

CICC Whitepaper

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CAICA DIGITAL

Contents

Preface

1. What Is CAICA Coin (CICC)?

(Supplementary Information) Relationship with FISCO Ltd.

2. What Is the CAICA Coin (CICC) Project?

3. CAICA Coin (CICC) Project Scheme

- 1) Enhance Services
- 2) Expand Holders
- 3) Promote Circulation

4. Development Roadmap

- 1) Enhance Services
- 2) Expand Holders
- 3) Promote Circulation

5. Support Factors for the CAICA Coin (CICC) Project

- 1) Participation in the Growing Field of Decentralized Finance (hereinafter, “DeFi”)
- 2) Support by the CAICA Group, a Well-Versed Player in Crypto Assets
- 3) Strong Partner Companies in Promoting the CAICA Coin (CICC) Project
- 4) Proactively Provide Information

6. CICC Holder Distribution

Structure of CICC Holder Distribution (Definitions)

CICC Holder Distribution (As of October 31, 2021)

Preface

- This project outline summarizes a project that is being planned and promoted by CAICA DIGITAL Inc. The various services listed in this report will be considered based on coordination with CAICA Exchange Inc. (formerly Zaif Inc.).
- The purpose of the project outline is to convey the policy on CICC services going forward. It is not intended to solicit activities such as investing or opening an account or other such conduct.
- The project outline presents information based on future plans, predictions and so forth in accordance with information available at the time of writing. CAICA DIGITAL Inc. provides no guarantee as to the veracity, completeness, accuracy, or reliability of the contents of the project outline or the information contained therein.
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1. What Is CAICA Coin (CICC)?

- CAICA Coin (CICC) is a token issued by CAICA DIGITAL Inc. (Listed on the JASDAQ market (Securities Code: 2315); hereinafter, “CAICA DIGITAL”) in conformity with ERC20, the technical standard for tokens issued on the Ethereum blockchain. CICC can be described as one of the few coins in Japan to be issued by a listed company and tradeable on crypto asset exchanges.
- CICC is traded on Zaif, a major crypto asset exchange in Japan (hereinafter “Zaif”) operated by CAICA Exchange Inc., and on several overseas crypto asset exchanges.

CAICA DIGITAL will take the lead in promoting the CICC Project.

(Supplementary Information) Relationship with FISCO Ltd.

- FISCO Ltd. (hereinafter, “FISCO”) owns approximately 20.44% of the voting rights of shares of CAICA DIGITAL, which is the issuer of CICC.
- FISCO, as a major shareholder, aims to work together with CAICA DIGITAL to form a token economy centered on Zaif. As part of these efforts, FISCO will also cooperate with initiatives such as implementing CICC promotions.

2. What Is the CAICA Coin (CICC) Project?

- The CAICA Coin (CICC) Project seeks to pursue the full potential of CICC and enhance services based on CICC, in its role as the exchange coin of Zaif (referring to coins that can be used for Zaif services; hereinafter the same). Specifically, with CICC positioned as a utility token for various services of Zaif, the Project will strive to promote the circulation of CICC and expand its users, and it will enhance the benefits of using CICC by considering services using CICC, such as CICC-denominated crypto asset transactions and services such as lending as a decentralized finance (DeFi) service.
- If CICC is adopted as the exchange coin of Zaif, it is assumed that those using CICC on Zaif will be granted various benefits, such as fee discounts.

Table 1 Summary of the CICC Project

Purpose	Enhance CICC services, expand holders, and promote circulation	
Strategies	Enhance CICC services	Improve/Enhance/Expand usability of CICC in Zaif as utility token
	Expand holders	Initiatives such as PR activities and airdrops led by the entire Group
	Promote circulation	Initiatives such as future expansion to decentralized services

3. CAICA Coin (CICC) Project Scheme

1) Enhance services

The Project is considering implementing various initiatives centered on CAICA DIGITAL continually, with a view to enhancing services using CICC.

