

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

## **Rakuten Card Co., Ltd. (security code: -)**

<Affirmation>

Long-term Issuer Rating:	A-
Outlook:	Negative
Bonds:	A-
CP:	J-1

## **Rakuten Bank, Ltd. (security code: 5838)**

<Affirmation>

Long-term Issuer Rating:	A-
Outlook:	Negative
Short-term Issuer Rating:	J-1

## **Rakuten Securities, Inc. (security code: -)**

<Affirmation>

Long-term Issuer Rating:	A-
Outlook:	Negative

## **Rakuten General Insurance Co., Ltd. (security code: -)**

<Affirmation>

Long-term Issuer Rating:	A-
Outlook:	Negative

## **Rakuten Life Insurance Co., Ltd. (security code: -)**

<Affirmation>

Long-term Issuer Rating:	A-
Outlook:	Negative
Ability to Pay Insurance Claims:	A-
Outlook:	Negative

### **Rationale**

- (1) Rakuten Card Co., Ltd., Rakuten Bank, Ltd., Rakuten Securities, Inc., Rakuten General Insurance Co., Ltd. and Rakuten Life Insurance Co., Ltd. (collectively, the “Companies”) are the consolidated subsidiaries of Rakuten Group, Inc. (“Rakuten”) and operate the FinTech businesses. JCR deems the long-term issuer rating of each of the Companies to be equivalent to the creditworthiness of the Rakuten Group (the “Group”) in light of the degree of Rakuten’s control over and involvement in the Companies and the Companies’ managerial importance to the Group. JCR affirmed the A- long-term issuer rating on the Companies to be in line with the affirmation of the same for Rakuten. Rating outlook is Negative, which corresponds to that for Rakuten. By leveraging the Group’s customer base and expanding synergies, the Companies are all steadily expanding their operations, thus underpinning the Group’s creditworthiness.
- (2) Rakuten Bank and Rakuten are currently holding discussions aimed at the reorganization of the Group’s FinTech Business to take effect in October 2024 (the “Reorganization”). The Reorganization is assumed to integrate the entire FinTech businesses including Rakuten Bank, Rakuten Card, Rakuten Securities Holdings Co., Ltd. (holding 51% voting rights in Rakuten Securities; “Rakuten Securities HD”) and Rakuten Insurance Holdings Co., Ltd. (holding 100% voting rights in Rakuten General Insurance and Rakuten Life Insurance; “Rakuten Insurance HD”) into one group. JCR assumes that, if the Reorganization goes smoothly, it will lead to the further expansion of collaboration

among the Companies, enhancement of financing capabilities to further expand their business operations and so forth. Close attention will be paid to see whether contribution from the FinTech businesses to the Group's consolidated results will increase as a result of the Reorganization. Although the group structure of the FinTech businesses after the Reorganization has not been disclosed, the Companies will all continue to play a key role in retaining customers. JCR predicts that there will be no major changes in the degree of Rakuten's control over and involvement in the Companies and the Companies' managerial importance and will closely monitor future developments.

Issuer: Rakuten Card Co., Ltd.

- (1) Rakuten Card is a credit card company in the Group. Rakuten holds 100% voting rights and dispatches multiple directors to Rakuten Card. Given also strong unity in management decision-making and business administration, the degree of Rakuten's control over and involvement in Rakuten Card is high. Moreover, playing such roles as providing settlement and financial functions and retaining customers through a point-rewarding program as a core of the Group's FinTech businesses, Rakuten Card is managerially important to the Group.
- (2) Rakuten Card has a strong market position and competitiveness in credit card membership services by taking advantage of collaboration with other group companies. With over 30 million cards issued and annual credit card shopping transaction volume of over 20 trillion yen, it ranks among the top in the industry and enjoys high growth rate. Its earnings capacity is fairly good. Not only revenues are growing with business expansion, but costs are also being contained thanks to improved efficiency in member acquisition, consequently pushing up the profit level.
- (3) The soundness of assets is maintained. Delinquent loan ratio and bad debt-related expenses relative to operating assets are within certain ranges. Capital adequacy is low. Partly because of dividends to the Group, JCR-adjusted capital adequacy ratio and capital margin relative to risks remain low, leaving room for improvement. Concerns about liquidity are marginal. While mainly focusing on securitizing receivables through Rakuten Bank, Rakuten Card also secures lines of credit from financial institutions and utilizes other means including the issuance of commercial paper.

