



April 18, 2022

Company Name:	GMO Payment Gateway, Inc.
Name and Title of Representative:	Issei Ainoura, President & CEO (Securities code: 3769, TSE Prime Market)
Name and Title of Contact Person:	Ryu Muramatsu, Executive Vice President (Tel: 03 - 3464 - 0182)

Notice Regarding Change in Equity Method Affiliate, Gain on Sale from Transfer of Shares, and Revision of Financial Earnings Forecast

GMO Payment Gateway, Inc. (GMO-PG) has resolved at the Board meeting held on April 18, 2022, to transfer all of the shares of its equity method affiliate 2C2P Pte. Ltd. (2C2P) owned by the subsidiary GMO-Z.COM PAYMENT GATEWAY PTE. LTD. (GMO-Z PG SG).

Due to this transfer of shares, the consolidated earnings forecast for the fiscal year ending September 2022 has been revised, as detailed below.

In addition, the transfer of shares will result in the exclusion of 2C2P as an equity method affiliate.

1. Reasons for the Transfer of Shares

In order to expand the payment processing business in the Asian region, GMO-PG acquired shares of 2C2P, a company providing payment processing business mainly in Thailand, through the consolidated subsidiary GMO-Z PG SG and made 2C2P an equity method affiliate in August 2016. 2C2P has steadily improved its business performance in Southeast Asia, and GMO-PG has recently received an offer from a global payment processing company based in China to acquire the shares owned in 2C2P.

GMO-PG has agreed to the sale and executed an agreement for the transfer of shares based on the decision that the transfer would be beneficial for the future growth of GMO-PG as well as 2C2P and by taking a comprehensive view that the price of the share transfer is valid and reasonable, and that the acquiror's policy is to further enhance 2C2P by making it a subsidiary. The transfer of shares will be completed once all the preconditions and terms are fulfilled (estimated timing of closure is June 2022).

GMO-PG will continue its policy to expand the Payment Processing Business and the Money Service Business overseas, particularly in Southeast Asia. The funds received from the share transfer will strengthen the financial soundness of GMO-PG as well as be used for growth investments including overseas lending operations in order to further our efforts to achieve sustainable growth and enhance the corporate value.

2. Name of equity method affiliate to be transferred

2C2P Pte. Ltd.

3. Schedule of share transfer

June 2022 (planned)

4. Name of the counterparty in the share transfer

ADVANCED NEW TECHNOLOGIES (SINGAPORE) HOLDING PTE.LTD.

5. Number of shares to be transferred and the percentage of shareholding before and after the transfer

(1)	Shares owned before the change	3,292,272 shares (ownership of voting rights:29.34%)
(2)	Number of shares to be transferred	3,292,272 shares
(3)	Shares owned after the transfer	0 shares (ownership of voting rights: 0%)

(Note): The amount of the transfer price is not disclosed due to non-disclosure obligations agreed to between the parties. Note that the transfer price will not be identical to the amount calculated by dividing the gain on sale from share transfer with the ownership proportion of voting rights.

6. Outlook

Due to the transfer of shares, the fiscal year ending September 2022 is estimated to record a gain on sale from transfer of shares of an equity method affiliate, etc. of ¥16.0bn. As a result, the financial earnings forecast for the fiscal year ending September 2022 as disclosed on November 11, 2021 has been revised. Furthermore, a partial amount of the transfer price will be held in an escrow account, and a gain on sale, etc. is likely to be recognized by the fiscal year ending September 2024 if the stipulated conditions are satisfied. Note that the transfer price, etc. are estimates as of this writing and the actual amounts may vary. The foreign exchange rate assumed is 1 USD = 122.41JPY (as of March 31, 2022)

7. Revision to Earnings Forecast

(1) Revision to Consolidated Financial Earnings Forecast of Fiscal Year Ending September 2022 (FY2022)

	Revenue	Operating Profit	Profit Before Income Taxes	Profit	Profit Attributable to Owners of Parent	Basic Earnings Per Share
	Mil Yen	Mil Yen	Mil Yen	Mil Yen	Mil Yen	Yen
Previous Forecast (A)	50,000	16,234	15,538	10,048	9,860	130.01
Revised Forecast (B)	50,000	16,234	31,538	21,048	20,860	275.04
Change (B – A)	-	-	16,000	11,000	11,000	
Change (%)	-	-	103.0	109.5	111.6	
(Reference)						
Previous Year (FY2021)	41,667	12,987	13,285	8,982	8,818	117.98

(2) Reasons for the Revision

The consolidated financial forecast for fiscal year ending September 2022 is revised, as shown above, due to recording a gain on sale from transfer of shares during the fiscal year. Forecast of the year end dividend is unchanged from the initial forecast of ¥66 per share.