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Announcement Regarding Issuance of Stock Options (Stock Acquisition Rights) to Employees of the Company

Rakuten Bank, Ltd. (the “Company”) announces that, at the Board of Directors’ meeting held today, the Board of Directors resolved to issue stock acquisition rights (“SARs”) as stock options to the employees under the following conditions pursuant to the provisions of Articles 236, 238 and 240 of the Companies Act.

I. Reason for Issuing SARs

Since the value of the SARs is linked to the Company’s stock price, we believe that by granting the SARs to the Company’s employees, the Company’s employees will share the benefits of a rise in the Company’s stock price and the disadvantages of a fall in the stock price with shareholders and increase their motivation to contribute to the improvement of the Company’s performance and rise on its stock price.

A portion of SARs granted will become exercisable on or after the anniversary of one year from the date of issuance of the SARs, thereafter the percentage of exercisable portion will increase gradually until the day before the anniversary of four years from the date of issuance of the SARs, and on and after the anniversary of four years, all of the part of the SARs will become exercisable. Such SARs that become exercisable gradually will be exercisable from the date one year after the date of issuance of the SARs, so that the system will be more attractive to personnel who newly join the Company and will also contribute to attracting excellent personnel. On the other hand, by leaving the portion of the SARs that cannot be exercised until the anniversary date four years after the date of issuance of the SARs, it will function as an incentive to improve the Company’s long-term performance and increase its share price, as well as to retain existing excellent human resources.

For the purpose of continuous improvement of corporate value and shareholder value of the whole Company in these ways by attracting and retaining excellent human resources and increasing the motivations of employees, we implement the stock option system for the employees of the Company.

II. Outline of the Issuance of the SARs

1. Persons to whom SARs will be allotted and its number, and number of SARs to be allotted employees:

222 in total, 223 units in total.

2. Class and number of shares to be issued upon exercise of SARs

Common stock of the Company: 22,300 shares.

However, in the event that the Company conducts a stock split (including gratis allotment of shares of common stock of the Company) or a consolidation of shares, the number of shares to be issued upon exercise of each SAR shall be adjusted according to the following formula; provided that such adjustment will be made only to those that remain unexercised or uncanceled at the time of such adjustment and; provided, further, that if any fraction of less than one share arises as a result of such adjustment, such fraction shall be rounded down.

Number of shares after adjustment

= Number of shares before adjustment × 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, the number of shares will be adjusted within a reasonable range, taking into account the conditions and other relevant details of the merger, company split, share exchange, share transfer, or other similar action.

3. Total number of SARs to be issued

223 units

The above total number is the expected number of SARs to be issued. If the total number of SARs to be allotted decreases compared to the above total number due to the total number of subscriptions not reaching the above total number, etc., the total number of SARs to be issued shall be the total number of SARs to be allotted. The number of shares to be issued upon exercise of each SARs shall be 100 shares. However, if the number of shares is adjusted as set forth in 2 above, the number of shares to be issued per one (1) SAR shall be adjusted in the same manner.

4. The amount to be paid in for SARs

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

5. Value of the assets to be contributed upon exercise of SARs

One yen per SAR.

6. Exercise period of SARs

The period shall be from the first anniversary of the date of issuance of the SARs (hereinafter referred to as the “Issue Date”) to the tenth anniversary of the Issue Date.

If the first day of the exercise period falls on a holiday of the Company, the first day will be changed to the immediately following business day. Similarly, if the final day of the exercise period falls on a holiday of the Company, the final day will be changed to the immediately preceding business day.

7. Conditions etc. for exercise of SARs

- (i) Those who was allotted the SARs (hereinafter “Holder(s)”) need to remain directors, executive officers, company auditors or employees of the Company at the time of exercising such rights; provided, however, that in the event where the Holders have made applications for the exercise of SARs in accordance with the procedures prescribed by the Company by the date of retirement (or by the application date immediately

following the date of retirement if it is recognized that there are justifiable grounds for not being able to make the application by the date of retirement) or in the event where the exceptional treatment is allowed by the Board of Directors in consideration of circumstances.

- (ii) SARs 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) SARs may not be offered for pledge or disposed of in any other way.
- (iv) Holders may exercise SARs, in whole or in part, according to the following categories.
 - i) The entire SARs allotted may not be exercised by the day preceding one to the date of first anniversary of the Issue Date.
 - ii) 15% of the SARs allotted may be exercised from the first anniversary of the Issue Date to the day preceding to the second anniversary of the Issue Date (if a fraction less than one unit arises in the number of exercisable SARs, such fraction will be rounded down).
 - iii) 35% of the SARs allotted (if a portion of the SARs had been exercised by the day preceding to the second anniversary of the Issue Date, the exercisable SARs and the previously exercised SARs in aggregate shall be up 35% of the SARs allotted) may be exercised from the second anniversary of the Issue Date to the day preceding to the third anniversary of the Issue Date (if a fraction less than one unit arises in the number of exercisable SARs, such fraction will be rounded down).
 - iv) 65% of the SARs allotted (if a portion of the SARs had been exercised by the day preceding to the third anniversary of the Issue Date, the exercisable SARs and the previously exercised SARs in aggregate shall be up 65% of the SARs allotted) may be exercised from the third anniversary of the Issue Date to the day preceding to the fourth anniversary of the Issue Date (if a fraction less than one unit arises in the number of exercisable SARs, such fraction will be rounded down).
 - v) The entire SARs allotted may be exercised from the date of fourth anniversary of the Issue Date to the date of tenth anniversary of Issue Date.
- (v) The Holders have duties to pay all taxes, etc. (including but not limited to tax such as income tax, social security contributions, pension contributions, and employment insurance premium, whether or not provided in Japan or not) provided by laws and regulations in relation to SARs and shares. In cases where the Company is obliged to collect the tax, etc., the relevant company obliged to collect may collect such tax, etc. from Holders by the methods listed below.
 - i) Receipt by cash
 - ii) Appropriation of shares owned by the Holders
 - iii) Deduction from salaries, bonuses, etc. of the Holders
 - iv) Other methods specified by the Company
- (vi) Other details and conditions shall be determined by the Company's Board of Directors.

