



March 25, 2020

GMO Payment Gateway, Inc.

President and CEO Issei Ainoura

(TSE First Section; Security code 3769)

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Notice of Approval of Listing of consolidated subsidiary GMO Financial Gate, Inc.

The GMO Payment Gateway ("GMO-PG") announced today that the initial listing of common shares of GMO Financial Gate ("GMO-FG"), a consolidated subsidiary, has been approved on Tokyo Securities Exchange Mothers Market, as detailed below.

1. Listing of GMO Financial Gate, Inc.

(1) Positioning of GMO-FG within the GMO-PG's consolidated subsidiaries

GMO-PG offers online payment processing services to efficiently connect and process the payment transaction information between payment service providers such as credit card companies, and B2C EC and other online operators.

On the other hand, GMO-FG addresses the offline market, offering payment processing for payment methods such as credit cards and debit cards to offline operators (physical stores).

(2) Purpose of listing

The business opportunities in the offline market in which GMO-FG operates is expanding significantly, thanks to the government's move to tackle the issues of improving the security of cashless payments and to increase cashless penetration.

The listing of GMO-FG would not only raise their social recognition and credibility but also enhance the service and system development capability through the capital procured, thereby enabling GMO-FG's medium to long term sustainable business growth and its ability to fulfill vital roles and responsibilities as part of the offline payment infrastructure.

(3) Policy of ownership of GMO-FG shares

The business opportunities for both GMO-PG and GMO-FG are expanding as the online and offline payment markets dynamically evolve and become increasingly integrated, driven by the rising penetration of cashless payments and digitalization.

As each corporate entity aims to grow their businesses in their respective addressable markets, we will also endeavor to maximize group-wide synergies that not only contributes to the overall group's growth but also to accelerate GMO-FG's growth itself.

For this purpose, GMO-PG will maintain a majority ownership of the common shares of GMO-FG after its listing, as we believe that pursuing group-wide synergies to promote our business will be conducive in raising overall corporate value.

While GMO-FG is intended to remain as a consolidated subsidiary, their independent management will be honored and the support provided for the management to be self-reliant. Additionally, through listing, we expect to enhance the corporate value of GMO-FG through more direct engagements with various stakeholders.

2. Summary of Consolidated Subsidiary

(1) Company Name	GMO Financial Gate, Inc.
(2) Representative	Kentaro Sugiyama, President & CEO
(3) Address	1-14-6, Dogenzaka, Shibuya-ku, Tokyo
(4) Establishment	September 1999
(5) Capital	¥1173.3 million (as of September 30, 2019)
(6) Business Description	Payment processing services for offline transactions including credit cards, debit cards, etc.

3. Summary of Offering and New Share Issue

(1) Public offering of new shares	240,000 shares
(2) Underwritten offering	209,800 shares
(3) Offering via Overallotment option	67,400 shares (maximum)

4. Ownership ratio and shares held by GMO-PG

(1) Before listing	2,332,590 shares
(Ownership ratio: 64.8 %, Total Shares Outstanding 3,595,170 shares)	
(2) After listing and new shares issued	2,332,590 shares
(Ownership ratio: 60.8 %, Estimated Total Shares Outstanding 3,835,170 shares)	

※ The change in the ownership ratio is due to the dilution caused by issuing new shares for the purpose of listing.

※ Estimated total shares outstanding does not include the shares offered via the overallotment option (maximum of 67,400 shares).

5. GMO-PG's policy on listing of subsidiaries

GMO-PG's policy on listing of subsidiaries is to consider each subsidiary individually according to the subsidiaries' business, characteristics and future outlook. Therefore, as stated in "1. (2) Purpose of Listing", we believe that GMO-FG's corporate value will be enhanced further from its listing.

As of now, there are no further plans to list our subsidiaries besides GMO-FG.

6. Impact on financial results of GMO-PG

GMO-FG will remain as a consolidated subsidiary in GMO-PG's consolidated financial statements, as we estimate our ownership ratio to be 60.8% after its listing. As such, the impact to GMO-PG's consolidated financial results is minimal.

※Ownership ratio does not include the shares offered via the overallotment option (maximum of 67,400 shares).