

# IR Introduction

## - Business Overview & Business Model - Q2 FY2025



May 15, 2025  
81<sup>th</sup> Investor Meeting

# 0. At a Glance

## Key features of GMO-PG group's business model and the mechanism of sustainable growth

|                   |   |                       |   |
|-------------------|---|-----------------------|---|
| Market            | <ul style="list-style-type: none"><li>• Broad-based &amp; high growth payment market<ul style="list-style-type: none"><li>✓ Repeating and indispensable part of any commercial transaction</li><li>✓ EC penetration (JP <b>9%</b> vs. US/Euro approx. <b>~30%</b>)</li><li>✓ Cashless adoption (JP <b>42%</b>/vs. US/Euro approx. <b>~65%</b>)</li><li>✓ FinTech and DX</li></ul></li></ul> | Positioning           | <ul style="list-style-type: none"><li>• Leading player<ul style="list-style-type: none"><li>✓ GMV <b>¥18.7 trn</b> (FY2024)</li><li>✓ Revenue <b>¥73.7 bn</b> (FY2024)</li><li>✓ Employees <b>853</b> (End-Sep 2024)</li></ul></li><li>• High entry barriers</li></ul>  |
| Value Proposition | <ul style="list-style-type: none"><li>• Contributing via “payment + α”<ul style="list-style-type: none"><li>✓ Supporting growth and business operation reform (toB)</li><li>✓ Improving convenience (toC)</li><li>✓ Decarbonization and financial inclusion (to Society)</li></ul></li></ul>  | Competitive advantage | <ul style="list-style-type: none"><li>• Sales, system development and customer support capability and reliability</li><li>• Scale merit</li><li>• Proprietary applications</li><li>• Diversification through consolidated management (CP, BNPL, BaaS support etc.)</li></ul>                                    |
| Customer Base     | <ul style="list-style-type: none"><li>• Cross-industry</li><li>• High growth industry leaders</li><li>• Public sector</li></ul>   | Revenue model         | <ul style="list-style-type: none"><li>• Stock &amp; transaction<ul style="list-style-type: none"><li>✓ Balancing growth and stability</li></ul></li><li>• Mutually enhancing model (customer growth = increased payments)</li><li>• High operating margins (<b>over 30%</b>)</li><li>• Low churn rate</li></ul> |
| Growth Strategy   | <ul style="list-style-type: none"><li>• Expand business domain<ul style="list-style-type: none"><li>✓ Credit card payment⇒Multi-payment⇒Card Present (CP)⇒FinTech⇒Global⇒DX</li></ul></li><li>• Project sizes are enlarging due to industry-specific applications and rebundling products</li></ul>   | Management Discipline | <ul style="list-style-type: none"><li>• <b>19 consecutive years</b> of revenue and profit increase, achieving earnings guidance</li><li>• Performance based remuneration</li><li>• Highly experienced leadership team from entrepreneurs, start-ups, management (0⇒10⇒100)</li></ul>                            |



**1. Business Overview** p.4

2. Focus Areas p.22

3. Sustainability p.46

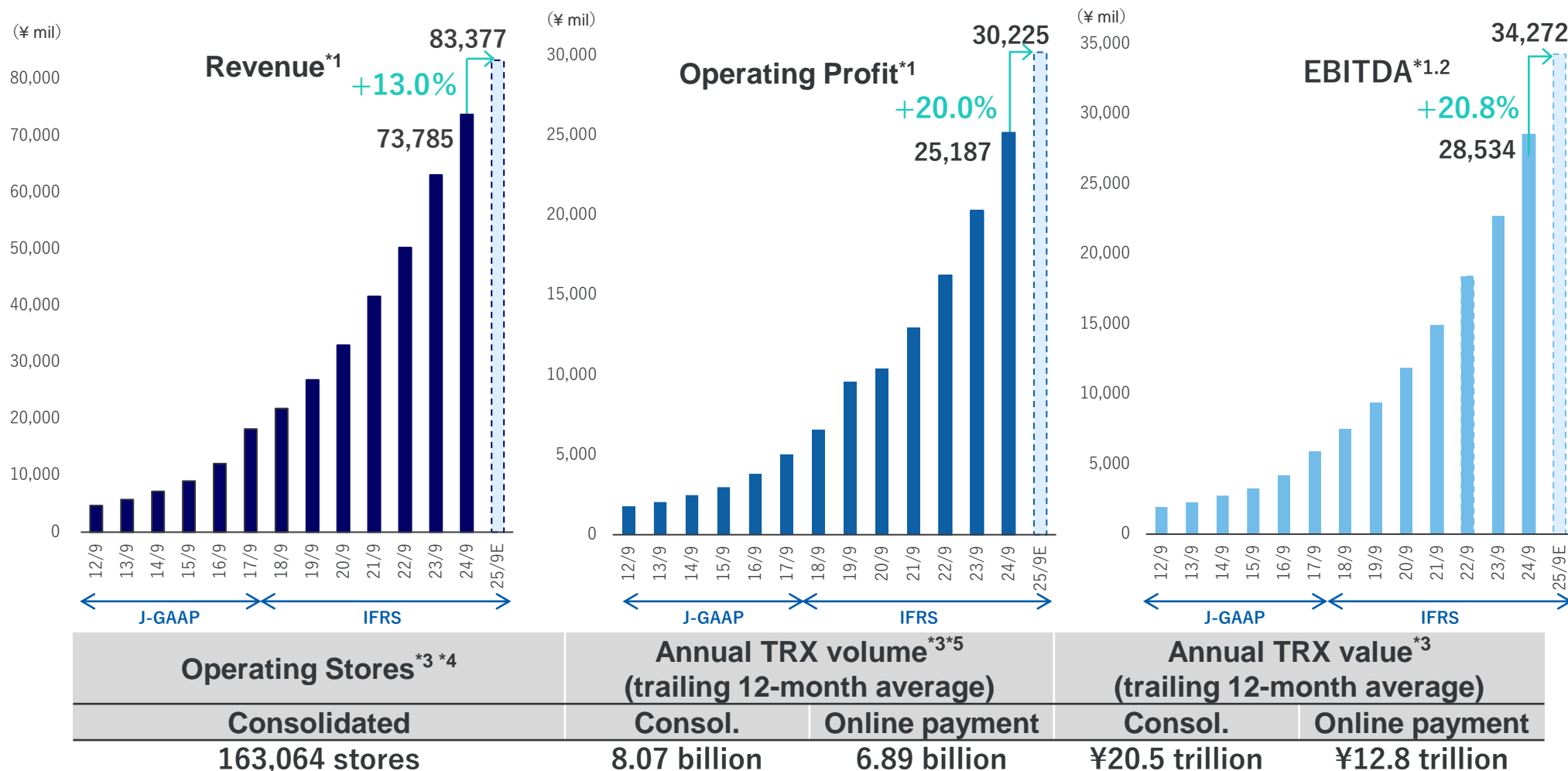
4. Reference Materials p.53

Abbreviations used in the material are as follows:

|         |                       |
|---------|-----------------------|
| GMO-PG  | : GMO Payment Gateway |
| GMO-EP  | : GMO Epsilon         |
| GMO-RP  | : GMO Reserve Plus    |
| GMO-PS  | : GMO Payment Service |
| GMO-FG  | : GMO Financial Gate  |
| GMO-CAS | : GMO Card System     |
| PF      | : Platform            |

# 1.1 Our Track Record of Growth

## The results of management policy focused on sustainable growth



\*1 Macro Kiosk has been deconsolidated in FY ending September 2020. Figures for revenue, operating profit and EBITDA present the figures for continuing operations only and exclude discontinued operations.

\*2 EBITDA under J-GAAP is calculated as the sum-total of operating profit and depreciation and goodwill amortization; EBITDA under IFRS is calculated as the sum-total of operating profit and depreciation.

\*3 Operating stores present the figures for GMO-PG and GMO-EP; transaction volume and value present figures for GMO-PG, GMO-EP, GMO-PS, GMO-FG; of this, online payment present figures for GMO-PG, GMO-EP and GMO-PS. The number of operating stores is at the end of March 2025. Consolidated transaction volume (trailing 12-month average) and consolidated transaction value (trailing 12-month average) include the figures for GMO-FG.

\*4 The standards for calculating the number of operating stores has been revised from Q4 FY2023. Figures exclude a specific case and fincode byGMO. If included, the number of operating store IDs would be 747,825 stores (up 17.8% YoY).

\*5 Transaction (TRX) volume is calculated based on fee revenue recognition standards, which in the case of online consists of multiple (1 to 3) transactions per payment that includes authorization (tentative sales proceeds) and actual sales proceeds, and one transaction per payment in the case of CP.

# 1.2 Consolidated Management

Realize Group-wide stable growth through sound business operation that agilely responds to the business environment of each of the major Group companies



|                | GMO-PG  | GMO-EP             | GMO-FG                           | GMO-PS                  |
|----------------|---|--------------------|----------------------------------|-------------------------|
| Major Business | Payment Processing Business                   |                    |                                  | BNPL business           |
|                | Online  |                    | CP                               | Online                  |
| Customer       | Municipalities, large to mid-sized corporates | Small operators    | CP stores, Unattended machines   | EC operators, consumers |
|                | Non-merchandise, and merchandise              | Mainly merchandise | Non-merchandise, and merchandise | Mainly merchandise      |

# 1.3 Three Business Segments

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

## Payment Processing Business



- Online Payment\*
- CP Payment
- Ginko Pay / Processing
- System Development

## Money Service Business



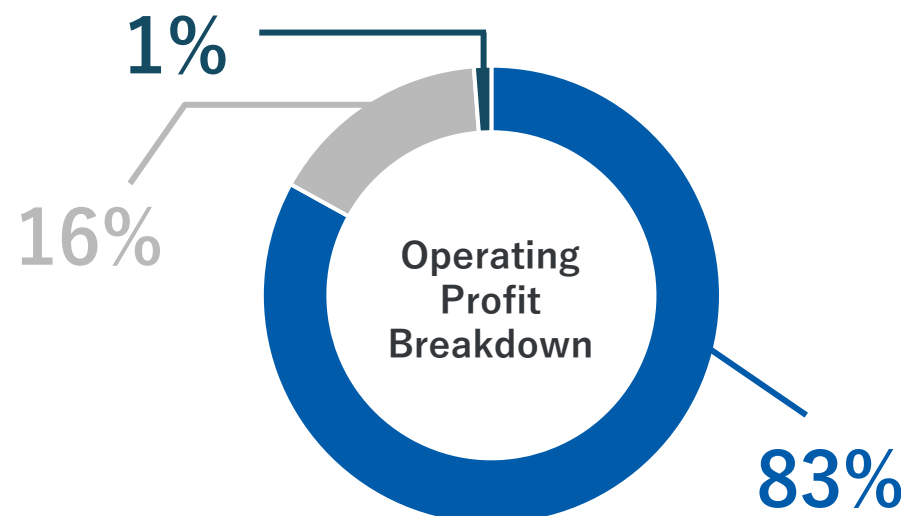
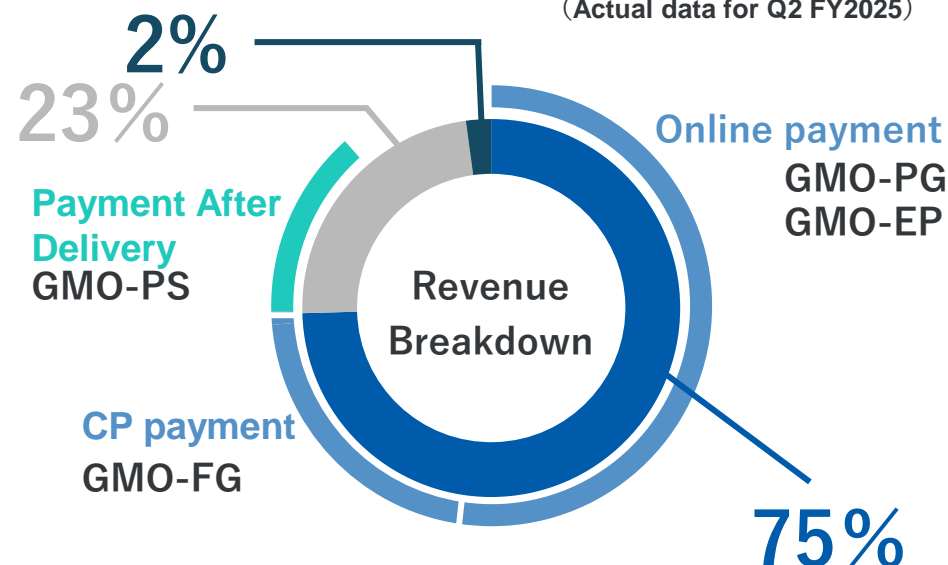
- GMO Payment After Delivery/  
GMO B2B Pay On Credit / atokara
- Remittance Service / Instant Salary byGMO
- Overseas Lending
- Early Payment Service
- B2B Factoring
- Transaction Lending
- Invoice Card Payment byGMO

## Payment Enhancement Business



- Online Advertising Service
- SSL Service
- Delivery Service
- Medical Kakumei byGMO

(Actual data for Q2 FY2025)



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

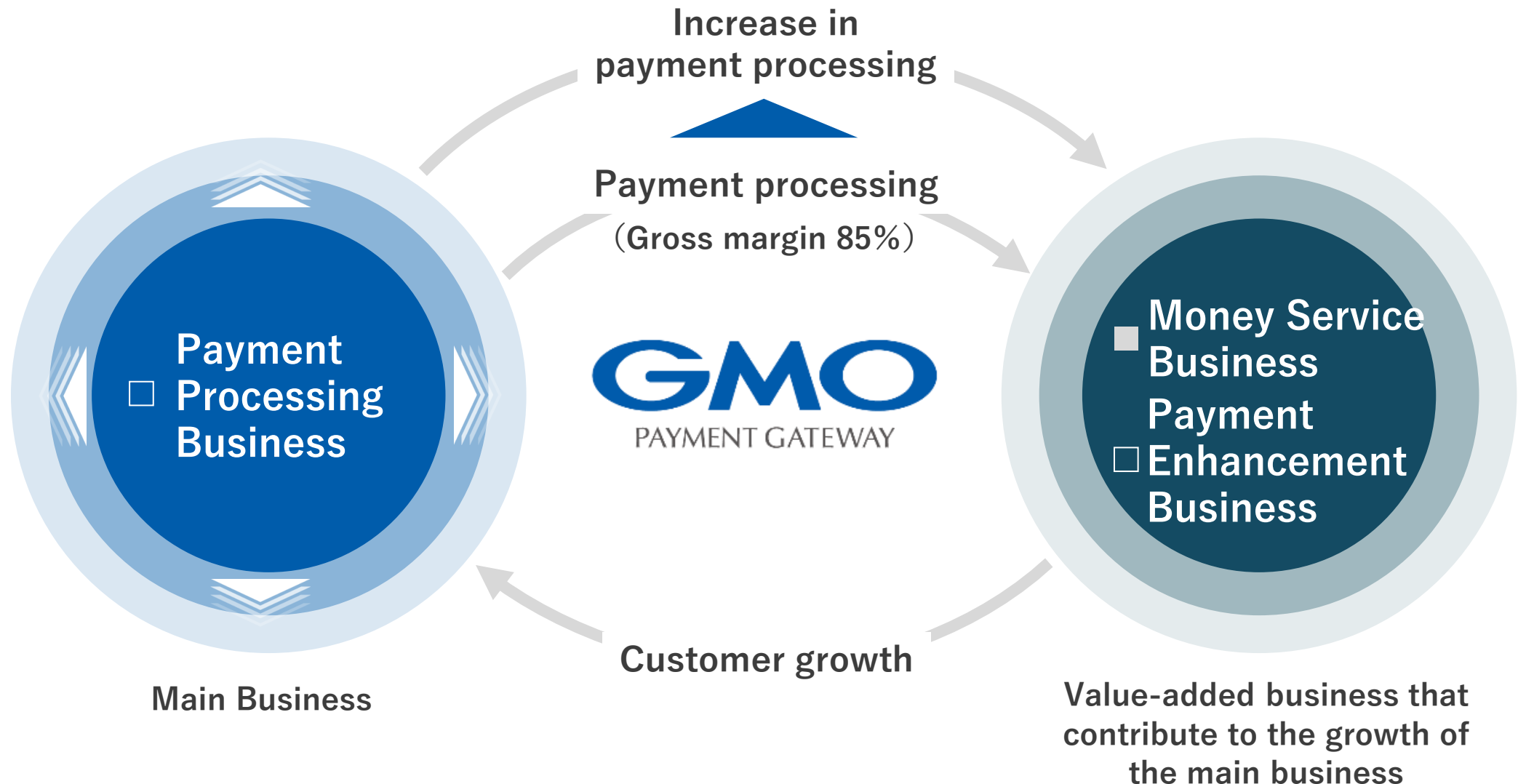
# 1.4 Our Value Proposition

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

|                              | Issues & Needs |   | Value Proposition |   |
|------------------------------|----------------|---|-------------------|---|
| Payment Processing Business  | Merchant       | <ul style="list-style-type: none"><li>• Cumbersome implementation work</li><li>• Time consuming payment admin work, less time for main business</li><li>• Concerns over system troubles</li></ul> |                   | <ul style="list-style-type: none"><li>• Package of diverse payment methods with centralized management</li><li>• Cut cost and payment/invoicing work</li><li>• Advanced system and customer support</li></ul> |
|                              | Consumer       | <ul style="list-style-type: none"><li>• Limited number of payment methods</li><li>• Concerns over payment security</li></ul>  |                   | <ul style="list-style-type: none"><li>• Broad range of payment methods offered</li><li>• Safe and smooth payment experience</li></ul>   |
| Money Service Business       | Merchant       | <ul style="list-style-type: none"><li>• Long lead time to deposit (long cash cycle)</li><li>• Difficulty in recruiting personnel</li></ul>  |                   | <ul style="list-style-type: none"><li>• Improve cash flow cycle with early payment of sales proceeds</li><li>• Salary prepayment service offered</li></ul>  |
|                              | Consumer       | <ul style="list-style-type: none"><li>• Cannot choose the timing of payment</li></ul>   |                   | <ul style="list-style-type: none"><li>• Flexible payment timing with GMO Payment After Delivery</li></ul>   |
| Payment Enhancement Business | Merchant       | <ul style="list-style-type: none"><li>• Need to grow revenue</li></ul>  |                   | <ul style="list-style-type: none"><li>• Support revenue growth through online ad placements</li></ul>   |
|                              | Consumer       | <ul style="list-style-type: none"><li>• Long waits at medical institutions</li></ul>  |                   | <ul style="list-style-type: none"><li>• Reservation system for medical institution that enables seamless service from reservation to payment</li></ul>  |

## 1.5 Our Business Eco-System

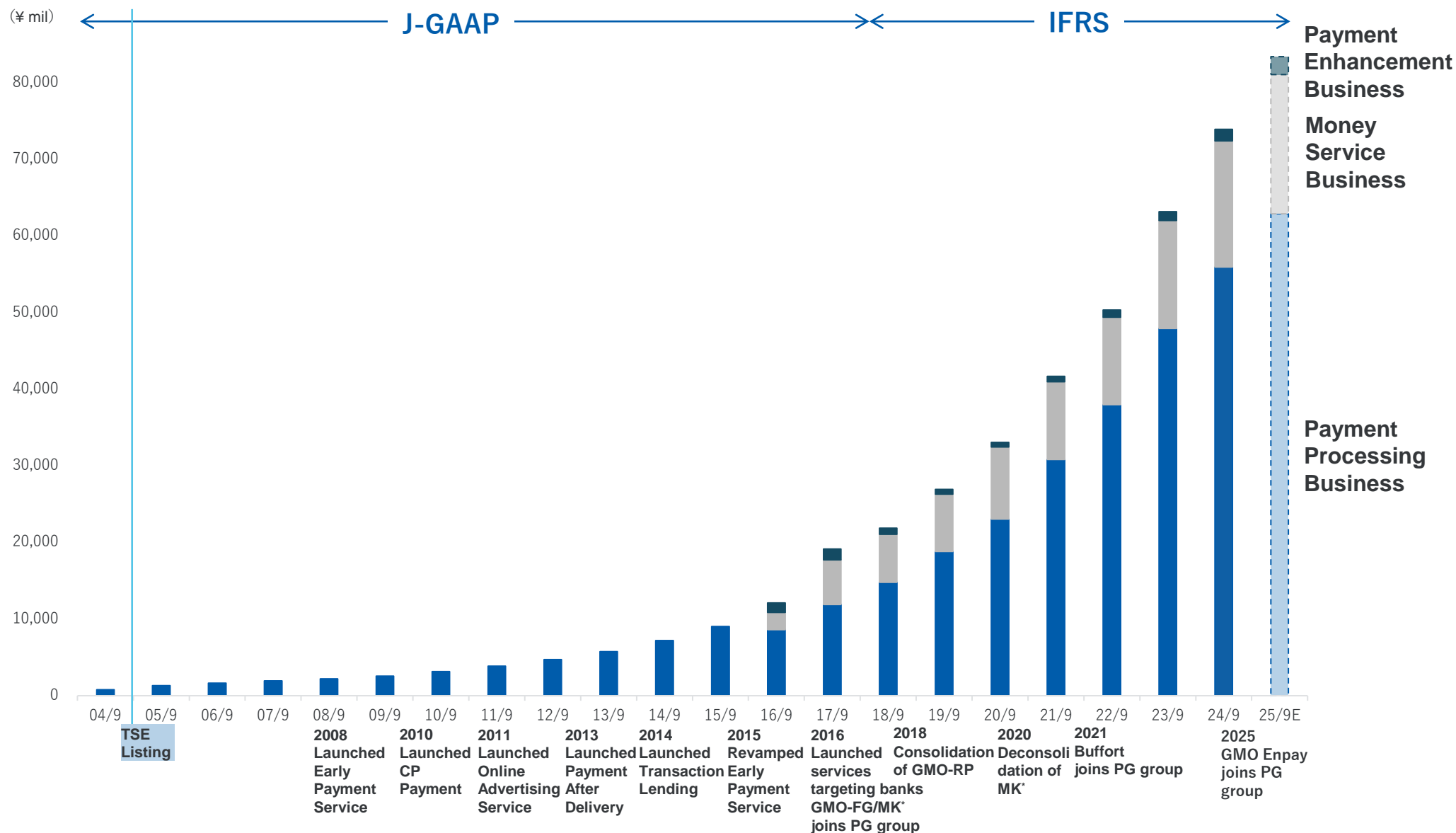
An expanding eco-system where the value-added services complements the main business to achieve mutual growth





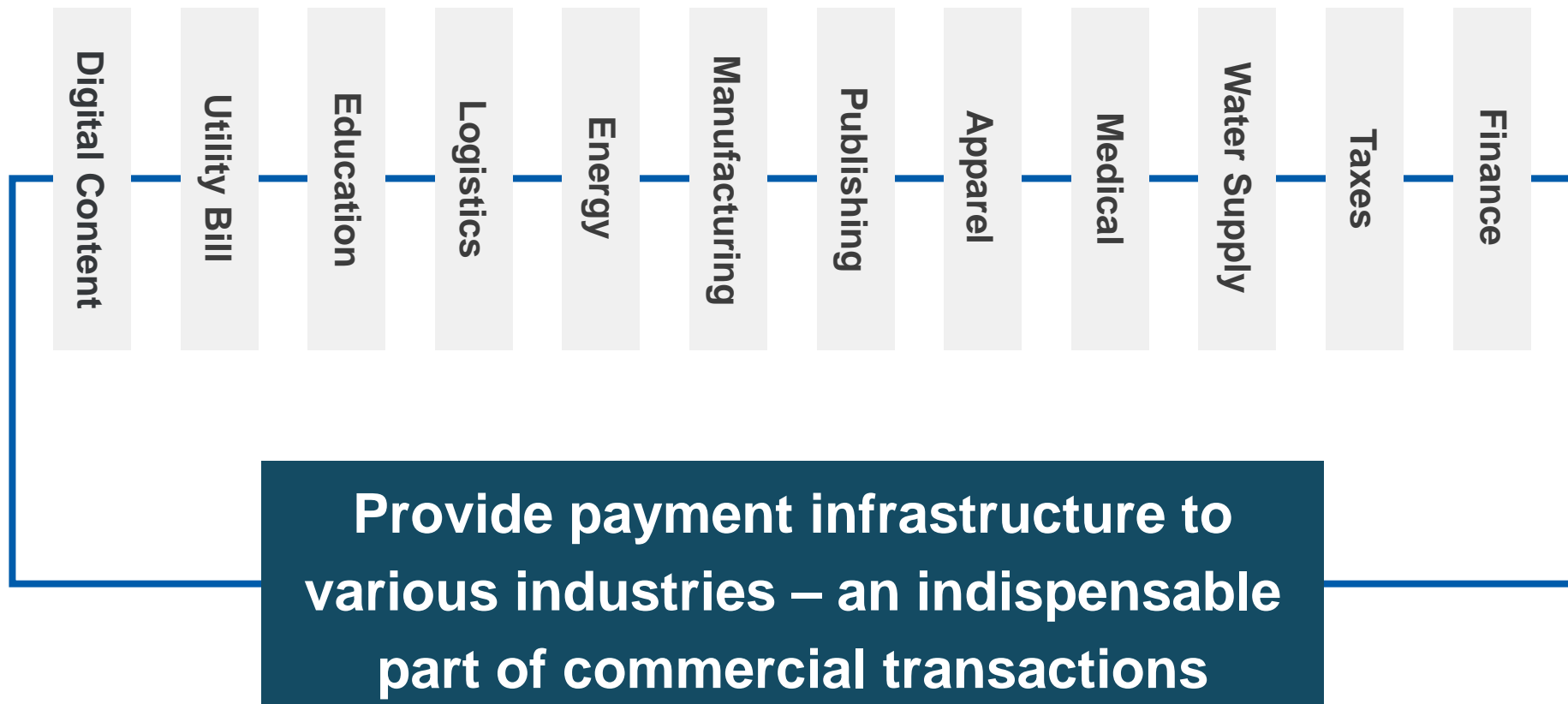
# 1.6 Revenue Trend by Segment

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



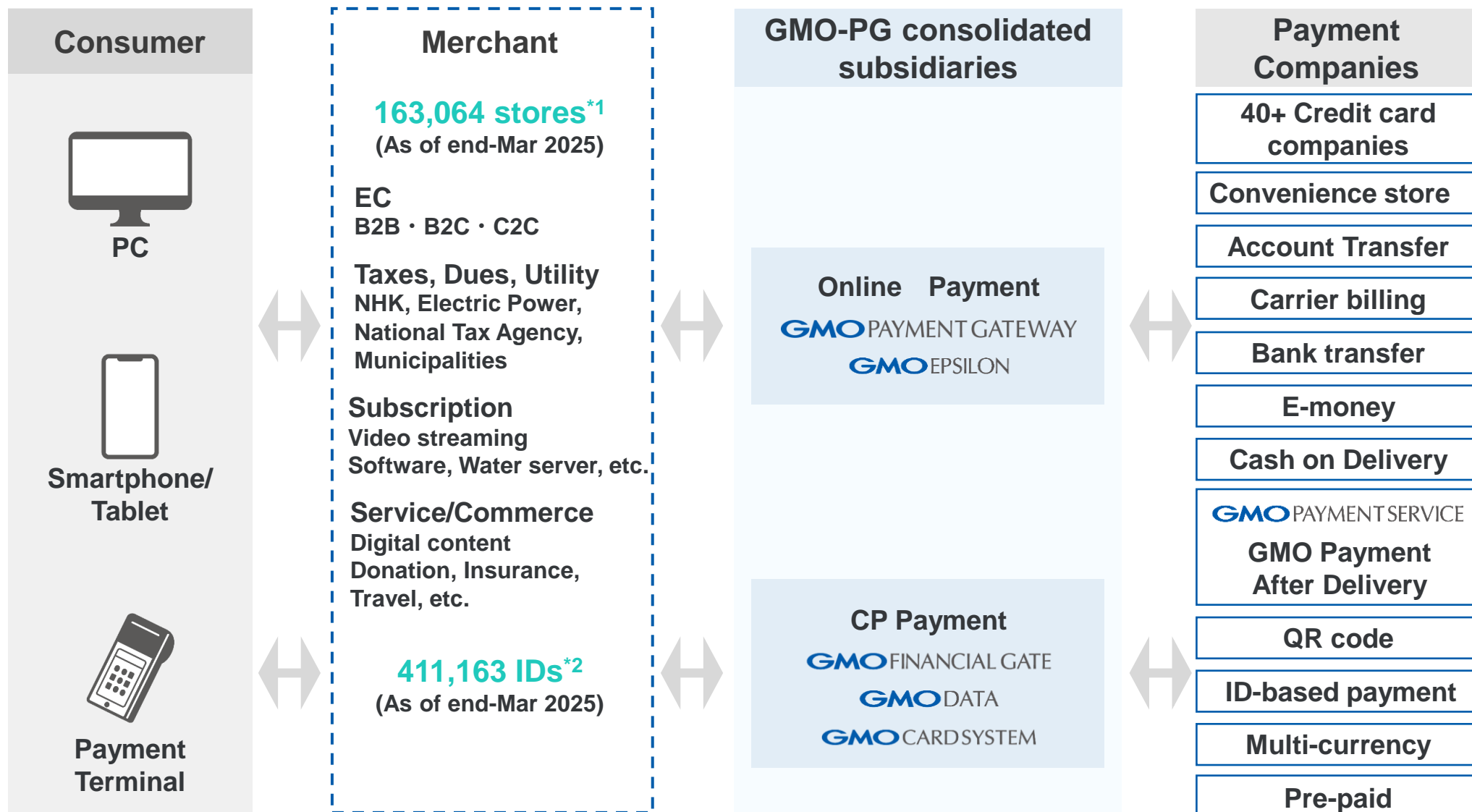
## 1.7 Characteristic of Payment Business: Cross-Industry

