

FY2023 First Quarter Consolidated Financial Results CEO Group Strategy

May 12, 2023

Rakuten Group, Inc.



Topics

1 Q1/23 Summary

2 Q1/23 Business Updates

- ◆ Mobile
- ◆ Rakuten Symphony
- ◆ Internet Services
- ◆ FinTech

3 Financial Strategy

4 Vision 2030

5 ESG

1. Q1/23 Summary

Q1/23 Summary

- Consolidated EBITDA improved further after becoming profitable in the previous quarter

Internet Services

- Domestic EC GMS achieved consistent and robust growth in the post-pandemic period
- Rakuten Ichiba and Rakuten Mobile showed strong synergies such as user referrals from Rakuten Ichiba to Rakuten Mobile and lifting of Ichiba GMS by mobile subscribers

FinTech

- Achieved robust growth: Revenue +7.6% YoY, OI +20.4% YoY led by Rakuten Bank and Rakuten Securities
- Rakuten Bank listed on the Tokyo Stock Exchange Prime Market on April 21

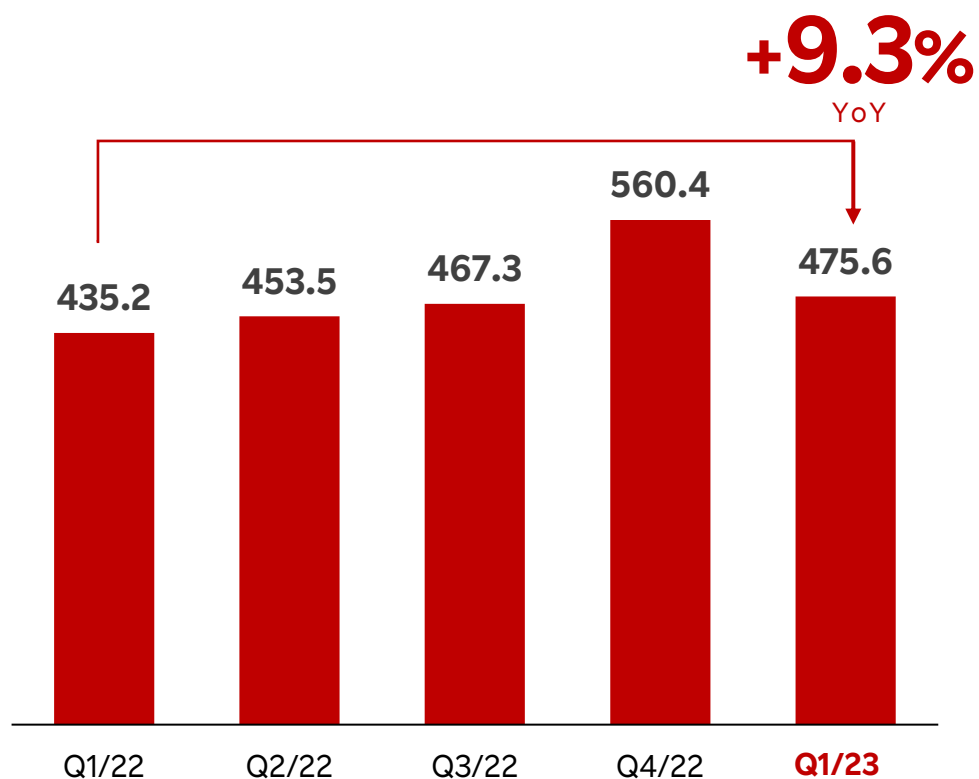
Mobile

- Delivered continued loss improvement and revenue growth
- A new and upgraded roaming agreement will enable us to deliver significant improvement in user experience

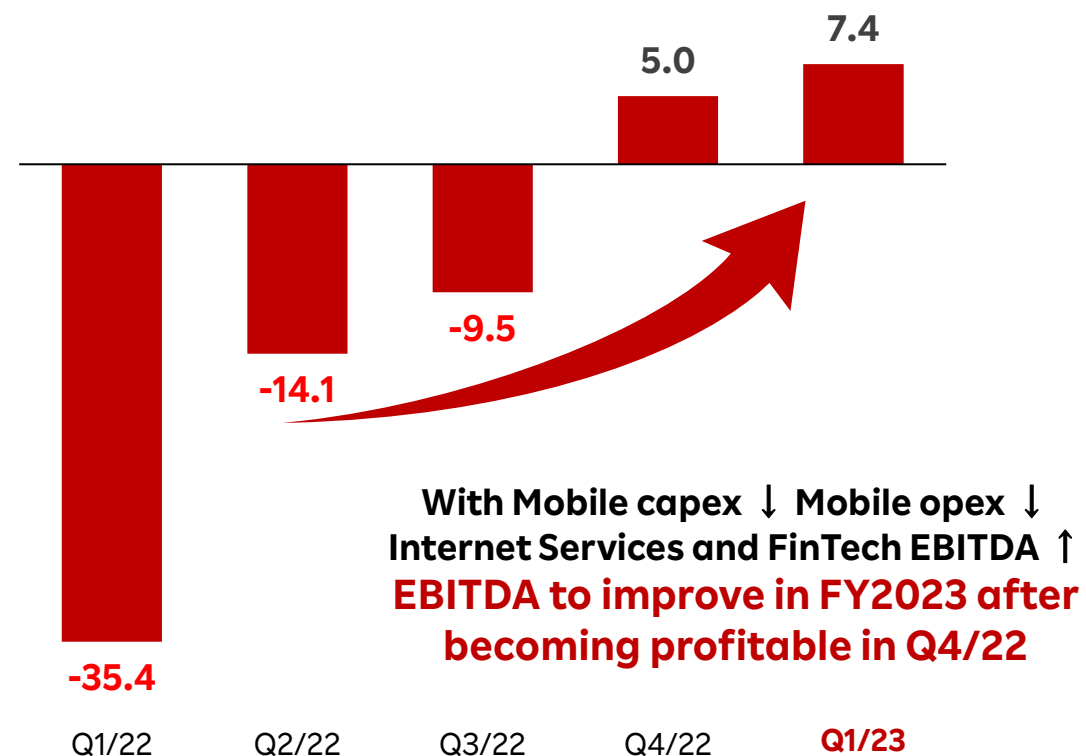
Continued Improvement of Rakuten Group Consolidated EBITDA

- Aiming to improve consolidated EBITDA profitability throughout FY2023

Consolidated Revenue (JPY bn)

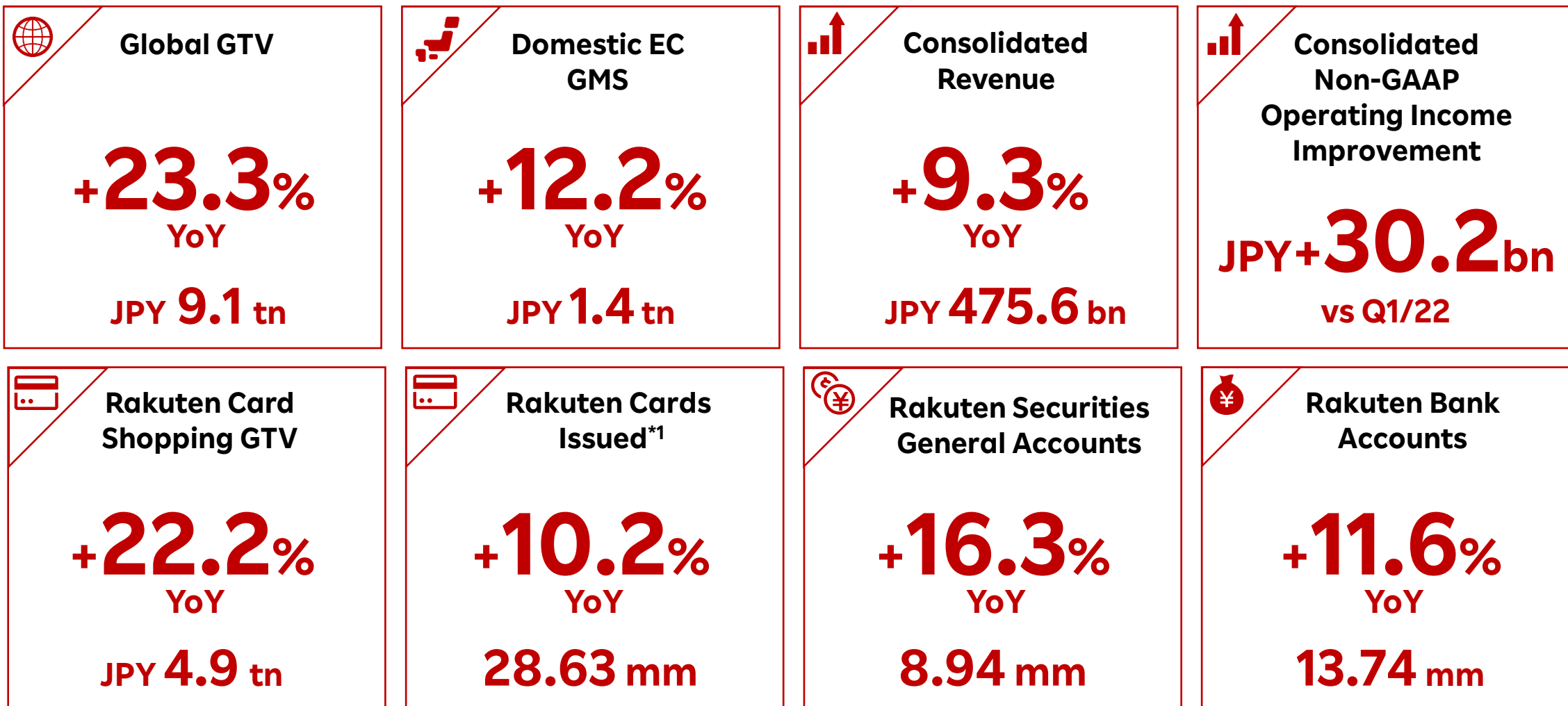


Consolidated EBITDA (JPY bn)



