

February 28, 2025  
Company name Rakuten Group, Inc.  
Representative Hiroshi Mikitani  
Chairman and CEO  
(Stock Code: 4755  
Tokyo Stock Exchange Prime Market)

## Share Options as Stock Options

At the 23rd Annual General Shareholders' Meeting held on March 27, 2020, the Company obtained approval to grant share options exercisable while in service and share options as retirement compensation stock options (hereinafter collectively "Share Options") as compensation, etc. for the Company's Directors (excluding Outside Directors; hereinafter, the same shall apply in this proposal), not exceeding 10,000 units in each fiscal year, respectively.

Rakuten Group, Inc. (hereinafter the "Company") announces that the Board of Directors today resolved to propose that at the 28th Annual General Shareholders' Meeting to be held on March 28, 2025, the Company requests the approval revise the grant of share options approved at the 23rd Annual Shareholders' Meeting to increase the number of share options exercisable while in service to be issued to 15,000 units and the number of share options as retirement compensation stock options to be issued to 20,000 units, separately from the amount of compensation approved at the 26th Annual General Shareholders' Meeting held on March 30, 2023, in order to strengthen the Company's compensation competitiveness to acquire and secure excellent human resources globally and to further promote the continuous enhancement of the Group's corporate and shareholder value by increasing the motivation of the Company's Directors.

The main changes to the details of the Share Options from the content of the proposal approved at the resolution of the 23rd Annual General Shareholders' Meeting are "(2) Class and number of shares to be issued upon exercise of Share Options" and "(3) Total number of Share Options to be issued" in "2. Details of Share Options to be issued as stock options exercisable while in service" and "(2) Class and number of shares to be issued upon exercise of Share Options" and "(3) Total number of Share Options to be issued" in "3. Details of Share Options to be issued as retirement compensation stock options."

Given the approval of Proposal as proposed, the Company shall have three Directors (excluding Outside Directors), three of whom shall serve concurrently as Executive Officers of the Company.

1. The reason for justifying the revision of grant of Share Options to Directors and the basis for calculation  
[Reason for justifying the revision]

Since the value of the Share Options is linked with the Company's stock price, the Company believes that delivering the Share Options to the Company's Directors will allow them to share the gains of shareholders when stock prices rise and feel shareholders' losses when stock prices fall, thus enhancing their motivation to achieve higher performance and higher stock prices. The Company has established the policies on determining the amount of Directors' compensation and the calculation method thereof (hereinafter "Compensation Policies"; for details, refer to "Part 4 Matters Pertaining to Officers of the Company, 5. Compensation of Directors and Audit & Supervisory Board Members, (2) Policies on Determining the Amount of Directors' Compensation and the Calculation Method (Compensation Policies)" in the Business Report), which allows the Company to grant the Share Options to its Directors; however, even if this proposal is approved, the Company does not plan to change the Compensation Policies. The Company believes that this proposal is appropriate since

it is in line with the Compensation Policies, and it will strengthen the Company's compensation competitiveness to acquire and secure excellent human resources from around the world, while also contributing to increasing the motivation of the Company's Directors to continuously maximize the Group's corporate and shareholder value.

[Basis for Calculation]

The amount of Share Options to be delivered as part of the remuneration for the Company's Directors will be calculated by multiplying fair value of each Share Options calculated on the day when such rights are allotted, by the number of Share Options allotted to the Company's Directors. Fair value of each Share Options will be based on the fair unit price valuation calculated applying variables including share price on the day when the Share Options are allotted and the conditions of Share Options, etc. using an equity option pricing model such as the Black-Scholes model.

2. Details of Share Options to be issued 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 1,500,000.

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 for the above purpose 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.

$$\begin{array}{rcccl} \text{Number of shares} & & \text{Number of shares} & \times & \text{Ratio of split or} \\ \text{after adjustment} & = & \text{before adjustment} & & \text{consolidation} \end{array}$$

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 15,000 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.

Furthermore, the Share Options are granted through a fair issuance as compensation for the execution of duties, and do not fall under the definition of issuance on favorable terms.

(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, 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) Reasons for and conditions of the acquisition of Share Options
- a). If a merger agreement in which the Company is the dissolving 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 in which the Company becomes a wholly owned subsidiary is approved at a general shareholders' meeting, the Company may acquire the Share Options without consideration on a date separately determined by the Board of Directors of the Company.
  - b). If the Holders of Share Options no longer meet the conditions stipulated in (7) a). before exercising their rights, the Company may acquire such Share Options without consideration on a day separately determined by the Board of Directors of the Company.

- (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.

3. Details of Share Options to be issued 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 2,000,000.

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 for the above purpose 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.

$$\begin{array}{rcccl} \text{Number of shares} & & \text{Number of shares} & & \text{Ratio of split or} \\ \text{after adjustment} & = & \text{before adjustment} & \times & \text{consolidation} \end{array}$$

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 action.

- (3) Total number of Share Options to be issued  
 Share Options to be issued in each fiscal year will not exceed 20,000 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.  
 Furthermore, the Share Options are granted through a fair issuance as compensation for the execution of duties, and do not fall under the definition of

issuance on favorable terms.

(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 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) Reasons for and conditions of the acquisition of Share Options

- a). If a merger agreement in which the Company is the dissolving 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 in which the Company becomes a wholly owned subsidiary is approved at a general shareholders' meeting, the Company may acquire the Share Options without consideration on a date separately determined by the Board of Directors of the Company.
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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.