

# Financial Results Briefing for Q2 FY2021

## Key Message

A strategy for expanding market share as an offline payment platformer

May 13, 2021

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

Fourth IR Presentation

**GMO** FINANCIAL GATE

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

# Cautionary Note Regarding Presentation Materials

The content of these presentation materials is based on generally recognized economic and social conditions, as well as assumptions judged to reasonable by GMO Financial Gate as of May 13, 2021

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# Meeting agenda

1. Summary of Financial Results for Q2 FY2021
2. Growth Strategy and Progress
3. Financial Highlights
4. Appendix

# 1. Summary of Financial Results for Q2 FY2021

# 1.1 Q2 FY2021 Summary

Experienced steady business progress under 2<sup>nd</sup> State of Emergency Declaration. No. of payment terminals grew steadily as well

Financials/KPIs

P6

- **Progress** (toward original FY2021 guidance) : **Revenue : 58.7% OP : 54.2%**
- **Revenue : Q2 cumulative YoY +37.3%** (surpassed FY2021 guidance of +30% YoY)
- **OP : Q2 cumulative YoY -7.7% as planned** (due to special spot profit recorded in Q1 FY2020)
- No. of **active terminals** (end of Q2) : **93.1K** (Q on Q : +12.4K)

P16

- **Upgraded revenue guidance FY2021 : ¥4,800 M → ¥5,249 M (+9.4%)**

Comments

- Sales of payment terminals, especially *stera*, grew steadily  
Launched a new type of business in the long tail domain
- Action plans for IoT/Unattended progressed as planned
- Expanded in the mobility industry

# 1.2 Summary of Financial Results

Sales of terminals grew steadily. Stock-model revenue rose thanks to the activation of installed terminals. OP & KPI are on schedule toward FY2021 guidance

(Millions of yen)	FY2020 Q2 cumulative actual	FY2021 Q2 cumulative actual	% Q2 FY2020/ Q2 FY2021 *cumulative basis	FY2021 Guidance (FY2021 1st Half Guidance)	FY2021 Progress toward FY2021 Guidance (FY2021 Progress toward 1st half)
Revenue	2,050	2,816	+37.3%	4,800 (2,367)	58.7% (119.0%)
Gross profit	924	980	+6.1%	1,894 (902)	51.7% (108.6%)
Operating profit	345	319	-7.7%	589 (284)	54.2% (112.3%)
Profit attributable to owners of parent	198	212	+7.1%	368 (178)	57.6% (119.1%)
	Active terminal units (End of Q2)			TRX Volume (Q2 Stand-Alone)	TRX Value (Q2 Stand-Alone)
KPI (YoY)	93,093 (+61.7%)			Approx. 27.7 million (+85.7%)	Approx. 236.1 billion (+53.9%)

# 1.3 Major Topics Regarding Financial Results

Achieved profit growth as planned, reflecting sales of *stera* terminal and investment in growth for the future

## ■ Revenue

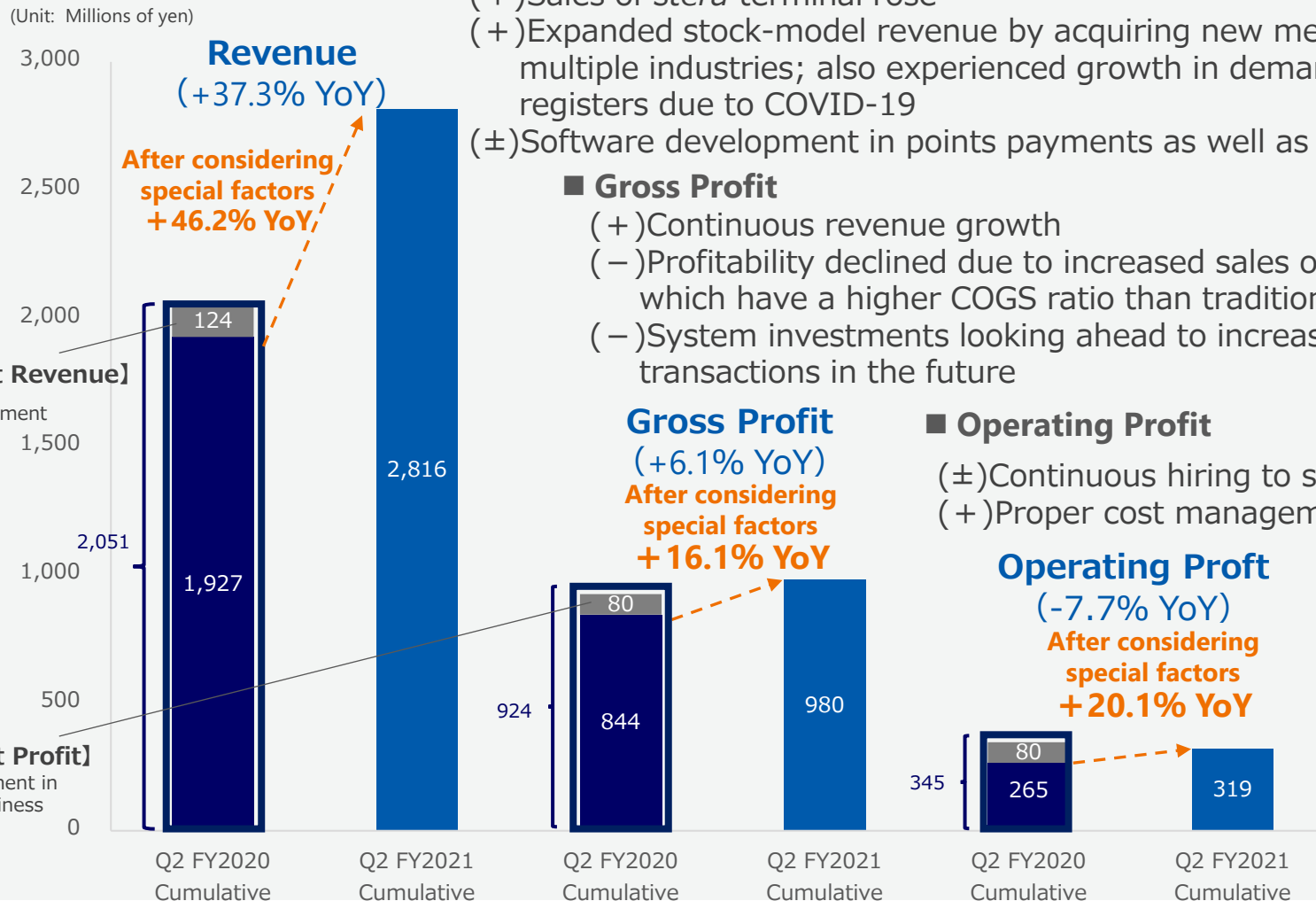
- (+) Sales of *stera* terminal rose
- (+) Expanded stock-model revenue by acquiring new merchants across multiple industries; also experienced growth in demand for IoT/Self-check registers due to COVID-19
- (±) Software development in points payments as well as in FY2020

## ■ Gross Profit

- (+) Continuous revenue growth
- (-) Profitability declined due to increased sales of *stera* terminals, which have a higher COGS ratio than traditional models
- (-) System investments looking ahead to increased payment transactions in the future

## ■ Operating Profit

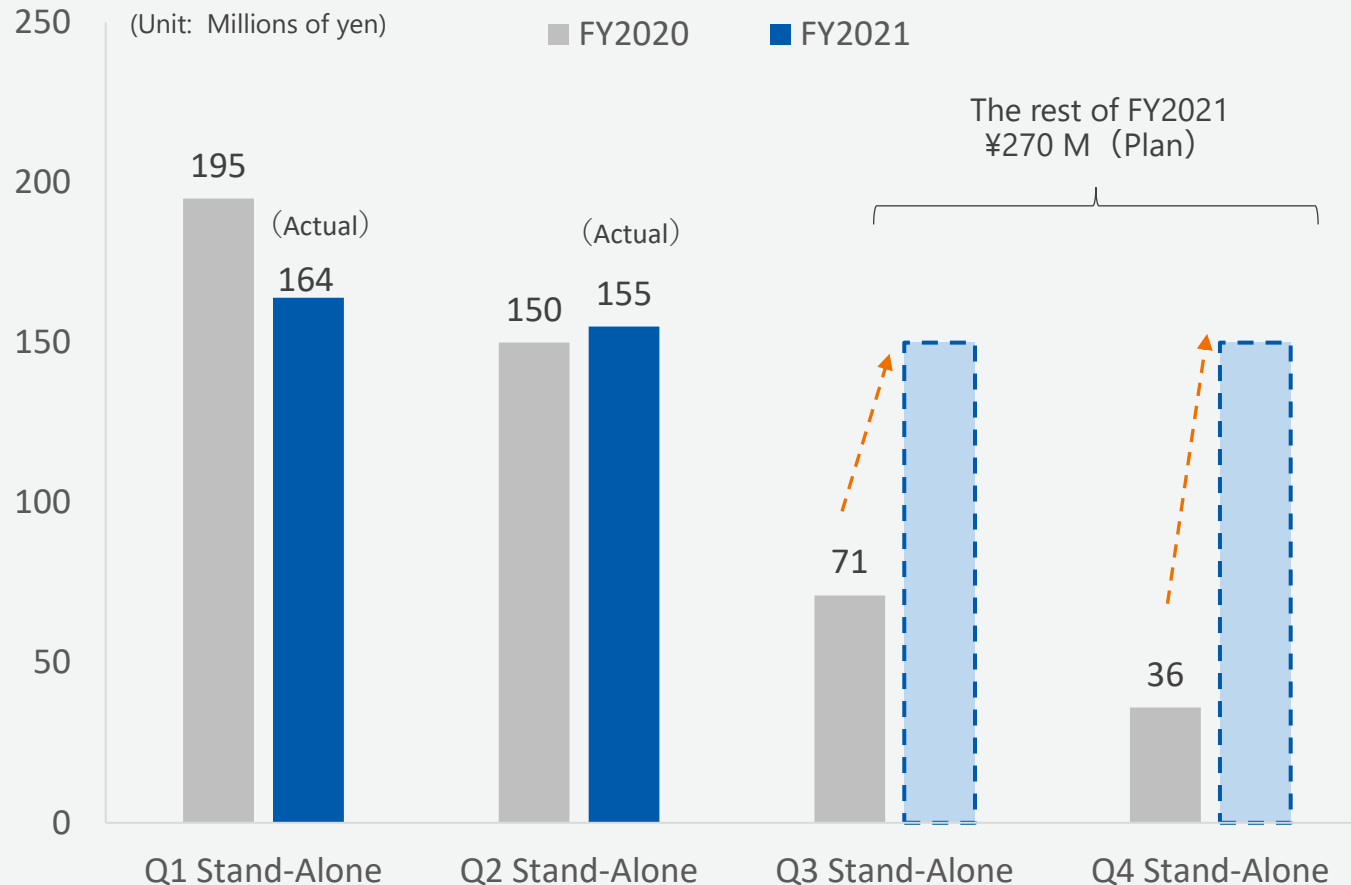
- (±) Continuous hiring to sustain revenue growth
- (+) Proper cost management



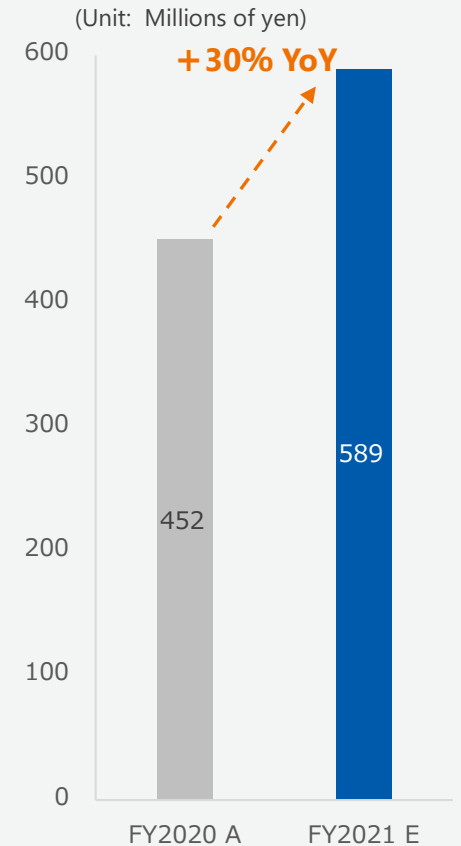
# 1.4 OP trends (Quarterly)

Anticipating well-balanced quarterly profit this year. Making steady progress toward FY2021 guidance (+30% YoY) even under COVID-19

## Operating Profit



Anticipating  
+30% YoY





# 1.5 Revenue by Business Model

Initial sales pushed higher due to sales of *stera*, which leads to growth in terminal-originated sales. Stock and Fee also grew steadily, even though Spread was affected by COVID-19

(Millions of yen)	FY2020 Q2 Cumulative Actual	FY2021 Q2 Cumulative Actual	Composition Ratio	% Q2 FY2020/ Q2 FY2021 *cumulative basis
Initial	1,320	1,959	69.6%	+48.4%
Stock	228	282	10.0%	+23.3%
Fee	145	201	7.1%	+38.6%
Spread	358	375	13.3%	+4.8%
Total	2,051	2,816	100.0%	+37.3%

Before COVID

Under COVID

※State of Emergency Declaration :  
January 8<sup>th</sup> –March 21<sup>st</sup>

# 1.6 Revenue by Business Model (Quarterly)

Initial sales grew steadily. Stock also grew, thanks to an increasing number of active terminals. We maintains Spread sales at pre-COVID-19 levels by acquiring participating merchants in clinic and beauty salon industries, even though Spread was impacted slightly by COVID-19

