Rakuten

Empowering Society Through AI

Integrated Report 2025



Message on the Publication of the Integrated Report 2025

In fiscal year 2025, Rakuten Group achieved the two goals set at the beginning of the year: expanding profitability with an increase in consolidated Non-GAAP operating income, and attaining full-year positive EBITDA at Rakuten Mobile, Inc. In addition, the total number of contracted Rakuten Mobile lines surpassed the 10 million milestone. This leap forward is the result of maximizing the value of the Rakuten Ecosystem as one Group—grounded in our founding corporate philosophy, unchanged since inception, and amplified by the power of rapidly evolving AI.

With the theme of "AI Utilization × Rakuten Ecosystem," this Integrated Report systematically presents a comprehensive overview of how we create value in both financial and non-financial terms and achieve sustainable growth. We believe that enabling our stakeholders to accurately understand Rakuten's current position and future growth story is essential for ensuring our corporate value is properly assessed and for building even stronger relationships of trust. We hope this Integrated Report will assist you in your investment decisions and other decision-making.

Hiroshi Mikitani
Representative Director,
Chairman,
President and CEO

Editorial Policy

This Integrated Report summarizes our journey of value creation to date and our strategies for the future for those who have long supported Rakuten, as well as for those who have newly taken an interest in us.

In Section 1, we introduce Rakuten's history, centered on our corporate philosophy since founding. We also outline the value creation process, showing how invested capital has been transformed into value and returned to society amid a rapidly changing business environment.

In Section 2, we explain the strategies that form the core of our value creation from two perspectives: business strategy and sustainability strategy. Under Business Strategy, we describe the achievements in fiscal year 2025 and the strategies for fiscal year 2026 across our three main businesses—Internet Services, FinTech and Mobile—and we also cover the results and future outlook of AI utilization, which is accelerating the growth of our Group. Under Sustainability Strategy, we summarize initiatives in ESG areas such as human capital management, climate change response and risk management. Each chapter also includes messages from the Group CIO & Group CTO, Officer in Charge of Finance, Group CAIDO and Group COO. By reading the management team's perspectives alongside the initiatives, the report provides a deeper understanding of the sustainable growth model Rakuten aims to achieve.

In Section 3, we focus on corporate governance as the foundation for sustainable growth. Through interviews with newly appointed directors and dialogue with stakeholders, we explain our efforts to enhance transparency in decision-making, as well as our stance on information security, quality management and related areas.

Finally, we include a data section covering key financial indicators and ESG data for the past 10 years, enabling objective analysis. Through this Integrated Report, we hope readers will gain a clear understanding of Rakuten's current position and the strategic direction guiding our sustainable growth.

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Value Creation

This section looks back on Rakuten's path from its founding to the present and introduces our unique value creation process. It provides detailed explanations of the Rakuten Ecosystem business model; membership value, a key Group-specific KPI; and empowerment, which lies at the heart of our corporate philosophy—helping readers grasp the full picture of Rakuten.

Strategies for Value Creation

We outline the Group's growth strategy from two angles: business strategy and sustainability strategy. Incorporating messages from the Officer in Charge of Finance, Group COO and Group CAIDO, this section is designed to help readers understand management's perspectives alongside specific initiatives. This section also demonstrates how the performance and outlook of our individual businesses align with our ESG initiatives.

Corporate Governance

As the management foundation supporting sustainable growth, this section introduces our corporate governance framework. It summarizes the Group's approach and day-to-day initiatives in ESG-related areas such as compliance, information security, privacy protection and quality initiatives.

Data Section

As supplementary material, this section provides past financial indicators and detailed ESG-related data. By referring to the quantitative data together with the strategies and results described in the main text, readers can gain a multifaceted understanding of Rakuten's activities.

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CEO Message

Delivering Results, Building a Foundation for Sustainable Growth

Hiroshi Mikitani
Representative Director, Chairman,
President and CEO



Delivering on Commitments as a Group

In 2025, Rakuten Group steadily delivered tangible results for the management objectives we set at the beginning of the year. Through disciplined execution across the organization, full year consolidated Non GAAP operating income exceeded 106 billion yen, a significant improvement of approximately 99 billion yen year on year. Rakuten Mobile, Inc. achieved full-year EBITDA* profitability of 12.9 billion yen, while PMCF (Pre-Marketing Cash Flow) reached 86.9 billion yen. Because PMCF is an indicator of the business's earnings power when excluding the impact of growth investment aimed at building the future customer base. Through this achievement of EBITDA profitability and the continued expansion of PMCF, we believe the business foundation of Rakuten Mobile has been steadily strengthened.

In addition, solid performance across our Mobile, Internet Services and FinTech businesses contributed to consolidated revenue of 2.5 trillion yen, marking our 29th consecutive year of revenue growth. Consolidated EBITDA increased 34% year on year to 436 billion yen, reflecting steady improvement in profitability at the Group level.

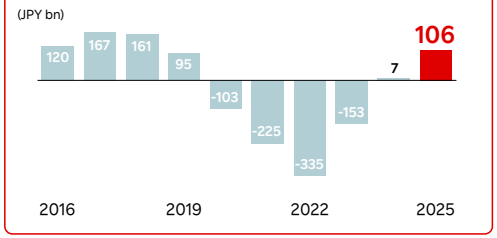
The environment surrounding our businesses remains uncertain. Domestic interest rate trends, geopolitical risks overseas, and the rapid evolution of AI are placing the entire industry at a major inflection point. In such an environment, we are convinced that Rakuten's strengths in rapid decision-making and execution can serve as a clear differentiator. We have therefore focused on strengthening our foundations to enable greater speed and resilience in execution. Looking ahead, we will further integrate Rakuten Mobile and AI as core engines within our ecosystem and continue to enhance our ability to execute toward long-term, sustained growth.

*EBITDA is calculated by adding depreciation and amortization to Non-GAAP operating income

Rakuten

Consolidated Non-GAAP OI expansion

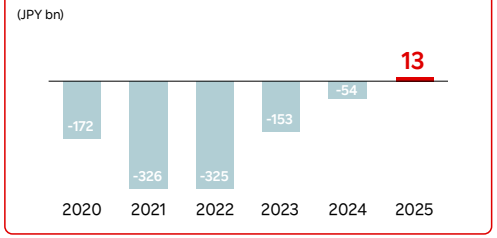
Achieved



Rakuten Mobile

Rakuten Mobile full-year EBITDA profitability

Achieved



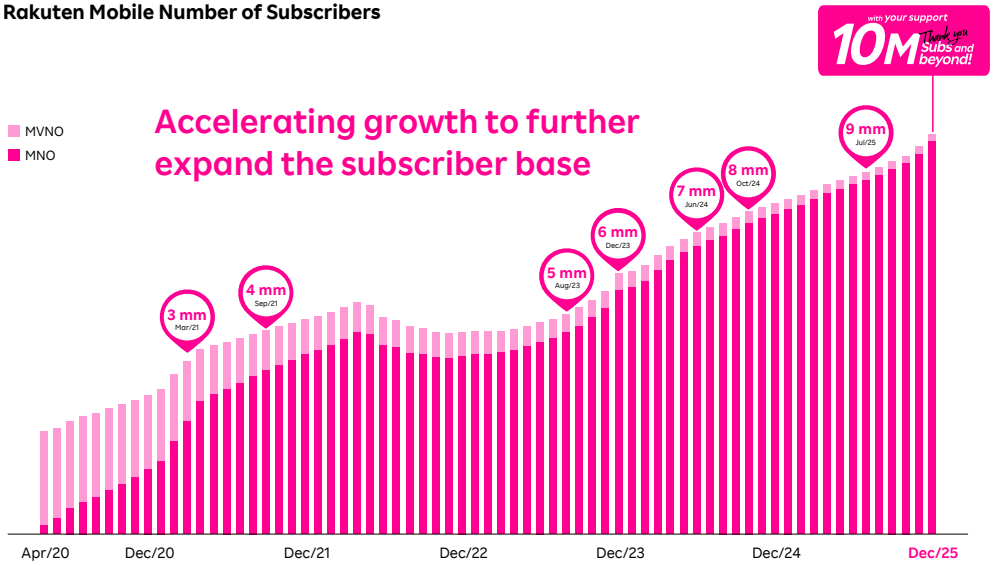
CEO Message

Rakuten Mobile: From the Investment Phase to Establishing Profitability

2025 marked a clear turning point for Rakuten Mobile. Following a period of upfront investment to build a next generation network, the business has entered a phase in which scale and efficiency are beginning to translate into tangible results. Total subscriptions increased by 1.71 million year on year, surpassing the key milestone of 10 million lines by year-end. This growth has been supported by continued improvements in network quality and nationwide coverage, as well as the expansion of value-added services aligned with customer needs. Our strategy of acquiring subscribers through referrals and ecosystem engagement — rather than reliance on mass marketing — is steadily taking hold.

Looking ahead to 2026, we plan to further accelerate network investment, concentrating resources on high priority areas such as dense urban locations, subway lines and areas where users have reported network quality issues. By deepening integration with the Rakuten Ecosystem, we are strengthening Rakuten Mobile's role beyond the expansion of subscriptions alone and solidifying its contribution to higher cross-usage and greater engagement across the Group.

Rakuten Mobile Number of Subscribers



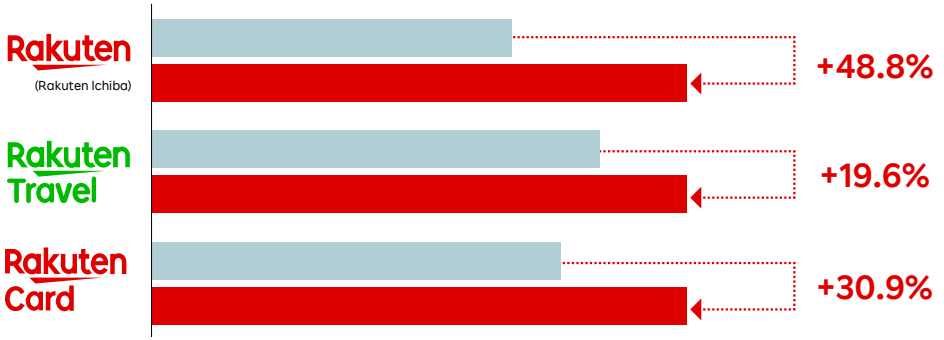
Expanding the Rakuten Ecosystem with Rakuten Mobile as a Key Entry Point

As Rakuten Mobile's subscriber base continues to expand, the benefits of its integration with the Rakuten Ecosystem are becoming increasingly evident. Compared with non subscribers, Rakuten Mobile subscribers generate higher spending across the Group's services. At Rakuten Ichiba, spending is 48.8% higher than that of non subscribers, while Rakuten Travel and Rakuten Card show uplifts of 19.6% and 30.9%, respectively*. These figures illustrate the depth of the connection between Mobile and the broader ecosystem.

This effect extends beyond spending levels alone. Over time, Rakuten Mobile subscribers steadily increase the number of Rakuten services they use. Two years after subscription, subscribers had added an average of 2.43 additional services, compared with 0.68 for non subscribers. The scale of this difference clearly demonstrates that Rakuten Mobile functions as a powerful gateway for driving broader ecosystem engagement.

These trends underscore the strategic importance of Rakuten Mobile within the Group's overall strategy. By linking growth in the user base with the use of data and AI — under appropriate rules premised on the protection of customer privacy — we are increasingly able to deliver services optimized to individual users. Going forward, we will continue to maximize synergies across the ecosystem, deepen relationships with customers and further strengthen the quality of the Group's earnings structure.

Comparison of total transaction value (gross merchandise value) over the past 12 months between Rakuten Mobile subscribers and non-subscribers with similar historical purchasing behavior*



*Difference in average annual total transaction value per user over the most recent 12 months between Rakuten Mobile subscribers and non-subscribers. Rakuten Mobile subscribers are users who subscribed to Rakuten Mobile (MNO B2C) in any month between March 2020 and January 2025 and made at least one purchase between January 2025 and December 2025. Non-subscribers are users who, during the 12 months ending December 2025, used at least one Rakuten service other than Rakuten Mobile (MNO B2C), and whose historical purchasing behavior over the prior five years is comparable to that of subscribers.

CEO Message

AI: A Core Driver for Supporting Group Growth

AI has become another core driver supporting the Rakuten Group's business operations and competitiveness. In 2025, we advanced beyond initial testing and experimentation and began embedding AI more fully across our services and internal operations, achieving tangible, measurable results.

AI contributed approximately 25.5 billion yen in profit in 2025, exceeding our internal goal of doubling the 10.5 billion yen contribution recorded in 2024. Improvements in cost efficiency and revenue growth across multiple domains — including commerce, FinTech, Mobile, and advertising — supported this outcome.

For details, please refer to page 28, "The impact of AI utilization on Rakuten's performance."

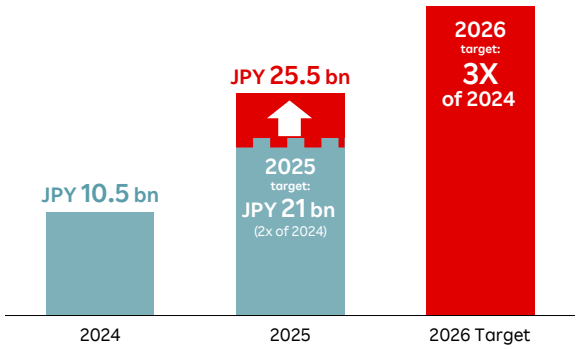
The use of AI within the organization has also expanded steadily. "Rakuten AI for Rakutenians" has become part of day to day operations, contributing to faster decision making and improved execution at the front line level. As business processes have increasingly been redesigned with AI as a given, overall productivity and execution capability across the Group have been further strengthened.

We are also working to transform the customer experience through AI. We are advancing the deployment of AI agents that go beyond simply responding to inquiries and instead autonomously support a broader range of steps in the purchasing process. In December 2025, we completed the full scale rollout of Rakuten AI on Rakuten Ichiba – we are also working to expand its application across the ecosystem, including Rakuten Link, Rakuten Travel and Rakuten Beauty. These initiatives aim to reduce friction in product discovery and purchasing, while increasing frequency of use and customer engagement.

Rakuten is uniquely positioned to lead in this area. Our strength lies in the combination of a broad ecosystem, high quality data accumulated through daily service usage and strong technological capabilities built on in house development. By complementing these capabilities with strategic partnerships, we continue to advance model development — including Rakuten AI 3.0, our large language model (LLM) — while pursuing both performance and cost efficiency.

Looking ahead to 2026, we will further accelerate AI utilization with the goal of becoming the company that most effectively leverages AI. In November 2025, we announced our plan to appoint AI promotion leaders across all businesses and divisions, reinforcing a management framework that emphasizes speed of deployment and visibility of results. By positioning AI as a source of execution capability, we are further enhancing the Group's competitiveness and value creation.

Profit Generated by AI*



AI contributed
JPY 25.5 bn
in profit for 2025

*Profit generated by cost reduction and sales growth through AI projects across Rakuten services

Developing Talent, Strengthening "Genba-Ryoku"

Strengthening human capital development is a key priority for 2026. As our organization and businesses continue to expand and grow more complex, we have once again recognized the importance of cultivating an entrepreneurial spirit and honing skill sets, so that each employee can identify challenges and act with a sense of responsibility.

What I emphasize most strongly — and communicate directly to employees in our morning meetings — is the importance of "genba-ryoku" (field expertise): the ability to think and act at the front line. Entrepreneurship is often translated into Japanese as the spirit of starting new businesses. I prefer to think of it as the spirit of building real businesses. Creating new ventures is important, but even more critical is the ability to refine, scale and strengthen existing businesses in ways that connect directly to social value. This cannot be achieved through desk-based analysis alone. It requires going to the front lines, confronting reality as it is and turning on-the-ground insights and judgment into concrete action.

With this perspective in mind, we are also reexamining the way we approach education and training. By aligning these efforts closely with key growth areas such as Mobile and AI, we are strengthening initiatives that build practical problem-solving capabilities directly tied to execution. We also position AI as a critical tool for enhancing individual productivity and have made its use integral to supporting judgment and execution throughout the organization.

Entrepreneurship has been the driving force behind Rakuten's growth since our founding. As our scale continues to expand, I am convinced that firmly re anchoring this mindset across the organization is essential to building the foundation for the next 30 years. By continuing to invest in our people and strengthening our cohesion as One Rakuten, we will remain prepared to take on new challenges and to create value with speed and discipline.

Section 1

Rakuten's VALUE CREATION STORY

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COVER STORY

Why Rakuten was Founded

In 1997, Rakuten began its journey with a small team of just six individuals. Its founder, Hiroshi Mikitani, left a stable banking career, driven by a powerful sense of mission to revitalize Japan. After losing close family members in the Great Hanshin-Awaji Earthquake, his conviction – "You only live once. When it's time to act, you should give it your all" – hardened into a firm resolve.

At the time, many dismissed the idea of selling products online, often saying, "You can't sell products on the internet." Yet Mikitani was unwavering in his belief that the internet would transform distribution. He carefully considered more than 100 business ideas before choosing the concept of an online shopping mall – one that would allow regional and small-scale businesses to compete on the same playing field as major corporations. Even in an era of slow internet speeds and a nascent online market, he firmly believed in the vision of "democratizing commerce through the power of the internet."

Rakuten Ichiba launched with 13 stores, and the founding team traveled across Japan to find merchants who aligned with their philosophy. By building a platform that allowed merchants to share their own stories and present their stores in their own style, many small and midsize companies began seizing new opportunities. Through these challenges and successes, Rakuten's distinctive culture of empowerment took shape. The founding spirit to "contribute to society by creating value through innovation and entrepreneurship" remains at the heart of the company's growth, vision and values today. It is an aspiration that continues to drive the expansion of the Rakuten Group and its ongoing pursuit of new challenges and successes.



COVER STORY

Corporate Philosophy

The founding spirit that has been passed down since the company's early days has become Rakuten's foundation in the form of its mission, vision, and values and guiding principles.

MISSION

Rakuten Group's mission is to contribute to society by creating value through innovation and entrepreneurship

Empowering people to realize their hopes and dreams, Embracing new thinking,
Rakuten changes the world through innovation.

VISION

Global Innovation Company

At Rakuten, we drive disruptive innovation, Engaging knowledge, creativity and passion from around the world to achieve ambitious goals and help build communities in which people can pursue their dreams and live in happiness.

VALUES AND PRINCIPLES

Rakuten Shugi (Rakuten Basic Principles)

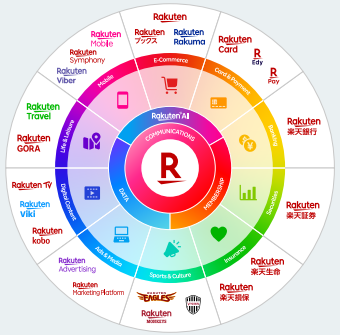
The core values of the Rakuten Group, along with the values and principles understood and practiced by Rakuten employees, embody Rakuten Shugi.
The two components it consists of are the Brand Concepts and Five Principles for Success. With Rakuten Shugi as a common foundation, we place high value on the entrepreneurial spirit that drives us to get things done. By working with local communities and nurturing a robust corporate culture enabling each member of our diverse team to perform at their best, the Rakuten Group is committed to boosting corporate value and contributing to progress in society.



COVER STORY

Rakuten's History

Rakuten Group has continued to embrace new challenges while adapting to changing times and circumstances, steadily expanding its business domains and the value it provides. The track record of challenges it has built up since its founding, has become a solid foundation that shapes Rakuten Group as it is today.





*Before 2011, IFRS had not yet been adopted. Financial results were based on J-GAAP

Evolution of the Business Portfolio

1997–

Founding

At a time when people said "no one buys things on the internet," the company launched the online shopping mall Rakuten Ichiba with the goal of enabling anyone – even small local merchants and those without technical expertise – to easily open an online store. It started with six employees, one server and 13 stores.

2003–

Expansion into FinTech

To drive group-wide business growth, further strengthen its business foundation, and expand revenue opportunities, the company entered the financial services industry. Rakuten acquired a securities company in 2003, entered the credit card business in 2005, and expanded into online banking and cashless payments in 2009, thereby fully scaling its FinTech business.

2006–

Rakuten Ecosystem Vision

In 2006, Rakuten Group announced its Rakuten Ecosystem vision – a business model that connects the Group's various services around a loyalty program centered on Rakuten members.

2019–

Entry into the MNO Business

With the goal of "democratizing the mobile industry," Rakuten launched its full-scale mobile carrier services in April 2020. By building the world's first* end-to-end, fully virtualized, cloud-native mobile network, it significantly reduced network-related costs and offered affordable, simple pricing plans.

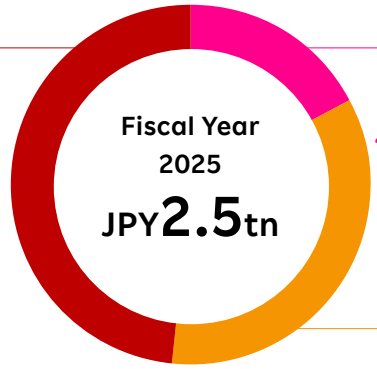
*As a large-scale commercial network (as of October 1, 2019). Research: Stella Associa

COVER STORY

Rakuten Group at a glance

The Rakuten Group has grown into a corporate group that currently operates over 70 diverse services, centered around three main segments.

Revenue Composition Ratio*1



48.4%
Internet Services
JPY 1.4tn

17.1%
Mobile
JPY 482.8bn

34.5%
FinTech
JPY 975.9bn

*1 Excluding adjustments

Main Services

Internet Services Segment

Internet Services
- Rakuten (Rakuten Ichiba)
- Rakuten Travel
- Rakuten Rakuma
- Rakuten GORA
- Rakuten Fashion
- Rakuten ブックス (Rakuten Books)
- Rakuten Rebates

Overseas Businesses
- Rakuten (Rakuten Rewards)
- Rakuten kobo
- Rakuten Viber
- Rakuten Advertising
- Rakuten Viki
- Rakuten TV

FinTech Segment

Payment
- Rakuten Card
- R Pay
- R POINT
- Rakuten Edy

Banking
- Rakuten Bank

Securities
- Rakuten Securities
- Rakuten Wallet

Insurance
- Rakuten Life Insurance
- Rakuten General Insurance

Mobile Segment

Mobile
- Rakuten Mobile
- Rakuten Symphony

Rakuten in Numbers

Founding 1997	Number of Employees*2 29,419	Revenue JPY 2.5tn	Ratio of Foreign Employees 23.7%	Overseas Revenue Ratio 15.6%
Ratio of Female Managers 33.5%	IFRS Operating Income JPY 14.4bn	Capital Expenditure JPY 287.3bn	EBITDA*3 JPY 435.9bn	Research and Development Expenses JPY 21.9bn

*2 Number of employees does not include those serving concurrently as employees and Directors, temporary staff and part-time employees.
*3 Calculated by adding depreciation and amortization expenses, etc. to Non-GAAP operating income.

Value Creation Process

Mission: Contribute to society by creating value through innovation and entrepreneurship

External Environment P.12

Social Issues

- Revitalizing Regional Economies
- Addressing the Digital Divide in Financial Services
- Reducing the Burden of Communication Costs
- Climate Change

Competitive Landscape

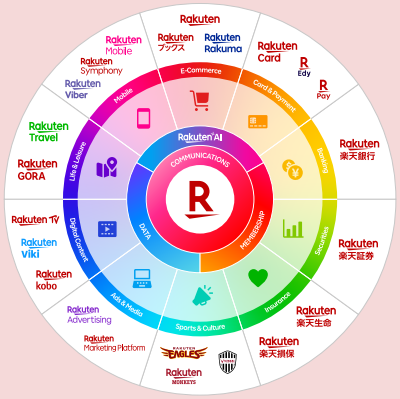
- AI Competition
- Growth of Cashless Payments
- Diversification of Ecosystems

Input (Management Capital) P.13

- Financial Capital
- Intellectual Capital
- Technological Capital
- Human Capital
- Social Capital
- Natural Capital

Business Operations · Growth Strategy

Business Model: Rakuten Ecosystem



- Mobile Strategy P.35
- AI Strategy P.40
- Sustainability Strategy P.41

Outcome

Value Created

Financial Value Through Business Activities P.18

Membership Value
¥10.0 trillion

Global GTV
¥48.7 trillion

Non-GAAP Operating Income
¥106.3 Billion

etc.

Non-Financial Value Supporting Sustainable Growth

Reliable Platformer
- Ecosystem NPS® No.1
- Points Satisfaction No.1

Human Capital Value
- Engagement Score: 80 points
- QC Circle Participants (Cumulative): 13,000 people
- AI-Utilizing Talent: 23,000 people/week

Innovation
- Commercial Open RAN Network with RIC on Rakuten Mobile
- In-House LLM Development Research
- Patents Registered (Cumulative): Over 8,000

Partners P.19
Enhancing operational efficiency and profitability through advanced AI and data utilization in business operations

Users P.20
Improving convenience and quality of life through the provision of safe, high-quality services

Communities P.21
Addressing regional challenges and revitalizing local economies through data utilization and digital services

Employees P.22
Boosting productivity and fostering innovation through the enhancement of AI skills

External Environment

Social Issues



Revitalizing Regional Economies

Rakuten launched the Rakuten Ichiba online shopping mall to empower society by enabling even the smallest local merchants to easily conduct business on a nationwide scale. Twenty nine years later, we continue to contribute to the sustainable growth of local regions facing challenges such as population decline and shrinking commercial zones by expanding sales channels and customer bases for small and medium-sized enterprises (SMEs). Leveraging the Rakuten Ecosystem, we collaborate with diverse local partners and remain committed to driving the development of regional economies.



Addressing the Digital Divide in Financial Services

Financial services are essential infrastructure for stable living but disparities in age, gender and digital literacy mean that some individuals are unable to fully benefit from them. Rakuten aims to provide everyone with equal access to financial services. We achieve this through inclusive service design that caters to users from diverse backgrounds and initiatives aimed at improving financial literacy.



Reducing the Burden of Communication Costs

With the mission of "democratizing the mobile industry," Rakuten Mobile entered the mobile carrier market, introducing affordable and simple pricing plans powered by the world's first fully virtualized, cloud-native mobile network*. We are committed to providing a reliable, stable and high-quality mobile experience to all customers through continuous network improvement.

*For a large-scale commercial mobile network (as of October 1, 2019). Research: Stella Associa.



Climate Change

The increase in extreme weather events and large-scale disasters highlights the serious impact of climate change on people's lives and our business operations. As a global company operating over 70 services, Rakuten recognizes its corporate responsibility to address this challenge. We are committed to contributing to the realization of a decarbonized society in alignment with the Paris Agreement.

Competitive Landscape



AI Competition

As the AI race accelerates, technologies such as generative AI are transforming industries and affecting corporate competitiveness. As AI adoption advances, employees are increasingly expected to enhance their adaptability and creativity to boost productivity. AI is also making significant contributions to enhancing customer experiences, enabling the optimization of services. Meanwhile, with the ongoing expansion of data usage, we are committed to building a robust governance framework that integrates privacy protection, ethics and security measures. By leveraging our vast data assets and cutting-edge AI technology, we aim to create new value for people around the world.



Growth of Cashless Payments

Cashless payments offer a high level of convenience and consumer adoption continues to expand. Rakuten provides payment services such as Rakuten Pay and Rakuten Card to promote cashless adoption. Moving forward, further growth in usage will be driven by strengthened security measures, expanded points programs and the introduction of new payment technologies. In addition, it is important to strengthen collaboration with brick-and-mortar stores and provide a seamless payment experience that transcends the boundaries between online and offline is also important.



Diversification of Ecosystems

As ecosystems become increasingly diversified, consumers are gaining a wider range of choices. Rakuten is working to connect various services through the Rakuten Ecosystem, making them even more accessible to consumers. Going forward, leveraging customer data to further strengthen marketing, developing new services, and collaborating with external companies will all be important in enhancing the competitiveness of the Rakuten Ecosystem. In addition, accelerating global expansion and acquiring customers worldwide will lead to continued Ecosystem growth.

Management Capital

Rakuten Group advances its business activities with the aim of sustainably enhancing corporate value, leveraging a diverse range of management capital – including extensive data, technology and human resources – as a solid foundation. By strategically deploying capital, the Group supports the creation of both financial and non-financial value.

	Capital	Invested Capital (As of Dec 31, 2024)	Rakuten's Initiatives	Key Results (As of Dec 31, 2025)
Financial Capital	**Securing Stable Funding** A robust financial foundation that supports business operations. Access to capital for stable growth, and an asset portfolio that maintains an optimal capital structure.	■ Total Assets: ¥22.6 trillion ■ Non-Financial Segment Interest-Bearing Debt (Non-consolidated): ¥1.7 trillion	■ July 2025: Sustainability Bond issuance (¥30 billion) Expanded domestic investor base, including ESG investors ■ August 2025: Domestic retail bond issuance (¥130 billion) Full-scale return to the domestic retail bond market, the first since 2023 ■ October 2025: JPY-denominated perpetual subordinated bond (¥82 billion) First-ever issuance in the domestic market, recognized as equity by rating agencies	■ Total Assets: ¥28.8 trillion ■ Rakuten Group, Inc. (Non-consolidated): Interest-bearing debt: ¥1.3 trillion
Intellectual Capital	**Leveraging Data as a Management Resource** We promote a deeper understanding of our customers across the entire ecosystem, centered on purchasing and behavioral data linked to the Rakuten ID.	■ Monthly Active Users (MAU): 44.1 million ■ Global Rakuten IDs: Approx. 2.0 billion ■ Cumulative Points Issued: 4.5 trillion	■ User acquisition through Rakuten Points and increasing cross-service usage within the ecosystem ■ Rakuten AI and unified ID data utilization to deepen customer insights and elevate personalization	■ Monthly Active Users (MAU): 45.6 million ■ Global Rakuten IDs: Approx. 2.1 billion ■ Cumulative Points Issued: 5.2 trillion
Technological Capital	**IT Expertise Driven by In-House Talent** Building on a robust technological foundation and development capabilities, exemplified by our fully virtualized network and proprietary LLMs.	■ R&D Centers: 9 cities in 7 countries ■ AI Division Employees (including partners): 925	■ Development and nationwide commercial rollout of RAN Intelligent Controller ■ Development of Rakuten AI 3.0 ■ Selected for the GENIAC Project by METI and NEDO	■ Number of AI division employees (including partners): Over 1,000
Human Capital	**Fostering Diversity to Drive Innovation** Rooted in Rakuten Shugi (Rakuten Principles), we leverage our organization – comprising diverse backgrounds and expertise – as a core strength. Through continuous learning and the use of technology, we promote individual growth and organizational innovation.	■ Number of Employees: Approx. 29,000 ■ Ratio of Foreign Nationals: 24% ■ Ratio of Women in Management: 33% ■ Number of Employees in Tech Roles: Approx. 6,000 ■ Average Training Hours per Employee: 43 hours	■ English as the official corporate language ■ Integration of Rakuten Shugi (Rakuten Principles) ■ Active recruitment of global talent ■ Creating a safe, fair and inclusive workplace ■ Implementation of QC Circle activities*1 ■ Enhanced AI training programs for employees ■ Programs to foster an entrepreneurial spirit	■ Employee Engagement Score: 80 points ■ Number of employees using AI per week: 23,000 ■ Cumulative number of participants in QC Circle activities: 13,000 ■ Cumulative number of participants in "R-pitch": Approx. 3,000
Social Capital	**Building Trust with Diverse Stakeholders** We cultivate long-term relationships with diverse stakeholders through the Rakuten Ecosystem. By supporting partner growth and delivering continuous value to users, we aim to achieve sustainable growth and resolve social challenges.	■ Rakuten Members: Over 100 million ■ Rakuten Ichiba merchants: Over 50,000 ■ Mobile Corporate Contracts: 18,000 ■ Partnership Agreements with Local Governments: 54	■ Continuous service improvement through VOC (Voice of Customer) analysis ■ Implementation of supply chain management ■ Enhancing operational efficiency for partners ■ Solving partner challenges by leveraging the Rakuten Ecosystem ■ Promotion of employee social contribution activities	■ Ecosystem NPS®*2: No. 1 ■ Ratio of high-risk suppliers*3: 13% ■ Usage rate of RMS AI tools: 86% ■ Participating municipalities in "Rakuten Furusato Nozei": Over 1,700 ■ Number of employees participating in social contribution activities: Over 10,000
Natural Capital	**Foundations for Reducing Environmental Impact** We pursue both environmental impact reduction and business opportunities through sustainable operations – including energy conservation, improved efficiency, and resource circulation – supported by a robust supply chain.	■ Energy Consumption: 902,000 MWh (70% of which is from the mobile network) ■ Renewable Energy Usage: 100%*4	■ AI-driven energy consumption reduction at base stations ■ Environmental impact assessment ■ Strengthening initiatives for resource circulation and waste reduction ■ Raising consumer awareness through campaign initiatives	■ 20% reduction in mobile network power consumption ■ CO_2 emissions (t-CO_2) Scope 1 4,005 t-CO_2 Scope 2 310,385 t-CO_2 Scope 3 10,666,689t-CO_2

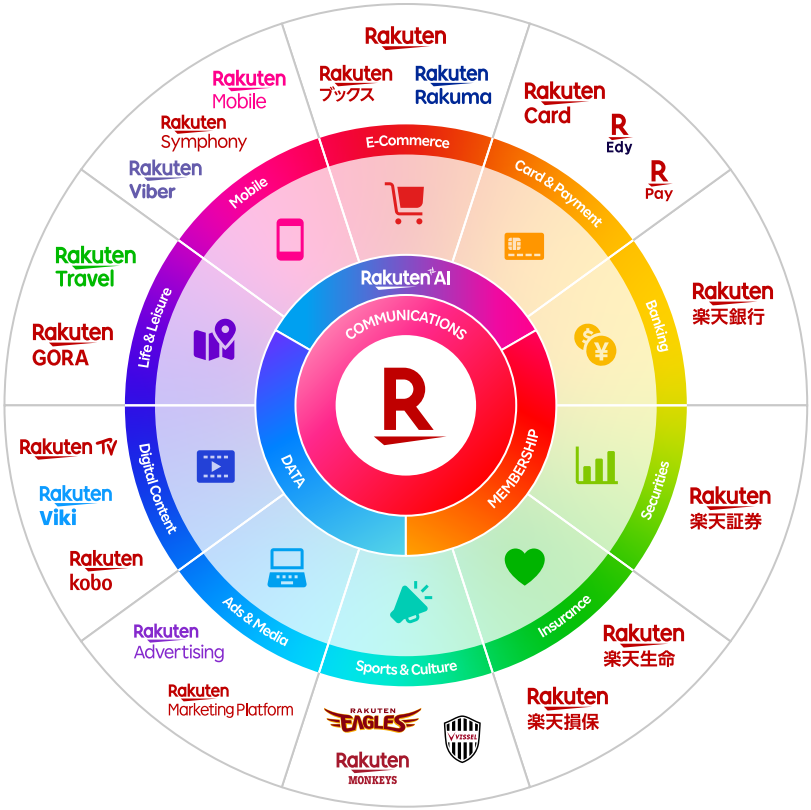
*1 QC Circle activities: Initiatives embodying our core concept of "Always improving, always advancing."
*2 NPS® measuring whether the Rakuten Ecosystem as a whole, rather than specific products or services of Rakuten Group, can be recommended.
*3 Suppliers analyzed as potentially having a significant impact on our supply chain, based on evaluation survey responses and transaction status.
*4 Covers Rakuten Group, Inc.

