

November 29, 2018

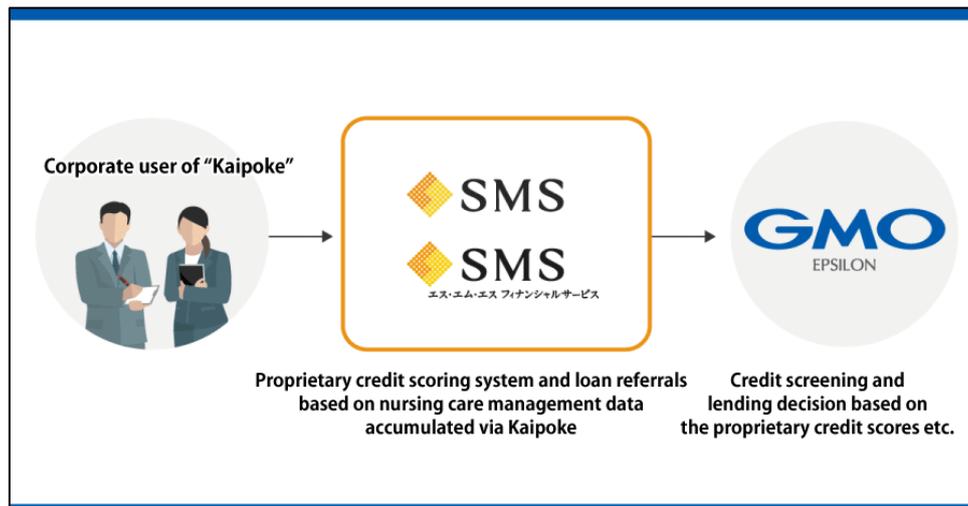
**GMO-EP commences lending service
to elderly nursing care operators using nursing management data**

-Alliance with SMS, a Nursing and Medical Specialist company-

GMO Epsilon, Inc. (GMO-EP), a subsidiary of GMO Payment Gateway, Inc. which is a group company of GMO Internet, launched its lending service based on a new credit screening model that employs elderly nursing care management data, thanks to an alliance signed with SMS Financial Service Co. Ltd. (SMS Financial Service), a group company of SMS Co. Ltd. (SMS), on November 29 2018.

GMO-EP will provide the lending service as a lending partner on the “Kaipoke Loan Connect”, a transaction lending site to small and medium sized nursing care operators that use “Kaipoke Management Support Service (Kaipoke)”^{*1} offered by SMS Financial Service.

^{*1} “Kaipoke” is a service offered by SMS that provides comprehensive management and operational efficiency improvements and support for work style reform to nursing care operators.



【Background and Overview】

Demand for funds for business expansion and operational funding is rising in the nursing care industry, given the growing demand for nursing care facilities on the one hand and tough business environment marked by intensifying competition and recruitment bottlenecks on the other. Despite this, nursing care operators face difficulty in securing loans promptly, as loan applications may take weeks to process and require operators to submit financial reports and collateral.

GMO-EP launched the “GMO Epsilon Transaction Lending” in March 2015, using daily sales data (i.e. transaction data) to reach credit decisions to provide loans to EC operators that are signed up to the “Epsilon Payment Service”. GMO-EP has been seeking new opportunities on deploying its know-how of data-based lending service in other areas.

GMO-EP had been seeking the opportunity to provide lending services to the nursing care industry and through the alliance with SMS Financial Service, a group company of SMS that provides nursing and medical information services, GMO-EP has launched a lending service based on a new credit screening model that uses nursing care management data, thereby leveraging GMO-EP’s expertise and know-how in credit assessment.

GMO-EP will be the lending partner of “Kaipoke Loan Connect”, a transaction lending service operated by SMS

Financial Service that is available on the “Kaipoke” platform, targeting small to medium sized nursing care operators who are corporate users of the “Kaipoke” service.

