

Nomura Research Institute licenses ecash™ technology for Japan's first true electronic money system

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Nomura Research Institute (NRI) and DigiCash today announced that NRI will be the first company in Japan to license ecash™ technology for the development of an electronic money payment system.

NRI will use ecash™, denominated in Japanese yen, for a unique intranet based system that will allow NRI employees, departments, and associated companies to exchange value in real time, without the need for smart cards, paper, or complex systems.

Licenseses of the ecash system include Mark Twain Bank (USA), Deutsche Bank (Germany), Merita Bank/EUnet (Finland) and Advance Bank (Australia).

At the moment making transactions over the Internet or an Intranet usually means sending credit card details over computer networks, but credit card transactions are relatively expensive and therefore are not efficient for low value purchases. Many smartcard-based systems are also being developed, but they require that each consumer installs special hardware.

Many forms of "electronic cash" are competing for attention in Japan, but the NRI project is unique, using a low cost, real-time method of payment that is secure, easy-to-use, and which will meet the future requirements of banks, and Government regulators.

DigiCash's patented ecash system allows payment of amounts as low as one yen, and all payments are made with the same security technology currently used by large financial institutions to protect large international money transfers.

"This launch in Japan represents an important collaboration between the premier electronic cash company and the leading electronic commerce innovator in a country that is growing rapidly in Internet usage," said Dr. David Chaum, inventor of electronic cash and founder of DigiCash.

He added "Internet users and corporations have come to understand the unique ability of the ecash electronic cash system to empower them, using their own computers, to protect their own privacy. Leading banks, both in the region and globally, are beginning to observe this and see the strategic importance of operating their own electronic cash systems. We are thrilled to have NRI as a partner as we pioneer the use of ecash™ in Japan".

"A great deal of discussion on electronic money in Japan has been focused on smartcard-based ones, such an example represented by Mondex. However, we, Nomura Research Institute, Ltd., believe network-based 'ecash' is equally important for the accelerated development of cyberspace economy in Japan. Introducing 'ecash' to the Japanese yen world, NRI will propose a new model of utilization of ecash, that is, 'ecash in INTRANET'", said Mr. Teruyasu Murakami, Director of Advanced Social Systems Division, NRI.

Ecash is the only Internet payment system that creates actual electronic cash coins. This concept increases security and reduces transaction costs. It gives increased control to the user of the system and provides consumer privacy. Merchants will also appreciate the ecash™ system, where payments are quickly authenticated and their cash value is immediately deposited in the bank, preventing disputes and delivery delays.

This system gives a great opportunity to merchants selling low cost goods, information and services online.

Craig Welch, Director of DigiCash Pty Ltd said: "Japan is growing so fast in the use of payment methods, that it was only a matter of time before the use of ecash™ became essential. NRI have proven to be the ideal partner to make this technology a practical implementation in Japan."

DigiCash: Company background (summary)

Founded in 1990, DigiCash is the leading pioneer in the development of electronic payment systems that provide security and privacy. Available for open, and closed systems and network use, DigiCash's products are based on patented developments in public key cryptography devised and owned by Dr. David Chaum.

DigiCash's first product was DyniCash, a road-toll system capable of collecting fees from pre-paid smartcards carried on moving vehicles that was developed for the Dutch government.

In recent years increasing media attention has been focused on ecash™, DigiCash's software-only form of electronic cash developed especially for use on the Internet. It can be used online (via the World Wide Web) or via email, and is suitable for implementation with many other digital media. There are already five ecash-issuing banks on the Internet and a rapidly growing number of cyber-merchants. With enthusiastic responses from financial institutions interested in ecash-licenses for the future, and the continuing support of industry opinion-makers, the company's team of experts is now making presentations around the world.

Banks already supporting- or issuing ecash™ include: Mark Twain Bank (Missouri, USA), Merita Bank/EUnet (Finland), Deutsche Bank (Germany) and Advance Bank (Australia).

DigiCash's leading position in cryptographic technology has already enabled it to develop smartcards for a diverse range of applications including CAFÉ, the smartcard-based payment system operated by the Headquarters of the EU in Brussels. The CAFÉ project started as a scientific project (ESPRIT) funded by the EU, just one of the several EU technology projects with which DigiCash has been involved, and designed smartcards that feature pre-paid cash replacement functions, loyalty schemes and access control.

Founder

Dr. David Chaum, Founder and Chief Technical Officer of DigiCash, received his Ph.D. in Computer Science from the University of California at Berkeley, then taught at New York University Graduate School of Business Administration and at the University of California, and headed the Cryptography Group at CWI, the Dutch nationally-funded centre for research in mathematics and computer science, before taking his current position. He has published over 45 original technical articles on cryptography and also founded the International Association for Cryptologic Research.

DigiCash Products

Facility Card: Complete Facility Management Smart-Card/Reader System

Cash replacement, access control, and time/attendance system; now in schools, hospitals, industry, offices, recreation; interfaces to vending machines, point-of-sale, access control, copiers, phones, gaming;

Downloadable & upgradeable card-readers work on-line and/or off-line; There are already over 120,000 cards in use in the Netherlands.

Mars Electronics International licensed the DigiCash facility management system technology in 1996, and incorporated it into their 'Multicard Smart' product line which was launched worldwide in January 1997.

Blue: Smart Card Technology For EMV & Prepaid With Dynamic Public Key

Conforms to joint Europay, MasterCard, Visa specifications. Multiple applications, including loyalty and closed systems. Superior data integrity in case of malicious or accidental interference or interruption.

Requires only the smallest and most proven chips, e.g. SC-24 or ST601. Mask technology licensing.

(DigiCash and ecash are registered trademarks and should always be referred to as such)

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