(1) Enhance opportunities to utilize CICC through crypto asset related businesses

The Project will consider strengthening the framework for improving the utility of CICC, centered on CAICA DIGITAL. For example, the following initiatives are anticipated:

- CAICA Technologies Inc. will renew the core system of Zaif, enhancing user interface (UI) and user experience (UX), and improving its processing power, and will push ahead with laying a foundation for building out CICC-based services.
- The Project expects to enhance opportunities to use CICC through new services such as the crypto asset leverage tracker and CFD services sold by CAICA Securities Inc. (hereinafter “CAICA Securities”), the lending service provided by CAICA Capital Inc., and the NFT platform developed by CAICA Technologies.

(2) Enhance value in use as an exchange coin

The Project will consider services using CICC as the exchange coin of Zaif. For example, the following services are anticipated.

- If an Initial Exchange Offering (IEO) is conducted on Zaif, those who have a Zaif account and hold CICC will be granted the right to participate when the coin is offered.
- Discounts on trading fees will be given to those who have a Zaif account, according to the number of CICC they hold.

- CICC-denominated trading services will be added on to all crypto assets listed on Zaif.
- A “Gacha machine” feature (providing an opportunity to win campaign prizes and other items with a certain probability) will be made available to those who have purchased CICC.
- Governance functions will be designed (users will be granted voting rights so that they can provide feedback and insights into decisions on CICC services in the CICC holder community, among other functions)

2) Expand holders

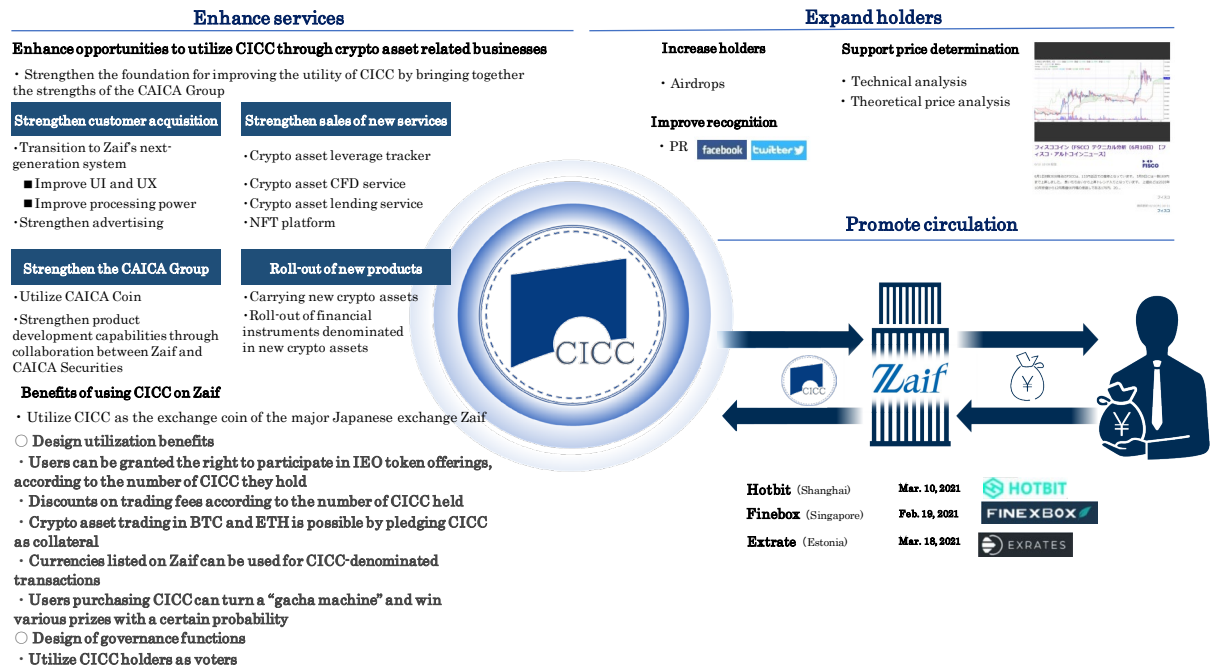
To broaden the base of CICC holders, the Project will strive to expand holders through various initiatives such as improving recognition through various PR activities.

