

# **Financial Results Briefing for Q2 FY2025**

**H1 results driven by online payments; strengthening business structure to be resilient against changes in the environment**

**May 15, 2025**  
**81<sup>st</sup> Investor Meeting**

Note: This is a transcript of the Japanese-language financial results meeting. Contents have been edited to ensure accuracy and comprehension. In case of any discrepancy, the Japanese-language meeting will prevail.

The contents of this document is based on generally recognized economic and social conditions, as well as certain assumptions judged to reasonable by GMO Payment Gateway as of May 15, 2025.  
Note that the contents are subject to change without prior notice in the event of changes in the business environment, etc.

Abbreviations used in this document is as follows:

GMO-PG	: GMO Payment Gateway
GMO-EP	: GMO Epsilon
GMO-RP	: GMO Reserve Plus (formerly GMO Medical Reservation Technology)
GMO-PS	: GMO Payment Service
GMO-FG	: GMO Financial Gate
GMO-CAS	: GMO Card System
Merchandise EC	: Apparel, food/beverage, cosmetic/health food, delivery/newspaper, daily goods/office supplies and CtoC, etc.
Non-merchandise EC	: Digital content/telecommunication, utility, travel/ticket, insurance, membership fees/services, etc.
PF	: Platform
MSB	: Money Service Business
BaaS	: Banking as a Service
GMP	: Global major players
CP	: Stands for Card Present transaction and refers to payments made at bricks-and-mortar stores by physically presenting a credit card or other non-cash devices.

- 1. Earnings Summary**
- 2. Growth Strategy**
- 3. Sustainability**
- 4. Financial Highlights and Reference Materials**

Mr. Ainoura: I would like to begin the Q2 FY2025 financial results meeting. As shown on the agenda, Mr. Muramatsu, the Vice President and myself will explain the Earnings Summary, Growth Strategy and Sustainability.

# 1. Earnings Summary

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## 1.1 Summary of Consolidated Results

### Revenue and OP exceeded plans for Q2 and H1

(¥ mil)	H1 FY2024 Actual	H1 FY2025 Actual	% YoY	FY2025 Guidance (% progress)	Q2 FY2025 (% YoY)
<b>Revenue</b>	<b>36,099</b>	<b>40,757</b>	<b>+12.9%</b>	<b>83,377 (48.9%)</b>	<b>20,462 (+11.7%)</b>
<b>Gross Profit</b>	<b>23,267</b>	<b>27,540</b>	<b>+18.4%</b>	<b>52,319 (52.6%)</b>	<b>13,922 (+18.8%)</b>
<b>Operating Profit</b>	<b>12,652</b>	<b>15,314</b>	<b>+21.0%</b>	<b>30,225 (50.7%)</b>	<b>8,059 (+18.1%)</b>
<b>Pre-tax Profit</b>	<b>13,118</b>	<b>15,752</b>	<b>+20.1%</b>	<b>28,722 (54.8%)</b>	<b>8,165 (+13.4%)</b>
<b>Semi-annual profit Attributable to owners of parent</b>	<b>8,328</b>	<b>9,849</b>	<b>+18.3%</b>	<b>18,511 (53.2%)</b>	<b>5,284 (+8.3%)</b>
		Operating Stores <sup>*1,2</sup> / IDs <sup>*1</sup> End-Q2 FY2025	Consol. TRX Volume Q2 FY2025 <sup>*1,3</sup>		Consol. TRX Value Q2 FY2025 <sup>*1</sup>
<b>KPI (% YoY)</b>	<b>Online payment</b>	<b>163,064 stores (+6.3%)</b>	<b>≡ 1.79 bn (+15.6%)</b>	<b>≡ ¥3.2 trn (+7.0%)</b>	<b>↓ 1.4</b>
	<b>CP payment</b>	<b>411,163 IDs (+19.3%)</b>	<b>≡ 0.31 bn (+39.3%)</b>	<b>≡ ¥2.0 trn (+28.8%)</b>	
	<b>Consol.</b>	<b>—</b>	<b>≡ 2.10 bn (+18.7%)</b>	<b>≡ ¥5.3 trn (+14.5%)</b>	

<sup>\*1</sup> The figure for operating stores is for GMO-PG and GMO-EP, and the figures for IDs is the number of terminal-free active IDs for GMO-PG and excludes GMO-PG's GMO Cashless Platform.

Online payment TRX volume and value figures are the sum totals for GMO-PS, GMO-EP, GMO-PS. CP payment TRX volume and value are the sum totals for GMO-PG and GMO-PG's GMO Cashless Platform.

<sup>\*2</sup> The standards for recognition of 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 stores for the same period would be 747,825 stores, up 17.8% YoY.

<sup>\*3</sup> TRX volume is calculated based on fee revenue standard, which in the case of online consists of multiple (1 to 3) transactions per payment including authorization (tentative sales proceeds) and actual sales proceeds. CP transaction volume is based on one transaction per payment.

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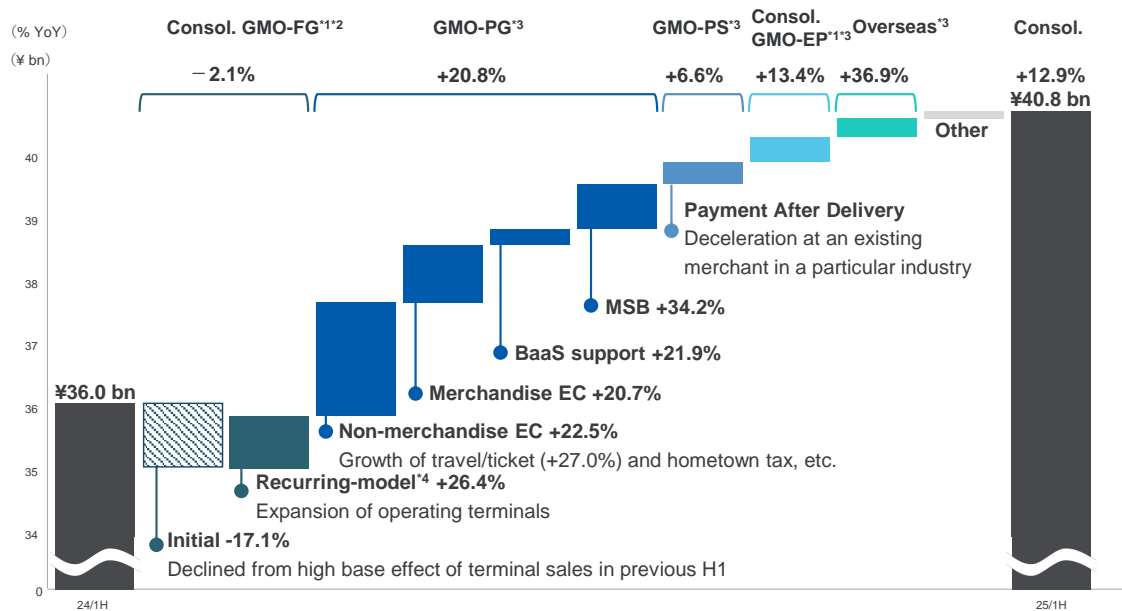
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Starting with the earnings summary. Revenue was ¥40.7 bn up 12.9% YoY, gross profit was ¥27.5 bn, up 18.4% YoY, and operating profit was ¥15.3 bn up 21.0% YoY. To summarize, revenue was able to grow 12.9% despite GMO-FG's payment terminal sales being in a period of lull and some timing delays, thanks to the strong online payment business at GMO-PG non-consolidated. Operating profit was also strong, growing 21.0% even after absorbing the one-time expense of over ¥1.0 bn.

Exactly a year ago, earnings were supported by GMO-FG's payment terminal sales that surged from the alliance with JTB while GMO-PG's online payment was unfavorable. Conversely, this year's earnings are supported by GMO-PG's online payment. In management, it is rarely the case that all goes well. My overall impression of earnings is that our business platform has become established so that different businesses can support one another.

1.2.1 Waterfall Chart of Consol. Revenue (YoY)

GMO-FG’s initial revenue declined 17.1% from high base effect of terminal sales in the previous term



<sup>\*1</sup> Consol. GMO-FG includes GMO-FG and GMO-CAS. Consol. GMO-EP includes GMO-EP and GMO-RP.  
<sup>\*2</sup> Figures are taken from GMO-FG's consolidated financial results.  
<sup>\*3</sup> Figures are before GMO-PG consolidated eliminations. <sup>\*4</sup> Recurring-model revenue is the sum total of stock, fee and spread and excludes initial which mostly consists of terminal sales.

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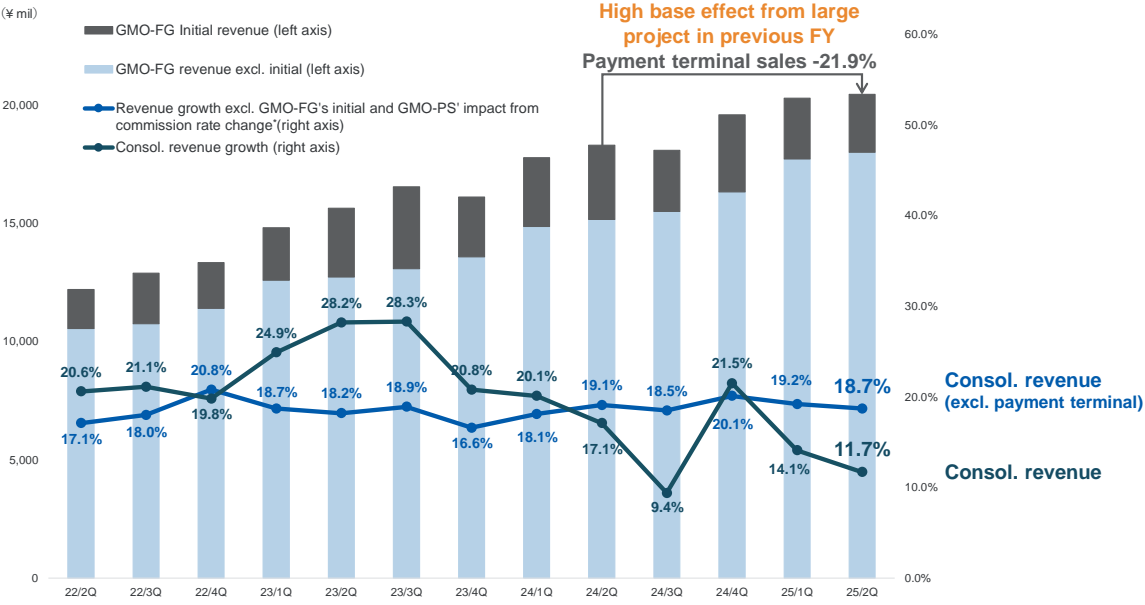
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This slide is the waterfall chart of revenue. GMO-FG revenue declined by 2.1% while GMO-PG revenue increased 20.8% and the overseas companies performed strongly, growing 36.9%. The core businesses of GMO-PG such as non-merchandise EC, merchandise EC, BaaS and MSB (which grew 34.2%) all performed favorably.

1.2.2 Trend of Revenue Growth

Consol. revenue excl. payment terminals grew stably at 18.7%

Breakdown of consol. revenue and % YoY growth rates (quarterly trend)



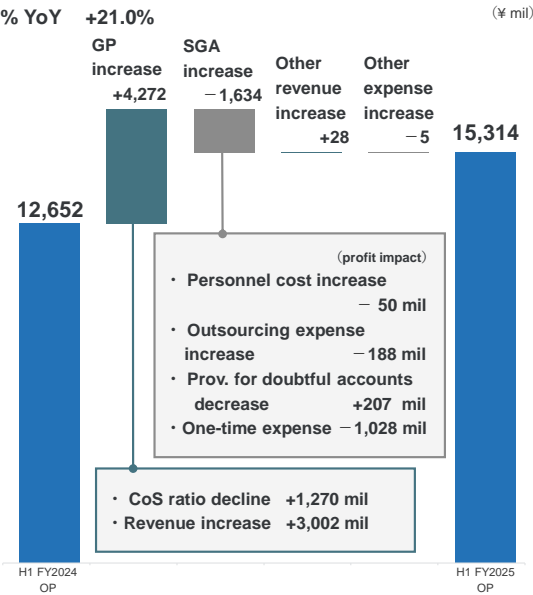
\* Figures from Q1 FY2023 show GMO-PS revenues excluding the impact from the increase in convenience store commission rate.

GMO-FG's adjusted revenue grew 18.7% excluding the initial revenue consisting of payment sales. Payment terminal sales are seasonal when a large project occurs and during periods of lull. The payment terminal sales tend to be large projects, and the timing of sales can be influenced by external factors and can get delayed, although it is unlikely to be brought forward. Such changes in the timing of sales can occur going forward. Therefore, it is important that each business to support one another to collectively achieve the financial targets we commit to.

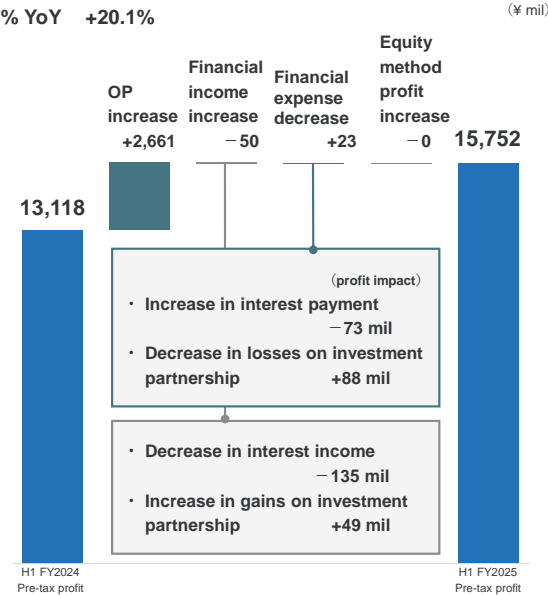
### 1.2.3 Waterfall Chart for Consol. OP and Pre-tax Profit (YoY)

**OP grew 21.0% from the 18.4% increase in gross profit and decline in provisions for doubtful accounts that offset the one-time expense**

OP waterfall chart



Pre-tax profit waterfall chart



\* The "+" and "-" sign denote the direction of the impact to operating profit and pretax profit.

