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(Securities Code 4755)
(Date of Distribution) March 13, 2025
(Commencement Date of Electronic
Provision Measures) March 5, 2025

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 28TH ANNUAL GENERAL SHAREHOLDERS' MEETING**

Dear Shareholders,

We are pleased to announce that the 28th 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 28th 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 5:30 P.M. (Japan Standard Time) Thursday, March 27, 2025.

- 1. Date and Time:** Friday, March 28, 2025, 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>
○ Transportation Information
5-minute walk from Futako-tamagawa Station on Tokyu Den-en-toshi Line and Tokyu Ōimachi Line
(Staff will guide you to the venue from Futako-tamagawa Station.)
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- 3. Meeting Agenda:**
- Matters to be reported:**
1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 28th Fiscal Year (January 1, 2024 - December 31, 2024)
 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 Nine Directors
Proposal No.3 : Revision of Grant of Share Options to Directors (Excluding Outside Directors)

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

In 2024, there were significant milestones achieved by Rakuten Group. Rakuten Mobile achieved monthly profitability on an EBITDA^{*1} basis. Rakuten Mobile is a business that has grown with the trust and support of our shareholders. Following capital expenditures focused on the installation of cell phone base stations from 2019, full-scale services were launched in April 2020. Since then, Rakuten Mobile has been pursuing services that are valuable to users, such as the launch of Rakuten SAIKYO Plan offering unlimited high-speed data nationwide, including 5G, as well as the launch of an enterprise business and a commercial service with the 700 MHz “Platinum Band” spectrum, along with the continued rollout of base stations to improve network quality. As a result, the total number of subscribers^{*2} of Rakuten Mobile increased by 1.77 million during the current fiscal year, reaching approximately 8.3 million by the end of the year. In December 2024, EBITDA turned positive on a monthly basis, achieving the initial target for the period.

The growth of Rakuten Mobile is having a significant ripple effect on the entire Rakuten Group. It was found that the gross merchandise sales (transaction value) of Rakuten Mobile subscribers was approximately 1.5 times higher than that of non-subscribers on Rakuten Ichiba, approximately 1.1 times higher on Rakuten Travel, and approximately 1.3 times higher on Rakuten Card. Benefiting from effects of Rakuten Ecosystem, annual gross merchandise sales of Domestic E-Commerce businesses trended solidly at around 6 trillion yen, and the annual card shopping transaction value surpassed 24 trillion yen. The number of Rakuten Securities accounts reached 11.93 million, an increase of 1.73 million compared to the end of the previous fiscal year, due to the positive impact of the new NISA (Nippon Individual Savings Account) program, and Rakuten Bank’s non-consolidated balance of deposits also surpassed 12 trillion yen. Another major milestone was the second consecutive J1 League championship and Emperor’s Cup JFA Japan Football Championship by Vissel Kobe, in its 30th year since establishment.

As a result of these efforts, the Rakuten Group recorded consolidated annual revenue of 2.3 trillion yen for the current fiscal year, up 10.0% year-on-year. The promotion of efforts to improve marketing and operational efficiency through the use of AI, etc., also resulted in significant cost reductions, and consolidated Non-GAAP operating income and IFRS operating income were in the black for the full

year. In 2025, we will aim for further growth in each business, and by making more extensive use of data and AI, we will contribute not only to improving operational efficiency, but also to enhancing customer experience and supporting activities of partner companies.

With respect to dividends, we have decided not to pay dividends for the fiscal year ended December 31, 2024, in the belief that controlling the outflow of funds and prioritizing the enhancement of internal reserves for investment for medium-to long-term growth and the stabilization of our financial base will lead to an enhancement of shareholder value. We will strive to resume dividend payments in a timely and appropriate manner as we work to generate stable profits and reduce interest-bearing debt.

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.

*1 Calculated by adding depreciation and amortization expenses, etc. to Non-GAAP operating income.

*2 Total of MNO (mobile network operator), MVNE (mobile virtual network enabler), and MVNO (mobile virtual network operator) lines.

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: 5:30 P.M. (Japan Standard Time) Thursday, March 27, 2025

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: 5:30 P.M. (Japan Standard Time) Thursday, March 27, 2025

“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: Friday, March 28, 2025 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: Friday, March 28, 2025 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 28th 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 28th Annual General Shareholders' Meeting of Rakuten Group, Inc. and ID and Password."

*Please keep this information in a safe place, as it may be required after the General Shareholders' Meeting for procedures such as claiming shareholder special benefits or confirming the identity of the applicant after the claim has been made.

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: 5:30 P.M. Japan Standard Time on Friday, March 21, 2025.

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

Contact point for queries on shareholder special benefits

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 2026)

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 28th Annual General Shareholders' Meeting of Rakuten Group, Inc. and ID and Password," you may request a replacement by making an inquiry to the contact below. However, please note that passwords will not be notified orally for security reasons, and they will be sent by post.

Please note that the contact points will differ depending on the period.

From March 13, 2025 to March 28, 2025: Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Department
(Telephone) +81 0120-782-031

After March 31, 2025: Shareholder Special Benefits Helpline
(Telephone) +81 0120-905-937

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

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. 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)</p> <p>Article 2 The purposes of the Company shall be to 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.- 27. (Omission of the provisions)</p> <p>28. Performance and sales of tickets relating to baseball, soccer, other sports, dramatic entertainment, theatrical entertainment, movies and other entertainment business, and sales and refund of betting ticket for public games and sports promotion and other public lottery ticket.</p> <p>29. Research, development, manufacture, sales and manufacturing, processing, import, export and sale of sporting goods, game machines, toys, agricultural, marine and livestock products and processed food, household goods and miscellaneous goods, cosmetics, pharmaceutical products and medical devices.</p> <p>30.- 32. (Omission of the provisions)</p> <p>33. Planning, development, production, distribution, and maintenance of traffic management system for unmanned aircraft system.</p> <p>34. (Omission of the provision)</p> <p>35. Research, planning, development, production, sale, offer, distribution, maintenance and operation on software</p>	<p>(Purpose)</p> <p>Article 2 The purposes of the Company shall be to 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.- 27. (Unchanged)</p> <p>28. Performance, <u>operation</u>, and sales of tickets relating to baseball, soccer, other sports, <u>e-sports</u>, dramatic entertainment, theatrical entertainment, movies and other entertainment business, and sales and refund of betting ticket for public games and sports promotion and other public lottery ticket.</p> <p>29. Research, development, manufacture, sales and manufacturing, processing, import, export and sale of sporting goods, game machines, toys, agricultural, marine and livestock products and processed food, household goods and miscellaneous goods, <u>machinery, electronics, chemical products</u>, cosmetics, pharmaceutical products and medical devices.</p> <p>30.- 32. (Unchanged)</p> <p>33. Planning, development, production, distribution, and maintenance of <u>unmanned aircraft and their traffic management system</u>.</p> <p>34. (Unchanged)</p> <p>35. Research, planning, development, <u>manufacturing</u>, production, <u>import, export</u>, sale, offer, distribution, maintenance,</p>

related to AI (Artificial Intelligence) and services utilizing AI (Artificial Intelligence) 36. (Omission of the provision)	operation, <u>and consulting</u> on software <u>and hardware</u> related to AI (Artificial Intelligence) <u>as well as</u> services utilizing <u>them</u> . 36. (Unchanged)
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Proposal No. 2: Election of Nine 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 nine Directors including six Outside Directors is proposed. If this item is approved as proposed, six Outside Directors of the nine 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., and all Officers, including Outside Officers, attend, in principle, 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, nine 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 nine candidates for Directors, and two women and three foreign nationals among its six 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	28 years	100% (13 out of 13 meetings)
2	Kentaro Hyakuno Reappointment	Representative Director & Group Executive Vice President	4 years	100% (13 out of 13 meetings)
3	Kenji Hirose Reappointment	Director & Group Executive Vice President	2 years	100% (13 out of 13 meetings)
4	Takaharu Ando Reappointment Outside Independent	Director	2 years	92% (12 out of 13 meetings)
5	Sarah J. M. Whitley Reappointment Outside Independent	Director	6 years	100% (13 out of 13 meetings)
6	Tsedal Neeley Reappointment Outside Independent	Director	2 years	100% (13 out of 13 meetings)
7	Charles B. Baxter Reappointment Outside Independent	Director	2 years	100% (13 out of 13 meetings)
8	Shigeki Habuka Reappointment Outside Independent	Director	2 years	100% (13 out of 13 meetings)
9	Takashi Mitachi Reappointment Outside Independent	Director	9 years	100% (13 out of 13 meetings)

Reappointment Candidate for reappointed Director

Outside Candidate for Outside Director

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

(Notes) 1. Positions at the Company are as of the date of this General Shareholders' Meeting.