**Payment is a required action for any purchase and is a highly repetitive application**



## 1.8 Positioning of GMO-PG Group

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



\*1 The standards for calculating the number of operating stores has been revised from Q4 FY2023. Figures exclude a specific case and fincode byGMO. If included, the number of operating store IDs would be 747,825 stores (up 17.8% YoY).

\*2 Operating payment terminals present the figures for GMO-FG which include the number of terminal-free active IDs and excludes GMO-PG's GMO Cashless Platform.  
The growth rate of the number of terminals shown above is an increase of 19.3% YoY.

# 1.9 Payment Processing Business: Revenue Model of Credit Card Payment Processing

## Revenue model determined by merchant size and type

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

■ Revenue type determined by merchant type/size

### ① Initial (Initial revenue)

#### Payment Terminal Sales

Coefficient: Number of terminals (units)

Revenue: Terminal sales (units)  
× \_Yen; paid at start of service

### ② Stock (Fixed revenue)

#### Fixed Monthly Revenue

Coefficient: Number of operating stores

Revenue: Operating stores × \_Yen

### ③ Fee (Transaction processing revenue)

#### Fee based on transaction volume

Coefficient: Number of payments processed

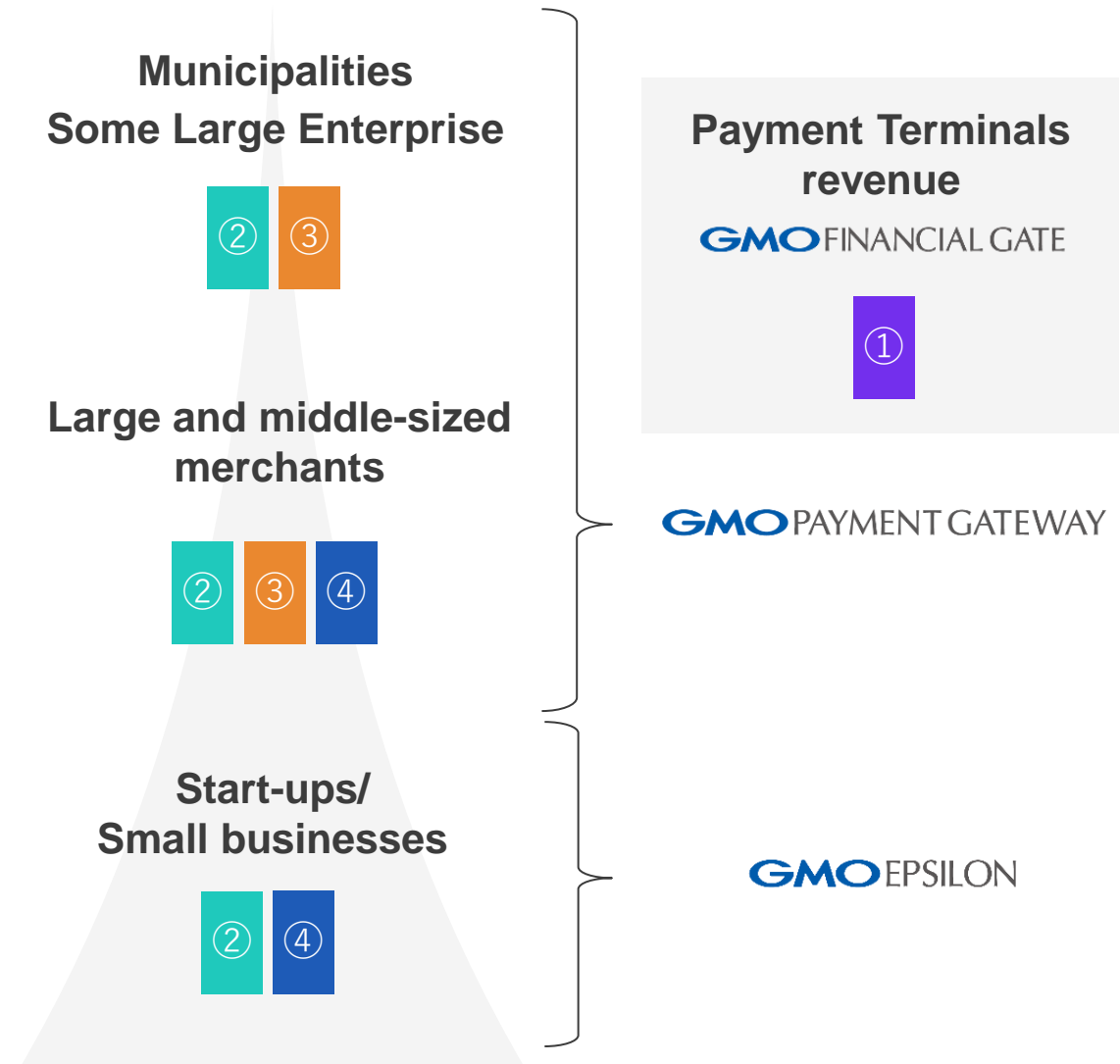
Revenue: Number of payments processed  
× \_Yen

### ④ Spread (Merchant's revenue)

#### Spread on the transaction value

Coefficient: Value of transaction

Revenue: Value of transaction × \_%



# 1.10 Payment Processing: Two Types of Merchant Contracts

## Direct Contract

No. of contracts

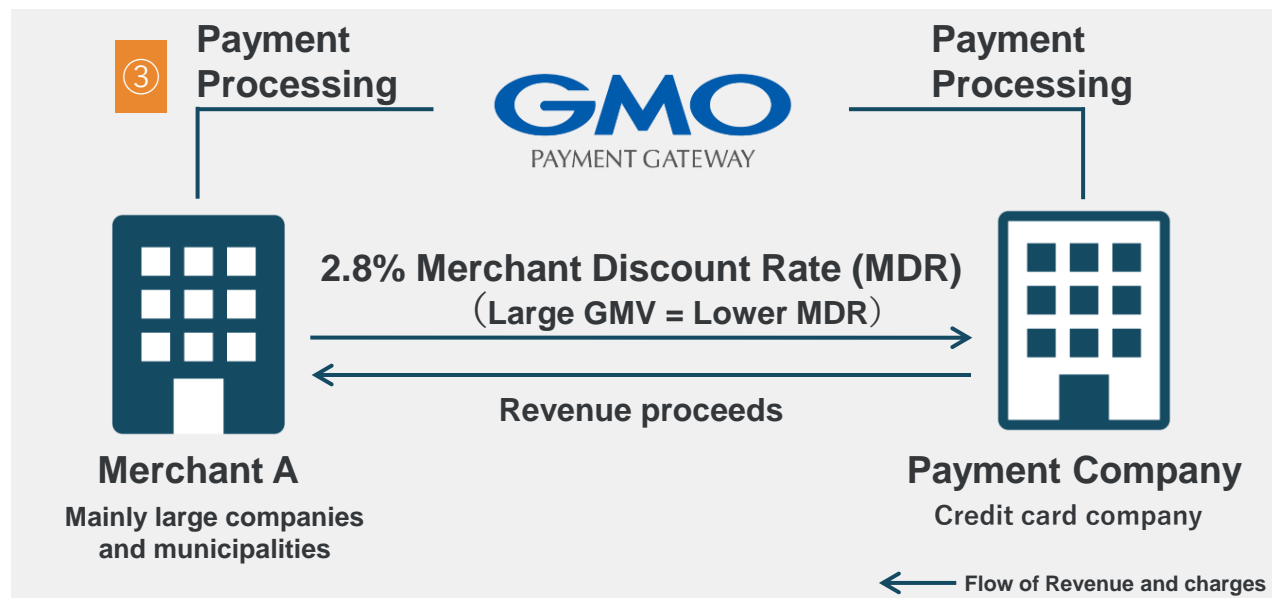
Contracts with multiple payment companies

MDR

Direct negotiations with payment companies

GMO-PG's role

Data processing only



Revenue type

② Stock

③ Fee

## Representative Contract

No. of contract

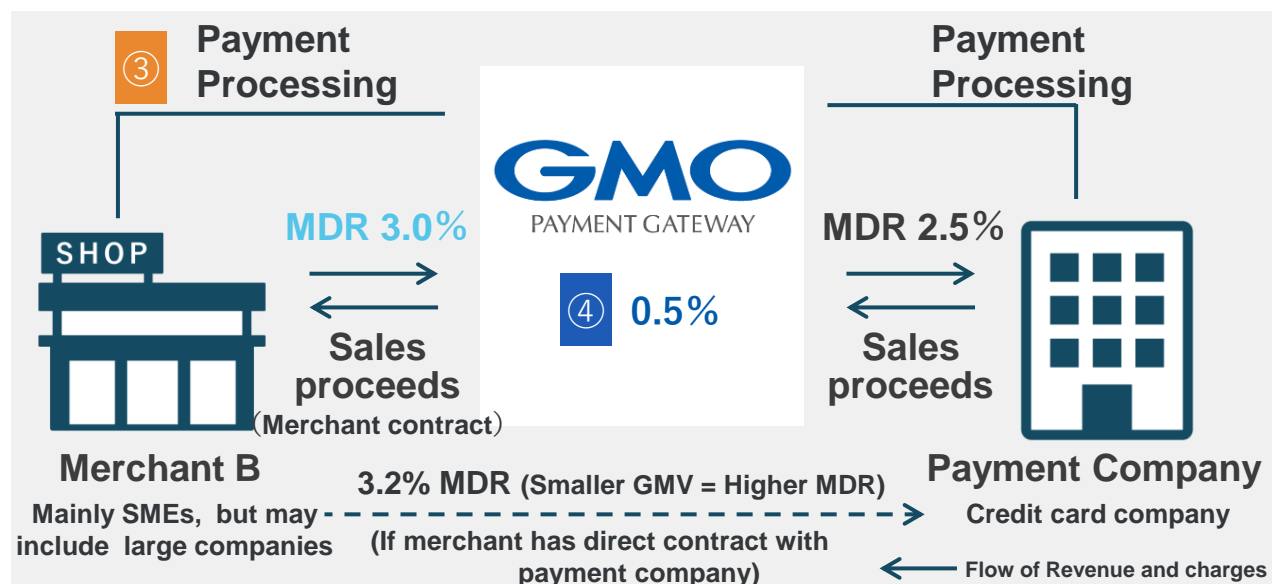
Single contract with GMO-PG

MDR

Reduceable via GMO-PG

GMO-PG's role

Data processing/  
Deposit of sales  
proceeds



Revenue type

② Stock

③ Fee

④ Spread

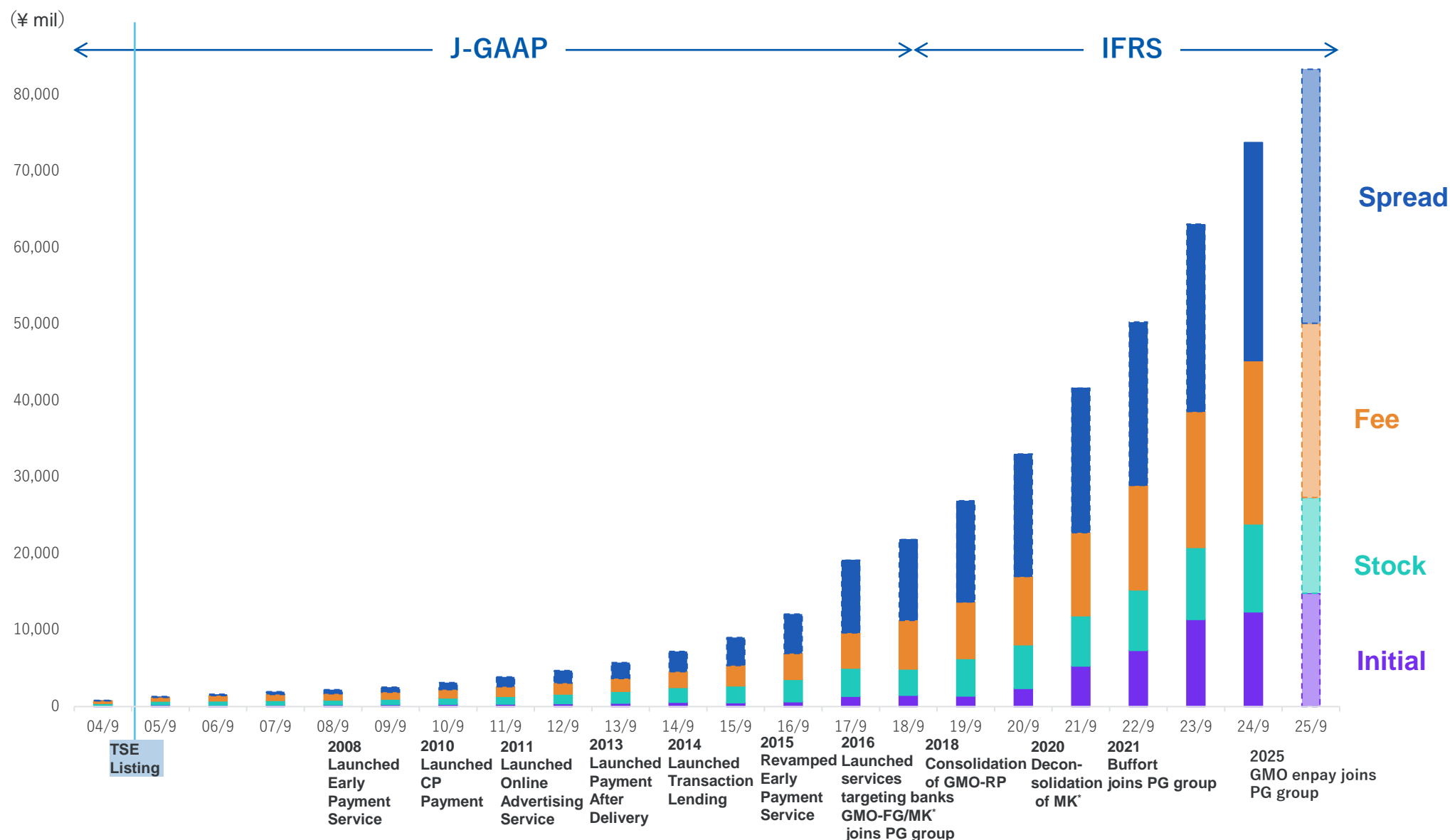
(In consideration of acquiring the merchant)

\* Figures included are shown for purpose of comprehension only.

\* This illustration represents the contracts for credit card. GMO Epsilon revenues are stock and spread (See page 12).

# 1.11 Revenue Breakdown by Business Model

Aiming for a balanced revenue growth by pursuing various initiatives



\* MK stands for MACROKIOSK

\* Due to adoption of IFRS accounting standards, the online marketing service (stock) and finance lease (spread) revenue recognition standard is changed from gross basis to net basis from fiscal year ending September 2018. Due to the deconsolidation of MACROKIOSK from FY2020, its business has been reclassified as a discontinued operations and is excluded from the revenue figures shown above

# 1.12 Summary Table of Segments, Business Model and Services



## Reporting in 3 segments and 4 business models

| Business Model  |   | Segment                             |   |
|---|---|-------------------------------------|---|
| <b>Initial</b><br>(Initial revenue)                   | Online Payment*   | <b>Payment Processing Business</b>  | Online Payment* / fincode byGMO                                 |
|   | CP Payment  |                                     | CP Payment  |
|   | SSL Service   |                                     | Ginko Pay / Processing / GCP*                                   |
| <b>Stock</b><br>(Fixed revenue)                       | Online Payment  |                                     | System Development  |
|   | CP Payment  |                                     |   |
|   | Ginko Pay / Processing / GCP*                                   |                                     |   |
| <b>Fee</b><br>(Transaction processing revenue)        | System Development  | <b>Money Service Business</b>       | GMO Payment After Delivery /<br>GMO B2B Pay On Credit / atokara |
|   | Online advertising service                                      |                                     | Remittance Service /<br>Instant Salary byGMO                    |
|   | Medical Kakumei byGMO   |                                     | Overseas Lending  |
| <b>Spread</b><br>(Merchant acquiring service revenue) | Online Payment  |                                     | Early Payment Service   |
|   | CP Payment  |                                     | B2B Factoring   |
|   | GMO Payment After Delivery /<br>GMO B2B Pay On Credit / atokara |                                     | Transaction Lending   |
|   | Remittance Service / Instant Salary byGMO                       | <b>Payment Enhancement Business</b> | Invoice Card Payment byGMO                                      |
|   | Delivery service  |                                     | Online advertising service                                      |
|   | Medical Kakumei byGMO   |                                     | SSL service   |
|   | Online Payment / fincode byGMO                                  |                                     | Delivery service  |
|   | CP Payment  |                                     | Medical Kakumei byGMO   |
|   | GMO Payment After Delivery /<br>GMO B2B Pay On Credit / atokara |                                     |   |
|   | Overseas Lending  |                                     |   |
|   | Early Payment Service   |                                     |   |
|   | B2B Factoring   |                                     |   |
|   | Transaction Lending   |                                     |   |
|   | Invoice Card Payment byGMO                                      |                                     |   |
|   |   |                                     |   |

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

# 1.13 Competitive Advantage and Achievements

## Expand value provided to clients to contribute to client's growth

|   |                             | Past<br>(As of end-Sep 2011)   |  | Present<br>(As pf end-Sep 2024)   |
|---|-----------------------------|--|--|---|
| Competitive Advantage<br>Comprehensive Capability | Product                     | Nos. of payment methods  | 1<br>Credit card pure-play (payment)<br>(*Before 2005) | Over 30<br>Multi-payment<br>Implemented Open API type from May 2023   |
|   | Sales Capability            | Sales Personnel  | Approx. 40   | Approx. 304* <sup>1</sup><br>Industry specific sales teams  |
|   | Development Capability      | Engineer Personnel   | Approx. 30   | Approx. 253* <sup>1</sup>   |
|   | Customer Support Capability | The only payment service company to be awarded the Seven Star rating for “HDI Support Center Certification” * <sup>2</sup> |  |   |
|   | Investment Capability       | GMO Global Payment Fund: Market value approx. 11x the initial investment amount  |  |   |
|   | Reliability                 | Annual TRX Value   | Approx. ¥0.9 trn                                       | Approx. ¥18.7 trn   |
|   |                             | Operating Stores   | Approx. 26K  | Approx. 156K  |

|             |                               |                  |  |                   |
|-------------|-------------------------------|------------------|--|-------------------|
| Achievement | Operating Profit              | Approx. ¥1.4 bn  |  | Approx. ¥25.1 bn  |
|             | Operating Profit Per Employee | Approx. ¥9.0 mil |  | Approx. ¥30.0 mil |

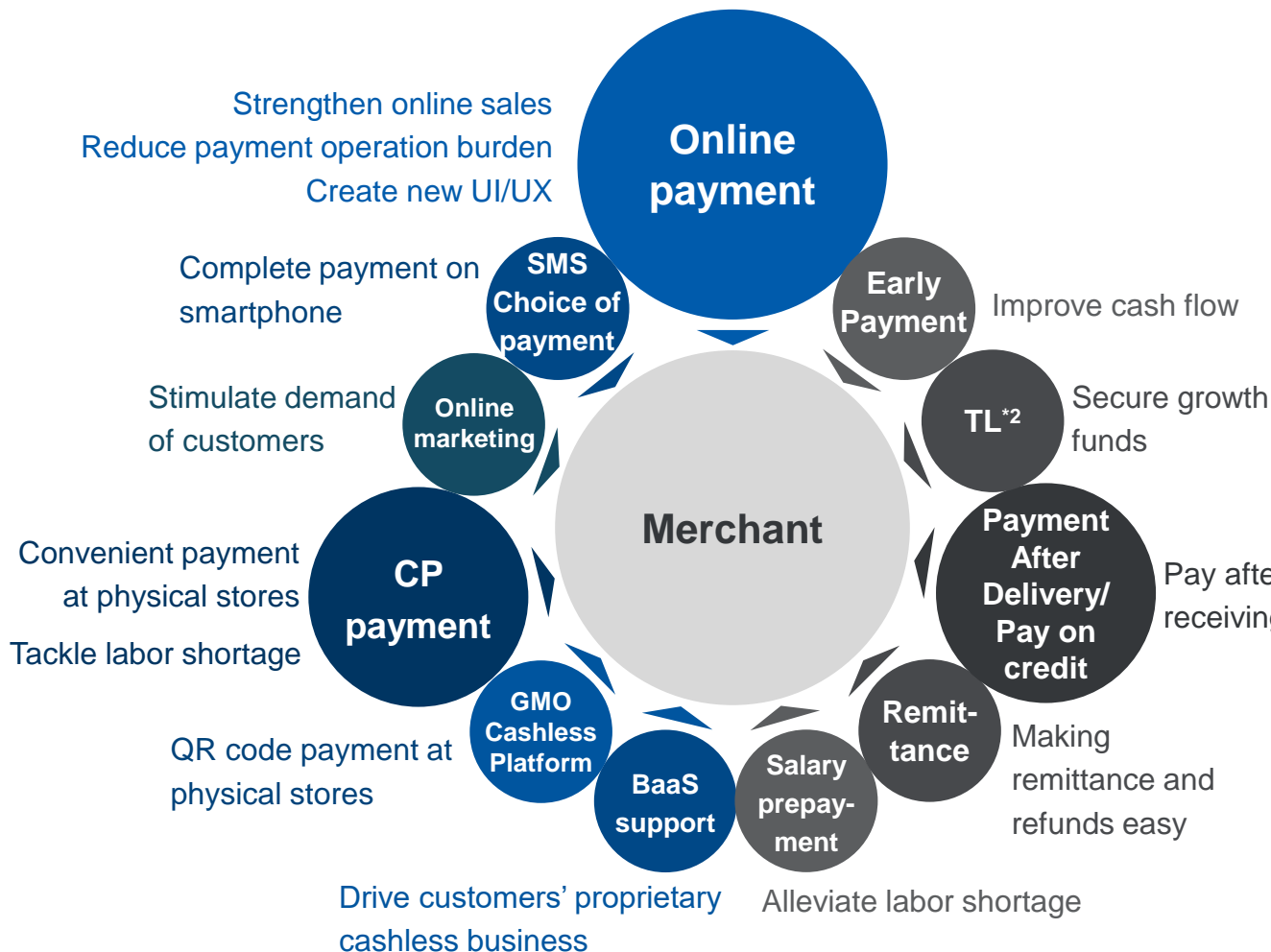
\*1 The standards for calculation have been changed from Q4 FY2023. The number of sales and engineer personnel includes partners of GMO-PG group of consolidated subsidiaries and exclude external collaborators.  
 \*2 HDI: World's largest membership organization of IT support services.



