

October 7, 2022
Company name Rakuten Group, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange Prime Market)

Announcement Regarding Conclusion of Strategic Capital and Business Alliance between Rakuten Securities Holdings and Mizuho Securities

Rakuten Group, Inc. (Head Office: Setagaya-ku, Tokyo, Chairman and CEO: Hiroshi Mikitani, hereinafter "the Company") announces that Rakuten Securities Holdings, Inc., a consolidated subsidiary of the company (Head Office: Minato-ku, Tokyo, President: Yuji Kusunoki, hereinafter "Rakuten Securities Holdings") and Mizuho Securities Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; President and CEO: Yoshiro Hamamoto, hereinafter "Mizuho Securities"), a consolidated subsidiary of Mizuho Financial Group, Inc. (Headquarters: Chiyoda-ku, Tokyo; President & Group CEO: Masahiro Kihara; hereinafter "Mizuho Financial Group") have agreed to enter into a strategic alliance (hereinafter referred to as "this alliance") today. Bringing together strengths such as the ability of Rakuten Securities, Inc., a consolidated subsidiary of Rakuten Securities Holdings (Head Office: Minato-ku, Tokyo, President: Yuji Kusunoki, hereinafter "Rakuten Securities") to attract customers from a wide range of generations, based on synergies with the Rakuten ecosystem and our online securities trading platform with excellent UI/UX, as well as strengths such as Mizuho Securities' product appeal and comprehensive asset management consulting capabilities across banking, trust, and securities activities, we can jointly realize a "fully-fledged hybrid comprehensive asset management consulting service that meets the needs of all individual customers".

In conjunction with this alliance, Rakuten Securities Holdings and Mizuho Securities concluded a share transfer agreement on October 7, 2022, and there will be a transfer of 19.99% Rakuten Securities' common stock to Mizuho Securities (hereinafter the "share transfer"). After the share transfer, Rakuten Securities will remain a consolidated subsidiary of the Company and Rakuten Securities Holdings. In addition, Rakuten Securities Holdings and Mizuho Securities signed a shareholder agreement (hereinafter, together with the share transfer agreement, the "agreement") on the same date.

1. Background and significance of this alliance

In the era of 100-year lifespans, it is becoming more important to build assets in line with individual life plans. With over 2,000 trillion yen in personal financial assets, we recognize that accelerating the trend "from savings to investments" is an issue facing society as a whole. In order to solve this problem, it is important to respond appropriately and accurately to the diverse asset building needs according to each person's values, lifestyles, and life stage. We believe that it is necessary to establish a new integrated asset management consulting service by combining both online and in-person service

capabilities.

Based on its founding strengths as an online securities trading platform with excellent functionality, convenience, and UI/UX, Rakuten Securities leverages synergies with the Rakuten ecosystem to target a wide range of customers, from wealth builders to traders. Rakuten Securities provides asset formation and asset management services to a wide range of customers. In recent years in particular, we have been ahead of the industry focusing on making it easier for customers in the working generation with no prior investing experience to approach investment trusts through allowing financial products to be purchased through points, credit cards and electronic money payments. We have developed easy-to-use services and have acquired a wide range of customers, with the number of accounts in June of this year surpassing 8 million. In addition to developing online-based services, we are also focusing on IFA (Independent Financial Advisor) services to provide face-to-face asset management advice. In the future, as the life stage of our customers change, we will aim to actively deal with and resolve customer inquiries, and respond to a wider range of customer needs together with online based services and IFA services. We are looking forward to further strengthening our products and services while expanding the options for our customers.

As the core securities business arm of Mizuho Financial Group, Mizuho Securities offers a full range of securities services, from wholesale for large corporate clients and institutional investors, to retail for individuals and small and medium-sized enterprises. It has expanded its business on a global basis. Of these services, for individual customers, it mainly provides comprehensive face-to-face asset management consulting services, utilizing banking and trust solutions, based on its nationwide network of 226 branches (103 branches and 123 “planet booths”). Mizuho Securities has been providing face-to-face comprehensive asset management consulting services, mainly to middle-aged and senior customers, by leveraging its ability to provide a wide range of products utilizing the Mizuho's banking, trust, and securities services, as well as its ability to provide advice on asset management. With the advent of the 100 year life-span era, it can look forward to providing high value-added services to more customers than ever before and contribute to asset management services.

