

No.	Glossary	Explanation
1	Securities	Traditionally, securities that represent private property/assets with its value, all or partially are generated, transferred or exercised of rights by securities.
2	Prospectus	A document provided to the other party for offering or selling securities that describes the issuer's business and other matters (Article 2, Paragraph 10 of the Financial Instruments and Exchange Act).
3	Decentralized ledger technology	Decentralized ledger technology is a technology for sharing and managing data among multiple users without collecting information in one place.
4	Decentralization	Unlike legal currency, crypto currency using blockchain technology such as Bitcoin is a currency that does not have a central administrator, and is referred to as “non-centralized”. Until now, systems that required robust security were centralized. However, if blockchain technology is implemented, a large number of users share the blockchain, so even if something happens, it can be recovered immediately. Unlike centralization, it is not necessary for the administrator to manage the system dictatorially, which is reliable for the user.
5	Issuance volume	The token issuance volume refers to the number of newly issued tokens and the past issuance total amount.
6	Japan Cryptocurrency Business Association	Banks, securities companies, and Financial Instruments Business Operators are proactively investigating and researching necessary information, gathering knowledge, and exchanging opinions in terms of technology, accounting, regulation, business practices, etc. It was established in 2016 through organizational restructuring, with the general purpose to create the Virtual Currency Business Study Group as a base, aiming the healthy development of the industry. Money Partners, Bitbank, Zaif, etc. are members.
7	Japan Blockchain Association	The organization was created with the aim of making blockchain technology safe and secure, that supports the development of the Japanese economy. Reorganized from the JADA – Japan Authority of Digital Assets on April 15, 2016. The CEO of bitFlyer serves as the representative director, and other companies such as Payward Japan and Gaiax serve as directors. It aims to become an “Certified Association for Payment Service Providers” as defined by the revised Act on settlement.
8	Electronic signature	An electronic signature is an electronic evidence that plays a role same as a seal or signature in a paper document.
9	Fourth industrial revolution	Movement to change the industrial structure through blockchain, IoT, Bigdata, AI, etc.
10	Listing	New crypto assets (tokens) will be handled on the exchanges.
11	Volume	The amount of tokens for which the transaction was successful.
12	Exchange	An exchange is a platform on which securities can be listed and investors can buy and sell them freely, like stock exchanges such as TSE and NASDAQ. The exchange that handles crypto assets (tokens) is the crypto asset exchange.
13	Financial Instruments and Exchange Act	This is a Japanese law that stipulates the issue, sale and other transactions of securities in the securities market. Abbreviation is Kinsho in Japanese.

14	Cabinet Office Order on Virtual Currency Exchange Service Providers	A law that a Partial Revision of the Banking Act and Other Acts (enacted on May 26, 2016, and entered into force on April 1, 2017) puts cryptocurrency exchange companies under the legal system under the Act of settlement. Sometimes called the amended Act of settlement.
15	Okuribito	A person who has invested more than 100 million yen through investment.
16	Liquidity	In business, economics or investment, market liquidity is a market's feature whereby an individual or firm can quickly purchase or sell an asset without causing a drastic change in the asset's price.
17	Utility token	Utility is "usefulness" in English. This utility token corresponds to the case where it can be used as a token for accessing a certain service, for example. In the case of utility tokens, audit reports are not required.
18	Maker	A trade that creates market liquidity as a result of placing orders on a trading board (quote) is called a maker. The maker transaction is established when the taker places an order for the price that the maker puts on the transaction board.
19	Mining	For example, in the case of Bitcoin, when a new block is added to the chain, a huge amount of calculation processing is performed, and a reward (new Bitcoin) is given to those who succeed in it. This is similar to the work of digging a gold mine. Therefore, this series of operations is called "mining".
20	miner	A person or organization that performs mining.
21	White list	A coined term for crypto assets handled by exchanges approved by the Financial Services Agency. Words opposite: Blacklist
22	White paper	White paper originally meant an annual report, or "white paper", by a government or public institution. In recent years, however, it is commonly used as a marketing term, and has been described to highlight the advantages and merits of specific technologies and products. White papers on crypto assets generally describe technology, attractiveness, and future roadmaps.
