Integrated Report 2026

Rakuten Bank 25 YEARS

Rakuten Bank is celebrating its 25th anniversary.
This report features a special corporate logo commemorating the Company's 25th anniversary in selected sections.

Rakuten Bank

Management Philosophy

Rakuten Bank is aware of our public role and social responsibility as a bank, and we strive to establish sound efficient business operations based on high self-discipline, to maintain society's unwavering trust and establish value.

In addition, as a member of the Rakuten Group, we share the "Mission, Vision, Values and Principle" and aim to be a global innovation company, increasing our corporate value and contributing to society in harmony with global society.

"Mission" Contribute to Society by Creating Value through Innovation and Entrepreneurship

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

"Vision" Global Innovation Company

At Rakuten Group, 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*

The core values of the Rakuten Group, along with the values and principles understood and practiced by Rakuten Group 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.

Corporate Objective

1. In view of the public nature of Rakuten Bank's banking business, we will ensure sound and efficient management practices to maintain trust and thoroughly protect our depositors. In addition, we will strive to enhance our settlement functions as part of society's infrastructure, along with the facilitation of financial activities.
2. As a member of the Rakuten Group, Rakuten Bank will utilize the group's management resources to the fullest to increase our corporate value, while complying with all official policy oversight on major banks, and being mindful of maintaining independent management.
3. As it is our belief that the customers is #1, Rakuten Bank will provide services which satisfy our customer and meet their various needs.
4. Along with providing enhanced human resources development, we will provide a rewarding workplace which allows employees to work productively.

Contents

SECTION 1 Introduction

At a Glance 4
The Strengths of Rakuten Bank 5
Rakuten Bank's Revenue Structure 6
25 Years of Growth 7

SECTION 2 Management Message


Message from the CEO 9


Message from the CFO 12

SECTION 3 Rakuten Bank's Value Creation

Value Creation Story 16
Strengths to Achieve Growth
- Synergies with Rakuten Ecosystem 17
- Efficient, Low-Cost Operations 18
- AI-nization 19
- High-Quality Asset Portfolio and Strong Capital Base 20
- Human Capital 21
  - Message from the Executive Manager of the Human Resources Division 22

Materiality
- Materiality and Corporate Value 23

Medium- to Long-Term Vision
- Progress and Initiatives under the Medium- to Long-Term Vision 24

Growth Strategy
- Business for Individual Customers 25
- Business for Corporate Customers 27
- Earnings Power Enhancement 28
- Capturing Growth in the FinTech Domain 30

Sustainability Initiatives
- Sustainability Approach 31
- Environmental Initiatives 32
- Climate Change Scenario Analysis 33
- Social Initiatives 34

Dialogue with Shareholders and Investors 35

SECTION 4 Corporate Governance

Roundtable Discussion with Outside Directors 37



Overview of Corporate Governance 40
Management Team 43
Efforts to Ensure Independence from Parent Company and Protect Minority Shareholders 44
Risk Management 45
Security 47
Compliance 48
Customer-Oriented Business Conduct 50

SECTION 5 Data

10-Year Key Management Data (Consolidated) 52
ESG (Environmental, Social and Governance) Data 53
Awards and Recognition 54

Editorial Policy

This Integrated Report aims to clearly communicate to all stakeholders the initiatives Rakuten Bank is taking to continuously create value with the goal of becoming the "safe, secure, and most convenient bank." Accordingly, it integrates both financial and non-financial information.
Additionally, this Integrated Report (Corporate Summary and Financial Report) is a disclosure document prepared in accordance with Article 21 of the Banking Act. This Integrated Report includes statements regarding future performance, but these statements do not guarantee future results and may differ from actual outcomes due to changes in the business environment and other factors.

Reference Guidelines

IFRS Foundation "International Integrated Reporting Framework"
Ministry of Economy, Trade and Industry "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation"

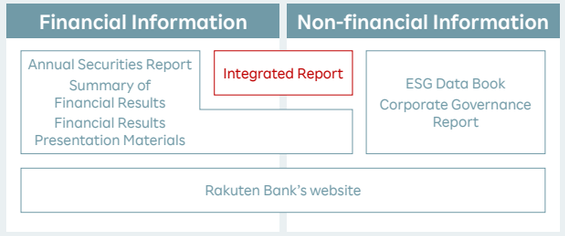
Reporting Period

Fiscal year ended March 31, 2026
Some information includes details beyond April 2026.

Scope

Rakuten Bank and its subsidiaries and affiliates

Positioning in Relation to Other Publications

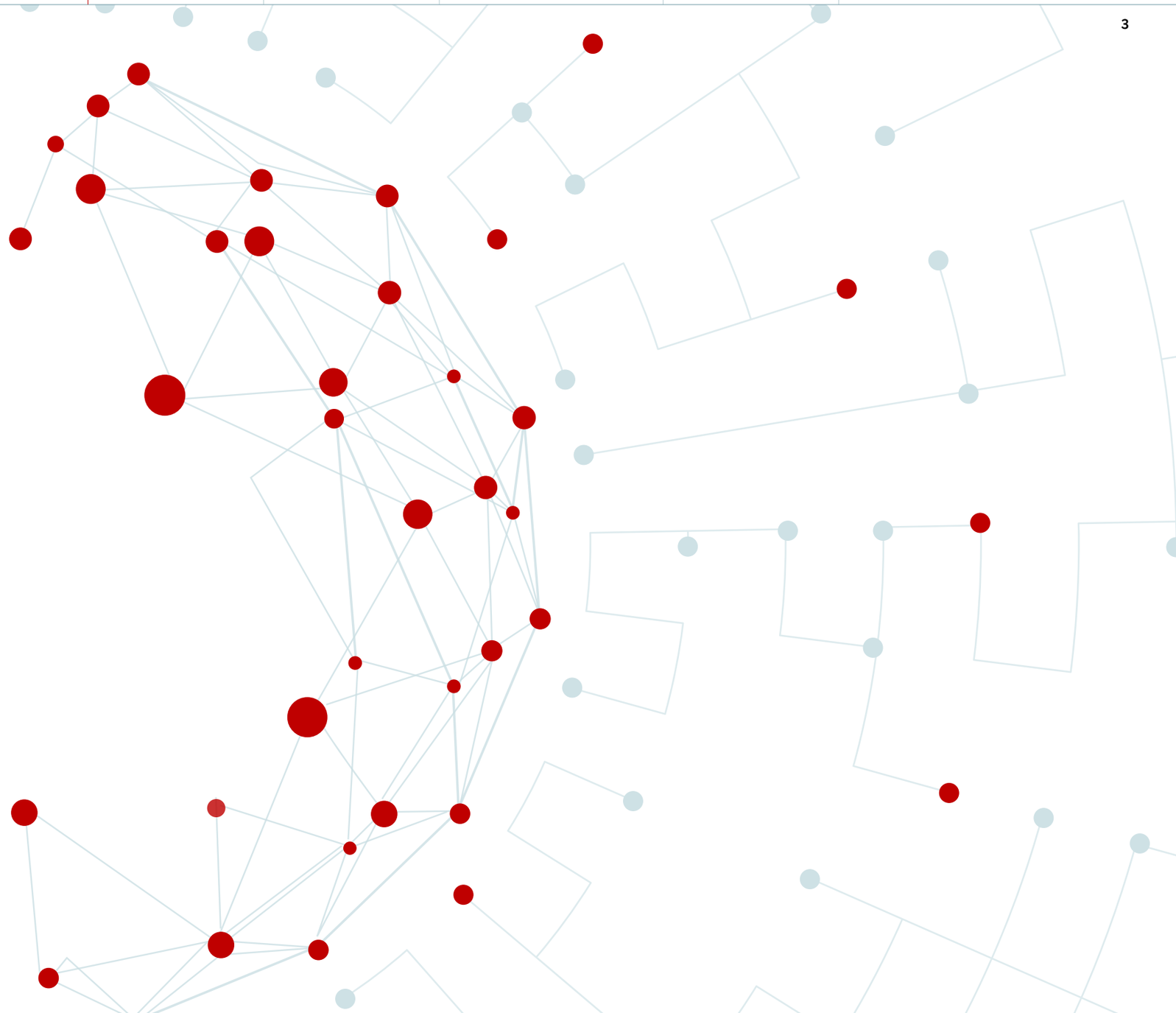


Note: This report has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

SECTION 1

Introduction

At a Glance 4
The Strengths of Rakuten Bank 5
Rakuten Bank's Revenue Structure 6
25 Years of Growth 7

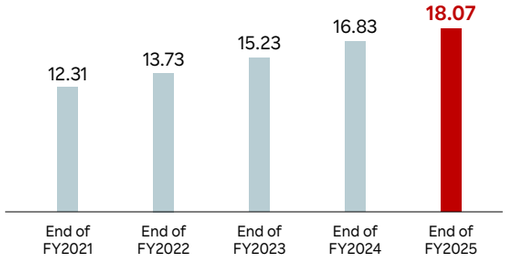


At a Glance

Financial Highlights

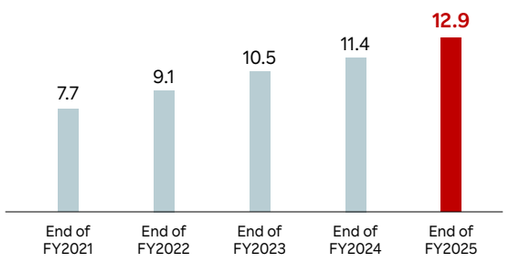
Number of Accounts*1

(mm, Non-consolidated)



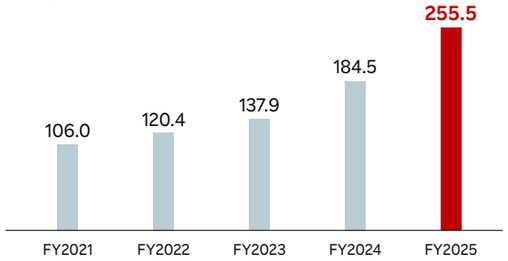
Deposit Balance

(JPY tn, Non-consolidated)



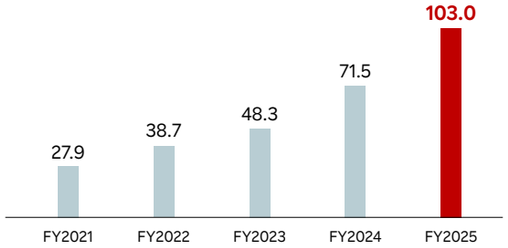
Ordinary Income

(JPY bn, Consolidated)

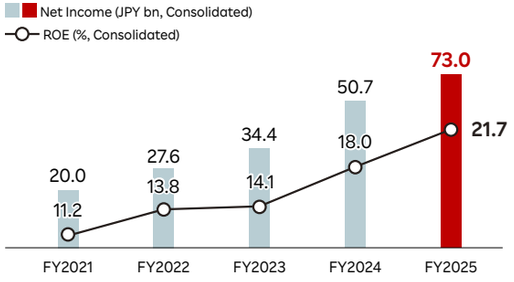


Ordinary Profit

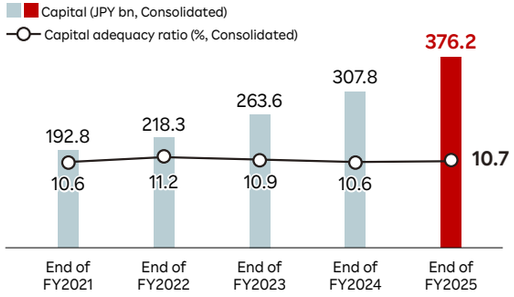
(JPY bn, Consolidated)



Profit Attributable to Owners of Parent and ROE*2



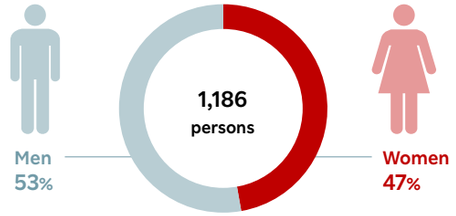
Capital and Capital Adequacy Ratio*3



Non-Financial Highlights

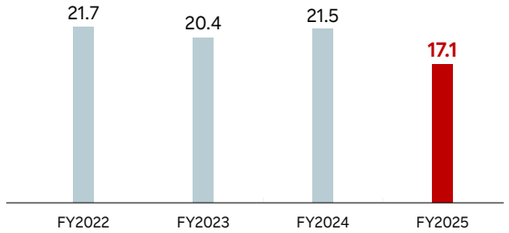
Employees

(Consolidated)



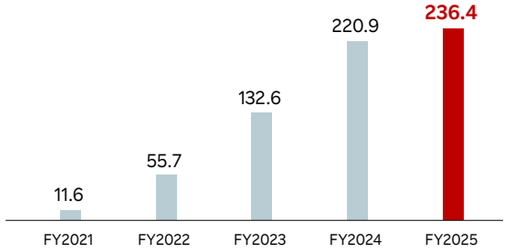
Percentage of Female Managers*4

(%, Non-consolidated)



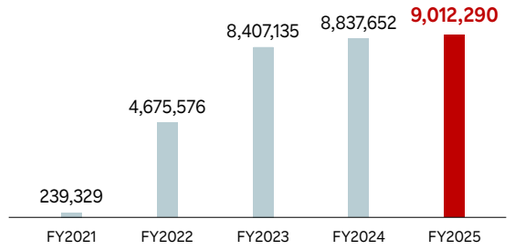
Environment Investment and Financing

(JPY bn, Non-consolidated)



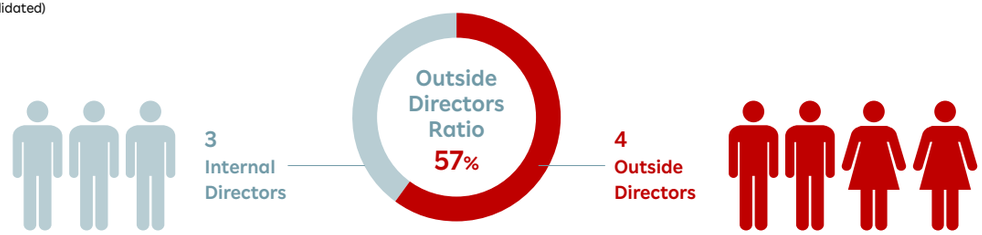
GHG Emissions (Scope2 and 3)*5

(t-CO_2, Consolidated)



Board Composition

(Non-consolidated)



*1: Closed accounts are excluded. *2: ROE is calculated by dividing net income (profit attributable to owners of parent) by the average shareholders' equity at the beginning and end of the period. The balance of own capital for the beginning of the period was calculated as if the capital increase through a public offering in April 2023 and the increase due to a third-party allotment in May 2023 had been conducted at the beginning of the period, resulting in an increase in shareholders' equity of JPY 13,324 million. *3: Capital adequacy ratio (domestic standard) is calculated based on standards stipulated by Article 14-2 of the Banking Act for the purpose of determining whether banks have sufficient equity capital given their holdings of assets and other instruments (Notification No. 19, the Financial Services Agency of Japan, 2006). Basel III finalization was implemented from the end of March 2025. *4: Calculated in accordance with the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015). *5: Figures for FY2023 and earlier are based on the calendar year (January 1 to December 31), while figures for FY2024 onward are based on the fiscal year (April 1 to March 31). To improve the calculation accuracy, the scope and calculation methodologies were revised from FY2022.

The Strengths of Rakuten Bank

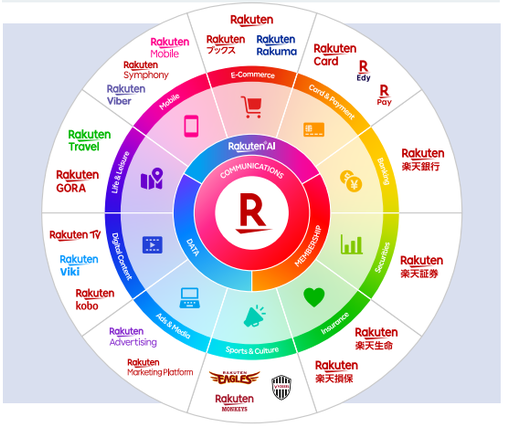
Leveraging synergies with the Rakuten Ecosystem and our unique strengths as a digital bank, we provide convenient, rewarding financial services to customers. We have built a customer base of more than 18 million accounts, making us Japan's largest digital bank.*1

Our sound and strong capital base, together with our diverse talent, supports our sustainable growth.

Continuously evolving as the "safe, secure, and most convenient bank," we deliver the optimal financial experience to our customers.

1 Synergies with Rakuten Ecosystem

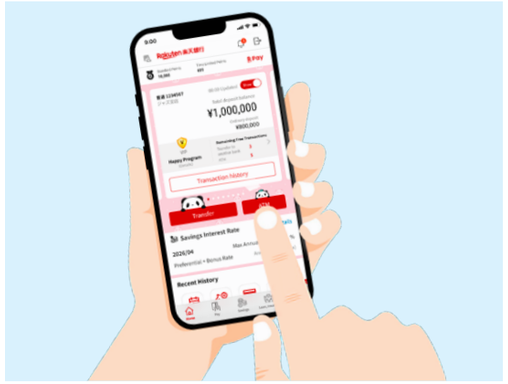
Customer base: 18.07 mm
(As of March 31, 2026, Non-consolidated)



- Customer base of more than 18 million accounts through the Rakuten Ecosystem, which serves over 100 million IDs
- Cross-selling model enabled by integration with Rakuten Group services
- Expanded monetization opportunities by utilizing extensive data

2 Efficient, Low-Cost Operations

G&A expense ratio: 32.3%
(FY2025, Non-consolidated)



- Operating leverage-driven business model
- Services with high customer satisfaction achieved through superior UI/UX backed by in-house system development
- Pursuit of efficiency through AI and data utilization

3 Diverse Investment Assets and Capital Base

Primary investment assets*2: JPY 9.0 tn
(As of March 31, 2026, Non-consolidated)

Capital adequacy ratio: 10.7%
(As of March 31, 2026, Consolidated)



- Loan products tailored to customers' life stages
- Highly interest-rate-sensitive portfolio
- Sound capital adequacy ratio

4 Talent

Systems staff ratio: 55.6%
(As of March 31, 2026)



- Recruitment of talent with diverse backgrounds
- Development of digitally skilled and customer-oriented talent
- Respect for diversity and promotion of flexible work styles

*1: Based on the number of accounts as of March 31, 2026, using publicly disclosed information from DOCOMO SMTB Net Bank, Inc. (formerly SBI Sumishin Net Bank, Ltd.), PayPay Bank Corporation, au Jibun Bank Corporation, Daiwa Next Bank, Ltd., UI Bank Co., Ltd., and Minna Bank, Ltd. *2: Loans and monetary claims bought

Rakuten Bank's Revenue Structure

By providing convenient, rewarding services accessible anytime and anywhere, we encourage customers to use a Rakuten Bank account as their primary bank account for their everyday finances. This expands non-interest income and also attracts highly stable deposits.

By leveraging these deposits and shareholders' equity to steadily expand our investment assets, we are achieving steady growth in our interest income. These two strong revenue pillars drive the sustainable enhancement of our corporate value.

Growth in Interest Income

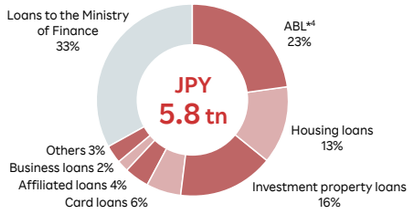
- Origination of Rakuten Group's proprietary assets
- Balanced expansion of diversified assets, while increasing the proportion of middle-risk assets to improve portfolio yields

FY2025 interest income*2: **JPY 192.5 bn**

Assets

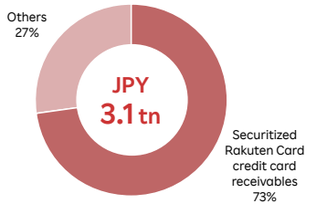
Loans

(As of Mar. 31, 2026, Non-consolidated)

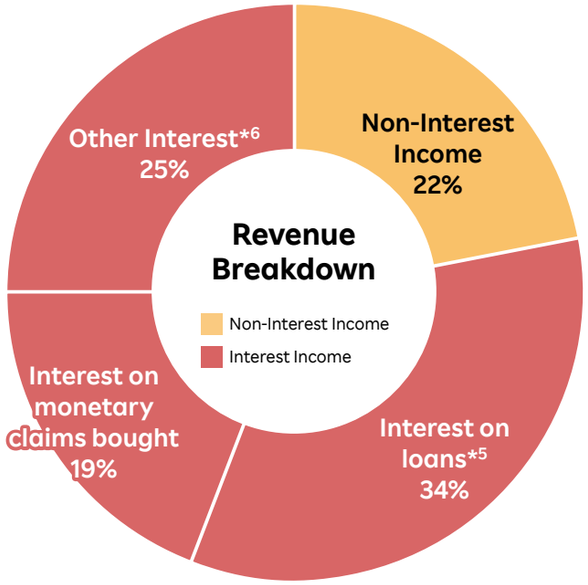


Monetary claims bought

(As of Mar. 31, 2026, Non-consolidated)



Two Revenue Pillars



Growth in Non-Interest Income

- Achieve further growth by acquiring main account*1 and through cross-selling

FY2025 non-interest income*2*3: **JPY 54.8 bn**

Mid/long-term target for number of accounts*2

Mar. 2027: **Approx. 25 mm**

×

Main accounts*1 acquisition

Accounts that are used for direct debit or direct deposit of payroll including salary or bonus

×

Cross-selling of Rakuten Group services

Rakuten Card　Rakuten Payment　Rakuten Securities

⋮

Three Businesses Driving Revenue

1 Business for individual customers

- Efficient customer acquisition leveraging the Rakuten Ecosystem
- Cost-effective services with high customer satisfaction backed by efficient and low-cost operations

2 Business for corporate customers

- Provision of corporate services leveraging the strengths of a digital bank
- Solutions that captured customer needs

3 Securitization business

- Financial solution capabilities enabling the creation of high-quality investment assets

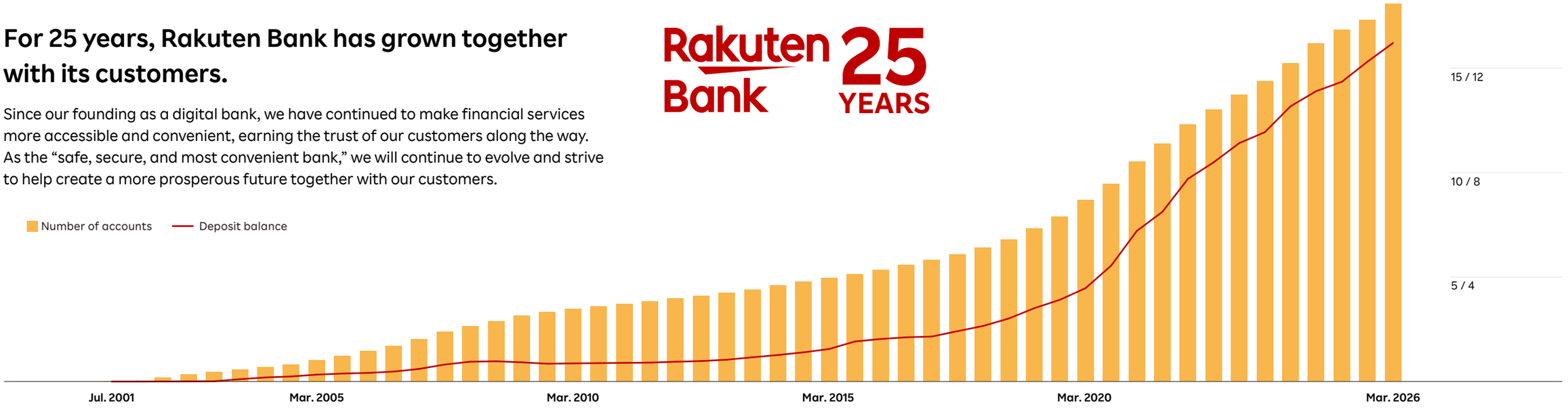
Rakuten Bank × Rakuten 楽天信託 Rakuten Trust

*1: Accounts that are used for direct debit or direct deposit of payroll including salary or bonus. *2: Non-consolidated *3: Calculated as the sum of fees and commissions income and other operating income. *4: Asset-Based Lending *5: Excluding interest on loans to the Ministry of Finance. *6: Interest on due from banks, interest on loans to the Ministry of Finance, etc.

25 Years of Growth

For 25 years, Rakuten Bank has grown together with its customers.

Since our founding as a digital bank, we have continued to make financial services more accessible and convenient, earning the trust of our customers along the way. As the "safe, secure, and most convenient bank," we will continue to evolve and strive to help create a more prosperous future together with our customers.



Major Milestones

Jul. 2001	Official launch of eBANK Corporation
Apr. 2002	Launch of mobile banking services
Nov. 2002	Launch of Easy Bank Transfer (MailMoney) email remittance service
Jul. 2007	Launch of cash card with debit card function
Sep. 2008	Capital and business alliance with Rakuten, Inc. (Currently: Rakuten Group, Inc.) (Became a wholly owned subsidiary in Oct. 2010)
Mar. 2010	Launch of the Happy Program, a customer rewards program
May 2010	Change of corporate name to Rakuten Bank, Ltd.
Sep. 2010	Launch of the Rakuten Bank App, the first in Japan to enable bank transfers via smartphone
Jan. 2011	Launch of online Corporate International Remittance service
Apr. 2011	Launch of account linkage service with Rakuten Securities "Money Bridge"
Sep. 2014	Acquired 100% ownership of The Trans Value Trust Company, Limited (Currently: Rakuten Trust Co., Ltd.)
Aug. 2016	Launch of Rakuten Bank Business Loan
Mar. 2017	Launch of Salary and Bonus Transfer Service
Jul. 2019	Received regulatory approval to commence banking operations in Taiwan (began business operations in Jan. 2021)
Dec. 2020	Became the first digital bank in Japan to offer reverse mortgages
Apr. 2023	Initial listing on the Tokyo Stock Exchange Prime Market
May 2024	Launched "JRE BANK," a banking service for customers of JR East Group
Jul. 2026	25th anniversary of operations



SECTION 2

Management Message

Message from the CEO 9
Message from the CFO 12

Message from the CEO



Marking our 25th anniversary and looking ahead to the next stage

Tomotaka Torin
Representative Director,
President and CEO

Celebrating Our 25th Anniversary

This year marks Rakuten Bank's 25th anniversary since operations commenced in July 2001. Our journey began with the challenge of launching a completely new business model at the time—an internet-only bank—and over the past quarter century, we have continued to grow with the support of many customers. I am deeply grateful for everyone's continued trust and support.

In those early days, the experience of opening a bank account and completing transfers entirely online was unfamiliar to many people. Today, however, our number of accounts has exceeded 18 million, and Rakuten Bank has become widely recognized as a synonym for "digital bank." The customer base, technological foundation, and brand that we have built over the past 25 years are our greatest assets.

The milestone of our 25th anniversary is not only a time to look back on the past but also a new starting point for the next 25 years. The shift toward a "world with positive interest rates," advances in cashless payments, and the rapid evolution of AI and other technologies are all major waves of change that will catapult Rakuten Bank to the next stage. With the spirit of innovation that we have carried since our founding, we promise to continue honing our strengths as a digital bank and to remain a bank that makes the lives of our customers more convenient and fulfilling.

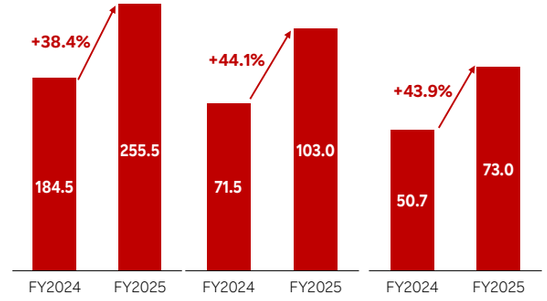
My First Year as President

In fiscal 2025, we smashed our previous record for consolidated ordinary profit by reporting JPY 103 billion. We also hit our consolidated ordinary income target of approximately JPY 200 billion, which was set for the fiscal year ending March 31, 2027 in the Medium- to Long-Term Vision, one year ahead of schedule. This achievement is the result of the support of all our stakeholders and the dedication of each and every one of our employees, for which I would like to express my gratitude once again.

A world with positive interest rates is now fully upon us, and the environment surrounding bank management is on the verge of a major turning point. While higher interest rates create earnings opportunities, they are also bringing changes to the financial behavior of customers. As depositors become more sensitive to interest rates and funds are moved elsewhere in search of better returns, the shift from savings to investment is accelerating, intensifying competition for deposit acquisition even further. In addition, while megabanks are entering the digital banking space in earnest, the major telecommunications carriers are also placing financial service companies under their umbrella to build and expand their own ecosystems in a bid to step up their customer retention strategies. As a result, the structure of competition itself is changing.

These environmental changes mean that elements such as digital channels and convenience are becoming commoditized. At the same time, they present an excellent opportunity for us to further differentiate ourselves because we possess a formidable customer base in the shape of the Rakuten Ecosystem, as well as

Ordinary Income (JPY bn, Consolidated)
Ordinary Profit*1 (JPY bn, Consolidated)
Net Income*1*2 (JPY bn, Consolidated)



*1: Including costs for Rakuten FinTech Group Reorganization PJ (FY2024 JPY 1,279 mm, FY2025 JPY 184 mm)
*2: Profit attributable to owners of parent

Message from the CEO

data utilization capabilities. It is my responsibility as a corporate manager not to be complacent with our currently brisk earnings, but to face these changes head-on and lay the foundation for our next stage of growth.

This past year has also been a time to reexamine what kind of management is required to continue winning in a competitive environment. What I focused on was maintaining an attitude of not being bound by past successes. We have long led the industry as a pioneer in digital banking, but with the competitive landscape evolving rapidly, past successes no longer guarantee future results. The fact that we have positioned marketing, AI and technology, and human capital as key areas and have implemented specific measures in each of them is based on this understanding. We intend to steadily nurture the seeds we have sown over the past year and move forward toward our next stage of growth.

	Accounts and deposits	Operating efficiency	Investment / yield enhancement
Marketing investment Prioritize increases in the number of accounts and deposit balance	✓		
Technology investment Establish an AI Promotion Committee and promote productivity improvements through the utilization of AI	✓	✓	✓
Human capital investment Promote HR development aimed at driving sustainable growth	✓	✓	✓
	10% increase in the number of accounts Deposit growth outpacing account growth	**30% improvement in operational efficiency**	**NIM expansion**

Marketing

Given the strong sense of crisis around the fact that extensions of previous initiatives would not be enough to address the changing competitive environment, my first step as President was to transform our marketing organization.

