

# Financial Results Briefing for Q3 FY2025

Acquisition of merchants in the daily life necessities drives growth in recurring revenue  
Aiming for a cumulative total of 1.2 million IDs toward achieving ¥10 billion in operating profit

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August 12, 2025

GMO Financial Gate, Inc.

(Ticker: 4051, TSE-Prime)

21<sup>st</sup> IR Presentation

**GMO** FINANCIAL GATE

# Cautionary Note Regarding Presentation Materials

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The content of these presentation materials is based on generally recognized economic and social conditions, as well as assumptions judged to reasonable by GMO Financial Gate as of August 12, 2025

Note that presentation material content is subject to change without prior notice in response to changes in the business environment or other unforeseen circumstances

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- 3. Growth Strategy and Progress**

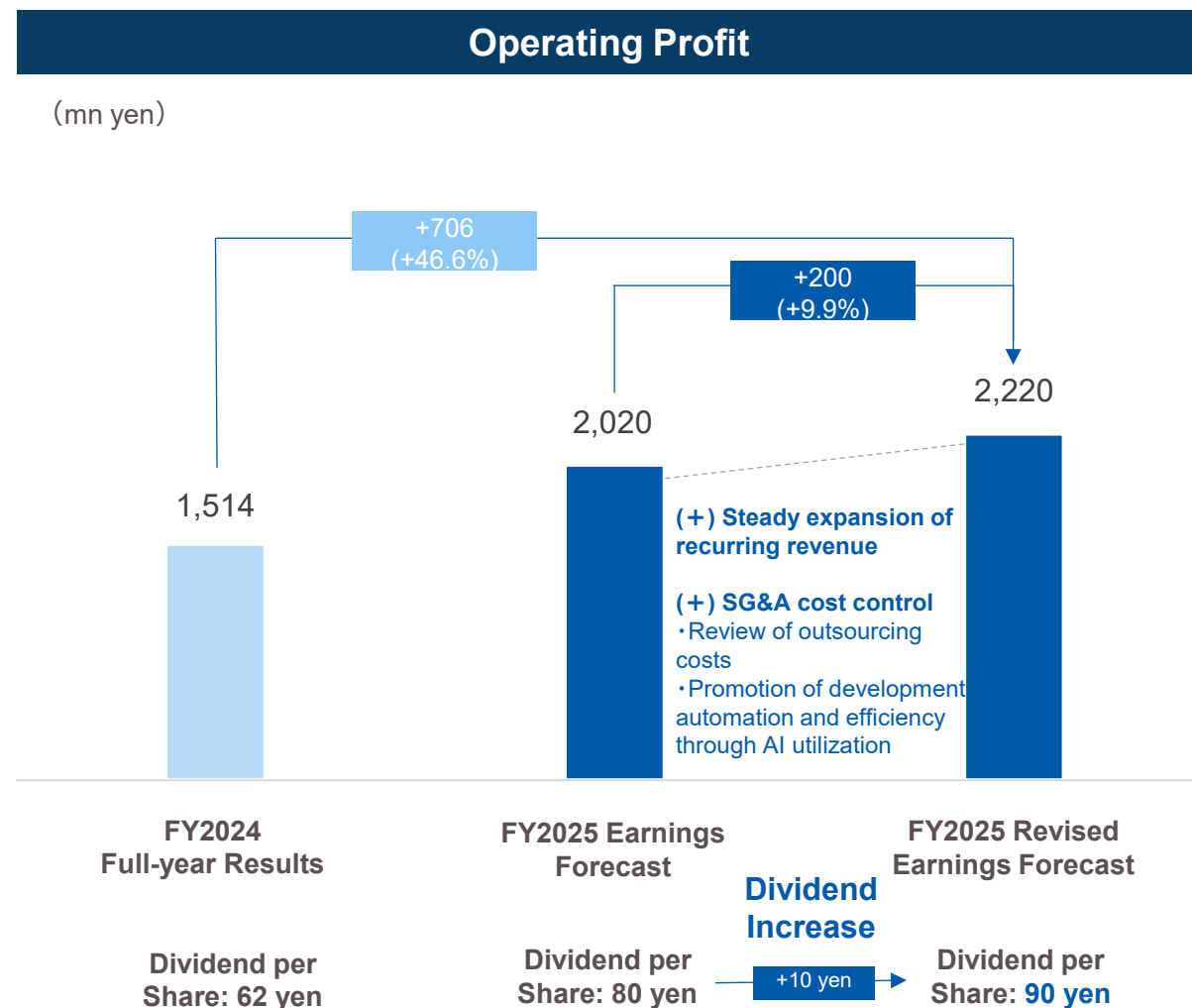
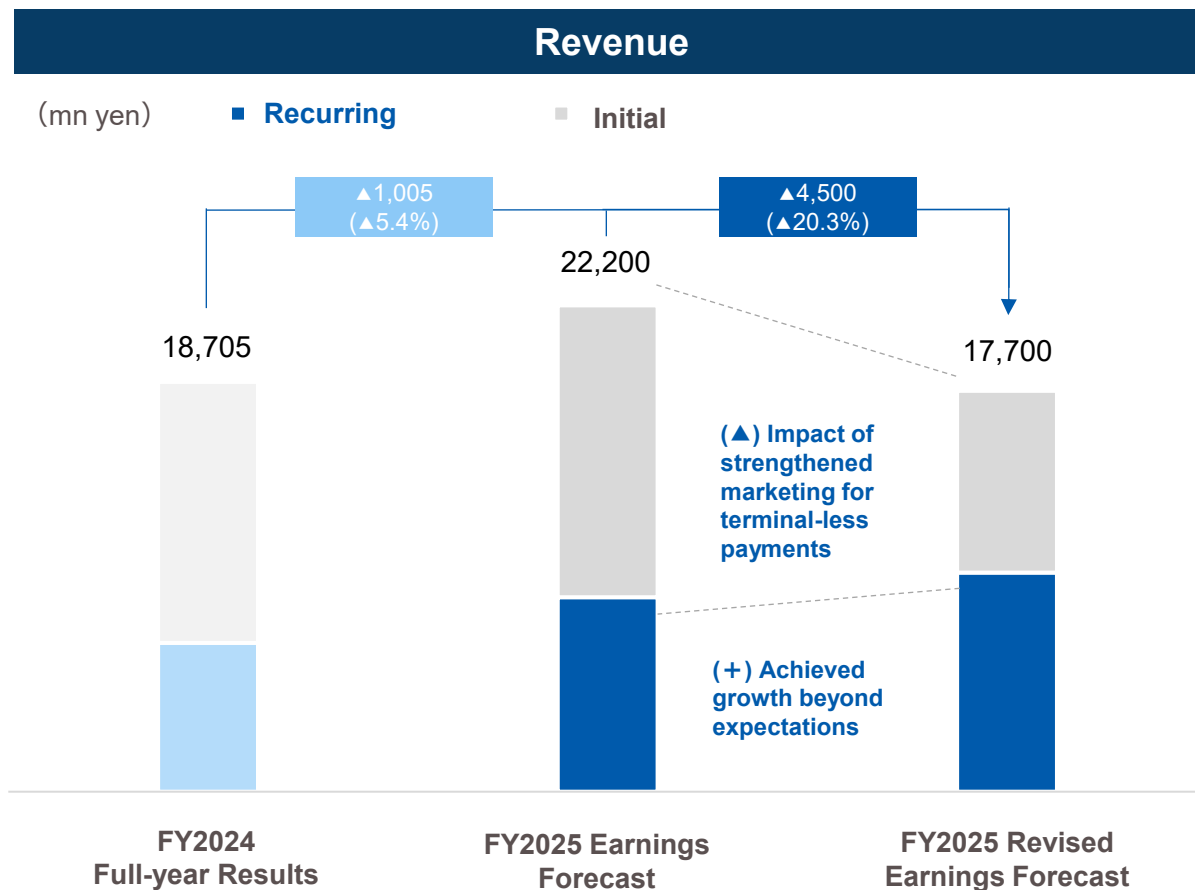
## Supplemental Information

4. Financial Information, Investment and Shareholder Return Policies
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# Revision of Earnings Forecast

Revenue: Decrease in SME Initial revenue due to strengthened marketing for terminal-less payments

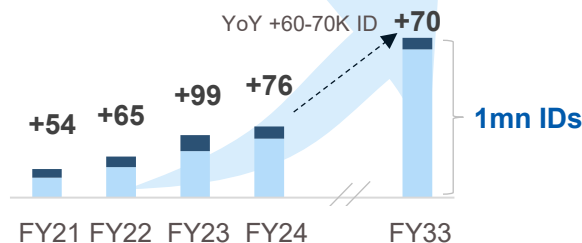
Operating Profit: Upward revision due to steady growth in recurring revenue



# Progress of KPIs Toward Achieving the Mid- to Long-Term Operating Profit Targets (FY 2025)

Progress for the three KPI's is on track

Achieve  
**1mn Active IDs**  
by FY33



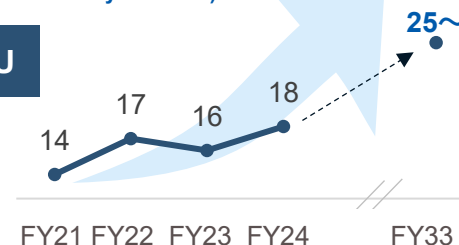
- Continue acquiring new merchants
- Acquisition of merchants in the daily-life sector
- Expand alliance with partners based on business sector
- Expand SME base trend

Q3  
evaluation\*: 49K ID

1 Active ID

Q3  
evaluation\*: 15K  
(on pace for 21K  
on full-year basis)

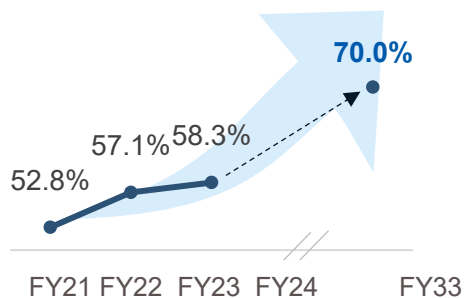
2 Recurring ARPU



- Strengthening per account plans for large merchants
- Development into payment-related businesses (payment related business DX, support increased payment activity)

Increase  
**recurring gross profit  
margin to 70%+**

Q3  
evaluation\*: 56.4%



- Continue building common assets to increase business leverage using fixed costs
- Utilize AI for automation / greater efficiency in system development
- Manage profitability per ID

\*Progress of Q1-Q3 of FY2025

# Status of Active ID Acquisition

From the next fiscal year onward, already-acquired high-ARPU IDs in manned terminal (large), unmanned/loT categories are scheduled to begin operations, and recurring revenue is expected to expand steadily  
We will continue to strengthen initiatives for Manned (SME) terminals segment

(Thousand)



# Summary of Financial Results for Q3 FY2025

# 1.1 Q3 FY2025 Summary

Recurring revenue has been steadily expanding, leading to growth in profit at each stage

Increased marketing of terminal-less payments has driven down initial sales in the manned terminal (SME) segment

## ● Q3 FY2025 Results P 9

- Revenue : **¥13.19 billion (YoY ▲3.0%)** Progress vs. full-year plan: **59.4%**
- Operating Profit: **¥1.81 billion (YoY +27.9%)** Progress vs. full-year plan: **89.7%**

## ● Revenue Categories P 8

- Recurring: **¥6.42 billion (YoY +29.8%)** -Initial: **¥6.76 billion (YoY ▲21.7%)**

## ● KPI(3Q) P 15-16

- Number of Active Terminals (Q3): **424 K (YoY+6.3K、YoY+17.5%)** -ARPU (Q3 cumulative): **¥15,000 (full-year adjusted: ¥21,000)**
- Transaction Volume (Number of Transactions): **0.28 bn (YoY+42.1%)** -(Reference) GMV: **¥2.1 tn (YoY +28.8%)**

### Business Topics

- Acquisition of Active IDs: Continue strategic accumulation aimed at reaching 1.2 million IDs by 2033 P 22
- Acquisition of high-ARPU merchants: Accelerated acquisition of daily life necessity merchants – led to significant recurring revenue growth P 17-18
- M&A: Acquisition of restaurant operation support & mobile ordering business specializing in cash-on-delivery Strengthened OMO support in response to diversifying consumer needs P 24-25

### Organization Topics

- ESG: Achieved highest rating “A” in CDP Supplier Engagement score P 30



## 1.2 Summary of Financial Results

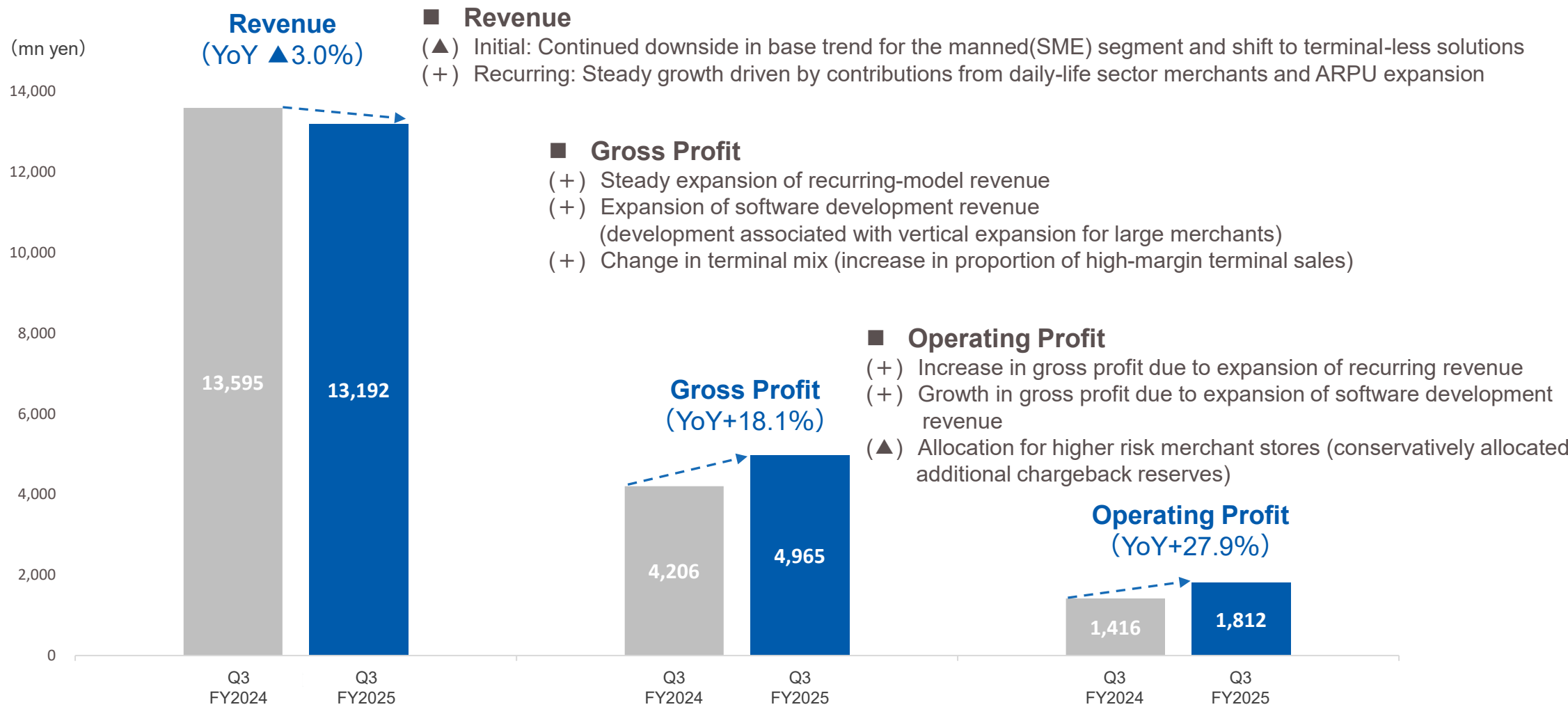
Performance: Although initial sales dropped, expansion of recurring revenue drove growth in profit  
KPI: Acquisition of high-activity merchants in the daily-life necessity progressed, leading to an increase in ARPU and transaction volume

(mn yen)	Q3 FY2024	Q3 FY2025	YoY	Progress towards forecast
Revenue	13,595	13,192	▲ 3.0%	59.4%
Gross profit	4,206	4,965	+18.1%	76.4%
Operating profit	1,416	1,812	+27.9%	89.7%
Profit before income taxes	1,406	1,803	+28.2%	90.1%
Profit attributable to owners of parent	935	1,351	+44.5%	102.6%

	Number of active terminals (Q3 FY2025 Only)	ARPU	Transaction Volume (Q3 FY2025 Only)	(Reference) Transaction Value (GMV) (Q3 FY2025 Only)
KPI (YoY)	424,534 ID (+17.5%)	Approx. ¥15,000* (adjusted for full-year: ¥21,000)	c. 283.2mn (+42.1%)	c. ¥ 2,119bn (+28.8%)

# 1.3 Major Topics Regarding Financial Results

**Revenue:** Continued downside in base trend for the manned (SME) segment due to shift to terminal-less solutions  
**Profit:** Continued high growth driven by expansion of recurring revenue and development sales for large merchants



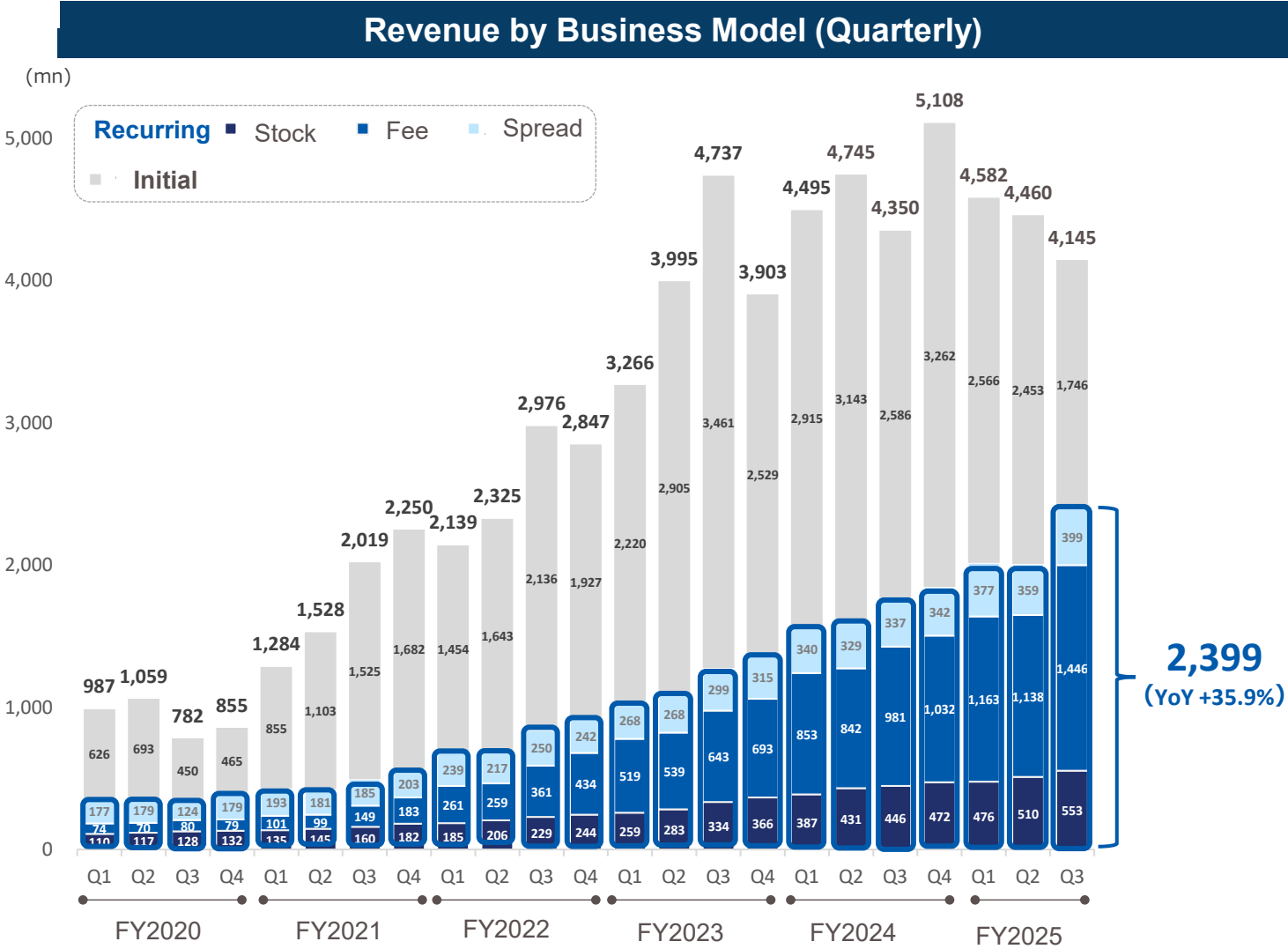
# 1.4 Revenue by Business Model (YoY)

**Recurring Model:** High-activity merchants in the daily necessities sector contributed, driving fee growth at +40% YoY  
**Initial:** Revenue declined due to trend decline in the manned (SME) segment and due large orders last FY

(mn yen)	Q3 FY2024 (Composition %)	Q3 FY2025 (Composition %)	YoY
<div>Recurring-Model</div>	4,950 (36.4%)	6,425 (48.7%)	+29.8%
<div>Stock</div>	1,265 (9.3%)	1,539 (11.7%)	+21.7%
<div>Fee</div>	2,677 (19.7%)	3,748 (28.4%)	+40.0%
<div>Spread</div>	1,007 (7.4%)	1,137 (8.6%)	+12.8%
Initial	8,645 (63.6%)	6,767 (51.3%)	▲ 21.7%
Total Revenue	13,595 (100.0%)	13,192 (100.0%)	▲ 3.0%

# 1.5 Revenue by Business Model (Quarterly)

**Recurring:** High-activity merchants that began operation in the latter half of Q2 drove growth, mainly in fee revenue  
**Initial:** The shift to terminal-less solutions continued. Development orders for large projects scheduled for the next fiscal year are ongoing



## Supplementary Information

### Recurring

- Stock: Steady growth continues through **the accumulation of solution assets**
- Fee: **Merchants in the daily life necessities domain** (supermarkets, household goods stores, drugstores, 100-yen shops, etc.) contributed significantly, **resulting in substantial growth**
- Spread: Continued growth centered on solutions for **coin parking, hotels, and travel**

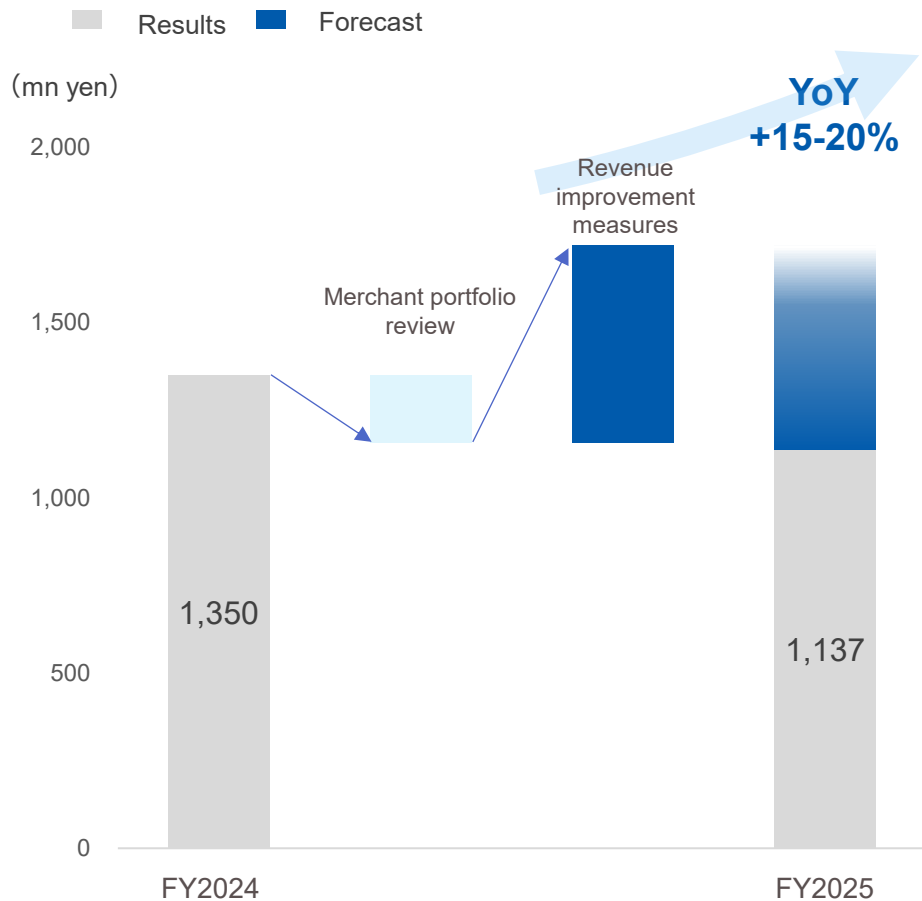
### Initial

- Continued accumulation of small- to medium-scale (several hundred terminals) **projects**
- Continued revenue from **software development sales** for **large-scale projects** from the next fiscal year onward
- Lower **Initial sales** by **terminal-less solutions** (approx. 40,000 IDs) amid **strengthened marketing efforts**

# 1.6 Measures to Improve Spread Revenue

Accelerated to YoY +12.8% growth due to an increase in IDs for hotels and coin parking  
Aiming for YoY +15% or more on a full-year basis

## Spread Revenue Expansion Image



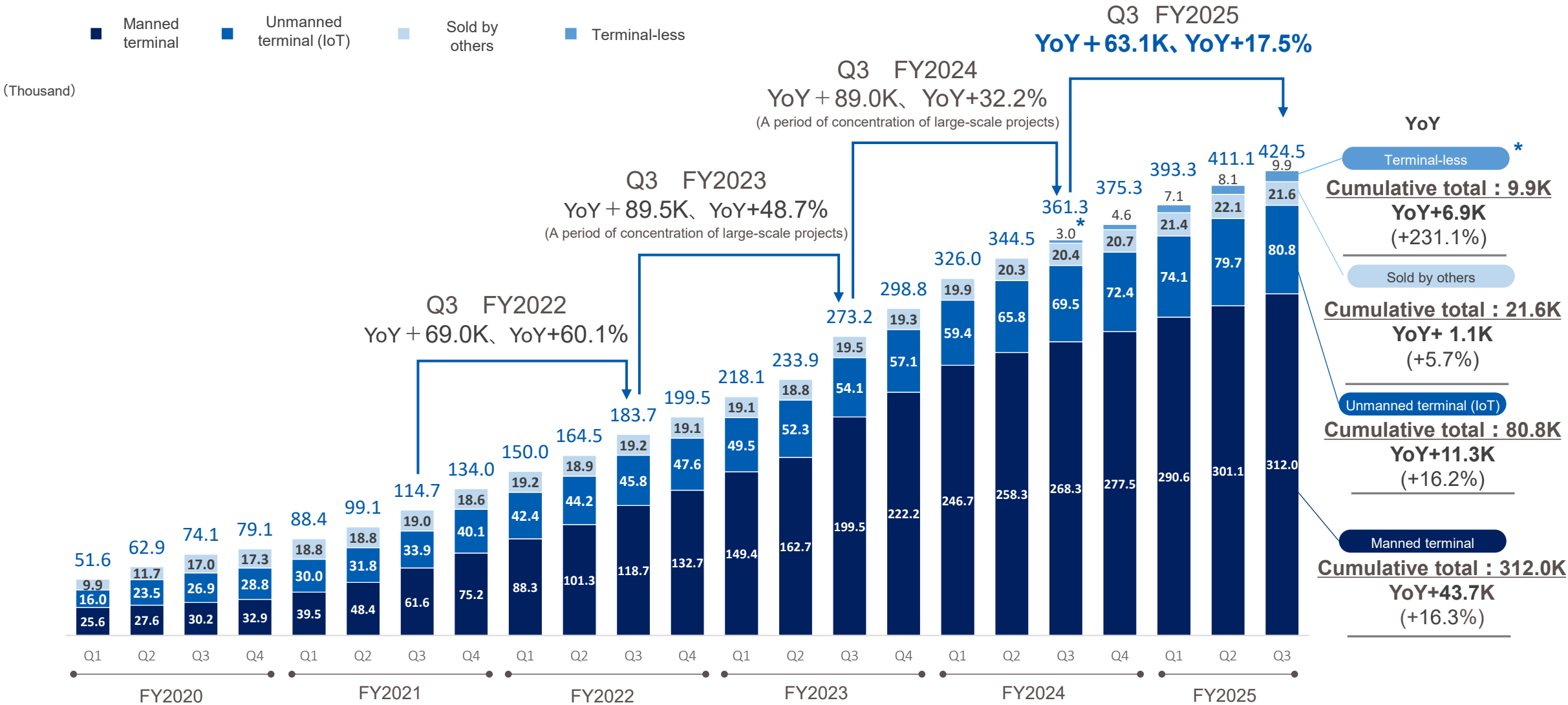
## Spread Revenue Initiatives

Category	Details	Revenue Contribution Date	Revenue impact
New Merchants	Hotel/Travel <ul style="list-style-type: none"><li>Developed new merchants using new cashless solutions</li></ul>	April Started	↑
	Apparel <ul style="list-style-type: none"><li>Developed rapidly growing imported apparel brands</li></ul>	June Started	
	Inbound Tourism <ul style="list-style-type: none"><li>Developed restaurants, high-cost medical care and regenerative medicine merchants that meet the needs of tourists</li><li>Introduction QR code payment solutions</li></ul>	June Started	
	Amusement <ul style="list-style-type: none"><li>Started Japan's first credit card payment function in a prize game</li></ul>	September (pilot operation scheduled to start)	
Existing Merchants	Coin parking <ul style="list-style-type: none"><li>Improving the cashless ratio by expanding payment methods</li></ul>	July Started	↑
	Small-mid enterprises <ul style="list-style-type: none"><li>Improving profitability by changing transaction conditions with acquirers</li></ul>	March Started	

