Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

November 11, 2024

Company name: Rakuten Bank, Ltd. Listing: Tokyo Stock Exchange
Securities code: 5838 URL: https://www.rakuten-bank.co.jp/corp/english/
Representative: Hiroyuki Nagai, President and CEO
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Scheduled date to commence dividend payments: -
Trading accounts: None Supplementary material on financial results: Yes
Financial results briefing: Scheduled (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (from April 1, 2024 to September 30,2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of Parent	
Six Months Ended	JPY million	%	JPY million	%	JPY million	%
September 30, 2024	83,656	26.9	31,089	37.8	22,145	37.5
September 30, 2023	65,921	12.8	22,545	25.4	16,097	25.6

(Note) Comprehensive income For the six months ended September 30, 2024: JPY 19,390 million [31.4%]
For the six months ended September 30, 2023: JPY 14,755 million [23.2%]

	Profit per Share	Diluted Profit per Share
Six Months Ended	JPY	JPY
September 30, 2024	126.92	126.85
September 30, 2023	93.26	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Own Capital Ratio
As of	JPY million	JPY million	%
September 30, 2024	14,222,799	299,212	1.9
March 31, 2024	13,480,473	279,587	1.9

(Reference) Own Capital: September 30, 2024 JPY 281,485 million, March 31, 2024 JPY 260,648 million

(Note) "Own Capital Ratio" is calculated as follows: (Total net assets – Subscription rights to share – Minority interest) / Total Assets x 100. Own Capital Ratio stated above is not Capital Adequacy Ratio (Japanese domestic standard).

2. Dividends Distribution

	Annual Dividends per Share				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Fiscal Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended March 31, 2024	—	0.00	—	0.00	0.00
Fiscal Year Ending March 31, 2025	—	0.00			
Fiscal Year Ending March 31, 2025 (Forecast)			—	0.00	0.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Forecasts for the Fiscal Year Ending March 31, 2025（from April 1, 2024 to March 31, 2025）

(Percentages indicate year-on-year changes.)

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share
Fiscal Year Ending	JPY million	%	JPY million	%	JPY million	%	JPY
March 31, 2025	178,592	29.4	65,083	34.5	46,244	34.2	265.03

(Note) Revisions to the forecast of consolidated earnings most recently announced: Yes

※ Special notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revision of accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(Note) For details, please refer to the attached document on page 8, “2. Interim Consolidated Financial Statements (4) Notes to Interim Consolidated Financial Statements (Notes on changes in accounting policies)”.

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	174,482,380 shares
As of March 31, 2024	174,482,380 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2024	133 shares
As of March 31, 2024	42 shares

(iii) Average number of shares outstanding during the period

Six Months Ended September 30, 2024	174,482,281 shares
Six Months Ended September 30, 2023	172,613,016 shares

[Reference] Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2024

(from April 1, 2024 to September 30, 2024)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	Ordinary Income		Ordinary Profit		Profit	
Six Months Ended	JPY million	%	JPY million	%	JPY million	%
September 30, 2024	80,886	26.1	31,894	36.6	22,219	36.8
September 30, 2023	64,108	12.0	23,346	22.9	16,241	24.2

	Profit per Share
Six Months Ended	JPY
September 30, 2024	127.34
September 30, 2023	94.08

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Own Capital Ratio
As of	JPY million	JPY million	%
September 30, 2024	14,257,614	277,642	1.9
March 31, 2024	13,527,690	255,737	1.8

(Reference) Own capital: September 30, 2024 JPY 277,363 million March 31, 2024 JPY 255,693 million

(Note) "Own Capital Ratio" is calculated as follows: (Total Net Assets – Stock Acquisition Rights) / Total Assets x 100
Own Capital Ratio stated above is not Capital Adequacy Ratio (Japanese domestic standard).

