

Mitsubishi UFJ Trust and Banking Corporation
Mizuho Trust & Banking Co., Ltd.
Sumitomo Mitsui Trust Bank, Limited
Sumitomo Mitsui Financial Group, Inc.
SBI PTS Holdings, Co., Ltd.
JPX Market Innovation & Research, Inc.
NTT DATA Japan Corporation
Datachain, Inc.

Establishment of Progmat, Inc. as National Infrastructure towards Digital Asset Market in Japan

Tokyo, September 11, 2023 --- Mitsubishi UFJ Trust and Banking Corporation, Mizuho Trust & Banking Co., Ltd., Sumitomo Mitsui Trust Bank, Limited, Sumitomo Mitsui Financial Group, Inc., SBI PTS Holdings, Co., Ltd., JPX Market Innovation & Research, Inc., NTT DATA Japan Corporation, and Datachain, Inc. today have agreed to alliance of the shareholders agreement about the establishment of "Progmat, Inc".

"Progmat, Inc" is responsible for the development of "Progmat", an issuance and management platform for a range of digital assets, and the management of the Digital Asset Co-Creation Consortium ("DCC"). DCC has 214 member companies.



Through this alliance, the 8 partner companies will smoothly implement "co-creation areas" with "standardized format" and realize an overwhelming improvement in convenience for market participants, thereby enhancing the development and competitiveness of the digital asset market in Japan.

1. Background and Purpose of Establishment

In Japan, the foundations of the digital asset market are steadily being laid, with the "Security Token^{*1}" ("ST") regulation under the revised Financial Instruments and Exchange Act effective in 2020 and the "Stablecoin^{*2}" ("SC") regulation under the revised Payments Services Act effective 2023, and ST-related projects more than 120 billion yen have been structured.

In response to this trend, Mitsubishi UFJ Trust and Banking Corporation has been developing "Progmatic ST" platform for ST, "Progmatic UT" platform for "Utility Token^{*3}" ("UT"), "Progmatic Coin" platform for SC, and the "Token Manager" and "Token Wallet" wallet services for digital assets.

For the digital asset market to expand more fully, it is essential that it offers overwhelmingly greater convenience than existing traditional securities markets, settlement markets, and the like. "Co-creation" among network participants is the key to achieving this overwhelming level of convenience. To work together beyond the group, we have decided to place a more neutral "joint entity" at the core, rather than a Mitsubishi UFJ Trust subsidiary.

In addition, to construct a "common infrastructure" for the digital asset market, it is ideal for a single organization to have both deep domain knowledge of the financial market as well as overwhelming infrastructure construction capabilities.

Instead of the conventional situation where a financial institution acts as the client and a software company performs contracted development, both parties have decided to join hands to create a "joint venture," aiming to create a development group that can make an impact more quickly and more broadly.

2. Future Plans

At the general shareholders' meeting to be held on the same day of the company's establishment, a resolution will be passed to elect directors of "Progmatic, Inc." and announce the management structure of the company, including outside directors.

The corporate website will be renewed at the same time, and all content that was previously shared exclusively with "Digital Asset Co-Creation Consortium" members will be made public in principle, and other related information will be opened.

Current URL : <https://www.tr.mufg.jp/progmat/index.html>

(This is scheduled to be renewed and opened to the public after October 2, 2023.)

- End -

- ^{*1} A generic term for securities that can be transferred using electronic information processing systems such as blockchain (BC) ("electronically recorded transferable securities representation rights, etc." under the Financial Instruments and Exchange Law).
- ^{*2} A generic term for means of settlement that can be transferred using electronic information processing systems such as blockchain (BC) and that aim to link legal tender with value ("electronic means of settlement" under the Funds Settlement Act).
- ^{*3} A generic term for data that can be transferred using electronic information processing systems such as blockchain (BC) and that functions as a necessary voucher for the provision of specific services.

Appendix

1. Outline of "Progmat, Inc."

Firm name : Progmat, Inc

Representative : Founder & CEO, Tatsuya Saito

Head Office : Marunouchi Kitaguchi Building, 1-6-5 Marunouchi, Chiyoda-ku, Tokyo

Date of Establishment : October 2, 2023

Capital : 100 million yen

Overview : <https://speakerdeck.com/progmat/company-overveiw>

2. Business Purpose of "Progmat, Inc." (Articles of Incorporation)

- (1) Planning, development, production, and provision of systems related to platforms for issuing and managing security tokens
- (2) Planning, development, production, and provision of systems related to utility tokens, stablecoins, and other digital assets
- (3) Operation and management of consortiums related to digital assets
- (4) Research, study, provision of information and consulting regarding digital assets
- (5) All businesses incidental or related to the above

3. Shareholder Composition of "Progmat, Inc."

Mitsubishi UFJ Trust and Banking Corporation	49.0%
NTT DATA Japan Corporation	13.5%
Mizuho Trust & Banking Co., Ltd.	7.5%
Sumitomo Mitsui Trust Bank, Limited	7.5%
Sumitomo Mitsui Financial Group, Inc.	7.5%
SBI PTS Holdings, Co., Ltd.	5.0%
JPX Market Innovation & Research, Inc.	5.0%
D a t a c h a i n , I n c .	5.0%

