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NTT DATA will develop a business collaboration platform for Japanese manufacturers in cooperation with Skuchain in the U.S.

Application of the blockchain technology to supply chains will be accelerated

NTT DATA Corporation
Skuchain, Inc.

NTT DATA Corporation (headquartered in Koto-ku, Tokyo, Japan; President & CEO, Toshio Iwamoto; hereinafter referred to as NTT DATA) and Skuchain, Inc. (headquartered in Mountain View, California, U.S.A.; CEO, Srinivasan Sriram; hereinafter referred to as Skuchain) agreed on January 24, 2018 to jointly develop a blockchain business, mainly for manufacturers in Japan.

While the financial segment sees more blockchain initiatives than any other sectors, Skuchain was the first in the world to develop a solution to apply the blockchain technology to supply chains and acquire related patents, which has drawn attention around the world.

As per the cooperation agreement, NTT DATA will work with Skuchain to expand the service of “iQuattro[®],”^(Note1) a business collaboration platform provided by NTT DATA, and jointly develop a new solution to apply the blockchain technology to supply chains. This will enable “iQuattro” user companies to use a traceability system utilizing the blockchain technology and optimize operation and capital costs.

The two companies, which have already jointly implemented a PoC^(Note 2), will aim to achieve sales of five billion yen by the end of FY2020 by executing individual PoC to apply the blockchain technology to each supply chain, providing an educational program on the technology, etc.

[Background and purposes]

In the so-called fourth industrial revolution discussed recently, a new era of information utilization is said to be just around the corner. The most important element in this age will be a communication network that bi-directionally exchanges users' information and information within a company, as well as IoT signals, and a technology that prevents fraudulent information exchanges and allows parties to share information. The blockchain technology is a distributed ledger technology to record digital events, which is highly resistant to falsification. This technology will be essential in the new era of information utilization that will be brought about by the fourth industrial revolution.

Since 2017, NTT DATA has provided a business collaboration platform “iQuattro” that is designed to allow users to secretly utilize information about placing/receiving orders, production/delivery plan, cargo shipment/arrival, etc., which were difficult (or impossible) for companies to share with each other^(Note 3). “iQuattro” has connected companies as part of a supply chain, and visualized and shared information on the demand-and-supply balance of the entire supply chain, etc. on a real-time basis.

Recently, companies are required to grasp the flow of goods within a supply chain on a real-time basis and demonstrate if a transaction was actually carried out, which has activated efforts to reduce inventory risks and cut financial costs. To respond to this trend, NTT DATA and Skuchain decided to work together and jointly enhance “iQuattro” services.

Being a partner of Skuchain, which draws worldwide attention in the blockchain area, allows us to learn about the latest trend as soon as possible and provide proposals and services to Japanese clients in the manufacturing industry while envisaging future developments.

[Overview of the cooperation]

The two companies will implement Skuchain's blockchain technology that provides traceability services, demonstrates if a transaction was actually carried out, and offers supply chain financing on “iQuattro.” Although it was difficult to trace parts in an inventory management unit due to the heavy management burden, Skuchain's “Popcode” solution will ease the operational burden and provide real-time traceability while maintaining highly reliable data and confidentiality in the blockchain technology. In addition, sharing contract information such as information about placing/receiving orders, as well as shipment/arrival information with financial institutions while maintaining confidentiality is expected to be applied to supply chain financing in order to facilitate the processing of payments to a supplier, reduce capital costs through the application of an interest rate suitable for a buyer's credit capability, etc.

