

Supplementary Information

Financial results briefing for the 3Q of FY2014

August 1, 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)

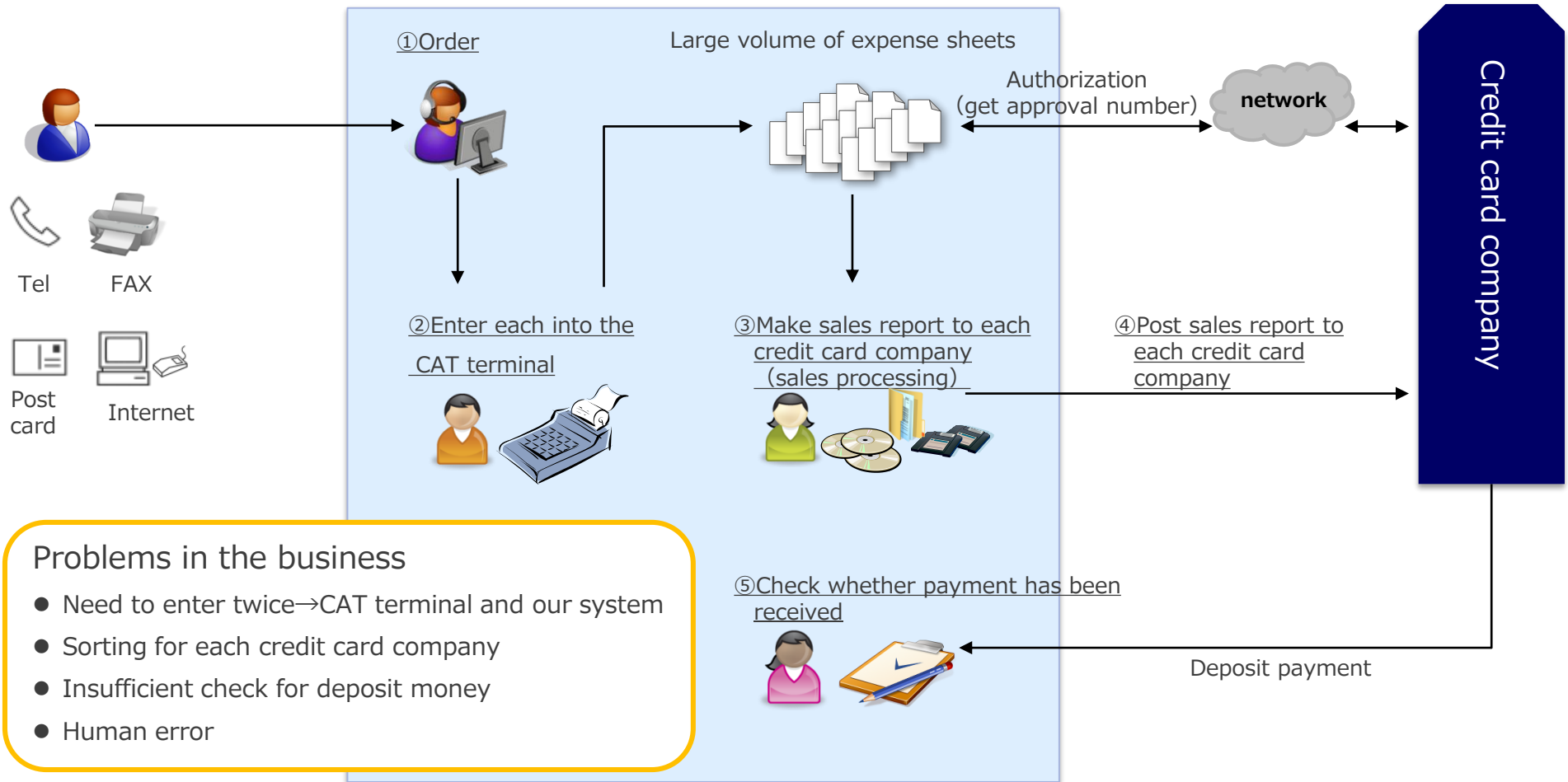
- No need to present credit card
- Use postcard, telephone, fax
- Use Internet
- Use automatic payment machine which registers credit card number in advance

