



Notice: This document is an English translation of a statement written originally in Japanese.  
The Japanese original should be considered as the primary version.

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Dear all,

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## **Smaregi to Support Japan's New "Refund Method" for Tax-Free Shopping** **Seamless Transition with No Hardware Replacement Required**

Smaregi Inc. (Head Office: Chuo-ku, Osaka; Representative Director: Ryuhei Miyazaki; hereinafter "Smaregi") is pleased to announce that its cloud-based POS system, "Smaregi," will be updated to support the new "Refund Method" for tax-free shopping in Japan. This update is in response to the FY2025 tax reform, which will take effect on November 1, 2026.

### **Overview of the Tax Reform**

Starting November 1, 2026, Japan's tax-free shopping system will be shifted to the "Refund Method"—an international standard for consumption tax exemptions.

Previously, Japan employed a system where the consumption tax was waived at the point of sale. Under the new method, foreign tourists will first purchase tax-free goods at a price that includes consumption tax. After receiving confirmation at customs upon departure, the tax-equivalent amount will be refunded to the foreign tourist.

Consequently, the role of retailers will change significantly: from "processing tax-exempt sales on-site" to "collecting tax at the time of purchase and facilitating the refund process through Refund Operators (business operators managing the refund procedures)".

This reform aims to prevent fraudulent resale and enhance system transparency. However, it also requires new operational and technical capabilities, including:

- Accurate management of tax-free transaction data.
- Real-time data integration with Refund Operators.
- Tracking refund status and handling related customer inquiries.

For further details, please refer to the documentation provided by the National Tax Agency.  
( <https://www.nta.go.jp/publication/pamph/shohi/menzei/202506/pdf/0025006-106.pdf> )

### **Our Strategy and the Advantage of Cloud POS**

Smaregi aims to establish a seamless framework that enables both foreign tourists and merchants to complete the refund process with simple, intuitive operations.

By Smaregi assuming the role of a Refund Operator (Approved transmitting/receiving business), we aim to:

- **Automate Data Integration:** Automatically sync sales and foreign tourist data with the refund system, significantly reducing the administrative burden on merchants.
- **Simplify Tourist Procedures:** Streamline the registration of bank accounts or credit card information for refunds.
- **Flexible Fee Management:** Offer a system where merchants can choose whether the refund processing fee is borne by the foreign tourist or the merchant.
- **Eliminate Additional Hardware Costs:** Enabling merchants to start and continue tax-free sales without the need for any additional equipment or hardware.

Leveraging the inherent strengths of our Cloud POS architecture, the system will be updated automatically, eliminating the need for on-site hardware replacements or complex administrative tasks. This ensures that our clients can adapt flexibly to future regulatory changes while lowering the barrier for new merchants to adopt Smaregi's tax-free solutions.

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