

# Supplementary Information

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Financial results briefing for the 2Q of FY2015

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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 )

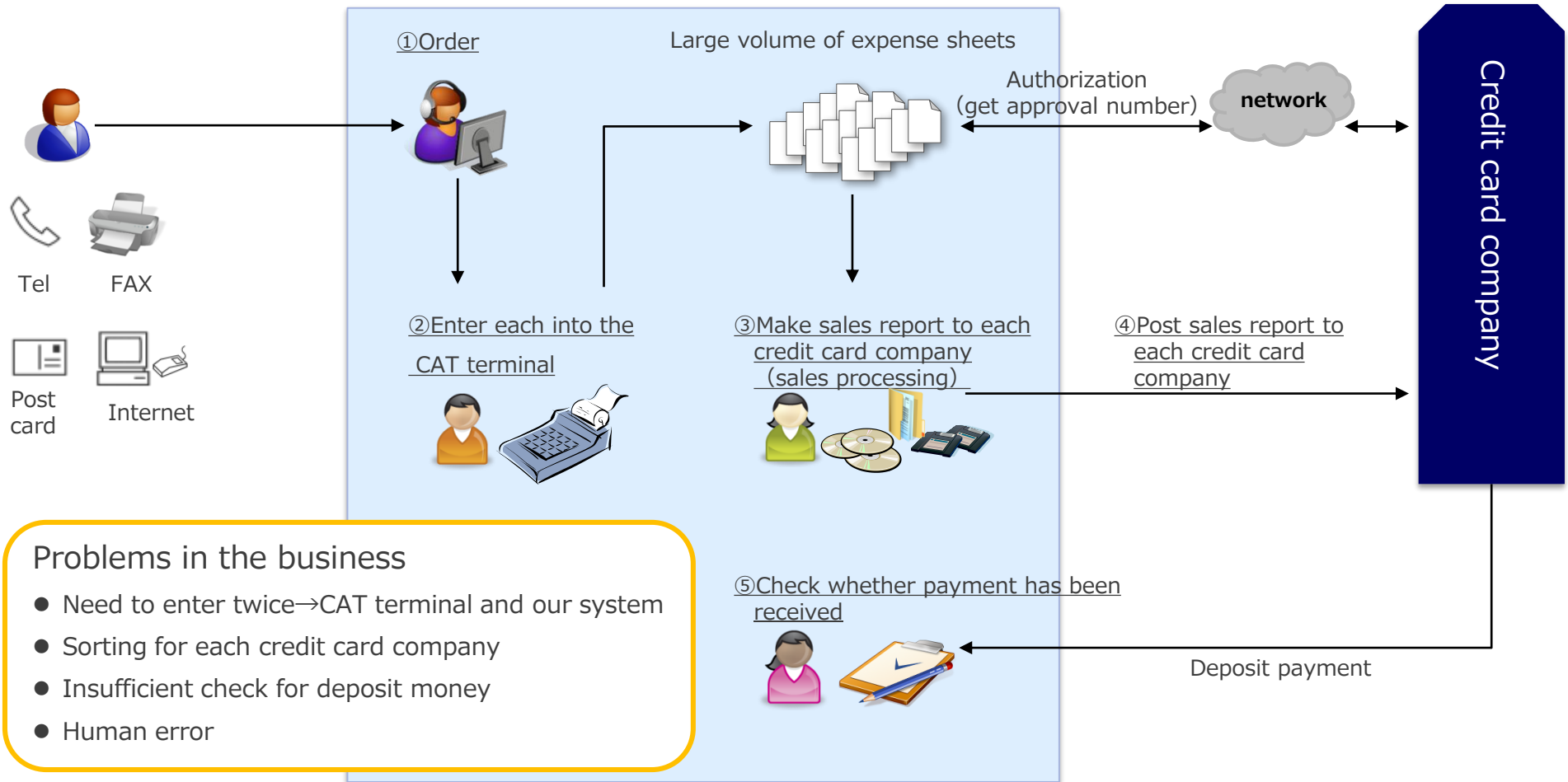
- No need to present credit card
- Use postcard, telephone, fax
- Use Internet
- Use automatic payment machine which registers credit card number in advance

