



Summary of Consolidated Financial Statements for the First Quarter, FY2015

February 5, 2015

Exchange: First Section of Tokyo Stock Exchange

Name of listed company:	GMO Payment Gateway, Inc.		
Stock code:	3769	URL: http://corp.gmo-pg.com/	
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Scheduled date of submission of quarterly report	February 12, 2015	Scheduled date of commencement of dividend payment	-
Supplemental materials prepared for financial results	Yes		
Information meeting arranged related to financial results	Yes (for institutional investors and analysts)		

(Amounts rounded down to the nearest one million yen)

1. Consolidated Financial Statements for the First Quarter, FY2015 (From October 1, 2014 to December 31, 2014)

(1) Consolidated Financial Statements (Percentages denote the increase or decrease from the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q FY2015	1,958	19.1	725	25.7	758	26.0	476	33.9
1Q FY2014	1,645	25.5	577	20.5	601	25.2	355	25.1

(Note) Comprehensive income: 1Q FY2015: 515 million yen (39.6%) 1Q FY2014: 368 million yen (28.8%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
1Q FY2015	13.78		13.78	
1Q FY2014	10.31		10.29	

(Note)

1) In October 1, 2014, our company executed a 2-1 stock split. The values for the FY2014 are calculated on the same base.

2) In order to appropriately display the net income per share, in regard to the stock attributed to the directors' remuneration board incentive plan trust, it has the right to a claim of dividend, and is therefore, not included in treasury stock.

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
1Q FY2015	29,754		6,811		22.9		197.06	
FY2014	24,613		6,815		27.7		197.15	

Reference: Equity: 1Q FY2015: 6,805 million yen FY2014: 6,808 million yen

(Note)

In October 1, 2014, our company executed a 2-1 stock split. The values for the FY2014 are calculated on the same base.

2. Dividends

	Yearly dividends				
	1Q	2Q	3Q	Fiscal Year end	Total
	Yen				
FY 2014	—	0.00	—	30.00	30.00
FY 2015	—	—	—	—	—
FY 2015 (forecast)	—	0.00	—	18.00	18.00

(Note) Revision of the most recently released dividend forecast: No

In October 1, 2014, our company executed a 2-1 stock split. The values for the FY2015(forecast) are calculated on the same base.

**3. Consolidated Financial Forecast for the Fiscal Year Ending September 2015
(From October 1, 2014 to September 30, 2015)**

(For the full year, percentages denote an increase or decrease as compared with the previous period. For the first six months of the period under review, they denote an increase or decrease as compared with the second quarter of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q of FY 2015 (cumulative)	4,033	15.6	1,471	18.7	1,476	18.5	887	23.3	25.68
Full year	8,656	20.1	2,974	20.1	2,985	18.1	1,797	18.6	52.03

(Note) Revision of the most recently released financial forecast: No

Notices:

- (1) Changes of important subsidiaries during the period (change of specific subsidiaries that lead to a change in the scope of consolidation): No
Number of new subsidiaries: - (Name:), number of excluded subsidiaries: - (Name:)
- (2) Application of special accounting procedures for the execution of the financial statements: No
- (3) Changes in the accounting policy / changes in the accounting estimation / restatement of corrections
 - [1] Changes associated with the revision of accounting policy, etc.: No
 - [2] Changes other than [1]: No
 - [3] Changes in accounting estimations: No
 - [4] Restatement of corrections: No
- (4) Number of shares issued (common stock)

[1] Number of shares issued at the end of the term (including treasury stock)	1Q FY2015: 34,538,400	FY 2014: 34,538,400
[2] Number of treasury stocks at the end of the term	1Q FY2015: 2,500	FY 2014: 2,278
[3] Average number of shares	1Q FY2015: 34,535,921	1Q FY2014: 34,480,091

 - 1) In October 1, 2014, our company executed a 2-1 stock split. The number of end of the period shares issued, the number of end of the period treasury stock shares, and the average number of shares during the period are calculated on the assumption that the said stock split was implemented at the beginning of the previous fiscal year.
 - 2) In order to appropriately display the number of treasury stocks at the end of the term and average number of shares, in regard to the stock attributed to the directors' remuneration board incentive plan trust, it has the right to a claim of dividend, and is therefore, not included in treasury stock.

* Indication of the implementation status of quarterly review procedures
These quarterly financial statements are not subject to the quarterly review procedures of the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial statements, the quarterly financial statement review procedures of the Financial Instruments and Exchange Act had not been completed.

