

July 19, 2016
Mizuho Financial Group, Inc.
SBI Holdings, Inc.

Mizuho and SBI Trial Cross-Border Payments Utilizing Blockchain Technology

The first collaborative project with the R3 Consortium in Japan

Mizuho Financial Group, Inc. (hereinafter “MHFG”; President & Group CEO Yasuhiro Sato) and SBI Holdings, Inc. (hereinafter “SBI”; Representative Director and CEO Yoshitaka Kitao) are pleased to announce that they will conduct a joint trial of blockchain technology with the R3 Consortium¹ headed by R3 CEV LLC (“R3 CEV”).

Members of the R3 Consortium have launched several projects to trial different blockchain solutions, but there has not yet been a project led by a Japanese company. MHFG and SBI will work in close collaboration with R3 CEV to launch a joint project for trialing blockchain technology and to promote the application of this technology to financial services.

As the first step, MHFG and SBI plan to trial international remittances utilizing Ripple Connect² cross-currency settlement technology from Ripple Labs, Inc. (hereinafter “Ripple”), a US-based company in which SBI is a major investor. We plan to complete this set of trials, which we have dubbed the "Sora Project", by the end of the year. We are also considering expanding the trial to include cross-border payments and other transactions with other financial institutions in the R3 Consortium.

MHFG is committed to providing useful services to better meet diverse customer needs. Going forward, MHFG will proactively work to create new financial services by focusing on 1) collecting information and keeping a close eye on trends concerning innovative startups around the world and emerging technology, and 2) utilizing external expertise to refine our judgment and becoming an early adopter of promising technology.

Since its founding, SBI has been an innovator in online financial services, leading the field well before the emergence of FinTech startups in Japan. SBI aims to provide the highest level of convenience and truly unique services for customers in each area of our business, and actively incorporating the latest technologies has been key to achieving these goals and differentiating SBI from the competition.

Due to the multiple intermediaries involved in international remittance transactions, time and cost efficiency has become an issue. Ripple solutions lower the total cost of settlement by enabling banks to transact directly without correspondent banks and with real-time certainty, as well as providing greater transparency for the process.

As the only provider of enterprise blockchain solutions, Ripple’s growing, global network includes 12 of the top 50 global banks, ten banks in commercial deal phases, and over 30 bank pilots completed, among many others also using Ripple’s solutions.

¹ R3 CEV LLC is a US-based financial innovation firm that leads a consortium partnership with over 50 of the world’s leading financial institutions (as of June 30, 2016). The R3 Consortium is the world’s largest industry group working towards increasing the efficiency of financial markets through the use of blockchain technology.

² Ripple Connect is a real-time cross-currency settlement solution offered by Ripple Labs, Inc., a US-based venture firm and FinTech leader.