Q1/23 Key KPIs

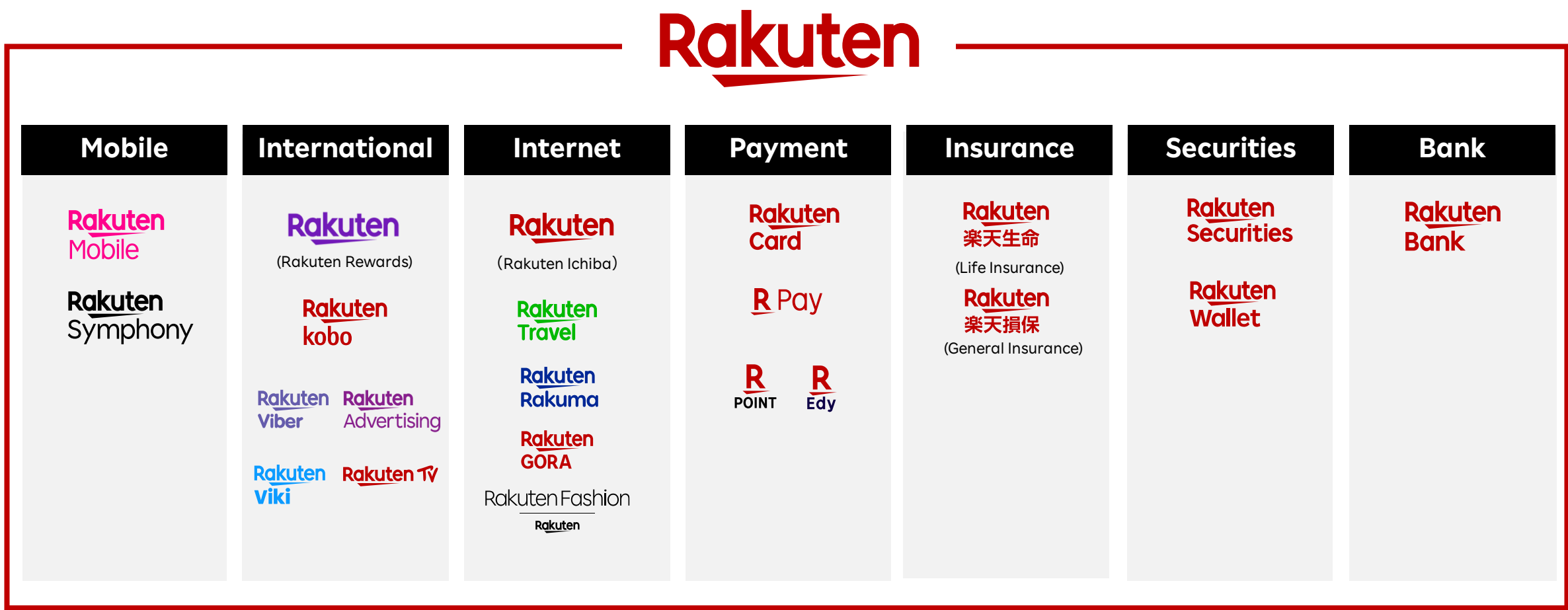
■ Strong growth from all segments



*1 Includes issuance of second cards to same customers

Rakuten Group Main Business Line

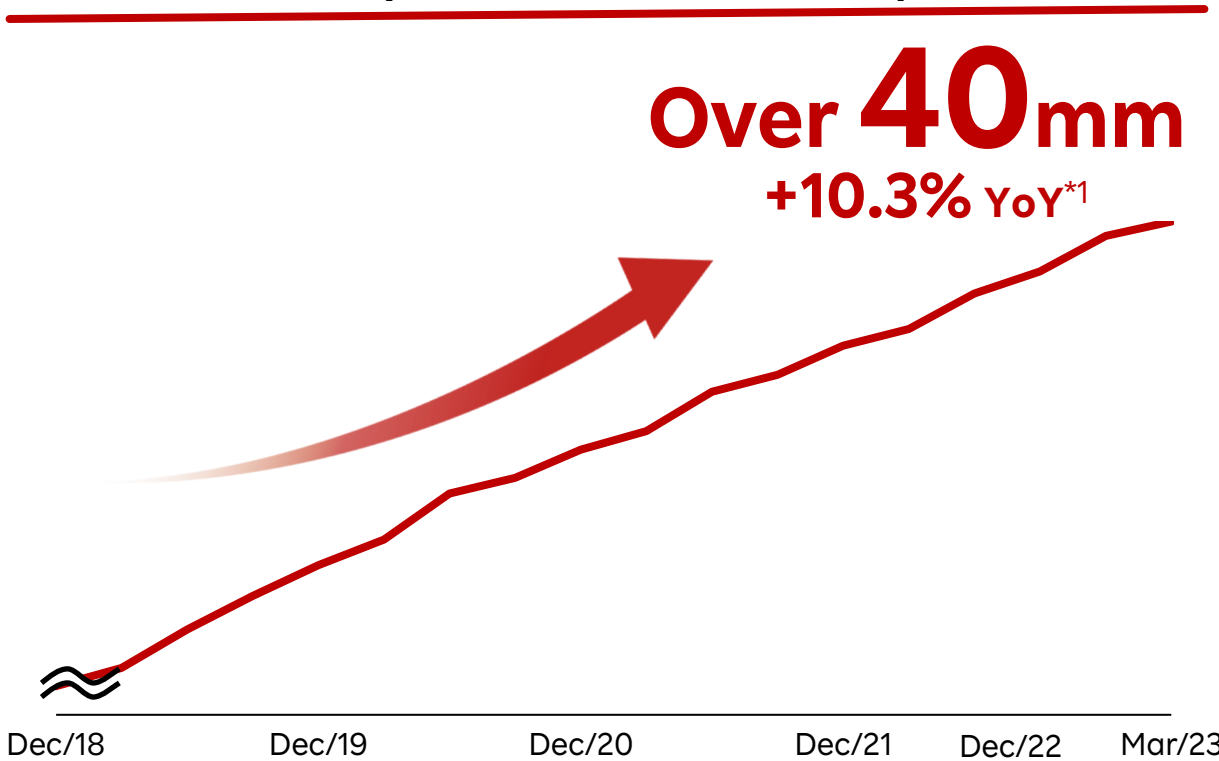
■ Established the leading position in each market



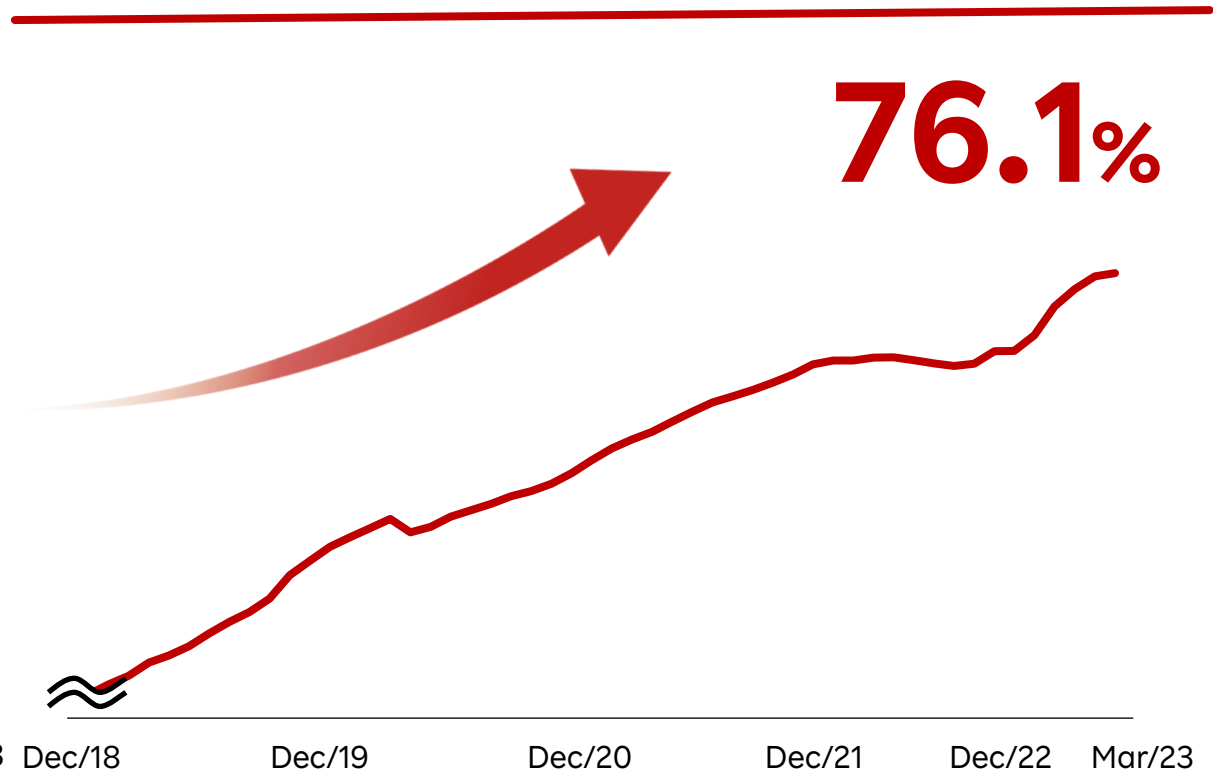
Rakuten Ecosystem as a Bedrock of Rakuten Group

■ Over 40 million active members driving growth in various businesses

Monthly Active User Growth in Japan



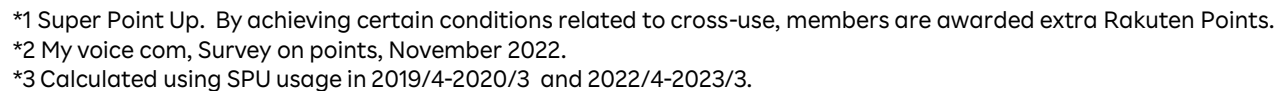
Ratio of Users of Two or More Services*2



*1 Comparison of monthly active users in March 2023 versus March 2022.

