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(Securities Code 4755)
(Date of Distribution) March 10, 2023
(Commencement Date of Electronic
Provision Measures) March 7, 2023

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 26TH ANNUAL GENERAL SHAREHOLDERS' MEETING**

Dear Shareholders,

We are pleased to announce that the 26th 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 26th Annual General Shareholders' Meeting" to view it.



TSE Listed Company Information page:

<https://www2.jpix.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.

In order to prevent the spread of COVID-19, we request you to refrain from attending the General Shareholders' Meeting in person this year. In lieu of attending the meeting in person, you may exercise your voting rights in writing or via the internet in advance. Please review the reference documents of the General Shareholders' Meeting and exercise your voting rights by 6:00 P.M. (Japan Standard Time) Wednesday, March 29, 2023.

- 1. Date and Time:** Thursday, March 30, 2023, at 10:00 A.M. Japan Standard Time
2. Place: Hiten Main Banquet Hall,
Grand Prince Hotel Shin Takanawa,
3-13-1 Takanawa, Minato-ku, Tokyo, Japan
URL of the meeting venue (directions to the hotel):
<https://www.princehotels.com/shintakanawa/map-direction/>



3. Meeting Agenda:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 26th Fiscal Year (January 1, 2022 - December 31, 2022)
 2. Results of Audits of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Proposals to be resolved:

- Proposal No.1 :** Partial Amendments to the Articles of Incorporation
Proposal No.2 : Election of Twelve Directors
Proposal No.3 : Election of Two Audit & Supervisory Board Members
Proposal No.4 : Revision of Remuneration Amount for 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 15 of the Company's Articles of Incorporation.

- "Matters Concerning Share Options," "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 Measures in Response to Infectious Disease at the venue the General Shareholders' Meeting

- With the safety of shareholders in mind, we would like you to refrain from attending the General Shareholders' Meeting in person for this year as well in order to prevent the spread of infection.
- There is a possibility that we may not be able to secure enough seats for our shareholders at the venue for this General Shareholders' Meeting, as we need to have wide space between seats. In consideration of the safety of our shareholders, we may refuse admission to the venue for the General Shareholders' Meeting.
- We request you to wear a mask in the case of attending the General Shareholders' Meeting in person. Also, please cooperate with the use of hand sanitizer before entering the venue.
- We will check your temperature before entering the venue. If you have a temperature of 37.5 degrees Celsius or higher, or if you are considered to be in poor health, we may refuse your admission or order you to leave the venue.

Corporate Mission

Empowering individuals and society through innovation and entrepreneurship

Message from CEO

Dear Shareholders,

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

In 2022, the Rakuten Group celebrated its 25th anniversary and announced our “Tech & Green” theme. We renewed our commitment to achieve a more sustainable tomorrow by addressing a wide range of issues that society faces today through the innovative use of technology and by working to conserve our use of the world’s limited resources.

In the Mobile business, the population coverage of our own 4G network area in Japan reached 98% in October 2022, and we launched a new service plan, Rakuten UN-LIMIT VII, leading to an increase in mobile subscriber revenue and continued improvement in profitability. Rakuten Symphony made steady progress in the global expansion of its telecommunication platform business, which is based on the backbone of our fully virtualized technologies.

In the Internet Service business, domestic e-commerce services achieved double-digit growth in both revenue and operating income, thanks to strong growth in our Rakuten Ichiba marketplace and other e-commerce businesses, as well as the recovery of Rakuten Travel from pandemic-related restrictions on travel.

In the FinTech business, we led the industry with significant growth in the number of Rakuten Cards issued, the number of Rakuten Bank customer accounts, and the number of Rakuten Securities general securities accounts.

As a result of these efforts, the Group has grown to become one of the world’s largest internet services companies, with global gross transaction value reaching 33.8 trillion yen in 2022, up 23% year-on-year, consolidated revenue of 1.9 trillion yen, up 14.6% year-on-year, and an expanding global membership base currently at some 1.7 billion members. While consolidated Non-GAAP operating losses of 325.6 billion yen were recorded as a result of strategic upfront investments in the future growth of the Mobile business, including the installation rollout of network base stations which is proceeding well ahead of schedule, performance in the Mobile business is steadily improving each quarter. With the addition of Rakuten Mobile, Rakuten’s unique ecosystem of services, unparalleled worldwide, has entered a new era of growth.

This year, we will continue working together with all of our stakeholders to achieve sustainable growth through ongoing evolution of the Rakuten Ecosystem, further enhancing

corporate and shareholder value. As the importance of building a more sustainable future only continues to grow, we will continue to strengthen our environmental initiatives in order to achieve carbon neutrality* across the Rakuten Group.

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.

* Reducing greenhouse gas emissions from business activities to net zero (Scope 1+2)

Information concerning the exercise of voting rights:

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

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

Deadline for exercising voting rights: 6:00 P.M. (Japan Standard Time) Wednesday, March 29, 2023

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

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

Deadline for exercising voting rights: 6:00 P.M. (Japan Standard Time) Wednesday, March 29, 2023

“Smart Voting®” using a smartphone, etc.

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

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

Exercising voting rights using a computer, etc.

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

For those attending the Shareholders’ Meeting in person

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

Date and time: Thursday, March 30, 2023 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

With the safety of our shareholders as our top priority, we will provide the live streaming of the General Shareholders' Meeting so that you may watch the proceedings in real time via the internet. Prior to the meeting, the Company will also accept questions in advance regarding the agenda items of this General Shareholders' Meeting.

How to watch the live streaming

Date and time: Thursday, March 30, 2023 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 26th 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 26th Annual General Shareholders' Meeting of Rakuten Group, Inc. and ID and Password."

STEP 3 Watch the live streaming

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

Information on the acceptance of questions in advance

Deadline for sending questions in advance: 6:00 P.M. Japan Standard Time on Thursday, March 23, 2023.

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

Contact information:

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

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

(Telephone) +81 0120-635-203 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 2024)

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 your appearance maybe 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 26th Annual General Shareholders' Meeting of Rakuten Group, Inc. and ID and Password," you may request a replacement by calling the Live Streaming of the General Shareholders' Meeting and Shareholder Special Benefits Helpline. However, please note that passwords will not be notified orally for security reasons, and they will be sent by post.

Reference Documents for the General Shareholders' Meeting

Matters To Be Resolved and Matters for reference

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

This proposal seeks to amend Article 2 (Purpose) of the current Articles of Incorporation in order to add a business purpose in consideration of future business development, etc.

1. Reasons for the proposal

In light of its future business developments, the Company proposes an amendment to the current Article 2 (Purpose) of the Company's Articles of Incorporation to include new business purposes.

2. Details of the proposed amendment

The details of the proposed amendment are as follows:

(Amendments are underlined)

Existing Articles of Incorporation	Proposed amendment
<p>(Purpose) Article 2 The 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.-33. (Omission of the provisions)</p> <p style="text-align: center;">(Newly Established)</p> <p><u>34.</u> Any and all businesses relative to each of the foregoing items.</p>	<p>(Purpose) 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.-33. (Unchanged)</p> <p><u>34. Administration of music copyrights and use and development of musical works, planning and production of original recordings such as CDs and videos, publishing sheet music.</u></p> <p><u>35.</u> Any and all businesses relative to each of the foregoing items.</p>

Proposal No. 2: Election of Twelve Directors

1. Reasons for the proposal

The terms of office for all nine incumbent Directors will expire at the conclusion of the meeting. Therefore, to further strengthen the management system, we propose to increase the number of Directors by three, resulting in election of twelve Directors including seven independent Directors. If this item is approved as proposed, seven of the twelve Directors will be appointed as Independent Directors, as defined by the regulations of Tokyo Stock Exchange.

2. Our approach towards the Board of Directors

(Measures to Enhance the Effectiveness of Corporate Governance)

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

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

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

(Selection of Candidates for Directors)

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

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

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

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

With the aim of ensuring high transparency and strong management supervision, while selecting Independent Directors and Independent Audit & Supervisory Board Members

the Company appoints persons who, in principle, do not fall under any of the following criteria.

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

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

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

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

3. Candidates for Directorships

The Director candidates are as follows:

No.	Name	Position at the Company	Term of Office	Attendance of the meetings of the Board of Directors
1	Hiroshi Mikitani Reappointment	Representative Director, Chairman, President & CEO	26 years	100% (13 out of 13 meetings)
2	Masayuki Hosaka Reappointment	Representative Director & Vice Chairman	9 years	100% (13 out of 13 meetings)
3	Kentaro Hyakuno Reappointment	Representative Director & Group Executive Vice President	2 years	100% (13 out of 13 meetings)
4	Kazunori Takeda New	Group Executive Vice President	—	—
5	Kenji Hirose New	Group Executive Vice President	—	—
6	Sarah J. M. Whitley Reappointment Outside Independent	Director	4 years	92% (12 out of 13 meetings)
7	Charles B. Baxter Reappointment Outside Independent	Director	—	92% (12 out of 13 meetings)
8	Takashi Mitachi Reappointment Outside Independent	Director	7 years	100% (13 out of 13 meetings)
9	Jun Murai Reappointment Outside Independent	Director	11 years	100% (13 out of 13 meetings)
10	Takaharu Ando New Outside Independent	—	—	—
11	Tsedal Neeley New Outside Independent	—	—	—
12	Shigeki Habuka New Outside Independent	—	—	—

Reappointment Candidate for reappointed Director

New New candidate for Director

Outside Candidate for Outside Director

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

- (Notes) 1. Above positions at the Company are as of the date of this General Shareholders' Meeting.
2. Terms of Office of Outside Directors are stated for the term served as Outside Directors.

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

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

(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		Representative Director, Chairman, President & CEO Group President of Group Company Division		
Reasons for nominating the candidate		Ever since founding the Company in February 1997, Mr. Mikitani has led the management of the Group as Representative Director and has established the "Rakuten Ecosystem," a unique innovative business model. In addition, he is the driving force behind the growth of the entire Group and the Internet Services Segment as Chief Executive Officer and Internet Services Segment Leader. His continued appointment is requested in anticipation of achieving further development of the Group.		
Career summary, positions and responsibilities		Apr.	1988	Joined the Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)
		May	1993	Received MBA from Harvard Business School
		Feb.	1996	President & Representative Director (Currently Representative Partner) of Crimson Group, Inc. (currently Crimson Group, LLC.) (current position)
		Feb.	1997	Founder & President & Representative Director of the Company
		Feb.	2001	Chairman, President, & Representative Director of the Company (current position)
		Mar.	2004	Chief Executive Officer of the Company (current position)
		Apr.	2006	Chairman & Representative Director of Crimson Football Club, Inc. (currently Rakuten Vissel Kobe, Inc.) (current position)
		Feb.	2010	Representative Director of Japan e-business Association (currently Japan Association of New Economy) (current position)
		Oct.	2011	Chairman of Tokyo Philharmonic Orchestra (current position)
		Aug.	2012	Chairman & Representative Director & team owner of Rakuten Baseball, Inc. (current position)
		Jul.	2016	Group President of Group Company Division of the Company (current position)
		Jul.	2017	Chairman & Representative Director of Rakuten Aspyrian Japan K.K. (currently Rakuten Medical K.K.) (current position)
		Feb.	2020	Director of AST & Science, LLC (current position)
		Mar.	2022	Representative Director & Chairman of Rakuten Mobile, Inc. (current position)
Apr.	2022	Representative Director & Chairman of Rakuten Symphony, Inc. (current position)		
Apr.	2022	Vice Chairman of the Board & Co-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 & Science, LLC Representative Director & Chairman of Rakuten Mobile, Inc. Vice Chairman of the Board & Co-CEO of Rakuten Medical, Inc.		

