

Financial Results Briefing for 3Q FY2024

Profit progress is ahead of schedule toward full-year forecast. Continue future pipeline expansion

August 9, 2024

GMO Financial Gate, Inc.
(Ticker: 4051, TSE-Growth)

17th IR Presentation

GMO FINANCIAL GATE

<https://gmo-fg.com/>

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Main Agenda

- 1. Summary of Financial Results for 3Q FY2024**
- 2. KPI**
- 3. Business Highlights**
- 4. Growth Strategy and Progress**

Supplemental Agenda

5. Financial Information, Investment and Shareholder Return Policies
6. ESG Initiatives (Details)
7. Appendix

Summary of Financial Results for 3Q FY2024

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1.1 3Q FY2024 Summary

Revenue remained in-line with FY forecast, operating profit largely achieved the FY forecast
Expanding profit pipelines for next fiscal year and beyond while continuing future investment

Q3 FY2023 P6

- Revenue : **¥ 13.59bn (YoY+13.3%)** Progress towards full-year forecast 70.8%
- Operating Profit : **¥ 1.39bn (YoY+ 43.3%)** Progress towards full-year forecast 99.3%

Revenue by Business Model P8

- Initial revenue : **¥ 8.64bn (YoY+0.7%)** - Recurring-Model revenue : **¥ 4.95bn (YoY+44.9%)**

KPI Q3 FY2023 P12-14

- Transaction Volume (Number of Transactions): **0.19bn (YoY+53.0%)**
- GMV : **¥ 1.64tn (YoY+51.7%)**
- Number of Active IDs (3Q) * : **361K (YoY+88K、 YoY+32.2%)**

*Due to expansion of payment solutions that do not require payment terminals, starting from 3Q, "number of operating terminals" will be changed to "number of active IDs"

Business Topics

- Horizontal x Vertical expansion leads to an ecosystem in large scale merchants. Active ID and ARR expansion continues P21
- Pipeline expansion continues steadily. New projects which will contribute to current and next financial year also steadily expands P25
- Increase in implementation of mobility domain in the Tokyo metropolitan area – installation in every station of certain private railways leads to increase in number of transactions P22

Organization Topics

- Launched MSCI, Sustainalytics score improvement project – will strengthen collaboration with external advisory firms

1.2 Summary of Financial Results

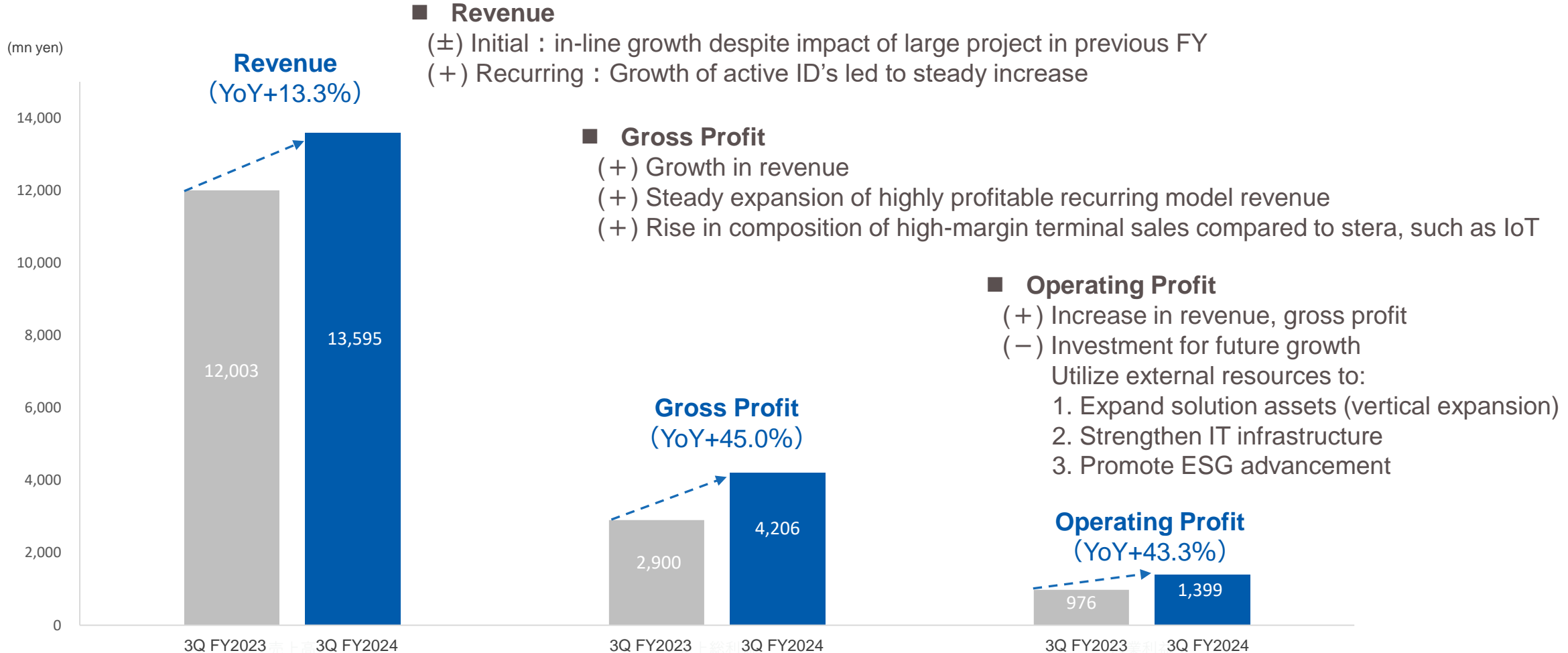
Revenue is in-line with forecast, profit progress is ahead of schedule

Number of active ID's continue to expand even with high growth in the last FY due to Japan Post

(mn yen)	Q3 FY2023	Q3 FY2024	YoY	Forecast FY2024	Progress towards forecast FY2024
Revenue	12,003	13,595	+ 13.3%	19,200	70.8%
Gross profit	2,900	4,206	+ 45.0%	5,095	82.6%
Operating profit	976	1,399	+ 43.3%	1,410	99.3%
Profit attributable to owners of parent	613	860	+ 40.3%	859	100.2%
	Number of Active IDs (3Q FY2024 Only)		Transaction Volume (3Q FY2024 Only)		Transaction Value (GMV) (3Q FY2024 Only)
KPI (YoY)	361,367 (+32.2%)		c.199.3mn (+53.0%)		c. ¥1,645bn (+51.7%)

1.3 Breakdown of Financial Results

Steady growth in revenue despite impact of large project in the previous term such as Japan Post
Due to expansion of recurring revenue, profits achieve high growth while exceeding forecast



1.4 Revenue by Business Model (YoY)

Initial: Steady increase despite large project in last FY

Recurring: Well balanced growth while composition of recurring revenue rose

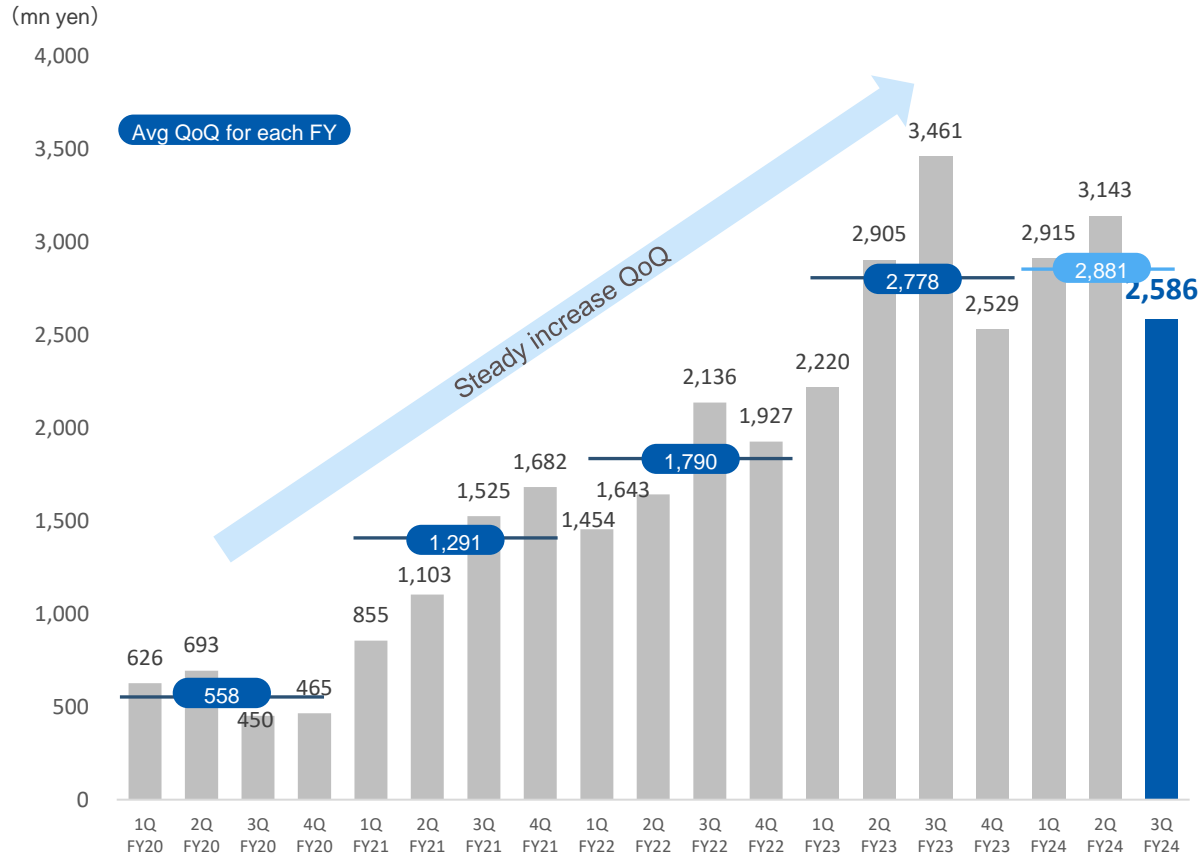
(Unit : Millions of Yen)	Q3 FY2023 (Composition %)	Q3 FY2024 (Composition %)	YoY
Initial	8,587 (71.5%)	8,645 (63.6%)	+0.7%
Recurring-Model	3,416 (28.5%)	4,950 (36.4%)	+44.9%
Stock	877 (7.3%)	1,265 (9.3%)	+44.2%
Fee	1,702 (14.2%)	2,677 (19.7%)	+57.2%
Spread	835 (7.0%)	1,007 (7.4%)	+20.5%
Total Revenue	12,003 (100.0%)	13,595 (100.0%)	+13.3%

1.5 Revenue by Business Model (Quarterly)

Initial: QoQ growth as planned with mid to small size deals

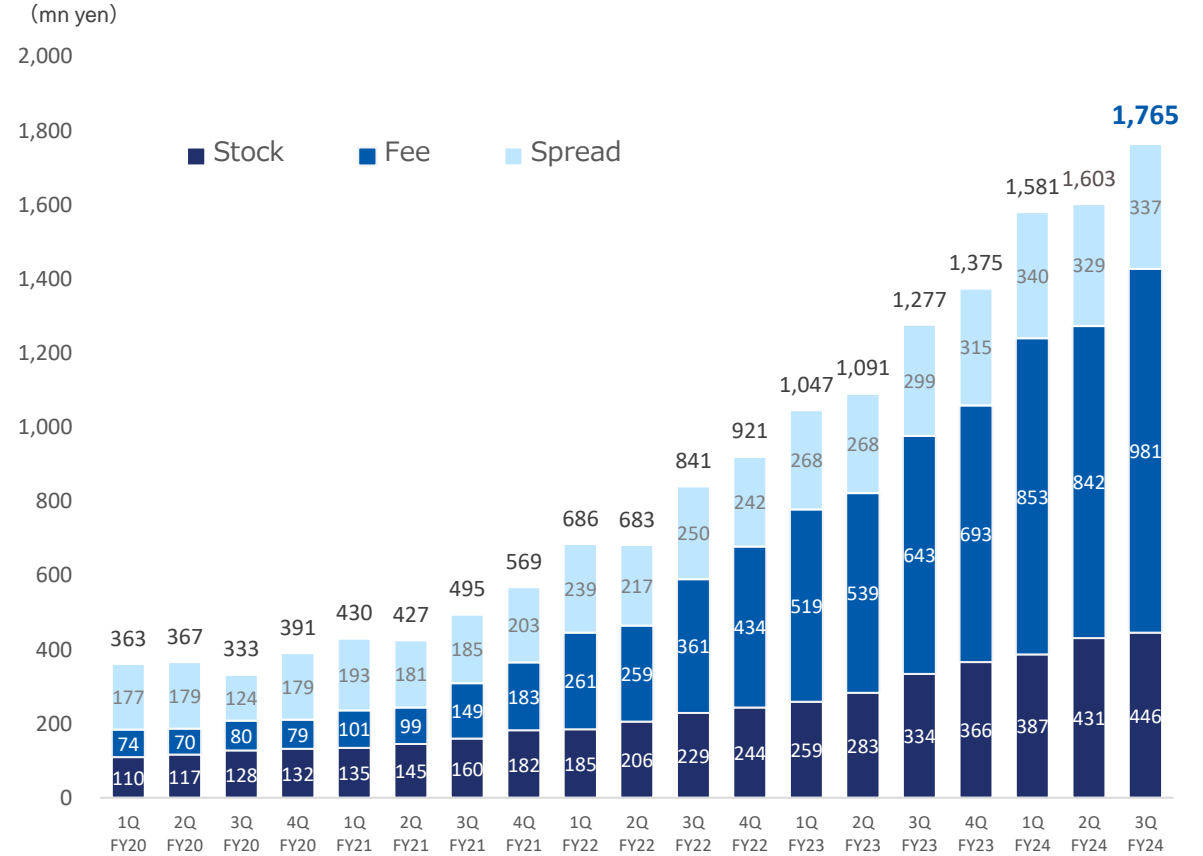
Recurring: Continued growth due to rise in number of active ID's

Initial Revenue



*Avg for FY24

Recurring Revenue

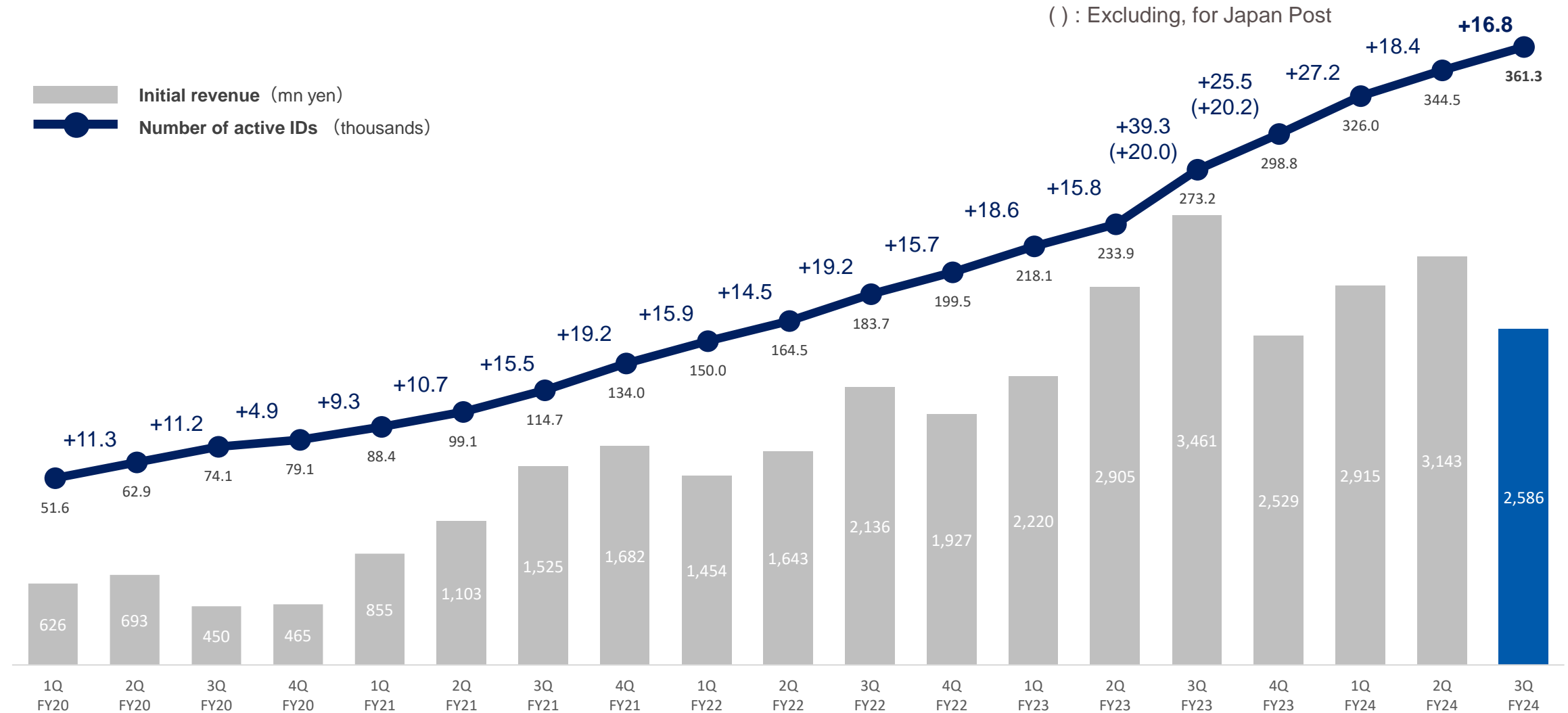


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KPI

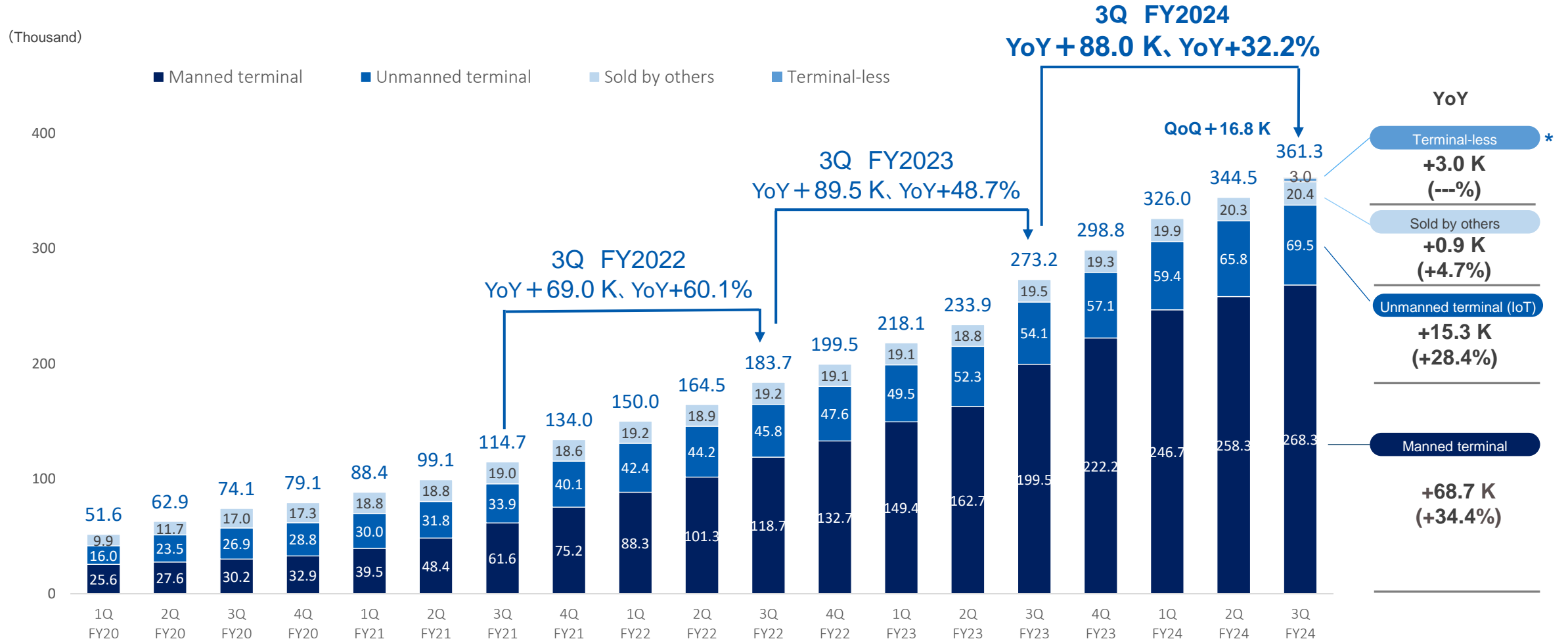
2.1 Initial Revenue and Number of Active IDs

Steady initial revenue with mid to small sized deals
Steady increase in number of active ID's



2.2 Consolidated KPI (Number of Active IDs)

Even with effects of large-scale project in last quarter, active IDs steadily increased
Terminal-less ID's increased by 3,000

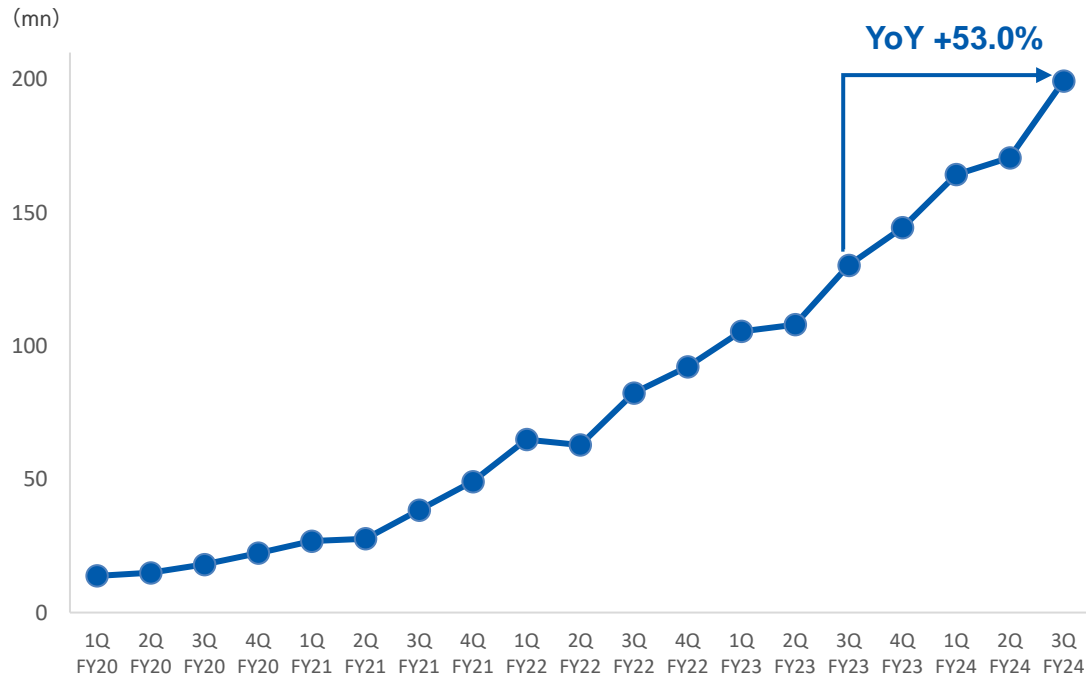


*due to launch of 「stera tap」, Terminal-less will be separated from "sold by others" from 3Q FY24

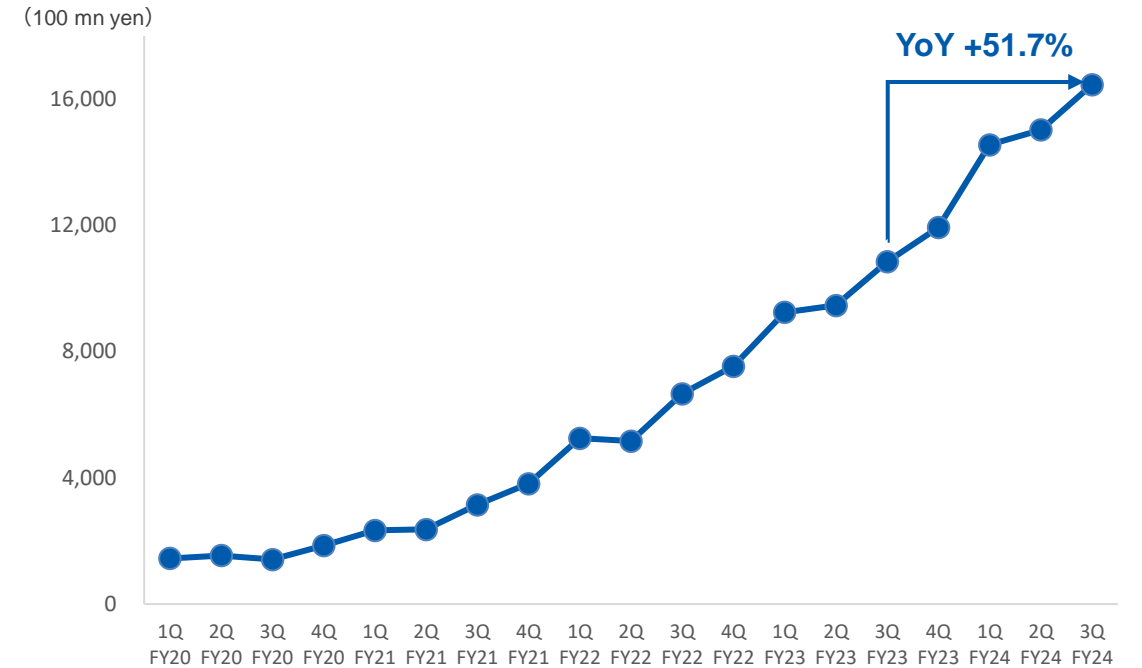
2.3 Consolidated KPI (Quarterly Transaction volume / GMV)

Transaction volume and value increased by more than 50% YoY

Transaction Volume



Transaction Value (GMV)



	1Q FY21	2Q FY21	3Q FY21	4Q FY21	1Q FY22	3Q FY22	3Q FY22	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	3Q FY24
Transaction volume (10 K)	2,682	2,774	3,848	4,913	6,497	6,292	8,237	9,224	10,553	10,804	13,026	14,438	16,431	17,057	19,935
Transaction value (GMV) (¥100 mn)	2,328	2,361	3,141	3,810	5,251	5,161	6,658	7,530	9,242	9,459	10,842	11,930	14,552	15,023	16,451
(Reference) Average Settlement Price (¥)	8,680	8,510	8,163	7,755	8,082	8,203	8,084	8,163	8,758	8,756	8,323	8,263	8,856	8,807	8,252

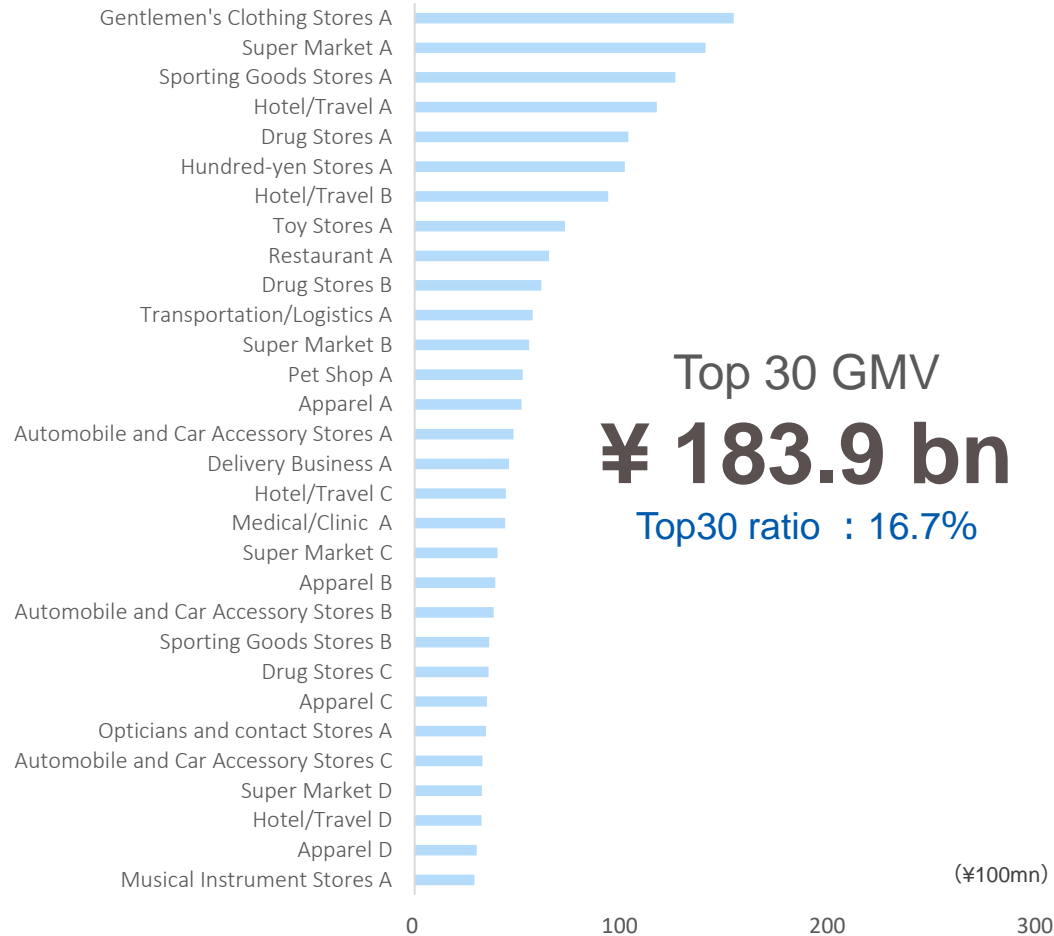
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Business Highlights