* Interim financial results reports are exempt from interim audit conducted by certified public accountants or an audit corporation.
* Proper use of earnings forecasts, and other special matters
The forward-looking statements contained in this document, including the financial results forecasts, are based on information currently available to the Company and certain assumptions deemed to be reasonable, and the Company does not promise achievement. Actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results

During the six months ended September 30, 2024, the outlook of the global economy remained uncertain owing to several factors, including the prolonged Russian invasion of Ukraine, growing tensions in the Middle East, slowing economic growth in China, and concerns about the potential slowing of economic activity in the U.S. and Europe. Meanwhile, the Japanese economy showed signs of a modest recovery, with improvement of corporate earnings as well as of the employment and income situations, although personal consumption remained sluggish owing to rising prices.

In terms of monetary policy, the Federal Reserve Board (FRB) decided to cut its policy interest rate at the Federal Open Market Committee (FOMC) meeting in September, while the European Central Bank (ECB) also decided to reduce key interest rates at its Governing Council meetings in June and September. In contrast, the Bank of Japan (BOJ) decided to raise its policy interest rate at its Monetary Policy Meeting in July, leading to divergent policy rate adjustments between the U.S. and Europe and Japan.

Taking into account that banking services are a crucial social infrastructure and considering the growing need for digital banking services against the background of the accelerating digital shift in individuals' lives and corporate activities, during the six months ended September 30, 2024, we promoted the operation of convenient and stable settlement infrastructure, further enhanced security, and upgraded our internal control systems. Furthermore, the Group has demonstrated a commitment to management with a greater emphasis on profitability and growth potential than ever before through the improvement of services, expansion of fund management, and other initiatives. During the six months ended September 30, 2024, we started offering account transfer services for public money of Kawasaki City and for Hokkaido Gas, enhancing convenience for customers who use their accounts with us as their main accounts. We also promoted Banking as a Service (BaaS), which allows us to offer our customers new usage experience, by launching the "JRE BANK" services in May 2024 in partnership with East Japan Railway Company and Viewcard Co., Ltd. Since the launch of its services, the "JRE BANK" has attracted wide-spread customer interest and steadily expanded.

As a result of these initiatives, the number of accounts reached 16.19 million as of September 30, 2024, and the deposit balance on a non-consolidated basis increased to ¥11,119,047 million as of September 30, 2024. The scale of business of the Company has significantly expanded.

Consolidated ordinary income for the six months ended September 30, 2024 totaled ¥83,656 million, an increase of ¥17,735 million year on year. Looking at the breakdown of ordinary income, interest income increased by ¥15,765 million year on year to ¥55,397 million. This increase was attributable to an increase in assets under management and higher investment yields following the Bank of Japan's policy interest rate increase. Fees and commissions increased by ¥1,854 million year on year to ¥22,994 million, owing to increases in card-related fees, account transfer fees, and exchange-related fees, because more individual customers use their accounts with the Company as their main bank accounts in line with the increase in the number of accounts. Other operating income decreased by ¥108 million year on year to ¥4,137 million mainly owing to a decrease in income pertaining to the Company's new term deposits (structured deposits). Moreover, Rakuten International Commercial Bank, which started operating in Taiwan in January 2021, recorded ordinary

income of ¥1,737 million, an increase of ¥738 million year on year.

On the other hand, consolidated ordinary expenses totaled ¥52,567 million, an increase of ¥9,191 million year on year. Among ordinary expenses, interest expenses increased by ¥4,604 million year on year to ¥9,478 million, mainly due to an increase in deposit interest in line with the increase in the deposit balance and an increase in the Company's deposit interest rate implemented in September. Fees and commissions payments increased by ¥397 million year on year to ¥17,003 million because of an increase in fees and commissions on domestic and foreign exchanges due to an increase in exchange transactions, despite a decrease in loan guarantee expenses for external guaranteed card loans. General and administrative expenses increased by ¥2,256 million year on year to ¥22,777 million owing mainly to increases in amortization of software, outsourcing expenses, and advertising expenses, which outweighed a decrease in promotion expenses. Rakuten International Commercial Bank recorded ordinary expenses of ¥3,460 million, an increase of ¥976 million year on year.

