



Digital Garage

February 4, 2016  
Digital Garage, Inc.

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## **NEWS RELEASE**

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### **Digital Garage Invests in Blockchain Developer Blockstream, Collaborating Toward the Verification Testing of Financial Technology Products - Applications in smart contract services and next-generation payment platforms-**

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Tokyo, February 4, 2016 - Digital Garage, Inc. (TSE JASDAQ: 4819, DG) has invested in Blockstream Corp. (Blockstream), a firm engaged in the development of blockchain-related technology, through the wholly-owned investment and incubation subsidiary of Digital Garage, DG Incubation Inc. (DGI), along with Horizon Capital and AXA Strategic Ventures. Blockstream has raised \$55million in this round of Series A funding.

Established in January 2014, Blockstream has many of the technical experts at the forefront of Bitcoin development in its team, and is renowned for carrying out advanced product development in order for blockchains, the fundamental technology behind cryptocurrencies and bitcoins, to be used for a variety of industries and applications. They garnered considerable attention in November 2014 after raising \$21 million in funding just ten months after the founding of their company, with LinkedIn's founder Reid Hoffman, Khosla Ventures, and Real Ventures as the lead investors.

In October 2015, Blockstream announced the "sidechain" open platform technology in order to promote the development of services using blockchains. Sidechains are special because they are interoperable with blockchains that use bitcoins, while at the same time allowing technological innovation by being branched out from the parent chain. As a result, the development of the structure of platforms using various digital currencies and "Smart Contracts", the automation of the handling of contracts, will become easier. Another special feature is that the sidechain technology is publicly available under an open source license, meaning that anyone can use it to develop services using blockchains.

The reason for DG's investment is due to open innovation in cooperation with a number of firms in the development and verification testing of financial technology services aimed at the Japanese market using Blockstream's technology. Specifically, DG is working with a business incubator, Bengo4.com, Inc., in the field of "Legal Tech"—which has already gained attention in the US—by researching the development of a smart contract system that is optimized for Japanese business practices in the form of their electronic contract service, CloudSign. DG is planning to continue this work while also organizing a consortium of banks and credit card companies on a next-generation payment platform where it is possible to use digital currencies and multiple point services.

#### **About Blockstream**

Company Name: Blockstream Corp.  
Established: January 2014  
Representative: Adam Back, President  
Headquarters: Montreal, Canada  
Website: <https://www.blockstream.com/>