Business Model

Rakuten Ecosystem

Ecosystem Enabling Optimal Service Delivery through Data & AI

Rakuten Group offers more than 70 services across a wide range of fields, including internet services such as e-commerce, travel, and digital content; FinTech services such as credit cards, banking, securities, smartphone app payments, and insurance; and mobile services such as its telecommunications carrier business. Rakuten members can access multiple services within this ecosystem using a single, common ID, while earning and redeeming "Rakuten Points" when shopping or using services. By unifying its brand globally under "Rakuten," the Group has enhanced both brand recognition and brand image. Furthermore, Rakuten leverages highly accurate purchasing data accumulated both online and offline from its vast membership base, analyzing it using AI. This enables the company to propose personalized, optimized services tailored to each individual customer, driving effective customer acquisition and marketing.



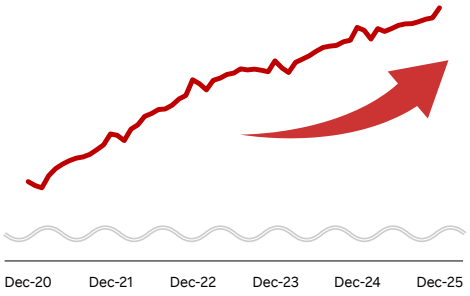
Deepening the Ecosystem and Expanding Active Users

In fiscal year 2025, building on this robust ecosystem, Rakuten further strengthened its efforts to deliver services that are deeply integrated into customers' daily lives. In particular, within payment services, the Group enhanced convenience by integrating applications to better support customers' everyday shopping experiences. In mobile services, Rakuten steadily improved network quality and expanded coverage, firmly establishing its role as essential infrastructure for a comfortable digital lifestyle. In addition to its core e-commerce business and strong financial services, deeper integration between the telecommunications business and other services has further accelerated ecosystem synergies. As a result, the number of monthly active user continues to grow, and we will strive to provide attractive services that enable us to further increase the proportion of customers using two or more services.

Number of Monthly Active Users and Ratio of Users of Two or More Services

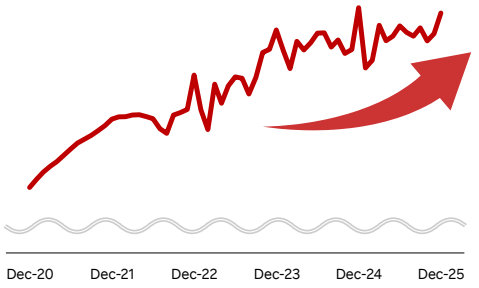
Monthly Active User Growth in Japan

45.60mm
+3.4% YoY*1



Ratio of Users of Two or More Services*2

77.3%
-0.1pt YoY*3



*1 Comparison of monthly active users in December 2025 versus December 2024.
*2 Percentage calculated by dividing the number of users of two or more services in the past 12 months by the number of users of all services in the past 12 months. (As of the end of December 2025. Limited to the use of services that can earn Rakuten Points.)
*3 Comparison of monthly use ratio in December 2025 versus December 2024.

Membership Value

Rakuten Group measures its corporate value using a unique KPI called "membership value." While the company operates a wide range of businesses, its core strength lies in the Rakuten Ecosystem, supported by a membership base of over 2.1 billion globally and more than 100 million domestically.

Rakuten offers ecosystem users a point-based program that allows them to enjoy multiple services at attractive value. This business model focuses on maximizing lifetime value (LTV) per user while minimizing customer acquisition cost (CAC), thereby maximizing overall profit. From the user's perspective, because CAC is kept low, they benefit from generous point rewards, which has led the Rakuten Ecosystem to gain overwhelming support.

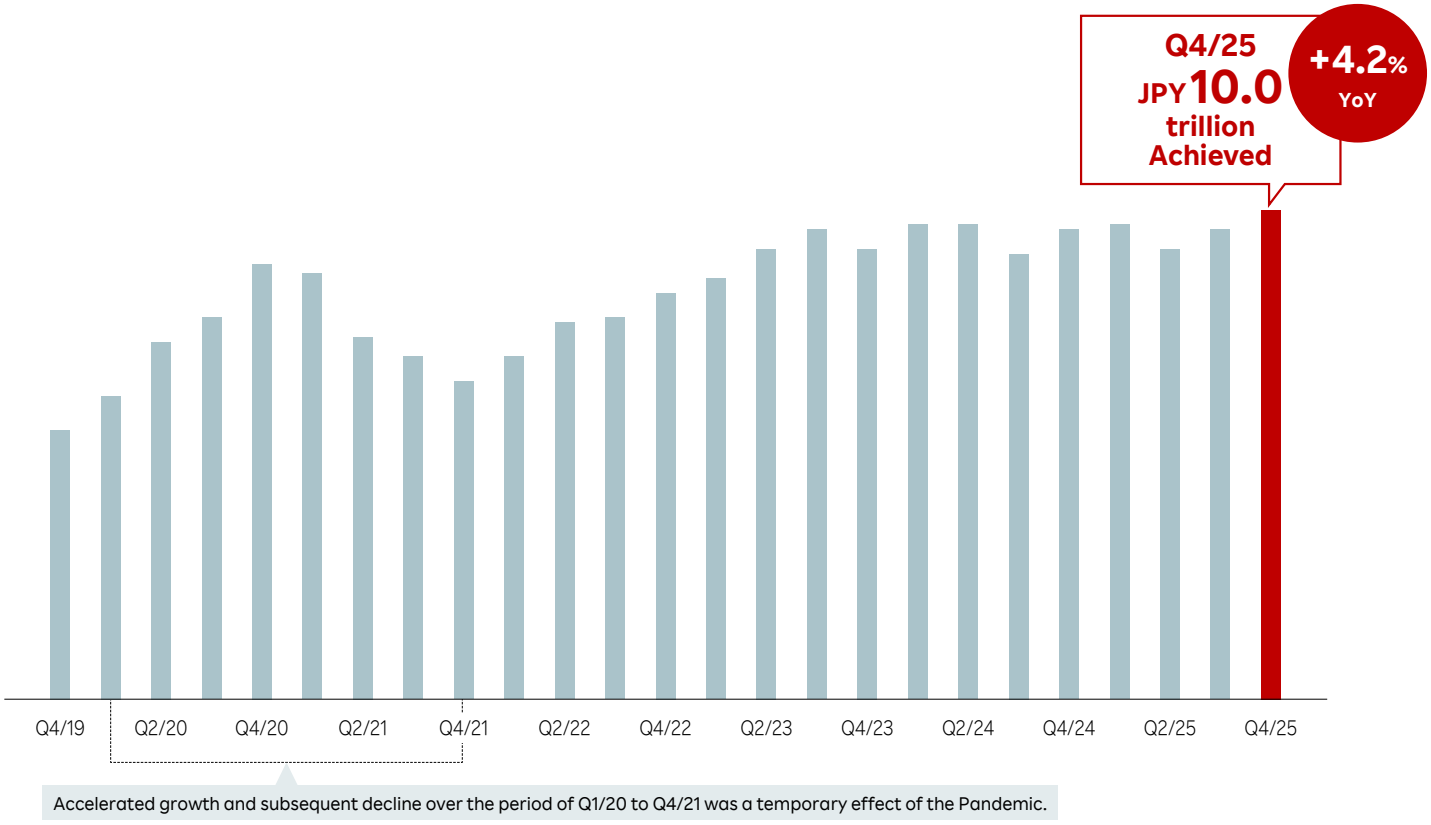
Membership value is a user-based metric designed to capture corporate value under this unique model. It is calculated as Number of Active Users × Cross-Use × (LTV – CAC) LTV reflects factors such as average revenue per user (ARPU) and retention rate.

Across all businesses, Rakuten aims to maximize profit by minimizing CAC while enhancing LTV per user. At the same time, it seeks to maximize membership value by encouraging users to utilize multiple services within the ecosystem. In the fourth quarter of 2025, membership value increased 4.2% year-on-year, surpassing ¥10 trillion for the first time. Strong performance in FinTech services—particularly Rakuten Securities, supported by robust market conditions, and Rakuten Bank, which benefited from significant growth in interest income—was a key driver of this achievement. Looking ahead, Rakuten will further leverage data and AI technologies to deepen personalized customer experiences. By increasing engagement and frequency of use within the ecosystem, the company aims to drive sustainable corporate value growth while delivering richer value to its customers.

Components of Membership Value

Membership Value*1 = **Active users** × **Cross-use** × **LTV*2 — CAC**

*1 Calculated by Rakuten Group
*2 LTV=Abbreviation for Lifetime Value. LTV = Σ (ARPU x Profit Rate*3xRetention) ÷ (1 + Discount)K-1 ①K is Projection Years ②ARPU=Revenue/YAU
*3 Profit Rate = {(Revenue x Marginal profit ratio) - Retention cost*4}÷ Revenue ①Marginal profit cost = Revenue (cost of revenue, commissions, etc.)
*4 Retention cost = Marketing costs - Customer acquisition cost ①Marketing cost = Advertising cost + Promotion cost + Point cost ②Customer acquisition cost = Marketing cost prorated to new users



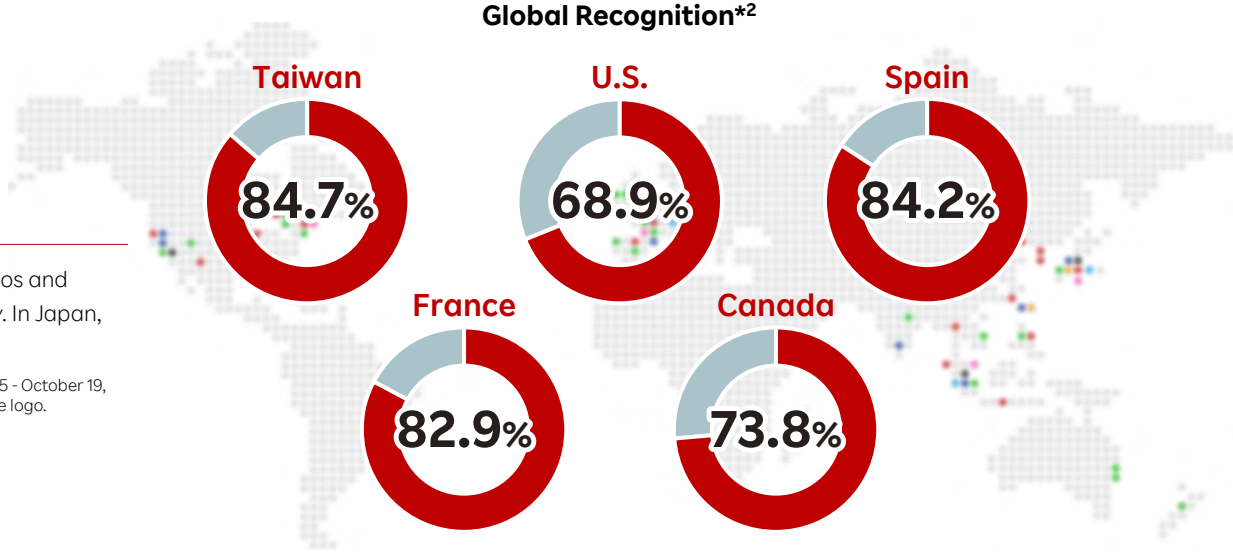
Rakuten's Strengths

1 Strong Brand

Rakuten employs a one-brand strategy centered on the Rakuten brand, making the logos and names of its over 70 group services more familiar both domestically and internationally. In Japan, the logo recognition rate exceeds 93.8%*1.

*1 As of 2025. Based on internal research. Sample size: 3,000 individuals aged 20-69. Survey period: October 6, 2025 - October 19, 2025. Percentage of respondents who selected "I have seent it" or "I think I have seen it" when presented with the logo.

Global Recognition*2



*2 Rakuten survey, January 2026

2 English as the Official Company Language

Rakuten has adopted English as its official company language to facilitate smooth communication among group employees in Japan and overseas, help employees quickly grasp the latest global information, and create a competitive, united organization by attracting talented individuals from around the world. Five years after the transition began in 2010, the company achieved its target average TOEIC score of 800 in 2015. With the recent surge in demand for AI and the increasing importance of securing engineering talent, this initiative enables access to a wealth of global talent.



3 AI & Data

P.40

Rakuten is promoting the further utilization of AI and has set a "Triple 20" goal to improve marketing efficiency, operational efficiency, and client efficiency by 20% each. Over 100 million Rakuten IDs are linked to a rich set of data from services including shopping, travel, banking, securities, credit cards and mobile. The company ensures both the quality and quantity of data, which are crucial for AI development. Rakuten is optimizing for both high performance and cost-efficiency by leveraging a combination of our in-house LLM (Large Language Model) and models from companies like OpenAI and Anthropic.

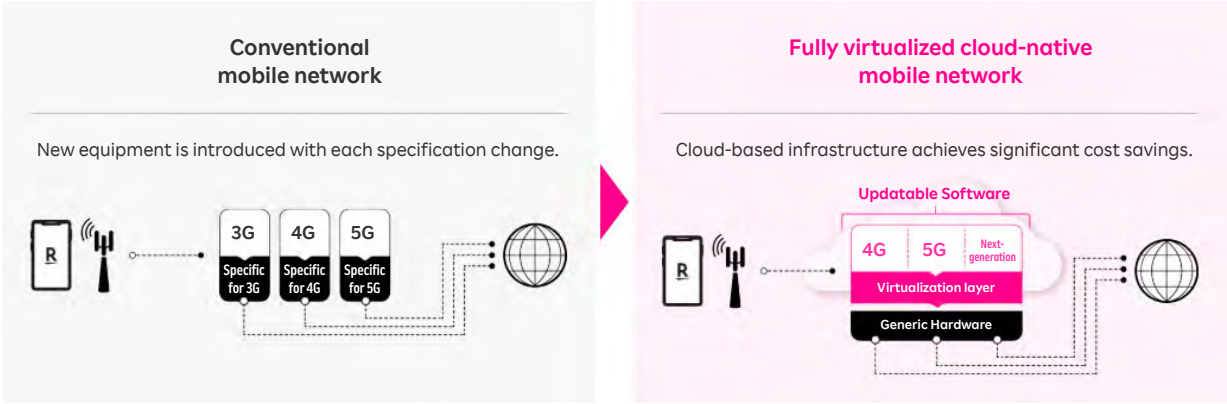


Rakuten's Strengths

4 Structural Cost Advantages of Rakuten Mobile

Rakuten Mobile built one of the world's first fully virtualized, cloud-native mobile networks using Open RAN architecture. In conventional networks, the infrastructure is typically built by deploying dedicated hardware and integrated software. Rakuten Mobile, on the other hand, introduced virtualization technology, replacing hardware functions with software throughout the entire network. This enables network automation and significantly reduces operating costs. Moreover, when updates to the network are needed (e.g., 4G to 5G) – which is a challenge with conventional mobile network infrastructure – Rakuten Mobile can simply update the network software with no need for costly hardware changes, thereby reducing capital investment.

Rakuten Mobile's virtualized technology



5 Entrepreneurship & Driving Results

Rakuten currently has approximately 30,000 employees, and since its founding, the company has fostered entrepreneurship among all employees, encouraging them to create new businesses themselves. Rakuten recognizes that the ability to *get things done* is crucial for creating innovative services and achieving sustainable growth. To this end, Rakuten has established various mechanisms, such as setting KPIs for each department, rapidly carrying out PDCA, and deploying successful use cases to other departments, to realize an organization that delivers results.



Financial Value Through Business Activities

Membership value

10.0 tn

+4.2% YoY

(As of end of December 2025)

Membership value is derived using the following formula: "Number of Unique Users" × "Cross-Use" × {"Lifetime Value" − "Customer Acquisition Cost"}. We achieved the 10 tn target set for FY2025.

Consolidated Revenue

2.5 tn

+9.5% YoY

(FY2025)

Revenue increased across all segments—Internet Services, FinTech, and Mobile—resulting in the 29th consecutive year of revenue growth in FY2025 and a new record high.

Non-GAAP Operating Income

106.3 bn

+99.2 bn YoY

(FY2025)

In addition to revenue growth in the FinTech segment, a significant improvement in losses in the Mobile segment made a major contribution, resulting in a substantial increase in operating income.

Global GTV

48.7 tn

+8.7% YoY

(FY2025)

Global transaction value continued to grow steadily, supported by the solid foundation of our Internet Services, as well as FinTech services and our globally operated open commerce businesses.

Domestic EC GMS

6.3 tn

+3.9% YoY

(FY2025)

Both Rakuten Ichiba and Rakuten Travel achieved positive growth, and domestic EC GMS continued to expand steadily. Excluding the impact of the leap-year day in the previous year, the effective growth rate was 4.2%.

Rakuten Mobile Total Subscribers

10.01 mm subscribers

+1.71 mm YoY

(As of end of December 2025)

Subscriber growth continued, supported by ongoing improvements in network quality, greater recognition of those improvements, and expanding synergies with the Rakuten Ecosystem. As a result, we surpassed the annual target of 10 million subscribers.

Rakuten Card Shopping GTV

26.5 tn

+10.3% YoY

(FY2025)

Shopping transaction value continued to grow steadily, supported by an expanding membership base and rising average spend per customer. Expanded usage opportunities across the Group, including integration with services such as Rakuten Pay and Rakuten Securities, also contributed to growth.

Rakuten Bank Accounts

17.63 mm accounts

+7.0% YoY

(As of end of December 2025)

Account acquisition through Group synergies contributed to steady growth in the number of accounts. As these accounts became increasingly established as main and primary living accounts, deposit balances also continued to increase.

Rakuten Securities General Accounts

13.26 mm accounts

+11.1% YoY

(As of end of December 2025)

Customer acquisition through the New NISA continued to perform strongly, and the number of accounts maintained steady growth.

Empowerment by Rakuten

Partners

Rakuten Group is accelerating the digital transformation (DX) of all partners, from merchants to corporate clients. Since 2024, Rakuten has been driving the "Triple 20" project, which uses AI to improve marketing efficiency, operational efficiency and client efficiency by 20% each. Through this initiative, Rakuten supports its partners across the "Rakuten Ecosystem" in maximizing productivity.

Case 1 Rakuten Ichiba

Effective Store Operations Enabled by an AI Assistant

Introduced in 2024, "RMS AI Assistant" is a tool that supports merchants on Rakuten Ichiba. It offers a wide range of AI-powered functions, including generating product descriptions, editing product images, drafting responses for customer inquiries, analyzing and explaining sales trends, and handling merchant inquiries via an AI chatbot. By leveraging these functions, merchants can streamline day-to-day tasks and improve productivity.

Voice

Capability reduced product image creation time from two weeks to 30 seconds



Koji Mitsuyama
Representative, Yuhido Co., Ltd. (personalized gifts)

At Yuhido, we actively use RMS AI Assistant to improve daily operational efficiency. We particularly rely on the AI product image generation and chatbot features.

As we offer customized gifts called "Namae-uta" (name poems), we previously conducted photo shoots in-house, and it took two weeks to create a single product image. By using RMS AI Assistant, we have reduced creation time to just 30 seconds. We also cut the production cost from approximately 30,000 yen per image to nothing.



Approximately JPY 30,000



JPY 0

Case 2 Rakuten Mobile

AI-Driven Efficiency at a Low Cost

Launched in January 2025, "Rakuten AI for Business" is a generative AI service that supports a wide range of corporate tasks. Equipped with the latest GPT-5, it is offered at an accessible price of 1,100 yen (tax included) per license per month and helps improve efficiency across tasks such as creating meeting minutes, drafting emails, analyzing data and developing plans.

Voice

Faster web article production and higher quality



Kazuya Ishida
Representative Director, emt Co., Ltd.

We support corporate digital marketing, mainly through website development. We were looking for a service that could comprehensively cover both communications and business support, so we decided to introduce Rakuten Mobile's smartphones and Wi-Fi router together with Rakuten AI for Business. We use Rakuten AI for Business primarily for content creation, and it has improved both production speed and content quality. We introduced AI into the most time-consuming part of web article production — organizing information and creating an outline. What used to take an entire day can now be done in two to three hours. By creating templates based on each content objective and sharing them across the team, staff have also commented that "work has become easier" and "ideas come more naturally." Going forward, we aim to apply AI to a broader range of tasks and further improve efficiency.

Case 3 Rakuten Card

Comprehensive Support Provided to Merchants by Rakuten Card

Rakuten Card provides businesses with a comprehensive set of services, including online payment solutions and marketing support. By leveraging its expertise as a credit card company, Rakuten Card supports merchants through proposals to reduce payment costs and by offering multiple payment options.

In addition, by running promotions that encourage store visits and purchases among the more than 30 million Rakuten Card members, the company helps strengthen merchants' customer bases and expand sales. Through these initiatives, Rakuten Card supports the sustainable growth of merchants from multiple angles.

Voice

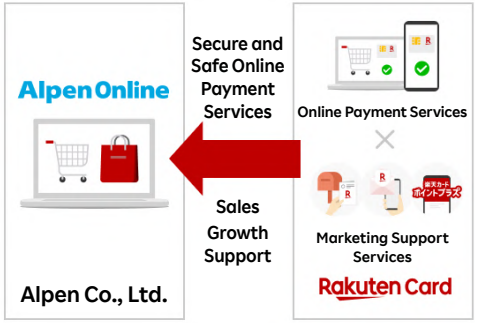
Cost reduction through online payments and sales growth through marketing support



Takashi Hirakawa
Manager, Planning Group, EC Division, Alpen Co., Ltd.

With the purpose of "bringing sports closer to everyone," we operate approximately 400 stores nationwide as well as an online shop. While reducing payment processing fees and responding to the mandatory adoption of 3D Secure were key push factors, we were attracted by Rakuten Card's services and introduced its online payment and marketing support services to our online shop.

We have achieved significant reductions in payment-related costs, and the improved usability of the management screen has greatly increased operational efficiency. Furthermore, enhanced security — through 3D Secure and fraud detection — has helped ensure customers can shop online with greater confidence. We also use the customer acquisition service for Rakuten Card members, and Rakuten's strong ability to attract customers has contributed substantially to sales growth for our online store. We see multi-faceted benefits in operations, peace of mind, and sales improvement, and we hope to continue growing together with Rakuten Card.



Empowerment by Rakuten

Users

The Rakuten Group empowers people in their daily lives through more than 70 services and is committed to solving social challenges. To maximize the value we create, we place importance on building a foundation that everyone can use safely and with peace of mind. In 2025, we began the full scale rollout of Rakuten AI, delivering more personalized customer experiences through seamless collaboration across the Rakuten Ecosystem's wide range of services. Leveraging continually evolving AI, we are expanding experiences that encourage and support each user's actions, while working towards an inclusive and sustainable society.

1 Promoting Sustainable Living through Our Services

Rakuten's e-commerce goes beyond providing convenience and enjoyment. By offering users a diverse range of choices that reflect social issues, including environmental challenges, we encourage the adoption of sustainable lifestyles through everyday consumption.

Pick Up

Creating Richer Experiences for Users and Society through Diverse Perspectives

On Rakuten Travel, we introduced icons to highlight accommodations that prioritize sustainability, such as reducing their environmental impact and supporting regional revitalization. We also support inclusive travel experiences that empower people from diverse backgrounds, including LGBTQ+ communities, different religions and persons with disabilities, to make informed choices with confidence. On Rakuten Beauty, we support salons that are working to provide services with consideration for environmental issues and diversity, thereby helping raise awareness of sustainability among consumers and across the beauty industry as a whole.

Pick Up

The Social Role Fulfilled by E-commerce

On Rakuten Ichiba, in support of the Minister of Agriculture, Forestry and Fisheries' policies to prevent consumers from turning away from rice amid rice shortages and price increases in 2025, we sold 10,000 tons of government reserve rice under the Rakuten Support Rice initiative. By making full use of our operating services, logistics warehouses and delivery network, we helped diversify distribution channels and ensured a stable food supply through the early provision of reserve rice. This initiative demonstrated that e-commerce can function as a platform that fulfills its social responsibility.



*1 Sustainable Beauty Salon Project Sticker

2 Toward a Digital Society Where No One Is Left Behind

While digital technologies enhance quality of life, they can also create challenges such as the digital divide and exposure to crime. Through innovation enabled by the world's first*2 fully virtualized, cloud native mobile network, Rakuten Mobile is making mobile services more affordable while expanding access to information and communications infrastructure, with the aim of building a more inclusive digital society.

Pick Up

Digital Inclusion for Seniors and Market Development

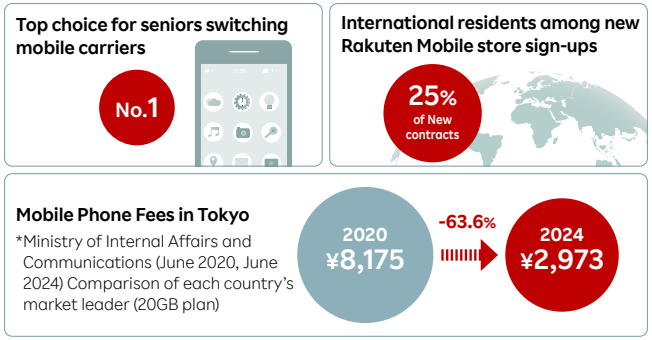
Under the Saikyo Senior Program for older customers, Rakuten Mobile offers "Ore-Ore Scam Countermeasure Insurance," which helps reduce the financial burden of bank transfer fraud and lowers psychological barriers to using digital services. In a survey on senior smartphone usage*3, Rakuten Mobile ranked first among carriers considered for switching, and support among senior users is growing rapidly.

Pick Up

Global Support that Overcomes Language Barriers

Rakuten Mobile is committed to providing a seamless experience for users of all nationalities. To improve accessibility, Rakuten Mobile Shops provide multilingual support and contract-related materials in multiple languages. This initiative has been highly valued by non-Japanese customers, with international residents accounting for approximately 25%*4 of new contracts at Rakuten Mobile stores, contributing to both the resolution of social challenges and business growth.

*2 As a large scale commercial mobile network (as of October 1, 2019) / Survey by Stella Associes
*3 Survey conducted in October 2025 by MMD Research Institute
*4 Year on year comparison of the number of contracts at Rakuten Mobile Shops from January 1 to May 31, 2025



3 Inclusive FinTech Services

Financial services underpin people's economic stability and the foundations of everyday life, yet existing systems do not always ensure that everyone can benefit equally. Through our FinTech services, Rakuten aims to build a society in which financial services are accessible on a fair and equitable basis by advancing financial inclusion and improving financial literacy.

Pick Up

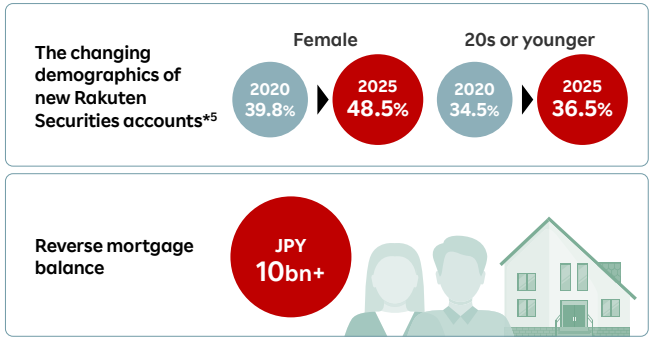
Expanding Diverse Choices through Financial Inclusion

Rakuten Bank offers an LGBT housing loan for LGBTQ+ couples to address the challenges faced by those unable to legally marry. This loan does not require customers to present official documents recognizing a partnership. In addition, as one of our key products to address retirement funding issues in Japan's aging society, Rakuten Bank offers reverse mortgages that allow customers to borrow against their homes as collateral. Rakuten Card also enables same sex partners who share a household to apply for a family card.

Pick Up

Supporting Asset Building across Genders and Generations

Rakuten Securities is committed to creating an environment where anyone, regardless of gender or age, can build assets with confidence. We continue to strengthen the information we provide and financial education programs for all segments, including women and younger generations, to deepen understanding of investing and support long-term asset formation. By offering opportunities to gain a broad range of knowledge from investing fundamentals to practical application, available both online and offline, we help users build assets in ways that meet their diverse needs.



*5 New account holders

Empowerment by Rakuten

Communities

Rakuten Group is working to revitalize local economies and promote digital inclusion in cooperation with local stakeholders. While addressing the unique characteristics and challenges of each region, we aim to realize a society where everyone can enjoy the benefits of new technologies.

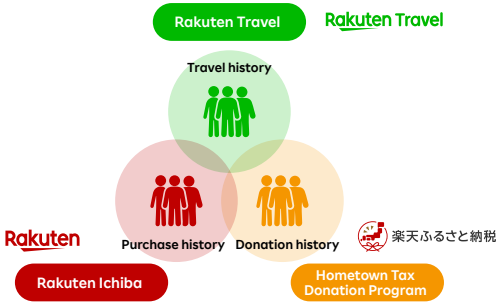
Commerce

Unlocking Regional Vitality with Rakuten's Unique Data

Japan faces a super-aging society with a declining birthrate, leading to serious population decrease and labor shortages in many regions. To address these regional challenges, Rakuten leverages purchasing, travel, and donation data and insights from services such as Rakuten Ichiba, Rakuten Travel, and Rakuten Furusato Nozei to work with local governments to promote regional attractions and revitalize local economies.