We positioned the promotion of cross-selling through synergies and collaboration with the Rakuten Group, the active utilization of AI, and the enhancement of marketing through more personalized advertising and service offerings as key measures to accelerate growth. To aggressively drive these initiatives forward, we established the Marketing Division to take charge of data-driven marketing that fully leverages Rakuten memberships. We also restructured and expanded our sales organization to strengthen transactions with clients across the Rakuten Group. As a result, the number of main accounts reached 5.9 million at the end of fiscal 2025, which demonstrates that our relationships with customers are steadily deepening.

Also, to strengthen our deposit acquisition strategy, we worked to enhance the app's user interface (UI) and user experience (UX). For example, in the Rakuten Bank app, we added a space that shows the bonus interest rate program so as to raise awareness of preferential rates, and in the Rakuten Card app, we added a feature to show ordinary deposit balances in yen to encourage Rakuten Card users to open accounts at Rakuten Bank. Providing a seamless customer experience through close collaboration with Rakuten Group services exemplifies our competitive advantage.

AI and Technology

The use of technology is at the core of our business operations as a digital bank. In fiscal 2025, we significantly expanded how we use AI.

In addition to refining customer segmentation in our advertising business, we have been advancing the use of AI in the screening process for card loans in an effort to improve both screening accuracy and processing speed while balancing transaction volume growth with default risk reduction. We are also utilizing AI to enhance the accuracy of detecting card fraud while simultaneously improving operational efficiency. Furthermore, by using generative AI to assist with coding and SQL creation, we have achieved greater efficiency in systems development and operations. Another new initiative was the use of my AI avatar to present an overview of our earnings at our financial results briefings.

As for our framework around AI, we established the AI Promotion Committee to set priorities and manage progress on the company-wide use of AI. Investment in technology is not just a means to reduce costs, but a growth investment geared towards enhancing the value we deliver to customers and continuously strengthening our competitiveness. Going forward, we will continue with efforts to make our unique digital strengths accessible to an even broader customer base.

Human Capital

Even as AI continues to advance and become more pervasive, the root source of our competitiveness will ultimately remain our people. To become an organization where all employees work together to pursue our goal of being a "safe, secure and most convenient bank" and, beyond that, "the world's best digital bank," I believe that a spirit of mutual trust and mutual responsibility is essential. Since becoming President, I have been consistently communicating this message to the entire company. At the same time, we have pressed ahead with initiatives to create an environment where our diverse pool of human resources can work with peace of mind, a framework that enables each individual to take pride in their work and achieve self-fulfillment, and an open corporate culture to invigorate communication among employees.

We have actively recruited individuals with a wide range of expertise, including data science, risk management, and digital marketing. To attract and retain talented personnel capable of driving sustained growth in a rapidly changing business environment and in the midst of intensifying competition for talent, we raised the starting salaries for new graduates. By leveraging the Rakuten Group's global personnel network, we are building a human resources foundation that combines the expertise of a bank with the agility of a digital company.

In addition to improving various training programs to develop the personnel required of a digital bank and providing opportunities for employees to seize the initiative in developing their own skills and building a career, we have revised our evaluation system. By emphasizing competency-based evaluations that value the process of achieving goals, we aim to help employees develop a stronger connection between the organization's objectives

Mutual Trust

Foster open communication, collaborate, and act as one team.

Mutual Responsibility

Go above and beyond individual roles to achieve both departmental and company-wide objectives.

Message from the CEO

and their own roles, thereby enabling them to consistently fulfill expected responsibilities and grow together with the company. Furthermore, we are committed to creating an environment where each employee can maintain a high level of motivation and engagement to take on challenges with confidence, realize personal growth, and proactively shape their own careers.

Stronger Governance

Building a highly effective governance framework is indispensable to achieving sustained improvement in corporate value. I am cognizant of the fact that as a corporate manager, it is my important responsibility not only to improve business performance but also to ensure effective governance and earn the trust of all stakeholders.

At the Annual General Shareholders' Meeting held in June, we welcomed three new Directors and two new Audit and Supervisory Board Members. We newly appointed two Outside Directors: Mr. Satoshi Kawai, who possesses extensive knowledge and experience as a lawyer, and Ms. Mari Kogiso, who brings not only financial institution experience, but also broad-ranging expertise as an entrepreneur and corporate executive, as well as experience in key roles within global organizations. As a result, the number of Outside Directors increased from three to four, further enhancing the independent perspectives and supervisory functions of the Board of Directors. As for the Audit and Supervisory Board Members, Mr. Jun Ikeda, who has held key positions in financial administration, was newly appointed as a full-time Audit and Supervisory Board Member, and Ms. Kiyoko Ohora, who possesses extensive experience working at a credit rating agency, was newly appointed as an Outside Audit and Supervisory Board Member.

This reinforcement of governance is not merely an increase in the number of personnel. By incorporating diverse expertise into the Board of Directors and the Audit and Supervisory Board, we aim to enhance the quality of management decision-making and the effectiveness of supervisory functions. We will continue to strengthen our governance framework to further enhance the objectivity and transparency of decision-making while ensuring that we can respond to changes swiftly.

FinTech Business Reorganization

At the AGM, we obtained the approval of shareholders for the reorganization of the FinTech business to make Rakuten Card Co., Ltd. and Rakuten Securities Holdings, Inc. our subsidiaries. We are steadily pressing ahead with the integration process toward an effective date of October 1, 2026.

The strategic significance of this reorganization, in short, lies in unifying the Rakuten Group's financial functions under a single purpose to build a structure that enables us to deliver greater value to our customers. We have long worked to expand our customer base, enhance profitability, and drive growth in the FinTech field, with the aim of becoming a leading company in Japan's financial market. However, with changes in the operating environment accelerating, we determined that further strengthening collaboration among banking, card, and securities businesses to enable more agile management decisions and deeper business integration would contribute to our sustained growth and enhancement of corporate value.

By adding both Rakuten Card, which has approximately 33 million cards issued and about JPY 27 trillion in shopping gross transaction volume, and Rakuten Securities, which has approximately 14 million accounts and about JPY 50 trillion in assets under custody, the Rakuten Bank Group will expand into an integrated FinTech company like no other.

Until now, the banking, card, and securities businesses have operated independently; however, the financial needs of our customers are seamlessly connected across payroll, daily payments, asset building, and borrowing. By operating banking, card, and securities businesses as one, we will be able to maximize the touchpoints with the customer base of over 100 million memberships held by the Rakuten Group and provide seamless financial experiences across all aspects of our customers' lives. This represents the creation of customer value that could not have been achieved on our own.

From a management standpoint, we take the decline in our share price following the announcement of the final agreement on this reorganization seriously. This decision, however, is not based on a short-term perspective but on our firm belief that this reorganization is necessary for us to maintain our competitiveness and achieve sustained growth going forward. Through this reorganization, we expect to generate annual synergies of approximately JPY 33 billion in the fiscal year ending March 2028 and JPY 85 billion or more annually in the medium-term. In addition, we expect to see further upside from synergies that cannot yet be quantified, such as growth in our corporate customer base and benefits derived from the use of data and AI, which are anticipated to gradually expand. By accumulating synergies on top of the ordinary profit growth achievable by each company on its own, we are targeting an ordinary profit of JPY 400 billion or more in the fiscal year ending March 2030.

As this reorganization involves transactions with our parent company, Rakuten Group, Inc., we have implemented measures to avoid conflicts of interest, in line with the principles of the Fair M&A Guidelines published by the Ministry of Economy, Trade and Industry. Mr. Mikitani, chairman of the Board of Directors and also a Representative Director of Rakuten Group, Inc., and I, who served as Managing Executive Officer of Rakuten Group, Inc. until March 2025, did not participate in the deliberations or resolutions of the Board regarding this reorganization. Furthermore, we established the Special Committee consisting of Independent Outside Directors and others, which convened a total of 18 times between February and May 2026, and, with the involvement of external experts, engaged in extensive discussions from multiple independent perspectives. The share delivery ratio was agreed upon after comprehensive consideration of valuation results prepared by multiple financial advisors and the Special Committee's third-party valuation agent, fairness opinions, due diligence results, and the opinions provided by the Special Committee. I believe that the rigorous implementation of these processes ensures the fairness of this reorganization.

After the reorganization takes effect, our top priority will be to steadily advance the integration process to realize synergies. We will gradually deepen the integrated operations of the banking, card, and securities businesses while giving tangible shape to those synergies.

To Our Stakeholders

As we mark our 25th anniversary, we reaffirm our deep sense of gratitude and responsibility for being chosen by more than 18 million customers. Continuing to live up to this level of trust from our customers is the starting point of our management decisions.

By further refining our strengths as a digital bank and continuing to invest in technology and personnel, we aim to remain a presence that meets the financial service needs of customers in every aspect of their lives—this is the vision I have consistently pursued since assuming my position. We recognize that our greatest responsibility to our stakeholders is to demonstrate the results of these ongoing efforts in the shape of sustained improvement in corporate value.

The next 25 years will be an era in which the integration of digital technology and finance advances even further, transforming not only the lives of our customers, but also the very structure of society itself. I believe that remaining at the forefront of this transformation is Rakuten Bank's reason for existence. We will continue to transform Rakuten Bank into an even stronger and more valuable institution while sincerely meeting the expectations of all our stakeholders. I look forward to your continued support and guidance.

Message from the CFO

Flexibly responding to changes in the competitive and business environment to increase corporate value



Naoki Mizuguchi
Director and Executive Vice President
Executive Manager of Finance Division
and Planning Division

Upon My Appointment as Director

I have been appointed as a Director with the trust of our shareholders. To briefly outline my background, after graduating from university, I worked at a bank for approximately 15 years, engaging primarily in derivatives and structured finance, and related areas. Since joining Rakuten, Inc. (now, Rakuten Group, Inc.) in August 2006, I had been responsible for finance, internal audit, and compliance. After transferring to Rakuten Bank in June 2019, I have overseen finance, planning, ALM, as well as compliance, credit, and overseas operations, as a Managing Executive Officer.

Going forward, I will take on even greater responsibilities in management decision-making and oversight, which fills me with a strong sense of commitment. I will leverage my experience and work even harder to contribute to enhancing the Company's corporate value.

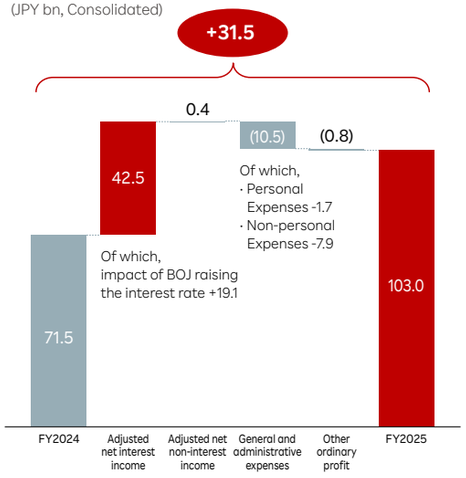
Review of Fiscal 2025

In fiscal 2025, under the growth strategy outlined in our Medium- to Long-Term Vision, we set about achieving both profitability and growth by expanding our customer base and services, as well as increasing fund management opportunities.

As a result, by the end of March 2026, we had managed to expand the scale of our business with the number of accounts reaching 18.07 million, and the non-consolidated deposit balance totaling JPY 12,964.4 billion. We are realizing the structural growth as targeted, where our investment assets are growing at a pace that exceeds the steady growth of deposit balances, primarily driven by ordinary deposits. As a result, we posted record-high profits by a significant margin, even after making the necessary investments to expand our customer base for future growth. More specifically, consolidated ordinary income increased by 38.4% year on year to JPY 255.5 billion, and consolidated ordinary profit rose by 44.1% year on year to JPY 103.0 billion, exceeding our February 2026 upwardly revised earnings forecasts. Our consolidated ordinary income target for the fiscal year ending March 31, 2027 in the Medium- to Long-Term Vision is approximately JPY 200 billion, so it is also a very gratifying achievement to be able to meet that target one year ahead of schedule.

(JPY bn, Consolidated)	FY2024	FY2025	Change	YoY
Ordinary income	**184.5**	**255.5**	**+71.0**	**+38.4 %**
Interest income	128.1	197.6	+69.4	+54.1 %
Non-interest income*1	55.5	57.0	+1.5	+2.7 %
Fees and commissions income	46.3	49.4	+3.1	+6.7 %
Other operating income	7.5	5.7	(1.7)	(23.6)%
Trust fees	1.6	1.8	+0.1	+10.6 %
Other ordinary income	0.8	0.9	+0.0	+8.3 %
Gross operating profit*2	**122.7**	**165.7**	**+43.0**	**+35.0 %**
Adjusted net interest income*2	88.4	130.9	+42.5	+48.1 %
Adjusted net non-interest income*3	34.2	34.7	+0.4	+1.3 %
Adjusted net fees and commissions income*2	25.1	27.1	+2.0	+8.2 %
Net other operating income	9.1	7.5	(1.5)	(17.4)%
General and administrative expenses	46.3	56.9	+10.5	+22.8 %
Other ordinary profit	(4.8)	(5.7)	(0.8)	–
Ordinary profit	**71.5**	**103.0**	**+31.5**	**+44.1 %**
Profit attributable to owners of parent	**50.7**	**73.0**	**+22.2**	**+43.9 %**
Loan guarantee expenses	12.6	11.4	(1.1)	(8.9) %

Change in Ordinary Profit
(JPY bn, Consolidated)



*1: Calculated as the sum of adjusted fees and commissions income, other operating income and trust fees. *2: Loan guarantee expenses, which are included in fees and commissions expense for accounting purposes, are adjusted to interest expenses because they are related to interest income. *3: Calculated as the sum of adjusted net fee and commission income and net other operating income.

Looking back at our revenue structure, the sharp growth in ordinary profit was driven by higher interest income. Of the JPY 42.5 billion increase in net interest income, JPY 23.4 billion, after deducting the effect of the Bank of Japan's rate hikes, came from the accumulation of investment assets and yield enhancement. While benefiting from the external environment tailwind of changes in the Bank of Japan's monetary policy, we see this as evidence that we have built a revenue structure that does not rely solely on it. Regarding non-interest income as well, exchange/settlement commissions increased by 10.5% year on year, supported by growth in the total number of accounts and main accounts. Also, direct debit fees related to daily life have steadily increased as a result of promoting the use of our accounts as main accounts. General and administrative expenses increased year on year; however, this was intentional as an upfront investment for growth. Owing to improved management efficiency from growth in business scale, the G&A expense ratio decreased to 32.3%. I believe this reflects a balance between proactive investment and efficiency improvement in numerical terms.

Earnings Forecast for Fiscal 2026

For fiscal 2026, assuming there is no increase in the policy interest rate from 0.75%, we are targeting consolidated ordinary income of JPY 314.6 billion and consolidated ordinary profit of JPY 115.6 billion.

The overall framework of our growth strategy remains unchanged. We will continue in the same direction in fiscal 2026 to expand our customer base by efficiently acquiring new customers utilizing the Rakuten Ecosystem, promote primary account usage to increase non-interest income and deposits, and steadily increase the proportion of middle-risk

Message from the CFO

assets to improve investment returns while building up investment assets.

As for growth in business scale, in addition to changes in the funding environment influenced by domestic interest rate trends, many banks, including the major banks, are running aggressive promotions to attract customers and deposits, which is intensifying competition in this space. Even though we have maintained a pace of growth exceeding one million accounts, with the number of accounts increasing by 7.3% year on year, we have observed a slowdown in the pace of new account acquisitions. We will therefore continue to proactively run campaigns and the like going forward. Regarding deposits, we still have no intention of engaging in excessive interest rate competition; however, due to the entrenchment of a "world with positive interest rates," the sensitivity of depositors to interest rates has increased, resulting in a shift toward term deposits. In addition, amid the inevitable shift from savings to investment, supported by the emergence of the new NISA scheme, there is also a growing pool of funds in deposit accounts just waiting to be invested. In light of the intensifying competition for account acquisition and changes in the dynamics of customer funds, bolstering our deposit acquisition capabilities is a key issue. For this reason, we plan to conceptually categorize deposits into three tiers—ordinary deposits for settlement purposes, term deposits, and ordinary deposits for investment—and aim to accumulate deposits through optimal approaches tailored to the characteristics of each tier. Our deposit beta (pass-through rate) forecast is somewhat conservative, and we factor in only a slight increase from the current level of around 50%.

In terms of fund management, as previously communicated, approximately 80% of the Company's main investment assets are based on variable interest rates, the majority of which are linked to TIBOR. Therefore, any increase in the policy interest rate is a structural tailwind for the Company. In fact, there was a policy interest rate rise in June 2026, and the annual impact on net interest income from a 25-basis-point rate hike is simulated to be JPY 14.5 billion in a simple estimate based on certain assumptions, given that the Company is in a phase of balance sheet expansion.

On the other hand, regarding the repayment of borrowings from the Bank of Japan, the balance of borrowed money of roughly JPY 2.5 trillion is scheduled to be repaid by the end of March 2028 in line with the termination of the loan support program. We realize that this is a pressing issue because the interest generated from the corresponding deposits will inevitably decrease. To offset this impact, it is imperative that we steadily accumulate funding through deposits and other means to limit the contraction of the balance sheet. Along with improving investment returns through the accumulation of core investment assets centered on middle-risk assets, we will aim to minimize the impacts on profitability.

Looking at expenses, we expect the pace of increase to slow down going forward. However, we intend to continue with proactive investments for future growth, so at this juncture, we do not believe it is the right time to set a target for the expense ratio and control it. We will continue to monitor changes in the financial and economic environment while working to expand the scale of business toward sustained growth.

The Consolidated Forecast for FY2026

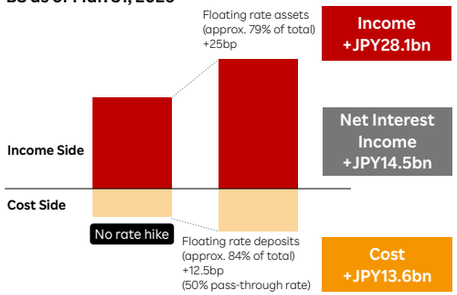
(JPY bn, Consolidated)

	FY2024 (actual)	FY2025 (actual)	YoY change	Change %	FY2026 (forecast)	YoY change	Change %
Ordinary income	184.5	255.5	+71.0	+38.4%	**314.6**	**+59.0**	**+23.1%**
Ordinary profit	71.5	103.0	+31.5	+44.1%	**115.6**	**+12.5**	**+12.1%**
Net income*	50.7	73.0	+22.2	+43.9%	**81.3**	**+8.2**	**+11.2%**

* Profit attributable to owners of parent

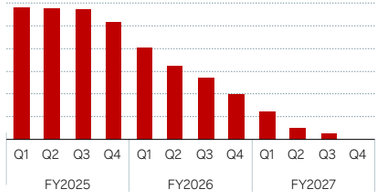
Simple Simulation of Future Net Interest Income

Illustrative Estimated Annualized Net Interest Income Impact*2 of Additional 25bp Policy Rate Hike Based on BS as of Mar. 31, 2026*1



Illustrative Balance of Borrowings (Loan Support Program)*3

Repayments are scheduled to be made from deposits held at the Bank of Japan in line with the quarterly repayment pace of borrowings.
While a decline in interest income on deposits at the BoJ is a concern, we aim to mitigate the impact on net interest income by promoting funding with deposits and other sources, and by improving the interest margin through accumulating core assets.



*1: An estimate of the annualized impact, calculated based on certain assumptions, as detailed in (1) and (2) below.
(1) The future balance sheet forecast remains fixed to the March 31, 2026 level.
(2) Assumes an immediate impact from the interest rate hike on both assets and funding, based on the fixed/floating ratio at the end of March 2026.
*2: Illustrates the annual impact on income and costs
*3: Illustrates the quarter-end outstanding balance of borrowings from the Bank of Japan. Following a partial revision of the "Principal Terms and Conditions for the Provision of Funds to Support Increases in Lending as Part of the Loan Support Program," on January 24, 2025, the program is scheduled to be terminated on March 31, 2028. However, during July 1 - December 31, 2025, up to 50% of maturing amounts may be rolled over.

Efforts to Enhance Corporate Value

While controlling risks and effectively utilizing capital to maximize interest income, we will steadily increase the ratio of middle-risk assets to improve investment returns—we made solid progress with this strategy in fiscal 2025 as well. Regarding our main investment assets, overall, nearly all asset categories have progressed in line with the policy of balanced growth. Assets that we classify as middle-risk assets achieved high growth, increasing by 21.7% year on year.

In individual asset categories, personal loans increased by only 2.8% year on year; however, compared to the overall bank industry personal loan balance growth of just over 2% year on year as published by the Japanese Bankers Association, this asset category is outpacing overall market growth. In expanding our middle-risk assets, which include personal loans, we consider the control of credit costs to be a key issue. Credit costs in fiscal 2025 increased in lockstep with the expansion of the portfolio, but they remain at a healthy level, and we believe we are securing returns commensurate with risk. As for securitized assets, we have securely maintained a solid pipeline, mainly consisting of projects backed by real estate. Also, given that we have chalked up profits and strengthened equity capital, we have started trial investments in mezzanine and equity portions of third-party arranged projects, aiming to improve spreads by steadily building a track record. Regarding loans to the Ministry of Finance, we actively participate in bidding because we can secure yields exceeding those on deposits with the Bank of Japan. As we anticipate higher interest rates in the future, we plan to increase these loans flexibly while keeping an eye on interest rate trends.

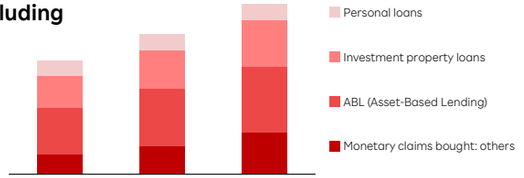
When it comes to investing in marketable securities, we aim to reap the benefits of the interest rate differential between short and long maturities on the assumption that we will basically hold them to maturity, while also considering yield enhancement and redemption dates. As the proportion of credit extended to corporations is still minimal compared to the size of our balance sheet, we are selectively investing in corporate bonds while controlling durations under the policy of investing when opportunities arise to complement business loans.

From the perspective of capital efficiency, our ROE for the fiscal year ended March 31, 2026 reached a high level of

Message from the CFO

21.7%. The capital adequacy ratio remains healthy at 10.7%, and I believe we have a sufficient capital base as a source for growth investments. With the accumulation of profits, our equity capital has steadily increased. While continuing to prioritize growth investments, we will also continuously review shareholder returns in line with the accumulation of shareholders' equity.

Total for Categories Including Middle-Risk Assets
(JPY bn, Non-consolidated)



	Mar. 31, 2024	Mar. 31, 2025	Mar. 31, 2026	YoY (Amount)	YoY (Rate)
★★ Personal loans	305.3	318.6	327.6	+8.9	+2.8%
★★ Investment property loans	654.2	783.0	948.5	+165.4	+21.1%
★ ABL (Asset-Based Lending)	957.7	1,178.3	1,329.9	+151.6	+12.8%
★ Monetary claims bought: others	398.3	568.0	860.6	+292.6	+51.5%
Total of the categories above	**2,315.7**	**2,848.0**	**3,466.8**	**+618.7**	**+21.7%**

★★: Assets categorized as "middle-risk" ★: In part, assets categorized as "middle-risk"

Regarding non-interest income, exchange/settlement commissions and direct debit fees continue to grow steadily on the back of increases in the total number of accounts and main accounts. In this way, we are steadily beefing up our revenue base so that it is less susceptible to interest rate fluctuations. Moreover, improved investment returns owing to a higher weighting of middle-risk assets are helping to boost earnings regardless of the interest rate level. Even in phases when interest rates fall short of expectations, I believe we are steadily building a structure that can maintain stable earnings through these multiple revenue drivers.

FinTech Business Reorganization

At the recent Annual General Shareholders' Meeting, we obtained the approval of shareholders for the reorganization of the FinTech business to make Rakuten Card Co., Ltd. and Rakuten Securities Holdings, Inc. our subsidiaries. Considering the slowdown in the pace of account acquisition, the changing dynamics of customer funds, and the impact of repaying approximately JPY 2.5 trillion in borrowings from the Bank of Japan, I believe that deepening collaboration with Rakuten Card and Rakuten Securities and integrating operations across the banking, card, and securities businesses will accelerate growth, including strengthening deposit acquisition capabilities, as opposed to continuing business operations on a standalone basis.

For synergies in the retail space, we will bolster our customer base through in-depth marketing collaboration and further promote mutual customer referrals and cross-usage, aiming to enhance the efficiency of customer acquisition costs and maximize deposit balances and earnings. With Rakuten Securities, given the shift from savings to investment, we expect to be able to stably maintain deposit balances, including funds ready to be invested, by seamlessly linking funds between securities accounts and bank accounts through "Money Bridge." With Rakuten Card, we expect to secure funds for settlement purposes by further promoting Rakuten Card payments to be debited from Rakuten Bank accounts and stepping up the promotion of our accounts as main accounts. In addition, by collaborating with Rakuten Card to further expand consumer finance, we will be able to engage in more accurate customer targeting and aim to further expand interest income while keeping a lid on credit costs.

From a financial point of view, by gradually switching the external interest-bearing debt held by Rakuten Card and Rakuten Securities to borrowings from the Company, we will be able to establish a flexible financing structure for the FinTech business. This will streamline funding costs and curb the outflow of financial expenses in the FinTech business, while enhancing the flexibility of liquidity reserves for both the Company and Rakuten Card, leading to growth in investment assets and interest income at the Company.

Also, with this reorganization, Mizuho Bank, Ltd. is slated to become a major shareholder. Taking this opportunity, we have signed a capital and business alliance agreement with Mizuho Bank in a bid to establish a new credit creation model between a megabank and a digital bank. In addition to the stable acquisition of claims originated by Mizuho Bank, we plan to collaborate on responding to settlement and working capital needs of small enterprises and sole proprietors, improving operational efficiency, and handling cash disbursement operations in the event of a crisis. Moreover, we will consider various measures that benefit customers of both companies and contribute to enhancing the corporate value of both parties.

It should also be noted that the newly issued class A shares do not have voting rights, but they carry economic rights equivalent to common shares and are also accompanied by the right to request conversion into common shares. We believe that the expected restructuring benefits from this reorganization will easily outweigh any share dilution impacts. We will also ensure fairness concerning the impacts on minority shareholders through a review and recommendations of an independent Special Committee.

We expect this reorganization to generate synergies of approximately JPY 85 billion or more annually in the medium-term. As we gradually deepen collaboration with Rakuten Card and Rakuten Securities, we expect the effects to materialize sequentially and cumulatively build up through to the fiscal year ending March 31, 2030. Accordingly, we will carefully monitor the progress and steadily capitalize on these effects. For the fiscal year ending March 31, 2030, we are targeting consolidated ordinary profit of JPY 400 billion or more. Based on this assumption, earnings per share (EPS) will be JPY 640, well above the non-consolidated EPS of JPY 419 in the fiscal year ended March 31, 2026. After the reorganization takes effect, the number of shares will increase due to the issuance of class A shares, causing EPS to temporarily dip below the current level. However, we expect EPS to recover and improve as the cumulative reorganization effects come to the fore.

Dialogue with Stakeholders

To help investors and other stakeholders understand our business model and efforts aimed at achieving sustained growth in corporate value, we once again actively engaged in IR activities in Japan and abroad. In fiscal 2025, we held 354 IR meetings, an increase of over 50 compared to the previous fiscal year. Furthermore, the opinions and requests we receive from shareholders and investors during these conversations are shared with the management team during Board meetings and on other occasions. We also use them as a reference for business operations, including for the enhancement of information disclosed in financial results briefing materials. We are also working to further improve the disclosure of non-financial information. In this year's integrated report, we have enhanced the content regarding human capital, materiality, and the results of our climate change scenario analysis.

As we continue to receive a wide range of opinions from our stakeholders, we remain committed to generating sustained growth in corporate value. I look forward to your continued support and guidance.

SECTION 3

Rakuten Bank's Value Creation

Value Creation Story 16

Strengths to Achieve Growth
- Synergies with Rakuten Ecosystem 17
- Efficient, Low-Cost Operations 18
- AI-nization 19
- High-Quality Asset Portfolio and Strong Capital Base 20
- Human Capital 21
  - Message from the Executive Manager of the Human Resources Division 22

Materiality
- Materiality and Corporate Value 23

Medium- to Long-Term Vision
- Progress and Initiatives under the Medium- to Long-Term Vision 24

Growth Strategy
- Business for Individual Customers 25
- Business for Corporate Customers 27
- Earnings Power Enhancement 28
- Capturing Growth in the FinTech Domain 30

Sustainability Initiatives
- Sustainability Approach 31
- Environmental Initiatives 32
- Climate Change Scenario Analysis 33
- Social Initiatives 34

Dialogue with Shareholders and Investors 35

Value Creation Story

Under the mission to "Contribute to society by creating value through innovation and entrepreneurship," we aim to become the "safe, secure, and most convenient bank" by pursuing the growth of our full-fledged digital banking services while also capturing growth in the FinTech domain.

Materiality

Details ▶ P23

- Safe and Secure Service Delivery
- Strengthening Synergies with the Rakuten Ecosystem
- Creating Innovation
- Human Capital Management
- Strengthening Governance
- Improving Access to Financial Services
- Growing Together with Customers
- Environmentally Responsible Business Activities

Investments for sustainable growth

Growth in the FinTech domain

Growth of full-fledged digital banking services

Rakuten

100 mm+ memberships

Number of Rakuten Bank accounts 18.07 mm

Strengths to achieve growth

Synergies with Rakuten Ecosystem

Social and Relationship Capital
- Rakuten Ecosystem: 100 mm+ memberships
- Rakuten Group services: 70+
- Customer base: 18 mm+
- Open platform strategy

Efficient, Low-cost Operations

Intellectual Capital
- In-house system structure
- Customer-oriented UI/UX
- Financial data generated from the customer base
- AI infrastructure

Diverse Investment Assets and Capital Base

Financial Capital
- Balance of investment assets (Non-consolidated): JPY 11.36 tn
- Capital adequacy ratio (Consolidated): 10.74%

Human Resources

Human Capital
- Employees (Consolidated): 1,186
- Percentage of female managers: 28.1%
- Systems staff ratio: 55.6%

Acquisition of new customers
- Number of new accounts: 1.24 mm accounts

Provision of highly convenient financial services

Conversion to primary accounts for individual customers
- Number of main accounts: 5.93 mm accounts

Proposals aligned with the needs of corporate customers

Growth in non-interest income
- Non-interest income: JPY 54.8 bn

Increase in deposit balances
- Deposit balances JPY 12.9 tn

Accumulation of high-quality investment assets
- Loans and monetary claims bought (Non-consolidated): JPY 9.0 tn

Growth in interest income
- Interest income: JPY 192.5 bn

Medium- to Long-Term Vision

Fiscal Year Ending March 31, 2027
- Non-consolidated accounts Approx. 25 mm accounts
- Non-consolidated deposits Approx. JPY 20 tn
- Consolidated ordinary income Approx. JPY 200 bn
- Consolidated ordinary profit Approx. JPY 70 bn

Mission

Contribute to society by creating value through innovation and entrepreneurship

Our Ideal

Safe, secure, and most convenient bank

Data/AI utilization

BaaS (Open platform strategy)

Initiatives toward the arrival of the zero-cash era

Growth in the FinTech domain

Foundations supporting business activities

- Robust corporate governance structure P40
- Low-cost business operations structure P18
- Sustainability initiatives P31

*All quantitative data are as of March 31, 2026. The percentage of female managers includes team leaders (persons responsible for organizational management, including making decisions on assigned tasks and providing direction and development to subordinates) in addition to managers as defined under the Act on Promotion of Women's Participation and Advancement in the Workplace.