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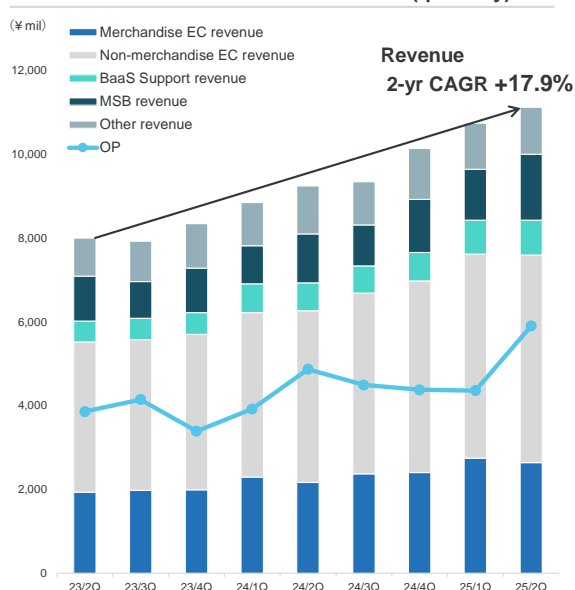
This slide shows that the SGA expense increased by ¥1,634 mil YoY. This is due to an increase in personnel cost and one time expense of ¥1,028 mil. This one-time expense is due to system disruption in the sub-system and not the main system in Q2. But OP grew 20%-plus after absorbing this, so I consider the performance as steady. Pretax profit grew 20.1% from ¥13.1bn to ¥15.7bn.



## 1.3.1 GMO-PG Non-Consol. Performance (YoY)

### Revenue grew 20.3% strong sales from larger mid-sized client segment and initiatives to improve sales productivity

GMO-PG non-consolidated revenue & OP (quarterly) <sup>\*1</sup>



	% YoY		
	Q2 FY2024	Q1 FY2025	Q2 FY2025
Revenue <sup>*1</sup>	+15.6%	+21.4%	+20.3%
Online payment	+13.5%	+22.5%	+21.2%
(EC market <sup>*2</sup>	+12.0%	+7.4%	+5.7%)
Merchandise EC	+11.9%	+19.5%	+21.9%
(Merchandise EC market <sup>*2</sup>	+7.0%	+4.1%	+4.4%)
Apparel	+7.8%	+20.0%	+15.7%
Food/beverage	+13.6%	+17.7%	+20.1%
Cosmetic/Health food	+10.3%	+21.1%	+17.3%
Other	+13.1%	+19.3%	+25.6%
Non-merchandise EC	+14.4%	+24.2%	+20.8%
(Non-merchandise EC market <sup>*2</sup>	+18.7%	+12.2%	+7.3%)
Digital content/telecom	+8.7%	+15.0%	+16.8%
Utility	+27.3%	+26.3%	+7.9%
Travel/ticket	+23.6%	+31.6%	+22.8%
Other	+13.6%	+29.7%	+27.5%
BaaS support <sup>*3</sup>	+33.6%	+18.5%	+25.4%
Money Service Business	+9.0%	+33.3%	+34.9%
Remittance service	+9.8%	+30.9%	+28.2%
Early Payment service	+20.4%	+15.5%	+22.2%
Instant Salary byGMO <sup>*4</sup>	+57.0%	+105.9%	+85.9%
Other	-18.7%	+23.5%	+53.4%

<sup>\*1</sup> Figures for revenue and operating profit are before consolidated eliminations

<sup>\*2</sup> EC market figures are categorized into merchandise and non-merchandise using the Internet expenditure amount per household based on Ministry of Internal Affairs and Communication's "Family Income and Expenditure Survey."

<sup>\*3</sup> Figures for BaaS Support present the sum total of Ginko Pay and Processing PF.

<sup>\*4</sup> The revenue figures for some of the scheme is presented on a gross basis and not on a net basis from Q1 FY2024. The % YoY figures are calculated excluding this impact.

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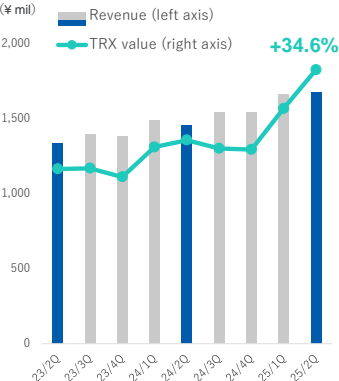
This slide shows GMO-PG's non-consolidated performance. Both large and medium-sized merchants performed strongly. In addition, sales productivity improved with the customer acquisitions per salesperson growing efficiently. For online payment, EC market overall grew 5.7% while GMO-PG grew 21.2%. Similarly, merchandise EC market grew 4.4% while our revenue grew 21.9% and non-merchandise EC market grew 7.3% while our revenue grew 20.8%. I will explain these points in detail later.

1.3.2 Performance of GMO-EP, GMO-PS and GMO-FG (YoY)

EP’s growth recovers, PS’ continued margin improvement and FG impacted from high base effect

Consol. GMO-EP (quarterly)<sup>1\*2</sup>

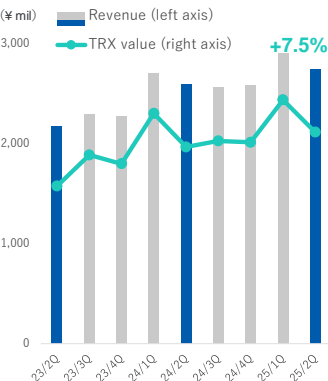
(% YoY)	Q2 FY2024	Q2 FY2025
Revenue	+9.1%	+15.4%
OP	-0.1%	+21.6%



EP non-consol. revenue grew 11.7% from growth of payment service for startups; Expansion of service footprint of reservation SaaS GMO-RP +40.3%

GMO-PS (quarterly)<sup>2</sup>

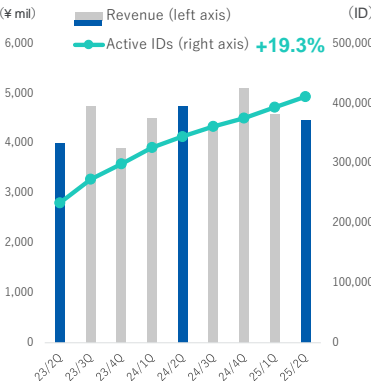
(% YoY)	Q2 FY2024	Q2 FY2025
Revenue	+19.5%	+5.7%
OP	+285.8%	-21.2%



Deceleration at an existing merchant at a certain industry; YoY decline in reversal of provision for doubtful accounts although default rates remain low and stable

Consol. GMO-FG (quarterly)<sup>1\*3</sup>

(% YoY)	Q2 FY2024	Q2 FY2025
Revenue	+18.8%	-6.0%
OP	+23.8%	+25.7%



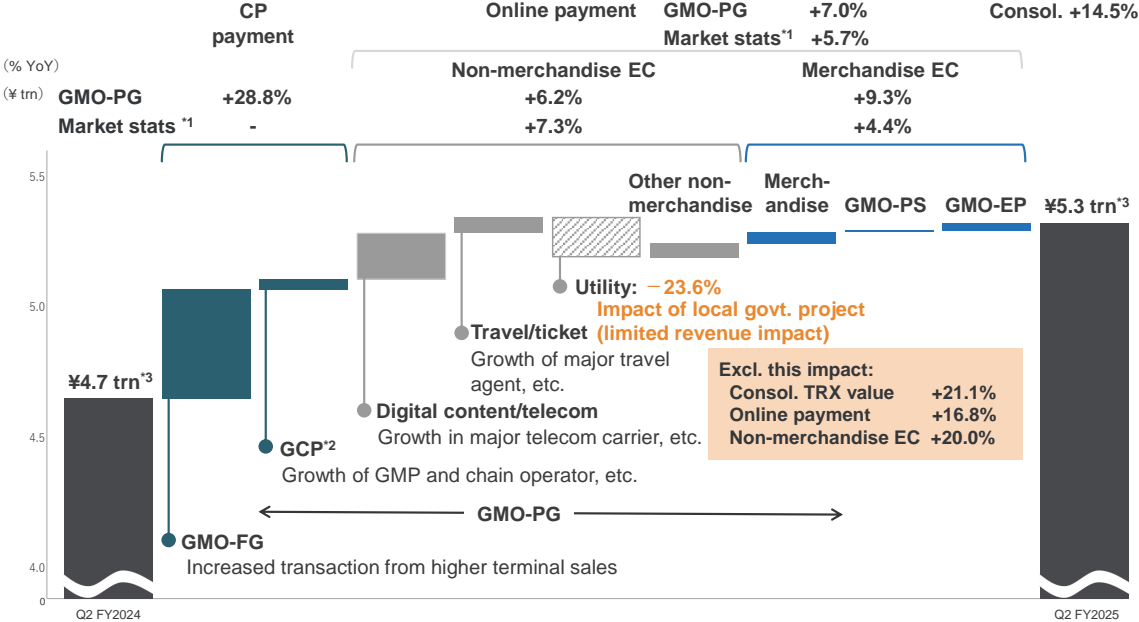
Terminal sales impacted from high base effect, but recurring-model revenue grew Initial revenue -21.9% Recurring-model revenue<sup>4</sup> +25.2%

<sup>1</sup> Consol. GMO-EP includes GMO-EP and GMO-RP (formerly GMO Medical Reservation Technology). Consol. GMO-FG includes GMO-FG, GMO-CAS and GMO Data.  
<sup>2</sup> Figures are before GMO-PG consolidated eliminations. <sup>3</sup> Figures are taken from GMO-FG's consolidated financial results. Figures up to FY2024 are based on JGAAP, figures from FY2025 are based on IFRS standards.  
<sup>4</sup> Recurring-model revenue is the sum total of stock, fee and spread and excludes initial which mostly consists of terminal sales.

This slide shows the performance of GMO-EP, GMO-PS and GMO-FG. GMO-EP revenue in the previous Q2 was 9.1%, which improved considerably to 15.4% in Q2 FY2025. I believe this is a significant recovery and a good trend. Growth is likely to continue thanks to the alliance with Mizuho Bank to collaborate in addressing the SME sector. GMO-PS’ OP decline YoY but this is due to hard comps from the large reversal of provisions for doubtful accounts recorded in the previous Q2 (grew 285% in Q2 FY2024). The company is working on organizational reforms to improve its customer acquisitions. GMO-FG’s, as explained earlier, performance was impacted from the period of lull in payment terminal sales.

1.4 Waterfall Chart of Consol. TRX Value (YoY, Q2)

Consol. TRX value increased 21.1% excluding impact of local govt. project



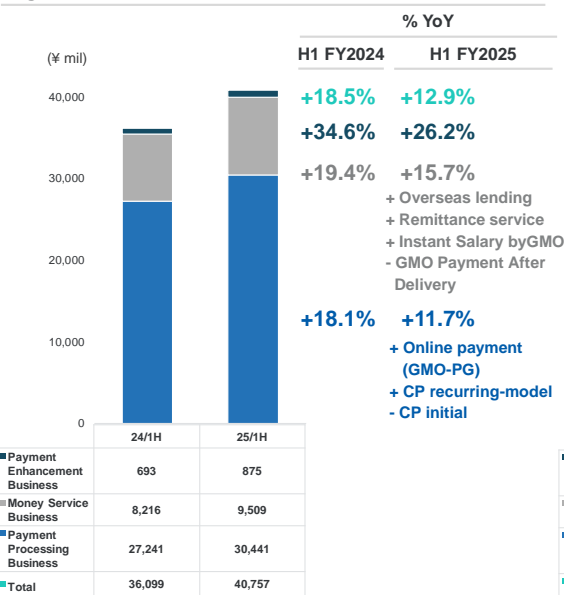
\*1 EC Market figures are categorized into merchandise and non-merchandise using the Internet expenditure amount per household based on Ministry of Internal Affairs and Communication's "Family Income and Expenditure Survey." CP Payment market is based on Ministry of Economy, Trade and Industry's "Survey of Selected Service Industries" and this survey has terminated as of December 2024.  
\*2 GMO Cashless Platform. \*3 Rounded off to nearest trillion of yen.

This slide is the waterfall chart for transaction value (TRX value). Currently, annual TRX value is around ¥20 trn and we intend to acquire customers in a way that directly results in the increase of revenue and OP. While it is important to increase the TRX value, it is very important to ensure how much the take rate or margin increases by. In this sense, we intend to acquire customers that ensure an increase in the take rate. The adjusted TRX value grew 21.1% excluding the impact from the local government project, which is a testament to our efforts to acquire customers to grow the TRX value while being cognizant of the take rate.

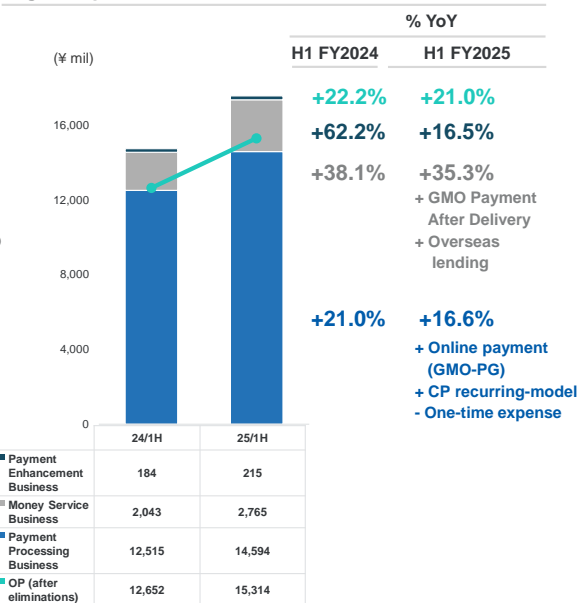
# 1.5 Segment Results (YoY)

## MSB profits increased 35.3% from the normalization of credit costs

### Segment revenue\*



### Segment profit/loss\*



\* Figures for consolidated revenue and consolidated operating profit are after inter-segment eliminations. The "+" denote a YoY growth and the "-" sign denote a YoY decline for segment revenue figures.

