

Company name	Rakuten Group, Inc.
Representative	Hiroshi Mikitani Chairman and CEO (Stock Code: 4755, TSE Prime)

Notice Regarding Business Succession Through Company Split (Simplified Absorption-Type Split) and Partial Revision to the “Announcement of Merger (Simplified Merger and Short form Merger) of Subsidiaries” Dated May 14, 2025

Rakuten Group, Inc. (hereinafter “the Company”) announces that, at a meeting of the Board of Directors held today, with respect to the absorption-type mergers announced in the notice dated May 14, 2025 titled “Announcement of Merger (Simplified Merger and Short form Merger) of Subsidiaries,” it has resolved to exclude Rakuten STAY, Inc. (hereinafter “Rakuten STAY”), from the scope of the absorption-type mergers in light of the highly independent nature of its business. However, the Company resolved to have the Oyado business (hereinafter “Oyado”) operated by Rakuten STAY, as well as the shares of Rakuten STAY Operations, Inc. (hereinafter “Rakuten STAY Operations”) and Yufuin Kutsuroginosato Co.,Ltd. (hereinafter “Yufuin Kutsuroginosato”) held by Rakuten STAY, be transferred to the Company through a company split (hereinafter “Company Split”).

Please note that as this Company Split involves wholly-owned subsidiaries (sub-subsidiaries) of the Company, certain disclosure items and details have been omitted.

1. Purpose of the Company Split

The Rakuten Group’s core mission is to “contribute to society by creating value through innovation and entrepreneurship”. Currently, the Group does not limit its activities to e-commerce, but offers over 70 diverse services, from internet services such as travel, digital contents and communications, FinTech (financial) services such as credit cards, banking, securities, insurance, electronic money and smartphone app payment, mobile services such as MNO (Mobile Network Operator) business, to management of professional sports teams. These various services cover a wide range of life scenes and are organically linked together around membership, centering on Rakuten members, enhancing cross use activity by users within the Group’s services, and expanding our own unique Rakuten Ecosystem. By creating an environment that allows domestic and international members to use these multiple services in a migratory and continuous manner, the Rakuten Group aim to enlarge the lifetime value per member, create synergies such as minimization of customer acquisition costs, and maximize the Group revenues.

Based on these business objectives, we have decided to implement this Company Split, taking into account business affinity and other factors, with the aim of creating synergies, reducing administrative costs and improving operational efficiency. While the Company will continue to review the optimal organizational structure on an ongoing basis and may implement additional reorganization, any matters requiring disclosure will be promptly announced.

2. Summary of the Company Split

(1) Schedule

Resolution date by the Board of Directors October 29, 2025

Contract date October 29, 2025

Effective date (tentative) January 1, 2026

(Note 1) Dates are tentative and subject to change.

(Note 2) As the Company Split constitutes a simplified absorption-type split for the Company under Article 796, Paragraph 2 of the Companies Act, and a short-form split for Rakuten Stay under Article 784, Paragraph 1 of the Companies Act, it will be carried out without receiving approval at the Annual General Shareholders Meeting.

(2) Method of the Company Split

This is an absorption-type split, with Rakuten Stay as the splitting company and the Company as the successor company.

(3) Details of the allotment pertaining to the Company Split

Rakuten Stay is scheduled to become a direct wholly owned subsidiary of the Company immediately prior to the effective time of the Company Split.

The Company Split will be implemented without consideration.

(4) Handling of subscription rights to shares and bonds accompanying the company split

Not applicable.

3. Overview of the Companies Involved in the Company Split (as of December 31, 2024)

	Split Company	Successor Company
(1) Company name	Rakuten STAY, Inc.	Rakuten Group, Inc.
(2) Head office	14 th Floor, NBF Shinagawa Tower, 2-16-5 Konan, Minato-ku, Tokyo	1-14-1 Tamagawa, Setagaya-ku, Tokyo
(3) Representative	Katsuhiko Tsutai (as of October 29, 2025)	Hiroshi Mikitani
(4) Main business	Hotel/private accommodation reservation website operation and agency business, etc.	Internet Services, etc.
(5) Shareholders' equity	10 million yen	452,647 million yen
(6) Date of establishment	March 13, 2017	February 7, 1997
(7) Outstanding no. of shares	3,650 shares	2,154,483,600 shares

(8) Fiscal year end	December 31	December 31
(9) Major shareholders and percentage of shares held	RAKUTEN TRAVEL XCHANGE PTE.LTD. 100%*	Crimson Group, LLC. 10.51% The Master Trust Bank of Japan, Ltd. (Trust account) 10.06% Hiroshi Mikitani 8.20%

* RAKUTEN TRAVEL XCHANGE PTE.LTD. is wholly owned by Rakuten Group, Inc. through a wholly-owned subsidiary of the Company.

