

**Rakuten Group, Inc.**  
**\$500,000,000 10.250% Senior Notes due 2024**

**Pricing term sheet dated November 22, 2022 to Preliminary Offering Circular dated November 15, 2022 (the “Preliminary Offering Circular”) of Rakuten Group, Inc.**

This pricing term sheet is qualified in its entirety by reference to the Preliminary Offering Circular. The information in this pricing term sheet supplements the Preliminary Offering Circular and supersedes the information in the Preliminary Offering Circular to the extent inconsistent with the information in the Preliminary Offering Circular. Other information (including financial information) presented in the Preliminary Offering Circular is deemed to have changed to the extent affected by the changes described herein. Certain terms used herein but not defined herein shall have the meanings assigned to them in the Preliminary Offering Circular.

The securities referred to herein have not been registered under the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction and are being offered only (1) to persons reasonably believed to be “qualified institutional buyers” as defined in Rule 144A under the Securities Act and (2) outside the United States in compliance with Regulation S under the Securities Act.

<b>Issuer:</b>	Rakuten Group, Inc.
<b>Expected Security Rating*:</b>	S&P: BB+ <sup>1</sup>
<b>Securities Offered:</b>	\$500,000,000 10.250% Senior Notes due 2024
<b>Format:</b>	Rule 144A / Regulation S
<b>Status of the Notes:</b>	Senior, Unsecured
<b>Denomination:</b>	US\$200,000 and integral multiples of US\$1,000 in excess thereof
<b>Pricing Date:</b>	November 22, 2022
<b>Settlement Date:</b>	November 30, 2022 (T+5)
<b>Maturity Date:</b>	November 30, 2024
<b>Coupon:</b>	10.250% per annum (payable semi-annually in arrears, unadjusted)
<b>Interest Payment Dates:</b>	May 30 and November 30 in each year, commencing on May 30, 2023

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<sup>1</sup> On September 5, 2022, S&P stated that it had placed the Issuer’s long-term issuer credit and senior unsecured debt ratings, as well as its ratings on the Issuer’s subordinated bonds, on CreditWatch with negative implications. In the announcement, S&P noted that this reflected its expectation that free operating cash flow (cash flow from operations minus capital expenditures) from the Issuer’s non-FinTech businesses will remain deeply negative for the 12 to 18 months following the announcement. S&P also stated its intention to resolve the CreditWatch placement by the end of 2022 or shortly thereafter, having examined how long it will take for the Issuer’s EBITDA to turn positive, the scale of the Issuer’s non-FinTech business’ negative free operating cash flow, the progress and amount of non-debt financing the Issuer is able to raise (including from the planned future listings of Rakuten Bank and Rakuten Securities Holdings and from a potential capital raise from Rakuten Symphony) and the effect of such non-debt financing on the Issuer’s financial standing. S&P stated that it may downgrade the Issuer if the Issuer cannot execute a considerable amount of non-debt financing within 2022 and, even if the Issuer is able to, S&P may consider a downgrade if it thinks the Issuer’s non-FinTech business’ EBITDA and free operating cash flow will deteriorate beyond S&P’s expectations, or if pressure on liquidity increases.

<b>Record Dates:</b>	May 15 and November 15 in each year
<b>Issue Price:</b>	96.968%
<b>Benchmark Treasury:</b>	2.125% due November 30, 2024
<b>Benchmark Treasury Yield:</b>	4.519%
<b>Spread to Benchmark:</b>	748 basis points
<b>Yield to Maturity:</b>	12.000%
<b>Day Count Fraction:</b>	30/360
<b>Business Days for Payments:</b>	London, The City of New York and Tokyo
<b>Equity Clawback:</b>	Until November 30, 2023, the Issuer may, on one or more occasions, redeem up to 40% of the original aggregate principal amount of the notes issued under the Indenture upon giving not less than 30 nor more than 60 days' prior notice of redemption to the trustee, the paying agent and the holders at a redemption price of 110.25% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of notes on any relevant record date to receive interest due on the relevant interest payment date), with the net cash proceeds of one or more Equity Offerings (as defined in "Additional Changes to the Preliminary Offering Circular" below); provided that such redemption occurs within 90 days of the date of the closing of the relevant Equity Offering.
<b>Optional Make-Whole Redemption:</b>	<p>Prior to November 30, 2024, the Issuer has the option to redeem the notes, in whole or in part, upon giving not less than 30 nor more than 60 days' prior notice of redemption to the trustee, the paying agent and the holders, and the redemption price for the notes to be redeemed will be equal to the greater of:</p> <ul style="list-style-type: none"> <li>• 100% of the principal amount of the notes being redeemed; or</li> <li>• the make-whole price, which equals the sum of the present values of the principal and the remaining scheduled payments of interest on the notes being redeemed (exclusive of interest accrued to the date of redemption) that would be due if such notes were redeemed on the maturity date for the notes being redeemed, discounted to the date of redemption on a semi-annual basis (assuming a 360 day year consisting of twelve 30 day months) at the Treasury Rate (as defined in "Description of the Notes" in the Preliminary Offering Circular) plus 50 basis points;</li> </ul> <p><i>plus</i> accrued and unpaid interest on the principal amount of the notes being redeemed up to, but excluding, the date of redemption.</p>

