

The following information was originally prepared and published by the Company in Japanese as it contains timely disclosure materials to be submitted to the Tokyo Stock Exchange. This English summary translation is for your convenience only. To the extent there is any discrepancy between this English translation and the original Japanese version, please refer to the Japanese version. The following financial information was prepared in accordance with International Financial Reporting Standards ("IFRS").

## Consolidated Financial Reports (IFRS) for the six months ended June 30, 2024

Rakuten Group, Inc.  
August 9, 2024

Company name	Rakuten Group, Inc.	Listed	Tokyo Stock Exchange
Code No	4755	URL	<a href="https://global.rakuten.com/corp/">https://global.rakuten.com/corp/</a>
Representative	(Title) Chairman and CEO		(Name) Hiroshi Mikitani
Contact person	(Title) Director and Group Executive Vice President CFO		(Name) Kenji Hirose

Supplementary materials for financial results: Yes  
Financial results information meeting held: Yes (For institutional investors and analysts)

### 1. Consolidated Results for the six months ended June 30, 2024 (January 1 - June 30, 2024)

(Yen amounts are rounded to the nearest million)

#### (1) Consolidated Operating Results

(% , YoY)

	Revenue		Operating income		Income before income tax		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six months ended June 30, 2024	1,050,908	8.0	(51,603)	—	(43,306)	—	(61,103)	—
Six months ended June 30, 2023	972,800	9.5	(125,087)	—	(122,625)	—	(136,971)	—

	Net income attributable to owners of the Company		Comprehensive income		Basic earnings per share attributable to owners of the Company	Diluted earnings per share attributable to owners of the Company
	Millions of Yen	%	Millions of Yen	%	Yen	Yen
Six months ended June 30, 2024	(75,962)	—	42,422	—	(35.41)	(35.41)
Six months ended June 30, 2023	(139,985)	—	(45,468)	—	(83.04)	(83.05)

#### (Reference) Other important management indicators

	EBITDA *	
	Millions of Yen	%
Six months ended June 30, 2024	119,557	221.9
Six months ended June 30, 2023	37,136	—

\* Calculated by adding depreciation and amortization expenses, etc. to Non-GAAP operating income. We believe that EBITDA is a useful indicator for evaluating the cash flow generation ability of the Rakuten Group's business activities. For more information on Non-GAAP operating income, please see page 4, "1. Qualitative Information, Financial Statements, etc. (1) Qualitative Information Concerning Consolidated Business Results".

**(2) Consolidated Financial Position**

	Total assets	Total equity	Total equity attributable to owners of the Company	Consolidated equity ratio *	Ratio of total equity attributable to owners of the Company to total assets
	Millions of Yen	Millions of Yen	Millions of Yen	%	%
As of June 30, 2024	24,828,283	1,128,050	860,038	4.5	3.5
As of December 31, 2023	22,625,576	1,087,723	836,572	4.8	3.7

\* Calculated by dividing total equity by total assets. As the banking business and securities business account for a large proportion of the Rakuten Group's total assets, we believe that using total capital that incorporates non-controlling interests in these businesses is useful in understanding the Rakuten Group's financial position.

**2. Dividends**

	Dividend per Share				
	1Q	2Q	3Q	4Q	Year
	Yen	Yen	Yen	Yen	Yen
FY2023	—	0.00	—	0.00	0.00
FY2024	—	0.00			
FY2024 (Forecast)			—	—	—

Note: Dividend per share for the fiscal year ending December 31, 2024 has not been decided yet, and there are no changes to the previously disclosed dividend forecast.

### **3. Estimate of Consolidated Operating Results for the fiscal year 2024 (January 1 to December 31, 2024)**

For the estimate of consolidated operating results for the fiscal year 2024, double-digit growth on consolidated operating results for the fiscal year 2023 is estimated for the fiscal year 2024 consolidated revenue, excluding the securities business whose results are heavily impacted by stock market conditions. (For details, please see page 9, "1. Qualitative Information, Financial Statements, etc. (3) Qualitative Information about Consolidated Business Forecasts".)

Note: There are no changes to the previously disclosed consolidated forecasts for the year ending December 31, 2024.

#### **Notes**

##### **(1) Significant Change in Scope of Consolidation for the Current Period: No**

New: — (Company name: —) Excluded: — (Company name: —)

##### **(2) Changes in Accounting Policies and Changes in Accounting Estimates**

1. Changes in accounting policies required by IFRS: Yes
2. Changes in accounting policies due to other reasons: No
3. Changes in accounting estimates: No

Note: For details, please see page 18, "2. Condensed Interim Consolidated Financial Statements and Notes, (6) Notes to the Condensed Interim Consolidated Financial Statements (Material Accounting Policies)".

##### **(3) Number of Shares Issued (Common Stock)**

1. Total number of shares issued at the end of the period (including treasury stocks)  
2,149,027,500 shares (As of June 30, 2024)  
2,142,140,300 shares (As of December 31, 2023)
2. Number of treasury stocks at the end of the period  
2,773 shares (As of June 30, 2024)  
384 shares (As of December 31, 2023)
3. Average number of shares for the period (cumulative from the beginning of the year)  
2,145,083,781 shares (January 1 - June 30, 2024)  
1,685,801,517 shares (January 1 - June 30, 2023)

This financial report is not subject to an audit firm's interim review.

#### **Explanation about the Appropriate Use of Earnings Forecasts, and Other Special Matters**

Consolidated earnings forecasts for the year ending December 31, 2024 are based on information that is available at the time of writing, but a number of known and unknown factors could cause actual results to differ from projections.

## **1. Qualitative Information, Financial Statements, etc.**

### **(1) Qualitative Information Concerning Consolidated Business Results**

The Rakuten Group discloses consolidated business results in terms of both its internal measures which management relies upon in making decisions (hereinafter the "Non-GAAP financial measures") and those under IFRS.

Non-GAAP operating income is operating income under IFRS (hereinafter "IFRS operating income") after deducting unusual items and other adjustments as prescribed by the Rakuten Group. Management believes that the disclosure of Non-GAAP financial measures facilitates comparison between the Rakuten Group and peer companies in the same industry or comparison of its business results with those of prior fiscal years by stakeholders, and can provide useful information in understanding the underlying business results of the Rakuten Group and its future outlook. Unusual items refer to one-off items that the Rakuten Group believes should be excluded for the purposes of preparing a future outlook based on certain rules. Other adjustment items are those that tend to differ depending on the standards applied, and are therefore less comparable between companies, such as share based compensation expenses and amortization of acquisition-related intangible assets.

