

Ginco Inc.
Mitsubishi UFJ Trust and Banking Corporation
Progmat, Inc.
Cumberland Global Limited
bitbank inc
Mercoin, Inc.

Ginco to launch a joint experimental study on the Infrastructure Stablecoins, “XJPY” and “XUSD” with Mitsubishi UFJ Trust Bank and Progmat

Tokyo, November 6, 2023 --- Ginco Inc. (President: Muuto Morikawa, hereinafter referred to as Ginco), Mitsubishi UFJ Trust and Banking Corporation (President: Iwao Nagashima, hereinafter referred to as Mitsubishi UFJ Trust Bank) and Progmat, Inc. (President: Tatsuya Saito, hereinafter referred to as Progmat) are starting a joint study to introduce an "infrastructure stablecoin" with the aim of improving the settlement efficiencies among the players in the Crypto Asset market by leveraging the "Progmat Coin" platform: a stablecoin (SC) issuance and management platform that is fully compliant with the Japanese stablecoin regulations.

This collaboration aims to issue two stablecoins: "XJPY", denominated in JPY, and "XUSD", denominated in USD to improve the efficiencies of cross-border settlement transactions in the crypto asset industry.

Project participants include a leading crypto asset liquidity provider Cumberland Global Limited (Global Head: Chris Zuehlke, hereinafter referred to as Cumberland), Japan's leading crypto asset exchange, bitbank inc. (President: Noriyuki Hirosue, hereinafter referred to as bitbank), and Mercoin, Inc (President: Keita Nakamura, hereinafter referred to as Mercoin).



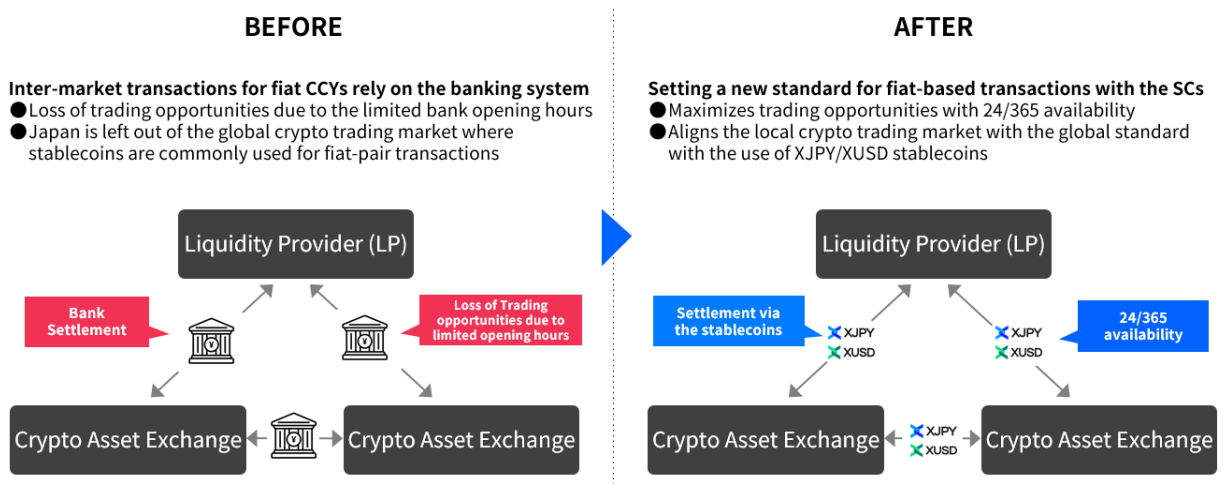
1. Background and Objectives

Ginco has been providing the cutting-edge infrastructure services in the Web3 space since its foundation in 2017, with a strong mission to establish an infrastructure where every one of us, be it individual or enterprise, can interact with the digital asset with ease and without worrying about security. It offers an enterprise grade wallet (Ginco Enterprise Wallet) for financial institutions and crypto asset exchanges, and retains the highest wallet share in the Japan enterprise crypto market.

Mitsubishi UFJ Trust Bank and Progmatt are leading the development of the "Progmatt Coin" infrastructure to help issue regulatory-compliant stablecoins in accordance with the revised Payment Services Act, which took effect in June 2023. Various stablecoins built on top of the Progmatt platform are to be launched and released upon the intermediaries' license registrations.

While stablecoin settlements are common among the global exchanges and the liquidity providers, fiat settlement is still the main method used by the Japanese players. The Japan domestic crypto trading sizes in recent years are estimated to be thousands of billions of JPY, and are expected to grow more. While there is a potential for growth, there is a lack of infrastructure to support the growth, limitation on trading hours, and the burden for cost of transactions. This joint study started off with the belief that the current market needs solutions to these issues.

