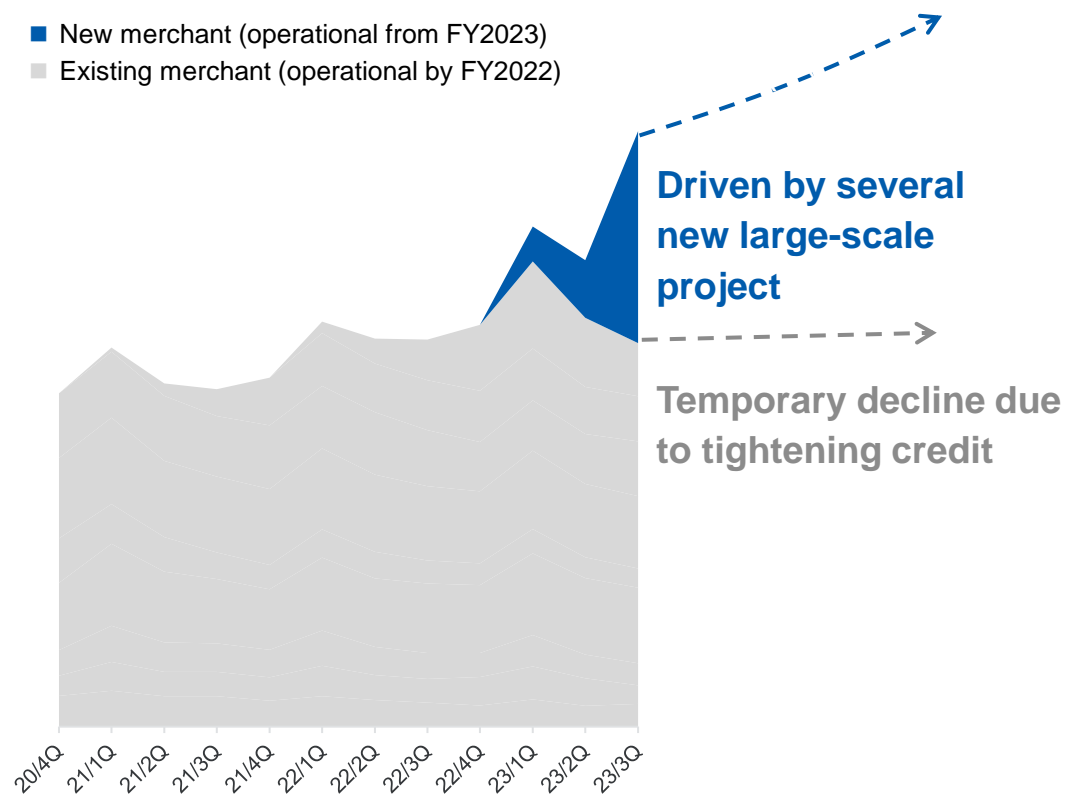
FinTech revenue and profit/loss (Quarterly)



Growth initiatives

- Expanding share by broadening services
New BNPL with SMCC★ BNPL OEM service★
- Improve credit assessment accuracy

GMO Payment After Delivery: GMV by new and existing merchants



*1 Includes the impact of commission rate revisions for Payment after Delivery. *2 Rate revision to reflect the increase in CVS payment agency cost.

*3 Others: the sum total of B2B factoring, finance lease, B2B AR Guarantee, Condo Pay, Instant Salary byGMO.

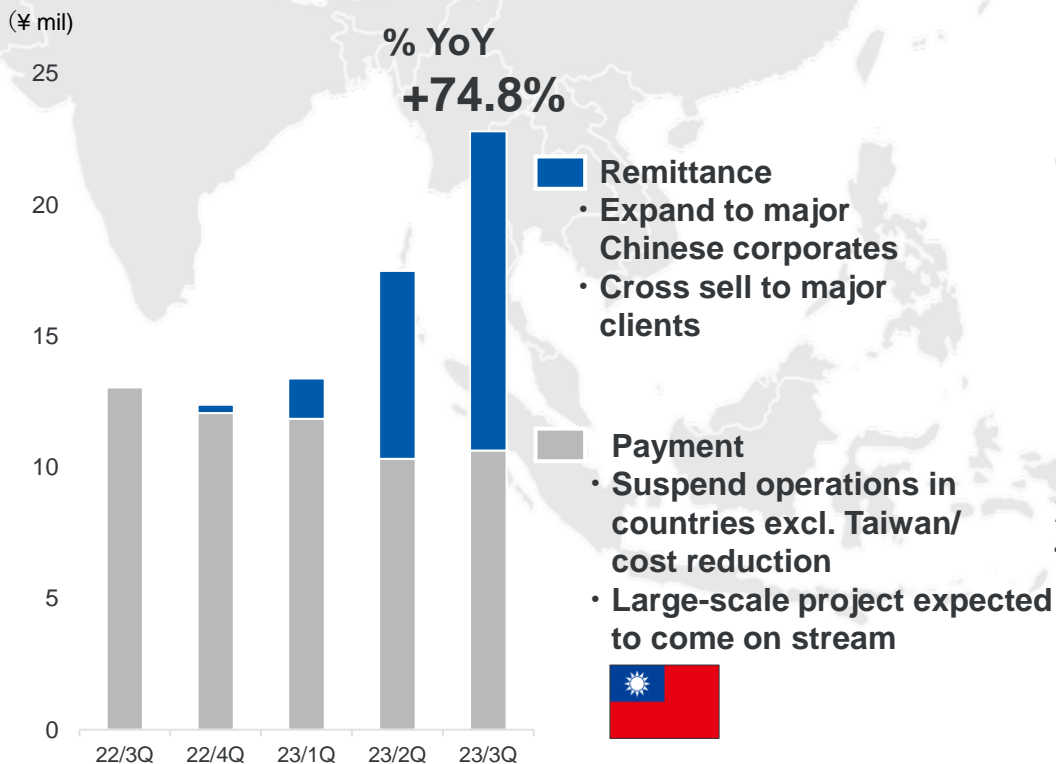
2.7.1 Global Strategy

High growth of Asia payment service from acquisition of major Chinese merchant; strengthening lending in priority regions

Asia payment business

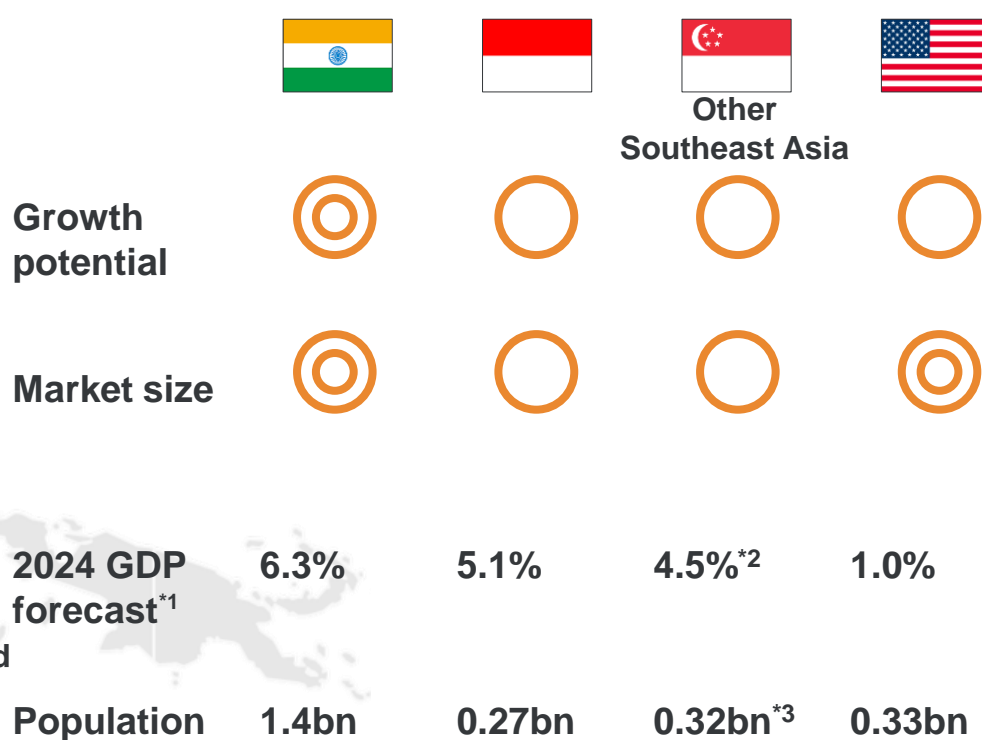
- Growth driven by remittance operations for major global Chinese merchant ★
- Leveraging
 - ① Service stability and
 - ② Multilingual capability

Asia payment revenue (quarterly)



Target markets of global lending business

- Expand mainly in the attractive markets of India and USA while diversifying regionally and following regulatory and interest rate trends

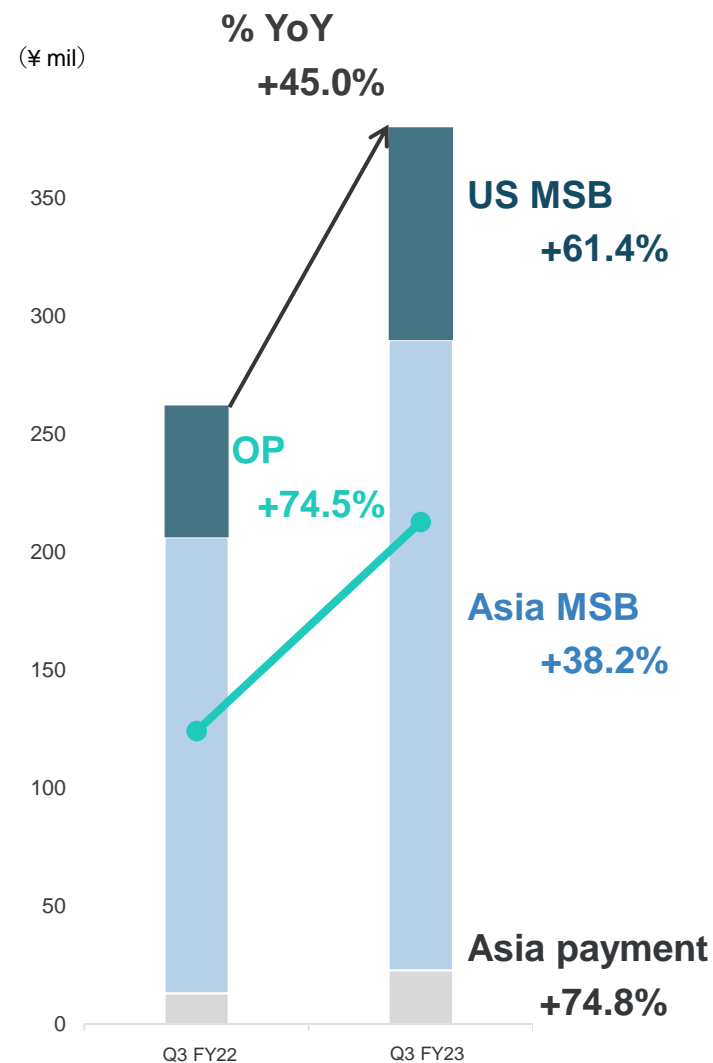


*1 Figures are disclosed from IMF (July 2023). Figures for Indonesia was released in April 2023. *2 ASEAN-5 *3 Philippines, Vietnam, Thailand, Malaysia, Singapore.