## 1.14 Re-Bundling\*<sup>1</sup>

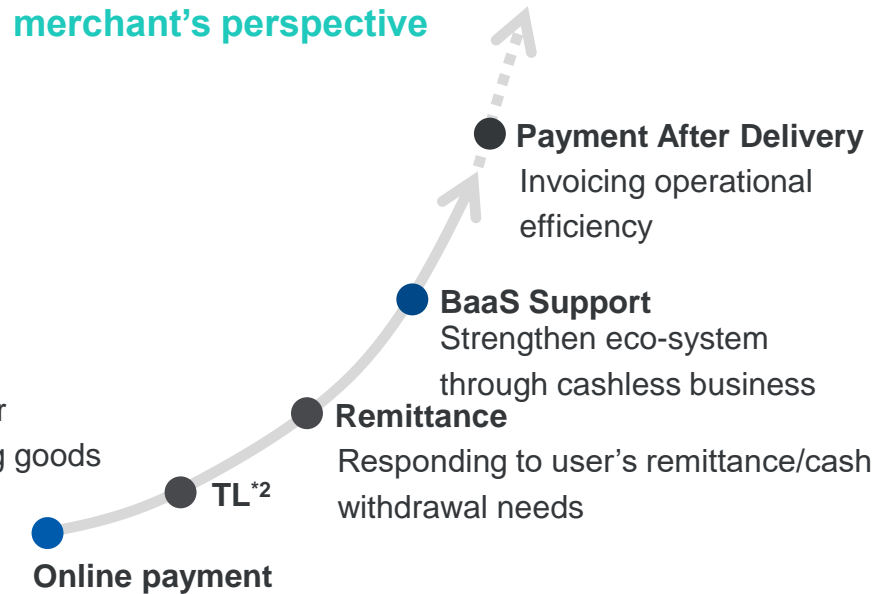
# One-stop support of merchant's growth through product scalability (resulting in enlarging project size)

Value proposition to merchants/users: examples of products offered



### Examples of supporting merchant's growth

“Re-bundling\*<sup>1</sup>” payment function from the merchant's perspective

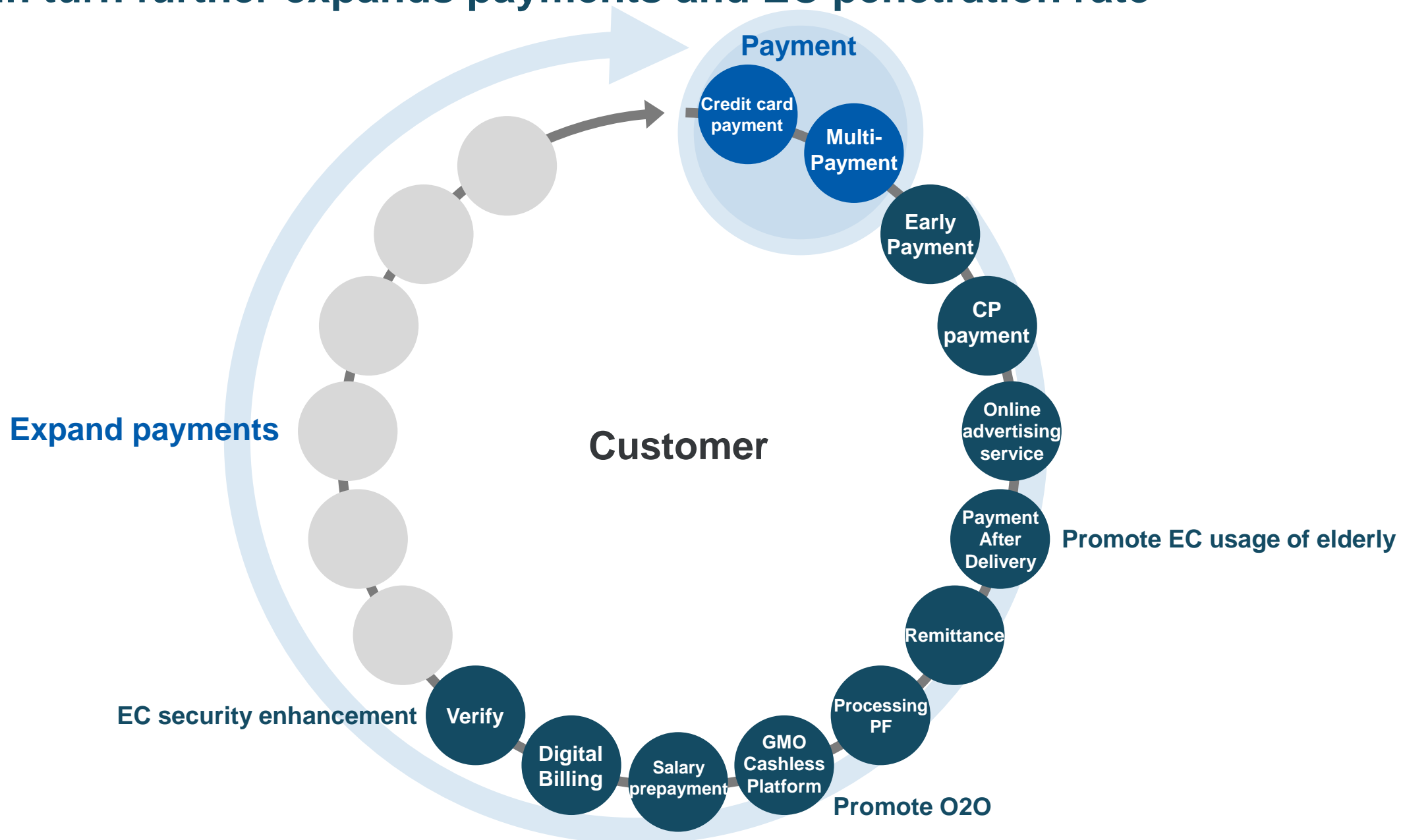


Building track record with regional banks, restaurant chains, apparel, utility, high-growth start-ups, etc.

\*<sup>1</sup> Re-bundling refers to the unbundling of each function of financial services and recombining it according to the user's perspective. \*<sup>2</sup> TL stands for transaction lending.

## 1.15 Evolution of the Ecosystem

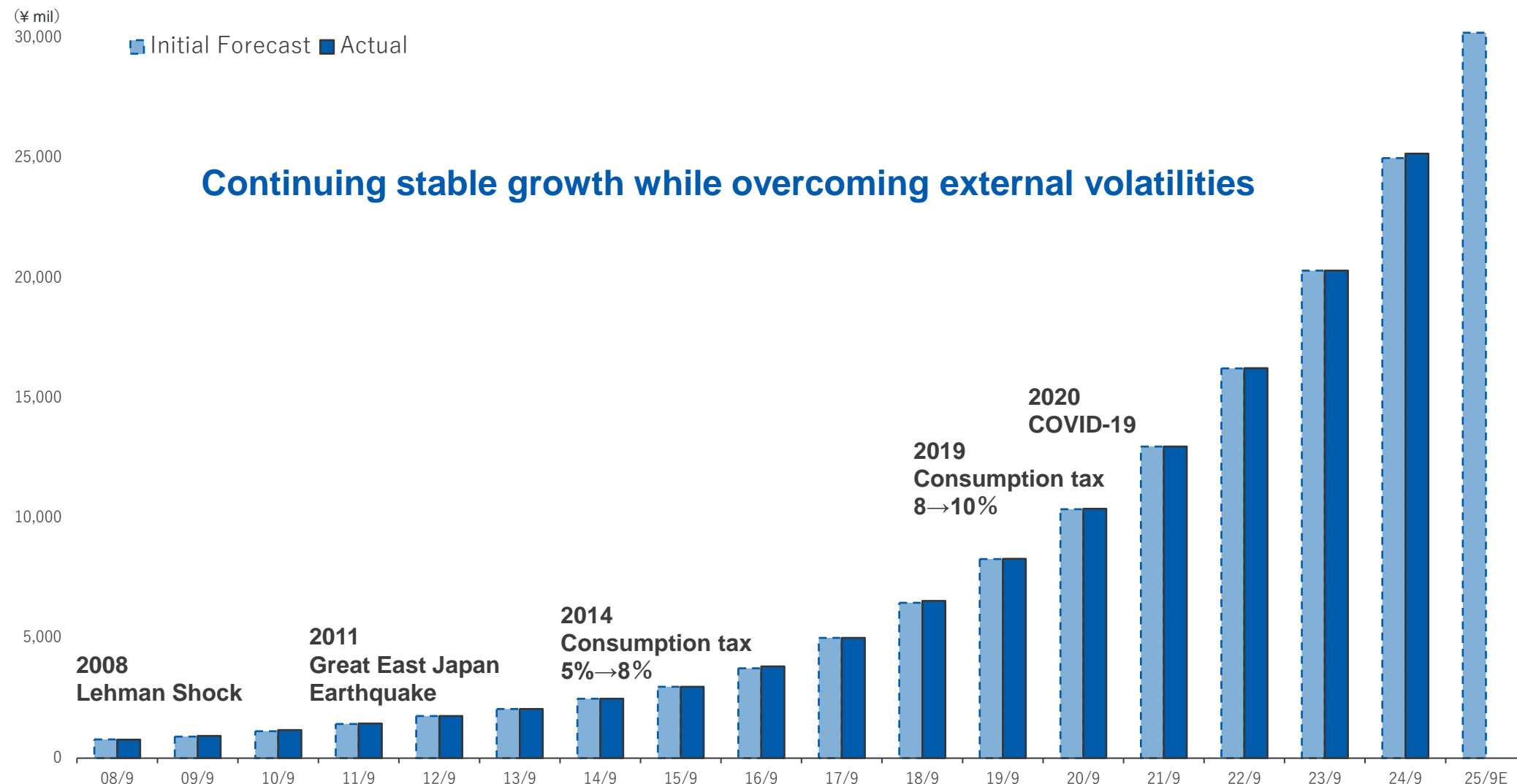
Evolving the ecosystem enhances acquisition of large clients, which in turn further expands payments and EC penetration rate



# 1.16 Continuous Achievement of OP Target

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

## Operation Profit\*



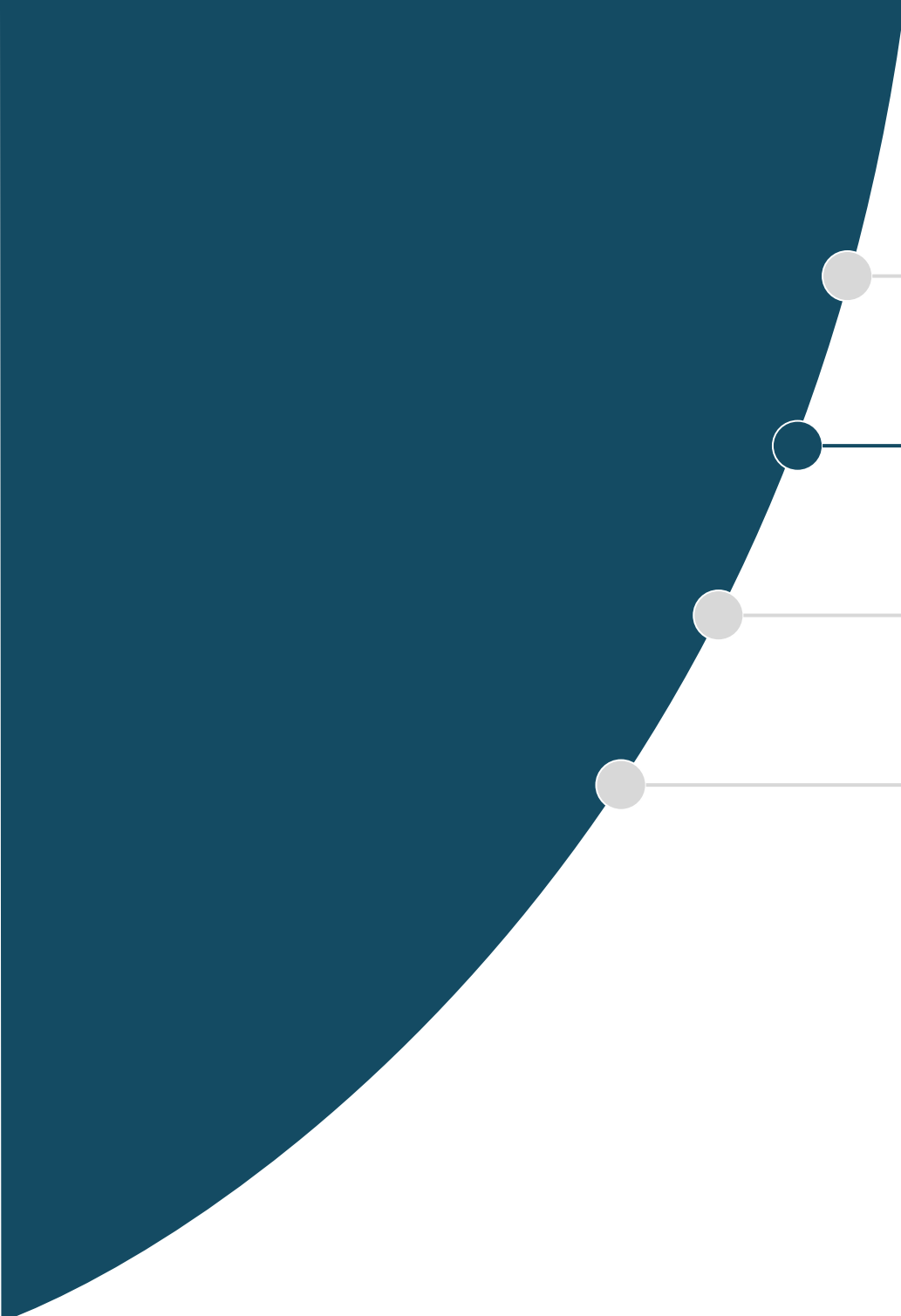
\* Initial forecast for FY2018 is based on revised forecast to reflect the voluntary adoption of IFRS. Figures before FY2019 present operating profit before the deconsolidation of MACROKIOSK and include both continuing and discontinued businesses.

## 1.17 Expansion of Business Domains

Aim for OP 25% CAGR by expanding TAM by entering new domains

|         | 2005             |              | 2025  | Going forward              |
|---------|------------------|--------------|---|----------------------------|
| TAM     | B2C EC<br>¥3 trn | 60<br>times  | ¥180 trn*<br>Corporate card ¥6 trn<br>Education domain ¥5 trn | + Wholesale domain ¥56 trn |
| Revenue | ¥1.3 bn          | 64<br>times  | ¥83.3 bn  |                            |
| OP      | ¥0.3 bn          | 100<br>times | ¥30.2 bn  | CAGR 25%                   |

\* Figure presented is a sum total of the size of each target market.



|    |                     |      |
|----|---------------------|------|
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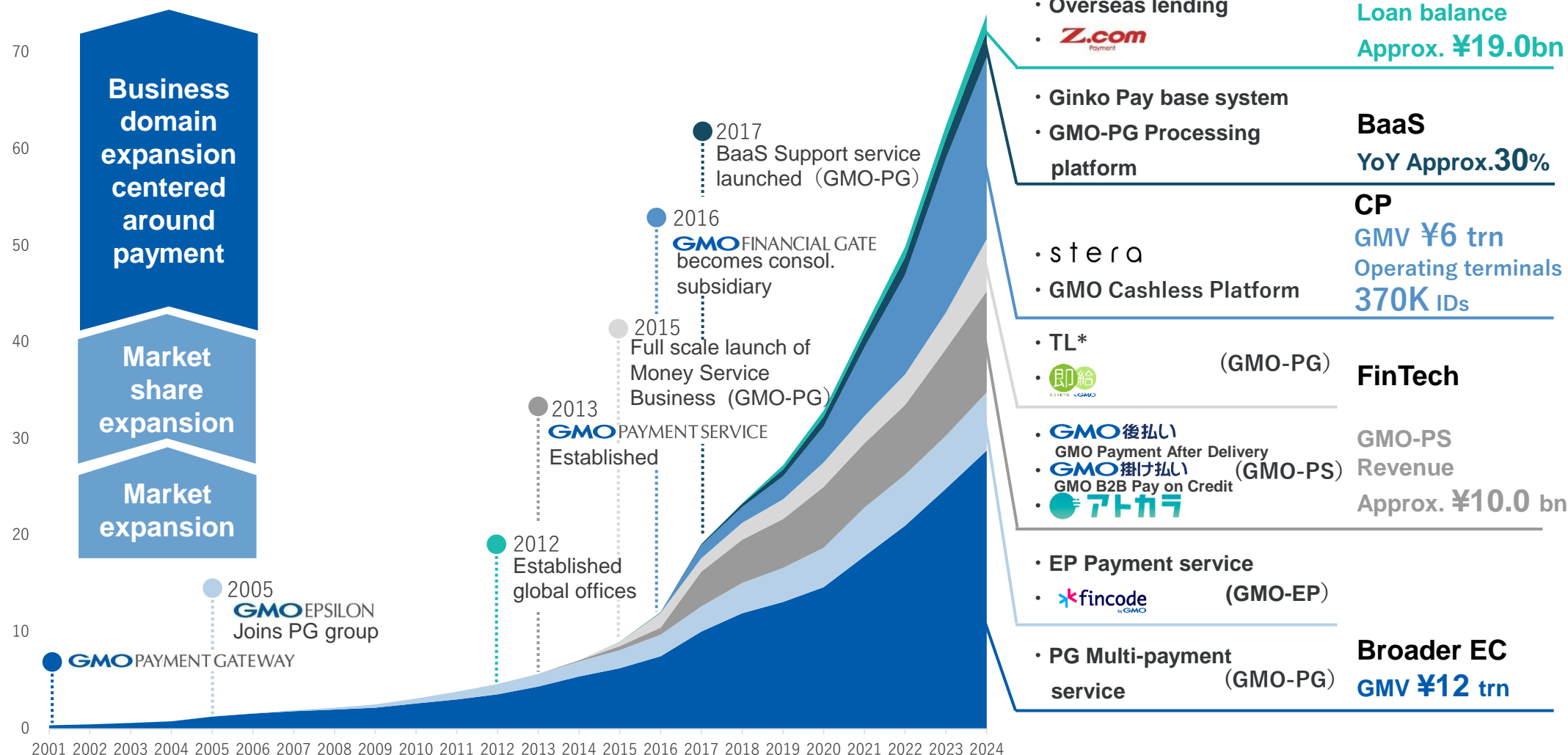
## 2.1 Focus Markets

# Sustain high growth from expanding revenues in existing services and entering new domains

### Focus market revenue

Actual figures  
for FY24

(¥ bn)

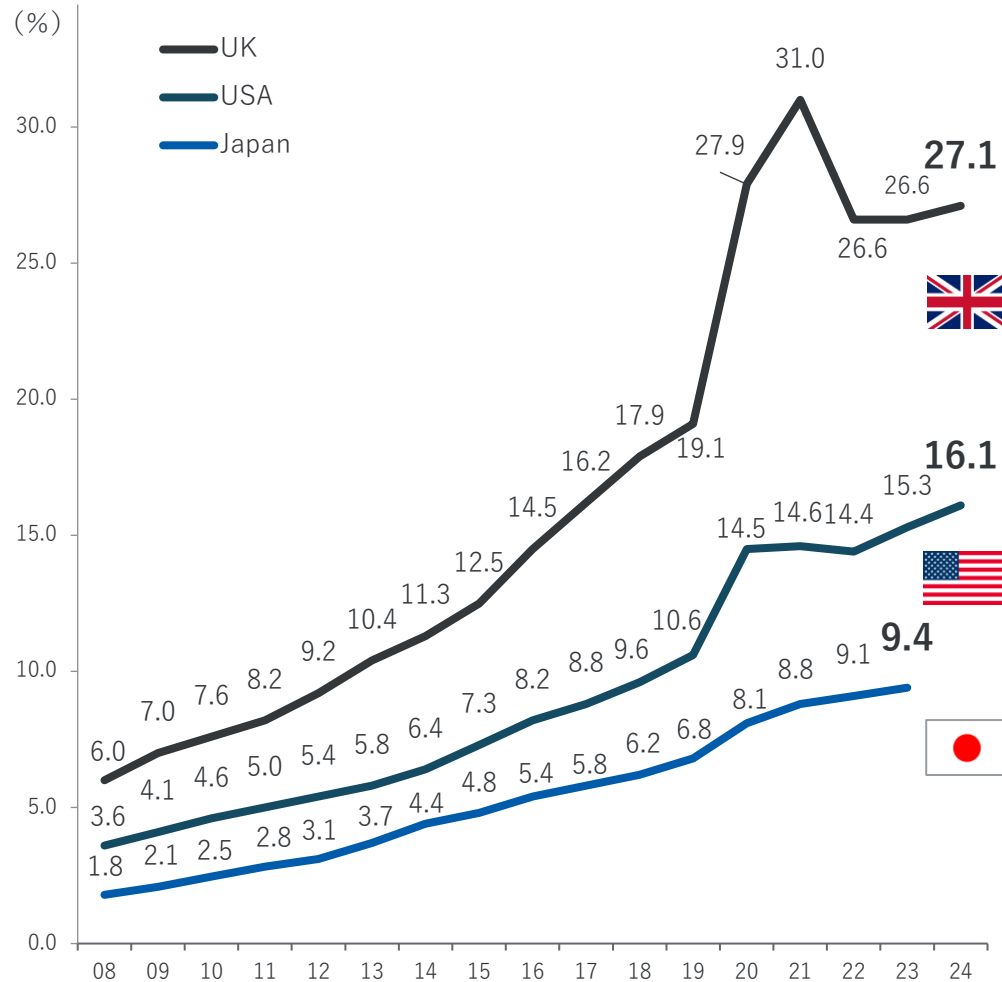


\* TL refers to transaction lending, figures are before consolidated eliminations.

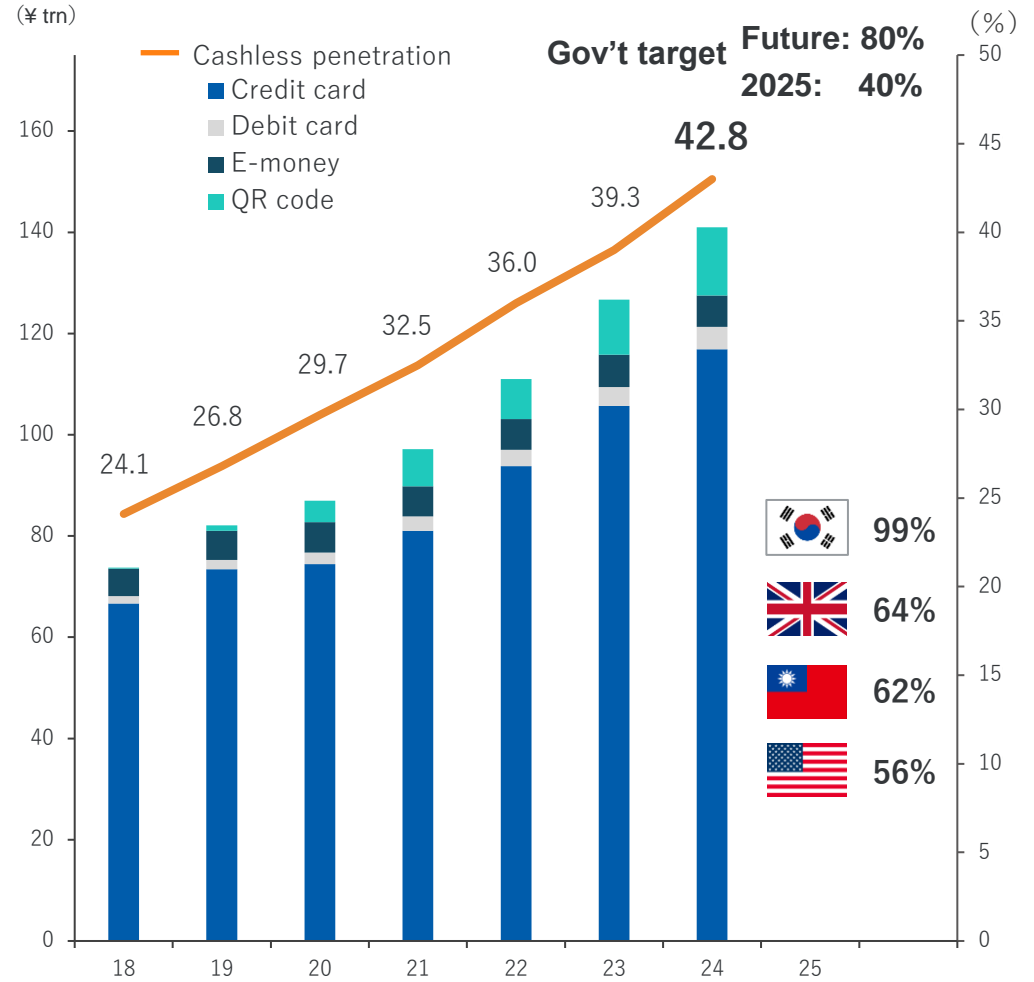
## 2.2 Narrowly-Defined EC: BtoC EC Market

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

EC Penetration Rates in Developed Markets\*<sup>1</sup>



Cashless Penetration (ratio to private final consumption)\*<sup>2</sup> \*<sup>3</sup>



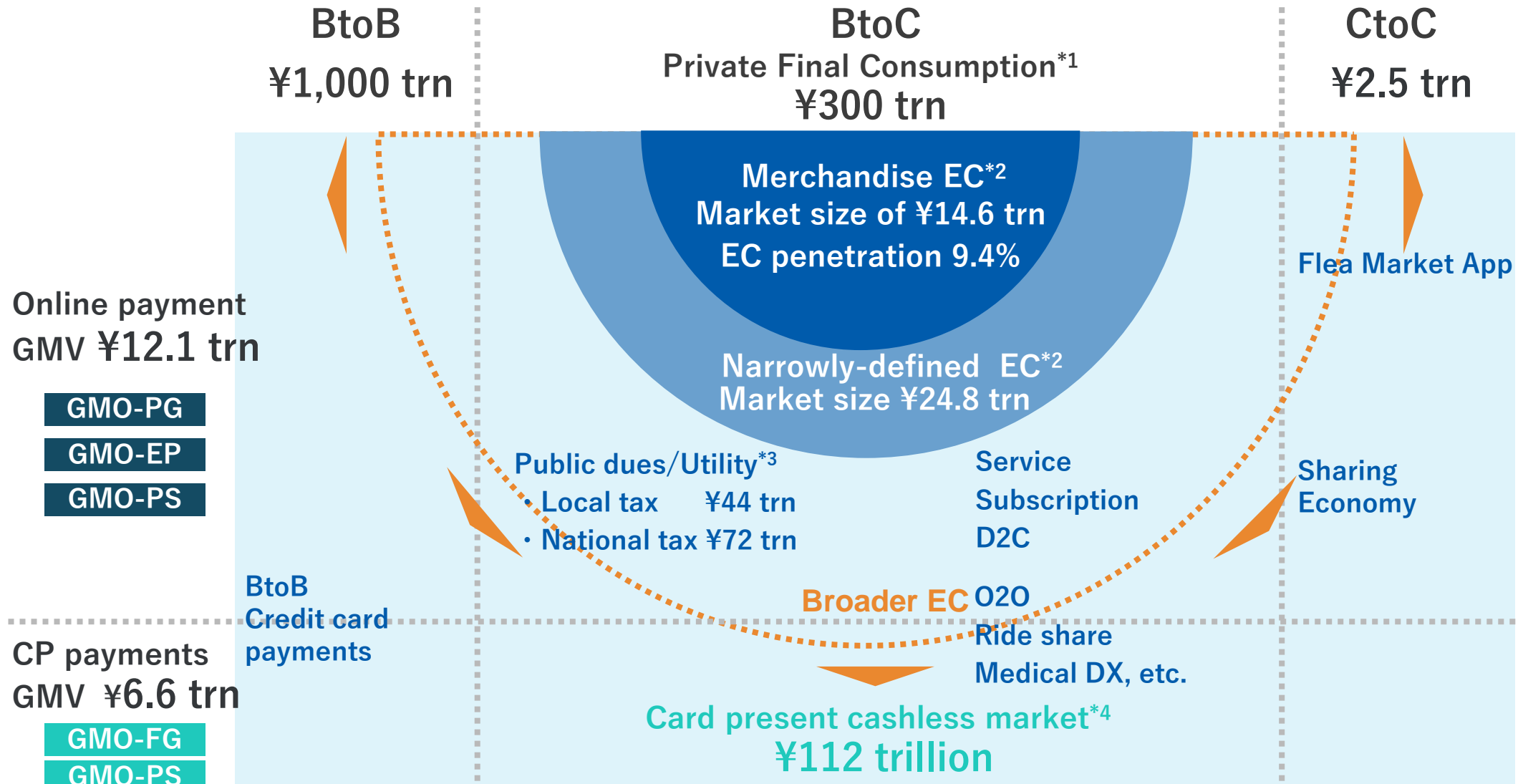
\*<sup>1</sup> METI "FY2023 Global Survey Project Concerning Integrated Domestic and External Economic Growth Strategy Building (E-Commerce market survey)", U.S. Bureau of the Census "The 4th Quarter 2024 Retail E-Commerce Sales Report", U.K. Office for National Statistics "Retail Sales Index internet sales, March 2025"

\*<sup>2</sup> Cabinet Office "System of National Accounts", Japan Consumer Credit Association's Credit Card Statistics, Bank Of Japan's Payment and Settlement Statistics, Payments Japan Association's Code Payment Statistics.

