

January 31, 2024  
Company name Rakuten Group, Inc.  
Representative Hiroshi Mikitani  
Chairman and CEO  
(Stock Code: 4755  
Tokyo Stock Exchange Prime Market)

## Notice Regarding Company Split (Simplified Absorption-type Split) and Partial Transfer of Business through Share Transfer

Rakuten Group, Inc. (Chairman and CEO: Hiroshi Mikitani, hereinafter “the Company”) announces that it has decided to transfer the rights and obligations of its “Rakuten Min-Shu” employment information community site business to a newly established wholly-owned subsidiary (hereinafter “NewCo”) through an absorption-type company split (hereinafter “Company Split”). Subsequently, all shares of the NewCo will be transferred (hereinafter “Share Transfer”) to PORT INC. (hereinafter “PORT”). A share transfer agreement between the two companies has been concluded today. As this Company Split involves the Company’s wholly-owned subsidiary as the successor company in a simplified absorption-type split, certain items and details are omitted from this disclosure.

### **Background and Reasons for the Company Split and Share Transfer**

Rakuten Min-Shu launched its services in 1996 and became part of our Group in 2004. Since then, it has differentiated itself from other services by providing a community for job-seeking students to share reviews, amassing a substantial user base (approximately 300,000 members). It has generated social value by enhancing transparency in the highly asymmetric job-hunting market and has maintained high brand recognition and strength.

Recently, after careful consideration of the medium- and long-term synergistic effects within our Group and contemplating the continuous development of Rakuten Min-Shu in the new graduate recruitment support market, we decided to transfer this business to PORT, which, as a partner, is expected to derive more direct synergistic effects, mostly targeting new graduates, and provide services that include introducing customers to human resource companies and providing recruitment services to employers. Following this strategic decision, the Company will transfer the Rakuten Min-Shu business to the NewCo through an absorption-type split, and subsequently, all shares of the NewCo will be transferred to PORT, ensuring a smooth transition of the business.

### **I. Company Split**

#### **1. Summary of the Company Split**

(1) Schedule of the Company Split

Date of Share Transfer agreement conclusion	January 31 2024
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Establishment of NewCo	Around February 2024
Date of Company Split agreement conclusion	Around February 2024
Effective date of Company Split	April 1, 2024 (planned)
Effective date of Share Transfer	April 1, 2024 (planned)

Note: The Company Split qualifies as a simplified absorption-type split as stipulated in Article 784, paragraph 2 of the Company Act, and therefore, will be carried out without the need for a resolution of approval at a general meeting of shareholders.

(2) Method of the Company Split

The Company Split will be conducted as an absorption-type split (simplified split) in which the Company will be the splitting company and the NewCo will be the successor company.

(3) Details of allocation related to the Company Split

The Company Split will be carried out without consideration between the Company and the NewCo, which is to be established as a wholly-owned subsidiary.

(4) Treatment of new share options and bonds with warrants in relation to the Company Split

Not applicable.

(5) Change in capital stock due to the Company Split

There will be no increase or decrease in the capital of the Company due to the Company Split.

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

On the effective date of the Company Split, the NewCo will assume the assets, liabilities, as well as the rights and obligations based on the contractual status of the Rakuten Min-Shu business, as specified in the absorption-type company split agreement.

(7) Expected debt fulfillment

Regarding the obligations to be borne by the Company and the NewCo after the effective date of the Company Split, the Company judges that there is no problem in the prospect of fulfillment of obligations.