# KPI / Business Highlights

# 2.1 Consolidated KPI (Number of active terminals)

Progress is on track toward target of 60-70K active ID increase per year with 49,000 IDs for FY2025



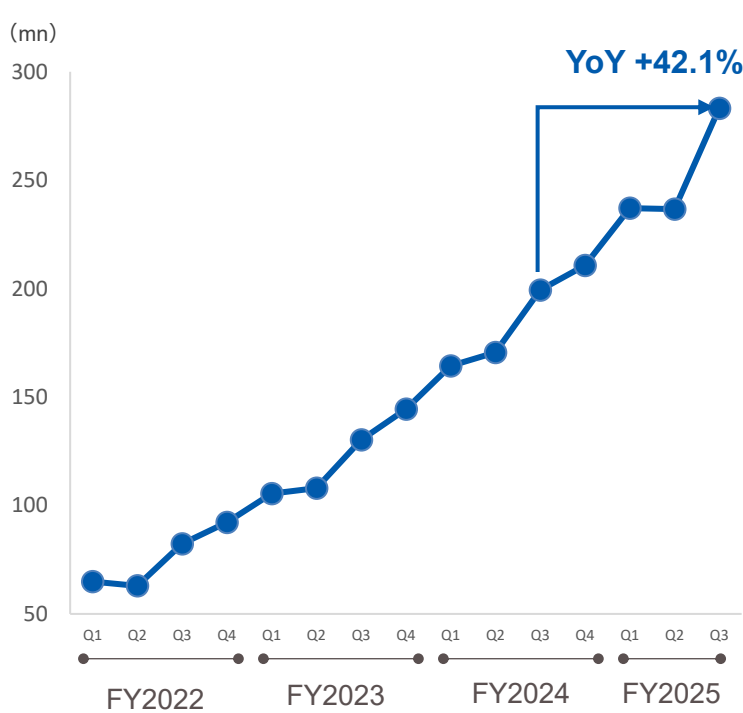
\*due to launch of "stera tap", Terminal-less will be separated from "sold by others" from Q3 FY24

# 2.2 Consolidated KPI (Quarterly Transaction Volume, ARPU, (Reference) GMV)

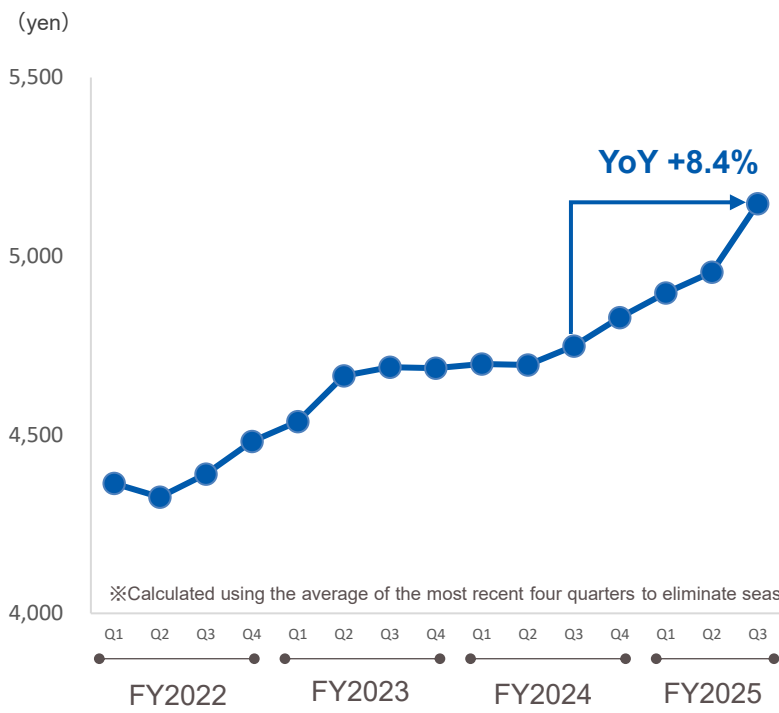
Transaction Volume: High-activity merchants that began operation at the end of the previous quarter contributed throughout the period, resulting in +42% YoY growth

ARPU\*: Achieved high growth of +8.4% YoY through continued acquisition of large merchants

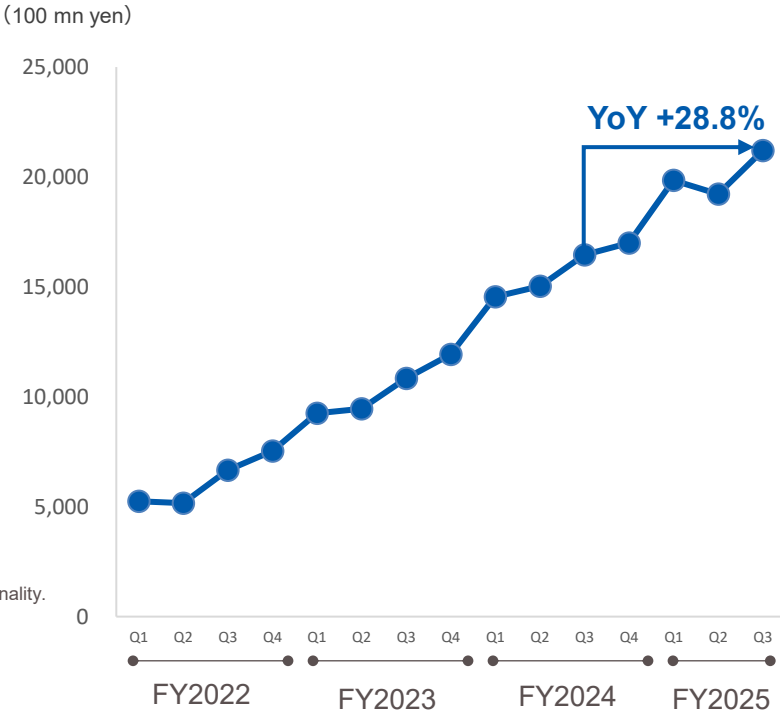
Number of Transaction Volume



ARPU\*



(Reference) Transaction Value (GMV)



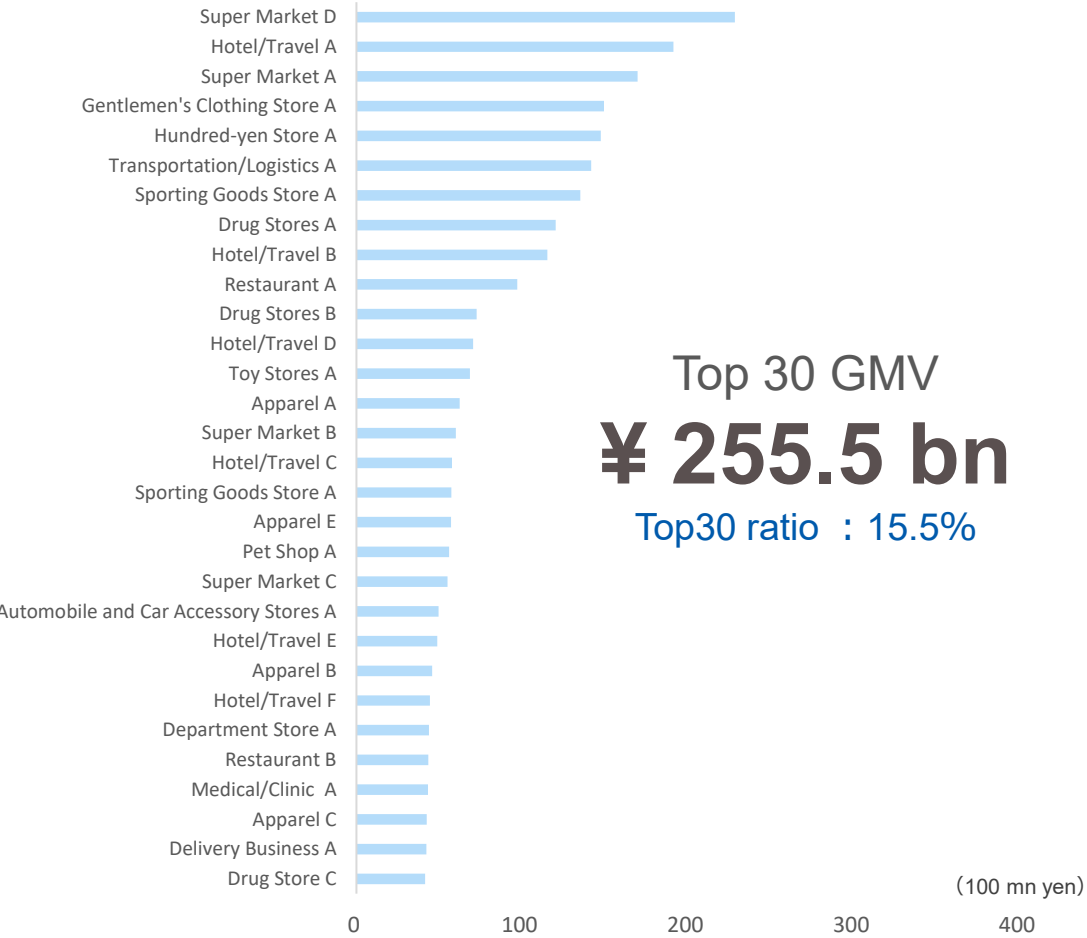
	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
Transaction volume(10 K)	6,497	6,292	8,237	9,224	10,553	10,804	13,026	14,438	16,431	17,057	19,935	21,066	23,710	23,661	28,322
ARPU*(yen)	4,420	4,448	4,586	4,767	4,751	4,813	4,765	4,686	4,698	4,695	4,747	4,827	4,897	4,954	5,147
(Reference)Transaction value(GMV)	5,251	5,161	6,658	7,530	9,242	9,459	10,842	11,930	14,552	15,023	16,451	17,000	19,852	19,223	21,196



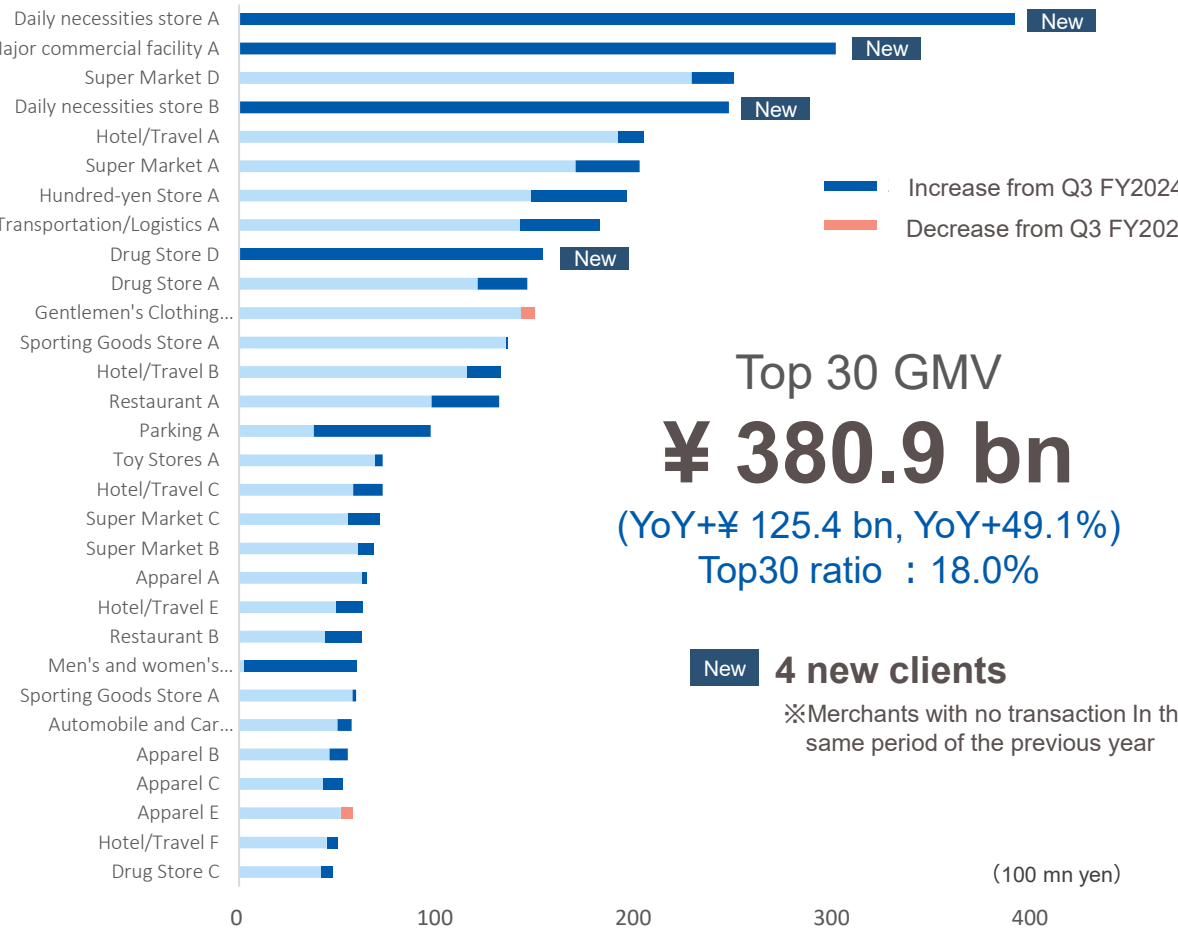
## 2.3 Top 30 Merchants (GMV basis)

Two daily necessities merchants, a major commercial facility, and a drugstore began full-scale operations this quarter, making a significant contribution to GMV expansion

### Q3 FY2024

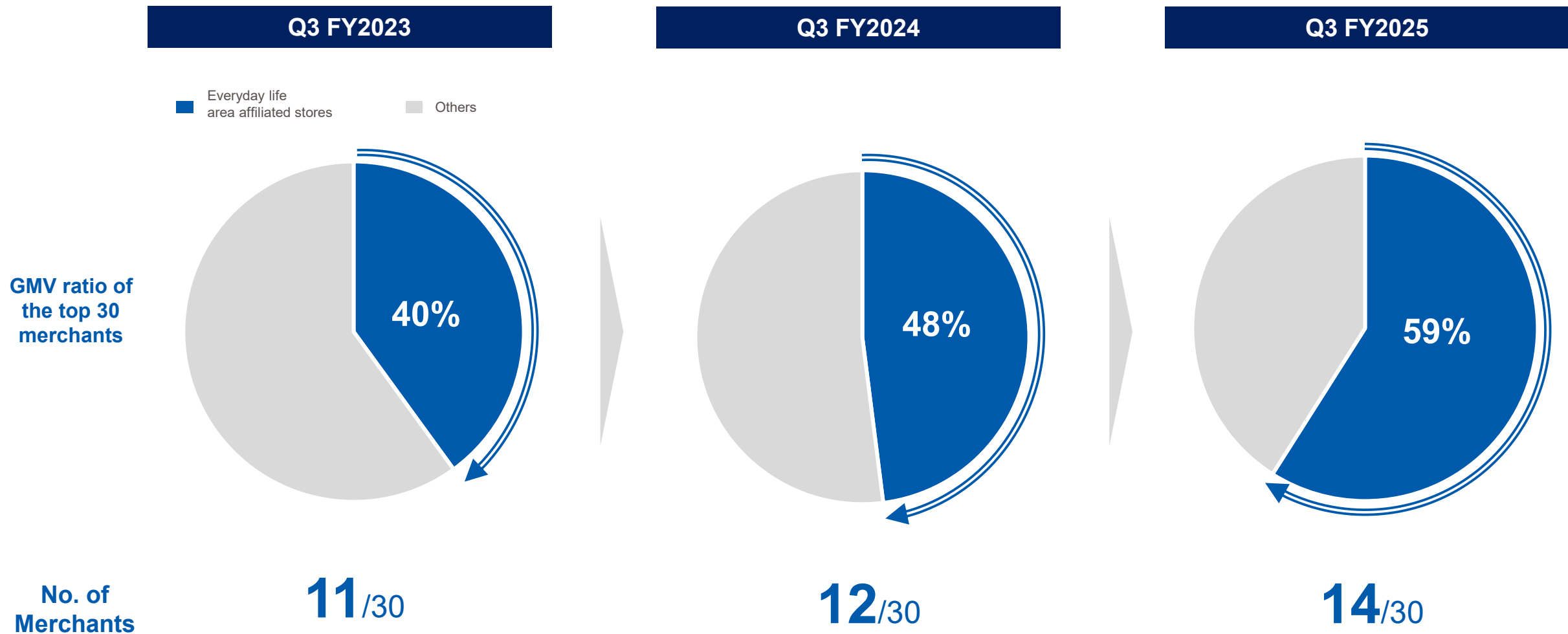


### Q3 FY2025



## 2.4 Expanding No. of Merchants in Daily Life Necessities (top 30 merchants)

Continuation of acquisition of merchants in daily life necessities – an area that is less affected by economic trends (supermarkets, household goods stores, drug stores, 100-yen shops, etc.)



# Growth Strategy and Progress

# 3.1 Profit Roadmap

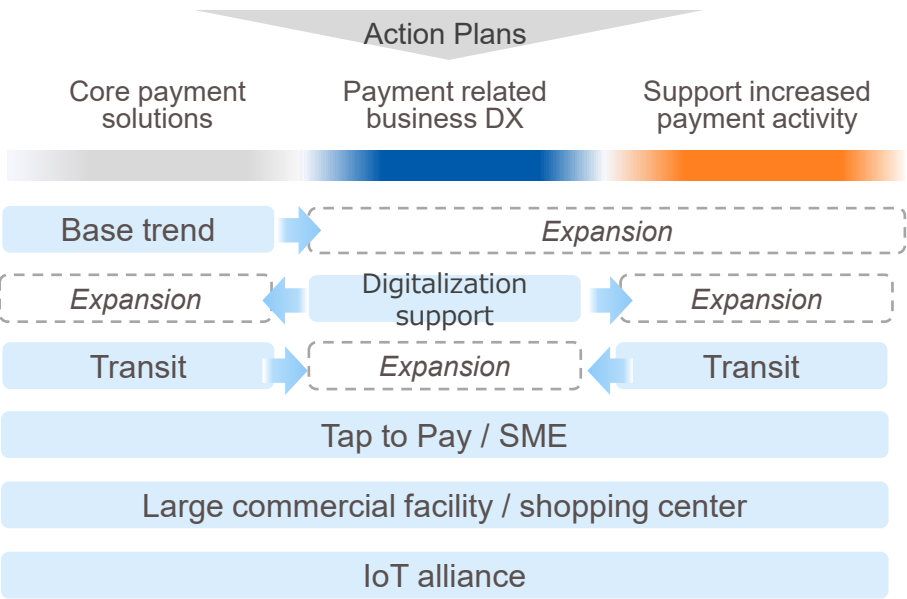
Promoting mid- to long-term measures to achieve operating profit of 10 billion yen by 2033

## Strategy

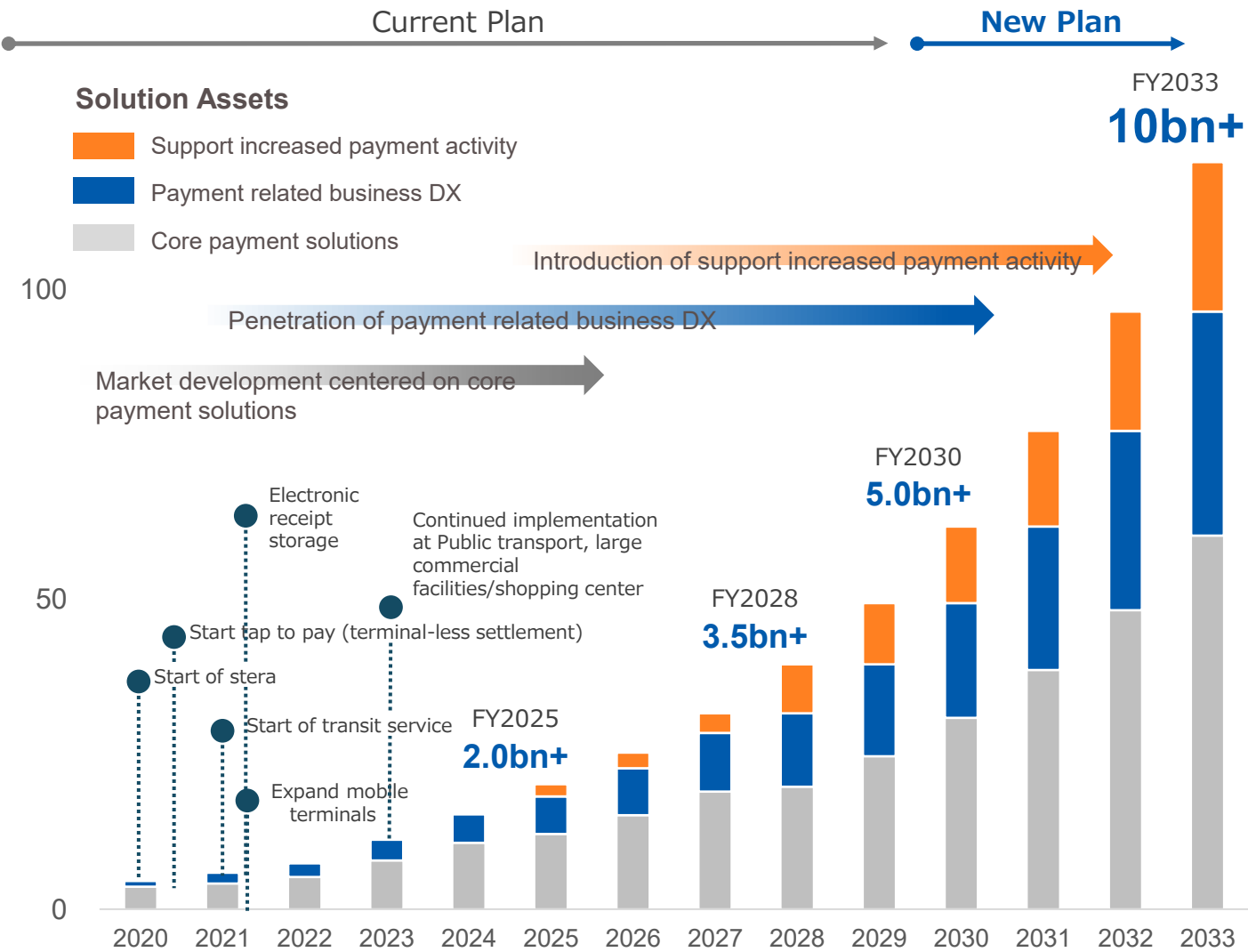
Strategy

- 1 Acquire multi-industry/high-growth enterprises by launching next-generation multipayment terminals
- 2 Expand IoT payments by supporting contactless (tap) and unattended payments
- 3 Acquire large scale merchants through expansion of alliances with QR, points, etc.
- 4 Increase added value by strengthening processing center functions

Mid to long term strategy



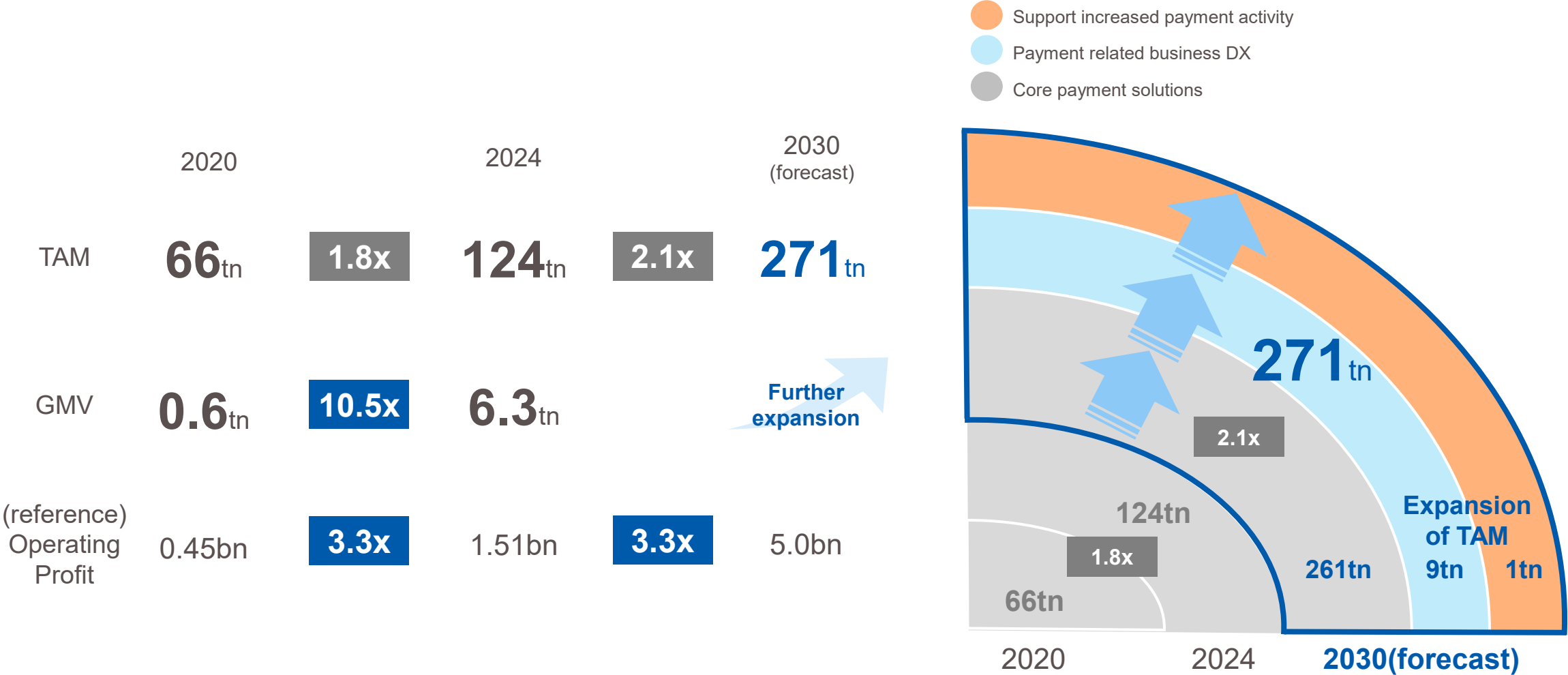
## Operating Profit Growth Curve



## 3.2 Expanding TAM for profit growth

Core payment solutions: Continuing growth initiatives such as increasing the number of IDs and strengthening monetization

