



Financial Results Briefing for Q1 FY2025

Q1 results was ahead of plans; progressing with measures to achieve operating profit CAGR of 25%

February 13, 2025
80th Investor Meeting

Safe Harbor Statement for Forward Looking Statements

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 February 13, 2025. Please note that the contents are subject to change without prior notice in the event of changes in the business environment, etc.

GMO-PG	: GMO Payment Gateway
GMO-EP	: GMO Epsilon
GMO-MR	: 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 C2C, 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. Summary of Financial Results for Q1 FY2025**
- 2. Growth Strategy and Initiatives in Focus Areas**
- 3. Sustainability**
- 4. Financial Highlights and Reference Materials**

1. Summary of Financial Results for Q1 FY2025

1.1 Summary of Consolidated Results

Revenue grew 14.1% and ahead of plans, OP grew 24.4%

(¥ mil)	Q1 FY2024 Actual	Q1 FY2025 Actual	% YoY	FY2025 Guidance (1H guidance)	Progress ratio vs. Full year vs. 1H
Revenue	17,785	20,295	+14.1%	83,377 39,130	24.3% 51.9%
Gross Profit	11,547	13,618	+17.9%	52,319 25,073	26.0% 54.3%
Operating Profit	5,830	7,254	+24.4%	30,225 14,977	24.0% 48.4%
Pre-tax Profit	5,919	7,587	+28.2%	28,722 14,290	26.4% 53.1%
Profit Attributable to owners of parent	3,447	4,564	+32.4%	18,511 8,900	24.7% 51.3%
		Operating Stores ^{*1*2} IDs ^{*1} End-Q1 FY2025		Consol. TRX Volume Q1 FY2025 ^{*1*3}	Consol. TRX Value Q1 FY2025 ^{*1}
KPI (% YoY)	Online payment CP payment Consolidated	160,350 stores (+5.8%) 393,379 ID (+20.6%) —	≒ 1.78 bn (+15.3%) ≒ 0.31 bn (+47.0%) ≒ 2.10 bn (+19.2%)	≒ ¥3.4 trn (+17.9%) ≒ ¥2.1 trn (+37.3%) ≒ ¥5.5 trn (+24.6%)	

*1 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-FG and excludes GMO-PG's GMO Cashless Platform.

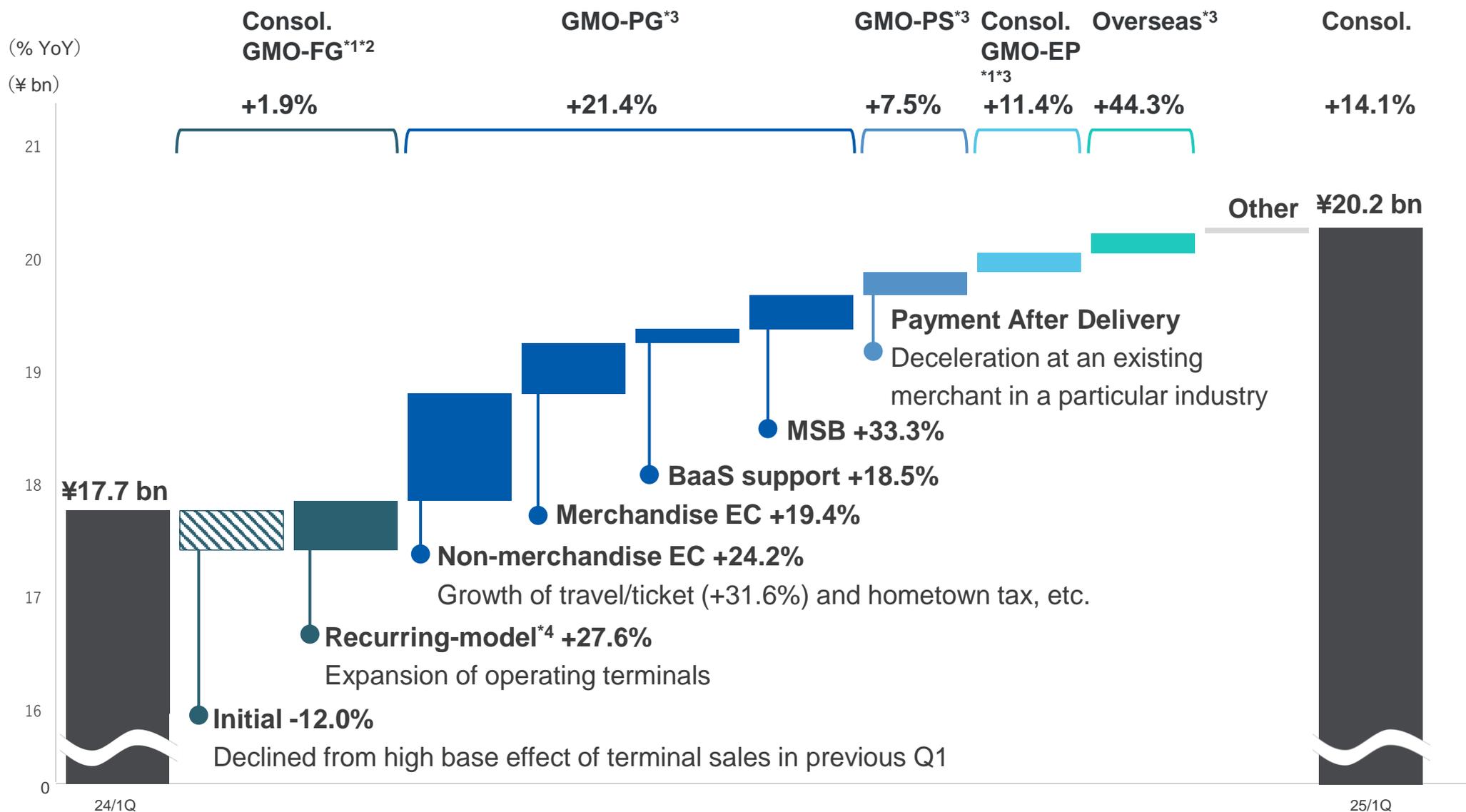
Online payment TRX volume and value figures are the sum totals for GMO-PG, GMO-EP, GMO-PS. CP payment TRX volume and value are the sum totals for GMO-FG and GMO-PG's GMO Cashless Platform.

*2 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 723,395 stores, up 19.3% YoY.

*3 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.

1.2.1 Waterfall Chart of Consol. Revenue (YoY)

GMO-FG's initial revenue declined 12.0% from high base effect of terminal sales in the previous Q1



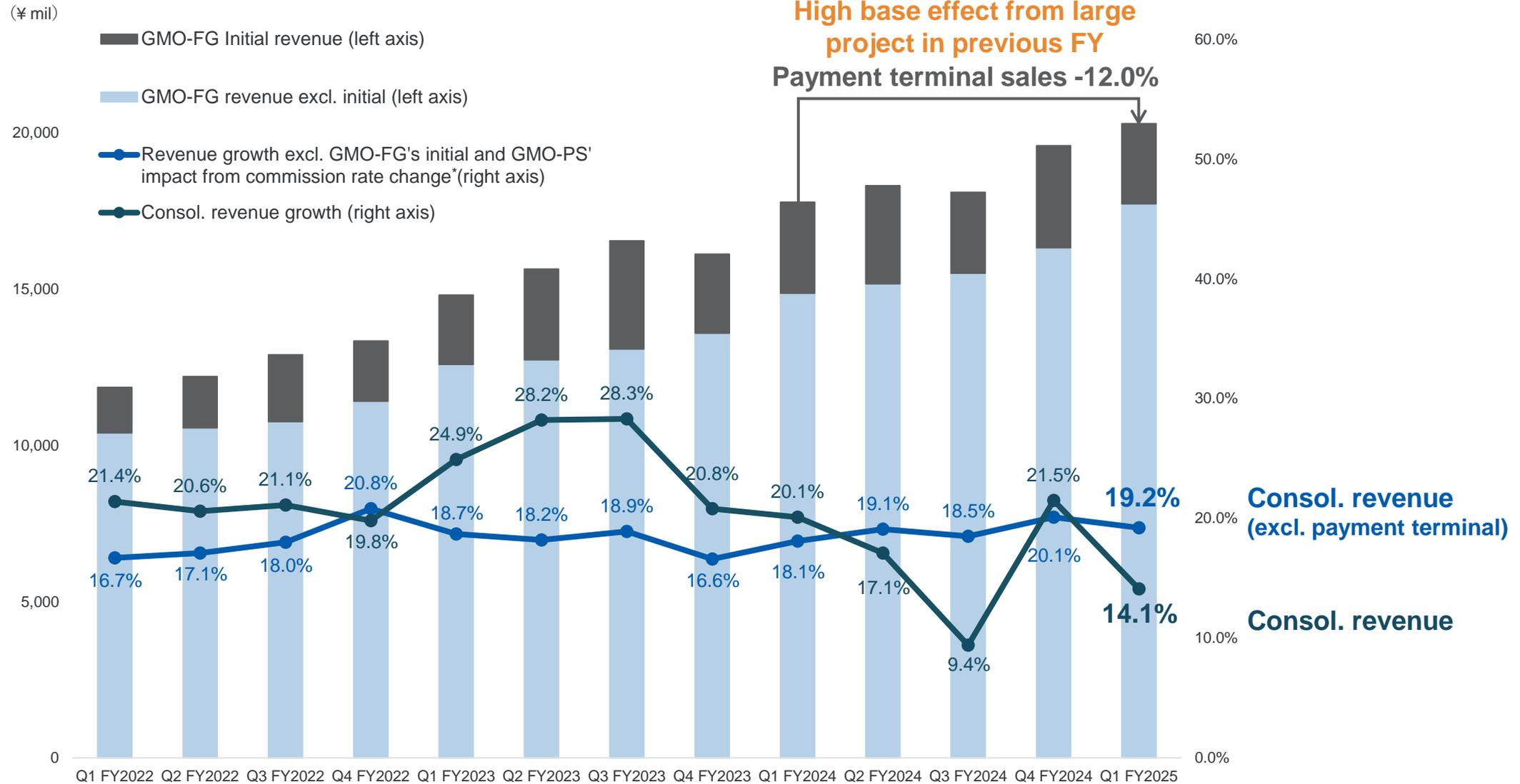
*1 Consol. GMO-FG includes GMO-FG and GMO-CAS. Consol. GMO-EP includes GMO-EP and GMO-MR. *2 Figures are taken from GMO-FG's consolidated financial results.

*3 Figures are before GMO-PG consolidated eliminations. *4 Recurring-model revenue is the sum total of stock, fee and spread and excludes initial which mostly consists of terminal sales.

1.2.2 Trend of Revenue Growth

Revenue excl. payment terminals grew stably at 19.2%

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.

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

OP grew 24.4% from increase in gross profit and decline in provisioning for doubtful accounts

OP waterfall chart

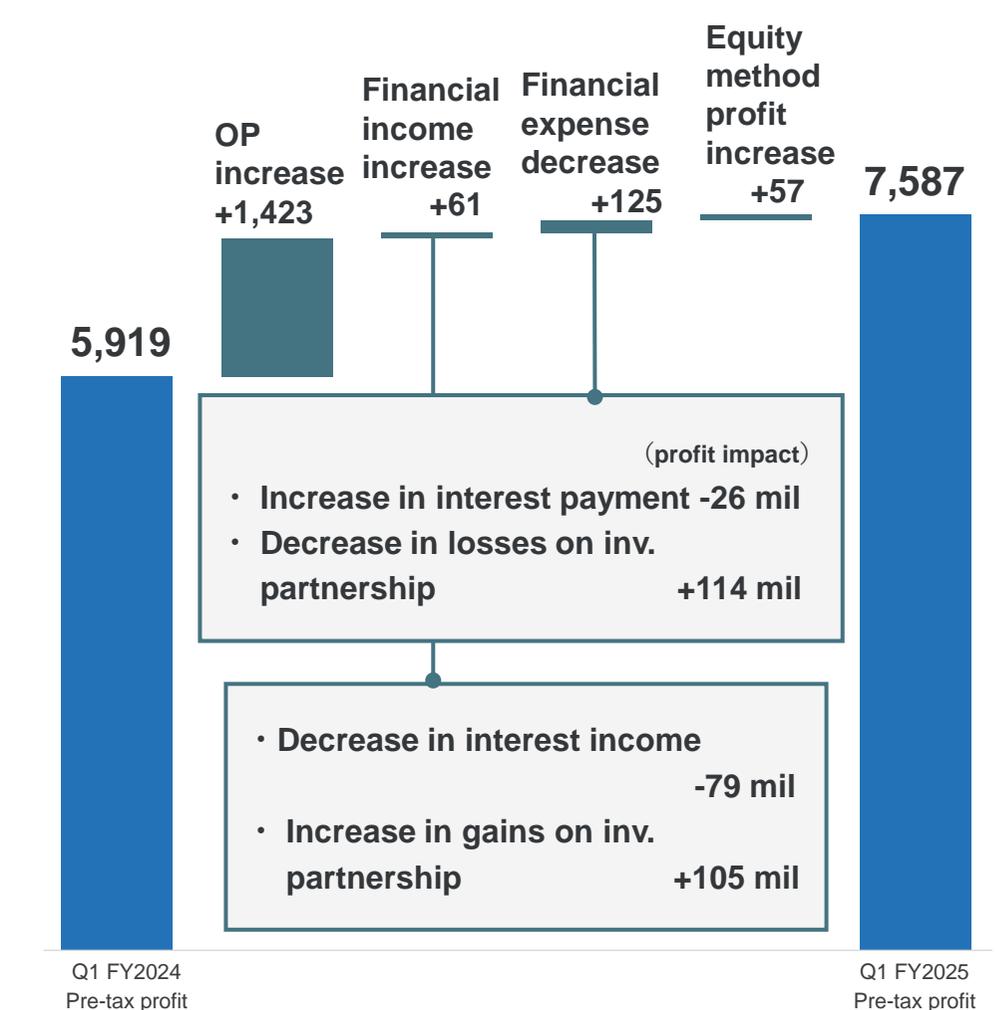
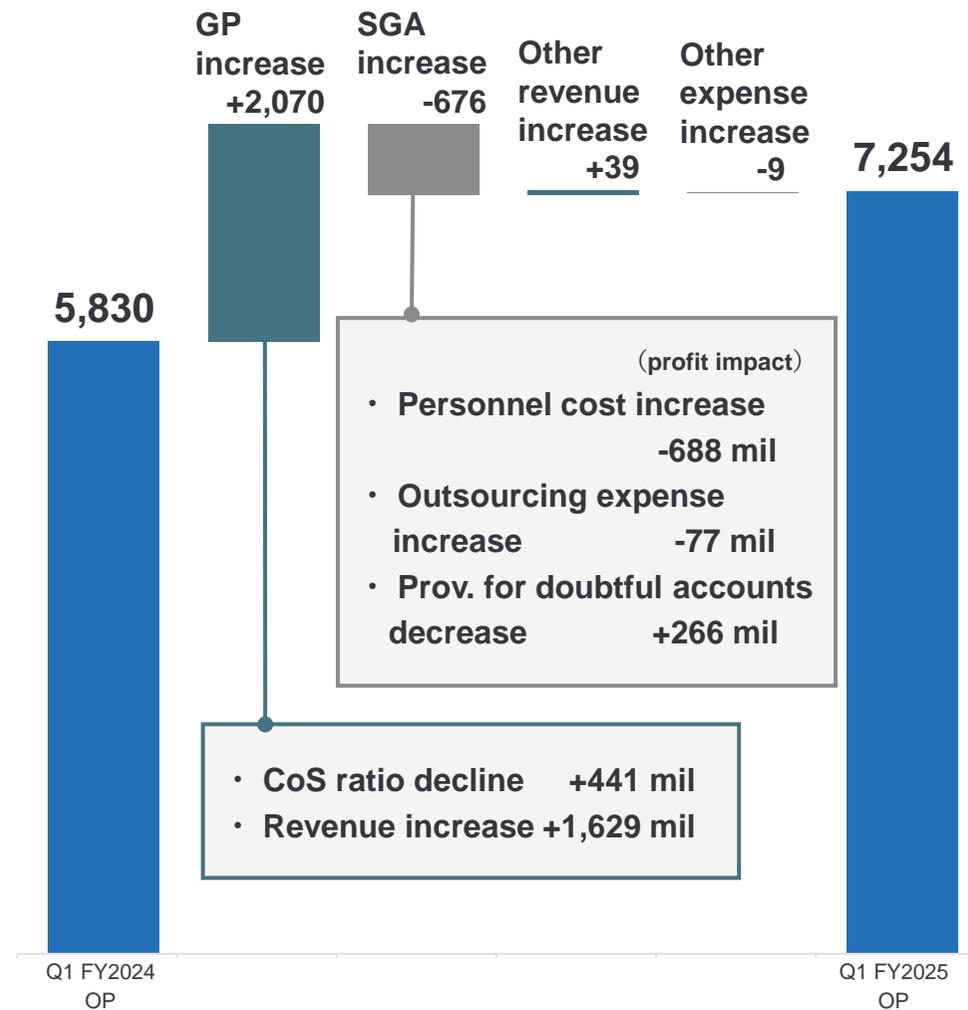
% YoY +24.4%

(¥ mil)

Pre-tax profit waterfall chart

% YoY +28.2%

(¥ mil)

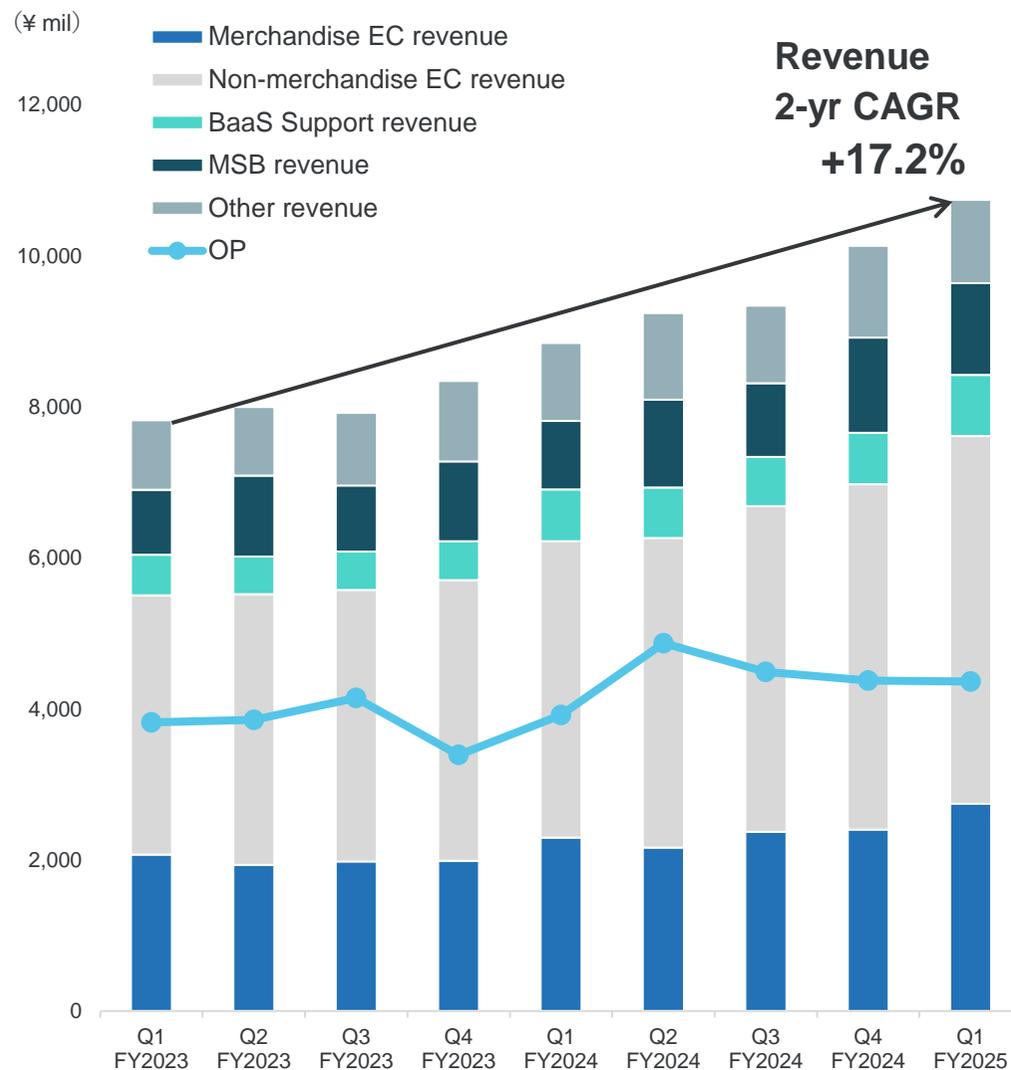


* The "+" and "-" sign denote the direction of the impact to operating profit and pretax profit.