Hidekazu Sakai, Kenta Asada

Issuer: Rakuten Bank, Ltd.

- (1) Rakuten Bank is an Internet bank in the Group. Rakuten holds 49% voting rights. As it also dispatches multiple directors to Rakuten Bank, the degree of its involvement in the latter is reasonably high. Playing such roles as providing settlement and financial functions and retaining customers as a core of the Group's FinTech businesses, Rakuten Bank is managerially important to the Group aiming to expand the Rakuten Ecosystem.
- (2) With approximately 15.2 million accounts and a deposit balance of over 10 trillion yen as of the end of March 2024, Rakuten Bank is one of the largest in the Internet banking industry in terms of business scale. Its strength lies in the high level of convenience it offers through a point-rewarding program and collaboration with the Group's various services, such as credit cards and securities, and the number of accounts and deposit balance are growing very rapidly. Overall performance is strong backed by the expansion of the customer base, with consolidated ordinary income climbing 25% over the year to a new high of 48.3 billion yen in the fiscal year ended March 2024. While interest income improved with growth in loans and Rakuten Card trust beneficiary rights, non-interest income also rose steadily thanks in part to an increase in the number of payment transactions as a result of the expansion of the customer base. Given constant growth in loans, etc. and helped also by the rise in yen market interest rates, overall performance is expected to remain strong for a while longer.
- (3) The quality of assets is good, as indicated by extremely low non-performing loans ratio under the Financial Reconstruction Act. Even though securities holdings have increased, especially for bonds, interest rate risk has not become excessive. Capital adequacy is also satisfactory. Consolidated core capital ratio conservatively adjusted for valuation losses on available-for-sale securities, etc. as of the end of March 2024 was relatively high at around 10%. Although risk assets are expected to expand due to an increase in loans, etc., JCR assumes that a certain level of capital can be maintained as internal reserves are expected to accumulate on the back of solid business performance.

Tsuyoshi Ohishi, Naoki Shimura

Issuer: Rakuten Securities, Inc.

- (1) Rakuten Securities is an Internet securities company in the Group. Rakuten holds 51% voting rights though wholly owned subsidiary Rakuten Securities HD, and the remaining 49% are held by Mizuho

Securities Co., Ltd., Rakuten Securities HD's alliance partner. Despite a drop in the ratio of voting rights held by Rakuten Securities HD, which previously was approximately 80%, following the strengthening of the strategic capital and business alliance with Mizuho Securities in November 2023, Rakuten Securities' ties with the Group remains extremely strong in terms of business operations, and the degree of Rakuten's control over and involvement in Rakuten Securities is reasonably high. Moreover, playing such roles as retaining customers as a core of the Group's FinTech businesses, Rakuten Securities is managerially important to the Group aiming to expand the Rakuten Ecosystem.

- (2) With 10.2 million accounts and assets under management of 25 trillion yen as of the end of December 2023, Rakuten Securities' customer base is one of the largest in the Internet securities industry. Driven by the launch of the new NISA program in January 2024, the number of accounts and assets under management are growing very rapidly. Consolidated ordinary income has been on an uptrend on the back of well-diversified earnings sources, reaching record-high 28.1 billion yen in the fiscal year ended December 2023. While stock brokerage commissions decreased after zero-commission domestic stock trading was commenced in October 2023, net financial income improved with the activation of margin trading. Moreover, agency fees grew thanks to an increase in investment trusts, and trading profits expanded partly because of an increase in the sale of foreign bonds. Looking ahead, JCR will watch whether Rakuten Securities can maintain its earnings capacity at a time when growth in SG&A expenses and a sharp decrease in stock brokerage commissions are expected.
- (3) Consolidated capital adequacy ratio as of the end of December 2023 was 340.7%, and thus JCR finds no concerns about capital adequacy. Market risk associated with securities operations is low, and risks associated with FX trading are contained with cover transactions. Liquidity is also decent. Rakuten Securities has diverse financing means, as well as good lines of credit.

