

June 19, 2020
SoftBank Corp.
Mizuho Financial Group, Inc.

SoftBank Corp. and Mizuho Financial Group Form Strategic Alliance to Develop the Next-generation of Financial Services Tailored to New Lifestyles

SoftBank Corp. (Headquarters: Minato-ku, Tokyo; President & CEO: Ken Miyauchi; “SoftBank”) and Mizuho Financial Group, Inc. (Headquarters: Chiyoda-ku, Tokyo; President & Group CEO: Tatsufumi Sakai; “Mizuho FG”) announced they agreed to form a strategic alliance to develop the next-generation of financial services tailored to new lifestyles in Japan.

The widespread adoption of digital technologies has led to enhanced convenience in people’s lives, allowing anyone of any age to live a convenient and varied lifestyle, unrestricted by time and place. In other words, among people there is an increasing preference toward digitally-connected lifestyles. This shift is also accelerating further due to the expansion of remote work and the provision of remote services. In the financial industry as well, there is increasing demand for online services accessible by smartphone or other mobile devices that are highly convenient and tailored to different scenarios in people’s lifestyles.

Under the SoftBank Group’s corporate philosophy of “Information Revolution — Happiness for everyone”, SoftBank provides a variety of telecommunications services and solutions, encouraging the transformation of lifestyles and workstyles. Now, through its “Beyond Carrier” growth strategy, SoftBank is strengthening its existing telecommunications business while utilizing cutting-edge technologies such as 5G, AI, and IoT to provide innovative services in a wide range of industry fields and further accelerate growth. As part of this initiative, SoftBank is collaborating with other group companies to strengthen a variety of initiatives in the fintech field.

Recognizing the ways that customer needs and the financial industry are undergoing rapid structural change due to the impacts of digitalization, an aging society and low birthrate, globalization, and other factors leading to structural changes in the economy, industry, and society, Mizuho FG has established a 5-Year Business Plan for the five year period from fiscal year 2019. Under this Plan, Mizuho FG is aiming to transition to the next generation of financial services by building new forms of partnership with customers in line with evolving customer needs in this new era. “Open & Connected” and “Passionate & Professional” are the key strategies under this 5-Year Business Plan, through which Mizuho FG aims to go beyond the conventional boundaries of finance and create new value incorporating both financial and non-financial products and services. Mizuho FG will advance digitalization initiatives and proactively pursue external partnerships by fully drawing on the strengths it has accumulated thus far, including (1) Customer base, network, trustworthiness & dependability; (2) Financial functions, market presence, ability to respond to non-financial needs; and (3) Approach to business as a unified group.

SoftBank and Mizuho FG have already collaborated and formed joint ventures for a number of financial businesses. For example, Mizuho Bank, Ltd. (“Mizuho Bank”) and SoftBank jointly established J.Score Co., Ltd. (“J.Score”), the first AI score-based lending company in Japan, and SoftBank and Mizuho Securities Co., Ltd. (“Mizuho Securities”) are both shareholders of One Tap BUY Co., Ltd. (“One Tap

BUY”), a leading smartphone-based securities brokerage company. While collaborating with their respective group companies, SoftBank and Mizuho FG will work to further strengthen business in the fields they have advanced in as well as further expand business collaboration in fields where they can draw on one another’s strengths. The two companies will work to support and assist customers in realizing new lifestyles by cultivating the next generation of financial services that tailor finance businesses to different scenarios in people’s lifestyles, enabled by smartphones, as well as by offering highly convenient, new online services.

Through this alliance, SoftBank and Mizuho FG will discuss and aim to implement initiatives for strengthening collaboration in lending, mobile trading, and payment services as outlined below. Additionally, they will consider business partnerships in a wide range of fields other than those mentioned above where both companies can contribute their strengths and expertise.

