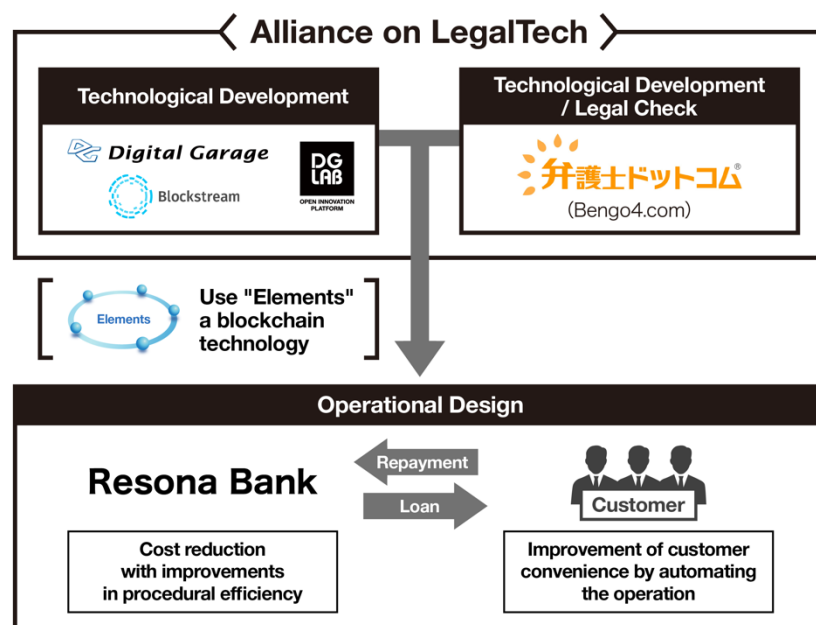


## NEWS RELEASE

# Digital Garage and Bengo4.com Launch a Demonstration Experiment for the Smart Contract System to Improve the Efficiency of Personal Loan Services for Resona Bank

~Developed the First Smart Contract System in Japan Using Bitcoin Blockchain~

Digital Garage, Inc. (TSE first section: 4819; HQ: Tokyo; Representative Director, President Executive Officer and Group CEO: Kaoru Hayashi; DG) and Bengo4.com, Inc. (TSE Mothers: 6027; HQ: Tokyo; Representative Director: Yosuke Uchida; Bengo4.com) have launched a demonstration experiment of their smart contract\* system to improve personal loan services for Resona Bank, Limited. (HQ: Osaka; President: Kazuhiro Higashi; Resona Bank). This demonstration experiment is the first development case in Japan to feature the same blockchain technology that is used for the Bitcoin crypto currency.



DG is working on the development and a practical application of blockchain technology through DG Lab, – its open innovation R&D organization. Services targeted for this smart contract system include transactions such as “automated loans,” “automated repayments,” and a system that automatically conducts the transactions and related procedures based on predefined conditions established between the customer and the bank. This demonstration experiment is designed to verify the utility and identify any issues of the smart contract system, with the aim of full implementation in the future to improve operational efficiency and enhance customer convenience.

A conventional operation for personal loans (e.g. confirmation of contract details, implementation of transactions based on the contract details, and monitoring) have thus far been handled manually, but by



March 5, 2018  
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automating the operation, we expect this smart contract system to lead to reduced costs with significant improvements in procedural efficiency. By offering these smart contracts, we anticipate being able to provide much more convenient products and services to our customers while effecting seamless transactions.

This demonstration experiment adopts Elements\*, the blockchain technology which Bitcoin is based on, as provided by Blockstream Corporation (HQ: Canada; CEO: Adam Back) which employs many of the core engineers behind the blockchain technology. DG Lab considers the blockchain technology underpinning Bitcoin as far superior to any other blockchain technology for banking systems, which have the most stringent security and stability requirements. We plan to significantly improve the efficiency of various contractual tasks within the bank in the future by applying the results of this demonstration experiment focused on personal loans, which constitute a core banking service. The system for this demonstration experiment has been constructed as a private or consortium-type blockchain network, but the development of a public-type blockchain – which is a configuration that builds on the essential merits of the blockchain – is something we look forward to in the future.

As regards the roles of the three companies participating in this demonstration experiment, DG and Bengo4.com are responsible for the development and operation of the blockchain technology, Bengo4.com is examining the contract details, studies and verification for practical application from a legal perspective, and Resona Bank is handling the verification and proposal based on their expertise in personal loans, and the operational design assuming a smart contract.

### \*Smart contract

Automated contracts for financial products and their implementation. The use of blockchain technology prevents falsification of contract details while enhancing security.

### \*Elements

Elements is the blockchain technology developed by Blockstream, Inc. Among the many platforms using blockchains, Bitcoin's public blockchain technology – which features exceptional security that has never been defeated – has been customized to enable more widespread application. Many types of crypto currencies and electronic money/points can be handled using a blockchain, which features advanced encryption technology to protect privacy, a function to link a number of blockchains known as sidechains, and a unique consensus (consensus-building) algorithm. This revolutionary technology solves various issues and hurdles so that public blockchain technology can be used for services and business areas other than Bitcoin, and its quality is supported by the highly advanced technological skills unique to Blockstream, which is home to many of the development members who have been involved since the initial stage of Bitcoin.

[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: Tokyo; President: Shonosuke Hata) and Credit Saison Co., Ltd. (TSE first section: 8253; HQ: Tokyo; President and CEO: Hiroshi Rinno).

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Under the concept of “closer to experts,” provides portals such as “Bengo4.com,” “Business Lawyers,” “Zeiri4.com,” and a web/cloud-based contract completion service “Cloud Sign,” that connect people to experts.

【Resona Bank】 <http://www.resonabank.co.jp/>

The only commercial bank in Japan that simultaneously operates a full-line trust function as a core pillar of the Resona Group. Operating under a customer-oriented perspective, it is the first major Japanese bank to provide financial services that include 24-hour/365-day instant transactions with branches that operate every day, including weekends and national holidays, as it aims to be the “No. 1 for Retail.”