
NEWS RELEASE

VeriTrans and Toshiba Tec Establish TD Payment, A JV Offering Multiple Payment Solutions for POS Systems

~Offering Diverse Cashless Payment Systems, Including QR Code Payments~

VeriTrans Inc. (HQ: Tokyo; Representative Director and President: Hiroshi Shino; VeriTrans), a payment service 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 concluded a joint-venture agreement with TOSHIBA TEC CORPORATION (TSE first section: 6588; HQ: Tokyo; President and CEO: Takayuki Ikeda; Toshiba Tec), a provider of POS systems, to establish TD Payment Corporation (TD Payment), a joint venture offering multiple payment solutions for POS systems.

■ Background of establishing the new company

VeriTrans and Toshiba Tec became business partners in February 2018 with the aim of payment and service collaboration leveraging the strengths of both companies in the physical store and e-commerce domains. The two companies have supported omnichannel developments and more payment methods in the physical store (face-to-face) field by providing multiple payment solutions, such as credit card and barcode payments, to businesses using Toshiba Tec's POS systems.

Cash payments were the mainstream in Japan, but the Ministry of Economy, Trade and Industry (METI) has formulated its Cashless Vision*1 aimed at a cashless payment ratio of 40% by 2025. Government and private-sector efforts are underway to promote cashless payments, including offering a diverse range of cashless payments to foreign tourists and Japanese citizens alike. In addition to supporting cashless payments at physical stores, the Installment Sales Act*2 was revised as the fundamental basis for a cashless society. This act requires that companies retain no credit card information in their own environments and support IC cards by the end of March 2020. The circumstances of physical stores are changing significantly, including the reduced consumption tax rate to be implemented in October 2019 and more efficient store management in light of the labor shortage.

To respond quickly to these environmental changes, VeriTrans and Toshiba Tec are expanding business partnership and establishing a joint venture to build a structure for speedy provision to meet the diversifying cashless payment needs of physical stores. The first effort will involve expanding payment methods and functions for business operators using Toshiba Tec's POS systems, including the non-retention of credit card information, credit card payments with IC cards, LINE Pay, d Payment, barcode and QR Code payments for Chinese nationals, and various types of electronic money payments. The joint venture will also offer multiple payment solutions that enable fast implementation.

■ Future developments

TD Payment will rapidly handle new cashless payments that are released in the future. Through the integrated provision of a wide range of cashless payments, it will increase its value as payment infrastructure in the face-to-face realm and contribute to realizing a reliable, safe, and convenient cashless society through these initiatives.

NEWS RELEASE**■ Outline of the new company**

Name	TD Payment Corporation
Representative	President and Chief Executive Officer Takahiro Miki
Location	Oval Court Ohsaki Mark East, 2-17-2 Higashi-Gotanda, Shinagawa-ku, Tokyo 141-8664, Japan
Established	December 3, 2018
Starting the operation	January 25, 2019
Stock capitalization	100 million yen
Capital contribution ratio	TOSHIBA TECH CORPORATION 51%, VeriTrans Inc. 49%
Services	Multiple payment solutions for physical stores using Toshiba Tec's POS systems

*1: Source: METI's *Cashless Vision* (April 2018)

http://www.meti.go.jp/report/whitepaper/data/pdf/20180411002_01.pdf

*2: Revised Installment Sales Act <http://www.meti.go.jp/press/2016/10/20161018001/20161018001-4.pdf>

* "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.

[About VeriTrans] <https://www.veritrans.co.jp/>

A payment provider that carries out online payment initiatives for the Digital Garage Group. Recently VeriTrans has also provided offline payment services, including the use of Mobile POS and mobile barcodes. As a leader in the payment services industry, which has now grown into a basic social infrastructure, VeriTrans will work with DG Group member ECONTEXT to offer advice to government institutions and the credit card industry, along with speedy service that meets the needs generated by trends in business and policy. Such efforts will support expansion of convenient solutions, along with a safe and secure environment, as required by EC businesses and consumers.

[About Toshiba Tec] <http://www.toshibatec.com/>

Toshiba Tec provides services to customers in the retail industry, restaurant industry, logistics and manufacturing industry, offices, etc. in over 100 countries and regions. Using the infrastructure of the POS system that holds the top market share in Japan, the company contributes to the realization of a better society by partnering with businesses that can anticipate rapidly changing market needs and providing customers with solutions that are one step ahead.