# Business outline of payment processing company

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

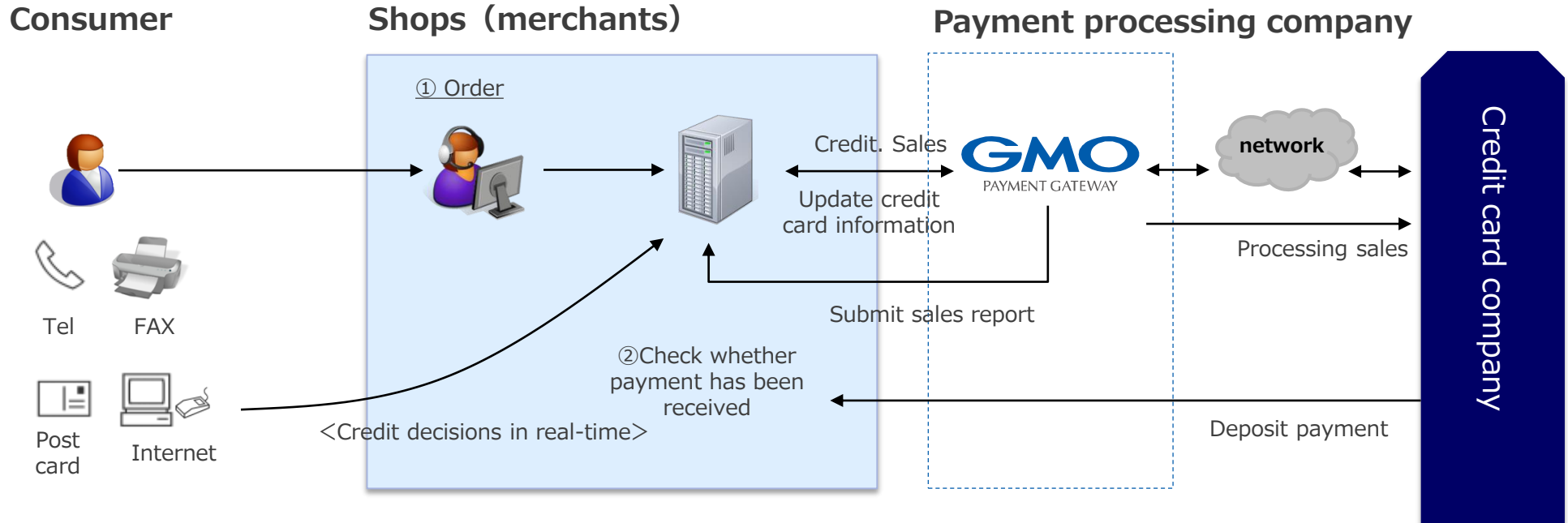
Consumer

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 54,000 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

