

July 21, 2021  
Company name Rakuten Group, Inc.  
Representative Hiroshi Mikitani  
Chairman and CEO  
(Stock Code: 4755  
Tokyo Stock Exchange First Section)

Announcement of Merger (Simplified Merger and Short form Merger)  
of LOB, Inc.

At a Board of Directors meeting held today, Rakuten Group, Inc. (Chairman and CEO: Hiroshi Mikitani, hereinafter “the Company”) resolved to merge LOB, Inc. (CEO: Fumitaka Takebayashi, hereinafter “LOB”), a subsidiary of the Company, into the Company effective October 1, 2021, as outlined below. The Company plans to acquire 100% of the shares of LOB by September 30, 2021, and LOB is planned to be wholly-owned subsidiary of the Company. Therefore, since this merger is an absorption-type merger of LOB, the disclosure of certain items and details has been omitted.

1. Purpose of merger

LOB, as a subsidiary of the Company, has been developing products for the internet advertising and marketing support businesses. The Company decided to acquire 100% of the shares of LOB and conduct this merger, to increase operational efficiencies and to improve the quality of its services.

2. Summary of merger

(1) Schedule

|   |                 |
|---|-----------------|
| Merger resolution by the Board of Directors | July 21, 2021   |
| Merger contract date                        | July 28, 2021   |
| Expected merger date (effective date)       | October 1, 2021 |

(Note 1) According to simplified merger rules in Company Law article 796 clause 2, the Company is proceeding with the merger without receiving approval at the Annual General Shareholders Meeting.

(Note 2) According to short form merger rules in Company Law article 784 clause 1, LOB is proceeding with the merger without receiving approval at the Annual General Shareholders Meeting.

(2) Merger method

The Company shall be the surviving company under absorption-type merger, and LOB shall be dissolved.

(3) Merger ratio

Since this will be a merger of a wholly-owned subsidiary, there will be no issuance of new shares, no increase in shareholders' equity, and no payment for the merger.

(4) Handling of subscription rights to shares and bonds with subscription rights to shares of the dissolved company

LOB has not issued any subscription rights to shares and any bonds with stock acquisition right.

3. Overview of companies in merger (As of December 31, 2020)

|  |  |   |
|--|--|---|
| Company name                                     | Rakuten Group, Inc.<br>(Company surviving absorption type merger)<br>*Company name was changed from Rakuten, Inc. on April 1, 2021 | LOB, Inc.<br>(Company absorbed in absorption type merger)   |
| Head office                                      | 1-14-1 Tamagawa,<br>Setagaya-ku, Tokyo   | 1-14-1 Tamagawa,<br>Setagaya-ku, Tokyo  |
| Representative                                   | Hiroshi Mikitani   | Fumitaka Takebayashi  |
| Main business                                    | Internet Services, FinTech, Mobile,<br>etc.  | Internet advertising business and<br>marketing support business, etc.                                       |
| Shareholders' equity                             | 205,924 million yen  | 15 million yen  |
| Date of establishment                            | February 7, 1997   | April 28, 2016  |
| Outstanding no. of shares                        | 1,434,573,900 shares   | 5,250 shares  |
| Fiscal year end                                  | December 31  | December 31   |
| Major shareholders and percentage of shares held | Crimson Group, LLC. 16.62%<br>Hiroshi Mikitani 12.94%  | Rakuten Group, Inc. 91.32%<br>*Planned to be a wholly owned subsidiary of the Company on September 30, 2021 |

#### Business results

|  | Rakuten Group, Inc.<br>(Consolidated, IFRS) |
|--|---|
| Fiscal year  | Year ended December 31, 2020                |
| Total equity (million yen)   | 629,014                                     |
| Total assets (million yen)   | 12,524,438                                  |
| Total equity attributable to owners of the parent company per share (yen)      | 446.78                                      |
| Revenue (million yen)  | 1,455,538                                   |
| Operating income (loss) (million yen)  | (93,849)                                    |
| Net income (loss)  | (115,838)                                   |
| Net income (loss) attributable to owners of the parent company (million yen)   | (114,199)                                   |
| Net income (loss) attributable to owners of the parent company per share (yen) | (84.00)                                     |

|                                | LOB, Inc.<br>(Non-consolidated, J-GAAP) |
|--------------------------------|---|
| Fiscal year                    | Year ended December 31, 2020            |
| Net assets (million yen)       | 30                                      |
| Total assets (million yen)     | 135                                     |
| Net assets per share (yen)     | 5,899.27                                |
| Revenue (million yen)          | 499                                     |
| Operating income (million yen) | 18                                      |
| Ordinary income (million yen)  | 18                                      |
| Net income (million yen)       | 2                                       |
| Net income per share (yen)     | 531.75                                  |

#### 4. Post-merger details

Following this merger, there are no changes to the business name, head office, title and name of representative, main business, shareholders equity and fiscal year end of the Company.

#### 5. Impact on business results

Since this is a merger of a wholly-owned subsidiary, the impact on Rakuten Group consolidated financial performance is limited.