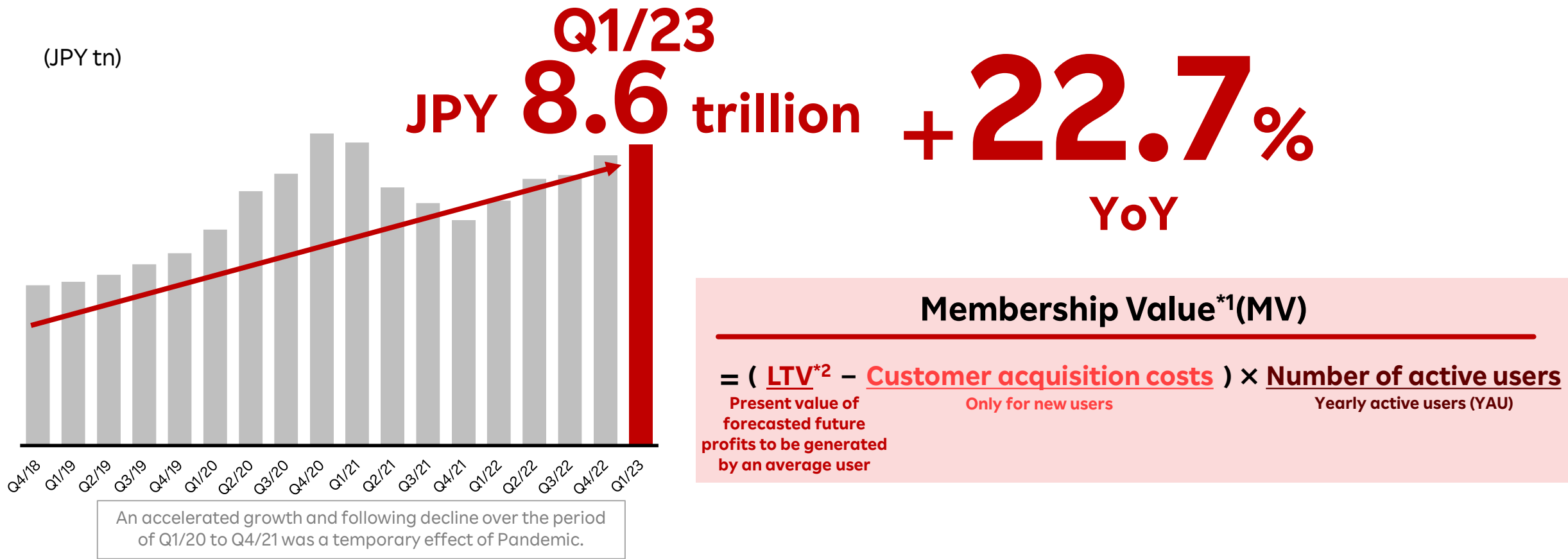
*2 Percentage calculated by dividing the number of users of two or more services in the past 12 months by the number of users of all services in the past 12 months (as of the end of March 2023).
(Limited to the use of services that can earn Rakuten Points.)

■ **Rakuten Point ranks no. 1 in satisfaction^{*2} and SPU growth is robust**



Rakuten Ecosystem Membership Value

- Membership Value increased due to an increase in active users, an increase in ARPU, and an improvement in the retention rate in the main businesses (especially Rakuten Ichiba and Rakuten Travel).



*1 Calculated by Rakuten Group

*2 LTV=Abbreviation for Lifetime Value. $LTV = \sum (ARPU \times Profit\ Rate^{*3} \times Retention) \div (1 + Discount)^{K-1}$ ①K is Projection Years ②ARPU=Revenue/YAU
 Profit Rate = $\{(Revenue \times Marginal\ profit\ ratio) - Retention\ cost^{*4}\} \div Revenue$ ①Marginal profit = Revenue – Variable Cost (cost of revenue, commissions, etc.)
 Retention cost = Marketing costs- Customer acquisition cost ① Marketing cost = Advertising cost + Promotion cost + Point cost ②Customer acquisition cost = Marketing cost prorated to new users

2. Q1/23 Business Updates

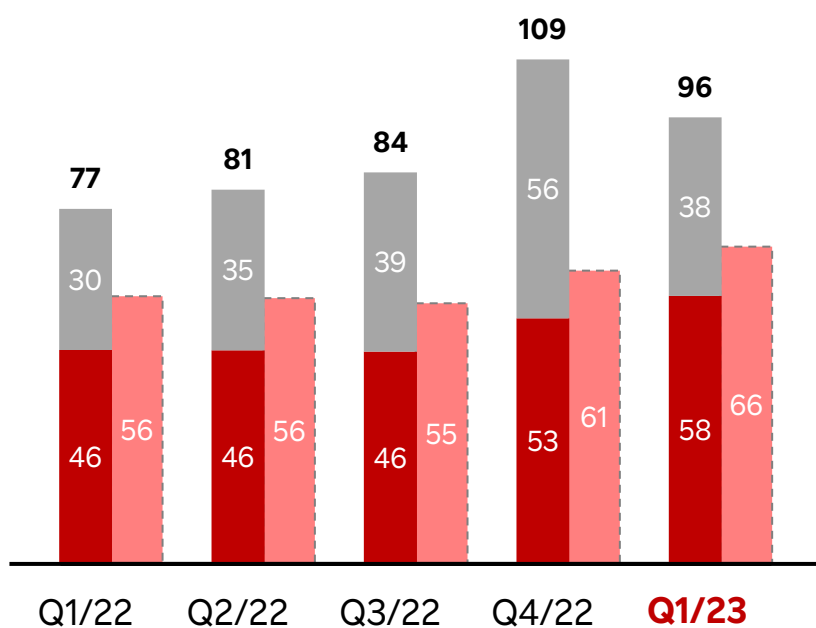
Mobile Segment

Q1/23 (JPY bn)	Revenue	YoY	Operating Income	YoY
Rakuten Mobile	57.9	+25.3%	-98.9	JPY +26.2 bn
Others	38.5	+26.4%	-3.8	JPY +3.4 bn
Mobile Segment	96.3	+25.7%	-102.6	JPY +29.7 bn

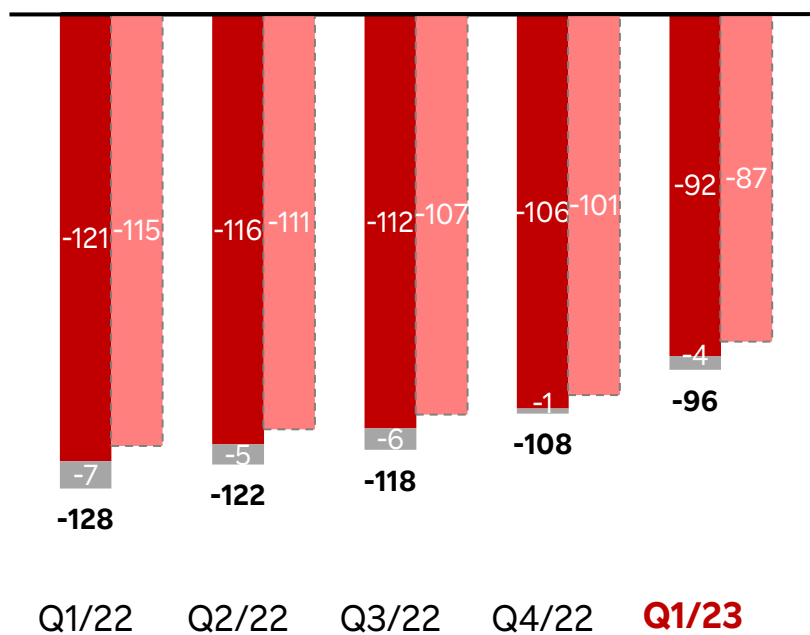
Track Record of Revenue Growth and Profit Improvement

(JPY bn)

