
NEWS RELEASE

Digital Garage and Resona HD Launch POC for Online Lending Using Industry-Specific Data Infrastructure and AI Models Provided by Digital Garage

~ Supporting the Financial Management of SMEs through the Use of Data
to Activate the Food Service Industry ~

- Digital Garage, Inc. (DG) has developed an AI model (“Insite Stream”) to analyze restaurant credit risk using an industry-specific data platform and DG’s unique methods, which continuously collect and integrate public data from the governments and other open data such as public information on the Internet.
- Using “Insite Stream,” DG and Resona Holdings, Inc. (Resona HD), through Resona Bank, Limited and Saitama Resona Bank, Limited, have decided to launch a short-term, small-lot online lending proof of concept (POC) today targeting small and medium-sized restaurants in the 23 wards of Tokyo and Saitama City.



The business environment surrounding restaurants is becoming increasingly severe due to recent increases in utility and ingredient costs, labor shortages, and higher labor costs. Since 2022, the number of restaurant bankruptcies has exceeded the previous year’s level for two consecutive years. In FY2023, the number of restaurant bankruptcies increased 56.0% from the previous year to 802, the highest rate of increase since the burst of the bubble economy*1. Also, some small and medium-sized corporate restaurants lack credit and financial information, so lending requires a lot of time and effort from both the lender and recipient.

This POC is a convenient and quick loan service that utilizes “Insite Stream,” eliminates the requirement for recipients to submit financial information and business plans and enables loans to be provided as quickly as 5 business days after the application is confirmed. Unlike regular credit services that utilize financial data at a single point in time in the past, This POC uses data collected periodically to provide highly accurate and timely credit services in response to changes in the business environment and business operations. While it has been difficult to commercialize this business with conventional artificial sales and screening methods, providing an AI model and online lending will contribute to creating a new financial market for SMEs and further revitalizing the food service industry.

Please note that this is Japan’s first loan screening business, which does not use deposit/withdrawal information but only non-financial information to complete the loan screening process.

NEWS RELEASE**■Outline of POC**

Target Customer	<ul style="list-style-type: none">• Corporate customers who operate only one restaurant in the 23 wards of Tokyo or Saitama City.• Customers who have no loans with Resona Bank, Saitama Resona Bank, Kansai Mirai Bank or The Minato Bank.• The person in charge of the loan must be a representative of the corporation.• Customers who have received an email invitation from a food industry business.
Schedule	August 7, 2024 - End of April 2025 *Exclusive for the first 100 corporations
Amount of finance	1,000,000 yen
Amount borrowed	3 months
Financing process	<ul style="list-style-type: none">• Transfer to an account at a financial institution specified by the customer.• No account with Resona Bank or Saitama Resona Bank is required.
Payment process	<ul style="list-style-type: none">• Payment in full on the due date.• Payment by bank transfer from individual loan holder to Resona's repayment account.

As part of the strengthening of the capital and business alliance that DG and Resona HD have been working on since December 2023, both companies will combine their management resources to expand their collaboration to develop this service nationwide and widen the scope of this service to other industries. In addition, DG will further strengthen "Insite Stream" through data partnering with strategic partners and developing next-generation AI technology based on the group strategy "DG FinTech Shift," which integrates payments, data, and technology to solve issues intervening in diverse domains and industries.

*1 TEIKOKU DATABANK: https://www.tdb-en.jp/news_reports/backnumber/br23nen.html

TEIKOKU DATABANK: <https://www.tdb.co.jp/report/watching/press/pdf/p240402.pdf> (Only in Japanese)

■Company profiles

Name: Digital Garage, Inc. (<https://www.garage.co.jp/en/>)

Representative: Kaoru Hayashi, Representative Director, President Executive Officer and Group CEO

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Shibuya PARCO DG Bldg., 15-1 Udagawa-cho, Shibuya-ku, Tokyo

Date founded: August 1995

Business: Digital Garage's corporate purpose is "Designing 'New Context' for a sustainable society with technology." Digital Garage operates a payment business that provides one of the largest comprehensive payment platforms in Japan. In addition, DG has a marketing business that provides one-stop solutions in the digital and real world, and a startup investment and development business that reaches out to promising startups and technologies in Japan and overseas.