

[Translation]

Tokyo District Court 2014 (fu) No. 3830

Bankrupt Entity: MtGox Co., Ltd.

Report

February 17, 2016

To: Tokyo District Court, Collegiate Section of 20th Civil Division

Bankrupt Entity: MtGox Co., Ltd.

Bankruptcy Trustee: Nobuaki Kobayashi, Attorney-at-law

I. Past Events and Present Situation Concerning Bankruptcy Estate

1. Present Situation of Bankruptcy Estate

The status of the bankruptcy estate, based on the investigation conducted up to the time of preparation of this Report, is as shown in the List of Assets and the Balance Sheet, and the balance in the account that I have secured as of February 16, 2016 is JPY 1,210,107,188, i.e., a decrease of approximately JPY 30,000,000 from the time of the 4th creditors' meeting.

However, since the investigation of the status of the holdings of BTC is still on-going, such List of Assets and Balance Sheet do not contain BTC held by the bankrupt entity, or claims for the return of BTC (which constitute the bankruptcy claim).

2. Past Events Concerning Bankruptcy Estate

The principal past events concerning the bankruptcy estate from the time of the 4th creditors' meeting up to the present are as follows:

(1) Recovery of Assets

The bankrupt entity had loan receivables in the amount of JPY 338,139,321 (amount based on the settlement accounts of the bankrupt entity as of April 24, 2014) against K.K. Shade 3D, which is a subsidiary of TIBANNE Co., Ltd., with respect to the item referred to as "3. Short-term loans" that is listed in the List of Assets. After obtaining the court approval, I sold such loan receivables to New Horizon II Investment Limited Partnership and collected JPY 46,686,362. The status of other recoveries of assets up to the present is as described in the List of Assets.

I will continue to strive for the possible collection of other assets.

(2) Status of Management of BTC

The amount of BTC managed by the bankruptcy estate as of February 9, 2016 is 202,163.41191816 BTC. Currently, I am still investigating the existence of BTC held by the bankrupt entity, and it is planned that, as soon as such BTC are found, I will move them to the address which I manage, and I will keep such BTC there.

II. Filing of Bankruptcy Claims and Acceptance or Rejection of Claims

1. Status of Filing of Bankruptcy Claims and Acceptance or Rejection of Claims

On February 17, 2016, the date of the investigation of claims, I accepted or rejected a portion of the claims against the Bankrupt Entity regarding the refund of BTC and money which was filed by users of the Bankrupt Entity's Bitcoin exchange (the "Users") (the "Bankruptcy Claims Related to Exchange").

On the other hand, this time, I reserved my right to accept or reject filed claims which need further investigation or those for which the filed amounts of the Bankruptcy Claims Related to Exchange are greater than the amounts of the deposit balance that we are aware of. In addition, I reserved my right to accept or reject all claims filed by creditors filing the Bankruptcy Claims Related to Exchange based on deposits of money (including creditors who filed Bankruptcy Claims Related to Exchange based on deposits of BTC), since it is necessary to further confirm the Users' information, etc. that is remaining at the Bankrupt Entity and, at present, I am not in a position where I can accept or reject them.

A summary of the status of filing of bankruptcy claims and the acceptance or rejection of claims is shown below.

	Number of persons who filed claims	Total amount of claims filed *1	Number of persons whose claims have been accepted or rejected	Total amount of claims that have been accepted or rejected*1	Number of persons whose claims are awaiting accepted or rejected	Total amount of claims that are awaiting accepted or rejected *1
Creditors who filed a claim only with respect to the Bankruptcy Claims Related to	9,820 persons	JPY 38,004,737,228	7,952 persons	JPY 12,583,717,791	1,868 persons	JPY 25,463,599,437

Exchange based on deposits of BTC						
Creditors who filed a claim with respect to the Bankruptcy Claims Related to Exchange based on deposits of money *2	14,771 persons	JPY 2,644,072,848,913	0 persons	JPY 0	14,771 persons	JPY 2,644,072,848,913
Creditors who filed a claim regarding claims other than those with respect to Bankruptcy Claims Related to Exchange	5 persons	JPY 13,119,083,453	5 persons (Accepted or rejected on September 9, 2015)	JPY 13,119,083,453	0 persons	JPY 0
Total	24,596 persons	JPY 2,695,196,669,549	7,957 persons	JPY 25,702,801,244	16,639 persons	JPY 2,669,536,448,350

*1 All amounts have been converted into JPY.