Note: For disclosure of Non-GAAP financial measures, the Rakuten Group refers to the rules specified by the U.S. Securities and Exchange Commission but does not fully comply with such rules.

#### **i) Business Results for the six months ended June 30, 2024 (Non-GAAP basis)**

For the six months ended June 30, 2024, although the global economy has been recovering, attention should be paid to the downside risks to the economy due to the impact of continued high interest rates in Europe and the United States and other factors. For the Japanese economy, although there has been a stagnation in the recovery of personal consumption, a gradual economic recovery is expected.

According to the "White Paper on Information and Communications in Japan" (Note), technological advancements in the information and communications sector are expected to serve as the foundation for all industries and social activities, and efforts are being made to promote initiatives toward Beyond 5G, which will be utilized across borders. Furthermore, new technologies utilizing digitalization such as AI are expected to further transform our society and economic activities in the future.

Under such an environment, the Rakuten Group is actively developing and deploying services utilizing advanced technologies such as data from both online and offline sources based on membership and common point programs, improving network quality in mobile services, and acquiring users. Furthermore, by further evolving and expanding the Rakuten Ecosystem, we aim to enhance its competitiveness and develop and provide solution services that are uniquely possible due to the accumulation of unique data assets through various services such as internet services, FinTech, and mobile, thereby evolving into an "AI Empowerment Company" and aiming to make people's lives more convenient and prosperous. In addition, amid uncertainties about the future of the economy, such as continued inflation and a weak yen, the Rakuten Group, with its diverse business portfolio, will maximize the synergies it can achieve as a strength, accurately capture consumer trends and needs, and seize further growth opportunities.

In the Internet Services segment, we focused on developing services that aim for further growth in transaction value and revenue, acquiring new customers, promoting cross-use, and deepening collaboration with local governments and regional businesses to revitalize the regional economy. In the FinTech segment, efforts to expand the customer base and transaction value in each service resulted in further growth in sales and improvement in segment profit. In the Mobile segment, efficient improvement of network quality through the utilization of in-house and partner networks, strengthened marketing activities, and an increase in subscribers resulted in expanded revenue, and combined with cost optimization efforts, segment losses have steadily decreased.

As a result, the Rakuten Group recorded revenue of ¥1,050,908 million, up 8.0% year-on-year for the six months ended June 30, 2024, and a Non-GAAP operating loss of ¥37,273 million, compared to a Non-GAAP operating loss of ¥108,410 million in the six months ended June 30, 2023.

Note: Source: "2024 White Paper on Information and Communications in Japan" (Ministry of Internal Affairs and Communications).

(Non-GAAP)

(Millions of Yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024	Amount Change YoY	% Change YoY
Revenue	972,800	1,050,908	78,108	8.0%
Non-GAAP operating loss	(108,410)	(37,273)	71,137	—%

### ii) Reconciliation of Non-GAAP Operating Income to IFRS Operating Income

For the six months ended June 30, 2024, amortization of intangible assets of ¥3,771 million and share based compensation expenses of ¥7,686 million were excluded from Non-GAAP operating income. One-off items listed for the six months ended June 30, 2023 include costs temporarily incurred due to the cancellation of base station construction etc. of ¥1,977 million, associated with changes to capital expenditure plans resulting from a review of roaming agreements in the mobile business, gains and losses resulting from the sale of all shares in Seiyu Holdings Co., Ltd., and fees paid to external experts and others such as legal fees related to fraudulent acts committed in collusion by former employees of a subsidiary and suppliers which came to light in the fiscal year ended December 31, 2022. One-off items listed for the six months ended June 30, 2024 include maintenance and repair costs for base stations related to the 2024 Noto Peninsula Earthquake of ¥1,154 million, a loss on disposal of intangible assets for a part of the life and general insurance integrated core system of ¥1,174 million, gains from the sale of shares of Min-Shu, Inc. of ¥1,619 million, and expenses related to the resolution of litigation with International Business Machines Corporation, etc. Moreover, these income and expenses are mainly recorded in other income and other expenses of the Condensed Interim Consolidated Statement of Income.

(Millions of Yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024	Amount Change YoY
Non-GAAP operating loss	(108,410)	(37,273)	71,137
Amortization of intangible assets	(4,259)	(3,771)	488
Share based compensation expenses	(7,997)	(7,686)	311
One-off items	(4,421)	(2,873)	1,548
IFRS operating loss	(125,087)	(51,603)	73,484

### iii) Business Results for the six months ended June 30, 2024 (IFRS basis)

For the six months ended June 30, 2024, the Rakuten Group recorded revenue of ¥1,050,908 million, up 8.0% year-on-year, and an IFRS operating loss of ¥51,603 million, compared with an IFRS operating loss of ¥125,087 million in the six months ended June 30, 2023, and a net loss attributable to owners of the Company of ¥75,962 million, compared with a net loss of ¥139,985 million in the six months ended June 30, 2023.

(IFRS)

(Millions of Yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024	Amount Change YoY	% Change YoY
Revenue	972,800	1,050,908	78,108	8.0%
IFRS operating loss	(125,087)	(51,603)	73,484	—%
Net loss attributable to owners of the Company	(139,985)	(75,962)	64,023	—%

#### iv) Segment Information

Business results for each segment are as follows. In terms of the IFRS management approach, segment profit or loss is presented on a Non-GAAP operating income basis.

##### Internet Services

In domestic e-commerce services, the mainstay of Internet services, the growth rate of total transaction value decreased compared to the six months ended on June 30, 2023 due to the impact of changes in marketing measures aimed at improving profitability. However, we achieved increased revenue and profit. In the internet shopping mall "Rakuten Ichiba," we focused on acquiring new customers and promoting cross-use. In the internet travel reservation service "Rakuten Travel," despite the backlash from the government's travel support measures in the previous year, we pursued various measures to improve customer convenience and satisfaction, leading to the acquisition of new customers.

In other internet services, including overseas internet services, the online cashback service "Rakuten Rewards" in the United States continued to show solid sales growth. In the overseas content business, sales of new color-compatible devices for the e-book service "Kobo" performed well, and the number of users increased in the video streaming service "Viki." Each business continued to achieve steady business growth, contributing to the expansion of segment profit.

As a result, revenue for the Internet Services segment rose to ¥589,599 million, a 4.2% year-on-year increase, while segment profit stood at ¥32,463 million, a 23.3% year-on-year increase.

