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(Securities Code 4755)
(Date of Distribution) March 12, 2024
(Commencement Date of Electronic Provision Measures) March 4, 2024

To Shareholders with Voting Rights:

Hiroshi Mikitani
Representative Director,
Chairman, President & CEO
Rakuten Group, Inc.
1-14-1 Tamagawa Setagaya-ku,
Tokyo, Japan

**NOTICE OF
THE 27TH ANNUAL GENERAL SHAREHOLDERS' MEETING**

Dear Shareholders,

We are pleased to announce that the 27th Annual General Shareholders' Meeting of Rakuten Group, Inc. (the "Company") will be held for the purposes described below.

In convening this General Shareholders' Meeting, information contained in the Reference Documents for the General Shareholders' Meeting, etc., has been posted on the following websites as the Company has taken electronic provision measures.

Shareholders' Meeting page on our website (in Japanese):

<https://corp.rakuten.co.jp/investors/stock/meeting.html>

Please access the above website and select "Notice of Convocation"

(招集ご通知) to view it.



In addition to the above, the information is also posted on the following websites.

Shareholders' Meeting page on our website:

<https://global.rakuten.com/corp/investors/stock/meeting.html>

Please access the above website and select "Notice of the 27th Annual General Shareholders' Meeting" to view it.



TSE Listed Company Information page:

<https://www2.jpx.co.jp/tseHpFront/JJK020030Action.do>

Please access the above website, enter or search our company name or securities code, and select "Basic information" and "Documents for public inspection/PR information" in that order to view it.



In the event of any revision to the matters for electronic provision measures, the revised information will be posted on the respective websites where it is posted.

If not attending the General Shareholders' Meeting in person, you may exercise your voting rights in writing or via the internet, etc. in advance. Please review the reference documents of the General Shareholders' Meeting and exercise your voting rights by 6:00 P.M. (Japan Standard Time) Wednesday, March 27, 2024.

- 1. Date and Time:** Thursday, March 28, 2024, at 10:00 A.M. Japan Standard Time
(Reception opens at 9:15 A.M.)
- 2. Place:** Rakuten Crimson House (Head Office),
1-14-1 Tamagawa Setagaya-ku, Tokyo, Japan
URL of the meeting venue (directions to the venue):
<https://maps.app.goo.gl/eEHyY5XNMnWE2DDFA>



*Please note that the venue is different from that of last year.

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 27th Fiscal Year (January 1, 2023 - December 31, 2023)
 2. Results of Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Proposals to be resolved:

Proposal No.1 : Partial Amendments to the Articles of Incorporation

Proposal No.2 : Election of Twelve Directors

Proposal No.3 : Election of Two Audit & Supervisory Board Members

Documents Sent to Shareholders Who have Requested the Delivery of Paper-based Documents

The following items are not included in such documents in accordance with laws and regulations and Article 15 of the Company's Articles of Incorporation.

- "Matters Concerning share acquisition rights," "Structure to Ensure Execution of Duties," and "Summary of the Status of Application of the Structure to Ensure Execution of Duties" in the Business Report
- "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements
- "Non-Consolidated Statement of Changes in Equity" and "Notes to Non-Consolidated Financial Statements" of the Non-Consolidated Financial Statements

These documents are part of the documents audited by Audit & Supervisory Board Members and the Accounting Auditor in preparing audit reports.

Please note that the section numbers of the documents sent are the same as those of the electronic provision measures.

Notice on Attending the General Shareholders' Meeting in Person

Please note the following matters when entering the Rakuten Group office. We appreciate your understanding.

- Please refrain from filming, recording, posting on social media, etc. at the venue of the General Shareholders' Meeting.
- Please refrain from entering any areas other than those designated.
- Eating and drinking at the venue is prohibited.
- Please be aware that no gifts will be provided to the shareholders attending the General Shareholders' Meeting in person.
- Regarding the live streaming of the General Shareholders' Meeting, in consideration of the privacy of the shareholders attending the General Shareholders' Meeting, we will try to avoid filming the appearance of the shareholders to the extent possible. However, please understand that there may be cases where your appearance may be unavoidably captured.
- Information of shareholders who visit the venue and personal information recorded by video cameras installed in the building for security purposes will be strictly managed by the Company and used solely for the purpose of operating the General Shareholders' Meeting, managing entry to the venue, and managing information.

Corporate Mission

Empowering individuals and society through innovation and entrepreneurship

Message from CEO

Dear Shareholders,

On behalf of the Rakuten Group, I would like to thank all of our shareholders for your continued support of the Rakuten Group.

To the victims of the 2024 Noto Peninsula Earthquake and their families, we offer our heartfelt support. We sincerely hope for the earliest possible reconstruction and recovery.

In 2023, there were significant changes and milestones achieved by the Rakuten Group. In the Mobile business, the number of subscribers for the mobile carrier service of Rakuten Mobile exceeded 6 million* as a result of the launch of a new price plan, Rakuten SAIKYO Plan, approval for platinum band (700 MHz frequency spectrum) allocation, and continuous efforts to improve communication quality and customer satisfaction. In addition, Rakuten Symphony saw new developments, such as 1&1 AG in Germany becoming the first company in Europe to commercially operate a fully virtualized mobile network based on Open RAN technology, which was built by Rakuten.

In the Internet Service business, annual gross merchandise sales surpassed 6 trillion yen. In the FinTech Service business, the number of credit cards issued by Rakuten Card surpassed 30 million, the number of Rakuten Bank savings accounts surpassed 14 million, and the total number of Rakuten Securities general securities accounts exceeded 10 million. Another major milestone was the first J1 League championship for Vissel Kobe in its 29th year since establishment.

As a result of these efforts, the Rakuten Ecosystem has further expanded, with the Rakuten Group's annual global gross transaction value reaching approximately 40 trillion yen, up 17% year-on-year, and annual revenue exceeding 2 trillion yen, up 7.8% year-on-year. At the same time, various cost optimization efforts were also successful, and annual consolidated EBITDA remained in the black, while the EBITDA of the non-financial business (Internet Service business and Mobile business) turned positive in the fourth quarter in fiscal 2023, and Non-GAAP operating income for the month of December 2023 also turned positive, resulting in a significant improvement in the performance.

In 2024, we will start to improve the quality of services and operational efficiency by combining AI with services and data in the Rakuten Ecosystem, while continuing to pursue further growth and synergies in the Internet Service, FinTech Service, and Mobile businesses.

With respect to dividends, we have regretfully decided not to pay dividends for the fiscal year ended December 31, 2023, in light of the current financial situation of the Company and other factors, and in the belief that controlling the outflow of funds through dividends will stabilize our financial base and ultimately enhance shareholder value. Our basic policy is to pay stable and continuous dividends, while taking into account the importance of making investments for medium-to long-term growth and ensuring sufficient internal reserves for the purpose of stabilizing our financial base, and this policy will remain unchanged in the future. We will strive to resume dividend payments in a timely and appropriate manner as we work to return to profitability on a consolidated basis and reduce interest-bearing debt as soon as possible.

We pray for world peace and the reconstruction and recovery of the disaster-stricken areas, and our employees will work as one for a better future and the development of society through our business.

Thank you for your continued understanding and support.

Hiroshi Mikitani
Representative Director, Chairman, President & CEO
Rakuten Group, Inc.

A handwritten signature in black ink that reads "Hiroshi Mikitani". The signature is written in a cursive, flowing style.

* Including B2C, B2B, and BCP. BCP refers to a plan sold for Business Continuity Plan usage in B2B.

Information concerning the exercise of voting rights:

For those exercising voting rights in advance in writing sent by post: (Recommended)

Please indicate your votes for or against each of the proposals on the Voting Rights Exercise Form enclosed in the original Japanese version and return it to the Company. If no indication of vote for or against each of the proposals is made, it shall be treated as an indication of vote for the proposal.

Deadline for exercising voting rights: 6:00 P.M. (Japan Standard Time) Wednesday, March 27, 2024

For those exercising voting rights in advance via the internet: (Recommended)

Please access the website for exercising voting rights by the following methods and enter your votes for or against each of the proposals by following the instructions on the screen.

Deadline for exercising voting rights: 6:00 P.M. (Japan Standard Time) Wednesday, March 27, 2024

“Smart Voting®” using a smartphone, etc.

By using your smartphone or other devices to scan the QR Code® you can access the page without having to enter your exercise of voting rights code or password.

* You may exercise your voting rights only once with Smart Voting®. If you wish to change your vote after voting, please refer to the “Exercising voting rights using a computer, etc.” below.

Exercising voting rights using a computer, etc.

After accessing the URL of the website for exercise of voting rights (<https://www.web54.net>), please enter your code for exercising voting rights and password indicated on the enclosed Voting Rights Exercise Form to log in.

For those attending the Shareholders’ Meeting in person

Please bring the Voting Rights Exercise Form, enclosed in the original Japanese version, and present it at the reception desk. You may exercise your voting rights by appointing another shareholder to act as your proxy. In such cases, please be advised to submit documentation to prove proxy rights.

Date and time: Thursday, March 28, 2024 at 10:00 A.M. (Japan Standard Time)

Regarding the handling of exercise of voting rights

- (1) If voting rights have been exercised both in writing and via the internet, the internet vote shall be treated as valid.
- (2) In cases where voting rights are exercised multiple times via the internet, the last exercise of voting rights shall be treated as valid.
- (3) The fees charged by providers and communications companies when using the internet to exercise voting rights in advance shall be borne by the shareholder.
- (4) If no indication of vote for or against each of the proposals is made when exercising your voting rights in writing, it shall be treated as an indication of vote for the proposal.

For institutional investors

You may also exercise your rights through an electromagnetic method using an electronic exercise of voting rights platform provided by ICJ, Inc.

Information on live streaming via the internet and acceptance of questions in advance

We will provide the live streaming of the General Shareholders' Meeting so that you may watch the proceedings in real time via the internet. Prior to the meeting, the Company will also accept questions in advance regarding the agenda items of this General Shareholders' Meeting.

How to watch the live streaming

Date and time: Thursday, March 28, 2024 at 10:00 A.M. Japan Standard Time (You may join the live streaming starting at 9:30 A.M. Japan Standard Time)

STEP 1 Access the website

Dedicated website URL to watch the live stream: <https://r10.to/kabu>

After accessing the dedicated website, please go to the login page from "For those who wish to watch and ask questions in advance of the 27th Annual General Shareholders' Meeting."

STEP 2 Log in by entering your ID (shareholder number) and password

Please log in with your ID (shareholder number) and password as indicated on the enclosed "Information on Shareholder Special Benefit Website for the 27th Annual General Shareholders' Meeting of Rakuten Group, Inc. and ID and Password."

STEP 3 Watch the live streaming

When it is time to start the meeting, click the "Join" button to watch the live streaming.

Information on the acceptance of questions in advance

Deadline for sending questions in advance: 6:00 P.M. Japan Standard Time on Thursday, March 21, 2024.

Click on the "Ask a question in advance" button that is displayed after logging in to the website in STEP 2 of "How to watch the live streaming" above, enter your question and send to submit a question.

Contact information:

Contact point for queries on how to log in to watch the live streaming and submitting questions in advance

Live Streaming of the General Shareholders' Meeting and Shareholder Special Benefits
Helpline

(Telephone) +81 0120-905-937 9:00-17:00 (excluding Saturdays, Sundays, and national holidays)

Contact point for queries related to the system for electronic provision of materials for General Shareholders' Meetings and requests for delivery of paper-based documents (Materials for General Shareholders' Meetings starting from March 2025)

Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department Electronic
Provision System Helpline

(Telephone) +81 0120-533-600 9:00-17:00 (excluding Saturdays, Sundays, and national holidays)

Contact point for queries related to operation of website for exercising voting rights

Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Web Support Helpline
(Telephone) +81 0120-652-031 9:00-21:00

Inquiries on other matters

- Shareholders who have an account with a securities company should contact their securities company.
- Shareholders who do not have an account with a securities company (Holders of special accounts)

Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department
(Telephone) +81 0120-782-031 9:00-17:00 (excluding Saturdays, Sundays, and national holidays)

Notes on live streaming and the acceptance of questions in advance

- Shareholders who watch the live streaming will not be able to participate in the resolutions on the day of the General Shareholders' Meeting. We kindly request you to exercise your voting rights in advance in writing sent by post or via the internet.
- Watching the live streaming and the acceptance of questions in advance will be limited to the shareholders themselves.
- IDs (shareholder numbers) and passwords are important information for confirming the identity of shareholders, so we kindly request shareholders to manage them carefully on their own. In addition, the provision of IDs (shareholder numbers) and passwords to third parties is strictly prohibited.
- Please note that it is not possible to log in with the same ID (shareholder number) from multiple terminals.
- During the live streaming, in consideration of the privacy of the shareholders attending the General Shareholders' Meeting, we will try to avoid filming the appearance of the shareholders to the extent possible. However, please understand that there may be cases where their appearance may be unavoidably captured.
- Please refrain from filming, recording, saving the live streaming, or posting it on social media.
- Please note that there will be no on-demand streaming after the live streaming ends.
- Please note that you may not be able to watch the live streaming depending on your device or the communication environment.
- The fees charged by providers and communications companies for watching the live streaming and accepting advance questions shall be borne by the shareholder.
- On the day of the General Shareholders' Meeting, we will answer the questions received in advance that we determine to be of particular interest to shareholders and to be helpful for exercising the voting rights. For the other questions, their answers will be posted on the Company's website after the General Shareholders' Meeting. In addition, please note that not all questions will be answered. If your question does not relate to the agenda items of this General Shareholders' Meeting, if your question is redundant, or if answering your question may infringe on the rights or interests of customers, employees, or others, we will refrain from answering it. Please note that we will not be able to provide individual responses.
- If you lose the enclosed "Information on Shareholder Special Benefit Website for the 27th Annual General Shareholders' Meeting of Rakuten Group, Inc. and ID and Password," you may request a replacement by calling the Live Streaming of the General Shareholders' Meeting and Shareholder Special Benefits Helpline. However, please note that passwords will not be notified orally for security reasons, and they will be sent by post.

Reference Documents for General Shareholders' Meeting

Matters To Be Resolved and Matters for reference

Proposal No.1 : Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

(1) Amendments due to an additional business purpose

We would like to amend Article 2 (Purpose) of the current Articles of Incorporation to add a business purpose in consideration of future business development and other factors.

(2) Amendments to allow us to issue the bond-type class shares

Our basic management philosophy is “to contribute to society by creating value through innovation and entrepreneurship.” We provide, both in Japan and overseas, through more than 70 services in a wide range of businesses, including Internet services (such as EC, travel reservations, and digital content), FinTech (financial) services (such as credit cards, banking, securities, insurance, and e-money), mobile services (such as mobile carrier business), and management of professional sports. As such, we organically link services provided by the Group on the axis of memberships mainly consisting of Rakuten memberships, thereby creating the Rakuten Ecosystem, which is a concept wholly unique to us.

The Group develops our business by uniting memberships, data, and brands we own to expand the Rakuten Ecosystem, thereby developing an environment where members in Japan and overseas can easily browse and access multiple services continuously in rotation. As such, the Group aims to leverage our synergies to maximize the lifetime value of each member, to generate synergistic effects such as minimizing customer acquisition costs, and to maximize the group's earnings. Recently, as user mobile shifts are steadily taking place, the gross transaction value of “Rakuten Ichiba” and other services of the Group through mobile devices is consistently increasing. To further expand and newly develop the Group's services, there is no doubt that mobile services are the most important touch point with users; under the circumstances where 5G is spreading and IoT (Internet of Things) is being disseminated in society, it is conceivable that mobile devices will become more indispensable to people's lives. It is extremely significant for the Group, which develops a wide variety of services, to operate its mobile business because it contributes to enhancement of the Rakuten Ecosystem, as well as achievement of the Group's further growth and improvement of corporate value resulting from such enhancement.

While we focus on further expansion of such mobile business, we aim to maintain mid-term financial soundness. We are committed to implementing disciplined financial policies, and we believe it is desirable to strengthen our financial base through reducing interest-bearing debt by equity-related financings and conduct proactive control of debt maturity schedule, etc. We have conducted monetization of various assets/businesses, including: (i) disposal of a portion offering of its shares in accordance with the listing of Rakuten Bank, Ltd. on the Prime Market of Tokyo Stock Exchange, Inc. (hereinafter the “Tokyo Stock Exchange”); (ii) issuance of new shares of us through a public offering and third-party allotment; (iii) an additional transfer of common shares of Rakuten Securities, Inc. to Mizuho Securities Co., Ltd. for strengthening of the strategic capital and business alliance between Rakuten Securities Holdings, Inc. and Mizuho Securities Co., Ltd.; and (iv) the oversea secondary offering of common shares in Rakuten Bank, Ltd. We will continue to flexibly consider further financing through non-interest bearing debt.

Based on the above background, we decided that an issuance of “bond-type class shares” would be a useful option as a means of financing that would diversify our potential financing resources while minimizing harm to the interests of existing holders of our common shares (hereinafter the “Common Shareholders”) and would enhance our equity capital and that this option would fulfill the needs of a wide range of investors, including individual investors, as set forth below.

- As the holders of these bond-type class shares would have no right to vote at General Shareholders Meetings and no right of conversion into common shares, voting rights will not be diluted (because these shares have no right to vote at General Shareholders Meetings and no right of conversion into common shares irrespective of shareholding ratio, among other reasons, we believe that they do not have any features that could be used as a measure to prevent acquisition; therefore, it is not anticipated that these shares will be used as a measure to prevent acquisition).
- These bond-type class shares are “non-participation type” class shares, for which no dividends will exceed the initially specified amount of preferred dividends. The participation right for dividends exceeding preferred dividends will belong solely to Common Shareholders.
- These bond-type class shares will be issued within the total number of existing shares authorized to be issued (the total number issuable obtained by adding the number of common shares and bond-type class shares) and we do not intend to increase the total number of shares authorized to be issued by making this proposal.

We intend to issue bond-type class shares in the future not through shareholder allotment (including allotment without consideration) or third-party allotment, but through public offering(s) in Japan, and we anticipate applying for the listing of these shares on the Prime Market of the Tokyo Stock Exchange. These bond-type class shares will be “bond-type” class shares that are designed to constitute a product in which a wide range of investors can invest while mitigating dilution or other impacts which may occur to Common Shareholders. We will therefore amend our Articles of Incorporation and take other relevant measures so that we will be able to issue the Series 1 Bond-type Class Shares to the Series 5 Bond-type Class Shares (hereinafter the “Bond-type Class Shares”) as “bond-type” class shares.

We need to establish and amend certain provisions of our Articles of Incorporation to issue the Bond-type Class Shares. Therefore, we are proposing to amend our Articles of Incorporation. In addition, to respond to future capital demands flexibly, we also request approval of the addition of provisions enabling us to issue Bond-type Class Shares sequentially up to Series 5. We have not determined to issue any Bond-type Class Shares yet.

2. Details of the proposed amendment

The details of the proposed amendment are as follows:

(Amendments are underlined)

Existing Articles of Incorporation	Proposed amendment
<p>(Purpose) Article 2 The purpose of the Company shall be control and manage the business operations of companies or business entities in Japan and overseas that engage in the following businesses by acquiring or holding shares or equities of the said companies or business entities:</p> <p>1.- 34. (Omission of the provisions)</p> <p>(Newly Established)</p> <p><u>35.</u> Any and all businesses relative to each of the foregoing items.</p> <p>(Total Number of Shares Authorized to be issued) Article 6 The total number of shares authorized to be issued by the Company shall be 3,941,800,000 shares.</p> <p>(Number of Shares Constituting One Unit) Article 7 The number of shares constituting one unit shall be 100 shares.</p>	<p>(Purpose) Article 2 The purpose of the Company shall be control and manage the business operations of companies or business entities in Japan and overseas that engage in the following businesses by acquiring or holding shares or equities of the said companies or business entities:</p> <p>1.- 34. (Unchanged)</p> <p><u>35. Research, planning, development, production, sale, offer, distribution, maintenance and operation on software related to AI (Artificial Intelligence) and services utilizing AI (Artificial Intelligence)</u></p> <p><u>36.</u> Any and all businesses relative to each of the foregoing items.</p> <p>(Total Number of Shares Authorized to be issued) Article 6 The total number of shares authorized to be issued by the Company shall be 3,941,800,000 shares, <u>and the total number of shares authorized to be issued for each class is as follows:</u></p> <p><u>Common shares: 3,941,800,000 shares</u> <u>Series 1 Bond-type Class Shares: 75,000,000 shares</u> <u>Series 2 Bond-type Class Shares: 75,000,000 shares</u> <u>Series 3 Bond-type Class Shares: 75,000,000 shares</u> <u>Series 4 Bond-type Class Shares: 75,000,000 shares</u> <u>Series 5 Bond-type Class Shares: 75,000,000 shares</u></p> <p>(Number of Shares Constituting One Unit) Article 7 The number of shares constituting one unit shall be 100 shares, <u>for both common shares and Series 1 Bond-type Class Shares to Series 5 Bond-type Class Shares (hereinafter collectively, referred to as the “Bond-type Class Shares”;</u> <u>and when referring to shares of any</u></p>

<p>(Newly Established)</p>	<p><u>one class, “Each Series of Bond-type Class Shares”).</u></p> <p><u>(Exclusion of Tag-along Right upon Acquisition of Bond-type Class Shares by the Company)</u></p> <p><u>Article 10</u> If the Company determines by <u>resolution of a General Shareholders Meeting that, upon agreement with certain shareholders holding Bond-type Class Shares (hereinafter referred to as the “Bond-type Class Shareholders”), it will acquire all or some of the Bond-type Class Shares held by those Bond-type Class Shareholders and decides to notify those Bond-type Class Shareholders of the matters prescribed in each item of paragraph 1 of article 157 of the Companies Act, the provisions in paragraphs 2 and 3 of article 160 of the same act shall not apply.</u></p>
<p>Articles <u>10</u> to <u>11</u> (Omission of the provisions)</p>	<p>Articles <u>11</u> to <u>12</u> (Unchanged)</p>
<p>(Newly Established)</p>	<p><u>CHAPTER 3 BOND-TYPE CLASS SHARES</u></p>
<p>(Newly Established)</p>	<p><u>(Preferred Dividend for Bond-type Class Shares)</u></p> <p><u>Article 13</u> If the Company distributes <u>dividends of surplus with record date of December 31 pursuant to paragraph 1 article 47, it shall pay, per share of Each Series of Bond-type Class Shares, the cash as prescribed below (hereinafter referred to as the “Preferred Dividend for Bond-type Class Shares”) to the Bond-type Class Shareholders entered or recorded in the latest shareholder registry as of the record date for the distribution or registered pledgees of the Bond-type Class Shares (hereinafter collectively, referred to as the “Bond-type Class Shareholders, etc.” together with the Bond-type Class Shareholders), prior to the shareholders holding the Company’s common shares (hereinafter referred to as the “Common Shareholders”) and registered pledgees of common</u></p>

shares (hereinafter collectively, referred to as the “Common Shareholders, etc.” together with the Common Shareholders). However, if the Preferred Interim Dividend for Bond-type Class Shares (as defined in the following article) is paid in the business year containing the record date for the dividend, the sum of such amount shall be deducted from the amount to be paid.