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This slide shows the segment performance. Margin improved from the normalization of credit related costs and the in-housing of credit screening engine, leading to the Money Service Business segment profit increasing by 35.3%.

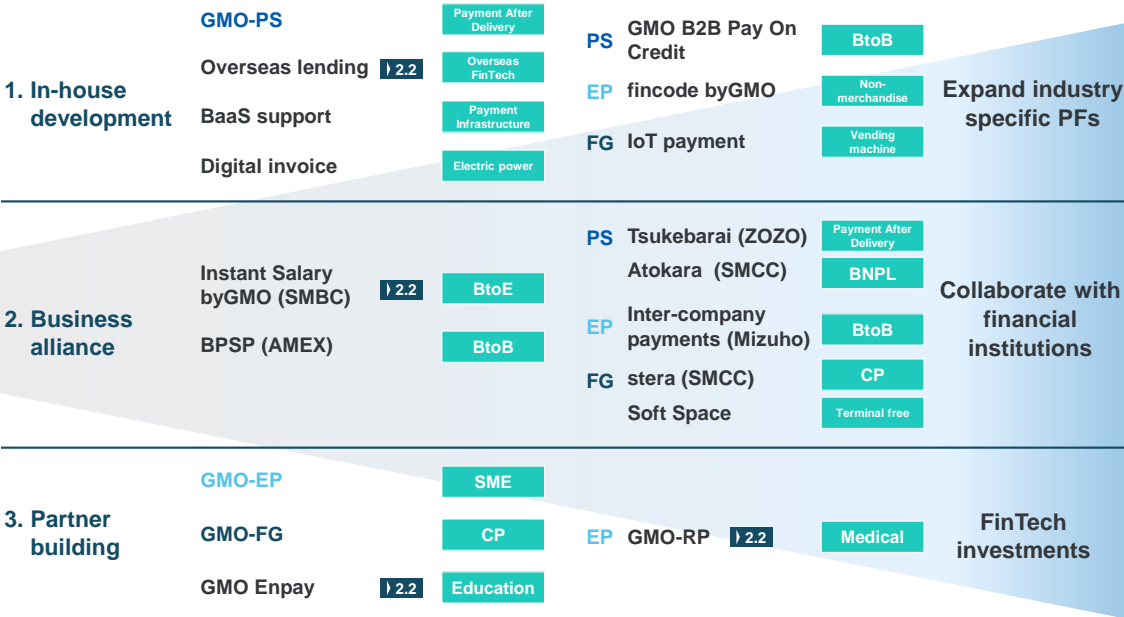
## 2. Growth Strategy

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I will now move on to the growth strategy.

## 2.1 Management Strategy: TAM Expansion

### Expand TAM (i.e. business domains) with the 3 strategies at each subsidiary

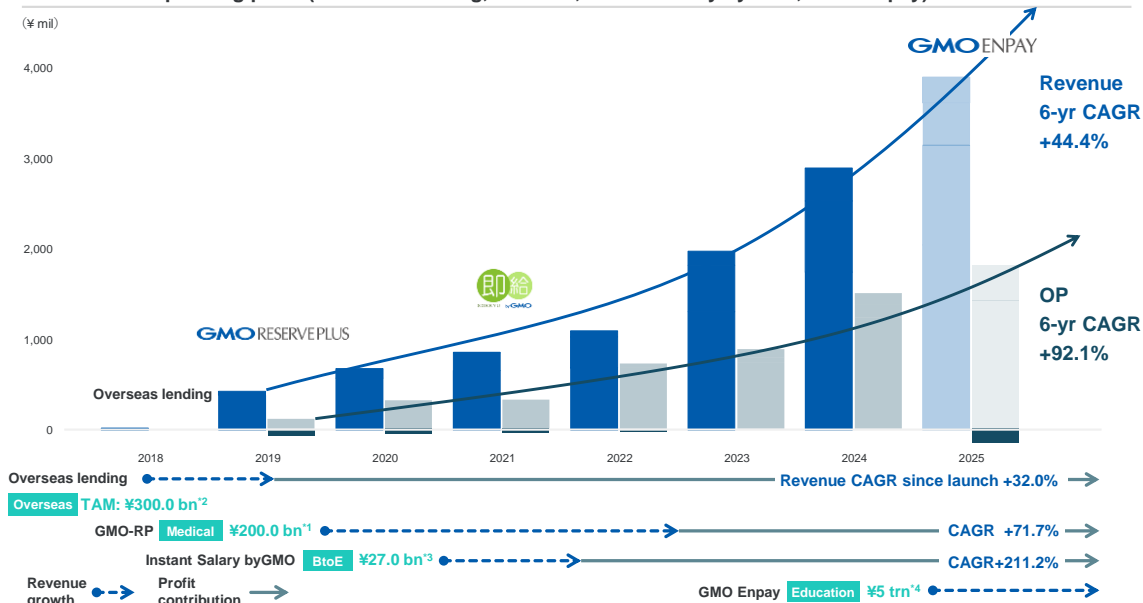


When the company had its IPO in 2005, the TAM was ¥3 trn. Now the TAM is 60x larger at around ¥180 trn. Similarly, revenue also increased 60x from ¥1.3 bn in 2005 to the current ¥83.3 bn and OP has increased 101x from ¥0.3bn to ¥30.3 bn. The TAM and revenue have increased 60 times while OP has increased 100 times by building up a healthy TAM that leads to revenue and profits. While it is important to sustainably grow the TAM, simply expanding TAM is not the purpose. The most important point is to expand good quality TAM that leads to profit expansion. There are three ways to expand TAM: in-house development, business alliance and M&A (partner building). In the case of in-house development, the key is in identifying the high growth sectors/domains. Although GMO-PS is currently undergoing organizational reforms, the gap with the industry leader Net Protections, Inc. is shrinking thanks to services such as GMO B2B Pay On Credit and GMO Payment After Delivery. We intend to overtake and become the industry leader. No, not intend. We definitely will. For business alliances, the key is who to partner with. One factor behind the substantial growth is the business alliance with and support from Sumitomo Mitsui Banking Corporation (SMBC), which is why GMO-FG has grown as it has. This relationship continues to work, and the cooperation continues. We are also collaborating with Mizuho Bank, Ltd. to address the SME corporate sector. And more recently, we are working together with American Express, the credit card company, and I believe this is showing promising figures for both parties. I will elaborate on M&A(partner building) later.

## 2.2 Management Strategy: Earnings contribution from expanding TAM

### TAM expansion followed by revenue growth, and then profit contribution

Revenue and operating profit (Overseas lending, GMO-RP, Instant Salary byGMO, GMO Enpay)



<sup>1</sup> Market size of medical DX SaaS. <sup>2</sup> Size of annual interest for FinTech lending. <sup>3</sup> Market size of salary paid by account transfer.

<sup>4</sup> Figures are calculated by multiplying the expenditure per household using the National Institute of Population and Social Security Research's 2022 population statistics and Ministry of Internal Affairs and Communication's "Family Income and Expenditure Survey".

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While GMO-PS was an organically established company, GMO-EP and GMO-FG were small companies that we welcomed as our partners. Thanks to the various projects we worked on in the past, all three companies of GMO-EP, GMO-FG and GMO-PS have surpassed the milestone ¥1.0 bn in operating profit. The next batch of businesses expected to cross the ¥1.0bn OP threshold are overseas lending, Instant Salary byGMO and GMO Medical Reservation Technology (GMO-MR), which has been renamed as GMO Reserve Plus(GMO-RP). These businesses and companies in the TAM expansion phase are moving towards profit contribution phase. If you look at the aggregate 6-year revenue CAGR of these businesses/companies it is 44%, and the 6-year OP CAGR is 92% or nearly doubling each year on average.

This performance was brought about because we welcomed a small company with a high-achieving, winning mentality management team into our group and integrated them with our own staff, rather than the acquisition of a large company. This is where we currently stand.

## 2.3 Management Strategy: Strengthening business model ①

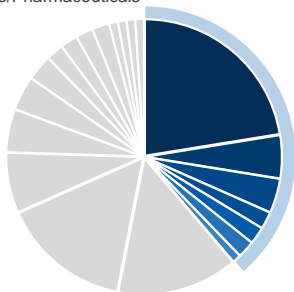
### Address areas closely linked to daily lives across various industries

#### Breakdown of online payment revenue by industry\*1

Daily life related domains  
(infrastructure domain)

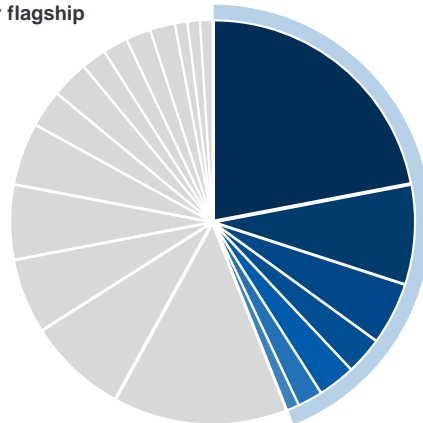
- Digital content/telecom
- Utility
- Food/Beverage
- Daily goods/Office supplies
- Insurance
- Healthcare/Pharmaceuticals
- Education
- Other\*2

FY2020



- Built a sector specific sales structure
- Rollout industry-specific applications (e.g. digital invoice)
- Expand financial services
- Implement OpenAPI-type for flagship payment service

FY2024



\*1 Compiled using revenue by industry of PG Multi-payment service.

\*2 Comprised of apparel, cosmetic/health food, delivery/newspaper, CtoC, travel/ticket, membership/services, etc. of PG Multi-payment services' revenue by industry.

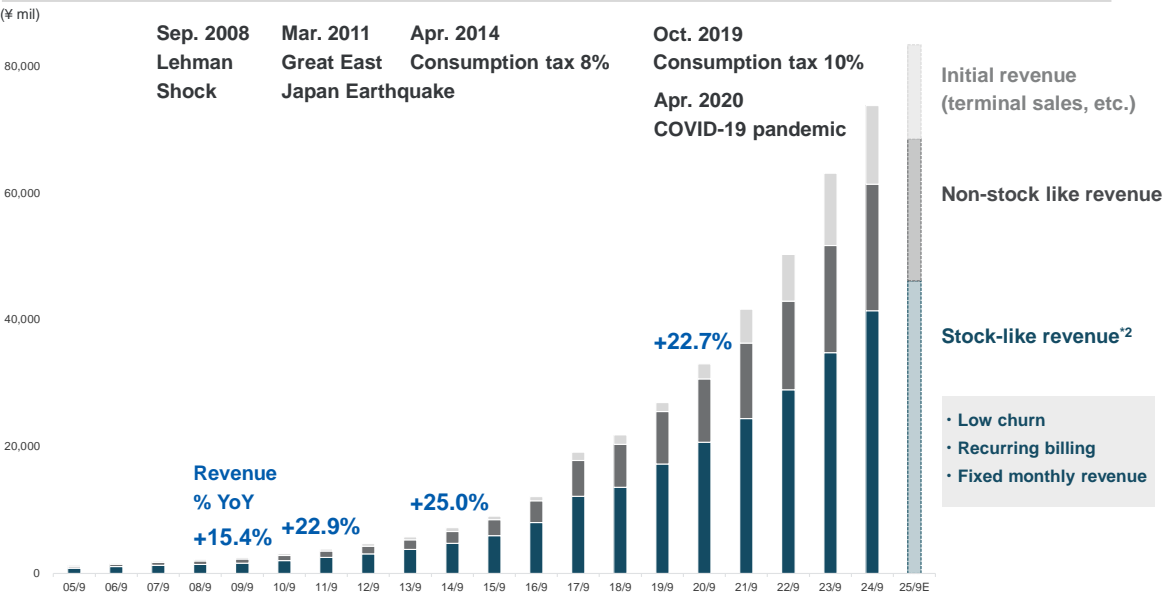
Next slide explains how we have built a revenue portfolio that is resilient against macro changes. The many initiatives such as an industry-focused sales team structure, MSB businesses, implementing Open API-type, etc., have resulted in the proportion of revenues from defensive sectors to grow from 39% to 45% in the past 4 years, a 6% pt. increase. This is a healthy trend because the increase in proportion took place while total revenues were growing. We intend to raise the proportion of defensive sectors to 50% even while growing total revenue as soon as possible, which will further strengthen the business.



## 2.4 Management Strategy: Strengthening business model ②

### Continue stable growth by stacking up stock-like revenue streams

Trend of stock-like revenue in consolidated revenue\*1 (annual)



\*1 Figures from FY2018 are based on IFRS standards. Due to the deconsolidation of Macro Kiosk in FY ending September 2020, the revenue figures do not include discontinued business and only present continuing business.

\*2 Figures show the sum total of stock revenue (fixed revenue) and fee (transaction based revenue) and spread (merchant sales).