Number of shares of the Company held	176,346,300 shares
Attendance of the meetings of the Board of Directors	100% (13 out of 13 meetings)

No.2	Name (Date of birth)	Masayuki Hosaka (July 31, 1954) <u>Reappointment</u>	
Responsibilities at the Company	Representative Director & Vice Chairman President of FinTech Group Company		
Reasons for nominating the candidate	After working for a credit card service company, Mr. Hosaka joined the FinTech start-up business as General Manager of Personal Finance Department of the Company in 2003 and contributed to the rapid growth of the said business. In addition, as the FinTech Segment Leader, he is the driving force behind the growth of this Segment. His continued appointment is requested in anticipation of achieving further development of the Group.		
Career summary, positions and responsibilities	Apr.	1980	Joined ORIX Credit Corporation
	Dec.	2003	General Manager of Personal Finance Department of the Company
	May	2005	Executive Officer of the Company
	Apr.	2009	President & Representative Director of Rakuten Credit, Inc. (currently Rakuten Card Co., Ltd.) (current position)
	Feb.	2013	Managing Executive Officer of the Company
	Jan.	2014	Executive Vice President of the Company
	Mar.	2014	Representative Director of the Company (current position)
	Apr.	2016	Representative Director & Vice Chairman (current position)
	Jul.	2016	President of Card & Payments Company of the Company (currently FinTech Group Company) (current position)
Significant office(s) concurrently held	President & Representative Director of Rakuten Card Co., Ltd.		
Number of shares of the Company held	113,000 shares		
Attendance of the meetings of the Board of Directors	100% (13 out of 13 meetings)		

No.3	Name (Date of birth)	Kentaro Hyakuno (June 6, 1967) <u>Reappointment</u>		
Responsibilities at the Company		Group Executive Vice President COO President of Communications & Energy Company		
Reasons for nominating the candidate		After working for an automobile manufacturer, Mr. Hyakuno joined the Company in 2007 and contributed to the development and enhancement of the Company's organizational structure, including international businesses, corporate strategies, human resources, and public relations. In addition, he oversees the execution of company-wide operations as COO of the Company, and he is the driving force behind the growth of the Mobile Segment as the Mobile Segment Leader. His continued appointment is requested in anticipation of achieving further development of the Group.		
Career summary, positions and responsibilities		Jun.	1990	Joined Toyota Motor Corporation
		Feb.	2007	Executive Officer of the Company
		Jul.	2009	Managing Executive Officer of the Company
		Mar.	2013	Director & Managing Executive Officer of the Company
		Mar.	2016	Retired as Director of the Company
		Apr.	2016	Managing Executive Officer & COO of the Company
		Apr.	2017	Executive Vice President & COO of the Company
		Mar.	2021	Director, Group Executive Vice President & COO of the Company
		Jul.	2021	Director of JP Rakuten Logistics, Inc. (current position)
		Mar.	2022	Representative Director, Group Executive Vice President & COO of the Company (current position)
		Apr.	2022	President of Communications & Energy Company of the Company (current position)
Significant office(s) concurrently held		Director of JP Rakuten Logistics, Inc.		
Number of shares of the Company held		311,300 shares		
Attendance of the meetings of the Board of Directors		100% (13 out of 13 meetings)		

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

No.5	Name (Date of birth)	Kenji Hirose (August 8, 1962) <u>New</u>		
Responsibilities at the Company	Group Executive Vice President CFO			
Reasons for nominating the candidate	After working for a bank, Mr. Hirose joined Rakuten Securities, Inc. in 2005 and mainly overseen the operations of the finance and accounting divisions in the Group. He has contributed to strengthening our financial base and promoting an efficient capital strategy as CFO from 2018. His 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 (current position)	
	Jul.	2021	Audit & Supervisory Board Member of JP Rakuten Logistics, Inc. (current position)	
Significant office(s) concurrently held	Audit & Supervisory Board Member of JP Rakuten Logistics, Inc.			
Number of shares of the Company held	40,100 shares			
Attendance of the meetings of the Board of Directors	—			

No.6	Name (Date of birth)	Sarah J. M. Whitley (August 6, 1958) <u>Reappointment</u> <u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>		
Reasons for nominating the candidate and overview of expected roles		Her continued appointment is requested in expectation of her advice to the management of the Company to enhance its corporate value based on her many years of experience in observing the Company and other Japanese companies as an investor. Although she has not directly participated in the company management, the Company believes that she will be able to 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 four years at the conclusion of this meeting.		
Career summary, positions and responsibilities		Sep.	1980	Joined Baillie Gifford & Co.
		May	1986	Partner of Baillie Gifford & Co.
		Mar.	2019	Outside Director of the Company (current position)
		May	2019	Trustee of Foundation Scotland (current position)
		May	2019	Chair of Edinburgh International Festival Endowment Fund (current position)
		Jun.	2019	Trustee of The Royal Scottish Academy Foundation (current position)
		Dec.	2021	Trustee of The Abbotsford Trust (current position)
		Jan.	2022	Chair of Scottish Episcopal Church Pension Fund (current position)
Significant office(s) concurrently held		Trustee of Foundation Scotland Chair of Edinburgh International Festival Endowment Fund Trustee of The Royal Scottish Academy Foundation		
Number of shares of the Company held		0 shares		
Attendance of the meetings of the Board of Directors		92% (12 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 new 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. While he is an incumbent Director of the Company, he fulfills the requirements for Outside Directors stipulated by laws and regulations.		
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 (current position)
		Feb.	2012	Chairman & Director of Rakuten USA, Inc. (current position)
		Jan.	2015	Chairman of Reysn Holdco, Inc. (current position)
		Nov.	2021	Director of Wineshipping.com LLC (current position)
Significant office(s) concurrently held		—		
Number of shares of the Company held		6,000 shares		
Attendance of the meetings of the Board of Directors		92% (12 out of 13 meetings)		

No.8	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 seven 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 Co., Ltd. (current position)
		Mar.	2017	Outside Director of DMG MORI CO., LTD. (current position)
		Jun.	2017	Board Member of Ohara Museum of Art (current position)
		Jun.	2017	Outside Director of Tokio Marine Holdings, Inc. (current position)
		Oct.	2017	Senior Advisor of The Boston Consulting Group
		Mar.	2018	Chief Executive Director of Ronald McDonald House Charities Japan (current position)
		Apr.	2020	Distinguished Professor of Graduate School of Management of Kyoto University (current position)
Jun.	2022	Outside Director of SUMITOMO CORPORATION (current position)		
Oct.	2022	Representative Director and Chairman of K.K. Juku to Kan (current position)		
Significant office(s) concurrently held		Outside Director of DMG MORI CO., LTD. Board Member of Ohara Museum of Art Outside Director of Tokio Marine Holdings, Inc. Chief Executive Director of Ronald McDonald House Charities Japan Distinguished Professor of Graduate School of Management of Kyoto University Outside Director of SUMITOMO CORPORATION		
Number of shares of the Company held		0 shares		
Attendance of the meetings of the Board of Directors		100% (13 out of 13 meetings)		

No.9	Name (Date of birth)	Jun Murai (March 29, 1955) <u>Reappointment</u> <u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>	
Reasons for nominating the candidate and overview of expected roles		His continued appointment is requested in expectation of his advice to the management of the Company based on his knowledge and experience as an academic expert in internet technology. He is an incumbent Outside Director of the Company and will have served for that position for eleven years at the conclusion of this meeting. While he has been in office for a long period of time, he has been dedicated to the spread of the internet since its early days and possesses profound knowledge. He provides the Company with IT and DX strategy support, and he is considered to be an irreplaceable talent to the Company.	
Career summary, positions and responsibilities		Aug.	1984 Assistant at Information Processing Center of Tokyo Institute of Technology
		Mar.	1987 Received Ph. D in Engineering from Keio University
		Apr.	1987 Assistant at Large-scale Computer Center of the University of Tokyo (currently Information Technology Center, the University of Tokyo)
		Apr.	1990 Associate Professor of Faculty of Environment and Information Studies of Keio University
		Apr.	1997 Professor of Faculty of Environment and Information Studies of Keio University
		May	2005 Vice-President of Keio Gijuku Educational Corporation
		Oct.	2009 Professor of Faculty of Environment and Information Studies of Keio University
		Sep.	2011 Outside Director of Broadband Tower, Inc. (current position)
		Mar.	2012 Outside Director of the Company (current position)
		Oct.	2017 Dean of the Graduate School of Media and Governance of Keio University
		Jun.	2018 Outside Director of LAC Co., Ltd. (current position)
		Apr.	2020 Professor of Keio University (current position)
		Oct.	2020 Special Advisor to the Cabinet (current position)
		Sep.	2021 Advisor to the Digital Agency (current position)
		Jul.	2022 Advisor and Senior Fellow of The International House of Japan, Inc. (current position)
		Oct.	2022 Director of World Wide Web Consortium, Inc. (current position)
Significant office(s) concurrently held		Outside Director of BroadBand Tower, Inc. Outside Director of LAC Co., Ltd. Professor of Keio University Special Advisor to the Cabinet Advisor to the Digital Agency Advisor and Senior Fellow of The International House of Japan, Inc. Director of World Wide Web Consortium, Inc.	
Number of shares of the Company held		9,400 shares	
Attendance of the meetings of the Board of Directors		100% (13 out of 13 meetings)	

No.10	Name (Date of birth)	Takaharu Ando (August 31, 1949) <u>New</u> <u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>	
Reasons for nominating the candidate and overview of expected roles		His 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.	
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)
Significant office(s) concurrently held		Outside Director of AMUSE INC. Outside Director of Zensho Holdings Co., Ltd. Outside Director of TOBU RAILWAY CO., LTD. Outside Director (Audit & Supervisory Committee Member) of Nisshin Seifun Group Inc.	
Number of shares of the Company held		0 shares	
Attendance of the meetings of the Board of Directors		—	

No.11	Name (Date of birth)	Tsedal Neeley (December 16, 1972) <u>New</u> <u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>		
Reasons for nominating the candidate and overview of expected roles		Her appointment is requested in expectation of her advice to accelerate the Company's global expansion based on her extensive experience and wide-ranging insight gained from serving as a professor at Harvard Business School and as an Outside Director of a U.S. listed company.		
Career summary, positions and responsibilities		Jul.	2007	Assistant Professor of Harvard Business School
		Jul.	2012	Associate Professor of Harvard Business School
		Dec.	2015	Outside Director of The Partnership, Inc. (current position)
		Jul.	2018	Naylor Fitzhugh Professor of Business Administration of Harvard Business School (current position)
		Jul.	2019	Director of Harvard Business Publishing (current position)
		Jun.	2020	Outside Director of Brown Capital Management, LLC (current position)
		Jul.	2020	Outside Director of Brightcove, Inc. (current position)
		Jul.	2020	Senior Associate Dean for 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)
Significant office(s) concurrently held		Outside Director of Brightcove, Inc.		
Number of shares of the Company held		0 shares		
Attendance of the meetings of the Board of Directors		—		