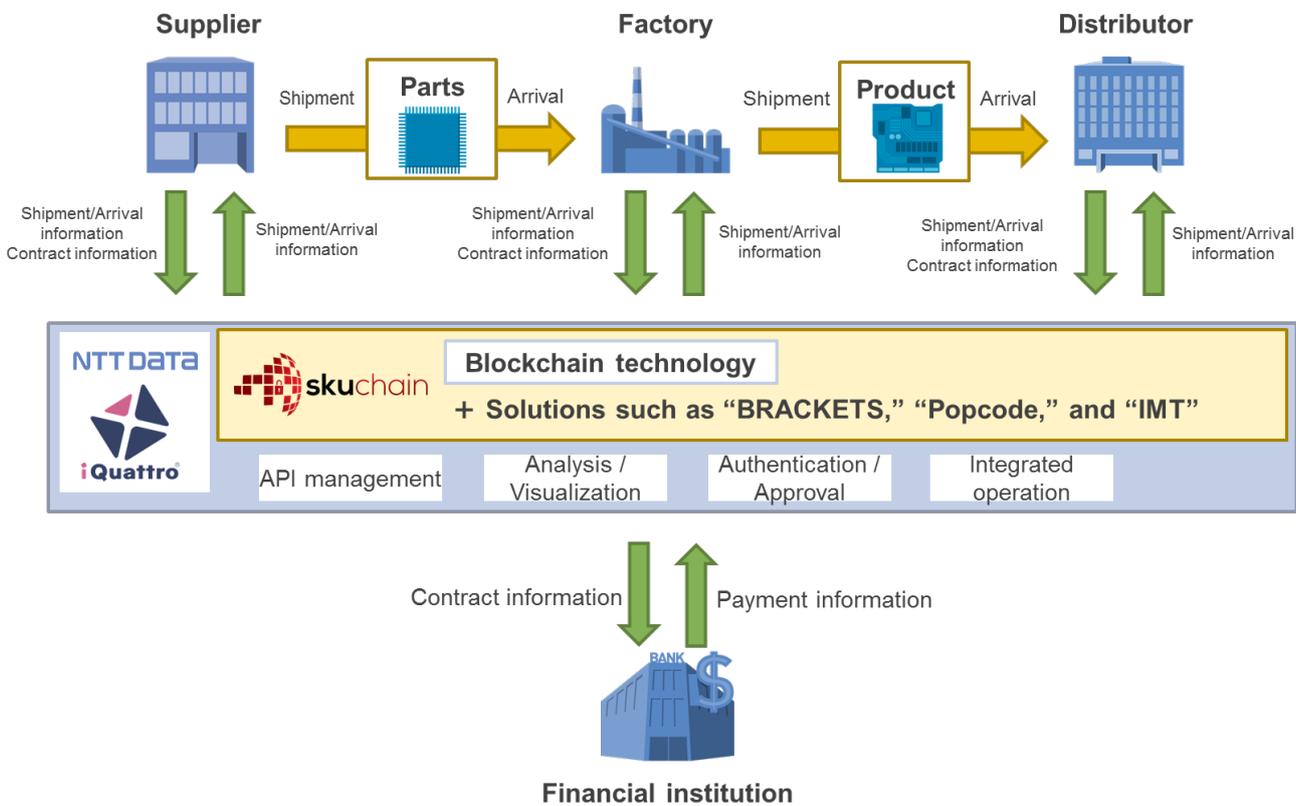
Under the terms of the cooperation, at first, we will individually consult Japanese manufacturers, then study whether traceability and supply chain financing businesses are feasible (feasibility study), and jointly implement Proof of Concept

(PoC) for the application of the blockchain technology to an actual supply chain.

Further, NTT DATA will customize and provide “Blockchain-Edu,” an educational program on the blockchain technology developed by Skuchain, for the Japanese market.

■Roles of each company

- NTT DATA ... System architecture, providing consultation services for security measures, etc., and “iQuattro” services
- Skuchain ... Providing consultation services for the supply chain reform utilizing the blockchain technology and embedding its solutions in iQuattro



<Image of the blockchain technology used for the service>

[Future vision]

The two companies will aim to achieve sales of five billion yen by the end of FY2020 by implementing PoC and providing an educational program.

[About Skuchain]

Skuchain is a start-up that was founded in 2014 and is headquartered in the Silicon Valley, U.S.A. The company helps manufacturers realize the supply chain reform by using the blockchain technology, and proposes and promotes future methods of commercial transactions and trading utilizing the technology domestically and internationally.

Skuchain has developed solutions such as “BRACKETS” that provides a real-time view of business events, and facilitates the implementation of advanced smart contracts while maintaining highly reliable and confidential data, “Popcode” that allows parts, etc. to be traced at the level of the minimum unit to be managed and make the entire supply chain visible, and “IMT” that can shorten the transaction time and relax capital requirements (Skuchain’s solutions are called collectively “EC3 platform.”^(Note 4)) based on the blockchain technology. These solutions will help users perform robust supply chain management across companies and achieve more advanced real-time visualization of the entire supply chain.

Skuchain’s website: <http://www.skuchain.com/> (English only)

(Note 1) iQuattro is a cloud-native platform service provided by NTT DATA that helps collaboration between companies.

(Note 2) PoC stands for Proof of Concept, which means a positive trial to demonstrate that a new concept, theory, or principle is viable.

(Note 3) “NTT Communications, NTT DATA, Pivotal and Intel Collaborate To Deliver Cloud-Native Solutions”

<http://www.nttdata.com/jp/ja/news/release/2016/110800.html> (Japanese only)

(Note 4) EC3 stands for Empowered Collaborative Commerce Cloud and is a collective term for solutions provided by Skuchain.

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