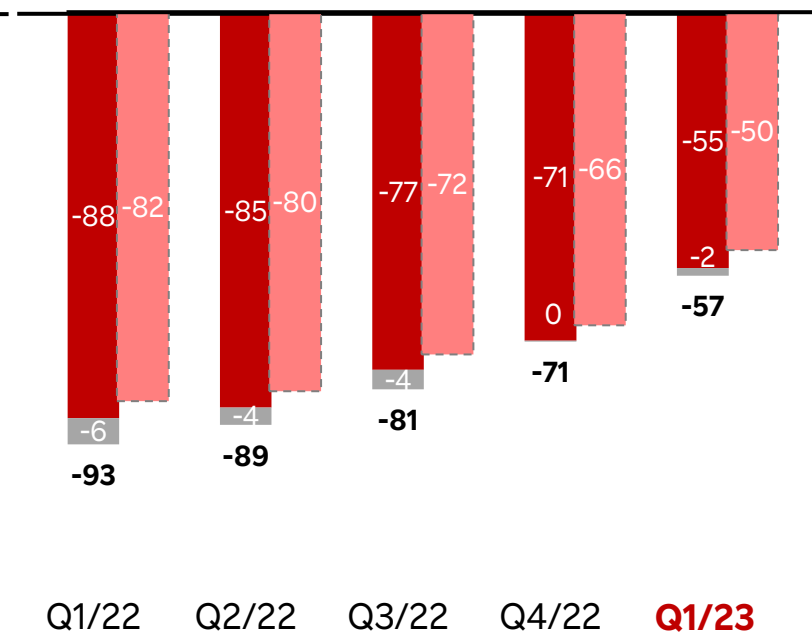
Mobile Segment Revenue ^{*1}



Mobile Segment Operating Income ^{*1*2}



Mobile Segment EBITDA ^{*1*2}



■ Rakuten Mobile, Inc. ■ Others ■ Rakuten Mobile, Inc. Pro Forma (including Ecosystem Uplift) ^{*3}

^{*1} Beginning in Q1 2023, certain media and entertainment businesses previously included in the Mobile Segment were transferred to the Internet Services segment. Previous quarters have been restated to reflect this reorganization.

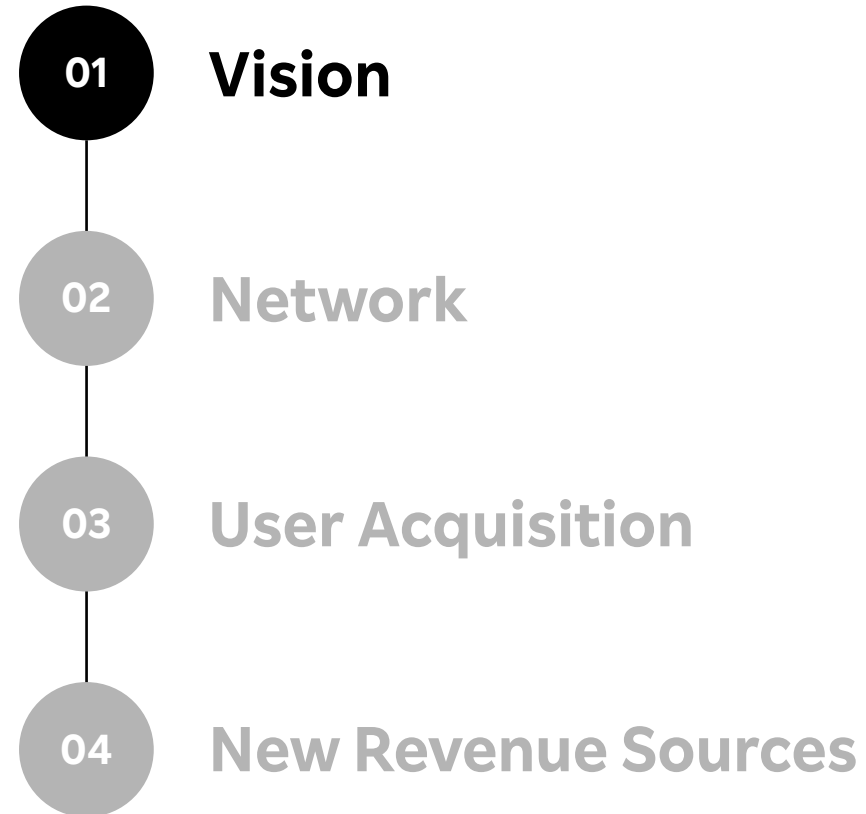
^{*2} Excluding property tax from Q1/22 and Q1/23 from Rakuten Mobile, Inc and Rakuten Mobile, Inc. Pro Forma (including Ecosystem Uplift)

^{*3} Ecosystem Uplift is the difference in average revenue, operating income and EBITDA between MNO users and non-MNO users over the past year at ten businesses (Rakuten Ichiba, Rakuten Books, Rakuten Direct, Rakuten Bic, Rakuten Kobo, Rakuten Fashion, Rakuten Travel, Rakuten Seiyu Netsuper, Rakuten Beauty, Rakuten Pay online payment)

Rakuten Mobile

- 01 Vision
- 02 Network
- 03 User Acquisition
- 04 New Revenue Sources

Rakuten Mobile



A background image of the Tokyo skyline at sunset, with the Tokyo Skytree tower prominently visible in the center. The sky is a mix of orange, red, and purple hues, and the city lights are beginning to glow.

Rakuten Mobile aspires to be the

No. 1 carrier in Japan

and return value to consumers

Unique value that only Rakuten Mobile can deliver to consumers

Backed by

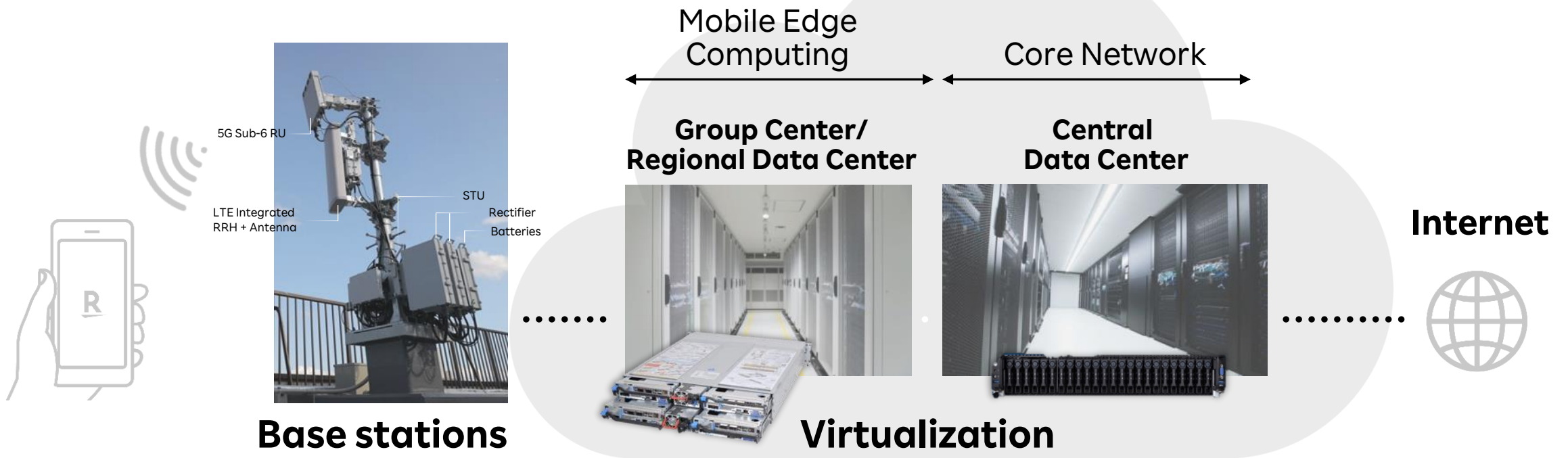
- **No. 1 Ecosystem**
- **Considerable cost structure advantage provided by latest network technology**



Cost Structure Advantage Allows Rakuten Mobile to be a Price Leader

- Our latest technology / network give us a competitive advantage in capital expenditure and operating expense

World's First* End to End Fully Virtualized Cloud-Native Mobile Network

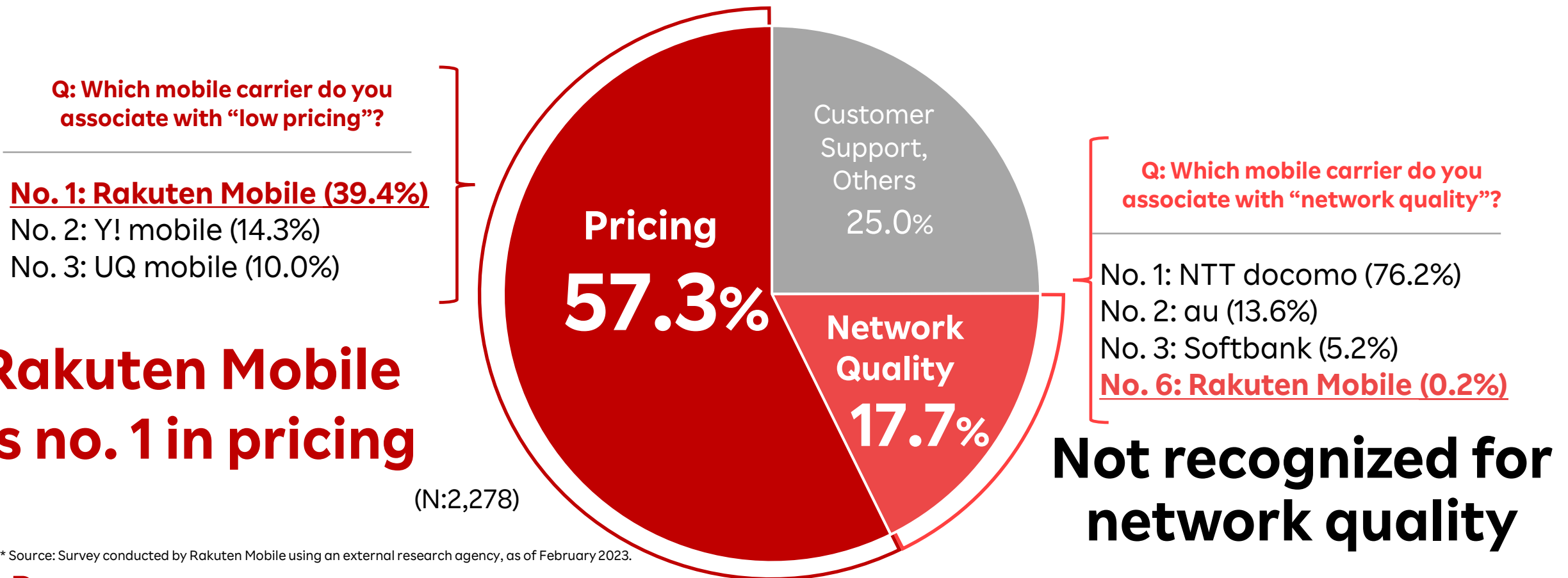


*For a large scale commercial mobile network (as of October 1, 2019). Research: Stella Associa

Why Can We Become the No.1 Carrier?

