



# Japan Metaverse Strategy

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Responsible for content:

Virtual Dimension Center (VDC) Fellbach

Kompetenzzentrum für Virtuelle Realität und kooperatives Engineering w.V.

Auberlenstr. 13

70736 Fellbach

URL: [www.vdc-fellbach.de](http://www.vdc-fellbach.de)

Kontakt:

Tel.: +49(0)711 58 53 09-0

Email: [info@vdc-fellbach.de](mailto:info@vdc-fellbach.de)

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# Japan Metaverse Strategy

Japan has made progressive advancements toward embracing metaverse adoption, as a document has been signed by many Japanese tech and finance giants to form the Japan Metaverse Economic Zone. Mizuho Financial Group, Sumitomo Mitsui Financial Group, Mitsubishi UFJ Financial Group, Resona Holdings, Sompo Japan Insurance, Toppan, Fujitsu, and TBT Lab were all involved in signing the agreement. The metaverse and digital asset platform will be based in a metaverse called Ryugukoku and operated by JP Games who will be designing the experience.

Other metaverses will function as cities, so people can roam around using avatars like an online game. It will be a multipurpose metaverse and digital asset platform that will allow member companies to share their technology with the users. Mizuho Financial Group, for example, will provide expertise on payments and metaverse tokens, and Mitsubishi UFJ Financial Group, who have their own digital asset platform, will support Web3 functions and global expansion plans.

Every user will use a unique identity and wallet service to transfer items (in the form of NFTs) and personal data between the metaverses. The group members anticipate other companies around the world to be attracted to the Japan Metaverse Economic Zone, as they will be able to extend their business to this side of the world with greater ease.

## Agreement on the creation of the “Japan Metaverse Economic Zone”

### Creating an Open Metaverse Infrastructure from a Role-Playing Game Perspective

JCB Co., Ltd., Mizuho Financial Group, Inc., Sumitomo Mitsui Financial Group, Inc., Mitsubishi UFJ Financial Group, Inc., Resona Holdings, Inc., Sompo Japan Insurance, Inc., Toppan Inc., Fujitsu Ltd., TBT Lab Inc.

Tokyo, February 27, 2023

JCB Co., Ltd., Mizuho Financial Group, Inc., Sumitomo Mitsui Financial Group, Inc., Mitsubishi UFJ Financial Group, Inc., Resona Holdings, Inc., Sompo Japan Insurance Inc., Toppan Inc., Fujitsu Ltd., Mitsubishi Corporation and TBT Lab Inc. (hereafter referred to as “TBT Lab”) have signed a basic agreement (hereafter the “Agreement”)[1] for the building of an Open Metaverse Infrastructure called “RYUGUKOKU (Name TBD)” using the Metaverse construction framework “PEGASUS WORLD KIT” (hereafter “PWK”) developed by JP GAMES Inc. (hereafter JP GAMES), a TBT Lab group company, and the creation of the “Japan Metaverse Economic Zone.” [2]

This agreement is based on the concept of “updating Japan through the power of games” by Hajime Tabata, a globally renowned game creator, founder of JP Games, and the Web 3.0 advisor for the Japanese Government’s Digital Agency, and is an industrial DX [3] initiative that utilizes gaming technology and was established by way of each company’s endorsement of the concept.

### 1. Background and Purpose of the Basic Agreement

In response to the rapidly growing demand for DX utilizing the virtual domain among enterprises and government agencies, the companies that signed this agreement will integrate their respective technologies and services, including gamification, FinTech, and ICT, to build an Open Metaverse Infrastructure for enterprises called “RYUGUKOKU (TBD).” This infrastructure will enable interoperability between different Metaverse

platforms, as well as collaboration among Metaverse platforms, and will serve as a new social infrastructure for enterprise DX such as information dissemination, marketing, work style reform for domestic enterprises, marketing, as well as consumer DX and consumer EX (Experience Transformation).



## 2. “RYUGUKOKU (TBD)” is a Metaverse infrastructure with a Worldview

RYUGUKOKU (TBD) is a Metaverse infrastructure that incorporates elements of an online alternate-world role-playing game (hereafter referred to as “RPG”) based on a unique fantasy worldview of its own.

