Responses to Frequently Asked Questions Regarding the FinTech Reorganization

May 29, 2026

Rakuten Bank, Ltd.

(Securities code: 5838, Prime Market, Tokyo Stock Exchange)

(Supplementary Explanatory Material on the Timely Disclosure dated May 20, 2026)

Rakuten Bank

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About This Material

- This material has been prepared by Rakuten Bank, Ltd. (the “Bank") to provide supplementary explanations in response to questions raised in discussions with stakeholders following the May 20, 2026 announcement titled "Notice Concerning Definitive Agreement on Reorganization of Rakuten Group’s FinTech Business including Rakuten Bank, Ltd. through Share Delivery by Rakuten Bank, Ltd. to Make Rakuten Card Co., Ltd. and Rakuten Securities Holdings, Inc. Subsidiaries and among others."

- The purpose of this material is to help our stakeholders better understand the matters and initiatives that Rakuten Group, Inc. and the Bank have presented in their public disclosures to date.

- Please refer to the following for previously disclosed materials related to this Reorganization.

[Disclosed on May 20, 2026]
- Notice Concerning Definitive Agreement on Reorganization of Rakuten Group’s FinTech Business including Rakuten Bank, Ltd. through Share Delivery by Rakuten Bank, Ltd. to Make Rakuten Card Co., Ltd. and Rakuten Securities Holdings, Inc. Subsidiaries and among others
- Reorganization of FinTech Business Supplemental Material
- Announcement Regarding Strengthening of Strategic Capital and Business Alliance Between Mizuho Bank and Rakuten Bank and Expected Change in a Major Shareholder of Rakuten Bank
- Notice of Partial Amendments to the Articles of Incorporation in Connection with the FinTech Business Reorganization

[Disclosed on February 25, 2026]
- Notice Concerning the Re-Commencement of Discussions toward the Reorganization of Rakuten's FinTech Business

Class A Non-voting Shares 1/2

Q1.	What are the Class A Non-voting Shares to be delivered to Rakuten Group and Mizuho Bank?
A1.	■ Unlike common shares, Class A Non-voting Shares carry no voting rights and are subject to transfer restrictions. ■ However, the economic rights of the Class A Non-voting Shares are equivalent to those of common shares: holders are entitled to the same dividends as holders of common shares, and may request the Bank to acquire their Class A Non-voting Shares in exchange for one common share of the Bank per one Class A Non-voting Share so acquired. ■ In other words, by exercising the acquisition request right described above, a holder of Class A Non-voting Shares may convert one Class A Non-voting Share into one common share of the Bank.
Q2.	When will the Class A Non-voting Shares be converted into common shares?
A2.	■ On the effective date of the Share Deliveries, Rakuten Group is expected to convert 25,859,500 shares of the 207,330,443 newly issued Class A Non-voting Shares it will receive, and Mizuho Bank is expected to convert all 23,559,673 shares it will receive, into common shares.. ■ Of the Class A Non-voting Shares to be delivered to it, Rakuten Group will convert only the portion necessary to maintain its voting rights ratio.
Q3.	How is the dilution risk from the conversion of the Class A Non-voting Shares controlled?
A3.	■ Although the Class A Non-voting Shares carry a right to request acquisition in exchange for common shares, under the Integrated Agreement, Rakuten Group has agreed not to exercise such rights without the prior consent of the Bank. ■ Even where such rights are permitted to be exercised on an exceptional basis, any such exercise is limited such that Rakuten Group's voting rights ratio immediately after exercise will not exceed 50%, and unrestricted conversion is not expected. ■ The scheme is therefore designed so that dilution arising from conversion into common shares is appropriately controlled.

Class A Non-voting Shares 2/2

Q4.	Is there a possibility that Rakuten Group or Mizuho Bank will sell their stake in Rakuten Bank following the conversion into common shares?
A4.	■ This Reorganization is premised on the continued listing of the Bank. We understand from Rakuten Group that, even after the Reorganization, the Bank will continue to be an important consolidated subsidiary of Rakuten Group in forming the Rakuten Ecosystem and that the FinTech business will remain one of the core business segments of Rakuten Group. We have been informed by Rakuten Group that the Reorganization is not intended for fundraising purposes, and Rakuten Group currently has no intention to sell its shares. ■ With respect to Mizuho Bank, the Bank understands that, based on the recently announced capital and business alliance, the two are important strategic partners to each other, aiming to create mid- to long-term value through collaboration across various areas. The Bank further understands that, while Mizuho Bank is expected to convert its shares into common shares immediately after the effective date, given the purpose of the alliance, Mizuho Bank currently has no intention to sell its common shares .