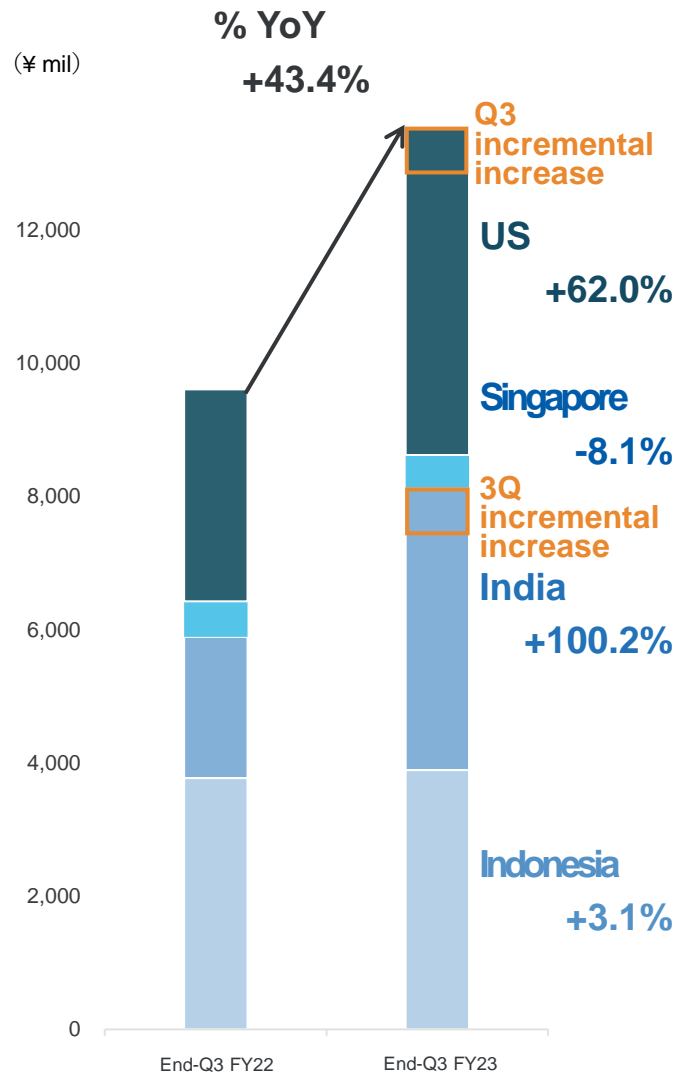
2.7.2 Global: Earnings Summary

Made progress in new investments/lending and increased lending to attractive FinTech companies in focus regions

Revenue*1 • OP*2 (Quarterly)



Loan balance (end-Jun)



New loans executed



Loan extended to US Music funding FinTech (July 2023)

- Finance based on future revenue of a music piece
- Autocredit extended to artists based on streaming data
- Positioned in growing streaming market



Minority investment into Indian KYC Tech (June 2023)

- Provides KYC/fraud detection PF to banks, etc.
- Acquire expertise in domain closely related to payment

Current pipeline



Major SME Loan FinTech

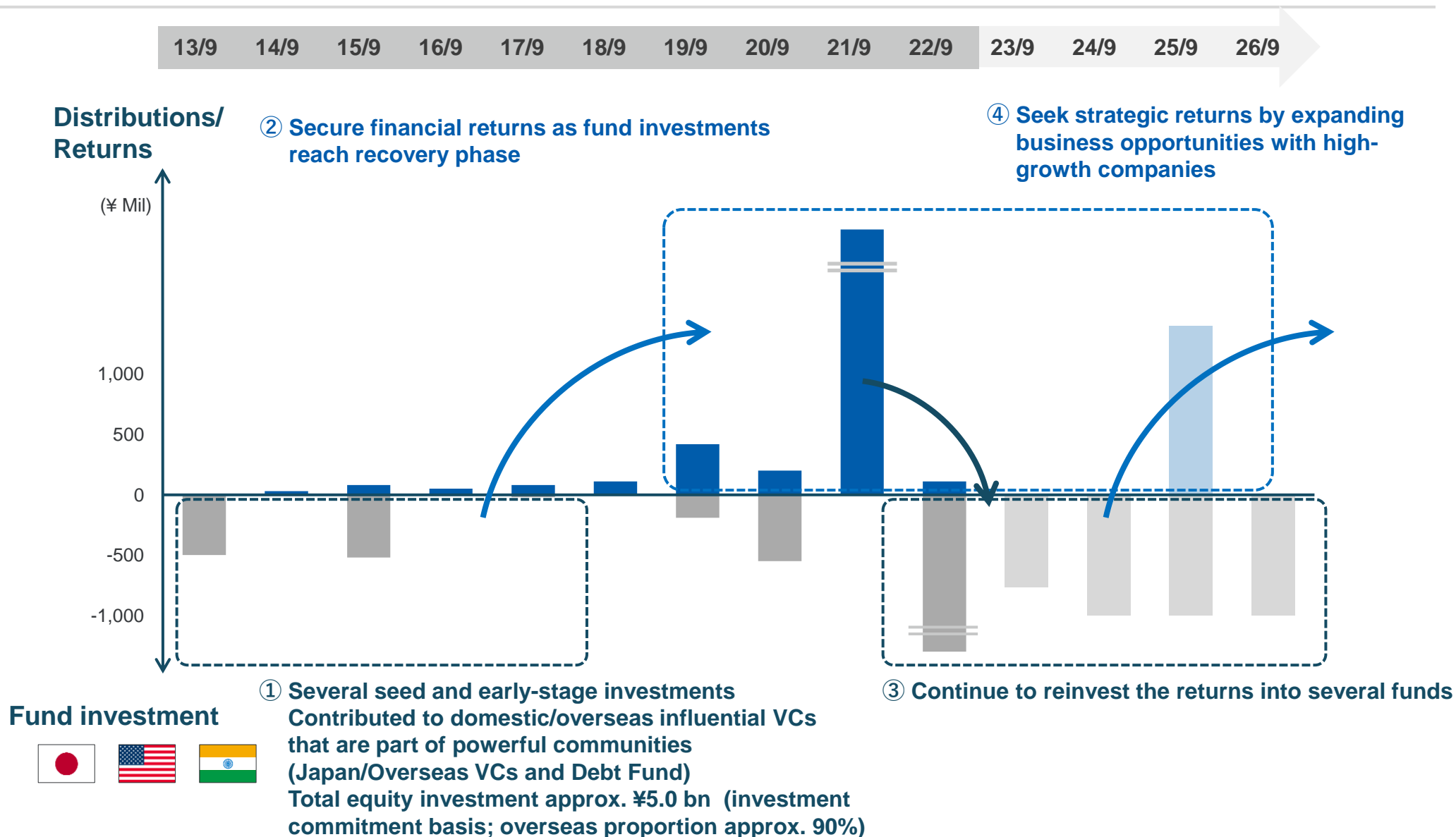
*1 Calculated by excluding the one-time revenue recorded in previous fiscal year. If included, revenue growth would be 43.8%.

*2 Calculated by excluding the one-time revenue recorded in previous fiscal year.

2.8 Fund Investment Strategy

Expand the reach to growth companies by reinvesting the returns from equity investments

Fund investment and returns



3. Sustainability

3. Sustainability: External Evaluation

Inclusion in ESG Indexes

Constituent of ESG indexes



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

The FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index are indexes adopted as the ESG benchmark for the investment of Government Pension Investment Fund (GPIF).

Major initiatives

- Promote cashless payment which has a low environment footprint
- Achieved zero GHG emissions in FY2022 for major data centers
- Expanded disclosure of ESG information such as responses to climate change, talent development and compliance system, etc.

External evaluation



Received “Eruboshi certification (3-star)” for promoting the empowerment of women from the Director of Tokyo Labor Bureau, Ministry of Health, Labor and Welfare.

