



## Summary of Consolidated Financial Statements for the Second Quarter FY2024 (Based on Japanese GAAP)

May 10, 2024

Name of listed company: GMO Financial Gate, Inc Exchange: Tokyo Stock Exchange Growth  
Stock code: 4051 URL: https://gmo-fg.com/

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Scheduled submission date of quarterly report May 13, 2024 Scheduled date of commencement for dividend payment \_

Supplemental materials prepared for financial results : Yes

Information meeting arranged related to financial results : Yes (for institutional investors and analysts )  
(Amounts rounded down to the nearest one million yen)

### 1. Consolidated Financial Statements for the Second Quarter, FY2024 (From October 1, 2023 to March 31, 2023)

#### (1) Consolidated Financial Statements (Cumulative) (Percentages represent year-on-year % change)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%
Q2 FY2024	9,244	27.2	922	45.2	916	44.6	551	39.9
Q2 FY2023	7,264	62.6	635	71.4	633	71.1	394	68.5

(\*) Comprehensive profit Q2 FY2024 577Mil.Yen (45.0%) Q2 FY2023 398Mil.Yen (70.9%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q2 FY2024	66.52	66.32
Q2 FY2023	47.77	47.42

(Note) The Company conducted a 2-for-1 stock split for common stock on January 17, 2023. The effect of the stock split has been reflected in the calculation of basic earnings per share for the fiscal year ending September 30, 2023 (forecast)

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity ratio
	Mil.Yen	Mil.Yen	%
Q2 FY2024	11,011	5,329	46.3
FY2023	9,262	5,115	53.0

(Note) Equity Capital Q2 FY2024 5,100Mil.Yen FY2023 4,913Mil.Yen

### 2. Dividends

	Annual Dividends				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	—	0.00	—	46.00	46.00
FY2024	—	0.00			
FY2024 (forecast)			—	52.00	52.00

(Note) Revision to the most recently released dividend forecast : No

### 3. Consolidated Financial Forecast for the Fiscal Year Ending September 2024 (October 1, 2023 to September 30, 2024)

(Percentages represent quarter-on-quarter / year-on-year % change)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Yen
FY2024 (Full year)	19,200	20.7	1,410	25.9	1,392	24.9	859	15.1	103.41

(Note) Revision to the most recently released financial forecast : No

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## Notes:

(1) Changes of important subsidiaries during the period : No  
 (change of specific subsidiaries that leads to a change in the scope of consolidation)  
 Number of new subsidiaries -(Name ) ; Number of excluded subsidiaries: - (Name )

(2) Adoption if the accounting method peculiar to quarterly financial statements : No

(3) Changes in the accounting policy / changes in the accounting estimation

- [1] Changes in accounting policy required by accounting criteria : No  
 [2] Changes in accounting policy other than [1] : No  
 [3] Changes in accounting estimations : No  
 [4] Restatement of prior period financial statements : No

(4) Number of shares issued (common stock)

[1] Number of shares issued at the end of the term  
 (including treasury stock)

Q2 FY2024	8,339,480	FY2023	8,305,340
[2] Number of treasury shares at the end of the term	19,188	FY2023	19,188
[3] Average number of shares during the term	8,293,800	Q2 FY2023	8,254,844

(Notes) 1. The number of treasury shares at the end of the term includes the Company's shares held by Board Benefit Trust (BBT and J-ESOP) (FY2023: 18,800 shares, Q2 FY2024: 18,800 shares)

2. The company conducted a 2-for-1 stock split for common stock on January 17, 2023. As a result, the number of shares issued (common stock) is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended September 30, 2022

\* Quarterly financial statements are not subject the review by certified public accountants or financial statement auditors.