For example, in collaboration with Iizuna Town, Nagano Prefecture, we launched the "Iizuna Apple Club" fan club on Rakuten Ichiba, enabling people nationwide to support Iizuna Town. By utilizing Rakuten's marketing data*1 to identify potential fan bases in the region and organizing them into a fan club, we are creating new touchpoints to convey the town's charm nationwide. Furthermore, the special website creates opportunities for visits and expands sales channels for local businesses by providing pathways to purchase local specialties and book harvesting experiences.

Rakuten is developing numerous special pages that promote cross-use within the Rakuten Ecosystem. Moving forward, we will continue to collaborate with local governments and businesses to build mechanisms for promoting regional attractions.



*1 Statistically processed data from the usage history of Rakuten Group's services, where individuals, business partners and other third parties are not identified.

Voice

Deepening Regional Revitalization in Iizuna Town through Partnership with Rakuten



Mr.Katsuya Tamura
Iizuna Town Office, Planning Division, Population Growth Promotion Office

Iizuna Town, located in the northern part of Nagano Prefecture, is a town with a population of approximately 10,000, known for its satoyama (traditional rural landscape) scenery. In fiscal year 2021, the town established the "Furusato Nozei Promotion Office" and worked to expand donations, resulting in donations equivalent to approximately 11 times the town's population in fiscal year 2023.

Furthermore, in fiscal year 2025, in collaboration with Rakuten, the town promoted three initiatives: establishing the "Iizuna Apple Club," accepting volunteers, and using marketing data, thereby increasing engagement with donors. As a result, not only Furusato Nozei but also the promotion of local specialty sales through antenna shops and the increase in participants in experiential content deepened the "related population." In particular, the "Iizuna Apple Club" reached 3,000 registered members in just five months after its launch. These initiatives are expected to be utilized in policy planning for migration, dual residency, and other related measures.

Mobile

Strengthening Communication Resilience During Disasters Through Technology

Japan is a country frequently affected by natural disasters such as earthquakes, typhoons, and heavy rains. Ensuring communication during disasters is a crucial responsibility for companies that support social infrastructure.

Rakuten Mobile was designated as a public institution under the Disaster Countermeasures Basic Act in 2022 and is responsible as a social infrastructure provider. Through the deployment of mobile power supply vehicles and mobile base station vehicles, and the operation of ship-borne base stations in cooperation with other mobile carriers, we are building a system for rapid communication assurance and smooth evacuation shelter support during disasters. In addition, in 2025, we participated in 124 joint training exercises with local governments and the Self-Defense Forces, strengthening our integrated disaster recovery system with local communities.

The utilization of technology plays a vital role in advancing disaster response. In the event of a power outage, remote control can switch radio waves to an emergency power-saving mode, extending the operating time of backup power by approximately 30%. To address transmission line disruptions and equipment failures, we aim to build a multi-layered disaster response model that can continue to provide communication in affected and isolated areas by using satellite services such as Starlink*2 as backhaul and introducing small mobile base station vehicles. Additionally, our BCM system*3, which centrally manages disaster information and base station status, visualizes damage conditions and expedites initial decision-making.

Moving forward, we will continue to strengthen communication assurance during disasters by leveraging new technologies.

*2 Starlink: A satellite internet service provided by SpaceX.
*3 BCM: Abbreviation for Business Continuity Management. A system that supports business continuity plans during disasters.

FinTech

DX Transformation of Local Governments Through Cashless Payments

Cashless payments, which have been expanding in personal consumption, are increasingly adopted by local governments, recognized for their convenience and practicality.

Rakuten Pay will be available for payment of neighborhood association and local community fees starting in 2025. This will enable local residents to complete procedures smoothly, without being constrained by time or place. For neighborhood associations and local communities, it will significantly improve operational efficiency and transparency by reducing the risk of cash loss and the burden of accounting tasks. Furthermore, a key feature is its support for diverse payment methods, including Rakuten Cash, Rakuten Points and credit cards.

In addition to this, we will continue to expand a wide range of services, such as revitalizing local economies through campaigns that reward Rakuten Points using the Rakuten Pay app, and promoting regional attractions through event advertisements. Through these efforts, we will further contribute to the promotion and widespread adoption of cashless payments, as advocated by the Japanese government.



Empowerment by Rakuten

Employees

Employees who embody our Principles of Success and continue to grow are the Rakuten Group's greatest asset. By staying at the forefront of AI-driven innovation, our employees not only create value for society but also gain numerous opportunities for their own professional growth.

For more details on the Five Principles for Success, click here. ▶LINK

Voice 1

Delivering New Value to Society through AI

I am currently involved in the development of Large Language Models (LLMs) and the construction and optimization of AI infrastructure centered on GPU technology. My mission is to deliver AI solutions to society through product design that prioritizes the customer perspective.

In the development of our semantic search model*, our technical and business teams worked closely together to create a search experience that better reflects what users are truly looking for. This initiative has now been deployed in more than 10 services and contributes to over 1 billion yen in annual Gross Merchandise Value (GMV). Being part of the effort to elevate Rakuten's proprietary LLM to world-class performance in a highly uncertain environment has been an incredibly fulfilling experience.

For me, the greatest appeal of working at Rakuten lies in the synergy between its business scale, future vision and sense of ownership. It is an environment where I can take on challenges proactively while feeling a strong sense of responsibility for delivering value to society, and this remains my greatest source of motivation.

*Semantic Search Model: A technology that enables search engines to go beyond simple keyword matching to understand the user intent and the meaning and context behind words.



Connie Huang
AI Research Supervisory Department
Frontier Research Department

Rakuten Shugi
(Rakuten Basic Principles) ▶ Five Principles for Success

Maximize Customer Satisfaction

Voice 2

Embedding AI into Daily Operations: Practices and Frameworks

When Rakuten's AI-nization initiative began in 2023, the use of AI in administrative departments was still limited. As the initiative expanded, I took on the responsibility for the end-to-end process, from planning and implementation to performance measurement, supporting productivity improvements for approximately 3,000 employees.

In an environment without dedicated digital specialists in administrative departments, my goal was to ensure that AI would not remain the domain of a few experts but would become a tool used by all employee in their daily work. By learning AI and Python and sharing that knowledge through monthly study sessions, employees who once found AI intimidating have begun to engage with it and apply it into their work.

It has been especially rewarding to witness this shift in mindset among colleagues who were initially hesitant. I believe that AI will eventually become as ubiquitous as the internet. With that in mind, I remain committed to advancing AI skill development across the organization and steadily driving the democratization of AI.



Hisashi Ishiyama
General Planning Department
Group Competitiveness Enhancement Office

Rakuten Shugi
(Rakuten Basic Principles) ▶ Five Principles for Success

Passionately Professional

Voice 3

Accelerating Challenges and Growth through AI

My aspirations to create jobs and sales channels in regional areas, rooted in my upbringing in a depopulated village, led me to join Rakuten in 2015. I currently work as an EC Consultant supporting the growth of merchants on Rakuten Ichiba.

Creating proposal materials for merchants is a critical part of my role as it involves translating Rakuten's diverse data into clear and actionable insights. However, it can also be time-consuming, limiting the time available to engage deeply with each merchant. To address this, I developed a tool that leverages AI trained on internal terminology and industry knowledge to support the creation of practical, tailored materials.

This has allowed me to spend more time focusing on individual merchants and has reaffirmed my sense of value creation through my work.

With strong support for taking on challenges and continuous development, AI is helping to bridge the gap between what I want to achieve and what I can do. I will continue to leverage the potential of AI to support the revitalization of regional economies.



Masahiro Akimoto
EC Consulting Department
West Area Business Section

Rakuten Shugi
(Rakuten Basic Principles) ▶ Five Principles for Success

Always Improve, Always Advance

Voice 4

Driving Brand Growth through AI

I joined Rakuten as a new graduate in 2017. I began my career as an Internet Travel Consultant for Rakuten Travel, working with accommodation providers to improve sales. I later moved to the Marketing Department, where I was responsible for campaigns including Rakuten Super SALE. After a two-year parental leave, I now work on initiatives that enhance brand value.

One of these initiatives is AI-driven creative production. Previously, commercial video assets required dedicated filming. By using AI to generate video content from existing still images, we have significantly reduced both production costs and time while improving ROI.

Despite having no precedent, we implemented this approach in just one month through close collaboration with internal teams and external partners while ensuring compliance with internal guidelines. I believe this achievement was made possible by my sales experience and the Rakuten Shugi principles I have followed since joining the company.

Moving forward, I will continue to pursue brand value enhancement with speed and determination, learning from challenges along the way. Through execution and results, I aim to deliver new value to society through Rakuten's services.



Yurika Furuya
Marketing Department
Brand Communication Group

Rakuten Shugi
(Rakuten Basic Principles) ▶ Five Principles for Success

Speed !! Speed !! Speed !!

Group CIO & Group CTO Message

Anticipate change, and create new impact through technology

Akihito Kurozumi
Group Executive Vice President
Group CIO (Chief Information Officer) & Group CTO
(Chief Technology Officer)



I serve as Group Executive Vice President in the dual capacity of Group CIO (Chief Information Officer) and Group CTO (Chief Technology Officer) at Rakuten Group. As a platform company, we aim to identify changes in business and markets early and deliver sustainable value to society.

As Group CIO, I oversee governance across our information systems and lead decision-making to build strong, reliable platforms. In my role as Group CTO, I am responsible for the Group's technology domain, including technology selection, optimization and future-oriented technology investment.

Our Group technology mission is "Empowering Rakuten's Growth through Innovative Technology." Because Rakuten operates many different businesses, our technology teams must also understand each business deeply. To achieve this mission, we are constantly examining how to use technology as a powerful tool to solve real problems and social challenges.

Q What did you focus on in 2025?

2025 was a year of continued change and progress for Rakuten. As rapid progress in AI reshaped the business environment, technology investment entered a new phase. We strengthened investment in data and AI, and we expect further acceleration going forward. In 2025, we also focused on migrating to cloud-native architecture and on our open multi-cloud strategy. By reducing reliance on a single cloud provider and combining multiple cloud services, we improved agility and cost efficiency significantly. This approach allowed us to reduce our dependence on specific technologies and vendors, supporting Rakuten's investment in new business areas and new challenges. Through these efforts, we strengthened system flexibility and built a foundation that can adapt quickly in a fast-changing environment.

Q What are the strengths of your human capital in technology?

A key strength of Rakuten is our strategic use of in-house development, including application development. With approximately 6,000 technology professionals, we can respond quickly to uncertain changes outside the company. In addition, by proactively adopting AI, we have increased productivity and improved how we utilize our human capital. AI use is not limited to engineering and our company-wide initiative, "AI-nization", to embed AI throughout the business is accelerating. Employees are utilizing AI to improve our businesses and services, and we aim to deliver more value to stakeholders, including our partners and customers in the Rakuten Ecosystem.

We also recognize the positive impact of English as, our official internal language, on recruitment. Given that domestic AI talent is still developing relative to global standards, an

Group CIO & Group CTO Message

English-speaking environment helps us attract global AI talent. It also enables us to share a strong culture across global sites and work as one organization, which we view as a unique competitive advantage.

Q What did you do in 2025 for information security and AI governance?

As Group CIO & Group CTO, I recognize our responsibility as a platform company in technology governance. In response to increasing threats such as cyberattacks, we continue to strengthen governance for information security and privacy. Customer information security and privacy are among our top priorities, so the CIO and CISO (Chief Information Security Officer) closely collaborate on driving initiatives.



Under the leadership of the CISO, CISOs have been placed in each internal company and major group company. Through close collaboration between the CISOs, we have established shared security standards across the group. Similarly, by introducing company CIO roles, we have strengthened information systems governance across the Group. These actions are the foundation for building an environment where stakeholders can use our services with confidence.

AI governance is also a key focus area. Working with the Group CAIDO (Chief AI & Data Officer), we defined "Responsible AI," set clear goals and formed a governance model. We also established a collaborative organizational structure bringing together the CAIDO, CISO, the privacy governance team and the legal team to ensure the optimal balance between AI use and regulation.

Q How will you respond to future uncertainty?

Innovation through technology requires a mindset that assumes change and embraces self-transformation. While AI is developing rapidly, technology has always evolved. We believe success depends on how flexibly we can adapt.

It is important to always question our own work: "Do we really need what we have now? Is there a better approach?" Rakuten has created impact by treating change as normal and leading transformation proactively. Maintaining this mindset remains fundamental to our growth.

Q What will you do next to provide sustainable services?

First, we will establish the optimum cloud, data and AI strategy. We believe it is important to have autonomy and control over our own cloud, data and AI. At the same time, to improve cost efficiency, we are taking a hybrid multi-cloud approach. This is to achieve the optimal balance between in-house and external resources while maintaining overall control. To build a hybrid multi-cloud model, we will standardize and integrate Rakuten's cloud technologies.

Second, we will fulfill our responsibilities as a platform company. We handle stakeholders' data on our platform, and we understand this is a very serious responsibility. One of our top priorities is to manage risks in privacy, information security and AI use, so that we can continue to provide services that stakeholders can use with peace of mind.

Finally, we will contribute to society. We always ask how we can empower stakeholders through technology. Technology is not the goal; it is a tool. We believe the essential question is: Can we build a better ecosystem that supports a society people value? For Rakuten, this is both a social responsibility and an unlimited source of future potential. We will use technology to its fullest and contribute to a sustainable society.

Section 2

Business Strategy / Sustainability Strategy

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Message from the Officer in Charge of Finance

Towards Further Improvement of Profitability and Strengthening of a Sound Financial Foundation Through the Optimization of Our Business Portfolio



Eiichi Kaga
Director and Group Managing Executive Officer
Vice Group CFO (Chief Financial Officer)
Director of Finance Supervisory Department

Q How was Rakuten's performance and key challenges for FY2025?

In FY2025, we achieved year-on-year growth in both revenue and profit across all segments. Revenue increased by 9.5% YoY to ¥2,496.6 billion, and Non-GAAP operating income improved by 99.2 billion yen YoY to ¥106.3 billion. IFRS operating income was ¥14.4 billion; while this represented a decrease compared to the previous year due to the impact of one-off gains related to the revaluation of AST shares recorded in FY2024, we successfully achieved profitability for the second consecutive year. Additionally, Rakuten Mobile's full-year EBITDA reached ¥12.9 billion, achieving the target set at the beginning of the year.

In the Internet Services segment, the domestic e-commerce GMS increased YoY, driven by the growth of our core businesses such as Rakuten Ichiba and Rakuten Travel. We also made progress in improving losses in deficit-making businesses, including the logistics business. In the International Business Unit, while the performance of Rakuten Rewards was slower due to the macroeconomic environment in the U.S., Rakuten Kobo, Rakuten Viber and others grew steadily.

In the FinTech segment, we continued to expand our customer base, with the number of Rakuten Bank deposit accounts surpassing 17 million and Rakuten Securities general accounts exceeding 13 million. At Rakuten Card, shopping GTV surpassed 26 trillion yen, and we achieved profit growth despite an increase in costs such as financial expenses. In the insurance business, our focus on selecting and concentrating on sales channels and product portfolios for both life and general insurance proved successful, and we made progress in improving profitability. Rakuten Payment achieved full-year operating income profitability for the second consecutive year, driven by revenue growth from the expansion of Rakuten Pay (app payment) GTV, growth in advertising revenue and continuous cost control.

In the Mobile segment, we worked to improve the network quality of Rakuten Mobile and

FY2025 Consolidated Financial Results Summary

(JPY bn, rounded)

	2024	2025	YoY
Consolidated Revenue	**2,279.2**	**2,496.6**	**+9.5%**
Internet Services Segment	1,282.1	1,369.7	+6.8%
FinTech Segment	820.4	975.9	+19.0%
Mobile Segment	440.7	482.8	+9.6%
Adjustments	-264.0	-331.9	-67.9
Non-GAAP Operating Income (Loss)	**7.0**	**106.3**	**+1,407.9%**
(Reference: Excluding Mobile Segment & Minority Investments)	217.9	279.5	+28.2%
Internet Services Segment	85.1	88.9	+4.5%
FinTech Segment	153.4	199.9	+30.3%
Mobile Segment	-208.9	-161.8	+47.1
Adjustments	-22.5	-20.7	+1.8
Amortization of Intangible Assets	-6.8	-5.2	+1.6
Share Based Compensation	-15.9	-15.6	+0.3
One-off Items	68.7	-71.1	-139.7
IFRS Operating Income	**53.0**	**14.4**	**-72.9%**
EBITDA*	**326.0**	**435.9**	**+33.7%**
Internet Services Segment	125.4	129.7	+3.4%
FinTech Segment	216.9	268.9	+24.0%
Mobile Segment	-36.3	28.8	+65.1
Adjustments	20.0	8.5	-57.5%

*EBITDA = Non-GAAP OI + depreciation and amortization etc.

Message from the officer in charge of finance

expand its recognition. We also launched new plans like Rakuten Saikyo U-NEXT, implemented marketing initiatives leveraging various services within the Rakuten Ecosystem —including Rakuten Ichiba and Rakuten Card —and actively promoted the acquisition of corporate subscribers. As a result, the total number of subscribers* surpassed 10 million. ARPU is also rising continuously due to factors such as increased data usage, a rise in the number of users opting for additional services and increased advertising revenue.

On the financial front, we continued to reduce interest-bearing debt and actively manage our bond redemption schedule, while further diversifying our funding methods throughout the year. In July, we issued our first sustainability bond; in August, we returned to the domestic retail bond market for the first time since 2023; and in October, we issued domestic perpetual subordinated bonds. We also made steady progress in improving our cash conversion cycle.

At the same time, we recognize that there are businesses within Rakuten Group that require further profitability improvements or have not shown improvement over a certain period. For these, we intend to accelerate efforts to improve profitability, and in some cases, we believe that exiting the business is a necessary option. In FY2025, we decided to terminate our NBA streaming service. We will continue to review our business portfolio throughout this year.

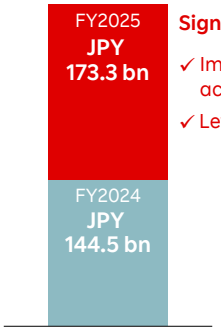
*Total of MNO, including corporate BCP plans, MVNE, and MVNO.

FY2025 Funding

FY2025 Bond Issuances

Jul	Sustainability bonds	**JPY 30 bn**
▶Issuance of our first sustainability bonds		
Aug	Domestic retail bond	**JPY 130 bn**
▶Re-accessed the domestic retail bond market for the first time since 2023		
Oct	JPY-denominated perpetual subordinated bond	**JPY 82 bn**
▶First non-financial company to successfully issue perpetual subordinated bond of size in the domestic market, with capital recognition obtained from rating agencies		

Improved cash conversion cycle



Significant improvement YoY

- ✓ Improving accounts receivable/ accounts payable sites
- ✓ Leveraging point program

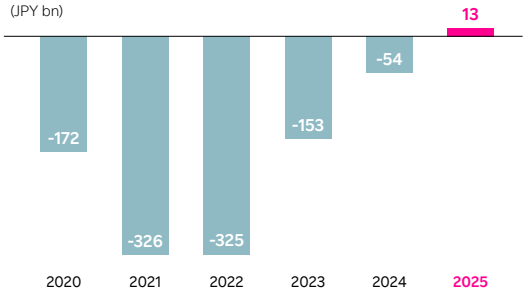
Q Rakuten Mobile achieved full-year EBITDA profitability in FY2025. What is the outlook for achieving operating income profitability?

In FY2025, revenue increased due to the growth in the number of subscribers, etc. Meanwhile, we were able to achieve full-year EBITDA profitability by maintaining operating costs at the levels reduced and leveled off by the end of FY2023. Moving forward, we aim to achieve early operating income profitability by continuing appropriate cost control while further increasing revenue.

Regarding subscriber acquisition, we will strengthen our channel strategy by utilizing both online and physical stores, and further focus on improving network quality to accelerate acquisition and expand our subscriber base. For ARPU, we aim to improve it through the expansion of optional services, enhanced sales through Rakuten Mobile shops, and the growth of advertising revenue.

Rakuten Mobile EBITDA*: Achieved Full Year Profitability

JPY 12.9 bn
+66.7 bn YoY



*Including investment gains/losses related to the Mobile business from Q4/25

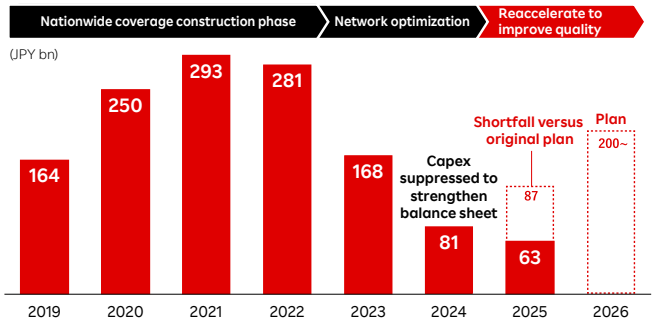
Q What are the capital expenditure plan and the financial policy for Rakuten Mobile?

We believe that improving customer satisfaction through better network quality and strengthening promotions via various channels are key to accelerating subscriber acquisition. To improve network quality, we are planning capital expenditure of slightly over 200 billion yen for FY2026. Specifically, we will promote traffic dispersion through 5G infrastructure development to address congested areas and expand bandwidth for shared base stations to address subway coverage.

Regarding financial policy, our basic principle is self-funding for the necessary capital for the mobile business, including capital expenditure. We will utilize cash flow from our Internet Services and FinTech businesses, as well as independent funding within the mobile business.

FY2026 Capex Plan

Rakuten Mobile Network-Related Capex (Acquisition Basis)



FY2026 Capex Plan Over JPY 200 bn

Message from the officer in charge of finance

Q How do you view the recording of impairment losses? Also, how do you plan to manage future impairment risks and optimize Rakuten's business portfolio?

In FY2025, we recorded impairment losses on fixed assets for the online supermarket business in the third quarter, and for Rakuten Symphony and the logistics business in the fourth quarter. As a result, we believe that the company-wide risk of future impairment has decreased.

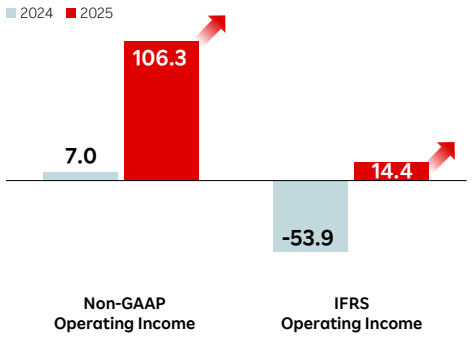
Moving forward, we will continue to optimize our business portfolio while considering the profitability of each business and its synergies with the Rakuten Ecosystem in order to reduce the impact of such one-off factors on net profit.

Q What are the financial strategy and financial targets for FY2026?

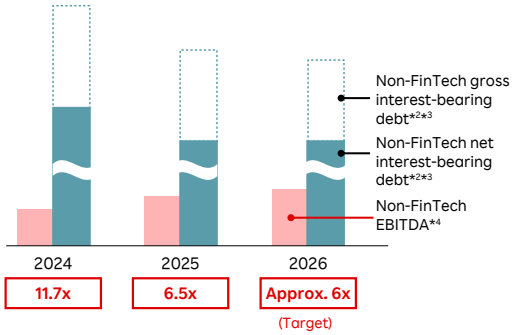
We will continue to focus on further growth of our core businesses and profitability improvements in deficit-making businesses. We will also work on balance sheet management by reducing interest-bearing debt and actively controlling redemption schedules to build a sound financial foundation. In FY2026, we aim for a significant expansion in consolidated Non-GAAP operating income and IFRS operating income, and we aim to keep the ratio of net interest-bearing debt to EBITDA in our non-FinTech businesses at around 6x. Regarding our consolidated capital adequacy ratio, we aim for a 5% level in the medium term, supported by steady asset expansion in our financial businesses, and a 10% level in the long term.

FY2026 Financial Targets

Non-GAAP Operating Income/ IFRS Operating Income*1 (JPY bn)



Trends in Non-FinTech net interest-bearing debt and EBITDA



*1 FY2024 excludes one-off gains related to the revaluation of AST shares
*2 Based on IFRS accounting.
*3 Total interest-bearing debt from non-FinTech businesses (bonds and borrowings + lease liabilities) - Cash from non-FinTech businesses (cash and cash equivalents from non-FinTech businesses + listed securities + managed surplus cash) = Net interest-bearing debt from non-FinTech businesses. Cash from the perpetual subordinated notes issued in October 2025 is excluded from cash equivalents at the end of 2025 because it is used to replace the perpetual subordinated notes with their first optional redemption date in April 2026
*4 Consolidated EBITDA - FinTech EBITDA + dividends and management consulting fees from FinTech businesses (Non-GAAP EBITDA is calculated before considering the Mobile Ecosystem Contribution).

Q Given the balance between growth investment and financial soundness, what is Rakuten's shareholder return policy?

With regards to shareholder returns, we have worked towards paying stable and continual dividends, while also taking into consideration medium- to long-term growth investments and securing sufficient internal reserves to solidify our financial standing. However, considering our current financial situation, we believe that reducing interest-bearing debt by curbing cash outflows is what will allow us to secure financial soundness for the Rakuten Group, which, in turn, will enhance shareholder value. This is why we decided not to pay dividends for FY2024. The timing for when dividend payments will resume is currently undetermined, but we will strive to do so at the appropriate time as we work towards a swift return to consolidated profitability and a reduction in interest-bearing debt. On the other hand, the Rakuten Mobile voice and data plan offered as shareholder benefits have a high yield and have been very well received. We hope that this service will further enhance convenience and deepen understanding among our shareholders.

Q How do you view the impact of AI utilization on Rakuten's performance?

We believe that combining the vast data held by Rakuten Group with AI will lead not just to operational efficiency, but to a transformation of our profit structure.

In terms of optimizing our cost structure, the automation of customer support using AI and the introduction of generative AI into software development have already yielded concrete results, with the profit generated by AI utilization* in FY2025 reaching ¥25.5 billion.

From the perspective of further deepening the Rakuten Ecosystem, I believe that AI-driven personalization will increase cross-use rates within the Rakuten Ecosystem and contribute to the maximization of LTV. This serves as a powerful engine to boost the top line while optimizing marketing costs.

In my capacity, I strictly monitor the timeframe and the extent of profit margin improvement expected from our AI investments. We believe that the cash flow generation strengthened by AI utilization will be reallocated to further growth investments and shareholder returns, thereby enhancing our group's corporate value over the medium to long term.

*Profit generated by cost reduction and sales growth through AI projects across Rakuten services

Areas of Focus / Strategy

As part of our medium- to long-term management plan, Vision 2030*, Rakuten Group aims to sustain double-digit revenue growth and achieve an operating profit margin exceeding 20%. The foundation for this goal is the Rakuten Ecosystem, which integrates more than 70 services under a single membership base and brand. The breadth of the Rakuten Ecosystem and the collaboration among its services cannot be replicated easily. All of Rakuten's business strategies are built on this foundation, making it a source of the Group's competitive advantage.

To realize this vision, the Group is focusing on three areas, based on the current business environment and the capabilities required for long-term value creation. These are: strengthening Rakuten Mobile as the core infrastructure of the Rakuten Ecosystem; accelerating the adoption of AI to enhance productivity and competitiveness; and laying a foundation for responsible growth by promoting sustainability. By concentrating on these three areas, we will further solidify the competitive advantage of the Rakuten Ecosystem and aim to generate sustainable profits.

*Formulated in 2022



Mobile Strategy

The mobile strategy is built around three pillars. First, by leveraging the cost advantage enabled by a fully virtualized network, we aim to acquire more customers and generate sustainable, stable profits. Second, we are strengthening synergies with Group services. We have confirmed that Rakuten Mobile subscriptions improve customer loyalty, and we will work to further expand these synergies going forward. Third, we are pursuing the global expansion of our network technology. Rakuten Symphony's solutions have earned strong recognition, and they serve not only as a driver of our telecommunications business but also as a cornerstone of the Group's global strategy.

Rakuten AI

AI Strategy

The Group possesses three essential elements for the AI era: highly accurate data across diverse domains, engineering capabilities to develop proprietary large language models and a culture of rapid execution. Leveraging these strengths, we are advancing a project called Triple 20. This initiative aims to improve marketing, operational, and client efficiency by 20% each through the use of AI. By accelerating these efforts, we will further strengthen the Group's competitiveness.



Sustainability Strategy

Rakuten positions sustainability as a key pillar of Vision 2030. Based on the concept of double materiality, its sustainability strategy consists of three themes: growing together with employees, providing sustainable platforms and services and addressing global challenges. Through talent development, DEI, improved accessibility, responsible AI governance and action on climate change, we aim to strengthen relationships of trust with stakeholders while contributing to long-term value creation and a more sustainable society.

Enhancing Growth Capabilities

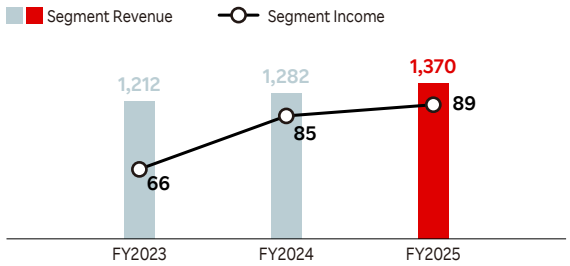
Internet Services | **FinTech** | **Mobile**

Business Strategy

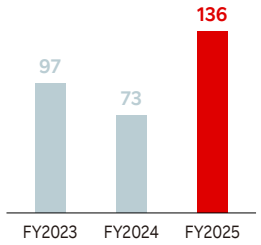
Segment Overview (For the fiscal year ended December 31, 2025)

Internet Services

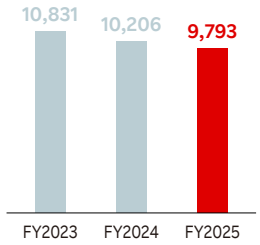
Segment revenue and income*1 (JPY billion)



Capital Expenditure*2 (JPY billion)



Number of Employees*3 (People)



Main Services

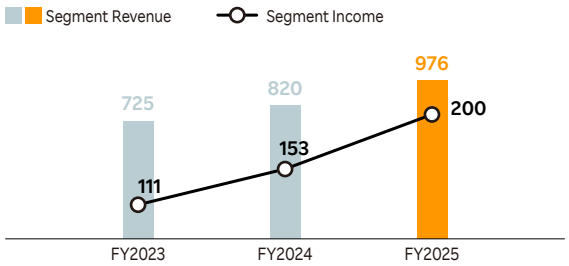
Rakuten Ichiba, Rakuten Travel, Rakuten GORA, Rakuten Books, Rakuten Fashion, Rakuten Mart, Rakuten Super Logistics, Rakuten Rakuma, Rakuten Rewards, Rakuten Viber, Rakuten Kobo

Similar companies

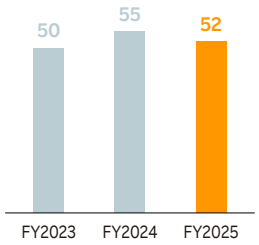
Amazon, LINE Yahoo (Yahoo! Shopping), Mercari, ZOZO (ZOZOTOWN), Recruit (Jalan net), etc.

FinTech

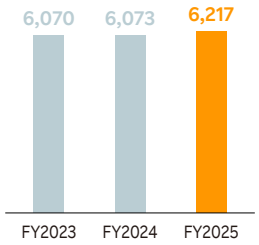
Segment revenue and income*1 (JPY billion)



Capital Expenditure*2 (JPY billion)



Number of Employees*3 (People)



Main Services

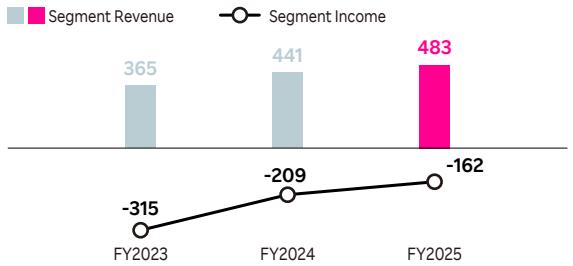
Rakuten Card, Rakuten Bank, Rakuten Securities, Rakuten Pay, Rakuten Life Insurance, Rakuten General Insurance

Similar companies

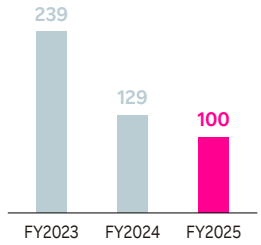
Visa, Mastercard, GMO Payment Gateway, PayPal, Block (Square), Sumitomo Mitsui Card, JCB, Mitsubishi UFJ Nicos, Marui, SBI Sumishin Net Bank, Sony Bank, SBI Securities, Monex Securities, PayPay, etc.