*2 These creditors include creditors who filed Bankruptcy Claims Related to Exchange based on both the deposit of BTC and the deposit of money.

As stated below, the fact that I reserved my right to accept or reject a claim this time does not immediately mean that the existence of such claim has been denied. Therefore, please wait for the results of the next acceptance or rejection. (It is my policy to provide no response to individual inquiries regarding individual claims as to why I have reserved my right to accept or reject such claims. Thank you for your understanding regarding such matter.)

2. Method of Confirming the Results of Acceptance or Rejection of Claims

Creditors who filed their Bankruptcy Claims Related to Exchange by the method of using the website (<https://claims.mtgox.com/assets/index.html#/>; the “System”) (such method is referred to as the “Online Method”) can confirm the results of the acceptance or rejection of claims by logging into the System and clicking the icon

that states “Confirm the Results of Acceptance or Rejection of the Claims” on or after February 17, 2016 (such icon will not be displayed for creditors whose Bankruptcy Claims Related to Exchange in respect of which I have reserved my right to accept or reject, and they will not be able to confirm the results of the acceptance or rejection of their claims). The said creditors can browse through the System, the statement of acceptance or rejection which sets forth the contents of filings and the details of acceptances or rejections therefor, with respect to all Bankruptcy Claims Related to Exchange (they will be partially masked).

On the other hand, with regard to creditors who have filed their Bankruptcy Claims Related to Exchange by post by sending them to the office of the bankruptcy trustee (the “Offline Method”), it is planned that the results of the acceptance or rejection of their claims will be notified to them by e-mail in due course.

3. The Creditors Whose Claims I Reserved My Right for Acceptance or Rejection At This Time

With respect to the Bankruptcy Claims Related to Exchange in respect of which I reserved my right to accept or reject this time, I plan to conduct further investigations (and if appropriate, contact filing creditors individually) and determine the acceptance or rejection by date of the next investigation of claims.

4. Status of Filings of Claims Other than the Bankruptcy Claims Related to Exchange

With respect to creditors who filed claims other than Bankruptcy Claims Related to Exchange, these claims have been accepted or rejected at the investigation of claims that was held on September 9, 2015; however, there was a petition for a bankruptcy claim assessment from two of the creditors, and the assessment is currently under way.

III. Investigation of Disappearance of BTC, etc.

I am conducting investigations into whether any BTC or currencies have disappeared at the bankrupt entity and if they have, the events leading to such disappearance by delegating such work to Deloitte Touche Tohmatsu LLC (and its affiliates) and ReEx Accounting Firm, as well as by obtaining the assistance of our supporting company, Payward.

Additionally, while Robert Marie Mark Karpeles, who is the representative director of the bankrupt entity, was arrested and prosecuted as stated below, following a

request made by investigation agencies such as the Metropolitan Police Department to cooperate with their investigation, I have been providing and will continue to provide them with cooperation as much as possible. In connection with such police investigation, the careful treatment of information relating to the investigation is now needed.

As matters now stand, investigations are under way, including investigations as to whether there are discrepancies between the activities of BTC on the database, which we are aware of at this time, and the records on the block-chain. I am aware that there are phenomena where amounts in excess of those contemplated under the original BTC transaction went outside the system, etc., and I am conducting investigations taking into account these phenomena. Due to the circumstances, such as the limited amount of information that exists, I believe it will be difficult to understand the full picture; however, I am planning to continue these investigations, as much as possible, taking into account the said phenomena.

