

GMO Financial Gate IR Introduction

GMO Financial Gate, Inc.
(Ticker: 4051, TSE-Prime)

GMO FINANCIAL GATE

<https://gmo-fg.com/>

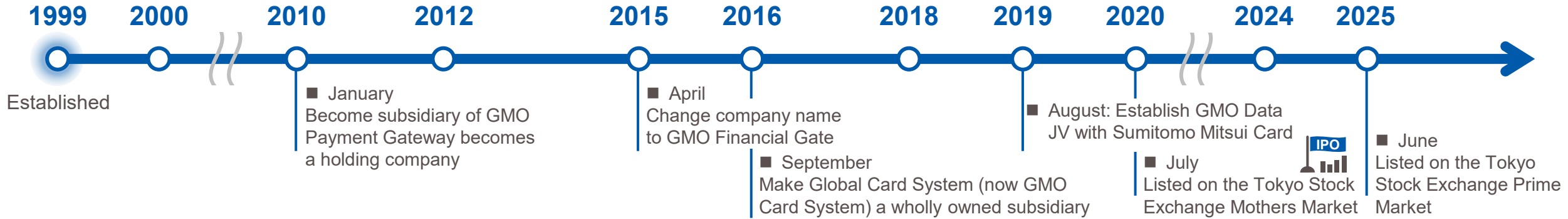
Revolutionizing in payment changing Society No.1 Cashless platformer

We will create a better society by making the "payment" more convenient and easier for customers in all types of industries and businesses, and by integrating it into their businesses - We support them and aim to be the No. 1 cashless platform provider



History

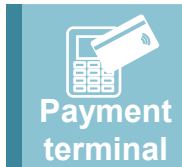
Joined the GMO Internet Group in 2010 and accelerated growth
IPOed in 2020, listed on the Tokyo Stock Exchange Prime in 2025



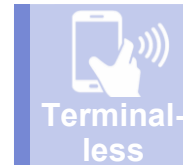
January 2000
Payment processing business



July 2012
Acquiring business (agent contract)



January 2016 Payment terminal
January 2018 IoT Terminals

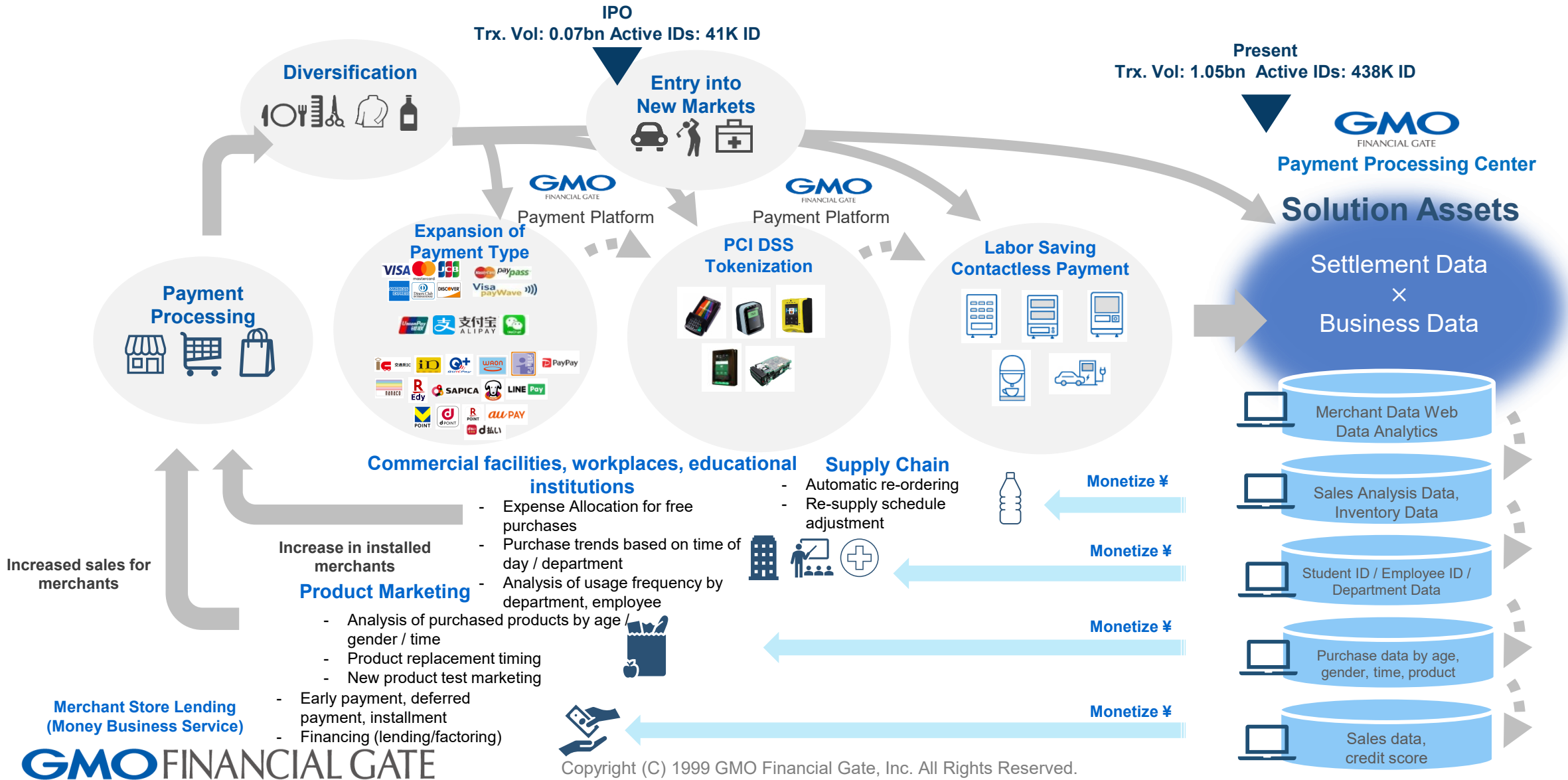


May 2024
Terminal-less



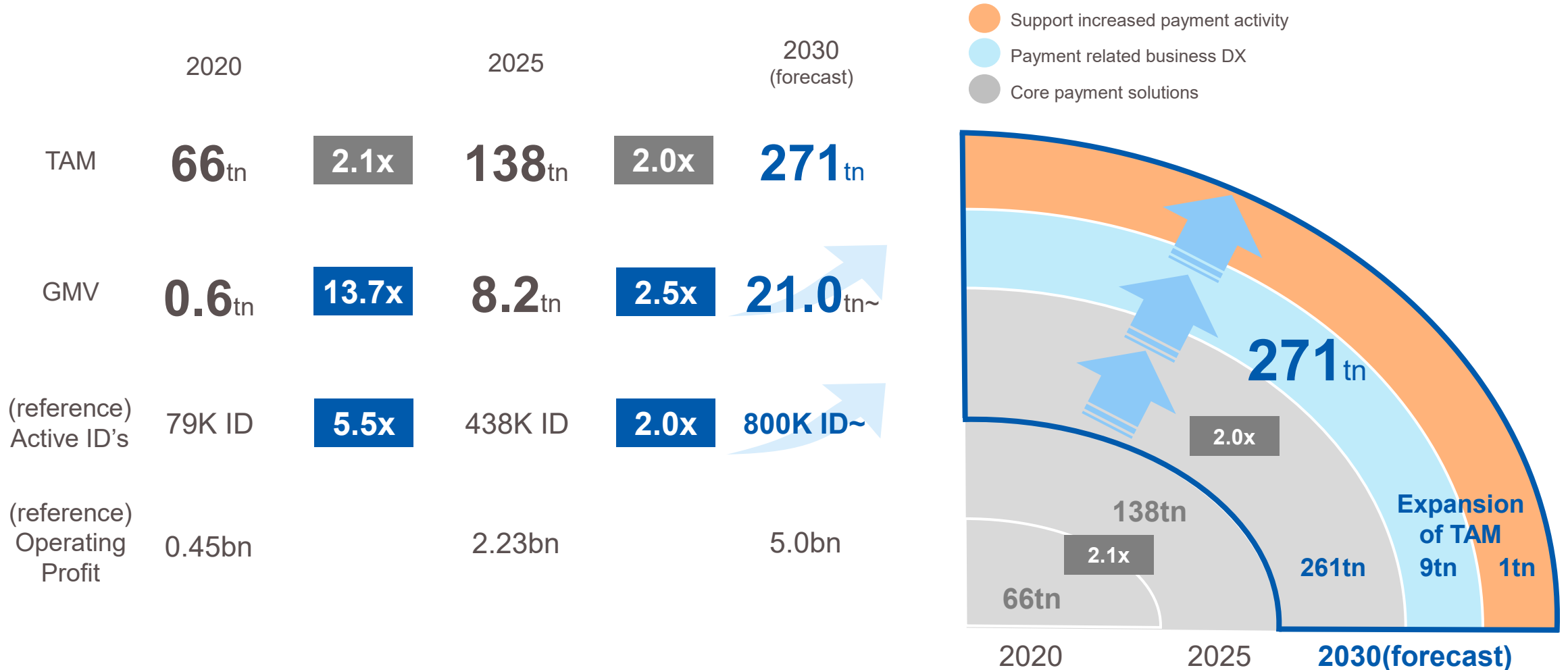
Cashless Ecosystem Vision (2019)

The cashless ecosystem vision explained at IPO is progressing as originally planned. Active IDs for all payment scenes are expanding - developing and expanding solutions assets with higher added value.



Expanding TAM for Profit Growth

After IPO, GMO-FG grew faster than core payment solutions market – will expand TAM to payment related business DX and support increased payment activity



Profit Roadmap

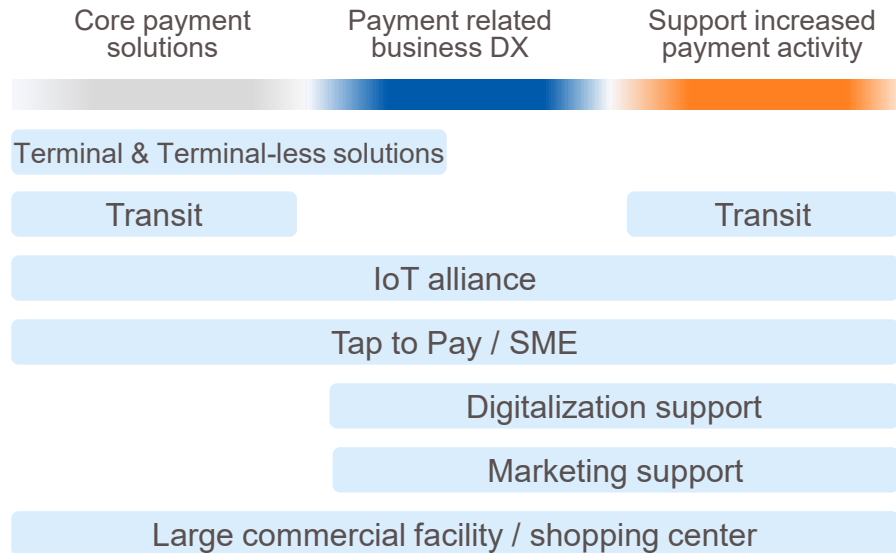
Promoting mid- to long-term measures to achieve operating profit of 10 billion yen by 2033

Strategy

Strategy

- 1 Acquire multi-industry/high-growth enterprises by launching next-generation multipayment terminals
- 2 Expand IoT payments by supporting contactless (tap) and unattended payments
- 3 Acquire large scale merchants through expansion of alliances with QR, points, etc.
- 4 Increase added value by strengthening processing center functions