\*<sup>3</sup> Figures for Japan, South Korea, UK and USA are excerpts from Payments Association Japan's "Cashless Roadmap 2024." Figures for Taiwan are from National Development Council. Actual figures for Taiwan are up to 2019, 2023 for South Korea, UK and USA and, 2024 for Japan.

## 2.3.1 Broader EC: Expanding Scope of Cashless Business

Japan's migration towards cashless payment contributes to accelerating the growth of GMO-PG group



\*1 Cabinet Office's "System of National Accounts (GDP statistics)"

\*2 METI's "FY2023 Global Survey Project Concerning Integrated Domestic and External Economic Growth Strategy Building (E-Commerce market survey)" and Yano Research Institute Ltd. Figure for EC penetration is the company's estimates.

\*3 MIAC "Breakdown of national tax and local tax revenue (FY2024 Budget and Local Government Finance Plan)"

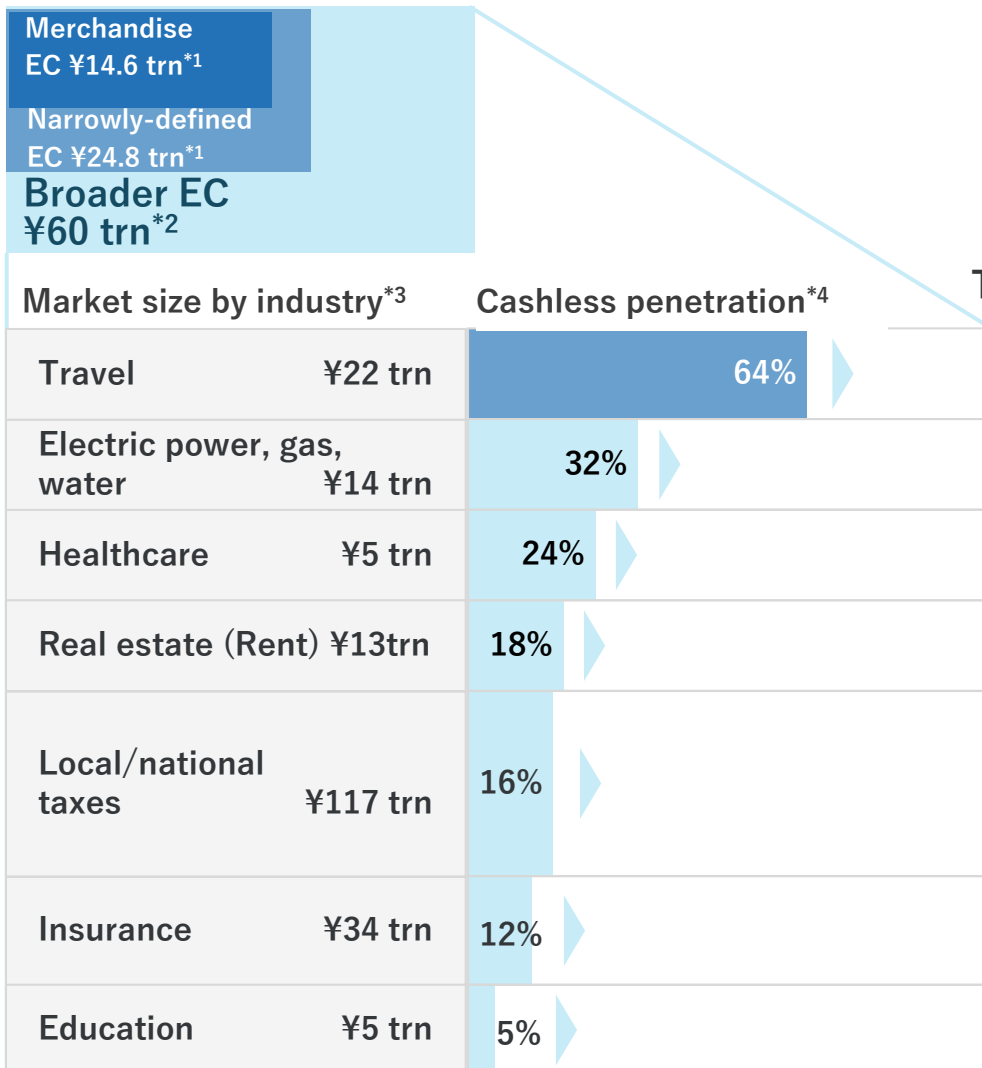
\*4 Figures are the company's estimate calculated by referencing Yano Research Institute Ltd.'s "Domestic Cashless Payment Market in Japan 2024," and "Online Payment Service Providers 2024."



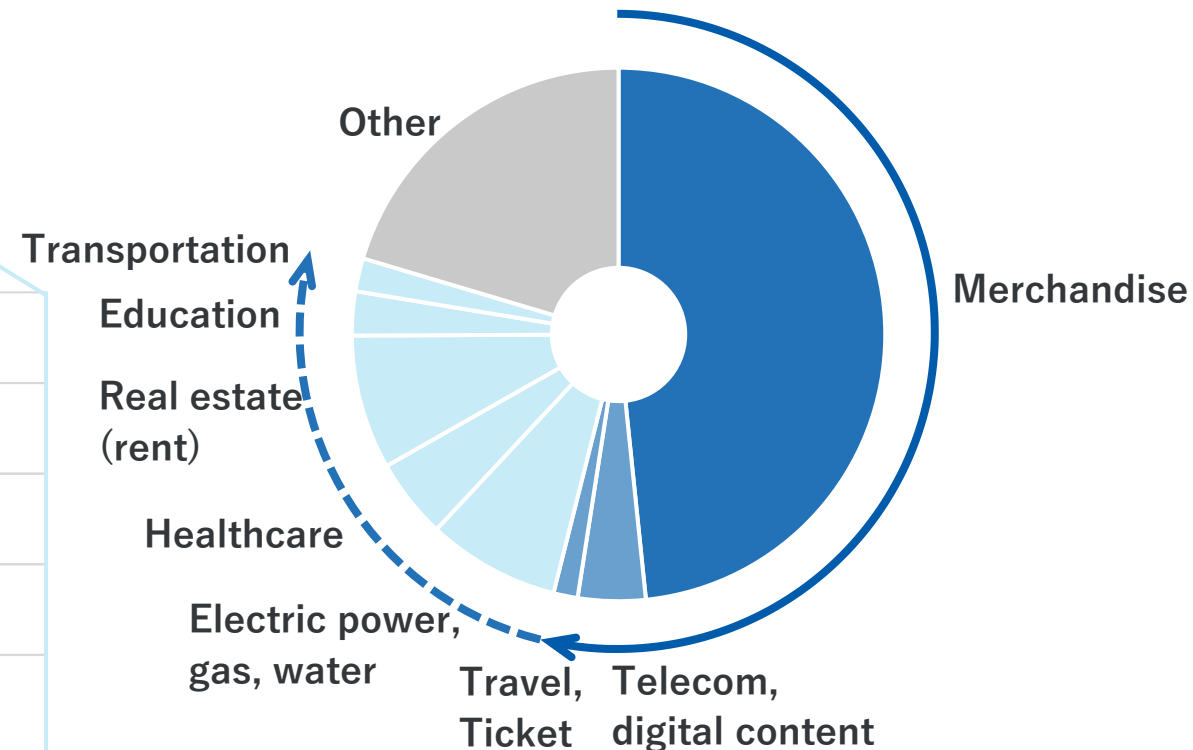
## 2.3.2 Broader EC: Target Markets

### Address each vertical in the vast white space

Cashless penetration by industry  
(credit card usage)



Proportion of household expenditure by industry<sup>\*4</sup>



Address majority of household expenditure  
by promoting cashless migration

<sup>\*1</sup> METI 's " FY2023 E-Commerce Market Survey."

<sup>\*2</sup> Figures are calculated by multiplying the cashless penetration rate to the market size to each of the following industries of narrowly-defined EC market ¥24.8 trn, electric power, gas and water utilities, healthcare, real estate (rent), local and national taxes, insurance and education.

<sup>\*3</sup> Figures are GMO-PG estimates. <sup>\*4</sup> Based on GMO-PG estimates by referencing Consumer Affairs Agency' "Family Income and Expenditure Survey".

## 2.3.3 Broader EC: Taxes/Public Dues and Utility Bills

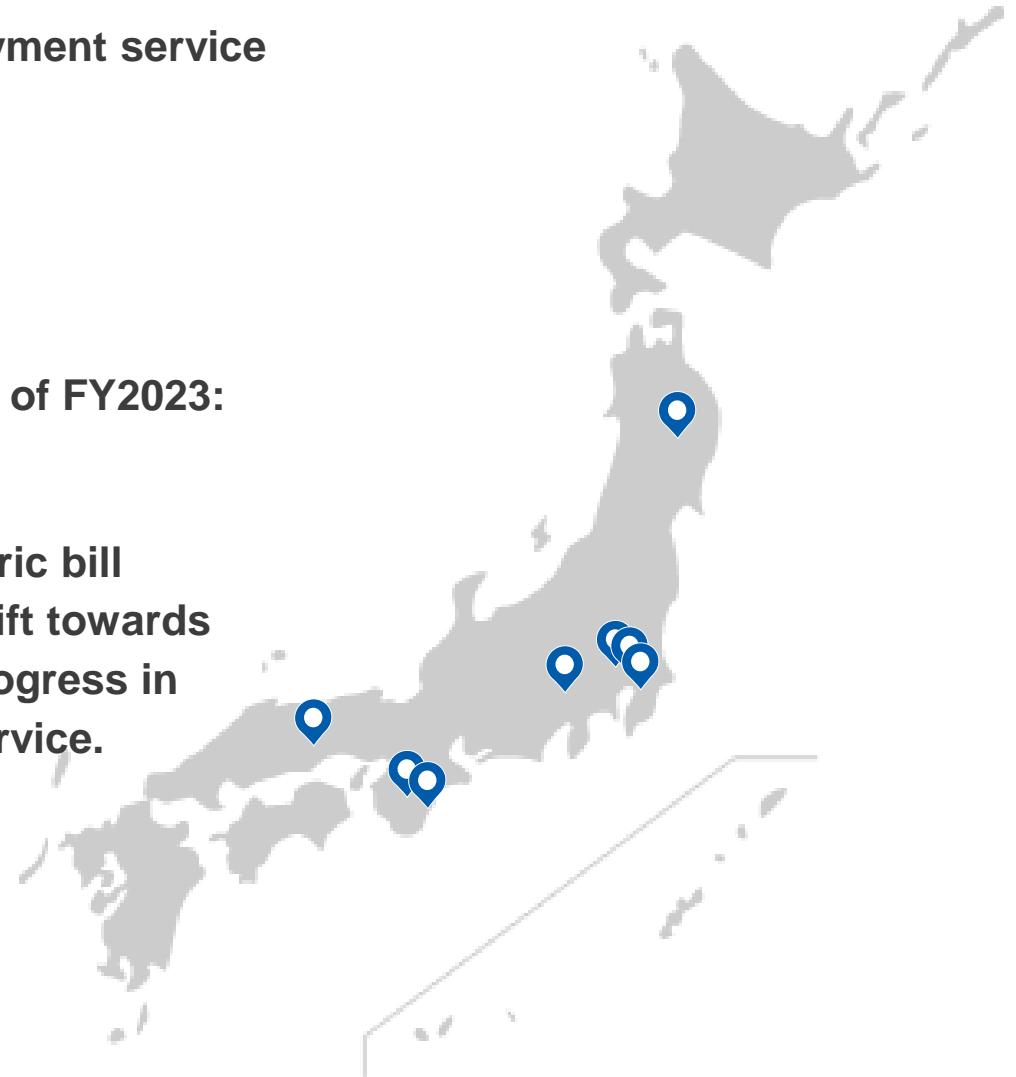
**Entered into the public dues/taxes sector in 2006 when Local Autonomy Law was amendment; pioneered credit card payments in this sector**

**Tax • Utility Bill**      National tax smartphone app payment service  
Hometown tax  
Water bill, etc.

**NHK**      Broadcasting subscription fee  
Credit card usage rate at the end of FY2023:  
19.1% (up + 0.5% YoY)\*

**Electric Power  
Gas**      Supporting digitalization of electric bill  
payment to realize significant shift towards  
paperless operations. Making progress in  
cross-industry deployment of service.

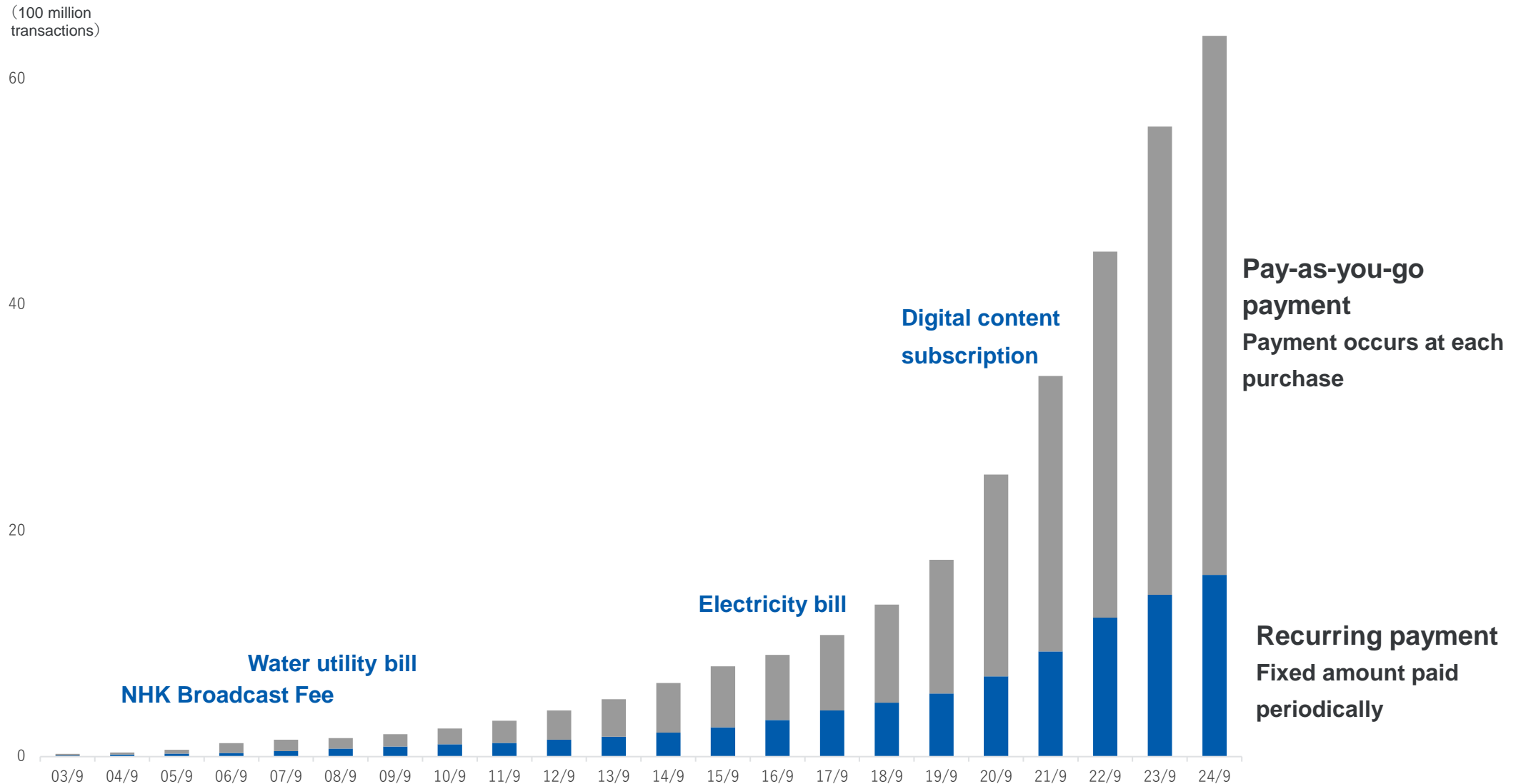
**Expansion expected to continue:**  
maintenance fee, cram school tuition fee  
parking fee, school meal charge, etc.



\* Japan Broadcasting Corporation "Business Report for FY2023"

## 2.3.4 Broader EC: Transaction Volume\*

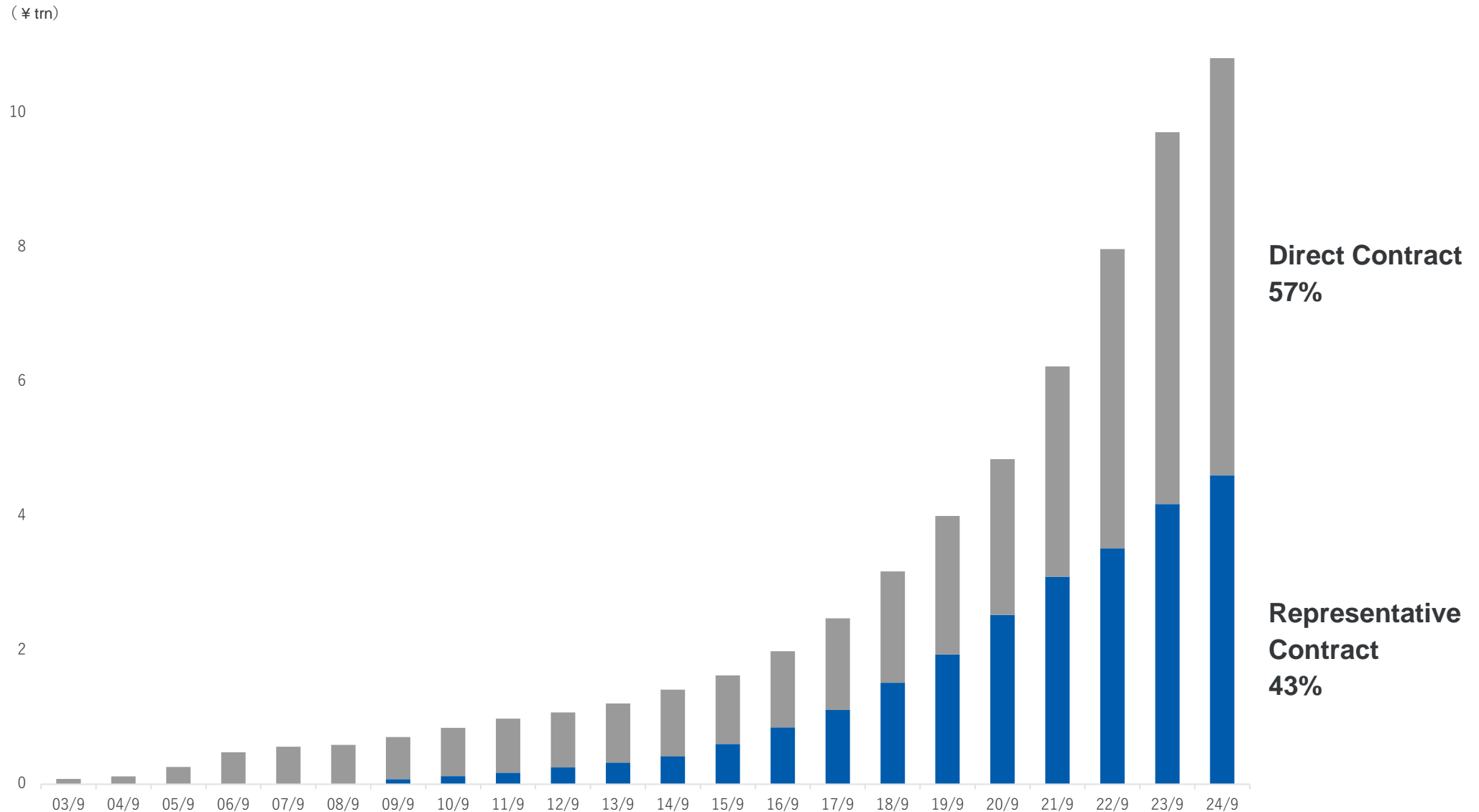
### Stable growth by capturing pay-as-you-go and recurring payment



\* TRX volume is calculated based on fee revenue standards, which in the case of online consist of multiple (1 to 3) transactions per payment which includes authorization and actual proceed amount, and one transaction per payment in the case of CP.

## 2.3.5 Broader EC: Transaction Value\*

**TRX Value = Sustainably grow revenues at client/merchants that we support**



\* TRX under the representative contract has been disclosed since FY2009.

# 2.3.6 Broader EC: Commencement of Business-to-Business payment Platform "M's PayBridge"

2025.04.24 **GMO EPSILON**

## Commencement of Business-to-Business payment Platform "M's PayBridge" ~Seamless integration of business processes and payment ~

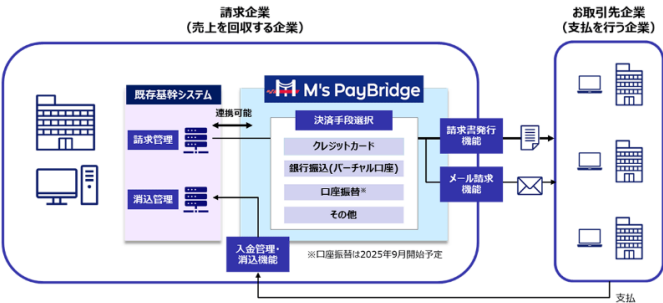
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April 24, 2025

Mizuho Bank, Ltd.  
GMO Epsilon, Inc.

Mizuho Bank, Ltd. (President: Masahiko Kato, hereinafter referred to as "Mizuho Bank") and GMO Epsilon, Inc. (President & Chief Executive Officer: Tomoyuki Murakami, hereinafter referred to as "GMO Epsilon") have launched a new business-to-business payment platform, M's PayBridge.  
"M's PayBridge" is a platform built using the online infrastructure of payments\* fincode byGMO\* provided by GMO Epsilon and has the management functions necessary for billing and fund collection between the billing company and the business partner (the company that makes the payment) in business-to-business payment transactions, as well as the function of linking with external services to improve operational efficiency.

[Image of M's PayBridge]



### 1. Background

Mizuho Bank has been working to solve the problems and support the growth of corporate customers. On the other hand, there are cases where services related to business-to-business transactions, such as payment, are not connected to other business processes, and the use of different services and the transfer of data have become new business issues. In addition, GMO Epsilon was considering new ways to solve and support growth by confronting the environment surrounding customers and the issues they were facing while providing "fincode byGMO" to businesses. For this reason, based on the business alliance contract <sup>(1)</sup> entered into in October 2024, the two companies will combine Mizuho Bank's knowledge, services, and customer base in the finance domain, GMO Epsilon's knowledge and know-how in payment processing company operations, and the online infrastructure of payments that has already been provided to GMO Epsilon merchants. fincode byGMO We decided to build and provide M's PayBridge, a business-to-business payment platform that seamlessly connects various operational efficiency services and payment services.