* Explanation of the proper use of financial forecasts and other important notes
The above forecasts are outlooks based on information currently available, and include various uncertain factors. Actual performance may differ substantially from the forecasts due to changes in business conditions and other factors. For the assumption on which financial forecasts are based and matters to be considered in using financial forecasts, please refer to“(3) Review of consolidated earnings forecasts and other forecasts” under“1. Qualitative Information on Consolidated Financial Statements for the Quarter” on page 4 of the attachment.

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1. Qualitative Information on Consolidated Financial Statements for the Quarter

(1) Qualitative information on consolidated operating results

Regarding the economic environment in Japan during the period under review, the Japanese economy was on a gradual recovery track as the reaction to the demand rush after the consumption tax hike was diminishing; however, consumer spending still remained somewhat weak.

In regard to our core business, the BtoC EC market continues to grow thanks to a favorable external environment such as broader use of smartphones and tablets as well as reforms in logistics, and e-commerce is also spreading in the market of sales of non-goods items such as services, as seen in new areas such as omni-channel, O2O and CtoC EC. In regard to the credit card field, credit card shopping is steadily growing, and people tend to make more purchases via the Internet. Also, the non-face-to-face use of credit cards in the field of payment for everyday living expenses continues to expand, such as payments for rent and medical costs, as well as utility charges and public funds. It is a certainty that opportunities to use credit cards will continue to increase.

Under such circumstances, the group has pressed on with its businesses in order to expand the scale of operations described below

Our company and our subsidiary GMO Epsilon, Inc. provides companies that sell products on a non-face-to-face basis with a payment processing service and, related to the payment-processing business, the means through which payment processing by credit cards and other methods can be efficiently made.

The Group offers a broad range of services such as online payment and recurring payment services that respond to our customers' business category, size and payment type.

The number of merchants during the first quarter of the current consolidated fiscal year increased by 4,744 to 54,469 compared to the end of the previous consolidated fiscal year. The number and amount of processed payments steadily increased.

Changes in number of operating stores

	End of September 2011	End of September 2012	End of September 2013	End of September 2014	End of December 2014
Number of operating stores	32,062	38,949	44,328	49,725	54,469

Note: Number of operating stores means the number of IDs assigned to each store to use the service. It shows the number of stores (merchants) which have an agreement with the Group, are connected to the system, and are able to process payments at any time in principle.

For online payment field, payment-processing service grew steadily and the business of GMO Epsilon, Inc. which provides "Multi-Payment Service" to the merchants grew steadily, too.

For recurring payment field, we have continued to attempt to develop this field to enable using credit card for paying utility charges, public funds and other monthly services closely connected with everyday life

We provide payment methods to public institutions, such as the Japan Pension Service, and local governments, such as the Tokyo Prefectural government.

Our subsidiary GMO Payment Service Inc. provides a "GMO Payment Later" service that allows the user to pay after receiving the goods. The "GMO Payment Later" service has been adopted by an increasing number of merchants as a payment service with high level of consumers' needs and has continued to perform favorably since its introduction in May 2013.

As a value-added service making the best of the Group's merchant base, we have made steady efforts to expand services in areas related to the payment-processing business, such as the Online Advertising Service, providing SSL server certifications, shipping services and early payment services.

During the period under review, we have introduced a new loan service to provide growth funds to our merchants. Going forward, we will continue with our efforts to launch new products that will contribute to solving our merchants' problems.

With regard to overseas business, we established five overseas entity to provide GMO-PG Global Payment solutions to Japanese non-face-to-face businesses with a local presence and targeting local markets in South East Asia.

We have continued to promote funding activities through the "GMO Global Payment Fund" to form capital alliances with

prospective payment-related businesses; in addition, the financial results of local payment processing companies in which we invest our fund have performed steadily. With a view to incorporating the huge growth potential of Southeast Asia, which is the center of global growth, into our Group's mid-to-long-term business growth, we will continue to introduce new measures while creating a synergistic effect between "GMO-PG Global Payment" and "GMO Global Payment Fund."

Concerning operating expenses, while the solid performance of "GMO Payment Later" service saw a hike in cost of sales, we were able to take advantage of the scale merit of the revenue growth and reduce our burden of parallel operation by completing the transfer of our data center to strengthen our payment processing capacity, which has been ongoing since September 2014. As a result, cost of sales amounted to 382,006,000 yen (a 20.3% increase on a year-on-year basis). Selling, general and administrative expenses came to 851,039,000 (a 13.4% increase on a year-on-year basis), as the deconsolidation of our former consolidated subsidiary Social Appli Payment Service, Inc. resulted in a reduction in the said expenses, and our ongoing cost reduction efforts took effect.