As a result, consolidated ordinary income totaled ¥31,089 million, an increase of ¥8,543 million year on year, and profit attributable to owners of parent totaled ¥22,145 million, an increase of ¥6,047 million year on year.

Since the Group consists of a single segment of the banking business, information on operating results, etc. by segment is omitted.

(2) Overview of the Financial Position

With regard to assets as of September 30, 2024, loans and bills discounted amounted to ¥4,391,401 million, an increase of ¥321,834 million from the end of the previous fiscal year, owing to increases in investment property loans, affiliated loans, card loans, and other assets. Monetary claims bought amounted to ¥2,643,973 million, an increase of ¥93,161 million from the end of the previous fiscal year due to increases in trust beneficiary rights backed by credit card receivables of Rakuten Card Co., Ltd. and other assets. Securities amounted to ¥1,465,706 million, an increase of ¥375,199 million from the end of the previous fiscal year due to the purchase of bonds, including Japanese government bonds, government-guaranteed bonds, corporate bonds, and foreign bonds. Cash and due from banks amounted to ¥4,970,450 million, an increase of ¥179,353 million from the end of the previous fiscal year. As a result, total assets amounted to ¥14,222,799 million, having increased by ¥742,325 million from the end of the previous fiscal year.

As for liabilities, ordinary deposits were ¥9,994,920 million, an increase of ¥519,371 million from the end of the previous fiscal year due to an increase in the number of accounts and because more individual customers use their accounts with the Company as their main bank accounts. Term deposits were ¥950,485 million, an increase of ¥71,904 million from the end of the previous fiscal year. Borrowed money amounted to ¥2,658,700 million, an increase of ¥92,900 million from the end of the previous fiscal year, reflecting the Company's use of funds supplied by BOJ to support increased lending. As a result, total liabilities amounted to ¥13,923,586 million, having increased by ¥722,700 million from the end of the previous fiscal year.

As for net assets, share capital amounted to ¥32,616 million, unchanged from the end of the previous fiscal year, and capital surplus was ¥10,543 million, also unchanged from the end of the previous fiscal year. Retained earnings increased by ¥22,145 million from the end of the previous fiscal year to ¥243,297 million due to the recording of profit attributable to owners of parent. As a result, total net assets amounted to ¥299,212 million, having increased by ¥19,625 million from the end of the previous fiscal year.

(3) Explanation of Consolidated Financial Forecasts and Other Forward-Looking Statements

In light of the most recent operating trends, revisions have been made to the consolidated financial forecasts for the fiscal year ending March 31, 2025 announced on May 13, 2024. For details, please refer to the “Notice Concerning Revisions to Financial Results Forecasts” released today.

2. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Cash and due from banks	4,791,097	4,970,450
Call loans	6,387	6,123
Cash collateral provided for securities borrowed	554,524	539,928
Monetary claims bought	2,550,812	2,643,973
Securities	1,090,506	1,465,706
Loans and bills discounted	4,069,567	4,391,401
Foreign exchanges	25,501	13,694
Other assets	345,415	138,081
Tangible fixed assets	4,336	3,954
Intangible fixed assets	23,488	26,234
Deferred tax assets	10,677	11,950
Customers' liabilities for acceptances and guarantees	11,915	16,143
Allowance for loan losses	(3,756)	(4,843)
Total assets	13,480,473	14,222,799
Liabilities		
Deposits	10,442,382	11,039,817
Call money	14,382	11,340
Cash collateral received for securities lent	9,632	9,422
Borrowed money	2,565,800	2,658,700
Foreign exchanges	4,031	8,385
Other liabilities	150,631	177,500
Provision for bonuses	647	749
Provision for bonuses for directors (and other officers)	5	2
Retirement benefit liability	1,442	1,509
Provision for reimbursement of deposits	13	14
Acceptances and guarantees	11,915	16,143
Total liabilities	13,200,885	13,923,586
Net assets		
Share capital	32,616	32,616
Capital surplus	10,543	10,543
Retained earnings	221,151	243,297
Treasury shares	(0)	(0)
Total shareholders' equity	264,311	286,456
Valuation difference on available-for-sale securities	(8,809)	(9,613)
Deferred gains or losses on hedges	(188)	73
Foreign currency translation adjustment	5,335	4,569
Remeasurements of defined benefit plans	0	—
Total accumulated other comprehensive income	(3,662)	(4,970)
Share acquisition rights	44	278
Non-controlling interests	18,894	17,448
Total net assets	279,587	299,212
Total liabilities and net assets	13,480,473	14,222,799

