

October 2, 2019

GMO Payment Gateway, Inc.

**Announcement Regarding Joint Development of “stera”,
the next- generation payment platform offered by Sumitomo Mitsui Card**

GMO Payment Gateway, Inc. (GMO-PG) of the GMO Internet Group, which develops comprehensive payment-related services and financial services, is jointly developing the next-generation payment platform “stera” offered by Sumitomo Mitsui Card Co., Ltd. (Sumitomo Mitsui Card).

A joint announcement by the three companies of GMO-PG, Sumitomo Mitsui Card and Visa Worldwide Japan Co., Ltd. has been made to announce the start of marketing as the service offerings of the next-generation payment platform have been determined, as detailed in the following document.

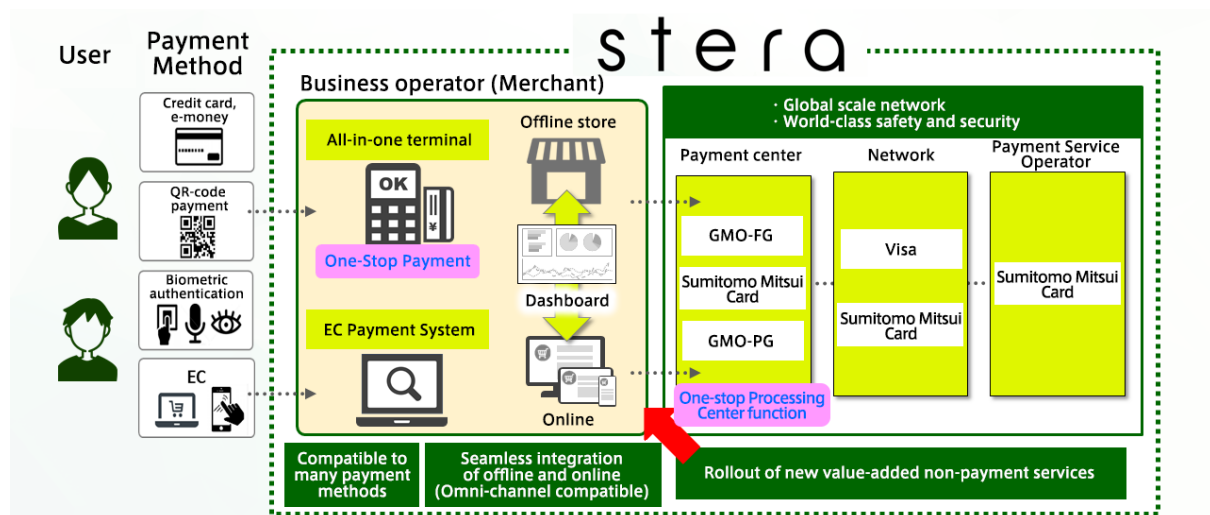
Sumitomo Mitsui Card Co., Ltd.
 GMO Payment Gateway, Inc.
 Visa Worldwide Japan Co., Ltd.

Announcement Regarding “stera”, the Next-Generation Payment Platform

Sumitomo Mitsui Card Co., Ltd. (Sumitomo Mitsui Card) agreed on February 2019 with GMO Payment Gateway, Inc. (GMO-PG) and Visa Worldwide Japan Co., Ltd. (Visa) respectively, to develop a next-generation payment platform business, and have proceeded with the planning and development for its realization since then. We are pleased to announce that the service content has been determined and that full scale marketing will commence.

【Overview of “stera”, the next-generation payment platform】

stera is a next-generation payment platform for business operators that is jointly developed by Sumitomo Mitsui Card along with GMO-PG and Visa. This enables a one-stop coverage of the necessary cashless payment functions for business operators, ranging from payment made at the payment terminal in a store or an EC site, the payment data processing center through to the network to deliver the processed payment data to the business operator.



Sumitomo Mitsui Card collaborated with the two industry-leading companies and developed “stera”, the completely new payment platform.

The name is derived from the intention to steer into a new era – “steer-era”.

【Four Concepts of stera】

stera is comprised of the following four concepts.



An explanation of the each of the four concepts follows.

(1) One-Stop Service:

stera realizes two kinds of one-stop service that resolves the infrastructure challenges arising from the diversity in payment methods. Specifically, integration of the processing center, and the development of a new terminal that realizes one-stop payment. stera offers a payment infrastructure that enables a one-stop service for the myriad of payment methods to business operators whether they are offline, online or both.

① A one-stop processing center function

Sumitomo Mitsui Card and GMO-PG jointly developed the processing center function that is compatible to the various payment methods such as credit card, e-money, QR-code etc. In addition, this system realizes the 'amalgamation of offline and online'.

Both companies have made stera-exclusive customization to GMO-PG's existing "PG Multi-Payment Service", a comprehensive payment system for EC operators, which holds a No. 1 domestic market share.

Up to now, Japan's processing center function was operated by separate systems managed by different operators for offline payments and online payments. However, stera enables an omni-channel solution to operators of both offline and online stores through the integrated operation of both offline payment and online payments.

② A one-stop payment terminal: stera terminal

A brand new all-in-one terminal has been developed, and is scheduled to be released during this fiscal year (year ending March 2020) that enables a single terminal that accepts credit cards, e-money, QR-code and several other payment methods. With this single terminal, business operators can not only accept various payment methods but also occupy less cashier space.