Through the study, Ginco, Mitsubishi UFJ Trust Bank and Progmatt aim to remove the pains by issuing infrastructure stablecoins "XJPY" and "XUSD" on a public blockchain leveraging the "Progmatt Coin" platform to support crypto asset exchanges and liquidity providers with their daily inter-party transactions and settlements, with a goal to help enhance the payment mechanisms in the Crypto market with the use of the stablecoins.



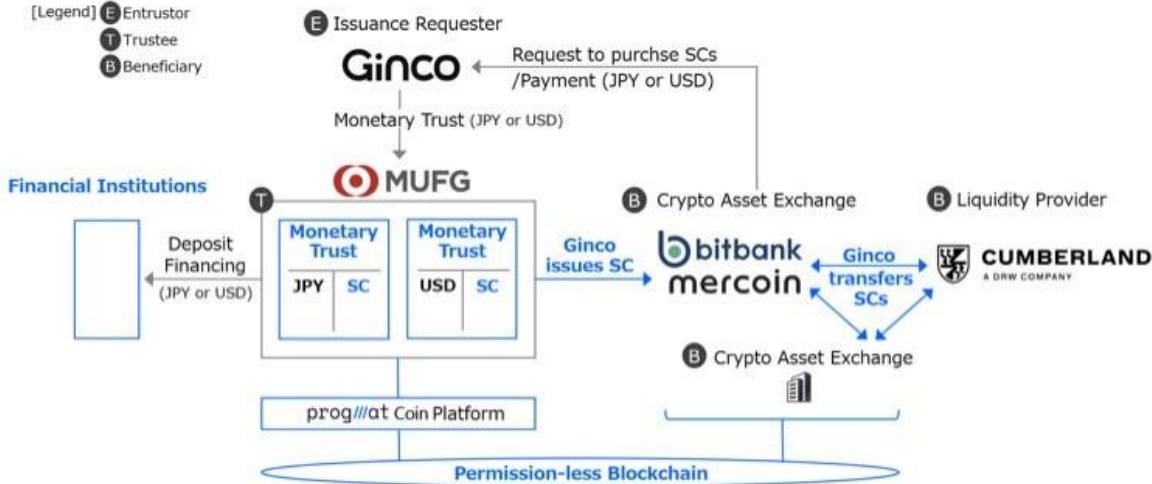
2. Overview of the Issuance Structure

Under the revised Payments Services Act enacted in June 2023, there are three options for issuing stablecoins (legally termed as “Electronic Settlement Method”): “Bank Deposit backed Digital Money”, stablecoins issued by licensed Fund transfer service providers (“Fund-transfer type”), and stablecoins issued through Trust banks (“Trust-type”). Based on the characteristics summarized below, the joint study will be based on the “Trust-type” stablecoins which both parties believe have the advantages in terms of flexibility in issuance and usability.

The issuance structure is as follows:

	Trust Type Stablecoins	Fund Transfer Type Stablecoins	Bank Deposit Type "e-money"
Issuer License Restrictions	No License required (No license required for trustees; Assets are managed by the trust bank)	Fund Transfer Business registration required	Banking license required
Recipient Restrictions	Transferrable to all addresses including non KYCed addresses (Legal clearance has been completed)	Transferrable to all addresses (to be verified)	Transferrable to KYCed addresses only
Remittance Amount Restrictions	No restrictions	Remittance amount is capped (1million JPY/remittance)	No restrictions

- **Type of Electronic Settlement Method:** Item 3 (Beneficial interest in specific trusts)
- **Issuance Applicant (Entrustor):** Ginco Inc.
- **Issuer (Trustee):** Mitsubishi UFJ Trust and Banking Corporation
- **Platform:** Progmatt Coin
- **Users (Beneficiaries):** Crypto asset exchanges and liquidity providers
- **Management of the underlying assets (cash deposits):** Any financial institution
- **Currency of underlying assets:** JPY and USD
- **Name of stablecoin:** “XJPY (JPY-denominated)” and “XUSD (USD-denominated)”



3. Future Plans

Ginco, Mitsubishi UFJ Trust Bank and Progmat intend to issue the infrastructure stablecoins “XJPY” and “XUSD” in the summer of 2024.

This initiative does not limit the participants to exclusive partners. Applications from other participants are continuously accepted through Digital Asset Co-Creation Consortium (DCC) any time.

Digital Asset Co-Creation Consortium: progmat_post@progmat.co.jp

Appendix

1. Roles and overview of each company

(1) Issuance Applicant (Entrustor)

Company Name: Ginco Inc.

Representative : Muuto Morikawa, CEO

URL : <https://www.ginco.co.jp/>

(2) Issuer (Trustee)

Company Name: Mitsubishi UFJ Trust and Banking Corporation

Representative : Iwao Nagashima, President and Group CEO

URL : <https://www.tr.mufg.jp/english/>

(3) “Progmat Coin” Platform Developer

Company Name: Progmat, Inc.

Representative : Tatsuya Saito, Founder and CEO

URL : <https://progmat.co.jp/en/>