Strengths to Achieve Growth

Synergies with Rakuten Ecosystem

As a member of the Rakuten Group, we possess a significant strength in our ability to leverage the Rakuten Ecosystem, which boasts a solid membership of over 100 million IDs, to drive business development. Rakuten members tend to have high loyalty to Rakuten Group services, making it relatively easy to incentivize them to join Rakuten Bank.

Unparalleled Rakuten Ecosystem

Centered on Rakuten Group, Inc., the Rakuten Group offers more than 70 services across a wide range of fields. These services are organically connected around a membership base centered on Rakuten members, forming the unique Rakuten Ecosystem found nowhere else.

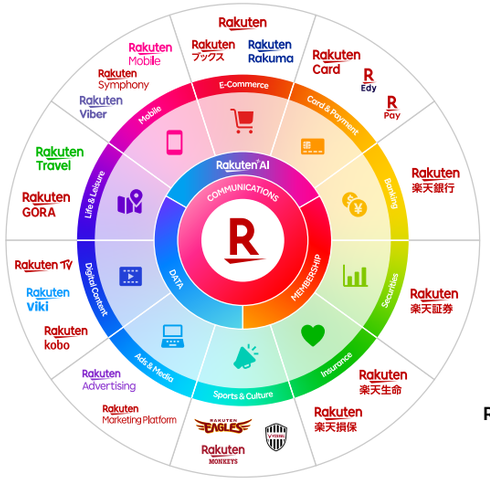
The Rakuten Ecosystem has grown through business development that brings together the Rakuten Group's memberships, data, and brand, creating an environment in which members in Japan and abroad can use multiple services, such as e-commerce, FinTech, digital content, and mobile carrier services, in a continuous and mutually reinforcing manner. This approach generates synergies such as maximizing lifetime value per member and minimizing customer acquisition costs, thereby enhancing the Rakuten Group's competitiveness.

Rakuten IDs in Japan*1
100 mm+

Global users
2.2 bn+

Services
70+

Rakuten logo recognition*2
93.8%



R POINT

Overall satisfaction
No.1*3

Annual points issued (2025)
610 bn+

Cumulative points issued (since 2002)
5.0 tn+

Monthly active users in Japan*4
45.6 mm+

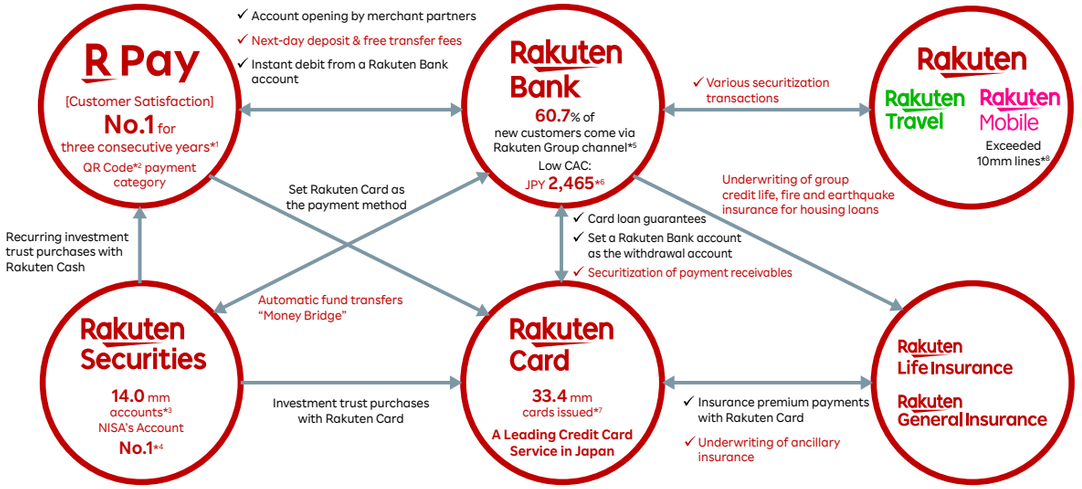
Ratio of users of two or more services*5
77%

*1: Cumulative number of Rakuten IDs where members logged in at least once after membership registration (excluding members who cancelled their membership). *2: As of 2025. Source: Rakuten Group, Inc. Survey sample: 3,000 men and women aged 20-69. Survey period: October 6-19, 2025. Percentage of respondents who responded "Have seen it" or "Feel like I have seen it" when shown the logo. *3: MyVoice Communications, Inc. Survey on points in Japan. As of June 2025. *4: As of December 2025. *5: As of the fourth quarter of the fiscal year ended December 2025, Rakuten Group, Inc.

High Competitive Advantage through Customer Referrals and Service Integration

We have established a strong competitive advantage by leveraging the robust customer base of over 100 million members held by the Rakuten Group to acquire new customers. Rakuten members demonstrate high loyalty and trust toward Rakuten Group services, and by positioning our digital banking services on top of this relationship, we are able to realize a large number of new account openings in a short period while keeping customer acquisition costs low. In FY2025, approximately 60% of our new account openings (excluding BaaS-dedicated branches such as Dai-ichi Life Branch and JRE BANK Branch) came from applications via the Rakuten Group.

To further enhance loyalty toward Rakuten Bank, we independently offer incentive programs utilizing Rakuten Points at our own discretion. In addition, by leveraging the Rakuten Group's brand and name recognition, as well as mutual customer referrals with other Rakuten Group companies, we provide our customers with unique convenience and beneficial services that set us apart from other digital banks.



*1: https://www.jpc-net.jp/research/detail/007477.html (Japanese only) *2: QR Code is a registered trademark of DENSO WAVE INCORPORATED. *3: As of April 2026. Source: Rakuten Securities press release. *4: Compiled by Rakuten Securities based on the Financial Services Agency's "NISA Account Usage Status (as of the end of Dec. 2025)" and information disclosed on the websites of each company. *5: As of March 31, 2026. For the last twelve months, calculated as number of new Rakuten Bank's customers who applied to open a bank account through links on other Rakuten Group companies' banners or websites divided by total new customers during the period (excl. BaaS account). *6: As of March 31, 2026. Average over the most recent four quarters. CAC (Customer Acquisition Cost) refers to the expenses related to acquiring an individual customer who opens a new account over a period of time estimated based on the actual marketing expenses. *7: As of December 31, 2025. Source: Rakuten Group, Inc., FY2025 full-year and fourth quarter earnings materials (Financial Data Sheet). *8: As of December 25, 2025. Total number of Rakuten Mobile subscriptions.

Strengths to Achieve Growth

Efficient, Low-Cost Operations



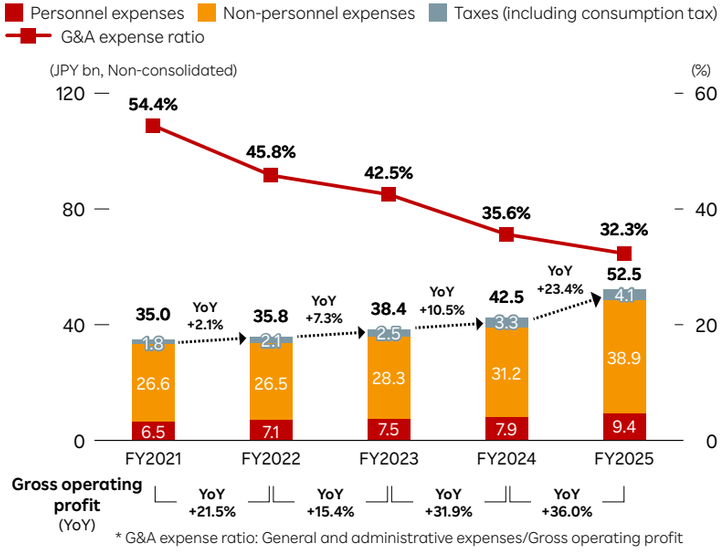
Our characteristics as a digital bank without physical branches, together with our flexible and rapid development framework enabled by in-house system development, are key strengths supporting our growth. By optimally implementing cutting-edge digital technologies in-house, we achieve high productivity and low-cost operations.

The Structural Cost Advantage of a Digital Bank

We provide banking services without owning legacy assets such as physical branches or proprietary ATMs, enabling us to operate with a lower-cost structure than traditional banks. While achieving a certain scale is essential for a digital bank to fully leverage its cost competitiveness, we believe that we have already surpassed the scale required to benefit from this structural advantage. As our business expands, our G&A expense ratio, an indicator of cost competitiveness, has been declining year by year, leading to improved management efficiency.

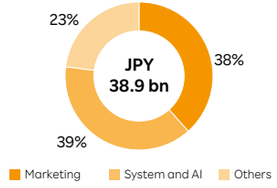
Leveraging this low-cost operational structure, we are able to provide more affordable services to our customers, while returning part of the cost savings in the form of Rakuten Points, cashback, and other rewards, thereby delivering beneficial services.

General and Administrative Expenses and G&A Expense Ratio*

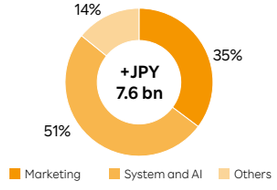


* G&A expense ratio: General and administrative expenses/Gross operating profit

Breakdown of Full-Year Non-Personnel Expenses



Breakdown of YoY Increase in Non-Personnel Expenses



Balancing Speed and Cost Competitiveness through In-House System Development

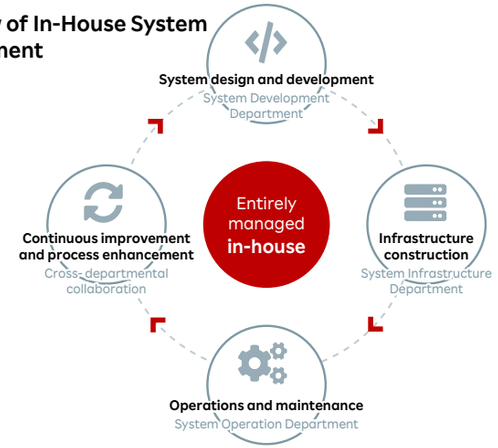
While many banks outsource their systems, since commencing operations, we have remained committed to in-house development of our systems and applications, one of our most important management resources, in order to rapidly provide and enhance highly convenient services for our customers. By making proactive investments in our system personnel, we have established a framework that enables both rapid and stable system development, operations, and maintenance. By adopting in-house system development and establishing a structure that is not dependent on specific vendors, we have achieved not only shorter development lead times and lower costs, but also greater responsiveness and agility in adapting to changes in the business environment, rapid responses to system failures and other issues, and flexible system support to meet the needs of our corporate customers. This ability to quickly reflect changes in the external environment in our services underpins our competitive advantage.

In addition, to facilitate smooth progress in system development and related activities, we have established the Produce Department that serves as a bridge between divisions responsible for services and the systems division, supporting departments responsible for services in defining system requirements. This structure promotes interdivisional collaboration and enables the swift delivery of new services and improvements to existing services based on a deep customer understanding.

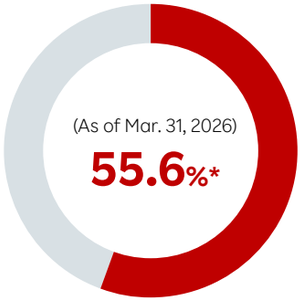
In-house system development is also highly significant from the perspective of human capital. By managing system development, operations, and maintenance in-house on an end-to-end basis, we continuously accumulate operational know-how while fostering enhancement of technical expertise through hands-on experience. The advanced expertise and deep business knowledge cultivated through this approach constitute valuable human capital that supports the quality of our services and our development capabilities, and we believe they are a key source of our competitive advantage over the medium- to long-term.

Furthermore, we continue to allocate sufficient management resources to enhance system capacity and strengthen security so that our systems can accommodate an expanding customer base. By establishing a company-wide promotion framework in this way, we aim to consistently provide safe, secure, and convenient services.

Overview of In-House System Development



Systems Staff Ratio



* Represents the ratio of the number of employees in systems-related departments to the total number of employees.

Strengths to Achieve Growth

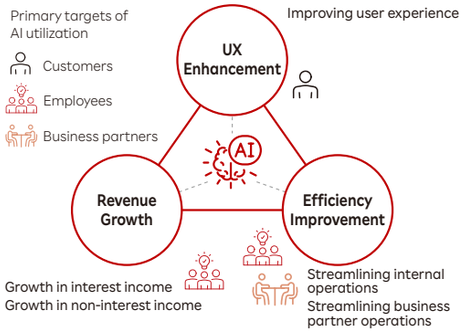
AI-nization

By leveraging AI technologies and the extensive data held by Rakuten Bank and the Rakuten Group, we are enhancing not only the development of new services and the sophistication of existing services, but also operational efficiency, thereby improving the creativity and efficiency of our business.

Empowerment through AI Technologies and Data

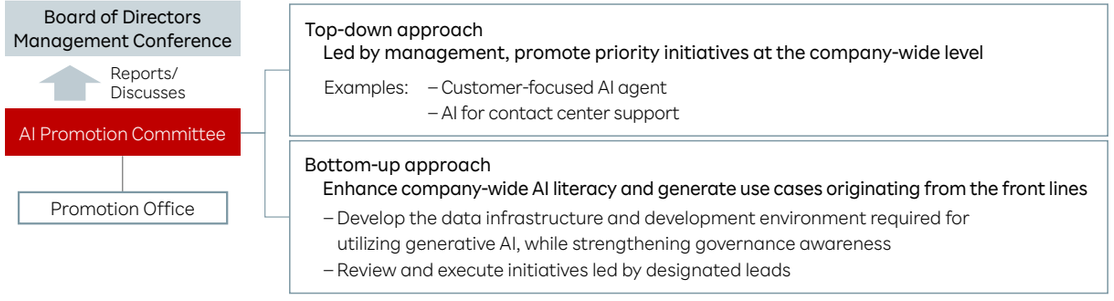
Under the policy of "augment human creativity with the power of AI," we are promoting "AI-nization," a coined term meaning the adoption of AI. While giving consideration to personal information and privacy, we utilize AI technologies possessed by Rakuten Bank and the Rakuten Group, financial behavior data derived from our customer base of over 18 million, and lifestyle data such as purchase histories obtained from the Rakuten Ecosystem. Through this, we are advancing the use of AI in the areas of revenue growth, user experience (UX) enhancement, and operational efficiency.

Three Areas of AI Utilization



Promotion of AI Utilization

Under the leadership of the Data Intelligence Division, which is responsible for data utilization and AI technologies, we formulate AI utilization strategies, develop AI infrastructure, accumulate expertise, and promote the use of AI throughout the Company. To enhance safety, security, and convenience for both customers and employees by harnessing the power of data and AI, we have established the AI Promotion Committee and have appointed AI promotion leaders in every department, thereby advancing AI initiatives on a company-wide basis. In addition to a top-down approach, under which senior management takes the lead on priority initiatives at the company-wide level, clearly defining strategic themes, policies, objectives, and priorities and rolling them out across the organization, we also adopt a bottom-up approach that promotes AI literacy across the organization, encourages AI utilization, and creates use cases originating from frontline operations while expanding successful examples. Through these complementary approaches, we integrate AI into our operations based on our employees' proactive ideas.



AI Use Cases

We have been strategically advancing the use of AI, generating approximately JPY 5.8 billion in profit contribution in FY2025. On the revenue side, AI-driven, highly accurate customer analytics have enabled us to balance marketing with risk management, expanding transactions in priority business areas while strengthening our proposal capabilities in the advertising business.

At the same time, we are leveraging AI to detect fraudulent transactions, generate code and documentation for system development, and improve the efficiency of internal FAQs. These initiatives reduce the operational burden on employees, thereby lowering costs while supporting well-governed organizational operations.

Through these efforts, we continue to deepen use of AI across the twin pillars of revenue growth and operational efficiency, accelerating sustainable growth and the creation of greater customer value.

FY2025 Results and Future Outlook for AI Utilization*1

Total profit contribution in FY2025*2

Approx. JPY 5.8 bn

(1) Revenue growth

Revenue growth driven
Approx. JPY 5.4 bn

- **Improved marketing efficiency through expanded targeting and reduced risk through predictive models**
  Leverages AI to identify appropriate customers in priority business areas, such as card loans and payroll accounts, thereby expanding transaction volumes while reducing credit risk in the lending business.
- **Enhanced proposal capabilities in the advertising business**
  Improves advertising ROI through more granular customer segmentation using AI. Enhance both the quality and quantity of key customer segments in the advertising business, strengthening overall proposal capabilities.

(2) Cost reduction

Cost reduction effect
Approx. JPY 0.4 bn

- **Fraud detection and risk management**
  Use AI to detect transactions suspected of fraud up to a threshold below which they can be deemed non-suspicious based on past results, reducing the volume employees need to review
- **Code and document generation**
  Reduce development and operational costs by utilizing generative AI for coding, SQL creation support, and specification document search
- **Employee support & internal FAQ**
  AI provides instant answers based on internal policies and knowledge, reducing employees' search burden, improving the work environment, and enabling better-governed operations

*1: Includes projects in PoC
*2: (1) Profit from revenue growth (revenue –costs) + (2) cost reduction effects –cost required to achieve (2)

Strengths to Achieve Growth

High-Quality Asset Portfolio and Strong Capital Base



Through our ability to provide financial solutions that meet our customers' diverse financial needs, we have built up high-quality investment assets with attractive risk-return profiles. Underpinning this is our sound and strong capital base, which supports our sustainable growth, including the expansion of investment assets.

Financial Solutions that Enable Portfolio Development

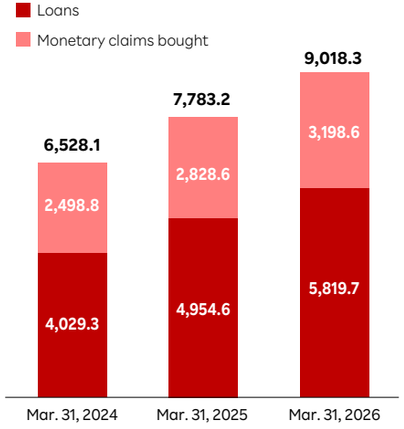
Our investment asset portfolio is composed of a diverse range of high-quality assets, including various personal loan products, such as card loans and housing loans, as well as business loans, monetary claims bought, and asset-based lending (ABL).

For personal loan products, we make the most of our marketing know-how built on the Rakuten Ecosystem to make proposals aligned with customer needs from among a broad lineup of products that address diverse financial needs throughout various life stages and lifestyles, including housing loans, card loans, investment property loans, reverse mortgages, and securities-backed loans.

We also provide securitization solutions for a wide range of assets held by companies both within and outside the Rakuten Group, as well as for business risks associated with ventures such as solar power generation projects. At the originator's request, transactions can be structured flexibly through either ABL loan execution or the purchase of trust beneficiary rights. By leveraging our proprietary know-how, the data held by Rakuten Bank and the Rakuten Group, and the trust capabilities of our subsidiary Rakuten Trust Co., Ltd., we provide customers with one-stop service, enabling us to achieve a high level of competitiveness in terms of both speed and cost.

Loans and Monetary Claims Bought

(JPY bn, Non-consolidated)



Breakdown of Loans and Monetary Claims Bought

(JPY bn, Non-consolidated)

	Mar. 31, 2024	Mar. 31, 2025	Mar. 31, 2026
Loans	**4,029.3**	**4,954.6**	**5,819.7**
Card loans	305.3	318.6	327.6
Housing loans	830.3	786.3	732.6
Affiliated loans	184.4	225.7	251.0
Investment property loans	654.2	783.0	948.5
ABL (Asset-Based Lending)	957.7	1,178.3	1,329.9
Business loans	42.9	45.4	113.0
Others	35.7	41.3	166.6
Loans to Ministry of Finance	1,018.4	1,575.5	1,950.0
Monetary claims bought	**2,498.8**	**2,828.6**	**3,198.6**
Securitized Rakuten Card credit card receivables	2,100.5	2,260.6	2,338.0
Others	398.3	568.0	860.6
Total of Main Assets	**6,528.1**	**7,783.2**	**9,018.3**

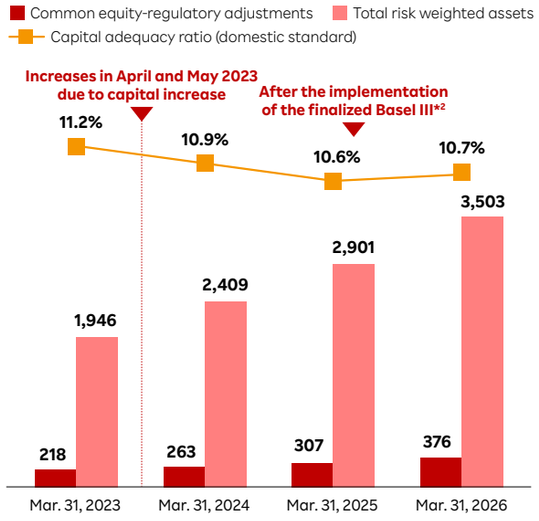
A Sound and Strong Capital Base as the Foundation for Sustainable Growth

Backed by an expanding customer base and a strong capital base, we are driving the growth of our investment assets. Even as we actively build up investment assets, our capital adequacy ratio has stayed above 10%.

As we remain in a growth phase, we prioritize strengthening internal reserves, believing that accelerating the expansion of our business scale and improvement of profitability to maximize corporate value can be a more appropriate form of shareholder return. We therefore aim to accelerate business expansion and the accumulation of investment assets while maintaining a sound level of capital adequacy ratio.

Capital Adequacy Ratio*1

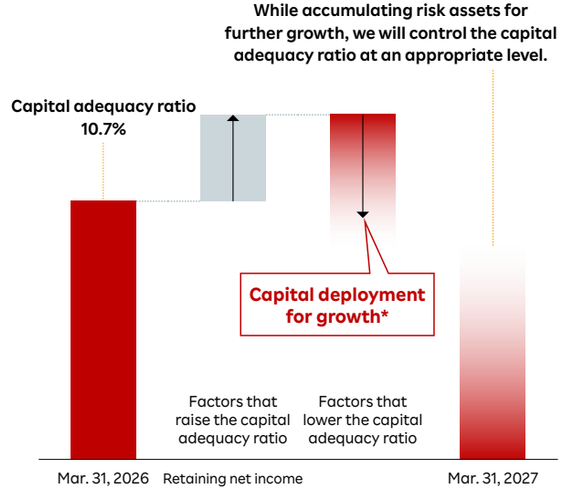
(JPY bn, Consolidated)



*1: Capital adequacy ratio (domestic standard) is calculated based on standards stipulated by Article 14-2 of the Banking Act for the purpose of determining whether banks have sufficient equity capital given their holdings of assets and other instruments (Notification No. 19, the Financial Services Agency of Japan, 2006).
*2: Basel III finalization was implemented from the end of March 2025.

Our Thoughts on Capital and View on the Capital Adequacy Ratio

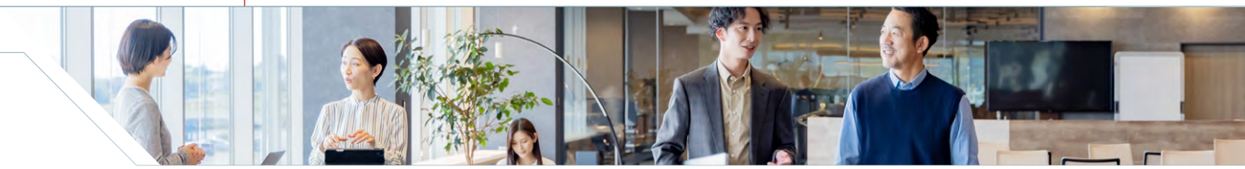
(%)



* This refers to accumulating risk assets, which constitute the denominator in the calculation formula for the capital adequacy ratio (total capital divided by risk assets).

Strengths to Achieve Growth

Human Capital



To empower every employee to reach their full potential, we foster an environment in which diverse talent can work with confidence, a framework that enables employees to focus on their work with a sense of pride and achieve personal fulfillment through that work, and an open culture that encourages active communication and collaboration across organizational boundaries.

Talent Strategy

As a member of the Rakuten Group, we conduct our business under the mission of "contribute to society by creating value through innovation and entrepreneurship," with the aim of becoming the "safe, secure, and most convenient bank."

The financial industry is changing rapidly, and competition continues to intensify. Against this backdrop, we recognize that the success of every employee is indispensable to achieving sustainable growth in corporate value. Thus, we regard our employees as one of our most important forms of capital and are committed not only to recruiting outstanding talent but also to supporting each employee's career development and professional growth, while creating a workplace in which diverse employees can carry out their work with confidence.

Realizing the "Safe, Secure, and Most Convenient Bank"

Objectives of human capital management

Company	×	Employees
Support employee growth and maximize value creation for customers		Embrace challenges and change while delivering value that exceeds customer expectations

Key initiatives

- Strengthening of the talent portfolio
- Skill and career development
- Enhancement of employee engagement

Hiring

We actively recruit individuals with diverse backgrounds, including not only professionals with experience at financial institutions but also IT engineers, data scientists, and other specialists. Recognizing that mutual understanding with job seekers is key to attracting outstanding talent, we place great importance on opportunities for communication that combines both online and offline formats. In addition to offering internship programs and employee referral recruitment, we provide information on our website, including employee interviews and insights into what it is like to work at Rakuten Bank, to help job seekers form a concrete picture of what working here would be like.

To secure the talent needed to support our sustainable growth, we revised the starting salary for new graduate hires joining in FY2026 and beyond.

Revision of the Starting Salary for New Graduates

Up to FY2025 monthly salary	From FY2026 onward monthly salary
JPY 272,000	JPY 350,000

* For the Open Career Track (bachelor's degree graduates). Includes a fixed overtime allowance equivalent to 40 hours.

Talent Development

To cultivate digital talent that combines high technical expertise with extensive business knowledge to drive innovation in financial services, as well as customer-oriented professionals who are capable of delivering convenient services with speed by deeply understanding user needs, we are strengthening essential financial knowledge and skills through comprehensive training programs, including a variety of e-learning courses, and on-the-job training (OJT). We also provide employees with opportunities to proactively engage in skills and career development by supporting self-directed learning through an online system, establishing assistance programs for English language learning and professional certifications, introducing career-focused training for middle management and business skills training, and implementing job rotations based on employee career surveys.

In our performance evaluation system, we have adopted competency-based assessments that emphasize the process of achieving objectives. This approach is intended to boost employee motivation and encourage employees to engage in their work with enthusiasm, even when factors such as external circumstances prevent achievement of the desired results. In addition, we regularly conduct one-on-one meetings to enhance workplace communication and maximize organizational performance, while also supporting the career development and retention of new graduates through follow-up training programs.

Examples of Training Programs

For new employees	Basic banking training, Business etiquette training, and Business skills training
For early-career employees	Information security training, AI training, and Mental health training
For mid-career employees	Next-generation leadership development program (planned)
For managers	Organizational development training, Information-sharing support
By job category	Professional qualification support, Banking operations training
For all employees	Distance learning courses, Professional qualification support, TOEIC learning support, Compliance training, and Information security training

Retention

To enable a diverse workforce to thrive regardless of gender, nationality, and life stage, we provide competitive compensation and benefits, together with flexible working arrangements tailored to employees' individual circumstances and stages of life. These include R-Satellite, our remote work program; childcare leave; the reduced working hours system available until a child graduates from elementary school; and special leave for fertility treatment. We also foster an environment in which every employee can maintain high levels of motivation and engagement and take ownership of their own career development by providing equal opportunities regardless of gender or age, including initiatives to increase the ratio of female managers. Through these efforts, we enhance the performance and resilience of the organization as a whole.

In addition, to support employees' financial well-being, we grant stock options that encourage employees to contribute to our business performance and share price growth while enabling them to experience the growth of the Rakuten Bank Group alongside their own professional development. We have also introduced an employee stock ownership plan and a defined contribution pension plan (401(k)) to support employees' asset building over the medium- to long-term.

Human Capital

Message from the Executive Manager of the Human Resources Division

My commitment to initiatives for maximizing human capital



Kazuma Koike
Executive Officer
Executive Manager of Human Resources Division
Executive Manager of General Affairs Division
General Manager of Human Resources Division

Evaluation System Revisions

Since assuming the position of Executive Manager of the Human Resources Division in June 2025, I have focused primarily on revising our evaluation system.

Currently, the Company's evaluation system consists of a competency evaluation and a performance evaluation. We divide the fiscal year into two halves (April to September and October to March) and implement a PDCA cycle of goal setting, interim interviews, evaluation interviews, and a review in each six-month period. The evaluation criteria in the competency evaluation are based on whether an employee has continuously exhibited the expected behaviors, and the assessment is reflected in salaries. The evaluation criteria in the performance evaluation are the achievement rates for goals set at the beginning of the period, and the assessment is reflected in bonuses. Previously, the Company tended to emphasize results, but we have shifted toward placing greater weight on competency, so we encourage the development of employee competency.

The items in the competency evaluation have been defined based on the 11 elements called for in the Five Principles for Success in the *Rakuten Shugi* (Rakuten Basic Principles), which clearly outline the way of the Rakuten Group. The level of competency required varies according to personnel ranking (position), but one key evaluation criterion that applies to all employees is whether one's actions align with the Rakuten Basic Principles. I believe the key to embodying the Rakuten Basic Principles lies in the mindset of not passively thinking that daily tasks are a chore. Employees should engage in work with high aspirations and a sense of ownership, recognizing that they are the ones shaping the Company.

