



GMO PAYMENT GATEWAY

GMO Payment Gateway, Inc.

Annual Report for the 22nd Fiscal Year: 2015

2014.10.1-2015.9.30

Delineating a new growth curve into the next two decades

We launched operations in 1995 as a company offering credit card payment processing services, principally for EC (electronic commerce) businesses. We then expanded the scope of our services and businesses, to include such diverse methods of payment as convenience store payment, cash on delivery and electronic money in addition to credit cards. As a result we have posted continuous growth and have now firmly established ourselves as the top company in the Japanese payment processing service sector.

We will continue to expand our business domain by developing comprehensive financial services, and will enter a new growth stage with our sights on the next two decades, during which we will delineate a further growth curve.

Early years

Perfected the business model on which our current operational infrastructure is based and became listed on the Tokyo Stock Exchange a mere 10 years after establishment

Maturation

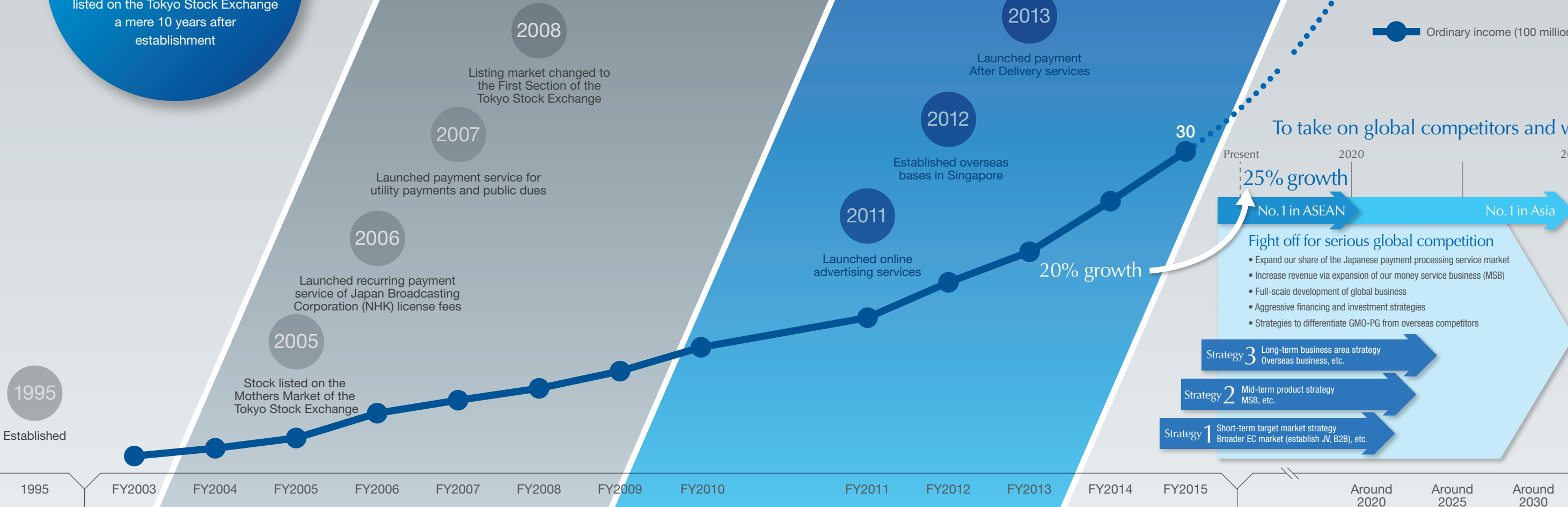
Steps such as establishing a recurring payment service that handles utility payments and public dues, etc., made us the top company in the Japanese payment processing service sector

Growth

Created new services conducive to the growth of affiliated merchants, strengthened organizations and secured human resources in preparation for a period of expansion, constructed infrastructure in readiness for global competition

Expansion

Moving into a new growth stage where we will fight off serious global competition



Why now?

— “Why now?” The question we constantly ask ourselves as we aim with perfect timing for a new growth stage

Construct a solid business model in the electronics commerce (EC) market by setting a clear-cut objective and demonstrating the power of human resources to achieve it

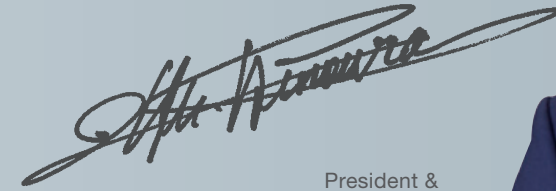
The year 2015 was a significant milestone for us, having marked 20 years since the company was established, 10 years since listing, and 15 years since I was appointed president. We were able to maintain average ordinary income growth of over 20% during this period, thanks to the support of our shareholders and other stakeholders, to whom I would like to express my sincere gratitude.

I believe that this growth has been underpinned by factors that I have always emphasized the following points as a corporate manager: “setting targets,” “building up human resources and organizations” and “distinctive business model.”

I have placed particular importance on “setting targets.” It is essential to set definite numerical targets, and to set them against a time axis of what will be achieved by when. When I was appointed president, I outlined a long-term vision that we would “become a company that posts ordinary income of 10 billion yen

in 2020 and 100 billion yen in 2030.” I then broke that vision down into individual policies which have been steadily implemented. We have taught employees the mechanisms to achieve those targets, trained them to think logically, and have made them capable of putting what they have learned into practice. As a result, we have constantly achieved growth that exceeds the targets we had set at the start of each fiscal year. Even if some unforeseen situation occurs, we have a number of plans at hand to break out of that deadlock. Our track record shows that we have constantly achieved our targets.

I have also put a lot of effort into “building up human resources and organizations.” We employ people who are capable of embodying the GMO Payment Gateway ethos and train them thoroughly. Our hiring policy values human resources that have a good balance of “IQ and amiability.” This is because knowledge alone is not enough. It is employees who always think about what they can do for their customers that achieve professional growth. We also make it possible for new recruits to decide for themselves which department they will be assigned to. Choosing the office they want to work in enables them to tackle their job with a high level of motivation, and produces a workplace culture where bosses and colleagues are ready to nurture the development of new recruits. I believe that this has enabled us to build an organization where, thanks to our hiring and training policies, all employees can make advances together, with a shared vision of the future of our business and enterprise.



President &
Representative Director
Issei Ainoura



And I also stress the importance of a “distinctive business model.” Our corporate group’s core business is as payment processing service provider that serves as an intermediary in “contracts,” “payment information” and the “settlement” between affiliated merchants, including online shops, and payment businesses, including credit card companies. Our current growth is underpinned not only by the fact that we are firmly rooted in the growth market of EC (electronic commerce), but also by the fact that we have created a business model which does not just offer payment processing that reduces the burden of complicated procedures between affiliated merchants and payment business, but also has an income structure that combines stable revenue and accelerated growth with an established structure of representative affiliated merchant contracts that make payment management easier by serving as a proxy for payment processors such as credit card companies in the entire process of the monthly settlement of sales payments to affiliated merchants.

2015: Accelerating our transition to a new growth stage via full-scale development of our money service business (MSB)

The consolidated ordinary income of the GMO-PG Group exceeded 3 billion yen in FY2015 ended September 30. It was an epoch-making year for us when we expanded the scope of our clients and projects, as well as boosting our systemic, marketing and overall business strengths. In addition, we strengthened our business foundations by concluding a capital and business alliance with the Sumitomo Mitsui Financial Group, Sumitomo Mitsui Banking Corporation, and GMO Internet, Inc., and by raising around 8 billion yen through private placement of shares allotted to Sumitomo Mitsui Banking Corporation, and GMO Internet, Inc.