8. Matters concerning increase in capital and capital reserve in the event of the issuance of shares upon exercise of SARs

- (i) Amount of increase in capital by issuing shares upon exercise of SARs shall be the maximum amount of capital increase in capital etc., as calculated pursuant to the provisions of Article 17, Paragraph 1 of the Ordinance on Company Accounting, multiplied by 1/2, with any fraction of less than one yen resulting from the calculation being round up to the nearest one yen.

- (ii) Amount of increase in capital reserve by issuing shares upon exercise of SARs 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.

9. Grounds and conditions for the acquisition of SARs

- (i) In cases where the proposal of any merger agreement under which the Company is absorbed, or any absorption-type company split (kyushu-bunkatsu) agreement or incorporation-type company split (shinsetsu-bunkatsu) plan under which the Company is to be split, or any share exchange agreement or share transfer plan under which the Company is to become a wholly owned subsidiary of another company is approved at a general shareholders' meeting of the Company, the Company may acquire SARs on a date separately determined by the Board of Directors of the Company without any compensation.
- (ii) In cases where Holders no longer meet the conditions of 7 (i) above before exercising his/her right, the Company may acquire such SARs on a date separately determined by the Board of Directors of the Company without any compensation.
- (iii) If a Holder waives all or part of his/her SARs, the Company may acquire such SARs without compensation by a resolution of the Board of Directors of the Company.

10. Restriction on the acquisition of SARs by transfer

Any acquisition of SARs by transfer shall require approval by a resolution of the Board of Directors of the Company.

11. Treatment of SARs in case of organizational restructuring

In the event the Company merges (limited to cases where the Company becomes a absorbed company), performs an absorption-type company split or an incorporation-type company split, or conducts a share exchange or a share transfer (hereinafter collectively "Organizational Restructuring"), SARs of a stock company described in Article 236, Paragraph 1, Sub-Paragraph viii, Items (a) through (e) of the Companies Act (hereinafter "Restructured Company") shall be delivered under the following conditions to holders of SARs remaining unexercised (hereinafter "Remaining SARs") at the time when Organizational Restructuring takes effect. In this case, the Remaining SARs will extinguish and the Restructured Company shall issue new SARs. However, the foregoing will apply only to cases in which the delivery of SARs of the Restructured Company according to the following conditions is stipulated in the merger agreement, the absorption-type company split agreement, the incorporation-type company split plan, the share exchange agreement, or the share transfer plan.

- (i) Number of SARs of the Restructured Company to be delivered

The Restructured Company shall deliver SARs, the number of which is equal to the number of SARs held by the holder of the Remaining SARs.

- (ii) Class of shares of the Restructured Company to be issued upon the exercise of SARs

Common stock of the Restructured Company

- (iii) Number of shares of the Restructured Company to be issued upon the exercise of SARs

To be decided according to 2 and 3 above after taking into consideration the conditions, etc. of the Organizational Restructuring.

- (iv) Value of the assets to be contributed upon the exercise of SARs

The value of the assets to be contributed upon the exercise of each SARs to be delivered shall be decided in a similar way described in 5 above after taking into consideration the conditions, etc. of the Organizational Restructuring.

(v) Exercise period of SARs

Starting from the later of either the first date of the exercise period of SARs as stipulated in 6 above or the date on which the Organizational Restructuring takes effect and ending on the last date of the exercise period of SARs as stipulated in 6 above.

(vi) Matters concerning increase in capital and capital reserve to be increased by the issuance of shares of the Restructured Company upon the exercise of SARs

To be determined in accordance with 8 above.

(vii) Restriction on acquisition of SARs by transfer

Acquisition of SARs by transfer shall require the approval of the Board of Directors of the Restructured Company (or by the majority decision of directors if such company is not a company with a Board of Directors).

(viii) Grounds and conditions for the acquisition of SARs

To be determined in accordance with 9 above.

12. Rules pertaining to fractions of less than one share arising from the exercise of SARs

Fractions of less than one share in the number of shares to be delivered to Holders who exercised SARs shall be rounded down.

13. Date of allotment of SARs

August 28, 2025

14. Matters concerning certificates of the SARs

Certificates of the SARs shall not be issued.

15. Other details of the SARs

Other details concerning the SARs shall be left to the complete discretion of the Representative Director.

(end)