(2) Interim Consolidated Statements of Income and Comprehensive Income

(Interim Consolidated Statements of Income)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Ordinary income	65,921	83,656
Interest income	39,632	55,397
Interest on loans and discounts	26,568	30,775
Interest and dividends on securities	2,118	6,000
Fees and commissions	21,140	22,994
Other operating income	4,246	4,137
Other ordinary income	187	312
Trust fees	713	813
Ordinary expenses	43,375	52,567
Interest expenses	4,874	9,478
Interest on deposits	3,418	5,361
Fees and commissions payments	16,605	17,003
Other operating expenses	—	0
General and administrative expenses	20,520	22,777
Other ordinary expenses	1,374	3,308
Ordinary profit	22,545	31,089
Extraordinary losses	0	0
Loss on disposal of non-current assets	0	0
Profit before income taxes	22,544	31,088
Income taxes - current	7,936	10,768
Income taxes - deferred	(897)	(1,137)
Total income taxes	7,039	9,630
Profit	15,505	21,457
Loss attributable to non-controlling interests	(592)	(687)
Profit attributable to owners of parent	16,097	22,145

(Interim Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	15,505	21,457
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,558)	(797)
Deferred gains or losses on hedges	661	261
Foreign currency translation adjustment	2,165	(1,530)
Remeasurements of defined benefit plans, net of tax	(19)	(0)
Total other comprehensive income	(750)	(2,067)
Comprehensive income	14,755	19,390
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,254	20,837
Comprehensive income attributable to non-controlling interests	501	(1,446)

(3) Interim Consolidated Statements of Change in Net Assets

Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment
Balance at beginning of period	25,954	3,880	186,714	―	216,549	(7,364)	(12)	3,821
Changes during period								
Issuance of new stock	6,662	6,662			13,324			
Profit attributable to owners of parent			16,097		16,097			
Purchase of treasury shares					―			
Net changes in items other than shareholders' equity						(3,569)	661	1,082
Total changes during period	6,662	6,662	16,097	―	29,422	(3,569)	661	1,082
Balance at end of period	32,616	10,543	202,812	―	245,972	(10,933)	649	4,903

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	38	(3,517)	―	18,651	231,684
Changes during period					
Issuance of new stock					13,324
Profit attributable to owners of parent					16,097
Purchase of treasury shares					―
Net changes in items other than shareholders' equity	(19)	(1,843)	―	501	(1,342)
Total changes during period	(19)	(1,843)	―	501	28,079
Balance at end of period	19	(5,361)	―	19,152	259,764

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment
Balance at beginning of period	32,616	10,543	221,151	(0)	264,311	(8,809)	(188)	5,335
Changes during period								
Issuance of new stock					—			
Profit attributable to owners of parent			22,145		22,145			
Purchase of treasury shares				(0)	(0)			
Net changes in items other than shareholders' equity						(803)	261	(765)
Total changes during period	—	—	22,145	(0)	22,145	(803)	261	(765)
Balance at end of period	32,616	10,543	243,297	(0)	286,456	(9,613)	73	4,569