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

Global Payment

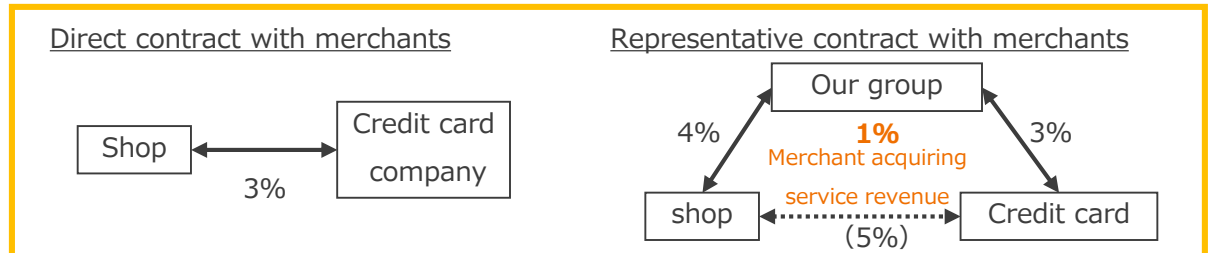
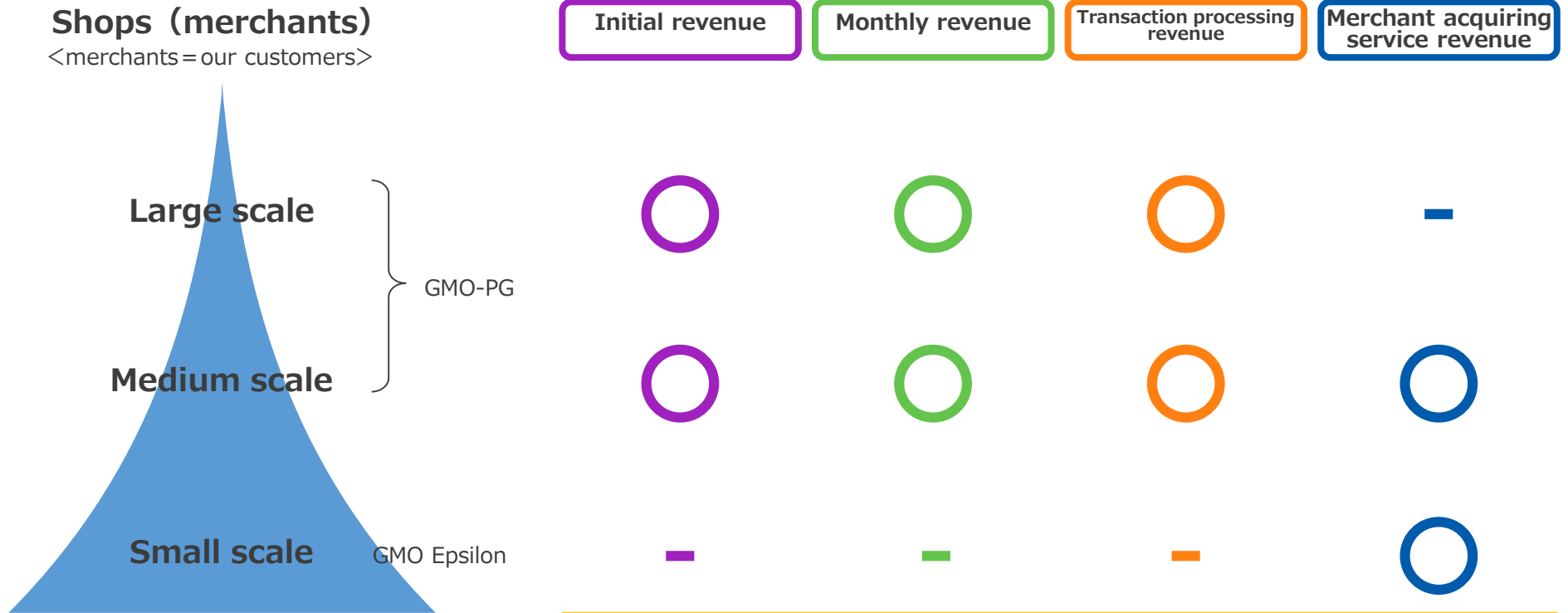
BitCoin Payment

Multi-Currency payment

etc.

