

The following information was originally prepared and published by the Company in Japanese as it contains timely disclosure materials to be submitted to the Tokyo Stock Exchange. This English summary translation is for your convenience only. To the extent there is any discrepancy between this English translation and the original Japanese version, please refer to the Japanese version. The following financial information was prepared based on International Financial Reporting Standards ("IFRS").

Consolidated Financial Reports (IFRS) for the six months ended June 30, 2025

Rakuten Group, Inc.
August 8, 2025

Company name	Rakuten Group, Inc.	Listed	Tokyo Stock Exchange
Code No	4755	URL	https://global.rakuten.com/corp/
Representative	(Title) Chairman and CEO		(Name) Hiroshi Mikitani
Contact person	(Title) Director and Group Executive Vice President and CFO		(Name) Kenji Hirose
Scheduled Start Date of Dividend Payment	—		(TEL) 050-5581-6910

Supplementary materials for financial results: Yes
Financial results information meeting held: Yes (For institutional investors and analysts)

1. Consolidated Results for the six months ended June 30, 2025 (January 1 - June 30, 2025)

(Yen amounts are rounded to the nearest million)

(1) Consolidated Operating Results

(% , YoY)

	Revenue		Operating income		Income before income tax		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six months ended June 30, 2025	1,159,073	10.3	(6,610)	—	(66,247)	—	(101,957)	—
Six months ended June 30, 2024	1,050,908	8.0	(51,603)	—	(43,306)	—	(61,103)	—

	Net income attributable to owners of the Company		Comprehensive income		Basic earnings per share attributable to owners of the Company	Diluted earnings per share attributable to owners of the Company
	Millions of Yen	%	Millions of Yen	%	Yen	Yen
Six months ended June 30, 2025	(124,435)	—	(95,529)	—	(57.64)	(57.65)
Six months ended June 30, 2024	(75,962)	—	42,422	—	(35.41)	(35.41)

(Reference) Other important management indicators

	EBITDA *	
	Millions of Yen	%
Six months ended June 30, 2025	183,090	53.1
Six months ended June 30, 2024	119,557	221.9

* Calculated by adding depreciation and amortization expenses, etc. to Non-GAAP operating income. We believe that EBITDA is a useful indicator for evaluating the cash flow generation ability of the Rakuten Group's business activities. For more information on Non-GAAP operating income, please see page 4, "1. Qualitative Information Concerning Interim Financial Results (1) Qualitative Information Concerning Consolidated Operating Results".

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the Company	Consolidated equity ratio *	Ratio of total equity attributable to owners of the Company to total assets
	Millions of Yen	Millions of Yen	Millions of Yen	%	%
As of June 30, 2025	26,277,636	1,138,163	805,543	4.3	3.1
As of December 31, 2024	26,514,728	1,238,514	927,868	4.7	3.5

* Calculated by dividing total equity by total assets. As the card business, banking business and securities business account for a large proportion of the Rakuten Group's total assets, we believe that using total capital that incorporates non-controlling interests in these businesses is useful in understanding the Rakuten Group's financial position.

2. Dividends

	Dividend per Share				
	1Q	2Q	3Q	4Q	Year
	Yen	Yen	Yen	Yen	Yen
FY2024	—	0.00	—	0.00	0.00
FY2025	—	0.00			
FY2025 (Forecast)			—	—	—

Note: Dividend per share for the fiscal year ending December 31, 2025 has not been decided yet, and there are no changes to the previously disclosed dividend forecast.

3. Estimate of Consolidated Operating Results for the fiscal year 2025 (January 1 to December 31, 2025)

For the estimate of consolidated operating results for the fiscal year 2025, we aim for double-digit growth in consolidated revenue compared to the fiscal year 2024, excluding the securities business whose results are heavily impacted by stock market conditions. (For details, please see page 11, "1. Qualitative Information Concerning Interim Financial Results (3) Qualitative Information Concerning Estimate of Consolidated Operating Results".)

Note: There are no changes to the previously disclosed consolidated forecasts for the year ending December 31, 2025.

Notes

(1) Significant Change in Scope of Consolidation for the Current Period: Yes

New: — (Company name) — Excluded: 1 (Company name) Rakuten Energy, Inc.

(2) Changes in Accounting Policies and Changes in Accounting Estimates

1. Changes in accounting policies required by IFRS: No
2. Changes in accounting policies due to other reasons: No
3. Changes in accounting estimates: No

(3) Number of Shares Issued (Common Stock)

1. Total number of shares issued at the end of the period (including treasury stocks)
2,164,425,700 shares (As of June 30, 2025)
2,154,483,600 shares (As of December 31, 2024)
2. Number of treasury stocks at the end of the period
4,771 shares (As of June 30, 2025)
4,096 shares (As of December 31, 2024)
3. Average number of shares for the period (cumulative from the beginning of the year)
2,158,725,046 shares (January 1 - June 30, 2025)
2,145,083,781 shares (January 1 - June 30, 2024)

This financial report is not subject to an audit firm's interim review.

Explanation about the Appropriate Use of Earnings Forecasts, and Other Special Matters

Consolidated earnings forecasts for the fiscal year ending December 31, 2025 are based on information that is available at the time of writing and involve uncertainties. Therefore, due to various changing factors, the actual performance may differ from these projections.

1. Qualitative Information Concerning Interim Financial Results

(1) Qualitative Information Concerning Consolidated Operating Results

The Rakuten Group discloses consolidated operating results in terms of both its internal measures which management relies upon in making decisions (hereinafter the "Non-GAAP financial measures") and those under IFRS Accounting Standards.

Non-GAAP operating income is operating income under IFRS Accounting Standards (hereinafter "IFRS operating income") after deducting unusual items and other adjustments as prescribed by the Rakuten Group. Management believes that the disclosure of Non-GAAP financial measures facilitates comparison between the Rakuten Group and peer companies in the same industry or comparison of its business results with those of prior fiscal years by stakeholders, and can provide useful information in understanding the underlying business results of the Rakuten Group and its future outlook. Unusual items refer to one-off items that the Rakuten Group believes should be excluded for the purposes of preparing a future outlook based on certain rules. Other adjustment items are those that tend to differ depending on the standards applied, and are therefore less comparable between companies, such as share based compensation expenses and amortization of acquisition-related intangible assets.

Note: For disclosure of Non-GAAP financial measures, the Rakuten Group refers to the rules specified by the U.S. Securities and Exchange Commission but does not fully comply with such rules.

i) Operating Results for the six months ended June 30, 2025 (Non-GAAP basis)

For the six months ended June 30, 2025, although the global economy has shown a moderate recovery, there are signs of uncertainty due to the impact of a surge in demand ahead of tariff rate increases and the subsequent reactions. Attention should be paid to downside risks stemming from policy trends in the United States and fluctuations in financial and capital markets. For the Japanese economy, amid continued improvements in employment and income conditions, a moderate recovery in consumer spending has been observed, and a gradual economic recovery is expected to continue.

According to the "White Paper on Information and Communications in Japan" (Note), in Japan, which is experiencing population decline and increasingly diverse and complex regional and social challenges, it is necessary to thoroughly utilize digital technologies, including generative AI, to maintain growth potential and accelerate digital transformation (DX). The importance of digital infrastructure, which is indispensable for achieving this is increasing. In response to this situation, the Ministry of Internal Affairs and Communications formulated the "Digital Infrastructure Development Plan 2030" in June 2025, aiming to promote the expansion of high-quality communication services that provide the unique experience of 5G, as well as research, development, and social implementation of Beyond 5G, thereby advancing the establishment of a digital foundation to support an AI society.