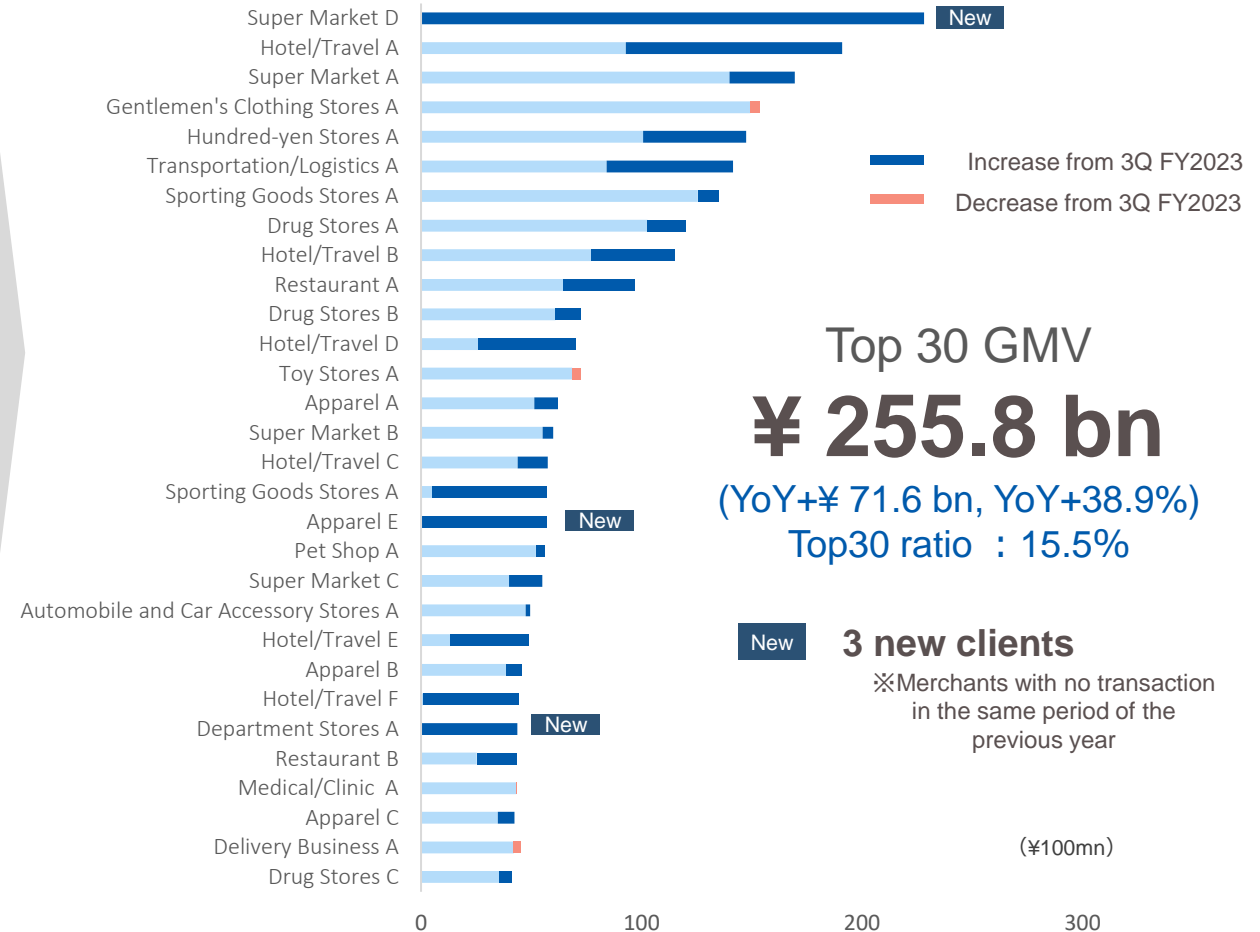
3.1 Top 30 Merchants (GMV basis)

Major supermarkets which started operation in 2Q, emerges as the top merchant, while 3 new merchants increased. Composition of Top 30 ratio continues to decrease while merchant portfolio diversifies

3Q FY2023 Only



3Q FY2024 Only

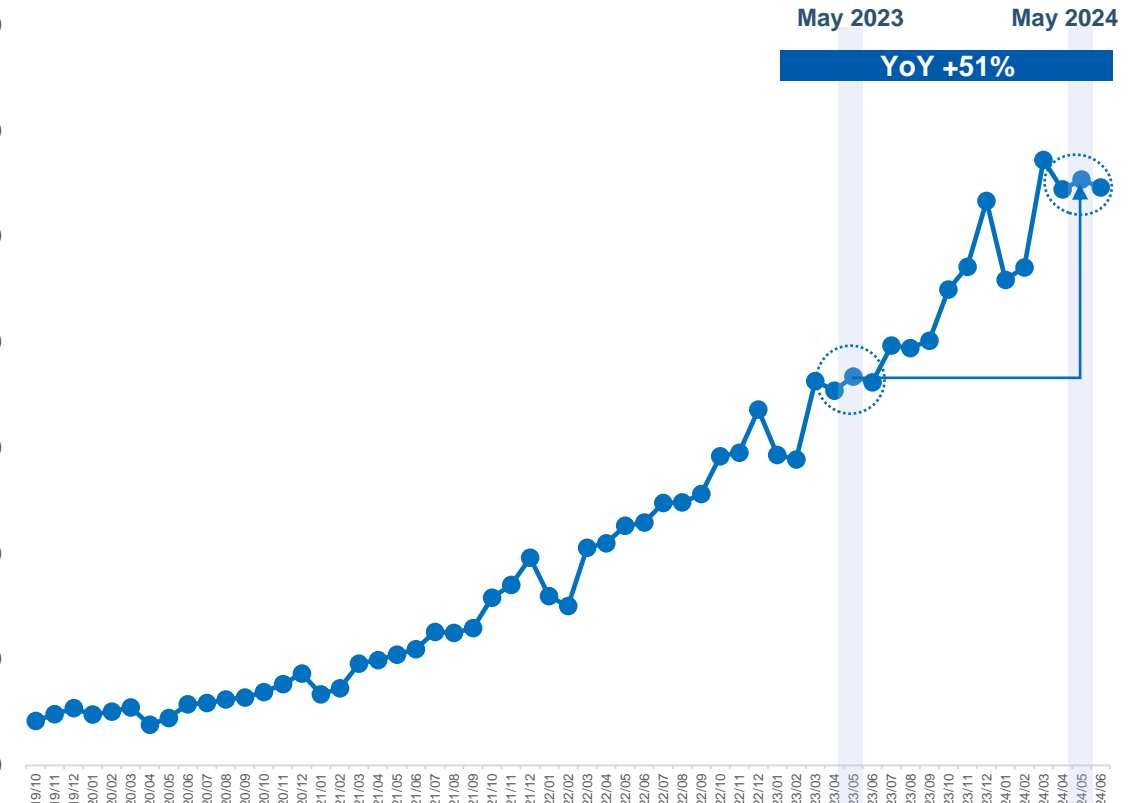
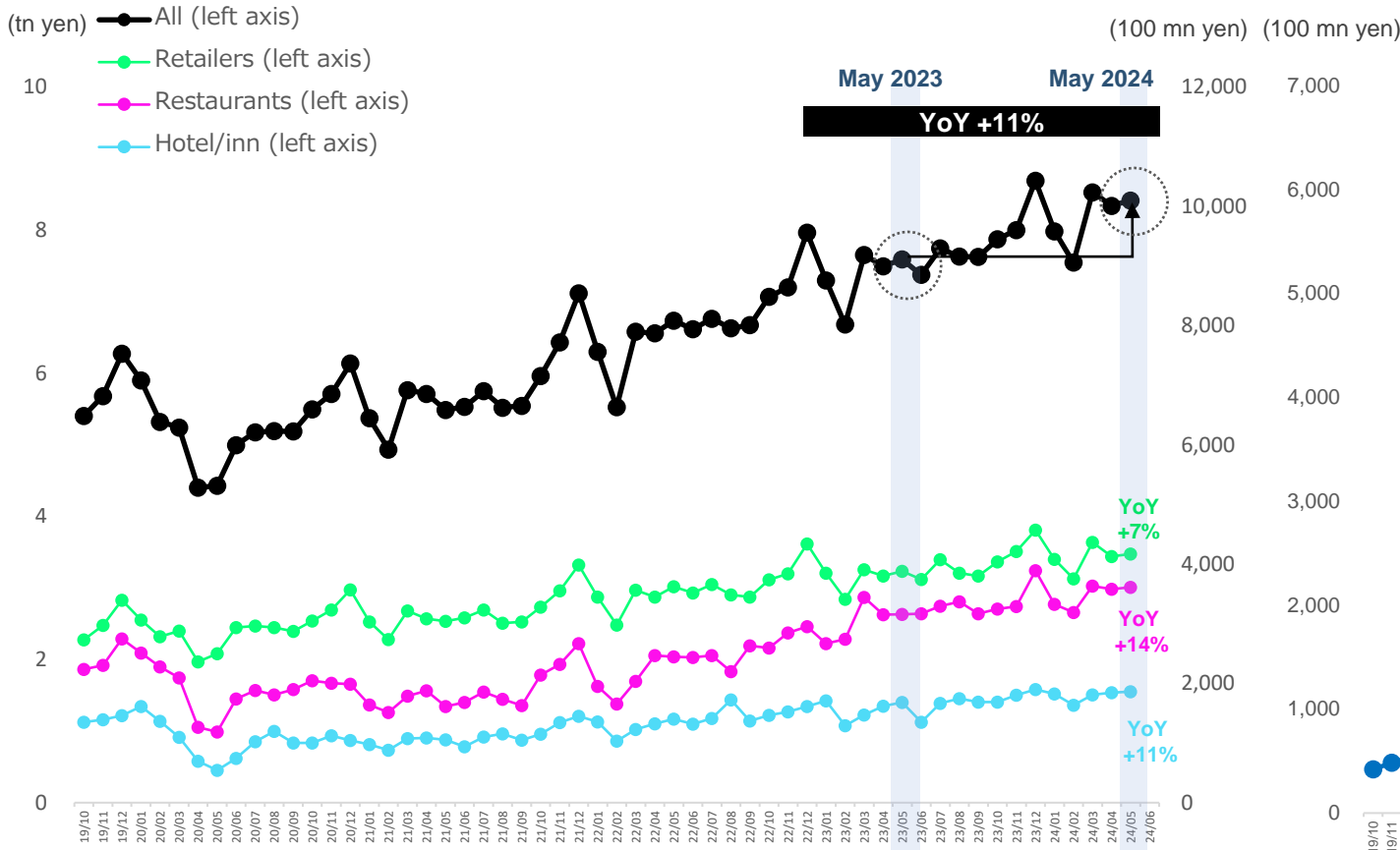


3.2 Comparison to Market Growth (May YoY)

Overall market growth is +11% YoY while GMO-FG grew +51% YoY, significantly exceeding macro trends

Market GMV (Transaction value of credit card payment)

GMO-FG GMV

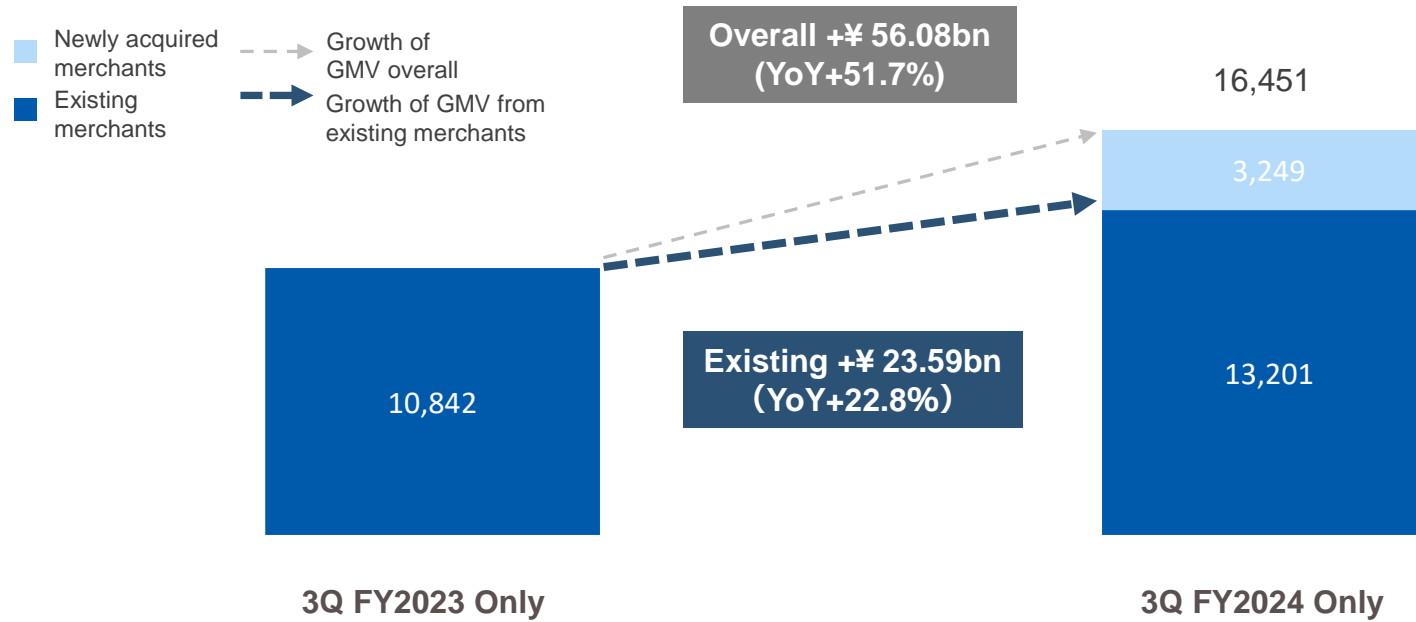


3.3 Settlement Platform which Grows with its Merchants

GMO-FG GMV grew at +51.7% YoY for 3Q, +22.8%YoY for existing merchants

Merchants grew with GMO-FG's settlement platform

GMV Growth Rate



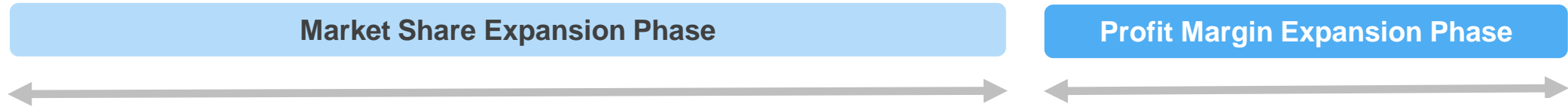
*Existing merchants are calculated as the number of merchants in the same period of the previous year. Existing merchants increase in “the number of payment terminals” and “new store openings” are also considered as existing growth.

4

Growth Strategy and Progress

4.1 Image of rise in Revenue & Operating Profit

Market share expansion phase: sales/activation of payment terminals will lead to fluctuation in revenue
Profit margin expansion phase: recurring model revenue will increase due to increase in active IDs which will contribute to operating profit growth



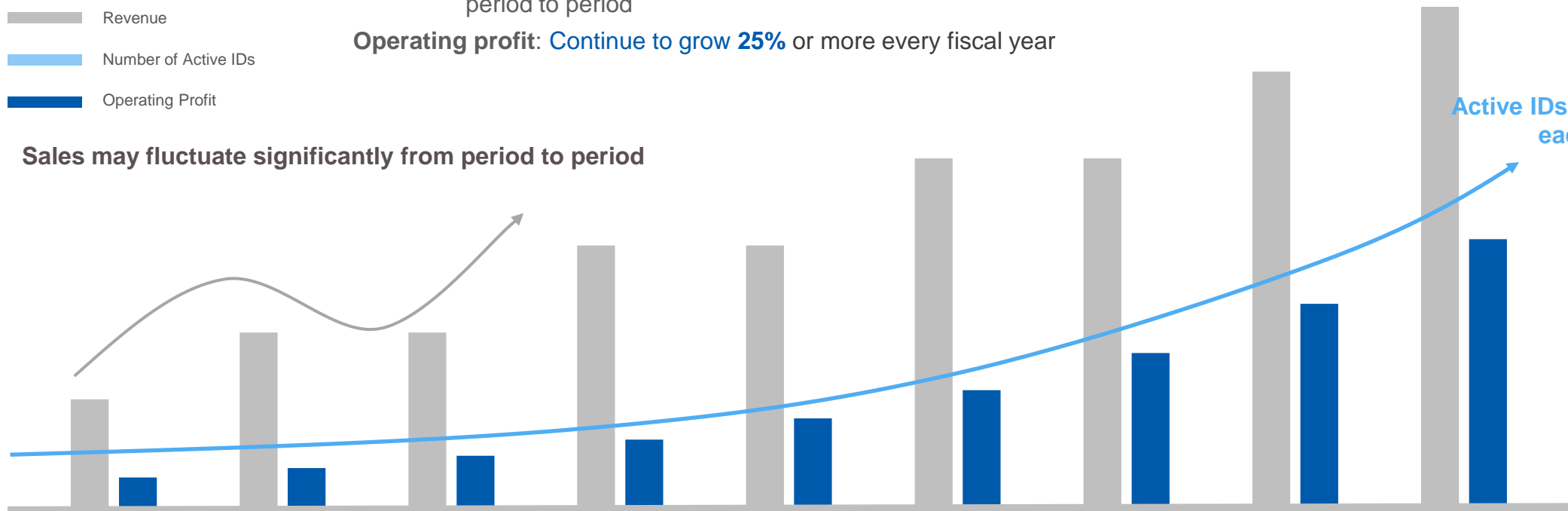
Revenue: Increase at a **CAGR of 25%** or more, although the extent of increase will vary from period to period

Operating profit: **Continue to grow 25%** or more every fiscal year

- Revenue
- Number of Active IDs
- Operating Profit

Sales may fluctuate significantly from period to period

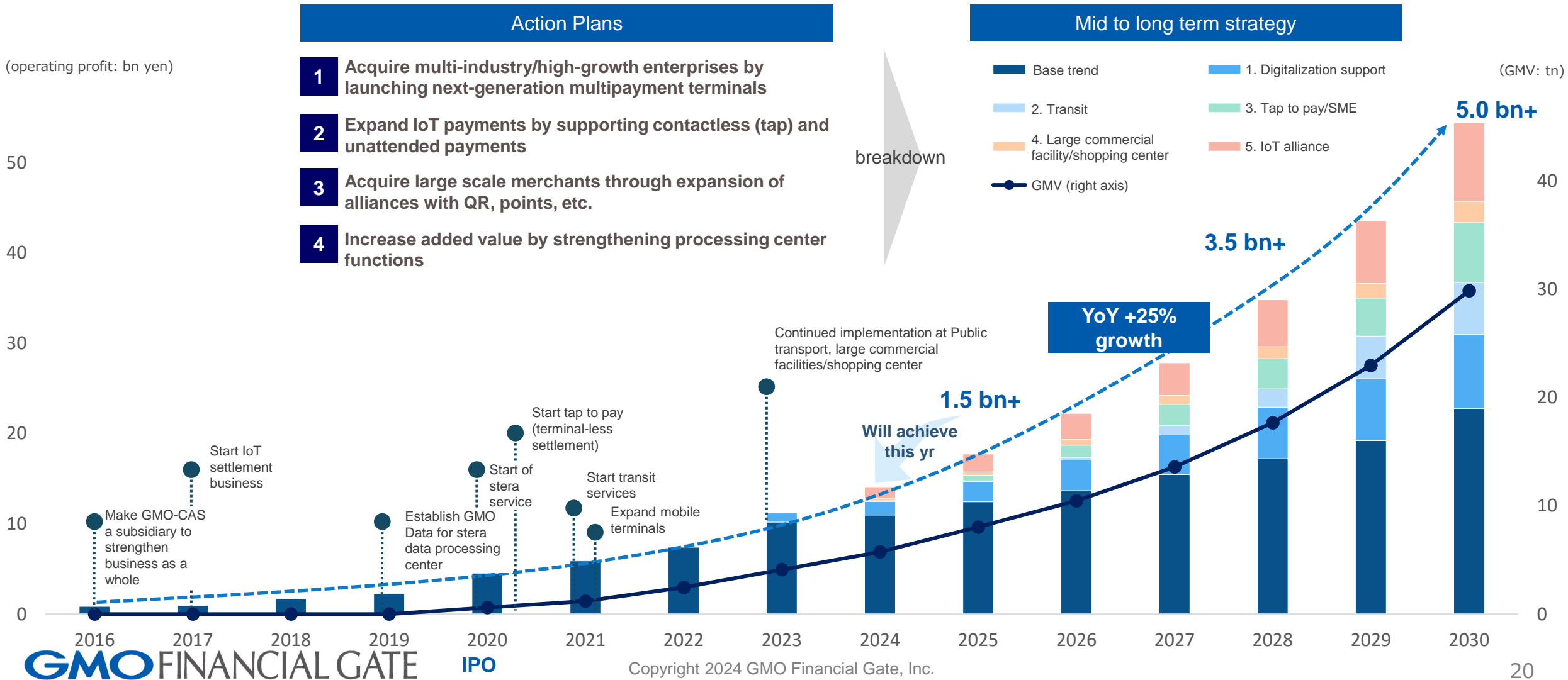
Active IDs will stack up each FY



4.2 Mid-term Financial Plan

OP of 1.5bn yen will be achieved this year ahead of schedule – a new five-year plan has been created to promote operating profit of 5bn yen in 2030

Operating Profit Growth Curve



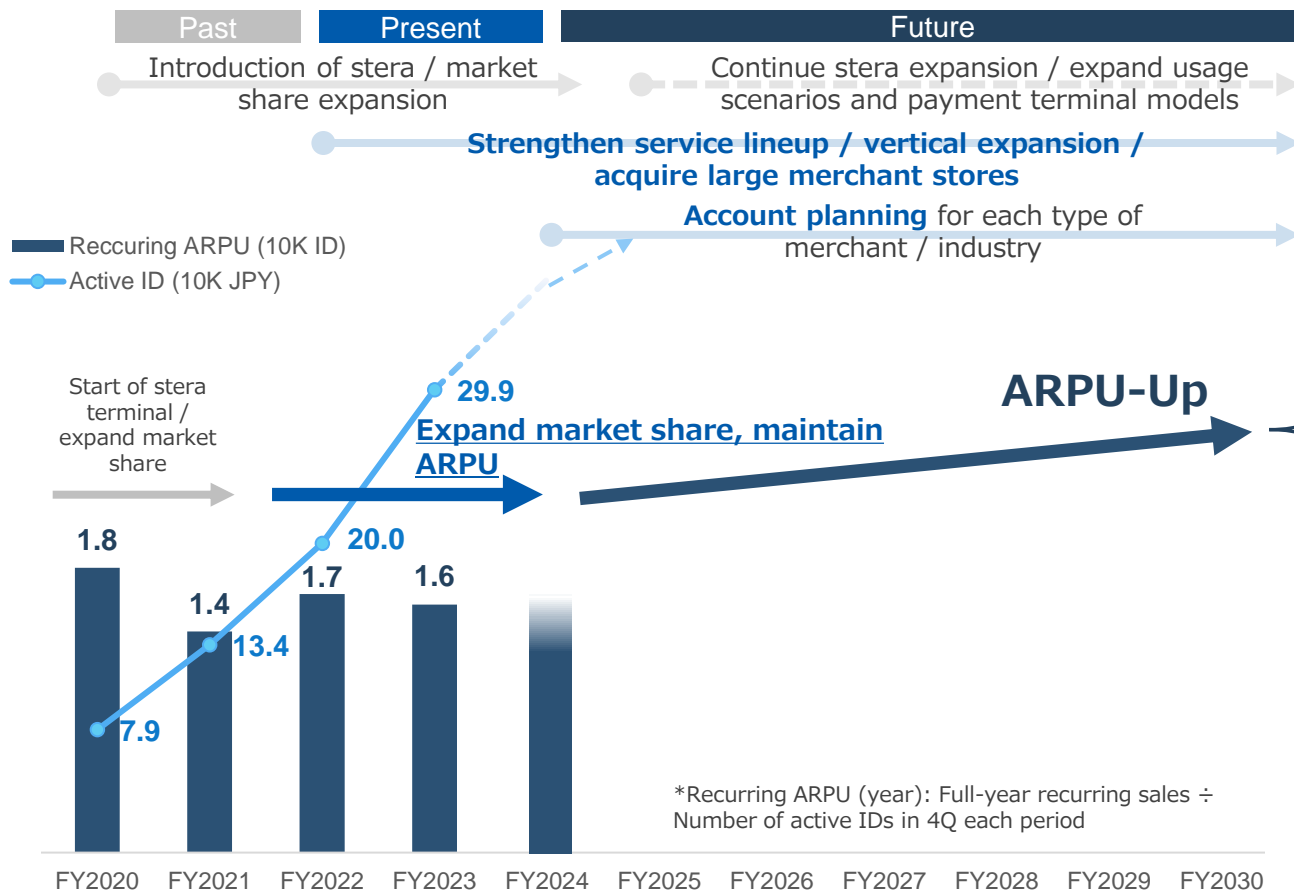
4.3 ARR Expansion

Focus on increasing the number of active IDs and ARPU to maximize ARR*. For each large corporate group / SME, we will take measures to maintain and improve APRU and aim to expand ARR

$$\text{ARR} = \text{Active IDs} \times \text{ARPU}$$

*ARR : Annual Recurring Revenue (yearly recurring model revenue)

Recurring ARPU per year trend*



*Recurring ARPU (year): Full-year recurring sales ÷ Number of active IDs in 4Q each period

ARPU improvement measures

ARPU-Up Recurring ARPU: Approx. **20-30K JPY**

- Aim to further increase active ID and improve ARPU with Horizontal × Vertical

Maintain ARPU Recurring ARPU: Approx. **10-10.5K JPY**

- Expand subscription model based packaged product offering
- Target small to medium-sized merchants with highly active terminals

Approx. 2x Recurring APRU

4.4 ARR Expansion Measures in Major Corporate Groups

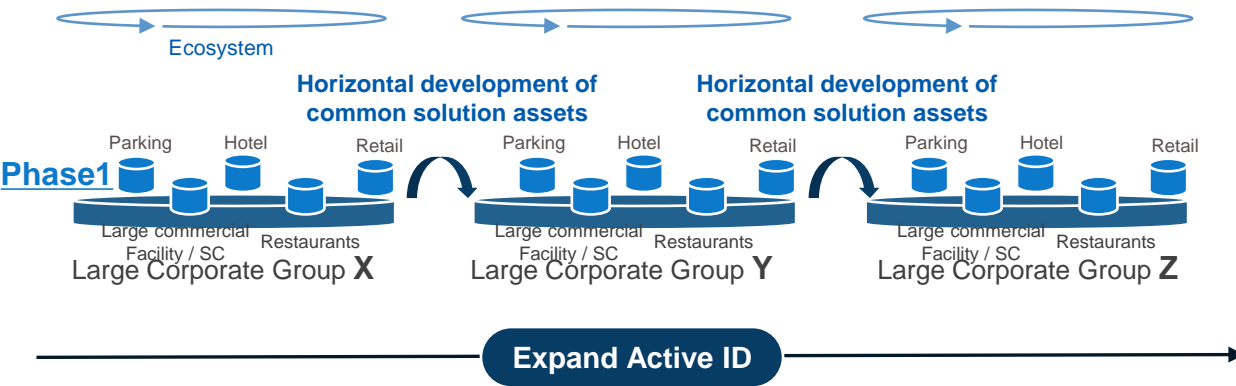
Horizontal: Expansion of active IDs through horizontal implementation of existing solution assets

Vertical: Improve ARPU per active ID by pitching additional solution assets

Horizontal Expansion Image

Phase1 Solution Asset Example

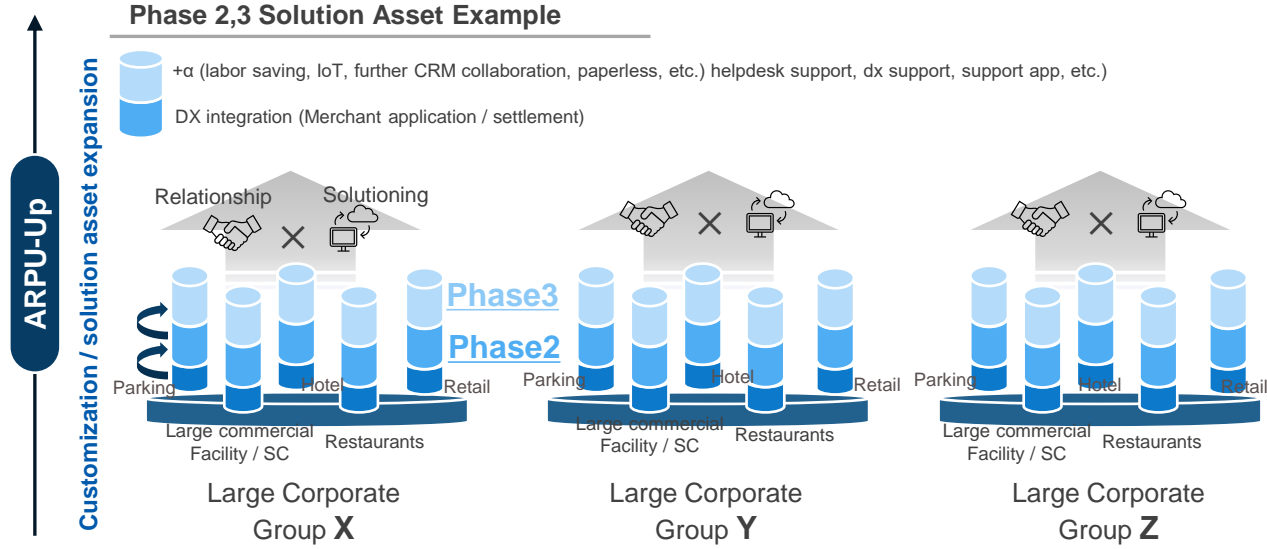
- Helpdesk / Milage Program Integration ("point") / transaction inquiry service (data download/CRM integration) / POS integration
- Payment system (multi-acquiring connection)



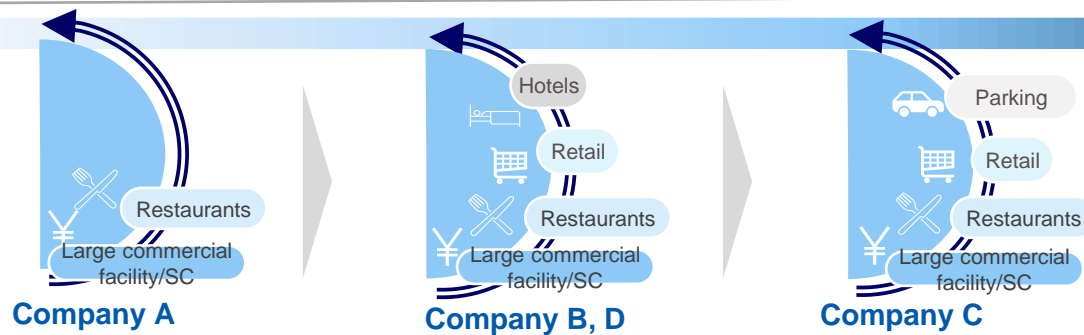
Vertical Expansion Image

Phase 2,3 Solution Asset Example

- +α (labor saving, IoT, further CRM collaboration, paperless, etc.) helpdesk support, dx support, support app, etc.)
- DX integration (Merchant application / settlement)



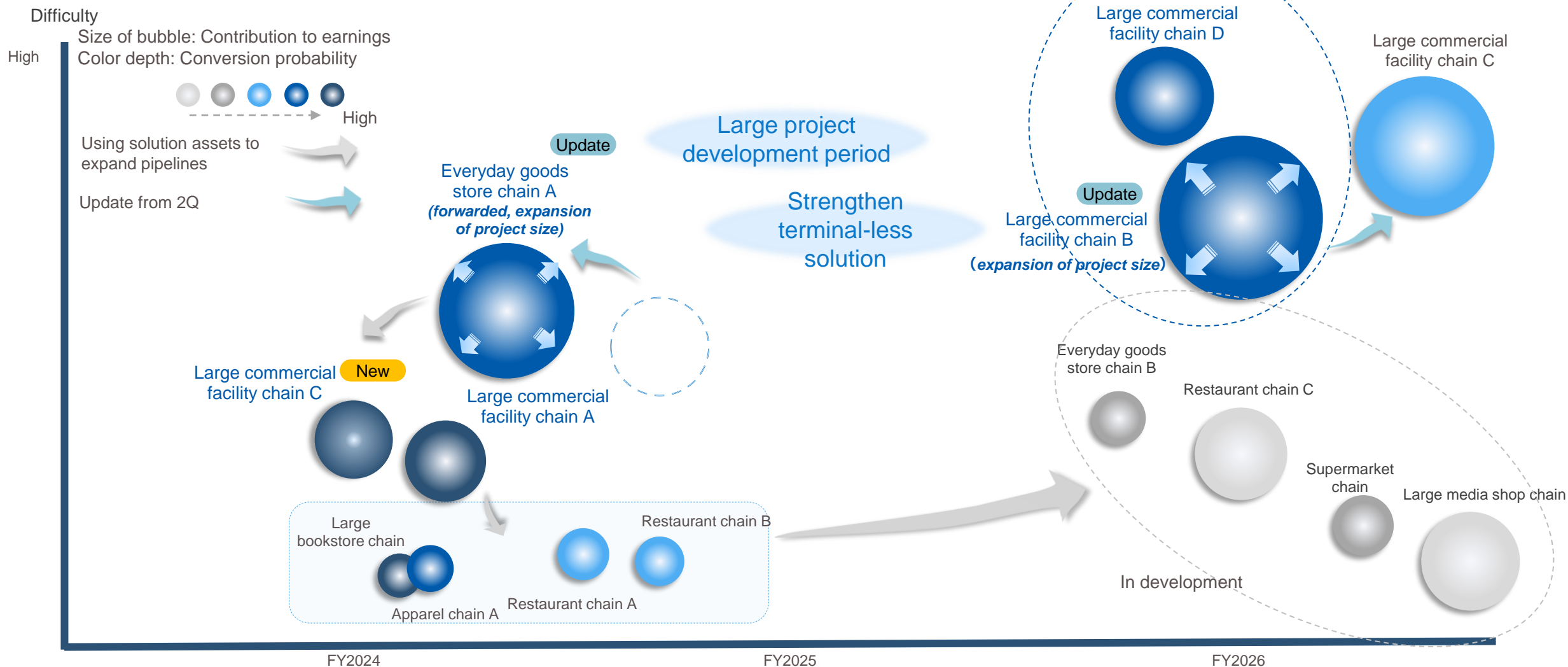
Formation of ecosystem in project pipelines