Points of evaluation

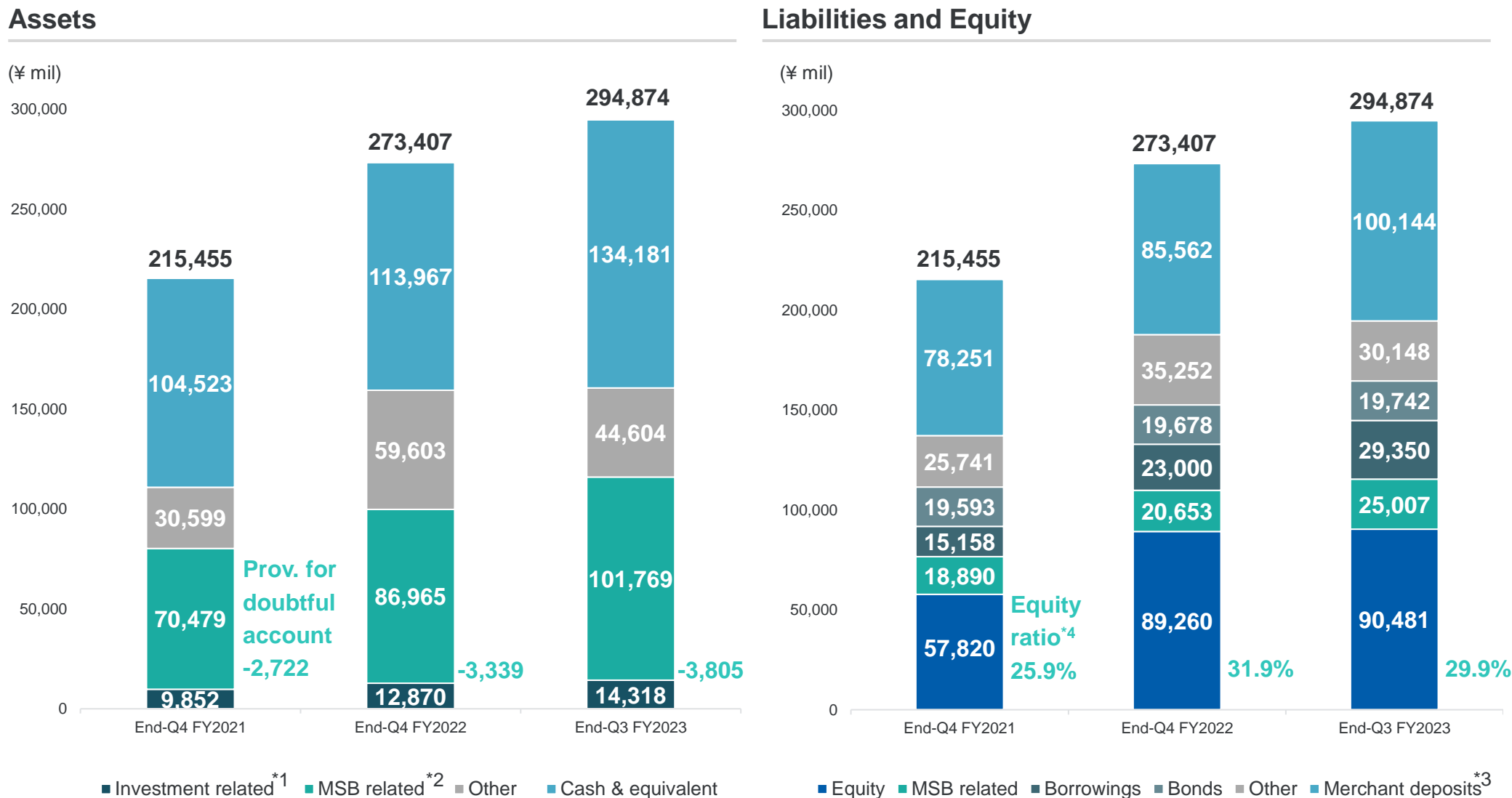
- Established of specialized consultation centers for careers, maternity and paternity leave that enables long-term career-building

* FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that GMO Payment Gateway, Inc. has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series, FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, and this certifies that the company has been included as a constituent of these indices.

4. Financial Highlights and Reference Materials

4.1.1 Consolidated Balance Sheet Changes

Increase in deposits received and MSB related assets



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

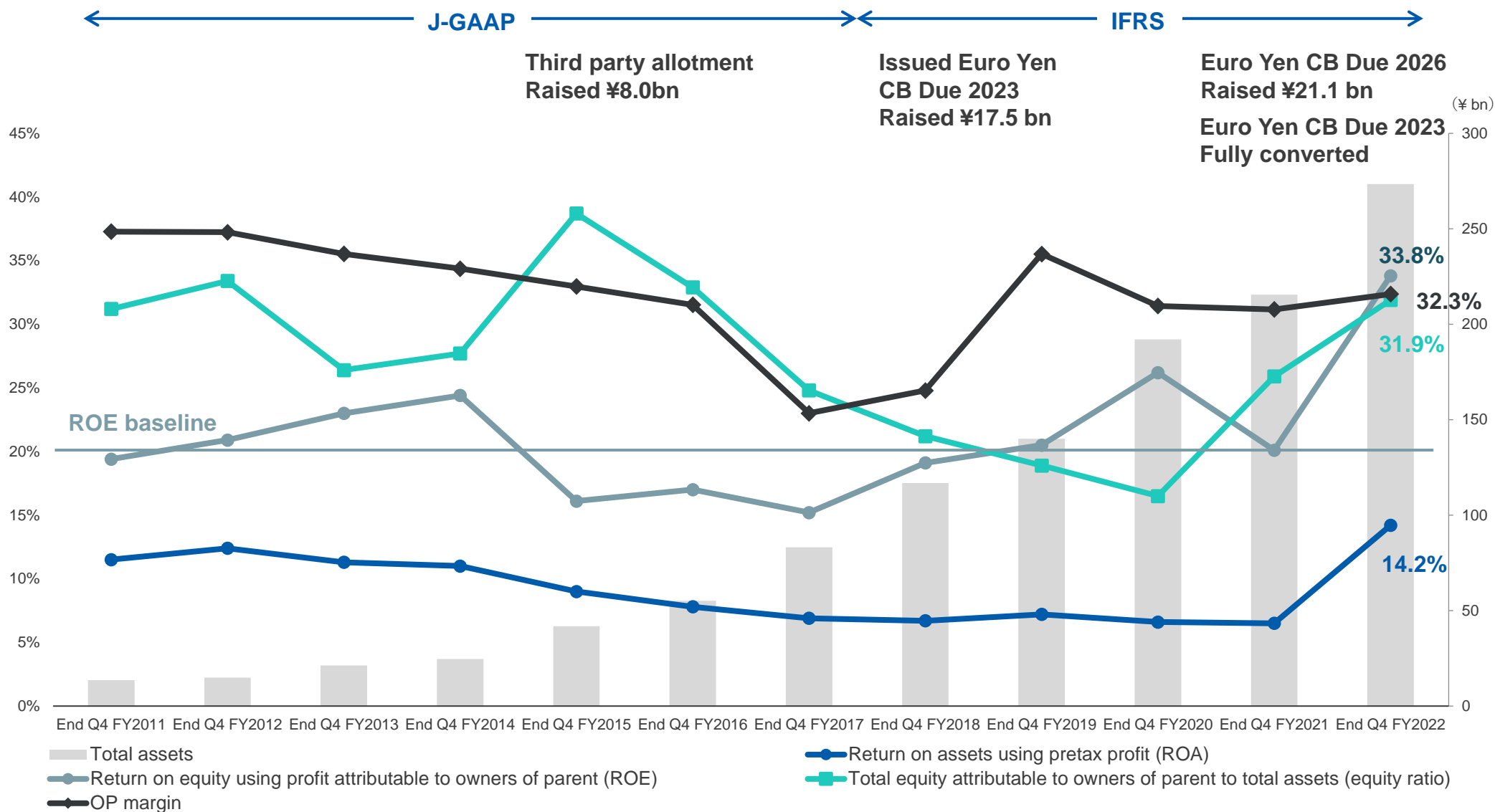
*2 MSB Related Asset: Lease assets, Short term loans, Advances paid, Accrued revenue (net of provision for doubtful accounts). MSB Related Liabilities: Accrued expenses

*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.

4.1.2 Major Consolidated Financial Indicators (Annual Trend)

Strengthened equity base with the expansion of MSB

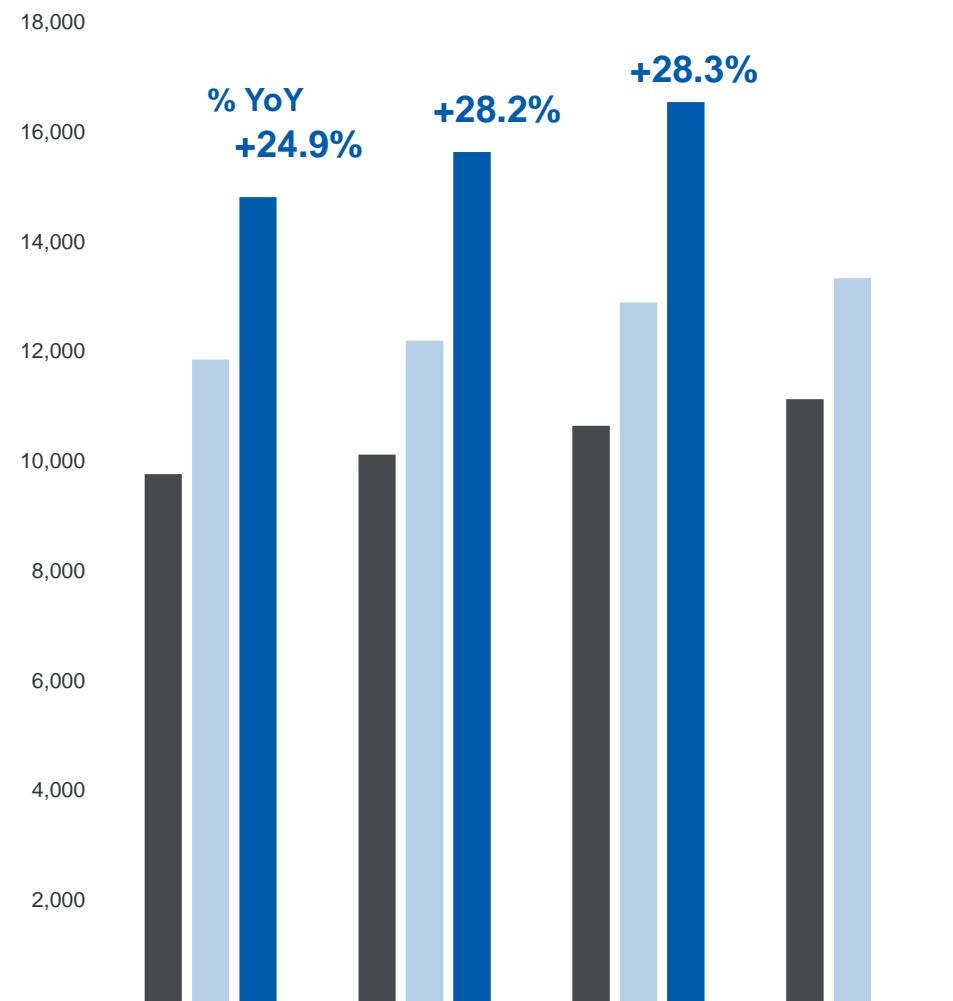


* Figures from FY2018 are based on IFRS standards. For figures before FY ending September 2017 are based on J-GAAP standards. As such, total assets refers to assets, equity refers to net assets and total equity attributable to owners of parent to total assets refers to equity ratio, return on total assets 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.