Under such an environment, the Rakuten Group is actively developing and deploying services utilizing advanced technologies such as data from both online and offline sources based on membership and common point programs, improving network quality in mobile services, and acquiring users. Furthermore, by further evolving and expanding the Rakuten Ecosystem, we aim to enhance its competitiveness and provide solution services that are uniquely possible due to the accumulation of unique data assets through various services such as Internet Services, FinTech, and Mobile, thereby evolving into an "AI Empowerment Company" and aiming to make people's lives more convenient and prosperous. In addition, amid uncertainties about the future of the economy, such as continued inflation, and exchange rate movements etc., the Rakuten Group, with its diverse business portfolio, will maximize the synergies it can achieve as a strength, accurately capture consumer trends and needs, and seize further growth opportunities.

In the Internet Services segment, we focused on developing services that aim to further grow in transaction value and revenue, acquire new customers, nurture loyal users, promote cross-use primarily among mobile users, and deepen collaboration with local governments and regional businesses to revitalize the regional economy. In the FinTech segment, efforts to expand the customer base and transaction value in each service resulted in further growth in sales and improvement in segment profit. In the Mobile segment, efficient improvement of network quality through the utilization of in-house and partner networks, marketing activities both online and offline, and an increase in subscribers resulted in expanded revenue, and combined with cost optimization efforts, segment losses have steadily decreased.

As a result, the Rakuten Group recorded revenue of ¥1,159,073 million, a 10.3% year-on-year increase for the six months ended June 30, 2025, and a Non-GAAP operating income of ¥19,751 million, compared to a Non-GAAP operating loss of ¥37,273 million in the six months ended June 30, 2024.

Note: Source: "2025 White Paper on Information and Communications in Japan" (Ministry of Internal Affairs and Communications).

(Non-GAAP)

(Millions of Yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025	Amount Change YoY	% Change YoY
Revenue	1,050,908	1,159,073	108,165	10.3%
Non-GAAP Operating Income (Loss)	(37,273)	19,751	57,024	—%

ii) Reconciliation of Non-GAAP Operating Income to IFRS Operating Income

For the six months ended June 30, 2025, amortization of intangible assets of ¥2,600 million and share based compensation expenses of ¥8,446 million were excluded from Non-GAAP operating income. One-off items listed for the six months ended June 30, 2024 include maintenance and repair costs for base stations related to the 2024 Noto Peninsula Earthquake of ¥1,154 million, a loss on disposal of intangible assets for a part of the life and general insurance integrated core system of ¥1,174 million, gains from the sale of shares of Min-Shu, Inc. of ¥1,619 million, and expenses related to the resolution of litigation with International Business Machines Corporation, etc. One-off items listed for the six months ended June 30, 2025 include a mid-term cancellation fee of ¥2,459 million, which was incurred in the domestic sports business due to the termination of a consulting agreement that had a significant impact on team operations, additional tax and delinquency charges, including those for prior years, totaling ¥4,943 million, arising from the receipt of a correction notice regarding consumption tax on funding transactions related to card receivables securitization, a loss provision of ¥1,058 million for compensation of customer transactions due to unauthorized access in the securities business, and a provision for liabilities related to a lawsuit concerning payment claims for debts of a previously sold subsidiary, etc. Moreover, in the Condensed Interim Consolidated Statement of Income, the scheduled payment amount for additional tax and delinquency charges, including those for prior years, arising from the receipt of a correction notice regarding consumption tax on funding transactions related to card receivables securitization is included in operating expenses while other income and expenses are mainly recorded in other income and other expenses.

(Millions of Yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025	Amount Change YoY
Non-GAAP Operating Income (Loss)	(37,273)	19,751	57,024
Amortization of Intangible Assets	(3,771)	(2,600)	1,171
Share Based Compensation Expenses	(7,686)	(8,446)	(760)
One-off Items	(2,873)	(15,315)	(12,442)
IFRS Operating Loss	(51,603)	(6,610)	44,993

iii) Operating Results for the six months ended June 30, 2025 (IFRS Accounting Standards basis)

For the six months ended June 30, 2025, the Rakuten Group recorded revenue of ¥1,159,073 million, a 10.3% year-on-year increase, and an IFRS operating loss of ¥6,610 million, compared with an IFRS operating loss of ¥51,603 million in the six months ended June 30, 2024, and a net loss attributable to owners of the Company of ¥124,435 million, compared with a net loss of ¥75,962 million in the six months ended June 30, 2024.

(IFRS)

(Millions of Yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025	Amount Change YoY	% Change YoY
Revenue	1,050,908	1,159,073	108,165	10.3%
IFRS Operating Loss	(51,603)	(6,610)	44,993	—%
Net Loss Attributable to Owners of the Company	(75,962)	(124,435)	(48,473)	—%

iv) Segment Information

Business results for each segment are as follows. In terms of the IFRS Accounting Standards management approach, segment profit or loss is presented on a Non-GAAP operating income basis.

1) Mobile segment-related investments

In anticipation of an increase in investments related to the Mobile segment, an organization to oversee said investments was established during the three months ended September 30, 2024. This results in a change to the management of Mobile segment-related investments, but does not impact the six months ended June 30, 2024 and the three months ended June 30, 2024.

2) Mobile Ecosystem Contribution

Considering the expanding mutual contribution effects between segments within the Rakuten Ecosystem, mutual contribution effects and mutual customer referral effects (hereinafter "Mobile Ecosystem Contribution") have been reflected in the segment profit and loss to allow for a more precise performance evaluation from the three months ended September 30, 2024.

The Mobile Ecosystem Contribution is calculated based on the contribution effect derived from the tendency of Rakuten Mobile MNO subscribers to use various services of the Rakuten Group more than non-subscribers, minus the customer referral effect received from each segment. This calculation has been reflected in the segment information for the six months ended June 30, 2025 and the three months ended June 30, 2025.

Accordingly, segment profit and loss have been restated for the same period of the previous year, as shown in the table below.

There is no impact on consolidated revenue, Non-GAAP operating income or loss, or operating loss.

Mobile Ecosystem Contribution = i) Gross profit uplift effect of Rakuten Mobile MNO subscribers - ii) Customer referral effect from group companies to the mobile business

Calculation Method of Uplift Effect and Customer Referral Effect between Segments

i) Gross profit uplift effect of Rakuten Mobile MNO subscribers

Depending on the characteristics of each business of the Rakuten Group, the monthly amount is calculated using one of the following methods.

(a) The difference in the monthly average revenue per user over the past year between Rakuten Mobile MNO individual subscribers and non-subscribers in each business of the Rakuten Group \times The gross profit margin of each business for each month \times The number of Rakuten Mobile MNO individual subscribers at the end of each month

(b) The difference in annual usage rates in each business of the Rakuten Group between Rakuten Mobile MNO individual subscribers and non-subscribers \times Monthly average revenue per user over the past year for each business \times The gross profit margin of each business for each month \times The number of Rakuten Mobile MNO individual subscribers at the end of each month

ii) Referral effect from group companies to the mobile business

Number of Rakuten Mobile MNO individual subscribers each month who signed up through group company sites \times Referral cost

* Target businesses for uplift effect calculation

The calculation targets 18 businesses: Rakuten Ichiba, Rakuten Books, Rakuten24, Rakuten Bic, Rakuten Kobo, Rakuten Fashion, Rakuten Travel, Rakuten Mart, Rakuten Beauty, Rakuten Pay app payments, Rakuten Pay online payments, Rakuten Edy, Rakuten Point Card, Rakuten Card, Rakuten Bank, Rakuten Securities, Rakuten Life Insurance, and Rakuten General Insurance.