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	0	(3,662)	44	18,894	279,587
Changes during period					
Issuance of new stock					—
Profit attributable to owners of parent					22,145
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	(0)	(1,308)	234	(1,446)	(2,520)
Total changes during period	(0)	(1,308)	234	(1,446)	19,625
Balance at end of period	—	(4,970)	278	17,448	299,212

(4) Notes to Interim Consolidated Financial Statements

(Notes on changes in accounting policies)

(Application of the “Accounting Standard for Corporate Tax, Inhabitant Tax, Enterprise Tax, etc.”)

The Company has applied the “Accounting Standard for Corporate Tax, Inhabitant Tax, Enterprise Tax, etc.” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “Accounting Standard for Corporate Tax, etc.”) from the beginning of the six months ended September 30, 2024.

Regarding the revision of the accounting classification of income taxes (taxes imposed on other comprehensive income), the Company has followed the transitional treatment stipulated in the proviso of Paragraph 20-3 of the Accounting Standard for Corporate Tax, etc. and the transitional treatment stipulated in the proviso of Paragraph 65-2, Item (2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022).

Furthermore, there were no effects on the interim consolidated financial statements due to these changes in accounting policies.

(Notes on segment information, etc.)

Although the Group is engaged in some non-banking businesses, these businesses are not significant in terms of volume, and the reportable segment is the banking business only, and therefore, this information is omitted.

(Notes on a substantial change in the amount of shareholders’ equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(end)

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Supplementary Materials

for the First Half of the FY2024

November 11, 2024

Rakuten Bank

Rakuten Bank, Ltd.

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1. Income Analysis (Non-consolidated)

(Millions of yen)

	No.	FY2024		FY2023
		1H	YoY	1H
Ordinary Income	1	80,886	16,778	64,108
Gross Operating Profit	2	55,375	12,130	43,244
Net Interest Income	3	45,300	10,817	34,482
Net Fees and Commissions	4	5,939	1,410	4,529
Net Other Operating Income	5	4,136	(96)	4,233
Net Gains (Losses) on Bonds	6	—	—	—
General and Administrative Expenses (excluding Non-recurring Losses)	7	(20,902)	(2,053)	(18,849)
Personnel Expenses	8	(4,024)	(202)	(3,822)
Non-personnel Expenses	9	(15,292)	(1,450)	(13,841)
Taxes	10	(1,585)	(399)	(1,185)
Net Operating Profit before Provision of Allowance for Loan Losses	11	34,473	10,077	24,395
Provision of General Allowance for Loan Losses	12	(488)	(151)	(337)
Net Operating Profit	13	33,984	9,926	24,057
Core Net Operating Profit	14	34,473	10,077	24,395
Net Non-recurring Gains (Losses)	15	(2,089)	(1,378)	(711)
Write-Off of Loans	16	(282)	(162)	(120)
Provision of Specific Allowance for Loan Losses	17	(678)	(256)	(421)
Other Disposal of Non-performing Loans	18	—	—	—
Gains on Recoveries of Written-Off Claims	19	6	3	3
Other Non-recurring Gains (Losses)	20	(1,135)	(963)	(172)
Ordinary Profit	21	31,894	8,548	23,346
Net Extraordinary Gains (Losses)	22	(0)	0	(0)
Income before Income Taxes	23	31,893	8,548	23,345
Income Taxes	24	(9,674)	(2,569)	(7,104)
Net Income	25	22,219	5,978	16,241

Total Credit Cost	26	(1,442)	(566)	(876)
Provision of General Allowance for Loan Losses	27	(488)	(151)	(337)
Write-Off of Loans	28	(282)	(162)	(120)
Provision of Specific Allowance for Loan Losses	29	(678)	(256)	(421)
Other Disposal of Non-performing Loans	30	—	—	—
Gains on Recoveries of Written-Off Claims	31	6	3	3