Kengo Sakaguchi, Akira Minamisawa, Naoki Shimura

Issuer: Rakuten General Insurance Co., Ltd.

- (1) Rakuten General Insurance is a non-life insurance company in the Group. Rakuten holds 100% voting rights through Rakuten Card and Rakuten Insurance HD and dispatches multiple directors to Rakuten General Insurance. Given such strong unity in management decision-making and business administration, the degree of Rakuten's control over and involvement in Rakuten General Insurance is high. Because there are many businesses in the Rakuten Ecosystem that have high affinity with non-life insurance, such as e-commerce, credit card, travel and golf, it is easy to envisage group synergies with Rakuten General Insurance. Rakuten General Insurance has extremely strong ties with the Group in terms of business operations and is thus managerially important to the Group. Given also the track record of financial support and other factors, JCR assumes it highly probable that the Group will extend support in a timely and appropriate manner.
- (2) Greater synergies are being realized, as evidenced by the enhanced lineup of Internet service-related products within the Rakuten Ecosystem and an increase in members using Rakuten Points to pay insurance premiums. Combined ratio has been staying well above 100%, which needs to be improved. JCR will keep an eye on the outcome of the initiatives taken, including collaboration with Rakuten Life Insurance, further expansion of synergies within the Group and appropriate cost control.
- (3) Capital adequacy relative to risks is at a decent level. Indicators that show economic value-based soundness through internal control have been maintained at a certain level. In terms of asset management, the duration of assets and debts is aligned to reduce interest rate risk. While reducing asset management risk, Rakuten General Insurance also contains insurance underwriting risk through reinsurance schemes, etc. The Rakuten Insurance Group as a whole is working to establish an ERM system so as to build an integrated management system for the earnings and capital centered on risk management, and an economic value-based approach is gradually sinking in.

Seito Achiha, Kota Matsuzawa

Issuer: Rakuten Life Insurance Co., Ltd.

- (1) Rakuten Life Insurance is a life insurance company in the Group. Rakuten holds 100% voting rights through Rakuten Card and Rakuten Insurance HD and dispatches multiple directors to Rakuten Life Insurance. Given such strong unity in terms of management decision-making and business administration, the degree of Rakuten's control over and involvement in Rakuten Life Insurance is high. JCR assumes that the provision of life insurance contributes to maintaining the Group's customer base as it helps expand the lineup of services and improve convenience under the Rakuten Ecosystem. Rakuten Life Insurance has extremely strong ties with the Group in terms of business operations and is thus managerially important to the Group. Given also the track record of financial

support and other factors, JCR assumes it highly probable that the Group will extend support in a timely and appropriate manner.

- (2) Rakuten Life Insurance can easily access customers in the Rakuten Ecosystem as it makes it possible for them to earn Rakuten Points based on insurance premiums, pay insurance premiums with these points, etc. It is also working to expand the range of products that are linked to the Group's services and seeing positive results in attracting customers within the Group. Core profit has been negative due to heavy personnel costs and system investments, as well as to new contract costs including advertising expenses, which are large relative to the earnings. In order to turn it positive, it is vital for Rakuten Life Insurance to expand the size of policies in force. Given that third-sector products account for a large part of the product portfolio of in-force policies, profitability on an economic value basis appears to be reasonably high.
- (3) Capital adequacy relative to risks is at a decent level. Interest rate risk attributable to the duration gap between assets and debts is small. The economic value-based indicators of soundness are at a level that allows Rakuten Life Insurance to remain sound even in stressful situations, and their sensitivity is also controlled. The Rakuten Insurance Group as a whole is working to establish an ERM system so as to build an integrated management system for the earnings and capital centered on risk management, and an economic value-based approach is gradually sinking in.

