

Supplementary Information

Financial results briefing for the term ending September 30,2014

November 5,2014

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)

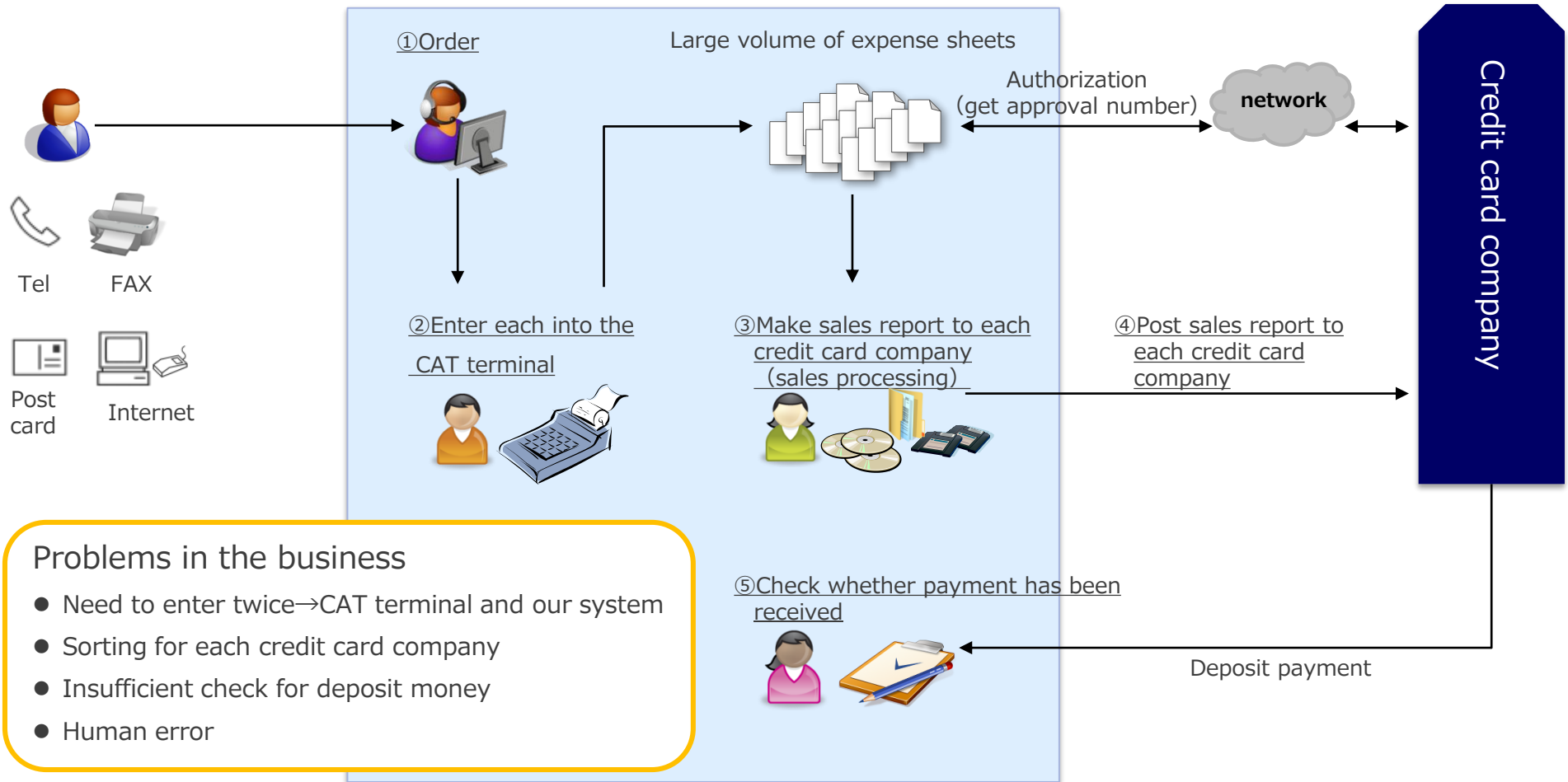
- No need to present credit card
- Use postcard, telephone, fax
- Use Internet
- Use automatic payment machine which registers credit card number in advance