Consequently, the Group's operating results for the cumulative first quarter of the current consolidated fiscal year were as follows: Net sales amounted to 1,958,642,000 yen (an increase of 19.1% on a year-on-year basis); operating income grew 25.7% on a year-on-year basis to 725,596,000 yen; ordinary income amounted to 758,080,000 yen (an increase of 26.0% on a year-on-year basis); and net income reached 476,041,000 yen (increase of 33.9% on a year-on-year basis).

Ratio of ordinary income to net sales grew 38.7% from 36.6%.

(2) Qualitative information regarding the consolidated financial condition

[1] Assets

The balance of total assets at the end of the first quarter of the current consolidated fiscal year was 29,754,985,000 yen, up 5,141,926,000 yen as compared with the end of the previous consolidated fiscal year. This increase was mainly due to an increase of cash and deposits (+3,463,289,000 yen) and an increase of advance payments-trade (+478,853,000yen) and an increase of accounts receivable-other (+383,792,000yen). The increase of cash and deposits was mainly caused by the increase of deposits of merchants, in accordance with the merchant acquiring service agreement.

The deposits of merchants will mostly be paid out on the tenth of the next month, therefore the deposit balance will decrease with receipt of deposits.

[2] Liabilities

The balance of liabilities at the end of the first quarter of the current consolidated fiscal year was 22,943,095,000 yen, up 5,145,416,000 yen as compared with the end of the previous consolidated fiscal year. This increase was mainly caused by an increase in deposits received of 5,232,248,000 yen, which was an effect of the increase in deposits received from merchants in accordance with the merchant acquiring service agreement.

[3] Net assets

The balance of net assets at the end of the first quarter of the current consolidated fiscal year was 6,811,890,000 yen, down 3,489,000 yen as compared with the end of the previous consolidated fiscal year. The decrease was mainly attributable to net income of 476,041,000 yen, with a decrease of 518,041,000 yen as a result of a distribution of surplus.

[4] Cash Flows

At the end of the first quarter of the current consolidated fiscal year, cash and cash equivalents (the "Funds") was 23,807,627,000 yen, up 3,458,318,000 yen as compared with the balance at the beginning of the period. Cash flows at the end of the cumulative first quarter of the current consolidated fiscal year are as follows.

Net cash provided by (used in) operating activities

Cash provided by operating activities during the cumulative first quarter of the current consolidated fiscal year amounted to 4,498,525,000 yen (provided 3,164,190,000 yen for the corresponding period of the previous fiscal year). This was mainly due to income before income taxes of 762,962,000 yen and an increase in deposits received of 5,169,011,000 yen, after a payment of income taxes of 634,610,000 yen.

Net cash provided by (used in) investing activities

Cash used in investment activities totaled 553,712,000 yen (223,103,000 yen was used in the corresponding period of the previous fiscal year.) This was mainly due to the acquisition of securities (319,578,000 yen) and securities of subsidiaries and affiliates (125,000,000 yen).

Net cash provided by (used in) financing activities

Cash used in financing activities totaled 509,452,000 yen (397,983,000 yen was used in the corresponding period of the previous fiscal year). This was primarily attributable to the dividend payment of 499,804,000 yen.

(3) Review of consolidated earnings forecasts and other forecasts

In regard to our core business, the BtoC EC market continues to grow thanks to a favorable external environment such as broader use of smartphones and tablets as well as reforms in logistics, and EC (e-commerce) is also spreading in the market of sales of non-goods items such as services, as seen in new areas such as omni-channel, O2O and CtoC EC.

For the term ending September 2015, we expect initial revenue, running revenue and merchant acquiring service revenue to increase steadily. We believe this will be achieved by accelerating the acquisition pace of new merchants, strengthening the development of large-scale merchants through the provision of higher quality services, and increasing revenue per merchant through providing services that increase added value associated with the merchants' use of the Group.

In regard to costs, we keep forecast for increase in sales cost ratio due to the sales growth of "Online Advertising Service", which has a high sales-cost ratio. We also forecast investment cost on the subsidiary companies, overseas businesses, and other investment on new businesses. We expect 18.1% growth in ordinary income and 34.5% ordinary income ratio.

