

Supplementary Information

Financial results briefing for the 2Q of FY2014

May 2, 2014

GMO Payment Gateway, Inc.
(3769: Tokyo Stock Exchange section-1)

GMO PAYMENT GATEWAY

<http://corp.gmo-pg.com/>

Non-face-to-face payment

Our business field is mainly non-face-to-face payment

Face-to-face payment



(Point)

- Must present credit card
- Must provide signature
- Use terminals such as POS terminal & CAT terminal

Non-face-to-face payment



(Point)

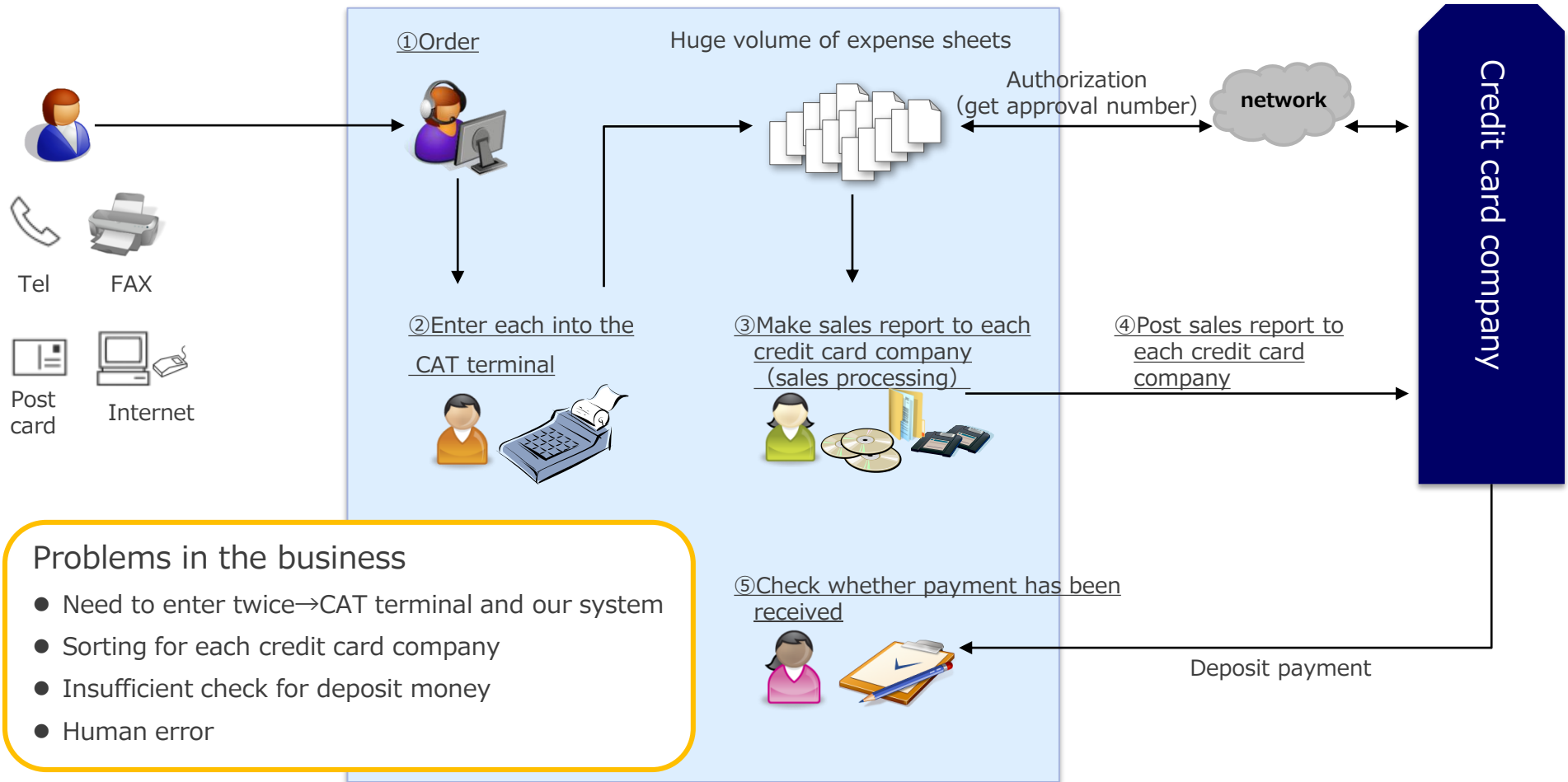
- No need to present credit card
- Use postcard, telephone, FAX
- Use Internet
- Use automatic settlement machine which registers credit card number in advance