Cashless 2.0

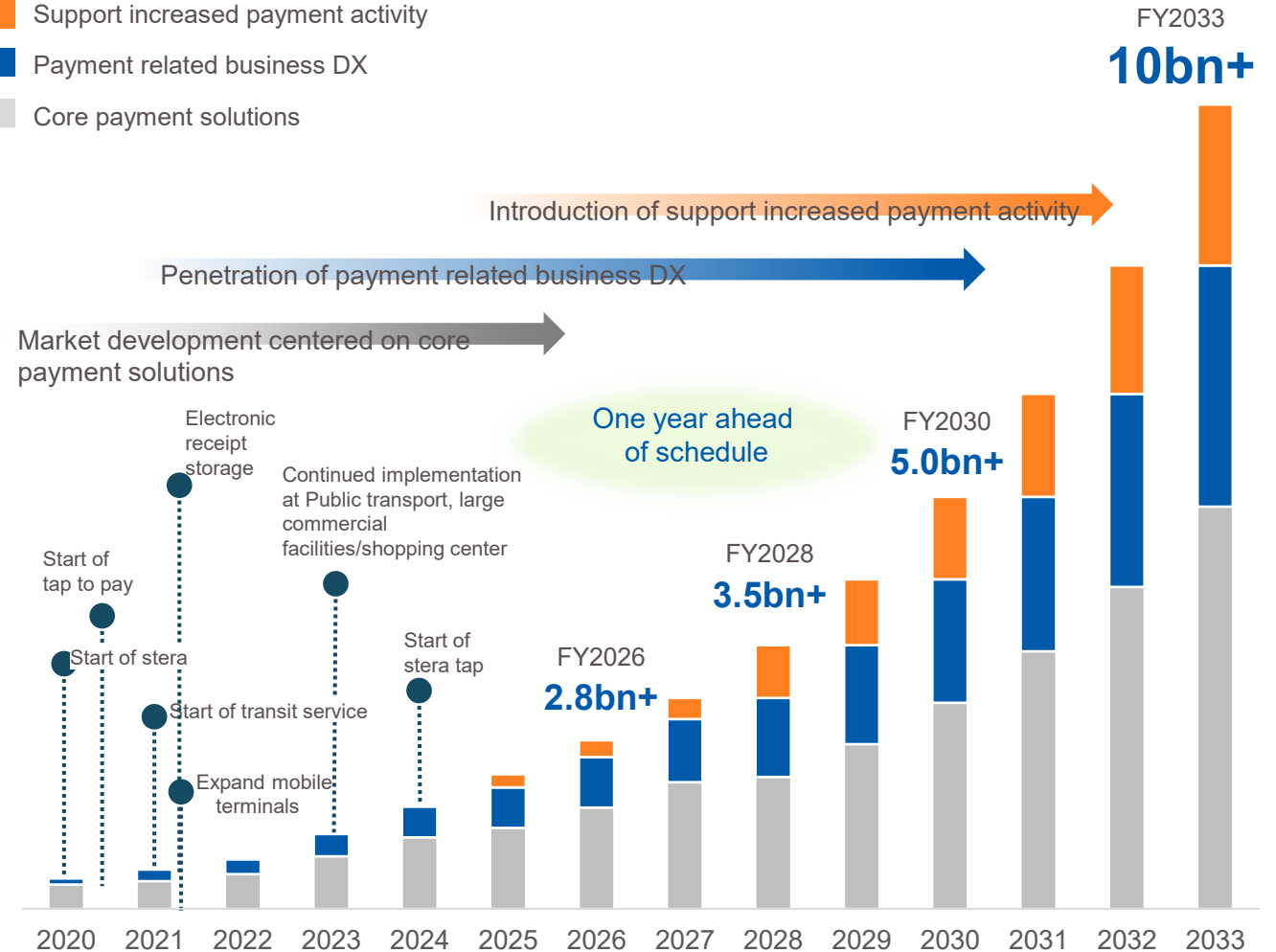


Mid to long term strategy

Operating Profit Growth Curve

Solution Assets

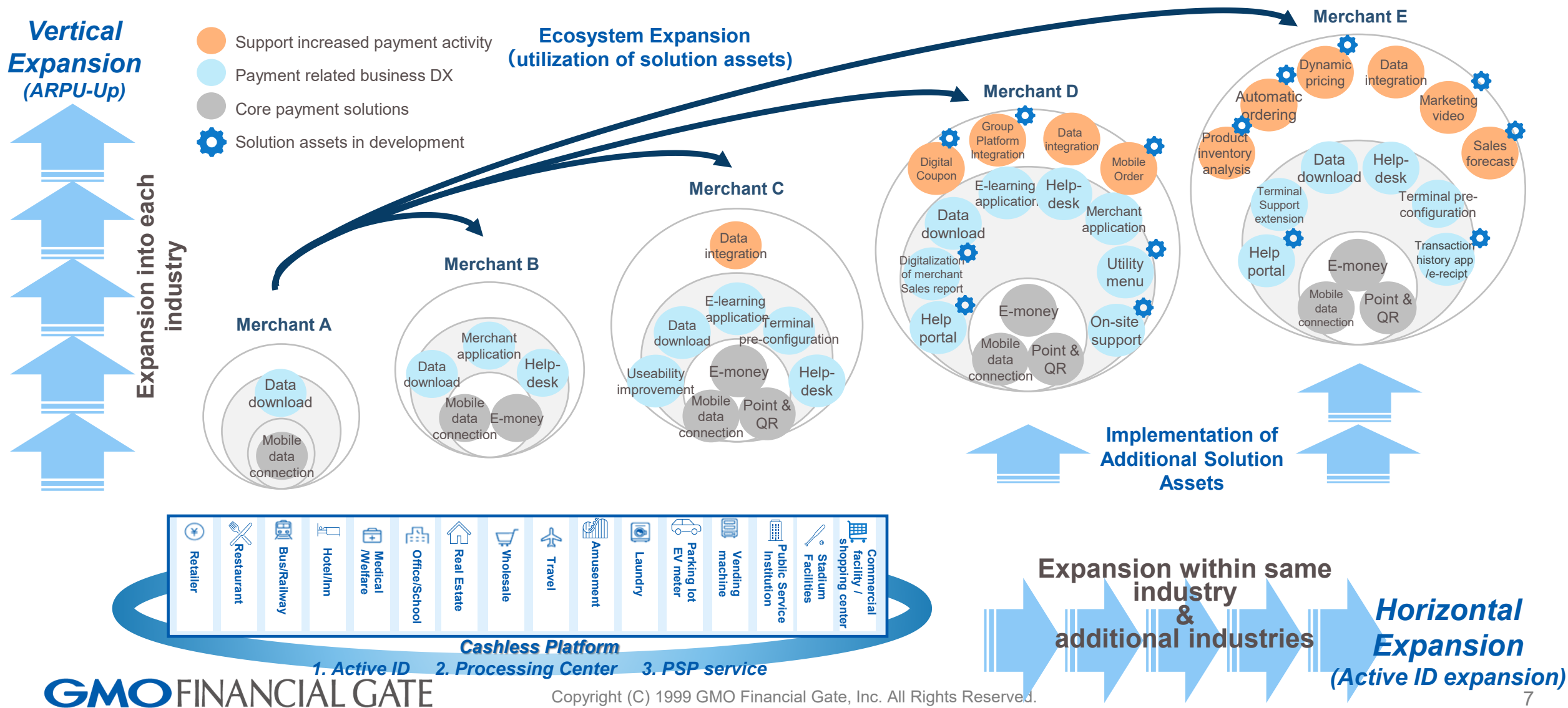
- Support increased payment activity (Orange)
- Payment related business DX (Blue)
- Core payment solutions (Grey)



Ecosystem Expansion

Horizontal : Core payment X solution assets contributes to YoY increase in Active IDs

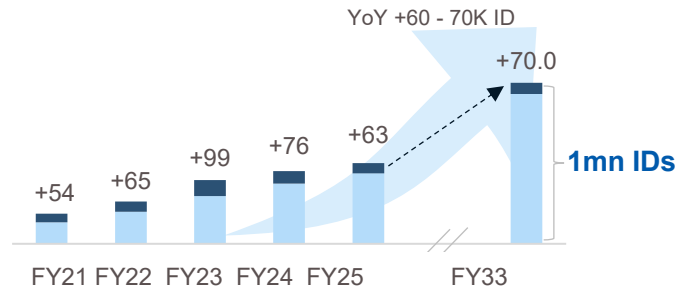
Vertical : "Payment related business DX" and "support increased payment activity" will increase ARPU



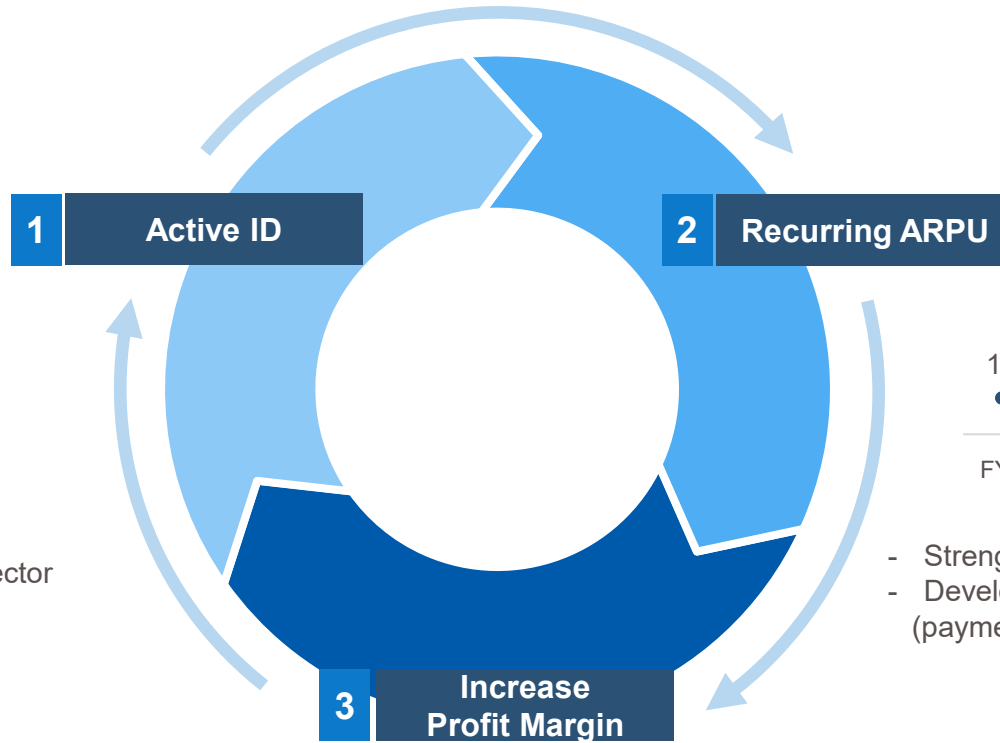
Profit Growth Cycle Based on Track Record

Continue to implement profit growth based on below three KPIs to achieve operating profit target

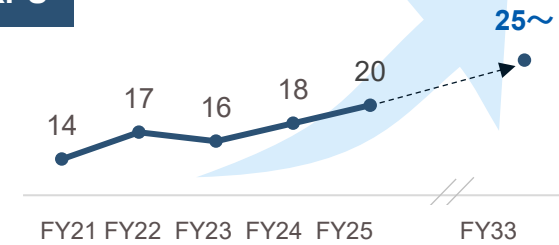
Achieve
1mn Active IDs
by FY33



- Continue acquiring new merchants
- Expand alliance with partners based on business sector
- Expand SME base trend

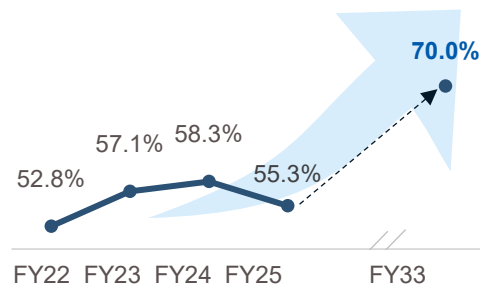


Increase
recurring ARPU to 25K JPY



- Strengthening per account plans for large merchants
- Development into payment-related businesses (payment related business DX, support increased payment activity)

Increase
recurring gross profit margin to 70%+



- Continue building common assets to increase business leverage using fixed costs
- Utilize AI for automation / greater efficiency in system development
- Manage profitability per ID

Investment Highlights

01 Status of GMO Financial Gate (consolidated) *1

Revenue

¥17.9bn

Operating Profit

¥2.2bn

Number of Active IDs

438K IDs

ARPU

¥20k

Number of Transactions

1bn

Transaction value

¥8.2tn

(*1) As of end of FY2025

Target KPIs

02



By 2033
Number of
Active IDs

1mn+

- ✓ **New alliance strategy:** Joint initiatives with Visa and Sumitomo Mitsui Card
- ✓ **IoT frontier:** Accelerating strategic expansion into untapped cashless markets

03



By 2033
ARPU
¥25K

- ✓ **Planned operation:** Smooth transition from listing to business expansion – working towards data monetization
- ✓ **Ecosystem:** Expanding solution asset offerings tailored to each industry segment
- ✓ **Value proposition:** Driving execution from requirements definition to delivery, with a management-first, needs-driven approach

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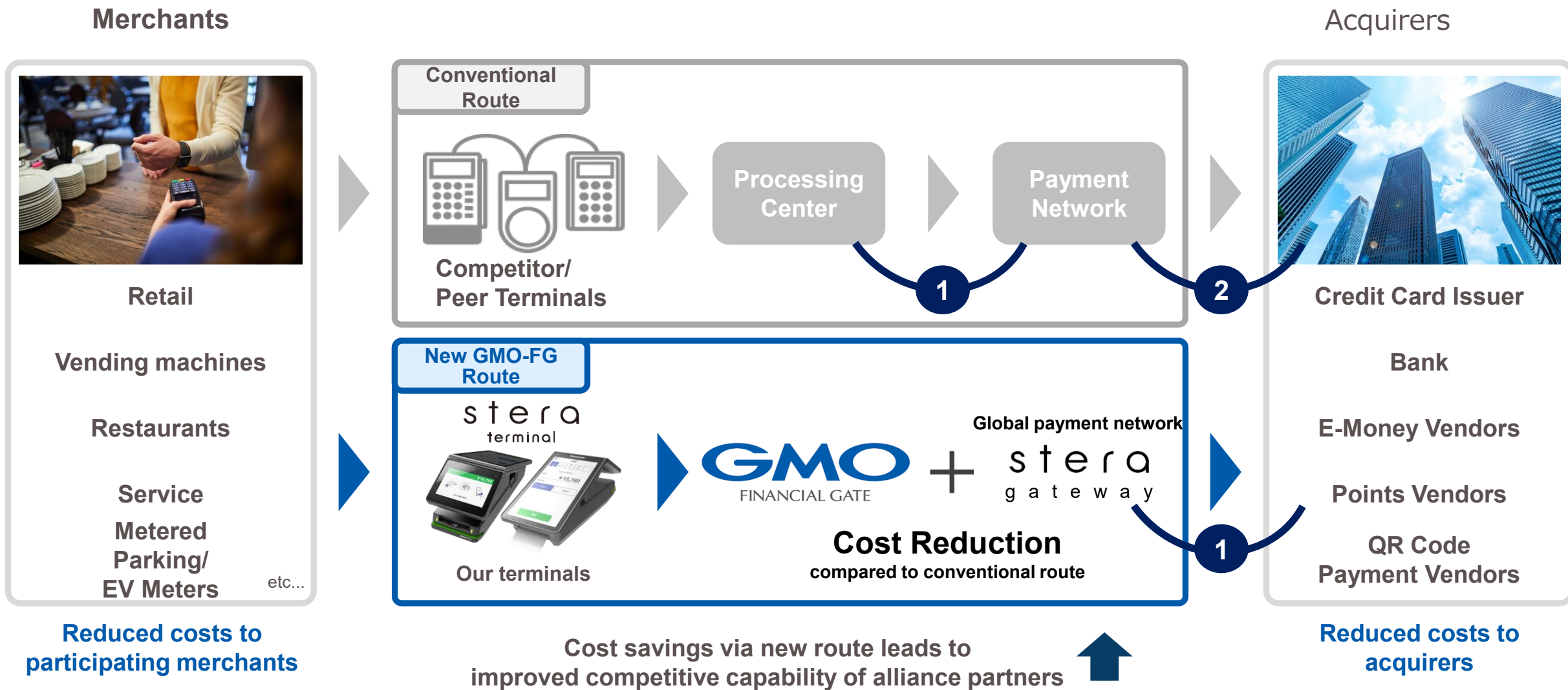
Three Biz Models Over a Single, One-Stop Platform

One-stop platform covering all settlement processes between merchants and acquirers



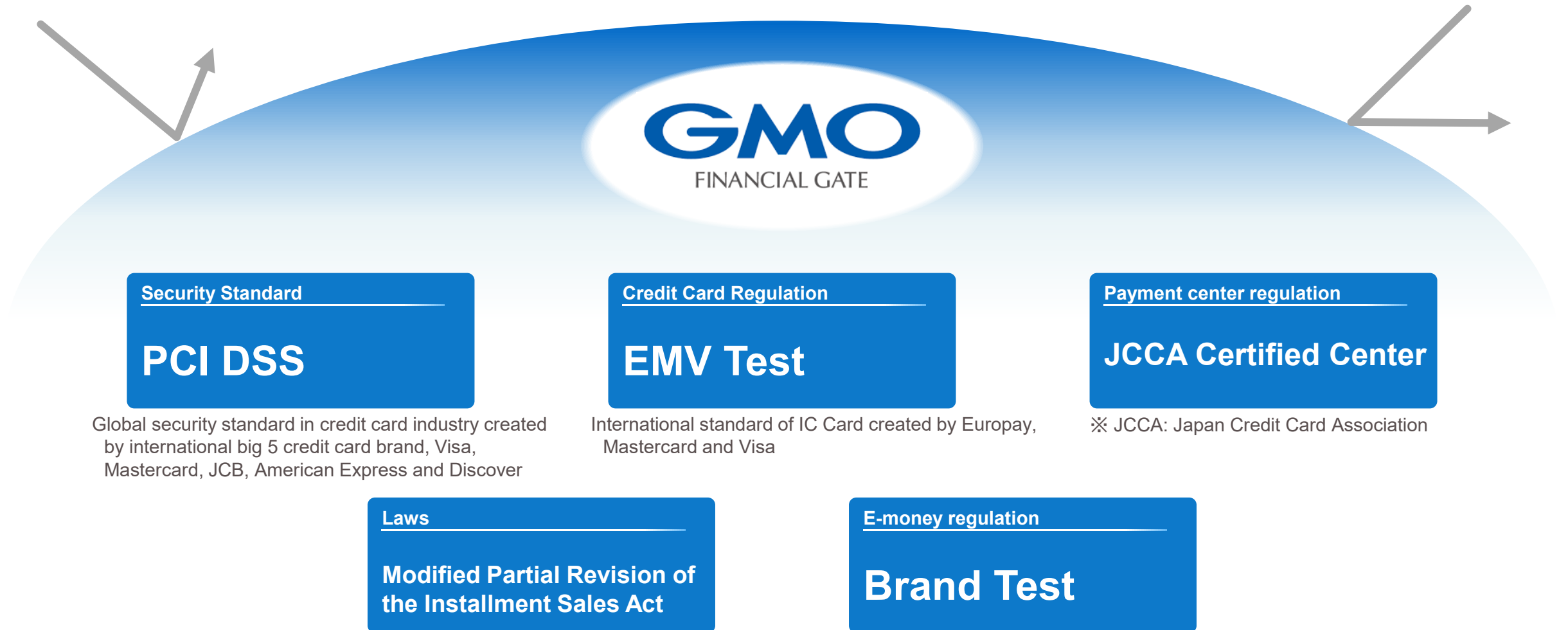
Strategy to Maximize Transaction Value

Created a new global standard payment route with alliance partners
 This route increases GMV, as the route reduces costs to participating merchants and acquirers



Barriers to Entry (Regulations to be Followed)

Many kinds of regulations exist in the face-to-face payment market depending on the payment method, and the number of regulations are increasing. As payment methods become more diversified, the barriers to entry become more challenging