(Millions of Yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024	Amount Change YoY	% Change YoY
Segment revenue	565,824	589,599	23,775	4.2%
Segment profit	26,326	32,463	6,137	23.3%

##### FinTech

In FinTech, we achieved increased revenue and profit compared to the same period last year in credit card-related services, banking services, securities services, payment services, and others. In credit card-related services, the cumulative number of issuances of "Rakuten Card" exceeded 31 million cards as of the end of June 2024, leading to an increase in transaction value and revenue growth. In addition to these, marketing optimization efforts also contributed to a significant increase in profit. Furthermore, amid increasing interest in individual asset formation and management, the number of accounts set up for the account linkage service "Money Bridge" by "Rakuten Bank" and "Rakuten Securities" exceeded 5 million accounts in April 2024. In "Rakuten Securities," the balance of entrusted assets exceeded 30 trillion yen as of the end of May 2024, leading to further expansion of the customer base for both companies. The payment service "Rakuten Payment" also continues to grow its business through efficient marketing measures.

As a result, the FinTech segment recorded ¥396,154 million in revenue, a 13.5% year-on-year increase, while segment profit stood at ¥81,551 million, a 36.7% year-on-year increase.

(Millions of Yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024	Amount Change YoY	% Change YoY
Segment revenue	349,027	396,154	47,127	13.5%
Segment profit	59,640	81,551	21,911	36.7%

## Mobile

In Mobile, while continuing efforts to improve network quality and expand awareness, we strengthened customer acquisition measures by appealing the convenience and benefits of "Rakuten Mobile" to users. As a result, the number of subscribers, excluding BCP (Business Continuity Plan) as of June 2024, exceeded 7 million subscribers (the total of MNO's B2C, B2B, and MVNE). In addition, both B2C and B2B ARPU increased compared to the previous three-month period, resulting in a steady increase in communication revenue. User acquisition through various programs such as the "SAIKYO FAMILY Program" and the "SAIKYO YOUTH Program," which started in spring 2024, is also progressing well. We aim to maximize customer satisfaction by providing convenient and cost-effective services to customers with diverse attributes. In June 2024, we also launched commercial services for the 700MHz band ("Platinum Band").

As a result, the Mobile segment recorded ¥194,801 million in revenue, a 10.4% year-on-year increase, while segment loss stood at ¥132,569 million compared to a loss of ¥185,093 in the six months ended June 30, 2023.

In the future, we will aim for early profitability in the mobile standalone business by working towards further revenue growth while maintaining optimized operating expenses (excluding depreciation and amortization expenses) due to the completion of network infrastructure investments.

(Millions of Yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024	Amount Change YoY	% Change YoY
Segment revenue	176,404	194,801	18,397	10.4%
Segment loss	(185,093)	(132,569)	52,524	—%

## **(2) Analysis Concerning Financial Position**

### **i) Assets, Liabilities, and Equity**

#### **Assets**

Total assets as of June 30, 2024 amounted to ¥24,828,283 million, an increase of ¥2,202,707 million from ¥22,625,576 million at the end of the previous fiscal year. The primary factors were an increase of ¥814,549 million in cash and cash equivalents, an increase of ¥728,771 million in financial assets for securities business, and an increase of ¥352,257 million in loans for banking business.

#### **Liabilities**

Total liabilities as of June 30, 2024 amounted to ¥23,700,233 million, an increase of ¥2,162,380 million from ¥21,537,853 million at the end of the previous fiscal year. The primary factors were an increase of ¥860,716 million in financial liabilities for securities business, an increase of ¥726,726 million in deposits for banking business, and an increase of ¥414,081 million in bonds and borrowings.

#### **Equity**

Total equity as of June 30, 2024 was ¥1,128,050 million, an increase of ¥40,327 million from ¥1,087,723 million at the end of the previous fiscal year. The primary factors were a decrease of ¥87,161 million in retained earnings due mainly to the recording of ¥75,962 million in net loss attributable to owners of the Company for the six months ended June 30, 2024, offset by an increase of ¥102,673 million in other components of equity due to changes in foreign currency translation adjustments affected by yen depreciation, and an increase of ¥16,861 million in non-controlling interests.

### **ii) Cash Flows**

Cash and cash equivalents as of June 30, 2024 stood at ¥5,942,223 million, an increase of ¥814,549 million from the end of the previous fiscal year. Cash flow conditions and their main factors for the six months ended June 30, 2024 are as follows.

#### **Cash Flows from Operating Activities**

Cash flows from operating activities for the six months ended June 30, 2024 resulted in a cash inflow of ¥665,677 million (compared with a cash inflow of ¥239,777 million for the same period of the previous fiscal year). Main factors included a cash outflow of ¥728,346 million due to an increase in financial assets for securities business, and a cash outflow of ¥349,008 million due to an increase in loans for banking business, offset by a cash inflow of ¥860,183 million due to an increase in financial liabilities for securities business, a cash inflow of ¥717,695 million due to an increase in deposits for banking business and a cash inflow of ¥63,178 million due to a decrease in operating receivables.

#### **Cash Flows from Investing Activities**

Cash flows from investing activities for the six months ended June 30, 2024 resulted in a cash outflow of ¥401,218 million (compared with a cash outflow of ¥203,539 million for the same period of the previous fiscal year). Main factors included a net cash outflow of ¥260,515 million due to purchases and sales, etc. of investment securities for banking business (a cash outflow of ¥751,046 million due to purchases and a cash inflow of ¥490,531 million from sales and redemption), and a cash outflow of ¥91,091 million due to purchases of intangible assets.

#### **Cash Flows from Financing Activities**

Cash flows from financing activities for the six months ended June 30, 2024 resulted in a cash inflow of ¥529,764 million (compared with a cash inflow of ¥257,982 million for the same period of the previous fiscal year). Main factors included a cash outflow of ¥208,407 million due to redemption of bonds, offset by a cash inflow of ¥601,313 million due to proceeds from issuance of bonds, and a cash inflow of ¥132,200 million due to proceeds from long-term borrowings for banking business.



### **(3) Qualitative Information about Consolidated Business Forecasts**

At present, in the forecast for the consolidated performance of the current fiscal year, we aim for double-digit growth in consolidated revenue, excluding the impact of the stock market on securities services, compared to the previous fiscal year.

The outlook for each segment in the current fiscal year is as follows:

#### **(Internet Services)**

In domestic internet services such as "Rakuten Ichiba", we will continue to focus on acquiring new customers, promoting cross-usage, deepening collaboration with local governments and regional businesses, and developing services to revitalize the local economy. Through the creation of new markets utilizing data, AI, and other technologies, we aim to achieve growth in total transaction value and revenue. In "Rakuten Travel," although there is a possibility that the growth rate hurdle will be higher compared to the previous fiscal year, which had a strong performance due to government support measures for travel, we expect to expand revenue while incorporating the expansion of inbound demand, particularly in the second half of the year. In overseas internet services, we aim to expand our business in "Rakuten Rewards" and "Kobo," among others.

