

April 28, 2022

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

Notice Regarding Share Transfer, etc. due to Company Split (Simplified
absorption-type split)

At the Board of Directors meeting today, Rakuten Group, Inc., (hereinafter “the Company”) decided that with an effective date of July 1, 2022 (expected), Rakuten Bank, Ltd. (hereinafter “Rakuten Bank”), a consolidated subsidiary of the Company, will acquire shares of Rakuten Payment, Inc. (hereinafter “Rakuten Payment”), also a consolidated subsidiary of the Company, through a company split (hereinafter “company split”). By transferring the shares, the parent company of Rakuten Wallet, Inc. (hereinafter “Rakuten Wallet”), another consolidated subsidiary of the Company, will change from Rakuten Payment to Rakuten Securities, Inc. (hereinafter “Rakuten Securities.”), also a consolidated subsidiary of the Company, through a share transfer (hereinafter “share transfer”).

Since this absorption split corresponds to a simplified absorption split to which the provision of Article 784, Paragraph 2 of the Companies Act applies, the disclosure of certain items and details has been omitted from this announcement.

1. Purpose of the organizational restructuring

Rakuten Bank, as reported in “Announcement Regarding Start of Preparation for Initial Public Offering of Rakuten Bank, Ltd.” dated September 30, 2021, is preparing for listing to enable various growth including independent financing and execution of financial strategies, etc.

Rakuten Bank, ahead of the proposed listing and considering its growth strategy, believes that bank accounts have started to become a primary point of contact for the settlement of payments for various purchasing activities of consumers, especially under the recent trend toward a cashless society. We believe it is indispensable for Rakuten Bank to collaborate with the cashless payment business, which will lead to customer acquisition, etc., in terms of being able to offer lifestyle accounts with a wide range of banking services and, by extension, further attract customers to the Rakuten ecosystem. On this occasion, we have decided to acquire shares of Rakuten Payment, which has one of the best customer bases in Japan. We believe that this acquisition of shares will lead to further expansion of Rakuten Bank’s customer base and strengthening of its growth strategy, as well as contributing to the enhancement of the Rakuten Group’s corporate value.

Regarding Rakuten Wallet, at the time of organizational restructuring in April 2019, from the perspective of incorporating crypto assets as part of the various payment methods provided by the Rakuten Group, it was put under the umbrella of Rakuten Payment. In May 2020 it became registered as a Type 1 Financial Instruments business based on the Financial Instruments and Exchange Act. We worked to strengthen the margin trading business, and under the umbrella of Rakuten Securities, for the purpose of pursuing synergies based on business affinity with Rakuten Securities, which is also a Type 1 Financial Instruments company, governance and compliance systems were strengthened.

Regarding the listing of Rakuten Bank's shares and related acts including the above, approval from the relevant authorities may be a prerequisite, and depending on the results of the examination during the preparatory process, the Rakuten Group may be further reorganized, and we may come to the conclusion that Rakuten Bank should not go public. Therefore, the scheduled listing date has not yet been decided at this time, but we will disclose it as necessary based on the progress.

2. Summary of the organizational restructuring

(1) Schedule of the organizational restructuring

i. Company split

Resolution date by the Board of Directors	April 28, 2022
Contract date	April 28, 2022
Effective date of the company split	July 1, 2022 (Expected)

Note: Since this company split corresponds to a simplified absorption-type split prescribed in Article 784, Paragraph 2 of the Company Act, a shareholder meeting to approve this company split will not be held. In addition, Rakuten Bank will do so without a resolution of approval at the general meeting of shareholders pursuant to the provisions of Article 796, Paragraph 1 of the Companies Act.

ii. Transfer of shares

Resolution date by the Board of Directors	April 28, 2022
Contract date	June 10, 2022 (Expected)
Effective date of the company split	July 1, 2022 (Expected)

(2) Method of the relevant organizational restructuring

i. Company split

Absorption-type company split with the Company as the splitting company and Rakuten Bank as the successor company.

- Rakuten Payment's shareholder composition

Current: The Company (Rakuten Group) owns all shares

After July 1, 2022: 95% owned by the Company, 5% owned by Rakuten Bank

ii. Transfer of shares

Transfer of shares from Rakuten Payment to Rakuten Securities for cash.

Valuations are calculated by a third-party organization.

- Parent Company of Rakuten Wallet

Current: Rakuten Payment

After July 1, 2022: Rakuten Securities

(3) Details of allotments related to the company split

There is no consideration for the company split.

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

Not applicable

(5) Capital increase/decrease due to company split

There will be no increase or decrease in the capital of the Company due to the company split

(6) Rights and obligations to be succeeded by the successor company

Of the rights and obligations related to the company split, such as assets, liabilities and contractual status, those specified in the absorption-type split agreement will be succeeded.

(7) Expected debt fulfillment

We have determined that there is no problem with the prospect of fulfilling the obligations that the Company should bear in the company split.

