



Summary of Consolidated Financial Statements for the Second Quarter, FY2015

April 30, 2015

Exchange: First Section of Tokyo Stock Exchange

Name of listed company: GMO Payment Gateway, Inc.
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 Scheduled date of submission of quarterly report May 14, 2015 Scheduled date of commencement of dividend payment -
 Supplemental materials prepared for financial results Yes
 Information meeting arranged related to financial results Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest one million yen)

1. Consolidated Financial Statements for the Second Quarter, FY2015 (From October 1, 2014 to March 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q FY2015	4,162	19.4	1,487	20.1	1,530	23.2	937	30.3
2Q FY2014	3,487	27.7	1,239	22.0	1,242	21.7	719	17.5

(Note) Comprehensive income: 2Q FY2015: 965 million yen (30.7%) 2Q FY2014: 738 million yen (19.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q FY2015	27.14	27.12
2Q FY2014	20.85	20.81

(Note)

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

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

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
2Q FY2015	31,912	7,264	22.8	210.17
FY2014	24,613	6,815	27.7	197.15

Reference: Equity: 2Q FY2015: 7,260 million yen FY2014: 6,808 million yen

(Note)

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

2. Dividends

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

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

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

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

(Percentages denote an increase or decrease as compared with the previous period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	8,656	20.1	2,974	20.1	2,985	18.1	1,797	18.6	52.02

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

Notices:

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

(4) Number of shares issued (common stock)

- | | | |
|---|-----------------------|-----------------------|
| [1] Number of shares issued at the end of the term (including treasury stock) | 2Q FY2015: 34,549,200 | FY 2014: 34,538,400 |
| [2] Number of treasury stocks at the end of the term | 2Q FY2015: 2,500 | FY 2014: 2,278 |
| [3] Average number of shares | 2Q FY2015: 34,535,970 | 2Q FY2014: 34,494,678 |

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

- * Indication of the implementation status of quarterly review procedures
These quarterly financial statements are not subject to the quarterly review procedures of the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial statements, the quarterly financial statement review procedures of the Financial Instruments and Exchange Act had not been completed.
- * Explanation of the proper use of financial forecasts and other important notes
The above forecasts are outlooks based on information currently available, and include various uncertain factors. Actual performance may differ substantially from the forecasts due to changes in business conditions and other factors. For the assumption on which financial forecasts are based and matters to be considered in using financial forecasts, please refer to "(3) Review of consolidated earnings forecasts and other forecasts" under "1. Qualitative Information on Consolidated Financial Statements for the Quarter" on page 4 of the attachment.

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1. Qualitative Information on Consolidated Financial Statements for the Quarter

(1) Qualitative information on consolidated operating results

Regarding the economic environment in Japan during the period under review, the demand sank following the spike in demand ahead of the consumption tax hike has been moderating and the economy is gradually on the mend, with the economic and fiscal policy of the government and the monetary easing policy of the Bank of Japan as a background. In regard to our core business, the BtoC EC market continues to grow thanks to a favorable external environment such as broader use of smartphones as well as reforms in logistics, and e-commerce is also spreading in the market of sales of non-goods items such as services, as seen in new areas such as omni-channel, O2O, BtoB EC and CtoC EC. In regard to the credit card field, credit card shopping is steadily growing, and people tend to make more purchases via the Internet. Also, the non-face-to-face use of credit cards in the field of payment for everyday living expenses continues to expand, such as payments for rent and medical costs, as well as utility charges and public funds. It is a certainty that opportunities to use credit cards will continue to increase.

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

The Group consists of GMO Payment Gateway, Inc. and its consolidated subsidiaries, GMO Epsilon, Inc. , GMO PAYMENT SERVICE, Inc., GMO PAYMENT GATEWAY PTE. LTD. etc, and provides credit card payment processing services and all related operations as a consolidated subsidiary of GMO Internet, Inc.

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

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

The number of merchants during the second quarter of the current consolidated fiscal year increased by 4,745 to 54,470 compared to the end of the previous consolidated fiscal year. The number and amount of processed payments steadily increased.

Changes in number of operating stores

	End of September 2011	End of September 2012	End of September 2013	End of September 2014	End of March 2015
Number of operating stores	32,062	38,949	44,328	49,725	54,470

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

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

For recurring payment field, we have continued to attempt to develop this field to enable using credit card for paying utility charges, public funds and other monthly services closely connected with everyday life. We provide payment methods to public institutions, such as the Japan Pension Service, and local governments, such as the Tokyo Metropolitan government (TMG). During the period under review, it was decided that we would conduct the payment operation in credit card payment for all taxation items for the Tokyo Metropolitan Government and the operation of the "Metropolitan Tax Credit Card Payment Site" (<https://zei.tokyo>) which the TMG has started since April 1, 2015.