### 2. 「Contents of "M's PayBridge"」

- (1) Features for billing companies (companies that collect sales)
  - (1) Billing is possible in combination with various payment method  
In addition to Bank transfer, billing companies can select the most suitable payment method according to their needs from payment by Credit card payment and Bank transfer (Virtual Account), and automatically link data to invoice. In addition, the business partner (the company that makes the payment) can choose the method that is most suitable for them from the payment method offered. It also provides a invoice publishing function.
  - (2) Automatic clearing of billing data and payment data  
invoice By using the management function that allows you to centrally check the billing data used for issuance and the payment data from business partners, it is possible to automatically clear the billing data and payment data.
  - (3) Quick Start  
Since it can be connected to various payment method with a single interface, it can be introduced in a short period of time with little development man-hours.
- (2) Functions and services planned to be expanded in the future
  - (1) Cooperation with business efficiency services  
"M's PayBridge" is not limited to a specific service, but will provide a wide range of highly convenient payment services by openly linking with various business efficiency services. As the first step in the service collaboration, Mizuho Bank has agreed to mutually collaborate with freee K.K. (CEO: Daisuke Sasaki, hereinafter referred to as "freee"), which has approximately 560,000 <sup>(2)</sup> offices as users, by the fall of 2025. As a result, it will be possible to select not only Bank transfer but also Credit card payment, Account transfer, etc. when issuing invoice on services such as "freee invoice" provided by freee.
  - (2) Provision of payment services for business partners (companies that conduct payment)  
By September 2025, we plan to release a service that addresses operational efficiency and cash flow improvement associated with payment.

Based on the release of M's PayBridge, Mizuho Bank and GMO Epsilon will leverage their knowledge and know-how to solve problems in business-to-business payment transactions and streamline business processes. In the future, we will further evolve "M's PayBridge" to support the growth of our customers and contribute to the sustainable development of society as a whole. In this way, we will create new value and level up to become an indispensable platform for many companies.

<sup>\*1</sup> News release dated December 6, 2024 "Business Alliance contract for the Construction and Provision of a Business-to-Business payment Platform" <https://www.gmoepsilon.jp/news/20241206.html>

<sup>\*2</sup> As of the end of December 2024

### 【About GMO Epsilon, Inc.】

GMO Epsilon offers two payment processing services, "Epsilon by GMO" and "fincode byGMO," which are used by more than 40,000 e-commerce businesses as of the end of December 2024, and are available for initial costs and transaction processing fees <sup>(3)</sup>. It's free to use. fincode byGMO is an online payment service for startups designed to meet a variety of business needs. It enables rapid deployment of payment systems and is ideal for E-commerce, as well as platform and subscription business models. In addition, in order to support the smooth cash flow of e-commerce businesses, we also provide finance-related services such as the sales-linked business card "Cycle by GMO" and lending and Remittance Service. TSE as a consolidated company of GMO Payment Gateway, a prime listed company, we provide an environment where you can use it with peace of mind with PrivacyMark certification and security standards that comply with PCI DSS and ISMS.

<sup>\*3</sup> Transaction processing fee is a fee charged for each communication with a credit card company for credit card authorization (acquisition of an authorization number) and billing.

## 2.3.7 Broader EC: Jihanpi

2025.03.28

GMO PAYMENT GATEWAY

### SUNTORY BEVERAGE SOLUTION Providing Comprehensive payment Services for Vending Machine Cashless App "Jihanpi"

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March 28, 2025

GMO Payment Gateway, Inc.

GMO Payment Gateway, Inc. (TSE Prime Market: Securities Code: 3769, President & Chief Executive Officer: Issei Ainoura, hereinafter referred to as "GMO-PG"), which develops comprehensive payment-related services and finance-related services in the GMO Internet Group, provides a comprehensive payment service "PG Multi-Payment Service" to the cashless vending machine app "Jihanpi" developed by SUNTORY BEVERAGE SOLUTION LIMITED. (President & Chief Executive Officer: Mori Yuji hereinafter referred to as "SUNTORY BEVERAGE SOLUTION").

自販機キャッシュレスアプリ  
「ジハンピ」に  
総合決済サービスを提供



GMO PAYMENT GATEWAY

#### 【Background and Summary】

In order to contribute to the realization of a sustainable society and the progress and development of society, GMO-PG supports the resolution of issues in various industries by providing services based on payment that support online, cashless, DX, etc. SUNTORY BEVERAGE SOLUTION is pleased to announce that it will provide a comprehensive payment service "PG Multi-Payment Service" to the vending machine cashless app "Jihanpi" that will be gradually rolled out nationwide, and will support the cashless shopping experience at vending machines.

In vending machines that support "Jihanpi", the SUNTORY BEVERAGE SOLUTION has installed a dedicated terminal for "Jihanpi" with an NFC tag attached to the outside of the vending machine, so users can use the smartphone app "Jihanpi" to payment touch. The innovative payment method, which does not rely on the expensive traditional card reader writers, has resulted in a significant increase in the number of deployments.

GMO-PG will continue to contribute to the growth of our customers and the realization of a sustainable society by providing various payment and finance-related solutions and platforms, building infrastructure of payments, etc., as an innovation partner for customers who are solving problems in various industries.

【About "Jihanpi"】 (URL : <https://www.suntory.co.jp/softdrink/jihanki/jihanpi/>)

"Jihanpi" provided by SUNTORY BEVERAGE SOLUTION is a vending machine cashless app that allows you to purchase by simply launching the app and touching it. It can be used at vending machines with the "PI" logo in the upper right corner, and a simple purchasing experience is realized that anyone can easily and immediately purchase. There are 13 types of money available, so you can use payment with the money you always use, and you can use and accumulate 5 types of points. Approximately 150,000 Jihampi-compatible vending machines are scheduled to be deployed by the end of 2025.

#### 【GMO Payment Gateway, Inc.】

GMO Payment Gateway, Inc. provides payment-related services that support the customer's online and cashless migration and digital transformation (DX). Annual transaction value exceeds 19 trillion yen and our online comprehensive payment services have been adopted by over 150,000 merchants such as EC operators and public institutions of NHK and National Tax Agency, etc.

As the leading company in the payment industry, we contribute to the advancement and realization of a sustainable society by driving social innovations using payment and financial technology through our services, such as online comprehensive payment service, payment services in the offline market, Buy Now Pay Later (BNPL), BaaS Support services to financial institutions and enterprises and strategic investment and lending to overseas leading-edge FinTech companies. (As of end-December 2024, consolidated figures)

## 2.3.8 Broadly-defined EC: GMO Enpay

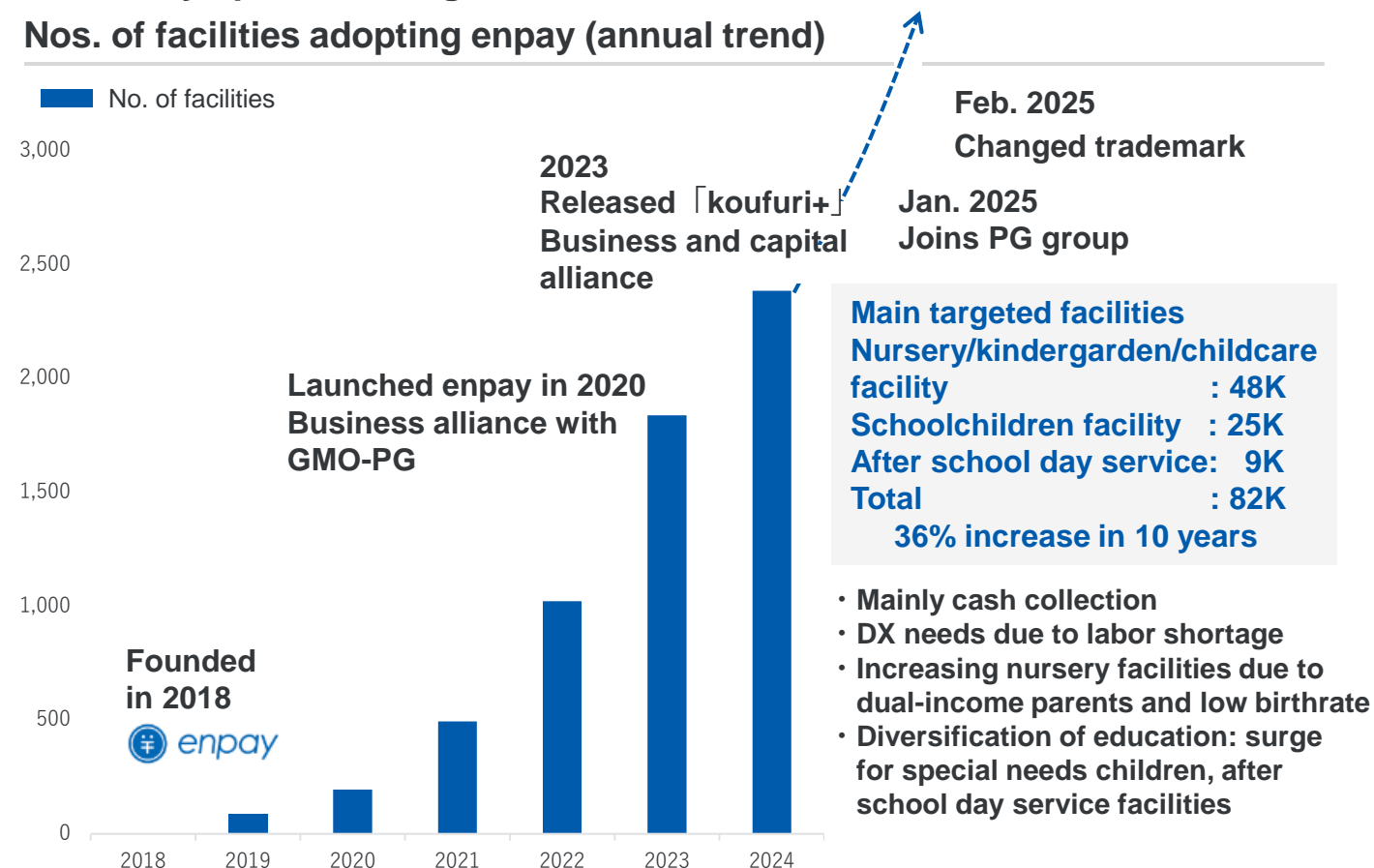
# Driving the cashless migration and DX in the nursery and education sectors

### Product

One-stop offering of LINE billing, payment and deposit management service

UI/UX that reduces the physical and psychological burden on both the facility operator and guardians

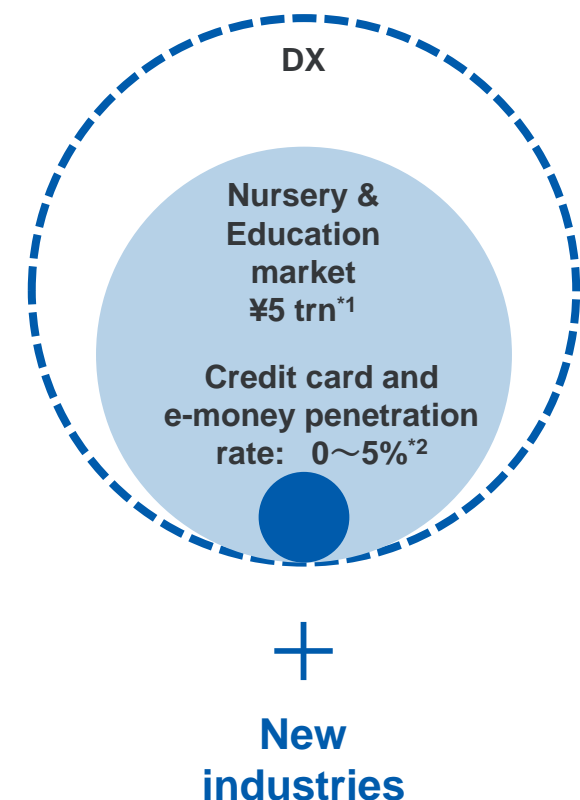
Nos. of facilities adopting enpay (annual trend)



### Growth strategy

Short term: Sales synergy with GMO-PG (local government, large enterprises, etc.)

Long term: Expand into new industries



\*1 Figure for Internet expenditure amount per household are GMO-PG estimates calculated by referencing National Institute of Population and Social Security Research's "Population Statistics (2022)" and Ministry of Internal Affairs and Communication's "Family Income and Expenditure Survey."

\*2 Japan Consumer Credit Association's report on the survey of consumption patterns for the realization of cashless society (Nomura Research Institute, Ltd.)

## 2.3.9 Broader EC: GMO-RP

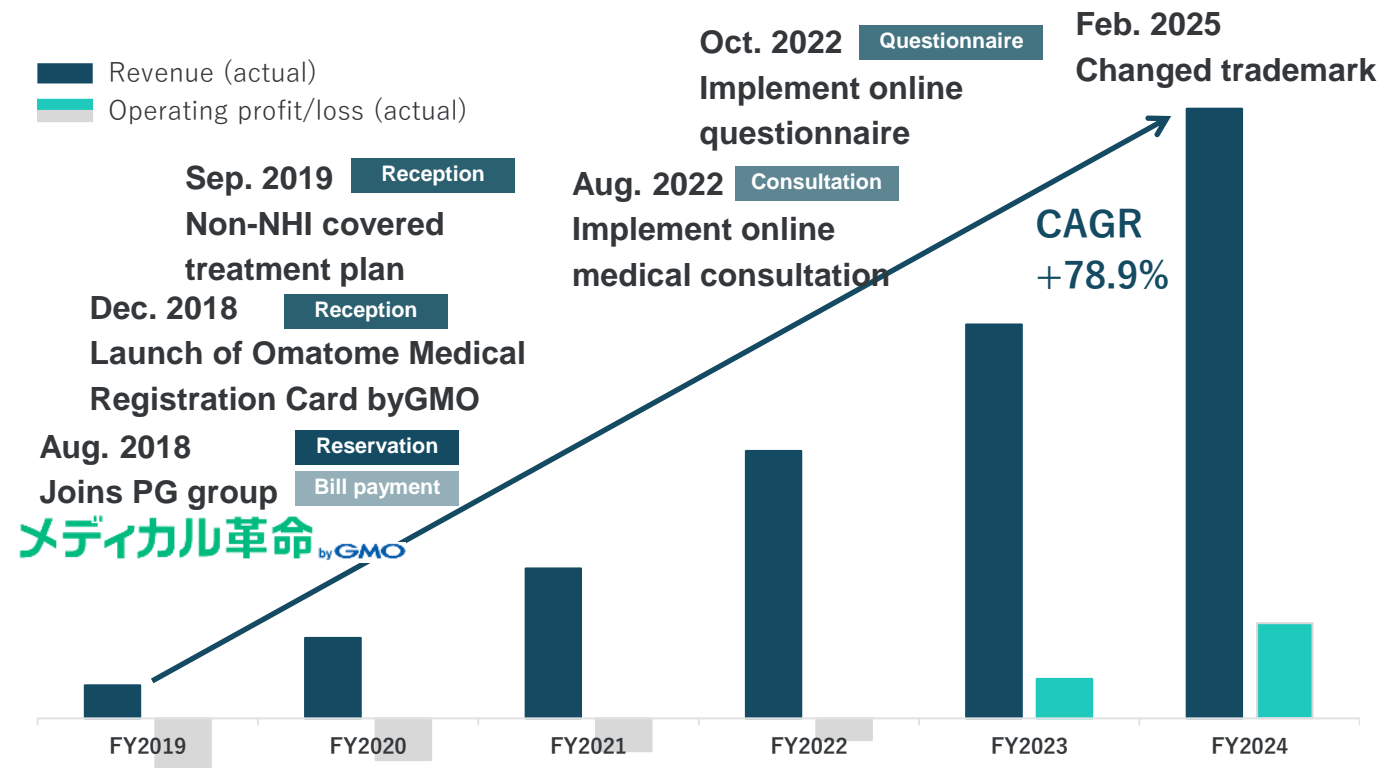
# Provides reservation management system to realize operational efficiency at medical hospitals and clinics

### Product/Value proposition

A reservation system for medical institutions that provide seamless coverage from reservation to bill payment



### GMO-RP revenue and OP (annual trend)



### Growth strategy

- Expand target domains
- Expand “reservation+α” product line-up
- Realize synergies with GMO-PG consolidated companies (complements payment processing)

#### FinTech

C2B : Nationwide medical institutions (200K sites)  
B2E : Medical professionals (10.7 mil)\*1  
TAM\*2 ¥5.6 trn

#### Medical DX SaaS (Vertical SaaS)

B2B : Large medical corporate entities, regional collaboration  
TAM\*2 ¥200.0 bn

#### Reservation management SaaS

B2B : Clinics  
TAM\*2 ¥78.0 bn

\*1 Ministry of Health, Labor and Welfare's white paper report "Annual Health, Labor and Welfare Report 2022." \*2 Figures are GMO-PG estimates using market statistics.



## 2.3.10 Broader EC: “Animary by GMO”, a reservation management system for veterinary hospitals

2025.02.18 **GMO RESERVE PLUS**

### Launched "Animary by GMO", a reservation management system for veterinary hospitals.

~Contributing to improving the operational efficiency of veterinary hospitals and improving convenience for pet owners~

February 18, 2025

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GMO Reserve Plus Co.,Ltd.

GMO Reserve Plus Co.,Ltd. (President & Chief Executive Officer: Soichiro Fukuma, hereinafter referred to as "GMO-RP"), a consolidated company of GMO Epsilon, Inc. in the GMO Internet Group, will provide "Animary by GMO," a reservation management system for veterinary hospitals, from February 18, 2025 (Tuesday).

"Animary by GMO" has functions such as accepting reservations via the web and "LINE", reservation functions that respond to issues unique to veterinary hospitals, such as multiple pets and consideration of the type and size of pets to be examined, vaccine inventory management and interval control for routine vaccinations, and cashless payment. It contributes to improving the operational efficiency of veterinary hospitals and convenience for pet owners.



#### 【Background and Summary】

As pets such as dogs and cats are valued as members of the family, veterinary hospitals are required to respond to advanced and diverse veterinary medical needs, and it is important to provide high-quality veterinary care. In addition, there are issues that complicate the work of veterinary hospitals in a way that is different from that of human hospitals, such as the need for simultaneous visits by multiple pets, medical examinations that take into account the type of pet and the size of the pet, such as large, medium, and small, and the management of vaccine inventory and adjustment of vaccination intervals in order to respond to regular vaccinations.

On the other hand, GMO-RP has been developing a medical-specific reservation management system "Medical Innovation byGMO" since 2016 to support the DX of operations such as appointment reception at doctors' offices and clinics. For veterinary hospitals, we have provided customized products according to their characteristics, and have supported the creation of an environment where veterinarians and staff can concentrate on examinations. In fact, at Japan Small Animal Medical Center, the smooth sharing of information between veterinarians and staff has improved hospital operations and has also led to the efficiency of appointment management, which is difficult in anesthesiology. And now, in order to support the operational efficiency of more veterinary hospitals, we have decided to provide a new service name of "Animary by GMO" as a system for veterinary hospitals.

Going forward, we will continue to accelerate the reform of medical management such as doctor's offices, clinics, dentistry, and veterinary hospitals by providing services based on an advanced reservation optimization engine backed by overwhelming development capabilities.

About "Animary by GMO" (URL : <https://animary.jp>)

The reservation management system for veterinary hospitals "Animary by GMO" is a service that systematizes the work of "reservations, reception, interviews, medical examinations, and accounting" at veterinary hospitals, and improves the operational efficiency of veterinary hospitals and the convenience of pet owners. In addition to making reservations on the web and "LINE", it has a reservation function that solves problems unique to veterinary hospitals, such as "multiple simultaneous reservations" and "chain reservations". In addition, it also provides functions such as "vaccine inventory management," "calling on LINE," and "cashless payment" that enables payment other than cash such as credit cards. Accepting appointments at veterinary hospitals, as in human hospitals, requires consideration of the contents of the examination and the doctor in charge, so manual ledger management is complicated, time-consuming, and prone to errors. In addition, there is a burden for the owner, starting with the reservation by phone, and incurring waiting time in each process such as reception and accounting.

In addition, since the target of medical examinations is pets, there is a need for simultaneous visits by multiple pet owners, medical examinations that take into account the type and size of pets, vaccine inventory management and interval control for routine vaccinations, and prevention of contact between pets in the waiting area. In addition, since there is no system like human insurance, medical expenses are high, and there is a demand for payment other than cash, such as credit cards.

"Animary by GMO" responded to the challenges and demands of these veterinary hospitals and their owners.

## 2.4.1 FinTech: Money Service Business

### Money Service Business that contributes to expanding payments

|   | Service  | Related assets   | Business Model                       |
|---|--|--|--------------------------------------|
| <b>✓</b> GMO Payment After Delivery<br><b>✓</b> GMO B2B Pay On Credit atokara | Pay the sales proceed ahead of the deposit from the consumer | Accrued revenues   | <div>③ Fee</div> <div>④ Spread</div> |
| <b>✓</b> Early Payment service  | Improves cash flows by bringing forward the payment date     | Advances paid  | ④ Spread                             |
| <b>✓</b> Overseas Lending<br>Transaction Lending                              | Lending of growth funds                                      | Accounts receivable-trade (short term loans)             | ④ Spread                             |
| <b>✓</b> B2B Factoring  | Early cash conversion of accounts receivable                 | Accrued revenues   | ④ Spread                             |
| <b>✓</b> Remittance service   | Efficient and secure refund and remittance processing        | N/A  | ③ Fee                                |
| <b>✓</b> Instant Salary byGMO   | Receive salary at preferred timing                           | n/a (deposit-type)<br>Advances paid (reimbursement-type) | ③ Fee                                |

## 2.4.2 FinTech: Japan's BNPL Market

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

### BNPL needs in Japan



Consumer

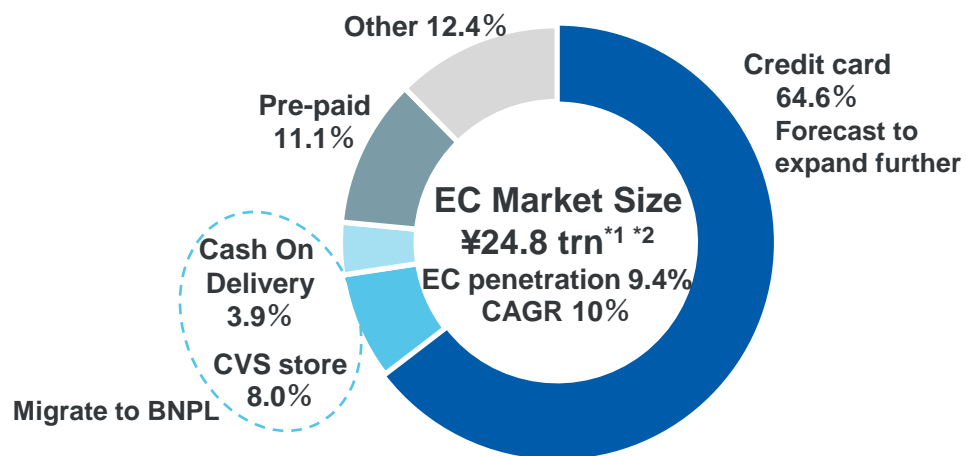
- Receiving goods before payment
- Cash payment
- Manage and control spending
- No face time with delivery person



Merchant

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

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



\*1 METI "FY2023 Global Survey Project Concerning Integrated Domestic and External Economic Growth Strategy Building (E-Commerce market survey)"

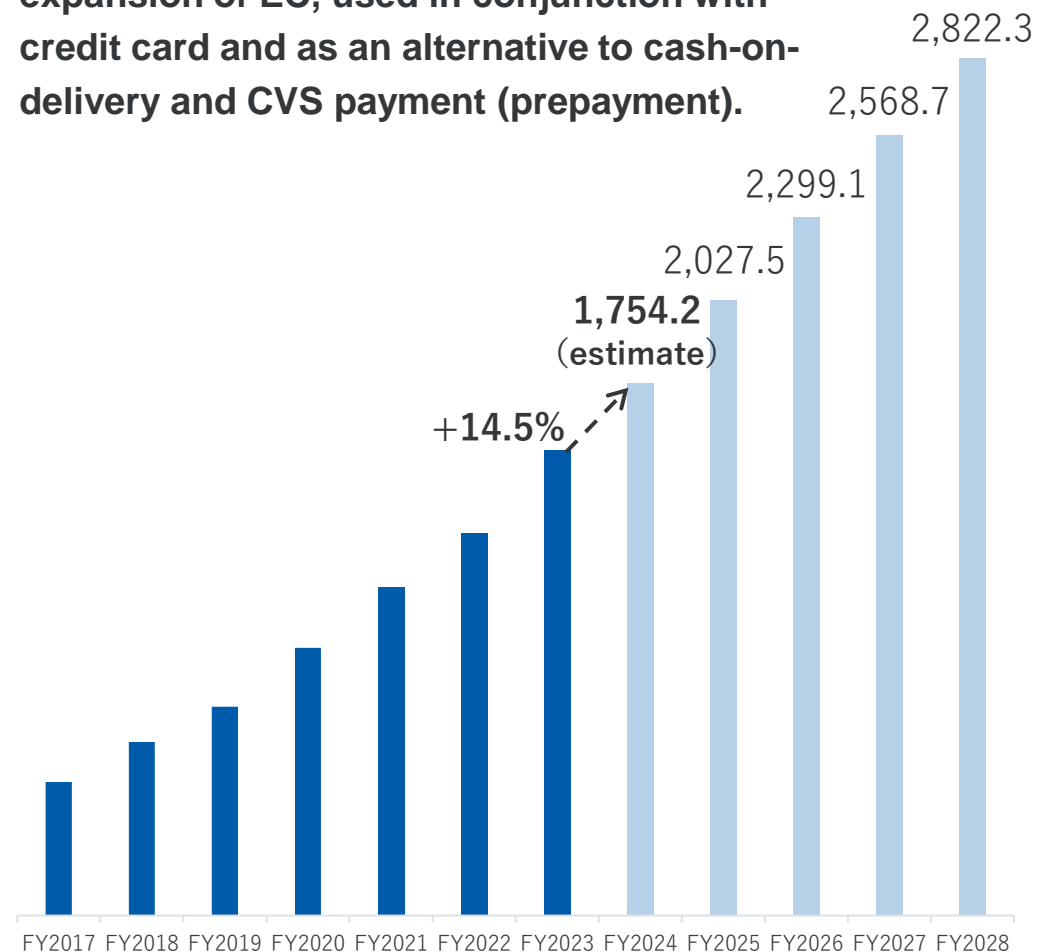
\*2 Yano Research Institute Ltd. "Online Payment/Settlement Service Providers 2025" \*3 Yano Research Institute Ltd. "Online Payment/Settlement Service Providers 2025."

