

# Integrated Report 2025

**Rakuten Bank**

# 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.

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## 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"

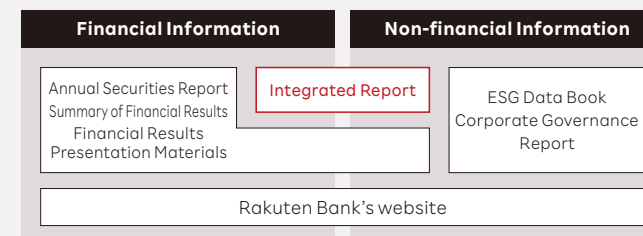
## Reporting Period

Fiscal year ended March 31, 2025  
Some information includes details beyond April 2025.

## Scope

Rakuten Bank and its subsidiaries and affiliates

## Positioning in Relation to Other Publications



# Introduction

Message from the CEO

04

Message from the CFO

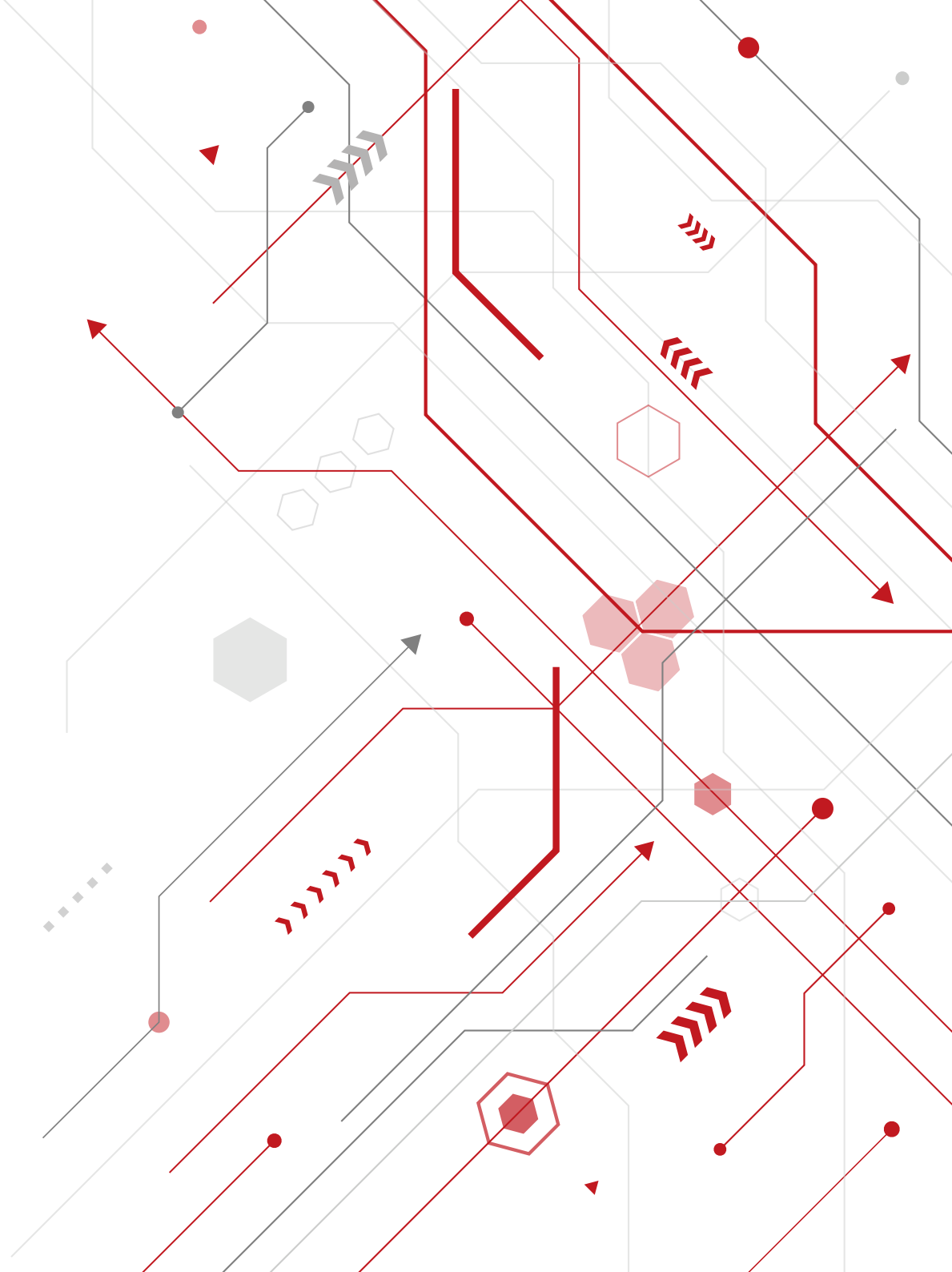
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## Message from the CEO



### Responsibility and Determination as a Leader in Further Enhancing Corporate Value

I assumed the position of President and CEO in June 2025. To briefly introduce myself, after graduating from university, I spent nearly 20 years in the banking industry, where I was involved in derivative trading, financial product development, building financial risk management systems, managing and planning liquidity reserve funds, structured

finance, and private equity investments. After joining the Rakuten Group, I spent about ten years leading business development, including corporate acquisitions and capital alliances, during which I was involved in the investment in and acquisition of our predecessor, eBANK Corporation, as a subsidiary.

From January 2017 to May 2019, I served as a Managing Executive Officer at Rakuten Bank, responsible for finance, planning, and ALM. Throughout my long career in the

financial industry, I have come to recognize the potential of digital banking and the tremendous growth possibilities in the FinTech domain, and I have held high expectations for the growth of the Bank from that time. After returning to Rakuten Group, Inc., I rejoined the Bank in April 2025, and, with the trust of our shareholders, I have now been appointed as the President and CEO.

When I was asked to take on the role of President and CEO, I felt the weight of responsibility, but at the same



time, I recognized it as a once-in-a-lifetime opportunity to challenge myself in the area of leading the financial industry forward.

Since its listing on the Tokyo Stock Exchange Prime Market in April 2023, we have steadily grown and, as of now, has reached a market capitalization of over 1 trillion yen, moving towards the next stage. In an environment characterized by rapid change and high uncertainty, the mission of top leadership is broad and multifaceted. However, with the goal of invigorating the organization in this new growth stage and further enhancing sustainable corporate value, I am committed to moving forward together with our officers and employees to refine the Bank to become the “safe, secure, and most convenient bank” and gain even greater support.

### Achieving Accelerated Growth in an Uncertain Environment

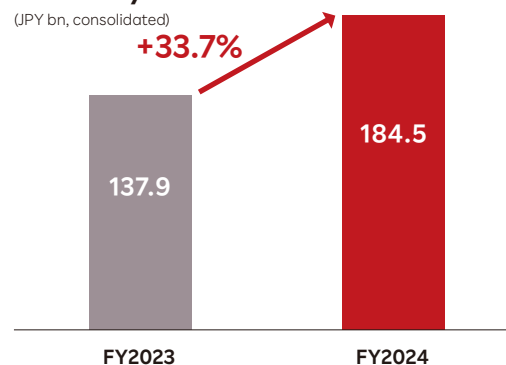
By May 2025, the number of deposit accounts surpassed 17 million, and our non-consolidated deposit balance exceeded 11 trillion yen, solidifying our position as the largest digital bank in Japan. Furthermore, for fiscal 2024,

consolidated ordinary income reached 184.5 billion yen, and consolidated ordinary profit was 71.5 billion yen. With regard to consolidated ordinary profit, we were able to achieve the target level of approximately 70.0 billion yen for the fiscal year ending March 31, 2027, which was set in the Medium- to Long-term Vision announced in April 2022, ahead of schedule.

These achievements were driven by a significant increase in interest income, as well as improved operational efficiency due to the expansion of our business scale. At the same time, the following efforts reflect the success of our growth strategy for the “second growth stage” toward achieving the Medium- to Long-term Vision: customer acquisition by leveraging the Rakuten Ecosystem, such as Rakuten Points, the brand and recognition of the Rakuten Group, and mutual customer referrals among Rakuten Group companies; promotion of the conversion of accounts into primary accounts through the provision of highly convenient, full-fledged services; increase in investment assets through the use of trust functions within the Rakuten Bank Group; and expansion of middle-risk assets under appropriate management. (© see P.26 “Medium- to Long-term Vision”).

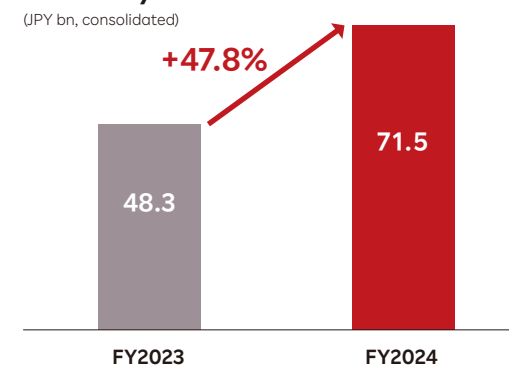
#### Ordinary Income

(JPY bn, consolidated)



#### Ordinary Profit

(JPY bn, consolidated)



On the other hand, the business environment surrounding the Bank has changed significantly from the outlook at the time of formulation of the Medium- to Long-term Vision, and uncertainty has increased. This includes global market instability, sharp currency exchange fluctuations, the prolonged Russia-Ukraine conflict, heightened tensions in the Middle East, and the return to a “world with interest rates.” Additionally, the rapid digital shift in society is accelerating, with the rise of generative AI and the cashless payment ratio exceeding the government’s target, and competition in the banking industry is also intensifying, with major banks expanding investments in the digital banking sector and the entry of non-bank sectors into the banking industry.

Despite such significant changes in the environment, I am confident that we will continue to grow at an accelerated pace and remain a leader in the digital banking sector. As an example, in May 2024, we launched a new digital financial service, “JRE BANK,” in collaboration with East Japan Railway Company and Viewcard Co., Ltd. Since the service launch, it has attracted interest from many customers and is expanding smoothly. The purpose of our BaaS (Banking as a Service) initiative is not merely to increase the number of accounts but to create unique and competitive FinTech services by combining assets and know-how not currently available at the Bank with financial services know-how we possess, ultimately providing our customers with new experiential value. By incorporating growth in the FinTech domain such as BaaS and cashless payments, we will accelerate the growth of the Bank (☺ see P.33 “Capturing Growth in the FinTech Domain”).

We will continue to pursue synergies with the Rakuten Ecosystem for further growth, expanding our customer base and providing highly convenient financial services that traditional banking has not been able to offer through integration with various services within the Rakuten Group. Additionally, with an eye on changes in the interest rate environment, we will enhance the diversification of

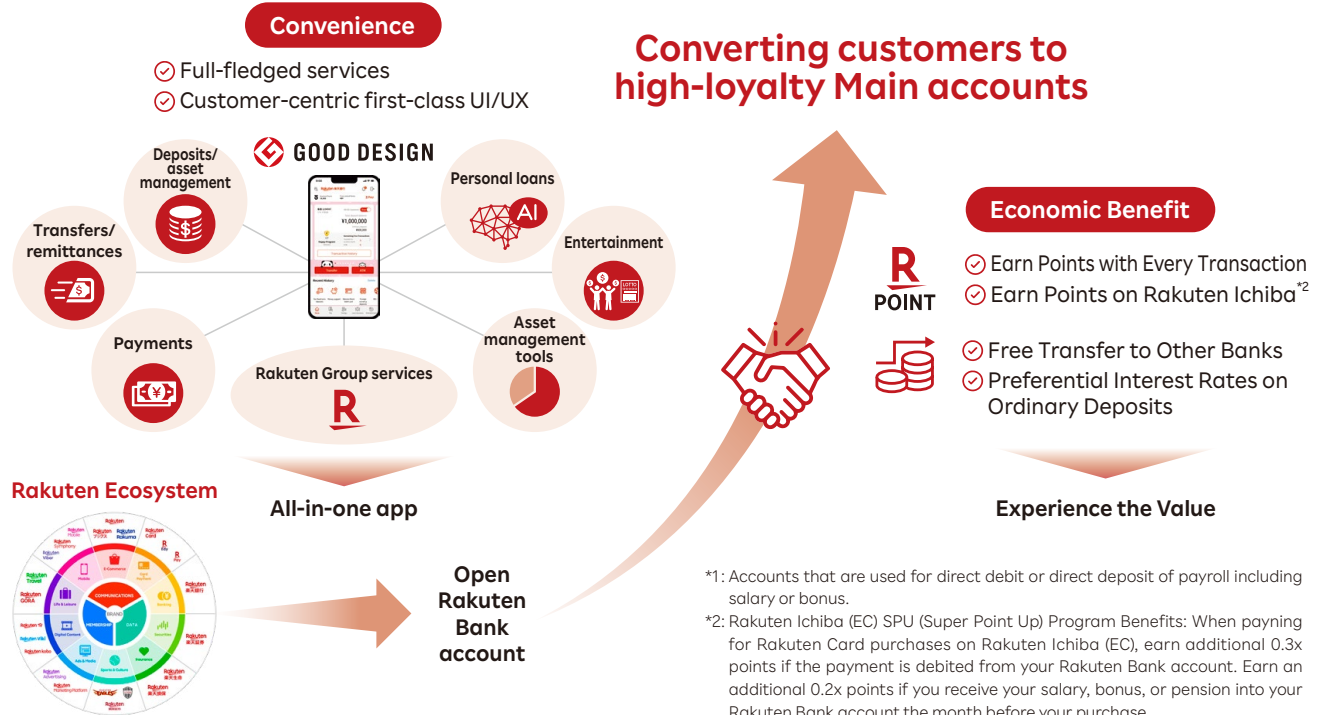
investment assets under appropriate risk management. We believe that these efforts, utilizing the vast data and AI resources held by both the Bank and the Rakuten Group, will accelerate growth and efficiency.

### Strengths for Achieving Sustainable Growth, Including the Rakuten Ecosystem

As a member of the Rakuten Group, our significant strength lies in the 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 the Bank (☺ see P.17 “Synergies with Rakuten Ecosystem”). In utilizing the Rakuten Ecosystem, to encourage customers to use Rakuten Bank accounts as their primary accounts, we are promoting the conversion to main accounts\*1, which meet a wide range of individual financial needs in daily life, by highlighting the economic benefits, such as offering Rakuten Point rewards and advantageous services. The main accounts, compared to other accounts, contribute significantly to our growth, with approximately four times higher average income per account and approximately six times higher average deposit balances (☺ see P.27 “Customer Base Expansion: Individual Customers”).

#### Our Main Accounts’ Growth Momentum



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

\*2: Rakuten Ichiba (EC) SPU (Super Point Up) Program Benefits: When paying for Rakuten Card purchases on Rakuten Ichiba (EC), earn additional 0.3x points if the payment is debited from your Rakuten Bank account. Earn an additional 0.2x points if you receive your salary, bonus, or pension into your Rakuten Bank account the month before your purchase.

Additionally, we believe that our full-fledged services, which respond to the diverse financial needs of customers based on changes in their life stages and lifestyles, as well as our one-stop securitization services that leverage the securitization know-how we have accumulated, are highly valued by our customers (☺ see P.19 “**Creation of High-Quality Investment Assets and a Strong Capital Base**”). Regarding the Securitization Business, its recognition in the market has been increasing, and in addition to the projects we originate, we are seeing a growing trend of participation in projects originated by other banks and companies.

Furthermore, in a rapidly changing environment, it is crucial to respond to customer needs with speed to stay competitive. We have developed, operated, and maintained systems in-house without relying on specific system vendors, enabling us to provide services quickly and flexibly (☺ see P.20 “**In-House Systems Development, Operations, and Maintenance Structure**”). We are always listening to our customers' opinions, thoroughly pursuing UI/UX, and continuously working towards improving convenience, which is also a significant strength (☺ see P.22 “**Organizational Culture Pursuing UI/UX**”). Moreover, by incorporating cutting-edge AI technologies, unique to digital banks backed by leading domestic and international IT companies, we are further enhancing the creativity and efficiency of our business (☺ see P.21 “**AI-nization**”).

Supporting these strengths is our talented employees, rich in diversity. We will strengthen human resource development, create a work environment where each employee can thrive, and promote the development of a rewarding workplace so that each diverse employee can fully utilize their individuality and strengths, and work together to deliver new value to our customers, sharing the Rakuten Group's “Rakuten Shugi” and under the mission of “Contribute to society by creating value through innovation and entrepreneurship.” (☺ see P.23 “**Diverse and Specialized Talent**”).



## Engaging with Stakeholders Sincerely and Meeting Their Expectations

Since my appointment in April 2025, I have had numerous discussions with many employees, not just the management team, and I am confident that we have great potential to further enhance its corporate value. We are aiming to achieve the consolidated ordinary income target of approximately 200 billion yen for the fiscal year ending March 31, 2027, as set in the Medium- to Long-term Vision, one year ahead of schedule by the end of fiscal 2025. However, we still have room for further growth regarding the targets of approximately 25 million non-consolidated accounts and approximately 20 trillion yen in non-consolidated

deposits. As a leading FinTech company, we will pursue greater convenience and strive to improve the quality of our services, while always listening to our customers' feedback, to provide the highest level of digital banking services. Furthermore, respecting the responsibility of operating a business with high public interest, we will expand our efforts in environmental and social aspects toward the realization of a sustainable society (☺ see P.34 “**Sustainability Approach**”).

We will continue to engage sincerely with our stakeholders and strive to meet their expectations, aiming to achieve sustainable corporate value enhancement. I kindly ask for your continued understanding and support.

## Message from the CFO



### Expanding Our Customer Base and Accumulating a Diverse Range of Investment Assets to Increase Business Scale for Sustainable Growth

#### Naoki Mizuguchi

Managing Executive Officer;  
Executive Manager of Finance Division,  
Planning Division, and Credit Division (as of June 30, 2025)

### Review of Fiscal 2024

In fiscal 2024, under the growth strategy outlined in the Medium- to Long-term Vision, we focused on enhancing profitability and growth potential by expanding its customer base, further improving services, and expanding fund management opportunities. As a result, by the end of March 2025, we achieved significant growth in our business scale, with the number of accounts reaching 16.83 million and our non-consolidated deposit balance reaching 11,476.3 billion yen. Additionally, during the period, we revised our earnings forecast upward twice. Due to a significant increase in interest income, consolidated ordinary income exceeded our revised forecast, reaching 184.5 billion yen, an increase

of 46.5 billion yen year on year. Similarly, consolidated ordinary profit exceeded the revised forecast, reaching 71.5 billion yen, an increase of 23.1 billion yen year on year. We also achieved our target of approximately 70.0 billion yen in consolidated ordinary profit for the fiscal year ending March 31, 2027, two years ahead of schedule (☺ see P.26 “Medium- to Long-term Vision”).

The factors driving the increase in ordinary profit include the accumulation of investment assets with diversified risks, the increase in interest income due to the Bank of Japan's policy rate hikes, and the improved operational efficiency resulting from the expansion of our business scale. In fiscal 2024, the ratio of interest income to non-interest income was approximately 7:3, a shift from the previous 6:4 ratio

### Consolidated Statements of Income

(JPY bn, consolidated)	FY2023	FY2024	Change	YoY
<b>Ordinary income</b>	<b>137.9</b>	<b>184.5</b>	<b>+46.5</b>	<b>+33.7%</b>
Interest income	84.5	128.1	+43.6	+51.6%
Non-interest income <sup>1</sup>	52.5	55.5	+2.9	+5.6%
Fees and commissions income	42.8	46.3	+3.4	+8.1%
Other operating income	8.2	7.5	-0.7	-8.6%
Trust fees	1.4	1.6	+0.1	+13.4%
Other ordinary income	0.8	0.8	-0.0	-6.8%
<b>Gross operating profit<sup>2</sup></b>	<b>92.5</b>	<b>122.7</b>	<b>+30.1</b>	<b>+32.6%</b>
Adjusted net interest income <sup>2</sup>	59.4	88.4	+28.9	+48.7%
Adjusted net non-interest income <sup>3</sup>	33.0	34.2	+1.2	+3.6%
Adjusted net fees and commissions income <sup>2</sup>	23.3	25.1	+1.7	+7.3%
Net other operating income	9.6	9.1	-0.5	-5.3%
General and administrative expenses	41.9	46.3	+4.3	+10.4%
Other ordinary profit	-2.2	-4.8	-2.6	-
<b>Ordinary profit</b>	<b>48.3</b>	<b>71.5</b>	<b>+23.1</b>	<b>+47.8%</b>
<b>Profit attributable to owners of parent</b>	<b>34.4</b>	<b>50.7</b>	<b>+16.3</b>	<b>+47.4%</b>
Loan guarantee expenses	13.9	12.6	-1.3	-9.4%

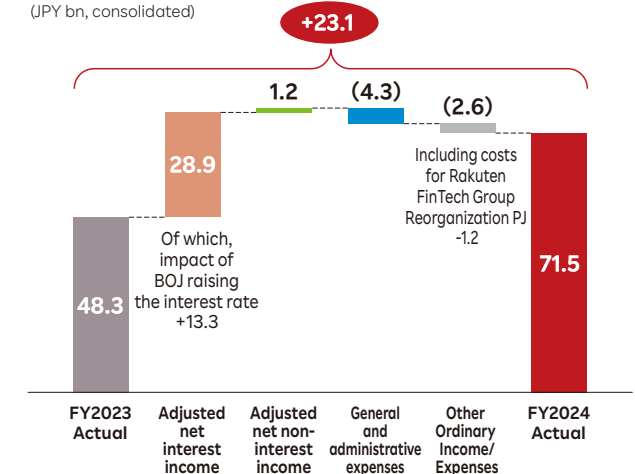
\*1: Calculated as the sum of fees and commissions income, other operating income and trust fees.

\*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.

### Change in Ordinary Profit

(JPY bn, consolidated)



maintained under the negative interest rate policy, reflecting the increased contribution of interest income. On the other hand, non-interest income also remained at a high level, and we believe that the strategy of expanding both interest and non-interest income has been successful.

## Earnings Forecast for Fiscal 2025

The earnings forecast for fiscal 2025, based on the assumption that the current interest rate environment will persist, sets a target of 246.8 billion yen for consolidated ordinary income and 91.2 billion yen for consolidated ordinary profit. This forecast aims to achieve the consolidated ordinary income target of approximately 200 billion yen for the fiscal year ending March 31, 2027, which was set in the Medium- to Long-term Vision, ahead of schedule.

Our growth strategy focuses on expanding our customer

base through the efficient acquisition of new customers by leveraging the Rakuten Ecosystem, promoting the conversion of accounts to primary accounts, and increasing non-interest income and deposits. We also aim to expand investment assets, gradually increasing the proportion of middle-risk assets to enhance return on assets. The general framework of this strategy remains unchanged for fiscal 2025. Regarding deposits, with the return to a “world with interest rates,” we are seeing some fluid movements from some customers with high interest sensitivity, but we have no intention of engaging in excessive interest rate competition. Instead, we will emphasize the convenience of our services through the promotion of primary accounts and offer preferential interest rates to loyal customers, thereby achieving stable funding. The financial impact of these measures is reflected in this earnings forecast.

Regarding the impact of trends in the U.S. administration, from the perspective of our business structure, fluctuations

in exchange rates, U.S. interest rates, and stock prices are all nearly neutral. If the U.S. administration's actions lead to a deterioration in the domestic Japanese economy, which in turn causes a delay in the Bank of Japan's policy rate hike, there is a possibility that the realization of the profits we would have normally achieved could be delayed. However, since our plans are based on the assumption that interest rates will remain stable, we do not expect any impact relative to our plans. Additionally, personal loans, including card loans and investment property loans, which constitute our middle-risk assets, are mainly offered to middle- to high-income customers. Even if the Japanese economy should deteriorate to the point where consumers are affected, we believe the impact on our business will be minimal compared to other banks. We will continue to monitor the financial and economic environment while focusing on expanding our business scale for sustainable growth.

