

October 26, 2021

Company name Rakuten Group, 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. (Head Office: Minato-ku, Tokyo. President: Yuji Kusunoki), a consolidated subsidiary of Rakuten Group, Inc., today issued the attached press release relating to its consolidated financial reports (based on J-GAAP) for the nine months ended September 30, 2021.

Rakuten Group plans to announce consolidated financial reports for the nine months ended September 30, 2021, on November 11, 2021 (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 nine months ended September 30, 2021

Rakuten Securities, Inc.

Rakuten Securities, Inc. (Head Office: Minato-ku, Tokyo. President: Yuji Kusunoki) consolidated financial reports for the nine months ended September 30, 2021 (J-GAAP).

The consolidated quarterly 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 nine months ended September 30, 2021 (January 1, 2021 to September 30, 2021)

### Consolidated Operating Results\* (Millions of yen, rounded down)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
Nine months ended September 30, 2021	66,083	62,631	11,780	12,436	7,551
Nine months ended September 30, 2020	52,609	50,829	11,149	11,214	6,893

\*Quarterly financial disclosure is not subject to quarterly review by a certified public accountant or an audit firm.

(Reference information)

Results for the six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)

### Consolidated Operating Results (Millions of yen, rounded down)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
April 1, 2021 to September 30, 2021	42,449	40,100	6,142	6,463	3,973
April 1, 2020 to September 30, 2020	35,346	34,091	7,255	7,329	4,212

## (1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
(Assets)		
Current assets	2,400,906	2,923,972
Cash and deposits	200,721	220,614
Cash segregated as deposits	1,563,496	1,854,441
Money held in trust	2,000	1,000
Trading products	32,797	29,727
Trading securities and others	863	943
Derivatives	31,934	28,784
Operating investment securities for sale and others	7	7
Trade date accrual	2,352	1,304
Margin transaction assets	503,798	692,531
Loans on margin transactions	423,306	608,185
Cash collateral pledged for securities borrowing on margin transactions	80,491	84,345
Loans secured by securities	18,224	36,966
Cash collateral pledged for securities borrowed	18,224	36,966
Advances paid	279	262
Cash paid for offering	9,144	23,129
Short-term guarantee deposits	49,797	49,700
Variation margin paid	2,807	2,295
Advance payments	5,359	217
Prepaid expenses	530	472
Accounts receivable – other	3,271	3,832
Accrued revenues	6,702	7,912
Allowance for doubtful accounts	(384)	(442)
Fixed assets	31,885	33,936
Tangible fixed assets	1,555	1,759
Buildings	335	318
Furniture and fixtures	1,025	1,279
Lease assets	194	161
Intangible fixed assets	26,692	27,768
Goodwill	4,957	4,626
Customer relationships	816	672
Software	19,005	19,716
Software in progress	1,544	2,454
Lease assets	369	297
Investments and other assets	3,637	4,409
Investment securities	669	876
Long-term loans receivable	232	340
Long-term guarantee deposits	1,305	1,423
Long-term prepaid expenses	97	93
Deferred tax assets	376	369
Others	2,722	3,046
Allowance for doubtful accounts	(1,766)	(1,741)
Total assets	2,432,791	2,957,909

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(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
(Liabilities)		
Current liabilities	2,323,443	2,821,030
Trading products	10,719	10,699
Derivatives	10,719	10,699
Margin transaction liabilities	143,955	167,194
Borrowings on margin transactions	17,374	23,610
Cash received for securities lending on margin transactions	126,580	143,584
Loans payable secured by securities	314,589	558,336
Cash received on debt credit transactions of securities	314,589	558,336
Deposits received	1,222,711	1,416,040
Guarantee deposits received	398,487	469,659
Short term loans payable	222,000	187,000
Advances received	1,216	1,506
Accrued revenue	3	—
Lease obligations	132	133
Accounts payable – other	16	14
Consolidated taxes payable	2,389	2,933
Accrued expenses	5,751	6,173
Income taxes payable	911	388
Provision for employees' bonuses	284	675
Provision for directors' bonuses	30	20
Provision for sales promotion expenses	240	248
Other current liabilities	3	6
Fixed liabilities	1,332	20,057
Lease obligations	463	364
Long term loans payable	—	18,600
Net defined benefit liability	653	875
Asset retirement obligations	215	216
Statutory reserves	5,356	6,265
Reserve for financial products liabilities	5,356	6,265
<b>Total liabilities</b>	<b>2,330,132</b>	<b>2,847,353</b>
(Net assets)		
Shareholders' equity		
Capital stock	7,495	7,495
Capital surplus	4,511	4,511
Retained earnings	91,450	99,001
Total shareholders' equity	103,457	111,008
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	2
Foreign currency translation adjustment	(745)	(409)
Remeasurements of defined benefit plans	(55)	(46)
Total accumulated other comprehensive income	(798)	(452)
<b>Total net assets</b>	<b>102,658</b>	<b>110,555</b>
<b>Total liabilities and net assets</b>	<b>2,432,791</b>	<b>2,957,909</b>

## (2) Consolidated Statements of Income

	(Millions of yen)	
	Nine months ended September 30, 2020 (January 1 – September 30, 2020)	Nine months ended September 30, 2021 (January 1 – September 30, 2021)
Operating revenue	52,609	66,083
Commission received	22,529	28,879
Commission to consignees	18,149	22,379
Commission for underwriting, secondary distribution and solicitation for selling and others for professional Investors	46	96
Fee for offerings, secondary distribution and solicitation for selling and others for professional investors	669	1,123
Other commissions received	3,663	5,280
Net trading income	13,675	14,146
Operating Investment securities for sales and others	(0)	(0)
Financial revenue	14,252	19,199
Other operating revenue	2,153	3,858
Financial expenses	1,779	3,452
Net operating revenue	50,829	62,631
Selling, general, and administrative expenses	39,679	50,851
Trading related expenses	19,678	28,296
Personnel expenses	4,114	4,565
Real estate expenses	1,332	1,440
Office expenses	7,743	9,250
Depreciation	5,401	5,865
Taxes and dues	758	811
Goodwill amortization	413	414
Provision for allowance for doubtful accounts	140	95
Others	98	110
Operating income	11,149	11,780
Non-operating income	185	735
Non-operating expenses	120	79
Ordinary income	11,214	12,436
Extraordinary gains	12	–
Extraordinary losses	833	950
Income before income taxes and other adjustments	10,393	11,486
Income taxes – current	3,596	3,927
Income taxes – deferred	(96)	6
Total income taxes	3,499	3,934
Net income	6,893	7,551
Profit attributable to owners of parent	6,893	7,551

## (3) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Nine months ended September 30, 2020 (January 1 – September 30, 2020)	Nine months ended September 30, 2021 (January 1 – September 30, 2021)
Net income	6,893	7,551
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	(151)	336
Remeasurements of defined benefit plans	4	9
Total other comprehensive income	(146)	345
Net comprehensive income	6,747	7,897
(Breakdown)		
Comprehensive income attributable to owners of parents	6,747	7,897
Comprehensive income attributable to non-controlling interests	—	—