Payment related business DX, support increased payment activity: Continuing to expand TAM through accumulation of solutions

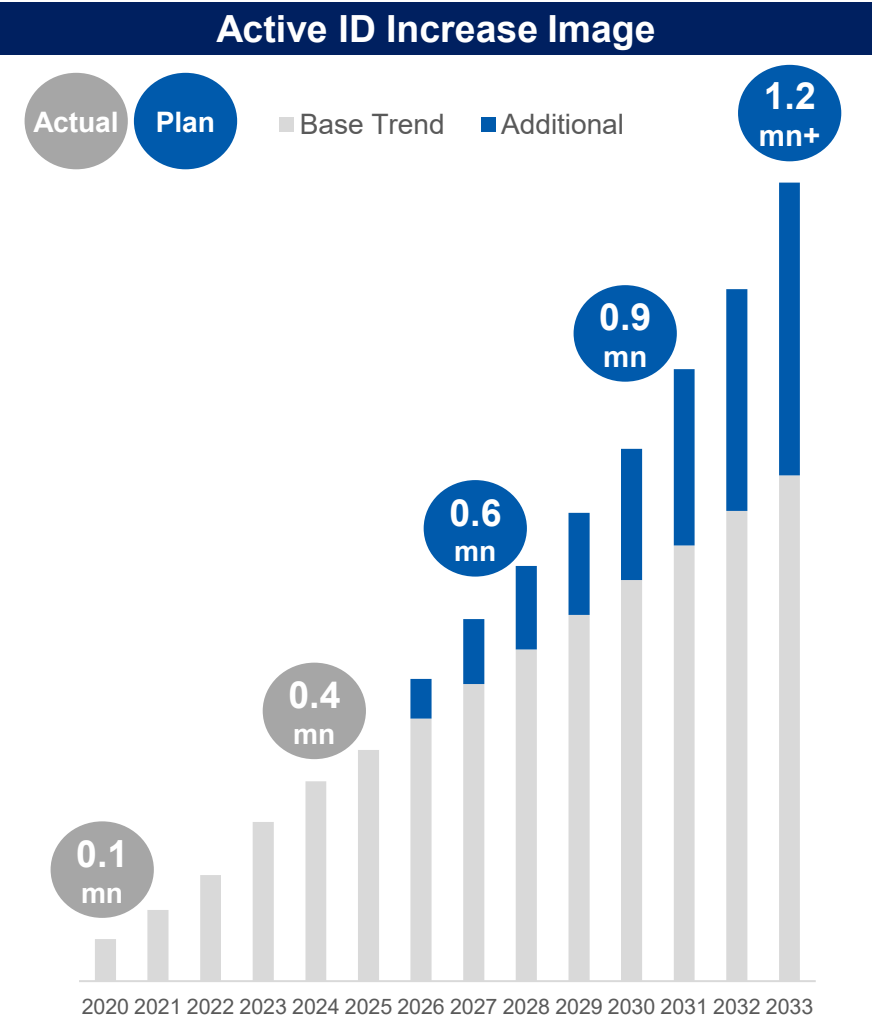







Reference materials: Yano Research Institute's "2024 Edition: Current Situation and Future Forecast of the Domestic Cashless Payment Market," "2024 Edition: Current Situation and Future Forecast of Online Payment Service Providers," "Survey on the Digital Marketing Market (2024)," and Fuji Chimera Research Institute Co., Ltd.'s "2025 Future Outlook for the Digital Transformation Market: Market Edition"

# 3.3 Potential for Active ID's

Aim to increase Active ID's to 1.2mn by 2033

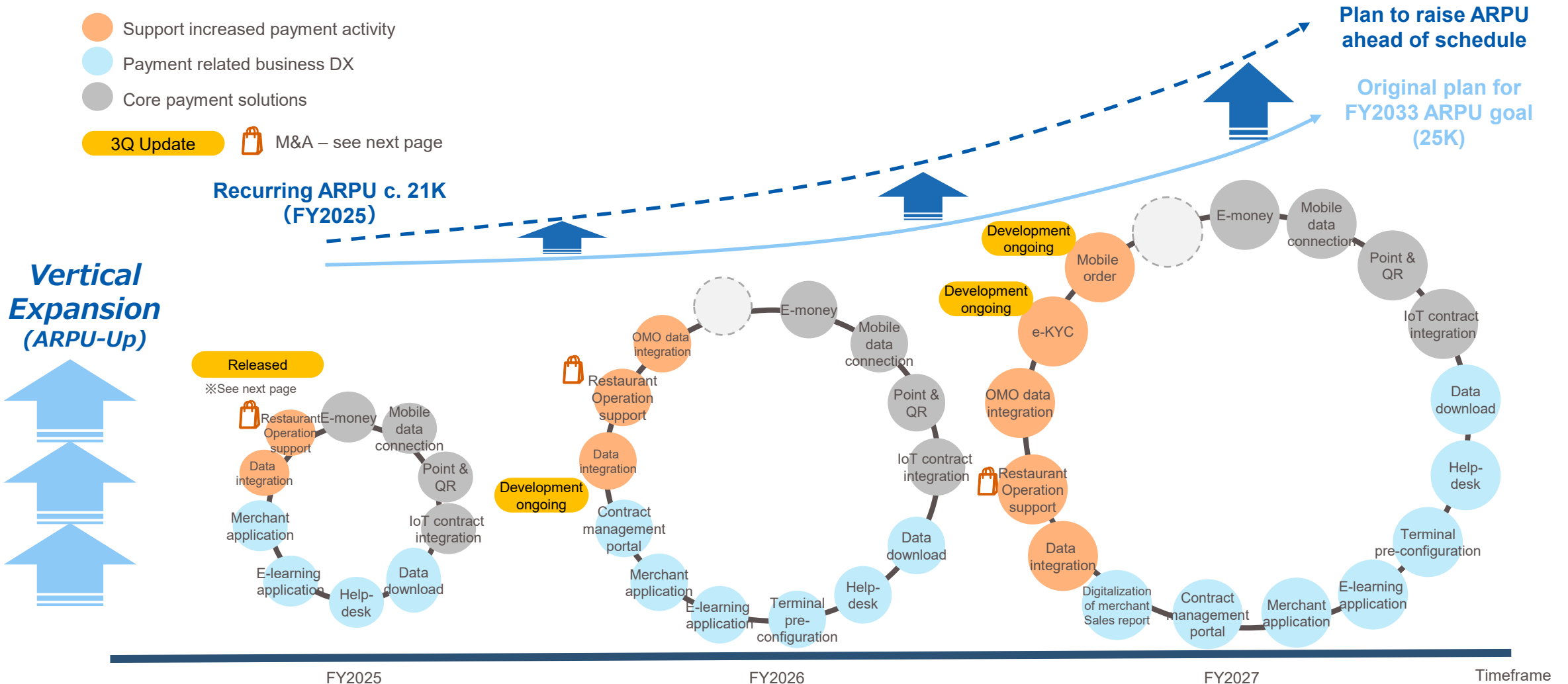
Accelerate Active ID acquisition through strategic approach for each category



ID Acquisition Policy			
Category		Policy	Max ID Potential
1	 <b>Major Corporate Groups</b>	Expand to industry-wide scale by breaking into <b>top-tier commercial facilities and major railway operators</b>	200K
2	 <b>IoT</b>	Accelerate adoption in large markets such as <b>coin-operated parking lots, self-checkout stores</b> (supermarkets, drugstores, and fast food)	200K
3	 <b>Card Companies</b>	<b>Leverage expertise</b> through partnerships with card companies	500K
4	 <b>Terminal-less</b>	Efficiently deploy optimized solutions for <b>delivery, at the table ordering</b> , and other <b>on-site needs</b>	300K
5	 <b>Mobile POS Vendors</b>	<b>Mid-size:</b> expand through packaged products such as <b>stera pack</b> <b>Small-size:</b> efficient rollout in <b>long-tail markets</b>	400K
			<b>Total 1.6mn</b>

# 3.4 Ecosystem Expansion

Core payment solutions: expanding monetization through enhanced functionality  
Payment related business DX, support increased payment activity: continue to increase ARPU by expanding solution asset lineup



## 3.5 Acquisition of Restaurant Operation Support Business

Acquisition of restaurant operation support and mobile ordering business specializing in the cash-on business model

### Overview of Acquired Business

Company to be split	TakeMe Co., Ltd.
Business division to be succeeded	Restaurant operation support
Service commencement year	2020
Number of employees to be succeeded	3
Number of stores	251

### Service Details & Strengths

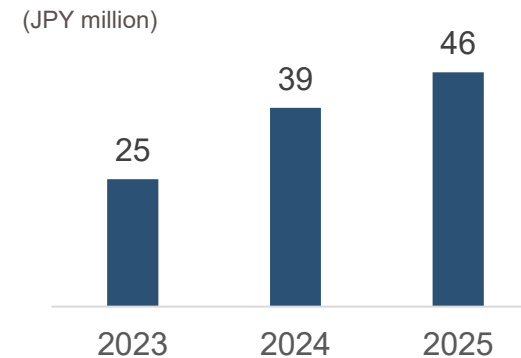


- **Restaurant operation** specializing in the **cash-on business model**
- **Supporting efficiency and optimization** of **restaurant operations** facing labor shortages
- Service can be introduced with low initial cost and a **monthly fee**
- **Real-time reflection** of changes to mobile order menus, etc.

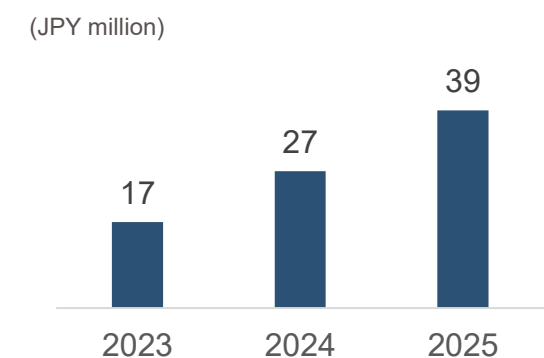
### Acquisition Terms & Schedule

Acquisition Price	130 million yen
Scheme	Absorption-type company split
Date of Board Resolution Approving the Split Agreement	August 8, 2025
Date of Split Agreement Execution	August 8, 2025
Effective Date	October 1, 2025 (planned)

### Revenue of Target Business



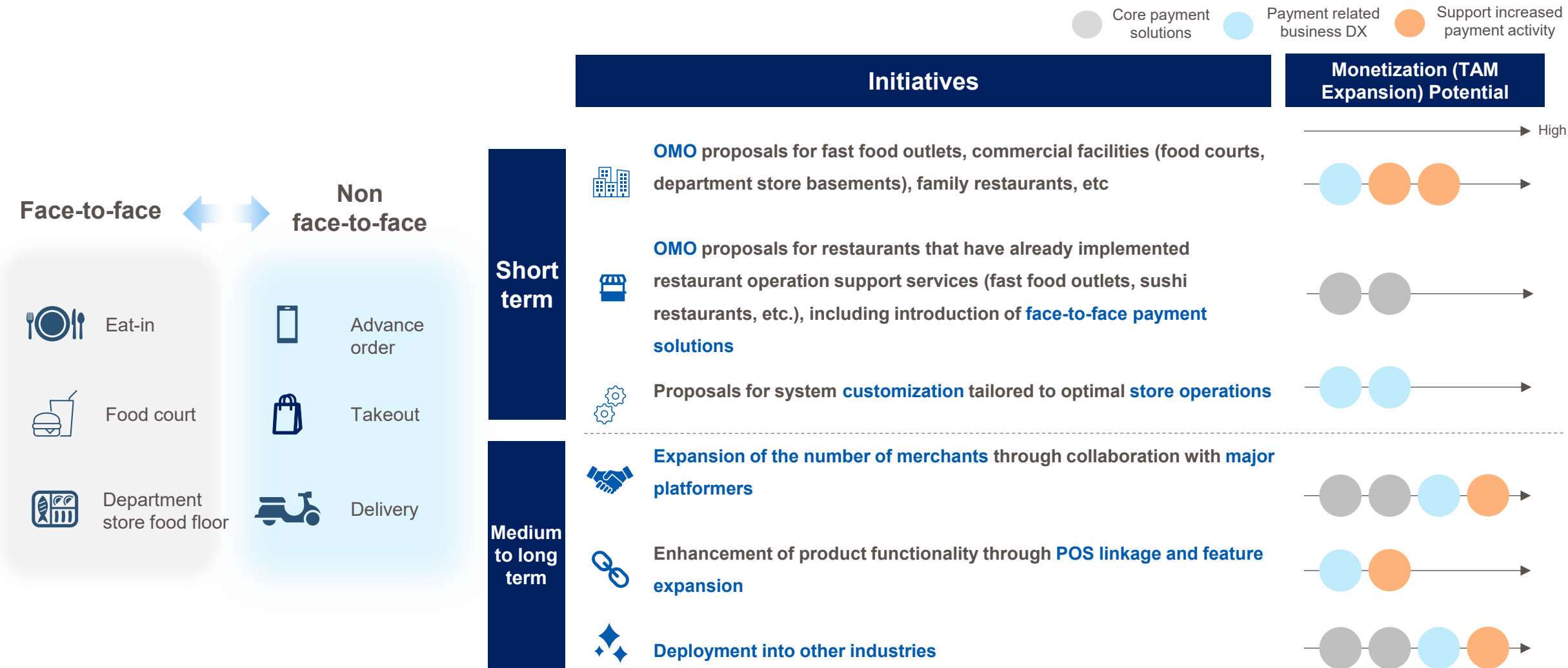
### ARR of Target Business





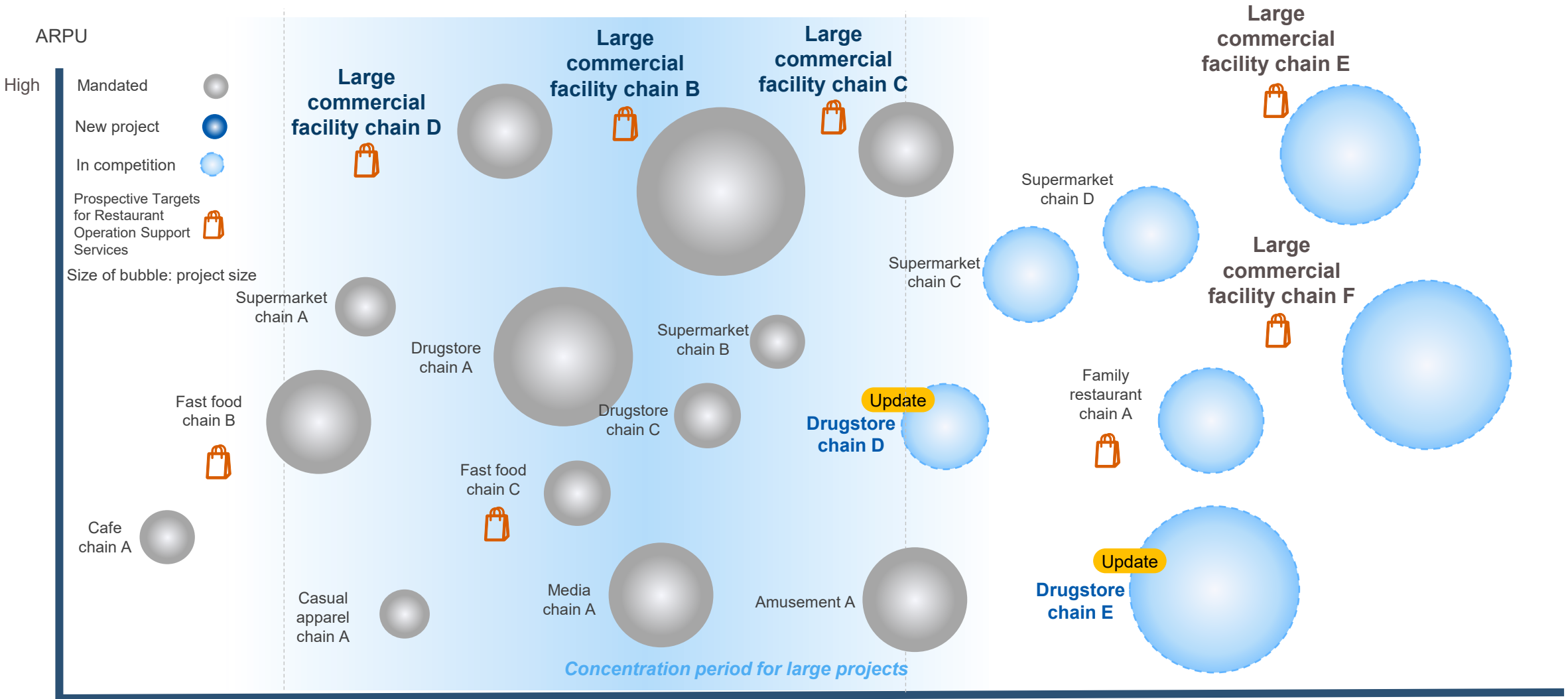
# 3.6 Accelerating OMO (online meets offline) Support for Merchants

Supporting merchants' OMO initiatives to address diversifying consumer needs  
Accelerating integration with non-face-to-face channels to expand TAM



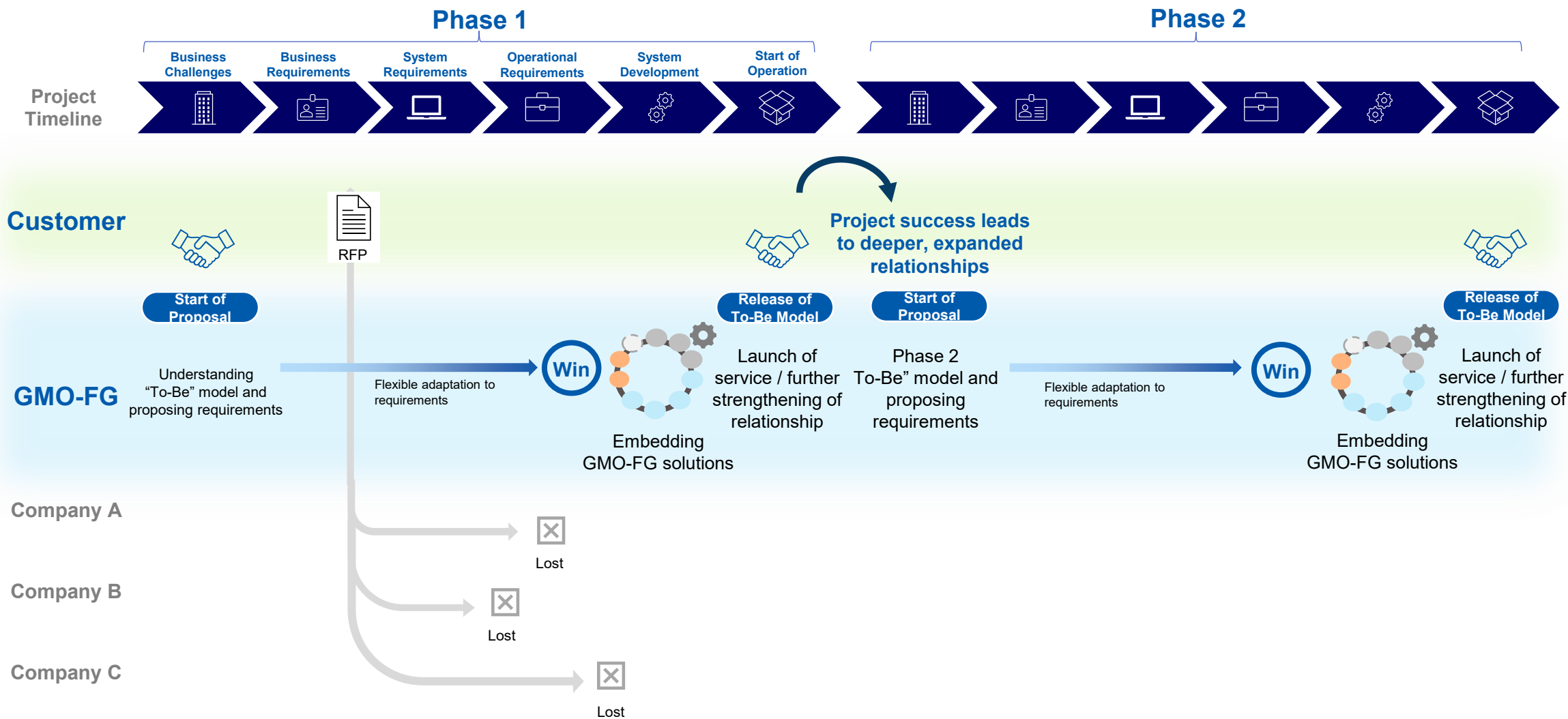
# 3.7 Progress of Project Pipelines

The ecosystem of solutions for drugstores is steadily expanding; we will accelerate proposal activities  
Proposal activities for restaurant operation support services are scheduled to begin



# 3.8 Value Proposition : GMO-FG X IT Talent

Addressing business challenges through a Cashless Platform and IT Talent  
Achieve high conversion rate



# 3.9 Expansion of the Payment Platform (Mobility Domain)

Deployed to 150 operators, including those scheduled to start  
Service launch across all Tokyo Metro lines from Spring 2026 - user numbers set to expand further

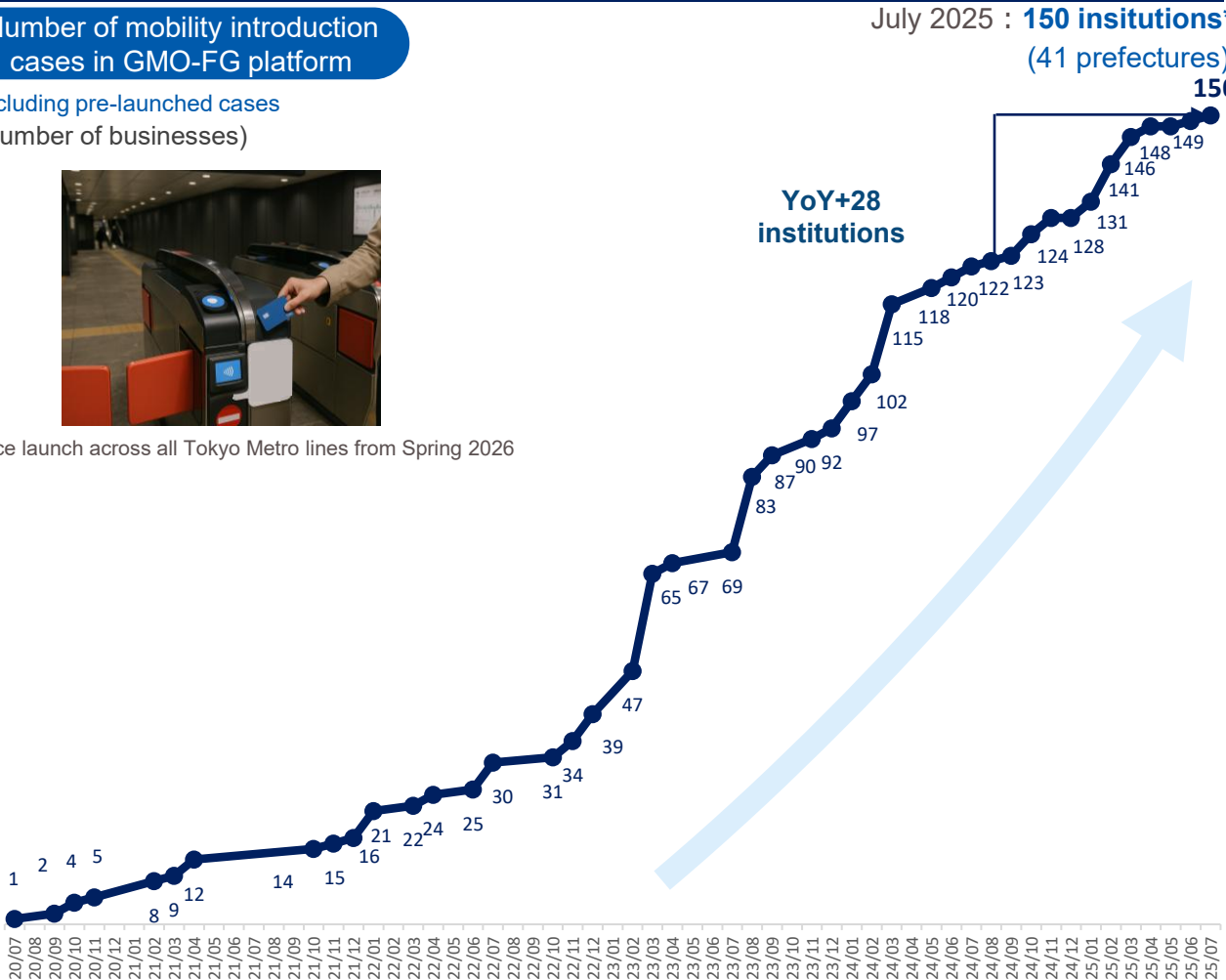
## Implementation at Public Transportation Institutions

Number of mobility introduction cases in GMO-FG platform

\*including pre-launched cases  
(Number of businesses)

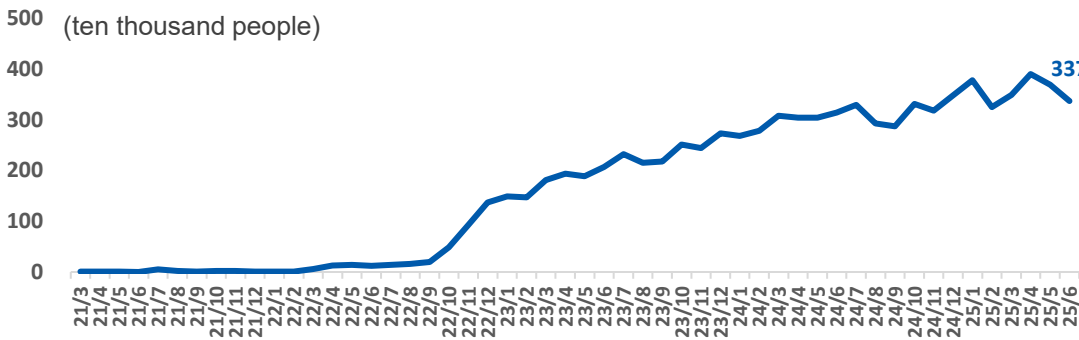


Service launch across all Tokyo Metro lines from Spring 2026



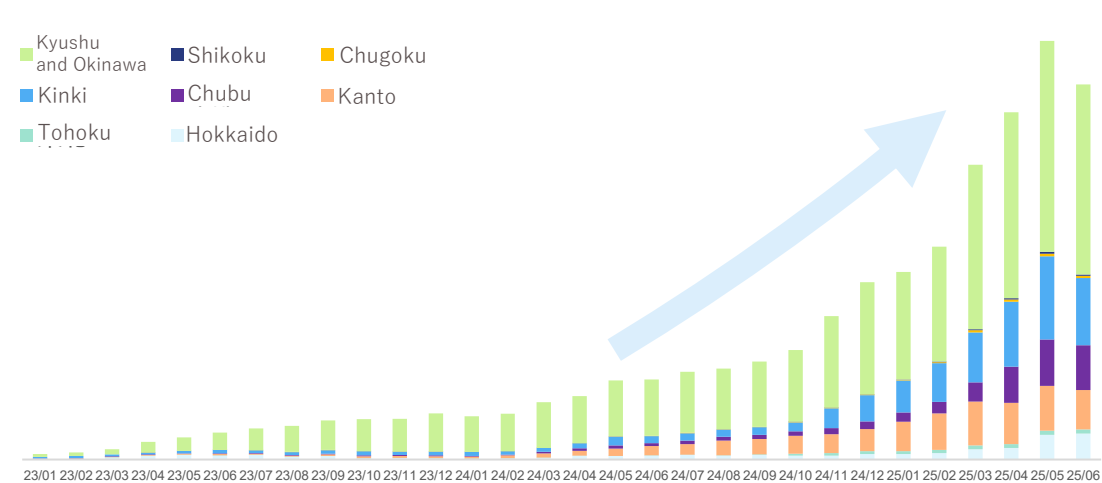
## Number of Tourists and Mobility Settlements

Number of Tourists



Source: Japan National Tourism Organization (JNTO)

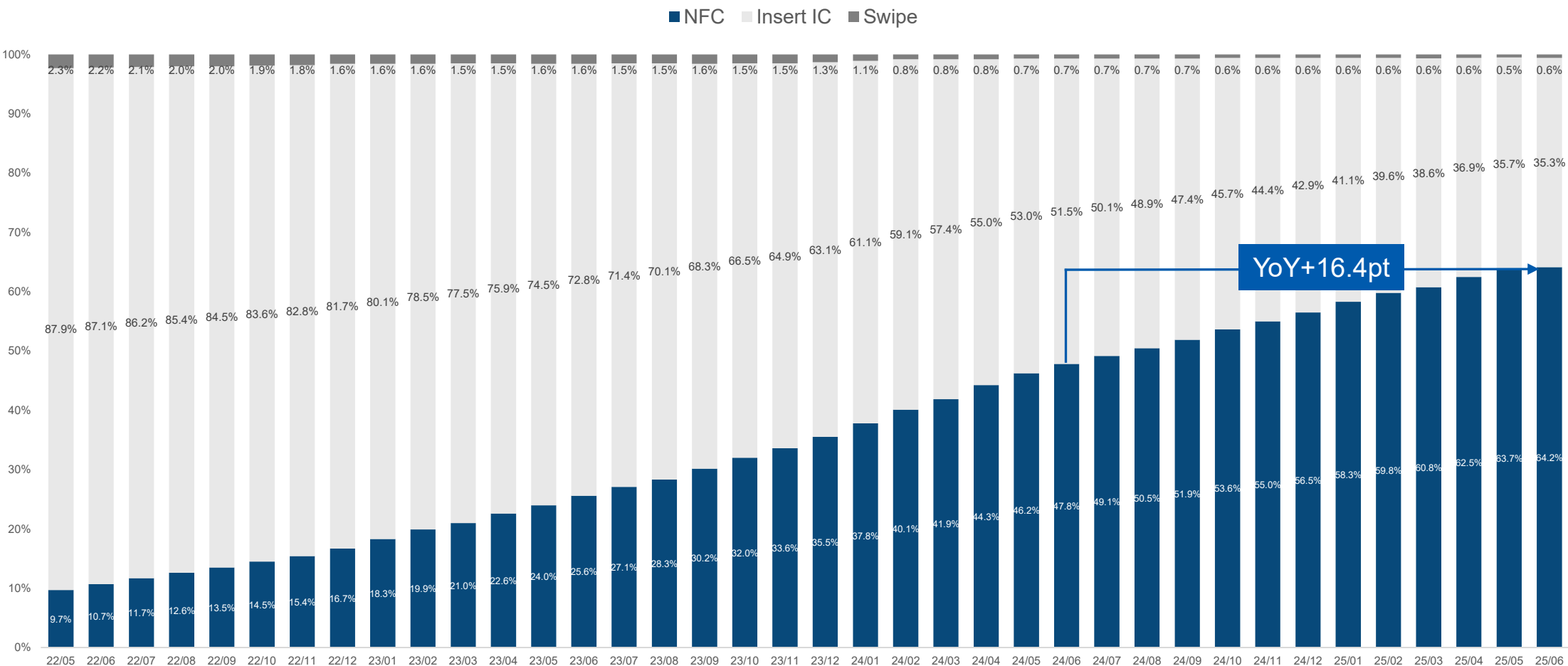
Numbers of Mobility Settlements



# 3.10 Expanding use of Contactless NFC Payment

The percentage of credit touch payments at our processing center has exceeded 60%. 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 processing centers / Proportion of payment methods



## 3.11 Sustainability / Topics

Received the highest rating of “A” for the first time in CDP’s Supplier Engagement Rating



What is CDP’s Supplier Engagement Rating?