The amount calculated by multiplying the amount equivalent to the Issue Price (as defined below) per share of the Bond-type Class Shares by an annual dividend rate stipulated by the resolution of the Board of Directors prior to the issuance of such Bond-type Class Shares (up to 15 percent; hereinafter referred to as the “Annual Dividend Rate”) (however, the handling of any resulting decimal part shall be determined by the resolution of the Board of Directors prior to the issuance of such Bond-type Class Shares).

“Issue Price” means the per share amount to be paid to the Company upon offering for the Bond-type Class Shares determined prior to the issuance of such shares (if the Bond-type Class Shares are offered for through purchases and underwriting by securities companies, the per share amount to be paid by an investor as the consideration for such Bond-type Class Shares).

2 If the cash of the dividend of surplus per share of Each Series of Bond-type Class Shares distributed to the Bond-type Class Shareholders, etc. does not reach the amount of the Preferred Dividend for Bond-type Class Shares pertaining to that business year, the shortfall shall be accumulated in the immediately following business year and thereafter by using a simple interest calculation (the accumulated shortfall shall be hereinafter

<p>(Newly Established)</p>	<p><u>referred to as the “Accrued Accumulated Dividend for Bond-type Class Shares”).</u> <u>The simple interest calculation used in such a case shall be the calculation method determined by the resolution of the Board of Directors prior to the issuance of such Bond-type Class Shares, using the Annual Dividend Rate as a basis. Regarding the Accrued Accumulated Dividend for Bond-type Class Shares, prior to the distribution of the dividend of surplus stipulated in the foregoing paragraph or the following article, the cash of the dividend of surplus shall be distributed per share of the Bond-type Class Shares to the Bond-type Class Shareholders, etc. until the amount reaches the Accrued Accumulated Dividend for Bond-type Class Shares.</u></p> <p><u>3 No dividend of surplus shall be distributed to the Bond-type Class Shareholders, etc. beyond the sum of the amount of the Preferred Dividend for Bond-type Class Shares and the Accrued Accumulated Dividend for Bond-type Class Shares.</u></p> <p><u>(Preferred Interim Dividend for Bond-type Class Shares)</u> <u>Article 14 If the Company distributes a dividend of surplus with a record date other than December 31 (hereinafter referred to as the “Interim Dividend Record Date”) pursuant to Article 47, paragraph 2 or 3, it shall pay, per share of Each Series of Bond-type Class Shares, the cash determined by the calculation method specified by the resolution of the Board of Directors prior to the issuance of Each Series of Bond-type Class Shares (hereinafter referred to as the “Preferred Interim Dividend for Bond-type Class Shares”) to the Bond-type Class Shareholders, etc. entered or recorded in the latest shareholders registry as of the Interim Dividend Record Date for the distribution, prior to the Common Shareholders, etc. However, the sum of the amount of the Preferred Interim Dividend for Bond-type Class Shares for</u></p>
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	<p><u>the business year containing the Interim Dividend Record Date shall not exceed the amount of the Preferred Dividend for Bond-type Class Shares for the business year containing the record date for the distribution.</u></p> <p><u>(Distribution of Residual Assets)</u> <u>Article 15</u> If the Company distributes residual assets, it shall pay, per share of Each Series of Bond-type Class Shares, to the Bond-type Shareholders, etc., prior to the Common Shareholders, etc., the following cash: The amount calculated using the calculation method determined by the resolution of the Board of Directors prior to the issuance of Each Series of Bond-type Class Shares as the amount obtained by adding to the amount equivalent to the Issue Price per share of the Bond-type Class Shares (i) the amount of the Accrued Accumulated Dividend for Bond-type Class Shares and (ii) the amount equivalent to the Preferred Dividend for Bond-type Class Shares pertaining to the period from the first day of the business year containing the day on which the residual assets are distributed to such distribution date.</p> <p><u>2</u> Except for the foregoing paragraph, residual assets shall not be distributed to the Bond-type Class Shareholders, etc.</p>
(Newly Established)	<p><u>(Voting Rights)</u> <u>Article 16</u> The Bond-type Class Shareholders may not exercise their voting rights at General Shareholders Meetings of the Common Shareholders for any matters.</p>
(Newly Established)	<p><u>(Acquisition Clause for Cash Consideration)</u> <u>Article 17</u> For the Bond-type Class Shares, if any of the events determined by the resolution of the Board of Directors prior to the issuance of Each Series of Bond-type Class Shares, and the date otherwise</p>

<p>(Newly Established)</p>	<p><u>determined by the resolution of the Board of Directors arrives, the Company may acquire all or some of such Bond-type Class Shares. In such a case, the Company shall deliver to the Bond-type Class Shareholders, in exchange for acquisition of the Bond-type Class Shares, per share of the Bond-type Class Shares, the following cash: the amount calculated by the method determined by the resolution of the Board of Directors prior to the issuance of Each Series of Bond-type Class Shares, as the amount obtained by adding to the amount equivalent to the Issue Price per share of the Bond-type Class Shares (i) the amount of the Accrued Accumulated Dividend for Bond-type Class Shares pertaining to such Bond-type Class Shares and (ii) the amount equivalent to the Preferred Dividend for Bond-type Class Shares pertaining to the period from the first day of the business year containing such acquisition date to the acquisition date. If the Company acquires some of the Bond-type Class Shares pursuant to the provisions of this item, it shall determine the number of the Bond-type Class Shares to be acquired from the Bond-type Class Shareholders via a reasonable method determined by the Board of Directors.</u></p> <p><u>(Share Consolidation or Split, etc.)</u></p> <p><u>Article 18 Unless otherwise provided by applicable laws and regulations, the Company shall not conduct share consolidations or splits of the Bond-type Class Shares.</u></p> <p><u>2 The Company shall not conduct an allotment of shares without contribution or an allotment of share options without contribution for the Bond-type Class Shareholders.</u></p> <p><u>3 The Company shall not grant the Bond-type Class Shareholders the right to receive shares subscription or to receive allotment of Subscription Rights to</u></p>
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<p>(Newly Established)</p> <p>CHAPTER <u>3</u> GENERAL SHAREHOLDERS MEETING</p> <p>Articles <u>12</u> to <u>17</u> (Omission of the provisions)</p> <p>(Newly Established)</p>	<p><u>Shares in accordance with the number of shares held by the Bond-type Class Shareholders.</u></p> <p><u>4 If the Company intends to conduct a share transfer (limited to share transfers solely conducted by the Company), it shall deliver to the Common Shareholders, etc. and Bond-type Class Shareholders, etc. the same class of shares as the Company's common shares issued by the wholly-owning parent company incorporated in the share transfer in lieu of common shares and the same class of shares as the Company's Bond-type Class Shares issued by the wholly-owning parent company incorporated in the share transfer in lieu of the Bond-type Class Shares, respectively, at the same equity ratio.</u></p> <p><u>5 In the case under the foregoing paragraph, the Preferred Dividend for Bond-type Class Shares and the Accrued Accumulated Dividend for Bond-type Class Shares shall be adjusted via a method determined by the resolution of the Board of Directors prior to the issuance of Each Series of Bond-type Class Shares.</u></p> <p><u>(Order of Priority)</u> <u>Article 19 Preferred dividends, preferred interim dividends, and residual assets for the Company's Bond-type Class Shares through Each Bond-type Class Shares shall have the same order of priority in respect of payment.</u></p> <p>CHAPTER <u>4</u> GENERAL SHAREHOLDERS MEETING</p> <p>Articles <u>20</u> to <u>25</u> (Unchanged)</p> <p><u>(General Class Shareholders Meeting)</u> <u>Article 26 Excerpt as otherwise provided by applicable laws and regulations or by these Articles of Incorporation, resolutions at General Class Shareholders Meetings shall be adopted by a majority of the vote of shareholders present at the General Shareholders Meeting.</u></p>
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	<p><u>2 The resolution pursuant to paragraph 2 of article 324 of the Companies Act shall be adopted by two-thirds or more of the votes of the shareholders present at a General Class Shareholders Meeting, at which one-third or more of all shareholders holding voting rights are present.</u></p> <p><u>3 Article 20, paragraph 2, article 22, article 23, and article 25 of these Articles of Incorporation shall apply mutatis mutandis to General Class Shareholders Meetings.</u></p> <p><u>4 Article 21 of the Articles of Incorporation shall apply mutatis mutandis to General Class Shareholders Meetings to be held within three months from December 31 of each year.</u></p> <p><u>5 Unless otherwise provided by applicable laws and regulations, a resolution at a General Class Shareholders Meeting consisting of each of the Bond-type Class Shareholders will not be required to be passed for the Company to conduct any of the acts listed in each item of paragraph 1 article 322 of the Companies Act.</u></p> <p><u>6 Notwithstanding the foregoing paragraph, if the Company conducts any of the acts listed below, and where it is likely to cause detriment to the Bond-type Class Shareholders, the relevant act shall not become effective unless a resolution at a General Class Shareholders Meeting consisting of the Bond-type Class Shareholders is passed in addition to the resolution of a General Shareholders Meeting of the Common Shareholders or the resolution of the Board of Directors of the Company. However, this shall not apply if the Bond-type Class Shareholders who may exercise voting rights at the General Class Shareholders Meeting do not exist.</u></p> <p><u>(1) Merger as a result of which the Company will become the disappearing company or a share exchange or share transfer by which the Company becomes a wholly-owned subsidiary (excluding share transfers solely conducted by the Company).</u></p>
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	<u>(2) Approval by the Company's Board of Directors of a demand for cash-out made by the Company's special controlling shareholders against other shareholders of the Company.</u>
Chapter <u>4</u> DIRECTORS AND BOARD OF DIRECTORS	Chapter <u>5</u> DIRECTORS AND BOARD OF DIRECTORS
Articles <u>18</u> to <u>27</u> (Omission of the provisions)	Articles <u>27</u> to <u>36</u> (Unchanged)
Chapter <u>5</u> AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD	Chapter <u>6</u> AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD
Articles <u>28</u> to <u>35</u> (Omission of the provisions)	Articles <u>37</u> to <u>44</u> (Unchanged)
Chapter <u>6</u> ACCOUNTING	Chapter <u>7</u> ACCOUNTING
Articles <u>36</u> to <u>39</u> (Omission of the provisions)	Articles <u>45</u> to <u>48</u> (Unchanged)

(Reference)

We will establish and amend the provisions of our Articles of Incorporation regarding the Bond-type Class Shares if this proposal is approved at the 27th General Shareholders Meeting; however, we have not yet determined the issuance of the Bond-type Class Shares. Matters regarding issuance of the Bond-type Class Shares under the amended Articles of Incorporation shall be determined by a resolution of the Board of Directors (hereinafter the "Resolution for Issuance") after confirming that it is fully expected that interest, which will be the resources for the dividends for Bond-type Class Shares, will be generated stably, and then comprehensively taking into consideration the status of financing of other non-interest bearing debt, the relationship with the purpose of use of the financed funds, our future financial and capital strategies, market environment, etc. We have already filed a shelf registration for bond-type class shares regarding issuance of the Series 1 Bond-type Class Shares on February 27, 2024. The features of the Series 1 Bond-type Class Shares are set forth in the "Outline of Issuance of Series 1 Class Shares," on the "Shareholders' Meeting" page of our website (URL: <https://global.rakuten.com/corp/investors/stock/meeting.html>) and the issuance amount is up to 100 billion yen, at maximum. When we decide to issue the Series 1 Bond-type Class Shares, except for the annual dividend rate and the number of shares to be issued, the terms and conditions of the issuance, including the scope of the issuance and the issue price, will be determined by the Resolution for Issuance. The annual dividend rate shall be the value determined after receipt of the valuation report on the fair value of the Series 1 Bond-type Class Shares, by proposing a tentative price range pertaining to the annual dividend rate after the Resolution for Issuance via the same method as the book-building method set forth in article 25 of the Rules Concerning Underwriting, etc. of Securities stipulated by the Japan Securities Dealers Association, as well as by comprehensively considering various matters, including the demand for the tentative price range and the market price of subordinated bonds issued by us (the date of determination of such annual dividend rate shall be hereinafter referred to as the "Pricing Date"). We stipulated that the total number of shares authorized to be issued for Series 1 Bond-type Class Shares is 75,000,000; however, the actual issuance amount for Series 1 Bond-type Class Shares is yet to be determined and will be determined on the Pricing Date.

Please refer to the "Q&A concerning Bond-type Class Shares" on the "Shareholders' Meeting" page of our website (URL: <https://global.rakuten.com/corp/investors/stock/meeting.html>).

Note:

This document has been prepared solely for the benefit of the holders of shares of common stock of Rakuten Group, Inc. (the "Company") in evaluating the proposal of the Company for a partial amendment to the Articles of Incorporation scheduled to be submitted to the Company's 27th Annual General Shareholders' Meeting planned to be held on March 28, 2024 and not for the purpose of soliciting investment or engaging in any other similar activities in Japan or any foreign country.

This document does not constitute an offer to sell or a solicitation of an offer to purchase any securities in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration thereunder or an applicable exemption from registration requirements. The securities referred to above will not be publicly offered or sold in the United States.

Proposal No. 2: Election of Twelve Directors

1. Reasons for the proposal

The terms of office for all twelve incumbent Directors will expire at the conclusion of the meeting. Accordingly, election of twelve Directors including seven Outside Directors is proposed. If this item is approved as proposed, seven Outside Directors of the twelve Directors will be appointed as Independent Directors, as defined by the regulations of Tokyo Stock Exchange, Inc.

2. Our approach towards the Board of Directors

(Measures to Enhance the Effectiveness of Corporate Governance)

Rakuten Group's corporate mission is based on the empowerment of individuals and society through innovation and entrepreneurship. We strive for social innovation and enrichment by boosting the growth of as many people as possible, while providing services that ensure a high standard of satisfaction for both users and partner enterprises. In order to achieve this mission, the Group has been implementing various measures with rigorous corporate governance as one of our highest priorities.

The Company has adopted a company with an Audit & Supervisory Board structure, in which highly independent Audit & Supervisory Board Members provide auditing functions in order to improve the transparency of the Company's management and ensure its appropriateness, efficiency, fairness, and soundness. The Company has supervised management through an Audit & Supervisory Board, where a majority of the members are Outside Audit & Supervisory Board Members. Additionally, in order to separate the supervisory and executive roles of management, the Company has adopted an Executive Officer System in which the Board retains responsibility for management decision-making and supervision, while Executive Officers are responsible for executive functions.

The Company's Board of Directors, which includes Outside Directors who are highly independent experts from a variety of fields, supervises the execution of business from an objective perspective and engages in casual and multilateral discussions on management. Furthermore, the Company holds meetings, where debates are held about Group management strategy, etc., separately from the meetings of the Board of Directors. Participants also discuss matters from a medium- to long-term perspective rather than confining themselves to short-term issues or items discussed at the meetings of the Board of Directors, thereby enhancing the effectiveness of corporate governance.

(Selection of Candidates for Directors)

The Company selects candidates for Directors who embody the Company's corporate philosophy at a high level and who have high potential to contribute to further development of the Group. By making each Director's term of office one year, the Company upholds the principle of reflecting the will of its shareholders.

In particular, the Board of Directors of the Company selects persons who have extensive experience from a global perspective, professional knowledge, and are able to play a leading role in areas such as IT, finance, corporate management, legal and risk management, financial accounting, public administration, and consulting, and who are capable of appropriately guiding and supervising the execution of business at Rakuten Group.

If this proposal is approved at the meeting, twelve Directors will be appointed. The Company believes this to be an appropriate size in order to conduct management decision-making and supervision. Additionally, the Company places emphasis on the diversity of its Directors. This is reflected by the appointment of two women and three foreign nationals as Directors among its twelve candidates for Directors, and two women and three foreign nationals among its seven candidates for Outside Directors.

(Independence of Independent Directors and Independent Audit & Supervisory Board Members)

With the aim of ensuring high transparency and strong management supervision, while selecting Independent Directors and Independent Audit & Supervisory Board Members the Company appoints persons who, in principle, do not fall under any of the following criteria.

- a. A person or entity whose major client is the Company or an executive thereof (*1) or a major client (*2) of the Company or an executive thereof
- b. A consultant, accountant or legal professional (or an affiliated person of the said party if it is a legal entity, partnership or other organization) who receives a large amount of monetary consideration or other property from the Company besides receiving compensation as Directors or Audit & Supervisory Board Members
- c. A party who effectively holds 10% or more of the Company's entire voting rights or an executive thereof
- d. A person or party who has recently fallen under any of a. through c. above (*3)
- e. A close relative of a person who falls under the following criteria (excluding immaterial persons)
 - 1) A person who falls under any of a) through d) above
 - 2) An executive of a subsidiary of the Company
 - 3) A non-executive Director of a subsidiary of the Company (limited to the case where Outside Audit & Supervisory Board Member is appointed as an Independent Audit & Supervisory Board Member)
 - 4) A person who has recently fallen under 2) or 3) above, or recently been an executive of the Company (including a non-executive Director in the case where Outside Audit & Supervisory Board Member is appointed as an Independent Audit & Supervisory Board Member)

*1: An executive as stipulated in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act, which includes employees and executive directors.

*2: Refers to cases in which their transactions with the Company exceed 1% of the combined total of the cost of goods sold and the selling, general, and administrative expenses.

*3: Refers to cases which are considered effectively equivalent to the present condition, such as when a party or person falls under any of a. through c. at the time when the contents of the proposal of the General Shareholders' Meeting are determined for the election of such Independent Directors or Independent Audit & Supervisory Board Members as Outside Directors or Outside Audit & Supervisory Board Members.

3. Candidates for Directorships

The Director candidates are as follows:

No.	Name	Position at the Company	Term of Office	Attendance of the meetings of the Board of Directors
1	Hiroshi Mikitani Reappointment	Representative Director, Chairman, President & CEO	27 years	100% (15 out of 15 meetings)
2	Masayuki Hosaka Reappointment	Representative Director & Vice Chairman	10 years	100% (15 out of 15 meetings)
3	Kentaro Hyakuno Reappointment	Representative Director & Group Executive Vice President	3 years	100% (15 out of 15 meetings)
4	Kazunori Takeda Reappointment	Director & Group Executive Vice President	1 year	100% (11 out of 11 meetings)
5	Kenji Hirose Reappointment	Director & Group Executive Vice President	1 year	100% (11 out of 11 meetings)
6	Takaharu Ando Reappointment Outside Independent	Director	1 year	100% (11 out of 11 meetings)
7	Sarah J. M. Whitley Reappointment Outside Independent	Director	5 years	100% (15 out of 15 meetings)
8	Tsedal Neeley Reappointment Outside Independent	Director	1 year	91% (10 out of 11 meetings)
9	Charles B. Baxter Reappointment Outside Independent	Director	1 year	91% (10 out of 11 meetings)
10	Shigeki Habuka Reappointment Outside Independent	Director	1 year	91% (10 out of 11 meetings)
11	Takashi Mitachi Reappointment Outside Independent	Director	8 years	93% (14 out of 15 meetings)
12	Jun Murai Reappointment Outside Independent	Director	12 years	87% (13 out of 15 meetings)

Reappointment Candidate for reappointed Director

Outside Candidate for Outside Director

Independent Independent Director based on the stipulations of the stock exchanges, etc.

- (Notes)
- Positions at the Company are as of the date of this General Shareholders' Meeting.
 - 'Term of Office' and 'Attendance of the meetings of the Board of Directors' of Candidates for Outside Directors are stated for the term served as Outside Directors.

[Reference] Expertise and experience of Directors and Audit & Supervisory Board Members
(Skills Matrix)

Job title	Name	IT	Finance	Corporate Management	Legal & Risk Management	Finance & Accounting	Global Experience
Director	Hiroshi Mikitani	●	●	●			●
Director	Masayuki Hosaka	●	●	●			●
Director	Kentaro Hyakuno	●		●	●		●
Director	Kazunori Takeda	●		●			●
Director	Kenji Hirose	●	●	●		●	●
Outside Director	Takaharu Ando				●		●
Outside Director	Sarah J. M. Whitley		●				●
Outside Director	Tsedal Neeley	●					●
Outside Director	Charles B. Baxter	●		●			●
Outside Director	Shigeki Habuka		●			●	
Outside Director	Takashi Mitachi			●			●
Outside Director	Jun Murai	●					●
Audit & Supervisory Board Member	Yoshito Naganuma		●			●	
Outside Audit & Supervisory Board Member	Futoshi Nakamura				●	●	●
Outside Audit & Supervisory Board Member	Maki Kataoka				●	●	●
Outside Audit & Supervisory Board Member	Katsuyuki Yamaguchi				●		●

(Note) The above skills matrix is as of the conclusion of this General Shareholders' Meeting.

