April 27, 2023

Company name Rakuten Group, Inc.

Representative Hiroshi Mikitani

Chairman and CEO (Stock Code: 4755

Tokyo Stock Exchange Prime Market)

## Announcement of Financial Results of Rakuten Securities, Inc., a Consolidated Subsidiary

Rakuten Securities, Inc. (Head Office: Minato-ku, Tokyo. President: Yuji Kusunoki), a consolidated subsidiary of Rakuten Group, Inc. (hereinafter "Rakuten Group"), announces its consolidated financial reports (based on J-GAAP) for the three months ended March 31, 2023.

Rakuten Group plans to announce consolidated financial reports for the three months ended March 31, 2023, on May 12, 2023 (Friday). In addition, Rakuten Group announces financial results based on IFRS while the attached financial results of Rakuten Securities, Inc. are based on J-GAAP, which may recognize some transactions differently from IFRS.

April 27, 2023

## Financial Reports For the three months ended March 31, 2023

Rakuten Securities, Inc.

Rakuten Securities, Inc. (Head Office: Minato-ku, Tokyo. President: Yuji Kusunoki) announces its consolidated financial reports for the three months ended March 31, 2023 (J-GAAP).

The financial reports of Rakuten Securities, Inc. are based on "Uniform Accounting Standards for Securities Companies" (set by the Board of Directors of the Japan Securities Dealers Association, November 14, 1974).

Results for the three months ended March 31, 2023 (January 1, 2023 to March 31, 2023)

Consolidated Operating Results\*

(Millions of yen, rounded down)

- constitution operating resource				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	Operating	Net operating	Operating	Ordinary	Net
	revenue	revenue	income	income	income
Three months ended March 31, 2023	24,633	23,399	5,926	5,724	3,849
Three months ended March 31, 2022	23,312	22,231	3,746	3,432	1,786

<sup>\*</sup>Quarterly financial disclosure is not subject to review by a certified public accountant or an audit firm.

#### (Reference information)

Results for the 12 months ended March 31, 2023 (April 1, 2022 to March 31, 2023)

Consolidated Operating Results

(Millions of yen, rounded down)

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	Operating	Net operating	Operating	Ordinary	Net
	revenue	revenue	income	income	income
April 1, 2022 to March 31, 2023	96,762	91,700	19,552	19,224	11,346
April 1, 2021 to March 31, 2022	89,253	84,668	13,701	13,857	7,239

#### (1) Consolidated Balance Sheet

	(Millions of ye		
	As of	As of	
	December 31,	March 31,	
	2022	2023	
(Assets)			
Current assets	3,214,373	3,071,672	
Cash and deposits	322,366	263,199	
Cash segregated as deposits	2,003,658	1,881,033	
Trading products	57,058	42,733	
Trading securities and others	1,941	2,009	
Derivatives	55,117	40,723	
Operating investment securities for sale and others	7	7	
Trade date accrual	1,340	804	
Margin transaction assets	701,812	738,699	
Loans on margin transactions	637,630	628,562	
Cash collateral pledged for securities borrowing on	04.404	440.400	
margin transactions	64,181	110,136	
Loans secured by securities	23,905	38,537	
Cash collateral pledged for securities borrowed	23,905	38,537	
Advances paid	255	239	
Cash paid for offering	22,202	11,341	
Short-term guarantee deposits	60,167	75,503	
Variation margin paid	3,550	2,782	
Short-term loans receivable	_	150	
Advance payments	1,789	47	
Prepaid expenses	743	977	
Accounts receivable – other	5,052	3,563	
Accrued revenues	10,619	12,158	
Allowance for doubtful accounts	(155)	(105)	
Fixed assets	37,264	38,146	
Tangible fixed assets	1,824	1,854	
Buildings	539	511	
Furniture and fixtures	1,176	1,246	
Lease assets	107	97	
Intangible fixed assets	30,397	30,848	
Goodwill	4,101	3,963	
Customer relationships	432	384	
Software	23,124	23,372	
Software in progress	2,559	2,955	
Lease assets	179	171	
Investments and other assets	5,042	5,443	
Investment securities	981	1,175	
Long-term loans receivable	361	353	
Long-term guarantee deposits	1,262	1,202	
Long-term prepaid expenses	95	81	
		437	
		3,822	
		(1,629)	
Deferred tax assets Others Allowance for doubtful accounts Total assets	392 3,600 (1,651) 3,251,637	3,82	