23	Volatility	Price variability.
24	portfolio	A combination of financial products that you own, such as stocks, real estate, etc.
25	best practice	Best practice. Meaning of the best way to do something.
26	protocol	Abbreviation for "communication protocol", which means "a promise in communication".
27	Block chain	The block chain is a decentralized ledger technology or a distributed network. This database is based on the core technology of Bitcoin (developed by Satoshi Nakamoto).
28	block	A block is transactions that summarizes transaction information. In Bitcoin, the maximum data size per block is 1MB, and one block is stacked every 10 minutes.
29	Broker dealer	A token agency, agency, or asset management agent. Applicable to securities companies in Japan.
30	Full node	Participants who have all the blocks that carry the transaction information so far.
31	platform	An environment (service platform) in which an IT services are accessed and operated via a network.
32	Primary market	A market where investors purchase securities such as stocks and bonds, including newly issued STs.
33	FinTech	A coined word that combines finance and technology.
34	Fiat currency	Legal currency such as JPY (Yen) or USD (US Dollar).

35	Private key	A private key is a key that is necessary to handle cryptographic assets, and it is like a personal identification number. Cryptographic assets use public keys and private keys (secret keys).
36	Hard fork	The token is split into two types. Another token is born.
37	node	In a cryptographic asset network, computer terminals connected to the network are called nodes. In short, devices such as smartphones and PCs that connect the network and users are positioned as nodes.
38	Number used once (Nonce)	Nonce is an abbreviation of "Number used once" and refers to a 32-bit number generated when a miner adds a new block on the Bitcoin blockchain. When a miner (person who mines) creates a new block, the transaction data is newly included in the block what was added to the hash. That collectively encrypts all the past transaction data recorded up to the previous block, and this "Nonce" is added ,so the new hash value is generated.
39	Transaction fee	The fee for the token transaction itself. When tokens are transferred through exchanges, brokerage fees may be charged, but transaction fee is a separate fee. The fee paid by the sender is paid to the miner. The sender pays the main amount of this fee, so that the transaction is preferentially approved and can be transferred quickly.
40	Transaction	Simply speaking, it is a transaction that is digitally signed with the owner's private key, including the hash value (encrypted value) of the transaction received from the previous owner and the destination address.
41	Token economy	An economy that uses tokens instead of legal currencies such as dollars and yens issued by the government, and the side that wants to provide services issuing tokens instead of legal currencies has the value what was created when users purchase them. Token economy is born by trading with this valuable tokens as currency.
42	Token	It is a kind of original coin issued on the blockchain by companies / individuals, and widely includes "gift certificates" and "points".
43	Derivatives	A new financial product derived from the traditional trading laws of stock securities, interest rates, currency exchanges, etc. and currency trading. Financial derivatives.
44	Ticker symbol	Alphabet code used to easily identify a brand. Examples: BTC (Bitcoin), ETH (Ethereum), BTC (Bitcoin Cash), LTC (Lite Coin), etc.
45	Time stamp	The time when a transaction was recorded on the blockchain.
46	Dark pool	A trading system that allows trading without passing through the trading board of the exchange.
47	Soft fork	Adding new rules to existing tokens (on the blockchain). Unlike hard forks, soft forks do not break up.
48	Security token	Generally, when ICO is implemented, a token is distributed. If this token is valuable as a security, it is regarded as a security token. The value as a security applies when a token is used to support real-world value. Security is a commodity, and it is necessary to protect investors through timely disclosure, etc., and is classified as an audit report.
49	Secondary market	A market for trading securities such as stocks and bonds, including STs that have already been issued.
50	Smart contract	A smart contract means a contract that is automatically executed. Any contract action will be programmed and automatically executed.
51	Stable coin	Stable coins generally refer to "currencies with no price fluctuation (volatility)" and they are currencies with a constant price. Also known as peg coins.
52	Satoshi Nakamoto	Name given to a person known for making bitcoin (block chain). The identity is unknown, including whether it is a real name or an individual.

