



DeCurret

April 10th, 2020

DeCurret Inc.

PRESS RELEASE

DeCurret Implements Capital Increase of 2.75 Billion Yen

DeCurret Inc. (head office: Chiyoda-ku, Tokyo; President & CEO: Kazuhiro Tokita; hereinafter referred to as the “Company”) announces today that it has carried out capital enhancement by issuing new shares worth 2.75 billion yen in a third-party allocation of shares.

■Background and purpose of the capital enhancement

Amidst a growing major trend towards the spread of digital currency, the Company, which aims to become a “main bank of digital currency,” plans to use the proceeds of the capital increase not only to enhance transaction services for existing virtual currencies (crypto assets) but also to develop and to promote the business for the expansion of digital currency and settlement services.

■Overview of the capital enhancement

The Company’s largest shareholder, Internet Initiative Japan Inc. (head office: Chiyoda-ku, Tokyo; President & COO: Eijiro Katsu; hereinafter referred to as “IIJ”), subscribed for this third party allocation of shares, implemented by way of converting certain debts arising based on transactions with IIJ into equity capital (a so-called quasi debt-to-equity swap).

Changes in capital stock and capital reserves before and after the capital increase:

	Before	After
Capital stock	¥4,314 million	¥5,691 million
Capital reserves	¥4,314 million	¥5,691 million

Number of new shares issued: 13,770 shares

Type of shares issued: nonvoting classified stock

Ratios of voting rights after the capital increase: 30% held by IIJ, 70% by other existing corporate shareholders



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■Company profile

Name: DeCurret Inc.

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

Address: 2-10-2 Fujimi, Chiyoda-ku, Tokyo

Established: January 2018

Capital: 11.382 billion yen (including capital reserve) (after reflection the capital increase hereinbefore)

Representative: Kazuhiro Tokita, President & CEO

Businesses: Financial services involving transactions and settlements of digital currency

Virtual currency exchange service provider's registration:

Director-General of the Kanto Local Finance Bureau No. 00016

Member of the Japan Virtual Currency Exchange Association

■Main risks associated with virtual currency transactions

- A virtual currency is neither a Japanese currency nor a foreign currency. The virtual currencies the Company handles are “decentralized virtual currencies” traded and issued over the internet, and their values are not guaranteed by any specific states or other parties.
 - In virtual currency transactions, a virtual currency may lose significant value due to transaction price fluctuations.
 - In virtual currency transactions, there are differences between buying and selling prices, and during times of high market volatility or decreased liquidity, etc., there may be increased differences in buying and selling prices or receipt of orders may be interrupted, etc., thereby preventing customers from conducting their intended transactions.
 - A virtual currency itself may lose all value due to breakdowns in the systems for transferring the virtual currency, or for other reasons.
 - Leverage transactions enable customers to make high-value transactions against the value of deposits provided to the Company. Thus, while there is the possibility of significant profits, there is a corresponding risk of significant losses. Furthermore, these losses are not limited to, and may exceed, the value of the deposit. Customers may refer to the Company's website for the required amount of deposit, calculation method, margin rate, and other details regarding deposits.
 - The order price displayed on the transaction screen when placing an order may differ from the actual contract price. Depending on the communication environment between a customer's device and the Company's trading system, or a sudden volatility in the market, etc., it may take time for the Company's trading system to process a contract after receiving the customer's order. This may work to the customer's advantage or disadvantage.
 - There may be situations where the trading system cannot complete a transaction as intended due to a poor connection, etc. between the virtual currency exchange operator and the customer.
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