OHR	32	37.7%	(5.8)pp	43.5%

(Note)
1. (2) Gross Operating Profit = (3) Net Interest Income+(4) Net Fees and Commissions+(5) Net Other Operating income
2. (11) Net Operating Profit before Provision of Allowance for Loan Losses=(2) Gross Operating Profit－(7) General and Administrative Expenses
3. (13) Net Operating Profit = (2) Gross Operating Profit－(7) General and Administrative Expenses－(12) Provision of General Allowance for Loan Losses
4. (14) Core Net Operating Profit = (13) Net Operating Profit－(6) Net Gains (Losses) on Bonds+(12) Provision of General Allowance for Loan Losses
5. (32) OHR = (7) General and Administrative Expenses / (2) Gross Operating Profit

2. Disclosure Based on the Categories of the Financial Revitalization Act (Non-consolidated)

(Millions of yen)

	September 2023	September 2024	March 2024
Bankrupt and Practically Bankrupt Claims	—	—	—
Doubtful Claims	1,360	1,556	1,359
Claims Requiring Close Watch	1,307	1,934	1,634
Normal Claims	3,929,861	4,347,522	4,066,043
Total	3,932,528	4,351,013	4,069,037

(Note) The above is based on the categories of the Financial Revitalization Act

3. Consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

(Millions of yen)

	September 2023	September 2024	March 2024
Capital Adequacy Ratio	11.30%	11.44%	10.93%
Total Capital	247,886	283,285	263,608
Total Required Capital	87,675	99,008	96,397

(Note) Disclosed based on Financial Service Agency Public Notice No. 7 (2014).

4. Non-consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

(Millions of yen)

	September 2023	September 2024	March 2024
Capital Adequacy Ratio	10.77%	11.41%	10.68%
Total Capital	235,711	273,829	253,071
Total Required Capital	87,506	95,967	94,782

(Note) Disclosed based on Financial Service Agency Public Notice No. 7 (2014).

5. Consolidated Return on Equity (ROE)

	FY2022	FY2023
Consolidated ROE (Return on Equity)	13.8%	14.1%

(Note) Return on Equity = Profit Attributable to Owners of Parent for the Period / Average of the Balance of Own Capital at the Beginning and End of the Period.

Own Capital = Total Net Assets – Stock Acquisition Rights – Non-controlling Interests

The balance of own capital for the beginning of the period was calculated as if the capital increase through a public offering in April 2023 and the increase due to a third-party allotment in May 2023 had been conducted at the beginning of the period, resulting in an increase in shareholders' equity by JPY13,324mm.

6. Securities (Consolidated)

(Note) Includes trust beneficiary rights within “monetary claims bought” in addition to “securities” in the interim consolidated balance sheets.

(i) Held-To Maturity Debt Securities

FY2023 (March 31, 2024) (Millions of yen)

	Type	Consolidated Balance Sheet Amount	Fair Value	Unrealized Gains/Losses
Securities with Fair Value Exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	7,923	7,926	2
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	24,326	24,347	20
	Others	—	—	—
	Subtotal	32,250	32,273	22
Securities with Fair Value Not Exceeding Consolidated Balance Sheet Amount	Japanese Government Bonds	516,735	504,960	(11,775)
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	212,178	211,529	(648)
	Others	—	—	—
	Subtotal	728,914	716,490	(12,424)
Total		761,164	748,763	(12,401)

1H FY2024 (September 30, 2024) (Millions of yen)

	Type	Interim Consolidated Balance Sheet Amount	Fair Value	Unrealized Gains/Losses
Securities with Fair Value Exceeding Interim Consolidated Balance Sheet Amount	Japanese Government Bonds	64,327	64,787	459
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	27,563	27,660	97
	Others	—	—	—
	Subtotal	91,891	92,447	556
Securities with Fair Value Not Exceeding Interim Consolidated Balance Sheet Amount	Japanese Government Bonds	543,846	530,319	(13,526)
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	411,744	409,727	(2,016)
	Others	—	—	—
	Subtotal	955,590	940,047	(15,543)
Total		1,047,482	1,032,495	(14,986)