Each Metaverse service and content presented inside RYUGUKOKU (TBD) takes on the form of a moving “city,” “castle,” or “vehicle” that roams around that virtual world. Users will be able to engage in an RPG-like experience as they travel through different realms and encounter a variety of contents and services. Additionally, RYUGUKOKU (TBD) will deliver an open and secure Metaverse infrastructure that enables safe and stable use of identity authentication, various payments, data infrastructure, insurance, etc., through collaboration with leading Japanese financial institutions, major corporations and TBT Lab Group. Furthermore, by providing this infrastructure to companies and government agencies outside of Japan, we will be able to expand the “Japan Metaverse Economic Zone” globally.

### 1.3. Three solutions for the promotion of DX and EX

#### 1.3.1 “AUTO LEARNING AVATAR” (hereafter ALA)

“RYUGUKOKU (TBD)” automatically learns each avatar’s behavior as a digital twin through the avatars and provide personalized information on health care, hobbies, and other topics. In addition to users being able to acquire useful information through their avatars, they will be able to apply their personalized information in each Metaverse space.

#### 1.3.2 “PEGASUS WORLD KIT” (PWK)

PWK is an advanced tool for creating Metaverse services and game services for RYUGUKOKU (TBD) to construct an entertaining and experience-oriented system. It is also highly scalable for users, with various functions like the “RPG Editor” to create game events and “RIV Technology” to easily create new Metaverses using photos.

#### 1.3.3 “MULTI-MAGISCHER-PASS” (MMP)

MMP is an authentication certificate with a payment function that allows users to freely travel to and from Metaverse services within RYUGUKOKU (TBD). In addition to ID authentication and payment methods, MMP can register useful information for users to spend time in the virtual world, such as NFT, items, avatar skin, and avatar memory. This information will also be used to improve user-friendliness in the real world.

#### 1.3.4 Plans for future consideration

A media conference is scheduled for early summer. We will continue to invite a wide range of companies to support this concept and expand the Japan Metaverse Economic Zone.

#### 1.3.5 Roles/overview of each company

##### 1.3.5.1 Provision of functions and expertise in MMP/ID authentication and building a digital twin for merchants

Company Name: JCB Co. Ltd.  
Representative: Ichiro Hamakawa, Vorsitzender und CEO  
URL: <https://www.global.jcb/en/>

##### 1.3.5.2 Provision of functions and expertise in the MMP/payment area, provision of Metaverse coins, and regional DX collaboration

Company Name: Mizuho Financial Group, Inc.  
Representative: Masahiro Kihara, Präsident und CEO der Gruppe  
URL: [https://www.mizuhogroup.com/?rt\\_bn=fg\\_top\\_hd](https://www.mizuhogroup.com/?rt_bn=fg_top_hd)

##### 1.3.5.3 Gamification promotion, PWK development support, creator economy building

Company Name: Sumitomo Mitsui Finanzgruppe, Inc.  
Representative: Jun Ohta, Direktor, Präsident und CEO der Gruppe  
URL: <https://www.smfg.co.jp/english/>



1.3.5.4 Provide support in establishing MMP functions (authentication/settlement/data, etc.), Web3-type metaverse financial functions, overseas expansions

Company Name: Mitsubishi UFJ Financial Group, Inc.  
Representative: Hironori Kamezawa, Präsident und CEO der Gruppe  
URL: <https://www.mufg.jp/english/index.html>

1.3.5.5 Joint research in future lifestyles and next-generation ID authentication and payment Company Name: Resona Holdings, Inc.

Company Name: Resona Holdings, Inc.  
Representative: Masahiro Minami, Präsident und stellvertretender Vorstandsvorsitzender  
URL: <https://www.resona-gr.co.jp/holdings/english/>

1.3.5.6 Risk Analysis and Insurance Development for the Web3 Era, including the Metaverse

Company Name: Sompo Japan Versicherung, Inc.  
Representative: Giichi Shirakawa, Präsident  
URL: <https://www.sompo-japan.co.jp/english/>

1.3.5.7 Interoperation of the MiraVerse® Metaverse platform and the AVATECT® avatar generation and management platform, and provision of expertise in handling cultural content and expressive technology

Company Name: Toppan Inc.  
Representative: Hideharu Maro, Präsident und stellvertretender Direktor  
URL: <https://www.toppan.com/en/>

