September 26, 2025

Digital Asset Treasury Strategies and Legal Issues - Practical Considerations for Japanese Companies

So Saito
Shimpei Asano
So & Sato Law Offices

1. Introduction: What is a Digital Asset Treasury Strategy?

A digital asset treasury ("DAT") strategy refers to a company's approach to holding and managing digital assets (often referred to as "crypto assets" in Japan) as part of its corporate balance sheet. It incorporates digital assets into the portfolio as an alternative to, or complement to, traditional cash and securities.

When focused solely on Bitcoin, this is sometimes referred to as a "Bitcoin treasury strategy." In Japan, the term "Crypto Asset Treasury" is sometimes used, reflecting the regulatory terminology of "crypto assets," while in international contexts "Digital Asset Treasury (DAT)" is increasingly common.

In recent years, the number of companies adopting these strategies has been increasing worldwide. In particular, the approval of Bitcoin ETFs in the United States in 2024 encouraged institutional investors to enter the market, spurring interest in direct corporate holding strategies. In Japan, listed companies have also begun to disclose digital asset holdings, drawing significant investor attention. This article provides an overview of treasury strategies and examines the key legal issues under Japanese law.

2. Summary

Conclusion: Feasible under current Japanese law

With appropriate measures, DAT strategies can be implemented under the current Japanese legal system. The conclusions of the main points are as follows:

Legal Issues

・**Crypto asset exchange business:** No registration required for buying and selling of company-owned crypto assets

・**Collective investment schemes:** Fundraising through the issuance of stocks and CBs does not apply

・**Staking and lending:** No restrictions on proprietary management

・**Timely disclosure:** Disclosure required for important transactions and policy changes

Accounting/Taxation

Accounting: Market value valuation is the rule (differences exist between Japanese GAAP, IFRS, and US GAAP)

・**Taxation**: Taxation is generally based on year-end mark-to-market valuation, however, the 2024 amendments will allow for exemptions from year-end mark-to-market valuation taxation under certain conditions

・**Audit**: Prior agreement with the auditing firm is important

Practical Preparations

・Investment policy decisions at the board of directors level

・Prior consultations with auditing firms and tax accountants

・Establishment of internal control and risk management systems

・Establishment of a system for disclosing information to investors

Investor Perspective

・Advantages such as preferential tax treatment for stocks (20.315% vs. up to 55% for physical cryptocurrencies) and simplified investment procedures

・Double taxation at both the corporate and individual levels

・Disadvantages of business and operational risks

・Different value from cryptoasset ETFs (leverage effect, synergy with corporate value, etc.)

Below we will explain each point in detail.

3. DAT Strategy Implementation Cases, Possible Strategies

3.1 Implementation Cases

(i) Global Pioneer: MicroStrategy

MicroStrategy (now Strategy) is a US-based company known as a representative example of a successful DAT strategy. It began purchasing large amounts of Bitcoin in 2020, resulting in a significant increase in its corporate value.

(ii) Japanese Pioneer: Metaplanet

In 2024, Metaplanet, a Japanese listed company, announced a full-scale DAT strategy, which attracted a lot of attention as the first such initiative in Japan.

(iii) Examples from other Japanese companies: Remixpoint

Remixpoint Inc. is one of the companies that holds cryptoasset while emphasizing their relevance to their business. Its subsidiary, BITPoint Japan Inc., owns the crypto asset exchange BITPoint (however, the company's shares were transferred to an outside group between 2022 and 2023), and is a company that is friendly to Web3.