In terms of services, we launched an official website “Metropolitan Tax Credit Card Payment Site”(https://zei.tokyo) that processes credit card payments of taxes to the Tokyo Metropolitan Government, and carried out full-scale development of our money service business (MSB), including extensive renovation of our early payment service. I feel that the time is now right to embark upon a new growth stage.

I always take the question “Why now?” into consideration when making business decisions. Based on our stockpile of payment data (transactions) amassed via the expansion of our business scale around our core payment processing business and the development of representative affiliated merchant contracts, we have dramatically boosted the cost effectiveness of the computing resources that handle those transactions. With modern developments in computing, such as software that learns and reasons, and progress in mobile technology, the time is now ripe to develop services unique to us based upon data acquired from transaction analysis, such as money service business (MSB) contingent upon credit limits, as well as to plan a full-scale expansion of FinTech, the fusion of IT and financing.

Focusing on the expansion of our money service business (MSB) requires working capital and cash for advances, as well as

an increase in our net worth since it will mean holding risk assets such as short-term loans and accounts receivable. With that in mind, we have completed preparations for our coming business expansion by forming a business partnership with Sumitomo Mitsui Banking Corporation, which possesses a stable business platform and customer infrastructure both in Japan and overseas, and also increasing our capital via a third-party allocation of shares. I feel that the fact that we have formed a tie-up with one of Japan's leading financial institutions reflects how highly our track record and reliability are regarded.

A commitment to income growth of at least 20% Aiming for ordinary income of 100 billion yen in 2030

The payment services that the GMO-PG Group provides are a cross-industry business, and have no restrictions in terms of company size, type of industry, or business conditions. Furthermore, we are expanding the sectors in which our company is involved to be not only B2C (consumer transactions) electronic commerce but also B2B (business-to-business transactions) and C2C (consumer-to-consumer transactions), markets in which there is tremendous potential.

We are expanding our existing operations and developing new business sectors in those markets, which will enable us to make a commitment to income growth of at least 20%.

I intend our payment services in the electronic commerce sector to include not just B2C, but also B2B, C2C, service commerce, and tax and utility payments, for example, and also to promote the on-line systemization of credit card settlements. I believe that the resulting increase in the stockpiling and analysis of transaction data will enable us to expand value-added services focused on money service business (MSB) and create new services.

I intend to respond swiftly to overseas markets and focus on genuine global competitiveness, for example by aggressive business expansion into the rapidly growing Greater China and ASEAN markets, and by investing in leading companies in the highly-advanced North American Bay Area.

We will implement these growth strategies and create a growth curve with ordinary income of 10 billion yen in or around 2020 as a waypoint.

Since our listing in 2005, we have consistently achieved the numerical targets announced at the beginning of each fiscal year. I can proudly say that this has led to the faith placed in us today

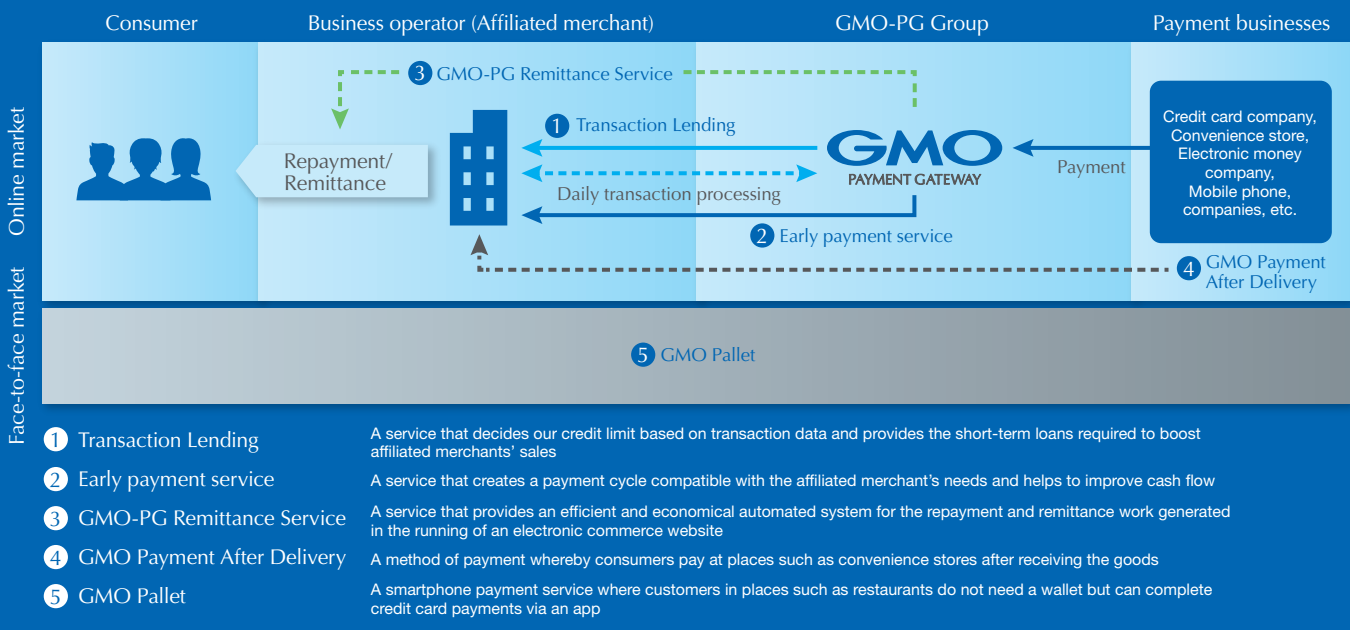
by our various stakeholders.

With regard to our corporate governance structure and decision-making process, we call upon external directors and auditors with a wealth of business expertise and experience who provide me with strict guidance, and have constructed extremely transparent processes with effective governance. We have also constructed very open mechanisms that reflect assessments from subordinates as well, for example by introducing a 360 degree evaluation system. I will be wary of falling into the trap of sectionalism as the company grows in scale, and intend us to be a company that will always maintain the venture spirit.

I believe that the GMO-PG Group is now firmly established as the leading company in Japan's payment processing services sector. Our next objective is to be No. 1 in Asia, and we have made preparations to move into that new stage. We will continue to make further progress with our objective of becoming a corporate group that achieves an ordinary income of 100 billion yen in 2030. You can look forward to our further growth.