Business outline of payment processing company

Problems of the existing non-face-to-face credit card payment

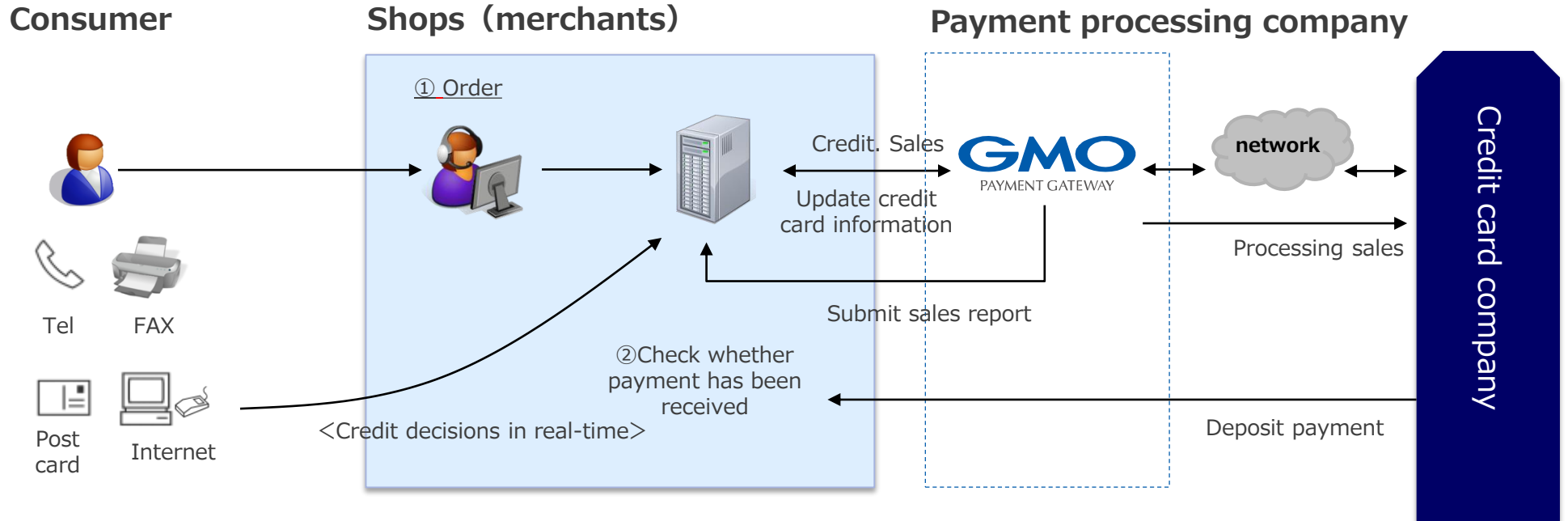
Consumer

Shops (merchants)



Business outline of payment processing company

Payment processing service which could do credit card payment operation efficiently



In the early days of EC, offline processing was done for non-face-to-face credit card payments between merchants and credit card companies, increasing the burden of each.

To solve this problem, payment processing companies have been established and made it easier to do business.

Potential of the EC market

EC market set to grow

Broad sense EC market
? Trillion yen

Narrow sense EC market
9.5 Trillion yen
(2012)

- ① Expand EC market in the narrow sense (expansion of present EC, direct marketing of major manufacturers, opening of major distributors)
- ② Expansion of micro-commerce
- ③ EC for service commerce, public money and O2O

Country		EC ratio
USA	(2013)	5.8%*
UK	(2013)	10.4%
Japan	(2012)	3.1%

*Adjusted, Preliminary estimate.

