
NEWS RELEASE

Digital Garage Acquires Leading Private E-Money Provider Pocket Change as an Equity-Method Affiliate

**Forms Capital and Business Alliance with JCB to Drive Payment and Digital Transformation
in Universities, Municipalities, and Other Communities**

- Digital Garage, Inc. acquired additional shares in Pocket Change, Inc., making it an equity-method affiliate of Digital Garage.
- Simultaneously, Digital Garage entered a capital and business alliance with Pocket Change and its shareholder, JCB Co., Ltd.

Digital Garage, Inc. (TSE Prime section: 4819; HQ: Tokyo; Representative Director, President Executive Officer and Group CEO: Kaoru Hayashi; Digital Garage), Pocket Change, Inc. (HQ: Tokyo; Co-CEOs: Shin Aoyama and Kenta Matsui; Pocket Change), and JCB Co., Ltd. (HQ: Tokyo; President & Chief Executive Officer: Takayoshi Futae; JCB) have long been collaborating and jointly participating in the “Hachi Pay” project*, a digital local currency initiative by Shibuya City, thereby contributing to the advancement of the smart city vision that Shibuya City aims to realize. With the newly established capital and business alliance, the 3 companies will further enhance and seamlessly integrate their respective products, making it easier than ever to develop and implement original e-money solutions and establish unique economic ecosystems.

This initiative will accelerate the promotion of cashless payments and digital transformation (DX) for a wider range of businesses, including universities, municipalities, and other communities, as well as service providers such as barbershops and restaurants, and retail businesses.

Through this initiative, organizations will not only be able to offer consumers a diverse range of payment options but also strengthen customer engagement by issuing their own digital asset, such as prepaid points, coupons, and vouchers.

*“Hachi Pay” project has been commissioned by Shibuya City to KAYAC inc. which serves as the contracting entity.

<Comments>

Ken Hasebe (Mayor of Shibuya City)

Digital Garage, JCB, and Pocket Change have been supporting the development of Shibuya City's digital local currency app, “Hachi Pay.” Thanks to their collaboration, “Hachi Pay” has now exceeded 170,000 downloads and has become a well-established part of daily life for Shibuya residents. With this capital and business alliance among the 3 companies, I look forward to the stable operation of “Hachi Pay” and further business expansion. Additionally, I hope that this cashless payment model will be adopted by other municipalities, revitalizing local industries and enriching the lives of residents.

NEWS RELEASE**Kenta Matsui (President, Pocket Change, Inc.)**

By becoming a part of the Digital Garage Group and strengthening our collaboration with JCB, we will be able to provide payment solutions to a wider range of municipalities, retailers, and service providers. Leveraging our technology and expertise, we aim to make it easier for businesses and local governments to establish their own economic ecosystems. This will accelerate the adoption of local currencies, premium vouchers, and store-branded prepaid cards while enhancing the payment experience for consumers. Moving forward, together with Digital Garage and JCB, we will continue to challenge ourselves to create new value as a partner driving the evolution of a cashless society.

Kaoru Hayashi (Representative Director, President Executive Officer and Group CEO, Digital Garage, Inc)

Digital Garage has contributed to the advancement of smart cities by collaborating with Shibuya City and JCB, and by supporting and working with Pocket Change to drive smart city initiatives based on the "Hachi Pay" app. With this capital and business alliance, we believe this initiative will further drive cashless adoption across a broader range of municipalities, educational institutions, and retail businesses. Moving forward, we will continue to create new value by implementing technology in society, starting with payment solutions.

Takayoshi Futae (President & Chief Executive Officer, JCB Co., Ltd.)

Through our collaboration with both companies, we have promoted cashless payments by providing payment solutions for initiatives such as the Shibuya City "Hachi Pay" app. With this capital and business alliance, we aim to further strengthen our partnership and deliver more convenient payment solutions that integrate online and offline services, addressing the challenges faced by educational institutions, local governments, and retail businesses.

<Background and purpose of the share acquisition>

Since its establishment in December 2015, Pocket Change has aimed to democratize cashless payments. Starting with a kiosk terminal service that converts leftover foreign currency from overseas travel into e-money, the company has expanded its offerings to include services like "Pokeypay," which enables anyone to create their own unique economic ecosystem through the development of original e-money platforms.

Digital Garage Group has supported Pocket Change through investment and collaboration since 2016, primarily via DG Ventures, Inc. As part of this partnership, Digital Garage has also worked with JCB, a shareholder of Pocket Change, to promote smart city initiatives in Shibuya City by developing the "Hachi Pay" digital regional currency app. Furthermore, by providing an electronic money issuance platform for the "University Co-op App," Pocket Change plays a central role in promoting cashless payments across approximately 190 university campuses affiliated with the National Federation of University Co-operative Associations.

The decision to make Pocket Change an equity-method affiliate was driven by the goal of further leveraging the resources and expertise of both companies to provide more comprehensive and wide-ranging payment solutions to their respective customers. To further strengthen this collaboration, a capital and business alliance has been signed with JCB, a shareholder of Pocket Change, with the aim of promoting business growth and maximizing synergies among the 3 companies.

Moving forward, the 3 companies will leverage their payment service assets to integrate Pocket Change's original e-money issuance platform—which can be applied to store-branded prepaid cards, loyalty points, vouchers in the retail and service industries, as well as regional currencies and premium gift certificates issued by public municipalities—into

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their existing payment services. This integration will enable businesses not only to offer consumers a wider range of payment options but also to enhance customer engagement by issuing their own digital asset, such as prepaid points, coupons, and vouchers.

Digital Garage Group will continue to pursue its medium-term management plan under the group strategy “DG FinTech Shift,” centered on payment platforms. Through business strategies, including mergers and acquisitions, the early achievement of management goals will be promoted, contributing to the realization of a secure, safe, and convenient cashless society.

■Company profile

Name: Digital Garage, Inc. (<https://www.garage.co.jp/en/>)

Representative: Kaoru Hayashi, Representative Director, President Executive Officer and Group CEO

Head office address: DG Bldg., 3-5-7 Ebisu Minami, Shibuya-ku, Tokyo

Shibuya PARCO DG Bldg., 15-1 Udagawa-cho, Shibuya-ku, Tokyo

Date founded: August 1995

Business: Digital Garage’s corporate purpose is “Designing ‘New Context’ for a sustainable society with technology.”

Digital Garage operates a payment business that provides one of the largest comprehensive payment platforms in Japan. In addition, DG has a marketing business that provides one-stop solutions in the digital and real world, and a startup investment and development business that reaches out to promising startups and technologies in Japan and overseas.

***Related Press Release:**

[Digital Garage and JCB Provide a New NFC Tag Payment Service for “Shibuya City Digital Local Currency Project”](#) (August 9, 2022)

[Digital Garage and JCB Form Capital and Business Alliance](#) (February 10, 2022)