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Mizuho Financial Group, Inc.  
Mizuho Bank, Ltd.  
R3CEV LLC  
Cognizant Japan KK



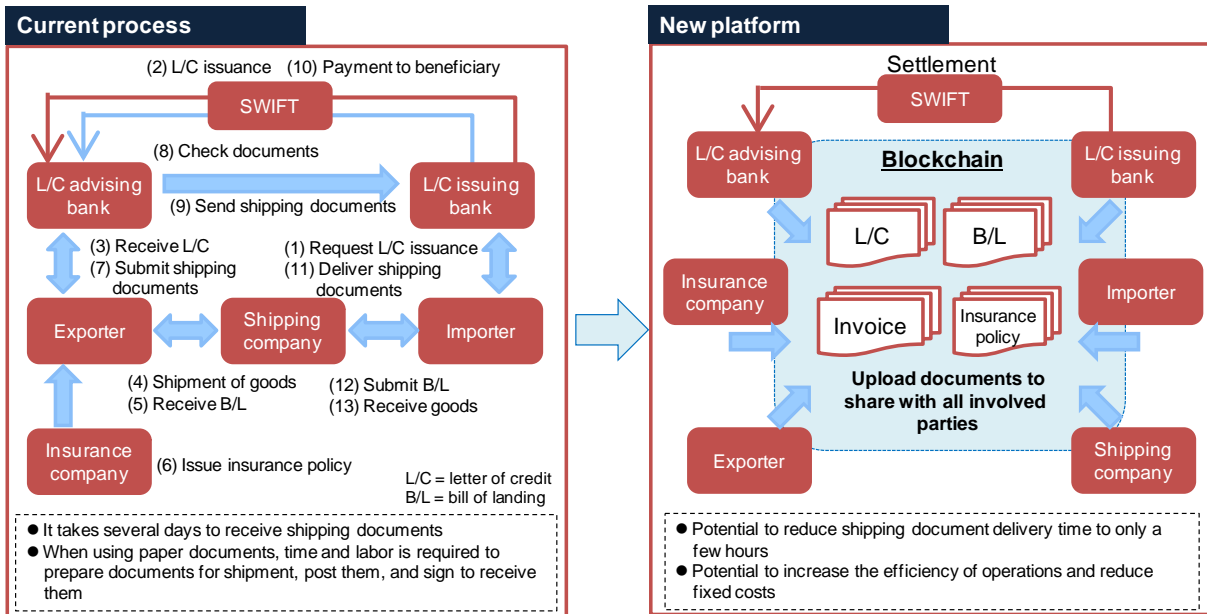
## **[FinTech] Mizuho Embarks on Project with R3 and Cognizant to Conduct Actual Trade Transactions Using Blockchain**

*-A project in collaboration with international IT service providers-*

Mizuho Financial Group, Inc. (President & Group CEO: Yasuhiro Sato), Mizuho Bank, Ltd. (President & CEO: Koji Fujiwara) (collectively "Mizuho"), R3CEV LLC ("R3"; CEO: David Rutter), and Cognizant Japan KK (CEO: Tomonori Takeuchi) are pleased to announce a joint project to analyze the results of actual trade transactions conducted using blockchain<sup>1</sup> technology starting from around June 2017 with the aim of providing increased efficiency in the field of trade finance.

One of the key features of blockchain is the ability to quickly and securely share data among participants. Trade transactions involve a large number of parties including the exporter, importer, insurance company, shipping company or other logistics providers, port operators and port authorities, and financial institutions. Currently, these transactions require paper-based exchanges. We anticipate that the application of blockchain technology to these kinds of transactions will enable the digitalization of the documents involved in trade finance as well as the fast and secure exchange of information.

The initial phase of the project will utilize Corda<sup>2</sup>, a distributed ledger platform developed by R3, to conduct trade transactions for Mizuho's clients in order to assess the possible implications and applications to trade finance. We have designed a more sophisticated trade finance platform specifically for this project and will apply it to actual trade transactions between clients in Japan and overseas locations. The exporter will digitize export/shipping documents including letters of credit (L/C) and upload them to the platform. Documents uploaded to the platform will be shared in digital form with the importer, financial institutions, and other involved parties using blockchain technology. We anticipate that this platform will reduce the time and operational costs associated with trade transactions by simplifying the process of creating and exchanging documents, in addition to enabling all involved parties to share and view the most recent status of the transaction.



We believe that this project will bring us one step closer to the actual commercial use of this technology. Mizuho will continue to incorporate the latest technologies into innovative service offerings, with the aim of providing our clients with consistently better financial services.

#### 1: Blockchain

Blockchain is a form of distributed ledger technology. It utilizes a system of consensus formation among participants to enable transactions to take place even in the absence of a trusted central authority. Because it is easy to audit, has built-in protection against double entries, and is virtually impossible to falsify transactions, the technology has a number of potential applications in a wide range of fields across financial services including payments/settlements and securities; as well as other forms of asset transfer, such as land registration.

#### 2: Corda

Corda is an open-source distributed ledger platform designed to record, manage and automate legal agreements between businesses. Corda's development is led by R3, a FinTech company that heads a consortium of over 70 of the world's largest financial institutions. Corda is inspired by and captures the benefits of blockchain systems and it offers a unique response to the privacy and scalability challenges facing decentralized applications.