

NEWS RELEASE

econtext to Manage New System for Civil Fee Payments Made at Convenience Stores within Osaka Prefecture

~Company will Support Prefectural Government's Efforts to Improve Convenience and Efficiency of Tax Collection and Other Associated Tasks~

econtext, Inc. (HQ: Tokyo; President and Representative Director: Keizo Odori; econtext), a payment settlement solutions provider and subsidiary of Digital Garage, Inc. (TSE first section: 4819; HQ: Tokyo; Representative Director, President Executive Officer and Group CEO: Kaoru Hayashi; DG), has been contracted by the Osaka Prefectural Government to manage a new system for payment of civil fees at convenience stores, scheduled to begin operation on October 1, 2018. The consignment will see econtext support the administration's efforts by providing Osaka Prefecture with convenience store payment services from October 1, 2018 to March 31, 2023.

■ Background

Osaka Prefecture currently collects 80% of its civil fees, through the issuance of revenue stamps. Civil services that require payment of fees, such as driver's license renewal, obtainment of parking space certificates, passport applications, and education license renewal, comprise a total of 2,300 varieties across 130 administrative departments. Despite this, there are only 240 locations where revenue stamps can be purchased within the prefecture, mostly confined to prefectural and branch offices. As these locations also have limited operating hours, the payment options for citizens were greatly lacking in convenience.

To address this situation, the government has decided to eliminate the issuance of revenue stamps via the postal service and instead, which will enable citizens to pay administrative fees at any of the prefecture's 3,861 (as of August 2017) convenience stores. By doing so, the government will raise the convenience of civil fee collection, as well as make the accounting operations of prefectural offices that handle civil applications more simple and efficient.

■econtext Convenience Store Payment Services

Begun as a joint venture of Lawson, DG, and other parties during the dawn of the e-commerce industry in 2000, econtext is a payment settlement company. Since its founding, it has pioneered the development of convenience store payment services, providing payment solutions to a wide variety of companies and foundations in multiple genres and industries.

econtext convenience store payment services take advantage of a special touchscreen payment menu developed by econtext, allowing companies to implement convenience store payment while cutting down on the cost and number of steps required for system development. Companies that utilize the service may also add payment methods other than convenience stores. Such methods will be covered under the original contract, allowing for new functions to be introduced without upgrading to a new system.

■Future Development

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Under the "Japan Revival Plan" promoted by the Japanese government, the nation aims for convenient and efficient cashless payment services to be widespread by 2020. A key part of that effort is the adoption of electronic payment services for civil fees and other payments required by the government. For Osaka Prefecture, the majority of fee collection carried out by prefectural governments in Japan has been through revenue stamps. This system has made matters difficult for the citizens due to the limited number of locations which sell the stamps. As such, a general trend has developed throughout the nation for eliminating stamps altogether. In the future, it is expected that the introduction of electronic payment for civil processing and usage fees will spread to an even greater number of municipalities.

As a leader in the payment services industry, which has now grown into a basic social infrastructure, econtext will continue to support efforts to improve the efficiency of government collections, as well as the convenience of those paying, by working alongside fellow DG group member VeriTrans to promote solutions in the area of public funds.

■econtext Corporate Information URL: http://www.econtext.jp/

A payment provider that handles online payment initiatives within the Digital Garage Group. Through the efforts of econtext and VeriTrans, another company beneath the DG umbrella, the DG group has become one of Japan's largest online payment providers and is now expanding into a global online payment platform covering not only Japan, but overseas markets as well, with a particular focus on Asia. econtext has also been a pioneer in the use of convenience store kiosks for realistic payment settlement, operating the wire transfer service CASH POST and other efforts in the field of financial transfers.

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