3. Overview of companies involved in the company split (As of December 31, 2021)

	Splitting company in absorption-type split	Successor company in absorption-type split
Company name	Rakuten Group, Inc.	Rakuten Bank, Ltd.
Head office	1-14-1 Tamagawa, Setagaya-ku, Tokyo	NBF Shinagawa Tower, 2-16-5 Konan, Minato-ku Tokyo
Representative	Hiroshi Mikitani	Hiroyuki Nagai
Main business	Internet services, etc	Online banking

Capital (million yen)	289,674 million yen	25,954 million yen
Date of establishment	February 7, 1997	January 14, 2000
Outstanding no. of shares	1,581,735,100 shares	2,349,484 shares
Fiscal year end	December 31	March 31
Major shareholders and percentage of shares held	Crimson Group, LLC 14.31% Hiroshi Mikitani 11.15%	Rakuten Card Co., Ltd. 100%

Business results and financial position of the previous fiscal year

	Rakuten Group, Inc. (Consolidated, IFRS)
Fiscal year	Year ended December 31, 2021
Total equity attributable to owners of the parent company (million yen)	1,093,719
Total assets (million yen)	16,831,221
Total equity attributable to owners of the parent company per share (yen)	691.47
Revenue (million yen)	1,681,757
Operating Income (loss) (million yen)	(194,726)
Income (loss) before income tax (million yen)	(212,630)
Net income (loss) attributable to owners of the parent company (million yen)	(133,828)
Net income (loss) attributable to owners of the parent company per share (yen)	(87.62)

	Rakuten Bank, Ltd. (Consolidated, J-GAAP)
Fiscal year	Year ended March 31, 2021
Net assets (million yen)	186,790
Total assets (million yen)	6,486,841
Net assets per share (yen)	71,493.91
Ordinary income (million yen)	103,386
Ordinary profit (million yen)	27,581

Net income attributable to owners of the parent company (million yen)	19,337
Net income attributable to owners of the parent company per share (yen)	8,230.48

4. Overview of the parties involved in the reorganization or overview of the succeeding company

(1) Outline of business to be split or succeeded

5% of the shares of Rakuten Payment

(2) Business results of the department to be split or succeeded

Rakuten Payment Co., Ltd. (non-consolidated)

Revenue 26,374 million yen (fiscal year ending December 2020)

(3) Assets to be split or inherited

Fixed assets: 10,000 shares equivalent to 5% of Rakuten Payment, which is 100% owned by the Company.

5. Situation after the reorganization

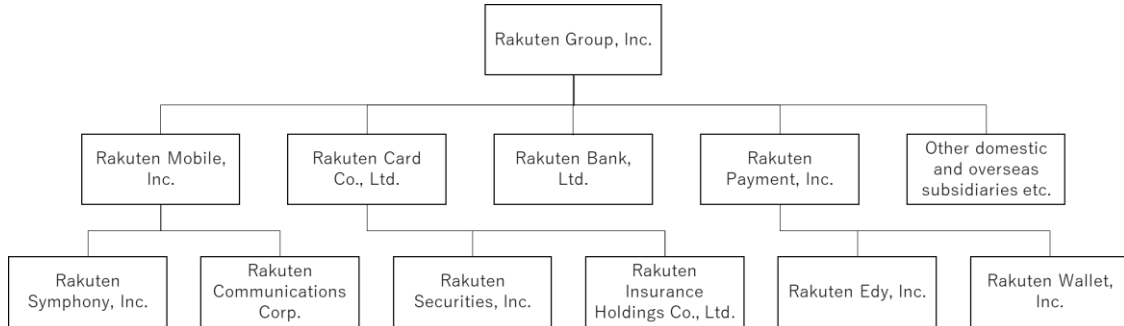
The company split will not change the Company's trade name, business description, head office location, representative, capital stock, or fiscal year end.

6. Future outlook

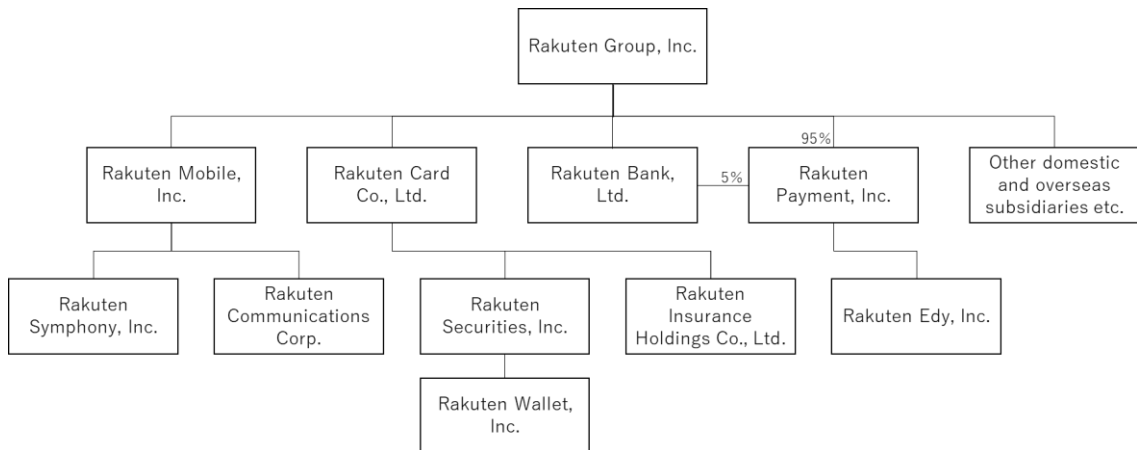
The impact of the company split on the Company's consolidated financial results will be minor.

(Reference) Group organization chart after reorganization

■ Current



■ After reorganization (July 1, 2022)



Note 1: The description of some group companies is omitted.

Note 2: The shareholding ratio of companies for which no ratio is stated is 100%.