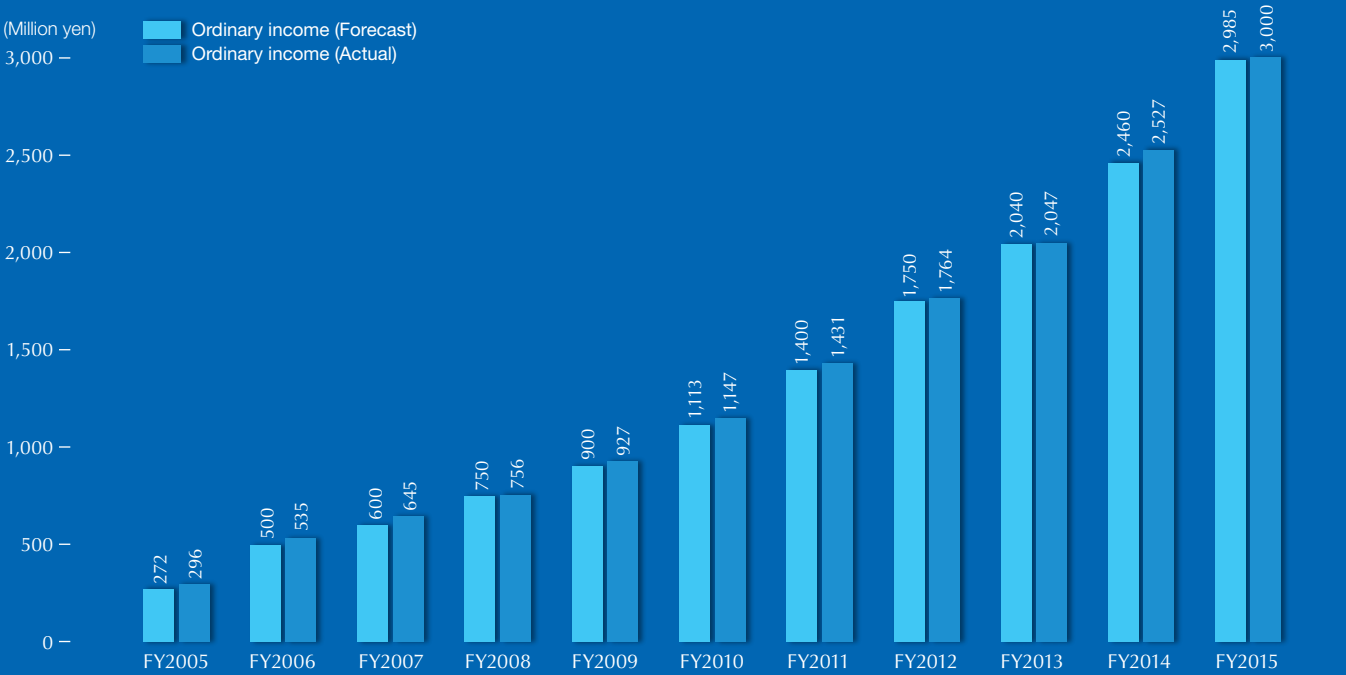
I respectfully ask our shareholders for their continued guidance and support.

Our money service business (MSB) and FinTech



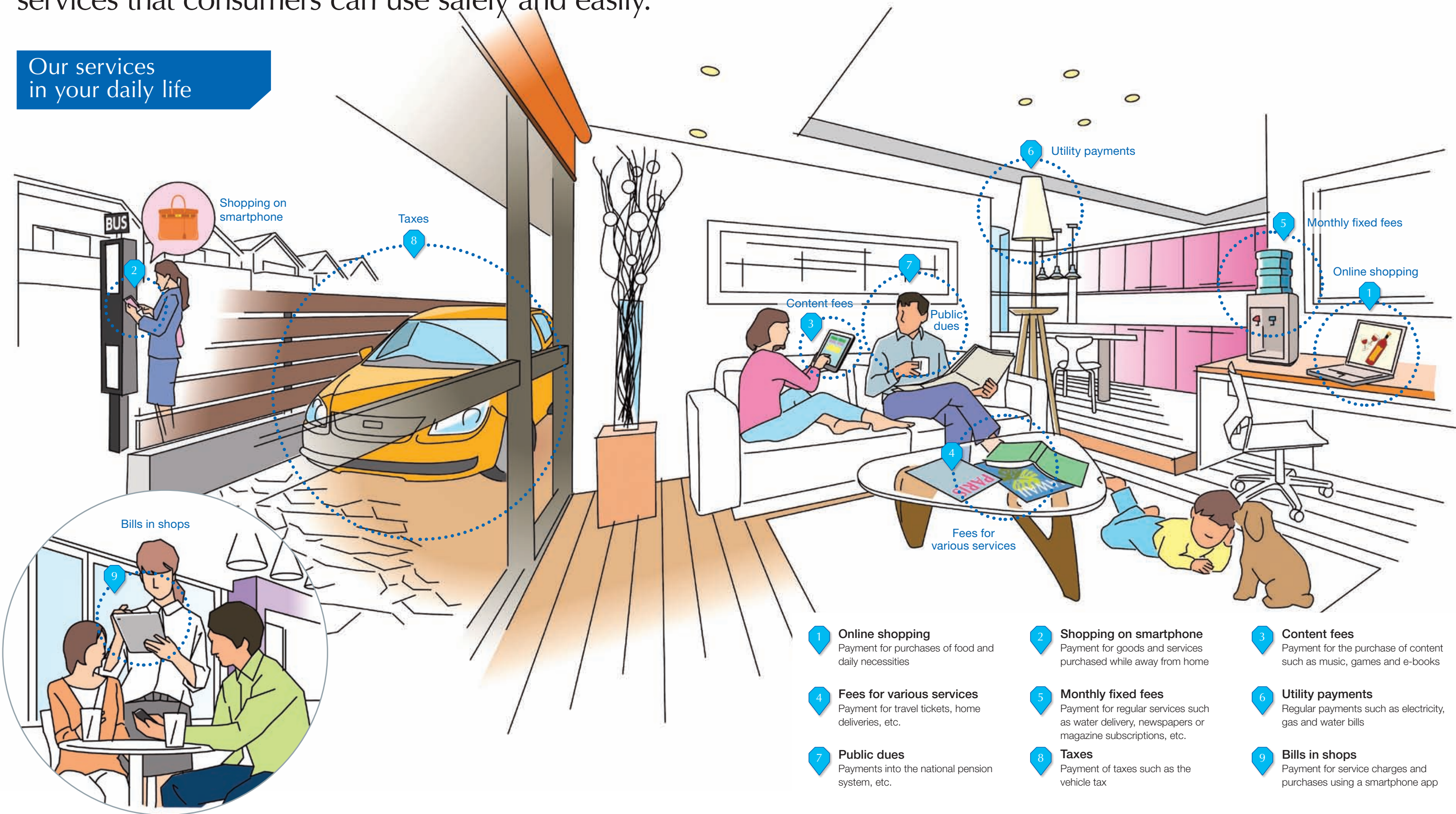
What is FinTech? ▶ A term coined by amalgamating the words 'finance' and 'technology'. It refers to innovative financial services and companies that utilize IT

Successful achievement of all ordinary income forecasts



We provide merchants with payment processing services that consumers can use safely and easily.

Our services in your daily life



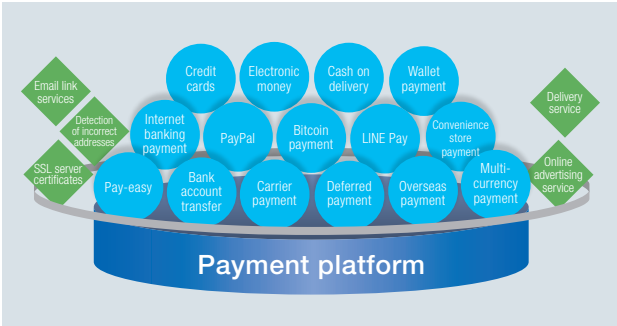
Initiatives to build a solid foundation for our new growth stage

Expansion of existing businesses

PG Multi-Payment Service

An SaaS-style package service offering the optimum payment method for electronic commerce websites and Internet payment needs from a menu that includes credit cards, convenience stores payments, electronic money and cash on delivery.

