

April 24, 2018

Company name Rakuten, Inc.

Representative Hiroshi Mikitani

Chairman and CEO

(Stock Code: 4755

Tokyo Stock Exchange First Section)

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

Rakuten Securities, Inc. (President: Yuji Kusunoki. Head Office: Setagaya-ku, Tokyo), a consolidated subsidiary of Rakuten, Inc., today issued the attached press release relating to its consolidated financial reports (based on J-GAAP) for the fiscal year ended March 31, 2018.

Rakuten Group plans to announce consolidated financial reports for the three months ended March 31, 2018, on May 10, 2018 (Thursday).

In addition, Rakuten Group announces financial results based on IFRS. The attached financial results of Rakuten Securities, Inc. are based on J-GAAP, which has different accounting processes for transactions from IFRS.

Financial Reports For the Fiscal Year ended March 31, 2018

Rakuten Securities, Inc.

Rakuten Securities, Inc. (President: Yuji Kusunoki. Head Office: Setagaya-ku, Tokyo) consolidated financial reports for the Fiscal Year ended March 31, 2018 (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). Commodity futures transactions are based on “Uniform Accounting Standards for Commodity Futures Transactions” (set by the Board of Directors of the Commodity Futures Association of Japan, March 3, 1993).

Results for the Fiscal Year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

Consolidated Operating Results

(Millions of yen, rounded down)

| | Operating revenue | Net operating revenue | Operating income | Ordinary income | Net income |
|----------------------------------|-------------------|-----------------------|------------------|-----------------|------------|
| Fiscal Year ended March 31, 2018 | 55,884 | 52,709 | 20,643 | 20,079 | 13,102 |
| Fiscal Year ended March 31, 2017 | 46,687 | 44,241 | 16,745 | 16,368 | 12,010 |

*Pre-audit

(1) Consolidated Balance Sheet

(Millions of yen)

| | As of March 31, 2017 | As of March 31, 2018 |
|---|----------------------------|----------------------------|
| (Assets) | | |
| Current assets | 965,248 | 1,581,087 |
| Cash and deposits | 81,434 | 97,718 |
| Cash segregated as deposits | 507,070 | 968,988 |
| Money held in trust | 1,000 | 1,000 |
| Trading products | 20,660 | 28,290 |
| Trading securities and others | 1,112 | 869 |
| Derivatives | 19,547 | 27,421 |
| Operating investment securities for sale and others | 8 | 8 |
| Trade date accrual | 99 | 40 |
| Margin transaction assets | 314,008 | 440,371 |
| Loans on margin transactions | 282,270 | 401,115 |
| Cash collateral pledged for securities borrowing on margin transactions | 31,737 | 39,255 |
| Advances paid | 173 | 180 |
| Cash paid for offering | 2,749 | 3,470 |
| Securities received as collateral *1 | 338 | 296 |
| Short-term guarantee deposits | 28,830 | 29,753 |
| Variation margin paid | 1,503 | 2,123 |
| Short-term loan receivables | 96 | — |
| Advance payments | 272 | 644 |
| Prepaid expenses | 282 | 359 |
| Accounts receivable – other | 1,067 | 1,297 |
| Accrued corporate taxes and others | 8 | — |
| Accrued revenues | 5,481 | 6,153 |
| Deferred tax assets | 253 | 520 |
| Allowance for doubtful accounts | (92) | (130) |

(Millions of yen)

| | As of March 31, 2017 | As of March 31, 2018 |
|---------------------------------|----------------------------|----------------------------|
| Fixed assets | 25,402 | 27,065 |
| Tangible fixed assets | 1,405 | 1,273 |
| Buildings | 500 | 443 |
| Furniture and fixtures | 904 | 829 |
| Intangible fixed assets | 22,770 | 24,387 |
| Goodwill | 7,278 | 6,648 |
| Customer relationships | 1,536 | 1,344 |
| Software | 13,226 | 14,078 |
| Software in progress | 728 | 2,316 |
| Investments and other assets | 1,226 | 1,404 |
| Investment securities | 272 | 367 |
| Long-term loans receivable | 301 | 263 |
| Long-term guarantee deposits | 843 | 923 |
| Long-term prepaid expenses | 15 | 37 |
| Others | 1,346 | 1,395 |
| Allowance for doubtful accounts | (1,553) | (1,582) |
| Total assets | 990,650 | 1,608,152 |