Business outline of payment processing company

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

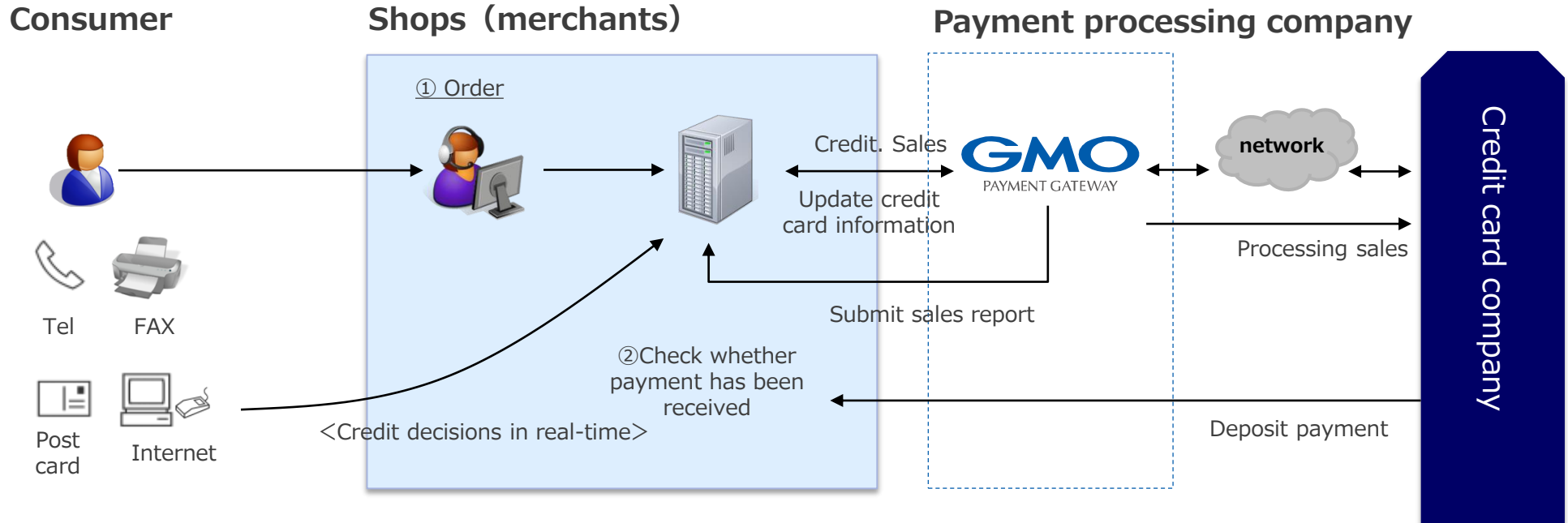
Consumer

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 BtoC EC market

BtoC 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% |

※References : METI, [Market report in regard to EC 2013] , American Bureau of the Census [QUARTERLY RETAIL E-COMMERCE SALES 1st QUARTER 2014]
Office for National Statistics [Retail Sales, June 2014]

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

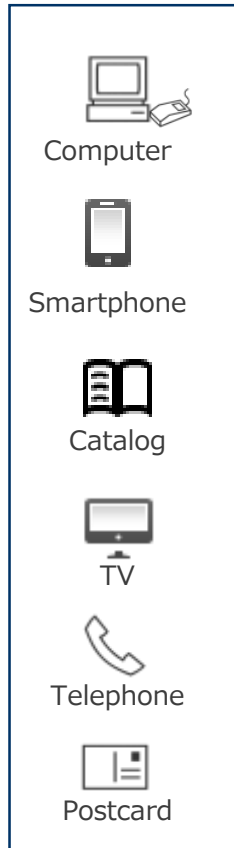
| Country | | Amount handled by CC Private final consumption expenditure | Amount handled by DC Private final consumption expenditure | Amount handled by CC+DC Private final consumption expenditure |
|-----------|--------|---------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|
| UK | (2012) | 15 % | 35 % | 50 % |
| USA | (2012) | 22 % | 18 % | 40 % |
| Korea | (2012) | 72 % | 12 % | 84 % |
| Australia | (2012) | 30 % | 21 % | 51 % |
| Japan | (2012) | 19 % | - | 19 % |

