

March 31, 2023  
PayPay Corporation  
SoftBank Corp.  
Mizuho Securities Co., Ltd.

**PayPay, SoftBank Corp., and Mizuho Securities to Underwrite Capital Increase by  
Third-Party Allotment of New Shares Issued by PayPay Securities**

PayPay Corporation (President & Representative Director, CEO, Corporate Officer: Ichiro Nakayama; hereinafter "PayPay"), SoftBank Corp. (President & CEO: Junichi Miyakawa; hereinafter "SoftBank"), and Mizuho Securities Co., Ltd. (President & CEO: Yoshiro Hamamoto; hereinafter "Mizuho Securities") are pleased to announce that PayPay will become a new shareholder of PayPay Securities Corporation (President and Representative Director: Kenji Bansho; hereinafter "PayPay Securities"), alongside SoftBank and Mizuho Securities, to further enhance the corporate value of PayPay Securities. The joint venture agreement has been concluded today, and each company will underwrite the capital increase through a third-party allotment of shares to be newly issued by PayPay Securities.

Adding to the business knowhow that SoftBank and Mizuho Securities have contributed to date, PayPay's participation in the management of the business as a new shareholder will accelerate collaboration between PayPay's various services, thus further improving customer convenience and satisfaction for the services provided by PayPay Securities.

1. Background and objectives

Under the slogan of "Make asset management more accessible," PayPay Securities launched its service in June 2016 as the first smartphone brokerage firm in Japan. In addition to services that allow users to purchase Japanese and U.S. stocks, mutual funds, and ETFs, the company launched "Earn Points\*" in April 2020, which provides an easy-to-use asset building platform for first-time investors and beginners, by allowing them to experience simulated investments with PayPay Points. In August 2022, the company also began offering "PayPay Invest," which allows users to buy and sell securities through the PayPay app.

\*Provided by PPSC Investment Service Corporation, a wholly owned subsidiary of PayPay Securities Corporation.

SoftBank and Mizuho Securities have invested in PayPay Securities since 2016 and 2017, respectively. Based on the comprehensive business alliance agreement announced by SoftBank and Mizuho Financial Group, Inc. (President & Group CEO: Masahiro Kihara) on June 19, 2020, as part of the establishment of a next-generation non-face-to-face financial business, PayPay Securities was converted to a joint venture in October 2020.

As for the current situation in the financial services industry in Japan, the new NISA system, which is a radical expansion of the current NISA system, and the digital payment of salaries, in which wages are paid in digital money, are scheduled to start. With the support of these government measures, consumer interest and expectations for asset building services and various cashless payment services are expected to increase further.

PayPay has already been collaborating with PayPay Securities, but given the industry background mentioned above, PayPay decided to participate in the management of PayPay Securities as a new shareholder in order to make its services even more convenient and easy to use. PayPay Securities will further enhance its collaboration with PayPay's various services and aim to make its services even more easy to use for users to manage their assets.

<Measures for the future (tentative)>

- Promote financial products handled by PayPay Securities on the PayPay app through “PayPay Invest”
- Promote initiatives for increasing the inflow of funds into investments through various channels including PayPay Balance, and accommodating the new NISA system or other such measures
- Increase awareness among both new and existing users by leveraging PayPay's marketing expertise

Going forward, PayPay Securities, PayPay, SoftBank, and Mizuho Securities will continue collaborating to explore and provide a wide range of new features and services.

## 2. Shareholders and shareholding ratios before and after the third-party allotment

Shareholder	Before third-party allotment	After third-party allotment
PayPay Corporation	-	35.0%
SoftBank Corp.	50.1%	30.6%
Mizuho Securities Co., Ltd.	49.0%	34.0%
Z Holdings Corporation	0.9%	0.4%

\*Even after the third-party allotment, PayPay Securities remains a consolidated subsidiary of SoftBank.

## 3. Schedule

Date of contract	March 31, 2023
Date of payment by each shareholder	April 10, 2023