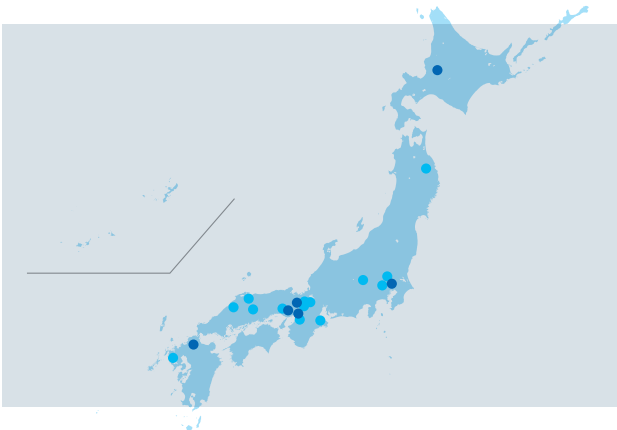
Topic: We launched new methods of payment services such as the Multi-Currency Credit Card Payment Service and LINE Pay that allow consumers to make purchases from overseas and pay the price in their local currency by credit card. We also expanded the early payment services offered as part of the PG Multi-Payment Service.



Utility payments/Public dues segment

We provide credit card payment service for "utility payments" such as gas and electricity bills and also for the "public dues" segment, including charges and taxes to be paid to national and local governments. Our service covers both monthly payments and lump sum settlements, and offers the optimum solution to make revenue collection more efficient and cut costs.

Topic: As of April 2015, we run a website "Metropolitan Tax Credit Card Payment Site" (<https://zei.tokyo>) that processes credit card payments of taxes to the Tokyo Metropolitan Government.



Reinforcement of our business infrastructure

Capital and business alliance and third-party allocation of shares

In June 2015, we concluded a capital and business alliance with the Sumitomo Mitsui Financial Group, Sumitomo Mitsui Banking Corporation, and GMO Internet, Inc., and also issued new shares in a third-party allocation of shares to Sumitomo Mitsui Banking Corporation, and GMO Internet, Inc., increasing our capital by around 8 billion yen.

This is an initiative aimed at the diverse payment processing businesses engendered by the fusion of financing expertise and

information technology (FinTech) in order that we may successfully seize opportunities for domestic growth at a deeper level. It also has the objective of increasing our net worth in line with the expansion of money service business (MSB), an area of focus for the GMO-PG Group from now on, and was undertaken in response to the urgent need to reinforce links with financing business partners so that we can seize future business opportunities overseas.

Topic: On November 2, 2015 we established the joint venture SMBC GMO PAYMENT Inc., an affiliated company accounted for by the equity-method.

*The topics cover events from October 2015 or later in order to provide the most recent information.

Developing new sectors

Full-scale development of our money service business (MSB)

The services we are developing include the following: early payment services to improve the cash flow of affiliated merchants; Transaction Lending which provides working capital for affiliated merchants during their growth process; GMO Payment After Delivery, a payment method for which there is a strong consumer need and which is increasingly being adopted by affiliated merchants; GMO-PG Remittance Service; and finance leases.

We will create distinctive scoring models and financial services based on the analysis of our accumulated transaction data and will continue to expand services that can also provide financing support for the growth of our affiliated merchants.



Topic: We participated in the 2015 Japan Conference hosted by the Bank of America Merrill Lynch on September 10, 2015, where we explained our FinTech initiatives at a session entitled "Japanese Recovery Led by the Fusion of the Internet and Financing".

GMO-PG online advertising service

We provide support for affiliated merchants (online shops) in pulling in more customers and boosting sales via such means as our online advertising service utilizing Yahoo! JAPAN Promotional Ads and Google Adwords, our Facebook advertising service, and our Google analytics consulting service.

As a payment service provider, we are able to provide online advertising and analysis while monitoring the actual product sales, a service that is currently utilized by more than 250 affiliated merchants. We help to improve their cash flow and business efficiency by providing a deferred payment service for advertising fees.

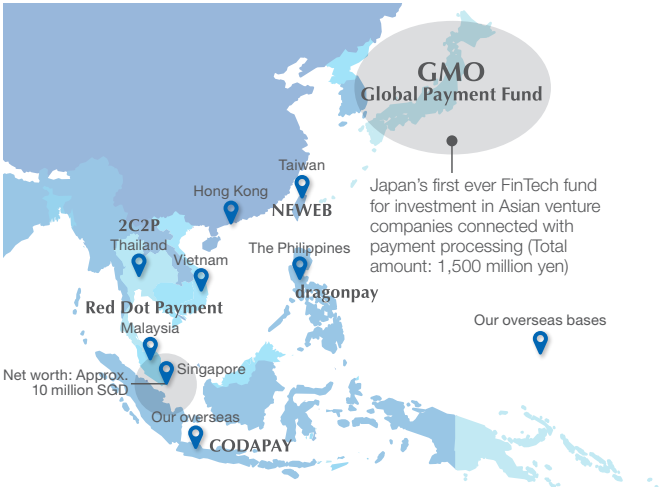
Topic: We have been recognized by Twitter, Inc. as one of the main partner agencies for their advertising product "Twitter Ads", and we launched our provision of Twitter Ads on December 1, 2015.