Mobile

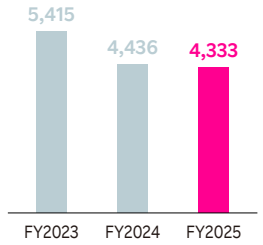
Segment revenue and income*1 (JPY billion)



Capital Expenditure*2 (JPY billion)



Number of Employees*3 (People)



Main Services

Rakuten Mobile, Rakuten Symphony, Rakuten Denki, Rakuten Gas, Rakuten Hikari (Fixed line, etc.), Rakuten Communications

Similar companies

NTT Docomo, KDDI, SoftBank

*1 Non-GAAP basis. From FY2026, certain AI-related development expenses are allocated to each business; retroactive adjustments are not applied in this document.
*2 Acquisition basis. Includes right-of-use assets (base station land leases, data centers, GC's, shops, etc) accounted for under IFRS16 and costs for establishing specified base stations.
*3 Employee count reflects the number of full-time employees and excludes director-level employee, temporary staff, part-time workers, and employees in development, administrative, and shared service functions not directly attributable to a specific segment.

Business

Internet Services ▶ Domestic EC*1

Toward Higher Revenue and Profit through Expanded Mobile Synergies, AI Utilization and Business Portfolio Optimization



SWOT Analysis

[Strengths] Large domestic e-commerce scale; diverse product lineup; established payment/logistics	**[Weaknesses]** Marketplace quality control; risks intrinsic to platform businesses; stretched management resources
[Opportunities] EC market growth; advancement of AI technology; expansion of the e-commerce advertising market for physical goods; and increase in inbound demand	**[Threats]** New market entrants; economic/social changes; logistics labor shortage; system server outages and delivery delays due to natural disasters

Business Overview

Rakuten operates a variety of platform and marketplace businesses, including its original internet shopping mall Rakuten Ichiba, the travel reservation service Rakuten Travel, the consumer commerce app Rakuten Rakuma, and the golf reservation site Rakuten GORA. In addition to these platform businesses, Rakuten also manages direct sales e-commerce services such as the Rakuten Books online bookstore, the Rakuten Fashion site, and the Rakuten Mart online supermarket. Rakuten also provides comprehensive support for its domestic e-commerce services through Rakuten Super Logistics, a total logistics solution for Rakuten Ichiba merchants. In 2025, Rakuten's domestic e-commerce Gross Merchandise Sales (GMS) totaled approximately 6.3 trillion yen, making it one of the largest e-commerce businesses in Japan.

Market Environment

According to a survey by Japan's Ministry of Economy*2, Trade and Industry (METI)2, the size of Japan's B2C EC market in 2024 reached ¥26.1 trillion (+5.1% YoY). The EC penetration rate for physical goods in the B2C market*3 was 9.8% (+0.4 pp YoY), and the growth rate increased +3.7% YoY. While growth has moderated compared to the COVID-19 period, further market expansion is expected as digitalization progresses and advances in AI technologies lead to the emergence of agentic AI tools. In service-type EC, including travel, further market growth is also anticipated due to the digitalization of the domestic market and the expansion of inbound demand.

*1 Domestic E-commerce includes: Ichiba, Travel (Accommodation Booking), Books, Books Network, Golf, Fashion, Dream Business, Beauty, Rakuten 24 and other Direct Sales of Daily Necessities, Car, Rakuma, Rebates, Rakuten Mart, Rakuten Ticket, Cross-Border Trading, etc.

*2 Source: "FY2024 Digital Transaction Environment Improvement Project (Market Research on Electronic Commerce)" (Ministry of Economy, Trade and Industry)

*3 In this survey, the e-commerce penetration rate refers to the ratio of the electronic commerce market size to the total value of all commercial transactions (commercial transaction market size). The calculation of the e-commerce penetration rate covers the product sales sector in B2C EC and industries other than "Other" in the industry classification in B2B EC.

FY2025 Results and Challenges

In 2025, the domestic EC business achieved steady growth. Excluding the impact of the prior year's leap year, GMS increased 4.2% YoY, meeting the targeted mid-single-digit growth. Net revenue rose 5.8% YoY to ¥1.0232 trillion, and operating profit increased 12.6% YoY to ¥122.4 billion, delivering strong growth in both revenue and profit.

Our core business, Rakuten Ichiba, maintained solid full-year growth driven by continued expansion of synergies with Mobile and the promotion of AI utilization, despite volatility stemming from changes to rules for the Furusato Nozei (hometown tax donation) program. As a result of synergies with Regarding Mobile, the share of Rakuten Mobile subscribers among Rakuten Ichiba's monthly active users increased to 16.4%, and mobile subscribers' average annual GMS is approximately 48.8% higher than that of non-subscribers*4. In terms of AI utilization, AI-optimized RPP ads improved advertising performance. In addition, through initiatives such as implementing the agentic AI tool Rakuten AI on Rakuten Ichiba and introducing a new Discovery Recommendation feature, we generated results in uncovering users' latent needs and supporting purchase decisions.

The Travel business also performed well, with transaction value increasing 7.8% YoY. Global-related businesses achieved high growth mainly driven by inbound demand, and domestic lodging also delivered positive growth as demand recovered. The Travel business likewise introduced an agentic AI tool, enabling it to better address travelers' diverse needs; in particular, family bookings with children trended strongly.

In growth-investment businesses, a broad range of initiatives aimed at reducing losses proved effective, such as revising logistics fees, optimizing assets in the online grocery business and discontinuing the NBA business. As a result, we achieved a significant reduction in losses and strengthened the business foundation.

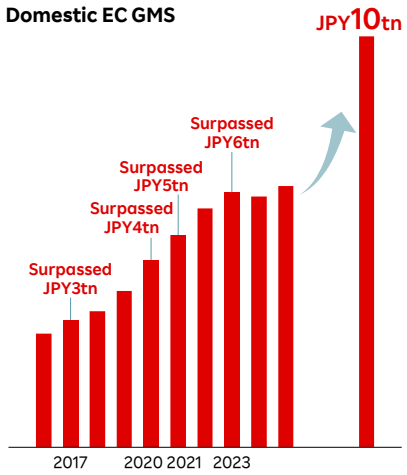
*4 Difference in average GMS per person over the past year between Rakuten Mobile subscribers and non-subscribers. Subscribers are defined as users who subscribed to Rakuten Mobile (MNO B2C) in any month from March 2020 to January 2025, whose line was active between January 2025 and December 2025, and whose purchasing behavior in the past year from the subscription month was aligned with that of non-subscribers. Non-subscribers are defined as users who used some other Rakuten service (other than Rakuten Mobile MNO B2C) in the past year from December 2025, and whose purchasing behavior in the past year from that month was aligned with that of subscribers.

FY2026 Initiatives

For FY2026, we aim to maintain the same low-to-mid-single-digit GMS growth rate as in FY2025, while targeting net revenue and operating profit growth that outpaces GMS growth. We will maximize the value of the Rakuten Ecosystem and build a robust growth foundation toward achieving ¥10 trillion in domestic EC GMS.

The key drivers to achieve this goal will continue to be maximizing synergies with Mobile and leveraging AI. Under the Mobile strategy, we will leverage subscribers' strong purchasing power and drive GMS growth by expanding the subscriber base. We will continue driving AI utilization, and will scale the optimization of RPP ads horizontally across the business while strengthening AI features such as AI Concierge. Through these efforts, we will deliver a purchasing experience optimized for each individual user and strongly promote new customer acquisition and improved loyalty.

Domestic EC GMS



Business

Internet Services International BU

Further Market Expansion Through a Unique Service Portfolio and Enhanced User Experience



SWOT Analysis

[Strengths] High brand recognition and trust, a large user base, a unique service offering and a broad content lineup	**[Weaknesses]** Reliance on merchant partnerships and smaller market share than competitors
[Opportunities] Growth of the online shopping market; expanding cross-border demand for content; rapid dissemination of real-time information driven by advances in digital platforms and the evolution of AI technologies	**[Threats]** Changes in consumer spending habits, increased competition, new entrants, economic slowdowns, changes in social conditions, changes in tariff policies and other regulations

Business Overview

The Rakuten International business unit is driving the global expansion of a wide range of Rakuten services. Rakuten Rewards provides cashback and other benefits in the U.S., Canada and the U.K., helping members enjoy greater savings when shopping online. Within Europe the video streaming service Rakuten TV serves as a core offering. Additionally, the communication app, Rakuten Viber, with 1.64 billion users globally, connects people worldwide through messaging as well as voice and video calls. Rakuten Kobo continues to transform the reading experience through its e-readers, e-books and audiobooks, while Rakuten Viki delivers Asian entertainment content to a global fan base. Together, these diverse services strengthen Rakuten's international presence.

Market Environment

The Rakuten International business unit operates a variety of services, each tailored to a different market environment. In the cashback market, the spread of online shopping and mobile apps, along with advances in data analytics and AI, is driving market growth and supporting the expansion of Rakuten Rewards. At the same time, in 2025, the U.S. retail industry's cautious stance toward marketing initiatives due to concerns over additional tariffs has affected the overall market. In the eBook market, technological innovations, such as advances in electrophoretic e-ink technology, higher screen resolution, and faster processors, are accelerating improvements in Rakuten Kobo's customer experience. In the entertainment market, cross-border demand for content is expanding as globalization progresses. Advances in streaming technology and the extensive popularity of Asian content are fueling the growth of Rakuten Viki. In the messaging app market, particularly in Southeast Asia, the expansion of an active user base represents a key asset for Rakuten Viber.

FY2025 Results and Challenges

In 2025, the Rakuten International business unit achieved revenue of USD 2.1 billion (up 2.4% year on year) and Non-GAAP operating profit of approximately USD 52 million (up 35.3% year on year), delivering higher revenue and higher profits. This strong performance was driven by Rakuten Kobo, Rakuten Viber and Rakuten Viki.

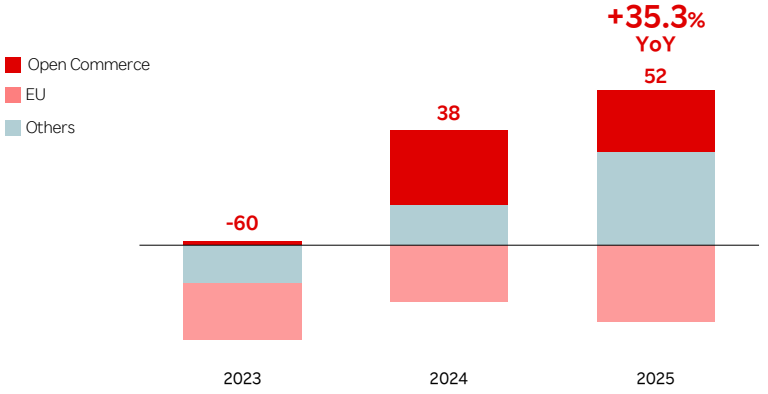
At Rakuten Kobo, strong sales of the color device launched in Q2 2024 continued into 2025, while content sales such as the Kobo Plus subscription remained solid, accelerating growth. At Rakuten Viber, in addition to consumer communications services, marketing services for corporate clients – such as advertising, messaging, and chatbots – delivered steady growth and made a significant contribution to the International BU's overall revenue and profit growth. Asian content from Korea and China drove continued subscription growth at Rakuten Viki; user retention among existing users remained high, and an expanded lineup contributed to higher revenue and profits.

Meanwhile, for Rakuten Rewards, the cautious stance of the U.S. retail industry stemming from the impact of Trump-era tariffs led client companies to restrain advertising spend, resulting in slower growth in 2025. As for the EU business, loss improvement has not progressed significantly due to factors such as intensifying market competition surrounding Rakuten TV.

FY2026 Business Strategy

In 2026, the Rakuten International business unit will continue to target higher revenue and higher profits. Rakuten Kobo will remain focused on developing and selling advanced, attractive devices such as color models, while expanding subscription-centered content sales. By increasing brand awareness and improving user retention, it aims to grow revenue and operating profit. Rakuten Viber will further strengthen its communications and marketing services in key markets such as Eastern Europe, Southeast Asia, and the Middle East, while pursuing continuous revenue and profit growth through AI-enabled cost optimization. Rakuten Viki will attract new user segments by acquiring new Korean and Chinese content and expanding into new content formats, growing revenue through subscription growth and improved user retention. In addition, it will enhance service quality by improving user experience with AI. For Rakuten Rewards, amid an uncertain macro environment in the U.S. retail industry, the company will closely monitor conditions while advancing optimization of personalized offers through data utilization, platform improvements and stronger marketing efforts.

Non-GAAP Operating Income (USD mm)*



*Open commerce is the total of Rakuten Rewards (USA, Europe, Canada), Fillr, and overseas Ads business. EU: Sum of Rakuten TV and Rakuten France. Others: Sum of Rakuten Kobo, Rakuten Viber, Rakuten Viki, etc. Note that this does not include Rakuten Symphony, Taiwanese e-commerce business, or businesses run by overseas financial subsidiaries.

Business

FinTech ▶ Card and Payment

Providing Convenient Cashless Payment Services That Serve as a Gateway to the Rakuten Ecosystem



SWOT Analysis

[Strengths]
- Integration of diverse payment methods and services into a single app
- Utilization of Rakuten Group's online and offline data across a wide range of use cases, including shopping, travel, finance, and mobile
- A strong customer and partner company base built on Rakuten Points
- A rich lineup of Rakuten Ecosystem services (e-commerce, finance, mobile)

[Weaknesses]
- Rakuten Card: Corporate customer acquisition
- Rakuten Payment: Consumer awareness requires improvement

S W O T

[Opportunities]
- Further increase in the cashless payment ratio
- Expansion of B2B credit card payment opportunities
- Further advancement of AI technology

[Threats]
- Decline in consumer sentiment and worsening unemployment due to economic downturn
- Decrease in membership and gross transaction value (GTV) due to declining birthrate and population

Business Overview

Since its launch in July 2005, Rakuten Card has actively promoted the adoption of cashless payments across Rakuten Group and beyond, and now holds the top share of shopping transaction value in Japan*1, supporting the Rakuten Group's FinTech Ecosystem as a leading credit card. In addition, payment services provided by Rakuten Payment, Inc., such as Rakuten Pay and Rakuten Edy, are widely used as essential payment methods in daily life. These services play an important role as entry points to the Rakuten Ecosystem.

Market Environment

The government has been promoting cashless payments with the aim of raising the cashless payment ratio to around 65% by 2030 and eventually to 80%. As a result, the cashless payment ratio reached 58.0% in 2025, showing a steady increase compared to the previous year. Notably, the volume of QR code payments grew significantly, rising 22.6% year-on-year to 16.588 trillion yen, accounting for 10% of total cashless payments for the first time. Meanwhile, credit card payments, which have the largest share, also expanded further, increasing 15.1% year-on-year to 134.586 trillion yen*2. While a number of advanced economies already exceed a 60% cashless payment ratio*3, Japan's cashless industry still has considerable room for growth.

2025 Achievements and Challenges

Rakuten Card has continued to expand its customer base, reaching 33.41 million issued cards in December 2025. This was driven by collaboration campaigns with Rakuten Mobile, strengthened outreach to younger demographics through the issuance of various design cards, and the launch of the Mizuho Rakuten Card. Furthermore, shopping GTV for 2025 reached 26.5 trillion yen, progressing steadily toward the 30 trillion yen target. Despite increased interest expenses incurred for procuring essential working capital due to rising market interest rates following the Bank of Japan's policy rate hikes, the company has maintained profit growth.

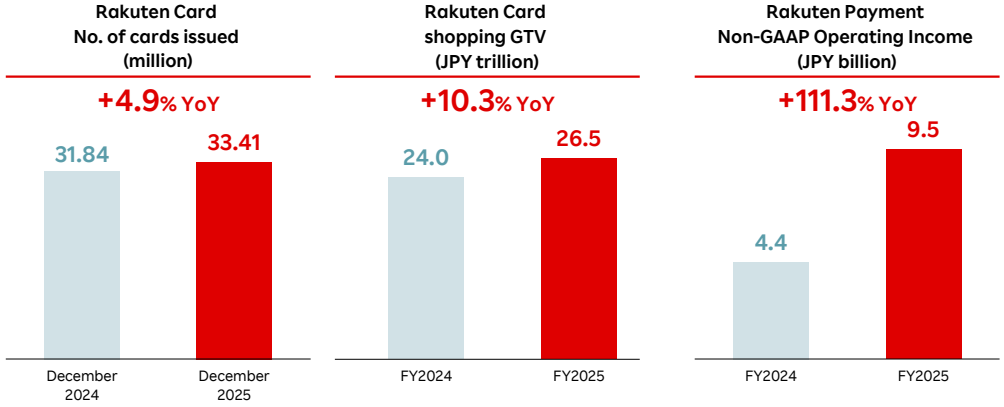
In addition, we launched the Rakuten Card Premium Program for Rakuten Gold Card, Rakuten Premium Card, and Rakuten Black Card members, which offers collaborations with Rakuten Group services such as Rakuten Mobile, Rakuten Ichiba, Rakuten Bank, and Rakuten Securities, as part of our efforts to enhance user loyalty.

Rakuten Payment, Inc. integrated the Rakuten Edy and Rakuten Point Card apps into Rakuten Pay in April, and from December, began promoting a strategic partnership with Uber, starting with Rakuten ID linkage, to further improve user convenience. These initiatives, combined with growing users and GTV for Rakuten Pay, drove significant YoY advertising revenue growth and lead to the achievement of Non-GAAP operating income for the second consecutive year.

2026 Initiatives

We will continue to focus on expanding our customer base and increasing GTV, while also enhancing user convenience. For Rakuten Card, we are pursuing growth and operational efficiency through the issuance of corporate cards and collaboration in the acquiring business, both of which began in December 2024 as part of our partnership with Mizuho Financial Group. Additionally, Rakuten Payment, Inc. will strengthen its collaboration with other FinTech services to make the Rakuten Pay app even more convenient for users. Furthermore, we launched the AI-powered retail analytics platform Rakuten Analytics for Retailers in February, and we are committed to supporting companies and retail stores in resolving their challenges by leveraging data from the Rakuten Ecosystem.

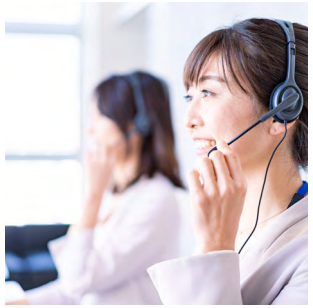
*1 Based on shopping transaction value for domestic credit card issuers (in-house issuers) in fiscal year 2024, according to a survey by Yano Research Institute Ltd. (as of November 2025). These survey results are estimates derived from qualitative research and analysis methods.
*2 Ministry of Economy, Trade and Industry "2025 Ratio of Cashless Payment Among the Total Amount Paid by Consumers Calculated"
*3 Payments Japan Association "2023 Ratio of Cashless Payment in Major Countries"



Business

FinTech ▶ Bank, Securities, Insurance

Supporting People Throughout Their Lives with Convenient Online Financial Services



SWOT Analysis

[Strengths]
- Customer acquisition leveraging the Rakuten Ecosystem
- Strong collaboration among FinTech businesses

[Weaknesses]
- Difficulty in acquiring customers outside the Rakuten Ecosystem

S W O T

[Opportunities]
- The expansion of interest income driven by the rising interest rate environment
- Further accelerating the shift from savings to asset building
- DX promotion fueling online insurance subscription growth

[Threats]
- Cybersecurity attacks targeting financial services
- Changes in monetary policy hinder banks' opportunities to expand interest margins
- Rapid market fluctuations deter individual investors from investing in stocks
- Shrinking insurance market due to population decline

Business Overview

As the digital bank with the largest number of accounts in Japan*1, Rakuten Bank offers highly convenient financial services that enable customers to bank 24/7 online. Rakuten Securities aims to maximize customers' financial well-being as the brokerage company of choice for all customers – ranging from investment newcomers to seasoned traders. Rakuten Life Insurance and Rakuten General Insurance offer a variety of insurance products that Rakuten members can easily apply for online, providing peace of mind to our customers.

Market Environment

Since the introduction of the negative interest rate policy in 2016, bank deposit interest rates have remained low for a long time; however, following the lifting of the negative interest rate policy in 2024, the Japanese financial market shifted toward a positive interest rate environment and two policy rate hikes were implemented in 2025. Although deposit interest rates have also risen, bank earnings are expected to improve, driven by an even greater increase in investment yields.

The securities business, under the slogan of "shifting from savings to asset building," encourages individuals to transfer their financial assets from savings to investment products. The new NISA system launched in 2024, a significant revision of its predecessor, is driving increased interest in asset building and investment among many people.

In the insurance industry, the shift toward a positive interest rate environment is driving increased demand for savings-oriented products. Furthermore, there is a growing shift toward direct-model insurance that prioritizes price and convenience, and the trend for purchasing insurance online is on the rise.

2025 Achievements and Challenges

Rakuten Bank continued to expand its customer base to 17.63 million accounts*2 by promoting customer acquisition through the Rakuten Ecosystem. In addition, by further enhancing the convenience of its services and providing point rewards and preferential interest rates, the bank has made progress toward becoming customers' primary bank account, with non-consolidated deposit balances exceeding 13 trillion yen*2. Along with the accumulation of managed assets, interest income increased significantly due to the Bank of Japan's policy interest rate hikes, leading to substantial growth in both revenue and profit for the second consecutive year.

Rakuten Securities saw its customer base expand significantly amid the new NISA system, with the number of general accounts reaching 13.26 million*2. The number of NISA accounts, which boasts the largest scale in the industry, reached 7 million*3, and customer assets under the new NISA program have surpassed 10 trillion yen*2. Since the elimination of commissions for domestic stock trading, the diversification of revenue sources into areas such as margin trading, FX, and bonds has continued to expand, resulting in increased revenue and profit. Furthermore, the company has also worked on strengthening security, such as by introducing "Passkey authentication" (FIDO2) for logins across all customers and all channels.

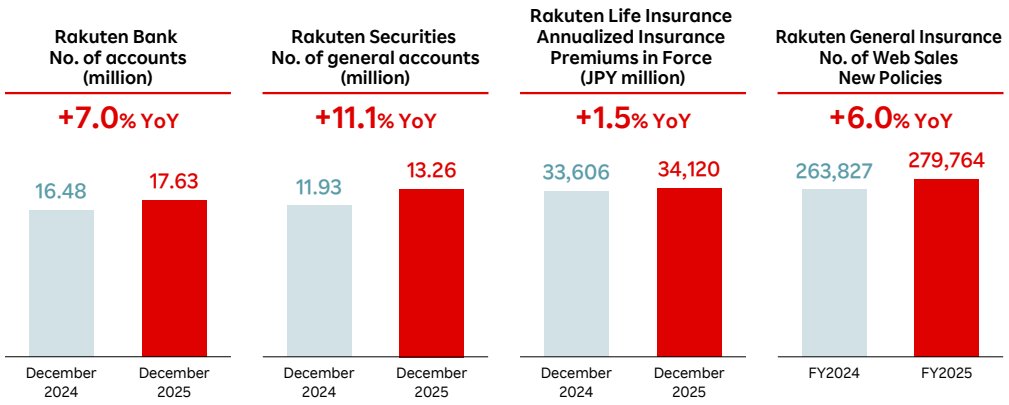
In the insurance business, both Rakuten Life Insurance and Rakuten General Insurance focused on the "selection and concentration" of sales channels and product portfolios, which led to improved profitability. In particular, Rakuten General Insurance achieved dramatic growth by concentrating management resources on key products, such as Rakuten Auto Insurance, combined with discounts for Rakuten members and the use of Rakuten Points.

2026 Initiatives

At Rakuten Bank, we will continue to promote customer acquisition through the Rakuten Ecosystem and drive the transition to primary bank accounts to accumulate managed assets and expand interest income. At Rakuten Securities, we will continue to enhance our various services while further strengthening our collaboration with Mizuho Securities – which began in October 2022 – in areas such as products, services, and systems. In the insurance business, we will also seek to collaborate with the Rakuten Ecosystem to continue expanding earnings and improving the quality of customer service, with the goal of becoming the insurance company of choice for our customers.

In addition to these efforts, we are moving forward with initiatives to reorganize the FinTech business*4, with the aim of strengthening the FinTech ecosystem and driving growth across the entire Rakuten Ecosystem.

*1 The number of bank accounts is as of September 30, 2025. Numbers are based on information disclosed by SBI Sumishin Net Bank, Ltd., PayPay Bank Corporation, au Jibun Bank Corporation, Daiwa Next Bank, Ltd., Minna Bank Co., and UI Bank Co., Ltd.
*2 As of December 31, 2025. Figures are rounded down to the nearest unit.
*3 As of January 2026
*4 The effective date is scheduled for October 1, 2026.



Business

Mobile ▶ Rakuten Mobile

Surpasses 10 Million Subscribers, with further expansion of our customer base driven by next-generation networks and ecosystem collaboration



SWOT Analysis

[Strengths]
- Fully virtualized, cloud-native mobile network enabling optimized capex and operating costs
- Simple pricing plan suited for the high-data consumption era
- Strong customer acquisition and retention driven by the "Rakuten Ecosystem"
- High agility in adapting to market changes

[Weaknesses]
- Need to increase awareness of brand and network service quality
- Need to strengthen operational excellence in the telecommunications industry

S W O T

[Opportunities]
- Accelerating adoption of 5G
- Increased use of AI in services and network operations

[Threats]
- Changes in regulations and legal frameworks
- Increasing sophistication of cybercrime

Business Overview

Rakuten Mobile launched its full-scale operations as a nationwide mobile network operator in April 2020, under the mission of "democratizing the mobile market." Leveraging a fully virtualized, cloud-native network platform, it delivers innovative mobile communication services. For individual customers, Rakuten Mobile offers the unlimited high-speed data plan "Rakuten Saikyo Plan," and in October 2025, introduced "Rakuten Saikyo U-NEXT," which bundles unlimited data with unlimited U-NEXT streaming. For corporate customers, it provides "Rakuten Saikyo Plan Business" to meet diverse business needs.

Additionally, "Rakuten Link," an exclusive Rakuten ecosystem communication app for subscribers, offers free domestic calls and messaging. It has also incorporated the agentic AI tool "Rakuten AI," further enhancing user convenience.

Market Environment

As of September 2025, the number of mobile subscriptions in Japan reached 230 million, representing a 4.5% year-on-year growth.* Since Rakuten Mobile's entry in April 2020, the market has become more competitive, driven by the introduction of competitive pricing plans (sub-brands) by the three major carriers and the launch of the one-stop MNP process in 2023.

Meanwhile, the proliferation of video streaming, IoT, and AI has continued to drive rapid growth in average user data consumption. In response, telecom operators are accelerating investments in network infrastructure and introducing bundled subscription services.

Furthermore, emerging technologies such as direct satellite-to-smartphone communication are pushing the industry into a new phase of competition focused on both improving network quality and creating added value.

FY2025 Results and Challenges

In fiscal year 2025, Rakuten Mobile achieved a net increase of 1.7 million subscriptions year-on-year, reaching its milestone of 10 million total subscribers. It also recorded its first full-year EBITDA profitability as Rakuten Mobile, demonstrating steady growth as the fourth mobile carrier in Japan.

The strong subscriber growth in the B2C segment was driven by increased brand awareness through the Rakuten Ecosystem and the expansion of referral campaigns. In B2B, the expansion of optional services and IoT offerings increased consideration among corporate customers.

To improve network quality, the company focused on high-demand areas such as urban centers and subway systems. It enhanced traffic distribution by deploying 5G base stations in congested areas and expanded bandwidth in subway networks.

However, securing sufficient resources from network construction contractors proved challenging, resulting in capital expenditures falling short of the initially planned ¥150 billion. For FY2026, Rakuten Mobile plans to invest ¥200 billion and will accelerate network deployment by strengthening collaboration with partners and allocating internal resources.

FY2026 Initiatives

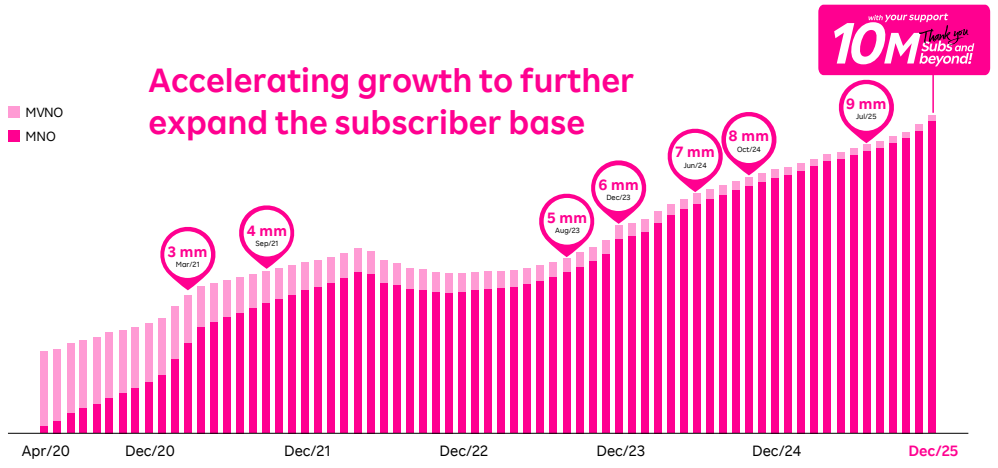
In FY2026, Rakuten Mobile will prioritize enhancing customer experience. It will proceed with the planned ¥200 billion investment to build a more stable and high-quality network environment.

In addition, the company plans to launch the "Rakuten Saikyo Satellite Service" in Q4 2026, which will enable direct communication between satellites and smartphones. This will expand coverage to previously unreachable areas such as mountainous regions and remote islands, as well as strengthen network resilience in emergencies and disasters.

At the same time, Rakuten Mobile will expand optional services and device offerings, while further strengthening collaboration with Rakuten Group services to deliver more comprehensive and customer-centric solutions.

*Source: "Trends in Mobile and PHS Subscriptions (as of end-September 2024)," Ministry of Internal Affairs and Communications (Japan)

Rakuten Mobile Number of Subscribers



Business

Mobile ▶ Rakuten Symphony

Driving Global Innovation with Virtualization, Cloud, and AI



SWOT Analysis

[Strengths]
Leverages expertise in building large-scale virtualized, cloud-native Open RAN networks to provide essential functions for next-generation network deployment and operation using cloud, automation, and AI technologies

[Weaknesses]
As a later entrant in the network equipment vendor space, faces challenges in price competitiveness and credibility (track record) compared to established vendors

S W O T

[Opportunities]
Growing demand for infrastructure capable of handling massive data increases and the need for DX across industries enables low-risk, rapid modernization using telecom-proven technologies

[Threats]
Adoption of new solutions may be hindered by customer lock-in due to legacy technologies and vendor-driven feature additions from incumbent vendors

Business Overview

Rakuten Symphony supports the transformation of network and IT infrastructure for telecommunications operators and other enterprises and organizations, leveraging the technology and expertise developed through Rakuten Mobile's fully virtualized, cloud-native mobile network. With a core focus on Open RAN, cloud, automation, and AI technologies, the company provides innovative solutions that enable efficient, flexible, and robust network operations.

Specifically, it offers cloud solutions (virtualization platforms), operational support systems (OSS), and Open RAN software, as well as internet services utilizing assets from the Rakuten Ecosystem. By supporting digital transformation (DX) across a wide range of industries—including telecommunications, energy, retail, and local governments that underpin social infrastructure—the company contributes to accelerating innovation and achieving sustainable growth.

Market Environment

The current mobile communications market is characterized by rapid growth in data consumption and intensifying price competition, putting pressure on the profitability of telecommunications operators. Under these conditions, the traditional high-cost infrastructure investment model is reaching its limits, making improved efficiency in network construction and automation of operations critical management priorities.

Against this backdrop, Rakuten Symphony enables flexible infrastructure development independent of specific vendors by deploying solutions based on Open RAN, cloud, automation, and AI technologies. During this period of structural transformation, the company is well positioned to capture expanding global demand as a provider of optimal solutions.