### Received the highest rating of “A” (Supplier Engagement Leader)

- This rating evaluates how proactively and effectively a company is addressing climate change across its entire value chain. The evaluation covers “Targets,” “Supplier Engagement,” “Scope 3 Emissions,” “Risk Management Process,” and “Governance and Business Strategy.”

Positioning of the A Score

- More than 24,000 companies worldwide disclosed data through CDP <sup>\*1</sup>, with approximately 1,400 receiving an “A” rating. <sup>\*2</sup>
- In Japan, over 2,100 companies disclosed data, but only 257 companies—including our company—received an “A” rating. <sup>\*2</sup>

<sup>\*1</sup> CDP (Carbon Disclosure Project) is an international NGO headquartered in the UK. It evaluates how major publicly listed companies around the world address climate change by assessing their greenhouse gas emissions and related business risks and opportunities, and provides this information to institutional investors and rating agencies.

<sup>\*2</sup> Compiled by our company based on CDP 2024 Supplier Engagement Rating <https://www.cdp.net/ja/supply-chain/supplier-engagement-assessment>

# Supplemental Information

## Financials, Investment / Shareholder Returns

# 4.1 Profit & Loss

(Thousand)	Q3 FY2024	Q3 FY2025	YoY
Revenue	13,595,283	13,192,153	▲ 3.0%
COGS	9,389,064	8,226,229	▲ 12.4%
Gross profit	4,206,219	4,965,924	+18.1%
SG&A	2,789,874	3,146,633	+ 12.8%
Operating profit	1,416,332	1,812,171	+27.9%
Profit before income taxes	1,406,962	1,803,486	+28.2%
Profit attributable to owners of parent	935,043	1,351,419	+44.5%

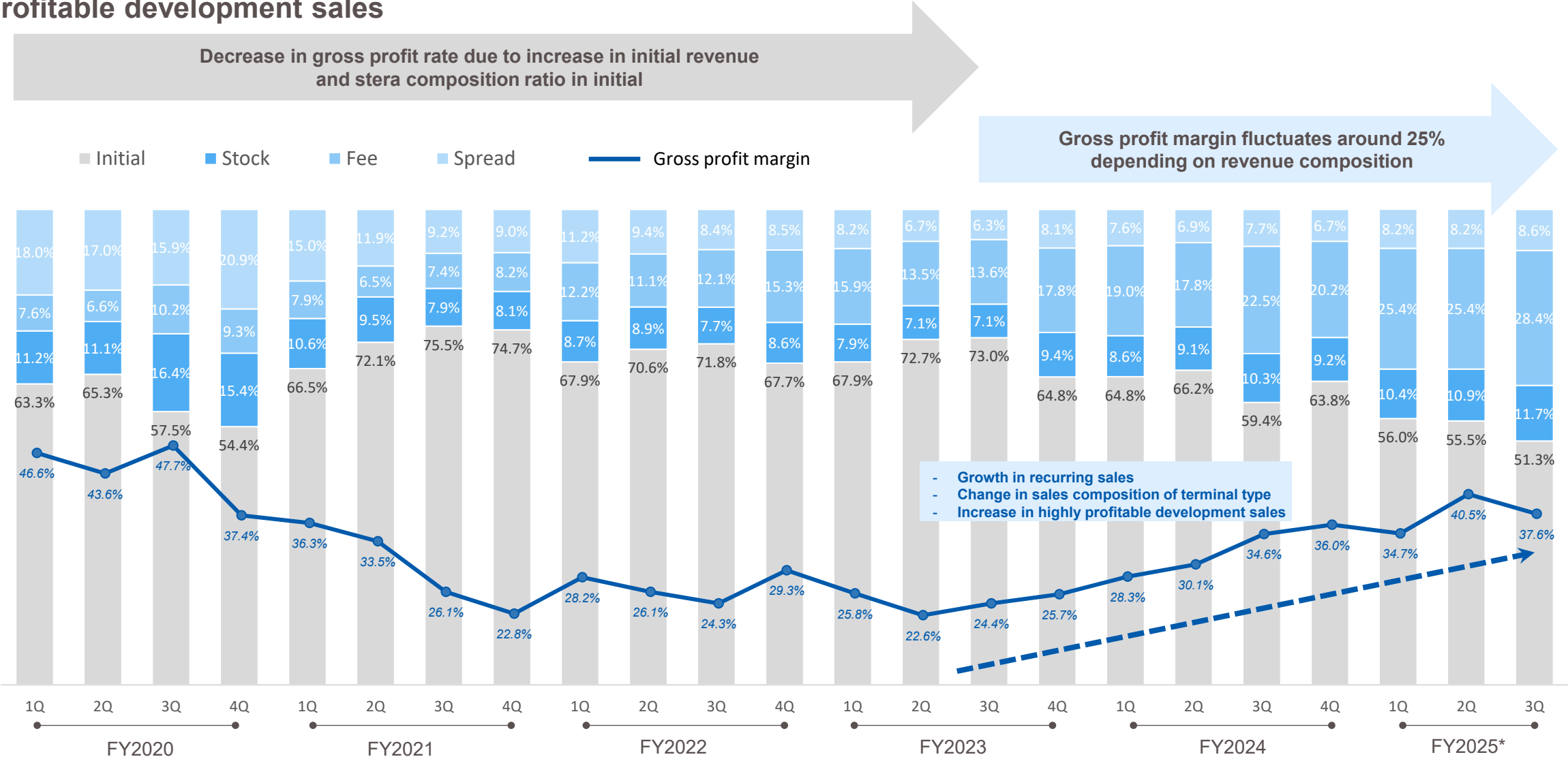


## 4.2 Revenue by Business Model (Quarterly)

(mn yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	FY2021	FY2021	FY2021	FY2021	FY2022	FY2022	FY2022	FY2022	FY2023	FY2023	FY2023	FY2023	FY2024	FY2024	FY2024	FY2024	FY2025	FY2025	FY2025
Stock-model	430	427	495	569	686	683	841	921	1,047	1,091	1,277	1,375	1,581	1,603	1,765	1,847	2,017	2,008	2,399
Stock	135	145	160	182	185	206	229	244	259	283	334	366	387	431	446	472	476	510	553
Fee	101	99	149	183	261	259	361	434	519	539	643	693	853	842	981	1,032	1,163	1,138	1,446
Spread	193	181	185	203	239	217	250	242	268	268	299	315	340	329	337	342	377	359	399
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	3,262	2,566	2,453	1,746
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	5,110	4,584	4,461	4,145

# 4.3 Changes in Revenue Composition and Changes in Gross Profit Margin

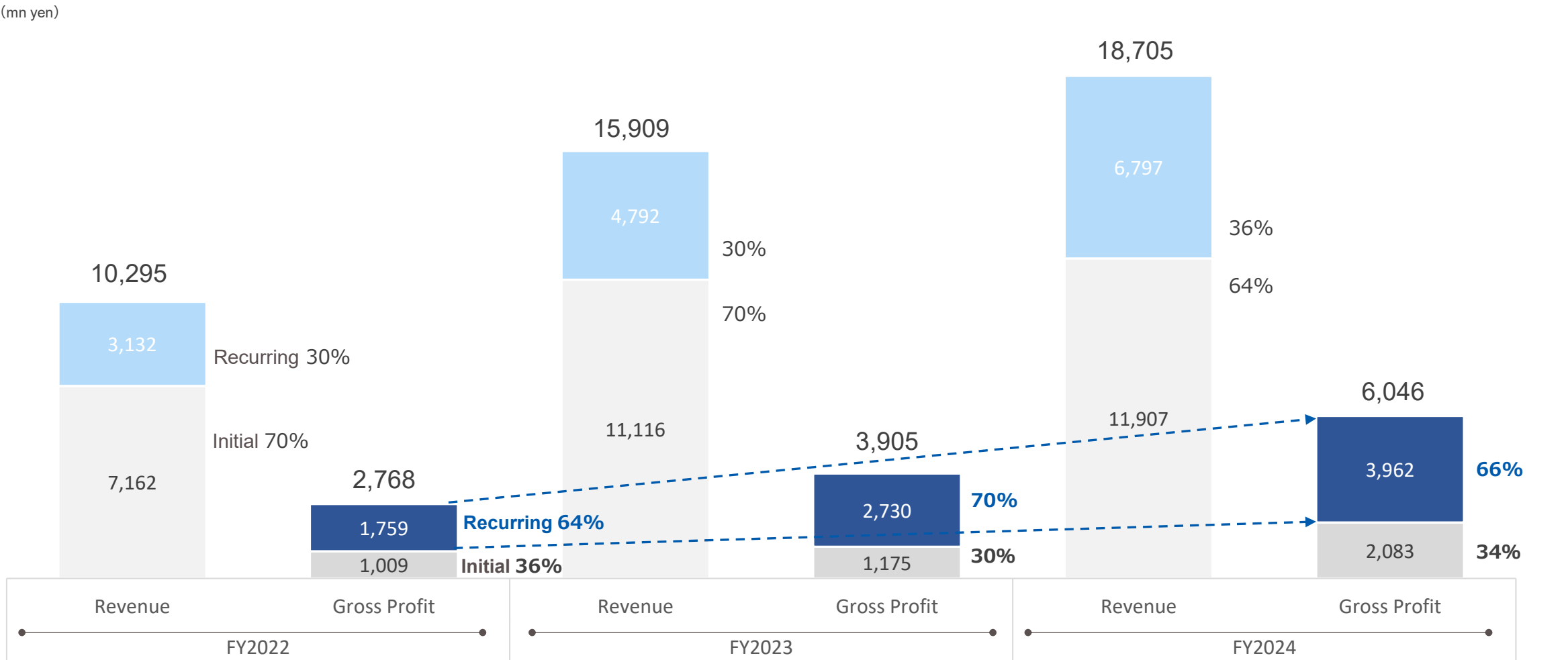
Gross profit margin fluctuates depending on sales composition, but has been on an upward trend since 2023/9 (Q2)  
Initial's gross profit margin continues to improve due to changes in terminal revenue mix and the contribution of highly profitable development sales



# 4.4 Gross profit composition ratio

Growth in recurring revenue leads to steady profitability base

## Composition by Product Category (Revenue and Gross Profit)



# 4.5 Balance Sheet

Cash and Cash Equivalents: Decrease due to acquisition of treasury stock and payment of dividends  
Inventories: Ensuring a stable inventory level

Q3 FY2025 (thousand)	
Cash and cash equivalents	4,222,426
Trade receivables and other receivables	1,907,353
Merchandise	2,897,813
Other	793,814
Non-current assets	2,758,053

Assets

Current liabilities	4,287,110
Non-current liabilities	2,073,175
Total capital	6,219,173

Equity / Debt

## Cash and Cash Equivalents: ¥4.22 billion

Decreased by ¥830 million compared to the end of 4Q, mainly due to treasury stock acquisitions and dividend payments in 2Q

## Inventories: ¥2.89 billion

Decreased by ¥270 million compared to the end of 4Q, while maintaining a stable inventory level

## Current Liabilities: ¥4.28 billion

Decreased by ¥1.94 billion compared to the end of 4Q, primarily due to a reduction in trade payables

## Assets : ¥6.21 billion

Increased by ¥320 million compared to the end of 4Q, maintaining a stable level

## 4.6 Consolidated KPIs (Number of Active Terminals)

The number of unmanned terminals continues to increase due to the trend of self-service and labor shortages

(thousand)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	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	277.5	290.6	301.1	312.0	+10.9 (+3.6%)	+43.7 (+16.3%)	
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	72.4	74.1	79.7	80.8	+1.0 (+1.4%)	+11.3 (+16.2%)	
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	20.7	21.4	22.1	21.6	▲0.4 (▲2.1%)	+1.1 (+5.7%)	
Terminal-less											*due to launch of 「stera tap」, Terminal-less will be separated from “sold by others” from Q3 FY24					3.0	4.6	7.1	8.1	9.9	+1.8 (+22.1%)	+6.9 (+231.1%)
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	375.3	393.3	411.1	424.5	+13.3 (+3.3%)	+63.1 (+17.5%)	

## 4.7 Capital Allocation Policy

Aim to achieve continuous business growth in accordance with 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) Interest-bearing debt, 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

## 4.8 Investment Policy

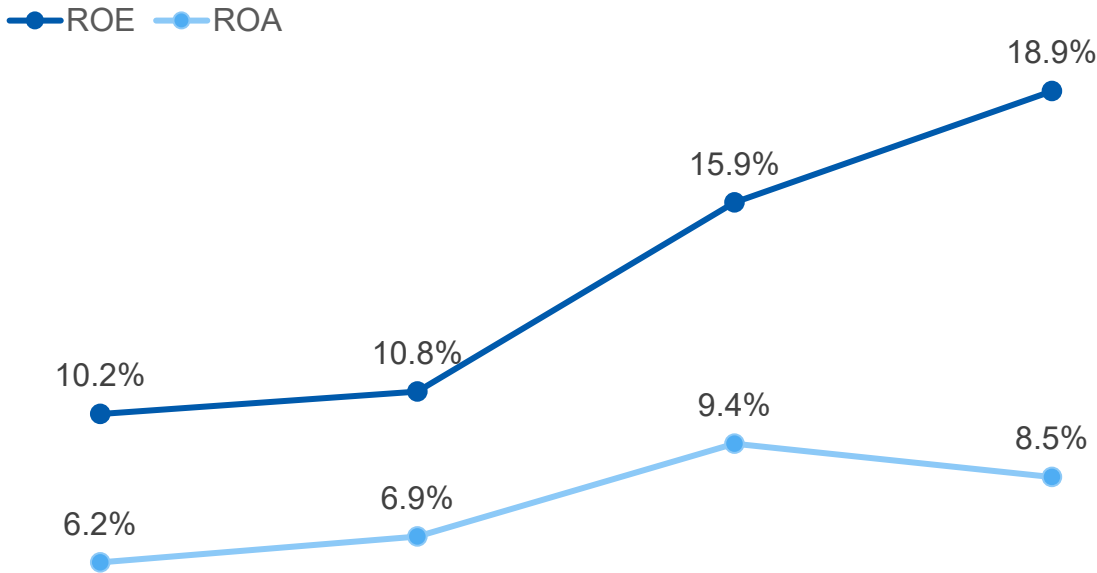
Proactive business investment to execute "market share expansion strategy" necessary for medium to long-term operating profit growth of +25% YoY

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

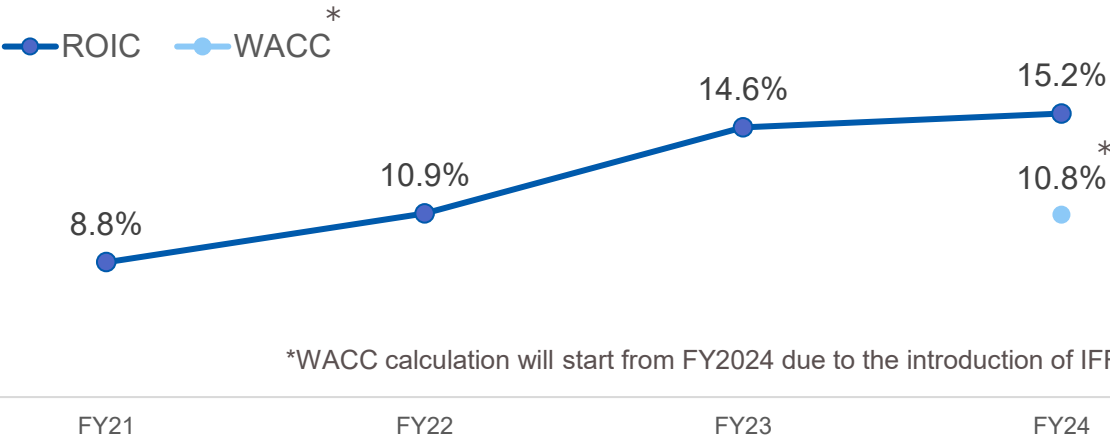
# 4.9 Efficiency Indicators and Cost of Capital

Management that is conscious of efficiency, investment return, and capital cost

ROE  
•  
ROA



ROIC  
•  
WACC



\*WACC calculation will start from FY2024 due to the introduction of IFRS.

## Mid-term plan

ROE : 25%+

ROA : 10%+

ROIC : 20%+

Continue to increase EVA  
(economic value added)

WACC  
Remaining stable

## Future Measures

### ROE

- Increase profit level by improving recurring type sales
- Execution of fellowship projects that contribute to profit growth

### ROA

- Decline due to increase in cash and cash equivalents and provision for chargebacks
- Aim for improvement by optimizing inventory management and increasing high-margin recurring sales

### ROIC

- Implementing growth investments with sound investment returns and M&A

### WACC

- Aim for stable WACC by maintaining financial soundness, pursuing optimal capital structure, and providing timely information to investors



## 4.10 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).

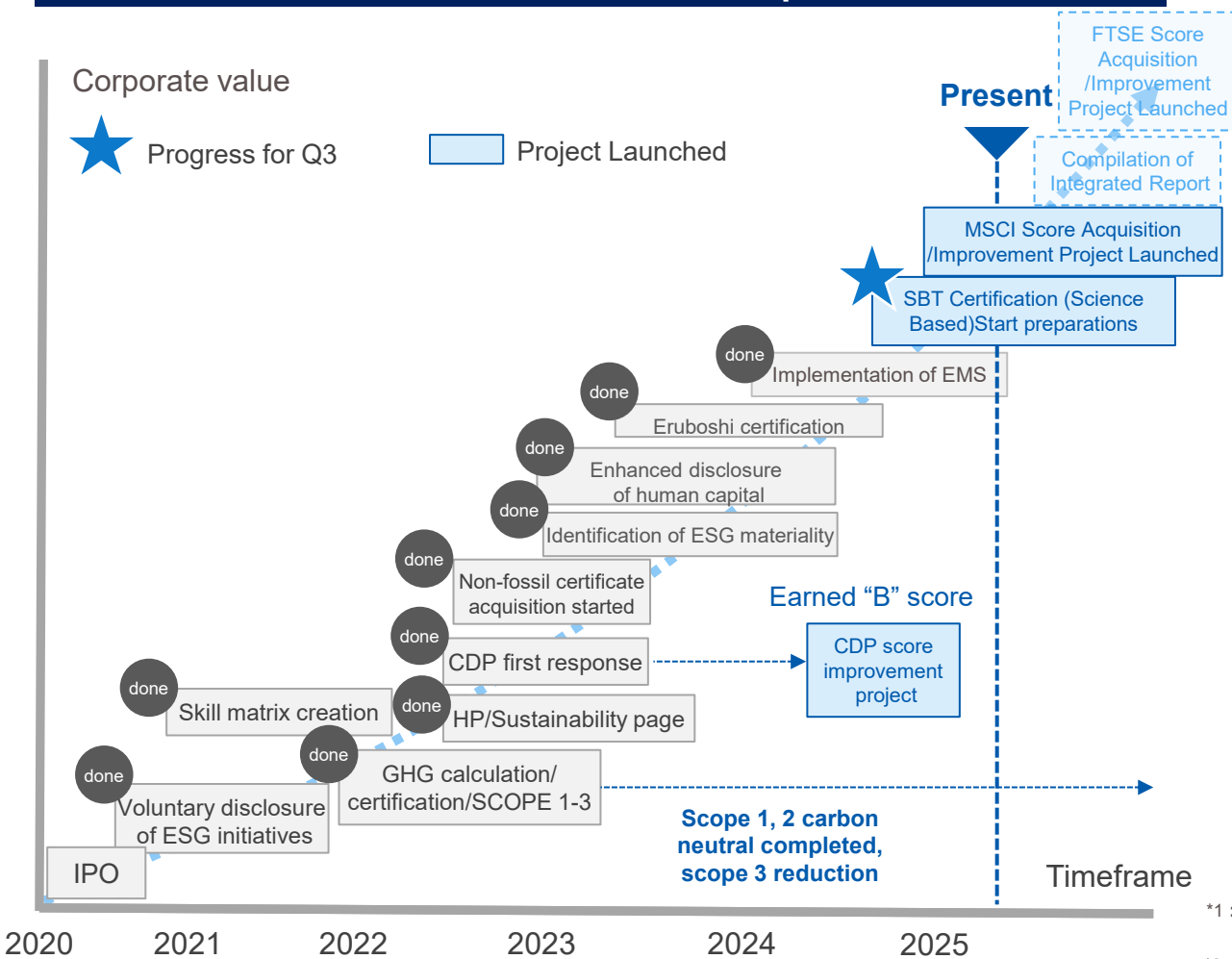
# Supplemental Information

## ESG Initiatives (Details)

# 5.1 (Reprint) Expanding ESG Initiatives

Set long-term greenhouse gas reduction targets (2030 and 2050)  
Plan to be the first TSE growth company to achieve net-zero GHG emissions for 2050 SBT\*1

## ESG Initiative Roadmap



## To Do's

### Obtaining SBT\*1 certification

- With the help of external consultants, we have set long-term greenhouse gas reduction targets (2030 and 2050) and completed our application for SBT. We aim to obtain certification within the CDP response deadline
- Continue engaging with payment terminal manufacturers, system development contractors, etc. to achieve reduction targets

### Continue CDP score improvement project

- The company has achieved a B rating for two consecutive years since 2023, and aims to achieve a B rating or higher in 2025.
- Aiming to achieve an A in the future, we will continue the score improvement project with external consulting.

### MSCI promotes Sustainalytics score acquisition and improvement project

- Continue to make improvements based on advice from external consultants regarding ESG rating agencies (MSCI, Sustainalytics)
- Continue to enhance strategic initiatives and disclosure, including on human capital

### Formed Project Team

### Continued operation of EMS\*2

- Visualize and reduce our company's environmental impact
- The status of our efforts is published on our website. We aim to improve the scores of each ESG rating agency.

\*1 : Abbreviation for Science Based Targets initiative. SBTi certifies greenhouse gas emission reduction targets set by each company by comparing them with the standards required by the Paris Agreement.

\*2 : An abbreviation for Environmental Management System. The purpose of this system is to create a system that allows companies to set and demonstrate their own environmental policies and goals in order to independently promote environmental conservation efforts in their management.

# 5.3 ESG Initiatives / Environment

In the provision of our payment platform, we promote business operations that consider environmental impact  
Working to reduce CO<sub>2</sub> 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.
- **Established Supply Chain Promotion Department to strengthen supply chain management** of payment terminals, paper rolls, 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 CO<sub>2</sub> emissions

	FY2022	FY2023	FY2024
SCOPE 1 (t-CO2)	0	0	0
SCOPE 2 (t-CO2)	105	0	0
SCOPE 3 (t-CO2)	13,927	19,501	17,616
Electricity consumption for SCOPE 1 and 2 (kwh)	231,210	200,949	206,963

\* 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.  
\* Effectively 100% renewable energy by using renewable energy corresponding to the amount of electricity used in SCOPE2.  
\* SCOPE3 (Categories 1-11, upstream and downstream) are available on our Sustainability page (ESG-related data).  
<https://gmo-fg.com/en/sustainability/esg-data/index.html>

# 5.4 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

	FY2021	FY2022	FY2023	FY2024
Number of Partners*	102	124	148	161
(Breakdown) Number of employee partners	81	96	108	123
(Breakdown) Number of temporary partners	21	28	40	38
Percentage of women among employee partners	29.8%	22.8%	32.4%	29.8%
Percentage of women in management partners	10.5%	14.3%	13.6%	11.5%
Average years of service	3.7y	3.6y	3.8y	3.7y
Average age	39.9	40.9	42.7	39.9
Turnover rate	10.2%	9.5%	4.6%	6.5%
Training hours per person	—	—	13.6 h	40.9 h

\*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.

