NEWS RELEASE

DG Group's "Cloud Pay," a Unified QR Code Payment Solution Starts Linkage with "Merpay"

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 linking "Cloud Pay", the only unified QR Code payment solution in Japan, with "Merpay," a payment service for the marketplace apps "Mercari" provided by Merpay, Inc. from November 16, 2021. "Cloud Pay" is already linked with the Japanese service "d Barai®," "LINE Pay," and "au Pay" as well as overseas services "Alipay+," and "WeChat Pay." The DG Group will continue supporting and linking to Japanese and overseas payment services in the future to expand the "Cloud Pay" service.

With "Cloud Pay," multiple types of QR Code and barcode payment services can be offered just by displaying a single QR Code in the store. This service utilizes the MPM format*1 in which customers scan a QR Code at the store to pay. Because this requires no new equipment including POS terminals and no system upgrades, participating merchants can introduce multiple Japanese and overseas QR Code payment services at once without any installation burden or costs. This format offers many benefits. For instance, 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.

By supporting the use of "Merpay," a Japanese payment service, which has over 11.35 million registered users*2, "Cloud Pay" will provide greater convenience to consumers, helping to increase sales opportunities at participating merchants and boost consumption.

By offering in-person payment solutions to participating merchants of various sizes and business types—including "Cloud Pay," POS systems, mobile POS, and multi-payment terminals—the DG Group is supporting the government's efforts to promote cashless payments and provide speedy, simple, and convenient payment experiences to both retailers and consumers.

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.

Based on the DG Group's "DG FinTech Shift," DG will continue expanding comprehensive solutions combining payment and marketing.

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【Image of payment using QR Code stand installed at stores】
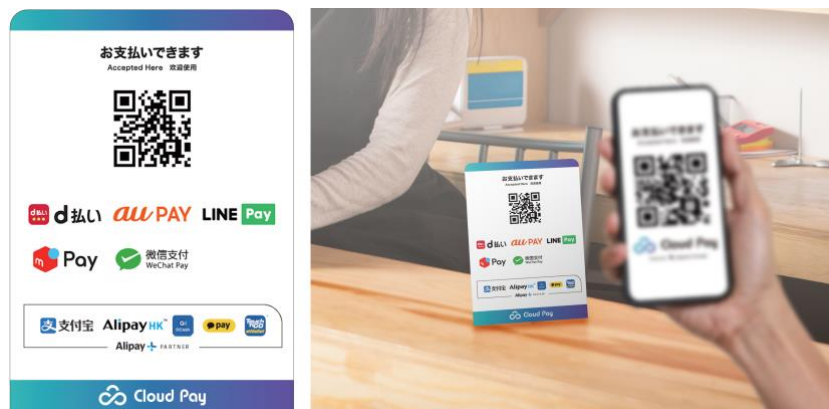
■ About "Merpay"

"Merpay" is a smartphone payment service that can be used with the flea market app "Mercari." In addition to the sales proceeds from "Mercari"*3, users can charge the balance from the registered financial institution to "Merpay," and the charge-free "Merpay Smart Payment" to make purchases at stores and E-Commerce sites via smartphone. Both the contactless payment service "iD"*4 and code payment are supported and can be brought into play at convenience stores, restaurants, drug stores, fast food restaurants, and other stores nationwide.

*1: MPM: A type of QR Code payment format in which users scan in-store QR Codes with their mobile devices.

*2: Total of users who registered for "Electronic Money" on "Merpay" and users of "Merpay Code Payment," "Internet Payment," "Merpay Smart Payment" (Excluding duplicates). As of September 30, 2021.

*3: To use the sales proceeds, setting up the account or purchase points is necessary.

*4: "iD" is a registered trademark of NTT DOCOMO, INC.

* "Cloud Pay" is the only unified QR code payment solution in Japan, provided in BtoBtoC model. "Cloud Pay" is a registered trademark of Digital Garage, Inc.

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