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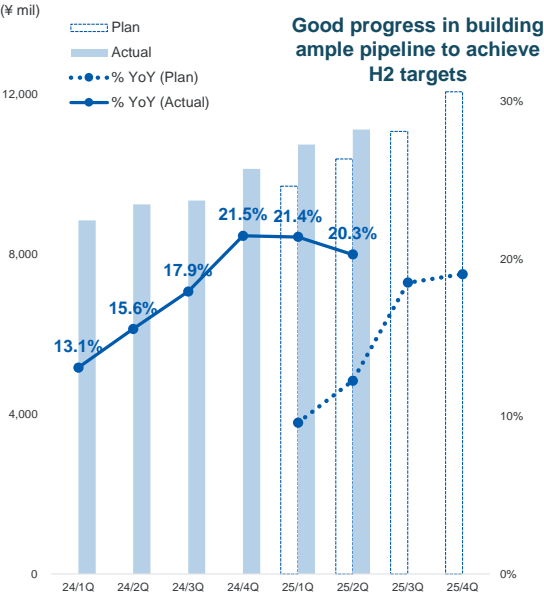
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On the top part of this slide lists the events that affected the macroeconomy: the 2008 Lehman Shock, the March 2011 Great East Japan Earthquake, 8% consumption tax in 2014, 10% consumption tax in 2019, and the COVID-19 pandemic in 2020. With the exception of revenue only growing 15.4% in the 2008 Lehman Shock year, we have consistently achieved over 20% growth by fending off these events. The long timers amongst you may recall that that in 2008, Rakuten decided to “go independent” and terminated our services which caused revenue to dip below 20%. Had Rakuten remained with us, we would have grown by 20% plus. Nonetheless, we have weathered these events to achieve this revenue growth and management is highly aware of building a resilient revenue portfolio to weather future events.

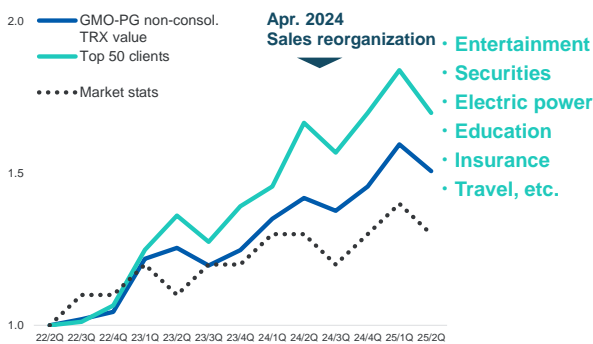
2.5.1 Business strategy: GMO-PG Non-consolidated

Growth of larger mid-sized clients; numerous initiatives targeting H2 and beyond

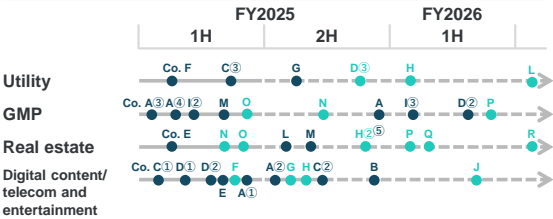
GMO-PG non-consol. revenue plan and actual (quarterly)



GMO-PG non-consol. TRX value vs. market stats (indexed)



Progress of initiatives (Updates from Q1 FY2025)



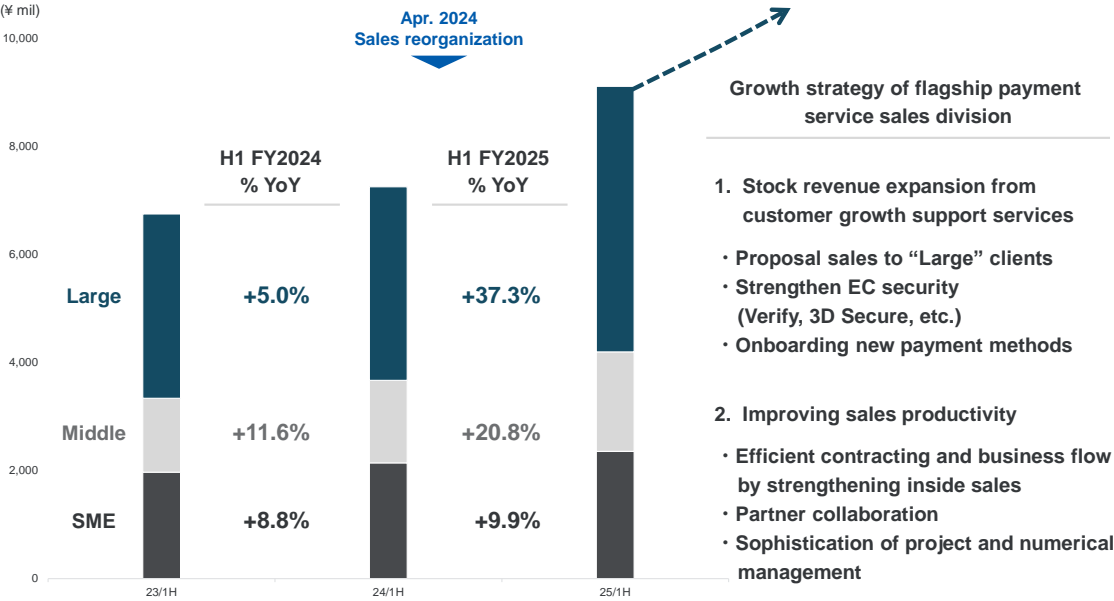
\* EC Market figures are categorized into merchandise and non-merchandise using the Internet expenditure amount per household based on Ministry of Internal Affairs and Communication's "Family Income and Expenditure Survey."

Please see the line graph on the left side. The dotted line shows the % YoY based on guidance and the straight line shows the % YoY of the actual figures. The growth rates of 21.4% and 20.3% indicate that actual revenue growth overachieved the planned growth rates. This is the result of increased transactions from existing large clients as well as acquiring new large clients. For example, we have recently enabled cashless payment at vending machines operated by Suntory, by using a smartphone app. This is introduced at all vending machines nationwide and we handle the payment processing of these transactions. This app is called "Jihan-pi" as it makes a "pi" sound when the smartphone is tapped over the vending machine terminal. Consumers get three drinks free of charge if they download the app and use the cashless app for the first time, which is the incentive for consumers to download the app. This project is a joint effort with Suntory.

The right-side graph lists some industries such as entertainment, securities, electric power, education and insurance which are all services that are not available on an EC mall and offered directly by the companies. Acquiring such large clients leads to a steady increase in transactions from which we benefit. It can be said that the sales are targeting such clients, and we are fortunate to be able to service such quality clients.

# Revenue growth from supporting client's growth and improving sales productivity

Change in revenue by customer segment at the flagship payment service sales division\*



\* Classified according to the client's revenue size in each period.

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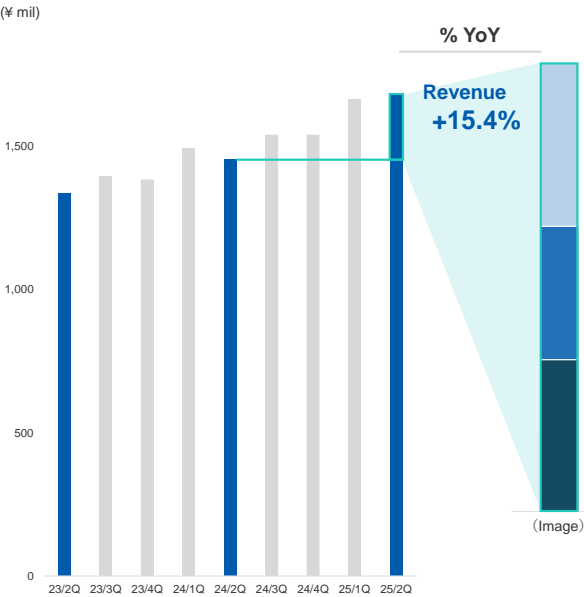
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Our salesforce is broadly divided into the division that pursues alliances and collaborations with large companies and the sales division that acquires customers by marketing the flagship payment services. This slide focusses on the latter, i.e. the flagship payment service sales division. The graph shows the growth rates of the “large,” “middle” and “SME” customer segments. In this case, “large” refers to customers with a high number of transactions, “middle” refers to a certain level of transactions and “SME” refers to startups or companies trying to ramp up their businesses. During the previous H1, growth rates of these customer segments were 5% for large, 11.6% for middle and 8.8% for SME. This H1 FY2025 the growth rates were 37.3%, 20.8% and 9.9%, respectively. The proportions of these customer segments are approximately 60% large, and 20% each for middle and SME. The growth rates indicate that we can acquire good quality clients that are winners in their respective businesses.

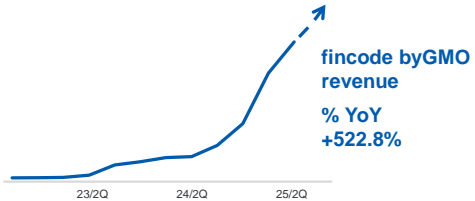
Accelerate growth by driving forward payments for startups and reservation SaaS services

Consol. GMO-EP revenue (quarterly)



Major initiatives

- Existing payment service
  - Progress in converting pricing structure for existing merchant
- Startup/non-merchandise payment services 
  - Start operation for new large-scale platformer
  - Commenced “M’s PayBridge,” an inter-company payment platform, on April 24 together with Mizuho Bank 
- GMO-RP
  - Q2 FY2025 revenue grew 36.9% YoY
  - Expanded sales channel through alliance with drug wholesaler 
  - Rollout of “Animary byGMO,” a reservation management system for veterinaries 



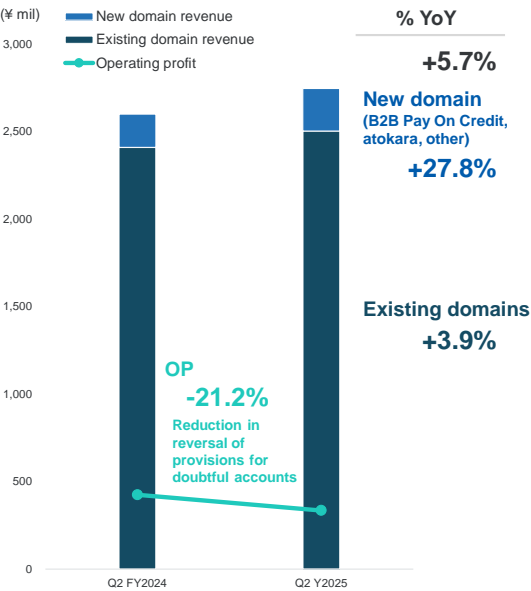
This slide shows the performance of GMO-EP and GMO-RP (formerly GMO Medical Reservation Technology). In the past GMO-EP’s services and sales were inferior to Stripe. However, GMO-EP has been able to go on the offensive with the launch of “fincode byGMO,” and the services’ revenue has grown 5x in Q2 FY2025. GMO-EP had struggled in the last 2 to 3 years but is now finally on a recovery trend: from a growth of few percentages, it grew double digit at 15.4% YoY in Q2 FY2025. In addition, with the collaboration with Mizuho Bank we expect the growth rate to recover further to 20% and further to 25%.

The GMO-RP, the medical reservation SaaS provider, is also benefiting from major partnerships such as providing the reservation system to a major veterinary clinic and the alliance to market the reservation SaaS together with a drug wholesaler.

2.7 Business Strategy: GMO-PS Payment After Delivery/BNPL

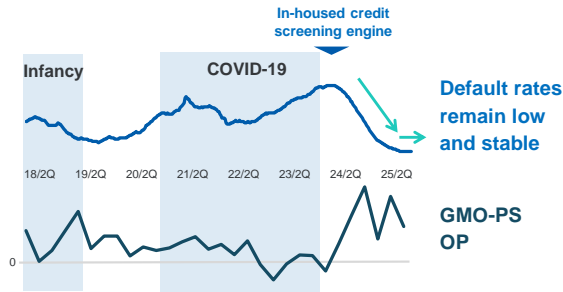
Aim for revenue growth recovery by strengthening synergy and partner strategy

GMO-PS revenue and operating profit (Q2)

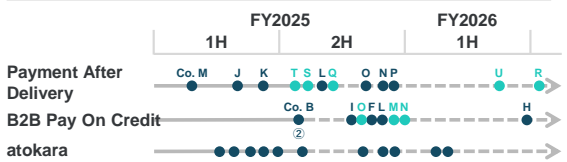


Strengthened synergy with PG with the organizational reforms in March 2025  
Driving project wins with partner strategy and collaboration with PG

Progress of initiatives (Updates after Q1 FY2025)



Progress of initiatives (Updates after Q1 FY2025)

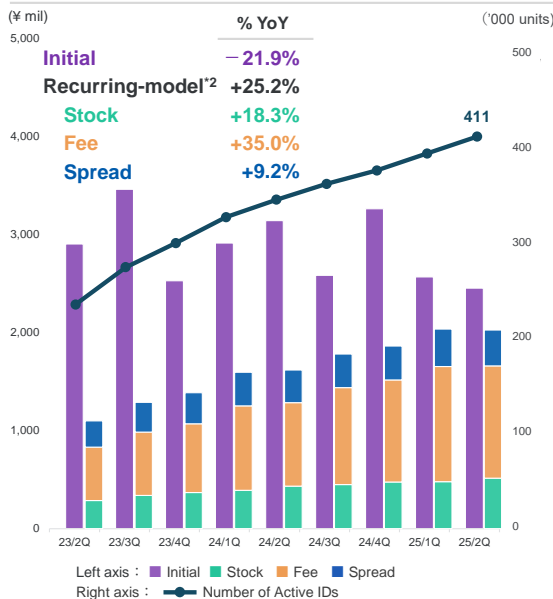


This slide explains the performance of GMO-PS. Revenue continues to be sluggish due to the depressed health food sector. In response to this, we have made significant organizational changes including reorganizing sales and increasing the number of engineers in order to increase new customer acquisitions. So, I would ask for your patience on this matter. We will definitely achieve a recovery.

## 2.8 Business Strategy: Consol. GMO-FG CP Payments

### Driving reacceleration of recurring-model revenue by acquiring high-transaction merchants, etc.

Consol. GMO-FG revenue by business model<sup>\*1</sup> (quarterly)



<sup>\*1</sup> Figures are taken from GMO-FG's consolidated financial results. Figures from FY2024 are based on IFRS standards. For figures for FY2025 are based on IFRS standards.

<sup>\*2</sup> Recurring-model revenue is the sum total of stock, fee and spread and excludes initial which mostly consists of terminal sales.