※Estimated by GMO-PG : CPSS Red Book, GLOBAL NOTE, Japanese credit association [Japan's consumer credibility data] 2013

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 48,000 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

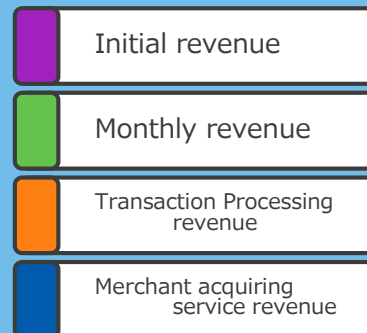


PAYMENT GATEWAY

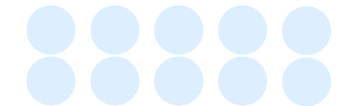
■ Business Services

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

■ Profit Structure



Business related



More than 40 credit card companies

Convenience stores

Electronic money

Pay-easy

Cash on Delivery

Account transfer

Wallet settlement

Carrier settlement

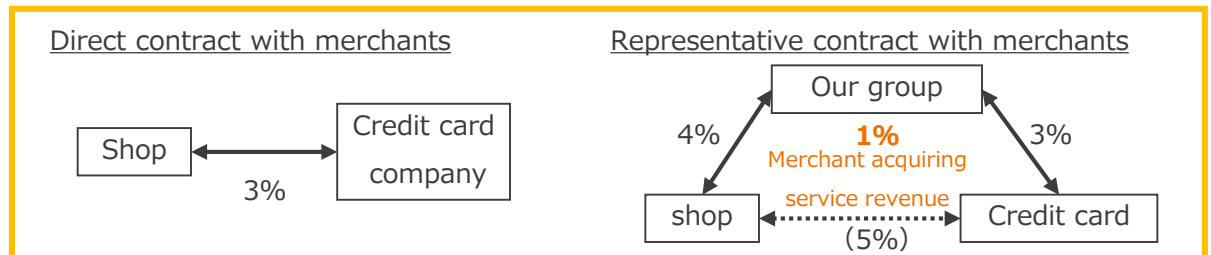
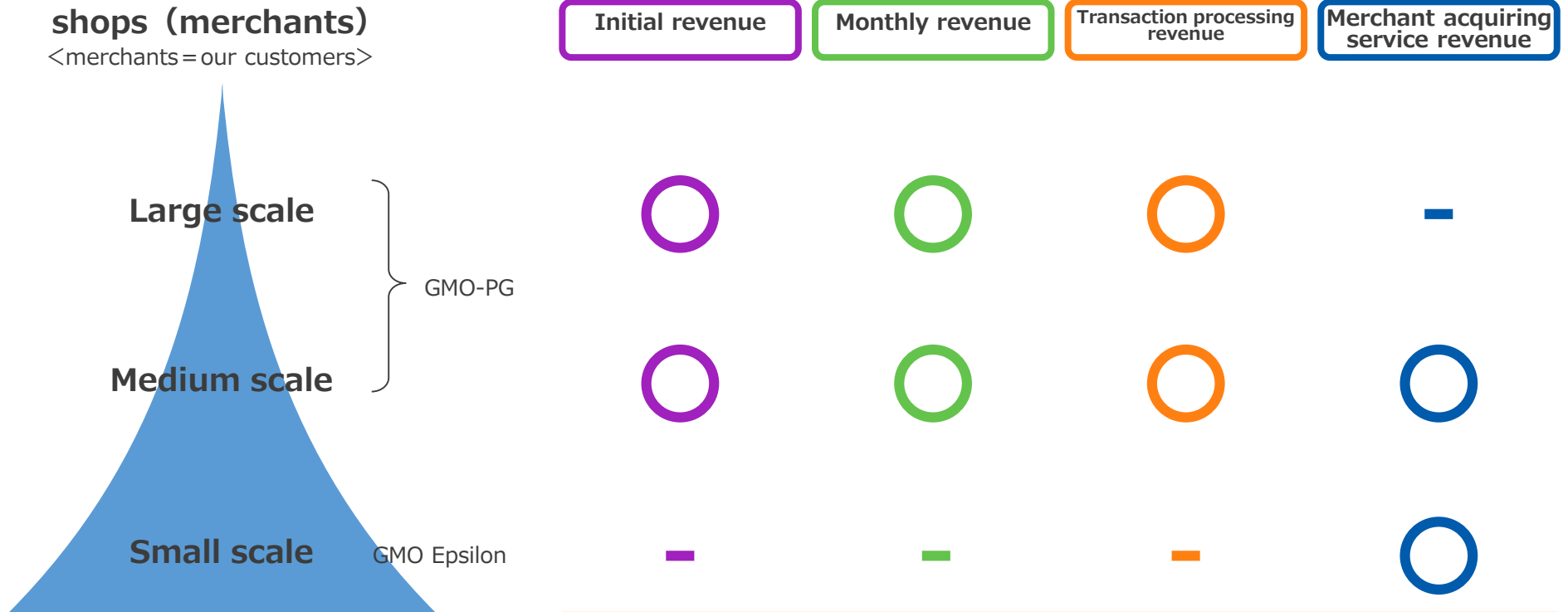
Online account settlement