Business outline of payment processing company

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

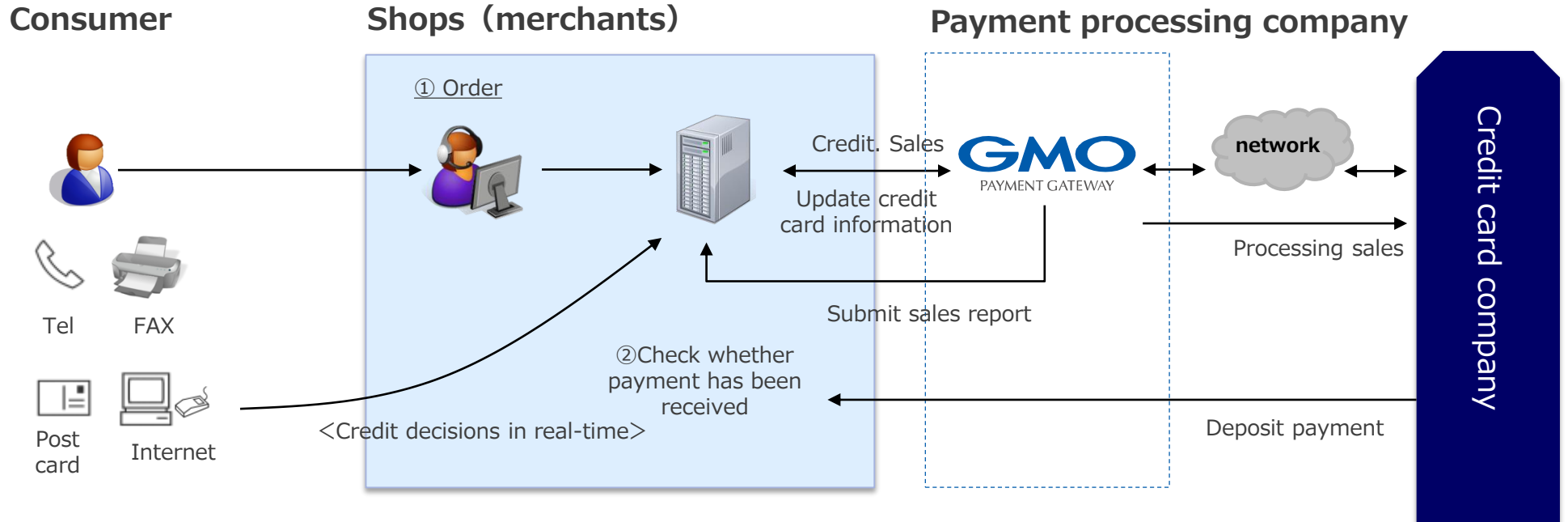
Consumer

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.

Business outline - The role of our company

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

Consumer



Compute



Smartphone

Merchants

<merchants=Our Customers>

About 50,000 shops

Narrow definition EC

- Internet Shopping

public money

- National Broad Casting
- Prefectures (Tokyo, Osaka)

Service Commerce

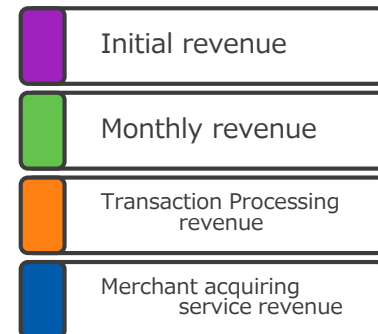
- Donation
- house rent
- Tuition fee
- Rental fee for Wi-fi