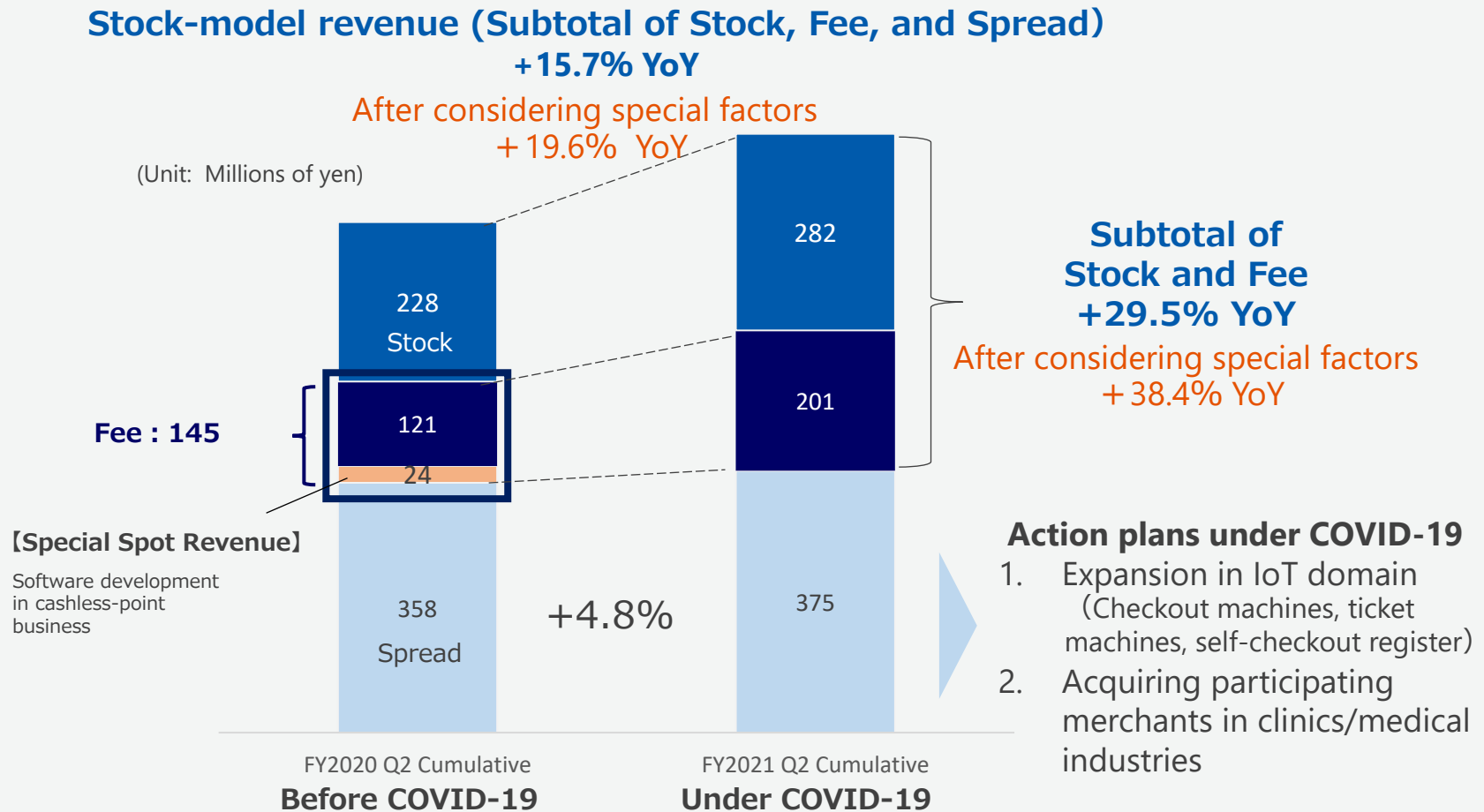
\*SOE : State of Emergency Declaration

(Millions of yen)	SOE ①				SOE ②	
	FY2020 Q1 Stand-Alone	FY2020 Q2 Stand-Alone	FY2020 Q3 Stand-Alone	FY2020 Q4 Stand-Alone	FY2021 Q1 Stand-Alone	FY2020 Q2 Stand-Alone
Initial	626	693	451	465	855	1,103
Stock	110	118	128	132	136	146
Fee	75	70	80	80	101	99
Spread	178	180	125 SOE	179	193	182 SOE
Total	990	1,061	784	856	1,286	1,531

Recorded advanced terminal sales

# 1.7 Expansion of Stock-Model Revenue

Stock and Fee sales made steady progress, covering decelerated growth in Spread due to COVID-19. We are implementing action plans for further expansion of Spread under COVID-19



※State of Emergency Declaration :

January 8<sup>th</sup> – March 21<sup>st</sup>

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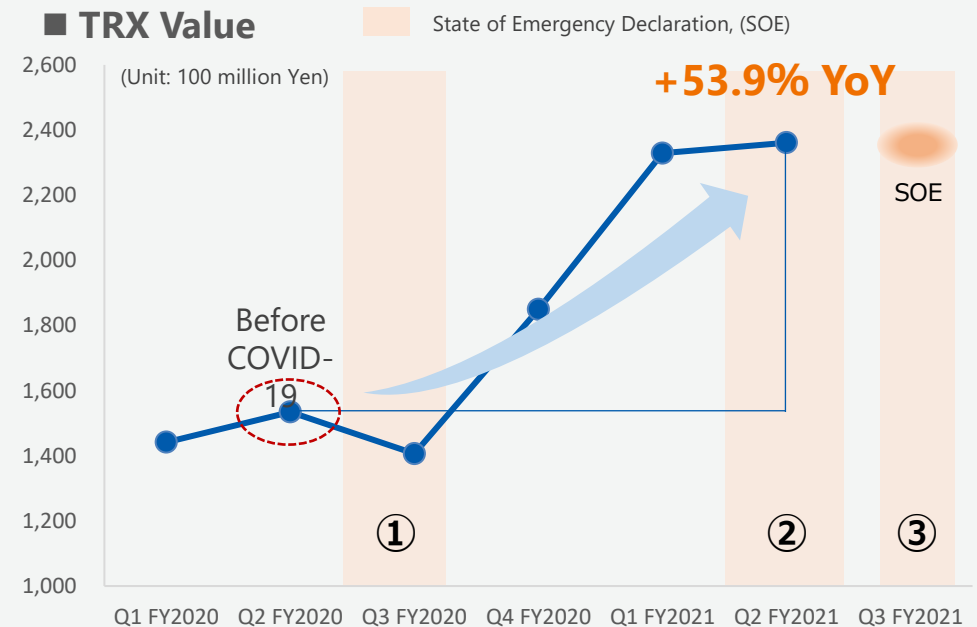
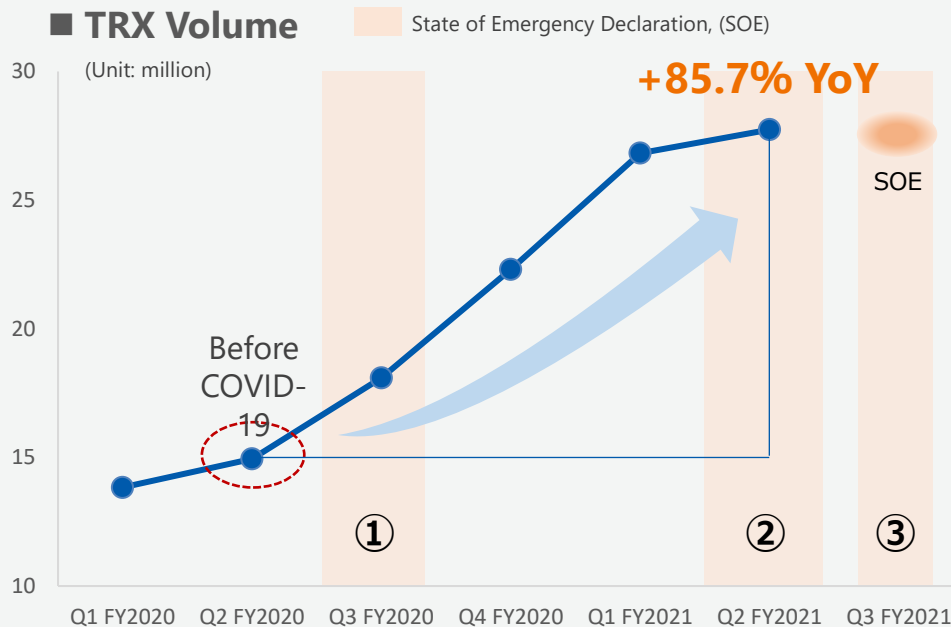
# 1.8 Consolidated KPIs (Active Terminals)

No. of total active terminals driven higher up by payment terminals (ex. IoT), especially *stera*. We also observed well-balanced growth in IoT and Alliance partner sales

(Unit: Thousand)	FY2020 Q2	FY2020 Q3	FY2020 Q4	FY2021 Q1	FY2021 Q2	QoQ (%)	YoY (%)
Payment terminals (excluding IoT)	26.5	27.7	30.3	36.7	45.4	+8.7 (+23.7%)	+18.9 (+71.3%)
IoT	21.5	26.1	28.0	29.1	30.9	+1.8 (+6.2%)	+9.4 (+43.7%)
Alliance partner sales	9.6	13.6	14.4	14.9	16.7	+1.8 (+12.1%)	+7.1 (+73.9%)
<b>Total</b>	<b>57.6</b>	<b>67.3</b>	<b>72.7</b>	<b>80.7</b>	<b>93.1</b>	<b>+12.4</b> (+15.4%)	<b>+35.5</b> (+61.7%)

# 1.9 Consolidated KPIs (TRX Volume, Value/Q)

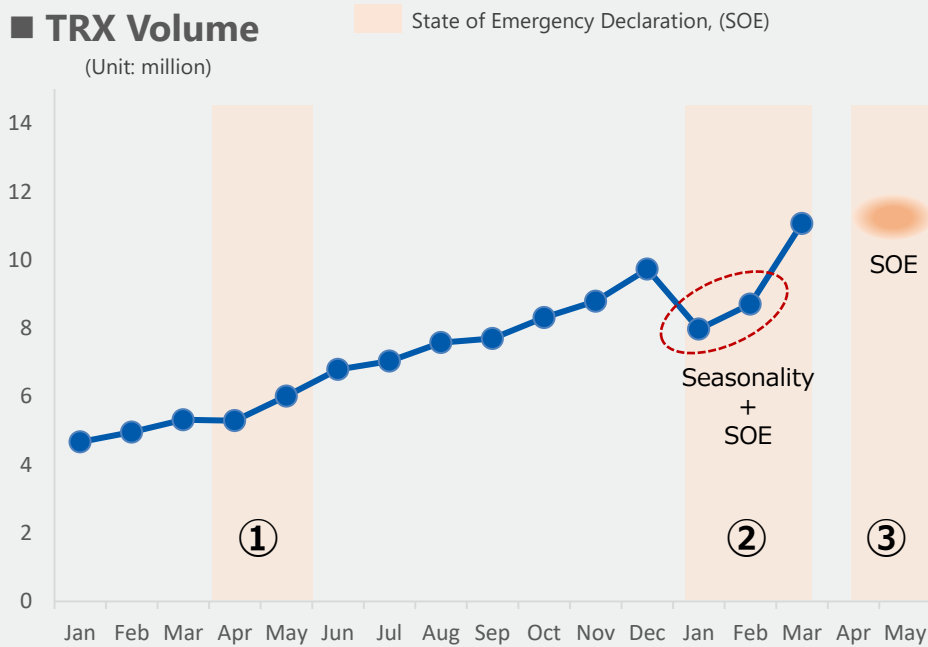
TRX Volume and TRX Value in stand-alone Q2 surpassed our target (+50% YoY), as we minimized the impact of COVID-19



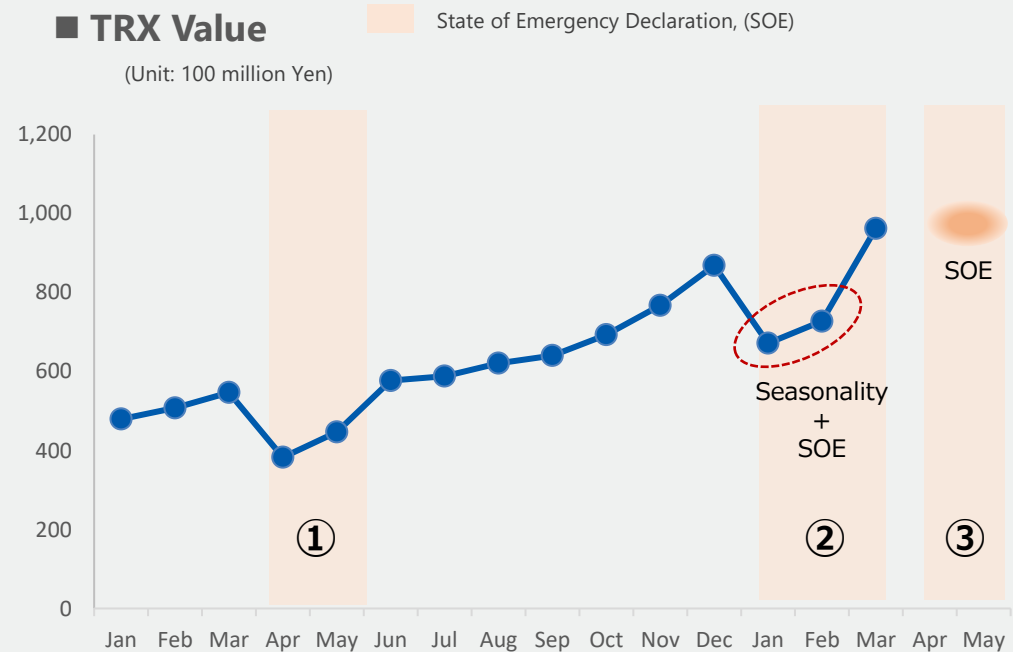
\* In Q2 FY2021, we observed steady growth in both TRX volume and TRX value, despite seasonality and the state of emergency declaration. This outcome was due to two main factors. First, merchant category sales increased in grocery supermarket stores and medical drug stores (pharmacies), which are less affected by COVID-19. Second, we accelerated activations of *stera*.