<b>Repurchase at the Option of Holders upon a Change of Control Triggering Event:</b>	Upon the occurrence of a Change of Control Triggering Event (as defined in “Description of the Notes” in the Preliminary Offering Circular), the Issuer will make an offer to repurchase all or any part of outstanding notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest and additional amounts, if any, on the notes repurchased to the date of repurchase.
<b>Use of Proceeds:</b>	General corporate purposes, including to fund capital investments and operating expenditures for Rakuten Mobile and/or repayment of indebtedness.
<b>Trustee:</b>	Citicorp International Limited
<b>Paying Agent, Transfer Agent and Registrar:</b>	Citibank, N.A., London Branch
<b>Clearance and Settlement:</b>	DTC
<b>Listing:</b>	Singapore Exchange Securities Trading Limited
<b>For the Notes Sold under Rule 144A:</b>	
<b>CUSIP:</b>	75102W AD0
<b>ISIN:</b>	US75102WAD02
<b>Common Code:</b>	254337714
<b>For the Notes Sold under Regulation S:</b>	
<b>CUSIP:</b>	J64264 AC8
<b>ISIN:</b>	USJ64264AC82
<b>Common Code:</b>	254635782
<b>Governing Law:</b>	New York Law
<b>Joint-Lead and Bookrunning Managers:</b>	Morgan Stanley & Co. LLC Goldman Sachs & Co. LLC Daiwa Capital Markets America Inc. Mizuho Securities USA LLC BofA Securities, Inc. Citigroup Global Markets Inc.

## ADDITIONAL CHANGES TO THE PRELIMINARY OFFERING CIRCULAR

### Revisions to the Preliminary Offering Circular

*The revisions described below supersede the corresponding sections in the Preliminary Offering Circular dated, November 15, 2022. Any other sections of the Preliminary Offering Circular will also be deemed superseded by the information set forth below.*

#### **Cover Page**

The first full paragraph on the cover page of the Preliminary Offering Circular is replaced in full with the following:

Rakuten Group, Inc., a joint stock corporation incorporated with limited liability under the laws of Japan, is offering \$500,000,000 aggregate principal amount of 10.250% senior notes due 2024 (the “notes”). We will pay interest on the notes on May 30 and November 30 of each year, beginning on May 30, 2023. The notes will mature on November 30, 2024. We may redeem the notes, in whole or in part, at our option at any time, subject to a make-whole payment. In addition, at any time prior to November 30, 2023, we may on any one or more occasions redeem up to 40% of the original aggregate principal amount of notes with the net cash proceeds of one or more Equity Offerings (as defined herein). In the case of a Change of Control Triggering Event (as defined herein), we may be required to make an offer to purchase the notes at a redemption price equal to 101% of the principal amount thereof. For further details, see “Description of the Notes.”

#### **The Offering—Optional Redemption**

*The text appearing under the caption “The Offering—Optional Redemption” on pages 13 to 14 of the Preliminary Offering Circular is replaced in full with the following:*

At any time prior to November 30, 2023, we may on any one or more occasions redeem up to 40% of the original aggregate principal amount of the notes issued under the Indenture upon giving not less than 30 nor more than 60 days’ prior notice of redemption to the trustee, the paying agent and the holders at a redemption price of 110.25% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of notes on any relevant record date to receive interest due on the relevant interest payment date), with the net cash proceeds of one or more Equity Offerings (as such term is defined under “Description of the Notes—Optional Redemption”); provided that such redemption occurs within 90 days of the date of the closing of the relevant Equity Offering.