- Continue to focus on acquiring large corporate groups that will contribute to forming a ecosystem
- Increase number of active IDs by promoting Horizontal x Vertical

4.5 Vertical Expansion from Ecosystem Formation

Expanding pipelines for this FY with projects with short lead times
Our solution assets were highly evaluated and received multiple additional orders in some projects

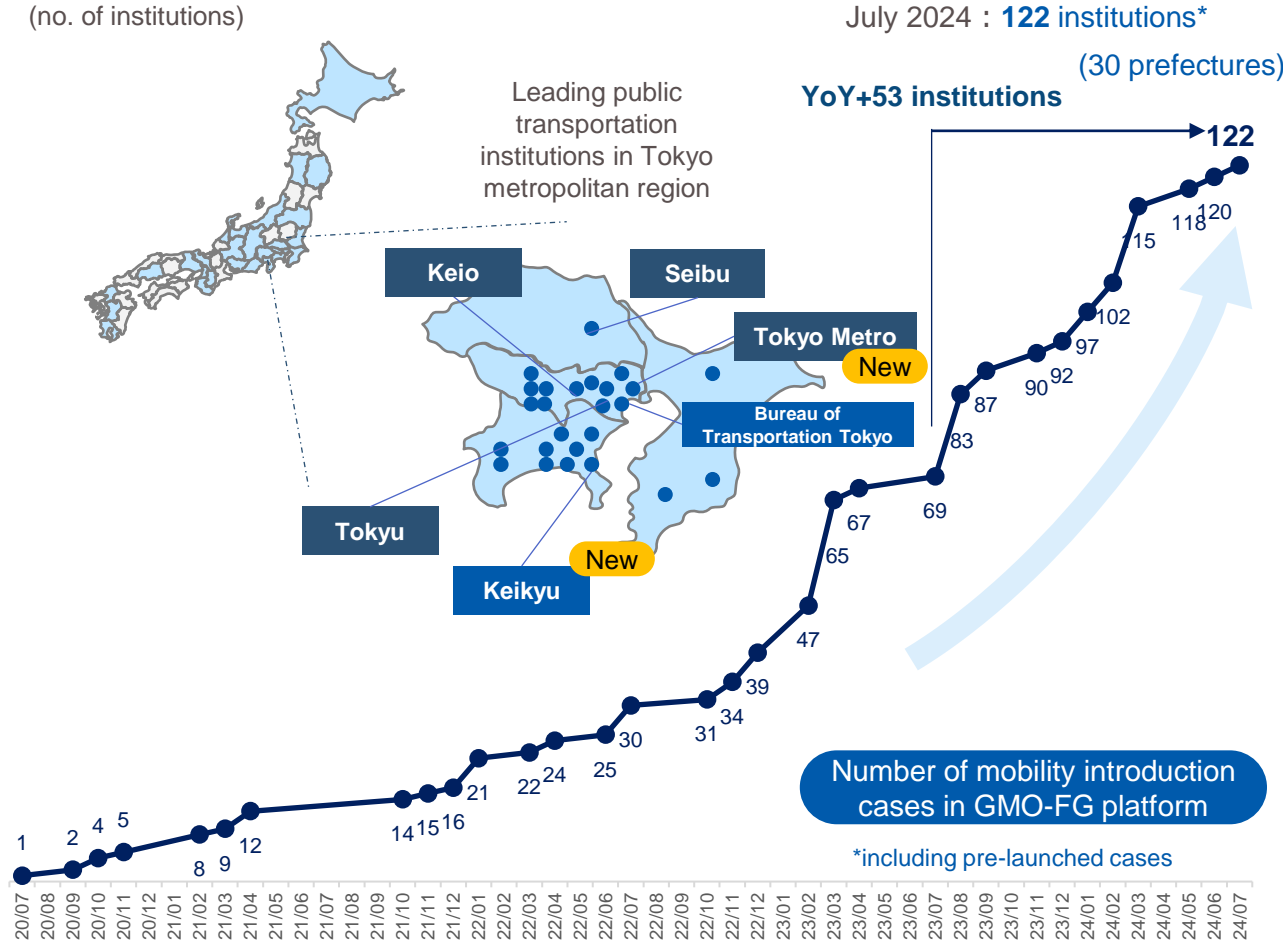


4.6 Expansion of Payment Platforms - Mobility Domain

With the continued increase in the number of foreign visitors to Japan, mobility payments rose to 122 institutions. Experimental implementation will start with Bureau of Transportation in Tokyo and Keikyu in 2024

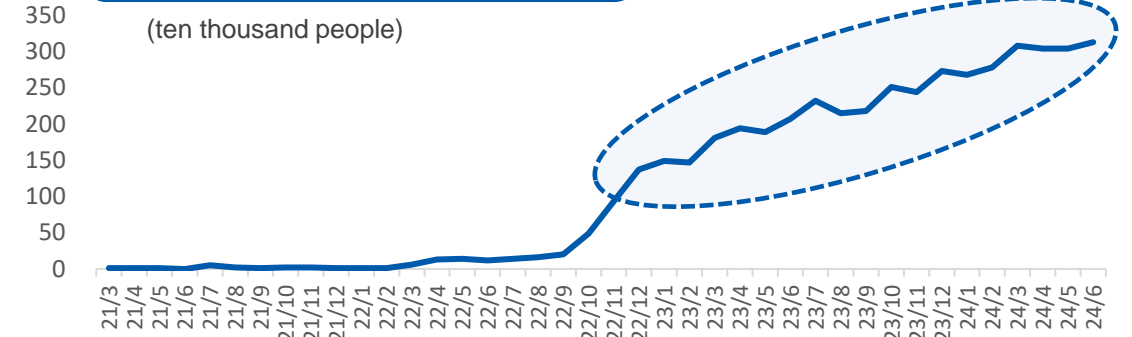
Implementation at Public Transportation Institutions

(no. of institutions)



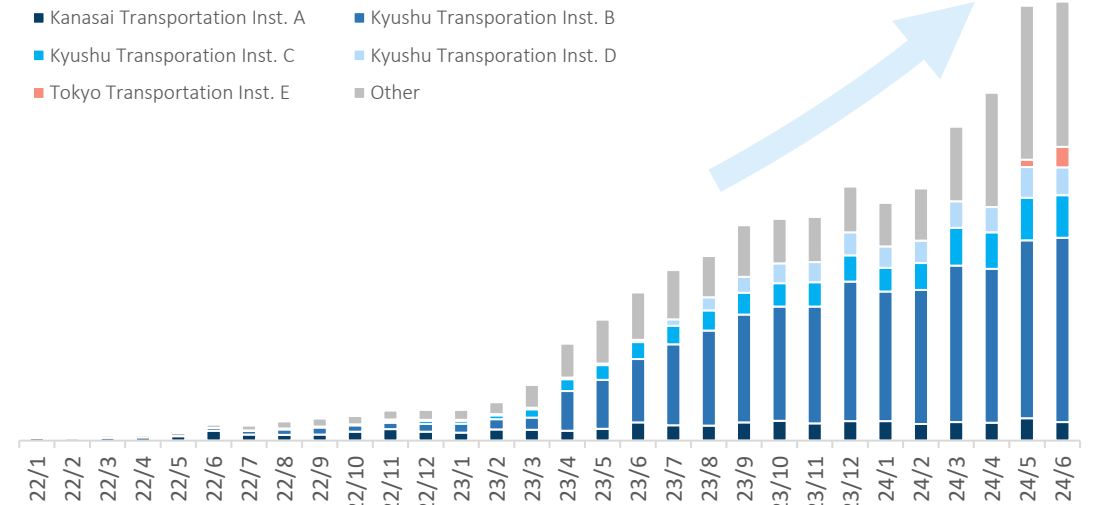
Number of Tourists and Mobility Settlements

Number of Tourists



Source: Compiled by Japan National Tourism Organization (JNTO) from "Number of Foreign Visitors to Japan"

Numbers of Mobility Settlements



4.7 Progress in Terminal-less Payment

Launched terminal-less payment service "stera fasstap/tap". Currently starting introduction to SMEs
 Plan to implement to a wide range of merchants to meet various needs

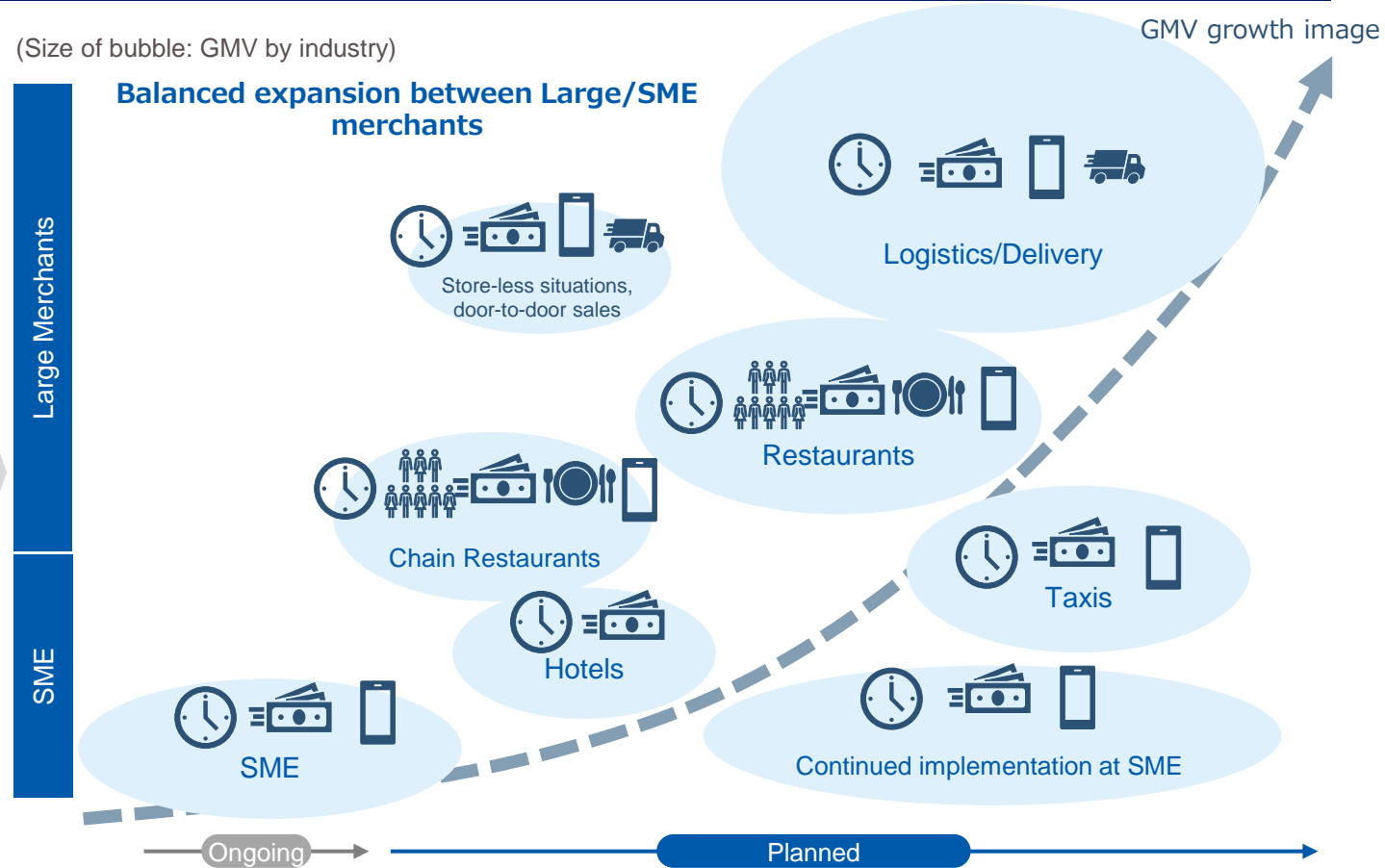
Merchant Needs



Pipelines

(Size of bubble: GMV by industry)

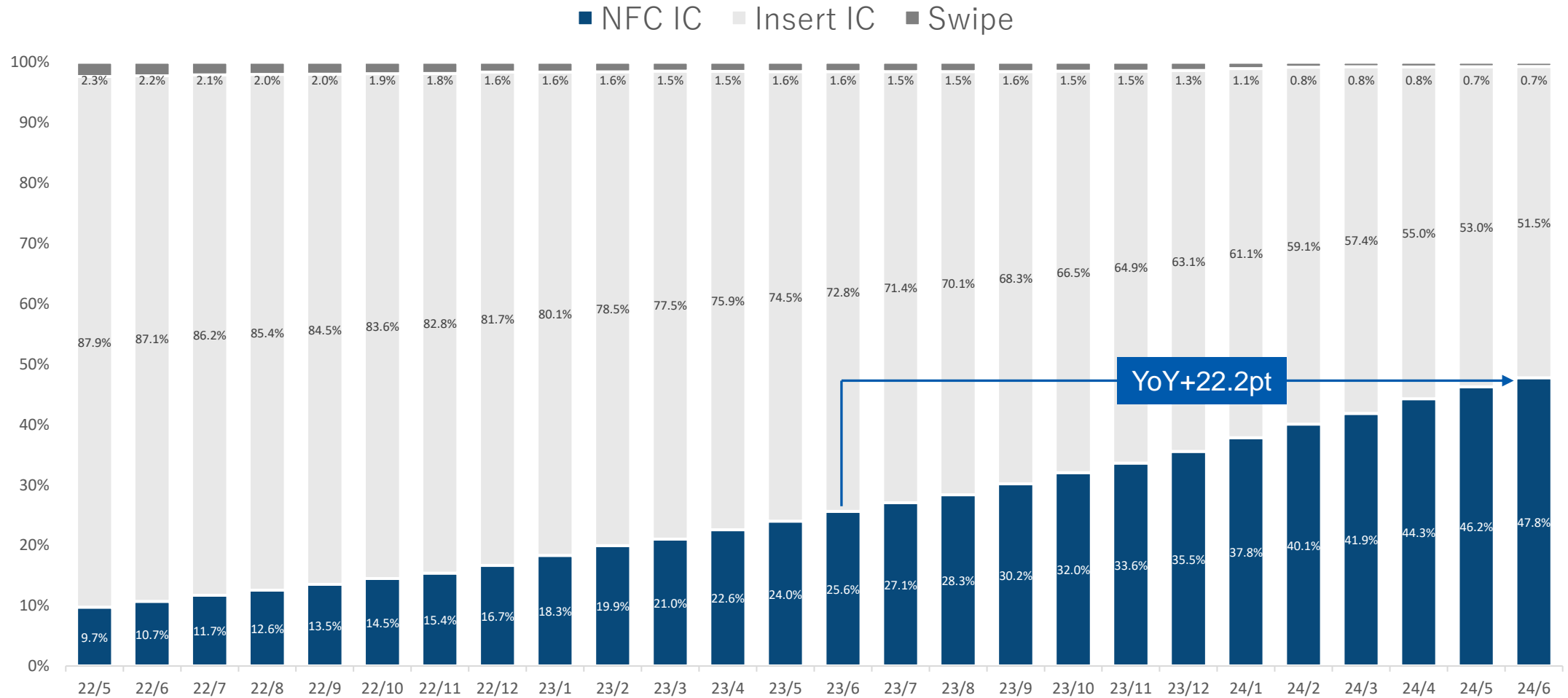
Balanced expansion between Large/SME merchants



4.8 Expanding use of contactless NFC payment

The percentage of credit touch payments at our processing center is on an upward trend. Growing awareness of the convenience of NFC is driving the future spread of credit touch in the mobility field

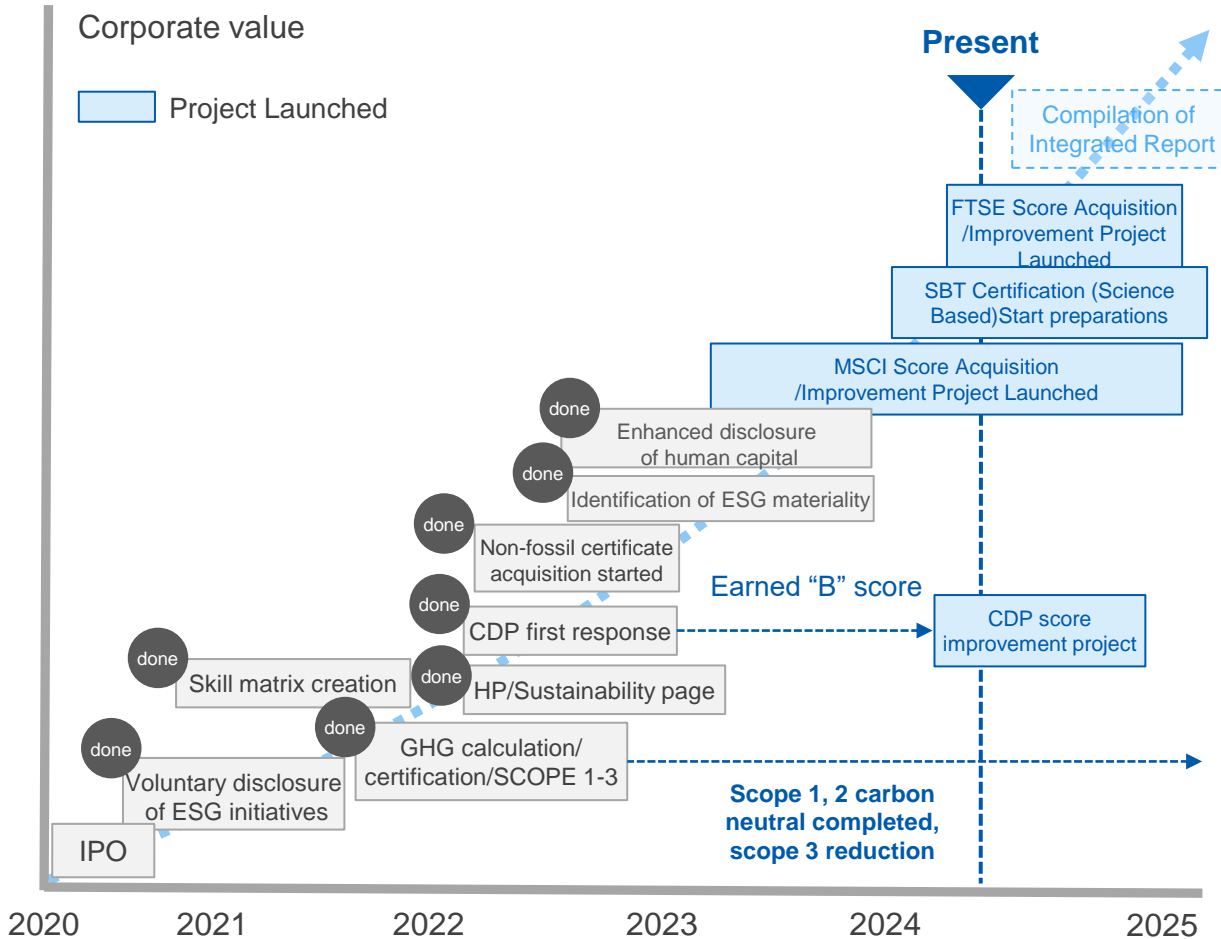
Credit and debit payments at our centers / Proportion of payment methods



4.9 Expanding ESG Initiatives

Working closely with external advisors to improve MSCI and Sustainalytics scores – continue to promote ESG initiatives to improve corporate value

ESG Initiative Roadmap



To Do's

Promote MSCI score acquisition/improvement project

- Continue cooperation with external consultant regarding ESG rating (MSCI, Sustainalytics)
- By improving ratings, aim to be included in MSCI index in Sept. 2025

Project launched for SBT certification (Science Based Targets)

- The SBT (Science Based Targets) Secretariat carries out certification after comparing the levels required by the Paris Agreement with the greenhouse gas emission reduction targets set by each company.
- Project launched to reduce greenhouse gases and data verification continued by third-party verification organization

CDP score improvement project

- Earned B score in 2023
- Will strive to earn A score by implementing external consultants

FTSE score acquisition/improvement project launched

- Visualize issues with the assumption that they will be subject to scoring in the near future
- Started considering countermeasures

Creation of Integrated Report

- We plan to create an integrated report from the perspective of enhancing information disclosure in order to promote management that involves more stakeholders.

Formed Project Team

Supplemental Agenda

Financial Information, Investment and Shareholder Return Policies

5

5.1 Profit & Loss

(thousands of yen)	3Q FY2023	3Q FY2024	YoY
Revenue	12,003,785	13,595,283	+13.3%
Cost of goods sold	9,103,131	9,389,064	+3.1%
Gross profit	2,900,654	4,206,219	+45.0%
SG&A	1,923,987	2,806,677	+45.9%
Operating profit	976,666	1,399,541	+43.3%
Ordinary profit	973,092	1,391,449	+43.0%
Profit attributable to owners of parent	613,308	860,300	+40.3%

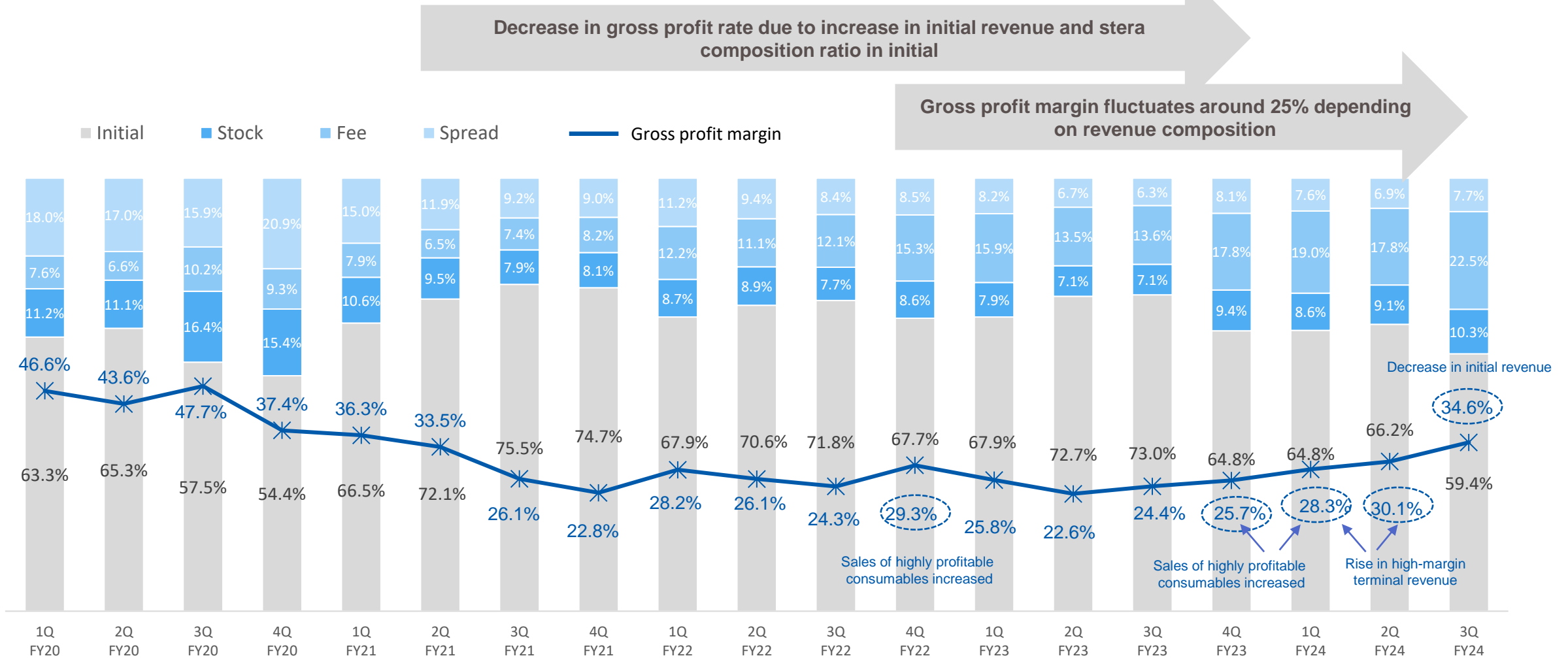
5.2 Revenue by business model (Quarterly)

(mn yen)	1Q FY21	2Q FY21	3Q FY21	4Q FY21	1Q FY22	2Q FY22	3Q FY22	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	3Q FY24
Initial	855	1,103	1,525	1,682	1,454	1,643	2,136	1,927	2,220	2,905	3,461	2,529	2,915	3,143	2,586
Recurring-Model	430	427	495	569	686	683	841	921	1,047	1,091	1,277	1,375	1,581	1,603	1,765
Stock	135	145	160	182	185	206	229	244	259	283	334	366	387	431	446
Fee	101	99	149	183	261	259	361	434	519	539	643	693	853	842	981
Spread	193	181	185	203	239	217	250	242	268	268	299	315	340	329	337
Total	1,286	1,531	2,020	2,252	2,141	2,327	2,978	2,849	3,267	3,997	4,738	3,905	4,496	4,747	4,351

5.3 Changes in Revenue Composition and Changes in Gross Profit Margin

Gross profit margin fluctuates due to change in revenue composition – has increased for 5 consecutive quarters

Initial gross profit margin improved due to increased sales of unmanned terminals



5.4 Balance sheet

No major changes

End of 3Q FY2024 (thousands of yen)

Cash and cash equivalents (37.9%) 4,256,739	Current liabilities 3,519,035
Merchandise (Payment terminal) 2,959,082	Non-current liabilities 2,064,896
Other current assets 1,540,330	Total net assets (50.3%) 5,654,760
Non-current assets 2,111,303	

Asset

Total liabilities
and net assets

■ Note

Merchandise: ¥ 2.95 bn

Decreased by 380mn QoQ

Current liabilities: ¥ 3.51 bn

No major changes

Non-current liabilities: ¥ 2.06 bn

No major changes

Cash and cash equivalents: ¥ 4.25 bn

No major changes

5.5 Balance sheet (Quarterly)

(mn yen)		4Q FY21	1Q FY22	2Q FY22	3Q FY22	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	3Q FY24	QoQ	YoY	
Asset	Current assets	Cash and cash equivalents	3,434	1,425	1,618	2,231	2,519	1,720	2,190	2,779	4,015	3,897	4,216	4,256	+40	+1,476
		Merchandise	1,615	2,177	2,523	1,545	1,507	2,511	3,131	2,733	2,396	3,077	3,344	2,959	-385	+225
		Others	741	868	1,007	884	990	1,527	1,520	1,412	1,093	1,555	1,557	2,111	+553	+699
	Non-current assets	1,347	1,409	1,445	1,497	1,622	1,567	1,651	1,692	1,757	1,846	1,893	1,911	+18	+219	
	Total assets	7,136	5,879	6,593	6,157	6,638	7,326	8,493	8,617	9,262	10,376	11,011	11,238	+226	+2,621	
Liabilities	Current liabilities	2,720	1,538	2,135	1,575	1,929	2,801	3,220	2,114	2,604	3,298	3,619	3,519	-100	+1,404	
	Non-current liabilities	40	37	33	30	39	39	539	1,540	1,541	2,042	2,062	2,064	+2	+524	
Net Asset		4,376	4,304	4,425	4,552	4,671	4,485	4,732	4,962	5,115	5,036	5,329	5,654	+325	+692	
Total liabilities and net assets		7,136	5,879	6,593	6,157	6,638	7,326	8,493	8,617	9,262	10,376	11,011	11,238	+226	+2,621	

5.6 Consolidated KPIs (Number of Active IDs)

The number of unmanned terminals continues to increase due to increase in self-service and labor saving

Started disclosing the number of IDs for terminal-less payments

(thousand)	1Q FY21	2Q FY21	3Q FY21	4Q FY21	1Q FY22	2Q FY22	3Q FY22	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	3Q FY24	QoQ (%)	YoY (%)
Manned	39.5	48.4	61.6	75.2	88.3	101.3	118.7	132.7	149.4	162.7	199.5	222.2	246.7	258.3	268.3	+10.0 (+3.9%)	+68.7 (+34.4%)
Unmanned (IoT)	30.0	31.8	33.9	40.1	42.4	44.2	45.8	47.6	49.5	52.3	54.1	57.1	59.4	65.8	69.5	+3.6 (+5.6%)	+15.3 (+28.4%)
Sold by others	18.8	18.8	19.0	18.6	19.2	18.9	19.2	19.1	19.1	18.8	19.5	19.3	19.9	20.3	20.4	+0.1 (+0.5%)	+0.9 (+4.7%)
Terminal-less	*due to launch of 「stera tap」, Terminal-less will be separated from “sold by others” from 3Q FY24														3.0	+3.0 (---)	+3.0 (---)
Total	88.4	99.1	114.7	134.0	150.0	164.5	183.7	199.5	218.1	233.9	273.2	298.8	326.0	344.5	361.3	+16.8 (+4.9%)	+88.0 (+32.2%)

5.7 Capital Allocation Policy

Aim to achieve continuous business growth in accordance with the investment funding policy and capital allocation policy

Investment Source Funding Policy

- Priority of investment resources (1) Operating cash flow, (2) Interest-bearing debt, (3) Equity

(1) Operating Cash Flow

Leverage operating CF from continuous profit growth

(2) Favorable sub liabilities, etc.

Flexibly consider the use of interest-bearing debt in accordance with our investment policy based on our financial condition, market environment, and interest rate levels

(3) Equity

We will make a comprehensive evaluation of the stock price level, market environment, financial condition, and other factors. and financial conditions, etc., and consider capital procurement to realize continuous business growth through investment. Consider capital procurement to achieve sustainable business growth through investment based on a comprehensive assessment of stock price levels, market environment, financial conditions, etc.

Capital Allocation Policy

- Priority will be given to business investment and growth investment in accordance with our business strategy, while at the same time, we will continue to provide a certain level of shareholder returns.