#### **(FinTech)**

In credit card-related services, we aim for further growth in shopping transaction value and strive for business expansion and further improvement in profit margin through group synergy and strengthening marketing measures. In banking services, in addition to expanding interest income through diversification of personal loan products and promotion of securitization businesses such as monetizing monetary claims and real estate held by companies, we aim for further growth through the expansion of non-interest income by acquiring customers' salary transfer and direct debit accounts and promoting their use as daily accounts. In insurance services, we aim for further growth through an increase in the number of new contracts and the expansion of products with high compatibility with internet services. In securities services, it is difficult to forecast due to the significant impact of the stock market. However, we intend to absorb the impact of the abolition of domestic stock trading fees by further diversifying and expanding revenue sources such as acquiring new accounts and expanding activities in margin trading.

#### **(Mobile)**

In addition to improving the customer experience through the expansion of our own network coverage area and partner networks, we will continue to attract more subscribers through competitive pricing plans and attractive marketing measures utilizing the Rakuten ecosystem. We will also continue to pursue contract acquisition by making proposals to nationwide corporate and municipal customers with whom our group has transactions. Furthermore, regarding the 700MHz band ("Platinum Band") allocated by the Ministry of Internal Affairs and Communications in October 2023, we have started commercial services in June 2024. In the future, by gradually expanding the deployment of the Platinum Band through our own base stations, we aim to provide a higher quality network environment and accelerate the pace of subscriber acquisition, as well as achieve early profitability in the mobile standalone business.

**2. Condensed Interim Consolidated Financial Statements and Notes**  
**(1) Condensed Interim Consolidated Statement of Financial Position**

(Millions of Yen)

	As of December 31, 2023	As of June 30, 2024
<b>Assets</b>		
Cash and cash equivalents	5,127,674	5,942,223
Accounts receivable - trade	377,992	344,056
Financial assets for securities business	4,128,245	4,857,016
Loans for credit card business	3,019,261	3,008,371
Investment securities for banking business	1,208,527	1,503,851
Loans for banking business	3,886,888	4,239,145
Investment securities for insurance business	259,139	246,306
Derivative assets	233,110	356,384
Investment securities	182,207	205,014
Other financial assets	1,239,004	1,066,047
Investments in associates and joint ventures	42,100	43,088
Property, plant and equipment	1,267,837	1,236,313
Intangible assets	1,024,201	1,115,201
Deferred tax assets	214,777	225,156
Other assets	414,614	440,112
<b>Total assets</b>	<b>22,625,576</b>	<b>24,828,283</b>
<b>Liabilities</b>		
Accounts payable - trade	419,880	367,607
Deposits for banking business	9,732,828	10,459,554
Financial liabilities for securities business	4,236,517	5,097,233
Derivative liabilities	27,263	54,574
Bonds and borrowings	1,637,980	2,052,061
Borrowings for securities business	106,578	144,097
Bonds and borrowings for credit card business	603,869	601,931
Borrowings for banking business	2,446,746	2,639,183
Other financial liabilities	1,646,559	1,593,673
Income taxes payable	30,144	18,690
Provisions	263,886	279,439
Insurance contract liabilities	164,205	156,078
Employee retirement benefit liabilities	41,049	46,038
Deferred tax liabilities	3,602	4,038
Other liabilities	176,747	186,037
<b>Total liabilities</b>	<b>21,537,853</b>	<b>23,700,233</b>
<b>Equity</b>		
Equity attributable to owners of the Company		
Common stock	446,769	450,145
Capital surplus	541,520	546,100
Other equity instruments	317,316	317,316
Retained earnings	(643,991)	(731,152)
Treasury stock	(0)	(2)
Other components of equity	174,958	277,631
<b>Total equity attributable to owners of the Company</b>	<b>836,572</b>	<b>860,038</b>
Non-controlling interests	251,151	268,012
<b>Total equity</b>	<b>1,087,723</b>	<b>1,128,050</b>
<b>Total liabilities and equity</b>	<b>22,625,576</b>	<b>24,828,283</b>

**(2) Condensed Interim Consolidated Statement of Income and Comprehensive Income**  
**Condensed Interim Consolidated Statement of Income**  
**(For the six months ended June 30, 2023 and 2024)**

(Millions of Yen)

	Six months ended June 30, 2023 (January 1 to June 30, 2023)	Six months ended June 30, 2024 (January 1 to June 30, 2024)
Continuing Operations		
Revenue	972,800	1,050,908
Operating expenses	1,095,689	1,094,187
Other income	12,498	6,103
Other expenses	14,696	14,427
Operating loss	(125,087)	(51,603)
Financial income	52,135	79,697
Financial expenses	40,877	67,787
Share of losses of investments in associates and joint ventures	(8,796)	(3,613)
Loss before income tax	(122,625)	(43,306)
Income tax expenses	14,346	17,797
Net loss	(136,971)	(61,103)
Net loss attributable to:		
Owners of the Company	(139,985)	(75,962)
Non-controlling interests	3,014	14,859
Net loss	(136,971)	(61,103)
(Yen)		
Losses per share attributable to owners of the Company		
Basic	(83.04)	(35.41)
Diluted	(83.05)	(35.41)

**Condensed Quarterly Consolidated Statement of Income**  
**(For the three months ended June 30, 2023 and 2024)**

(Millions of Yen)

	Three months ended June 30, 2023 (April 1 to June 30, 2023)	Three months ended June 30, 2024 (April 1 to June 30, 2024)
Continuing Operations		
Revenue	497,165	537,284
Operating expenses	545,251	551,753
Other income	7,522	4,417
Other expenses	8,329	8,279
Operating loss	(48,893)	(18,331)
Financial income	40,467	60,786
Financial expenses	26,633	55,482
Share of losses of investments in associates and joint ventures	(8,163)	(1,810)
Loss before income tax	(43,222)	(14,837)
Income tax expenses	11,129	10,425
Net loss	(54,351)	(25,262)
Net loss attributable to:		
Owners of the Company	(57,418)	(33,568)
Non-controlling interests	3,067	8,306
Net loss	(54,351)	(25,262)
(Yen)		
Losses per share attributable to owners of the Company		
Basic	(32.27)	(15.63)
Diluted	(32.29)	(15.64)