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

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

During the period under review, we have started dealing with the "Chargeback Compensation Group Insurance" to

reduce the damages of the member stores by unauthorized use of credit cards since March 16, 2015. And GMO Epsilon, Inc., which is our consolidated subsidiary, has also started providing after us the service of funding for the growth of the merchants. Going forward, we will continue with our efforts to launch new products that will contribute to solving our merchants' problems.

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

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

Consequently, the Group's operating results for the cumulative second quarter of the current consolidated fiscal year were as follows: Net sales amounted to 4,162,976,000 yen (an increase of 19.4% on a year-on-year basis); operating income grew 20.1% on a year-on-year basis to 1,487,912,000 yen; ordinary income amounted to 1,530,567,000 yen (an increase of 23.2% on a year-on-year basis); and net income reached 937,361,000 yen (increase of 30.3% on a year-on-year basis). Net sales consisted of an initial revenue of 248,466,000 yen (decrease of 20.1% on a year-on-year basis), running revenue of 2,288,822,000 yen (increase of 19.0% on a year-on-year basis) and merchant acquiring service revenue of 1,625,686,000 yen (increase of 29.8% on a year-on-year basis)

Concerning operating expenses, while the solid performance of "GMO Payment after delivery" service saw a hike in cost of sales, we were able to take advantage of the scale merit of the revenue growth and reduce our burden of parallel operation by completing the transfer of our data center to strengthen our payment processing capacity since September 2012. As a result, cost of sales amounted to 858,011,000 yen (a 22.2% increase on a year-on-year basis). Selling, general and administrative expenses came to 1,817,052,000 (a 17.5% increase on a year-on-year basis).

Due to the equity income of affiliates and exchange earnings, non-operating income totaled 57,566,000 yen. Ratio of ordinary income to net sales has increased to 36.8% from 35.6%.

In an effort to enhancement of collaboration-type business, we have promoted capital and business alliance by obtaining a part of shares of important affiliated stores and important business partners. However, we sold some of the shares due to the fact that some of the business partners were purchased by the listed company. By selling a part of the shares, we posted an extraordinary income of 30,766,000 yen.

(2) Qualitative information regarding the consolidated financial condition

[1] Assets

The balance of total assets at the end of the second quarter of the current consolidated fiscal year was 31,912,988,000 yen, up 7,299,930,000 yen as compared with the end of the previous consolidated fiscal year. This increase was mainly due to an increase of cash and deposits (+5,681,963,000 yen) and an increase of investment securities (+400,642,000yen). The increase of cash and deposits was mainly caused by the increase of deposits of merchants, in accordance with the merchant acquiring service agreement.

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

[2] Liabilities

The balance of liabilities at the end of the second quarter of the current consolidated fiscal year was 24,648,143,000 yen, up 6,850,464,000 yen as compared with the end of the previous consolidated fiscal year. This increase was mainly caused by an increase in deposits received of 6,577,046,000 yen, which was an effect of the increase in deposits received from merchants in accordance with the merchant acquiring service agreement.

[3] Net assets

The balance of net assets at the end of the second quarter of the current consolidated fiscal year was 7,264,845,000 yen, up 449,465,000 yen as compared with the end of the previous consolidated fiscal year. The increase was mainly attributable to net income of 937,361,000 yen, with a decrease of 518,041,000 yen as a result of a distribution of surplus.

[4] Cash Flows

At the end of the second quarter of the current consolidated fiscal year, cash and cash equivalents (the "Funds") was 26,027,658,000 yen, up 5,678,349,000 yen as compared with the balance at the beginning of the

period. Cash flows at the end of the cumulative second quarter of the current consolidated fiscal year are as follows.

Net cash provided by (used in) operating activities

Cash provided by operating activities during the cumulative second quarter of the current consolidated fiscal year amounted to 6,861,352,000 yen (provided 1,913,530,000 yen for the corresponding period of the previous fiscal year). This was mainly due to income before income taxes of 1,560,809,000 yen and an increase in deposits received of 6,577,046,000 yen, after a payment of income taxes of 703,677,000 yen.

Net cash provided by (used in) investing activities

Cash used in investment activities totaled 670,794,000 yen (345,362,000 yen was used in the corresponding period of the previous fiscal year.) This was mainly due to the acquisition of securities (434,046,000 yen) and intangible assets (161,167,000 yen).