FY2025 Results and Challenges

Rakuten Symphony has reached a cumulative total of 74 customers and 17 partners, with operations spanning approximately 30 countries and regions. Revenue totaled ¥85.7 billion, and the company achieved full-year profitability on a Non-GAAP operating basis.

The Open RAN business has been a key driver of improved profitability. While the company previously provided hardware as well, it shifted to a more profitable and efficient software-centric model due to slower-than-expected market expansion caused by high barriers to adopting next-generation Open RAN networks. As of February 2025, Cisco, Airspan, and Tech Mahindra have joined the company's "Real Open RAN Licensing Program," aiming to accelerate adoption.

The cloud business is also performing strongly. In March 2025, Rakuten Symphony began offering storage solutions via the Google Cloud Marketplace, strengthening its global expansion. This enables secure and resilient data storage for enterprise and telecom-led 5G edge application environments, expanding reach into industries such as retail, manufacturing, and media.

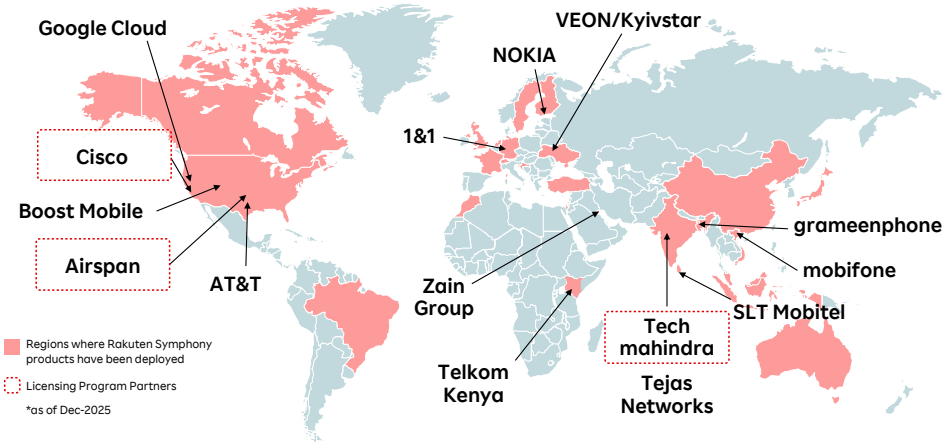
Going forward, the company will deepen partnerships, expand sales channels, and further strengthen its revenue base.

FY2026 Initiatives

In 2026, Rakuten Symphony will focus globally on acquiring new contracts, expanding existing customer agreements, and securing full commercial contracts by progressing from technical validation stages.
In March 2026, a new organization for the Japanese market, "Rakuten Symphony Japan," was officially launched. By leveraging solutions such as cloud (virtualization platforms) and OSS developed through Rakuten Mobile's network deployment and global expansion, the company will support DX initiatives for Japanese enterprises. It will provide cloud solutions that combine robust security with cost efficiency, as well as AI-driven network optimization solutions across a wide range of sectors, including social infrastructure and public services. Through these efforts, Rakuten Symphony aims to accelerate innovation both domestically and globally while further improving profitability.

Rakuten Symphony: Established a Broad Track Record Overseas

Cumulative customers: 74 | Partners: 17 | Deployed across ~30 countries and regions*



Group CAIDO Message



Ting Cai
Group Senior Managing Executive Officer
Group CAIDO (Chief AI & Data Officer)
Group Senior Managing Executive Officer of AI & Data Division

Our Ecosystem gives us a structural advantage in building the connective layer that lets to move fluidly across our diverse portfolio of services – omotenashi made real through technology

Q

What AI trends are on your radar?

The way that users interact with software is fundamentally changing. In the early days of personal computing, users had to read a thick manual to understand how to use a computer. Even today, you have to learn how to navigate a website.

Now AI is getting much better at acting on users' behalf. It can better understand user intent, capture the context, and plan and execute longer, more complex tasks. It can even try multiple paths, iterate on the fly and find the optimal solution.

I want us to imagine the future of the user interface as a blank sheet or a simple voice conversation. Users just describe a goal, then AI figures out how to get it done and checks in with the user periodically to get approval to proceed.

The field of AI is progressing at unprecedented speed and scale. Just three years ago, AI's ability to chat like humans was a wow moment. But today that sounds primitive. The interaction is no longer you typed a question, you got an answer. With the rise of agentic AI, the relationship is strategic and collaborative. AI systems can learn the context from a vague idea or high-level objective, clarify the intent, plan multiple steps, connect with tools such as, email, calendar, or browsers, propose actions, get approval and get things done on behalf of users.

This matters because it fundamentally changes the relationship between humans and AI, from one that's transactional to a real personal assistant. As far back as 2016, our CEO Mickey set the vision for this kind of human-AI partnership by championing the Japanese concept of omotenashi, which centers on anticipating needs before they are expressed. It's exciting to see that technology is finally making that vision possible.

This is a fundamental change in the way users interact with the Rakuten Ecosystem across all of our domains and services. For a company like Rakuten, it creates a massive opportunity and an imperative to rethink how we can deliver more value to our users and shareholders.

Q

What is Rakuten's strategy for winning in AI?

From the start, our mission has been to augment human creativity with the power of AI, and how we help customers to solve concrete problems is at the center of our strategy. With that in mind, our approach has been to understand the fundamentals of technology shift, make informed bets on what to focus on and when, and most importantly drive change across the organization to bring everyone along this exciting journey.

Strategically, we attack this at multiple levels. First, we strive to understand AI technology from the ground up. How does this technology work at its most fundamental level? How does a tokenizer work? Should we create one specially for the Japanese language? Does it help our customers to interact with our services? Can we do it more efficiently? Every project

Group CAIDO Message

we run is about delivering the most possible value to our customers, and to our shareholders.

Second, we continue to bet big on cost-effective, high-performance AI. When generative AI (GenAI) and retrieval-augmented generation (RAG) was the trend at the time, we focused on building our deep learning foundation, starting with embedding, and then search. Because that is the foundation. Even the most advanced GenAI models need to retrieve the latest information before they can generate any answers.

Rakuten's high-quality transaction data and diverse domain knowledge helped us build the most efficient embedding for e-commerce than any other generic commercial solution on the market. Our deep learning foundation and search enables us to retrieve the most relevant info to fit into the limited context window of large language models.

We also create our large language models by building on top of the best available open models, combining with our unique data to build a flywheel that continuously improves the model through practical applications. While creating larger and larger models has been a trend, we started small and built a 7B parameter model for efficiency. We were one of the first companies to adopt a Mixture of Experts (MoE) architecture for efficiency at run time. Now we are focusing on domain and task-specific models distilled from our latest model, Rakuten AI 3.0.

Finally, we are working to make the entire organization AI-native. We're tackling this challenge at two altitudes. At the top, we've appointed Chief AI Officers for every business unit across the company. These senior leaders are tasked with making AI a strategic priority in each business and have full operational authority over how AI is developed for, and embedded into, our products and services. On the front lines, over 23,000 employees are using Rakuten AI for Rakutenians every day to augment their creativity and productivity. They've built more than 20,000 custom AI tools and templates for coding, content creation, data analysis, customer support, sales, and more. We've held multiple agent tournaments, workshops, and festivals to get the entire company excited about AI.

The impact is meaningful. Our Rakuten Ichiba sales team, for example, used these tools to cut time spent on emails by 54% and time creating sales materials by 48%. Most importantly, the team didn't need to spend money on expensive consultants or undertake a long internal project with the engineering team. They simply recognized a problem and worked with Rakuten AI for Rakutenians to build the right solutions themselves. When the people closest to the customer are building their own AI solutions, you're affecting meaningful organizational change.

Across all of our work, our fundamental belief is that AI should augment human creativity and decision-making, not replace it. We believe that companies — like Rakuten — that get this balance right will define the next decade of technology.

Q

How is Rakuten using AI to empower the business community in Japan, and around the world?

While Rakuten was founded in Japan, our AI ambitions are global. We feel a deep responsibility to ensure that AI's benefits reach every customer in every market we serve.

In Japan, that starts with building language models that truly understand Japanese language, culture, and values. We released Rakuten AI 7B in March 2024, our first open large language model optimized for Japanese, and followed it in February 2025 with Rakuten AI 2.0, our first Mixture of Experts model, and Rakuten AI 2.0 mini, a 1.5 billion parameter small language model built from scratch for specialized tasks and secure on-device use. And this March we released Rakuten AI 3.0, our largest and most capable model, developed as part of the GENIAC project promoted by METI and NEDO.

All of our models are available through an Apache 2.0 license on Hugging Face, meaning they are free for anyone in the world to download, fine-tune, and build with.

Open models are critically important to spur innovation and growth, but we realize not every business is ready to build its own AI solutions. Many companies, especially small and medium-sized ones, need practical tools they can use immediately. That's why we launched Rakuten AI for Business in January 2025, a suite of generative AI tools that help companies streamline operations, accelerate sales, scale marketing, and support software development, without complex setup or high startup costs. A range of businesses, from small startups to national brands, are already using it.

Beyond Japan, our AI capabilities are reaching global markets through Rakuten Symphony. The AI-native telecom software solutions proven in Rakuten Mobile's world-first* fully virtualized, cloud-native mobile network are now used by customers across multiple continents. Symphony's cloud-native platform, OSS, and AI-driven automation tools help telecom operators modernize their networks by enabling them to launch and operate advanced services in a fraction of the time and cost of conventional approaches, with no compromise to network quality or security.

Between our open models, our business tools, and Symphony's global platforms, we're building something unique: an AI layer that can empower every business of every size, in every market.

*For a large scale commercial mobile network (as of October 1, 2019). Research: Stella Associa

Q

How will AI evolve in the coming year?

First, we will continue to deliver financial returns through our investment on deep learning and large language models. The

Group CAIDO Message

most fundamental advancement of AI is the ability to better understand intent, driving higher engagement on search, ads, and recommendations, and providing better customer support for our products across the Rakuten Ecosystem.

On the advertising side, we augmented the Rakuten Promotion Platform (RPP) with AI, giving it the ability to optimize across channels, select timing, choose the audience, and compute the best pricing for advertisers. RPP dramatically improves ad relevancy, advertiser return, and Rakuten revenue. We also updated our keyword and bidding recommendation algorithms, contributing to a 13.7% increase in search ads click-through rate and a 5.9% increase in ad revenue per request. Deep learning is a win for customers, merchants, and Rakuten alike. Customers find what they need faster, merchants sell more, and Rakuten generates more revenue.

Second, we launched Rakuten AI, our agentic platform that serves as an intelligent entry point to the entire ecosystem, at Rakuten AI Optimism in July 2025. After a successful pilot deployment in the Rakuten Link app and the release of the Rakuten AI web app, we rolled out a steady cadence of launches and integrations across the ecosystem.

In the coming year, we will continue to roll out AI agents across the Rakuten Ecosystem. In December, we integrated Rakuten AI into the Rakuten Ichiba app as an agentic AI shopping concierge, helping users discover products using natural language. The Rakuten Mobile AI Assistant, now in its second version, guides customers through the complete Rakuten Mobile sign-up flow using natural voice and text chat. On Rakuten Travel, AI Hotel Search delivers personalized accommodation recommendations, and a new AI agent on the Rakuten Card Lite app analyzes spending patterns and answers cardholder questions in both English and Japanese. Finally, we made Rakuten AI available as a stand-alone app for iOS and Android.

We are also empowering our merchants and business partners with AI tools. On Rakuten Ichiba, our Rakuten AI for RMS helps over 23,000 merchants each month write product descriptions, process images, analyze sales trends, and respond to customer inquiries. These tools are a powerful example of technology leveling the playing field, allowing any business, regardless of budget, size, or technical skill, to operate at scale.

Soon, AI will work directly on your behalf across your digital tools: reading and replying to emails, managing schedules, and executing multi-step tasks that span applications. The key to making this real is building connectors, smart integration points that let an AI agent reach across the ecosystem and the world to act on your behalf.

This is where Rakuten has a structural advantage. Our ecosystem spans 70+ services and generates over 3 trillion customer interactions annually, giving us the insight we need to build the connective layer that lets AI move fluidly across the ecosystem, so Rakuten AI can understand your preferences, your history, your patterns, and your goals, and proactively address all of them. That's omotenashi made real through technology.

Finally, and most exciting for Rakuten: AI agents will become the primary interface for digital ecosystems. Instead of navigating between separate apps for shopping, banking, travel, and mobile services, users will interact with a single intelligent agent that understands their needs across all of them. We call this a Super Agent, and believe it will be the next front door to the Rakuten Ecosystem. Imagine telling Rakuten AI that you're planning a weekend trip, and it searches for accommodations on Rakuten Travel, finds deals on travel gear from Rakuten Ichiba, checks your Rakuten Card balance, and confirms your Rakuten Mobile data plan has you covered, all automatically, all in one conversation.

Through all of our progress, innovation, and results, our fundamental position hasn't changed: AI is only as valuable as the human creativity it augments. Our job is to build AI that makes every person in the Rakuten Ecosystem - every customer, every merchant, every employee - more capable than ever before. That's the promise of AI-nization, and we're just getting started.



Business

AI & Data

Augmenting Human Intelligence with AI to Accelerate Innovation



SWOT Analysis

[Strengths]
Abundant and diverse data assets, a proven track record in AI technology application, strategic partnerships with leading AI companies including OpenAI and Anthropic, strong capabilities in developing Japanese language–optimized LLMs and proprietary in-house models. Execution capability to deploy AI across the entire ecosystem and translate it into tangible business contribution

[Weaknesses]
A limited scale of development investment

S W O T

[Opportunities]
Acceleration of customer experience improvement driven by the adoption of AI agents; Limitless opportunities for AI utilization across e-commerce, advertising and FinTech businesses; Growing AI demand among small and medium-sized enterprises; Cross-ecosystem value creation leveraging agentic AI; Global expansion of AI services

[Threats]
Intensifying competition in the AI market, increasing regulatory and governance complexity, heightened competition for AI talent

Business Overview

Rakuten Group's AI business is structured around three core layers—data, deep learning, and generative AI—with the objective of enhancing user experience across the entire customer journey. Grounded in large-scale data utilization and advanced algorithm design, Rakuten has developed proprietary models optimized for the Japanese-language and culture, while continuously improving cost efficiency through continuous pre-training, post training and innovative architectures.

In e-commerce, semantic search and AI-powered recommendation technologies have been widely deployed to improve product discovery, personalization and conversion. In FinTech, AI is applied to areas such as risk management, credit-related decision support, and customer engagement optimization, contributing to both service quality and operational efficiency. These AI-driven capabilities enable cross-service synergies and enhance overall customer value across the Rakuten Ecosystem.

In addition, Rakuten promotes the ethical and safe development of AI through the establishment of its "AI Code of Ethics", emphasizing transparency, reliability, and the appropriate use of user data.

Market Environment

Amid ongoing geopolitical tensions and global economic uncertainty, companies are increasingly required to make more intelligent tradeoffs and operate their businesses with greater speed and agility. In this environment, AI technology has evolved beyond a tool for efficiency improvement to become a foundational technology that enhances business resilience and supports mid- to long-term growth.

Advancements in generative AI and advanced data analytics have accelerated the enhancement of search and recommendation capabilities, personalized marketing and demand forecasting accuracy in the e-commerce domain. In the advertising sector, against the backdrop of stronger privacy regulations, AI-driven optimization of ad delivery leveraging first-party data is becoming a key competitive advantage. Furthermore, in customer support and operational domains, the adoption of generative AI and data retrieval technologies for automated customer support and operational assistance is progressing, making the balance between improved customer experience and cost efficiency an increasingly important theme.
At the same time, as AI technologies become more advanced and generalized, competition among global companies is intensifying across multiple aspects, including ensuring data quality, internalizing AI model development, securing computing resources and addressing AI governance and ethical requirements. Companies operating across multiple domains—such as e-commerce, finance, telecommunications and ad technology—are pursuing integrated, group-wide AI strategies to maximize value creation. Within this market environment, Rakuten's ability to strategically leverage its diverse data assets and ecosystem strengths is a critical factor in further enhancing customer experience and strengthening business competitiveness. By positioning AI as a mid- to long-term growth driver and adapting to a rapidly changing business environment, Rakuten aims to achieve sustainable corporate value creation.

FY2025 Results and Challenges

Rakuten embraces a hybrid approach: Partner with the best and build the best, to win in the agentic AI era. While flexibly leveraging technologies from global partners such as OpenAI and Anthropic, Rakuten advances AI utilization optimized for its own ecosystem through optimization based on actual user behavior data.

Centered on its agentic AI platform-Rakuten AI, the company has accelerated the deployment of AI agents across the entire ecosystem. Rakuten's AI agents are integrated across e-commerce, FinTech, advertising and mobile services, enhancing customer experience from discovery and decision-making to post-purchase support and ongoing engagement.

In fiscal year 2025, AI contributed to revenue growth by improving user experience and enabling operational efficiency gains in marketing, customer support and operations. Based on internal calculations and reports from each business, Rakuten achieved approximately ¥25.5 billion in AI contribution across the Group, exceeding its initial annual targets. These initiatives position AI not merely as a technological investment, but as a core strategic component supporting business growth and profitability.

Rakuten's AI & Data Division plays a central role in planning and implementing AI strategies across the Group, supporting Rakuten's overall growth strategy through improved customer experience, operational efficiency, and the creation of new value.

Looking Forward: Rakuten's Vision for an Agentic AI Future

Through AI agents that understand user context and support activities from planning to execution, Rakuten aims to create a world in which all businesses, customers, and partners within the Rakuten Ecosystem can generate value more intuitively and more seamlessly.

Sustainability Strategy

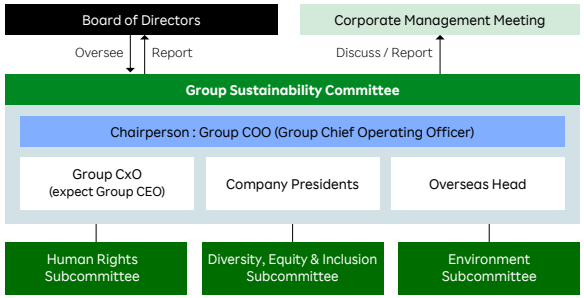
For more details, click here. ▶LINK

"Vision 2030" and Rakuten Group's Sustainability Strategy

In our medium to long-term management plan, "Vision 2030," announced in 2022, Rakuten positions sustainability as one of the key pillars that drive business growth. By promoting "Vision 2030," we will attract diverse talent who can bring innovation to our businesses. At the same time, as a trusted partner to the many businesses involved in the "Rakuten Ecosystem," we will co-create value and provide experiences and solutions that resonate to each customer. In addition, we will ensure business operations based on high ethical standards and appropriately manage ESG (Environmental, Social and Governance) risks. Through these efforts, we aim to strengthen trust with all stakeholders, enhance corporate value, and contribute to a sustainable society.

Management Structure

To strengthen sustainability management, Rakuten established the "Group Sustainability Committee" in 2021, chaired by the Group COO (Chief Operating Officer). The committee is made up of management members in Japan and overseas, and it shares information on ESG issues and makes decisions on strategies and target setting.



For issues that require long-term and cross-functional discussions—such as the environment, human rights, and DEI (Diversity, Equity and Inclusion)—we establish subcommittees and move forward with planning and implementing specific measures. We report the progress of these activities to the Board of Directors every quarter.

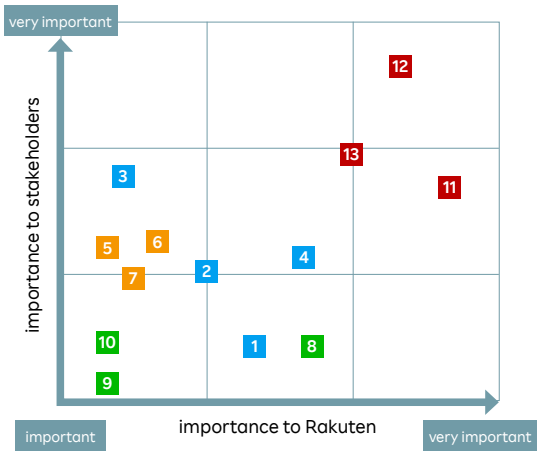
Topics addressed by the committees to date

Group Sustainability Committee	Human Rights Subcommittee	Diversity, Equity & Inclusion Subcommittee	Environment Subcommittee
•Setting targets for the sustainability strategy •Responding to new regulations such as CSRD and SSBJ etc.	•Respect for human rights in the supply chain •Employees' human rights etc.	•ESG rating results related to DEI etc.	•Climate change •Natural resources etc.

Sustainability Strategy

Rakuten's sustainability strategy was developed in 2021 through dialogue with a wide range of internal and external stakeholders. It is based on the concept of double materiality, which identifies material issues not only from the perspective of their impact on our business, but also from the perspective of our impact on society. The strategy consists of 10 ESG themes grouped into three priority areas: "Growing with Our Employees," "Providing Sustainable Platforms and Services," and "Addressing Global Challenges," supported by our business foundations. We regularly review these material issues in the Group Sustainability Committee to reflect the latest situation. In the 2024 update, the strategy was aligned with "Vision 2030" which was finalized and approved by the Board of Directors.

Rakuten Group's Materiality Matrix



Rakuten's Mission: To Contribute to Society through Empowerment

Focus areas

Growing with Our Employees
- 1 Diversity, Equity & Inclusion
- 2 Talent Attraction, Development & Retention
- 3 Responsible Labor Practices
- 4 Workplace Safety & Employee Wellness

Providing Sustainable Platforms and Services
- 5 Sustainable Production & Consumption
- 6 Responsible Advertising, Marketing & Labeling
- 7 Internet Governance & Freedom of Speech

Addressing Global Challenges
- 8 Climate Change & Energy
- 9 Risk & Crisis Management
- 10 Innovation & Entrepreneurship

Employees — Partners & Consumers — Society

Business foundations

11 Ethical Business Practices | 12 Information Security & Privacy | 13 Product & Service Quality

Sustainability Strategy

	ESG theme	Vision	Indicators & Goals	Result 2025	Target 2025	Target 2030
Growing with Our Employees	1 Diversity, Equity & Inclusion	Encourage diverse individuals, the foundation of our competitive advantage, to maximize their potential	Percentage of female managers	34%	33%	36%
	2 Talent Attraction, Development & Retention	Promote individual development by offering various growth opportunities across our diverse businesses	Engagement score	80pt	84pt	87pt
	3 Responsible Labor Practices	Build solid organizational foundations through honest dialog about career, work environment, etc.	Communication satisfaction score	96pt	97pt	98pt
	4 Workplace Safety & Employee Wellness	Provide work environments that support the well-being of employees, for them to deliver high performance	Well-being score	55pt	53pt	58pt
Providing Sustainable Platforms and Services	5 Sustainable Production & Consumption	Develop robust relationships with suppliers to ensure the realization of supply chains free from negative impacts on the environment and human rights	Percentage of suppliers participating in briefings and study sessions	88%	80%	90%
			Percentage of suppliers answering our self-assessment questionnaire	88%	80%	100%
			Ratio of high-risk*1 suppliers	13%	year-on-year decrease	
	6 Responsible Advertising, Marketing & Labelling	Improve the accessibility of our digital touchpoints	Percentage of digital touchpoints meeting the requirements of "WCAG AA"	WIP for tracking system	70%*2	100%
			Percentage of employees taking and understanding the e-learning on accessibility	90%	100%	100%
		Provide fair and trustworthy content for our products and services	Establishment of internal guidelines on fair and trustworthy content, in line with related external standards : 2024	Achieved	Achieved	Achieved
			Percentage of employees taking and understanding the e-learning on fair and trustworthy content	92%	70%	100%
	7 Internet Governance & Freedom of Speech	Accelerate the social transformation driven by AI through the establishment of responsible AI services and robust governance framework	Establishment of an AI Code of Ethics	Achieved	Achieved	Achieved
			Establishment of a responsible AI-Governance	Release of safety guardrails, etc.	—	Establishment of a responsible AI-Governance: 2026
Addressing Global Challenges	8 Climate Change & Energy	Realize a future where our stakeholders are aware of environmental challenges and opt for green choices naturally	Scope 1, Scope 2 emissions	314,390 t-CO_2	Reduce absolute scope 1 and 2 emissions by 99.7% by FY2032 from FY2022 base year*3	
			Scope 3 emissions	10,666,689 t-CO_2	•Reduce absolute scope 3 emissions by 30.0% by FY2032 from FY2022 base year*3 •Reduce scope 3 emissions from all sold electricity by 76.8% per MWh by FY2032 from FY2022 base year*3	
			Renewable electricity adoption rate Target: Rakuten Group, Inc.	100%	100%	100%
	9 Risk & Crisis Management	Establish systems that prevent risks and their recurrence by identifying environmental changes and incidents in timely manner, and promptly respond to emergency situations, thereby contributing to the achievement of business goals	Percentage of organizations with a person in charge of incident management	100% (globally)	100% (globally)	—
			Percentage of organizations with an incident management system in place	100% (in Japan)	100% (in Japan)	100% (globally)
			Percentage of employees taking the e-learning on incident management	100% (in Japan)	100% (in Japan)	100% (globally)
	10 Innovation & Entrepreneurship	Contribute to solving social challenges and to creating value for stakeholders through our investments, our incubation and development projects, and our M&A and alliances	Introduction of sustainability criteria in the decision making related to investments and M&A	Continue to apply sustainability criteria to all group companies	2024: Achieved phased implementation and adoption across the Group's investment projects From 2025: -	
			Review of sustainability criteria for investments and M&A	Annually	Annually	Annually

*1 Suppliers considered as potentially having a significant impact on our supply chain, based on self-assessment survey results, transaction status, and other factors.
*2 Aim to achieve 100% of high-priority touchpoints in 2025.
*3 These targets have been certified as Science Based Targets (SBT) by the Science Based Targets initiative (SBTi), which is an international climate change initiative.

Sustainability Strategy

Group COO Message

Creating sustainable value and accelerating new growth



Kentaro Hyakuno
Representative Director,
Group Senior Executive Vice President,
Group COO & Group CCO

As Representative Director and Group Senior Executive Vice President, as well as Group COO (Chief Operating Officer) and Group CCO (Chief Compliance Officer), I am responsible for formulating our medium- to long-term management strategy centered on the Rakuten Ecosystem, developing and managing talent, addressing climate change, ensuring quality management, and building a robust governance framework. These areas are deeply connected to every aspect of Environmental, Social, and Governance (ESG).

My mission is to strengthen Rakuten Group's competitiveness and lead further growth by maximizing our management resources. To achieve this, we must pursue growth initiatives while also maintaining the fundamentals that protect and support the organization.

On the "growth" side, we will create synergies and standardization across services in the Rakuten Ecosystem to deliver new value to customers and partners. Through integrated services, we will strengthen our competitive advantage and drive further growth.

On the "protection" side, while working closely with internal organizations, I oversee continuous improvements in organizational capabilities—such as talent development based on our medium- to long-term strategy, higher productivity, better service quality, and stronger governance.

In May 2025, I assumed the role of Executive Officer in charge of sustainability. By strengthening collaboration with other governance functions under the Group COO, we aim to integrate sustainability more deeply into our operations. I believe that aiming for the highest level of excellence in our business activities goes hand in hand with fulfilling our responsibilities to the environment, society, and governance—and that this is how we can deliver sustainable value to all stakeholders.

Q How have you integrated business growth and sustainability promotion?

2025 was a year in which Rakuten achieved major milestones. In our Mobile business, we achieved full-year profitability on an EBITDA basis and surpassed the milestone of 10 million lines. In our Internet Services business, domestic EC gross merchandise value grew steadily to a record level of over JPY 6.3 trillion. In our FinTech Services business, Rakuten Card's annual shopping volume exceeded JPY 26 trillion, Rakuten Bank's deposits exceeded JPY 13 trillion, and Rakuten Securities' assets under custody exceeded JPY 48 trillion.

This growth reflects Rakuten's culture of continuous improvement and the results of our talent strategy centered on leveraging AI. By using AI, we are improving productivity across the Group and creating an environment where employees can focus on more strategic work. As a result, employees feel a stronger sense of purpose and growth in their work, which also contributes to higher employee engagement.

In 2025, we also positioned AI utilization as a core theme in talent development. In addition to hiring and developing specialist talent in advanced technologies, we promoted education programs that help all employees acquire skills to apply AI in day-to-day work. Through these efforts, our productivity indicators per employee have continued to improve.

Beyond talent development, we advanced our sustainability strategy across the Group in 2025. Rakuten's corporate mission is to "empower people and society through innovation," and a key focus has been fulfilling our social responsibilities in how we run our business. We continue to build a culture of strong compliance and have enhanced our incident management system to prevent recurrence of misconduct and to ensure responsible operations across our entire value chain. Through initiatives such as strengthening global collaboration and reviewing rules related to external partnerships, we are working to build an organizational foundation and supply chain that earn the trust of our stakeholders.

Regarding climate change, following the establishment of greenhouse gas reduction targets aligned with the Paris Agreement and the SBT certification obtained in 2024, we advanced preparations in 2025 toward achieving these targets. While our plan to reduce Scope 3 emissions is still under consideration, over the past year we focused on cascading targets to each organization and developing a practical roadmap. In parallel, Rakuten Group, Inc. has continued to achieve 100% renewable energy use.

Our goal is to empower all stakeholders, including customers, partners, and local communities. By providing innovative services and demonstrating exemplary business operations, we aim to serve as a catalyst that encourages sustainability-related transformation among stakeholders.

Q In an era of diversified trends and AI-driven change, what will you focus on to achieve sustainable growth?

The global environment shows diverse—and sometimes conflicting—trends. For example, in the United States there are movements opposing some ESG initiatives, and some companies are reconsidering their approaches to climate action and DEI (Diversity, Equity and Inclusion). Meanwhile, in Europe and Japan, legal frameworks for sustainability disclosure are being strengthened, and expectations for transparent disclosure continue to rise.

These changes are being amplified by the wave of AI transformation. AI is fundamentally reshaping how we conduct business, and its potential is enormous. This technological progress will undoubtedly drive our growth, contribute to solving social issues, and enrich the lives of more customers than ever before. At the same time, AI also creates new challenges and potential risks.

In this context, we must reassess our efforts in key areas such as talent management, corporate ethics, compliance, and environmental impact. Rakuten's sustainability strategy was formulated in 2021, before AI-driven transformation accelerated in earnest, and I believe now is the right time to review it. As Representative Director and Group Senior Executive Vice President, and Group COO, I am leading this review. From my position overseeing both our medium- to long-term management strategy and our sustainability initiatives—two core areas of management—I will incorporate external trends while developing a sustainability strategy that is true to Rakuten.

In 2026, Rakuten Group will mark its 30th anniversary. Under our mission to "empower people and society through innovation," we will continue to balance growth and protection while renewing our focus on productivity transformation, employee upskilling, and stronger governance. Through these efforts, we will build a solid foundation for sustainable growth over the next 10 years, 30 years, and beyond.

Sustainability Strategy

Human Capital

Talent Management

For more details, click here. ▶LINK

In pursuit of its vision to become a Global Innovation Company, the Rakuten Group regards building a framework that maximizes the capabilities of its people and organization as a critical management priority. Guided by its policy of "building winning talent and winning teams," the company has continuously worked to enhance and evolve its approach with hiring, development and retention as its core pillars. Rapid advances in AI technology are reshaping society and industrial structures at scale, redefining the value and roles expected of today's workforce. Rakuten views this shift as a growth opportunity and is accelerating efforts for sustainable growth by proactively acquiring outstanding global talent, upskilling employees in AI and supporting employee development through the use of AI.

Talent Hiring	Talent Development	Talent Retention
To recruit the talent necessary for supporting the realization of Rakuten's business strategies and sustainable growth.	To create a "learning organization" that allows individuals to continuously grow and demonstrate their maximum potential.	To keep our employees engaged and motivated, in work environments that encourage them to grow with Rakuten over the long term.

Talent Acquisition as a Foundation for Enhancing Corporate Value

Securing outstanding talent is essential to achieving sustainable growth. In response to changes in the business environment and intensifying competition for talent, Rakuten strategically hires individuals who contribute to its business strategy and enhance corporate value.

In particular, Rakuten positions AI as a key strategic pillar supporting business growth and advancing the entire Rakuten Ecosystem, and focuses on attracting highly specialized talent. Rakuten proactively recruits AI engineers capable of driving the development of proprietary models, as well as researchers with deep expertise in large language models (LLMs). With development hubs in Japan, the United States, China, Singapore, India and Europe, the company welcomes talent with diverse expertise from around the world.

