

September 18, 2024

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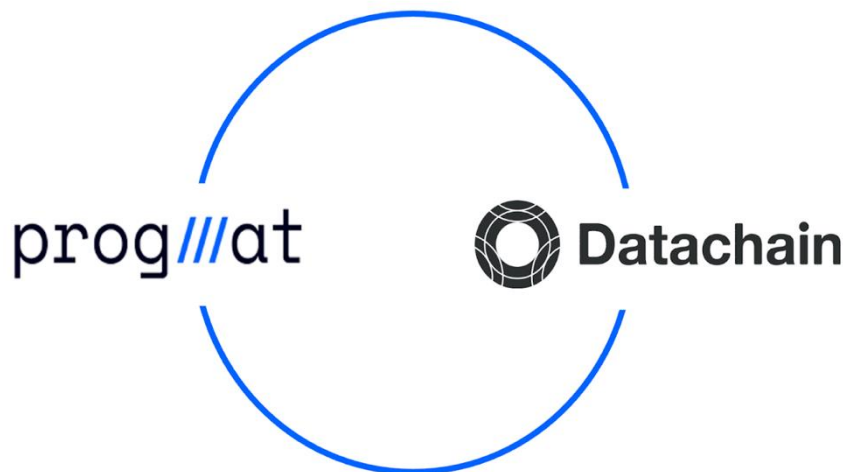
D a t a c h a i n , I n c .

**Stablecoin Payment Product Moves into Development Phase for Practical Use
Expanding to Support Domestic and Peer-to-Peer Transfers Alongside Cross-Border
Transfers**

Tokyo, September 18, 2024 --- Datachain, Inc. ("Datachain") and Progmatt, Inc. ("Progmatt") are pleased to announce that their stablecoin-based transfer product, which will use Progmatt's "Progmatt Coin Platform," has entered the development phase geared toward practical deployment.

Datachain and Progmatt have been solid partners in advancing the stablecoin business, including the joint development of a stablecoin platform *1 and the launch of "Project Pax," a cross-border transfer platform utilizing Swift's existing API framework. *2

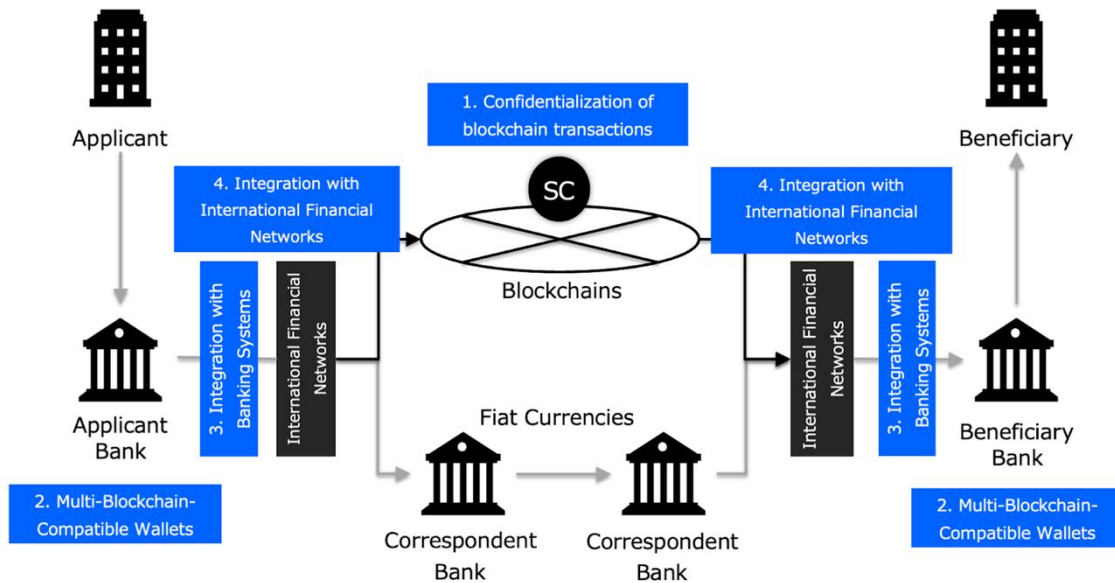
We aim to provide greater value to meet a wider range of needs by combining Datachain's extensive technical expertise in blockchain technology with the SC issued through Progmatt's "Progmatt Coin Platform."