# 1.10 Consolidated KPIs (TRX Volume, Value/M)

Even though we experienced the impact of seasonality and the state of emergency declaration in January and February, we returned to growth in March



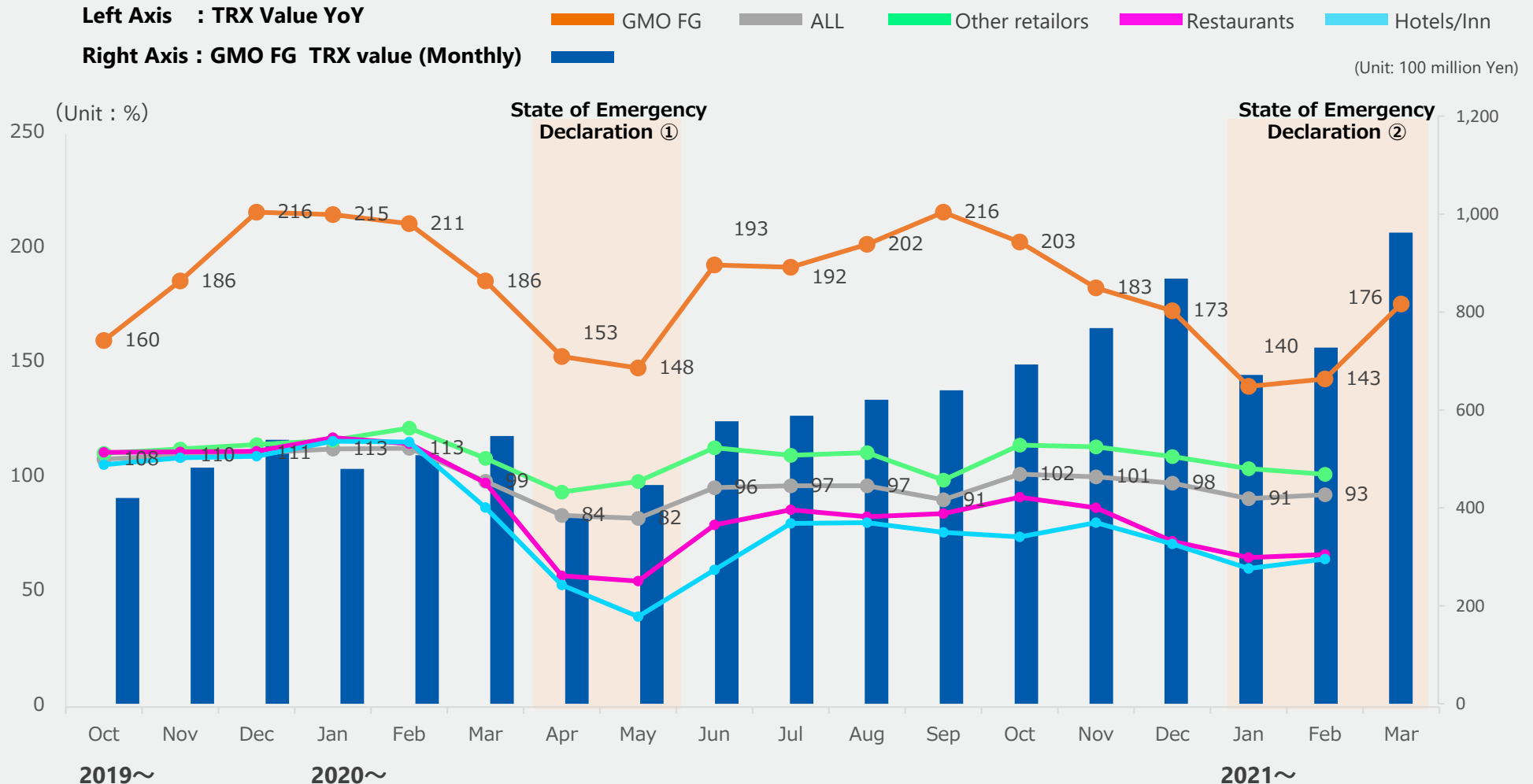
※TRX volume from Jan 2020 to Mar 2021



※TRX value from Jan 2020 to Mar 2021

# 1.11 Comparison of Growth (Market vs GMO FG)

We accomplished significantly higher YoY growth than the market, even during the second state of emergency declaration



\*Source: Ministry of Economy, Trade and Industry

# 1.12 Upward Revision to FY2021 Revenue Forecast

(no revision to profit forecasts)

We recorded steady terminal sales in the first half FY2021. Accordingly, we upgraded revenue guidance for FY2021, adding overachievement in the first half while leaving our second half estimate unchanged. We did not change our profit forecast due to the potential negative impact of COVID-19, as well as investment for future business expansion

(Millions of yen)	FY2020 Full year actual	FY2021 Full year guidance (Original)	FY2021 Full year guidance (Upward revision)	YoY (Vs. Upward revision)	% change (vs Original forecast)
Revenue	3,691	4,800	5,249	+42.2%	+9.4%
Gross Profit	1,617	1,894	1,894	+17.1%	—
Operating Profit	452	589	589	+30.1%	—
Profit attributable to owners of parent	291	368	368	+26.1%	—
Earnings per share	¥79.84	¥92.76	¥91.27	—	—

Revised



# 1.13 Breakdown of Guidance

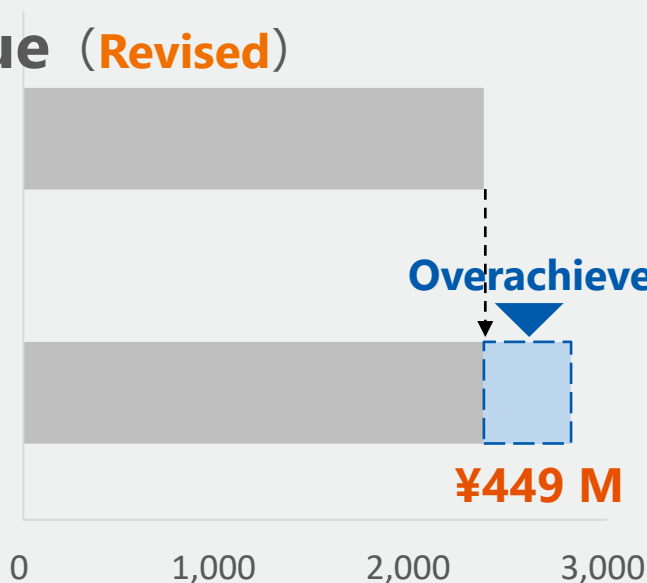
**Revenue** : Added the overachievement (=¥449M) from the first half to the original full-year guidance for FY2021

**Profit** : Left the original guidance unchanged, considering the impact of COVID-19 on the rest of FY2021 and investment for future business expansion

## ■ Revenue (Revised)

1H FY2021 (E)

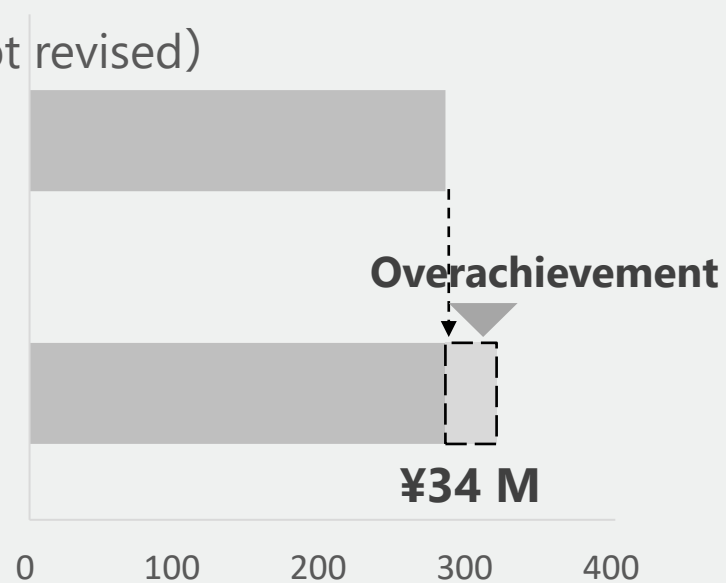
1H FY2021 (A)



## ■ OP (Not revised)

1H FY2021 (E)

1H FY2021 (A)



- Overachievement in first half (=¥449 M)  
+ original FY2021 guidance(=¥4,800 M)

- Upward revision for revenue guidance for FY2021 is ¥5,249 M

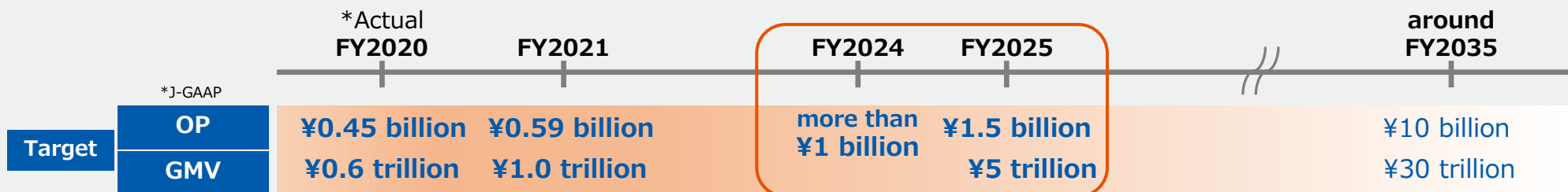
- No change to profit guidance FY2021(=¥589 M), considering the potential impact of COVID-19

- Overachievement toward full-year guidance for FY2021 to be allocated to business expansion investment/employee rewards

## 2. Growth Strategy and Progress

# 2.1 Assessment of Action Plan for Profit Growth

We are making steady progress toward ¥1 billion in operating profit for FY2024, in line with our action plan



## ■ Action plan and progress (assessment of action plan)

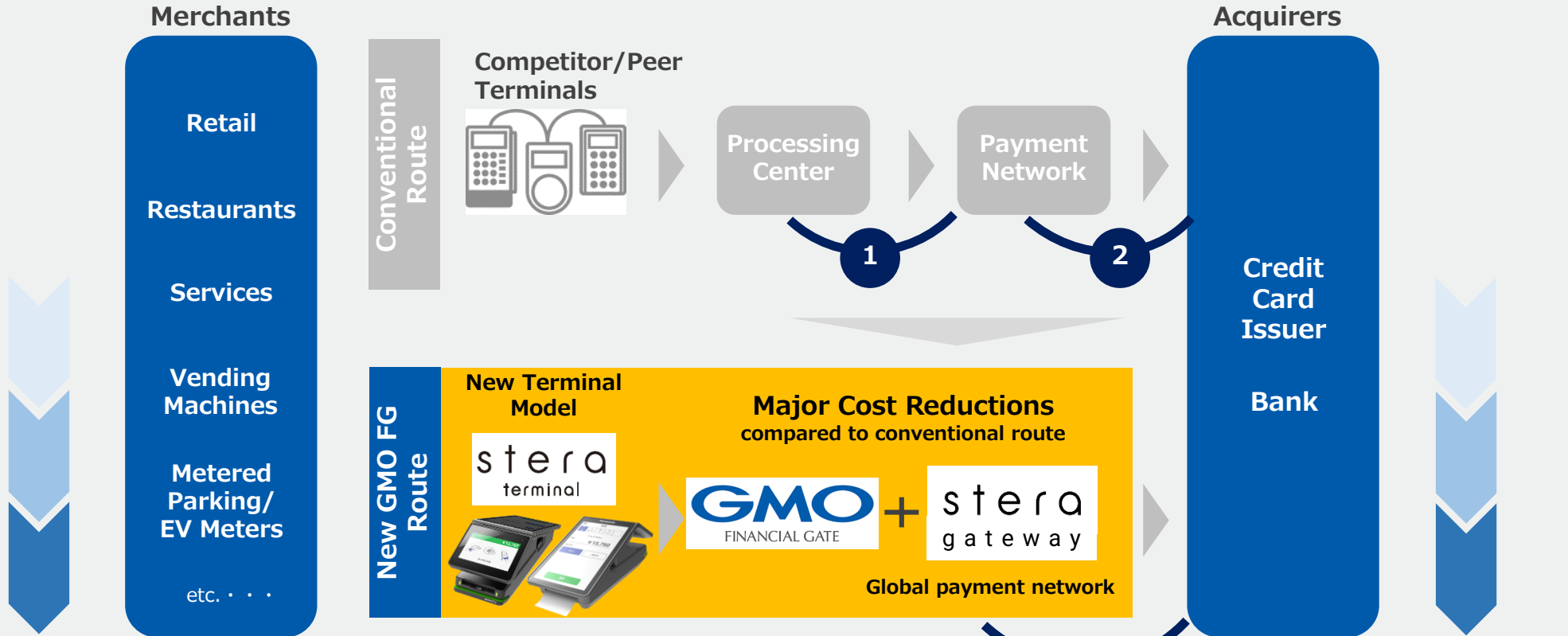
- 1 Acquire high-growth participating merchants across various industries by delivering new models of multi-payment terminals
  - Steady installations and activations of *stera* terminal
  - Acquired new participating merchants, including medical drug stores and major restaurant chains in Japan
- 2 Expand IoT/Unattended business by promoting contactless payment (touch payment) and unattended
  - Delivered high number of terminals for use as unattended checkout registers (hotels/metered parking lots/self-checkout registers); currently focusing on beverage vending machines
  - Providing our platform for use in the mobility domain
- 3 Acquire major participating merchants by promoting alliances with QR businesses/e-point issuers
  - Accelerating number of alliances related to QR/e-wallet/e-point payments
  - Promoting QR payments in IoT domain
- 4 Reinforcement of payment processing center functions
  - Providing merchants with payment data from our processing center
  - Upgrade back-office functions (billing and payments, etc.)