# Business model (for credit card payments)

## Balanced growth in all segments

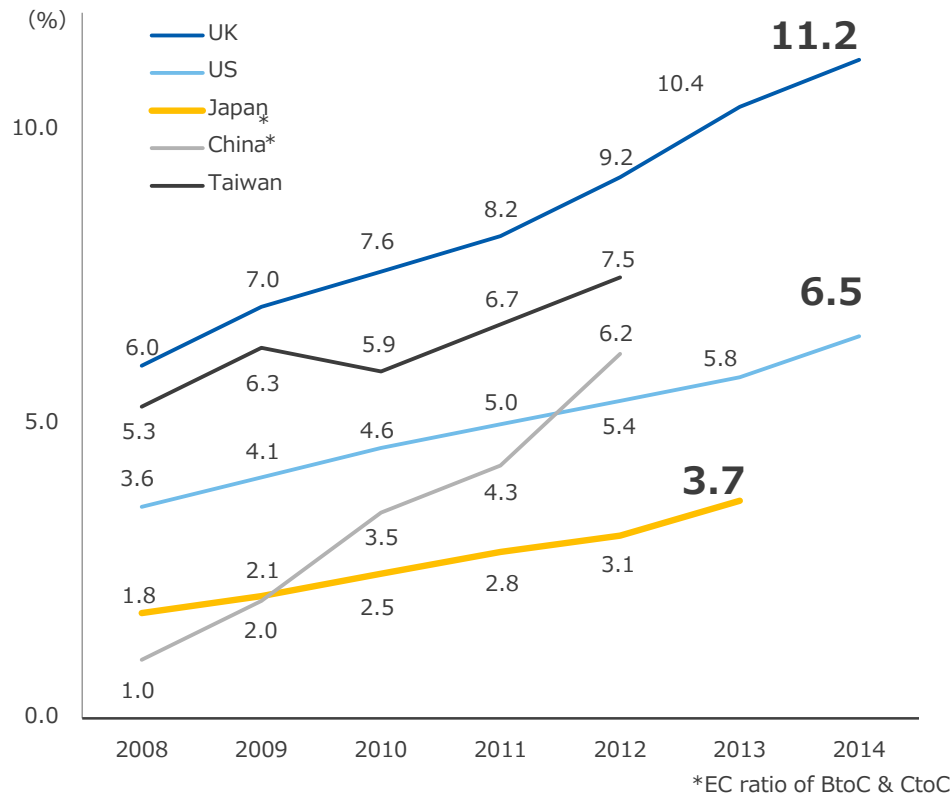


※This is the basic model, the model depends on the merchants.  
 ※Numbers are provided for illustration purposes only.

