

February 14, 2022

Company name Rakuten Group, Inc.
Representative Hiroshi Mikitani
Chairman and CEO
(Stock Code: 4755
Tokyo Stock Exchange First Section)

Notice Regarding Differences in Financial Results between FY2020 and FY2021

Rakuten Group, Inc. (hereafter “the Company”) today announced financial results for the fiscal year ended December 31, 2021. Since differences with the fiscal year ended December 31, 2020 are large, the Company is providing an overview.

1. Consolidated Results for the Fiscal Year ended December 31, 2021 (January 1 – December 31, 2021)

Consolidated Operating Results (IFRS)

	Revenue	Operating income	Net income attributable to owners of the Company	Basic Earnings per Share attributable to owners of the Company
Fiscal year ended December 31, 2020 (A)	Millions of yen 1,455,538	Millions of yen (93,849)	Millions of yen (114,199)	Yen (84.00)
Fiscal year ended December 31, 2021 (B)	1,681,757	(194,726)	(133,828)	(87.62)
Amount change YoY (B-A)	226,219	(100,877)	(19,629)	(3.62)
% change YoY	15.5%	-	-	-

2. Reasons for Differences

In the fiscal year ended December 31, 2021, Internet Services revenue grew due to factors including measures to improve customer convenience, such as the introduction of a common free shipping threshold for participating merchants on internet shopping mall “Rakuten Ichiba”, which successfully led to the retention of customers against the backdrop of stay-at-home consumption amid the COVID-19 pandemic. In FinTech, services including credit card

related, banking, and securities saw increases in revenue and profit with the continuous growth in the customer base in each service. Furthermore, in Mobile, in addition to efforts to improve network quality by focusing on the development of the Rakuten Group's own base stations ahead of schedule, steady progress was made in acquiring customers even after the expiration of campaigns offering one year of free telecommunication charges. This resulted in revenue of 1,681,757 million yen (up 15.5% year on year).

On the other hand, in Mobile, segment loss was 421,172 million yen (compared to a segment loss of 227,258 million yen in the fiscal year ended December 31, 2020) due to ongoing upfront investments as we built out our own base stations. As a result, we posted an operating loss of 194,726 million yen (compared with an operating loss of 93,849 million yen in the fiscal year ended December 31, 2020) in our consolidated financial results.

In addition, as a result of recording corporate income tax expenses of -76,804 million yen in the current fiscal year, net loss attributable to owners of the Company was 133,828 million yen (compared with a loss of 114,199 million yen in the fiscal year ended December 31, 2020), which caused a difference in earnings between the two fiscal years.