

July 20, 2021

Global Open Network Japan, Inc.

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Announcement of its second official service launch in August 2021: GO-NET FM/Payment Device Connectivity Service

**Direct connection with vending machines and contactless payment terminals to expand cashless market
by reducing payment processing cost with GO-NET**

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 the official launch of their second service lineup “GO-NET FM/Payment Device Connectivity Service” in August 2021, following their previous service launch of “GO-NET FM/Payment Center Connectivity Service” in April 2021. The field test of the service had begun in July 12th,2021, which successfully confirmed the stable operation of the service.

This service is a revolutionary product that simplifies payment processing by providing direct connection to terminals and narrowing down payment capabilities to only the necessary functions, which actualizes substantial cost reduction compared to the existing networks and lowers hurdles for the merchants and payment processors to implement contactless credit card payment, contributing to the enhancement of cashless payment among low-ticket markets.

The service will help payment processors accelerate their implementation of cashless payment to low-ticket markets as well as address merchants’ needs to meet the industry security requirement of PCI DSS.

This service will support wide range of daily payment scenes that can be benefited from contactless low-ticket payment such as vending machines, automatic fare machines, convenience store and drive-through, which will contribute to the further expansion of cashless experiences.

■ About GO-NET FM/Payment Device Connectivity Service

[Background of development]

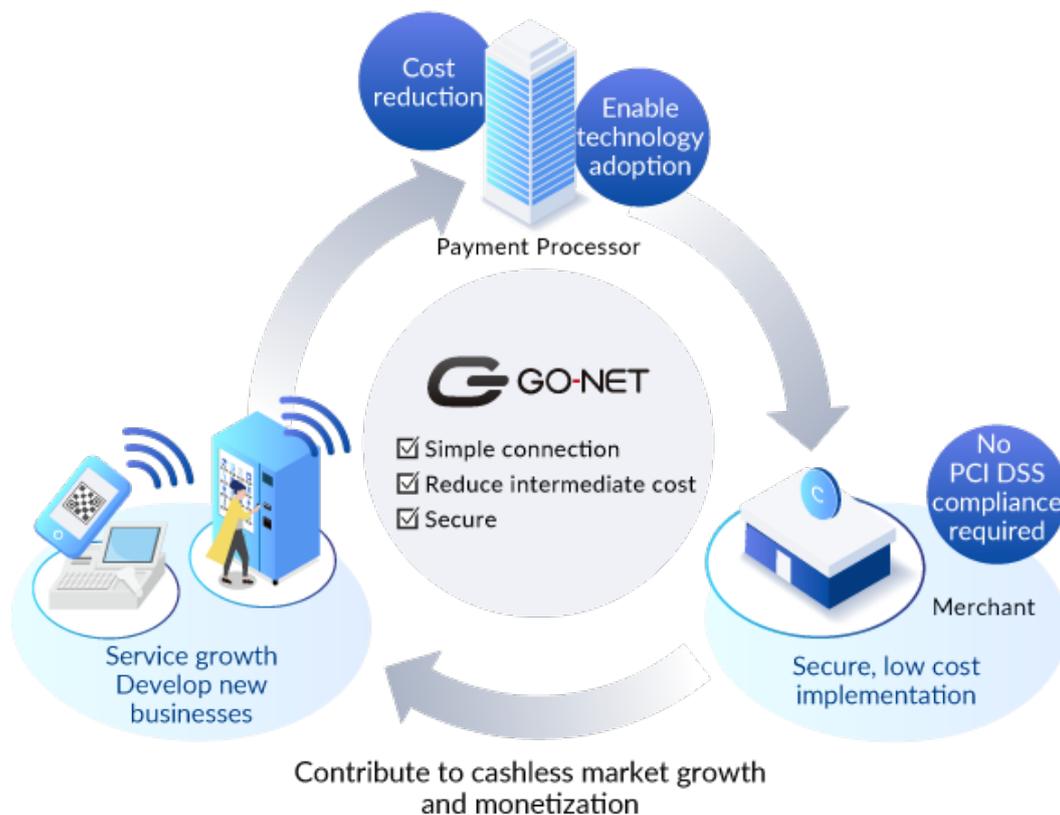
In recent years, credit cards with NFC contactless chips are becoming a worldwide standard and spreading rapidly in Japan. Contactless payments are called “Touch Payment” in Japan and it is expected to accelerate the expansion of cashless payments for its high compatibility with low-ticket merchants and payment scenes. However, it is important to lower the hurdles for those merchants to implement Touch Payment to spread this convenient solution. Conventional credit card business model is commercially not suitable to handling low-ticket transactions due to its high processing cost which was one of the reasons why the market was thought not to be compatible with credit card solutions. Also in June 2018, Japanese Installment Sales Act was amended to mandate all merchants and payment

processors that maintain or process credit card data to be compliant to the global security standard PCI DSS or otherwise not to maintain/process such data at all, which requires additional preparation and contentious security measures to them.

[Characteristics]

GO-NET FM/Payment Device Connectivity Service is designed to drastically lower the hurdle for the merchants to implement contactless payments.

