

January 26, 2024
Company name Rakuten Group, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange Prime Market)

Announcement Regarding the Issuance of USD Denominated Senior
Notes and Purchases of USD Denominated Senior Notes
and JPY Denominated Senior Bonds

Rakuten Group, Inc. (the “Company”) announced that it has determined yesterday (U.S. time, January 25) to issue USD denominated senior notes due 2027 in overseas markets outside Japan, and to commence cash tender offers for certain of our USD denominated senior notes maturing 2024 in overseas markets outside Japan. In the future, it may also purchase JPY denominated senior bonds in domestic markets.

Background and Purposes of the Transaction

As announced in our presentation “FY2022 Fourth Quarter and Full Year Consolidated Financial Results CEO Group Strategy” dated February 14, 2023, under our policy of conducting disciplined management with due consideration to the balance between growth investment and mid- to long-term financial soundness without excessive dependence on interest-bearing debt, we have strengthened our financial soundness.

We have worked to procure various non-interest-bearing debt funding, including the issuance of new equity through a public offering and concurrent third-party allotments, the secondary offering of shares of Rakuten Bank, Ltd. owned by the Company in April 2023 and December 2023, and the partial transfer of shares of Rakuten Securities, Inc. to Mizuho Securities Co., Ltd. by Rakuten Securities Holdings, Inc. in November 2022 and December 2023.

Under this background, we are currently working on balance sheet management through reduction of total debt and proactive debt maturity management.

Now, as part of our efforts for proactive debt maturity management, we have determined to

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issue USD denominated senior notes due 2027 (the “Offering”), and to commence cash tender offers (the “Concurrent Offers to Purchase”) for certain of our USD denominated senior notes due 2024 (each series, a “series of Notes”) funded by cash on hand and the net proceeds from the Offering. For details, please refer to "Rakuten Announces Cash Tender Offers for U.S. Dollar Senior Notes Maturing 2024" also announced today. Also, we will make a separate announcement after issuance conditions for the USD denominated senior notes due 2027 have been determined.

After the settlement of the Concurrent Offers to Purchase, we intend to repurchase certain of our JPY denominated senior bonds scheduled to mature in and after 2024 with cash on hand and any remaining proceeds from the Offering. In such case, we will make a separate announcement after the settlement of the Concurrent Offers to Purchase.

* The series of Notes are comprised of (1) USD denominated senior notes due November 2024 issued in November 2022 and January 2023 (outstanding amount: USD 500 million and USD 450 million, initial coupon rate: 10.250%, coupon rate after currency swap: 5.30275% and 6.11962%), (2) USD denominated senior notes due November 2024 issued in November 2019 (outstanding amount: USD 800 million, initial coupon rate: 3.546%, coupon rate after currency swap: 1.62730%). The total maximum amount of the series of Notes is planned to be up to USD 1 billion. The total maximum amount of the series of Notes can be increased or decreased at our sole discretion.

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