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

Revenue grew 21.4% from contribution from new customer and growth in payments from existing merchants

GMO-PG non-consolidated revenue & OP (quarterly) *1



	% YoY		
	Q1 FY2024	Q4 FY2024	Q1 FY2025
Revenue *1	+13.1%	+21.5%	+21.4%
Online payment (EC market*2)	+13.0%	+22.3%	+22.5%
Merchandise EC (Merchandise EC market*2)	+11.0%	+20.8%	+19.4%
Apparel	+2.4%	+16.9%	+20.0%
Food/beverage	+15.5%	+19.0%	+17.7%
Cosmetic/Health food	+7.1%	+18.5%	+21.1%
Other	+13.6%	+23.1%	+19.3%
Non-merchandise EC (Non-merchandise EC market*2)	+14.3%	+23.1%	+24.2%
Digital content/telecom	+12.4%	+13.8%	+15.0%
Utility	+33.9%	+48.2%	+26.3%
Travel/ticket	+13.8%	+35.8%	+31.6%
Other	+11.4%	+21.9%	+29.7%
BaaS Support *3	+27.2%	+31.8%	+18.5%
Money Service Business	+6.1%	+19.7%	+33.3%
Remittance service	+6.3%	+16.8%	+30.9%
Early Payment service	+17.5%	+13.9%	+15.5%
Instant Salary byGMO*4	+35.5%	+90.3%	+105.9%
Other	-16.5%	-2.1%	+23.5%

*1 Figures for revenue and operating profit are before consolidated eliminations

*2 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."

*3 Figures for BaaS Support present the sum total of Ginko Pay and Processing PF.

*4 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.

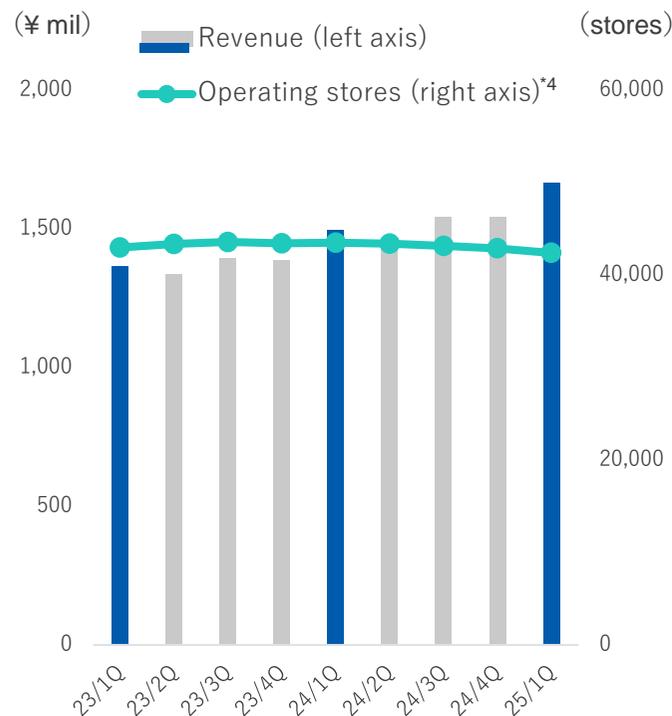
1.3.2 Performance of GMO-EP, GMO-PS and GMO-FG (YoY)

EP's growth recovery continues, PS' profitability improve and FG impacted from high base effect

Consol. GMO-EP (quarterly)*1*2

(% YoY) Q1 FY2024 Q1 FY2025

Revenue +9.4% +11.4%
OP +10.6% +9.9%

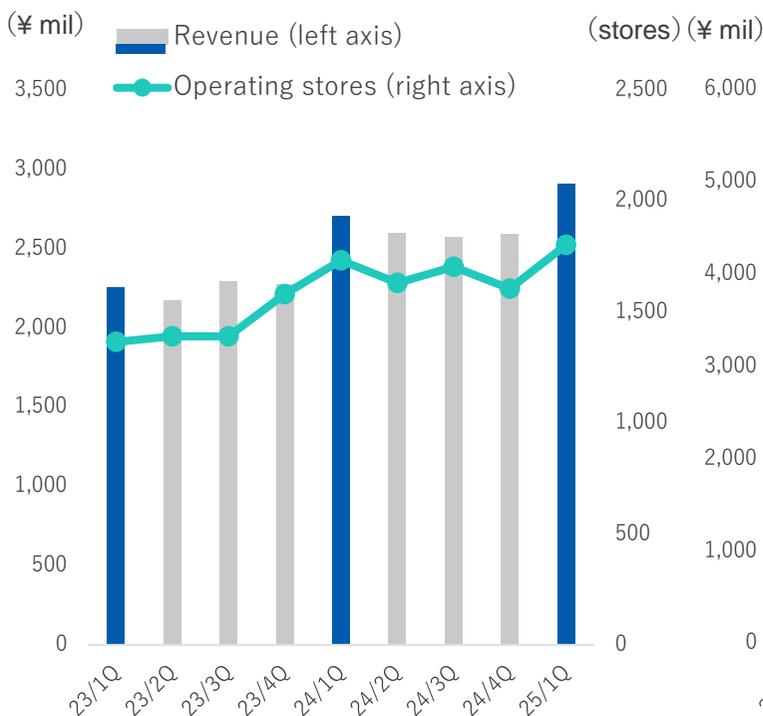


Progress in new measures and changes in revenue model saw EP's non-consol revenue to grow by 8.4%
Expansion of reservation SaaS saw MR growing by 33.4%

GMO-PS (quarterly)*2

Q1 FY2024 Q1 FY2025

Revenue +20.0% +7.5%
OP +416.9% +187.7%

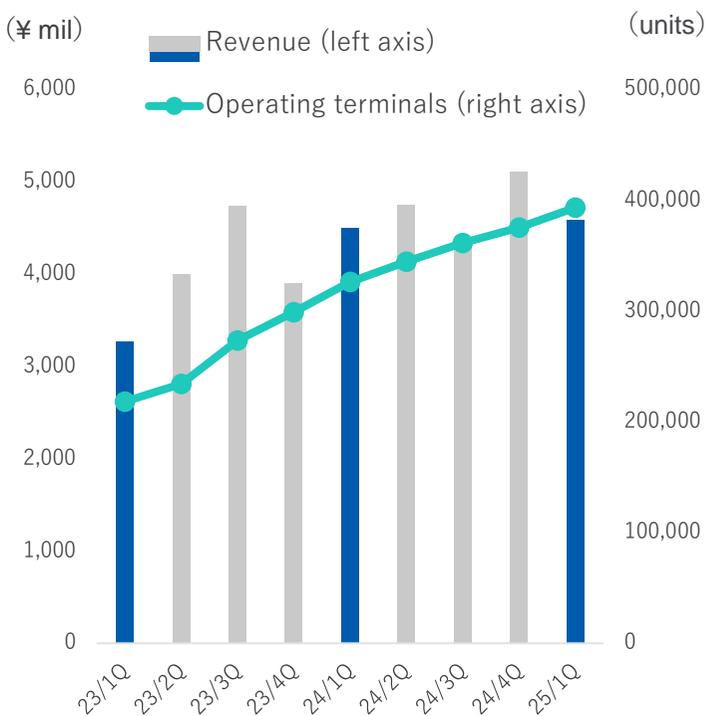


Deceleration of existing merchant in a particular sector.
Profitability improved from higher credit screening accuracy

Consol. GMO-FG (quarterly)*1*3

Q1 FY2024 Q1 FY2025

Revenue +37.6% +1.9%
OP +71.9% +69.1%



Terminal sales impacted from high base effect, but recurring-model revenue grew
Initial revenue -12.0%
Recurring-model revenue*5 +27.6%

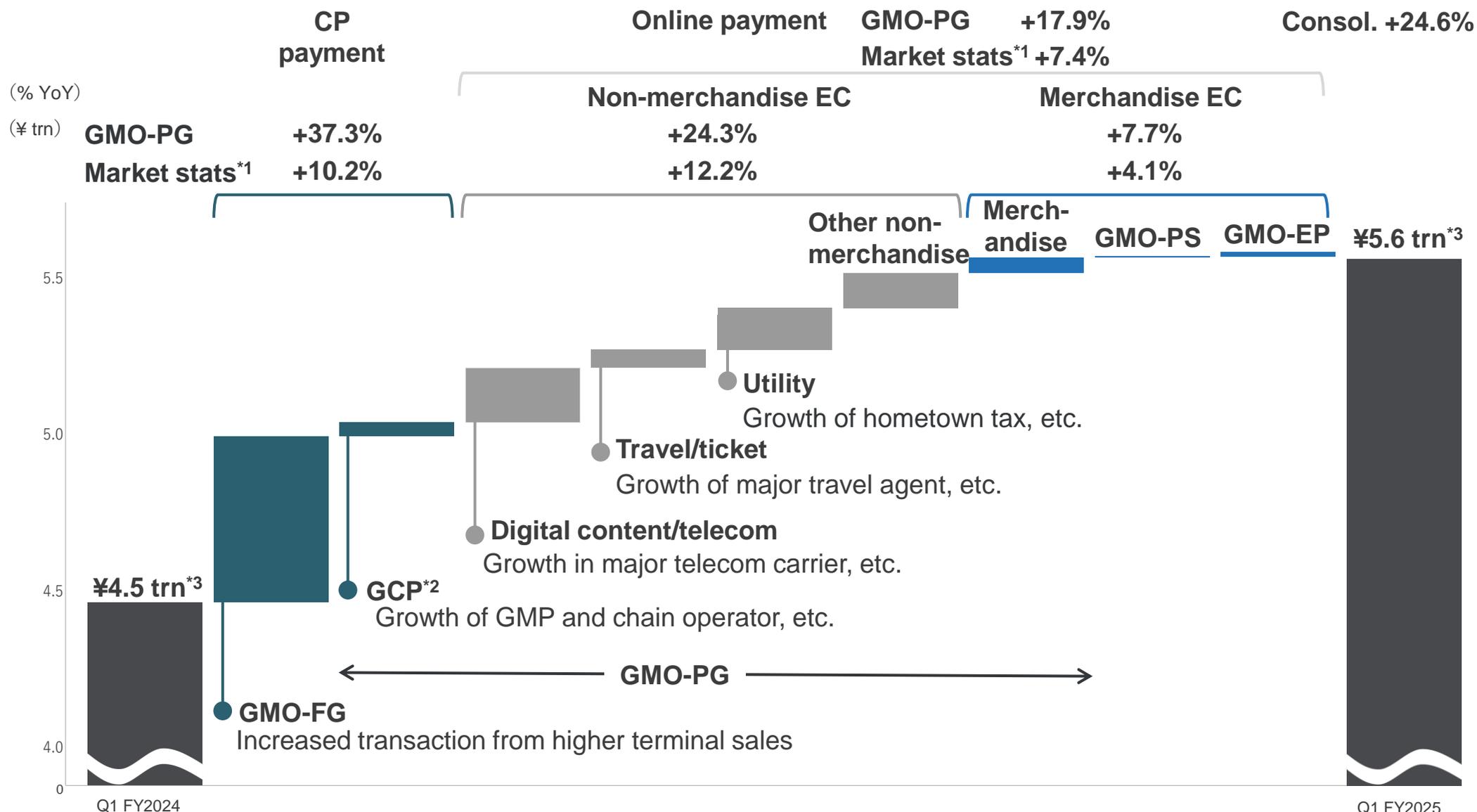
*1 Consol. GMO-EP includes GMO-EP and GMO-MR. Consol. GMO-FG includes GMO-FG, GMO-CAS and GMO Data. *2 Figures are before GMO-PG consolidated eliminations.

*3 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.

*4 Figures count platform-type stores as one for fincode byGMO. *5 Recurring-model revenue is the sum total of stock, fee and spread and excludes initial which mostly consists of terminal sales.

1.4 Waterfall Chart of Consol. TRX Value (YoY)

Increase of ¥1 trn YoY from above-market growth of CP and online



*1 CP Payment market is based on Ministry of Economy, Trade and Industry's "Survey of Selected Service Industries". 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."

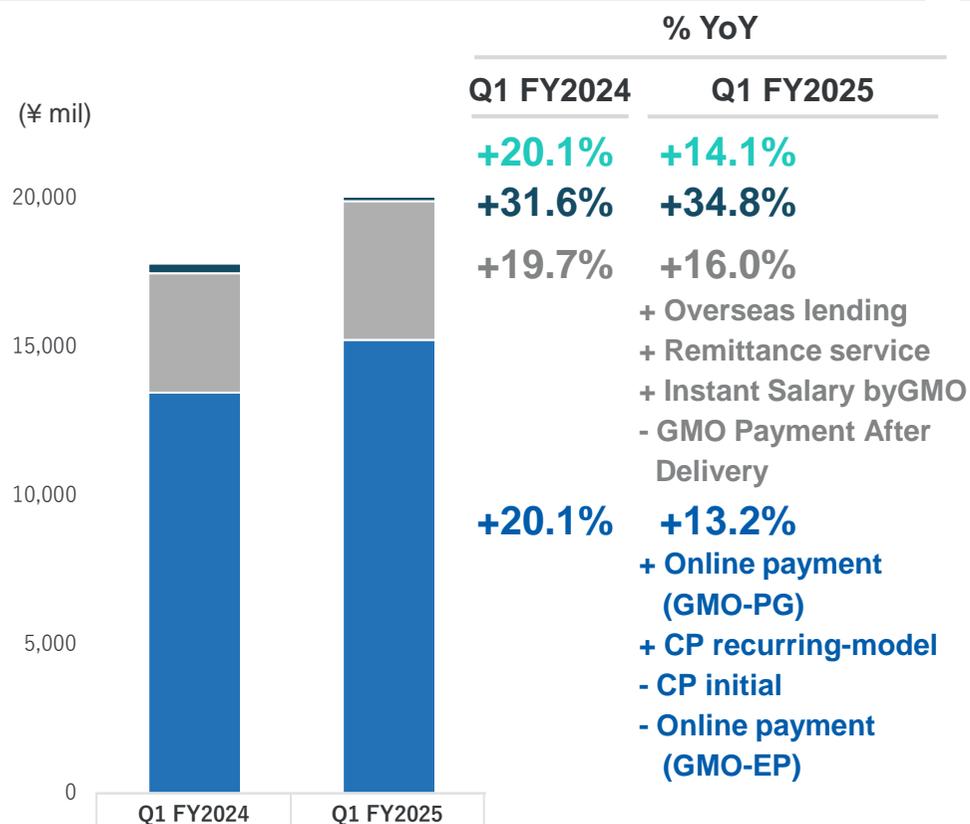
Figures for CP Payment market show the % YoY growth for the period from October to November, as December 2024 data is not available as of this writing.

*2 GMO Cashless Platform. *3 Rounded off to nearest trillion of yen.

1.5 Segment Results (YoY)

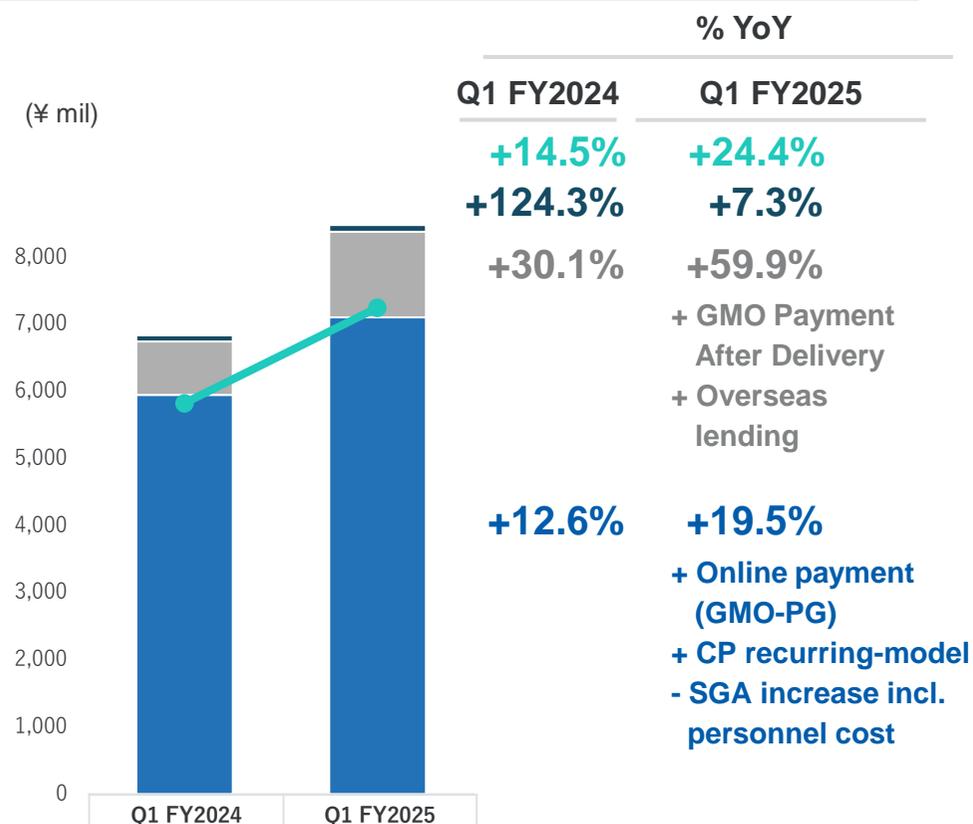
MSB profits increased 59.9% from the normalization of credit costs

Segment revenue*



	Q1 FY2024	Q1 FY2025
■ Payment Enhancement Business	324	436
■ Money Service Business	4,018	4,660
■ Payment Processing Business	13,468	15,247
■ Total	17,785	20,295

Segment profit/loss*



	Q1 FY2024	Q1 FY2025
■ Payment Enhancement Business	92	99
■ Money Service Business	800	1,279
■ Payment Processing Business	5,951	7,109
■ OP (after eliminations)	5,830	7,254

* 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.