O2O

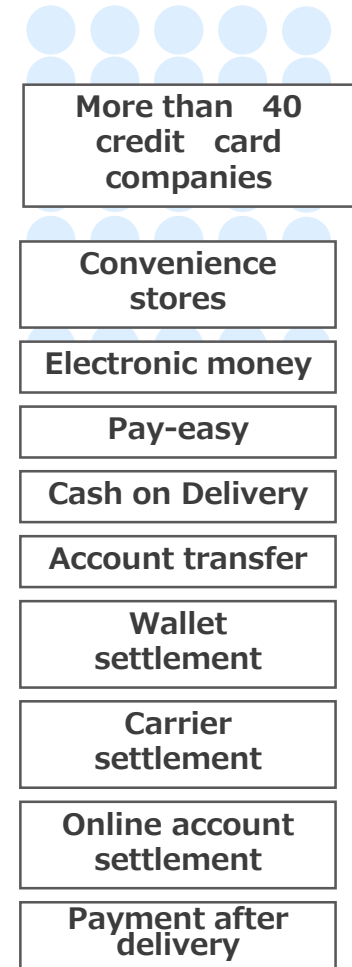
- reserve for rental car
- reserve for lunch box

Our Company

Scale Merit

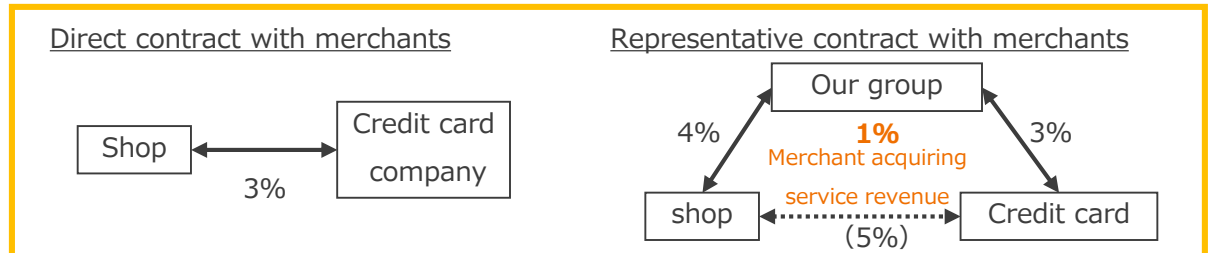
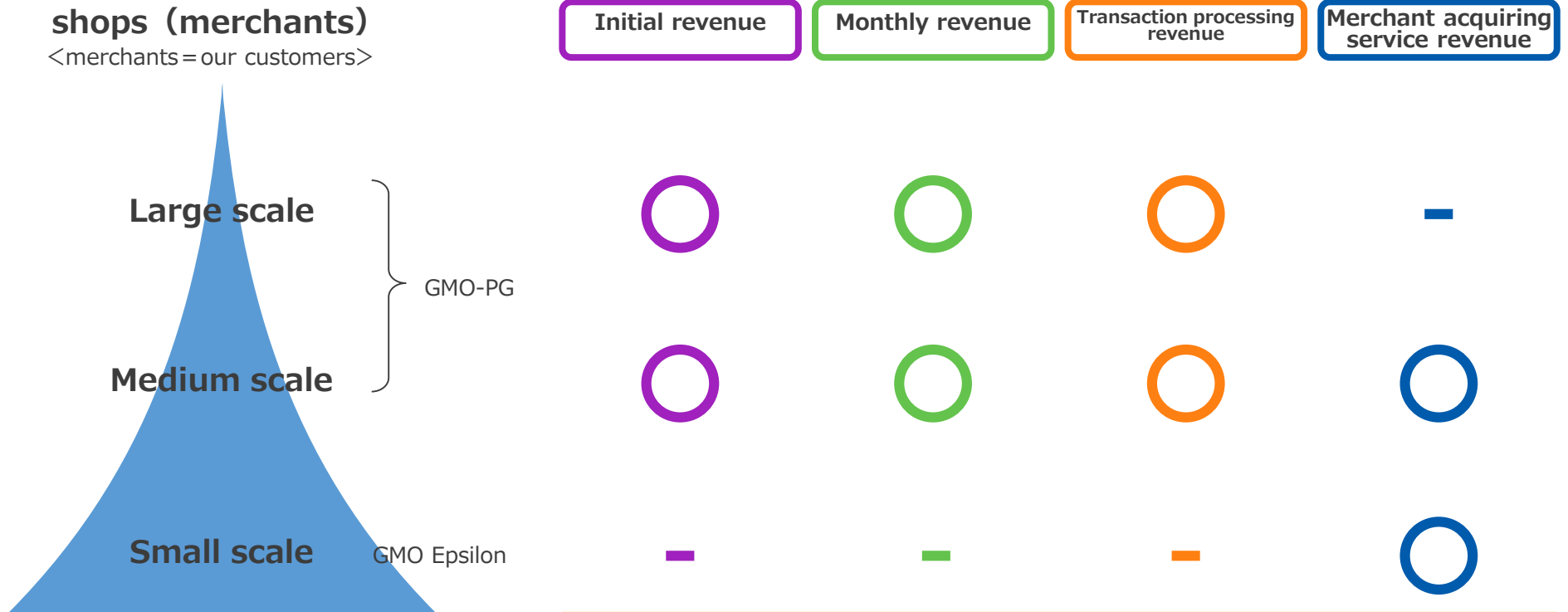


