

## Outline of Issuance of Series 1 Bond-type Class Shares

The details of the Series 1 Bond-type Class Shares are follows.

### A. Preferred Dividend

#### (1) Preferred Dividend

If the Company distributes dividends of surplus with record date of December 31, it shall pay, per share of the Series 1 Bond-type Class Shares, the cash calculated by multiplying the amount equivalent to the Issue Price per share by an annual dividend rate of the Series 1 Bond-type Class Shares stated in (i) to (iii) in the following item (up to 15 percent; hereinafter referred to as the “Annual Dividend Rate”) (however, the handling of any resulting decimal part shall be determined by the resolution of the Board of Directors for issuance) (hereinafter referred to as the “Preferred Dividend for Series 1 Bond-type Class Shares”) to the shareholders holding Series 1 Bond-type Class Shares entered or recorded in the latest shareholders registry as of the record date for the distribution (hereinafter referred to as the “Series 1 Bond-type Class Shareholders”) or registered pledgees of the Series 1 Bond-type Class Shares (hereinafter collectively with the Series 1 Bond-type Class Shareholders, referred to as the “Series 1 Bond-type Class Shareholders, etc.”), prior to the shareholders holding the Company’s common shares (those shares, hereinafter referred to as the “Common Shares”; those shareholders, hereinafter referred to as the “Common Shareholders”) and registered pledgees of the Common Shares (hereinafter collectively with the Common Shareholders, referred to as the “Common Shareholders, etc.”).

However, if the Preferred Interim Dividend for Series 1 Bond-type Class Shares (as defined in the following paragraph) is paid in the business year containing the record date for the dividend, the sum of such amount shall be deducted from the amount to be paid.

#### (2) Annual Dividend Rate

- (i) From the business year containing the date of issuance of the Series 1 Bond-type Class Shares to the business year containing the day on which a period of five years elapses from the date of issuance, the Annual Dividend Rate shall be the value determined after receipt of the valuation report on the fair value of the Series 1 Bond-type Class Shares, by proposing a tentative price range pertaining to the Annual Dividend Rate after the resolution of the Board of Directors for issuance via the same method as the book-building method set forth in article 25 of the Rules Concerning Underwriting, etc. of Securities stipulated by the Japan Securities Dealers Association, as well as by comprehensively considering various matters, including the demand for the tentative price range and the market price of subordinated bonds issued by the Company.
- (ii) From the day immediately following the end of the business year containing the day on which a period of five years elapses from the date of issuance to the business year containing the day on which a period of 25 years elapses from

the date of issuance, the Annual Dividend Rate shall be the value obtained by adding the variable basic interest rate determined by the resolution of the Board of Directors for issuance to the range of mark-up on the fixed basic interest rate determined by the resolution of the Board of Directors for issuance that is applied when the Annual Dividend Rate in this item (i) is determined (hereinafter referred to as the “Initial Spread”) plus 0.25 percent.

(iii) From the day immediately following the end of the business year containing the day on which a period of 25 years elapses from the date of issuance, the Annual Dividend Rate shall be the value obtained by adding the variable basic interest rate determined by the resolution of the Board of Directors for issuance to the Initial Spread plus 1 percent.

(3) Accumulation clause

If the cash of the dividend of surplus per share of the Series 1 Bond-type Class Shares distributed to the Series 1 Bond-type Class Shareholders, etc. does not reach the amount of the Preferred Dividend for Series 1 Bond-type Class Shares pertaining to that business year, the shortfall shall be accumulated in the immediately following business year and thereafter by using a simple interest calculation (the accumulated shortfall shall be hereinafter referred to as the “Accrued Accumulated Dividend for Series 1 Bond-type Class Shares”). The simple interest calculation used in such a case shall be the calculation method determined by the resolution of the Board of Directors for issuance, using the Annual Dividend Rate applied to the business year as a basis. Regarding the Accrued Accumulated Dividend for Series 1 Bond-type Class Shares, prior to the distribution of the Preferred Dividend for Series 1 Bond-type Class Shares and the Preferred Interim Dividend for Series 1 Bond-type Class Shares, the cash of the dividend of surplus shall be distributed per share of the Series 1 Bond-type Class Shares to the Series 1 Bond-type Class Shareholders, etc. until the amount reaches the Accrued Accumulated Dividend for Series 1 Bond-type Class Shares.