※References : METI, [Market report in regard to EC 2013] , American Bureau of the Census [QUARTERLY RETAIL E-COMMERCE SALES 4th Quarter 2013] ,Office for National Statistics [RSI Tables December 2013] , estimated by GMO-PG,

Potential of the credit card market

Several 10 trillion yen growth potential

- The potential growth of the Japanese credit card market is considerable



- Overseas credit card use is high compared to Japan

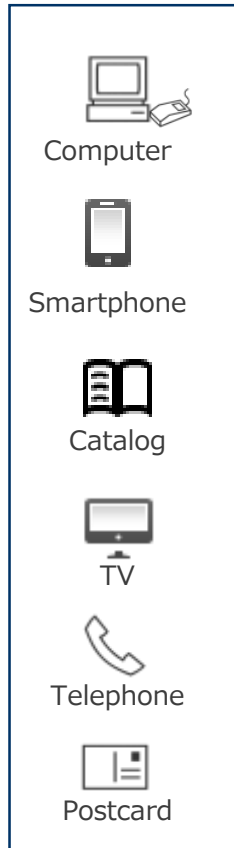
Country		Amount handled by CC Private final consumption expenditure	Amount handled by DC Private final consumption expenditure	Amount handled by CC+DC Private final consumption expenditure
UK	(2012)	15 %	35 %	50 %
USA	(2012)	22 %	18 %	40 %
Korea	(2012)	72 %	12 %	84 %
Australia	(2012)	30 %	21 %	51 %
Japan	(2012)	18 %	-	18 %

※Estimated by GMO-PG : CPSS Red Book, GLOBAL NOTE

Business outline - The role of our company

We connect merchants and businesses dealing with contracts, payment information and money transactions

Consumer



Merchants

<merchants=Our Customers>

About 47,000 shops



Online store



Monthly recurring

Billing businesses

- Magazine subscription
- NHK



Contents businesses

- SNS
- Smartphone

Public Institutions



- Local governments (e.g. Tokyo metro government)
- Pension

Our Company

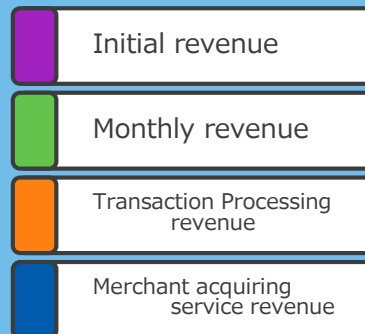


PAYMENT GATEWAY

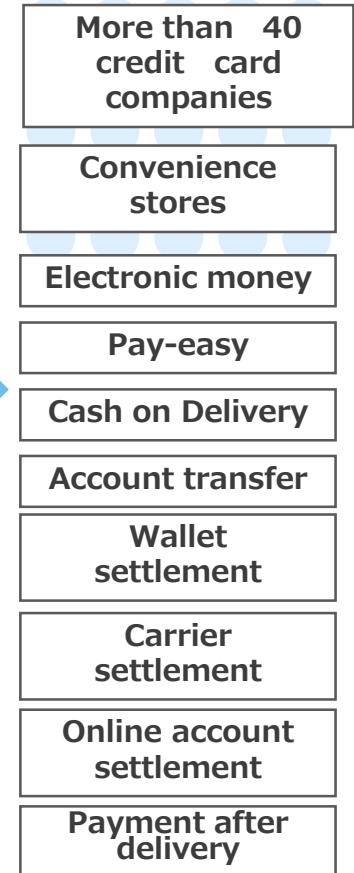
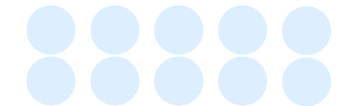
■ Business Services

We connect merchants and businesses with contracts, payment information and money transactions