In addition, this system runs on Android OS, enabling an easy online operation to add new functions to the terminal.



(User)

- 4-inch touch screen
- Compatible with multi-language display, e-signature, PIN code



(Store)

- 7-inch touch screen
- Standard feature of auto-cutter installed printer

(2) Omni-channel compatible: stera dashboard

stera makes it possible to integrate payment data by offering a bundled payment infrastructure for both offline stores and online stores. Business operators can view and download the integrated data from/on a single dashboard.

By integrating the payment data, business operators can keep track of their aggregate results easily from a PC or smartphone, and consolidates the administrative work for online revenue management, regardless of the method of payment. In addition, by auto-linking the downloaded data with the store's accounting system, business operators can eliminate the collating work of cross-checking the sales breakdown sent by each payment service operator, thereby achieving significant operational efficiency.

From a marketing perspective, this system allows more advanced and efficient marketing by enabling purchasing behavioral analysis for the integrated payments at both offline and online stores, compared to the existing method whereby operators could only aggregate and analyse their online and offline payment data separately.

(3) Global scale network

stera's network performance ensures a top-level processing capacity of over 65,000 transactions per second by leveraging Visa's global network.

In addition, stera adopts a proprietary fraud detection radar. This fraud detection radar comprises of a proprietary program that is a hybrid of Visa's fraudulent transaction detection logic derived from processing over 68 billion transactions annually in over 200 countries and regions, and Sumitomo Mitsui Card's expertise as a payment service provider with over 50 years of experience in the Japanese market.

By combining these strengths, business operators can enjoy a world-class security and cost-competitiveness that leverages the global scale merit while at the same time catering to the complexity of Japan's payment market.

(4) New Service Offerings: stera market

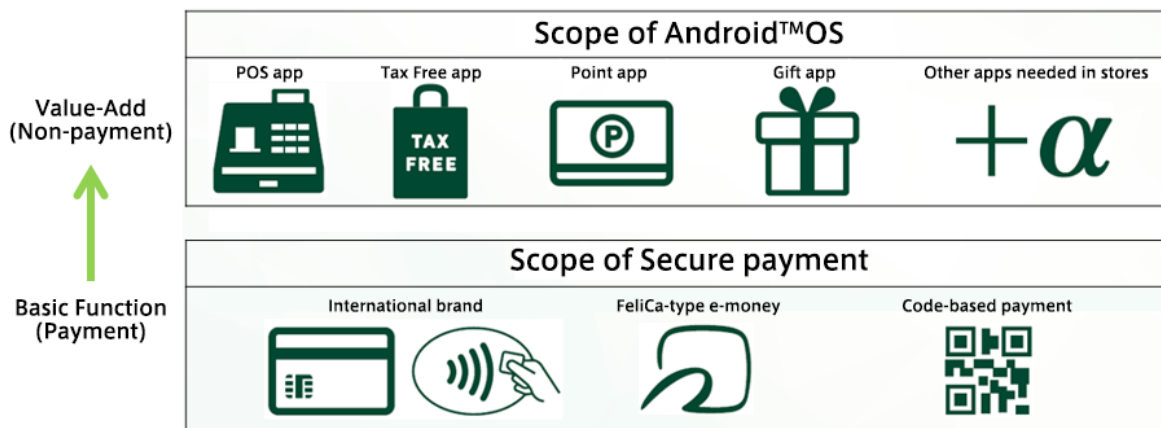
stera, with Sumitomo Mitsui Card as the main operator, will offer the stera market, an app marketplace that offers various apps that are usable on the terminal. Since the stera terminal runs on Android OS, business operators can download non-payment business operation apps.

stera supports the operational efficiency of business operators by not only offering a one-stop payment function but also various business operations and customer services that can be consolidated on this terminal.

Going forward, we will be expanding the line-up and, is scheduled to launch an app with POS cashier function and tax-free function which has especially high demand from business operators.

stera market

- A secure app market that can be used on the terminal
- Runs on Android™OS offering business operational applications in addition to the payment function



【Establishment of GMO Data, Inc.】

GMO Data, Inc. has been established on August 28, 2019 for the purpose of operating the payment platform efficiently and sustainably, as a joint venture between Sumitomo Mitsui Card and GMO Financial Gate, Inc., a subsidiary of GMO-PG that provides payment business such as credit card payments to offline stores.

Japan is experiencing a diverse range of payment methods with the increase of mobile payment and QR-code payments available at offline stores and the increase in inbound tourists in addition to increased usage of existing credit card, debit card and e-money payment methods. The cashless payment market continues to grow in size and complexity, with trends such as non-financial players starting launching their own payment services for the purpose of accumulating and leveraging the big data.

Sumitomo Mitsui Card and GMO-PG will continue to strengthen its collaboration in offering business operators a safe, secure and convenient payment platform, that agilely and expeditiously responds to the evolving needs of both users and business operators and the emergence of new technologies, while at the same time resolving the inefficiencies in the entire payment system caused by the complexities that arise from Japan's distinct payment environment.

Corporate Name	GMO Data, Inc.
Head Office Location	Totate International Building Honkan 7F, 2-12-19 Shibuya, Shibuya-ku, Tokyo
Representative	President and Representative Director Akio Aoyama
Business Description	Processing operation for credit card payments, etc.
Capital Amount	JPY 245 million (As of end- September 2019)