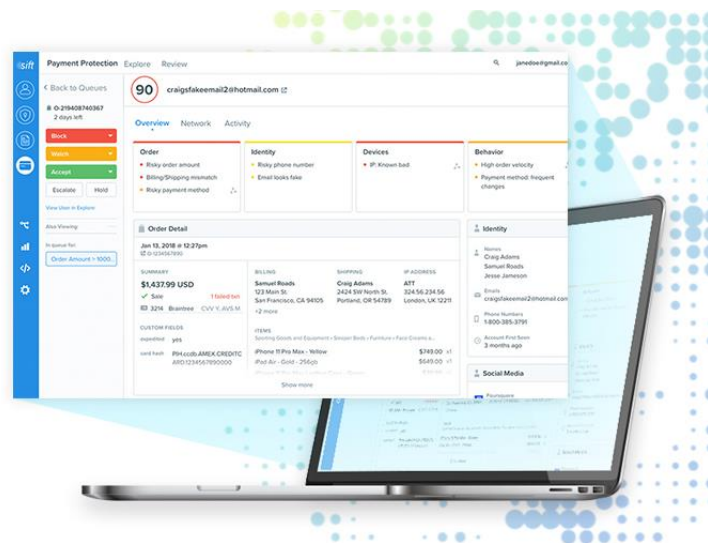

NEWS RELEASE

DG Financial Technology Launches “Sift,” an AI-based Fraud Detection Solution

~Comprehensive Payment Service “VeriTrans4G” Expanded as a New Solution
in the Fraud Detection Service Lineup~

- DG Financial Technology, Inc. (DGFT) has partnered with Scudetto Corporation, an online fraud prevention business, to launch the “Sift Digital Trust & Safety Suite (Sift)” as a new service in the [fraud detection service lineup](#) of “VeriTrans4G,” a comprehensive payment service offered by DGFT.



■ About “Sift”

“Sift” is a fraud detection and prevention solution that uses AI to instantly identify fraud and abuse on E-Commerce sites and online, such as credit card fraud and account takeover, to reduce damage from chargebacks and other fraudulent activities and streamline fraud-related operations prevention and increase revenue.

“Sift” monitors a site's user behavior and uses AI and machine learning models to make risk assessments in real-time, thus detecting fraud. Since its launch in 2011, “Sift” has been used by more than 34,000 sites and apps in multiple industries worldwide, including global companies such as Box, Twilio, and DoorDash, and more than 70 billion user activities are collected every month. These user behaviors are learned in real time and reflected in AI/machine learning models, enabling more accurate detection. Furthermore, various machine learning models are applied compositely, including a globally standard model based on a large-scale global network and a model customized for each region, industry, and customer. This enables the implementation of fraud countermeasures that are optimal for the company's services.

“Sift” offers three products to provide comprehensive countermeasures against various types of fraud and abuse, allowing operators to select and deploy the most appropriate product to meet their problems.

【“Sift” Product Lineup】

■ Payment Protection

Prevent fraudulent use and unauthorized bulk purchases during credit card transactions.

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■Account Defense

Prevent fake accounts, mass account creation, and account takeover.

■Content Integrity

Prevents the submission of fake or spam content.

■About the “VeriTrans4G” Fraud Detection Service Lineup

To enable E-Commerce businesses using “VeriTrans4G” to implement fraud countermeasures tailored to their circumstances, DGFT has been offering the service since 2017 as a “fraud detection service lineup” that combines multiple services and can be selected according to industry and business type, fraud occurrence status, and budget. With the rapid increase in the number of victims of online fraud and the demand by E-Commerce businesses to strengthen fraud countermeasures, the decision was made to add “Sift,” which uses AI and machine learning models to detect fraud, so that E-Commerce businesses can choose a service more suited to their needs.

■Future Development

As the cashless society progresses, E-Commerce businesses must take advanced security measures to realize secure online transactions. Therefore, in addition to fraud detection solutions such as “Sift,” which will be launched this time, EMV 3D Secure (3D Secure 2.0)*1 is recommended as a new mechanism to prevent fraudulent use. Since its establishment, DGFT has built the advanced security environment and management system required of financial institutions and has provided safe and secure payment solutions for both businesses and consumers. DGFT will continue to propose optimal solutions to help E-Commerce businesses protect their customers and themselves and provide ongoing, meticulous support from implementation to operation.

The DG Group is promoting the “DG FinTech Shift,” a group strategy that integrates payments and data. With DGFT, which operates the payment and payment business, we will contribute to developing a sustainable society by co-creating business with the group and partners in various other areas.

[About DG Financial Technology, Inc.] <https://www.dgft.jp/>

A payment provider offers comprehensive payment services to E-Commerce and other online businesses as well as stores and other face-to-face businesses. Payment can be made at 700,000 locations in non-face-to-face and face-to-face areas, with an annual transaction volume exceeding 4.4 trillion yen (as of March 31, 2022). In April 2021, the company name was changed from VeriTrans Corporation to DG Financial Technology. As a core company of the DG Group's “DG FinTech Shift,” DGFT supports businesses in their efforts to go cashless and promote DX from the payment and financial domains. We will continue to contribute to developing a sustainable society as a helpful infrastructure business by providing highly convenient functions and services to merchants and end-user consumers and offering a safe, secure, and comfortable payment experience.

*1: EMV 3D Secure (3D Secure 2.0)

A security feature that prevents unauthorized use of credit cards online. It employs “risk-based authentication,” which determines risk based on the user's terminal information, purchase history, and others. Only when asked for identification is the user authenticated using a one-time password or other means.