2. Growth Strategy and Initiatives in Focus Areas

2.1 Expansion of Business Domains

Aim for OP 25% CAGR by expanding TAM by entering new domains

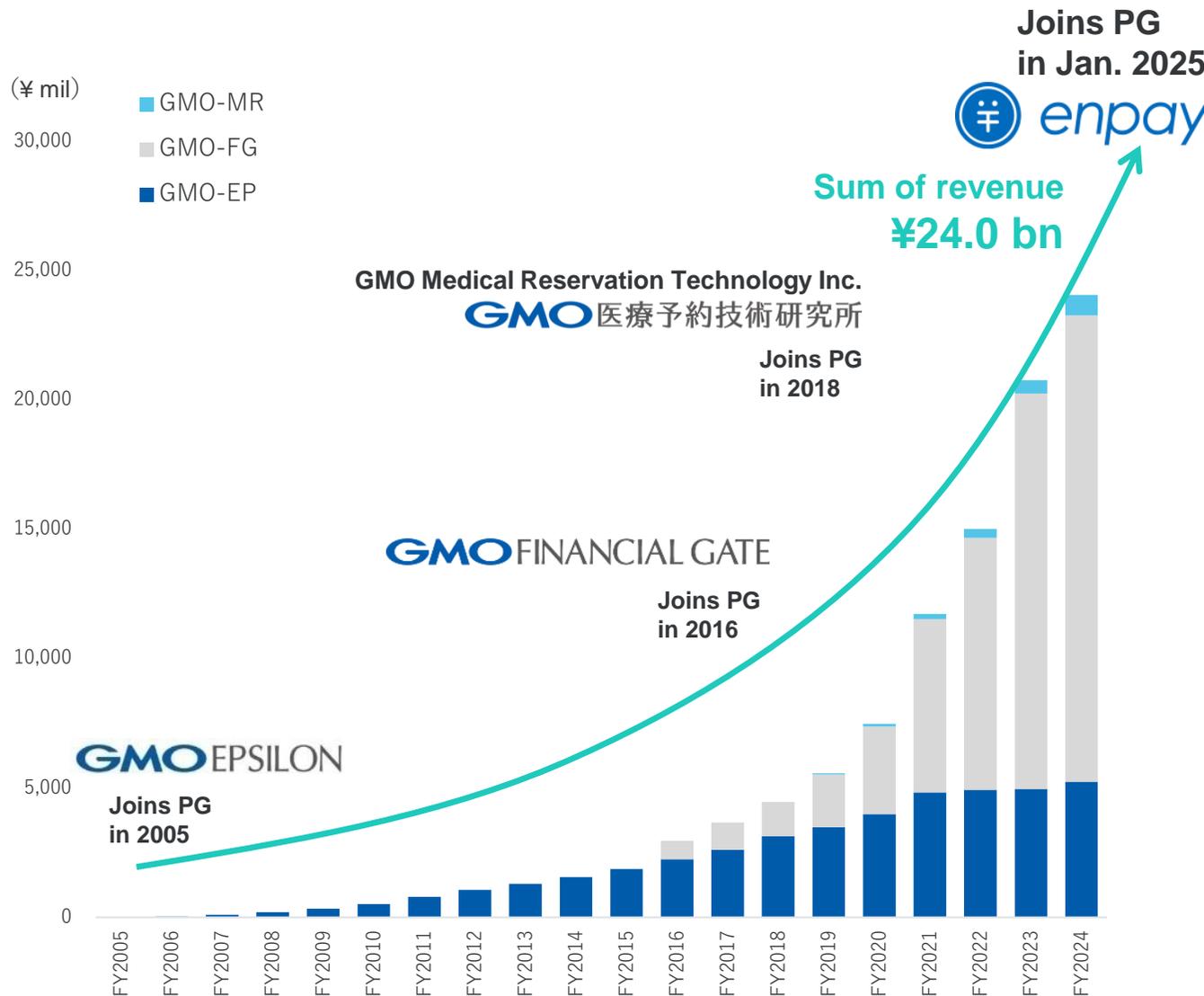
	2005		2025		Going forward
TAM	B2C EC ¥3 trn	60 times	¥180 trn*	+	Wholesale domain ¥56 trn 2.6
			Corporate card	¥6 trn	2.3
			Education domain	¥5 trn	2.10
Revenue	¥1.3 bn	64 times	¥83.3 bn		
OP	¥0.3 bn	100 times	¥30.2 bn		CAGR 25%

* Figure presented is a sum total of the size of each target market.

2.2 The Fruits of Joining the PG Group

enpay joins PG group in January 2025; accelerate growth by creating synergies

Revenues of three companies after joining PG group



Support provided by GMO-PG (excerpt)

All three companies

Seconded several personnel from executive level, sales and administration, etc.

GMO-MR **5-yr CAGR +79%**
 Launched payment services

GMO-FG **8-yr CAGR +50%**
 Capital and business alliance with SMCC*
 Support for IPO on TSE

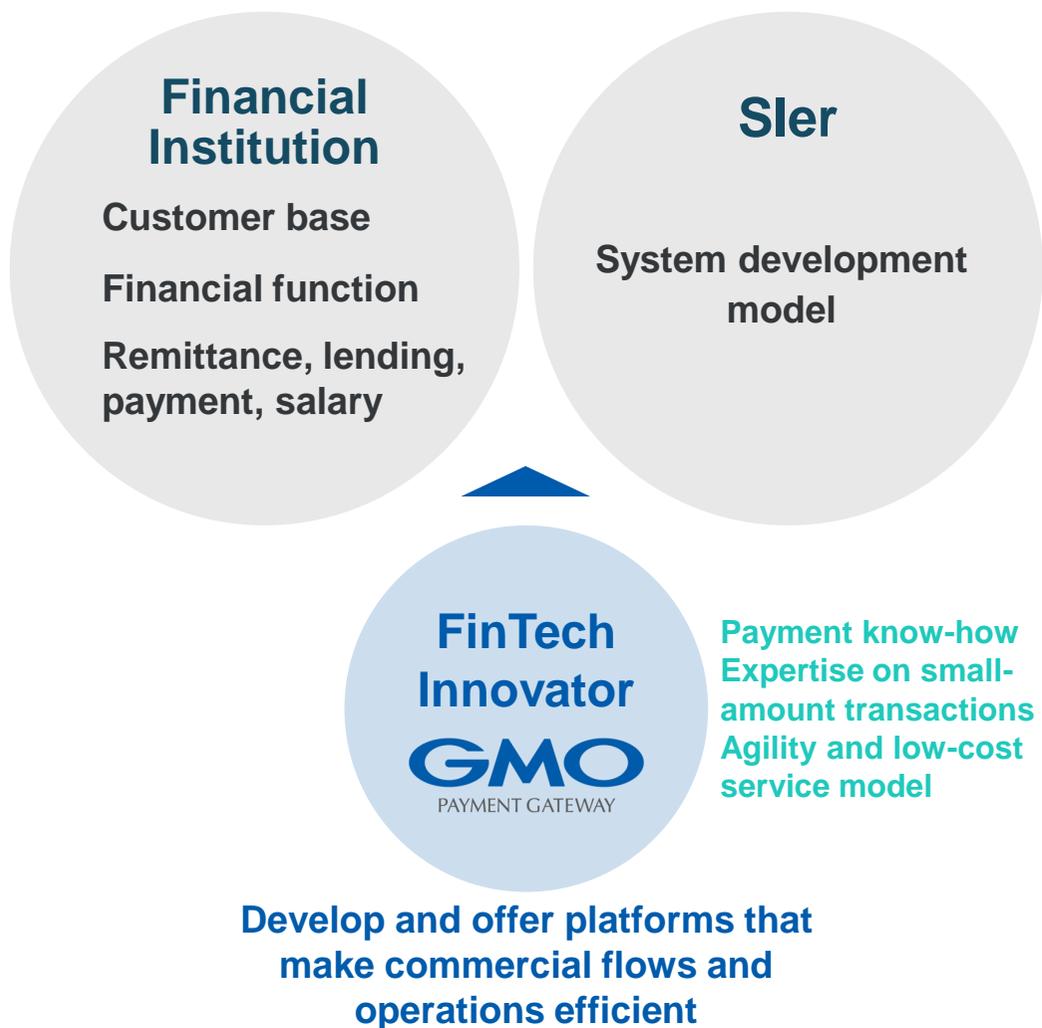
GMO-EP **19-yr CAGR +39%**
 Provide system development capability
 Starting up financial business

* Sumitomo Mitsui Card Company, Limited

2.3 Buildout of Platform Business

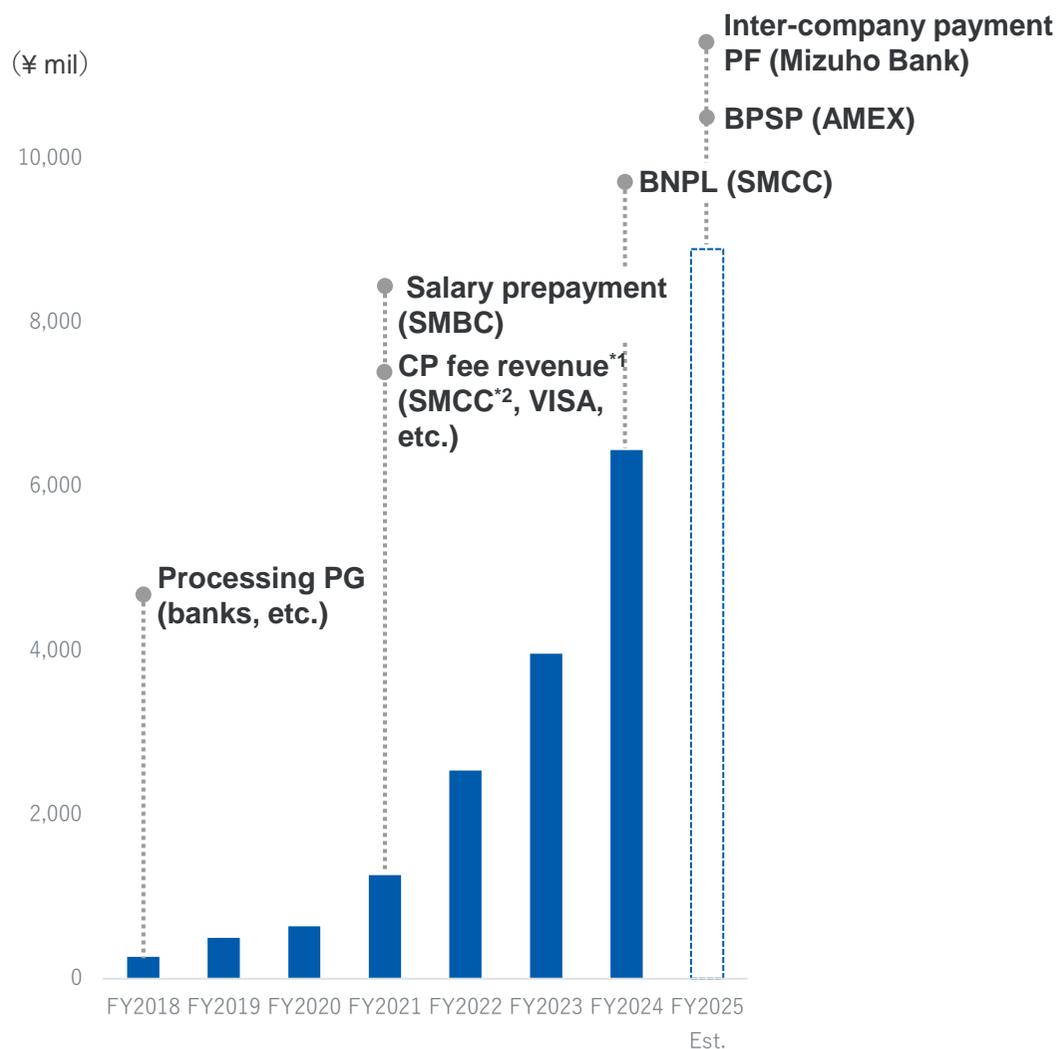
Develop and offer platforms that supports financial business innovation

Opportunity



Revenue of platform-type businesses (annual trend)

Creation of stock and transaction type revenue streams



*1 Includes terminals other than stera.

*2 Sumitomo Mitsui Card Company, Limited

2.4 Sales Strategy by Segment

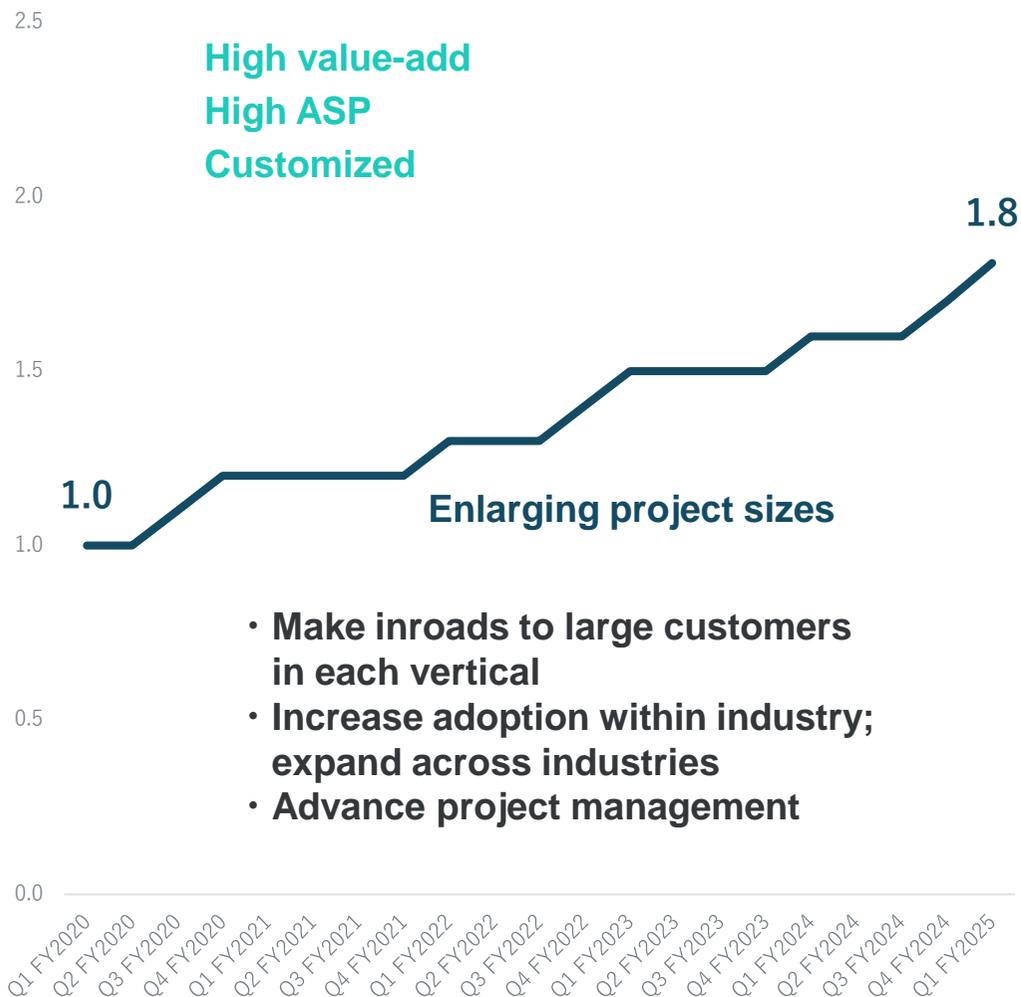
Accelerated strategy by reorganizing sales based on customer segment in April 2024

Index of revenue per contract (GMO-PG non-consol.)

SGA to revenue ratio (quarterly moving average, GMO-PG & EP only)

Increase adoption of industry-specific payment application

Efficiently expand sales of basic payment application



- Make inroads to large customers in each vertical
- Increase adoption within industry; expand across industries
- Advance project management

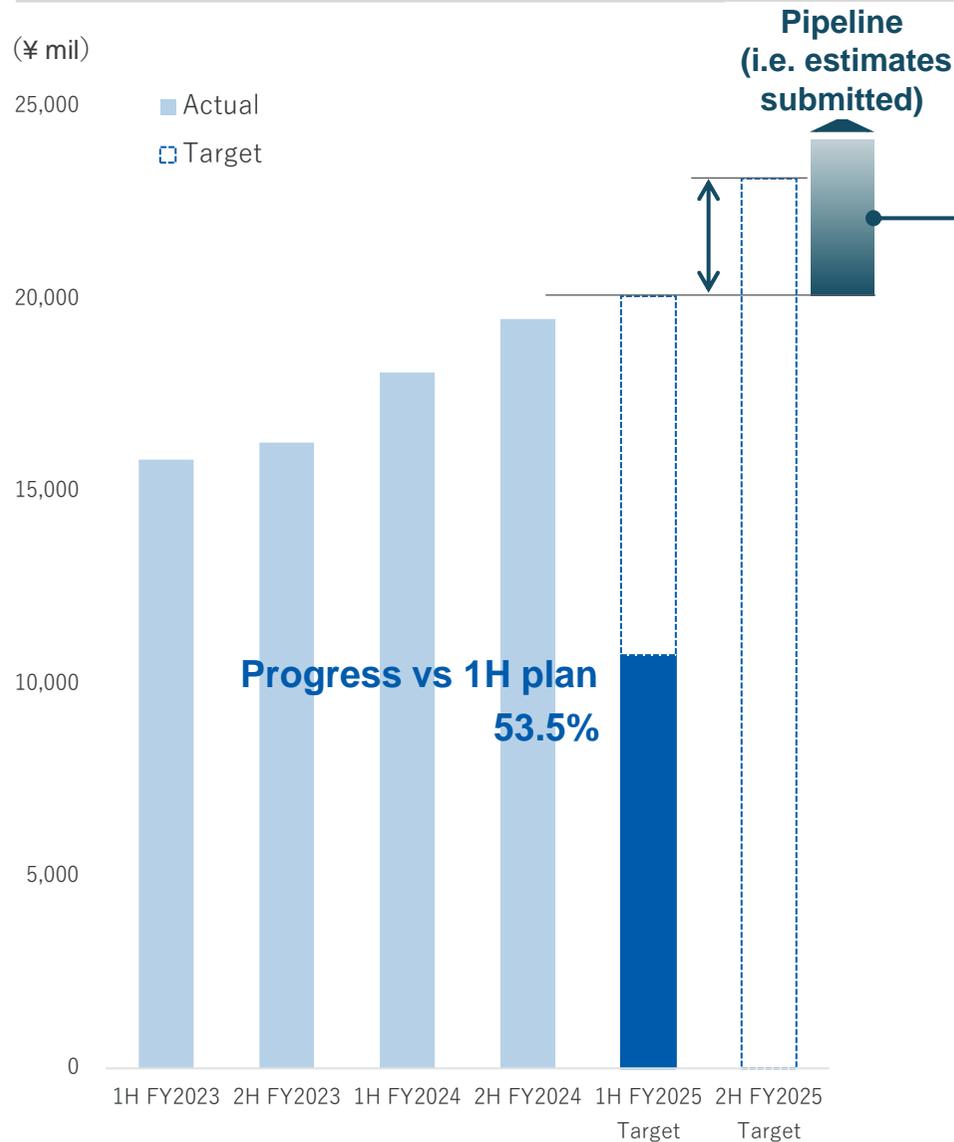
- Expand lineup of value-added services
- Partner collaboration
- Strengthen inside sales

* Excludes revenues for Instant Salary byGMO and overseas lending recorded at GMO-PG non-consolidated.

