

February 22, 2021
LINE Corporation
Mizuho Financial Group, Inc.
LINE Financial Corporation
Mizuho Bank, Ltd.
LINE Bank Preparatory Company

LINE and Mizuho Announce Additional JPY 12 billion Investment and Change to Management Structure of LINE Bank Preparatory Company

TOKYO – February 22, 2021 – LINE Corporation and Mizuho Financial Group, Inc. announced today that their respective subsidiaries, LINE Financial Corporation and Mizuho Bank, Ltd., have jointly agreed to make an additional JPY 12 billion investment and a change to the management structure of LINE Bank Preparatory Company.

LINE Financial and Mizuho Bank are taking these necessary steps as they proceed with preparations to establish a new user-friendly “smartphone bank” connected to the LINE app, with the aim of establishing a new bank in Japan within fiscal year 2022, subject to approval by relevant authorities.

Background of additional investment and changes to management structure

Established in May 2019, LINE Bank Preparatory Company strives to provide financial services via smartphone to meet the needs of users of all ages, as the need for services has grown with the wider use of cashless payments since the outbreak of COVID-19 and the acceleration of digital transformation. Being developed as the only smartphone-based bank which can function as users’ primary banking institution and where all transactions can be completed solely via messenger app, this bank will be integrated into the LINE app, allowing for utmost convenience for the digital generation.

Details regarding the additional investment and changes to management structure

In order to further accelerate system development prior to launching the banking service, LINE Financial and Mizuho Bank will make an additional JPY 12 billion investment in LINE Bank Preparatory Company, increasing its capital reserve to JPY 16.5 billion. Additionally, in order to strengthen cooperation between LINE Financial and Mizuho Bank and reinforce their joint commitment as equal partners, a Co-CEO management structure will be introduced. In addition to the current CEO, a Co-CEO will be appointed by Mizuho Bank, and for appointments other than the Co-CEO such as directors and corporate auditors, Mizuho Bank and LINE Financial will each appoint an equal number, currently planning to select 4 each. These efforts will further strengthen the governance structure of LINE Bank Preparatory Company. The appointment of the Co-CEO will be announced once a decision is finalized.

Future development

LINE Bank Preparatory Company plans to develop a unique “smartphone bank” connected to the LINE app by building on LINE’s foundation of its 86 million users in Japan, its easy-to-use user interface and focus on user experience, and Mizuho Bank’s extensive know-how in banking. Users will be able to enjoy a new financial experience that cannot be found with traditional banking services. Instead of having to visit a bank, the new bank aims to become users’ primary banking service that can be used safely and securely, anytime, and a truly one-stop service in the palm of your hand. While being smartphone-based, communicating with users in a way which replicates in-person interactions will ensure financial services are accessible as well as convenient.

LINE Financial and Mizuho Bank will continue to develop a “smartphone bank” with the user in mind and create a new financial experience in order to provide a high quality service that is safe and secure.

■ About LINE Corporation

Based in Japan, LINE Corporation is dedicated to the mission of “Closing the Distance,” bringing together information, services and people. The LINE messaging app launched in June 2011 and since then has grown into a diverse, global ecosystem that includes AI technology, fintech and more. In Thailand, LINE introduced its messenger service in 2012, and quickly grew into the country’s leading social media platform.

■ About Mizuho Financial Group

The Mizuho group is a global financial services leader with offices in nearly 40 countries, approximately 60,000 employees, and assets of more than USD 2.1 trillion. Mizuho provides expertise in retail banking, corporate finance, investment banking, asset management, capital markets, and sales and trading, to help businesses develop and find new opportunities for growth.

■ About LINE Bank Preparatory Company

LINE Financial and Mizuho Bank agreed to establish a bank preparatory company in Japan through a joint venture in November 2018, and LINE Bank Preparatory Company was established in May 2019. LINE Financial and Mizuho Bank plan to obtain the necessary approvals required to engage in the online banking business through LINE Bank Preparatory Company.