## Efforts to Enhance Corporate Value

### Investment and Loan Portfolio Management

As mentioned earlier, we have adopted a strategy to increase interest income by expanding investment assets with diversified risks and to improve return on assets by gradually increasing the proportion of middle-risk assets. Middle-risk assets include card loans, investment property loans, and some Asset-Based Lending (ABL) and monetary claims bought. In fiscal 2024, the recovery trend in card loan balances due to the rebound in consumer demand, the revitalization of the investment property market, and increased corporate financing needs supported the steady expansion of these middle-risk asset balances. 80% of our investment assets are based on floating rates, which are mostly linked to TIBOR. Therefore, as the balance of middle-risk assets expands, the increase in interest income that can be gained from the rise in policy interest rates becomes more significant. For investment property loans, we closely monitor the trends in real estate circulation, while for ABL

### The Consolidated Forecast for FY2025<sup>\*1</sup>

(JPY bn, consolidated)

	FY2023 (actual)				▶	FY2025 (forecast)		
	FY2023 (actual)	FY2024 (actual)	YoY change	Change %		FY2025 (forecast)	YoY change	Change %
Ordinary income	137.9	184.5	+46.5	+33.7%	▶	246.8	+62.3	+33.7%
Ordinary profit	48.3	71.5	+23.1	+47.8%	▶	91.2	+19.6	+27.5%
Net Income <sup>*2</sup>	34.4	50.7	+16.3	+47.4%	▶	64.3	+13.5	+26.7%

\*1: Assumption for earnings forecasts: BOJ policy interest rate of 0.50%

\*2: Profit attributable to owners of parent

and monetary claims bought, in addition to the projects we originate, we also participate in projects originated by other companies, aiming to accumulate balances at the same pace or slightly faster than the current rate (☺ see P.31 “Earnings Power Enhancement”).

Furthermore, while considering liquidity, we are working to improve the yield on surplus funds. When yields higher than that due from the Bank of Japan are anticipated, we flexibly increase the balance of loans to the Ministry of Finance as assets that do not generate unrealized losses. At the same time, while monitoring interest rate trends and being mindful of potential unrealized losses, we are gradually expanding our investments in marketable securities.

### Efficient Business Operation

Unlike traditional banks, digital banks do not require the maintenance and operating costs associated with legacy assets such as physical branches or proprietary ATMs, making it a strength of our business model to operate at a low cost. We have already reached a business scale where we can benefit from cost competitiveness, and we believe that business expansion will further strengthen this advantage. By leveraging this cost competitiveness, we are able to provide services that offer customers tangible benefits, such as rewarding them with Rakuten Points for using our services. As our business scale has expanded, the G&A expense ratio, which reflects our cost competitiveness, has decreased year by year. For fiscal 2024, the G&A

expense ratio was 35.6%, a decrease of 6.9% year on year (☺ see P.24 “Business Model for Sustainable Growth”).

In addition to this efficient business operation, our growth strategy of expanding the customer base, promoting the conversion of accounts to primary accounts, increasing non-interest income and deposits, and expanding investment assets to enhance interest income has been successful. As a result, our ROE for the full fiscal 2024 reached 18.0%, achieving one of the top figures among Japanese banks. We will continue to invest capital in system investments and marketing expenses for future growth, aiming to expand our business scale.

### Status of Investment in Marketable Securities, etc.\*

#### ● Loans to the Ministry of Finance

Flexibly increase the balance as an asset that does not generate unrealized losses when securing a yield higher than that due from the Bank of Japan is possible.

JPY	Jun. 30, 2024	Sep. 30, 2024	Dec. 31, 2024	Mar. 31, 2025
Loan balance	1,221.7 bn	1,230.9 bn	1,442.1 bn	1,575.5 bn
Change from the end of the previous quarter	+203.3 bn	+9.1 bn	+211.1 bn	+133.4 bn

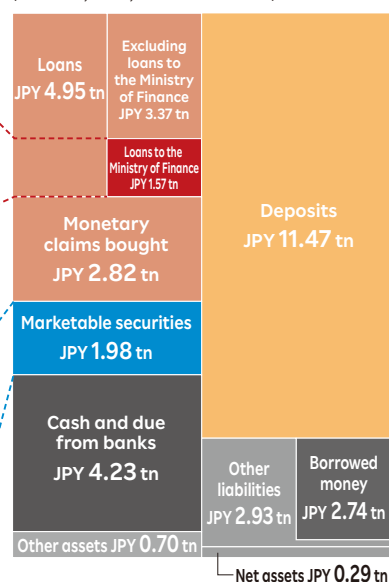
#### ● New Investment Amount in Marketable Securities for Investment Purposes (Held-to-Maturity)

Progressively expand investment in marketable securities in light of future interest rate trends, while monitoring the emergence of unrealized losses

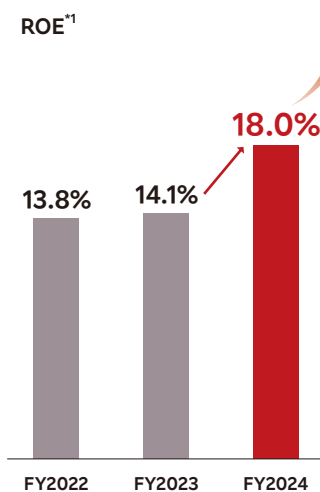
JPY	Q1 FY2024	Q2 FY2024	Q3 FY2024	Q4 FY2024
JGBs	34.8 bn	49.4 bn	9.8 bn	—
Government guaranteed bonds	60.2 bn	112.6 bn	10.0 bn	52.7 bn
Corporate bonds	9.2 bn	20.6 bn	75.6 bn	72.4 bn
<b>Total new purchase</b>	<b>104.3 bn</b>	<b>182.7 bn</b>	<b>95.5 bn</b>	<b>125.1 bn</b>

\* Loans to the Ministry of Finance, JGBs, government guaranteed bonds, and corporate bonds

(March 31, 2025, non-consolidated)



### ROE Performance



#### Further Business Expansion with Unique Rakuten Ecosystem

- ☑ **Non-interest income growth**  
Further growth through main account<sup>2</sup> acquisition and cross-selling
- ☑ **Interest income growth: Enhance risk/return profile**
  - Creation of proprietary assets of the Rakuten Group with an attractive risk-return profile
  - Balanced expansion of diverse assets under management

#### Pursue Capital Efficiency

- ☑ **Capital deployment for growth**  
Sufficient capital base to pursue returns with greater leverage for further business expansion  
—— Consolidated capital adequacy ratio<sup>3</sup> as of Mar. 31, 2025: 10.6%

#### Pursue Cost Efficiency

- ☑ **Management that leverages the strengths of a digital bank business model**  
—— G&A expense ratio<sup>4</sup> in FY2024: 35.6%

\*1: ROE is calculated by dividing profit attributable to owners of parent by the average 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 by JPY 13,324 mm.

\*2: Accounts that are used for direct debit or direct deposit of payroll including salary or bonus.

\*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).

\*4: G&A expenses divided by gross operating profit.

### Capital Policy and Shareholder Returns

Regarding returns to shareholders, we will consider a capital policy, including dividend payments, in the medium to long term, based on our business strategy. However, as we are currently in a growth stage, we aim to allocate capital to achieve profit growth and maintain our capital adequacy ratio in the short term, with the goal of further expanding our business. We are confident that by expanding our business and enhancing corporate value, we will be able to meet the expectations of our shareholders.

Additionally, to deepen understanding of our business and increase the appeal of our stock, we have introduced a shareholder benefit program, with the aim of encouraging more shareholders to hold our stock in the medium to long term. This program not only raises interest in the Bank but also serves as a tangible way to express our gratitude to our shareholders. We are grateful for the positive feedback we have received on this initiative.

### Main Features of the Shareholder Benefit Program (Shareholders who are listed in the shareholder registry as of March 31, 2025)

	Details of benefit	For salary receivers
JPY fixed deposits	JPY 6-month fixed deposits rate + 0.25% per annum (before tax)	Another +0.25% per annum (Total +0.50% per annum (before tax))
Foreign currency time deposits	JPY 500 cashback for more than 1-month fixed deposit of a minimum of 10,000 currency units	Another cashback of JPY 500 (Total JPY 1,000)
Housing loans	JPY 30,000 cashback to loan commission	Another cashback of JPY 30,000 (Total JPY 60,000)

\* For more details about the shareholder benefit program, please refer to our website.



[https://www.rakuten-bank.co.jp/corp/investors/stock/shareholder\\_benefits/](https://www.rakuten-bank.co.jp/corp/investors/stock/shareholder_benefits/) (Japanese only)

### Dialogue with Stakeholders

As a pioneer in digital banking, we are developing a unique business model utilizing the Rakuten Ecosystem. To gain an understanding of stakeholders, including investors, it is essential to explain our strategy and business activities in a timely and appropriate manner, and to engage in constructive dialogue with them. Therefore, we are actively involved in domestic and international IR activities and are committed to improving transparency. Although it has been only about two years since our listing, we are grateful to have had numerous opportunities for dialogue with investors. In fiscal 2024, we conducted more than 300 IR meetings (☺ see P.37 “Dialogue with Shareholders and Investors”). Furthermore, with the expectation that it will help deepen understanding of the Bank, we are also working to improve the disclosure of non-financial information, including the publication of this Integrated Report.

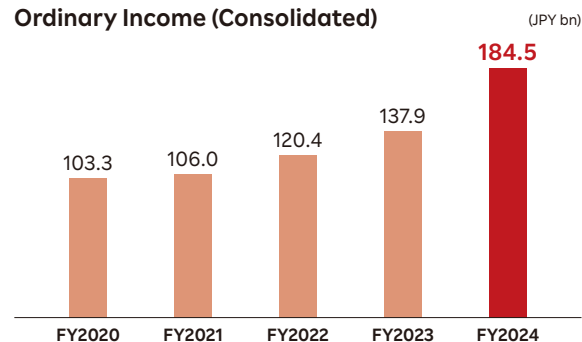
Dialogue with stakeholders is an invaluable opportunity for us to learn and gain insights. The feedback we receive

is shared with the management team at the Board of Directors and other meetings, and is used as a reference for business operations. We will continue to engage in dialogue with stakeholders and, while receiving opinions from diverse perspectives, work on sustainably enhancing our corporate value. I sincerely ask for your continued support and guidance.

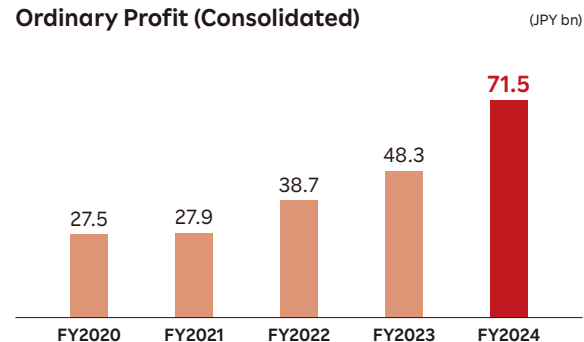


# At a Glance

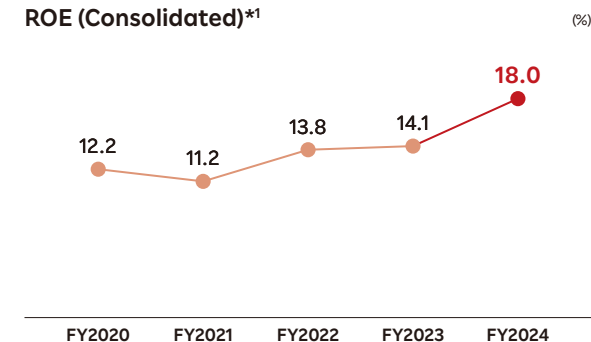
### Ordinary Income (Consolidated)



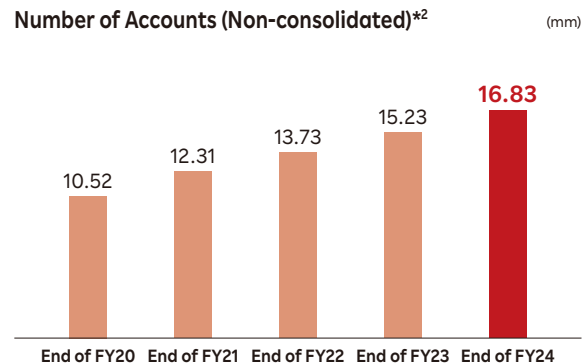
### Ordinary Profit (Consolidated)



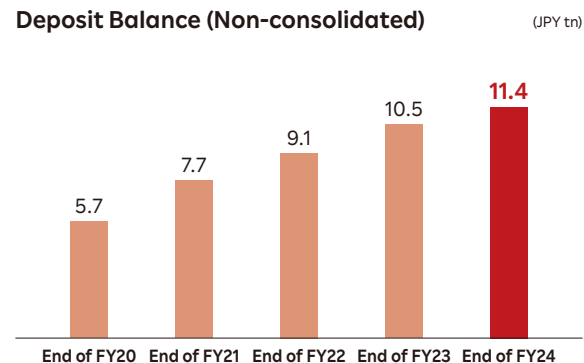
### ROE (Consolidated)\*1



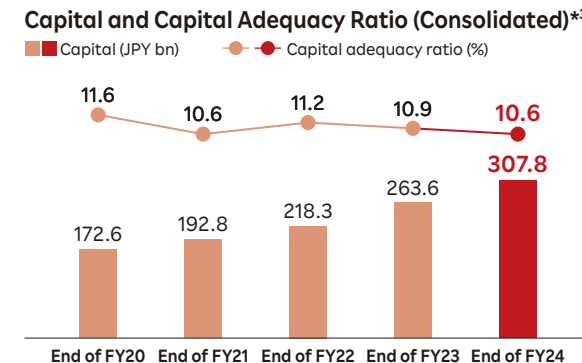
### Number of Accounts (Non-consolidated)\*2



### Deposit Balance (Non-consolidated)



### Capital and Capital Adequacy Ratio (Consolidated)\*3



**Employees**  
(FY2024, consolidated)

**1,076 persons**



**Percentage of female managers\*4**  
(FY2024, non-consolidated)

**33.5%**



**Environmental investment and loan balance**  
(FY2024, non-consolidated)

**220.9 billion yen**



**Renewable energy transition rate**  
(FY2024, domestic and international sites)

**100%**

\*1: ROE is calculated by dividing profit attributable to owners of parent by the average 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 by 13,324 million yen.

\*2: Closed accounts are excluded.

\*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: Leaders (those responsible for making decisions about assigned tasks and managing teams, including the development and guidance of subordinates) in addition to managers under the Act on the Promotion of Women's Active Engagement in Professional Life.

# Rakuten Bank's History

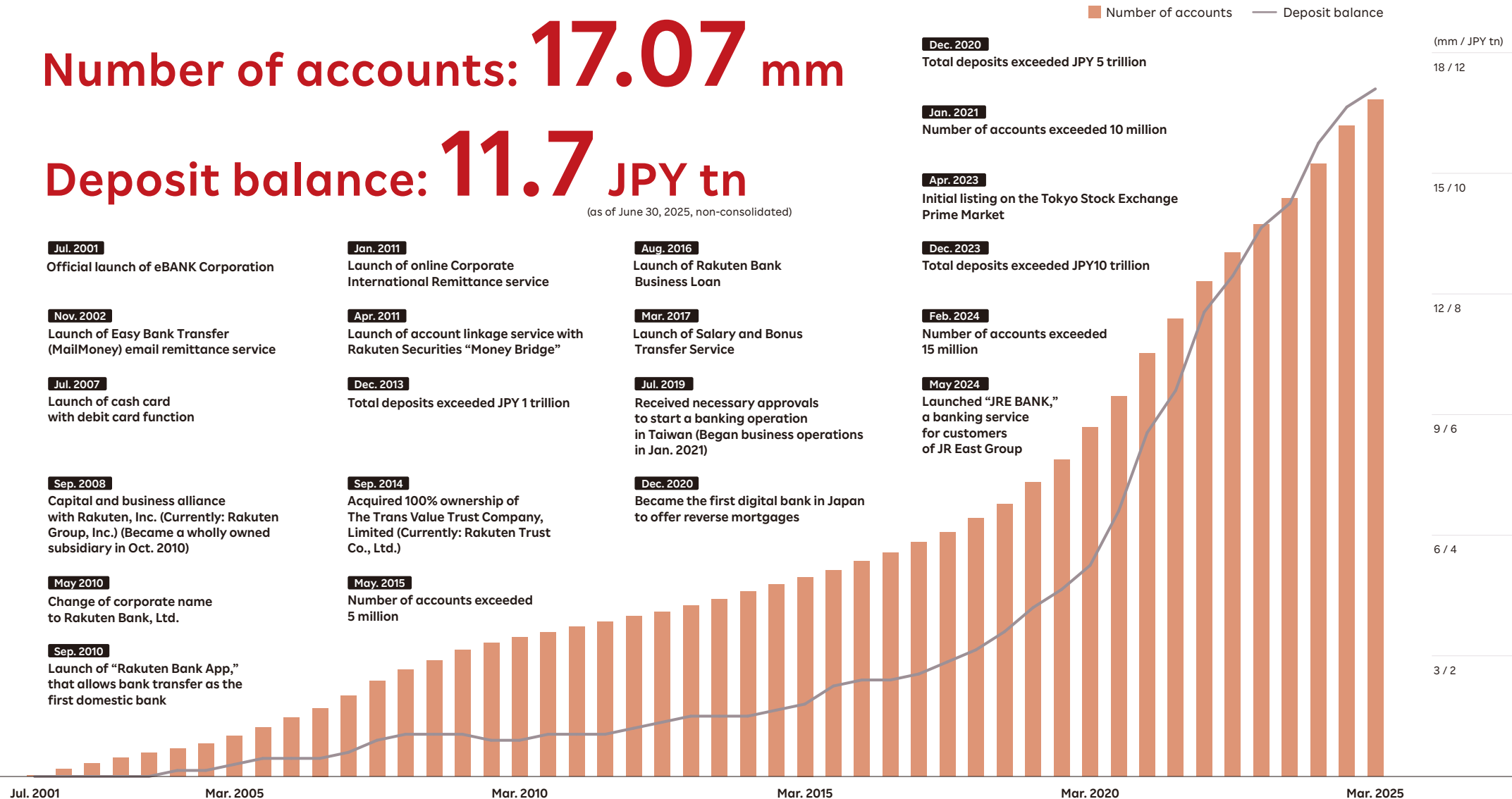
Since our establishment in 2001, as a pioneer in digital banking, we have expanded our customer base and business scale by providing highly convenient financial services to our customers.

As a leading FinTech company, we will continue to aim to be the “safe, secure, and most convenient bank.”

Number of accounts: **17.07 mm**

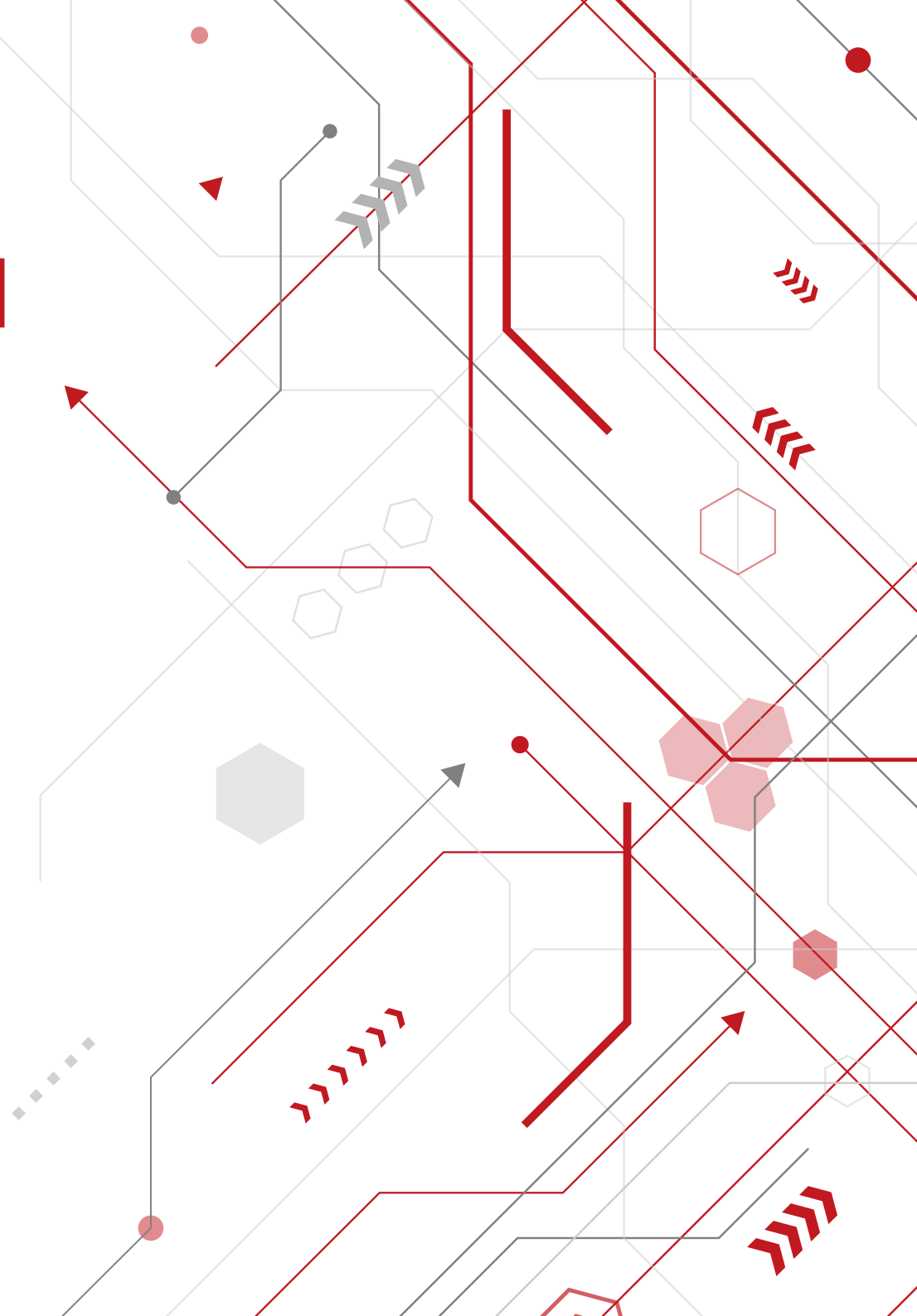
Deposit balance: **11.7 JPY tn**

(as of June 30, 2025, non-consolidated)



# Rakuten Bank's VALUE CREATION

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# Value Creation Story

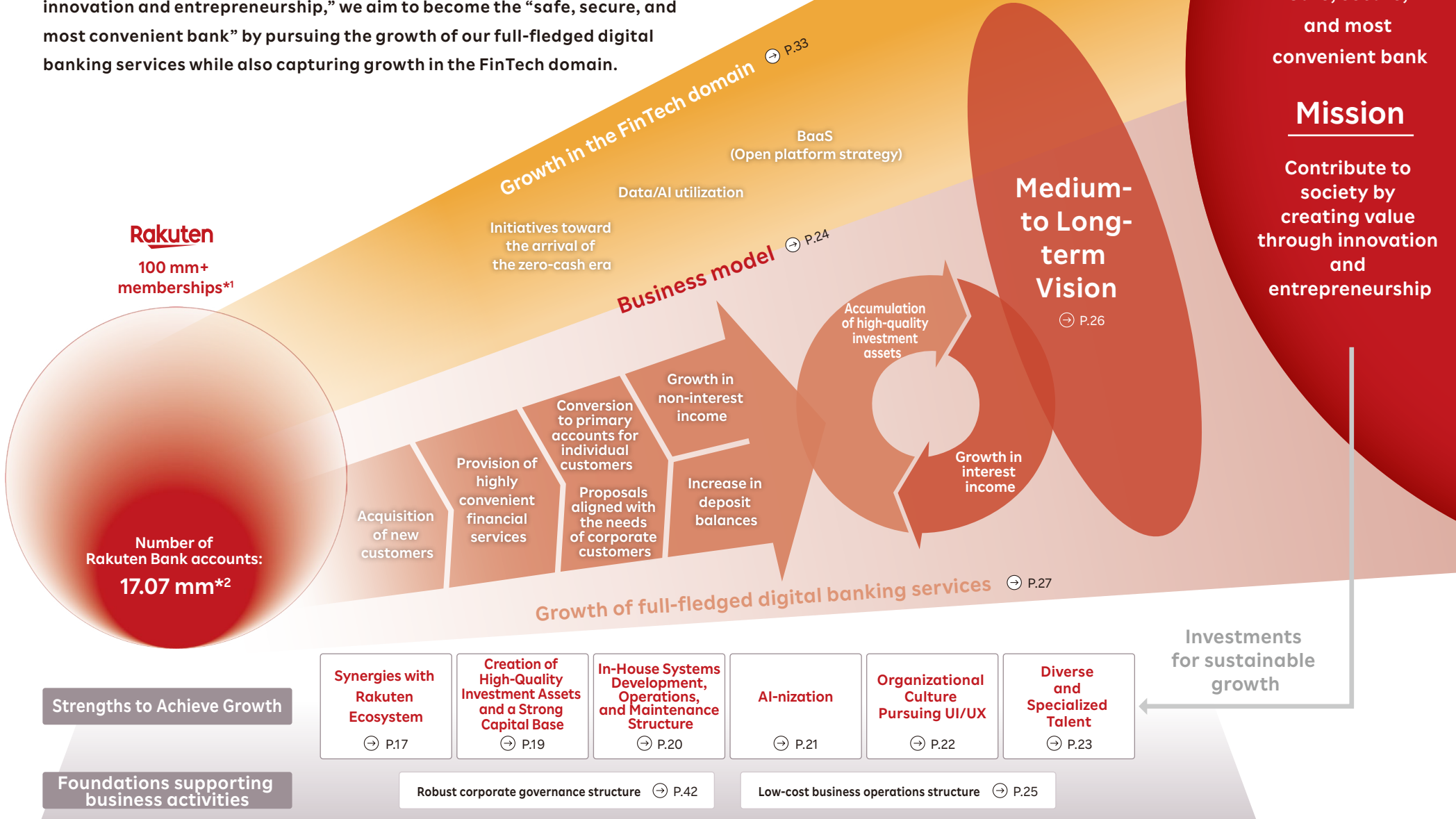
Under the mission to “Contribute to society by creating value through innovation and entrepreneurship,” we aim to become the “safe, secure, and most convenient bank” by pursuing the growth of our full-fledged digital banking services while also capturing growth in the FinTech domain.