## ■ Medium- to long-term strategy (2025~)

- ① Aim for continuous 25% growth YoY in revenue and operating profit through diversified alliances  
(Diverse alliances in terms of payment methods, functions, and channels for acquiring participating merchants)
- ② Expand stock-model revenue by focusing on finance-related businesses
- ③ Expand monetization of points by utilizing data from the IoT/Unattended business
  - Ongoing preparation

# 2.2 Strategy to Maximize TRX Value

We created a new payment processing route with alliance partners. This route increases GMV, as the route reduces costs to participating merchants and acquirers



■ Cost savings via new route leads to **improved competitive capability of alliance partners** ↑

# 2.3 Global Payment Network Progress

Backlog forecast for Q3 and Q4 FY2021 is more than 17,000 units. Making steady progress toward terminal sales projections for FY2021

## ■ No. of active terminals \*Payment terminals (excluding IoT)

(Unit: Thousands)	FY2020 End of Q2	FY2020 End of Q3	FY2020 End of Q4	FY2021 End of Q1	FY2020 End of Q2	QoQ 1Q→2Q (%)	YoY (%)
Payment terminals (excluding IoT)	26.5	27.7	30.3	36.7	45.4	+8.7 (+23.7%)	+18.9 (+71.3%)
		+1.2	+2.6	+6.4	+8.7		

Launched *stera*

## ■ Backlog forecast in Q3 and Q4



**Accumulating backlog beginning in the next fiscal year and onward**

- Accumulating backlog across a variety of industries
- Launched new type of business in the long tail domain


# 2.4 IoT/Unattended Market Growth

The number of machines in the unattended market (e.g., vending machines, service machines) exceeds that of the offline market. The unattended market is expanding rapidly due following factors:

Unattended Market

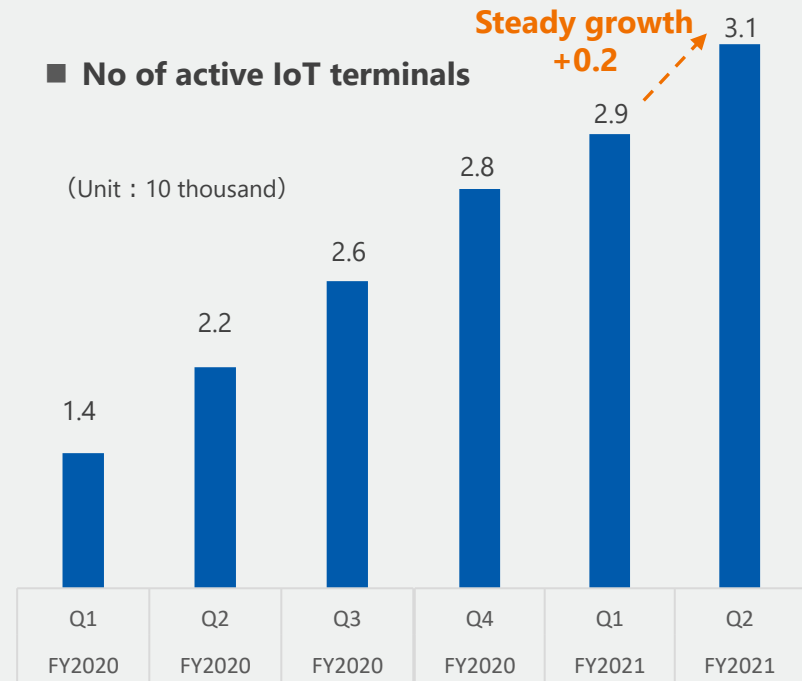
**4.5 million**

\*Number of vending machines, ticket machines, etc.



- Goods/commodities
- Tickets
- Beverages/sweet treats
- Self-checkout machine (Golf/Hotel)
- Coffee
- Metered parking/ EV chargers
- Self-checkout register
- Coin-operated washing machines

- Factors that accelerate IoT/Unattended
- Decline in labor force
  - Push for unattended systems
  - Inbound demand
  - In-office vending machines becoming more popular
  - Amendments to the Sales Act
  - COVID-19



Offline Market

**4 million**

\*Number of registers, terminals, etc.



Source: The Japan Vending System Manufacturers Association, Japan Ministry of Health Labor and Welfare, Yano Research Institute Ltd.

# 2.5 Progress of IoT/Unattended

We have begun to expand business steadily in hotel checkout registers. Accelerating terminal deliveries to both new and current customers. Started delivering a new type of terminal for beverage vending machines and coffee machines

●→ Completed  
●...→ To be completed

2021: Mar Jun Sep Dec 2022: Mar

Progress

**Hotel/golf**

**Flow** revenue model  
**Stock** revenue model

Delivered approximately 40K terminals  
Fee revenue coming from active terminals  
Expanding business



Growth in stock-model revenue by acquiring business in hotel checkout registers. Delivering terminals to new and current customers

**Metered parking**

**Flow** revenue model  
**Stock** revenue model

Delivered terminals to leading metered parking company  
Securing stock, fee and spread revenue via active terminals  
DX: Digitalize parking ticket, Online reservation & payment



Started delivering terminals to a leading parking machine vender. Planning to deliver 10K terminals over the next 2 years. DX service will be delivered in the future.

**Ticket vending machines**

**Flow** revenue model  
**Stock** revenue model

Demand is expanding due to *new normal* policies under COVID-19 announced by Japanese government  
Growing stock revenue by adding new functions available to all e-money brands  
QR code payment



**New**  
Started delivering terminals steadily in Kansai area in Japan. Launch of QR code payment expected to be delayed to after Dec 2021.

**Self-checkout registers**

**Flow** revenue model  
**Stock** revenue model

Delivered to major restaurant chains, grocery store chains  
Securing stock and fee revenue via active terminals



**New**  
Accelerated delivery of self checkout register terminals to dollar shop chain

**Vending machines (Beverages/coffee)**

**Flow** revenue model  
**Stock** revenue model

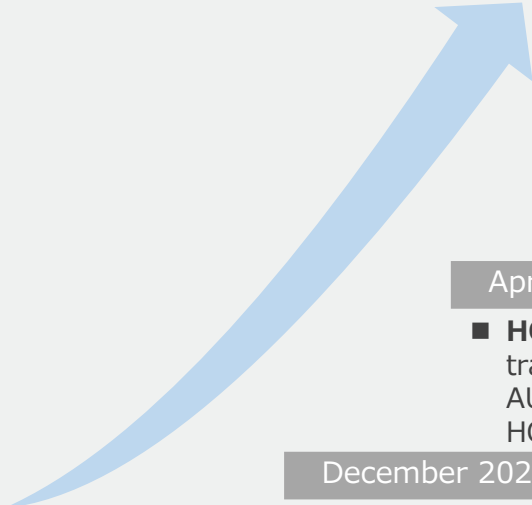
Delivered terminals to leading operators (settlement/maintenance of vending machines)  
Securing stock and spread revenue via active terminals  
DX: Optimize stock delivery route, and optimize merchandise mix



Allied with leading vending machine operator to create new types of terminals in the future. QR code payment is currently under discussion for acceptance

# 2.6 Accelerating business in mobility

We are entering into the mobility domain (smaller payments than other types of consumption), offering Cashless Platform x Touch Payments



**New** April 2021~

- **Fukuoka City Transportation Bureau** Launched trial of ticket buying service via VISA touch payment (Partners: SMCC, Aquabit Spirals, QUADRAC, Toppan Printing, VISA, THE BANK OF FUKUOKA, GMO-PG) Source: GMO-FG HP



**New** April 2021~

- **Nankai Electric Railway** Began accepting VISA touch payment. Trial started in limited area! (Partners: Nankai Electric Railway, SMCC, QUADRAC, VISA) Source: Nankai Electric Railway HP



April 2021~

- **HOKUTO KOTSU** First adoption of Visa touch-payment in public transportation in Hokkaido (Partners: SMCC, QUADRAC, ODAWARA AUTO-MACHINE MFG, Hokkaido Atlas, Visa Worldwide Japan) Source: HOKUTO KOTSU HP



December 2020~

- **Fasstap (allied with Soft Space)** Started providing NFC payment without terminals Source: GMO-FG HP



November 2020~

- **Kyoto Tango Railway (managed by WILLER)** First time in Japan! Adoption of Visa touch-payment in railway ~Ride with a simple touch! More convenient fare payments (Partners: SMCC, QUADRAC, Visa Worldwide Japan, SMBC) source: WILLER HP



**GMO FINANCIAL GATE**  
*Cashless Platform*

July 2020~

- **Ibaraki Kotsu (managed by Michinori HD)** Cashless payments on highway buses for the first time in Japan! Adoption of Visa touch-payment in buses (Partners: SMCC, Visa Worldwide Japan, ODAWARA AUTO-MACHINE MFG) Source: Michinori HD HP





## 3. Financial Highlights

## 3.1 Profit & Loss

The sales of stera terminal increased steadily in Q2. Q2 COGS ratio increased due to revenue increase and higher stera terminal sales. SG&A growth was lower in comparison to sales growth due to cost management measures

(Unit: Thousands of yen)	Q2 FY2021 Accumulated basis	YoY (Q2 FY2020 accumulated basis)		QoQ (Q1 FY2021)
		Actual	YoY	Actual
Revenue	<b>2,816,315</b>	2,050,754	37.3%	1,285,793
COGS	<b>1,836,706</b>	1,127,211	62.9%	819,605
Gross profit	<b>979,608</b>	923,542	6.1%	466,187
SG&A	<b>660,695</b>	578,069	14.3%	302,684
Operating profit	<b>318,912</b>	345,472	-7.7%	163,502
Ordinary profit	<b>319,549</b>	335,350	-4.7%	163,539
Profit attributable to owners of parent	<b>211,636</b>	197,613	7.1%	110,204

## 3.2 Balance Sheet

Maintaining steady cash and equity balances through stable cashflows generated by our businesses

Q2 FY2021 (Unit: Thousands of yen)

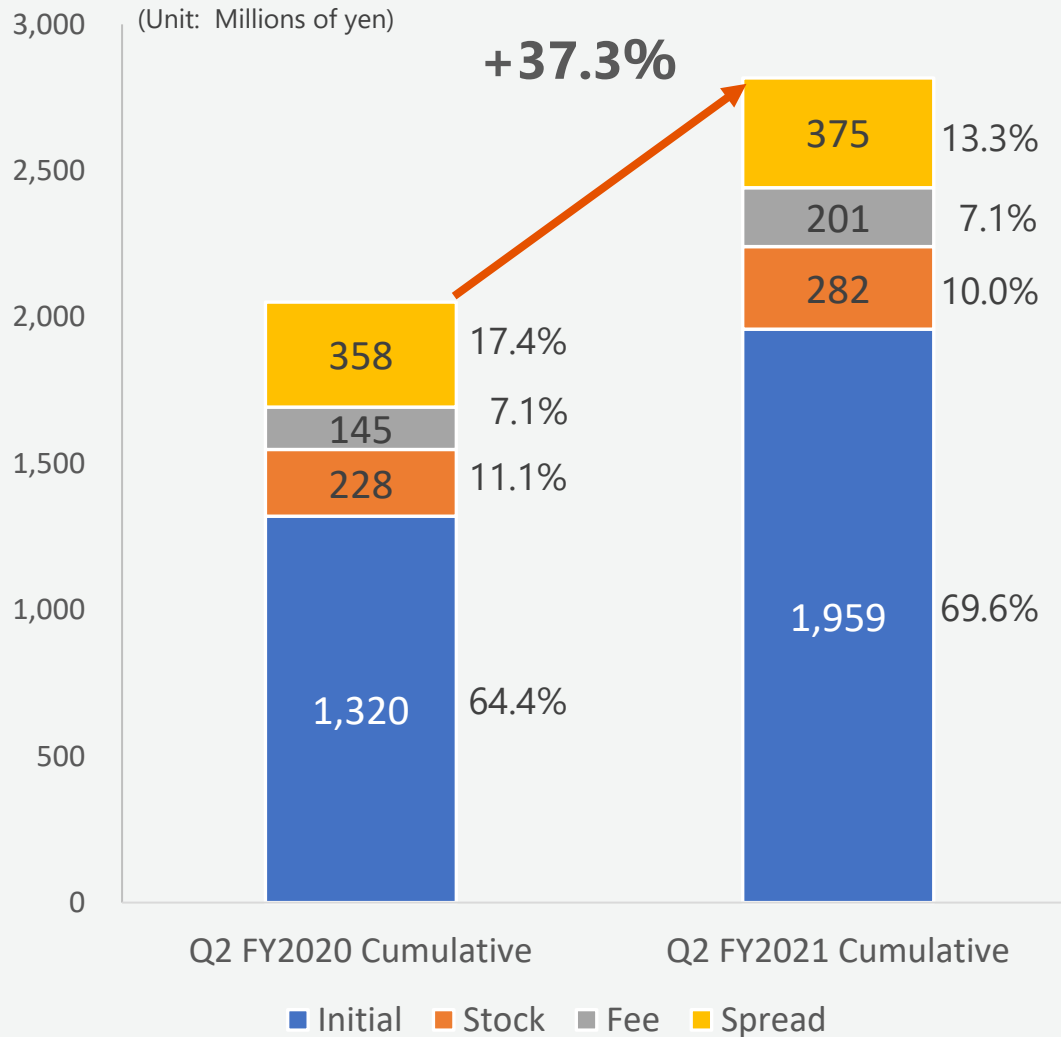
Cash & cash equivalents (43%) 2,850,391	Current liabilities 2,393,753
Other current assets 2,578,445	Non-current liabilities 48,933
Non-current assets 1,185,416	Total equity (63%) 4,171,566
<b>Asset</b>	<b>Debt</b>

### ■ Points

- Holding adequate stock toward sales forecast of payment terminals such as stera (stock: ¥1.86 billion out of other current assets)

# 3.3 Revenue by Business Model (YoY)

Achieved steady growth, even compared to the pre-COVID-19 period (Jan-Mar 2020)









## ■ Points

- Revenue approximately +30% YoY compared to the pre-COVID-19 period (Jan-Mar 2020)
- Composition ratio of Initial revenue increased due to the sales growth of the *stera* terminal
- On the other hand, composition ratio of Spread revenue decreased. This is due to transaction value declined in SME merchants, especially restaurant industry, after the announcement of a state of emergency declaration in January 2021