Net cash provided by (used in) financing activities

Cash used in financing activities totaled 534,934,000 yen (426,399,000 yen was used in the corresponding period of the previous fiscal year). This was primarily attributable to the dividend payment of 516,603,000 yen.

(3) Review of consolidated earnings forecasts and other forecasts

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

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

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

2. Items concerning summary information (Notes)

(1) Changes of important subsidiaries

N/A

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

N/A

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

N/A

3. Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheet

(Unit: Thousand yen)

	Summary of balance sheet at the end of the previous consolidated fiscal year (September 30, 2014)	End of the second quarter of the current consolidated fiscal year (March 31, 2015)
Assets		
Current assets		
Cash and deposits	20,386,175	26,068,138
Accounts receivable-trade	792,588	894,996
Merchandise	2,165	1,756
Supplies	531	662
Advance payments-trade	585,395	943,173
Prepaid expenses	58,823	64,481
Deferred tax assets	150,097	128,789
Accounts receivable-other	504,077	776,843
Other	52,343	423,235
Allowance for doubtful accounts	△56,177	△123,675
Total current assets	22,476,019	29,178,402
Noncurrent assets		
Tangible assets		
Buildings, net	57,298	59,735
Tools, furniture and fixtures, net	61,075	53,278
Other	113,573	96,026
Total tangible assets	231,947	209,040
Intangible assets		
Goodwill	30,694	26,007
Right of trademark	272	196
Software	661,723	673,837
Other	71,778	119,754
Total intangible assets	764,469	819,795
Investments and other assets		
Investment securities	650,739	1,051,382
Shares of subsidiaries and affiliates	2,507	17,014
Bonds of subsidiaries and affiliates	11,000	11,000
Investments in other securities of subsidiaries and affiliates	264,442	377,829
Long-term loans receivable from directors and employees	1,910	1,678
Claims provable in bankruptcy, claims provable in rehabilitation and other	12,434	18,051
Long-term prepaid expenses	7,722	4,919
Lease and guarantee deposits	149,210	187,629
Deferred tax assets	51,384	54,296
Allowance for doubtful accounts	△10,729	△18,051
Total investments and other assets	1,140,621	1,705,750
Total noncurrent assets	2,137,039	2,734,585
Total assets	24,613,058	31,912,988

(Unit: Thousand yen)

	Summary of balance sheet at the end of the previous consolidated fiscal year (September 30, 2014)	End of the second quarter of the current consolidated fiscal year (March 31, 2015)
Liabilities		
Current liabilities		
Accounts payable-trade	229,278	258,230
Accounts payable-other	692,310	1,119,688
Income taxes payable	644,375	548,321
Accrued consumption taxes	171,628	111,384
Advances received	7,850	21,522
Deposits received	15,589,857	22,166,903
Provision for bonuses	206,137	166,617
Other provisions	34,840	29,500
Other	48,061	48,664
Total current liabilities	17,624,339	24,470,833
Noncurrent liabilities		
Provision for directors' remuneration Board Incentive Plan Trust	70,000	95,000
Other	103,339	82,310
Total noncurrent liabilities	173,339	177,310
Total liabilities	17,797,678	24,648,143
Net assets		
Shareholders' equity		
Capital stock	708,118	710,205
Capital surplus	968,040	970,126
Retained earnings	5,315,707	5,735,026
Treasury stock	△264,723	△265,236
Total shareholders' equity	6,727,143	7,150,122
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	64,821	96,921
Foreign currency translation adjustment	16,685	13,740
Total Accumulated other comprehensive income	81,506	110,661
Subscription rights to shares	3,774	2,603
Minority interests	2,956	1,458
Total net assets	6,815,379	7,264,845
Total liabilities and net assets	24,613,058	31,912,988

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

(Consolidated quarterly statements of income)

(Cumulative second quarter of the consolidated fiscal year)

(Unit: Thousand yen)

