

January 4, 2022

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

Announcement of Establishment of a Consolidated Subsidiary by Company Split

Rakuten Group, Inc. (hereafter “the Company”) announces that Rakuten Mobile, Inc. (hereafter “Rakuten Mobile”), a wholly-owned subsidiary of the Company, has completed the succession of rights and obligations of “Rakuten Symphony” business (hereafter “the Business”) to Rakuten Symphony, Inc. (hereafter “Rakuten Symphony”) which is a wholly-owned subsidiary of Rakuten Mobile, established through an incorporation-type company split, as described below.

Since this incorporation-type company split corresponds to an incorporation-type company split involving only a wholly-owned subsidiary of the Company, the disclosure of certain items and details has been omitted from this announcement.

1. Purpose of the company split

The business aims to provide a future-proof, cost-effective, communication cloud platform for carriers, businesses and government agencies around the world by consolidating the products and services which are related to cloud-native, open RAN-based mobile networks including Rakuten Communications Platform (hereafter “RCP”).

In addition, as announced in “1&1 and Rakuten agree far-reaching partnership to build Europe's first fully virtualized mobile network based on new OpenRAN technology” on August 4, 2021, 1&1 has agreed to comprehensively adopt RCP. The business has been steadily accumulating its achievements.

As announced on September 30, 2021 in “Announcement Regarding Incorporation, etc, of Rakuten Symphony”, through the incorporation, accountability (duties) will be clarified, flexible decision-making and business execution will be possible, and products, services, and solutions for telecommunications carriers will be consolidated across the board. We will be ready to provide 4G and 5G infrastructure and platform solutions to the global market.

2. Summary of the company split

(1) Outline of the company split

Resolution date of the Board of Directors (the incorporation-type company split plan)	December 2, 2021
Resolution date of the Board of Directors (revised incorporation-type company split plan)	January 3, 2022
Shareholders' meeting resolution	January 3, 2022
Effective date of the company split	January 4, 2022

(2) Split method

An incorporation-type company split in which Rakuten Mobile is the splitting company and Rakuten Symphony to be newly established as the successor company.

(3) Details of allotments related to the company split

Rakuten Symphony will issue 2,000 shares of common stock, and all the shares will be allocated to Rakuten Mobile.

(4) Handling of subscription rights to shares and bonds accompanying the company split

There is no corresponding matter.

(5) Increase/decrease of capital

There will be no change in Rakuten Mobile's capital stock.

(6) Rights and obligations to be succeeded

Rights and obligations such as assets, liabilities and contractual positions belong to the business, which is prescribed in the incorporation-type company split plan, will be succeeded to Rakuten Symphony.

(7) Prospect of fulfillment of obligations

The incorporation-type company split has no impact on the ability of Rakuten Mobile and Rakuten Symphony to fulfill obligations. The succession of obligations accompanying the incorporation-type company split is all implemented by the way of concomitant assumption of the obligation.

3. Overview of companies involved in the company split

	Splitting company in incorporation-type company split (As of December 31, 2020)	Successor company in incorporation-type company split (As of January 4, 2022)
Company name	Rakuten Mobile, Inc.	Rakuten Symphony, Inc.
Head office	1-14-1 Tamagawa, Setagaya-ku, Tokyo	1-14-1 Tamagawa Setagaya-ku, Tokyo
Representative	Yoshihisa Yamada	Tareq Amin
Main business	Telecommunications business based on the Telecommunications Business Act and other communications businesses	Telecommunications business based on the Telecommunications Business Act and other communications businesses
Capital (million yen)	100 million yen	100 million yen
Date of establishment	January 10, 2018	January 4, 2022
Outstanding no. of shares	2,383,870 shares	2,000 shares
Fiscal year end	December 31	December 31
Major shareholders and percentage of shares held	Rakuten Group, Inc. 100%	Rakuten Mobile, Inc. 100%

Business results

	Rakuten Mobile, Inc. (Non-consolidated, J-GAAP)
Fiscal year	Year ended December 31, 2020
Net assets (million yen)	154,232
Total assets (million yen)	528,473
Net assets per share (yen)	64,698.42
Sales (million yen)	135,171
Operating loss (million yen)	(207,909)
Loss before income tax (million yen)	(207,584)
Net loss (million yen)	(161,231)
Net loss per share (yen)	(133,563.60)

4. Overview of the business unit to be split and succeeded

(1) Business to be split

Development and delivery of open RAN telco infrastructure platforms, services and solutions including RCP.

(2) Business results, assets and liabilities of the business to be split are not to be disclosed due to the perspective of a competitive business environment.

5. Post-company split details

Following this incorporation-type company split, there are no changes to the company name, main business, head office, title and name of representative, shareholders' equity and fiscal year end of Rakuten Mobile.

6. Impact on business results

No material impact on Rakuten Group consolidated financial results.