

November 8, 2018

**The “Real Change Investment” Project Selected by the FSA
for the “FinTech Proof-of-Concept Hub”**

**- Invest while you shop - An innovative way to offer
small amount investment opportunities -**

The Financial Services Agency (FSA, hereafter) has selected the “Real Change Investment” project to receive the support of the “FinTech Proof-of-Concept (PoC) Hub.”* “Real Change Investment” enables investment of small change received at cashiers and spare pocket change; this project was jointly launched by Seven Bank, Ltd. (Seven Bank), GMO Payment Gateway, Inc. (GMO-PG), Pocket Change Inc. (Pocket Change), and TORANOTE C Co., Ltd. (TORANOTE C). The project aims to make investment a part of the daily lives of Japanese people by enabling potential investors to invest small amounts in a completely new style.

This project also aims to verify alternative means of investments and fund transfer methods that can be applied in various circumstances, through the PoC demonstration.

*An scheme established by the FSA to support fintech companies and financial institutions engaging in field tests of pioneering services, and in clarifying and sorting issues.



Instantly verify via a QR code

- Instantly link user information registered with TORANOKO



Insert change from your pocket

- Instantly view the inserted amount displayed onscreen

(Images are for illustrative purposes only.)

【Project Overview】

Details of the trial	A machine (hereinafter referred to as the “Change Box”) allows the user to insert small change from their purchases and spare change in their pockets is set up for the trial. After completing “TORANOKO” user verification by reading the QR code on the screen of the Change Box with a smartphone and inserting spare change into the Change Box, users of TORANOKO will be able to invest the inserted coins easily by confirming and approving the amount on the TORANOKO app. The trial is limited to users of TORANOKO app, provided by TORANOTE C Asset Management Col., Ltd., a wholly-owned subsidiary of TORANOTE C.
Location of the Change Box	1st floor Marunouchi Center Building (1-6-1 Marunouchi, Chiyoda-k u, Tokyo)
Planned trial period	February 2019 to April 2019

Roles of Participating Companies

In implementing this project, the roles that each party will play will be as follows. Pocket Change: Development of the Change Box; Seven Bank: Management and operations of the Change Box; GMO-PG: Management and remittance of inserted coins and their data; TORANOTEC Asset Management: investment operations for the change and coins collected.

【Comments from Company Representatives】

■ Yasuaki Funatake, President and Representative Director, Seven Bank

“‘Real Change Investment’ narrows the gap between everyday shopping. I am convinced that this project will prove to be a highly innovative and impactful initiative, making conventional investment activities visible in our daily lives. In Japan which is still very much a cash-based society, the ‘Change Box’ also offers value in providing an opportunity to get rid of the spare change in people’s pockets and wallets and is a unique idea only TORANOKO, which allows users to invest from 5 yen in 1-yen increments, can provide.”

■ Issei Ainoura, President and Representative Director, GMO-PG

“In the ‘Real Change Investment’ project, we will be supporting the delivery of a new small-amount investment experience of placing real coins into the Change Box, by managing the data and the remittance of the coins inserted into the Change Box. We hope to utilize the results of this trial to eventually provide new services that cater to the offline market.”

■ Shin Aoyama, Representative Director, Pocket Change

“Our corporate mission is to ‘Break People Free from Cash.’ We believe that creating a small-amount investment opportunity by putting inconvenient coins and spare change to work through placing them in the ‘Change Box’ will provide convenience and a brand-new customer experience.”

■ Justin Balogh, Representative Director, President & CEO, TORANOTEC

“TORANOKO is a service that allows investment of change equivalent amounts calculated based on transaction data. With many people still shopping with cash, I am delighted to be able to launch this new scheme through this proof of concept trial which will allow users to invest real change and coins easily. As ‘Real Change Investment’ will enable people who normally pay cash for their daily consumptions to invest small amounts steadily, I firmly believe that it will prove to be a convenient service that will help investment become a part of Japanese daily lives.”

【TORANOKO】

TORANOKO is a unique investing app provided by TORANOTEC Asset Management Co., Ltd., offering a link between the world of daily consumptions and the world of wealth creation. Sourcing the transactions data of daily life and in creating a gateway through which small change and loyalty points can be invested from 5 yen in 1-yen increments, TORANOTEC offers the easiest possible entry point to begin investing, expanding the access point to wealth creation and investing for Japanese consumers.

【Seven Bank】

Seven Bank was born in response to customer feedback that they wanted ATMs at Seven Eleven stores. Ever since its establishment in 2001, Seven Bank has worked hard to provide a safe and efficient payments infrastructure with ATM services that can be used securely anytime, anywhere, and by anyone. As of September 2018, it has 24,756 ATMs throughout Japan, which are used by approximately 2.2 million customers per day. The infrastructure has grown to become a vital part of people's daily lives. Seven Bank values integrity and is committed to helping to resolve the issues of society, creating value, and striving to meet customer expectations as a trustworthy partner. It aims to help create a better society while at the same time enhancing corporate value.

【Pocket Change】

Pocket Change is a start-up the mission of which is to "Free people from the hassle of using cash" through a smooth transition to a cashless society. It provides an e-money platform with services for instantly converting foreign currency that cannot be exchanged at home, and left-over loose change (including coins), to e-money at kiosks developed by the company (This service has been running for almost 12 months and has been installed in over 30 airport and retail locations throughout Japan.). It supplies an e-money platform with no start-up costs or fees, using proprietary smartphone and e-money services for changing 1 yen coins and loose currency. Pocket Change is a start-up with an innovative worldview that develops unique settlement and currency exchange software and hardware.

【TORANOTEC】

TORANOTEC is a Japanese fintech wealth creation service provider, which utilizes technology to bring down the hurdles to investment and make asset management accessible to everyone. TORANOKO, an investment app TORANOTEC provides through its wholly-owned subsidiary, TORANOTEC Asset Management Co., Ltd., connects investment with people's daily consumption by allowing users to invest spare change and loyalty points. Since its service launch, TORANOKO has welcomed users of a broad range of age groups and investment experience, including many first-time investors. Partnering with firms from a variety of different industries that touches people's daily lives, TORANOTEC aims to provide services that promote investment as a part of everyday consumptions and bring about a world in which "Everyone Can be an Investor".

【GMO Payment Gateway】

GMO-PG offers comprehensive payment services and financial services to 93,450 merchants (as of June, 2018), including online retailers, operators who collect recurring monthly payments such as NHK (the public broadcaster), and public organizations such as National Tax Agency and Tokyo Metropolitan Government. The Transaction value has exceeded ¥3 trillion yen not only through our core payment service but also the value-added services that contribute to the growth of the merchant's business. Thus, as a leading Payment Service Provider (PSP) company, we offer Fintech services such as cashless solutions to Financial Institutions, Payment after Delivery (PaD), and lending services and is expanding into the Card-present payment services business. We are actively pursuing overseas expansion not only through capital and business alliances with overseas PSPs but to rollout payment and money services directly in the overseas markets. GMO-PG aims to offer a convenient and secure payment infrastructure to both consumers and businesses, driven by new innovations to realize an EC and a cashless society.

【Related Links】

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