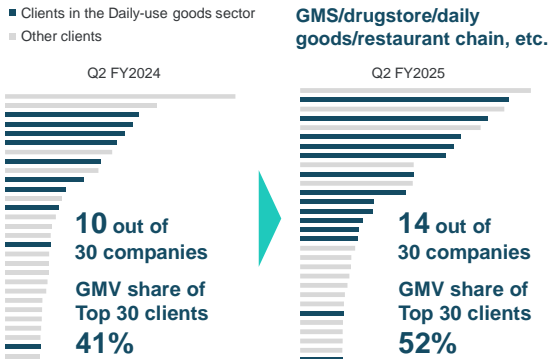
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#### Initiatives to reaccelerate recurring-model revenue

1. Acquire high-transaction merchants  
GMS/Drugstore/DIY store/commercial facilities, etc.
2. Ensure start of operation of large-scale project in FY2026
3. Expand ARPU through payment business DX, strengthening payment enhancement domain

#### Proportion of clients in daily-life related sectors among Top 30 clients



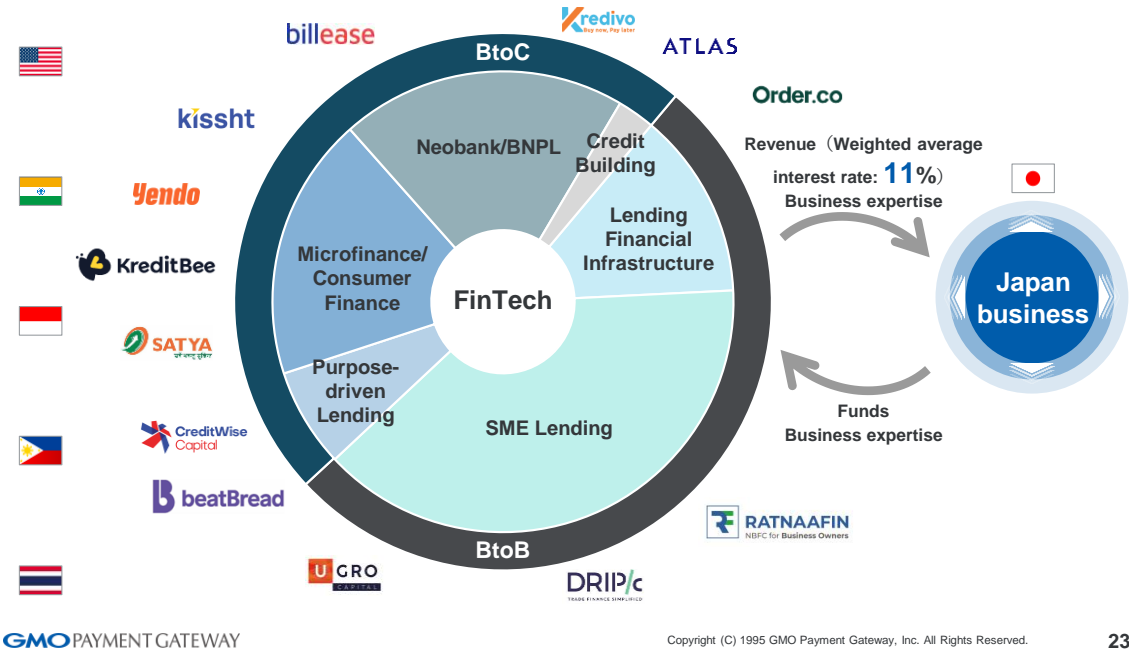
Moving on to GMO-FG. Customers in sectors that are closely related to daily life such as GMS, drug store comprised only 10 out of their top 30 clients last year. Such daily-life related clients have increased to 14 companies out of the top 30, and account for 52% of GMV. This increases the stability of recurring-model revenue. Payment terminal sales tend to be lumpy and go through cycles of large-lot sales and periods of lull. Acquiring more clients whose transactions occur daily can stabilize the profit even when revenue growth is slack.

I will hand over to Mr. Muramatsu who will comment on Global and Sustainability.

### 2.9.1 Business Strategy: Global Lending Strategy

## Pursue returns and leading-edge expertise from promising FinTech companies in each category

Global lending portfolio (End-March 2025 breakdown of lending book, excerpt of a concrete case provided)

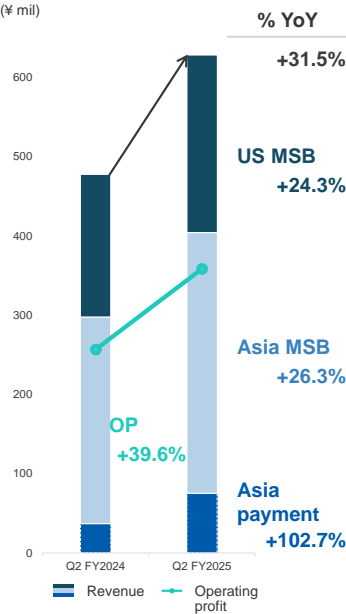


Mr. Muramatsu: The global lending portfolio has exceeded ¥20.0 bn level. The loan portfolio is diversified with roughly 50:50 split between BtoB and BtoC domains, and loan decisions incorporate the perspective of diversifying exposure in terms of country, industry and growth stage. Most borrowers are growing thanks to the loans provided by major venture capital firms of that country and we are engaging in exchanging leading-edge business expertise with such influential and high-quality FinTech companies. The interest rate charged averages to 11% which is commensurate with the risk profile and this is the driver of revenue growth. The number of hints and ideas that can be used in the Japan business is also increasing, and we are aggressively working to introduce overseas business expertise into the domestic market.

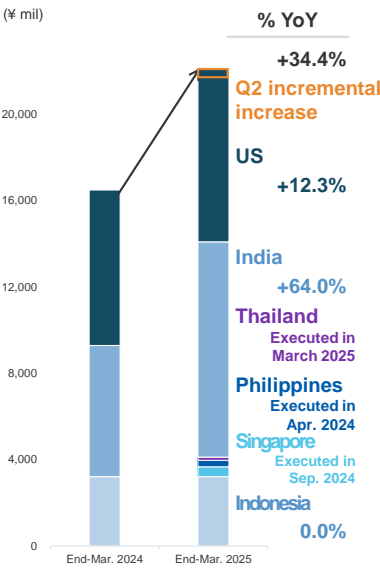
2.9.2 Business Strategy: Global Earnings Summary

Revenue grew 31.5% from new loans executed, increase in loans to prime borrowers and strong remittance service

Revenue and Operating profit (Q2)



Loan balance (End-March)



New loans executed (Q2 FY2025 onwards)

**RATNAAFIN**  
NBFC for Business Owners  
(Feb. 2025)

**SME loan FinTech**

- Realized low default rates by localized focus and proprietary digital credit screening

**kissht**  
(Mar. 2025)

**Personal loan FinTech**

- Prompt loans using fully digital credit screening

**redivo**  
Buy now, Pay later  
(Mar. 2025)

**BNPL FinTech**

- New loan executed to Thai company of an existing Indonesian borrower
- Progress in gaining business expertise and regional diversification

**Asia payment**

**Remittance service to Big Tech**  
growing stably at a high rate

This slide shows the numerical results of these efforts. Revenue grew 31% and OP grew 40% which are very solid growth rates. Regarding the business environment, interest rates in US and Asia are expected to decline although the pace of lowering interest rates is milder compared to when we compiled the budget and the yen has not materially strengthened. The business environment in India is less overheated due to non-bank regulations and weakening macroeconomic conditions, but the growth potential continues to be significant. We have executed loans to two new digital loan FinTech companies and increased the loan balance by 64%. We have also provided loan to a Thai company for the first time, slightly raising the proportion of SE Asia. In the US, we have increased loans to better performing borrowers while collecting loans in a sound manner from companies that are not performing as expected, increasing loan balance by 12%. The Asia payment business continues to be driven by a major merchant, with revenue more than doubling on a YoY basis.



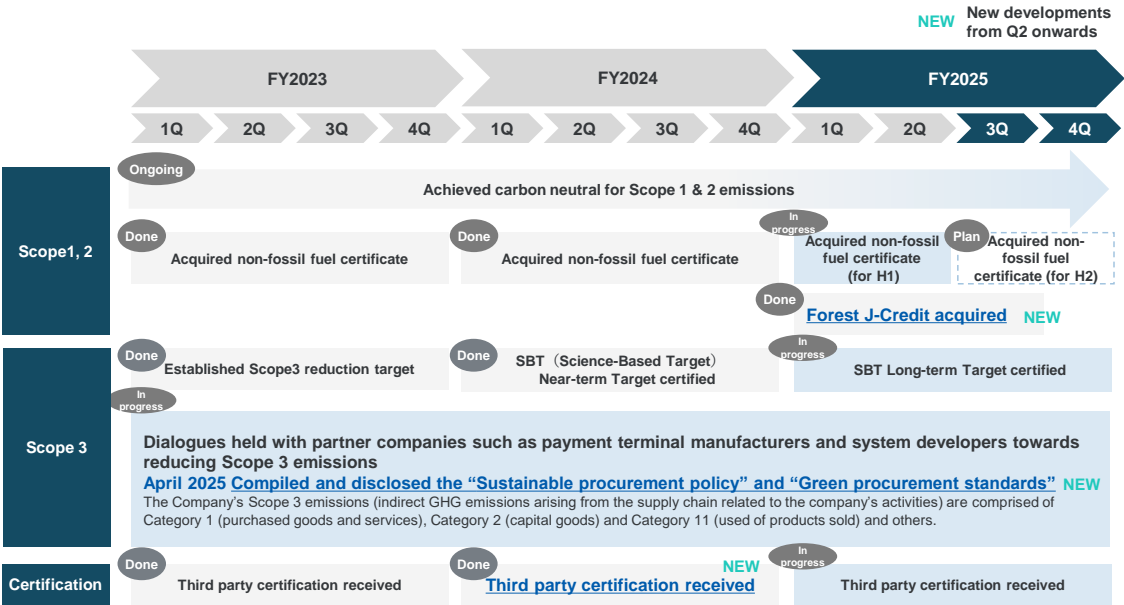
### 3. Sustainability

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Lastly, I would like to comment on Sustainability.

3. Sustainability: Decarbonization Initiatives

Promoting reduction of environmental burden on society through procurement policy and forest J-Credit



The decarbonization initiatives are steadily making progress. The areas marked as “NEW” on the slide show the new developments. We have continued to achieve a carbon neutral position in FY2024 for Scope 1 and 2 emissions. In addition, we have stipulated the “green procurement standards” in the Sustainable Procurement Policy to aid towards reducing Scope 3 emissions. Following the SBT certification for short term targets in the previous year, we are working to receive certification for the long-term target, as well. In addition, we have also purchased forest carbon credit to contribute to natural capital. Through these initiatives we intend to lower the environmental burden for our clients and society to create a sustainable society.

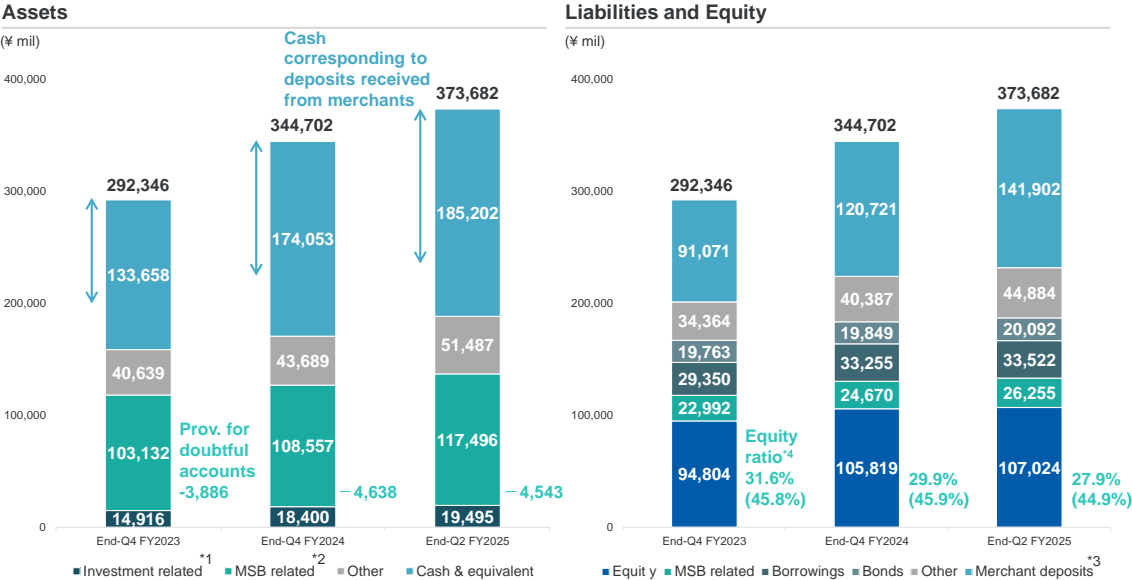
Mr. Ainoura: This concludes the presentation. We will continue our endeavors and ask for your continued support. Thank you very much.

# **4. Financial Highlights and Reference Materials**

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### 4.1.1 Consolidated Balance Sheet

## Increase in merchant deposits and MSB related assets due to scaling up of business



<sup>1</sup> Securities classified under investment securities and investment accounted for under the equity method.

<sup>2</sup> MSB Related Asset: Lease assets, short term loans, advances paid and accrued revenue (net of provision for doubtful accounts). MSB Related Liabilities: Accrued expenses.

<sup>3</sup> Deposits received from merchants under the Representative Contract.