No.12	Name (Date of birth)	Shigeki Habuka (April 14, 1958) <u>New</u> <u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>		
Reasons for nominating the candidate and overview of expected roles		His 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 external affairs.		
Career summary, positions and responsibilities		Apr.	1981	Joined the Ministry of Finance
		Jul.	2003	Director of the Budget Bureau of the Ministry of Finance
		Jul.	2005	Director of the Indirect Tax Policy Division, Tax Bureau of the Ministry of Finance
		Jan.	2008	Deputy Director-General of the Ministry of Defense
		Sep.	2009	Executive Secretary to the Prime Minister
		Sep.	2011	Deputy Director-General of the Budget Bureau of the Ministry of Finance
		Jan.	2014	Director General of the Cabinet Office
		Jun.	2016	Vice-Minister for Policy Coordination of the Cabinet Office
		Nov.	2017	Executive Officer of Corporate Strategy Department of Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)
		Apr.	2019	Corporate Executive Officer (co-charge of the Public Policy and Relation Office and the PR and IR Office (PR)) of Mitsubishi Chemical Holdings Corporation
		Apr.	2022	Corporate Executive Officer and Senior Vice President (responsible for Public Relation) of Mitsubishi Chemical Holdings Corporation (current position)
Significant office(s) concurrently held		Corporate Executive Officer and Senior Vice President (responsible for Public Relation) of Mitsubishi Chemical Group Corporation		
Number of shares of the Company held		0 shares		
Attendance of the meetings of the Board of Directors		—		

- (Notes)
1. Hiroshi Mikitani is Chairman of Tokyo Philharmonic Orchestra and Representative Director of Japan Association of New Economy, and the Company makes financial contributions and pays membership fees to both organizations. He is also Chairman & Representative Director of Rakuten Medical K.K., which has a business relationship including provision of services with the Company.
 2. Kazunori Takeda is Representative Director of JP Rakuten Logistics, Inc., which has a business relationship including provision of services with the Company.
 3. Takashi Mitachi is Distinguished Professor of Graduate School of Management of Kyoto University, to which the Company pays participation fees for events held by the university. The ratio of fees in fiscal 2022 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. Jun Murai is Professor of Keio University; the university shares a role in operating an international standardization body to which the Company pays membership fees. The ratio of fees in fiscal 2022 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year. He is also Outside Director of 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 2022 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.
 5. Takaharu Ando has a business relationship including provision of services with the Company. The ratio of transactions between him and the Company in fiscal 2022 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year. He is also Outside Director of AMUSE INC., to which the Company pays music royalties, etc. The ratio of such payments in fiscal 2022 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year.
 6. No material interest exists between the Company and other candidates for Directors.
 7. Charles B. Baxter 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.
 8. 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.
 9. Sarah J. M. Whitley, Charles B. Baxter, Takashi Mitachi, Jun Murai, Takaharu Ando, Tsedal Neeley and Shigeki Habuka are candidates for Outside Directors.
 10. 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 four incumbent Directors of the Company, namely, Sarah J. M. Whitley, Charles B. Baxter, Takashi Mitachi, and Jun Murai. The liability limitation agreement will be renewed with the four incumbent Directors subject to the approval of their reappointment. If the appointment of Takaharu Ando, Tsedal Neeley, and Shigeki Habuka is approved, the Company plans to conclude the same agreement with them.
 11. The Company has entered into an indemnity agreement with the seven incumbent Directors of the Company, namely, Hiroshi Mikitani, Masayuki Hosaka, Kentaro Hyakuno, Sarah J. M. Whitley, Charles B. Baxter, Takashi Mitachi, and Jun Murai, 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 the seven incumbent Directors subject to the approval of their reappointment. If the appointment of Takaharu Ando, Tsedal Neeley, and Shigeki Habuka is approved, the Company plans to conclude the same agreement with them. In addition, the Company has entered into compensation agreements that conform to Article 430-2, Paragraph 1 of the Companies Act (the contents of which are the same as the compensation agreements concluded with the directors), with Kazunori Takeda and Kenji Hirose, who are currently Executive Officers of the Company and if their appointments are approved, the Company plans to continue the said compensation agreements.

12. 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 intention or gross negligence. 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.
13. If the reappointment of Sarah J. M. Whitley, Charles B. Baxter, Takashi Mitachi, and Jun Murai, and the appointment of Takaharu Ando, Tsedal Neeley, and Shigeki Habuka are approved, they will be appointed to the position of Independent Director specified by the regulations of Tokyo Stock Exchange, Inc.

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

Audit & Supervisory Board Member Yoshiaki Nishikawa will resign at the conclusion of the meeting. Accordingly, to further enhance the audit system, election of two Audit & Supervisory Board Members is proposed, increasing the number of Outside Audit & Supervisory Board Members by one.

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

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

No.1	Name (Date of birth)	Yoshito Naganuma (June 29, 1965) New	
Reasons for nominating the candidate	Appointment of Yoshito Naganuma as Audit & Supervisory Board Member is requested in anticipation of his contribution to the Company's audit system based on his extensive knowledge in finance and his experience in management, audit and internal control gained as an Executive Officer, General Manager and the Head of Internal Audit at a group company.		
Career summary	Apr.	1988	Joined Nichido Fire & Marine Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)
	Apr.	2002	Manager of Financial Planning Department of Nichido Fire & Marine Insurance Co., Ltd. and Manager of Operation Audit Group, Legal Risk Management Department of Millea Holdings, Inc. (currently Tokio Marine Holdings, Inc.)
	Apr.	2003	Manager of Accounting Section, Corporate Accounting Department (in charge of operation promotion) of Nichido Fire & Marine Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)
	Oct.	2004	Deputy Manager of Sapporo Business Accounting Group, Business Accounting Service Department of Tokio Marine & Nichido Fire Insurance Co., Ltd.
	Nov.	2005	Joined bitWallet, Inc. (currently Rakuten Edy, Inc.)
	May	2013	Executive Officer & General Manager of Administration Department of Rakuten Edy, Inc.
	July	2018	Executive Officer & General Manager of Brand Policy Department of Rakuten Edy, Inc.
	Apr.	2019	Executive Officer & Office Manager of Internal Audit Office of Rakuten Edy, Inc. and General Manager of Corporate Planning Department of Rakuten Socio Business, Inc.
	Apr.	2022	General Manager of Planning Division and General Manager of Corporate Planning Department of Rakuten Socio Business, Inc.
	Oct.	2022	General Manager of Management Division, General Manager of Corporate Planning Department, and General Manager of Human Resources Department of Rakuten Socio Business, Inc.
	Jan.	2023	General Manager of Business Management Division and General Manager of Business Management Department of Rakuten Socio Business, Inc. (current position, scheduled to resign in March 2023)
Significant office(s) concurrently held	—		
Number of shares of the Company held	5,700 shares		
Attendance of the meetings of the Board of Directors	—		
Attendance of the meetings of the Audit & Supervisory Board	—		

No.2	Name (Date of birth)	Maki Kataoka (July 4, 1958) <u>New</u> <u>Candidate for Outside Audit & Supervisory Board Member</u> <u>Candidate for Independent Audit & Supervisory Board Member</u>	
Reasons for nominating the candidate		Appointment of Maki Kataoka as Audit & Supervisory Board Member is requested in anticipation of her contribution to the Company's audit system based on her expertise in finance, accounting, internal control and her experience as a certified public accountant as well as her abundant experience at the Metropolitan Police Department with successive Director posts. Although she has not been involved in corporate management in the past other than being an Outside Audit & Supervisory Board Member, for the reasons stated above, the Company believes that she is suited to perform Outside Audit & Supervisory Board Member's responsibilities.	
Career summary		Apr.	1982 Joined Arthur Andersen Certified Public Accountants Office (currently KPMG AZSA LLC)
		May	1987 Registered as a Certified Public Accountant
		Jun.	1989 Received MBA from Stanford Graduate School of Business
		Aug.	1989 Joined Sanwa Research Institute Corp. (currently Mitsubishi UFJ Research and Consulting Co., Ltd.)
		Apr.	1994 Joined Tokyo Metropolitan Police Department
		Mar.	2009 Director of Tokyo Metropolitan Police Department
		Mar.	2014 Professor of National Police Academy
		Aug.	2017 Executive Director of Tokyo Metropolitan Police Department
		Oct.	2018 Public Relations Advisor of Regional Public Relations Administration Group, HQ General Affairs Department of Sony Corporation (currently Sony Group Corporation) (current position)
		Jun.	2020 Outside Corporate Auditor of SHIBAURA ELECTRONICS CO., LTD. (current position)
		Apr.	2022 Member of Public Interest Commission of Cabinet Office (current position)
Significant office(s) concurrently held	Public Relations Advisor of Regional Public Relations Administration Group, HQ General Affairs Department of Sony Group Corporation Outside Corporate Auditor of SHIBAURA ELECTRONICS CO., LTD.		
Number of shares of the Company held	0 shares		
Attendance of the meetings of the Board of Directors	—		
Attendance of the meetings of the Audit & Supervisory Board	—		

- (Notes)
1. No material interest exists between the Company and each candidate for Audit & Supervisory Board Member.
 2. Maki Kataoka is a candidate for Outside Audit & Supervisory Board Member.
 3. The Company stipulates under its current Articles of Incorporation that it can conclude with each Audit & Supervisory Board Member a liability limitation agreement, which restricts their liability for damages under Article 423, Paragraph 1 of the Companies Act to the statutory limit, pursuant to the provisions of Article 427, Paragraph 1 of the Act. If the appointment of candidates for Audit & Supervisory Members Yoshito Naganuma and Maki Kataoka is approved, the Company plans to conclude such liability limitation agreement with them, pursuant to the provisions of Article 427, Paragraph 1 of the Act and the Company's Articles of Incorporation.
 4. If the appointment of Yoshito Naganuma and Maki Kataoka is approved, the Company will enter into an indemnity agreement with them, with the effect that the Company will indemnify each Audit & Supervisory Board Member for the loss stipulated in Article 430-2, Paragraph 1, Item 2 of the Companies Act to the extent provided for by laws and regulations.
 5. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, designating all Audit & Supervisory Board Members as insureds, which will cover damage that may be incurred by the insured as a result of assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. However, there are exemptions, such as not being covered for any damage caused by intention or gross negligence. If the appointment of Yoshito Naganuma and Maki Kataoka is approved, they will become insureds under the relevant insurance contract and the relevant insurance contract will be renewed during their term of office.
 6. If the appointment of Maki Kataoka is approved, she will be appointed to the position of Independent Audit & Supervisory Board Member specified by the regulations of Tokyo Stock Exchange, Inc.

Proposal No. 4: Revision of Remuneration Amount for Directors

At the 18th Annual General Shareholders' Meeting held on March 27, 2015, the maximum amount of compensation for Directors of the Company was approved as ¥1,400 million per year (including ¥200 million for Outside Directors), and this amount has been maintained to the present. However, in consideration of circumstances such as the increase in the number of Directors if Proposal No. 2 is approved as proposed, the Company proposes to revise the maximum amount of compensation for Directors to ¥1,900 million per year (including ¥200 million for Outside Directors).

The Company has established policies on determining the amount of Directors' compensation and the calculation method (compensation policy) as stated in the Business Report, and this proposal is in line with the policies. Even if this proposal is approved, the Company does not plan to change the policies, and the Company believes that the content of this proposal is appropriate. The amount of compensation for Directors will not include the employee portion of compensation for Directors who concurrently serve as employees, as has been the case in the past.

In addition, at the 23rd Annual General Shareholders' Meeting held on March 27, 2020 and the 25th Annual General Shareholders' Meeting held on March 30, 2022, the Company resolved to grant share options as stock options exercisable while in service and share options as retirement compensation stock options, separately from the amount of compensation to Directors.

Given the approval of Proposal No. 2 as proposed, the Company shall have twelve Directors (including seven Outside Directors).

