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DeCurret Inc.

PRESS RELEASE

The Digital Currency Forum to examine the practicality of digital currency in Japan: Report on the first two plenary sessions

~Establishment of four subcommittees to study proof of concept (PoC) and 17 additional participating companies~

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 50 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. The first and second sessions of the forum were held in Tokyo. We are pleased to report that the first and second plenary sessions of the Forum were held.

■First Plenary Session

Companies, advisors, and observers participating in the Digital Currency Forum expressed their expectations for digital currency and their enthusiasm for participating in this forum. The participants also shared the outline of the development of a "two-tiered digital currency platform" as proposed in the report of the "Digital Currency Study Group," the predecessor of this forum, as well as the concept of costs and the way forward in the forum.

■Second Plenary Session

Each organizing company presented an outline of the four subcommittees (*1) that were launched in December. The Secretariat of the Digital Currency Forum reported to the forum participants on the development status of the two-tiered digital currency platform, subcommittees scheduled to be launched in the future, and trends in the U.S. stable coin industry.

(※1) Overview of the four breakout sessions

The organizing companies made presentations on the purpose and goals of the subcommittees, and we started working on each PoC.

1. Electric Power Extraction Subcommittee

To demonstrate the feasibility of this business and the usefulness of digital currency, we plan to study business operations, technology, and legal systems by conducting a proof of concept (PoC) that applies digital currency to the payment and settlement of compensation for a hypothetical use case of "electricity trading.

Participating Companies: The Kansai Electric Power Company (organizer) and 8 other companies

2. Retail and Distribution Subcommittee

By clarifying the use cases and requirements for digital currency in the retail and distribution sectors, we aim to identify common issues that could be solved with digital currency and agree on the direction. While sharing precedent cases in various sectors such as delivery management and logistics, we plan to examine the optimal parts to which smart contracts (*2) can be applied.

Participating Companies: Seven Bank, Ltd. (Seven & i Holdings Co., Ltd.) (organizer) and 11 other



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companies

(※2) A mechanism to automatically execute contracts on the blockchain.

3. Geographical 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 the basic requirements for security to handle digital currency platforms safely, we plan to study security issues and countermeasures for private key management during use, systems to be connected, KYC and user authentication methods, and programs and execution environments. Participating Companies: SECOM CO., LTD. (organizer), Internet Initiative Japan Inc. and 5 other companies

Finally, since the release of the final report of the Digital Currency Study Group on November 19, 2020, we have received many inquiries including participation in this forum, and the following additional participating companies have newly joined the forum.

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. If your company is interested in participating, please contact our secretariat at "pr_study_group@decurret.co.jp".

■Additional participating companies

Aioi Nissay Dowa Insurance Co.,Ltd., Intelligent Wave Inc., SBI Holdings, Inc., ENERES Co.,Ltd., au Kabucom Securities Co., Ltd., KATAOKA & KOBAYASHI LPC., Payments Japan Association, xID Inc., Securitize Japan K.K., Dai Nippon Printing Co., Ltd., The Mortgage Corporation of Japan, Limited, Nomura Research Institute, Ltd., HashPort Inc., Hankyu Hanshin Holdings,Inc., BOOSTRY Co., Ltd., Future Architect, Inc., Mitsubishi UFJ NICOS Co., Ltd.

■Participating companies announced in the final report

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., AEON Co., Ltd., ANA Group, The Kansai Electric Power Company, Incorporated, KYOCERA Corporation, Kesenuma city, JCB Co., Ltd, SUMITOMO LIFE INSURANCE COMPANY, SECOM CO., LTD., SOHGO SECURITY SERVICES CO.,LTD.(ALSOK), Sony Bank Incorporated, Sompo Holdings, Inc., DAIDO LIFE INSURANCE COMPANY, 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., Nomura Holdings, Inc., Hitachi,Ltd., FamilyMart Co.,Ltd, Mitsui Sumitomo Insurance Co., Ltd., Sumitomo Mitsui Trust Bank, Limited, Mitsubishi UFJ Research and Consulting Co., Ltd, JAPAN POST BANK Co.,Ltd., Lawson, Inc.



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(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 Settlement Systems Department, Bank of Japan)

Secretariat: 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

3. Participants, Advisors, and Observers

Participating companies, organizations and experts are listed in the final report issued by the Digital Currency Study Group.

<https://news.decurret.com/hc/ja/articles/360059491353>

■ Company Overview

Name: DeCurret Inc.

URL: <https://www.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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