Business related



Business model (for credit card payments)

Balanced growth in all segments



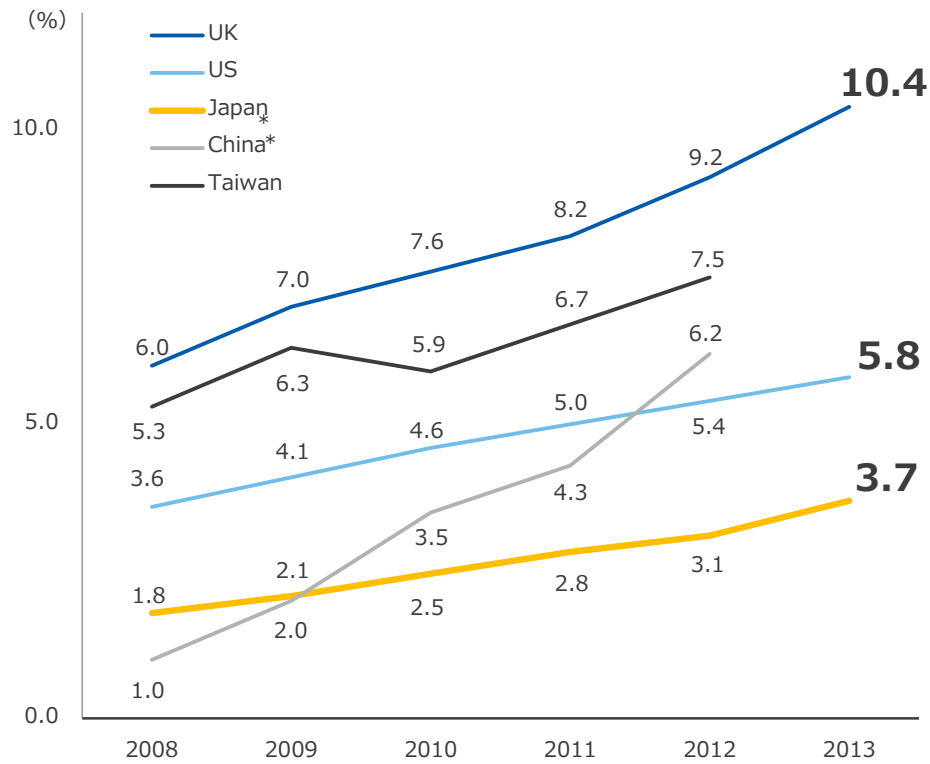
※This is the basic model, the model depends on the merchants.
 ※Numbers are provided for illustration purposes only.

Growth potential of the EC market in Japan

Low EC ratio and high cash payment ratio

■ The conversion to EC is still 3% in Japan, which is significantly low compared to the US, Europe and other Asian countries

■ The ownership rate of credit cards in Japan is less than 20%; the development of cashless transactions will promote EC expansion.