Business Report

(From January 1, 2022, to December 31, 2022)

Part 1 Present Situation of the Rakuten Group

1. Business Progress and Results

Revenue	Non-GAAP operating loss	IFRS operating loss	Net loss attributable to owners of the Company
¥1,927.9 billion	¥325.6 billion	¥363.9 billion	¥372.9 billion
(14.6% increase YoY)	(¥100.6 billion decrease YoY)	(¥169.2 billion decrease YoY)	(¥239.1 billion decrease YoY)

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

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

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

(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, 2022 (Non-GAAP basis)

Although the world economy continued to pick up moderately during the fiscal year ended December 31, 2022 despite weakness seen in some regions, it will be necessary to pay attention to the impact from global monetary tightening, spread of infection in China, and increasing risk of economic downturn due to rising prices and other factors. Despite some weakness, the Japanese economy is recovering moderately including consumer spending, and going forward, it is expected to pick up partly due to the effects of various policies.

In a world where we live with COVID-19, the Company believes that societal demand has increased even further for digital services that enable people to purchase products and services without physical contact or face-to-face interaction. The recent situation in

Ukraine has also had a certain degree of impact on the Group's business activities, but it is expected that this will only have a limited impact on the Group's business performance and financial status as the percentage of our revenue related to Ukraine and Russia is insignificant.

Under such an environment, the 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. Rakuten Mobile was the first company in the world to introduce Open RAN that enables multi-vendor wireless access networks, including cell phone base stations, as well as vRAN, a virtualization technology, across its entire commercial network. In addition, Rakuten Symphony is proposing the open and fully virtualized architecture implemented by Rakuten Mobile to telecommunications companies around the world, as telecommunications carriers continue to innovate their network equipment configurations. Going forward, the Rakuten Group will continue to enhance its competitiveness by further evolving the Rakuten Ecosystem.

In the Internet Services segment, factors including measures to improve customer convenience, such as the introduction of a common free shipping threshold for participating merchants on internet shopping mall Rakuten Ichiba successfully led to the retention of customers against the backdrop of stay-at-home consumption amid the COVID-19 pandemic. In addition, steady recovery in demand for domestic travel and other factors resulted in growth in transaction volume in domestic e-commerce services. In the FinTech segment, the customer base for each service has continued to expand, and the Group achieved increases in revenue and profit in credit card related services and banking services, among others. In the Mobile segment, revenue increased compared to the fiscal year ended December 31, 2021 due to an increase in telecommunication fee revenues and other factors.

As a result, the Rakuten Group recorded revenue of ¥1,927,878 million, up 14.6% year-on-year for the fiscal year ended December 31, 2022. In the Mobile segment, although its segment loss peaked in the first quarter ended March 31, 2022 and has contracted thereafter, it recorded a Non-GAAP operating loss of ¥325,645 million, compared to a Non-GAAP operating loss of ¥224,999 million in the previous fiscal year due to ongoing prior investments such as the installation of its own base stations.

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

For the fiscal year ended December 31, 2022, amortization of intangible assets of ¥10,484 million and share based compensation expenses of ¥12,587 million were excluded from the Non-GAAP operating loss. One-off items listed for the fiscal year ended December 31, 2021 include a gain on step acquisitions of ¥59,496 million as a result of making AltioStar Networks, Inc. a wholly-owned subsidiary of the Company and expenses of ¥8,789 million associated with an increase in provision for customer points as a result of revisions in the Rakuten Point Terms of Use. One-off items listed for the fiscal year ended December 31, 2022 include expenses associated with an increase in provision for customer points as a result of changes in the Rakuten Point Terms of Use and estimated expenses incurred from fraudulent acts committed in collusion by former employees of a subsidiary and suppliers, which are included as other expenses in the Consolidated Statement of Income.

■ **Operating Results for the Fiscal Year Ended December 31, 2022 (IFRS basis)**

For the fiscal year ended December 31, 2022, the Rakuten Group recorded revenue of ¥1,927,878 million, up 14.6% year-on-year, and an IFRS operating loss of ¥363,892 million, compared with an IFRS operating loss of ¥194,726 million in the fiscal year ended December 31, 2021, and a net loss attributable to owners of the Company of ¥372,884 million, compared with a net loss of ¥133,828 million in the fiscal year ended December 31, 2021.

(Millions of Yen)

	Fiscal year ended December 31, 2021 (25th)	Fiscal year ended December 31, 2022 (26th)	Amount Change YoY	% Change YoY
Revenue	1,681,757	1,927,878	246,121	14.6%
Non-GAAP operating loss	(224,999)	(325,645)	(100,646)	—
Amortization of intangible assets	(9,321)	(10,484)	(1,163)	—
Share based compensation expenses	(10,059)	(12,587)	(2,528)	—
Nonrecurring items	49,653	(15,176)	(64,829)	—
IFRS operating loss	(194,726)	(363,892)	(169,166)	—
Net loss attributable to owners of the Company	(133,828)	(372,884)	(239,056)	—

■ **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. From the second quarter ended June 30, 2022, the aggregation method of point expenses in the headquarter administrative departments and business departments has been changed and applied retrospectively. In accordance with this change, segment revenue and segment profit in the Internet Services segment decreased by ¥4,197 million respectively for the fiscal year ended December 31, 2021, compared to those before the retrospective application. This change has no impact on consolidated revenue, Non-GAAP operating loss, or operating loss amounts.

Internet Services Segment

Sales composition ratio (excluding adjustments): 51.3%

(Billions of Yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Segment Revenue	999.2	1,085.9
Segment Profit	103.4	78.2

Main businesses: Domestic e-commerce (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 services, the mainstay of Internet services, the Rakuten Group is aiming for further growth in gross merchandise sales and revenue by working on various initiatives, including sales promotion activities to cultivate loyal customers and win new customers, promotion of cross-use of services, promotion of the introduction of a common free shipping threshold and further opening up the Rakuten Ecosystem. Services such as the internet shopping mall “Rakuten Ichiba” and “Rakuten Seiyu Netsuper”, which provides home delivery services for food and daily necessities, have continued to see further growth in transaction value even compared with the fiscal year ended December 31, 2021 when the Rakuten Group benefited from the effects of the COVID-19 pandemic which gave a boost to the businesses. This was because these measures successfully led to the retention of customers who began using the services against the backdrop of increased demand for online shopping following the growth in “stay-at-home consumption”.

The online travel booking service, “Rakuten Travel”, saw significant growth in transaction value compared to the previous fiscal year, thanks to government support measures as well as the success of sales promotion measures and other measures in line with the recovery in demand for domestic travel.

In other Internet services including overseas Internet services, revenue grew mainly in the US cashback service “Rakuten Rewards”.

In the fiscal year ended December 31, 2021, the Group recorded ¥27,827 million in valuation gains on investment securities related to investments in FinTech-related companies in the investment business, resulting in a year-on-year decrease in segment profit.

As a result, revenue for the Internet Services segment rose to ¥1,085,872 million, an 8.7% year-on-year increase, while segment profit stood at ¥78,203 million, a 24.3% year-on-year decrease.

FinTech Segment

Sales composition ratio (excluding adjustments): 31.3%

(Billions of Yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Segment Revenue	619.0	663.4
Segment Profit	89.1	98.7

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

In credit card related services, the cumulative total number of Rakuten Card issued surpassed 28 million in December 2022. A recovery in offline consumption was seen primarily against a backdrop of the lifting of the COVID-19 pre-emergency status in March 2022, and there were continuous needs for online consumption, which has rooted with stay-at-home consumption amid the COVID-19 pandemic, resulting in growth in shopping transaction volume. In banking services, the number of savings accounts surpassed 13 million in September 2022 and the customer base has continued to expand thereafter. In securities services, domestic stock transaction volume reached a record high and customer retention was further increased.

As a result, the FinTech segment recorded ¥663,393 million in revenue, a 7.2% year-on-year increase, while segment profit stood at ¥98,704 million, a 10.8% year-on-year increase.

Mobile Segment

Sales composition ratio (excluding adjustments): 17.4%

(Billions of Yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Segment Revenue	227.5	368.7
Segment Loss	(421.2)	(492.8)

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

In mobile services, we worked to improve network quality by focusing on installing our own base stations ahead of schedule. In addition to an increase in the number of users who started to pay telecommunication charges following the expiration of a campaign offering one year of free telecommunication charges, growth in device sales also contributed to increased revenue. On the other hand, network-related expenses such as depreciation also increased.

As a result, the Mobile segment recorded ¥368,669 million in revenue, a 62.0% year-on-year increase due to factors such as an increase in revenue from telecommunication charges. Although a segment loss of ¥492,830 million (compared to losses of ¥421,172 million in the fiscal year ended December 31, 2021) was recorded due to ongoing prior investments such as the installation of our own base stations, the loss has contracted since its peak in the first quarter ended March 31, 2022.

2. Operating Results and Financial Status

Classification		23rd (From January 1, 2019 to December 31, 2019)	24th (From January 1, 2020 to December 31, 2020)	25th (From January 1, 2021 to December 31, 2021)	26th (From January 1, 2022 to December 31, 2022)
Revenue	(Millions of Yen)	1,263,932	1,455,538	1,681,757	1,927,878
Operating income (loss)	(Millions of Yen)	72,745	(93,849)	(194,726)	(363,892)
Non-GAAP operating income (loss)	(Millions of Yen)	95,129	(102,667)	(224,999)	(325,645)
Loss before income tax	(Millions of Yen)	(44,558)	(151,016)	(212,630)	(407,894)
Net loss	(Millions of Yen)	(33,068)	(115,838)	(135,826)	(375,911)
Comprehensive income	(Millions of Yen)	(42,818)	(132,401)	(73,041)	(305,976)
Basic losses per share	(Yen)	(23.55)	(84.00)	(87.62)	(235.00)
Diluted losses per share	(Yen)	(23.55)	(84.00)	(87.62)	(235.16)
Total assets	(Millions of Yen)	9,165,697	12,524,438	16,831,221	20,437,298
Total equity attributable to owners of the Company	(Millions of Yen)	735,672	608,738	1,093,719	813,730
Equity per share attributable to owners of the Company	(Yen)	542.43	446.78	691.47	511.63
Cash flows from operating activities	(Millions of Yen)	318,320	1,041,391	582,707	(257,947)
Cash flows used in investing activities	(Millions of Yen)	(286,290)	(303,347)	(611,830)	(952,408)
Cash flows from financing activities	(Millions of Yen)	458,340	808,108	1,402,265	1,486,684
ROE	(%)	(4.2)	(17.0)	(15.7)	(39.1)
Dividend per share	(Yen)	4.5	4.5	4.5	4.5

(Note) Non-GAAP operating income is operating income under IFRS after deducting nonrecurring items and other adjustments prescribed by Rakuten Group. Management believes disclosure of Non-GAAP financial measures facilitates comparison between Rakuten Group and peer companies in the same industry or comparison of its business results with those of the prior fiscal years by stakeholders, and can provide useful information in understanding the underlying business results of Rakuten Group and its business forecast.

3. State of Capital Investments

The total amount of capital investment for the fiscal year was ¥588,219 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 June 2022, the Company raised ¥150,000 million by issuing yen-denominated unsecured bonds. In addition, the Company raised USD 500 million in November 2022 by issuing U.S. dollar-denominated unsecured bonds. Rakuten Card Co., Ltd. raised ¥50,000 million in December 2022 by issuing yen-denominated unsecured bonds.