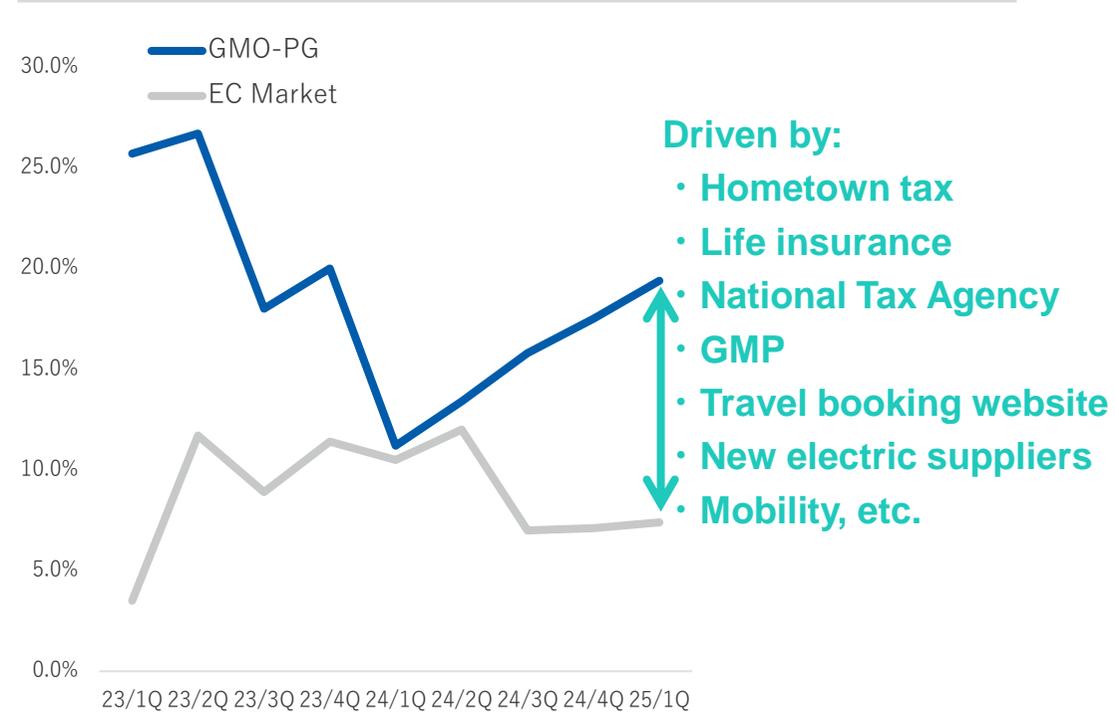
2.5.1 GMO-PG Non-Consolidated Strategy: Online Payment

Progressing in line with plan to build up the project pipeline to achieve 2H plans

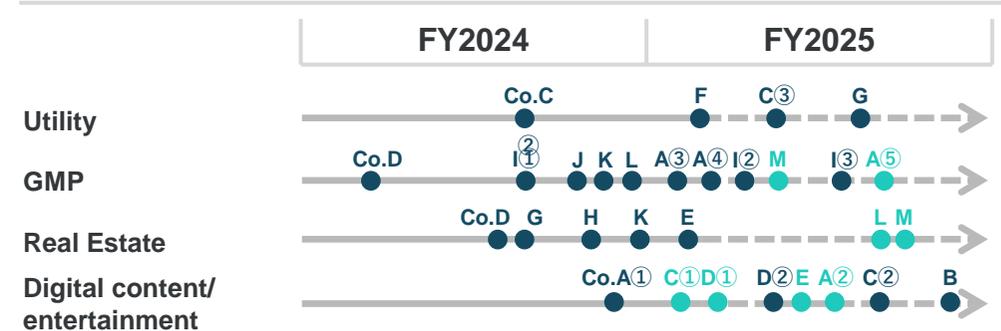
GMO-PG non-consol. revenue: actual and plans (half-yearly)



GMO-PG non-consol.: TRX value and market stats* (% YoY)



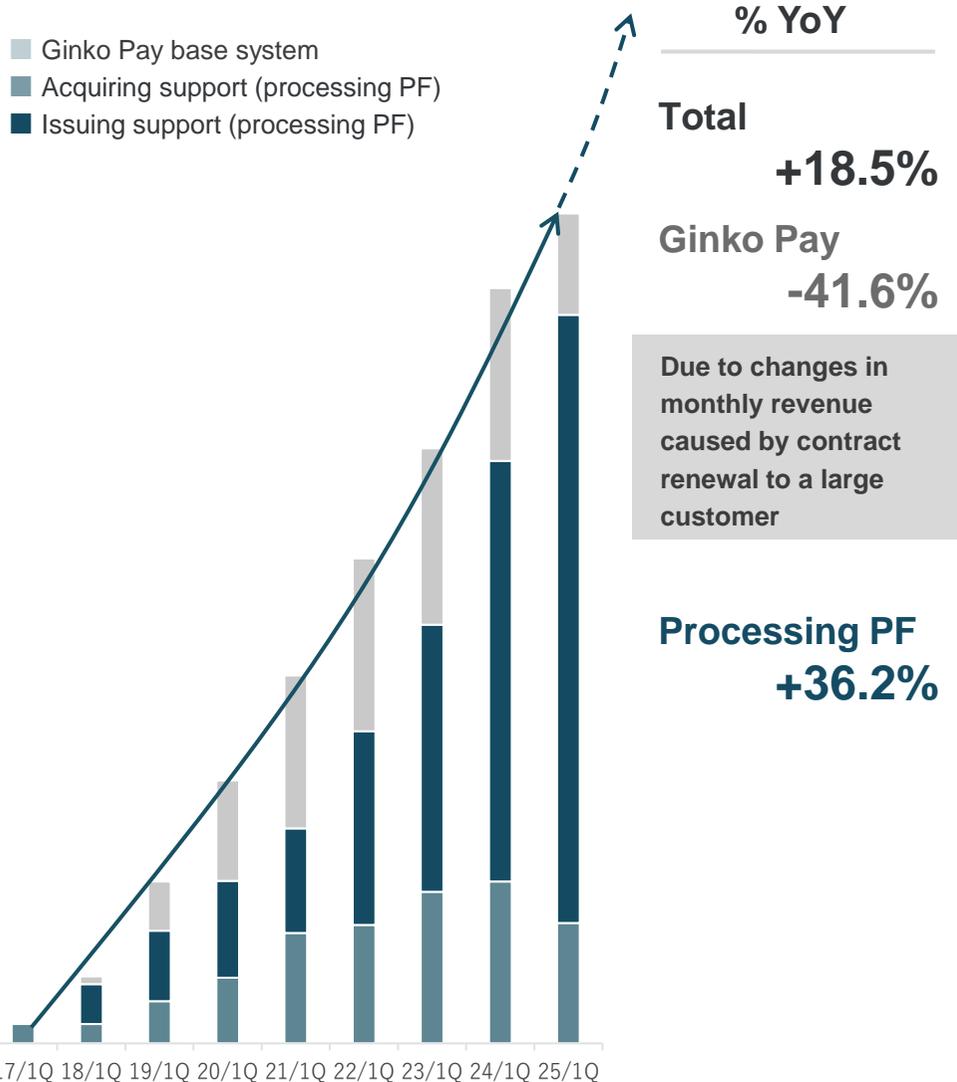
Progress of initiatives (Update since Q4 FY2024)



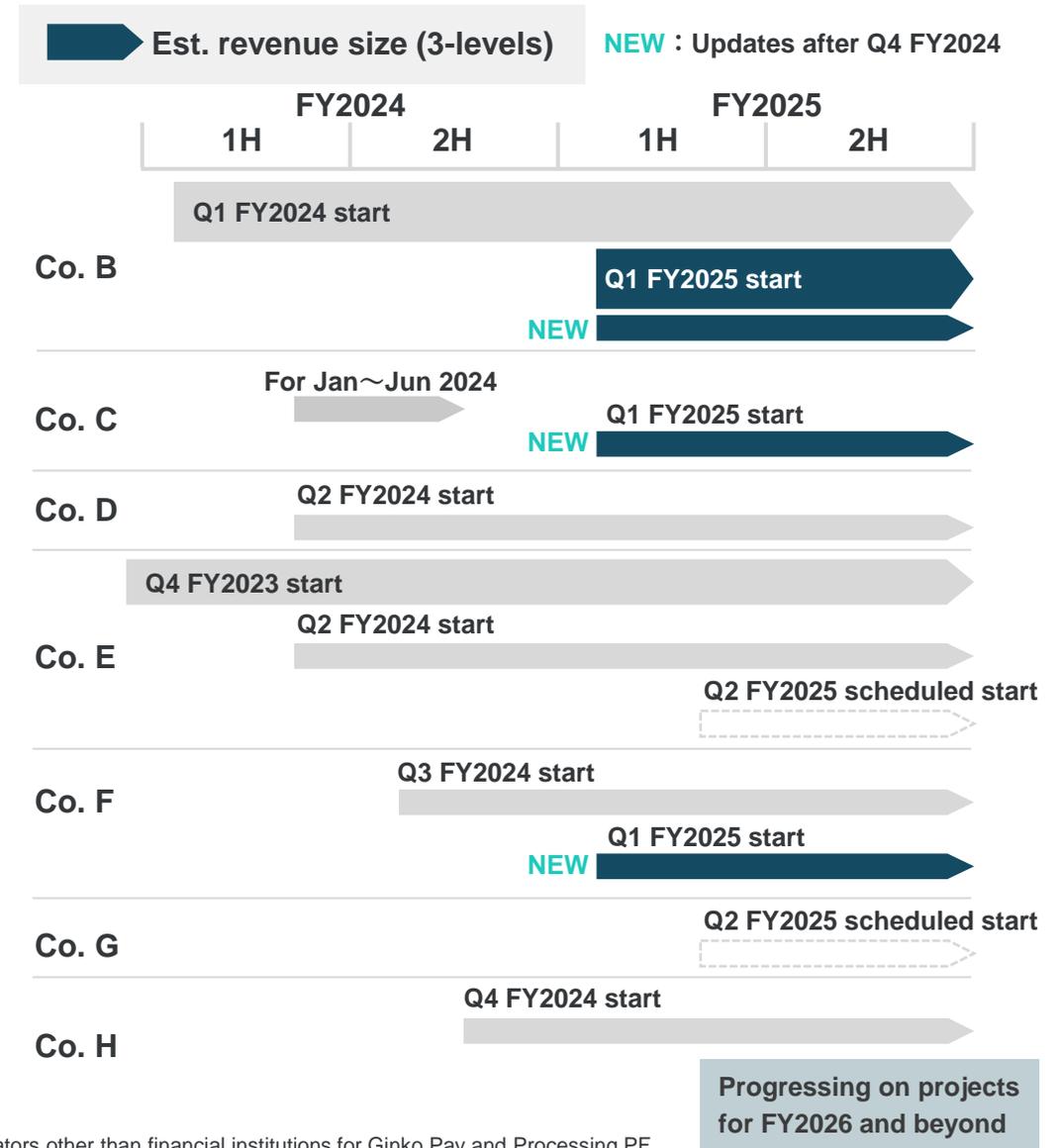
* EC Market figures uses Internet expenditure amount per household based on Ministry of Internal Affairs and Communication's "Family Income and Expenditure Survey."

Processing PF revenue up 36.2%, expanding pipeline for next FY and beyond

BaaS Support service revenue*2 (1Q)



Progress of processing PF projects

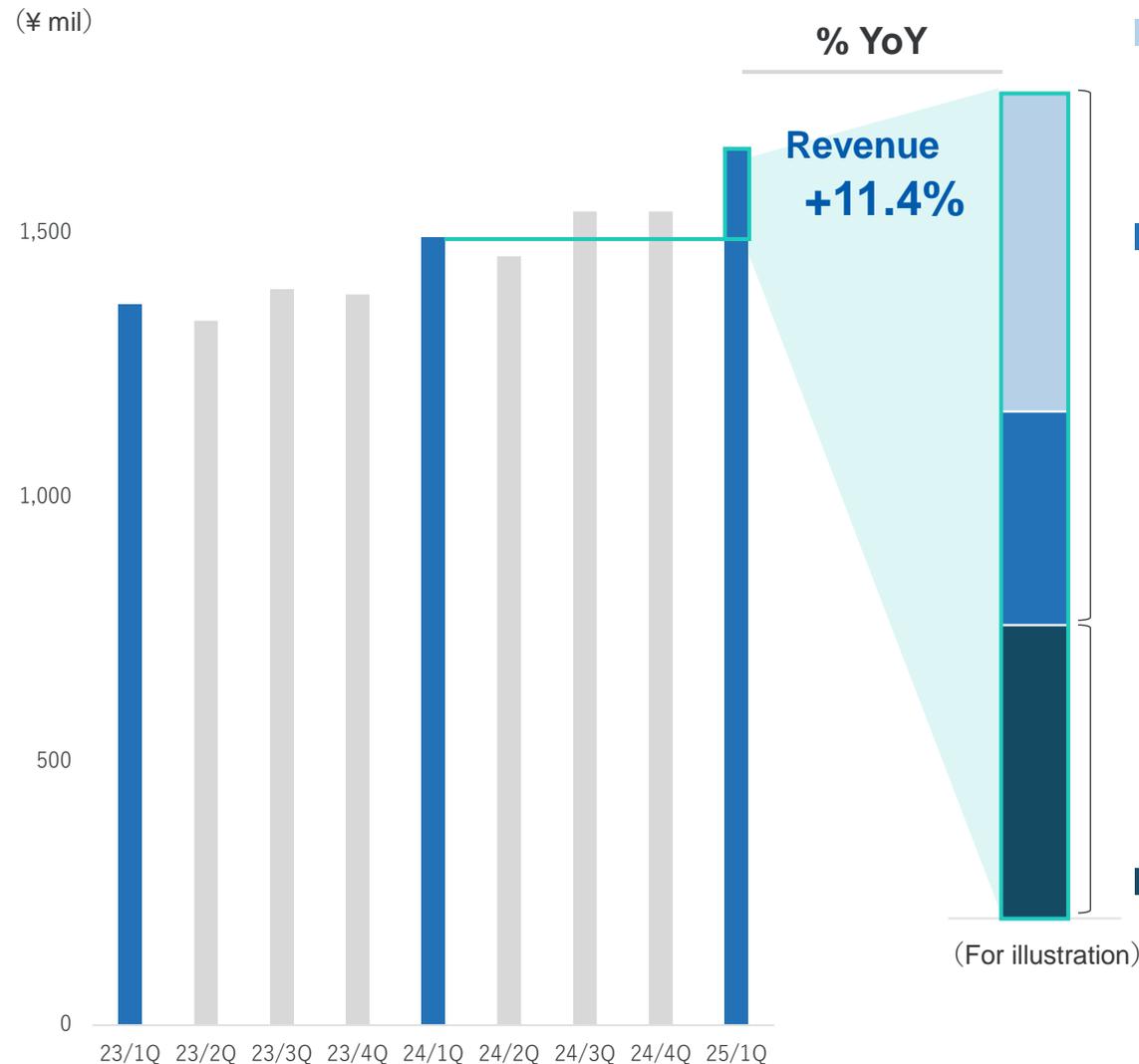


*1 EF is an abbreviation for Embedded Finance. *2 Figures include revenue received from business operators other than financial institutions for Ginko Pay and Processing PF.

2.6 Consol. GMO-EP Strategy: Online Payment (SME) & Healthcare DX

Driving alliance strategy to make inroads into non-merchandise and inter-company payment domains

Consol. GMO-EP revenue (quarterly)



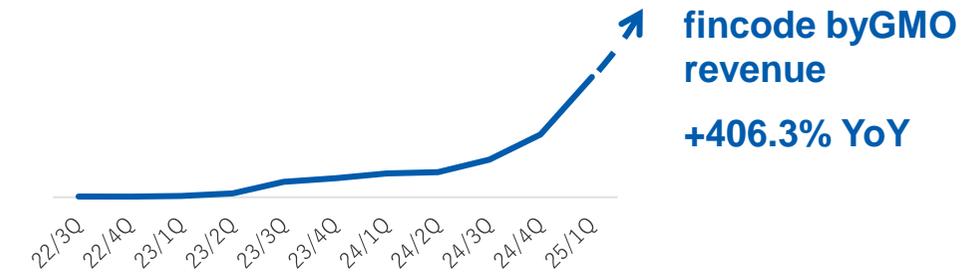
Focus initiatives

Existing payment service

- Progressing with rate change for existing merchants

Payment service for startups/ non-merchandise

- Acquired several large-scale merchants
- Concluded a business alliance contract with Mizuho Bank for inter-company payment platform Rollout from FY2025



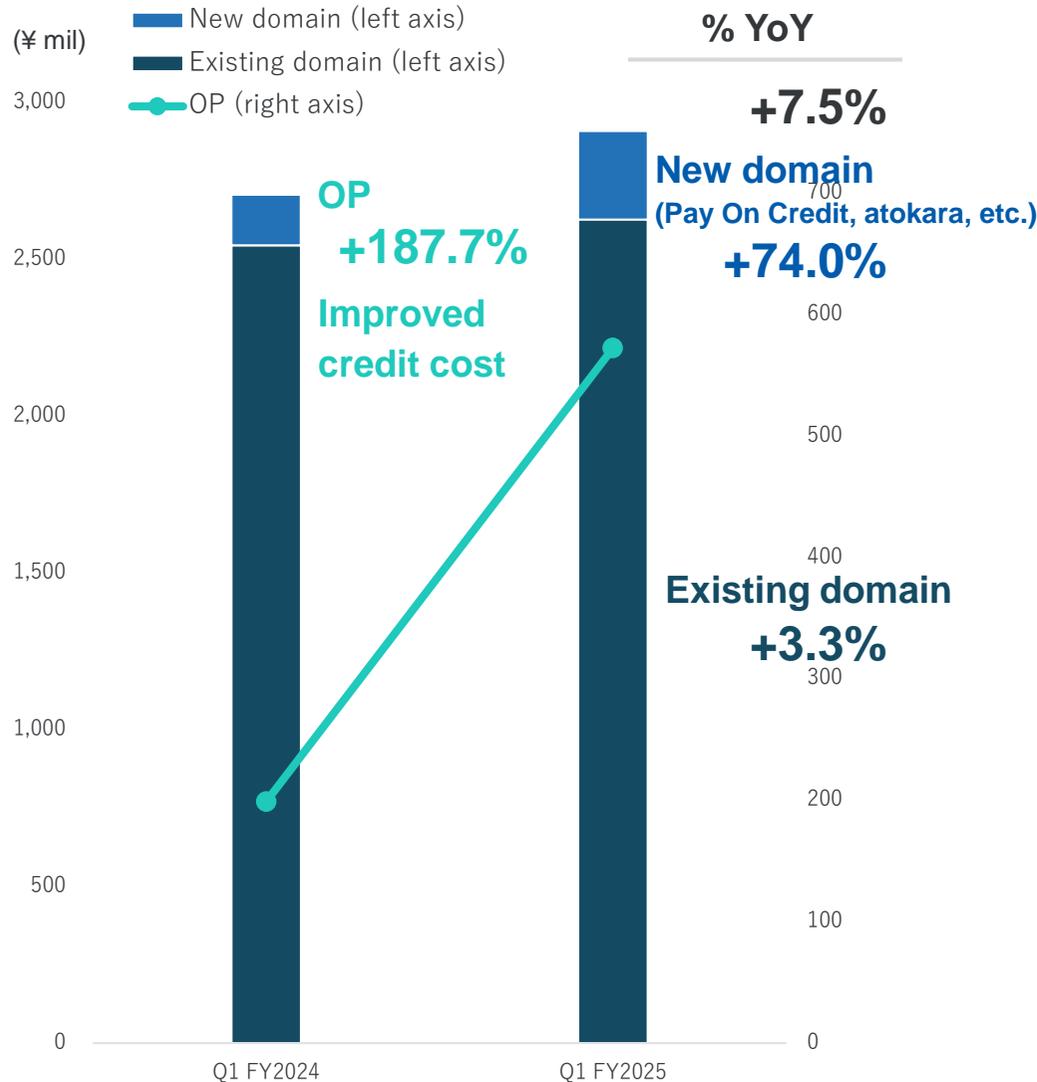
GMO-MR

- High growth continues from increase in reservation SaaS orders
- Rollout of “Google map patient referral service”, which enables patient to make online reservations via Google map.