## Our Ideal

Safe, secure, and most convenient bank

## Mission

Contribute to society by creating value through innovation and entrepreneurship



**Rakuten**  
100 mm+ memberships\*1

Number of Rakuten Bank accounts:  
17.07 mm\*2

Growth in the FinTech domain → P.33

Business model → P.24

Medium-to Long-term Vision → P.26

Growth of full-fledged digital banking services → P.27

### Strengths to Achieve Growth

- Synergies with Rakuten Ecosystem → P.17
- Creation of High-Quality Investment Assets and a Strong Capital Base → P.19
- In-House Systems Development, Operations, and Maintenance Structure → P.20
- AI-nization → P.21
- Organizational Culture Pursuing UI/UX → P.22
- Diverse and Specialized Talent → P.23

### Foundations supporting business activities

- Robust corporate governance structure → P.42
- Low-cost business operations structure → P.25

Investments for sustainable growth

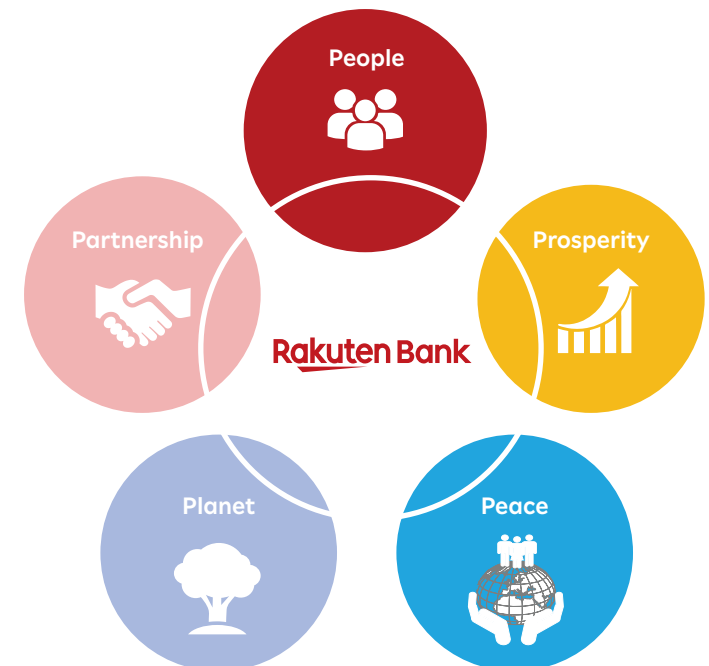
\*1 As of March 31, 2025. The number of Rakuten IDs where members logged in at least once after membership registration (excluding members who cancelled their membership).  
\*2 As of June 30, 2025, non-consolidated.

# Materiality

Amid rapid social change, including the advance of the digital shift, the declining birthrate and aging population, and the depopulation of regional areas, the services and roles required of banks are also evolving. In light of this external environment, we have identified the following materiality. In keeping with our responsibility as the Rakuten Bank Group engaged in the highly public business of banking, we will fully demonstrate the Rakuten Group's mission in the FinTech domain and continue to contribute to solving environmental and social issues into the future.

	Materiality	Specific Initiatives
Fulfillment of Social Responsibility and Public Role as a Critical Infrastructure Operator	Risk Management, Advanced Risk Monitoring	<ul style="list-style-type: none"> <li>→ P.42 Overview of Corporate Governance</li> <li>→ P.48 Risk Management</li> </ul>
	Ensure Robust Information Security and Operational Resilience	<ul style="list-style-type: none"> <li>→ P.20 In-House Systems Development, Operations, and Maintenance Structure</li> <li>→ P.51 Security</li> </ul>
Empowerment of Each Stakeholder through Innovation	Innovation in Products and Services with Intelligence, Creativity, and Passion	<ul style="list-style-type: none"> <li>→ P.27 Customer Base Expansion</li> <li>→ P.31 Earnings Power Enhancement</li> </ul>
	Creating Values by Effective Data Use and Dialogue with Stakeholders	<ul style="list-style-type: none"> <li>→ P.21 AI-nization</li> <li>→ P.33 Capturing Growth in the FinTech Domain</li> </ul>
Empowerment of Society as a Whole through Increased Corporate Values	Ensure Fair and Ethical Business Practices Coexistence with local communities, promotion of diversity and financial education	<ul style="list-style-type: none"> <li>→ P.34 Sustainability Initiatives</li> </ul>

## Contribution to Solving Environmental and Social Issues



Strengths to Achieve Growth

# Synergies with Rakuten Ecosystem



A strong synergy with the Rakuten Ecosystem is the most distinctive feature of our business model. By leveraging the Rakuten Ecosystem, which boasts over 100 million memberships and an extensive lineup of services, we work to acquire customers efficiently, provide high value-added services, and generate high-quality investment assets.

## Outstanding Presence of the Rakuten Ecosystem





Centered on Rakuten Group, Inc., the Rakuten Group aims to contribute to social innovation and enrichment by boosting the growth of many people, while providing services that ensure a high standard of satisfaction for both users and client companies. It offers more than 70 services across a wide range of fields. These services are organically connected around a membership base led by 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.

We actively pursue synergies with the Rakuten Ecosystem by promoting initiatives to acquire new customers and enhance loyalty to us through the utilization of the Rakuten Group's over 100 million membership. As part of these efforts, we partner with companies within the Rakuten Group to offer unique added value that combines our banking services with the Rakuten Group's services. This added value further strengthens trust and loyalty toward both the Bank and the Rakuten Group.

### Rakuten

<p><b>Unique Ecosystem</b></p> <p>70+ services<sup>*1</sup> 100 mm+ memberships<sup>**2</sup></p> 	<p><b>Trusted and Well-known Brand</b></p> <p>No.1 web brand in Japan<sup>*3</sup></p> 
<p><b>Most Popular<sup>*4</sup> Point Program in Japan</b></p> <p>Attractive <b>SPU<sup>*5</sup></b> for customers</p> 	<p><b>Deep &amp; Rich Data x Technology</b></p> <p>100 mm+ membership<sup>**2</sup> 6,000+ tech engineers<sup>*6</sup> (in Rakuten Group companies)</p> 

### Rakuten Bank

 <p><b>Customer Acquisition</b></p>	<p>×</p>
 <p><b>Cross-selling</b></p>	<p>×</p>
 <p><b>Origination of Unique Investment Assets</b></p>	

\*1: As of March 31, 2025

\*\*2: 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.

\*3: Nikkei BP Consulting's web brand survey 2025 Spring/Summer "Japan web brand index top 50." Rakuten Ichiba has been No.1, and Rakuten Travel, Rakuten Card, Rakuten Bank, and Rakuten 24 have been ranked in the list.

\*4: MyVoice Communications, Inc. Survey on points in Japan. As of June 2023.

\*5: Super Point Up Program: A point up program where customers can earn more points by using Rakuten Ichiba based on their usage of other Rakuten services.

\*6: As of December 31, 2024

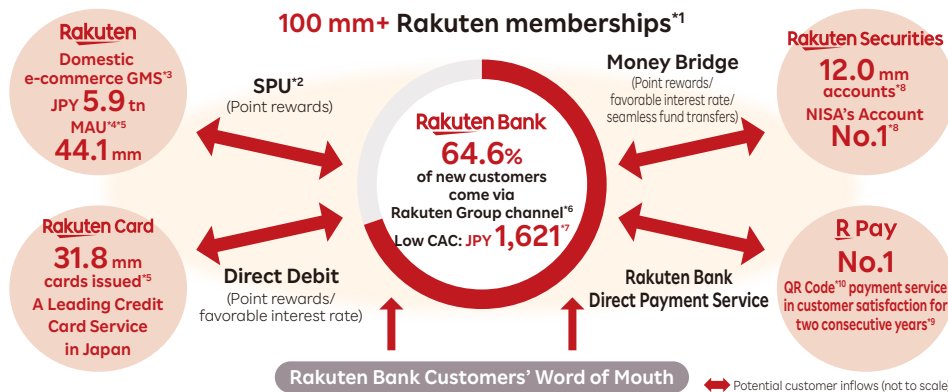
Strengths to Achieve Growth

Strong Competitive Advantage through Utilization of the Rakuten Ecosystem

We have established a strong competitive advantage by leveraging the robust customer base of over 100 million memberships held by the Rakuten Group to acquire new customers. Rakuten members demonstrate high loyalty and trust toward Rakuten Group services, and by positioning our financial services on top of this relationship, we are able to open a large number of new accounts in a short period while keeping customer acquisition costs low. In fiscal 2024, approximately 65% of our new account openings came from applications via the Rakuten Group.

To further enhance loyalty toward the 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. We believe these initiatives contribute not only to efficient new customer acquisition but also to greater customer loyalty and retention.

Efficient Customer Acquisition through the Rakuten Ecosystem



\* 1: See \*2 on the previous page.  
 \* 2: See \*5 on the previous page.  
 \* 3: From Rakuten Group, Inc., FY2024 Full-Year and Q4 Financial Results (Consolidated) Presentation Materials  
 \* 4: Monthly Active Users  
 \* 5: As of December 31, 2024. From Financial Data Sheet disclosed by Rakuten Group, Inc. in Feb.14, 2025.  
 \* 6: 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).  
 \* 7: Average over the most recent four quarters. CAC (Customer Acquisition Cost) is 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.  
 \* 8: From published materials by Rakuten Securities, Inc. As of January 2025.  
 \* 9: Results of the FY2024 Japan Customer Satisfaction Index Survey: <https://www.jpcc-net.jp/research/detail/007024.html> (Japanese only)  
 \*10: QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Relational Capital

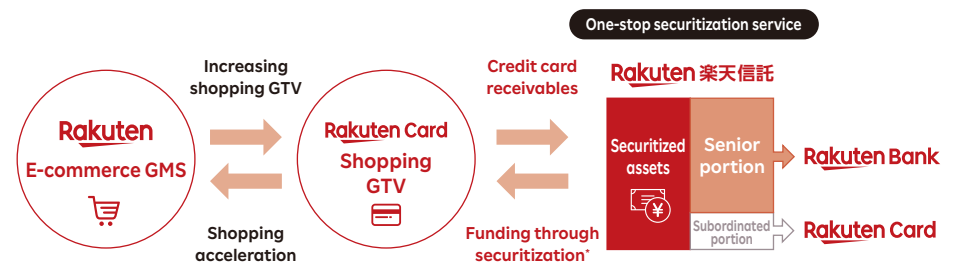
Expansion of the Securitization Business through Capturing Funding Needs within the Rakuten Ecosystem

We possess the strength to provide customers with one-stop securitization services (☺ see P.19 "Creation of High-Quality Investment Assets and a Strong Capital Base"), and we are further enhancing this strength through collaboration with the Rakuten Ecosystem. Leveraging the diverse funding needs within the Rakuten Ecosystem, we utilize our securitization expertise in conjunction with the vast data held by the Rakuten Group to create proprietary investment assets with attractive risk-return profiles.

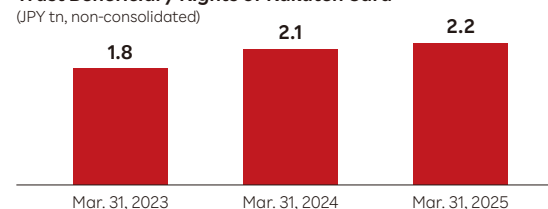
A representative example is the securitization of credit card receivables of Rakuten Card, an asset generated within the Rakuten Ecosystem. By capturing the funding needs of Rakuten Card, which continues to grow on the back of expanding domestic e-commerce gross merchandise sales, this initiative is making a significant contribution to our revenue growth.

We also demonstrate strong competitiveness in securitization services for assets outside the Rakuten Ecosystem. For example, in securitizing real estate investments such as hotel finance, we leverage data held by Rakuten Travel to assess the profitability and viability of the properties being securitized, thereby providing high-quality securitization services.

Compelling Rakuten Card Securitization Scheme



Trust Beneficiary Rights of Rakuten Card



\* Trust beneficiary rights

Strengths to Achieve Growth

# Creation of High-Quality Investment Assets and a Strong Capital Base



Through our ability to provide financial solutions that meet our customer's 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.

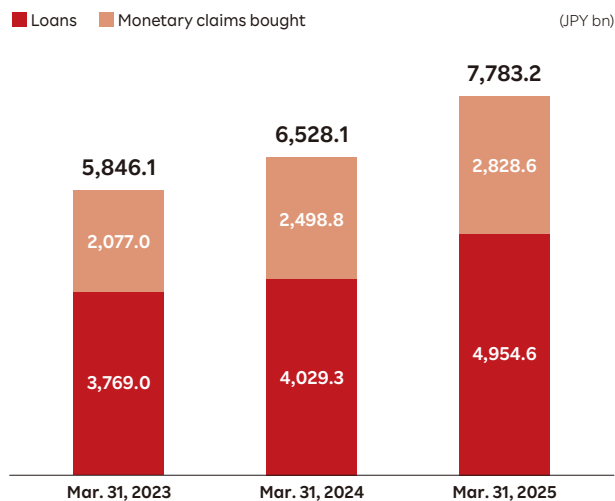
## Financial Solution Capabilities Enabling the Creation of High-Quality Investment Assets

We actively work to expand our investment assets with attractive risk-return profiles.

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), without concentration in any particular asset category. These investment assets are generated through our financial solution capabilities, leveraging proposals tailored to customer needs and our proprietary securitization origination (⊕ see P.31 "Earnings Power Enhancement").

In personal loan products, we offer an extensive lineup to meet the diverse financial needs of individual customers

### Loans and Monetary Claims Bought (Non-consolidated)



based on changes in their life stages and lifestyles. These include housing loans, card loans, education loans, travel loans, English conversation school loans, real estate collateralized loans, investment property loans, and reverse mortgages.

We also fully leverage our expertise in Internet marketing utilizing the Rakuten Ecosystem to make product and service proposals that align with customer needs. This product lineup and proposal capability constitute our key strength in creating high-quality investment assets.

In our securitization business, in addition to our proprietary securitization expertise, we utilize data held by both the Bank and the Rakuten Group, acting as arranger while our subsidiary, Rakuten Trust Co., Ltd., serves as trustee, thereby achieving bankruptcy remoteness through securitization. In response to originators' requests, we also provide flexible solutions by choosing either to execute loans through ABL or to purchase trust beneficiary rights. This framework for providing customers with one-stop services enables us to demonstrate strong competitiveness in terms of both speed and cost. Specific examples include the securitization of credit card receivables held by Rakuten Card Co., Ltd., and telecommunication fee receivables and handset installment receivables held by Rakuten Mobile, Inc. We also actively engage in real estate securitization utilizing data from Rakuten Travel, securitization of various assets held by companies outside the Rakuten Group, and securitization of business risks associated with, for example, solar power generation projects.

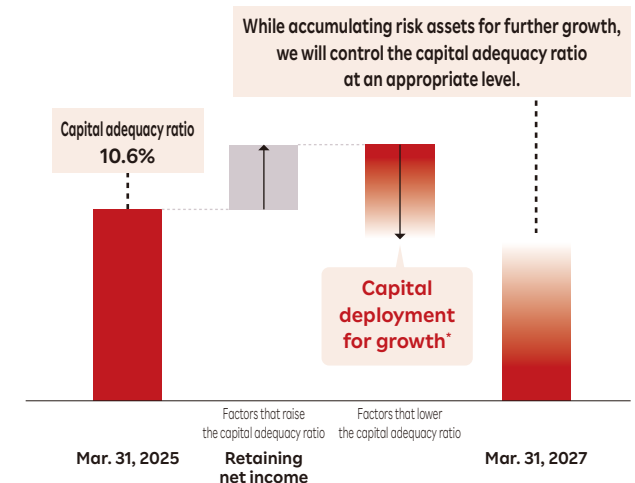
Furthermore, we set target default rates according to the profitability of investment assets and rigorously manage credit to appropriately control credit costs. By refining credit screening for personal loans through the use of data and AI (⊕ see P.21 "AI-nization"), we aim to expand the scope of eligible borrowers, increase loans, and reduce credit costs.

## 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. We will continue to pursue capital efficiency while maintaining solid equity capital.

### 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

# In-House Systems Development, Operations, and Maintenance Structure

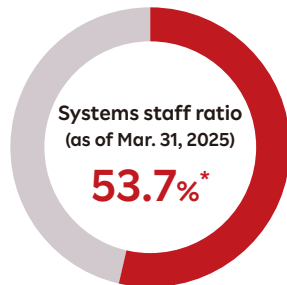


To deliver highly convenient services to our customers more quickly, we have developed, operated, and maintained systems in-house.

The know-how accumulated over many years of experience, combined with a robust organizational structure, enables us to provide services that are both prompt and competitive.

## Robust System Division Combining Speed and Security

As a digital bank, systems are among our most important management resources. Since our inception, we have been committed to developing our systems and applications in-house, with the aim of swiftly providing and enhancing highly convenient services for our customers, and we have built a framework that ensures stable development, operations, and maintenance.



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

When we introduced the first login function in Japan's banking app to use fingerprint authentication in the "Rakuten Bank App," the development and implementation were completed within just a few weeks from the initial concept. This is a representative example of the strength of our in-house development capabilities. The importance we place on in-house system development is further demonstrated by the high ratio of our system staff. By actively investing in system staff, we have built a structure that combines both speed and security.

Moreover, by developing, operating, and maintaining systems in-house, and by establishing a framework that does not depend on specific vendors, we have made it possible to:

- Shorten lead times to the start of development and reduce costs through the promotion of in-house development;
- Provide a rapid, round-the-clock response (24 hours a day, 365 days a year) in the event of system errors or security incidents;
- Respond flexibly to the needs of corporate customers regarding payment services (☞ see P.30 "Customer Base Expansion: Corporate Customers").

In addition, to facilitate smooth progress in system development and related activities, we have established 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.

To further strengthen this framework, we are focusing on human resource development, such as securing specialized personnel, offering training programs aimed at obtaining certifications, and actively supporting participation in conferences on system technologies. Through these initiatives, we are advancing the establishment of a stable and robust organizational structure.

## System-related Risk Management and Resilience

We recognize system-related risks, including system failures and cyberattacks, as one of our high-priority risks, and have formulated and implemented measures to control these risks (☞ see P.48 "Risk Management").

As part of our preparedness for system failures, we have installed backup servers in multiple locations and conduct regular drills to establish a framework that enables swift and appropriate responses in the event of a system failure or disaster. To guard against cyberattacks, we have strengthened our monitoring systems and implemented multilayered countermeasures, both technical and physical.

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 bank-wide promotion framework in this way, we aim to consistently provide safe, secure, and convenient services.

### Organizational Structure and Main Roles of the System Division

<b>Produce Department</b>	System planning; support for system requirements definition by responsible departments
<b>System Development Department</b>	System design and development management; progress management
<b>System Operation Department</b>	System maintenance and operation; incident response
<b>System Quality Assurance Department</b>	Quality control of system projects; management and analysis of system failures
<b>System Infrastructure Department</b>	Infrastructure construction; server and network management
<b>System Security Management Department</b>	Response to cyberattacks; planning and implementation of drills; antivirus measures; security checks
<b>System Administration Department</b>	Internal controls related to systems; system budget control and expense management; information system risk management
<b>CTO Office</b>	Evaluation of technologies to achieve advanced in-house development; system architecture design aimed at overall optimization

## Strengths to Achieve Growth

# AI-nization



By leveraging AI technologies and the extensive data held by the 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 the Bank and the Rakuten Group, financial behavior data derived from our customer base of over 17 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.

In the area of revenue growth, we are expanding the balance of loans in personal loans by employing AI-based scoring models. In terms of non-interest income, we are providing optimal service proposals tailored to customer needs and improving targeting accuracy in our advertising business. In these ways, AI plays a key role in creating new

revenue opportunities. In this regard, our development of an AI-based model for use in certain credit screening processes for card loans has been highly acclaimed, earning us the “Country Winner” award in the Consumer Banking category at the inaugural Global Finance World's AI In Finance Awards organized by the U.S. financial magazine Global Finance, among other recognitions from external organizations (☺ see P.58 “Awards and Recognition”).

In the area of UX enhancement, we have introduced an AI chatbot for customer inquiries, improving our customers' user experience while also streamlining our operations.

In the area of operational efficiency, we utilize AI for tasks such as converting voice data from customer inquiries and image data from identity verification documents into text. This not only enhances productivity but also contributes to ensuring operational accuracy. By further promoting operational efficiency through AI utilization, we aim to strengthen our low-cost operations, a strength as a digital bank, and further improve our management efficiency.

## Framework for Achieving AI-nization

Under the leadership of the Data Intelligence Division, which oversees the use of AI technologies and data, we are engaged in formulating AI utilization strategies, developing AI infrastructure, accumulating know-how, and promoting the use of AI. We have introduced Rakuten AI from the Rakuten Group into all divisions to enhance efficiency and improve operations through AI utilization. In addition, we actively use AI for tasks such as preparing meeting minutes to streamline processes, allowing human resources to focus on higher value-added work.

Furthermore, by collaborating with the Rakuten Institute of Technology, an R&D division within the Rakuten Group specializing in technological innovation and bringing together experts in AI and big data analytics, we are advancing initiatives to integrate cutting-edge AI technologies into our operations.