(ii) Other Securities

FY2023 (March 31, 2024) (Millions of yen)

	Type	Consolidated Balance Sheet Amount	Acquisition Cost	Unrealized Gains/Losses
Securities with Consolidated Balance Sheet Amount Exceeding Acquisition Costs	Equity Securities	—	—	—
	Bonds	8,946	8,934	11
	Japanese Government Bonds	—	—	—
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	8,946	8,934	11
	Others	149,612	149,320	291
	Subtotal	158,558	158,255	303
Securities with Consolidated Balance Sheet Amount Not Exceeding Acquisition Costs	Equity Securities	—	—	—
	Bonds	150,003	154,600	(4,596)
	Japanese Government Bonds	119,937	123,973	(4,036)
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	30,066	30,626	(560)
	Others	222,213	230,813	(8,600)
	Subtotal	372,216	385,414	(13,197)
Total		530,775	543,669	(12,894)

1H FY2024 (September 30, 2024) (Millions of yen)

	Type	Interim Consolidated Balance Sheet Amount	Acquisition Cost	Unrealized Gains/Losses
Securities with Interim Consolidated Balance Sheet Amount Exceeding Acquisition Costs	Equity Securities	—	—	—
	Bonds	—	—	—
	Japanese Government Bonds	—	—	—
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	—	—	—
	Others	261,464	260,990	474
	Subtotal	261,464	260,990	474
Securities with Interim Consolidated Balance Sheet Amount Not Exceeding Acquisition Costs	Equity Securities	—	—	—
	Bonds	153,623	158,534	(4,911)
	Japanese Government Bonds	119,480	123,722	(4,242)
	Japanese Municipal Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	34,143	34,811	(668)
	Others	248,719	258,328	(9,608)
	Subtotal	402,343	416,862	(14,519)
Total		663,808	677,853	(14,045)

7. Derivative Transactions (Consolidated)

(i) Interest Rate-Related Transactions

FY2023 (March 31, 2024) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
OTC	Interest Rate Swaption				
	Sold	138,298	138,298	(12,417)	(12,417)
	Purchased	138,308	138,308	12,400	12,400
Total		—	—	(17)	(17)

(Note) 1. The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income. Derivative transactions to which hedge accounting is applied based on the rules of the "Accounting and Auditing Treatment of Accounting Standard for Financial Instruments in the Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Committee Practical Guideline No. 24, March 17, 2022,) etc. are not included in the above.

2. Interest swaps include interest swaption transactions which are difficult to differentiate for our bank.

1H FY2024 (September 30, 2024) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
OTC	Interest Rate Swaption				
	Sold	148,894	148,894	(13,247)	(13,247)
	Purchased	148,918	148,918	13,228	13,228
Total		—	—	(18)	(18)

(Note) 1. The above is based on a mark-to-market valuation and has been recorded on the interim consolidated statements of income. Derivative transactions to which hedge accounting is applied based on the rules of the "Accounting and Auditing Treatment of Accounting Standard for Financial Instruments in the Banking Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Committee Practical Guideline No. 24, March 17, 2022,) etc. are not included in the above.

2. Interest swaps include interest swaption transactions which are difficult to differentiate for our bank.

(ii) Foreign Currency-Related Transactions

FY2023 (March 31, 2024) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
OTC	Forward Exchange Contracts				
	Sold	357,500	274	4,079	4,079
	Purchased	368,475	1,275	1,771	1,771
	Currency Options				
	Sold	127	—	(0)	(0)
	Purchased	127	—	0	0
	Currency Swaps	12,319	12,319	(3,367)	(3,367)
Total		—	—	2,482	2,482

(Note) The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income. Currency swap transactions, etc., to which hedge accounting is applied and those attached to foreign currency-denominated monetary claims and obligations, etc., that are reflected in the consolidated balance sheets of the relevant foreign currency-denominated monetary claims and obligations, etc., or foreign currency-denominated monetary claims and obligations, etc. that are eliminated in consolidation based on the rules of the “Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Committee Practical Guidance No. 25, October 8, 2020,) etc. are not included in the above.