Comparing DAT Strategies of Major Companies

Company name	country	Strategy Features	Asset Holdings	Stock price performance
MicroStrategy	US	Converting the majority of cash into BTC: "Corporate BTC ETF"	A large amount of BTC	1 year: 164% increase 5 years: 2,238% increase Market capitalization: USD 94 billion
Metaplanet	Japan	Purchases positioned as "financial reserve assets"	A large amount of BTC	1 year: 490% increase 5 years: 707% increase Market capitalization: JPY 461.2 billion
Remix Point	Japan	Emphasis on business synergies	BTC, ETH, SOL, XRP, DOGE etc	1 year: 120% increase 5 years: 274% increase Market capitalization: JPY 51.5 billion

*Stock prices are as of September 9, 2025

3.2 Example DAT Strategies

When people think of "DAT strategies," many think of "all-asset cryptoasset conversion" strategies like those used by MicroStrategy and Metaplanet. However, actual corporate strategies vary widely.

Companies need to choose the strategy that's right for them based on the following four perspectives:

(i) Classification by ownership policy

Strategy Type	Features	Key Benefits	Key points to note
Surplus fund investment type	Allocate part of existing surplus cash to cryptoasset	• Minimal impact on existing business • Easy to implement in stages	• Limited investment scale • Limited impact on stock prices
Full transition type	Converting the majority of cash assets into cryptoassets	• Maximize the benefits of price increases • Clear position as bitcoin stock	• High risk of price decline • Impact on working capital • Risks when introducing ETFs
Web3 Strategy Type	Emphasis on relevance to Web3 and blockchain businesses	• Consistency with business strategy • Easy to explain to investors	• Business feasibility • Continuous business investment required • Expert knowledge in the web3 field is essential

(ii) Funding method

Procurement method	features	Key Benefits	Points to note
Surplus fund utilization type	Purchase using existing cash and deposits as funds	No additional financing required ・No dilution impact ・Can be implemented quickly	・Limits on investment scale ・Effect on existing business funds needs to be considered
New share issuance	Purchased by raising funds through the issuance of new shares	Large-scale investments possible ・Avoid increasing debt ・Appealing to growth investments	Shareholders' meeting approval may be required ・Vulnerability may vary depending on market conditions
Convertible bond issuance type	Purchased by raising funds through CB issuance	・Funding at low interest rates ・Dilution control until conversion ・Leverage effect	Interest burden incurred ・Conversion conditions set ・Effect on credit rating

(iii) Classification by investment target

Investment Targets	Features	Key Benefits	Risks and points to note
Bitcoin only	Concentrated investment in a single BTC stock	Most liquid and stable ・"Digital gold" ・Easy to explain to investors	・Single stock concentration risk ・No diversification effect ・Missed growth opportunities in other currencies
Brand diversification	Diversified investments in BTC, ETH, altcoins, etc.	・Appropriate diversification effect ・Earn staking profits ・Capture overall market growth	Individual stock risks exist - Management becomes more complex - Tax calculations become more complicated
Altcoin focused	Active investment in emerging and small	・High growth potential	Extremely high volatility

	coins	・First-mover advantage ・Investment in innovation areas	・High liquidity risk ・Difficult for investors to understand

(iv) Classification by operation method

Operation method	Features	Key Benefits	Risks and points to note
HODL (long-term holding)	Hold cryptoasset for the long term.	・Simple operation method ・Not affected by price fluctuations ・Possibility of tax benefits (see chapter 5 of this article)	・Expansion of losses when prices fall ・Possibility of opportunity loss ・Ensuring liquidity
Staking utilization	Earn additional revenue by staking ETH etc.	・Continuous income ・Additional return of several percent per year ・Network contribution	・Technical risk ・Slashing risk ・Unbonding period
Lending utilization	Earn interest income by lending to third parties	・Management at high interest rates ・Earn both price appreciation and interest ・Liquidity can be adjusted	・Credit risk of borrowers ・Market liquidity risk ・Regulatory change risk

Companies will combine these elements to create the optimal strategy based on their business, financial situation, and risk tolerance.

Furthermore, based on our conversations with advisors and related parties, it appears that many companies currently considering this strategy are seeking treasury strategies that take advantage of connections with their core business, rather than simply HODLing, perhaps in order to differentiate themselves from previous cases.