# Growth potential of the EC market in Japan

## Low EC ratio and high cash payment ratio

### ■ EC ratio



### ■ The ownership rate of credit cards

(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	14 %	-	14 %

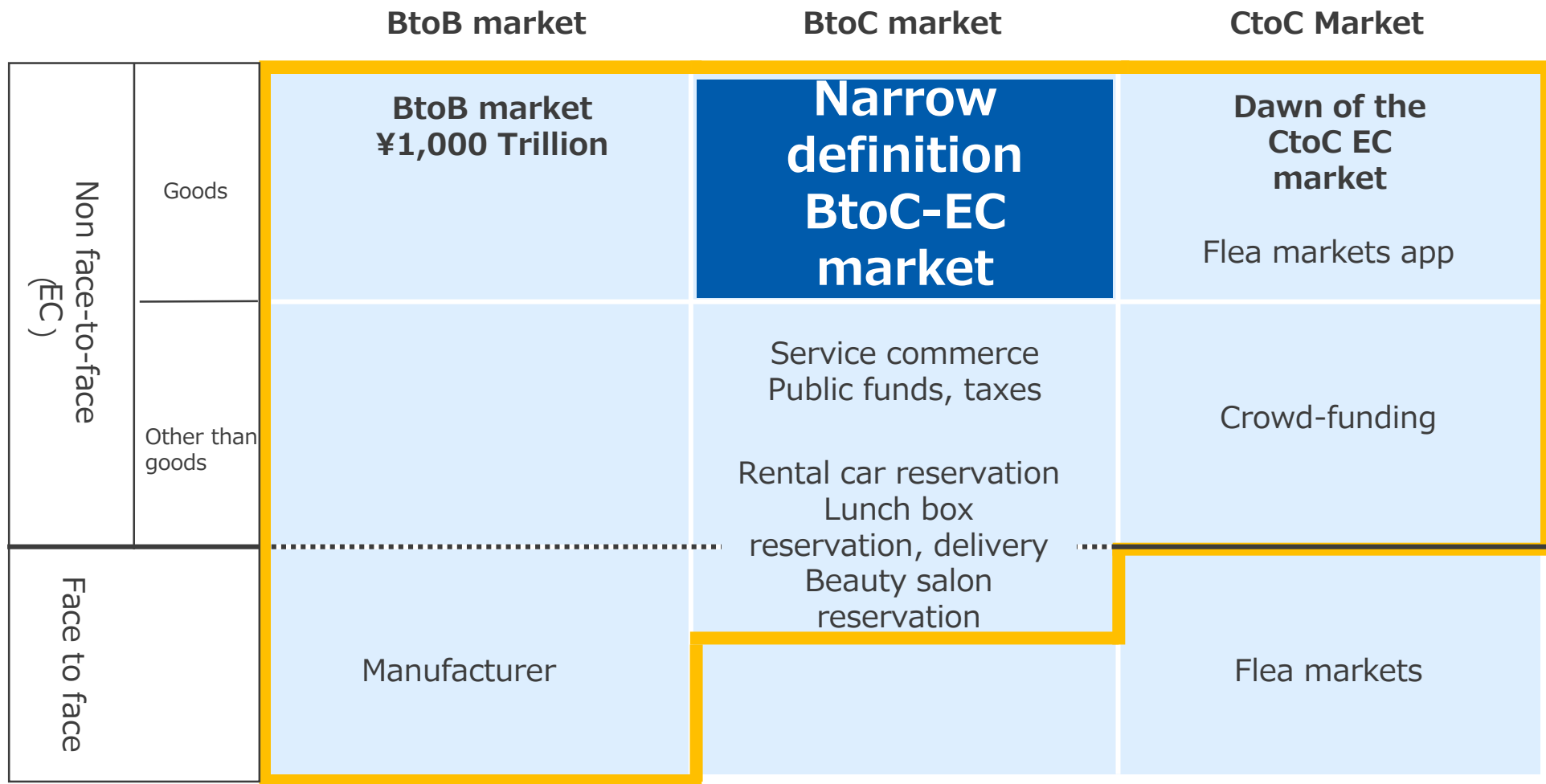
Ratio=(Amount handled by CC or DC) / (Private final consumption expenditure)

※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 2014] ,Office for National Statistics [RSI Tables February 2015] , estimated by GMO-PG