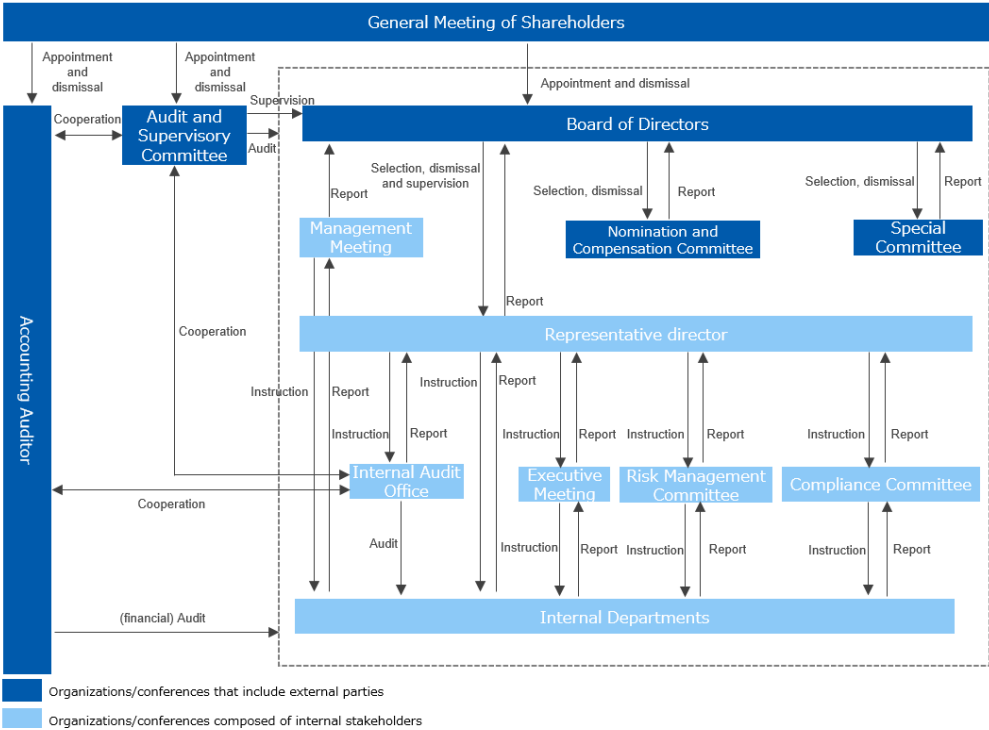
\* From the fiscal year ending September 2023, contracted and dispatched partners will be excluded from the calculation of the turnover rate.

# 5.5 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		FY2024
Number of directors		9
Number of independent outside directors (%)		4 (44.4%)
Number of female directors (%)		1 (14.3%)

\*Number and percentage of directors in office as of December 31, 2024.

### Attendance rate at Board of Directors Meetings (FY2024)

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

\* The above figures are for directors in office as of the fiscal year ending September 30, 2024.

### Audit and Supervisory Committee(FY2024)

Times Held	Held/ Percentage	Shimamura	Asayama	Nagasawa	Ozawa
		Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director
10 times	Times Attended	10	10	10	10
	attendance rate	100%	100%	100%	100%

### Nomination and Remuneration Committee(FY2024)

Times Held	Held/ Percentage	Tamai	Koide	Shimamura	Asayama	Nagasawa
		Board Member	Board Member	Independent Outside Director	Independent Outside Director	Independent Outside Director
4 times	Times Attended	4	4	4	4	4
	attendance rate	100%	100%	100%	100%	100%

### IR Activities

	FY2022	FY2023	FY2024
Financial Results Briefing	4	4	4
Number of 1-on-1 meetings	267	232	286
Group meetings sponsored by brokerage firms	3	3	7

# 5.6 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 December 31, 2024.  
served.



# 5.7 ESG Initiatives / Executive Skill Chart

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	<div>Nao Shimamura</div> <div>outside the companyIndependent Director</div>	<div>Rie Asayama</div> <div>outside the companyIndependent Director</div>	<div>Takayoshi Nagasawa</div> <div>outside the companyIndependent Director</div>	<div>Satoru Ozawa</div> <div>outside the companyIndependent Director</div>
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 managAement			●	●			●	●	●
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 December 31, 2024.



# Supplemental Agenda

## Appendix

Gmo-FG is focusing on offline payment

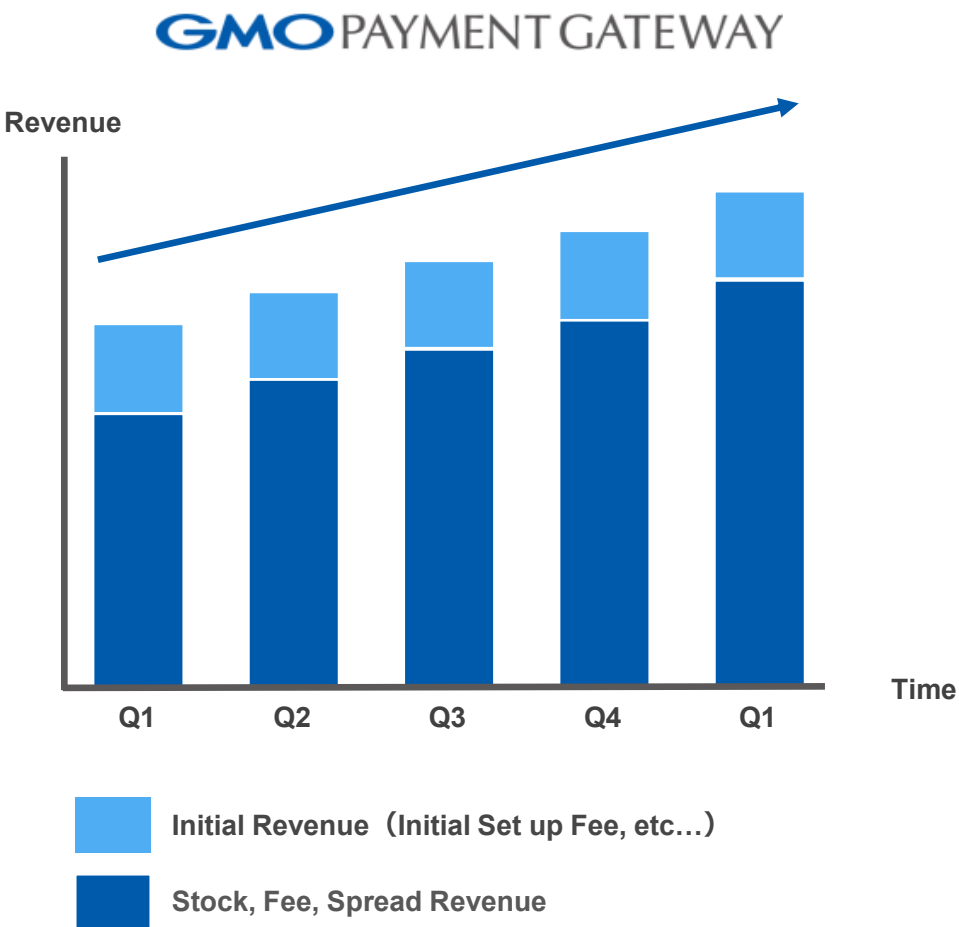
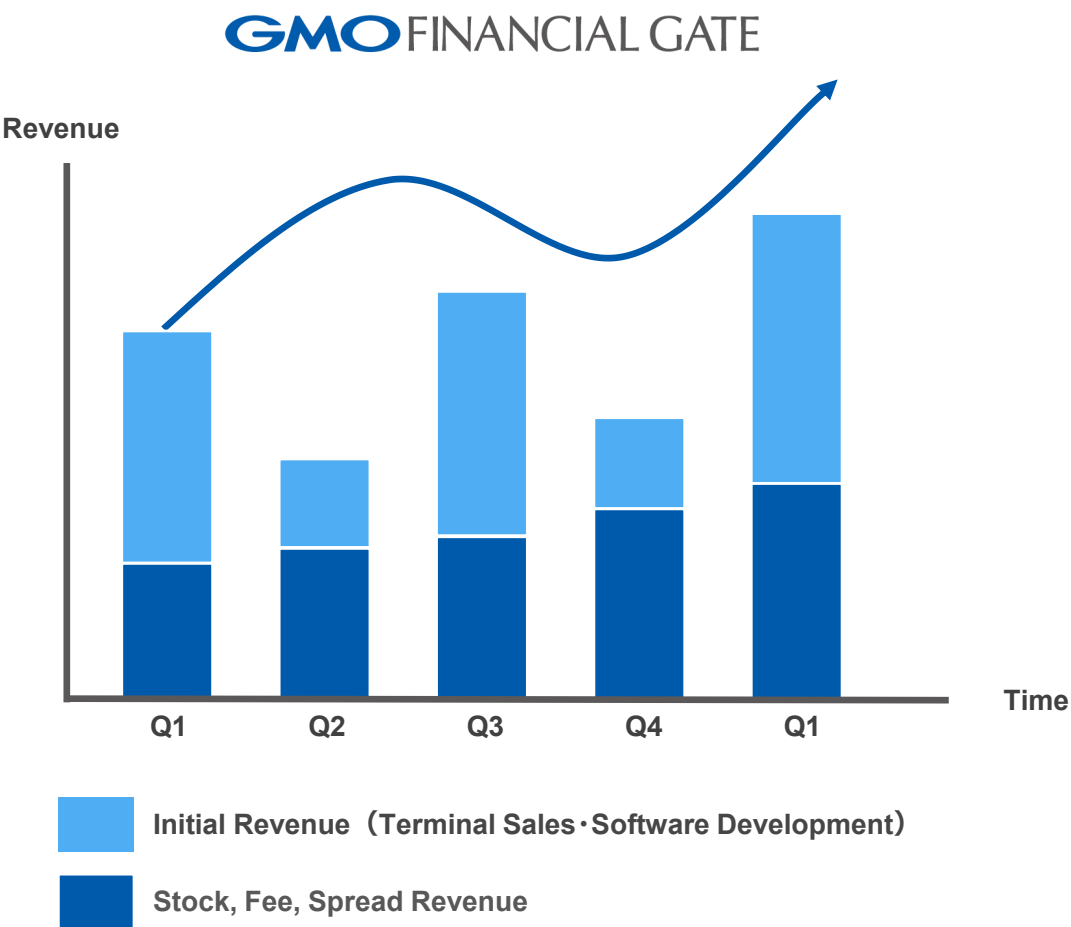
Company name	<b>GMO FINANCIAL GATE</b>		<b>GMO PAYMENT GATEWAY</b>
Business Domain	<b>GMO Financial Gate</b> (Payment at Brick & Mortar + IoT)		<b>GMO Payment Gateway</b> (EC)
Payment method	<b>Payment by passing card/QR code over the reader</b>		<b>Payment by entering credit card information in PC / mobile phone</b>
Medium	<b>Payment terminal</b>		<b>EC (terminal is unnecessary)</b>



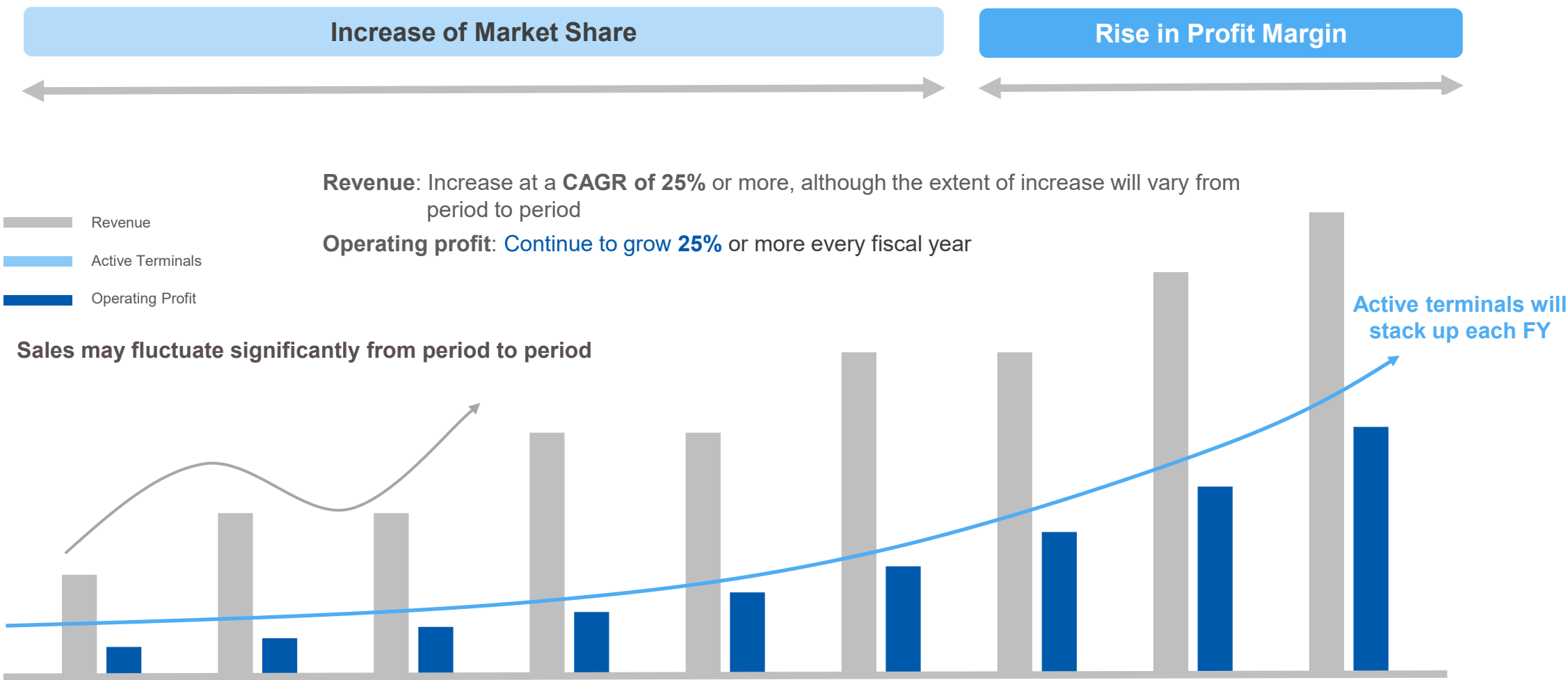
- Physical hardware network
- Proprietary programming code specifications
- Regulation

# Rev Models: Financial Gate vs. Payment Gateway

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



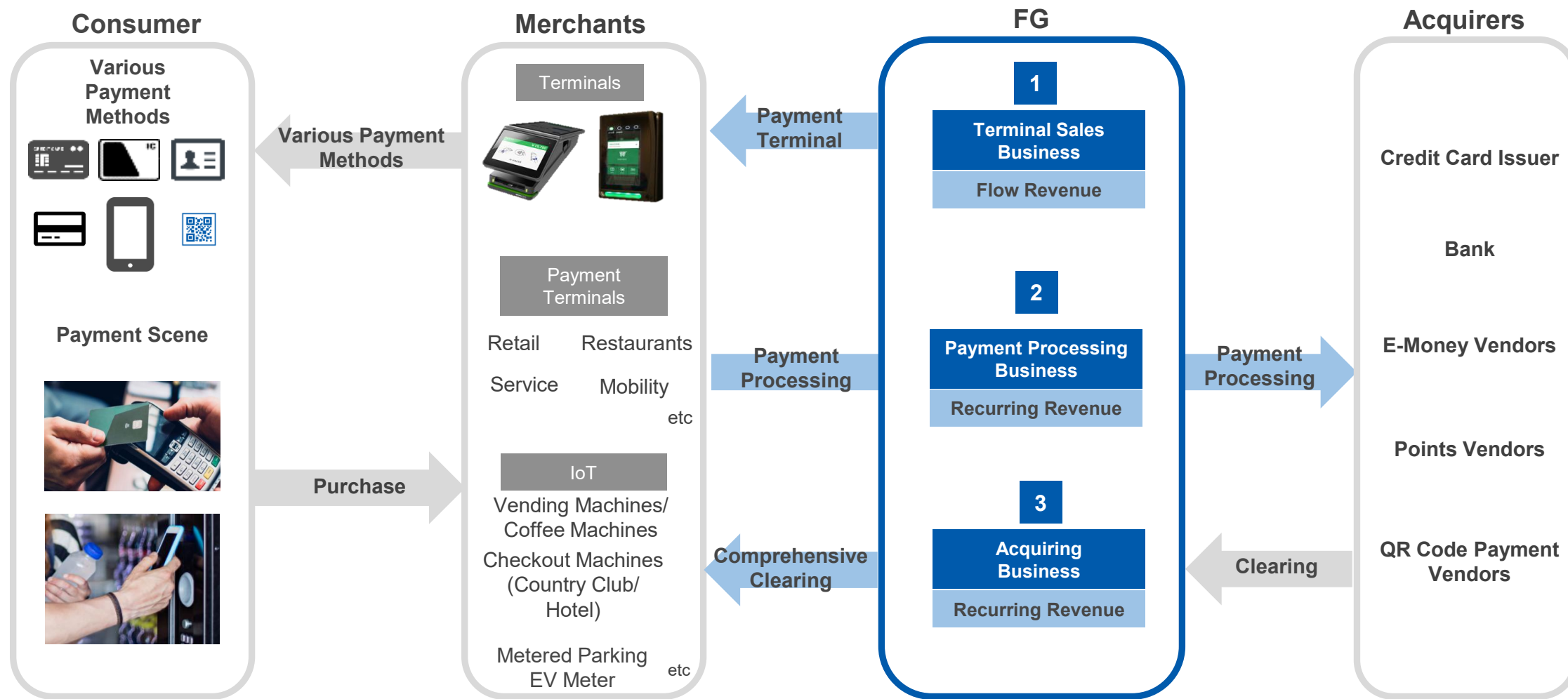
Market Share Expansion Phase: focus on sales/activation of payment terminals and revenue will be fluctuated.  
Margin Increase Phase: recurring revenue will increase due to increase in active IDs which will contribute to operating profit growth



# Three Biz Models Over a Single, One-Stop Platform

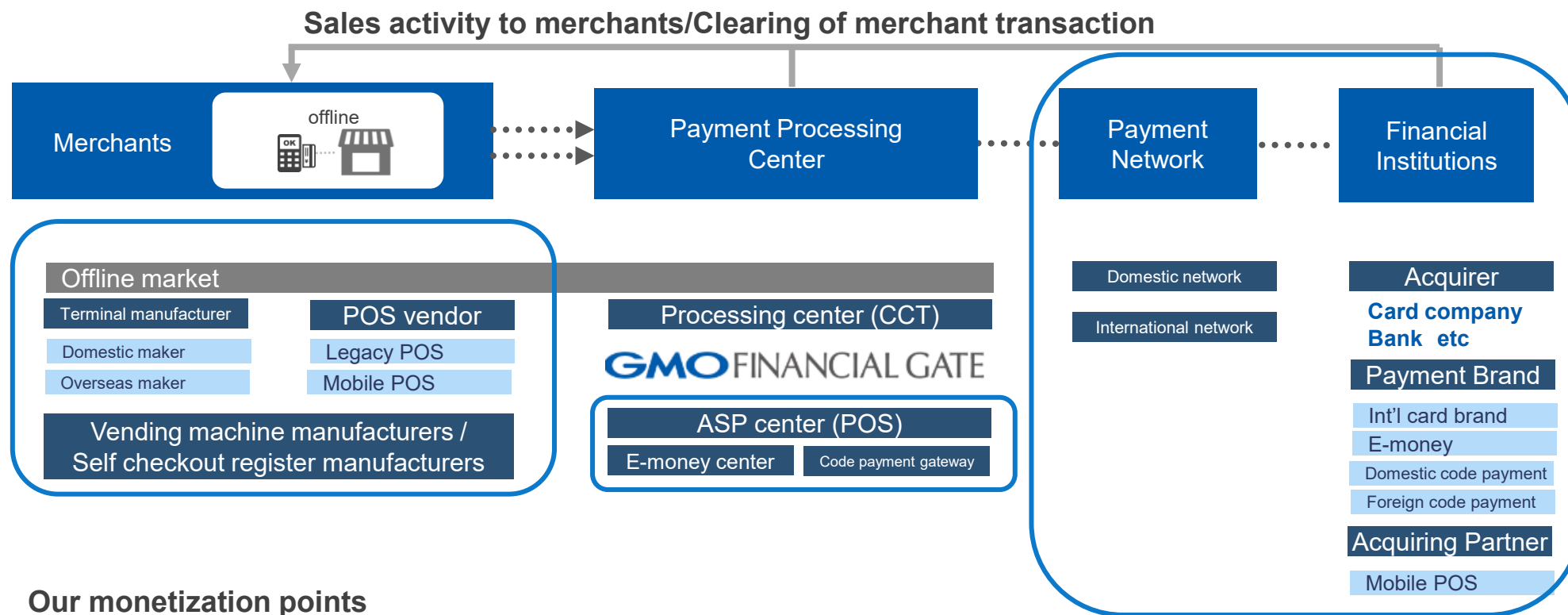
Business Model

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



# Players in offline cashless payment setting

Business Model



## Our monetization points



Initial Revenue



Stock Revenue

※Activation of payment terminals~Connect to our processing center



Fee Revenue

※Booked in stock revenue occasionally depending on contract type

※Excluding roll paper sales



Spread Revenue

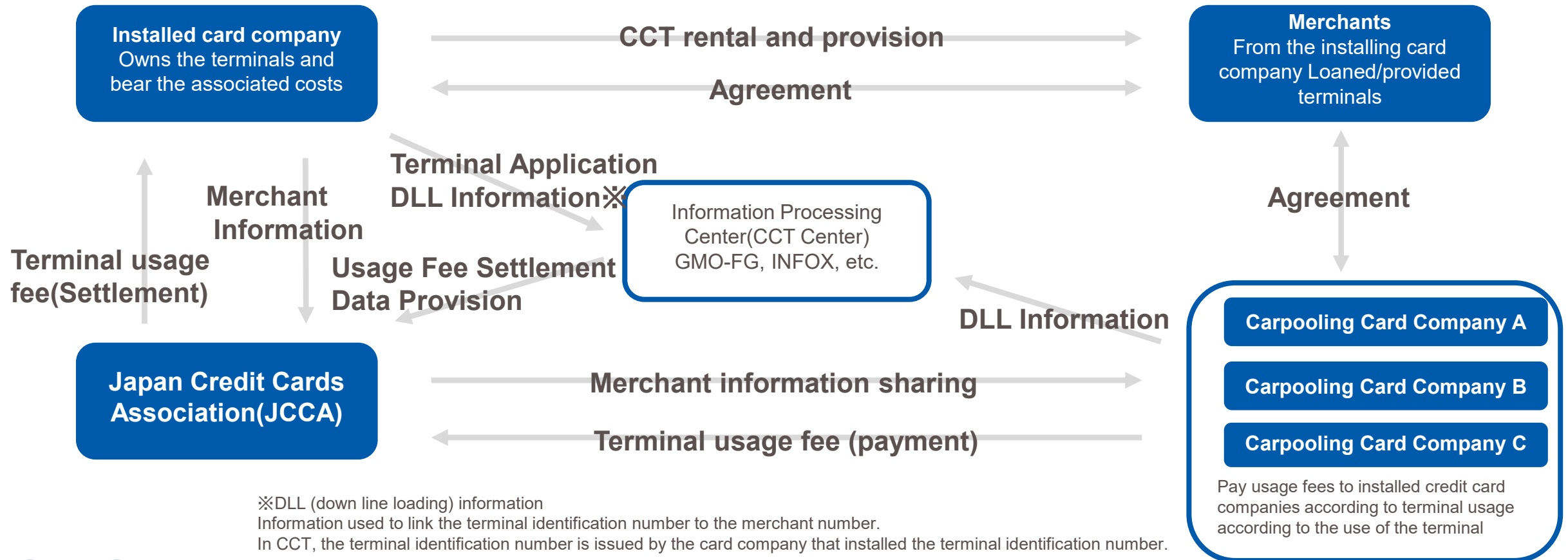
Alliance partner

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

Business Model

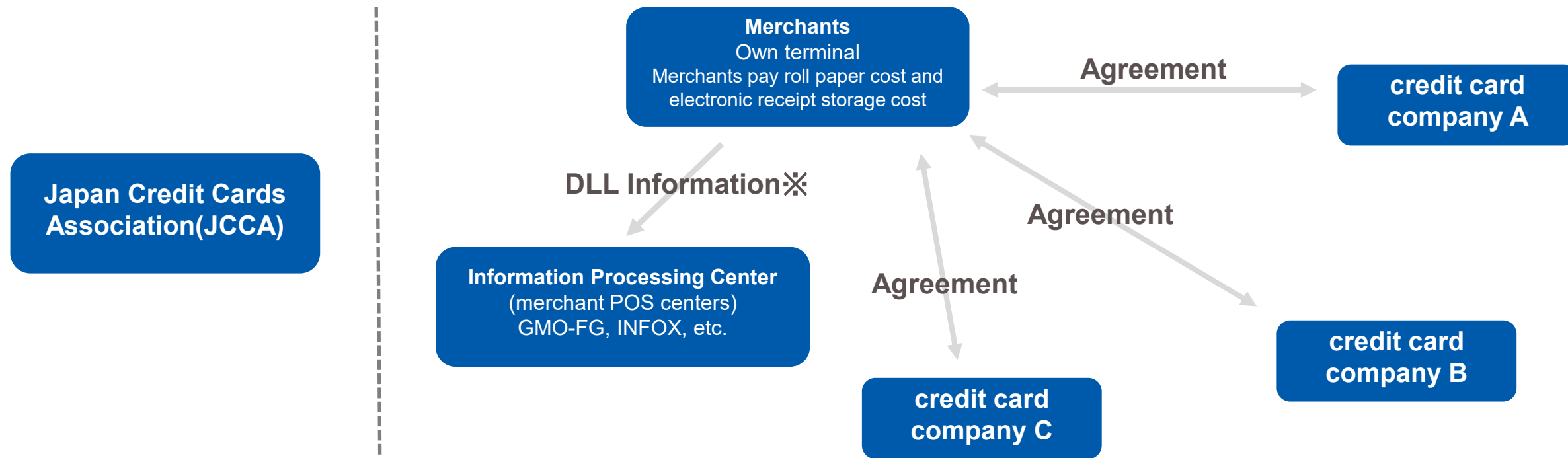
## CCT(Credit Center Terminal)

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



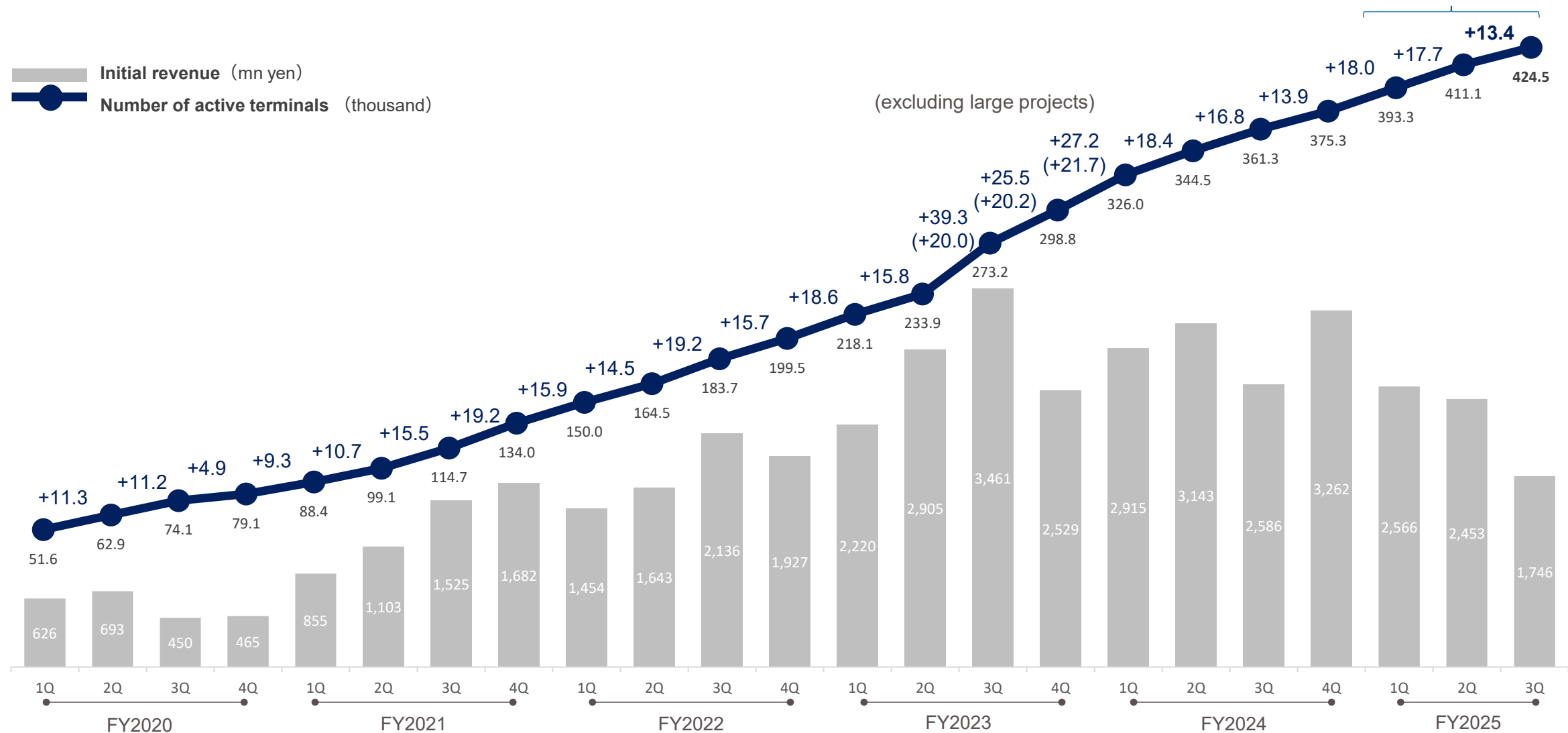
Cart POS



Table Check

# Initial Revenue and No. of Active Terminals (Quarterly)

Initial revenue: steadily increasing through small and medium-sized projects  
Active ID: gradual increase toward YoY net increase of 60-70K IDs

