
NEWS RELEASE

Digital Garage Group's Face-to-face Payment Business Exceeds Annual Transaction Amount of 100 Billion Yen

~Capturing Business Opportunities Spurred by Cashless Payment Upsurge~

VeriTrans Inc. (HQ: Tokyo; Representative Director and President: Hiroshi Shino; VeriTrans) and ECONTEXT, INC. (HQ: Tokyo; Representative Director and President: Keizo Odori; ECONTEXT), payment service providers and subsidiaries of Digital Garage, Inc. (TSE first section: 4819; HQ: Tokyo; Representative Director, President Executive Officer and Group CEO: Kaoru Hayashi; DG), announce that companies' face-to-face payment transactions for physical stores, etc. has amounted more than 100 billion yen in total volume during the year from January 1 to December 31, 2018. The actual volume was 112.5 billion yen (a 242% annual increase), comprising 5.7% of the year's grand total in DG group's payment business division (1.9599 trillion yen).

The companies' face-to-face payment business was launched in 2013. This growth was backed by enhanced expansion in the face-to-face payment market through business and system partnerships with major Japanese companies, spurred by the growing number of inbound tourists to Japan and the government's promotion of cashless payments.

VeriTrans and ECONTEXT launched VeriTrans mPOS – the smartphone credit card payment for physical stores – as a first step into the face-to-face payment field in August 2013, leveraging the track record and expertise from online payment business for e-commerce business operators started in the 1990s.

In October 2016, VeriTrans and ALL NIPPON AIRWAYS TRADING CO., LTD. – a member of the ANA Group – founded ANA Digital Gate, Inc., a joint venture that provides multiple payment solutions including credit card, QR Code, and barcode payments to nationwide airports, tax-free shops, hotels, and other establishments.

In December 2018, VeriTrans and TOSHIBA TEC CORPORATION – a major provider of POS systems – established TD Payment Corporation, a joint venture offering multiple payment solutions including credit card, QR Code, barcode, and electronic money payments for TOSHIBA TEC's POS systems. The company started its business on January 25, 2019.

Through collaboration with various partners and the integrated provision of a wide range of cashless payments, VeriTrans and ECONTEXT will increase the value as payment infrastructure in the face-to-face realm and contribute to the realization of a reliable, safe, and convenient cashless society.

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

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

A payment provider that carries out online payment initiatives for the Digital Garage Group. In recent years, VeriTrans provides face-to-face payment business, including the barcode and POS payments. As a leader in the payment services industry, which has now grown into a basic social infrastructure, VeriTrans work with DG Group member ECONTEXT to offer advice to government institutions and the credit card industry, along with swift delivery of services that meet the political and market trend. Such efforts enable expansion of convenient solutions, along with structuring safe and secure environment, as required by businesses and consumers. We will contribute to the realization of a cashless society as a driving force.

[About ECONTEXT] <https://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.