

Enhanced Payment Services for Electricity, Gas, Hydro, Telecommunications and other Regular Payments

~Collective offer of optimal monthly payment methods for payments through credit cards, bank transfers, and payment forms~

Tokyo – October 27, 2015 –Starting in January 2016, GMO Payment Gateway, Inc. (TSE: 3769; “GMO-PG”), will start offering optimal payment services for business operators who collect regular monthly payments for utilities such as electricity , gas, and hydro, and telecommunications.

The use of these services will enable business operators to offer consumers three types of payment methods: payments by credit card, bank transfer, or through payment forms. Billing dates and remittance cycles may be customized to match the individual needs of operators, making it possible to further boost the efficiency of their business.

GMO-PG will begin accepting advance registrations today, October 27, 2015 (Tue) ahead of the start of services. The incorporation of these services has already been decided for new and existing electric power companies set to enter the market in line with the liberalization of electricity retail sales.

【Background and Overview】

In today’s markets for online payments, the use of credit cards is accelerating not only for payments for online purchases of products and services but for everything from electricity, gas, hydro, telecom services, rent, and monthly tuition fees to insurance.

At the same time, there are also many consumers who continue to choose conventional methods of payment such as bank transfers and the use of payment forms to be paid at convenience stores, banks, and post offices, which creates a need for business operators to deal with various methods of payment as desired by consumers. The liberalization of retail electricity on April 1, 2016 and that for retail gas sales in April 2017 will also provide consumers a choice of where they wish to procure their electric power and gas, making it crucial for business operators not only to offer the stable procurement of electricity and gas but to also improve their payment methods as an added value for consumers.

However, in order to offer consumers multiple payment methods, a situation persists in which businesses need to sign agreements with payment companies that offer the various payment methods, such as credit card companies and banks, and then link their systems, which is no easy task. Introductions of these steps may also bring about issues such as financing due to the variance in cash remittance cycles between each payment



< Concept for specialized payment services to be offered for electricity, gas, and hydro payments >

company, which can become a barrier for implementation.

Starting in January 2016, GMO-PG has decided to offer payment services that are suitable for business operators that collect payments regularly each month. These include existing electric power and gas companies, waterworks departments, and telecommunications businesses such as MVNOs and providers, in addition to new entries into the liberalized markets for electricity and gas. Since payments of a public nature became possible in line with the revision in the Local Autonomy Law in 2006, GMO-PG has been offering credit card payment services to many parties such as the Japan Pension Service, the Tokyo Metropolitan Government, the Osaka Prefectural Government, and other local governments, and has brought together the expertise and results that it has thus accumulated to offer these services at this time.

【Highlight Features of Services】

1) Payment methods for credit card payments, bank transfers, and payment forms offered collectively

Business operators are able to use the three payment methods that are indispensable for payments of charges such as electricity, gas, hydro, and telecommunications simply by contracting GMO-PG, which offers these methods collectively.

A single administration screen may be used for handling the complicated tasks which arise in each step of the payment procedure, such as the processing and management of bills and the standardization of invoice formats, making it possible to reduce the amount of work that is involved.

2) An environment that enables payment without touching on credit card or account information

Consumers need to provide their credit card or account information when they use credit cards or bank transfers for payments. However, GMO-PG processes payments by replacing their credit card and account information with tokens (character strings of random alphabetical characters and numerals), enabling business operators to settle without touching on credit card or account information (no processing, sending, or storage).

3) Consumers may register both online and in print format

This system enables consumers to register both online and in print format. Whereas payments in online markets are sometimes only available online, the use of these services will make it possible to reach out to consumers who do not use the Internet.

4) Set billing dates to match your needs

Business operators are required to continue to bill consumers who make continuous payments by credit card or bank transfer. GMO-PG's new services will allow businesses to set billing dates in a flexible manner, making it possible to develop work flows which better meet their needs.

5) Payment cycles that can be customized

As payments collected from consumers through the various payment methods are integrated by GMO-PG, business operators can choose from designated closing dates and frequencies of closes, as well as a selection of terms to payment for credit card payments and bank transfers. This allows them to establish optimal payment cycles for their financing needs and it will also be possible to greatly shorten the period to payment, such as a close each day or after two business days.

【About GMO Payment Gateway】

GMO Payment Gateway, Inc. is an online payment processing service provider offering solutions including online transaction processing for online stores, social and smartphone content sellers, and processing of recurring payments NHK television license fees. The company also provides dedicated payment solutions for public institutions including Japan Pension Service and Tokyo Metropolitan Government. Our services are safe and convenient for both business and the consumer. As the largest payment processing service in Japan, GMO Payment Gateway is an innovation leader and key contributor to the growth and development e-commerce.

【Related Links】

GMO-PG URL: <http://corp.gmo-pg.com/en>

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