- This service allows merchant payment terminals to connect directly to GO-NET, enabling merchants to send payment data to acquirers without relaying through intermediate payment processors or servers.
- This service only handles one-time payments to simplify the data processing and actualize low-cost processing.
- When processing payment transactions, payment data will not be transmitted from the terminal through merchants' intermediate servers but will be directly sent to GO-NET which is already PCI DSS compliant. Merchants can meet the industry security standard without additional concerns for credit card data protection measures.



[Benefits]

- (1) Payment processors can accelerate credit card implementation among low ticket-size market
Low ticket-size market was traditionally found difficult for the cashless solution to enter due to its low profitability. With GO-NET's simple, low-cost processing solution, payment processors can overcome the issue and accelerate their market development.
- (2) Lowering hurdles for merchants to implement cashless solutions
In this service, credit card data is not sent through merchants' system, which lifts their system burden to be compliant to PCI DSS, making much easier for the merchants to implement cashless solutions.
- (3) Ensuring necessary security and reliability for payment services
By ensuring its high availability from the distributed servers on Akamai platform, and being compliant to PCI DSS, GO-NET provides security and reliability to both payment processors and merchants.

[Our future plans]

GO-NET Japan will begin implementing this service to the vending machines of a major beverage corporation and actively be promoting to other beverage corporations with vending machines and automated fare machines (e.g. amusement parks, parking lots, ticketing machines etc.). In the future, GO-NET plans to expand this service to markets with high compatibility to contactless payment other than the vending machines, such as convenience stores, drive throughs, and food-courts.

This service will initially support 4 international payment networks: Visa, Mastercard®, JCB and American Express®. It was realized through partnerships with Mitsubishi UFJ NICOS Co., Ltd. for Visa and Mastercard, and with JCB for JCB and American Express transactions.

In addition, this service will be provided with the cost of almost 1/5 of existing domestic payment networks (*1) for the transactions that are of vending machines or automated fare machines. For other merchant segments, GO-NET also plans to provide the service in very competitive pricing. The sales projections for the service is 13 billion yen by 2029.

(*1: GO-NET internal research)

■Comments from partner companies (Company names in Japanese syllabary order)

Mr. Koremitsu Sannomiya, Board Member, Senior Executive Officer, Head of Acquiring Group, JCB Co., Ltd.

JCB will accelerate implementation of cashless solutions to low-ticket markets where cash was the mainstream through our Touch Payment (JCB Contactless) and QUICPay™(*2) and also enhance contactless payment experiences in environments like vending machines and self-cashier where lifestyle is changing in a global level. We will be leveraging the service of Global Open Network Japan., Inc as a partner to resolve issues of payment processing cost reduction and to provide our customers with secure payment environment and progress together to

actualize cashless society.

*2: “QUICPay” is a registered trademark of JCB., Co., Ltd.

Yunsok Chang, Division President, Japan, Mastercard

Mastercard would like to congratulate you on the launch of "GO-NET FM / Terminal Connection Service" following "GO-NET FM / Center Connection Service". As the shift to cashless payments in Japan accelerates, it is essential for merchants to take security measures to protect their businesses and customers in collaboration with acquirers. This service, which supports non-retention of card information, has provide international standard EMV contactless payment including Mastercard® Contactless, and will accelerate the shift to cashless payments at merchants including self-service check out that are familiar to consumers such as beverage vending machines, drive-throughs, convenience stores, etc.

Mr. Hiraku Ishizuka, President & Representative Director, Mitsubishi UFJ NICOS Co., Ltd.

We sincerely welcome the launch of GO-NET FM/Payment Device Connectivity Service.

When we look at the prospects of the arrival of IoT era, the payment transactions are predicted to be increased exponentially and cashless market is expected to expand even more. On the other hand, system capacity and its network fee are the concerns. Therefore, it is difficult today to explore low-ticket size market for credit card payment and the market remains very limited.

This service ensures the processing capacity for massive transactions and also realize low network cost compared to the existing pricing level. It is a big hope for the credit card industry to explore new markets for credit card payment including low-ticket size markets.

We will continue to strengthen our partnership with Global Open Network Japan, Inc. and cooperate to develop a safe, secure, and yet convenient payment infrastructure.

■ **Global Open Network Japan Inc.**

Establishment: April 1st, 2019

Representative Director CEO: Shinji Tokunaga

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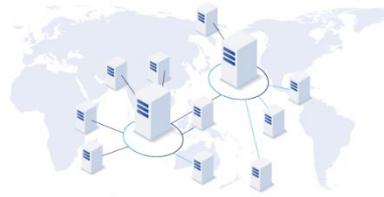
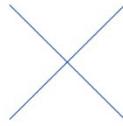
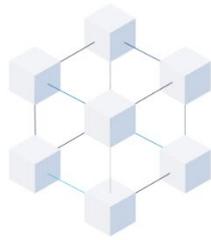
Shareholders: Global Open Network, Inc. 100%

※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)

[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