Internet Services

In domestic e-commerce, which is a core service, we focused on acquiring new customers, nurturing loyal users, and promoting cross-use primarily among mobile users. In the internet shopping mall "Rakuten Ichiba", various initiatives aimed at improving customer convenience and satisfaction led to growth in GMS and revenue, and, coupled with improved marketing efficiency, resulted in increased profits. Additionally, in the logistics business, the expansion of stores adopting the "Rakuten SAIKYO Next-Day Delivery" service launched in 2024, along with the increase in GMS on "Rakuten Ichiba", contributed to higher delivery volumes etc., leading to revenue growth and a reduction in losses. In the internet travel reservation service "Rakuten Travel", transaction volume increased due to rising inbound demand driven by the growth in foreign tourists visiting Japan.

In the international business unit, which operates overseas internet services, the e-book service "Rakuten Kobo" performs well with sales of color-compatible devices launched in 2024 in addition to an expansion of content sales. Additionally, the messaging service "Rakuten Viber" saw an increase in call and advertising revenues, and other businesses continued to grow steadily, contributing to an expansion in segment profit.

As a result, revenue for the Internet Services segment rose to ¥630,016 million, a 6.9% year-on-year increase, while segment profit stood at ¥27,283 million, a 4.0% year-on-year increase.

(Millions of Yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025	Amount Change YoY	% Change YoY
Segment Revenue	589,599	630,016	40,417	6.9%
Segment Profit (Loss)				
Before Considering	32,463	34,734	2,271	7.0%
Mobile Ecosystem Contribution	(6,224)	(7,451)	(1,227)	—%
After Considering	26,239	27,283	1,044	4.0%

FinTech

In FinTech, revenue increased across all of the major domestic services of credit card-related, banking, securities, insurance and payment etc. In credit card-related services, the customer base for "Rakuten Card" continued to expand, along with growth in shopping transaction value. In banking services, the increase in managed funds due to an expanding customer base, as well as improved investment yields driven by the Bank of Japan's policy rate hikes, led to a significant expansion in interest income. In securities services, revenue growth continued due to the ongoing expansion of the customer base and diversification of revenue sources. In insurance services, leveraging sales channels tailored to product characteristics proved effective, resulting in expanded insurance premium income. In payment services, the increase in users of "Rakuten Pay" drove growth in transaction value, and efficient marketing initiatives contributed to significant revenue and profit growth.

As a result, the FinTech segment recorded ¥456,263 million in revenue, a 15.2% year-on-year increase, while segment profit stood at ¥87,256 million, a 16.8% year-on-year increase.

(Millions of Yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025	Amount Change YoY	% Change YoY
Segment Revenue	396,154	456,263	60,109	15.2%
Segment Profit (Loss)				
Before Considering	81,551	96,189	14,638	17.9%
Mobile Ecosystem Contribution	(6,840)	(8,933)	(2,093)	— %
After Considering	74,711	87,256	12,545	16.8%

Mobile

In Mobile, revenues centered around "Rakuten Mobile" increased and losses were significantly reduced. "Rakuten Mobile" focused on improving network quality and raising awareness, while also implementing marketing initiatives leveraging various services within the Rakuten Ecosystem, such as "Rakuten Ichiba" and "Rakuten Card" and focused on improving shop operational efficiency. As a result, the total number of subscribers as of July 2025 (the sum of MNO, including corporate BCP plans, MVNE, and MVNO) surpassed 9 million lines. ARPU (Average Revenue Per User) also increased compared to the same period of the previous year, driven by higher data usage, increased adoption of optional services, and growth in advertising revenue from Rakuten Link. In response to these efforts, Rakuten Mobile, Inc. achieved positive EBITDA for the first time in the six months ended June 30, 2025.

As a result, the Mobile segment recorded ¥222,828 million in revenue, a 14.4% year-on-year increase, while segment loss stood at ¥88,312 million compared to a loss of ¥119,505 in the six months ended June 30, 2024.

Going forward, while continuing to focus on further improving network quality through capital investments and strengthening of offline acquisition efforts, work will also be done to expand device lineups and corporate solution services, further increasing subscribers and enhancing customer satisfaction.

(Millions of Yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025	Amount Change YoY	% Change YoY
Segment Revenue	194,801	222,828	28,027	14.4%
Segment Profit (Loss)				
Before Considering	(132,569)	(104,696)	27,873	—%
Mobile Ecosystem Contribution	13,064	16,384	3,320	25.4%
After Considering	(119,505)	(88,312)	31,193	—%

(2) Analysis Concerning Financial Position

i) Assets, Liabilities, and Equity

Assets

Total assets as of June 30, 2025 amounted to ¥26,277,636 million, a decrease of ¥237,092 million from ¥26,514,728 million at the end of the previous fiscal year. The primary factors were an increase of ¥370,404 million in financial assets for securities business and an increase of ¥331,162 million in investment securities for banking business offset by a decrease of ¥791,657 million in cash and cash equivalents and a decrease of ¥167,042 million in loans for credit card business

Liabilities

Total liabilities as of June 30, 2025 amounted to ¥25,139,473 million, a decrease of ¥136,741 million from ¥25,276,214 million at the end of the previous fiscal year. The primary factors were an increase of ¥157,467 million in financial liabilities for securities business, an increase of ¥212,038 million in borrowings for banking business, and a decrease of ¥505,585 million in bonds and borrowings.

Equity

Total equity as of June 30, 2025 was ¥1,138,163 million, a decrease of ¥100,351 million from ¥1,238,514 million at the end of the previous fiscal year. The primary factors were a decrease of ¥136,417 million in retained earnings due mainly to the recording of ¥124,435 million in net loss attributable to owners of the Company for the six months ended June 30, 2025, offset by a net increase of ¥5,477 million in other components of equity due to changes on equity instruments measured at fair value through other comprehensive income and changes in foreign currency translation adjustments affected by yen appreciation, and an increase of ¥21,974 million in non-controlling interests.

ii) Cash Flows

Cash and cash equivalents as of June 30, 2025 stood at ¥5,379,231 million, a decrease of ¥791,657 million from the end of the previous fiscal year. Cash flow conditions and their main factors for the six months ended June 30, 2025 are as follows.

Cash Flows from Operating Activities

Cash flows from operating activities for the six months ended June 30, 2025 resulted in a cash outflow of ¥133,960 million (compared with a cash inflow of ¥665,677 million for the same period of the previous fiscal year). Main factors included a cash inflow of ¥167,385 million due to a decrease in loans for card business, depreciation and amortization of ¥158,687 million, a cash inflow of ¥157,775 million due to an increase in financial liabilities for securities business, a cash inflow of ¥114,324 million due to an increase in deposits for banking business, offset by a cash outflow of ¥370,407 million due to an increase in financial assets for securities business, a cash outflow of ¥143,250 million due to an increase in loans for banking business, a cash outflow of ¥131,768 million due to a decrease in operating payables and a loss before income tax of ¥66,247 million.

Cash Flows from Investing Activities

Cash flows from investing activities for the six months ended June 30, 2025 resulted in a cash outflow of ¥454,975 million (compared with a cash outflow of ¥401,218 million for the same period of the previous fiscal year). Main factors included a net cash outflow of ¥343,781 million due to purchases and sales, etc. of investment securities for banking business (a cash outflow of ¥953,751 million due to purchases and a cash inflow of ¥609,970 million from sales and redemption), and a cash outflow of ¥75,450 million due to purchases of intangible assets.