Deepening human capital management through the building of a sustainable organizational structure is indispensable for enhancing corporate value. As part of this effort, I believe that a policy to further propel an evaluation system centered on competency aligns with the Company's medium- to long-term growth strategy.

Competency Evaluation (11 items)

Always Improve, Always Advance	1 Encourage challenges 2 Innovate 3 Create "get things done" culture
Passionately Professional	4 Drive accountability 5 Build on impactful team 6 Unleash / develop talent
Hypothesize → Practice → Validate → Shikumika	7 Strategy planning 8 Collaborate 9 Shikumika (systemize)
Maximize Customer Satisfaction	10 Increase internal / external customer value
Speed!! Speed!! Speed!!	11 Quick and accurate decision-making

Initiatives to Secure Personnel Responsible for Sustained Growth

To achieve continuous growth in the midst of a changing operating environment and intensifying competition for talent, we have introduced course-based employment categories alongside the revision of starting salaries with the aim of securing the human resources capable of generating sustained growth for the Company. There are three categories: open positions, area positions, and tech positions. Individuals can choose which category they wish to be placed in according to their preferences.

While collaborating in the office is a source of innovation and part of our culture, we introduced a work-from-home scheme called R-Satellite in August 2025 in a bid to create an environment where employees with special circumstances, like raising children or managing family nursing care, can still demonstrate their full potential.

In addition, to create an organization where employees can find their work rewarding and achieve a sense of self-fulfillment in what they do, we conducted an employee awareness survey targeting all employees. Going forward, we will continue to conduct analyses from various perspectives regarding matters concerning the entire company or those specific to smaller organizations or positions, and promote various initiatives to enable employees to work more stably over the longer term.

Building an Organization that Grows Together with Employees

What supports the Company's growth strategy is not only technology and business models, but also the organization's cohesion, where each employee deeply connects the organization's goals with their own role and moves forward in the same direction. Therefore, I am convinced that creating an environment where employees can have the confidence to challenge themselves and feel that they are achieving growth will drive the enhancement of corporate value.

From the perspective of developing that kind of workplace environment, it is also important that the concept of an open and transparent organizational culture is put into practice on a daily basis, rather than remaining just a slogan. Based on the belief that proactive communication with employees is crucial to improving employee engagement, which consists of understanding of, support for, and a willingness to contribute to Company policies, the Human Resources Division has introduced regular information-sharing sessions with all employees. By carefully explaining not only the updates to HR-related measures but also their purpose and background, these sessions are helping to raise employee understanding and awareness of the Company's personnel systems.

We aim to build an organization where each employee takes pride in their role and continues to grow together with the organization—an organization where individuals and the organization resonate with each other.

Materiality

Materiality and Corporate Value



We have identified our materiality by carefully evaluating and discussing sustainability-related issues from the perspectives of their impact on society and the financial impact on the Company. In light of changes in the business environment and broader external environment, we have revised our materiality. As a financial institution entrusted with the public responsibility of banking, we will fully uphold the Rakuten Group's mission in the FinTech domain and continue contributing to the resolution of environmental and social issues over the long-term.

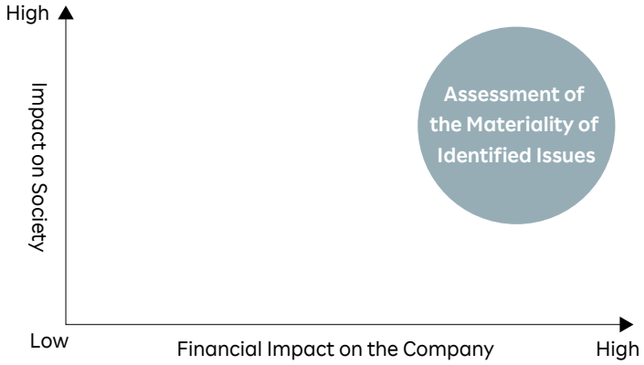
Materiality Identification Steps

Identification of Issues

Based on international disclosure standards such as SASB and GRI, as well as ESG assessment criteria, we identified a broad range of issues and, after gathering input from relevant departments, narrowed them down to those that should be prioritized.

Assessment of Materiality

We assessed the materiality of the identified issues from two perspectives: impact materiality (impact on society) and financial materiality (financial impact on the Company).



Identification of Materiality

We organized the analyzed and assessed issues from the perspectives of our mission, business model, and other relevant considerations. Following discussions among the management team, including Outside Directors, the Board of Directors approved and identified our materiality.

Identified Materiality

	Materiality	Overview	Key Initiatives
Sustainable Corporate Growth and Value Creation	Safe and Secure Service Delivery	Ensure the highest level of security through rigorous compliance and risk management while maintaining the convenience of our services, enabling customers to use our services safely and securely.	• Strengthening of stable service delivery • Strengthening of the risk management framework • Financial crime prevention • Cybersecurity measures • Strengthening of data security and protection of customer privacy
	Strengthening Synergies with the Rakuten Ecosystem	Leverage the Rakuten Ecosystem, which connects a wide range of services through its membership base, to provide convenient and rewarding financial services that cannot be realized by other ecosystems.	• Acquisition of new customers by leveraging the Rakuten Ecosystem • Provision of banking services integrated with Rakuten Group services
	Creating Innovation	As a pioneer in digital banking, create new value by leveraging advanced technologies, data, and AI to achieve sustainable growth and strengthen competitiveness.	• Development of new services and improvement of operational efficiency through the use of data and AI
	Human Capital Management	Support the career development and growth of each employee and foster a workplace where diverse employees can perform to their full potential with confidence, thereby strengthening human capital and enhancing sustainable corporate value.	• Development of a workplace where diverse talent can take on challenges and thrive • Enhancement of training and professional certification programs
	Strengthening Governance	Strengthen our corporate management framework by establishing fair decision-making and business operation systems based on the recognition that enhancing and maximizing corporate value while fulfilling the Company's social mission are the foundations of corporate governance.	• Enhancement of information disclosure • Promotion of and compliance with business ethics
Empowering People	Improving Access to Financial Services	Provide financial services that customers can access anytime and anywhere while continuously improving our UI/UX to ensure our services are easy to use for everyone, regardless of nationality or generation.	• Pursuit of UI/UX improvements to address customer feedback • Provision of services tailored to customers' life stages
	Growing Together with Customers	Grow together with our customers through the provision of solutions that address diverse customer needs as well as investments and loans, with the aim of delivering convenience to all customers.	• Strengthening of relationships with partner companies • Deepening of customer engagement
Empowering Society	Environmentally Responsible Business Activities	Leverage the characteristics of our business model, which does not rely on physical branches or proprietary ATMs, to address environmental challenges through our business activities and contribute to the realization of a sustainable society.	• Utilization of renewable energy • Promotion of sustainable finance

* Once the FinTech business reorganization becomes effective, we will re-evaluate our materiality.

Medium- to Long-Term Vision

Progress and Initiatives under the Medium- to Long-Term Vision



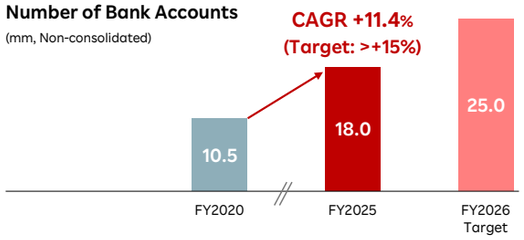
Aiming to become a leading FinTech company in anticipation of the coming zero-cash era, we have formulated a Medium- to Long-Term Vision for further expanding our customer base, strengthening our revenue base, and capturing growth in the FinTech domain, and we have achieved our numerical targets for consolidated ordinary income and consolidated ordinary profit ahead of schedule. Going forward, we will continue to deepen collaboration with the Rakuten Ecosystem while promoting the use of our services as customers' primary accounts through highly convenient services, thereby accelerating the further expansion of our business scale.

Progress of the Medium- to Long-Term Vision

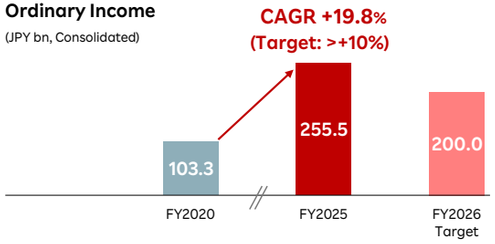
In the fiscal year ended March 31, 2026, growth in ordinary profit was driven by higher interest income resulting from the accumulation of well-diversified investment assets and the Bank of Japan's policy rate hikes, together with improved operating efficiency resulting from our expanded business scale. Following the early achievement of our consolidated ordinary profit target in the previous fiscal year, we have also achieved our consolidated ordinary income target ahead of schedule. In our earnings forecast for the fiscal year ending March 31, 2027, we have set targets of JPY 314.6 billion in consolidated ordinary income and JPY 115.6 billion in consolidated ordinary profit.

Progress of the Medium- to Long-Term Vision

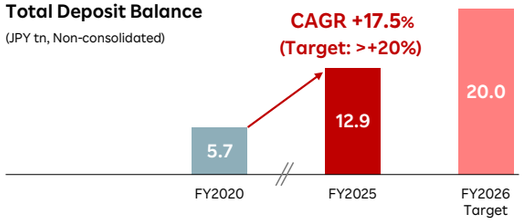
Number of Bank Accounts
(mm, Non-consolidated)



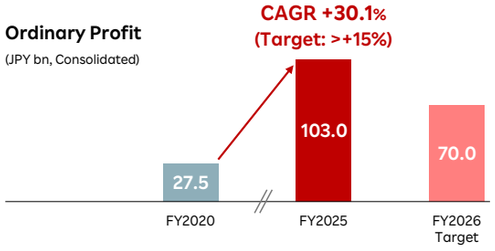
Ordinary Income
(JPY bn, Consolidated)



Total Deposit Balance
(JPY tn, Non-consolidated)



Ordinary Profit
(JPY bn, Consolidated)



Initiatives to Expand Business Scale

Going forward, we will continue to expand our customer base by leveraging the Rakuten Ecosystem to acquire new customers while promoting the use of our accounts as their primary account by providing highly convenient services with outstanding UI/UX. In addition, in a positive interest rate environment, we will expand our total deposit base based on our deposit acquisition strategy of further deepening our main account strategy, promoting the use of the account as a destination for term deposits and surplus funds for investment, and approaching each of the three tiers of individual deposits to maximize total deposit balances. Furthermore, by capturing demand for cashless payments, promoting cross-selling, and capturing growth in the FinTech domain, including AI technology utilization and BaaS, we will further accelerate growth toward achieving the Medium- to Long-Term Vision and ultimately realize our goal of becoming a "safe, secure, and most convenient bank."

Three-Tier Deposit Structure

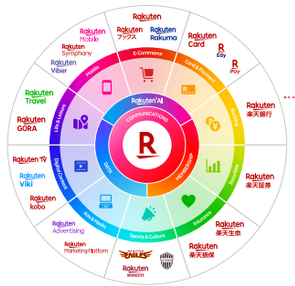
Ordinary deposits for investment
Funds used for securities investment
Rakuten Securities

Demand for investment in risk assets

Term deposits
Savings (a principal-guaranteed, safe investment vehicle)

Surplus funds held in ordinary deposit accounts

Ordinary deposits for settlement purposes
Funds used for daily payments, including direct deposits of payroll including salary, direct debits, and payments within the Rakuten Ecosystem
Rakuten Card R Edy
Rakuten Mobile R Pay



Deposit Acquisition Strategy

Strategy 4 Capture investment demand for risk assets through Rakuten Securities

- Amid the inevitable shift from savings to investment following the launch of the new NISA, we aim to increase our wallet share across the Rakuten Group's FinTech ecosystem by providing highly convenient banking services, such as automated sweeping, through our integration with Rakuten Securities.

Strategy 3 Offer term deposits as part of the product lineup

- Offer attractive term deposit rates to meet demand for principal-guaranteed management of surplus funds in ordinary accounts used for daily transactions.

Strategy 2 Promote use as the main account

- Encourage direct deposits of payroll including salary and everyday transactions (including Rakuten Card payments) to secure a stable level of deposit retention; as a result, deposit balances in main accounts are approximately 5x higher than those in non-main accounts.
- As balances are required for transactions, provide customer incentives by offering interest through the Bonus Interest Program.

Strategy 1 Acquire accounts through the Rakuten Ecosystem

- Conduct multifaceted marketing to strengthen competitiveness by leveraging more than 70 Rakuten Group services closely integrated into daily life.

Growth Strategy

Business for Individual Customers

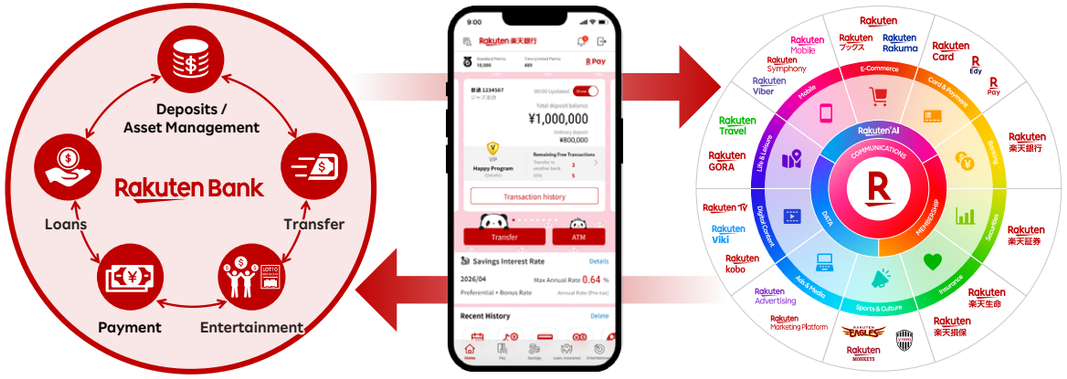


We aim to become "a bank of choice for primary accounts" and "a safe, secure, and convenient bank" that leverages technologies and can be used anytime, anywhere. We leverage the Rakuten Ecosystem for efficient customer acquisition and provide highly convenient, full-fledged services to capture all of our customers' diverse financial needs.

Efficient Account Acquisition Leveraging the Rakuten Ecosystem

We achieve efficient customer acquisition by leveraging the Rakuten Group's solid customer base with over 100 million memberships, its brand power and name recognition, and mechanisms for mutual customer referrals with other Rakuten Group companies. Pursuing synergies with the Rakuten Ecosystem, we engage in various collaborations, including partnering with Rakuten Group, Inc. on point programs, offering the "Money Bridge" account linkage service with Rakuten Securities, Inc., and providing direct payment services from our accounts through Rakuten Pay. These service collaborations with Rakuten Group companies serve as major inflow channels for new customer acquisition. By offering banking services in combination with the Rakuten Group's services, we deliver value to customers that other banks cannot, and we believe this value further enhances customer loyalty toward both Rakuten Bank and the Rakuten Group.

Full-fledged Digital Banking Services



Rakuten Ecosystem

Single integrated app comprehensively covering individuals' everyday life

Provision of Full-fledged Services that Combine Convenience and Benefits

We aim to become "a bank used as a main account" by offering highly convenient services that meet our customers' diverse financial needs.

To this end, we provide full-fledged services, including payroll deposits and other payments, various settlement services, and asset management, through a single smartphone app with meticulously refined UI/UX, guiding customers to use our accounts to meet a wide range of financial service needs that arise in daily life. Leveraging our cost competitiveness, we also offer beneficial services such as Rakuten Point rewards, encouraging customers to continue using our services on an ongoing basis. By providing such convenient and beneficial services, we aim to acquire direct deposit of payroll and direct debit transactions, thereby increasing deposits and foreign exchange transactions. We then cross-sell other services tailored to customer preferences, which in turn promotes retention of settlement funds in our accounts and increases transactions per customer, further driving the conversion of accounts to primary accounts.

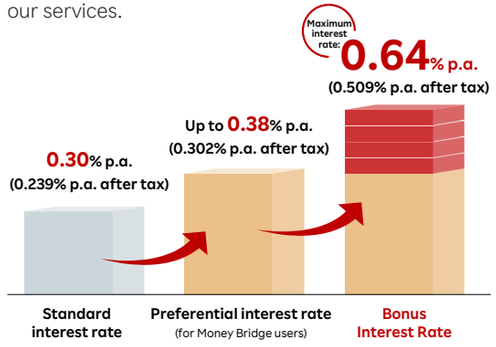
Happy Program

A customer loyalty program that offers Rakuten Points, complimentary ATM withdrawals, free fund transfers, and other benefits based on customers' use of our services and deposit balances.

	ATM Fees [No. of times with zero fees]	Transfer Fees when Transferring to Other Banks [No. of times with zero fees]	Ratio of Rakuten Points Earned	Using Rakuten Points for Transfer Fees
Super VIP Balance of JPY 3 million or more, or 30 transactions or more	7 times/month	3 times/month	3 times	Payment with points allowed
VIP Balance of JPY 1 million or more, or 20 transactions or more	5 times/month	3 times/month	3 times	
Premium Balance of JPY 500 thousand or more, or 10 transactions or more	2 times/month	2 times/month	2 times	
Advanced Balance of JPY 100 thousand or more, or 5 transactions or more	1 time/month	1 time/month	1 time	
Basic Join the Happy Program	0 time/month	0 time/month	1 time	

Bonus Interest Rate

A preferential interest rate program under which the interest rate on ordinary deposits increases as customers use more of our services.
Earn even higher interest rates by using Rakuten Group services such as Rakuten Card, Rakuten Securities, and Rakuten Mobile together with our services.



* As of June 30, 2026.
* Interest rates on ordinary deposits are subject to change without prior notice due to financial conditions, etc., and the rate differentials may narrow.

Growth Strategy

Business for Individual Customers

Promotion of the Conversion to Primary Accounts

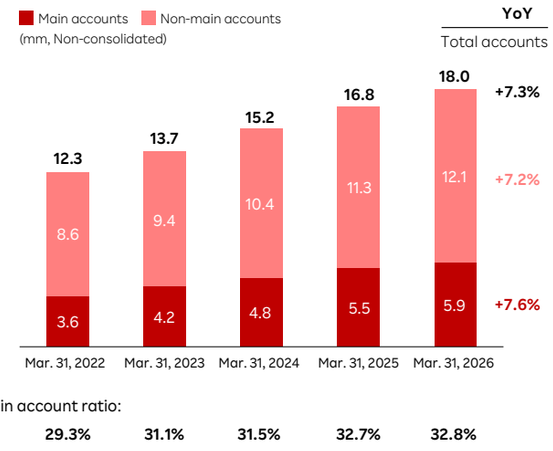
To measure progress in the conversion of accounts to primary accounts, we have established the "main account ratio" as a KPI. As of the end of March 2026, the main account ratio was 32.8%, increasing at a pace exceeding the growth in total accounts.

Once customers recognize the convenience of our services and the economic benefits such as earning Rakuten Points, and convert their accounts into high-loyalty main accounts, their frequency of service use and number of payment transactions increase. Compared to non-main accounts, main accounts deliver approximately five times the average deposit balance per account and approximately five times the average income, demonstrating higher profitability.

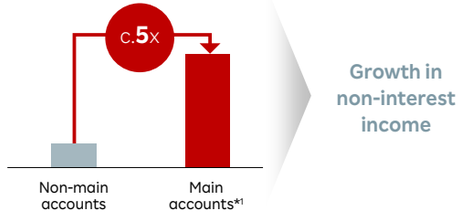
Accordingly, the main account conversion strategy is one of the essential strategies for our growth. In recent years, we have also been leveraging data and AI to implement marketing based on more refined segmentation, promoting service usage and enhancing customer experience to advance primary account conversion.

In addition, under the Bonus Interest Rate program, which offers higher interest rates on ordinary deposits based on customers' use of services such as payroll deposits, debit card transactions, and direct debits, we introduced a new benefit that provides an additional interest rate premium on ordinary deposits for Rakuten Mobile subscribers who hold a Rakuten Bank account and meet certain eligibility requirements. We believe this will contribute not only to retaining customers who already use a Rakuten Bank account as their main account but also to encouraging more customers to make our account their main account.

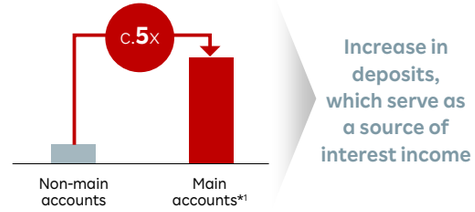
Number of Total Accounts and Main Accounts*1



Average Revenue per Account



Average Deposit Balance per Account



*1: Accounts that are used for direct debit or direct deposit of payroll including salary or bonus.

Relentless Pursuit of UI/UX

As a digital bank, pursuing improvements to a user experience (UX) that is easy for our customers to use is essential to our growth. In particular, our smartphone app, which serves as the primary point of contact between us and our customers, functions like a bank branch that is open 24 hours a day, 365 days a year, providing access to our full-fledged services anytime, anywhere. As with our systems, we develop the UI/UX design of our app and transaction screens, as well as the production and design of our website, entirely in-house. By fostering close collaboration among our system, marketing, and customer support departments, we rapidly incorporate customer feedback into our services and continuously refine and improve them.

As one example, in response to customer feedback, we made improvements so that customers can easily check the interest rate applied under the Bonus Interest Rate program in the Rakuten Bank app, and so that they can use a simulation to see how much their ordinary deposit interest rate would rise if they used new services. Beyond this, we are committed to responding promptly and carefully to customer feedback while continuously pursuing UI/UX improvements from the customer's perspective, enabling us to provide services that are ever more intuitive and easier to use.

UI/UX Enhancements for Ordinary Deposit Interest Rates in the Rakuten Bank App



Growth Strategy

Business for Corporate Customers



Aiming to be "a bank that provides convenience to all customers regardless of company size" and "a banking partner to corporate managers," we provide banking services that leverage our strengths of a digital bank as well as solutions that address a wide range of customer needs.

Provision of Corporate Services Leveraging the Strengths of a Digital Bank

We aim to become "a bank that provides convenience to all customers regardless of company size." For corporate customers, we utilize the strengths of a digital bank to deliver general banking services at low cost, while also offering diverse and distinctive solutions, including payment services, fund collection services, and cash concentration services, to meet a wide range of needs. Leveraging our flexible system development capabilities, we can also customize services to meet specific customer needs, enabling us to serve a broad range of customers regardless of company size, and steadily expand our corporate customer base.

Although we are a digital bank, we employ a hybrid sales approach that integrates online marketing with face-to-face engagement. By carefully listening to management policies and specific needs, we are able to propose optimal services and deliver solutions tailored to each customer. Striving to be "a banking partner to corporate managers," we promote comprehensive transactions by offering proposals that address fund settlement, asset management, and borrowing needs. As part of this effort, we actively provide loans for working capital and capital investments, as well as engage in securitization, thereby supporting the business activities of a wide range of corporate customers. As banking services for corporate customers become increasingly digitalized and awareness of us continues to grow among businesses of all sizes, we expect our corporate lending to grow into one of the core pillars of our investment asset portfolio over the medium-term, and we are actively working toward that goal.

As a result of these initiatives, we ranked first in the internet banking category of Teikoku Databank's Nationwide Corporate 'Main Bank' Trends (2025). With the continued digitalization of corporate banking services, we will further strengthen these initiatives to make the business for corporate customers one of our main pillars of revenue.

Rakuten Bank Secured Receipt Service / Rakuten Bank Just Match	A service that transfers funds into the customer's ordinary deposit account with Rakuten Bank when payments are received from the customer's own customers by direct debit or bank transfer into an individually assigned dedicated deposit account. Streamlines high-volume payment confirmation and receivables reconciliation.
Rakuten Bank Business Debit Card (JCB)	1.0% cashback on purchases Streamlines expense settlement for supplier payments and other business-related expenditures.
Rakuten Bank Multi-Payment Service	A service that enables merchants to introduce a wide variety of payment methods to their own online stores through a single integration. Next-business-day settlement is available for customers with a Rakuten Bank corporate business account.
Rakuten Bank Inbound Payment Service	A service that enables merchants in Japan to accept 2D barcode payments widely used in China, South Korea, and other Asian countries. Enhances convenience for inbound visitors.
Business Support Program	Provides easy, cost-effective access to a wide range of business support services offered by Rakuten Bank's partner companies, including sales support, factoring, HR and labor management, invoice processing, and e-commerce support.

Solution Cases That Captured Customer Needs

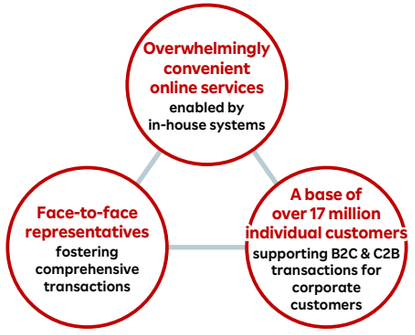
Promoting Comprehensive Transactions by Identifying Customer Needs through Face-to-Face Engagement

Company A has been a valued user of our various services, including deposit/withdrawal and international remittance services. To further support Company A's business, we conducted repeated face-to-face engagements to listen closely to its financial service needs. Through this process, we identified that Company A had a funding requirement for M&A aimed at business expansion. While loan proposals were also being offered by other financial institutions, Company A highly valued the convenience of our services and our loan terms, ultimately leading to a loan agreement with us. Although we do not maintain local branches, we aim to support our customers, without being bound by regional or geographical constraints, through efficient approaches, thereby promoting comprehensive transactions.

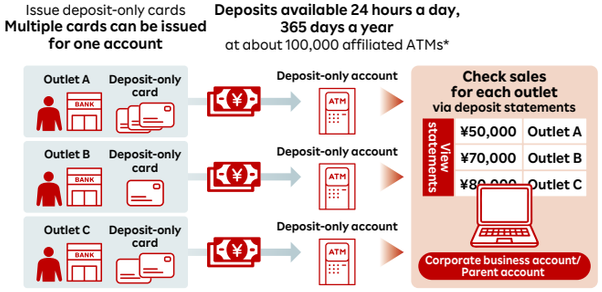
Providing Solutions Leveraging the Convenience of Our Services and the Rakuten Group's Network

Company B, a restaurant chain with a large number of affiliated outlets nationwide, uses our service that allows safe and convenient deposits via approximately 100,000 affiliated ATMs. This service has streamlined Company B's process of collecting sales proceeds from each outlet to the head office, which had been a challenge for the company. In addition, when the closure of some outlets due to the impact of COVID-19 created the issue of disposing of store equipment, we collaborated with a service provider for restaurants within the Rakuten Group to match Company B with an external enterprise engaged in the brokerage of restaurant equipment sales. In this way, we go beyond the provision of financial services to offer problem-solving solutions that leverage the Rakuten Group's network. As a result of these initiatives, we received a consultation from Company B regarding working capital and identified their funding needs, which led to a loan transaction. The combination of our highly convenient services and the comprehensive support enabled by the Rakuten Group's extensive network has contributed to the expansion of our comprehensive transactions.

Three Features of Our Corporate Business



Rakuten Bank Sales Proceeds ATM Deposit Service/ 24 Hours Deposit Box



* This service will not be available during Rakuten Bank's system maintenance.
* ATM operating hours are subject to the business hours of the facility where the ATM is installed.

Growth Strategy

Earnings Power Enhancement



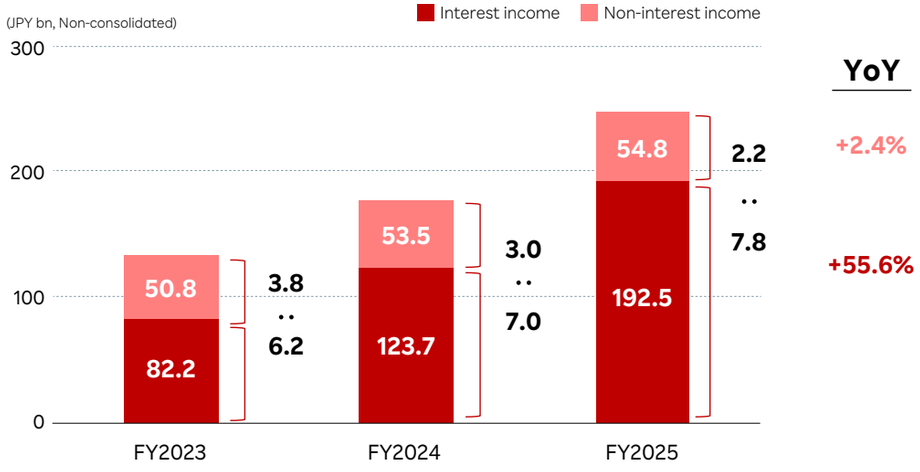
Building on the expansion of our customer base, we are promoting the conversion of accounts to primary accounts by providing customers with a broad range of highly convenient services, thereby enhancing our non-interest income. At the same time, under appropriate risk control, we are building up well-diversified investment assets with the aim of further growing interest income.

Revenue Structure Supported by Both Non-Interest and Interest Income

Our revenue is broadly divided into non-interest income, consisting mainly of fees earned when customers use our wide range of services, and interest income earned on our investment assets, and these serve as the dual engines of our revenue structure. We have positioned "earnings power enhancement" as part of our growth strategy for the "Second Growth Stage" toward achieving the Medium- to Long-Term Vision, and aim to increase non-interest income by expanding our individual and corporate customer base and broadening our product lineup, while also working to grow interest income through the accumulation of securitized assets and middle-risk assets.

In a positive interest rate environment, although interest income has been increasing at a faster pace than non-interest income, non-interest income still accounted for approximately 20% of ordinary income for the fiscal year ended March 2026. Even in a phase of rising interest rates, we will continue to grow both non-interest and interest income in a well balanced manner, further enhancing our earnings power.