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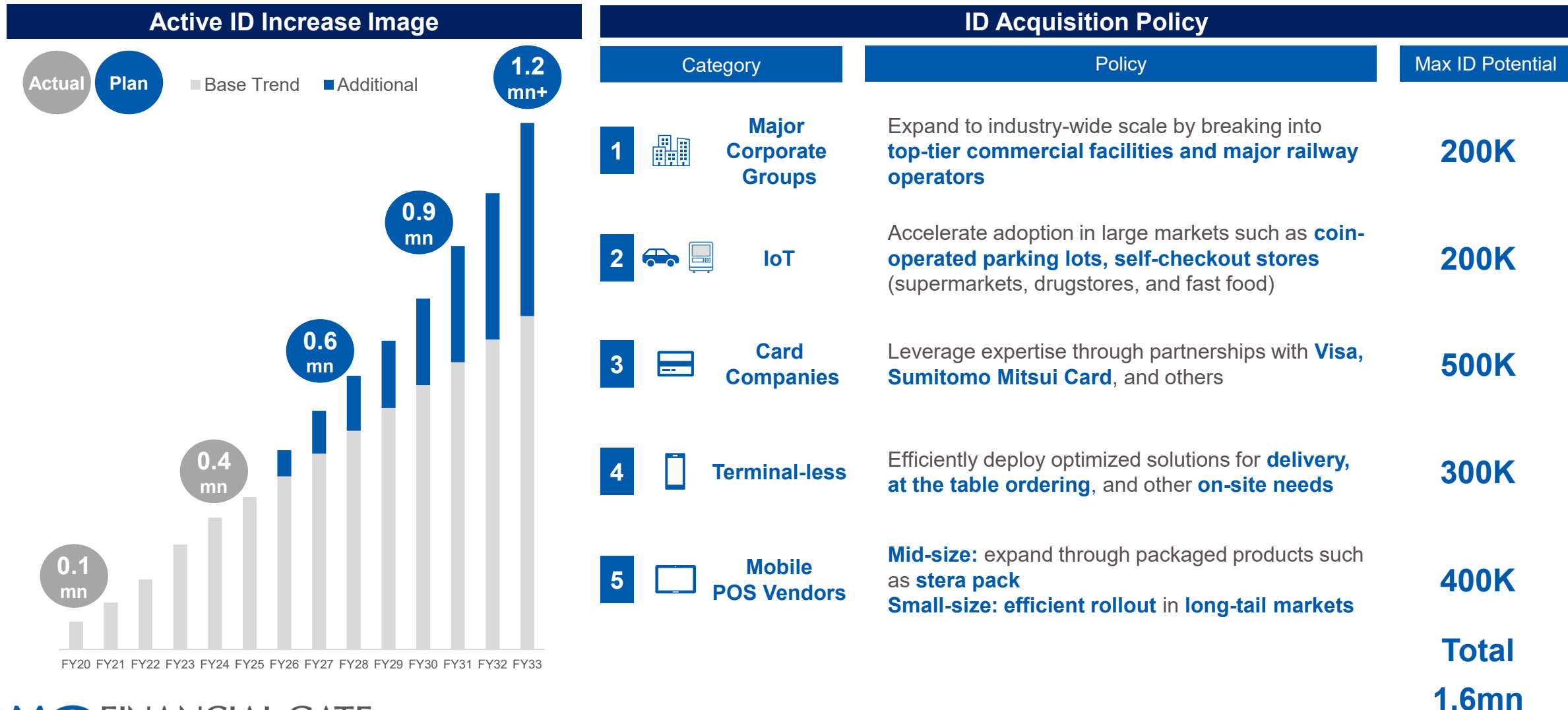


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Aim to increase Active ID's to 1.2mn by 2033

Accelerate Active ID acquisition through strategic approach for each category



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Win-Win Ecosystem Formation

Through payment related business DX and supporting increased payment activity, addressing the retail sector's challenges of standardization, labor-saving, and revenue expansion, while achieving mutual growth with our merchants

● Core payment solutions ● Payment related business DX ● Support increased payment activity

Supermarket

Household Goods

Large Commercial Facility

Ecosystem

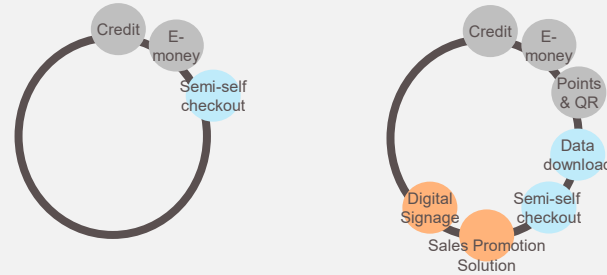
Pre-Implementation

Post-Implementation



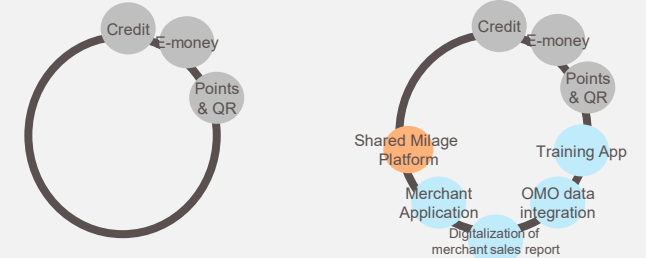
Pre-Implementation

Post-Implementation



Pre-Implementation

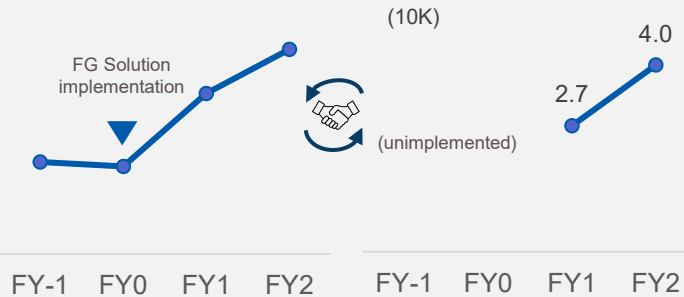
Post-Implementation



Pre/post-implementation effects

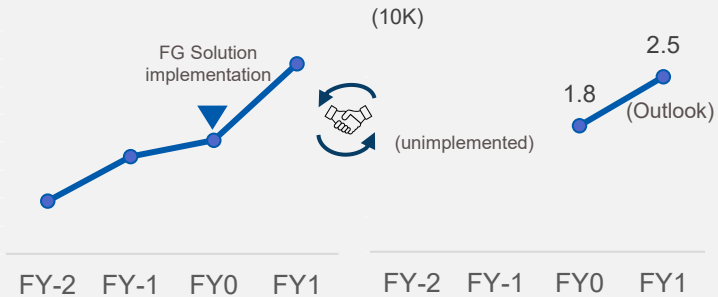
Merchant Revenue

FG ARPU



Merchant Revenue

FG ARPU



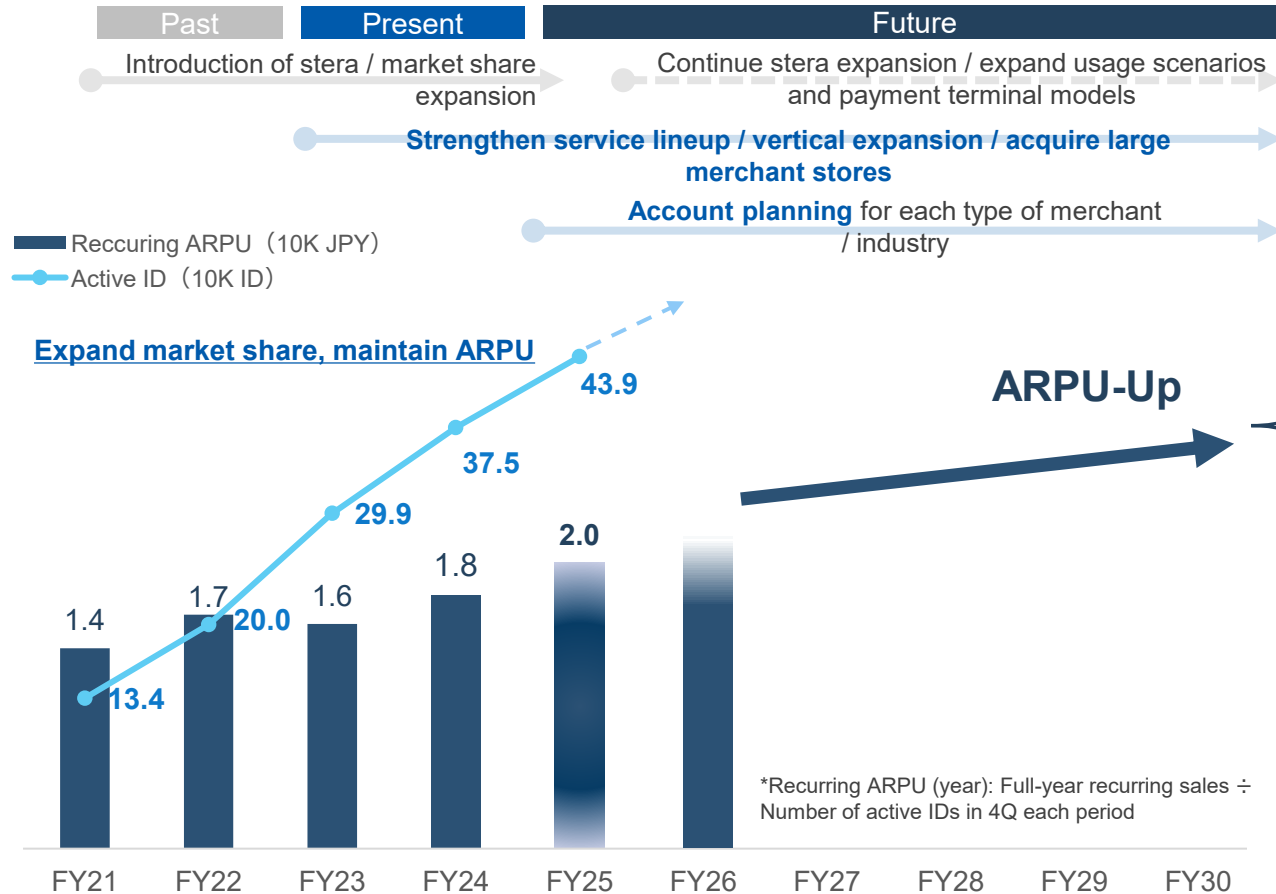
(planned launch this year)

Continue to increase in ARR for FY25. Will continue Vertical X Horizontal strategy for large corporate groups - will continue increasing ARPU beyond FY26

$$\text{ARR} = \text{Active IDs} \times \text{ARPU}$$

*ARR : Annual Recurring Revenue (yearly recurring model revenue)

Recurring ARPU per year trend*



*Recurring ARPU (year): Full-year recurring sales ÷ Number of active IDs in 4Q each period

ARPU improvement measures

Large Corporate Groups

ARPU-Up Recurring ARPU: Approx. **20-30K JPY**

- Aim to further increase active ID and improve ARPU with Horizontal × Vertical

SME

Maintain ARPU Recurring ARPU: Approx. **10-15K JPY**

- Expand subscription model based packaged product offering
- Target small to medium-sized merchants with highly active terminals

Approx. 2x Recurring ARPU

Addressing business challenges through a Cashless Platform and IT Talent Achieve high conversion rate

01



Walk through from concept and requirements

- Understand management issues
- Specify business and system requirements
- Support from before competitors receive RFP

02



Flexible response capability to win orders and implement

- Flexible response and refinement to requirements
- Embedding GMO-FG solutions

03



Advantageous position for additional proposals over competitors

- To-Be model release
- Additional proposals and expansion into other areas

GMO-FG's strengths



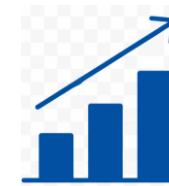
Cashless Platform

Platform connectable to diverse payments and services



Abundant IT Talent

Organizational capability from concept to development & deployment

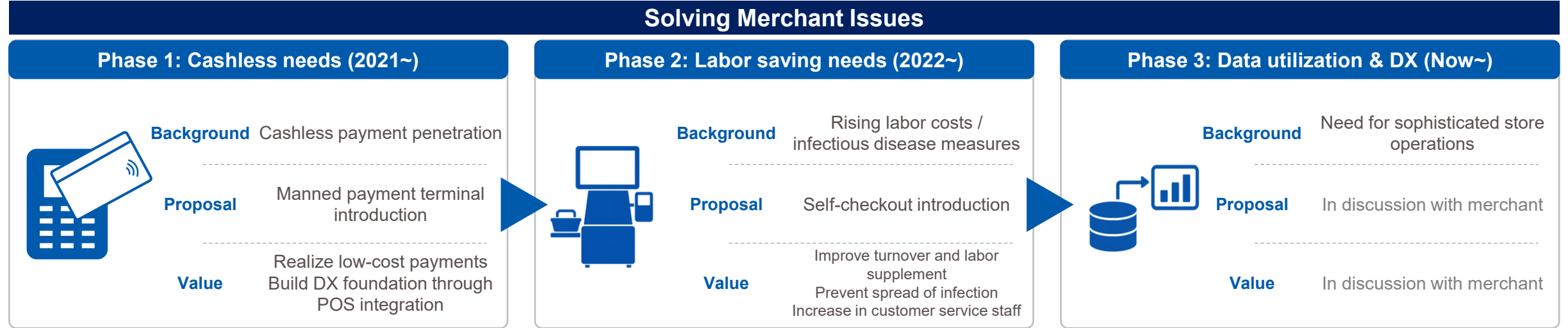


Expansion capability through continuous proposals

Customer cultivation capability leading to additional proposals & horizontal expansion

Value Proposition No.2 : Win-Win Ecosystem

Providing solution assets to solve merchant business issues
 Forming a win-win ecosystem where merchant sales and our ARPU grow together



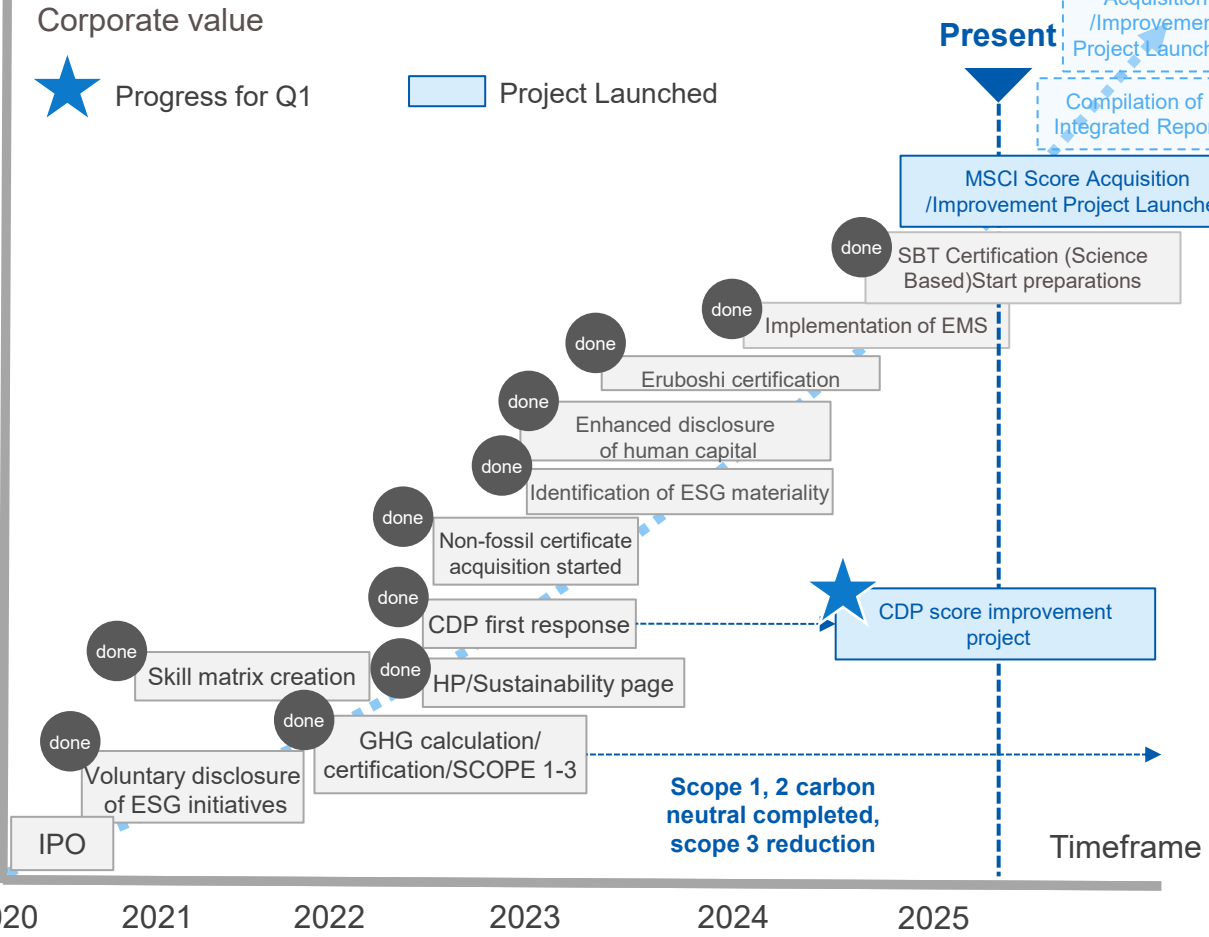
ESG Initiatives

Expanding ESG Initiatives

Steady progress is being made through SBTi certification and an improved CDP score (B to A-). We continue to promote actions toward the 2050 carbon neutrality goal.