Strengthening Talent Development to Lead in the AI Era

Rakuten's ambition is to become a "learning organization," fostering an environment in which employees can continuously enhance their skills. The integration of AI is a central theme in its talent development strategy. Beyond cultivating specialized talent to lead advanced technologies, the company offers comprehensive education programs designed to equip all employees with the skills needed to apply AI in their daily work. These efforts contribute not only to individual upskilling but also to increased operational productivity.

Shorter time to release through AI-enabled software development:

up to **80%**

Number of custom AI tools/templates:

more than **20,000**

To maximize the impact of AI, Rakuten proactively shares successful AI use cases generated across its businesses. Through company-wide morning meetings and internal seminars attended by all employees, success stories and valuable know-how are rapidly disseminated across organizational boundaries (a practice the company refers to as "yokoten"). This serves as a key engine that provides employees with new opportunities to learn and take on challenges, elevates AI literacy across the organization and fosters a culture that generates innovation proactively.

Training Programs for Acquiring AI Skills (Excerpt)

Program	Target Participants	Learning Content
Rakuten AI School	All employees	• Fundamental understanding of AI • AI-based data analysis methods • Prompt engineering • Practical use of AI in day-to-day work (e.g., drafting meeting minutes, preparing
DeepLearning.AI	Engineers	• Fundamentals and applications of generative AI • Development of agent-based applications

An Example from Rakuten Mobile on Operational Efficiency Improvement*

Key AI-Enabled Tasks and Time Saved (Average Weekly Time per Employee)

Coding	Translation	Information gathering
4.9hr	2.0hr	2.5hr
2.7hr	1.2hr	1.6hr
44% reduction	39% reduction	35% reduction

Average Time Saved per Employee
4.9hr/week

*As of October 2024. Based on an internal survey of Rakuten Mobile employees.

AI-Enabled Career Development

Within Rakuten's HR strategy, "retention" signifies the company's commitment to fostering an environment where employees thrive long-term, find deep fulfillment in their work and consistently contribute to corporate value creation. To achieve this, Rakuten is advancing initiatives to create an environment where employees can fully leverage the skills they have acquired through development and to enhance systems and mechanisms that sustain high levels of engagement.

In 2025, to further encourage individual growth and new challenges, Rakuten introduced a function within its HR system that uses AI to recommend internal open positions and the most suitable upskilling training programs based on each employee's skills and career aspirations. This approach supports employee-driven career development while also contributing to greater organizational vitality.

Sustainability Strategy

Human Capital

Promoting DEI and Organizational Strength

For more details, click here. ▶LINK

For Rakuten Group, which pursues value creation on a global scale, advancing Diversity, Equity and Inclusion (DEI) is a critical management foundation that underpins sustainable competitiveness. We have established an inclusive workplace environment and systems so that each employee, regardless of their background, nationality, gender, and culture, can fully realize their potential. By embedding DEI into our people strategy and organizational management, rather than by treating it as a standalone initiative, we leverage a culture that respects diverse individuality and values to achieve sustained growth and enhance long term corporate value.

Creating an Environment Where Diverse Talent can Thrive

Guided by this approach to DEI, Rakuten is working toward inclusive organizational management that enables every employee to perform at their best with confidence. To support employees raising children, we offer seminars before and after childcare leave, childbirth congratulatory payments, and babysitter discount vouchers, among other measures, to help employees of all genders balance parenting and their careers. The number of employees taking childcare leave has increased year by year, and the uptake rate among men has reached approximately 70%. In addition, to deepen understanding of women's career development and health related issues, we held an internal event for International Women's Day in March 2025 to promote awareness of physical and social challenges arising from gender differences. We are also advancing a workplace environment where fair evaluation and diversity are respected through a wide range of initiatives, including unconscious bias training and LGBTQ+ training for all employees, as well as for interviewers.

Diversity at a Glance

Number of nationalities among employees

Over100

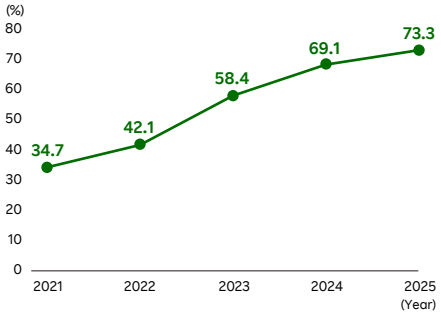
Gender ratio among managers

Women 33.5%

Employment rate of persons with disabilities

2.75%
As of January 1, 2026

Percentage of male employees taking parental leave



DEI Initiatives

Policies	• English as the company's official internal language • Policies that recognize same sex partners as spouses • Egg freezing support program
Training	• DEI training for managers • Unconscious bias training for all employees • LGBTQ+ training for all employees • Employee networks (Family Empowerment, LGBTQ+, Cross Culture, and initiatives to promote the success of people with diverse abilities)
Workplace environment	• Universal design in offices • Dedicated lactation rooms and an in-house childcare facility • Cafeteria menu options that accommodate halal and Indian vegetarian diets • Prayer spaces and foot washing facilities that accommodate diverse religions

Fostering Mutual Understanding that Turns Diversity into Competitive Strength

Rakuten also focuses on cultivating a culture of unity that transforms diversity into strength. We conduct Rakuten Shugi Workshops so that all employees can reflect Rakuten Shugi, our shared values and principles of conduct that everyone is expected to understand and practice, in their day to day actions. With these shared values and principles as our foundation, we deepen mutual understanding to create new value through constructive dialogue. We also support the development of practical management capabilities through initiatives such as cross-cultural management training, with the aim of cultivating leaders who can effectively guide team members with diverse backgrounds.

Visualizing Employee Engagement

To support the sustained success of diverse talent, Rakuten takes a multidimensional approach to understanding each employee's growth and engagement and works to enhance both.

2025 Employee Experience Survey

As part of our efforts to make engagement more visible, we conducted an Employee Experience Survey in 2025. The survey confirmed positive changes in employees' sense of growth and connection with the organization.

With the expanding use of AI across the company, we are advancing operational efficiency and creating opportunities to take on new challenges. We believe these initiatives are also contributing to employees' sense of growth and accomplishment. As a result, we are seeing a trend toward stronger mutual commitment between employees and the company.

Indicators	2024	2025
Mutual Commitment	54.3%	62.3%
One Team	55.6%	64.7%
Self-Actualization	49.1%	53.4%

Voice **Learning for Everyone | Putting DEI into Practice to Turn Diversity into Strength**

I am part of the D&I Office within the Group Human Resources Supervisory Department, where I work to create an environment in which diverse talent can fully realize their potential. Specifically, I have been involved in planning initiatives and internal events in collaboration with HR teams across the organization, as well as operating and supporting our employee networks.

In the 2025 LGBTQ+ training program, the completion rate exceeded 70 percent within just one month of launch, underscoring employees' strong interest in and proactive engagement with DEI. We also received Gold recognition in the PRIDE Index for the ninth consecutive year, which I feel reflects society's recognition of our continued efforts to advance DEI.

At Rakuten, we use the term people with diverse abilities rather than people with disabilities, reflecting our belief that the diverse of potential is a value. With a commitment to creating a society where each person's individuality can thrive, I hope DEI will take root in our daily work and decision making and extend outward to our users, partners, and society as a whole.



Brehm Keilei Seirah
Group Human Resources Supervisory Department, D&I Office

Sustainability Strategy

Responsible Advertising, Marketing & Labelling

For more details, click here. ▶LINK

In today's world, digital devices such as the internet and smartphones are indispensable for daily life. Rakuten Group aims to enrich users' lives by providing services within the Rakuten Ecosystem that are accessible to everyone regardless of their environment, individual abilities, or language, along with fair and reliable content.

Management System

In order to promote consistent, responsible advertising and marketing activities across Rakuten Group, we have appointed our Group CMO (Chief Marketing Officer) to oversee our robust internal guidelines and approval process. This system is critical for ensuring that information disseminated through advertisements, creative works and owned media complies with internal guidelines and relevant laws and regulations.

We maintain high-quality standards by requiring a rigorous review process for creative assets that identifies potential risks or inappropriate language before issuing instructions for corrections and improvements. Furthermore, Rakuten Group leverages AI to continuously identify issues and improve our advertising and marketing materials, enhancing the quality of our services.

To ensure consistent, high-quality output across the entire company, we have assigned individual leadership for each business unit including branding, creative and marketing (advertising, social media, etc.,) to ensure their employees follow company guidelines and protocols. Employees are provided with the latest information through regular e-learnings aimed at improving their education, awareness, and professional expertise. These initiatives are central to encouraging high-quality, transparent and accountable advertising and marketing activities across Rakuten Group, which is imperative for strengthening brand trust.

Cross-Organizational Accessibility Promotion

In line with its sustainability strategy, Rakuten promotes accessibility improvements across more than 70 services. We strategically clarify project priorities and scope from multiple perspectives, taking into account impact, frequency of use, and risks.

As part of our initiatives to improve accessibility, we refer to the Web Content Accessibility Guidelines (WCAG), an international web accessibility standard, and are advancing quality evaluation and improvement for each service based on its design and platform. We particularly emphasize verification from the user's perspective, collaborating with individuals with disabilities who are employed by Rakuten Socio Business Co., Ltd., a special subsidiary. Specifically, in 2023, we implemented screen reader testing, and over the past two years, we have integrated this across many services, such as Rakuten Ichiba and Rakuten Card. This initiative enables reviews based on the perspectives of individuals with disabilities and specialized knowledge, leading to rapid and highly effective improvements.

In addition, we have created an accessibility improvement guidebook with external experts to promote understanding and improve work efficiency on the ground. Moving forward, we will further strengthen our efforts by revising internal guidelines and building a mechanism to maintain consistent quality standards.



Internal Guidebook for Improving Accessibility

Voice **Rakuten Card: Continuous Improvement from the User's Perspective**

At Rakuten Card Co., Ltd., multiple groups within the Creative and Web Design Department collaborate to improve the accessibility of important sections within Rakuten e-NAVI (Rakuten Card's member-exclusive online service), the Rakuten Card App, the corporate website, and application forms.

To identify issues not covered by WCAG, we also prioritize evaluations from individuals with disabilities. We pursue functional improvements tailored to actual usage environments, such as clearly understanding what needs to be entered without relying on visual information and being able to use the service solely with keyboard operation. Employees of our special subsidiary who compared the service before and after improvements have responded with feedback such as "it has become easier to understand," which serves as a driving force for future improvement activities.

I firmly believe that improving accessibility is a fundamental responsibility, and have positioned it as a clear priority. This is because it is essential to enhancing Rakuten Card services and delivering greater value to all users, not just specific groups. Based on this approach, we share insights and lessons learned with teams across other services, such as Rakuten Ichiba and Rakuten Rakuma, to promote mutual learning.

Going forward, we will focus on understanding usage status and satisfaction for specific disability types and user attributes, and on establishing verification methods for this. By doing this, we will strive to create services that are easy for all users to use.



Masaki Nagata
Rakuten Card
Creative and
Web Design Department
Group Manager

Examples of functional improvements



1, Adding a font-size adjustment feature to our website for those who have difficulty reading small text.



2, Making buttons on application forms larger for those who have difficulty with fine motor control.



3, Making the website operable by keyboard alone for those who do not have a mouse.

Sustainability Strategy

Responsible AI

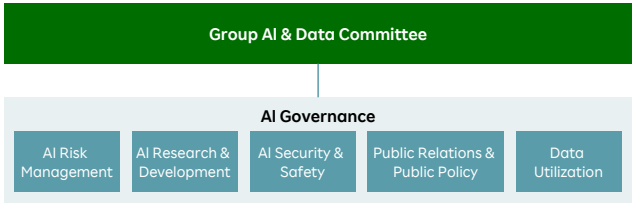
Internet Governance & Freedom of Speech

For more details, click here. ▶LINK

While advances in AI are transforming society and creating new opportunities for value creation, there are legal and ethical considerations such as privacy, copyright, hallucinations and misuse, requiring careful management to maintain trust and long-term sustainability. To enhance innovation with responsible AI practices, Rakuten Group has established an AI Code of Ethics that sets the guiding principles for AI development, deployment and use. We have implemented guardrail mechanisms and monitoring processes and, under the leadership of the Group AI & Data Committee, are promoting the responsible deployment of AI across the Group.

Management Structure

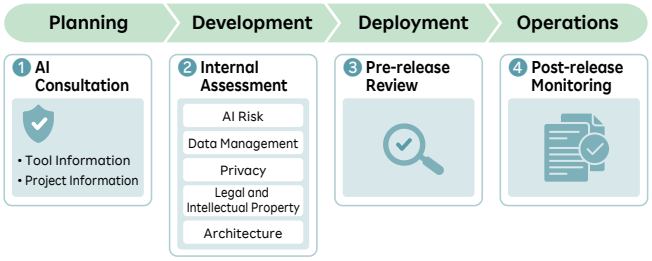
Rakuten Group recognizes the close relationship between AI and data utilization. We have established a cross-functional AI governance framework and formed the Group AI & Data Committee, chaired by the Group CAIDO, to oversee related initiatives. The Committee supervises Group-wide plans and progress across five key areas: AI risk management, AI research and development, AI security and safety, public relations and public policy, and data utilization. Strategic matters are escalated to the Corporate Management Meeting and the Board of Directors as appropriate, ensuring transparency, effective oversight and a robust accountability framework.



AI Risk Management

Ensuring the safety and quality of AI is a critical management priority that underpins trust in our services and enhances corporate value. To increase transparency regarding AI-related risks, Rakuten Group requires specialized functions including Legal, Intellectual Property, Privacy, Security, and Data Control collaborate to confirm compliance when introducing AI services or launching new projects. We are also strengthening our ability to monitor and assess the risk status of AI systems across the Group. In addition, through company-wide meetings, internal communications, and training programs for all employees, we continuously promote awareness and adherence to our AI usage guidelines.

AI Compliance and Security Processes

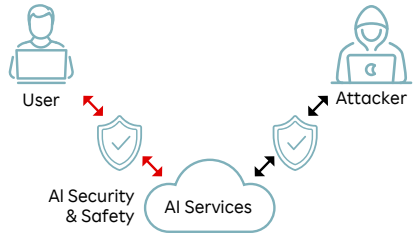


R&D for Japanese-Optimized LLMs

Rakuten is advancing the development of proprietary LLMs, building upon our high-quality bilingual data, technical expertise and extensive research. By creating models capable of deeply understanding the unique nuances of the Japanese language, culture, and customs, we aim to continuously enhance performance and contribute to the open-source community while integrating these models across the Rakuten Ecosystem.

AI Security and Safety

The implementation of technical guardrails in the development and provision of AI services constitutes a key pillar in ensuring safety, together with secure development practices and employee education. In promoting AI security and safety functions, Rakuten Group has established internal rules in alignment with its AI business guidelines as well as applicable guidelines in each country, and requires their consistent implementation.



Public Relations and Public Policy

As the societal adoption of AI continues to accelerate, Rakuten Group believes that alignment with internationally recognized principles and frameworks is essential to maintaining trust and enabling medium- to long-term value creation. With this perspective, we participate in the AI Governance Association, a general incorporated association, and the Hiroshima AI Process. In support of advancing multi-stakeholder AI governance, we actively contribute to policy and regulatory discussions and provide policy recommendations. We also disclose our alignment with international codes of conduct through the OECD transparency reporting framework.

Data Utilization

It is essential to have a robust governance framework for the appropriate use of data when leveraging AI to deliver enhanced value to Rakuten service users, improve internal productivity and strengthen security. With full consideration to privacy and the protection of confidential information, we position the data utilization framework supporting our AI initiatives as an integral component of our overall AI governance framework.

Sustainability Strategy

Sustainable Production & Consumption

For more details, click here. ▶LINK

The Rakuten Group provides a platform that connects hundreds of thousands of partners with millions of customers, playing an important role in advancing sustainable production and consumption. We work closely with suppliers involved in Rakuten's services and products, and maintain an open dialogue to promote responsible procurement and the adoption of responsible business practices. In doing so, Rakuten empowers users to engage with the Rakuten Ecosystem with confidence, while taking steps toward a more sustainable lifestyle.

A Future Supported by Sustainable Procurement Management Framework

Rakuten promotes initiatives to build a sustainable supply chain in accordance with a robust governance structure. Our sustainability promotion function verifies that procurement activities with key suppliers are aligned with the Rakuten Group Sustainable Procurement Code of Conduct (for Suppliers). These activities are reported to the Human Rights Subcommittee and the Group Sustainability Committee, both of which are overseen by the Board of Directors.

Supplier Management

Rakuten continuously monitors supplier status across priority businesses and works to visualize risks and issues across the supply chain. Where issues are identified, we encourage corrective action through dialogue with suppliers and support for improvement, thereby enhancing supply-chain sustainability and resilience.

Engagement with Suppliers

We conduct annual evaluations of key suppliers, including manufacturers of Rakuten brand products.

Briefing Sessions
We hold briefing sessions to help suppliers understand Rakuten's expectations and the importance of sustainability in business operations.

Questionnaire Responses
Suppliers are required to complete a questionnaire covering ESG requirements and to sign a pledge confirming compliance with Rakuten's policies.

Audits
Based on questionnaire results and other factors, on site audits are conducted for selected suppliers with the support of an independent third party.

Feedback & Capacity Building
We share the questionnaire and audit results with suppliers. In cases of noncompliance with the Code of Conduct, we require them to develop and implement corrective action plans with Rakuten's support.

Indicators & Goals	Result 2025	Target	
		2025	2030
Percentage of suppliers participating in briefings and study sessions	88%	80%	90%
Percentage of suppliers answering our self-assessment questionnaire	88%	80%	100%
Ratio of high-risk* suppliers	13%	year-on-year decrease	

*Suppliers considered as potentially having a significant impact on our supply chain, based on self-assessment survey results, transaction status, and other factors.

Building Sustainability Together with Our Partners

As a platform provider, Rakuten's sustainability is closely intertwined with the sustainability of our partner companies. For this reason, engagement with partners on environmental and social issues is a key priority. By working together with our partners, we aim to deliver products, services and experiences that are mindful of the environment and society. Across the entire Rakuten Ecosystem, we are committed to encouraging user choices that lead to better consumption behaviors.

Expanding Sustainable Management Models Together with Salons

Through Rakuten Beauty, we collaborate with salons nationwide to implement a wide range of initiatives to raise sustainability awareness across the beauty industry. Under the Sustainable Beauty Salon Project, we distribute a handbook to participating salons and provide certification stickers to those that meet defined sustainability standards, thereby fostering awareness through practices rooted in day-to-day operations.

In 2025, leveraging insights from the Rakuten Ichiba awards program, we established the Rakuten Beauty Award Sustainability Award. In partnership with industry organizations, we highlight salon practices that address environmental and social issues, and share them as leading examples of sustainable management. Going forward, we aim to create value by using award-winning cases as a starting point to provide ongoing learning opportunities that disseminate practical knowledge across the beauty industry.

Sustainability Award: storage Co., Ltd.



In 2025, storage Co., Ltd. received the award in recognition of its salon management approach grounded in sustainable thinking. The company was recognized for advanced initiatives such as developing products that do not use palm oil and recycling of hair color tube containers. It was also highly evaluated for presenting an advanced model for the development of the beauty industry and improvement of workplace environments through specific measures that are easy for other salons to adopt, including initiatives to enhance work engagement and product development.

Biodiversity in Practice Through Corporate Collaboration

Rakuten participated in the SAVE OUR SYMBOLS CHALLENGE, an initiative aimed at conserving biodiversity and natural capital. Through this initiative, we collaborated with companies that use living creatures as their symbols, as well as companies that supported the initiative, and launched a dedicated campaign on Rakuten Ichiba. A portion of sales from eligible product purchases was directed to donations supporting the protection of wildlife and the natural environment, turning everyday purchasing behavior to meaningful social contribution. Among purchasers, 4,358 people selected the activities they wished to support. By leveraging a circular framework in which companies, users and society share value, the initiative contributed to environmental conservation through consumption and a more sustainable future.

Participating companies: SharkNinja G.K., Nestle Japan Ltd., Mars Japan Limited, Lion Corporation, iRobot Japan G.K., Hills-Colgate (JAPAN) Ltd., K.K., Xiaomi Technology Japan Co., Ltd., Suntory Spirits Limited, plus three other companies (in no particular order)

Sustainability Strategy

Climate Change

For more details, including the TCFD disclosure, click here ▶LINK

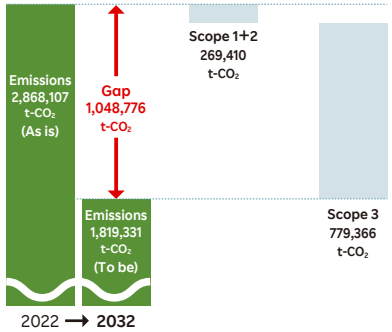
Rakuten Group works to reduce environmental impact across all of its business activities and aims to build a Rakuten Ecosystem in which stakeholders can choose environmentally conscious services and products through Rakuten's platform.

Steady Progress Toward Decarbonization Based on SBT Certification

In 2023, Rakuten achieved carbon neutrality*1 for greenhouse gas emissions (Scope 1 and 2) from the Group's business activities. Building on this milestone, we are steadily progressing toward our 2032 target. We have also set greenhouse gas reduction targets for our entire supply chain (Scope 3) and obtained Science Based Targets (SBT) certification, an international recognition granted to companies with emissions reduction targets aligned with the Paris Agreement, further strengthening our response to climate change. In 2025, as part of our efforts to achieve our reduction targets, Rakuten Mobile, Inc. pursued power consumption reductions through network enhancements, while we strengthened our sustainable procurement framework by assessing suppliers' climate change initiatives via questionnaires.

*1 Calculated in accordance with the GHG Protocol. Emissions that remain after implementing reduction measures are addressed through carbon offsets.

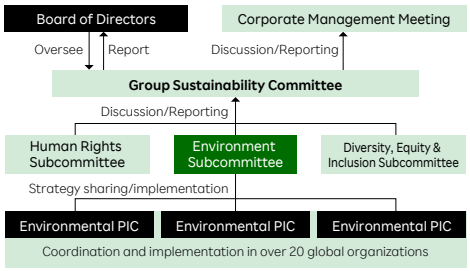
Key initiatives	
Scope 1 and 2	• Reduced power consumption at Rakuten Mobile base stations • Promoted energy saving measures in office buildings • Introduced biodiesel for attraction facilities at Rakuten Mobile Saikyo Park Miyagi
Scope 3	• Improved the accuracy of collected data for the upstream supply chain • Strengthened supplier engagement



(Note) Excludes emissions intensity per electricity sales volume.

Management Structure

For material climate related issues, the Group Chief Operating Officer, as the head of the operations function, leads management level decision making and policy formulation. In addition, each business unit appoints a person in charge (Environmental PIC) who works in coordination with the Sustainability Promotion Department to drive initiatives. These Environmental PICs are responsible at the operational level for implementing environmental measures, managing risks and opportunities, and sharing information. Under this three-layered structure of management, the Sustainability Promotion Department, and Environmental PICs, Rakuten is strengthening its ability to address climate change.

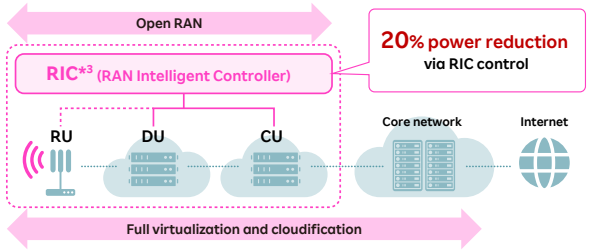


Deployment of Sustainable Networks through AI Utilization

In May 2025, Rakuten Mobile, Inc. and Rakuten Symphony, Inc. became one of the world's first nationwide*2 deployment of an AI-powered RAN Intelligent Controller (RIC) platform in commercial use in Rakuten Mobile's Open RAN mobile network in Japan, achieving reduced network energy consumption. RIC optimizes operational efficiency in commercial networks through utilization of AI to manage and control the radio access network (RAN). Through nationwide deployment of RIC, energy consumption is expected to be reduced by approximately 20 percent compared with the previous network configuration. Rakuten Mobile and Rakuten Symphony will continue to prioritize environmental considerations in its mobile network operations.

*2 With regards to the deployment of RIC in commercial 4G and 5G networks using Open RAN technology (based on Rakuten Mobile research, as of May 27, 2025, based on official online websites of Japan's other three MNOs).

RIC Deployment Concept



*3 RAN management and control using AI/ML

Advancing Decarbonization in Practice with Diverse Partners

"Deco Katsu Action in Kobe" is an initiative led in collaboration by Rakuten, Vissel Kobe, INAC Kobe Leonessa, and the City of Kobe, enabling anyone to take part in environmental conservation activities in an easy and enjoyable way while attending sporting events. At a match held in September 2025, approximately 17,000 people attended, and a wide range of booths were featured, including an upcycling program that repurposed old signage into items such as bags, and a circular shop that collected plastic bags used for packing merchandise purchases and reprocessed them into new merchandise. At the Econova resource collection station, established with the aim of "making recycling not something special but an everyday choice," common plastic items such as tofu containers and toothbrushes were collected, encouraging behavior change and helping embed eco-friendly habits among citizens. In 2025, the initiative was implemented at seven matches, resulting in a reduction of 4.5 t-CO_2, equivalent in volume to approximately 450,000 soccer balls.



Sustainability Strategy

Risk and Crisis Management

For more details, click here. ▶LINK

As a global company, Rakuten Group is required to address diverse risks corresponding to the characteristics of its businesses and regions. Under an integrated management system, we promptly identify risks and implement effective countermeasures across the entire Group.

Enterprise Risk Management (ERM)

To achieve its management objectives, Rakuten manages risks across the Group through a cycle of identifying and assessing risks, formulating and executing response policies based on their importance, and monitoring the results. We categorize risks into "Top Group Risks," which could significantly impact the Group's business activities, and "Emerging Risks," which could be greatly affected by environmental changes from a potential to medium- to long-term perspective. We then implement responses and monitoring processes for each. In 2025, we reconstructed our integrated risk management process, aligning the identification of next year's Top Group Risks with the budgeting timeline to improve consistency with business plans and strengthen our risk management system to support management strategies. Through these initiatives, we are establishing an effective risk management system that supports sustainable growth even in highly uncertain business environments.

Incident Management

Rakuten focuses on incident prevention, prompt and accurate reporting, damage limitation through appropriate responses, and prevention of risk recurrence. When an incident occurs, we evaluate its type and the degree of impact across three categories: damage, business continuity and reputation. We then clearly define reporting procedures and response actions. In 2025, we strengthened the system to enable immediate reporting of serious incidents to management and established a mechanism to share root-cause analyses and prevention measures across the entire Group. Furthermore, we disseminated relevant information not only domestically but also to overseas bases-strengthening incident management at a global level.

Percentage of organizations with a person in charge of incident management
(Result 2025)
100%
(globally)

Percentage of organizations with an incident management system in place
(Result 2025)
100%
(in Japan)

Percentage of employees taking the e-learning on incident management
(Result 2025)
100%
(in Japan)

Examples of Risks Identified in 2025

Examples of Major Risks and Corresponding Responses

Risk items	Overview	Responses
Natural Disaster and Infectious Diseases	Natural disasters, such as earthquakes, typhoons, tsunamis and pandemics can significantly hinder our day-to-day operations and pose a threat to the health and well-being of our stakeholders.	We minimize these risks by formulating business continuity plans (BCP), further strengthened by safety drills and information system backups.

Examples of Emerging Risks and Their Response Status

Risk items	Overview	Responses
Adverse outcomes of AI technologies	The advancement of AI technologies, including generative AI, brings significant benefits to society; however, disparities in access to and adaptability to these technologies may exacerbate new forms of social inequality. For Rakuten, inequality is not merely a societal issue, but an emerging risk that could undermine the sustainability of its customer base and create mid- to long-term strain in its relationship with employees, as automation and uneven distribution of AI-related skills lead to widening employment gaps and workforce realignment.	In addition to our company-wide AI-nization initiatives, we are also supporting the reskilling and upskilling of talent at partner companies by providing "Rakuten AI for Business" and other learning content.
Regression of diversity in society	Rising societal polarization, deepening ideological and cultural divisions, stricter immigration policies may hinder our ability to develop a diverse workforce and cultivate an innovative work culture.	We have adopted English as our official language to enhance workforce diversity. To promote mutual understanding and fully leverage this diversity, we provide cross- cultural management training, conduct workshops on our shared set of values, etc. Additionally, Rakuten is also a member of the Japan Association of New Economy which notably has a project team dedicated to making proposals on "immigration and inclusive society."

For more details, please refer to the Annual Securities Report. ▶LINK

Business Continuity Management (BCM)

Rakuten has introduced Business Continuity Management (BCM), with pre-established business continuity concepts and procedures to enable the continuation or early recovery of core businesses while minimizing the impact on business assets in the event of an emergency. In 2025, anticipating large-scale natural disasters and rising geopolitical risks, we enhanced various training programs, advanced the development of our BCM system, and strengthened global collaboration. Domestically, in addition to enhancing information gathering and decision-making at our headquarters, we are promoting system development by deploying stockpiles for office stays. Overseas, we are preparing for unforeseen circumstances as a united Group by conducting initial response training for specific emergency scenarios.

Fostering a Risk Management Culture

Based on "Vision 2030", Rakuten sets risk and crisis management goals to support stable operations, fosters a company-wide culture of risk management, and strengthens preparations for future risks. We also strive to improve employees' risk sensitivity by sharing examples from our own company and from others, as well as incidents highlighted in the media. Furthermore, we deepen risk awareness through risk management training for all employees and by sharing the latest information on ethics, compliance, and information security during the company-wide all-hands ASAKAI meetings. By positioning incidents as opportunities for learning and growth rather than negative events, and by transparently sharing measures to prevent recurrence, we are building a company-wide culture of continuous improvement.

Sustainability Strategy

Innovation and Entrepreneurship

The Rakuten Group looks to the future, encouraging all employees to take on challenges and continuously deliver new value to society. We embrace entrepreneurship as our DNA - creating new businesses and services with free thinking, unconstrained by existing frameworks. Through a variety of programs that foster and embody this spirit across the organization, we provide an environment where employees can pursue innovation independently.

Fostering a Challenge-Oriented Mindset to Accelerate Innovation

Since 2017, we have run R-Pitch, a new business incubation program that provides employees with a platform to express their entrepreneurial spirit. In this program, employees who share a common vision form teams and iteratively refine their business plans with mentoring support from management and series of lectures. The final screening includes the opportunity to pitch their business idea to management, including Rakuten Group's CEO, with consideration given to funding for PoC (Proof of Concept) towards commercialization. Plans that pass the screening can move forward into full-scale business development and new service launches. In 2025, the program was held under the theme AI-Driven Innovation for the Rakuten Ecosystem, with 227 participants and 75 teams competing.

Empowering Employees to Drive AI Innovation

Creating businesses of the future requires employees to actively learn new technologies and share knowledge across the organization. At Rakuten, we provide an environment where employees can proactively enhance their AI literacy and apply it to daily work and new service development, maximizing the potential of AI technology. By sharing knowledge and experiences while collaborating to solve challenges, we are significantly strengthening the organization's AI capabilities and shaping the future of the Rakuten Ecosystem.

Cumulative R-pitch participants

3,000

AI Agent Festival

32-booth exhibition

Case 1 AI Agents Driving Collaboration and Co-creation

In October 2025, we held the AI Agent Festival, a platform for employees to share knowledge and learn from one another. Thirty-two booths showcased AI agents developed by various Group companies and departments, including early-stage initiatives. This interactive, bi-lingual event allowed participants to experience firsthand how AI agents are transforming services and operations. Approximately 3,500 participants provided active feedback, including comments such as, "Hearing employee perspectives as end-users will guide future feature improvements," and "Seeing initiatives from other departments sparked discussions about trying them in our own teams." For employees unable to attend in person, case studies were shared during a company-wide meeting, promoting organization-wide information sharing.