2. Items concerning summary information (Notes)

(1) Changes of important subsidiaries

N/A

(2) Application of special accounting procedures for the execution of the financial statements

N/A

(3) Changes in the accounting policy/ changes in the accounting estimation/ restatement of corrections

N/A

3. Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheet

(Unit: Thousand yen)

	Summary of balance sheet at the end of the previous consolidated fiscal year (September 30, 2014)	End of the first quarter of the current consolidated fiscal year (December 31, 2014)
Assets		
Current assets		
Cash and deposits	20,386,175	23,849,464
Accounts receivable-trade	792,588	884,463
Merchandise	2,165	1,441
Supplies	531	673
Advance payments-trade	585,395	969,188
Prepaid expenses	58,823	64,407
Deferred tax assets	150,097	80,414
Accounts receivable-other	504,077	982,931
Other	52,343	346,304
Allowance for doubtful accounts	△56,177	△86,978
Total current assets	22,476,019	27,092,310
Noncurrent assets		
Tangible assets		
Buildings, net	57,298	55,151
Tools, furniture and fixtures, net	61,075	55,825
Other	113,573	104,799
Total tangible assets	231,947	215,777
Intangible assets		
Goodwill	30,694	28,012
Right of trademark	272	234
Software	661,723	669,650
Other	71,778	88,025
Total intangible assets	764,469	785,922
Investments and other assets		
Investment securities	650,739	1,010,005
Shares of subsidiaries and affiliates	2,507	8,021
Bonds of subsidiaries and affiliates	11,000	11,000
Investments in other securities of subsidiaries and affiliates	264,442	391,227
Long-term loans receivable from directors and employees	1,910	1,794
Claims provable in bankruptcy, claims provable in rehabilitation and other	12,434	12,568
Long-term prepaid expenses	7,722	6,291
Lease and guarantee deposits	149,210	188,503
Deferred tax assets	51,384	42,425
Allowance for doubtful accounts	△10,729	△10,862
Total investments and other assets	1,140,621	1,660,974
Total noncurrent assets	2,137,039	2,662,674
Total assets	24,613,058	29,754,985

(Unit: Thousand yen)

	Summary of balance sheet at the end of the previous consolidated fiscal year (September 30, 2014)	End of the first quarter of the current consolidated fiscal year (December 31, 2014)
Liabilities		
Current liabilities		
Accounts payable-trade	229,278	310,136
Accounts payable-other	692,310	1,189,958
Income taxes payable	644,375	161,144
Accrued consumption taxes	171,628	112,410
Advances received	7,850	25,777
Deposits received	15,589,857	20,822,105
Provision for bonuses	206,137	88,375
Other provisions	34,840	-
Other	48,061	65,348
Total current liabilities	17,624,339	22,775,257
Noncurrent liabilities		
Provision for directors' remuneration Board Incentive Plan Trust	70,000	75,000
Other	103,339	92,837
Total noncurrent liabilities	173,339	167,837
Total liabilities	17,797,678	22,943,095
Net assets		
Shareholders' equity		
Capital stock	708,118	708,118
Capital surplus	968,040	968,040
Retained earnings	5,315,707	5,273,706
Treasury stock	△264,723	△265,236
Total shareholders' equity	6,727,143	6,684,629
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	64,821	89,613
Foreign currency translation adjustment	16,685	31,366
Total Accumulated other comprehensive income	81,506	120,980
Subscription rights to shares	3,774	3,774
Minority interests	2,956	2,506
Total net assets	6,815,379	6,811,890
Total liabilities and net assets	24,613,058	29,754,985

(2) Consolidated quarterly statements of income and consolidated quarterly statement of comprehensive income

(Consolidated quarterly statements of income)
(Cumulative third quarter of the consolidated fiscal year)

(Unit: Thousand yen)