IV. Affiliated Companies

The bankrupt entity has several affiliated companies (parent company, etc.), and has loan receivables, etc. against the following companies, etc. Therefore, I am making efforts to collect such loan receivables.

1. TIBANNE Co., Ltd.

On May 15, 2015, in the process of the bankruptcy proceedings against TIBANNE Co., Ltd., which is the parent company of the bankrupt entity (Tokyo District Court 2015 (fu) No. 585), I filed a bankruptcy claim (the total amount of the bankruptcy claim that was filed is JPY 25,841,657,102; however, a claim in the amount of JPY 306,362,100 was withdrawn on November 19, 2016). Mr. Taro Awataguchi, who is the bankruptcy trustee of TIBANNE, made an objection to the claim; therefore, I filed a motion seeking an assessment of the bankruptcy claim on October 13, 2016. The assessment is currently being processed under the bankruptcy proceeding of TIBANNE, Co., Ltd.

2. K.K. Bitcoin. Cafe

With respect to the proof of bankruptcy claims (the amount of the bankruptcy claim that was filed is JPY 60,710,136) that I filed in the bankruptcy proceedings against K.K. Bitcoin. Cafe, the case regarding the objection to the bankruptcy claim assessment (2015 (wa) No. 6570) is currently being heard before the Tokyo District Court (Plaintiff: TOKYU CONSTRUCTION CO., LTD.). Judgment will be given

at a hearing on February 23, 2016.

3. Robert Marie Mark Karpeles

I filed a petition for the commencement of bankruptcy proceeding regarding Robert Marie Mark Karpeles, who is the representative director of the bankrupt entity, with the court on October 23, 2015. As a result, the commencement of the bankruptcy proceeding against Mr. Karpeles was decided on November 10, 2015, and Ms. Masako Sakaguchi was appointed as the bankruptcy trustee.

Robert Marie Mark Karpeles was prosecuted on September 11, 2015 on suspicion of unauthorized creation and use of private electromagnetic records and suspicion of corporate embezzlement. Furthermore, he was subsequently prosecuted on November 18, 2015 on the same suspicion of unauthorized creation and use of private electromagnetic records and suspicion of corporate embezzlement, and is under detention until the present date.

V. Existence of Circumstances Requiring Temporary Restraining Order, as Stipulated in Article 177, Paragraph 1 of the Bankruptcy Act, and Officer's Liability Assessment Order, as Stipulated in Article 178, Paragraph 1 of the Bankruptcy Act

With respect to the existence of circumstances requiring a temporary restraining order, as stipulated in Article 177, Paragraph 1 of the Bankruptcy Act, and officer's liability assessment order, as stipulated in Article 178, Paragraph 1 of the Bankruptcy Act, an investigation is still required to take place concurrently with the investigation stated in section III above.

VI. Matters regarding Progress of Bankruptcy Proceedings

1. Probability of Distribution, etc.

In principle, the plan is to proceed to distribution processes after all filed bankruptcy claims have been accepted or rejected, and the amount of the bankruptcy claims have been fixed. At present, the possibility of carrying out a distribution and the timing and method thereof, etc. have not yet been determined.

I will continue to consider whether, in the case where a distribution is possible, a distribution will be made by way of distributing BTC.

2. Provision of Other Necessary Information on Website

Since an extremely large number of creditors exist worldwide in this case, as much

as possible, I plan to disclose information, etc., that are necessary for creditors regarding this case on the website that I manage (<https://www.mtgox.com>) from time to time.