On the other hand, even when companies that do not necessarily have a strong connection between their core business and Web3 adopt a DAT strategy, there are cases where they try to explain it to shareholders and other stakeholders as a revenue model that combines stock income from staking and lending.

4. Issues under Japanese law

We will summarize the main legal issues that arise when implementing a DAT strategy in Japan. In conclusion, with appropriate measures, it is entirely possible to implement the strategy under current law.

4.1 Cryptoasset Exchange Business Registration (Conclusion: No registration required)

Basic Principles Actual actions of companies acquiring and holding cryptoassets as part of their financial strategy do not constitute a "crypto asset exchange business" under the Payment Services Act, and registration is not required.

Legal Basis According to Article 2, Paragraph 15 of the Payment Services Act, a crypto asset exchange business is one that "conducts the following activities as a business":

- Buying and selling cryptocurrencies or exchanging them with other cryptocurrencies
- Intermediary, agency or representation for the above acts
- Managing users' money
- Managing cryptoassets for others

Reasons for non-application: The trading of cryptoassets by a company as an investment in its own portfolio is not considered to be an act conducted "as a business."[1] Also, owning a company is not "managing for others."

Regarding fundraising through stocks, etc,: Fundraising through stocks, convertible bonds, or similar instruments, and using those funds to purchase cryptoasset, is currently not classified as a cryptoasset exchange business. While it could be formally interpreted as "raising funds from shareholders to acquire cryptoasset," potentially suggesting the provision of cryptoasset trading services to shareholders, such an interpretation is not adopted in current practice.

4.2 Collective Investment Scheme Regulation (Conclusion: Not Applicable)

Basic Concept cryptoasset investments made using funds raised by companies through the issuance of new shares or convertible bonds do not fall under the category of "collective investment schemes" under Article 2, Paragraph 2, Item 5 of the Financial Instruments and Exchange Act.

Legal Basis Due to the structure of the Financial Instruments and Exchange Act, stocks and convertible bonds are regulated as independent "securities" under Article 2, Paragraph

---

[1] Financial Services Agency, March 24, 2017, Public Comments No. 94 (page 47), No. 95 (page 48) https://www.fsa.go.jp/news/28/ginkou/20170324-1/01.pdf

1, Items 5 and 9, and are a separate system from collective investment schemes (fund regulations) under Paragraph 2, Item 5.

Specific Reasons

- Stock: Ownership rights in the entire company (not the right to invest in a specific business)
- Convertible bonds: The basic right is to claim redemption of the principal (the purpose is not to receive dividends from investment results)

Cases to note: If you are establishing a separate company (such as an SPC) exclusively for cryptoasset investment and soliciting anonymous partnership investments, you must carefully **consider whether it qualifies as a collective investment scheme.**

4.3 Staking and Lending (Conclusion: No regulation for proprietary accounts)

Regarding staking, staking conducted by companies using their own assets or on their own account does not generally fall under the category of funds (collective investment schemes) or crypto asset custody, and can be carried out without any special regulations.
Regarding lending, while money lending is regulated in Japan by the Money Lending Business Act, there are no special regulations for crypto asset lending. Companies are free to use their own cryptoassets for lending as long as they are on their own account.

4.4 Relationship with investment advisory business (Conclusion: physical assets are not included)

Advice on Physical Cryptocurrencies Physical cryptoassets are not considered "securities" under the Financial Instruments and Exchange Act, and therefore are not subject to the Investment Advisory and Agency Business Act (Article 28, Paragraph 3). This can be classified as a general consulting service.
Cases requiring caution : Continuous, specific advice and discretionary management of cryptoasset derivatives (futures, perpetuals, etc.) may require registration as an Investment Advisory and Agency Business.
Practical Response: When providing advice including derivatives as an external advisor, it is recommended that the purpose of the contract be limited to "strategy design and risk analysis support" and that specific advice on investment decisions be avoided.