Q5.	Why was the Class A Non-voting Share structure selected instead of issuing common shares?
A5.	■ As a listed company on the Prime Market of Tokyo Stock Exchange, the Bank is required to maintain the free-float ratio of at least 35% under the continued listing criteria. If the Share Deliveries were carried out using only common shares, the free-float ratio could decline; Class A Non-voting Shares are therefore being used to avoid this outcome. ■ It should be noted that, as Class A Non-voting Shares carry no voting rights and are subject to transfer restrictions, while having economic rights equivalent to those of common shares, their issuance will not impair the rights of the Bank 's general shareholders.

EPS Before and After the Reorganization

Q1. What is the EPS outlook for Rakuten Bank after the Reorganization?

A1.

- In evaluating post-Reorganization EPS, it is important to consider not only the increase in the number of shares outstanding but also the expansion of profit contributions from Rakuten Card and Rakuten Securities.
- Going forward, in addition to the growth of each business, The Bank aims not only to recover but also to increase EPS beyond pre-Reorganization levels, supported by the expansion of the Rakuten Ecosystem and the realization of synergies from the integrated operation of the FinTech business.
- In addition, the Bank is targeting ordinary profit of JPY 400.0 bn[*1] or more for the fiscal year ending March 2030; on that basis, EPS (after deduction of profit attributable to the non-controlling interests of Rakuten Securities) is expected to be approximately JPY 640 per share[*2*3]. This estimate does not incorporate the impact of any increase in the policy interest rate.
- The Bank places priority on mid- to long-term profit growth and the enhancement of corporate value.

*1: The ¥400.0 billion ordinary profit figure reflects only the synergies arising from the Reorganization that are currently quantifiable, and does not incorporate qualitative earnings opportunities. It also does not reflect the impact of any increase in the policy interest rate.

*2: EPS is calculated as "profit attributable to owners of the parent ÷ number of shares issued." The numerator, profit attributable to owners of the parent for the fiscal year ending March 31, 2030, is ¥261.2 billion, derived by taking ordinary profit of ¥400.0 billion as the starting point and deducting income taxes and profit attributable to non-controlling interests of Rakuten Securities. The denominator, the number of shares issued, is 405,389,152 shares, including the Class A Non-voting Shares newly issued in connection with the Reorganization (and excluding treasury shares).

*3: This estimate assumes that the Reorganization had been completed as of April 1, 2025, and is calculated on a book-value basis through a simple aggregation of the businesses subject to the Reorganization under Japanese GAAP, after elimination of intercompany transactions and other adjustments necessitated by the Reorganization.

Interest Rate Sensitivity of the New Rakuten Bank Group

Q1.	Will the interest rate sensitivity of Rakuten Bank change following the Reorganization?
A1.	■ The Bank will continue to maintain a structure in which rising interest rates lead to improved asset yields, with assets linked to floating interest rates as the core.At the same time, through the Reorganization, non-interest income that is less dependent on the balance sheet will increase, resulting in a more diversified earnings structure. ■ For FY2026/3, the standalone composition of approximately 75%:25% (interest:non-interest) is expected to shift to approximately 55%:45% (interest:non-interest) on a simple sum basis after the Reorganization. • Note: "Interest rate sensitivity" refers to the degree to which the Bank's earnings are affected when interest rates move. As before, the Bank 's assets are centered on those whose income tends to increase when interest rates rise (such as floating-rate loans). In addition, the Reorganization will increase income that is not directly linked to interest rates, such as fee income (non-interest income), so that the Bank's earnings base is expected to become more diversified, shifting from approximately 75:25 (interest-driven : other) to approximately 55:45. ■ In addition, by gradually replacing the external interest-bearing debt of Rakuten Card and Rakuten Securities with intra-group borrowings, financing costs will be eliminated on a consolidated basis, so that the negative impact of rising interest rates on the funding side is expected to be broadly offset. • Note: The funds that Rakuten Card and Rakuten Securities had borrowed from external parties (such as other financial institutions) will be progressively replaced with borrowing and lending within the Group. Because the lender and the borrower then belong to the same Group, the interest paid is offset on a consolidated basis, so rising interest rates are expected to cause virtually no increase in funding costs (with no significant swing in either direction). ■ As a result, while the Group’s overall interest rate sensitivity will continue to be positively linked to rising interest rates, the increase in non-interest income and the elimination of financing costs are expected to result in a more balanced earnings structure that is less susceptible to volatility across different rate environments.