The figure for FY2024 is an estimate, the figures for FY2025~FY2028 are forecasts.

### Outlook of Japan's BNPL market

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

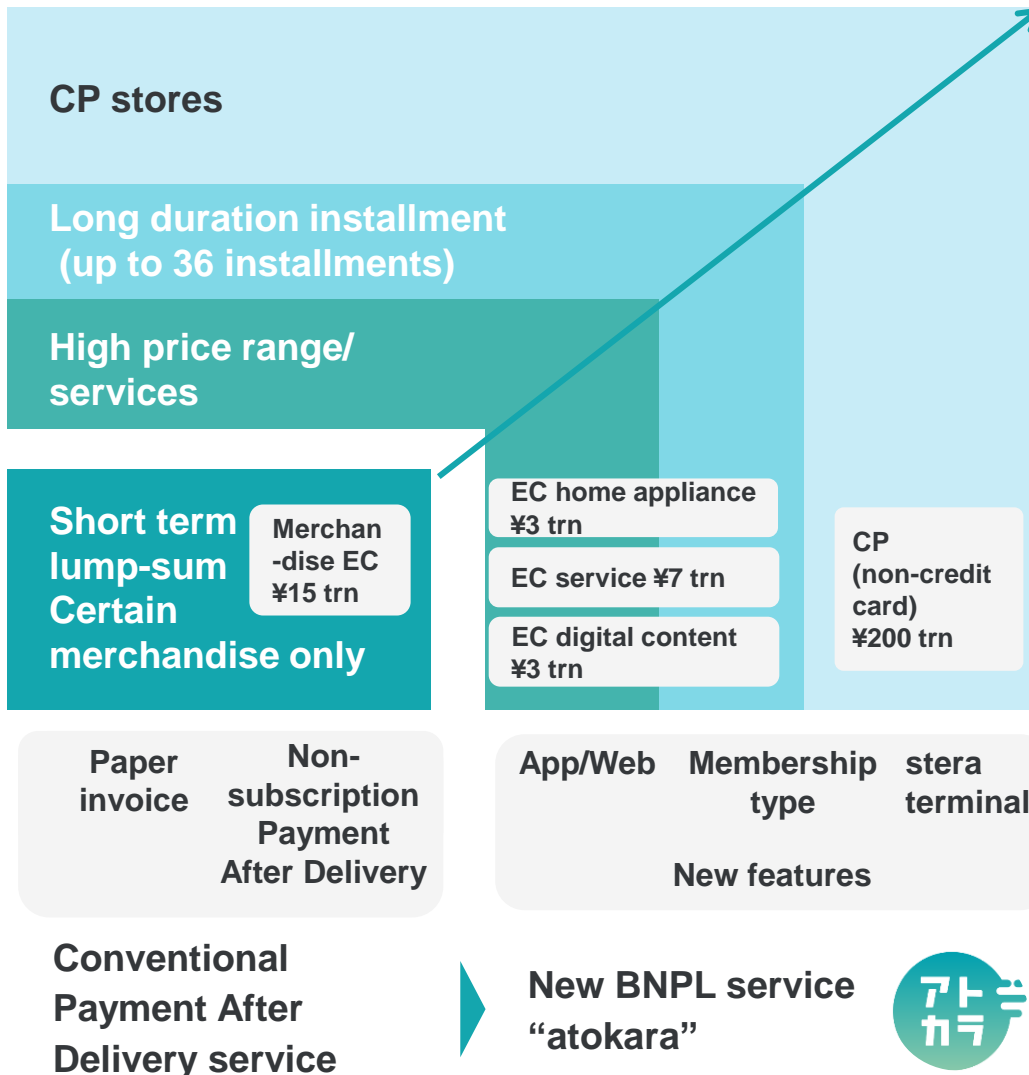
(Unit : ¥ bn)



## 2.4.3 FinTech: BNPL Service “atokara”

# Realizes flexible and convenient payment to be used in diverse purchasing scenes

Expanding service domains of atokara (size of addressable markets)\*



Significance of new business

- Data storage over 10 years/Business creation with partner companies leveraging base system
  - Sumitomo Mitsui Card Co., Ltd. x GMO-PS/GMO-PG’s customer base, sales capability, consumer business expertise, comprehensive payment capability
  - Usage expansion at merchants with stera terminals
- Entry into consumer business operators with end-customer base
- Expand revenue model and product/merchant base

Transaction screenshot (membership type/CP transaction)



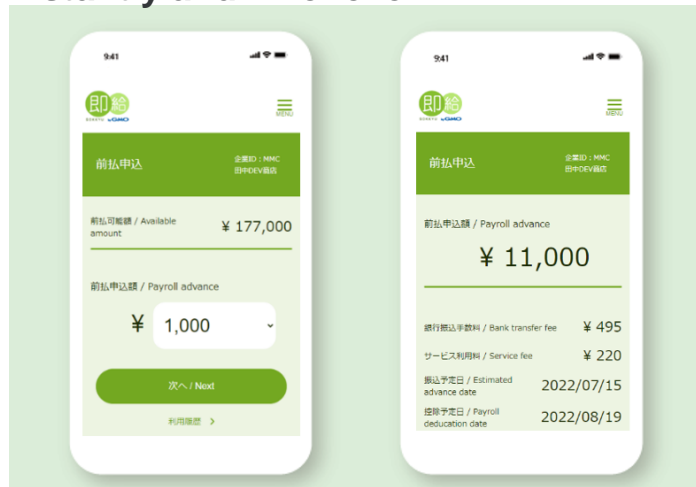
\* Ministry of Economy, Trade and Industry, “FY2023 E-Commerce Market Survey”, Payments Japan Association “Cashless Roadmap 2023”, Cabinet Office’s System of National Accounts of Japan (GDP statistics).

## 2.4.4 FinTech: Instant Salary byGMO (Salary Prepayment Service)

### Be the de facto standard of digitalization and seamless operation in the ¥231 trn salary market

#### Service

Enables salary for the work completed to be paid instantly and whenever



#### Value proposition



Supports a sound cash management by employees



Strengthen recruitment + improve employee satisfaction



Reduce man-hours through digitalization of salary prepayment operations

#### Growth strategy

- Entering into short-term labor market
- Penetration within industry (CVS chain)
- Making inroads into BtoE domain

Q2 FY2025 revenue up 85.9% YoY

#### Target market

Salary bank transfer market:

Approx. ¥231 trn

- E-salary payment
- DX of salary operations

Expand scope of salary remittance

Salary prepayment

Users :  
Approx. 2 mil people

Major industries : Logistics, security, restaurant, retail, relocation  
Type of employment : Staffing service, part-timers, etc.

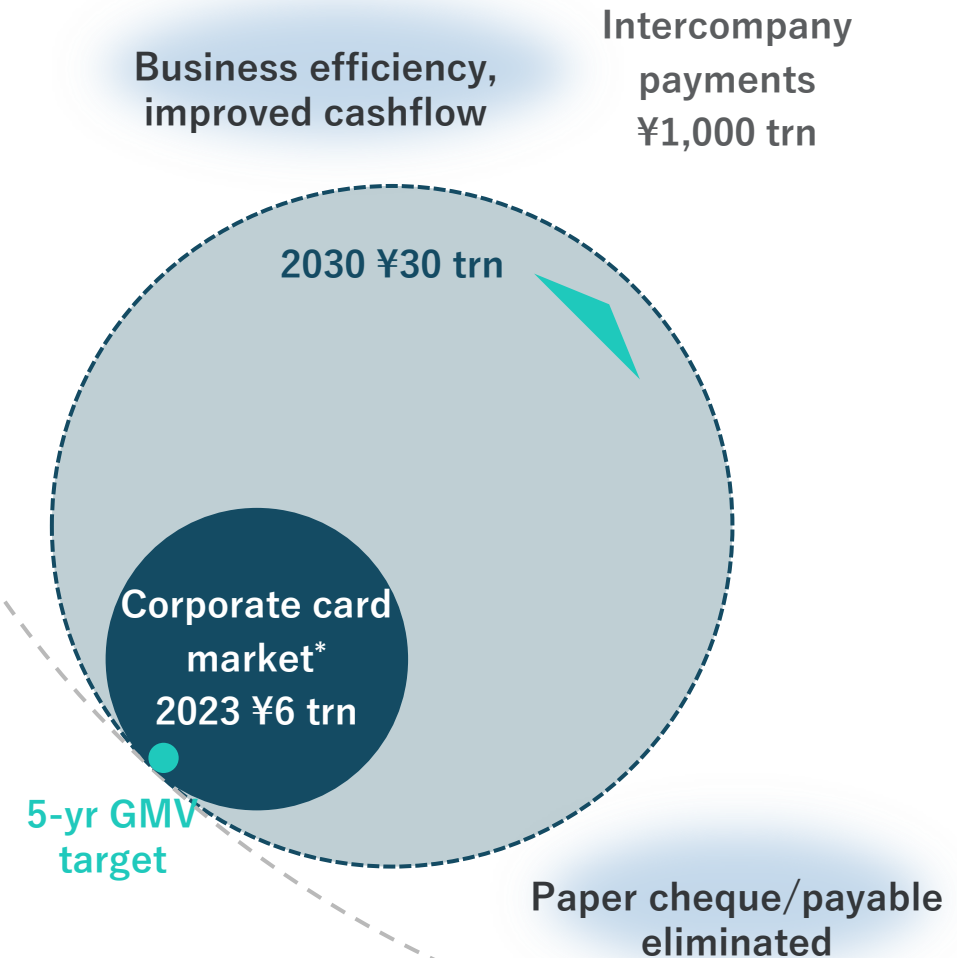
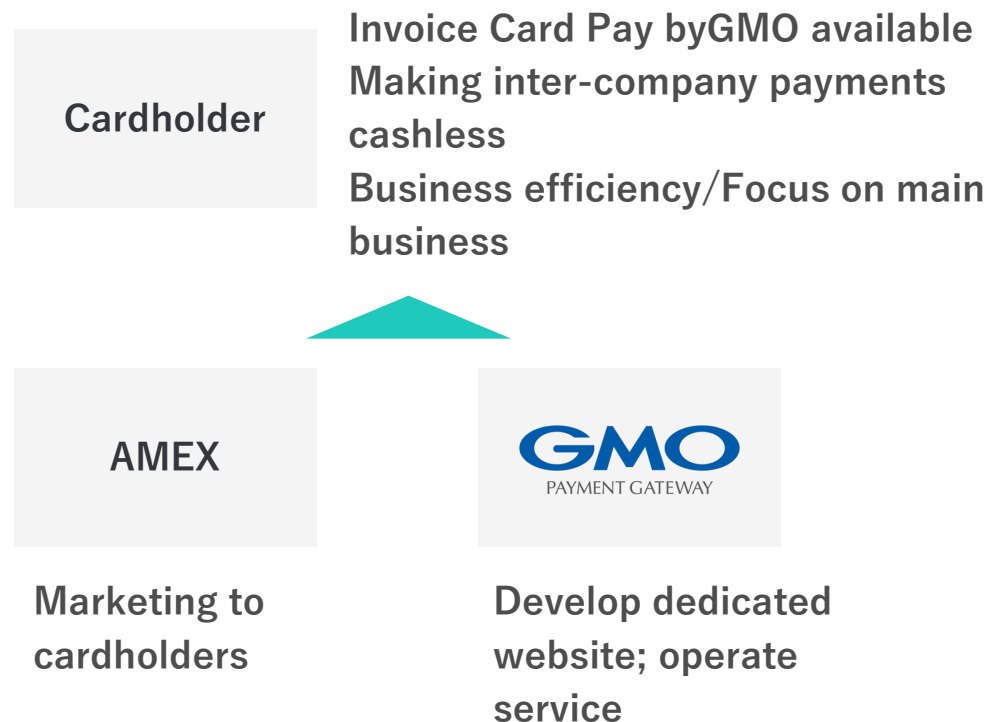
## 2.4.5 FinTech: Invoice Card Pay byGMO

# Promoting card payment between corporates as the exclusive partner of AMEX

Collaboration with American Express for inter-company payments

Commenced in October 2024:  
Launched GMO-PG's "Invoice Card Pay byGMO"  
to AMEX corporate card holders  
Expanding alliances beyond UC Card

### Significance and Responsibilities

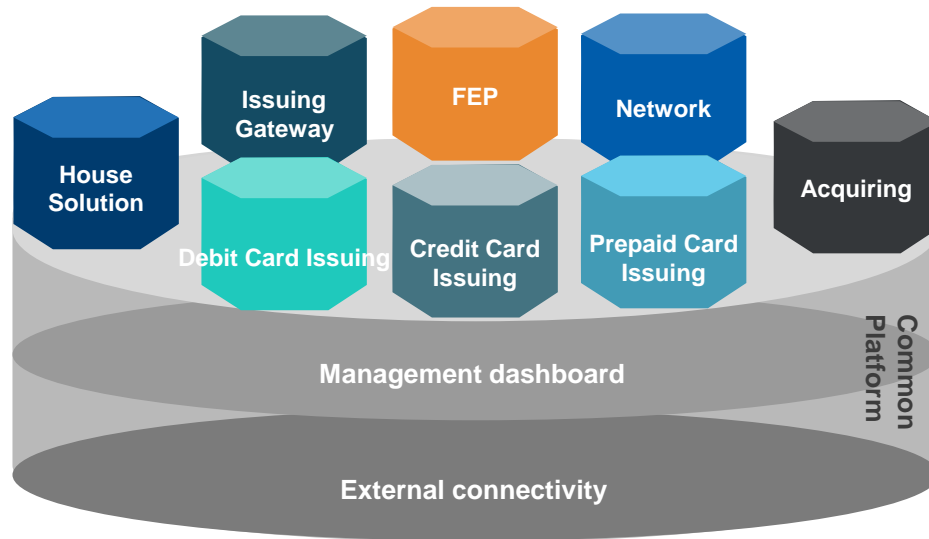


\* Figures are GMO-PG estimates based on Yano Research Institute Ltd.'s "Final Report on the FY2023 Project to Improve the Commercial Transaction and Service Environment" on private-sector research project on promotion of credit card payment data used in corporate accounting operations.



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

#### GMO-PG Processing Platform



#### 【Background】

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

#### 【Value Proposition】

Freely choose from payment solutions and common platform according to business needs

#### Revolutionary credit card issuing system “H-ALIS”\*



Rollout from Oct. 2023 through collaboration among 4 companies: GMO-PG will carry out development, FEP and sales in Japan

#### 【Background】

Operators have growing need for speedy issuing of various types of credit cards to promote their cashless initiatives

#### 【Value Proposition】

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

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

## 2.5.2 BaaS/ Card Present IoT

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

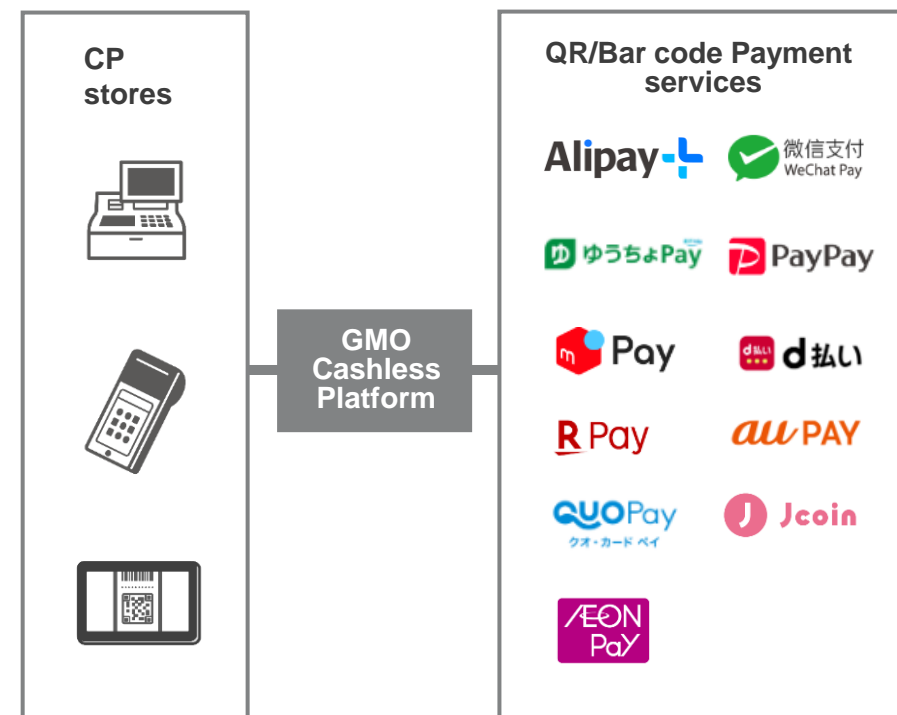
#### Ginko Pay

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



#### GMO Cashless Platform

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





## 2.6 Card Present IoT: CP Payment Market

### Scale-up business through cashless migration and alliance strategy

CP payment : GMO Financial Gate, one of our Group companies, offers payment terminals for payments made at CP stores.

#### 【Growth factors of the CP market】

Cashless demand arising from diversifying payment method and government promotion measures

Mobile terminal



Embedded-type EMV terminal



#### 【stera】

Rollout of a new payment product of Sumitomo Mitsui Card Co., Ltd. to provide a one-stop service that handles a variety of payment methods.



stera terminal standard

stera terminal unit

stera terminal mobile

stera fasstap

#### Target: Unattended Market

Vending (Goods)



Ticket



Coffee Machine



Fare Adjustment (Golf, hotel)



Vending (Beverage/Food)



EV Charging Station Parking Fee



Self Check-out



Coin Laundry



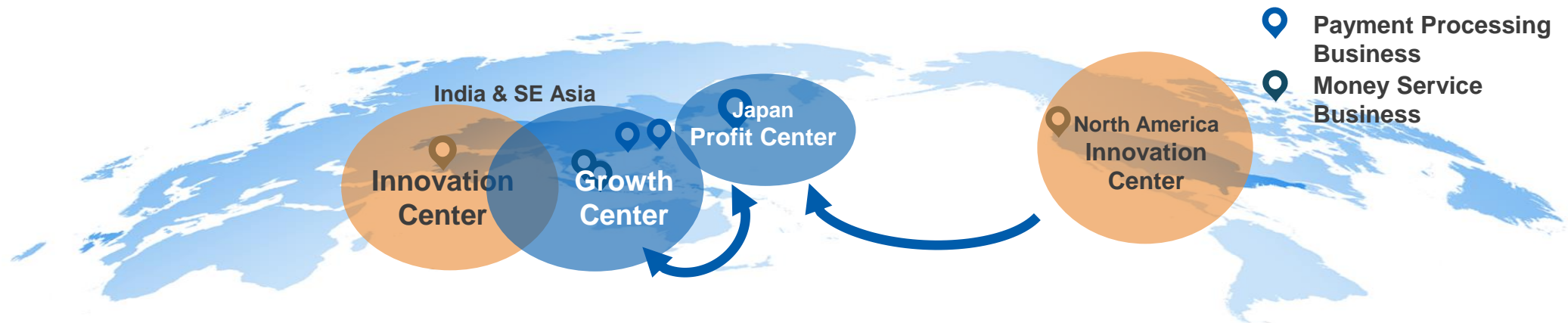
Capsule toy machine



## 2.7.1 Global: Overseas Strategy

### Leverage overseas expertise to focus on growth markets of SE Asia and India

#### Business Area



#### Strategy

##### Payment Processing Business

Collaborate with investee to provide local payment services

##### Money Service Business

Invest/Lend to key FinTech companies in North America and Asia

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

Payment Processing Business

Money Service Business

#### Investments and Borrowers<sup>\*1</sup>

| Country | Major investees                              | Major borrowers  |
|---------|--|--|
|         | red dot payment <sup>*2</sup> HELICAP        | VALIDUS <sup>*2</sup> funding societies <sup>*2</sup>  |
|         | NEWER  |  |
|         | 202p <sup>*2</sup>                           | Kredivo  |
|         | Mobikwik Razorpay Bureau greyt               | SATYA GRO Revfin NEOGROWTH RATNAAFIN slice <sup>*2</sup> LENDINGKAT CreditWise Capital sarangam kissht |
|         | Kredivo GODA                                 | Kredivo investree CROWDE <sup>*2</sup>   |
|         |  | bill ease  |
|         | APPOTA                                       |  |
|         | taulia <sup>*2</sup> PayNearMe DRIP/c CITCON | DRIP/c flex. <sup>*2</sup> reali <sup>*2</sup> Vero beatBread ATLAS Order.co Yendo                     |

<sup>\*1</sup> Investment and borrowers of GMO Payment Gateway and GMO Global Payment Fund <sup>\*2</sup> Already divested and/or investment recovered.

## 2.7.2 Global: The 20-year Track Record of Overseas Investment Strategy

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

Major overseas investment and loan portfolio



Market expansion of SE Asia & India

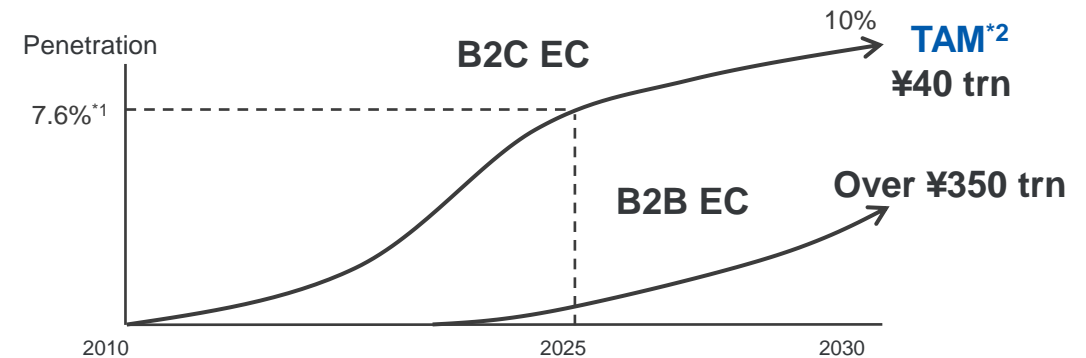
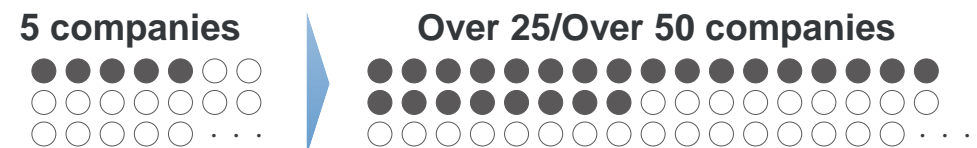


Image of the increase in FinTech unicorns supported by GMO-PG



\*1 Calculated using final private consumption and B2C EC penetration rates for both regions

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

## 2.7.3 Global : Investment Strategy

### Drive investment strategy in payment domain of the huge U.S. Payment market

#### Aim of a minority equity stake

- Obtaining insights into FinTech
- Creating synergy
- Accelerate investment in U.S. payment area

#### Our Mid-term Global Strategy

- Leverage FinTech expertise
- Establishment of overseas payment business
- Diversified minority-stake investment to lead to majority-stake investment



Equity investment in Jan. 2024

#### Our strengths and key features:

- Payment + “invoice/payment management”
- Caters to diverse payment methods
- Cash payment anywhere in USA



#### Market potential (TAM)

Bill payment market size ¥529 trn <sup>\*1</sup>



Equity investment in Apr. 2024

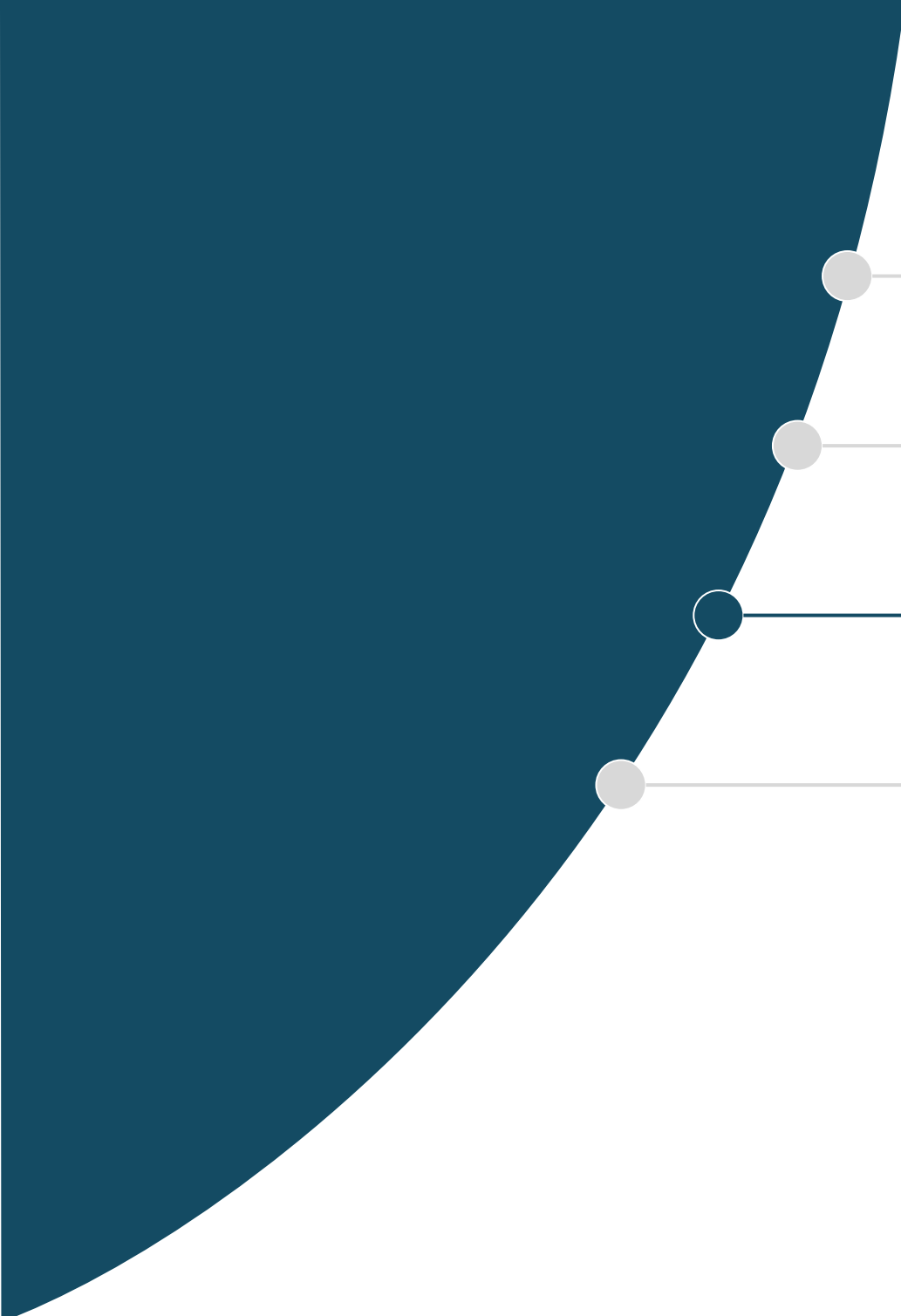
#### Our strengths and key features:





- Provide trade finance primarily for US-India trades
- Digitalization/automation using AI for credit
- Cumulative loans executed: over ¥600.0 bn

#### Market potential (TAM)

Trade payment market ¥68 trn <sup>\*2</sup>

<sup>\*1</sup> Based on PayNearMe estimate. <sup>\*2</sup> India's total export value based as of 2022 as announced by Directorate General of Commercial Intelligence and Statistics (DGCI&S).