4.5 Listing rules and timely disclosure (Conclusion: No restrictions, disclosure required, attention to fundraising methods)

Listing Rules: The Tokyo Stock Exchange's listing rules do not have any provisions that directly prohibit the holding of cryptocurrencies. As a legitimate investment, cryptocurrencies are likely to be treated in the same way as other investment products.

Cases where timely disclosure is required

- Acquisition and sale of cryptoassets in significant amounts relative to the size of the company
- Deciding on investment policy when starting new cryptoasset investment
- Major change in investment policy
- Valuation gains and losses that have a significant impact on earnings forecasts

Key points of disclosure: If your cryptoasset investment is large, you should probably include the following:

- Clarification of investment objectives and policies
- Proper accounting of risks (price fluctuations, liquidity, technology, regulatory changes)
- Sensitivity analysis (estimated impact of price fluctuations on business performance)
- Quarterly operational status reporting system

It is important for companies to establish an appropriate legal framework and implement strategies while ensuring compliance.

Some DAT companies raise large amounts of capital. In such cases, they must take into consideration the Tokyo Stock Exchange's 300% rule (which states that if the share value dilution rate exceeds 300%, the company will be delisted unless the exchange deems it unlikely to infringe on the interests of shareholders and investors; Article 601, Paragraph 1, Item 15 of the Tokyo Stock Exchange Securities Listing Regulations and Article 601, Paragraph 12, Item 6 of the Enforcement Regulations).[2]

Additionally, attention should be paid to the provision known as the 25% rule (Article 432 of the Listing Regulations, Article 435-2 of the Enforcement Regulations). This rule

---

[2] An overview of the listing system for third-party allotments and practical considerations. The definition of third-party allotment is the third-party allotment prescribed in Article 19, Paragraph 2, Item 1 of the Disclosure Ordinance (Article 2, Item 67-2 of the Listing Regulations), and includes third-party allotments of stock as well as third-party allotments of stock acquisition rights. https://faq.jpx.co.jp/disclo/tse/web/knowledge7777.html

- Securities Listing Regulations (Tokyo Stock Exchange) https://jpx-gr.info/rule/tosho_regu_201305070007001.html
- Enforcement Rules for Securities Listing Regulations (Tokyo Stock Exchange) https://jpx-gr.info/rule/tosho_regu_201305070007001.html

requires a special resolution of the general shareholders' meeting or an opinion on the necessity and appropriateness of the issuance of new shares that exceeds 25% of the total number of issued shares through a third-party allotment. Because investor ownership ratios fluctuate significantly, strict procedures are required from the perspective of protecting minority shareholders.

5. Accounting and Taxation

Accounting and tax compliance is extremely important when implementing a DAT strategy. Listed companies in particular need to properly manage tax risks while fulfilling their accountability to investors and auditors.

5.1 Accounting (Japanese standards, IFRS, US GAAP)

In accordance with **Japanese GAAP (JGAAP)** Practical Advisory Report No. 38, cryptoassets with an active market are valued at market price at the end of the fiscal year, with the valuation difference recorded in profit and loss. If there is no active market, they are valued at acquisition cost.
The classification on the balance sheet is determined by the purpose of holding and liquidity. If listed separately, they are shown as "cryptoassets," etc., but if they are not significant, they are included in intangible fixed assets or other assets, etc. The classification on the income statement is determined based on the purpose and actual situation of the business. In both cases, consultation and agreement with the auditing firm is required.
Companies adopting IFRS often adopt the cost model + impairment (IAS36) for intangible assets under IAS38, but if there is an active market, they can also choose the revaluation model. In this case, upward revaluation is recorded in OCI (other comprehensive income) (the portion equivalent to the reversal of past impairment losses is recorded in profit or loss), so in principle it is not recorded in the income statement. However, since Japanese corporate tax is calculated using fair value at the end of the period, adjustments must be made in tax returns even when IFRS is adopted, resulting in a discrepancy between accounting and tax practice.
US GAAP companies, such as MicroStrategy, apply ASU 2023-08, which requires them to record their investments at cost, then mark them to fair value at the end of each period, with the difference recognized in earnings. Unlike IFRS, these investments are always passed through the P/L rather than recorded in OCI (other comprehensive income).