# Potential of the EC market

## EC market set to grow

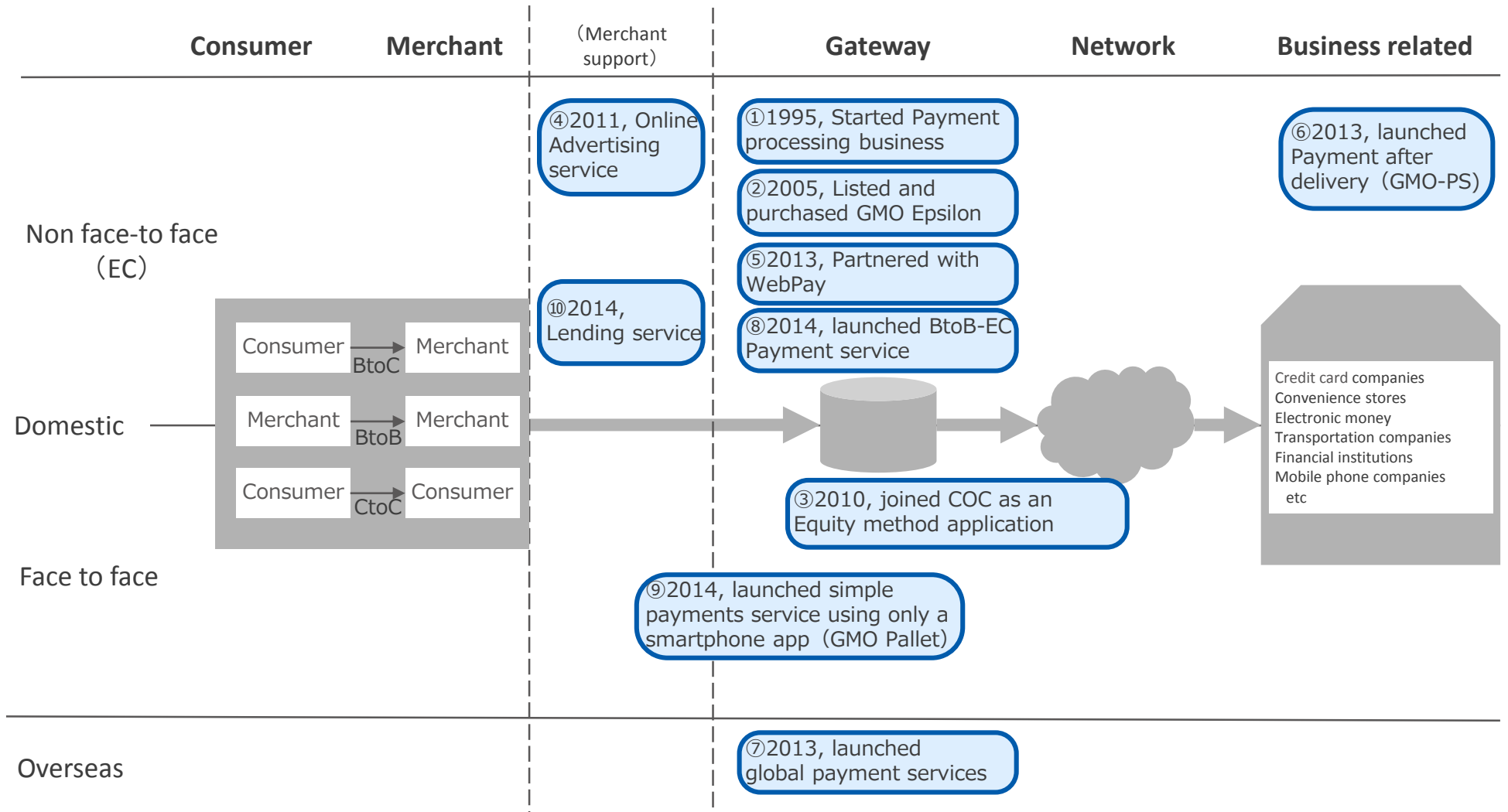


※Reference : METI, [Market report in regard to EC 2013]