Breakdown of Non-interest Income and Interest Income

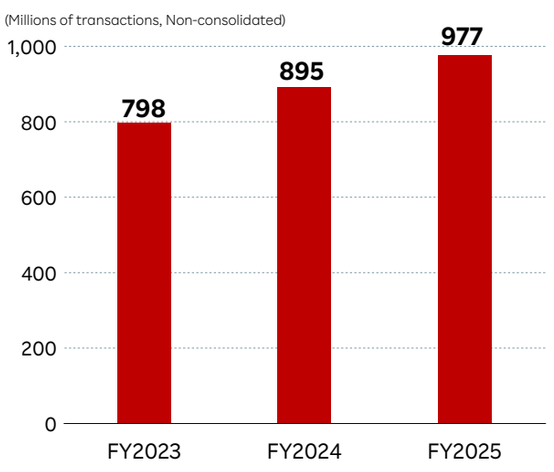


Growth in Non-interest Income Driven by Expansion of Customer Base and Services, and Promotion of Conversion to Primary Accounts

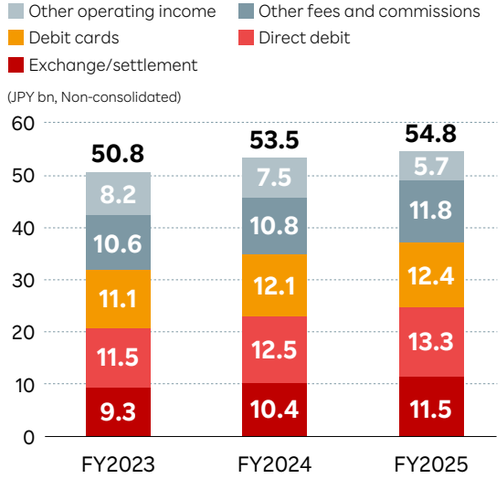
Strengthening non-interest income requires both expanding the customer base and increasing the number of transactions per customer. To meet the diverse financial needs of customers in different life stages who have various lifestyles, we have enhanced our product lineup and offered a wide range of services, aiming to capture funds inflows and outflows closely tied to customers' daily lives. We also leverage data to recommend services from Rakuten Bank and the Rakuten Group that are likely to interest customers, thereby increasing service usage frequency.

Through these initiatives, we have achieved growth in deposit balances retained in accounts, service usage frequency, and the number of payment transactions, which in turn have contributed to the expansion of non-interest income. The pillars of our non-interest income are exchange/settlement commissions, direct debit fees, and debit card commissions, supported by the conversion of accounts to primary accounts, each accounting for roughly 20% of total non-interest income. We aim to achieve balanced growth without over-reliance on any specific revenue source. We will continue to pursue highly convenient services as a digital bank and offer attractive, beneficial services utilizing the Rakuten Ecosystem, with the aim of achieving further growth in non-interest income.

Number of Payment Transactions



Changes in Non-interest Income



Growth Strategy

Earnings Power Enhancement

Growth in Interest Income through the Expansion of Diverse Investment Assets

Our investment asset portfolio is characterized by a balanced allocation across a wide range of assets, including personal loans such as card loans, business loans, trust beneficiary rights backed by monetary claims within and outside the Rakuten Group, and ABL.

Interest income is primarily derived from interest on loans (excluding interest on loans to the Ministry of Finance), which accounts for slightly more than 40% of the total, followed by interest on monetary claims bought, which accounts for slightly more than 20%. Other interest income, including interest on deposits with banks and interest and dividends on securities, also constitutes an important component. While ensuring liquidity, we have been gradually and selectively expanding loans to the Ministry of Finance and investments in marketable securities with the aim of improving the yield on surplus funds. In our investments in marketable securities, we take into account the creditworthiness and spread of investees, and invest in Japanese government bonds, government-guaranteed bonds, corporate bonds, and foreign bonds.

A Portfolio Positioned to Benefit from Changes in the Interest Rate Environment

Approximately 80% of our portfolio of loans and monetary claims bought is based on floating rates, the majority of which are linked to TIBOR. This feature has allowed us to benefit in the recent phase of rising interest rates. We also position card loans, investment property loans, and certain ABL and monetary claims bought as middle-risk assets, and are working to increase the proportion of these highly profitable middle-risk assets under appropriate risk management. Furthermore, by refining credit scoring through the use of proprietary data analytics and AI, we are expanding our borrower base and reducing credit costs.

In addition to meeting the diverse funding needs of individual customers according to their lifestyles and life stages, we will strengthen our framework for corporate loans and focus on securitization arrangements for monetary claims, real estate, and other assets held by companies, thereby further expanding high-quality investment assets and enhancing our earnings power.

Loans to the Ministry of Finance

We maintain our policy of flexibly increasing balances in assets that do not generate unrealized losses, with yields exceeding the interest rate on deposits at the Bank of Japan

	Jun. 30, 2025	Sep. 30, 2025	Dec. 31, 2025	Mar. 31, 2026
Loan balance	**1,353.4** bn	**1,582.0** bn	**1,725.0** bn	**1,950.0** bn
YoY change	**-222.1** bn	**+228.6** bn	**+142.9** bn	**+224.9** bn

Marketable Securities

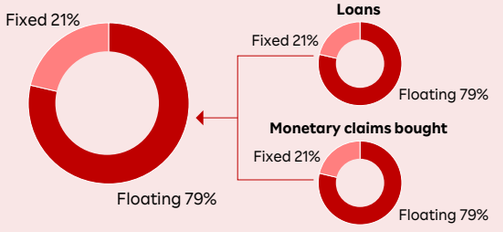
Gradually and selectively expand investment in marketable securities in light of future interest rate trends, while monitoring the emergence of unrealized losses.

		Jun. 30, 2025	Sep. 30, 2025	Dec. 31, 2025	Mar. 31, 2026
JGBs	Ending balance	**732.8** bn	**730.8** bn	**728.6** bn	**727.2** bn
	New investment	—	—	—	—
Government Guaranteed Bonds	Ending balance	**490.9** bn	**540.2** bn	**540.3** bn	**540.5** bn
	New investment	**48.0** bn	**49.2** bn	—	—
Corporate Bonds*	Ending balance	**289.7** bn	**330.9** bn	**375.7** bn	**448.0** bn
	New investment	**47.6** bn	**44.9** bn	**48.0** bn	**76.3** bn
Total New Investment for the Above Categories		**95.6** bn	**94.1** bn	**48.0** bn	**76.3** bn

* Including Fiscal Investment and Loan Program (FILP) Agency Bonds

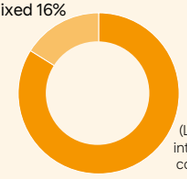
Main Assets, by Type of Interest Rate

✓ On the asset side, the vast majority of floating-rate assets are based on TIBOR



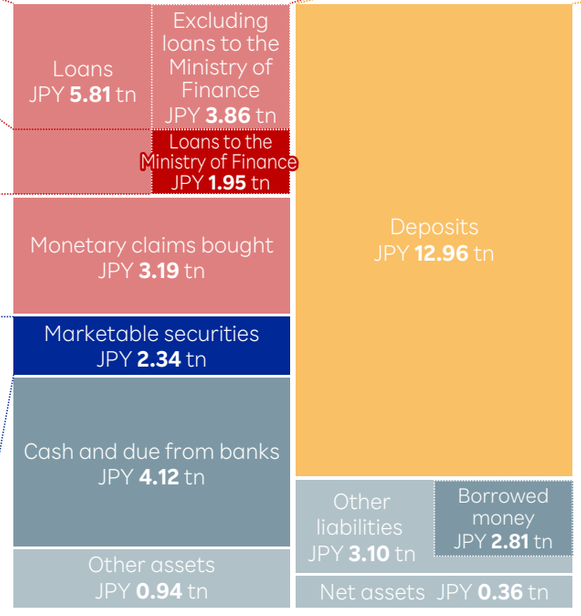
Deposits, by Type of Interest Rate

✓ The vast majority of our liabilities are funded by ordinary deposits



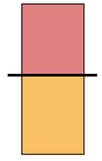
(Lower sensitivity to interest rate changes compared to assets)

* Funding through floating interest rates refers to ordinary deposits

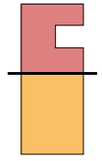


(March 31, 2026, Non-consolidated)

Adjusted Loan-to-Deposit Ratio*1



Core Loan-to-Deposit Ratio*2



*1: Calculated using main assets (loans and monetary claims bought) as the numerator.
*2: Calculated using core assets (loans and monetary claims bought, excluding loans to the Ministry of Finance) as the numerator.

Growth Strategy

Capturing Growth in the FinTech Domain

Capturing growth in the FinTech domain is a key driver for accelerating the expansion of our customer base and the enhancement of our earnings power. Against the backdrop of a progressing digital shift, we aim to expand cashless payment services and create user experiences that cannot be realized by banking services alone, thereby delivering "financial services beyond banking services."

Provision of Highly Convenient Cashless Payment Services for the Zero-Cash Era

Against the backdrop of the growing cashless payment ratio, we offer a wide range of cashless payment services, including debit cards, prepaid cards, and integrated cash cards with credit card functionality. In addition to the Rakuten Bank Convenience Store Payment Service, which enables customers to pay directly from their accounts by scanning the barcodes on utility bills and other payment slips with the Rakuten Bank App, we also provide an instant payment service from Rakuten Bank accounts through the Rakuten Pay app. By encouraging customers to use Rakuten Pay in their daily lives, we not only acquire new accounts but also promote the use of personal accounts as primary accounts. At the same time, we are expanding the use of our services through cross-selling by leveraging high-frequency customer touchpoints. Furthermore, the cashless payment ratio in Japan reached 58.0% in 2025 and continues to grow steadily toward the interim government target of 65% by 2030. So as we approach the zero-cash era, we will continue to expand our lineup of highly convenient cashless payment services.

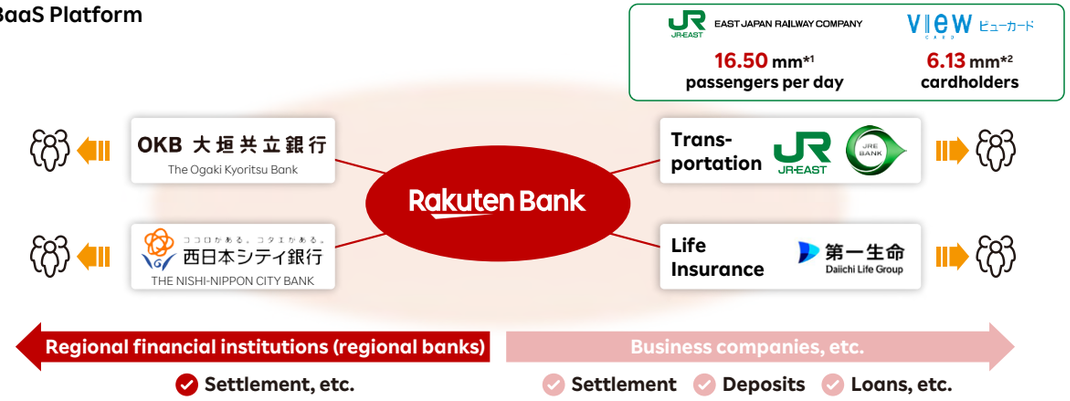
Provision of BaaS to Deliver New User Experiences

As part of our open platform strategy, we are engaged in the Banking as a Service (BaaS) business by leveraging our in-house, flexible system development capabilities and our ability to provide a wide range of services through a single app. This enables us to deliver highly competitive solutions.

Our BaaS business is not aimed simply at increasing the number of accounts or deposit balances. Rather, by leveraging our flexible system development capabilities to integrate the assets and expertise of companies seeking to provide banking services to their customers with our financial services, we strive to create user experiences that cannot be delivered by a bank alone, thereby realizing unique and competitive FinTech services. In addition, rather than charging partner companies account maintenance fees, we employ a profit-sharing model under which profits generated through dedicated branches are shared with partner companies at a fixed ratio. This framework ensures that increased account activity and deposit balances at dedicated branches directly contribute to our earnings.

We will continue to drive the evolution of "financial services beyond banking services" and remain committed to delivering new user experiences.

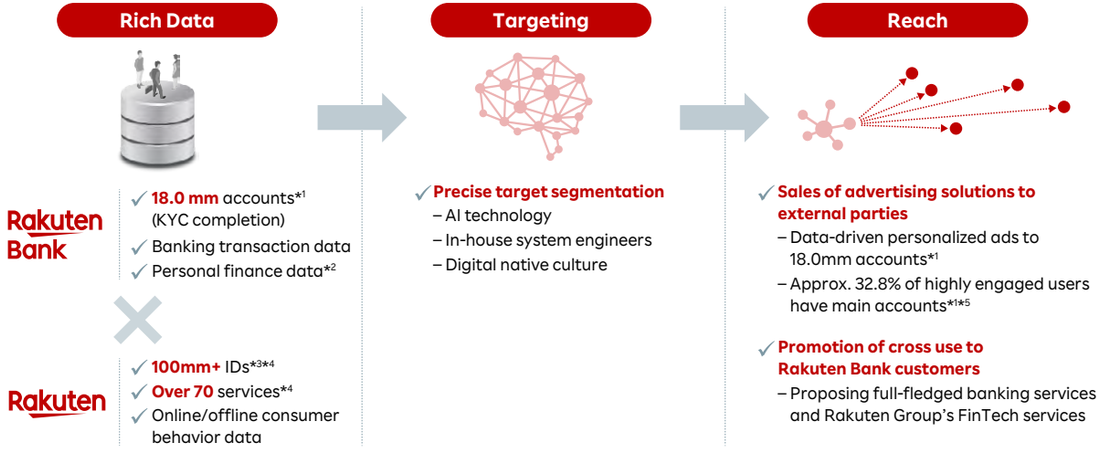
BaaS Platform



*1: As of July 1, 2026 *2: As of March 31, 2026

Revenue Growth through Utilizing Data and AI

Data and AI utilization also plays an important role in creating new revenue opportunities. In our personal loan business, AI-powered credit scoring contributes to the growth of our loan balance. In addition, for non-interest income, we combine financial behavioral data generated from more than 18 million accounts with consumer behavioral data held by the Rakuten Group. By leveraging AI to statistically estimate customers' lifestyle behaviors and other characteristics, we are honing the precision of target segmentation and delivering personalized advertisements.



*1: As of March 31, 2026 *2: Rakuten Bank has access to data related to other financial institutions through PFM (Personal Financial Management) service ("Money Support").
*3: Cumulative number of Rakuten IDs where members logged in at least once after membership registration (excluding members who cancelled their membership). Includes individuals with multiple membership IDs. One ID can be used for most Rakuten services.
*4: As of March 31, 2026. *5: Accounts that are used for direct debit or direct deposit of payroll including salary or bonus.

Sustainability Initiatives

Sustainability Approach



We recognize our responsibility as a provider of essential public services and are committed to pursuing management practices that contribute to the realization of a sustainable society.

Basic Policy for Sustainable Business Management

Our corporate culture, based on the Rakuten Group's shared aim "to contribute to the realization of a sustainable society through the power of innovation and partnership," also extends to business challenges associated with sustainability. We recognize our responsibility as a provider of essential public services and are committed to pursuing management practices that contribute to the realization of a sustainable society.

As a digital bank without a physical branch network, we are environmentally friendly per se. We believe the basic policy we have adopted as our Corporate Philosophy is also consistent with our approach to sustainable business management. Therefore, our "Basic Policy for Sustainable Business Management" is guided by the same core principles that define our Corporate Philosophy.

Basic Policy for Sustainable Business Management

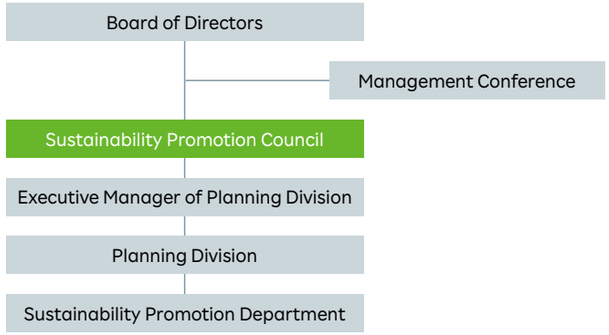
As a member of the Rakuten Group, Rakuten Bank is committed to its mission to "Contribute to society by creating value through innovation and entrepreneurship." We will contribute to and coexist with society while enhancing our corporate values.

Governance

The Board of Directors determines basic policies related to sustainability, exchanges opinions from multiple perspectives and over a long-term time horizon, and establishes a framework for sustainability management. The Management Conference serves as the deliberative body for the Board of Directors' resolutions related to sustainability and as the executive body for business operations based on the basic policy.

Under the above governance structure, the Sustainability Promotion Council was established as a cross-functional meeting body within the Company to promote sustainable management, develop human resources, raise employee awareness, and improve the work environment at the Company, as well as to promote measures to support customers' efforts to solve environmental and social issues.

Sustainability Governance Structure



The Sustainability Promotion Council is chaired by the President and CEO and comprises the General Managers of each business division, the General Manager of the Risk Management Division, and other senior executives. In these meetings, we discuss the basic policy for sustainable management and the formulation of measures, as well as policies and plans for responding to medium- to long-term sustainability issues and opportunities in terms of the environment and society. If there are any important matters such as developing related plans, these will be submitted to or reported to the Management Conference and the Board of Directors.

Risk Management

We have established an integrated risk management framework centered on the Risk Management Division. Regarding matters related to risk management, including market and credit risk management, liquidity risk management, and operational risk management, the Risk Management Committee meets monthly to discuss and report on the formulation of management frameworks and operational policies, as well as the status of risk management, from a perspective of integrated risk management. The status of risk management is reported to the Management Conference and the Board of Directors.

As part of integrated risk management, the Risk Management Committee conducts an annual assessment and review of our risk profile, including items related to sustainability.

Under the above risk management framework, we make lending decisions in accordance with our screening criteria, taking into consideration the environmental and social impacts, in line with the Initiatives for Socially Responsible Investing and Lending.

Initiatives for Socially Responsible Investing and Lending

1. Basic Stance

Toward realizing a sustainable environment and society, we will proactively support projects that address climate change and solve social issues while reducing and avoiding negative impacts on the environment and society to the greatest extent possible.

2. Areas for Proactive Commitment

From the perspective of positively impacting the environment and society, we will proactively engage in the following measures that can take advantage of our expertise and market strengths.

- Expansion of investments and loans for renewable energy through trust schemes.
- Establishment and expansion of a system that provides benefits and preferential treatment to customers who convert to renewable energy.
- Establishment and evolution of mechanisms that contribute to the promotion of diversity across generations and gender, etc.

We will proactively make investments and loans by communicating with customers who actively address a wide range of other environmental and social issues and by understanding how they respond to opportunities and risks.

3. Areas to Avoid Negative Impact

Considering their significant negative impact, we will not invest or provide loans with the specific use of funds in the following projects: Coal-fired power generation, deforestation, palm oil farm development, the development, or manufacture of inhumane weapons, and other projects that could exert a seriously negative impact on society and the environment.

Sustainability Initiatives

Environmental Initiatives



We are committed to contributing to the realization of a sustainable society through initiatives such as transitioning to 100% renewable energy, expanding our environment-related investment and financing portfolio, and promoting employee participation in environmental initiatives.

Environmental Policy

We have established an Environmental Policy to help address environmental issues through our financial services and business activities, thereby contributing to the realization of a sustainable society. Recognizing that the impacts of climate change can pose management risks to the Company, the Sustainability Promotion Council discusses policies and action plans to address climate change-related challenges and opportunities. Any important matters, such as the setting of relevant targets, are submitted to or reported to the Management Conference and the Board of Directors.

Support through our Business Activities	We will support our customers in their efforts to address environmental issues by providing products, services, and information.
Compliance with Relevant Laws and Regulations	We will comply with laws, regulations, and agreements related to the environment. We will also link our corporate activities to social demands to realize a sustainable society.
Reduction of Environmental Impact	We will strive to reduce the environmental impact of our business activities by promoting resource conservation, switching to renewable energy, recycling, etc.
Employee Awareness	We will strive to raise the awareness of environmental issues among all employees and encourage them to actively engage in environmental conservation activities through corporate efforts.

Carbon Neutrality

We have expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and are steadily advancing initiatives, both in Japan and overseas, to achieve decarbonization across our entire value chain. These include supporting society's transition to carbon neutrality through environment-related investments and financing, measuring greenhouse gas (GHG) emissions in accordance with the GHG Protocol, and working toward achieving a transition to 100% renewable energy.

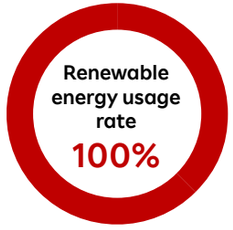
GHG Emissions

($t\text{-}CO_2$, Consolidated)

		March 31, 2026 Actual
Total*1		9,012,290
Scope 2	Location-based	2,154
	Market-based	139
Scope 3*2		9,012,151

*1: Scope 2 emissions included in the total are based on the market-based method.
*2: For details of the calculation and trends, please refer to the ESG Data Book available on our website.

Electricity Consumption at Domestic Sites



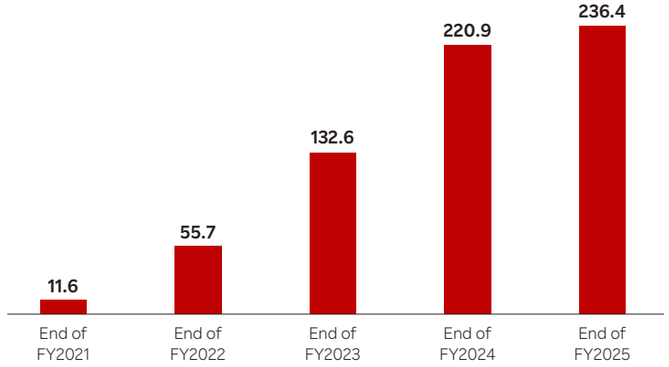
Environment-related Investments and Financing

Through environment-related investments and financing, such as those for green bonds and solar power generation facilities, we promote support for society's transition to carbon neutrality. As of March 31, 2024, the outstanding balance of environmental investment and financing stood at JPY 132.6 billion, achieving the initial target of JPY 100.0 billion set for March 31, 2027, ahead of schedule.

Thereafter, the balance continued to rise steadily, reaching JPY 220.9 billion as of March 31, 2025, and JPY 236.4 billion as of March 31, 2026. We will continue contributing to carbon neutrality in society through environment-related investments and financing.

Outstanding Balance of Environment-related Investment and Financing

(JPY bn, Non-consolidated)



Environmental Initiatives

Leveraging the characteristics of a digital bank, we promote paperless operations in various procedures such as account opening and in the provision of banking services.

In addition, as a member of the local community, our President and employees at each office engage in initiatives to help address local issues.

(Left) Litter picking in the Arakawa River basin, which is one of the major sources of marine plastic waste in Japan
(Right) Pine branch cleanup in the Matsubara area around the Genkō Bōrui (Mongol Invasion Defense Wall) Exhibition Hall in Imazu, Nishi-ku, Fukuoka City





Sustainability Initiatives

Climate Change Scenario Analysis



To understand the impact of climate change on our investment and loan portfolio, we conducted scenario analyses of both physical and transition risks. Using multiple scenarios, we identified increasingly severe storm and flood disasters resulting from extreme weather events as a physical risk, while assuming rising carbon prices as a transition risk. By quantitatively assessing the impact of these risks on our investments and loans, we are working to further enhance our climate change risk management.

Regarding physical risks, we prioritized the analysis of storm and flood disasters, which are expected to become more severe as extreme weather events intensify. Using information on the locations of borrowers and collateral properties, climate simulation data, and flood hazard maps, we estimated the impact of disasters under each scenario on the value of collateral assets and credit costs. The analysis was conducted using the IPCC SSP1-1.9 and IPCC SSP5-8.5 scenarios and covered housing loans (including investment condominium loans), asset-based lending (ABL) secured by real estate, and trust beneficiary rights.

The analysis of physical risks estimated that annual credit costs would increase by approximately JPY 0.4–0.7 billion if a disaster were to occur in 2050. Given the high degree of uncertainty associated with physical risks and their significant dependence on factors such as default rates following disasters, we recognize the need for ongoing reassessment, taking into account future changes in its portfolio.

Regarding transition risks, we analyzed the impact of carbon costs and costs associated with emissions reductions on the future financial performance and credit ratings of borrowers and investees based on their financial information and GHG emissions under the assumption of rising carbon prices. Based on this analysis, we estimated the fair value of the relevant assets and the associated valuation losses after reflecting these impacts. The analysis was conducted using the NGFS Net Zero 2050 and NGFS Current Policies scenarios and covered corporate loans (all sectors) and corporate bonds (domestic and international).

The analysis showed that, while the impact on the loan portfolio was limited, corporate bonds could face a certain degree of financial impact due to significant exposure to specific issuers, with cumulative impairment losses through 2050 estimated at approximately JPY 5.6 billion.

We will continue to enhance its climate change scenario analysis while promoting decarbonization through dialogue with customers and striving to appropriately manage climate change-related risks.

	Physical Risk	Transition Risk
Risk Category	Storm and flood disasters	Rising carbon prices
Analytical Approach	■ Use of information on the locations of borrowers and collateral properties, climate simulation data, flood hazard maps, and other relevant data ■ Estimation of damage to the relevant assets and the impact on our credit costs in the event of storm and flood disasters under each scenario	■ Use of the financial information and GHG emissions of borrowers and investees as the basis for analysis ■ Analysis of the impact of carbon costs and emissions reduction costs under each scenario on the future financial performance and credit ratings of borrowers and investees ■ Estimation of the fair value of the relevant assets and associated valuation losses after reflecting these impacts
Scenario	■ **IPCC SSP1-1.9** Scenario in which countries implement coordinated and ambitious greenhouse gas reduction policies, resulting in mitigated physical risks ■ **IPCC SSP5-8.5** Scenario in which little progress is made in climate change mitigation, resulting in greater physical risks	■ **NGFS/Net Zero 2050** Scenario in which strong climate policies result in persistently high carbon prices ■ **NGFS/Current Policies** Scenario in which only existing climate and energy policies continue, with no additional climate measures implemented
Scope	Housing loans (including investment condominium loans) Asset-based lending (ABL) secured by real estate and trust beneficiary rights* *Excluding cases involving four or more properties per transaction	Corporate loans (all sectors) Corporate bonds (domestic and international)
Impact Assessment	Estimated impact in 2050 (Assuming the most severe climate change scenario)	Cumulative impact through 2050
Analysis Results	Increase in credit costs (In the event of a disaster occurring in 2050) **Approx. JPY 0.4–0.7 billion**	Loans (Cumulative increase in credit costs through 2050) **Approx. JPY 50 million** Bonds (Cumulative impairment losses through 2050) **Approx. JPY 5.6 billion**

Sustainability Initiatives

Social Initiatives



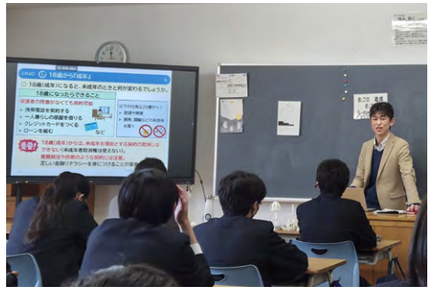
As a financial institution with a public mission, we leverage the strengths of a digital bank to address various social issues through financial education for a wide range of age groups and the provision of products and services tailored to changes in customers' life stages.

Financial Inclusion

Financial Education

In response to increasing social demand for financial education, such as the introduction of mandatory financial education in high schools, we provide initiatives to improve financial literacy not only for high school students but also for elementary, junior high, and university students.

In fiscal 2025, we conducted 23 outreach classes on topics such as managing finances based on life events in order to equip students with accurate knowledge and sound judgment about money and help them make use of these skills in their future lives. Our outreach classes cover topics such as the increasingly familiar concept of cashless payments, and incorporate group discussions to engage students' interest.

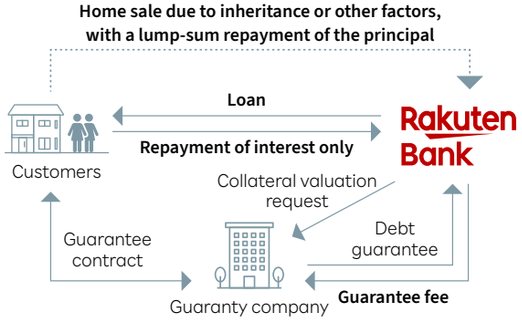


Expanding Access to Financial Services

As a digital bank accessible anytime and anywhere, we are committed to providing digital banking services that meet the diverse needs of all our customers.

Rakuten Bank Reverse Mortgage

As the first digital bank in Japan to do so, we offer a reverse mortgage tailored to the needs of middle-aged and senior customers seeking to enhance their quality of life. With this product, customers can continue living in their home while making monthly payments of interest only, allowing for a secure repayment plan. Since its launch, the product has been widely used, and as of the end of December 2024, the outstanding balance exceeded JPY 10.0 billion. In May 2025, to further meet customer needs, we expanded our offering by adding a new "credit-line type" in addition to the existing lump-sum type.



Rakuten Bank LGBT Housing Loans

In October 2017, we became the first bank in Japan to offer a housing loan that does not require the submission of an official document recognizing partnership, namely "Rakuten Bank LGBT Housing Loans." This product addresses the needs of LGBT couples who are not in a legally recognized marriage but wish to jointly borrow funds to build or purchase a home for shared residence.

Rakuten Bank Education Loan

We offer education loans for college tuition (including entrance fees, tuition, textbooks, etc.). Preferential interest rates are available for affiliated universities.

Community Engagement

Rakuten Clutch Special Charity Fund

The Rakuten Group operates the Rakuten Clutch Special Charity Fund, featuring Clutch, a mascot of the Tohoku Rakuten Golden Eagles. Customers with Rakuten Bank account can make donations to the designated donation account at any time, 24 hours a day.



Charity Fundraising Activities

Our corporate website introduces the organizations to which donations can be made through Rakuten Bank account. We established a system that enables Rakuten Bank account holders to make easy, fee-free donations by utilizing the Rakuten Bank Easy Settlement service.



"chokotto iikoto" Program

Each time customers use the services of a company that participates in this Program, we handle the donation procedure on behalf of that company to make a donation to organizations designated by the Program (donations are funded by the participating companies).





Dialogue with Shareholders and Investors

We are committed to timely, appropriate, and fair disclosure of information to ensure that shareholders and investors can understand our business activities and financial position to make informed investment decisions.

Basic Policy on Disclosure

Our basic policy is to strive to enhance corporate value through timely and appropriate disclosure to shareholders and investors, as well as fair and equitable disclosure to all stakeholders, including customers, business partners, and employees, in accordance with the Banking Act, the Financial Instruments and Exchange Act, other relevant laws and regulations, and the rules on timely disclosure established by the Tokyo Stock Exchange (TSE).

FY2025 Activity Results

During fiscal 2025, we strengthened our engagement with overseas investors through initiatives such as increasing participation in IR conferences hosted by securities companies. For individual investors, we also improved convenience by reviewing our shareholder benefit program in response to changes in the interest rate environment. Furthermore, the number of meetings with shareholders, institutional investors, and analysts, as well as the number of participants in our briefing sessions, rose significantly from the previous fiscal year.