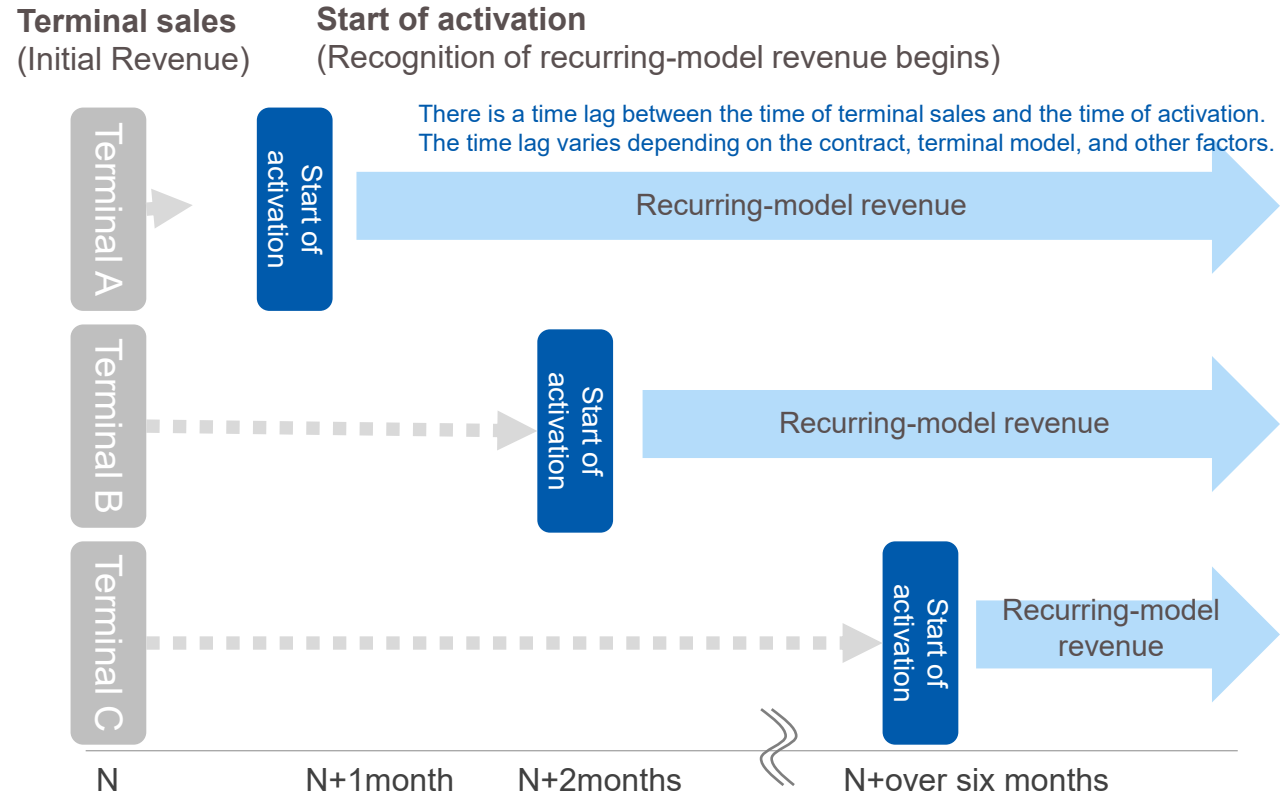


# Difference between the number of terminals sold and the number of active IDs Part 1

Business Model

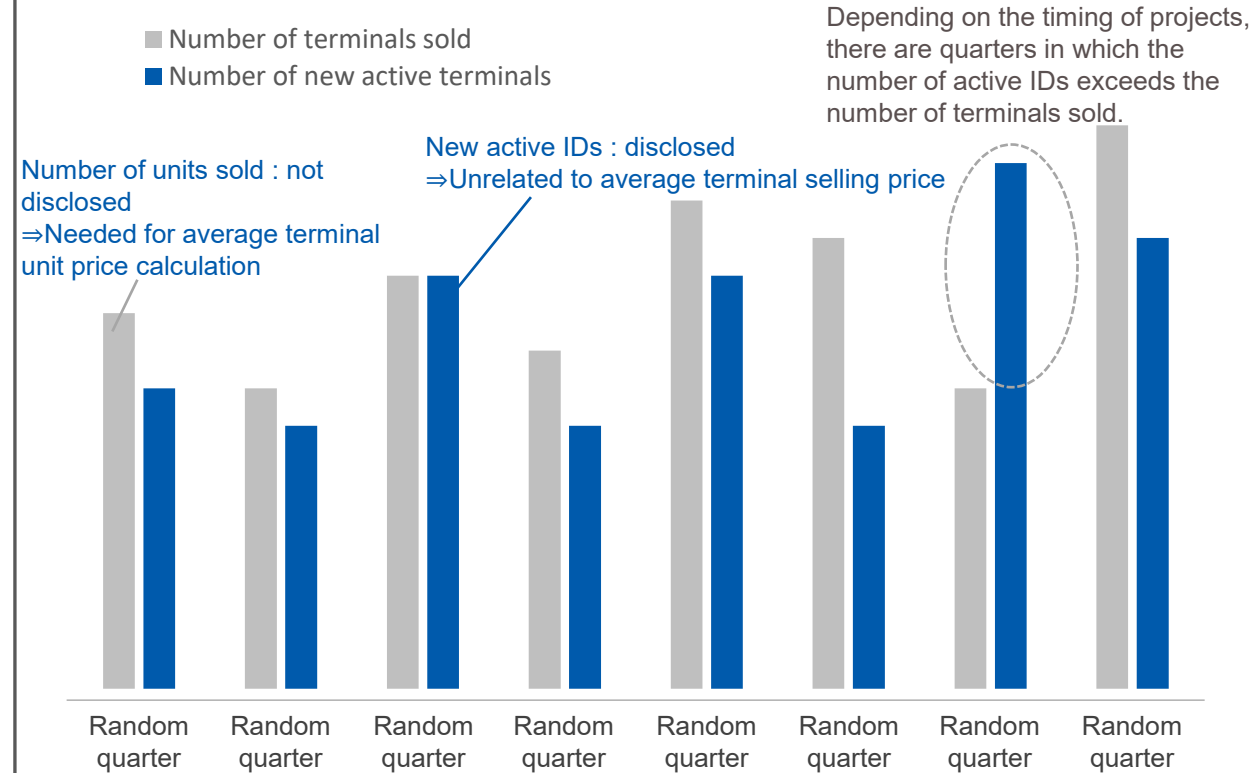
Initial revenue = Number of terminals sold × Average selling price per terminal + Accessory sales + Development sales  
Number of active IDs = Number of terminals that have processed payment at least once in the quarter

## 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

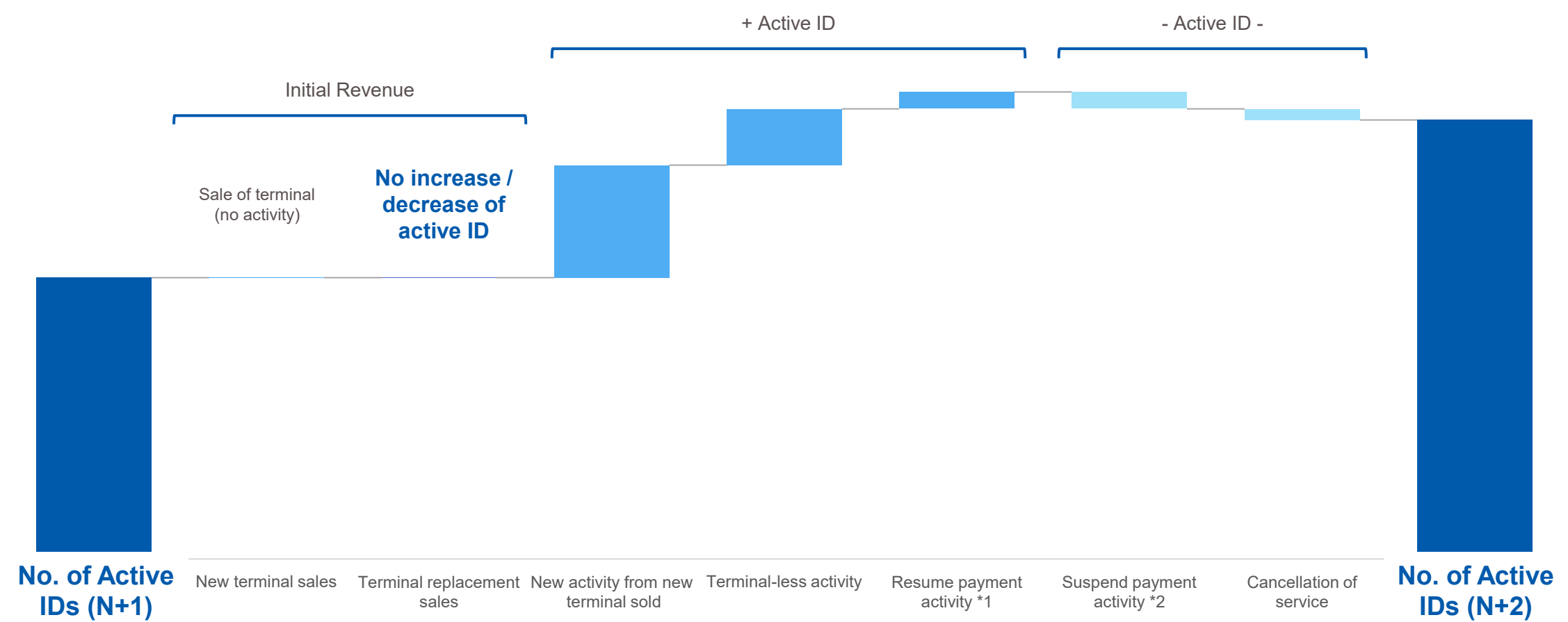
## Image of quarterly balance in "Terminals sold" and "new active IDs"



- 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.)

Initial	Content	Revenue Model
<b>Payment terminal sales</b>	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"> <li>• <b>Terminal Selling Price × Units Sold</b> <ul style="list-style-type: none"> <li>✓ More than 10 types of terminals</li> <li>✓ Price range is from about ¥30K up to ¥100K</li> </ul> </li> </ul>
<b>Software development</b>	Software development that meets customers needs such as widening acceptable payment measures and adding point-payment functionality	<ul style="list-style-type: none"> <li>• <b>Number of Deals × Ordered value</b> <ul style="list-style-type: none"> <li>✓ Since software development is tailor made type revenue, deal size and margin vary from time to time</li> </ul> </li> </ul>
Stock	Content	Revenue Model
<b>Transaction Inquiry Service</b>	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"> <li>• <b>Number of contracts × Service Price</b> <ul style="list-style-type: none"> <li>✓ Service price is around ¥500 to ¥1K per terminal per month</li> </ul> </li> </ul>
<b>Points &amp; QR</b>	It is a service to add point/QR payment app to the terminals merchants have. We charge it as monthly fixed fee	
<b>Rental (Mobile terminal)</b>	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	
<b>Mobile SIM</b>	It is a SIM card fee to use mobile type terminals. We charge it as monthly fixed fee	
<b>Digitalization Assistance</b>	Revenue from settlement data transferred to merchants, registration changes, assistance which leads to back office support for clients	
<b>Processing (Monthly fixed fee model)</b>	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"> <li>• <b>Number of contracts × Monthly Fixed Fee</b> <ul style="list-style-type: none"> <li>✓ Monthly fixed fee will vary depending on the size of contract etc..</li> </ul> </li> </ul>

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"> <li>• <b>TRX Volume × Processing Fee</b> ✓ Processing fee is about ¥3 per transaction</li> </ul>
Roll paper	This is a sales of roll paper that is used with payment terminals at stores	<ul style="list-style-type: none"> <li>• <b>Number of Order × Price of Roll Paper</b> ✓ The price range of roll paper is about ¥130 to ¥200.</li> </ul>
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"> <li>• <b>Number of settlement processes subject to contract x unit processing fee</b> ✓ Unit processing fee is about ¥1 per transaction</li> </ul>

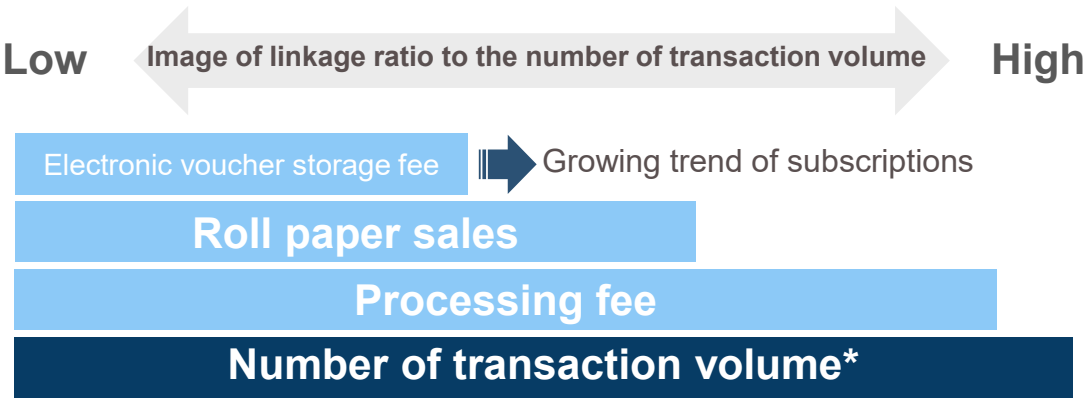
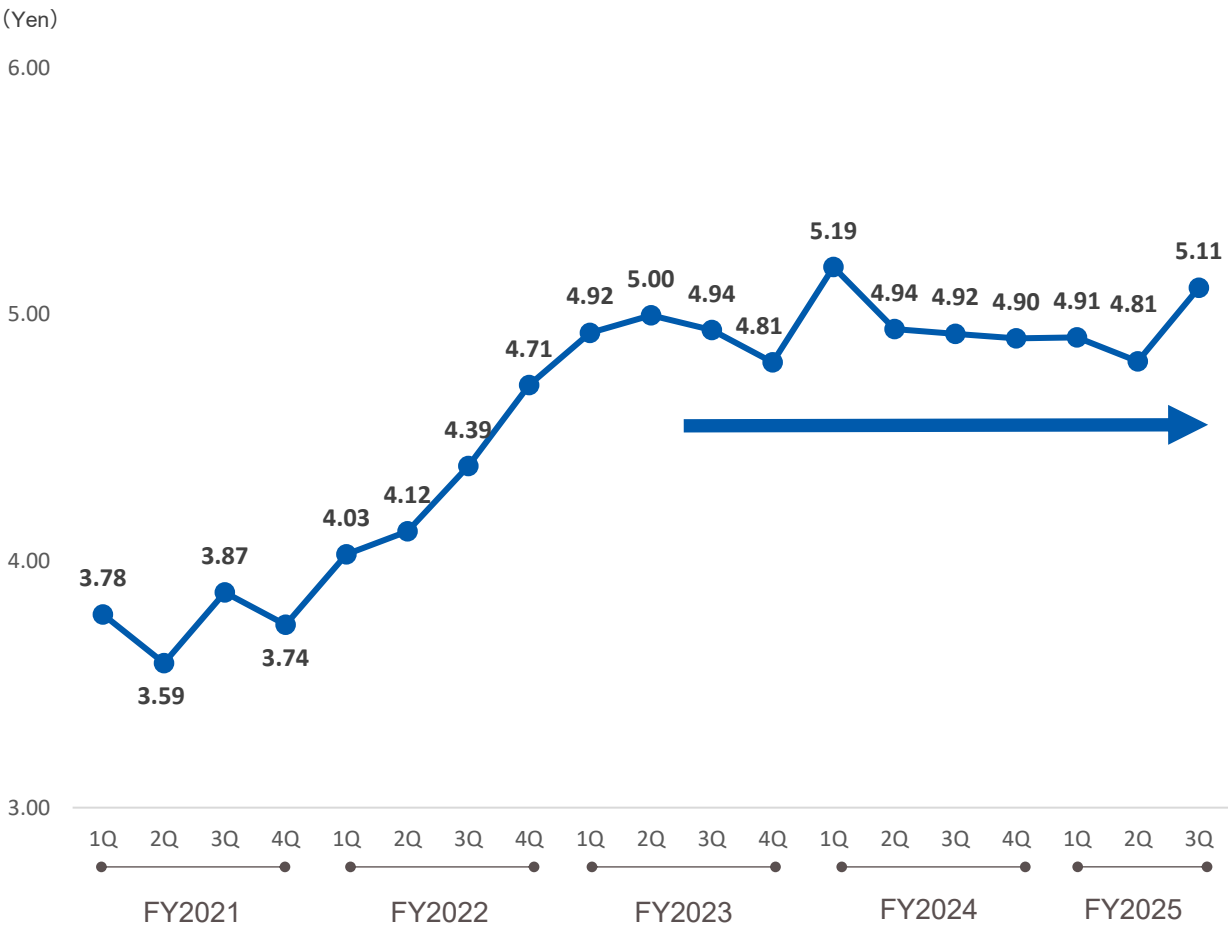
Spread	content	Revenue Model
Acquiring (Settlement agent)	<p>We charge spread fee (<math>\alpha</math>) towards clearing amount to merchants</p> <p>We received indicator rate (N) from acquirers, then we acquire merchants instead of acquirers with the new rate (<math>N + \alpha</math> = merchant fee)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

# Fee ARPU (Fee revenue divided by Transaction volume)

The current fee unit price remains just under 5 yen, with roll paper sales contributing to fluctuations in the fee unit price.

■ Fee ARPU (Fee revenue divided by Transaction volume)

■ Composition of Fee ARPU

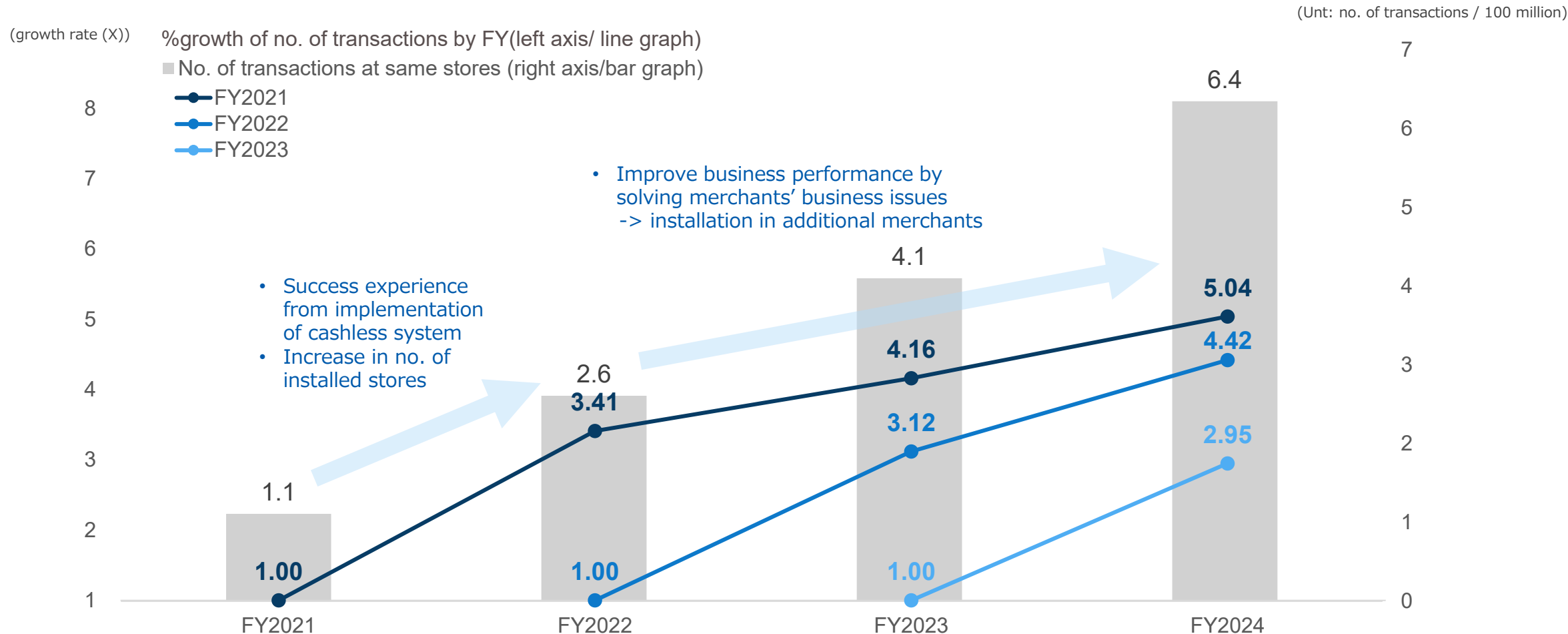


\*Length is an image and does not reflect actual numbers or scale

# Same-store (Merchant) Growth (Number of Transactions)

Payment activity at merchant merchants increases YoY  
Accurately captured merchants needs which keeps merchants onto our payment platform

## Same-store (Merchant) Growth (Number of Transactions)

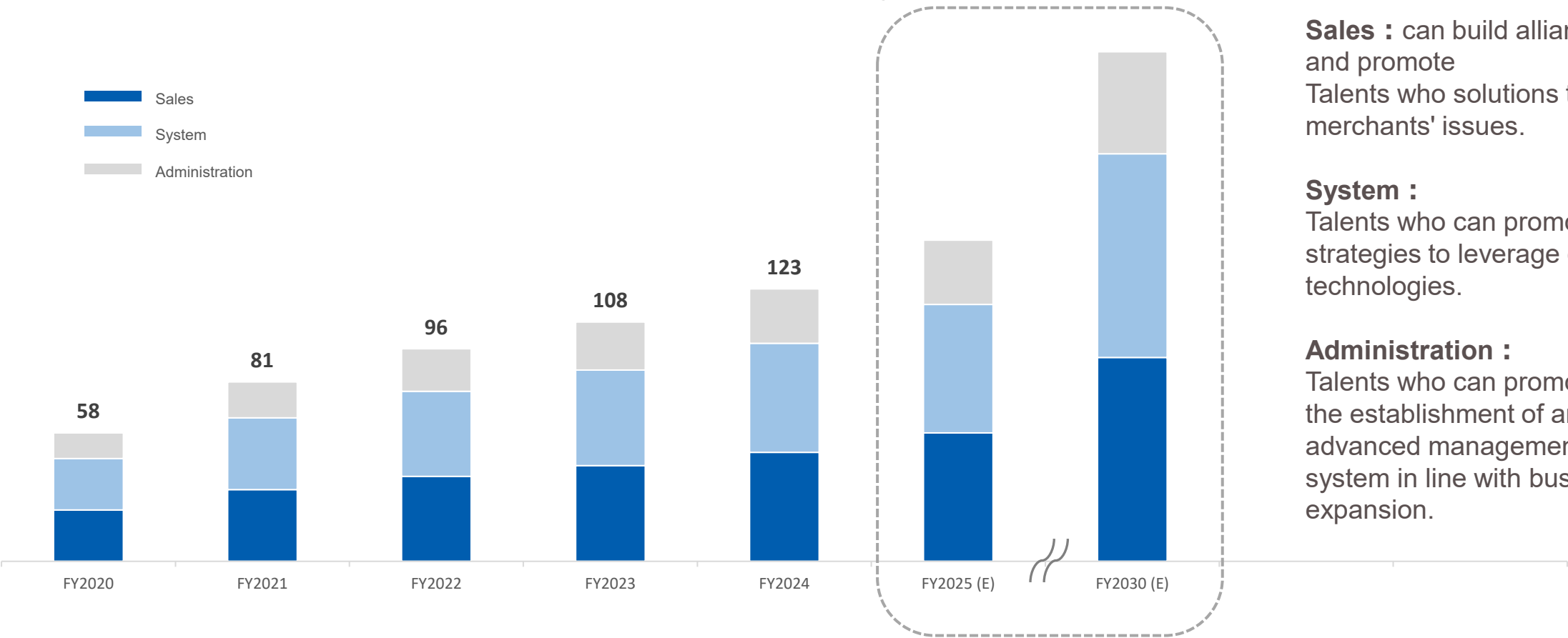




# Number of Employees(Consolidated basis)

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      Planned



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

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

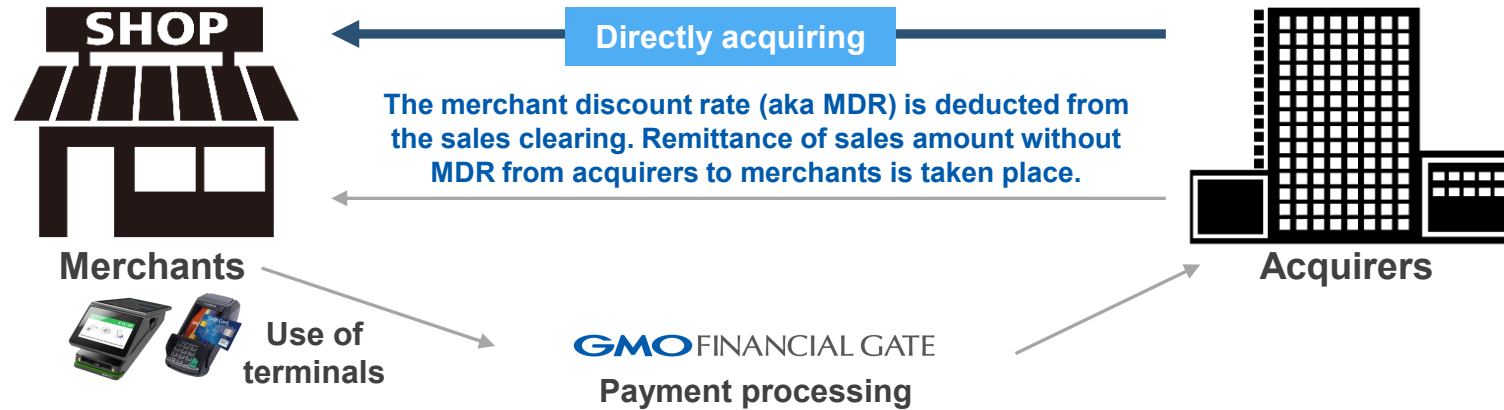
**Administration :** Talents who can promote the establishment of an advanced management system in line with business expansion.