(4) Non-Participation Clause

No dividend of surplus shall be distributed to the Series 1 Bond-type Class Shareholders, etc. beyond the sum of the amount of the Preferred Dividend for Series 1 Bond-type Class Shares and the Accrued Accumulated Dividend for Series 1 Bond-type Class Shares. If the Company distributes a dividend of surplus with a record date other than December 31 (hereinafter referred to as the “Interim Dividend Record Date”), it shall pay, per share of the Series 1 Bond-type Class Shares, the cash of half of the Preferred Dividend for Series 1 Bond-type Class Shares (however, if the dividend of surplus is distributed in the business year containing the date of issuance of the Series 1 Bond-type Class Shares with the Interim Dividend Record Date, the cash reasonably adjusted according to the number of days in the period from the payment date (including the same day) to the Interim Dividend Record Date (including the same day)) (hereinafter referred to as the “Preferred Interim Dividend for Series 1 Bond-type Class Shares”) to the Series 1 Bond-type Class Shareholders, etc. entered or recorded in the latest shareholders

B. Preferred  
Interim  
Dividend

registry as of the Interim Dividend Record Date for the distribution, prior to the Common Shareholders, etc. However, the sum of the amount of the Preferred Interim Dividend for Series 1 Bond-type Class Shares for the business year containing the Interim Dividend Record Date shall not exceed the amount of the Preferred Dividend for Series 1 Bond-type Class Shares for the business year containing the record date for the distribution.

C. Distribution of Residual Assets

(1) Residual Asset Distribution

If the Company distributes residual assets, it shall pay, per share of the Series 1 Bond-type Class Shares, to the Series 1 Bond-type Shareholders, etc., prior to the Common Shareholders, etc., the cash calculated using the calculation method determined by the resolution of the Board of Directors for issuance as the amount obtained by adding to the amount equivalent to the Issue Price per share (i) the amount of the Accrued Accumulated Dividend for Series 1 Bond-type Class Shares and (ii) the amount equivalent to the Preferred Dividend for Series 1 Bond-type Class Shares pertaining to the period from the first day of the business year containing the day on which the residual assets are distributed to such distribution date.

(2) Non-participation clause

Except for the foregoing item, residual assets shall not be distributed to the Series 1 Bond-type Class Shareholders, etc.

D. Order of Priority

Preferred dividends, preferred interim dividends, and residual assets for the Company's Series 1 Bond-type Class Shares through Series 5 Bond-type Class Shares shall have the same order of priority in respect of payment.

E. Voting Rights

The Series 1 Bond-type Class Shareholders may not exercise their voting rights at General Shareholders Meetings of the Common Shareholders for any matters.

F. General Class Shareholders Meeting

- (1) Except as otherwise provided by applicable laws and regulations or by Articles of Incorporation, resolutions at General Class Shareholders Meetings shall be adopted by a majority of the vote of shareholders present at the General Class Shareholders Meeting.
- (2) The resolution pursuant to paragraph 2 of article 324 of the Companies Act shall be adopted by two-thirds or more of the votes of the shareholders present at a General Class Shareholders Meeting, at which one-third or more of all shareholders holding voting rights are present.
- (3) Unless otherwise stipulated in item (5) below and applicable laws and regulations, a resolution at a General Class Shareholders Meeting consisting of each of the Bond-type Class Shareholders will not be required to be passed for the Company to conduct any of the acts listed in each item of paragraph 1 article 322 of the Companies Act.
- (4) The Company may hold a General Class Shareholders Meeting without prescribing a location.
- (5) If the Company conducts any of the acts listed below, and where it is likely to cause detriment to the Series 1 Bond-type Class Shareholders, the relevant act shall not become effective unless a resolution at a General Class Shareholders Meeting consisting of the Series 1 Bond-type Class Shareholders is passed in addition to the resolution of a General Shareholders Meeting of the Common Shareholders or the resolution of the Board of Directors of the Company. However, this shall not apply if the Series 1 Bond-type

Class Shareholders who may exercise voting rights at the General Class Shareholders Meeting do not exist.

- (i) Merger as a result of which the Company will become the disappearing company or a share exchange or share transfer by which the Company becomes a wholly-owned subsidiary (excluding share transfers solely conducted by the Company)
- (ii) Approval by the Company's Board of Directors of a demand for cash-out made by the Company's special controlling shareholders against other shareholders of the Company.

G. Acquisition Clause  
(Acquisition of Cash Consideration by the Company)

(1) Acquisition Clause for Cash

For the Series 1 Bond-type Class Shares, if any of the events determined by the resolution of the Board of Directors for issuance occurs, such as the arrival of the date on which a period of five years elapses from the payment date (date of issuance) (including the same day), and the acquisition date otherwise determined by the resolution of the Board of Directors arrives, the Company may acquire all or part of the Series 1 Bond-type Class Shares. In such a case, the Company shall deliver to the Series 1 Bond-type Class Shareholders, in exchange for acquisition of the Series 1 Bond-type Class Shares, per share of the Series 1 Bond-type Class Shares, the cash determined by the resolution of the Board of Directors for issuance based on the Issue Price. However, the Company may not make an acquisition where either the acquisition date or the Book-entry Acquisition Date (as defined below) for such acquisition falls between January 1 and March 31. If the Company acquires part of the Series 1 Bond-type Class Shares pursuant to the provisions of this item, it shall determine the number of Series 1 Bond-type Class Shares to be acquired from the Series 1 Bond-type Class Shareholders via a reasonable method determined by the Board of Directors.