Lending

Since its founding in 2016, J.Score, a joint venture of Mizuho Bank and SoftBank, has put forth a vision of creating a new Japan where those with the desire to better themselves have the financial freedom to take on new challenges. To facilitate this, J.Score has offered fintech services utilizing AI scoring*, such as AI score-based lending that optimizes lending terms to customer credit scores.

Now, J.Score is moving forward with plans to add to these services and bring greater convenience to the lives of even more customers by launching a new service in collaboration with PayPay Corporation (“PayPay”), a SoftBank Group company, within fiscal year 2020. Specifically, J.Score is planning to offer convenient J.Score lending services to PayPay’s diverse customer base. This collaboration will further expand J.Score’s lending user base and strengthen its services for its customers’ diversifying funding needs.

Towards further enhancement of its services, J.Score is also engaging in technical cooperation with Paytm Labs Inc., the research and development department of Paytm, which is India’s leading financial services platform provider. Paytm provides mobile payment solutions utilizing cutting-edge technologies and offers technical support to PayPay as well.

Going forward, Mizuho Bank and SoftBank will create high added value fintech services with J.Score and continue supporting the sound development of lending services in Japan.

*Japan’s first service scoring customers’ creditworthiness and potential. Launched in September 2017, the service has drawn over 1.2 million registered users as of March 2020.

Mobile trading

SoftBank subsidiary One Tap BUY provides securities trading services through a smartphone app that allows users to buy and sell stocks from amounts as little as 1,000 yen with only three taps of a finger. In April 2020, One Tap BUY partnered with PayPay to launch the new PayPay Bonus Management service for practice investments, which enables users to easily explore investing in the stock market using their PayPay Bonus in a PayPay mini app. Mizuho Securities has been an investor in One Tap BUY since the service’s launch in fiscal year 2016, providing capital to support the establishment of One Tap BUY’s operating base while also discussing with One Tap BUY the possibilities for business collaboration.

The coming age of long lifespans makes asset formation more critical than ever before. In light of this, the new alliance will see One Tap BUY transition to a management structure headed jointly by SoftBank and Mizuho Securities. Under the concepts of “approachable and accessible” and “easy to understand,” One Tap BUY will expand beyond its existing securities trading services to investment trust-based regular installment-type investments and other services, with the goal of increasing its offerings of user-friendly asset formation opportunities for inexperienced and first-time investors. Specifically, One Tap BUY will leverage SoftBank’s and the Mizuho group’s respective knowledge, resources, and customer bases to enhance its functions and expand its base and, at the same time, explore possibilities for enhancing its cooperation with PayPay, such as possibilities for utilizing PayPay Bonus or other benefits. By providing asset management services more closely tailored to customers’ lifestyles, One Tap BUY will facilitate the availability of accessible, easy-to-understand, and highly convenient services for a greater number of customers and accelerate the shift from savings deposits to asset formation.

Payment services

With the diversification of non-cash payment options, widespread use of smartphones, advance of digitalization, and current state of the society and economy, consumers are increasingly moving from face to face to remote channels. In line with this trend, the e-commerce market and online payments have expanded, resulting in the rapid rise of online cashless payments.

Against this backdrop, SoftBank subsidiary SB Payment Services Corp. (SBPS) will provide its online payment service functions to the Mizuho group so that SBPS and the Mizuho group will be able to meet brick-and-mortar merchants’ e-commerce entry needs and corporate clients’ e-commerce payment needs, respond to the diversification of payment channels and jointly consider other ways to facilitate the expansion of sales opportunities.

SBPS and the Mizuho group will also look into developing AI fraud detection solutions and safe and simple authentication services that utilize SBPS’ AI fraud detection know-how and the Mizuho group’s varied payment and financial data. In addition, SBPS and the Mizuho group will explore the development of new solutions combining their respective online and physical business bases and knowledge sets.

Each of our related companies must obtain legally required registrations and relevant supervisory agency approvals to provide the new financial services described above. We are considering these services under a commitment to comply with applicable laws and regulations.

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