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Digital Garage, Inc.

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Digital Garage and JMS Partner to Improve SME Cash Flow Management

Supporting Retailers, Restaurants, and Service Providers with a B2B Invoice Card Payment Solution

- **Digital Garage, Inc. (TSE Prime section: 4819; HQ: Tokyo; Representative Director, President Executive Officer and Group CEO: Kaoru Hayashi; Digital Garage) and JMS Co., Ltd. (HQ: Tokyo; President: Yasuyuki Mori; "JMS"), provider of payment services, have partnered to provide JMS customers with "DGFT Invoice Card Payment," a B2B payment service supplied by Digital Garage, and to provide strategic support for cash management of SMEs and sole proprietors in addition to payment terminals and payment agency services.**

■Background of Collaboration and Objectives

A large number of SMEs and sole proprietors have constantly faced challenges related to cash flow due to the increase in raw material costs, energy prices and labor costs. Discrepancies between payment and collection cycles are a particularly urgent issue that could lead to lost opportunities for business growth.

"DGFT Invoice Card Payment" supplied by Digital Garage is a service that effectively extends payment deadlines by up to 60 days with the payment of invoices issued by companies with a credit card. This delays the outflow of funds on hand and addresses a range of financing needs, such as improving cash flow, responding to unexpected expenses, and generating funds for new investments.

Meanwhile, JMS has developed a robust network with merchants around Japan for services rolling out credit card payments, and has provided payment solutions to businesses in a diverse range of industries and sizes. JMS has many clients—particularly retailers, restaurants and service business operators—that can be easily affected by time lags between daily sales revenue cycles and payment cycles for purchases and expenses, and stabilizing cash flow is a common challenge associated with business.

By combining JMS' extensive customer network with Digital Garage's expertise in the fintech domain, this collaboration aims to accelerate the uptake of "DGFT Invoice Card Payment" and contribute to resolving cash management issues of more business operators.

■Resolving Retail, Restaurant and Service Industry Issues

Retail stores, restaurants and service businesses that are JMS' clients are facing the following specific challenges.

1. **Advanced payment of purchasing and subcontracting expenses:**
   Purchasing of goods at retail stores, food costs at restaurants, and labor and subcontracting expenses in the service industry are often required before generating sales revenue from customers, meaning cash flow can always become a challenge.

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2. **Seasonal fluctuations and unexpected expenses:**
   There are many situations where working capital is needed to meet unexpected expenses, such as increased purchases due to fluctuations in seasonal demand, sudden breakdowns or repairs of equipment, or unanticipated advertising expenses.

3. **Impediments to bank financing:**
   In some cases with relatively low capital needs or when the business structure has no collateral or guarantees, bank financing can be time-consuming and difficult to qualify for, or financing itself can be hard to obtain.

"DGFT Invoice Card Payment" provides the following benefits to address these issues.

- **Extension of payment deadlines for up to 60 days:**
  Helps to conserve funds on hand and provide more cash flow when purchases need to be made or expense have to be paid on short notice.
- **Flexibility with use of funds:**
  Unlike financing from banks, there are no restrictions on the use of funds and they can be used to cover a wide range of payments (purchases, outsourcing, advertising, rent, etc.), increasing the flexibility of business activities.
- **No need for collateral or guarantees, simple procedures:**
  There is no need for collateral or a guarantor, as the credit line of credit cards are used, and applications can easily be submitted online. This can quickly boost cash flow without the time-consuming and complicated procedures and screening process required for bank loans.
- **Use of existing credit cards:**
  Start by using existing credit cards without the need to establish new lines of credit.

▽ **"DGFT Invoice Card Payment for JMS" service website**
https://lp.dginvoice.jp/jms

■About "DGFT Invoice Card Payment"

This B2B service enables businesses to extend payment terms by up to approximately 60 days by switching from bank transfer invoices to credit card payments using JCB, Visa, Mastercard®, or Diners Club cards (excluding prepaid cards issued under the JCB brand). The service can be used even when the recipient does not accept card payments, providing a practical solution for small and medium-sized enterprises (SMEs) to manage cash flow—whether to address recurring seasonal shortfalls or unexpected funding needs. Since its launch in October 2022, the service has continually evolved to enhance user convenience, with the addition of features such as AI-OCR-powered automatic invoice capture, invoice management functions compliant with the Electronic Book Storage Act, and seamless API integration with external systems.

