

October 31, 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 nine months ended September 30, 2024.

Rakuten Group plans to announce consolidated financial reports for the nine months ended September 30, 2024, on November 13, 2024 (Wednesday). 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 nine months ended September 30, 2024

Rakuten Securities, Inc.

Rakuten Securities, Inc. (Head Office: Minato-ku, Tokyo. President: Yuji Kusunoki) announces its consolidated financial reports for the nine months ended September 30, 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 nine months ended September 30, 2024 (January 1, 2024 to September 30, 2024)

Consolidated Operating Results*

(Millions of yen, rounded down)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
Nine months ended September 30, 2024	97,822	93,115	24,620	24,394	13,454
Nine months ended September 30, 2023	84,324	80,514	24,076	23,670	16,362

*Financial disclosure is not subject to review by a certified public accountant or an audit firm.

(Reference information)

Results for the six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

Consolidated Operating Results

(Millions of yen, rounded down)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
April 1, 2024 to September 30, 2024	66,644	63,123	17,628	17,469	8,601
April 1, 2023 to September 30, 2023	59,690	57,115	18,149	17,945	12,513

Rakuten Securities

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
(Assets)		
Current assets:	3,585,917	4,006,233
Cash and deposits	350,356	522,288
Segregated deposits	2,213,849	2,345,081
Trading products	45,715	62,412
Trading securities and other	890	1,094
Derivatives	44,825	61,317
Operational investment securities	7	7
Trade date accrual	892	490
Margin transaction assets	832,951	900,011
Loans on margin transactions	739,933	798,921
Cash collateral pledged for securities borrowing on margin transactions	93,018	101,090
Loans secured by securities	21,270	34,951
Cash collateral pledged for securities borrowed	21,270	34,951
Advances paid	254	466
Deposits paid for underwritten offering	34,505	28,426
Short-term guarantee deposits	60,825	84,061
Variation margin paid	866	133
Short-term loans receivable	2,352	2,352
Advance payments	159	958
Prepaid expenses	921	1,282
Accounts receivable	7,109	7,363
Accrued revenue	14,031	16,082
Allowance for doubtful accounts	(149)	(136)
Non-current assets:	41,507	43,609
Property and equipment	1,934	1,893
Buildings, net	476	509
Equipment, net	1,034	1,189
Leased assets, net	64	38
Construction in progress	359	155
Intangible assets	32,746	34,873
Goodwill	3,782	3,317
Customer-related intangible assets	240	96
Software	24,851	26,163
Software in progress	3,784	5,269
Leased assets	88	25
Investments and other assets	6,825	6,843
Investment securities	1,111	386
Long-term loans receivable	281	277
Guarantee deposits	1,075	1,143
Long-term prepaid expenses	84	135
Deferred tax assets	445	128
Other	5,370	6,285
Allowance for doubtful accounts	(1,542)	(1,512)
Total assets	3,627,425	4,049,843

Rakuten Securities

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
(Liabilities)		
Current liabilities:	3,453,598	3,859,045
Trading products	14,302	27,898
Derivatives	14,302	27,898
Margin transaction liabilities	171,671	212,240
Borrowings on margin transactions	9,957	44,138
Cash received for securities lending on margin transactions	161,713	168,101
Borrowings secured by securities	733,884	871,590
Cash collateral received for securities lent	733,884	871,590
Deposits received	1,794,055	1,962,483
Guarantee deposits received	593,736	634,414
Payables for securities to receive over due for delivery	851	1,206
Short-term borrowings	107,000	135,000
Current portion of long-term borrowings	18,600	—
Advances received	3,438	2,122
Unearned revenue	0	—
Lease liabilities	122	94
Accounts payable	27	18
Accrued expenses	7,771	7,196
Income taxes payable	6,908	2,841
Provision for bonuses	916	1,717
Provision for directors' bonuses	136	52
Provision for sales promotion expenses	176	166
Non-current liabilities:	1,775	1,981
Lease liabilities	98	30
Retirement benefit liability	1,300	1,385
Asset retirement obligations	288	366
Provision for directors' retirement benefits	88	198
Reserves under special laws:	11,911	15,273
Reserve for financial instruments transaction liabilities	11,911	15,273
Total liabilities	3,467,285	3,876,300
(Equity)		
Shareholders' equity		
Share capital	19,495	19,495
Capital surplus	16,511	16,511
Retained earnings	123,503	136,958
Total shareholders' equity	159,510	172,965
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	2
Foreign currency translation adjustments	628	567
Remeasurements of defined benefit plans	(0)	7
Total accumulated other comprehensive income	629	577
Total equity	160,139	173,542
Total liabilities and equity	3,627,425	4,049,843

Rakuten Securities

(2) Consolidated Statement of Income

(Millions of yen)

	Nine months ended September 30, 2023 (January 1 – September 30, 2023)	Nine months ended September 30, 2024 (January 1 – September 30, 2024)
Operating revenue:	84,324	97,822
Commission received	34,134	31,046
Brokerage commission	23,690	17,425
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	877	191
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,422	2,194
Other commission received	8,144	11,235
Net trading income	19,092	23,687
Net losses on operational investment securities	(0)	(0)
Financial revenue	27,508	37,648
Other operating revenue	3,589	5,439
Financial expenses	3,810	4,706
Net operating revenue	80,514	93,115
General and administrative expenses:	56,437	68,494
Trading related expenses	30,593	40,481
Personnel expenses	5,571	5,730
Real estate expenses	1,614	1,879
Office expenses	9,378	10,666
Depreciation and amortization	7,395	7,796
Taxes and dues	1,190	1,269
Amortization of goodwill	437	477
Provision of allowance for doubtful accounts	41	(13)
Other	215	206
Operating income	24,076	24,620
Non-operating income	16	27
Non-operating expenses	423	254
Ordinary income	23,670	24,394
Extraordinary income	286	203
Extraordinary losses	302	3,406
Income before income taxes	23,653	21,192
Income taxes – current	7,384	7,374
Income taxes – deferred	(93)	363
Total income taxes	7,290	7,737
Net income	16,362	13,454
Net income attributable to owners of the parent	16,362	13,454

Rakuten Securities

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended September 30, 2023 (January 1 – September 30, 2023)	Nine months ended September 30, 2024 (January 1 – September 30, 2024)
Net income	16,362	13,454
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustments	507	51
Remeasurements of defined benefit plans	8	8
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	516	59
Comprehensive income	16,879	13,514
Comprehensive income attributable to:		
Owners of the parent	16,879	13,514