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DeCurret Inc.

PRESS RELEASE

The Digital Currency Forum to examine the practicality of digital currency in Japan: Report on the 3rd~5th plenary session

Status of activities of each subcommittee and 8 additional companies participating for the realization of privately issued digital currency

DeCurret Inc. (HQ: Chiyoda-ward, Tokyo Japan; President & CEO: Kazuhiro Tokita, hereinafter “DeCurret”) is serving as the secretariat of the Digital Currency Forum, a forum to study the practicality of digital currency in Japan, with the participation of more than 60 companies from a wide range of fields including banking, retail, transportation, and information and communications, as well as experts and relevant ministries and agencies as observers. Here is a summary of the third, fourth and fifth plenary sessions held recently, as well as a report on the activities of the subcommittees that are studying various use cases.

■ Contents of the 3rd~5th Plenary Session

In the third, fourth and fifth plenary sessions, information on the activities of each subcommittee was shared. Participants also shared information on the proposed scenario for DVP (Delivery Versus Payment) settlement in the common and additional domains of digital currency platforms, advisory board meetings, the vision of the world that digital currencies aim for, and views on overseas trends. In addition, Mr. Toshihide Endo, Senior Advisor of DeCurret (former Commissioner of the Financial Services Agency), has been appointed as a Senior Advisor of the Digital Currency Forum.

Additionally, in the technology area, we have held technical meetings with our technical experts and started to provide information on the sandbox environment for digital currency platforms. In this way, we are actively and vigorously discussing the realization of a privately issued digital currency from a variety of perspectives, including business and technology.

Recently the Electronic Money Subcommittee, the Security Token Settlement Practice and System Study Subcommittee, and the Credit Card Company Member Store Settlement Subcommittee have been newly established, and each of these subcommittees and participating companies are working on the materialization of use cases and PoC (Proof of Concept). The following is an overview of each subcommittee, including those that have already started.

1. Electric Power Transaction Subcommittee

Based on the concept of improving environmental, social, economic, and customer value, we are considering two use cases that combine (1) "commercial and service use of digital currency" and (2) "green finance," in addition to the use of digital currency in payments for electricity and environmental value transactions. In the future, we plan to elaborate the use cases, examine processes and systems, and develop PoC plans.



Participating Companies: The Kansai Electric Power Company (organizer) and 9 other companies

2. Retail and Distribution Subcommittee

We will discuss use cases for digital currency in the retail and distribution sectors, identify common issues that could be solved with digital currency, and aim to build consensus on the direction for implementation. While sharing leading examples in various sectors such as delivery management and logistics, we are examining the best parts of industry DX and the benefits of digital currency.

Participating Companies: Seven Bank, Ltd. (Seven & i Holdings Co., Ltd.) (organizer) and 13 other companies

3. Regional Currency Subcommittee

To revitalize the regional economic sphere through digital currency, we will unify the specifications and study a regional currency that can fully demonstrate the functions of programmable money.

Although the term "region" is used, there is a possibility of a wide range of use cases such as retail, MaaS, insurance, etc., so we plan to share information with other subcommittees as we proceed with the study.

Participating Companies Mitsubishi UFJ Research and Consulting Co., Ltd. (organizer), TIS Inc. (organizer) and 29 other companies

4. Wallet Security Subcommittee

With the aim of defining basic security requirements for safe handling of digital currency platforms, we plan to study security issues and measures for private key management during use, systems to be connected, and programs and execution environments.

Participating Companies: SECOM CO., LTD. (organizer), Internet Initiative Japan Inc. and 7 other companies

5. Electronic Money Subcommittee

We are discussing a use case focusing on "linkage between e-money and digital currency," and are considering a use case in which digital currency received by the user is used for e-money as one of the outlets.

Participating Companies: AEON Co., Ltd., (organizer) and 14 other companies

6. Security Token Settlement Practice and System Study Subcommittee

Security tokens are securities under the Financial Instruments and Exchange Law that are issued and distributed using blockchain technology. Although there have been some experimental efforts on security tokens by financial institutions, the method of fund settlement for security tokens has remained within the scope of the current framework. We believe that the realization of DVP (simultaneous delivery of securities and funds) settlement using digital currencies is an essential element for the expansion of the security token market.

This subcommittee welcomes various stakeholders in the industry as participating companies, and will discuss the realization of DVP settlement of security tokens and digital currencies from a legal and technical perspective without relying on any particular company, blockchain, or platform.