5. Business Re-organization

- (1) On January 4, 2022, the Company's wholly owned subsidiary Rakuten Mobile, Inc. transferred its rights and obligations related to the Rakuten Symphony business to Rakuten Symphony, Inc., a wholly owned subsidiary of Rakuten Mobile, Inc. to be newly established through a corporate split.
- (2) On April 1, 2022, the Company changed the parent company of Rakuten Bank, Ltd., a wholly owned subsidiary of the Company, from Rakuten Card Co., Ltd., a wholly owned subsidiary of the Company, to the Company through paying dividends in kind to the Company by Rakuten Card, Co., Ltd.,
- (3) On July 1, 2022, the Company conducted a simplified absorption-type company split with the Company as the splitting company, whereby Rakuten Bank, Ltd., a wholly owned subsidiary of the Company, succeeded 5% of the shares of Rakuten Payment, Inc., a wholly owned subsidiary of the Company.
- (4) On July 1, 2022, Rakuten Payment, Inc., a wholly owned subsidiary of the Company, changed the parent company of Rakuten Wallet, Inc., a wholly owned subsidiary of the Company, from Rakuten Payment, Inc. to Rakuten Securities, Inc., a wholly owned subsidiary of the Company, through a share transfer to Rakuten Securities, Inc.
- (5) On October 1, 2022, the Company changed the parent company of Rakuten Securities, Inc. and Rakuten Investment Management, Inc., wholly owned subsidiaries of the Company, from Rakuten Card Co., Ltd., a wholly owned subsidiary of the Company, to the Company through paying dividends in kind to the Company by Rakuten Card Co., Ltd.
- (6) On October 3, 2022, Rakuten Securities, Inc. and Rakuten Investment Management, Inc., wholly owned subsidiaries of the Company, newly established Rakuten Securities Holdings, Inc. as a wholly owned subsidiary of the Company, by way of joint share transfer, and changed the parent company of Rakuten Securities, Inc. and Rakuten Investment Management, Inc. from the Company to Rakuten Securities Holdings, Inc.
- (7) On October 3, 2022, Rakuten Securities, Inc., a wholly owned subsidiary of the Company, changed the parent company of Rakuten Wallet, Inc., a wholly owned subsidiary of the Company, from Rakuten Securities, Inc. to Rakuten Securities Holdings, Inc., a wholly owned subsidiary of the Company, through paying dividends in kind to Rakuten Securities Holdings, Inc.
- (8) On November 1, 2022, Rakuten Securities Holdings, Inc., a wholly owned subsidiary of the Company, transferred 19.99% of its common stock in Rakuten Securities, Inc., a wholly owned subsidiary of the Company, to Mizuho Securities Co., Ltd., a consolidated subsidiary of 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 further growth in gross merchandise sales and revenues through various initiatives, including cultivation of loyal customers, acquisition of new customers, promotion of cross-use of services, and further opening up the Rakuten Ecosystem in order to grow the e-commerce platform.

We are pursuing even greater growth of FinTech services in such areas as credit cards, banking, securities, insurance, and electronic money services by generating synergistic benefits between businesses, and promoting cross-use of services. In cashless payments, the Japanese government is promoting cashless payments. Given this, Rakuten Group is working to introduce its payment service in more locations, promote a full range of cashless payments including QR/barcode payments, electronic money, and points. Furthermore, we will continue to focus on enhancing the functions of payment apps which integrate these payment methods, in order to achieve Rakuten Group's vision for a comprehensive payment services platform.

In the Mobile segment, we are constructing the world's first (Note) end-to-end fully virtualized cloud-native mobile network, which has achieved population coverage of 98% as of December 31, 2022. Furthermore, we are in the process of installing indoor and outdoor base stations to improve network quality, and will work to expand our customer base while providing highly reliable communication services. The importance of 5G as a communication network is expected to grow as infrastructure for development of IoT connecting all manners of objects through the Internet. 5G is expected to contribute to solving social issues, with the advantages it offers in terms of high speed, low latency, and multiple simultaneous connections. Rakuten Group aims to establish 5G as a social infrastructure in the 2020s, to not only improve convenience for consumers, but also solve various social issues and contribute to regional revitalization through the application of 5G in various fields and the creation of new businesses. “Rakuten Symphony,” which brings together products and services related to the cloud-native Open RAN infrastructure and aims to supply highly cost-efficient communication cloud platforms, is proposing an open and fully virtualized architecture implemented in “Rakuten Mobile” to communications providers around the world, as they continue to innovate their network equipment configurations.

In addition to pursuing growth of individual businesses and maximizing cross-business synergies, we intend to expand the “Rakuten Ecosystem,” not only in Japan but globally, by establishing innovative marketing methods that utilize Rakuten Group's membership, big data and “Rakuten Points,” utilizing the advertising business that leverages Group synergies, creating a Global ID Platform that provides a single membership ID and loyalty program worldwide, and raising our brand value through integrating service brands and partnerships.

To do this, we must further enhance our global management, and we will work to review our business portfolio to optimize the allocation of management resources and bolster our system for optimizing technological development on a global scale.

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

(2) Management structure

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

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

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

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

7. Major Businesses

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

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

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

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

The “Mobile” Segment engages in businesses for the provision of communication services and technologies, operation of power supply services, along with businesses running digital content sites in regions other than North America.

8. Information on Principal Parent Companies and Principal Subsidiaries

Information on Principal Subsidiaries

Company name	Capital	Ratio of voting rights	Main business
Rakuten Card Co., Ltd.	¥19,324 million	100.00%	Issuance of credit card "Rakuten Card," and related services
Rakuten Mobile, Inc.	¥100 million	100.00%	Voice communication and data transmission services, and sales of mobile devices
Ebates Inc.	0.1 U.S. dollar	100.00% (100.00%)	Online cash-back service
Rakuten Bank, Ltd.	¥25,954 million	100.00%	Internet banking service
Rakuten Securities, Inc.	¥19,496 million	80.00% (80.00%)	Online securities trading services
Rakuten Energy, Inc.	¥31 million	100.00%	Operation of retail electricity business and other energy-related businesses
Rakuten Symphony Singapore Pte. Ltd.	353 million Singaporean dollars	100.00% (100.00%)	Development of communication infrastructure platform based on Open RAN
Rakuten Life Insurance Co., Ltd.	¥7,500 million	100.00% (100.00%)	Life insurance business
Rakuten General Insurance Co., Ltd.	¥20,153 million	100.00% (100.00%)	General insurance business
Rakuten Payment, Inc.	¥100 million	100.00% (5.00%)	Electronic payment services
Rakuten Kobo Inc.	920 million Canadian dollars	100.00% (100.00%)	E-book services
Viber Media S.a.r.l.	217 thousand U.S. dollars	100.00%	Mobile messaging and VoIP services

(Notes) 1. Figures in the brackets under Ratio of voting rights represent percentage of voting rights held indirectly.

2. Matters concerning specified subsidiaries:

a) Name and address of the specified subsidiary

Rakuten Mobile, Inc.
1-14-1 Tamagawa, Setagaya-ku, Tokyo

b) Total book value of shares of specified subsidiary in the Company and wholly owned subsidiaries, etc., at the end of the current fiscal year
¥1,090,149 million

c) Total amount recorded in the assets section of the Company's balance sheet for the current fiscal year
¥3,705,384 million

3. The following measures have been taken to procure funds through securitization of telecommunication fee receivables held by Rakuten Mobile, Inc. All shares of Rakuten Mobile, Inc. are entrusted by the Company to Rakuten Trust Co., Ltd. This is a mechanism designed to protect investors in the securitization of Rakuten Mobile, Inc.'s telecommunication fee receivables. Under this mechanism, if conditions are met such as the Company's credit rating falling below a certain level, the authority to give instructions regarding the exercise of voting rights will be transferred to an independent third party, RMTrust Co., Ltd., and Rakuten Mobile, Inc. will be able to avoid any impact from the Company whose creditworthiness has diminished. Because the Company currently holds beneficiary right including the authority to give instructions for all voting rights, it is included in the percentage of voting rights held.

9. Principal Offices

(1) The Company

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

(2) Subsidiaries

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

10. Employees

Classification	Number of employees	Year-on-year change
Total	32,079	Increased by 3,818

(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	10,232
FinTech	5,517
Mobile	11,146
Company-wide (common)	5,184
Total	32,079

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

11. Principal Borrowings

(Millions of Yen)

Creditor	Outstanding balance
Mizuho Bank, Ltd.	275,025
Sumitomo Mitsui Banking Corporation	123,256
Sumitomo Mitsui Trust Bank, Limited	94,180

Part 2 Matters Pertaining to Shares of the Company

1. Total Number of Shares Authorized to be Issued:

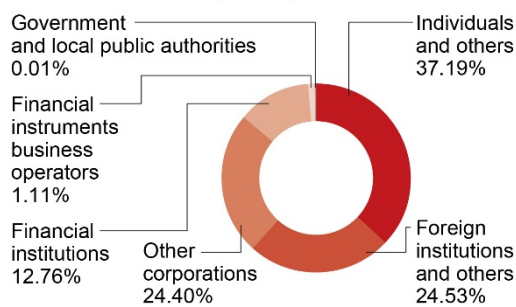
3,941,800,000 shares

2. Total Number of Shares Issued:

1,590,463,000 shares
(Including 244 shares of treasury stocks)

3. Number of Shareholders: 470,855

Distribution of ownership among shareholders



4. Major Shareholders (Top 10)

Name	Number of shares held (shares)	Percentage of shares held (%)
Crimson Group, LLC.	226,419,000	14.24
Hiroshi Mikitani	176,346,300	11.09
The Master Trust Bank of Japan, Ltd. (Trust account)	143,529,500	9.02
Haruko Mikitani	132,625,000	8.34
JAPAN POST HOLDINGS Co., Ltd.	131,004,000	8.24
MSIP CLIENT SECURITIES	58,490,941	3.68
Custody Bank of Japan, Ltd. (Trust account)	40,950,857	2.57
GOLDMAN SACHS INTERNATIONAL	28,198,800	1.77
THE BANK OF NEW YORK MELLON 140051	22,158,300	1.39
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS – SEGR ACCT	14,844,973	0.93

(Note) Percentage of shares held is calculated excluding treasury stocks (244 shares).

5. Other Important Matters Involving Shares

Not applicable.