53	Compliance requirements	Compliance with laws and regulations such as KYC and AML.
54	Consensus algorithm	Literally, it means an agreement method. In a blockchain system where there is no central manager, it is difficult to obtain an agreement without contradiction when participants disagree. This is especially difficult when there are dishonest people among the participants. In order to obtain an agreement even under such circumstances, a method of “management (monitoring)” is adopted. This method is called a consensus algorithm. The consensus algorithm is constituted by a system called “proof of work”, as an example.
55	Commodities	Products traded on the world's commodity exchanges. This refers to energy (crude oil, natural gas, etc.), precious metals (gold, platinum, etc.), and agricultural products (corn, soybeans, etc.). Futures of these products are traded at commodity exchanges around the world.
56	Public key	A public key is a key that is disclosed to a third party when transacting cryptographic assets.
57	Crypto	The official name of the virtual currency in English is “Cryptocurrency”. The abbreviation is crypto.
58	Crowdfunding	A coined word that combines crowd and funding, which refers to the provision of financial resources for cooperation with other people and organizations, usually via the Internet.
59	Financial Services Agency (JAPAN)	An administrative institution that was established in July 2000 by integrating the Financial Supervisory Agency, which had been inspecting and supervising financial institutions, and the former Ministry of Finance's Financial Planning Bureau, which was responsible for planning and drafting financial systems. It is in charge of overseeing the Japanese cryptocurrency industry, has the authority to register licenses for the cryptocurrency exchange, and to impose administrative sanctions such as business improvement orders, aiming to validate the development of the industry with the primary focus on user's protection.
60	Capital gain	Profit / loss from buying and selling by trading assets.
61	Anti-counterfeiting technology	In order to prevent forgery, the block chain technology adopts technologies such as public cryptography key, hash, and electronic signature. Since blockchain is digital data, it seems that it can be counterfeited by illegal copying, but in reality, the security is robust because many of these technologies are implemented. In addition, because blockchain is managed by a distributed ledger on the network, even if tampering occurs in one place, an error is immediately pointed out on the network and denied.
62	Custody	Custody is a business that performs “storage” and “management” of securities, and an organization that performs this custody business is called a custodian. Originally a term related to securities, it has come to be used because of the importance of custody in the field of crypto assets.
63	Offering	The meaning of the issue (securities). Also known as: Issuance.
64	Open Source	Software that releases software source code (character strings written in a programming language) free of charge so that anyone can freely improve and redistribute it.
65	ecosystem	“Ecosystem” as a business term is a developing industry that is forming a new industrial system, such as economic dependency relationships, cooperative relationships, or pyramid-type industrial structures in new growth fields with the strong authority at the top. It means the entire partnership between companies in the field.

66	Wallet	A wallet in crypto assets is literally a “wallet” of virtual currency. Cryptographic assets can be stored and transferred to other wallets. It is easy to understand if you imagine something like a bank account. There are two types of them: hot wallets that are connected to the Internet and cold wallets that are not connected to the Internet.
67	Insider trading	A transaction in which the target person regulated by law buys and sells specified securities, etc., before the important facts are announced, while knowing important facts that affect the market price.
68	Altcoin	Altcoin is an abbreviation for Alternative Coin. A generic term for cryptocurrencies other than Bitcoin.
69	Address	The address corresponds/similar to the account number in the bank transfer required for the transaction of the cryptographic asset, and it has an enumeration of 27 to 34 alphanumeric characters starting with 1 or 3, generated from the public key.
70	Assets	It means economic resources or something valuable. So-called just assets.
71	Account	Rights to use web services such as ID and Password.
72	STO Platform	An organization that examines and authorizes STO (Security Token Offering) and a system for buying and selling tokens. The STO platform has functions and services similar to a stock exchange that buys and sells stock.
73	STO (Security Token Offering)	In accordance with conventional financial instruments related laws and regulations, to raise funds by issuing a token as financial instrument (securities), it aims to be distributed to investors. The profitability of the business depends on deploying the funds raised from the original ones.