Payment after delivery

etc.

Business model (for credit card payments)

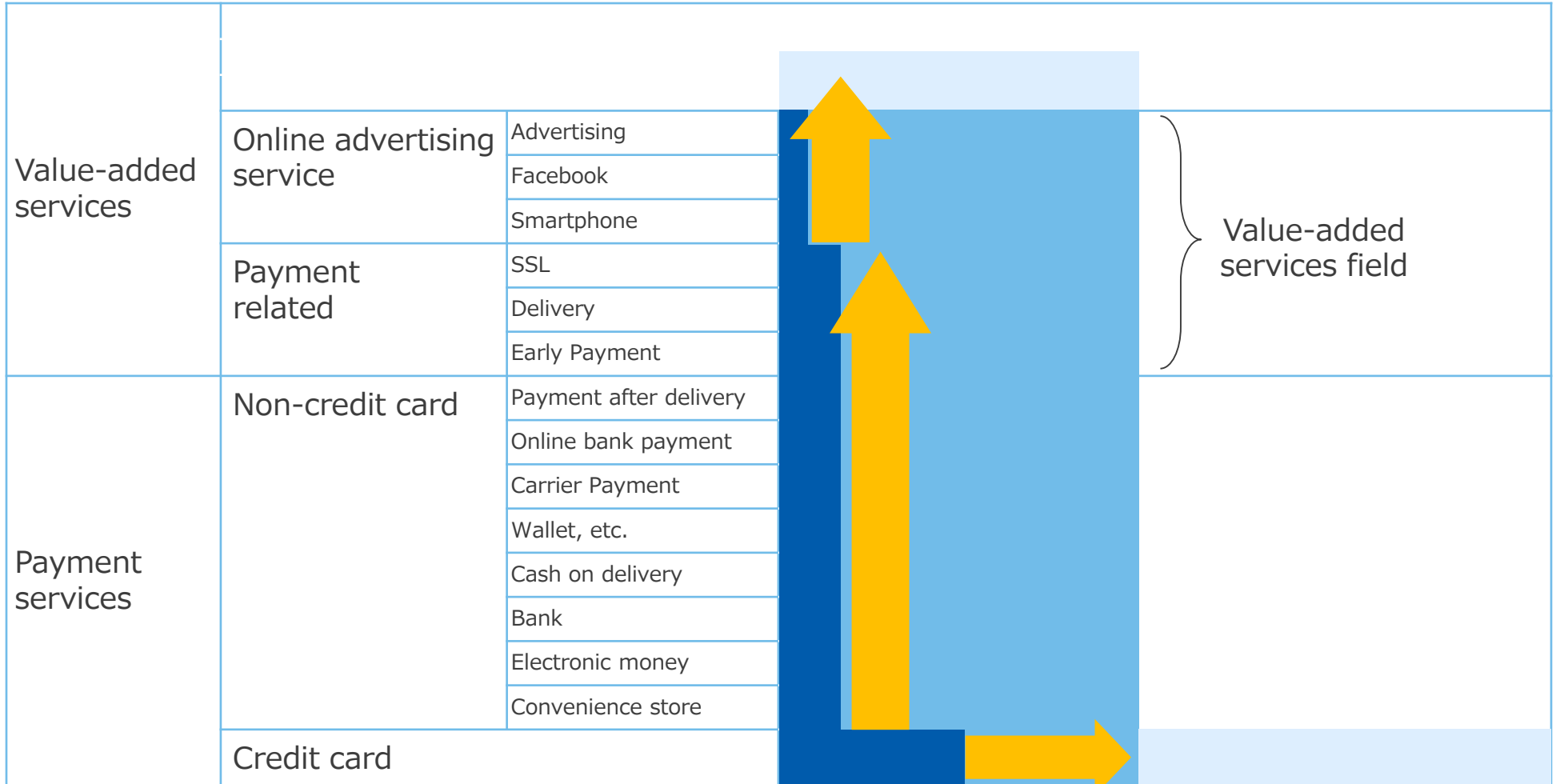
Balanced growth in all segments



※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

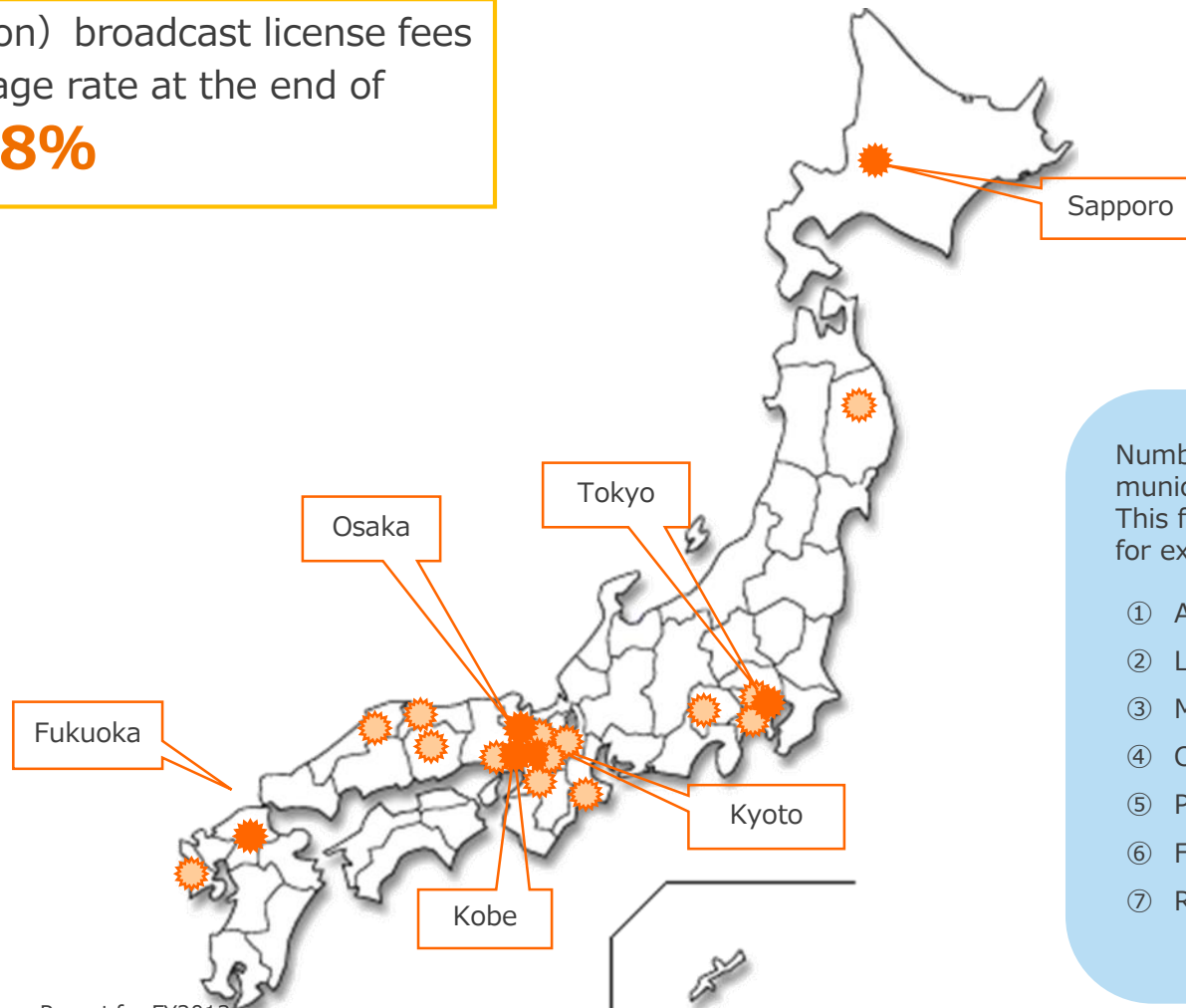