End of document

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[Translation]

[Case Number.] Tokyo District Court 2014 (fu) No. 3830
Bankrupt Entity: MtGox Co., Ltd.
Bankruptcy Trustee: Nobuaki Kobayashi, Attorney-at-law

List of Assets

(As of April 24, 2014, the date of the order of commencement of bankruptcy proceedings)
(In JPY)

Assets		Book value *1	Appraised amount (amount incorporated into the bankruptcy estate)*2	Remarks
No.	Item			
1	Cash and deposits	1,336,251	1,359,603	
	Cash	0	0	
	Mizuho Bank, Shibuya Branch, Ordinary deposit account No. 1457705	120,000	152,602	The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Mizuho Bank, Shibuya Branch, Ordinary deposit account No. 1497669	0	47	The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Mizuho Bank, Shibuya Branch, Foreign currency ordinary deposit account No. 9110151	0	4	Currency: USD; The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Mizuho Bank, Shibuya Branch, Foreign currency ordinary deposit account No. 9110186	0	5	Currency: GBP; The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Mizuho Bank, Shibuya Branch, Foreign currency ordinary deposit account No. 9110216	0	97	Currency: AUD; The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Mizuho Bank, Shibuya Branch, Foreign currency ordinary deposit account No. 9110267	0	4	Currency: NZD; The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Mizuho Bank, Shibuya Branch, Foreign currency ordinary deposit account No. 9110232	91	87	Currency: DKK; The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Mizuho Bank, Shibuya Branch, Foreign currency ordinary deposit account No. 9110275	28	26	Currency: HKD; The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Mizuho Bank, Shibuya Branch, Foreign currency ordinary deposit account No. 9110283	25	25	Currency: SGD; The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Mizuho Bank, Shibuya Branch, Foreign currency ordinary deposit account No. 9110259	89	87	Currency: CHF; The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Yucho Bank, Shibuya Branch, Consolidated account No. 10170-48410711	945	945	The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Rakuten Bank, Second Sales Branch, Ordinary deposit account No. 7018261	279,457	279,213	The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Japan Net Bank, Suzume Branch, Ordinary deposit account No. 2559084	596,168	596,168	The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Yachiyo Bank, Shibuya Branch, Ordinary deposit account No. 0623839	7	7	The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Yachiyo Bank, Shibuya Branch, Foreign currency ordinary deposit account No. 0623949	95,357	93,468	Currency: AUD; The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Yachiyo Bank, Shibuya Branch, Foreign currency ordinary deposit account No. 0623950	141,608	136,041	Currency: EUR; The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Yachiyo Bank, Shibuya Branch, Foreign currency ordinary deposit account No. 0623938	102,476	100,677	Currency: USD; The account has been closed, and the cash in the account has already been transferred into the account of the trustee.
	Resona Bank, Shibuya Branch, Ordinary deposit account No. 2973992	0	100	The account has been closed, and the cash in the account has already been transferred into the account of the trustee.