Seito Achiha, Kota Matsuzawa

Issuer: Rakuten Card Co., Ltd.

<Affirmation>

Long-term Issuer Rating: A-

Outlook: Negative

Issue	Amount (bn)	Issue Date	Due Date	Coupon	Rating
Bonds no. 2	JPY 20	Dec. 12, 2019	Dec. 12, 2024	0.300%	A-
Bonds no. 3	JPY 10	Dec. 12, 2019	Dec. 11, 2026	0.420%	A-
Bonds no. 4	JPY 30	Dec. 23, 2020	Dec. 23, 2025	0.49%	A-
Bonds no. 5	JPY 30	Dec. 17, 2021	Dec. 17, 2024	0.300%	A-
Bonds no. 6	JPY 14	Dec. 17, 2021	Dec. 17, 2026	0.620%	A-
Bonds no. 7	JPY 5	Dec. 17, 2021	Dec. 15, 2028	0.830%	A-
Bonds no. 8	JPY 11	Dec. 17, 2021	Dec. 17, 2031	1.070%	A-
Bonds no. 9	JPY 50	Dec. 16, 2022	Dec. 16, 2027	1.65%	A-

CP: J-1

Maximum: JPY 300 billion

Issuer: Rakuten Bank, Ltd.

<Affirmation>

Long-term Issuer Rating: A-

Outlook: Negative

Short-term Issuer Rating: J-1

Issuer: Rakuten Securities, Inc.

<Affirmation>

Long-term Issuer Rating: A-

Outlook: Negative

Issuer: Rakuten General Insurance Co., Ltd.

<Affirmation>

Long-term Issuer Rating: A-

Outlook: Negative

Issuer: Rakuten Life Insurance Co., Ltd.

<Affirmation>

Long-term Issuer Rating: A-

Outlook: Negative

Ability to Pay Insurance Claims: A-

Outlook: Negative

Rating Assignment Date: July 22, 2024

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (February 1, 2024), "Credit Cards and Credit Sales" (June 21, 2022), "Banks" (October 1, 2021), "Securities" (May 8, 2014), "Non-Life Insurance" (February 8, 2024), "Life Insurance" (February 8, 2024) and "Rating Methodology for Group Companies of Corporate Group" (September 1, 2022) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

The rating stakeholder participated in the rating process of the aforementioned credit ratings.



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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)

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INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

## Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	Rakuten Card Co., Ltd.
Issuer:	Rakuten Bank, Ltd.
Issuer:	Rakuten Securities, Inc.
Issuer:	Rakuten General Insurance Co., Ltd.
Issuer:	Rakuten Life Insurance Co., Ltd.
Rating Publication Date:	July 25, 2024

1

The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2

The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3

The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

## 4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

## 5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

## 6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.



## 7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

## 8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.

A) Audited financial statements presented by the rating stakeholders

B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

## 9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the warranty made by the issuer, the publication by the issuer, some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.
- If the credit rating is an Indication, please see the report for Indication.

## 10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of public or private credit rating, such as one in the ancillary business.

## 11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

### A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.



**B) Financial Grounds and Asset Quality**

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

**C) Liquidity Positions**

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

**D) Related Parties' Status and Stance of Support/ Assistance for the Issuer**

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

**E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract**

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

**F) Rise and Fall in General Economy and Markets**

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

**G) Various Events**

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

12

Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

## 13 Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

### A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

### B) Financial Grounds and Asset Quality

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

### C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

### D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's parent company or subsidiaries, guarantor or other providers of credit enhancement, the government of the issuer's business domicile or other related parties' status and stance of support/ assistance for the issuer. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if there is a major change on the part of related parties, such as replacement, disappearance, some drastic improvement/ deterioration of financial grounds/ balances, etc.