No.1	Name (Date of birth)	Hiroshi Mikitani (March 11, 1965) <u>Reappointment</u>		
Responsibilities at the Company		Chairman, President & CEO Group President of Group Company Division		
Reasons for nominating the candidate		Ever since founding the Company in February 1997, Mr. Mikitani has led the management of the Group as Representative Director and has established the "Rakuten Ecosystem," a unique innovative business model. In addition, he is the driving force behind the growth of the entire Group and the Internet Services Segment as Chief Executive Officer and Internet Services Segment Leader. His continued appointment is requested in anticipation of achieving further development of the Group.		
Career summary, positions and responsibilities		Apr.	1988	Joined the Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)
		May	1993	Received MBA from Harvard Business School
		Feb.	1996	President & Representative Director (currently Representative Partner) of Crimson Group, Inc. (currently Crimson Group, LLC.) (current position)
		Feb.	1997	Founder & President & Representative Director of the Company
		Feb.	2001	Chairman, President, & Representative Director of the Company (current position)
		Mar.	2004	Chief Executive Officer of the Company (current position)
		Apr.	2006	Chairman & Representative Director of Crimson Football Club, Inc. (currently Rakuten Vissel Kobe, Inc.) (current position)
		Feb.	2010	Representative Director of Japan e-business Association (currently Japan Association of New Economy) (current position)
		Oct.	2011	Chairman of Tokyo Philharmonic Orchestra (current position)
		Aug.	2012	Chairman & Representative Director & team owner of Rakuten Baseball, Inc. (current position)
		Jul.	2016	Group President of Group Company Division of the Company (current position)
		Jul.	2017	Chairman & Representative Director of Rakuten Aspyrian Japan K.K. (currently Rakuten Medical K.K.) (current position)
		Feb.	2020	Director of AST & Science, LLC (current position)
		Mar.	2022	Representative Director & Chairman of Rakuten Mobile, Inc. (current position)
		Apr.	2022	Vice Chairman of the Board & Co-CEO of Rakuten Medical, Inc. (current position)
Aug.	2023	Representative Director, Chairman & CEO of Rakuten Symphony, Inc. (current position)		
Significant office(s) concurrently held		Representative Partner of Crimson Group, LLC. Chairman & Representative Director of Rakuten Vissel Kobe, Inc. Representative Director of Japan Association of New Economy Chairman of Tokyo Philharmonic Orchestra Chairman & Representative Director & team owner of Rakuten Baseball, Inc. Chairman & Representative Director of Rakuten Medical K.K. Director of AST & Science, LLC Representative Director & Chairman of Rakuten Mobile, Inc. Vice Chairman of the Board & Co-CEO of Rakuten Medical, Inc. Representative Director, Chairman & CEO of Rakuten Symphony, Inc.		

Number of shares of the Company held	176,346,300 shares
Attendance of the meetings of the Board of Directors	100% (15 out of 15 meetings)

No.2	Name (Date of birth)	Masayuki Hosaka (July 31, 1954) <u>Reappointment</u>		
Responsibilities at the Company	Vice Chairman President of FinTech Group Company			
Reasons for nominating the candidate	After working for a credit card service company, Mr. Hosaka joined the FinTech start-up business as General Manager of Personal Finance Department of the Company in 2003 and contributed to the rapid growth of the said business. In addition, as the FinTech Segment Leader, he is the driving force behind the growth of this Segment. His continued appointment is requested in anticipation of achieving further development of the Group.			
Career summary, positions and responsibilities	Apr.	1980	Joined ORIX Credit Corporation	
	Dec.	2003	General Manager of Personal Finance Department of the Company	
	May	2005	Executive Officer of the Company	
	Apr.	2009	President & Representative Director of Rakuten Credit, Inc. (currently Rakuten Card Co., Ltd.) (current position)	
	Feb.	2013	Managing Executive Officer of the Company	
	Jan.	2014	Executive Vice President of the Company	
	Mar.	2014	Representative Director of the Company (current position)	
	Apr.	2016	Vice Chairman (current position)	
	Jul.	2016	President of Card & Payments Company of the Company (currently FinTech Group Company) (current position)	
Significant office(s) concurrently held	President & Representative Director of Rakuten Card Co., Ltd.			
Number of shares of the Company held	113,000 shares			
Attendance of the meetings of the Board of Directors	100% (15 out of 15 meetings)			

No.3	Name (Date of birth)	Kentaro Hyakuno (June 6, 1967) <u>Reappointment</u>	
Responsibilities at the Company	Group Executive Vice President COO President of Communications & Energy Company		
Reasons for nominating the candidate	After working for an automobile manufacturer, Mr. Hyakuno joined the Company in 2007 and contributed to the development and enhancement of the Company's organizational structure, including international businesses, corporate strategies, human resources, and public relations. In addition, he oversees the execution of company-wide operations as COO of the Company, and he is the driving force behind the growth of the Mobile Segment as the Mobile Segment Leader. His continued appointment is requested in anticipation of achieving further development of the Group.		
Career summary, positions and responsibilities			
	Jun.	1990	Joined Toyota Motor Corporation
	Feb.	2007	Executive Officer of the Company
	Jul.	2009	Managing Executive Officer of the Company
	Mar.	2013	Director & Managing Executive Officer of the Company
	Mar.	2016	Retired as Director of the Company
	Apr.	2016	Managing Executive Officer & COO of the Company
	Apr.	2017	Group Executive Vice President & COO of the Company
	Mar.	2021	Director, Group Executive Vice President & COO of the Company
	Jul.	2021	Director of JP Rakuten Logistics, Inc. (current position)
	Mar.	2022	Representative Director, Group Executive Vice President & COO of the Company (current position)
	Apr.	2022	President of Communications & Energy Company of the Company (current position)
Significant office(s) concurrently held	Director of JP Rakuten Logistics, Inc.		
Number of shares of the Company held	311,300 shares		
Attendance of the meetings of the Board of Directors	100% (15 out of 15 meetings)		

No.4	Name (Date of birth)	Kazunori Takeda (May 17, 1961) <u>Reappointment</u>		
Responsibilities at the Company	Group Executive Vice President President of Commerce & Marketing Company			
Reasons for nominating the candidate	After working for an automobile manufacturer, Mr. Takeda joined the Company in 2006 and mainly contributed to the growth of our e-commerce business. In addition, as President of Commerce & Marketing Company, he is the driving force behind the growth of the Internet Services Segment. His continued appointment is requested in anticipation of achieving further development of the Group.			
Career summary, positions and responsibilities	Apr.	1986	Joined Toyota Motor Corporation	
	May	1993	Received MBA from Harvard Business School	
	Jul.	2006	Managing Executive Officer of the Company	
	Nov.	2006	Managing Executive Officer & COO of the Company	
	Mar.	2007	Director, Managing Executive Officer & COO of the Company	
	Mar.	2016	Retired as Director of the Company	
	Jun.	2016	Director of Toyooka Tourism Innovation (current position)	
	Jul.	2016	President of Life & Leisure Company of the Company	
	Apr.	2018	Group Executive Vice President of the Company	
	Jul.	2018	President of Commerce Company of the Company	
	Jun.	2019	Outside Director of Gurunavi, Inc. (current position)	
	Mar.	2021	Director of SY Holdings Co., Ltd. (currently Seiyu Holdings Co., Ltd.) (current position)	
	Jul.	2021	Representative Director & Chairman of JP Rakuten Logistics, Inc. (current position)	
	Apr.	2022	President of Ad & Marketing Company of the Company	
	Jan.	2023	President of Commerce & Marketing Company of the Company (current position)	
Mar.	2023	Director & Group Executive Vice President of the Company (current position)		
Significant office(s) concurrently held	Director of Seiyu Holdings Co., Ltd. Representative Director & Chairman of JP Rakuten Logistics, Inc.			
Number of shares of the Company held	10,000 shares			
Attendance of the meetings of the Board of Directors	100% (11 out of 11 meetings)			

No.5	Name (Date of birth)	Kenji Hirose (August 8, 1962) <u>Reappointment</u>		
Responsibilities at the Company		Group Executive Vice President CFO		
Reasons for nominating the candidate		After working for a bank, Mr. Hirose joined Rakuten Securities, Inc. in 2005 and mainly oversees the operations of the finance and accounting divisions in the Group. He has contributed to strengthening our financial base and promoting an efficient capital strategy as CFO from 2018. His continued appointment is requested in anticipation of achieving further development of the Group.		
Career summary, positions and responsibilities		Apr.	1985	Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)
		Sep.	2005	Joined Rakuten Securities, Inc.
		Jan.	2006	General Manager of Financial Business Department of the Company
		Nov.	2006	Executive Officer of the Company
		Mar.	2012	Managing Executive Officer of the Company
		Jul.	2016	Managing Executive Officer & CCO of the Company
		Apr.	2018	Managing Executive Officer, CFO & CRO of the Company
		Jan.	2019	Group Executive Vice President, CFO & CRO of the Company
		Feb.	2019	Group Executive Vice President & CFO of the Company
		Jul.	2021	Audit & Supervisory Board Member of JP Rakuten Logistics, Inc. (current position)
		Mar.	2023	Director, Group Executive Vice President & CFO of the Company (current position)
Significant office(s) concurrently held		Audit & Supervisory Board Member of JP Rakuten Logistics, Inc.		
Number of shares of the Company held		41,700 shares		
Attendance of the meetings of the Board of Directors		100% (11 out of 11 meetings)		

No.6	Name (Date of birth)	Takaharu Ando (August 31, 1949) <u>Reappointment</u> <u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>		
Reasons for nominating the candidate and overview of expected roles		His continued appointment is requested in expectation of his advice on business execution from an objective perspective to further strengthen corporate governance, compliance, and risk management of the Group based on his extensive experience and wide-ranging insight gained from serving in various important positions in police organizations, including Commissioner General of National Police Agency. Although he has not been involved in the company management in the past by any means other than being an Outside Director, the Company believes that he will be able to appropriately perform his duties as an Outside Director for the above reasons. He is an incumbent Outside Director of the Company and will have served for that position for one year at the conclusion of this meeting.		
Career summary, positions and responsibilities		Apr.	1972	Joined National Police Agency
		Jan.	1996	Executive Secretary to the Prime Minister
		Aug.	1999	Director of Public Security Bureau of Metropolitan Police Department
		Aug.	2004	Director General of Commissioner General's Secretariat of National Police Agency
		Jun.	2009	Commissioner General of National Police Agency
		May	2013	Outside Director of Nitori Holdings Co., Ltd.
		Jun.	2016	Outside Director of AMUSE INC. (current position)
		Jun.	2017	Outside Director of ZENSHO HOLDINGS CO., LTD. (current position)
		Jun.	2018	Outside Director of TOBU RAILWAY CO., LTD. (current position)
		May	2020	Outside Director (Audit & Supervisory Committee Member) of Nitori Holdings Co., Ltd.
		Jun.	2022	Outside Director (Audit & Supervisory Committee Member) of NISSHIN SEIFUN GROUP INC. (current position)
		Mar.	2023	Outside Director of the Company (current position)
Significant office(s) concurrently held		Outside Director of AMUSE INC. Outside Director of ZENSHO HOLDINGS CO., LTD. Outside Director of TOBU RAILWAY CO., LTD. Outside Director (Audit & Supervisory Committee Member) of NISSHIN SEIFUN GROUP INC.		
Number of shares of the Company held		0 shares		
Attendance of the meetings of the Board of Directors		100% (11 out of 11 meetings)		

No.7	Name (Date of birth)	Sarah J. M. Whitley (August 6, 1958) <u>Reappointment</u> <u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>		
Reasons for nominating the candidate and overview of expected roles		Her continued appointment is requested in expectation of her advice to the management of the Company to enhance its corporate value based on her many years of experience in observing the Company and other Japanese companies as an investor. Although she has not directly participated in the company management, the Company believes that she will be able to aptly perform Outside Director's responsibilities for the above reasons. She is an incumbent Outside Director of the Company and will have served for that position for five years at the conclusion of this meeting.		
Career summary, positions and responsibilities		Sep.	1980	Joined Baillie Gifford & Co.
		May	1986	Partner of Baillie Gifford & Co.
		Mar.	2019	Outside Director of the Company (current position)
		May	2019	Trustee of Foundation Scotland (current position)
		May	2019	Chair of Edinburgh International Festival Endowment Fund (current position)
		Jun.	2019	Trustee of The Royal Scottish Academy Foundation (current position)
		Dec.	2021	Trustee of The Abbotsford Trust (current position)
		Jan.	2022	Chair of Scottish Episcopal Church Pension Fund (current position)
Significant office(s) concurrently held		Trustee of Foundation Scotland Chair of Edinburgh International Festival Endowment Fund Trustee of The Royal Scottish Academy Foundation		
Number of shares of the Company held		0 shares		
Attendance of the meetings of the Board of Directors		100% (15 out of 15 meetings)		

No.8	Name (Date of birth)	Tsedal Neeley (December 16, 1972) <u>Reappointment</u> <u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>		
Reasons for nominating the candidate and overview of expected roles		Her continued appointment is requested in expectation of her advice to accelerate the Company's global expansion based on her extensive experience and wide-ranging insight gained from serving as a professor at Harvard Business School and as an Outside Director of a U.S. listed company engaged in internet related business. She is an incumbent Outside Director of the Company and will have served for that position for one year at the conclusion of this meeting.		
Career summary, positions and responsibilities		Jul.	2007	Assistant Professor of Harvard Business School
		Jul.	2012	Associate Professor of Harvard Business School
		Dec.	2015	Outside Director of The Partnership, Inc. (current position)
		Jul.	2018	Naylor Fitzhugh Professor of Business Administration of Harvard Business School (current position)
		Jul.	2019	Director of Harvard Business Publishing
		Jun.	2020	Outside Director of Brown Capital Management, LLC (current position)
		Jul.	2020	Outside Director of Brightcove, Inc. (current position)
		Jul.	2020	Senior Associate Dean of Faculty Development and Research of Harvard Business School (current position)
		Jan.	2021	Faculty Chair of the Christensen for Teaching and Learning of Harvard Business School (current position)
		Mar.	2023	Outside Director of the Company (current position)
Significant office(s) concurrently held		Naylor Fitzhugh Professor of Business Administration of Harvard Business School Senior Associate Dean of Faculty Development and Research of Harvard Business School Faculty Chair of the Christensen for Teaching and Learning of Harvard Business School Outside Director of Brightcove, Inc.		
Number of shares of the Company held		0 shares		
Attendance of the meetings of the Board of Directors		91% (10 out of 11 meetings)		

No.9	Name (Date of birth)	Charles B. Baxter (April 19, 1965) <u>Reappointment</u> <u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>		
Reasons for nominating the candidate and overview of expected roles		His continued appointment is requested in expectation of his advice to the management of the Company based on his expertise and extensive experience in the Internet industry and corporate management. He has served as a non-executive Director of the Company since March 2011 and as he met the requirements for an outside director stipulated by laws and regulations, he was elected as and assumed office of Outside Director at the 26th Annual General Shareholders' Meeting held on March 30, 2023. He is an incumbent Outside Director of the Company and will have served for that position for one year at the conclusion of this meeting.		
Career summary, positions and responsibilities		Oct.	1998	CEO of eTranslate, Inc.
		Mar.	2001	Director of the Company
		Mar.	2003	Retired as Director of the Company
		Sep.	2005	Manager of LinkShare Corporation (currently RAKUTEN MARKETING LLC) (current position)
		Mar.	2011	Director of the Company
		Feb.	2012	Chairman & Director of Rakuten USA, Inc. (current position)
		Jan.	2015	Chairman of Reysn Holdco, Inc. (current position)
		Nov.	2021	Director of Wineshipping.com LLC (current position)
		Mar.	2023	Outside Director of the Company (current position)
Significant office(s) concurrently held		—		
Number of shares of the Company held		17,700 shares		
Attendance of the meetings of the Board of Directors		91% (10 out of 11 meetings)		

No.10	Name (Date of birth)	Shigeki Habuka (April 14, 1958) <u>Reappointment</u> <u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>	
Reasons for nominating the candidate and overview of expected roles		His continued appointment is requested in expectation of his advice on business execution from an objective perspective to further strengthen corporate governance of the Group, based on his wide-ranging experience gained from serving in various important positions in administrative agencies, including Vice-Minister for Policy Coordination of the Cabinet Office and his extensive insight on financial administration and government affairs. He is an incumbent Outside Director of the Company and will have served for that position for one year at the conclusion of this meeting.	
Career summary, positions and responsibilities		Apr.	1981 Joined the Ministry of Finance
		Jul.	2003 Director of the Budget Bureau of the Ministry of Finance
		Jul.	2005 Director of the Indirect Tax Policy Division, Tax Bureau of the Ministry of Finance
		Jan.	2008 Deputy Director-General of the Ministry of Defense
		Sep.	2009 Executive Secretary to the Prime Minister
		Sep.	2011 Deputy Director-General of the Budget Bureau of the Ministry of Finance
		Jan.	2014 Director General of the Cabinet Office
		Jun.	2016 Vice-Minister for Policy Coordination of the Cabinet Office
		Nov.	2017 Executive Officer of Corporate Strategy Department of Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)
		Apr.	2019 Corporate Executive Officer (co-charge of the Public Policy and Relation Office and the PR and IR Office (PR)) of Mitsubishi Chemical Holdings Corporation
		Apr.	2022 Corporate Executive Officer and Senior Vice President (supervising Government Affairs) of Mitsubishi Chemical Holdings Corporation (current position, scheduled to retire in March 2024)
		Mar.	2023 Outside Director of the Company (current position)
Significant office(s) concurrently held	Corporate Executive Officer and Senior Vice President (supervising Government Affairs) of Mitsubishi Chemical Group Corporation		
Number of shares of the Company held	0 shares		
Attendance of the meetings of the Board of Directors	91% (10 out of 11 meetings)		

No.11	Name (Date of birth)	Takashi Mitachi (January 21, 1957) <u>Reappointment</u> <u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>		
Reasons for nominating the candidate and overview of expected roles		His continued appointment is requested in expectation of his advice to the management of the Company based on his expert knowledge and experience as a management consultant. He is an incumbent Outside Director of the Company and will have served for that position for eight years at the conclusion of this meeting.		
Career summary, positions and responsibilities		Apr.	1979	Joined Japan Airlines Co., Ltd.
		Jun.	1992	Received MBA from Harvard Business School
		Oct.	1993	Joined the Boston Consulting Group
		Jan.	1999	Vice President & Partner of the Boston Consulting Group
		Jan.	2005	Japan Co-chair of the Boston Consulting Group
		May	2005	Managing Director & Senior Partner of the Boston Consulting Group
		Mar.	2016	Outside Director of the Company (current position)
		Jun.	2016	Outside Director of Lotte Holdings Co., Ltd. (current position)
		Mar.	2017	Outside Director of DMG MORI CO., LTD. (current position)
		Jun.	2017	Board Member of Ohara Museum of Art (current position)
		Jun.	2017	Outside Director of Tokio Marine Holdings, Inc. (current position)
		Oct.	2017	Senior Advisor of The Boston Consulting Group
		Mar.	2018	Chief Executive Director of Ronald McDonald House Charities Japan (current position)
		Apr.	2020	Distinguished Professor of Graduate School of Management of Kyoto University (current position)
Jun.	2022	Outside Director of SUMITOMO CORPORATION (current position)		
Significant office(s) concurrently held		Outside Director of DMG MORI CO., LTD. Outside Director of Tokio Marine Holdings, Inc. Chief Executive Director of Ronald McDonald House Charities Japan Distinguished Professor of Graduate School of Management of Kyoto University Outside Director of SUMITOMO CORPORATION		
Number of shares of the Company held		0 shares		
Attendance of the meetings of the Board of Directors		93% (14 out of 15 meetings)		

No.12	Name (Date of birth)	Jun Murai (March 29, 1955) <u>Reappointment</u> <u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>	
Reasons for nominating the candidate and overview of expected roles		His continued appointment is requested in expectation of his advice to the management of the Company based on his knowledge and experience as an academic expert in internet technology. He is an incumbent Outside Director of the Company and will have served for that position for twelve years at the conclusion of this meeting. While his length of service is long, the Company places importance on the diversity of directors, and believes that in addition to gender, nationality, and field of expertise, length of service is also a form of diversity. He has been dedicated to the spread of the internet since its early days and possesses profound knowledge. He provides the Company with IT and DX strategy support, and he is considered to be an irreplaceable talent to the Company.	
Career summary, positions and responsibilities		Aug.	1984 Assistant at Information Processing Center of Tokyo Institute of Technology
		Mar.	1987 Received Ph. D in Engineering from Keio University
		Apr.	1987 Assistant at Large-scale Computer Center of the University of Tokyo (currently Information Technology Center, the University of Tokyo)
		Apr.	1990 Associate Professor of Faculty of Environment and Information Studies of Keio University
		Apr.	1997 Professor of Faculty of Environment and Information Studies of Keio University
		May	2005 Vice-President of Keio Gijuku Educational Corporation
		Oct.	2009 Professor of Faculty of Environment and Information Studies of Keio University
		Sep.	2011 Outside Director of BroadBand Tower, Inc. (current position)
		Mar.	2012 Outside Director of the Company (current position)
		Oct.	2017 Dean of the Graduate School of Media and Governance of Keio University
		Jun.	2018 Outside Director of LAC Co., Ltd. (current position)
		Apr.	2020 Professor of Keio University (current position)
		Oct.	2020 Special Advisor to the Cabinet (current position)
		Sep.	2021 Advisor to the Digital Agency (current position)
		Oct.	2022 Director of World Wide Web Consortium, Inc. (current position)
		Jul.	2023 Advisor of The International House of Japan, Inc. (current position)
Significant office(s) concurrently held		Outside Director of BroadBand Tower, Inc. Outside Director of LAC Co., Ltd. Professor of Keio University Special Advisor to the Cabinet Advisor to the Digital Agency Director of World Wide Web Consortium, Inc. Advisor of The International House of Japan, Inc.	
Number of shares of the Company held		9,400 shares	
Attendance of the meetings of the Board of Directors		87% (13 out of 15 meetings)	

- (Notes)
1. Hiroshi Mikitani is Representative Director of Japan Association of New Economy, and the Company pays annual membership fees and makes financial contributions to this organization. He is also Chairman of Tokyo Philharmonic Orchestra, and the Company makes financial contributions to this organization, which has a business relationship including provision of services with the Company.
 2. Kazunori Takeda is Representative Director of JP Rakuten Logistics, Inc., which has a business relationship including provision of services with the Company.
 3. Takaharu Ando had a business relationship including provision of services with the Company. The ratio of transactions between him and the Company in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year. He is also Outside Director of AMUSE INC., to which the Company pays music royalties. The ratio of such payments in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year.
 4. Tsedal Neeley is a professor at Harvard Business School, to which the Company pays training fees. The ratio of fees in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year.
 5. Takashi Mitachi is Distinguished Professor of Graduate School of Management of Kyoto University, to which the Company pays participation fees for events held by the university. The ratio of fees in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year.
 6. Jun Murai is Professor of Keio University, and the Company pays expenses incurred under sponsored research agreement etc. to this university. The ratio of fees in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year. He is also Director of World Wide Web Consortium, Inc. and the Company pays annual membership fees to this company. The ratio of fees in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year. In addition, he is Outside Director of BroadBand Tower, Inc. and Outside Director of LAC Co., Ltd., each of which has a business relationship with the Company. The ratio of transactions between BroadBand Tower, Inc. and LAC Co., Ltd. and the Company in fiscal 2023 was both less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year.
 7. No material interest exists between the Company and other candidates for Directors.
 8. Charles B. Baxter was an executive Director of the Company from March 2001 to March 2003, and was a non-executive Director of the Company from March 2011 to the present, a non-executive Director of the Company's subsidiary LinkShare Corporation (currently RAKUTEN MARKETING LLC) from September 2005 to the present, and a non-executive Director of the Company's subsidiary Rakuten USA, Inc. from February 2012 to the present.
 9. Takaharu Ando served as an Outside Director of Nitori Holdings Co., Ltd. from May 2013 to May 2022. From December 2016 to December 2020, it was discovered that some diatomaceous earth products sold at NITORI Group stores contained asbestos exceeding legal standards, and Nitori Holdings Co., Ltd. voluntarily recalled the products. Although he was not aware of this fact beforehand, he had been fulfilling his responsibilities appropriately by offering recommendations as necessary from the viewpoint of the importance of legal compliance and compliance management at meetings of the Board of Directors, and by requesting reports from Directors and expressing his opinions to prevent recurrence after the discovery of this fact.
 10. Takashi Mitachi has served as Outside Director of Tokio Marine Holdings, Inc from June 2017 to the present, and its subsidiary Tokio Marine & Nichido Fire Insurance Co., Ltd. received a business improvement order from the Financial Services Agency on December 26, 2023, based on the Insurance Business Act, since the FSA found the company's conduct to be in violation of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and inappropriate in light of the purpose of the Act, as well as problems with its underlying systems. Although he has not aware of this fact beforehand, he has been fulfilling his responsibilities appropriately by offering recommendations from the viewpoint of strengthening group governance and legal

compliance at meeting of the Board of Directors, as well as by directing a thorough investigation, analysis of the true cause, and formulation of preventive measures from the viewpoint of group management control after recognition of this fact.