\* Explanation of the appropriate use of forecasts and other special notes

The forward-looking statements, including business results forecasts, contained in this document are based on information available to the company at the time of preparation and on certain assumptions deemed reasonable by the company. Forward-looking statements are not intended as a promise of actual results by the company. Actual results may differ materially due to a variety of factors. For more regarding assumptions related to earnings forecasts and precautions concerning the use of earnings forecasts, see 1. Qualitative Information on Quarterly Consolidated Financial Statements (3) Overview of consolidated earnings forecasts and other forward-looking information on page 4 of Attached Materials.

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## 1. Qualitative Information on Quarterly Consolidated Financial Statements

### (1) Overview of operating results

Forward-looking statements in this document reflect GMO Financial Gate Group (GMO-FG) judgements as of the end of the cumulative consolidated second quarter of the fiscal year ending September 2024.

Financial results for the cumulative consolidated second quarter of the fiscal year ending September 2024 (October 1, 2023 to March 31, 2024) are as follows.

(Unit: Thousand Yen)

	Six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)	Six months ended March 31, 2024 (October 1, 2023 to March 31, 2024)	YoY Change (%)
Revenue	7,264,812	9,244,148	27.2
Operating profit	635,642	922,731	45.2
Ordinary profit	633,973	916,784	44.6
Profit attributable to owners of parent	394,368	551,697	39.9

#### a. Revenue

Revenue at GMO-FG reached ¥9,244,148 thousand (up 27.2% YoY).

Despite the general trend that the growth slows down in the three months ended March 31 every year in comparison to the three months ended December 31 at most merchants due to seasonal factors, during the three months ended March 31, 2024, the number of payments processed and GMV (Gross Merchandise Value), our KPIs, showed strong growth compared to the three months ended December 31, 2023, boosted by growing inbound demand associated with an increase in the number of foreign travelers visiting Japan.

During the three months ended March 31, 2024, the next-generation payment terminal “stera” continued to be a key driver of sales of payment terminals which account for most of initial sales. In addition, the growth of IoT devices in response to growing needs for unattended operation and labor-saving at stores and the high demand for mobile devices for vehicles such as taxis also contributed to initial sales. Specifically, IoT devices introduced during the three months ended March 31, 2024 include self-checkout registers at large-scale supermarkets in the Tokyo metropolitan area and national chain dollar shops and automated parking payment machines at national chain coin parking lots, which contributed to growth in IoT devices.

Recurring-model revenue, consisting of stock, fee and spread revenues, generally tends to grow at a slower pace in the three months ended March 31, which includes the off-season from January to February, compared to the three months ended December 31, which includes the peak season with year-end sales campaign. However, recurring-model revenue for the three months ended March 31, 2024 exceeded that for the three months ended December 31, 2023 due to contributions of an increase in the number of installed payment terminals as well as a rise in demand from inbound tourists.

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Revenue by business model for the six months ended March 31, 2024 is as follows.

(Unit: Thousand Yen)

	Six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)	Six months ended March 31, 2024 (October 1, 2023 to March 31, 2024)	YoY Change (%)
Initial	5,125,787	6,059,085	18.2
Recurring-model	2,139,025	3,185,062	48.9
Stock	(543,371)	(818,678)	(50.7)
Fee	(1,059,585)	(1,695,922)	(60.1)
Spread	(536,069)	(670,462)	(25.1)
Total	7,264,812	9,244,148	27.2

(Note) Recurring-model revenue consists of stock, fee and spread revenues. Figures in parenthesis represent a breakdown of recurring-model revenue.

#### b. Operating profit

Operating profit reached ¥922,731 thousand (up 45.2% YoY).

The high growth in operating profit can be attributed to (1) a rise in composition of high-margin IoT device sales in sales of payment terminals which account for most of initial sales, and (2) an increase in high-margin recurring-model revenue due to an increase in the number and GMV (Gross Merchandise Value). Also, while we proactively continued employment of human resources to support growth, return to officers and employees, and various growth investments in the three months ended March 31, 2024, we achieved a high level of growth in operating profit through an improvement in operating leverage (Note) as a result of revenue growth.