### E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

## 14 Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

### **Japan Credit Rating Agency, Ltd.**

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## The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Rakuten Card Co., Ltd.	Issuer(Long-term)	July 11, 2011	BBB+	Stable
Rakuten Card Co., Ltd.	Issuer(Long-term)	August 27, 2012	A-	Stable
Rakuten Card Co., Ltd.	Issuer(Long-term)	August 29, 2013	A-	Stable
Rakuten Card Co., Ltd.	Issuer(Long-term)	August 26, 2014	A-	Stable
Rakuten Card Co., Ltd.	Issuer(Long-term)	September 4, 2015	A	Stable
Rakuten Card Co., Ltd.	Issuer(Long-term)	September 20, 2016	A	Stable
Rakuten Card Co., Ltd.	Issuer(Long-term)	September 15, 2017	A	Stable
Rakuten Card Co., Ltd.	Issuer(Long-term)	April 9, 2018	A	Negative
Rakuten Card Co., Ltd.	Issuer(Long-term)	November 1, 2018	A	Negative
Rakuten Card Co., Ltd.	Issuer(Long-term)	October 16, 2019	A	Negative
Rakuten Card Co., Ltd.	Issuer(Long-term)	September 23, 2020	A	Negative
Rakuten Card Co., Ltd.	Issuer(Long-term)	October 4, 2021	A	Negative
Rakuten Card Co., Ltd.	Issuer(Long-term)	October 4, 2022	A	Negative
Rakuten Card Co., Ltd.	Issuer(Long-term)	May 16, 2023	#A	Negative
Rakuten Card Co., Ltd.	Issuer(Long-term)	June 21, 2023	A-	Negative
Rakuten Card Co., Ltd.	CP	July 29, 2011	J-2	
Rakuten Card Co., Ltd.	CP	August 27, 2012	J-1	
Rakuten Card Co., Ltd.	CP	August 29, 2013	J-1	
Rakuten Card Co., Ltd.	CP	August 26, 2014	J-1	
Rakuten Card Co., Ltd.	CP	September 4, 2015	J-1	
Rakuten Card Co., Ltd.	CP	September 20, 2016	J-1	
Rakuten Card Co., Ltd.	CP	September 15, 2017	J-1	
Rakuten Card Co., Ltd.	CP	April 9, 2018	J-1	
Rakuten Card Co., Ltd.	CP	November 1, 2018	J-1	
Rakuten Card Co., Ltd.	CP	March 11, 2019	J-1	
Rakuten Card Co., Ltd.	CP	October 16, 2019	J-1	
Rakuten Card Co., Ltd.	CP	September 23, 2020	J-1	
Rakuten Card Co., Ltd.	CP	October 4, 2021	J-1	
Rakuten Card Co., Ltd.	CP	March 4, 2022	J-1	
Rakuten Card Co., Ltd.	CP	October 4, 2022	J-1	
Rakuten Card Co., Ltd.	CP	June 21, 2023	J-1	
Rakuten Card Co., Ltd.	Bonds no.2	December 6, 2019	A	
Rakuten Card Co., Ltd.	Bonds no.2	September 23, 2020	A	
Rakuten Card Co., Ltd.	Bonds no.2	October 4, 2021	A	
Rakuten Card Co., Ltd.	Bonds no.2	October 4, 2022	A	
Rakuten Card Co., Ltd.	Bonds no.2	May 16, 2023	#A	Negative
Rakuten Card Co., Ltd.	Bonds no.2	June 21, 2023	A-	
Rakuten Card Co., Ltd.	Bonds no.3	December 6, 2019	A	
Rakuten Card Co., Ltd.	Bonds no.3	September 23, 2020	A	
Rakuten Card Co., Ltd.	Bonds no.3	October 4, 2021	A	
Rakuten Card Co., Ltd.	Bonds no.3	October 4, 2022	A	
Rakuten Card Co., Ltd.	Bonds no.3	May 16, 2023	#A	Negative
Rakuten Card Co., Ltd.	Bonds no.3	June 21, 2023	A-	
Rakuten Card Co., Ltd.	Bonds no.4	December 8, 2020	A	
Rakuten Card Co., Ltd.	Bonds no.4	October 4, 2021	A	
Rakuten Card Co., Ltd.	Bonds no.4	October 4, 2022	A	
Rakuten Card Co., Ltd.	Bonds no.4	May 16, 2023	#A	Negative
Rakuten Card Co., Ltd.	Bonds no.4	June 21, 2023	A-	
Rakuten Card Co., Ltd.	Bonds no.5	December 10, 2021	A	
Rakuten Card Co., Ltd.	Bonds no.5	October 4, 2022	A	
Rakuten Card Co., Ltd.	Bonds no.5	May 16, 2023	#A	Negative
Rakuten Card Co., Ltd.	Bonds no.5	June 21, 2023	A-	
Rakuten Card Co., Ltd.	Bonds no.6	December 10, 2021	A	
Rakuten Card Co., Ltd.	Bonds no.6	October 4, 2022	A	
Rakuten Card Co., Ltd.	Bonds no.6	May 16, 2023	#A	Negative
Rakuten Card Co., Ltd.	Bonds no.6	June 21, 2023	A-	
Rakuten Card Co., Ltd.	Bonds no.7	December 10, 2021	A	
Rakuten Card Co., Ltd.	Bonds no.7	October 4, 2022	A	
Rakuten Card Co., Ltd.	Bonds no.7	May 16, 2023	#A	Negative
Rakuten Card Co., Ltd.	Bonds no.7	June 21, 2023	A-	
Rakuten Card Co., Ltd.	Bonds no.8	December 10, 2021	A	
Rakuten Card Co., Ltd.	Bonds no.8	October 4, 2022	A	