“Book-entry Acquisition Date” means the date on which an increase in the number of the Series 1 Bond-type Class Shares pertaining to the acquisition is entered or recorded in the holding column of the book-entry transfer account of the Company as a result of an application for book-entry transfer based on the acquisition of cash consideration described in this paragraph or the date on which the entry or record is cancelled with respect to the Series 1 Bond-type Class Shares as a result of a notice of cancellation of all shares based on such acquisition.

(2) Restriction on Refinancings

If the Company intends to acquire the Series 1 Bond-type Class Shares upon cash consideration set forth in item (1) of this paragraph, upon agreement with certain Series 1 Bond-type Class Shareholders, or upon market transactions set forth in paragraph 1 of article 165 of the Companies Act (hereinafter collectively referred to as , the “Cash Consideration Acquisition”), unless it procures funds for the Amount Required for Refinancing (as defined below) through issuance, disposal, or borrowing (hereinafter referred to as the “Issuance, etc.”) of the Refinancing Securities (as defined below) during the period of twelve months prior to the date on which the Cash Consideration Acquisition is conducted, the Company shall not conduct the Cash Consideration Acquisition. However, this shall not apply to cases

otherwise stipulated by the resolution of the Board of Directors for issuance.

“Amount Required for Refinancing” means the amount calculated by dividing the Amount Equivalent to Equity Credit Rating (as defined below) of the Series 1 Bond-type Class Shares for which the Cash Consideration Acquisition is to be conducted by the equity credit of the Refinancing Securities approved by each credit rating agency (shown as a percentage) (however, the equity credit of the Common Shares which will be the Refinancing Shares shall be 100 percent) (if the approved equity credit differs by credit rating agency, such that the amount calculated thereby is caused to differ, this shall be the largest amount).

“Amount Equivalent to Equity Credit Rating” means the amount obtained by multiplying the amount equivalent to the total payment amount of the Series 1 Bond-type Class Shares by the equity credit of the Series 1 Bond-type Class Shares approved by each credit rating agency as of the payment date (shown as a percentage) (if the approved equity credit differs by credit rating agency, such that the amount calculated thereby is caused to differ, this shall be the largest amount).

“Refinancing Securities” means the securities or debts in (i) to (iii) below which have been announced by the Company as the Refinancing Securities. If the Refinancing Securities fall under (i) or (ii) below, they shall be limited to those for which Issuance, etc. is conducted for other than subsidiaries set forth in item (iii) of article 2 of the Company’s Regulations on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements and the related companies set forth in item (vii) of article 2 of the same regulations. In addition, if the Refinancing Securities fall under (ii) or (iii) below, they shall be limited to those which have been approved by each credit rating agency as having equity credit, equivalent to or greater than the Series 1 Bond-type Class Shares as of the payment date of the Series 1 Bond-type Class Shares.

- (i) Common Shares;
- (ii) Other classes of shares other than (i) above; or
- (iii) Any other securities and debts of the Company other than (i) and (ii) above.

- H. Share Consolidation or Split, etc.
  - (1) Unless otherwise provided by applicable laws and regulations, the Company shall not conduct share consolidations or splits of the Series 1 Bond-type Class Shares.
  - (2) The Company shall not conduct an allotment of shares without contribution or an allotment of share options without contribution for the Series 1 Bond-type Class Shareholders.
  - (3) The Company shall not grant the Series 1 Bond-type Class Shareholders the right to receive shares subscription or to receive allotment of Subscription Rights to Shares in accordance with the number of shares held by the Series 1 Bond type Class Shareholders.
  - (4) If the Company intends to conduct a share transfer (limited to share transfers solely conducted by the Company), it shall deliver to the Series 1 Bond-type Class Shareholders, etc. the same class of shares as the Company’s Series 1 Bond-type Class Shares issued by the wholly-owning parent company incorporated in a share transfer in

lieu of the Series 1 Bond-type Class Shares, at the same equity ratio. In such a case, the Preferred Dividend for Series 1 Bond-type Class Shares and the Accrued Accumulated Dividend for Series 1 Bond-type Class Shares shall be adjusted via a method determined by the resolution of the Board of Directors for issuance.

- I. Exclusion of Tag-along Right upon Acquisition of Series 1 Bond-type Class Shares on its own
  - J. Listing
- If the Company determines by a resolution of a General Shareholders Meeting of the Common Shareholders that, upon agreement with certain Series 1 Bond-type Class Shareholders, it will acquire all or some of the Series 1 Bond-type Class Shares held by the Series 1 Bond-type Class Shareholders, and decides to notify the Series 1 Bond-type Class Shareholders of the matters prescribed in each item of paragraph 1 article 157 of the Companies Act, the provisions in paragraphs (2) and (3) of article 160 of the same act shall not apply. The Company intends to apply for listing of the Series 1 Bond-type Class Shares on the Prime Market of the Tokyo Stock Exchange, Inc.

Note:

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

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