(Note) A structure or principle where revenue growth covers costs (fixed and variable costs) and the profit growth rate exceeds the revenue growth rate (i.e., profit margin increases).

#### c. Profit attributable to owners of parent

Profit attributable to owners of parent reached ¥551,697 thousand (up 39.9% YoY).

## (2) Overview of financial position

### (a) Summary of assets, liabilities and net assets

#### (Assets)

As of March 31, 2024, current assets increased ¥1,613,051 thousand from September 30, 2023 to ¥9,118,260 thousand. This was mainly because merchandise increased ¥948,244 thousand as we increased the payment terminal inventory to a certain level based on the sales forecast and trade accounts receivable increased ¥372,381 thousand due to strong sales of payment terminals. Non-current assets increased ¥136,410 thousand from September 30, 2023 to ¥1,893,441 thousand mainly due to increases in investment securities of ¥99,994 thousand and in software of ¥97,966 thousand despite a decrease in deferred tax assets of ¥54,107 thousand.

As a result, total assets increased ¥1,749,461 thousand from September 30, 2023 to ¥11,011,702 thousand.

#### (Liabilities)

As of March 31, 2024, current liabilities increased ¥1,014,877 thousand from September 30, 2023 to ¥3,619,735 thousand. This was mainly due to increases in account payable of ¥481,336 thousand and in deposits received of ¥437,604 thousand. Non-current liabilities increased ¥521,224 thousand from September 30, 2023 to ¥2,062,812 thousand mainly due to an increase in long term borrowing of ¥500,000 thousand.

As a result, total liabilities increased ¥1,536,101 thousand from September 30, 2023 to ¥5,682,547 thousand.

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(Net assets)

As of March 31, 2024, total net assets increased ¥213,359 thousand from September 30, 2023 to ¥5,329,154 thousand. This was mainly because retained earnings increased ¥551,697 thousand due to recording of profit attributable to owners of parent while retained earnings decreased ¥382,027 thousand due to distribution of dividend from surplus.

(b) Cash flows

As of March 31, 2024, cash and cash equivalents (“cash”) increased ¥204,488 thousand from September 30, 2023 to ¥4,208,170 thousand.

The following is a summary of cash flows from each activity during the six months ended March 31, 2024.

(Cash flows from operating activities)

Net cash provided by operating activities during the six months ended March 31, 2024 was ¥484,802 thousand (net cash used of ¥1,196,051 thousand for the six months ended March 31, 2023). While cash decreased due to an increase in inventory of ¥948,312 thousand, cash increased due mainly to recording of profit before income taxes of ¥916,784 thousand and an increase in trade payables of ¥481,336 thousand.

(Cash flows from investing activities)

Net cash used in investing activities during the six months ended March 31, 2024 was ¥415,588 thousand (net cash used of ¥293,544 thousand for the six months ended March 31, 2023) mainly because cash decreased due to purchase of intangible fixed assets of ¥310,576 thousand and purchase of investment securities of ¥99,994 thousand.

(Cash flows from financing activities)

Net cash provided by financing activities during the six months ended March 31, 2024 was ¥135,273 thousand (net cash provided of ¥1,282,990 thousand for the six months ended March 31, 2023) mainly because cash increased due to proceeds from long term borrowing of ¥500,000 thousand while cash decreased due to payments of dividends of ¥382,027 thousand.

(3) Overview of consolidated financial forecast and other forward-looking information

There is no change in the consolidated financial forecast for the fiscal year ending September 30, 2024 from those previously released on November 13, 2023 at this point. With consolidated operating profit for the first six months achieving 65.4% towards the full-year consolidated financial forecast, there are no particular concerns at this point for the business outlook for the second six months. Therefore, consolidated operating profit for the second six months is expected to be in line with the initial forecast, and each level of profits is expected to exceed the full-year forecast announced on November 13, 2023. Meanwhile, the full-year forecast for each level of profits remains unchanged at this point as investments aimed at sustainable growth in future periods will be carried out as planned.

