

March 12, 2021
Company name Rakuten, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange First Section)

Japan Post Group and Rakuten Group Agree to Capital and Business Alliance

Japan Post Holdings Co.,Ltd. (Chiyoda-ku, Tokyo. Director and Representative executive Officer, President & CEO, Masuda Hiroya, hereinafter "Japan Post Holdings"), Japan Post Co., Ltd. (Chiyoda-ku, Tokyo. Representative: Kazuhide Kinugawa, hereinafter "Japan Post") and Rakuten, Inc. (Setagaya-ku, Tokyo. Chairman and CEO: Hiroshi Mikitani, hereinafter "Rakuten") today signed a business alliance agreement to strengthen their collaborations across a range of fields, including logistics, mobile, digital transformation and more.

In addition, Japan Post Holdings and Rakuten announced today that the two companies have signed an agreement for the allotment of shares through an investment in Rakuten by Japan Post Holdings aimed at strengthening ties between the Japan Post Group and the Rakuten Group.

With a solid foundation built on a nationwide chain of post offices and a shipping network that covers all of Japan, the Japan Post Group serves as an essential part of social infrastructure for daily life. At the same time, the Rakuten Group provides a portfolio of more than 70 services to more than 100 million members in Japan that together make up the Rakuten Ecosystem.

Through this new capital and business alliance, the Japan Post Group and the Rakuten Group will seek to maximize synergies by effectively leveraging the business resources and expertise of both Groups to provide greater convenience for customers, give back to local communities, and grow their businesses.

Both Groups will continue to explore the broader potential for deepening their collaborative relationship.

1. Business alliance overview

Both Groups will consider business alliance collaboration on the items below:

Logistics

- Creation of shared logistics centers
- Creation of shared delivery and pick-up systems
- Sharing of data held by Japan Post and Rakuten
- Joint commercialization of digital transformation platform for logistics, including the establishment of a new company
- Collaborations and initiatives between Japan Post and Rakuten to expand usage of Rakuten Fulfillment Centers and Japan Post's "Yu-Pack" parcels

Mobile

- Utilization of post office event space to create customer counters to accept new signup applications for Rakuten Mobile and other functions
- Utilization of Japan Post Group's delivery network to conduct marketing initiatives

Digital transformation

- Dispatch of digital transformation specialists from Rakuten Group to Japan Post Group
- Additional support from Rakuten Group to support the digital transformation of Japan Post Group

Additionally, both Groups will consider the launch of new business alliances on the following items:

Financial services

- Collaboration in cashless payments and other fields
- Collaboration in the insurance field

E-commerce

- Collaboration on product sales

In addition to the items outlined above, both Groups will discuss and consider other strategic collaborations that contribute to increased corporate value.

2. Investment overview

- Investment method: Acceptance of share subscription via third-party allotment capital increase
- Shares received: 131,004 thousand shares
- Investment amount: 149,999 million yen
- Shareholding ratio: 8.32%
- Investment payment date: Monday, March 29, 2021 (Planned)

3. Overview of capital and business alliance

(1) Overview of Japan Post Holdings Co., Ltd.

(As of September 30, 2020)

(1) Company Name	Japan Post Holdings Co., Ltd.		
(2) Head office	2-3-1 Otemachi, Chiyoda-ku, Tokyo		
(3) Name and title of representative	Masuda Hiroya, Director and Representative Executive Officer, President & CEO		
(4) Business description	Underwriting and holding shares issued by Japan Post, formulating and ensuring the implementation of the company's basic management policy, exercising its rights as a shareholder, etc. Disposal of shares of Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd., holding of the shares until disposal, exercise of rights as shareholders of these companies, etc.		
(5) Stated capital	3,500 billion yen		
(6) Date of establishment	January 23, 2006		
(7) Number of issued shares	4,500,000,000 shares		
(8) Fiscal year end	March 31		
(9) Number of employees	250,255		
(10) Major shareholders and shareholding ratios	Minister of Finance (63.3%)		
(11) Relationships between parties			
	Capital relationship	Not applicable	
	Personnel relationship	Not applicable	
	Business relationship	The Company and Japan Post Holdings have concluded an agreement for a business alliance covering strategic partnerships in the logistics, fintech, mobile and other areas. (As of March 12, 2021)	
	Applicability to related parties	Not applicable	
(12) Business and financial performances for the most recent three years			
	Fiscal year	Year ended March 31, 2018	Year ended March 31, 2019
			Year ended March 31, 2020

Consolidated net assets	14,743,234	14,788,654	12,616,774
Consolidated total assets	290,640,154	286,170,709	286,098,449
Consolidated net assets per share (yen)	3,278.11	3,287.86	2,704.24
Consolidated revenues	12,920,375	12,774,999	11,950,185
Consolidated ordinary income	916,144	830,696	864,457
Net income attributable to owners of parent	460,623	479,419	483,733
Consolidated net income per share (yen)	112.97	118.57	119.64
Dividend per share (yen)	57.00	50.00	50.00

(Unit: million yen, unless otherwise noted)

(2) Overview of Japan Post Co., Ltd.

(As of March 31, 2020)

(1) Company Name	Japan Post Co., Ltd.		
(2) Head office	2-3-1 Otemachi, Chiyoda-ku, Tokyo		
(3) Name and title of representative	Representative Kazuhide Kinugawa		
(4) Business description	Postal business, bank counter business, insurance counter business, stamp sales, contract business from local public organizations, bank business other than the above, life insurance and non-life insurance agency services, domestic / international logistics business, logistics business, real estate business, product sales, etc.		
(5) Stated capital	400 billion yen		
(6) Date of establishment	October 1, 2007		
(7) Number of issued shares	10,000,000 shares		
(8) Fiscal year end	March 31		
(9) Number of employees	221,596		
(10) Major shareholders and shareholding ratios	Japan Post Holdings Co., Ltd. (100%)		
(11) Relationships between parties			
Capital relationship	Not applicable		
Personnel relationship	Not applicable		
Business relationship	The Company and Japan Post have concluded an agreement for a business alliance covering strategic partnerships in the logistics, fintech, mobile and other areas. (As of March 12, 2021)		
Applicability to related parties	Not applicable		
(12) Business and financial performances for the most recent three years			
Fiscal year	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020
Consolidated net assets	831,253	915,130	855,378
Consolidated total assets	5,098,926	5,182,809	5,179,414
Consolidated net assets per share (yen)	82,784.72	90,204.47	84,554.72
Consolidated revenues	3,881,943	3,960,669	3,839,318
Consolidated operating	85,459	179,865	168,111

income			
Consolidated ordinary income	58,476	126,614	87,155
Net income attributable to owners of parent	5,847.69	12,661.43	8,715.53
Consolidated net income per share (yen)	2,923.85	10,129.15	4,357.77

(Unit: million JPY, unless otherwise noted)

4. Future outlook

At present, the potential impact on the Rakuten Group's consolidated financial performance is undecided. We will promptly announce any matters that require disclosure in the future.