Initiatives will include airdrops, CICC distributions through campaigns, holding Web seminars, collaboration between Zaif and CAICA Securities, publishing articles by FISCO that introduce and analyze CICC, and establishing social media channels and communities.

3) Promote circulation

CICC is listed on Zaif and several overseas crypto asset exchanges to promote circulation of CICC.

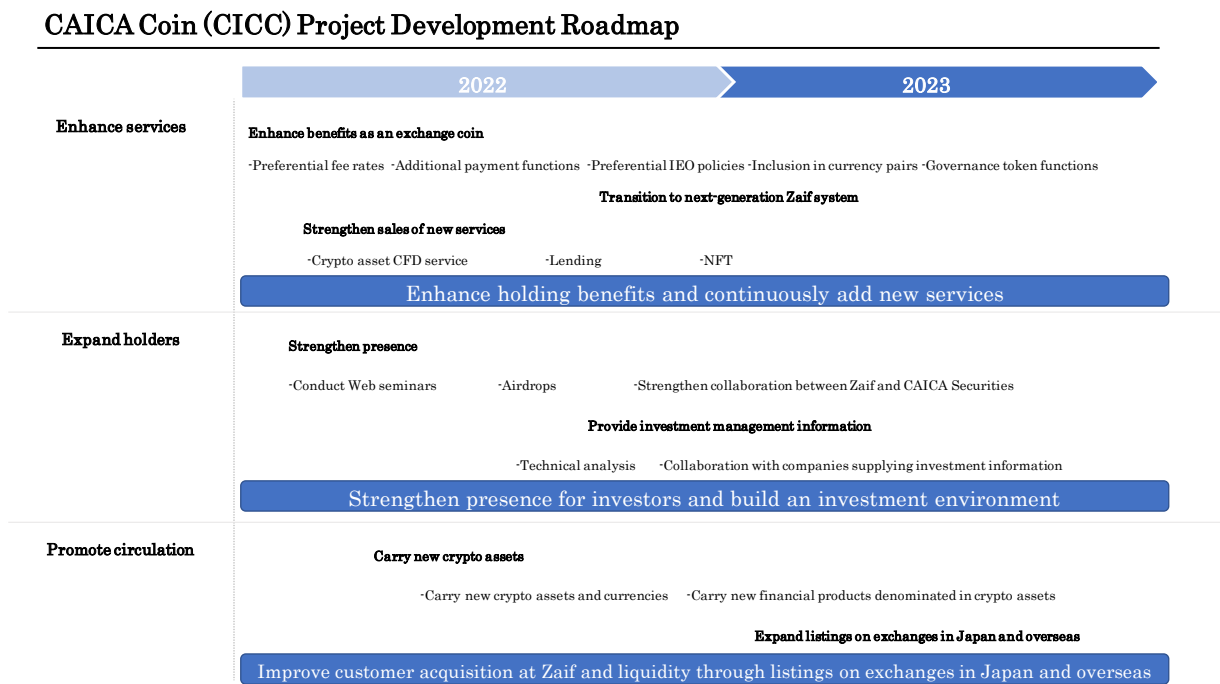
Diagram 1 Outline of the CAICA Coin (CICC) Project



4. Development Roadmap

Each strategy of the CAICA Coin (CICC) project is expected to be considered and implemented in accordance with Zaif's development roadmap.

Diagram 2 Development Roadmap



1) Enhance services

The Project will work to enhance the benefits of holding CICC and continuously add new services.