### INTERVIEW WITH THE PERSON IN CHARGE

#### High-precision Marketing Enabled by Data and AI Technologies

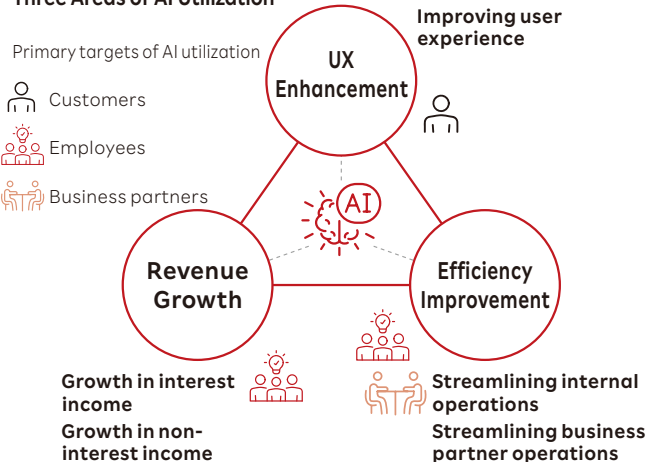
We aim to contribute to expanding our business through the use of data and AI.

Leveraging accurate customer information obtained through our stringent KYC process, along with financial behavior data generated from over 17 million accounts and consumer behavior data held by the Rakuten Group, we utilize AI to statistically estimate customers' daily activities. These insights are applied to refine target segments and deliver personalized advertising. The value of this data, combined with our AI technologies, has been highly recognized by our advertising clients.



Tomomi Niwa,  
Data Intelligence Division

### Three Areas of AI Utilization



### AI Implementation Cases

Use Cases for AI Technologies and Data	
<b>Revenue Growth</b>	<ul style="list-style-type: none"> <li>Refinement of credit screening for personal loans</li> <li>Improvement of targeting accuracy in the advertising business</li> </ul>
<b>UX Enhancement</b>	<ul style="list-style-type: none"> <li>Introduction of an AI chatbot for customer inquiries</li> </ul>
<b>Operational Efficiency</b>	<ul style="list-style-type: none"> <li>Conversion of voice data from inquiries and image data from identity verification documents into text</li> <li>Automatic transcription of inbound and outbound call records</li> </ul>

## Strengths to Achieve Growth

## Organizational Culture Pursuing UI/UX



Intellectual Capital

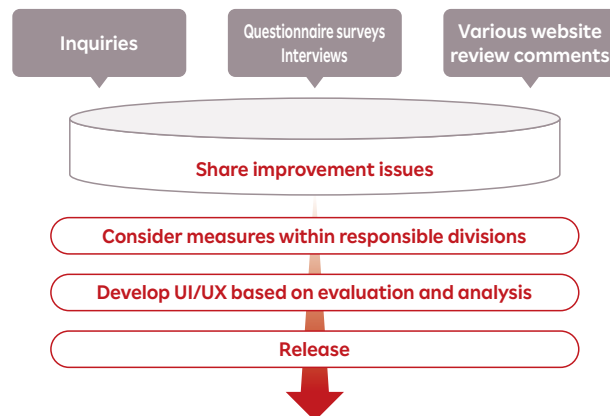
Leveraging the strengths unique to a digital bank with no physical branches, we have established an organizational culture that pursues UI/UX thoroughly. This focus on enhancing customer convenience serves as the source of our service competitiveness.

## Listening to Customers and Driving Daily Improvements

For a Bank that does not have physical branches, customer contact points are primarily our website and smartphone app. In particular, our smartphone app functions as a bank counter operating 24 hours a day, 365 days a year, allowing customers to access a full-fledged banking services anytime, anywhere. As such, pursuing the enhancement of user-friendly UX for our customers is essential to our growth.

Led by the Creative & Web Design Division, which is responsible for website production and management, access analysis, and the design of user interfaces (UI: the screens and methods of operation that a user interacts with when using a product or service) and UX, we are constantly seeking clearer and more user-friendly solutions from the customer's perspective, and making service improvements based on that perspective, in order to respond to customer feedback promptly and attentively. Through regular cross-departmental meetings, we share customer feedback and

## Our Response to Customer Feedback



improvement issues, and manage progress on action items, enabling the entire Bank to work on improvement activities (☺ see P.54 “Customer-Oriented Business Conduct”).

When developing new services or renewing services, we collect customer feedback from inquiries, user questionnaire surveys, interviews, and social media to ensure their opinions are fully reflected. We also evaluate and analyze prototypes, incorporating findings into design and UI/UX development to deliver high-satisfaction services.

Similar to our approach to system development, we have in-house capabilities for UI/UX design of transaction and app screens, as well as for website production and design. By fostering an environment where system, marketing, and customer support divisions can easily work together, we are able to rapidly incorporate customer feedback into our services and continuously improve them.

## INTERVIEW WITH THE PERSON IN CHARGE

## Initiatives to Enhance UX by Incorporating Customer Feedback

We strive to provide services that are easy for customers to use by improving UI/UX.

One example of our efforts is the improvement of the password-setting UI for logging into accounts. We had received feedback from customers that the password-setting process was complicated and difficult. In response, we worked together with the Customer Center to gather such feedback, engaged in discussions with relevant divisions, and introduced a more visually intuitive design, such as displaying a check mark on screen when the set conditions are met. As a result of this initiative, the number of similar inquiries decreased significantly.

Going forward, we will continue to listen sincerely to our customers' opinions and work to enhance UX, ensuring a high level of convenience.



Fu Ni,  
Creative & Web Design Division

## Delivering Unprecedented User Experiences

We aim to pursue a level of convenience that goes beyond the boundaries of conventional banking services by not only improving our app and website but also by launching a series of industry-first services, delivering unprecedented user experiences. This commitment has been highly recognized externally, including the Good Design Award 2020 for the “Rakuten Bank App” (☺ see P.58 “Awards and Recognition”).

Our approach to UI/UX enhancement forms a critical foundation for deeply understanding and swiftly addressing customer needs. This approach and innovative mindset complement each other, enabling us to consistently deliver innovative, highly convenient services.

## Major Past Innovations

Sep. 2010	Launched the first iPhone <sup>1)</sup> app that allows bank transfer as the first domestic bank
Jan. 2014	Started the trial sale of Japan's first Internet-based number-selection lottery
Aug. 2014	Launched Japan's first bank app service for sending money using Facebook <sup>2)</sup>
Jun. 2015	Introduced fingerprint authentication login for the first time in a Japanese bank app
Feb. 2019	Launched the Rakuten Bank Convenience Store Payment Service (convenience store slip payment by Rakuten Bank App)

<sup>1)</sup> iPhone is a trademark of Apple Inc., registered in the U.S. and other countries. The iPhone trademark is used under license from AIPHONE CO., LTD.

<sup>2)</sup> Facebook is a trademark or registered trademark of Meta Platforms, Inc.

## Strengths to Achieve Growth

## Diverse and Specialized Talent



Human Capital

At the Bank, each employee demonstrates “a spirit of challenge,” “specialized expertise,” “collaborative ability,” and “integrity,” thereby achieving high productivity. To further enhance productivity, we are strengthening human resource development while fostering a workplace environment where every employee can fully leverage their individuality and capabilities.

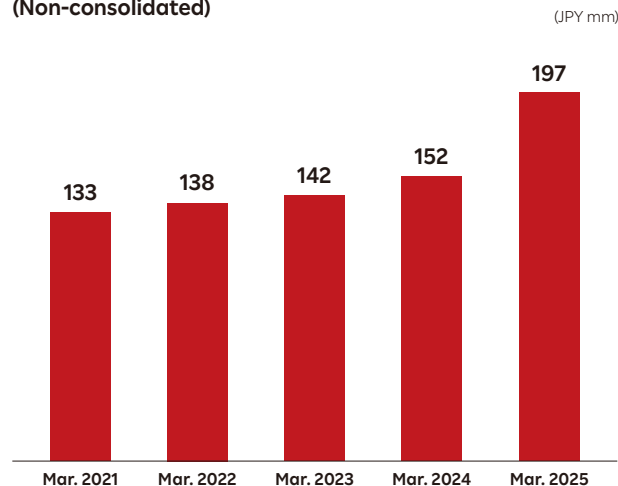
### Talent We Value

Sharing the Rakuten Group's “Rakuten Shugi” and working toward the mission to contribute to society by creating value through innovation and entrepreneurship, we value individuals who possess the following qualities.

- “A spirit of challenge” that embraces change and pursues continuous improvement
- “Specialized expertise” capable of adapting to digital technologies and data utilization
- “Collaborative ability” to respect diverse values and maximize team performance
- “Integrity,” with strong ethical standards and a sense of responsibility toward society and customers

By leveraging these qualities, each employee contributes to our high productivity. We are committed to nurturing these attributes while creating an environment where employees can fully express their individuality and abilities.

#### Ordinary Income per Employee over the Past Five Years (Non-consolidated)



### Hiring

We respect diverse values and experiences, and we do not base our hiring decisions on applicants' university or academic backgrounds. For new graduates, we place emphasis on future potential, seeking individuals with a strong desire to grow and a spirit of challenge. For mid-career recruits, we welcome those who can immediately apply the expertise and skills they have cultivated to create new value together with us.

We also foster an environment in which diverse talent, regardless of nationality or background, can thrive, and our workforce includes employees of foreign nationalities.

We are committed to respecting each employee's individuality and building an organization that turns diversity into strength.

### Development and Career Building

We provide the necessary training and various opportunities for self-development so that each employee can grow and acquire the skills required for their role. New graduates undergo approximately two months of onboarding training to build a solid foundation, followed by follow-up training in their second year. For mid-career hires, we support skill acquisition through orientation and OJT focused on practical experience. We also strive to enhance the necessary knowledge and skills by offering opportunities such as practical training at our subsidiary in Taiwan, training for managers, and annual company-wide training for all employees. In addition, we support self-development through qualification acquisition, correspondence courses, and English language learning.

To create an employment environment in which women can thrive as managers, we have set a goal to ensure that women account for at least 35% of all managerial positions (leaders and above) by the end of March 2026. As of the end of March 2025, this figure stood at 33.5%.

### Promotion of Diversity & Inclusion

We promote diversity to enable diverse employees, regardless of gender, nationality, or life stage, to thrive and grow.

Our efforts extend beyond diversity in recruitment and career building, encompassing the cultivation of a corporate culture that respects and embraces diversity of thought and perspective. We strive to create an environment in which each employee can respect the values and sensibilities of others, providing opportunities to reflect on diversity through company-wide training, management training, and new employee training. In addition, we foster a corporate culture where employees can freely exchange ideas and express opinions through social gatherings during company-wide training and by encouraging one-on-one meetings.

We have also established flexible work arrangements that accommodate individual circumstances and life stages. These include systems for supporting employees raising children, such as childcare support leave, a short-time working system available until their children graduate from elementary school, and special leave that can be used for fertility treatment. As a member of society, we are committed to employing persons with disabilities and have consistently met the statutory employment rate.

Through these initiatives, we provide an environment that makes it easier for employees to balance work and family.

### Financial Well-being of Employees

To support employees in building assets in a planned manner, we have introduced a defined contribution pension plan (401k) and an employee stock ownership plan. In addition, we grant stock options to employees to enhance their motivation to contribute to the Bank's performance and share price appreciation, thereby creating an environment in which they can experience the growth of the Rakuten Bank Group alongside their own growth.

## Business Model for Sustainable Growth

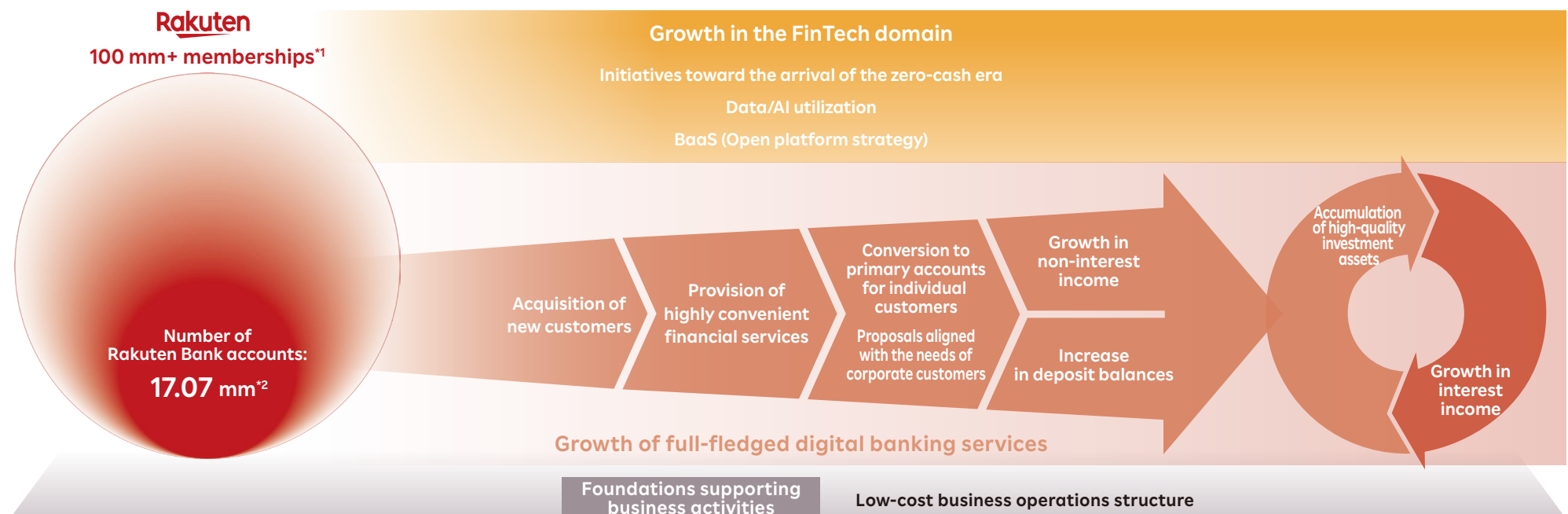
### Business Model that Maximizes Our Strengths

We provides both individual and corporate customers with highly convenient and beneficial services at speed, while developing our business with the aim of becoming the “safe, secure, and most convenient bank.”

The greatest feature of our business model is our use of the Rakuten Ecosystem. Through efficient acquisition of new customers via mutual customer referrals with other Rakuten Group companies, and by offering financial services in combination with other Rakuten Group services, we enhance customer loyalty to both the Bank and the Rakuten Group. This allows us to promote initiatives to increase stickiness to our services (☺ see P.17 “Synergies with Rakuten Ecosystem”).

After acquiring accounts, we provide highly convenient, full-fledged financial services via excellent UI/UX designed from the customer's perspective (☺ see P.22 “Organizational Culture Pursuing UI/UX”) to meet our customers' diverse financial needs. In addition, by thoroughly pursuing low-cost operations and offering rewards such as Rakuten Points, we provide beneficial services. With the aim of having customers use our accounts as their “primary accounts,” we encourage payroll deposits and direct debits to expand deposits and foreign exchange transactions, while providing services tailored to customers' preferences through cross-selling. Making our accounts their primary accounts is a key initiative in our business model, enabling growth in deposit balances as customers' daily settlement funds remain in our accounts, and driving non-interest income growth through increased settlement transaction volume.

We invest the deposits acquired in loans as well as securities, and through our securitization business, we meet diverse funding needs both inside and outside the Rakuten Ecosystem. This approach enables us to build up high-quality investment assets and expand interest income (☺ see P.19 “Creation of High-Quality Investment Assets and a Strong Capital Base”). The profits generated are reinvested in our strengths, establishing a sustainable growth cycle. This cycle is further reinforced by two elements: an in-house systems development, operations, and maintenance structure that enables flexible, speedy system development and demonstrates strong competitiveness in system costs compared with other banks (☺ see P.20 “In-House Systems Development, Operations, and Maintenance Structure”); and diverse, specialized, and highly productive employees (☺ see P.23 “Diverse and Specialized Talent”).



\*1 As of March 31, 2025. The number of Rakuten IDs where members logged in at least once after membership registration (excluding members who cancelled their membership). \*2 As of June 30, 2025, non-consolidated.

## Initiatives to Provide Financial Services Beyond Conventional Banking Services

In addition to enhancing the convenience of conventional banking services through the use of the Internet and delivering them at low cost, we aim to comprehensively capture customers' diverse needs for financial services by offering a full range of FinTech services, including ancillary services not traditionally provided by major banks or regional financial institutions.

In cashless payments, we leverage synergies with the Rakuten Ecosystem to link with Rakuten Card and Rakuten Pay, and we consider ourselves to be one of the banks offering the broadest range of cashless payment methods from bank accounts in the banking industry. In anticipation of the coming zero-cash era, we will further strengthen this advantage by providing customized services for each customer through the use of proprietary data such as payment information.

Furthermore, by utilizing financial behavior data such as asset balances and transaction histories as well as lifestyle data such as purchase histories held by the Rakuten Ecosystem, and collaborating with the Rakuten Group in the field of AI, we are achieving greater sophistication and optimization of financial services. In the provision of BaaS, which we promote as part of our open platform strategy, we leverage the system cost advantage of in-house system development along with the UI/UX advantage of being able to offer a wide range of financial services in a single app.

Capturing growth in the FinTech domain not only drives further growth in our banking services but also enables us to create new value beyond traditional banking services.

## Low-Cost Business Operations Structure Achievable Only by a Digital Bank

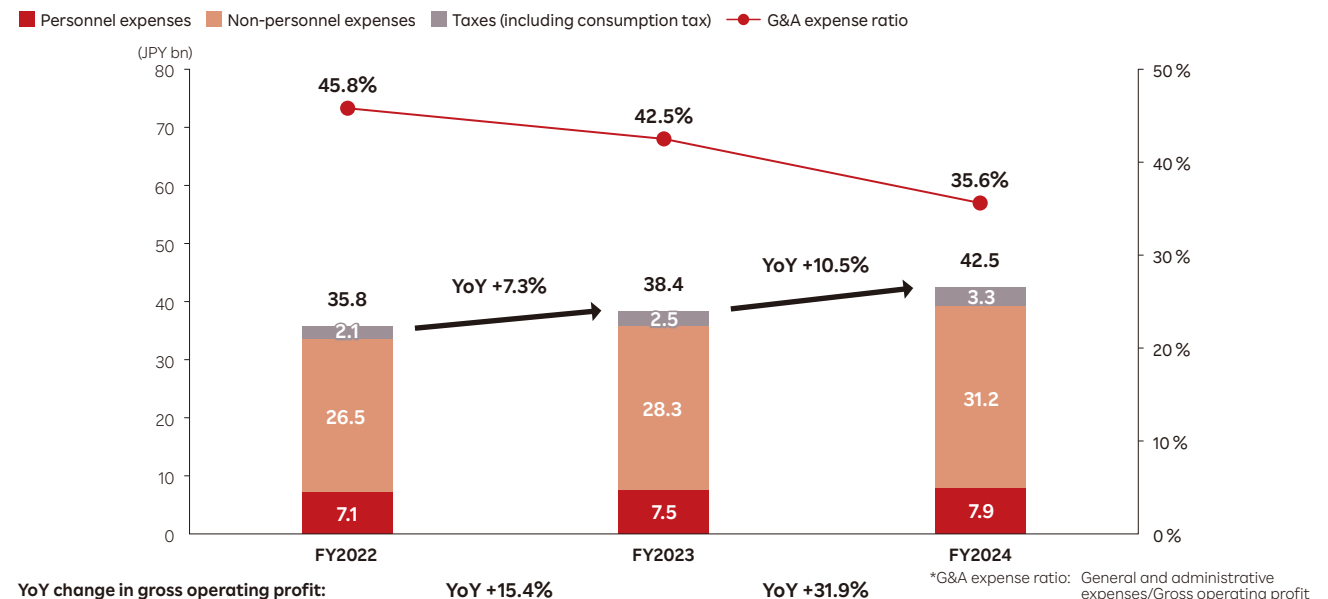
As a digital bank, we provide banking services without owning legacy assets such as physical branches or proprietary ATMs, and thereby operate our business with a cost structure lower than that of traditional banks.

In the banking industry, fixed costs account for a high proportion of total expenses, and although digital banks have a cost advantage in their business model, achieving a certain scale of operations is essential to fully leverage that advantage.

We believe that we have already surpassed the scale necessary to enjoy this cost competitiveness, and we expect it to be further enhanced as we continue to expand our business. 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.

As our business scale expands, our G&A expense ratio, an indicator of cost competitiveness, has been declining year by year, leading to improved management efficiency. Rather than targeting a lower G&A expense ratio as an end in itself, we will continue to actively invest for sustainable growth, while aiming to further strengthen our cost competitiveness.

### General and Administrative Expenses and G&A Expense Ratio\* (Non-consolidated)



# Medium- to Long-term Vision

## Promotion of a Three-pronged Initiative Integrating Customer Base Expansion, Earnings Power Enhancement, and Capturing Growth in the FinTech Domain

We aim to become a leading FinTech company in anticipation of the coming zero-cash era, formulating a Medium- to Long-term Vision focused on further expanding our customer base, strengthening our revenue base, and capturing growth in the FinTech domain. In our business for individual customers, we aim to (1) become “a bank used as a primary account” and (2) digitally transform existing transactions at physical branches into “a safe, secure, and convenient bank” that leverages technologies and can be used anytime, anywhere. In our business for corporate customers, we will make use of data and technologies to provide loans, deposits, currency exchange and all other banking services tailored to the needs of our customers, with the aim of becoming (1) “a bank that provides convenience to all customers regardless of company size” and (2) “a banking partner to corporate managers.”

For growth realization, we aim to achieve the following targets in the fiscal year ending March 31, 2027: approx. 25 million accounts (non-consolidated); approx. 20 trillion yen in deposits (non-consolidated); approx. 200.0 billion yen in consolidated ordinary income; and approx. 70.0 billion yen in consolidated ordinary profit.

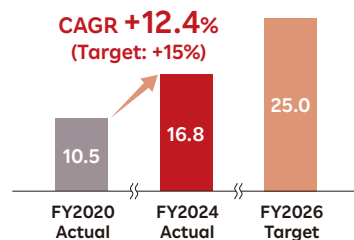
In the fiscal year ended March 31, 2025, the accumulation of diversified investment assets, the increase in interest income due to the Bank of Japan's policy rate hikes, and the improved management efficiency resulting from the expansion of our business scale drove an increase in ordinary profit, enabling us to achieve the numerical target for consolidated ordinary profit ahead of schedule. In the earnings forecast for fiscal 2025, we have set targets of 246.8 billion yen in consolidated ordinary income and 91.2 billion yen in consolidated ordinary profit, with the aim of achieving the numerical target for consolidated ordinary income ahead of schedule.

We will continue to expand our customer base through new customer acquisition leveraging the Rakuten Ecosystem, promote the conversion of accounts to primary accounts through the provision of highly convenient services with excellent UI/UX enabled by our systems developed in-house, and thereby increase both non-interest income and deposit balances. We will also work to expand investment assets, gradually increase the proportion of middle-risk assets to enhance return on assets, and expand interest income. 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.”

### Progress of the Medium- to Long-Term Vision

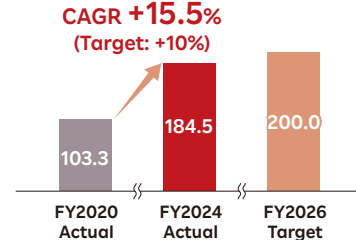
#### Number of Bank Accounts

(mm, non-consolidated)



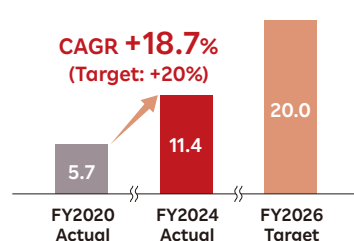
#### Ordinary Income

(JPY bn, consolidated)



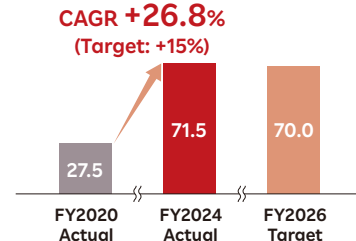
#### Total Deposit Balance

(JPY tn, non-consolidated)



#### Ordinary Profit

(JPY bn, consolidated)



### Growth Strategy for the “Second Growth Stage” Aimed at Achieving the Medium- to Long-term Vision

#### Customer Base Expansion

Leveraging the following business environment and our strengths, we are accelerating customer acquisition. In addition to achieving the medium- to long-term targets, we have set our sights on a long-term goal of reaching 30 million accounts, comparable to those of megabanks, and deposits of JPY 30 trillion, second only to megabanks.