Part 3 Matters Concerning Share Options

1. Status of the Share Options as of the end of fiscal year

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

Name (Date of resolution)	Number of Share Options	Class and number of shares to be issued	Issue price	Exercise Price (per share) (yen)	Exercise period
The 22nd Share Options (February 20, 2014)	1,432	Common stock 143,200	Free of charge	0.01	From March 29, 2017 to March 27, 2023
The 36th Share Options (February 20, 2015)	3,554	Common stock 355,400	Free of charge	0.01	From March 29, 2018 to March 27, 2024
The 45th Share Options (January 23, 2016)	9	Common stock 900	Free of charge	0.01	From March 28, 2019 to March 26, 2025
The 46th Share Options (February 18, 2016)	3,065	Common stock 306,500	Free of charge	0.01	From March 1, 2017 to February 27, 2026
The 48th Share Options (February 18, 2016)	15	Common stock 1,500	Free of charge	0.01	From March 28, 2019 to March 26, 2025
The 50th Share Options (July 22, 2016)	13,403	Common stock 1,340,300	Free of charge	0.01	From August 1, 2017 to August 1, 2026
The 51st Share Options (August 4, 2016)	18	Common stock 1,800	Free of charge	0.01	From March 31, 2020 to March 29, 2026
The 54th Share Options (January 21, 2017)	19	Common stock 1,900	Free of charge	0.01	From March 31, 2020 to March 29, 2026
The 57th Share Options (February 20, 2017)	36	Common stock 3,600	Free of charge	0.01	From March 31, 2020 to March 29, 2026
The 58th Share Options (February 20, 2017)	36	Common stock 3,600	Free of charge	0.01	From March 31, 2020 to March 29, 2026
The 59th Share Options (February 20, 2017)	5,867	Common stock 586,700	Free of charge	0.01	From March 1, 2018 to March 1, 2027
The 61st Share Options (July 28, 2017)	9	Common stock 900	Free of charge	0.01	From March 31, 2021 to March 29, 2027

Name (Date of resolution)	Number of Share Options	Class and number of shares to be issued	Issue price	Exercise Price (per share) (yen)	Exercise period
The 66th Share Options (January 18, 2018)	11	Common stock 1,100	Free of charge	0.01	From March 31, 2021 to March 29, 2027
The 69th Share Options (February 19, 2018)	42	Common stock 4,200	Free of charge	0.01	From March 31, 2021 to March 29, 2027
The 70th Share Options (February 19, 2018)	63	Common stock 6,300	Free of charge	0.01	From March 31, 2021 to March 29, 2027
The 71st Share Options (February 19, 2018)	8,368	Common stock 836,800	Free of charge	0.01	From March 1, 2019 to March 1, 2028
The 72nd Share Options (April 27, 2018)	16,916	Common stock 1,691,600	Free of charge	0.01	From May 1, 2019 to May 1, 2028
The 81st Share Options (April 26, 2019)	9,241	Common stock 924,100	Free of charge	0.01	From November 1, 2019 to May 1, 2059
The 87th Share Options (February 28, 2020)	7,387	Common stock 738,700	Free of charge	0.01	From March 1, 2020 to March 1, 2060
The 89th Share Options (April 16, 2020)	1,731	Common stock 173,100	Free of charge	0.01	From May 1, 2020 to May 1, 2060
The 95th Share Options (February 12, 2021)	6,216	Common stock 621,600	Free of charge	0.01	From March 1, 2021 to March 1, 2061
The 97th Share Options (April 15, 2021)	2,048	Common stock 204,800	Free of charge	0.01	From May 1, 2021 to May 1, 2061
The 105th Share Options (April 14, 2022)	103,842	Common stock 10,384,200	Free of charge	0.01	From May 1, 2023 to May 1, 2032
The 106th Share Options (April 14, 2022)	2,507	Common stock 250,700	Free of charge	0.01	From May 1, 2022 to May 1, 2062

- (Notes) 1. With regard to the exercise period of Share Options, 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 22nd Share Options are as follows:
- a) Those who received the allotment of issue of Share Options (hereinafter "Holders of Share Options") 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 Options 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 Options may not be pawned or disposed of in any other manner.
3. Conditions for exercise of the 36th, 45th, 48th, 51st, 54th, 57th, 58th, 61st, 66th, 69th and 70th Share Options are as follows:
- a) Holders of Share Options 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 Options 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 Options may not be pawned or disposed of in any other manner.
 - d) The Holders of Share Options 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 options 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 Options by the methods listed below.
 - i) Receipt by Cash
 - ii) Appropriation of shares owned by the Holders of Share Options
 - iii) Deduction from salaries, bonuses, etc. of the Holders of Share Options
 - iv) Other methods specified by the Company
4. Conditions for exercise of the 46th, 50th, 59th, 71st and 72nd Share Options are as follows:
- a) Holders of Share Options 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 Options 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 Options may not be pawned or disposed of in any other manner.
 - d) Share Options may be exercised by the Holders of Share Options, in whole or in part, according to the following categories.
 - i) The entire allotment of Share Options 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 Options 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 arises in the number of exercisable Share Options, such fraction shall be discarded).
 - iii) 35% of the allotment of Share Options (if a portion of the allotment of Share Options 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 arises in the number of exercisable Share Options, such fraction shall be discarded).
 - iv) 65% of the allotment of Share Options (if a portion of the allotment of Share Options 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 arises in the number of exercisable Share Options, such fraction shall be discarded).
 - v) The entire allotment of Share Options 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 Options 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 options 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 Options by the methods listed below.
 - i) Receipt by Cash
 - ii) Appropriation of shares owned by the Holders of Share Options
 - iii) Deduction from salaries, bonuses, etc. of the Holders of Share Options
 - iv) Other methods specified by the Company
5. Conditions for exercise of the 81st, 87th, 89th, 95th, 97th and 106th Share Options are as follows:
- a) Holders of Share Options 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 Options 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 Options may not be pawned or disposed of in any other manner.
 - d) The Holders of Share Options 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 options and shares. In the case 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 Options by the methods listed below.
 - i) Receipt by Cash
 - ii) Appropriation of shares owned by the Holders of Share Options
 - iii) Deduction from salaries, bonuses, etc. of the Holders of Share Options
 - iv) Other methods specified by the Company
6. Conditions for exercise of the 105th Share Options are as follows:
- a) Holders of Share Options 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 Options have made applications for the exercise of Share Options 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 Options 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 Options may not be pawned or disposed of in any other manner.
 - d) Share Options may be exercised by the Holders of Share Options, in whole or in part, according to the following categories.
 - i) The entire allotment of Share Options 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 Options 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 arises in the number of exercisable Share Options, such fraction shall be discarded).
 - iii) 35% of the allotment of Share Options (if a portion of the allotment of Share Options 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 arises in the number of exercisable Share Options, such fraction shall be discarded).
 - iv) 65% of the allotment of Share Options (if a portion of the allotment of Share Options 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 arises in the number of exercisable Share Options, such fraction shall be discarded).
 - v) The entire allotment of Share Options 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 Options 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 options 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 Options by the methods listed below.
 - i) Receipt by Cash
 - ii) Appropriation of shares owned by the Holders of Share Options
 - iii) Deduction from salaries, bonuses, etc. of the Holders of Share Options
 - iv) Other methods specified by the Company

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

Classification	Name	Number of Share Options	Number of owners
Directors	The 22nd Share Options	39	1
	The 36th Share Options	78	1
	The 46th Share Options	199	2
	The 50th Share Options	114	1
	The 59th Share Options	1,393	4
	The 71st Share Options	2,788	4
	The 72nd Share Options	1,993	2
	The 81st Share Options	1,779	3
	The 87th Share Options	726	1
	The 89th Share Options	1,373	2
	The 95th Share Options	604	1
	The 97th Share Options	1,332	3
	The 105th Share Options	95	1
The 106th Share Options	2,507	3	
Outside Directors	The 57th Share Options	18	1
	The 70th Share Options	42	2
	The 105th Share Options	587	5
Audit & Supervisory Board Members	The 45th Share Options	1	1
	The 48th Share Options	15	1
	The 51st Share Options	7	1
	The 54th Share Options	9	1
	The 58th Share Options	18	1
	The 61st Share Options	7	1
	The 66th Share Options	9	1
The 69th Share Options	21	1	

(Notes) 1. The number of shares to be issued for the Share Options above is 100 per Share Option.
2. "Directors" in the above table do not include Outside Directors.

2. Status of the Share Options Issued During the Fiscal Year

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

Name (Date of resolution)	Number of Share Options	Class and number of shares to be issued	Issue price	Exercise Price (per share) (yen)	Exercise period
The 101st Share Options (January 14, 2022)	46,276	Common stock 4,627,600	Free of charge	0.01	From February 1, 2023 to February 1, 2032
The 102nd Share Options (January 14, 2022)	1,379	Common stock 137,900	Free of charge	0.01	From February 1, 2023 to February 1, 2032
The 103rd Share Options (February 14, 2022)	3,473	Common stock 347,300	Free of charge	0.01	From March 1, 2023 to March 1, 2032
The 104th Share Options (February 14, 2022)	5,658	Common stock 565,800	Free of charge	0.01	From March 1, 2022 to March 1, 2062
The 105th Share Options (April 14, 2022)	103,160	Common stock 10,316,000	Free of charge	0.01	From May 1, 2023 to May 1, 2032
The 107th Share Options (July 14, 2022)	68,880	Common stock 6,888,000	Free of charge	0.01	From August 1, 2023 to August 1, 2032
The 108th Share Options (July 14, 2022)	473	Common stock 47,300	Free of charge	0.01	From August 1, 2023 to August 1, 2032
The 109th Share Options (October 14, 2022)	52,524	Common stock 5,252,400	Free of charge	0.01	From November 1, 2023 to November 1, 2032
The 110th Share Options (October 14, 2022)	2,948	Common stock 294,800	Free of charge	0.01	From November 1, 2023 to November 1, 2032

(Notes) 1. With regard to the exercise period of Share Options, 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 101st, 102nd, 103rd, 105th, 107th, 108th, 109th and 110th Share Options are as follows:

- a) Holders of Share Options 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 Options have made applications for the exercise of Share Options 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 Options 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 Options may not be offered for pledge or disposed of in any other way.
- d) Share Options may be exercised by the Holder of Share Options, in whole or in part, according to the following categories.

- i) The entire allotment of Share Options 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 Options 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 arises in the number of exercisable Share Options, such fraction shall be discarded).
 - iii) 35% of the allotment of Share Options (if a portion of the allotment of Share Options 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 arises in the number of exercisable Share Options, such fraction shall be discarded).
 - iv) 65% of the allotment of Share Options (if a portion of the allotment of Share Options 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 arises in the number of exercisable Share Options, such fraction shall be discarded).
 - v) The entire allotment of Share Options 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 Options 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 options 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 Options by the methods listed below.
- i) Receipt by Cash
 - ii) Appropriation of shares owned by the Holders of Share Options
 - iii) Deduction from salaries, bonuses, etc. of the Holders of Share Options
 - iv) Other methods specified by the Company
3. Conditions for exercise of the 104th Share Options are as follows:
- a) Holders of Share Options 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 Options 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 Options may not be offered for pledge or disposed of in any other way.
 - d) The Holders of Share Options 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 options 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 Options by the methods listed below.
 - i) Receipt by Cash
 - ii) Appropriation of shares owned by the Holders of Share Options
 - iii) Deduction from salaries, bonuses, etc. of the Holders of Share Options
 - iv) Other methods specified by the Company

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

Classification	Name	Number of Share Options	Number of shares	Number of owners
Employees of the Company (Excluding Officers)	The 101st Share Options	20,040	2,004,000	8,548
	The 103rd Share Options	1,102	110,200	34
	The 104th Share Options	5,658	565,800	39
	The 107th Share Options	35,961	3,596,100	8,563
Officers and Employees of the Subsidiaries (Excluding Officers and Employees of the Company)	The 101st Share Options	26,236	2,623,600	6,356
	The 102nd Share Options	1,379	137,900	23
	The 103rd Share Options	2,371	237,100	43
	The 105th Share Options	103,160	10,316,000	2,857
	The 107th Share Options	32,919	3,291,900	5,462
	The 108th Share Options	473	47,300	12
	The 109th Share Options	52,524	5,252,400	1,615
	The 110th Share Options	2,948	294,800	156

Part 4 Matters Pertaining to Officers of the Company

1. Names of Directors and Audit & Supervisory Board Members

(As of December 31, 2022)

