2026/6/5
Crypto Garage, Inc.

Crypto Garage and NEC Collaborate to Develop a Domestic Digital Asset Custody System

~Aiming for a digital asset custody system that achieves both high reliability and advanced security in anticipation of the amendment to the Financial Instruments and Exchange Act~

Crypto Garage, Inc. (Headquarters: Shibuya-ku, Tokyo; hereinafter "Crypto Garage") and NEC Corporation (Headquarters: Minato-ku, Tokyo; hereinafter "NEC") have begun a collaboration to develop a domestic digital asset custody system (Note 1). This system is being developed for financial institutions, institutional investors, and corporations, with the goal of achieving both high reliability and advanced security in anticipation of the amendment to the Financial Instruments and Exchange Act. Both companies plan to commence system development within 2026 and aim for prompt operation following the enforcement of the amended law, which is scheduled for 2027.

■ Background

In recent years, the use of crypto assets for investment purposes has been expanding both domestically and internationally. In Japan, discussions toward the institutionalization of digital assets are accelerating alongside progress in amending the Financial Instruments and Exchange Act and developing related laws and regulations. As a result, institutional investors and corporations are showing increased interest in investing in crypto assets and utilizing stablecoins for settlement and fund management.

As the adoption of financial products such as Bitcoin ETFs and the increase in transaction volume through activities like staking are anticipated, financial institutions require higher quality and more reliable custody systems. However, many custody systems currently in widespread use are provided by overseas companies, presenting challenges related to Japanese language support, compliance with domestic laws and business practices, and supply chain risk management. As such, there is a growing demand for a custody system developed by a Japanese company that delivers advanced security.

■ Collaborative Initiatives

NEC with its extensive track record and expertise in financial system development, cybersecurity, and RiskTech (Note 2), a domain that applies technologies such as AI to proactively address risk — will collaborate with Crypto Garage, which has extensive experience in the digital asset domain, to develop a domestic custody system for financial institutions, institutional investors, and corporations.

NEC

NEC will be responsible for developing administrative applications optimized for the business flows of financial institutions, highly usable client applications, and building the custody system infrastructure. The infrastructure will leverage the "NEC BluStellar Modernization Program for Financial Institutions" (Note 3) to achieve a flexible and resilient system capable

of immediately responding to rapidly changing market environments and regulatory updates. The scope also includes seamless and secure integration with each financial institution's existing systems.

Crypto Garage

Leveraging its expertise in corporate custody operations (safekeeping and management of crypto assets) and its track record in the crypto asset treasury domain — where companies strategically hold crypto assets — Crypto Garage will be responsible for developing and providing advanced private key management technology (wallets, signatures, etc.) and a backend compliant with AML/CFT (Anti-Money Laundering/Countering the Financing of Terrorism).

■ Future Developments

NEC and Crypto Garage plan to commence system development within 2026 and aim for prompt operation following the enforcement of the amended law scheduled for 2027. Development will focus on a highly scalable design that allows for flexible management of all digital assets and anticipates future needs for the storage and management of stablecoins.

Furthermore, with a view toward standardizing and popularizing domestic custody systems and wallet technologies, the companies plan to consider forming a consortium that involves financial institutions, contributing to the development of the industry as a whole.

■ Comments from Both Companies

Through this collaboration with Crypto Garage, which has deep expertise in the treasury domain, NEC aims to realize a highly reliable custody system that aligns with Japanese business practices, enabling financial institutions to leverage a domestic system. NEC will support the launch of new businesses for financial institutions, centering on the concept of this custody system, and contribute to the social implementation of Japan's token economy.

Kazuhisa Shimizu, Corporate Senior Vice President - Managing Director, Financial Solutions Division, NEC

Crypto Garage will leverage its knowledge acquired through providing custody services that support the use of digital assets by corporations, and through this collaboration with NEC, will elevate its technology to the level of custody services required by financial institutions. The company aims to create a future with NEC where digital assets are safely utilized in a wider range of business scenarios.

Justin Dhingra, Executive Officer, Chief Business Officer / Chief Operating Officer, Crypto Garage, Inc.

NEC offers end-to-end services, from strategy and concept consulting to implementation-focused offerings, based on the three pillars of business models, technology, and organization/talent. Additionally, in its shift from a traditional systems integrator to a "Value Driver," NEC restructured its value creation model under the name “NEC BluStellar,”(Note4) It leverages NEC’s cutting-edge technologies, developed and refined through years of experience and proven cross-industry expertise, aiming to transform business models, address social challenges, resolve management issues faced by our customers, and lead

them into the future.

Through the provision of "SETTLENET," a suite of digital asset financial services for corporations, Crypto Garage will leverage its accumulated custody technology and knowledge to provide comprehensive support for financial institutions' digital asset utilization. By developing and offering advanced financial services utilizing blockchain and cryptographic technology, the company aims to create and implement next-generation architectures and contribute to the development of a sustainable society.

Notes

(Note 1) A Digital Asset Custody System is the system infrastructure used by custodians (financial institutions that safekeep and manage digital assets on behalf of investors) to store and manage entrusted assets. It handles secure deposit/withdrawal instructions and balance management.

(Note 2) RiskTech is an NEC-coined term combining "Risk" and "Technology." It is a solution aimed at addressing increasingly complex financial risks, utilizing advanced technologies such as AI to visualize, optimize, and proactively address risks faced by clients.

(Note 3) The "NEC BluStellar Modernization Program for Financial Institutions" is a program that supports the continuous advancement and resilience enhancement of financial institutions' operations and systems. It features a flexible and scalable architecture capable of instantly adapting to environmental changes, supporting the sustainable growth and realization of financial institutions' management strategies. https://jpn.nec.com/fintech/index.html (Japanese website)

(Note 4) "NEC BluStellar" is a value creation model that leverages NEC's cutting-edge technologies, developed and refined through years of experience and proven cross-industry expertise. It aims to transform business models, address social challenges, resolve management issues, and lead customers into a brighter future. https://group.nec/jp/en/solutions/nec-blustellar/

Company Profiles

NEC Corporation

Established: July 1899

Representative: Takayuki Morita, President and CEO

The NEC Group leverages technology to create social value and promote a more sustainable world where everyone has the chance to reach their full potential.

NEC Corporation was established in 1899. Today, the NEC Group's approximately 110,000 employees utilize world-leading AI, security, and communications technologies to solve the most pressing needs of customers and society.

Crypto Garage, Inc.

Established: September 2018

Representative: Masahito Okuma, Representative Director

Crypto Asset Exchange Registration Number: Kanto Local Finance Bureau No. 00029

Member Associations: Japan Virtual and Crypto assets Exchange Association / Global Digital Finance

Business: Research, development, and commercialization of financial services utilizing blockchain technology. A company jointly established by Digital Garage, Inc. and The Tokyo Tanshi Co., Ltd., developing blockchain financial services in the FinTech sector.

(Note) Crypto asset exchange service providers are required to be registered with the Financial Services Agency/Local Finance Bureau. When using such services, please verify that the provider is registered. Consultations regarding crypto assets and fraudulent schemes are increasing. Please be cautious of scams and fraudulent schemes that exploit crypto assets or take advantage of the introduction of crypto asset exchange businesses.

<Customer Inquiries Regarding this Matter>

NEC Digital Finance Division

E-Mail: digital-asset@contact.jp.nec.com

Crypto Garage Business Division

URL: https://cryptogarage.co.jp/contact/