No.	Item	Book value *1	Appraised amount (amount incorporated into the bankruptcy estate)*2	Remarks
2	Short-term loans	1,307,423,210	46,686,362	The appraised amount is based on the amount actually converted into cash on or prior to February 16, 2016.
	TIBANNE Co., Ltd.	772,791,001	0	This company is an affiliated company of the bankrupt, and an order of commencement of bankruptcy proceedings for such company was issued on January 30, 2015. The filing of proof of claims has already been completed.
	K.K. Shade3D	338,139,321	46,686,362	This company is an affiliated company of the bankrupt. Collected under the claim assignment agreement on September 29, 2015.
	K.K. Bitcoin.Cafe	60,000,000	0	This company is an affiliated company of the bankrupt, and an order of commencement of bankruptcy proceedings for such company was issued on June 18, 2014. The filing of proof of claims has already been completed.
	Robert Marie Mark Karpeles	136,175,781	0	This person is the representative of the bankrupt, and an order of commencement of bankruptcy proceedings for such person was issued on November 10, 2015.
	MTGOX HongKong	317,107	0	This company is an affiliated company of the bankrupt. Repayment of the loan is currently being requested.
3	Accounts receivable	925,826	331,600	The appraised amount is based on the amount actually converted into cash on or prior to February 16, 2016.
	TIBANNE Co., Ltd	562,026	0	This company is the parent company of the bankrupt. The accounts receivable against this company comprise of accrued interest on the loan.
	Shibuya Tax Office (Interim payment of corporation tax)	242,200	243,900	Tax refund was paid into the account of the trustee on July 24, 2014.
	Shibuya Metropolitan Taxation Office (Interim payment of enterprise tax and special local corporation tax)	80,800	80,800	Tax refund was paid into the account of the trustee on July 29, 2014.
	Shibuya Metropolitan Taxation Office (Interim payment of inhabitants tax on corporation tax basis)	40,800	6,900	Upon balancing by taxation on a per capita basis, a tax refund was paid into the account of the trustee on July 29, 2014.
4	Provisional payment (to the Tokyo District Court)	2,000,000	2,000,000	Collected on June 4, 2014
5	Deposits paid	783,948,565	862,720,420	The appraised amount is based on the amount actually converted into cash on or prior to February 16, 2016.
	Counsel for applicant	241,459,630	231,557,866	The money deposited was already succeeded at the appraised amount on May 12, 2014.
	Counsel for applicant	509,510,685	500,698,397	The money deposited was already succeeded at the appraised amount on May 9, 2014.
	Counsel for applicant	32,978,250	32,977,386	The money deposited was already succeeded at the appraised amount on May 8, 2014.
	Others	0	97,486,771	Collected on January 7, 2015
6	Money deposited with other companies	1,693,444,088	706,433,012	The appraised amount is based on the amount actually converted into cash on or prior to February 16, 2016.
	CoinLab	500,000,000	0	Pending litigation
	Others	1,193,444,088	706,433,012	Partly collected. As for the residual amount, the trustee is collecting and/or reviewing the collectibility.
7	Tools, furniture and fixtures	104,557,699	32,582,300	The appraised amount is based on the amount actually converted into cash on or prior to February 16, 2016.
	DELL Server	5,649,000		
	Violin Server	90,623,142	32,382,300	Sold on November 27, 2014. The consideration has already been transferred into the account of the trustee.
	Apple Japan; 28 laptop computers	5,383,438		
	Chair	2,902,119	200,000	Sold on June 8, 2015. The consideration has already been transferred into the account of the trustee.

No.	Item	Book value *1	Appraised amount (amount incorporated into the bankruptcy estate)*2	Remarks
8	Security deposit	700,000	0	The appraised amount is based on the amount actually converted into cash on or prior to February 16, 2016.
	The Executive Center Japan K. K.	540,000	0	The contract has been cancelled. Irrecoverable
	The Executive Center Japan K. K. (Security deposit for parking spaces)	160,000	0	The contract has been cancelled. Irrecoverable
9	Guaranty money deposited	10,586,875	10,587,933	This is a refund of the money for release from provisional seizure deposited by the bankrupt and has already been collected.
10	Development expenses	85,875,146	0	The appraised amount is based on the amount actually converted into cash on or prior to February 16, 2016.
	Applico Inc.	33,453,375	0	No value
	Internet Escrow Services	3,073,459	0	No value
	Mandalah KK	31,993,500	0	No value
	The Phuse Inc.	4,572,513	0	No value
	Winsoft Technology Solutions Inc.	12,782,299	0	This development expense is currently under investigation, but may be an expense spent in the past and may have no value.
11	Interest income	0	243,455	Interest on deposit
	Total assets *3	3,990,797,660	1,662,944,685	

Liabilities

No.	Item	Book value	Reported amount	Remarks
1	Claims on the estate and preferred bankruptcy claims (Taxes and other public charges)	54,374,152	The amount has not yet been determined.	
	Claims on the estate (Other expenses)	19,253,642	The amount has not yet been determined.	
2	General bankruptcy claims (Money deposited from purchasers)	8,256,092,214	The amount has not yet been determined.	The procedures for investigation of claims have not yet been completed.
	General bankruptcy claims (Transacting parties, etc.)	402,470,293	13,119,083,453	
	Total liabilities *3	8,732,190,301	The amount has not yet been determined.	

*1 The amounts stated in the "book value" column are, as a rule, entered by referring to the book value as of April 24, 2014, and such amounts do not correspond to their respective amounts of proceeds from their conversion into cash.