## 2. Company outline at the time of the Company Split

	Splitting Company (as of June 30, 2023)	Successor Company
(1) Company name	Rakuten Group, Inc.	Min-Shu, Inc. (subject to change)
(2) Head Office	1-14-1 Tamagawa, Setagaya-ku, Tokyo	Undecided
(3) Representative	Hiroshi Mikitani	Undecided
(4) Main business	Internet services, FinTech, Mobile, etc	Advertising business for new graduate recruiting companies and customer service business for recruiting companies
(5) Capital (million yen)	444,945 million yen	Undecided
(6) Date of establishment	February 7, 1997	Around February 2024
(7) Outstanding no. of shares	2,138,419,700 shares	Undecided
(8) Fiscal year end	December 31	Undecided
(9) Major shareholders and percentage of shares held	Crimson Group, LLC 10.59% Hiroshi Mikitani 8.25%	Rakuten Group, Inc. (100%)
(10) Business results and financial position of the previous fiscal year	Year ended December 31, 2022 (Consolidated, IFRS)	The company is planned to be newly established February 2024 and thus no previous fiscal year exists.
Total equity attributable to owners of the parent company (million yen)	791,351	
Total assets (million yen)	20,402,281	
Total equity attributable to owners of the parent company per share (yen)	497.56	
Revenue (million yen)	1,920,894	
Operating Income (loss) (million yen)	(371,612)	
Net income (loss) attributable to owners of the parent company (million yen)	(377,217)	
Net income (loss) attributable to owners of the parent company per share (yen)	(237.73)	

(Note 1) IFRS 17 “Insurance Contracts” was adopted from the beginning of the current fiscal year, and the cumulative impact amount due to the standard change is reflected as of January 1, 2022, the date after the adoption of the standard. As a result, the operating results and financial position for the immediately preceding fiscal year are figures after retroactive application of these standards.

(Note 2) The successor company will be a new company to be established by the Company around February 2024 (planned).

### 3. Overview of the Business to be Split

(1) Business description

Advertising business targeted at companies recruiting new graduates, and customer referral business targeted at human resource companies

(2) Business performance

The revenue of the “Rakuten Min-Shu” business, which will become the main business of the successor company, for the last fiscal year (ended December 2022) was approximately 850 million yen

(3) Assets and liabilities to be split and their values (as of December 31, 2022)

(unit: million yen)

Assets		Liabilities	
Item	Book Value	Item	Book Value
Current assets	160	Current liabilities	137
Total	160	Total	137

(Note) Amounts may vary at the end of the month

### 4. Overview of the Successor Company after the Company Split

The successor company will be a new company to be established by the Company around February 2024 (planned).

### 5. The Company’s status after the Company Split

There will be no changes to the company's name, location, representative's position and name, nature of business, capital, or fiscal year-end following the Company Split.

### 6. Future outlook

As the Company Split involves our wholly-owned subsidiary as the successor company, the impact on our consolidated business performance is expected to be minimal.

## II. Share Transfer

### 1. Overview of the subsidiary to be transferred

Please refer to I - 2. “Company outline at the time of the Company Split”

## 2. Overview of the Counterparty in the Share Transfer

(as of end of September 2023)

(1) Company name	PORT INC.	
(2) Head Office	5F Shinjuku Front Tower, 2-21-1 Kita-Shinjuku, Shinjuku-ku, Tokyo	
(3) Representative	Hirofumi Kasuga	
(4) Main business	Contract Support Business	
(5) Capital (million yen)	1,180 million yen	
(6) Date of establishment	April 18, 2011	
(7) Total equity	4,089 million yen	
(8) Total assets	14,130 million yen	
(9) Major shareholders and percentage of shares held	Hirofumi Kasuga 37.56% Yusuke Maruyama 3.28% UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT 3.09%	
(10) Relationship between the listed company and this company	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Existing business transaction.
	Status of related parties	Not applicable.

## 3. Number of shares transferred, transfer price, and status of shares held before and after the transfer

(1) Number of shares held before the transfer	Undecided, as the new NewCo will be newly established around February 2024
(2) Number of shares to be transferred	Undecided, as the new NewCo will be newly established around February 2024
(3) Transfer price	2,250 million yen
(4) Number of shares held after the transfer	0 shares (Number of voting rights: 0 ) (Percentage of voting rights held: 0%)

## 4. Schedule of Share Transfer

Please refer to I – 1. (1) “Schedule of the Company Split”.

## 5. Future outlook

The impact of this Share Transfer on the Company’s consolidated business performance is not expected to be material.