Cash Flows from Financing Activities

Cash flows from financing activities for the six months ended June 30, 2025 resulted in a cash inflow of ¥193,070 million (compared with a cash inflow of ¥529,764 million for the same period of the previous fiscal year). Main factors included a cash inflow of ¥211,380 million due to short-term borrowings for banking business, a cash inflow of ¥109,354 million for issuance of bonds for credit card business, offset by a cash outflow of ¥440,172 million due to redemption of bonds, and a cash outflow of ¥78,666 million due to repayments of long-term borrowings.

(3) Qualitative Information Concerning Estimate of Consolidated Operating Results

Currently, for the forecast of consolidated operating results for the current fiscal year, we aim for double-digit growth in consolidated revenue compared to the previous fiscal year, excluding the securities business whose results are heavily impacted by stock market conditions. Additionally, we target achieving profitability in Non-GAAP operating income during the current fiscal year.

The outlook for each segment in the current fiscal year is as follows:

(Internet Services)

In domestic internet services, including e-commerce platforms such as "Rakuten Ichiba", we will continue to focus on acquiring new customers, promoting cross-usage primarily among mobile users, developing services in collaboration with local governments and regional businesses to deepen ties, revitalizing regional economies, and enhancing user convenience through initiatives such as providing "Rakuten SAIKYO Next-Day Delivery". Furthermore, we aim to drive growth in GMS and revenue by creating new markets through the utilization of data and AI. In "Rakuten Travel", we will continue to capture the expanding inbound demand and strengthen marketing initiatives to achieve gross transaction value growth. In overseas internet services, we aim to achieve sustained profitability in this segment by expanding operations and revenue in services such as "Rakuten Rewards" and "Rakuten Kobo".

(FinTech)

In credit card-related services, we aim for further growth in shopping transaction value while pursuing business expansion and enhanced profit margins through strengthened group synergies and marketing initiatives. In banking services, we aim for further growth by diversifying personal loan products, promoting securitization businesses involving monetary claims and real estate held by corporations, and expanding interest income. Additionally, we aim to increase non-interest income by acquiring accounts for salary deposits and direct debit payments, thereby promoting the use of accounts as everyday banking tools. In insurance services, we target further growth by increasing the number of new contracts, expanding products with high compatibility with internet services, and strengthening face-to-face channels for life insurance services. In securities services, while forecasts are challenging due to the significant impact of stock market conditions, we aim to diversify and expand revenue sources, such as acquiring new accounts and increasing income from margin trading. In payment services, we aim to expand operations and profits by growing its customer base and continuing efficient marketing initiatives.

(Mobile)

While continuing efforts to improve network quality and raise awareness, we will implement attractive marketing initiatives nationwide leveraging the Rakuten Ecosystem, along with strengthening our customer base by proactively conducting marketing activities in each region. Additionally, we will work to acquire more subscribers by making proposals to corporate clients and local governments nationwide that have business relationships with the Rakuten Group. Furthermore, in looking to improve network quality through initiatives including the deployment of the 700 MHz band (Platinum Band), which began commercial service in June 2024, we will progressively expand the installation of new base stations. Through these initiatives we aim to provide a higher-quality network environment, accelerate subscriber acquisition, and improve the profitability of the mobile business. In "Rakuten Symphony", which provides communication platforms and other solutions using innovative mobile network technologies, we will seize business opportunities and advance its global expansion amid global trends such as the overhaul of network equipment configurations and the opening of base stations by telecommunications operators.

2. Condensed Interim Consolidated Financial Statements and Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of Yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Cash and cash equivalents	6,170,888	5,379,231
Accounts receivable - trade	421,649	359,185
Financial assets for securities business	5,211,989	5,582,393
Loans for credit card business	3,497,107	3,330,065
Investment securities for banking business	1,930,450	2,261,612
Loans for banking business	4,630,790	4,777,433
Investment securities for insurance business	215,033	208,918
Derivative assets	248,351	207,618
Investment securities	288,973	377,286
Other financial assets	1,035,547	1,008,133
Investments in associates and joint ventures	35,113	27,579
Property, plant and equipment	1,184,182	1,157,585
Intangible assets	1,083,365	1,048,770
Deferred tax assets	116,642	86,735
Other assets	444,649	465,093
Total assets	26,514,728	26,277,636
Liabilities		
Accounts payable - trade	519,149	381,928
Deposits for banking business	11,311,973	11,432,989
Financial liabilities for securities business	5,512,292	5,669,759
Derivative liabilities	54,968	54,451
Bonds and borrowings	2,052,809	1,547,224
Borrowings for securities business	115,000	143,500
Bonds and borrowings for credit card business	587,893	703,724
Borrowings for banking business	2,706,011	2,918,049
Other financial liabilities	1,610,584	1,483,464
Income taxes payable	55,837	31,540
Provisions	325,910	354,350
Insurance contract liabilities	148,063	141,645
Employee retirement benefit liabilities	47,345	48,388
Deferred tax liabilities	20,302	24,578
Other liabilities	208,078	203,884
Total liabilities	25,276,214	25,139,473
Equity		
Equity attributable to owners of the Company		
Common stock	452,647	457,141
Capital surplus	649,389	653,510
Other equity instruments	398,717	398,717
Retained earnings	(824,700)	(961,117)
Treasury stock	(4)	(4)
Other components of equity	251,819	257,296
Total equity attributable to owners of the Company	927,868	805,543
Non-controlling interests	310,646	332,620
Total equity	1,238,514	1,138,163
Total liabilities and equity	26,514,728	26,277,636

(2) Condensed Interim Consolidated Statement of Income and Comprehensive Income
Condensed Interim Consolidated Statement of Income
(For the six months ended June 30, 2024 and 2025)

(Millions of Yen)

	Six months ended June 30, 2024 (January 1 to June 30, 2024)	Six months ended June 30, 2025 (January 1 to June 30, 2025)
Continuing Operations		
Revenue	1,050,908	1,159,073
Operating expenses	1,094,187	1,146,581
Other income	6,103	5,836
Other expenses	14,427	24,938
Operating loss	(51,603)	(6,610)
Financial income	79,697	10,111
Financial expenses	67,787	64,775
Share of losses of investments in associates and joint ventures	(3,613)	(4,973)
Loss before income tax	(43,306)	(66,247)
Income tax expenses	17,797	35,710
Net loss	(61,103)	(101,957)
Net loss attributable to:		
Owners of the Company	(75,962)	(124,435)
Non-controlling interests	14,859	22,478
Net loss	(61,103)	(101,957)
		(Yen)
Losses per share attributable to owners of the Company		
Basic	(35.41)	(57.64)
Diluted	(35.41)	(57.65)

Condensed Quarterly Consolidated Statement of Income
(For the three months ended June 30, 2024 and 2025)

(Millions of Yen)

	Three months ended June 30, 2024 (April 1 to June 30, 2024)	Three months ended June 30, 2025 (April 1 to June 30, 2025)
Continuing Operations		
Revenue	537,284	596,369
Operating expenses	551,753	580,163
Other income	4,417	3,982
Other expenses	8,279	11,354
Operating income (loss)	(18,331)	8,834
Financial income	60,786	9,068
Financial expenses	55,482	32,930
Share of losses of investments in associates and joint ventures	(1,810)	(5,380)
Loss before income tax	(14,837)	(20,408)
Income tax expenses	10,425	19,666
Net loss	(25,262)	(40,074)
Net loss attributable to:		
Owners of the Company	(33,568)	(50,964)
Non-controlling interests	8,306	10,890
Net loss	(25,262)	(40,074)
		(Yen)
Losses per share attributable to owners of the Company		
Basic	(15.63)	(23.58)
Diluted	(15.64)	(23.58)