As stated above, “there are no particular concerns for the business outlook” as, in the offline cashless payment market in which the Group operates, the number of merchants adopting the cashless payment continues to be on the rise due to government-led promotion and diversifying payment methods as well as an increase in the number of travelers visiting Japan. Under such environment, in the second half of the fiscal year ending September 30, 2024, the Group will continue to focus on sales of payment terminals meeting the needs of merchants, enhancement of payment processing centers, and acquisitions of new merchants and alliance partners. In light of the above, the consolidated financial forecast for the fiscal year ending September 30, 2024 remains the same as those announced

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on November 13, 2023 at this point and is revenue of ¥19,200 million (up 20.7% YoY), operating profit of ¥1,410 million (up 25.9% YoY), ordinary profit of ¥1,392 million (up 24.9% YoY) and profit attributable to owners of parent of ¥859 million (up 15.1% YoY).

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## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly consolidated balance sheet

	(Unit: Thousand yen)	
	End of previous consolidated fiscal year (September 30, 2023)	End of Q2 of current consolidated fiscal year (March 31, 2024)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	4,015,682	4,216,506
Trade accounts receivable	920,725	1,293,107
Merchandise	2,396,179	3,344,423
Other financial assets	181,151	275,928
Allowance of doubtful accounts	△8,529	△11,705
Total current assets	7,505,209	9,118,260
Non-current assets		
Property, plant and equipment	84,575	79,261
Intangible fixed assets		
Software	1,062,072	1,160,038
Software in progress	117,035	155,961
Customer-related assets	42,810	21,405
Goodwill	133,315	111,096
Other intangible fixed assets	60	60
Total intangible fixed assets	1,355,293	1,448,561
Investments and other assets		
Investment securities	—	99,994
Lease deposits	47,033	45,939
Bankruptcy rehabilitation claims	1,043	1,068
Deferred tax assets	237,641	183,533
Other investments and other	32,486	36,150
Allowance for doubtful accounts	△1,043	△1,068
Total investments and other assets	317,161	365,618
Total non-current assets	1,757,031	1,893,441
Total assets	9,262,240	11,011,702



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	(Unit: Thousand yen)	
	End of previous consolidated fiscal year (September 30, 2023)	End of Q2 of current consolidated fiscal year (March 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Account payable	1,075,275	1,556,612
Income taxes payable	201,123	316,227
Contract liabilities	89,224	182,245
Deposits received	375,741	813,345
Allowance for employees' bonuses	392,760	284,669
Allowance for directors' bonuses	107,576	104,020
Other current liabilities	363,157	362,614
Total current liabilities	2,604,857	3,619,735
Non-current liabilities		
Long term borrowing	1,500,000	2,000,000
Provision for employee stock ownership plan trust	4,524	12,839
Provision for management board benefit trust	23,954	43,418
Deferred tax liabilities	13,108	6,554
Total non-current liabilities	1,541,587	2,062,812
Total liabilities	4,146,445	5,682,547
Net assets		
Shareholders' equity		
Capital stock	1,629,932	1,638,680
Capital surplus	1,643,043	1,651,791
Retained earnings	1,764,019	1,933,688
Treasury stock	△ 123,529	△ 123,529
Total shareholders' equity	4,913,464	5,100,630
Non-controlling interests	202,330	228,524
Total net assets	5,115,795	5,329,154
Total liabilities and net assets	9,262,240	11,011,702

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## (2) Quarterly consolidated statement of income and statement of comprehensive income

## Quarterly consolidated statement of income

(Q2 cumulative)

