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Ginko Pay, the bank account linked smartphone payment app, to be rolled out to Sumitomo Mitsui Banking Corporation

～ Ginko Pay system adoption expands further among financial institutions ～

GMO Payment Gateway Inc. (GMO-PG), a member of the GMO Internet Group that offers comprehensive payment-related services and financial services, will provide the Ginko Pay base system to Sumitomo Mitsui Banking Corporation (SMBC). SMBC will begin sales of "Enterprise-version Pay[*1]", from around late November 2019.

By leveraging the multi-bank payment function of Ginko Pay, which crosslinks all the bank adopters of this system, SMBC will be able to link up with The Bank of Yokohama, Ltd. (Yokohama Bank) and the Fukuoka Financial Group (Fukuoka FG) which includes The Bank Of Fukuoka, Ltd., The Kumamoto Bank, Ltd. and The Shinwa Bank, Ltd. In other words, the "Enterprise-version Pay" will also be made gradually usable at merchants that accepts Yokohama Bank's "Hama Pay" and Fukuoka FG's "YOKA!Pay".

*1 A service whereby business operators can offer this payment function by embedding the Ginko Pay into their respective smartphone app service.

【Background】

Japan's cashless penetration is low relative to other countries, standing at 21.3% as of 2017 despite the global trend towards cashless-ness. The Japanese government has implemented various initiatives to promote cashless penetration, with an aim to achieve 40% penetration by 2025[*2]. Given this backdrop, Japanese banks and financial institutions have been working on new businesses that can drive cashless-ness further.

In order to support the banks' endeavors towards cashless-ness, GMO-PG provides the Ginko Pay base system, a smartphone app linked with the users' bank account that enables an immediate debit from the bank account.

GMO-PG will also provide the Ginko Pay base system to SMBC.

*2 From "Cashless Roadmap 2019," by Payments Japan Association released on April 2019. Definition and percentages used are according to this announcement.

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

The Ginko Pay, co-developed[*3] with Yokohama Bank in 2016 and marketed by GMO-PG, is a smartphone app whereby payments can be made by an immediate debit from the bank account. Financial institutions can launch their proprietary smartphone payment apps by using the Ginko Pay base system, and also offer services beyond the bank's/region's service coverage by crosslinking with other banks that have also adopted this system.

For account holders of the bank that have implemented Ginko Pay, users need only to download the smartphone app and pre-register their bank account, to be able to make purchases at merchants either by MPM (Merchant Presented Mode: where the customer reads the QR code displayed on the merchant's tablet/smartphone) or by CPM (Consumer Presented Mode: where the merchant uses a reader to read the QR/bar code displayed on the smartphone of the consumer), and the purchase amount is immediately debited from their bank account to complete the transaction[*4].

*3 Reference: "A First for Japanese Banks: GMO-PG Jointly Develops Smartphone Payment Services linked with Accounts at Bank of Yokohama," announced on October 5, 2016.
（URL: https://corp.gmo-pg.com/en/newsroom/pdf/161005_gmo_pg_en.pdf）

*4 The method to read the QR/bar code may differ depending on the financial institution or merchant.

【GMO Payment Gateway】

GMO-PG is Japan's leading provider of comprehensive payment-related services and financial services to more than 100,000 merchants consisting of EC operators as well as non-EC operators such as NHK and public institutions such as National Tax Agency and Tokyo Metropolitan Government. Total transaction value exceeds ¥4 trillion, mainly from the core payment processing service as well as value-added services that contribute to the merchant's growth. (GMO-PG consolidated companies total, as of end-June, 2019)

GMO-PG is expanding businesses to include offline payment processing that would encompass IoT, and Fintech services such as lending, Payment after Delivery and solutions to financial institutions; all of which are expected to contribute to drive Japan's cashless. We are also pursuing global expansion through capital alliances with overseas firms and through rolling out our PSP and financial services in overseas markets.

GMO-PG aims to be the highly-secure, comprehensive and convenient payment processing infrastructure in Japan by continuing to lead the innovations.

【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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