Title	Name	Responsibility within the Company and significant concurrent positions
Representative Director, Chairman, President & CEO	Hiroshi Mikitani	Representative Director, Chairman, President & CEO Group President of Group Company Division Representative Partner of Crimson Group, LLC. Chairman & Representative Director of Rakuten Vissel Kobe, Inc. Representative Director of Japan Association of New Economy Chairman of Tokyo Philharmonic Orchestra Chairman & Representative Director and team owner of Rakuten Baseball, Inc. Chairman & Representative Director of Rakuten Medical K.K. Director of AST & Science, LLC Representative Director & Chairman of Rakuten Mobile, Inc. Vice Chairman of the Board & Co-CEO of Rakuten Medical, Inc.
Representative Director & Vice Chairman	Masayuki Hosaka	Vice Chairman President of FinTech Group Company President & Representative Director of Rakuten Card Co., Ltd.
Representative Director & Group Executive Vice President	Kentaro Hyakuno	Group Executive Vice President COO President of Communications & Energy Company Director of JP Rakuten Logistics, Inc.
Director	Charles B. Baxter	— (Chairman & Director of Rakuten USA, Inc.)
Director Outside Independent	Ken Kutaragi	President, Representative Director & CEO of Cyber AI Entertainment Inc. Outside Director of GA technologies Co., Ltd Representative Director & CEO of Ascent Robotics 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	Takashi Mitachi	Outside Director of DMG MORI CO., LTD. Board Member of Ohara Museum of Art Outside Director of Tokio Marine Holdings, Inc. Chief Executive Director of Ronald McDonald House Charities Japan Distinguished Professor of Graduate School of Management of Kyoto University Outside Director of SUMITOMO CORPORATION
Director Outside Independent	Jun Murai	Outside Director of BroadBand Tower, Inc. Outside Director of LAC Co., Ltd. Professor of Keio University Special Advisor to the Cabinet Advisor to the Digital Agency Advisor and Senior Fellow of The International House of Japan, Inc. Director of World Wide Web Consortium, Inc.
Director Outside Independent	John V. Roos	Outside Director of Salesforce, Inc. CEO of The Roos Group, LLC Co-Founding Partner of Geodesic Capital

Title	Name	Responsibility within the Company and significant concurrent positions
Audit & Supervisory Board Member (Full-time)	Yoshiaki Nishikawa	—
Audit & Supervisory Board Member (Full-time) Outside Independent	Satoshi Fujita	—
Audit & Supervisory Board Member Outside Independent	Katsuyuki Yamaguchi	Outside Audit & Supervisory Board Member of FreeBit Co., Ltd. Outside Audit & Supervisory Board Member of HAKUHODO DY HOLDINGS INCORPORATED Managing Partner of Nishimura & Asahi NY LLP Director (External/Member of the Audit and Supervisory Committee) of BrainPad Inc.

- (Notes) 1. Satoshi Fujita was newly elected as and assumed the office of Audit & Supervisory Board Member at the 25th Annual General Shareholders' Meeting held on March 30, 2022.
2. Audit & Supervisory Board Member Takeo Hirata resigned as of March 28, 2022.
3. Ken Kutaragi, Sarah J. M. Whitley, Takashi Mitachi, Jun Murai and John V. Roos are Outside Directors.
4. Satoshi Fujita and Katsuyuki Yamaguchi are Outside Audit & Supervisory Board Members.
5. 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 2022 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year.
6. Director Jun Murai is Professor of Keio University; the university shares a role in operating an international standardization body to which the Company pays membership fees. The ratio of fees in fiscal 2022 was less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year. He is also Outside Director of 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 2022 was both less than 1% of the combined total amount of the cost of sales and the selling, general, and administrative expenses of the Company for the year.
7. Audit & Supervisory Board Member Katsuyuki Yamaguchi is Managing Partner of Nishimura & Asahi NY LLP and Director (External/Member of the Audit and Supervisory Committee) of BrainPad Inc., each of which has a business relationship including provision of services with the Company. The ratio of transactions between Nishimura & Asahi NY LLP and BrainPad Inc. and the Company in fiscal 2022 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.
8. The Company has appointed Ken Kutaragi, Sarah J. M. Whitley, Takashi Mitachi, Jun Murai, John V. Roos, Satoshi Fujita 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 twelve officers, namely, Directors Hiroshi Mikitani, Masayuki Hosaka, Kentaro Hyakuno, Charles B. Baxter, Ken Kutaragi, Sarah J. M. Whitley, Takashi Mitachi, Jun Murai and John V. Roos, and Audit & Supervisory Board Members Yoshiaki Nishikawa, Satoshi Fujita 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 and Executive Officers 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 intentionally or with gross negligence 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	Stock options	
Directors	638	288	99	251	9
(Of which, Outside Directors)	(61)	(46)	(-)	(15)	(5)
Audit & Supervisory Board Members	55	55	-	-	5
(Of which, Outside Audit & Supervisory Board Members)	(38)	(38)	(-)	(-)	(4)
Total	693	343	99	251	14

- (Notes) 1. The total amount of compensation for Directors shall not exceed the maximum amount (¥1,400 million per year, including ¥200 million for Outside Directors) resolved at the 18th Annual General Shareholders' Meeting held on March 27, 2015. The number of Directors at the conclusion of this Annual General Shareholders' Meeting was 16, including five Outside Directors.
2. The total amount of compensation for Audit & Supervisory Board Members shall not exceed the maximum amount (¥120 million per year) resolved at the 10th Annual General Shareholders' Meeting held on March 29, 2007. The number of Audit & Supervisory Board Members at the conclusion of this Annual General Shareholders' Meeting was four.
3. The Company resolved at the 23rd Annual General Shareholders' Meeting held on March 27, 2020, to grant share options as stock options exercisable while in service (maximum 10,000 units per fiscal year) and share options as retirement compensation stock options (maximum 10,000 units per fiscal year) as respectively detailed below to Directors (excluding Outside Directors), separately from the compensation described in Notes 1. and 2. The number of Directors (excluding Outside Directors) at the conclusion of this Annual General Shareholders' Meeting was three. The Company has granted 95 units of share options as stock options exercisable while in service and 2,507 units of share options as retirement compensation stock options to Directors (excluding Outside Directors) in the fiscal year. The details of each share options are as follows.
- I. Share options as stock options exercisable while in service
- (1) Persons to whom share options will be allotted
Directors of the Company
- (2) Class and number of shares to be issued upon exercise of share options
The class of shares to be issued upon the exercise of share options 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 options 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.

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

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 options to be issued

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

One hundred shares will be issued for each share option; 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 options will be adjusted accordingly.

(4) Cash payment for share options

No cash payment is required for share options.

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

The price for one share option will be one yen.

(6) Exercise period of share options

The exercise period will be from the date on which one year has passed from the issuance of the share options (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 options

- a) Those who received an allotment of the issue of Share Options (hereinafter "Holders of Share Options") will remain Directors (excluding Outside 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 Options have made applications for the exercise of share options 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 options 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 options may not be offered for pledge or disposed of in any other way.
- d) Share options may be exercised by the Holder of Share Options, in whole or in part, according to the following categories.
 - i) The entire allotment of share options 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 options 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 options, such fraction will be discarded).
 - iii) 35% of the allotment of share options (if a portion of the allotment of share options 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 options, such fraction will be discarded).
 - iv) 65% of the allotment of share options (if a portion of the allotment of share options 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 options, such fraction will be discarded).
 - v) The entire allotment of share options 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 Options 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 stock options 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 Options by the methods listed below.

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

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

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

(9) Other details of share options

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

II. Share options as retirement compensation stock options

(1) Persons to whom share options 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 options

The class of shares to be issued upon the exercise of share options 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 options 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.

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

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 options to be issued

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

One hundred shares will be issued for each share option; 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 options will be adjusted accordingly.

(4) Cash payment for share options

No cash payment is required for share options.

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

The price for one share option will be one yen.

(6) Exercise period of share options

The exercise period will be from the date on which share options 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 options

- a) Those who received an allotment of the issue of share options (hereinafter "Holders of Share Options"), 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 options 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 options may not be offered for pledge or disposed of in any other way.
- d) The Holders of Share Options 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 stock options 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 Options by the methods listed below.
 - i) Receipt by cash
 - ii) Appropriation of shares owned by the Holders of Share Options
 - iii) Deduction from salaries, bonuses, etc. of the Holders of Share Options
 - iv) Other methods specified by the Company

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

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

(9) Other details of share options

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

4. The Company resolved at the 25th Annual General Shareholders' Meeting held on March 30, 2022, to grant share options as stock options exercisable while in service (maximum 1,000 units per fiscal year) and detailed below to Outside Directors, separately from the compensation described in Notes 1. and 2. The number of Outside Directors at the conclusion of this Annual General Shareholders' Meeting was five. The Company has granted 587 units of share options as stock options exercisable while in service to Outside Directors in the fiscal year. The details of each share options are as follows.

Share options as stock options exercisable while in service

(1) Persons to whom share options will be allotted

Outside Directors of the Company

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

The class of shares to be issued upon the exercise of share options 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 options 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.

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

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 options to be issued

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

One hundred shares will be issued for each share option; 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 options will be adjusted accordingly.

(4) Cash payment for share options

No cash payment is required for share options.

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

The price for one share option will be one yen.

(6) Exercise period of share options

The exercise period will be from the date on which one year has passed from the issuance of the share options (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 options

- a) Those who received an allotment of the issue of share options (hereinafter "Holders of Share Options") 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 Options have made applications for the exercise of share options 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 options 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 options may not be offered for pledge or disposed of in any other way.
- d) Share options may be exercised by the Holder of Share Options, in whole or in part, according to the following categories.
 - i) The entire allotment of share options 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 options 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 options, such fraction will be discarded).
 - iii) 35% of the allotment of share options (if a portion of the allotment of share options 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 options, such fraction will be discarded).
 - iv) 65% of the allotment of share options (if a portion of the allotment of share options 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 options, such fraction will be discarded).
 - v) The entire allotment of share options 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 Options 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 stock options 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 Options by the methods listed below.
 - i) Receipt by cash
 - ii) Appropriation of shares owned by the Holders of Share Options
 - iii) Deduction from salaries, bonuses, etc. of the Holders of Share Options
 - iv) Other methods specified by the Company

(8) Grounds and terms of acquisition of share options

- 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 options 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 Options before they exercise said options, the Company may obtain the share options without contribution on the date separately specified by the Company's Board of Directors.

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

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

(10) Other details of share options

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

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

- The 21st Annual General Shareholders' Meeting held on March 29, 2018 (Recipients: Directors (excluding Outside Directors))
- The 22nd Annual General Shareholders' Meeting held on March 28, 2019 (Recipients: Directors (excluding Outside Directors))
- The 23rd Annual General Shareholders' Meeting held on March 27, 2020 (Recipients: Directors (excluding Outside Directors))
- The Board of Directors' meeting held on April 15, 2021 (Recipients: Directors (excluding Outside Directors))
- The Board of Directors' meeting held on April 14, 2022 (Recipients: Directors (excluding Outside Directors) and Outside Directors)

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

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

1) Basic Policies

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

For executive Directors, a level of compensation that is globally competitive is set to secure and maintain excellent human resources. The portion of share options 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 stock option as medium- to long-term incentive compensation, annual payment)

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

(For Non-executive Directors and Outside Directors)

- a. Basic compensation (fixed, monthly payment)

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

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

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

(For Executive Directors)

[Indicators]

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

[Method of calculation]

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

(For Non-executive Directors and Outside 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 and Outside Director shall be non-cash compensation determined based on the role of each non-executive director and outside director.

(Note) Consolidated operating income (loss) for the fiscal year ended December 31, 2022, is shown in "Present Situation of the Rakuten Group".