Activity Results for Financial Results Briefings and IR Meetings

Financial results briefings (for institutional investors and analysts)		IR meetings (with institutional investors and analysts)	
Sessions held	4 times	Sessions held	354 cases
Total participants	305 individuals	Total participants	691 companies

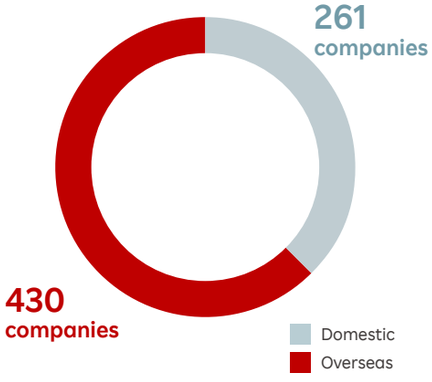
Main Representatives Responsible for Dialogue with Institutional Investors and Analysts, and Their Activities

Participants representing Rakuten Bank	Activities during FY2025*1	
	Financial results briefings	Dialogue with domestic and overseas institutional investors
President & CEO	4 times	73 cases*2
Executive Manager of Planning Division and Finance Division	4 times	68 cases
General Manager of Planning Division	—	213 cases

*1: IR Department of the Planning Division participated in all dialogues.
*2: Including 45 dialogues with investors held at overseas IR events and overseas conferences.

Number of Institutional Investors and Analysts Engaged

(By Region: Total Count of Participating Companies)



Actions Taken in Response to Feedback from Shareholders and Investors

The opinions and requests received through our dialogue with shareholders and investors are reported to the Board of Directors and senior management in a timely and appropriate manner. In addition to reporting to the Board of Directors in July 2025 and January 2026, the IR department provides senior management with feedback via reports every two weeks.

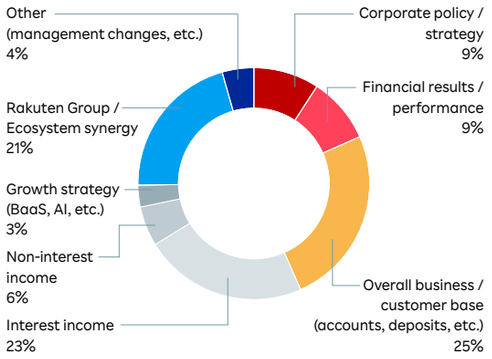
Information Disclosure and Feedback Loop with Shareholders and Investors

Provision and disclosure of information

- IR conferences
- Overseas IR activities
- Financial results announcements
- Annual General Meeting of Shareholders
- Publication of the Integrated Report (Disclosure Report)
- Publication of the Interim Disclosure Report
- Publication of the Annual Securities Report and Semi-annual Report

→ Feedback from shareholders and investors
→ Compilation and analysis at Management Conference
→ Reporting to the Board of Directors
→ Enhancement of management and business initiatives

Major Themes of Dialogue and Topics of Interest to Shareholders and Investors



* Aggregated based on investor feedback/questions from May 12, 2025 and April 13, 2026.

Feedback from Shareholders and Investors and Our Response

Key feedback	Our response
Request to explain the impact of the Bank of Japan's policy rate hikes on net interest income.	We have disclosed estimates of future net interest income under certain assumptions in the financial results presentation materials.
Request for the quarterly disclosure of yields on assets and liabilities.	We have disclosed yield on interest earning assets and cost of funding, together with their respective breakdowns, in the supplementary materials for the financial results.
Feedback regarding insufficient disclosure of sustainability.	In addition to continuing endeavors to enhance disclosure, we have consolidated ESG-related data, which had previously been disclosed in multiple locations, into the financial results presentation materials.

SECTION 4

Corporate Governance

Roundtable Discussion with Outside Directors	37
Overview of Corporate Governance	40
Management Team	43
Efforts to Ensure Independence from Parent Company and Protect Minority Shareholders	44
Risk Management	45
Security	47
Compliance	48
Customer-Oriented Business Conduct	50

Roundtable Discussion with Outside Directors

Bringing together broad-ranging expertise to enhance the quality of decision-making through highly transparent discussions

(left)
Masatsugu Nagato
Outside Director

(right)
Kayoko Kawamura
Outside Director



Rakuten Bank's unique business model and competitive advantage

Nagato I have been involved in the management of financial institutions for quite a long time, and even from that experience, Rakuten Bank is clearly unique. The structure of operating a bank without branches and providing everything in the digital world is vastly different from the traditional model. However, what makes a bank a bank—taking deposits and managing them—remains unchanged. Striking a balance between maintaining this inherent nature and offering an innovative structure is, in my view, very significant, which is why I decided to accept the position of Outside Director.

I understand that the role expected of me is to utilize my experience and oversee management decisions from an objective point of view. Organizations that grow rapidly, in particular, must not overestimate opportunities; rather, they need to assess them calmly against the risks involved.

Rakuten Bank's competitive advantage does not depend on any one factor. The customer base and accumulated data of the Rakuten Ecosystem, the in-house IT infrastructure, low-cost and scalable operations, and the flexibility of products and services are interconnected. In my view, the strength generated from this combination of factors has meant Rakuten Bank has put itself in a distinct position that differs from other digital banks and megabanks.

Kawamura I also feel that Rakuten Bank employs a completely new model designed on the premise of everything digital, while still being a "bank." I am strongly drawn to the fact that the Company pioneers new things, including the synergies with the Rakuten Ecosystem. I believed I could contribute by leveraging my background in IT and digital transformation, so I accepted the position of Outside Director.

I recognize that my role is not limited to providing just specialized IT advice, but rather to continuously question, from an outsider's perspective, how digital offerings are connected to customer value, risk management, and even governance.

In fact, upon joining the Board, I discovered that the Company's corporate culture has some significant features. Compared to typical banks, Rakuten Bank has more flexibility and makes decisions much faster. The younger employees work with a lot of enthusiasm, and even from a cultural and personnel standpoint, there appear to be synergy effects from the Rakuten Ecosystem. At the same time, as a listed company, the Company is quite disciplined, and it is this

Roundtable Discussion with Outside Directors

balance that supports sustained growth.

Looking at the competitive environment, competition is heating up even further, including from digital banks, megabanks, and even new entrants from different industries. In all of this, I feel that Rakuten Bank is clearly in a class of its own because of the advantage it derives from a combination of factors, as Mr. Nagato just mentioned.

Also, it is important that the Company openly discusses not only its strengths but also its risks. For example, the Company squarely addresses the issues the public sees, such as system risks, cyber risks, and its relationship with the Rakuten Group. I believe this very approach demonstrates the effectiveness of governance. As a result, this structure makes it clear from an external perspective why one would choose Rakuten Bank. I feel that is where the true nature of the Company's competitive advantage lies.

On the effectiveness of the Board of Directors and the role of Outside Directors

Kawamura I believe the role of Outside Directors is not to provide opinions as an outsider supervisor, but to enhance the quality of decision-making. For that purpose, the prerequisite of being able to participate in discussions is important, and in this regard Rakuten Bank has a solid foundation in place with an onboarding process at the time of appointment as well as the comprehensive provision of information in advance. In addition, at Board meetings, proactive discussions take place where the Executives and Directors exchange opinions and decide what steps to take next.

Even if you look at the results of the evaluation of the Board's effectiveness, the quality of briefings and the depth of discussions are generally evaluated quite highly, which confirms that the meetings of the Board are not merely a formality. On the other hand, I think there is room for improvement in further deepening discussions on medium- to long-term strategies and changes in the external environment, and I also feel it is important that the Company continuously enhances its operations based on such feedback.

Nagato As Outside Directors, we hold a supervisory position, but if we merely point out issues, our work can become somewhat dry. I believe that overseeing management also involves supporting the management team to perform well, so a certain level of affection, so to speak, for the company, is important. That is why I offer my support, but I also firmly voice my opinions when necessary. That balance is crucial.

Rakuten Bank's Board of Directors is very diverse, and I am impressed by how each member's expertise functions in a well-balanced manner. The fact that matters are discussed from different perspectives—for example, legal, IT, accounting, and regulations—is what enhances the quality of decision-making. I think this team functionality is the source of the Board's effectiveness.

Outside Directors are also involved in the process of selecting Director candidates, mainly by exchanging opinions with the Executives on what kind of individuals should be added to the makeup of the Board. Following the retirement of Mr. Eiji Ebinuma, an attorney who served as an Outside Director for many years, the Company has appointed Mr. Satoshi Kawai, also an attorney, as his successor. Mr. Ebinuma's retirement was known in advance, so before Mr. Kawai's appointment as a Director, he was invited to join the Special Committee on the FinTech business reorganization as a professional lawyer. Also, Ms. Kawamura joined last year as the Company's first female Director, and this year two more women will join the ranks: Ms. Mari Kogiso as a Director and Ms. Kiyoko Ohora as a member of the Audit and Supervisory Board. Both of them have a great deal of professional knowledge and experience, and I believe their participation is well suited to strengthening the Board of Directors.

How should the parent-subsidiary listing be governed?

Nagato The parent-subsidiary listing structure is indeed sometimes seen as a risk factor. There is no denying that the structure allows the parent company's strategy and financial condition to potentially have an indirect impact. Also, management must always be mindful of the perspective of minority shareholders. Given that structure, how disciplined decision-making can be is extremely important. At Rakuten Bank, arguments are presented to the Board of Directors after the Special Advisory Committee, which consists of Independent Directors, engages in in-depth discussions in advance, including from a conflicts of interest point of view. I feel that this two-tier structure already establishes a mechanism to ensure the protection of minority shareholders.

For Rakuten Bank, the relationship with the Rakuten Group presents enormous opportunities, and how the Company leverages the synergies is the key to enhancing corporate value. To that end, demonstrating how this situation is controlled will likely lead to trust from investors.

Kawamura From the perspective of the parent-subsidiary listing, I believe that as Outside Directors, our primary responsibility is to engage in discussions by standing in the shoes of minority shareholders. For the FinTech business reorganization, we carefully examined the appropriateness of the transactions and their impact on minority shareholders during meetings of a Special Committee that was established separately from the Special Advisory Committee. During those discussions, I placed particular importance on the transparency of the process. This reorganization is extremely significant as a management strategy, but it is also a decision that will no doubt impact minority shareholders. Therefore, it was important to confirm whether appropriate judgment was made from an independent standpoint. In practice, the discussions were carried out from multiple perspectives—not only financial evaluation but also the validity of the decision-making process and how information would be disclosed appropriately. As a result, I believe we gained confidence that the reorganization would contribute to growth in corporate value.



Roundtable Discussion with Outside Directors

Nagato As Ms. Kawamura just mentioned, the FinTech business reorganization was an extremely important decision for Rakuten Bank. To be frank, there was considerable tension around the discussions that took place at the Special Committee. We carefully examined every single issue not just from the perspective of whether it would be desirable for Rakuten Bank, but also considering whether there would be any disadvantages to Rakuten Bank's minority shareholders and whether economic rationality was ensured.

The good thing was that we discussed the fundamental significance of the reorganization in detail. It was important to determine whether the synergies—from improved funding efficiency and growth in the customer base to the creation of new value through data integration—would lead to the strengthening of longer-term competitiveness, rather than simply being a formal reorganization.

What ultimately became clear through these discussions is that there would be synergies, but they would only lead to growth in corporate value when executed under an appropriate process and with a certain level of discipline. In other words, no matter how attractive a strategy may be, it would not receive support without a proper process. I believe everyone was strongly aware of that point.

Toward the next stage of growth

Kawamura The Company's earnings of late have been really solid, but as an Outside Director, I view them in a level-headed manner. From that perspective, it is important to identify where Rakuten Bank's underlying competitive strength is, taking into account the impact of the external environment. What is particularly important is the quality of profits. We need to watch how the Company's structural strengths such as ecosystem-driven growth in the customer base and low-cost operations sustainably translate into earnings. There are other players looking to create models similar to Rakuten Bank, and at a time when the Company must continue doing new things with increasing speed, pressing ahead while ensuring that corporate governance is being maintained, presents a huge challenge, I think. In future discussions at Board meetings, I think it will be important for both the executives and us to maintain foresight and avoid misjudgments.



Moreover, AI and data utilization will become major keys that unlock future competitiveness. From the start, Rakuten Bank achieved growth by leveraging its strengths in the digital space, but it has now entered a phase where it must consider how to apply that to management decision-making and customer experience. As digital tools and AI increasingly support management and drive sustained growth, I think Rakuten Bank is well placed to benefit greatly from synergies with the Rakuten Group, especially when it comes to securing AI and a digital workforce, something that all companies recognize to be a challenge.

On the other hand, digital technology is both a source of competitive advantage and the most critical risk area. In particular, risks related to cybersecurity and system failures are recognized not just as operational issues but as management issues, and the role of governance is to balance these growth opportunities and risks. I feel that one enormous strength for Rakuten Bank is that it has a breeding ground where that balance can be discussed; and that the Company is where each individual is very attentive, and where there is a culture of continuously striving for updates. Furthermore, at Board meetings, discussions go beyond simply reviewing performance indicators. Based on security incident cases at other companies, the Board discusses what kinds of issues could arise at the Company and what actions could be taken, including an examination of the underlying risk structure and the likelihood of occurrence. A characteristic of Rakuten Bank is that it develops its systems in-house. Conversely, this means that the Company cannot transfer risks externally. In this sense, I think risk should be positioned not as a strict division between offense and defense, but as risk management as a premise for growth.

Nagato Looking at the Company's earnings at present, I still feel there is plenty of room for growth.

With a business model underpinned by digital offerings, Rakuten Bank has rapidly expanded its customer base and established its position in terms of deposits held. Some 18 million accounts and JPY 13 trillion in deposits are indeed impressive for a relatively young bank. However, considering that household financial assets amount to JPY 2,300 trillion, of which over JPY 1,000 trillion are deposits, the Company should be far from satisfied with this level.

Also, Rakuten Bank's ROE level is high compared to typical banks, which I estimate to be the result of the Company pursuing a style of management that is mindful of capital costs; however, the higher a company's capital efficiency, the greater the expectations from the market. Going forward, I think the Company has entered a stage where it is no longer just about expanding scale but about deepening its underlying structure. There remain numerous untapped growth opportunities, including asset management businesses, the corporate domain, and the development of new digital banking services leveraging Rakuten Group synergies. In my view, if the Company can tackle these areas while maintaining and improving capital efficiency, it has the potential to lock onto a growth trajectory unlike the traditional banks.

On the other hand, in the banking industry, trust is the most important asset. As the Japanese saying goes, 'it takes three years to build a castle but just three days to capture it,' trust can be eroded in an instant. That is precisely why, especially during phases of growth, the Company must further elevate its levels of risk management and compliance.

I believe the Outside Directors are required to determine how to achieve that balance. In other words, Outside Directors must support reasonable risk-taking without excessively curtailing growth, while maintaining the discipline that is required. They must continuously examine whether appropriate judgments are being made to that end.

For investors, how Rakuten Bank puts this balance of growth and discipline into practice will be an important evaluation metric in measuring corporate value. In that sense, governance is not just a framework but the very foundation that supports growth, and I would like to fulfill my responsibility of continuously enhancing its quality going forward.

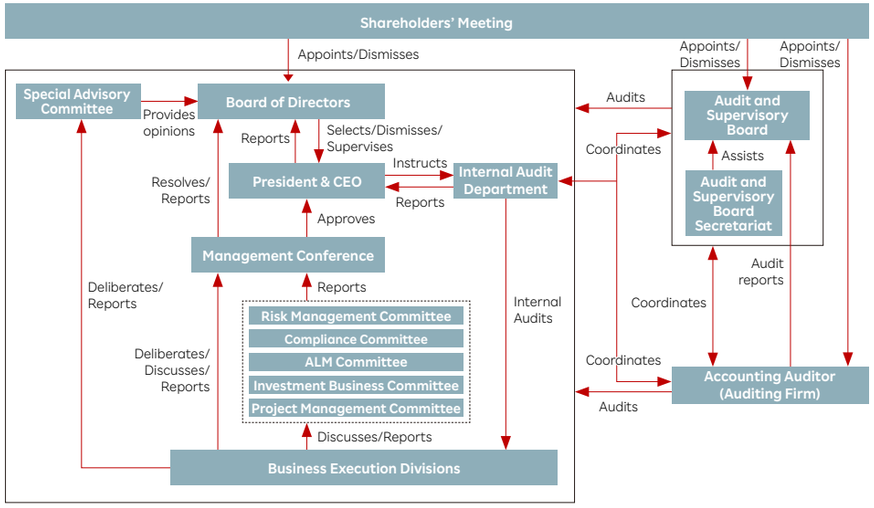
Overview of Corporate Governance

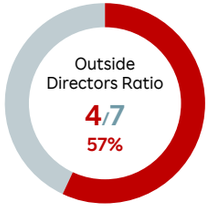
At Rakuten Bank, we recognize that the basic principle of corporate governance is to improve and maximize corporate value while fulfilling our social mission as a bank. Therefore, we have established a corporate management framework that strengthens corporate governance while ensuring efficient and fair decision-making and business management systems. This is achieved by utilizing transparent and sound processes for determining management policies, strengthened mutual supervision, a clearly defined compliance framework, and transparent disclosure mechanisms.

Corporate Governance Structure

The Company has adopted the form of a company with an Audit and Supervisory Board, as we believe that having the Audit and Supervisory Board audit the Board of Directors from an independent standpoint is effective in ensuring the appropriateness of business execution. This structure helps ensure the transparency and soundness of the decision-making process for management policies and establishes a fair, efficient, and appropriate decision-making and business operation process. The Board of Directors consists of seven members, including four Outside Directors, who are experienced executives and practitioners from the business world, providing an objective evaluation and supervision of the management's business execution. The Audit and Supervisory Board consists of four Outside Audit and Supervisory Board members who are experts with extensive experience and knowledge in the financial industry, enhancing the function of monitoring and supervising the management.

Structure Chart







Meeting Body	Role
Board of Directors	Monitors the Company's management, resolves statutory matters, determines basic policies, exchanges opinions from broad perspectives, and establishes a management control framework in an effort to enhance the fairness and transparency of business execution.
Audit and Supervisory Board	Receives reports on, discusses, and resolves important matters related to audits. Also meets regularly with the President & CEO to exchange opinions on issues to be addressed by the Company, risks surrounding the Company, the state of the audit environment for Audit and Supervisory Board Members, and important audit issues, in an effort to deepen mutual recognition and trust with the President & CEO.
Management Conference	Serves as a deliberative body for matters to be resolved by the Board of Directors, a business execution body based on business operation policies decided by the Board of Directors, and a prior consultation body for matters authorized by the President under the authority of the Board of Directors to facilitate decision-making and provide information necessary for management monitoring with regard to proposals submitted to the Board of Directors.
Special Advisory Committee	Comprising Independent Directors/Audit and Supervisory Board Members (Outside Directors and Outside Audit and Supervisory Board Members having no conflicts of interest with general shareholders), determines management policies based on requests from the Rakuten Group pertaining to Group business strategy, and in the event of interrelated personnel matters between the Rakuten Bank Group and Rakuten Group, or any transactions with the Rakuten Group, examines the appropriateness of the arm's length rule, conflict-of-interest and other transactions from the perspective of ensuring sound and appropriate management of bank business, as well as the necessity and appropriateness of such rules from the perspective of protecting minority shareholders.
Risk Management Committee	Discusses and reports on the formulation of management frameworks and operational policies, as well as the status of risk management, from a perspective of integrated risk management, regarding matters related to risk management, including market and credit risk management, liquidity risk management, and operational risk management.
Compliance Committee	Discusses and reports on matters related to compliance, including the formulation of the compliance program, its progress, and measures against financial crimes.
ALM Committee	Discusses and reports on matters related to ALM and capital management, including investment and funding balances, yields, and capital adequacy ratios.
Investment Business Committee	Discusses and reports on individual projects and investment program-related matters concerning our investment operations.
Project Management Committee	Discusses and reports on matters related to the consideration, initiation, and launch of new service development, in order to ensure soundness in product and service strategy planning and control, as well as appropriateness in system budget control and expense management.

Overview of Corporate Governance

Activities of the Board of Directors

The Board of Directors meets once a month in principle and whenever necessary. The specific matters for consideration by the Board of Directors in FY2025 were as follows.

Matters Resolved

- Formulation of the management plan
- Development and implementation of the Compliance Program
- Approval of the Company's financial statements
- Decisions and revisions of policies and regulations
- Decisions on important investments and loans
- Issuance of stock options
- Resolutions on matters necessary for discussions with Rakuten Group, Inc. regarding the reorganization of the Rakuten Group's FinTech business, etc.

Matters Reported

- Progress reports on the management plan and projects
- Reports on the evaluation of the effectiveness of the Board of Directors
- Reports on audits by Audit and Supervisory Board Members, internal audits, and accounting audits
- Reports on financial results of the Rakuten Group
- Reports on self-assessment results, bad debt write-offs and provisions
- Reports on IR activities, etc.

Attendance Rate of Outside Directors at Board Meetings
(FY2025 actual)



Activities of the Audit and Supervisory Board and the Audit and Supervisory Board Members

Audit and Supervisory Board Members conduct audits of business execution, etc. by Directors and accounting audits based on the audit policy and plan established by the Audit and Supervisory Board. The audits are carried out through various activities, including attending important meetings such as those of the Board of Directors, conducting interviews with the President & CEO and management, exchanging opinions with the Internal Audit Department, and reviewing important documents. These audits extend to various departments within the Company as well as its subsidiaries. The head of the Internal Audit Department participates in Audit and Supervisory Board meetings, during which internal audits are reported, and opinions are exchanged as needed. Audit and Supervisory Board Members and the accounting auditor exchange audit plans, explain and provide reports as necessary, and share information on the audit environment and other issues specific to the Company. In addition, three-way audit meetings are held comprising Audit and Supervisory Board Members, the accounting auditor, and the Internal Audit Department, where opinions are exchanged among the three parties.

The Audit and Supervisory Board meets once a month in principle and whenever necessary. The specific matters for consideration were as follows.

Matters Resolved

- Selection of Full-time Audit and Supervisory Board Members, specified Audit and Supervisory Board Members, and chairperson of the Audit and Supervisory Board
- Formulation of the audit plans for Audit and Supervisory Board Members
- Consent to remuneration for the accounting auditor
- Consent to proposals for the appointment of Audit and Supervisory Board Members
- Preparation of audit reports by the Audit and Supervisory Board
- Decision of reappointing the accounting auditor, etc.

Matters Reported

- Matters concerning the Company's financial statements
- Matters concerning internal controls
- Status of internal audits
- Status of accounting audits, etc.

Attendance Rate of Outside Audit and Supervisory Board Members
(FY2025 actual)



Selection of Director and Audit and Supervisory Board Member Candidates

In recommending Director candidates, the Board of Directors, in accordance with the intent of the Banking Act, selects individuals who are highly insightful and socially credible. It is the Board's policy to nominate a majority of its members as Outside Directors. In selecting candidates for Audit and Supervisory Board Members, the Audit and Supervisory Board carefully considers candidate qualifications as Audit and Supervisory Board Members, taking into consideration factors including the candidate's ability to serve out their full term of office, ensure independence from business executors, and maintain a fair and unbiased perspective. Further, when nominating a candidate from the Rakuten Group, the Special Advisory Committee is consulted in advance to determine whether there are any obstacles to the sound and appropriate management of the Company's business, as well as to protect minority shareholders, as interrelated personnel matters between the Rakuten Bank Group and the Rakuten Group.

Evaluation of Effectiveness of the Board of Directors

To further improve the Board of Directors' efficacy with the aim of ascertaining matters that require consideration going forward, the Company conducted a survey on the Board of Directors' operation targeting all Directors and Audit and Supervisory Board Members in April 2026 to assess the overall efficacy of the Board of Directors, and the results of this survey were reported to the Board of Directors in May 2026.

Evaluation Method

Evaluators: Directors, Audit and Supervisory Board Members (total of 9 individuals)
Methodology: Questionnaire. 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 important business execution, and deliberations by the Board of Directors, etc.

Evaluation Results

The Company has confirmed that the effectiveness of the Board of Directors was generally ensured. In addition, the following intentions were also confirmed for further improvement effectiveness:

- To strive for more in-depth discussions on important themes such as growth strategies based on the economic and competitive environment, human capital strategies based on the economic and competitive environment and AI utilization policies.
- Regarding the submission standards for the Board of Directors, the content and volume of agenda items and reporting items are appropriate, and we will continue to work on efficient operation aimed at in-depth discussions.

Efforts to Improve Effectiveness

Based on the results of the effectiveness evaluation for the previous fiscal year, we implemented the following measures to further enhance the deliberations and improve the effectiveness of the Board of Directors:

- Established time for free discussions in addition to deliberations on Board resolutions and reports, to facilitate more in-depth discussions on important themes such as management issues and growth strategies.
- Introduced written reports for routine agenda items and optimized meeting durations based on the nature of each proposal, thereby ensuring sufficient time for in-depth deliberations.

Overview of Corporate Governance

Policy on Determining Remuneration Amounts for Directors

Basic Policy

With an awareness of our social responsibility and public role as a bank, the executive compensation system is designed in line with our management philosophy of working to win the unshakable trust of society and firmly establish our value through our commitment to sound and efficient business operations based on a high level of self-discipline. Compensation levels are determined on the basis of economic and social conditions, industry trends, and the Company's business environment and performance, among other factors, to ensure appropriateness as an incentive for Directors to maximize their roles, as well as compensation commensurate with responsibilities and achievements.

Compensation Structure

Executive Director compensation consists of fixed compensation (basic compensation) and variable compensation (performance-linked compensation and non-monetary compensation (Stock Options)). To achieve sustainable growth through the achievement of management targets and enhance corporate value over the medium- to long-term, we have adopted a compensation system in which variable compensation (performance-linked compensation and non-monetary compensation (Stock Options)) accounts for a higher proportion of overall compensation.

Non-executive Directors receive fixed compensation in light of their role in supervising the Company's management from an objective and independent standpoint. The policies for determining each type of compensation are as follows.

Fixed Compensation (monthly payments)	Variable Compensation (annual payment)
Executive Director fixed compensation is determined based on comprehensive consideration of their duties as executive officers, character evaluation, length of tenure, and past contributions to the Company's performance and enhancement of corporate value. Non-executive Director fixed compensation is determined based on consideration of each executive officer's character evaluation, knowledge, experience, and contributions to the Company's management through past proposals, as well as expected contributions to the Company's management through future proposals.	Executive Director variable compensation is determined based on consideration of the Company's performance in the relevant fiscal year and the degree to which the Executive Director contributed to that performance, and contributions to efforts in the relevant fiscal year aimed at enhancing the Company's future corporate value.

Compensation Determination Process

The specific amount of compensation for each Director is determined by a resolution of the Board of Directors and authorized by the President & CEO.

All Outside Directors review and determine the proposed compensation for each Director within the maximum scope of compensation approved by the Shareholders' Meeting and in accordance with the intent of the policy for determining Director compensation.

The President & CEO determines compensation for each Director, affording the maximum respect to the compensation proposals for each Director reviewed and determined by all Outside Directors.

Support System for Outside Directors and Outside Audit and Supervisory Board Members

The Company provides support to Outside Directors and Outside Audit and Supervisory Board Members by offering explanations of the operations of each division from the respective division heads upon their appointment. Additionally, after regular Board meetings, we generally arrange individual opportunities for the President & CEO and Outside Directors and Outside Audit and Supervisory Board Members to exchange opinions. This ensures that they continuously acquire the information and knowledge necessary to fulfill their roles after their appointment. Furthermore, Board meeting materials are distributed, in principle, two business days before the meeting to give sufficient time to review them. If an Outside Director notifies us in advance of their absence, we provide explanations of the agenda and seek their opinions, and share the minutes after the meeting to ensure information is shared. For Outside Audit and Supervisory Board Members, the Full-time Audit and Supervisory Board Members share information related to audits. Additionally, we have established an Audit and Supervisory Board Secretariat with dedicated staff to assist all Audit and Supervisory Board Members, including Outside Audit and Supervisory Board Members, in their audit duties.

Internal Audits

Internal audits are conducted independently by the Internal Audit Department, which reports directly to the President & CEO. Audit results are also reported to the Board of Directors and the Audit and Supervisory Board. The Internal Audit Department verifies the appropriateness and effectiveness of the internal control and risk management systems across overall business operations, considering the characteristics of operating as an online bank, in order to realize the Company's management philosophy and corporate objective. It identifies and points out issues and proposes improvement methods. In addition, to enhance the effectiveness of internal audits, the department secures highly specialized auditors and encourages and supports the acquisition of qualifications such as Certified Internal Auditor (CIA), thereby aiming to nurture human resources.

Internal audits are conducted annually based on a medium-term audit plan and an annual audit plan, which are formulated and approved by the Management Conference and the Board of Directors. When formulating the audit plan, risk assessments are conducted based on the recognition of the external and internal environments, and audit themes are determined using a risk-based approach. High-risk audit items form the basis of the key audit items, but low-risk audit items are not uniformly excluded audit scope, and past audit results and rotation are considered to create a balanced plan.

On the other hand, considering that we are an online bank, we place strong emphasis on system audits. We assign auditors responsible for system audits and conduct system audits annually. We also arrange for an external third party to conduct a periodic evaluation of our system risk management framework once every three years.

Internal audits are conducted using a risk-based approach in accordance with the standards of the Institute of Internal Auditors (IIA). In addition to internal quality assessments conducted annually, we endeavor to enhance our internal audits by undergoing regular external quality assessments by third-party organizations.