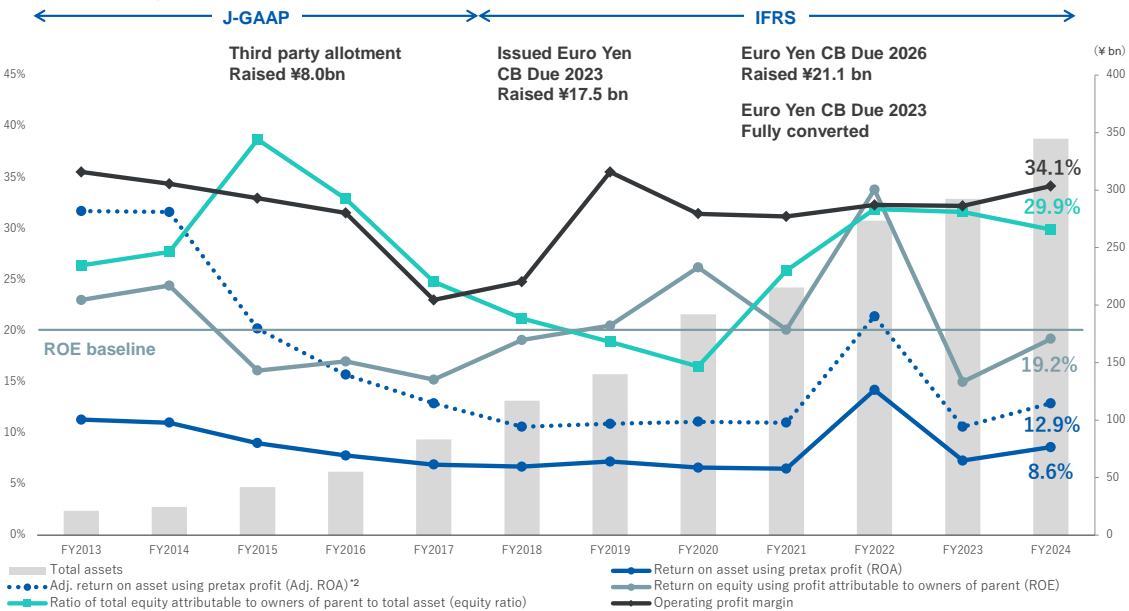
<sup>4</sup> Equity ratio presents the equity attributable to owners of parent ratio and is calculated by dividing total assets with equity attributable to owners of parent.

The figures in the parentheses present the adjusted equity attributable to owners of parent ratio and is calculated by dividing total assets less deposits received with equity attributable to owners of parent.

<sup>5</sup> Some figures are shown in net amounts of financial assets and liabilities.

4.1.2 Major Consolidated Financial Indicators\*1 (Annual Trend)

Managing businesses while balancing profitability, capital efficiency and capital base

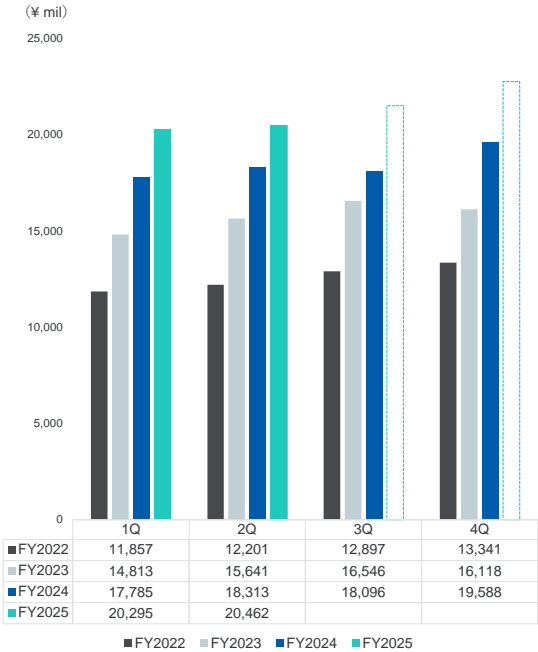


\*1 Figures from FY2018 are based on IFRS standards. For figures before FY ending September 2017 are based on J-GAAP standards. As such, total assets refers to assets, equity refers to net assets and total equity attributable to owners of parent refers to equity ratio, return on total assets using profit attributable to owners of parent refers to ordinary profit to assets ratio, and return on equity using profit attributable to owners of parent (ROE) refers to net profit to equity ratio.

\*2 Under IFRS, profit before taxes is used as the numerator and total assets excluding merchant deposits is used as the denominator. Under J-GAAP, ordinary profit is used as numerator and assets excluding merchant deposits is used as the denominator.

## 4.2.1 Consolidated Revenue and Operating Profit (Quarterly)

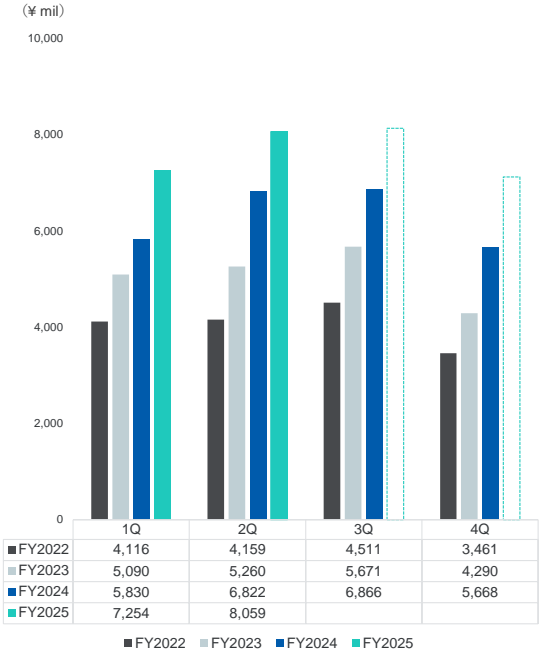
Consol. revenue



\* Consol. revenue and consolidated OP FY2025 is based on initial guidance.

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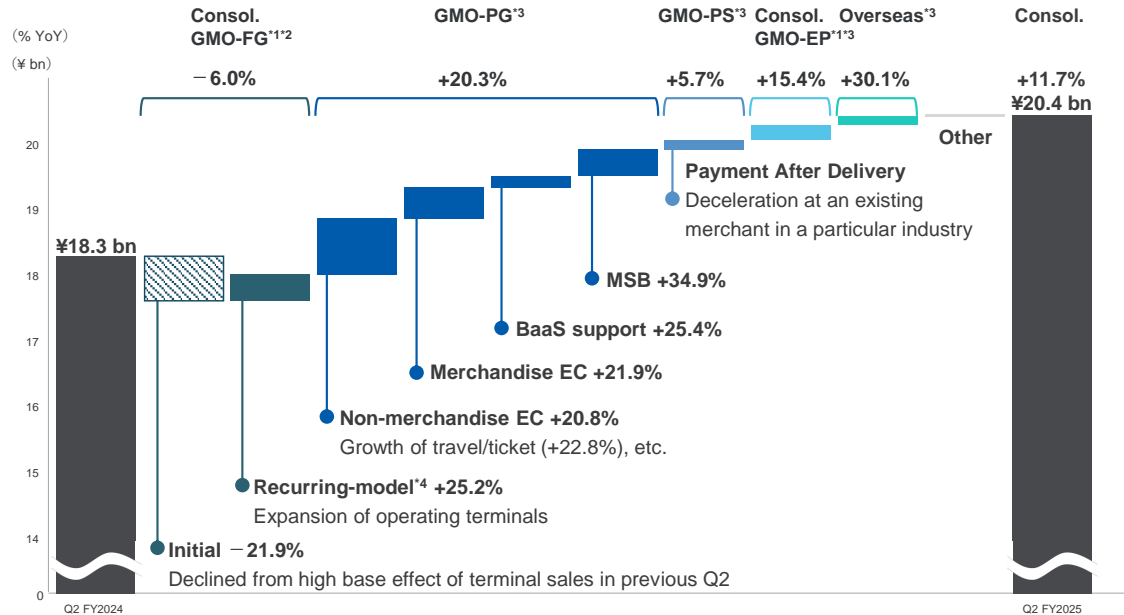
Consol. operating profit



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4.2.2 Waterfall Chart of Consol. Revenue (YoY basis)

GMO-FG’s initial revenue declined 21.9% from high base effect of terminal sales in the previous Q2

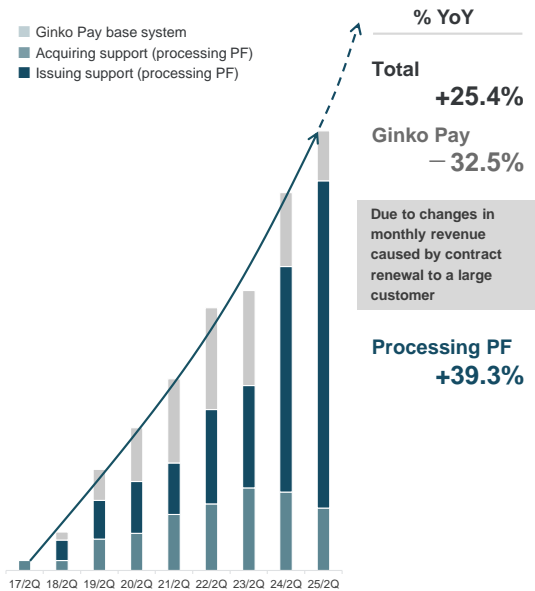


<sup>\*1</sup> Consol. GMO-FG includes GMO-FG and GMO-CAS. Consol. GMO-EP includes GMO-EP and GMO-RP. <sup>\*2</sup> Figures are taken from GMO-FG's consolidated financial results.  
<sup>\*3</sup> Figures are before GMO-PG consolidated eliminations. <sup>\*4</sup> Recurring-model revenue is the sum total of stock, fee and spread and excludes initial which mostly consists of terminal sales.

4.3 BaaS Support and EF\*1

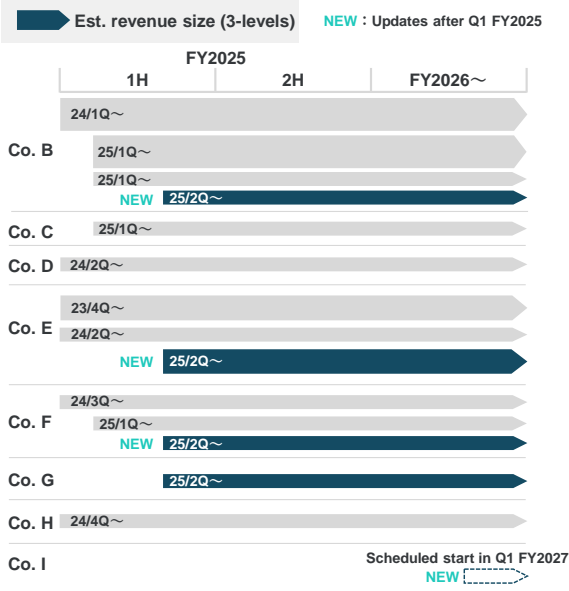
Processing PF revenue up 39.3%, expanding pipeline for next FY and beyond

BaaS Support service revenue\*2 (Q2)



\*1 EF is an abbreviation for Embedded Finance.  
\*2 Figures include revenue received from business operators other than financial institutions for Ginko Pay and Processing PF.

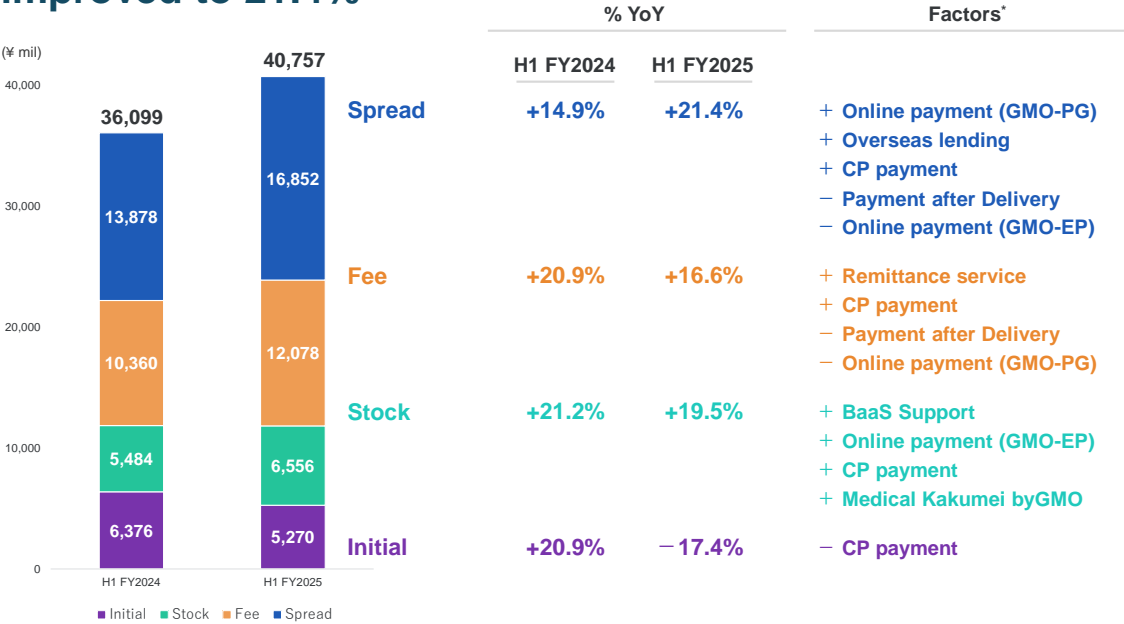
Progress of processing PF projects





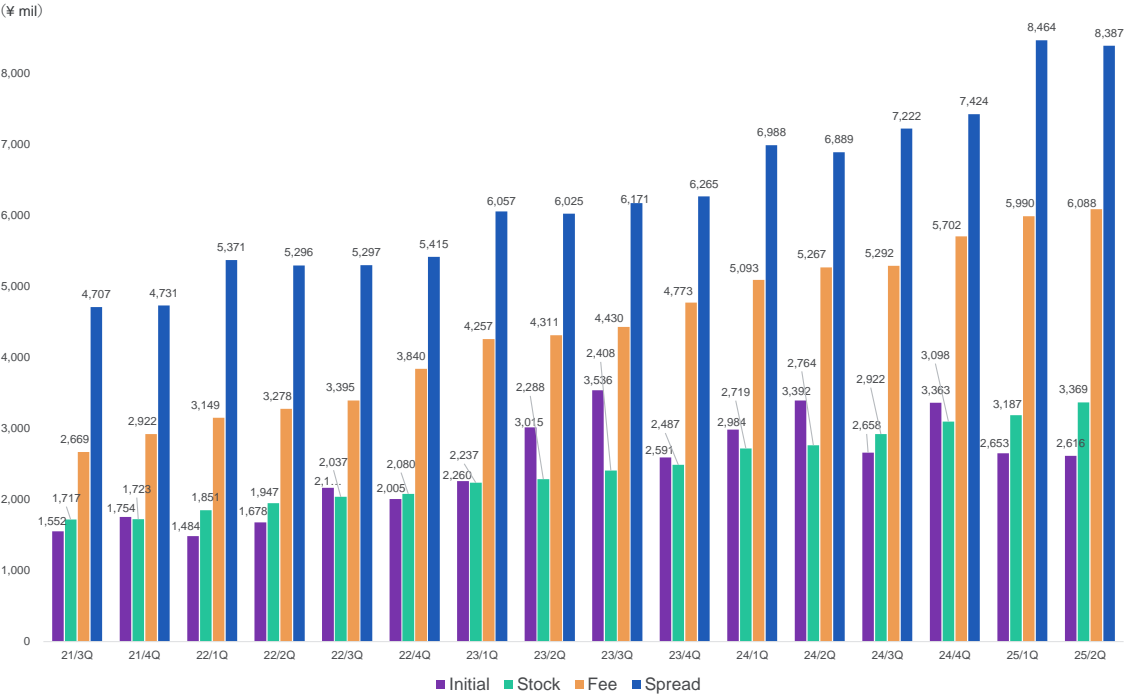
4.4.1 Revenue by Business Model (YoY)

Initial declined from high base effect, spread growth improved to 21.4%



\* The "+" and "-" denotes a growth rate higher or lower than the consolidated revenue growth of 12.9%, respectively.