While sharing the strengths and visions of the future of both companies, and as a result of repeated discussions, we shared recognitions that the products, services, and channels of both companies have a high level of mutual complementarity. We recognize that by bringing together the strengths of Rakuten Securities and Mizuho Securities, and by combining our respective services, we can jointly realize a “fully-fledged hybrid comprehensive asset management consulting service that meets the needs of all individual customers”, and contribute to the enrichment of household finances. Hence, we agreed to this alliance.

In addition, as announced in the August 10, 2022 disclosure "Announcement Regarding Establishment of Rakuten Securities Holdings and Reorganization of Securities Business", Rakuten Securities Holdings is currently preparing for a stock listing. We believe that an alliance with a securities company will lead to an increase in the value of shares of both Rakuten Securities Holdings and the Company.

2. Details of this alliance

Rakuten Securities and Mizuho Securities aim to leverage the power of attracting customers from a wide range of generations, based on synergies with the Rakuten ecosystem and our online securities trading platform with excellent UI/UX, and Mizuho Financial Group's product development capability and its product line-up and comprehensive asset management consulting capabilities utilizing collaboration with its bank, trust, and securities. We will consider a business alliance to maximize the strengths of both groups and accelerate the sustainable growth of both Rakuten Securities and Mizuho Securities. At present, the items to be considered for collaboration are as follows, while we will consider a wide range of ideas without being limited to these.

- Introduce the Mizuho's comprehensive asset management consulting service, as a new option for asset formation and asset management services, to meet the wide range of needs and life plans of Rakuten Securities customers.
- Consign the sale of equities (IPO/PO) and bonds (primary products, foreign bonds, etc.) that are underwritten and arranged by Mizuho Securities to Rakuten Securities, aiming to further expand product options for customers of Rakuten Securities.
- Introduce products and services handled by Rakuten Securities to customers of Mizuho, including Mizuho Securities and Mizuho Bank, and contribute to individual financial asset building.

3. Overview of Rakuten Securities Holdings

(1)	Name	Rakuten Securities Holdings, Inc.
(2)	Location	2-6-21 Minami Aoyama, Minato-ku, Tokyo
(3)	Title and name of representative	Yuji Kusunoki, President
(4)	Description of business	Business management of group subsidiaries and related operations
(5)	Share capital	JPY 250 million
(6)	Date of establishment	October 3, 2022
(7)	Major shareholders and ownership ratios	Rakuten Group, Inc. 100%

4. Overview of the counterparty to the capital and business alliance (As of June 30, 2022)

(1)	Name	Mizuho Securities Co., Ltd.
(2)	Location	1-5-1, Otemachi, Chiyoda-ku, Tokyo
(3)	Title and name of representative	Yoshiro Hamamoto, President & CEO
(4)	Description of business	Financial Instruments Business

(5)	Share capital	JPY 125,167 million	
(6)	Date of establishment	July 1917	
(7)	Consolidated net assets	JPY 573,993 million	
(8)	Consolidated total assets	JPY 21,390,270 million	
(9)	Major shareholders and ownership ratios	Mizuho Financial Group, Inc. 100%	
(10)	Relationship between the Company and subject company	Capital relationship	None
		Personnel relationship	None
		Business relationship	Corporate Bond Underwriting etc.,
		Related party relationship	None

5. Amount of transfer, status of owned shares before and after transfer

Through this agreement, Rakuten Securities Holdings will transfer 19.99% of Rakuten Securities' common stock to Mizuho Securities. The transfer amount is expected to be 80,000 million yen.

6. Schedule

(1)	Date of signing of the agreement	October 7, 2022
(2)	Date of execution of share transfer (planned)	November 1, 2022