4.2 Consolidated Revenue and Operating Profit (Quarterly)

Consol. revenue

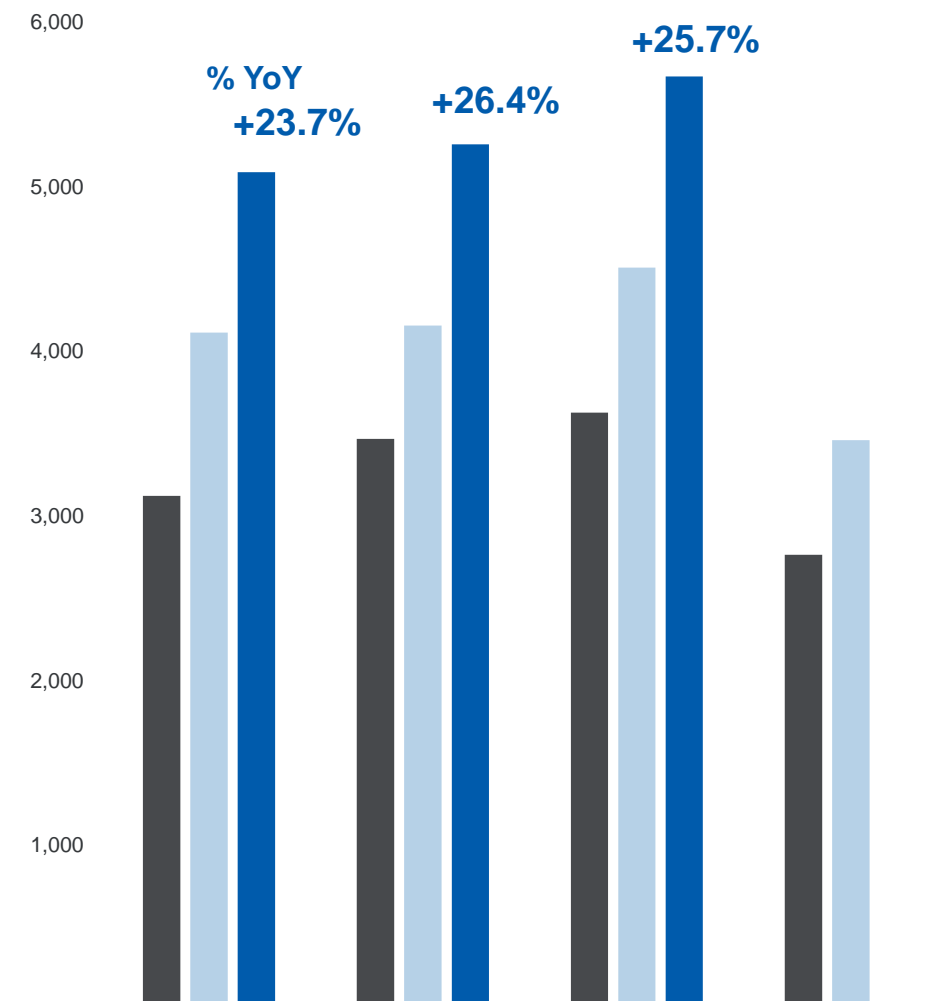
(¥ mil)



	1Q	2Q	3Q	4Q
■ FY2021	9,767	10,121	10,646	11,132
■ FY2022	11,857	12,201	12,897	13,341
■ FY2023	14,813	15,641	16,546	

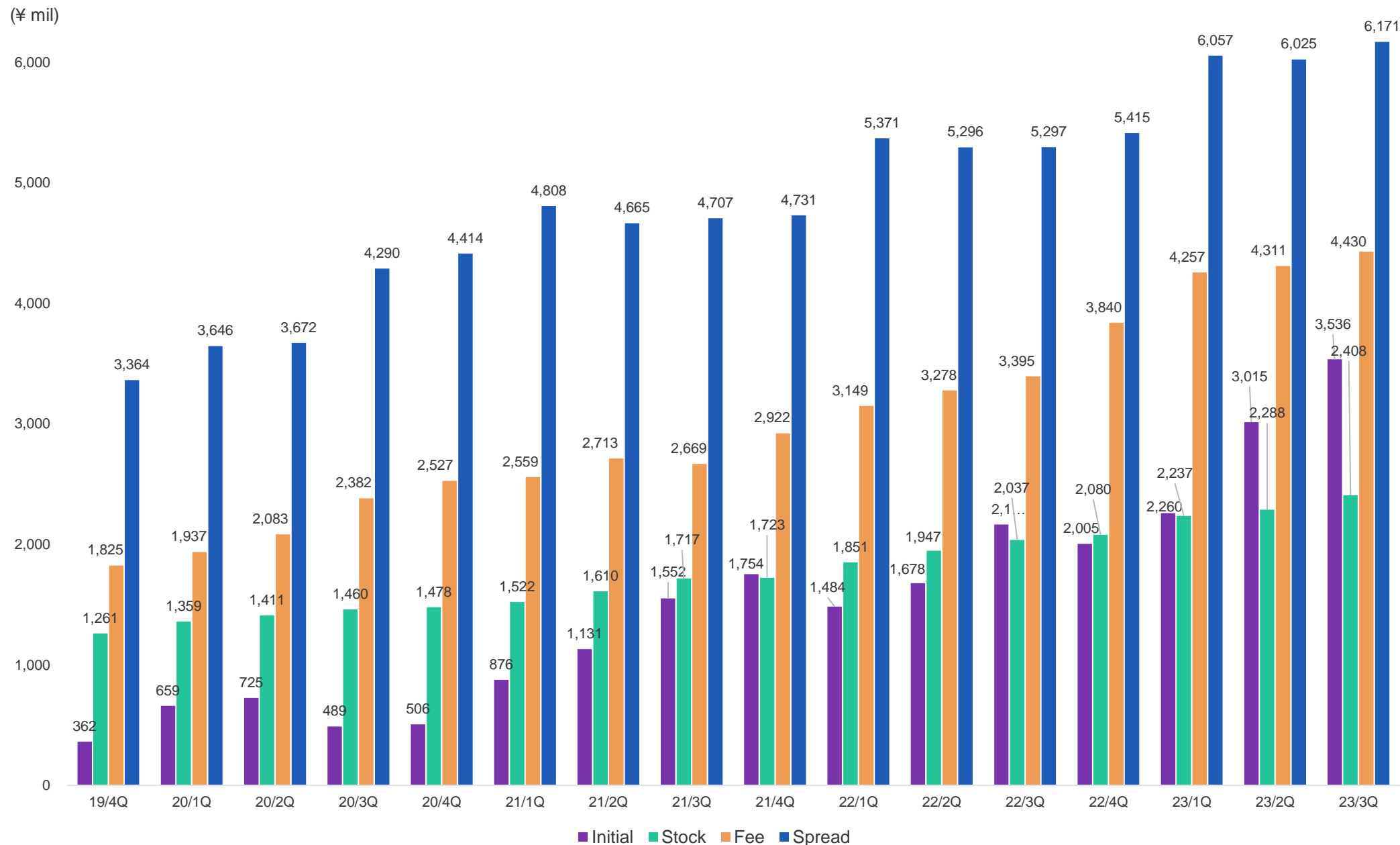
Consol. operating profit

(¥ mil)



	1Q	2Q	3Q	4Q
■ FY2021	3,122	3,470	3,629	2,764
■ FY2022	4,116	4,159	4,511	3,461
■ FY2023	5,090	5,260	5,671	

4.3 Consolidated Revenue by Business Model (Quarterly)

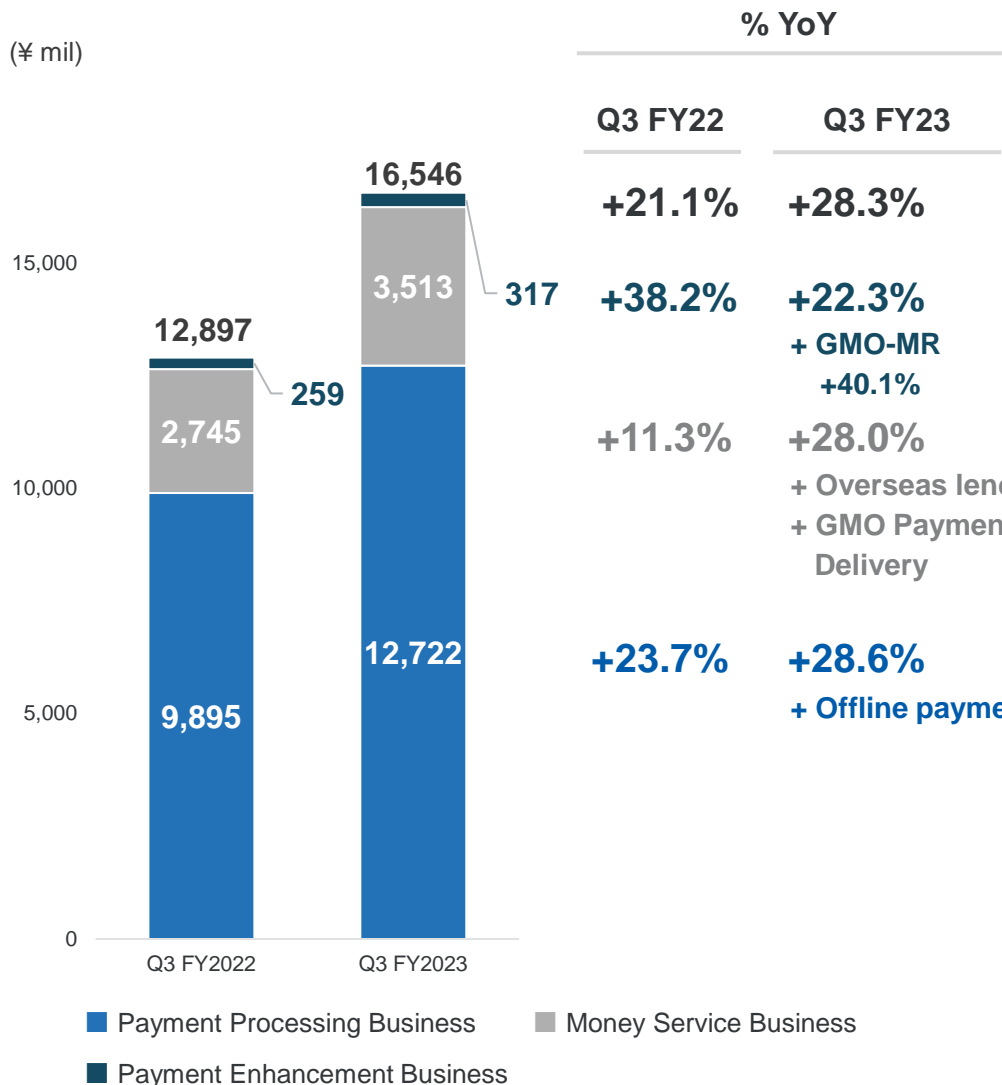


* The figures for revenues by business model present the continuing operations only and exclude MACROKIOSK, due to its deconsolidation in May 2020.

