Global Open Network Japan, Inc.
Announcement of its first service release of blockchain platform "GO-NET"

Initial commercial release of the GO-NET FM/Payment Center Connectivity Service,
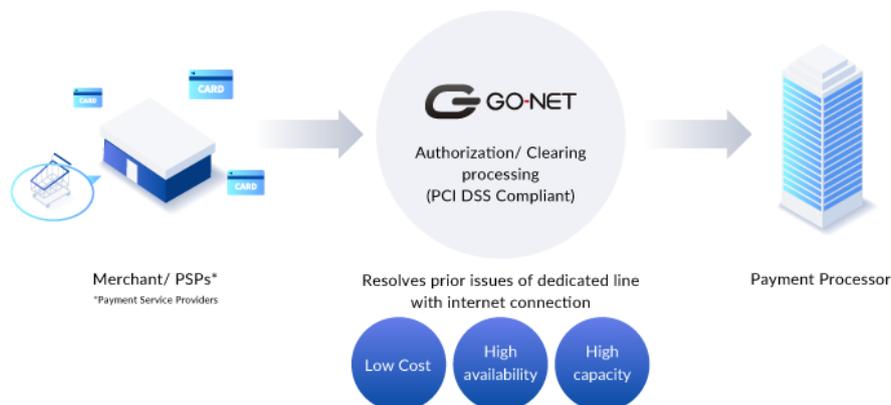starts from April 5th, 2021
High security and reliance level proved by having obtained the global security standard certificate of
PCI DSS

Global Open Network Japan, Inc. (GO-NET Japan, Location: Chuo-ku, Tokyo, Representative Director and CEO: Shinji Tokunaga), incorporated with the purpose to provide a highly reliable and capable yet high-speed payment network through its proprietary blockchain technology, announced that in April 5th, 2021, " GO-NET FM/Payment Center Connectivity Service" was launched as the first service of the blockchain platform "GO-NET." Prior to the official release, a field test was run from December 2020 for the final quality checks.

GO-NET is an innovative blockchain platform developed in collaboration with our technology partner, Akamai Technologies, Inc. （Akamai）. GO-NET Japan will support the society to overcome the limitations of payments and to overwhelmingly accelerate the transition towards cashless life. On doing so, we plan to provide a wide range of services through our digital platform designed for the new age, which sufficiently supports the IoT society.

■   **About GO-NET FM/Payment Center Connectivity Service**

GO-NET FM/Payment Center Connectivity Service is a service that handles data links between merchants and payment centers and credit card companies in the sales authorization process when using credit cards, with the value of recording the payment data (Financial Message) to the blockchain in a tamper-proof manner, as well as enabling significant reductions in network costs currently borne by credit card companies.

[Characteristics]

- Achieve significantly lower cost offerings compared to existing domestic payment networks

- Preserves existing security and availability features of the blockchain, such as immutability and fault tolerance

- Provides 100 thousand transaction processing capacity per second with end-to-end response within approximately 2 seconds

- Global Security Standards PCI DSS compliant as the first Blockchain System in the Payment Sector

- Owing to Akamai's worldwide server network and edge computing technologies, provides high-speed payment data communications

- Various security features of the Akamai platform significantly reduce the risk of cyber-attacks and other threats

- By having passed the strict Cloud Security Standards of Mitsubishi UFJ Financial Group, Inc. (MUFG) it is ensured to provide the reliability required for payment infrastructures

[Background of development]

Recent trends in the Japanese payment business shows the importance and advantage of cashless transactions being reaffirmed, leading the public and private sectors to join hands and promote proactive initiatives. However, as the cashless market continues to grow, it has started to reveal business issues such as rigid network usage fees. The fee which is traditionally covered as one of the processing costs by the merchant commission paid to the Acquires (merchant member contractors), now shows the largest portion as the most expensive processing cost element, particularly in small amount payments, compelling to decrease the Acquirer's existing revenues. Such and other issues observed are emerging as a result of the industry's current cost structure. In order to further accelerate cashless transactions, GO-NET Japan believes it is essential to fundamentally resolve these issues. Accordingly, we have advanced with the development of GO-NET platform as a new infrastructure to support the cashless society of the new era, and now have launched GO-NET FM/Payment Center Connectivity Service as our first service. Starting with this service, GO-NET Japan will strive to provide a variety of innovative services and promote initiatives to "break the limits of payments."

[Values of the New Service and Further Plans]

In December 2020, GO-NET made connection to the CREPiCO payment processing center of Seiko Solutions Inc., to start the field test for providing services to credit card company Mitsubishi UFJ NICOS Co., Ltd. as a launch customer from April 5th, 2021. The Financial Message transmission function which is to be implemented with "GO-NET FM/Payment Center Connectivity Service" is a highly reliant and versatile function that uses IOS8583, an international standard for financial transaction messaging, and is also compliant to PCI DSS, a global security standard for payment industry. It will serve as a foundation of other GO-NET products to be released onwards, therefore is an important step forward for GO-NET Japan to release the "GO-NET FM/Payment Center Connectivity Service" as our initial service and ensure a stable operation.

New services in addition to above financial message function are planned to follow this initial release starting from 2021.

■ **Comments from Partner Companies (Company names in Japanese syllabary order)**

Mr. Hiroyuki Watanabe Managing Executive Officer, DS Division, Seiko Solutions Inc.