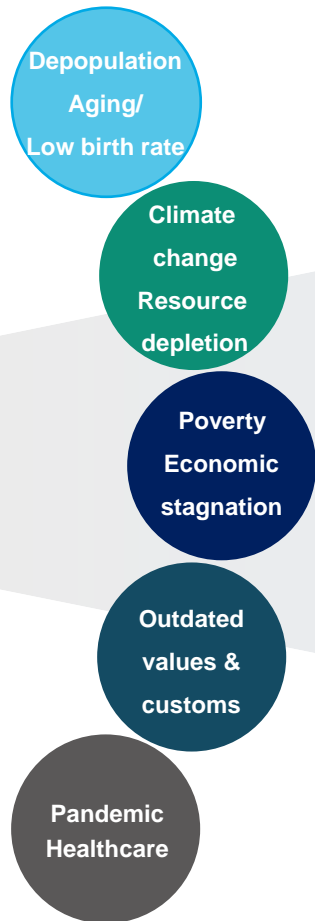


|   |                        |      |
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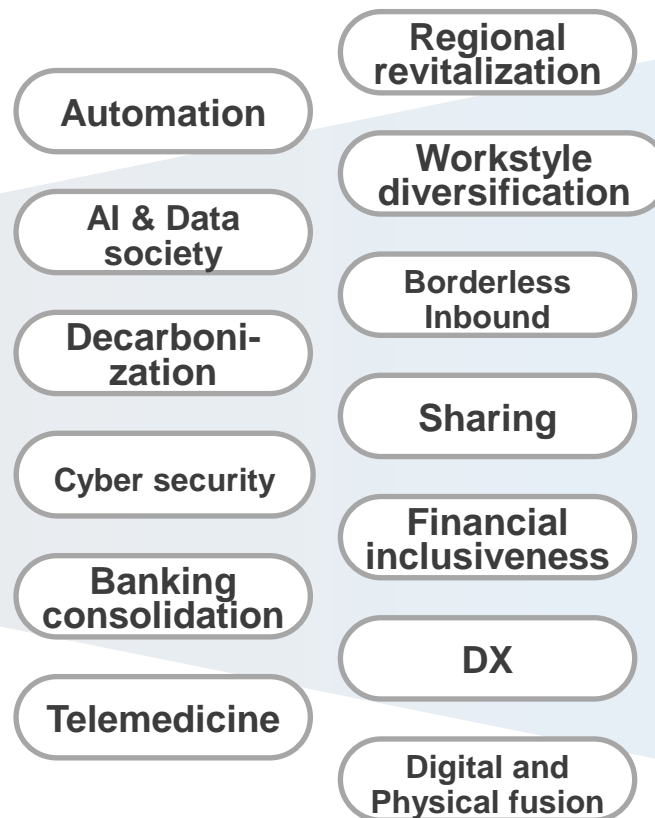
# 3.1 Business Opportunities Based on Social Challenges and Changes in Environment

## Converting social changes to opportunities for payment-related businesses

### Social Challenges



### Social Trends



### Business Opportunities for GMO-PG

Payment related business

|                          |                              |
|--------------------------|------------------------------|
| Biometric authentication | CRM                          |
| Leverage data            | Self checkout                |
| Salary prepayment        | Interpersonal money transfer |
| Digital salary           | Paperless                    |
| Enhanced security        | IoT payment                  |
| BNPL                     | Distance based tolling       |
| Microfinance             | Embedded Finance             |
| D2C                      | API                          |
| OMO                      | Online medical service       |

# Identified materiality issues to be prioritized

Social contribution  
through the sustainable growth of business centered on payment

### ① Innovation

～ Social advancement and customer's growth through creation of payment innovations～

Provide a wide array of innovations centered on payment, a necessary step in many economic activities, that support operational efficiencies such as such as invoicing, cash management and salary payment to enhance competitiveness, thereby contributing to realizing a more convenient and comfortable society by promoting cashless adoption.

### ② Reliability

～ Sustainable operation of payment infrastructure to support society ～

As a company responsible for the social infrastructure of payment, contribute to safety and security of socioeconomic activities by securing the stability and reliability of our own operations.

### ③ Decarbonization

～Contribute to the Earth's environment through cashless adoption～

Focus on CO2 emissions reductions through the transformation of paper-based and cash-based processes

### ④ Human Capital

～Pursue organizational capability that embraces challenge and the commitment to 25% growth ～

Focus on expanding the critically important human capital base as the highest priority organizational undertaking to achieve sustainable growth that can overcome changes in the environment

### ⑤ Governance

～ Institute a sound and responsible management ～

Strengthen governance structure to enhance oversight from external bodies and risk-taking, in order to sustain a sound and high level of growth

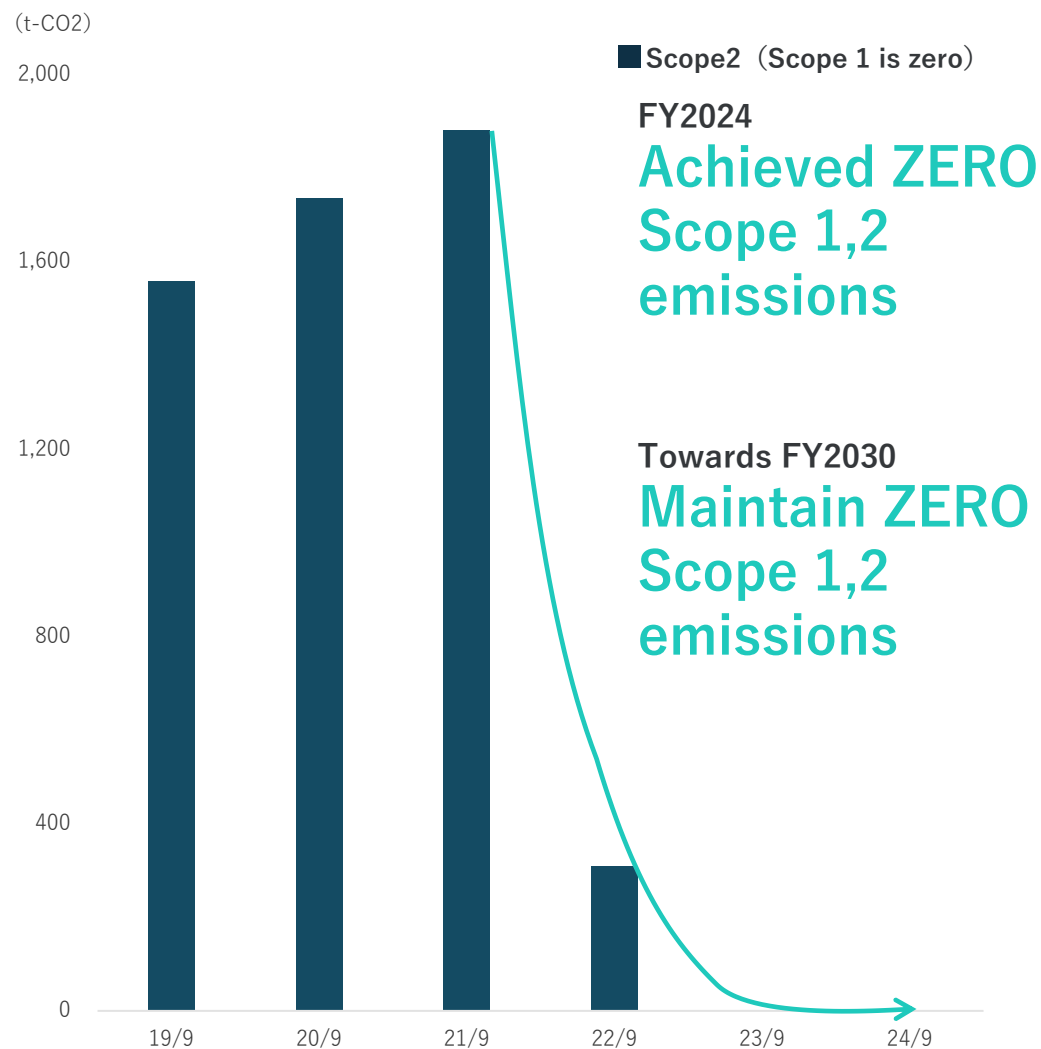
Management foundation  
to support sustainable growth



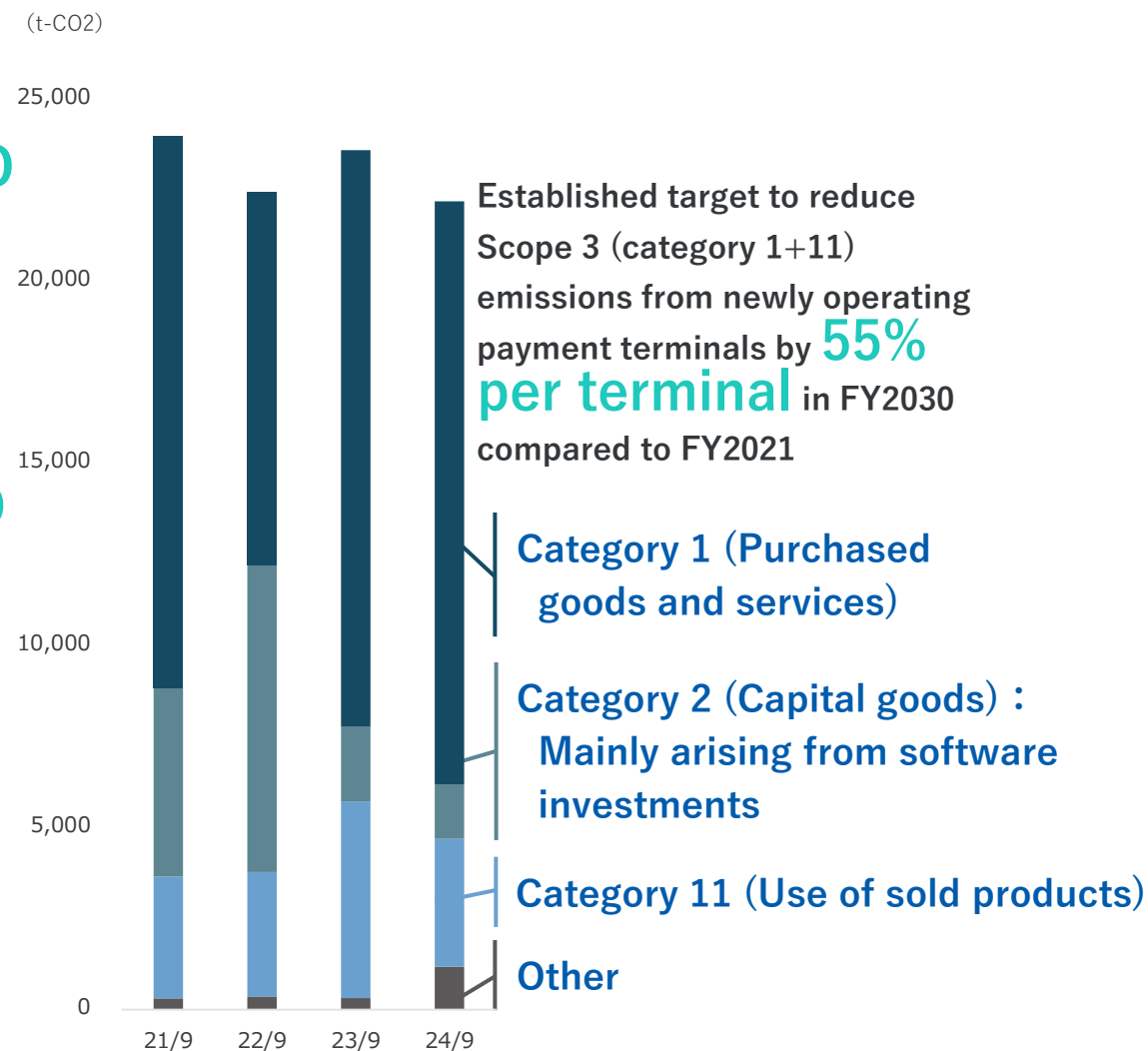
## 3.3 Environment

### Continued achievement of zero GHG emissions (Scope 1,2) in FY2024

GHG emissions (Scope1,2)



GHG emissions (Scope3)





## 3.4 Social

# Enhance job satisfaction, education and recruitment of good talent, based on our belief that “company = people”

Human resources



External evaluation



Selected for “Great Place to Work Certification” for the 10<sup>th</sup> consecutive time by Institute Japan’s Great Place to Work ® survey in August 2024



Certified as a childcare supporting company (known as “platinum kurumin”) by the Minister of Health, Labor and Welfare in June 2024



Certified as Health and Productivity Outstanding Organization (Large Enterprise Category) for the 3rd consecutive time by The Nippon Kenko Kaigi (administered by METI) in March 2025



Received highest 3-star “Eruboshi” certification as a company promoting the empowerment of women by the Director of Tokyo Labor Bureau, MOHLW in July 2023.



Received Gold Certificate for “excellent health company” by Tokyo Federation of the Federation of Health Insurance Societies in September 2024.

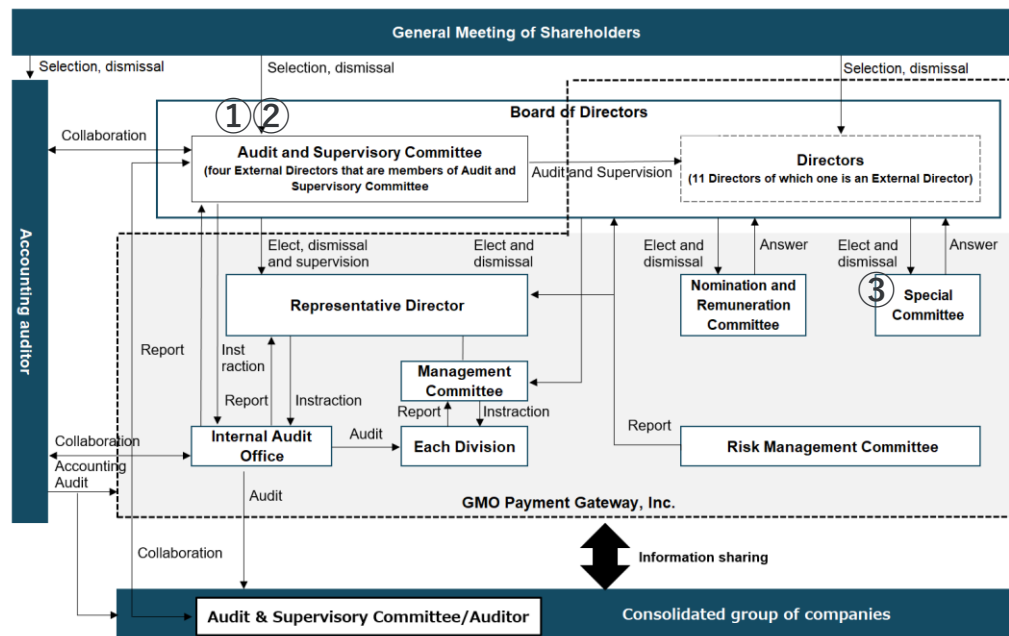


Certified as Excellent Company for Health and Safety by Tokyo Labor Bureau, MOHLW in May 2024.

# 3.5 Strengthening Governance Structure

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

## Corporate Governance Organizational Structure



### ① Audit and Supervisory Committee

### ② Proportion of External Directors one third

### ③ Special Committee

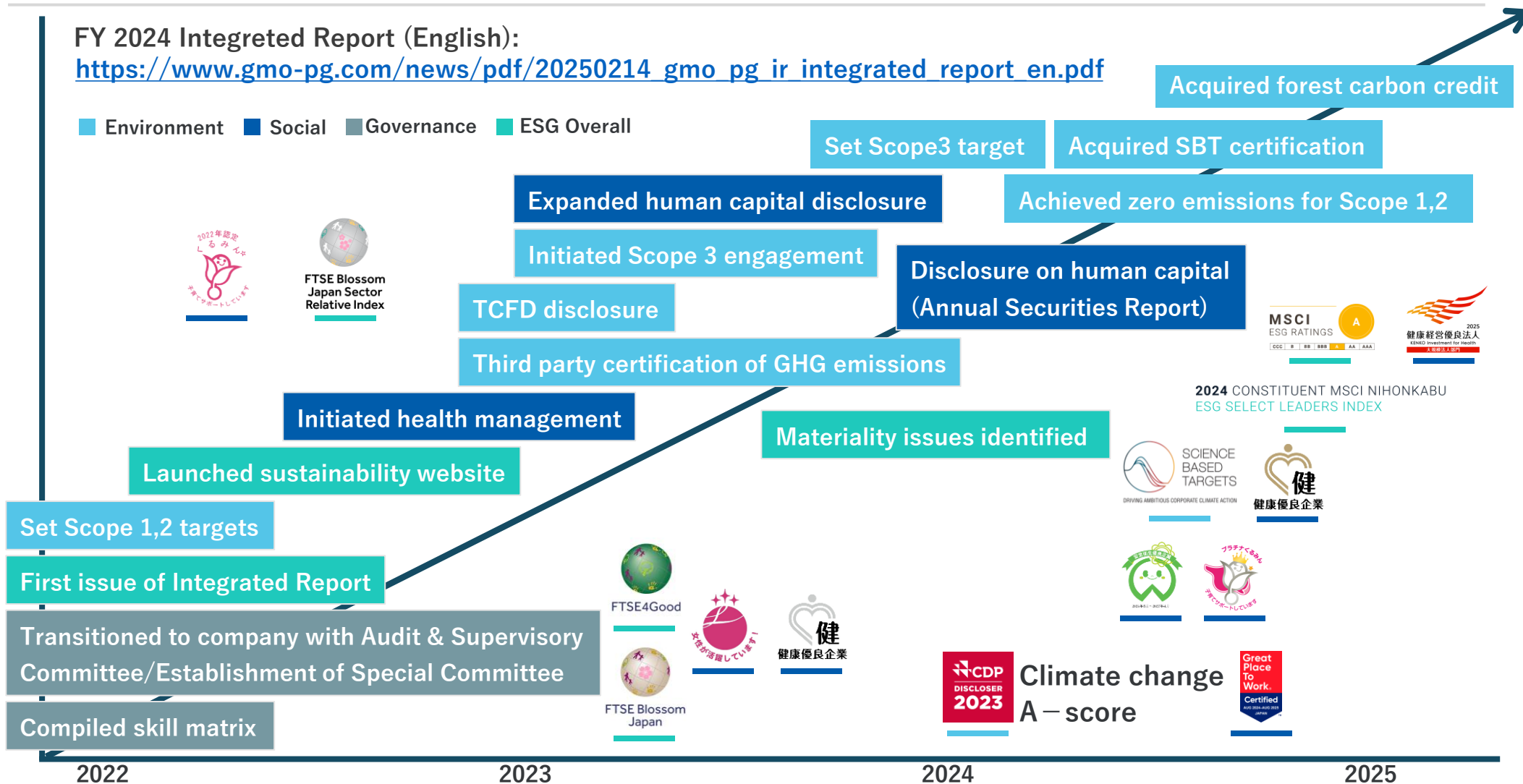
- Comprised of five Independent External Directors
- Strengthen protection of interest of non-controlling shareholder
- Transactions and actions that entail a conflict of interest between controlling shareholder and non-controlling shareholders are evaluated and deliberated at the Special Committee and reported to the Board which is vested to reach a decision



## 3.6 Sustainability

# Driving ESG management to realize a sustainable society and to enhance corporate value





## Roadmap of sustainability initiatives and achievements



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

\* The inclusion of GMO Payment Gateway, Inc. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of GMO Payment Gateway, Inc. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

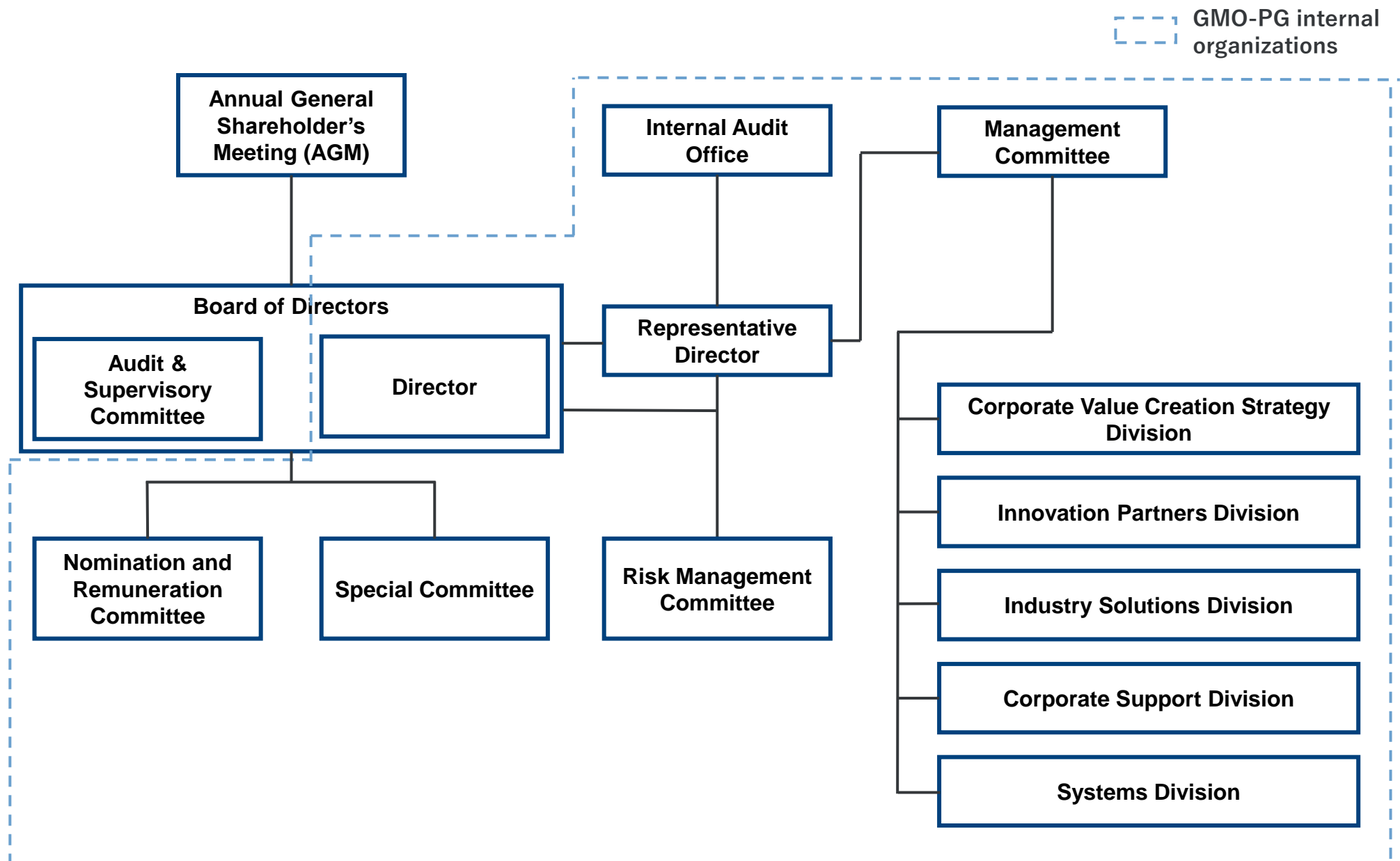


|   |                        |      |
|---|------------------------|------|
|  | 1. Business Overview   | p.4  |
|  | 2. Focus Areas         | p.22 |
|  | 3. Sustainability      | p.46 |
|  | 4. Reference Materials | p.53 |

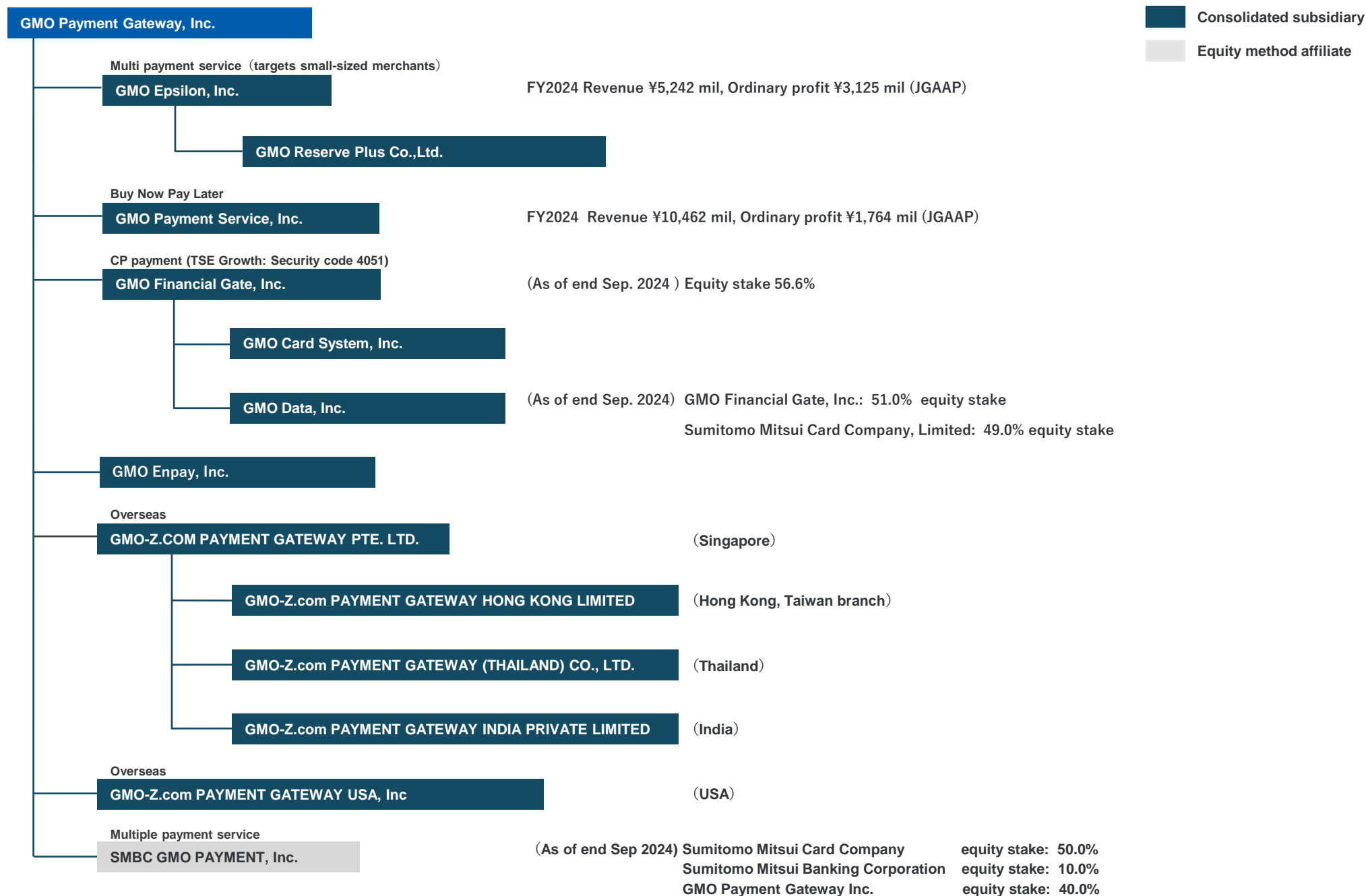


## 4.2 Organizational Chart

GMO Payment Gateway, Inc.