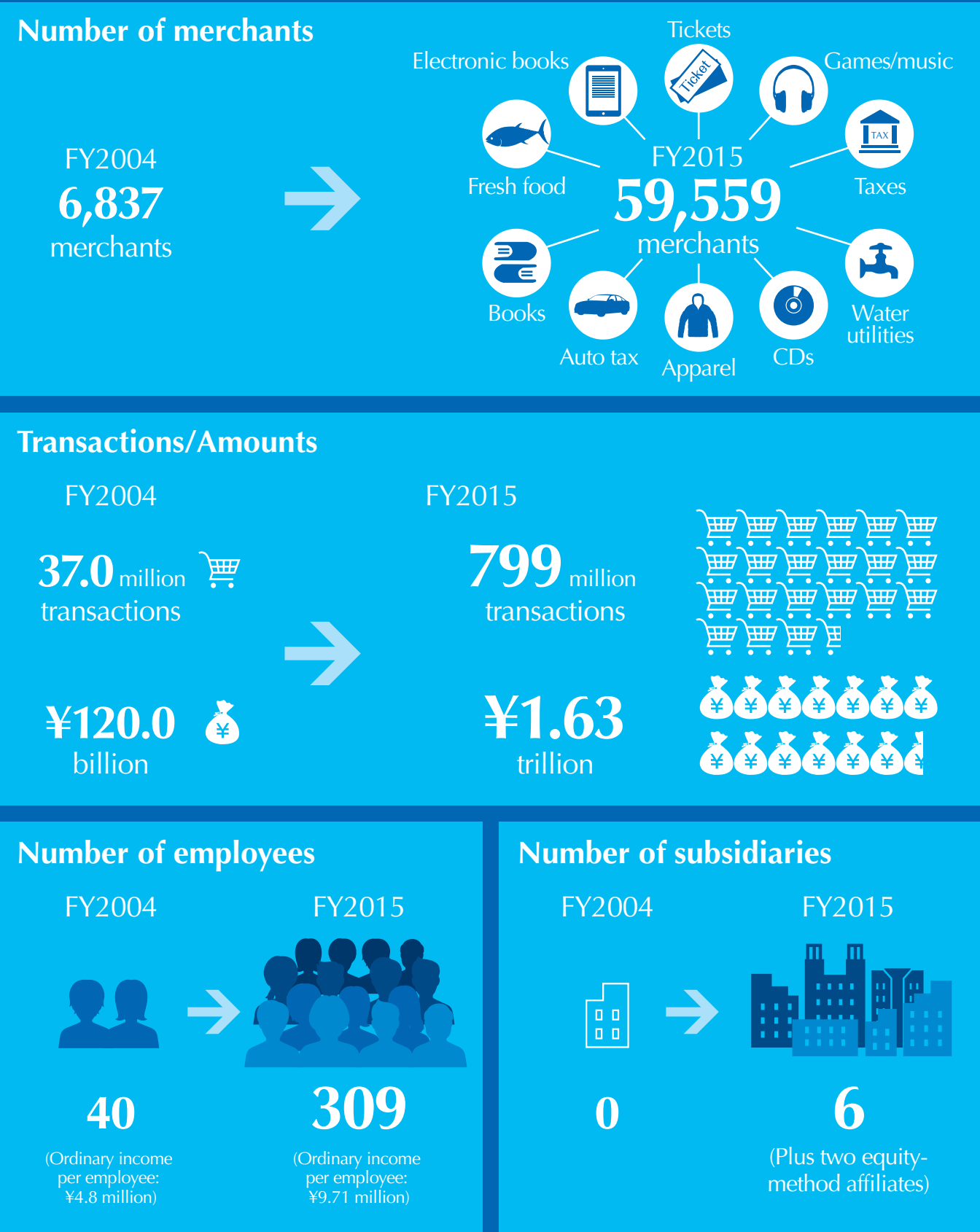
Overseas expansion

We have established local subsidiaries in the following five bases: Singapore, Hong Kong, Taiwan, Malaysia and Thailand, and are developing the GMO-PG Global Payment service for Japanese EC companies moving into those locations or their surrounding areas. In tandem with that, we are engaged in investment activities such as the GMO Global Payment Fund, which specializes in funding capital and business alliances with promising local payment service providers. Harnessing this synergy, we are expanding our business in Asia.

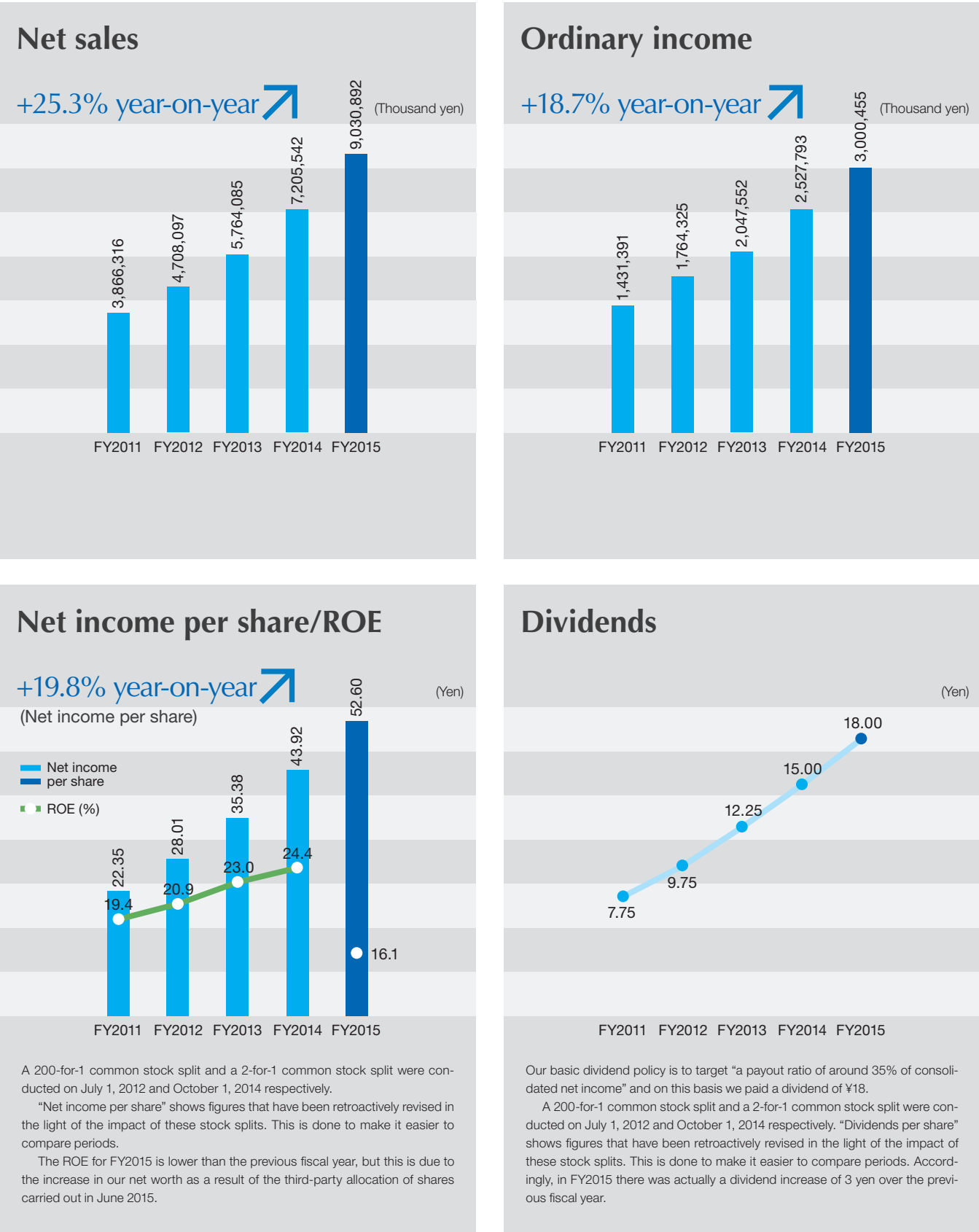
Our expansion in Greater China and the ASEAN region



GMO Payment Gateway by the Numbers



Increases in Sales, Profits, and Dividends for the 14th Consecutive Term



Consolidated Balance Sheets

	(Thousand yen)			(Thousand yen)	
	As of September 30, 2014	As of September 30, 2015		As of September 30, 2014	As of September 30, 2015
Assets			Liabilities		
Current assets	22,476,019	38,469,492	Current liabilities	17,624,339	25,448,186
Cash and deposits ①	20,386,175	30,152,630	Accounts payable – trade	229,278	985,850
Accounts receivable – trade	792,588	2,117,007	Lease obligations	41,747	45,267
Lease receivables ③	—	2,293,947	Accounts payable – other	692,310	1,911,844
Merchandise	2,165	1,062	Income taxes payable	644,375	795,544
Supplies	531	617	Accrued consumption taxes	171,628	73,108
Advance payments – trade ③	585,395	2,303,428	Advances received	7,850	48,698
Prepaid expenses	58,823	67,830	Deposits received ②	15,589,857	21,184,305
Deferred tax assets	150,097	220,805	Unearned revenue	1,256	1,573
Accounts receivable – other ③	504,077	1,156,824	Provision for bonuses	206,137	337,334
Other ③	52,343	341,591	Provision for directors' bonuses	34,840	58,700
Allowance for doubtful accounts	(56,177)	(186,253)	Other	5,056	5,959
Noncurrent assets	2,137,039	3,362,243	Noncurrent liabilities	173,339	197,198
Tangible assets	231,947	215,497	Lease obligations	97,084	67,060
Buildings	57,298	73,559	Long-term lease and guarantee deposits	6,254	10,138
Tools, furniture and fixtures	61,075	49,373	Provision for directors' remuneration Bond Incentive Plan Trust	70,000	120,000
Lease assets	113,573	92,564	Total liabilities	17,797,678	25,645,385
Intangible assets	764,469	934,811	Net assets		
Goodwill	30,694	24,707	Shareholders' equity	6,727,143	16,067,842
Lease assets	16,785	12,217	Capital stock ④	708,118	4,711,021
Right of trademark	272	119	Capital surplus ④	968,040	4,970,942
Software	661,723	751,499	Retained earnings	5,315,707	6,651,114
Other	54,992	146,267	Treasury stock	(264,723)	(265,236)
Investments and other assets	1,140,621	2,211,935	Accumulated other comprehensive income	81,506	116,382
Investment securities	650,739	1,437,144	Valuation difference on available-for-sale securities	64,821	134,960
Shares of subsidiaries and affiliates	2,507	139,047	Foreign currency translation adjustment	16,685	(18,578)
Bonds of subsidiaries and affiliates	11,000	—	Subscription rights to shares	3,774	2,126
Investments in other securities of subsidiaries and affiliates	264,442	343,047	Minority interests	2,956	—
Subsidiaries Long-term loans receivable from directors and employees	1,910	1,443	Total net assets	6,815,379	16,186,351
Claims provable in bankruptcy, claims provable in rehabilitation and other	12,434	25,545	Total liabilities and net assets	24,613,058	41,831,736
Long-term prepaid expenses	7,722	2,570			
Lease and guarantee deposits	149,210	223,818			
Deferred tax assets	51,384	64,863			
Allowance for doubtful accounts	(10,729)	(25,545)			
Total assets	24,613,058	41,831,736			