74	SHA-256	One of hash functions used in blockchain.
75	SEC	The US Securities and Exchange Commission (SEC) is an independent federal agency established in 1934 on the purpose of investor's protection and fair securities trading.
76	SCAM	The meaning of "fraud" in English. In ICO, it is possible to take away the funds that have been raised and run away.
77	REIT	Real Estate Investment Trust
78	P2P	Network configuration in which connected computers communicate with each other without using a dedicated server. Peer to Peer.
79	MBS	Mortgage-backed securities
80	KYC	KYC is an abbreviation for Know Your Customer. The identity verification procedure required to open an account at a bank. It is also required when user opens an account at a virtual currency exchange. In this case KYC is required by law.
81	IPO (Initial Public Offering)	IPO is a traditional way of raising funds by listing on the stock market and issuing shares.
82	ICO (Initial Coin Offering)	ICO is like an IPO for crypto assets. ICO (Initial Coin Offering) is a process in which a company or project issues its own tokens or coins (like stocks in traditional financial markets) to raise funds.
83	Hyperledger Fabric	One of the projects underway in Hyperledger, a cross-industry effort to develop open source software for blockchain and distributed ledger technology. A business blockchain framework led by the Linux Foundation, which aims to become a development platform for blockchain applications and solutions using a modular architecture. It is characterized by ensuring confidentiality and scalability in the business environment.
84	Hybrid/Convertible Tokens	Tokens that can be converted between stocks and bonds

85	Howey Test	A test that determines whether a particular transaction falls under one of the definitions of a securities transaction called an “investment contract”. In the 1946 Howey case, the court set the standard for the “investment contract”. Several ICO projects have calculated this test score to verify the “securities” of the token.
86	FCA	Financial Conduct Authorityの略。 Established in 2012 to monitor and regulate UK (UK) finance. Abbreviation for Financial Conduct Authority.
87	FATF	Financial Action Task Force. The official name is “Financial Activity Working Group on Money Laundering” ,it was established on 1989 by Arche Summit Declaration. Originally aimed to prevent money laundering, it has also been monitoring terrorist funding since the US terrorist attacks.
88	Ethereum	Developed in 2013 by "Vitalic Buterin (19 years old)" and others. The biggest feature is the token creation platform and smart contract using blockchain.
89	ERC-20	ERC-20 is a standard for issuing tokens in Ethereum and it is an abbreviation for Ethereum Request for Comments: Token Standard # 20. Before ERC-20 was adopted by the Ethereum community, the standard was not unified so each token utilized its own programming language and algorithm. The tokens could not be managed in a batch, so the remittance and reception methods were different. It made a problem. However, the standard for creating tokens was unified by ERC-20, and these issues were solved, so a compliant token was developed.
90	Equity Tokens	Stock/Share-type token representing partial ownership of the asset
91	EOS	A platform for building distributed applications for future business support.
92	EBA	Established in 2011, based on the European Banking Supervisory Board (CEBS). European Banking Authority. European Banking Authority
93	DEX	Decentralized EXchange. While it is a decentralized exchange on the blockchain, it offers a high level of safety, but it has the disadvantages like not being able to use expensive fees and legal currencies, low liquidity and inconvenience.
94	Derivative Tokens	Token whose asset value/worth is derived from the underlying token
95	Debt Tokens	A token representing a debt certificate for borrowing funds
96	dApps	Decentralized applications (dApps) are short for Decentralized Applications. A mechanism for building conventional applications on an open source "blockchain base".
97	Bitcoin	A cryptocurrency (cryptographic asset) that was launched in 2009.
98	AML	AML stands for "Anti-Money Laundering" and it is a series of measures to prevent money laundering and fraud by anti-social forces, terrorist organizations, and criminal groups.
99	ABS	Asset-backed securities
100	Double payment	An attempt by a malicious user to send the same token to two different recipients simultaneously. A system that manages all owners to prevent double payments by using the technology of blockchain.
101	Financial instruments clearing organization	An institution that performs processing necessary for clearing of transactions made in the market, such as calculation for settlement amount determination.