1 . SC Payment Product

As an initial use case, this product focuses on developing the functionalities required for cross-border transfers within "Project Pax." Following successful technical validation and prototype development, we have now entered the development phase geared toward practical implementation, with a target for commercial launch in 2025.

The specific areas of development include the following:



Features	Details
1. Confidentialization of blockchain transactions	Development of features to ensure the confidentiality of transaction histories on the blockchain for use cases like international remittances, where privacy is critical. This will allow us to obscure transaction data from unauthorized third parties across the various blockchains supported by the Progmata Coin platform.
2. Multi-Blockchain-Compatible Wallets	Development of a wallet that supports various blockchains.
3. Integration with Banking Systems	System integration between banking systems and the above wallets (2), as well as with international financial institution networks.
4. Integration with International Financial Networks like Swift	Developing system connections between banking systems and international financial institution networks, as well as between these networks and blockchains.

By implementing and verifying these features, we aim to address practical challenges such as AML/CFT compliance and regulatory requirements, enabling secure cross-border transfers using stablecoins. Additionally, we are accelerating development to support domestic transfers and peer-to-peer payments, and will design and implement further features such as user-friendly wallets for individual customers.

2. Target Market Overview

The cross-border payments market is vast, with a transaction volume reaching \$182 trillion in 2022. Even when focusing solely on the revenue generated by payment service providers, the market is estimated to be worth \$183.6 billion by 2023, underscoring its enormous scale. As international trade continues to grow, this market is expected to expand at a compound annual growth rate (CAGR) of 7.43%.

Stablecoins (SC) currently account for an estimated 0.5% of the total volume of fiat currency transactions, with most SC usage limited to individuals and blockchain projects utilizing blockchain services. However, the potential for stablecoin-based payment solutions to expand into the enterprise sector presents a significant opportunity for further market growth.

The demand for cross-border peer-to-peer payments is also rising in tandem with global integration. For example, according to the annual report from cross-border payment company Wise for the fiscal year ending March 2024, the total volume of cross-border peer-to-peer transfers reached £87.2 billion, representing a 14% year-on-year growth.

At Datachain and Progmatt, we are committed to capturing the enormous potential of this fast-growing market. In addition to complying with stablecoin regulations, we are addressing accounting and tax requirements while delivering products that enhance customer experience across operational touchpoints. By doing so, we aim to provide value through faster and more cost-efficient solutions.

*1) <https://www.datachain.jp/news/datachain-and-progmatt-collaborate-on-stablecoin-business-completion-of-joint-development-of-contracts-for-standard-features-and-successful-transfers-in-testnet>

*2) <https://www.datachain.jp/news/progmatt-and-datachain-launch-project-pax>

About Progmatt

Progmatt is a startup company building digital asset infrastructures that can transform the financial system. With a mission of "Connecting the society with the programmable network and digitizing every value," Progmatt delivers the issuance and administration platform for tokenized securities, stablecoins, and utility tokens, while pursuing partnerships to expand global use of digital assets. Progmatt, as an independent firm backed by several key institutions in national financial markets, also leads digital assets ecosystem across multiple industries by running the Digital Asset Co-Creation Consortium, which has over 200 member firms. For more information, visit <https://progmatt.co.jp/en/>

About Datachain

Datachain is a blockchain startup founded in 2018 that specializes in blockchain interoperability. Its core products include YUI, a Hyperledger Lab that enables interoperability between multiple heterogeneous blockchains via IBC, and LCP, a proxy for light client verification using TEEs. Datachain is also working on an IBC-enabled cross-chain bridge in partnership with TOKI and are involved in several projects with enterprises, focusing on cross-chain technology. For more information about Datachain, please visit <https://www.datachain.jp/>.