- Digital shift advances in the Japanese banking industry
- Low customer acquisition costs already achieved by leveraging the Rakuten Ecosystem (Rakuten Points, brand and recognition, mutual customer referrals among Rakuten Group companies, etc.)
- Services and apps with excellent UI and UX backed by advanced in-house systems development, maintenance, and operating structure
- Inexpensive services with high customer satisfaction backed by efficient and low-cost operations

#### Earnings Power Enhancement

- Increase revenue from loan interest and fees by expanding individual and corporate customers
- Increase investments in securitized assets utilizing the Rakuten Bank Group's trust facility
- Expand product lineup following housing loans, card loans, reverse mortgages, etc.
- Expand middle-risk assets based on appropriate management

#### Capturing Growth in the FinTech Domain

- Expand growth opportunities by deepening cooperation with Rakuten Payment, Inc. to make personal accounts the main accounts for daily use, further activating the customer base by promoting the acquisition of corporate accounts, and cross-selling through highly frequent touchpoints
- Improve the accuracy of screening and marketing through leveraging AI and the data held by us and the Rakuten Group while expanding advertising business and new businesses by utilizing Bank App page views
- Create new revenue opportunities through collaboration with BaaS platform partners

Growth Strategy

# Customer Base Expansion: Individual Customers

In our business for individual customers, we aim to become “a bank used as a primary account” 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.

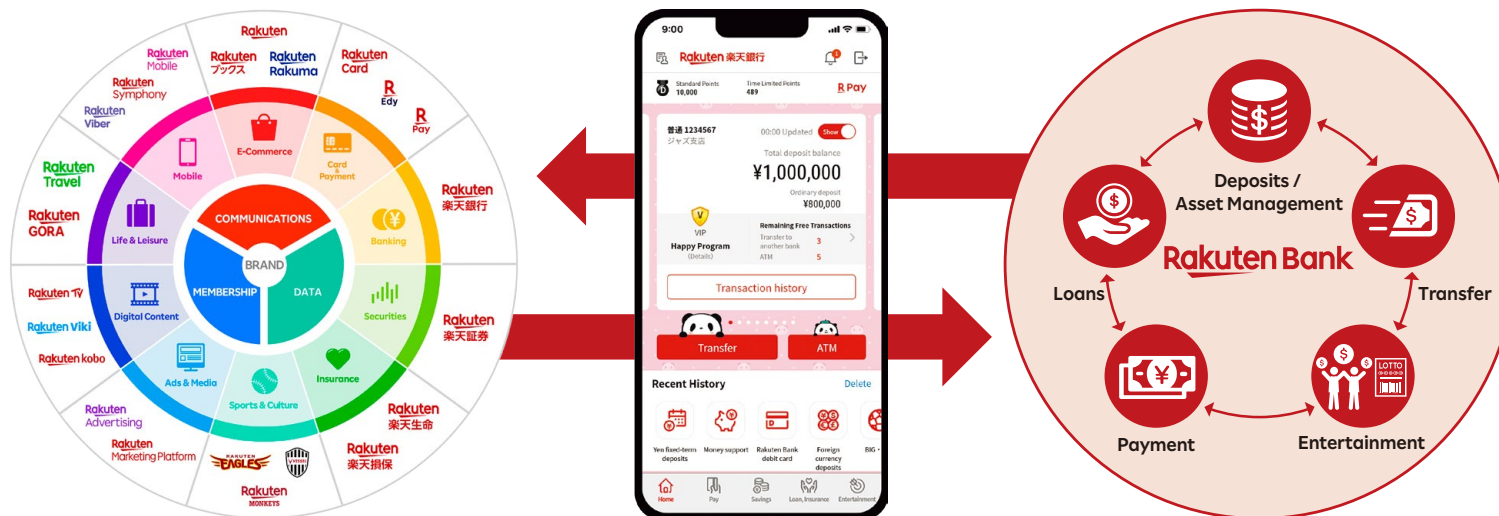
## Efficient Account Acquisition Leveraging the Rakuten Ecosystem

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 (☺ see P.17 “Synergies with Rakuten Ecosystem”). 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 the Bank and the Rakuten Group.

## 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, direct debits for utility 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 as a digital bank, 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.



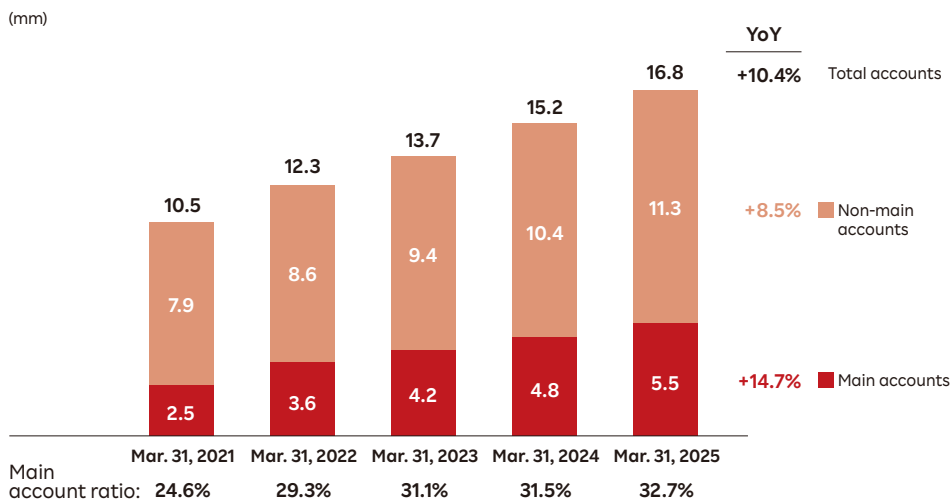
Growth Strategy

### 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 2025, the main account ratio was 32.7%, 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 six times the average deposit balance per account and approximately four 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 main account conversion.

Furthermore, starting in July 2025, we expanded our “Bonus Interest Rate” preferential interest rate program for ordinary deposits by offering an additional interest rate on ordinary deposits according to the use of services such as payroll deposits, debit card transactions, and direct debits. This means that the more customers use our services, the higher their ordinary deposit rate becomes, which we believe will contribute not only to retaining customers who already use our accounts as their main accounts but also to further promoting main account conversion.

#### Number of Total Accounts and Main Accounts\*



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

Topics

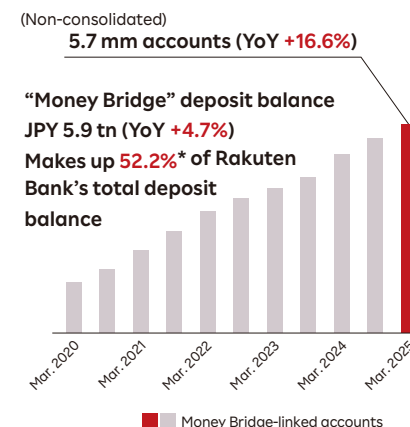
### Provision of Highly Convenient Services through Collaboration with Rakuten Securities

Through our account linkage service with Rakuten Securities, “Money Bridge,” we are capturing the growth of Rakuten Securities and expanding our customer base. “Money Bridge” offers a seamless transaction environment and attractive benefits such as a sweep (automatic deposit and withdrawal) function between the two accounts and preferential interest rates, contributing to greater customer loyalty and engagement with the Bank, as well as increased deposit stickiness.

With the introduction of the new NISA system and the elimination of domestic equity trading fees at Rakuten Securities, the total number of general accounts at Rakuten Securities has grown significantly, exceeding 12 million accounts as of January 2025. Alongside this growth of Rakuten Securities, the number of Money Bridge-linked accounts at the Bank has also expanded substantially, with deposits in these accounts accounting for approximately 50% of our total deposits. The increase in Money Bridge-linked accounts has driven higher fee income, and the deepening of cross-selling with Rakuten Securities has contributed to the growth of non-interest income.

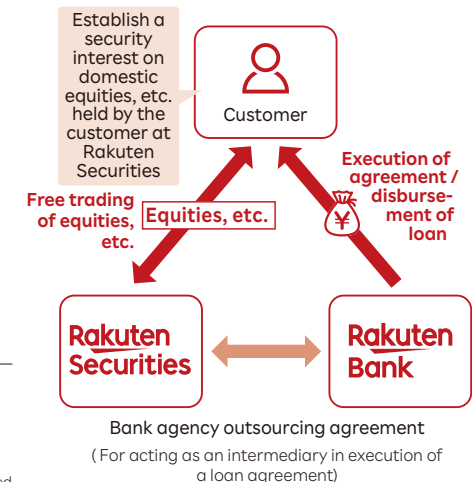
In June 2025, we also began offering the “Rakuten Bank Securities-Backed Loan” to customers who have set up “Money Bridge.” This enables customers, when needing funds for life events or other purposes, to borrow the necessary funds using their domestic equities and other assets held at Rakuten Securities as collateral, while continuing their asset management at Rakuten Securities and retaining shareholder rights such as dividends and shareholder benefits. This initiative is expected to create a framework that enhances our ability to support asset building for a broader range of customers who use both companies’ services.

#### Huge Presence and Rapid Growth of Money Bridge



\* “Money Bridge” deposit balance divided by non-consolidated deposit balance as of March 31, 2025.

#### Securities-Backed Loan



## Growth Strategy

## Attractive Service Benefits

Through our low-cost operations, we return part of the resulting cost savings to customers in the form of points, cashback, and other rewards, thereby offering them beneficial services.

Our following three representative benefit programs provide rewards such as Rakuten Points and additional interest rates on ordinary deposits, depending on customers' service usage status. In addition, to ensure customers feel tangible benefits, we offer programs that

## Happy Program

The Happy Program is a customer loyalty program that grants Rakuten Points based on customers' use of our services and their deposit balances. By enrolling in the Happy Program, customers not only receive cash or points for each transaction, but can also use Rakuten Points to cover transfer fees and other charges. In addition, the program offers benefits such as up to seven free ATM transactions per month and up to three free transfers to other banks per month.

As the membership stage increases, so do the benefits, which not only help drive an increase in transaction volume and deposit balances, but also enhance customer loyalty to the Bank and contribute significantly to customer retention.

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

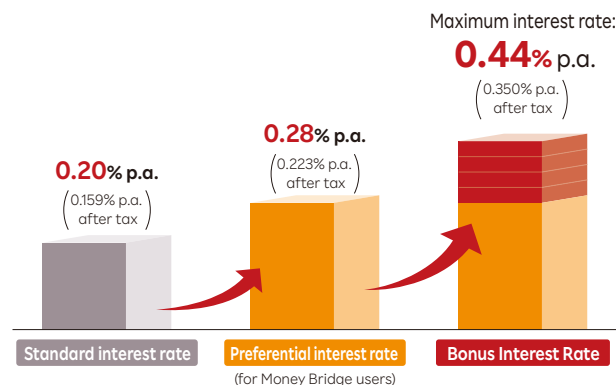
\* For more details, please refer to our website.

 <https://www.rakuten-bank.co.jp/happyprogram/> (Japanese only)

## Bonus Interest Rate

The Bonus Interest Rate program is a preferential interest rate service that increases customers' ordinary deposit rate the more they use our services. In addition to the existing preferential interest rates on ordinary deposits for customers who use Money Bridge or have Rakuten Card payments debited from their accounts, starting in July 2025, we also applied an additional interest rate on ordinary deposits according to the use of services such as payroll deposits, debit card transactions, and direct debits.

Since the interest rate is increased according to service usage, we believe that, similar to the Happy Program, this initiative not only contributes to growing transaction volume and deposit balances, but also enhances customer loyalty.



\* Interest rates shown are as of July 2025. Interest rates on ordinary deposits are subject to change without prior notice due to financial conditions, etc., and the rate differentials may narrow. For more details, please refer to our website.

\* Eligibility requirements for Bonus Interest Rate vary by service.

 <https://www.rakuten-bank.co.jp/assets/fixeddep/savings/bonus-interest.html> (Japanese only)

return a certain percentage of debit card spending to customers in the form of points, as well as campaign programs that award points to customers who meet certain conditions during a specified period set by the Bank. Furthermore, Rakuten Points can be applied toward our transfer fees and debit card payments, and can also be used to pay for various services offered by the Rakuten Group or to make payments at physical retail locations such as convenience stores. This significantly contributes to improving customer retention.

## Super Point Up Program (SPU)

We participate in the SPU, a point program offered by Rakuten Group, Inc., which allows customers to earn additional Rakuten Points on Rakuten Ichiba purchases. (Specifically, customers can earn (1) additional 0.3x points when they set their Rakuten Card, linked to their account with us, as the payment method for Rakuten Ichiba purchases, and (2) additional 0.2x points when they designate their account with us as their payroll deposit account.) Participation in the SPU contributes not only to customer inflows from the Rakuten Group, but also to increasing the number of direct debit transactions for Rakuten Card payments and the number of payroll deposit accounts, thereby significantly advancing the use of our accounts as customers' primary accounts.

**R SPU!**

**Earn up to additional 0.5x points when paying Rakuten Card bills via Rakuten Bank**

**+0.3x**

When you pay your Rakuten Card bill from your Rakuten Bank account

+

**+0.2x** **Additionally**

When, in the month prior to your purchase, you receive your salary, bonus, or pension in your Rakuten Bank account

→

In total, you can earn up to additional **0.5x** points on Rakuten Card purchases made in Rakuten Ichiba during the month.

\* For more details, please refer to our website.

 <https://www.rakuten-bank.co.jp/campaign/spu/> (Japanese only)

## Growth Strategy

## Customer Base Expansion: Corporate Customers

In our business for corporate customers, we aim to become “a bank that provides convenience to all customers regardless of company size” and “a banking partner to corporate managers.” Leveraging the strengths of a digital bank, we not only offer banking services but also provide solutions that meet a wide range of needs.

### Provision of Corporate Services Leveraging the Strengths of a Digital Bank

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 (☺ see P.20 “In-House Systems Development, Operations, and Maintenance Structure”), 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 a result of these initiatives, we ranked first in the 2023 Internet Bank Main Bank Survey conducted by Tokyo Shoko Research in terms of the number of main transaction companies, and also ranked first in the internet banking category of Teikoku Databank's Nationwide Corporate ‘Main Bank’ Trends (2024).

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.

### Solution Cases That Captured Customer Needs

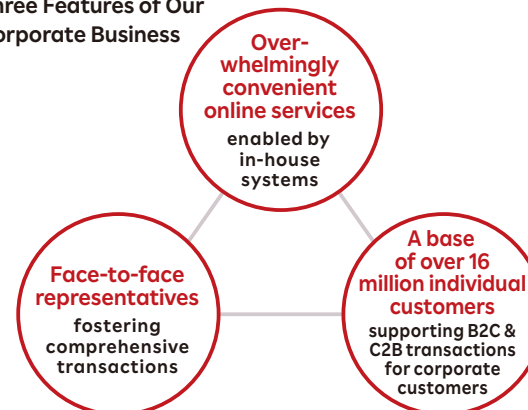
#### Case (1)

#### 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 loan execution by the Bank. 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.

#### Three Features of Our Corporate Business



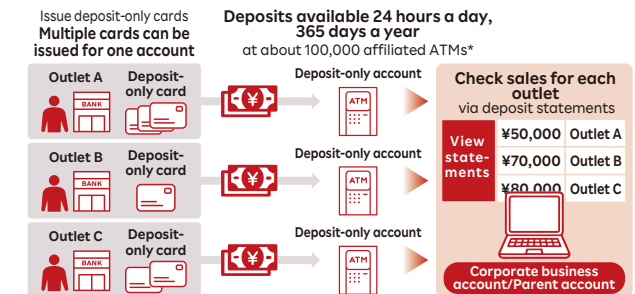
#### Case (2)

#### 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.

#### 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, thereby providing a wide range of convenient services to customers and working to expand non-interest income.

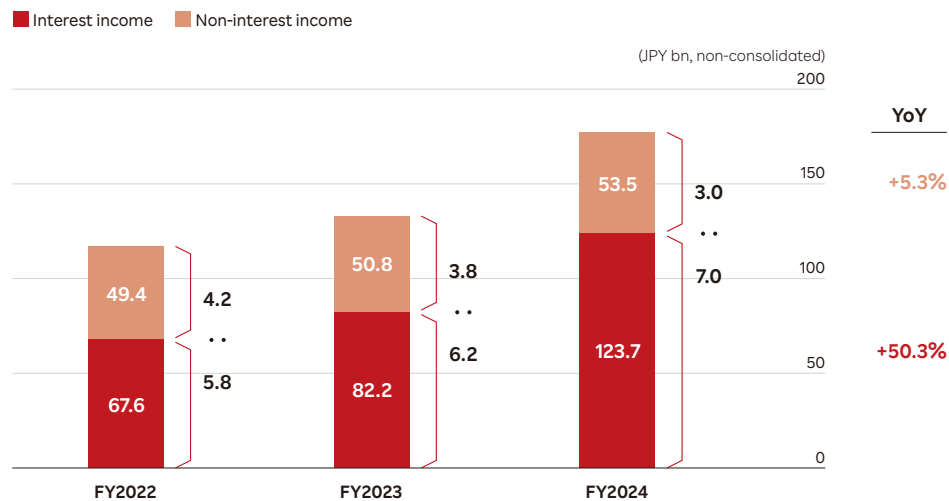
At the same time, under appropriate risk control, we are building up diversified investment assets with the aim of further growing interest income.

## 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.

The lifting of the negative interest rate policy, which has led to rising interest rates, has provided a tailwind, and interest income is growing at a faster pace than non-interest income. Nevertheless, in the fiscal year ended March 31, 2025, non-interest income accounted for approximately 30% of ordinary income, maintaining a high level. 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

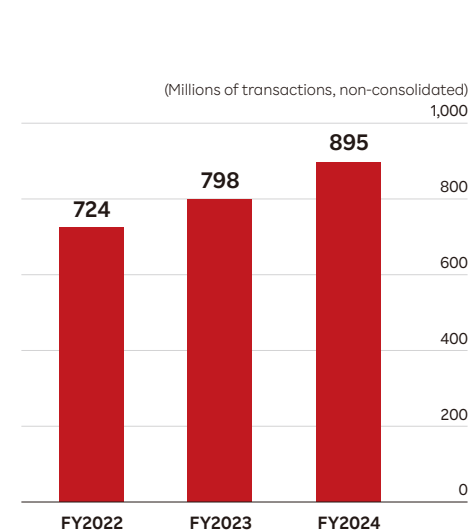


## Growth in Non-interest Income Driven by Expansion of Customer Base and Services, and Promotion of Conversion to Primary Accounts

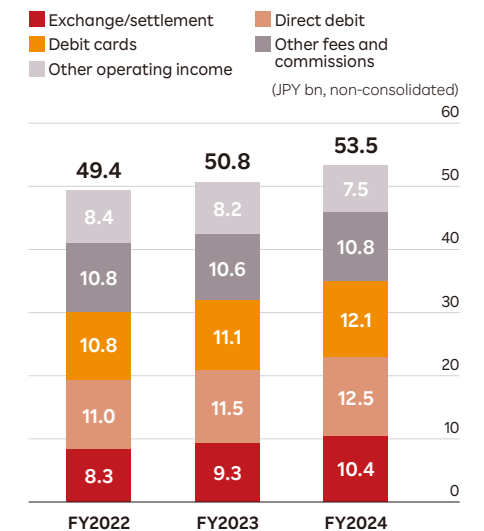
Strengthening non-interest income requires both expanding the customer base and increasing the number of transactions per customer. To meet the diverse financial needs arising from changes in customers' lifestyles and life stages, we have enhanced our product lineup and offered a wide range of services, aiming to capture funds inflows and outflows closely tied to customers' daily lives. We also leverage data to recommend services from the 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

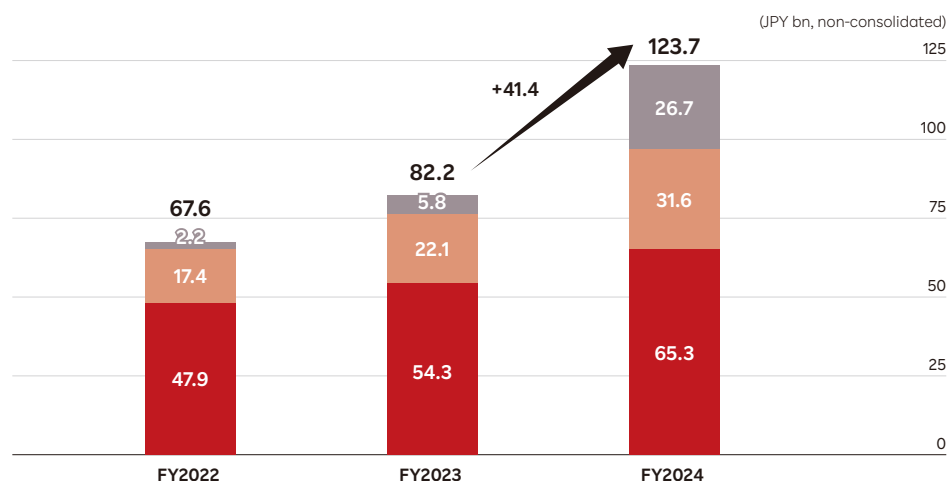
## Growth in Interest Income through the Expansion of Diverse Investment Assets

Interest income has grown significantly in line with the expansion of our 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 (☺ see P.19 “Creation of High-Quality Investment Assets and a Strong Capital Base”).

Interest income is primarily derived from interest on loans, which accounts for approximately 50% of the total, followed by interest on monetary claims bought. 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

### Changes in Interest Income

■ Interest on loans ■ Interest on monetary claims bought  
■ Others (Interest on due from banks, Interest and dividend on securities, etc.)



\* Figures are rounded down to the nearest unit, so differences between items may not match exactly.

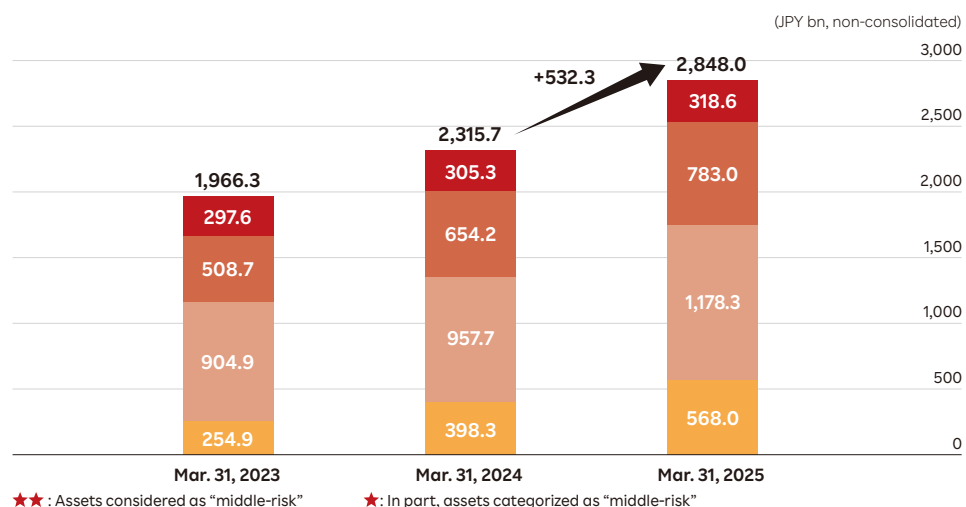
of investees, and invest in Japanese government bonds, government-guaranteed bonds, corporate bonds, and foreign bonds.