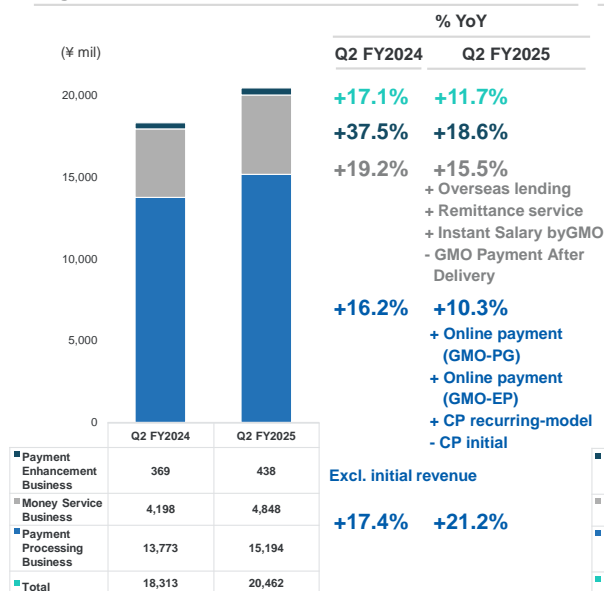
4.4.2 Consolidated Revenue by Business Model (Quarterly)



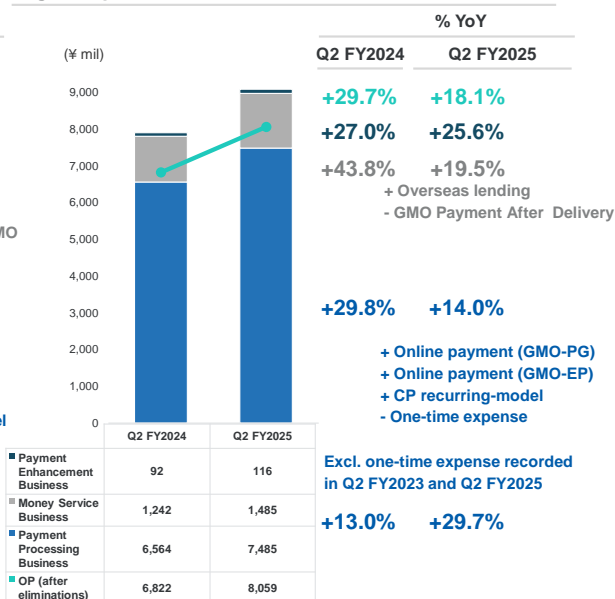
#### 4.5 Consol. Segment Performance (YoY, Q2)

## Payment processing business revenues excl. initial grew 21.2%

## Segment revenue\*



## Segment profit/loss\*



\* Figures for consolidated revenue and consolidated operating profit are after inter-segment eliminations. The "+" denote a YoY growth and the "-" sign denote a YoY decline for segment revenue figures.

# 4.6.1 FinTech Related Asset (Quarterly Trend)

FinTech related asset

(¥ mil)

140,000

120,000

100,000

80,000

60,000

40,000

20,000

0

End-Q3 FY2021 End-Q4 FY2021 End-Q1 FY2022 End-Q2 FY2022 End-Q3 FY2022 End-Q4 FY2022 End-Q1 FY2023 End-Q2 FY2023 End-Q3 FY2023 End-Q4 FY2023 End-Q1 FY2024 End-Q2 FY2024 End-Q3 FY2024 End-Q4 FY2024 End-Q1 FY2025 End-Q2 FY2025

■ GMO Payment After Delivery\*1 ■ Early Payment service ■ Overseas lending ■ Other\*2

% YoY  
+34.4%

-2.7%

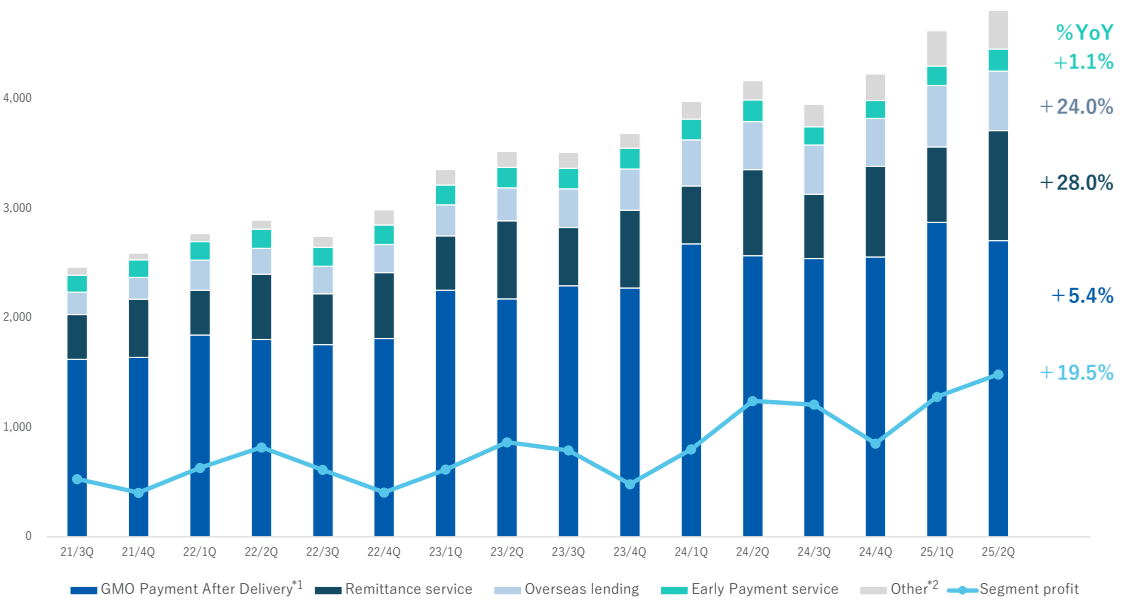
+6.0%

\*1 The figures for GMO Payment After Delivery related assets (accrued revenue) are after deduction of provisions for doubtful accounts.  
\*2 The figures for "Other" is the sum total of Domestic lending, B2B factoring, finance lease, Condo Pay and Instant Salary byGMO.

## 4.6.2 FinTech Revenue and Profits (Quarterly Trend)

FinTech revenues and profit

(¥ mil)  
5,000



\*1 Includes the impact of commission rate revisions to reflect the increase in CVS payment agency cost for Payment after Delivery from September 2022.

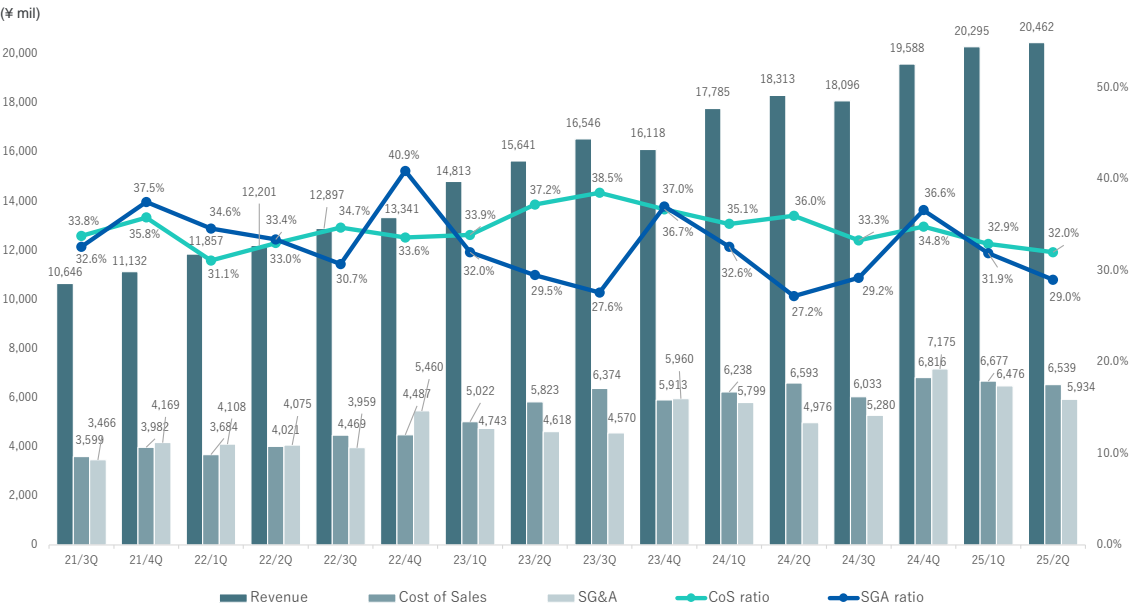
\*2 The figures for "Other" is the sum total of Domestic lending, BtoB factoring, finance lease, B2B AR Guarantee, B2B Payment Guarantee, Condo Pay and Instant Salary byGMO.

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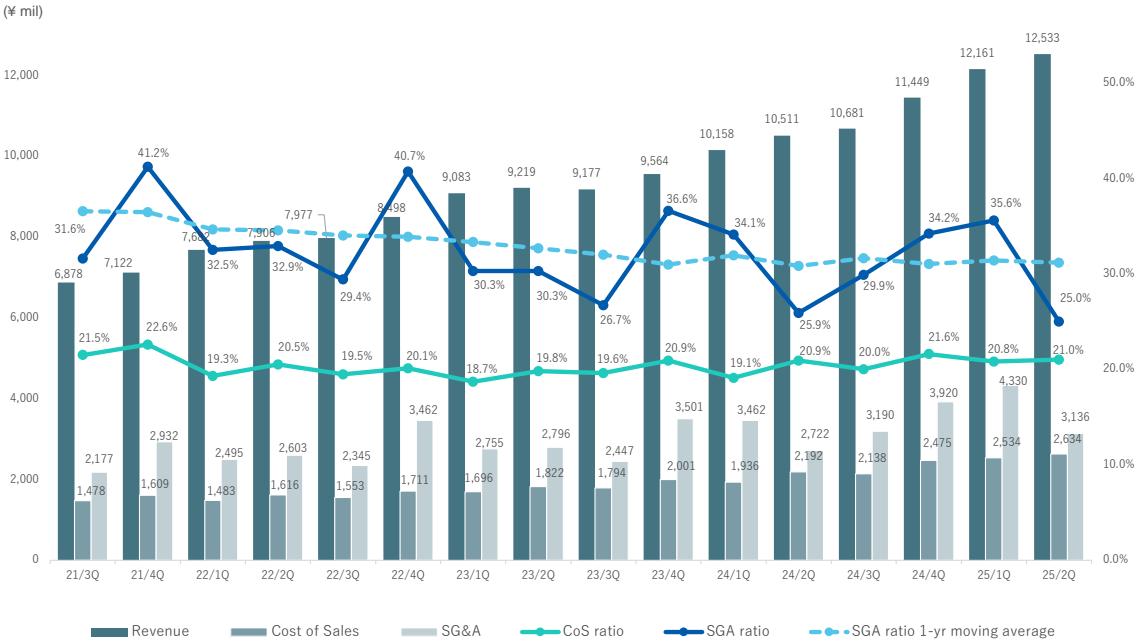
4.7.1 Consolidated CoS and SG&A Ratio (Quarterly Trend)

Cost of sales ratio fluctuates depending on revenue mix



4.7.2 CoS/SGA Ratio of GMO-PG & GMO-EP (Quarterly Trend)

CoS ratio trending stably for online payment business



\* Figures presented are before consolidated eliminations.