	First three months of the previous consolidated fiscal year (From October 1, 2013 to December 31, 2013)	First three months of the current consolidated fiscal year (From October 1, 2014 to December 31, 2014)
Net sales	1,645,144	1,958,642
Cost of sales	317,675	382,006
Gross profit	1,327,468	1,576,636
Selling, general and administrative expenses	750,260	851,039
Operating income	577,208	725,596
Non-operating income		
Interest income	1,940	1,917
Dividends income	4,143	5,091
Equity income of affiliates	—	1,979
Earnings on investment in silent partnership	6,575	—
Earnings on investment in partnership	409	—
Earnings on reversal of dividends payable	770	1,050
Rent income	3,450	3,482
Commissions received	7,862	4,993
Exchange earnings	7,805	20,170
Other	2,643	609
Total non-operating income	35,600	39,294
Non-operating expenses		
Interest expenses	355	537
Equity in losses of affiliates	7,367	—
Loss on investment in silent partnership	—	1,467
Loss on investment in partnership	—	1,391
Rent expenses	3,379	3,412
Other	5	1
Total non-operating expense	11,107	6,809
Ordinary income	601,701	758,080
Extraordinary income		
Income from securities sold	—	4,882
Total extraordinary income	—	4,882
Extraordinary loss		
Loss on retirement of noncurrent assets	2,808	—
Total extraordinary loss	2,808	—
Income before income taxes	598,892	762,962
Corporate, inhabitant and enterprise taxes	195,831	220,228
Income taxes-deferred	47,503	67,350
Total income taxes	243,334	287,578
Income before minority interests	355,557	475,383
Minority interest in loss(△)	—	△657
Net income	355,557	476,041

(Consolidated quarterly statements of comprehensive income)
(Cumulative first quarter of the consolidated fiscal year)

(Unit: Thousand yen)

	First three months of the previous consolidated fiscal year (From October 1, 2013 to December 31, 2013)	First three months of the current consolidated fiscal year (From October 1, 2014 to December 31, 2014)
Income before minority interests	355,557	475,383
Other comprehensive income		
Other valuation difference on available-for-sale securities	6,280	20,424
Foreign currency translation adjustment	6,460	14,889
Share of other comprehensive income of associates accounted for using equity method	624	4,368
Total other comprehensive income	13,364	39,681
Comprehensive income	368,922	515,065
(Details)		
Parent company shareholders' comprehensive income	368,922	515,515
Minority's comprehensive income	—	△449

(3) Consolidated statements of cash flows

(Unit: Thousand yen)

	First three months of the previous consolidated fiscal year (From October 1, 2013 to December 31, 2013)	First three months of the current consolidated fiscal year (From October 1, 2014 to December 31, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes	598,892	762,962
Depreciation	61,569	68,370
Amortization of goodwill	2,682	2,682
Increase and decrease in provision (△decrease)	△79,502	△116,668
Interest and dividends income	△6,084	△7,008
Interest expenses	355	537
Foreign exchange gains and losses (△gains)	△7,805	△20,070
Equity in gains and losses of affiliates (△gains)	7,367	△1,979
Gains and losses on investments in silent partnership (△gains)	△6,575	1,467
Gains and losses on investment in partnership (△gains)	△409	1,391
Loss on retirement of noncurrent assets	2,808	—
Gains and losses on valuation of investment securities (△gains)	—	△4,882
Increase and decrease in accounts receivable (△Increase)	△61,259	△91,899
Increase and decrease in inventories (△increase)	△411	691
Increase and decrease in advance payments-trade (△increase)	△14,090	△383,792
Increase and decrease in accounts receivable-other (△increase)	△154,743	△478,751
Increase and decrease in purchase debts (△decrease)	37,596	80,663
Increase and decrease in accounts payable-other(△increase)	94,562	496,301
Increase and decrease in deposits received (△decrease)	3,185,928	5,169,011
Other	△28,934	△347,574
Subtotal	3,631,946	5,131,452
Interest and dividends income received	1,755	1,950
Interest expenses paid	△355	△537
Income taxes paid	△469,155	△634,340
Net cash provided by (used in) operating activities	3,164,190	4,498,525
Net cash provided by (used in) investing activities		
Purchase of property, plants and equipment	△1,387	—
Purchase of intangible assets	△84,978	△73,117
Purchase of investment securities	△9,217	△319,578
Proceeds from sales of investment securities	—	4,983
Purchase of other securities of subsidiaries and affiliates	△125,000	△125,000
Payment on leasehold deposits	—	△31,186
Other	△2,520	△9,813
Net cash provided by (used in) investing activities	△223,103	△553,712
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	6,736	—
Purchase of treasury stock	—	△513
Cash dividends paid	△394,351	△499,804
Other	△10,368	△9,134
Net cash provided by (used in) financing activities	△397,983	△509,452
Translation differences of cash and cash equivalents	7,707	22,957
Increase and decrease in cash and cash equivalents(△decrease)	2,550,810	3,458,318
Balance of cash and cash equivalents at the beginning of the period	18,358,343	20,349,309
Cash and cash equivalents at the end of period	20,909,154	23,807,627

(4) Notes to the consolidated quarterly financial statement

(Notes regarding the premise for continuance)

N/A

(Note when there is a significant fluctuation in the amount of shareholders' equity)

N/A