■ Profit Structure

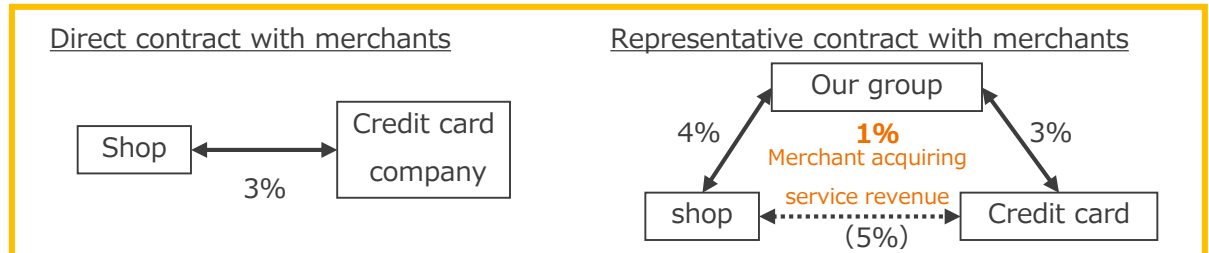
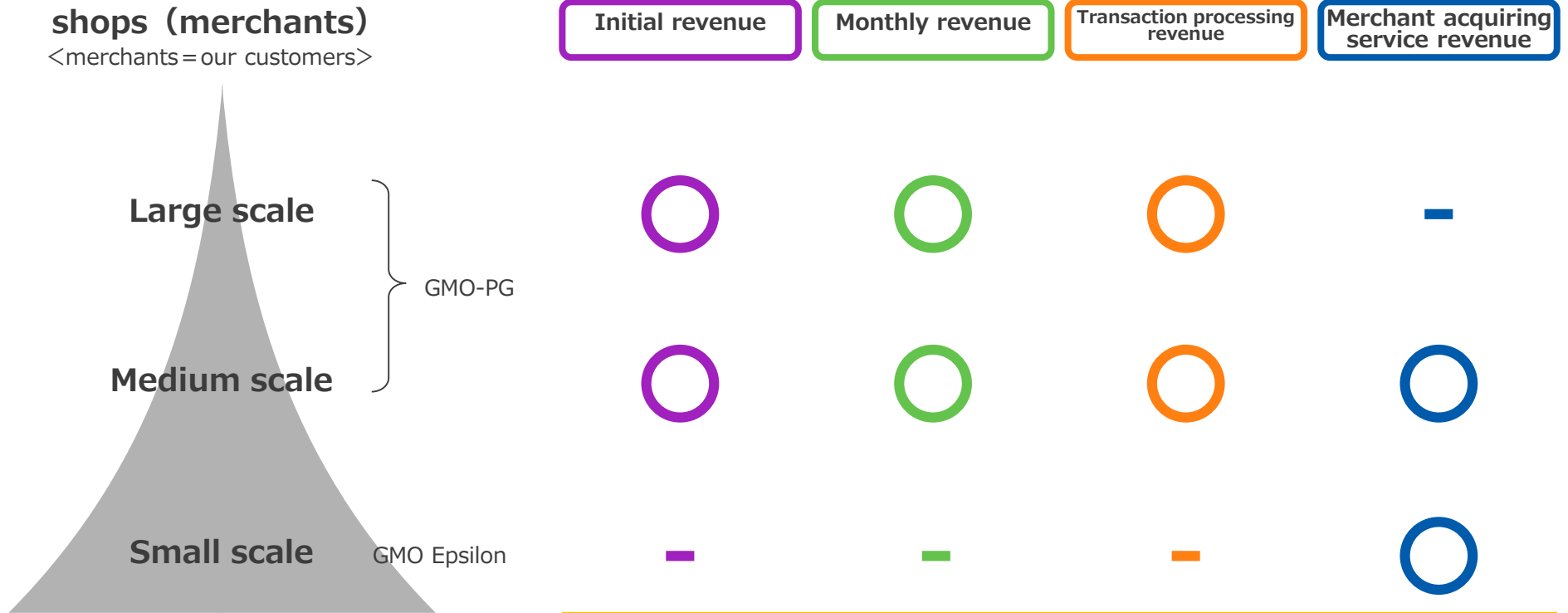


Business related



Business model (for credit card payments)