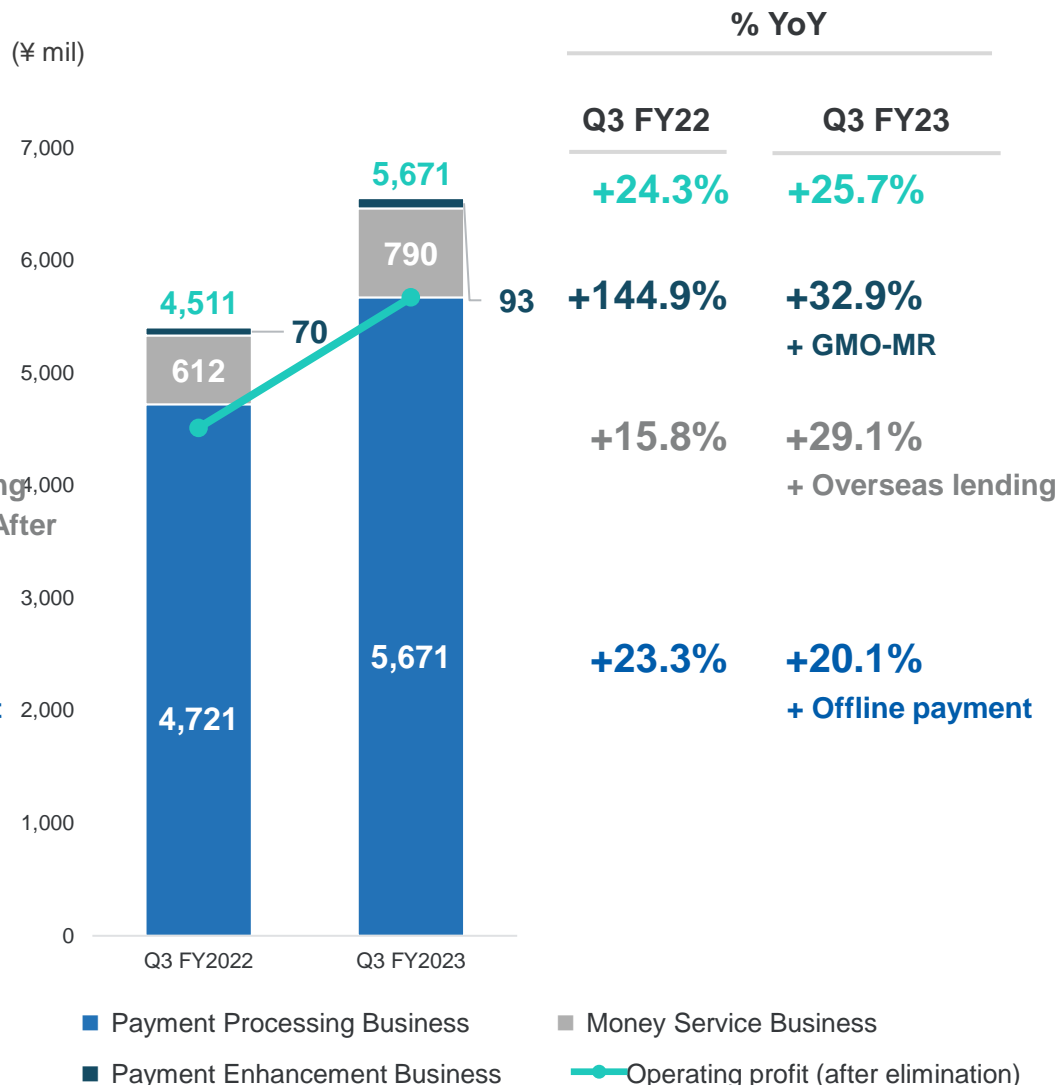
4.4 Segment Results (Q3 standalone)

Both Payment Processing Business and Money Service Business segments' revenues grew by over 25%

Segment Revenue

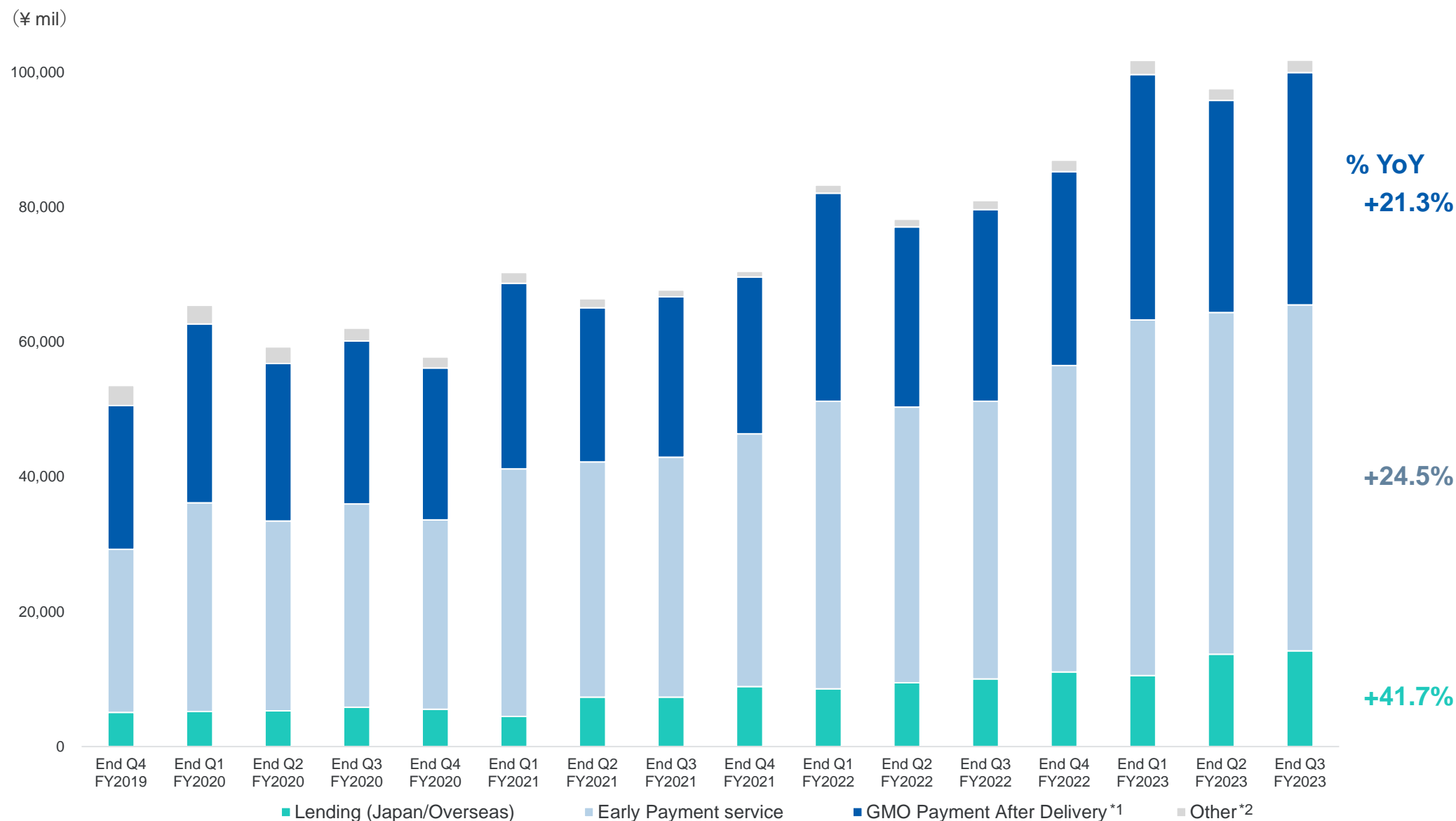


Segment Profit



4.5.1 FinTech Related Asset

FinTech related asset (quarterly)