Business Investment

Business investment to implement market share expansion strategy

Growth Investments

Strategic investments in preparation for profit margin increase strategy

Shareholder Returns

Stable and continuous dividend payments while securing internal reserves for business and growth investments to support continuous business growth

5.8 Investment Policy

Proactive business investment to execute "market share expansion strategy" necessary for medium to long-term operating profit growth of +25% YoY

	Business investment	Growth investment
Main Investment Target	<ul style="list-style-type: none"> • Investments in data centers, terminal development, and internal systems • Investment in human resources (organizational enhancement, hiring, performance-linked compensation, etc.) • Development investment for IoT (mobility), touch settlement in transportation systems (trains, buses, etc.), and labor-saving/self-support 	<ul style="list-style-type: none"> • Support for cashless transactions in the area of small and medium-sized merchants • New business related to money services/payment • Data service/marketing support business • Building alliances (business alliances, capital tie-ups, etc.)
Basic Investment Policy	<ul style="list-style-type: none"> • In principle, business investments are made within the budgeted framework based on the assumption that the profit plan will be achieved, and additional investments are made according to the progress of actual performance. 	<ul style="list-style-type: none"> • Careful verification of business profitability and growth potential • Start lean and small • Expand investment limits in phases where return on investment is expected

5.9 Shareholder Return Policy

Aiming to increase corporate value through business growth while providing stable and continuous dividends simultaneously

Basic Policy on Shareholder Returns

Increase in corporate value

- Aim to increase market capitalization over the medium to long term through continuous business growth

To increase net income attributable to shareholders through business growth in revenue (CAGR 25%) and operating profit (+25% YoY or more) . Increase net income attributable to shareholders through business growth

Stable and continuous dividends

- Stable and continuous dividend payments

Aim for shareholder returns of 50% or more while ensuring capital needs and internal reserves to support business growth (currently in place).

6

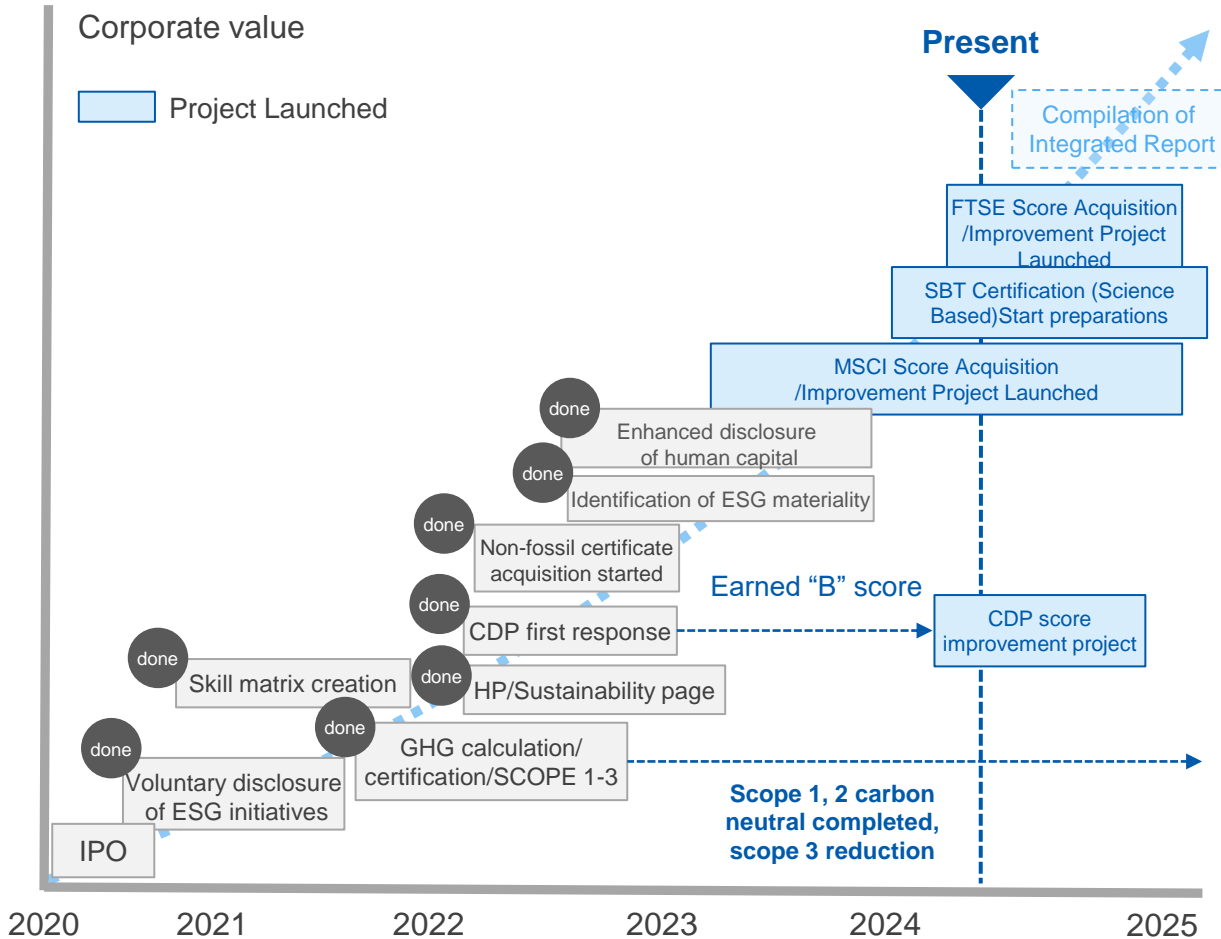
Supplemental Agenda

ESG Initiatives (Details)

6.1 Expanding ESG Initiatives

Working closely with external advisors to improve MSCI and Sustainalytics scores – continue to promote ESG initiatives to improve corporate value

ESG Initiative Roadmap



To Do's

Promote MSCI score acquisition/improvement project

- Continue cooperation with external consultant regarding ESG rating (MSCI, Sustainalytics)
- By improving ratings, aim to be included in MSCI index in Sept. 2025

Project launched for SBT certification (Science Based Targets)

- The SBT (Science Based Targets) Secretariat carries out certification after comparing the levels required by the Paris Agreement with the greenhouse gas emission reduction targets set by each company.
- Project launched to reduce greenhouse gases and data verification continued by third-party verification organization

CDP score improvement project

- Earned B score in 2023
- Will strive to earn A score by implementing external consultants

FTSE score acquisition/improvement project launched

- Visualize issues with the assumption that they will be subject to scoring in the near future
- Started considering countermeasures

Creation of Integrated Report

- We plan to create an integrated report from the perspective of enhancing information disclosure in order to promote management that involves more stakeholders.

Formed Project Team

6.2 ESG-related topics (Materiality Identification/CDP Score B earned)

(1) Identified materiality. (2) Received a "B" in CDP, focusing on prime companies, exceeding the industry average, the Asian average, and the global average. Aiming for "A" in the future, and aiming to improve the score of low evaluation items.

ESG Materiality		
	Materiality	Contribution to SDGs
Social Responsibility	1 Infrastructure & Security Provide safe and secure face-to-face cashless payment infrastructure	11 住み続けられるまちづくりを
	2 Decarbonization & Environment Provide environmentally friendly payment terminals	7 エネルギーをみんなにそしてクリーンに 12 つくる責任 つかう責任 13 気候変動に具体的な対策を 17 パートナリシップで目標を達成しよう
	3 Business Innovation Incorporate technological advancements	8 働きがいも経済成長も 9 産業と技術革新の基盤をつくろう
Senior Management	4 Human Resources Human Rights Secure highly specialized human resources and strengthen investment in their training	3 すべての人に健康と福祉を 5 ジェンダー平等を實現しよう
	5 Governance Establish a fair and equitable governance structure	16 平和と公正をすべての人に

CDP Score: B earned

What is CDP

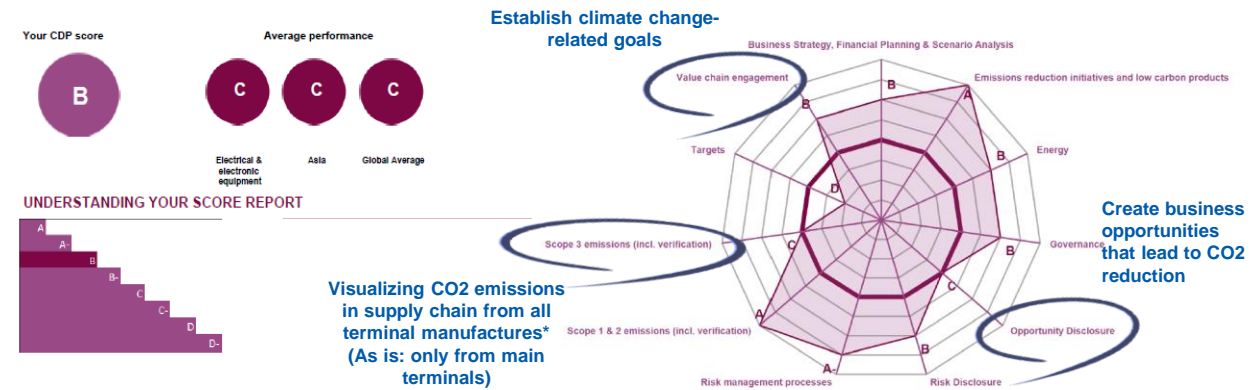
Non-government organization for global warming countermeasures. Sends out a questionnaire to leading companies around the world on topics such as greenhouse gas emissions, business risks and opportunities due to climate change, and evaluates companies' responses to climate change issues based on their responses. Ratings are given in 8 stages: A, A-, B, B-, C, C-, D, D- (B rating is third from the top)

B Score

A score of "B" is considered to be at the management level, and indicates that the company has been evaluated as "taking coordinated action on climate issues"

- While our industry average, regional average, and global average are "C", we are a TSE growth market company and has a "B" score that exceeds these standards
- We will continue to strive to enhance disclosed information and aim to obtain an A score

CDP SCORE REPORT - CLIMATE CHANGE 2023



6.3 ESG Initiatives / Environment

In the provision of our payment platform, we promote business operations that consider environmental impact. Working to reduce CO₂ emissions related to our business

Specific Efforts

- **Recycled paper is used for receipts (paper rolls)** used at each payment terminal.
- **Provide electronic storage services** for sales slips to reduce the number of receipts (paper rolls)
- **Use of environmentally friendly materials** for payment terminal components
- **Reuse of payment terminals returned by merchants** as replacement terminals (refurbished terminals) in the event of malfunctions, etc.

Environment Related Data

Our Supply Chain

upstream		GMO-FG		downstream	
SCOPE 3		SCOPE 1	SCOPE 2	SCOPE 3	
Procurement, Manufacturing and Distribution		Fuel Combustion	Electricity use	Use and disposal	
payment terminal	Sales of roll paper	-	Office, Settlement Centers	Payment Terminal Use	Payment terminal Disposal

Supply chain CO₂ emissions

	FY2022	FY2023
SCOPE 1 (t-CO ₂)	0	0
SCOPE 2 (t-CO ₂)	105	0
SCOPE 3 (t-CO ₂)	13,927	19,501
Electricity consumption for SCOPE 1 and 2 (kwh)	231,210	200,949

* The subject companies are GMO Financial Gate, GMO Card Systems, and GMO Data, a consolidated group of companies.

* Data for SCOPE 1~3 will be verified by a third-party verification organization in the future.

* Achieved virtually 100% renewable energy by using renewable energy equivalent to SCOPE 1 and 2 electricity consumption.

6.4 ESG Initiatives / Social

Aiming for sustainable growth by hiring excellent human resources and enhancing various systems that contribute to improving the capabilities of all partners* in order to create corporate value and solve social issues

*Employees are referred to as partners

Initiatives

- **Human Resource Development and Welfare System**
 - **Career design system** : System to provide advice and support on career development
 - **360-degree multidimensional evaluation system** : A system that allows partners to evaluate their supervisors without a name.
 - **Countermeasures to the falling birthrate** : Financial benefits and special exceptions for work at various stages of marriage, childcare, etc.
- **Work-style reform**
 - Promote a telework work system that takes into consideration the safety of executives and employees
 - Promotion of maternity and paternity leave
 - Encouraging shorter working hours for childcare
 - Providing post-retirement reemployment opportunities
 - Providing an hourly annual leave system, etc.
- **Employment of the Disabled**
 - Inclusivity of diverse employees, creating a better workplace

Social Related Data

	FY2022	FY2023
Number of Partners*	124	148
(Breakdown) Number of employee partners	96	108
(Breakdown) Number of temporary partners	28	40
Percentage of women among employee partners	22.8	32.4
Percentage of women in management partners	14.3	13.6
Average years of service	3y 7m	3y 10m
Average age	40.9	42.7
Turnover rate	9.5	4.6

*Number of partners" covers the consolidated corporate group GMO Financial Gate, GMO Card Systems, and GMO Data.

*Number of partners" is the total number of regular employees, rehired employees, contract employees, and seconded employees (excluding employees seconded from our group to outside the group, but including employees seconded from outside the group to our group) .

*Number of temporary partners" is the average total number of part-timers and temporary employees during the past year.

* Figures for "Ratio of women among employee partners" and "Ratio of women among management partners" are for "employee partners.

* Average years of service, average age, and turnover rate are non-consolidated figures for GMO Financial Gate.

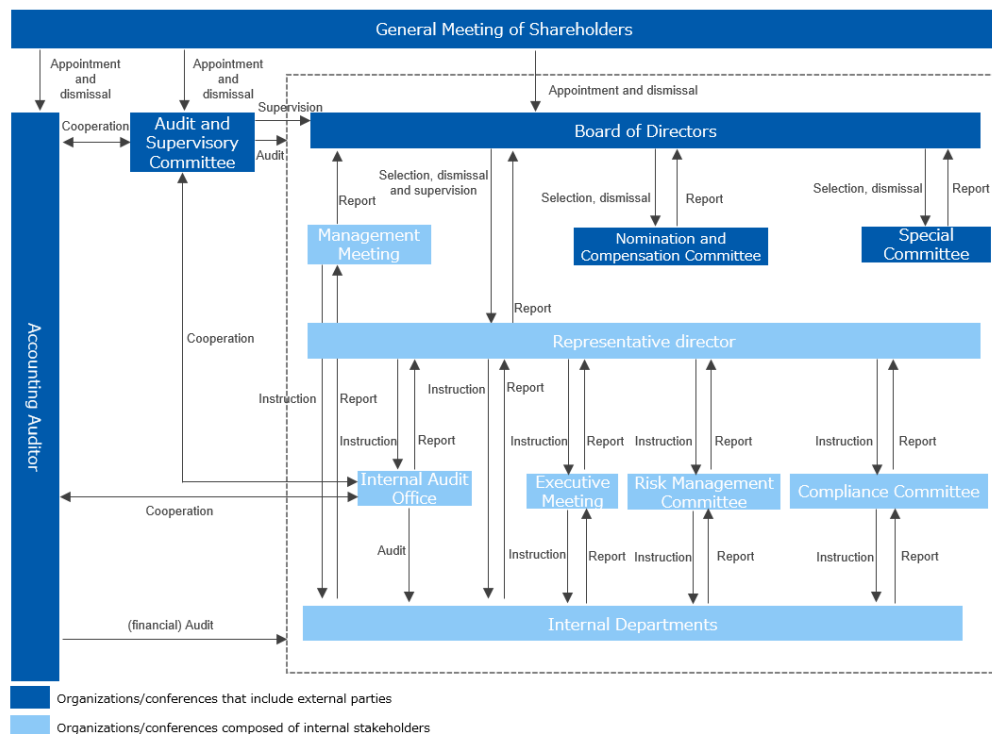
* From the fiscal year ending September 2023, contracted and dispatched partners will be excluded from the calculation of the turnover rate.

6.5 ESG Initiatives / Governance

Focus on enhancing corporate governance by establishing a decision-making structure that responds quickly and appropriately to changes in the business environment, a fair, transparent, and efficient business execution structure

Specific Efforts

- **Transition to a company with an audit and supervisory committee** : External directors account for more than 1/3 of the Board of Directors, eliminating decision-making that would create a conflict of interest with shareholders.
- **Establishment of a special committee** : Strengthen the governance of the board of directors and protect the interests of minority shareholders



Governance Related Data

Outside Directors/Female Directors	FY2023
Number of directors	7
Number of independent outside directors (%)	2 (28.6%)
Number of female directors (%)	1 (14.3%)

*Number and percentage of directors expected to be in office as of 12/14/2023

Attendance rate at Board of Directors Meetings (FY2023)

Times Held	Held/Percentage	Sugiyama	Aoyama	Fukuda	Tamai	Koide	Shimamura	Asayama
		President and Representative Director	Board Member	Board Member	Board Member	Board Member	Independent Outside Director	Independent Outside Director
17 times	Times Attended	17	17	17	14	17	17	17
	attendance rate	100%	100%	100%	100%	100%	100%	100%

*Directors in office as of the date of submission of this document (12/14/2023)

*For directors appointed during the term, indicate the number and rate of attendance since their appointment.

Board of Statutory Auditors FY2023

Number of times implemented	Number of times/percentage	Nagasawa	Ozawa	Iinuma
		Independent Outside Corporate Auditor	Independent Outside Corporate Auditor	Auditor
13	Times Attended	14	14	14
	Attendance Rate	100%	100%	100%

IR Activities

	FY2022	FY2023
Financial Results Briefing	4	4
Number of 1-on-1 meetings	267	232
Group meetings sponsored by brokerage firms	3	3

6.6 ESG Initiatives / Board of Directors

Governance structure built around technology and financial background

Internal Director (Managing Director)

Kentaro Sugiyama / President and Representative Director

Worked in the systems industry for 14 years with clients in the financial industry; joined GMO-FG in May 2017 after having worked for GMO-PG since 2014; became President and Representative Director in December



Akio Aoyama / Director, General Manager, Solution Partner Division

Worked in the systems industry for 21 years with clients in the financial industry; joined GMO-FG in April 2018; became Director in December 2018, responsible for Solution Partner Division; President and Representative Director of GMO Data since August 2019



Tomonaga Fukuda / Director, General Manager, IT Platform Division

18 years in the systems industry, working with clients in the financial industry; joined GMO-FG in September 2019, appointed as Director in December 2020, in charge of the IT Platform Division



Tomoki Tamai / Director, General Manager, Corporate Support Division

Engaged in sales and corporate affairs at major banks and operating companies; joined GMO-FG in August 2021; appointed Director in December 2022; in charge of Corporate Support Division



Director concurrently serving as GMO-PG

Tatsuya Koide / Director

35 years in the systems industry, working with clients in the public and manufacturing industries. Joined GMO-PG in September 2021, also serving as Director of GMO-FG. Appointed Senior Executive Officer of GMO-PG in December 2021



Independent External Director

Nao Shimamura / External Director (Audit and Supervisory Committee Member)

Engaged in legal practice in the legal industry for 15 years; appointed as an outside director in September 2019 (appointed as an outside director because he has the knowledge and experience to make decisions on important management matters of the Company and to supervise the execution of business operations in an accurate and fair manner).



Rie Asayama / External Director (Audit and Supervisory Committee Member)

Engaged in finance-related business for 36 years at a major banking group; appointed outside director in December 2021 (appointed as outside director because of her experience in promoting diversity and as executive vice president of a general business company).



Takayoshi Nagasawa / External Director (Audit and Supervisory Committee Member)

36 years in the systems industry, working with clients in the financial and distribution industries; appointed as an auditor in December 2016 (appointed as an outside director as a member of the audit committee to strengthen the internal control system and to audit the directors' execution of their duties); concurrently serving as an auditor of GMO Data from August 2019



Satoru Ozawa / External Director (Audit and Supervisory Committee Member)

46 years in the systems industry, working with clients in the corporate management and banking industries; appointed as an auditor in December 2016 (appointed as an outside director as an audit committee member to strengthen the internal control system and to audit the directors' execution of their duties).



Definition of notation

GMO-FG: GMO Financial Gate, GMO-PG: GMO Payment Gateway

* Describes directors in office as of June 30, 2024.

6.7 ESG Initiatives / Executive Skills Matrix

Appointment of human resources that contribute to the enhancement of corporate value as directors, with a view to building a system that enables the Board of Directors to function effectively.

Identity	Kentaro Sugiyama	Akio Aoyama	Tomonaga Fukuda	Tomoki Tamai	Tatsuya Koide	Nao Shimamura <small>outside the company Independent Director</small>	Rie Asayama <small>outside the company Independent Director</small>	Takayoshi Nagasawa <small>outside the company Independent Director</small>	Satoru Ozawa <small>outside the company Independent Director</small>
Job title	President and Representative Director	Director, General Manager, Solution Partner Division	Director, General Manager, IT Platform Division	Director, General Manager, Corporate Support Division	Director	Director (Audit and Supervisory Board Member)	Director (Audit and Supervisory Board Member)	Director (Audit and Supervisory Board Member)	Director (Audit and Supervisory Board Member)
Practicing GMO-ism*	●	●	●	●	●	●	●	●	●
Corporate management	●	●					●		●
System Security			●						
Risk management			●	●			●	●	●
Legal & Governance				●		●		●	●
Finance, Accounting & Tax				●					
Sales and Marketing		●			●				
Investment (M&A)				●					
Financial Business							●		
Human Resource Development and Recruitment, Diversity					●		●		
ESG & Sustainability				●		●	●		

* GMO-ism is the collective name for the company motto and company precepts that express the "Spirit Venture Declaration" and "55-Year Plan," the unchanging goals of the GMO Internet Group, as well as "Executive Principles" and "Laws of Victory."







* Describes directors in office as of June 30, 2024.

Supplemental Agenda

Appendix

7

GMO-FG is focusing on offline payment

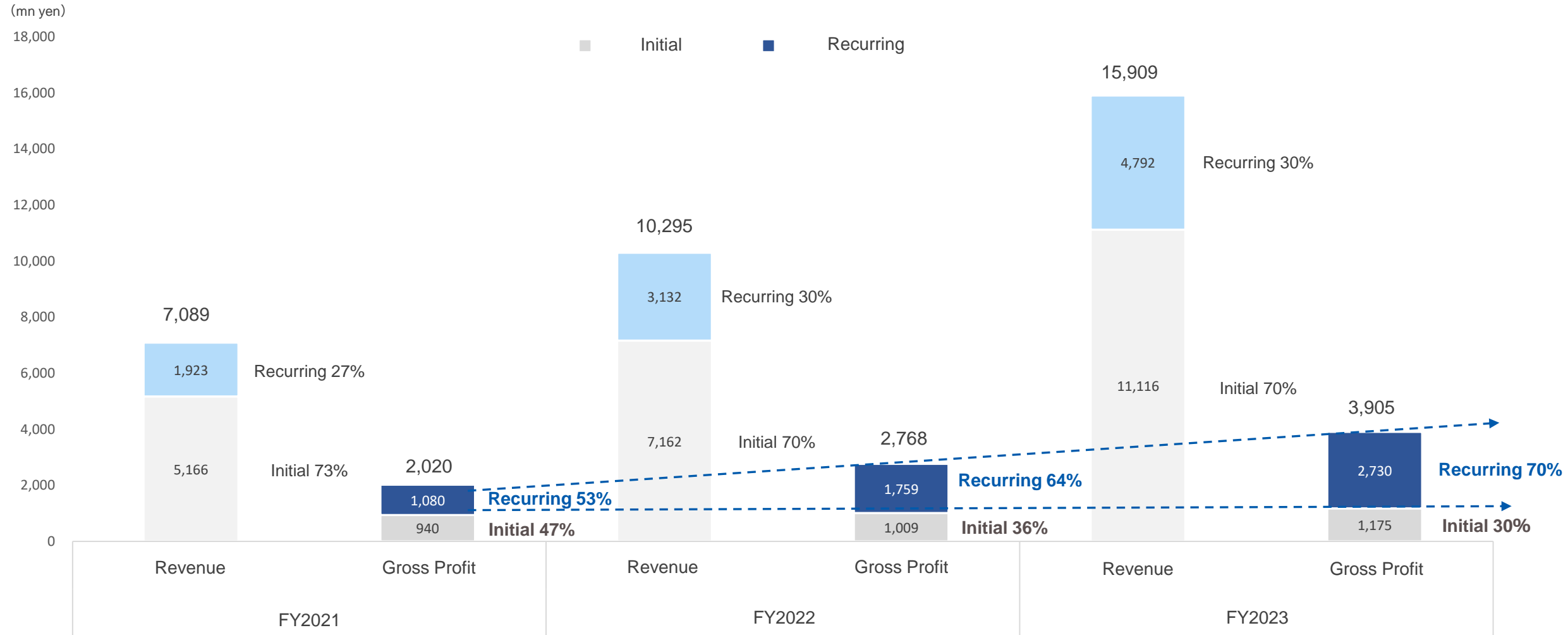
Company name		
Business Domain	<p>GMO Financial Gate (Payment at Brick & Mortar + IoT)</p>	<p>GMO Payment Gateway (EC)</p>
Payment method	<p>Payment by passing card/QR code over the reader</p> <div style="display: flex; justify-content: space-around;">   </div>	<p>Payment by entering credit card information in PC / mobile phone</p> <div style="display: flex; justify-content: space-around;">   </div>
Medium	<p>Payment terminal</p>	<p>EC (terminal is unnecessary)</p>

- Physical hardware network
- Proprietary programming code specifications
- Regulation

Gross profit composition ratio

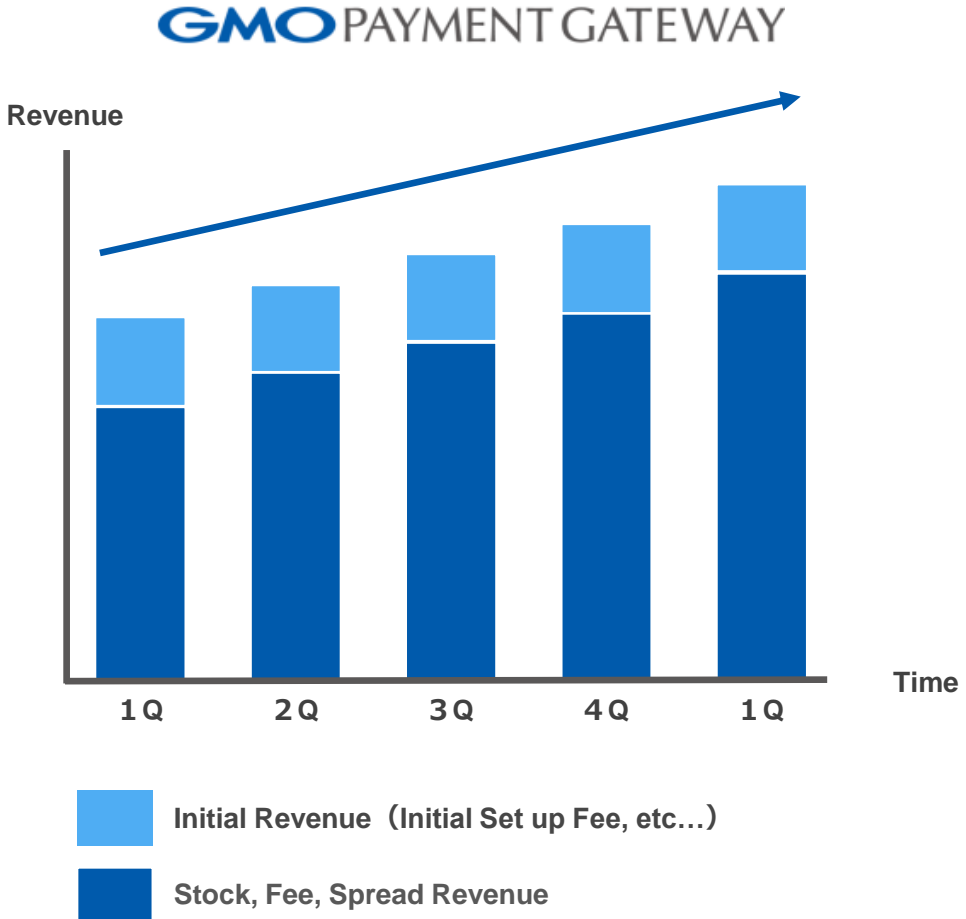
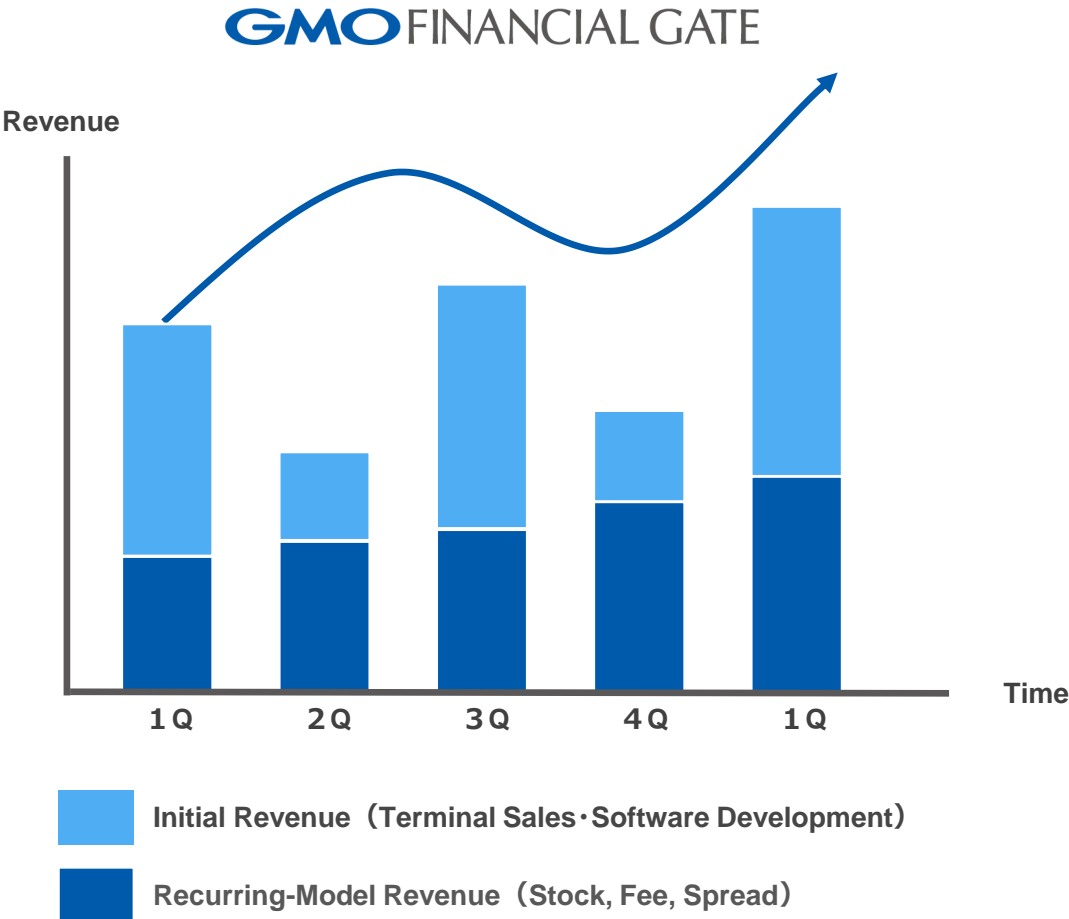
Growth in recurring revenue leads to steady profitability base

Composition by Product Category (Revenue and Gross Profit)