Scenes from the AI Agent Festival

Case 2 AI Unlocking Creativity for Next-Generation Leaders

The Leadership Summit, held three times a year for executives, serves as a key platform for demonstrating Rakuten's entrepreneurial spirit. At the Summer 2025 summit, leaders not only discussed growth strategies but also explored practical applications of AI. In a hands-on workshop, participants used AI agents in a hackathon-style format to create web applications on the spot using Rakuten's proprietary data. This experience helped leaders see AI as a strategic tool, quickly turn ideas into tangible results and promote an AI-driven culture of innovation throughout the organization. Participants shared feedback such as, "We learned practical way to use AI agents, streamlining tasks that normally take significant effort and producing demos quickly," and "We discovered new possibilities for decision-making in the AI era."

By giving leaders the chance to experience AI firsthand and experiment with its applications, we aim to accelerate AI adoption across all businesses and drive further growth for Rakuten.



Scenes from the Leadership Summit

Section 3

Corporate Governance

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Message from the Newly Appointed Directors



Leveraging Rakuten's unique strengths and evolving technology to further enhance the customer experience

Naho Kono
Director and Group Executive Vice President
Group CMO (Chief Marketing Officer)

Q You have been appointed as a director of Rakuten Group, where you have worked for many years. How did you feel when you were approached about this?

I joined Rakuten as a mid-career hire in 2003 with aspirations to work in marketing. In the Rakuten Ichiba business, I started in sales and later moved to content organization, where I worked on creative UI/UX. Since then, I have had the opportunity to gain truly wide-ranging experience across areas such as development, business strategy, and marketing. In 2017, I became President of the EC Company, overseeing the Group's e-commerce businesses including Rakuten Ichiba, and I have been involved in driving their growth. In 2018, as the Group CMO, I took on responsibility for overall marketing centered on the Rakuten Ecosystem. Then, with the launch of the Rakuten Mobile business in 2020, I also began overseeing marketing in the mobile carrier domain. Throughout the company's evolution , I have been fortunate to gain a diverse range of experience.

Looking back on my career so far, I have always focused on tackling challenges head-on and dedicating myself to achieving the goals before me. So, to be completely honest, when I was offered the role of director, I felt a profound sense of responsibility that really sharpened my focus. At the same time, however, I recognized that the time had come for me to fully embrace this important mission to empower society. I am determined to leverage everything I have learned to the fullest to make the future of our Group even stronger. With that resolve in mind, I will steadily deliver results, step by step.

Q Having contributed to Rakuten for many years, what aspirations or goals do you have as you take on this new appointment?

Drawing from my extensive background in marketing, I believe my key role is to make full use of Rakuten's member base, data, and the unique strength of the Rakuten Ecosystem, and to consistently drive efforts to improve end-to-end customer experiences from reaching new customers to deepening engagement.

In particular, the rapid evolution of AI presents a transformative opportunity. At Rakuten, we are fully committed to a clear goal called "Triple 20," which aims to improve marketing efficiency, operational efficiency, and client efficiency by 20% through AI integration. We are embedding AI tools both internally and externally. In marketing as well, we are proactively advancing the use of AI. For example, streamlining creative production through AI implementation is something we are accelerating internally right now. We are also seeing cases that directly contribute to performance, such as higher click-through rates after incorporating AI functions into search tools, and increased advertising revenue per search request. My objective is to fully harness AI within marketing and further expand the Rakuten Ecosystem.

Q With approximately 20 years of experience at Rakuten, what do you feel most strongly is the key challenge facing our Group today? How do you view the root cause of that challenge, and how would you like to lead it toward a solution as a director?

With over 100 million members in Japan alone—an extraordinary number in a country of 120 million people—Rakuten possess a vast amount of data on customer behavior. The biggest challenge, and at the same time our greatest strength, is how we translate this enormous volume of data into actionable insights to accelerate further growth.

What I consider most important is how the Rakuten Ecosystem contributes to nurturing and developing customers. In recent years, LTV (customer lifetime value) has grown significantly. We are now able to demonstrate the correlation between service usage and loyalty - for example, observing how customers who begin using Rakuten through Rakuten Mobile later increase their shopping on the Rakuten Ichiba e-commerce platform. We have long had the hypothesis that the more customers use Rakuten's services, the stronger their loyalty becomes and the more their LTV improves—but until now, it was difficult to clearly prove this. Today, however, we have integrated data to the point where we can concretely demonstrate those correlations.

My role is to manage these possibilities created by increasingly accurate data analysis while integrating them with the Japanese spirit of "omotenashi" (hospitality exceeding expectations) that Rakuten values. In addition, as a director, I am committed to further enhance the customer experience in the current landscape by challenging past conventions, by fully leveraging constantly evolving technology, and by leading with a forward-thinking mindset.

Q What message would you most like to convey to employees and partners?

I am honored to have been entrusted with this important role, yet my mission remains unchanged. Guided by Rakuten's mission of "contribute to society by creating value through innovation and entrepreneurship"—I will continue to push forward with the aim of maximizing the value of our Group. I believe that delivering consistent results towards this commitment is the most meaningful contribution to all stakeholders. I sincerely appreciate your continued support and partnership.

Message from the Newly Appointed Directors

Rakuten Enters a New Phase of Growth Through the Integration of "Ecosystem" and "Capital Efficiency"



Eiichi Kaga

Director and Group Managing Executive Officer
Vice Group CFO

Q Could you share your role on the Board of Directors and your aspirations for the future?

Since joining Rakuten Group, I have been involved in formulating our financial strategy, fundraising, and dialogue with capital markets. My primary focus has been on public offerings, bond issuances, and the company's listing on the First Section of the Tokyo Stock Exchange* (as it was known at the time). I see my role as leveraging this experience to bring the perspectives of external stakeholders, such as banks and investors, into the Board's decision-making process, and am committed to building on these insights to help enhance Rakuten's corporate value.

*Change of listing market from JASDAQ (Standard)

Q From a financial perspective, what do you consider to be the most critical challenges for Rakuten's growth strategy regarding capital allocation and revenue structure?

While further increasing the cash flow generation capability of the entire group is paramount, I understand that the early profitability of our mobile business is a primary concern for our stakeholders. Since we began preparing to launch the mobile business in 2018, we have allocated a portion of the cash flow generated by our Internet Services and FinTech businesses to fund its capital expenditure and operations. This capital allocation continues today. However, once the mobile business achieves standalone profitability and can self-sustain, we will be able to redeploy the cash flow from our group services into new growth areas.

Reducing interest-bearing debt is also critical to lowering our interest expenses. We are currently aiming for "self-funding" – covering the necessary funds for the mobile business without raising new interest-bearing debt – by improving our cash conversion cycle and utilizing sale-and-leaseback agreements for mobile network equipment. By boosting profitability across all sectors, including mobile, we intend to reduce our debt balance and improve our financial soundness.

For more details on "Message from the Officer in Charge of Finance", please refer to page 26.

Q What mindset and indicators do you prioritize to balance investment for business growth with improvements in financial soundness and capital efficiency?

To measure profitability, the most important relationship we consider is between the weighted average cost of capital (WACC) and return on invested capital (ROIC). Building a business portfolio that generates ROIC exceeding its WACC enhances capital efficiency and drives corporate value. However, decisions should not be based on this metric alone. Our company possesses a business model that is rare globally: the Rakuten Ecosystem. When deciding whether to launch new businesses, or to continue or exit existing ones, we must always consider the impact on this broader ecosystem.

To measure financial soundness, we monitor the ratio of net interest-bearing debt to EBITDA, particularly for our non-FinTech businesses. Because we issued a large volume of corporate bonds to fund capital expenditures for the mobile business, this ratio expanded significantly for a time, but it declined to 6.5x by the end of 2025. Our target is to bring this ratio below 5x by the end of 2027 by improving cash generation and reducing debt. I also consider the consolidated capital adequacy ratio to be an important indicator. Given the recent significant expansion of our FinTech business, we have set a medium-term target of 5%, with a long-term goal of 10% as we work to strengthen our financial foundation.

Q How do you intend to reflect the voices gained from dialogue with external stakeholders in the Board of Directors' decision-making?

Because the feedback we receive from external parties represents an objective assessment of our company, I will ensure these perspectives are thoroughly discussed by the Board of Directors. Leveraging my experience in engaging with stakeholders on the front lines, I will bring the voices of external parties into Board discussions more than ever before.

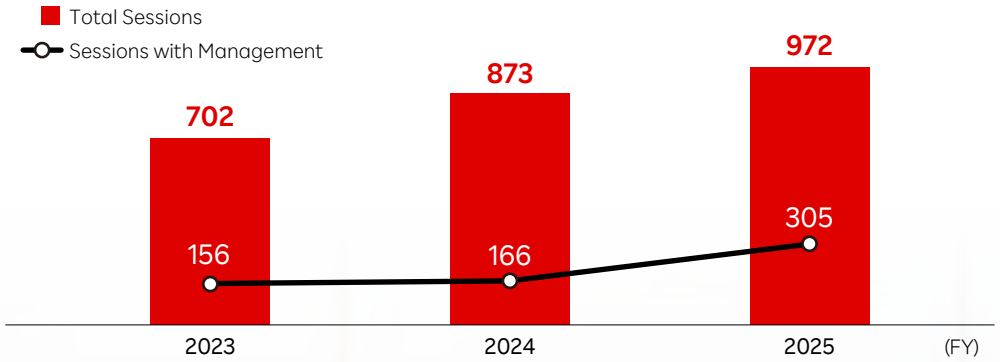
Though I previously attended Board meetings as an executive officer in the past, I feel that our company has a very active Board of Directors. It is not uncommon for directors to vigorously debate a single agenda item until everyone is satisfied, and continuing discussions outside formal Board meetings. Through these discussions, I intend to analyze external concerns and incorporate them into our management and financial strategies.

Q From the perspective of medium- to long-term corporate value, what is the most important message you would like to convey to the market?

I am well aware that the market's attention is focused on our mobile business. However, our group operates more than 70 diverse services, forming an ecosystem that is rare on a global scale. By strengthening cooperation across our businesses – including mobile, Internet Services, and FinTech – and maximizing the synergies of the Rakuten Ecosystem, we will deliver better services to our customers and drive long-term corporate value.

Responsible Dialogue with Stakeholders

Dialogue History



*Sessions with management are the number of sessions attended by management, including executive officers and higher, such as the President and CEO.

Main Dialogue Themes

Business Performance	■ Progress toward making Rakuten Mobile profitable ■ Progress toward making consolidated net income profitable
Management Strategy	■ Expansion of the "Rakuten Ecosystem" and the utilization of AI technology ■ Synergies between Rakuten Mobile and other businesses ■ Reassessment of the business portfolio to improve profitability
Business Strategy	■ Measures to increase Rakuten Mobile subscribers and ARPU ■ Initiatives to improve the performance of unprofitable businesses ■ Growth strategies for EC and FinTech businesses
Financial Strategy	■ Establishing self-funding ■ Initiatives to strengthen the financial foundation from a medium- to long-term perspective
ESG/Sustainability	■ Talent development strategy and diversity ■ Cybersecurity ■ Corporate governance

Feedback to the Company

Reporting Method	Frequency	Recipient(s)
Report to Board of Directors Meetings	4 times a year	Board Members
Report to Management Meetings	2 times a year	Executives, Board Members (including external directors)
Publication of IR reports	Weekly	Executives, Board Members (including external directors), etc.
Report by the Executive in charge	Monthly	CEO
Information sharing meetings with business units	Quarterly	Business departments and executives in charge
Internal IR Sessions	Quarterly, after Earnings Announcement	All employees working in Japan

Measures Implemented Based on Stakeholder Dialogue

Establishment of a voluntary compensation committee

Reassessment of the business portfolio

Holding information sessions for individual investors

Commitment to achieving performance goals

Corporate Governance

Basic Structure of Corporate Governance and Reasons for Adoption

The Company has adopted a company with an Audit & Supervisory Board structure, in which highly independent Audit & Supervisory Board Members provide auditing functions in order to improve the transparency of the Company's management and ensure its appropriateness, efficiency, fairness, and soundness. The Company has supervised management through an Audit & Supervisory Board, where a majority of the members are Outside Audit & Supervisory Board Members. Additionally, in order to separate the supervisory and executive roles of management, the Company has adopted an Executive Officer System in which the Board retains responsibility for management decision-making and supervision, while Executive Officers are responsible for executive functions.

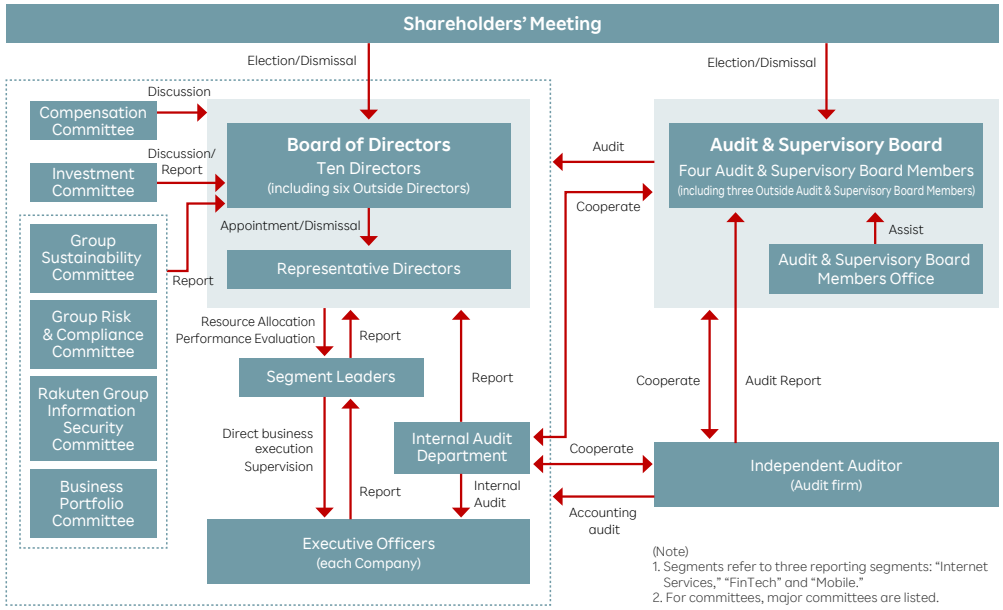
The Company's Board of Directors, which led primarily by Outside Directors who are highly independent experts from a variety of fields, supervises the execution of business from an objective perspective and engages in free and open and multilateral discussions on management. Furthermore, the Company holds meetings, where debates are held about Group management strategy, etc., and all Officers, including Outside Officers, attend, in principle, separately from the meetings of the Board of Directors. Participants also discuss matters from a medium- to long-term perspective rather than confining themselves to short-term issues or items discussed at the meetings of the Board of Directors, thereby enhancing the effectiveness of corporate governance.

For investment and financing projects involving new capital expenditures, the Investment Committee, which includes external experts, deliberates in advance and reports the results to the Board of Directors. In addition, for important projects, we share and deliberate on the outline and main points with Directors and Audit & Supervisory Board Members in advance before submitting them, thereby improving the quality of deliberations at the Board of Directors and ensuring appropriate decision-making.

In addition, we have introduced an internal Company System to ensure agile business execution and clear accountability.

Through such efforts, Rakuten Group will continue to build a management structure with more highly effective governance functions that enables swift management decisions.

Corporate Governance Structure



Committee	Objective and Main Discussions	Number of meetings in FY2025
Board of Directors	The Board of Directors holds regular meetings, as well as special meetings as required, for the purpose of enhancing medium- to long-term corporate value and shareholder value. Within these meetings, Directors make decisions on important management matters, which are under the authority of the Board of Directors and supervise the business execution of each Executive Officer.	11
Audit & Supervisory Board	The purpose of the Audit & Supervisory Board is to receive reports, hold discussions, and make decisions regarding important audit related matters. The Company has supervised management through an Audit & Supervisory Board, where a majority of the members are Outside Audit & Supervisory Board Members.	12
Compensation Committee	From the perspective of ensuring objectivity and transparency regarding director compensation, we have voluntarily established an Compensation Committee that includes independent outside directors as of December 2025. The Compensation Committee deliberates on director compensation policies and the compensation determination process prior to resolutions by the Board of Directors.	1
Investment Committee	For any case that requires new capital expenditure including any investment, members, including external experts, of the Investment Committee hold a preliminary deliberation on whether the case should proceed or not. The result of such deliberation shall be reported to the Board of Directors. For each of the Company's investments the Investment Committee must verify the hurdle rate determined within the Company, its contribution to the Ecosystem, and the business plans and corporate value of the investee during deliberation on whether the investment should proceed. Committee members also conduct regular verification of the investment after acquisition of the shares and reports on its progress and outcomes to the Investment Committee.	10
Group Sustainability Committee	In November 2021, we established a group-wide Sustainability Committee consisting of domestic and overseas management to accelerate efforts to address key issues in the Group's sustainability strategy. Furthermore, to address issues that require long-term discussion across the organization, we have also established the Environment Subcommittee, Human Rights Subcommittee, and Diversity, Equity & Inclusion Subcommittee. Each subcommittee conducts more specific deliberations, such as grasping the current situation and formulating, proposing, and implementing measures to address issues. At the Sustainability Committee, resolutions are made on proposals from each subcommittee, confirmation of the status and progress of initiatives toward goals, incorporation into business strategies, and discussion of compliance with international guidelines and laws and regulations are reported to the directors on a regular basis.	2
Group Risk and Compliance Committee	The Group Risk and Compliance Committee identifies risks related to laws and regulations that may hinder the realization of management strategy, promotes effective compliance across the Group, and reports and discusses efforts related to program initiatives. Additionally, the main topics discussed by the committee are reported to management through important meetings, and the status of particularly important risks is reported to management at meetings of the Company's Board of Directors and other important meetings.	4
Group Information Security and Privacy Committee	In addition to deliberating and approving policies and important matters in group information security and privacy for the entire group, we are building a governance structure to maintain information security for the entire group and have a system in place for reporting and making decisions on major measures and incidents that occurred during the period.	12
Business Portfolio Committee	The Business Portfolio Committee has been established to optimize the business portfolio from the perspective of growth, profitability, and contribution to the "Rakuten Ecosystem". In 2025, based on discussions held by the committee, we decided on the termination of the "NBA Rakuten" service.	12

Corporate Governance

Selection Policy for Director Candidates

The Company selects candidates for Directors who embody the Company's corporate philosophy at a high level and who have high potential to contribute to further development of the Group. By making each Director's term of office one year, the Company upholds the principle of reflecting the will of its shareholders.

In particular, the Board of Directors of the Company selects persons who have extensive experience from a global perspective, professional knowledge, and are able to play a leading role in areas such as IT, finance, corporate management, legal and risk management, financial accounting, public administration, and consulting, and who are capable of appropriately guiding and supervising the execution of business at Rakuten Group.

Expertise and Experience of Directors and Audit & Supervisory Board Members (Skills Matrix)

Job title	Name	IT	Finance	Corporate Management	Legal & Risk Management	Finance & Accounting	Global Experience
Director	Hiroshi Mikitani	●	●	●			●
Director	Kentaro Hyakuno	●		●	●		●
Director	Naho Kono	●		●			
Director	Eiichi Kaga	●	●			●	●
Outside Director	Takaharu Ando				●		●
Outside Director	Sarah J. M. Whitley		●				●
Outside Director	Tsedal Neeley	●					●
Outside Director	Charles B. Baxter	●		●			●
Outside Director	Shigeki Habuka		●			●	
Outside Director	Takashi Mitachi			●			●
Audit & Supervisory Board Member	Yoshito Naganuma		●			●	
Outside Audit & Supervisory Board Member	Futoshi Nakamura				●	●	●
Outside Audit & Supervisory Board Member	Maki Kataoka				●	●	●
Outside Audit & Supervisory Board Member	Katsuyuki Yamaguchi				●		●

(As of April 1, 2026)

Evaluation about Effectiveness of the Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors overall, with the aim of ensuring its continued effectiveness and improvement of its functions.

1. Content of Implementation

- **Evaluation period**: December 12, 2025 to January 7, 2026
- **Evaluators**: Directors and auditors (total of 13 individuals)
- **Methodology**: Questionnaires. The questionnaire included both questions and spaces for free-form text responses. Following the survey, strategies for improving effectiveness are reported to the Board of Directors.
- **Overview**: Matters related to decisions on management strategy, decisions on important business execution, and deliberations by the Board of Directors, etc.

2. Tasks in Fiscal Year 2024 and the Status of Initiatives in Fiscal Year 2025

In response to the effectiveness evaluation results of fiscal year 2024, the measures taken to further improve effectiveness have generally achieved successful outcomes.

Tasks in 2024	Status of initiatives in Fiscal Year 2025
1. Enhancing opportunities for briefings outside Board of Directors meetings	Prior to Board of Directors meetings, the Company provided opportunities to explain the overview and key issues of upcoming agenda items in order to facilitate effective discussions.
2. Strengthening discussions on key topics	The Company continued to broaden discussions on key themes — such as business portfolio optimization and overseas businesses — at meetings including the Group management strategy meetings.
3. Continuing efforts to improve the clarity of materials	To contribute to effective discussions and prompt decision-making at the Board of Directors meetings, the Company optimized the preparation of materials and provided high-quality information.

3. Analysis and Evaluation Results

The Company confirmed that the Company's Board of Directors has made improvements and is highly effective as described above. At the same time, a desire for further improvement of effectiveness was also identified.

(1)The Board confirmed that active and increasingly in-depth discussions are being held on a broad range of critical management issues and intends to continue focusing on these themes.

(2)While sufficient reports have been had on themes such as corporate governance and enterprise risk management, the Board confirmed its intention that these should be proposed as regular agenda items in the future.

(3)The introduction of briefing sessions prior to Board of Directors meetings was highly commended for its effectiveness. In particular, it was recognized as extremely beneficial in helping outside directors deepen their understanding of agenda items and in facilitating more effective deliberations.

(4)The Board confirmed that the matters submitted for its approval and the volume of materials are appropriate. Initiatives such as summarizing discussion points and using charts and tables were appreciated for improving clarity; however, further consideration is needed on how to appropriately supplement highly specialized information.

Corporate Governance

4. Measures to Improve Effectiveness

Based on the results of the evaluation about the effectiveness of the Board of Directors, the Company will strive to further enhance deliberations and improve effectiveness of the Board of Directors by taking the following measures.

(1)The Company will refine the agendas of the Board of Directors and other meetings on mid- to long-term strategies and other key issues, encouraging directors to bring forward diverse perspectives and analyses, thereby enhancing overall effectiveness.

(2)Taking into account Board members' areas of expertise, the Company will continue to provide briefings outside Board of Directors meetings and further enhance their understanding of agenda items.

(3)The Company will deploy AI and related technologies to elevate the quality of materials. This will facilitate Board members' comprehension of the information, improve the efficiency of discussions, and strengthen transparency and consistency in the decision-making process.

Policies on Determining the Amount of Directors' Compensation and the Calculation Method (Compensation Policy)

(As of March 26, 2026)

1) Basic Policies

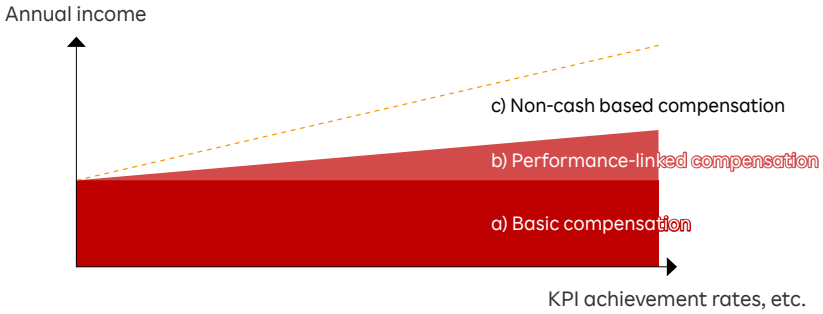
The compensation for the Company's Directors is determined based on the following basic policies.

For executive Directors, a level of compensation that is globally competitive is set to secure and maintain excellent human resources. The portion of share acquisition rights is designed to be high to promote sustainable growth of the Company by improving medium- to long-term corporate value and achieving management goals. For non-executive Directors, a level of compensation that is globally competitive is set to secure and maintain excellent human resources who will support management with global expertise.

2) Compensation Structure

	Type of Compensation	Method of Determination	Maximum Amount of Compensation per year
Executive Directors	a) Basic compensation (fixed, monthly payment)	The ratio of basic compensation, performance-linked compensation, non-cash based compensation and Special retirement compensation is set based on the role of each Director.	■Maximum Amount of Compensation 1.9 billion yen (including 0.2 billion yen for Outside Directors) ■Share Acquisition Rights (separate from maximum amount of compensation) To Directors (excluding Outside Directors): —Share Options exercisable while in service 15,000 —Share Options as retirement compensation 20,000 To Outside Directors: —Share Options exercisable while in service 1,000
	b) Performance-linked compensation (performance linked bonuses as short-term incentive compensation, annual payment)		
	c) Non-cash based compensation (stock-based compensation stock option as medium- to long-term incentive compensation, annual payment)		
	d) Special retirement compensation for executive officers (applicable only to directors who concurrently serve as executive officers, excluding outside directors; paid upon retirement from the position of executive officer)		
Non-Executive Directors	a) Basic Compensation (fixed, monthly payment)		
	b) Non-cash based compensation (stock-based compensation stock option as medium- to long-term incentive compensation, annual payment)		

Breakdown of Compensation for Executive Directors



3) Indicators and Method of Calculation of Performance-linked Compensation and Non-cash Based Compensation

(For executive Directors) To increase awareness of the development and expansion of the "Rakuten Ecosystem", multiple KPIs such as consolidated operating income (loss) of each fiscal year have been selected for performance-linked compensation and non-cash based compensation. They are linked to growth and profitability. Individual evaluations are determined based on the achievement of targets for the indicator set by the managing organization of each executive Director. The indicator includes carbon neutrality commitment, etc. The amount paid is determined based on individual evaluations and overall company performance.

(For non-executive Directors) Performance-linked compensation is not applicable. There are no indicators for non-cash based compensation. The Company has decided that a percentage of the total amount of compensation for each non-executive Director shall be non-cash compensation determined based on the role of each non-executive director.

4) Compensation Determination Process

The Company's Board of Directors resolves the compensation policy for Directors after deliberation by the Compensation Committee, which includes Independent Outside Directors. Other decision-making processes also undergo deliberation by the Compensation Committee, which includes Independent Outside Directors. For Outside Directors as well, a fixed compensation amount is determined after deliberation by the Compensation Committee, which includes Independent Outside Directors.

The amount of individual compensation for Directors is determined by Hiroshi Mikitani, the Representative Director, Chairman, President & CEO, who is delegated this authority by the Board of Directors within the compensation limit determined at the general shareholders' meeting and in accordance with the compensation policy. He evaluates the business each Director is in charge of while considering the Company's overall performance and obtaining advice from Outside Directors as necessary to determine the amount of individual compensation. Thus, the Board of Directors believes that the content of individual compensation, etc. is in line with the compensation policy.

The special compensation for retiring Executive Officer is calculated in accordance with internal regulations based on a resolution of the Board of Directors and is paid only to those directors (except for outside directors) who concurrently serve as Executive Officers of the Company and are permitted to receive such compensation under the said regulations.

Management Team (As of April 1, 2026)

Directors



Hiroshi Mikitani
Representative Director, Chairman, President and CEO



Kentaro Hyakuno
Representative Director and Group Senior Executive Vice President



Naho Kono
Director and Group Executive Vice President



Eiichi Kaga
Director and Group Managing Executive Officer



Outside Independent

Takaharu Ando*1*2
Director

Year Appointed/ Positions Held or Career Summary

2023
Outside Director of AMUSE INC.
Outside Director of ZENSHO HOLDINGS CO., LTD.
Outside Director of TOBU RAILWAY CO., LTD.
Outside Director (Audit and Supervisory Committee Member) of NISSHIN SEIFUN GROUP INC.

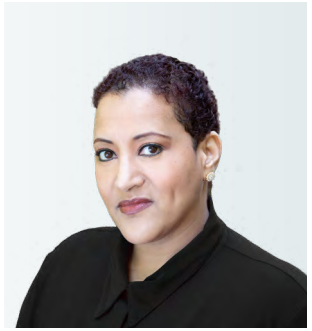


Outside Independent

Sarah J.M. Whitley*1*2
Director

Year Appointed/ Positions Held or Career Summary

2019
Trustee of Foundation Scotland
Chair of Edinburgh International Festival Endowment Fund
Trustee of the Abbotsford Trust
Chair of Scottish Episcopal Church Pension Fund



Outside Independent

Tsedal Neeley*1*2
Director

Year Appointed/ Positions Held or Career Summary

2023
Naylor Fitzhugh Professor of Business Administration of Harvard Business School
Outside Director of Brown Capital Management, LLC
Faculty Chair of the Christensen for Teaching and Learning of Harvard Business School
Senior Associate Dean and Chair of the MBA Program of Harvard Business School



Outside Independent

Charles B. Baxter*1*2
Director

Year Appointed/ Positions Held or Career Summary

2011
Manager of RAKUTEN MARKETING LLC
Chairman & Director of Rakuten USA, Inc.
Chairman of Reyns Holdco, Inc.
Director of Wineshipping.com LLC



Outside Independent

Shigeki Habuka*1*2
Director

Year Appointed/ Positions Held or Career Summary

2023



Outside Independent

Takashi Mitachi*1*2
Director

Year Appointed/ Positions Held or Career Summary

2016
Outside Director of Lotte Holdings Co., Ltd.
Outside Director of DMG MORI CO., LTD.
Board Member of Ohara Arts Foundation
Outside Director of Tokio Marine Holdings, Inc.
Chief Executive Director of Ronald McDonald House Charities Japan
Outside Director of SUMITOMO CORPORATION
Adjunct Professor of Graduate School of Management, Kyoto University

*1 Outside Directors stipulated under the Companies Act of Japan
*2 Independent Directors specified by the regulations of Tokyo Stock Exchange, Inc.

Management Team (As of April 1, 2026)

Audit & Supervisory Board Members



Yoshito Naganuma
Audit & Supervisory Board Member (Full-time)



Futoshi Nakamura *2*3
Audit & Supervisory Board Member (Full-time)



Maki Kataoka *2*3
Audit & Supervisory Board Member



Katsuyuki Yamaguchi *2*3
Audit & Supervisory Board Member

*2 Independent Directors specified by the regulations of Tokyo Stock Exchange, Inc.
*3 Outside Audit & Supervisory Board Members stipulated under the Companies Act of Japan

Executive Officers



Akihito Kurozumi
Group Executive Vice President
Group CIO & Group CTO



Ryo Matsumura
Group Executive Vice President
President of Commerce & Marketing Company



Amit Patel
Group Senior Managing Executive Officer
Rakuten International Business CEO



Shunsuke Yazawa
Group Senior Managing Executive Officer
Representative Director and President of Rakuten Mobile, Inc.
Group Senior Managing Executive Officer of Group Sales Division



Ting Cai
Group Senior Managing Executive Officer
Group CAIDO
Group Senior Managing Executive Officer of AI & Data Division



Sharad Sriwastawa
Group Senior Managing Executive Officer
Representative Director, Co-CEO and CTO of Rakuten Mobile, Inc.
Representative Director and President of Rakuten Symphony, Inc.



Yoshiyuki Takano
Group Senior Managing Executive Officer
Senior Vice President of Commerce & Marketing Company



Koichi Nakamura
Group Senior Managing Executive Officer
Rakuten Card Co., Ltd.
Representative Director and President
Senior Vice President of FinTech Group Company



Seiichiro Sonoda
Group Senior Managing Executive Officer
FinTech Segment Leader
President of FinTech Group Company



Masatada Kobayashi
Group Managing Executive Officer
Group CCuO



Adrienne Down Coulson
Group Managing Executive Officer
Rakuten International Business COO



Yusuke Kobayashi
Group Managing Executive Officer
Company CIO & Company CAIDO of Commerce & Marketing Company
Vice Director of Commerce & Marketing Company
Technology Supervisory Department



Kuniaki Matsumura
Group Managing Executive Officer
President of Ad & Media Company
Group Managing Executive Officer of Global Ad Division



Hideaki Mukai
Group Managing Executive Officer
Chief of Staff to the Group CEO
Vice President of Sports Business
Vice President of Incubation Business



Shinji Kuroda
Group Managing Executive Officer
Director of Group Human Resources Supervisory Department

CIO = Chief Information Officer
CTO = Chief Technology Officer
CEO = Chief Executive Officer
CAIDO = Chief AI & Data Officer
CCuO = Chief Culture Officer
COO = Chief Operating Officer

*Only primary job titles are listed

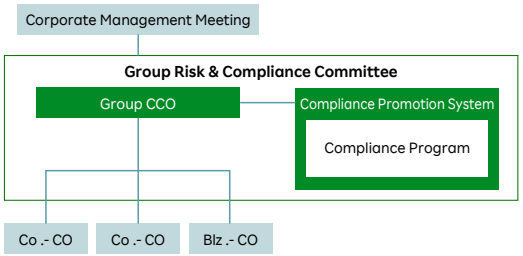
Compliance

For more details, click here. ▶LINK

Under the brand concept of "Integrity," the Rakuten Group advances management grounded in ethical business practices. To minimize unforeseen circumstances and incidents, we thoroughly adhere to legal and ethical requirements, international standards, and internal regulations, while also advancing efforts to mitigate related risks. Furthermore, we actively conduct compliance awareness activities to build trust with all stakeholders.

