May 12, 2023

Company name Rakuten Group, Inc.

Representative Hiroshi Mikitani

Chairman and CEO

(Stock Code: 4755

Tokyo Stock Exchange Prime Market)

Notice Regarding Recording of Changes in Equity and Gains/Losses on Sale of Shares Accompanying the Issuance of Shares for Subscription by a Subsidiary and the Sale of a Portion of the Subsidiary's Shares

Rakuten Group, Inc. (hereafter the “Company”) announces that following the new listing of Rakuten Bank, Ltd. (hereafter, “Rakuten Bank”), a consolidated subsidiary of the Company, on the Tokyo Stock Exchange Prime Market on April 21, 2023, we issued shares for subscription and sold a portion of the shares owned by the Company. We have calculated the impact for the second quarter of the fiscal year ending December 31, 2023, as follows.

1. Overview

When Rakuten Bank, a consolidated subsidiary of the Company, was listed on the stock exchange, we sold a portion of the common shares of Rakuten Bank held by the Company (hereinafter referred to as "Rakuten Bank shares"), and Rakuten Bank also issued new shares through a public offering.

(1) Overview of offering of newly listed shares

1. No. of shares offered	Common stock 5,555,500
2. Offering method	Book building method
3. Issue price	1,400 yen per share
4. Underwriting amount	1,330 yen per share This is the amount that Rakuten Bank received from the underwriters as paid-up shares. The difference between the issue price and the underwriting amount in the domestic offering were proceeds to the underwriters.
5. Amount paid	1,105 yen per share This amount is the same as the amount paid under the Companies Act, which was determined at a meeting of the Board of Directors of

	Rakuten Bank held on April 5, 2023.
6. Amount incorporated into common stock	665 yen per share
7. Total issue amount	6,138,827,500 yen
8. Total amount incorporated into common stock	3,694,407,500 yen
9. Payment date	April 20, 2023

(Note) The amount incorporated into common stock is the increase of common stock per share.
The increased amount of capital surplus is 665 yen per share.

(2) Overview of partial offering of Rakuten Bank common stock owned by the Company

1. No. of shares sold	Domestic offering by underwriter's purchase and acceptance: 21,966,400 shares of common stock Overseas secondary offering by underwriters: 31,984,900 shares of common stock Secondary offering by way of over-allotment (Note): Maximum of 4,463,000 shares of common stock
2. Method of sale	Book building method
3. Total selling amount	Domestic offering: 30,752,960,000 yen Overseas sales: 44,778,860,000 yen Sale by over-allotment 6,248,200,000 yen
4. Delivery date	Secondary offering by underwriters April 21, 2023

(Note) 1. Offering though over-allotment relates to the domestic offering and the domestic underwriting which Daiwa Securities Co., Ltd. conducted in Japan as a result of taking into consideration the demand situation.

2. In connection with the offering through over-allotment, Rakuten Bank passed a resolution to issue new shares at its Board of Directors meeting held on March 22, 2023. Also, Daiwa Securities Co., Ltd. may purchase Rakuten Bank Shares up to the limit on the Stock Exchange between April 21, 2023 and May 19, 2023, after consulting with Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mizuho Securities Co., Ltd., Goldman Sachs Japan Co. Ltd., and SMBC Nikko Securities Inc., to return shares borrowed from the Company.

2. Impact on consolidated financial statements

Since the Company will own 63.3% of the total number of issued shares of Rakuten Bank even after the transactions in (1) and (2) above, transactions (1) and (2) above fall under the category of sale of a portion of the shares of a subsidiary with which the Company continues to have a controlling relationship.

Therefore, the difference in change in equity and gains/losses on sales of shares (before tax) related to (1) and (2) above are recorded as a decrease in capital surplus. As a result, in the second quarter of the fiscal year ending December 31, 2023 (as of the date of this release), capital surplus should decrease by approximately 7 billion yen, and non-controlling interests should increase by approximately 85 billion yen.