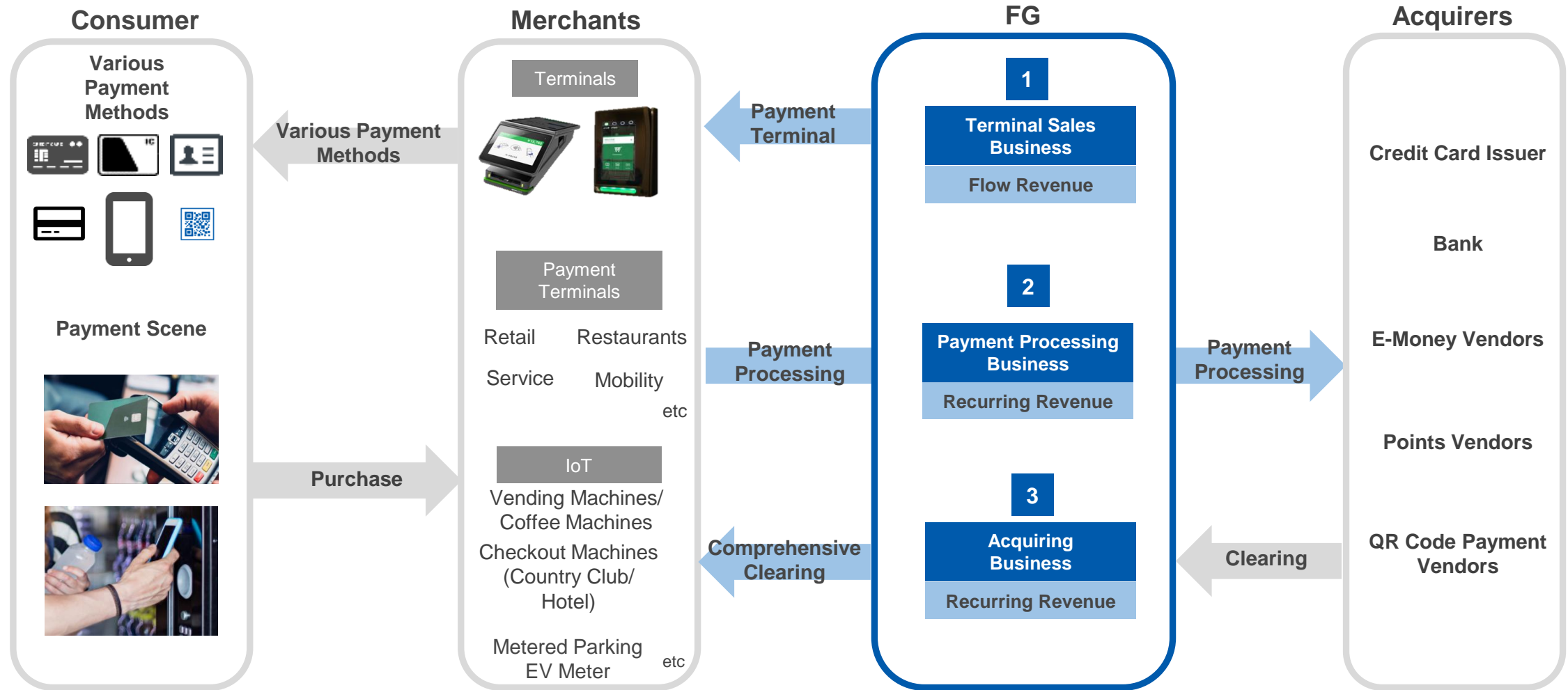
Revenue Models: Financial Gate vs. Payment Gateway

Initial revenue in offline payment is tend to be fluctuate because of its seasonality of terminal delivery



Three Biz Models Over a Single, One-Stop Platform

One-stop platform covering all settlement processes between merchants and acquirers

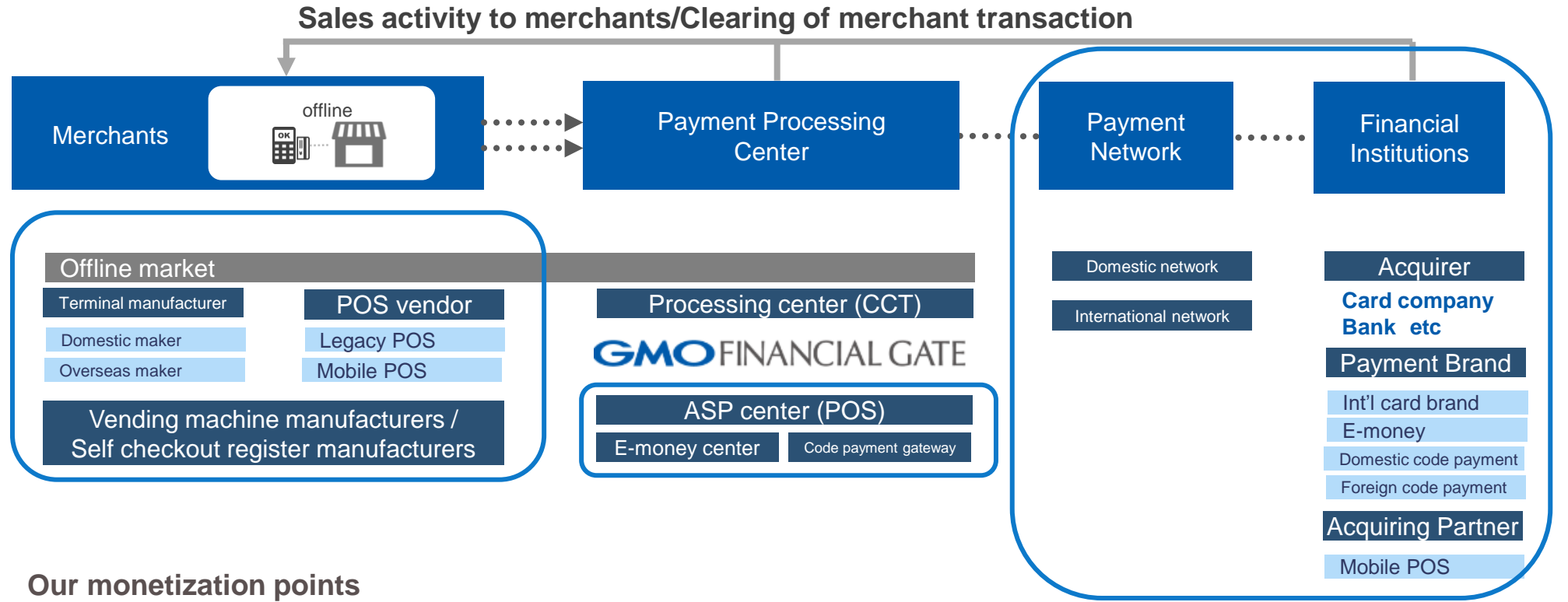


Recurring-Model Revenue Expansion Originating From Terminal Sales

Recurring-model revenue grows with flow model revenue which is mainly coming from the sales of payment terminals

Revenue Model	3 Business	4 Types of Revenue	% (3Q FY2024)
Flow Model Revenue	① Terminal Sales Business	Initial	63.6%
Recurring-Model Revenue	② Payment Processing Business	Stock	9.3%
		Fee	19.7%
	③ Acquiring Business	Spread	7.4%

Players in offline cashless payment setting



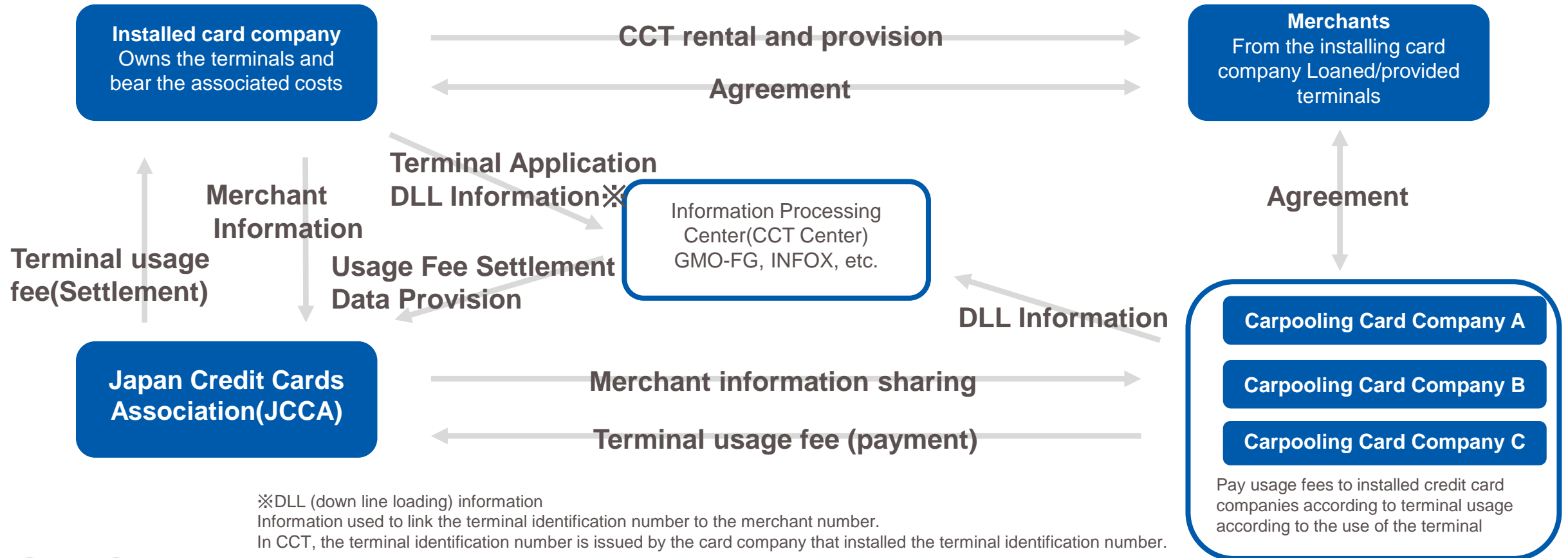
Our monetization points



CCT (Credit Center Terminal, ⇒ Card company-owned terminal)

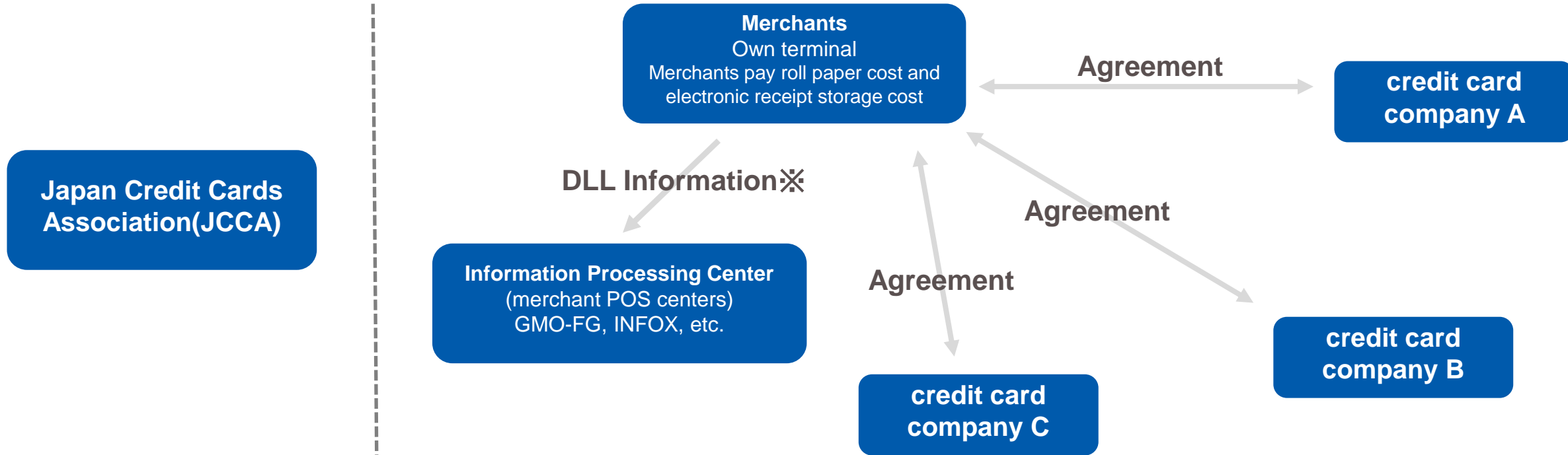
CCT(Credit Center Terminal)

It is a terminal name authorized by the information processing center (CCT Center) designated by the Japan Credit Card Association (JCCA) and operated in accordance with the guidelines, etc., established by the JCCA. A single card company owns the terminal on behalf of another card company and lends it to a merchant for installation. Multiple card companies jointly use the terminals and pay usage fees to the card companies that installed them



Merchant POS

In general, POS (Point of Sales) is a generic term for a service that provides information on sales performance trends such as the date, time, quantity, and price of products sold, but in the credit industry, the term merchant POS is customarily used to refer to all terminals capable of processing credit card transactions that are not CCT terminals. In a merchant POS, the merchant itself owns the terminal, prepares the card payment environment, and makes a separate contract with the credit card company. While this requires more time and effort on the part of the merchant, it also allows for a more flexible design that is not bound by the JCCA (Japan Credit Card Association) guidelines



※ DLL (down line loading) information
Information used to link the terminal identification number to the merchant number.
In merchant POS, the terminal identification number is issued by the merchant.

Expansion in stera lineup

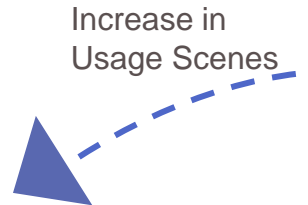
stera unit, mobile has been released in addition to stera terminal
Usage expected to increase in different scenes



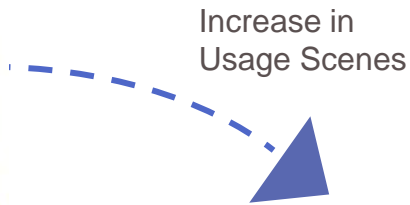
Self Checkout



KIOSK



Counter Checkout



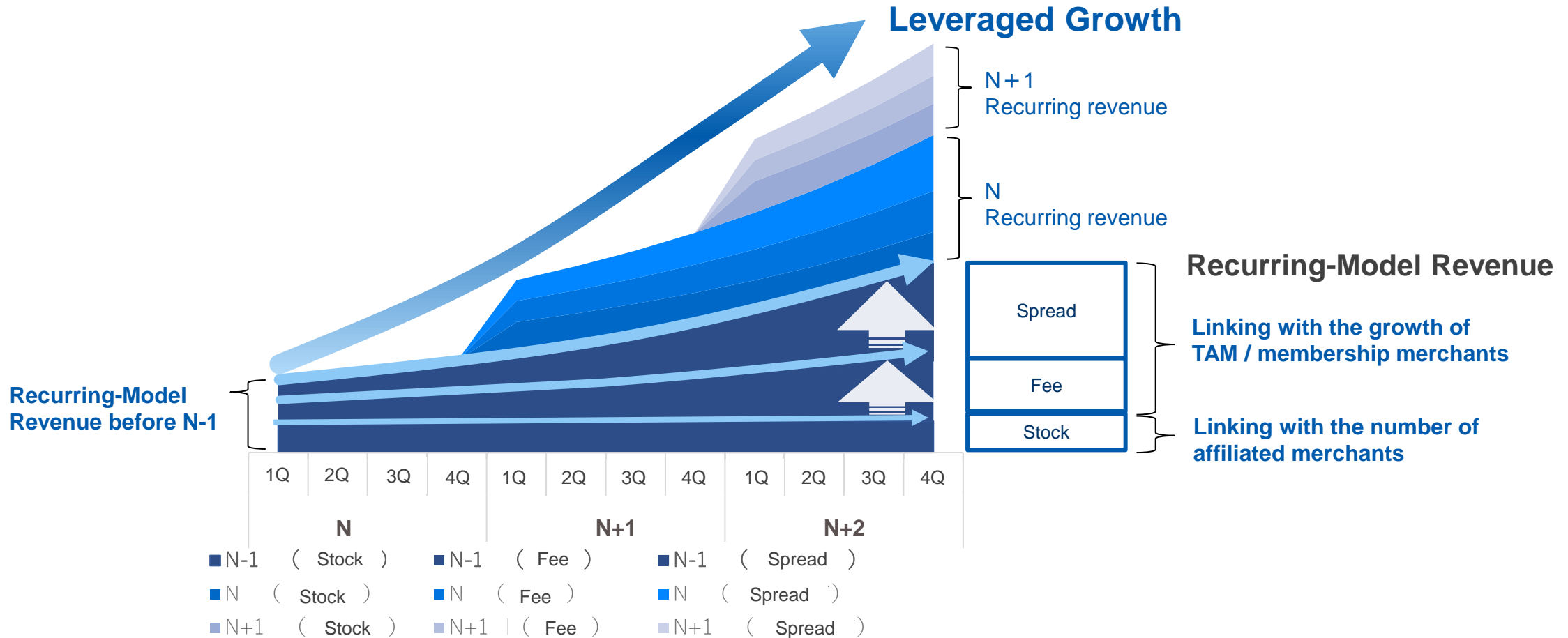
Cart POS



Table Check

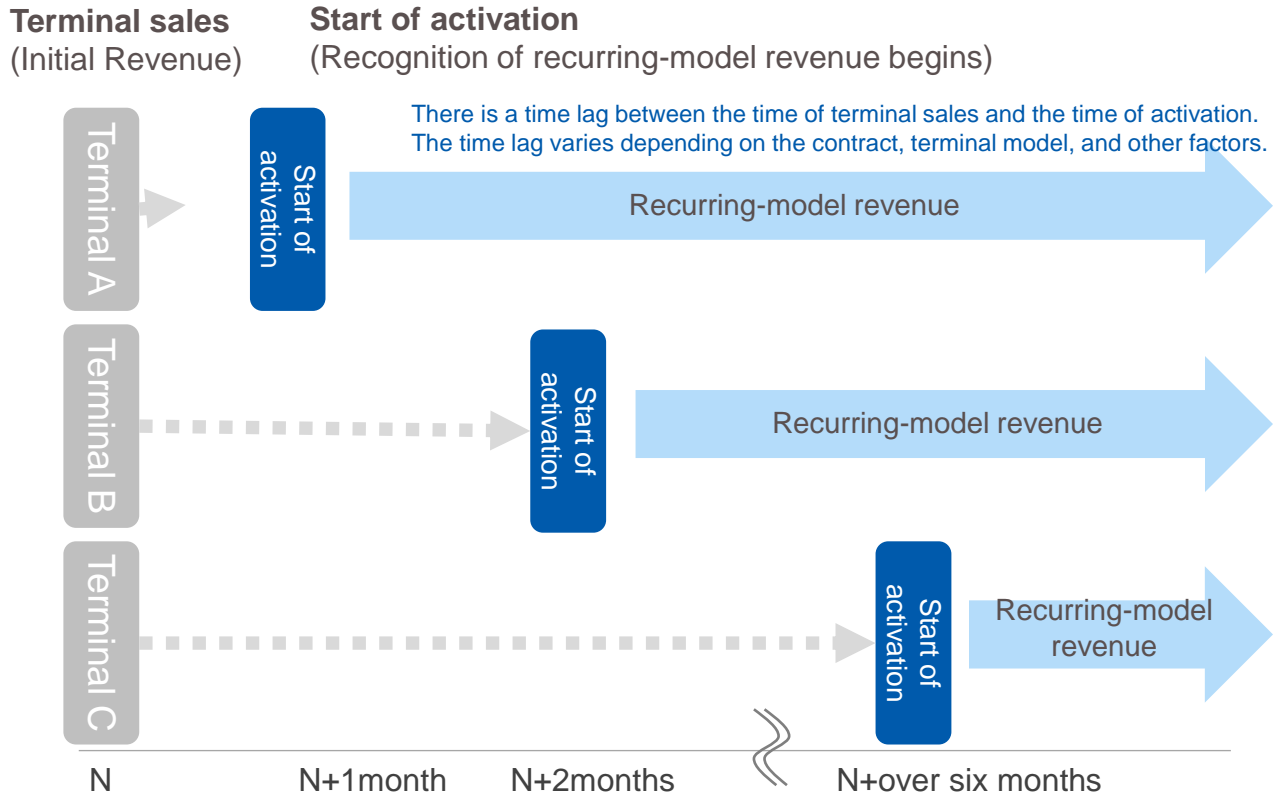
Leveraged Growth Model

Fee and spread revenue are expanding with the market /growth in membership merchants



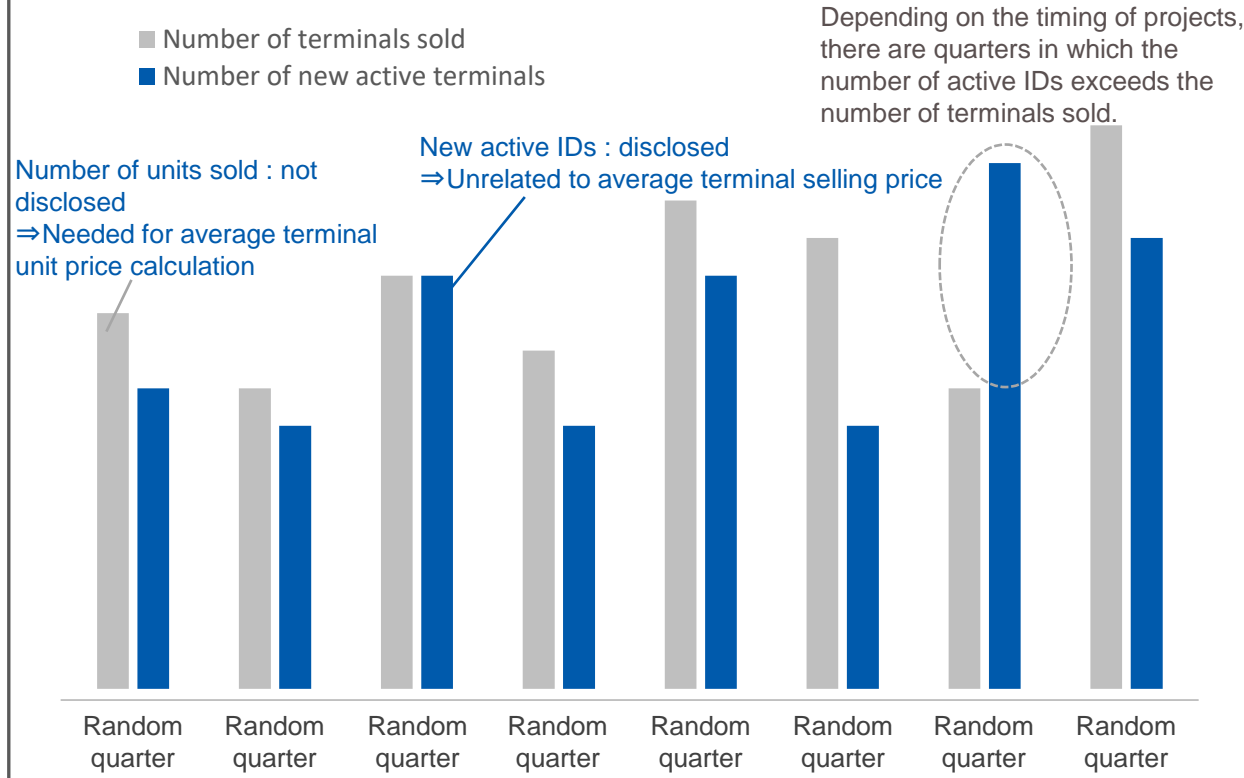
Initial revenue = Number of terminals sold × Average selling price per terminal + Accessory sales + Development sales
 Number of active IDs = Number of terminals that have processed payment at least once in the quarter

Time lag between terminal sales and activation



• Even if a company sells terminals, it will not generate recurring revenue unless the terminals are in operation. We place importance on the number of active IDs, which is the source of recurring revenue, and disclose it as a KPI.
 • Initial sales ÷ increase in the number of active IDs ≠ average unit price per terminal

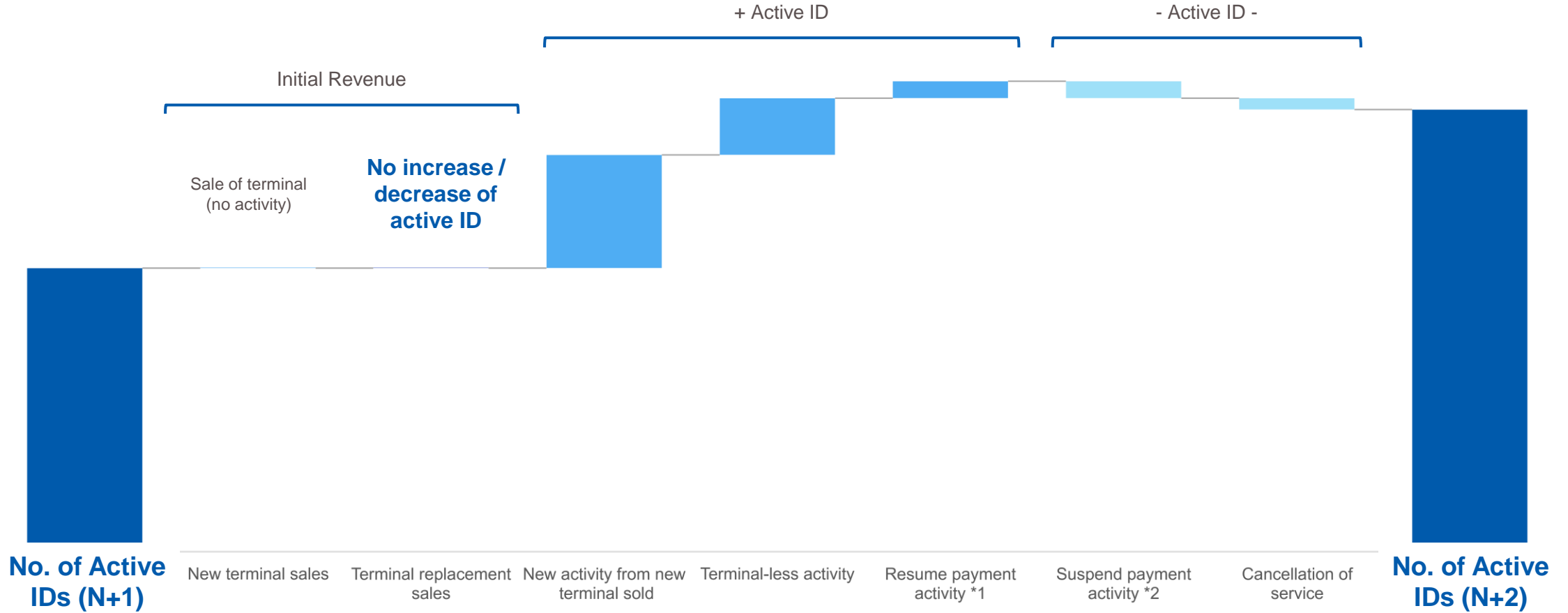
Image of quarterly balance in "Terminals sold" and "new active IDs"



• Sales and capacity utilization both rise and fall each quarter, depending on the project, and are not completely linked.
 • However, there are also quarters in which "utilization > sales" due to simultaneous utilization of large projects, etc.
 • However, there are also quarters when "utilization exceeds sales" due to large projects going into operation simultaneously, etc.

Difference between the number of terminals sold and the number of active IDs 2

Number of active ID is calculated quarterly and is not directly linked to initial revenue
Replacing existing devices contributes to initial revenue, however, does not increase or decrease the number of active IDs



*1: If the ID that was not used for payment in period N is used in period N+1
*2: If the ID used for payment in period N is not used in period N+1 (Store (Many temporary factors include long-term renovations, closure of some checkout lanes during off-season, etc.)

Details on each revenue ①

Initial	Content	Revenue Model
Payment terminal sales	Revenue from Payment terminals purchased from terminal manufacturers, and then confirm certain measures of payment methods that each merchant needs to accept.	<ul style="list-style-type: none"> • Terminal Selling Price × Units Sold <ul style="list-style-type: none"> ✓ More than 10 types of terminals ✓ Price range is from about ¥30K up to ¥100K
Software development	Software development that meets customers needs such as widening acceptable payment measures and adding point-payment functionality	<ul style="list-style-type: none"> • Number of Deals × Ordered value <ul style="list-style-type: none"> ✓ Since software development is tailor made type revenue, deal size and margin vary from time to time
Stock	Content	Revenue Model
Transaction Inquiry Service	It is a service that provides merchants with their daily sales data that go through our processing center. We charge it as monthly fixed fee	<ul style="list-style-type: none"> • Number of contracts × Service Price <ul style="list-style-type: none"> ✓ Service price is around ¥500 to ¥1K per terminal per month
Points & QR	It is a service to add point/QR payment app to the terminals merchants have. We charge it as monthly fixed fee	
Rental (Mobile terminal)	It is a service to rent mobile type terminals that enable merchants to use them in wireless setting. We charge it as monthly fixed fee	
Mobile SIM	It is a SIM card fee to use mobile type terminals. We charge it as monthly fixed fee	
Digitalization Assistance	Revenue from settlement data transferred to merchants, registration changes, assistance which leads to back office support for clients	
Processing (Monthly fixed fee model)	It is a processing fee based on monthly fixed rate <small>*Basically, it is defined as "Fee" revenue when it comes to the case we charge as Pay As You Go billing, not fixed rate</small>	<ul style="list-style-type: none"> • Number of contracts × Monthly Fixed Fee <ul style="list-style-type: none"> ✓ Monthly fixed fee will vary depending on the size of contract etc..