2. '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	Kentaro Hyakuno	●		●	●		●
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			●			●
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)
		Apr.	2021 Director of AST SpaceMobile, Inc. (current position)
		Mar.	2022 Representative Director & Chairman of Rakuten Mobile, Inc. (current position)
		Aug.	2023 Representative Director, Chairman & CEO of Rakuten Symphony, Inc. (current position)
		Aug.	2024 Vice Chairman of the Board & CEO of Rakuten Medical, 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 SpaceMobile, Inc. Representative Director & Chairman of Rakuten Mobile, Inc. Representative Director, Chairman & CEO of Rakuten Symphony, Inc. Vice Chairman of the Board & CEO of Rakuten Medical, Inc.	

Class and Number of shares of the Company held	Common Shares 176,703,400
Attendance of the meetings of the Board of Directors	100% (13 out of 13 meetings)

No.2	Name (Date of birth)	Kentaro Hyakuno (June 6, 1967) <u>Reappointment</u>	
Responsibilities at the Company	Group Executive Vice President Group 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 Group 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 & Group 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.		
Class and Number of shares of the Company held	Common Shares 311,300		
Attendance of the meetings of the Board of Directors	100% (13 out of 13 meetings)		

No.3	Name (Date of birth)	Kenji Hirose (August 8, 1962) <u>Reappointment</u>	
Responsibilities at the Company	Group Executive Vice President Group 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 Group CFO. 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 & Group CFO of the Company (current position)
Significant office(s) concurrently held	Audit & Supervisory Board Member of JP Rakuten Logistics, Inc.		
Class and Number of shares of the Company held	Common Shares 41,700		
Attendance of the meetings of the Board of Directors	100% (13 out of 13 meetings)		

No.4	Name (Date of birth)	Takaharu Ando (August 31, 1949) Reappointment <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 two years 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.		
Class and Number of shares of the Company held		Common Shares 0		
Attendance of the meetings of the Board of Directors		92% (12 out of 13 meetings)		

No.5	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. This is based on her many years of experience in observing Japanese companies and the Company as an investor in independent overseas asset management firms, as well as her extensive knowledge of corporate finance. 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 six 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	
Class and Number of shares of the Company held		Common Shares 0	
Attendance of the meetings of the Board of Directors		100% (13 out of 13 meetings)	

No.6	Name (Date of birth)	Tsedal Neeley (December 16, 1972) Reappointment <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, digital and AI expansion. This is based on her extensive experience 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, as well as her wide-ranging insight gained through her research on digital transformation and acculturation in companies and extensive advisory of companies worldwide. She is an incumbent Outside Director of the Company and will have served for that position for two years 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)
		Jun.	2020	Outside Director of Brown Capital Management, LLC (current position)
		Jul.	2020	Outside Director of Brightcove, Inc.
		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		
Class and Number of shares of the Company held		Common Shares 0		
Attendance of the meetings of the Board of Directors		100% (13 out of 13 meetings)		

No.7	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 two years 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 Reyns 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		—		
Class and Number of shares of the Company held		Common Shares 40,200		
Attendance of the meetings of the Board of Directors		100% (13 out of 13 meetings)		

No.8	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 two years 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, Relation Office, the PR and IR Office (PR)) of Mitsubishi Chemical Holdings Corporation
		Apr.	2022	Corporate Executive Officer & Senior Vice President (supervising Government Affairs) of Mitsubishi Chemical Holdings Corporation
		Mar.	2023	Outside Director of the Company (current position)
Significant office(s) concurrently held		—		
Class and Number of shares of the Company held		Common Shares 0		
Attendance of the meetings of the Board of Directors		100% (13 out of 13 meetings)		

No.9	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 nine 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 (currently Ohara Arts Foundation) (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, 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, Kyoto University Outside Director of SUMITOMO CORPORATION	
Class and Number of shares of the Company held		Common Shares 0	
Attendance of the meetings of the Board of Directors		100% (13 out of 13 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. Takaharu Ando is Outside Director of AMUSE INC., to which the Company pays music royalties. The ratio of such payments in fiscal 2024 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.
 3. Takashi Mitachi is Distinguished Professor of Graduate School of Management, Kyoto University, to which the Company pays participation fees for events held by the university. The ratio of fees in fiscal 2024 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. No material interest exists between the Company and other candidates for Directors.
 5. 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.
 6. 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.
 7. 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. was found to have engaged in insurance premium adjustment activities with other companies in relation to non-life insurance contracts with specific corporations as policyholders. It received a business improvement order from the Financial Services Agency on December 26, 2023, based on the Insurance Business Act, and on November 1, 2024, it received a cease and desist order and surcharge payment order from the Japan Fair Trade Commission based on the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade. Although he was not aware of this fact beforehand, he has offered recommendations from the viewpoint of strengthening group governance and legal compliance at meetings of the Board of Directors. He directed 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, and even after Tokio Marine & Nichido Fire Insurance Co., Ltd. submitted its business improvement plan to the Financial Services Agency on February 29, 2024, he continued to fulfill his responsibilities appropriately, including directing the thorough implementation of the plan.
 8. Takaharu Ando, Sarah J. M. Whitley, Tsedal Neeley, Charles B. Baxter, Shigeki Habuka, and Takashi Mitachi are candidates for Outside Directors.
 9. 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 six incumbent Directors of the Company, namely, Takaharu Ando, Sarah J. M. Whitley, Tsedal Neeley, Charles B. Baxter, Shigeki Habuka, and Takashi Mitachi. The liability limitation agreement will be renewed with the six incumbent Directors subject to the approval of their reappointment.
 10. 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.

11. 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.
12. If the reappointment of Takaharu Ando, Sarah J. M. Whitley, Tsedal Neeley, Charles B. Baxter, Shigeki Habuka, and Takashi Mitachi is approved, they will be appointed to the position of Independent Director specified by the regulations of Tokyo Stock Exchange, Inc.

Proposal No. 3: Revision of Grant of Share Options to Directors (Excluding Outside Directors)

At the 23rd Annual General Shareholders' Meeting held on March 27, 2020, the Company obtained approval to grant share acquisition rights as share options exercisable while in service and share acquisition rights as retirement compensation share options (hereinafter collectively "Share Acquisition Rights") as compensation, etc. for the Company's Directors (excluding Outside Directors; hereinafter, the same shall apply in this proposal), not exceeding 10,000 units in each fiscal year, respectively.

This proposal requests the approval to revise the grant of share options approved at the 23rd Annual Shareholders' Meeting to increase the number of share options exercisable while in service to be issued to 15,000 units and the number of retirement compensation share options to be issued to 20,000 units, separately from the amount of compensation approved at the 26th Annual General Shareholders' Meeting held on March 30, 2023, in order to strengthen the Company's compensation competitiveness to acquire and secure excellent human resources globally and to further promote the continuous enhancement of the Group's corporate and shareholder value by increasing the motivation of the Company's Directors.

The main changes to the details of Share Acquisition Rights from the content of the proposal approved at the resolution of the 23rd Annual General Shareholders' Meeting are "(2) Class and number of shares to be issued upon exercise of share acquisition rights" and "(3) Total number of share acquisition rights to be issued" in "2. Details of share acquisition rights to be issued as share options exercisable while in service" and "(2) Class and number of shares to be issued upon exercise of share acquisition rights" and "(3) Total number of share acquisition rights to be issued" in "3. Details of share acquisition rights to be issued as retirement compensation share options."

Given the approval of Proposal No.2 as submitted as proposed, the Company shall have three Directors (excluding Outside Directors), three of whom shall serve concurrently as Executive Officers of the Company.