11. Takaharu Ando, Sarah J. M. Whitley, Tsedal Neeley, Charles B. Baxter, Shigeki Habuka, Takashi Mitachi, and Jun Murai are candidates for Outside Directors.
12. The Company stipulates under its current Articles of Incorporation that it can conclude with each Director who is a non-executive Director, etc. a liability limitation agreement, which restricts their liability for damages under Article 423, Paragraph 1 of the Companies Act to the statutory limit, pursuant to the provisions of Article 427, Paragraph 1 of the Act. Accordingly, the Company has entered into the said liability limitation agreement with the seven incumbent Directors of the Company, namely, Takaharu Ando, Sarah J. M. Whitley, Tsedal Neeley, Charles B. Baxter, Shigeki Habuka, Takashi Mitachi, and Jun Murai. The liability limitation agreement will be renewed with the seven incumbent Directors subject to the approval of their reappointment.
13. The Company has entered into an indemnity agreement with each candidate who are the incumbent Directors of the Company, with the effect that the Company will indemnify them for the expenses stipulated in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the loss stipulated in Paragraph 1, Item 2 of the same article to the extent provided for by laws and regulations. The indemnity agreement will be renewed with each candidate subject to the approval of their reappointment.
14. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, designating all Directors as insureds, which will cover damage that may be incurred by the insured as a result of assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. However, there are exemptions, such as not being covered for any damage caused by an act committed with the knowledge that the act is in violation of laws and regulations. In the event that each candidate assumes the office of Director, he or she will become the insured under the relevant insurance contract and the relevant insurance contract will be renewed during the term of office.
15. If the reappointment of Takaharu Ando, Sarah J. M. Whitley, Tsedal Neeley, Charles B. Baxter, Shigeki Habuka, Takashi Mitachi, and Jun Murai is approved, they will be appointed to the position of Independent Director specified by the regulations of Tokyo Stock Exchange, Inc.

Proposal No. 3: Election of Two Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Member Katsuyuki Yamaguchi will expire, and Audit & Supervisory Board Member Satoshi Fujita will resign at the conclusion of the meeting. Accordingly, election of two Audit & Supervisory Board Members, including one new Audit & Supervisory Board Member, is proposed.

The Audit & Supervisory Board has given its consent with regard to this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

No.1	Name (Date of birth)	Katsuyuki Yamaguchi (September 22, 1966) Reappointment Candidate for Outside Audit & Supervisory Board Member Candidate for Independent Audit & Supervisory Board Member	
Reasons for nominating the candidate		His continued appointment is requested in anticipation of his contribution to the Company's audit system based on his expertise and extensive experience as a legal attorney on corporate legal affairs. He is an incumbent Outside Audit & Supervisory Board Member of the Company and will have served for that position for 23 years at the conclusion of the meeting. While he has been in office for a long period of time, he has expertise and experience in legal and risk management, as well as in-depth knowledge of the Company, and is considered to be an irreplaceable talent to the Company.	
Career summary		Apr.	1991 Registered with Dai-ichi Tokyo Bar Association Joined Nishimura & Partners (currently Nishimura & Asahi (Gaikokuho Kyodo Jigyo))
		May	1997 Graduated from Columbia Law School (LL.M.)
		Sep.	1997 Served Debevoise & Plimpton LLP in New York
		Jan.	1998 Admitted as Attorney-at-law in New York, USA
		May	1998 Served Debevoise & Plimpton LLP in Paris
		Feb.	1999 Served Simeon & Associès in Paris
		Jul.	1999 Reinstated at Nishimura & Partners (currently Nishimura & Asahi (Gaikokuho Kyodo Jigyo))
		Aug.	2000 Attorney and Partner of Nishimura & Partners (currently Nishimura & Asahi (Gaikokuho Kyodo Jigyo))
		Mar.	2001 Outside Audit & Supervisory Board Member of the Company (current position)
		Jul.	2007 Outside Audit & Supervisory Board Member of FreeBit Co., Ltd. (current position)
		Sep.	2018 Managing Partner of Nishimura & Asahi NY LLP (current position)
Significant office(s) concurrently held		Outside Audit & Supervisory Board Member of FreeBit Co., Ltd. Managing Partner of Nishimura & Asahi NY LLP	
Number of shares of the Company held		69,500 shares	
Attendance of the meetings of the Board of Directors		93% (14 out of 15 meetings)	
Attendance of the meetings of the Audit & Supervisory Board		100% (9 out of 9 meetings)	

No.2	Name (Date of birth)	Futoshi Nakamura (November 23, 1957) <u>New</u> <u>Candidate for Outside Audit & Supervisory Board Member</u> <u>Candidate for Independent Audit & Supervisory Board Member</u>		
Reasons for nominating the candidate		Appointment of Mr. Nakamura as Outside Audit & Supervisory Board Member is requested in anticipation of his contribution to the Company's audit system based on his expertise and his experience in finance and accounting as well as audit & supervisory board member in global companies.		
Career summary		Apr.	1981	Joined The Japan Tobacco and Salt Public Corporation (currently JAPAN TOBACCO INC.)
		Jul.	1990	Vice President & CFO of JT America Inc.
		Jul.	1994	Deputy Director, Finance Department of JAPAN TOBACCO INC.
		Jan.	2000	Deputy General Manager of Corporate Planning Division of JAPAN TOBACCO INC.
		Sep.	2005	Vice President Internal Audit of JT International Inc.
		Jul.	2009	Director, General Manager, Accounting Department of JAPAN TOBACCO INC.
		Jul.	2010	Director, General Manager, Audit Department of JAPAN TOBACCO INC.
		Jun.	2012	Full-time Audit & Supervisory Board Member of JAPAN TOBACCO INC.
		Jun.	2018	Full-time Audit & Supervisory Board Member of J-Pharma Co., Ltd.
Significant office(s) concurrently held		—		
Number of shares of the Company held		0 shares		
Attendance of the meetings of the Board of Directors		—		
Attendance of the meetings of the Audit & Supervisory Board		—		

- (Notes)
1. Katsuyuki Yamaguchi is Managing Partner of Nishimura & Asahi NY LLP, and Nishimura & Asahi (Gaikokuho Kyodo Jigyo) has a business relationship with the Company. The ratio of transactions between Nishimura & Asahi (Gaikokuho Kyodo Jigyo) and the Company in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year.
 2. No material interest exists between the Company and another candidate for Audit & Supervisory Board Member.
 3. Katsuyuki Yamaguchi and Futoshi Nakamura are candidates for Outside Audit & Supervisory Board Member.
 4. The Company stipulates under its current Articles of Incorporation that it can conclude with each Audit & Supervisory Board Member a liability limitation agreement, which restricts their liability for damages under Article 423, Paragraph 1 of the Companies Act to the statutory limit, pursuant to the provisions of Article 427, Paragraph 1 of the Act. Accordingly, the Company has entered into such a liability limitation agreement with incumbent Outside Audit & Supervisory Board Member of the Company Katsuyuki Yamaguchi. The liability limitation agreement will be renewed with him subject to the approval of his reappointment. If the appointment of candidate for Audit & Supervisory Board Member Futoshi Nakamura is approved, the Company plans to conclude such liability limitation agreement with him.
 5. The Company has entered into an indemnity agreement with incumbent Outside Audit & Supervisory Board Member of the Company Katsuyuki Yamaguchi, with the effect that the Company will indemnify each Audit & Supervisory Board Member for the expenses stipulated in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the loss stipulated in Paragraph 1, Item 2 of the same article to the extent provided for by laws and regulations. The indemnity agreement will be renewed with him subject to the approval of his reappointment. If the appointment of candidate for Audit & Supervisory Board Member Futoshi Nakamura is approved, the Company plans to conclude such indemnity agreement with him.
 6. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, designating all Audit & Supervisory Board Members as insureds, which will cover damage that may be incurred by the insured as a result of assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. However, there are exemptions, such as not being covered for any damage caused by an act committed with the knowledge that the act is in violation of laws and regulations. In the event that Katsuyuki Yamaguchi and Futoshi Nakamura assume the office of Audit & Supervisory Board Member, they will become the insured under the relevant insurance contract and the relevant insurance contract will be renewed during the term of office.
 7. If the reappointment of Katsuyuki Yamaguchi and the appointment of Futoshi Nakamura are approved, they will be appointed to the position of Independent Audit & Supervisory Board Member specified by the regulations of Tokyo Stock Exchange, Inc.

Business Report

(From January 1, 2023, to December 31, 2023)

Part 1 Present Situation of the Rakuten Group

1. Business Progress and Results

Revenue	Non-GAAP operating loss	IFRS operating loss	Net loss attributable to owners of the Company
¥2,071.3 billion	¥153.0 billion	¥212.9 billion	¥339.5 billion
(7.8% increase YoY)	(¥182.2 billion increase YoY)	(¥158.8 billion increase YoY)	(¥37.7 billion increase YoY)

Application of International Financial Reporting Standards: Starting from the fiscal year ended December 31, 2013, Rakuten Group prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (“IFRS”) pursuant to the provisions of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies.

The Rakuten Group discloses consolidated business results in terms of both its internal measures which management relies upon in making decisions (hereinafter the “Non-GAAP financial measures”) and those under IFRS.

Non-GAAP operating income is operating income under IFRS (hereinafter “IFRS operating income”) after deducting unusual items and other adjustments as prescribed by the Rakuten Group. Management believes that the disclosure of Non-GAAP financial measures facilitates comparison between the Rakuten Group and peer companies in the same industry or comparison of its business results with those of prior fiscal years by stakeholders, and can provide useful information in understanding the underlying business results of the Rakuten Group and its future outlook. Unusual items refer to one-off items that the Rakuten Group believes shall be excluded for the purposes of preparing a future outlook based on certain rules. Other adjustment items are those that tend to differ depending on the standards applied, and are therefore less comparable between companies, such as share based compensation expenses and amortization of acquisition-related intangible assets.

Additionally, the Rakuten Group has adopted IFRS 17 “Insurance Contracts” from the beginning of the fiscal year ended December 31, 2023. As a result, the figures for the FinTech segment for the previous fiscal year have been restated to reflect the cumulative effect of the change in standards as of the beginning of the previous fiscal year, being the date of transition. For details, please refer to “Notes to Consolidated Financial Statements, 2. Notes on Changes in Accounting Policies” of the Consolidated Financial Statements.

(Note) For disclosure of Non-GAAP financial measures, the Rakuten Group refers to the rules specified by the U.S. Securities and Exchange Commission but does not fully comply with such rules.

■ Business Results for the Fiscal Year Ended December 31, 2023 (Non-GAAP basis)

The world economy picked up during the fiscal year ended December 31, 2023 despite weakness seen in some regions. Looking ahead, it will be necessary to pay attention to an increasing risk of economic downturn due to the impact from global

monetary tightening and other factors. The Japanese economy is recovering moderately including personal investments and capital expenditures etc., and going forward, it is expected to pick up partly due to the effects of various policies.

According to the “White Paper on Information and Communications in Japan” (Note), the amount of data used over networks in Japan has increased dramatically along with the advancement of communications infrastructure and the spread and diversification of digital services. Since the spread of COVID-19, digitalization has progressed, making contactless life possible, and especially the amount of data used via mobile terminals, has increased significantly, and is expected to grow further in the future.

Under such an environment, the Rakuten Group is actively developing and promoting the use of services that leverage advanced technologies such as AI and data both online and offline based on membership and shared loyalty point programs. Rakuten Mobile was the first company in the world to introduce Open RAN that enables multi-vendor wireless access networks, including cell phone base stations, as well as vRAN, a virtualization technology, across its entire commercial network. In addition, Rakuten Symphony is proposing the architecture, such as Open RAN and vRAN, implemented by Rakuten Mobile to telecommunications companies around the world, as telecommunications carriers continue to innovate their network equipment configurations. Going forward, the Rakuten Group will continue to enhance its competitiveness by further evolving the Rakuten Ecosystem.

In the Internet Services segment, factors including measures and sales promotion activities which sought to improve customer convenience and satisfaction for internet shopping mall Rakuten Ichiba successfully led to the retention of customers, even after the stay-at-home consumption amid the COVID-19 pandemic had run its course. In addition, continued steady recovery in demand for domestic travel and other factors resulted in continued growth in transaction volume in domestic e-commerce services. In the FinTech segment, the customer base for each service has continued to expand, and the Group achieved increases in revenue and profit in credit card related services and banking services, securities services, among others. In the Mobile segment, revenue increased compared to the fiscal year ended December 31, 2022 due to an increase in telecommunication fee revenues and other factors, and the segment loss steadily decreased accordingly.

As a result, the Rakuten Group recorded revenue of ¥2,071,315 million, up 7.8% year-on-year for the fiscal year ended December 31, 2023. It recorded a Non-GAAP operating loss of ¥153,041 million, compared to a Non-GAAP operating loss of ¥335,192 million for the fiscal year ended December 31, 2022.

Note: Source: “2023 White Paper on Information and Communications in Japan” (Ministry of Internal Affairs and Communications)

■ Reconciliation of Non-GAAP Operating Income to IFRS Operating Income

For the fiscal year ended December 31, 2023, amortization of intangible assets of ¥13,564 million and share based compensation expenses of ¥14,318 million were excluded from the Non-GAAP operating loss. One-off items listed for the fiscal year ended December 31, 2022 include expenses associated with an increase in provision for customer points as a result of changes in the Rakuten Point Terms of Use and estimated expenses incurred from fraudulent acts committed in collusion by former employees of a subsidiary and suppliers, which are included as other expenses in the Consolidated Statement of Income. One-off items listed for the fiscal year ended December 31, 2023 include an impairment loss on noncurrent assets of ¥15,922 million,

associated with changes in the operation method of the online grocery delivery business, costs temporarily incurred due to the cancellation of base station construction etc. of ¥13,598 million, associated with changes to capital expenditure plans resulting from a review of roaming agreements in the mobile business, gains and losses resulting from the sale of all shares in Seiyu Holdings Co., Ltd., and fees paid to external experts and others such as legal fees related to fraudulent acts committed in collusion by former employees of a subsidiary and suppliers which came to light in the previous year.

■ Operating Results for the Fiscal Year Ended December 31, 2023 (IFRS basis)

For the fiscal year ended December 31, 2023, the Rakuten Group recorded revenue of ¥2,071,315 million, up 7.8% year-on-year, and an IFRS operating loss of ¥212,857 million, compared with an IFRS operating loss of ¥371,612 million in the fiscal year ended December 31, 2022, and a net loss attributable to owners of the Company of ¥339,473 million, compared with a net loss of ¥377,217 million in the fiscal year ended December 31, 2022, due to the impact of the reversal of deferred tax assets and other factors.

(Millions of Yen)

	Fiscal year ended December 31, 2022 (26th)	Fiscal year ended December 31, 2023 (27th)	Amount Change YoY	% Change YoY
Revenue	1,920,894	2,071,315	150,421	7.8%
Non-GAAP operating loss	(335,192)	(153,041)	182,151	—
Amortization of intangible assets	(8,657)	(13,564)	(4,907)	—
Share based compensation expenses	(12,587)	(14,318)	(1,731)	—
Nonrecurring items	(15,176)	(31,934)	(16,758)	—
IFRS operating loss	(371,612)	(212,857)	158,755	—
Net loss attributable to owners of the Company	(377,217)	(339,473)	37,744	—

■ Segment Information

Business results for each segment are as follows. In terms of the IFRS management approach, segment profit or loss is presented on a Non-GAAP operating income basis. Effective from the fiscal year ended December 31, 2023, subsidiaries and businesses belonging to the media & entertainment department were transferred from the Mobile segment to the Internet Services segment for the purpose of expanding the Rakuten Ecosystem, enhancing synergy effects, etc. In accordance with this change, revenue increased by ¥17,935 million and segment profit decreased by ¥13,573 million in the Internet Services segment, and revenue and segment loss in the Mobile segment decreased by the same amount for the fiscal year ended December 31, 2022.

Internet Services Segment

Sales composition ratio (excluding adjustments): 52.7%

(Billions of Yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Segment Revenue	1,103.8	1,212.3
Segment Profit	64.6	76.8

Main businesses: Domestic EC (Rakuten Ichiba, Rakuten Travel, etc.), overseas e-commerce (Rakuten Rewards (Ebates), Rakuten France, etc.), investment (Rakuten Capital), advertising (Rakuten Advertising, etc.), professional sports (Rakuten Eagles, Vissel Kobe, etc.)

In Domestic EC, the mainstay of Internet Services, the Rakuten Group is aiming for further growth in gross merchandise sales and revenue by working on various initiatives, including new customer acquisitions, promotion of cross-use of services, and developing services and revitalization of regional economies by developing new services closely cooperating with local governments and regional businesses. In the internet shopping mall “Rakuten Ichiba”, various measures and sales promotion activities designed to improve customer convenience and satisfaction successfully led to strengthening of customer loyalty. Moreover, the online travel booking service, “Rakuten Travel”, saw growth in transaction value compared to the previous fiscal year, thanks to successful sales promotion and other measures to take advantage of a recovery in domestic travel. In addition, sales in the advertising business continued to grow due to the growth in transaction value in Domestic EC.

In Other Internet Services, including overseas internet services, a strong sales growth continued in the US cashback service “Rakuten Rewards”. In addition, the investment business saw an improvement in income (losses) of investments compared to the previous fiscal year, and in the messaging and VoIP service “Rakuten Viber”, there was a recovery seen in telecommunication fee, advertising and other revenues. In the sports business, revenue increased in connection with Vissel Kobe’s victory in the J1 League, which resulted in an improvement in performance compared to the previous fiscal year and contributed to an increase in segment profit.

As a result, revenue for the Internet Services segment rose to ¥1,212,314 million, a 9.8% year-on-year increase, while segment profit stood at ¥76,831 million, an 18.9% year-on-year increase.

FinTech Segment

Sales composition ratio (excluding adjustments): 31.5%

(Billions of Yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Segment Revenue	651.9	725.2
Segment Profit	89.8	122.9

Main businesses: Rakuten Card, Rakuten Bank, Rakuten Securities, Rakuten Life Insurance, Rakuten General Insurance, Rakuten Pay

In credit card related services, the cumulative total number of Rakuten Card issued surpassed 30 million in December 2023. In addition to an ongoing recovery in offline consumption, advancement continued in the popularization of cashless transactions due to increased demand for contactless services as spurred by a change in behavioral patterns amid the COVID-19 pandemic. The services continued to show strong growth, as demonstrated by the card shopping transaction value for the fiscal year ended December 31, 2023 having surpassed ¥20 trillion as a result of increased transactions both in and outside the various services of the Rakuten Group. There was also a substantial increase in transaction value for cashless payment services as a result of active initiatives to expand the number of locations where the service is available and provide higher satisfaction among both member shops and users. In banking services, the number of savings accounts surpassed 14 million in June 2023 and the balance of deposits exceeded ¥10 trillion at the end of December of the same year, while in securities services, the total number of general securities accounts reached 10 million in December 2023, further expanding the customer base.

As a result, the FinTech segment recorded ¥725,165 million in revenue, an 11.2% year-on-year increase, while segment profit stood at ¥122,915 million, a 36.8% year-on-year increase.

Mobile Segment

Sales composition ratio (excluding adjustments): 15.8%

(Billions of Yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Segment Revenue	350.7	364.6
Segment Loss	(479.3)	(337.5)

Main businesses: Communication services (Rakuten Mobile, etc.), power supply services (Rakuten Energy), telephone services (Rakuten Communications)

In mobile services, the number of subscribers reached 5.96 million by the end of December 2023 (combined number of B2C and B2B of MNO subscribers, excluding BCP; 6.09 million subscribers if BCP is included), and revenue grew steadily compared to the previous fiscal year due to an increase in revenue from telecommunication fees and other factors. ARPU has demonstrated a rising trend in line with the increase in revenue from telecommunication fees. Specifically, we will work to increase B2C ARPU by expanding sales of optional services and advertising sales, in addition to continued growth in data usage, while improving B2B ARPU by expanding sales of solution services, and we believe that there is still room for B2C ARPU and B2B ARPU to increase.

With regard to cost, in December 2023, we achieved the goal of reducing monthly operating expenses, including network expenses and selling, general and administrative expenses, etc. excluding depreciation, by ¥15,000 million from the highest monthly level in fiscal 2022, which had been set as one of our target initiatives for cost normalization optimization from the beginning. Capital expenditures were significantly curbed to a level far below our previous original plan, which had been changed to approximately ¥200,000 million, upon the conclusion of new roaming contracts., and the amount of capital expenditures for the fiscal year ended December 31, 2023 was ¥177,648 million.

As a result, the Mobile segment recorded ¥364,556 million in revenue, a 3.9% year-on-year increase, and a segment loss of ¥337,524 million (compared to losses of ¥479,257 million in the fiscal year ended December 31, 2022). The loss has contracted since its peak in the first quarter ended March 31, 2022.

