
NEWS RELEASE

DG Financial Technology Provides Credit Card Payment Service for XMart's Payment Service for Small and Medium-sized Restaurants
~Collaborating with Credit Saison to Support XMart's Goal for Quick Conversion of Wholesalers' Accounts Receivable into Cash~

DG Financial Technology, Inc. (HQ: Tokyo; Representative Director, President and Co-COO: Hiroshi Shino; DGFT), 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) collaborates with Credit Saison Co., Ltd. (HQ: Tokyo; Representative, Executive President and COO: Katsumi Mizuno; Credit Saison) to offer a credit card payment service for "XOrder Payment." This service for small and medium-sized restaurants will be launched on July 8 by XMart Inc. (HQ: Tokyo; President: Yoshifumi Terada; XMart), a member of the XTech Group that promotes DX in food distribution.

"XOrder Payment" is a payment service that can speed up the payment cycle between wholesalers and restaurants to improve cash flow at wholesalers and optimize accounting work at restaurants.

■ Background

Wholesalers procure products and deliver them to restaurants according to a cycle in which accounts receivable are generally paid by restaurants via bank transfer at the end of the month following the delivery month. However, the wholesaler pays for these products around 5 days after they are procured, which is before the payment is received from the restaurant. This results in cash flow problems. In addition, the risk of uncollected payments is even greater now since the number of restaurants are out of business for the COVID-19 pandemic.

Restaurants also faced challenges since they deal with average of 10 wholesalers each. They receive many invoices at the end of the month and must deal with complicated accounting work to process payments for each company. The relationship between a restaurant and wholesaler is negatively impacted in the case of a late payment, and the restaurant is no longer able to receive favorable terms for its transactions.

This background led to the launch of "XOrder Payment," a service that wholesalers can use to collect payments and quickly receive funds. It is a collaboration of XMart, which operates a platform linking wholesalers and restaurants; Credit Saison, which has more than 40 years of credit card business expertise and a base of roughly 36 million customers (consolidated); and DGFT, which has been in the online payment business since 1997 and processes payments worth approximately 3.0 trillion annually.

■ About "XOrder Payment"

The "XOrder Payment" service eliminates the risk that wholesalers will not receive payments and makes it possible for them to quickly receive payments for accounts receivable. It also optimizes accounting tasks performed by restaurants. It is an optional function in the "XOrder" service for sending and receiving orders. The restaurant using "XOrder" simply registers a credit card used to pay the wholesaler. Payments can be made with any Saison Card issued by Credit Saison, including the Saison Platinum Business American Express® Card.

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With “XOrder Payment,” accounts receivable that would normally be paid by the restaurant 30 days after delivery (at the end of the following month) can be completed as quickly as one business day after the sale is recorded. This increases the efficiency of accounting work at restaurants by reducing the tasks that must be performed. And because Credit Saison is responsible for collecting payments for accounts receivable, “XOrder Payment” also eliminates wholesalers’ non-payment risk.

■ Future developments

XMart, DGFT, and Credit Saison will continue expanding the “XOrder Payment” service and its functions, utilizing digital technology to optimize ordering and provide business support (including speedy fund procurement) for both wholesalers and restaurants.

Business operators in the food service and many other industries are shifting to new business models and implementing DX due to the COVID-19 pandemic. DGFT will support DX through cashless payments by offering payment solutions to XMart and other digital platform providers that are promoting DX in various industries.

["VeriTrans4G" credit card payment service]

“VeriTrans4G” is a comprehensive, next-generation payment solution with one of the largest lineups of payment methods in the industry ranging from basic payments, such as credit cards, convenience stores, and banks, to e-money, carrier payments, various ID payments, such as PayPay, and international payments including China UnionPay (CUP) and Alipay. This credit card payment service is based on a system with the highest level of security in Japan, and is designed to prevent any credit card information from being retained or passed through the participating merchants’ servers or e-commerce sites. It comes standard with basic functions such as continual charges and card information updating, as well as a wide range of security options to prevent fraudulent usage.

“XOrder Payment” uses “PayNowID” as an optional feature of the credit card payment service. With “PayNowID,” a member’s ID can be shared by multiple services, and the card number can be linked to the ID for management. This function allows restaurants to place orders and make payments using only a unique ID with credit card information after registering for the service, and also allows orders to be placed with all wholesalers using the service, thus consolidating accounting operations and improving operational efficiency.

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Company name: XMart Inc.

Established: July 24, 2018

President: Yoshifumi Terada

Address: 3F Tokyo Tatemono Yaesu Sakura-dori Bldg., 1-5-20 Yaesu, Chuo-ku, Tokyo 103-8285

URL: <https://xmart.co.jp/>

Company name: Credit Saison Co., Ltd.

Established: May 1, 1951

Representative, Executive President and COO: Katsumi Mizuno

Address: 52F Sunshine 60 Bldg., 3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo 170-6073

URL: <https://corporate.saisoncard.co.jp/en/>

Company name: DG Financial Technology, Inc. (formerly VeriTrans Inc.)

Established: April 24, 1997

Representative Director, President and Co-COO: Hiroshi Shino

Address: 10F Digital Gate Bldg., 3-5-7 Ebisu Minami, Shibuya-ku, Tokyo 150-0022

URL: <https://www.dgft.jp>