In addition, at any time prior to maturity of the notes, we have the option to redeem the notes, in whole or in part, upon giving not less than 30 nor more than 60 days’ prior notice of redemption to the trustee, the paying agent and the holders, and the redemption price for the notes to be redeemed will be equal to the greater of:

(i) 100% of the principal amount of the notes being redeemed; or

(ii) the make-whole price, which equals the sum of the present values of the principal and the remaining scheduled payments of interest on the notes being redeemed (exclusive of interest accrued to the date of redemption) that would be due if such notes were redeemed on the maturity date, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points;

*plus* accrued and unpaid interest on the notes being redeemed up to, but excluding, the date of redemption.

If less than all of the notes are to be redeemed, such notes shall be redeemed on a pro rata basis (or, in the

case of notes represented by global notes, in accordance with the procedures of DTC, Euroclear and Clearstream, as applicable), based on the then outstanding principal amount of each note, provided, however, that if any such pro-rated redemption would result in any notes having an authorized principal amount of less than the minimum authorized denomination, all such notes shall be redeemed in full prior to the redemption of any other notes, except as may be provided in the form of note or in any indenture supplemental to the Indenture. Unless the context otherwise requires, all provisions relating to the redemption of the notes shall relate, in the case of any note redeemed or to be redeemed only in part, to the portion of the principal amount of such note which has been or is to be redeemed.

See “Description of the Notes—Optional Redemption”.

### **Risk Factors—Risks Relating to the Notes—We may redeem the notes prior to maturity.**

*The text appearing under the caption “Risk Factors—Risks Relating to the Notes—We may redeem the notes prior to maturity.” on page 54 of the Preliminary Offering Circular is replaced in full with the following:*

We may redeem the notes, in whole or in part, at our option at any time, subject to a make-whole payment. In addition, at any time prior to November 30, 2023, we may on any one or more occasions redeem up to 40% of the original aggregate principal amount of notes issued under the Indenture with the net cash proceeds of one or more Equity Offerings as specified in “Description of the Notes—Optional Redemption.” Moreover, upon the occurrence of certain changes in tax law, we will be permitted to redeem the notes at par. See “Description of the Notes—Optional Redemption” and “Description of the Notes—Optional Tax Redemption.” In the event we choose to redeem the notes, the holders of such notes may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the notes.

### **Description of the Notes—Optional Redemption**

*The text appearing under the caption “Description of the Notes—Optional Redemption” on pages 171 to 172 of the Preliminary Offering Circular is replaced in full with the following:*

At any time prior to November 30, 2023, we may on any one or more occasions redeem up to 40% of the original aggregate principal amount of notes issued under the Indenture upon giving not less than 30 nor more than 60 days’ prior notice of redemption to the trustee, the paying agent and the holders at a redemption price of 110.25% of the principal amount, plus accrued and unpaid interest on the notes being redeemed up to, but excluding, the date of redemption, with the net cash proceeds of one or more Equity Offerings (as defined below); provided that the redemption occurs within 90 days of the date of the closing of such Equity Offering.

At any time prior to maturity of the notes, we have the option to redeem the notes, in whole or in part, upon giving not less than 30 nor more than 60 days’ prior notice of redemption to the trustee, the paying agent and the holders, and the redemption price for the notes to be redeemed will be equal to the greater of:

- (i) 100% of the principal amount of the notes being redeemed; or
- (ii) the make-whole price, which equals the sum of the present values of the principal and the remaining scheduled payments of interest on the notes being redeemed (exclusive of interest accrued to the date of redemption) that would be due if such notes were redeemed on the maturity date, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points;

*plus* accrued and unpaid interest on the notes being redeemed up to, but excluding, the date of redemption.