ESG Initiative Roadmap

To Do's



Continue CDP score improvement project

- Achieved our first "A-" rating for Climate Change. Targeting the top "A" rating, moving beyond simple maintenance of our current status.

MSCI promotes Sustainalytics score acquisition and improvement project

- Aiming for future index inclusion, continuously improving based on feedback from ESG rating agencies (MSCI, Sustainalytics)

Continued operation of EMS*1

- Visualize and reduce our company's environmental impact
- Aim to improve the scores of each ESG rating agency.

*1 : An abbreviation for Environmental Management System. The purpose of this system is to create a system that allows companies to set and demonstrate their own environmental policies and goals in order to independently promote environmental conservation efforts in their management.

ESG / Materiality / Achieving CDP Score A-

Achieved our first CDP "A-" score, recognizing our commitment to sustainability.

ESG Materiality

		Materiality	Contribution to SDGs
Social Responsibility	1	Infrastructure & Security Provide safe and secure face-to-face cashless payment infrastructure	11 住み続けられるまちづくりを
	2	Decarbonization & Environment Provide environmentally friendly payment terminals	7 エネルギーをみんなにそしてクリーンに 12 つくもの責任 13 気候変動に具体的な対策を 17 パートナーシップで目標を達成しよう
	3	Business Innovation Incorporate technological advancements	8 働きがいも経済成長も 9 産業と技術革新の基盤をつくろう
Senior Management	4	Human Resources Human Rights Secure highly specialized human resources and strengthen investment in their training	3 すべての人に健康と福祉を 5 ジェンダー平等を實現しよう
	5	Governance Establish a fair and equitable governance structure	16 平和と公正をすべての人に

CDP Score: A- earned

What is CDP

Non-government organization for global warming countermeasures. Sends out a questionnaire to leading companies around the world on topics such as greenhouse gas emissions, business risks and opportunities due to climate change, and evaluates companies' responses to climate change issues based on their responses. Ratings are given in 8 stages: A, A-, B, B-, C, C-, D, D- (B rating is third from the top)

CDP Score



- An "A-" score is considered **Leadership Level**, indicating that the company has been recognized for implementing best practices in environmental issues.
- While the averages for our industry, the Asia region, and the world overall remained at "C," we successfully stepped up from our previous "B" rating to achieve our first "A-" score.
- We will continue to strive for further enhancement of our disclosures and aim to achieve the highest "A" score.



- The "Supplier Engagement Leader" designation indicates that the company has received the **highest rating** for its outstanding efforts in engaging the entire supply chain to address climate change.
- We were selected for the "Leader Board," a distinction reserved for the top few percent of responding companies, following high evaluations in four key areas: Governance, Targets, Scope 3 (Supply Chain Emissions), and Value Chain Engagement.
- We will continue to deepen our collaboration with suppliers to drive decarbonization and reduce environmental impact throughout the entire supply chain.

Sustainability / Topics

Obtained SBTi validation for a 55% reduction in CO₂ emissions by 2030 compared with 2021, as well as for a 2050 net-zero target.

What is SBTi?

SBTi (Science Based Targets initiative): An international organization that promotes the establishment of science-based targets for climate action.

Only 90 companies* in Japan have received SBTi validation for their 2050 net-zero targets.

*As of August 2025, based on our analysis.

Achieved 'Net-Zero' Validation
for 2050 GHG Targets



Approved Targets

		Short-term Target (FY2030 Target)	Long-term Target (FY2050 Target)
Scope1 Scope2	Achieve and continuously maintain net-zero GHG emissions through FY2030.	Achieve net-zero GHG emissions by FY2050.	
	Reduce GHG emissions per newly activated payment terminal by 55% by FY2030, compared with FY2021 levels.		
Scope1 Scope2	Achieve and continuously maintain net-zero GHG emissions through FY2030.	Achieve net-zero GHG emissions by FY2050.	
	Reduce GHG emissions per newly activated payment terminal by 55% by FY2030, compared with FY2021 levels.		

The certification scope covers the entire GMO-PG and GMO-FG Groups.

- Scope 1: Direct GHG emissions from our operations.
- Scope 2: Indirect emissions from purchased electricity and heat.
- Scope 3: Other indirect emissions across the supply chain. At this stage, Scope 3 mainly includes Category 1 (Purchased Goods and Services) and Category 11 (Use of Sold Products), excluding waste and fuel use.
- Operational Net Zero : Scope 1 and 2 emissions are reduced to near zero through measures such as renewable energy certificates.
- Net Zero: Total Scope 1, 2, and 3 emissions are reduced by over 90%, with remaining emissions neutralized.

ESG Initiatives / Environment

In the provision of our payment platform, we promote business operations that consider environmental impact. Working to reduce CO₂ emissions related to our business

Specific Efforts

- **Recycled paper is used for receipts (paper rolls)** used at each payment terminal.
- **Provide electronic storage services** for sales slips to reduce the number of receipts (paper rolls)
- **Use of environmentally friendly materials** for payment terminal components
- **Reuse of payment terminals returned by merchants** as replacement terminals (refurbished terminals) in the event of malfunctions, etc.
- **Established Supply Chain Promotion Department to strengthen supply chain management** of payment terminals, paper rolls, etc.
- **Boosting engagement** with suppliers to improve the accuracy of CO₂ emission measurements.

Environment Related Data

Our Supply Chain

upstream		GMO-FG		downstream	
SCOPE 3		SCOPE 1	SCOPE 2	SCOPE 3	
Procurement, Manufacturing and Distribution		Fuel Combustion	Electricity use	Use and disposal	
payment terminal	Sales of roll paper	-	Office, Settlement Centers	Payment Terminal Use	Payment terminal Disposal

Supply chain CO ₂ emissions	FY2022	FY2023	FY2024	FY2025
SCOPE 1 (t-CO ₂)	0	0	0	0
SCOPE 2 (t-CO ₂)	105	0	0	To be announced as soon as calculated
SCOPE 3 (t-CO ₂)	13,927	19,501	17,616	"
Electricity consumption for SCOPE 1 and 2 (kwh)	231,210	200,949	206,963	"

* The subject companies are GMO Financial Gate, GMO Card Systems, and GMO Data, a consolidated group of companies.

* Data for SCOPE 1~3 will be verified by a third-party verification organization in the future.

* Effectively 100% renewable energy by using renewable energy corresponding to the amount of electricity used in SCOPE2.

* SCOPE3 (Categories 1-11, upstream and downstream) are available on our Sustainability page (ESG-related data).

<https://gmo-fg.com/en/sustainability/esg-data/index.html>

ESG Initiatives / Social

Aiming for sustainable growth by hiring excellent human resources and enhancing various systems that contribute to improving the capabilities of all partners* in order to create corporate value and solve social issues

*Employees are referred to as partners

Initiatives

- **Human Resource Development and Welfare System**
 - **Career design system** : System to provide advice and support on career development
 - **360-degree multidimensional evaluation system** : A system that allows partners to evaluate their supervisors without a name.
 - **Countermeasures to the falling birthrate** : Financial benefits and special exceptions for work at various stages of marriage, childcare, etc.
- **Work-style reform**
 - Promote a telework work system that takes into consideration the safety of executives and employees
 - Promotion of maternity and paternity leave
 - Encouraging shorter working hours for childcare
 - Providing post-retirement reemployment opportunities
 - Providing an hourly annual leave system, etc.
- **Employment of the Disabled**
 - Inclusivity of diverse employees, creating a better workplace

Social Related Data

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of Partners*	102	124	148	161	148
(Breakdown) Number of employee partners	81	96	108	123	123
(Breakdown) Number of temporary partners	21	28	40	38	25
Percentage of women among employee partners	29.8%	22.8%	32.4%	29.8%	30.8%
Percentage of women in management partners	10.5%	14.3%	13.6%	11.5%	4.7%
Average years of service	3.7y	3.6y	3.8y	3.7y	3.9y
Average age	39.9	40.9	42.7	39.9	39.7
Turnover rate	10.2%	9.5%	4.6%	6.5%	11.1%
Training hours per person	—	—	13.6 h	40.9 h	29.2 h

*Number of partners" covers the consolidated corporate group GMO Financial Gate, GMO Card Systems, and GMO Data.

*Number of partners" is the total number of regular employees, rehired employees, contract employees, and seconded employees (excluding employees seconded from our group to outside the group, but including employees seconded from outside the group to our group) .

*Number of temporary partners" is the average total number of part-timers and temporary employees during the past year.

* Figures for "Ratio of women among employee partners" and "Ratio of women among management partners" are for "employee partners."

* Average years of service, average age, and turnover rate are non-consolidated figures for GMO Financial Gate.

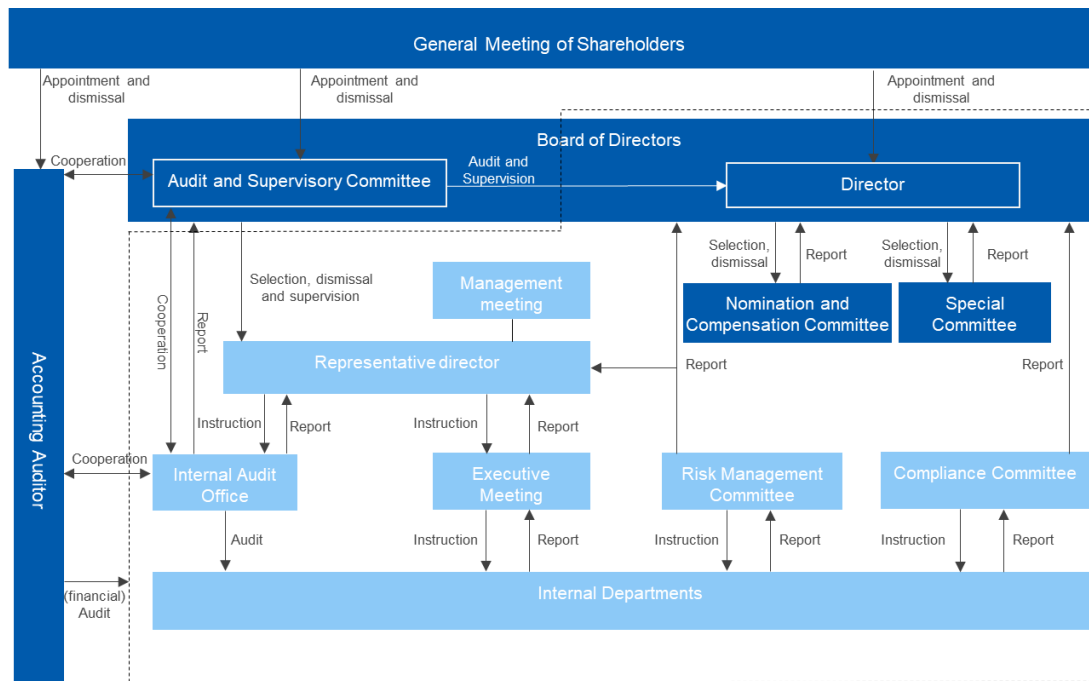
* From the fiscal year ending September 2023, contracted and dispatched partners will be excluded from the calculation of the turnover rate.

ESG Initiatives / Governance

Focus on enhancing corporate governance by establishing a decision-making structure that responds quickly and appropriately to changes in the business environment, a fair, transparent, and efficient business execution structure

Specific Efforts

- **Transition to a company with an audit and supervisory committee** : External directors account for more than 1/3 of the Board of Directors, eliminating decision-making that would create a conflict of interest with shareholders.
- **Establishment of a special committee** : Strengthen the governance of the board of directors and protect the interests of minority shareholders



■ Organizations/conferences that include external parties
 ■ Organizations/conferences composed of internal stakeholders

Governance Related Data

Outside Directors/Female Directors		FY2025
Number of directors		9
Number of independent outside directors (%)		4 (44.4%)
Number of female directors (%)		1 (11.1%)

*Number and percentage of directors in office as of December 31, 2024.

Attendance rate at Board of Directors Meetings (FY2025)

Times Held	Held/ Percentage	Sugiyama	Aoyama	Fukuda	Tamai	Koide	Shimamura	Asayama	Nagasawa	Ozawa
		President and Representative Director	Board Member	Board Member	Board Member	Board Member	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director
19 times	Times Attended attendance rate	19 100%	19 100%	19 100%	19 100%	19 100%	19 100%	19 100%	19 100%	19 100%

* The above figures are for directors in office as of the fiscal year ending September 30, 2025.

Audit and Supervisory Committee(FY2025)

Times Held	Held/ Percentage	Shimamura	Asayama	Nagasawa	Ozawa
		Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director
13 times	Times Attended attendance rate	13 100%	13 100%	13 100%	13 100%

Nomination and Remuneration Committee(FY2025)

Times Held	Held/ Percentage	Tamai	Koide	Shimamura	Asayama	Nagasawa
		Board Member	Board Member	Independent Outside Director	Independent Outside Director	Independent Outside Director
4 times	Times Attended attendance rate	4 100%	4 100%	4 100%	4 100%	4 100%

IR Activities

	FY2022	FY2023	FY2024	FY2025
Financial Results Briefing	4	4	4	4
Number of 1-on-1 meetings	267	232	286	230
Group meetings sponsored by brokerage firms	3	3	7	15

ESG Initiatives / Board of Directors

Governance structure built around technology and financial background

Internal Director (Managing Director)

Kentaro Sugiyama / President and Representative Director

Worked in the systems industry for 14 years with clients in the financial industry; joined GMO-FG in May 2017 after having worked for GMO-PG since 2014; became President and Representative Director in December



Akio Aoyama / Director, General Manager, Solution Partner Division

Worked in the systems industry for 21 years with clients in the financial industry; joined GMO-FG in April 2018; became Director in December 2018, responsible for Solution Partner Division; President and Representative Director of GMO Data since August 2019



Tomonaga Fukuda / Director, General Manager, IT Platform Division

18 years in the systems industry, working with clients in the financial industry; joined GMO-FG in September 2019, appointed as Director in December 2020, in charge of the IT Platform Division



Tomoki Tamai / Director, General Manager, Corporate Support Division

Engaged in sales and corporate affairs at major banks and operating companies; joined GMO-FG in August 2021; appointed Director in December 2022; in charge of Corporate Support Division



Director concurrently serving as GMO-PG

Tatsuya Koide / Director

35 years in the systems industry, working with clients in the public and manufacturing industries. Joined GMO-PG in September 2021, also serving as Director of GMO-FG. Appointed Senior Executive Officer of GMO-PG in December 2021



Independent External Director

Nao Shimamura / External Director (Audit and Supervisory Committee Member)

Engaged in legal practice in the legal industry for 15 years; appointed as an outside director in September 2019 (appointed as an outside director because he has the knowledge and experience to make decisions on important management matters of the Company and to supervise the execution of business operations in an accurate and fair manner).