In addition, 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 (☺ see P.21 “AI-nization”), 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.

### Total for Categories That Include Middle-risk Assets

★★ Card loans ★★ Investment property loans  
★ Asset-Based Lending (ABL) ★ Monetary claims bought: others



★★ : Assets considered as “middle-risk”

★ : In part, assets categorized as “middle-risk”

## 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.”

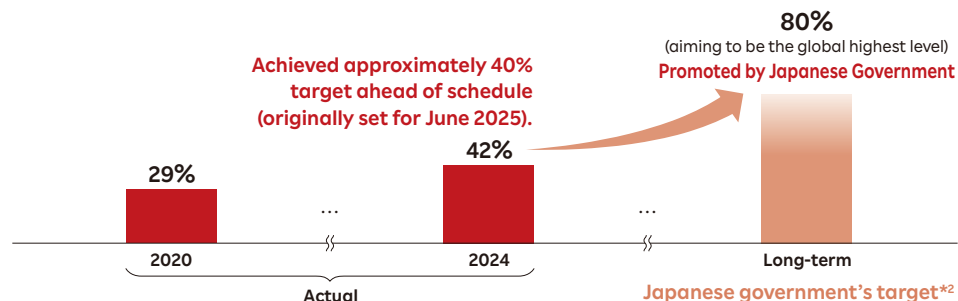
### Provision of Highly Convenient Cashless Payment Services for the Zero-Cash Era

In Japan, the cashless payment ratio reached 42.8% in 2024, progressing at a pace exceeding the government's target. Against this trend toward cashless transactions, we offers a wide range of cashless payment methods, including debit cards (immediate payment), prepaid cards (prepayment), and Rakuten Bank Cards (post-payment). In addition to highlighting the benefits of cashless payments by offering rewards such as Rakuten Points based on usage, we have conducted various campaigns to enable customers to experience convenience and drive greater usage. We also introduced the “Rakuten Bank Convenience Store Payment Service (Convenience Store Slip Payment by Rakuten Bank App),” which allows customers to scan barcodes on payment slips for public utilities and other bills using the Rakuten Bank App to make direct payments from their accounts. This service also supports payment of local taxes bearing the unified local tax QR Code\*1 (eL-QR), significantly expanding the range of payment slips payable via the Rakuten Bank App.

Furthermore, as part of our cashless payment services integrated with the Rakuten Ecosystem (© see P.17 “Synergies with Rakuten Ecosystem”), we offer an direct payment service from our accounts via the Rakuten Pay app. Daily use of Rakuten Pay by customers not only drives the acquisition of new accounts but also promotes the use of personal accounts as primary accounts, while contributing to the expansion of our service usage through cross-selling by leveraging high-frequency touchpoints.

The Japanese government has set a long-term target of raising the cashless payment ratio to 80%. In anticipation of the future zero-cash era, we will continue to expand highly convenient cashless payment services.

#### Cashless Payment Ratio in Japan\*2



\*1: QR Code is a registered trademark of DENSO WAVE INCORPORATED.

\*2: Ministry of Economy, Trade and Industry (<https://www.meti.go.jp/press/2024/03/20250331005/20250331005.html>).

### Promotion of BaaS to Deliver New User Experiences

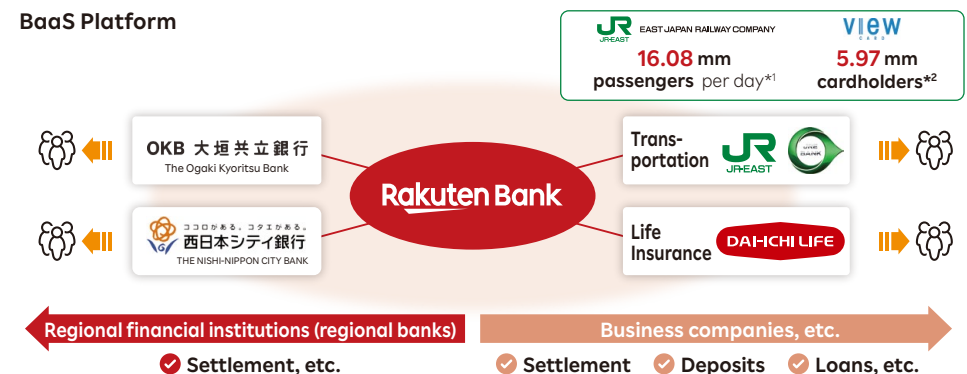
As part of our open platform strategy, we are engaged in providing Banking as a Service (BaaS) to regional financial institutions and business corporations (hereinafter “partner companies”).

Leveraging our in-house, flexible system development capabilities and system cost advantages (© see P.20 “In-House Systems Development, Operations, and Maintenance Structure”), as well as the ability to offer a wide range of services through a single app, we have established a competitive edge in the BaaS business as well. Our BaaS model enables partner companies, acting as bank agents, to facilitate the opening of accounts at their dedicated branches. Their customers who open these accounts gain access to our internet banking services. At these dedicated branches, we offer services selected by partner companies from among those we provide to general customers.

Another feature is that we do not charge account maintenance fees to partner companies, but instead adopt a scheme in which profits generated through their dedicated branches are shared with them at a fixed ratio. This framework ensures that increased account activity and deposit balances at dedicated branches directly contribute to our revenues. The aim of our BaaS business is not simply to increase the number of accounts or deposit balances. By leveraging our flexible system development capabilities, we seek to integrate the assets and know-how of partner companies that wish to provide banking services to their customers with our financial services, thereby creating user experiences that cannot be delivered by a bank alone. Through this integration, we strive to deliver unique and competitive FinTech services.

We will continue to pursue the further evolution of “financial services beyond banking services” and remain committed to delivering new user experiences.

#### BaaS Platform



\*1: As of April 1, 2025 \*2: As of June 30, 2025

## Sustainability Initiatives

# Sustainability Approach

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 its responsibility to run a highly public business and is committed to operating responsibly toward the realization of a sustainable society.

## Basic Policy for Sustainable Business Management

We have thoroughly implemented operations based on its "Basic Policy for Customer-Oriented Business Conduct" to contribute to our customers' asset formation and, by extension, to provide the flow of funds for sustainable economic development. However, to overcome the various problems we are facing and make the transition to a sustainable and resilient society, we are also required to make changes through bolder and more innovative actions. As a bank, we believe that our social responsibility and public role need us to be proactive in addressing environmental challenges, including climate change.

### Toward Sustainable Business Management

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 management philosophy is also consistent with that for sustainable business management. We reuse the same sentence as our "Basic Policy for Sustainable Business Management."

#### (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 Bank to promote sustainable management, develop human resources, raise employee awareness, and improve the work environment at the Bank, as well as to promote measures to support customers' efforts to solve environmental and social issues.

The Sustainability Promotion Committee was held two times in fiscal 2024, with the President and CEO as the chairperson, and attended by the General Managers of each business division and General Manager of the Risk Management Division.

In the meeting, 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, we are to 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 established in May 2022.

### (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 the 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, development, manufacture or possession of inhumane weapons, and other projects that could exert a seriously negative impact on society and the environment.

## Sustainability Initiatives

## Environmental Initiatives

Through achieving RE100 at domestic and overseas sites, increasing the environmental investment and loan balance, and engaging employees in participatory initiatives, we addresses issues such as the conservation of natural resources and climate change.

## Environmental Policy

Recognizing that the impacts of climate change can pose management risks to the Bank, 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. In May 2022, in order to declare its commitment to contributing to the realization of a sustainable society through financial services, we established the following "Environmental Policy."

We will contribute to the realization of a sustainable society by striving to solve environmental problems through our own business activities and financial services.

**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 raise the awareness of environmental issues among all employees and encourage them to actively engage in environmental conservation activities through corporate efforts.

## Initiatives to Address Climate Change

**Support for the TCFD Recommendations**

Based on the recommendations of the TCFD, we are steadily advancing initiatives, both in Japan and overseas, to achieve decarbonization across its entire value chain. These include supporting society's transition to carbon neutrality through environment-related investments and loans, measuring greenhouse gas (GHG) emissions in accordance with the GHG Protocol, and working toward achieving transition to 100% renewable energy (RE100).

For disclosures related to climate change based on the TCFD recommendations, please refer to the TCFD Index available on our website.



<https://www.rakuten-bank.co.jp/corp/english/sustainability/environment.html> (TCFD Index is Japanese only)

**Environment-related Investments and Loans**

Through environment-related investments and loans, 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 environmental investment and loan balance stood at 132.6 billion yen, surpassing ahead of schedule the initial target of 100.0 billion yen set for March 31, 2027. The balance continued to grow steadily in fiscal 2024, reaching 220.9 billion yen as of March 31, 2025. We will continue contributing to carbon neutrality in society through environment-related investments and loans.

**Transition to 100% Renewable Energy (RE100)**

At its domestic and overseas sites, we are promoting energy-saving measures such as the conversion to LED lighting, while aiming to continuously achieve RE100. As of March 31, 2025\*, we met our target by introducing 100% renewable energy, accompanied by non-fossil fuel certificates and similar instruments, in both domestic and overseas sites.

\* Non-fossil fuel certificates, etc. and third-party assurance for RE100 is obtained on a fiscal year basis (April 1 to March 31).

**GHG Emissions**

An overview of our GHG emissions is as follows.

	Unit	March 31, 2025 Actual*1
Total*2		8,837,652
Scope 2	Location-based	2,046
	Market-based	-
Scope 3*3		8,837,652

\*1: From FY2024, GHG emissions have been aggregated on a fiscal year basis (April 1 to March 31).

\*2: Scope 2 emissions included in the total are based on the market-based approach.

\*3: For details of the calculation and trends, please refer to the ESG Data Book available on Rakuten Bank's website (Japanese only).

## Initiatives for Natural Resources

**Promotion of Paperless Operations**

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.

**Employee-Participation Initiatives in Local Communities**

In Tokyo and Fukuoka, where we have offices, the President and employees at each office work together as members of the local community to address community issues.

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



## 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' lifestyles and 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 2024, we conducted 13 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 include themes, such as the increasingly familiar concept of cashless payments, and incorporate group discussions to engage students' interest.

In addition, we were featured in the "Career Notebook for Elementary School Students" and the "Career Book for Junior High School Students," which support career education for elementary and junior high school students.

We will continue to actively promote financial literacy.



## 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.

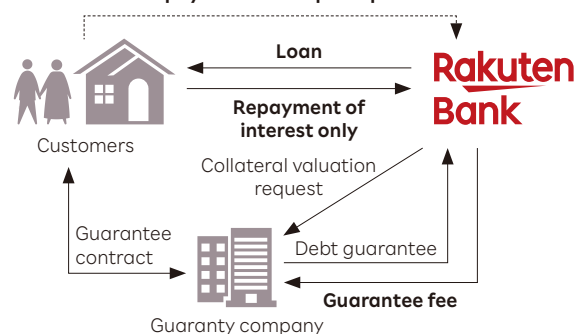
## Rakuten Bank Reverse Mortgage

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 10.0 billion yen.

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.

## Home sale due to inheritance or other factors, with a lump-sum repayment of the principal



## 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.

## Other Social Contribution Activities

## 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 holding an account with the Bank 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 accounts. We put in place 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

This program enables customers to make donations to organizations designated by the program simply by using the eligible services of the Bank, without incurring any cost to themselves. The donation funds are borne by companies that support this program.

# Dialogue with Shareholders and Investors

We actively engage in dialogue with shareholders and investors, not only through regular opportunities such as financial results briefings and the Annual General Shareholders' Meeting, but also on an ongoing basis.

Feedback and requests received through these dialogues are reported as appropriate to the Board of Directors and the Management Conference, thereby establishing a framework for sharing and utilizing such information among senior management.

## 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).

For more details on our disclosure policy, please refer to our website.

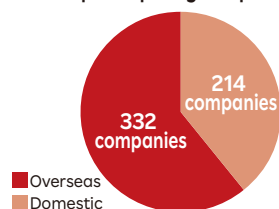


<https://www.rakuten-bank.co.jp/corp/english/investors/policy/ir-policy.html>

## FY2024 Activity Results

	Financial results briefings (for institutional investors and analysts)		IR meetings (with institutional investors and analysts)
Sessions held	4	Sessions held	307
Total participants	Approx. 220	Total participants	546

Ratio of domestic and overseas institutional investors/analysts with whom dialogues were held (based on total number of participating companies)



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

Persons in charge	FY2024 activity results	
	Financial results briefings	Dialogue with domestic and overseas institutional investors, etc.
President and CEO	4 times	85 cases <sup>*1</sup>
Executive Manager of Planning Division and Finance Division	4 times	73 cases
General Manager of Planning Division	—	145 cases

<sup>\*1</sup> : Out of 85 meetings, 48 were held with investors at overseas IR events and overseas conferences.

<sup>\*2</sup> : The Planning Division's IR Department participated in all meetings.

## Major Themes of Dialogue and Shareholder/Investor Interests

- Reorganization of the Rakuten Group's FinTech business
- Impact on our interest income from the Bank of Japan's lifting of the negative interest rate policy and subsequent policy rate hikes
- Deposit acquisition strategy in a world with interest rates
- Investment strategy for securitized investment assets
- Initiatives in the BaaS business, with JRE BANK as the core

## Items Reflected in Disclosure Materials Based on Feedback from Shareholder/Investor Dialogue

### Enhancement of the content disclosed in financial results presentation materials

- Mechanism for achieving efficient customer acquisition through the Rakuten Ecosystem
- Status of surplus fund management (loans to the Ministry of Finance and investments in marketable securities) after the lifting of the negative interest rate policy
- Effect on consolidated ordinary profit of the Bank of Japan's interest rate hikes

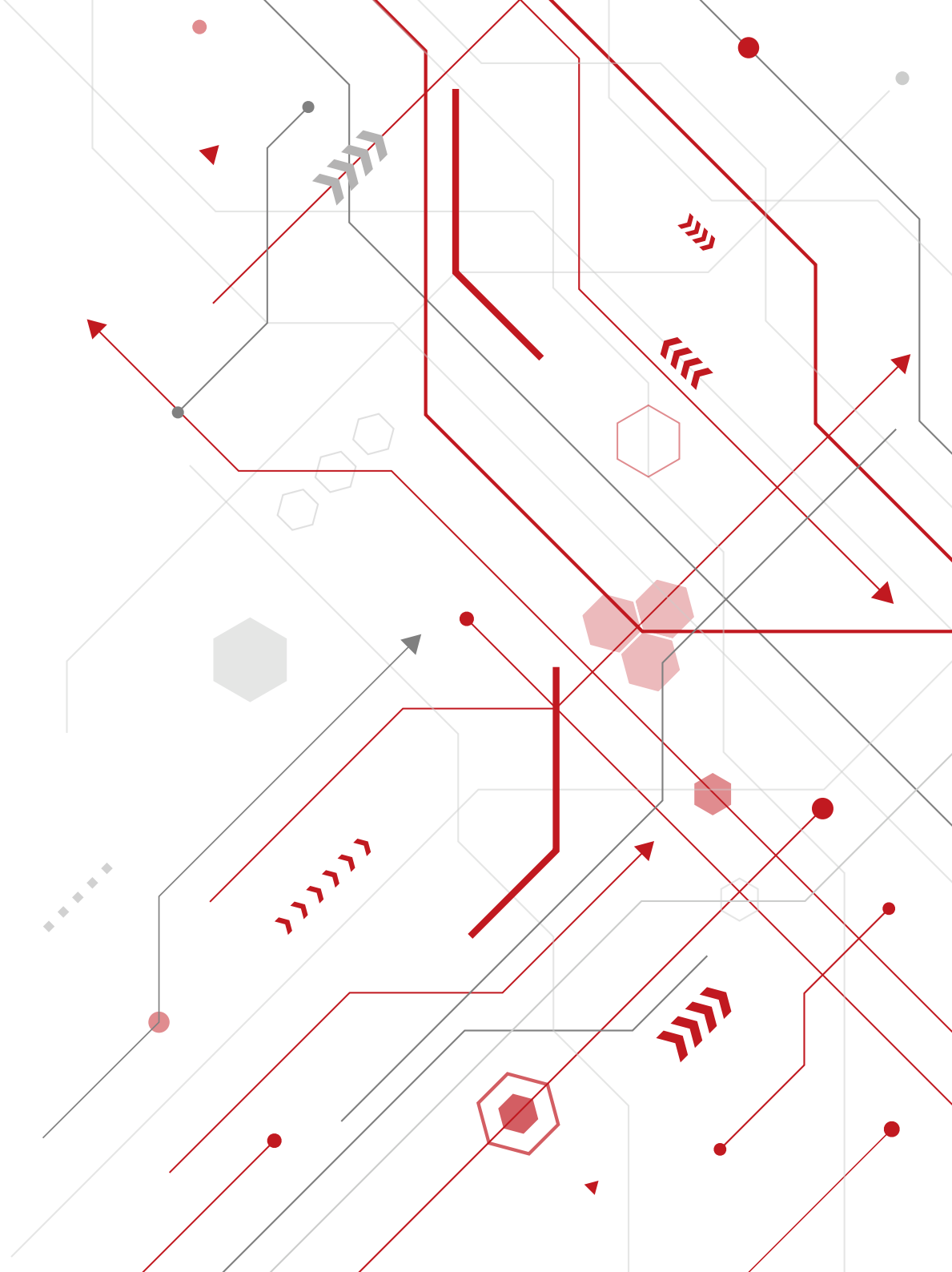
## Message to Stakeholders

We are committed to timely, appropriate, and fair information disclosure to ensure that shareholders and investors can understand our business activities and financial position and make appropriate decisions. Major information is also disclosed in English to ensure fair disclosure.

In fiscal 2025, we will continue to strengthen its IR framework and work to expand opportunities for dialogue with shareholders and investors, including conducting overseas IR activities and holding small meetings for investors and analysts.

# Corporate Governance

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## Interview with Outside Director



**I Expect Rakuten Bank to Last for 100 Years through Exploration of Innovative Business Models and Promotion of AI Utilization.**

**Eiji Ebinuma**

Outside Director

**Mr. Tomotaka Torin became the President in June 2025.**

**What do you expect from the new President?**

President Torin served as a Managing Executive Officer at Rakuten Bank from around 2017 for about two years, responsible mainly for finance and planning. During that time, I had many opportunities to witness his leadership and problem-solving skills up close. In addition, his sincere character and strong sense of responsibility left a lasting impression on me as major qualities.

I am excited to work with him again after approximately

six years. Through many discussions in various settings, including Board of Directors meetings, I have realized that the qualities I admired in him have been further refined, and I am confident that he is the right leader to guide the Bank into the future.

To evolve the business foundation that former President Nagai expanded over ten years and achieve sustainable growth, I believe it is necessary to further strengthen the organizational structure with a perspective of five to ten years. I expect President Torin to demonstrate strong leadership and guide us to the next stage.

**From the perspective of an Outside Director, what do you see as the strengths of Rakuten Bank and its differences from other banks?**

We originated from eBANK Corporation, which was opened in July 2001. At that time, I was working at another bank, but even back then, I intuitively felt that the era of digital banks would eventually come. For example, traditional banks own branches and proprietary ATMs, which incur high maintenance costs. The ability to operate a business without bearing these costs is a significant strength of digital banks.

Moreover, we have the unique advantage of accessing the Rakuten Ecosystem, one of Japan's largest economic spheres. Mutual customer referrals within the group, highly convenient services in collaboration with various group companies, and benefits such as Rakuten Point rewards are competitive advantages. As the household smartphone ownership rate exceeds 90% and the cashless payment ratio approaches 50%, I am confident that the convenience of digital banking will further penetrate the market, and our competitive edge will become even more apparent.

In terms of culture, we have created an environment where employees can work with peace of mind, starting with a flexible dress code and free meal services. This environment fosters a relaxed, communicative workplace atmosphere. Additionally, I believe one of our strengths is the mindset of employees, each of whom takes ownership of their work and thinks about how they can best serve their customers.

**How do you evaluate the effectiveness of the Board of Directors and governance at Rakuten Bank?**

In addition to five Directors, four Audit and Supervisory Board Members also participate, and in practice, discussions are held with nine members. While Mr. Hiroshi

Mikitani, the Chairman and CEO of the parent company, Rakuten Group, Inc., also serves as the Chairman of the Bank, he does not impose the parent company's views. Instead, he provides advice aimed at revitalizing both the Rakuten Ecosystem and the Bank.

I have experience serving on the boards of over ten companies, including as an outside director and as a lawyer, and one distinguishing feature of our Board of Directors is that the seating arrangement is very close, creating an atmosphere where speaking up is encouraged. The environment is such that even newly appointed officers can freely express any doubts they may have. In the evaluation of the effectiveness of the Board of Directors, all members agreed that there are ample opportunities for everyone to speak up and offer their opinions and suggestions.

Given the broad scope of our operations, it is not possible to discuss everything thoroughly within the limited time of the Board meetings. Therefore, for important topics such as management plans and strategies, or any matters that Outside Directors request clarification on, separate discussion time is set up with the executive side outside of Board meetings. The opinions of Outside Directors in these discussions are respected by the executive side, and I feel that the effectiveness is well ensured. Regarding

compliance, the progress of initiatives is regularly reported to the Board of Directors, allowing for adequate oversight.

Additionally, Board meeting materials are shared with outside officers in advance, ensuring that each officer can thoroughly review the materials before the meeting, which contributes to efficient Board operations.

### **The Risks surrounding financial institutions, such as cybersecurity and anti-money laundering, are becoming more diversified. How do you evaluate Rakuten Bank's efforts in addressing these risks?**

Regarding cybersecurity, we have implemented very stringent measures. For phishing, ransomware, DDoS attacks, and other threats, we have taken multi-layered countermeasures within our systems. In addition, for phishing prevention, we have incorporated alerts to customers through transaction screens and other interfaces to raise awareness. Furthermore, we actively engage in training to prepare for cyberattacks, and we plan to continue strengthening our measures to ensure that customers can use our services with security. Additionally, about half of our workforce is dedicated to system-related roles, and unlike city banks, we have developed in-house systems. This means

that even if a system issue occurs, we can respond swiftly without relying on external system vendors, which, along with our security measures, is one of our strengths.

As digitalization advances, financial crimes and money laundering tactics are becoming more sophisticated and complex. As an institution entrusted with customer funds, we believe it is important to prevent our measures from becoming obsolete through the daily efforts of our employees, in addition to strengthening system monitoring and our organizational framework.

Additionally, as measures against insider fraud, which has recently been highlighted in the media, we are taking steps such as thoroughly enforcing the dual verification system for administrative processes, implementing internal audits, and setting up both internal and external reporting channels to prevent such incidents. However, it is essential not to become complacent. Continuous, diligent efforts, including education, are required to maintain a high level of ethical standards among all employees.

Moreover, with the return to a "world with interest rates," our profitability has significantly increased. However, many employees have not experienced a "world with interest rates," so responding to the risks that may arise from this situation is essential. For example, in our investment policy for marketable securities, we are paying special attention to liquidity risk management, with the basic premise being to hold securities until maturity.

### **Considering the parent-subsidary listing with Rakuten Group, Inc., what kind of discussions have taken place at meetings of the Board of Directors and the Special Advisory Committee regarding the protection of minority shareholders?**

Of the five Directors at the Bank, three are Outside Directors, excluding the Chairman and the President, fulfilling the requirements for Prime-listed companies as specified by the Corporate Governance Code. Among the Directors, two have experience in



banking, including myself and a person who has held key positions such as the President of Japan Post Holdings, while one is an expert in systems. These three were all selected internally, independent of the controlling shareholder's intentions, ensuring no issues with independence. Regarding the four Audit and Supervisory Board Members, three are Outside Audit and Supervisory Board Members who have backgrounds in trading companies, as a certified public accountant, and as a former senior official of the Financial Services Agency. We highly value both their independence and skills. Although we currently don't have a nomination or remuneration committee, in practice, a process is in place whereby the three Outside Directors review the executive side's proposals in advance and provide their opinions.