1H FY2024 (September 30, 2024) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
OTC	Forward Exchange Contracts				
	Sold	989,076	318	(8)	(8)
	Purchased	1,061,248	1,699	3,783	3,783
	Currency Options				
	Sold	53	—	(0)	(0)
	Purchased	53	—	0	0
	Currency Swaps	12,319	12,319	(2,903)	(2,903)
Total		—	—	871	871

(Note) The above is based on a mark-to-market valuation and has been recorded on the interim consolidated statements of income. Currency swap transactions, etc., to which hedge accounting is applied and those attached to foreign currency-denominated monetary claims and obligations, etc., that are reflected in the interim consolidated balance sheets of the relevant foreign currency-denominated monetary claims and obligations, etc., or foreign currency-denominated monetary claims and obligations, etc. that are eliminated in consolidation based on the rules of the “Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Committee Practical Guidance No. 25, October 8, 2020,) etc. are not included in the above.

(iii) Bond-Related Transactions

FY2023 (March 31, 2024) (Millions of yen)

Category	Type	Notional Amount		Fair Value	Unrealized Gains/Losses
		Total	Over 1 Year		
Listed	Bond Futures				
	Sold	—	—	—	—
	Purchased	1,456	—	(1)	(1)
Total		—	—	(1)	(1)

(Note) The above is based on a mark-to-market valuation and has been recorded on the consolidated statements of income.
Derivative transactions to which hedge accounting is applied are not included in the above.

1H FY2024 (September 30, 2024)
Not applicable

8. Interest Spread (Non-consolidated)

(%)

	1H FY2023	1H FY2024	FY2023
Yield on interest earning assets	0.94	0.77	0.95
Total cost of funding (including expenses)	0.39	0.43	0.39
Overall interest spread	0.55	0.34	0.56
Cost of interest bearing liabilities	0.07	0.12	0.07
Interest spread	0.87	0.65	0.88

9. Deposits (Non-consolidated)

(Millions of yen)

	September 2023	September 2024	March 2024
Ordinary Deposits	8,648,166	10,164,661	9,637,354
Time Deposits	813,338	859,973	814,596
Other Deposits	88,566	94,412	88,252
Total	9,550,071	11,119,047	10,540,202

10. Time Deposits by Maturity (Non-consolidated)

(Millions of yen)

	1 Year or Less	Over 1 Year 2 Years or Less	Over 2 Years 3 Years or Less	Over 3 Years	Total
September 2023	795,054	7,203	4,133	6,945	813,338
September 2024	754,632	94,230	3,811	7,300	859,973
March 2024	797,320	6,801	4,191	6,282	814,596

11. General and Administrative Expenses (Non-consolidated)

(Millions of yen)

	1H FY2023	1H FY2024	FY2023
Personnel Expenses	3,822	4,024	7,592
Non-personnel Expenses	13,841	15,292	28,355
Depreciation and Amortization Expenses	2,087	2,676	4,200
Tax and Due	1,185	1,585	2,534
Total	18,849	20,902	38,482

12. Officers and Employees (Non-consolidated)

	September 2023	September 2024	March 2024
Officers	9	9	9
Directors	5	5	5
Audit and Supervisory Board Members	4	4	4
Employees	901	925	877
Total	910	934	886

(Note) Employees include regular, non-regular or contract employees, and employees seconded to Rakuten Bank, Ltd. while employees from Rakuten Bank, Ltd. seconded to other companies have been excluded.

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