*EC ratio of BtoC & CtoC

(2012)	Credit card usage ratio (A)	Dedit card usage ratio (B)	A+B
UK	12 %	35 %	47 %
US	22 %	18 %	40 %
Korea	72 %	12 %	84 %
Australia	30 %	21 %	51 %
Japan	19 %	-	19 %

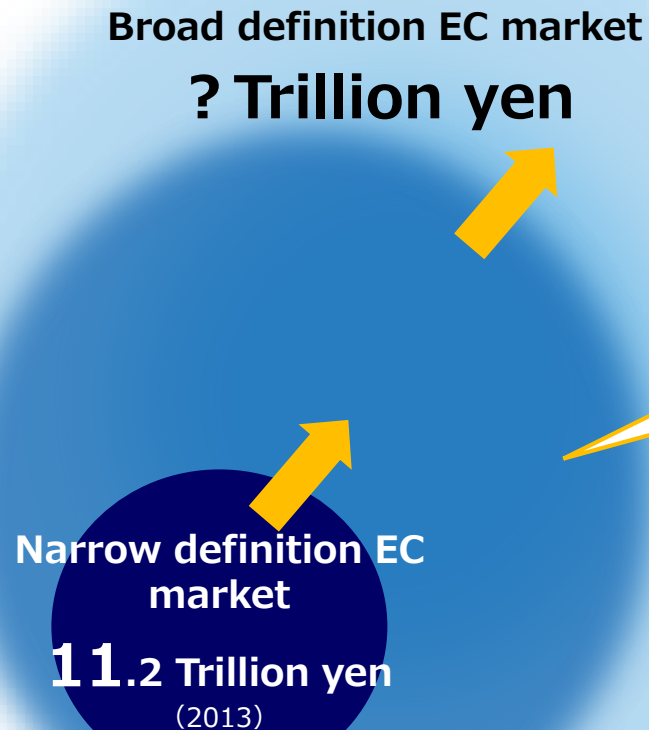
Ratio=(Amount handled by CC or DC) / (Private final consumption expenditure)