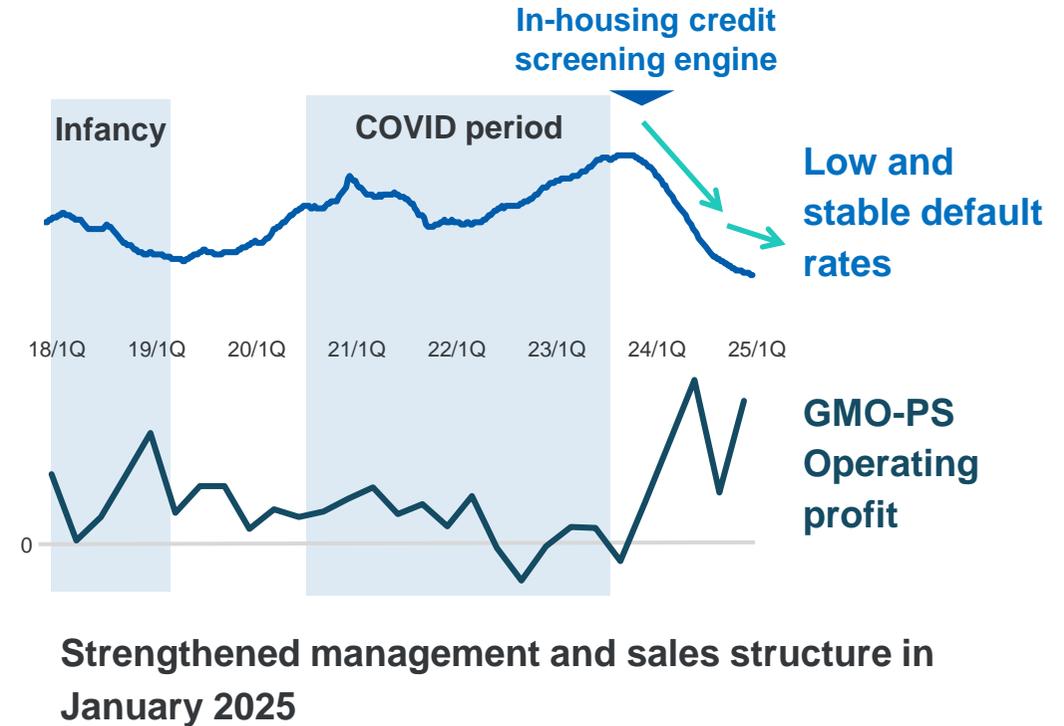
2.7 GMO-PS Strategy: Payment After Delivery & BNPL

Revenue from new domains up 74.0%; OP grew 187.7% from low and stable default rates

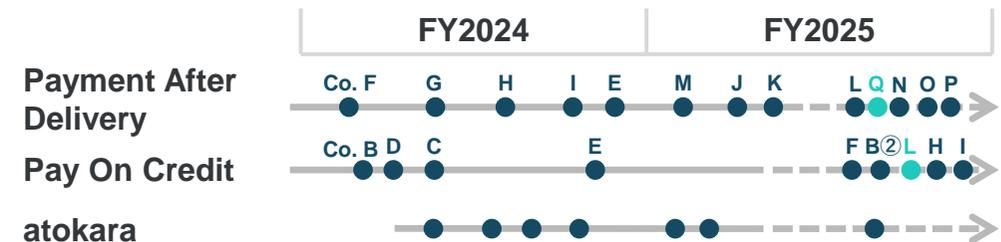
GMO-PS revenue and operating profit (Q1)



Default rates and GMO-PS operating profit (quarterly trend)



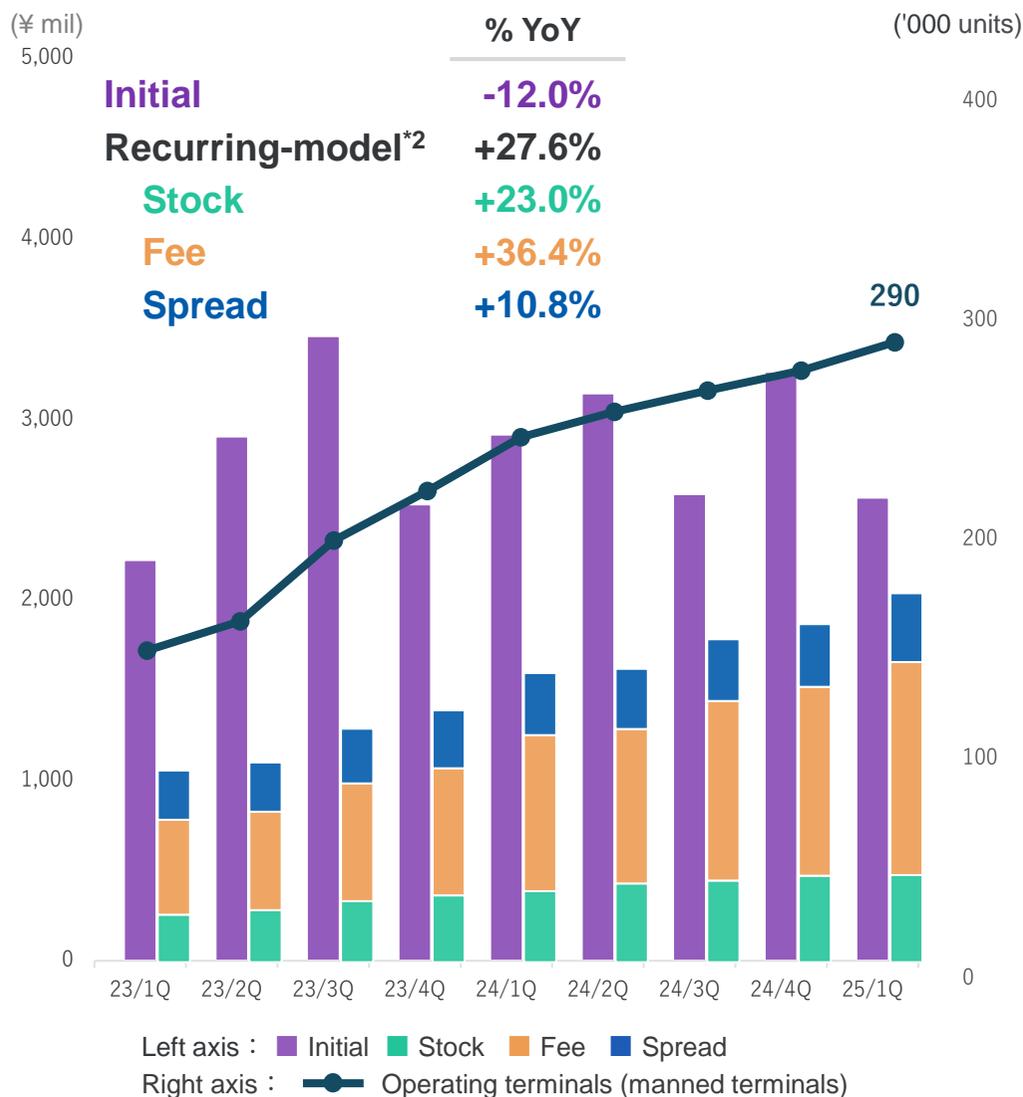
Progress of initiatives (Updates from Q4 FY2024 onwards)



2.8 Consol. GMO-FG Strategy: CP Payment

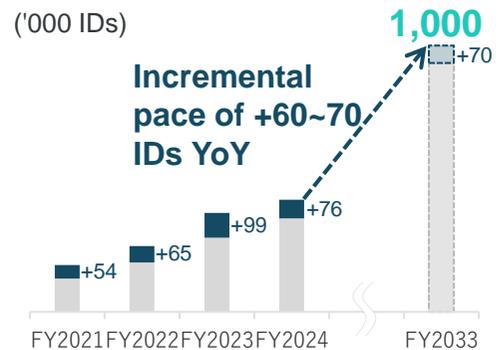
Profit growth measures to achieve FY2033 OP target of over ¥10.0 bn

Consol. GMO-FG revenue by business model*1
(quarterly trend)



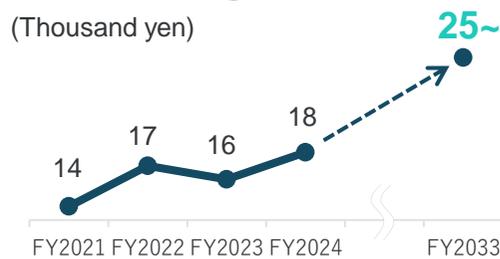
Active IDs x ARPU x GP margin = OP growth

1. Achieve 1 mil active IDs



- Continuous acquisition of large merchants
- Expand alliances suitable to enter target industries

2. Recurring-model ARPU ¥25,000 and higher



- Strengthen account plans for large merchants
- Expand into payment peripheral business (payment operation DX, payment enhancement)

3. Recurring-model GP margin over 70%



- Operating leverage due to fixed-cost structure
- Manage profitability KPI for each ID

*1 Figures are based on GMO-FG consolidated financial results. Figures up to FY2024 is based on JGAAP, figures for FY2025 is based on IFRS standards.

*2 Recurring-model revenue consists of stock, fee and spread revenue and excludes initial revenue that mainly consists of payment terminal sales.

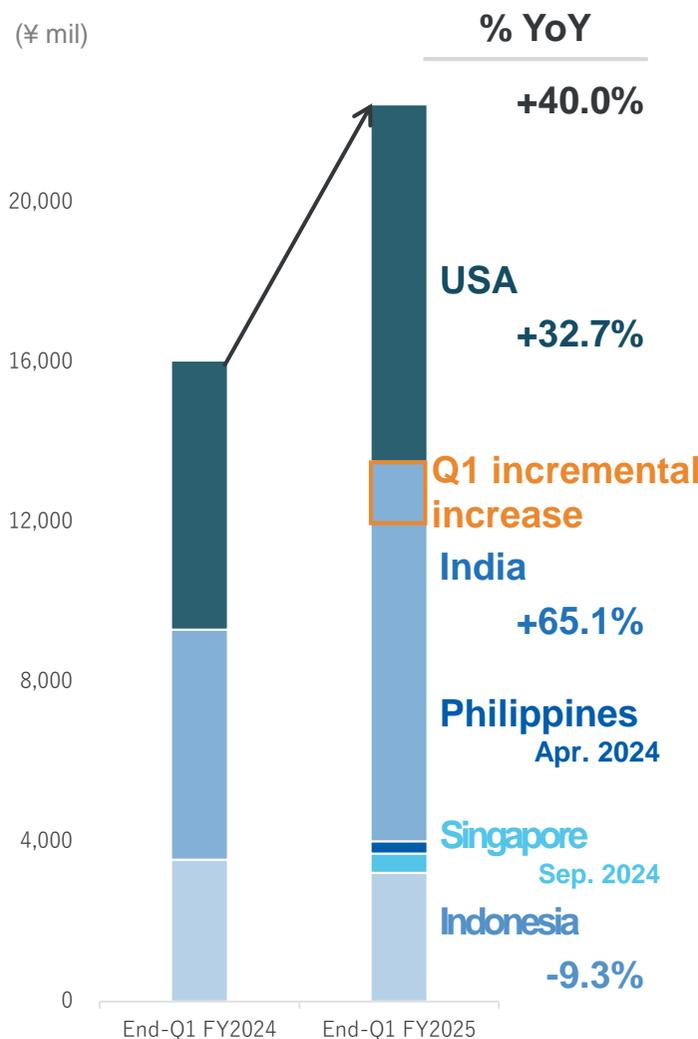
2.9 Global Strategy: Earnings Summary

Revenue grew 41.3% from new loans and increase in loan amount to prime borrowers, incl. weak yen effect

Revenue and OP (Q1)



Loan balance (end-Dec)



Business environment

Interest rate

Declining interest rates in US and India

Regulation

US : Easing financial regulation under new administration

India: Close attention on tightening non-bank regulations

New loans executed (since Q1 FY2025)



Credit building FinTech

- Issuing credit card to low-credit score customers
- Extending high credit limits by mortgaging vehicles



Loan FinTech to SMEs in rural areas

- Strength in physical customer touchpoint and proprietary digital credit screening

2.10.1 enpay Joins PG Group (January 2025)

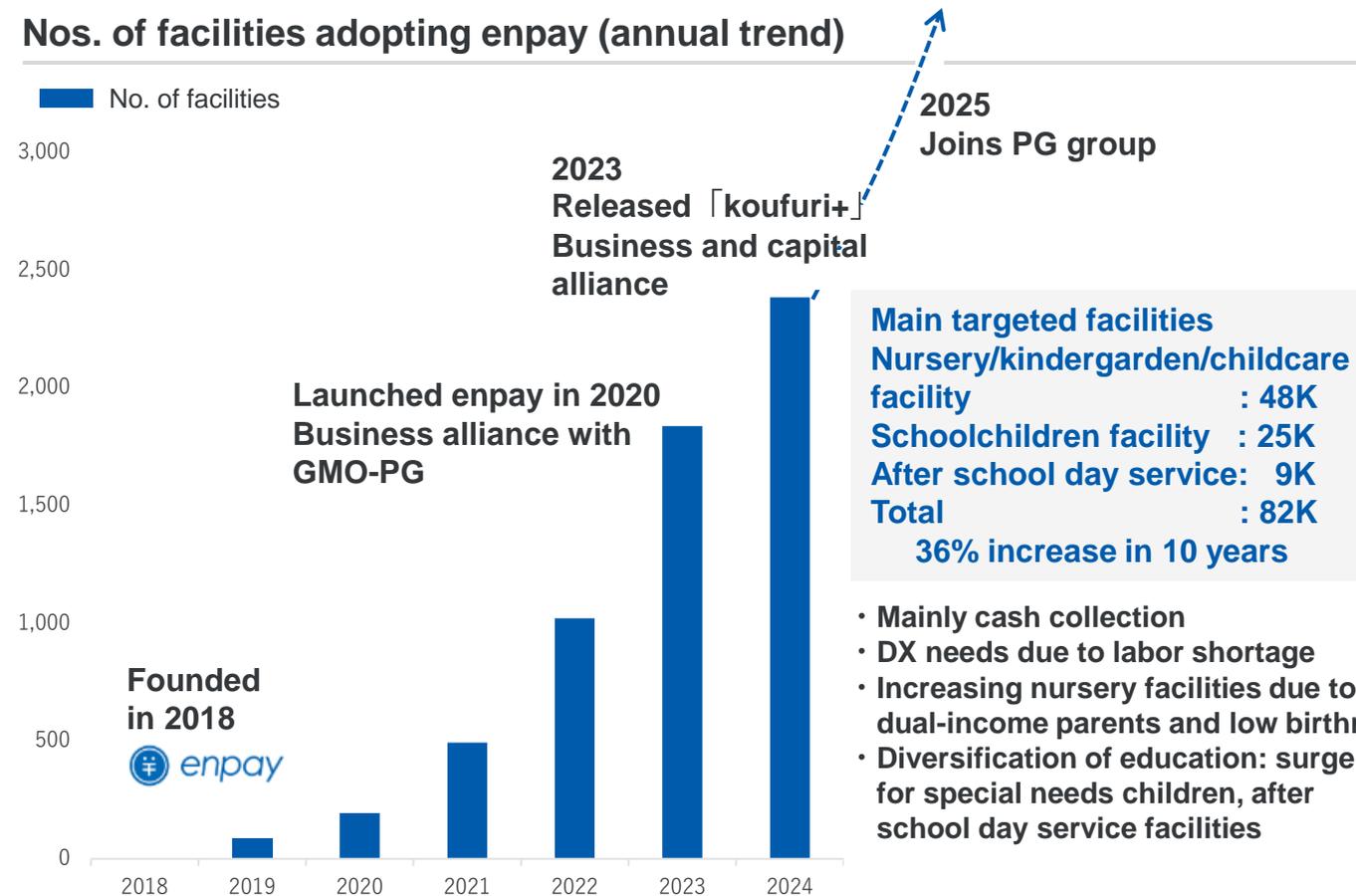
Driving the cashless migration and DX in the nursery and education sectors

Product

One-stop offering of LINE billing, payment and deposit management service

UI/UX that reduces the physical and psychological burden on both the facility operator and guardians

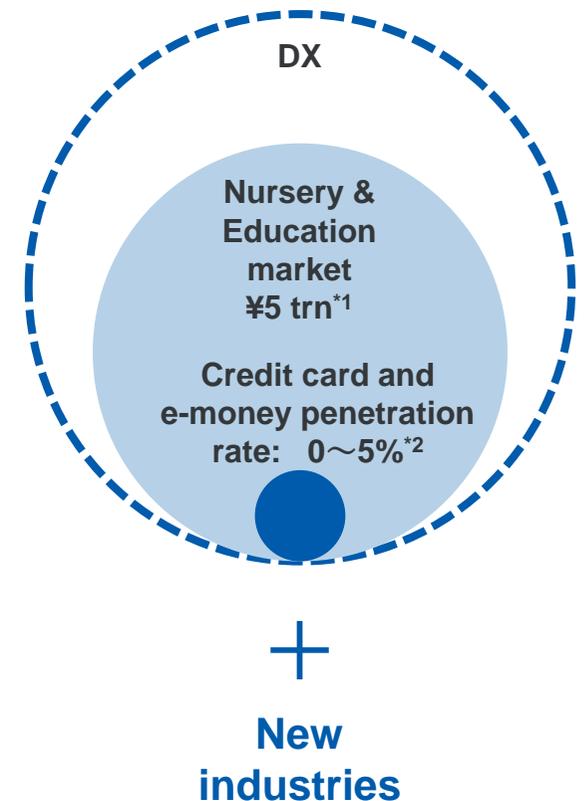
Nos. of facilities adopting enpay (annual trend)



Growth strategy

Short term: Sales synergy with GMO-PG (local government, large enterprises, etc.)