1. The reason for justifying the revision of grant of share options to Directors and the basis for calculation

[Reason for justifying the revision]

Since the value of Share Acquisition Rights is linked with the Company's stock price, the Company believes that delivering Share Acquisition Rights to the Company's Directors will allow them to share the gains of shareholders when stock prices rise and feel shareholders' losses when stock prices fall, thus enhancing their motivation to achieve higher performance and higher stock prices. The Company has established the policies on determining the amount of Directors' compensation and the calculation method thereof (hereinafter "Compensation Policies"; for details, refer to "Part 4 Matters Pertaining to Officers of the Company, 5. Compensation of Directors and Audit & Supervisory Board Members, (2) Policies on Determining the Amount of Directors' Compensation and the Calculation Method (Compensation Policies)" in the Business Report), which allows the Company to grant Share Acquisition Rights to its Directors; however, even if this proposal is approved, the Company does not plan to change the Compensation Policies. The Company believes that this proposal is appropriate since it is in line with the Compensation Policies, and it will strengthen the Company's compensation competitiveness to acquire and secure excellent human resources from around the world, while also contributing to increasing the motivation of the Company's Directors to continuously maximize the Group's corporate and shareholder value.

[Basis for Calculation]

The amount of Share Acquisition Rights to be delivered as part of the remuneration for the Company's Directors will be calculated by multiplying fair value of each Share Acquisition Right calculated on the day when such rights are allotted, by the number of Share Acquisition Rights allotted to the Company's Directors. Fair value of each Share Acquisition Rights will be based on the fair unit price valuation calculated applying variables including share price on the day when Share Acquisition Rights are allotted and the conditions of Share Acquisition Rights, etc. using an equity option pricing model such as the Black-Scholes model.

2. Details of share acquisition rights to be issued 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 1,500,000.

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 for the above purpose 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 arises as a result of such adjustment, such fraction shall be discarded.

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

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 15,000 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.

Furthermore, the share acquisition rights are granted through a fair issuance as compensation for the execution of duties, and do not fall under the definition of issuance on favorable terms.

(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 and 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 Holders 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 unit 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 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 unit 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 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 unit 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) Reasons for and conditions of the acquisition of share acquisition rights
- a) If a merger agreement in which the Company is the dissolving 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 in which the Company becomes a wholly owned subsidiary is approved at a general shareholders' meeting, the Company may acquire the share acquisition rights without consideration on a date separately determined by the Board of Directors of the Company.
 - b) If the Holders of share acquisition rights no longer meet the conditions stipulated in (7) a). before exercising their rights, the Company may acquire such share acquisition rights without consideration on a day separately determined by the Board of Directors of the Company.
- (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.

3. Details of share acquisition rights to be issued 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 2,000,000.

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 for the above purpose 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 arises as a result of such adjustment, such fraction shall be discarded.

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

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 action.

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

share acquisition rights to be issued in each fiscal year will not exceed 20,000 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.

Furthermore, the share acquisition rights are granted through a fair issuance as compensation for the execution of duties, and do not fall under the definition of issuance on favorable terms.

(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 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) Reasons for and conditions of the acquisition of share acquisition rights
- a) If a merger agreement in which the Company is the dissolving 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 in which the Company becomes a wholly owned subsidiary is approved at a general shareholders' meeting, the Company may acquire the share acquisition rights without consideration on a date separately determined by the Board of Directors of the Company.
 - b) If the Holders of share acquisition rights no longer meet the conditions stipulated in (7) a). before exercising their rights, the Company may acquire such share acquisition rights without consideration on a day separately determined by the Board of Directors of the Company.
- (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 .

Business Report

(From January 1, 2024, to December 31, 2024)

Part 1 Present Situation of the Rakuten Group

1. Business Progress and Results

Revenue	Non-GAAP operating income	IFRS operating income	Net loss attributable to owners of the Company
¥2,279.2 billion	¥7.0 billion	¥53.0 billion	¥162.4 billion
(10.0% increase YoY)	(¥160.1 billion increase YoY)	(¥265.8 billion increase YoY)	(¥177.0 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 operating 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.

(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, 2024 (Non-GAAP basis)

For the fiscal year ended December 31, 2024, the global economy showed signs of recovery despite weaknesses in some regions. However, attention must be paid to the increased risk of economic downturn due to the continued high interest rates in Europe and the United States, and the impact of future policy trends in the United States. As for the Japanese economy, although there are some signs of stagnation in the recovery of personal consumption, a gradual economic recovery is expected to continue.

According to the “White Paper on Information and Communications in Japan” (Note), technology policy in the information and communications field is being promoted with a focus on initiatives toward Beyond 5G, which is expected to be utilized across all industries and social

activities beyond national borders. Additionally, new technologies utilizing digital tools such as AI are expected to further transform our social and economic activities in the future.

In this environment, the Rakuten Group is actively promoting the development and deployment of services utilizing advanced technologies such as AI, based on data from both online and offline sources, and improving network quality and user acquisition in mobile services. By further evolving and expanding the Rakuten Ecosystem, the Rakuten Group aims to enhance its competitiveness and develop unique solution services that only the Rakuten Group, with its accumulated unique data assets through various services such as internet services, FinTech, and mobile, can provide. This evolution aims to make the Rakuten Group an “AI Empowerment Company,” making people’s lives more convenient and enriched. Furthermore, amid the current uncertainty about the economic outlook due to rising prices, the Rakuten Group aims to capture further growth opportunities by leveraging the synergies of its diverse business portfolio to accurately grasp consumer trends and needs.

In the Internet Services segment, to achieve further growth in gross merchandise sales (hereinafter “GMS”) and revenue, the Rakuten Group focused on acquiring new customers, promoting cross-use, developing services in collaboration with local governments and regional businesses, and revitalizing the regional economy. As a result of these efforts and changes in marketing strategies aimed at improving profitability, significant profit growth was achieved. In the FinTech segment, efforts to expand the customer base and transaction value in each service led to further revenue growth and improved segment profit. In the Mobile segment, efficient network quality improvement through the use of both proprietary and partner networks, along with strengthened marketing activities, resulted in an increase in the number of contracted lines and expanded revenue. Additionally, continued cost optimization efforts led to a steady reduction in segment losses.

As a result, the Rakuten Group recorded revenue of ¥2,279,233 million, up 10.0% year-on-year for the fiscal year ended December 31, 2024. It recorded a Non-GAAP operating income of ¥7,048 million, compared to a Non-GAAP operating loss of ¥153,041 million in the previous fiscal year. Furthermore, Non-GAAP operating income turned positive for the first time in five years since the fiscal year ended December 31, 2019.

Note: Source: “2024 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, 2024, amortization of intangible assets of ¥6,821 million and share based compensation expenses of ¥15,910 million were excluded from the Non-GAAP operating loss. 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 fiscal year ended December 31, 2022. One-off items listed for the fiscal year ended December 31, 2024 include a loss on disposal of intangible assets for a part of the life and general insurance integrated core system and other systems in the insurance business of ¥5,863 million, an

impairment loss of ¥9,662 million due to a review of the core system development plan in the general insurance business, maintenance and repair costs for base stations related to the 2024 Noto Peninsula Earthquake of ¥1,154 million, a write-down loss due to a review of contracts with certain agents and a revaluation of transactions recognized as assets from costs for contract acquisitions in the mobile business of ¥5,411 million, a disposal loss of ¥1,891 million due to a business model shift focusing on advanced network software development in the Rakuten Symphony business, an impairment loss of ¥2,155 million due to changes in cash-generating units, an impairment loss of ¥1,667 million due to the re-evaluation of future revenue prospects in the Rakuten Farm business and overseas advertising business, an impairment loss etc. of ¥1,305 million due to restructuring in the Rakuten Ticket business, tax expenses of ¥4,151 million due to the intra-group sale of shares in Viber Media S.a.r.l. and partial sale of shares in Rakuten Card Co., Ltd., the provision of allowance for doubtful accounts of ¥4,386 million due to the risk of uncollectible receivables from the sale of overseas subsidiaries, expenses related to the resolution of litigation with International Business Machines Corporation, a remeasurement gain of ¥106,906 million due to changes in the accounting treatment of shares in AST SpaceMobile, Inc., and gains from the sale of shares of Min-Shu, Inc. of ¥1,613 million. Moreover, the write-down loss on assets etc. from the recognition of costs for contract acquisitions in the mobile business and tax expenses due to the intra-group sale of shares in Viber Media S.a.r.l. and partial sale of shares in Rakuten Card Co., Ltd. are recorded in operating expenses, while other income and expenses are mainly recorded in other income and other expenses in the Consolidated Statement of Income.