Number of merchants : 48,000

Expansion of public funds and utility payments

Our approach to these public money payments

- NHK (TV station) broadcast license fees
Credit card usage rate at the end of
FY2013 **10.8%**



Number of payment types and municipalities is increasing. This field has great potential for expansion

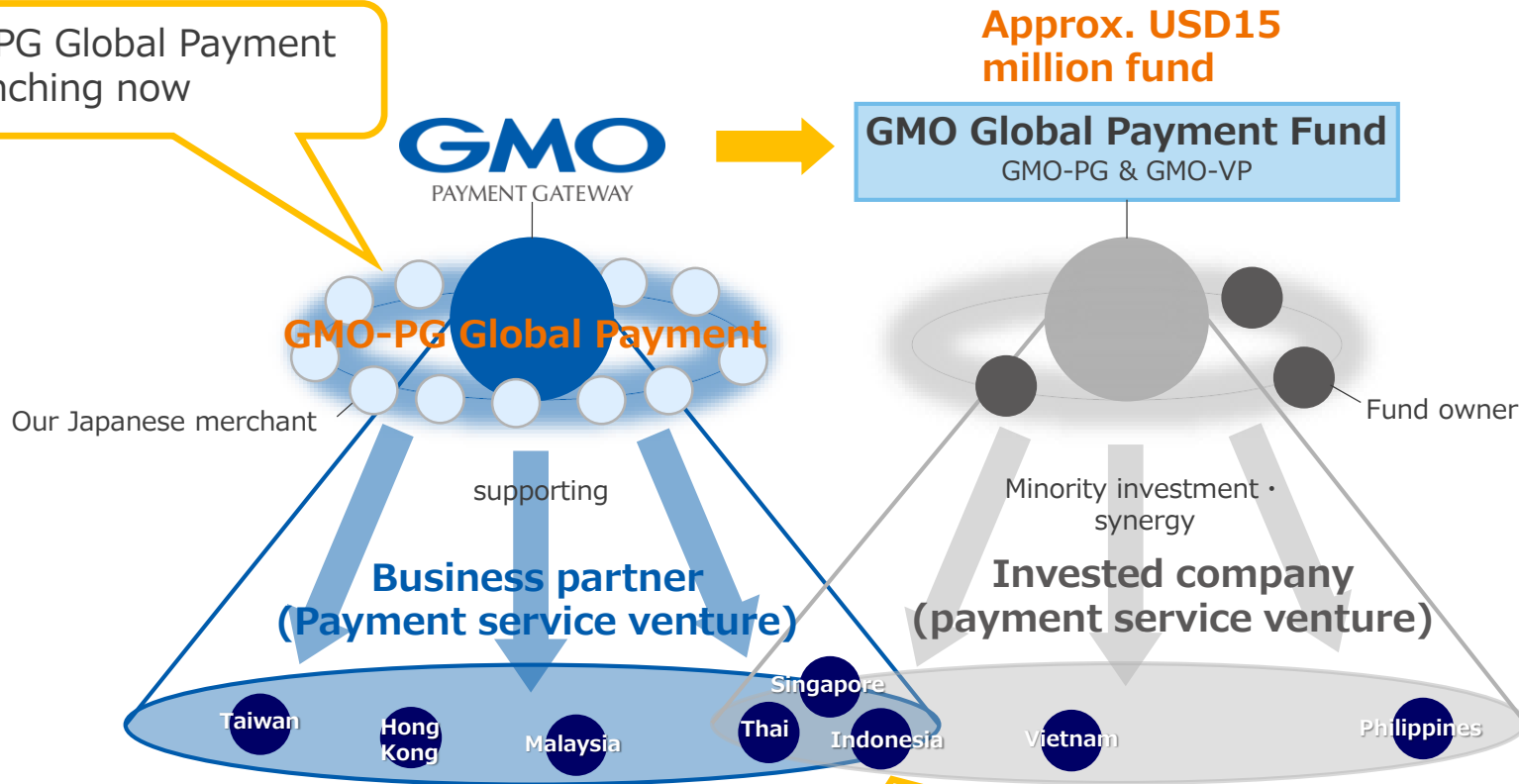
- ① Automobile Tax
- ② Light vehicle tax
- ③ Maintenance fees
- ④ Cram school tuition fees
- ⑤ Parking fees
- ⑥ Fixed assets tax
- ⑦ Resident tax