- ① Successive releases planned from the second quarter of the fiscal year ending October 31, 2022
 - Enhance services as an exchange coin
 - Discount on trading fees according to the number of CICC held by Zaif users
 - Grant CICC-based payment functions to Zaif users

- If an Initial Exchange Offering (IEO) is conducted on Zaif, Zaif users who hold CICC will be granted the right to participate when the coin is offered.
 - Include CICC-denominated crypto asset pairs (expand CICC trading opportunities)
 - Add governance token functions (mechanisms for invigorating the community and reflecting holder needs in services)
 - Strengthening sales of new services (crypto asset CFD service, lending, and NFT)
- ② Releases scheduled for the fourth quarter of the fiscal year ending October 31, 2022
- Renew the core system for Zaif

2) Expand holders

Strengthen the presence of CICC for investors

- ① Successive releases scheduled from the second quarter of the fiscal year ending October 31, 2022
- Strengthen the supply of CICC-related information and increase recognition of CICC, paving the way for expanding holders.
- ② Successive releases scheduled from the fourth quarter of the fiscal year ending October 31, 2022
- Regularly provide investment management information for crypto assets (collaboration with companies providing technical analysis, and investor information on crypto assets), and send out even sounder analysis information to investors.

3) Promote circulation

Acquire customers investing in CICC on Zaif and conduct listings on overseas exchanges

- ① Successive releases from the third quarter of the fiscal year ending October 31, 2022

- - The number of Zaif users will be increased by carrying new crypto assets, paving the way for increasing CICC-denominated trading and raising the liquidity of CICC.
- ② Successive roll-out from the first quarter of the fiscal year ending October 31, 2023
- Based on sufficient consideration of CICC market conditions, we will consider improving liquidity by expanding the listing of CICC on crypto asset exchanges in Japan and overseas.

5. Support Factors for the CAICA Coin (CICC) Project

1) Participation in the Growing Field of Decentralized Finance (hereinafter, “DeFi”)

CICC is a token that conforms with ERC20, a protocol for tokens issued on the Ethereum blockchain, which has an extensive track record in crypto assets used in DeFi (hereinafter, “DeFi-related assets”). Looking ahead, we will consider participation in DeFi through services such as lending

2) Support by the CAICA Group, a Well-Versed Player in Crypto Assets

CICC is carried by CAICA Exchange Inc. (formerly Zaif Inc.) (hereinafter “CAICA Exchange”), which has possessed expertise in operating a crypto asset exchange since crypto assets first started to emerge on the market. In addition, CAICA Technologies Inc., which mainly conducts the development of blockchain-related systems, provides technical support. Moreover, in crypto asset-related services, synergies can be expected to be generated with CAICA Securities Inc., which conducts planning and development of the CAICA Group’s financial products. Because we have this sort of support from the CAICA Group, we have been able to put in place a foundation for advancing the CAICA Coin (CICC) Project.

(1) CAICA Exchange Inc. (formerly Zaif Inc.)

- CAICA Exchange Inc. operates Zaif
- The Zaif Exchange is one of the few exchanges in Japan that carries 13 different types of crypto assets. It is a crypto asset exchange that actively brings onboard tokens originating in Japan. It handles a greater number of coins created by Japanese subculture communities and coins issued by Japanese listed companies, among other coins. Notably, the Zaif Exchange has one of the largest transaction volumes in the world of NEM (XEM) and Symbol (XYM), which are attracting interest.

- With entrusted assets of approximately ¥153.6 billion (as of November 30, 2021) and approximately 340,000 accounts, the Zaif Exchange has a formidable position among Japan's major crypto asset players.
- Zaif is a long-established brand as a company registered as a crypto-asset exchange service operator in September 2017.
- Various collaborative initiatives with FSCC, which is listed on Zaif as is CICC, will be explored.

(2) CAICA Technologies Inc.