2. Operating Results and Financial Status

Classification		24 th (From January 1, 2020 to December 31, 2020)	25 th (From January 1, 2021 to December 31, 2021)	26 th (From January 1, 2022 to December 31, 2022)	27 th (From January 1, 2023 to December 31, 2023)
Revenue	(Millions of Yen)	1,455,538	1,681,757	1,920,894	2,071,315
Operating loss	(Millions of Yen)	(93,849)	(194,726)	(371,612)	(212,857)
Non-GAAP operating loss	(Millions of Yen)	(102,667)	(224,999)	(335,192)	(153,041)
Loss before income tax	(Millions of Yen)	(151,016)	(212,630)	(415,612)	(217,741)
Net loss attributable to owners of the Company	(Millions of Yen)	(114,199)	(133,828)	(377,217)	(339,473)
Comprehensive income	(Millions of Yen)	(132,401)	(73,041)	(312,285)	(262,200)
Basic losses per share	(Yen)	(84.00)	(87.62)	(237.73)	(177.27)
Diluted losses per share	(Yen)	(84.00)	(87.62)	(237.89)	(177.29)
Total assets	(Millions of Yen)	12,524,438	16,831,221	20,402,281	22,625,576
Total equity attributable to owners of the Company	(Millions of Yen)	608,738	1,093,719	791,351	836,572
Equity per share attributable to owners of the Company	(Yen)	446.78	691.47	497.56	390.53
Cash flows from operating activities	(Millions of Yen)	1,041,391	582,707	(262,068)	724,192
Cash flows used in investing activities	(Millions of Yen)	(303,347)	(611,830)	(948,289)	(597,416)
Cash flows from financing activities	(Millions of Yen)	808,108	1,402,265	1,486,686	291,956
ROE	(%)	(17.0)	(15.7)	(40.4)	(41.7)
Dividend per share	(Yen)	4.5	4.5	4.5	0.0

- (Notes) 1. Non-GAAP operating income is operating income under IFRS after deducting nonrecurring items and other adjustments prescribed by Rakuten Group. Management believes disclosure of Non-GAAP financial measures facilitates comparison between Rakuten Group and peer companies in the same industry or comparison of its business results with those of the prior fiscal years by stakeholders, and can provide useful information in understanding the underlying business results of Rakuten Group and its business forecast.
2. IFRS 17 has been applied from the beginning of the 27th fiscal year and the related key management indicators for the 26th fiscal year were adjusted retrospectively.

3. State of Capital Investments

The total amount of capital investment for the fiscal year was ¥385,874 million, primarily due to the increase in capital investment executed by Rakuten Mobile, Inc. and the increase in right-of-use assets for the purpose of constructing new base stations and network equipment related to 4G and 5G.

4. State of Capital Procurements

Major capital procurements conducted by Rakuten Group are as follows.

In January 2023, the Company raised USD 450 million by issuing U.S. dollar-denominated unsecured bonds and raised ¥250,000 million in February 2023 by issuing yen-denominated unsecured bonds. In addition, the Company also raised ¥71,755 million in April 2023 by selling a portion of common stock of Rakuten Bank, Ltd. held by the Company, ¥294,785 million through a public offering and issuance of new shares by third-party allotment in May 2023, and ¥60,639 million by selling common stock of Rakuten Bank, Ltd. held by the Company through overseas offering in December 2023.

5. Business Re-organization

- (1) Rakuten Bank, Ltd., a subsidiary of the Company, was listed on the Tokyo Stock Exchange Prime Market on April 21, 2023. At the time of listing, Rakuten Bank, Ltd. issued new shares through a public offering and the Company sold a portion of Rakuten Bank, Ltd. shares owned by the Company. With regard to the offering through overallotment, Rakuten Bank, Ltd. issued new shares through a third-party allotment to Daiwa Securities Co., Ltd. As a result, the Company's ownership ratio in Rakuten Bank, Ltd. is 63.34%.
- (2) On May 12, 2023, the Company transferred all shares of Seiyu Holdings Co., Ltd. held by the Company to a fund managed by KKR & Co. Inc.
- (3) On November 1, 2023, the Company transferred Rakuten Pay (online payment) and Rakuten Point businesses operated by the Company to Rakuten Payment, Inc., a consolidated subsidiary of the Company, through a company split.
- (4) On November 1, 2023, the Company changed the parent company of Rakuten Payment, Inc. a consolidated subsidiary of the Company, from the Company to Rakuten Card Co., Ltd., a consolidated subsidiary of the Company, by transferring all shares of Rakuten Payment, Inc. through share issuance.
- (5) On December 11, 2023, the Company sold common stock of Rakuten Bank, Ltd. held by the Company through overseas offering. As a result, the Company's ownership ratio in Rakuten Bank, Ltd. is 49.27%. Rakuten Bank, Ltd. will continue to be a consolidated subsidiary of the Company after this offering.
- (6) On December 15, 2023, Rakuten Securities Holdings, Inc., a consolidated subsidiary of the Company, transferred 29.01% of its shares issued in Rakuten Securities, Inc. to Mizuho Securities Co., Ltd., a consolidated subsidiary of Mizuho Financial Group, Inc.
- (7) On December 20, 2023, the Rakuten Group made Rakuten Seiyu Netsuper, Inc. a wholly owned subsidiary of the Company by acquiring all shares of Rakuten Seiyu Netsuper, Inc. a consolidated subsidiary of the Company, held by Seiyu Co., Ltd.

6. Challenges

As a company group that contributes to society by creating value through innovation and entrepreneurship, our challenges are to respond flexibly to changes in our business environment and to build a framework for continuous growth. Through long-term continuous

growth, we aim to maximize corporate and shareholder value of Rakuten Group and continue to be a Global Innovation Company that brings benefits to all of society.

(1) Business strategy

Rakuten Group aims to generate synergistic benefits that include the maximization of the lifetime value of each member, minimization of customer acquisition cost, and maximization of value of the entire Group. We will achieve this by creating an environment in which members worldwide can continuously use multiple services in the “Rakuten Ecosystem,” at the core of which are membership, data, and brand. In addition, Rakuten Group is developing and promoting the use of services that leverage advanced technologies such as AI and data both online and offline based on membership and shared loyalty point programs.

In the Internet Services segment, particularly e-commerce and travel, Rakuten Group is aiming for further growth in gross merchandise sales and revenues through various initiatives, including cultivation of loyal customers, acquisition of new customers, promotion of cross-use of services, and developing services and revitalizing regional economies through deeper cooperation with local governments and regional businesses.

We are pursuing even greater growth of FinTech services in such areas as credit cards, banking, securities, insurance, and electronic money services by generating synergistic benefits between businesses and promoting cross-use of services as the Japanese government is promoting an expansion of cashless payments. Given this, Rakuten Group is working on measures to introduce its payment services in more locations and increase the number of active users in order to promote a full range of cashless payments including QR/barcode payments, electronic money, and points. Furthermore, we will continue to focus on achieving Rakuten Group’s vision for a comprehensive payment services platform to increase the effectiveness of customer traffic within the Rakuten Ecosystem.

In the Mobile segment, we have realized the world’s first (Note) end-to-end fully virtualized cloud-native mobile network. In addition to adopting a flexible and secure network infrastructure, we have succeeded in significantly reducing capital expenditures and operating costs compared to conventional networks. As a result of our efforts to strengthen the Rakuten Mobile service area, we achieved a population coverage of 98.8% as of December 31, 2023. In addition, we concluded a new roaming agreement in the belief that we can improve our network more efficiently by utilizing domestic partner areas. Furthermore, we aim to realize an even stronger network and expand our customer base by utilizing the special base station deployment plan (700 MHz frequency spectrum), which received a government approval in October 2023. Moreover, as communication providers continue to innovate their network equipment configurations and open base stations globally, Rakuten Symphony, which supplies communication cloud platforms, etc. using innovative mobile network technologies, will continue to expand globally while efficiently identifying commercial opportunities based on its experience in building state-of-the-art infrastructure in Japan.

In addition to pursuing growth of individual businesses as well as maximizing cross-business synergies, we intend to expand the “Rakuten Ecosystem,” not only in Japan but globally, by establishing innovative and efficient marketing methods that utilize Rakuten Group’s membership and AI and raising our brand recognition and value. To do this, we must further enhance our global management, and we will work to review our business portfolio to optimize the allocation of management resources and to improve productivity and business efficiency through the use of AI, among other efforts.

(Note) For a large-scale commercial mobile network (as of October 1, 2019). Research: Stella Associa

(2) Management structure

Rakuten Group's corporate mission is based on the empowerment of individuals and society through innovation and entrepreneurship. We strive for social innovation and enrichment by boosting the growth of as many people as possible, while providing services that ensure a high standard of satisfaction for both users and partner enterprises. In order to achieve this mission, the Group has been implementing various measures with rigorous corporate governance as one of our highest priorities.

The Company is a company with an Audit & Supervisory Board, in which highly independent Audit & Supervisory Board Members provide auditing functions in order to improve the transparency of the Company's management and ensure its appropriateness, efficiency, fairness, and soundness. The Company has supervised management through an Audit & Supervisory Board, where a majority of the members are Outside Audit & Supervisory Board Members. Additionally, in order to separate the supervisory and executive roles of management, the Company has adopted an Executive Officer System in which the Board retains responsibility for management decision-making and supervision, while Executive Officers are responsible for executive functions.

The Company's Board of Directors, which includes Outside Directors who are highly independent experts from a variety of fields, supervises the execution of business from an objective perspective and engages in casual and multilateral discussions on management. Furthermore, the Company holds meetings, where debates are held about Group management strategy, etc., separately from the meetings of the Board of Directors. Participants discuss matters from a medium- to long-term perspective rather than confining themselves to short-term issues or items discussed at the meetings of the Board of Directors, thereby enhancing the effectiveness of corporate governance. In addition, we have introduced an internal Company System to ensure agile business execution and clear accountability.

Through such efforts, Rakuten Group will continue to build a management structure with more highly effective governance functions that enables swift management decisions.

7. Major Businesses

As a Global Innovation Company engaged in the three main businesses of Internet Services, FinTech, and Mobile, the Group Companies are organized into three reportable Segments: "Internet Services," "FinTech" and "Mobile."

Discrete financial information for operating results of these Segments is available and is regularly reviewed by the Board of Directors to determine the allocation of resources and assess performance.

The "Internet Services" Segment comprises businesses running various EC (e-commerce) sites including internet shopping mall Rakuten Ichiba, online cash-back sites, travel booking sites, portal sites, digital content sites, and provision of messaging services, along with business for advertising etc. on these sites. Additionally, this Segment includes businesses for the management of professional sports teams.

The "FinTech" Segment engages in businesses providing services related to credit cards, services over the internet related to banking and securities, intermediation of crypto assets (virtual currency), life insurance services, general insurance services, and prepaid money services.

The "Mobile" Segment engages in businesses for the provision of communication services and technologies, and operation of power supply services.

8. Information on Principal Parent Companies and Principal Subsidiaries

Information on Principal Subsidiaries

Company name	Capital	Ratio of voting rights	Main business
Rakuten Card Co., Ltd.	¥19,324 million	100.00%	Issuance of credit card "Rakuten Card," and related services
Rakuten Mobile, Inc.	¥100 million	100.00%	Voice communication and data transmission services, and sales of mobile devices
Ebates Inc.	0.1 U.S. dollar	100.00% (100.00%)	Online cash-back service
Rakuten Bank, Ltd.	¥32,616 million	49.27%	Internet banking service
Rakuten Securities, Inc.	¥19,496 million	51.00% (51.00%)	Online securities trading services
Rakuten Energy, Inc.	¥31 million	100.00%	Operation of retail electricity business and other energy-related businesses
Rakuten Payment, Inc.	¥100 million	97.61% (97.61%)	Electronic payment services
Rakuten Symphony Singapore Pte. Ltd.	353 million Singaporean dollars	100.00% (100.00%)	Development of communication infrastructure platform based on Open RAN
Rakuten General Insurance Co., Ltd.	¥20,153 million	100.00% (100.00%)	General insurance business
Rakuten Life Insurance Co., Ltd.	¥7,500 million	100.00% (100.00%)	Life insurance business
Rakuten Kobo Inc.	973 million Canadian dollars	100.00% (100.00%)	E-book services
Viber Media S.a.r.l.	217 thousand U.S. dollars	100.00%	Mobile messaging and VoIP services

- (Notes) 1. Figures in the brackets under Ratio of voting rights represent percentage of voting rights held indirectly.
2. Although the percentage of voting rights held by Rakuten Bank, Ltd. is 50% or less, the Company consolidates the company considering that the Company substantially controls the company.
3. Matters concerning specified subsidiaries:
- Name and address of the specified subsidiary
Rakuten Mobile, Inc.
1-14-1 Tamagawa, Setagaya-ku, Tokyo
 - Total book value of shares of specified subsidiary in the Company and wholly owned subsidiaries, etc., at the end of the current fiscal year
¥1,479,723 million
 - Total amount recorded in the assets section of the Company's balance sheet for the current fiscal year
¥4,207,994 million
4. The following measures have been taken to procure funds through securitization of telecommunication fee receivables held by Rakuten Mobile, Inc. All shares of Rakuten Mobile, Inc. are entrusted by the Company to Rakuten Trust Co., Ltd. This is a mechanism designed to protect investors in the securitization of Rakuten Mobile, Inc.'s telecommunication fee receivables. Under this mechanism, if conditions are met such as the Company's credit rating falling below a certain level, the authority to give instructions regarding the exercise of voting rights will be transferred to an independent third party, RMTrust Co., Ltd., and Rakuten Mobile, Inc. will be able to avoid any impact from the Company whose creditworthiness has diminished. Because the Company currently holds beneficiary right including the authority to give instructions for all voting rights, it is included in the percentage of voting rights held.

9. Principal Offices

(1) The Company

Name	Location	Name	Location
Rakuten Crimson House	Setagaya-ku, Tokyo	Nagoya Branch	Nagoya-shi, Aichi
Sapporo Branch	Sapporo-shi, Hokkaido	Osaka Branch	Osaka-shi, Osaka
Sendai Branch	Sendai-shi, Miyagi	Hiroshima Branch	Hiroshima-shi, Hiroshima
Saitama Branch	Saitama-shi, Saitama	Fukuoka Branch	Fukuoka-shi, Fukuoka

(2) Subsidiaries

Name	Location
Rakuten Card Co., Ltd.	Minato-ku, Tokyo
Rakuten Mobile, Inc.	Setagaya-ku, Tokyo
Ebates Inc.	United States
Rakuten Bank, Ltd.	Minato-ku, Tokyo
Rakuten Securities, Inc.	Minato-ku, Tokyo
Rakuten Energy, Inc.	Setagaya-ku, Tokyo
Rakuten Payment, Inc.	Minato-ku, Tokyo
Rakuten Symphony Singapore Pte. Ltd.	Singapore
Rakuten General Insurance Co., Ltd.	Minato-ku, Tokyo
Rakuten Life Insurance Co., Ltd.	Minato-ku, Tokyo
Rakuten Kobo Inc.	Canada
Viber Media S.a.r.l.	Luxembourg

10. Employees

Classification	Number of employees	Year-on-year change
Total	30,830	Decreased by 1,249

(Note) The number of employees does not include temporary staff, part-time employees and Directors who concurrently serve as employees.

Name of business segment	Number of employees
Internet Services	10,831
FinTech	6,070
Mobile	5,415
Company-wide (common)	8,514
Total	30,830

(Note) Company-wide (common) figure represents the number of employees of the development and management divisions and the shared service business that cannot be classified into a specific business segment.

11. Principal Borrowings

(Millions of Yen)

Creditor	Outstanding balance
Mizuho Bank, Ltd.	201,537
Sumitomo Mitsui Banking Corporation	60,193
Sumitomo Mitsui Trust Bank, Limited	46,456

Part 2 Matters Pertaining to Shares of the Company

1. Total Number of Shares Authorized to be Issued:

3,941,800,000 shares

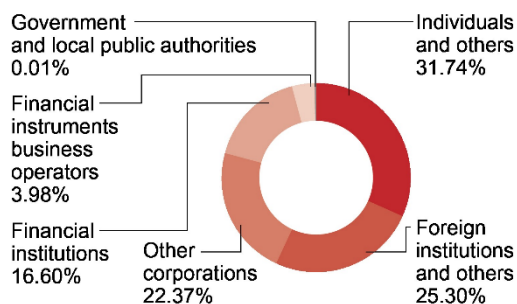
2. Total Number of Shares Issued:

2,142,140,300 shares

(Including 384 shares of treasury stocks)

3. Number of Shareholders: 531,233

Distribution of ownership among shareholders



*Treasury stocks are included in "Individuals and others."

4. Major Shareholders (Top 10)

Name	Number of shares held (shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	262,981,800	12.28
Crimson Group, LLC.	226,419,000	10.57
Hiroshi Mikitani	176,346,300	8.23
Haruko Mikitani	132,625,000	6.19
JAPAN POST HOLDINGS Co., Ltd.	131,004,000	6.12
Custody Bank of Japan, Ltd. (Trust account)	71,194,694	3.32
MSIP CLIENT SECURITIES	66,561,180	3.11
GOLDMAN SACHS INTERNATIONAL	54,033,397	2.52
Goldman Sachs Japan Co., Ltd. BNYM	51,173,405	2.39
Mikitani Kosan, Inc.	30,868,500	1.44
Spirit Inc.	30,868,500	1.44

(Note) Percentage of shares held is calculated excluding treasury stocks (384 shares).

5. Other Important Matters Involving Shares

Not applicable.

Part 3 Matters Concerning Share Acquisition Rights

1. Status of the share acquisition rights as of the end of fiscal year

(1) Summary of Contents of Share Acquisition Rights Held by Officers of the Company

Name (Date of resolution)	Number of Share Acquisiti on Rights	Class and number of shares to be issued	Issue price	Exercise Price (per share) (yen)	Exercise period
The 36th Share Acquisition Rights (February 20, 2015)	3,542	Common stock 354,200	Free of charge	0.01	From March 29, 2018 to March 27, 2024
The 46th Share Acquisition Rights (February 18, 2016)	3,050	Common stock 305,000	Free of charge	0.01	From March 1, 2017 to February 27, 2026
The 48th Share Acquisition Rights (February 18, 2016)	15	Common stock 1,500	Free of charge	0.01	From March 28, 2019 to March 26, 2025
The 50th Share Acquisition Rights	12,607	Common stock 1,260,700	Free of charge	0.01	From August 1, 2017 to August 1, 2026
The 57th Share Acquisition Rights	36	Common stock 3,600	Free of charge	0.01	From March 31, 2020 to March 29, 2026
The 58th Share Acquisition Rights	36	Common stock 3,600	Free of charge	0.01	From March 31, 2020 to March 29, 2026
The 59th Share Acquisition Rights	5,724	Common stock 572,400	Free of charge	0.01	From March 1, 2018 to March 1, 2027
The 69th Share Acquisition Rights	42	Common stock 4,200	Free of charge	0.01	From March 31, 2021 to March 29, 2027
The 70th Share Acquisition Rights	63	Common stock 6,300	Free of charge	0.01	From March 31, 2021 to March 29, 2027
The 71st Share Acquisition Rights	7,417	Common stock 741,700	Free of charge	0.01	From March 1, 2019 to March 1, 2028
The 72nd Share Acquisition Rights	16,578	Common stock 1,657,800	Free of charge	0.01	From May 1, 2019 to May 1, 2028
The 76th Share Acquisition Rights	28,032	Common stock 2,803,200	Free of charge	0.01	From February 1, 2020 to February 1, 2029

Name (Date of resolution)	Number of Share Acquisiti on Rights	Class and number of shares to be issued	Issue price	Exercise Price (per share) (yen)	Exercise period
The 81st Share Acquisition Rights	8,781	Common stock 878,100	Free of charge	0.01	From November 1, 2019 to May 1, 2059
The 82nd Share Acquisition Rights	13,161	Common stock 1,316,100	Free of charge	0.01	From August 1, 2020 to August 1, 2029
The 85th Share Acquisition Rights	28,216	Common stock 2,821,600	Free of charge	0.01	From February 1, 2021 to February 1, 2030
The 87th Share Acquisition Rights	6,713	Common stock 671,300	Free of charge	0.01	From March 1, 2020 to March 1, 2060
The 89th Share Acquisition Rights	1,712	Common stock 171,200	Free of charge	0.01	From May 1, 2020 to May 1, 2060
The 90th Share Acquisition Rights	29,386	Common stock 2,938,600	Free of charge	0.01	From August 1, 2021 to August 1, 2030
The 93rd Share Acquisition Rights	36,406	Common stock 3,640,600	Free of charge	0.01	From February 1, 2022 to February 1, 2031
The 95th Share Acquisition Rights	5,598	Common stock 559,800	Free of charge	0.01	From March 1, 2021 to March 1, 2061
The 97th Share Acquisition Rights	1,973	Common stock 197,300	Free of charge	0.01	From May 1, 2021 to May 1, 2061
The 98th Share Acquisition Rights	31,343	Common stock 3,134,300	Free of charge	0.01	From August 1, 2022 to August 1, 2031
The 101st Share Acquisition Rights	45,311	Common stock 4,531,100	Free of charge	0.01	From February 1, 2023 to February 1, 2032
The 104th Share Acquisition Rights	5,071	Common stock 507,100	Free of charge	0.01	From March 1, 2022 to March 1, 2062
The 105th Share Acquisition Rights	94,616	Common stock 9,461,600	Free of charge	0.01	From May 1, 2023 to May 1, 2032
The 106th Share Acquisition Rights	2,507	Common stock 250,700	Free of charge	0.01	From May 1, 2022 to May 1, 2062

Name (Date of resolution)	Number of Share Acquisiti on Rights	Class and number of shares to be issued	Issue price	Exercise Price (per share) (yen)	Exercise period
The 107th Share Acquisition Rights	67,444	Common stock 6,744,400	Free of charge	0.01	From August 1, 2023 to August 1, 2032
The 111th Share Acquisition Rights	75,940	Common stock 7,594,000	Free of charge	0.01	From February 1, 2024 to February 1, 2033
The 114th Share Acquisition Rights	8,972	Common stock 897,200	Free of charge	0.01	From March 1, 2023 to March 1, 2063
The 115th Share Acquisition Rights	95,726	Common stock 9,572,600	Free of charge	0.01	From May 1, 2024 to May 1, 2033
The 117th Share Acquisition Rights	5,074	Common stock 507,400	Free of charge	0.01	From May 1, 2023 to May 1, 2063

- (Notes) 1. With regard to the exercise period of share acquisition rights, if the final day of the exercise period falls on a holiday of the Company, the final day will be the working day immediately preceding the final day.
2. Conditions for exercise of the 36th, 48th, 57th, 58th, 69th and 70th Share Acquisition Rights are as follows:
- Holders of share acquisition rights shall remain Directors, Executive Officers, Audit & Supervisory Board Members or employees of the Company, its subsidiaries or affiliates at the time of exercising such rights, provided however exceptional treatment may be allowed in this regard by the Board of Directors of the Company in consideration of circumstances.
 - Share acquisition rights may not be inherited, unless the Board of Directors of the Company grants approval as a special case in consideration of all circumstances.
 - Share acquisition rights may not be pawned or disposed of in any other manner.
 - The Holders of share acquisition rights have duties to pay all taxes (including but not limited to income tax, social security contributions, pensions, and employment insurance premium in all applicable jurisdictions) specified by laws and regulations in relation to share acquisition rights and shares. In the case where the Company, its subsidiaries or its affiliates are obliged to levy income tax, etc., the relevant company obliged to levy income tax, etc. shall be able to levy tax from such Holders of share acquisition rights by the methods listed below.
 - Receipt by Cash
 - Appropriation of shares owned by the Holders of share acquisition rights
 - Deduction from salaries, bonuses, etc. of the Holders of share acquisition rights
 - Other methods specified by the Company
3. Conditions for exercise of the 46th, 50th, 59th, 71st, 72nd, and 76th Share Acquisition Rights are as follows:
- Holders of share acquisition rights shall remain Directors, Executive Officers, Audit & Supervisory Board Members or employees of the Company, its subsidiaries or affiliates at the time of exercising such rights, provided however exceptional treatment may be allowed in this regard by the Board of Directors of the Company in consideration of circumstances.
 - Share acquisition rights may not be inherited, unless the Board of Directors of the Company grants approval as a special case in consideration of all the circumstances.
 - Share acquisition rights may not be pawned or disposed of in any other manner.
 - Share acquisition rights may be exercised by the Holders of share acquisition rights, in whole or in part, according to the following categories.
 - The entire allotment of share acquisition rights shall not be exercised prior to the date on which one year has passed from the date of issuance.
 - 15% of the allotment of share acquisition rights may be exercised from the date on which one year has passed from the date of issuance to the date prior to the date on which two years have passed from the date of issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition right, such fraction shall be discarded).