Generally, the economics of services above vary depend on merchants. And there are services that some merchants do not apply

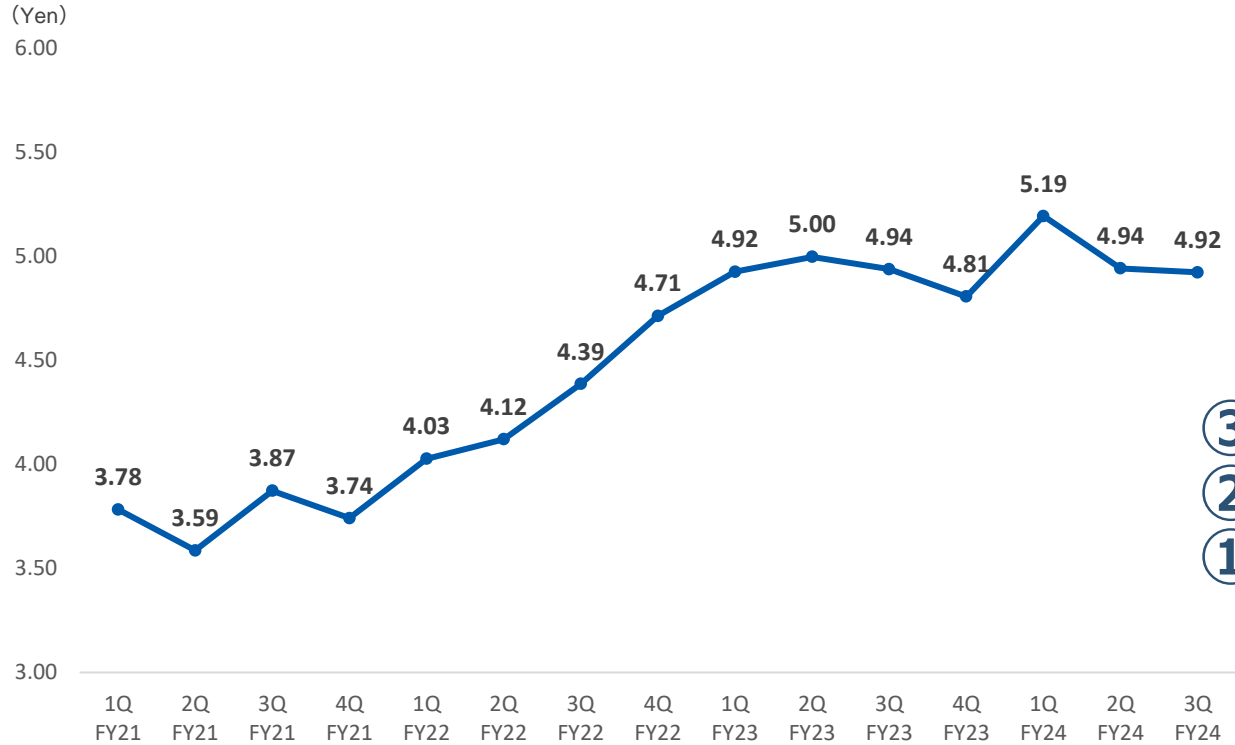
Fee	Content	Revenue Model
Processing	It is a fee we charge toward monthly transaction volume based on the rate per transaction	<ul style="list-style-type: none"> • TRX Volume × Processing Fee ✓ Processing fee is about ¥3 per transaction
Roll paper	This is a sales of roll paper that is used with payment terminals at stores	<ul style="list-style-type: none"> • Number of Order × Price of Roll Paper ✓ The price range of roll paper is about ¥130 to ¥200.
Electronic receipt storage	Optional service to store vouchers electronically, sales to be billed based on the number of payment transactions subject to the contract	<ul style="list-style-type: none"> • Number of settlement processes subject to contract x unit processing fee ✓ Unit processing fee is about ¥1 per transaction

Spread	content	Revenue Model
Acquiring (Settlement agent)	<p>We charge spread fee (α) towards clearing amount to merchants</p> <p>We received indicator rate (N) from acquirers, then we acquire merchants instead of acquirers with the new rate ($N + \alpha =$ merchant fee)</p>	<p>GMV of Agent Contract × Spread fee we charge (about 0.3~0.4%)</p>

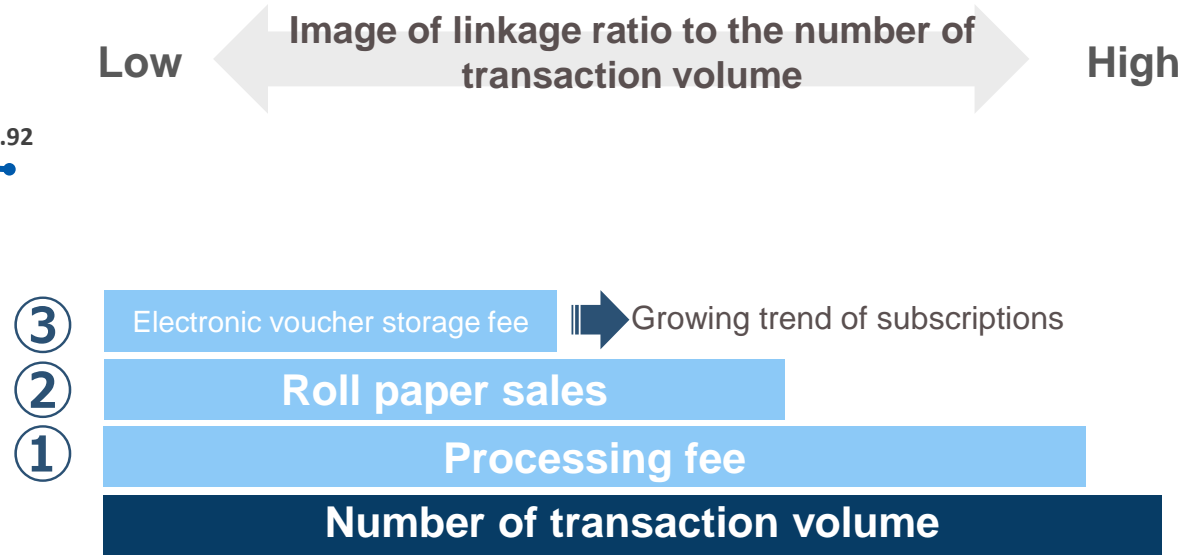
Fee ARPU (Fee revenue divided by Transaction volume)

Fee ARPU is at the same level as Q3, Q2 – roll paper continues be major factor

■ Fee ARPU (Fee revenue divided by Transaction volume)



■ Composition of Fee ARPU

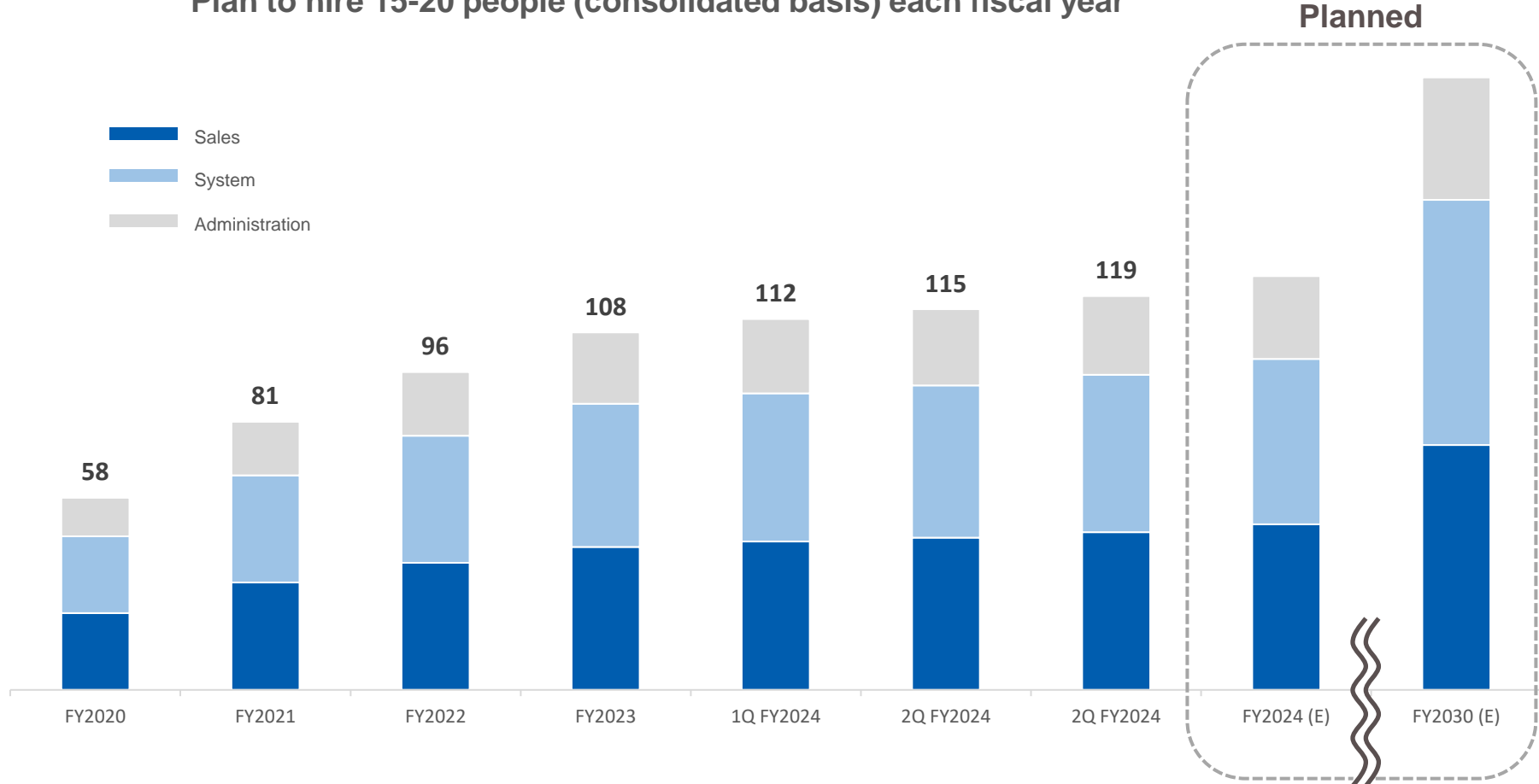


*Length is an image and does not reflect actual numbers or scale

Number of Employees(Consolidated basis)

Plans a net increase of 15 to 20 employees per fiscal year to achieve the management benchmarks. Assumed composition of work force is approximately 40% sales, 40% systems, and 20% administration

Plan to hire 15-20 people (consolidated basis) each fiscal year



Sales : can build alliances and promote Talents who solutions to merchants' issues.

System : Talents who can promote strategies to leverage digital technologies.

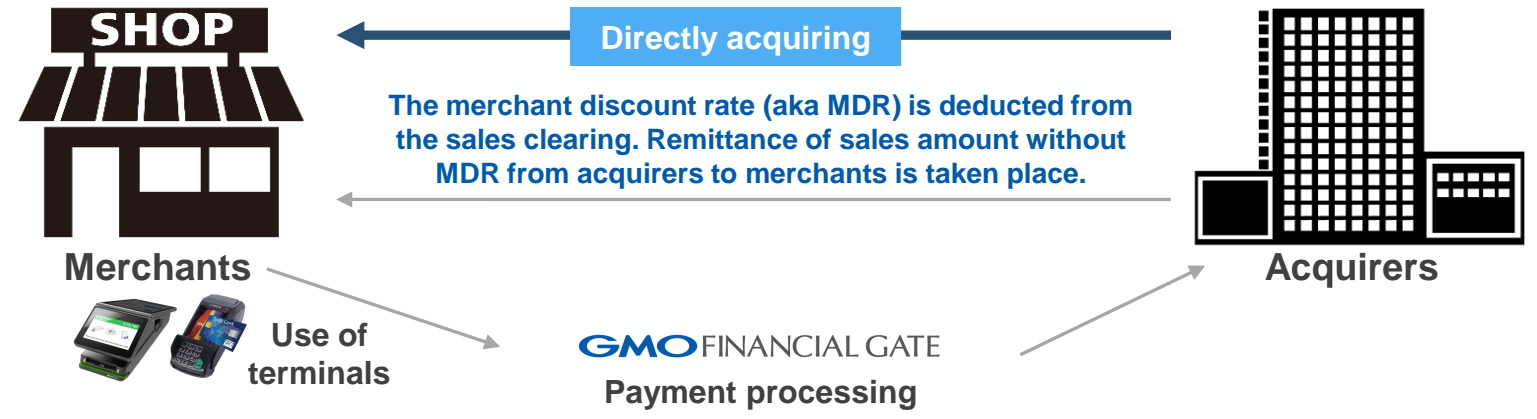
Administration : Talents who can promote the establishment of an advanced management system in line with business expansion.

Concept of Spread revenue ratio to GMV

Our total GMV is the sum of ① and ② below. Spread revenue is generated only in the case of ② Agent contract. Since ① also contributes significantly to GMV, the linkage between total GMV and Spread revenue tends to decline

① Direct contract

Mainly large merchants

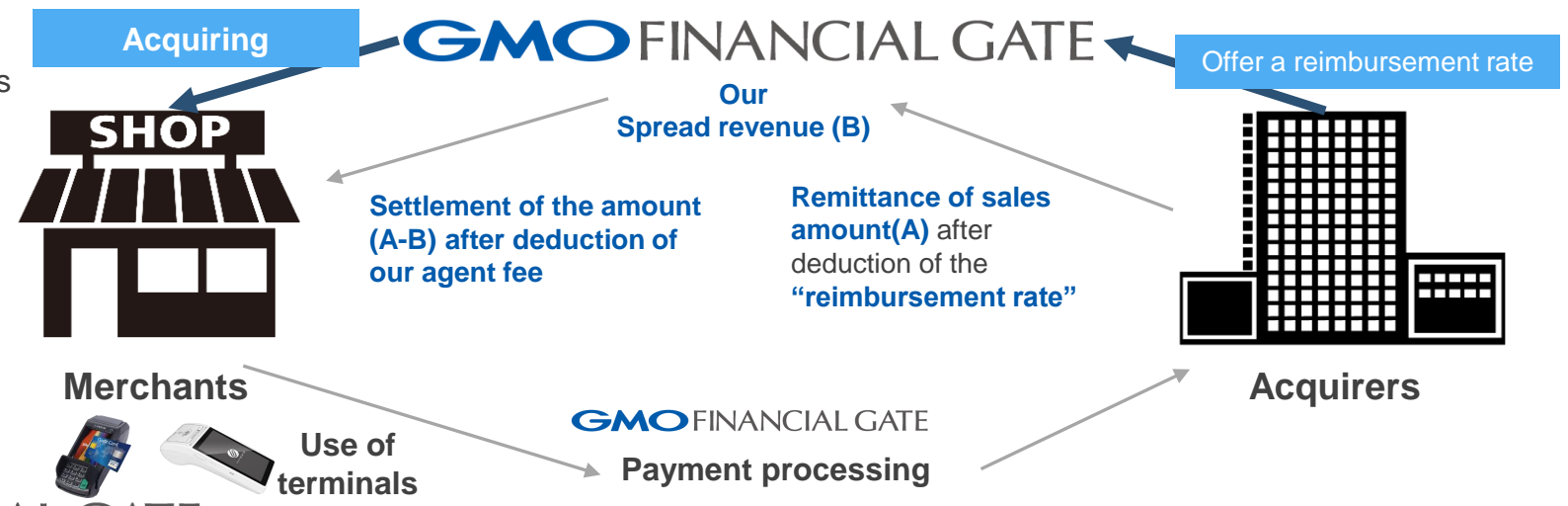


Enjoyable revenue

- Initial
- Stock
- Fee

② Agent contract

Mainly small medium merchants



- Initial
- Stock
- Fee
- Spread**

Relationship between number of active IDs & stock revenue

In addition to the increase in the number of active IDs, revenue opportunities for Stock revenue will increase, but the status of subscriptions to paid services will differ depending on the needs/demand of merchants

Payment Terminal Offering

Floor-Standing Model



Mobile Model



Embedded Model

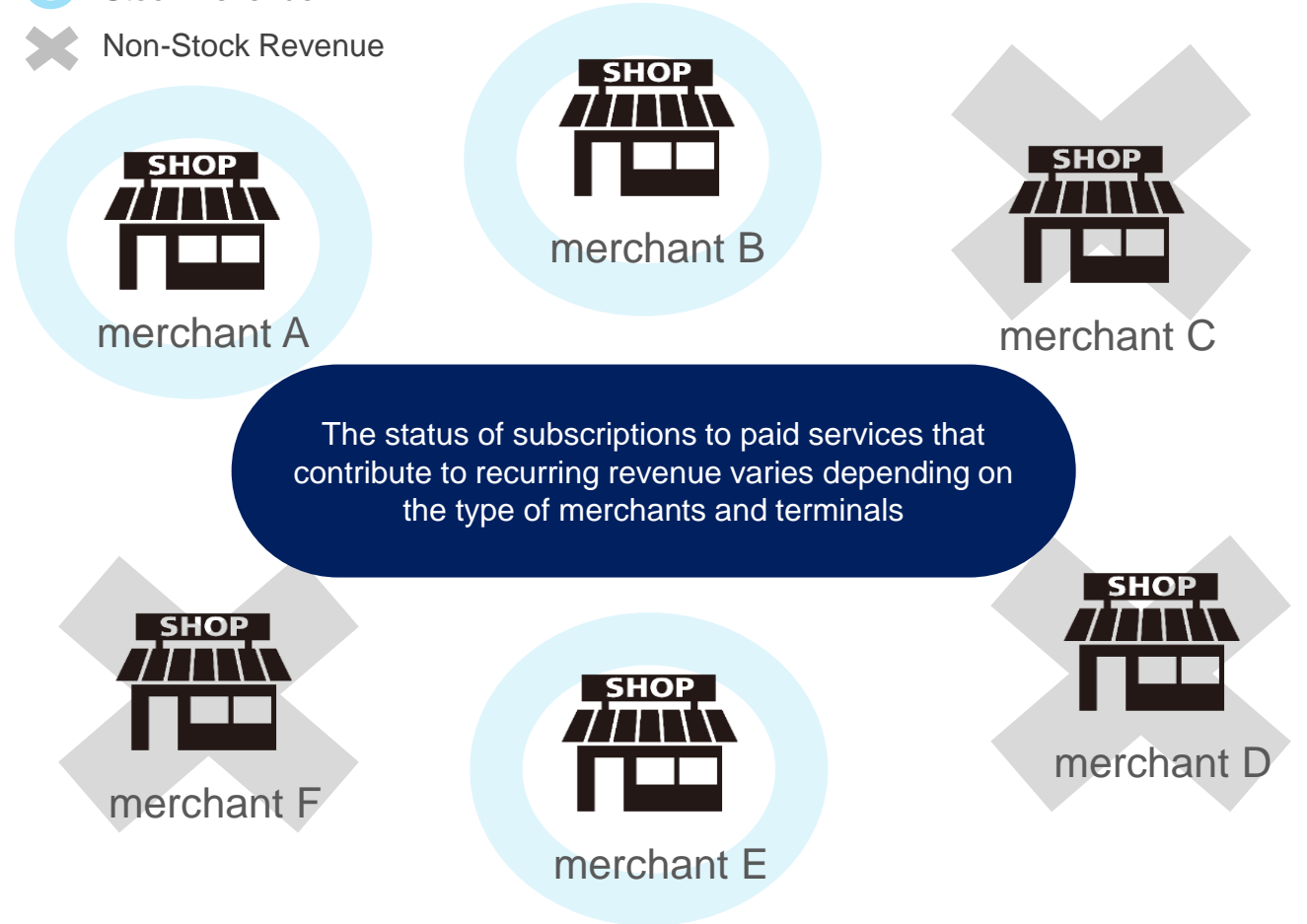


POS Model



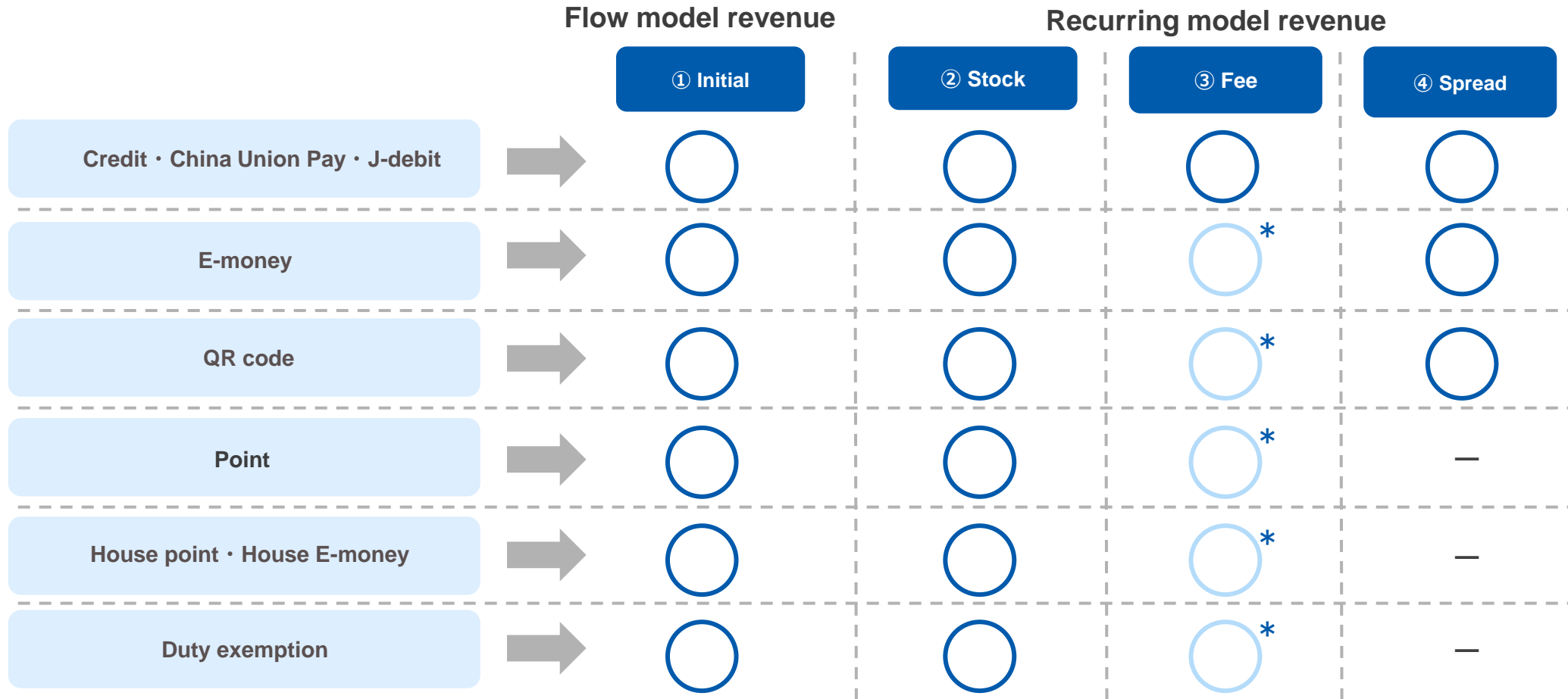
Merchants (Acquisition opportunity image of Stock revenue)

- Stock Revenue
- ✕ Non-Stock Revenue



Monetization by Payment Method

We operate different business models according to payment method as a cashless platformer. Growth in each payment method contributes to our growth as well



*There is no "processing fee" that constitutes Fee revenue because the transaction is not processed at our processing center, but the paper rolls consumed in conjunction with the transaction contribute to the increase of Fee revenue.

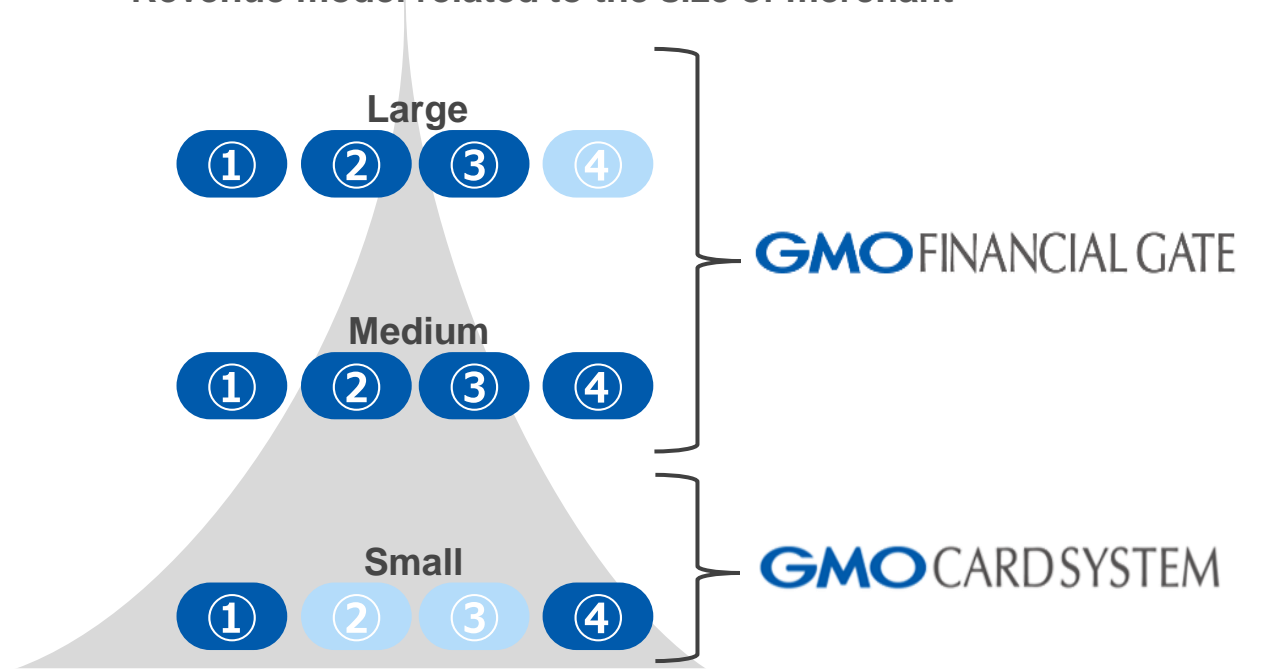
Revenue Model by Merchant Size

We mainly acquire medium- to large-sized merchants through alliances with major financial institutions. We mainly acquire small merchants (=long tail segment) through our subsidiaries

■ Four types of revenue model

① Initial	Terminal sales, Software development, Initial registration fee, etc...
② Stock	Monthly recurring revenue, communication fee of terminals, etc...
③ Fee	Processing revenue related to TRX volume, Receipt paper sales, etc...
④ Spread	Commission fee based on TRX value

■ Revenue model related to the size of merchant



● : Main revenue stream
● : Realization of the revenue varies from contract to contract

Medium-Term Strategy Acquiring major merchants by focusing on alliances

Meeting customer needs through enhanced credit payment functions and alliances with QR / points vendors



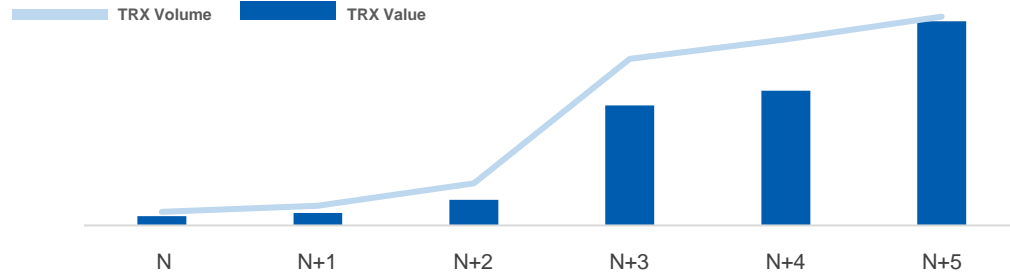
Terminals we offer



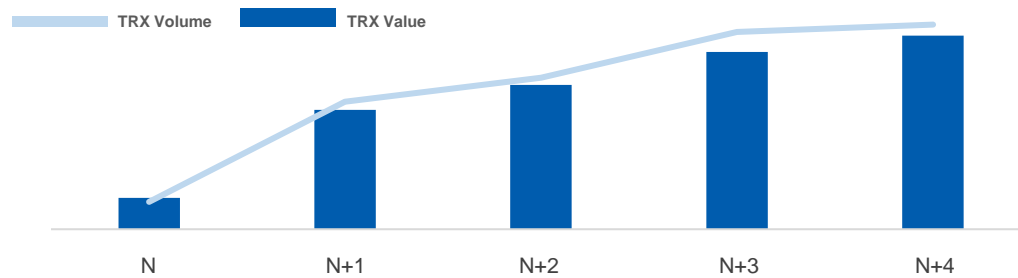
TRX-increase through cashless penetration

TRX volume & value tend to go up in a few months to six months after the merchants introduced cashless payment for the first time

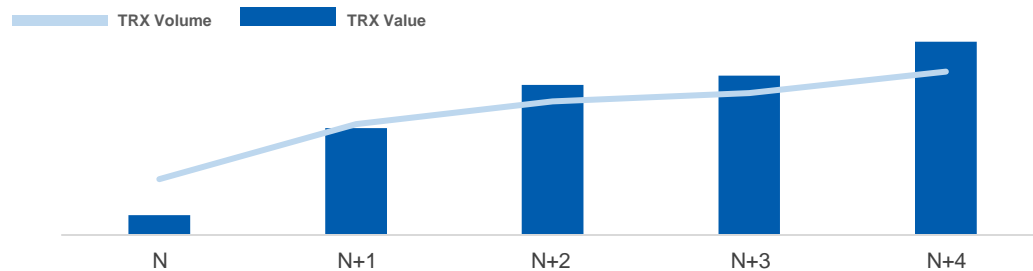
■ Merchant A (Tokyo) Monthly TRX trend



■ Merchant B (Miyagi) Monthly TRX trend



■ Merchant C (Wakayama) Monthly TRX trend



Merchant

Cash only ⇒ Introduce cashless payments

Consumer

Recognize convenience
(Successful experience
⇒ change in payment method)

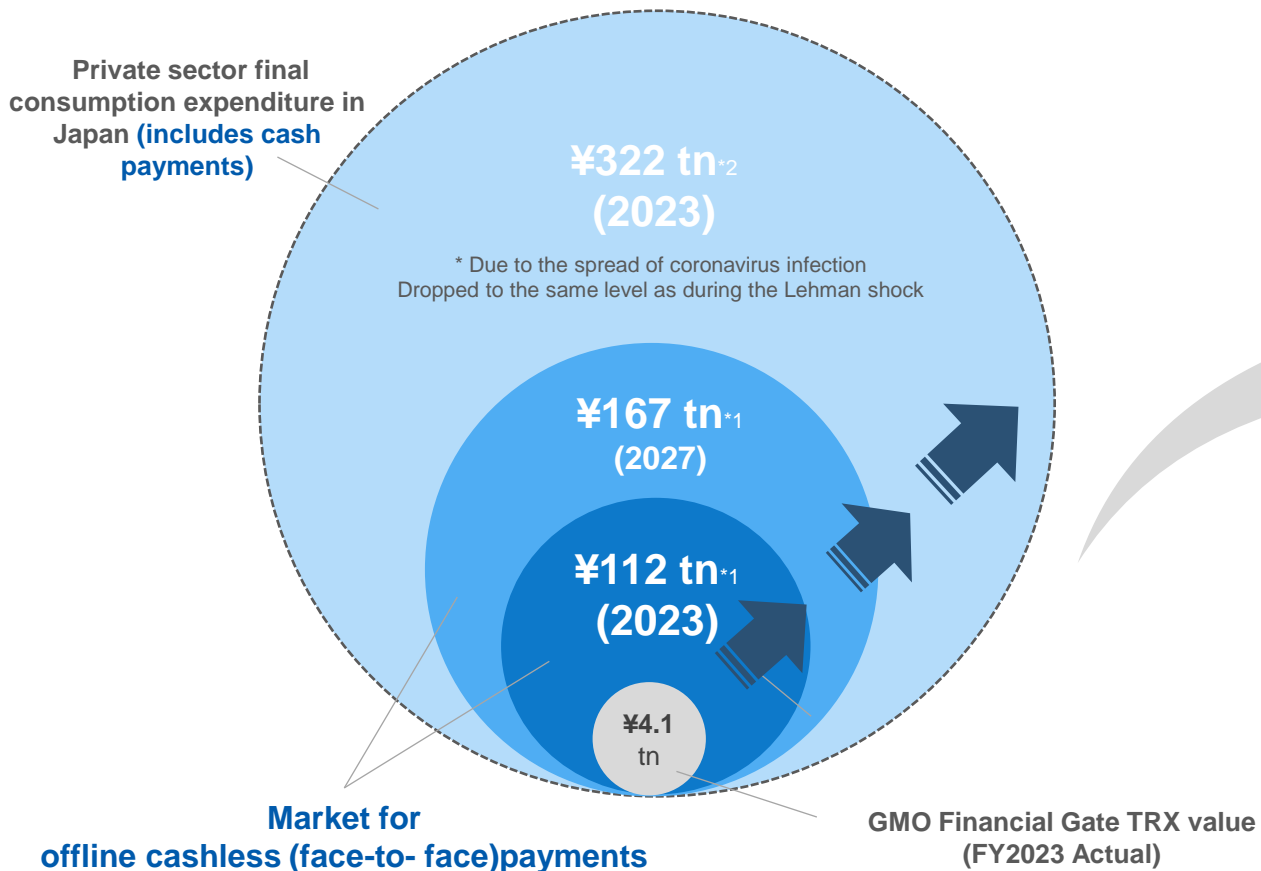
Merchant

TRX volume/value
per terminal will increase

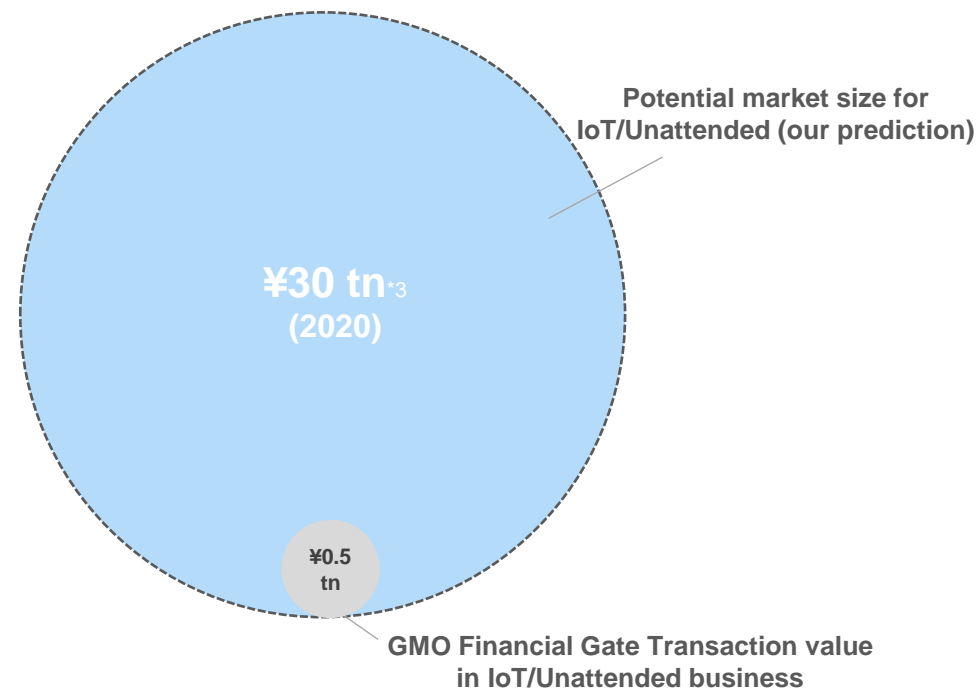
Recurring-Model revenue
will increase

Transaction Value of cashless (face-to-face) payment is expanding rapidly, as the value of IoT / Unattended