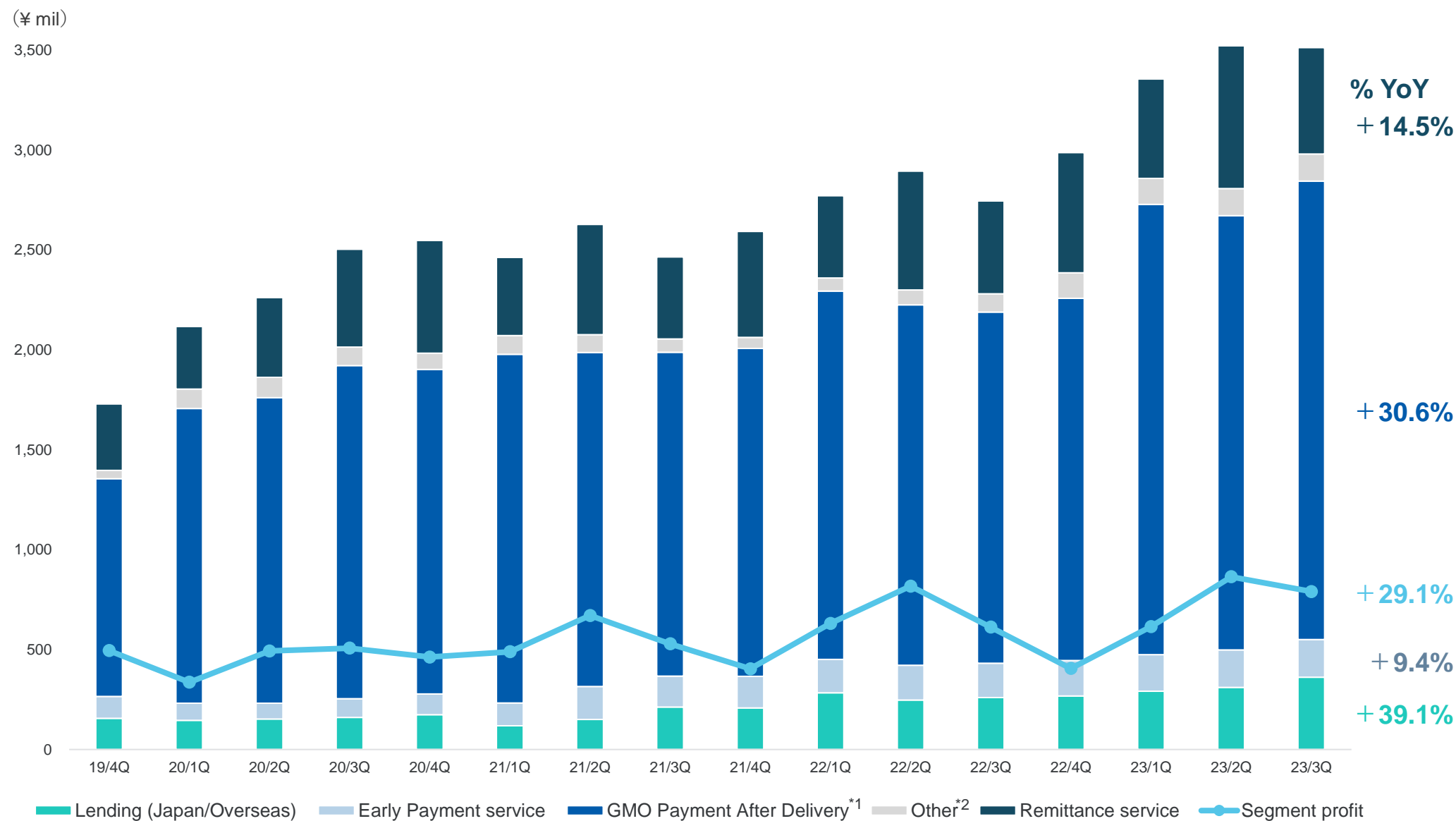


*1 The figures for GMO Payment After Delivery related assets (accrued revenue) are after deduction of provisions for doubtful accounts.

*2 The figures for "Other" is the sum total of B2B factoring, finance lease, Condo Pay, Instant Salary byGMO.

4.5.2 FinTech Related Asset (Quarterly)

FinTech segment revenue and profit

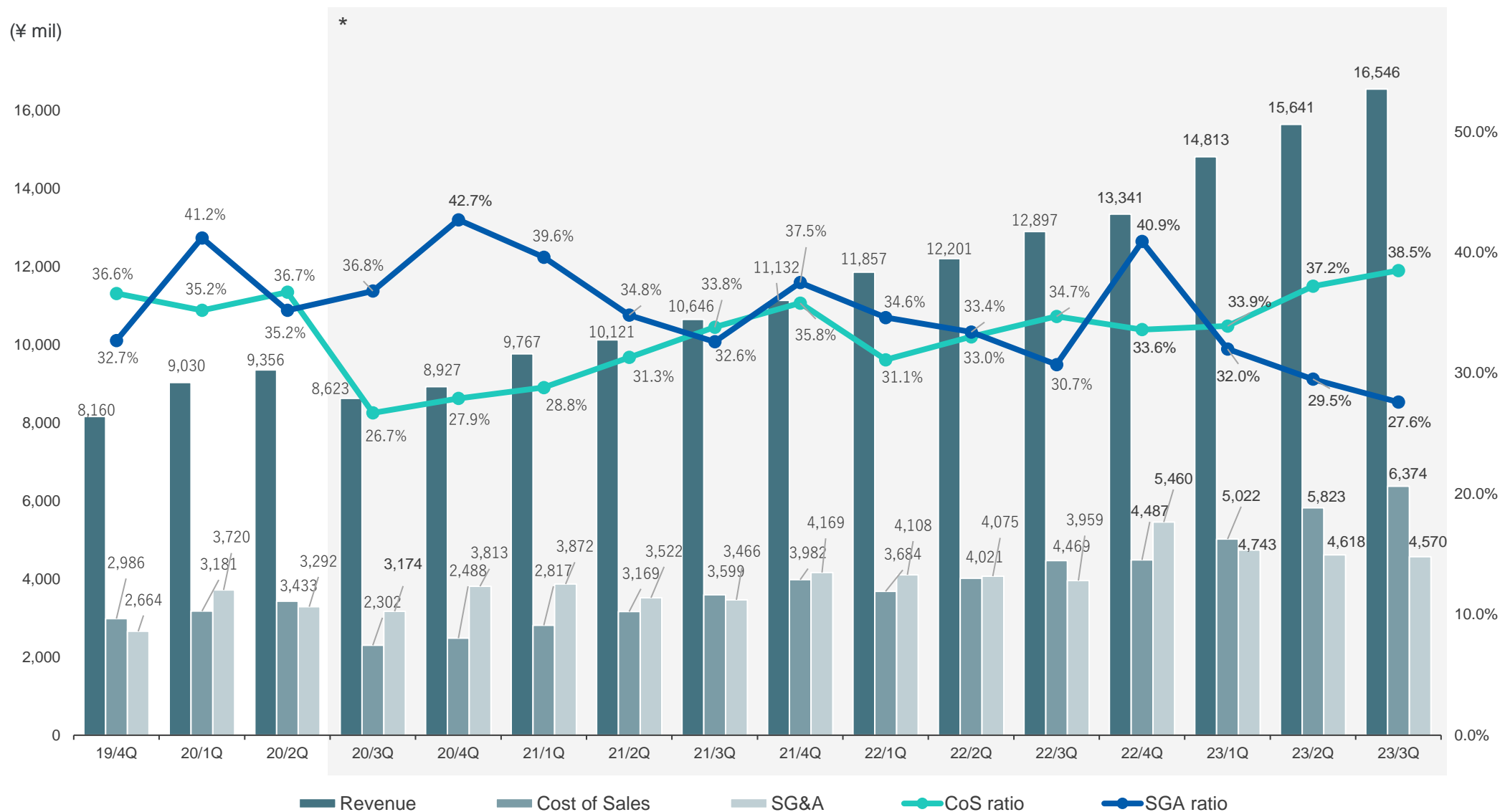


*1 Includes the impact of commission rate revisions for GMO Payment after Delivery from FY2022. Rate revision to reflect the increase in CVS payment agency cost.

*2 The figures for "Other" is the sum total of B2B factoring, finance lease, Condo Pay, Instant Salary byGMO.

4.6.1 Consolidated CoS and SG&A Ratio (Quarterly)

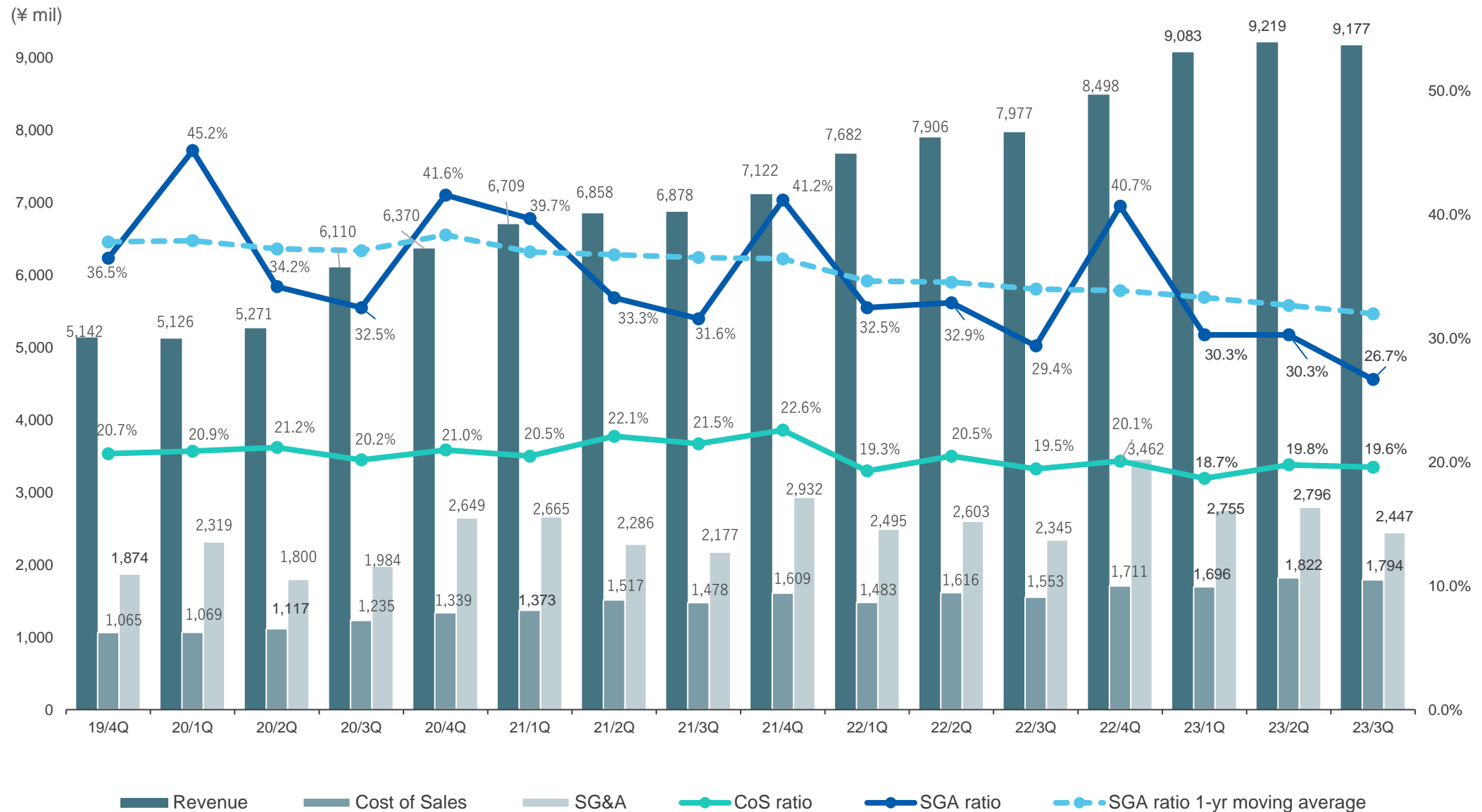
SG&A ratio declined to 27.6% from cost control and scale benefit



* 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.