# 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

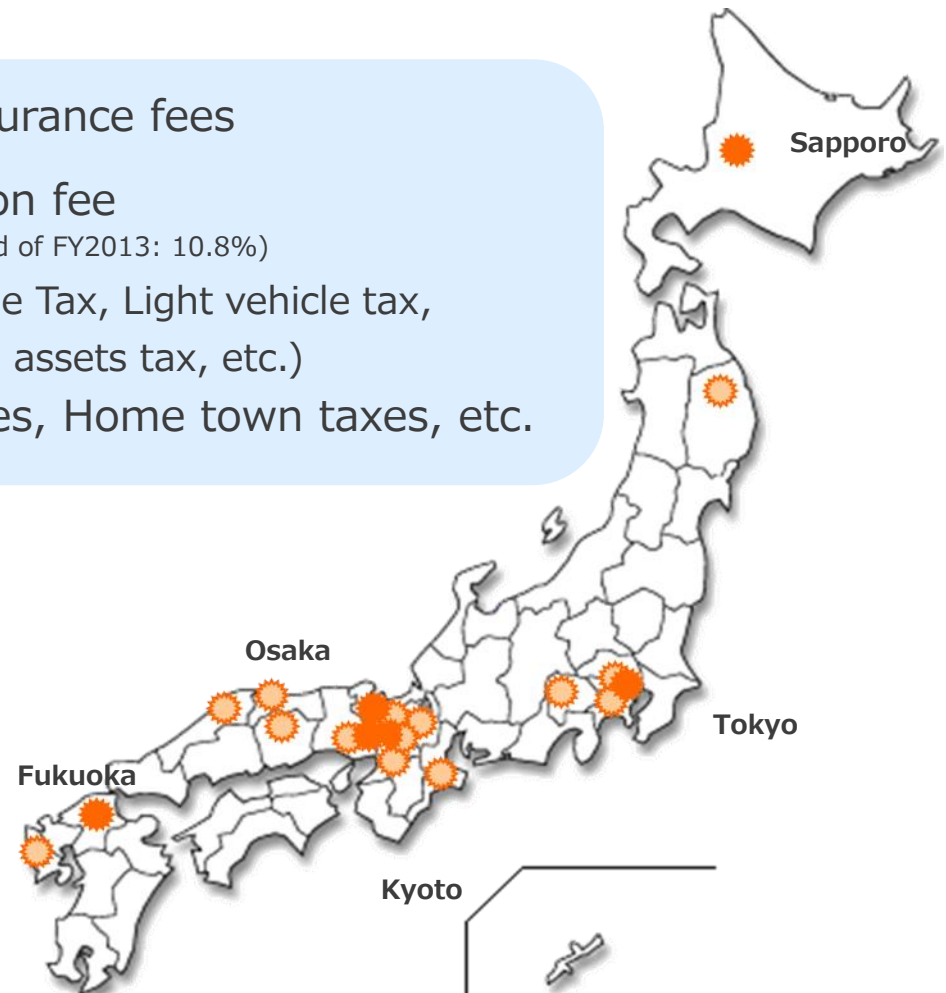
Japan Pension Service : National pension insurance fees

NHK : Broadcast subscription fee  
(Credit card usage rate at the end of FY2013: 10.8%)

Local governments etc. : Local Tax (Automobile Tax, Light vehicle tax,  
Fixed assets tax, etc.)  
Water rates, Gas rates, Home town taxes, etc.

Great potential for expansion

Maintenance fees  
Cram school tuition fees  
Parking fees  
Charge for a school meal, etc.