4. Roles, overview, and comments of shareholders

- (1) Financial institutions: driving the issuance market and standardization of standards

Mitsubishi UFJ Trust and Banking Corporation

Representative : Iwao Nagashima

U R L : <https://www.tr.mufg.jp/english/>

Comments by Iwao Nagashima, President and CEO

Pleased to see that Progmat, which we announced last year, is now officially ready for operation. The purpose of independence is "openness". Like the success of the Internet, which was achieved by using the same protocol (standard) across all boundaries, we

hope that this one-of-a-kind partnership will lead to the creation of a national infrastructure to make the world of digital assets more convenient. As part of the shareholders, we have high expectations for the new company as a start-up led by Tatsuya Saito, and supported by a group of young people motivated to pioneer a new path. Mitsubishi UFJ Trust and Banking Corporation is committed to the development of the market as a whole."

Mizuho Trust & Banking Co., Ltd.

Representative : Kei Umeda

U R L : <https://www.mizuhogroup.com/trust-and-banking/>

Comments by Kei Umeda, President & CEO

Mizuho Trust & Banking has been promoting the development of products and services related to security tokens by leveraging its expertise in real estate and securitized products as a trust bank. We believe that the creation of an area of co-creation through joint investment in Progmatt Inc. beyond the framework of the capital group will greatly contribute to the development of the digital asset market, including security tokens, and accelerate the shift of individuals' financial assets from savings to investments. Mizuho Trust & Banking will also work to create new value through co-creation with those involved in the digital asset market.

Sumitomo Mitsui Trust Bank, Limited

Representative : Kazuya Oyama

U R L : <https://www.smtb.jp/>

Comments by Kazuya Oyama, President

For Japan's sustainable growth, it is necessary to realize a virtuous cycle of funds, assets, and capital. We hope that digital assets will contribute to the realization of a virtuous cycle of funds, assets, and capital by becoming a highly convenient tool and more accessible to users. Toward the realization of such a world, together with our partners, we would like to contribute to the development of the digital asset market in Japan.

Sumitomo Mitsui Financial Group, Inc.

Representative : Jun Ohta

U R L : <https://www.smfg.co.jp/english/>

Comments by Jun Ohta, President and Group CEO

This is an important step in the development of the digital asset market in Japan. We hope that this will be an opportunity to further expand the market for digital assets, as represented by security tokens.

(2) Exchange : Driving the distribution market and facilitating linkage with payment infrastructure

SBI PTS Holdings, Co., Ltd.
Representative : Yoshitaka Kitao

Comments by Yoshitaka Kitao, Representative Director and Chairman

SBI PTS Holdings, Co., Ltd., through its subsidiaries, has operated several PTSs (proprietary trading system) as a secondary market for stocks and has contributed to the development of Japan's capital markets. Osaka Digital Exchange Co., Ltd., one of its subsidiaries, operates a PTS for stocks and aims to open and operate Japan's first secondary market for security tokens by the end of 2023. The establishment of Progmat is an epoch-making event where companies across corporate groups have united their ambitions for the promotion of digital assets. It is hoped that Progmat will become the "national infrastructure" of the digital asset market and contribute to the development of the market, together with issuers, securities dealers, secondary market participants, and all other related parties. SBI PTS Holdings look forward to working with Progmat and its partners to contribute to the development of the whole digital asset market.

JPX Market Innovation & Research, Inc.

Representative : Koichiro Miyahara

U R L : <https://www.jpx.co.jp/english/corporate/>

Comments by Koichiro Miyahara, President & CEO

Security tokens and other digital assets have wide-ranging possibilities for development, and we hope that the launch of Progmat that we are announcing today will lead to even further growth of the ecosystem. JPX Market Innovation & Research, Inc. has been working on the use of security tokens mainly to combine the green and digital fields. We are committed to leveraging this knowledge and working with a variety of companies to build new capital market mechanisms for the development of the digital asset market.

(3) Software : Provide know-how on financial infrastructure and advanced technologies

NTT DATA Japan Corporation

Representative : Yutaka Sasaki

U R L : <https://www.nttdata.com/global/en/>

Comment by Yutaka Sasaki, Representative Director , President

NTT DATA Japan has been creating and operating various systems that support Japanese society since the days of its predecessor, Nippon Telegraph and Telephone Public Corporation. We believe that "Progmat", as a national infrastructure for the digital asset market, will greatly contribute to the development of the market and promote the shift "from savings to investment". Through this initiative, we will contribute to Progmat's development by leveraging our expertise in financial infrastructure and cutting-edge technology, together with all parties involved.

Datachain, Inc.

Representative : Tetsushi Hisata

U R L : <https://ja.datachain.jp/>

Comments by Tetsushi Hisata, CEO

As a startup, we're greatly honored to collaborate with respected Japanese leaders to set up the new company building national infrastructure. Datachain will contribute to the organization with innovative technologies that streamline cross-chain transactions, including swaps and payments, for both permissionless and permissioned stablecoins. Given the current regulatory, technological, and business landscapes, we see this as our golden opportunity to shine globally. We stand at the dawn of a revolution, with digital assets poised to drive the decentralization of society in the coming decades. We are fully committed to realizing this vision so that, in the future, it's said that this is the result of Progmatt's pioneering efforts.