1.3.5.8 Provision of Web3-related technologies such as digital data rights management

Company Name: Fujitsu Limited  
Representative: Takahito Tokita, Stellvertretender Direktor & CEO, CDXO  
URL: <https://www.fujitsu.com/global/>

1.3.5.9 Global partner to expand overseas and economic sphere of the Metaverse platform

Company Name: Mitsubishi Gesellschaft  
Representative: Katsuya Nakanishi, Präsident und CEO  
URL: <https://www.mitsubishicorp.com/jp/en/>

1.3.5.10 Provision of gamification functions and expertise, provision of PWK and MMP

Company Name: TBT Lab Inc.  
Representative: Hajime Tabata, CEO  
URL: <https://tbtlab.com/>

[1] Date of contract signing: February 16, 2023

[2] Japan Metaverse Economic Zone : Japan Metaverse Economic Zone: An ecosystem formed by the interoperability between different Metaverse services and Metaverse platforms that utilizes the open Metaverse infrastructure "RYUGUKOKU (TBD)"

[3] Industrial DX : Realizing the development of entire industries by utilizing a wide range of industrial knowledge and DX functions to connect industries, companies, and communities and solving social issues through the fusion of real and digital technologies



## 2. Japan Government Metaverse Statement

In order to promote metaverse business, the government is considering what risks are expected in many government sectors beginning in 2022, and how governments and private businesses should respond to these risks. In particular, the “Study Group on Utilization of Metaverse, etc. for the Web3 Era” established by the Ministry of Internal Affairs and Communications, and the “Public-Private Partnership Conference on Dealing with New Legal Issues Concerning Content on Metaverse, etc.” established by the Cabinet Office, examined a number of legal risks.

### **Interim summary of the study group on utilisation of the metaverse, etc. for the Web3 era**

In the interim summary, in view of the fact that there are many new fields for which there are no established definitions of terms at the present time, the first step is to sort out the terms so that a common understanding can be obtained, and then to identify

#### **2.1 issues for improving user convenience,**

such as how the avatar of the metaverse should be,

#### **2.2 issues for business development for each use case,**

(e.g. organisation of issues to be addressed for the commercialisation of each use case,

- regional revitalisation, tourism, urban planning, etc.,
- telework (virtual offices),
- education and training, etc.),

and

#### **2.3 the impact of the increased use of the metaverse, etc.**

- (i) impact on digital infrastructure,
- (ii) transformation of socio-economic activities, and
- (iii) impact on users (including negative impacts)) as follows:
  - **Relationship between the real world and users**

As the metaverse is established on top of the real world and its survival depends on the physical layer, it has been pointed out in the discussion that it is necessary to keep in mind the so-called “landing problem”, where events in the virtual space can affect the real world. It then states that methods of acquiring real-world data should be considered, taking into account the reality that a considerable number of users wish to separate their real-world and metaverse identities.

- **The state of avatars (actions and identity in the virtual space)**

On the grounds that some actions against avatars are unacceptable as problematic behaviour towards the operator of the avatar (the so called “person in the middle”), the importance of a system that enables users to determine whether here is a “person in the middle” or not is pointed out. They also point out that for each type of action against avatars, it should be considered whether it is acceptable or not, and whether the privacy nature of the metaverse space affects it or not. With regard to the protection of identity and privacy, it is pointed out that the recognition of the identity between the person and the avatar, the degree to which the person is projected onto the avatar (self-projection rate) and other factors differ from use case to use case, but that the degree is difficult to determine from a third party, and the difficulty of handling cases where the same avatar has multiple “inside persons” is also pointed out. With regard to the prevention of fraud such as avatar “spoofing”, the report mentions both the approach based on identity rights and the approach based on soft law, and points out the need to share value judgments through dialogue among the parties concerned on whether to leave it to free competition or whether norms are necessary. The report points out the following.



- **Relationship between users and operators**

From the perspective of personal data protection and privacy, the report points out that, depending on the business model, platform providers and world providers acquire a considerable amount of data such as users' behaviour history, which may cause concerns among users, and also points out the need for a dialogue on the extent to which information can be grasped by service providers to users. The report points out that the way in which disclosure and other measures should be taken is an issue. It also points out the legal responsibilities of platforms and world providers in the event of problems between users.