Rie Asayama / External Director (Audit and Supervisory Committee Member)

Engaged in finance-related business for 36 years at a major banking group; appointed outside director in December 2021 (appointed as outside director because of her experience in promoting diversity and as executive vice president of a general business company).



Takayoshi Nagasawa / External Director (Audit and Supervisory Committee Member)

36 years in the systems industry, working with clients in the financial and distribution industries; appointed as an auditor in December 2016 (appointed as an outside director as a member of the audit committee to strengthen the internal control system and to audit the directors' execution of their duties); concurrently serving as an auditor of GMO Data from August 2019



Satoru Ozawa / External Director (Audit and Supervisory Committee Member)

46 years in the systems industry, working with clients in the corporate management and banking industries; appointed as an auditor in December 2016 (appointed as an outside director as an audit committee member to strengthen the internal control system and to audit the directors' execution of their duties).



Definition of notation

GMO-FG: GMO Financial Gate, GMO-PG: GMO Payment Gateway

* Describes directors in office as of December 31, 2025.
served.

ESG Initiatives / Executive Skill Chart

Appointment of human resources that contribute to the enhancement of corporate value as directors, with a view to building a system that enables the Board of Directors to function effectively

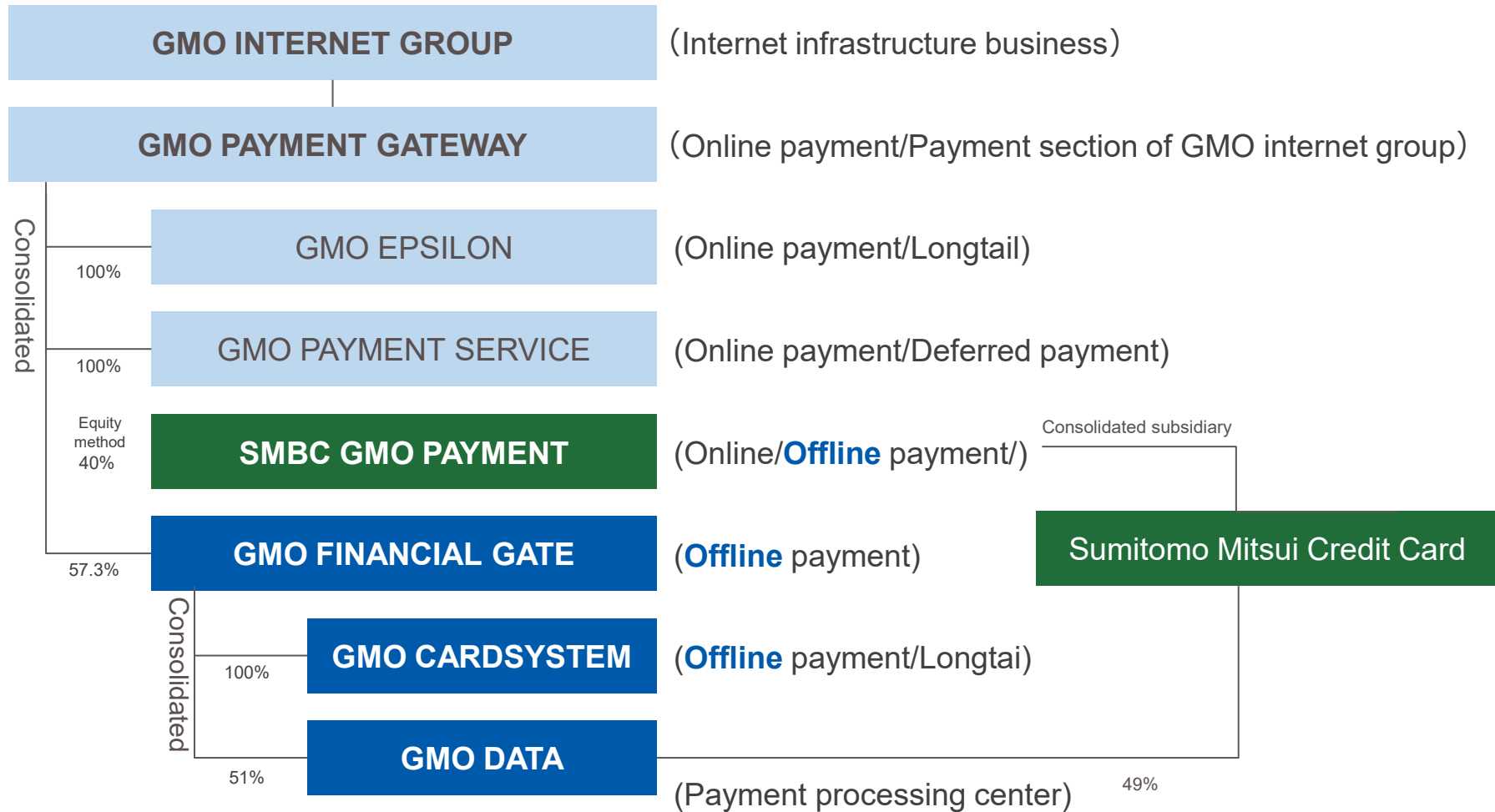
Identity	Kentaro Sugiyama	Akio Aoyama	Tomonaga Fukuda	Tomoki Tamai	Tatsuya Koide	Nao Shimamura	Rie Asayama	Takayoshi Nagasawa	Satoru Ozawa
						outside the company Independent Director	outside the company Independent Director	outside the company Independent Director	outside the company Independent Director
Job title	President and Representative Director	Director, General Manager, Solution Partner Division	Director, General Manager, IT Platform Division	Director, General Manager, Corporate Support Division	Director	Director (Audit and Supervisory Board Member)	Director (Audit and Supervisory Board Member)	Director (Audit and Supervisory Board Member)	Director (Audit and Supervisory Board Member)
Practicing GMO-ism*	●	●	●	●	●	●	●	●	●
Corporate management	●	●					●		●
System Security			●						
Risk management			●	●			●	●	●
Legal & Governance				●		●		●	●
Finance, Accounting & Tax				●					
Sales and Marketing		●			●				
Investment (M&A)				●					
Financial Business							●		
Human Resource Development and Recruitment, Diversity					●		●		
ESG & Sustainability				●		●	●		

* GMO-ism is the collective name for the company motto and company precepts that express the "Spirit Venture Declaration" and "55-Year Plan," the unchanging goals of the GMO Internet Group, as well as "Executive Principles" and "Laws of Victory."

* Describes directors in office as December 31, 2025.

Affiliated Companies

GMO-FG serves in offline face to face payment market as a consolidated subsidiary of GMO-PG



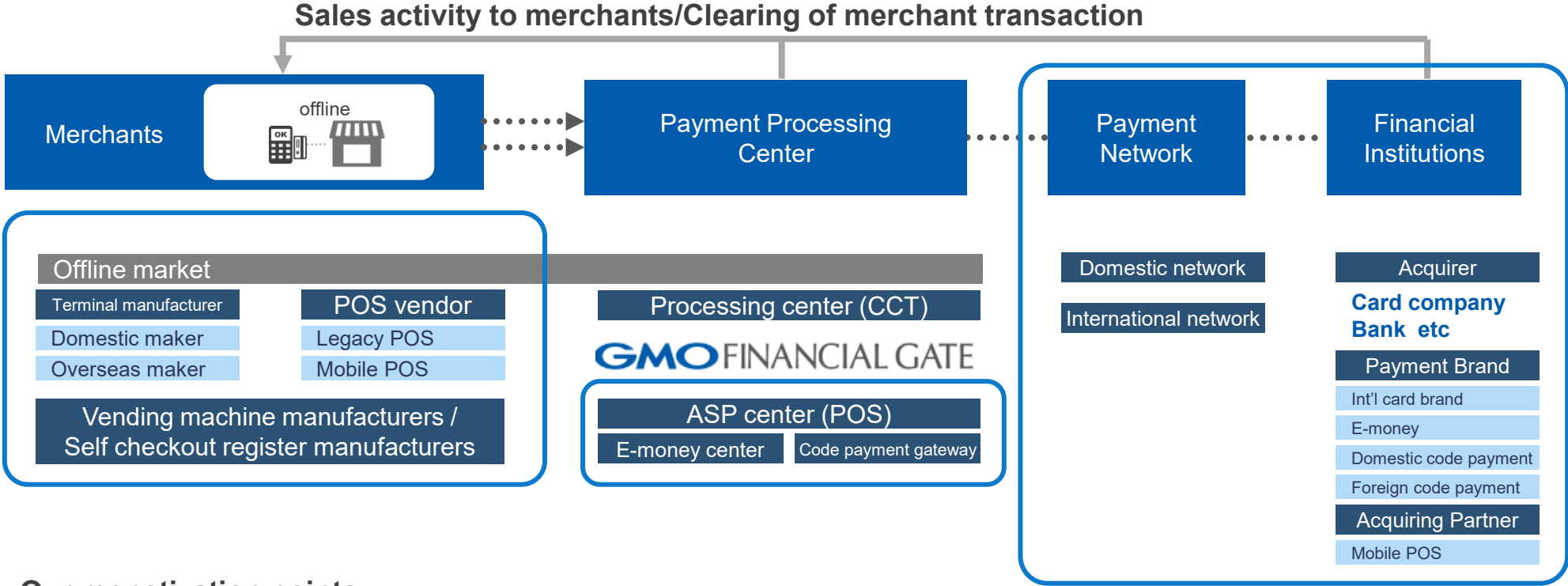
Appendix

GMO-FG Business Domain

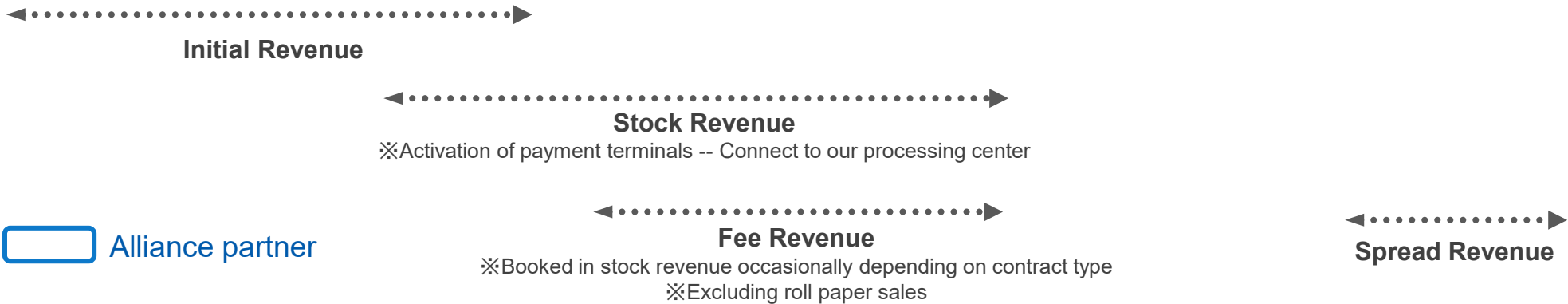
GMO-FG is focusing on offline payment

Company name	GMO FINANCIAL GATE	GMO PAYMENT GATEWAY
Business Domain	GMO Financial Gate (Payment at Brick & Mortar + IoT)	GMO Payment Gateway (EC)
Payment method	Payment by passing card/QR code over the reader  	Payment by entering credit card information in PC / mobile phone  
Medium	Payment terminal	EC (terminal is unnecessary)
Network Telegram Regulation	Offline specific	EC specific

Players in Offline Cashless Payment Setting



Our monetization points



Expansion in stera Lineup

stera unit, mobile has been released in addition to stera terminal
Usage expected to increase in different scenes



stera
terminal
unit

Embedded in unmanned devices such as self check-out registers
Compatible with almost all POS systems



stera
terminal
standard

Conventional
Flagship Model



stera
terminal
mobile

Smallest in class
in Japan

IoT



Mobile



Self Checkout



KIOSK

Increase in
Usage Scenes



Counter Checkout

Increase in
Usage Scenes



Cart POS

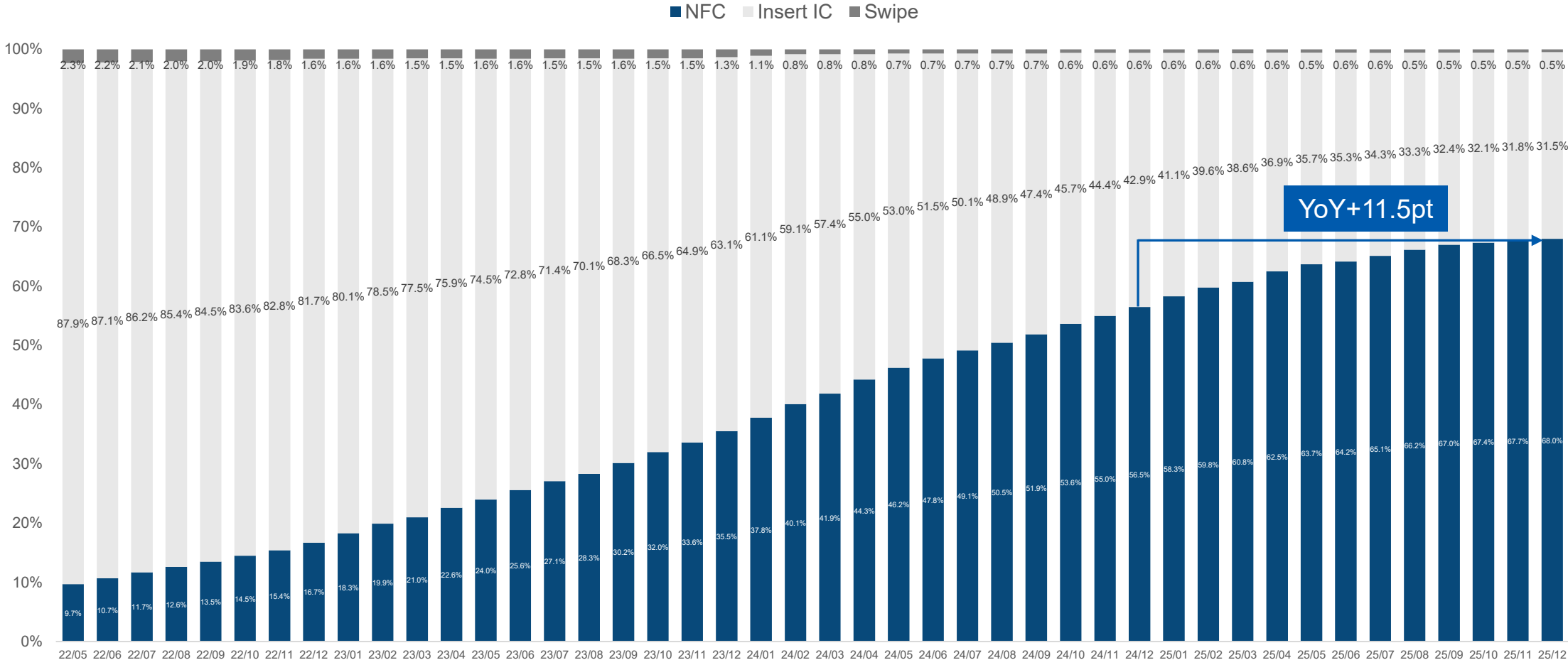


Table Check

Expanding use of Contactless NFC Payment

The percentage of credit touch payments at our processing center has exceeded 60%. Growing awareness of the convenience of NFC is driving the future spread of credit touch in the mobility field

Credit and debit payments at our processing centers / Proportion of payment methods



Revenue Details (1)

Initial	Content	Revenue Model
Payment terminal sales	Revenue from Payment terminals purchased from terminal manufacturers, and then confirm certain measures of payment methods that each merchant needs to accept.	<ul style="list-style-type: none"> • Terminal Selling Price × Units Sold <ul style="list-style-type: none"> ✓ More than 10 types of terminals ✓ Price range is from about ¥30K up to ¥100K
Software development	Software development that meets customers needs such as widening acceptable payment measures and adding point-payment functionality	<ul style="list-style-type: none"> • Number of Deals × Ordered value <ul style="list-style-type: none"> ✓ Since software development is tailor made type revenue, deal size and margin vary from time to time
Stock	Content	
Transaction Inquiry Service	It is a service that provides merchants with their daily sales data that go through our processing center. We charge it as monthly fixed fee	<ul style="list-style-type: none"> • Number of contracts × Service Price <ul style="list-style-type: none"> ✓ Service price is around ¥500 to ¥1K per terminal per month
Points & QR	It is a service to add point/QR payment app to the terminals merchants have. We charge it as monthly fixed fee	
Rental (Mobile terminal)	It is a service to rent mobile type terminals that enable merchants to use them in wireless setting. We charge it as monthly fixed fee	
Mobile SIM	It is a SIM card fee to use mobile type terminals. We charge it as monthly fixed fee	
Digitalization Assistance	Revenue from settlement data transferred to merchants, registration changes, assistance which leads to back office support for clients	
Processing (Monthly fixed fee model)	It is a processing fee based on monthly fixed rate *Basically, it is defined as “Fee” revenue when it comes to the case we charge as Pay As You Go billing, not fixed rate	<ul style="list-style-type: none"> • Number of contracts × Monthly Fixed Fee <ul style="list-style-type: none"> ✓ Monthly fixed fee will vary depending on the size of contract etc..