Seiko Solutions has released the Japan's first mobile payment terminal in 1999, and since then have been operating several payment processing centers for credit cards, electronic money, debit cards, Pay-easy service, QR code payments and others. Our CREPiCO center acquired PCI DSS certificate in 2016 and is consecutively making every effort to achieve both safety and stability. We are

committed to using the services of Global Open Network Japan and contributing to help expand the businesses of merchants and credit card companies.

Mr. Stephen Adams Head of Business Strategy & Planning, Visa Worldwide (Japan) Co., Ltd.

We sincerely welcome the launch of Global Open Network Japan's "GO-NET FM/Payment Center Connectivity Service".

In recent times where public and private sectors are working as one to promote cashless payment, and easy, smart payment solutions like Touch Payment spreads, it is becoming a norm for the consumers to be able to have cashless experiences in various daily scenes. Cashless payment needs for low-price, high transaction frequency markets like vending machines are rising and we are certain that this service launch will provide efficiency to the acquirers and related processors which will accelerate the cashless trend even further. Through our partnership with Global Open Network Japan, Inc., we will continue to endeavor our goal to create an environment to enable payment anywhere, anytime.

Mr. Nobuo Nagaarashi Head of System Management Division, Financial Business Unit Financial Systems Business Unit I Hitachi, Ltd.

I would like to take this opportunity to express my sincere congratulations for the commercial release of "GO-NET FM/Payment Center Connectivity Service" by Global Open Network Japan. It is also a great pleasure that Hitachi was humbly able to support a part of additional system development process of GO-NET. This service strives for the goal of "break the limits of existing payments" and we are excited to be able to lead a new payment society in various business situations. Going forward, it is our wish to collaborate with Mitsubishi UFJ Financial Group and explore the possibility of providing further innovative services to the world by combining GO-NET with our Lumada, which is one of the core digital business strategies by Hitachi.

Mr. Yunsok Chang, Division President, Japan, Mastercard

Mastercard would like to congratulate on the launch of the "GO-NET FM Center Connection Services". Blockchain-enabled payment networks have the potential to transcend the limits of existing payment services and open the door to new innovations. GO-NET's exceptional processing power and speed can potentially enable processing of small and high-volume transactions such as IoT payments at a low cost, further accelerating the cashless wave in the country. Mastercard is excited about the benefits GO-NET will bring to the cashless society and its future.

Mr. Kenichi Kumada General Manager of Digital Planning Dept.   Mitsubishi UFJ NICOS Co., Ltd.

We sincerely welcome the launch of Global Open Network Japan, Inc.'s GO-NET FM/Payment Center Connectivity Service. The public and private sectors are working together to expand cashless operations, and the government is aiming for a cashless ratio of 80% in the future. When we talk about the ideal form of payment platform required for such a future, it is not only but primarily essential to ensure security that users can use with high reliance, at the same time requires to respond quickly and process cost effectively and handle the volume of transactions that will increase dramatically when we look ahead to the arrival of the IoT age. Until now, we had not discovered the existence of such a payment platform, therefore we are confident that GO-NET will play a major role in resolving these industry-wide issues.

Mitsubishi UFJ NICOS has a strong partnership with GO-NET and will take advantage to leverage the innovativeness of GO-NET and blockchain characteristics to provide various value-added propositions to our merchant member customers. We are looking forward

to further strengthening our collaboration with Global Open Network Japan, Inc. and cooperate to develop a safe, secure, and yet convenient payment infrastructure.

■ **About Global Open Network Japan, Inc.**

Establishment: April 1st, 2019

Representative Director CEO: Shinji Tokunaga

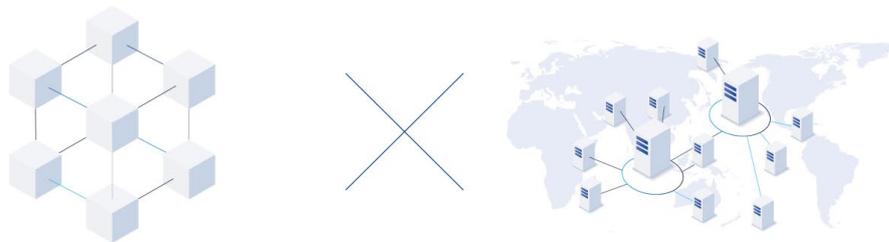Address :Nippon Life Nihonbashi Building 6F,2-13-12 Nihonbashi, Chuo-ku, Tokyo, Japan

Shareholders: Global Open Network, Inc. 100%

※ Global Open Network, Inc. is a jointly established Holding Company by Mitsubishi UFJ Financial Group, Inc. and Akamai Technologies, Inc.

Business Overview: Providing a domestic payment platform including its administration, management, system development, maintenance, operation, and management

Our Vision: To actualize an Innovative and Smart Economic Society by developing a Digital Ecosystem with GO-NET as the HUB

Mission Statement: Breaking the limits of Payments with Innovative Networks

Characteristics of Blockchain Technology

− Immutability (Proprietary Consensus Algorithm)

− High availability using decentralized system

− Value management functionality

Characteristics of Akamai Platform

− Operating 320,000 servers in over 130 countries worldwide.

− Efficiently routes internet traffic securely

− Detects and mitigates malicious attacks 24/7 (ex. DDoS attacks)

*(As of January, 2021)

[Upcoming product lineup]

• GO-NET FM Series: Provides a service for sending payment data in a pass-through style

• GO-NET MV series: Provides services for managing balance information and other related information within the network

• GO-NET Blockchain Connect: Provides BaaS using its high-speed blockchain technology