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Announcement Regarding Stock Options (Stock Acquisition Rights)

Rakuten Bank, Ltd. (the "Company") announces that at a meeting held today, its Board of Directors resolved to submit a proposal at the 25th Annual General Shareholders' Meeting of the Company scheduled for June 27, 2024 regarding the amount and details of remuneration, etc., in the form of stock acquisition rights, as stock options, of the Company's directors (excluding outside directors) as described below.

I. Contents of the proposal to be submitted

In order to further share the benefits and risks of stock price fluctuations with our shareholders and to increase the directors' motivation and morale to improve the Company's performance and corporate value, we are requesting your approval to set the maximum amount of remuneration in the form of stock acquisition rights, as stock options, at up to 200 million yen per year. This is in addition to the remuneration approved at the 7th Annual General Shareholders' Meeting held on June 9, 2006. We also seek your approval for the details of the stock options as described in section II below.

The amount of stock acquisition rights to be issued to the Company's directors as remuneration in the form of stock options will be the fair value per stock acquisition right calculated as of the allotment date of such stock acquisition rights multiplied by the total number of stock acquisition rights to be allotted. The fair value per stock acquisition right here shall be calculated using the calculation method generally used to calculate the fair value of stock acquisition rights.

II. Details of remuneration, etc. (Details of stock acquisition rights issued as stock options)

1. Number of stock acquisition rights

The maximum number of stock acquisition rights to be issued in each fiscal year shall be 2,000.

2. Class and number of shares to be issued upon exercise of stock acquisition rights

The type of shares to be issued upon exercise of stock acquisition rights shall be common stock of the Company, and the number of shares to be issued upon exercise of each stock acquisition right (hereinafter referred to as the "Number of Granted Shares") shall be 200,000 shares. In the event that the Company conducts a stock split (including a gratis allotment of shares of common stock of the Company) or a consolidation of shares after the allotment date of the stock acquisition rights (hereinafter referred to as the

“Allotment Date”), the Number of Granted Shares shall be adjusted in accordance with the following formula, and any fraction less than one share resulting from the adjustment shall be rounded down.

Number of shares after adjustment

$$= \text{Number of shares before adjustment} \times \text{Ratio of split or consolidation}$$

In addition, if the Company carries out a merger, a company split, share exchange, share transfer, or other action that makes it necessary to adjust the number of shares (hereinafter collectively referred to as “Merger, etc.”), the number of shares may be adjusted within a reasonable range, taking into account the conditions and other relevant details of the Merger, etc.

3. Amount of cash to be paid in exchange for stock acquisition rights

No cash payment is required in exchange for the issuance of the stock acquisition rights. Stock acquisition rights are fairly issued and granted as the consideration for execution of duties and do not fall under issuance with favorable terms and conditions.

4. Value of the assets to be contributed upon exercise of stock acquisition rights

One yen per stock acquisition right

5. Exercise period of stock acquisition rights

The exercise period will be from the date on which stock acquisition rights are issued (hereinafter referred to as the “Date of Issuance”) until the date on which 40 years have passed from the Date of Issuance. If the first day or final day of the exercise period falls on a holiday of the Company, the first day will be changed to the immediately following business day and the final day will be changed to the immediately preceding business day.

6. Matters concerning capital and capital reserves to be increased in the event of the issuance of shares upon the exercise of stock acquisition rights

(i) The amount of capital to be increased in the event of the issuance of shares upon the exercise of stock acquisition rights shall be half of the maximum amount of increase in capital, etc., as calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Company Accounting, with any fraction of less than one yen resulting from the calculation being rounded up to the nearest one yen.

(ii) The amount of capital reserve to be increased in the event of the issuance of shares upon the exercise of stock acquisition rights shall be the amount obtained by subtracting the amount of capital to be increased as set forth in (i) above from the maximum amount of increase in capital, etc. as set forth in (i) above.

7. Conditions for exercise of stock acquisition rights

(i) Those who hold the stock acquisition rights (hereinafter “Holders”) may exercise such rights within ten days from the date following the date on which they cease to hold any position as director, executive officer, company auditor, or employee of the Company and its subsidiaries.

(ii) Stock acquisition rights may not be inherited; provided, however, that exceptional treatment may be allowed in this regard by the Board of Directors in consideration of circumstances.

(iii) Other conditions for the exercise of rights shall be as set forth in the stock acquisition right allotment agreement to be entered into between the Company and the Holders based on a resolution of the Company's Board of Directors.

8. Conditions for acquisition of stock acquisition rights

(i) The Company may acquire the stock acquisition rights without compensation if the Holders no longer meet the conditions for exercising the stock acquisition rights as set forth in 7 above.

(ii) The Company may acquire stock acquisition rights without compensation on a date separately determined by the Board of Directors if a merger agreement under which the Company is to be absorbed, a company split agreement or plan under which the Company is to be split, or a share exchange agreement or share transfer plan under which the Company is to become a wholly owned subsidiary, is approved at a general shareholders' meeting (or resolved by the Board of Directors if approval at a general shareholders' meeting is not required).

9. Restriction on acquisition of stock acquisition rights by transfer

Acquisition of stock acquisition rights by transfer shall require approval by a resolution of the Company's Board of Directors.

10. Other details of the stock acquisition rights

Other details concerning the stock acquisition rights shall be left to the complete discretion of the Representative Director.

(end)