- discarded).
- iii) 35% of the allotment of share acquisition rights (if a portion of the allotment of share acquisition rights had been exercised prior to the date on which two years have passed from the date of issuance, the total amount exercisable including the previously exercised portion shall be 35%) may be exercised from the date on which two years have passed from the date of issuance to the date prior to the date on which three years have passed from the date of issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction shall be discarded).
 - iv) 65% of the allotment of share acquisition rights (if a portion of the allotment of share acquisition rights had been exercised prior to the date on which three years have passed from the date of issuance, the total amount exercisable including the previously exercised portion shall be 65%) may be exercised from the date on which three years have passed from the date of issuance to the date prior to the date on which four years have passed from the date of issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction shall be discarded).
 - v) The entire allotment of share acquisition rights may be exercised from the date on which four years have passed from the date of issuance to the date on which ten years have passed from the date of issuance.
- e) The Holders of share acquisition rights have duties to pay all taxes (including but not limited to income tax, social security contributions, pensions, and employment insurance premium in all applicable jurisdictions) specified by laws and regulations in relation to share acquisition rights and shares. In cases where the Company, its subsidiaries or affiliates are obliged to levy income tax, etc., the relevant company obliged to levy income tax, etc. shall be able to levy tax from such Holders of share acquisition rights by the methods listed below.
- i) Receipt by Cash
 - ii) Appropriation of shares owned by the Holders of share acquisition rights
 - iii) Deduction from salaries, bonuses, etc. of the Holders of share acquisition rights
 - iv) Other methods specified by the Company
6. Conditions for exercise of the 105th, 107th, 111th, and 115th Share Acquisition Rights are as follows:
- a) Holders of share acquisition rights shall remain Directors, Executive Officers, Audit & Supervisory Board Members or employees of the Company, its subsidiaries or affiliates at the time of exercising such rights; provided, however, that this shall not apply in the event where the Holders of share acquisition rights have made applications for the exercise of share acquisition rights in accordance with the procedures prescribed by the Company by the date of retirement (or by the application date immediately following the date of retirement if it is recognized that there are justifiable grounds for not being able to make the application by the date of retirement), or exceptional treatment may be allowed in this regard by the Board of Directors of the Company in consideration of circumstances.
 - b) Share acquisition rights may not be inherited, unless the Board of Directors of the Company grants approval as a special case in consideration of all the circumstances.
 - c) Share acquisition rights may not be pawned or disposed of in any other manner.
 - d) Share acquisition rights may be exercised by the Holders of share acquisition rights, in whole or in part, according to the following categories.
 - i) The entire allotment of share acquisition rights shall not be exercised prior to the date on which one year has passed from the date of issuance.
 - ii) 15% of the allotment of share acquisition rights may be exercised from the date on which one year has passed from the date of issuance to the date prior to the date on which two years have passed from the date of issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction shall be discarded).
 - iii) 35% of the allotment of share acquisition rights (if a portion of the allotment of share acquisition rights had been exercised by the date prior to the date on which two years have passed from the date of issuance, the total amount exercisable including the previously exercised portion shall be 35%) may be exercised from the date on which two years have passed from the date of issuance to the date prior to the date on which three years have passed from the date of issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction shall be discarded).
 - iv) 65% of the allotment of share acquisition rights (if a portion of the allotment of share acquisition rights had been exercised by the date prior to the date on which three years have passed from the date of issuance, the total amount exercisable including the previously exercised portion shall be 65%) may be exercised from the date on which three years have passed from the date of issuance to the date prior to the date on which four years have passed from the date of issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction shall be discarded).

- v) The entire allotment of share acquisition rights may be exercised from the date on which four years have passed from the date of issuance to the date on which ten years have passed from the date of issuance.
- e) The Holders of share acquisition rights have duties to pay all taxes (including but not limited to income tax, social security contributions, pensions, and employment insurance premium in all applicable jurisdictions) specified by laws and regulations in relation to share acquisition rights and shares. In cases where the Company, its subsidiaries or affiliates are obliged to levy income tax, etc., the relevant company obliged to levy income tax, etc. shall be able to levy tax from such Holders of share acquisition rights by the methods listed below.
 - i) Receipt by Cash
 - ii) Appropriation of shares owned by the Holders of share acquisition rights
 - iii) Deduction from salaries, bonuses, etc. of the Holders of share acquisition rights
 - iv) Other methods specified by the Company

(2) Status by Classification of the Share Acquisition Rights Held by Officers of the Company

Classification	Name	Number of Share Acquisition Rights	Number of owners
Directors	The 46th Share Acquisition Rights	106	1
	The 50th Share Acquisition Rights	114	1
	The 59th Share Acquisition Rights	1,279	3
	The 71st Share Acquisition Rights	2,773	4
	The 72nd Share Acquisition Rights	1,993	2
	The 81st Share Acquisition Rights	2,765	5
	The 87th Share Acquisition Rights	1,822	3
	The 89th Share Acquisition Rights	1,373	2
	The 95th Share Acquisition Rights	1,516	3
	The 97th Share Acquisition Rights	1,405	5
	The 104th Share Acquisition Rights	899	2
	The 106th Share Acquisition Rights	2,507	3
	The 114th Share Acquisition Rights	1,135	2
	The 117th Share Acquisition Rights	5,074	5
Outside Directors	The 36th Share Acquisition Rights	78	1
	The 46th Share Acquisition Rights	93	1
	The 57th Share Acquisition Rights	18	1
	The 59th Share Acquisition Rights	114	1
	The 70th Share Acquisition Rights	21	1
	The 71st Share Acquisition Rights	132	1
	The 105th Share Acquisition Rights	397	4
	The 115th Share Acquisition Rights	400	4
Audit & Supervisory Board Members	The 48th Share Acquisition Rights	15	1
	The 58th Share Acquisition Rights	18	1
	The 69th Share Acquisition Rights	21	1
	The 76th Share Acquisition Rights	3	1

The 82nd Share Acquisition Rights	2	1
The 85th Share Acquisition Rights	3	1
The 90th Share Acquisition Rights	3	1
The 93rd Share Acquisition Rights	4	1
The 98th Share Acquisition Rights	3	1
The 101st Share Acquisition Rights	3	1
The 107th Share Acquisition Rights	11	1
The 111th Share Acquisition Rights	6	1

- (Notes)
1. The number of shares to be issued for the share acquisition rights above is 100 per share acquisition rights.
 2. "Directors" in the above table do not include Outside Directors.
 3. Share acquisition rights held by Audit & Supervisory Board Members include those granted to them while they were employees of the Company.

2. Status of the Share Acquisition Rights Issued During the Fiscal Year

(1) Summary of Contents of Share Acquisition Rights Granted to Employees of the Company and Officers and Employees of the Subsidiaries

Name (Date of resolution)	Number of Share Acquisiti on Rights	Class and number of shares to be issued	Issue price	Exercise Price (per share) (yen)	Exercise period
The 111th Share Acquisition Rights (January 16, 2023)	75,940	Common stock 7,594,000	Free of charge	0.01	From February 1, 2024 to February 1, 2033
The 112th Share Acquisition Rights (February 14, 2023)	8,940	Common stock 894,000	Free of charge	0.01	From March 1, 2024 to March 1, 2033
The 113th Share Acquisition Rights (February 14, 2023)	1,365	Common stock 136,500	Free of charge	0.01	From March 1, 2024 to March 1, 2033
The 114th Share Acquisition Rights (February 14, 2023)	10,050	Common stock 1,005,000	Free of charge	0.01	From March 1, 2023 to March 1, 2063
The 115th Share Acquisition Rights	95,326	Common stock 9,532,600	Free of charge	0.01	From May 1, 2024 to May 1, 2033
The 116th Share Acquisition Rights	5,532	Common stock 553,200	Free of charge	0.01	From May 1, 2024 to May 1, 2033
The 118th Share Acquisition Rights	79,126	Common stock 7,912,600	Free of charge	0.01	From August 1, 2024 to August 1, 2033
The 119th Share Acquisition Rights (July 13, 2023)	83	Common stock 8,300	Free of charge	0.01	From August 1, 2024 to August 1, 2033
The 120th Share Acquisition Rights (October 16, 2023)	1,716	Common stock 171,600	Free of charge	0.01	From November 1, 2024 to November 1, 2033
The 121st Share Acquisition Rights (October 16, 2023)	47	Common stock 4,700	Free of charge	0.01	From November 1, 2024 to November 1, 2033

(Notes) 1. With regard to the exercise period of share acquisition rights, if the final day of the exercise period falls on a holiday of the Company, the final day will be the working day immediately preceding the final day.

2. Conditions for exercise of the 111th, 112th, 113th, 115th, 116th, 118th, 119th, 120th, and 121st Share Acquisition Rights are as follows:

- a) Holders of share acquisition rights shall remain Directors, Executive Officers, Audit & Supervisory Board Members or employees of the Company, its subsidiaries or affiliates at the time of exercising such rights; provided, however, that this shall not apply in the event where the Holders of share acquisition rights have made applications for the exercise of share acquisition rights in accordance with the procedures prescribed by the Company by the date of retirement (or by the application date immediately following the date of retirement if it is recognized that there are justifiable grounds for not being able to make the application by the date of retirement), or exceptional treatment may be allowed in this regard by the Board of Directors of the Company in consideration of circumstances.

- b) Share acquisition rights may not be inherited; provided, however, that exceptional treatment may be allowed in this regard by the Board of Directors in consideration of circumstances.
 - c) Share acquisition rights may not be offered for pledge or disposed of in any other way.
 - d) Share acquisition rights may be exercised by the Holder of share acquisition rights, in whole or in part, according to the following categories.
 - i) The entire allotment of share acquisition rights shall not be exercised prior to the date on which one year has passed from the date of issuance.
 - ii) 15% of the allotment of share acquisition rights may be exercised from the date on which one year has passed from the date of issuance to the date prior to the date on which two years have passed from the date of issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction shall be discarded).
 - iii) 35% of the allotment of share acquisition rights (if a portion of the allotment of share acquisition rights had been exercised by the date prior to the date on which two years have passed from the date of issuance, the total amount exercisable including the previously exercised portion shall be 35%) may be exercised from the date on which two years have passed from the date of issuance to the date prior to the date on which three years have passed from the date of issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction shall be discarded).
 - iv) 65% of the allotment of share acquisition rights (if a portion of the allotment of share acquisition rights had been exercised by the date prior to the date on which three years have passed from the date of issuance, the total amount exercisable including the previously exercised portion shall be 65%) may be exercised from the date on which three years have passed from the date of issuance to the date prior to the date on which four years have passed from the date of issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction shall be discarded).
 - v) The entire allotment of share acquisition rights may be exercised from the date on which four years have passed from the date of issuance to the date on which ten years have passed from the date of issuance.
 - e) The Holders of share acquisition rights have duties to pay all taxes (including but not limited to income tax, social security contributions, pensions, and employment insurance premium in all applicable jurisdictions) specified by laws and regulations in relation to share acquisition rights and shares. In cases where the Company, its subsidiaries or affiliates are obliged to levy income tax, etc., the relevant company obliged to levy income tax, etc. shall be able to levy tax from such Holders of share acquisition rights by the methods listed below.
 - i) Receipt by Cash
 - ii) Appropriation of shares owned by the Holders of share acquisition rights
 - iii) Deduction from salaries, bonuses, etc. of the Holders of share acquisition rights
 - iv) Other methods specified by the Company
3. Conditions for exercise of the 114th Share Acquisition Rights are as follows:
- a) Holders of share acquisition rights shall exercise such rights within ten days from the date following the date on which they retire as Directors, Executive Officers, Audit & Supervisory Board Members and employees of the Company, its subsidiaries or affiliates.
 - b) Share acquisition rights may not be inherited; provided, however, that exceptional treatment may be allowed in this regard by the Board of Directors in consideration of circumstances.
 - c) Share acquisition rights may not be offered for pledge or disposed of in any other way.
 - d) The Holders of share acquisition rights have duties to pay all taxes (including but not limited to income tax, social security contributions, pensions, and employment insurance premium) specified by laws and regulations in relation to share acquisition rights and shares. In the case where the Company, its subsidiaries or affiliates is obliged to levy income tax, etc., the relevant company obliged to levy income tax, etc. shall be able to levy tax from such Holders of share acquisition rights by the methods listed below.
 - i) Receipt by Cash
 - ii) Appropriation of shares owned by the Holders of share acquisition rights
 - iii) Deduction from salaries, bonuses, etc. of the Holders of share acquisition rights
 - iv) Other methods specified by the Company

(2) Status by Classification of the Share Acquisition Rights Granted to Employees of the Company and Officers and Employees of the Subsidiaries

Classification	Name	Number of Share Acquisition Rights	Number of shares	Number of owners
Employees of the Company (Excluding Officers)	The 111th Share Acquisition Rights	38,901	3,890,100	9,297
	The 112th Share Acquisition Rights	1,484	148,400	37
	The 114th Share Acquisition Rights	10,050	1,005,000	52
	The 118th Share Acquisition Rights	48,328	4,832,800	9,416
Officers and Employees of the Subsidiaries (Excluding Officers and Employees of the Company)	The 111th Share Acquisition Rights	37,039	3,703,900	6,382
	The 112th Share Acquisition Rights	7,456	745,600	41
	The 113th Share Acquisition Rights	1,365	136,500	1
	The 115th Share Acquisition Rights	95,326	9,532,600	3,760
	The 116th Share Acquisition Rights	5,532	553,200	219
	The 118th Share Acquisition Rights	30,798	3,079,800	5,752
	The 119th Share Acquisition Rights	83	8,300	4
	The 120th Share Acquisition Rights	1,716	171,600	74
	The 121st Share Acquisition Rights	47	4,700	2

Part 4 Matters Pertaining to Officers of the Company

1. Names of Directors and Audit & Supervisory Board Members

(As of December 31, 2023)

Title	Name	Responsibility within the Company and significant concurrent positions
Representative Director, Chairman, President & CEO	Hiroshi Mikitani	Chairman, President & CEO Group President of Group Company Division Representative Partner of Crimson Group, LLC. Chairman & Representative Director of Rakuten Vissel Kobe, Inc. Representative Director of Japan Association of New Economy Chairman of Tokyo Philharmonic Orchestra Chairman & Representative Director and team owner of Rakuten Baseball, Inc. Chairman & Representative Director of Rakuten Medical K.K. Director of AST & Science, LLC Representative Director & Chairman of Rakuten Mobile, Inc. Vice Chairman of the Board & Co-CEO of Rakuten Medical, Inc. Representative Director, Chairman & CEO of Rakuten Symphony, Inc.
Representative Director & Vice Chairman	Masayuki Hosaka	Vice Chairman President of FinTech Group Company President & Representative Director of Rakuten Card Co., Ltd.
Representative Director & Group Executive Vice President	Kentaro Hyakuno	Group Executive Vice President COO President of Communications & Energy Company Director of JP Rakuten Logistics, Inc.
Director & Group Executive Vice President	Kazunori Takeda	Group Executive Vice President President of Commerce & Marketing Company Director of Seiyu Holdings Co., Ltd. Representative Director & Chairman of JP Rakuten Logistics, Inc.
Director & Group Executive Vice President	Kenji Hirose	Group Executive Vice President CFO Audit & Supervisory Board Member of JP Rakuten Logistics, Inc.
Director Outside Independent	Takaharu Ando	Outside Director of AMUSE INC. Outside Director of ZENSHO HOLDINGS CO., LTD. Outside Director of TOBU RAILWAY CO., LTD. Outside Director (Audit & Supervisory Committee Member) of NISSHIN SEIFUN GROUP INC.
Director Outside Independent	Sarah J. M. Whitley	Trustee of Foundation Scotland Chair of Edinburgh International Festival Endowment Fund Trustee of The Royal Scottish Academy Foundation
Director Outside Independent	Tsedal Neeley	Naylor Fitzhugh Professor of Business Administration of Harvard Business School Senior Associate Dean of Faculty Development and Research of Harvard Business School Faculty Chair of the Christensen for Teaching and Learning of Harvard Business School Outside Director of Brightcove, Inc.
Director Outside Independent	Charles B. Baxter	—

Title	Name	Responsibility within the Company and significant concurrent positions
Director Outside Independent	Shigeki Habuka	Corporate Executive Officer and Senior Vice President (supervising Government Affairs) of Mitsubishi Chemical Group Corporation
Director Outside Independent	Takashi Mitachi	Outside Director of DMG MORI CO., LTD. Outside Director of Tokio Marine Holdings, Inc. Chief Executive Director of Ronald McDonald House Charities Japan Distinguished Professor of Graduate School of Management of Kyoto University Outside Director of SUMITOMO CORPORATION
Director Outside Independent	Jun Murai	Outside Director of BroadBand Tower, Inc. Outside Director of LAC Co., Ltd. Professor of Keio University Special Advisor to the Cabinet Advisor to the Digital Agency Director of World Wide Web Consortium, Inc. Advisor of The International House of Japan, Inc.
Audit & Supervisory Board Member (Full-time)	Yoshito Naganuma	—
Audit & Supervisory Board Member (Full-time) Outside Independent	Satoshi Fujita	—
Audit & Supervisory Board Member Outside Independent	Maki Kataoka	Outside Audit & Supervisory Board Member of SHIBAURA ELECTRONICS CO., LTD.
Audit & Supervisory Board Member Outside Independent	Katsuyuki Yamaguchi	Outside Audit & Supervisory Board Member of FreeBit Co., Ltd. Managing Partner of Nishimura & Asahi NY LLP

- (Notes) 1. Kazunori Takeda, Kenji Hirose, Takaharu Ando, Tsedal Neeley, and Shigeki Habuka were newly elected as and assumed the office of Director, and Yoshito Naganuma and Maki Kataoka were newly elected as and assumed the office of Audit & Supervisory Board Member at the 26th Annual General Shareholders' Meeting.
2. Audit & Supervisory Board Member Yoshiaki Nishikawa resigned at the conclusion of the 26th Annual General Shareholders' Meeting.
3. Takaharu Ando, Sarah J. M. Whitley, Tsedal Neeley, Charles B. Baxter, Shigeki Habuka, Takashi Mitachi, and Jun Murai are Outside Directors. Charles B. Baxter, who had served as a non-executive Director of the Company, was elected as and assumed office of Outside Director at the 26th Annual General Shareholders' Meeting, since he fulfilled the requirements for Outside Directors stipulated by laws and regulations.
4. Satoshi Fujita, Maki Kataoka, and Katsuyuki Yamaguchi are Outside Audit & Supervisory Board Members.
5. Audit & Supervisory Board Member Maki Kataoka is a certified public accountant and has expertise in finance and accounting.
6. Director Takaharu Ando had a business relationship including provision of services with the Company. The ratio of transactions between him and the Company in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year. He is also Outside Director of AMUSE INC., to which the Company pays music royalties. The ratio of such payments in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses

- of the Company for the year.
7. Director Tsedal Neeley is a professor at Harvard Business School, to which the Company pays training fees. The ratio of fees in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year.
 8. Director Takashi Mitachi is Distinguished Professor of Graduate School of Management of Kyoto University, to which the Company pays participation fees for events held by the university. The ratio of such payments in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year.
 9. Director Jun Murai is Professor of Keio University and the Company pays expenses incurred under contract research agreement to this university. The ratio of fees in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year. He is also Director of World Wide Web Consortium, Inc. and the Company pays annual membership fees to this company. The ratio of fees in fiscal 2023 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year. In addition, he is Outside Director of BroadBand Tower, Inc. and Outside Director of LAC Co., Ltd., each of which has a business relationship with the Company. The ratio of transactions between BroadBand Tower, Inc. and LAC Co., Ltd. and the Company in fiscal 2023 was both less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year.
 10. Audit & Supervisory Board Member Katsuyuki Yamaguchi is Managing Partner of Nishimura & Asahi NY LLP, and Nishimura & Asahi (Gaikokuho Kyodo Jigyo) has a business relationship with the Company. The ratio of transactions between Nishimura & Asahi NY LLP (Gaikokuho Kyodo Jigyo) and the Company in fiscal 2023 was both less than 1% of the combined total amount of cost of sales and the selling, general, and administrative expenses of the Company for the year.
 11. The Company has appointed Takaharu Ando, Sarah J. M. Whitley, Tsedal Neeley, Charles B. Baxter, Shigeki Habuka, Takashi Mitachi, Jun Murai, Satoshi Fujita, Maki Kataoka, and Katsuyuki Yamaguchi as Independent Directors stipulated by Tokyo Stock Exchange, Inc. and reported the appointments to the Tokyo Stock Exchange.