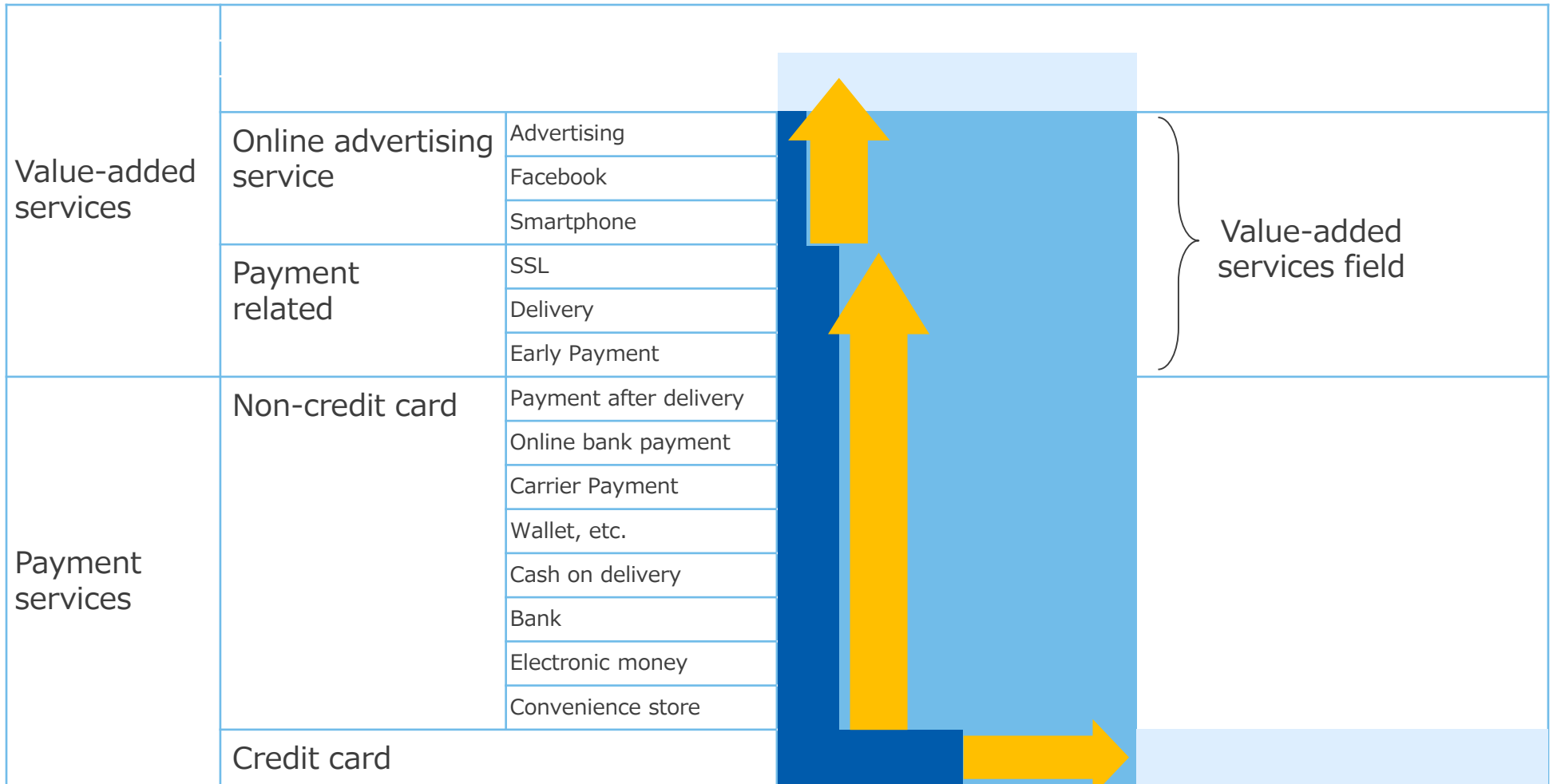
Our business model is based on “stock and transaction” model



※This is the basic model, the model depends on the merchants.
 ※Numbers are provided for illustration purposes only.