Additionally, we have established a Special Advisory Committee as an advisory body to verify the appropriateness of transactions from the perspective of ensuring sound and appropriate bank operations when determining management policies based on requests related to group business strategies from the parent company. In connection with the stock listing, it was decided that the committee would be composed of independent officers and, regarding the execution of transactions and actions with related parties, the committee would verify the necessity of transactions and the appropriateness of transaction conditions from the perspective of protecting minority shareholders. There has never been a case where the committee's opinions were disregarded.

In fiscal 2024, during the discussions between Rakuten Group, Inc. and the Bank regarding the reorganization of the Rakuten Group's FinTech business, independent officers also served as members of a special committee. They held extensive discussions about whether the reorganization would harm minority shareholders, even early in the

morning or late at night, advancing negotiations with Rakuten Group, Inc. As a result, the reorganization was postponed, but I believe it serves as evidence that outside officers are effectively working independently of controlling shareholders.

Furthermore, we believe that diversity is essential for conducting discussions from multifaceted perspectives. In June of this year, Director Kayoko Kawamura was newly appointed. Not only is diversity among Directors important, but we also value diversity in the executive side. Compared to traditional financial institutions, we are made up of individuals with diverse backgrounds, and I hope this diversity will continue to be valued.



### **As an Outside Director, please share a message with stakeholders.**

In the tailwind of a return to a “world with interest rates,” we are now within reach of achieving not only the consolidated ordinary profit target, but also the consolidated ordinary income target set forth in the Medium- to Long-term Vision, ahead of schedule. However, I believe it is essential that we do not become complacent with our near-term growth and instead continue to pursue management practices that ensure sustainable growth. As our market share increases, we must anticipate that the growth of the number of accounts and deposits will eventually reach their limits, and we will need to explore innovative business models. I hope that the Bank will not only continue leveraging AI, but also strive to become a corporation that endures for the next 100 years.

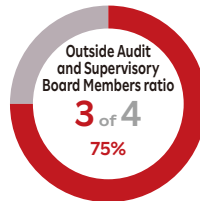
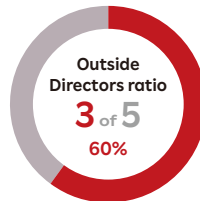
# Overview of Corporate Governance

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 provisions, a clearly defined compliance framework and clear disclosure mechanisms.

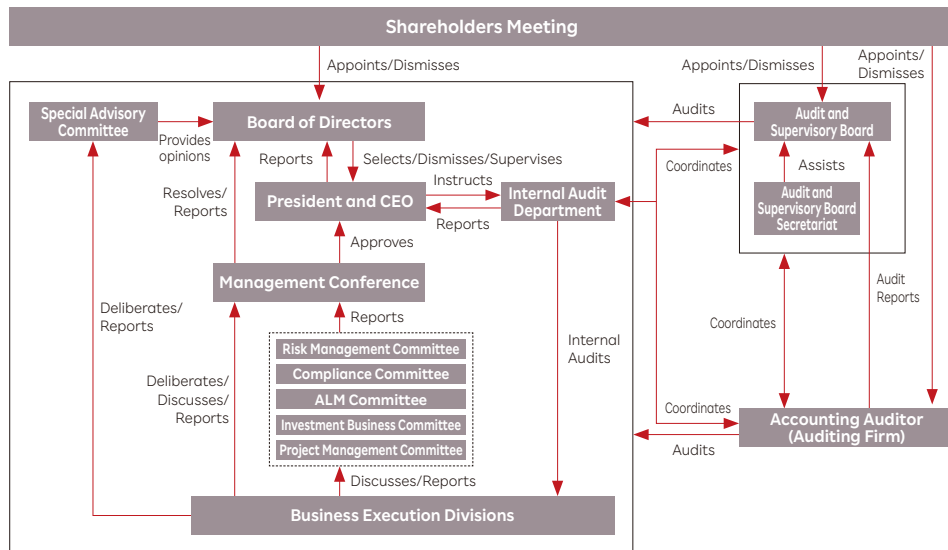
## Corporate Governance Structure

To ensure that the process of determining management policies is transparent and sound, and to establish appropriate, efficient and fair decision-making and business management processes, we have adopted the structure of a company with an Audit and Supervisory Board, as we believe that having Audit and Supervisory Board Members and the Audit and Supervisory Board audit the Board of Directors from an independent standpoint is an effective way of ensuring the appropriateness of business execution.

The Board of Directors consists of 5 members, including 3 Outside Directors, who have extensive business experience and are capable of evaluating and auditing the business results from an objective point of view. The Audit and Supervisory Board consists of 4 Audit and Supervisory Board Members, including 3 independent Outside Audit and Supervisory Board Members, who are comprising highly experienced specialists possessing extensive knowledge from the finance industry to effectively monitor and audit management.



### Structure Chart



Meeting Body	Role
<b>Board of Directors</b>	The Board of Directors monitors our 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.
<b>Audit and Supervisory Board</b>	The 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 Bank, risks surrounding the Bank, 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.
<b>Management Conference</b>	The 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.
<b>Special Advisory Committee</b>	The Special Advisory Committee consists of independent officers (Outside Directors and Outside Audit and Supervisory Board Members who are having no conflicts of interest with general shareholders). When determining management policies based on requests related to group business strategies from the Rakuten Group Inc., implementing personnel changes related to both the Rakuten Bank Group and the Rakuten Group, and when executing transactions and actions with the Rakuten Group, the committee 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.
<b>Risk Management Committee</b>	Regarding matters related to risk management, including market and credit risk management, liquidity risk management, and operational risk management; the 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.
<b>Compliance Committee</b>	The Compliance Committee discusses and reports on matters related to compliance, including the formulation of the compliance program, its progress, and measures against financial crimes.
<b>ALM Committee</b>	The ALM Committee discusses and reports on matters related to ALM and capital management, including investment and funding balances, yields, and capital adequacy ratios.
<b>Investment Business Committee</b>	The Investment Business Committee discusses and reports on individual projects and investment program-related matters concerning our investment operations.
<b>Project Management Committee</b>	The 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.

## 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 fiscal 2024 were as follows.

### Matters Resolved

- Formulation of the management plan
- Formulation and implementation of the Compliance Program
- Approval of corporate financial statements
- Determination and revision 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 the Rakuten Group's financial results
- Reports on self-assessment results, bad debt write-offs and allowances
- Reports on IR activities, etc.

### Attendance Rate of Outside Directors at Board Meetings

19 meetings were held in total  
(FY2024 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 and CEO and management, exchanging opinions with the Internal Audit Department, and reviewing important documents. These audits extend to various departments within the Bank 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 Bank. 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 corporate financial statements
- Matters concerning internal controls
- Status of internal audits
- Status of accounting audits, etc.

### Attendance Rate of Outside Audit and Supervisory Board Members

17 meetings were held in total  
(FY2024 actual)



## Internal Audits

Internal audits are independently conducted by the Internal Audit Department, which reports directly to the President and CEO. The audit results are reported to the Board of Directors and the Audit and Supervisory Board as well.

The Internal Audit Department, in order to realize our management philosophy and policies, evaluates the appropriateness and effectiveness of the overall internal control and risk management systems in business operations. It identifies issues, points them out, and suggests methods for improvement.

Internal audits are conducted based on the annual plan. When formulating the plan, a risk assessment is conducted after recognizing the external and internal environments, and the audit themes are determined based on a risk-based approach. Considering that we operate as an internet bank, we place a strong emphasis on system audits and conduct these audits annually. Additionally, we carry out a periodic evaluation of our system risk management framework by a third party once every three years.

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

We provide 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.

## Evaluation about 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, we conducted a survey on the Board of Directors' operation targeting all directors and Audit and Supervisory Board Members in April 2025 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 2025.

### Evaluation Method

<b>Evaluators</b>	Directors and Audit and Supervisory Board Members (total of 9 individuals)
<b>Methodology</b>	Questionnaire. The questionnaire included both questions and spaces for free-for text responses. Following the survey, strategies for improving effectiveness are reported to the Board of Directors.
<b>Overview</b>	Matters related to decisions on important business execution, and deliberations by the Board of Directors, etc.

### Evaluation Results

We verified that the effectiveness of the Board of Directors was generally ensured. In addition, the following intentions were also confirmed to further improve effectiveness:

- We will strive for more in-depth discussions on important themes such as growth 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:

- We expanded opportunities for discussions, primarily among outside officers, and for exchanging opinions with the executive side. This contributed to the realization of in-depth discussions on important themes such as management strategy.
- In addition to the early preparation and early distribution of Board of Directors' materials, summary materials were created according to the content of the agenda items to accurately present important points.

## Expertise and Experience of Directors and Audit and Supervisory Board Members

The Bank's Directors and Audit and Supervisory Board Members leverage their deep insight and extensive experience in their respective fields of expertise to make appropriate management decisions and exercise oversight, thereby ensuring effective corporate governance.

The skills matrix below shows the areas of expertise and experience of the Directors and Audit and Supervisory Board Members, demonstrating the solid foundation of our management oversight framework.

### Skills Matrix of Directors and Audit and Supervisory Board Members

Position	Name	IT	Finance	Management	Legal Affairs	Finance & Accounting
Director	Tomotaka Torin	●	●	●		
Director	Hiroshi Mikitani	●	●	●		
Outside Director	Eiji Ebinuma		●		●	
Outside Director	Masatsugu Nagato		●	●		
Outside Director	Kayoko Kawamura	●				
Audit and Supervisory Board Member	Takeo Shikado		●	●		
Outside Audit and Supervisory Board Member	Shinnosuke Yamada					●
Outside Audit and Supervisory Board Member	Tadamichi Shibano	●				
Outside Audit and Supervisory Board Member	Toru Mimura		●		●	

\* The above does not represent all of the knowledge and experience of each individual.

## 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 Bank's business, as well as to protect minority shareholders, as interrelated personnel matters between the Rakuten Bank Group and the Rakuten Group.

## Reasons for Appointment of Outside Directors and Outside Audit and Supervisory Board Member

Name	Reasons for Appointment	Name	Reasons for Appointment
<b>Eiji Ebinuma</b>	He possesses professional knowledge and experience as an attorney, as well as a wealth of experience and insight, including that gained as Counselor of the Human Resources Planning Department at Mizuho Holdings, Inc. and General Manager of the President's Office and General Planning Office at Olympic Corporation. We appointed him as an Outside Director to receive advice and opinions from an objective perspective based on the aforementioned knowledge and experience, which will be incorporated to further enhance our corporate governance.	<b>Shinnosuke Yamada</b>	He possesses a wealth of experience and insight gained as a certified public accountant, 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. We appointed him as an Outside Audit and Supervisory Board Member to incorporate this experience and insight and further enhance our corporate governance.
<b>Masatsugu Nagato</b>	He has held important positions such as Director and Representative Executive Officer of Japan Post Bank Co., Ltd. and Japan Post Holdings Co., Ltd., and possesses a wealth of experience and insight gained as a corporate executive. We 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 our corporate governance.	<b>Tadamichi Shibano</b>	He possesses a wealth of experience and insight gained as Manager of the Internal Audit Department of Mitsui Knowledge Industry Co., Ltd. and as a full-time auditor of Kit Co., Ltd. We appointed him as an Outside Audit and Supervisory Board Member to incorporate this experience and insight and further enhance our corporate governance.
<b>Kayoko Kawamura</b>	She has served as systems engineer for financial institutions and head of application development at IBM Japan, Ltd. and is currently responsible for mainly 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 nonexecutive director. We expect her to provide advice and make other contributions from an objective viewpoint based on this knowledge and experience. Furthermore, we expect her to utilize these qualities to reinforce our strengths as a digital bank and further enhance our corporate governance. We therefore appointed her as an Outside Director.	<b>Toru Mimura</b>	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. We appointed him as an Outside Audit and Supervisory Board Member to incorporate this experience and insight and further enhance our corporate governance.

## Policy on Determining Remuneration Amounts for Directors

### Basic Policy

The executive compensation system is designed in line with our management philosophy, which is that 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. Compensation levels are determined on the basis of economic and social conditions, industry trends, and the Bank'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 Bank's management from an objective and independent standpoint.

The policies for determining each type of compensation are as follows.

### Fixed Compensation (monthly payments)

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 bank 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 bank management through past proposals, as well as expected contributions to bank management through future proposals.

### Variable Compensation (annual payment)

Executive Director variable compensation is determined based on consideration of bank 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 Bank'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.

# Management Team

(As of June 30, 2025)

## Directors



**Tomotaka Torin**

President and CEO



**Hiroshi Mikitani**

Chairman



**Eiji Ebinuma**

Outside Director



**Masatsugu Nagato**

Outside Director



**Kayoko Kawamura**

Outside Director

## Audit and Supervisory Board Members



**Takeo Shikado**

Full-time Audit and  
Supervisory Board Member



**Shinnosuke Yamada**

Outside Audit and  
Supervisory Board Member



**Tadamichi Shibano**

Outside Audit and  
Supervisory Board Member



**Toru Mimura**

Outside Audit and  
Supervisory Board Member

### Executive Vice President

**Akihito Nohara** Executive Manager of Compliance Division

### Managing Executive Officers

**Yuichiro Takasugi** Executive Manager of Investment Business Division

**Takuya Kato** Executive Manager of Sales & Product Planning Division (Corporate Customers) and General Manager of Sales & Product Planning Division (Corporate Customers)

**Kazuhiro Iga** Executive Manager of ALM Division and Risk Management Division, and General Manager of ALM Division and Risk Management Division

**Naoki Mizuguchi** Executive Manager of Finance Division, Planning Division, and Credit Division

**Hajime Hayakawa** Executive Manager of Data Intelligence Division and System Division, and General Manager of System Division

### Executive Officers

**Mika Matsumoto** Executive Manager of Customer Support Division, Operation Division, and Loan Administration Division, and General Manager of Operation Division

**Kenji Takeuchi** General Manager of Data Intelligence Division

**Tatsuya Misawa** Executive Manager of Creative & Web Design Division and General Manager of Creative & Web Design Division

**Takuya Mizuno** Executive Manager of General Affairs Division and General Manager of General Affairs Division

**Tamaki Kasuya** Executive Manager of Innovative Service Planning Division and Sales & Product Planning Division (Personal Customers), and General Manager of Sales & Product Planning Division (Personal Customers)

**Masato Tarukado** General Manager of Investment Business Division

**Kosho Ito** General Manager of Innovative Service Planning Division

**Kazuma Koike** Executive Manager of Human Resources Division and General Manager of Human Resources Division

# 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 Bank and Rakuten Group, ensuring independence from the parent company, and protecting minority shareholders, we have established an appropriate governance framework.

## Parent-Subsidiary Listing

Since its founding in 2001, we have strived for over 20 years to provide customers with highly convenient financial services by leveraging the Internet. As one of the FinTech companies within the Rakuten Group, we collaborate with various financial services offered by Rakuten Group companies to develop and provide customers with convenient, beneficial, and unique services.

Positioned within the Rakuten Group in this manner, on April 21, 2023, we were newly listed on the Tokyo Stock Exchange Prime Market in order to execute its growth strategy from a more autonomous management perspective as a listed company, implement various growth and financial strategies, including independent financing, and thereby realize the expansion of its business and the enhancement of its corporate value. The listing on the Prime Market has contributed to raising our social credibility and visibility, securing talented human resources, and further enhancing employee morale.

Furthermore, we provide customers with convenience and price competitiveness that differ from other internet banks by utilizing the Rakuten Ecosystem through Rakuten Points, brand and name recognition, and mutual customer referrals with other Group companies. Given that these synergies with the Rakuten Ecosystem contribute to efficient acquisition of new customers and customer retention, we believe that continuing to strengthen synergies with the Rakuten Ecosystem with the Bank as its subsidiary will contribute to maximizing the corporate value of the Bank and the Rakuten Group.

## Ensuring Independence from the Parent Company

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

The agreement stipulates compliance with the “Rakuten Shugi,” the “Core Policies” as the fundamentals of the Rakuten Group’s governance, and the “Rakuten Group Code of Ethics” as the fundamentals to adhere to by Directors and employees. It also stipulates that the independence required from the perspective of public interest and the independence required of listed subsidiaries will be respected. Rakuten Group, Inc. respects the establishment of a system in which appropriate checks are made on governance by actively appointing Directors from outside the Rakuten Group and respects the personnel rights of the Bank’s employees. The agreement does not include any arrangements regarding the appointment of the Bank’s officers or executive officers by Rakuten Group, Inc.

The agreement does not stipulate prior approval or prior consultation with Rakuten Group, Inc., and the Bank reports to the parent company under the agreement as necessary and within the bounds of laws and regulations.

Furthermore, Rakuten Group, Inc. will take necessary measures to ensure the sound and appropriate management of the Bank’s business if the Bank’s business conditions deteriorate, and Rakuten Group, Inc. will not request capital injection, loans, or other support from the Bank if Rakuten Group, Inc.’s business conditions deteriorate. These provisions ensure the independence of the Bank’s management.

Our “Regulations of the Board of Directors” stipulate that, in principle, half of the Directors should be appointed from outside the Rakuten Group. The Board of Directors of the Bank consists of five Directors, with a majority of three being

Outside Directors, all of whom are considered sufficiently independent based on the independence criteria.

## Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

We have established a Special Advisory Committee consisting of Independent officers. When determining management policies based on requests related to group business strategies from the Rakuten Group, Inc., implementing personnel matters between the Rakuten Bank Group and the Rakuten Group, and when executing transactions and actions with the Rakuten Group, we must consult the committee in advance or report to it after the fact. This is so that we can verify the appropriateness of transactions that may violate the arm’s length rule and cause conflicts of interest from the perspective of ensuring sound and appropriate bank operations; verify the necessity and validity of transactions from the perspective of protecting minority shareholders; and regarding the execution of transactions and actions with related parties, verify the necessity of transactions and the appropriateness of transaction conditions from the perspective of protecting minority shareholders.

### Composition and Meetings of the Special Advisory Committee (FY2024)

● Chairperson, ○ Member

Name	Position	Number of meetings  <b>12</b>
● Eiji Ebinuma	Outside Director	
○ Michio Kayano	Outside Director	
○ Masatsugu Nagato	Outside Director	
○ Shinnosuke Yamada	Outside Audit and Supervisory Board Member	
○ Tadamichi Shibano	Outside Audit and Supervisory Board Member	
○ Toru Mimura	Outside Audit and Supervisory Board Member	

\* Mr. Michio Kayano retired upon the expiration of his term of office at the conclusion of the 26th Annual General Shareholders’ Meeting.

# 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.

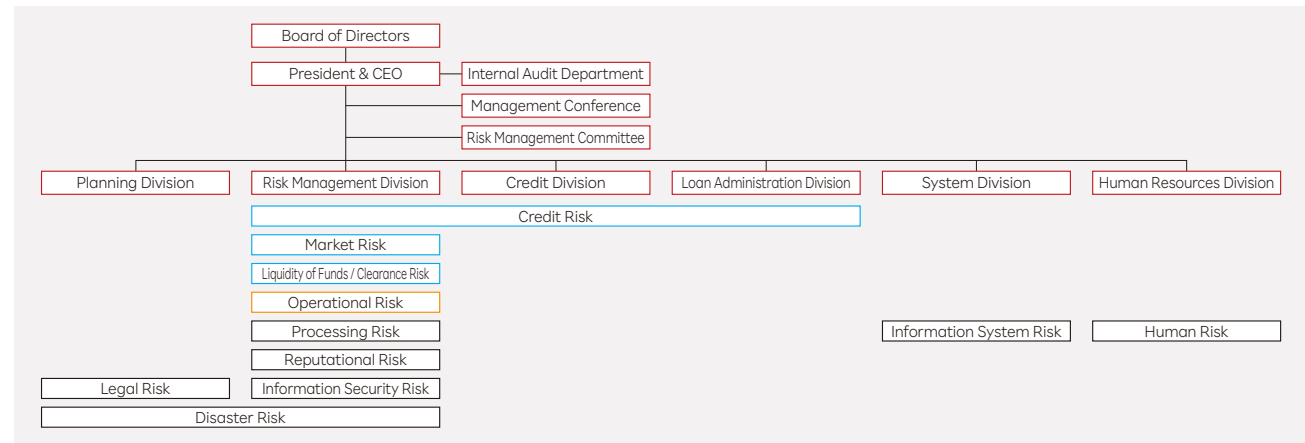
## Risks Unique to Digital Banks

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 trust beneficiary rights to credit card receivables of Rakuten Card Co., Ltd. Hence, we regard personal credit as the center of 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. We recognize that there is a liquidity risk, and we are constantly monitoring and responding to reputational risks.

## Risk Management Framework

Our Board of Directors has established our risk management policies in the Regulations for Bank-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 disaster, which allows us to take all possible measures necessary to ensure that we can serve our public function as a bank, even in unforeseen circumstances.

Risk Management Framework (As of June 30, 2025)



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

## Integrated Risk Management Framework

<p><b>Capital Risk Management</b></p>	<p>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 the capital allocations are determined on a quarterly basis by the Board of Directors.</p>
<p><b>Stress Tests</b></p>	<p>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)," "Changes of the business trends (corporate performances, employment environment, annual earnings)," 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) 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.</p>

## Market Risk and Credit Risk Management Framework

<b>Market Risk Management</b>	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.
<b>Credit Risk Management</b>	We define credit risk as the risk of decrease 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 in relation to the value, 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 mainly deal with small-lot credit for individuals such as housing loans, Rakuten Bank super loans (card loans), and trust beneficiary rights to 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 situation 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 Bank-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 Bank-wide Risk Management and the Regulations for Operational Risk Management, We recognize the reinforcement of our operational risk management framework to be one of our priority management tasks and has been developing and improving our operational risk management framework, as well as enhancing its sophistication.

<b>Processing Risk Management Framework</b>	In order to address potential processing risks, we, as a general rule, conducts an Operational Risk Assessment every year, with particular emphasis on identifying the location, type and impact of risks inherent in the Bank'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, as a result of the willful intent or inadvertent administrative error of the Bank's executives, employees or subcontractors, or errors in the systems or administrative processes as incidents, and has been striving to reduce risks by building a framework to prevent the recurrences 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.
<b>Information System Risk Management Framework</b>	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, a detailed Contingency Plan has been set forth that places 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 based rules as well as office standards/manuals are placed 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.
<b>Information Security Risk Management Framework</b>	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 Planning 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.
<b>Management Framework of Other Operational Risks</b>	(i) Reputational Risk We define reputational risk as the risk of disruption to the Bank's operations due to media reports and/or rumors stemming from false facts or actual materialization of various risk cases relating to the Bank'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 and Legal Risk We define human risk as the risk incurred from HR operations, such as inequality or inequity in the Bank'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, and legal risk as the risk of incurring losses (including litigation costs and attorney fees) from penalties, administrative dispositions, compensation for damages and voided contracts, and other issues as a result of statutes or litigation, and manages such risks by establishing the Regulations for Human Risk Management and the Regulations for Legal Risk Management, which set forth the basic policies on the management of such risks.