**Condensed Interim Consolidated Statement of Comprehensive Income**  
**(For the six months ended June 30, 2023 and 2024)**

(Millions of Yen)

	Six months ended June 30, 2023 (January 1 to June 30, 2023)	Six months ended June 30, 2024 (January 1 to June 30, 2024)
Net loss	(136,971)	(61,103)
Other comprehensive income		
Items that will not be reclassified to net income		
Changes on equity instruments measured at fair value through other comprehensive income	2,406	(300)
Remeasurement of defined benefit plans	(210)	(1)
Other comprehensive income of investment in associates and joint ventures	11	0
Total items that will not be reclassified to net income	2,207	(301)
Items that may be reclassified to net income		
Foreign currency translation adjustments	81,314	109,186
Changes on debt instruments measured at fair value through other comprehensive income	7,715	(3,673)
Cash flow hedges	(1,124)	(5,458)
Changes in the difference between discount rate change on insurance contracts	(1,985)	81
Changes in the difference between discount rate change on reinsurance contracts	343	(540)
Other comprehensive income of investments in associates and joint ventures	3,033	4,230
Total items that may be reclassified to net income	89,296	103,826
Total other comprehensive income, net of tax	91,503	103,525
Comprehensive income	(45,468)	42,422
Comprehensive income attributable to:		
Owners of the Company	(51,232)	26,951
Non-controlling interests	5,764	15,471
Comprehensive income	(45,468)	42,422

**Condensed Interim Consolidated Statement of Comprehensive Income**  
**(For the three months ended June 30, 2023 and 2024)**

(Millions of Yen)

	Three months ended June 30, 2023 (April 1 to June 30, 2023)	Three months ended June 30, 2024 (April 1 to June 30, 2024)
Net loss	(54,351)	(25,262)
Other comprehensive income		
Items that will not be reclassified to net income		
Changes on equity instruments measured at fair value through other comprehensive income	2,014	(1,010)
Remeasurement of defined benefit plans	(220)	(1)
Other comprehensive income of investment in associates and joint ventures	7	(7)
Total items that will not be reclassified to net income	1,801	(1,018)
Items that may be reclassified to net income		
Foreign currency translation adjustments	69,615	53,783
Changes on debt instruments measured at fair value through other comprehensive income	2,163	(2,729)
Cash flow hedges	(1,023)	(2,293)
Changes in the difference between discount rate change on insurance contracts	117	(482)
Changes in the difference between discount rate change on reinsurance contracts	(47)	(476)
Other comprehensive income of investments in associates and joint ventures	2,491	2,002
Total items that may be reclassified to net income	73,316	49,805
Total other comprehensive income, net of tax	75,117	48,787
Comprehensive income	20,766	23,525
Comprehensive income attributable to:		
Owners of the Company	15,368	14,827
Non-controlling interests	5,398	8,698
Comprehensive income	20,766	23,525

**(3) Condensed Interim Consolidated Statement of Changes in Equity**  
**(For the six months ended June 30, 2023)**

(Millions of Yen)

	Equity attributable to Owners of the Company						Total Equity attributable to Owners of the Company	Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Other Equity Instruments	Retained Earnings	Treasury Stock	Other Components of Equity			
As of January 1, 2023	294,061	353,786	317,316	(280,085)	(0)	106,273	791,351	57,360	848,711
Comprehensive income									
Net loss	—	—	—	(139,985)	—	—	(139,985)	3,014	(136,971)
Other comprehensive income, net of tax	—	—	—	—	—	88,753	88,753	2,750	91,503
Total comprehensive income	—	—	—	(139,985)	—	88,753	(51,232)	5,764	(45,468)
Transactions with owners etc.									
Issuance of shares	148,005	146,780	—	—	—	—	294,785	—	294,785
Cash dividends paid	—	—	—	(7,157)	—	—	(7,157)	—	(7,157)
Distributions to owners of other equity instruments	—	—	—	(9,820)	—	—	(9,820)	—	(9,820)
Reclassified from other components of equity to retained earnings	—	—	—	(1,488)	—	1,488	—	—	—
Acquisition of treasury stock	—	—	—	—	(0)	—	(0)	—	(0)
Exercise of share acquisition rights	2,879	(2,879)	—	—	—	—	0	—	0
Share based compensation expenses	—	7,785	—	173	—	—	7,958	—	7,958
Equity transactions with non-controlling interests	—	(8,681)	—	—	—	1,287	(7,394)	92,169	84,775
Others	—	—	—	(357)	—	—	(357)	(1,133)	(1,490)
Total transactions with owners etc.	150,884	143,005	—	(18,649)	(0)	2,775	278,015	91,036	369,051
As of June 30, 2023	444,945	496,791	317,316	(438,719)	(0)	197,801	1,018,134	154,160	1,172,294

**(For the six months ended June 30, 2024)**

(Millions of Yen)

	Equity attributable to Owners of the Company						Total Equity attributable to Owners of the Company	Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Other Equity Instruments	Retained Earnings	Treasury Stock	Other Components of Equity			
As of January 1, 2024	446,769	541,520	317,316	(643,991)	(0)	174,958	836,572	251,151	1,087,723
Comprehensive income									
Net loss	—	—	—	(75,962)	—	—	(75,962)	14,859	(61,103)
Other comprehensive income, net of tax	—	—	—	—	—	102,913	102,913	612	103,525
Total comprehensive income	—	—	—	(75,962)	—	102,913	26,951	15,471	42,422
Transactions with owners etc.									
Issuance of shares	—	—	—	—	—	—	—	—	—
Cash dividends paid	—	—	—	—	—	—	—	—	—
Distributions to owners of other equity instruments	—	—	—	(11,590)	—	—	(11,590)	—	(11,590)
Reclassified from other components of equity to retained earnings	—	—	—	227	—	(227)	—	—	—
Acquisition of treasury stock	—	—	—	—	(2)	—	(2)	—	(2)
Exercise of share acquisition rights	3,376	(3,376)	—	—	—	—	0	—	0
Share based compensation expenses	—	7,938	—	164	—	—	8,102	—	8,102
Equity transactions with non-controlling interests	—	18	—	—	—	(13)	5	1,390	1,395
Others	—	—	—	—	—	—	—	—	—
Total transactions with owners etc.	3,376	4,580	—	(11,199)	(2)	(240)	(3,485)	1,390	(2,095)
As of June 30, 2024	450,145	546,100	317,316	(731,152)	(2)	277,631	860,038	268,012	1,128,050