(10) Business results of the most recent fiscal year

	Rakuten STAY, Inc. (Non-consolidated, J-GAAP)
Fiscal Year	Year ended December 31, 2024
Net assets (million yen)	567
Total assets (million yen)	2,441
Net assets per share (yen)	155,220.99
Revenue (million yen)	5,606
Operating income (loss) (million yen)	457
Ordinary income (loss) (million yen)	462
Net income (loss) (million yen)	307
Net income (loss) per share (yen)	84,116.70

	Rakuten Group, Inc. (Consolidated, IFRS)
Fiscal year	Year ended December 31, 2024
Total equity attributable to owners of the parent company (million yen)	927,868
Total assets (million yen)	26,514,728
Total equity attributable to owners of the parent company per share (yen)	430.67
Revenue (million yen)	2,279,233
Operating income (loss) (million yen)	52,975
Net income (loss) attributable to owners of the parent company (million yen)	(162,442)
Net income (loss) attributable to owners of the parent company per share (yen)	(75.61)

Overview of the businesses to be split or succeeded

(1) Oyado business

Business description: Accommodation and vacation rental booking site business

Operating results: Fiscal year ended December 31, 2024 Revenue (J-GAAP): 842 million yen

Assets and liabilities to be split or succeeded, and their amounts (as of December 31, 2024; J-GAAP)

Current assets (million yen)	486	Current liabilities (million yen)	440
Fixed assets (million yen)	-	Fixed liabilities (million yen)	-
Total assets (million yen)	486	Total liabilities (million yen)	440

(2) Rakuten Stay Operations, Inc.

Business description: Accommodation facility operations outsourcing business

Assets, etc., to be split or succeeded: Rakuten Stay Operations shares: 47 million yen

(3) Yufuin Kutsuroginosato Co.,Ltd.

Business description: Operation of hot spring ryokans

Assets, etc., to be split or succeeded: Yufuin Kutsuroginosato shares: 0 million yen

4. Status After Company Split

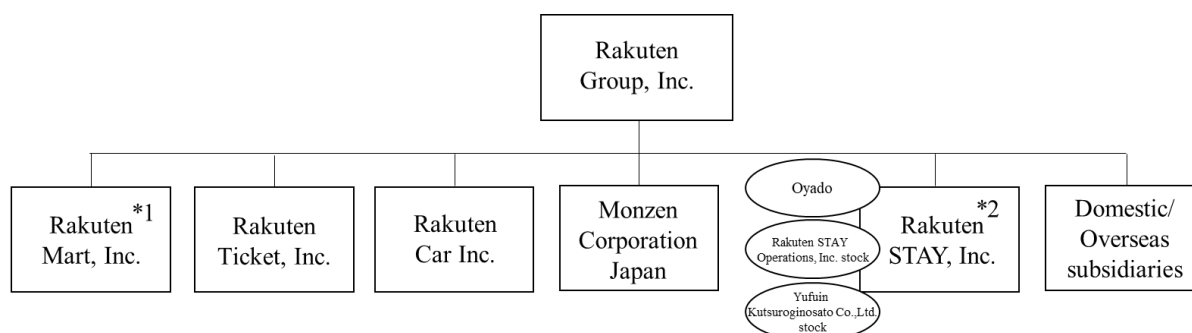
Following this Company Split, there are no changes to the business name, head office, the title and name of representative, main business, shareholders equity and fiscal year end of the Company.

5. Impact on business results

The impact of this Company Split on the Company's consolidated performance is expected to be minimal.

(For reference) Group structure after the reorganization

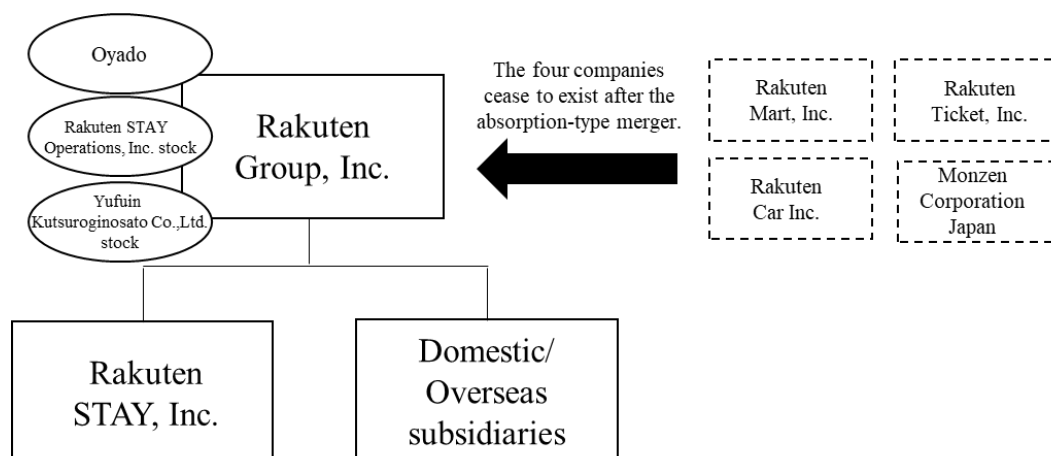
■ Current



*1 Rakuten Mart is owned 66.6% by Rakuten Group, Inc. and 33.4% by Rakuten Capital S.C.S.p. In addition, Rakuten Capital S.C.S.p. is wholly owned by Rakuten Group, Inc. through wholly-owned subsidiaries of the Company.

*2 Rakuten STAY, Inc. is wholly owned by Rakuten Group, Inc. through wholly-owned subsidiaries of the Company.

■ After the Merger



End