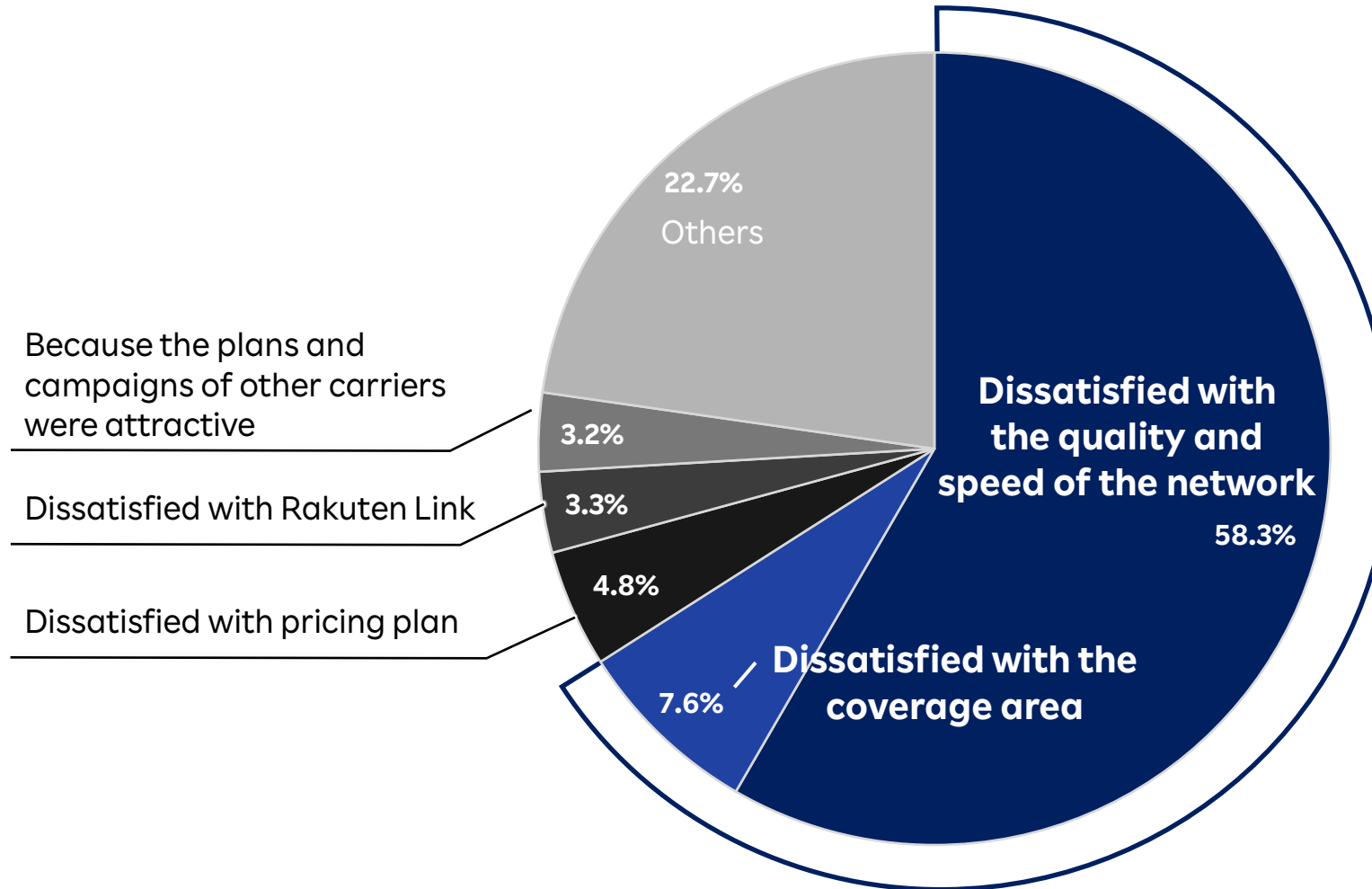
- Pricing is by far the most important factor in choosing a carrier as long as **network quality** is delivered

Factors Consumers Consider Most Important when Choosing a Mobile Carrier



Why Are Customers Churning?

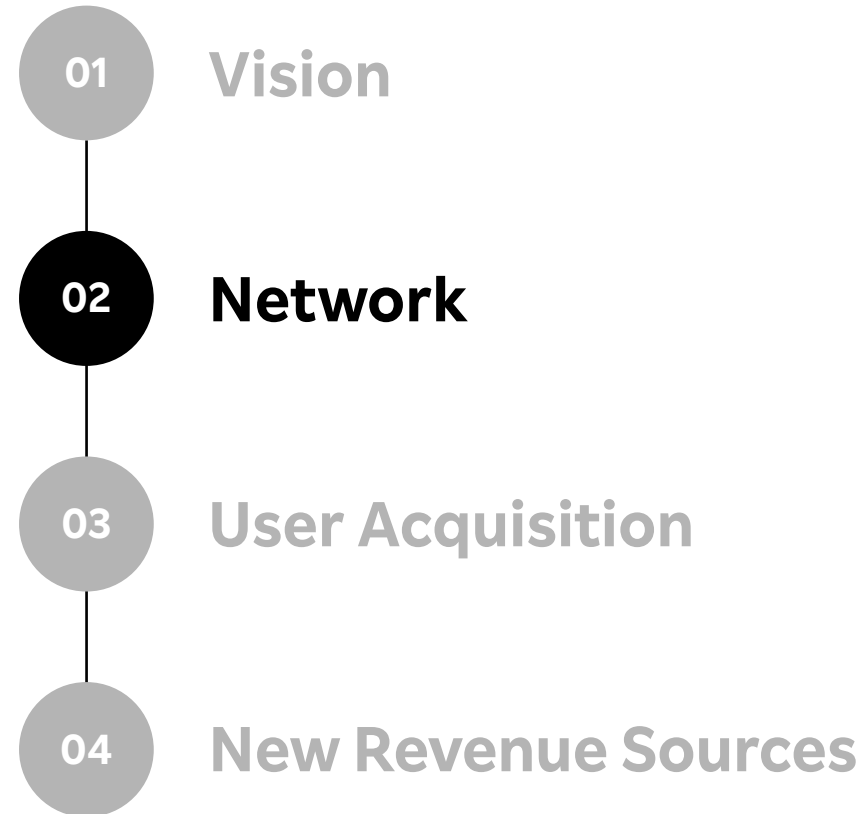
- Improving quality of network is the key to further decrease churn



Majority of churn today is related to “network quality”

* Source: Rakuten Mobile customer churn survey (cumulative, January to March 2023). Percentage excluding "I don't know/I don't want to answer"