**(4) Condensed Interim Consolidated Statement of Cash Flows**

(Millions of Yen)

	Six months ended June 30, 2023 (January 1 to June 30, 2023)	Six months ended June 30, 2024 (January 1 to June 30, 2024)
<b>Cash flows from operating activities</b>		
Loss before income tax	(122,625)	(43,306)
Depreciation and amortization	146,522	156,745
Other loss (income)	26,045	31,509
Decrease (Increase) in operating receivables	69,433	63,178
Decrease (Increase) in loans for credit card business	87,730	11,651
Increase (Decrease) in deposits for banking business	550,191	717,695
Net decrease (increase) in call loans for banking business	6,216	6,201
Decrease (Increase) in loans for banking business	(306,965)	(349,008)
Decrease (Increase) in receivables under securities borrowing transactions	(16,029)	7,681
Increase (Decrease) in operating payables	(123,614)	(73,667)
Decrease (Increase) in financial assets for securities business	(554,719)	(728,346)
Increase (Decrease) in financial liabilities for securities business	632,134	860,183
Increase and decrease in derivative assets and liabilities	(50,008)	(64,557)
Others	(90,906)	96,350
Income tax paid	(13,628)	(26,632)
<b>Net cash flows from operating activities</b>	<b>239,777</b>	<b>665,677</b>
<b>Cash flows from investing activities</b>		
Payments in time deposits	(14,774)	(12,662)
Proceeds from time deposits	12,817	9,800
Purchases of property, plant and equipment	(115,166)	(59,507)
Purchases of intangible assets	(82,126)	(91,091)
Acquisitions of subsidiaries	(542)	(1)
Acquisitions of investments in associates and joint ventures	(199)	(400)
Proceeds from sales of investments in associates and joint ventures	22,000	—
Purchases of investment securities for banking business	(266,194)	(751,046)
Proceeds from sales and redemption of investment securities for banking business	211,682	490,531
Purchases of investment securities for insurance business	(24,248)	(38,318)
Proceeds from sales and redemption of investment securities for insurance business	46,512	52,414
Purchases of investment securities	(4,356)	(7,122)
Proceeds from sales and redemption of investment securities	9,882	3,510
Other payments	(7,194)	(3,967)
Other proceeds	8,367	6,641
<b>Net cash flows from investing activities</b>	<b>(203,539)</b>	<b>(401,218)</b>



**(4) Condensed Interim Consolidated Statement of Cash Flows (Continued)**

(Millions of Yen)

	Six months ended June 30, 2023 (January 1 to June 30, 2023)	Six months ended June 30, 2024 (January 1 to June 30, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(123,500)	(3,234)
Net increase (decrease) in commercial papers	(132,400)	30,000
Proceeds from long-term borrowings	21,160	8,860
Repayments of long-term borrowings	(63,949)	(67,070)
Proceeds from issuance of bonds	305,046	601,313
Redemption of bonds	(10,000)	(208,407)
Net increase (decrease) in short-term borrowings for securities business	(18,000)	37,500
Net increase (decrease) in short-term borrowings for credit card business	(17,355)	(13,266)
Net increase (decrease) in commercial papers for credit card business	(112,700)	14,000
Proceeds from long-term borrowings for credit card business	65,012	75,821
Repayments of long-term borrowings for credit card business	(80,184)	(79,250)
Net increase (decrease) in short-term borrowings for banking business	6,305	59,239
Proceeds from long-term borrowings for banking business	735,000	132,200
Repayments of long-term borrowings for banking business	(635,000)	—
Proceeds from issuance of shares	294,244	—
Distributions to owners of other equity instruments	(10,110)	(10,039)
Proceeds from sales of shares of subsidiaries not resulting in change in scope of consolidation	71,755	—
Capital contribution from non-controlling interests	13,325	1,306
Repayments of lease liabilities	(33,282)	(30,958)
Interest paid	(16,913)	(20,426)
Cash dividends paid	(7,157)	—
Others	6,685	2,175
Net cash flows from financing activities	257,982	529,764
Effect of change in exchange rates on cash and cash equivalents	16,929	20,326
Net increase (decrease) in cash and cash equivalents	311,149	814,549
Cash and cash equivalents at the beginning of the period	4,694,360	5,127,674
Cash and cash equivalents at the end of the period	5,005,509	5,942,223

## **(5) Assumptions for Going Concern**

No items to report.

## **(6) Notes to the Condensed Interim Consolidated Financial Statements**

### **(Basis of Presentation)**

The Rakuten Group's Condensed Interim Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The Rakuten Group meets the requirements of "Specified Company Complying with Designated International Accounting Standards" in Article 1-2(2) within "Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No.28 of 1976)". Therefore, it is qualified to the Article 312 of the Rules on Interim Consolidated Financial Statements. As this summary does not contain all the information required in annual consolidated statements, it is advised to be used in combination with the consolidated financial statements for the fiscal year ended December 31, 2023.

### **(Material Accounting Policies)**

Material accounting policies adopted by the Rakuten Group in the Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2024 remain the same as those adopted in the consolidated financial statements for the previous fiscal year. In addition, income tax expenses for the six months ended June 30, 2024 are calculated based upon an estimated annual effective tax rate.

The Rakuten Group has adopted the following accounting standards from the six months ended June 30, 2024. The adoption of the accounting standards does not have a material impact on the Condensed Interim Consolidated Financial Statements.

IFRS		Description
IAS 1	Presentation of Financial Statements	Clarifies the method in which an entity classifies debt and other financial liabilities as current or non-current
IAS 1	Presentation of Financial Statements	Improves information that an entity discloses regarding non-current liabilities with future covenants

### **(Significant Accounting Estimates and Judgments)**

In preparing the Condensed Interim Consolidated Financial Statements under IFRS for the six months ended June 30, 2024, the Rakuten Group uses judgments, accounting estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. These estimates and assumptions are based on the best judgment of management, made by gathering past experience and available information and in consideration of various factors that are considered reasonable as of the closing date. However, the figures based on these estimates and assumptions by their nature may differ from actual results.

Estimates and judgments that have a significant impact on the amounts in the Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2024 remain the same as those for the previous fiscal year.

## (Segment Information)

### (1) General Information

As a global innovation company engaged in the three main activities of Internet Services, FinTech, and Mobile, the Rakuten Group is organized into three reportable segments: "Internet Services", "FinTech", and "Mobile".

For the reportable segments, separate financial information on the operational units of the Rakuten Group is available, and such financial information is subject to periodic review for the Board of Directors to decide on the distribution of management resources and evaluate performance.