(Millions of yen)

| | As of March 31, 2017 | As of March 31, 2018 |
|--|----------------------------|----------------------------|
| (Liabilities) | | |
| Current liabilities | 899,420 | 1,511,191 |
| Trading products | 6,116 | 5,539 |
| Trading securities and others | — | 4 |
| Derivatives | 6,116 | 5,534 |
| Margin transaction liabilities | 80,690 | 83,971 |
| Borrowings on margin transactions | 9,542 | 16,604 |
| Cash received for securities lending on margin transitions | 71,148 | 67,366 |
| Loans payable secured by securities | 148,842 | 261,304 |
| Cash received on debt credit transactions of securities | 148,842 | 261,304 |
| Deposits received | 342,639 | 772,859 |
| Guarantee deposits received *2 | 200,165 | 224,190 |
| Accounts for non-received securities and others | 23 | 29 |
| Short term loans payable | 117,000 | 155,000 |
| Advances received | 148 | 224 |
| Accrued revenue | 9 | 1 |
| Accounts payable – other | 75 | 113 |
| Accrued expenses | 2,438 | 3,129 |
| Income taxes payable | 868 | 4,232 |
| Provision for employees' bonuses | 363 | 520 |
| Provision for sales promotion expenses | 31 | 72 |
| Other current liabilities | 8 | 2 |
| Fixed liabilities | 370 | 347 |
| Asset retirement obligations | 185 | 175 |
| Deferred tax liabilities | 185 | 172 |
| Statutory reserves | 3,423 | 3,777 |
| Reserve for financial products liabilities | 3,402 | 3,762 |
| Reserve for liability for commodities transactions | 21 | 15 |
| Total liabilities | 903,214 | 1,515,316 |

(Millions of yen)

| | As of March 31, 2017 | As of March 31, 2018 |
|---|----------------------------|----------------------------|
| (Net assets) | | |
| Shareholders' equity | | |
| Capital stock | 7,495 | 7,495 |
| Capital surplus | 4,511 | 4,511 |
| Retained earnings | 75,834 | 81,436 |
| Total shareholders' equity | 87,841 | 93,443 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 8 | 4 |
| Foreign currency translation adjustment | (414) | (612) |
| Total accumulated other comprehensive income | (406) | (607) |
| Total net assets | 87,435 | 92,836 |
| Total liabilities and net assets | 990,650 | 1,608,152 |

Notes:

*1: Securities received as collateral for commodity futures transactions (Securities deposited with a Commodity Clearing Organization as clearing margins for transactions by consignors and others).

*2: Includes JPY 338 million securities in the fiscal year ended March 31, 2017 and JPY 296 million securities in the fiscal year ended March 31, 2018 received as substitute for clearing margins etc. from consignors and others for commodity futures transactions.

(2) Consolidated Statements of Income

(Millions of yen)

| | Fiscal year ended March 31, 2017 (April 1, 2016 – March 31, 2017) | Fiscal year ended March 31, 2018 (April 1, 2017 – March 31, 2018) |
|--|--|--|
| Operating revenue | 46,687 | 55,884 |
| Commission received | 20,842 | 23,715 |
| Commission to consignees | 15,669 | 17,825 |
| Commission for underwriting, secondary distribution and solicitation for selling and others for professional Investors | 0 | 0 |
| Fee for offerings, secondary distribution and solicitation for selling and others for professional investors | 1,343 | 1,882 |
| Other commissions received | 3,828 | 4,007 |
| Net trading income | 9,564 | 9,607 |
| Net gain on trading of investment securities for sale | (3) | 3 |
| Financial revenue | 15,796 | 21,769 |
| Other operating revenue | 488 | 787 |
| Financial expenses | 2,446 | 3,174 |
| Net operating revenue | 44,241 | 52,709 |
| Selling, general, and administrative expenses | 27,495 | 32,065 |
| Trading related expenses | 11,064 | 14,289 |
| Personnel expenses | 3,877 | 4,193 |
| Real estate expenses | 1,700 | 1,652 |
| Office expenses | 4,761 | 5,073 |
| Depreciation | 4,871 | 5,288 |
| Taxes and dues | 593 | 731 |
| Goodwill amortization | 556 | 568 |
| Provision for allowance for doubtful accounts | (71) | 95 |
| Others | 140 | 172 |
| Operating income | 16,745 | 20,643 |
| Non-operating income | 30 | 66 |
| Non-operating expenses | 407 | 630 |
| Ordinary income | 16,368 | 20,079 |

(Millions of yen)

| | Fiscal year ended March 31, 2017 (April 1, 2016 – March 31, 2017) | Fiscal year ended March 31, 2018 (April 1, 2017 – March 31, 2018) |
|--|--|--|
| Extraordinary gains | 1,049 | 5 |
| Extraordinary losses | 480 | 507 |
| Income before income taxes and other adjustments | 16,937 | 19,578 |
| Income taxes – current | 4,740 | 6,758 |
| Income taxes – deferred | 186 | (282) |
| Total income taxes | 4,927 | 6,476 |
| Net income | 12,010 | 13,102 |
| Profit (loss) attributable to owners of parent | 12,010 | 13,102 |

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

| | Fiscal year ended March 31, 2017 (April 1, 2016 – March 31, 2017) | Fiscal year ended March 31, 2018 (April 1, 2017 – March 31, 2018) |
|--|--|--|
| Net income | 12,010 | 13,102 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 0 | (3) |
| Foreign currency translation adjustment | 0 | (197) |
| Total other comprehensive income | 1 | (201) |
| Net comprehensive income | 12,011 | 12,900 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of parents | 12,011 | 12,900 |
| Comprehensive income attributable to non-controlling interests | — | — |