2. Summary of the Liability Limitation Agreement

In order for all Directors (excluding executive Directors, etc.) and Audit & Supervisory Board Members to fulfill their expected roles, the Company stipulates under its current Articles of Incorporation that it can conclude a liability limitation agreement with each of them, pursuant to the provisions of Article 427, Paragraph 1 of the Act. The agreement restricts their liability for damages under Article 423, Paragraph 1 of the Companies Act to the statutory limit. Accordingly, the Company has entered into such liability limitation agreements with the Directors (excluding executive Directors, etc.) and Audit & Supervisory Board Members of the Company.

3. Summary of the Indemnity Agreement

The Company has entered into indemnity agreements provided for in Article 430-2, Paragraph 1 of the Companies Act with its sixteen officers, namely, Directors Hiroshi Mikitani, Masayuki Hosaka, Kentaro Hyakuno, Kazunori Takeda, Kenji Hirose, Takaharu Ando, Sarah J. M. Whitley, Tsedal Neeley, Charles B. Baxter, Shigeki Habuka, Takashi Mitachi, and Jun Murai, and Audit & Supervisory Board Members Yoshito Naganuma, Satoshi Fujita, Maki Kataoka, and Katsuyuki Yamaguchi, to indemnify them for the expense stipulated in Paragraph 1, Item 1 and the loss stipulated in Paragraph 1, Item 2 of the same article to the extent provided for by laws and regulations. However, in order to ensure that the appropriateness of the execution of duties by officers is not impaired by the said indemnity agreements, losses incurred due to malicious intent or gross negligence of officers are not subject to indemnification.

4. Summary of the Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The scope of the insured under the contract is the Directors, Audit & Supervisory Board Members, Executive Officers, and employees of the Company and its subsidiaries. The contract will cover legal damages and litigation expenses to be borne by the insured in the event that a claim for damages is made due to an act (or omission) committed by the insured in his or her capacity as officer, etc. of the Company. The Company bears the entire premium for the contract. However, in order to ensure that the appropriateness of the execution of duties by the insured is not impaired, there are certain exemptions; for example, damages that the insured has caused by an act committed with the knowledge that the act is in violation of laws and regulations will not be covered.

5. Compensation of Directors and Audit & Supervisory Board Members

(1) Total Amount of Compensation for Directors and Audit & Supervisory Board Members for the Fiscal Year

Classification	Total amount of compensation (Millions of Yen)	Total amount of compensation by type (Millions of Yen)			Number of recipients
		Base compensation	Bonuses	Share options	
Directors	980	448	167	365	14
(Of which, Outside Directors)	(114)	(79)	(-)	(35)	(9)
Audit & Supervisory Board Members	61	61	-	-	5
(Of which, Outside Audit & Supervisory Board Members)	(43)	(43)	(-)	(-)	(3)
Total	1,042	509	167	365	19

(Notes) 1. The total amount of compensation for Directors shall not exceed the maximum amount (¥1,900 million per year, including ¥200 million for Outside Directors) resolved at the 26th Annual General Shareholders' Meeting held on March 30, 2023. The number of Directors at the conclusion of this Annual General Shareholders' Meeting was twelve, including seven Outside Directors.

2. The total amount of compensation for Audit & Supervisory Board Members shall not exceed the maximum amount (¥120 million per year) resolved at the 10th Annual General Shareholders' Meeting held on March 29, 2007. The number of Audit & Supervisory Board Members at the conclusion of this Annual General Shareholders' Meeting was four.

3. The Company resolved at the 23rd Annual General Shareholders' Meeting held on March 27, 2020, to grant share acquisition rights as share options exercisable while in service (maximum 10,000 units per fiscal year) and share acquisition rights as retirement compensation share options (maximum 10,000 units per fiscal year) as respectively detailed below to Directors (excluding Outside Directors), separately from the compensation described in Notes 1. The number of Directors (excluding Outside Directors) at the conclusion of this Annual General Shareholders' Meeting was three. The Company has granted 0 units of share acquisition rights as share options exercisable while in service and 5,074 units of share acquisition rights as retirement compensation share options to Directors (excluding Outside Directors) in the fiscal year. The details of each share acquisition right are as follows.

I. Share acquisition rights as share options exercisable while in service

(1) Persons to whom share acquisition rights will be allotted

Directors of the Company

(2) Class and number of shares to be issued upon exercise of share acquisition rights

The class of shares to be issued upon the exercise of share acquisition rights will be common stock of the Company, and the number of shares to be issued in each fiscal year will not exceed 1,000,000.

However, if the Company splits its common stock (including allotment of its common stock without compensation; hereinafter the same will apply) or consolidates its common stock, the number of shares to be issued upon exercise of each unit of such share acquisition rights will be adjusted according to the following formula; provided that such adjustment will be made only to those that remain unexercised or uncanceled at the time of such adjustment and; provided, further, that if any fraction less than one share acquisition right arises as a result of such adjustment, such fraction shall be discarded.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of split or consolidation}$$

In addition, if the Company carries out a merger, company split, share exchange, share transfer, or other action that makes it necessary to adjust the number of shares, the number of shares will be adjusted within a reasonable range, taking into account the conditions of the merger, company split, share exchange, share transfer, or other similar actions.

- (3) Total number of share acquisition rights to be issued
Share acquisition rights to be issued in each fiscal year will not exceed 10,000 units.
One hundred shares will be issued for each share acquisition right; provided, however, that in the event of any adjustment in the number of shares stipulated in (2) above, the number of shares to be issued for the share acquisition rights will be adjusted accordingly.
- (4) Cash payment for share acquisition rights
No cash payment is required for share acquisition rights.
- (5) Value of the assets to be contributed upon exercise of share acquisition rights
The price for one share acquisition right will be one yen.
- (6) Exercise period of share acquisition rights
The exercise period will be from the date on which one year has passed from the issuance of the share acquisition rights (hereinafter "Date of Issuance") to the date on which ten years have passed from the Date of Issuance. If the final day of the exercise period falls on a holiday of the Company, the final day will be the working day immediately preceding the final day.
- (7) Conditions for exercising the share acquisition rights
 - a) Those who received an allotment of the issue of share acquisition rights (hereinafter "Holders of share acquisition rights") will remain Directors, Executive Officers, Audit & Supervisory Board Members or employees of the Company, or its subsidiaries or affiliates at the time of exercising such rights; provided, however, that exceptional treatment may be allowed in this regard by the Board of Directors in consideration of circumstances or in the event where the Holders of share acquisition rights have made applications for the exercise of share acquisition rights in accordance with the procedures prescribed by the Company by the date of retirement (or by the application date immediately following the date of retirement if it is recognized that there are justifiable grounds for not being able to make the application by the date of retirement).
 - b) Share acquisition rights may not be inherited; provided, however, that exceptional treatment may be allowed in this regard by the Board of Directors in consideration of circumstances.
 - c) Share acquisition rights may not be offered for pledge or disposed of in any other way.
 - d) Share acquisition rights may be exercised by the Holder of share acquisition rights, in whole or in part, according to the following categories.
 - i) The entire allotment of share acquisition rights may not be exercised prior to the date on which one year has passed from the Date of Issuance.
 - ii) 15% of the allotment of share acquisition rights may be exercised from the date on which one year has passed from the Date of Issuance to the date prior to the date on which two years have passed from the Date of Issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction will be discarded).
 - iii) 35% of the allotment of share acquisition rights (if a portion of the allotment of share acquisition rights had been exercised by the date prior to the date on which two years have passed from the Date of Issuance, the total amount exercisable including the previously exercised portion shall be 35%) may be exercised from the date on which two years have passed from the Date of Issuance to the date prior to the date on which three years have passed from the Date of Issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction will be discarded).
 - iv) 65% of the allotment of share acquisition rights (if a portion of the allotment of share acquisition rights had been exercised by the date prior to the date on which three years have passed from the Date of Issuance, the total amount exercisable including the previously exercised portion will be 65%) may be exercised from the date on which three years have passed from the Date of Issuance to the date prior to the date on which four years have passed from the Date of Issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction will be discarded).
 - v) The entire allotment of share acquisition rights may be exercised from the date on which four years have passed from the Date of Issuance to the date on which ten years have passed from the Date of Issuance.
 - e) The Holders of share acquisition rights have duties to pay all taxes (including but not limited

to income tax, social security contributions, pensions, and employment insurance premium in all applicable jurisdictions) specified by laws and regulations in relation to share acquisition rights and shares. In cases where the Company and its subsidiaries and affiliates are obliged to levy income tax, etc., the relevant company obliged to levy income tax, etc. will be able to levy tax from Holders of share acquisition rights by the methods listed below.

- i) Receipt by cash
- ii) Appropriation of shares owned by the Holders of share acquisition rights
- iii) Deduction from salaries, bonuses, etc. of the Holders of share acquisition rights
- iv) Other methods specified by the Company

(8) Restriction on the acquisition of share acquisition rights by transfer

Any acquisition of share acquisition rights by transfer will require approval via a resolution of the Board of Directors of the Company.

(9) Other details of share acquisition rights

Other details of share acquisition rights will be determined by the meeting of the Board of Directors to determine the conditions of the offer of share acquisition rights.

II. Share acquisition rights as retirement compensation share options

(1) Persons to whom share acquisition rights will be allotted

Directors of the Company who serve concurrently as Executive Officers of the Company.

(2) Class and number of shares to be issued upon exercise of share acquisition rights

The class of shares to be issued upon the exercise of share acquisition rights will be common stock of the Company, and the number of shares to be issued in each fiscal year will not exceed 1,000,000.

However, if the Company splits its common stock (including allotment of its common stock without compensation; hereinafter the same will apply) or consolidates its common stock, the number of shares to be issued upon exercise of each unit of such share acquisition rights will be adjusted according to the following formula; provided that such adjustment will be made only to those that remain unexercised or uncanceled at the time of such adjustment and; provided, further, that if any fraction less than one share acquisition right arises as a result of such adjustment, such fraction shall be discarded.

$$\begin{array}{l} \text{Number of shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of shares} \\ \text{before adjustment} \end{array} \times \text{Ratio of split or consolidation}$$

In addition, if the Company carries out a merger, company split, share exchange, share transfer, or other action that makes it necessary to adjust the number of shares, the number of shares will be adjusted within a reasonable range, taking into account the conditions of the merger, company split, share exchange, share transfer, or other similar actions.

(3) Total number of share acquisition rights to be issued

Share acquisition rights to be issued in each fiscal year will not exceed 10,000 units.

One hundred shares will be issued for each share acquisition right; provided, however, that in the event of any adjustment in the number of shares stipulated in (2) above, the number of shares to be issued for the share acquisition rights will be adjusted accordingly.

(4) Cash payment for share acquisition rights

No cash payment is required for share acquisition rights.

(5) Value of the assets to be contributed upon exercise of share acquisition rights

The price for one share acquisition right will be one yen.

(6) Exercise period of share acquisition rights

The exercise period will be from the date on which share acquisition rights are issued (hereinafter "Date of Issuance") until the date on which 40 years have passed from the Date of Issuance. If the final day of the exercise period falls on a holiday of the Company, the final day will be the working day immediately preceding the final day.

(7) Conditions for exercise of share acquisition rights

- a) Those who received an allotment of the issue of share acquisition rights (hereinafter "Holders of share acquisition rights"), shall exercise such rights within ten days from the date following the date on which they retire as Directors, Executive Officers, Audit & Supervisory Board

Members and employees of the Company and its subsidiaries and affiliates.

- b) Share acquisition rights may not be inherited; provided, however, that exceptional treatment may be allowed in this regard by the Board of Directors of the Company in consideration of circumstances.
- c) Share acquisition rights may not be offered for pledge or disposed of in any other way.
- d) The Holders of share acquisition rights have duties to pay all taxes (including but not limited to income tax, social security contributions, pensions, and employment insurance premium in all applicable jurisdictions) specified by laws and regulations in relation to share acquisition rights and shares. In cases where the Company and its subsidiaries and affiliates are obliged to levy income tax, etc., the relevant company obliged to levy income tax, etc. will be able to levy tax from Holders of share acquisition rights by the methods listed below.
 - i) Receipt by cash
 - ii) Appropriation of shares owned by the Holders of share acquisition rights
 - iii) Deduction from salaries, bonuses, etc. of the Holders of share acquisition rights
 - iv) Other methods specified by the Company

(8) Restriction on the acquisition of share acquisition rights by transfer

Any acquisition of share acquisition rights by transfer will require approval via a resolution of the Board of Directors of the Company.

(9) Other details of share acquisition rights

Other details of share acquisition rights will be decided at the meeting of the Board of Directors of the Company to determine the conditions of the offer of share acquisition rights.

4. The Company resolved at the 25th Annual General Shareholders' Meeting held on March 30, 2022, to grant share acquisition rights as share options exercisable while in service (maximum 1,000 units per fiscal year) and detailed below to Outside Directors, separately from the compensation described in Notes 1. The number of Outside Directors at the conclusion of this Annual General Shareholders' Meeting was five. The Company has granted 400 units of share acquisition rights as share options exercisable while in service to Outside Directors in the fiscal year. The details of each share acquisition right are as follows.

Share acquisition rights as share options exercisable while in service

(1) Persons to whom share acquisition rights will be allotted

Outside Directors of the Company

(2) Class and number of shares to be issued upon exercise of share acquisition rights

The class of shares to be issued upon the exercise of share acquisition rights will be common stock of the Company, and the number of shares to be issued in each fiscal year will not exceed 100,000.

However, if the Company splits its common stock (including allotment of its common stock without compensation; hereinafter the same will apply) or consolidates its common stock, the number of shares to be issued upon exercise of each unit of such share acquisition rights will be adjusted according to the following formula; provided that such adjustment will be made only to those that remain unexercised or uncanceled at the time of such adjustment and; provided, further, that if any fraction less than one share acquisition right arises as a result of such adjustment, such fraction shall be discarded.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of split or consolidation}$$

In addition, if the Company carries out a merger, company split, share exchange, share transfer, or other action that makes it necessary to adjust the number of shares, the number of shares will be adjusted within a reasonable range, taking into account the conditions of the merger, company split, share exchange, share transfer, or other similar actions.

(3) Total number of share acquisition rights to be issued

Share acquisition rights to be issued in each fiscal year will not exceed 1,000 units.

One hundred shares will be issued for each share acquisition right; provided, however, that in the event of any adjustment in the number of shares stipulated in (2) above, the number of shares to be issued for the share acquisition rights will be adjusted accordingly.

(4) Cash payment for share acquisition rights

No cash payment is required for share acquisition rights.

- (5) Value of the assets to be contributed upon exercise of share acquisition rights
The price for one share acquisition right will be one yen.
- (6) Exercise period of share acquisition rights
The exercise period will be from the date on which one year has passed from the issuance of the share acquisition rights (hereinafter "Date of Issuance") to the date on which ten years have passed. If the final day of the exercise period falls on a holiday of the Company, the final day will be the working day immediately preceding the final day.
- (7) Conditions for exercising the share acquisition rights
- a) Those who received an allotment of the issue of share acquisition rights (hereinafter "Holders of share acquisition rights") will remain Directors, Executive Officers, Audit & Supervisory Board Members or employees of the Company, or its subsidiaries or affiliates at the time of exercising such rights; provided, however, that exceptional treatment may be allowed in this regard by the Board of Directors in consideration of circumstances or in the event where the Holders of share acquisition rights have made applications for the exercise of share acquisition rights in accordance with the procedures prescribed by the Company by the date of retirement (or by the application date immediately following the date of retirement if it is recognized that there are justifiable grounds for not being able to make the application by the date of retirement).
 - b) Share acquisition rights may not be inherited; provided, however, that exceptional treatment may be allowed in this regard by the Board of Directors in consideration of circumstances.
 - c) Share acquisition rights may not be offered for pledge or disposed of in any other way.
 - d) Share acquisition rights may be exercised by the Holder of share acquisition rights, in whole or in part, according to the following categories.
 - i) The entire allotment of share acquisition rights may not be exercised prior to the date on which one year has passed from the Date of Issuance.
 - ii) 15% of the allotment of share acquisition rights may be exercised from the date on which one year has passed from the Date of Issuance to the date prior to the date on which two years have passed from the Date of Issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction will be discarded).
 - iii) 35% of the allotment of share acquisition rights (if a portion of the allotment of share acquisition rights had been exercised by the date prior to the date on which two years have passed from the Date of Issuance, the total amount exercisable including the previously exercised portion shall be 35%) may be exercised from the date on which two years have passed from the Date of Issuance to the date prior to the date on which three years have passed from the Date of Issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction will be discarded).
 - iv) 65% of the allotment of share acquisition rights (if a portion of the allotment of share acquisition rights had been exercised by the date prior to the date on which three years have passed from the Date of Issuance, the total amount exercisable including the previously exercised portion will be 65%) may be exercised from the date on which three years have passed from the Date of Issuance to the date prior to the date on which four years have passed from the Date of Issuance (if a fraction less than one share acquisition right arises in the number of exercisable share acquisition rights, such fraction will be discarded).
 - v) The entire allotment of share acquisition rights may be exercised from the date on which four years have passed from the Date of Issuance to the date on which ten years have passed from the Date of Issuance.
 - e) The Holders of share acquisition rights have duties to pay all taxes (including but not limited to income tax, social security contributions, pensions, and employment insurance premium in all applicable jurisdictions) specified by laws and regulations in relation to share acquisition rights and shares. In cases where the Company and its subsidiaries and affiliates are obliged to levy income tax, etc., the relevant company obliged to levy income tax, etc. will be able to levy tax from Holders of share acquisition rights by the methods listed below.
 - i) Receipt by cash
 - ii) Appropriation of shares owned by the Holders of share acquisition rights
 - iii) Deduction from salaries, bonuses, etc. of the Holders of share acquisition rights
 - iv) Other methods specified by the Company
- (8) Grounds and terms of acquisition of share acquisition rights
- a) If the General Shareholders' Meeting approves an absorption-type merger in which the Company is the absorbed company, an absorption-type company split agreement or incorporation-type company split plan in which the Company is the split company, or a share

exchange agreement or share transfer plan under which the Company would become a wholly owned subsidiary, the Company may obtain new share acquisition rights without contribution on the date separately specified by the Company's Board of Directors.

- b) If the terms stipulated in (7) a) cease to apply to Holders of share acquisition rights before they exercise said options, the Company may obtain the share acquisition rights without contribution on the date separately specified by the Company's Board of Directors.

(9) Restriction on the acquisition of share acquisition rights by transfer

Any acquisition of share acquisition rights by transfer will require approval via a resolution of the Board of Directors of the Company.

(10) Other details of share acquisition rights

Other details of share acquisition rights will be determined by the meeting of the Board of Directors to determine the conditions of the offer of share acquisition rights.

5. With regard to share options, the amount recorded as expenses during the fiscal year for share acquisition rights granted as share options is provided. The amount includes expenses for the share acquisition rights granted in fiscal years before the fiscal year under review in accordance with the resolution made at the following Board of Directors' meetings, in addition to those for the share acquisition rights granted during the fiscal year under review.

- The Board of Directors' meeting held on April 14, 2022 (Recipients: Directors (excluding Outside Directors) and Outside Directors)
- The Board of Directors' meeting held on April 13, 2023 (Recipients: Directors (excluding Outside Directors) and Outside Directors)

6. Decisions on specific details of compensation of individual Directors for the fiscal year under review has been delegated to Representative Director, Chairman, President & CEO Mr. Hiroshi Mikitani, and he has decided on the compensation within the limit of compensation resolved at the general shareholders' meeting, in accordance with the compensation policy described in (2) below. The policy and the decision-making process of compensation of the Company's Directors are explained to Independent Outside Directors at the meetings of the Board of Directors and appropriate advice has been obtained. The decision-making authority was delegated to Mr. Hiroshi Mikitani because he has been familiar with the Company's business since its establishment, and the individual is considered to be in the most appropriate position to see the Company's business performance as a whole from a higher perspective and evaluate the businesses each Director is in charge of.

(2) Policies on Determining the Amount of Directors' Compensation and the Calculation Method (Compensation Policy)

1) Basic Policies

The compensation for the Company's Directors is determined based on the following basic policies.

For executive Directors, a level of compensation that is globally competitive is set to secure and maintain excellent human resources. The portion of share acquisition rights is designed to be high to promote sustainable growth of the Company by improving medium- to long-term corporate value and achieving management goals. For non-executive Directors, a level of compensation that is globally competitive is set to secure and maintain excellent human resources who will support management with global expertise.

2) Compensation Structure

(For Executive Directors)

- a. Basic compensation (fixed, monthly payment)
- b. Performance-linked compensation (performance-linked bonuses as short-term incentive compensation, annual payment)
- c. Non-cash based compensation (stock-based compensation share option as medium- to long-term incentive compensation, annual payment)

The ratio of basic compensation, performance-linked compensation and non-cash based compensation is set based on the position and role of each Executive Director.

(For Non-executive Directors)

- a. Basic compensation (fixed, monthly payment)
- b. Non-cash based compensation (stock-based compensation share option as medium- to long-term incentive compensation, annual payment)

The ratio of basic compensation, performance-linked compensation and non-cash based compensation is set based on the role of each Director.

3) Indicators and Method of Calculation of Performance-linked Compensation and Non-cash Based Compensation

(For Executive Directors)

[Indicators]

To increase awareness of the development and expansion of the Rakuten Ecosystem, multiple KPIs such as consolidated operating income (loss) of each fiscal year (note) have been selected for performance-linked compensation and non-cash based compensation. They are linked to growth and profitability.

[Method of calculation]

Individual evaluations are determined based on the achievement of targets for the indicator set by the managing organization of each Executive Director. The indicator includes carbon neutrality commitment, etc. The amount paid is determined based on individual evaluations and overall company performance.

(For Non-executive Directors)

Performance-linked compensation is not applicable. There are no indicators for non-cash based compensation. The Company has decided that a percentage of the total amount of compensation for each Non-executive Director shall be non-cash compensation determined based on the role of each non-executive director.