Management Team (As of June 30, 2026)

Directors

	Name/Position	Reasons for Appointment
	**Hiroshi Mikitani** Chairman	Since founding what is now the Rakuten Group in February 1997, Mr. Hiroshi Mikitani has directed the management of the Rakuten Group as its Representative Director, establishing the unique Rakuten Ecosystem, an innovative and unprecedented business model. He concurrently serves as Representative Director, Chairman, President and CEO of Rakuten Group, Inc., Executive Chairman of Rakuten Card Co., Ltd., and Representative Director and Chairman of Rakuten Mobile, Inc. The Company considers that his extensive achievements and experience will contribute to strengthening the Company's function, and therefore has appointed him as Director.
	**Tomotaka Torin** Representative Director, President and CEO	He has many years of experience in businesses including banking and securities in Japan and overseas. He has also served in important positions such as Chief Compliance Officer of Rakuten Group, Inc., Chief Compliance Officer of Rakuten Mobile, Inc., and Managing Executive Officer of Rakuten Group, Inc. He also has management experience as Managing Executive Officer of the Company. The Company has appointed him as Director because it believes that these extensive achievements and experience will contribute to the Company's further development.
	**Naoki Mizuguchi** Director and Executive Vice President	In addition to his experience at financial institutions, he has also served in important positions such as Executive Manager of the finance department and Function Chief Compliance Officer since joining what is now Rakuten Group, Inc. in August 2006. As Managing Executive Officer of the Company, he has managed the finance, planning, compliance management, and credit divisions. The Company has appointed him as Director because it believes that this extensive experience and achievements will contribute to further enhancing the Company's corporate value.
	**Masatsugu Nagato** Outside Director	He has held important positions such as Director and President and Representative Executive Officer of Japan Post Bank Co., Ltd. and Japan Post Holdings Co., Ltd., and possesses a wealth of experience and insight nurtured while serving as a corporate manager. The Company has appointed him as an Outside Director to receive advice and opinions from an objective perspective based on the aforementioned knowledge and experience, and to incorporate this experience and insight and further enhance the Company's corporate governance.
	**Kayoko Kawamura** Outside Director	She has served as systems engineer for financial institutions and head of application development at IBM Japan, Ltd. and is currently mainly responsible for supporting digital transformation (DX) at client companies, and possesses a wealth of knowledge and experience relating to DX. She also has experience in managing corporate organizations as a non-executive director. The Company has appointed her as an Outside Director, expected to provide advice and make other contributions from an objective viewpoint based on this knowledge and experience, and to utilize these qualities to reinforce the Company's strengths as a digital bank and further enhance the Company's corporate governance.
	**Satoshi Kawai** Outside Director	He possesses professional knowledge and experience as an attorney-at-law and a wealth of experience and insight nurtured during his tenure as Special Member of the Dispute Reconciliation Committee for Nuclear Damage, Ministry of Education, Culture, Sports, Science & Technology, and Member of Subcommittee for Reform of Incorporated Administrative Agencies, Counsel for Promotion of Administrative Reform, Headquarters for Promoting Administrative Reform of the Cabinet Secretariat, among other positions. The Company has appointed him as an Outside Director, expected to provide advice and make other contributions from an objective viewpoint based on his knowledge and experience, and to utilize the experience and insight to further enhance the Company's corporate governance.
	**Mari Kogiso** Outside Director	She possesses diverse experience as an entrepreneur and senior manager, in addition to experience at financial institutions. Also brings a wealth of experience serving in key positions in global organizations, as well as extensive experience as an Outside Director or Audit and Supervisory Board Member at various companies. The Company has appointed her as an Outside Director, expected to provide advice and make other contributions from the diverse viewpoints cultivated through this experience, and to utilize this experience and insight to further enhance the Company's corporate governance in pursuit of sustainable growth.

Audit and Supervisory Board Members

	Name/Position	Reasons for Appointment
	**Jun Ikeda** Full-time Audit and Supervisory Board Member	He has held key positions in financial administration, fiscal policy, and organizational management at the Ministry of Finance, the Financial Services Agency, the Deposit Insurance Corporation, and other bodies, and possesses exceptional insight. In addition, he has practical experience in finance and investment management, as well as serving as a full-time auditor at private-sector companies, and possesses deep insight into concrete and effective auditing methods grounded in the realities of corporate operations. The Company has appointed him as an Outside Audit and Supervisory Board Member to utilize his outstanding expertise in the financial sector and his management oversight capabilities, backed by practical experience, within the Company's audit framework, to contribute to the Company's sustainable growth and the enhancement of corporate value.
	**Shinnosuke Yamada** Outside Audit and Supervisory Board Member	He possesses professional expertise as a certified public accountant and a wealth of experience and insight gained through his previous roles, including Chairman of the employee meeting of KPMG AZSA LLC, Director (Audit Committee Member) of T&D Holdings, Inc., and outside corporate Auditor of EXIO Group, Inc. The Company has appointed him as an Outside Audit and Supervisory Board Member to utilize this experience and insight cultivated to supervise the Company's management, further enhancing the Company's governance framework.
	**Toru Mimura** Outside Audit and Supervisory Board Member	He possesses a wealth of experience and insight in finance, global risk management, corporate legal affairs, etc. gained through many years of holding important positions across a wide range of fields in ministries and agencies, as well as serving as the chairman of a research institute. The Company has appointed him as an Outside Audit and Supervisory Board Member to incorporate this experience and insight and further enhance our corporate governance.
	**Kiyoko Ohora** Outside Audit and Supervisory Board Member	She served as an Executive Officer at S&P Global Ratings Japan Inc., supporting management decision-making while leading efforts to coordinate with regulatory authorities and establish and operate internal controls in collaboration with the compliance department. Furthermore, with many years of experience in credit rating analysis for financial institutions, she possesses advanced analytical skills in the assessment of both financial and non-financial risks, as well as deep insight into the importance of corporate governance in business management. The Company appointed her as an Outside Audit and Supervisory Board Member to utilize this experience and expertise to strengthen the Company's audit framework.

Skills Matrix

Position	Name	IT	Finance	Management	Legal Affairs	Finance & Accounting
Director	**Hiroshi Mikitani**	●	●	●		
Director	**Tomotaka Torin**	●	●	●		
Director	**Naoki Mizuguchi**		●	●		●
Outside Director	**Masatsugu Nagato**		●	●		
Outside Director	**Kayoko Kawamura**	●				
Outside Director	**Satoshi Kawai**				●	
Outside Director	**Mari Kogiso**		●	●		
Outside Audit and Supervisory Board Member	**Jun Ikeda**		●			●
Outside Audit and Supervisory Board Member	**Shinnosuke Yamada**					●
Outside Audit and Supervisory Board Member	**Toru Mimura**		●		●	
Outside Audit and Supervisory Board Member	**Kiyoko Ohora**		●			

Efforts to Ensure Independence from Parent Company and Protect Minority Shareholders

We are in a parent-subsidiary listing relationship with Rakuten Group, Inc. From the perspectives of maximizing the corporate value of both the Company and Rakuten Group, ensuring independence from the parent company, and protecting minority shareholders, we have established an appropriate governance framework.

Basic Management Agreement with the Parent Company

We have entered into a "Basic Management Agreement" with Rakuten Group, Inc., our parent company, to define the basic relationship between the two companies.

The agreement stipulates compliance with the *Rakuten Shugi*, the fundamental philosophy of the Rakuten Group, the Core Policies, which set forth the fundamental principles of the Rakuten Group's governance, and the Rakuten Group Code of Ethics, which establishes the basic standards for Directors and employees to observe. At the same time, it stipulates that the Company's independence in management, as required from the perspective of the public interest as a bank and as a listed subsidiary, shall be respected. Rakuten Group, Inc. also stipulates that it respects the establishment of a governance framework under which appropriate checks and balances are ensured, such as the Company's proactive appointment of Directors from outside the Rakuten Group, and that it also respects the Company's authority over personnel matters concerning its employees. The agreement contains no provisions regarding the nomination or appointment of the Company's Directors, executive officers, or other senior management by Rakuten Group, Inc. Furthermore, the agreement does not require prior approval from or prior consultation with Rakuten Group, Inc. Reports from the Company to its parent company are made only as necessary under the agreement and to the extent permitted under applicable laws and regulations.

Furthermore, the agreement stipulates that, should the Company's business performance deteriorate, Rakuten Group, Inc. will take the measures necessary to ensure the Company's sound and appropriate business operations. Conversely, should the business performance of Rakuten Group, Inc. deteriorate, it will not request capital contributions, loans, or other financial support from the Company. Based on these provisions, we believe that the Company's management independence is appropriately ensured.

Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

At all 13 meetings of the Special Advisory Committee held during fiscal 2025, no concerns were raised regarding the appropriateness of transactions with the Rakuten Group. In addition to establishing the Special Advisory Committee, we verify the business necessity of and the appropriateness of the terms and conditions of transactions with related parties in accordance with the Regulations on Transactions with Specific Related Parties and the Administrative Standards for Related Party Transactions. To ensure the effectiveness of this verification process, we have also established a framework for comprehensively identifying and verifying transactions with related parties.

Regular Reporting Items of the Special Advisory Committee	Report on transaction balances with the Rakuten Group Performance report on the Rakuten Card Super Trust List of transactions with the Rakuten Group (transactions with specific related parties) List of transactions with related parties Status of secondees Verification of the appropriateness of the group core asset usage fees under the Agreement on the Use of Group Core Assets with Rakuten Group, Inc. and the brand license fees under the Non-exclusive Brand License Agreement with Rakuten Group, Inc. Verification of the appropriateness of expenses under the Group Comprehensive Agreement with Rakuten Group, Inc. Attendance of full-time Directors at meetings hosted by the Rakuten Group

Status of Ensuring Independence from the Parent Company

Relationship with the Rakuten Ecosystem	As the digital bank within the Rakuten Ecosystem, the Company forms part of the Rakuten Group's FinTech segment together with Rakuten Card Co., Ltd., Rakuten Securities, Inc., Rakuten Life Insurance Co., Ltd., Rakuten General Insurance Co., Ltd., Rakuten Payment, Inc., Rakuten Edy, Inc., and other Group companies, and engages in a wide range of collaborations with Rakuten Group, Inc. and other companies within the Rakuten Group. We believe that providing banking services integrated with Rakuten Group services delivers added value to our customers, which in turn further increases customer loyalty to both the Company and the Rakuten Group. In this way, we use Rakuten Points, based on our own independent judgment, as one of the incentive programs to strengthen customer loyalty to the Company. We also leverage the Rakuten Ecosystem, including its brand recognition, market presence, and mutual customer referrals among Rakuten Group companies, to provide customers with convenience and price competitiveness that differentiate us from other internet banks. These initiatives contribute to the efficient acquisition of new customers and the retention of existing customers. Accordingly, we believe that continuing to strengthen synergies with the Rakuten Ecosystem will contribute to maximizing the corporate value of both the Company and the Rakuten Group.
Composition of the Board of Directors	Under the Regulations of the Board of Directors, in principle, at least half of the Directors are appointed from outside the Rakuten Group. In addition, the Basic Management Agreement with Rakuten Group, Inc. stipulates that Rakuten Group, Inc. respects the Company's proactive appointment of Directors from outside the Rakuten Group. Accordingly, we are proactive in appointing Directors from outside the Rakuten Group. Of the Company's seven Directors, one concurrently serves as a Director of Rakuten Group, Inc. In contrast, four outside Directors, representing a majority of the Board, have been appointed. All four have been designated as independent officers based on the Company's own independence criteria, which were established with reference to the Tokyo Stock Exchange's independence standards, as they are considered to possess sufficient independence. Accordingly, we believe that the Company is able to make independent management decisions and that the Board's mutual oversight function, as well as the transparency and fairness of its decision-making process, is properly ensured.
Personnel Relationships	Rakuten Group, Inc. actively promotes personnel exchanges within the Group from the perspectives of operational efficiency, business need, human resource development, and career path development based on the future career aspirations of individual employees. Accordingly, the Company also accepts secondees from other companies within the Rakuten Group, including Rakuten Group, Inc. The proportion of secondees from other companies within the Rakuten Group accounts for less than ten percent of the Company's workforce, and we therefore believe that our operations do not depend on secondees. With respect to personnel appointments for line managers and above, who are responsible for organizations with delegated operational responsibilities, individuals are transferred to the Company as permanent employees, following the termination of their secondment, from the perspectives of ensuring independence from the parent company and maintaining management stability. We also continuously monitor secondment arrangements and ensure that the duration of secondments can be determined at the Company's discretion. In addition, secondments from the Company to other companies within the Rakuten Group are implemented only where we determine they are necessary for the Company's business operations.
Material Agreements	In addition to the Basic Management Agreement, the Company has entered into license agreements with Rakuten Group, Inc. for the use of the Rakuten brand, including its logos and domain names. The license fees payable under these agreements are calculated as a fixed percentage of the gross profit of the Rakuten Bank Group, and the applicable rate is determined on a reasonable basis through consultation with Rakuten Group, Inc. Prior to the execution of these agreements, the matters are submitted to the Special Advisory Committee for consultation, and the agreements are concluded only after all committee members present have expressed that they have no objection.

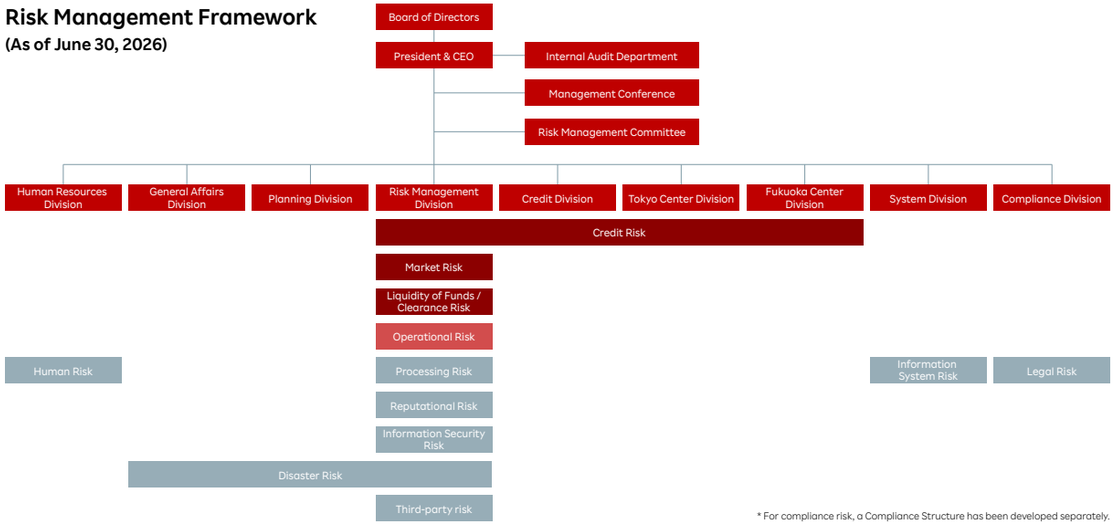
Risk Management

We discuss various risks identified in the verification of our risk profile, the status of those risks, necessary countermeasures and subsequent monitoring methods, and implement risk management measures based on the risks that are unique to a digital bank.

Risks Unique to Digital Banks

We are funded primarily by deposits from individual customers in all regions of Japan. In order to manage these funds safely, our investments are predominantly focused on individual loans, such as housing loans and card loans, as well as securitized assets backed by credit card receivables of Rakuten Card Co., Ltd. Hence, we regard personal credit as the center of our credit risk and manage the risk by monitoring the status of the portfolio for each product and reporting the results to the Risk Management Committee. In addition, since we are a bank that does not have physical stores, we believe that we may be more susceptible to the risk of online criticism than other financial institutions. Recognizing our liquidity risk, we constantly monitor and respond to reputational risk.

Risk Management Framework
(As of June 30, 2026)



* For compliance risk, a Compliance Structure has been developed separately.

Cultivating a Risk Culture

As we aim to become the "safe, secure, and most convenient bank," it is essential to build a risk management system that can respond well to changes in the business environment and the expansion of our business. We have positioned the continuous improvement of the risk management framework as a management issue of the highest priority. Through in-house training and other measures, we aim to cultivate a risk culture in which all officers and employees, from management executives to young employees, are aware of our public mission as a bank, as well as the importance of risk management and compliance, and act accordingly.

Top Risks

As part of our integrated risk management process, we evaluate and review its risk profile on an annual basis. In the event that various risk scenarios become more plausible, the Rakuten Bank Group will, from the perspective of impact and probability, identify risk events that are particularly important for management. Then, management will conduct discussions at meetings of the Risk Management Committee, etc. before identifying the following "top risks." Once identified, we take necessary measures to deal with these top risks in advance. We formulate and implement preventive measures that can control these risks to the greatest extent possible and use the measures to properly control such risks and strengthen governance.

Major Top Risks

Risk Event	Risk Scenarios (Examples)
System Failure	● Administrative penalties, claims for damages, or damage to the social credibility of the Rakuten Bank Group, etc. due to the suspension of service, resulting from system failures caused by hardware or software defects or errors, or due to mistakes of officers or employees
Cyber Attacks	● Damage to the social credibility of the Rakuten Bank Group, a loss of customers, or claims for damages, etc. due to the suspension of service, resulting from attacks by criminal or terrorist organizations, or due to the destruction or loss of data
Relationship with the Rakuten Group	● Restricted use of the "Rakuten" brand and restrictions on collaborations with Rakuten Group companies, if we cease to be a subsidiary or affiliate of Rakuten Group, Inc. ● User departure and a decline in revenue as a result of a negative impact on the brand of the Rakuten Group as a whole, due to a company under the Rakuten Group experiencing poor performance, administrative penalties, or any other mistrust or misconduct in relation to its products and services
Regulations of Supervisory Authorities, etc.	● Supervisory authorities may hand out administrative penalties or guidance to us, based on the Banking Act and other related laws and regulations
Inadequate Measures Against Financial Crimes, Money Laundering and Sanctions Violation	● Damage to the social credibility of the Rakuten Bank Group in line with deterioration of the Group's reputation, due to a delay in responding to the rapid increase in complexity and sophistication of criminal methods, and the incurrence of expenses associated with the implementation of additional measures ● Administrative penalties, damage to our social credibility, etc. due to anti-money laundering measures and sanctions violation controls not working effectively
Rising Interest Rates due to Changes in Monetary Policy	● Increase in credit-related costs due to higher interest on loans ● Occurrence of valuation losses on held securities due to changes in domestic and international monetary policies
Intensification of Competitive Environment	● Intensifying competition with other financial institutions as the digital shift in society progresses ● Intensifying competition due to companies from other industries entering the banking industry and providing financial services ● Intensifying competition for deposit acquisition in a world with positive interest rates
Delayed Response to Technological Innovation	● Service obsolescence and loss of competitiveness ● Increase in expenses due to the need to improve existing systems and develop new ones, etc.
Occurrence of Natural Disasters, Pandemics, etc.	● Suspension of business and significant deterioration in service quality due to damage to business sites or an increase in infections among officers and employees ● Decrease in demand for the Company Group's services resulting from a stagnation in economic activity caused by the occurrence of natural disasters, pandemics, etc.
Difficulty in Securing Human Resources	● Decrease in competitiveness and restrictions on business expansion measures in the event that it becomes difficult to secure funds and human resources required for business expansion

The above is a non-exhaustive list of the risks that we are currently aware of and risks other than those listed above may also have a significant impact on management. Please refer to our website for a full list of possible risk events that we might face.

https://www.rakuten-bank.co.jp/corp/english/about/governance/risk.html

Risk Management

Risk Management Framework

Our Board of Directors has established our risk management policies in the Regulations for Company-wide Risk Management, which include specific rules and detailed regulations for individual risk management based on the overall policy. Business is conducted in accordance with the rules and regulations prescribed. Our overall risk management system is centrally managed by the Risk Management Division, with monthly reporting to the Risk Management Committee, Management Conference and Board of Directors. Meanwhile, the Regulations for Crisis Management are in place for cases of business incidents and/or natural disasters, which allow us to take all possible measures necessary to ensure that we can serve our public function as a bank, even in unforeseen circumstances.

Integrated Risk Management Framework

Capital Risk Management	We have been managing capital allocations (hereinafter referred to as "capital allocation") for the purpose of containing the level of risk exposure (including credit risk, market risk, and operational risk) within the amount of capital allocated and ensuring sound management. In specific terms, by setting the upper limit of possible risk (allocable capital) and by avoiding eroding capital under the rapid downturn of economy and markets through securing a fixed surplus capital (hereinafter referred to as "capital buffer"), we ensure risk exposure is contained within the capital allocated to each risk category, namely market risk, credit risk, and operational risk. The amounts of capital allocations are determined on a quarterly basis by the Board of Directors.
Stress Tests	In order to formulate and execute forward-looking business strategies, we use stress test methods. We analyze and grasp the impacts of changes in the business environment and risk profile due to future "Changes of the economic environment," "Changes of the business trends," and "Other changes of the social situations, natural or man-made disasters." In specific terms, we develop several scenarios such as "Changes of the economic environment (interest rates, foreign exchange rates, and stock prices, etc.)," "Changes of the business trends (corporate performances, employment environment, annual earnings, etc.)," and "Other changes of the social situations (international political situations, domestic security situations, etc.), natural (earthquake, storm and flood disaster, etc.) or man-made (wars, terrorisms, infrastructure failures, etc.) disasters." We conduct "Verification of the capital buffer sufficiency on the capital allocation," "Verification of the influence on prospective revenue," "Verification of the capital liquidity," "Verification of the influence on business continuity" quarterly and report the results to the Risk Management Committee, Management Conference and the Board of Directors.

Market Risk and Credit Risk Management Framework

Market Risk Management	We define market risk as the risk of declining profits or incurring losses due to fluctuations in the value of assets held as a result of variation in interest rates, foreign exchange rates and stock prices. Moreover, the sources of such assets include (i) investment assets generated through investment operations and (ii) securities and other assets held for strategic purposes including 1) Japanese government bonds, municipal bonds and government backed bonds; 2) Japan Housing Finance Agency mortgage-backed securities; 3) listed stocks, ETFs; 4) foreign currency; and 5) other marketable assets. We have stipulated the method of measurement of risk capital, loss-cut rules, monitoring methods and cycles for each of the above assets in the Regulations for Market Risk Management and Detailed Regulations for Market Risk Management. The maximum amount of potential loss (Value at Risk) is calculated on a daily and monthly basis, and the measurement results are used in the management of capital allocation. The status of compliance with each rule is reported on a daily and/or monthly basis to the Risk Management Committee, Management Conference and the Board of Directors, etc.
Credit Risk Management	We define credit risk as the risk of a decrease in or the loss of the value of assets and incurring losses mainly due to deterioration in an obligor's financial position. Moreover, the sources of such assets include (i) trade-receivables generated through the provision of services; (ii) investment assets generated through investment operations; (iii) receivables generated through loan operations; and (iv) securities and other assets held for strategic purposes. We have stipulated the method of measurement of risk capital, decision-making processes as to credit offering based on the amount, loss-cut rules, and monitoring methods and cycles for each of the above assets in the Regulations for Credit Risk Management and Detailed Regulations for Credit Risk Management. As mentioned above, we primarily handle small-lot credit for individuals such as housing loans, Rakuten Bank super loans (card loans), and securitized assets backed by credit card receivables of Rakuten Card Co., Ltd. By implementing risk measurements for each pool created according to product and debtor characteristics, we quantitatively grasp and manage this credit risk. For securities holdings and corporate customers with business loans, we grant common debtor ratings stipulated in the "Internal Rating Detailed Rules" and manage credit limit based on the credibility of the obligors. In addition, the status of credit risk management is reported monthly to the Risk Management Committee, Management Conference and the Board of Directors, etc.

Liquidity Risk Management Framework

In order to ensure that operations remain continuous without interruption, even in the event of a drastic outflow of deposits such as in the event of a run on banks, or in situations of stress under which asset outflows are expected to continue over a period of time, We have set forth the basic policy on liquidity risk in the Regulations for Company-wide Risk Management and Regulations for Liquidity and Settlement Risk Management for the purpose of securing funding based on the holding and utilization of assets, which are convertible into cash. Additionally, we manage liquidity risk through the clarification of an action plan intended to ensure sufficient liquidity and control reputational risk by setting forth the Liquidity Risk Contingency Plan, whose basic policy involves a judgment of the situation and its categorization into "Normal," "Requiring Caution," "Cause for Concern," or "Crisis Point," depending on the fund liquidity status (mode determination) and taking appropriate actions. The liquidity risk management monitoring results are reported monthly to the Risk Management Committee and the Board of Directors, etc.

Operational Risk Management Framework

In accordance with the Regulations for Company-wide Risk Management and the Regulations for Operational Risk Management, we identify the reinforcement of our operational risk management framework as one of our priority management tasks and have been developing and improving our operational risk management framework, as well as enhancing its sophistication.

Processing Risk Management Framework	In order to address potential processing risks, we, as a general rule, conduct an Operational Risk Assessment every year, with particular emphasis on identifying the location, type and impact of risks inherent in the Company's processing flow. At the same time, an evaluation of the control status of such risks is conducted and risk reduction measures are deliberated and implemented for processing flows, which are determined to be high risk. Additionally, in order to address risks that have materialized, we define events that require reprocessing or responses from the entire organization, separate from normal business processes, whether caused by willful intent or inadvertent administrative error of the Company's executives, employees, or subcontractors, or errors in the systems or administrative processes, as 'incidents.' We have been striving to reduce risks by building a framework to prevent recurrence of incidents that match the degree of materialization of such risks. The status of assessment and the occurrence/causes/prevention measures of such incidents are reported to the Risk Management Committee, etc.
Information System Risk Management Framework	As we depend on computer systems for the greater part of our business operations, we recognize information system risk to be one of our most fundamental risks; and accordingly, have built a management framework, in addition to strictly overseeing the planning, development and operation of our company-wide systems. Moreover, in addition to duplicating networks and hardware and implementing off-site storage of customer data in preparation for disasters and failures, we have established a disaster control center capable of quickly resuming operations following disasters to ensure even more reliable and safe operations. Furthermore, we have established a detailed Contingency Plan that places the highest priority on the preservation of customers' assets, as part of a framework that allows customers to engage in transactions with peace of mind. Our overall policy on information system risk has been resolved by its Board of Directors and articulated in the Regulations for Information System Risk Management and Detailed Regulations for Information System Risk Management. Based on the Regulations, purpose-specific rules as well as office standards and manuals are in place to familiarize our employees with the overall policy on information system risk. Additionally, the management status of information system risk is reported on a monthly basis to the Risk Management Committee, the Board of Directors, etc.
Information Security Risk Management Framework	In order to address the threats to customer assets, customer information, bank assets and bank information, we implement the following measures based on the management frameworks for operational risk, including information security risk, information system risk and compliance risk. The Risk Management Division is responsible for the overall management of information security risk; the System Division is responsible for the management of system security associated with information system risks; and the Compliance Division is responsible for dealing with financial crimes, while a mechanism has been put in place that ensures the absence of any gaps among the risk management of each division. In addition, to ensure we uphold the confidentiality, integrity, and availability of the system that maintains and manages our information assets, we have built a management system that complies with the FISC Security Guidelines. Furthermore, regarding external threats to the web system, we constantly make improvements based on a regular security diagnosis by a third party, etc., and implement the latest system security measures. Additionally, incident reports relating to information security risk, the security status of information systems, and reports on the handling status of financial crimes are given by each division on a monthly basis to the Risk Management Committee, Compliance Committee, and the Board of Directors, etc.
Management Framework of Other Operational Risks	**(i) Reputational risk** We define reputational risk as the risk of disruption to the Company's operations due to media reports and/or rumors stemming from false facts or actual materialization of various risk cases relating to the Company's operations and manages such risks by establishing the Regulations for Reputational Risk Management, which set forth basic management policies and the response methods in the event that such risks materialize. **(ii) Human risk** We define human risk as the risk incurred from HR operations, such as inequality or inequity in the Company's human resources management (including problems with remuneration, benefits, dismissal, etc.) and discriminatory conduct (including sexual harassment), and an increase in the number of employees going on long-term leave as a result of mental problems, and other factors. We have established the Human Risk Management Regulations to set out a basic management policy and implement measures accordingly. **(iii) Legal risk** We define legal risk as the risk of incurring losses (including litigation costs, attorney fees, etc.) due to penalties, administrative sanctions, compensation for damages, contract invalidation, or other causes stemming from laws or legal disputes. We have established the Legal Risk Management Regulations to set out a basic management policy and implement measures accordingly. **(iv) Third-party risk** We define third-party risk as the risk that a disruption in the operations of a third party could affect the continuity, stability, or reliability of our critical operations, financial services, or financial system. We have established the Third-Party Risk Management Regulations to set out a basic management policy and implement measures accordingly. At Rakuten Bank, "third party" refers to any external entity other than the Company and its customers that is involved in and complements our operations or services in some way to provide customers with a wider range of services. We report the status of third-party management and any incidents occurring at third parties, including details of the occurrences, causes, and recurrence prevention measures, to the Risk Management Committee and other relevant bodies.

Security

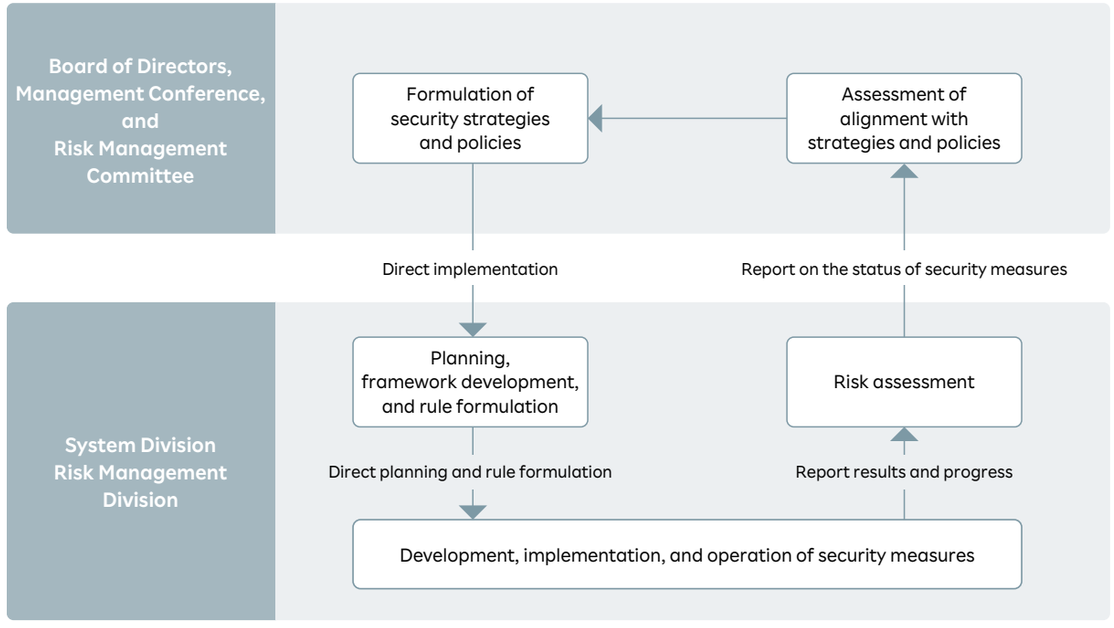
To ensure that customers can use our services safely and securely, we are committed to balancing customer convenience and security while thoroughly enforcing compliance and risk management and continuously strengthening our already robust security management framework.

