

July 7, 2017
Mizuho Financial Group, Inc.
Mizuho Bank, Ltd.
Marubeni Corporation
Sampo Japan Nipponkoa Insurance Inc.



Conclusion of trade transaction using blockchain and distributed ledger technology

-Collaborative effort with general trading and insurance companies-

On July 6, 2017, Mizuho Financial Group, Inc. (President & CEO: Yasuhiro Sato), Mizuho Bank, Ltd. (President & CEO: Koji Fujiwara), Marubeni Corporation (President & CEO: Fumiya Kokubu), and Sampo Japan Nipponkoa Insurance Inc. (President: Keiji Nishizawa) completed a trade transaction between Australia and Japan using blockchain / distributed ledger technology (DLT)(*).

Trade transactions necessitate the communication of information such as country of origin or product details that varies from transaction to transaction between a large number of parties. The diversity of the information involved has hindered digitization until now, and still requires a significant volume of documentation, leading to high costs and administrative work throughout the world.

The recent project involved a trade transaction between Australia and Japan in which all trade-related processes, from issuing the letter of credit to delivering trade documents, were completed entirely via a digital platform using blockchain / DLT. As a result of the project, Mizuho and the other involved parties were able to make the following conclusions regarding the use of blockchain / DLT in trade transactions.

Benefits:

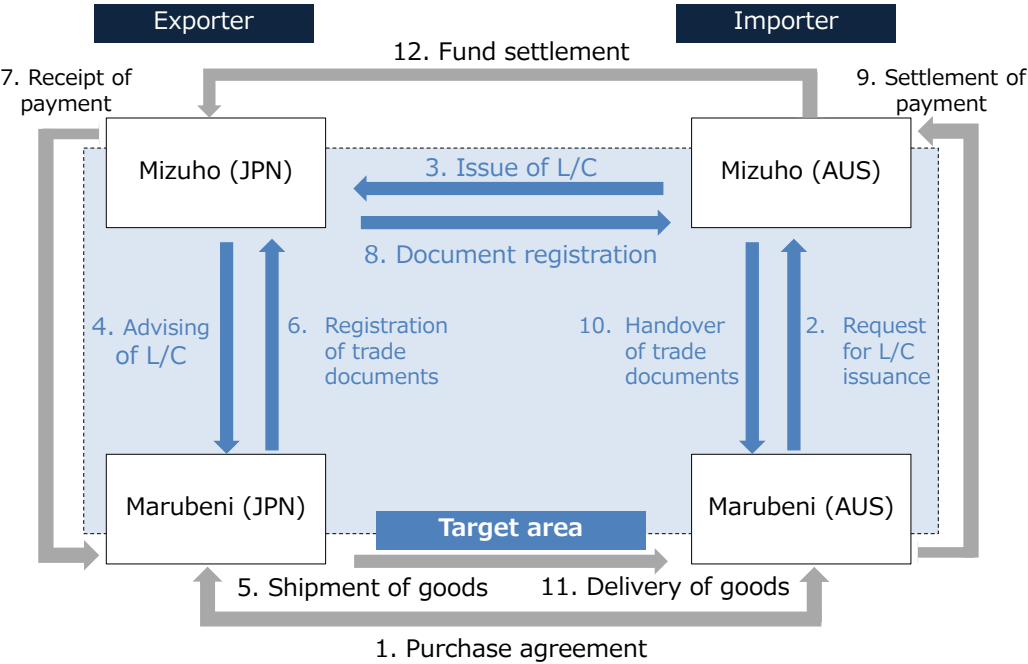
- Shorter delivery time for trade documents
 - Reduced from multiple days (typical length) to 2 hours
- Reduction of time required to create and transmit documents, as well as labor and other costs through document digitization
- Increased transparency by sharing transaction details with all parties

Issues

- It is not possible to transmit trade transaction information in digital blockchain / DLT format to parties who do not use the platform; transactions must be conducted as before
- Enabling the transmission of the wide variety of information necessary for trade transactions will require standardizing the information for blockchain / DLT at an international level

Building on this trade transaction project, Mizuho aims to further explore the practical business application of blockchain / DLT and to offer technologically sophisticated, client-focused services going forward.

Diagram of Transaction



(*): Blockchain is a form of distributed ledger technology (DLT). 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.