- CAICA Technologies Inc., a subsidiary of CAICA DIGITAL, mainly conducts the development of blockchain and crypto asset-related systems.
- CAICA Technologies is a core company of the CAICA Group, whose main business is system development for financial institutions, which represents around 60% of its business. Notably, the CAICA Group has been playing a central role in the Fintech field, which has attracted interest in the past few years.
- CAICA Technologies has a solid track record of system development projects. Main projects include the development, operation and maintenance of the core system for Zaif; the development, operation and maintenance of NFT platforms; and the development, operation and maintenance of the “Gu-Gu” communication platform.
- CAICA Technologies is actively engaged in corporate security consulting, and possesses expertise in cyber security, which is crucial to the crypto asset business.

(3) CAICA Securities Inc.

- CAICA Securities Inc. plans, develops and manages new financial products related to crypto assets.

- CAICA Securities conducts activities such as joint research into financial products with CAICA Exchange.

3) Strong Partner Companies in Promoting the CAICA Coin (CICC) Project

(1) FISCO Ltd.

FISCO Ltd. is a strong partner company for carrying out promotions, such as providing reports that introduce CICC and price analysis concerning CICC.

- Listed on the JASDAQ market (3807), FISCO Ltd. is a distributor of investment information.
- FISCO distributes corporate analysis reports prepared by securities analysts primarily to major portal sites, institutional investors, financial institutions, and others.
- Notably, FISCO's strengths lie in its access to small and medium cap stocks that lie beyond the coverage of major securities firms.
- FISCO has access to 3,700 companies, specifically business partners in various sectors, including listed companies throughout Japan.
- FISCO is a strong partner company for the distribution of information on CICC.

(2) Kushim Inc. (formerly iStudy Co., Ltd.)

Kushim Inc. is a strong partner company for providing technical support and advancing development in the CAICA Coin (CICC) project.

- Listed on the Second Section of the Tokyo Stock Exchange (2345), Kushim Inc. conducts a training and education business for advanced IT engineers in fields such as AI and blockchain, and contract development and research in those fields.

- Kushim has a solid track record of contract development projects. Projects include the development of a monitoring system fitted with an AI-driven behavior identification engine for the nursing care sector through joint research with the Matsuo Lab. of the University of Tokyo; the development of an automated trading system for crypto assets; the development of applications for the DeFi field; and the development of DApps applications using crypto assets.
- Kushim is a partner company with advanced engineers in the development of the core system for Zaif.

(3) Turingum Co., Ltd.

Turingum Co., Ltd. is a strong partner company for providing technical support and advancing development in the CAICA Coin (CICC) project.

- Turingum Co., Ltd. develops new blockchain apps using secure computation and blockchain technologies, bringing together engineers who are experts in the blockchain field. It has many engineers who have contributed to the crypto and blockchain fields through research and development over many years.
- Turingum's main businesses are R&D and contract development. In R&D, Turingum has conducted comprehensive research and development focused on blockchains such as Enigma and Ethereum, and on other areas such as secure computation technologies. In contract development, Turingum provides optimal consulting and service development to various companies. In particular, the company excels at application deployment and the development of core functions in the DeFi field. Turingum has a track record of participation in the renovation of the Zaif system platform.
- In March 2020, Turingum announced that it concluded a capital and business alliance with Kushim Inc. Through this alliance, Turingum plans to develop Secret

Contract technology, which enables transactions on the blockchain to be executed while protecting the privacy of individuals, and to implement this technology in society. Turingum provides a secret contract based on the Enigma Protocol that can be used to record data such as Individual Numbers (My Number System), telephone numbers, information on assets held by individuals, and genome data on a blockchain while keeping the information secure and confidential. Therefore, it is expected that opportunities to provide relevant services to fields such as the financial services, healthcare and other sectors will grow.

4) Proactively Provide Information

- Plans call for distributing information on CICC trends appropriately in accordance with the earnings announcement schedule of CAICA DIGITAL, which is a listed company.
- Notification of unscheduled events, such as events involving CICC, will be provided on the CICC website as they occur. Briefings will be held as necessary.
- Information will also be supplied through social media platforms, including CICC's Twitter account.