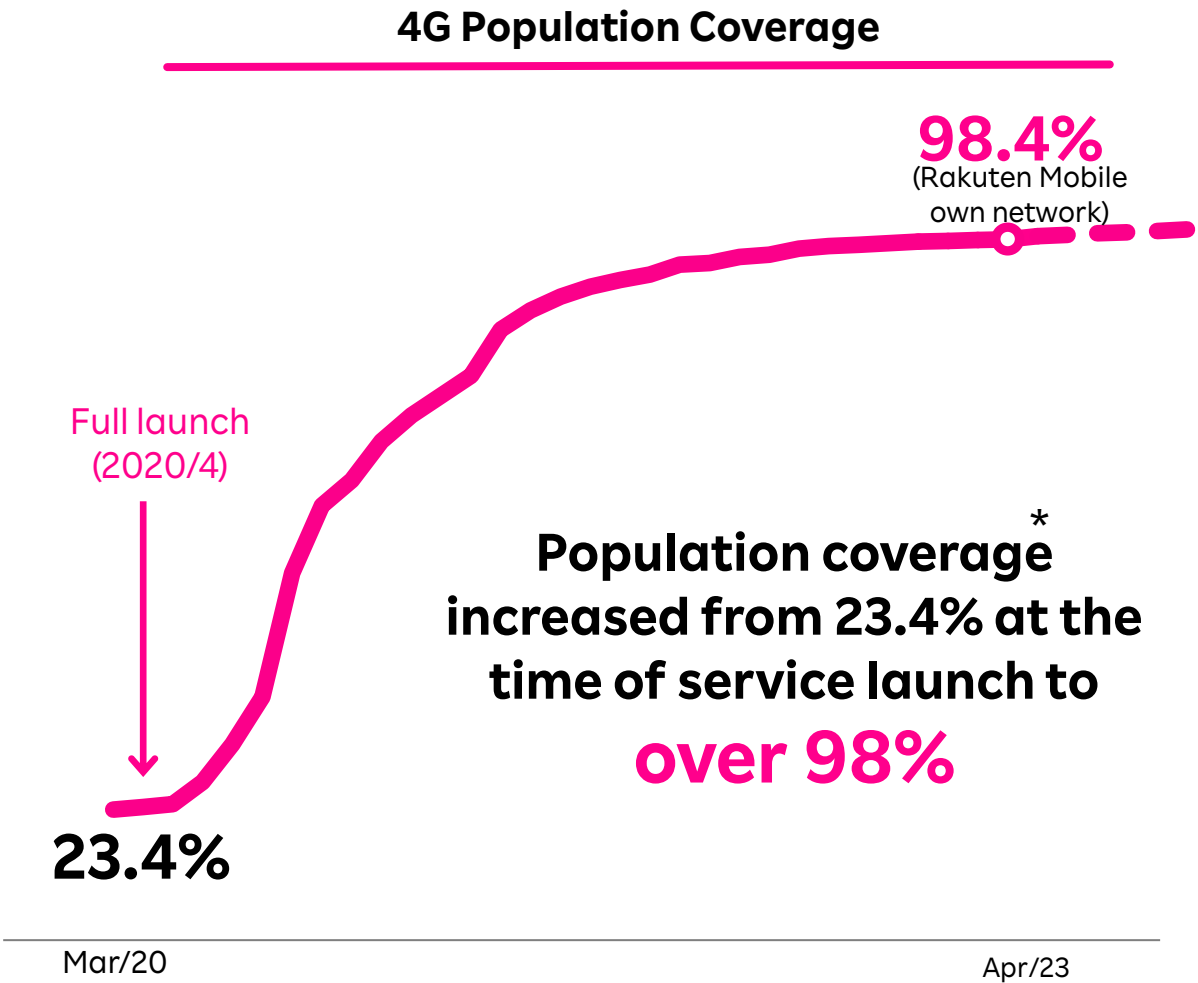
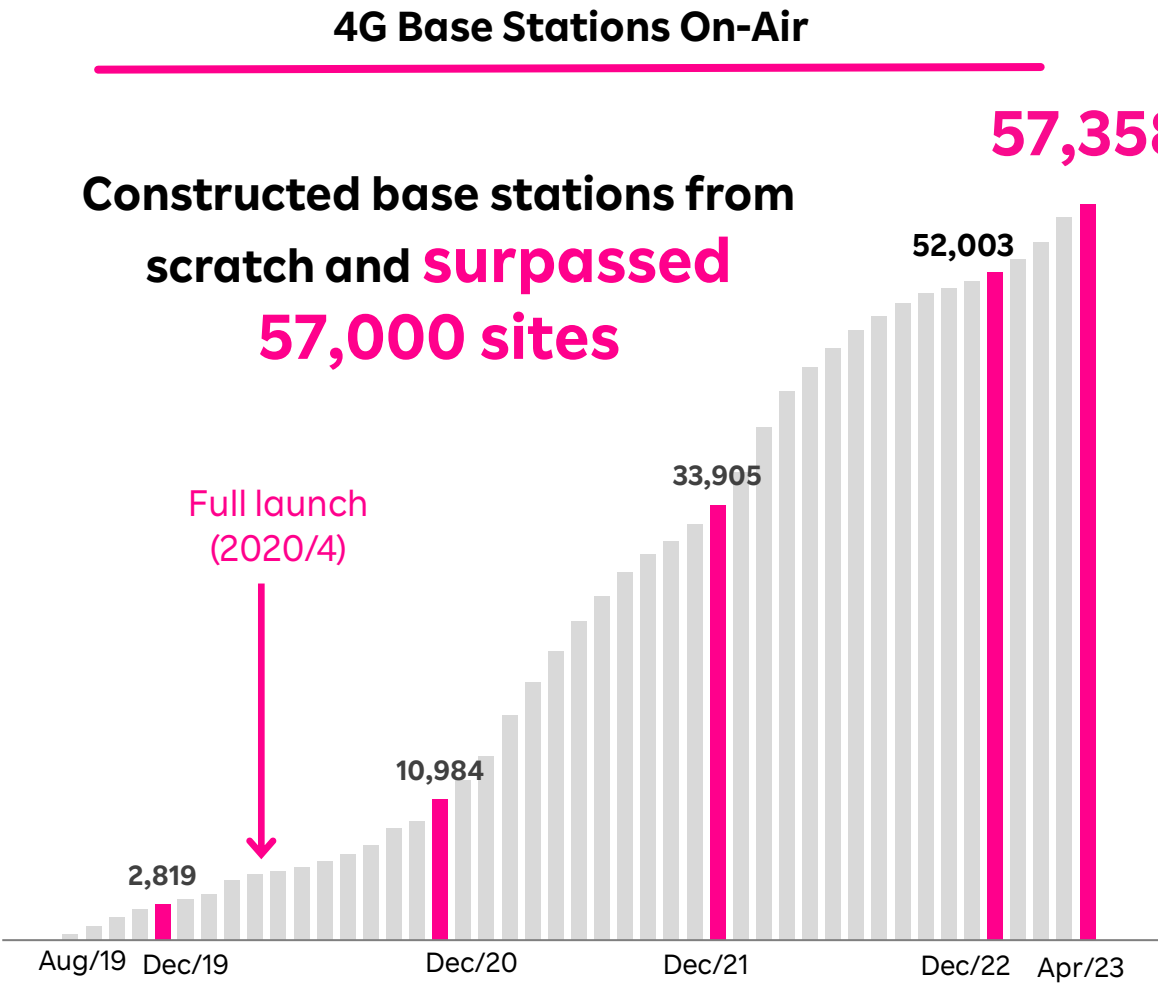
Rakuten Mobile



Rakuten Mobile's Biggest Challenge

“Network Quality”

Majority of 4G Deployment Already Done



* Population coverage is calculated based on areas where communication is available in 50% or more of the locations in approximately 500-meter blocks used in the census.

Voice of Customers

It really helps to have unlimited usage at fixed cost.

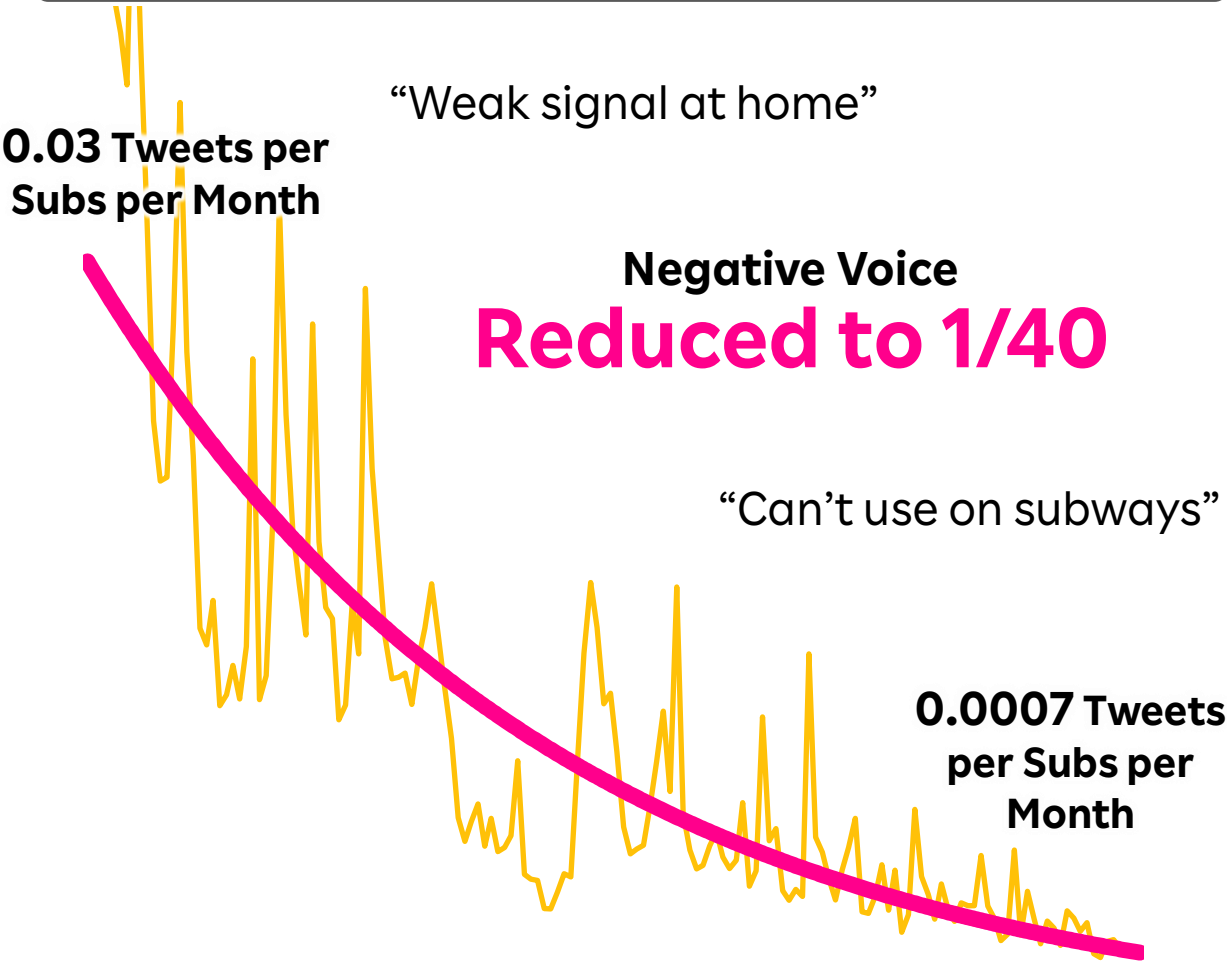
Good price for the amount of data I need.