Generally, the economics of services above vary depend on merchants. And there are services that some merchants do not apply

Revenue Details (2)

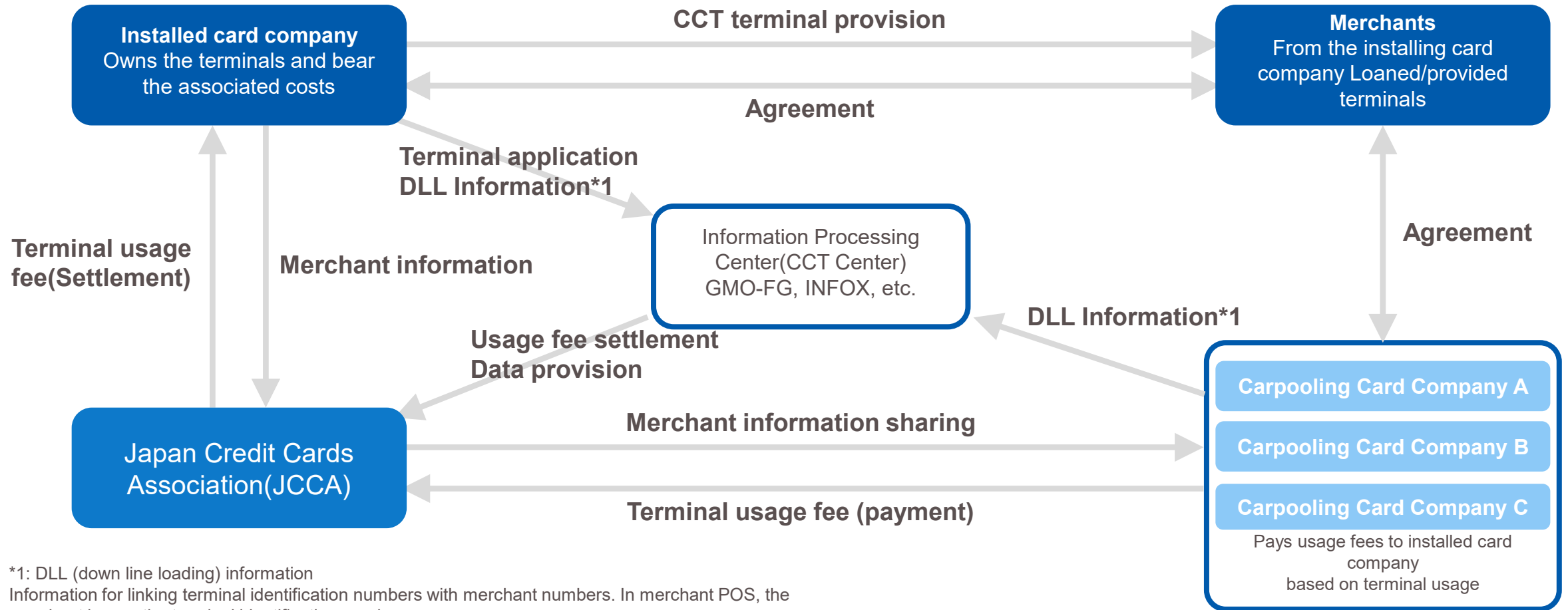
Fee	Content	Revenue Model
Processing	It is a fee we charge toward monthly transaction volume based on the rate per transaction	<ul style="list-style-type: none"> • TRX Volume × Processing Fee ✓ Processing fee is about ¥3 per transaction
Roll paper	This is a sales of roll paper that is used with payment terminals at stores	<ul style="list-style-type: none"> • Number of Order × Price of Roll Paper ✓ The price range of roll paper is about ¥130 to ¥200.
Electronic receipt storage	Optional service to store vouchers electronically, sales to be billed based on the number of payment transactions subject to the contract	<ul style="list-style-type: none"> • Number of settlement processes subject to contract x unit processing fee ✓ Unit processing fee is about ¥1 per transaction

Spread	content	Revenue Model
Acquiring (Settlement agent)	<p>We charge spread fee (α) towards clearing amount to merchants</p> <p>We received indicator rate (N) from acquirers, then we acquire merchants instead of acquirers with the new rate ($N+\alpha$ = merchant fee)</p>	$\text{GMV of Agent Contract} \times \text{Spread fee we charge (about 0.3 - 0.4\%)}$

CCT (Credit Center Terminal, Card company-owned terminal)

CCT(Credit Center Terminal)

It is a terminal name authorized by the information processing center (CCT Center) designated by the Japan Credit Card Association (JCCA) and operated in accordance with the guidelines, etc., established by the JCCA. A single card company owns the terminal on behalf of another card company and lends it to a merchant for installation. Multiple card companies jointly use the terminals and pay usage fees to the card companies that installed them

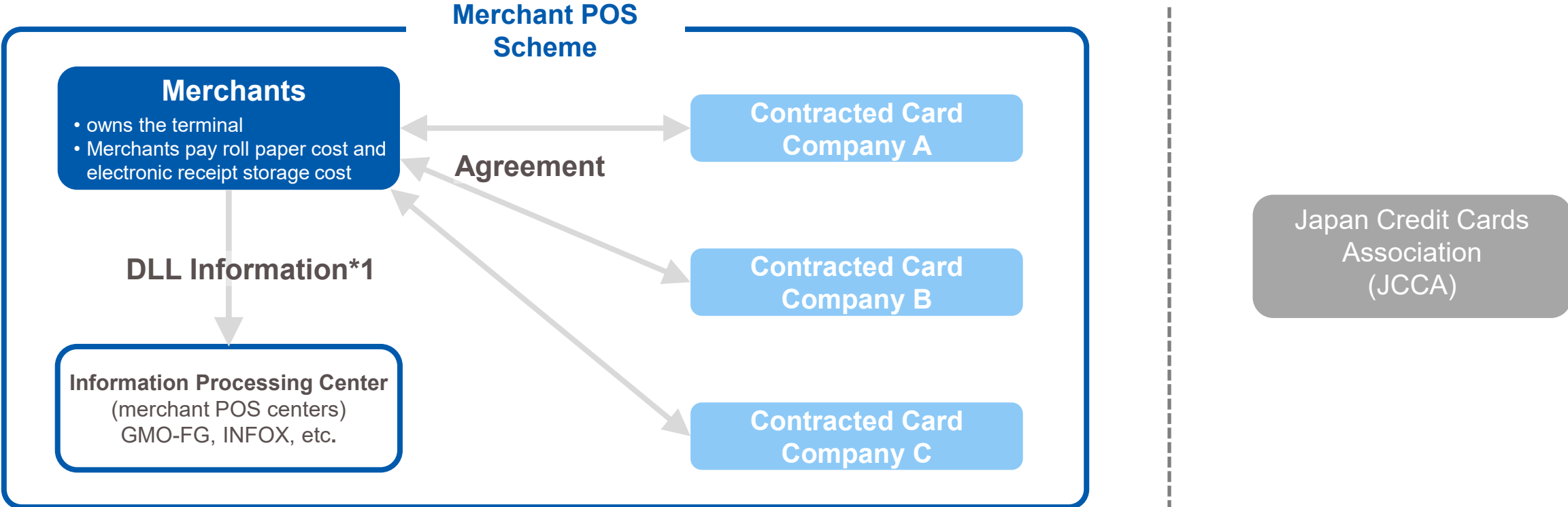


*1: DLL (down line loading) information
Information for linking terminal identification numbers with merchant numbers. In merchant POS, the merchant issues the terminal identification number

Merchant POS (Merchant-owned terminals)

Merchant POS

In general, POS (Point of Sales) is a generic term for a service that provides information on sales performance trends such as the date, time, quantity, and price of products sold, but in the credit industry, the term merchant POS is customarily used to refer to all terminals capable of processing credit card transactions that are not CCT terminals. In a merchant POS, the merchant itself owns the terminal, prepares the card payment environment, and makes a separate contract with the credit card company. While this requires more time and effort on the part of the merchant, it also allows for a more flexible design that is not bound by the JCCA (Japan Credit Card Association) guidelines



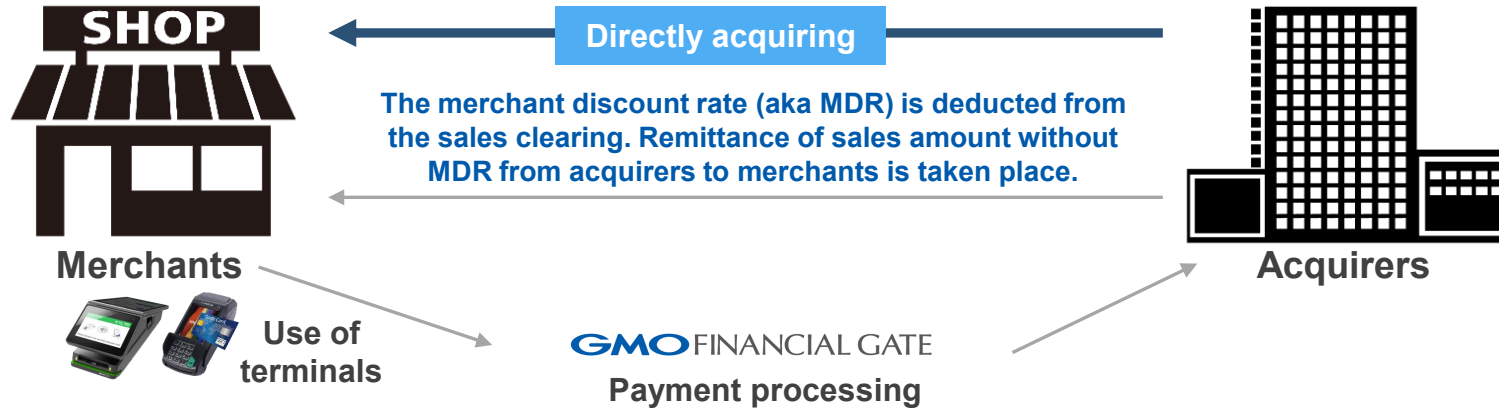
*1: DLL (down line loading) information
Information for linking terminal identification numbers with merchant numbers. In merchant POS, the merchant issues the terminal identification number

Concept of Spread revenue ratio to GMV

Our total GMV is the sum of (1) and (2) below. Spread revenue is generated only in the case of (2) Agent contract. Since (1) also contributes significantly to GMV, the linkage between total GMV and Spread revenue tends to decline

(1) Direct contract

Mainly large merchants

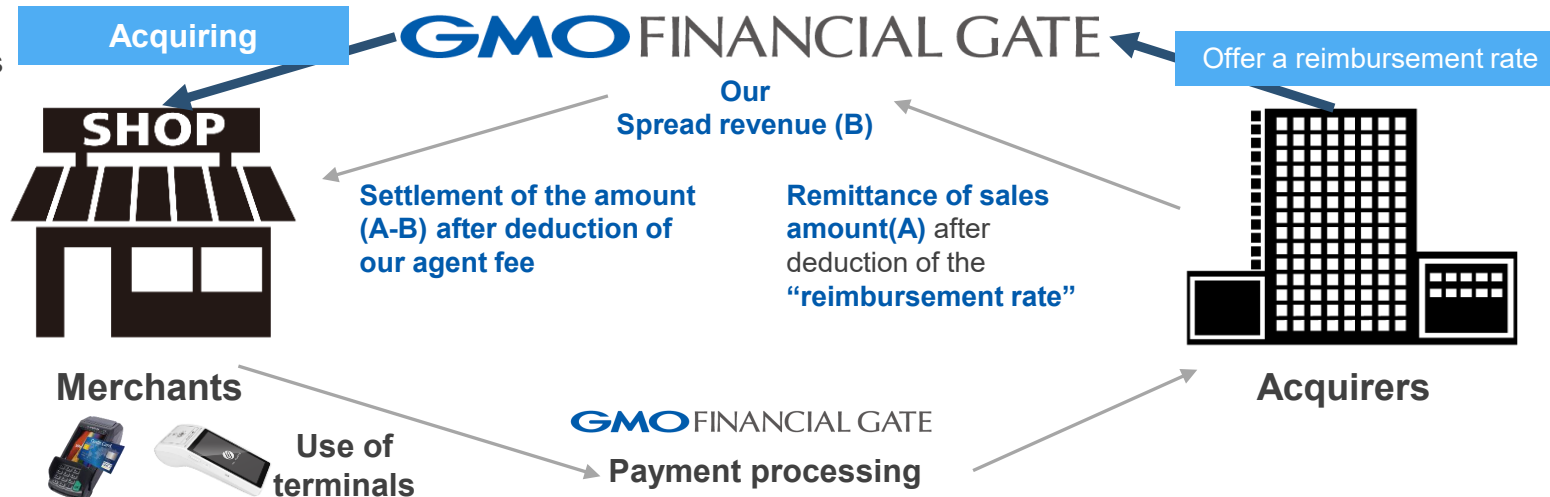


Enjoyable revenue

- Stock
- Fee
- Spread
- Initial

(2) Agent contract

Mainly small medium merchants

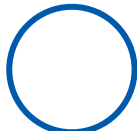
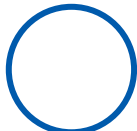
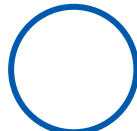
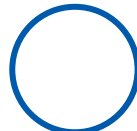
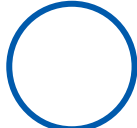
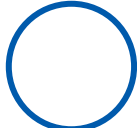
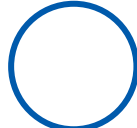
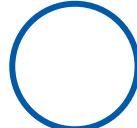
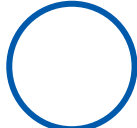
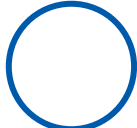
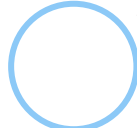
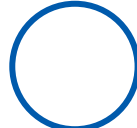
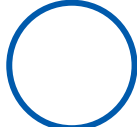
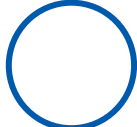
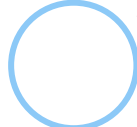
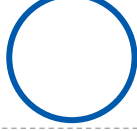
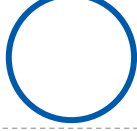
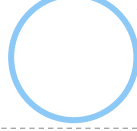
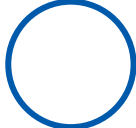
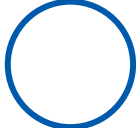
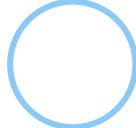


Enjoyable revenue

- Stock
- Fee
- Spread
- Initial

Monetization by Payment Method

We operate different business models according to payment method as a cashless platformer. Growth in each payment method contributes to our growth as well

	Flow model revenue		Recurring model revenue	
	Initial	Stock	Fee	Spread
Credit / China Union Pay / J-debit				
E-money				
QR code			 *1	
Point			 *1	-
House point / House E-money			 *1	-
Duty exemption			 *1	-

*There is no "processing fee" that constitutes Fee revenue because the transaction is not processed at our processing center, but the paper rolls consumed in conjunction with the transaction contribute to the increase of Fee revenue.