5.2 Corporate Tax Treatment

Taxation based on end-of-period fair value valuation (in principle) According to the National Tax Agency Q&A, "cryptoassets with active markets" are valued at fair value at the end of the period, and the valuation difference is included in income or expenses.
The following cases are also subject to valuation:

- If the requirements are met when listed on a DEX
- Locked in by staking
- During bilateral lending

Avoidance of year-end mark-to-market valuation taxation due to transfer restrictions (exception) The April 2024 amendments make it possible to exempt from year-end mark-to-market valuation taxation if certain requirements are met.
Requirements:

- Imposing transfer restrictions through cryptoasset exchanges
- Notification and publication of information to JVCEA
- Continued holding for purposes other than short-term trading

Benefits: For tax purposes, the property can continue to be valued at its acquisition cost, and tax is only levied upon sale. This avoids unrealized gain tax and contributes to stabilizing cash flow.
Points to note:

- For accounting purposes, fair value valuation will continue to be required (discrepancy between accounting and taxation)
- Lending and other activities are restricted during transfer restrictions
- Need to consider consistency with financial strategies

Tax structure comparison with ETFs : While ETFs avoid double taxation through pass-through taxation, corporate cryptoasset investments are subject to a double tax structure in which shareholders are taxed again on dividends and capital gains after being taxed at the corporate level. This is one of the important differences with ETFs, which will be discussed in detail in Chapter 6.

5.3 Audit and internal control

Prior agreement with the auditing firm is important The most important issue in a cryptoasset audit is confirming its existence. In order to determine whether an audit allows for ex post and third-party verification of financial figures, it will affect the design of operations and systems. Close consultation with the auditing firm is required to reach a prior agreement that an audit is possible. Examples of practical audit issues are as follows:

- Establishment of a private key management system (multi-sig, separation of authority and mutual checks and balances, disaster prevention measures, etc.)

- How to manage evidence of wallet addresses
- Procedures for verifying blockchain transaction history (including the reliability of the tools used)
- Third-party balance verification procedures (when depositing at a cryptoasset exchange, obtaining balance confirmation from the exchange storing the cryptoasset through mixed deposit, establishing an individual management system at the exchange to enable balance verification, etc.)
- Internal control assessment of outsourced companies (including possibility of obtaining SOC reports)
- Reliability of market prices at the end of the period (exchanges and price definitions used)

Internal controls are also an important prerequisite for audits, and they must identify risks specific to cryptocurrencies and take appropriate operational measures. Internal controls must be formulated into company regulations at an appropriate level of granularity and then specifically documented using business flow and business descriptions. Unlike traditional financial assets, which have external, reliable storage and recording institutions, cryptocurrencies require the establishment of a strict management system:

- Approval of investment policy at the board level (including risk limits and response to sudden price fluctuations)
- Transaction execution with multiple checks
- Regular balance checks and book reconciliation
- Secure storage of private keys and disaster recovery procedures (if a custodian is used, an evaluation of the custodian's internal controls is also required)

It is important to establish a collaborative system with accountants and tax accountants who are knowledgeable about cryptocurrencies and to consult and check with them regularly.

6. Comparison with ETFs and Company Market Position

Cryptoasset ETFs have not yet been approved in Japan, but we will summarize the impact on corporate strategies and market positions if they are approved in the future.

6.1 The situation in the United States

Although a Bitcoin ETF was approved in the United States in January 2024, the stock prices of existing DAT companies continue to maintain a premium, and it is believed that the two offer different value to investors and the market.