Long term: Expand into new industries



- Mainly cash collection
- DX needs due to labor shortage
- Increasing nursery facilities due to dual-income parents and low birthrate
- Diversification of education: surge for special needs children, after school day service facilities

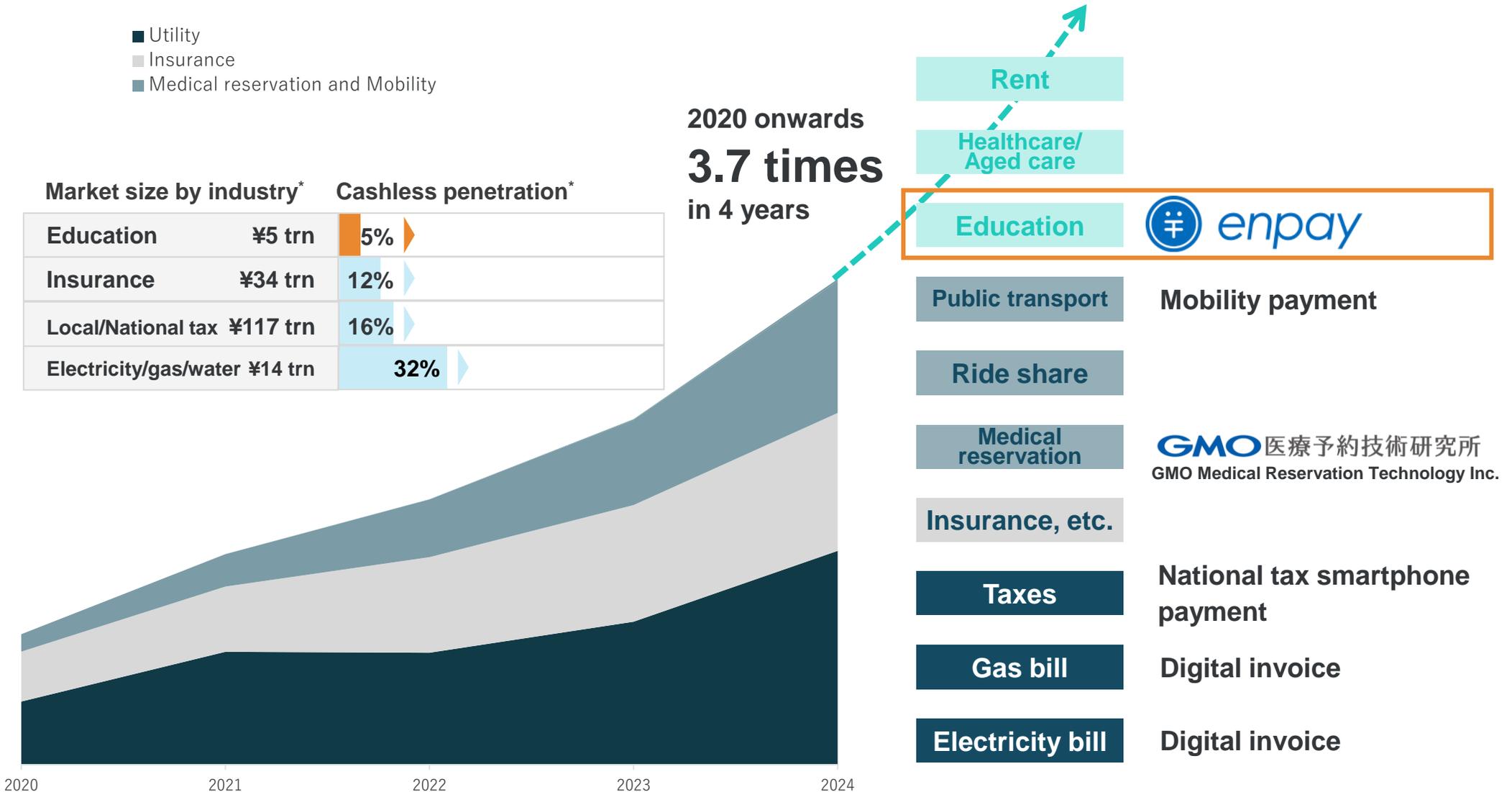
*1 Figure for Internet expenditure amount per household are GMO-PG estimates calculated by referencing National Institute of Population and Social Security Research's "Population Statistics (2022)" and Ministry of Internal Affairs and Communication's "Family Income and Expenditure Survey."

*2 Japan Consumer Credit Association's report on the survey of consumption patters for the realization of cashless society (Nomura Research Institute, Ltd.)

2.10.2 Expansion of Infrastructure Domain

Make inroads into the defensive education domain through enpay

Revenue from infrastructure domain



* Figures are GMO-PG estimates using relevant statistics for each industry.

3. Sustainability

3. Sustainability: Integrated Report

Scheduled to publish FY2024 Integrated Report in mid-February (Japanese language version)

FY2024 Integrated Report (English): Scheduled to be published in April 2025

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



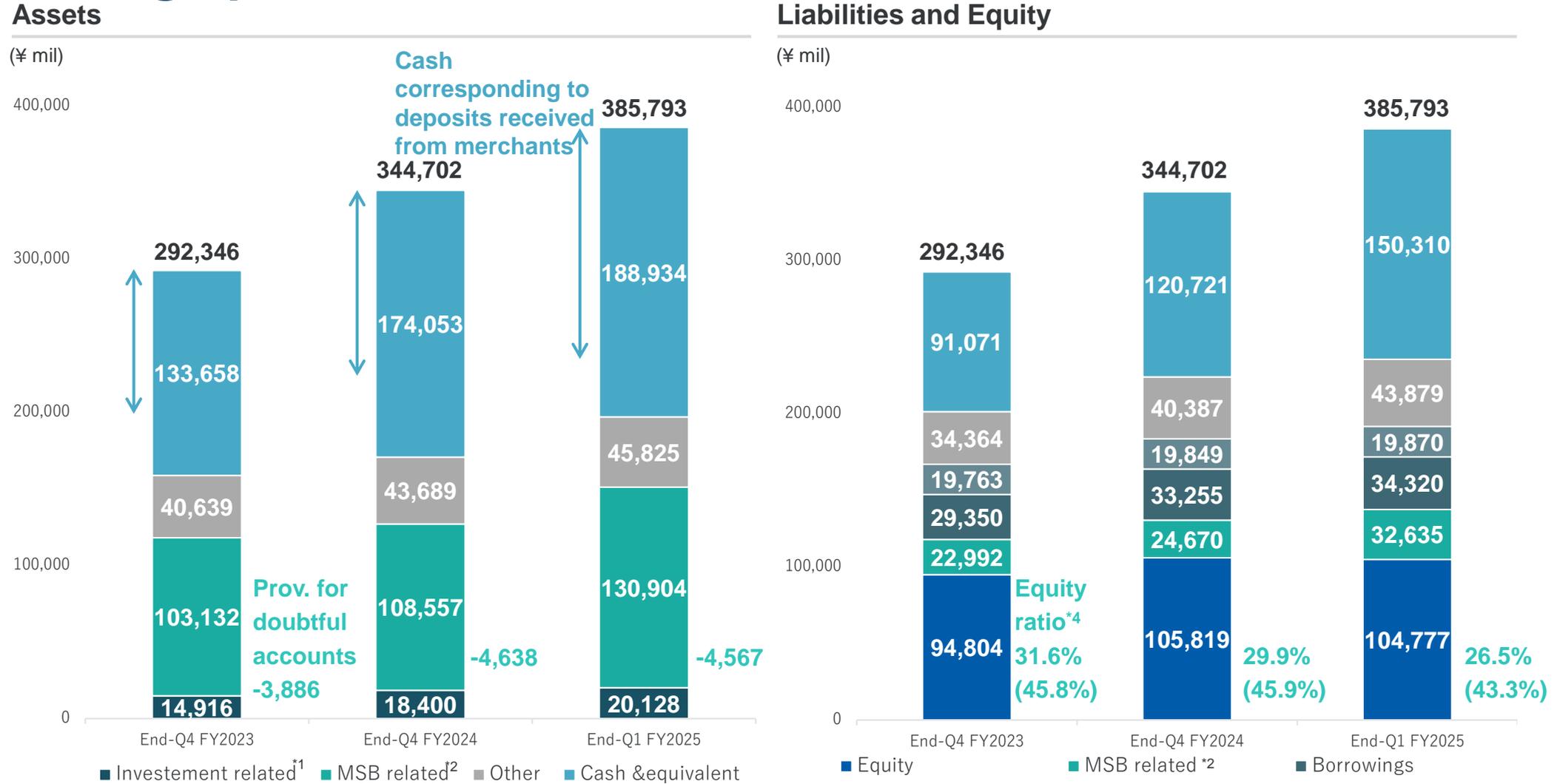
Major contents

- Message From The CEO
- Progress on Sustainability Management
- Ecosystem
- Business Strategy of Consolidated Subsidiaries
- Decarbonization
 - GHG emission reduction target
- Human Capital Strategy
 - Talent development, health management
- Roundtable Meeting of External Directors

4. Financial Highlights and Reference Materials

4.1.1 Consolidated Balance Sheet

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



*1 Securities classified under investment securities and investment accounted for under the equity method.

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

*3 Deposits received from merchants under the Representative Contract.

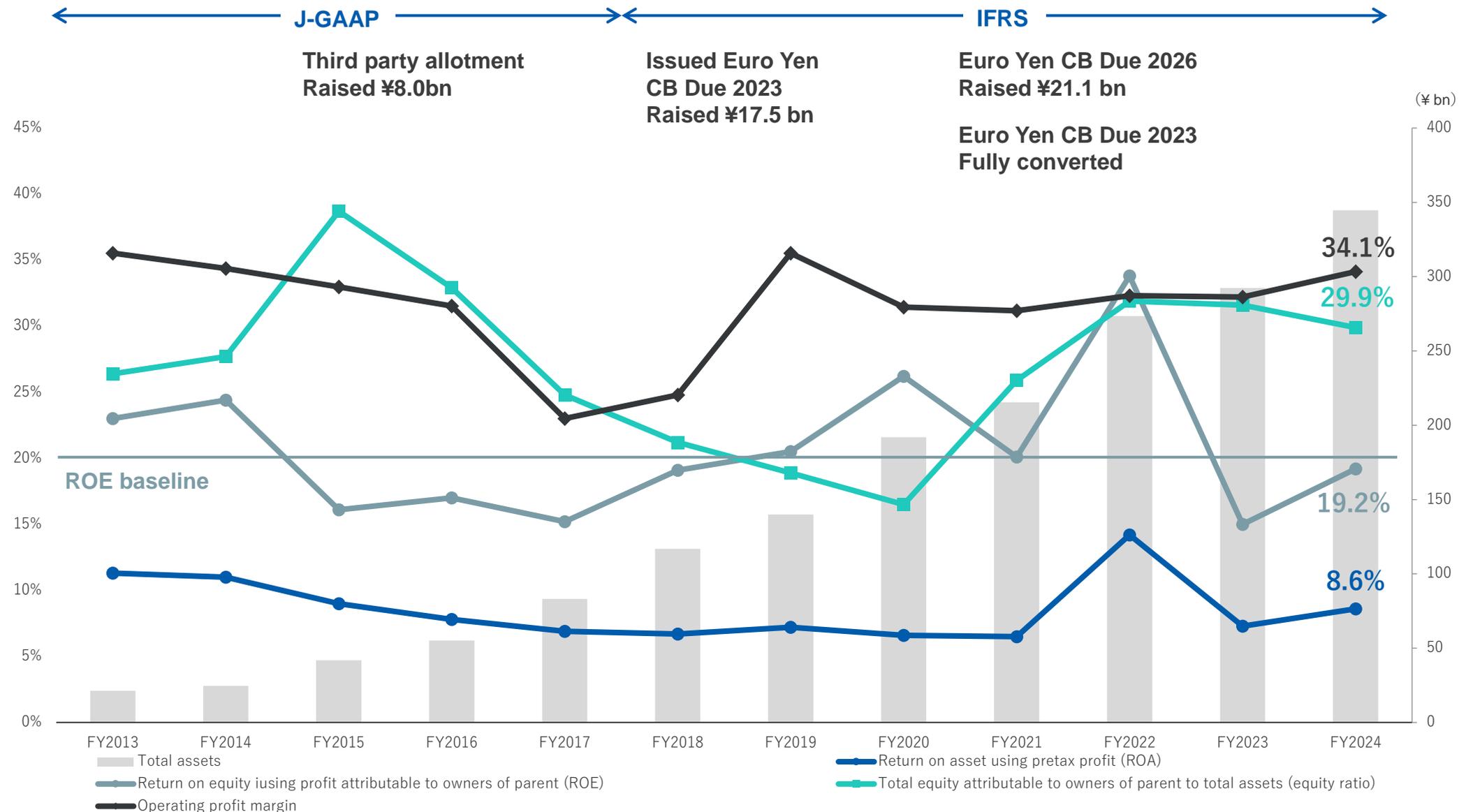
*4 Equity ratio presents the equity attributable to owners of parent ratio and is calculated by dividing total assets with equity attributable to owners of parent.

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.

*5 Some figures are shown in net amounts of financial assets and liabilities.

4.1.2 Major Consolidated Financial Indicators (Annual Trend)

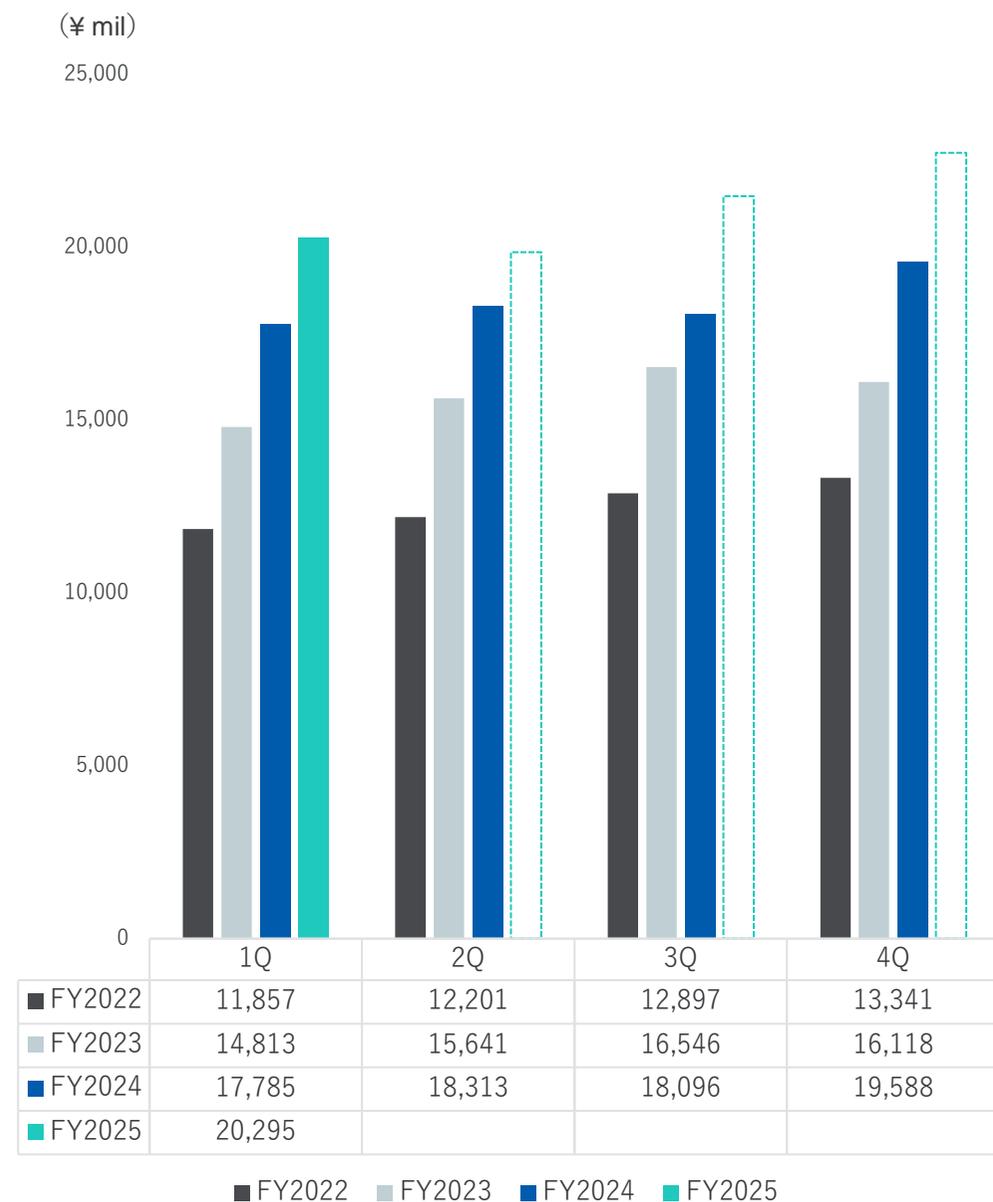
Managing businesses while balancing profitability, capital efficiency and capital base



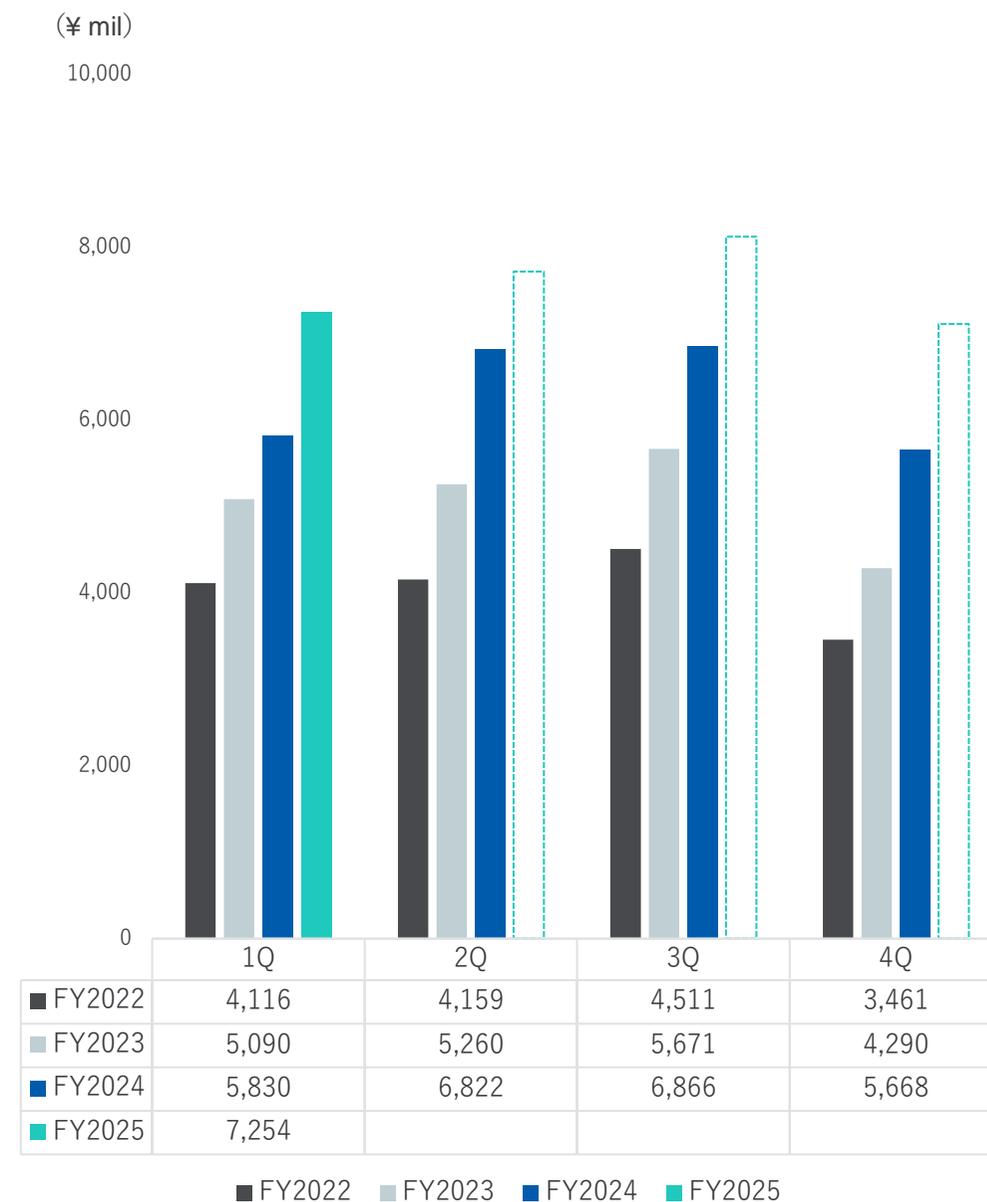
* Figures from FY2018 are based on IFRS standards. For figures before FY ending September 2017 are based on J-GAAP standards. As such, total assets refers to assets, equity refers to net assets and total equity attributable to owners of parent to total assets refers to equity ratio, return on total assets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