## 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 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)
<b>System Failure</b>	<ul style="list-style-type: none"> <li>Administrative penalties, claims for damages, or damage to the social credibility of the 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</li> </ul>
<b>Cyber Attacks</b>	<ul style="list-style-type: none"> <li>Damage to the social credibility of the 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</li> </ul>
<b>Relationship with the Rakuten Group</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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</li> </ul>
<b>Regulations of Supervisory Authorities, etc.</b>	<ul style="list-style-type: none"> <li>Supervisory authorities may hand out administrative penalties or guidance tous, based on the Banking Act and other related laws and regulations</li> </ul>
<b>Inadequate Measures Against Financial Crimes, Money Laundering and Sanctions Violation</b>	<ul style="list-style-type: none"> <li>Damage to the social credibility of the 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</li> <li>Administrative penalties, damage to our social credibility, etc. due to anti-money laundering measures and sanctions violation controls not working effectively</li> </ul>
<b>Rising Interest Rates due to Changes in Monetary Policy</b>	<ul style="list-style-type: none"> <li>Increase in credit-related costs due to higher interest on loans</li> <li>Occurrence of valuation losses on held securities due to changes in domestic and international monetary policies</li> </ul>
<b>Intensification of Competitive Environment</b>	<ul style="list-style-type: none"> <li>Intensifying competition with other financial institutions as the digital shift in society progresses</li> <li>Intensifying competition due to companies from other industries entering the banking industry and providing financial services</li> <li>Intensifying competition for deposit acquisition in a world with interest rates</li> </ul>
<b>Delayed Response to Technological Innovation</b>	<ul style="list-style-type: none"> <li>Service obsolescence and loss of competitiveness</li> <li>Increase in expenses due to the need to improve existing systems and develop new ones, etc.</li> </ul>
<b>Occurrence of Natural Disasters, Pandemics, etc.</b>	<ul style="list-style-type: none"> <li>Suspension of business and significant deterioration in service quality due to damage to business sites or an increase in infections among officers and employees</li> <li>Decrease in demand for the Bank Group's services resulting from a stagnation in economic activity caused by the occurrence of natural disasters, pandemics, etc.</li> </ul>
<b>Difficulty in Securing Human Resources</b>	<ul style="list-style-type: none"> <li>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</li> </ul>

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>

# Security

We take pride in providing industry-leading security while striving to balance it with convenience, so that customers can use our services with peace of mind and confidence.

## Safe and Secure Security at Rakuten Bank

To protect customers' accounts, we offer a variety of security services tailored to specific transaction situations and content. These include authentication functions used for identity verification during login and transactions as well as functions that block unauthorized logins by third parties and mitigate damage in the event of unauthorized use.

### Key Security Measures

#### One-time Authentication

- ▶ Authentication using a randomly generated, single-use disposable password (one-time key)
- ▶ Effective security feature to prevent identity theft
- ▶ Effective security feature to counter keystroke logging and other spyware programs



#### Rakuten Bank App for Businesses

This is a smartphone app for corporate and individual business accounts, where users can authenticate themselves with a password displayed on their smartphone that is valid only for a certain period of time.

- ▶ Stronger security with a one-time password that changes every 30 seconds
- ▶ Customers can conduct transactions quickly and securely via easy verification on their smartphones
- ▶ Each user can register up to five devices for authentication



## Providing Industry-Leading 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 bank-wide framework to drive these initiatives, we aim to continue providing industry-leading security.

### Main Security Services

#### Enhanced Authentication Functions

##### Security Questions

This method verifies the user's identity by using a pre-registered question-and-answer set chosen by the customer in advance as supplemental authentication. (Also referred to as risk-based additional authentication (authentication using a passphrase).)

##### 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.

##### Login Restriction

Enhances login security from computers by adding extra authentication items.

##### Mobile Access Restriction

Restricts logins and transactions from smartphones.

##### 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.

##### 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.

#### Account Management and Usage Restriction Functions

##### Security Keyboard

Instead of entering the customer's 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.

##### 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).

##### 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).

##### 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.

##### 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 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.



# 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.

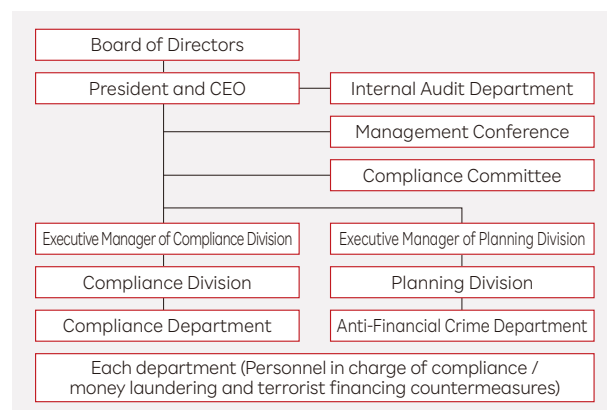
## Compliance Structure

We have established the Compliance Division, led by the Executive Manager in charge of compliance, as a division that oversees bank-wide compliance. In addition, we have established the Anti-Financial Crime Department in the Planning Division, as a department in charge of preventing money laundering and terrorist financing.

The Compliance Division formulates the Compliance Program, a specific and bank-wide implementation plan regarding compliance, which is then resolved at a Board of Directors' meeting. Furthermore, the Compliance Division regularly reviews the progress of said Program, reports the results to the Board of Directors, and if necessary, makes revisions to the Program. These revisions are then resolved at a Board of Directors' meeting.

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, 2025)



## 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 a code of ethics, compliance regulations, and a 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 the everyday operations.

Compliance and legal reviews are conducted on various business projects by the 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>

## Internal Whistleblowing System

In order to detect and correct legal violations at an early stage, we have established a system that enables employees to report issues directly, in accordance with the revised Whistleblower Protection Act. The system includes an internal whistleblowing channel, the Compliance Hotline, and external reporting channels (law firms, hotline of parent company, and external whistleblowing channels).

## Initiatives to Prevent Money Laundering, Terrorist Financing, Sanctions Violations, and the Financing of Proliferation

As money laundering, terrorist financing, sanctions violations, the financing of proliferation, and other 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 the formulation of measures to prevent money laundering, terrorist financing, sanctions violations, the financing of proliferation, and other 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, sanctions violations, the financing of proliferation, and other financial crimes, based on a risk-based approach, we have formulated and updated a risk assessment report that shows countermeasures according to risk assessments by segment, and have established a management system that can respond to changing situations.

## 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)

## Initiatives for the Exclusion of Anti-Social Forces

In order to maintain public trust in financial institutions and to ensure the appropriateness and soundness of our business, it is essential to take a resolute stance against and eliminate any association with antisocial forces. Based on this stance, we have established internal rules stipulating the promotion of a system for handling antisocial forces as an important part of our business operations and specifying details regarding how to respond to antisocial forces. We strive to ensure that all employees are fully aware of these rules and that appropriate systems are in place.

The contracts that we enter into and the terms and conditions that it presents to customers include a clause for the exclusion of antisocial forces, which states that the group may terminate the contract if it is found that a counterparty or customer is associated with an antisocial 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 Antisocial 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>

## 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 Bank or its group companies (collectively, the “Bank, 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 Bank, 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 Bank, etc has a contractual or similar relationship (Dual Transaction Type)
  - c. Transactions in which information obtained from customers with whom the Bank, 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 Rakuten Bank's website.



<https://www.rakuten-bank.co.jp/policy/profit.html> (Japanese only)

## Privacy Policy

We appropriately handle and strives 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

We are committed to a “customer-oriented” approach in order to help our customers achieve stable asset formation and to provide a smooth flow of funds for sustainable economic development.

## 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”, and regularly review and revise our initiatives and achievements.

### Basic Principles

<b>Principle 1</b>	Rakuten Bank will strive to pursue the best interests of customers.
<b>Principle 2</b>	Rakuten Bank will strive to appropriately manage conflicts of interest.
<b>Principle 3</b>	Rakuten Bank will strive to ensure transparency in fees and other charges.
<b>Principle 4</b>	Rakuten Bank will strive to provide customers with sufficient and easy-to-understand information necessary for making decisions.
<b>Principle 5</b>	Rakuten Bank will strive to offer financial products and services that are suitable for each customer.
<b>Principle 6</b>	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](https://www.rakuten-bank.co.jp/policy/f_duty.html) (Japanese only)

For information on our initiatives and achievements for FY2024 under the “Customer-Oriented Business Operation Policy,” please refer to our website.



[https://www.rakuten-bank.co.jp/info/2025/250630-f\\_duty.html](https://www.rakuten-bank.co.jp/info/2025/250630-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 (☺ see P.22 “Organizational Culture Pursuing UI/UX”).

Turning Customer  
Feedback into Action  
Initiatives in Response to  
Customer Feedback



### FY2024 Results of Initiatives in Response to Customer Feedback (Partial)

<ul style="list-style-type: none"> <li>Improved the introduction page for “6 Benefits of Choosing Rakuten Bank”</li> </ul>	<ul style="list-style-type: none"> <li>Improved the page for “Applying for Monthly Transfers Registration”</li> </ul>
<ul style="list-style-type: none"> <li>Improved the login password setting screen</li> </ul>	<ul style="list-style-type: none"> <li>Improved the page for NISA (tax-exempt investments)</li> </ul>
<ul style="list-style-type: none"> <li>Made it possible to check accumulated Rakuten Points on the home screen of the “Rakuten Bank App”</li> </ul>	<ul style="list-style-type: none"> <li>Published a page explaining frequently asked questions about shareholder benefits</li> </ul>
<ul style="list-style-type: none"> <li>Published a page for customers returning to Rakuten Bank after a long interval</li> </ul>	<ul style="list-style-type: none"> <li>Introduced the basics of Rakuten Bank and online banking, along with tips for convenient usage</li> </ul>
<ul style="list-style-type: none"> <li>Improved the information page on partner ATMs for card loans</li> </ul>	<ul style="list-style-type: none"> <li>Introduced information on opening a bank account in a child's name</li> </ul>

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)

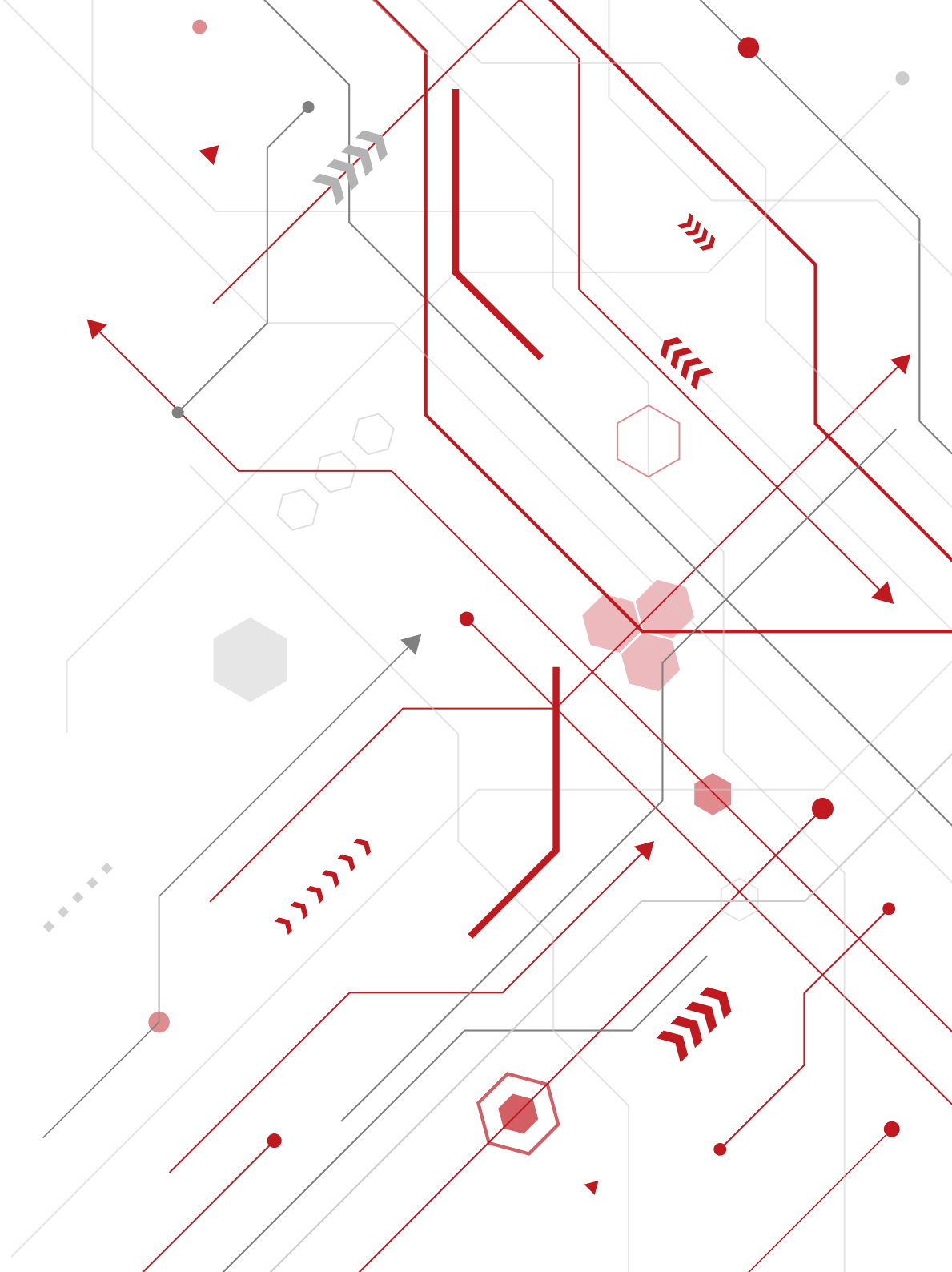
# DATA

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## Financial Highlights

In fiscal 2024, the accumulation of well-diversified investment assets and an increase in interest income resulting from the Bank of Japan's policy rate hikes drove a significant increase in ordinary income. Ordinary income, gross operating profit, ordinary profit, and profit attributable to owners of parent all reached record highs. Consolidated ordinary profit reached approximately 70.0 billion yen, the target level set for the fiscal year ending March 31, 2027 in the Medium- to Long-term Vision, ahead of schedule.

Core net operating profit, which reflects the performance of our core operations, amounted to 76,364 million yen (up 51.0% year on year).

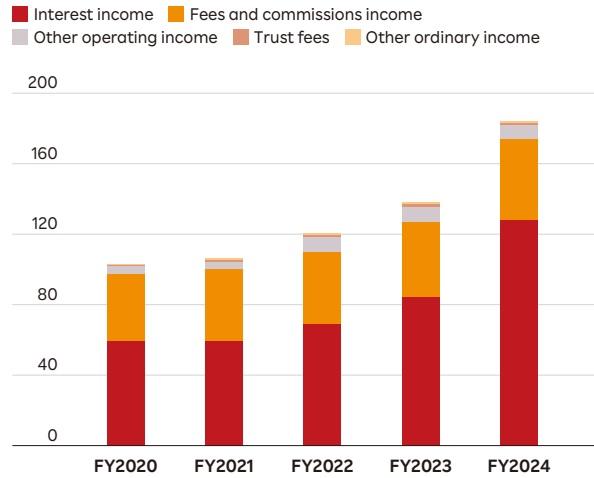
(JPY mm)

	Fiscal 2020 (March 31, 2021) Consolidated	Fiscal 2021 (March 31, 2022) Consolidated	Fiscal 2022 (March 31, 2023) Consolidated	Fiscal 2023 (March 31, 2024) Consolidated	Fiscal 2024 (March 31, 2025) Consolidated
<b>Ordinary Income</b>	103,386	106,026	120,445	137,950	<b>184,534</b>
<b>Gross Operating Profit</b>	63,816	65,287	79,917	92,518	<b>122,713</b>
<b>Net Interest Income</b>	55,946	54,742	62,378	73,393	<b>101,055</b>
<b>Net Fees and commissions income</b>	2,842	5,537	7,872	9,441	<b>12,491</b>
<b>Net Other Operating Income</b>	5,027	5,007	9,666	9,683	<b>9,166</b>
<b>G&amp;A Expenses</b>	35,810	37,620	39,201	41,950	<b>46,349</b>
<b>Ordinary Profit</b>	27,581	27,909	38,746	48,367	<b>71,524</b>
<b>Net Operating Profit</b>	28,033	27,436	40,018	49,627	<b>75,230</b>
<b>Core Net Operating Profit</b>	27,709	27,480	40,682	50,568	<b>76,364</b>
<b>Profit Attributable to Owners of Parent</b>	19,337	20,039	27,692	34,436	<b>50,779</b>

Note: Core Net Operating Profit = Net Operating Profit before Provision of General Allowance for Loan Losses – Net Gains (Losses) on Bonds

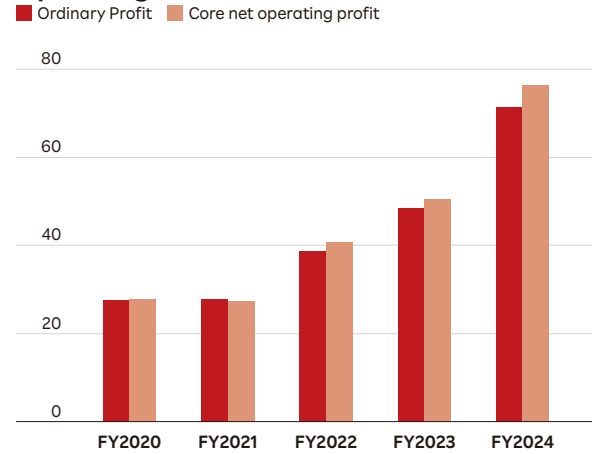
### Ordinary Income (Consolidated)

(JPY bn)



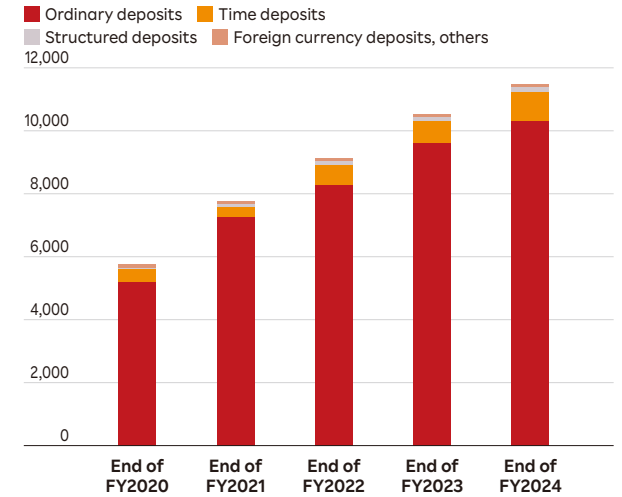
### Ordinary Profit and Core Net Operating Profit (Consolidated)

(JPY bn)



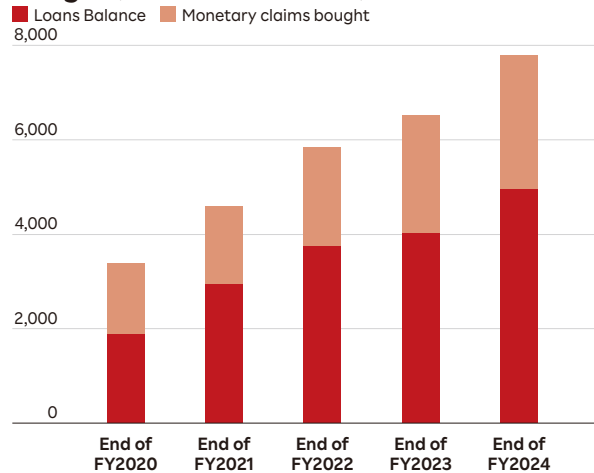
### Deposit Balance (Non-consolidated)

(JPY bn)



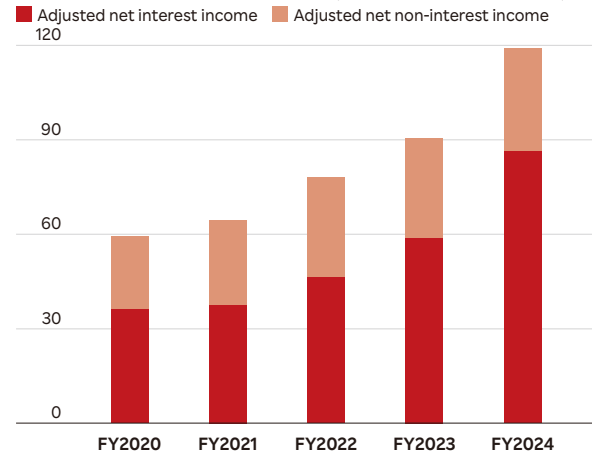
### Loans Balance and Monetary Claims Bought (Non-consolidated)

(JPY bn)



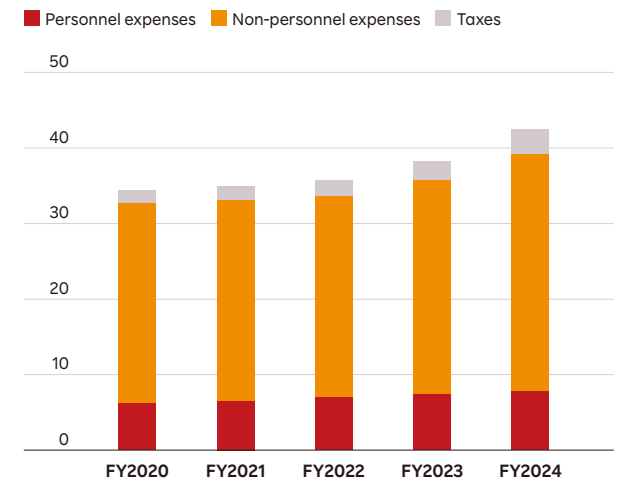
### Adjusted Net Interest Income and Net Non-interest Income\* (Non-consolidated)

(JPY bn)



### G&A Expenses (Non-consolidated)

(JPY bn)



\* Loan guarantee expenses, which are included in fees and commissions payments for accounting purposes, are adjusted to interest expenses because they are related to interest income. Fees and commissions income for FY2020 are on an adjusted basis that reflect the adoption of the accounting standard regarding revenue recognition from April 2021, where the accounting of the costs related to point programs linked to revenue shifted from an increase in non-personnel expenses to a decrease in fees and commissions income.



## Awards and Recognition

As a pioneer in digital banking, our various initiatives to promote the digitalization of financial services have been highly recognized both domestically and internationally for many years.

2025

### Received the “Country Winner” Award at the Global Finance World’s AI In Finance Awards

In the Consumer Banking category of the Global Finance World’s AI In Finance Awards, organized by the U.S. financial magazine Global Finance, we were highly evaluated for the following points and received the “Country Winner” award. In addition, in the selection for AI utilization in specific services and operations, we received the “Country Winner” award for the theme of Credit Assessment, as well as the “Region Winner” award for the Asia-Pacific region.

- Utilizing an extensive dataset of 16 million accounts, the largest among domestic digital banks
- Developing an AI-driven model for part of its credit assessment process for card loans

2024

### Received the “Country Winner” Award for the Tenth Consecutive Year at the Global Finance World’s Best Consumer Digital Bank Awards

In the Awards, where the U.S. financial magazine Global Finance and Infosys, a global leader in consulting, technology, and outsourcing, jointly evaluate business models and innovations to select exceptional banks, we were highly evaluated for the following points and received the “Country Winner” award.

- Through in-house system development, operations, and maintenance by employees, ensuring precise and ongoing service enhancements while rapidly delivering products that meet customer needs
- Leveraging advanced system development capabilities to continuously improve app functions and launch new services, thereby delivering innovative services as the “most innovative digital bank”
- Providing corporate clients with BaaS services that leverage our system infrastructure, and delivering unprecedented user experiences by combining attractive assets of partner companies with our banking services

2024

### Received the “Country’s Best Digital Bank” Award for the Seventh Consecutive Year at the Euromoney Awards for Excellence 2024

In the Awards, where the UK-based financial magazine Euromoney selects banks that have achieved outstanding results in markets around the world over the past year in up to 25 categories such as digital banking and investment banking, we were highly evaluated for the following points and received the “Country’s Best Digital Bank” award in Japan’s banking industry.

- Becoming the first digital bank to offer reverse mortgages to address issues related to retirement funding in an aging society, and providing a residual value type housing loan product that allows customers to choose their living arrangements according to their life stage
- Expansion of corporate banking business

### Other Past Awards

2020

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



2020

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.



**Rakuten**  
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