Capital Adequacy Ratio after the Reorganization

Q1.	Is a consolidated capital adequacy ratio of approximately 8% sufficient?
A1.	■ After the Reorganization, the proportion of non-interest income will increase, improving both the stability and diversification of revenue sources. Compared with the Bank's standalone earnings structure, we believe that, from the perspectives of capital efficiency and risk diversification, a consolidated level of approximately 8% is sufficient to maintain financial soundness. ■ Looking ahead, in line with business expansion, we will maintain disciplined capital management with a focus on further improving the capital adequacy ratio. ■ In addition, we expect that the Bank's standalone capital adequacy ratio following the Reorganization will remain at a sound level relative to the consolidated capital adequacy ratio.

Q2.	How was the amount of the third-party allotment by Rakuten Securities HD determined?
A2.	■ The amount of the capital increase was determined with the objective of maintaining a consolidated capital adequacy ratio of approximately 8% upon the effective date of the Reorganization. ■ Following discussions with Rakuten Group, Rakuten Card and Rakuten Securities HD, and taking into account factors such as the flexibility of transaction procedures and measures to offset the capital reduction arising from the transfer of businesses outside the scope of the Reorganization, it was determined that Rakuten Securities HD will issue new shares of approximately JPY 3.0 bn via a third-party allotment to Rakuten Group.

Governance Structure for the Reorganization Discussions

Q1.	Did the Special Committee of Rakuten Bank conduct independent and appropriate discussions?
A1.	■ The Special Committee consists of five members independent of Rakuten Group and the outcome of the Reorganization — two independent outside directors, two independent outside audit & supervisory board members, and one expert in corporate legal affairs (scheduled to be proposed as a candidate for independent outside director at the 27th Annual General Meeting of Shareholders) — and has held 18 meetings between February 11 and May 20, 2026. ■ The Bank 's Board of Directors resolved to fully respect the determinations of the Special Committee and not to proceed with the Reorganization if the Special Committee determined that the purpose, transaction terms or procedures were not appropriate. The Special Committee was granted authority including substantive involvement in the negotiation process and the appointment of its own independent third-party valuation institution. ■ In addition, the Special Committee retained Deloitte Tohmatsu LLC as its independent third-party valuation institution and obtained a Share Delivery Ratio Valuation Report and a Fairness Opinion. Accordingly, the discussions were conducted in an independent and appropriate manner.
Q2.	Is it correct that Rakuten Group and Hiroshi Mikitani, Representative Director, Chairman, President and CEO of Rakuten Group, did not participate in Rakuten Bank’s decision-making in connection with the FinTech Reorganization?
A2.	■ The Reorganization constitutes a transaction between a parent and its subsidiary and is treated as a transaction with a controlling shareholder for the Bank. The discussions were therefore conducted after implementing measures, including the establishment of the Special Committee, to avoid conflicts of interest with Rakuten Group and to ensure the fairness of the Reorganization. ■ Although Hiroshi Mikitani concurrently serves as Chairman of the Board of Directors of the Bank, he did not participate in the Bank’s decision-making or in the deliberations and resolutions of the Board of Directors relating to the Reorganization, including discussions of the Special Committee. ■ Likewise, Tomotaka Torin, President of the Bank, although he is no longer an officer or employee of Rakuten Group and served as a Managing Executive Officer of Rakuten Group until March 2025, did not participate in the Bank's decision-making (excluding, however, the review of measures relating to the business alliance with Mizuho Group and discussions with Mizuho Group in connection therewith), or in the deliberations and resolutions of the Board of Directors relating to the Reorganization. ■ With respect to the Reorganization discussions, the Bank conducted its review as an independent party and, with the involvement of the above-mentioned Special Committee, reached agreement through negotiations on the share delivery ratio from the perspective of protecting minority shareholders.

Rakuten Bank

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