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Sumitomo Mitsui Financial Group
Sumitomo Mitsui Banking Corporation
The Japan Research Institute, Limited
Mitsui & Co., Ltd.
Mitsui O.S.K. Lines, Ltd.
Mitsui Sumitomo Insurance Company, Limited
IBM Japan, Ltd.

Demonstration Test of Blockchain Technology in Cross-Border Trade Operations

TOKYO, December 12, 2017 --- Sumitomo Mitsui Financial Group (“SMFG”, President and group CEO: Takeshi Kunibe), Sumitomo Mitsui Banking Corporation (“SMBC”, President and CEO: Makoto Takashima), The Japan Research Institute, Limited (“JRI”, President and CEO: Masahiro Fuchizaki), Mitsui & Co., Ltd. (“Mitsui & Co.”, President and Chief Executive Officer: Tatsuo Yasunaga), Mitsui O.S.K. Lines, Ltd. (“MOL”, President and CEO: Junichiro Ikeda), Mitsui Sumitomo Insurance Company, Limited (“MSI”, President: Noriyuki Hara) and IBM Japan, Ltd. (President: Elly Keinan) have agreed to start a demonstration test in December 2017 to verify the applicability of blockchain technology as a way to streamline and upgrade cross-border trade operations.

In the demonstration test, participating companies input information of real trade transactions using a blockchain-based application, by which a wide variety of documents, including trade agreements and logistics/insurance documents are digitized, recorded and shared among participants. By comparing against current operations, the test is intended to verify the effectiveness of blockchain technology for enhancing security and reducing the time required to settle cross-border trade transactions, discrepancies among related documents and administrative costs. Further, looking to commercialization, the technology will be evaluated for its viability in cross-border trade business operations.

SMFG, SMBC, and JRI aim to use new information technologies proactively, thereby adapting to an increasingly fast-changing environment, and ultimately to become a more competitive and innovative financial group and continuously upgrade the quality of customer service. The demonstration test was planned with Silicon Valley Rep. Office. that conducts research on new technologies based on the PoC SMBC announced in February 2017. Through the application of blockchain technology to the safe-keeping of legal information, SMFG is committed to adding value and offering innovative new financial products and services.

Mitsui & Co. provides trading services, offering safe and optimized delivery of goods and services desired by customers worldwide. In the demonstration test, the company aims to combine the experience and know-how gained from its long-standing global trading business with the cutting-edge blockchain technology, and achieve better productivity in trade transactions and gain new business opportunities.

MOL group is a leading global marine transportation operator. As a provider of integrated transportation services, the group, meeting diverse needs for transportation, has earned a global reputation for safety. MOL is expected to offer related expertise to the demonstration test, and aims to become the corporate group that customers think of first when they choose a logistics business partner, by drawing upon ICT technologies to enhance its services.

MSI's business offers safety and security to resolve various social challenges. The company, through this trade platform, aims to provide services developed using advanced technologies, such as blockchain and IoT.

Seeking to develop various business applications that meet the business sector's demand for high-level security, IBM participates in Hyperledger, an open source collaborative effort created to advance cross-industry blockchain technologies hosted by The Linux Foundation. The demonstration test will use Hyperledger Fabric, a blockchain framework and one of the Hyperledger projects.