Payment services to value-added services

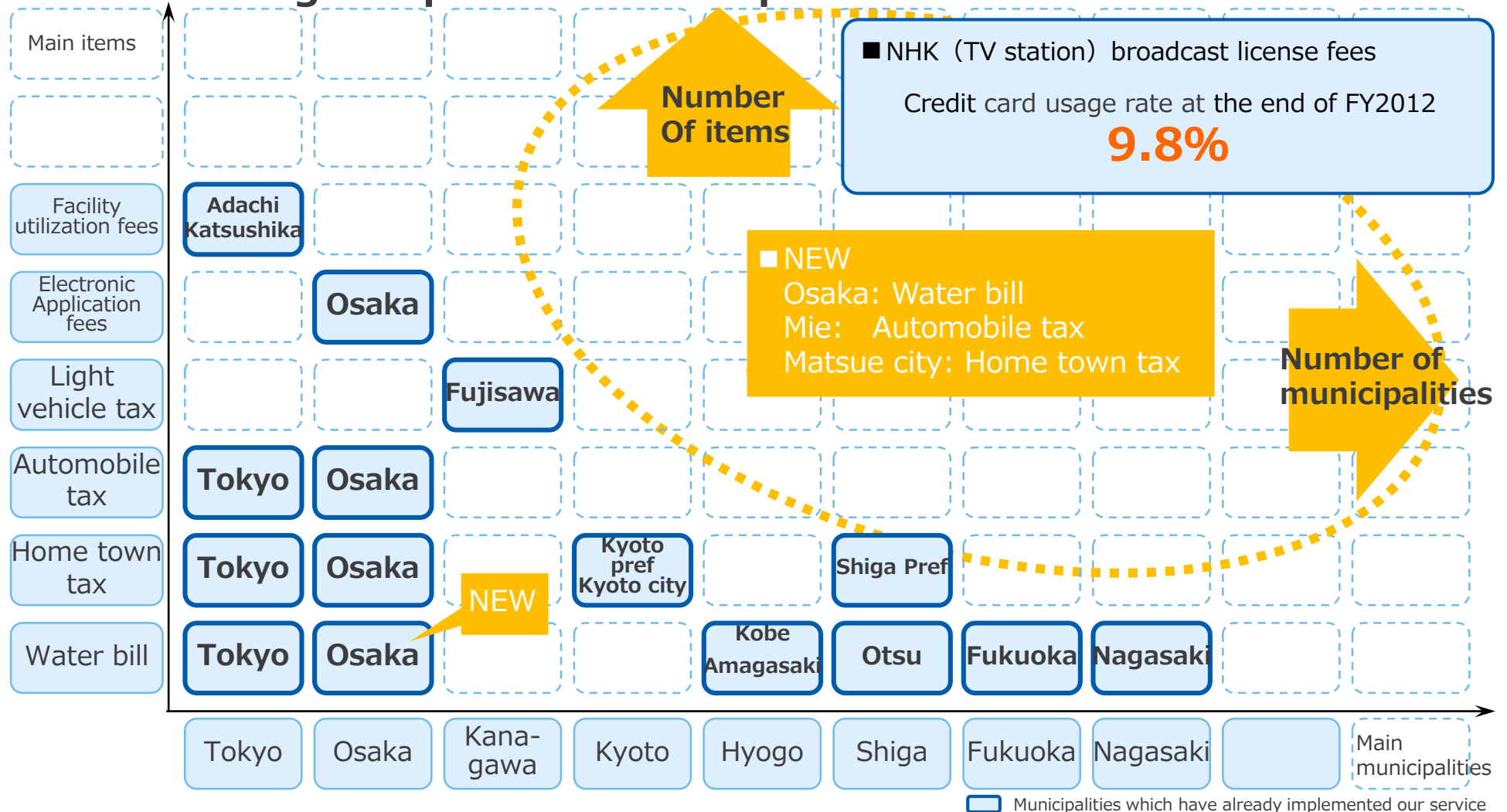
Adding new services while increasing our company's share