## The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Rakuten Card Co., Ltd.	Bonds no.8	May 16, 2023	#A	Negative
Rakuten Card Co., Ltd.	Bonds no.8	June 21, 2023	A-	
Rakuten Card Co., Ltd.	Bonds no.9	December 2, 2022	A	
Rakuten Card Co., Ltd.	Bonds no.9	May 16, 2023	#A	Negative
Rakuten Card Co., Ltd.	Bonds no.9	June 21, 2023	A-	

## The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Rakuten Bank, Ltd.	Issuer(Long-term)	April 17, 2014	A-	Stable
Rakuten Bank, Ltd.	Issuer(Long-term)	August 26, 2014	A-	Stable
Rakuten Bank, Ltd.	Issuer(Long-term)	September 4, 2015	A	Stable
Rakuten Bank, Ltd.	Issuer(Long-term)	September 20, 2016	A	Stable
Rakuten Bank, Ltd.	Issuer(Long-term)	September 15, 2017	A	Stable
Rakuten Bank, Ltd.	Issuer(Long-term)	April 9, 2018	A	Negative
Rakuten Bank, Ltd.	Issuer(Long-term)	November 1, 2018	A	Negative
Rakuten Bank, Ltd.	Issuer(Long-term)	October 16, 2019	A	Negative
Rakuten Bank, Ltd.	Issuer(Long-term)	September 23, 2020	A	Negative
Rakuten Bank, Ltd.	Issuer(Long-term)	October 4, 2021	A	Negative
Rakuten Bank, Ltd.	Issuer(Long-term)	October 4, 2022	A	Negative
Rakuten Bank, Ltd.	Issuer(Long-term)	May 16, 2023	#A	Negative
Rakuten Bank, Ltd.	Issuer(Long-term)	June 21, 2023	A-	Negative
Rakuten Bank, Ltd.	Issuer(Short-term)	April 17, 2014	J-1	
Rakuten Bank, Ltd.	Issuer(Short-term)	August 26, 2014	J-1	
Rakuten Bank, Ltd.	Issuer(Short-term)	September 4, 2015	J-1	
Rakuten Bank, Ltd.	Issuer(Short-term)	September 20, 2016	J-1	
Rakuten Bank, Ltd.	Issuer(Short-term)	September 15, 2017	J-1	
Rakuten Bank, Ltd.	Issuer(Short-term)	April 9, 2018	J-1	
Rakuten Bank, Ltd.	Issuer(Short-term)	November 1, 2018	J-1	
Rakuten Bank, Ltd.	Issuer(Short-term)	October 16, 2019	J-1	
Rakuten Bank, Ltd.	Issuer(Short-term)	September 23, 2020	J-1	
Rakuten Bank, Ltd.	Issuer(Short-term)	October 4, 2021	J-1	
Rakuten Bank, Ltd.	Issuer(Short-term)	October 4, 2022	J-1	
Rakuten Bank, Ltd.	Issuer(Short-term)	June 21, 2023	J-1	