# 4. Appendix

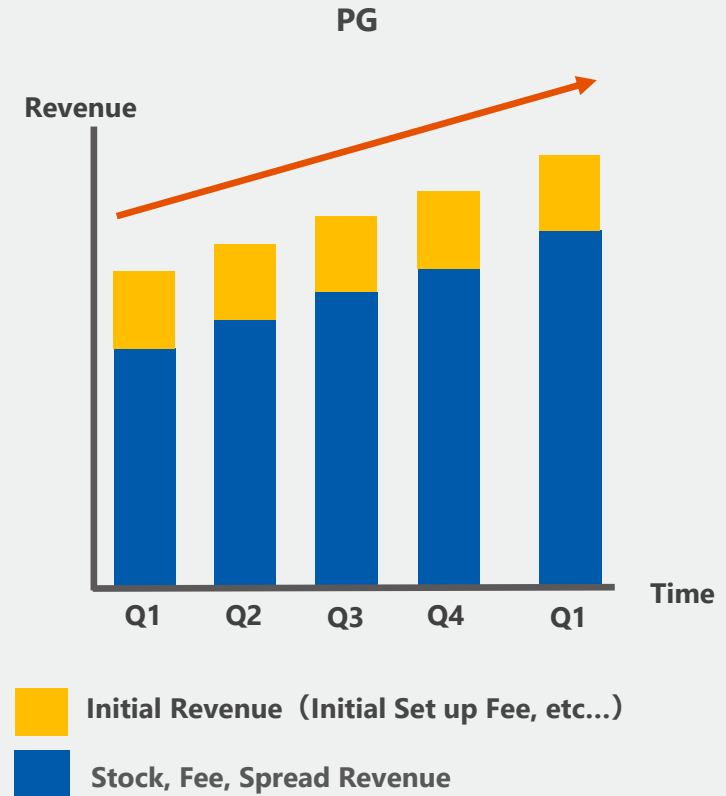
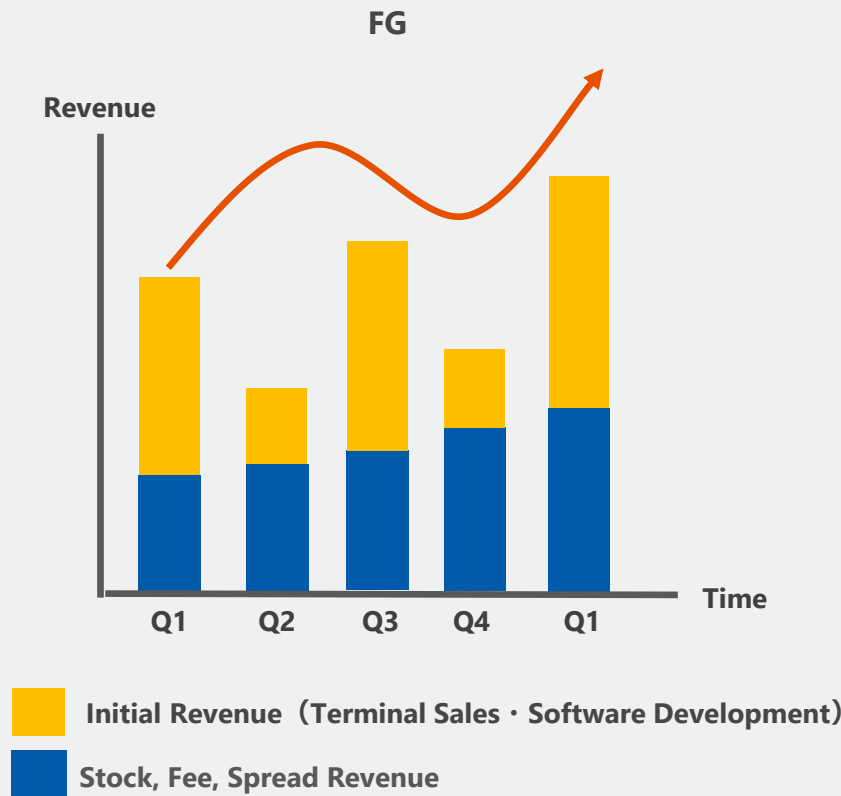
# GMO-FG Business Domain

GMO-FG is focusing on offline payment

Company name		
Business Domain	<p>GMO Financial Gate (Payment at Brick &amp; Mortar + IoT)</p>	<p>GMO Payment Gateway (EC)</p>
Payment method	<p><b>Payment by passing card/QR code over the reader</b></p> <div style="display: flex; justify-content: space-around;">   </div>	<p><b>Payment by entering credit card information in PC/mobile phone</b></p> <div style="display: flex; justify-content: space-around;">   </div>
Medium	<p>Payment terminal</p>	<p>EC (terminal is unnecessary)</p>
Payment Center/Network	<ul style="list-style-type: none"> <li>• Physical hardware network</li> <li>• Proprietary programming code specifications</li> <li>• Regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Integrate lots of payment functions</li> <li>• Providing all services from installment to maintenance</li> </ul>

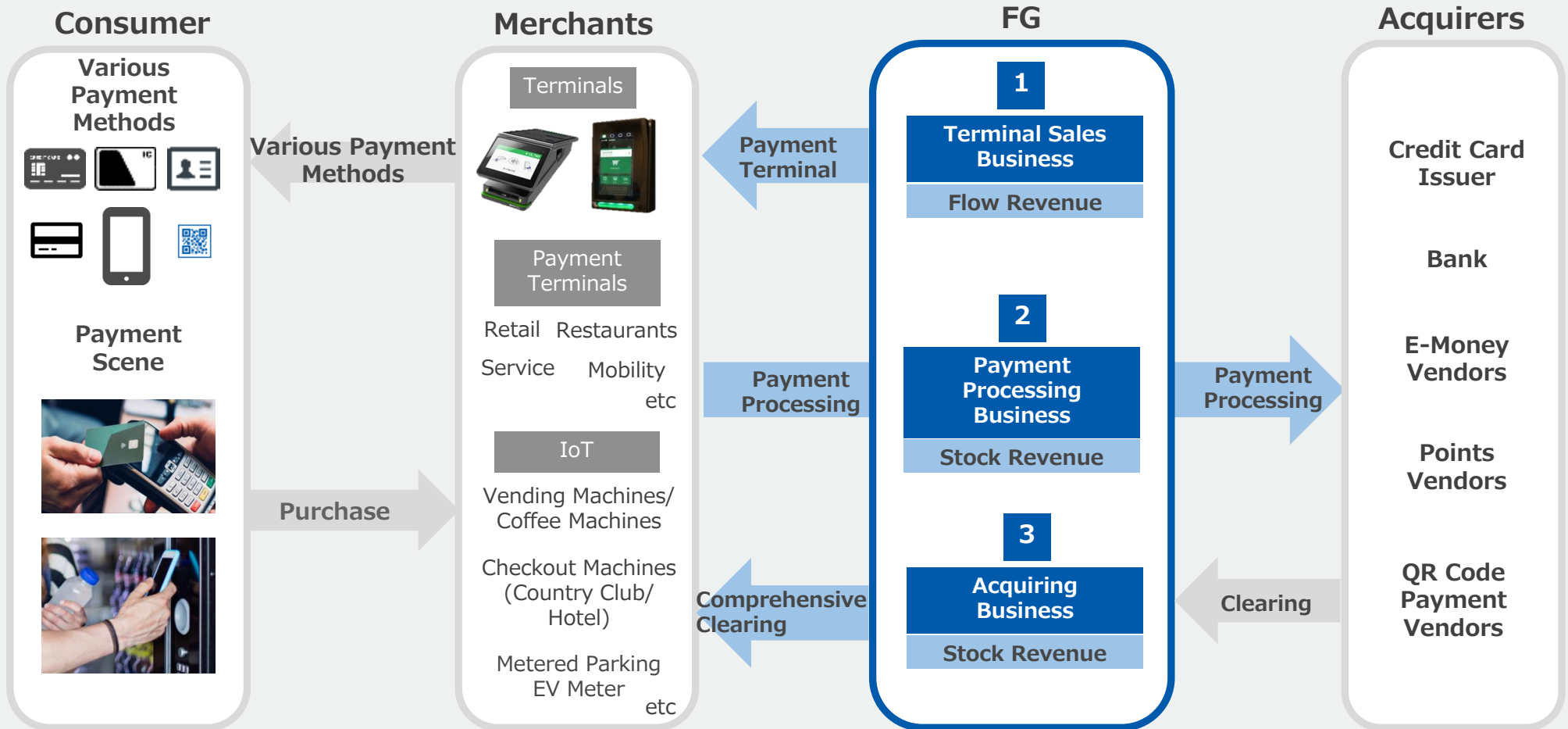
# Rev Models: Financial Gate vs. Payment Gateway

Initial revenue in offline payment is tend to be fluctuate because of its seasonality of terminal delivery



# Three Biz Models Over a Single, One-Stop Platform

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





# Stock Revenue Expansion Originating From Terminal Sales

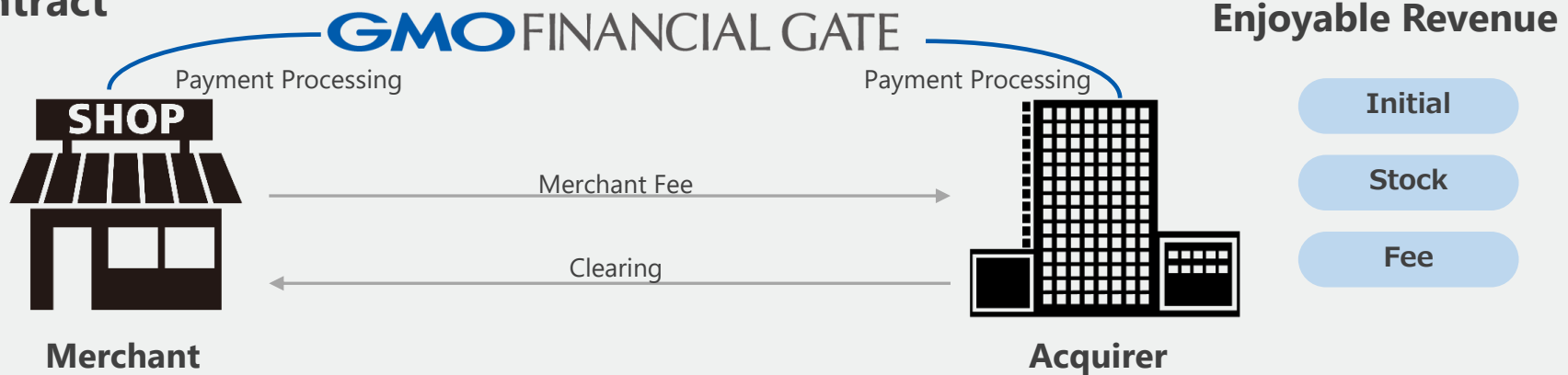
Stock revenue grows with flow model revenue which is mainly coming from the sales of payment terminals

Model	3 Businesses	4 Types of Revenue	
<b>Flow Model Rev</b>	① Terminal Sales Business	Initial	One-time revenue via <b>terminal sales</b>
<b>Stock Model Rev</b>	② Payment Processing Business	Stock	Monthly recurring revenue via <b>active terminals</b>
		Fee	Processing revenue via <b>transaction volume</b>
	③ Acquiring Business	Spread	Spread revenue via <b>transaction value</b>

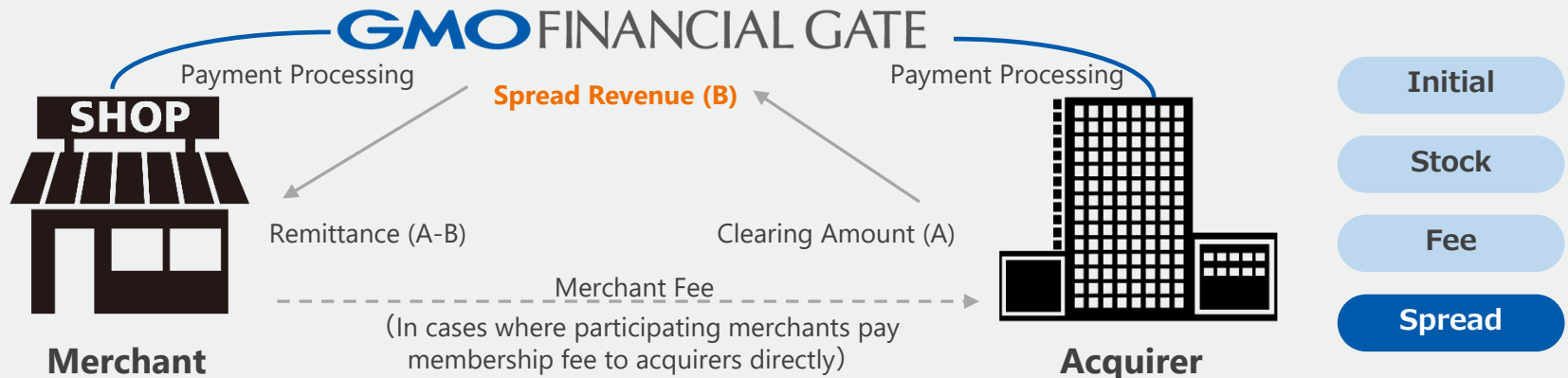
# Relationship Between Spread Revenue and GMV

We do not necessarily generate spread revenue for every transaction. This is due to the fact that credit card companies have historically acquired major participating merchants on their own. Therefore, we calculate spread revenue as  $GMV \times \text{Take Rate} \times \text{Contribution Ratio}$