Number of merchants : 47,000

Expansion of public funds and utility payments

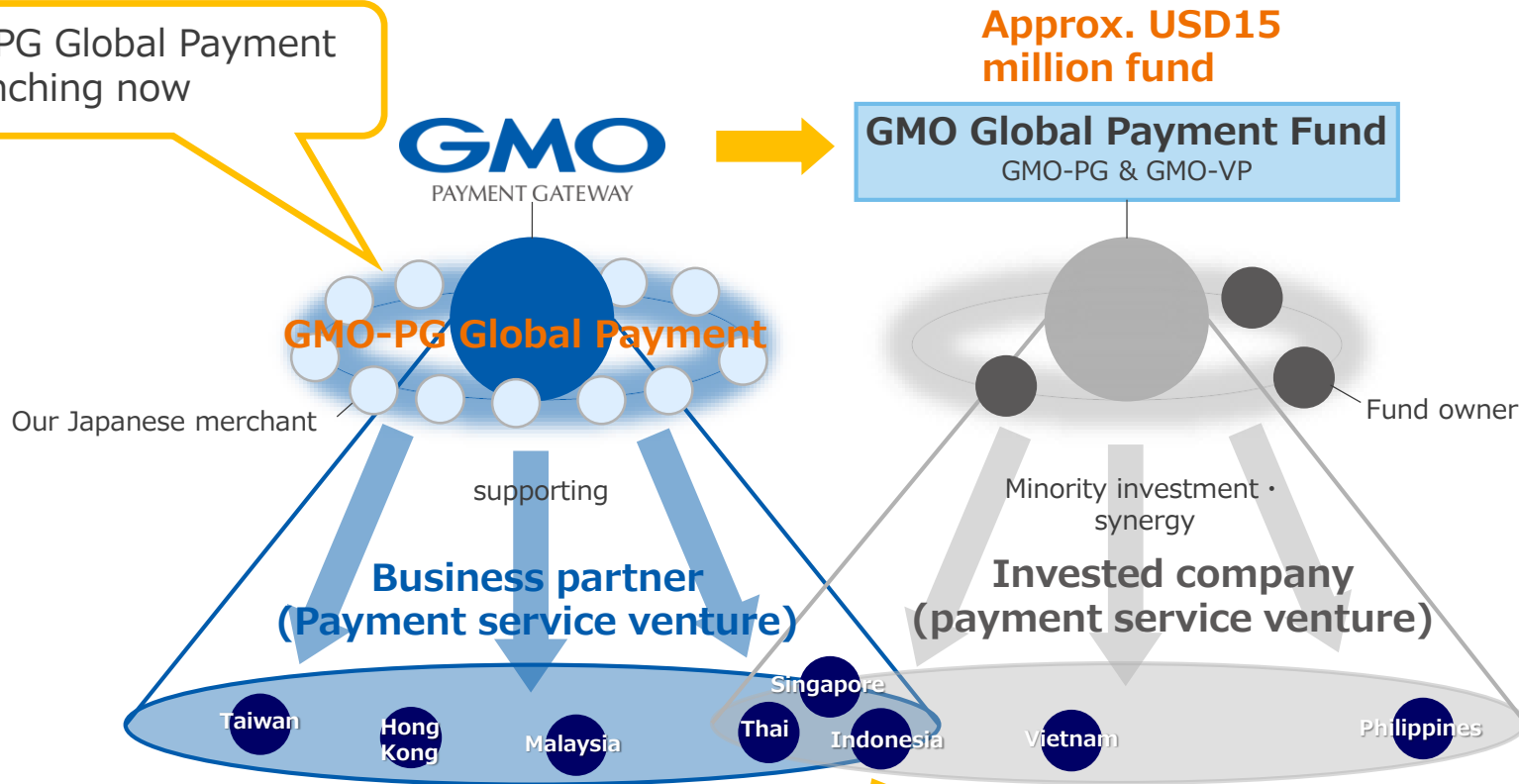
Number of payment types and municipalities are increasing and this field has great potential for expansion



The strategy of overseas development

Through two strategic service entities,
capital and business alliance can be promoted

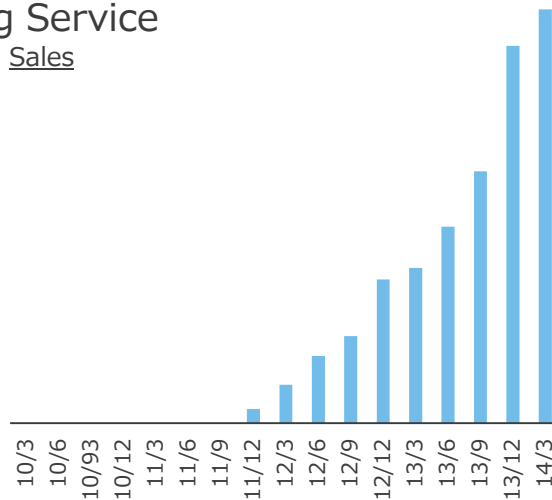
GMO-PG Global Payment is launching now



New Business

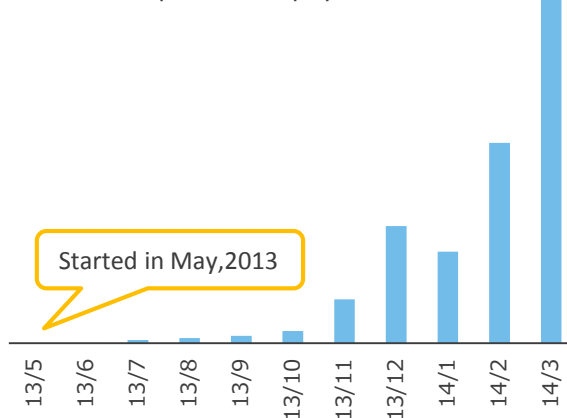
GMO-PG group's new business and profit status