Medium-Term Strategy Acquiring major merchants by focusing on alliances

Meeting customer needs through enhanced credit payment functions and alliances with QR / points vendors

Credit



E-money



QR code



J-debit



House points



Common Points



Duty exemption



Terminals we offer

Floor-Standing Model



Mobile Model



Embedded Model



POS Model



Terminal-less



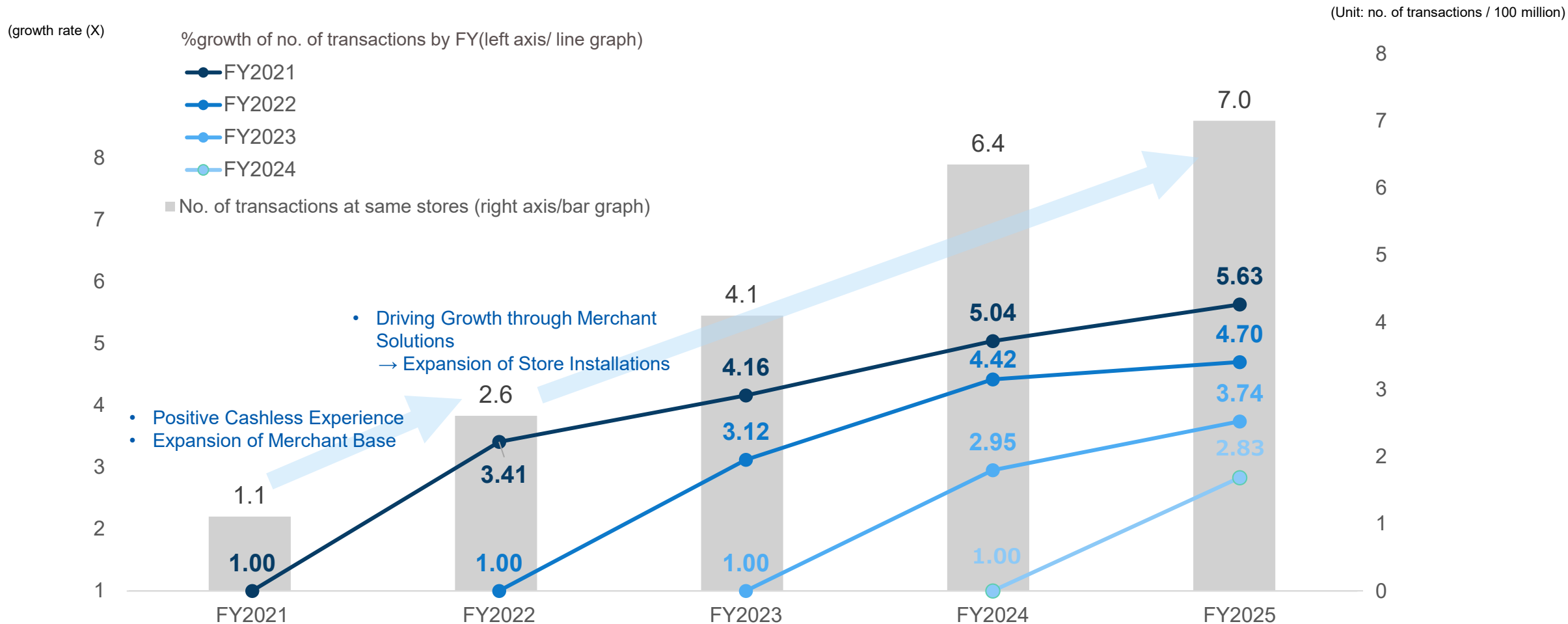
Cashless Platform

Same-store (Merchant) Growth (Number of Transactions)

Payment activity at merchant merchants increases YoY

Accurately captured merchants needs which keeps merchants onto our payment platform

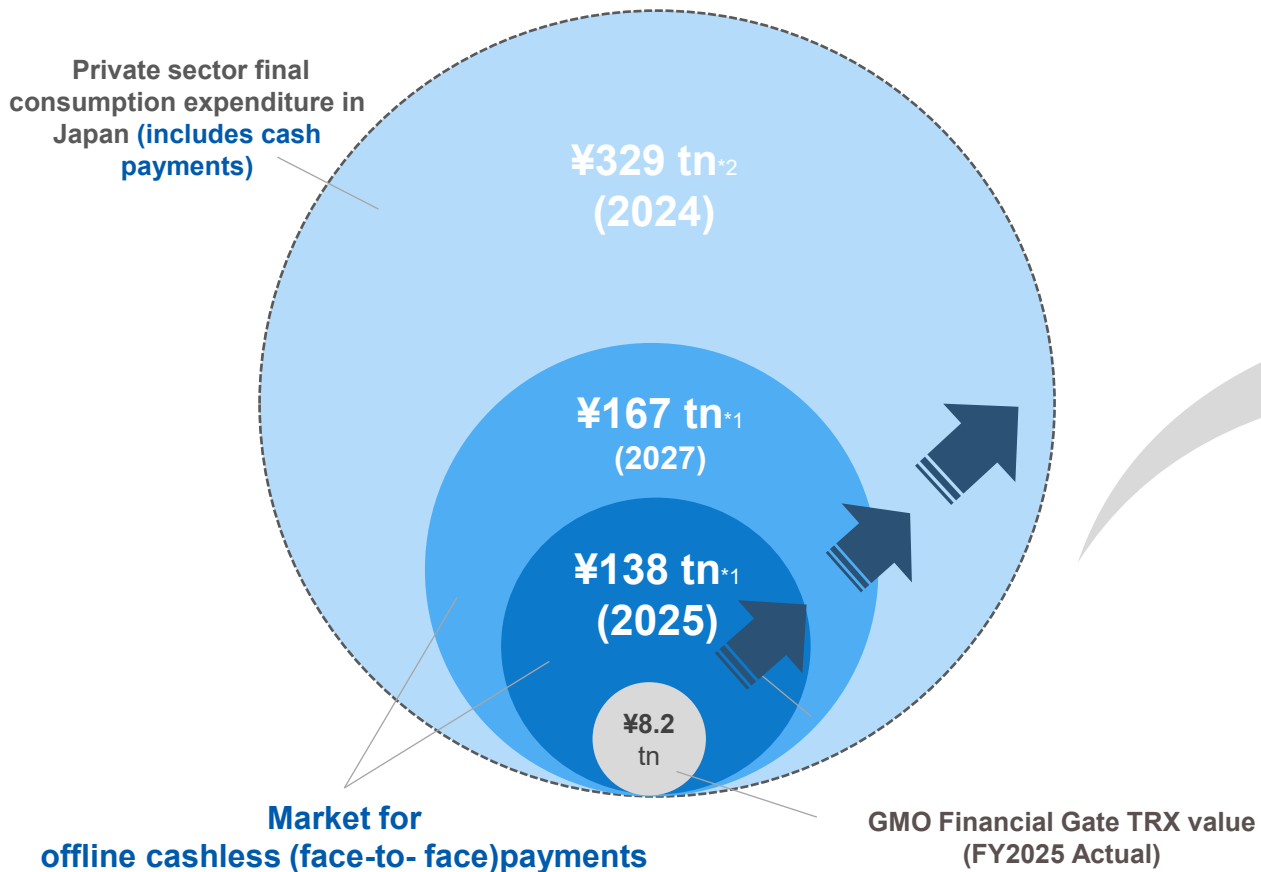
Same-store (Merchant) Growth (Number of Transactions)



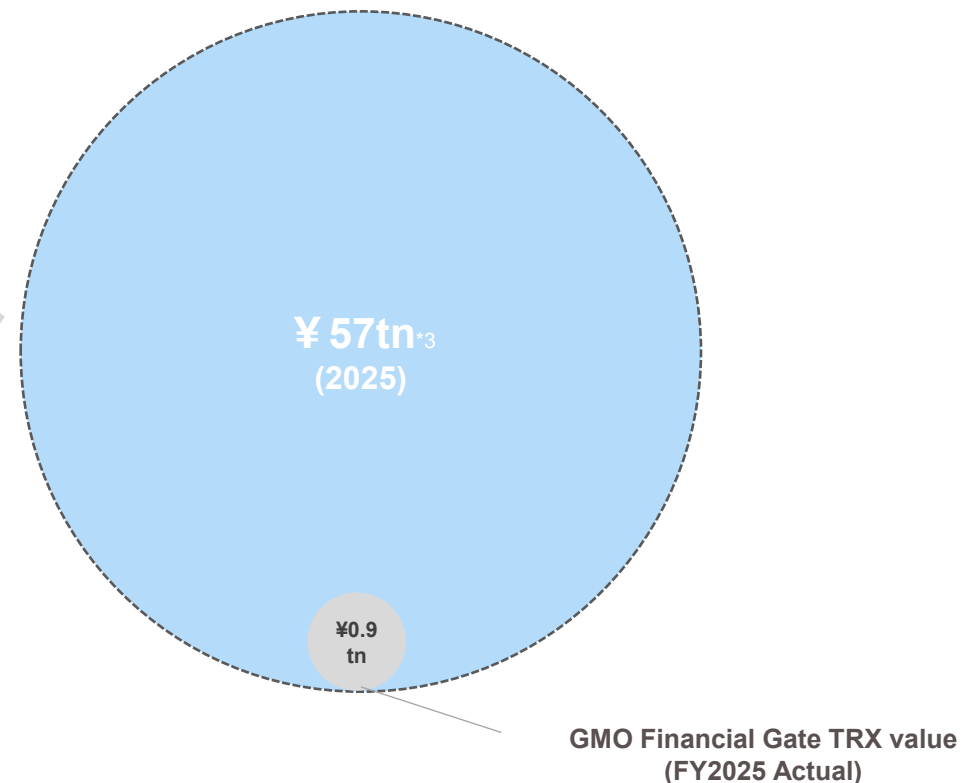
TAM (Total Addressable Market)

Transaction Value of cashless (face-to-face) payment is expanding rapidly, as life necessity markets is expanding.

Offline Transaction value in Japan



TAM for life necessity markets ^{*3}(2025)



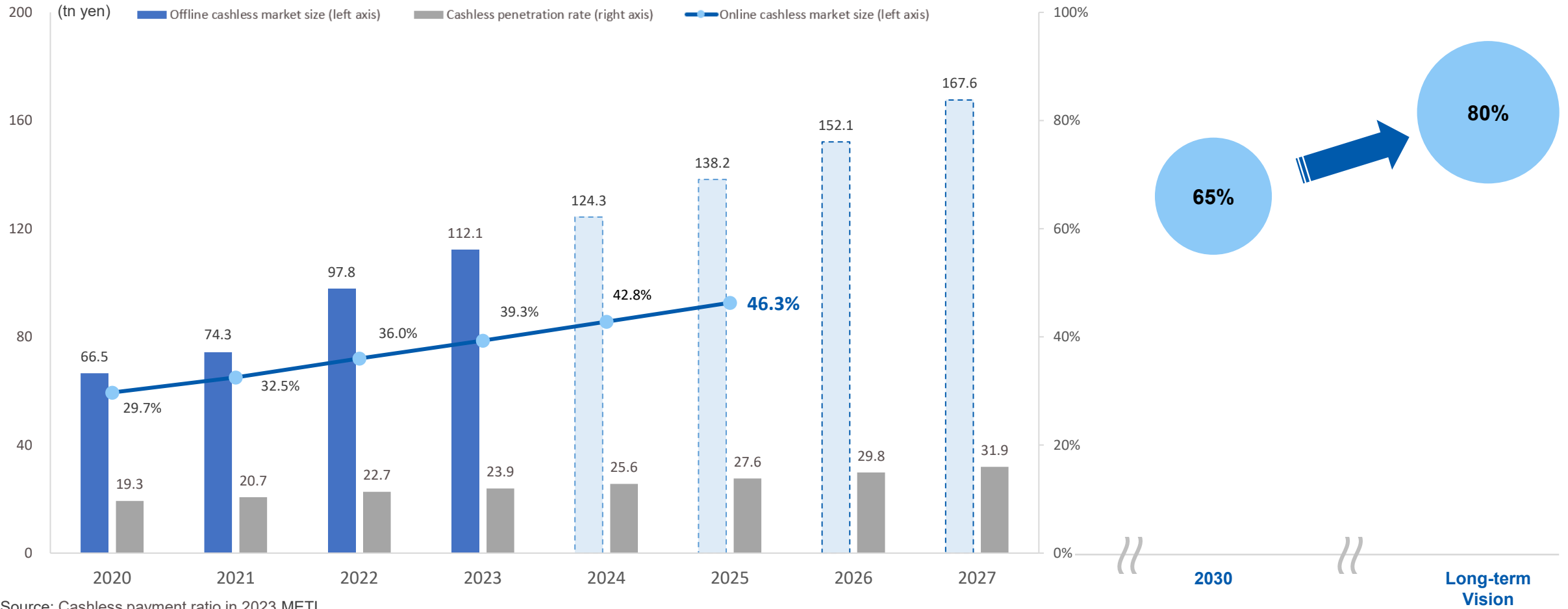
(*1) "2024 Edition: Actual Status and Future Forecast of the Cashless Payment Market in Japan" and "2024 Edition: Current Status and Future Forecast of Online Payment Service Providers" Yano Research Institute Ltd.

(*2) "Composition of Final Consumption Expenditures by Household Type" the Cabinet Office.

(*3) "Our estimate based on the Ministry of Economy, Trade and Industry (METI)'s "Market Survey on Electronic Commerce."

Growth Trend of Domestic Offline Cashless Market

The market for offline cashless payments is currently ¥112tn, five times larger than the online market. The cashless payment ratio has reached the government's target of 40%. We will continue to improve the environment to reach the long-term target of 80%.



Source: Cashless payment ratio in 2023, METI
 Summary Report of the Cashless Promotion Review Committee, METI
 "2024 Edition: Actual Status and Future Forecast of the Cashless Payment Market in Japan" Yano Research Institute Ltd
 "2024 Edition: Current Status and Future Forecast of Online Payment Service Providers" Yano Research Institute Ltd.