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### 4.8.1 Operating Stores, TRX Volume and Value

#### Consol. TRX value reaches approx. ¥20.5 trn for the past 12 months

	Operating Stores <sup>*1</sup> /IDs <sup>*2</sup>	TRX Volume <sup>*2*3</sup>		TRX Value <sup>*2</sup>	
	End-Q2 FY2025	Q2 FY2025	Past 12-mnth	Q2 FY2025	Past 12-mnth
Consolidated	-	2.10bn	8.07 bn	¥5.3 trn	¥20.5 trn
% YoY	-	+18.7%	+18.6%	+14.5%	+22.5%
Online	163,064 stores	1.79 bn	6.89 bn	¥3.2 trn	¥12.8 trn
% YoY	+6.3%	+15.6%	+14.4%	+7.0%	+13.9%
CP <sup>*2</sup>	411,163 IDs	0.31 bn	1.17 bn	¥2.0 trn	¥7.7 trn
% YoY	+19.3%	+39.3%	+51.4%	+28.8%	+39.6%

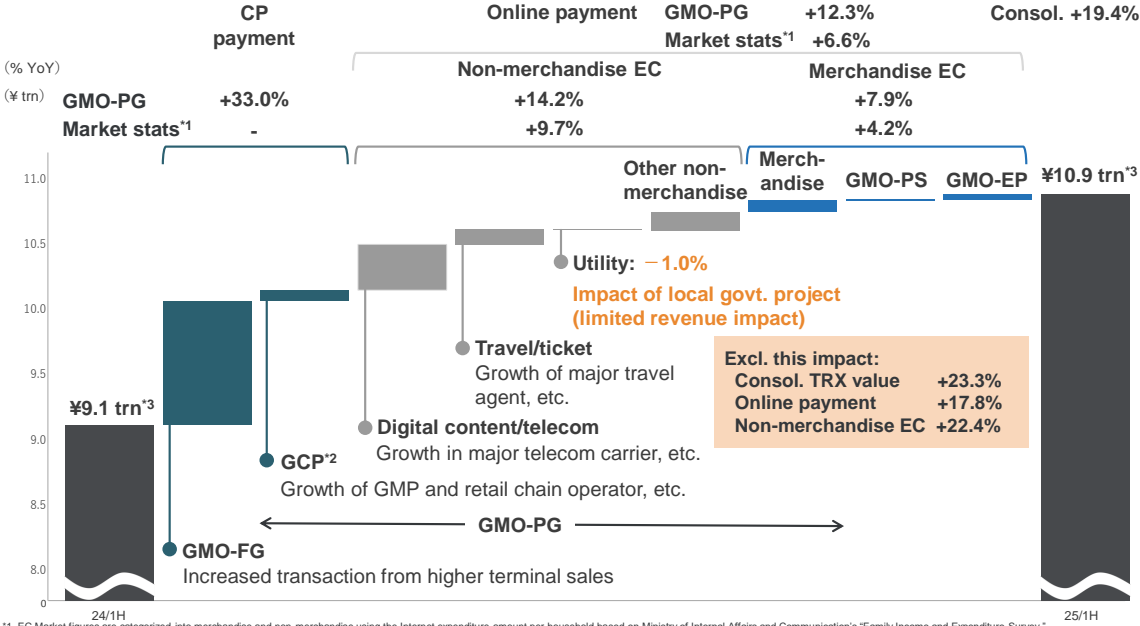
Proportion of representative contracts in online TRX value<sup>\*4</sup> : Approx. 45%

<sup>\*1</sup> The standards for calculating the number of operating stores has been revised from Q4 FY2023. Figures exclude an operating stores of a specific merchant and fincode byGMO. If included, operating stores would be 747,825 (up 17.8% YoY).  
<sup>\*2</sup> The number of IDs are GMO-FG's figures and include terminal-free active IDs and exclude GMO-PG's GMO Cashless Platform. CP transaction volume and value includes GMO-PG's CP payment (GMO Cashless Platform).  
<sup>\*3</sup> Transaction volume is calculated based on fee revenue standards, which in the case of online consist of multiple (1 to 3) transactions per payment of a single authorization (tentative sales proceeds) or actual sales proceeds, and one transaction per payment in the case of CP.  
<sup>\*4</sup> Annual average is shown in 5% increments.



4.8.2 Waterfall Chart of Consol. TRX Value (H1 YoY)

Online GMV grew 17.8% excluding the local govt. project

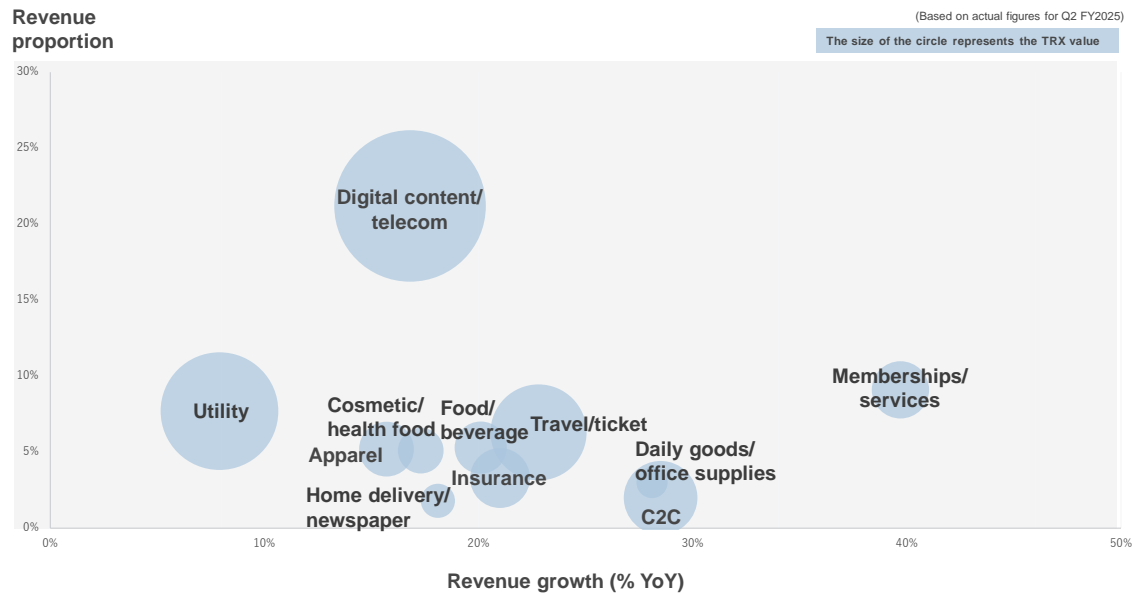


\*1 EC Market figures are categorized into merchandise and non-merchandise using the Internet expenditure amount per household based on Ministry of Internal Affairs and Communication's "Family Income and Expenditure Survey."  
CP Payment market is based on Ministry of Economy, Trade and Industry's "Survey of Selected Service Industries" and this survey has ended as of December 2024.  
Figures for CP Payment market show the % YoY growth for the period from October to November, as December 2024 data is not available as of this writing.  
\*2 GMO Cashless Platform. \*3 Rounded off to nearest trillion of yen.

### 4.8.3 Distribution of Major Sectors (Q2 FY2025)

#### Balance both stability and growth through sector diversification

Revenue share by industry (vertical axis)/ Revenue growth rate (horizontal axis)\*



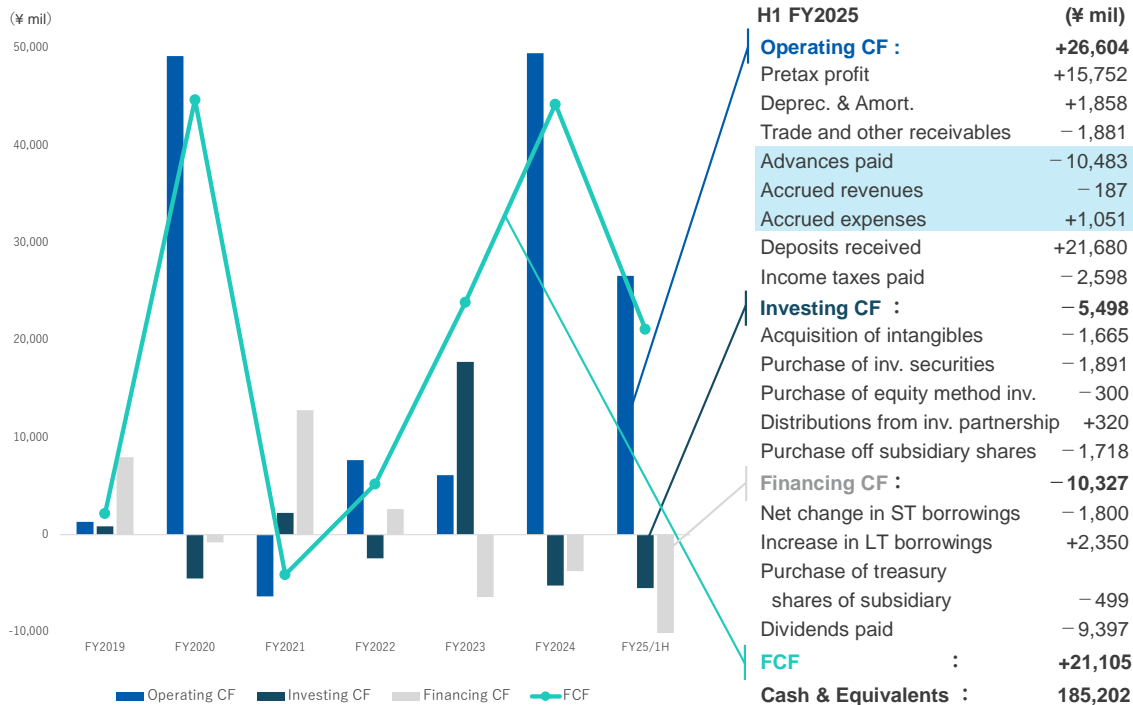
\* Composed from TRX value by sector for the PG Multi-payment service.

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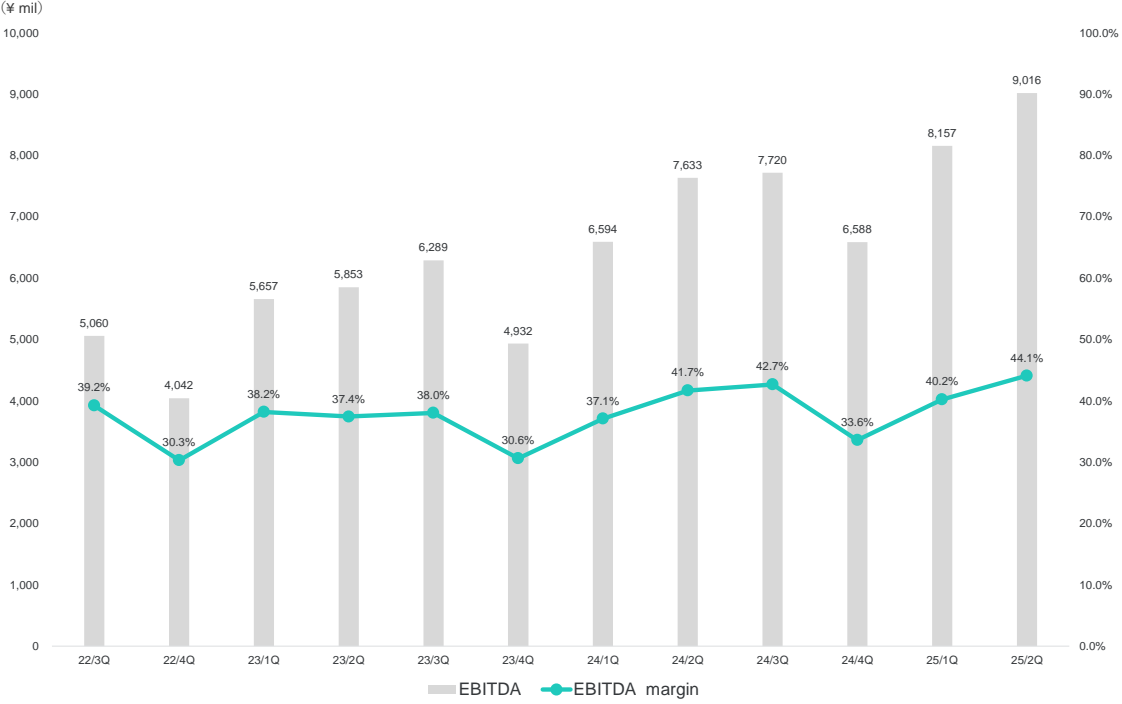
## 4.9.1 Consolidated Cash Flow Statement (H1 FY2025)



# 4.9.2 Major Factors Affecting Consolidated Cash Flow Statement

Related liabilities & assets		Impact from business expansion	
Payment Processing Business			
Sales proceeds of merchants under the Representative Contract	Deposits received (liability)	Liability ▲	Operating CF ▲
		Yearly fluctuations can be large as annual TRX value of trillions of yen can be carried over to the following year	
Money Service Business			
Early Payment service	Advances paid (asset)	Asset ▲	Operating CF ▼
Payment After Delivery service	Accrued revenue (asset)	Asset ▲	Operating CF ▼
	Accrued expense (liability)	Liability ▲	Operating CF ▲

# 4.10 Consolidated EBITDA\* and EBITDA Margin (Quarterly)



\* Figures present the sum total of operating profit and depreciation expense.

Acquired forest J-Credit\*



- Acquired forest J-Credit from Tochimou Wood Industry in October 2024.
- ↳Tochimou Wood Industry practices sustainable logging centered on forest preservation through natural replacement of man-made forests
  - ↳ Strengthen contribution to nature capital through the acquisition of forest J-Credit

Compiled and disclosed procurement policy



- Compiled and disclosed the sustainable procurement policy on April 2025
- ↳ Shared the expectation items with business partners and suppliers in order to jointly aim for the realization of a sustainable society
  - ↳ Outlines the Company’s basic views on legal compliance, respect for human rights, environmental consciousness, fair exchange and information management and others

\* Forest J-Credit: a government certified credit for CO2 absorption through the proper management of forest land through the appropriate use of logging, etc.

# Thank You Very Much

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## GMO Payment Gateway, Inc. (3769; Tokyo Stock Exchange Prime)

For inquiries or requests for 1-on-1 interviews, please contact the IR Department,  
Corporate Value Creation Strategy Division, at the telephone number below:

TEL : +81-3-3464-0182

E-mail : [ir-contact@gmo-pg.com](mailto:ir-contact@gmo-pg.com)

### IR Website URL

<https://www.gmo-pg.com/en/ir/>