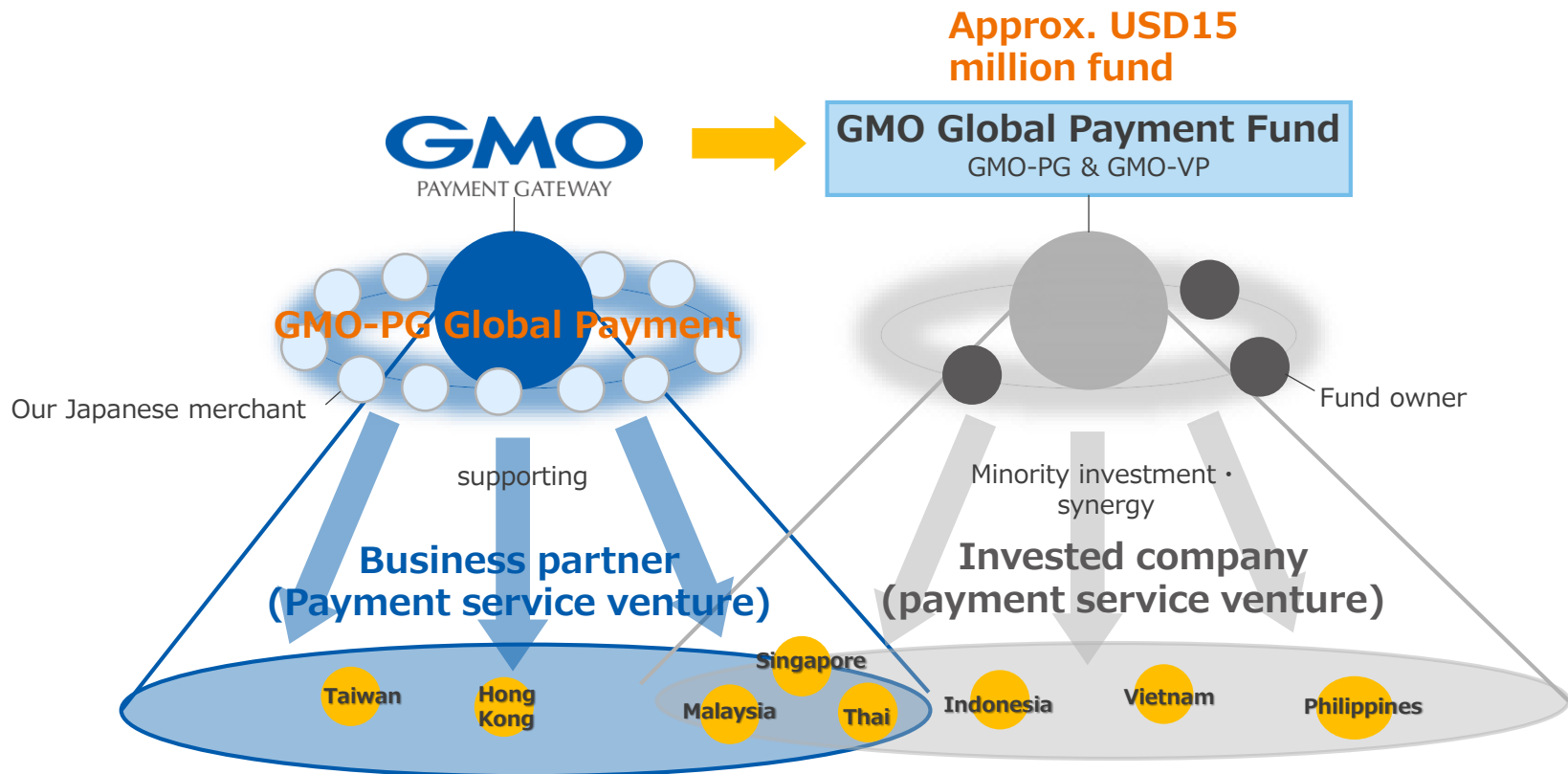


# The strategy of overseas development

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

1.GMO-PG Global Payment

2.GMO Global Payment Fund



# 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)

Sales : 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)

GMO PAYMENT GATEWAY MALAYSIA SDN. BHD.

(Malaysia)

GMO PAYMENT GATEWAY (THAILAND) CO., LTD.

(Thailand)

<Equity-method affiliate>

Face to face field

GMO Financial Gate, Inc.

(As of April,2015) Proportional share 49.7%

The company changed its name from Consumer Open Center on April 10,2015

# 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	710 million yen	
■ Major shareholders	GMO Internet, Inc.、 Issei Ainoura ,etc	
■ Members of the Board (As of April 1,2015)	Chairman & Director	Masatoshi Kumagai
	President & Representative Director	Issei Ainoura
	Executive Vice President	Ryu Muramatsu
	Executive Vice President	Satoru Isozaki
	Managing Director	Yuichi Hisada
	Director	Yasuhiko Kimura
	Director	Tadashi Ohshima
	Director	Tomoyuki Murakami
	Director	Shinichi Sugiyama
	Director	Yusuke Arai
	Senior executive officer	Takeshi Yoshii
	Executive officer	Katsunari Mukai
	Executive officer	Katsuyosi Aoyama
	Executive officer	Masaru Yoshioka
	Executive officer	Jyunya Tokuyama
	Executive officer	Yoshikazu Yanagishima
	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. GMO PAYMENT GATEWAY PTE. LTD. GMO PAYMENT GATEWAY HONG KONG LTD. GMO PAYMENT GATEWAY MALAYSIA SDN. BHD. GMO PAYMENT GATEWAY (THAILAND) CO., LTD	
■ Affiliated companies	GMO Financial Gate, Inc. (The company changed its name from Consumer Open Center on April 10,2015)	

(As of March,2015)