※Estimated by GMO, CPSS Red Book、GLOBAL NOTE

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 BtoC EC market

BtoC EC market set to grow

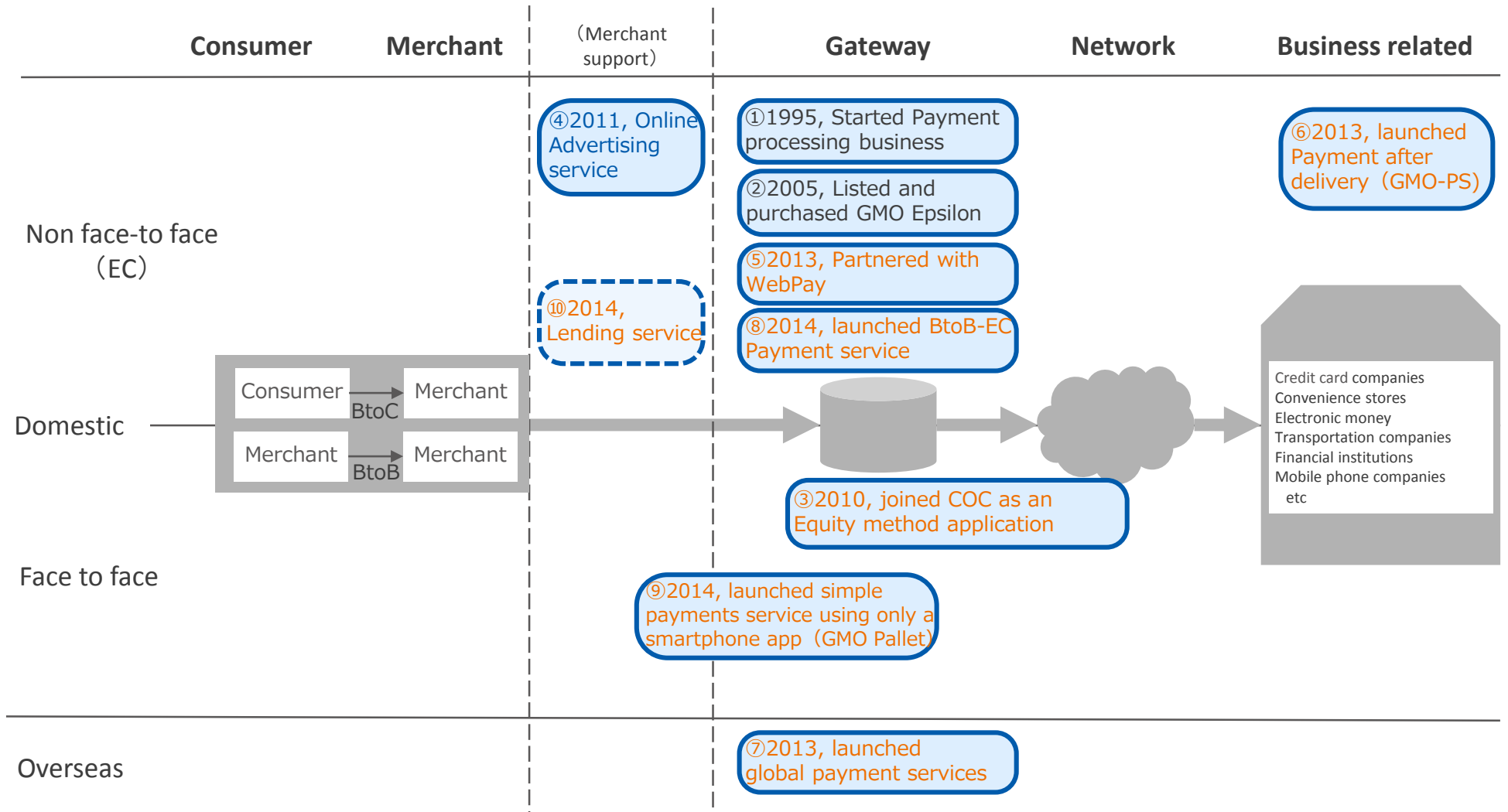


- ① Expand EC market in the narrow definition (expansion of present EC, direct marketing of major manufacturers, opening of major distributors)