■ **Operating Results for the Fiscal Year Ended December 31, 2024 (IFRS basis)**

For the fiscal year ended December 31, 2024, the Rakuten Group recorded revenue of ¥2,279,233 million, up 10.0% year-on-year, and an IFRS operating income of ¥52,975 million, compared with an IFRS operating loss of ¥212,857 million in the fiscal year ended December 31, 2023, due to the impact of the remeasurement gain from changes in the accounting treatment of AST SpaceMobile, Inc. shares, and other factors, and a net loss attributable to owners of the Company of ¥162,442 million, compared with a net loss of ¥339,473 million in the fiscal year ended December 31, 2023, due to the impact of the reversal of deferred tax assets and other factors. Notably, IFRS operating income achieved a surplus for the first time in five years since the fiscal year ended December 31, 2019.

(Millions of Yen)

	Fiscal year ended December 31, 2023 (27th)	Fiscal year ended December 31, 2024 (28th)	Amount Change YoY	% Change YoY
Revenue	2,071,315	2,279,233	207,918	10.0%
Non-GAAP operating income (Loss)	(153,041)	7,048	160,089	—
Amortization of intangible assets	(13,564)	(6,821)	6,743	—
Share based compensation expenses	(14,318)	(15,910)	(1,592)	—
Nonrecurring items	(31,934)	68,658	100,592	—
IFRS operating income (Loss)	(212,857)	52,975	265,832	—
Net Loss Attributable to Owners of the Company	(339,473)	(162,442)	177,031	—

■ 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.

1) Mobile segment-related investments

In anticipation of an increase in investments related to the Mobile segment, an organization to oversee said investments was established during the three months ended September 30, 2024. This results in a change to the management of Mobile segment-related investments, and segment profit decreased by ¥1,700 million in the Internet Services segment, and segment loss in the Mobile segment decreased by the same amount for the fiscal year ended December 31, 2023.

2) Mobile Ecosystem Contribution

Considering the expanding mutual contribution effects between segments within the Rakuten Ecosystem, mutual contribution effects and mutual customer referral effects (hereinafter “Mobile Ecosystem Contribution”) have been reflected in the segment profit and loss to allow for a more precise performance evaluation from the three months ended September 30, 2024.

The Mobile Ecosystem Contribution is calculated based on the contribution effect derived from the tendency of Rakuten Mobile MNO subscribers to use various services of the Rakuten Group more than non-subscribers, minus the customer referral effect received from each segment. This calculation has been reflected in the segment information for the fiscal year ended December 31, 2024.

Accordingly, segment profit and loss have been restated for the fiscal year ended December 31, 2023.

There is no impact on consolidated revenue, Non-GAAP operating income or loss, or operating income or loss.

Mobile Ecosystem Contribution = i) Gross profit uplift effect of Rakuten Mobile MNO subscribers - ii) Customer referral effect from group companies to the mobile business

Calculation Method of Uplift Effect and Customer Referral Effect between Segments

i) Gross profit uplift effect of Rakuten Mobile MNO subscribers

Depending on the characteristics of each business of the Rakuten Group, the monthly amount is calculated using one of the following methods.

(a) The difference in the monthly average revenue per user over the past year between Rakuten Mobile MNO individual subscribers and non-subscribers in each business of the Rakuten Group \times The gross profit margin of each business for each month \times The number of Rakuten Mobile MNO individual subscribers at the end of each month

(b) The difference in annual usage rates in each business of the Rakuten Group between Rakuten Mobile MNO individual subscribers and non-subscribers \times Monthly average revenue per user over the past year for each business \times The gross profit margin of each business for each month \times The number of Rakuten Mobile MNO individual subscribers at the end of each month

ii) Referral effect from group companies to the mobile business

Number of Rakuten Mobile MNO individual subscribers each month who signed up through group company sites \times Referral cost

* Target businesses for uplift effect calculation

The calculation targets 18 businesses: Rakuten Ichiba, Rakuten Books, Rakuten24, Rakuten Bic, Rakuten Kobo, Rakuten Fashion, Rakuten Travel, Rakuten Mart, Rakuten Beauty, Rakuten Pay app payments, Rakuten Pay online payments, Rakuten Edy, Rakuten Point Card, Rakuten Card, Rakuten Bank, Rakuten Securities, Rakuten Life Insurance, and Rakuten General Insurance.

Internet Services Segment

Sales composition ratio (excluding adjustments): 50.4%

(Billions of Yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Segment Revenue	1,212.3	1,282.1
Segment Profit	65.6	85.1

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 e-commerce, which is the mainservice, the growth rate of GMS temporarily slowed down compared to the previous fiscal year due to changes in marketing measures aimed at improving profitability. However, the growth of domestic e-commerce drove revenue and profit increases. In the internet shopping mall “Rakuten Ichiba,” efforts were focused on acquiring new customers and promoting cross-use. In the internet travel reservation service “Rakuten Travel,” various measures aimed at improving customer convenience and satisfaction, as well as continued strong inbound demand, led to an expansion in gross transaction value (hereinafter “GTV”).

In the international business unit, which operates overseas internet services, the U.S. online cashback service “Rakuten Rewards” continued to show steady revenue growth. In the overseas content business, the sales of the new color-compatible devices of the e-book service “Rakuten Kobo” remained strong, and the number of users of the video streaming service “Rakuten Viki” increased, leading to continued steady growth in each business. This contributed to achieving annual profitability in the international business unit and expanding segment profit.

As a result, revenue for the Internet Services segment rose to ¥1,282,087 million, a 5.8% year-on-year increase, while segment profit stood at ¥85,137 million, a 29.8% year-on-year increase.

FinTech Segment

Sales composition ratio (excluding adjustments): 32.3%

(Billions of Yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Segment Revenue	725.2	820.4
Segment Profit	111.2	153.4

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

In the FinTech segment, revenue and profit increased year-on-year in credit card-related services, banking services, securities services, and payment services. In credit card related services, the cumulative number of Rakuten Cards issued exceeded 31 million in June 2024, and the customer base continued to expand, leading to an increase in shopping transaction value. In addition, marketing optimization contributed to a significant increase in profit. In banking services, the increase in assets under management due to the expansion of the customer base and the improvement in investment yields due to the Bank of Japan's policy interest rate hike led to a significant increase in asset management revenue, resulting in substantial revenue and profit growth. In securities services, despite making domestic stock trading commission-free, profit increased due to the continuous expansion of the customer base and diversification of revenue sources. In payment services, business growth continued due to efficient marketing measures.

As a result, the FinTech segment recorded ¥820,419 million in revenue, a 13.1% year-on-year increase, while segment profit stood at ¥153,377 million, a 37.9% year-on-year increase.

Mobile Segment

Sales composition ratio (excluding adjustments): 17.3%

(Billions of Yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Segment Revenue	364.6	440.7
Segment Loss	(314.6)	(208.9)

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

In Mobile, efforts were made to improve network quality and expand its recognition, along with the deployment of various programs such as the “SAIKYO Family Program” and the “SAIKYO Youth Program,” and marketing measures utilizing various services of the Rakuten Ecosystem, including “Rakuten Ichiba” and “Rakuten Card.” As a result, the number of subscribers (the sum of MNO, including corporate BCP plans, MVNE, and MVNO) reached 8.3 million lines in December 2024. ARPU also increased compared to the three months ended December 31, 2023, due to the increase in data usage, the introduction of charges for some options, and the increase in other ARPU due to the increase in advertising revenue from Rakuten Link. Additionally, the conversion of Rakuten Mobile MNO subscribers into loyal users progressed, leading to an increase in the Mobile Ecosystem Contribution. We will continue to maximize customer satisfaction by providing easy-to-understand, cost-effective services that meet various user needs.

As a result, the Mobile segment recorded ¥440,698 million in revenue, a 20.9% year-on-year increase, while segment loss stood at ¥208,933 million compared to a loss of ¥314,569 million in the fiscal year ended December 31, 2023. Notably, the mobile business achieved monthly EBITDA profitability in December 2024.