Condensed Interim Consolidated Statement of Comprehensive Income
(For the six months ended June 30, 2024 and 2025)

(Millions of Yen)

	Six months ended June 30, 2024 (January 1 to June 30, 2024)	Six months ended June 30, 2025 (January 1 to June 30, 2025)
Net loss	(61,103)	(101,957)
Other comprehensive income		
Items that will not be reclassified to net income		
Changes in equity instruments measured at fair value through other comprehensive income	(300)	74,801
Remeasurement of defined benefit plans	(1)	(272)
Other comprehensive income of investment in associates and joint ventures	0	34
Total items that will not be reclassified to net income	(301)	74,563
Items that may be reclassified to net income		
Foreign currency translation adjustments	109,186	(63,304)
Changes in debt instruments measured at fair value through other comprehensive income	(3,673)	(4,322)
Cash flow hedges	(5,458)	2,301
Changes in the difference between discount rate change on insurance contracts	81	727
Changes in the difference between discount rate change on reinsurance contracts	(540)	(850)
Other comprehensive income of investments in associates and joint ventures	4,230	(2,687)
Total items that may be reclassified to net income	103,826	(68,135)
Total other comprehensive income, net of tax	103,525	6,428
Comprehensive income	42,422	(95,529)
Comprehensive income attributable to:		
Owners of the Company	26,951	(117,460)
Non-controlling interests	15,471	21,931
Comprehensive income	42,422	(95,529)

Condensed Interim Consolidated Statement of Comprehensive Income
(For the three months ended June 30, 2024 and 2025)

(Millions of Yen)

	Three months ended June 30, 2024 (April 1 to June 30, 2024)	Three months ended June 30, 2025 (April 1 to June 30, 2025)
Net loss	(25,262)	(40,074)
Other comprehensive income		
Items that will not be reclassified to net income		
Changes in equity instruments measured at fair value through other comprehensive income	(1,010)	75,253
Remeasurement of defined benefit plans	(1)	67
Other comprehensive income of investment in associates and joint ventures	(7)	29
Total items that will not be reclassified to net income	(1,018)	75,349
Items that may be reclassified to net income		
Foreign currency translation adjustments	53,783	(23,178)
Changes in debt instruments measured at fair value through other comprehensive income	(2,729)	(546)
Cash flow hedges	(2,293)	195
Changes in the difference between discount rate change on insurance contracts	(482)	629
Changes in the difference between discount rate change on reinsurance contracts	(476)	(303)
Other comprehensive income of investments in associates and joint ventures	2,002	(813)
Total items that may be reclassified to net income	49,805	(24,016)
Total other comprehensive income, net of tax	48,787	51,333
Comprehensive income	23,525	11,259
Comprehensive income attributable to:		
Owners of the Company	14,827	(3,163)
Non-controlling interests	8,698	14,422
Comprehensive income	23,525	11,259

(3) Condensed Interim Consolidated Statement of Changes in Equity
(For the six months ended June 30, 2024)

(Millions of Yen)

	Equity attributable to Owners of the Company							Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Other Equity Instruments	Retained Earnings	Treasury Stock	Other Components of Equity	Total Equity attributable to Owners of the Company		
As of January 1, 2024	446,769	541,520	317,316	(643,991)	(0)	174,958	836,572	251,151	1,087,723
Comprehensive income									
Net loss	—	—	—	(75,962)	—	—	(75,962)	14,859	(61,103)
Other comprehensive income, net of tax	—	—	—	—	—	102,913	102,913	612	103,525
Total comprehensive income	—	—	—	(75,962)	—	102,913	26,951	15,471	42,422
Transactions with owners etc.									
Distributions to owners of other equity instruments	—	—	—	(11,590)	—	—	(11,590)	—	(11,590)
Reclassified from other components of equity to retained earnings	—	—	—	227	—	(227)	—	—	—
Acquisition of treasury stock	—	—	—	—	(2)	—	(2)	—	(2)
Exercise of share acquisition rights	3,376	(3,376)	—	—	—	—	0	—	0
Share based compensation expenses	—	7,938	—	164	—	—	8,102	—	8,102
Equity transactions with non-controlling interests	—	18	—	—	—	(13)	5	1,390	1,395
Others	—	—	—	—	—	—	—	—	—
Total transactions with owners etc.	3,376	4,580	—	(11,199)	(2)	(240)	(3,485)	1,390	(2,095)
As of June 30, 2024	450,145	546,100	317,316	(731,152)	(2)	277,631	860,038	268,012	1,128,050

(For the six months ended June 30, 2025)

(Millions of Yen)

	Equity attributable to Owners of the Company							Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Other Equity Instruments	Retained Earnings	Treasury Stock	Other Components of Equity	Total Equity attributable to Owners of the Company		
As of January 1, 2025	452,647	649,389	398,717	(824,700)	(4)	251,819	927,868	310,646	1,238,514
Comprehensive income									
Net loss	—	—	—	(124,435)	—	—	(124,435)	22,478	(101,957)
Other comprehensive income, net of tax	—	—	—	—	—	6,975	6,975	(547)	6,428
Total comprehensive income	—	—	—	(124,435)	—	6,975	(117,460)	21,931	(95,529)
Transactions with owners etc.									
Distributions to owners of other equity instruments	—	—	—	(13,637)	—	—	(13,637)	—	(13,637)
Reclassified from other components of equity to retained earnings	—	—	—	1,499	—	(1,499)	—	—	—
Acquisition of treasury stock	—	—	—	—	(0)	—	(0)	—	(0)
Exercise of share acquisition rights	4,494	(4,494)	—	—	—	—	0	—	0
Share based compensation expenses	—	8,621	—	135	—	—	8,756	—	8,756
Equity transactions with non-controlling interests	—	(6)	—	—	—	1	(5)	225	220
Others	—	—	—	21	—	—	21	(182)	(161)
Total transactions with owners etc.	4,494	4,121	—	(11,982)	(0)	(1,498)	(4,865)	43	(4,822)
As of June 30, 2025	457,141	653,510	398,717	(961,117)	(4)	257,296	805,543	332,620	1,138,163

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of Yen)