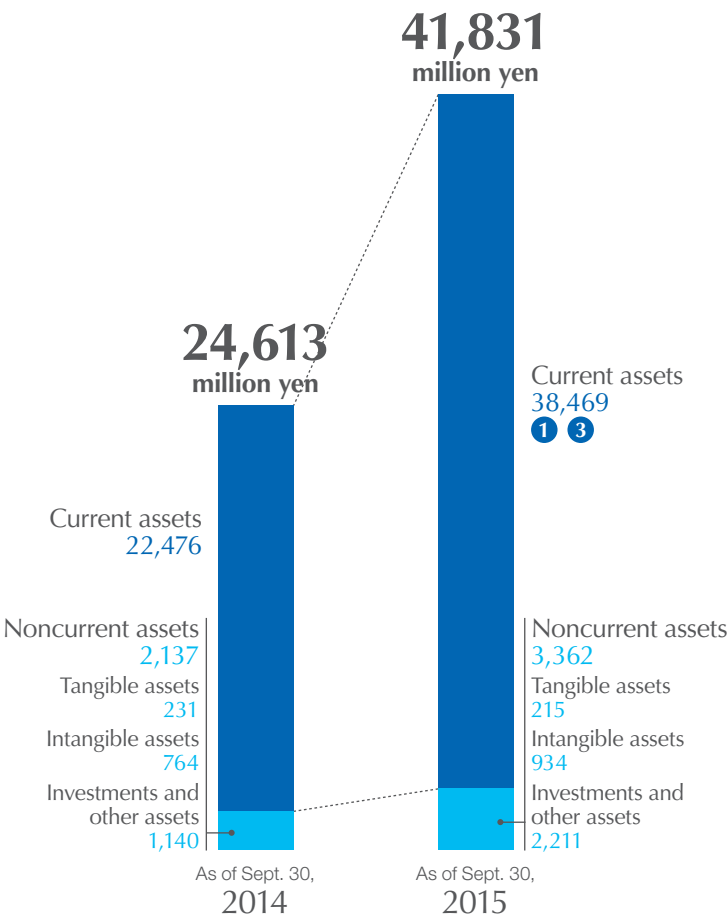
IR Site

GMO-PG's website provides corporate and financial information and introduces business activities and trends to shareholders and investors. For a more detailed understanding of GMO-PG, please visit the website.
URL <http://corp.gmo-pg.com/ir/>

Key Points in the Consolidated Balance Sheets

Thanks to this fiscal year's development of our business activities ("Expansion of existing businesses" and "Developing new sectors") and the augmentation of our capital stock and legal capital surplus (capital surplus) via a third-party allocation of shares ("Reinforcement of our business infrastructure"), our net worth at the end of this fiscal year is now 41,831 million yen, a year-on-year increase of 17,218 million yen.

Assets



Expansion of existing services

① Cash and deposits
Our cash and deposits have increased thanks to the increase in deposits received in our liabilities that accompanies revenue growth, and to the augmentation of our capital stock and capital reserve (capital surplus) via a third-party allocation of shares.
Cash and deposits in our assets fluctuate in response to fluctuations in the deposits received in our liabilities. Accordingly, the amount of money that we can utilize in our business is the sum left after deducting the amount equivalent to the deposits scheduled to be paid to affiliated merchants each month.

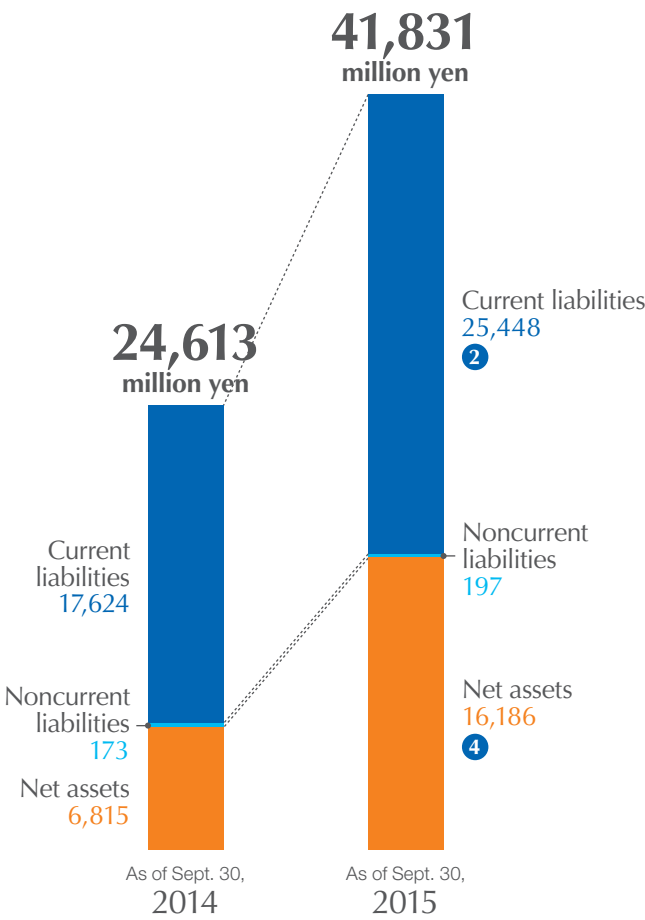
② Deposits received

The sales payments (the amounts paid by credit card companies etc. to affiliated merchants via our company) paid to merchants with whom we have a representative affiliated merchant contract are appropriated at the end of each month.

Developing new sectors

③ Lease receivables, advance payments, accounts receivable- other, and other
The full-scale development of our money service business (MSB: early payment service, GMO Payment After Delivery, Transaction Lending, financing leases, etc.) has been accompanied by a dramatic increase in each category of current assets as compared with the previous fiscal year.

Liabilities and net assets



Reinforcement of our business infrastructure

④ Capital stock and capital surplus
On June 9, 2015, we concluded a capital and business alliance with the Sumitomo Mitsui Financial Group, Sumitomo Mitsui Banking Corporation, and GMO Internet, Inc. It was also decided to issue new shares in a third-party allocation of shares to Sumitomo Mitsui Banking Corporation, and GMO Internet, Inc., increasing our capital stock and capital reserve (capital surplus) when the payment was completed on June 25.