6.2 Structural Differences

Item	ETF	DAT company
Leverage	Basically, only physical holdings	Leverage possible through convertible bonds and new stock issuance
Investment strategy	Index-linked passive management	Discretionary adjustment of stock allocation, staking, etc.
Added value	Price tracking, low cost	Core business revenue and synergy with Web3 businesses
Tax structure	Pass-through taxation (taxed only on the investor side)	Corporate tax + investor tax (double taxation structure)

6.3 Corporate Market Positioning Strategies

Due to the current lack of ETFs in the Japanese market, DAT companies function as "de facto ETF substitutes," and this unique market environment is one of the reasons for the stock price premium. Metaplanet's official stance is that "ETFs are not competitors but a factor in expanding demand," explaining that "while ETFs passively track Bitcoin, treasury companies can utilize capital markets to increase the amount of Bitcoin held per share." *(Reference: Metaplanet FAQ https://metaplanet.jp/jp/shareholders/faqs*) While the premium has been maintained in the United States since the introduction of ETFs, the actual market reaction in Japan will depend on investor structure and market conditions, so it is unclear whether the results will be similar to those in the United States.

Corporate response strategies

- Emphasis on leverage effects (upside potential that is difficult to achieve with ETFs)
- Clarifying business synergies (linking with Web3 strategy, etc.)
- Promoting capital efficiency (increasing cryptoasset holdings per share, etc.)

[Column: Investor Benefits of Investing in DAT Companies]

For reference, we have compiled the main advantages and disadvantages that individual investors can gain by investing in DAT companies.

Tax benefits (individual investors)

- Separate taxation of 20.315% applies as a stock investment

- Significantly lower tax rate than direct cryptoasset trading (comprehensive taxation, maximum 55%) -

- Simple tax treatment using a designated account with withholding tax

Easy investment procedures

- Opening an account at a cryptoasset exchange - No identity verification procedures required
- Investment possible from existing securities accounts
- Potential for NISA eligibility

Avoidance of institutional restrictions

- Institutional investors and pension funds that are restricted from direct cryptoasset investment can also invest
- Employees of companies that prohibit cryptoasset investment by internal regulations can also participate

Major disadvantages and points to note

- Double taxation structure: After corporate taxation, dividends and capital gains are also taxed at the individual level
- Complex risks: In addition to the risk of cryptoasset price fluctuations, there are also company-specific business risks
- Premium risk: It is unclear whether the premium included in the stock price is justified
- Impact of ETF introduction: The impact of future ETF approval is unclear

As a result, DAT companies are in an environment where they can easily attract a certain amount of investor demand as "de facto cryptoasset ETFs," but investment decisions require careful consideration

7. Conclusion

DAT strategies offer leverage benefits and synergies with corporate value that differ from ETFs and are establishing themselves as a unique investment target. With appropriate measures, they are a financial strategy that can be implemented under the current Japanese legal system.

Regarding legal issues, cryptoasset exchange registration is not required, they do not fall under collective investment schemes, and staking and lending are not subject to regulations if conducted on a proprietary account.

While accounting and tax issues arise, such as the direct impact of mark-to-market valuation on business performance and year-end mark-to-market taxation, certain issues can be addressed by utilizing the transfer restriction system under the 2024 tax reform.

However, for Japanese companies to sustainably implement DAT strategies, merely obtaining legal clearance is not enough. Gaining stakeholder understanding and trust through comprehensive accounting, tax, and investor relations systems, prior agreements with auditing firms, the establishment of appropriate risk management systems, and ongoing investor disclosure are key to success. As corporate involvement in cryptoassets is expected to continue to expand, we hope this article will be helpful in your strategic considerations.

Acknowledgments:

We received advice on this blog from Kensuke Amano of Animoca Brands, Inc., and certified public accountants Yosuke Yuzuki and Ko Saito. However, all possible errors are the responsibility of the authors.

Disclaimer:

The contents of this document have not been confirmed by the relevant authorities and merely describe arguments that are reasonably considered legally. Furthermore, they represent the author's current views and are subject to change.

This document does not recommend the use of DAT strategies or investment in DAT strategy companies.

This document has been compiled solely for this blog. If you require legal, accounting, or tax advice for your specific case, please consult your lawyer, accountant, or tax accountant.