

February 28, 2020

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

**Notice Regarding Differences in Non-Consolidated Financial Results between
FY2018 and FY2019**

Rakuten, Inc. (hereafter “the Company”) announces that at a Board of Directors meeting held today, it approved non-consolidated financial results for the fiscal year ended December 31, 2019. Since differences with the fiscal year ended December 31, 2018 are large, the Company is providing an overview.

1. Non-Consolidated Results for the Fiscal Year ended December 31, 2019
(January 1 – December 31, 2019)

Non-Consolidated Operating Results (J-GAAP)

	Net Sales	Operating Income	Net Income	Basic Earnings per Share
Fiscal year ended December 31, 2018 (A)	Millions of yen 431,904	Millions of yen 1,321	Millions of yen 81,840	Yen 60.64
Fiscal year ended December 31, 2019 (B)	541,755	(5,655)	15,792	11.66
Amount change YoY (B-A)	109,851	(6,976)	(66,048)	-
% change YoY	+25.4%	-	(80.7)%	-

2. Reasons for Differences

In the fiscal year ended December 31, 2019, reflecting high levels of growth of Rakuten Ichiba and Rakuten Travel, advertising sales and merchant fee sales increased. Also, Rakuten 24 which provides on-line sales of drugs and daily necessities grows strongly, resulted in revenue of 541,755 million yen (up 25.4% year-on-year).

On the other hand, operating loss was 5,655 million yen (down 6,976 million yen year-on-year), due to an increase in upfront investments in logistics business such as capital expenditure for logistics centers and delivery fee. In addition, the Company accounted

extraordinary income such as 29,062 million yen of gain on sales of subsidiaries and affiliates stocks and 47,611 million yen of gain on liquidation of subsidiaries and affiliates in the previous fiscal year. As a result, net profit down 80.7% year-on-year, 15,792 million yen which caused a difference in earnings between the two fiscal years.