4.2 Consolidated Revenue and Operating Profit (Quarterly)

Consol. revenue



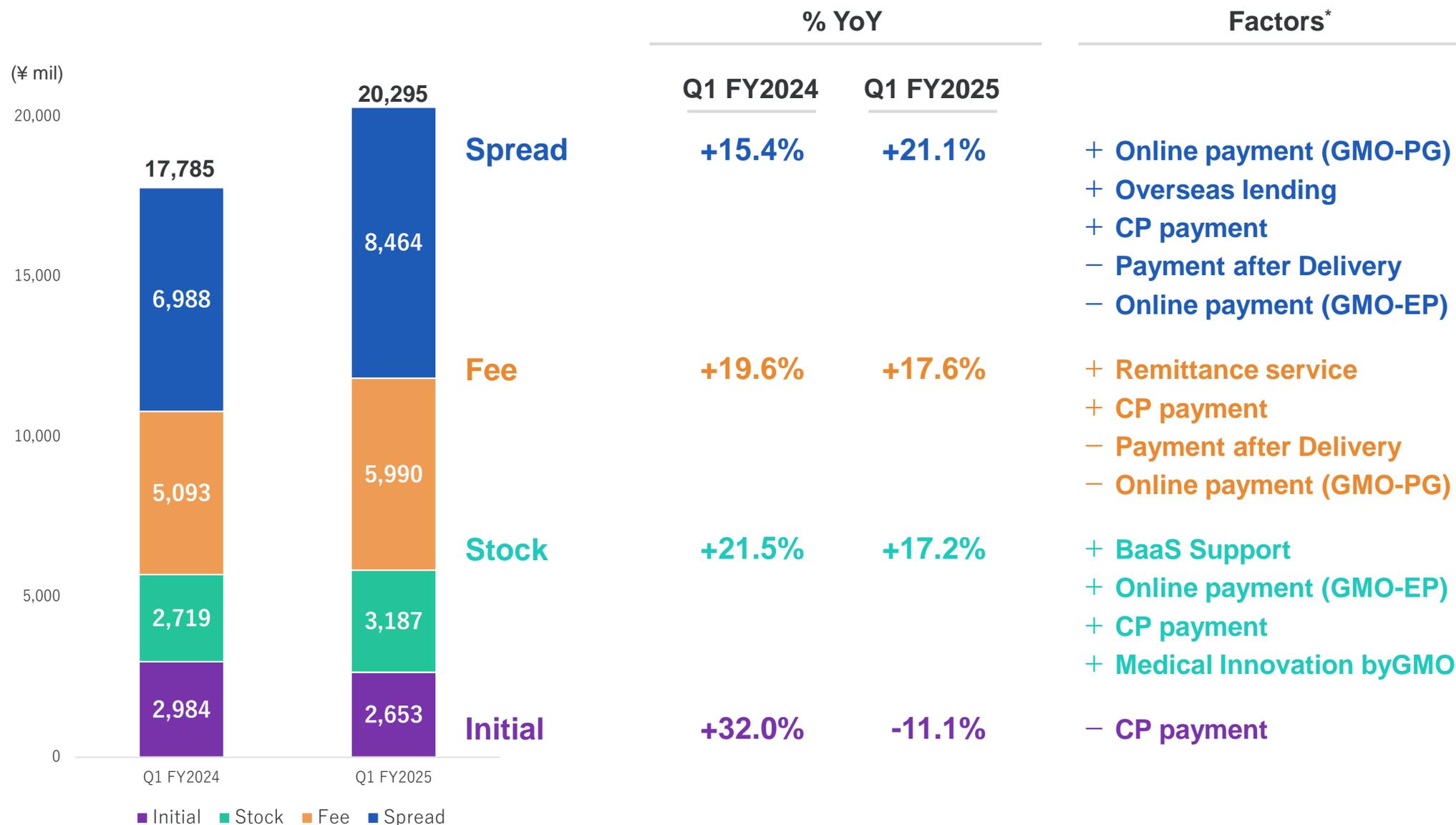
Consol. operating profit



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

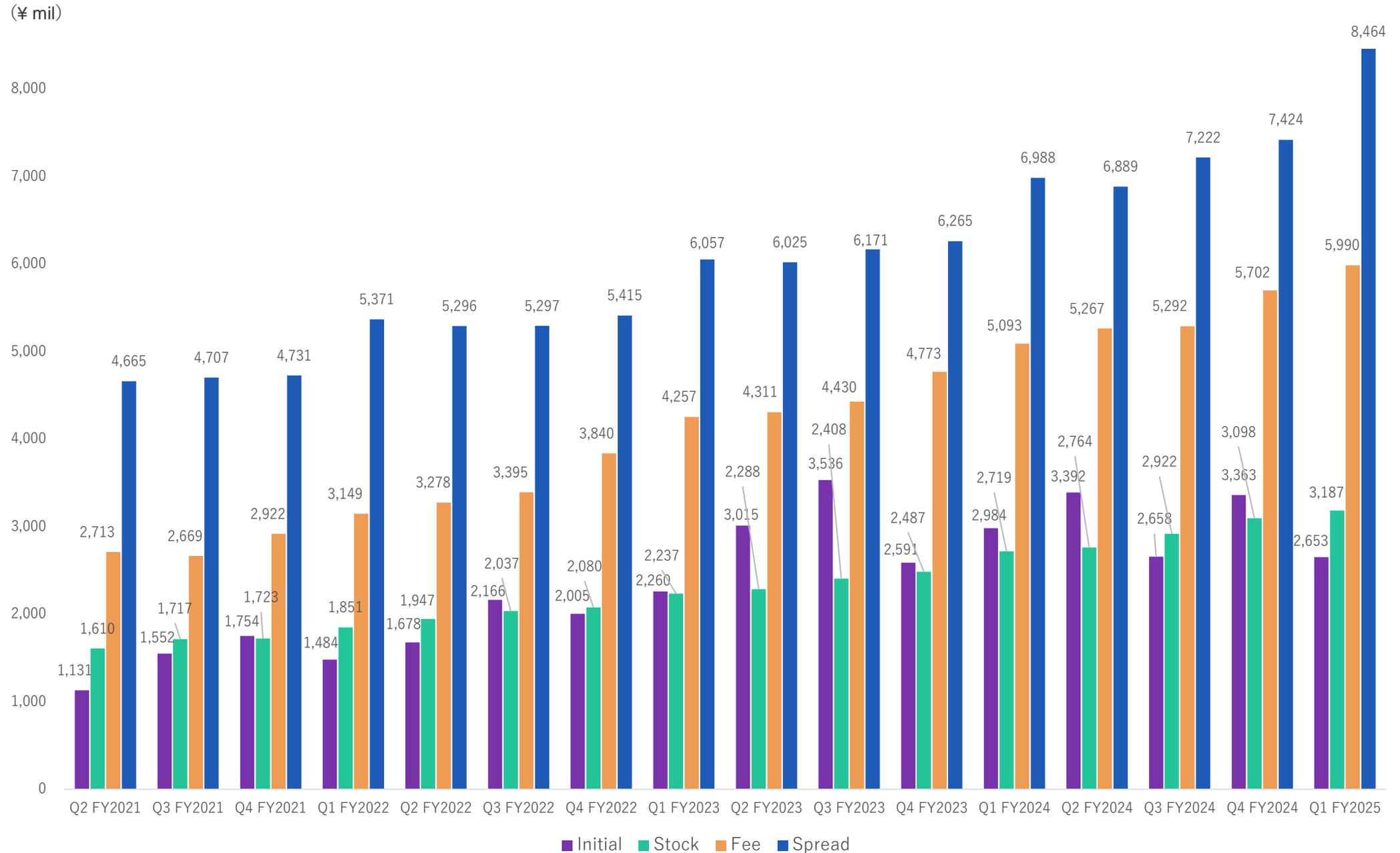
4.3.1 Revenue by Business Model (YoY)

Initial declined from high base effect, spread growth improved to 21.1%



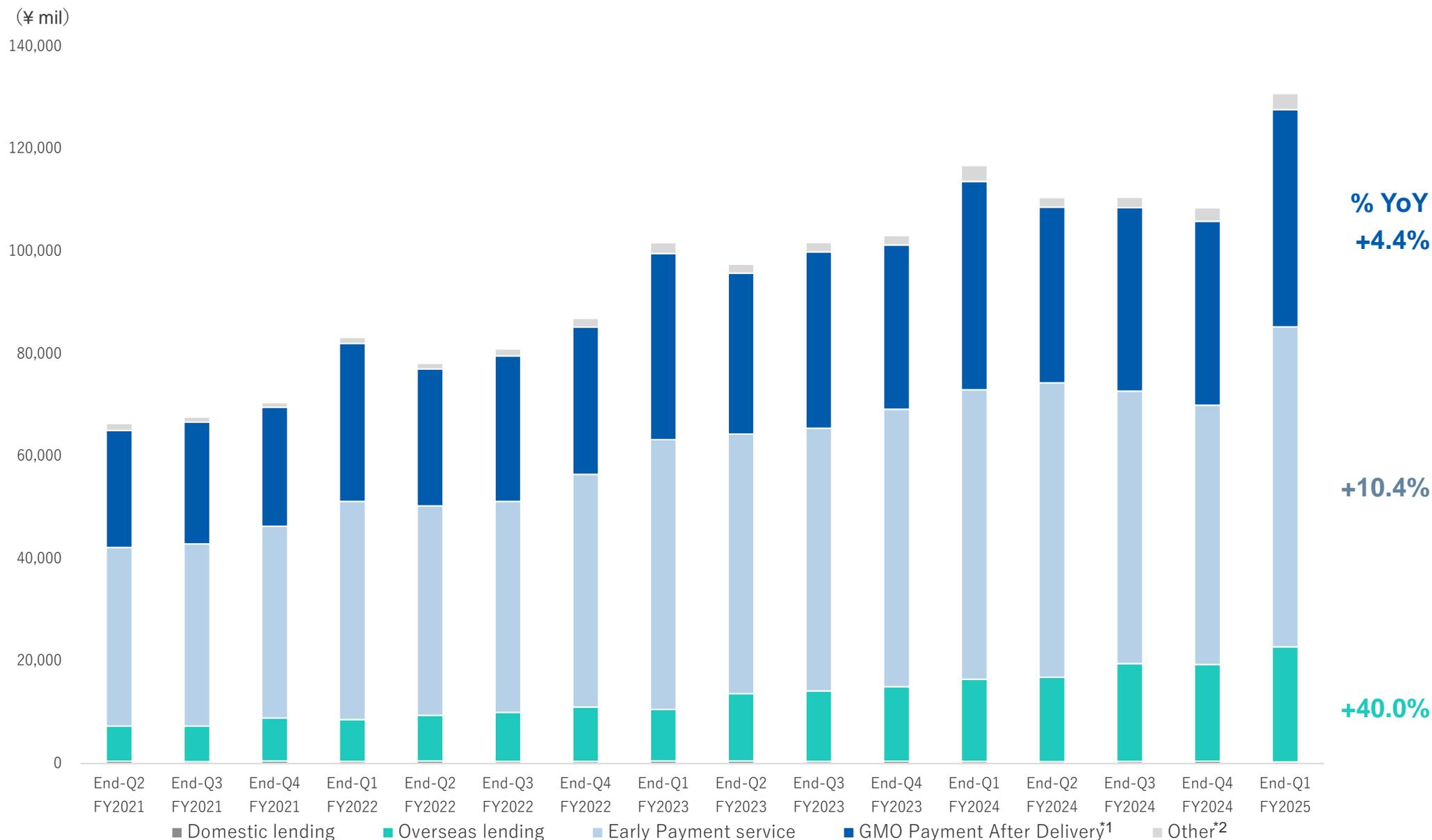
* The "+" signs indicate services with growth rates that are higher than 14.1%; the "-" indicates growth rates that are lower.

4.3.2 Consolidated Revenue by Business Model (Quarterly)



4.4.1 FinTech Related Asset (Quarterly Trend)

FinTech related asset

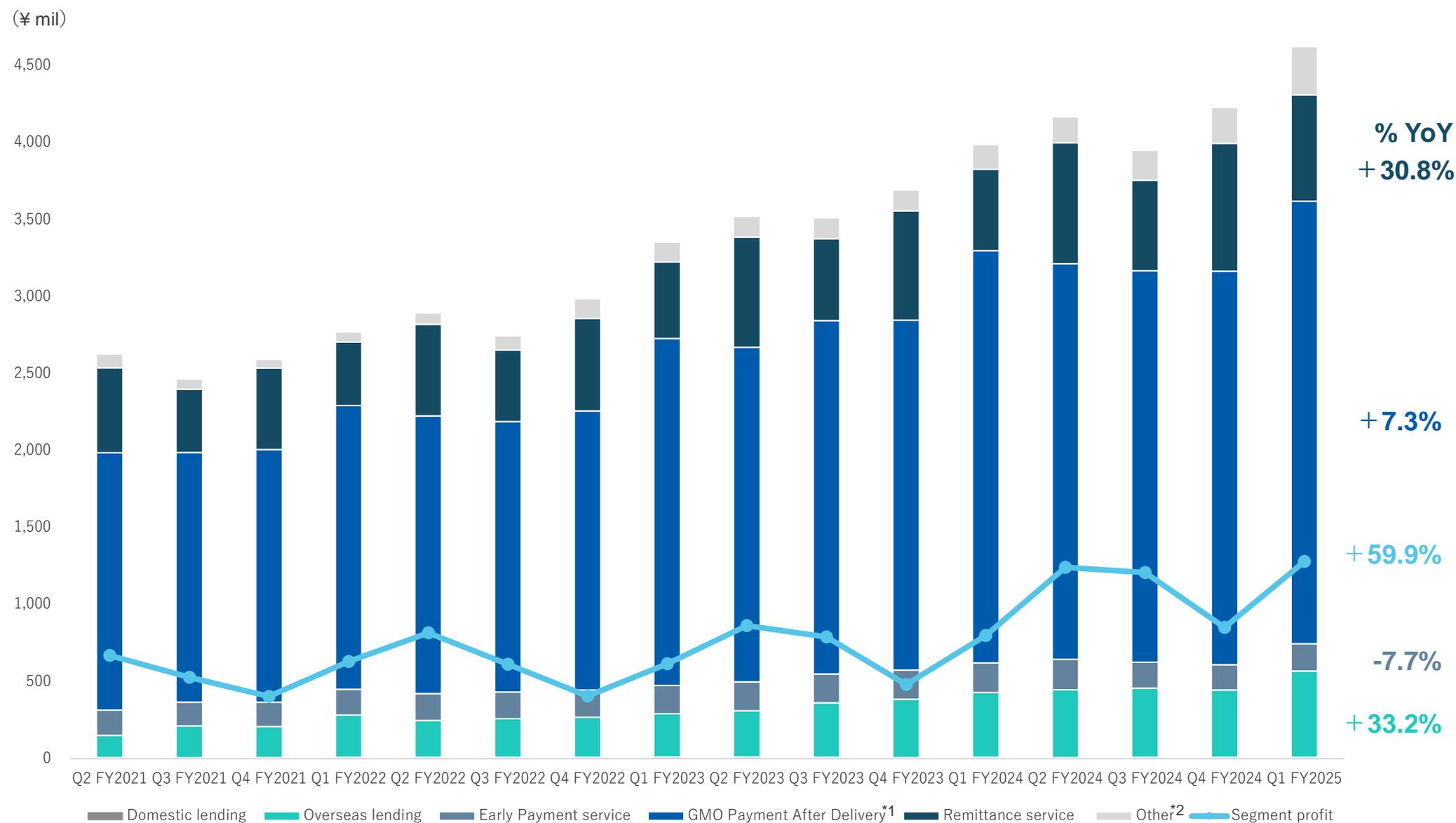


*1 The figures for GMO Payment After Delivery related assets (accrued revenue) are after deduction of provisions for doubtful accounts.

*2 The figures for "Other" is the sum total of B2B factoring, finance lease, Condo Pay and Instant Salary byGMO.