Consolidated Statements of Income

(Thousand yen)

	FY2014 (from October 1, 2013 to September 30, 2014)	FY2015 (from October 1, 2014 to September 30, 2015)
Net sales ⑤	7,205,542	9,030,892
Cost of sales	1,436,281	1,919,836
Gross profit	5,769,260	7,111,055
Selling, general and administrative expenses	3,292,851	4,133,784
Operating income ⑥	2,476,408	2,977,270
Non-operating income	87,503	91,961
Interest income	7,905	7,716
Dividends income	4,263	5,271
Equity income of affiliates	—	20,724
Earnings on investment in silent partnerships	—	1,218
Earnings on investment in partnerships	21,367	—
Earnings on reversal of dividends payable	770	1,050
Rent income	13,941	13,978
Commissions received	19,118	15,586
Exchange earnings	16,495	22,030
Other	3,641	4,385
Non-operating expenses	36,119	68,777
Interest expenses	1,675	1,802
Equity in losses of affiliates	15,836	—
Loss on investment in silent partnerships	4,521	—
Loss on investment in partnerships	—	3,541
Rent expenses	13,659	13,674
Stock issue expenses	—	45,317
Other	426	4,441
Ordinary income ⑦	2,527,793	3,000,455
Extraordinary income	32,357	56,962
Income from securities sold	32,357	30,766
Change in equity	—	26,196
Extraordinary loss	19,732	2,148
Loss on retirement of noncurrent assets	14,330	2,148
Other	5,402	—
Income before income taxes	2,540,417	3,055,268
Income taxes – current	1,075,020	1,295,625
Income taxes – deferred	(49,929)	(91,075)
Income before minority interests	1,515,326	1,850,718
Minority interest in loss	(462)	(2,730)
Net income ⑧	1,515,788	1,853,449

Key Points in the Consolidated Statements of Income

⑤ Net sales

There are particularly good transitions in processing fee takings and affiliated merchants' sales as a result of our initiatives driving the expansion of the EC market. Processing fee takings have shown a 29% year-on-year increase thanks to the launch of the GMO-PG Remittance Service and the robust state of the GMO Payment After Delivery service of our subsidiary GMO Payment Service, Inc. Affiliated merchants' sales have posted a year-on-year increase of 38.4% thanks to such factors as growth in the sales of our affiliated merchants and the contribution to revenue from our money service business (MSB), as well as to the effect of the operation of new payment processing services in generating the equivalent of approximately one month's affiliated merchants' sales. As a result of the above, our consolidated net sales achieved a 25.3% year-on-year increase.

⑥ Operating income

Despite the expansion of services with a high sales-cost ratio and the higher labor costs as a result of personnel increases, our operating income posted a 20.2% year-on-year increase thanks to such factors as the economies of scale and revenue growth that accompanied increased settlement amounts, and ongoing cost cutting.

⑦ Ordinary income

In addition to operating income, although equity income of affiliates resulting from the business expansion of GMO Financial Gate, Inc. and exchange earning were calculated as non-operating income, expenses such as legal fees involved in the issue of new shares in the third-party allocation of shares carried out in June 2015 were calculated as non-operating expenses, and our ordinary income thus achieved a year-on-year increase of 18.7%.

⑧ Net income

We pressed forward with capital and business alliances where we maintain some of the shares of key affiliated merchants and business partners as part of the strengthening of our partnerships business. Thanks to the inclusion of income from the sale of securities when some of our business partners sold off stock when they were acquired by listed companies and of changes in equity resulting from GMO Financial Gate, Inc.'s increase of capital, our net income posted a year-on-year increase of 22.3%.

Consolidated Statements of Cash Flows

(Thousand yen)

	FY2014 (from October 1, 2013 to September 30, 2014)	FY2015 (from October 1, 2014 to September 30, 2015)
Net cash provided by (used in) operating activities	3,088,604	3,709,772
Net cash provided by (used in) investing activities	(666,417)	(1,374,094)
Net cash provided by (used in) financing activities	(444,357)	7,398,573
Effect of exchange rate change on cash and cash equivalents	13,135	30,044
Increase in cash and cash equivalents	1,990,965	9,764,296
Balance of cash and cash equivalents at the beginning of the period	18,358,343	20,349,309
Balance of cash and cash equivalents at the end of the period	20,349,309	30,113,605

Corporate Governance

Our Fundamental Approach to Corporate Governance

In order to maintain both management efficiency and legal compliance while continuing to develop in a sound manner, we have established the necessary governance structures and implement policies accordingly. We recognize that corporate governance is one of the most important management tasks. In order to fulfil this commitment as well, we intend to practice an even more transparent form of management through the timely disclosure of management information to shareholders and investors.

Overview of Our Corporate Governance System

GMO Payment Gateway has adopted a system whereby two external directors are appointed to provide advice and opinions from an independent perspective, while also overseeing the activities of the full-time directors. There is also a Board of Auditors consisting of five members (two of whom are independent executives) charged with auditing the company in coordination with the Internal Audit Office and accounting auditors. Important matters such as key management decisions or deciding the remuneration for directors, as well as decisions to strengthen governance, are all decided by the Board of Directors.

Communication with Shareholders and Investors

We are committed to engaging in active communication with shareholders and investors. Since becoming a listed company in 2005, we not only hold explanatory meetings at the end of each quarter when we publish our financial results, but also hold individual meetings with institutional investors in Japan and overseas. Approximately 180 such meetings have been held during the term under review.

In addition, the management regularly receives reports on how the market assesses our company and on feedback from our shareholders and investors and our employees receive explanations regarding the Investor Relations (IR) at our in-house employee training, etc. so that our management team and all our employees are aware of the opinions of our shareholders and investors and can reflect them in our business.

Compliance

The GMO-PG Group recognizes the scope of compliance as consisting of a) laws and ordinances, etc., b) ethics and social norms, c) rules, regulations and procedures, etc., and d) corporate vision, etc., and recognizes that this entails "adapting to social requirements" including legal requirements (in other words, all-round compliance). Recognizing this, we are working to raise the compliance awareness of all our employees. In addition to this action to boost awareness, the Corporate Support Division constructed and ran a compliance training program for all employees during the term under review. Appropriate training is provided according to the participants' level of comprehension and rank, and levels of employee understanding and achievement are monitored by the Internal Audit Office established in October 2007.

Furthermore, based on an annual audit plan, the Internal Audit Office checks compliance with the relevant laws and ordinances, company statutes, in-house rules and regulations, and so on, and takes corrective measures if areas in need of improvement are identified. It then follows up on the status of those measures. We have constructed and operate a whistle-blower system, in addition to the regular system based on the chain of command, if an incident should occur within the company that is thought to constitute a compliance violation.

Information Security

The GMO-PG Group has made it our mission to contribute to the creation of payment systems that are safe and convenient for consumers and businesses as we aim to establish the infrastructure for payment processing in Japan. In addition to utilizing our own information assets when conducting corporate activities in accordance with this mission, we are also entrusted by many of our stakeholders with information assets which include personal information. We are striving for even higher levels of performance as a company that creates added value for credit cards and other types of payment formats, and we recognize that protection of these information assets from outside threats is a top management priority. Accordingly, we construct and operate information security systems and implement the necessary protective procedures and appropriate security measures for our own information assets and those of our stakeholders.

ISO27001 Certification

All our business premises have acquired ISO/IEC 27001:2013 certification (domestic standard JIS Q 27001:2014), the global standard for information security management. We are the first publicly listed payment processing service provider to achieve this.



Full PCIDSS Conformance

GMO-PG's services fully conform to PCIDSS Ver. 3.0, the global security standard in the credit card industry established jointly by the following five international credit card brand companies: JCB, American Express, Discover, MasterCard and VISA. We provide all customers with secure credit card payments and the peace of mind this brings.



P-Mark Certification

GMO-PG has acquired P-Mark certification, which is for companies that have established systems with appropriate measures for protecting personal information in conformance with the requirements of JIS Q 15001: 2006 Personal Information Protection Management Systems, the Japan Industrial Standard on the handling of personal information.