	Six months ended June 30, 2024 (January 1 to June 30, 2024)	Six months ended June 30, 2025 (January 1 to June 30, 2025)
Cash flows from operating activities		
Loss before income tax	(43,306)	(66,247)
Depreciation and amortization	156,745	158,687
Other loss (income)	31,509	79,199
Decrease (Increase) in operating receivables	63,178	50,340
Decrease (Increase) in loans for credit card business	11,651	167,385
Increase (Decrease) in deposits for banking business	717,695	114,324
Net decrease (increase) in call loans for banking business	6,201	(94)
Decrease (Increase) in loans for banking business	(349,008)	(143,250)
Net decrease (increase) in receivables under securities borrowing transactions	7,681	7,695
Increase (Decrease) in operating payables	(73,667)	(131,768)
Decrease (Increase) in financial assets for securities business	(728,346)	(370,407)
Increase (Decrease) in financial liabilities for securities business	860,183	157,775
Increase and decrease in derivative assets and liabilities	(64,557)	5,739
Others	96,350	(109,530)
Income tax paid	(26,632)	(53,808)
Net cash flows from operating activities	665,677	(133,960)
Cash flows from investing activities		
Payments in time deposits	(12,662)	(18,172)
Proceeds from time deposits	9,800	11,991
Purchases of property, plant and equipment	(59,507)	(38,282)
Purchases of intangible assets	(91,091)	(75,450)
Acquisitions of subsidiaries	(1)	—
Acquisitions of investments in associates and joint ventures	(400)	—
Purchases of investment securities for banking business	(751,046)	(953,751)
Proceeds from sales and redemption of investment securities for banking business	490,531	609,970
Purchases of investment securities for insurance business	(38,318)	(77,779)
Proceeds from sales and redemption of investment securities for insurance business	52,414	86,077
Purchases of investment securities	(7,122)	(5,406)
Proceeds from sales and redemption of investment securities	3,510	9,433
Other payments	(3,967)	(7,128)
Other proceeds	6,641	3,522
Net cash flows from investing activities	(401,218)	(454,975)

(4) Condensed Interim Consolidated Statement of Cash Flows (Continued)

(Millions of Yen)

	Six months ended June 30, 2024 (January 1 to June 30, 2024)	Six months ended June 30, 2025 (January 1 to June 30, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,234)	(570)
Net increase (decrease) in commercial papers	30,000	23,300
Proceeds from long-term borrowings	8,860	36,619
Repayments of long-term borrowings	(67,070)	(78,666)
Proceeds from issuance of bonds	601,313	—
Redemption of bonds	(208,407)	(440,172)
Net increase (decrease) in short-term borrowings for securities business	37,500	28,500
Net increase (decrease) in short-term borrowings for credit card business	(13,266)	(566)
Net increase (decrease) in commercial papers for credit card business	14,000	10,100
Proceeds from long-term borrowings for credit card business	75,821	74,658
Repayments of long-term borrowings for credit card business	(79,250)	(77,796)
Proceeds from issuance of bonds for credit card business	—	109,354
Net increase (decrease) in short-term borrowings for banking business	59,239	211,380
Proceeds from long-term borrowings for banking business	132,200	—
Distributions to owners of other equity instruments	(10,039)	(12,258)
Capital contribution from non-controlling interests	1,306	—
Repayments of lease liabilities	(30,958)	(33,644)
Interest paid	(20,426)	(42,854)
Others	2,175	(455)
Net cash flows from financing activities	529,764	(193,070)
Effect of change in exchange rates on cash and cash equivalents	20,326	(9,652)
Net increase (decrease) in cash and cash equivalents	814,549	(791,657)
Cash and cash equivalents at the beginning of the period	5,127,674	6,170,888
Cash and cash equivalents at the end of the interim period	5,942,223	5,379,231

(5) Assumptions for Going Concern

For the six months ended June 30, 2025 (January 1 to June 30, 2025)

No items to report.

**(6) Notes to the Condensed Interim Consolidated Financial Statements
(Basis of Presentation)**

The Company's Condensed Interim Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", pursuant to Article 312 of the "Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Ordinance No. 28 of 1976), as the Company meets the requirements of a "Specified Company Complying with Designated International Accounting Standards" as stipulated in Article 1-2(2) of the same regulation. As this summary does not contain all the information required in annual consolidated financial statements, it is advised to be used in combination with the consolidated financial statements for the fiscal year ended December 31, 2024.

(Significant Changes in the Scope of Consolidation and the Scope of Equity Method Application)

For the six months ended June 30, 2025 (January 1 to June 30, 2025)

With the exception of the following, there have been no significant changes in the scope of consolidation and the scope of application of the equity method in these Condensed Interim Consolidated Financial Statements from the Consolidated Financial Statements for the fiscal year ended December 31, 2024.

During the three months ended March 31, 2025, Rakuten Energy, Inc., which was a consolidated subsidiary of the Company, was excluded from the scope of consolidation as it was dissolved through an absorption-type merger with Rakuten Mobile, Inc., also a consolidated subsidiary of the Company, as the surviving company.

(Material Accounting Policies)

Material accounting policies adopted by the Rakuten Group in the Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2025 remain the same as those adopted in the consolidated financial statements for the previous fiscal year. In addition, income tax expenses for the six months ended June 30, 2025 are calculated based upon an estimated annual effective tax rate.

(Significant Accounting Estimates and Judgments)

In preparing the Condensed Interim Consolidated Financial Statements under IFRS Accounting Standards for the six months ended June 30, 2025, the Rakuten Group uses judgments, accounting estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. These estimates and assumptions are based on the best judgment of management, made by gathering past experience and available information and in consideration of various factors that are considered reasonable as of the closing date. However, the figures based on these estimates and assumptions by their nature may differ from actual results.

Estimates and the underlying assumptions are continuously reviewed. The effects of any revisions to estimates are recognized in the period in which the estimates are revised and in future periods.

Estimates and judgments that have a significant impact on the amounts in the Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2025 remain the same as those for the previous fiscal year.

(Segment Information)

(1) General Information

As a global innovation company engaged in the three main activities of Internet Services, FinTech, and Mobile, the Rakuten Group is organized into three reportable segments: "Internet Services", "FinTech", and "Mobile". Operating segments are not aggregated in determining reportable segments.

For the reportable segments, separate financial information on the operational units of the Rakuten Group is available, and such financial information is subject to periodic review for the Board of Directors to decide on the distribution of management resources and evaluate performance.

The "Internet Services" segment comprises businesses providing various e-commerce sites including internet shopping mall "Rakuten Ichiba", online cash-back sites, travel booking sites, portal sites, and digital content sites, along with provision of messaging services, sales of advertising, etc. on these sites, and management of professional sports teams, etc.

The "FinTech" segment comprises businesses providing services related to credit cards, banking and securities over the Internet, crypto asset (virtual currency) spot transactions, life insurance, general insurance, and payment services, etc.

The "Mobile" segment comprises businesses providing communication services and technologies, operating electricity supply services, and making investments related to the Mobile segment, etc.

(2) Measurement of Segment Revenue and Segment Profit (Loss) by Operating Segments

The accounting treatment of the reported operating segment is based on IFRS Accounting Standards, and operating segment revenue and segment profit (loss) are those before intercompany eliminations without consideration of consolidation adjustments, except for certain subsidiaries. Non-GAAP operating income, the internal measures management uses in making decisions, is calculated by adjusting the nonrecurring items and other adjustment items prescribed by the Rakuten Group from the operating income recorded in accordance with IFRS Accounting Standards.

Management believes that the disclosure of Non-GAAP financial measures facilitates comparison between the Rakuten Group and peer companies in the same industry or comparison of their business results with those of prior fiscal years by stakeholders, and can provide useful information in understanding the underlying business results of the Rakuten Group and their future outlook. Nonrecurring items refer to one-off items that the Rakuten Group believes should be excluded in preparing a future outlook based on certain rules. Other adjustment items are those that tend to differ depending on the standards applied, and are therefore less comparable between companies, such as share based compensation expenses and amortization of acquisition-related intangible assets.

The Rakuten Group does not allocate assets and liabilities to the operating segment information used by the chief operating decision maker.

(3) Changes in Measurement Methods of Segment Revenue and Segment Profit (Loss) by Operating Segments

1) Mobile segment-related investments

In anticipation of an increase in investments related to the Mobile segment, an organization to oversee said investments was established during the three months ended September 30, 2024. This results in a change to the management of Mobile segment-related investments, but does not impact the six months ended June 30, 2024 and the three months ended June 30, 2024.