## 4.3 Major Subsidiaries and Equity-Method Affiliates (IFRS Standards)



## 4.4 Key Characteristics of Payment Business

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

#### High entry barriers

**Regulation  
(Amended ISA\* etc.)**

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

**Payment company  
Network**

- Unique payment practices (huge range of payment methods) requires transactions with multiple payment companies (page 11)

**Business scale**

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

**Payment system**

- System investment of several billions of yen to maintain stable processing of vast amounts of payment data

#### Low churn rate

**Business  
Characteristics**

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

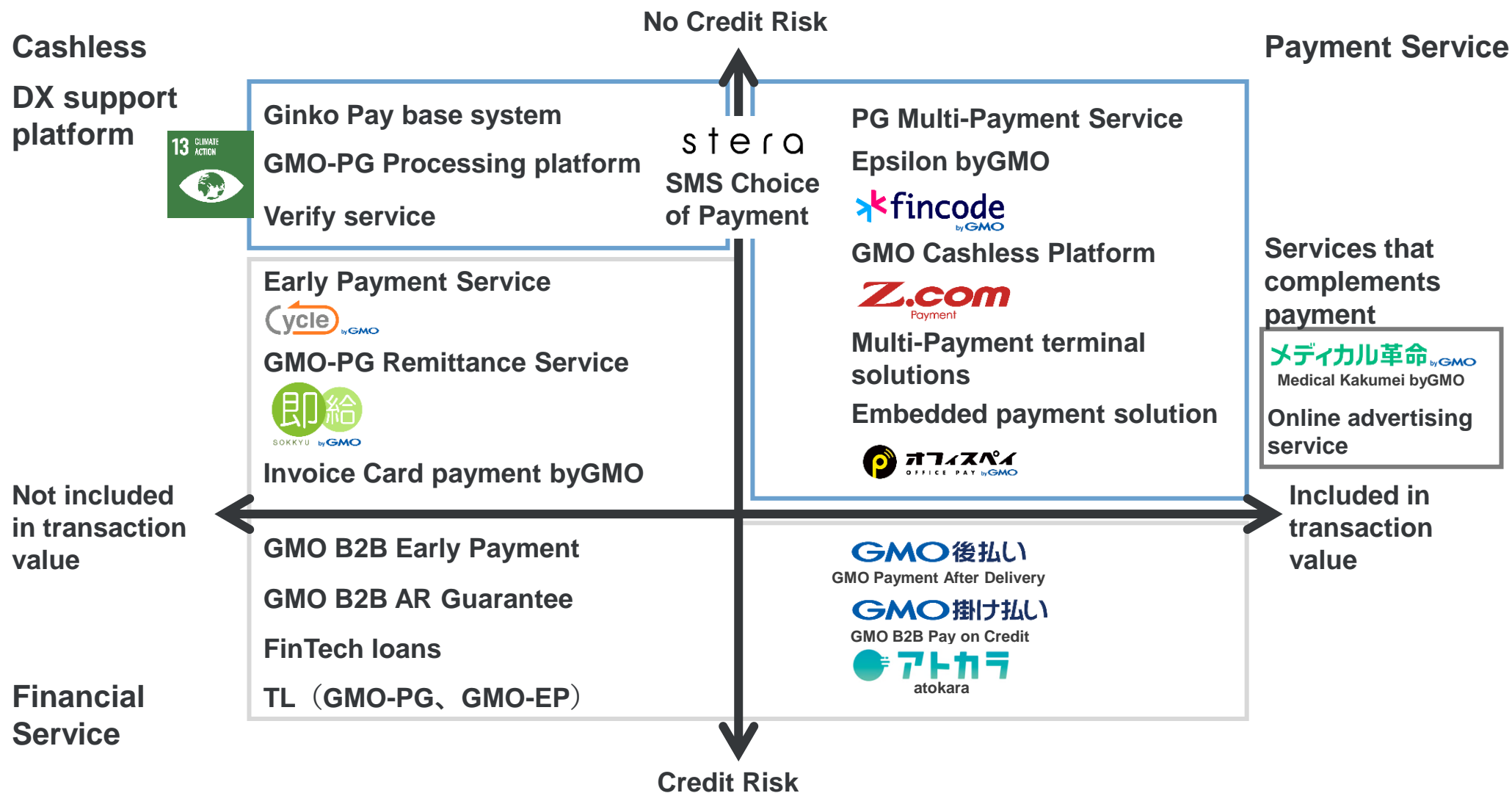
**Initiatives**

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



## 4.5 Product Map

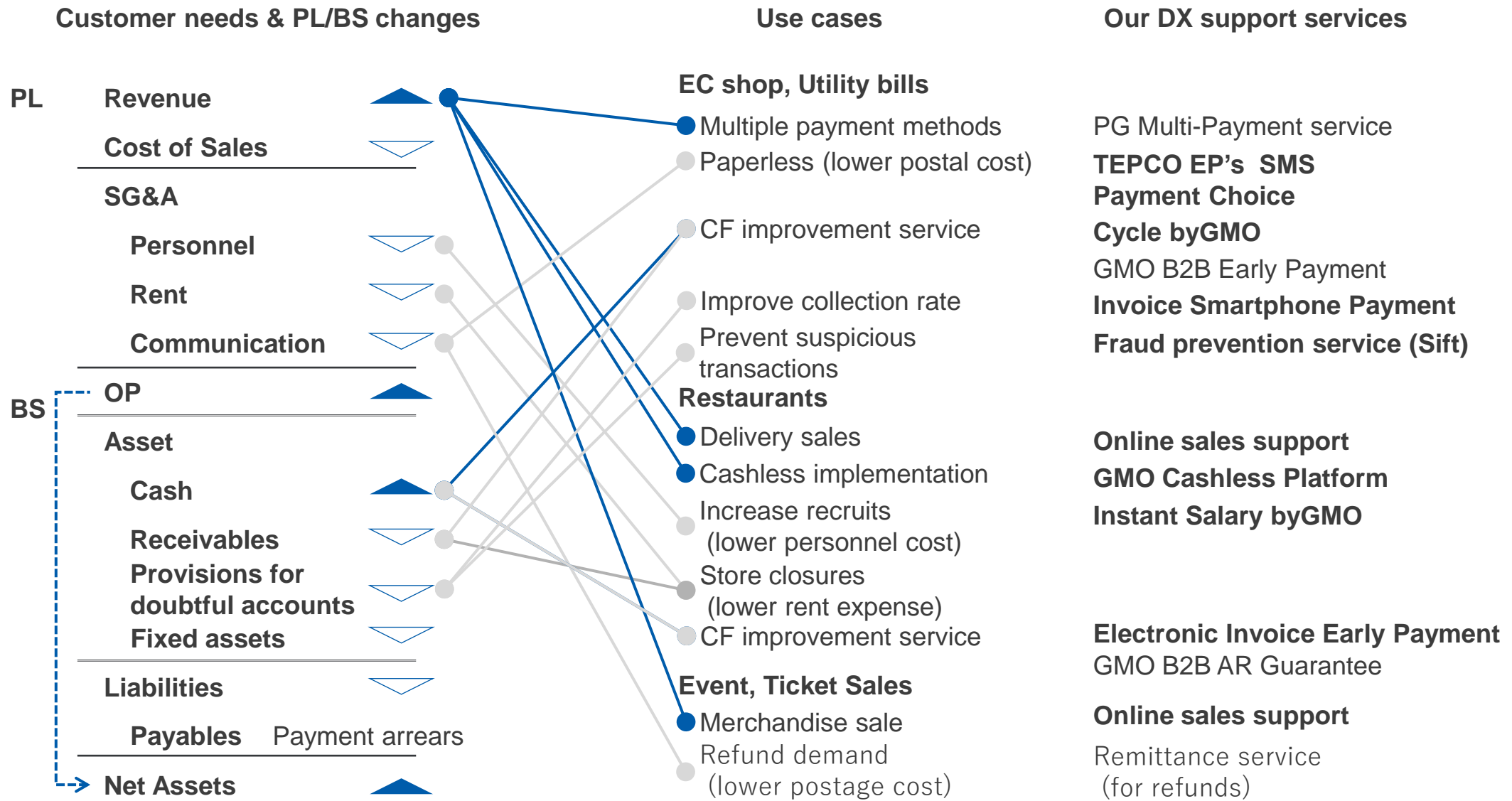
GMO-PG's definition of payment: that which enables the digitalization of money flow



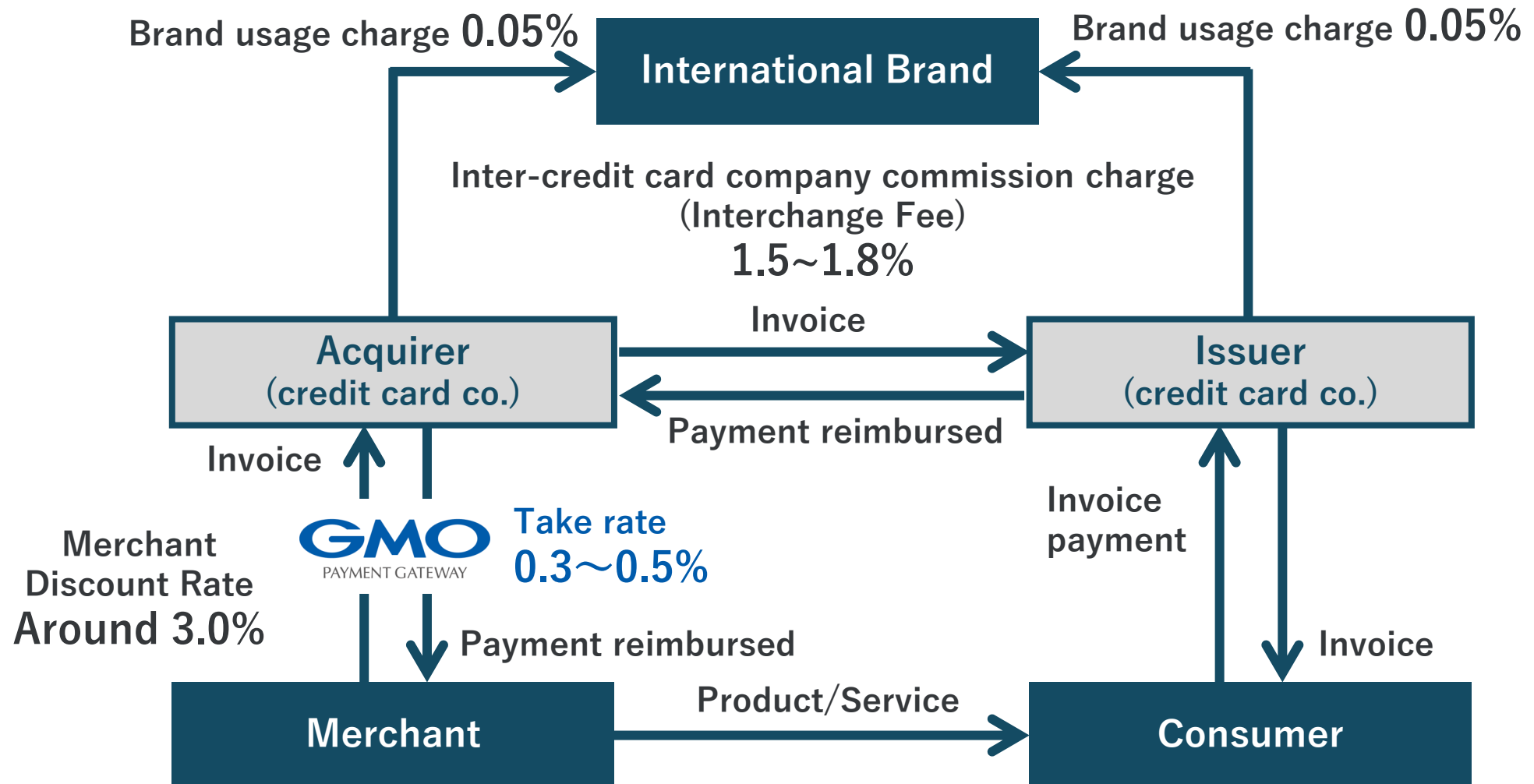
\* TL stands for Transaction Lending

## 4.6 DX Support Services to Improve Clients' PL/BS

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

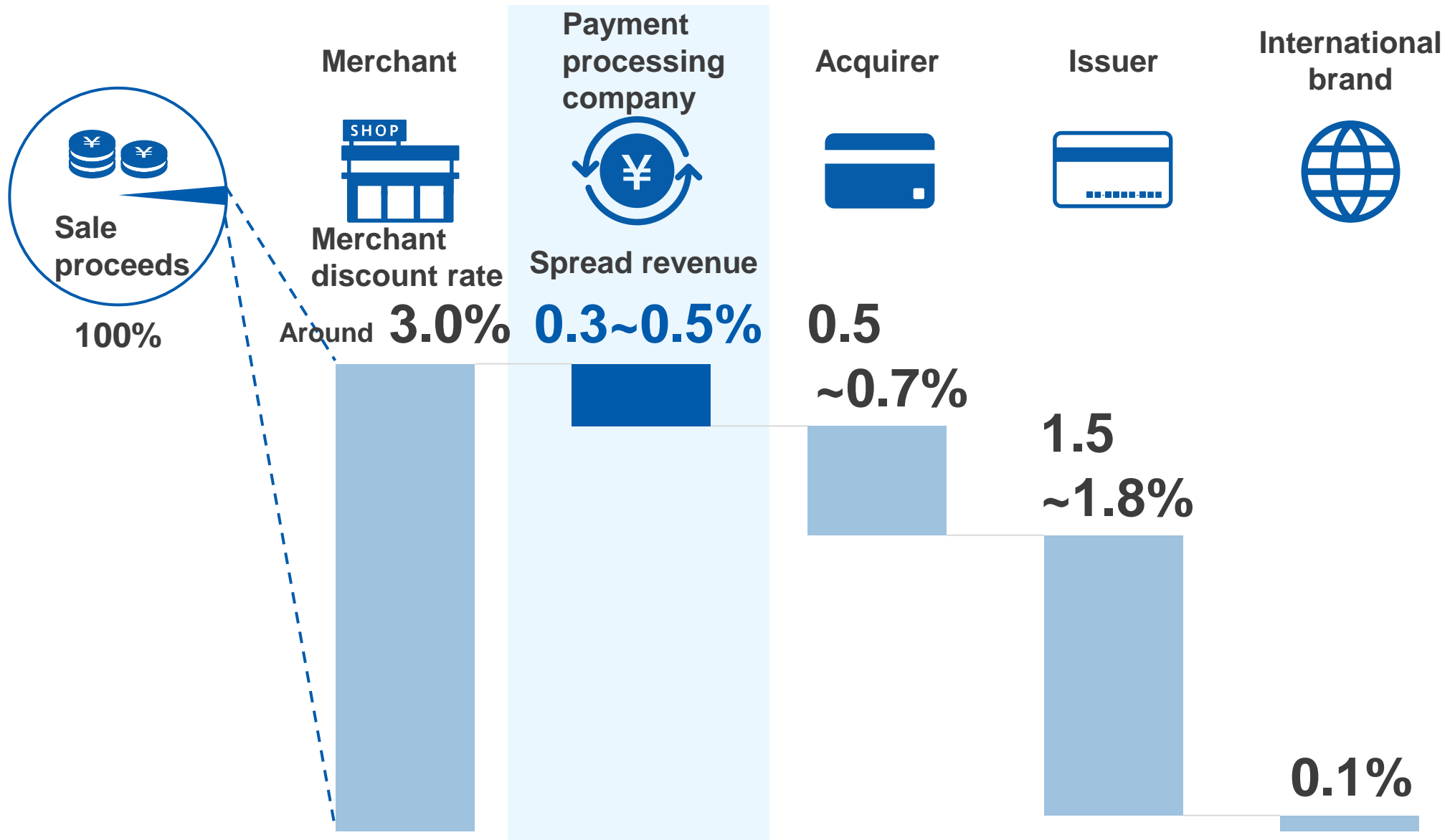


## 4.7.1 Revenue Model of Credit Card Payment



## 4.7.2 Revenue Structure in the Credit Card Foodchain by Player

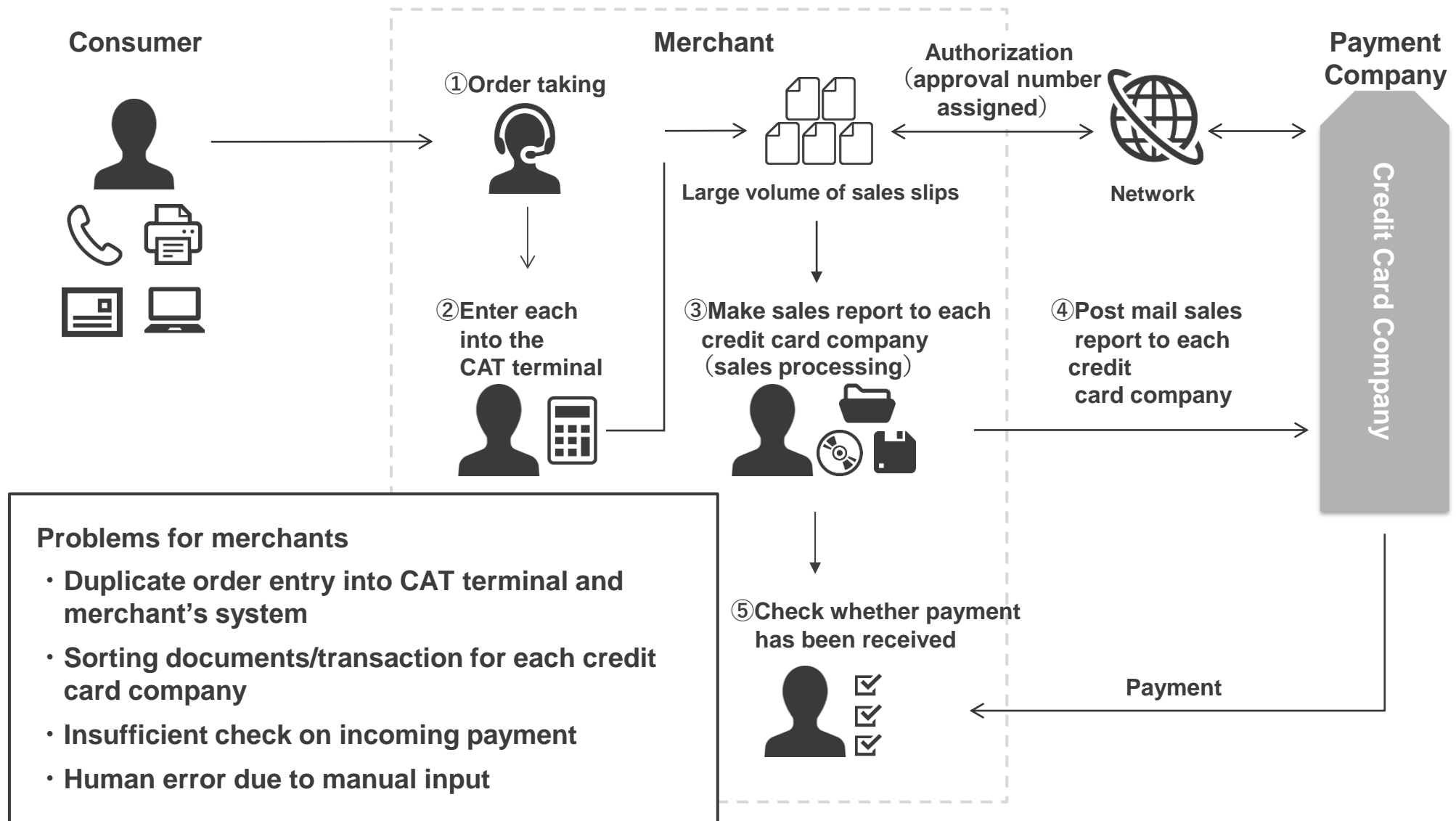
■ Image of revenue structure by player



\*Compiled by GMO-PG by referring Ministry of Economy, Trade and Industry's "Review of 4<sup>th</sup> Discussions, Analysis on Interchange Fee and Initiatives towards achieving paperless operations" (Note: this is an English translation of Japanese title and not the formal title of the original)

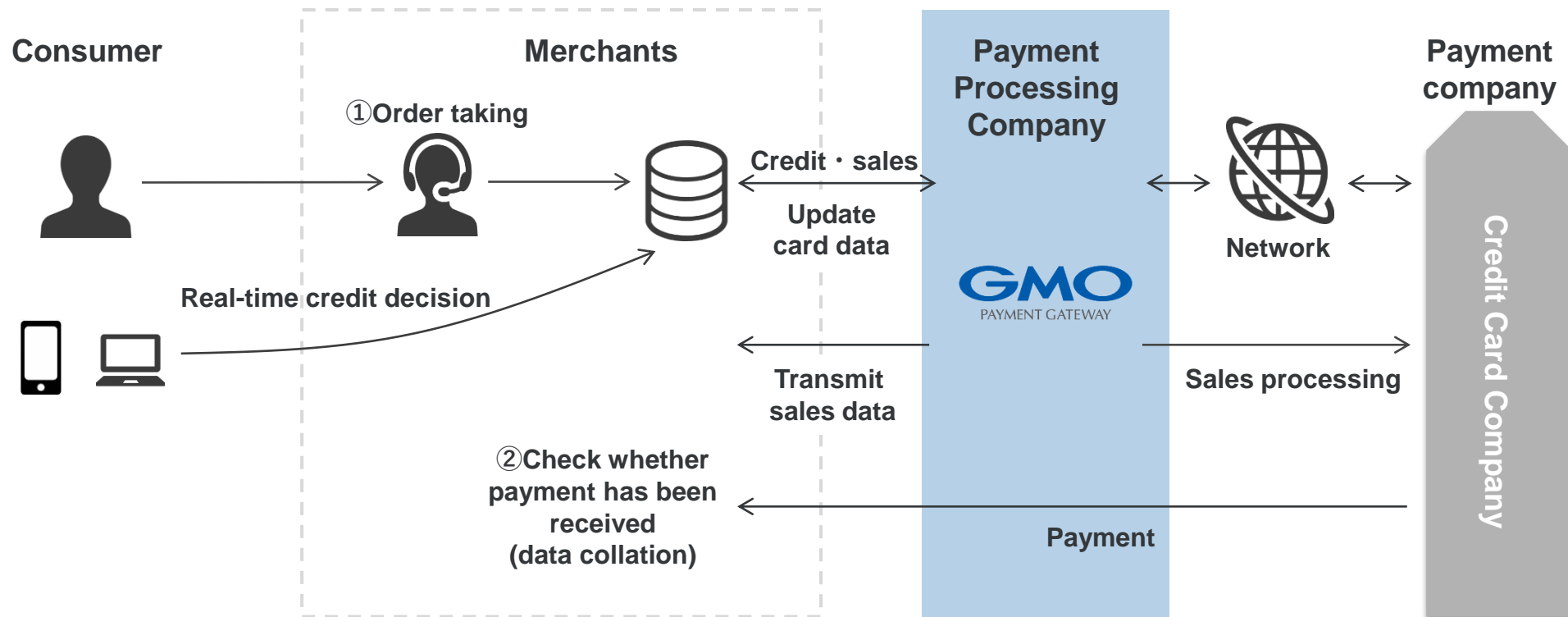
## 4.8.1 Business Outline of Payment Processing Company (1)

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



## 4.8.2 Business Outline of Payment Processing Company (2)

Payment processing service realizes operational efficiency in credit card payment operations



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

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