	First six months of the previous consolidated fiscal year (From October 1, 2013 to March 31, 2014)	First six months of the current consolidated fiscal year (From October 1, 2014 to March 31, 2015)
Net sales	3,487,937	4,162,976
Cost of sales	701,969	858,011
Gross profit	2,785,968	3,304,965
Selling, general and administrative expenses	1,546,806	1,817,052
Operating income	1,239,162	1,487,912
Non-operating income		
Interest income	3,932	3,962
Dividends income	4,143	5,091
Equity income of affiliates	—	6,682
Earnings on reversal of dividends payable	770	1,050
Rent income	6,900	7,073
Commissions received	11,573	8,704
Exchange earnings	4,055	24,234
Other	2,397	767
Total non-operating income	33,773	57,566
Non-operating expenses		
Interest expenses	1,040	1,141
Equity in losses of affiliates	9,994	—
Loss on investment in silent partnership	11,327	3,788
Loss on investment in partnership	994	3,043
Rent expenses	6,759	6,932
Other	26	6
Total non-operating expense	30,142	14,911
Ordinary income	1,242,793	1,530,567
Extraordinary income		
Income from securities sold	11,221	30,766
Total extraordinary income	11,221	30,766
Extraordinary loss		
Loss on retirement of noncurrent assets	3,199	523
Total extraordinary loss	3,199	523
Income before income taxes	1,250,815	1,560,809
Corporate, inhabitant and enterprise taxes	532,648	607,954
Income taxes-deferred	△983	17,211
Total income taxes	531,665	625,165
Income before minority interests	719,149	935,644
Minority interest in loss(△)	—	△1,716
Net income	719,149	937,361

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

(Unit: Thousand yen)

	First six months of the previous consolidated fiscal year (From October 1, 2013 to March 31, 2014)	First six months of the current consolidated fiscal year (From October 1, 2014 to March 31, 2015)
Income before minority interests	719,149	935,644
Other comprehensive income		
Other valuation difference on available-for-sale securities	14,321	32,100
Foreign currency translation adjustment	4,574	△2,726
Share of other comprehensive income of associates accounted for using equity method	96	—
Total other comprehensive income	18,992	29,373
Comprehensive income	738,141	965,017
(Details)		
Parent company shareholders' comprehensive income	738,141	966,515
Minority's comprehensive income	—	△1,498

(3) Consolidated statements of cash flows

(Unit: Thousand yen)

	First six months of the previous consolidated fiscal year (From October 1, 2013 to March 31, 2014)	First six months of the current consolidated fiscal year (From October 1, 2014 to March 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes	1,250,815	1,560,809
Depreciation	129,412	141,255
Amortization of goodwill	5,364	4,686
Increase and decrease in provision (△decrease)	34,566	54,959
Interest and dividends income	△8,076	△9,053
Interest expenses	1,040	1,141
Foreign exchange gains and losses (△gains)	△4,058	△24,311
Equity in gains and losses of affiliates (△gains)	9,994	△6,682
Gains and losses on investments in silent partnership (△gains)	11,327	3,788
Gains and losses on investment in partnership (△gains)	994	3,043
Loss on retirement of noncurrent assets	3,199	523
Gains and losses on valuation of investment securities (△gains)	△11,221	△30,766
Increase and decrease in accounts receivable (△Increase)	△158,073	△107,893
Increase and decrease in inventories (△increase)	△2,284	366
Increase and decrease in advance payments-trade (△increase)	△300,558	△357,778
Increase and decrease in accounts receivable-other (△increase)	△190,173	△273,424
Increase and decrease in purchase debts (△decrease)	64,285	28,757
Increase and decrease in accounts payable-other(△decrease)	203,455	267,652
Increase and decrease in deposits received (△decrease)	1,393,974	6,577,046
Other	△1,578	△272,687
Subtotal	2,432,406	7,561,433
Interest and dividends income received	3,691	4,737
Interest expenses paid	△1,040	△1,141
Income taxes paid	△521,527	△703,677
Net cash provided by (used in) operating activities	1,913,530	6,861,352
Net cash provided by (used in) investing activities		
Purchase of property, plants and equipment	△5,911	△2,085
Purchase of intangible assets	△163,981	△161,167
Purchase of investment securities	△59,257	△434,046
Proceeds from sales of investment securities	14,221	63,159
Purchase of other securities of subsidiaries and affiliates	△125,000	△125,000
Distributions from an investment partnership	—	30,092
Payment on leasehold deposits	—	△31,181
Other	△5,433	△10,566
Net cash provided by (used in) investing activities	△345,362	△670,794
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	15,442	3,002
Purchase of treasury stock	—	△513
Cash dividends paid	△420,296	△516,603
Other	△21,545	△20,820
Net cash provided by (used in) financing activities	△426,399	△534,934
Translation differences of cash and cash equivalents	5,809	22,725
Increase and decrease in cash and cash equivalents(△decrease)	1,147,577	5,678,349
Balance of cash and cash equivalents at the beginning of the period	18,358,343	20,349,309
Cash and cash equivalents at the end of period	19,505,920	26,027,658

(4) Notes to the consolidated quarterly financial statement

(Notes regarding the premise for continuance)

N/A

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

N/A