Management System

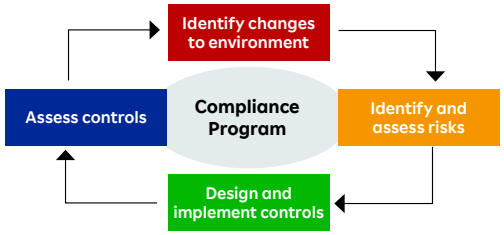
To establish a robust compliance system across the entire Group, we have appointed a Group CCO (Chief Compliance Officer) as the overall responsible officer, Company Compliance Officers (Co.-CO) in each internal company, and Business Compliance Officers (Biz.-CO) in each business unit. Co.-COs and Biz.-COs collaborate with the Group CCO to strengthen the Group's cross-functional system by formulating compliance programs and promoting effective monitoring.



Group CCO: Group Chief Compliance Officer
Co.-CO: Company Compliance Officer
Biz.-CO: Business Compliance Officer

Sustainable Growth Built in 4 Steps

To reduce risk, Rakuten promotes a compliance program utilizing four steps: "Identification of Environmental Changes," "Identification and Assessment of Risks," "Formulation and Implementation of Controls," and "Evaluation of Controls." As part of these efforts, we implement a wide range of fraud prevention measures, including anti-bribery and corruption, legal compliance and customer due diligence, especially given Rakuten's operations in highly public sectors such as mobile carrier services and services for local governments. In 2025, we revised the overall rules regarding membership, donations, sponsorships and political contributions to external organizations, thereby strengthening our due diligence. Through continuous improvement, we are building a more rigorous review system and striving to build greater trust with stakeholders.



Identification of Environmental Changes	Identifying future internal and external environmental changes that may affect management objectives.
Identification and Assessment of Risks	Identifying risks based on the identified environmental changes and assessing them along two axes: impact and likelihood of occurrence.
Formulation and Implementation of Controls	Establishing a review system based on elements of clear responsibilities, judgment criteria, business processes, education and awareness, and monitoring.
Evaluation of Controls	Determining whether risks have been reduced through the execution of the compliance program.

Understanding Potential Risks and Fostering "Integrity"

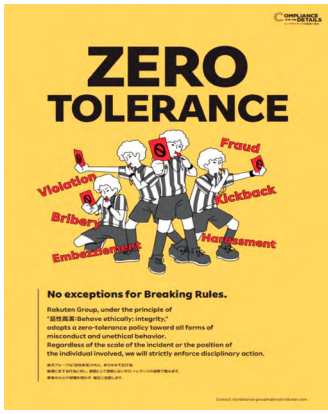
Rakuten collects on-site feedback through internal compliance awareness surveys and incorporates it into measures such as management training, thereby promoting continuous improvement and the development of an organizational culture. In 2025, in addition to existing education and awareness activities, we conducted various awareness campaigns focused on strengthening compliance, under the theme "Compliance is in the Details," to address potential risks.

In particular, October was designated as "Integrity & Compliance Enhancement Month," during which team discussions were held using videos on preventing performance and expense fraud, and management distributed compliance newsletters. These discussions focused on topics such as preventing fraud, promoting active employee exchange of opinions, and fostering a more practical understanding and adherence to actions. Approximately 6,000 participants provided positive feedback, such as "it was extremely valuable to hear the opinions of team members" and "it provided an opportunity to think about compliance and helped promote ownership and team building."

In addition, revisions to laws and regulations, including the Subcontract Act, and amendments to internal regulations are promptly reflected and continuously communicated to employees via morning meetings attended by all employees and e-learning. Officers and employees in senior management positions annually pledge to comply with management-related matters, achieving a 100% completion rate.

Examples of Educational Themes in 2025

Importance of Compliance
Legal Considerations in Outsourcing (Subcontract Act, price pass-through, disguised subcontracting)
Security Export Control
Prohibition of Unauthorized Disclosure of Trade Secrets
Anti-Corruption and Anti-Bribery
Intellectual Property
Insider Trading
Contracts
(Effective January 2026) Revised Subcontract Act: Act on the Promotion of Proper Transactions in Subcontracting with Small and Medium-sized Enterprises



Internal Awareness Campaign Poster

Information Security

For more details, click here. ▶LINK

Access to a wide range of services across the Rakuten Ecosystem forms the foundation of a highly convenient customer experience. To support this, the Rakuten Group, under the leadership of the Chief Information Security Officer (CISO), promotes comprehensive initiatives across three key areas in line with our common information security regulations: human investment (People), technological controls (Technology) and continuous improvement of operations and governance (Process). By safely leveraging AI and responding flexibly to emerging threats, we are building resilient governance capable of adapting to the unique characteristics of our businesses.

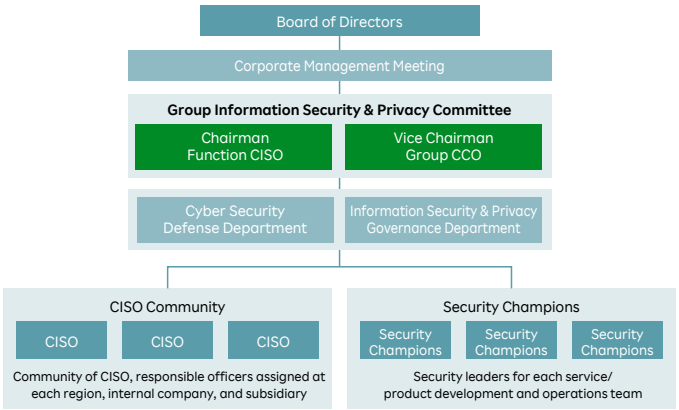
Management System

The Rakuten Group Information Security & Privacy Committee, chaired by the Function CISO, meets monthly to confirm policies, monitor responses and make necessary decisions on matters affecting the entire Group. The Committee deliberates on key topics including incident occurrence and response, ISMS*1 operations, enhancement to authentication infrastructure, vulnerability management and employee security education. Decisions and reports from the Committee are shared with management via corporate management meetings and subsequently reported to the Board of Directors.

The Information Security & Privacy Governance Department and the Cybersecurity Defense Department, placed directly under the Group CISO, are responsible for planning and managing information security and cybersecurity measures, carrying out the practical aspect of governance.

Rakuten follows a decentralized governance model, appointing CISOs in all group companies. These CISOs form a community with the head office, sharing knowledge through annual gatherings and an online community. Additionally, Security Champions are embedded in service, product development and operational teams to drive the secure development lifecycle and vulnerability management at the team level.

*1 A system for managing information security risks.



Comprehensive Security Measures

In 2025, the information security landscape continues to evolve rapidly, driven by the widespread adoption of generative AI and increasingly sophisticated cyberattacks such as ransomware*2. Rakuten addresses information security across three complementary domains: human investment (People), technological controls (Technology) and continuous improvement of operations and governance (Process). This integrated approach strengthens service security and reliability while reinforcing customer trust.

*2 A type of malicious program (malware) that encrypts computer files and systems, rendering them unusable, and demands a ransom for decryption.

Key Initiatives and Achievements in 2025

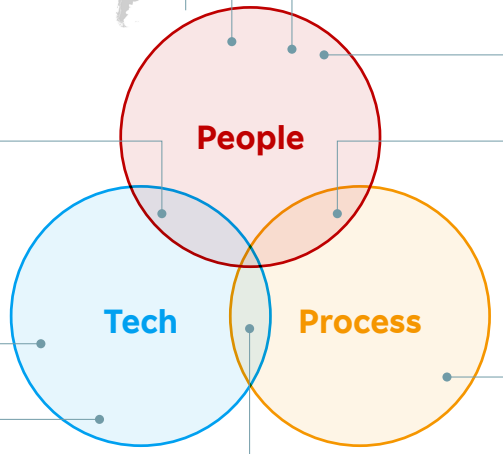
In-housing of Operations
Deploying specialized personnel at global locations to strengthen in-housing and response speed.



Expansion of ISMS, ISO, and IEC 27001 Certification
50 companies in 2024
59 companies in 2025

Hosting of Global CISO Summit
Bringing together security leaders from Japan and abroad to enhance knowledge sharing and human networks.

Full-scale Deployment of Cloud Usage Monitoring Tools
Deploying tools domestically and internationally to reduce cloud service usage risks.



CISO Talent Development
Strengthening the cultivation of the CISO community and implementing risk monitoring and improvement systems for small and medium-sized businesses.

Establishment of Zero Trust*3 Mechanism
Promoting full-scale deployment within the internal network to achieve both convenience and resilience against attacks.

Introduction of Passkeys*4
Introduced to key services to enhance the security of user authentication.

Strengthening AI Governance Collaboration
Thoroughly conducting pre-evaluation of new AI tools and suppressing the use of unauthorized tools in accordance with internal guidelines.

Introduction of Metadata Platform
Enabled safe and efficient data utilization in line with privacy policies.

*3 Zero Trust: A security approach based on the principle of "never trust, always verify" for all access.
*4 Passkey: A secure and convenient next-generation authentication technology enabling passwordless login through biometrics.

Privacy

For more details, click here. ▶LINK

As a company that provides services that touch nearly every part of our members' daily lives, it is essential for us to clearly disclose how we use customer data and implement strict measures for personal information protection. Rakuten Group is committed to being at the forefront of privacy protection to ensure that all users can utilize our services with peace of mind.

Management System

Rakuten has appointed a Global Privacy Manager as a specialized position, based on internal regulations concerning data protection and the requirements of European Union privacy laws. The Global Privacy Manager collaborates with Regional Privacy Officers in various regions around the world and Local Privacy Officers appointed by each company to monitor compliance and risks. The results are reported periodically to the Group Information Security & Privacy Committee and management meetings.

Responsible Discussions in the AI Era

As a company operating globally, Rakuten understands the legal and regulatory trends in each country and region, ensuring the latest legal requirements are reflected in its business operations. With the rapid advancement of AI, the regulatory environment is becoming increasingly complex. Therefore, close internal information sharing and continuous dialogue with external stakeholders are extremely important.

The "Global Legal, IP & Privacy Forum 2025," held in 2025, was the first cross-organizational forum where legal, intellectual property, and privacy protection personnel from around the company gathered to discuss the importance of, and strategies around safe and responsible AI use. While a wide range of topics were discussed at this forum, the panel discussion on AI risks garnered particular attention. It was shared that human intervention remains indispensable in certain situations, regardless of how advanced AI technology becomes, and this is a crucial point for future governance design.

Furthermore, in the same year, we co-hosted the "CIPL x Rakuten Conference 2025" with CIPL (Centre for Information Policy Leadership), a think tank for privacy and data policy.



Scenes from the Inter-departmental Forum

Approximately 100 participants, including regulatory authorities from Japan and abroad (such as the Chair of the European Data Protection Board and a commissioner from Japan's Personal Information Protection Commission) and industry experts, participated in the conference, fostering healthy dialogue and cooperation across public-private sectors and national borders.

Balancing Innovation and Trust

At Rakuten, as the utilization of advanced technologies, including AI, progresses, we view privacy protection as the foundation of business growth. We consistently address privacy concerns from service design to operations, legal compliance, and accountability to users. We create safe and reliable services by prioritizing transparent information provision and user privacy protection.

Topic 1 Information Dissemination and Education to Deepen Privacy Understanding

Rakuten's "Privacy Center" contains information about how personal data is handled and provides users with basic knowledge about privacy. In 2025, we renewed the website, expanding info on the handling of location information and the protection of children's privacy.

The "Rakuten Privacy School" is an educational program led by the Global Privacy Office that visits educational institutions to teach students the importance of privacy protection and practical approaches. In addition, we are working to create opportunities for young users to interact with professionals and roles in the field of privacy protection. From 2024 to 2025, the program has been implemented in a wide range of educational settings, including universities, high schools, and junior high schools, promoting awareness among a variety of age groups.



For more details, please visit ▶LINK

Topic 2 Enhancing Business Value Through Privacy Protection

"Rakuten Anshin Signage," launched in 2025, is a service that uses AI to simultaneously support crime prevention and sales promotion in physical stores. In collaboration with companies developing AI-powered image analysis technology and companies providing crime prevention solutions and consulting services, it carries out crime prevention and promotions tailored to visitors in physical stores. Data such as video and facial images are strictly managed in accordance with applicable laws and the "Rakuten Anshin Signage" privacy policy, and are deleted after being stored for the necessary period. In demonstration experiments, the re-visitation rate of warned individuals was 76%*1, and the sales of advertised products increased by 40%*2, demonstrating high effectiveness in both crime prevention and revenue improvement.

*1 Results of demonstration experiments with major retailers from 2024 to 2025. This was determined based on the frequency of visits by individuals detected with suspicious behavior through visual confirmation by experts, before and after the system's implementation.
*2 Results of demonstration experiments with major retailers in 2025. This was calculated as the percentage increase in sales of two delicatessen products designated by the retailer in the month after signage installation, compared to the sales in the month before installation.

Quality Initiatives

For more details, click here. ▶LINK

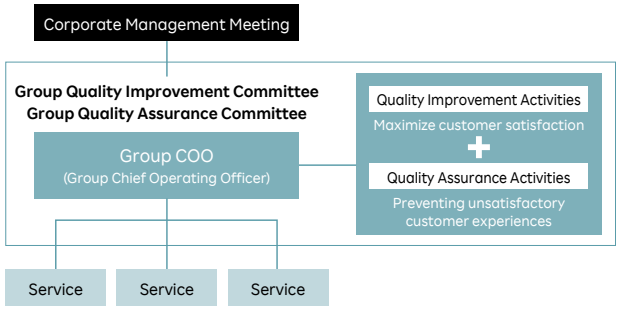
The Rakuten Group employs a one-brand strategy centered on the Rakuten brand for its diverse range of services. We strive to exceed customer expectations in quality for every service to build unwavering trust in the entire brand. Rakuten positions product and service quality and customer experience as core pillars of its business foundation, in order to deliver even greater value.

Management System

Under the Group COO (Chief Operating Officer), we promote improvement activities from both quality improvement and quality assurance perspectives. To support group-wide quality activities, we have established a Quality Improvement Committee and a Quality Assurance Meeting.

The Quality Improvement Committee continuously monitors NPS® (Net Promoter Score)*1, a crucial indicator for measuring customer satisfaction, and plans and executes improvement measures based on customer feedback. Furthermore, we share best practices across the Group and promote their effective deployment to each service, driving company-wide activities to deliver the best possible experience to our customers. Through these efforts, the NPS® of the Rakuten Ecosystem has surpassed competing ecosystems by 25.8 points, maintaining its No. 1 position in the industry*2 (as of the end of 2025).

On the other hand, the Quality Assurance Meeting strengthens group-wide quality standards by formulating and revising strict criteria and guidelines, evaluating measures, and repeatedly discussing improvement strategies.



*1 Net Promoter, Net Promoter System, NPS® are registered trademarks of Bain & Company, Fred Reichheld, and Satmetrix Systems.

*2 These surveys are conducted on population samples that are significant and representative of our customer base and of our competitors.

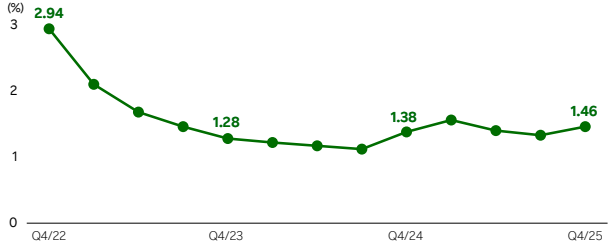
Case 1 Improving Mobile Experience Using AI and VOC

Rakuten Mobile continuously improves quality to deliver the best mobile experience. We collect Voice of Customer (VOC) feedback from various channels such as social media, phone calls, chats, stores, and online forms. After analyzing this data using AI, we implement fundamental measures to improve customer experience and resolve dissatisfaction for high-impact issues.

These continuous improvement efforts have made a steady business contribution, as evidenced by the reduction in MNO churn rate and being ranked No. 1 overall for three consecutive years in the "2025 Oricon Customer Satisfaction® Survey Mobile Carrier Ranking."

*3 Churn excludes subscriptions cancelled in the same month as the contract in the B2C business, and subscribers transferred to BCP and other lines, etc. due to a change in the method of recording revenue in the corporate business

Rakuten Mobile MNO Churn*3



Case 2 Immediately Translating Customer Feedback into Action

At Vissel Kobe, enhancing the experience and value of stadium visits is a key priority. The team conducted regular satisfaction surveys with visitors to analyze their match and service experience. The collected customer feedback is not merely used for KPI management; it is reflected in improvement actions through workshops involving relevant departments. By classifying and organizing free-form comments and evaluating and prioritizing measures based on criteria such as scope of effect, feasibility, cost-effectiveness, and urgency, the team aimed to establish a culture of "seeing, feeling, and thinking about customer feedback."



Vissel Kobe Matchday Experience Survey

Case 3 Business Process Reform Utilizing Process Quality Evaluation

Rakuten GORA is promoting operational efficiency and improved business quality in advertising placement operations by utilizing process quality evaluation. As a result of reviewing and investigating existing business processes, it was found that there were significant differences in operational man-hours for external vendors depending on the type and content of advertisements. Furthermore, the use of multiple management tools led to work being dependent on specific individuals, making it prone to confirmation oversights and rework.

As such, the team worked to clarify quality responsibilities for each process and restructured operations based on the concept of "completion of one's own process," where each person in charge considers "the next process as their customer" and refines quality of their own process. Simultaneously, we established a system for centralized management of progress and detailed information on the system, in order to visualize operations and improve checking accuracy.

As a result of these initiatives, we achieved zero errors and reworks after the business reform, and reduced monthly working hours, including those of external vendors, by 18.5 hours, thereby achieving both productivity improvement and risk reduction.

Section 4

Data

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10-year Key Financial Data (IFRS)

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	(JPY million)	781,916	944,474	1,101,480	1,263,932	1,455,538	1,681,757	1,920,894	2,071,315	2,279,233	**2,496,575**
Non-GAAP operating income or loss	(JPY million)	119,615	167,010	161,130	95,129	(102,667)	(224,999)	(335,191)	(153,041)	7,048	**106,277**
Operating profit or loss	(JPY million)	78,512	149,344	170,425	72,745	(93,849)	(194,726)	(371,612)	(212,857)	52,975	**14,382**
Income (loss) before income tax	(JPY million)	74,458	138,082	165,423	(44,558)	(151,016)	(212,630)	(415,612)	(217,741)	16,277	**(29,550)**
Net income (loss)	(JPY million)	38,435	110,488	141,889	(33,068)	(115,838)	(135,826)	(380,244)	(329,535)	(129,485)	**(123,213)**
Comprehensive income (loss)	(JPY million)	20,106	100,981	124,452	(42,818)	(132,401)	(73,041)	(312,285)	(262,200)	(53,842)	**47,960**
Equity attributable to owners of the Company	(JPY million)	682,391	683,181	774,473	735,672	608,738	1,093,719	791,351	836,572	927,868	**992,402**
Total assets	(JPY million)	4,604,672	6,184,299	7,345,002	9,165,697	12,524,438	16,831,221	20,402,281	22,625,576	26,514,728	**28,804,400**
"Equity attributable to owners of the Company per share"	(JPY)	478.40	507.32	572.83	542.43	446.78	691.47	497.56	390.53	430.67	**457.33**
Basic earnings (losses) per share	(JPY)	26.96	80.03	105.43	(23.55)	(84.00)	(87.62)	(237.73)	(177.27)	(75.61)	**(82.24)**
Diluted earnings (losses) per share	(JPY)	26.74	79.28	104.38	(23.55)	(84.00)	(87.62)	(237.89)	(177.29)	(75.62)	**(82.26)**
Equity attributable to owners of the Company ratio	(%)	14.8	11.0	10.5	8.0	4.9	6.5	3.9	3.7	3.5	**3.4**
"Net income to equity attributable to owners of the Company ratio"	(%)	5.7	16.2	19.5	(4.2)	(17.0)	(15.7)	(40.4)	(41.7)	(18.4)	**(18.5)**
Price earnings ratio	(Times)	42.5	12.9	7.0	–	–	–	–	–	–	**–**
Cash flows from operating activities	(JPY million)	30,700	162,056	145,615	318,320	1,041,391	582,707	(262,068)	724,192	1,190,882	**424,093**
Cash flows from investing activities	(JPY million)	(26,841)	(203,718)	(67,569)	(286,290)	(303,347)	(611,830)	(948,289)	(597,416)	(921,724)	**(779,809)**
Cash flows from financing activities	(JPY million)	45,200	194,458	208,418	458,340	808,108	1,402,265	1,486,686	291,956	757,469	**14,134**
Cash and cash equivalents at end of the year	(JPY million)	548,269	700,881	990,242	1,478,557	3,021,306	4,410,301	4,694,360	5,127,674	6,170,888	**5,837,566**
Employees	(Persons)	14,134	14,845	17,214	20,053	23,841	28,261	32,079	30,830	29,334	**29,419**

[Notes]

1. Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as the "IFRS").
2. Consumption tax is not included in Revenue.
3. Average number of shares during the fiscal year is calculated on a daily basis.
4. Number of Employees does not include those serving concurrently as employees and Directors, temporary staff and part-time employees.
5. The Rakuten Group has adopted IFRS 17 from the beginning of the three months ended March 31, 2023, and reflected the cumulative effect of this accounting standard change on the date of initial transition of January 1, 2022. As a result, figures for the fiscal year ended December 31, 2022 reflect the retrospective application of IFRS 17.

ESG (Environmental, Social, Governance) Data

The following is a summary of the information provided in our ESG Data Book. For more details, including calculation methods, independence assurance, and the organizations included in the aggregation, please refer to the ESG Data Book downloadable from our ESG library.

Item			Coverage	Unit	FY2023	FY2024	FY2025
Environmental Data							
CO_2 emissions		Scope 1	Rakuten Group	t-CO_2	2,991	3,638	**4,005**
		Scope 2 (location-based)	Rakuten Group	t-CO_2	337,224	385,383	**376,815**
		Scope 2 (market-based)	Rakuten Group	t-CO_2	0	325,382	**310,385**
		Scope 3	Rakuten Group	t-CO_2	12,693,824	11,160,952	**10,666,689**
Energy consumption			Rakuten Group	MWh	803,189	921,255	**913,933**
Renewable ratio			Rakuten Group	%	100	21	**23**
Water withdrawal			Rakuten Group	1,000m³	336	515	**610**
Waste generation			Rakuten Group	t	2,620	3,101	**3,515**
Social Data							
Total no. of employees			Rakuten Group	People	30,830	29,334	**29,419**
	Region	Japan		People	21,646	20,554	**20,579**
		APAC (excluding Japan)		People	5,871	5,479	**5,684**
		Americas		People	1,995	1,967	**1,808**
		EMEA		People	1,318	1,334	**1,348**
	Contract	Permanent		People	29,582	28,217	**28,252**
		Temporary		People	1,248	1,117	**1,167**
Employment rate of people with disabilities			Rakuten Group	%	2.59	2.68	**2.75**
Average age			Rakuten Group, Inc.	Years	34.4	35.3	**36.0**
Gender pay gap		All employees	Rakuten Group, Inc.	%	78.8	78.8	**78.0**
		Permanent employees		%	82.8	82.7	**81.6**
		Contract employees		%	65.6	59.9	**58.9**
Total no. of employees in each of the following diversity categories			Rakuten Group, Inc.	People	11,284	10,798	**11,047**
	Age	Under 30 years old		People	4,208	3,639	**3,456**
		30 - 50 years old		People	6,657	6,636	**6,926**
		Over 50 years old		People	419	523	**665**
	Gender	Female		People	4,557	4,393	**4,543**
		Male		People	6,727	6,404	**6,503**
		Others		People	—	1	**1**
	Nationality	Japanese		People	8,791	8,248	**8,433**
		Non-Japanese		People	2,493	2,550	**2,614**
Total no. of managers in each of the following diversity categories			Rakuten Group, Inc.	People	2,969	3,178	**3,270**
	Gender	Female		People	935	1,038	**1,096**
		Male		People	2,034	2,140	**2,174**
	Nationality	Japanese		People	2,475	2,597	**2,700**
		Non-Japanese		People	494	581	**570**

Item			Coverage	Unit	FY2023	FY2024	FY2025
Total no. of employees that were entitled to parental leave			Rakuten Group, Inc.	People	491	541	**519**
	Gender	Female		People	207	227	**234**
		Male		People	284	314	**285**
Total no. and percentage of employees that took parental leave				People	361	447	**435**
	Gender	Female	Total	People	195	230	**226**
			Percentage	%	94.2	101.3	**96.6**
		Male	Total	People	166	217	**209**
			Percentage	%	58.4	69.1	**73.3**
Return to work rate after parental leave							
	Gender	Female		%	95.8	95.1	**96.2**
		Male		%	98.5	99.6	**100.0**
Average annual paid vacation per employee		Days granted		Days	15.9	16.1	**16.9**
		Days taken		Days	13.4	13.3	**13.8**
		Taken/Granted ratio		%	84.2	82.4	**81.9**
Average hours of training per employee			Rakuten Group, Inc.	Hours	73.3	42.8	**42.1**
Ratio of employees who received a regular performance and career development review			Rakuten Group, Inc.	%	100	100	**100**
Average length of service			Rakuten Group, Inc.	Years	5.1	5.8	**6.3**
Total no. of employee fatalities			Rakuten Group, Inc.	People	0	0	**0**
Lost-time occupational injury frequency rate			Rakuten Group, Inc.	n/million hours worked	0.05	0.00	**0.05**
Lost-time occupational disease frequency rate			Rakuten Group, Inc.	n/million hours worked	0.00	0.00	**0.00**
Governance Data							
Board of Directors		No. of directors		People	12	9	**9**
		No. of female directors		People	2	2	**2**
		No. of external directors		People	7	6	**6**
		No. of independent directors		People	7	6	**6**
Board of Company Auditors		No. of auditors		People	4	4	**4**
		No. of external auditors		People	3	3	**3**
		No. of independent auditors		People	3	3	**3**

Coverage:

Rakuten Group: Rakuten Group, including Rakuten Group, Inc.

Rakuten Group, Inc.: Rakuten Group, Inc.

Awards and Recognition

Rakuten Group engages in a wide range of sustainability initiatives and has consistently received high evaluations from external organizations both in Japan and overseas. As a Global Innovation Company, we will continue to set ambitious goals and strive to realize a sustainable society.

Inclusion in ESG Indices

Rakuten Group, Inc. has been selected as a constituent of all six ESG indices for Japanese equities adopted by the Government Pension Investment Fund (GPIF).

In addition to these, we have been consistently selected for the FTSE4Good Index Series, the Dow Jones Sustainability World Index and the Dow Jones Sustainability Asia Pacific Index.

2026 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

MORNINGSTAR GenDi J Japan ex-REIT Gender Diversity Tilt Index

(Note)
The inclusion of Rakuten Group, Inc. in any MSCI index, and the use of MSCI logos, trademarks, service marks, or index names herein, do not constitute a sponsorship, endorsement, or promotion of Rakuten Group, Inc. by MSCI or any of its affiliates. The MSCI indices are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

External Evaluations for Sustainability

Eco-First Company

Since 2020, Rakuten has been continuously certified as an Eco-First Company by the Ministry of the Environment. The Eco-First Program is a system in which the Minister of the Environment certifies companies as leading environmental companies in their respective industries that carry out advanced, unique, and industry-leading business activities in the field of the environment.

PRIDE Index

We have been awarded Gold status every year since 2015 in the PRIDE Index, which is administered by work with Pride, an organization that promotes diversity management regarding LGBTQ+ issues.

Sports Yell Company

Since 2021, we have been continuously certified as a Sports Yell Company by the Japan Sports Agency for our efforts to promote sports activities to improve employee health. At Rakuten, we implement various initiatives to raise awareness of healthy living, including online fitness programs, exercise promotion events utilizing smartphone applications, and online health seminars.

Corporate Information

(As of December 31, 2025)

Corporate Overview

Name	Rakuten Group, Inc.
Head Office Location	Rakuten Crimson House, 1-14-1 Tamagawa, Setagaya-ku, Tokyo, 158-0094, Japan TEL. +81-50-5581-6910
Representative	Chairman, President and CEO Hiroshi Mikitani
Founded	Feb. 7, 1997
Rakuten Ichiba Service Launched	May 1, 1997
IPO	Apr. 19, 2000
Capital	¥ 459,508 million
Employees	Non-consolidated: 9,989 Consolidated: 29,419

Stock Information

Company Name	Rakuten Group, Inc.
Stock Code	4755 (Tokyo Stock Exchange Prime Market)
Fiscal Year	January 1 to December 31
Annual General Shareholders' Meeting	March
Shareholder Record Date	December 31
Number of Shares Constituting One Trading Unit	100 Shares
Administrator of Shareholder Registry	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Place of Share Handling Business	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

Financial and Sustainability Information

More detailed information is disclosed at the following URL.

Investors
https://global.rakuten.com/corp/investors/

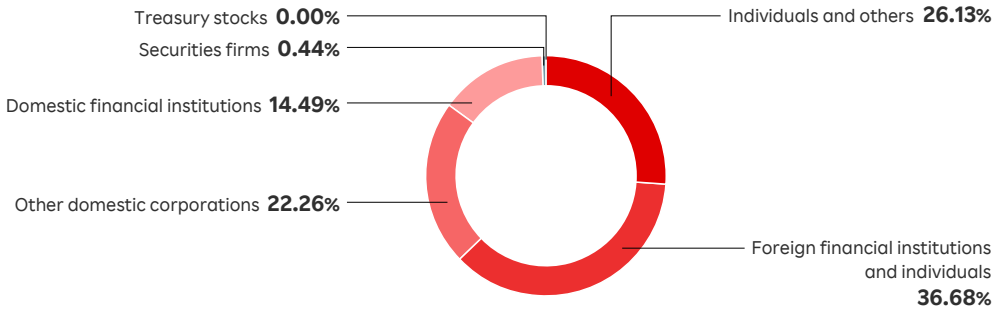
Sustainability
https://global.rakuten.com/corp/sustainability/

Major Shareholders

Name	Number of shares held (shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	235,173,200	10.84
Crimson Group, LLC.	226,419,000	10.43
Hiroshi Mikitani	176,703,400	8.14
JAPAN POST HOLDINGS Co., Ltd.	131,004,000	6.04
Haruko Mikitani	112,625,000	5.19
MSIP CLIENT SECURITIES	81,941,532	3.78
Custody Bank of Japan, Ltd. (Trust Account)	58,679,800	2.70
GOLDMAN SACHS INTERNATIONAL	50,495,231	2.33
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	45,192,968	2.08
Mikitani Kosan, Inc.	40,868,500	1.88
Spirit Inc.	40,868,500	1.88

(Note) Percentage of shares held is calculated excluding treasury stocks (5,878 shares).

Distribution of Ownership Among Shareholders



*Additionally, there are 590,900 shares less than one unit.
*5,878 shares of treasury stocks are included as 58 units in the item of "Individuals and others" and as 78 shares in the "Status of shares below unit".

Cautionary Statement

In this report, unless indicated otherwise, references to "Rakuten," "Rakuten Group," "we," "our," and "us" are to Rakuten Group, Inc. and its consolidated subsidiaries and consolidated affiliates. Statements regarding current plans, strategies, beliefs and other statements that are not historical facts of the Rakuten Group are forward-looking statements.
Such forward-looking statements are based on management's assumptions and beliefs in light of information currently available, and it should be noted that risks and unforeseen factors could cause actual results to differ significantly from those discussed in the report. We do not intend to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws.
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