
NEWS RELEASE

Digital Garage Group's "Cloud Pay", a Multi-QR Code Payment Solution, Supports Alipay, AlipayHK, and Kakaopay

~Expansion of QR Code Payment Service for Foreigners Visiting Japan~

The DG Group, centered on Digital Garage, Inc. (TSE first section: 4819; HQ: Tokyo; Representative Director, President Executive Officer and Group CEO: Kaoru Hayashi; DG), will begin to support AlipayHK from Alipay Financial Services (HK) Limited (Hong Kong), and Kakaopay from Kakao Corp. (South Korea) in addition to Alipay from Ant Financial Services Group for multi-QR Code payment solution "Cloud Pay" (<https://cloud-pay.jp/mpm/>)*1, from December 1, 2019. The DG Group will expand the QR Code payment solution for foreigners visiting Japan in Mainland China, Hong Kong and South Korea.

■ Outline

With "Cloud Pay", launched May 16, 2019, multiple types of QR Code and barcode payment services can be offered, just by displaying a single QR Code in the store. This service offers many benefits, for instance, participating merchants can introduce multiple payment services at once without any installation burden or costs. Transactions for various payment methods can be managed on the app for participating merchants, which helps reduce the number of people needed for administration and accounting tasks. In addition, consumers feel no confusion about which QR Code to scan when paying.

With Cloud Pay's support for Alipay, AlipayHK, and Kakaopay, participating merchants can offer payment services for foreigners visiting Japan in Mainland China, Hong Kong and South Korea. Among the 31.19 million foreign visitors (2018) to Japan each year, 18.26 million*2 are from these countries and regions, comprising roughly 60% of the total. This number is expected to increase further going forward, and this Cloud Pay's support will provide greater convenience to foreign tourists, helping to increase sales opportunity at participating merchants and increase consumption by inbound tourists.

■ Background

The Ministry of Economy, Trade and Industry (METI) announced its Cashless Vision*3, aimed at a cashless payment ratio of 40% by 2025, in 2018, and efforts by the government are underway to promote cashless payments.

The Japan Tourism Agency's Program for Achieving the Tourism Vision*4, released on June 14, 2019, sets the goal of 40 million foreign tourists in 2020, the year of the Olympic and Paralympic Games Tokyo 2020. Increasing the number of participating merchants that offer cashless is an urgent task, as inbound consumption and cashless demand is expected to grow along with the number of overseas tourists.

The DG Group is supporting the government's efforts to promote cashless payment systems through a variety of payment solutions for franchisees, including large-scale POS systems, mobile POS, multi-payment terminals, biometrics settlement, and Cloud Pay. Through these and other means, we will provide a speedy, simple, and convenient payment experience for both retailers and consumers, including foreign visitors to Japan.

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■ Future developments

To offer even more convenient services, the DG Group will equip Cloud Pay with other QR Code and barcode payment services from inside and outside Japan. Together with the Ant Financial Services Group, the DG Group plans to implement inbound marketing measures for participating merchants targeting Asia.

The DG Group will keep leveraging its synergy in its three principal domains (fintech, marketing, and investment) to promote an integrated strategy for FinTech and digital marketing such as online-merge-offline (OMO) marketing for real retail.

[Alipay]

Alipay is one of the world's leading payment and lifestyle platforms offered by the Ant Financial Services Group. Overseas, we provide offline payment services for Chinese customers in more than 55 countries and regions around the world, and the total number of active users among our global partners is over 1,200 million. Tax exemption services through Alipay payments are provided in 35 countries and regions. We also collaborate with more than 250 overseas financial institutions and payment solution providers to enable payments for Chinese tourists traveling overseas and overseas customers using Chinese cross-border e-commerce sites. Currently available in 27 currencies. In early 2019, Alipay had more than 300,000 franchisees in Japan.

[AlipayHK]

- Number of users: More than 2 million users
- Number of member stores: More than 50,000 stores

[Kakaopay]

- Number of users: 28 million users

[Image of QR Code stand installed at stores]





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Digital Garage, Inc.

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*1: Related release "Digital Garage Group Launches 'Cloud Pay', a Merchant-presented mode Multi-QR Code Payment Solution " (May 16, 2019)

<https://www.garage.co.jp/en/pr/2019/05/20190516.html>

*2: 2018. Source Japan National Tourism Organization (JNTO) https://www.jnto.go.jp/jpn/statistics/visitor_trends/index.html

*3: Cashless Vision (April 2018) https://www.meti.go.jp/report/whitepaper/data/pdf/20180411002_01.pdf

*4: Source: Japan Tourism Agency <https://www.mlit.go.jp/common/001293516.pdf>

* "Cloud Pay" is a registered trademark of Digital Garage, Inc.

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

[About Digital Garage] <https://www.garage.co.jp/en>

Digital Garage is engaged in two recurring businesses: the fintech business, which provides a package of various payment methods to e-commerce operators and face-to-face retailers; and the marketing business, which provides integrated solutions in the digital and real fields. In addition, it is developing investment and development businesses for promising companies around the world. In addition, in collaboration with our core partners, we operate DG Lab, an open innovation R&D organization. As a company that creates new "contexts" in the Internet age, we will connect various businesses and create innovative services.