# 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

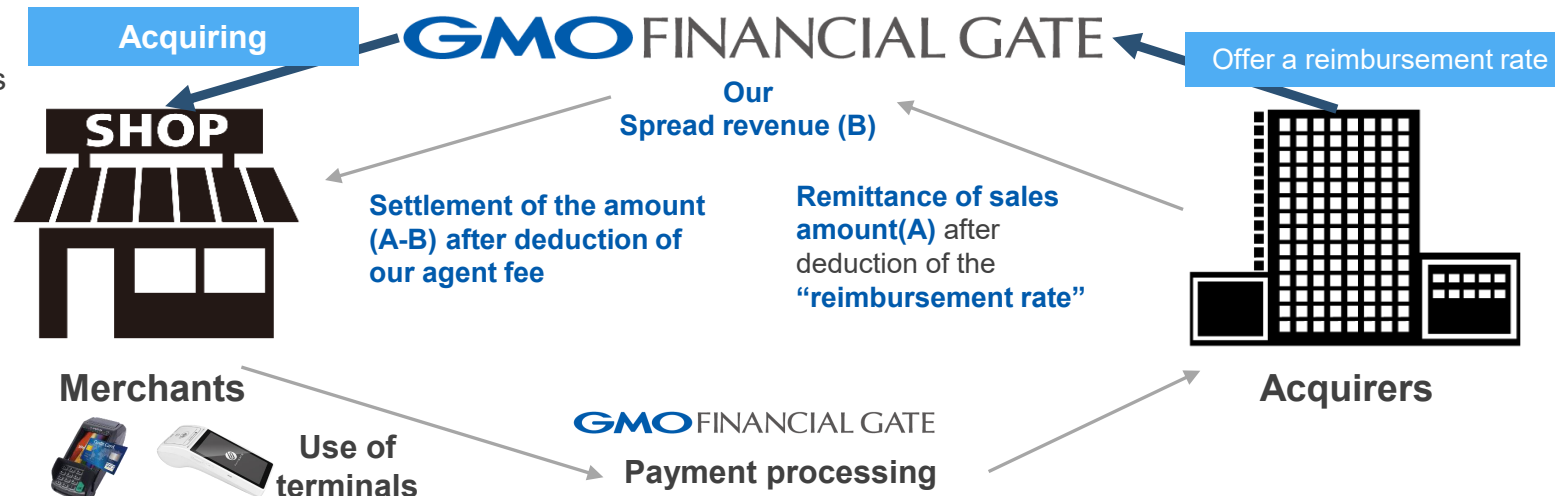
Initial

Stock

Fee

## 2 Agent contract

Mainly small medium merchants



Initial

Stock

Fee

Spread

# 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

		Flow model revenue		Recurring model revenue		
		① Initial	② Stock	③ Fee	④ Spread	
Credit • China Union Pay • J-debit	➔	○	○	○	○	
E-money	➔	○	○	○*	○	
QR code	➔	○	○	○*	○	
Point	➔	○	○	○*	—	
House point • House E-money	➔	○	○	○*	—	
Duty exemption	➔	○	○	○*	—	

\*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.

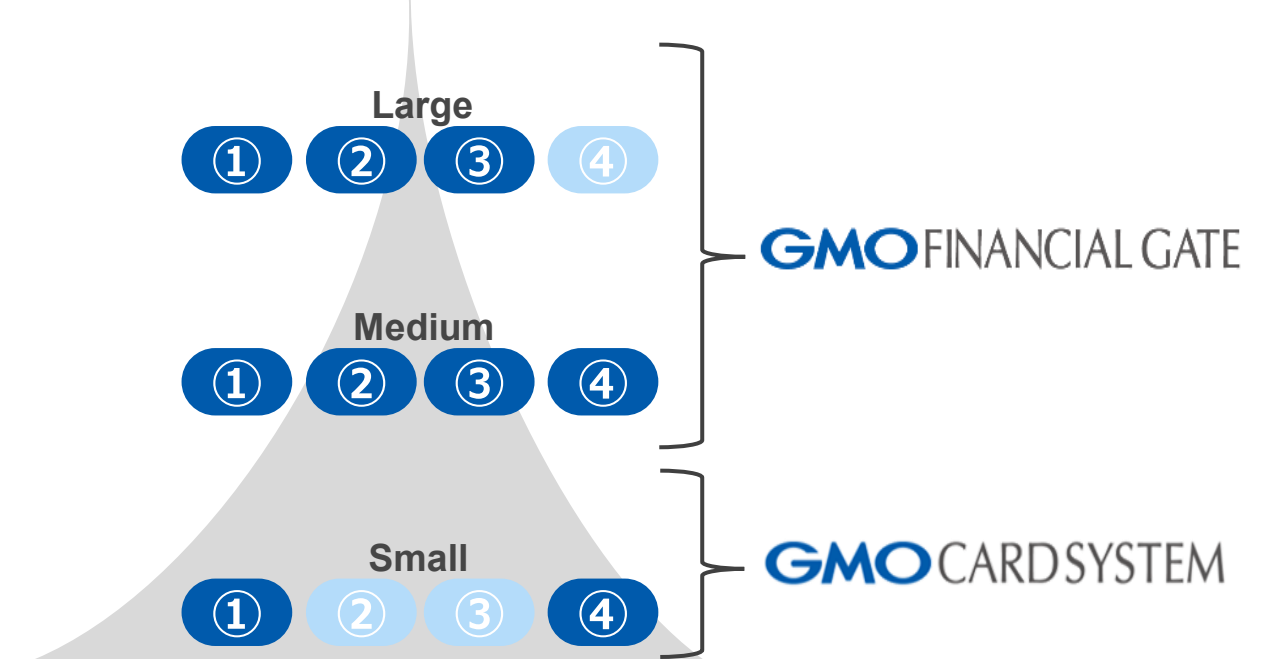
# Revenue Model by Merchant Size

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



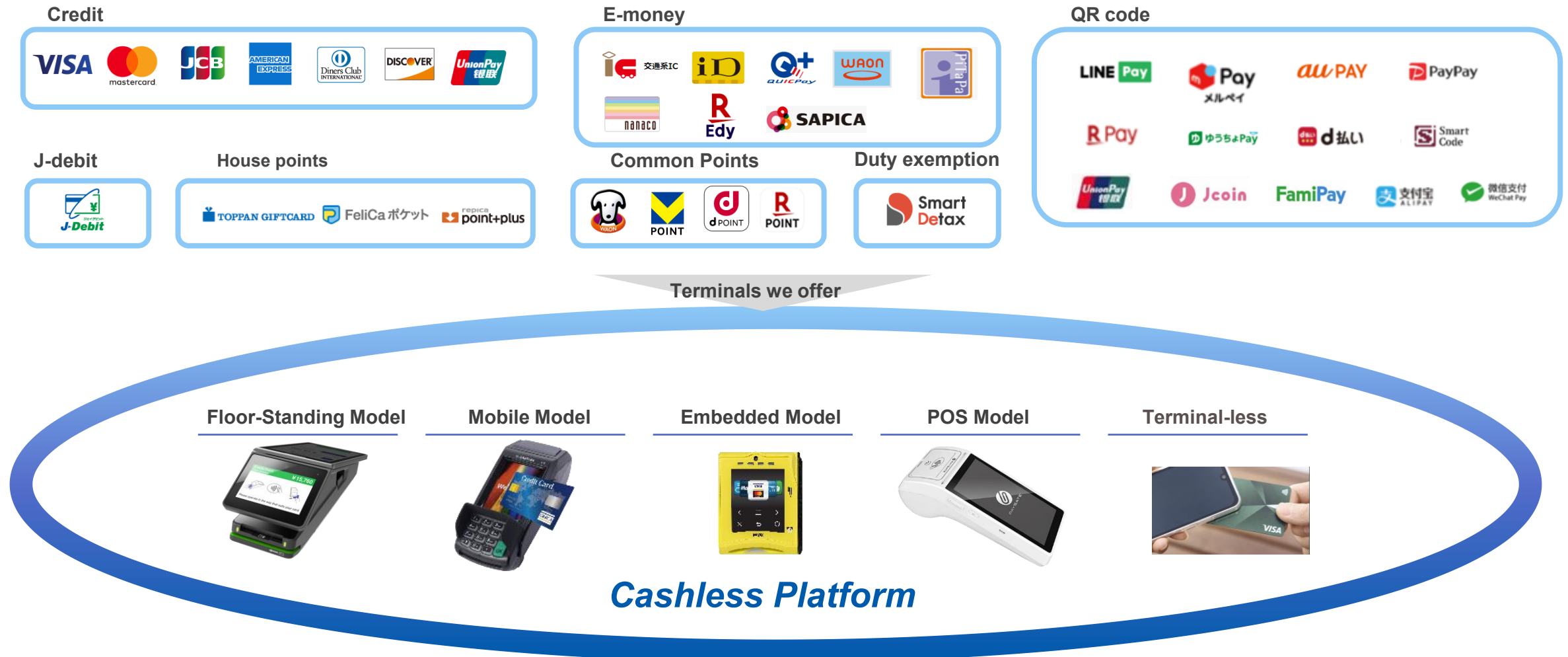
① ② ③ ④ : Main revenue stream

④ : Realization of the revenue varies from contract to contract

# Medium-Term Strategy Acquiring major merchants by focusing on alliances

Business Model

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



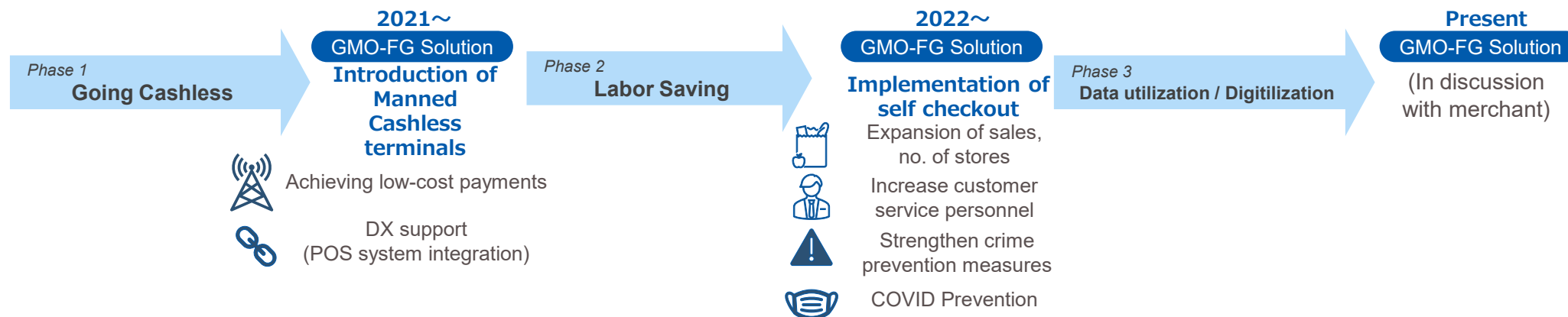
# Win-Win Ecosystem Formation Case Study

Business Model

Providing solution assets to solve merchant business issues

Forming a win-win ecosystem where merchant sales and our ARPU grow together

Solving Merchant Issues

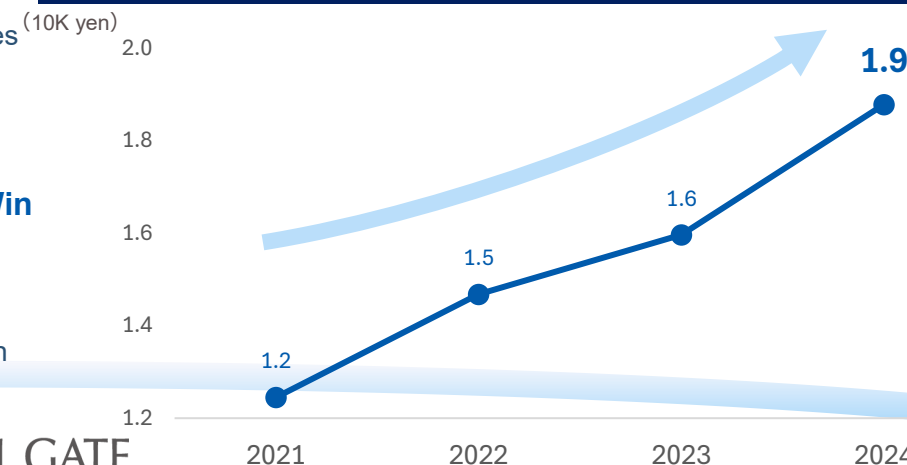
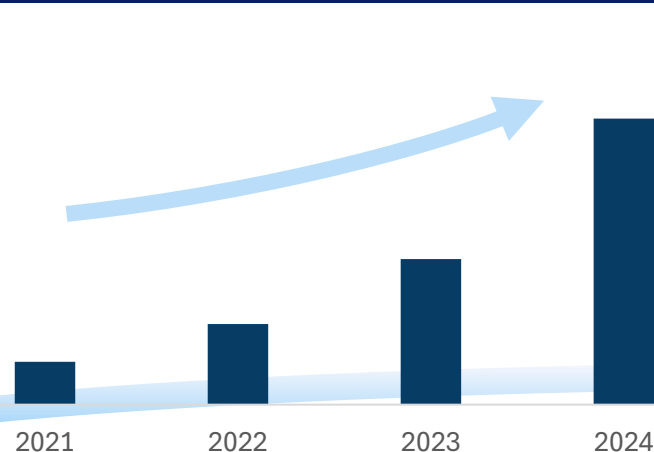


Merchant: Improve sales and profit through labor saving and higher efficiency

Increase ARPU by increasing active IDs

**Revenue of Merchant Stores**  
(sales of merchant A)

**Our ARPU**  
(Recurring ARPU from merchant A)



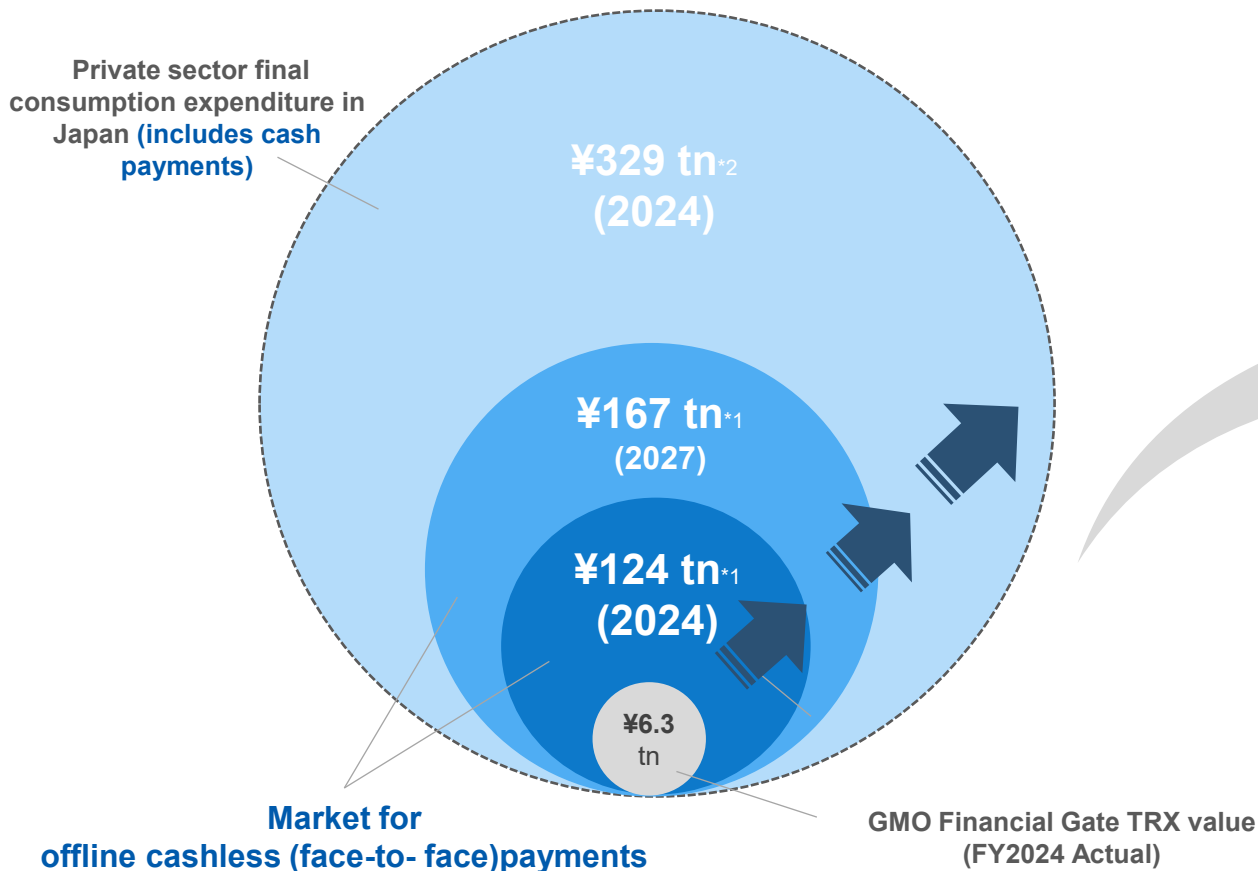
**GMO FINANCIAL GATE**  
Cashless Platform

\*2024 ARPU is estimated

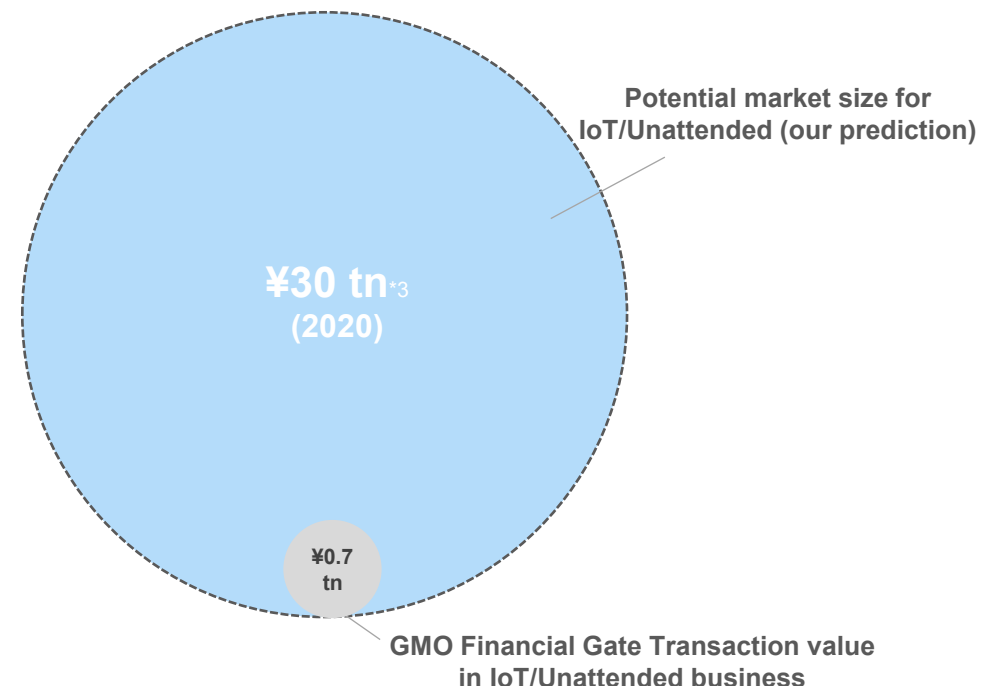
Formation of Win-Win Ecosystem

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**

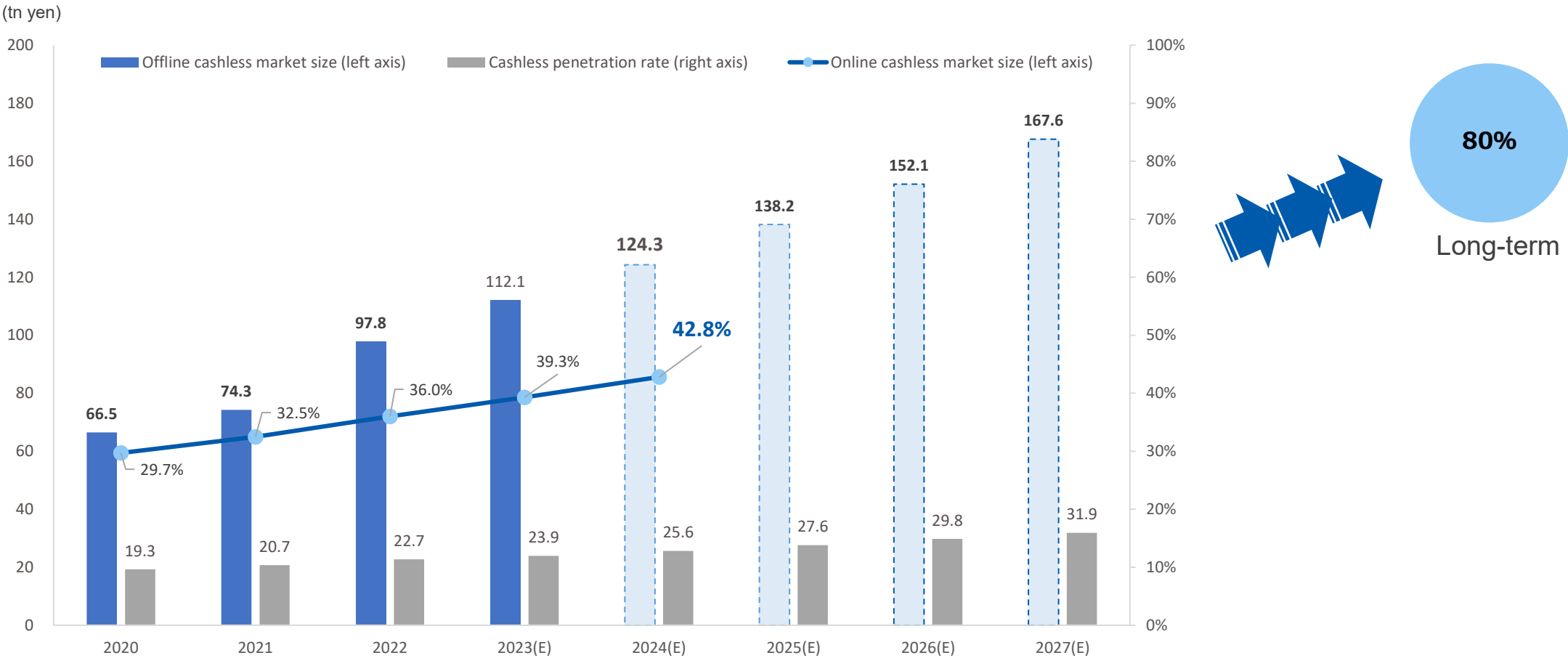
(\*1) "2024 Edition: Actual Status and Future Forecast of the Cashless Payment Market in Japan" and "2024 Edition: Current Status and Future Forecast of Online Payment Service Providers" Yano Research Institute Ltd.

(\*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.

# Growth trend of domestic offline cashless market

The market for offline cashless payments is currently ¥112 tn, five times larger than the online market. The cashless payment ratio has reached the government's target of 40%. We will continue to improve the environment to reach the long-term target of 80%.



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 of credit continue to grow

Transaction Value Composition ratio	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Credit	94.1%	93.5%	93.0%	92.0%	91.2%	90.8%	89.9%	90.2%	90.7%	89.7%	86.8%	85.3%	84.5%	83.5%	82.9%
Debit	1.7%	1.6%	1.3%	1.1%	0.9%	0.8%	1.5%	1.7%	1.8%	2.1%	2.5%	2.8%	2.9%	2.9%	3.1%
E-money	4.3%	4.9%	5.6%	6.9%	7.9%	8.5%	8.6%	8.0%	7.5%	7.0%	7.0%	6.3%	5.5%	5.1%	4.4%
QR code									0.2%	1.2%	3.7%	5.6%	7.1%	8.6%	9.6%

(tn yen)

160.0

Credit Debit E-money QR code

120.0

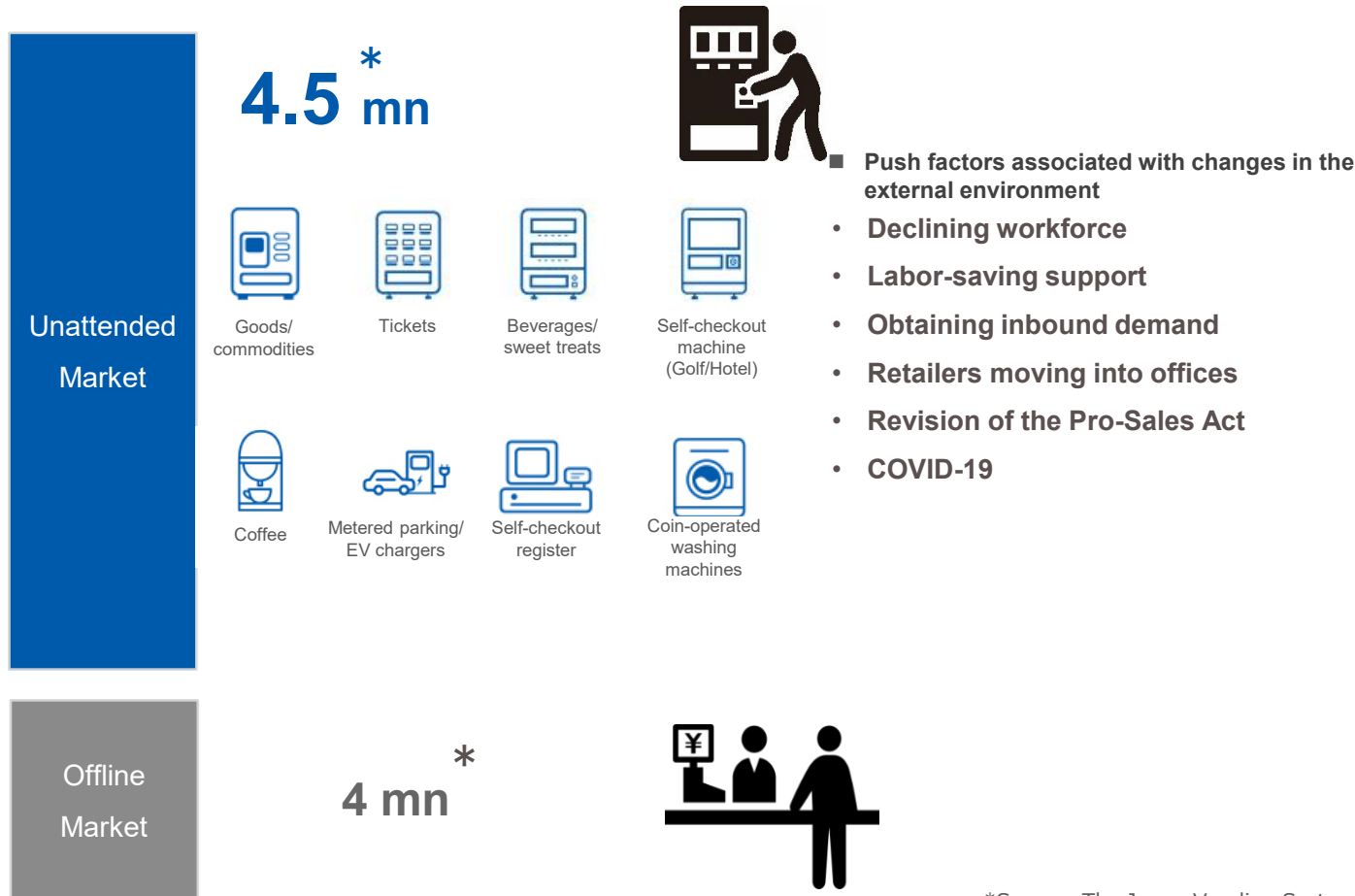
80.0

40.0

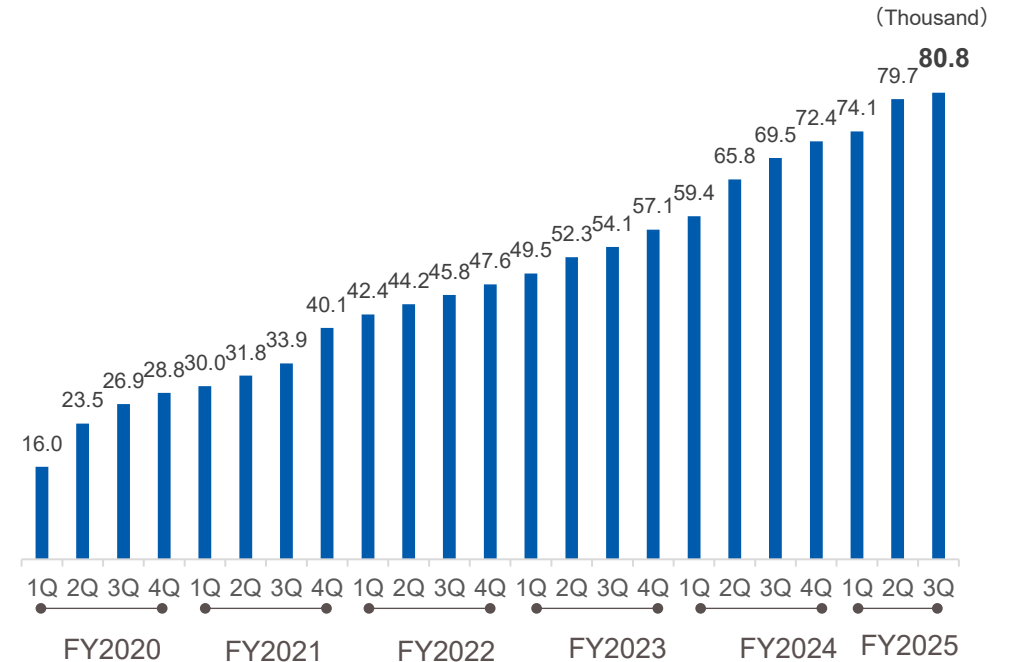
0.0

2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

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



■ No of active IoT terminals

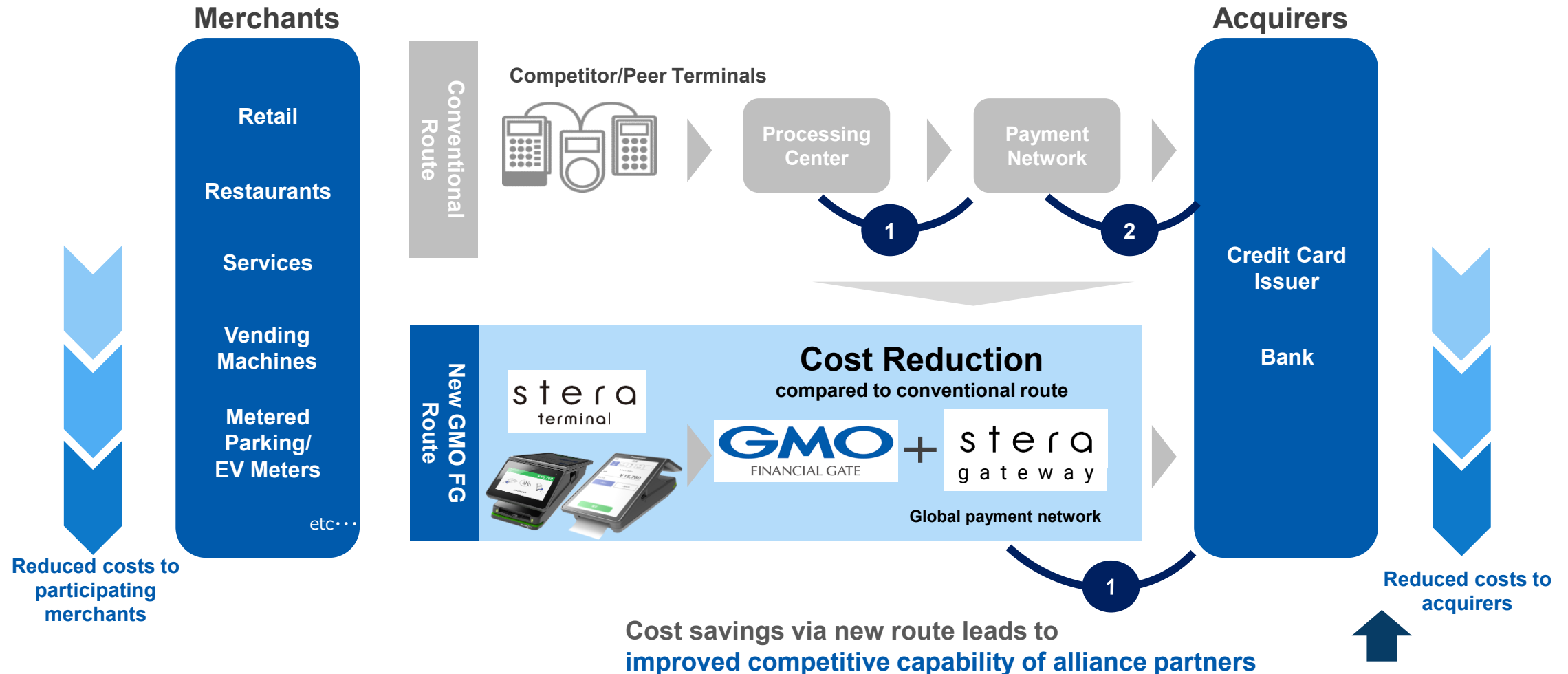


\*Source: The Japan Vending System Manufacturers Association, Japan Ministry of Health Labor and Welfare, Yano Research Institute Ltd.