6. CICC Holder Distribution

(1) Structure of CICC Holder Distribution (Definitions)

- The number of CICC authorized to be issued is 300,000,000 CICC
- The holder distribution is defined as follows (See Diagram 4).
 - Proprietary holdings
Proprietary holdings represent the number of non-circulating coins held by CAICA DIGITAL, the issuer of CICC.
 - Holdings of strategic investors
Holdings of strategic investors represent the number of CICC strategically purchased and held by partners who have participated in CAICA Coin (CICC) Project and contributed to its growth.
Specifically, strategic investors comprise those described in (i)-(iii) below (see Diagram 4).
 - (i) Major CAICA DIGITAL shareholders (top 10 shareholders) who are large holders of CICC (top 10 holders).
 - (ii) CAICA DIGITAL shareholders who are large holders of CICC (top 10 holders).
 - (iii) Those who are not CAICA DIGITAL shareholders but are large holders of CICC (top 10 holders).
 - Holdings of general investors
Holdings of general investors represent the number of CICC held by investors other than the strategic investors described above.
Specifically, general investors comprise those described in (iv)-(vi) below (see Diagram 4).
 - (iv) Major CAICA DIGITAL shareholders (top 10 shareholders) who have invested in CICC (i.e., they are not large CICC holders).

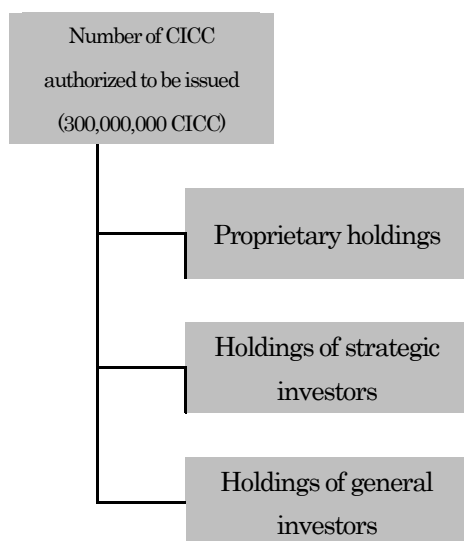
(v) CAICA DIGITAL shareholders who have invested in CICC (i.e., they are not large CICC holders).

(vi) Those who are not CAICA DIGITAL shareholders, but who have invested in and hold CICC.

The CICC distributed by CAICA DIGITAL, the issuer, to shareholders (more than 150 million CICC were distributed in February 2017. More than 160 million FSCC have been distributed in total) either continue to be held by the shareholders or have been transferred to third parties (investors classified as (iii) and (vi) above) through the market.

Diagram 4 Distribution Structure and Classification of CICC Holders (Definitions)

□ Distribution Structure of Holders



■ Distribution Structure of Holders

		Those with accounts at the Zaif crypto asset exchange		
		Those who have invested in and hold CICC		Do not hold CICC
		Large holders (top 10 holders)	Others	
CAICA DIGITAL shareholders (companies and individuals)	Large holders (top 10 holders)	i	iv	
	Others	ii	v	
Companies and individuals who are not CAICA DIGITAL shareholders		iii	vi	

(2) CICC Holder Distribution (As of October 31, 2021)

- Approx. 46%: (Approx. 139 million CICC) Proprietary holdings

Proprietary holdings represent the number of non-circulating coins held by CAICA DIGITAL, the issuer of CICC.

- Approx. 36%: (Approx. 108 million CICC) Holdings of strategic investors

Holdings of strategic investors represent the number of CICC held by those classified in (i) to (iii) in Diagram 4.

These holdings represent the number of CICC strategically purchased and held by partners. We would like these partners to participate in the CICC Project and contribute to its growth.

- Approx. 18%: (Approx. 53 million CICC) Holdings of general investors

Holdings of general investors represent the number of CICC held by those classified in (iv) to (vi) in Diagram 4.

These holdings represent the number of CICC that are traded on the Zaif exchange and are currently circulating in the market.