	(Millions of y		
	As of	As of	
	December 31,	March 31,	
	2022	2023	
(Liabilities)			
Current liabilities	3,078,939	2,933,294	
Trading products	29,153	12,257	
Derivatives	29,153	12,257	
Margin transaction liabilities	156,368	212,041	
Borrowings on margin transactions	26,098	41,993	
Cash received for securities lending on margin transitions	130,270	170,047	
Loans payable secured by securities	726,761	649,798	
Cash received on debt credit transactions of securities	726,761	649,798	
Deposits received	1,478,510	1,394,087	
Guarantee deposits received	537,450	548,421	
Accounts for non-received securities and others	930	570	
Short term loans payable	139,000	104,000	
Advances received	2,113	3,295	
Accrued revenue	2,113		
		1	
Lease obligations	122	132	
Accounts payable – other	21	29	
Accrued expenses	7,197	5,799	
Income taxes payable	669	1,785	
Provision for employees' bonuses	441	929	
Provision for directors' bonuses	_	8	
Provision for sales promotion expenses	188	128	
Other current liabilities	8	9	
Fixed liabilities	20,330	20,289	
Lease obligations	210	188	
Long term loans payable	18,600	18,600	
Net defined benefit liability	1,166	1,213	
Asset retirement obligations	353	287	
Statutory reserves	9,799	9,799	
Reserve for financial products liabilities	9,799	9,799	
Total liabilities	3,109,069	2,963,383	
(Net assets)			
Shareholders' equity			
Capital stock	19,495	19,495	
Capital surplus	16,511	16,511	
Retained earnings	106,147	109,996	
Total shareholders' equity	142,154	146,003	
Accumulated other comprehensive income	,		
Valuation difference on available-for-sale securities	1	1	
Foreign currency translation adjustment	425	440	
Remeasurements of defined benefit plans	(12)	(10)	
Total accumulated other comprehensive income	413	431	
	142,568		
Total net assets	•	146,435	
Total liabilities and net assets	3,251,637	3,109,819	



### (2) Consolidated Statement of Income

		(Millions of yen)
	Three months ended	Three months ended
	March 31, 2022	March 31, 2023
	(January 1 –	(January 1 –
	March 31, 2022)	March 31, 2023)
Operating revenue	23,312	24,633
Commission received	10,110	10,121
Commission to consignees	7,884	6,900
Commission for underwriting, secondary distribution and	19	397
solicitation for selling and others for professional investors		007
Fee for offerings, secondary distribution and solicitation for selling	273	303
and others for professional investors		
Other commissions received	1,932	2,519
Net trading income	5,422	5,541
Operating Investment securities for sales and others	(0)	(0)
Financial revenue	6,117	7,887
Other operating revenue	1,662	1,082
Financial expenses	1,081	1,234
Net operating revenue	22,231	23,399
Selling, general, and administrative expenses	18,484	17,472
Trading related expenses	10,736	8,986
Personnel expenses	1,556	1,824
Real estate expenses	519	516
Office expenses	3,349	3,178
Depreciation	2,141	2,420
Taxes and dues	317	392
Goodwill amortization	140	144
Provision for allowance for doubtful accounts	(328)	(69)
Others	54	78
Operating income	3,746	5,926
Non-operating income	9	2
Non-operating expenses	323	204
Ordinary income	3,432	5,724
Extraordinary losses	629	153
Income before income taxes and other adjustments	2,803	5,571
Income taxes – current	939	1,768
Income taxes – deferred	77	(46)
Total income taxes	1,017	1,722
Net income	1,786	3,849
Profit attributable to owners of parent	1,786	3,849

### (3) Consolidated Statement of Comprehensive Income

(minione or yen			
	Three months ended	Three months ended	
	March 31, 2022	March 31, 2023	
	(January 1 –	(January 1 –	
	March 31, 2022)	March 31, 2023)	
Net income	1,786	3,849	
Other comprehensive income			
Valuation difference on available-for-sale securities	(0)	0	
Foreign currency translation adjustment	322	15	
Remeasurements of defined benefit plans	6	2	
Total other comprehensive income	328	18	
Net comprehensive income	2,114	3,867	
(Breakdown)			
Comprehensive income attributable to owners of parents	2,114	3,867	
Comprehensive income attributable to non-controlling interests	_	_	