2. Operating Results and Financial Status

Classification		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)	28 th (From January 1, 2024 to December 31, 2024)
Revenue	(Millions of Yen)	1,681,757	1,920,894	2,071,315	2,279,233
Operating income (Loss)	(Millions of Yen)	(194,726)	(371,612)	(212,857)	52,975
Non-GAAP Operating income (Loss)	(Millions of Yen)	(224,999)	(335,192)	(153,041)	7,048
Income (Loss) before income tax	(Millions of Yen)	(212,630)	(415,612)	(217,741)	16,277
Net loss attributable to owners of the Company	(Millions of Yen)	(133,828)	(377,217)	(339,473)	(162,442)
Comprehensive income attributable to owners of the Company	(Millions of Yen)	(73,417)	(309,683)	(273,755)	(85,734)
Basic losses per share	(Yen)	(87.62)	(237.73)	(177.27)	(75.61)
Diluted losses per share	(Yen)	(87.62)	(237.89)	(177.29)	(75.62)
Total assets	(Millions of Yen)	16,831,221	20,402,281	22,625,576	26,514,728
Total equity attributable to owners of the Company	(Millions of Yen)	1,093,719	791,351	836,572	927,868
Equity per share attributable to owners of the Company	(Yen)	691.47	497.56	390.53	430.67
Cash flows from operating activities	(Millions of Yen)	582,707	(262,068)	724,192	1,190,882
Cash flows used in investing activities	(Millions of Yen)	(611,830)	(948,289)	(597,416)	(921,724)
Cash flows from financing activities	(Millions of Yen)	1,402,265	1,486,686	291,956	757,469
ROE	(%)	(15.7)	(40.4)	(41.7)	(18.4)
Dividend per share	(Yen)	4.5	4.5	0.0	0.0

(Notes) 1. Non-GAAP operating income is operating income under IFRS 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 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 future outlook.

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 ¥256,970 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 February and April 2024, the Company raised USD 1,800 million and USD 2,000 million, respectively, by issuing U.S. dollar-denominated unsecured bonds and raised ¥50,000 million in April 2024 by issuing JPY-denominated private placement bonds. In addition, the Company also raised USD 550 million in December 2024 by issuing U.S. dollar-denominated permanent subordinated bonds. With these capital procurements, the Company has completed funding for all of its bonds that will be redeemed in 2025. Rakuten Mobile, Inc. raised ¥170,000 million through a sale and leaseback using the company's telecommunications facilities.

5. Business Re-organization

- (1) On April 1, 2024, the Company transferred all shares of Min-Shu, Inc., which has succeeded to the rights and obligations of the "Rakuten Min-Shu" business through an absorption-type company split, to PORT INC.
- (2) On November 29, 2024, the Company transferred all shares of Viber Media S.a.r.l., a consolidated subsidiary of the Company, to Rakuten Asia Pte. Ltd., another consolidated subsidiary of the Company. As a result, the parent company of Viber Media S.a.r.l. has been changed from the Company to Rakuten Asia Pte. Ltd.
- (3) On December 1, 2024, the Company transferred the business of operating "Rakuten Super Mini Job" to Rakuten Insight, Inc., a consolidated subsidiary of the Company, through a company split. On the same day, the Company also carried out a share exchange that made Rakuten Insight, Inc. the wholly owning parent company in the share exchange and made Rakuten Insight Global, Inc., a consolidated subsidiary of the Company, a wholly owned subsidiary in the share exchange.
- (4) On December 1, 2024, the Company transferred 14.99% of the shares issued in Rakuten Card Co., Ltd. held by the Company to Mizuho Financial Group, Inc.

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 growth in gross merchandise sales and revenues through various initiatives, including 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, while also creating new markets through the use of data and AI, etc.

We are pursuing even greater growth in the customer base and transaction value of FinTech services in such areas as credit cards, banking, securities, insurance, and payment services. Given the Japanese government is promoting an expansion of cashless payments, 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 centered on credit cards, which is the greatest strength of Rakuten Group, to increase the effectiveness of customer traffic within the Rakuten Ecosystem.

In the Mobile segment, we will achieve a population coverage of 99.9% through the expansion of both proprietary and partner network service areas, as well as improve the customer experience through improving network quality. In addition, we will launch attractive marketing measures utilizing Rakuten Mobile's strengths, such as highly competitive price plans and the Rakuten Ecosystem, and promote further subscriber acquisition through proposals to nationwide corporate clients and local governments that transact with the Rakuten Group. Additionally, by sequentially expanding the deployment of the 700MHz band (the Platinum Band), which started commercial service in June 2024, we aim to provide a higher quality network environment, accelerate the pace of subscriber acquisition, and achieve early profitability in the mobile business. 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 and enhance 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.

(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., with the attendance of all executives, including outside officers, in principle, 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 activities of Internet Services, FinTech, and Mobile, the Rakuten Group is organized into three reportable Segments: "Internet Services," "FinTech" and "Mobile."

For the reportable segments, separate financial information on the operational units of the Rakuten Group is available, and such financial information is subject to periodic review for the Board of Directors to decide on the distribution of management resources and evaluate performance.

The "Internet Services" Segment comprises businesses providing various e-commerce sites including internet shopping mall Rakuten Ichiba, online cash-back sites, travel booking sites, portal sites, and digital content sites, along with provision of messaging services, sales of advertising, etc. on these sites, and management of professional sports teams, etc.

The "FinTech" Segment comprises businesses providing services related to credit cards, banking and securities over the Internet, crypto assets (virtual currency) spot transactions, life insurance services, general insurance services, and electronic money, etc.

The "Mobile" Segment engages in businesses providing communication services and technologies, operating electricity supply services, and making investments related to the Mobile Segment, etc.

8. Information on Principal Parent Companies and Principal Subsidiaries

Information on Principal Subsidiaries

Company name	Capital	Ratio of voting rights	Main business
Rakuten Mobile, Inc.	¥100 million	100.00%	Voice communication and data transmission services, and sales of mobile devices
Rakuten Card Co., Ltd.	¥19,324 million	85.01%	Issuance of credit card "Rakuten Card," and related services
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 Payment, Inc.	¥100 million	100.00% (100.00%)	Electronic payment services
Rakuten Symphony Singapore Pte. Ltd.	296,269 thousand U.S. dollars	100.00% (100.00%)	Sales of Open RAN based communications infrastructure platform etc. developed by group companies and provision of related services
Rakuten Kobo Inc.	973 million Canadian dollars	100.00% (100.00%)	E-book services
Rakuten Life Insurance Co., Ltd.	¥7,500 million	100.00% (100.00%)	Life insurance business
Rakuten Energy, Inc.	¥31 million	100.00%	Operation of retail electricity business and other energy-related businesses
Rakuten General Insurance Co., Ltd.	¥20,153 million	100.00% (100.00%)	General insurance business
Viber Media S.a.r.l.	217 thousand U.S. dollars	100.00% (100.00%)	Mobile messaging and VoIP services

- (Notes)
- Figures in the brackets under Ratio of voting rights represent percentage of voting rights held indirectly.
 - 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.
 - 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
¥1,790,608 million
 - Total amount recorded in the assets section of the Company's balance sheet for the current fiscal year
¥5,272,845 million
 - 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 Mobile, Inc.	Setagaya-ku, Tokyo
Rakuten Card Co., Ltd.	Minato-ku, Tokyo
Ebates Inc.	United States
Rakuten Bank, Ltd.	Minato-ku, Tokyo
Rakuten Securities, Inc.	Minato-ku, Tokyo
Rakuten Payment, Inc.	Minato-ku, Tokyo
Rakuten Symphony Singapore Pte. Ltd.	Singapore
Rakuten Kobo Inc.	Canada
Rakuten Life Insurance Co., Ltd.	Minato-ku, Tokyo
Rakuten Energy, Inc.	Setagaya-ku, Tokyo
Rakuten General Insurance Co., Ltd.	Minato-ku, Tokyo
Viber Media S.a.r.l.	Luxembourg

10. Employees

Classification	Number of employees	Year-on-year change
Total	29,334	Decreased by 1,496

(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	10,206
FinTech	6,073
Mobile	4,436
Company-wide (common)	8,619
Total	29,334

(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.	181,329
Sumitomo Mitsui Banking Corporation	46,465
Sumitomo Mitsui Trust Bank, Limited	39,845

Part 2 Matters Pertaining to Shares of the Company

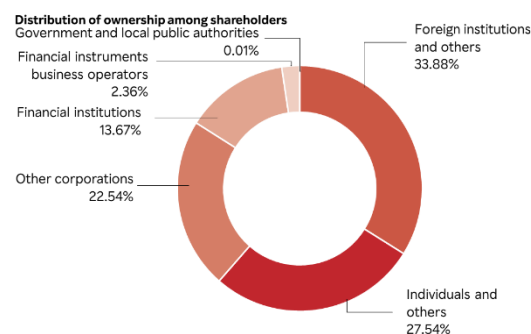
1. Total Number of Shares Authorized to be Issued:

3,941,800,000 shares

2. Total Number of Shares Issued:

Common stock 2,154,483,600 shares
(Including 4,096 shares of treasury stocks)

3. Number of Shareholders: 688,982



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

4. Major Shareholders (Top 10)

Name	Number of shares held (common stock)	Percentage of shares held
Crimson Group, LLC.	226,419,000	10.51%
The Master Trust Bank of Japan, Ltd. (Trust account)	216,664,700	10.06%
Hiroshi Mikitani	176,703,400	8.20%
JAPAN POST HOLDINGS Co., Ltd.	131,004,000	6.08%
Haruko Mikitani	112,625,000	5.23%
MSIP CLIENT SECURITIES	65,657,600	3.05%
Custody Bank of Japan, Ltd. (Trust account)	50,897,400	2.36%
GOLDMAN SACHS INTERNATIONAL	49,854,442	2.31%
Mikitani Kosan, Inc.	40,868,500	1.90%
Spirit Inc.	40,868,500	1.90%

(Note) Percentage of shares held is calculated excluding treasury stocks (4,096 shares).

5. Other Important Matters Involving Shares

At the 27th Annual General Shareholders' Meeting held on March 28, 2024, a resolution was passed to amend the Articles of Incorporation to allow the issuance of the bond-type class shares; however, all shares issued at the end of the current fiscal year were common stock and no bond-type class shares have been issued.

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 Acquisition Rights	Class and number of shares to be issued	Issue price	Exercise Price (per share) (yen)	Exercise period
The 50th Share Acquisition Rights (July 22, 2016)	12,015	Common stock 1,201,500	Free of charge	0.01	From August 1, 2017 to August 1, 2026
The 57th Share Acquisition Rights (February 20, 2017)	36	Common stock 3,600	Free of charge	0.01	From March 31, 2020 to March 29, 2026
The 59th Share Acquisition Rights (February 20, 2017)	4,272	Common stock 427,200	Free of charge	0.01	From March 1, 2018 to March 1, 2027
The 70th Share Acquisition Rights (February 19, 2018)	63	Common stock 6,300	Free of charge	0.01	From March 31, 2021 to March 29, 2027
The 71st Share Acquisition Rights (February 19, 2018)	4,804	Common stock 480,400	Free of charge	0.01	From March 1, 2019 to March 1, 2028
The 72nd Share Acquisition Rights (April 27, 2018)	14,910	Common stock 1,491,000	Free of charge	0.01	From May 1, 2019 to May 1, 2028
The 76th Share Acquisition Rights (January 18, 2019)	25,239	Common stock 2,523,900	Free of charge	0.01	From February 1, 2020 to February 1, 2029
The 81st Share Acquisition Rights (April 26, 2019)	7,962	Common stock 796,200	Free of charge	0.01	From November 1, 2019 to May 1, 2059
The 82nd Share Acquisition Rights (July 26, 2019)	11,058	Common stock 1,105,800	Free of charge	0.01	From August 1, 2020 to August 1, 2029
The 85th Share Acquisition Rights (January 31, 2020)	19,469	Common stock 1,946,900	Free of charge	0.01	From February 1, 2021 to February 1, 2030
The 87th Share Acquisition Rights (February 28, 2020)	5,827	Common stock 582,700	Free of charge	0.01	From March 1, 2020 to March 1, 2060

Name (Date of resolution)	Number of Share Acquisitio n Rights	Class and number of shares to be issued	Issue price	Exercise Price (per share) (yen)	Exercise period
The 89th Share Acquisition Rights (April 16, 2020)	1,712	Common stock 171,200	Free of charge	0.01	From May 1, 2020 to May 1, 2060
The 90th Share Acquisition Rights (July 16, 2020)	21,647	Common stock 2,164,700	Free of charge	0.01	From August 1, 2021 to August 1, 2030
The 93rd Share Acquisition Rights (January 14, 2021)	31,680	Common stock 3,168,000	Free of charge	0.01	From February 1, 2022 to February 1, 2031
The 95th Share Acquisition Rights (February 12, 2021)	4,828	Common stock 482,800	Free of charge	0.01	From March 1, 2021 to March 1, 2061
The 97th Share Acquisition Rights (April 15, 2021)	1,887	Common stock 188,700	Free of charge	0.01	From May 1, 2021 to May 1, 2061
The 98th Share Acquisition Rights (July 15, 2021)	27,673	Common stock 2,767,300	Free of charge	0.01	From August 1, 2022 to August 1, 2031
The 101st Share Acquisition Rights (January 14, 2022)	41,866	Common stock 4,186,600	Free of charge	0.01	From February 1, 2023 to February 1, 2032
The 104th Share Acquisition Rights (February 14, 2022)	4,308	Common stock 430,800	Free of charge	0.01	From March 1, 2022 to March 1, 2062
The 105th Share Acquisition Rights (April 14, 2022)	80,350	Common stock 8,035,000	Free of charge	0.01	From May 1, 2023 to May 1, 2032
The 106th Share Acquisition Rights (April 14, 2022)	2,507	Common stock 250,700	Free of charge	0.01	From May 1, 2022 to May 1, 2062
The 107th Share Acquisition Rights (July 14, 2022)	62,271	Common stock 6,227,100	Free of charge	0.01	From August 1, 2023 to August 1, 2032
The 111th Share Acquisition Rights (January 16, 2023)	74,220	Common stock 7,422,000	Free of charge	0.01	From February 1, 2024 to February 1, 2033
The 114th Share Acquisition Rights (February 14, 2023)	7,518	Common stock 751,800	Free of charge	0.01	From March 1, 2023 to March 1, 2063

Name (Date of resolution)	Number of Share Acquisitio n Rights	Class and number of shares to be issued	Issue price	Exercise Price (per share) (yen)	Exercise period
The 115th Share Acquisition Rights (April 13, 2023)	88,534	Common stock 8,853,400	Free of charge	0.01	From May 1, 2024 to May 1, 2033
The 117th Share Acquisition Rights (April 13, 2023)	5,074	Common stock 507,400	Free of charge	0.01	From May 1, 2023 to May 1, 2063
The 126th Share Acquisition Rights (April 12, 2024)	186,015	Common stock 18,601,500	Free of charge	0.01	From May 1, 2025 to May 1, 2034
The 128th Share Acquisition Rights (April 12, 2024)	4,288	Common stock 428,800	Free of charge	0.01	From May 1, 2024 to May 1, 2064

- (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 57th and 70th 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 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 circumstances.
 - c) Share acquisition rights may not be pawned or disposed of in any other manner.
 - 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 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.
 - 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 50th, 59th, 71st, 72nd, and 76th 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 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 right, 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 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 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.
- 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
4. Conditions for exercise of the 81st, 87th, 89th, 95th, 97th, 104th, 106th, 114th, 117th, and 128th 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 or employees of the Company, its subsidiaries or affiliates.
 - 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) 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
5. Conditions for exercise of the 82nd, 85th, 90th, 93rd, 98th, and 101st Share Acquisition Rights are as follows:
- a) Holders of share acquisition rights shall remain Directors (excluding Outside 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 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, 115th, and 126th 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 50th Share Acquisition Rights	114	1
	The 59th Share Acquisition Rights	565	2
	The 71st Share Acquisition Rights	1,357	2
	The 72nd Share Acquisition Rights	541	1
	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
	The 128th Share Acquisition Rights	4,288	5
Outside Directors	The 57th Share Acquisition Rights	18	1
	The 59th Share Acquisition Rights	114	1
	The 70th Share Acquisition Rights	21	1
	The 105th Share Acquisition Rights	331	4
	The 115th Share Acquisition Rights	360	4
	The 126th Share Acquisition Rights	592	6
Audit & Supervisory Board Members	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 Acquisition Rights	Class and number of shares to be issued	Issue price	Exercise Price (per share) (yen)	Exercise period
The 122nd Share Acquisition Rights (January 16, 2024)	74,902	Common stock 7,490,200	Free of charge	0.01	From February 1, 2025 to February 1, 2034
The 123rd Share Acquisition Rights (February 14, 2024)	8,881	Common stock 888,100	Free of charge	0.01	From March 1, 2025 to March 1, 2034
The 124th Share Acquisition Rights (February 14, 2024)	1,496	Common stock 149,600	Free of charge	0.01	From March 1, 2025 to March 1, 2034
The 125th Share Acquisition Rights (February 14, 2024)	8,612	Common stock 861,200	Free of charge	0.01	From March 1, 2024 to March 1, 2064
The 126th Share Acquisition Rights (April 12, 2024)	185,423	Common stock 18,542,300	Free of charge	0.01	From May 1, 2025 to May 1, 2034
The 127th Share Acquisition Rights (April 12, 2024)	10,394	Common stock 1,039,400	Free of charge	0.01	From May 1, 2025 to May 1, 2034
The 129th Share Acquisition Rights (July 16, 2024)	67,841	Common stock 6,784,100	Free of charge	0.01	From August 1, 2025 to August 1, 2034
The 130th Share Acquisition Rights (July 16, 2024)	318	Common stock 31,800	Free of charge	0.01	From August 1, 2025 to August 1, 2034
The 131st Share Acquisition Rights (October 16, 2024)	6,303	Common stock 630,300	Free of charge	0.01	From November 1, 2025 to November 1, 2034
The 132nd Share Acquisition Rights (October 16, 2024)	140	Common stock 14,000	Free of charge	0.01	From November 1, 2025 to November 1, 2034