Offline Transaction value in Japan



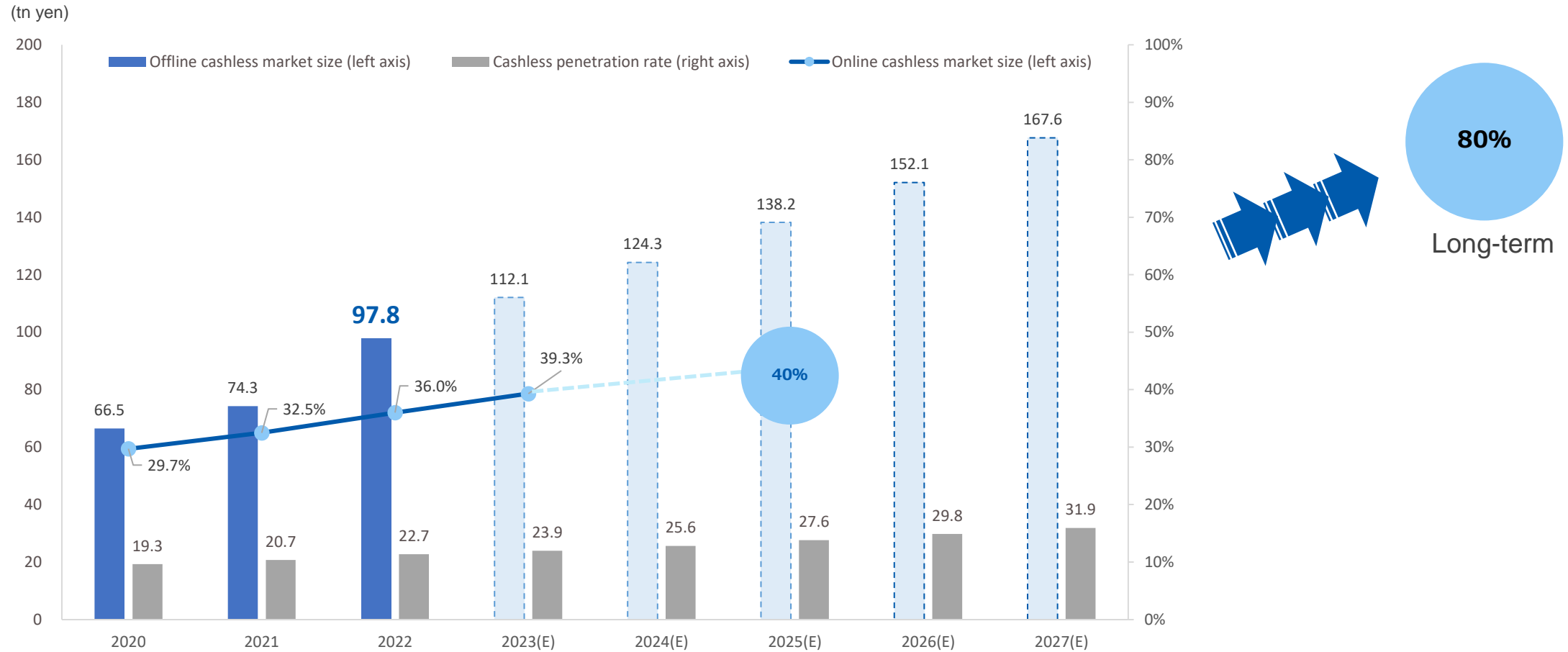
Potential market value of IoT/Unattended



One of the measures to achieve a leap in operating income: Expand IoT/Unattended business driven by contactless payment (touch payment) and unattended registers

(*1) "2024 Edition: Actual Status and Future Forecast of the Cashless Payment Market in Japan" and "2024 Edition: Current Status and Future Forecast of Online Payment Service Providers" Yano Research Institute Ltd.
 (*2) "Composition of Final Consumption Expenditures by Household Type" the Cabinet Office.
 (*3) "Breakdown of Domestic Household Final Consumption Expenditure" by the Cabinet Office, Japan Vending Machine Manufacturers Association, and Japan Parking Business Association's "Survey on the Coin-operated (pay-by-the-hour) Automobile Parking Market," etc. The potential market size of unattended parking facilities is calculated based on the market size of buses/railways, hotels/inns, amusement, vending machines, and parking lots/EVs, which are the areas where IoT/Unattended is expected to grow in the future.

The market for offline cashless payments is currently ¥98 tn, four times larger than the online market. Cashless penetration is expected to rise driven by government-led cashless policies



Source: Cashless payment ratio in 2023, METI
 "2024 Edition: Actual Status and Future Forecast of the Cashless Payment Market in Japan" Yano Research Institute Ltd
 "2024 Edition: Current Status and Future Forecast of Online Payment Service Providers" Yano Research Institute Ltd.

Composition Ratio of Domestic Cashless Payment Methods

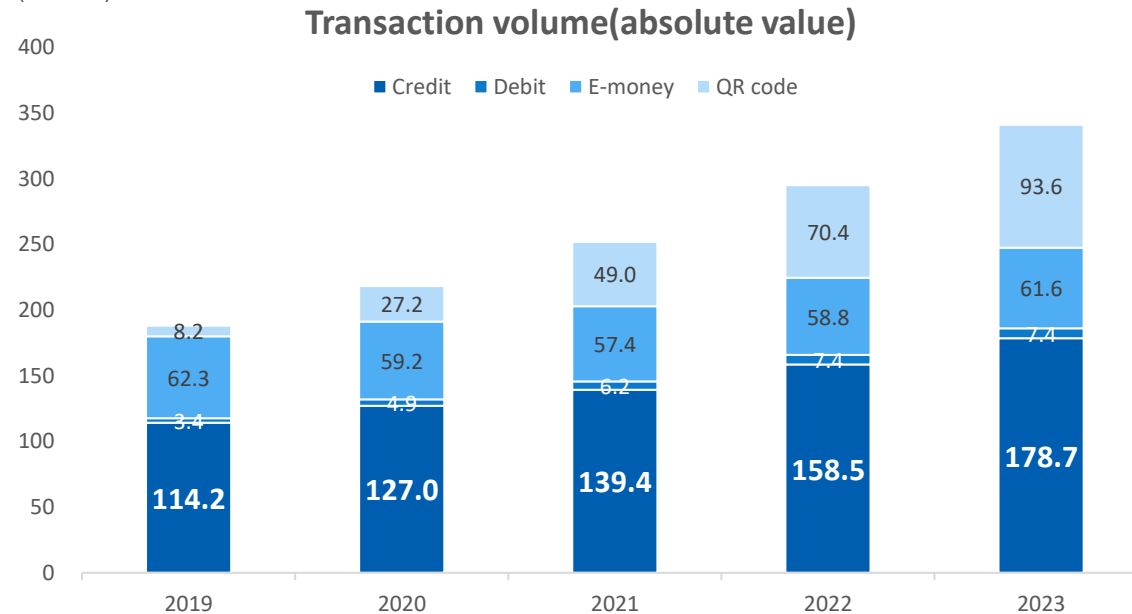
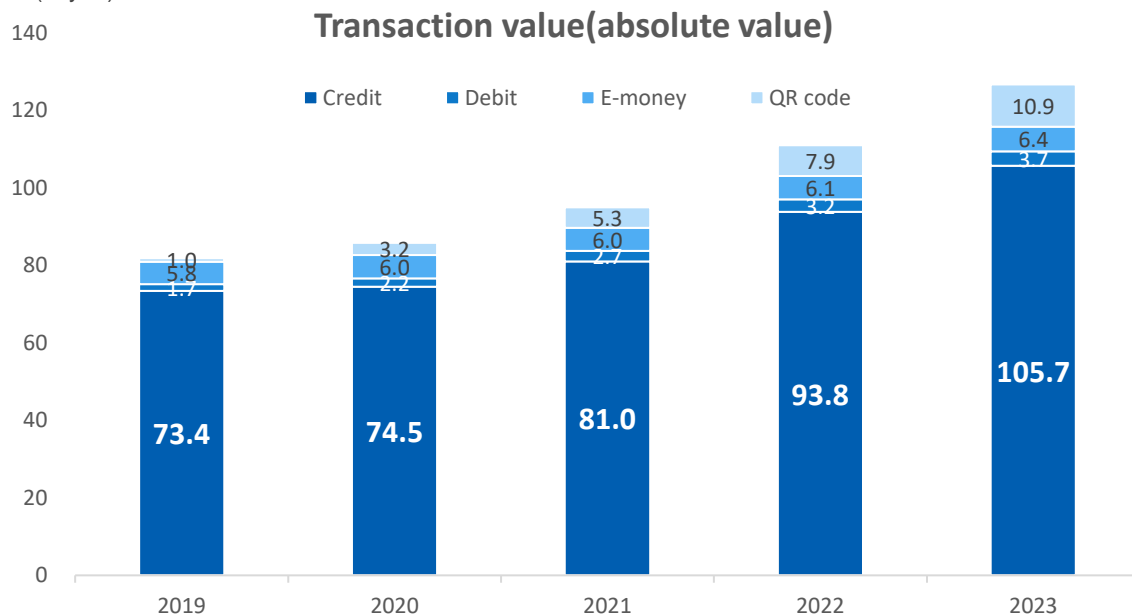
Even in an environment of significant growth in the proportion of QR codes, transaction value and volume of credit continue to grow

Transaction Value

Composition	2019	2020	2021	2022	2023
Credit	89.7%	86.8%	85.3%	84.5%	83.5%
Debit	2.1%	2.5%	2.8%	2.9%	2.9%
E-money	7.0%	7.0%	6.3%	5.5%	5.1%
QR code	1.2%	3.7%	5.6%	7.1%	8.6%

Transaction Volume


Composition	2019	2020	2021	2022	2023
Credit	60.7%	58.2%	55.3%	53.7%	52.4%
Debit	1.8%	2.2%	2.5%	2.5%	2.2%
E-money	33.1%	27.1%	22.8%	19.9%	18.0%
QR code	4.3%	12.4%	19.4%	23.9%	27.4%




The number of terminals is expected to be equal to or greater than the market for payment terminals in real stores. Unattended market (= general term for vending/service machine market) is expected to expand further due to changes in the external environment such as a decrease in the working population

Unattended Market


4.5 mn




- Push factors associated with changes in the external environment
- Declining workforce
- Labor-saving support
- Obtaining inbound demand
- Retailers moving into offices
- Revision of the Pro-Sales Act
- **COVID-19**




Goods/
commodities




Tickets




Beverages/
sweet treats




Self-checkout
machine
(Golf/Hotel)




Coffee



Metered parking/
EV chargers




Self-checkout
register



Coin-operated
washing
machines

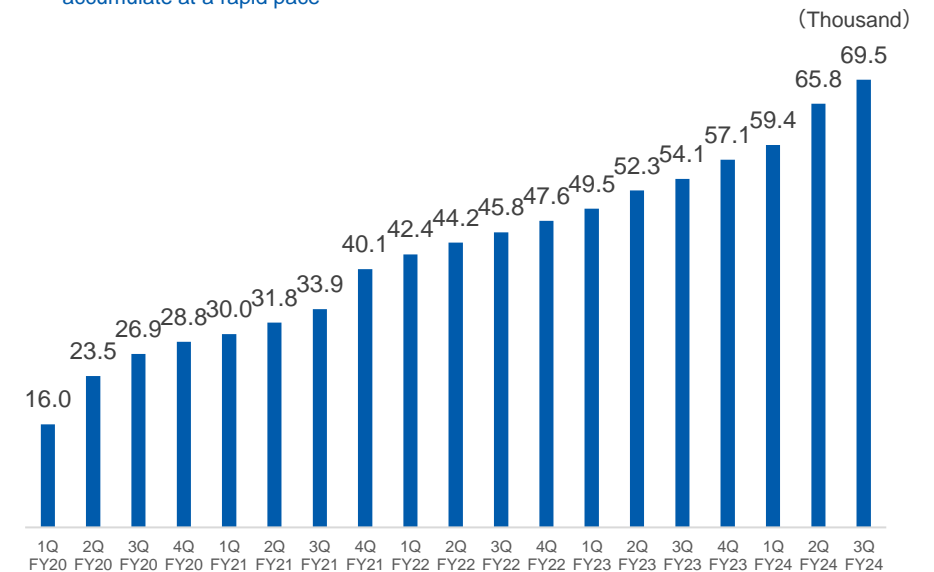
Offline Market

4 mn



■ No of active IoT terminals

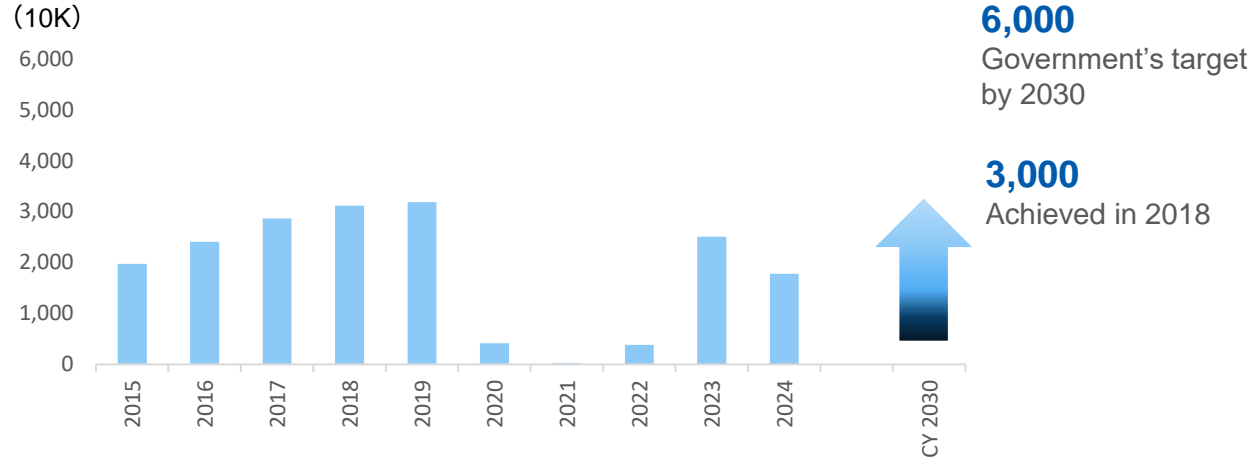
Net increase in 3Q was QoQ +3,600 units which was not as high as in 2Q when large projects contributed, but it was at a high level. It continues to accumulate at a rapid pace



Source: The Japan Vending System Manufacturers Association, Japan Ministry of Health Labor and Welfare, Yano Research Institute Ltd.

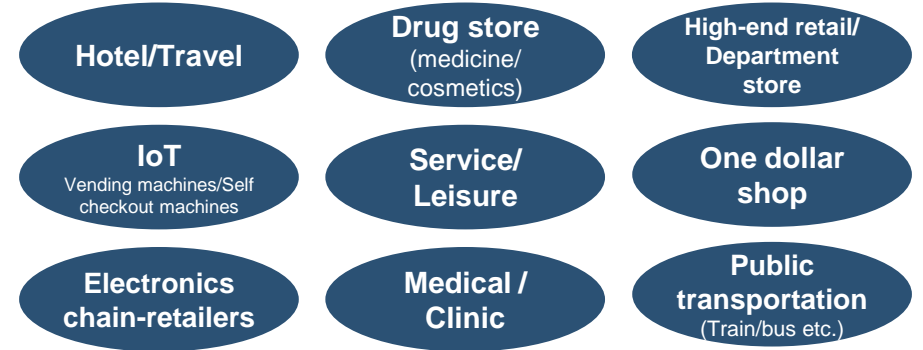
After a rapid recovery from the post covid, number of visitors has gradually stabilized

Number of visiting foreigners (annually)

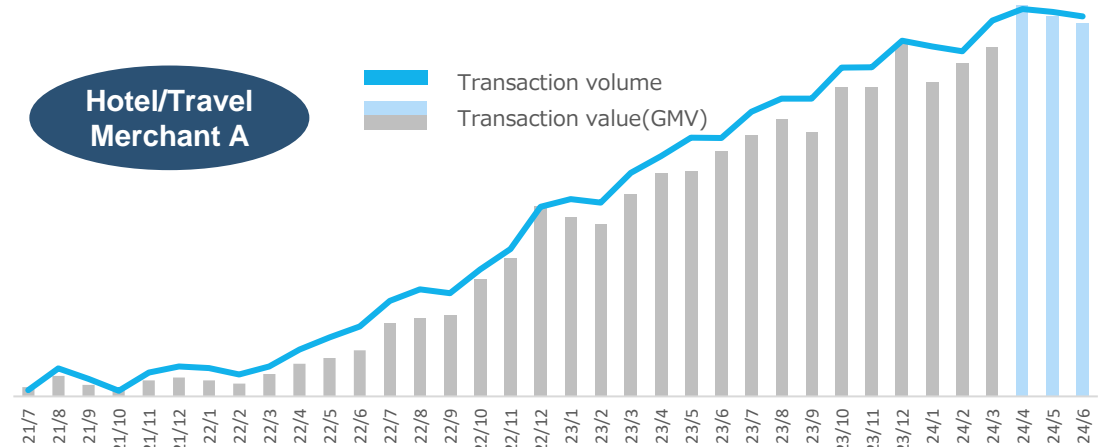
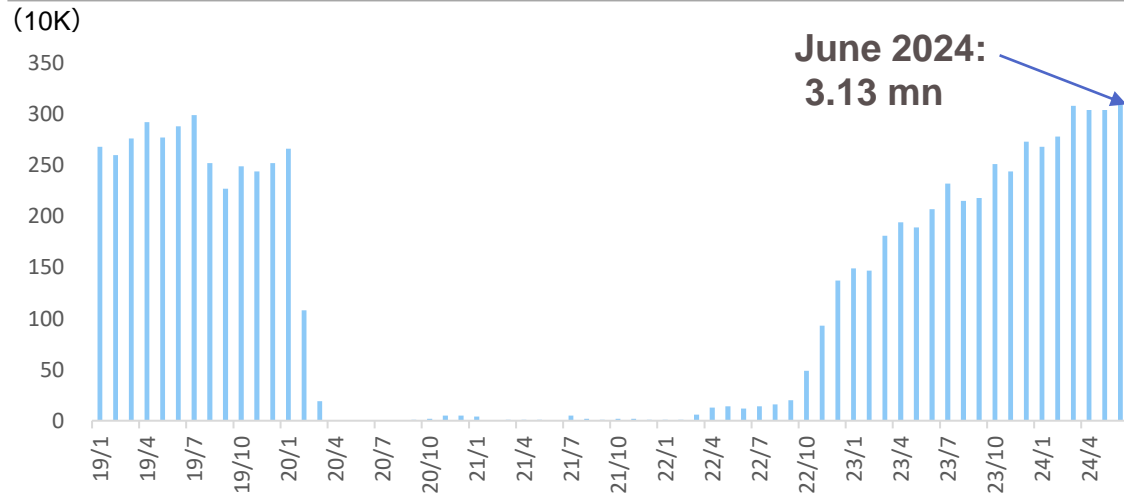


Our inbound-related industry merchants

Aggressively cultivate merchants in related industries in preparation for recovery of inbound demand

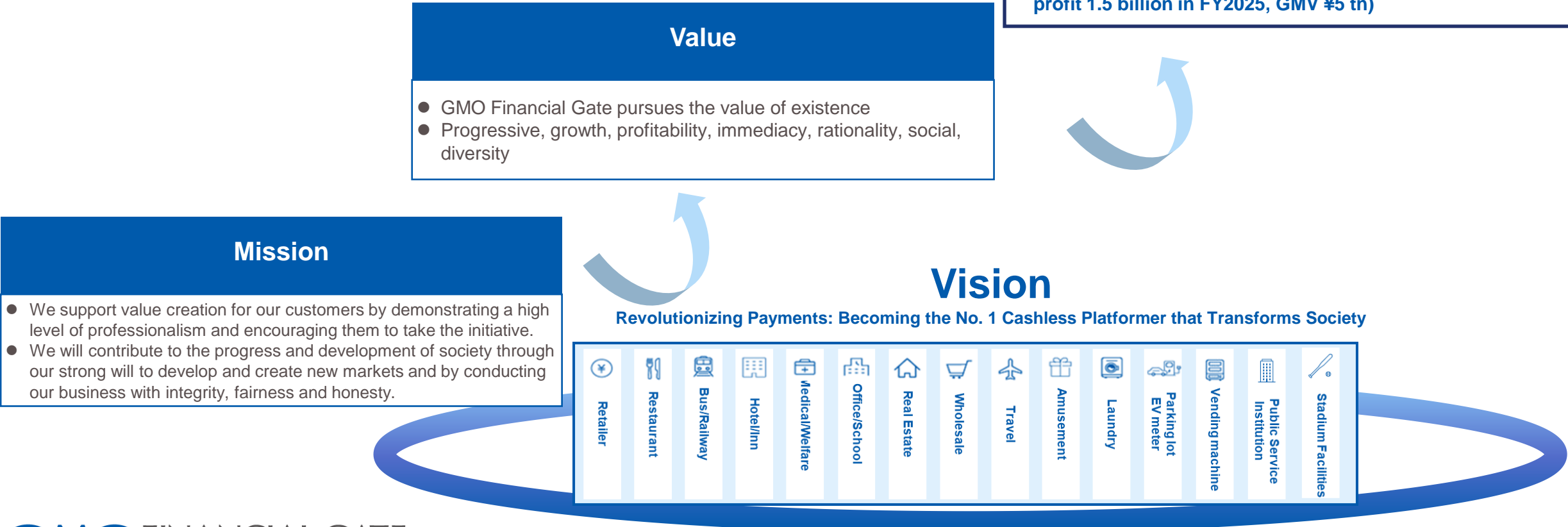


Number of visiting foreigners (Monthly)



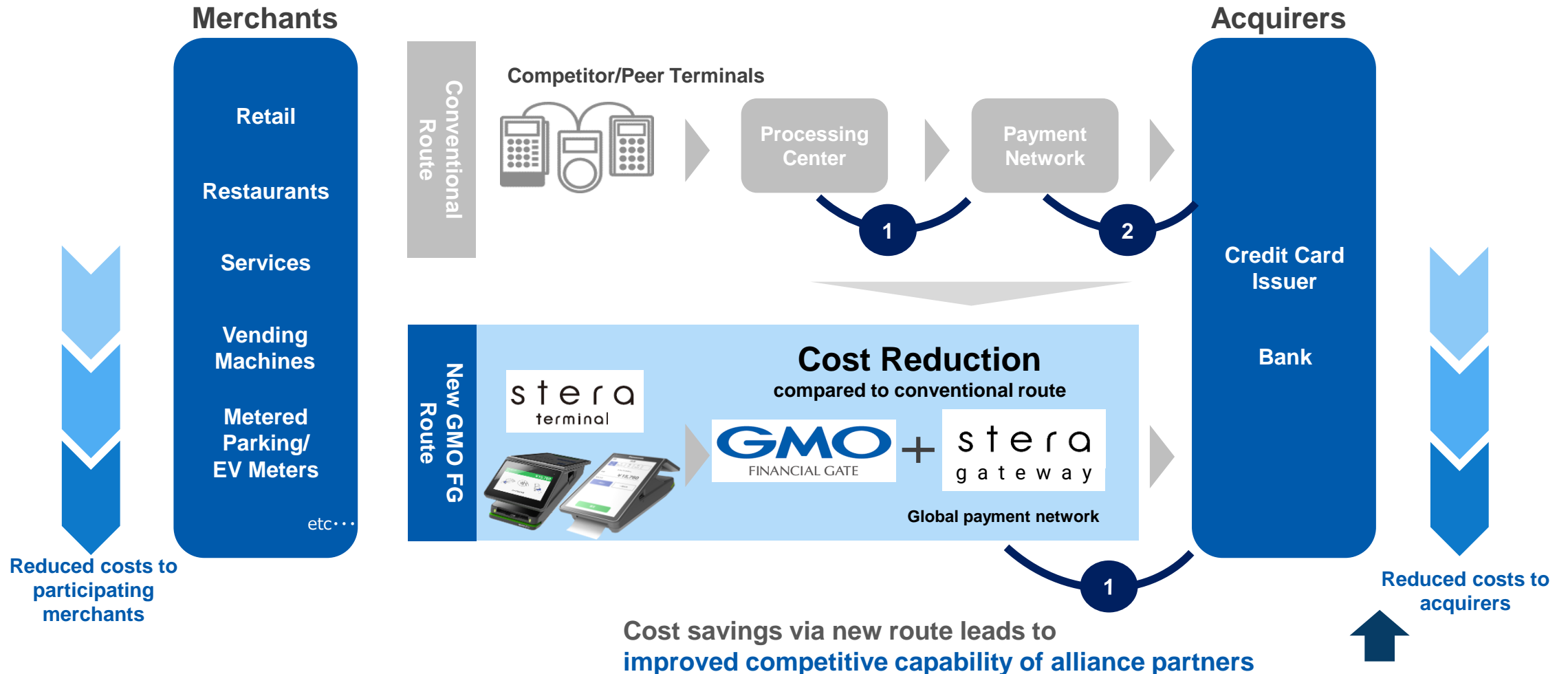
Our philosophy on growth strategies

Our growth strategy is based on the perspective of "a payment platform that provides value to society as an infrastructure company supporting a cashless society". We develop growth strategies focusing on "value creation"



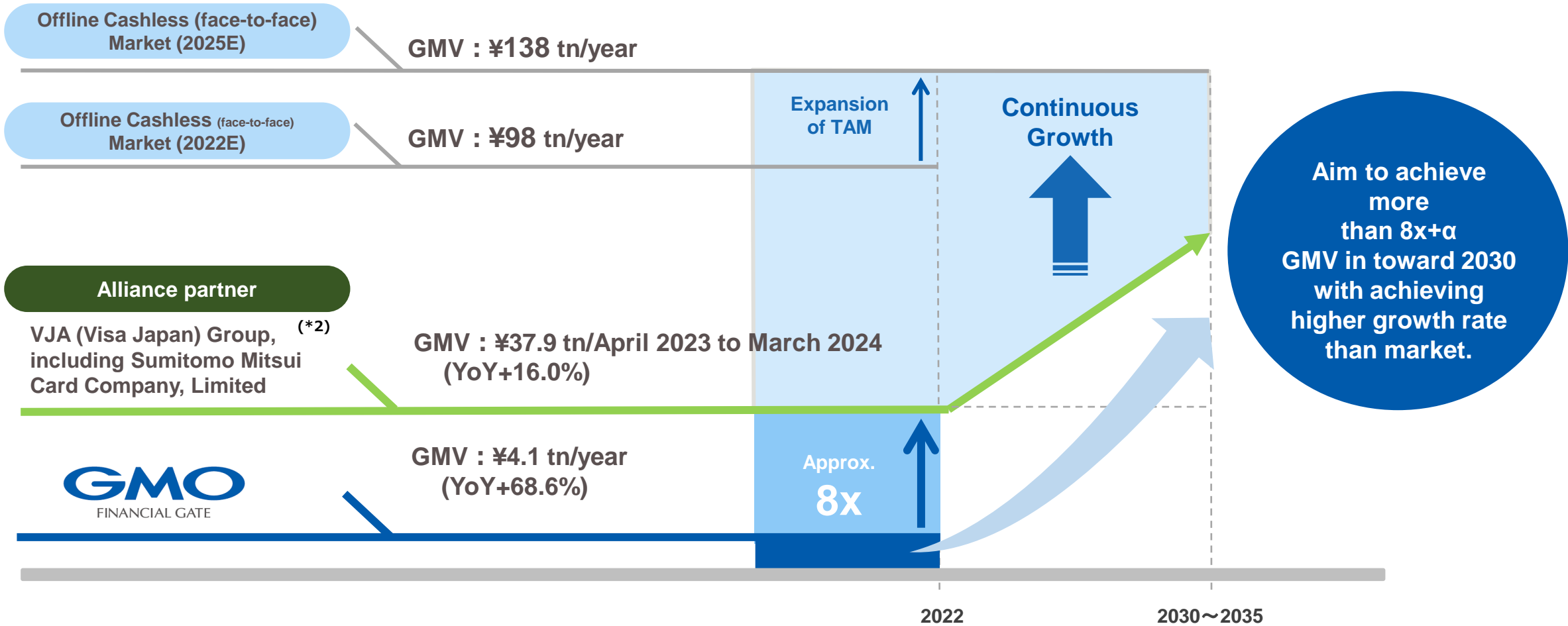
Strategy to Maximize Transaction Value

We created a new payment processing route with alliance partners. This route increases GMV, as the route reduces costs to participating merchants and acquirers