## ■ Direct Contract

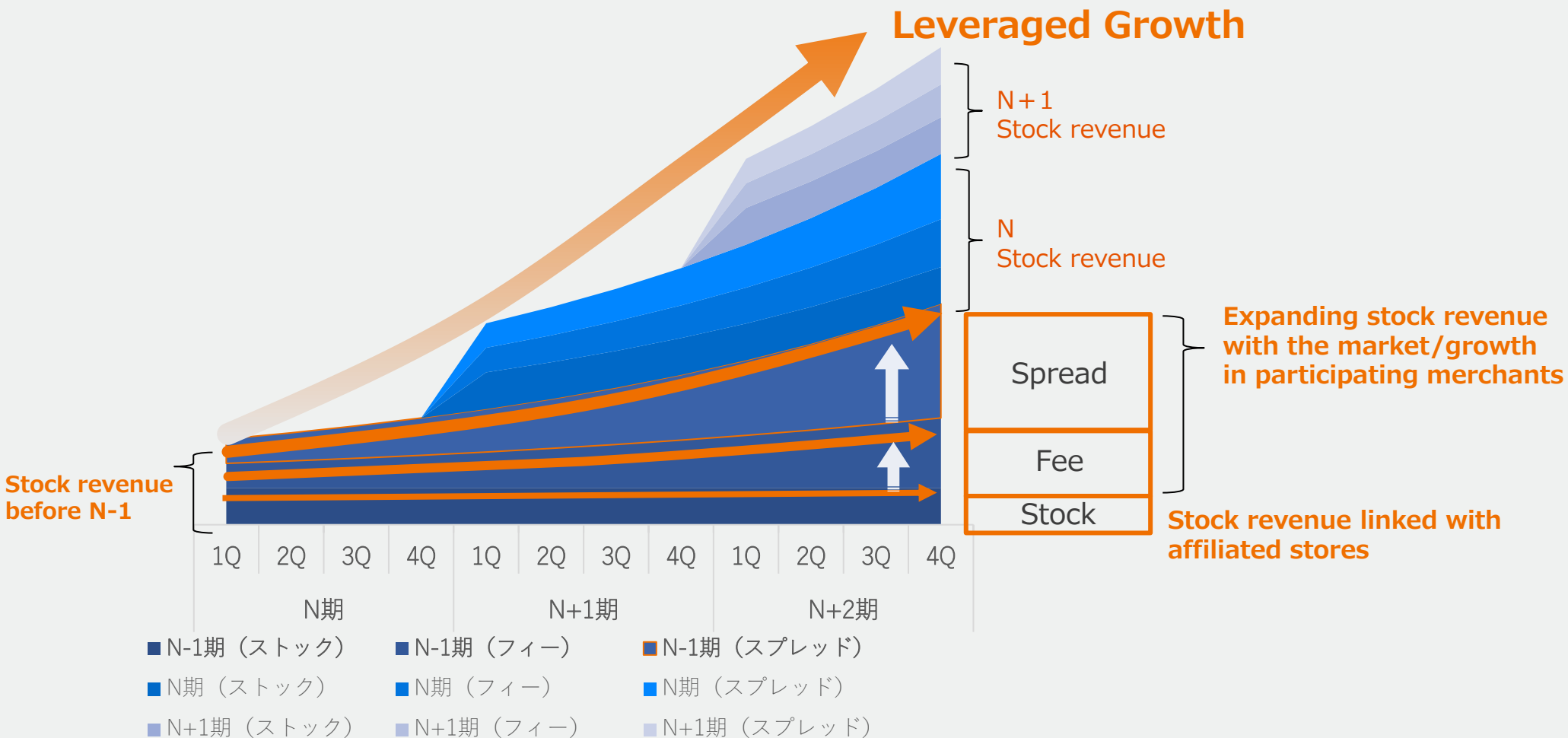


## ■ Agent Contract (\*Clearing amount for Agent Contract $\div$ GMV = Contribution Ratio)



# Leveraged Growth Model

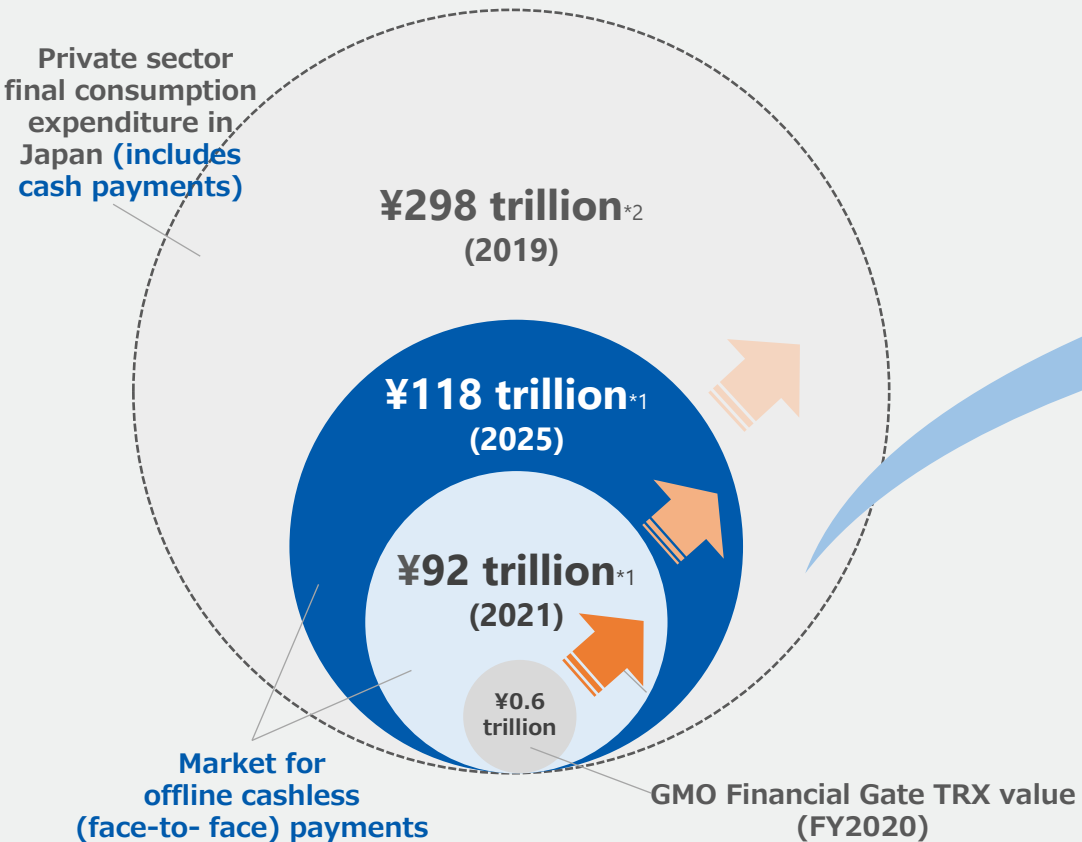
Fee and spread revenue are expanding with the market /growth in participating merchants



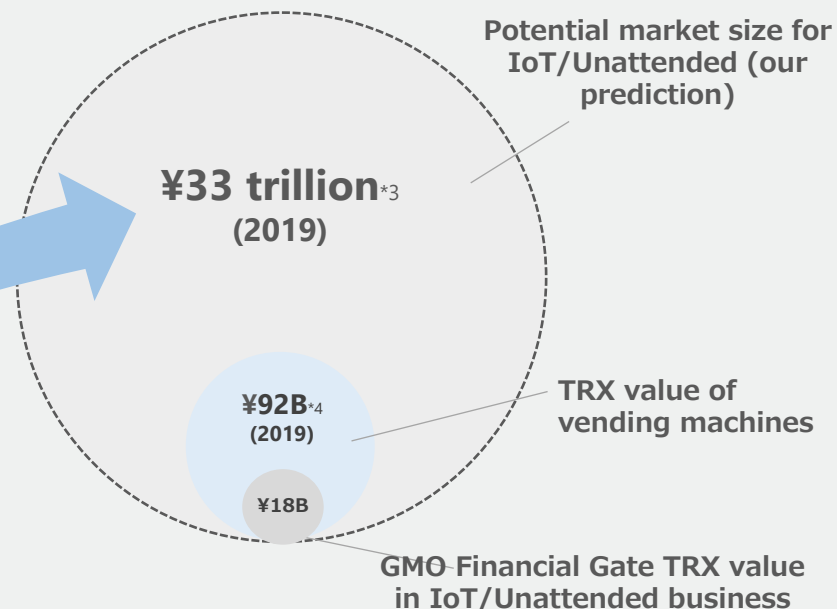
# TAM (Total Addressable Market)

Value of cashless (face-to-face) payment is expanding rapidly, as the value of IoT/Unattended

## Offline TRX value in Japan



## Potential market value of IoT/Unattended



■ To achieve ¥1.5 billion in operating profit for FY2024 :  
Expand IoT/Unattended business driven by contactless payment (touch payment) and unattended registers

(\*1) Source: Cashless Roadmap 2019, PAYMENTS JAPAN; Current Status and Future Forecasts for Online Payment Service Providers, 2018, Yano Research Institute Ltd.

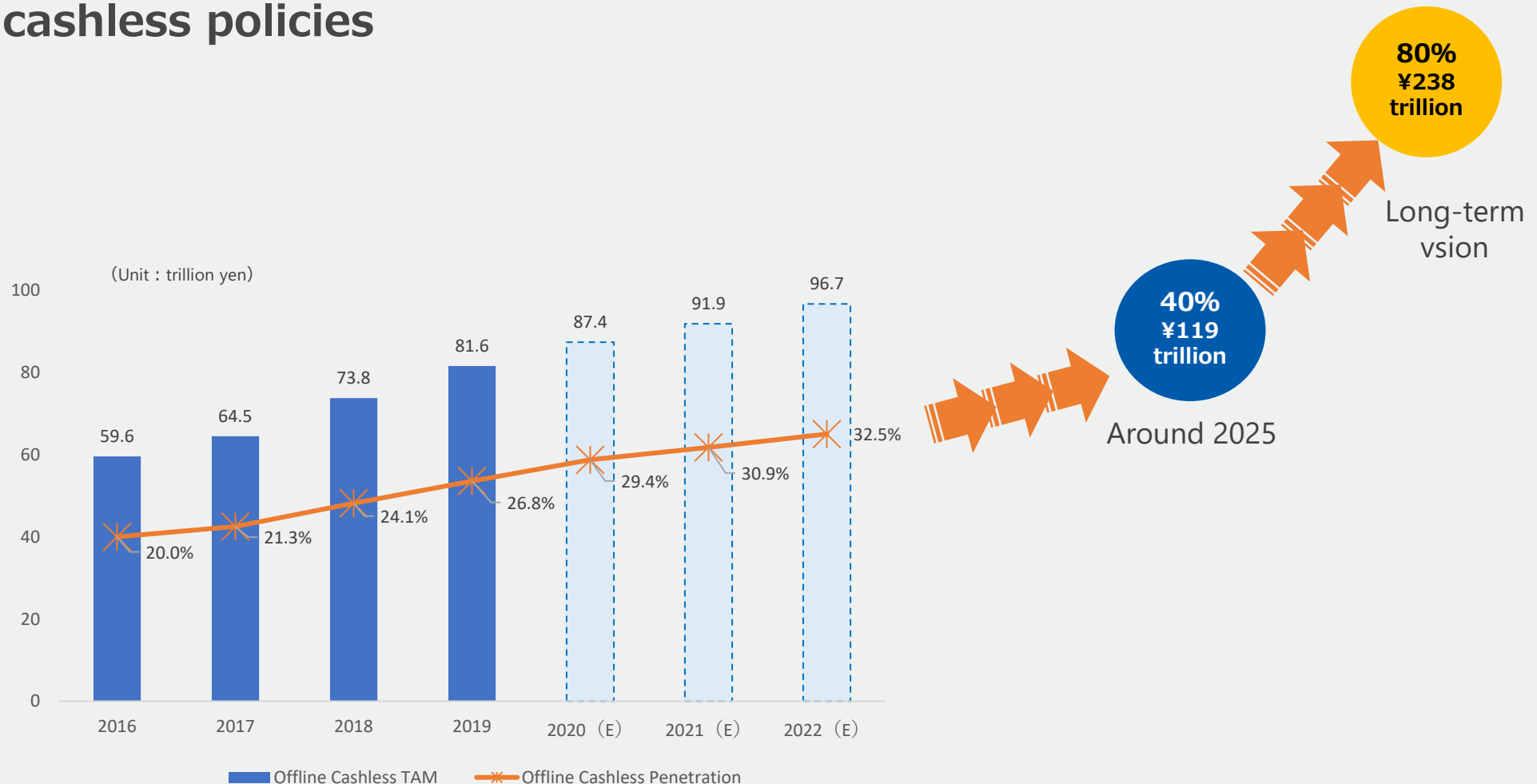
(\*2) Source: Cabinet Office, Government of Japan

(\*3) GMO Financial Gate internal forecast based on statistical data published by the Cabinet Office, Government of Japan, the Japan Vending System Manufacturers Association, and the Japan Parking Business Association

(\*4) Source: Japan Ministry of Economy, Trade and Industry

# Market Growth of Offline Cashless (face-to-face payments)

The market for offline cashless payments is currently ¥92 trillion, six times larger than the online market. Cashless penetration is expected to rise to as much as 80%, driven by government-led cashless policies



Source: Cashless Roadmap 2019, PAYMENTS JAPAN; Yano Research Institute Ltd.