■ Online Advertising Service (GMO-PG) Sales



■ GMO-PS

Number of processed payments

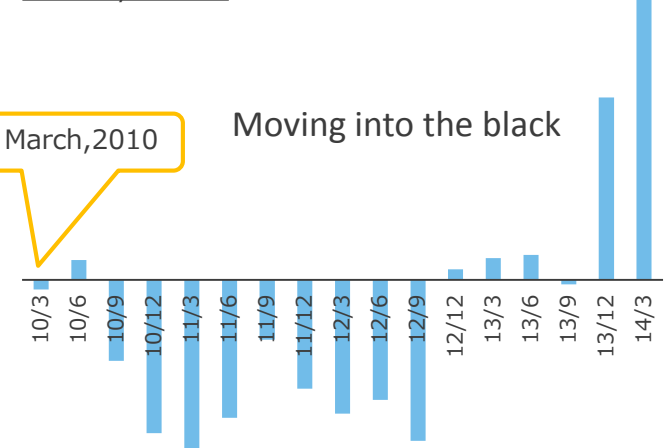


■ SAPS

Ordinary income

Established in March, 2010

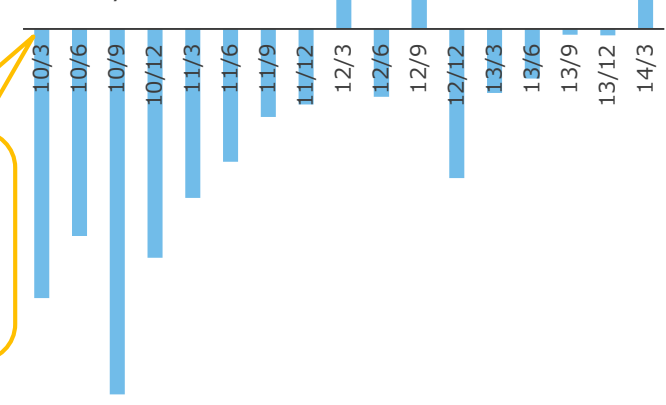
Moving into the black



■ COC

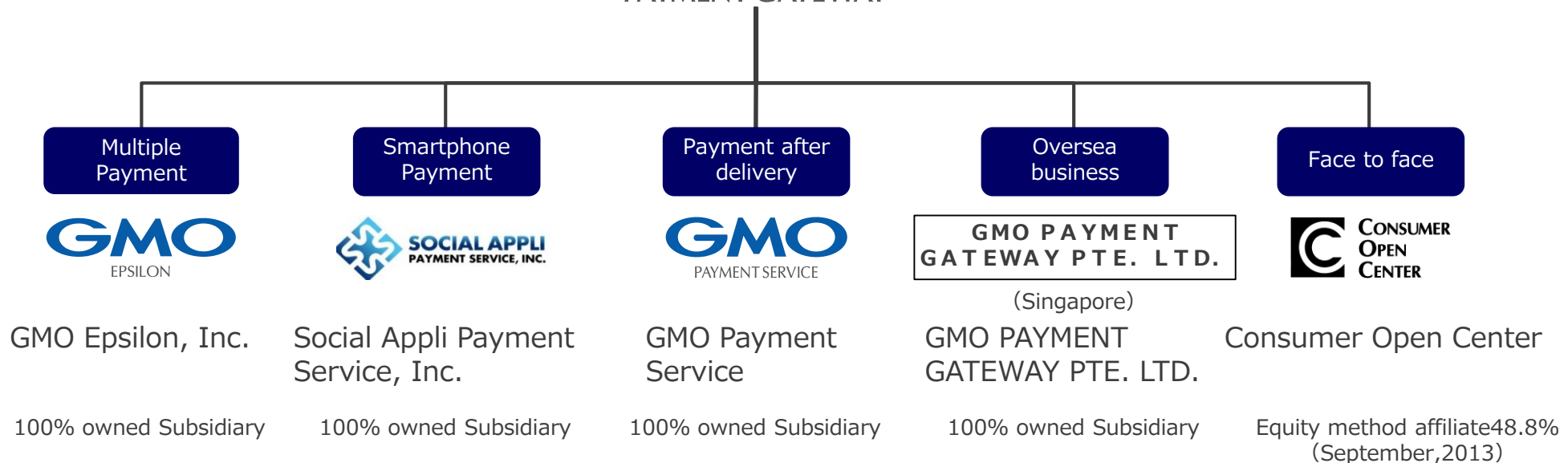
Ordinary income

Joined as an Equity method application concerned company in January, 2010



GMO-PG Group

GMO Payment Gateway's subsidiaries and affiliated companies



Sales : 1,298 million yen
 Ordinary income : 845 million yen
 (September, 2013)

