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System of smartphone payment service linked to bank account “Ginko Pay” to Kumamoto Bank and Shinwa Bank

-available at Yokohama, Fukuoka, Kumamoto and Shinwa Bank-

GMO Payment gateway, Inc. (GMO-PG) will provide a platform system of “Ginko Pay” (ginko: a Japanese for bank) - previously called “Smartphone Payment Service Linked with Bank Accounts” - to Kumamoto Bank, Ltd. and Shinwa Bank, Ltd. The two banks target the release of their own smartphone payment service based on our Ginko Pay in the first half of fiscal year 2018.

Through Ginko Pay, account holders of the banks under the service can pay by immediate, direct debiting on smartphone app for shopping at merchants*1. The Ginko Pay service is now available across banks and regions, accepting payments at merchants of Kumamoto Bank and Shinwa Bank on top of incumbent Bank of Yokohama and Bank of Fukuoka.

*1 Merchants that closed an agreement to use Ginko Pay with any of these banks



【Background and Overview】

Even with the recent global spread of cashless payments, cashless payment ratio in Japan is 20%*2 in 2016, relatively low compared to other countries, which has led the Japanese government to press with various initiatives*3 to raise the ratio to approximately 40% by 2027. Under such environment, banks and other financial institutions in Japan are exploring new businesses toward further promotion of cashless payments.

At the same time, GMO-PG provides a platform system of Ginko Pay that is linked to bank accounts and allows for immediate direct debiting and others, an effort to support financial institutions on cashless payment promotion already introduced to Bank of Yokohama and Bank of Fukuoka.

GMO-PG has decided this time to provide the platform of the said service to Kumamoto Bank and Shinwa Bank. These two banks plan to release their own smartphone payment service based on the platform in the first half of fiscal year 2018.

*2 METI. (August 2017) “Status and promotion of a cashless society”

*3 Cabinet decision of June 9, 2017 “Future investment strategies 2017”

【Ginko Pay】 (URL: <https://www.gmo-pg.com/service/ginkopay/>)

Developed by Bank of Yokohama and GMO-PG*⁴, Ginko Pay service deducts payment amount from a user's bank account immediately upon operation of smartphone application and allows other types of payments. GMO-PG is the provider of the platform. To use Ginko Pay, a user needs to have a bank account at any of the banks that use the service, download the app, and register his/her account in advance of shopping at merchants. At the time of the shopping, a user only needs to read a QR code on a tablet terminal or a smartphone of the merchant, or "check in" to the pay-to and enter PIN to complete the payment action.

As our partner, financial institutions can use our Ginko Pay as their own smartphone payment service as well as a service which is not limited to certain banks or regions, thanks to the multilateral linkage among banks under the Ginko Pay service ("multi-bank" characteristics.)

The service is or is planned to be introduced to Bank of Yokohama, Bank of Fukuoka, Kumamoto Bank and Shinwa Bank.

*⁴ Reference: "A First for Japanese Banks: GMO-PG Jointly Develops Smartphone Payment Services Linked with Accounts at Bank of Yokohama", released on October 5, 2016.

https://corp.gmo-pg.com/en/newsroom/pdf/161005_gmo_pg_en.pdf

【GMO Payment Gateway】

GMO-PG offers comprehensive payment services and financial services to 86,136 merchants (as of December, 2017), including operators of online shops, operators who collect recurring monthly payments such as NHK, and public organizations such as National Tax Agency and Tokyo Metropolitan Government. On top of its core payment-related services, the leading company in Japan's payment space provides value added services such as online advertising service that contributes to boost sales of merchants and a loan service which provides working capital to support merchant growth. Its transaction value has reached over 2.5 trillion yen per annum. The company is also expanding its business portfolio that includes solution business to financial institutions, overseas business based on capital alliances with overseas PSPs or payment companies, etc.

GMO-PG aims to enable both consumers and businesses to enjoy payment methods that are convenient and equipped with high levels of security and to serve as the infrastructure for payment process in Japan. Driving innovations, GMO-PG has and will contribute to promote E-commerce and a cashless society.

【Related Links】

- GMO-PG (Company Profile) URL : <https://corp.gmo-pg.com/en>
- GMO-PG (Service) URL : <https://www.gmo-pg.com/en>

(In the event of any discrepancy between the original and the English version, the Japanese version shall prevail.)

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