	(Unit: Thousand yen)	
	Q2 FY2023 (October 1, 2022 to March 31, 2023)	Q2 FY2024 (October 1, 2023 to March 31, 2024)
Revenue	7,264,812	9,244,148
Cost of goods sold	5,518,271	6,543,482
Gross profit	1,746,541	2,700,665
Selling, general and administrative expense	1,110,898	1,777,934
Operating profit	635,642	922,731
Non-operating income		
Interest income	11	21
Other non-operating income	3	150
Total non-operating income	14	172
Non-operating expenses		
Interest expense	1,651	6,119
Other non-operating expenses	32	—
Total non-operating expenses	1,684	6,119
Ordinary profit	633,973	916,784
Extraordinary loss		
Loss on retirement of non-current assets	11,920	—
Total extraordinary loss	11,920	—
Profit before income taxes	622,053	916,784
Corporation income taxes, resident taxes, business taxes	182,054	291,339
Corporation income taxes deferred	41,450	47,553
Total corporation income taxes	223,505	338,892
Profit	398,548	577,891
Profit attributable to non-controlling shareholder	4,180	26,194
Profit attributable to owners of parent	394,368	551,697

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## Quarterly consolidated statement of comprehensive income

(Q2 cumulative)

	(Unit: Thousand yen)	
	Q2 FY2023 (October 1, 2022 to March 31, 2023)	Q2 FY2024 (October 1, 2023 to March 31, 2024)
Profit	398,548	577,891
Comprehensive income	398,548	577,891
(Breakdown)		
Comprehensive income attributable to owners of parent	394,368	551,697
Comprehensive income attributable to non-controlling shareholder	4,180	26,194

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## (3) Quarterly consolidated statement of cash flows

	(Unit: Thousand yen)	
	Q2 FY2023 (October 1, 2022 to March 31, 2023)	Q2 FY2024 (October 1, 2023 to March 31, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	622,053	916,784
Depreciation	187,930	216,860
Amortization of goodwill	22,219	22,219
Increase(decrease) in allowance for employees' bonuses	△119,140	△108,091
Increase(decrease) in allowance for directors' bonuses	2,490	△3,556
Increase(decrease) in provision for share-based remuneration	2,178	8,315
Increase(decrease) in provision for share-based remuneration for directors	5,988	19,463
Increase(decrease) in allowance for doubtful accounts	7,696	3,200
Loss on retirement of non-current assets	11,920	-
Interest income	△11	△21
Interest expense	1,651	6,119
Decrease(increase) in trade accounts receivables	△549,497	△372,381
Decrease(increase) in inventories	△1,624,534	△948,312
Increase(decrease) in trade payables	492,692	481,336
Increase(decrease) in deposits received	123,806	437,604
Other, net	△66,260	△12,303
Subtotal	△878,816	667,238
Interest income received	11	21
Interest expense paid	△1,651	△6,119
Income taxes paid	△315,594	△176,338
Net cash provided by (used in) operating activities	△1,196,051	484,802
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△66,968	△5,017
Purchase of intangible fixed assets	△226,560	△310,576
Cash outflows from acquisition of investment securities"	-	△99,994
Other, net	△15	-
Net cash provided by (used in) investing activities	△293,544	△415,588
<b>Cash flows from financing activities</b>		
Net increase(decrease) in short term borrowing	1,000,000	-
Proceeds from long term borrowing	500,000	500,000
Proceeds from issuance of shares resulting from exercise of share acquisition rights	23,890	17,495
Purchase of treasury shares	△1,137	-
Dividend paid	△239,539	△382,027
Other, net	△223	△194
Net cash provided by (used in) financing activities	1,282,990	135,273
Net increase(decrease) in cash and cash equivalents	△206,605	204,488
Cash and cash equivalents at beginning of period	2,387,185	4,003,682
Cash and cash equivalents at end of period	2,180,579	4,208,170

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(4) Notes regarding quarterly consolidated financial statements

(Notes regarding going concern assumptions)

Not applicable

(Notes regarding significant changes in shareholders' equity)

Not applicable

(Segment information)

[Segment information]

Segment information has been omitted as the GMO Financial Gate Group has only one business segment, namely the face-to-face payment processing services business, which is not material in terms of segment information disclosure.

(Significant subsequent matters)

Not applicable