

April 30, 2024

Company name	Rakuten Group, Inc.
Representative	Hiroshi Mikitani Chairman and CEO (Stock Code: 4755, TSE Prime)

**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, 2024.

Rakuten Group plans to announce consolidated financial reports for the three months ended March 31, 2024, on May 14, 2024 (Tuesday). 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.

Financial Reports For the three months ended March 31, 2024

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, 2024 (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, 2024 (January 1, 2024 to March 31, 2024)

Consolidated Operating Results*

(Millions of yen, rounded down)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
Three months ended March 31, 2024	31,177	29,991	6,992	6,924	4,853
Three months ended March 31, 2023	24,633	23,399	5,926	5,724	3,849

*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, 2024 (April 1, 2023 to March 31, 2024)

Consolidated Operating Results

(Millions of yen, rounded down)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
April 1, 2023 to March 31, 2024	117,421	112,463	29,619	29,386	18,360
April 1, 2022 to March 31, 2023	96,762	91,700	19,552	19,224	11,346

Rakuten Securities

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31 2023	As of March 31 2024
(Assets)		
Current assets	3,585,917	4,013,033
Cash and deposits	350,356	316,220
Segregated deposits	2,213,849	2,478,002
Trading products	45,715	44,523
Trading securities and other	890	1,376
Derivatives	44,825	43,146
Operational investment securities	7	7
Trade date accrual	892	293
Margin transaction assets	832,951	1,001,192
Loans on margin transactions	739,933	893,417
Cash collateral pledged for securities borrowing on margin transactions	93,018	107,774
Loans secured by securities	21,270	36,326
Cash collateral pledged for securities borrowed	21,270	36,326
Advances paid	254	272
Deposits paid for underwritten offering	34,505	38,696
Short-term guarantee deposits	60,825	70,332
Variation margin paid	866	911
Short-term loans receivable	2,352	2,352
Advance payments	159	110
Prepaid expenses	921	745
Accounts receivable – other	7,109	7,932
Accrued revenue	14,031	15,255
Allowance for doubtful accounts	(149)	(141)
Non-current assets:	41,507	42,218
Property and equipment	1,934	1,768
Buildings, net	476	463
Equipment, net	1,034	972
Leased assets, net	64	55
Construction in progress	359	277
Intangible assets	32,746	34,154
Goodwill	3,782	3,691
Customer-related intangible assets	240	192
Software	24,851	26,504
Software in progress	3,784	3,702
Leased assets	88	64
Investments and other assets	6,825	6,295
Investment securities	1,111	375
Long-term loans receivable	281	267
Guarantee deposits	1,075	1,077
Long-term prepaid expenses	84	75
Deferred tax assets	445	117
Other	5,370	5,911
Allowance for doubtful accounts	(1,542)	(1,529)
Total assets	3,627,425	4,055,252

Rakuten Securities

(Millions of yen)

	As of December 31 2023	As of March 31 2024
(Liabilities)		
Current liabilities	3,453,598	3,876,380
Trading products	14,302	12,902
Derivatives	14,302	12,902
Margin transaction liabilities	171,671	212,132
Borrowings on margin transactions	9,957	20,119
Cash received for securities lending on margin transactions	161,713	192,013
Borrowings secured by securities	733,884	908,946
Cash collateral received for securities lent	733,884	908,946
Deposits received	1,794,055	1,913,986
Guarantee deposits received	593,736	659,361
Payables for securities to receive over due for delivery	851	622
Short-term borrowings	107,000	136,000
Current portion of long-term borrowings	18,600	18,600
Advances received	3,438	2,536
Unearned revenue	0	—
Lease liabilities	122	113
Accounts payable – other	27	12
Accrued expenses	7,771	7,726
Income taxes payable	6,908	1,693
Provision for bonuses	916	1,446
Provision for directors' bonuses	136	5
Provision for sales promotion expenses	176	293
Non-current liabilities:	1,775	1,795
Lease liabilities	98	76
Retirement benefit liability	1,300	1,324
Asset retirement obligations	288	289
Provision for directors' retirement benefits	88	106
Reserves under special laws:	11,911	11,911
Reserve for financial instruments transaction liabilities	11,911	11,911
Total liabilities	3,467,285	3,890,087
(Equity)		
Shareholders' equity		
Share capital	19,495	19,495
Capital surplus	16,511	16,511
Retained earnings	123,503	128,356
Total shareholders' equity	159,510	164,363
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	2
Foreign currency translation adjustments	628	796
Remeasurements of defined benefit plans	(0)	1
Total accumulated other comprehensive income	629	801
Total equity	160,139	165,165
Total liabilities and equity	3,627,425	4,055,252

Rakuten Securities

(2) Consolidated Statement of Income

(Millions of yen)

	Three months ended March 31, 2023 (January 1 – March 31, 2023)	Three months ended March 31, 2024 (January 1 – March 31, 2024)
Operating revenue	24,633	31,177
Commission received	10,121	10,255
Brokerage commission	6,900	6,285
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	397	21
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	303	620
Other commission received	2,519	3,328
Net trading income	5,541	7,101
Net losses on operational investment securities	(0)	(0)
Financial revenue	7,887	11,717
Other operating revenue	1,082	2,102
Financial expenses	1,234	1,185
Net operating revenue	23,399	29,991
General and administrative expenses:	17,472	22,998
Trading related expenses	8,986	13,675
Personnel expenses	1,824	1,891
Real estate expenses	516	583
Office expenses	3,178	3,637
Depreciation and amortization	2,420	2,578
Taxes and dues	392	425
Amortization of goodwill	144	158
Provision of allowance for doubtful accounts	(69)	(17)
Other	78	66
Operating income	5,926	6,992
Non-operating income	2	27
Non-operating expenses	204	95
Ordinary income	5,724	6,924
Extraordinary income	—	203
Extraordinary losses	153	43
Income before income taxes	5,571	7,085
Income taxes – current	1,768	1,851
Income taxes – deferred	(46)	380
Total income taxes	1,722	2,231
Net income	3,849	4,853
Net income attributable to owners of the parent	3,849	4,853

Rakuten Securities

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended March 31, 2023 (January 1 – March 31, 2023)	Three months ended March 31, 2024 (January 1 – March 31, 2024)
Net income	3,849	4,853
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustments	10	280
Remeasurements of defined benefit plans	2	2
Share of other comprehensive income of entities accounted for using equity method	4	—
Total other comprehensive income	18	284
Comprehensive income	3,867	5,137
Comprehensive income attributable to:		
Owners of the parent	3,867	5,137
Non-controlling interests	—	—