4.6.2 CoS/SGA Ratio of GMO-PG & GMO-EP (Quarterly)

CoS ratio trending stably for online payment business



* Figures presented are before consolidated eliminations.

4.7.1 Operating Stores, TRX Volume and Value

Consol. TRX value reaches approx. ¥14.0 trn in the past 12 months

	Operating Stores ^{*1} /Terminals ^{*2}	TRX volume ^{*2*3}		TRX value ^{*2}		
		End Q3 FY2023	Q3 FY2023	Past 12-month	Q3 FY2023	Past 12-month
Consol.		-	1.58 bn	5.86 bn	¥3.7 trn	¥14.0 trn
	% YoY	-	+26.4%	+30.1%	+28.4%	+35.4%
Online		155,598	1.42 bn	5.33 bn	¥2.5 trn	¥10.1 trn
	% YoY	+12.7%	+23.6%	+27.0%	+17.3%	+23.9%
Offline ^{*2}		273,298	0.15 bn	0.53 bn	¥1.1 trn	¥3.9 trn
	% YoY	+48.7%	+59.8%	+71.6%	+63.6%	+78.5%

Proportion of representative contracts in online TRX value^{*4} : Approx. 40%

^{*1} The standards for calculation the number of operating stores has been revised from Q3 FY2023. Figure exclude an operating stores of a specific merchant and stores using fincode byGMO. If included, operating stores would be 562,598 (up 31.6% YoY).

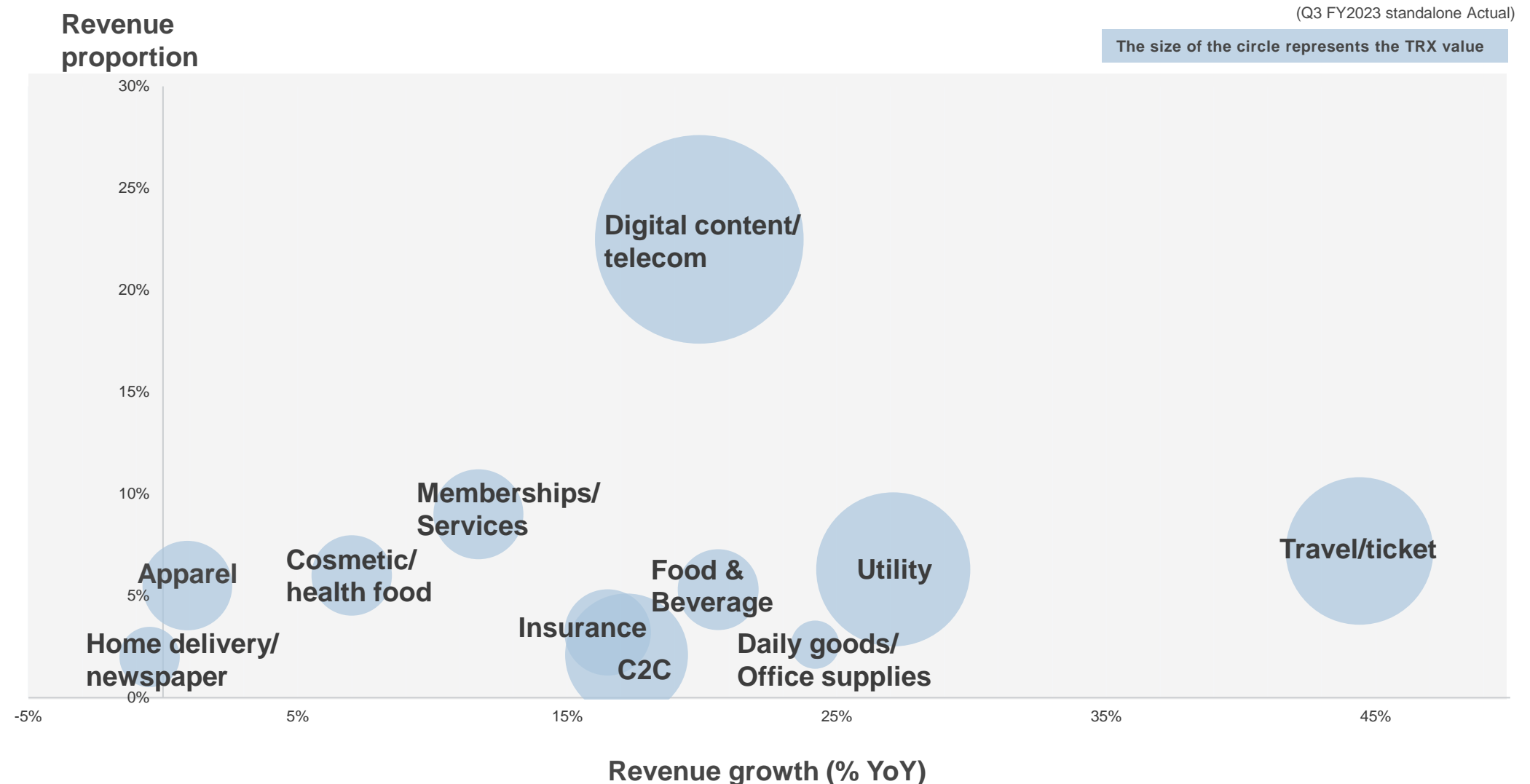
^{*2} Payment terminals exclude GMO-PG's offline payment (GMO Cashless Platform). Offline TRX volume and value includes GMO-PG's offline payment (GMO Cashless Platform).

^{*3} TRX volume is calculated based on fee revenue standards, which in the case of online consist of multiple (1 to 3) transactions per payment of a single authorization or actual proceed amount, and one transaction per payment in the case of offline. ^{*4} Annual average is shown in 5% increments.

4.7.2 Distribution of major sectors (Q3 Standalone)

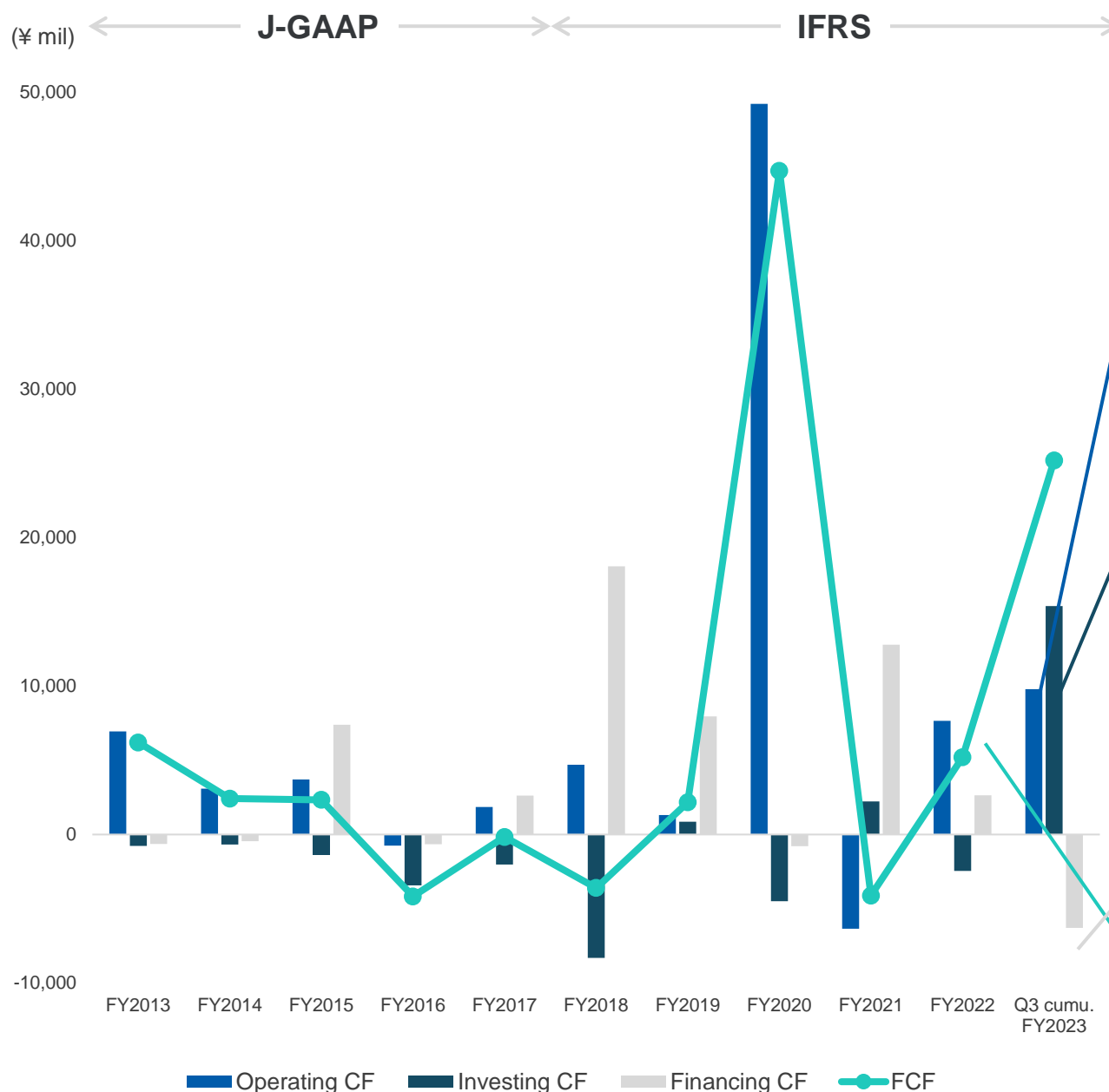
Balance both stability and growth through sector diversification

Revenue share by industry (vertical axis)/ Revenue growth rate (horizontal axis)



* Composed from TRX value by sector for the PG Multi-payment service.