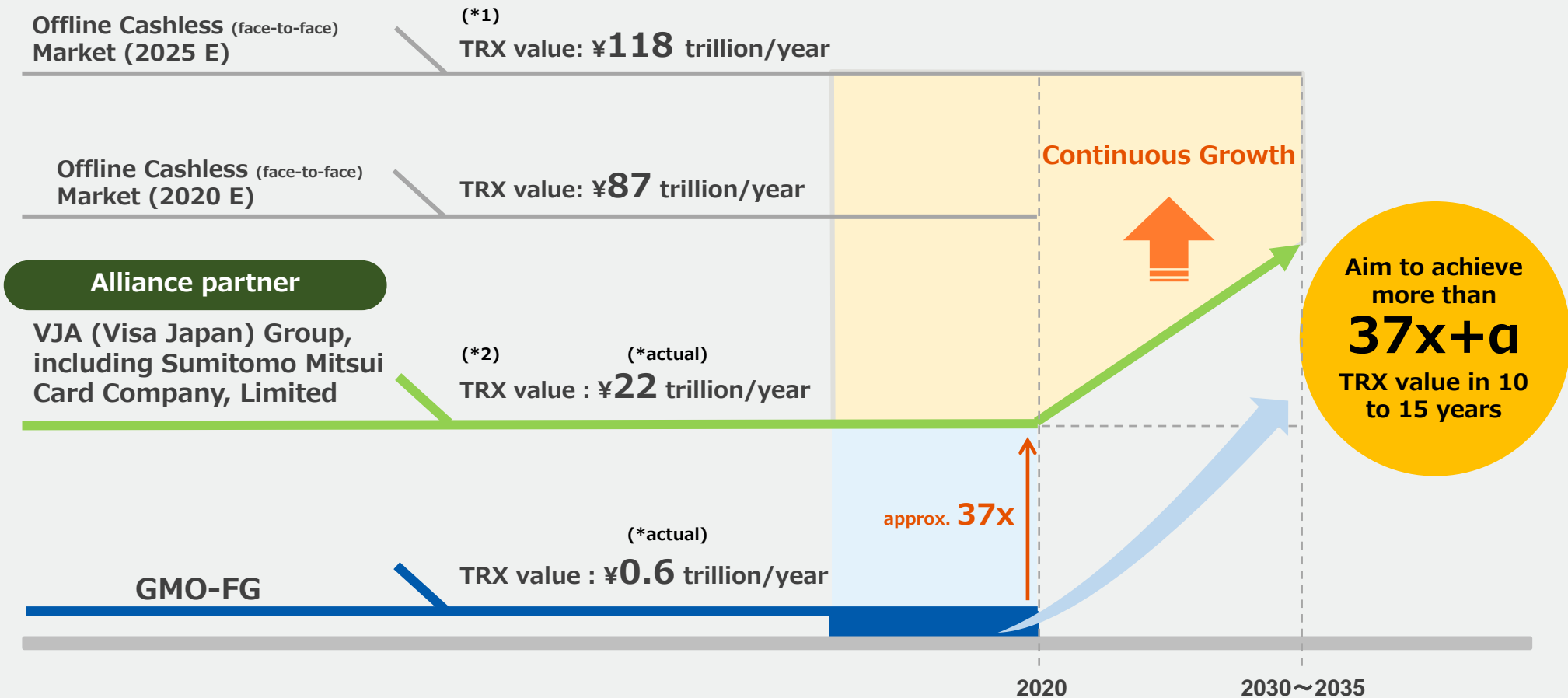
# Government Promotion of Cashless Payments

**METI\*** announced its *Cashless Vision* policy to encourage cashless payments. We expect the Japanese cashless market to expand rapidly in response



# Strategy to Maximize TRX Value

Maximize GMV through a new processing network and by pursuing B-to-B alliances



(\*1) Source: Cashless Roadmap 2019, PAYMENTS JAPAN; Current Status and Future Forecasts for Online Payment Service Providers, 2018, Yano Research Institute Ltd.

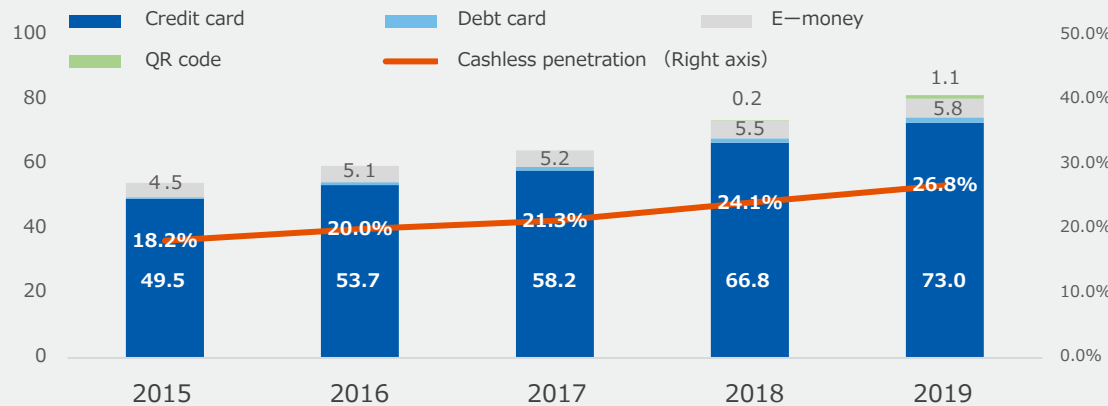
(\*2) Source: VJA

# Composition of Cashless Payment Methods

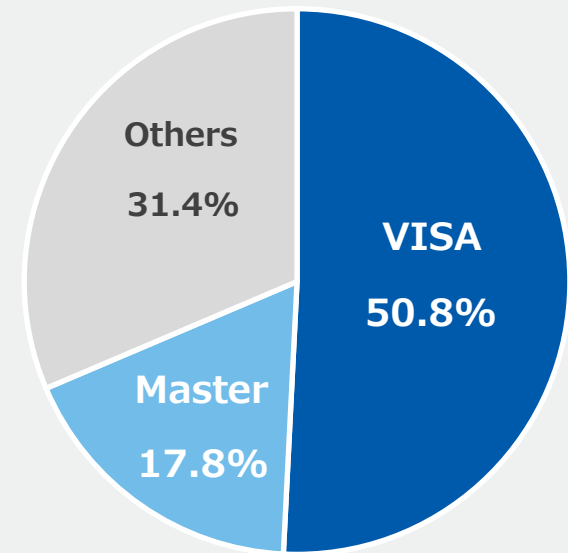
While cashless payments have become more diversified, credit card use is still high

## TRX value of cashless payment

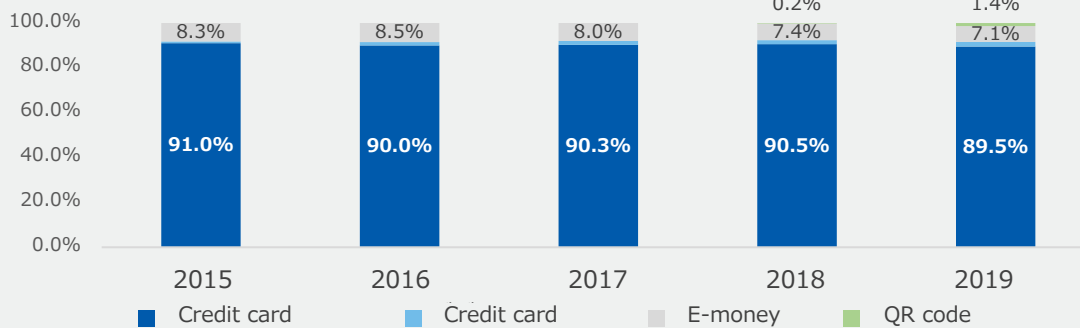
(Unit : trillion yen)



## Credit card brand share in Japan (2020)



## Composition of cashless payment methods



\*Source: Ministry of Economy, Trade and industry

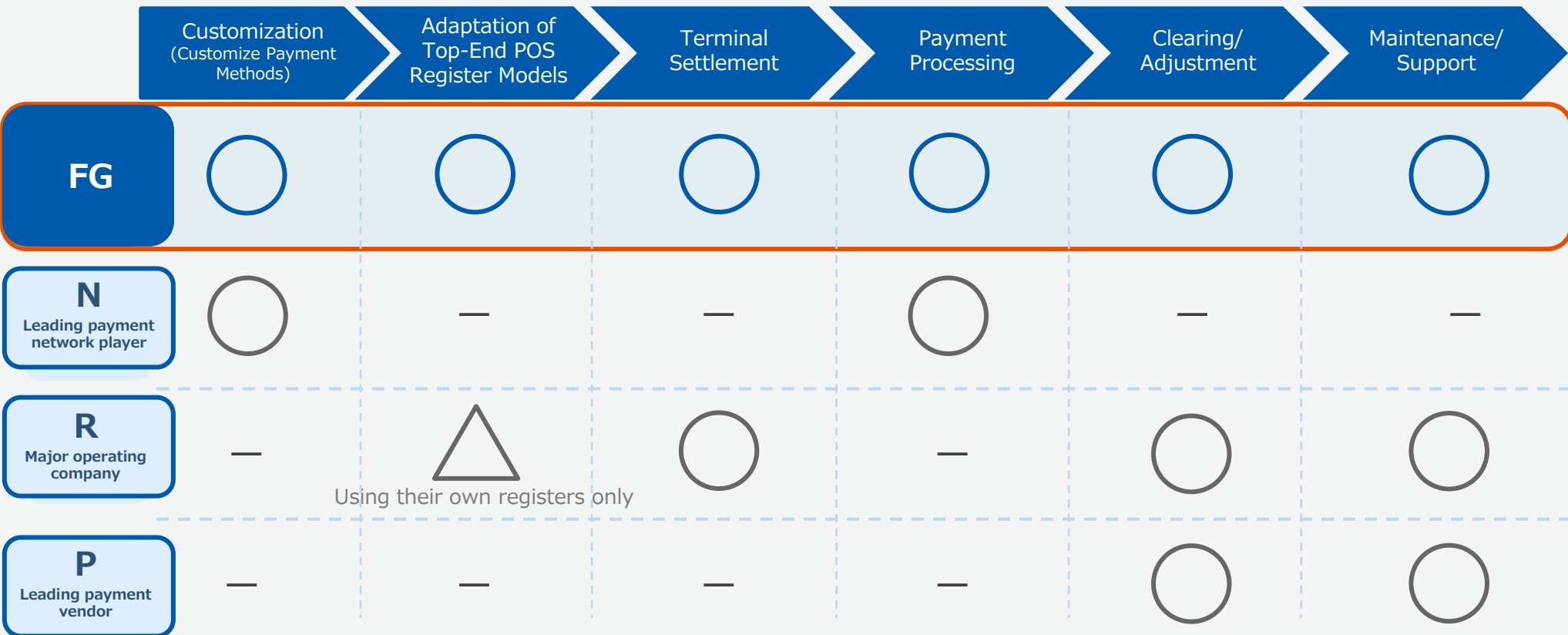
\*Source: Ipsos Financial Service



# Unique Positioning

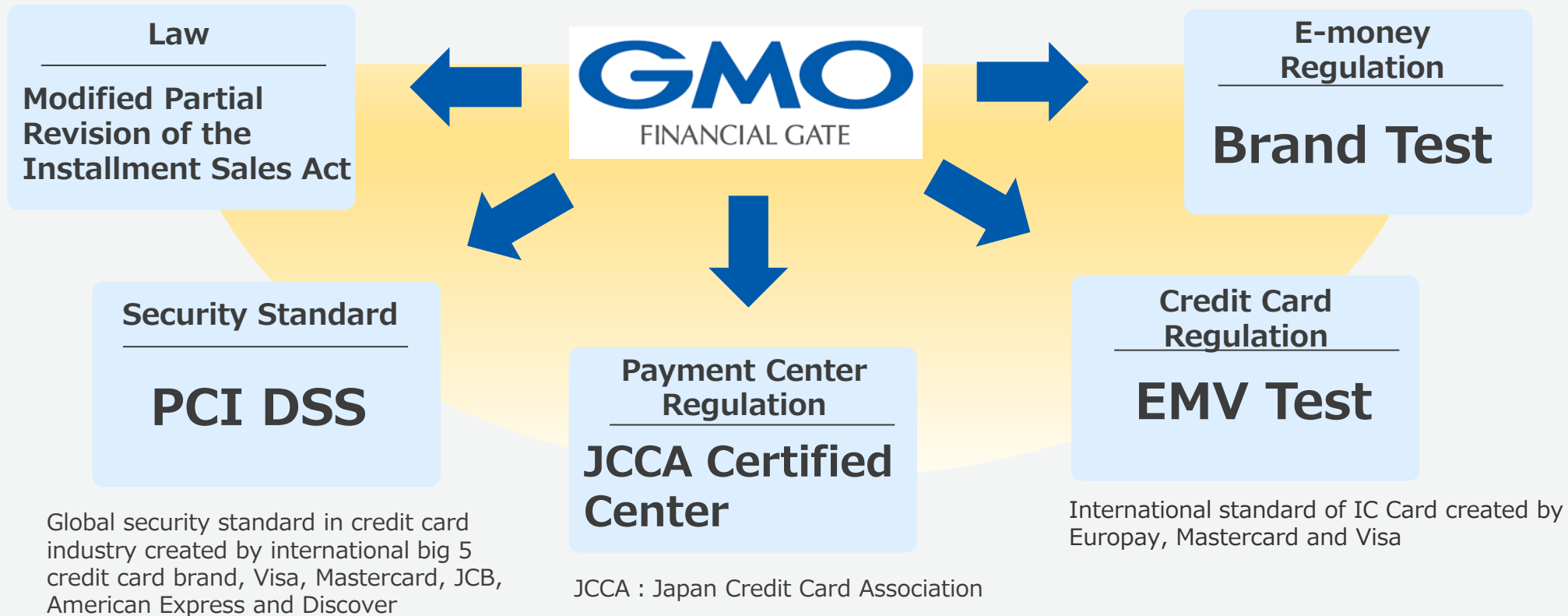
End-to-end solutions via one-stop platform allows us to create alliances with many players in the market