- (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 122nd, 123rd, 124th, 126th, 127th, 129th, 130th, 131st, and 132nd 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, 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 125th 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 122nd Share Acquisition Rights	44,560	4,456,000	10,044
	The 123rd Share Acquisition Rights	1,020	102,000	35
	The 125th Share Acquisition Rights	8,612	861,200	48
	The 129th Share Acquisition Rights	33,009	3,300,900	9,705
Officers and Employees of the Subsidiaries (Excluding Officers and Employees of the Company)	The 122nd Share Acquisition Rights	30,342	3,034,200	6,026
	The 123rd Share Acquisition Rights	7,861	786,100	38
	The 124th Share Acquisition Rights	1,496	149,600	1
	The 126th Share Acquisition Rights	185,423	18,542,300	3,905
	The 127th Share Acquisition Rights	10,394	1,039,400	199
	The 129th Share Acquisition Rights	34,832	3,483,200	5,718
	The 130th Share Acquisition Rights	318	31,800	6
	The 131st Share Acquisition Rights	6,303	630,300	170
	The 132nd Share Acquisition Rights	140	14,000	4

Part 4 Matters Pertaining to Officers of the Company

1. Names of Directors and Audit & Supervisory Board Members

(As of December 31, 2024)

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 & team owner of Rakuten Baseball, Inc. Chairman & Representative Director of Rakuten Medical K.K. Director of AST SpaceMobile, Inc. Representative Director & Chairman of Rakuten Mobile, Inc. Representative Director, Chairman & CEO of Rakuten Symphony, Inc. Vice Chairman of the Board & CEO of Rakuten Medical, 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 Group 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 Co., Ltd. Representative Director & Chairman of JP Rakuten Logistics, Inc.
Director & Group Executive Vice President	Kenji Hirose	Group Executive Vice President Group 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	—
Director Outside Independent	Shigeki Habuka	—

Title	Name	Responsibility within the Company and significant concurrent positions
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, 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	Futoshi Nakamura	—
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. Futoshi Nakamura was newly elected as and assumed the office of Audit & Supervisory Board Member at the 27th Annual General Shareholders' Meeting.
2. Audit & Supervisory Board Member Satoshi Fujita resigned at the conclusion of the 27th 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.
4. Futoshi Nakamura, 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 is Outside Director of AMUSE INC., to which the Company pays music royalties. The ratio of such payments in fiscal 2024 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 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 2024 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 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 2024 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 2024 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 2024 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.
9. 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 (Gaikokuho Kyodo Jigyo) and the Company in fiscal 2024 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.
 10. The Company has appointed Takaharu Ando, Sarah J. M. Whitley, Tsedal Neeley, Charles B. Baxter, Shigeki Habuka, Takashi Mitachi, Jun Murai, Futoshi Nakamura, 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, Futoshi Nakamura, 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	Special compensation for retiring Executive Officer	
Directors	2,090	491	168	354	1,078	12
(Of which, Outside Directors)	(107)	(79)	(-)	(28)	-	(7)
Audit & Supervisory Board Members	66	66	-	-	-	5
(Of which, Outside Audit & Supervisory Board Members)	(48)	(48)	(-)	(-)	-	(4)
Total	2,155	556	168	354	1,078	17

- (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. The total amount of compensation in the table includes the amount recorded for the current fiscal year for share options, and as described in 3 and 4 below, the granting of share options has been approved separately from the above maximum amount of compensation (However, this is prior to the changes made by the resolution at the 26th Annual General Shareholders' Meeting; the same applies to 3 and 4 below.) The amount of compensation for Directors excluding the amount recorded for share options from the total amount of compensation in the table above is within the above-mentioned maximum amount of compensation.
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. With regard to the granting of share options to Directors (excluding Outside Directors), 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) to Directors (excluding Outside Directors) as compensation, etc., separately from the maximum amount of compensation described in 1 above. 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 4,288 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.

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

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 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. With regard to the granting of share options to Outside Directors, 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) to Outside Directors as compensation, etc., separately from the maximum amount of compensation described in 1. above. The number of Outside Directors at the conclusion of this Annual General Shareholders' Meeting was five. The Company has granted 592 units of share acquisition rights as share options exercisable while in service to Outside Directors in the fiscal year. The details of such 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: Outside Directors)
 - The Board of Directors' meeting held on April 12, 2024 (Recipients: Directors (excluding Outside Directors) and Outside Directors)
- 6. Bonuses are classified as performance-linked compensation, etc. and share options are classified as non-cash-based compensation, etc.
- 7. 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 Policies)

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)
- d. Special compensation for retiring Executive Officer (eligible for directors (except for outside directors) who concurrently hold an Executive Officer position and paid upon retirement as an Executive Officer)

The ratio of basic compensation, performance-linked compensation, non-cash based compensation, and special compensation for retiring Executive Officer 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 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, 2024, is shown in “1. Business Progress and Results, Business Results for the Fiscal Year Ended December 31, 2024”.

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. The special compensation for retiring Executive Officer is calculated in accordance with internal regulations based on a resolution of the Board of Directors and is paid only to those directors (except for outside directors) who concurrently serve as Executive Officers of the Company and are permitted to receive such remuneration under the said regulations.

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	12 out of the 13 meetings (92%)	—	He offered advice and recommendations for ensuring the validity and appropriateness of decision-making by the Board of Directors based on his wealth of experience gained from serving in various important positions in police organizations, including Commissioner General of National Police Agency, and particularly based on his wide-ranging insight into corporate governance, compliance, and risk management.
	Sarah J. M. Whitley	13 out of the 13 meetings (100%)	—	She offered advice and recommendations for ensuring the validity and appropriateness of decision-making by the Board of Directors based on her wealth of experience as an investor in independent overseas asset management firms, as well as her extensive knowledge of corporate finance.
	Tsedal Neeley	13 out of the 13 meetings (100%)	—	She offered advice and recommendations for ensuring the validity and appropriateness of decision-making by the Board of Directors based on her knowledge as a professor at Harvard Business School and as an Outside Director of a U.S. listed company, as well as her wide-ranging insight gained through her research on digital transformation and acculturation in companies and extensive advisory of companies worldwide.
	Charles B. Baxter	13 out of the 13 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 in the Internet industry and corporate management.
	Shigeki Habuka	13 out of the 13 meetings (100%)	—	He offered advice and recommendations for ensuring the validity and appropriateness of decision-making by the Board of Directors based on his wealth of experience gained from serving in various important positions in administrative agencies, including Vice-Minister for Policy Coordination of the Cabinet Office, as well as his wide-ranging insight into financial administration and external affairs.
	Takashi Mitachi	13 out of the 13 meetings (100%)	—	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 13 meetings (100%)	—	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	Futoshi Nakamura	10 out of the 10 meetings (100%)	10 out of the 10 meetings (100%)	He made necessary statements (questions, opinions, etc.) based on his extensive knowledge and wealth of experience gained from working in the finance and accounting section in global companies, as well as from serving as a full-time audit & supervisory board member in listed companies.
	Maki Kataoka	13 out of the 13 meetings (100%)	12 out of the 12 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	13 out of the 13 meetings (100%)	12 out of the 12 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.