Cybersecurity Management Framework

Cyber threats are becoming increasingly severe each year, and attacks on financial institutions represent a management risk that directly affects business continuity and customer trust. In response to these evolving threats, we have established a framework for enterprise-wide management of cybersecurity risks, with management and operational divisions working together to strengthen the Company's overall cybersecurity capabilities. This framework enables consistent initial response, cross-functional collaboration, and coordination with external organizations.

Under the leadership of senior management, we clearly define the roles and responsibilities of each division and strengthen coordination among them. By establishing a framework that enables prompt, consistent responses during both normal operations and emergency situations, we will continue to enhance the Company's overall security posture.

Cybersecurity Management Framework



Ensuring Robust Security

We anticipate future trends in crime and fraudulent transactions and take preemptive measures accordingly. However, as methods of crime and fraudulent transactions evolve over time, failure to make timely and appropriate improvements to security could expose customers to risks.

While we possess the technologies and resources necessary to ensure security so that customers can use our convenient services in safety and security, we are committed to making them even more robust. By continuously allocating sufficient management resources to security and establishing a company-wide framework to drive these initiatives, we aim to establish a robust security management framework.

Safe and Secure Security Features

Enhanced Authentication Functions	Account Management and Usage Restriction Functions
Security Questions This method verifies the user's identity by using a pre-registered question-and-answer set chosen by the customer as supplemental authentication. (Also referred to as risk-based additional authentication (authentication using a passphrase).)	**Security Keyboard** Instead of entering their user ID or login password as they are, this function requires the customer to enter the corresponding alphanumeric characters according to a table that maps each original character to another character on a one-to-one basis.
IP Restriction Service By registering the IP addresses or domain names the customer normally uses in advance, this service restricts logins and transactions from unregistered IP addresses.	**Maximum Limits on Transfers** This function allows the customer to set a limit for the available amount for transfer per day (units of JPY 1,000).
Login Restriction Enhances login security from computers by adding extra authentication items.	**ATM Withdrawal Restriction** This function allows the customer to change conditions for withdrawing deposits from ATMs (such as stopping withdrawals, setting ATM withdrawal limits, or restricting withdrawal hours).
Mobile Access Restriction Restricts logins and transactions from smartphones.	**Transaction Notification Email** This service notifies the customer by email whenever there is a login to the transaction screen or when a transaction/procedure is carried out.
Security Card Authentication Uses a unique table (security card) containing alphanumeric characters assigned to each customer. Authentication is performed by entering the alphanumeric characters located in the positions specified on the transaction screen.	**DigiCert EV SSL Certificates (Extended Validation SSL)** In order to confirm the existence of a website's operator, an EV SSL certificate is issued through a strict authentication process in compliance with universal industry standards. As a security countermeasure against phishing scams, which have been causing increasingly severe damage, we employ DigiCert's EV SSL Certificates.
Debit Authentication Service When shopping online, in addition to entering card details such as the card number and expiration date, the customer must input a one-time key sent to a pre-registered one-time authentication email address. This service helps prevent fraudulent use such as identity theft through stolen card information.	**Debit Use Restriction** The Rakuten Bank Debit Card allows the customer to set usage restrictions by domestic/overseas transactions and a daily usage limit according to their individual usage patterns. This helps reduce potential damage in the event of card loss or theft.

For information on compensation and relief measures in the event of unauthorized use, please refer to our website.
https://www.rakuten-bank.co.jp/security/loss/ (Japanese only)

Compliance

To fulfill our social responsibility as a bank, we recognize that it is of utmost importance for us to conduct our business activities with high ethical standards, and to ensure the soundness of management, in order to earn the trust and confidence of society. Therefore, in addition to ensuring compliance with laws, regulations, and social norms, we also require our officers and employees to act fairly based on the highest ethical standards.

Compliance Structure

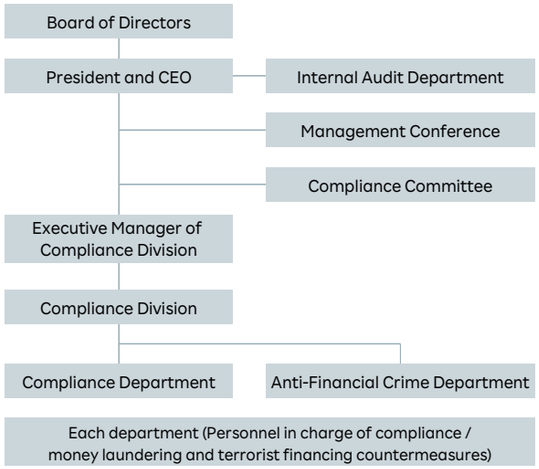
Within the Compliance Division, we have established the Compliance Department to oversee the company-wide compliance framework, and the Anti-Financial Crime Department to oversee measures to prevent money laundering and terrorist financing.

The Compliance Division formulates the Compliance Program, a specific and company-wide implementation plan regarding compliance, which is then resolved by the Board of Directors.

Furthermore, the Compliance Division regularly reviews the progress of said Program and reports the results to the Board of Directors, while making revisions to the Program as necessary and having them resolved by the Board of Directors.

We have established the Compliance Committee as a council that deliberates and reports on issues from the perspective of compliance. Meetings of the Compliance Committee are held regularly.

Compliance Structure (As of June 30, 2026)



Initiatives to Ensure Thorough Compliance

Based on the recognition that compliance is dependent on the awareness and actions of each officer and employee, the Compliance Division has formulated guidelines including the Code of Ethics, Compliance Regulations, and the Compliance Manual. Through education and training for officers and employees, which include training courses open to all employees and theme-based training for selected employees, we are working to raise awareness of compliance in everyday operations. Compliance and legal reviews are conducted on various business projects by personnel in charge of compliance in each department, Compliance Officers from the Compliance Department, and the Legal Affairs Department.

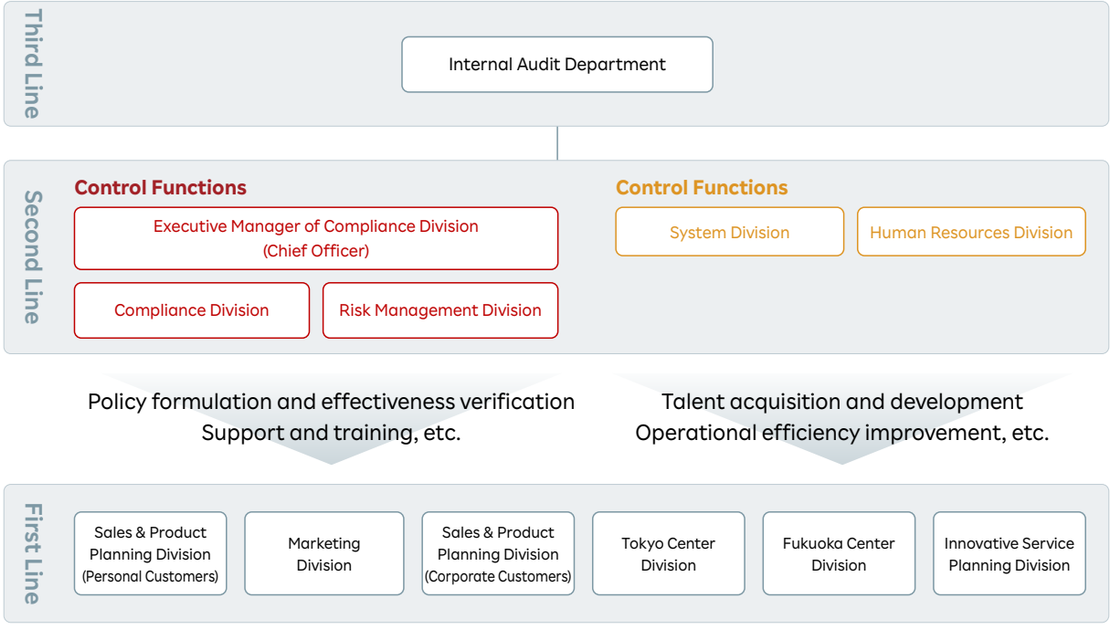
For more detailed information on our compliance structure and initiatives to ensure thorough compliance, please refer to our website.
https://www.rakuten-bank.co.jp/corp/english/about/governance/compliance.html

Money Laundering, Terrorist Financing, Violations of Sanctions, and Proliferation Financing Prevention Initiatives

As money laundering, terrorist financing, violations of economic sanctions, proliferation financing, and financial crimes are becoming more complex and sophisticated, we recognize that our products and services may be used for these criminal activities. Under such circumstances, we consider measures to prevent money laundering, terrorist financing, violations of economic sanctions, proliferation financing, and financial crimes to be one of our most important management issues, and we are taking effective measures accordingly.

Regarding risks related to money laundering, terrorist financing, violations of economic sanctions, proliferation financing, and financial crimes, we formulate and update risk assessment reports that assess risks by segment, have established a management framework based on a risk-based approach, and respond promptly to changing circumstances.

Three Lines of Defense for Anti-Financial Crime and AML Measures (As of June 30, 2026)



Compliance

Basic Approach on Eradicating Anti-Social Forces

Based on our belief that it is essential to take a resolute stance against and eliminate any association with anti-social forces in order to maintain public trust in financial institutions and ensure appropriate and sound business operations, we have established internal rules stipulating the promotion of a system for handling anti-social forces as an important part of our business operations and specifying details regarding how to respond to anti-social forces. We strive to ensure that all employees are fully aware of these rules and that appropriate systems are in place. In addition, the "Basic Policy for Responding to Anti-Social Forces" is published on our website.

The contracts that we enter into and the terms and conditions that we present to customers include a clause for the exclusion of anti-social forces, which states that we may terminate the contract if it is found that a counterparty or customer is associated with an anti-social force. In addition, we have cooperative relationships with specialized external organizations such as the Tokubouren (a federation on special organized crimes under the jurisdiction of the Metropolitan Police Department) and the Anti-Organized Crime Campaign Center of Tokyo, as well as with law firms that have expertise in dealing with anti-social forces. If we discover that an existing business partner has ties to anti-social forces, we will take the appropriate countermeasures through a lawyer or cooperate with the police to make an appropriate response.

For the "Basic Policy for Responding to Anti-Social Forces," please refer to our website.
https://www.rakuten-bank.co.jp/policy/anti-social.html (Japanese only)

For information on our initiatives to eliminate anti-social forces, please refer to our website.
https://www.rakuten-bank.co.jp/corp/english/about/governance/compliance.html

Establishment of an Internal Reporting System

In accordance with the amended Whistleblower Protection Act, the Company has established the Compliance Hotline (a contact point for internal whistleblowing) and provides external reporting contact points (law firms, parent company hotlines and external reporting functions) enabling employees to make reports directly, facilitating the early detection and response to legal or regulatory violations.

Our Designated Dispute Resolution Organization under the Banking Act

In compliance with the Banking Act, we are in a contract with the Japanese Bankers Association, which is our designated dispute resolution organization (designated ADR institution).

Japanese Bankers Association (JBA)

Contact JBA Customer Relations Center
Phone number 0570-017-109 or 03-5252-3772 (in Japan)

Conflicts of Interest Management Policy

Based on the Banking Act, the Financial Instruments and Exchange Act, and other applicable laws and regulations, we have established a Conflicts of Interest Management Policy. In conducting transactions with customers, we appropriately manage transactions that may unduly harm customers' interests in accordance with this policy and our internal regulations in order to protect customers' interests and enhance their trust in us.

In managing conflicts of interest, we identify transactions between the Company or its group companies (collectively, the "Company, etc.") and customers that may unduly harm customers' interests, according to the following categories.

1. Transactions that may unduly harm customers' interests, including:
   a. Transactions with customers with whom the Company, etc. has a contractual or similar relationship (Direct Transaction Type)
   b. Transactions with customers who are in opposition or competition with customers with whom the Company, etc. has a contractual or similar relationship (Bilateral Transaction Type)
   c. Transactions in which information obtained from customers with whom the Company, etc. has a contractual or similar relationship is improperly used (Information Misuse Type)
2. Transactions, other than those specified above, that may unduly harm customers' interests

For more details on the "Conflicts of Interest Management Policy," please refer to our website.
https://www.rakuten-bank.co.jp/policy/profit.html (Japanese only)

Privacy Policy

We appropriately handle and strive to protect customers' personal information, as well as personal information obtained in connection with our business transactions, in accordance with the Act on the Protection of Personal Information, the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures, other relevant laws and regulations, and our internal norms.

For more details on the "Privacy Policy," please refer to our website.
https://www.rakuten-bank.co.jp/policy/privacy/ (Japanese only)

Customer-Oriented Business Conduct

Customer-Oriented Business Operation Policy

As a leading FinTech company, we aim to become the "safe, secure, and most convenient bank" by responding swiftly to changing customer needs and further enhancing the convenience and value of our services.

To ensure that we can maintain long-standing relationships with customers, we are committed to operating in accordance with our "Customer-Oriented Business Operation Policy," regularly reviewing our initiatives and achievements, and making revisions as necessary.

Basic Principles	
Principle 1	Rakuten Bank will strive to pursue the best interests of customers.
Principle 2	Rakuten Bank will strive to appropriately manage conflicts of interest.
Principle 3	Rakuten Bank will strive to ensure transparency in fees and other charges.
Principle 4	Rakuten Bank will strive to provide customers with sufficient and easy-to-understand information necessary for making decisions.
Principle 5	Rakuten Bank will strive to offer financial products and services that are suitable for each customer.
Principle 6	Rakuten Bank will strive to develop a framework that enables employees to genuinely engage in customer-oriented business conduct to ensure the satisfaction of all customers.

For more details on the "Customer-Oriented Business Operation Policy," please refer to our website.
https://www.rakuten-bank.co.jp/policy/f_duty.html (Japanese only)

For information on our initiatives and achievements for FY2025 under the "Customer-Oriented Business Operation Policy," please refer to our website.
https://www.rakuten-bank.co.jp/info/2026/260630-f_duty.html (Japanese only)

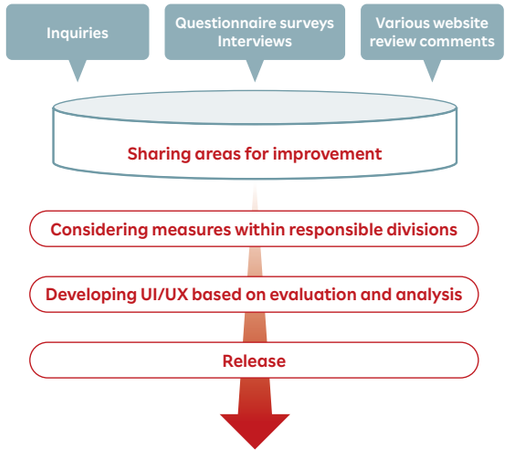
Initiatives in Response to Customer Feedback

Based on the opinions and requests received from customers, we work every day to improve and enhance our services.



FY2025 Results of Initiatives in Response to Customer Feedback (Partial)
Enabled the Rakuten Bank Card Loan Quick Borrowing Eligibility Check
Published a page outlining key precautions and countermeasures against card number theft fraud
Published step-by-step instructional videos on how to reissue a card for each device type
Improved the information page on how to temporarily lift IP Restriction Service settings and how to delete registered provider (IP address) information
Introduced an applicable interest rate simulator on the Bonus Interest Rate page
Improved the process for unlocking a cash card PIN when it has been locked
Published a page providing alerts regarding complicity in financial crimes, including online casinos
Launched the Smartphone ATM service
Improved the method for checking the applicable interest rate for "Bonus Interest Rate," the preferential interest rate program for ordinary deposit accounts in the Rakuten Bank app

Our Response to Customer Feedback

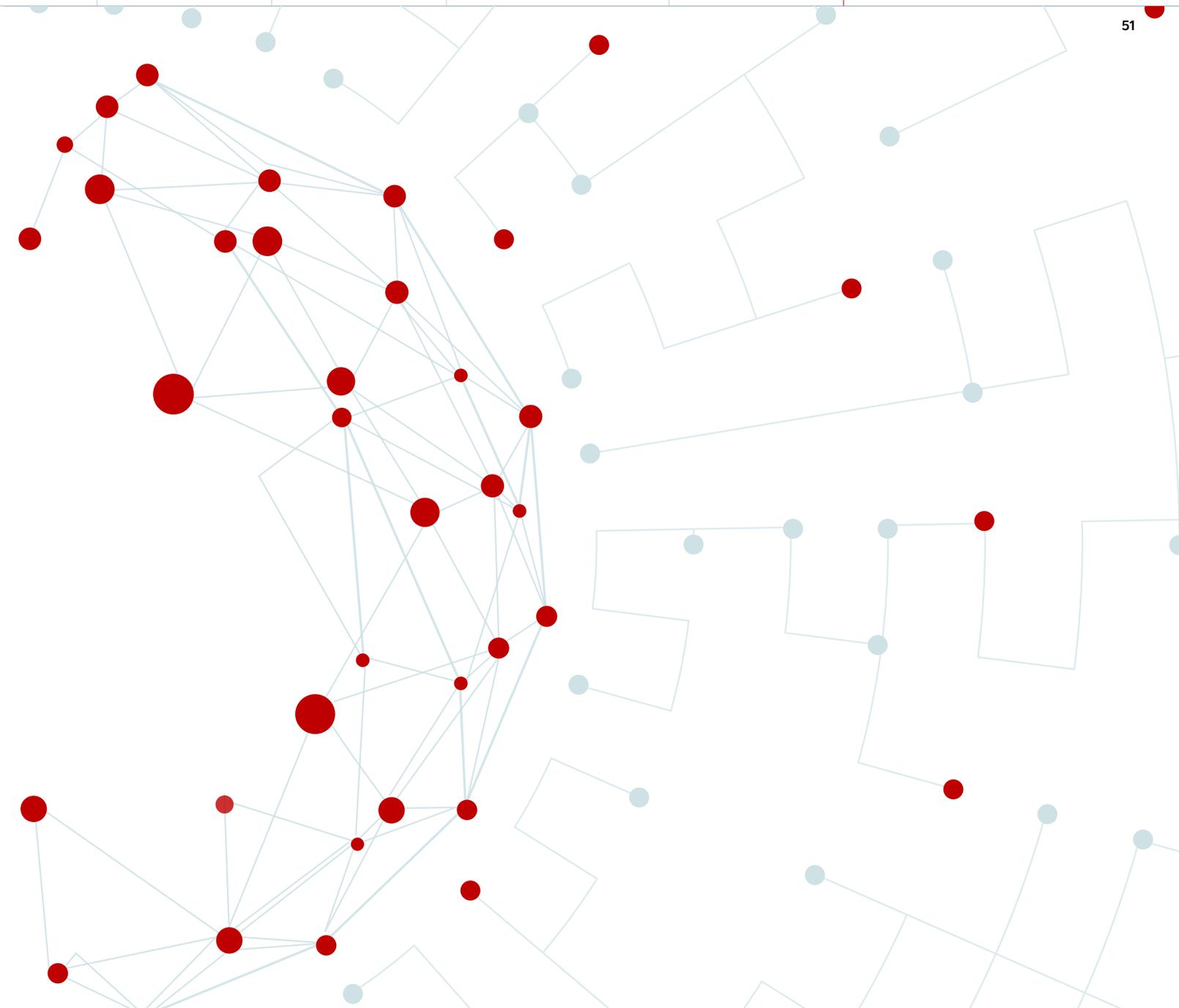


For more details on specific examples of initiatives in response to customer feedback, please refer to our website.
https://www.rakuten-bank.co.jp/voc/ (Japanese only)

SECTION 5

Data

10-Year Key Management Data (Consolidated) 52
ESG (Environmental, Social and Governance) Data 53
Awards and Recognition 54



10-Year Key Management Data (Consolidated)

	Fiscal year	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th
	Fiscal year ended	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
Consolidated ordinary income	(JPY mm)	70,591	79,720	87,720	95,513	103,386	106,026	120,445	137,950	184,534	**255,579**
Consolidated ordinary profit	(JPY mm)	19,083	23,660	27,329	27,275	27,581	27,909	38,746	48,367	71,524	**103,091**
Profit attributable to owners of parent	(JPY mm)	13,526	16,433	19,039	18,960	19,337	20,039	27,692	34,436	50,779	**73,072**
Consolidated comprehensive income	(JPY mm)	13,297	16,707	19,170	18,144	21,269	19,704	23,776	34,534	39,164	**70,015**
Consolidated net assets	(JPY mm)	93,660	110,367	129,538	147,682	186,790	206,494	231,684	279,587	319,117	**389,529**
Consolidated total assets	(JPY mm)	1,876,770	2,353,510	2,997,205	3,851,733	6,486,841	9,490,689	11,589,508	13,480,473	14,748,639	**16,592,139**
Net assets per share	(JPY)	569.48	671.07	787.63	897.96	1,021.34	1,137.52	1,295.31	1,493.84	1,729.90	**2,127.93**
Profit per share	(JPY)	82.24	99.92	115.76	115.28	117.57	121.84	168.37	198.42	291.03	**418.76**
Diluted profit per share	(JPY)	—	—	—	—	—	—	—	198.41	290.77	**418.10**
Consolidated own capital ratio	(%)	4.9	4.6	4.3	3.8	2.5	1.9	1.8	1.9	2.0	**2.2**
Consolidated capital adequacy ratio (Japanese domestic standard)	(%)	11.15	11.03	11.00	10.60	11.66	10.62	11.21	10.93	10.61	**10.74**
Consolidated return on equity (ROE)	(%)	15.5	16.1	15.8	13.6	12.2	11.2	13.8	14.5	18.0	**21.7**
Consolidated price-to-earnings ratio	(Times)	—	—	—	—	—	—	—	15.5	22.1	**13.4**
Cash flows from operating activities	(JPY mm)	(172,644)	124,087	320,541	357,648	1,501,494	1,461,945	594,695	1,027,880	183,758	**354,295**
Cash flows from investing activities	(JPY mm)	48,433	(6,576)	17,127	(42,080)	37,548	(495,980)	(193,578)	(301,058)	(732,563)	**(457,557)**
Cash flows from financing activities	(JPY mm)	—	—	(4,000)	—	—	—	—	13,324	(0)	**(0)**
Cash and cash equivalents at end of period	(JPY mm)	340,296	457,807	791,476	1,107,044	2,682,969	3,649,133	4,050,224	4,791,091	4,241,852	**4,139,552**
Number of consolidated employees	(Persons)	606	646	710	725	916	925	1,001	1,056	1,076	**1,186**

Notes: 1. Diluted profit per share for the fiscal year ended March 31, 2017 through the fiscal year ended March 31, 2023 is not presented because there were no potentially dilutive shares.
2. The own capital ratio is calculated by dividing (total net assets at fiscal year-end − share acquisition rights at fiscal year-end − non-controlling interests at fiscal year-end) by the total assets at fiscal year-end.
3. The capital adequacy ratio (Japanese domestic standard) is calculated in accordance with the formula prescribed by the Standards for Determining the Adequacy of Capital in Light of the Assets Held by a Bank, as stipulated under Article 14-2 of the Banking Act (Financial Services Agency Notification No. 19 of 2006). The Company applies the domestic standard and adopts the Standardized Approach for calculating credit risk assets. Basel III finalization has been applied since the end of March 2025.
4. Consolidated return on equity (ROE) is calculated by dividing profit attributable to owners of parent by the average of own capital at the beginning and end of the fiscal year ((own capital at the beginning of the fiscal year + own capital at the end of the fiscal year) ÷ 2).
Own capital = total net assets − share acquisition rights − non-controlling interests.
5. The consolidated price-to-earnings ratio for the fiscal year ended March 31, 2017 through the fiscal year ended March 31, 2023 is not presented because the Company's shares were not listed.
6. The number of employees includes full-time employees, commissioned employees, contract employees, and secondees, but excludes employees seconded from the Company to entities outside the Rakuten Bank Group.
7. Pursuant to a resolution of the Board of Directors on August 22, 2022, the Company conducted a 70-for-1 stock split of its common shares effective September 27, 2022. Net assets per share and profit per share have been calculated as if the stock split had taken place at the beginning of the fiscal year ended March 31, 2017.

ESG (Environmental, Social and Governance) Data

Environmental Data*

Indicator			Coverage	Unit	FY2023	FY2024	FY2025
CO_2 emissions	Total		Consolidated	t-CO_2	8,407,135	8,837,652	**9,012,290**
	Scope 2	Location-based		t-CO_2	1,672	2,045	**2,154**
		Market-based		t-CO_2	0	0	**139**
	Scope 3			t-CO_2	8,407,135	8,837,652	**9,012,151**
Energy consumption			Consolidated	MWh	3,793	4,726	**5,103**
Renewable energy ratio for electricity used in business operations				%	100	100	**94.92**
Water withdrawal			Consolidated	1,000m^3	3	11	**12**
Waste generated			Non-consolidated	t	3	7	**9**
Outstanding balance of environment-related investment and financing			Non-consolidated	JPY 100 mm	1,326	2,209	**2,364**

Social Data

Indicator			Coverage	Unit	FY2023	FY2024	FY2025
Total number of employees			Consolidated	People	1,056	1,076	**1,186**
Average number of temporary employees			Consolidated	People	192	212	**239**
Total number of employees in each diversity categories			Consolidated	People	1,056	1,076	**1,186**
	Female/Male	Female	Consolidated	People	521	535	**559**
		Male	Consolidated	People	535	541	**627**
	Nationality	Japanese	Consolidated	People	880	896	**987**
		Non-Japanese	Consolidated	People	176	180	**199**
	Age	Under 30	Consolidated	People	373	374	**391**
		30–50	Consolidated	People	498	506	**548**
		Over 50	Consolidated	People	185	196	**247**
Employment rate of people with disabilities			Non-consolidated	%	3.15	2.69	**2.50**
Share of female managers			Non-consolidated	%	20.4	21.5	**17.1**

Notes on coverage:
Non-consolidated: Rakuten Bank, Ltd.
Consolidated: Rakuten Bank, Ltd.; Rakuten Trust Co., Ltd.; Rakuten International Commercial Bank Co., Ltd.

Indicator			Coverage	Unit	FY2023	FY2024	FY2025
Parental leave uptake rate for male employees			Non-consolidated	%	90.9	122.2	**81.8**
	Contract	Permanent General Track	Non-consolidated	%	88.8	133.3	**77.7**
		Fixed-term General Track	Non-consolidated	%	100.0	100.0	**100.0**
Average age			Non-consolidated	Years	36.7	36.8	**37.4**
Gender pay gap ratio		All employees	Non-consolidated	%	61.2	62.6	**63.6**
		Permanent employees	Non-consolidated	%	62.3	66.3	**65.9**
		Contract employees	Non-consolidated	%	61.2	57.8	**56.6**
Average length of service			Non-consolidated	Years	5.2	5.5	**5.5**
	Female/Male	Female	Non-consolidated	Years	4.6	5.0	**5.3**
		Male	Non-consolidated	Years	5.9	6.0	**5.7**

Governance Data

Indicator	Coverage	Unit	FY2023	FY2024	FY2025
Board of Directors					
Number of Directors	Non-consolidated	People	5	5	**5**
Number of Outside Directors	Non-consolidated	People	3	3	**3**
Number of Independent Directors	Non-consolidated	People	3	3	**3**
Number of female Directors	Non-consolidated	People	0	0	**1**
Audit and Supervisory Board					
Number of Audit and Supervisory Board Members	Non-consolidated	People	4	4	**4**
Number of Outside Audit and Supervisory Board Members	Non-consolidated	People	3	3	**3**
Number of Independent Audit and Supervisory Board Members	Non-consolidated	People	3	3	**3**
Number of female Audit and Supervisory Board Members	Non-consolidated	People	0	0	**0**

* CO_2 emissions, energy consumption, water withdrawal, and waste generated have been aggregated on a fiscal year basis (April 1–March 31) since FY2024. Data for FY2023 was aggregated on a calendar year basis (January 1–December 31).

For details on the reporting entities, calculation methodologies, third-party assurance, and other information, please refer to the ESG Data Book available on our website.

https://www.rakuten-bank.co.jp/corp/english/sustainability/environment.html

Awards and Recognition

Global Finance World's AI In Finance Awards

At the 2025 Global Finance World's AI In Finance Awards, organized by the U.S. financial magazine Global Finance, the Company received the "Country Winner" award in the Consumer Banking category. In addition, in a separate selection process recognizing the use of AI in specific services and operations, the Company received both the "Country Winner" and "Region Winner" (Asia-Pacific) awards for "Credit Assessment."

Global Finance World's Best Consumer Digital Bank Awards

At the 2025 Global Finance World's Best Consumer Digital Bank Awards, where the editors of U.S. financial magazine Global Finance and Infosys (a global leader in consulting, technology, and outsourcing) jointly evaluate business models and innovation to select outstanding banks, the Company received the "Country Winner" award, which is presented to the best digital bank in the relevant country, for the eleventh consecutive year.

Euromoney Awards for Excellence

At the 2025 Euromoney Awards for Excellence, organized by the UK-based financial magazine Euromoney, the Company received the "Country's Best Digital Bank" award, which is presented to the best internet bank in Japan, for the eighth consecutive year.

Internet Bank Main Bank Survey

In the 2023 Internet Bank Main Bank Survey, compiled by Tokyo Shoko Research, Ltd. based on its database of 1,568,602 companies nationwide, the Company ranked first in terms of the number of companies selecting it as their main bank.

Nationwide Main Bank Survey

In the 2025 Nationwide Main Bank Survey, analyzed by Teikoku Databank, Ltd. using its corporate database COSMOS2, the Company ranked first among internet banks.

Internet Banking Usage Survey

In the 27th Internet Banking Usage Survey, conducted by MyVoice Communications, Inc. in 2026, the Company ranked first in both the "Internet banking currently used" and "Internet banking used most frequently" categories.

Porter Prize

In 2020, the Company received the Porter Prize, awarded by Hitotsubashi ICS to companies or businesses that implement unique and effective strategies, achieving and sustaining high profitability.

Good Design Award

The Rakuten Bank App received the Good Design Award 2020 for its UI and UX design that enables convenience for a wide range of customers, integration of numerous services and functions into a single app, and addition of a dashboard feature to the home screen.

Kurumin Certification

The Company has obtained Kurumin Certification, which is granted by the Minister of Health, Labour and Welfare to companies recognized as childcare support companies under the Act on Advancement of Measures to Support Raising Next-Generation Children after achieving the goals set forth in their general employer action plans and satisfying the prescribed certification criteria.

Rakuten Bank

https://www.rakuten-bank.co.jp/corp/english/

NBF Shinagawa Tower, 2-16-5, Konan, Minato-ku, Tokyo,
Japan 108-0075