

NEWS RELEASE

Digital Garage and Tokyo Tanshi to Partner in FinTech Development of New Financial Business with Blockchains and AI

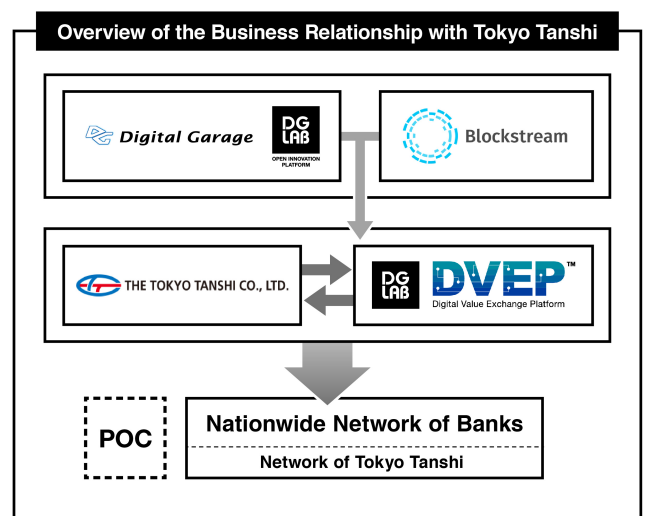
Digital Garage, Inc. (TSE first section: 4819; HQ: Tokyo; Representative Director, President Executive Officer and Group CEO: Kaoru Hayashi; DG) and The Tokyo Tanshi Co., Ltd. (HQ: Tokyo; President: Yuichiro Yanagida; Tokyo Tanshi) entered into a partnership agreement to develop new financial business opportunities utilizing Blockchain and Artificial Intelligence (AI) in FinTech.




DG works with investors to develop new business opportunities through DG Lab. Tokyo Tanshi has been providing brokerage services in open and interbank markets for over 100 years. It has been involved in a wide range of financial products including call funds, bonds, and commercial papers as well as foreign exchange and currency funds and interest rate derivatives through its corporate group. The two companies plan to capitalize on DG Lab's expertise in blockchain technology and AI, in addition to Tokyo Tanshi's market know-how for new FinTech business development.

With this agreement, Tokyo Tanshi invested in DG Lab Fund I Investment Limited Partnership (DG Lab Fund). DG Lab Fund is managed by DG Daiwa Ventures, Inc. (DG Daiwa Ventures) a joint venture between DG and Daiwa Securities Group, Inc. (TSE first section: 8601; HQ: Tokyo; President and CEO: Seiji Nakata; Daiwa Securities Group). The fund invests in startups that specialize in next generation technology. Together with DG, Tokyo Tanshi will start working with the investees of DG Lab Fund. To begin, DG and Tokyo Tanshi will work with Blockstream Corporation. (HQ: Canada; CEO: Adam Back) to issue and circulate local currencies using blockchain technology and to enter the cryptocurrency OTC market. DG Fund invests in Blockstream, which develops Blockchain technology. Engineers from Tokyo Tanshi will join DG Lab for this collaborative development.

DG and Tokyo Tanshi will also drive new business development with "DG Lab DVEP™ (Digital Value Exchange Platform)", an advanced framework for deployment and issuance of mobile digital currency networks. DG Lab created DG Lab DVEP in October 2017 extending Blockstream's open platform technology. This new venture will drive the market by allowing the companies that issue and circulate points and cryptocurrencies to expand their operation all over Japan by linking them to Tokyo Tanshi's network of local banks. The cryptocurrency market has an increasingly strong presence in the financial markets with a total value exceeding \$200 billion*¹. DG and Tokyo Tanshi aim to lead the world in developing new markets by application of existing financial strengths to the cryptocurrency market.



 = The proof of concept concluded in August 2017 for Sarubobo Coin, a regional cryptocurrency currently in development with Hidashin Association and iRidge, Inc.



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Digital Garage, Inc.
The Tokyo Tanshi Co., Ltd.

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*1: Per Coinmarketcap.com. Data as of 11/10/2017.

【DG Lab】 <https://www.dglab.com/en/>

An open innovation R&D organization jointly established by DG, Kakaku.com, Inc. (TSE first section: 2371, HQ: Shibuya-Ku, Tokyo; President: Shonosuke Hata) and Credit Saison Co., Ltd. (TSE first section: 8253; HQ: Tokyo; President and CEO: Hiroshi Rinno).

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