## ■ Solutions in Offline Payment Market



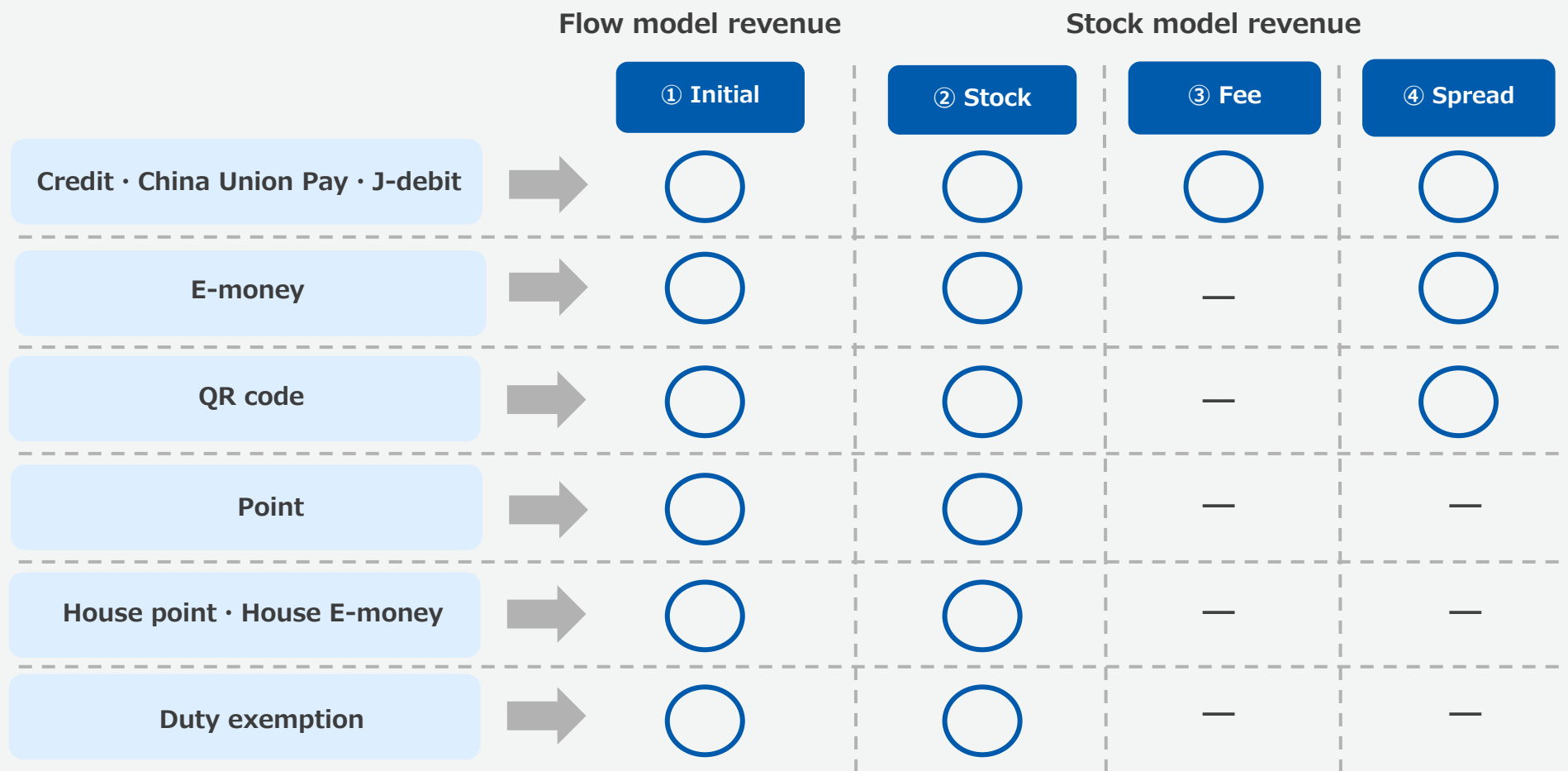
# Barriers to Entry (Regulations to be Followed)

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



# 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



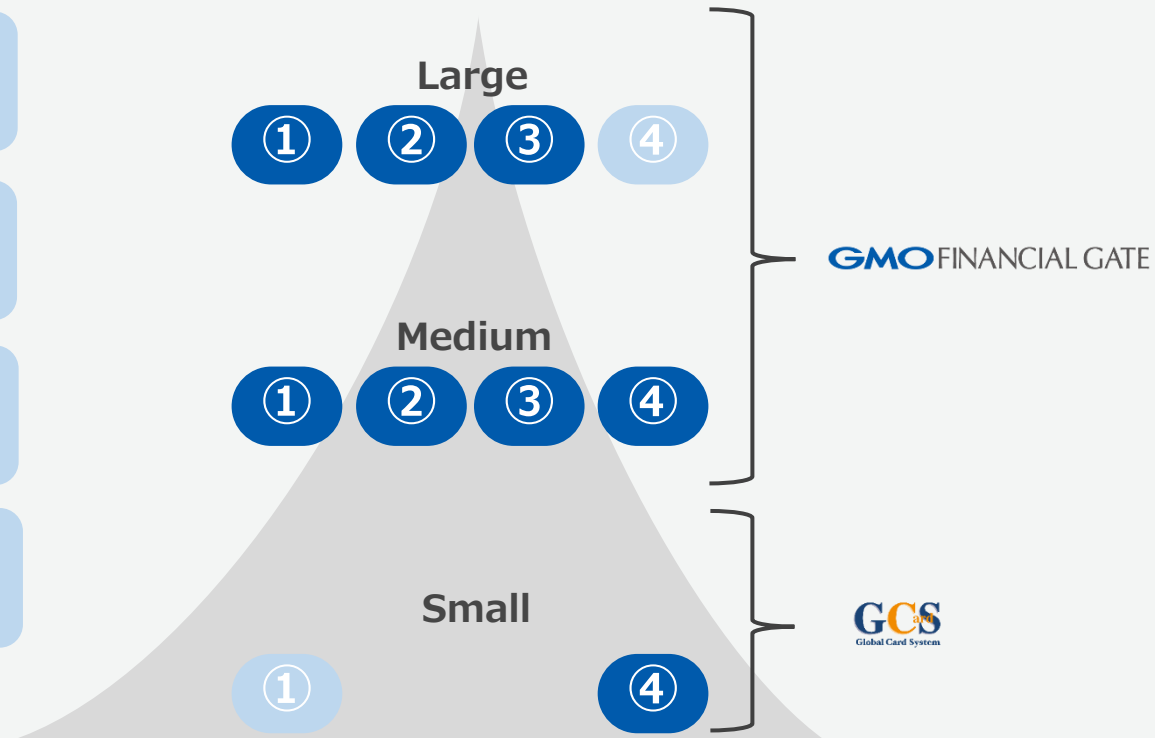
# Revenue Model by Merchant Size

We mainly acquire medium- to large-sized merchants through alliances with major financial institutions. We mainly acquire small merchants (=long tail segment) through our subsidiaries

## ■ Four types of revenue model

① Initial	Terminal sales, Software development, Initial registration fee, etc...
② Stock	Monthly recurring revenue, communication fee of terminals, etc...
③ Fee	Processing revenue related to TRX volume, Receipt paper sales, etc...
④ Spread	Commission fee based on TRX value

## ■ Revenue model related to the size of merchant



# Medium-Term Strategy

Acquiring major participating merchants by focusing on alliances

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

### Credit



### E-money



### Point



### QR



### J-debit



### House point/House E-money



### Duty exemption



### Terminals we offer

#### Floor-Standing Model



#### Mobile Model



#### Embedded Model



#### POS Model

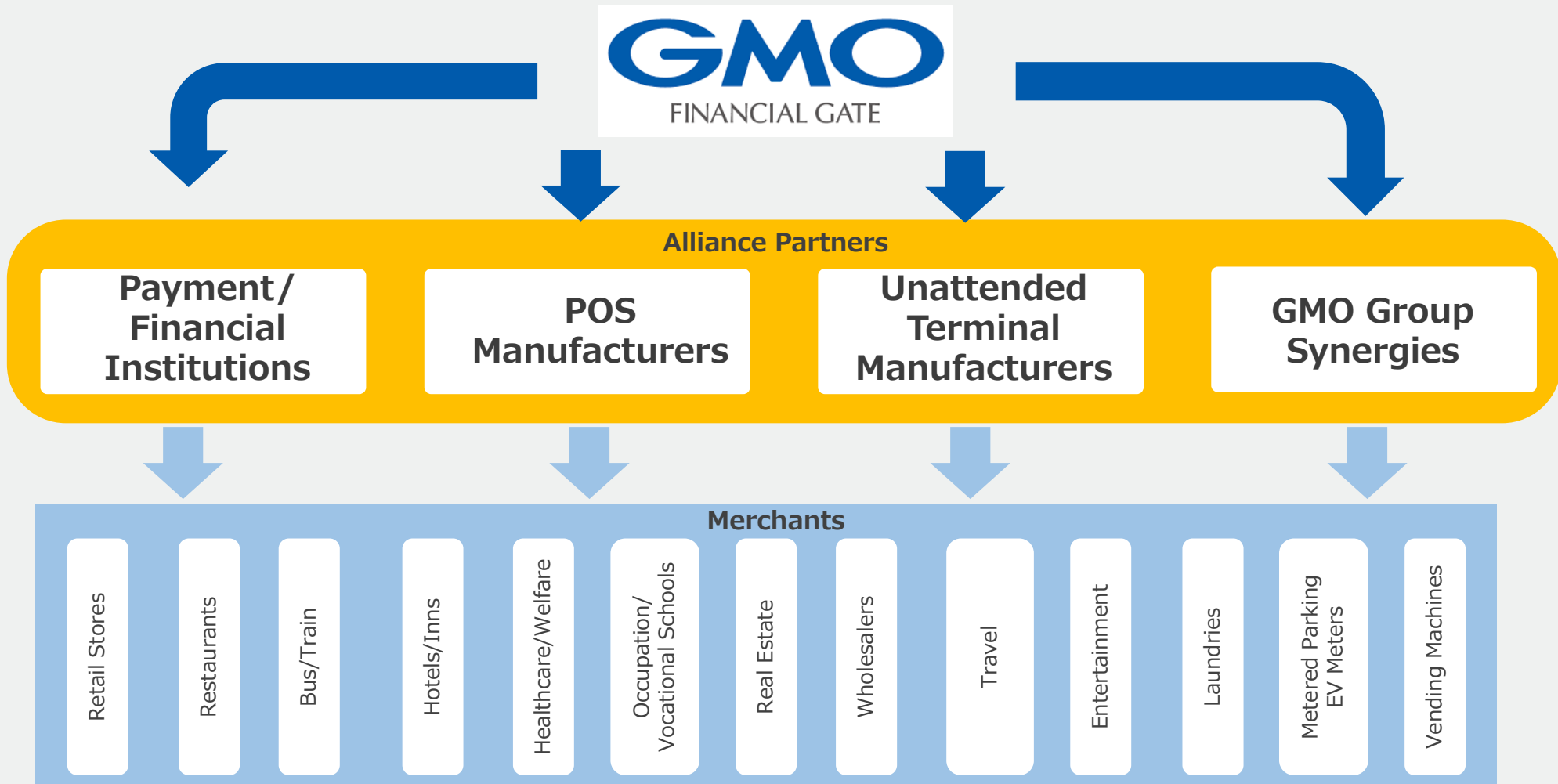


\*Alliance partner terminals

## Cashless Platform

# Alliance Overview

Working with alliance partners allows us to secure participating merchants consistently and steadily



# stera Network Real-World Implementations

(July 21, 2020)

## First adoption of Visa Touch for public transportation in Japan (highway bus operated by Ibaraki Kotsu)

- First-ever adoption of Visa Touch payment for public transportation in Japan (Katsuta Tokai-Tokyo Line highway bus operated by Ibaraki Kotsu).
- Pay bus fare by simply touching eligible credit cards or smartphones on readers. New system provided by SMCC and Visa Worldwide Japan utilizing the stera platform offered by SMCC
- Visa Touch payment expected to be used in more than 500 cities worldwide in the future. Already implemented in New York, London, Singapore, and Sydney. More recently, public transportation in Brussels, Bratislava, Bucharest, Hong Kong, Sant Domingo, and Torino have started to accept Visa Touch




(November 20, 2020)

## First adoption of Visa Touch in railways. Ride with a simple touch! Kyoto Tango Railway is Earliest Adopter

- WILLER, SMCC, QUADRAC, Visa Worldwide Japan and SMBC launched a cashless payment service offering Visa Touch readers for use in railways for the first time in Japan. Kyoto Tango Railway became the first company to adopt this service
- This Visa Touch system, commonly used overseas, is now available for Japanese railways, offering rapid payment processing of the type in high demand for speedy payments in Japan
- The service allows daily commuters and visitors from other countries to pay with credit cards, eliminating the need to buy train tickets. With wider adoption, public transportation will become much more convenient for all



# Company Profile

- **Company**                    **GMO Financial Gate, Inc. (TSE Mothers Ticker:4051)**
  
- **Foundation**                **September 1999**
- **Address**                    **Humax Shibuya Building 7F, Shibuya Dogenzaka 1-14-6, Tokyo**
- **Stock Capital**              **¥1,594 Million**
- **Major Shareholder**       **GMO Payment Gateway, Inc.**
- **Board Member**            **Representative Director, President            Kentaro Sugiyama**  
    **Director, Chairman                                Akira Takano**  
    **Director    Akio Aoyama (Sales Division Executive Manager)**  
    **Director    Masamitsu Ikezawa (Administrative Division Executive Manager)**  
    **Director    Tomonaga Fukunaga (System Division Executive Manager)**  
    **Director    Masaru Yoshioka (GMO Payment Gateway, Inc. Executive Officer)**  
    **External Director                                Nao Shimamura**  
    **External Auditor                                 Takayoshi Nagasawa**  
    **External Auditor                                 Satoru Ozawa**  
    **Auditor    Takashi Iinuma (CPA)**
  
- **Auditing Firm**            **Deloitte Touche Tohmatsu LLC**
- **Subsidiary**                 **Global Card System, Inc. shareholding ratio:100%** 
  
- GMO DATA, Inc.                                shareholding ratio: 51.0% (Mitsui Card Company, Limited:49.0%)GMO DATA**
  
- **Business**                    **Cashless payment infrastructure service (credit card, debit card, e-money etc.)**



Floor-Standing Model



Mobile Model



Embedded Model



POS Model

(As of May 13, 2021)



**T h a n k   Y o u**

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