2) Mobile Ecosystem Contribution

Considering the expanding mutual contribution effects between segments within the Rakuten Ecosystem, mutual contribution effects and mutual customer referral effects (hereinafter "Mobile Ecosystem Contribution") have been reflected in the segment profit and loss to allow for a more precise performance evaluation from the three months ended September 30, 2024.

The Mobile Ecosystem Contribution is calculated based on the contribution effect derived from the tendency of Rakuten Mobile MNO subscribers to use various services of the Rakuten Group more than non-subscribers, minus the customer referral effect received from each segment. This calculation has been reflected in the segment information for the six months ended June 30, 2025 and the three months ended June 30, 2025.

Accordingly, segment profit and loss have been restated for the same period of the previous year, as shown in the table below.

There is no impact on consolidated revenue, Non-GAAP operating income or loss, or operating loss.

Mobile Ecosystem Contribution = i) Gross profit uplift effect of Rakuten Mobile MNO subscribers - ii) Customer referral effect from group companies to the mobile business

Calculation Method of Uplift Effect and Customer Referral Effect between Segments

i) Gross profit uplift effect of Rakuten Mobile MNO subscribers

Depending on the characteristics of each business of the Rakuten Group, the monthly amount is calculated using one of the following methods.

(a) The difference in the monthly average revenue per user over the past year between Rakuten Mobile MNO individual subscribers and non-subscribers in each business of the Rakuten Group \times The gross profit margin of each business for each month \times The number of Rakuten Mobile MNO individual subscribers at the end of each month

(b) The difference in annual usage rates in each business of the Rakuten Group between Rakuten Mobile MNO individual subscribers and non-subscribers \times Monthly average revenue per user over the past year for each business \times The gross profit margin of each business for each month \times The number of Rakuten Mobile MNO individual subscribers at the end of each month

ii) Referral effect from group companies to the mobile business

Number of Rakuten Mobile MNO individual subscribers each month who signed up through group company sites \times Referral cost

* Target businesses for uplift effect calculation

The calculation targets 18 businesses: Rakuten Ichiba, Rakuten Books, Rakuten 24, Rakuten Bic, Rakuten Kobo, Rakuten Fashion, Rakuten Travel, Rakuten Mart, Rakuten Beauty, Rakuten Pay app payments, Rakuten Pay online payments, Rakuten Edy, Rakuten Point Card, Rakuten Card, Rakuten Bank, Rakuten Securities, Rakuten Life Insurance, and Rakuten General Insurance.

Six months ended June 30, 2024 (January 1 to June 30, 2024)

(Millions of Yen)

	Internet Services	FinTech	Mobile	Total
Segment Revenue	589,599	396,154	194,801	1,180,554
Segment Profit (Loss)				
Before Considering	32,463	81,551	(132,569)	(18,555)
Mobile Ecosystem Contribution	(6,224)	(6,840)	13,064	—
After Considering	26,239	74,711	(119,505)	(18,555)

Six months ended June 30, 2025 (January 1 to June 30, 2025)

(Millions of Yen)

	Internet Services	FinTech	Mobile	Total
Segment Revenue	630,016	456,263	222,828	1,309,107
Segment Profit (Loss)				
Before Considering	34,734	96,189	(104,696)	26,227
Mobile Ecosystem Contribution	(7,451)	(8,933)	16,384	—
After Considering	27,283	87,256	(88,312)	26,227

Three months ended June 30, 2024 (April 1 to June 30, 2024)

(Millions of Yen)

	Internet Services	FinTech	Mobile	Total
Segment Revenue	303,896	202,696	94,961	601,553
Segment Profit (Loss)				
Before Considering	18,863	42,273	(60,641)	495
Mobile Ecosystem Contribution	(3,102)	(3,615)	6,717	—
After Considering	15,761	38,658	(53,924)	495

Three months ended June 30, 2025 (April 1 to June 30, 2025)

(Millions of Yen)

	Internet Services	FinTech	Mobile	Total
Segment Revenue	324,538	232,684	112,123	669,345
Segment Profit (Loss)				
Before Considering	17,857	47,950	(45,371)	20,436
Mobile Ecosystem Contribution	(3,753)	(4,582)	8,335	—
After Considering	14,104	43,368	(37,036)	20,436

Reconciliation from Segment Revenue to Consolidated Revenue

(Millions of Yen)

	Six months ended June 30, 2024 (January 1 to June 30, 2024)	Six months ended June 30, 2025 (January 1 to June 30, 2025)
Segment Revenue	1,180,554	1,309,107
Intercompany Transactions, etc.	(129,646)	(150,034)
Consolidated Revenue	1,050,908	1,159,073

(Millions of Yen)

	Three months ended June 30, 2024 (April 1 to June 30, 2024)	Three months ended June 30, 2025 (April 1 to June 30, 2025)
Segment Revenue	601,553	669,345
Intercompany Transactions, etc.	(64,269)	(72,976)
Consolidated Revenue	537,284	596,369

Reconciliation from Segment Profit (Loss) to Loss before Income Tax

(Millions of Yen)

	Six months ended June 30, 2024 (January 1 to June 30, 2024)	Six months ended June 30, 2025 (January 1 to June 30, 2025)
Segment Profit (Loss)	(18,555)	26,227
Intercompany Transactions, etc.	(18,718)	(6,476)
Non-GAAP Operating Income (Loss)	(37,273)	19,751
Amortization of Intangible Assets	(3,771)	(2,600)
Share Based Compensation Expenses	(7,686)	(8,446)
One-off Items (Note)	(2,873)	(15,315)
Operating Loss	(51,603)	(6,610)
Financial Income and Expenses	11,910	(54,664)
Share of Losses of Investments in Associates and Joint Ventures	(3,613)	(4,973)
Loss before Income Tax	(43,306)	(66,247)

Note: One-off items listed for the six months ended June 30, 2024 include maintenance and repair costs for base stations related to the 2024 Noto Peninsula Earthquake of ¥1,154 million, a loss on disposal of intangible assets for a part of the life and general insurance integrated core system of ¥1,174 million, gains from the sale of shares of Min-Shu, Inc. of ¥1,619 million, and expenses related to the resolution of litigation with International Business Machines Corporation, etc. One-off items listed for the six months ended June 30, 2025 include a mid-term cancellation fee of ¥2,459 million, which was incurred in the domestic sports business due to the termination of a consulting agreement that had a significant impact on team operations, additional tax and delinquency charges, including those for prior years, totaling ¥4,943 million, arising from the receipt of a correction notice regarding consumption tax on funding transactions related to card receivables securitization, a loss provision of ¥1,058 million for compensation of customer transactions due to unauthorized access in the securities business, and a provision for liabilities related to a lawsuit concerning payment claims for debts of a previously sold subsidiary, etc. Moreover, in the Condensed Interim Consolidated Statement of Income, the scheduled payment amount for additional tax and delinquency charges, including those for prior years, arising from the receipt of a correction notice regarding consumption tax on funding transactions related to card receivables securitization is included in operating expenses while other income and expenses are mainly recorded in other income and other expenses.

