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PayPal and SOFTBANK to Establish a Joint Venture to Revolutionize Digital Payments and Drive Future of Commerce in Japan

PayPal and SOFTBANK announce PayPal Here in Japan, the global mobile solution that enables credit card acceptance and PayPal payments for small businesses

San Jose, California and Tokyo, Japan, May 9, 2012 - PayPal and SOFTBANK announced today that the two companies plan to establish a joint venture company, "PayPal Japan", to build a digital payments business that will drive the future of commerce in Japan. In addition, PayPal and SOFTBANK today announced PayPal Here in Japan, the fifth country to receive this global mobile payment solution that is already available in the USA, Canada, Hong Kong and Australia. PayPal Here will enable millions of Japanese small businesses to grow their sales by accepting credit/debit cards¹ and PayPal payments through a smartphone anytime, anywhere.

PayPal and SOFTBANK, or their respective affiliates, plan to invest equally in the joint venture in the amount of JPY1 billion (USD12.5 million) each, representing an aggregate investment amount of JPY2 billion (USD25 million). PayPal and SOFTBANK will each be able to designate three directors of the joint venture for a total of six directors. Mr. Hiroaki Kitano, a senior vice president and director of SOFTBANK MOBILE Corp., is expected to serve as the CEO of the joint venture.

The joint venture will bring together the strengths of both companies - PayPal's global online and mobile payment solutions with 110 million active accounts in 190 markets and 25 currencies, along with the SOFTBANK Group's local market knowledge, 29 million mobile subscribers² and vast distribution network including thousands of retail outlets and sales staff across Japan. By bringing together these global and local assets, the joint venture will provide the premier digital wallet for online, mobile and offline transactions to connect millions of Japanese consumers and merchants and expand the use of digital payment solutions, such as PayPal Here, in the Japanese market.

"Our SOFTBANK partnership and launch of PayPal Here will make it easier for millions of merchants in Japan to grow their businesses and for consumers to easily pay anytime, anywhere," said Mr. John Donahoe, president and CEO of eBay Inc. "We believe shopping and paying should be easy, and we're excited to partner with SOFTBANK to bring payments innovation to Japan and revolutionize commerce."

"I am delighted to partner with PayPal and look forward to combining resources to bring PayPal Here to Japan," said Masayoshi Son, chairman and CEO of SOFTBANK. "PayPal Here is a leading-edge payment solution taking advantage of a mobile device's capabilities, and also has great growth potential in the Japanese market where the number of smartphone users keeps growing. By taking advantage of our experience in the mobile phone business and mobile Internet innovation, the SOFTBANK Group aims to promote the use of PayPal and PayPal Here in Japan and strives to enrich people's lives."

PayPal Here Ignites Commerce Revolution for Small Businesses in Japan

PayPal and SOFTBANK expect PayPal Here to revolutionize the Japanese retail commerce market worth JPY134 trillion (USD1.7 trillion) in 2011³ and support the growth of 4.7 million small businesses, which account for 99% of all businesses and 70% of all employment in Japan.

More than 31 million smartphones are expected to be shipped in Japan in 2012⁵ making it one of the most advanced mobile nations in the world but still one in which many transactions are cash based. Already launched in USA, Canada, Hong Kong and Australia, PayPal Here is a mobile solution that allows small businesses to accept multiple forms of payments using a free mobile app and a fully-encrypted thumb-sized card reader. PayPal Here enables anyone with an iPhone or Android device to accept credit/debit cards and PayPal payments on-the-go, while getting fast access to their funds through their PayPal account. By offering additional payment options to their customers, small businesses can maximize their sales and Japanese consumers can ease their reliance on cash and conveniently use their credit/debit cards at more retail locations.

"We are very excited to support the growth of small businesses and empower anyone to be an entrepreneur with the launch of PayPal Here in Japan, one of the most advanced mobile markets in the world yet one where cash is still used for many transactions," said Mr. David Marcus, President of PayPal. "By partnering with a fast-growing mobile Internet leader like SOFTBANK, we can bring our innovative, secure online and mobile payment solutions to market faster and at greater scale across Japan."

With PayPal Here, merchants no longer have to go through an often very challenging and time-consuming process to get a merchant account to collect card payments. Merchants can receive payments instantly into their PayPal account by swiping credit/debit cards in the card reader or accepting PayPal payments through the mobile app. The reader encrypts card information as it swipes and all transactions are backed by PayPal's world-class security and fraud prevention capabilities as well as live customer support.

The PayPal Here card reader and merchant app for iPhone are both available today exclusively for select merchants in Japan and is expected to be made generally available in the next several weeks. The Android version of the PayPal Here merchant app is expected to be available at that time, too. The card reader will be sold through the SOFTBANK Group's sales channels with a recommended retail price of 1200 yen.

There are no account setup fees or monthly fees for PayPal Here and the merchant rate is competitively priced for card swipes (Visa, MasterCard, American Express) and PayPal payments at 5% per transaction in Japan. For more information or to sign up to pre-order the card reader and receive the free mobile app, Japanese businesses can go to www.paypal.jp/here.

PayPal also released the latest Japanese version of its PayPal Mobile app for iPhone, available in the App Store, a consumer app that complements PayPal Here. PayPal users in Japan will be able to use the "Local" feature on the PayPal app to find nearby Japanese businesses that accept PayPal Here. Once the consumer is ready to pay, he can notify the merchant by a quick tap on his mobile phone. Merchants can use PayPal Here to accept the payment by simply referencing the shopper's name and picture - no wallet needed.

About PayPal

PayPal is the faster, safer way to pay and get paid online. The service allows people to send payments without sharing financial information, with the flexibility to pay using their account balances, bank accounts (where available), credit and debit cards in various markets. PayPal is an eBay (Nasdaq: EBAY) company and enables global e-commerce with over 110 million active accounts in 190 markets and 25 currencies around the world. PayPal is headquartered in San Jose, California and its international headquarters is located in Singapore. More information about the company can be found at <https://www.paypal.com>.

About SOFTBANK

SOFTBANK is a leading Internet company that aims to provide a range of services including mobile communications, broadband infrastructure, fixed-line telecommunications, Internet culture and others. SOFTBANK's corporate vision is "Information Revolution - Happiness for Everyone" and it continuously strives to create synergies among various content and services within the Group. For more information, please refer to <http://www.softbank.co.jp/en/>.

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¹Credit card: Visa, MasterCard, American Express; Debit card: Visa, MasterCard

²As at the end of March 2012.

³Source: Ministry of Enterprise, Trade and Industry

⁴Source: Small and Medium Enterprise Agency, METI (2011)

⁵Source: IDC Japan (2012)