## The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Rakuten Securities, Inc.	Issuer(Long-term)	May 1, 2023	A	Negative
Rakuten Securities, Inc.	Issuer(Long-term)	May 16, 2023	#A	Negative
Rakuten Securities, Inc.	Issuer(Long-term)	June 21, 2023	A-	Negative

## The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Rakuten General Insurance Co.,	Issuer(Long-term)	March 22, 2002	A-	
Rakuten General Insurance Co.,	Issuer(Long-term)	February 7, 2003	A-	
Rakuten General Insurance Co.,	Issuer(Long-term)	December 24, 2004	A-	
Rakuten General Insurance Co.,	Issuer(Long-term)	January 31, 2006	A-	Stable
Rakuten General Insurance Co.,	Issuer(Long-term)	January 10, 2007	A-	Stable
Rakuten General Insurance Co.,	Issuer(Long-term)	January 25, 2008	A-	Stable
Rakuten General Insurance Co.,	Issuer(Long-term)	April 28, 2009	BBB+	Stable
Rakuten General Insurance Co.,	Issuer(Long-term)	September 2, 2010	BBB+	Stable
Rakuten General Insurance Co.,	Issuer(Long-term)	November 9, 2011	BBB+	Stable
Rakuten General Insurance Co.,	Issuer(Long-term)	January 11, 2013	BBB+	Stable
Rakuten General Insurance Co.,	Issuer(Long-term)	January 22, 2014	BBB+	Stable
Rakuten General Insurance Co.,	Issuer(Long-term)	May 8, 2015	BBB+	Stable
Rakuten General Insurance Co.,	Issuer(Long-term)	July 7, 2016	BBB+	Stable
Rakuten General Insurance Co.,	Issuer(Long-term)	July 7, 2017	BBB+	Stable
Rakuten General Insurance Co.,	Issuer(Long-term)	January 29, 2018	#BBB+	Positive
Rakuten General Insurance Co.,	Issuer(Long-term)	March 14, 2018	A	Stable
Rakuten General Insurance Co.,	Issuer(Long-term)	April 9, 2018	A	Negative
Rakuten General Insurance Co.,	Issuer(Long-term)	November 1, 2018	A	Negative
Rakuten General Insurance Co.,	Issuer(Long-term)	October 16, 2019	A	Negative
Rakuten General Insurance Co.,	Issuer(Long-term)	September 23, 2020	A	Negative
Rakuten General Insurance Co.,	Issuer(Long-term)	October 4, 2021	A	Negative
Rakuten General Insurance Co.,	Issuer(Long-term)	October 4, 2022	A	Negative
Rakuten General Insurance Co.,	Issuer(Long-term)	May 16, 2023	#A	Negative
Rakuten General Insurance Co.,	Issuer(Long-term)	June 21, 2023	A-	Negative



## The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Rakuten Life Insurance Co., Ltd.	Issuer(Long-term)	March 29, 2024	A-	Negative
Rakuten Life Insurance Co., Ltd.	Ability to Pay Insurance Claims	March 29, 2024	A-	Negative

## Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Tomohiro Miyao, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

宮尾 知浩

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