102	Collective investment scheme	The collective investment scheme is a system that distributes the profits obtained by investing in business operations and securities using funds collected from the group of investors.

103	fund	It means “funds raising for investment” and “funds of a certain size amount for fund-management purposes”.
104	Secondary market	Market in which securities such as stocks including STs and public bonds already issued are traded. In addition to stock exchanges (financial product exchanges), this includes over-the-counter markets.
105	Primary market	“Primary market” refers to a market in which stocks including ST newly issued by companies to raise funds are directly acquired by investors, either directly or through intermediaries such as securities companies.
106	Securities Exchange Act	Securities and Exchange Law (US)
107	Securities Act	Securities Act (US)
108	William J. Howey	A company established under Florida law. When punished in 1946 for “selling unregistered securities”, a Howey test was created to define the requirements for securities.
109	Definition of securities	In Japan, details are stipulated in Article 2 of the Financial Instruments and Exchange Act, assuming that securities with investments are securities.
110	Paragraph (1) Securities	Those that are considered highly liquid, such as stocks and bonds. Paragraph (1) Securities have more stringent disclosure requirements when issued than Paragraph (2) Securities.
111	Paragraph (2) Securities	Those deemed to be less liquid, such as investment trust beneficiary rights and other collective investment scheme interests (such as crowdfunding).
112	Disclosure	Disclosure of information. This is done by financial statements, securities reports, annual reports, etc. Disclosure is based on laws and regulations. In Japan, it is regulated by the Financial Instruments and Exchange Act and by the Companies Act.
113	Type I Financial Instruments Business	Securities business, financial futures trading business, etc. This business involves buying and selling, soliciting, underwriting, over-the-counter derivative transactions, asset management, etc. for highly liquid securities.
114	Type II Financial Instruments Business	Trading of trust beneficiary rights, brokerage, handling of recruitment (brokering), etc., or performing self-solicitation of funds, etc. as a business.
115	PTS(proprietary trading system)	An electronic trading system that allows you to buy and sell securities without going through a financial product exchange in Japan.
116	ATS(alternative trading system)	It is a private trading platform such as dark pools other than stock exchanges and was originally called private trading system (PTS: Proprietary Trading System). Changed to ATS (Alternative Trading System), which one with price discovery function was changed to electronic commerce network (ECN: Electronic Communications Network). Recently, it is often used synonymously with dark pools.
117	Buy-side	An institutional investor who purchases and manages financial products such as stocks and bonds from the sell side of a securities company. This includes life insurance companies, trust banks, and investment advisors.
118	Sell-side	An entity who sells various financial products such as stocks, bonds, and investment trusts to institutional investors and individual investors. Refers mainly to securities companies.
119	Transfer agent	Transfer agent performs investor accounts (wallets) opening, deposits and withdrawals, nominee rewriting, dividend payments, various report preparation and sending, etc.
120	Clearing firm	Settlement of securities (ST) trading and other transactions.

121	Qualified Institutional Investor	"A person specified by a Cabinet Office Ordinance as having specialized knowledge and experience in investment in securities" (Article 2, Paragraph 1, Item 1 of the Financial Instruments and Exchange Act).
122	Mining pool	A mechanism for mining in cooperation with multiple miners.
123	Two-Factor authentication	A method used to increase security in many login systems. A method that asks the user for a second authentication that uses other information in addition to the normal login password.
124	Electronic money	Electronic money are the means to realize electronic settlement (= exchange of data) without using banknotes or coins. There are the following differences between tokens and electronic money. Management / Issuance: Electronic money are issued / managed. Not like the tokens. New issuance: Electronic money are issued as a consideration by depositing cash. The token is issued as a price for a cooperative action to the token network called mining. Distribution: when electronic money are received, it cannot be used for payment to the third parties. It is necessary to pay cash in for electronic money issuer. Tokens can be received, paid and distributed. System: Electronic money can only be used within the network of recruiters (railway companies, carriers, retailers). The token can be used by anyone with an Internet connection.
125	Escrow	Escrow means third-party deposit, and refers to an intermediary service that increases the safety of transactions mainly through the intervention of third parties.