- ② Expansion of micro-commerce
- ③ EC for service commerce, public money and O2O

※References : METI, [Market report in regard to EC 2013]

Expanding business fields

Provide a payment platform to solve our merchants' problems



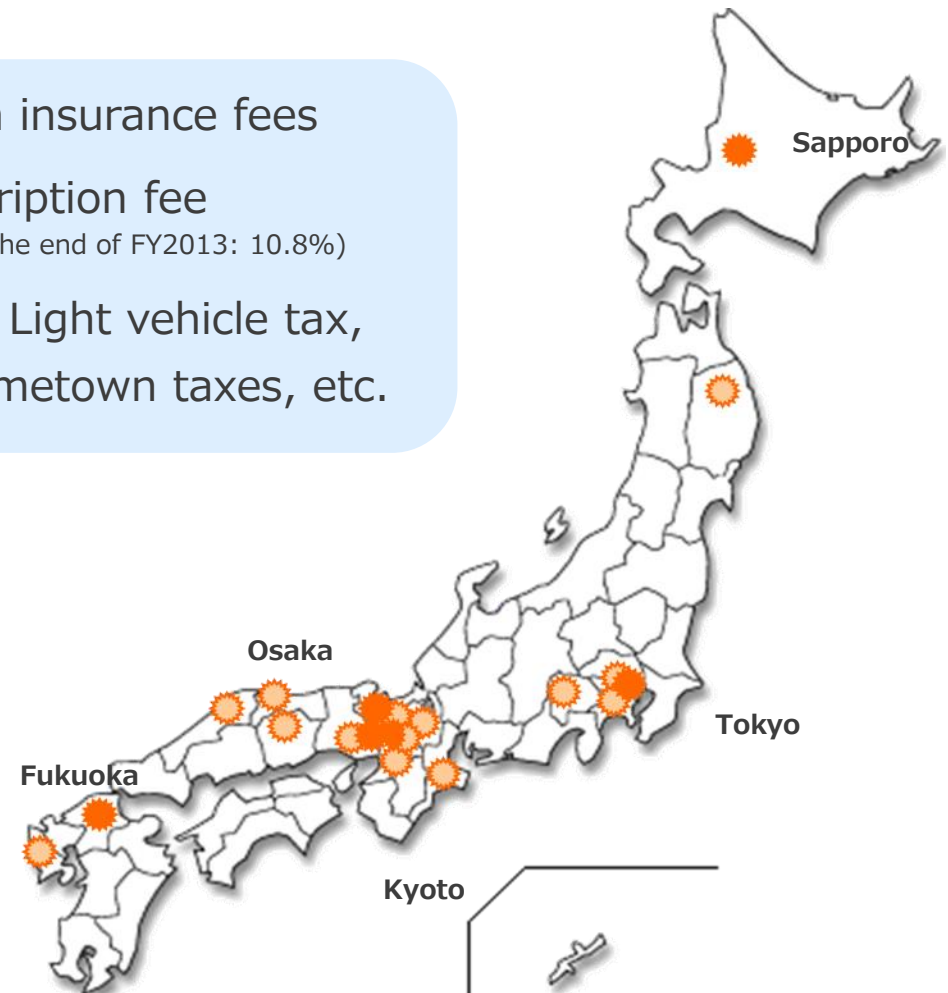
Expansion of public funds and utility payments

