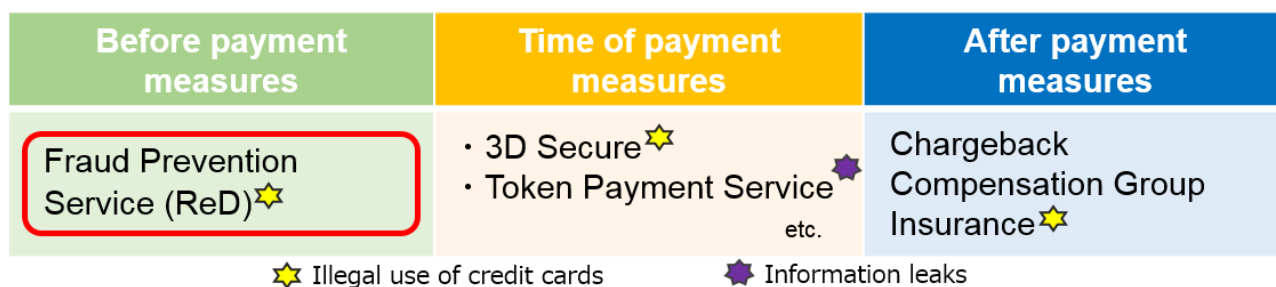


Offering Fraud Prevention Service (ReD) for the Advance Detection of Credit Card Fraud

~To enable security measures for all phases from before through after payment~

GMO Payment Gateway, Inc. (TSE 1st Section: 3769; President & Chief Executive Officer: Issei Ainoura; “GMO-PG”) is pleased to announce that it will start offering Fraud Prevention Service (ReD) in its PG Multi-Payment Service for the advance detection of credit card fraud, incorporating ACI Worldwide’s ACI ReD Shield, which is sold in Japan by Scudetto Corporation (President and CEO: Keita Hosoe; “Scudetto”). It will start offering GMO Internet’s cloud platform ConoHa on November 19, 2015 (Thu) and plans to begin accepting general registrations in January 2016. GMO-PG makes efforts to boost security measures related to credit card payments such as credit card fraud and information leaks for e-commerce operators. Through its latest offer of Fraud Prevention Service (ReD), GMO-PG will now be able to provide its customers security measures for all steps of the settlement process: before, during, and after payment.



【Background and Overview】

As of 2014, the e-commerce market in Japan has expanded to a size of 12.8 trillion yen (a 14.6% rise over the previous year) (*1). Accordingly, the use of online credit card payments is rapidly increasing, which is currently said to comprise more than 50 percent of payment methods which are used on e-commerce sites. (*2)

Moreover, as survey results (*3) have shown that approximately 50 percent of the people who use directly operated e-commerce sites (*4) consider security measures to be important in addition to usability and the lineup of products offered when they decide which site to use, it is clear that e-commerce business operators need to be able to offer a payment environment that is equipped with enhanced safety and security.

With such a backdrop, GMO-PG continues to build upon the security measures that it offers against fraudulent usage, information leaks, and other issues concerning credit card payments to enable more merchants to use credit card payment services safely and securely with peace of mind.

As a part of its initiatives, GMO-PG is introducing as a part of its PG Multi-Payment Service ACI ReD Shield from ACI Worldwide, sold in Japan by Scudetto, which enables the detection of fraudulent uses of credit cards before they occur. General registrations are scheduled to begin in January 2016.

(*1) From “FY 2014 E-Commerce Market Survey”, Ministry of Economy, Trade and Industry

(*2) From “2015 conditions and future forecasts for electronic payments/E-commerce payment services”, Yano Research Institute

(*3) From “Ecommerce Website User Survey” on users of directly managed e-commerce websites, GMO Payment Gateway Inc. (<http://gmo-payment-gateway.com/lpc/ig/>)

(*4) Directly operated e-commerce sites refer to e-commerce sites with individual domains which are operated directly by businesses other than shopping malls such as Rakuten market and Amazon.

【About Fraud Prevention Service (ReD)】

Fraud Prevention Service (ReD), offered by GMO-PG, is a service that detects fraudulent credit card payments by a third party beforehand using ACI ReD Shield, the latest risk management system in e-commerce payments. As this is a service where e-commerce operators establish their rules for detecting fraud ahead of time and instantly determine transactions that have high risks of fraud and provide screening results, fraudulent transactions may be prevented before the payment process without creating a burden on the part of the consumers who are buying their products.

Moreover, as GMO-PG’s PG Multi-Payment Service comes equipped with Fraud Prevention Service (ReD), merchants who already use PG Multi-Payment Service may use “ACI ReD Shield by simply connecting their APIs. (*5)

The cloud platform ConoHa byGMO, which will be offered with an advance implementation of Fraud Prevention Service (ReD) starting today, will detect fraudulent uses of credit cards ahead of time when payments are being made for server fees.

GMO-PG will continue to strengthen its security measures, not only when payments are being made by credit card but for all phases, from before payment all the way through after payment, and the company will continue to boost its efforts to facilitate a safe, secure payment environment.

(*5) Separate registration required.

【About GMO-PG’s security measures】

With its introduction of Fraud Prevention Service (ReD), GMO-PG will be able to offer security measures in all steps of the credit card payment process, from before payment, the time of payment, to after payment.

Before payment	Fraud Prevention Service (ReD) for detecting fraudulent uses of credit cards by a third party before they occur.
Time of payment	3D Secure (*i) and Security Codes (*ii) for protecting consumers from credit card fraud. A Token Payment Service (*iii) and Non-Storage of Card Information (*iv) for preventing information leaks on the side of e-commerce sites.
After payment	Chargeback Compensation Group Insurance for compensating merchants for losses incurred from Chargebacks (*v).

[About Scudetto Corporation]

Scudetto is a global solutions company that offers consulting services on countermeasures against fraud in online credit card payments. As sales agent for ACI ReD Shield, which is used in more than 50 countries worldwide and comprises approximately 10 percent of transactions throughout the world, the company offers one-stop services from the development and introduction of solutions against fraud to operation and maintenance. Scudetto will continue to strengthen its analyses of fraudulent payment trends while offering optimum risk control and consulting services to contribute to the safety of online payments and the development of the e-commerce industry.

[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. GMO-PG will lead initiatives for new innovation such as FinTech and contribute to improved ratios for e-commerce in Japan as a leading company of the payment industry.

[Glossary]

(*i) 3D Secure	A function for personal verification at the time of payment recommended by VISA, Mastercard, and JCB to protect a cardholder from the unauthorized use of a credit card during online transactions such as an imposter scam.
(*ii) Security Code	Refers to the last three or four digits printed on the back of a credit card. (The use of a security hold is) a method that enables protection against the wrongful use of a credit card by a third party such as in forgery as the security code is not magnetically stored and is only accessible to the cardholder.
(*iii)Token Payment Service	A service that replaces credit card numbers with tokens (a string of random letters of the alphabet and numbers) for payment processing that enables e-commerce operators to settle payments without touching on credit card information of their customers.
(*iv) Non-Storage of Card Information	A service that enables credit card payments without storing credit card information (name of cardholder, card number, expiry date, etc.) in the system at a merchant e-commerce site.
(*v) Chargeback	Rejection by a credit card company to issue payment to a merchant when a cardholder does not agree to make a payment because of reasons such as a fraudulent transaction by a third party.

【Related Links】

- ReD Shield URL: <http://www.redshield.jp/index.html>
 - Scudetto URL: <http://www.scudettoasia.com>
 - GMO-PG URL: <http://corp.gmo-pg.com/en>
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