If less than all of the notes are to be redeemed, such notes shall be redeemed on a pro rata basis (or, in the case of notes represented by global notes, in accordance with the procedures of DTC, Euroclear and Clearstream, as applicable), based on the then outstanding principal amount of each note, provided, however, that if any such pro-rated redemption would result in any notes having an authorized principal amount of less than the minimum authorized denomination, all such notes shall be redeemed in full prior to the redemption of any other notes, except as may be provided in the form of note or in any indenture supplemental to the Indenture. Unless the context otherwise requires, all provisions relating to the redemption of the notes shall relate, in the case of any note redeemed or to be redeemed only in part, to the portion of the principal amount of such note which has been or is to be redeemed.

Neither the trustee nor the paying agent shall be responsible for verifying or calculating the make-whole price.

“Common Stock” of any person means Capital Stock (as such term is defined under “—Limitation on Sale and Lease-Back Transactions”) of such person that does not rank prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such person, to Capital Stock of any other class in such person.

“Comparable Treasury Issue” means the United States Treasury security or securities selected by the Independent Investment Banker as having an actual or interpolated maturity comparable to the term from the relevant redemption date to the maturity date, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of maturity comparable to the term from the relevant redemption date to the maturity date.

“Comparable Treasury Price” means, with respect to any redemption date, the average of the Reference Treasury Dealer Quotations for such redemption date.

“Disqualified Equity Interests” means, with respect to any person, Equity Interests of such person that by their terms (or by terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event, the passage of time or otherwise are:

(1) required to be redeemed or redeemable at the option of the holder in whole or in part prior to the stated maturity of the notes for consideration other than Qualified Equity Interests; or

(2) convertible at the option of the holder thereof into Disqualified Equity Interests or exchangeable for Debt;

provided, in each case, that (x) only the portion of such Equity Interests which is required to be redeemed, is so convertible or exchangeable or is so redeemable at the option of the holder thereof before such date will be deemed to be Disqualified Equity Interests, (y) Equity Interests will not constitute Disqualified Equity Interests solely because of provisions giving holders thereof the right to require repurchase or redemption upon a change of control or asset sale, and (z) Equity Interests issued to any plan for the benefit of employees of such person or its subsidiaries or by any plan to such employees will not constitute Disqualified Equity Interests solely because it may be required to be repurchased by such person or its subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“Equity Interests” means all Capital Stock and all warrants or options with respect to, or other rights to purchase, Capital Stock, but excluding Debt (as such term is defined under “—Limitation on Liens”) convertible into or exchangeable for equity.

“Equity Offering” means any public or private sale of Common Stock or Preferred Stock of us or any of our Subsidiaries or other direct or indirect investees (excluding Disqualified Equity Interests of such entity), other than an issuance to any Subsidiary of the Company.

“Independent Investment Banker” means an independent investment banking or commercial banking institution of national standing appointed by us.

“Preferred Stock” means any Equity Interest with preferential rights of payment of dividends upon liquidation, dissolution or winding up.

“Primary Treasury Dealer” means a primary U.S. government securities dealer.

“Qualified Equity Interests” means all Equity Interests of a person other than Disqualified Equity Interests.

“Reference Treasury Dealer” means (a) each of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC (or their respective affiliates that are Primary Treasury Dealers) and their respective successors, and (b) one other Primary Treasury Dealer selected by us in good faith; provided, however, that if any of the foregoing ceases to be a Primary Treasury Dealer, we shall substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any date of redemption, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 3:30 p.m., New York City time, on the third New York business day preceding the date of redemption.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Notes:

\* A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, reduction, suspension or withdrawal at any time by the assigning rating agency.

The notes have not been registered under the U.S. Securities Act of 1933, as amended, and are being offered only to persons reasonably believed to be qualified institutional buyers under Rule 144A and to non-U.S. persons outside the United States in compliance with Regulation S.

This communication is confidential and intended for the sole use of the person to whom it is provided by the sender. These final terms are a summary only, and are qualified in their entirety by reference to the Offering Circular. These final terms do not purport to identify or suggest the risks (direct or indirect), which may be associated with any person's investment in the notes. Each investor should read the Offering Circular for more complete information regarding the securities before making an investment decision. Investors should not subscribe for any securities referred to herein except on the basis of information contained in the Offering Circular.

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP" Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12:Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This term sheet is not a prospectus for the purposes of Regulation (EU) 2017/1129 or Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

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