(Note) Record of Futoshi Nakamura indicates his attendance at the meetings of the Audit & Supervisory Board after assuming the office of Outside Audit & Supervisory Board Member on March 28, 2024.

Part 5 Status of the Accounting Auditor

1. Name of the Accounting Auditor

Ernst & Young ShinNihon LLC

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 | ¥311 million |
| (2) Total amount of cash and other financial benefits payable to the Accounting Auditor by the Company and its subsidiaries | ¥1,198 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 and consulting work in relation to organizational restructuring 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 Group COO and Group CCO (a position overseeing Group-wide compliance initiatives under the leadership of the Group 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 Group CFO, Function CISO, Group COO, and Group 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 Group 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 Group CCO, Company Compliance Officers, etc., from January to December 2024. 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 all employees, and compliance pledges by all 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

Considering the current financial situation of the Company, under the financial policy of ensuring financial soundness, we have actively promoted various types of capital procurement without relying solely on interest-bearing debt. This approach allows us to secure investment resources for growth businesses while simultaneously working to reduce the balance of interest-bearing debt. Therefore, for the current fiscal year, we believe that controlling the outflow of funds through dividends will lead to stabilizing our financial base and ultimately improve shareholder value, so we decided not to pay dividends at the Board of Directors meeting held on February 14, 2025.

Our basic dividend policy is to pay dividends in a stable and continuous manner, taking into account investments for medium-to long-term growth and the enhancement of internal reserves to stabilize our financial base. There are no changes to this policy.

The timing of resuming dividends after the fiscal year ending December 31, 2025 and beyond has not been determined at this time, but we will strive to resume dividends in a timely and appropriate manner as we move toward achieving consolidated profitability and reducing interest-bearing debt.

(Reference) Trends in dividend per share

	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)	28th (From January 1, 2024 to December 31, 2024)
Dividend per share	4.50	4.50	0.00	0.00

(Yen)

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, 2024)

(Millions of Yen)

Assets		Liabilities	
Items	Amounts	Items	Amounts
Cash and cash equivalents	6,170,888	Accounts payable - trade	519,149
Accounts receivable - trade	421,649	Deposits for banking business	11,311,973
Financial assets for securities business	5,211,989	Financial liabilities for securities business	5,512,292
Loans for credit card business	3,497,107	Derivative liabilities	54,968
Investment securities for banking business	1,930,450	Bonds and borrowings	2,052,809
Loans for banking business	4,630,790	Borrowings for securities business	115,000
Investment securities for insurance business	215,033	Bonds and borrowings for credit card business	587,893
Derivative assets	248,351	Borrowings for banking business	2,706,011
Investment securities	288,973	Other financial liabilities	1,610,584
Other financial assets	1,035,547	Income tax payable	55,837
Investments in associates and joint ventures	35,113	Provisions	325,910
Property, plant and equipment	1,184,182	Insurance contract liabilities	148,063
Intangible assets	1,083,365	Employee retirement benefit liabilities	47,345
Deferred tax assets	116,642	Deferred tax liabilities	20,302
Other assets	444,649	Other liabilities	208,078
		Total liabilities	25,276,214
		Equity	
		Equity attributable to owners of the Company	927,868
		Common stock	452,647
		Capital surplus	649,389
		Other equity instruments	398,717
		Retained earnings	(824,700)
		Treasury stock	(4)
		Other components of equity	251,819
		Non-controlling interests	310,646
		Total equity	1,238,514
Total assets	26,514,728	Total liabilities and equity	26,514,728

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

Consolidated Statements of Income

(Year ended
December 31, 2024)

(Millions of Yen)

Items	Amounts
Continuing operations	
Revenue	2,279,233
Operating expenses	2,303,806
Other income	125,784
Other expenses	48,236
Operating income	52,975
Financial income	82,282
Financial expenses	109,948
Share of losses of investments in associates and joint ventures	(9,032)
Income before income tax	16,277
Income tax expenses	145,762
Net loss	(129,485)
Net loss attributable to:	
Owners of the Company	(162,442)
Non-controlling interests	32,957
Net loss	(129,485)

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

Balance Sheet (J-GAAP)

(As of December 31, 2024)

(Millions of Yen)

Assets		Liabilities	
Items	Amounts	Items	Amounts
Current assets	2,257,489	Current liability	2,039,106
Cash and deposits	465,174	Accounts payable-trade	43,227
Accounts receivable-trade	195,213	Commercial papers	95,000
Merchandise	17,519	Short-term loans payable	47,169
Supplies	185	Current portion of bonds	400,000
Investment securities	269,838	Accounts payable-other	554,054
Prepaid expenses	12,158	Accrued expenses	41,641
Accounts receivable-other	480,410	Income taxes payable	18,781
Income taxes receivable	700	Advance received	6,548
Short-term loans receivable from subsidiaries and affiliates	674,394	Deposits received	504,558
Other	151,359	Provision for point card certificates	305,993
Allowance for doubtful accounts	(9,465)	Provision for bonuses	6,214
Noncurrent assets	3,015,356	Provision for shareholder benefit program	8,021
Property, plant and equipment	75,184	Suspense receipt	1,276
Buildings	20,493	Other	6,616
Machinery, equipment and vehicles	1,310	Noncurrent liabilities	1,646,805
Tools, furniture and fixture	16,395	Bonds	1,471,306
Land	10,320	Long-term loans payable	103,514
Construction in progress	7,441	Provision for retirement benefits	26,884
Other	19,222	Provision for retirement benefits for directors (and other officers)	1,646
Intangible assets	116,765	Provision for shareholder benefit program	3,514
Goodwill	1,344	Asset retirement obligations	11,874
Patent right	871	Other	28,063
Trademark	332		
Software	94,488	Total liabilities	3,685,911
Software in progress	15,956		
Other	3,771	Net assets	
Investments and other assets	2,823,406	Shareholders' equity	1,534,742
Investment securities	78,225	Common stock	452,646
Stocks of subsidiaries and affiliates	2,545,005	Capital surplus	420,544
Investments in capital of subsidiaries and affiliates	4,878	Legal capital surplus	420,183
Long-term loans receivable from subsidiaries and affiliates	4,869	Other capital surplus	361
Claims provable in bankruptcy, claims provable in rehabilitation, and other	7,284	Retained earnings	661,554
Long-term prepaid expenses	1,656	Other retained earnings	661,554
Lease and guarantee deposits	10,274	Retained earnings brought forward	661,554
Deferred tax assets	153,696	Treasury stock	(3)
Other	25,776	Valuation and translation adjustments	10,196
Allowance for doubtful accounts	(8,261)	Unrealized gains or losses on available-for-sale securities	10,196
		Share options	41,994
		Total net assets	1,586,933
Total assets	5,272,845	Total liabilities and net assets	5,272,845

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

Income Statement (J-GAAP)

(Year ended
December 31, 2024)

(Millions of Yen)

Items	Amounts	
Net sales		897,686
Cost of sales		252,369
Gross profit		645,317
Selling, general and administrative expenses		632,359
Operating profit		12,958
Non-operating income		
Interest income	18,133	
Dividends income	59,591	
Other	3,923	81,648
Non-operating expenses		
Interest expenses	74,679	
Foreign exchange loss	10,811	
Commission fee	16,247	
Loss on renunciation of claims of subsidiaries and affiliates	200	
Other	986	102,925
Ordinary loss		(8,318)
Extraordinary gain		
Gain on extinguishment of tie-in shares	9,600	
Gain on sales of non-current assets	5,889	
Gain on offset of assets and liabilities	43,670	
Gain on liquidation of subsidiaries and affiliates	260,231	
Gain on redemption of bonds	726	
Gain on derivatives	343	
Other	0	320,462
Extraordinary loss		
Loss on disposal of properties	1,196	
Impairment loss	1,270	
Loss on valuation of stocks of subsidiaries and affiliates	10,769	
Loss on redemption of bonds	4,296	
Loss on derivatives	1,058	
Other	146	18,736
Income before income taxes		293,407
Income taxes-current	79,065	
Income taxes-deferred	(35,593)	43,471
Net profit		249,935

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