



DeCurret

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DeCurret DCP Inc.

PRESS RELEASE

Demonstration Experiment of Corporate Settlement with the Digital Currency DCJPY (tentative name)

- Smart contracts linked to DCJPY aiming to improve the efficiency of corporate settlement-related operations and to digitally integrate transactions and settlements. -

DeCurret DCP Inc. (HQ: Chiyoda-ward, Tokyo Japan, President: Satoshi Murabayashi, hereinafter "DeCurret DCP") is pleased to announce that Mitsubishi Corporation ("MC") and Nippon Telegraph and Telephone Corporation ("NTT") have conducted a demonstration experiment using the digital currency DCJPY for the settlement of overdue shipping fees and other charges incurred in marine transportation at the Digital Currency Forum, for which DeCurret DCP serves as the secretariat.

The Digital Currency Forum is an initiative to study the practicality of digital currency in Japan, with the participation of over 80 companies, banks, local governments, organizations, experts, and relevant ministries and central banks as observers from a wide range of fields including leading Japanese banks, retail, transportation, information and communications.

1. Background

The Settlement in Industrial Distribution Subcommittee is working as a member of the Digital Currency Forum to plan and promote demonstration experiments to gain a wide range of knowledge on digital currency and smart contracts employing blockchain. In the settlement of various fees in trade transactions, there are various issues such as duplication of work between contracting parties, complicated operations from billing to settlement, and long time lags until funds are made available. In this initiative, MC conducted a demonstration test of automated contract execution using digital currency for the settlement of overdue shipping charges and other charges related to trade transactions. The company conducted technological verification and confirmed the effectiveness of the introduction of the technology. The implementation was carried out in cooperation with Industry One, Inc. (Industry One), a joint venture established by MC and NTT for the purpose of promoting industrial DX.

2. About the Digital Currency DCJPY

The Digital Currency DCJPY is designed as a "yen-denominated" digital currency that is fully linked to the yen, and it is assumed for the time being that it will be issued as debt by commercial banks. We are also considering the assumption that such obligations will be positioned as "deposits".

The "Two-tier Digital Currency Platform" is a mechanism that links two areas, called the "Common Area" and the "Business Process Area," for issuing, remitting, and redeeming the Digital Currency DCJPY. The additional area can be programmed to meet various needs, enabling the Digital Currency DCJPY to be used for settlement in a form linked to the flow of goods, for example.



3. Summary of Demonstration Experiment

-Implementation Details

Creation of an experimental environment for a Two-tiered Digital Currency Platform, creation of smart contracts on this experimental environment, registration and confirmation of performance data among relevant parties, and verification of automatic calculation of expenses such as overdue vessel fees and automatic settlement in digital currency. (*Use Digital Currency for verification)

-Commercial products: Biomass fuel

-Implementation period: January 2022

-Role

MC/NTT: Using and verification of Digital Currency payments

Industry One: Overall planning, establishment of smart contract infrastructure, promotion and evaluation of verification experiments

DeCurret DCP: Provision of system for Two-tier Digital Currency issuance

4. Results of the demonstration experiment and future plans

This verification experiment proved that a mechanism for executing payments in the Digital Currency DCJPY using smart contracts is effective in MC's trade transactions. It was also confirmed that the Two-tiered Platform can be used in cooperation with businesses that wish to program and utilize the system in additional areas. The results showed that the automatic execution of trade contracts using smart contracts enables consistent execution from deal registration to settlement in a single system, and that it is expected to reduce the workload related to business-to-business settlements by up to 80%.

We believe that a system like this one, which uses smart contracts to make payments in the Digital Currency DCJPY, will be effective for business-to-business settlement operations common to small, medium, and large companies in Japan, and will be particularly effective for companies with a large number of settlements and highly complex operations.

In addition, digital payments using existing electronic money, etc., have often been limited in interoperability because they aim to expand their own economic sphere and increase customer loyalty within that sphere. In contrast, DCJPY, a Digital Currency, ensures interoperability through a common domain, thus increasing convenience for customers and functioning as an infrastructure for companies to build new services offered across economic zones.

Furthermore, by incorporating Digital Currency DCJPY functions into some of the applications developed by the company and linking them to the common domain in a form that can be called "Digital Payment as a Service," digital currency payment services can be provided as if they were part of the company's own broad range of services. The Digital Currency DCJPY can be linked with companies in various ways.

The Digital Currency Forum will actively engage in discussions and initiatives from various perspectives toward the realization of the private-sector-issued Digital Currency DCJPY.



DeCurret

■ Company Overview

Name: DeCurret DCP Inc.

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Business description: Business planning and management of a digital currency business subsidiary

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