etc.

The strategy of overseas development

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

GMO-PG Global Payment is launching now



Approx. USD15 million fund

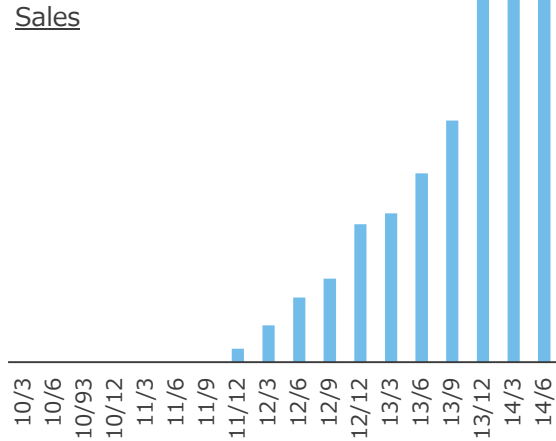
GMO Global Payment Fund
GMO-PG & GMO-VP

Invested in Coda Payments PTE. LTD. (USD1,000,000)
Invested in 2C2P Pte., Ltd.

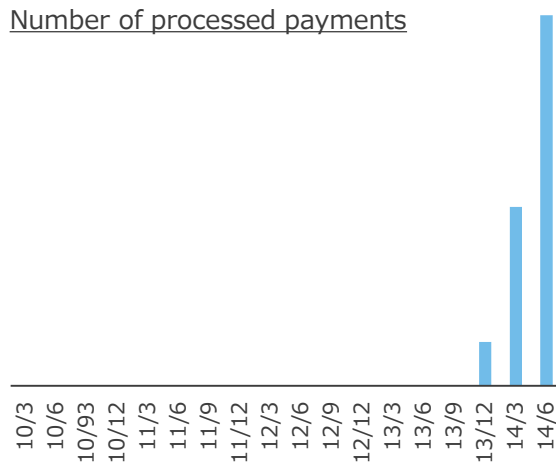