The "Internet Services" segment comprises businesses providing various e-commerce sites including internet shopping mall "Rakuten Ichiba", online cash-back sites, travel booking sites, portal sites, and digital content sites, along with provision of messaging services, sales of advertising, etc. on these sites, and management of professional sports teams, etc.

The "FinTech" segment engages in businesses providing services related to credit cards, banking and securities over the Internet, crypto asset (virtual currency) spot transaction, life insurance, general insurance, and electronic money, etc.

The "Mobile" segment comprises business operations engaged in the provision of communication services and technologies and operation of electricity supply services, etc.

### (2) Measurement of Segment Revenue and Segment Profit (Loss) by Operating Segments

The operating segment information is prepared in accordance with IFRS, and operating segment revenue and segment profit (loss) is that before intercompany eliminations without consideration of consolidation adjustments, except for certain subsidiaries. Non-GAAP operating income, the internal measures management uses in making decisions, is calculated by adjusting the nonrecurring items and other adjustment items prescribed by the Rakuten Group from the operating income recorded in accordance with IFRS.

Management believes that the disclosure of Non-GAAP financial measures facilitates comparison between the Rakuten Group and peer companies in the same industry or comparison of their business results with those of prior fiscal years by stakeholders, and can provide useful information in understanding the underlying business results of the Rakuten Group and their future outlook. Nonrecurring items refer to one-off items that the Rakuten Group believes should be excluded in preparing a future outlook based on certain rules. Other adjustment items are those that tend to differ depending on the standards applied, and are therefore less comparable between companies, such as share based compensation expenses and amortization of acquisition-related intangible assets.

The Rakuten Group does not allocate assets and liabilities to the operating segment information reviewed by the chief operating decision maker.

#### Six months ended June 30, 2023 (January 1 to June 30, 2023)

(Millions of Yen)

	Internet Services	FinTech	Mobile	Total
Segment revenue	565,824	349,027	176,404	1,091,255
Segment profit (loss)	26,326	59,640	(185,093)	(99,127)

#### Six months ended June 30, 2024 (January 1 to June 30, 2024)

(Millions of Yen)

	Internet Services	FinTech	Mobile	Total
Segment revenue	589,599	396,154	194,801	1,180,554
Segment profit (loss)	32,463	81,551	(132,569)	(18,555)

**Three months ended June 30, 2023 (April 1 to June 30, 2023)**

(Millions of Yen)

	Internet Services	FinTech	Mobile	Total
Segment revenue	294,686	181,002	80,071	555,759
Segment profit (loss)	14,475	33,000	(82,431)	(34,956)

**Three months ended June 30, 2024 (April 1 to June 30, 2024)**

(Millions of Yen)

	Internet Services	FinTech	Mobile	Total
Segment revenue	303,896	202,696	94,961	601,553
Segment profit (loss)	18,863	42,273	(60,641)	495

**Reconciliation from Segment Revenue to Consolidated Revenue**

(Millions of Yen)

	Six months ended June 30, 2023 (January 1 to June 30, 2023)	Six months ended June 30, 2024 (January 1 to June 30, 2024)
Segment revenue	1,091,255	1,180,554
Intercompany transactions, etc.	(118,455)	(129,646)
Consolidated revenue	972,800	1,050,908

(Millions of Yen)

	Three months ended June 30, 2023 (April 1 to June 30, 2023)	Three months ended June 30, 2024 (April 1 to June 30, 2024)
Segment revenue	555,759	601,553
Intercompany transactions, etc.	(58,594)	(64,269)
Consolidated revenue	497,165	537,284

**Reconciliation from Segment Loss to Loss before Income Tax**

(Millions of Yen)

	Six months ended June 30, 2023 (January 1 to June 30, 2023)	Six months ended June 30, 2024 (January 1 to June 30, 2024)
Segment loss	(99,127)	(18,555)
Intercompany transactions, etc.	(9,283)	(18,718)
Non-GAAP operating loss	(108,410)	(37,273)
Amortization of intangible assets	(4,259)	(3,771)
Share based compensation expenses	(7,997)	(7,686)
One-off items (Note)	(4,421)	(2,873)
Operating loss	(125,087)	(51,603)
Financial income and expenses	11,258	11,910
Share of losses of investments in associates and joint ventures	(8,796)	(3,613)
Loss before income tax	(122,625)	(43,306)

Note: One-off items listed for the six months ended June 30, 2023 include costs temporarily incurred due to the cancellation of base station construction etc. of ¥1,977 million, associated with changes to capital expenditure plans resulting from a review of roaming agreements in the mobile business, gains and losses resulting from the sale of all shares in Seiyu Holdings Co., Ltd., and fees paid to external

experts and others such as legal fees related to fraudulent acts committed in collusion by former employees of a subsidiary and suppliers which came to light in the fiscal year ended December 31, 2022. One-off items listed for the six months ended June 30, 2024 include maintenance and repair costs for base stations related to the 2024 Noto Peninsula Earthquake of ¥1,154 million, a loss on disposal of intangible assets for a part of the life and general insurance integrated core system of ¥1,174 million, gains from the sale of shares of Min-Shu, Inc. of ¥1,619 million, and expenses related to the resolution of litigation with International Business Machines Corporation, etc. Moreover, these income and expenses are mainly recorded in other income and other expenses of the Condensed Interim Consolidated Statement of Income.

(Millions of Yen)

	Three months ended June 30, 2023 (April 1 to June 30, 2023)	Three months ended June 30, 2024 (April 1 to June 30, 2024)
Segment loss	(34,956)	495
Intercompany transactions, etc.	(4,486)	(12,319)
Non-GAAP operating loss	(39,442)	(11,824)
Amortization of intangible assets	(2,160)	(1,938)
Share based compensation expenses	(3,882)	(3,922)
One-off items (Note)	(3,409)	(647)
Operating loss	(48,893)	(18,331)
Financial income and expenses	13,834	5,304
Share of losses of investments in associates and joint ventures	(8,163)	(1,810)
Loss before income tax	(43,222)	(14,837)

Note: One-off items listed for the three months ended June 30, 2023 include costs temporarily incurred due to the cancellation of base station construction etc. of ¥1,977 million, associated with changes to capital expenditure plans resulting from a review of roaming agreements in the mobile business, gains and losses resulting from the sale of all shares in Seiyu Holdings Co., Ltd., and fees paid to external experts and others such as legal fees related to fraudulent acts committed in collusion by former employees of a subsidiary and suppliers, which came to light in the fiscal year ended December 31, 2022. One-off items listed for the three months ended June 30, 2024 include gains from the sale of shares of Min-Shu, Inc. of ¥1,636 million, and expenses related to the resolution of litigation with International Business Machines Corporation, etc. Moreover, these income and expenses are mainly recorded in other income and other expenses of the Condensed Interim Consolidated Statement of Income.