Participating Companies: Nomura Holdings, Inc., (organizer), Future Architect, Inc., (organizer) and 10 other companies

7. Credit Card Company Member Store Settlement Subcommittee

With cashless payments advancing, we are considering the issues of the payment cycle to merchants



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and the need for a light infrastructure. We plan to use digital currency for merchant settlements, discuss reducing the constraints of the current infrastructure, and increase the frequency of payments and increase the liquidity of funds while minimizing the increase in costs for businesses that make transfers to multiple companies.

Participating Companies: JCB Co., Ltd., (organizer) and 10 other companies

Finally, as we continue to receive many inquiries about this forum, the following additional companies will be participating in the forum.

■Additional participating companies

au Financial Holdings Corporation, SUMITOMO CORPORATION, TOPPAN FORMS CO., LTD., NS Solutions Corporation, Nihon Unisys, Ltd., Mitsubishi Corporation, Meiji Yasuda Life Insurance Company, Rakuten Edy, Inc.

■Publicly announced existing participating companies

MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Seven Bank, Ltd. (Seven & i Holdings Co., Ltd.), NTT Group, East Japan Railway Company, KDDI Corporation, Internet Initiative Japan Inc., Mori Hamada & Matsumoto, Accenture Japan Ltd., SIGMAXYZ Inc., Aioi Nissay Dowa Insurance Co., Ltd., AEON Co., Ltd., Intelligent Wave Inc., ANA Group, SBI Holdings, Inc., ENERES Co., Ltd., au Kabucom Securities Co., Ltd., KATAOKA & KOBAYASHI LPC., The Kansai Electric Power Company, Payments Japan Association, Incorporated, KYOCERA Corporation, xID Inc., Kesennuma city, JCB Co., Ltd., SUMITOMO LIFE INSURANCE COMPANY, Securitize Japan K.K., SECOM CO., LTD., SOHGO SECURITY SERVICES CO.,LTD.(ALSOK), Sony Bank Incorporated, Sompo Holdings, Inc., DAIDO LIFE INSURANCE COMPANY, Dai Nippon Printing Co., Ltd., Daiwa Securities Group Inc., Chubu Electric Power Co., Inc., TIS Inc., DENTSU INC., Tokio Marine & Nichido Fire Insurance Co., Ltd., Tokyo Financial Exchange Inc., Toppan Printing CO., LTD., The Mortgage Corporation of Japan, Limited, Nomura Research Institute, Ltd., Nomura Holdings, Inc., HashPort Inc., Hankyu Hanshin Holdings, Inc., Hitachi, Ltd., FamilyMart Co., Ltd, BOOSTRY Co., Ltd., Future Architect, Inc., Mitsui Sumitomo Insurance Co., Ltd., Sumitomo Mitsui Trust Bank, Limited, Mitsubishi UFJ NICOS Co., Ltd., Mitsubishi UFJ Research and Consulting Co., Ltd, JAPAN POST BANK Co.,Ltd., Lawson, Inc.

The Digital Currency Forum aims to promote the actual use of digital currency in whole society, and we are looking for a wide range of participants.

(Reference re-blocking)

【About the Digital Currency Forum】

1. Purpose

Subcommittees to be held for each use case to examine the practicality of digital currencies and to examine the common areas of two-tiered digital currency, the added value of services, and the cost savings in new investment and renewal investment related to infrastructure. We conduct "design, development and experimentation" in the domain. Through conceptualization (PoC), we aim to find a consensus on technical issues, KYC, AML/CFT compliance, and other issues and solutions for real-world use of digital currencies, and to standardize services and infrastructure.

2. Summary

Chair: Mr. Hiromi Yamaoka, Director, Future Corporation (former head of the Payment and



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Secretariat: Settlement Systems Department, Bank of Japan)
DeCurret Inc.
Period: From December 2020
(The period and frequency to be set for each sectional meeting.)

Main discussion topics:

- Examination of the practicality of digital currencies in each use case
- Requirement definition, design and development of common and additional areas
- Identification of issues and solutions for the actual operation of digital currencies, and creation of standards

■ Company Overview

Name: DeCurret Inc.

URL: <https://about.decurret.com/>

Representative: Kazuhiro Tokita, President & CEO

Business description: Financial services involving trading and settlement of digital currencies

Virtual Currency Exchange Operator - Kanto Local Finance Bureau No. 00016

Certified Fund Settlement Firms Association: Japan Virtual and Crypto assets Exchange Association

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