

April 28, 2021
Company name Rakuten Group, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange First Section)

Japan Post Group and Rakuten Group Business Alliance: Progress Update

Japan Post Holdings Co., Ltd., (Headquarters: 2-3-1 Otemachi, Chiyoda-ku, Tokyo. President: Masuda Hiroya, hereinafter “Japan Post Holdings”) , Japan Post Co., Ltd. (Headquarters: 2-3-1 Otemachi, Chiyoda-ku, Tokyo. Representative: Kazuhide Kinugawa, hereinafter “Japan Post”) and Rakuten Group, Inc. (hereinafter “Rakuten”) today shared a progress update regarding the business alliance agreement announced on March 12, 2021, between Japan Post Holdings, Japan Post and Rakuten.

1. Business alliance overview

Both Groups have agreed on the following business alliance collaboration items (as of April 28, 2021):

Logistics

- Creation of shared fulfillment centers
- Creation of shared delivery and pick-up centers
- Collaborations and initiatives between Japan Post and Rakuten to expand usage of Rakuten Fulfillment Centers and Japan Post’s “Yu-Pack” parcels
- Establishment of a new joint venture by Japan Post and Rakuten to conduct the above initiatives (see section 2 below for more details), and joint commercialization of a digital transformation platform for logistics (Target: July 2021)

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 post office and delivery network for marketing initiatives
- Conducting trials ahead of nationwide implementation of above initiatives. Trials planned to start at approximately 10 post offices in May 2021.

Digital transformation

- Consultation and discussion on Japan Post Group and Rakuten Group personnel exchange to support the digital transformation of Japan Post Group
- Additional support from Rakuten Group to support the digital transformation of Japan Post Group

Financial services

- Preparations to offer a Japan Post Bank design branded Rakuten Card in 2021
- Consultation and discussion regarding a credit card to be issued by Japan Post Bank using the Rakuten Card platform, based on progress of Japan Post Bank design branded Rakuten Card
- Consultation and discussion on other cashless payment-related collaboration
- Consultation and discussion on collaboration in the insurance field

E-commerce

- Consultation and discussion on sales of products offered by Japan Post on Rakuten-operated websites
- Consultation and discussion on accepting order applications for products sold on Rakuten Ichiba at post offices

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

2. Overview of Business alliance partners

(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	As of April 28, 2021, Japan Post Holdings Co., Ltd., holds 8.32% of the issued shares of Rakuten		
Personnel relationship	Not applicable		
Business relationship	Rakuten and Japan Post Holdings have concluded an agreement for a business alliance covering strategic partnerships in the FinTech, mobile and other areas, as well as the logistics area. (As of April 28, 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)	Representative	Kazuhide Kinugawa, President and CEO		
(4)	Main business	Postal business, bank counter business, insurance counter business, stamp sales, contract business from local public organizations, bank business other than the above, life insurance business and non-life insurance business agency business, domestic / international logistics business, logistics business, real estate business, product sales, etc.		
(5)	Capital	400 billion yen		
(6)	Date of establishment	October 1, 2007		
(7)	Ownership ratio	Japan Post Holdings, Co., Ltd. (100%)		
(8)	Relationship between Rakuten and Japan Post	Capital	As of April 28, 2021, Japan Post Holdings Co., Ltd., the parent company of the company, holds 8.32% of the issued shares of Rakuten	
		Personnel	Not applicable	
		Business	In addition to the logistics field, Rakuten and the company have entered into a business alliance agreement for strategic alliances in fintech, mobile and other fields.	
		Applicability to related parties	Not applicable	
(9)	Financial position and business performance for the last 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 operating revenue	3,881,943	3,960,669	3,839,318
	Consolidated operating income	86,564	182,021	179,034
	Consolidated ordinary income	85,459	179,865	168,111

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

(Unit: million yen, unless otherwise noted)

3. Impact on business results

The impact of this joint venture on business performance is undecided at this time, but will be disclosed as soon as the impact on business performance becomes clear.