Company Profile (As of September 30, 2015)

Company name:	GMO Payment Gateway, Inc. (3769; Tokyo Stock Exchange, First Section)
Established:	March 1995
Head office:	Humax Shibuya Bldg. 7F 1-14-6 Dogenzaka, Shibuya-ku, Tokyo, Japan
Capital stock:	4,711 million yen
Additional paid-in capital:	4,970 million yen
No. of employees:	309 (consolidated)
Business outline:	Credit card payment processing services and all related services
Memberships:	Japan Consumer Credit Association (JCA) Japan Multi-Payment Network Promotion Association (JAMPA) EC Payment Forum Japan Association of New Economy Japan E-Commerce Consultant Association (JECCICA)
Main subsidiaries:	GMO Epsilon, Inc. GMO Payment Service, Inc. GMO PAYMENT GATEWAY PTE. LTD.
Main affiliated companies:	GMO Financial Gate, Inc.

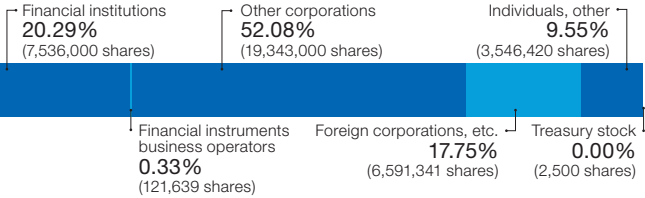
Members of the Board (As of Dec. 20, 2015)

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
External Director	Masaya Onagi
External Director	Akio Sato
Auditor (Full-time)	Yasuhiro Kanda
External Auditor	Akihiro Suzuki
External Auditor	Masashi Yasuda
Auditor	Takashi Iinuma
External Auditor	Kazuo Ikeda

Stock Information (As of September 30, 2015)

Total number of shares authorized:	102,400,000
Total number of shares issued:	37,140,900
No. of shareholders:	2,850

No. of Shares for Each Shareholder Type



Major Shareholders

Shareholder name	No. of shares	Percentage (%)
GMO Internet, Inc.	19,186,100	51.66
Japan Trustee Services Bank, Ltd. (Trust account)	2,421,000	6.51
Sumitomo Mitsui Banking Corporation	1,250,800	3.36
Issei Ainoura	1,000,100	2.69
The Master Trust Bank of Japan, Ltd. (Trust account)	882,300	2.37
JPMC OPPENHEIMER JASDEC LENDING ACCOUNT	710,900	1.91
Trust & Custody Services Bank, Ltd. (Trust account for securities investment)	533,400	1.43
STATE STREET BANK AND TRUST COMPANY 505041	370,000	0.99
STATE STREET BANK AND TRUST COMPANY	359,855	0.96
CBNY-GOVERNMENT OF NORWAY	345,000	0.92

Note: Shareholding ratios are calculated on the total number of shares issued less treasury stock (2,500 shares).

Stock Price Transitions (Monthly: September 2008 to November 2015)



1. Listing changed to the First Section of the Tokyo Stock Exchange on September 17, 2008.
2. A 200-for-1 common stock split was conducted on July 1, 2012. Stock prices have been retrospectively adjusted taking the stock split into account.
3. A 2-for-1 common stock split was conducted on October 1, 2014. Stock prices have been retrospectively adjusted taking the stock split into account.

Board Members (excluding External Directors) / Presidents of Group Companies

 Masatoshi Kumagai Chairman & Director	 Issei Ainoura President & Representative Director	 Ryu Muramatsu Executive Vice President, General Manager of Corporate Value Creation Strategy Division; Director, GMO PAYMENT GATEWAY PTE. LTD.	 Satoru Isozaki Executive Vice President, General Manager of System Division	 Yuichi Hisada Managing Director, General Manager of Innovation Partners Division	 Yasuhiko Kimura Director, General Manager of Corporate Support Division & Billing Adjustment Section
 Tadashi Ohshima Director; Executive Officer & General Manager of Marketing Division, SMBC GMO PAYMENT, Inc.	 Tomoyuki Murakami Director; President & COO, SMBC GMO PAYMENT, Inc.	 Shinichi Sugiyama Director, System Division IT Service Control and General Manager of IT Service Department	 Yusuke Arai Director; President & Chief Executive Officer, GMO Epsilon, Inc.	 Katsunari Mukai President & Representative Director, GMO Payment Service, Inc.	 Akira Takano President & Chief Executive Officer, GMO Financial Gate, Inc.

Shareholder Memo

Business year:	October 1 to September 30
Record dates for dividend of surplus:	December 31, March 31, June 30 and September 30
Annual shareholders' meeting:	December
Shareholder registry administrator:	Mitsubishi UFJ Trust and Banking Corporation
Contact:	Transfer Agent Department, Mitsubishi UFJ Trust and Banking Corporation 7-10-11 Higashi-suna, Koto-ku, Tokyo 137-8081 Tel: 0120-232-711 (Toll free)
Stock Listing:	Tokyo Stock Exchange
Method of public notice:	By electronic public notice Public notice URL: https://corp.gmo-pg.com/ir/
(If an electronic public notice is impossible due to an accident or some other unavoidable reason, it will be published in the Nikkei (Nihon Keizai Shimbun newspaper).	

- [Information]
1. Points of note
 - (1) Procedures such as the shareholder's change of address, specification of the dividend transfer account, and purchase requests are in principal carried out at the account management institution (securities company, etc.) at which the account was opened. Please contact the securities company at which you opened your account. Kindly note that the shareholder registry administrator (Mitsubishi UFJ Trust and Banking Corporation) does not handle such matters.
 - (2) Unreceived dividends will be paid at the head or branch offices of Mitsubishi UFJ Trust and Banking Corporation.
 2. Dividend statements
The enclosed "Dividend Statement" is also a "Notice of Payment" drawn up on the basis of the regulations of the Act on Special Measures concerning Taxation. It can be used as confirmation of the dividend amount after the receipt of the dividend, and as a document for income tax returns. Shareholders who receive their dividend in their securities account (proportional distribution according to the number of shares) should check with the securities company that made the transaction.
 3. Please contact Tokyo Securities Transfer Agent Co, Ltd., the institution that administers special accounts, regarding the procedures for shares recorded in special accounts.
Post-delivery address/Contact address:
2-8-4 Izumi, Suginami-ku, Tokyo 168-8522
Business Center, Tokyo Securities Transfer Agent Co, Ltd.
Tel: 0120-49-7009 (Toll free)

*At the annual meeting of shareholders held on December 20, 2015, it was decided that the board of directors shall be the body that determines the dividend of surplus, and that the record dates for the dividend of surplus shall be December 31, March 31, June 30 and September 30 of each year. Although this makes it possible for GMO-PG to perform a dividend of surplus four times a year, we plan to have one dividend of surplus per year, at the end of the term, so that we can secure the internal reserves required to strengthen our business structure.

GMO Payment Gateway, Inc.

URL <https://www.gmo-pg.com/>

Tokyo Head Office: Humax Shibuya Building 7F, 1-14-6 Dogenzaka, Shibuya-ku, Tokyo 150-0043 Tel: 03-3464-2740

Osaka Branch: Grand Front Osaka Tower B 23F, 3-1 Ofukacho, Kita-ku, Osaka 530-0011 Tel: 06-7634-3070

Fukuoka Branch: Tenjin Miyuki Building 8F, 4-2-20 Tenjin, Chuo-ku, Fukuoka 810-0001 Tel: 092-688-9018