It is great that I can use points to pay for mobile.

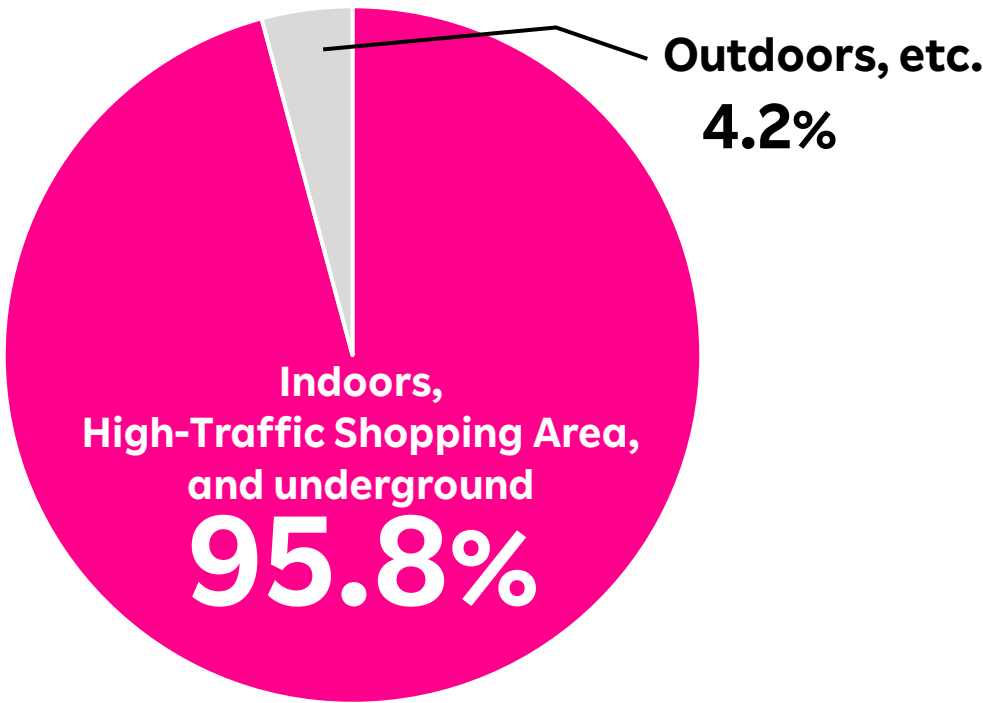
I am glad I switched to Rakuten. It is cheaper than other carriers.

Issues for Further Improvement in “Network Quality”

No. of Negative Tweets about Network Quality



Locations that Customers are Requesting for Improvement in Signal



To solve connectivity issues for “Indoors and High-Traffic Shopping area”
Platinum Band is a Must
(but it will take time before being on-air)

**Provide “the best
network quality” to
customers
~~one year later~~
immediately**



June 2023

Strengthening Partnership with KDDI

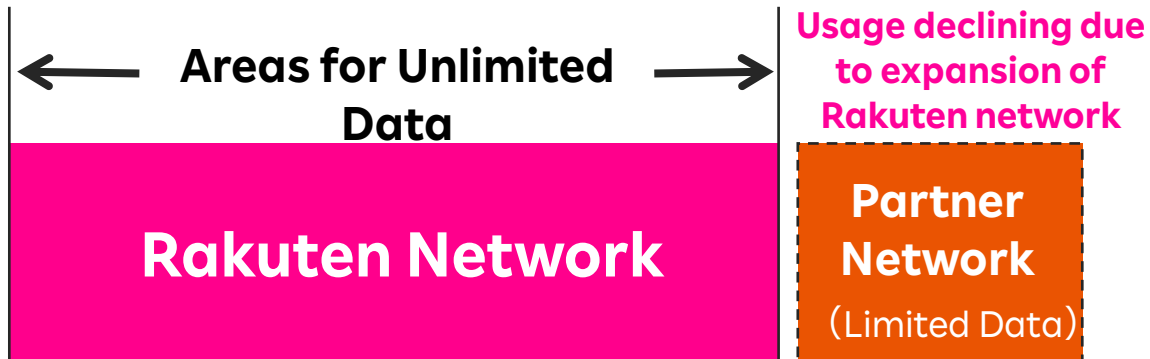
**Bringing network quality
and achieve 99.9% population coverage,
the highest level in the industry***

*Unlimited high-speed data areas

Immediate Improvement in Network Quality from June 2023

Population coverage as of end April 2023

98.4%*



- Rakuten Mobile do not have platinum band at this time
- Sometimes difficult to connect in indoors, high-traffic shopping area / high-rises.

Population coverage after June 2023

99.9%*



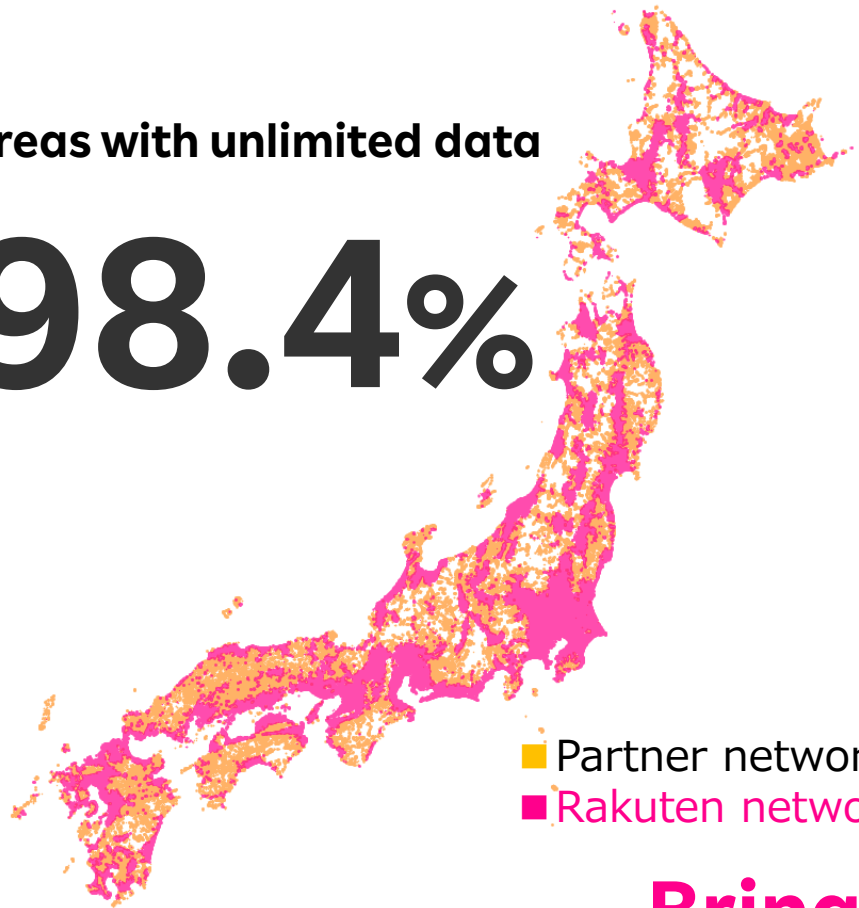
- Maximum usage of Partner Network (Platinum Band)
- Easy to connect anywhere nationwide, including indoors, high-traffic shopping area / high-rises.

