

December 16<sup>th</sup>, 2015

For General Release

Information Services International-Dentsu, Ltd.

## **ISiD Supports Business Development at FinTech Startup Companies**

*As the first case, cooperating with Capy on service to prevent fraudulent logins and full-fledged development of business targeting financial institutions*

Information Services International-Dentsu, Ltd. (TOKYO: 4812) (Head office: Minato-ku, Tokyo; President, CEO & COO: Setsuo Kamai; “ISiD”) has begun working with startup companies offering superior financial services in the FinTech sector, helping them formulate business plans and establish frameworks to provide services as part of their full-fledged business development targeting financial institutions.

As the first case of this effort, ISiD is working with Capy Inc. (Head office: Delaware, United States; Founder & CEO: Mitsuo Okada; “Capy”), a startup company focused on the security sector. Both in Japan and overseas, Capy’s sophisticated and unique solutions to prevent fraudulent logins are attracting attention. We are working with Capy to develop its service delivery system and to execute sales and marketing activities for financial institutions.

### **■Backgrounds and Objectives ■**

In recent years, FinTech attracts attention in terms of the fusion of finance and IT. As the industry grows more deregulated, numerous financial institutions have begun focusing on collaboration and tie-ups with FinTech startup companies. However, in order for financial institutions to take full advantage of leading-edge FinTech services, they need to clear up a variety of hurdles, such as ensuring their quality and service continuity. Furthermore, given the velocity of startup business, these institutions need to make decisions quickly. Factors such as these are currently limiting tie-ups between startups and financial institutions.

At the same time, although many startups offer excellent technical expertise and development speed, businesses that are in the pioneering stages often run up against roadblocks such as the establishment of management structures to provide services to financial institutions and transactional screenings. Therefore, technologies and services that would be useful to financial institutions and their customers are not rapidly introduced into the market and opportunities for innovation are lost eventually.

For some time, ISiD has been attentive to FinTech trends in the financial service markets of Europe and the United States, and in 2012 we launched the Financial Innovation Business Conference (FIBC), Japan’s first FinTech pitch contest. Furthermore, in September 2015 we began capital participation in promising FinTech startups as part of our efforts to accelerate the creation and penetration of financial innovation in Japan.

Our current initiative takes a further step by supporting FinTech startups. ISiD will provide them with its expertise and the resources necessary for full-fledged business development targeting financial institutions. Startups will focus on developing and improving their technologies and services. ISiD expects that these efforts will enhance the competitive advantage of those services and bring them to the market more swiftly. We aim to create a business model that will lead to business expansion, by taking advantage of the respective strengths .

### ■Collaboration between ISiD and Capy■

Founded in October 2012, Capy develops and provides “Capy Puzzle CAPTCHA,” a new puzzle-like capture authentication technology to prevent fraudulent logins. Capy became the first in Japan to be selected for the accelerator program being launched around the world by Microsoft. This is one example of the attention being focused on the company by investors and corporate security personnel in Japan and overseas, and its solutions are being increasingly adopted by prominent telecommunications providers, game companies, portal sites and the like. In February 2015, the company announced “Capy Realtime Blacklist,” which shares attacker information across websites in the financial industry—a major target for hackers, in an aim to expand its operations further. Such services earned Capy the top prize at FIBC2015, held by ISiD in February 2015, where it garnered top marks from a judging panel of third-party experts, including members of leading financial institutions.

Through the current collaboration, the two companies will work together to consider the service operation systems needed to target financial institutions, cooperate on sales and marketing activities, and formulate a specific and realistic business plan. Based on this business plan, we expect to discuss and consider a more detailed collaboration framework.

Going forward, ISiD plans to continue helping to invigorate the Japanese financial services market by supporting the creation and market penetration of financial innovation from a technology perspective.

**About Capy Inc.**

Mitsuo Okada (CEO of Capy Inc.) came up with the idea for this business when studying for his Ph.D. at Kyoto University as part of his research into a security technology known as digital watermarking. In October 2012, he established Capy Inc. in the U.S. state of Delaware. In December 2013, the company overturned the mainstream industry practice of character capture by employing a game type of authentication involving putting puzzle pieces in place. Capy began providing this altogether novel tool to counter fraudulent logins as the “Capy Puzzle CAPTCHA” service. Since then, the tool has been steadily introduced by numerous Japanese industry leaders. The company has won more than 10 awards in authoritative contests in Japan and overseas, including TiE 50, a U.S. awards program conducted in each year in Silicon Valley. Capy was also selected as one of the companies for the Microsoft Ventures Accelerator in Tel Aviv Batch #5, held in Israel. These accolades have earned the company a following among investors and corporate security personnel in Japan and overseas.

<https://www.capy.me>

**Related News**

• ISID Decides to Host the FIBC2016 Financial Innovation Business Conference (December 2<sup>nd</sup>, 2015)

[http://www.isid.co.jp/english/news/pdf/ISID\\_20151202\\_FIBC\\_EN.pdf](http://www.isid.co.jp/english/news/pdf/ISID_20151202_FIBC_EN.pdf)

**Overview of ISID**

Company Name:	Information Services International-Dentsu, Ltd. (ISID)
Representative:	Setsuo Kamai, President, CEO & COO
Headquarters:	2-17-1, Konan, Minato-ku, Tokyo, 108-0075 Japan
Website:	<a href="http://www.isid.co.jp/english/">http://www.isid.co.jp/english/</a>
Establishment:	1975
Capital:	JPY 8,180.5 million
Employees (consolidated basis):	2,502 as of March 31, 2015)
Net Sales (consolidated basis):	JPY 7867llion (fiscal year ended March 2015)
Business domain:	Since its establishment in 1975, ISID has provided comprehensive services as a business partner for its clients, from consulting services to system planning, design, development, operations and maintenance support. ISID aims to be an “IT Solution Innovator” and is proactively deploying businesses in various fields, including solutions for financial institutions, product development solutions, group management and consolidated accounting solutions, HRM(personnel, payroll and performance management), ERP, marketing, and cloud-based services.

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