*2 As a rule, the "appraised amount (amount incorporated into the bankruptcy estate)" shows the amount actually collected on or prior to February 16, 2016.

*3 The bitcoins held by the bankrupt entity and the creditors' claims for the return of their bitcoins (bankruptcy claims) are not included in the assets and liabilities set forth above.

*4 This list has been prepared based on the investigation results at the present point in time, and assets or liabilities not included in this list may be discovered as a result of further investigation.

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[Translation]

Income and Expenditure Statement

From April 24, 2014

Through February 16, 2016

[Case Number:] Tokyo District Court 2014 (*fu*) No. 3830

Bankrupt Entity: MtGox Co., Ltd.

Bankruptcy Trustee: Nobuaki Kobayashi, Attorney-at-law

(In JPY)

Income			Expenditure		
No.	Abstract	Amount	No.	Abstract	Amount
1	Cash and deposits succeeded from the bankrupt	766,593,252	1	Office expenses	20,884,746
2	Deposits succeeded from the court	2,000,000	2	Expenses for notice of commencement of bankruptcy proceedings to bankruptcy	6,890,292
3	Collection of monies deposited	10,587,933	3	Supplies expenses	8,790,276
4	Interest income	243,455	4	Professional fees	231,692,435
5	Tax refund	331,600	5	Outsourcing fees	109,159,333
6	Collection of money deposited with other companies	706,433,012	6	Settlement Money (Expense for terminating telecommunication related agreement)	6,310,433
7	Money provided as assistance by Payward under the contract for providing assistance and others in bankruptcy proceedings	32,382,300	7	Transportation expenses	97,370
8	Collection of deposits paid	97,486,771	8	Rent and deposit for the bankruptcy trustee's office	3,976,792
9	Proceeds from sale of fixtures	200,000	9	Tax and public dues (withholding tax of trustee's fee, etc.)	9,281,141
10	Price for assignment of loan to K.K. Shade3D	46,686,362	10	Call center expense	4,807,140
			11	Prepayment for filing bankruptcy against TIBANNE	15,000,000
			12	Trustee's fee	32,947,539
			13	Prepayment for filing bankruptcy against Robert Marie Mark Karpeles	3,000,000
Total		1,662,944,685	Total		452,837,497

Balance	1,210,107,188
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[Translation]

[Case Number:] Tokyo District Court 2014 (*fu*) No. 3830

Bankrupt Entity: MtGox Co., Ltd.

Bankruptcy Trustee: Nobuaki Kobayashi, Attorney-at-law

(As of April 24, 2014, the date of the order of commencement of bankruptcy proceedings)

[Bankruptcy] Balance Sheet

In JPY

Item	Appraised amount (amount incorporated into the bankruptcy estate)*1	Item	Filling amount
Cash and deposits	1,359,603	Claims on the estate and preferred bankruptcy claims *3	73,627,794
Short-term loans	46,686,362	General bankruptcy claims *3	8,658,562,507
Accounts receivable	331,600		
Provisional payment	2,000,000		
Deposits paid	862,720,420		
Money deposited with other companies	706,433,012		
Tools, furniture and fixtures	32,582,300		
Security deposit	0		
Guaranty money deposited	10,587,933		
Development expenses	0		
Interest income	243,455		
Total assets *2	1,662,944,685	Total liabilities *2	8,732,190,301

*1 The "appraised amount (amount incorporated into the bankruptcy estate)" shows the amount actually collected on or prior to February 16, 2016.

*2 The bitcoins held by the bankrupt and the creditors' claims for the return of their bitcoins (bankruptcy claims) are not included in the assets and liabilities set forth above.

*3 The amounts of liabilities are based on the book value of the bankrupt at the time of the order of commencement of bankruptcy proceedings because requests for distribution and claims investigation procedures have not yet been completed.

*4 This balance sheet has been prepared based on the investigation results at the present point in time, and assets or liabilities not included in this balance sheet may be discovered as a result of further investigation.

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