Strategy to Maximize Transaction Value

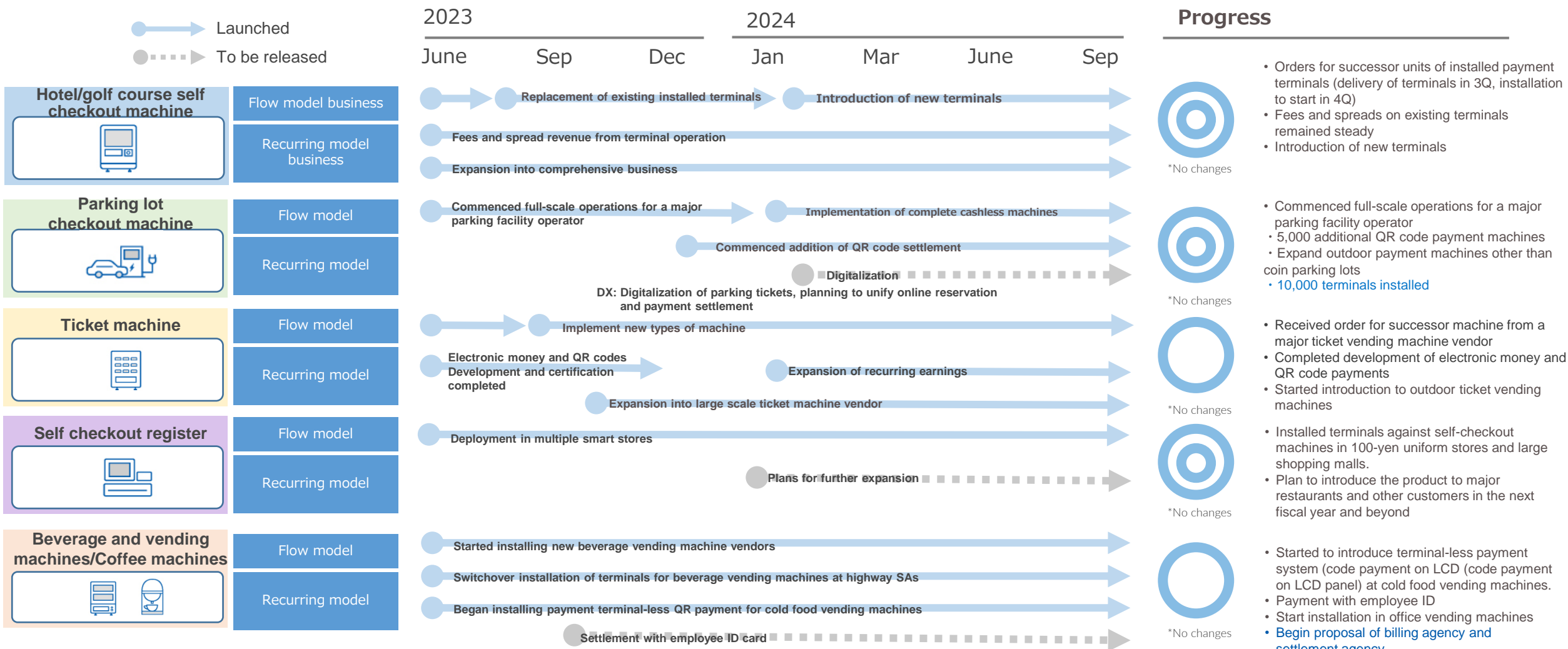
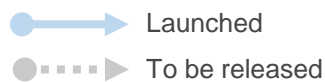
Due to cashless settlement penetration, TAM of our service scope has continuously expanded – New process network alliance partner will contribute to GMV increase



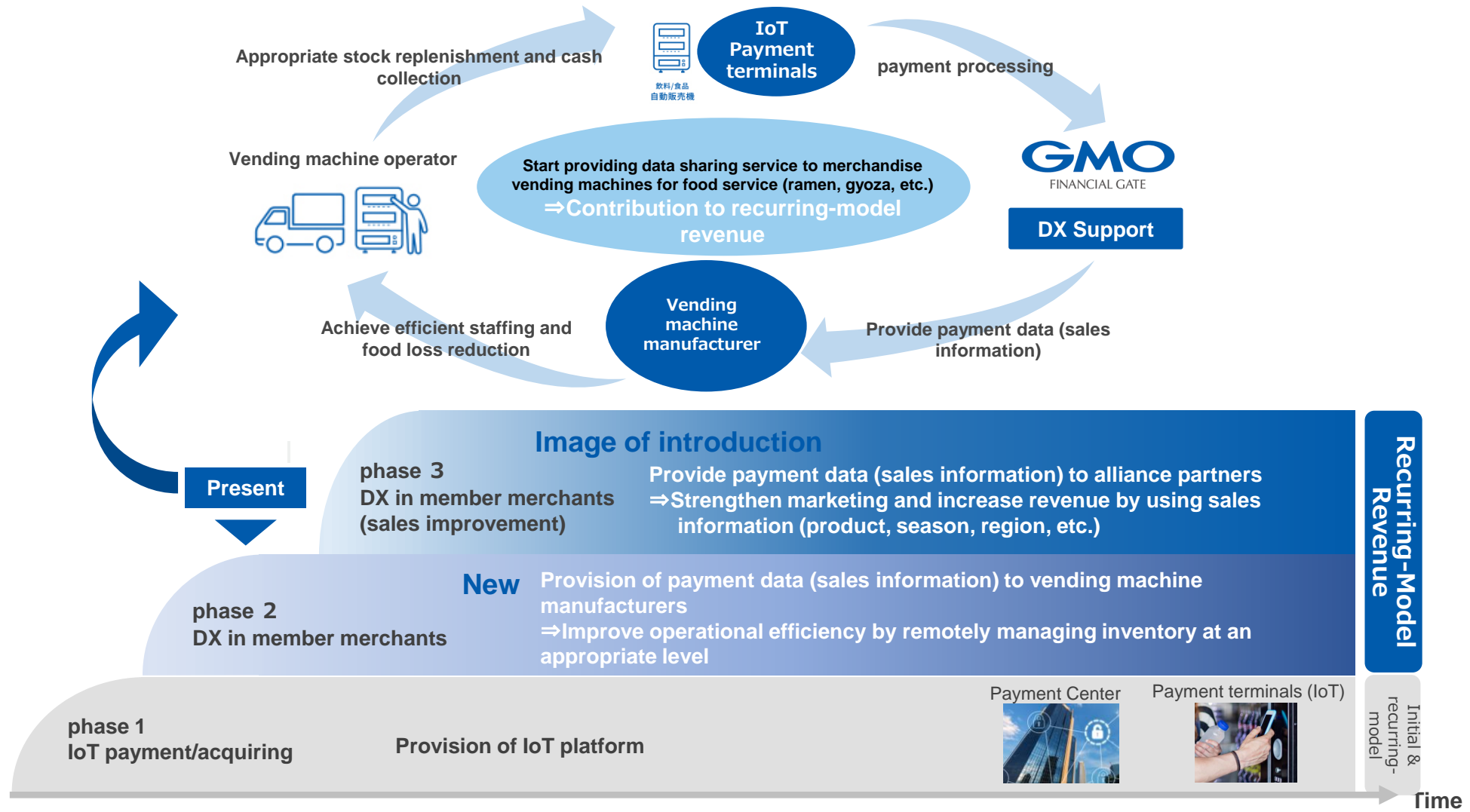
(*1) Source: "2024 Edition: Actual Status and Future Forecast of the Cashless Payment Market in Japan" and "2024 Edition: Current Status and Future Forecast of Online Payment Service Providers" Yano Research Institute Ltd.
 (*2) Source: VJA

Improvements in Unmanned Terminals (IoT)

Unmanned Terminals (IoT) has strengthened alliance initiatives in multiple areas
 Initiatives to monetize data is planned to materialize in the near future

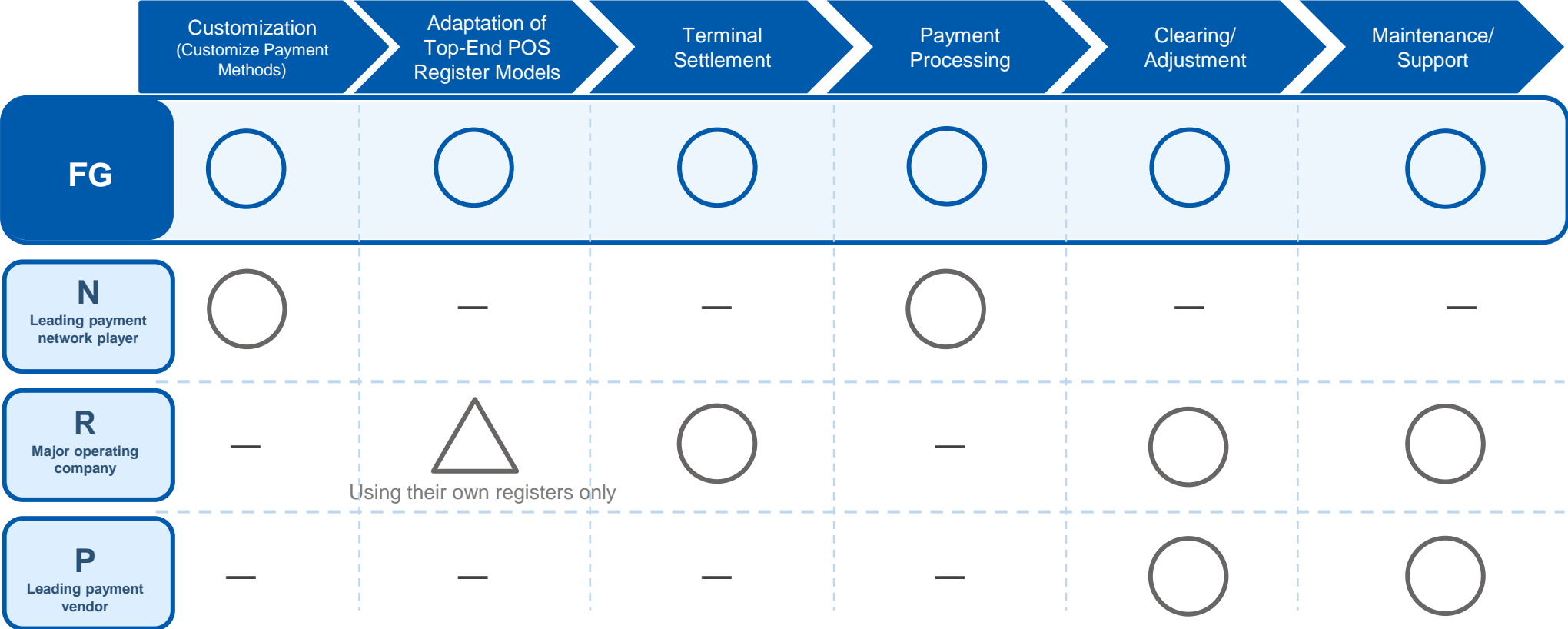


Started providing payment data service for merchandise vending machines, contributing to recurring-model revenue. Supporting merchants' operational efficiency improvement and sophistication (DX) using data



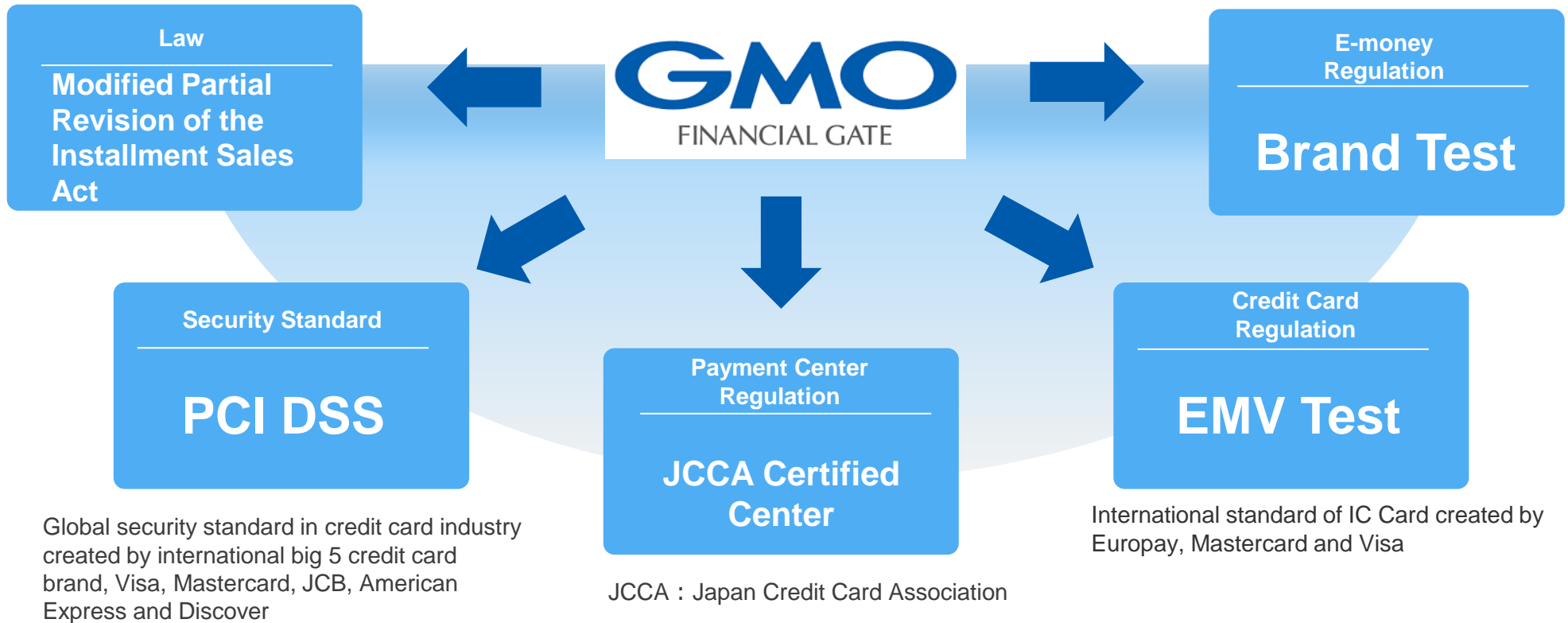
End-to-end solutions via one-stop platform allows us to create alliances with many players in the market

■ Solutions in Offline Payment Market

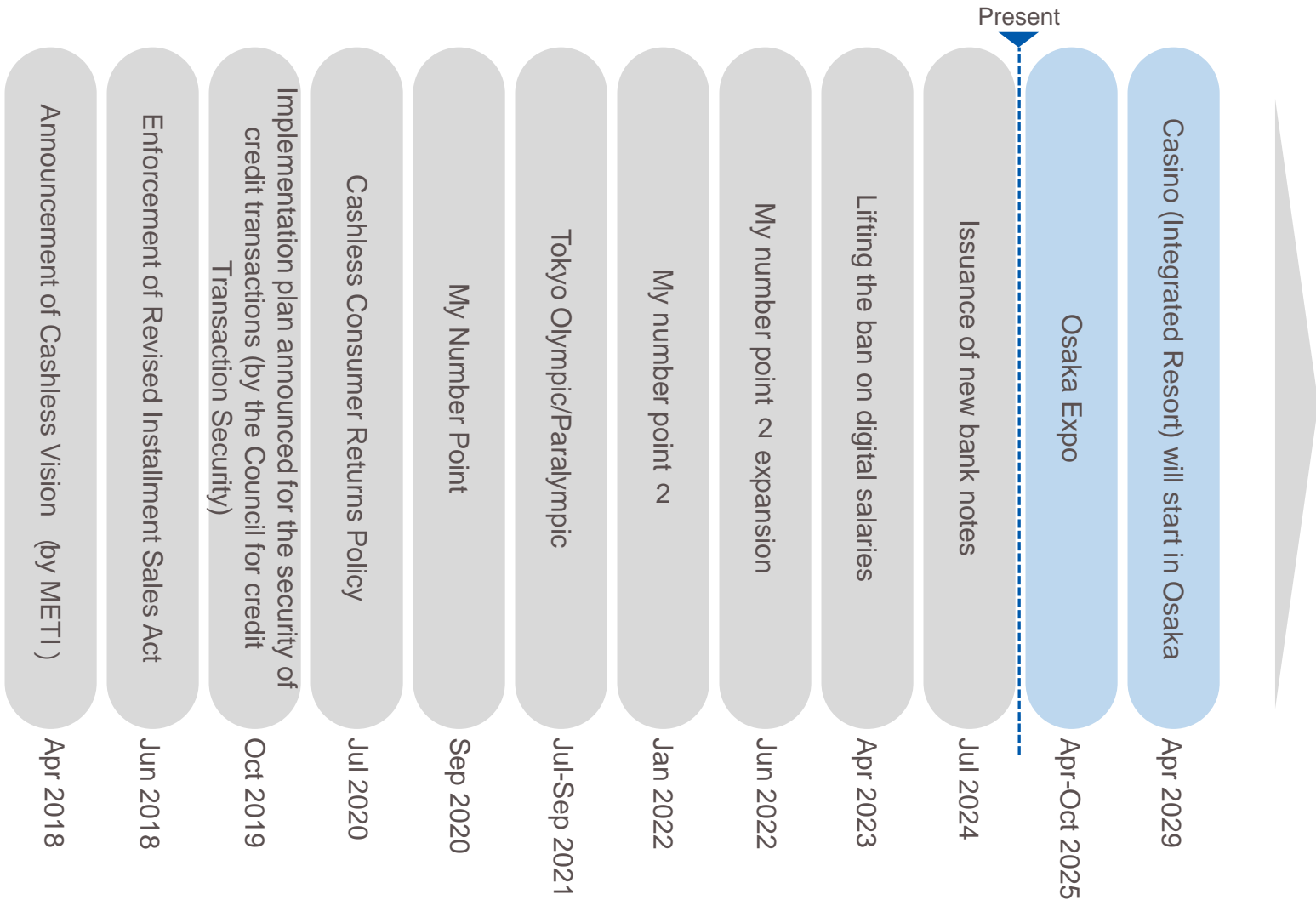


Barriers to Entry (Regulations to be Followed)

Many kinds of regulations exist in the face-to-face payment market depending on the payment method, and the number of regulations are increasing. As payment methods become more diversified, the barriers to entry become more challenging



METI announced its Cashless Vision policy in 2018, Japanese cashless market will expand in response



Impact on Business

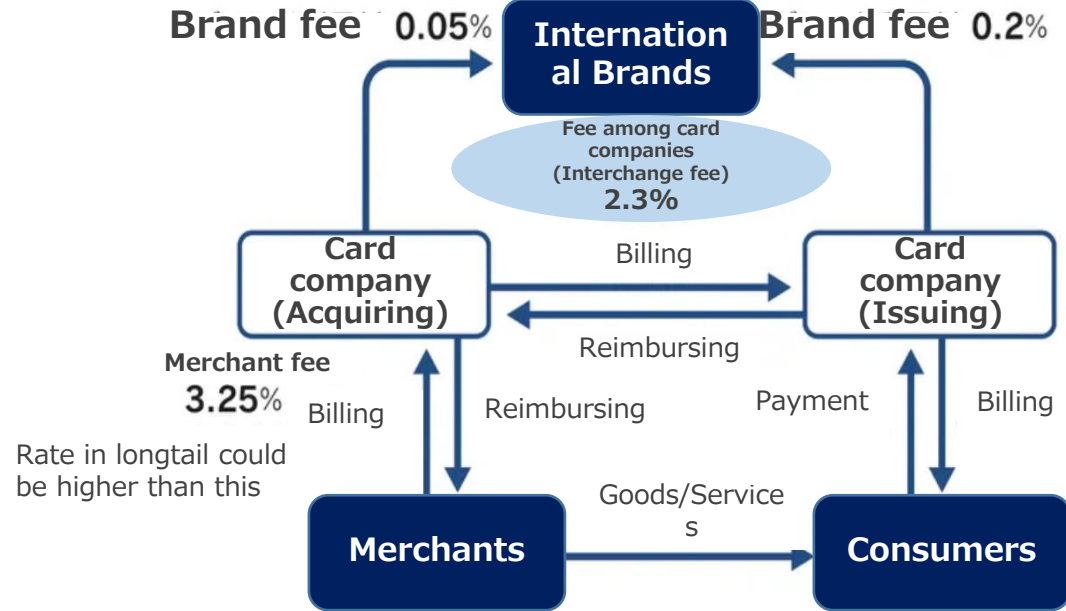
- Increasing demand for cashless terminals as merchants are obligated to use credit card IC Expanding demand for cashless terminals as merchants become obligated to use credit card IC
- Consumer redemption projects have resulted in Increase in the amount of payments processed
- With/after COVID, the Expanding Contactless and IoT Payment Needs
- Inbound Demand Leads to Expanding need for cashless payment terminals Expansion of mobility payment needs
- In line with the cost of adapting to the new banknotes Stimulus to introduce cashless payment terminals
- Expanding needs for small payments due to the spread of terminal-less payment taps to pay/phones
- Government Announces Policy of Going Completely Cashless for Osaka Expo; Plan to install 1,000 terminals**
- Osaka IR to be Approved by Government, Targeting Opening in Latter Half of 2029 Expanding demand for cashless terminals**

New topic of credit card industry

In response to a request from the Japan Fair Trade Commission, Visa, Mastercard, and UnionPay announced their intention to disclose their interchange fee rates by the end of November

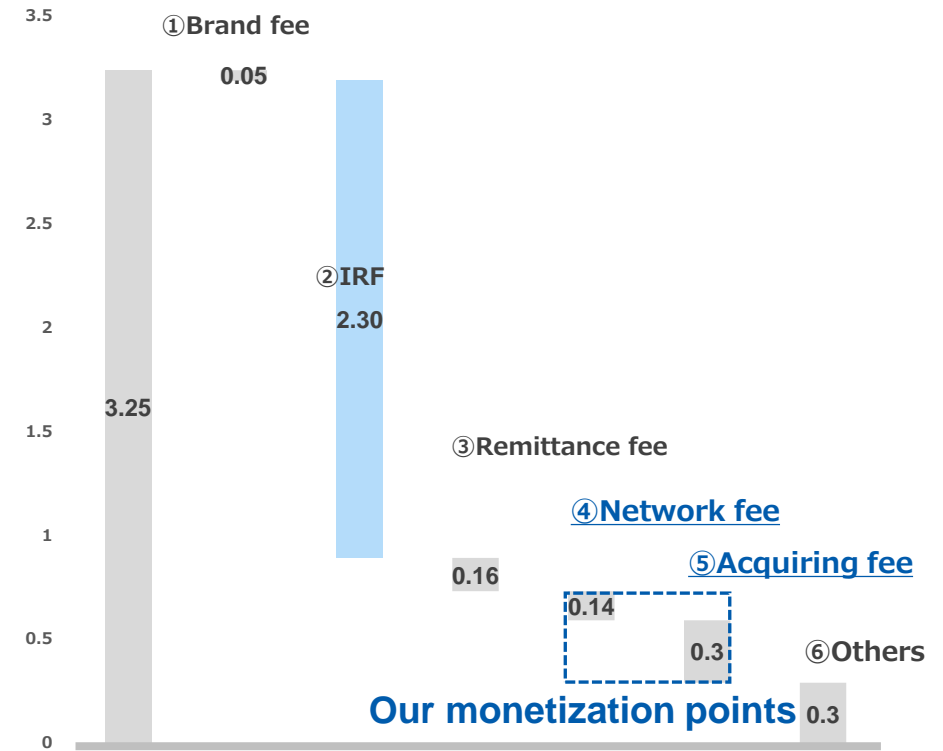
METI requires fee among credit card companies

Fee among credit card companies is actually paid by merchants



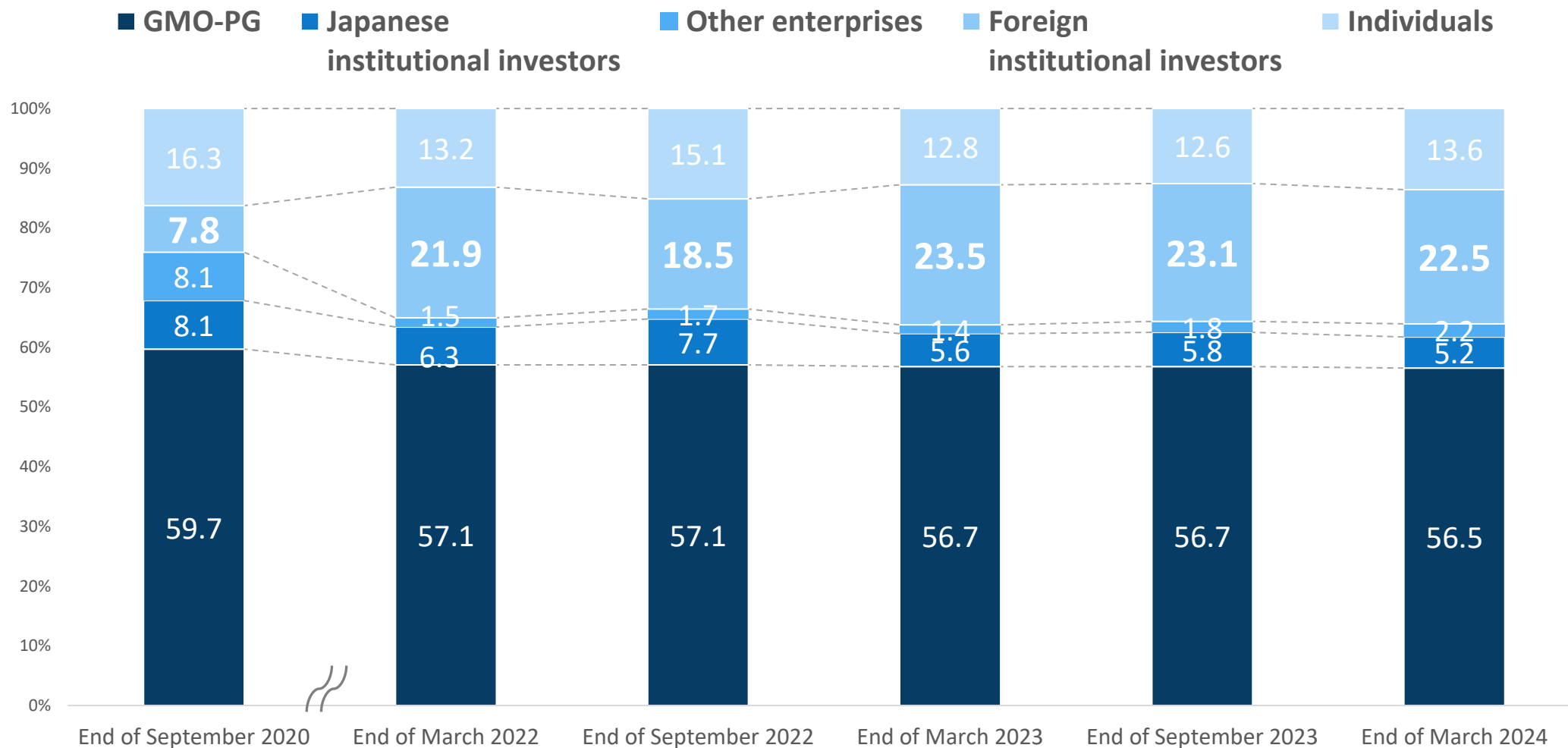
Breakdown of MDR

(model case : AOV ¥5K SME merchant)

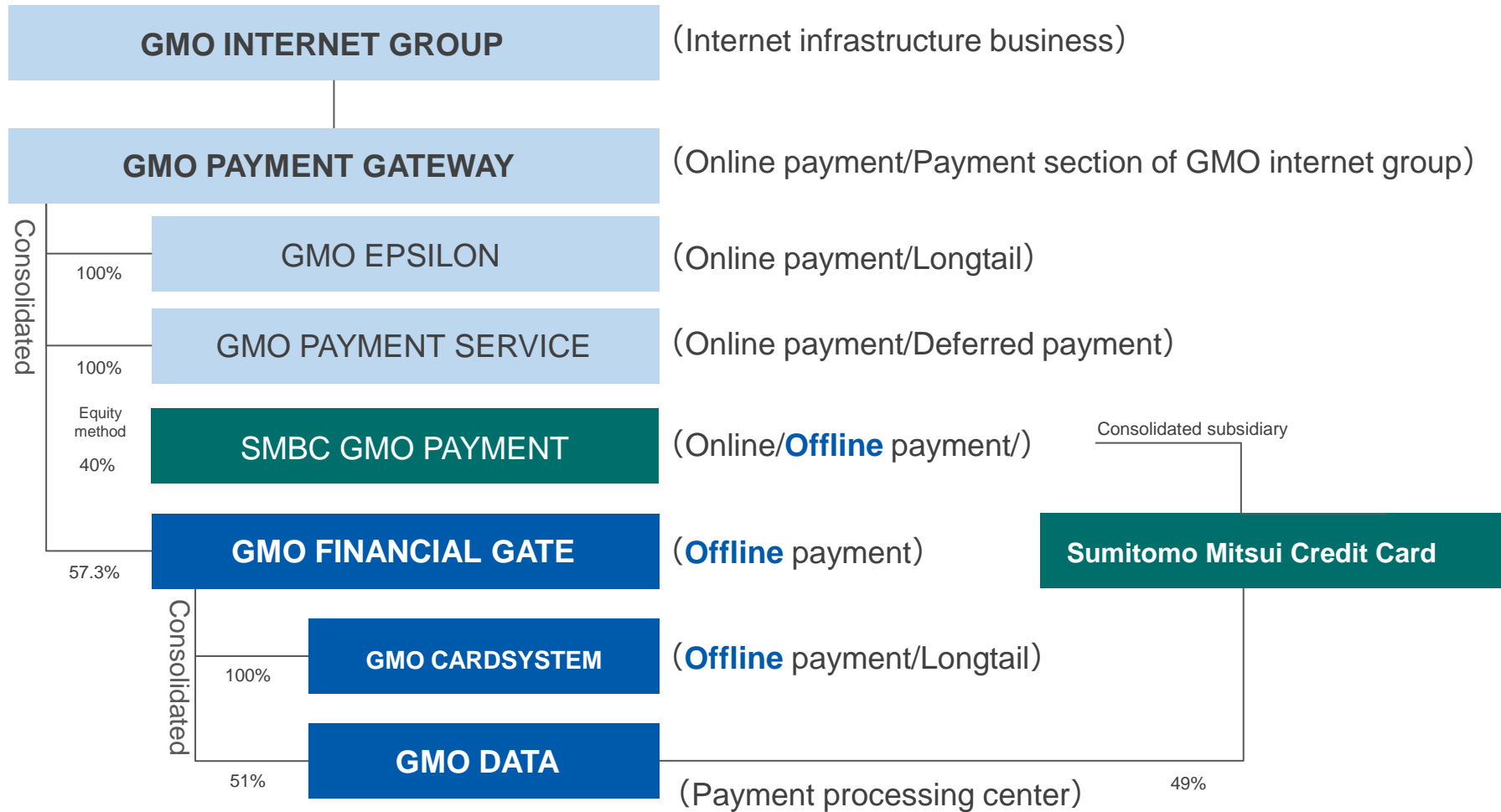


Shareholder Structure

Actively engaged in IR activities for domestic and foreign institutional investors through 1-on-1 meetings and conference appearances, maintaining the ratio of foreign institutional investors at over 20%.



GMO-FG serves in offline face to face payment market as a consolidated subsidiary of GMO-PG



Reference

Site name	URL
GMO Financial Gate	https://gmo-fg.com/
IR	https://gmo-fg.com/ir/
Sustainability	https://gmo-fg.com/sustainability/
Recruitment information	https://gmo-fg.com/recruit/
GMO Financial Gate (English)	https://gmo-fg.com/en/
GMO Payment Gateway	https://www.gmo-pg.com/
Cashless Roadmap 2023	https://paymentsjapan.or.jp/publications/20230816_roadmap2023/
Selected Service Industry Current Statistics Survey	https://www.meti.go.jp/statistics/tyo/tokusabido/index.html
Cashless payment ratio in 2023	https://www.meti.go.jp/press/2023/03/20240329006/20240329006.html
Statistics of foreign visitors to Japan	https://www.jnto.go.jp/statistics/data/visitors-statistics/

Thank you

GMO FINANCIAL GATE

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(TSE Growth 4051)

IR web site URL <https://www.gmo-fg.com/ir/>