Our approach to these public money payments

Japan Pension Service	: National pension insurance fees
NHK	: Broadcast subscription fee (Credit card usage rate at the end of FY2013: 10.8%)
Local governments etc.	: Automobile Tax, Light vehicle tax, Water rates, Hometown taxes, etc.

Great potential for expansion

Maintenance fees
Cram school tuition fees
Parking fees
Fixed assets tax
Resident tax, etc.

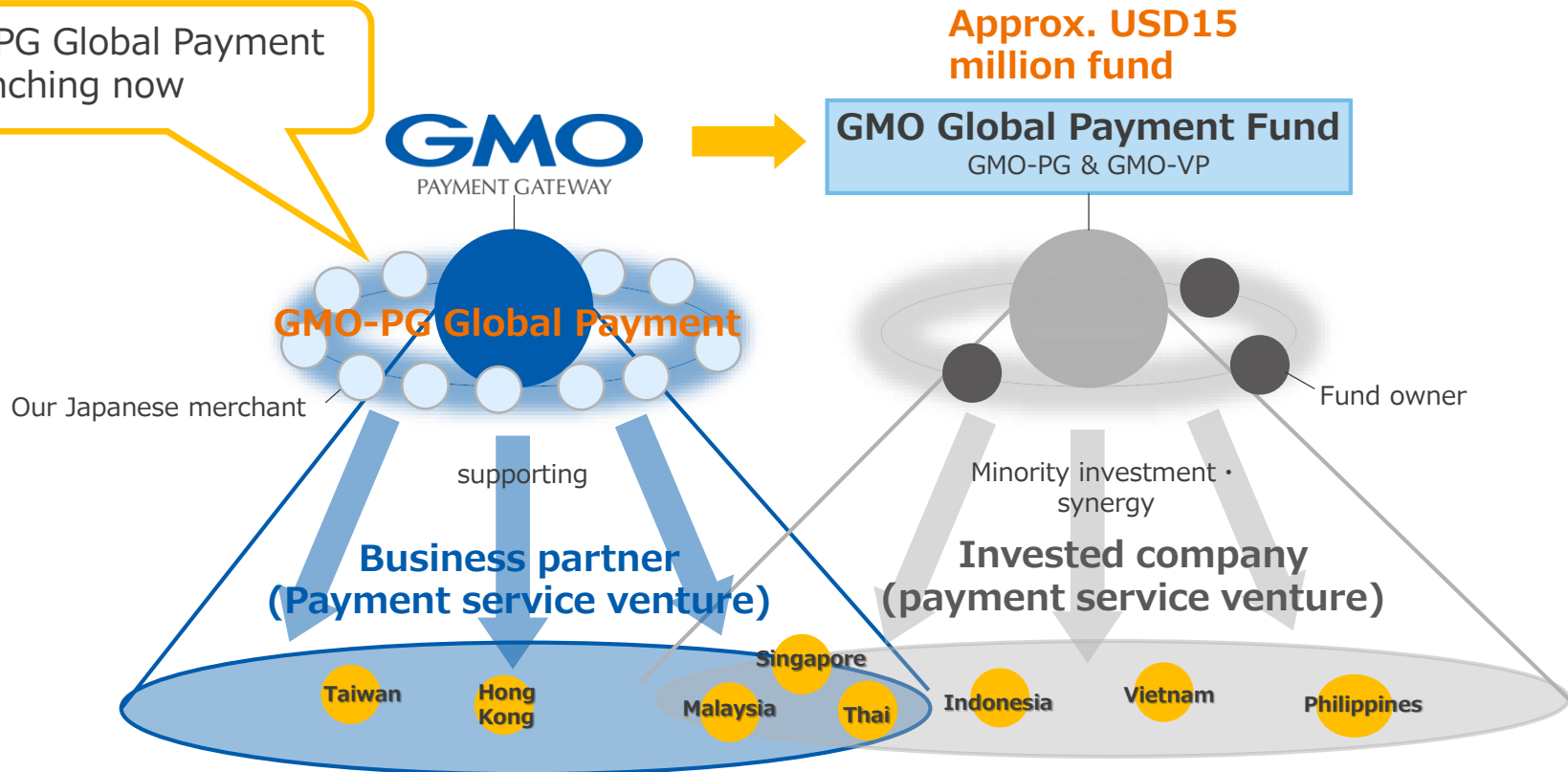


※Nippon Housou Kyoukai Business Report for FY2013

The strategy of overseas development

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

GMO-PG Global Payment is launching now



GMO-PG Group

GMO PAYMENT GATEWAY's subsidiaries and affiliated company

GMO PAYMENT GATEWAY, Inc.

<Consolidated subsidiary>

Multiple payment (small scale)

GMO Epsilon,
Inc.

(Financial results for the term ending September 30,2014)

Revenue : 1,557 million yen, Ordinary income : 1,032 million yen

Payment after delivery

GMO Payment Service, Inc.

Overseas

GMO PAYMENT GATEWAY PTE. LTD. (Singapore)

GMO PAYMENT GATEWAY HONG KONG LIMITED

(Hong Kong, Taiwan, Malaysia)

GMO PAYMENT GATEWAY MALAYSIA SDN. BHD.

(Malaysia)

GMO PAYMENT GATEWAY (THAILAND) CO., LTD.

(Thailand)

<Equity-method affiliate>

Face to face field

Consumer Open Center , Ltd.

Company outline

■ Name	GMO Payment Gateway, Inc. (3769; Tokyo Stock Exchange section-1)	
■ Date of establishment	March 1995	
■ Location	1-14-6, Dogenzaka, Shibuya-ku, Tokyo, Japan	
■ Capital stock	708 million yen	
■ Major shareholders	GMO Internet, Inc.、 Issei Ainoura ,etc	
■ Members of the Board (As of October,2014)	Chairman & Director	Masatoshi Kumagai
	President & Representative Director	Issei Ainoura
	Executive Vice President	Ryu Muramatsu
	Senior Managing Director	Satoru Isozaki
	Managing Director	Yuichi Hisada
	Director	Yasuhiko Kimura
	Director	Tadashi Ohshima
	Director	Tomoyuki Murakami
	Senior executive officer	Shinichi Sugiyama
	Senior executive officer	Takeshi Yoshii
	Executive officer	Katsunari Mukai
	Executive officer	Katsuyosi Aoyama
	Executive officer	Masaru Yoshioka
	Executive officer	Jyunya Tokuyama
	External Director	Masaya Onagi
External Director	Akio Sato	
Auditor	Yasuhiro Kanda	
External Auditor	Akihiro Suzuki	
External Auditor	Masashi Yasuda	
Auditor	Takashi Iinuma	
External Auditor	Kazuo Ikeda	
■ Managing underwriter	(Main) Nomura Holdings, Inc.、 (Sub) Mizuho Holdings, Inc.	
■ Auditor	Deloitte Touche Tohmatsu LLC	
■ Subsidiaries	GMO Epsilon, Inc. GMO Payment Service, Inc. Social Appli Payment Service, Inc.	
	GMO PAYMENT GATEWAY PTE. LTD. GMO PAYMENT GATEWAY HONG KONG LTD.	
	GMO PAYMENT GATEWAY MALAYSIA SDN. BHD. GMO PAYMENT GATEWAY (THAILAND) CO., LTD	
	COC (Ltd)	
■ Affiliated companies		

(As of September,2014)