(Millions of Yen)

	Three months ended June 30, 2024 (April 1 to June 30, 2024)	Three months ended June 30, 2025 (April 1 to June 30, 2025)
Segment Profit (Loss)	495	20,436
Intercompany Transactions, etc.	(12,319)	(380)
Non-GAAP Operating Income (Loss)	(11,824)	20,056
Amortization of Intangible Assets	(1,938)	(1,235)
Share based Compensation Expenses	(3,922)	(4,064)
One-off Items (Note)	(647)	(5,923)
Operating Income (Loss)	(18,331)	8,834
Financial Income and Expenses	5,304	(23,862)
Share of Losses of Investments in Associates and Joint Ventures	(1,810)	(5,380)
Loss before Income Tax	(14,837)	(20,408)

Note: One-off items listed for the three months ended June 30, 2024 include gains from the sale of shares of Min-Shu, Inc. of ¥1,636 million, and expenses related to the resolution of litigation with International Business Machines Corporation, etc. One-off items listed for the three months ended June 30, 2025 include additional tax and delinquency charges, including those for prior years, totaling ¥4,943 million, arising from the receipt of a correction notice regarding consumption tax on funding transactions related to card receivables securitization, and a loss provision of ¥1,058 million for compensation of customer transactions due to unauthorized access in the securities business, etc. Moreover, in the Condensed Interim Consolidated Statement of Income, the scheduled payment amount for additional tax and delinquency charges, including those for prior years, arising from the receipt of a correction notice regarding consumption tax on funding transactions related to card receivables securitization, is included in operating expenses, while other income and expenses are mainly recorded in other income and other expenses.

(Breakdown of Operating Expenses)

The breakdown of operating expenses is as follows:

(Millions of Yen)

	Six months ended June 30, 2024 (January 1 to June 30, 2024)	Six months ended June 30, 2025 (January 1 to June 30, 2025)
Advertising and promotion expenditures	160,250	158,687
Employee benefits expenses	181,563	187,576
Depreciation and amortization	164,081	166,278
Communication and maintenance expenses	35,890	32,143
Consignment and subcontract expenses	61,415	64,266
Allowance for doubtful accounts charged to expenses	12,878	20,205
Cost of sales of merchandise and services rendered	320,280	324,449
Interest expenses for finance business	13,688	24,968
Commission fee expenses for finance business	13,548	14,977
Insurance service expenses	23,317	23,985
Others	107,277	129,047
Total	1,094,187	1,146,581

(Other Income and Other Expenses)

The breakdown of other income and other expenses is as follows:

(Millions of Yen)

	Six months ended June 30, 2024 (January 1 to June 30, 2024)	Six months ended June 30, 2025 (January 1 to June 30, 2025)
Foreign exchange gains	—	2,911
Others (Note 1)	6,103	2,925
Total other income	6,103	5,836
Foreign exchange losses	407	—
Losses on disposal of property, plant and equipment and intangible assets (Note 2, 3)	3,739	2,305
Losses on valuation of investment securities	3,510	5,825
Impairment losses (Note 2)	1,839	4,938
Others (Note 2, 4, 5, 6)	4,932	11,870
Total other expenses	14,427	24,938

Note 1: Gains from the sale of shares of Min-Shu, Inc. were included for the six months ended June 30, 2024.

Note 2: Maintenance and repair costs for base stations related to the 2024 Noto Peninsula Earthquake were included for the six months ended June 30, 2024.

Note 3: A loss on disposal of intangible assets for a part of the life and general insurance integrated core system was included for the six months ended June 30, 2024.

Note 4: Expenses related to the resolution of litigation with International Business Machines Corporation were included for the six months ended June 30, 2024.

Note 5: A mid-term cancellation fee, which was incurred in the domestic sports business due to the termination of a consulting agreement that had a significant impact on team operations, was included for the six months ended June 30, 2025.

Note 6: A loss provision for compensation of customer transactions due to unauthorized access in the securities business, and a provision for liabilities related to a lawsuit concerning payment claims for debts of a previously sold subsidiary were included for the six months ended June 30, 2025.

(Financial Income and Financial Expenses)

The breakdown of financial income and financial expenses is as follows:

(Millions of Yen)

	Six months ended June 30, 2024 (January 1 to June 30, 2024)	Six months ended June 30, 2025 (January 1 to June 30, 2025)
Gains on valuation of investment securities (Note 1)	4,927	2,814
Gains on valuation of derivatives (Note 2, 3)	72,107	—
Foreign exchange gains (Note 4)	—	5,104
Others	2,663	2,193
Total financial income	79,697	10,111
Interest expenses (Note 5)	37,436	43,097
Losses on valuation of derivatives (Note 2, 3)	—	16,615
Foreign exchange losses (Note 4)	21,845	—
Others	8,506	5,063
Total financial expenses	67,787	64,775

Note 1: Gains on valuation of investment securities related to an investment in Lyft, Inc. of ¥4,842 million and of ¥2,660 million were recorded for the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively.

Note 2: Gains on valuation of derivatives from currency swaps related to foreign currency denominated permanent subordinated bonds of ¥56,219 million were recorded for the six months ended June 30, 2024. Losses on valuation of derivatives from currency swaps related to foreign currency denominated permanent subordinated bonds of ¥9,856 million were recorded for the six months ended June 30, 2025.

Note 3: Gains on valuation of derivatives from the collar contract for the prepaid variable share forward transactions of shares of Lyft, Inc. of ¥15,842 million were recorded for the six months ended June 30, 2024. Losses on valuation of derivatives from the collar contract for the prepaid variable share forward transactions of shares of Lyft, Inc. of ¥6,759 million were recorded for the six months ended June 30, 2025.

Note 4: Foreign exchange losses of ¥21,845 million arising from liabilities relating to funds raised from the utilization of shares of Lyft, Inc. were recorded for the six months ended June 30, 2024. Foreign exchange gains of ¥5,104 million arising from liabilities relating to funds raised from the utilization of shares of Lyft, Inc. were recorded for the six months ended June 30, 2025.

Note 5: Interest expenses incurred from financial liabilities measured at amortized cost relating to financing under the prepaid variable share forward transactions of shares of Lyft, Inc. of ¥551 million and of ¥216 million were recorded for the six months ended June 30, 2024 and the six months ended June 30, 2025, respectively.

(Share of losses of investments in associates and joint ventures)

An impairment loss of ¥4,626 million was recorded for the three months ended June 30, 2025 for the investment in Rakuten Medical, Inc., which is accounted for using the equity method. The impairment loss is recorded in "Share of losses of investments in associates and joint ventures" in the Condensed Interim Consolidated Statement of Income.

(Notes on Significant Subsequent Events)

The Company issued the following unsecured bonds on July 29, 2025.

Type	Rakuten Group, Inc. 23rd unsecured bonds (with an inter-bond pari passu clause) (Sustainability bonds)	Rakuten Group, Inc. 24th unsecured bonds (with an inter-bond pari passu clause) (Sustainability bonds)
Total issuance amount	¥15 billion	¥15 billion
Issuance price	¥100 per ¥100 of each bond amount	¥100 per ¥100 of each bond amount
Interest rate	2.336% per year	3.260% per year
Maturity date	July 28, 2028	July 29, 2030
Payment date	July 29, 2025	July 29, 2025
Purpose of use	Funds for investments related to 5G at Rakuten Mobile, Inc. which is an eligible project under the Sustainability Finance Framework.	

The Company issued the following unsecured bonds on August 4, 2025.

Type	Rakuten Group, Inc. 25th unsecured bonds (with an inter-bond pari passu clause)
Total issuance amount	¥130 billion
Issuance price	¥100 per ¥100 of each bond amount
Interest rate	2.336% per year
Maturity date	August 4, 2028
Payment date	August 4, 2025
Purpose of use	Funds for the redemption of commercial paper, etc.