4.8.1 Consolidated Cash Flow Statement (Q3 Cumulative)



Q3 FY2023 cumu. changes by item (¥ mil)

Operating CF :	+9,797
Pretax profit	+15,954
Trade receivables	-4,202
Advances paid	-6,058
Accrued revenues	-5,882
Accrued expenses	+3,819
Deposits received	+14,723
Income taxes paid	-8,917
Investing CF :	+15,386
Acquisition of intangibles	-3,220
Deposits into restricted accounts	-12,533
Withdrawals from restricted accounts	+20,916
Deposits to subsidiaries and affiliates	-5,300
Withdrawals of deposits to subsidiaries and affiliates	+16,500
Financing CF :	-6,287
Net decrease in ST borrowings	+2,900
LT borrowings	+3,450
Dividends paid	-12,127
FCF	: +25,184
Cash & Equivalents :	134,181

Mainly Money Service Business

* 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.

4.8.2 Changes in consolidated cash flow statement

Related liabilities & assets


Impact from business expansion

Payment Processing Business

Sales proceeds of merchants under the 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 the following year

Money Service Business

Early Payment service


Advances paid (asset)


Asset 

Operating CF 

Payment After Delivery service

Accrued revenue (asset)

Asset 

Operating CF 


Accrued expense (liability)

Liability 

Operating CF 

Other

Deposits to subsidiaries and affiliates (asset)

Asset 

Investing CF 

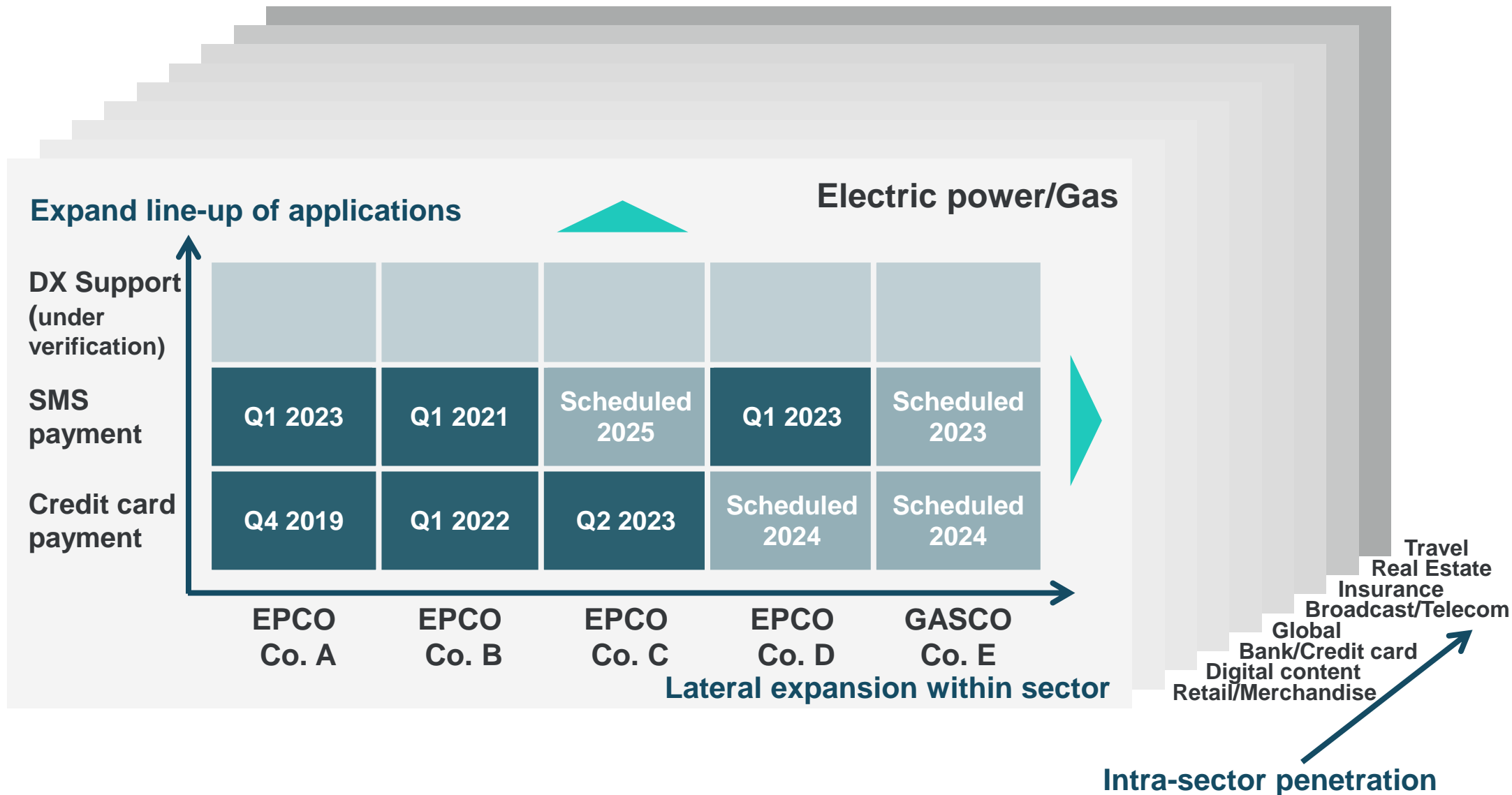
Funds temporarily deposited in CMS of GMO-IG*, which can be withdrawn at any time depending on cash requirements

* GMO-IG: GMO Internet Group

4.9 Broader EC: Rollout of Industry Specific Platforms

Progressing with multiple applications being adopted within various verticals

Expansion strategy of industry platforms along the triple-axes of applications, customers and sector/industry



4.10 Major Update of PG Multi-payment Service

Explaining the advantages to EC operators at a press briefing

New connectivity method launched by implementing “OpenAPI-type”

- Technical specifications adopt global standards, thus improving competitiveness in acquiring large merchants and global merchants
- Reduce development cost and training cost for engineers
- Easy onboarding of payment methods by reducing procedures for onboarding new payment methods by **one-tenth*** versus previous



Challenges of domestic online market

Unable to satisfy consumer needs due to the cost burden of onboarding additional payment methods



Lead time to add new payment method

Approx.
1 month

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New payment Web API key features

global standard technical specifications

Fully compliant with OpenAPI Specification (OAS)
Often adopted for Web API codes and Web-standard data format



Reduce training time for engineers



Support automation of coding and tests



Receive latest info from API reference

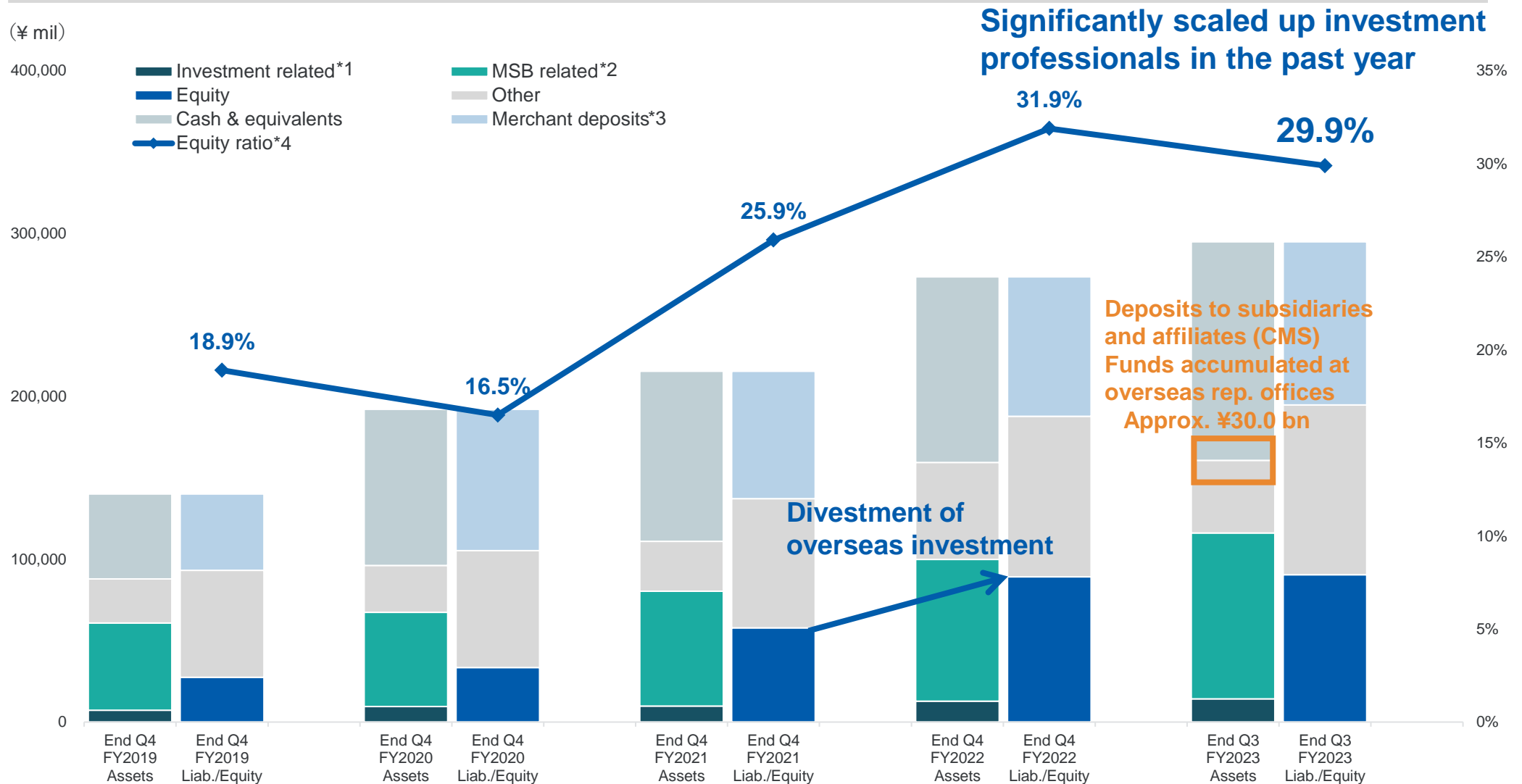
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* Based on GMO-PG research

4.11 Investment Strategy

Secure investment potential (incl. for financial business) by strengthening BS with investment returns

Balance sheet trend



*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.

Thank You Very Much

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For inquiries or requests for 1-on-1 interviews, please contact the IR Department, Corporate Value Creation Strategy Division, at the telephone number below:

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