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Digital Garage Launches Full-Scale Operation of “AppPay,” the First Service for Third-Party Payment in Japan

- Digital Garage, Inc. (DG) has started full-scale operation of “AppPay,” the first online marketplace service in Japan*¹ that allows users to purchase digital content for various apps outside of the app.
- This service enables app operators to easily build a function for third-party payment within “AppPay” and significantly reduce the burden of payment fees. App users will have new payment options and new benefits.



With the launch of full-scale operations, the service will initially be offered to game app operators and game users, and will be expanded to cover areas other than games in the future.

■Background of the service launch

App stores play an important role in acquiring and protecting users through high-quality app management, security, and customer attraction. At the same time, there is growing discussion that the fact that users' digital content purchases are effectively restricted within apps makes it difficult for competition to arise among businesses, including digital platforms. This situation is leading to pressure on the revenue of app developers and hindering service innovation.

In response to this, lawsuits between digital platforms and app developers have arisen in the United States, and in the EU, laws ensuring a fair and open digital market*² have been enacted, indicating changes in the global social situation. Also, Japan has recently passed the “Bill for the Act on Promotion of Competition for Specified Smartphone Software” at a plenary session of the House of Representatives, and it is expected to be enacted in the current session of Parliament, which is a significant moment of progress toward the healthy development of market competition.

As a company engaged in the payment and marketing business, DG was quick to recognize this change in social situation and has developed “AppPay” using one of the largest comprehensive payment platforms in Japan, provided by DG Financial Technology, Inc., and began its initial rollout to some game companies in the summer of 2023.

■Future roadmap

“AppPay” will not stay as an online marketplace service but will also support app providers in building their own stores and supporting the international expansion of Japan's leading app providers. Furthermore, DG will expand our target areas beyond games to include comics and video streaming, while also enhancing media functions to generate user traffic.

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Moreover, DG Group has established the group strategy “DG FinTech Shift,” which integrates payments, data, and technology to contribute to the business growth of a wide range of companies amidst significant changes in social and industrial structures. This service is part of that group strategy.

*1 As of June 3, 2024, according to our research, we are the first domestic provider of a marketplace for game items.

*2 Designated gatekeepers must now comply with all obligations under the Digital Markets Act, European Commission, available at: https://ec.europa.eu/commission/presscorner/detail/en/IP_24_1342.

■Comments**Kaoru Hayashi, Representative Director, President Executive Officer and Group CEO, Digital Garage, Inc.**

The trend of opening digital markets, which is already advanced in Europe and the United States, is finally reaching Japan. By opening up payment methods for smartphone apps, we believe that various businesses will be revitalized, significantly contributing to improved user experiences and increased operational efficiency for companies. We will continue to contribute to a safe and secure cashless society and economic growth through technology.

Joi Ito, Director, Senior Managing Executive Officer and Chief Architect, Digital Garage, Inc.

Since the 2000s, global digital platforms have built new markets through innovation and have become an integral part of the modern economy and society. Looking ahead, we hope that open competition will lead to further innovation in areas including the smartphone app space.

■About “AppPay” service

“AppPay” is the first online marketplace service that provides a payment system, CMS generation, customer support, and marketing, enable users to purchase digital content from numerous apps outside the apps.

This service enables app providers to introduce a third-party payment system without the time and costs of system development and web page creation. Moreover, the low payment fees also lead to a significant reduction in app store payment fees that must be paid by the business owners.

Users can use multiple payment methods, including credit cards, simply by registering with “AppPay,” enabling them to pay for a variety of applications easily.

* A trademark registration for “AppPay” has been applied for.

▽For inquiries from game companies and application businesses

app-pay@garage.co.jp

▽“AppPay” website(only in Japanese)

<https://app-pay.jp/>

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App Overview Page



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Registration of item information from the management page (CMS)

Payment Procedure Page

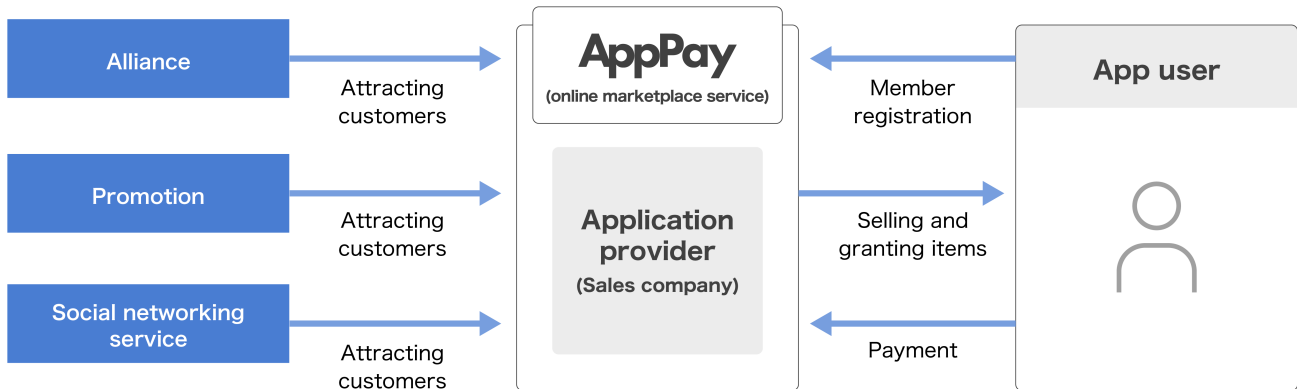


When the user enters their game ID, the system will check with the game server to determine if the purchase is allowed. Users who can purchase the item will register their payment information and purchase the item.

Purchase Complete Page (Payment and ID Linkage System)



After the purchase is successfully completed, the item will be granted to the user.



■About Digital Garage, Inc

N a m e : Digital Garage, Inc. (<https://www.garage.co.jp/en/>)

Representative: Kaoru Hayashi, Representative Director, President Executive Officer and Group CEO

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Shibuya PARCO DG Bldg., 15-1 Udagawa-cho, Shibuya-ku, Tokyo

Date founded: August 1995

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B u s i n e s s : Digital Garage’s corporate purpose is “Designing ‘New Context’ for a sustainable society with technology.” Digital Garage operates a payment business that provides one of the largest comprehensive payment platforms in Japan. In addition, DG has a marketing business that provides one-stop solutions in the digital and real world, and a startup investment and development business that reaches out to promising startups and technologies in Japan and overseas.