

February 14, 2023

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

Notice Regarding Differences in Financial Results between FY2021 and FY2022

Rakuten Group, Inc. (hereafter “the Company”) today announced financial results for the fiscal year ended December 31, 2022. Since differences with the fiscal year ended December 31, 2021 are large, the Company is providing an overview.

1. Consolidated Results for the Fiscal Year ended December 31, 2022 (January 1 – December 31, 2022)

Consolidated Operating Results (IFRS)

	Revenue	Operating loss	Net loss attributable to owners of the Company	Basic Earnings (Loss) per Share attributable to owners of the Company
Fiscal year ended December 31, 2021 (A)	Millions of yen 1,681,757	Millions of yen (194,726)	Millions of yen (133,828)	Yen (87.62)
Fiscal year ended December 31, 2022 (B)	1,927,878	(363,892)	(372,884)	(235.00)
Amount change YoY (B-A)	246,121	(169,166)	(239,056)	(147.38)
% change YoY	14.6%	–	–	–

2. Reasons for Differences

In the fiscal year ended December 31, 2022, Internet Services revenue grew due to factors including measures to improve customer convenience, such as the introduction of a common free shipping threshold for participating merchants on internet shopping mall “Rakuten Ichiba”, which successfully led to the retention of customers against the backdrop of stay-at-home consumption amid the COVID-19 pandemic. In FinTech, credit card-related services, banking services etc saw increases in revenue and profit, with continuous growth in the

customer base of each service. Furthermore, in Mobile, due to factors such as an increase in communication fee revenue, revenue of 1,927,878 million yen was recorded (up 14.6% year on year).

On the other hand, regarding the operating income, in Internet Services, the investment business posted valuation gains of 27,827 million yen on equity investments in FinTech-related companies in the previous fiscal year, and segment profit decreased to 78,203 million yen (down 24.3% year on year). In Mobile, although the segment loss has been shrinking since peaking in the first quarter of the fiscal year ended December 31, 2022, the segment loss was 492,830 million yen (compared to a segment loss of 421,175 million yen in the fiscal year ended December 31, 2021) due to ongoing upfront investments as we built out our own base stations.

In addition, regarding other income in the consolidated statement of income, in the previous fiscal year, a gain of 59,496 million yen related to step income associated with making AltioStar Networks, Inc. a wholly owned subsidiary was recorded, and hence there was a decrease in other income in the fiscal year ended December 31, 2022.

As a result, we posted an operating loss of 363,892 million yen (compared with an operating loss of 194,726 million yen in the fiscal year ended December 31, 2021) in our consolidated financial results.

In addition, as a result of recording corporate income tax expenses of (31,983) million yen in the current fiscal year, the net loss attributable to owners of the Company was 372,884 million yen (compared with a loss of 133,828 million yen in the fiscal year ended December 31, 2021), which caused a difference in earnings between the two fiscal years.