(Note) Consolidated operating income (loss) for the fiscal year ended December 31, 2023, is shown in "1. Business Progress and Results, Business Results for the Fiscal Year Ended December 31, 2023".

4) Compensation Determination Process

The Company's Board of Directors resolves the compensation policy for Directors after providing explanations to Independent Outside Directors and obtaining their appropriate advice. Other decision-making processes are also explained to the Independent Outside Directors at the Board of Directors as necessary, and appropriate advice is obtained.

The amount of individual compensation for Directors is determined by Hiroshi Mikitani, the Representative Director, Chairman, President & CEO, who is delegated this authority by the Board of Directors within the compensation limit determined at the general shareholders' meeting and in accordance with the compensation policy. He evaluates the business each Director is in charge of while considering the Company's overall performance and obtaining advice from Outside Directors as necessary to determine the amount of individual compensation. Thus, the Board of Directors believes that the content of individual compensation, etc. is in line with the compensation policy.

6. Matters Concerning Outside Officers

(1) Relationship between Significant Office(s) Concurrently Held and the Company

The relationship between significant office(s) concurrently held and the Company is described in the notes of "1. Name of Directors and Audit & Supervisory Board Members."

(2) Major Activities during the Fiscal Year

Classification	Name	Attendance of the meetings of the Board of Directors	Attendance of the meetings of the Audit & Supervisory Board	Major Activities and Overview of Duties that were Carried Out with Respect to Expected Roles
Outside Directors	Takaharu Ando	11 out of the 11 meetings (100%)	—	He offered advice and recommendations for ensuring the validity and appropriateness of decision-making by the Board of Directors based on his extensive knowledge and wealth of experience gained from serving in various important positions in police organizations, including Commissioner General of National Police Agency, and particularly from a professional perspective on corporate governance, compliance, and risk management.
	Sarah J. M. Whitley	15 out of the 15 meetings (100%)	—	She offered advice and recommendations for ensuring the validity and appropriateness of decision-making by the Board of Directors based on her extensive knowledge and wealth of experience as an investor.
	Tsedal Neeley	10 out of the 11 meetings (91%)	—	She offered advice and recommendations for ensuring the validity and appropriateness of decision-making by the Board of Directors based on her extensive knowledge and wealth of experience as a professor at Harvard Business School and as an Outside Director of a U.S. listed company engaged in internet related business.
	Charles B. Baxter	10 out of the 11 meetings (91%)	—	He offered advice and recommendations for ensuring the validity and appropriateness of decision-making by the Board of Directors based on his extensive knowledge and wealth of experience in the Internet industry and corporate management.
	Shigeki Habuka	10 out of the 11 meetings (91%)	—	He offered advice and recommendations for ensuring the validity and appropriateness of decision-making by the Board of Directors based on his extensive knowledge and wealth of experience in financial administration and external affairs gained from serving in various important positions in administrative agencies, including Vice-Minister for Policy Coordination of the Cabinet Office.
	Takashi Mitachi	14 out of the 15 meetings (93%)	—	He offered advice and recommendations for ensuring the validity and appropriateness of decision-making by the Board of Directors based on his expert knowledge and wealth of experience as a management consultant.
	Jun Murai	13 out of the 15 meetings (87%)	—	He offered advice and recommendations for ensuring the validity and appropriateness of decision-making by the Board of Directors based on his knowledge and wealth of experience as an academic expert in internet technology.

Classification	Name	Attendance of the meetings of the Board of Directors	Attendance of the meetings of the Audit & Supervisory Board	Major Activities
Outside Audit & Supervisory Board Members	Satoshi Fujita	15 out of the 15 meetings (100%)	9 out of the 9 meetings (100%)	He made necessary statements (questions, opinions, etc.) based on his extensive knowledge and wealth of experience related primarily to finance and business management.
	Maki Kataoka	11 out of the 11 meetings (100%)	7 out of the 7 meetings (100%)	She made necessary statements (questions, opinions, etc.) based on her extensive expertise and wealth of experience as a certified public accountant on finance, accounting, and internal control.
	Katsuyuki Yamaguchi	14 out of the 15 meetings (93%)	9 out of the 9 meetings (100%)	He made necessary statements (questions, opinions, etc.) based on his extensive expertise and wealth of experience as a legal attorney on corporate legal affairs.

- (Notes)
1. Records of Takaharu Ando, Tsedal Neeley, Charles B. Baxter, and Shigeki Habuka indicate their attendance at the meetings of the Board of Directors after assuming the office of Outside Director on March 30, 2023.
 2. Maki Kataoka's record indicates her attendance at the meetings of the Board of Directors and the Audit & Supervisory Board after assuming the office of Outside Audit & Supervisory Board Member on March 30, 2023.

Part 5 Status of the Accounting Auditor

1. Name of the Accounting Auditor

ERNST & YOUNG SHINNIHONLLC

2. Amount of Compensation to the Accounting Auditor for the Fiscal Year

- | | |
|---|----------------|
| (1) Amount of compensation for services set forth in Article 2, Paragraph 1 of Certified Public Accountants Act | ¥247 million |
| (2) Total amount of cash and other financial benefits payable to the Accounting Auditor by the Company and its subsidiaries | ¥1,086 million |

- (Notes) 1. The audit engagement entered into by the Company and the Accounting Auditor does not clearly distinguish—as this cannot be distinguished—the amount of compensation for audits prescribed in the Companies Act and those prescribed in the Financial Instruments and Exchange Act. Therefore, (1) above shows the total amount of such compensation.
2. The Audit & Supervisory Board agreed to the amount of compensation to the Accounting Auditor, following the examination of the relevant factors including the number of days spent for audit work, staffing, etc., as part of the accounting audit plan for the fiscal year presented by the Accounting Auditor, as well as the verification and assessment of the audit work performed in the previous fiscal year, adequacy of progress in audit work by the Accounting Auditor, and the basis of calculation for the cost estimation presented as prerequisite to the amount of compensation.
3. With regard to the Company's principal subsidiaries which are overseas, an audit (limited to those based on the provisions of the Companies Act or the Financial Instruments and Exchange Act (including equivalent laws and regulations of foreign countries)) has been received from a certified public accountant or audit firm (including persons holding equivalent qualifications in foreign countries) other than the Company's Accounting Auditor.

3. Non-Audit Services

The Company entrusts to the accounting auditor primarily the work of preparing a comfort letter related to issuance of corporate bonds at the Company and its consolidated subsidiary, which are tasks other than the work set forth in Article 2, Paragraph 1 of the Certified Public Accountants Law, and paid compensation for the works.

4. Policy on Dismissal or Non-reappointment of Accounting Auditor

In the case where the Accounting Auditor is believed to be applicable to any item of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board shall consider the dismissal thereof and carry out such dismissal if such action is found adequate subject to the unanimous consent of all Audit & Supervisory Board Members.

Also, the Audit & Supervisory Board shall decide the details of any proposal on dismissal or non-reappointment of the Accounting Auditor to be presented to Shareholders' Meeting, if such action is deemed necessary—for example, in cases where the Accounting Auditor is found to have difficulty adequately fulfilling their duties.

Part 6 The Company's Structure and Policy

1. Structure to Ensure Execution of Duties

The Board of Directors of the Company has made the following resolutions concerning systems to ensure the performance of business operations of Directors comply with laws, regulations and the "Articles of Incorporation," and that business operations are conducted in an appropriate manner.

(1) System for Ensuring Directors and Employees Comply with Laws, Regulations and the "Articles of Incorporation"

Rakuten Group, Inc. has stipulated the "Rakuten Group Code of Ethics" and Rakuten Group, Inc. as well as its subsidiaries ("Rakuten Group"), shall accordingly comply with all laws and regulations and undertake business actions with a high commitment to ethics. The proper execution of duties by Directors and employees of Rakuten Group shall be absolutely ensured through: operational audits carried out by the Internal Audit Department (an independent organizational unit under the direct control of the Representative Director and President); initiatives promoting Group-wide compliance under the leadership of the COO and CCO (a position overseeing Group-wide compliance initiatives under the leadership of the COO), and Company Compliance Officer appointed according to Rakuten Group, Inc.'s internal Company System structure; and by reporting the status of compliance initiatives to the Group Risk Compliance Committee and the Board of Directors.

Moreover, Outside Directors and Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members shall also thoroughly supervise and audit the execution of duties by Directors and employees. To technically and objectively verify compliance with laws, regulations and the "Articles of Incorporation", lawyers shall also be appointed for those positions.

Additionally, compliance education about the knowledge and sense of ethics needed as a member of Rakuten Group is carried out for all executives and employees of Rakuten Group. Rakuten Group shall appropriately administer a system for internal reporting that prevents retribution against those who report and consult through establishing a point of contact for executives, current and former employees of Rakuten Group to consult and report about legal violations and other compliance issues. Rakuten Group will also collect information widely from outside the company.

(2) System for Managing and Protecting Information Related to the Execution of Duties by Directors

Any information, including written documents and digital records, regarding the execution of duties by Directors of Rakuten Group, Inc. shall be legally and properly preserved and managed in accordance with the Rakuten Group Regulations and other internal regulations. Additionally, Directors and Audit & Supervisory Board Members shall have full-time access to all information relevant to this matter.

(3) System for Risk Management

In accordance with the Group's rules and regulations on risk management, Rakuten Group, Inc., shall: be aware of and devise/execute measures to contain risks; establish a system (i.e., PDCA cycle) with which to monitor the results of such measures; treat risks faced by its organizations in the course of business.

The CFO, CISO, COO, and CCO shall monitor the status of risks and action plans in their respective fields (i.e., finance, information security, compliance)--identified in their respective risk assessments--and treat, as needed, critical risks and those which affect the entire Group to reduce their impact and prevent materialization. The status of such risk treatment activities shall be discussed at the Group Risk and Compliance Committee and the outcome reported to

the Important Meetings. Critical risks and related measures shall be reported to management at the Rakuten Group, Inc. Board of Directors or other Important Meetings.

With regard to information and personal data management, a critical risk, the Group Information Security and Privacy Committee shall convene to report/make decisions on important measures and incidents which have occurred since the previous meeting. Furthermore, to control investment-related risks at Rakuten Group, Inc., approval by the Investment Committee must be obtained for every matter, and cases in which the investment in question exceeds established thresholds shall require approval by the Rakuten Group, Inc. Board of Directors. For the mitigation of investment-related risks at subsidiaries, certain investment projects shall be subject to discussion by the Rakuten Group, Inc.'s Investment Committee and the Rakuten Group, Inc. Board of Directors, or are reported to Rakuten Group, Inc., based on predetermined criteria depending on the nature, the scale of the project, or whether such subsidiaries are listed or unlisted, etc.

The Internal Audit Department shall independently audit the compliance status of Rakuten Group, Inc., and its subsidiaries with laws and internal regulations and periodically report its findings to the Rakuten Group, Inc. Board of Directors.

(4) System Allowing Directors to Efficiently Carry Out their Duties

An appropriate and efficient decision making system to allow Directors of Rakuten Group to execute their duties shall be formulated based on the Rakuten Group Regulations, and other internal regulations. Moreover, transparency and speed in decision making shall be sought by promoting online internal procedures.

Prompt and flexible decision-making and execution of duties shall be promoted by having Executive Officers, who were appointed by the Board of Directors, perform duties under the control of Directors.

(5) System to Report Financial Information Appropriately

A system shall be developed to ensure appropriate operations for financial reporting related to the disclosure of management information, financial information, etc. In addition, generally accepted accounting practices, and timely disclosure based on "Financial Instruments and Exchange Act" and other applicable domestic and foreign laws and regulations shall be conducted and effectiveness of these shall be evaluated accordingly.

(6) System for Rakuten Group to Engage Only in Appropriate Business Practices

In order to realize unified Group management, Rakuten Group, Inc. stipulates Rakuten Group Regulations and other internal regulations dealing with company ideals, group governance, company management, risk management, compliance, etc. Regarding the execution of subsidiaries' significant duties, Rakuten Group shall administer a system for approval or reporting to Rakuten Group, Inc based on the Rakuten Group Authority Table, Rakuten Group Guidelines and agreements with such subsidiaries, in consideration of whether such subsidiaries are listed or unlisted, etc. The Rakuten Group Regulations protect the independence of the subsidiaries while also creating the needed framework for business operations which is followed by the entire Rakuten Group.

In addition, the Internal Audit Department, which is an independent organization under the Representative Director and President, ensures the appropriateness of operations by having a strong relationship with the organizational unit-in-charge of internal audit of each subsidiary and by conducting internal audits on Rakuten Group as a whole.

(7) Requests from Audit & Supervisory Board Member for Employees' Assistance and Employees' Independence from Directors

To assist the duties of Audit & Supervisory Board Members, the Audit & Supervisory Board Members Office is established under the Audit & Supervisory Board, and the Audit & Supervisory Board Members may give orders to employees belonging to the Audit & Supervisory Board Members Office as the need arises. Additionally, when employees assist

Audit & Supervisory Board Members, the effectiveness of the orders from Audit & Supervisory Board Members shall be ensured by employees of the Audit & Supervisory Board Members Office not receiving orders from Directors and by requiring approval from the Audit & Supervisory Board Members for such employees' transfer and performance assessments.

(8) System for Directors and Employees to Report to Audit & Supervisory Board Members and for Audit & Supervisory Board Members to Carry Out Effective Audits

Directors and employees of Rakuten Group shall give all legally required reports to Audit & Supervisory Board Members and provide additional necessary reports and information if the Audit & Supervisory Board Member requests it. Rakuten Group, Inc. will ensure the effectiveness of audits through prohibiting retribution for reporting against those who report to the Audit & Supervisory Board Members. Additionally, if Rakuten Group, Inc. receives a request for prepayment of expenses or repayment from Audit & Supervisory Board Members, it shall pay the expense or debt promptly unless the expenses are proved not to be necessary for the execution of the Audit & Supervisory Board Member's duty.

2. Summary of the Status of Application of the Structure to Ensure Execution of Duties

In the fiscal year under review, basic policies for internal controls have been applied based on the aforementioned "Structure to Ensure Execution of Duties," under which the following initiatives have been implemented.

(1) System for compliance

- i) The Company has established a reporting system between the CCO and each Company Compliance Officer based on an internal Company System. Through this, the Company maintains and strengthens a system for compliance across the Group. Under this system, the Company held four meetings of the Group Risk and Compliance Committee comprising the CCO, Company Compliance Officers, etc., from January to December 2023. At these meetings, reports were made, and discussions were held on promotion of effective compliance at the Group level, reports on responses to important risks and compliance-related matters, sharing of best practices, and proposals of compliance management strategies.
- ii) In May 2006, the Rakuten Group Code of Ethics was established, and employee training has been conducted on an ongoing basis to ensure employees are well-informed about its spirit. Specifically, Rakuten Group has carried out morning meetings focused on compliance and business ethics, compliance and business ethics training for new recruits, education on business ethics and key internal rules for employees, and compliance pledges by Rakuten Group employees to comply with and adhere to internal regulations.
- iii) The Company has stipulated Rakuten Group's internal whistleblower system in the Rakuten Group Guidelines, and the system is operating in Japan and overseas Group Companies. The status of whistleblower reports at the Company's internal whistleblowing contact point has been reported to the Board of Directors and Audit & Supervisory Board Members.

(2) System for risk management

- i) Rakuten Group has formulated the Group Regulations on Risk Management, etc., and developed risk management systems by establishing a cycle of appropriate risk identification, development, and implementation of risk mitigation measures, and monitoring of the results (the so-called "PDCA cycle"). The status of response to particularly major risks is reported to the management at Board of Directors meetings or at other relevant bodies for consultation. The status of measures

against Group-wide risks is reported to and discussed at the Group Risk and Compliance Committee that is held four times a year. Furthermore, regarding information management, which is one of the major risks, a system has been established in accordance with the requirements of the Information Security Management Systems (ISMS).

We will remain committed to enhancing risk management systems, which contribute to management decision-making and business operation, while carrying on our current activities.

- ii) A meeting of the Investment Committee, which consists of members including external experts, is held on a monthly basis, in principle, at the Company in order to examine new investment proposals within Rakuten Group. Additionally, proposals involving major investments exceeding certain thresholds are approved and resolved at the Board of Directors of Rakuten Group, Inc.

(3) System for financial reporting

- i) Accounting Auditors conduct accounting audits based on the Companies Act and the Financial Instruments and Exchange Act, for the Company as well as its main subsidiaries.

The Company and the Accounting Auditors mutually exchange opinions and share information on a regular basis, while sharing internal audit results, as necessary.

Meanwhile, the Company has prepared Group Accounting Policies in accordance with International Financial Reporting Standards (IFRS), by which the Company properly conducts its accounting and prepares consolidated financial statements.

With respect to timely disclosure of corporate information, the Company ensures prompt and adequate disclosure based on the timely disclosure guidelines specified by Tokyo Stock Exchange, Inc., and Rakuten Group Regulations, as well as other internal regulations.

- ii) In an effort to enhance the reliability of our financial reporting, information including: the annual assessment plan; progress status of the assessment; results of the assessment of effectiveness of internal controls over financial reporting at Rakuten Group are all reported to the Board of Directors and Officers in charge, in accordance with the document, "On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" (Business Accounting Council).

(4) System to ensure effectiveness of audit by Audit & Supervisory Board Members

The Company ensures the effective execution of audits by Audit & Supervisory Board Members by streamlining the framework for providing reports and information to Audit & Supervisory Board Members, such as by the establishment of the Audit & Supervisory Board Members Office as an organizational unit which assists Audit & Supervisory Board Members in executing their duties.

3. Policy Relating to Decisions on Dividends of Surplus

In light of the current financial situation of the Company, and with the aim of ensuring its financial soundness, and under the policy of not increasing the total amount of interest-bearing debt, we have been actively pursuing various types of capital-based procurement to secure funds for investment in growth businesses without relying solely on interest-bearing debt, and have also been working to reduce the balance of interest-bearing debt. Therefore, at the Board of Directors meeting held on February 14, 2024, we decided not to pay a dividend for the fiscal year ended December 31, 2023, in the belief that controlling the outflow of funds through dividends will stabilize our financial base and ultimately enhance shareholder value.

Our basic policy is to pay stable and continuous dividends, while taking into account the importance of making investments for medium-to long-term growth and ensuring sufficient internal reserves for the purpose of stabilizing our financial base, and this policy will remain unchanged in the future.

The timing of resumption of dividend payments for the fiscal year ending December 31, 2024 and beyond has not been determined at this time; however, we will strive to resume dividend payments in a timely and appropriate manner as we work to return to profitability on a consolidated basis and reduce interest-bearing debt as soon as possible.

(Reference) Trends in dividend per share

	(Yen)			
	24th (From January 1, 2020 to December 31, 2020)	25th (From January 1, 2021 to December 31, 2021)	26th (From January 1, 2022 to December 31, 2022)	27th (From January 1, 2023 to December 31, 2023)
Dividend per share	4.50	4.50	4.50	0.00

Note: The dividends in the table above have been rounded to the indicated figures unless specified otherwise.

Consolidated Statements of Financial Position

(As of December 31, 2023)

(Millions of Yen)

Assets		Liabilities	
Items	Amounts	Items	Amounts
Cash and cash equivalents	5,127,674	Accounts payable - trade	419,880
Accounts receivable - trade	377,992	Deposits for banking business	9,732,828
Financial assets for securities business	4,128,245	Financial liabilities for securities business	4,236,517
Loans for credit card business	3,019,261	Derivative liabilities	27,263
Investment securities for banking business	1,208,527	Bonds and borrowings	1,637,980
Loans for banking business	3,886,888	Borrowings for securities business	106,578
Investment securities for insurance business	259,139	Bonds and borrowings for credit card business	603,869
Derivative assets	233,110	Borrowings for banking business	2,446,746
Investment securities	182,207	Other financial liabilities	1,646,559
Other financial assets	1,239,004	Income taxes payable	30,144
Investments in associates and joint ventures	42,100	Provisions	263,886
Property, plant and equipment	1,267,837	Insurance contract liabilities	164,205
Intangible assets	1,024,201	Employee retirement benefit liabilities	41,049
Deferred tax assets	214,777	Deferred tax liabilities	3,602
Other assets	414,614	Other liabilities	176,747
		Total liabilities	21,537,853
		Equity	
		Equity attributable to owners of the Company	836,572
		Common stock	446,769
		Capital surplus	541,520
		Other equity instruments	317,316
		Retained earnings	(643,991)
		Treasury stock	(0)
		Other components of equity	174,958
		Non-controlling interests	251,151
		Total equity	1,087,723
Total assets	22,625,576	Total liabilities and equity	22,625,576

Note: The figures have been rounded to the nearest million.

Consolidated Statements of Income

(Year ended
December 31, 2023)

(Millions of Yen)

Items	Amounts
Continuing operations	
Revenue	2,071,315
Operating expenses	2,234,959
Other income	10,272
Other expenses	59,485
Operating loss	(212,857)
Financial income	73,417
Financial expenses	64,570
Share of losses of investments in associates and joint ventures	(13,731)
Loss before income tax	(217,741)
Income tax expense	111,794
Net loss	(329,535)
Net loss attributable to:	
Owners of the Company	(339,473)
Non-controlling interests	9,938
Net loss	(329,535)

Note: The figures have been rounded to the nearest million.

Income Statement (J-GAAP)

(Year ended
December 31, 2023)

(Millions of Yen)

Items	Amounts	
Net sales		860,578
Cost of sales		240,206
Gross profit		620,372
Selling, general and administrative expenses		612,882
Operating profit		7,489
Non-operating income		
Interest income	14,595	
Dividends income	171,209	
Other	2,367	188,172
Non-operating expenses		
Interest expenses	44,107	
Foreign exchange loss	6,995	
Share issuance costs	1,766	
Commission fee	6,259	
Loss on renunciation of claims of subsidiaries and affiliates	1,682	
Other	1,697	62,510
Ordinary profit		133,151
Extraordinary gain		
Gain on sales of non-current assets	1,284	
Gain on sales of investment securities	259	
Gain on liquidation of subsidiaries and affiliates	131,666	
Other	9	133,219
Extraordinary loss		
Loss on disposal of properties	596	
Impairment loss	12,170	
Loss on valuation of stocks of subsidiaries and affiliates	20,364	
Other	78	33,209
Loss before income taxes		233,161
Income taxes-current	19,575	
Income taxes-deferred	(12,454)	7,121
Net loss		226,040

Note: The figures have been rounded down to the nearest million.