■ Company Profile

<JMS Co., Ltd.>

JMS Co., Ltd. provides high-reliability and high-quality convenient and unique services for merchants with investments from three of Japan's major credit card companies: JCB Co., Ltd., Mitsubishi UFJ NICOS Co., Ltd., and UC CARD Co., LTD. JMS supports rolling out credit card payment systems for a wide range of industries, including retail stores, restaurants and service businesses around Japan, thus contributing to the promotion of a cashless society. In addition to verifying contract details and transfer amounts, JMS offers a variety of services, including the "i.Land" (updated from "JMS Omakase WEB") online service, which allows users to view and download sales details and request

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supplies, and through these services, it supports the business challenges that customers are facing and provides optimal payment solutions to help increase sales and improve operational efficiency for merchants.
URL : https://www.japanmerchantservices.com/

<Digital Garage, Inc.>
With the corporate purpose of "Designing 'New Context' for a sustainable society with technology," Digital Garage operates payment business services for various comprehensive payment platforms as one of the largest payment service providers in Japan. Digital Garage also runs a marketing business providing one-stop solutions in both the digital and real worlds, as well as a startup investment and development business for approaching promising startups and technologies in Japan and overseas.
URL: https://www.garage.co.jp/en/

***Related Press Releases:**

"Digital Garage Expands B2B Card Payments via Regional Bank DX Platform"(June 23, 2025)

"Digital Garage Launches "STORES Business Post Pay powered by Digital Garage," a B2B Payment Service Supporting Cash Flow for SMEs"(June 4, 2025)

"Digital Garage Adds E-Document Law-Compliant Invoice Management Feature to "DGFT Invoice Card Payment"(March 25, 2025)

"Digital Garage Enables Integration with External B2B Payment System Providers via API "(January 29, 2025)

"Digital Garage and Resona Group Launch "Online Invoice Card Payment," a B2B Payment Service" (October 17, 2024)

"Digital Garage Launches "Card Payment Request," Enabling Early Collection of Sales Proceeds for Orico's Business Customers" (November 30, 2023)

"Digital Garage Launches B2B Payment Service with SG SYSTEMS, a subsidiary of SG Holdings Group Centered on SAGAWA EXPRESS" (November 20, 2023)

"Digital Garage and Sumitomo Mitsui Trust Club Offer BtoB Payment Service for Diners Club Members" (April 18, 2023)

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Strategy and Role of "DGFT Invoice Card Payment" for the B2B Payment Market

To drive DX for a wide range of businesses in the context of drastic changes in society and industrial structure, we have a DG group's strategy, "DG FinTech Shift," which integrates payments, data, and technology. With this strategy, DG is aiming for higher growth by implementing measures that contribute to expanding our market share, developing new services, improving, and strengthening our profit structure, and building multi-layered revenue streams.
"DGFT Invoice Card Payment" B2B payment service was launched in 2022 as a strategically important initiative to enter the larger B2B payment market, in addition to the B2C payment business where the DG Group has been providing services for the past 25 years.

In Japan, the most common payment methods for B2B transactions are bank transfers, direct debits, and cash, while credit card payments rank fourth, accounting for only 38.9% of payments and 22.2% of invoicing, according to a survey[*]. Invoicing takes a great deal of time, and bank transfer payments pose challenges for billers, including credit screening, bad debts, and payment delays. There are many issues for payers as well, such as cash management and cash flows. The B2B payment market is estimated to be worth approximately 1,400 trillion yen[*2]. Fintech services are required in this sector to seamlessly provide cashless payments, DX, and cash management services that help resolve these issues.

The DG Group provides stable system infrastructure for B2B credit card transactions through "DGFT Invoice Card Payment." Digital Garage aims to provide new payment infrastructure services that will help solve a wide range of B2B issues, such as building an original credit model, expanding its factoring and other services, and seamlessly linking SaaS services for business optimization and payment. To this end, DG Group will effectively utilize its technologies and partnerships with banks, credit card companies, trading companies, business application providers, and SaaS companies.

Starting with "DGFT Invoice Card Payment" business, the DG Group strives to support DX in the B2B domain by developing services and businesses in the DX and Fintech sectors that use credit card and transaction data to improve cash management and business efficiency.

* Reference: Business-to-Business Settlement White Paper (2024)

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