# Strategy to Maximize Transaction Value

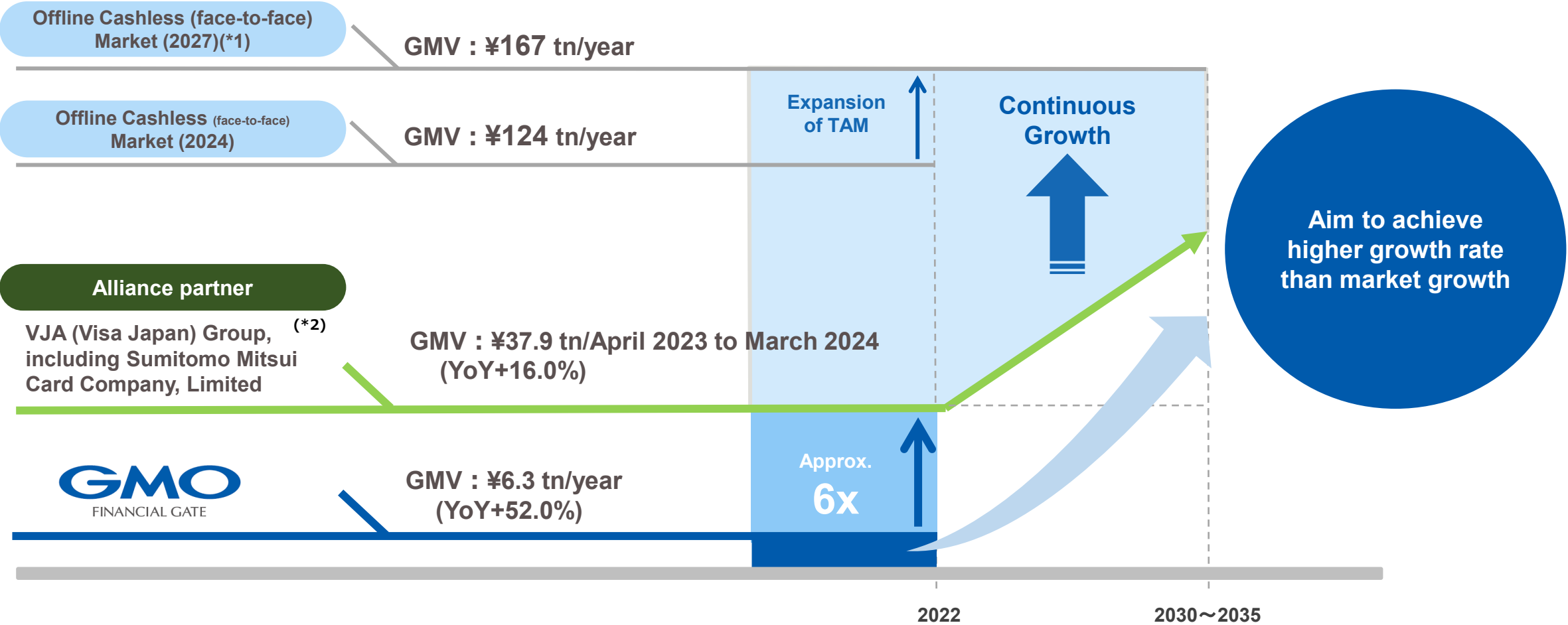
Growth Strategy

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

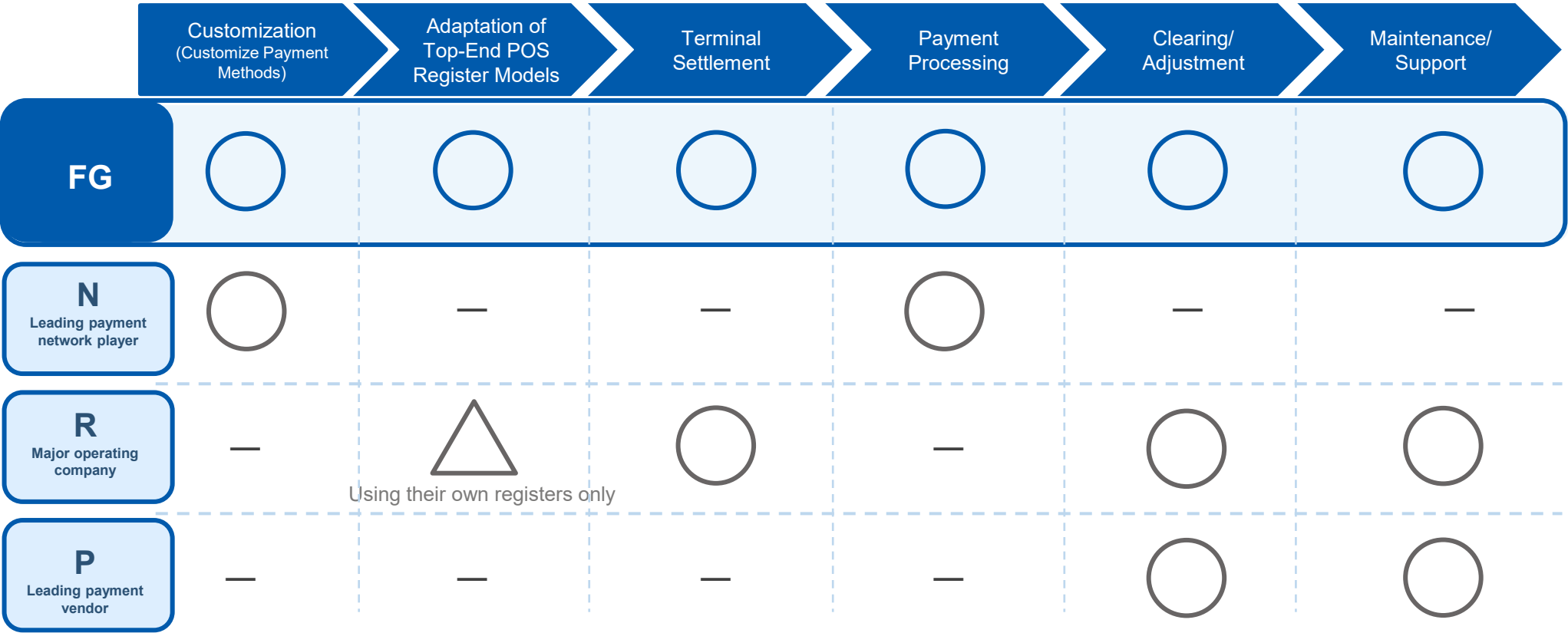
Due to cashless settlement penetration, TAM of our service scope has continuously expanded  
New processing network alliance partner will contribute to GMV increase



(<sup>\*1</sup>) 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.  
(<sup>\*2</sup>) Source: VJA

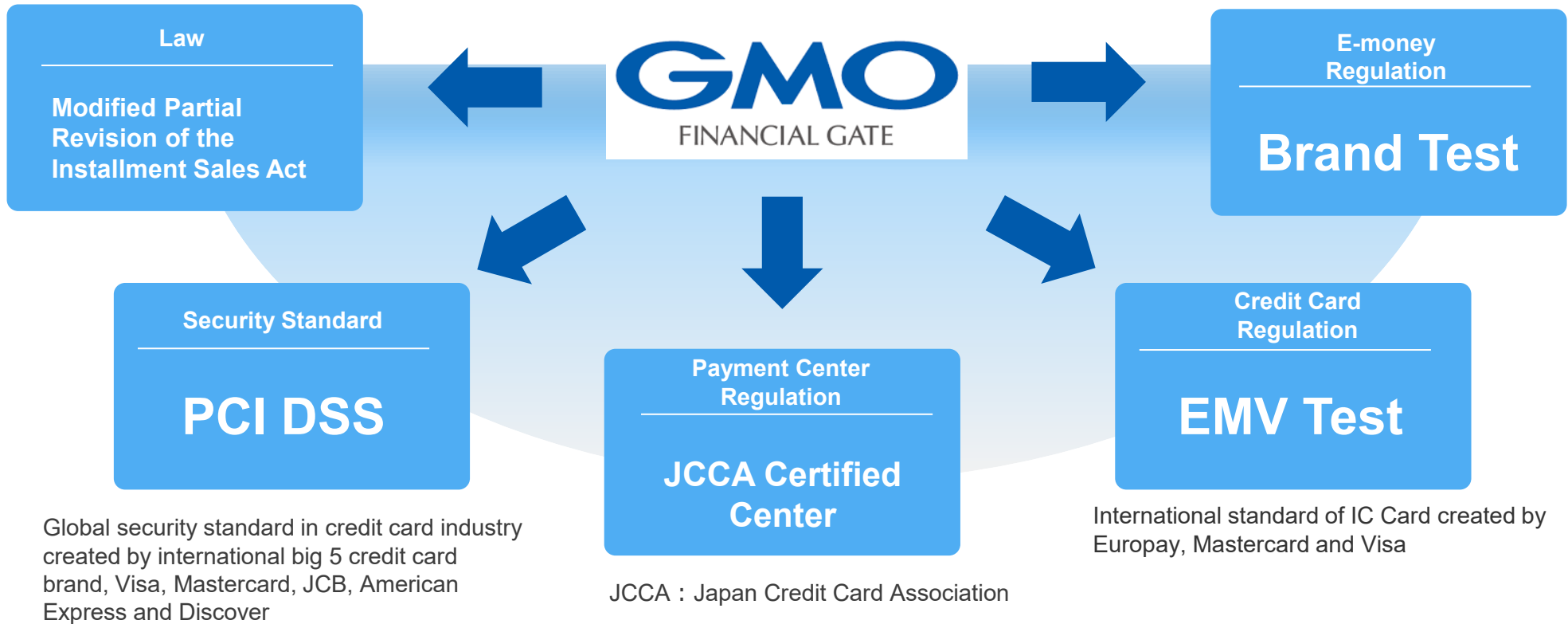
End-to-end solutions via one-stop platform allows us to create alliances with many players in the market

■ Solutions in Offline Payment Market

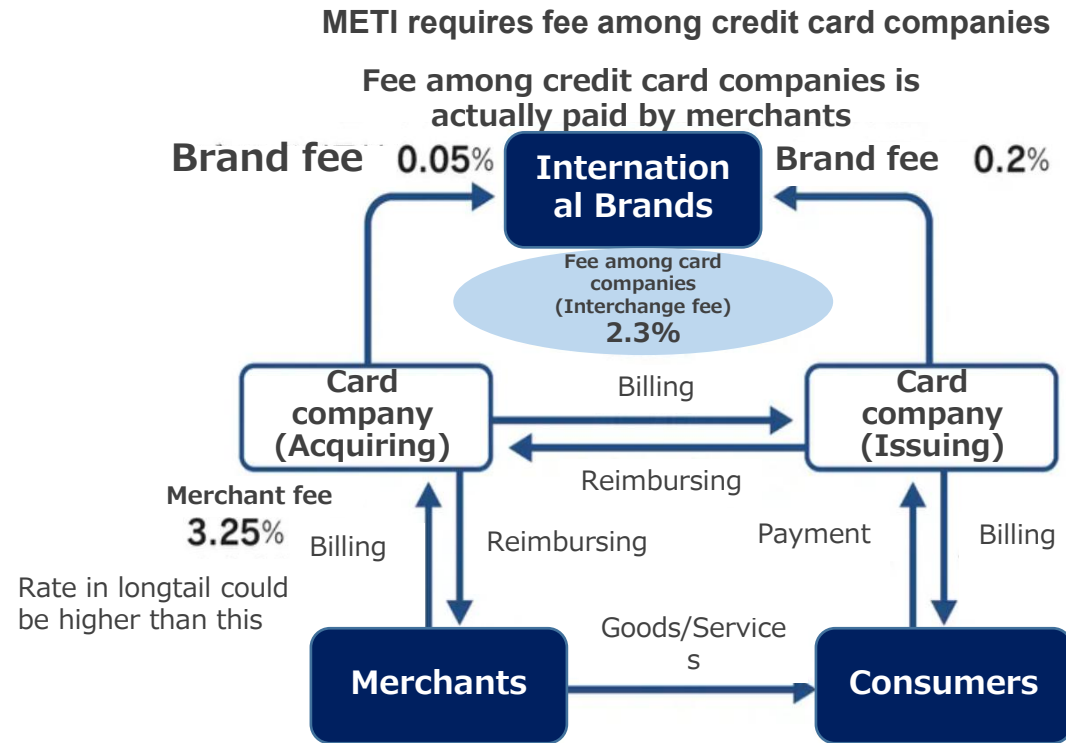


# Barriers to Entry (Regulations to be Followed)

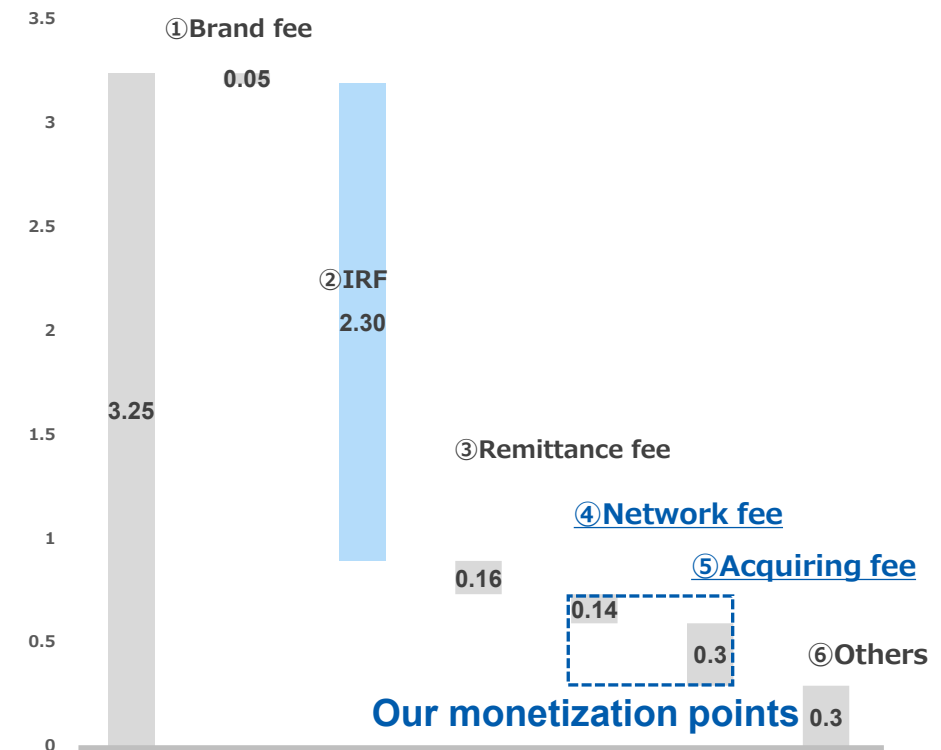
Many kinds of regulations exist in the face-to-face payment market depending on the payment method, and the number of regulations are increasing. As payment methods become more diversified, the barriers to entry become more challenging



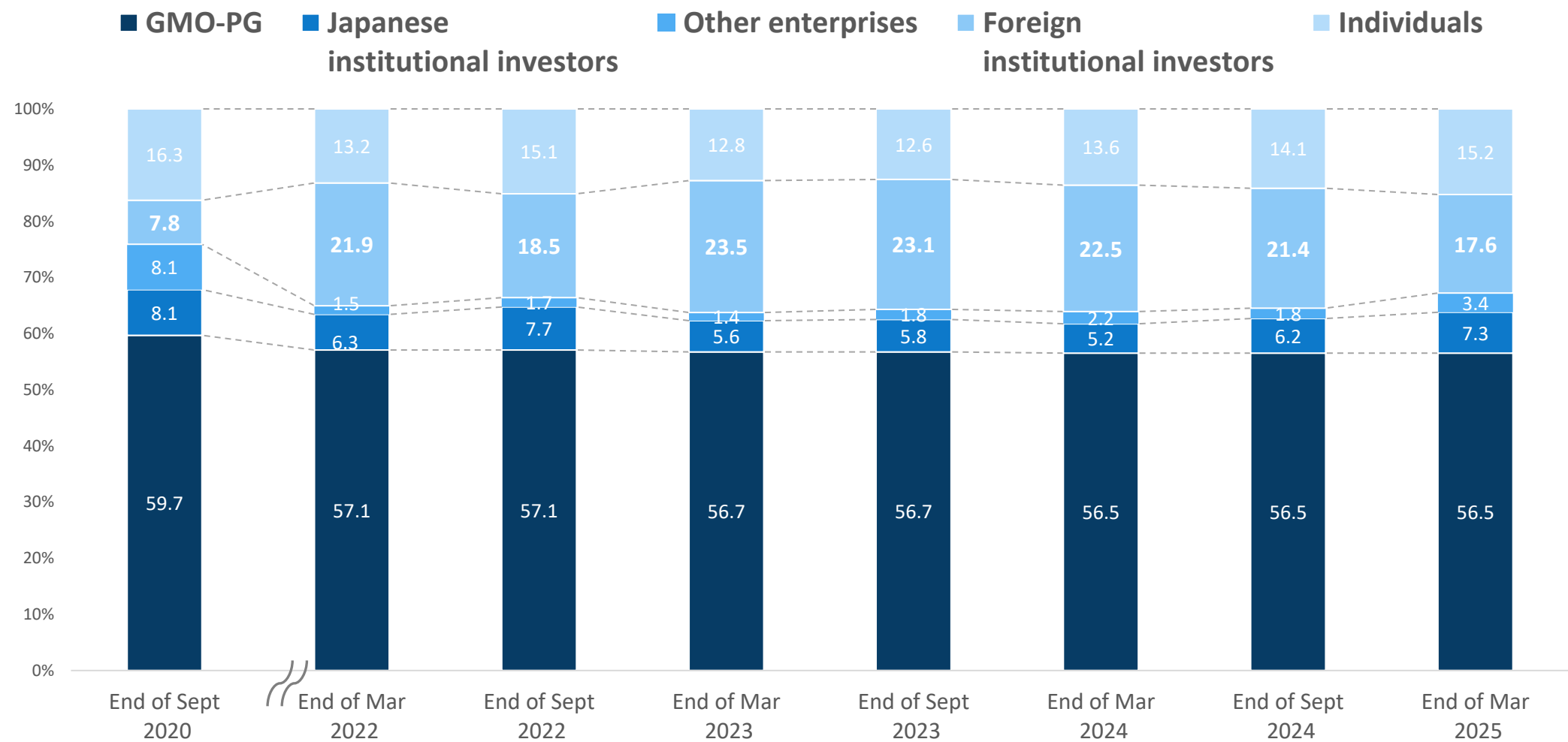
In response to a request from the Japan Fair Trade Commission, Visa, Mastercard, and UnionPay announced their intention to disclose their interchange fee rates by the end of November



**Breakdown of MDR**  
(model case : AOV ¥5K SME merchant)

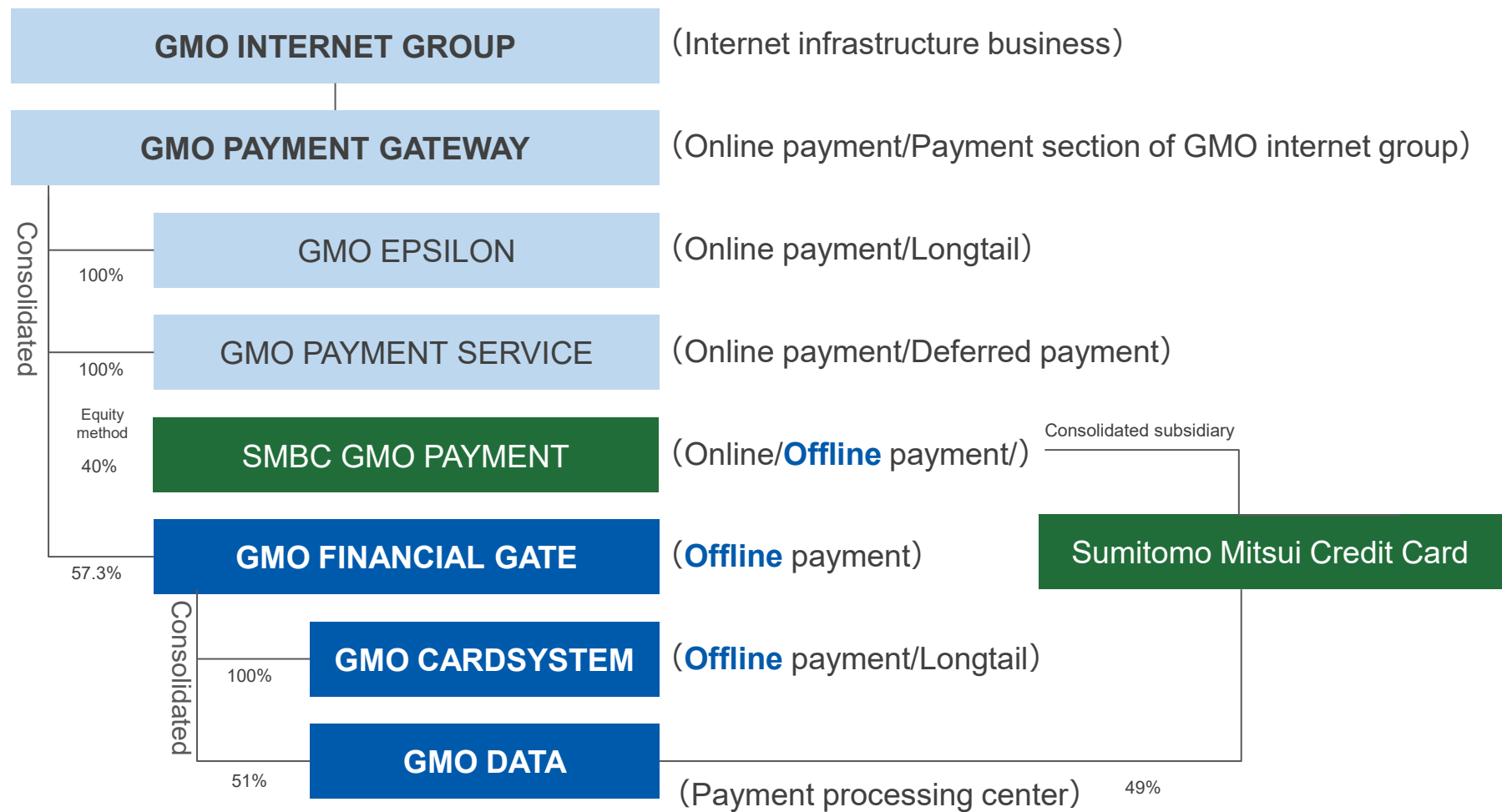


Actively engaged in IR activities, including one-on-one meetings and participation in conferences hosted by securities companies. Ownership ratio of foreign institutions remains at a high level.





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



■ Company	GMO Financial Gate, Inc. (TSE Growth Ticker:4051)	
■ Foundation	September 1999	
■ Address	Humax Shibuya Building 7F, Shibuya Dogenzaka 1-14-6, Tokyo	
■ Stock Capital	¥1,638 mn(End of Jun 2025)	
■ Major Shareholder	GMO Payment Gateway, Inc.	
■ Board Member	Representative Director, President	Kentaro Sugiyama
	Director	Akio Aoyama (Solution Partner Division Executive Manager)
	Director	Tomonaga Fukuda (IT Platform Division Executive Manager)
	Director	Tomoki Tamai (Corporate Support Division Executive Manager)
	Director	Tatsuya Koide (GMO Payment Gateway, Inc. Chief Managing Executive Officer)
	External Director*	Nao Shimamura
	External Director*	Rie Asayama
	External Director*	Takayoshi Nagasawa
	External Director*	Satoru Ozawa

\*Audit and Supervisory Committee Member

■ Auditing Firm	Ernst & Young ShinNihon LLC	
■ Subsidiary	GMO CARD SYSTEM, Inc.	shareholding ratio:100% <b>GMO</b> CARDSYSTEM
	GMO DATA, Inc.	shareholding ratio: 51.0% (Mitsui Card Company, Limited:49.0%) <b>GMO</b> DATA
■ Business	Cashless payment infrastructure service (credit card, debit card, e-money etc.)	



Floor-Standing Model



Mobile Model



Embedded Model



POS Model



Terminal-less

**Thank you**

**GMO** FINANCIAL GATE

GMO Financial Gate, Inc.  
(TSE Prime 4051)