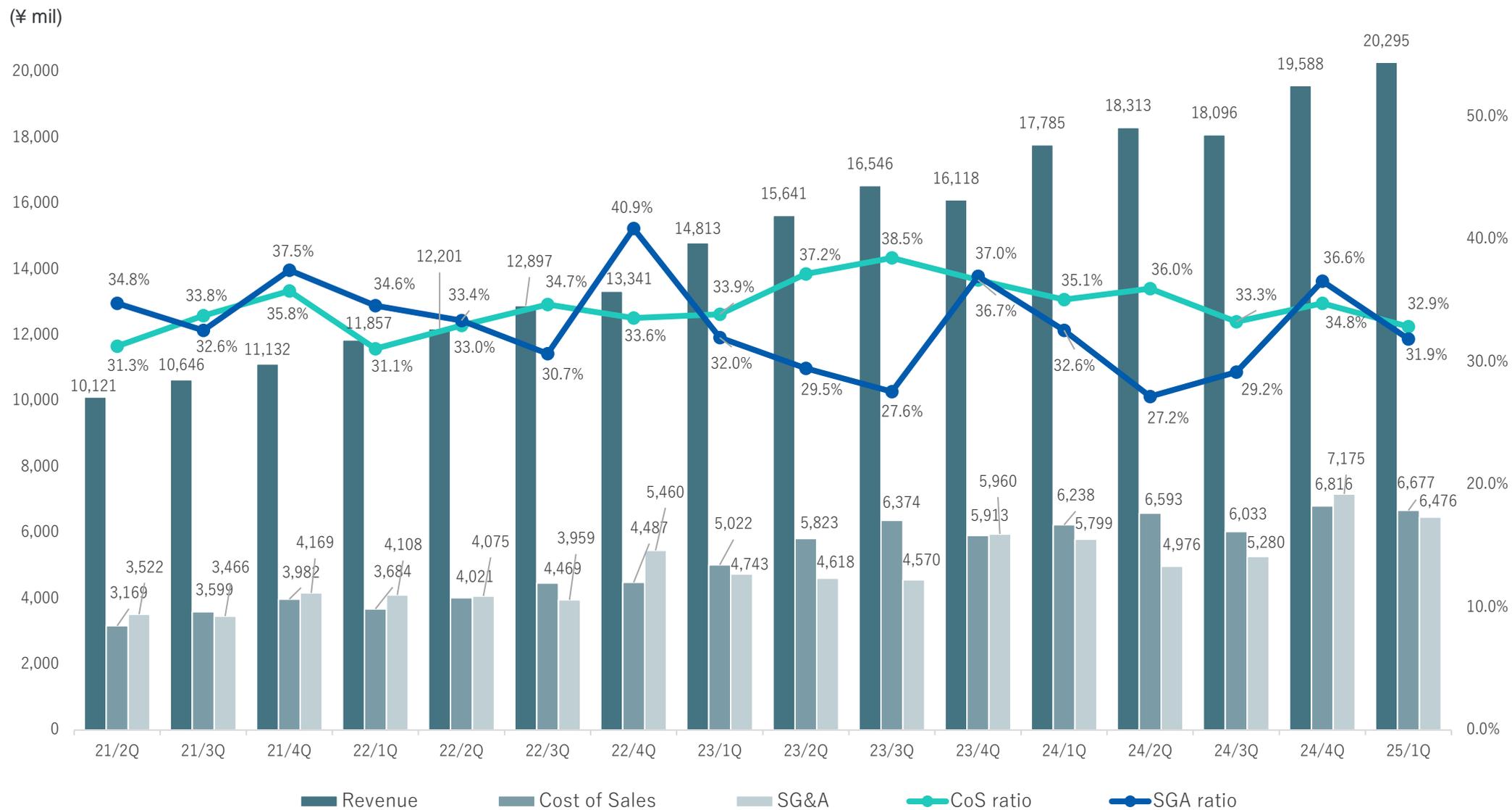
4.4.2 FinTech Revenue and Profits (Quarterly Trend)

FinTech revenues and profit



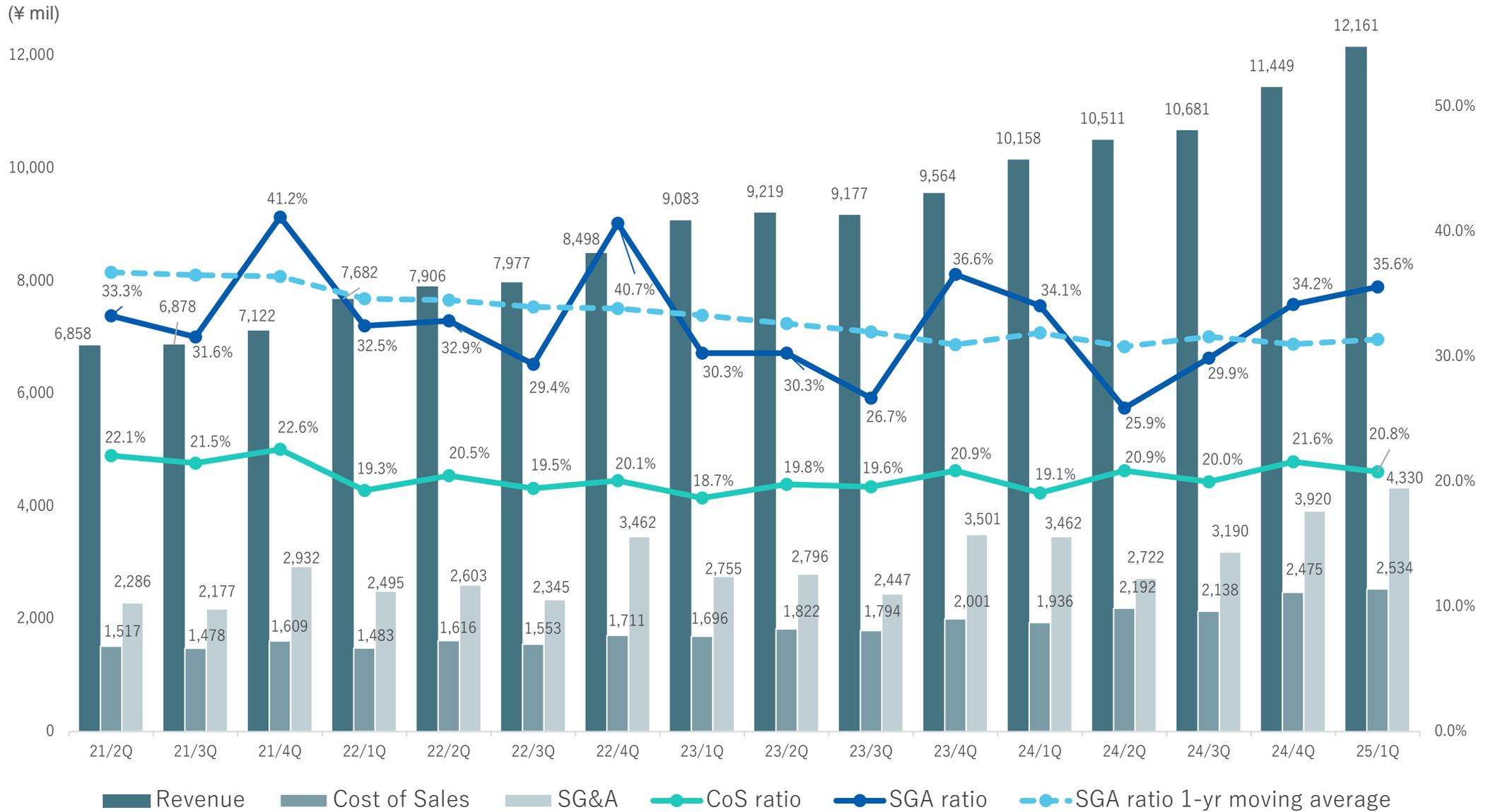
4.5.1 Consolidated CoS and SG&A Ratio (Quarterly Trend)

Cost of sales ratio fluctuates depending on revenue mix



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

CoS ratio trending stably for online payment business



* Figures presented are before consolidated eliminations.

4.6.1 Operating Stores, TRX Volume and Value

Consol. TRX value reaches approx. ¥19.8 trn for the past 12 months

	Operating Stores ^{*1} /IDs ^{*2}	TRX Volume ^{*2*3}		TRX Value ^{*2}	
	End-Q1 FY2025	Q1 FY2025	Past 12-mnth	Q1 FY2025	Past 12-mnth
Consolidated	-	2.10 bn	7.74 bn	¥5.5 trn	¥19.8 trn
% YoY	-	+19.2%	+18.9%	+24.6%	+25.6%
Online	160,350 stores	1.78 bn	6.65 bn	¥3.4 trn	¥12.6 trn
% YoY	+5.8%	+15.3%	+14.2%	+17.9%	+15.7%
CP^{*2}	393,379 IDs	0.31 bn	1.08 bn	¥2.1 trn	¥7.2 trn
% YoY	+20.6%	+47.0%	+59.1%	+37.3%	+47.1%

Proportion of representative contracts in online TRX value^{*4} : Approx. 40%

*1 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 723,395 (up 19.3% YoY).

*2 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).

*3 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.

*4 Annual average is shown in 5% increments.

4.6.2 Distribution of Major Sectors (Q1 FY2025)

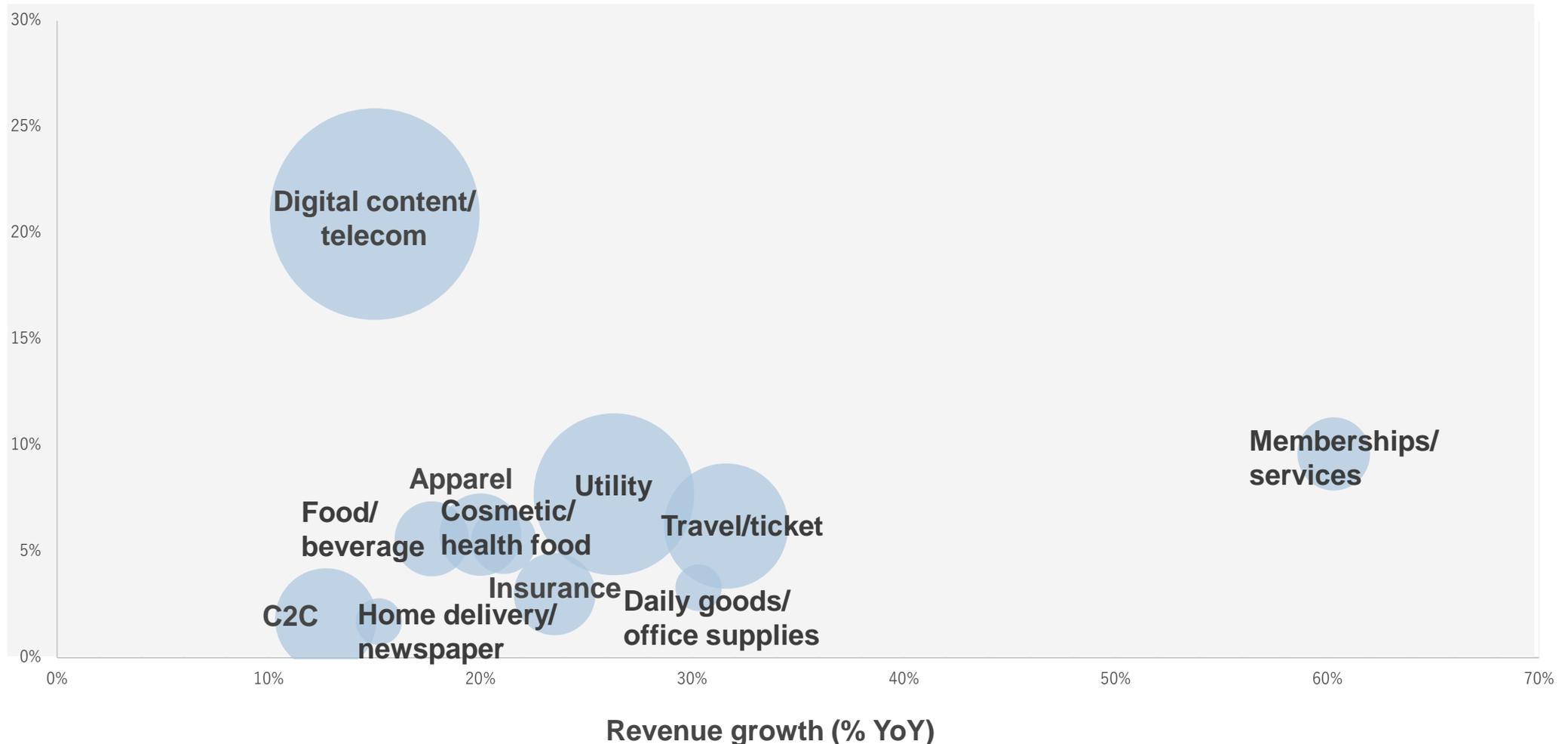
Balance both stability and growth through sector diversification

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

Revenue proportion

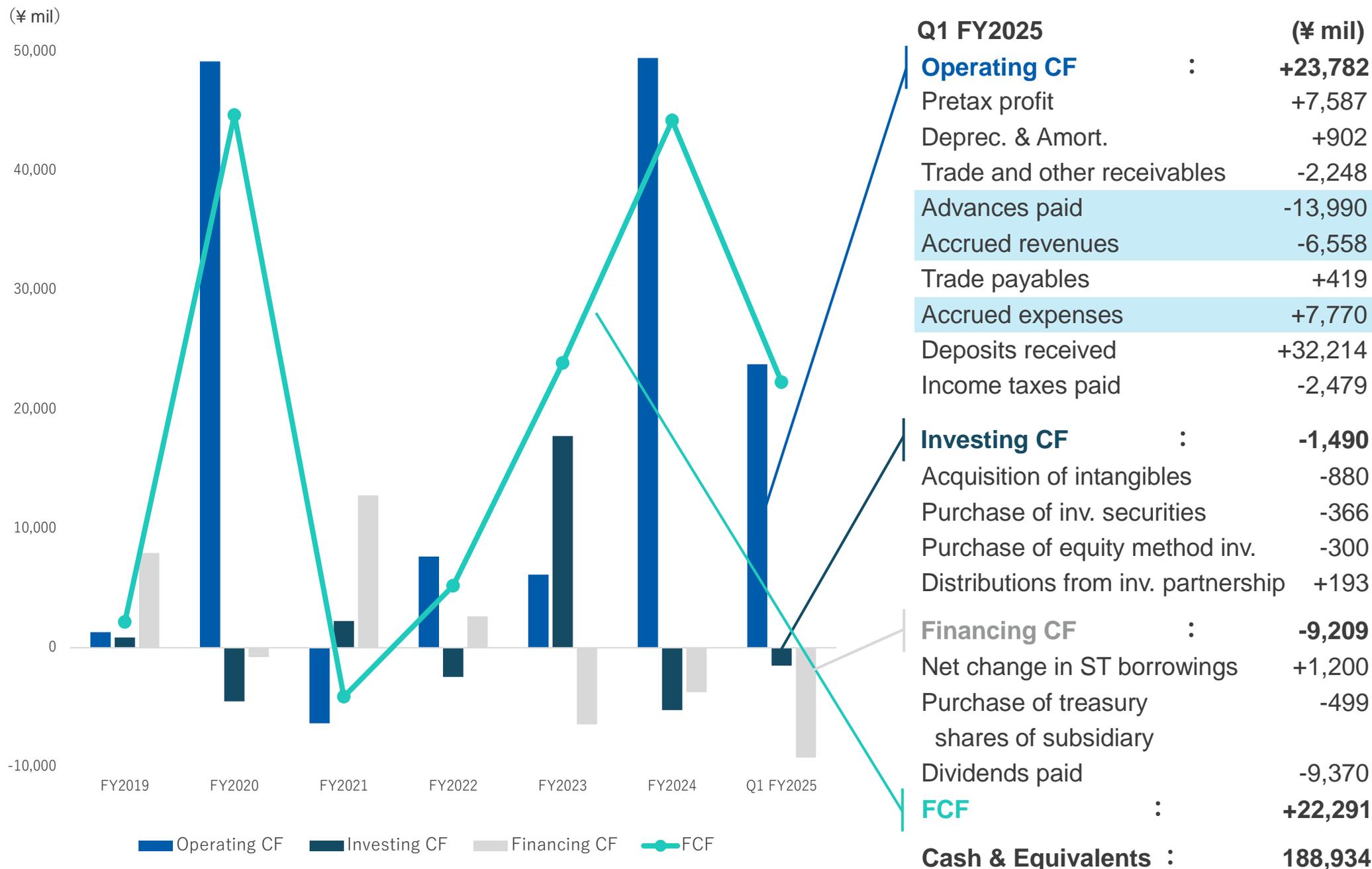
(Based on actual figures for Q1 FY2025)

The size of the circle represents the TRX value



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

4.7.1 Consolidated Cash Flow Statement (Cumulative)



* FCF is calculated as the sum-total of Operating CF and Investing CF. Only major items of the cash flow statement are shown on this page.

4.7.2 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 

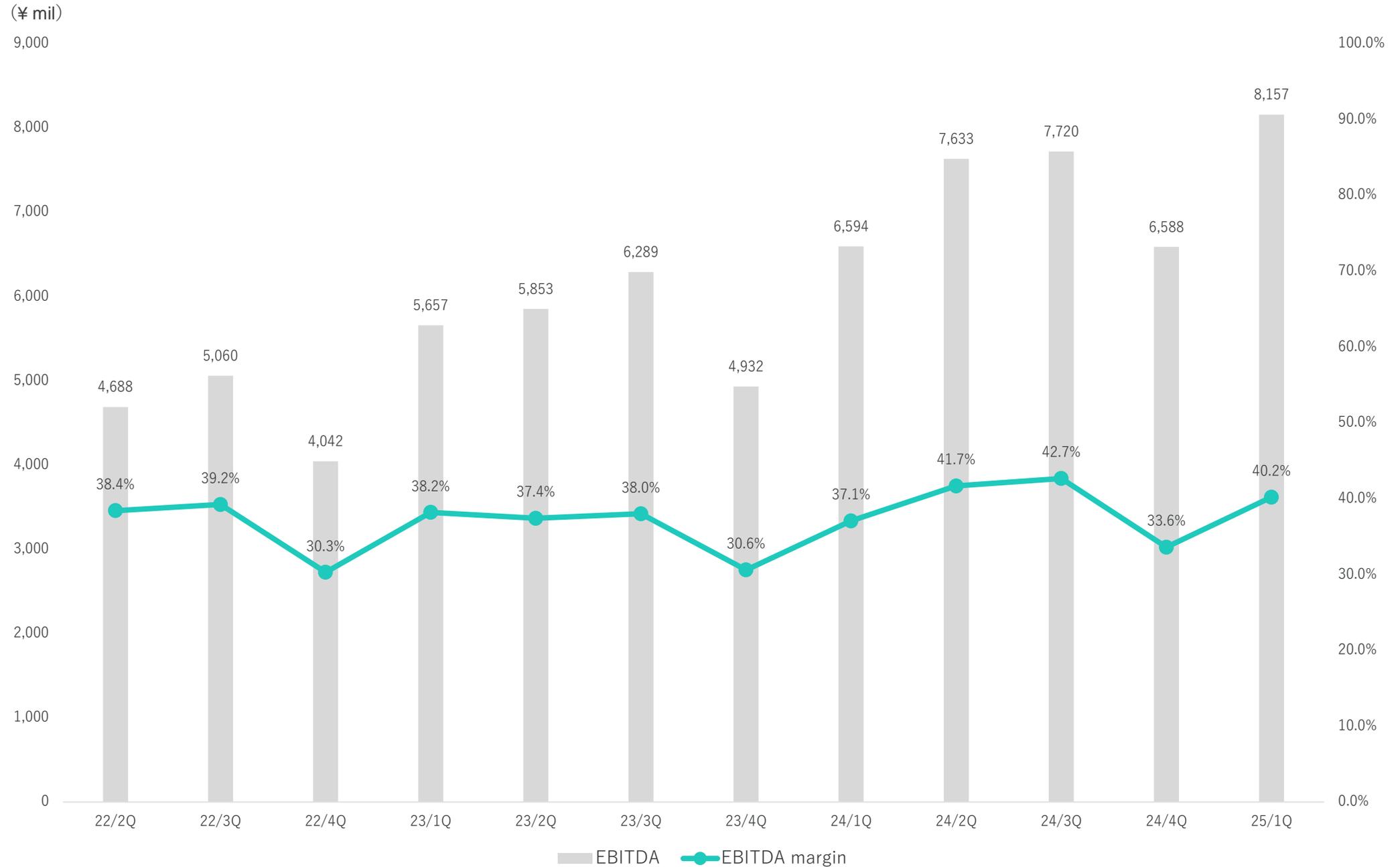
Operating CF 

Accrued expense
(liability)

Liability 

Operating CF 

4.8 Consolidated EBITDA* and EBITDA Margin (Quarterly)



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

Thank You Very Much

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

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