

October 17, 2024

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

Notice Regarding Succession of Business by Company Split (Simplified Absorption-type Split) and Reorganization of Subsidiaries Through Share Exchange

Rakuten Group, Inc. (Chairman and CEO: Hiroshi Mikitani, hereinafter “the Company”) resolved at its Board of Directors meeting held today to succeed the business related to the operation of the microtask-based crowdsourcing service “Rakuten Super Mini Job” to Rakuten Insight, Inc. (hereinafter “Rakuten Insight”), a wholly owned subsidiary of the Company, through a company split, with the effective date set for December 1, 2024 (hereinafter “the Company Split”).

Additionally, the Board of Directors also resolved to execute a share exchange, with Rakuten Insight as the wholly owning parent company and Rakuten Insight Global, Inc. (hereinafter “Rakuten Insight Global”), another wholly owned subsidiary of the Company, as the wholly owned subsidiary, with the same effective date (hereinafter “the Share Exchange”).

Since the Company Split is a simplified absorption-type split between the Company and the successor company, and the Share Exchange is a simplified share exchange between wholly owned subsidiaries, certain disclosure items and details have been omitted.

Purpose of the Company Split and the Share Exchange

The Company is undertaking the Company Split and the Share Exchange with the aim of improving management efficiency, accelerating decision-making in the respective business, and strengthening business synergies.

1. Company Split

- 1) Overview of the Company Split
- (1) Schedule of the Company Split

Board of Directors resolution	October 17, 2024
Contract signing date	October 17, 2024
Scheduled effective date	December 1, 2024

Note: Since the Company Split corresponds to simplified absorption-type split prescribed in Article 784, Paragraph 2 of the Company Act, a shareholder meeting to approve this company split will not be held

(2) Split method

The Company will be the splitting company, and Rakuten Insight will be the successor company in the form of an absorption-type split (simplified split).

(3) Details of allotments related to the company split

The Company Split will be carried out without any compensation.

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

There is no corresponding matter.

(5) Increase / decrease of capital

There will be no change in the company's capital stock.

(6) Rights and obligations to be succeeded

Rights and obligations such as assets, liabilities and contractual positions accompanying the Company Split which is prescribed in the absorption-type company split contract will be succeeded.

(7) Prospect of fulfillment of obligations

The Company Split should have no impact on the Company's ability to fulfill obligations.

2) Overview of the Parties Involved in the Company Split (as of December 31, 2023)

	Splitting company	Successor company
Company name	Rakuten Group, Inc.	Rakuten Insight, Inc.
Head Office	1-14-1 Tamagawa, Setagaya-ku, Tokyo	1-14-1 Tamagawa, Setagaya-ku, Tokyo
Representative	Hiroshi Mikitani	Hidefumi Watanabe
Main business	Internet services, FinTech, Mobile, others	Marketing research business
Capital (million yen)	450,145 (as of June 30, 2024)	246
Date of establishment	February 7, 1997	February 15, 2000
Outstanding no. of shares	2,149,027,500 shares (as of June 30, 2024)	3,677 shares
Fiscal year end	December 31	December 31
Major shareholders and percentage of shares held	Crimson Group, LLC 10.54% Hiroshi Mikitani 8.21% (as of June 30, 2024)	Rakuten Group, Inc. 100%

Business results of the most recent fiscal year

	Rakuten Group, Inc. (consolidated, IFRS)
Fiscal year end	December 31, 2023
Total equity attributable to owners of the parent company (million yen)	836,572
Total assets (million yen)	22,625,576
Total equity attributable to owners of the parent company per share (yen)	390.53
Revenue (million yen)	2,071,315
Operating Income (loss) (million yen)	(212,857)
Net income (loss) attributable to owners of the parent company (million yen)	(339,473)
Net income (loss) attributable to owners of the parent company per share (yen)	(177.27)

*Amounts less than one million yen have been rounded to the nearest million.

	Rakuten Insight, Inc. (Non-consolidated, J-GAAP)
Fiscal year end	December 31, 2023
Net assets (million yen)	1,703
Total assets (million yen)	2,764
Net assets per share (yen)	463,383.25
Sales (million yen)	5,869
Operating income (million yen)	1,396
Ordinary income (million yen)	1,397
Profit attributable to owners of parent (million yen)	968
Net income per share of common stock (yen)	263,451.42

*Amounts less than one million yen have been rounded down to the nearest million.

3) Overview of the Business to be split

(1) Business description

Operation of a microtask-based crowdsourcing service in which Rakuten members perform "tasks" such as data entry/checking and surveys

(2) Business performance

Revenue: 102 million yen (January to August 2024)

(3) Assets and liabilities to be split (as of August 31, 2024)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	5,571,445 yen	Current liabilities	2,494,143 yen
Total	5,571,445 yen	Total	2,494,143 yen

4) Post-Company Split details

Following the Company Split, there will be no changes in the Company's name, headquarters location, title or name of representative, business description, shareholders' equity, or fiscal year end of the company.

5) Impact on business results

The impact of the Company Split on the Company's consolidated business performance will be negligible.

2. Share Exchange

1) Overview of the Share Exchange

(1) Schedule of the Share Exchange

Board of Directors resolution	October 17, 2024
Contract signing date	October 17, 2024
Scheduled effective date	December 1, 2024

Note: The Share Exchange qualifies as a simplified share exchange for Rakuten Insight as stipulated in Article 796, paragraph 2 of the Company Act, and therefore, will be carried out without the need for a resolution of approval at a general meeting of shareholders.

(2) Method of the Share Exchange

Rakuten Insight will become the wholly owning parent company and Rakuten Insight Global will become the wholly owned subsidiary in the form of a simplified share exchange.

(3) Details of the allotment of shares to the Share Exchange

The Share Exchange will be carried out without any compensation.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights accompanying the Share Exchange

The wholly owned subsidiary in the share exchange has not issued any stock acquisition rights or bonds with stock acquisition rights.

2) Overview of the parties involved in the Share Exchange (as of December 31, 2023)

For details regarding Rakuten Insight, the wholly owning parent company in the Share Exchange, please refer to "1. 2) Overview of the Parties Involved in the Company Split (as of December 31, 2023)"

	Wholly Owned Subsidiary Company
Company name	Rakuten Insight Global, Inc.
Head Office	1-14-1 Tamagawa, Setagaya-ku, Tokyo

Representative	Hidefumi Watanabe
Main business	Overseas marketing research business
Capital (million yen)	75
Date of establishment	September 11, 2009
Outstanding no. of shares	— (*)
Fiscal year end	December 31
Major shareholders and percentage of shares held	Rakuten Group, Inc. 100%

Business results of the most recent fiscal year (non-consolidated, J-GAAP)

Fiscal year end	December 31, 2023
Net assets (million yen)	39
Total assets (million yen)	723
Net assets per share (yen)	— (*)
Sales (million yen)	— (*)
Operating income (loss) (million yen)	— (*)
Ordinary income (million yen)	— (*)
Net income attributable to owners of parent (million yen)	54
Net income per share of common stock (yen)	— (*)

*Note: This item is not disclosed as it pertains to an unlisted wholly owned subsidiary.

*Note: Amounts less than one million yen have been rounded down to the nearest million.

3) Status after the Share Exchange

Following the Share Exchange, there will be no changes in the name, headquarters location, title or name of representative, business description, shareholders' equity, or fiscal year end of Rakuten Insight, the wholly owning parent company.

4) Future outlook

The impact of this Share Exchange on the Company's consolidated business performance will be negligible.

(Reference)

