

FOR IMMEDIATE RELEASE

**The Center for Rule-making Strategies launches
the “ICO (Initial Coin Offering) Business Research Group”
20 companies and other organizations jointly support the establishment of
ICOs as a sustainable and sound way to raise capital**

TOKYO, JAPAN (November 10, 2017) – Tama University’s Center for Rule-making Strategies (Managing Director: Toshifumi Kokubun) founded today the “ICO Business Research Group”, which aims to popularize ICOs as a sound and reliable way to raise capital. As well as studying product design, legal conditions, and other factors required to make ICOs fair and meaningful for businesses that wish to raise funds as well as for investors, the group will provide assistance with rule-making to establish ICOs as a sustainable way to procure capital. The research group will be chaired by the center’s Managing Director, Toshifumi Kokubun.

An ICO is a way to raise capital through the sale of a cryptocurrency or tokens (virtual coins that derived from cryptocurrency). In comparison to an IPO (initial public offering), an ICO makes it easier to raise funds for a business, such as a start-up, that may not have access to large-scale capital-raising methods. This means that ICOs could be of great benefit for Japan as the country urgently looks for ways to revitalize its economy by stimulating entrepreneurship and innovation. On the other hand, it must be said that Japan has not yet developed a comprehensive framework for ICOs, nor has it fully understood their fiscal and accounting-related ramifications; globally, the lack of investor protection is also seen as a problem. The research group aims to define and plan what a reliable and sustainable ICO system should look like, and to implement it in order to build healthy new markets for the ICO business and to let businesses and investors’ economic activities contribute to the greater good.

After holding its first session today, the research group will meet once or twice a month for in-depth discussion of the topics below, leading to the public release of a report in March 2018. Concurrently, the group also plans to play an advisory and educational role with the government, in particular government agencies, local authorities, and other concerned organizations.

Considerations on required ICO guidelines in order to build a healthy market

1. Business-related considerations

- The significance and necessity of ICOs for Japan
- Required business schemes (What companies and investors should be targeted? For what kind of ICOs? What is the revenue source? What role should the various stakeholders play? How should companies be monitored?)

2. Institutional considerations

Position of ICOs relative to existing institutions and required new frameworks in law (Companies Act, Payment Services Act, Financial Instruments and Exchange Act), in accounting standards, and in the fiscal system (corporate tax, income tax)

Deloitte Tohmatsu Consulting LLC will act as the research group's secretariat. As of the group's founding, the 20 companies and organizations named below are involved. Furthermore, the group will work under the advice of experts in law, accounting, and technology.

Chairman: Toshifumi Kokubun (Professor, Tama Graduate School of Business; Managing Director, Center for Rule-making Strategies)
General Adviser: Takuya Hirai (Member of the House of Representatives / Chairman, Special Mission Committee on IT Strategy, LDP)
Head of the Secretariat: Yasuyuki Ogyu (Director, Deloitte Tohmatsu Consulting LLC)

Expert Advisers:

Legal Adviser: So Saito (Representative lawyer, So Law Office)
Accounting and Tax Advisers: Toshikazu None (Partner, Deloitte Touche Tohmatsu LLC) and Yukinori Fujii (Partner, Deloitte Tohmatsu Tax Co.)
Technical Adviser: Yuzo Kano (Co-Founder and CEO, bitFlyer, Inc.)

13 member companies (in alphabetical order)

CrowdWorks Inc
Dai-ichi Life Holdings, Inc.
Daiwa Securities Group Inc.
GMO Payment Gateway, Inc.
JTB Corp.
Mitsubishi UFJ Financial Group, Inc.
Mizuho Financial Group, Inc.
Nomura Holdings, Inc.
NTT DOCOMO, INC.
Sumitomo Mitsui Financial Group, Inc.
SUMITOMO CORPORATION
Tokyo Electric Power Company Holdings, Inc.
VOYAGE GROUP Inc.

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