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Digital Garage Group Launches “Cloud Pay”, a Merchant-presented mode Multi-QR Code Payment Solution

~Easily Introduce d Payment, Alipay, WeChat Pay, Merpay, and LINE Pay all at Once~

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), launches “Cloud Pay” (<https://cloud-pay.jp/mpm/>) on May 16, 2019. This merchant-presented mode (MPM) multi-QR Code payment solution makes it possible for consumers to scan QR Codes displayed at stores with their smartphones to make payments.

With “Cloud Pay”, five types of QR Code and barcode payment services including d Payment, Alipay, WeChat Pay, Merpay and LINE Pay can be offered all at once, just by displaying a single QR Code in the store. Applications from participating merchants will be accepted starting on May 16. The payment services will be provided sequentially starting with d Payment from the end of June, followed by Alipay, WeChat Pay, Merpay and LINE Pay.



■ Outline of “Cloud Pay”

With “Cloud Pay”, consumers can pay at stores by launching an app of his/her choice for payment, then scanning the single QR Code displayed at the store that supports all the selected payment services. The consumer inputs the app the payment amount charged to complete payment.

【Payment flow with “Cloud Pay”】



There are two formats of QR Code and barcode payments. With the merchant-presented mode (MPM) format, the consumer uses a smartphone to scan a QR Code displayed at a store. With the consumer-presented mode (CPM) format, the QR Code or barcode displayed on consumer's smartphone is scanned by a point-of-sale (POS) terminal. Stores must

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upgrade their POS terminals to use the CPM method, which involves high costs and labor. In contrast, the MPM format is unique in that it requires no new equipment or system upgrades, including POS terminals, so it is relatively easy to introduce. There are many QR Code and barcode payment services today, and participating stores are increasingly struggling because individual contracts are required when introducing these services, and QR Codes must be displayed at stores for each.

With "Cloud Pay", participating stores do not need to conclude contract for integrating each and every payment method, but can introduce multiple QR Code and barcode payment services all at once. By installing one common in-store QR Code, each store can save space near the register and reduce consumer confusion about which QR Code to scan.

With the past MPM method, stores had to confirm the completed payment on the consumer's smartphone, or perform cancellation procedures on each service's management screen. However, the "Cloud Pay" app for participating stores offers transaction management functionality for all QR Code and barcode payment services. Stores can confirm or cancel payments on the app, which reduces the burden of operating the system. The sales amounts from all payments can be batch deposited from "Cloud Pay", which cuts down on the required accounting tasks.

Service Website URL: <https://cloud-pay.jp/mpm/>

Contact: support@cloud-pay.jp

■ Background

The Ministry of Economy, Trade and Industry (METI) announced its Cashless Vision^{*1}, aimed at a cashless payment ratio of 40% by 2025, in 2018, and efforts by the government are underway to promote cashless payments.

The government has invested 279.8 billion yen in its Cashless Point Reward Program^{*2} for the consumption tax increase in October 2019. It is implementing measures for rewards using points from cashless payments (such as QR Code and barcode payments, credit cards, and electronic money) at small to medium enterprises. Applications to participate in the program have been taken from small to medium enterprises since mid-May 2019. The government is also widely promoting this measure to consumers, and expects the rapid expansion of cashless payments at participating stores and by consumers.

"Cloud Pay" participating stores can take part in the Cashless Point Reward Program. The DG Group is supporting the government's promotion of cashless payments through "Cloud Pay" by offering speedy, simple, and convenient payment experiences to business operators (including small to medium retail stores and restaurants) and consumers alike.

■ Future developments

To offer even more convenient services, the DG Group will continue adding various QR Code and barcode payment services to "Cloud Pay". It will leverage the DG Group's synergy in its three principal domains (marketing, payment, and investment) to support online-merge-offline (OMO) measures for participating stores and standardize MPM-type QR Code payments.

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[Image of QR Code stand installed at stores]



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

*2 : Cashless Point Reward Program: <https://cashless.go.jp/>

*3: Cashless payment operators must also register for the Cashless Consumer Reward Program. Small to medium enterprises apply via registered payment operators.

* "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 focuses on three businesses: online payment, web marketing, and startup investment and development. As a company that creates new "context" for the age of the Internet, it connects various businesses and produces innovative services.