New Business

GMO-PG group's new business and profit status

■ Online Advertising Service (GMO-PG) Sales



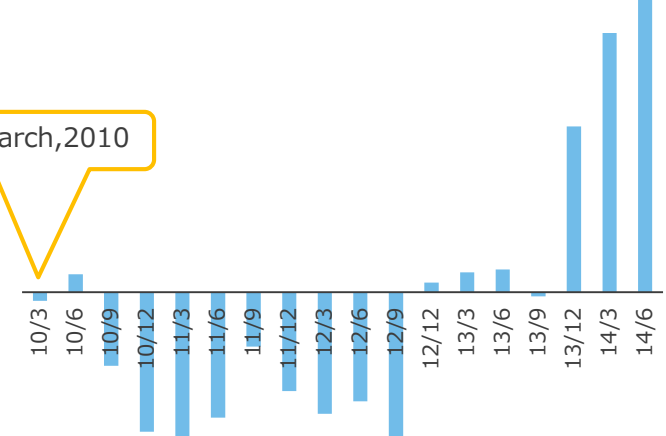
■ GMO-PS



■ SAPS

Ordinary income

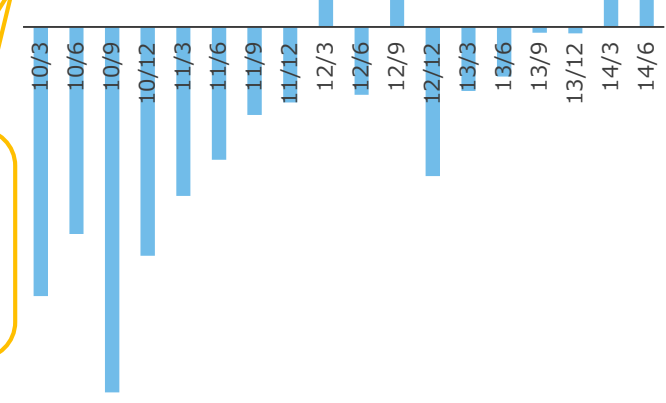
Established in March, 2010



■ COC

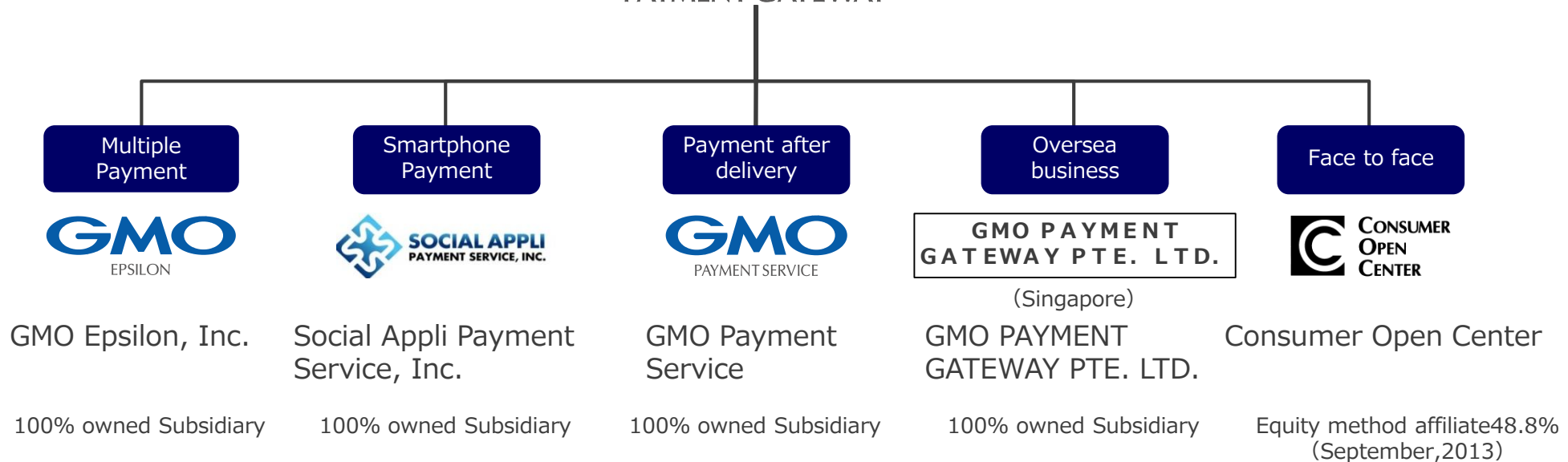
Ordinary income

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)