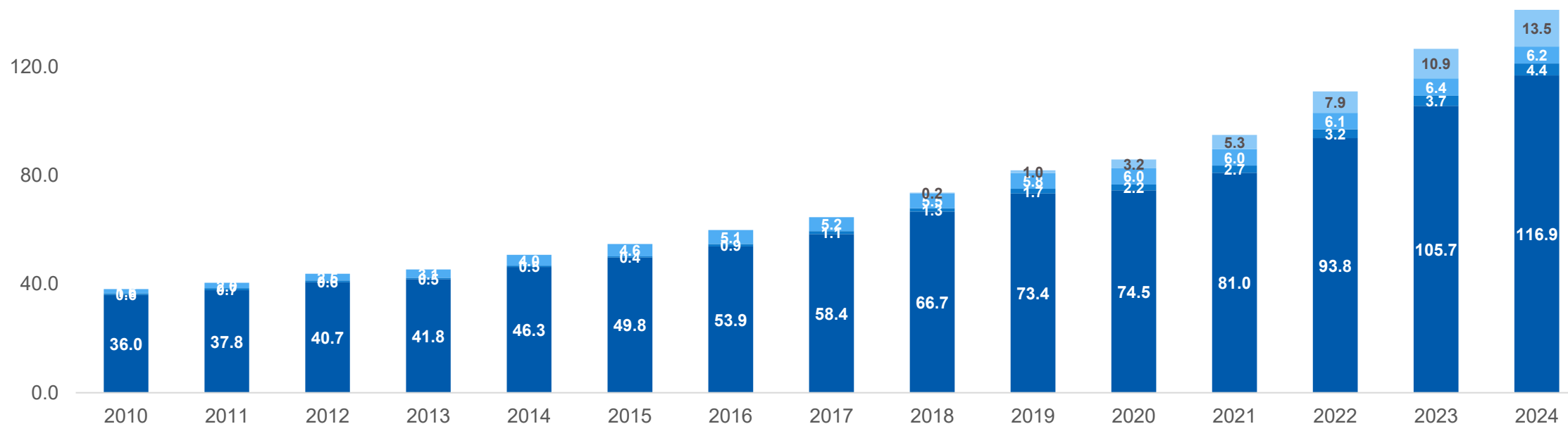
Composition Ratio of Domestic Cashless Payment Methods

Even in an environment of significant growth in the proportion of QR codes, transaction value of credit continue to grow

Transaction Value Composition ratio	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Credit	94.1%	93.5%	93.0%	92.0%	91.2%	90.8%	89.9%	90.2%	90.7%	89.7%	86.8%	85.3%	84.5%	83.5%	82.9%
Debit	1.7%	1.6%	1.3%	1.1%	0.9%	0.8%	1.5%	1.7%	1.8%	2.1%	2.5%	2.8%	2.9%	2.9%	3.1%
E-money	4.3%	4.9%	5.6%	6.9%	7.9%	8.5%	8.6%	8.0%	7.5%	7.0%	7.0%	6.3%	5.5%	5.1%	4.4%
QR code									0.2%	1.2%	3.7%	5.6%	7.1%	8.6%	9.6%

(tn yen)
160.0

■ Credit ■ Debit ■ E-money ■ QR code

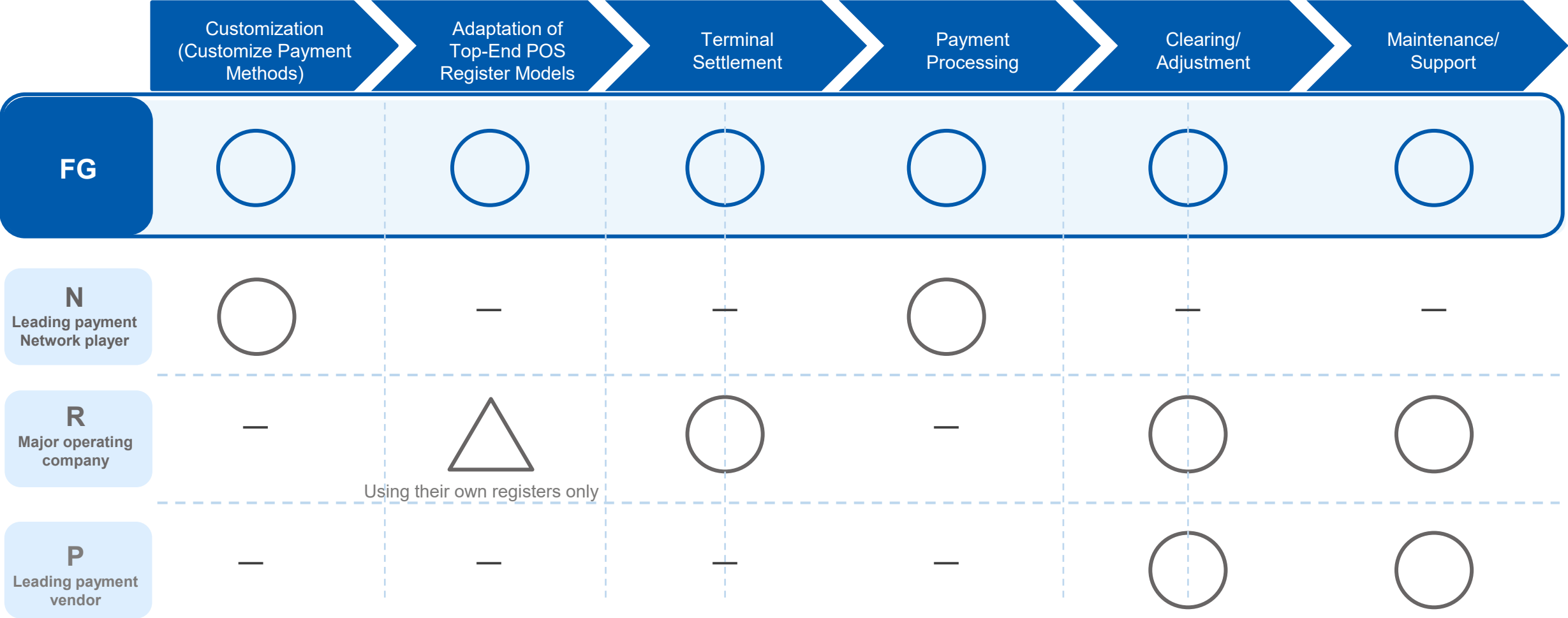


*Created by our company based on the Ministry of Economy, Trade and Industry news release "Calculation of cashless payment ratio in 2024"

Unique Positioning

End-to-end solutions via one-stop platform allows us to create alliances with many players in the market

■ Solutions in Offline Payment Market

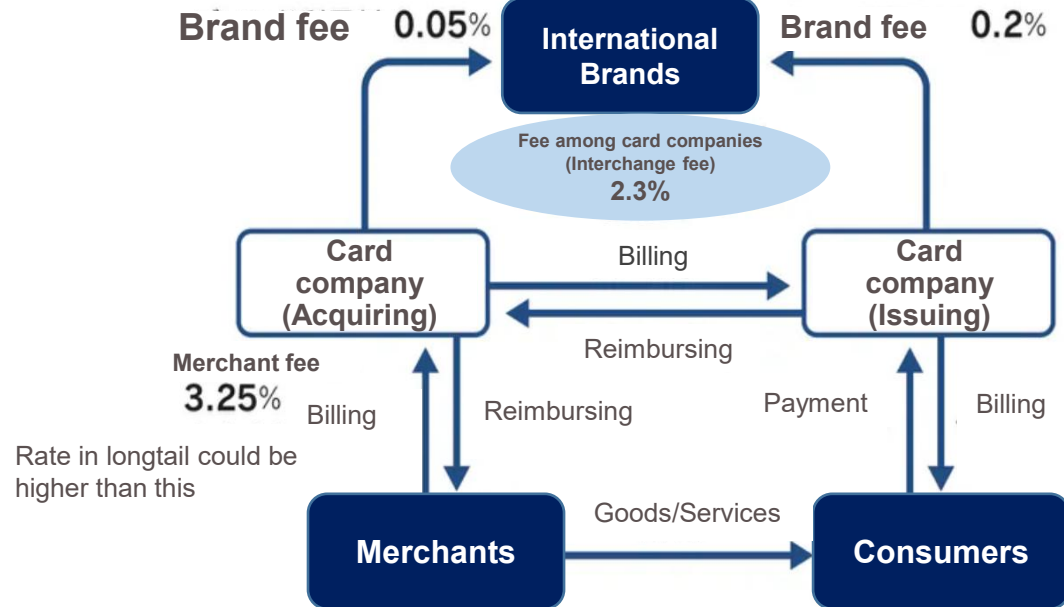


Breakdown of MDR

In response to a request from the Japan Fair Trade Commission, Visa, Mastercard, and UnionPay announced their intention to disclose their interchange fee rates by the end of November

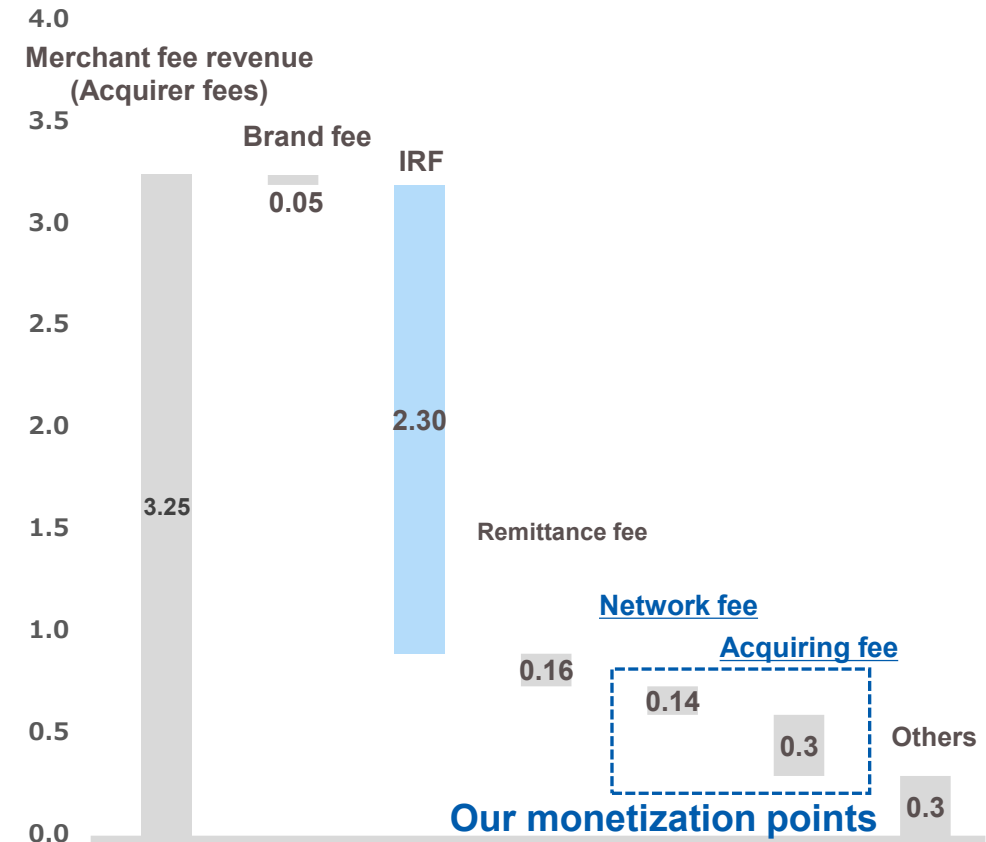
METI requires fee among credit card companies

Fee among credit card companies is actually paid by merchants



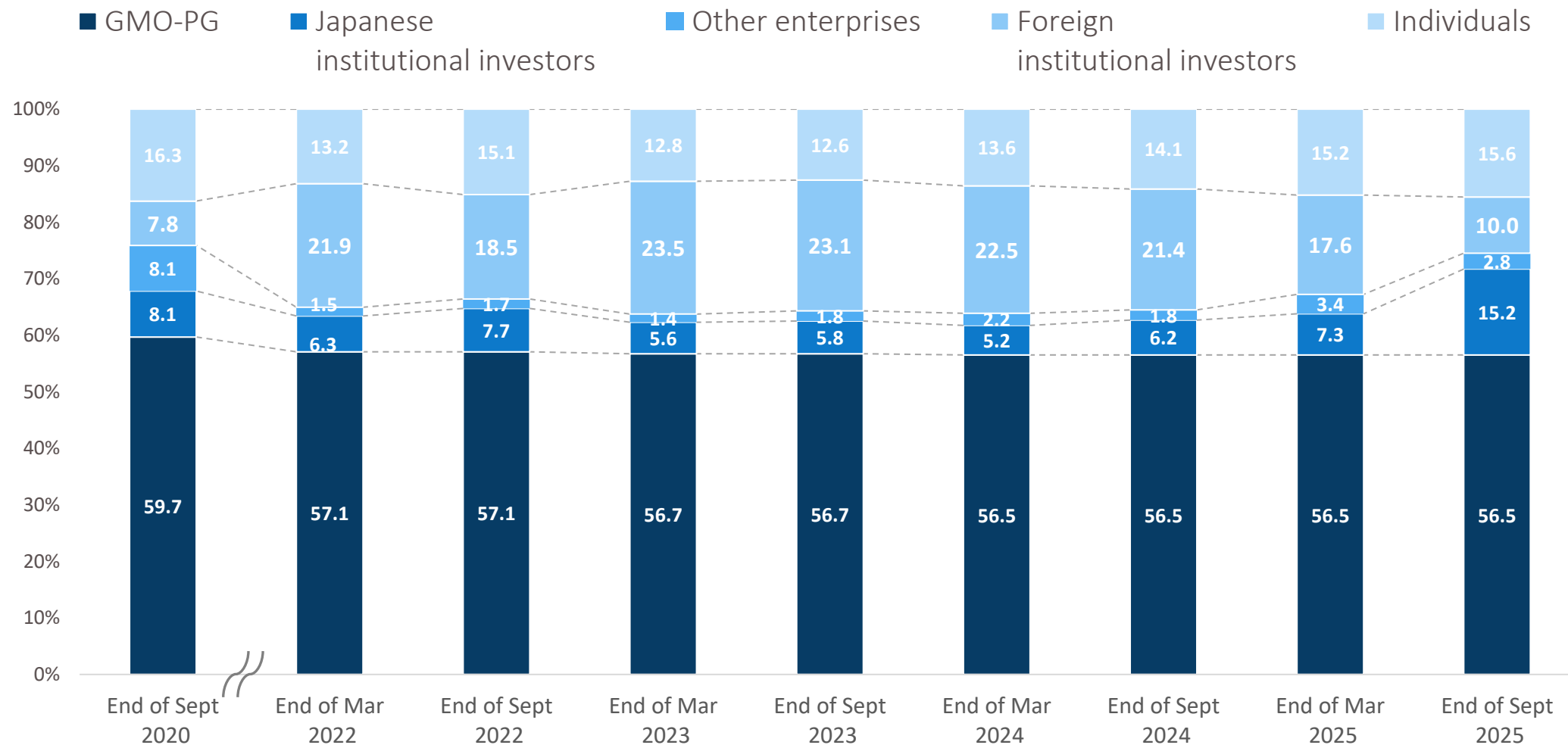
Breakdown of MDR

(model case : AOV ¥5K SME merchant)



Shareholder Structure

Actively engaged in IR activities, including one-on-one meetings and participation in conferences hosted by securities companies.



Capital Allocation Policy

Aim to achieve continuous business growth in accordance with investment funding policy and capital allocation policy

Investment Source Funding Policy

- Priority order of investment sources
(1) Operating cash flow, (2) Interest-bearing debt, (3) Equity

(1) Operating cash flow

- Utilize operating cash flow generated from sustainable profit growth

(2) Interest-bearing debt and others

- Flexibly consider use of interest-bearing debt in line with the investment policy, taking the Company's financial position, market environment, and interest rate levels into account

(3) Equity

- Consider equity financing to realize sustainable business growth through investment execution, based on comprehensive judgment of share price levels, market environment, and financial position

Capital Allocation Policy

- Prioritize business and growth investment in line with strategy, while sustaining a consistent level of shareholder returns

Business investment

- Execute business investment that contribute to Active IDs growth and ARPU improvement, to maximize Recurring-model revenue

Growth investment

- Execute disciplined growth investments (returns exceeding the cost of capital)

Shareholder returns

- Implement stable and sustainable dividends with a payout ratio of 50% or higher

Investment Policy

To achieve mid- to long-term operating profit YoY +25% growth, execute disciplined business investment and growth investment

	Business Investment	Growth Investment
Key Investment Targets	<ul style="list-style-type: none">● Investment in data centers, terminal development, and internal systems● HR investment (organizational strengthening, recruitment, performance-linked compensation, etc.)● Development investment for contactless payment, labor-saving, and self-service support in IoT (mobility) and transit (rail / bus, etc.)	<ul style="list-style-type: none">● Partnership development (businesses contributing to Active IDs growth and ARPU improvement)● Cashless adoption support in the SME (small and medium-sized merchant) segment● New services in Payment Related Business DX, Support Increased Payment Activity
Basic Investment Policy	<ul style="list-style-type: none">● In principle, premised on achievement of the operating profit plan● Execute business investments on the assumption that the plan will be achieved	<ul style="list-style-type: none">● In principle, secure investment returns (returns exceeding the cost of capital)● Expand the areas and scope of investment after assessing investment effectiveness

Shareholder Return Policy

Aiming to increase corporate value through business growth while providing stable and continuous dividends simultaneously

Basic Policy on Shareholder Returns

Increase in corporate value

Aim to increase market capitalization over the medium to long term through continuous business growth

To increase net income attributable to shareholders through business growth in revenue (CAGR 25%) and operating profit (+25% YoY or more) . Increase net income attributable to shareholders through business growth

Stable and continuous dividends

Stable and continuous dividend payments

Aim for shareholder returns of **50% or more** while ensuring capital needs and internal reserves to support business growth (currently in place).

Thank you

GMO FINANCIAL GATE

GMO Financial Gate, Inc.

(TSE Prime: 4051)

URL <https://gmo-fg.com/ir/>