**(Breakdown of Operating Expenses)**

(Millions of Yen)

	Six months ended June 30, 2023 (January 1 to June 30, 2023)	Six months ended June 30, 2024 (January 1 to June 30, 2024)
Advertising and promotion expenditures	180,069	160,250
Employee benefits expenses	178,968	181,563
Depreciation and amortization	154,278	164,081
Communication and maintenance expenses	31,979	35,890
Consignment and subcontract expenses	69,072	61,415
Allowance for doubtful accounts charged to expenses	13,520	12,878
Cost of sales of merchandise and services rendered	329,489	320,280
Interest expenses for finance business	9,482	13,688
Commission fee expenses for finance business	12,589	13,548
Cost of sales for insurance business	19,225	23,317
Others	97,018	107,277
<b>Total</b>	<b>1,095,689</b>	<b>1,094,187</b>

**(Other Income and Other Expenses)**

(Millions of Yen)

	Six months ended June 30, 2023 (January 1 to June 30, 2023)	Six months ended June 30, 2024 (January 1 to June 30, 2024)
Gains on valuation of investment securities	5,497	—
Others (Note 1)	7,001	6,103
<b>Total other income</b>	<b>12,498</b>	<b>6,103</b>
Foreign exchange losses	2,148	407
Losses on disposal of property, plant and equipment and intangible assets (Note 2, 3)	1,102	3,739
Losses on valuation of investment securities	—	3,510
Impairment losses (Note 2)	2,187	1,839
Others (Note 2, 4)	9,259	4,932
<b>Total other expenses</b>	<b>14,696</b>	<b>14,427</b>

Note 1: Gains from the sale of shares of Min-Shu, Inc. were included for the six months ended June 30, 2024.

Note 2: Maintenance and repair costs for base stations related to the 2024 Noto Peninsula Earthquake were included for the six months ended June 30, 2024.

Note 3: A loss on disposal of intangible assets for a part of the life and general insurance integrated core system was included for the six months ended June 30, 2024.

Note 4: Expenses related to the resolution of litigation with International Business Machines Corporation were included for the six months ended June 30, 2024.

**(Financial Income and Financial Expenses)**

(Millions of Yen)

	Six months ended June 30, 2023 (January 1 to June 30, 2023)	Six months ended June 30, 2024 (January 1 to June 30, 2024)
Gains on valuation of investment securities (Note 1)	64	4,927
Gains on valuation of derivatives (Note 2)	50,530	72,107
Others	1,541	2,663
Total financial income	52,135	79,697
Interest expenses (Note 3)	22,889	37,436
Losses on valuation of investment securities (Note 4)	1,915	—
Foreign exchange losses (Note 5)	14,438	21,845
Others	1,635	8,506
Total financial expenses	40,877	67,787

Note 1: Gains on valuation of investment securities related to an investment in Lyft, Inc. of ¥4,842 million were recorded for the six months ended June 30, 2024.

Note 2: Gains on valuation of derivatives from the collar contract for the prepaid variable share forward transactions of shares of Lyft, Inc. of ¥14,999 million and gains on valuation of derivatives from currency swaps related to foreign currency denominated permanent subordinated bonds of ¥35,531 million were recorded for the six months ended June 30, 2023. Gains on valuation of derivatives from the collar contract for the prepaid variable share forward transactions of shares of Lyft, Inc. of ¥15,842 million and gains on valuation of derivatives from currency swaps related to foreign currency denominated permanent subordinated bonds of ¥56,219 million were recorded for the six months ended June 30, 2024.

Note 3: Interest expenses incurred from financial liabilities measured at amortized cost relating to financing under the prepaid variable share forward transactions of shares of Lyft, Inc. of ¥488 million and of ¥551 million were recorded for the six months ended June 30, 2023 and the six months ended June 30, 2024, respectively.

Note 4: Losses on valuation of investment securities related to an investment in Lyft, Inc. of ¥1,915 million were recorded for the six months ended June 30, 2023.

Note 5: Foreign exchange losses of ¥14,438 million and ¥21,845 million arising from liabilities relating to funds raised from the utilization of shares of Lyft, Inc. were recorded for the six months ended June 30, 2023 and the six months ended June 30, 2024, respectively.

## (Notes on Significant Subsequent Events)

### (1) Significant Fundraising

On July 25, 2024, the Rakuten Group sold some of its mobile network equipment etc. to Orchestra Godo Kaisha (hereinafter referred to as "Orchestra"), while simultaneously entering into a lease agreement with Orchestra to continue managing and operating said assets.

As this transaction is considered a substantial financial transaction, the Rakuten Group plans to account for it as a financial transaction.

Orchestra was established to provide financing from investors outside of the Rakuten Group. Funds for the purchase of mobile network equipment will be sourced from global infrastructure investors led by Macquarie Asset Management.

Lender	Orchestra Godo Kaisha
Loan Amount	JPY 150 billion to 300 billion
Interest Rate	6.5% per year
Scheduled Payment Date	Late August 2024
Loan Period	10 Years
Repayment Terms	Monthly payment of principal and interest
Purpose of Loan	Working capital and capital expenditure for the Mobile business

### (2) Organizational Restructuring

Based on resolutions of the respective boards of directors, the Company and consolidated subsidiary, Rakuten Bank, Ltd., have on April 1, 2024 entered into a basic agreement to initiate discussions towards an organizational restructuring of the Rakuten Group's FinTech business, including Rakuten Bank, Ltd., (hereinafter referred to as the "Reorganization"), and have been conducting discussions with the goal of the Reorganization taking effect in October 2024.

The Company and Rakuten Bank, Ltd. have decided on July 29, 2024 through resolutions of each company's boards of directors, to aim for the Reorganization to take effect in January 2025, considering whether the Reorganization will contribute to the further sustainable growth and enhancement of corporate value for both parties, as well as the regulatory requirements related to the FinTech business services, minority shareholder interests in Rakuten Bank, Ltd., and the further comprehensive examination of the optimal group structure for strengthening the FinTech business ecosystem.

Furthermore, there are no changes to the objectives, structure, or matters related to the listing of Rakuten Bank, Ltd. after the Reorganization, except for changes in the assumed schedule.

At present, it is not possible to calculate the impact of this on the consolidated financial statements.