4) Compensation Determination Process

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

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

6. Matters Concerning Outside Officers

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

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

(2) Major Activities during the Fiscal Year

Classification	Name	Attendance of the meetings of the Board of Directors	Attendance of the meetings of the Audit & Supervisory Board	Major Activities and Overview of Duties that were Carried Out with Respect to Expected Roles
Outside Directors	Ken Kutaragi	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 expertise in the entertainment business and technologies along with his extensive experience in corporate management.
	Sarah J. M. Whitley	12 out of the 13 meetings (92%)	—	She offered advice and recommendations for ensuring the validity and appropriateness of decision-making by the Board of Directors based on her extensive knowledge and experience as an investor.
	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 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 experience as an academic expert in internet technology.
	John V. Roos	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 experience including as CEO of a leading law firm that has strengths primarily in the area of technology and U.S. Ambassador to Japan.
Classification	Name	Attendance of the meetings of the Board of Directors	Attendance of the meetings of the Audit & Supervisory Board	Major Activities
Outside Audit & Supervisory Board Members	Satoshi Fujita	10 out of the 10 meetings (100%)	5 out of the 5 meetings (100%)	He made necessary statements (questions, opinions, etc.) based on his extensive knowledge and experience related primarily to finance and business management.
	Katsuyuki Yamaguchi	13 out of the 13 meetings (100%)	7 out of the 7 meetings (100%)	He made necessary statements (questions, opinions, etc.) based on his expertise and extensive experience as a legal attorney on corporate legal affairs.

(Note) Satoshi Fujita's record indicates his attendance at the meetings of the Board of Directors and the Audit & Supervisory Board after assuming the office of Audit & Supervisory Board Member on March 30, 2022.

Part 5 Status of the Accounting Auditor

1. Name of the Accounting Auditor

ERNST & YOUNG SHINNIHONLLC

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

- | | |
|---|--------------|
| (1) Amount of compensation for services set forth in Article 2, Paragraph 1 of Certified Public Accountants Act | ¥226 million |
| (2) Total amount of cash and other financial benefits payable to the Accounting Auditor by the Company and its subsidiaries | ¥892 million |

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

3. Non-Audit Services

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

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

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

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

Part 6 The Company's Structure and Policy

1. Structure to Ensure Execution of Duties

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

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

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

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

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

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

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

(3) System for Risk Management

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

The CFO, CISO, COO, and CCO shall monitor the status of risks and action plans in their respective fields (i.e., finance, information security, compliance)--identified in their respective risk assessments--and treat, as needed, critical risks and those which affect the entire Group

to reduce their impact and prevent materialization. The status of such risk treatment activities shall be discussed at the Group Risk and Compliance Committee and the outcome reported to the Important Meetings. Critical risks and related measures shall be reported to management at the Rakuten Group, Inc. Board of Directors or other Important Meetings.

With regard to information and personal data management, a critical risk, the Group Information Security and Privacy Committee shall convene to report/make decisions on important measures and incidents which have occurred since the previous meeting. Furthermore, to control investment-related risks, 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. The Internal Audit Department shall independently audit the compliance status of Rakuten Group, Inc., and Group Companies 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 “the 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 and reporting to Rakuten Group, Inc. based on the Rakuten Group Authority Table and Rakuten Group Guidelines. 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 the aforementioned "Structure to Ensure Execution of Duties," under which the following initiatives have been implemented.

(1) System for compliance

- i) The Company has established a reporting system between the CCO and each Company Compliance Officer based on an internal Company System. Through this, the Company maintains and strengthens a system for compliance across the Group. Under this system, the Company held four meetings of the Group Risk and Compliance Committee comprising the CCO, Company Compliance Officers, etc., from January to December 2022. At these meetings, reports were made, and discussions were held on promotion of effective compliance at the Group level, reports on responses to important risks and compliance-related matters, sharing of best practices, and proposals of compliance management strategies.
- ii) In May 2006, the Rakuten Group Code of Ethics was established, and employee training has been conducted on an ongoing basis to ensure employees are well-informed about its spirit. Specifically, Rakuten Group has carried out morning meetings focused on compliance and business ethics, compliance and business ethics training for new recruits, education on business ethics and key internal rules for employees, and compliance pledges by Rakuten Group employees to comply with and adhere to internal regulations.
- iii) The Company has stipulated Rakuten Group's internal whistleblower system in the Rakuten Group Guidelines, and the system is operating in Japan and overseas Group Companies. The status of whistleblower reports at the Company's internal whistleblowing contact point has been reported to the Board of Directors and Audit & Supervisory Board Members.

(2) System for risk management

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

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

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

- ii) A meeting of the Investment Committee, which consists of members including Outside Directors and 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

Regarding the policy for shareholder returns, the Company will strive to pay stable and continuous dividends, while taking into account the importance of making investments for medium to long-term growth and ensuring sufficient internal reserves for the purpose of stabilizing our financial base. With respect to the required level of shareholders' equity, the Company's basic philosophy is as follows.

- Prepare a financial basis sound enough for the Company to capture growing business opportunities promptly and accurately
- Ensure sufficiency in relation to risks associated with business activities and assets
- Maintain the financial rating required for stable financing, while sustaining the level of shareholders' equity in compliance with regulatory requirements

For the fiscal year, the Company decided to pay a dividend of ¥4.5 per share (¥4.5 per share for the previous fiscal year) at the Meeting of the Board of Directors held on February 14, 2023.

The decision-making organ of the Company for distribution of dividends of surplus is the Board of Directors. Payment in principle is made once a year in the form of a year-end dividend. Other matters in accordance with the provisions of Article 459, Paragraph 1 of the Companies Act shall be subject to judgment based on management status and other factors.

(Reference) Trends in dividend per share

	(Yen)			
	23rd (From January 1, 2019 to December 31, 2019)	24th (From January 1, 2020 to December 31, 2020)	25th (From January 1, 2021 to December 31, 2021)	26th (From January 1, 2022 to December 31, 2022)
Dividend per share	4.50	4.50	4.50	4.50

Purchase of treasury stock will be determined flexibly, as a financial measure towards contributing to the enhancement of shareholder value.

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, 2022)

(Millions of Yen)

Assets		Liabilities	
Items	Amounts	Items	Amounts
Cash and cash equivalents	4,694,360	Accounts payable - trade	450,562
Accounts receivable - trade	364,186	Deposits for banking business	8,419,097
Financial assets for securities business	3,430,776	Financial liabilities for securities business	3,494,467
Loans for credit card business	2,776,044	Derivative liabilities	35,727
Investment securities for banking business	916,651	Bonds and borrowings	1,760,781
Loans for banking business	3,507,559	Borrowings for securities business	157,542
Investment securities for insurance business	269,867	Bonds and borrowings for credit card business	812,738
Derivative assets	181,106	Borrowings for banking business	2,181,689
Investment securities	161,071	Other financial liabilities	1,627,300
Other financial assets	1,213,937	Income taxes payable	18,139
Investments in associates and joint ventures	77,541	Provisions	242,909
Property, plant and equipment	1,262,115	Insurance business policy reserves	200,545
Intangible assets	974,372	Employee retirement benefit liabilities	34,743
Deferred tax assets	281,950	Deferred tax liabilities	4,709
Other assets	325,763	Other liabilities	125,260
		Total liabilities	19,566,208
		Equity	
		Equity attributable to owners of the Company	813,730
		Common stock	294,061
		Capital surplus	353,786
		Other equity instruments	317,316
		Retained earnings	(253,961)
		Treasury stock	(0)
		Other components of equity	102,528
		Non-controlling interests	57,360
		Total equity	871,090
Total assets	20,437,298	Total liabilities and equity	20,437,298

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

Consolidated Statements of Income

(Year ended
December 31, 2022)

(Millions of Yen)

Items	Amounts
Continuing operations	
Revenue	1,927,878
Operating expenses	2,254,118
Other income	8,383
Other expenses	46,035
Operating loss	(363,892)
Financial income	115,432
Financial expenses	156,886
Share of losses of investments in associates and joint ventures	(2,548)
Loss before income tax	(407,894)
Income tax expense	(31,983)
Net loss	(375,911)
Net loss attributable to:	
Owners of the Company	(372,884)
Non-controlling interests	(3,027)
Net loss	(375,911)

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

Balance Sheet (J-GAAP)

(As of December 31, 2022)

(Millions of Yen)

Asset		Liabilities	
Items	Amounts	Items	Amounts
Current assets	1,611,606	Current liability	1,434,992
Cash and deposits	92,605	Accounts payable-trade	34,899
Accounts receivable-trade	203,068	Commercial papers	174,000
Merchandise	14,240	Short-term loans payable	168,334
Supplies	548	Current portion of bonds	10,000
Prepaid expenses	9,624	Accounts payable-other	532,491
Accounts receivable-other	480,563	Accrued expenses	26,439
Income taxes receivable	5,736	Advance received	4,796
Short-term loans receivable from subsidiaries and affiliates	648,056	Deposits received	248,875
Other	157,735	Provision for point card certificates	223,024
Allowance for doubtful accounts	(571)	Provision for bonuses	6,077
Noncurrent assets	2,093,777	Suspense receipt	1,778
Property, plant and equipment	71,568	Other	4,275
Buildings	18,944	Noncurrent liabilities	1,488,131
Machinery, equipment and vehicles	236	Bonds	1,252,397
Tools, furniture and fixture	19,463	Long-term loans payable	180,501
Land	3,682	Provision for retirement benefits	19,666
Construction in progress	12,372	Asset retirement obligations	11,349
Other	16,869	Other	24,216
Intangible assets	88,294		
Goodwill	4,393	Total liabilities	2,923,123
Patent right	446		
Trademark	371	Net assets	
Software	60,369	Shareholders' equity	748,759
Software in progress	11,782	Common stock	294,061
Other	10,931	Capital surplus	261,963
Investments and other assets	1,933,914	Legal capital surplus	261,597
Investment securities	67,518	Other capital surplus	365
Stocks of subsidiaries and affiliates	1,702,619	Retained earnings	192,735
Investments in capital of subsidiaries and affiliates	10,402	Other retained earnings	192,735
Long-term loans receivable from subsidiaries and affiliates	6,339	Retained earnings brought forward	192,735
Claims provable in bankruptcy, claims provable in rehabilitation, and other	6,047	Treasury stock	(0)
Long-term prepaid expenses	955	Valuation and translation adjustments	469
Lease and guarantee deposits	10,578	Unrealized gains or losses on available-for-sale securities	469
Deferred tax assets	109,708	Share options	33,032
Other	26,925		
Allowance for doubtful accounts	(7,182)	Total net assets	782,261
Total assets	3,705,384	Total liabilities and net assets	3,705,384

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

Income Statement (J-GAAP)

(Year ended
December 31, 2022)

(Millions of Yen)

Items	Amounts	
Net sales		749,420
Cost of sales		220,841
Gross profit		528,578
Selling, general and administrative expenses		510,721
Operating profit		17,857
Non-operating income		
Interest income	6,317	
Dividends income	139,097	
Other	2,828	148,244
Non-operating expenses		
Interest expenses	28,058	
Foreign exchange loss	12,577	
Commission fee	4,943	
Loss on renunciation of claims of subsidiaries and affiliates	4,242	
Other	2,801	52,623
Ordinary profit		113,477
Extraordinary gain		
Gain on sales of non-current assets	175	
Gain on liquidation of subsidiaries and affiliates	25	
Other	9	210
Extraordinary loss		
Loss on disposal of properties	1,184	
Impairment loss	554	
Loss on valuation of investment securities	200,539	
Loss on valuation of stocks of subsidiaries and affiliates	1,086	
Other	108	203,473
Loss before income taxes		(89,785)
Income taxes-current	13,330	
Income taxes-deferred	(15,903)	(2,573)
Net loss		(87,211)

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