【”Lending Service Using Nursing Care Management Data”】

This is a lending service called “Kaipoke Loan Connect” operated by SMS Financial Service, where GMO-EP will act as the lending partner for small to medium sized nursing care operators that are corporate users of the “Kaipoke” service. GMO-EP will provide the loan upon carrying out the credit screening process based on SMS’ proprietary credit scoring system calculated using nursing care management data available on the “Kaipoke” platform. Corporate users of “Kaipoke” do not need to submit financial reports nor provide collateral or guarantors, enabling the loan to be executed in a minimum of 5 days – in other words, loans can be made immediately before closing of financial year when cash needs are high.

■Flow from Application to Loan Execution

- 1) Corporate users applying for a loan can access the “Kaipoke Loan Connect” via the “Kaipoke” site, and input information such as loan amount and personal details and request a credit screening.
- 2) GMO-EP will carry out the credit screening based on the credit score provided by SMS which is calculated from nursing care management data. GMO-EP will determine the loan amount and interest rate and notify the credit screening results via email.
- 3) The applicant will then confirm the loan details and conditions from a loan service screen that GMO-EP generates, and if the applicant agrees, the credit agreement will be finalized via this screen. There is no need for financial reports and collateral.
- 4) Loans can be executed at a minimum of 5 days from application.

■Loan Terms

Loan amount	¥300,000~¥50,000,000
Loan rates (APR)	3.5%~13.5%
Delinquency charge (APR)	20.0%
Payment Method*2	Account Transfer (on the 27th of each calendar month)
Payment Type	Even Total Payment (Principal and Interest)
Number of payments	6 payments over 6 months
Guarantor/Collateral	Not required
Necessary Documents*3	<ul style="list-style-type: none"> • Certified copy of Corporate Registration • Certification of Seal • Copy of Personal Identification of Loan Manager • Account Transfer application form

*2 Repayment will be by bank transfer before the completion of account transfer.

*3 Based on the circumstance, additional documents may be required.

【SMS】

Established in 2003, and listed on TSE 1st Section in 2011. The corporate mission states that “We create values and contribute to society by providing an “information infrastructure for an aging society,” and the company has developed and operates over 40 services/functions that intersect “Aging society x Information”, such as nursing and medical, career, healthcare, senior life, and overseas businesses.

The “Kaipoke” is a cloud-based service offered by SMS that leverages ICT to support nursing care operators

to improve their management and operational efficiency and implement work style reforms. “Kaipoke” strives to realize the ideal where the nursing care operator can focus only their main nursing activities by offering operational and management support tools that eliminate administrative work such as attendance record, salary, labor and accounting functions. The number of users have reached 23,000 operators nation-wide and their portfolio spans 40 services/functions.

【SMS Financial Service】

Since its establishment in 2014, SMS Financial Service has been providing financial services that leverage the SMS’ group know-how and experience in the mainstay nursing and medical field. By utilizing the data accumulated on the “Kaipoke” platform, a nursing care management service offered by SMS, SMS Financial Service offers many services such as the “Kaipoke Early Payment Service” for the Long Term Care Insurance payments that eliminates wasteful work for the lender and borrower.

【GMO Epsilon】

GMO-EP is a payment processing service provider, offering transaction processing*4 and initial fee at zero cost. The number of EC merchants using this service stands at 32,471 as of end-March 2019.

A one-stop contract with GMO-EP will enable merchants to drastically reduce costs and workload, and merchants will be able to offer diverse payment methods of credit cards, CVS payment, e-wallet, smartphone-carrier payment as well as delivery services, without having to run multiple systems for each payment method. Services can also include payment collection and settling of shipping/delivery costs within the contract. Furthermore, GMO-EP also offers finance-related services that support the cash flow of merchants, such as lending and remittance services.

GMO-EP is a group company of GMO Internet, a TSE First Section listed company, and we ensure a secure environment to our merchants by complying with the system security standards of PCI DSS and ISMS and is accredited with the Privacy Mark for personal information protection.

*4 Transaction processing fee is a fee charged per communication with the credit card company for authorization and billing processing.

【Related Links】

- “Kaipoke” URL: <http://ads.kaipoke.biz/>
- SMS URL: <https://www.bm-sms.co.jp/en/>
- SMS Financial Service URL: <https://www.smsfs.co.jp/>
- GMO-EP URL: <https://www.epsilon.jp/>

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

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