Area Map thanks to New Roaming Agreement

Current (April 2023)

Areas with unlimited data

98.4%

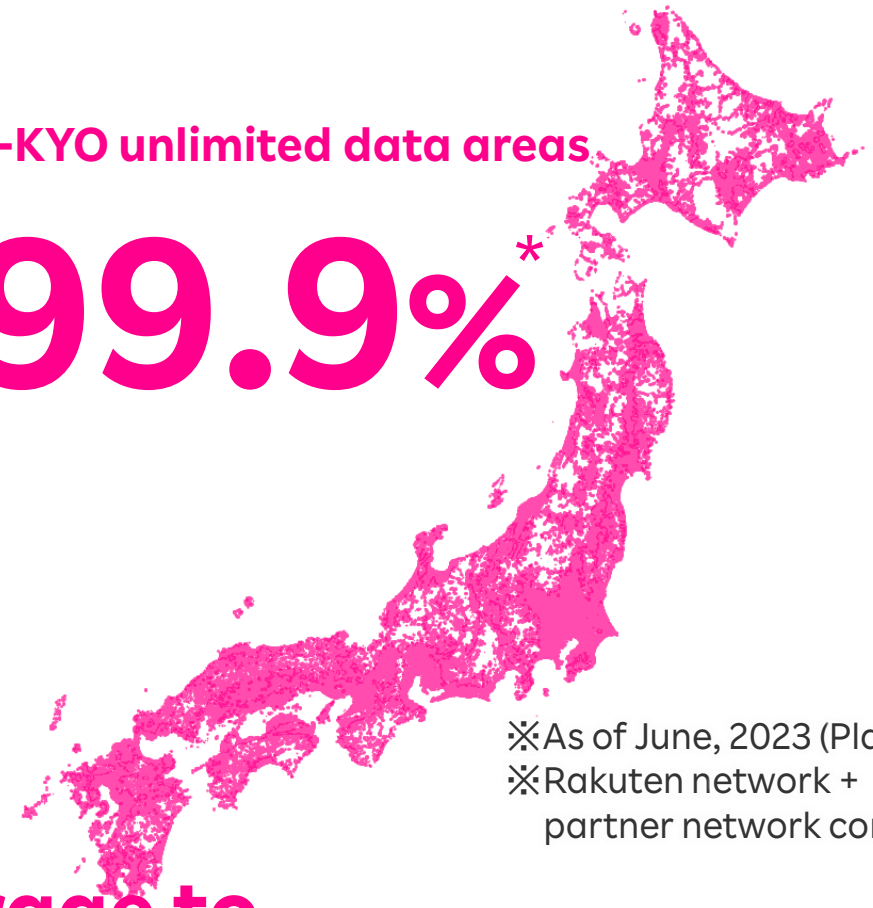


■ Partner network area
■ Rakuten network area

From June 2023

SAI-KYO unlimited data areas

99.9%*



※As of June, 2023 (Planned)
※Rakuten network +
partner network combined

Bringing coverage to
“the highest level in the industry”

Announcing today
SAI-KYO
Single Plan

Rakuten

最強
プラン

(SAI-KYO PLAN – The Strongest Plan)

Pricing Plan until Now

Rakuten UN-LIMIT VII

Rakuten Network Areas

UNLIMITED
High-Speed Data

Partner Roaming Areas

Limited to
5GB
High-Speed Data

- Unlimited data at max speed of 1 Mbps over 5 GB
- Overage charge of JPY 600 (JPY 660 incl. tax) per additional 1 GB of high-speed data

Rakuten Mobile to be **最強**

Not only price, but good connectivity = The strongest carrier

Population coverage^{※1}

Good connectivity with 99.9% coverage,
the highest level in the industry

Pricing

Unlimited high-speed data usage for
Max 2,980 yen^{※2}
(excl. tax)

Overseas

Free high-speed
data
Up to 2 GB^{※3}

Domestic Calls

Free Calls with
Rakuten Link^{※4}

Rakuten Link Desktop

Free calls in Japan
even using PCs

Easy sign-up process

MNP 1 stop /
1 click application^{※5}^{※6}

Points

Shopping with^{※7}
max 16x points

※1. Unlimited high-speed data will be available in all network areas in Japan after June 2023. The population coverage rate is calculated based on the areas where communication is possible in 50% or more of the approximately 500m blocks used for the national census. ※2. In order to provide a fair service, there may be limits on data speed. Speed may be reduced depending on the environment. Call charges, etc. are not included. ※3. Added to the data usage fee of the plan. ※4. Some phone numbers are not covered. ※5. Sequentially from late May. ※6. Sequentially from the end of June. ※7. Shopping in Rakuten Ichiba. There are membership rank conditions.

Nationwide

Unlimited Use of High Speed Data Network

*1: Limited to network areas.

*2: Communication speed may be controlled in order to provide fair service.
Also, the speed may be reduced depending on the environment.

Reference: Conventional plan (Rakuten UN-LIMIT VII)
Roaming areas: Up to 1 Mbps after exceeding 5 GB

Overwhelmingly low price “As is”

Unlimited data usage^{*} for

Max 2,980 yen
(3,278 yen incl. tax)

Up to 3 GB: 980 yen (1,078 yen incl. tax) / 3-20 GB: 1,980 yen (2,178 yen incl. tax)

Better User Experience*

No Data Limit when Roaming



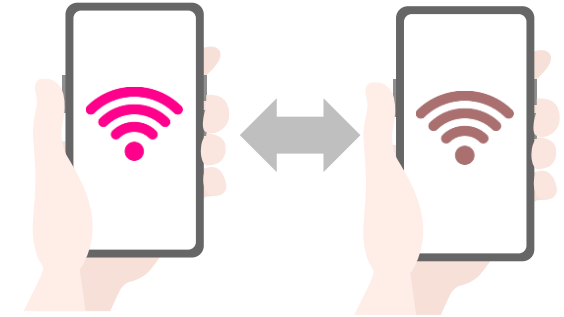
**Enjoy video streaming,
games, etc. in partner areas
(domestic) without worrying
about data consumption**

Easy to Connect Anywhere Nationwide



**Ability to connect indoors,
high-traffic shopping area /
high-rises by utilizing Partner
Network (domestic)**

When switching to Partner Network (A more smooth handover)



**Seamless switching
between Rakuten and
Partner Networks**

データ無制限エリアが超拡大!

Rakuten **最強プラン**

業界最高水準 人口カバ―率 **99.9%** ※1



日本全国の
通信エリアで **データ高速無制限**

2,980 ※通話料等別 円/月 税込3,278円

使わなければ勝手に安く **3GBまで980** 円/月 税込1,078円

※ 公平なサービスのため、速度制限の場合あり。環境により速度低下する場合あり。

※1 2023年5月時点。日本全国の通信エリアでデータ高速無制限になるのは2023年6月以降。人口カバー率は、国勢調査に用いられる約500m区画において、50%以上の場所で通信可能なエリアを基に算出。

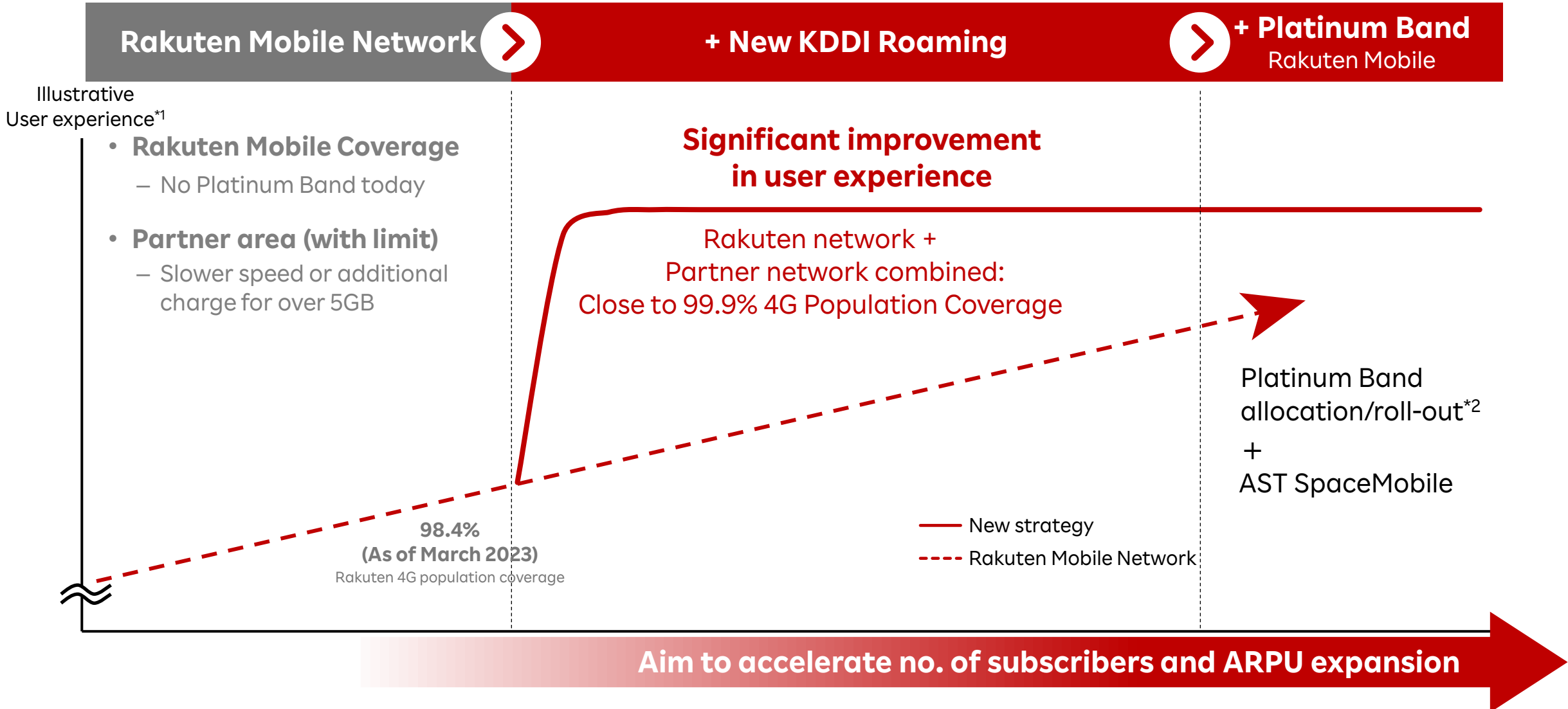
New Stage for Rakuten UN-LIMIT

Rakuten **最強プラン**

SAI-KYO PLAN

Launching June 1, 2023

Significant Improvement in User Experience thanks to New Roaming Agreement

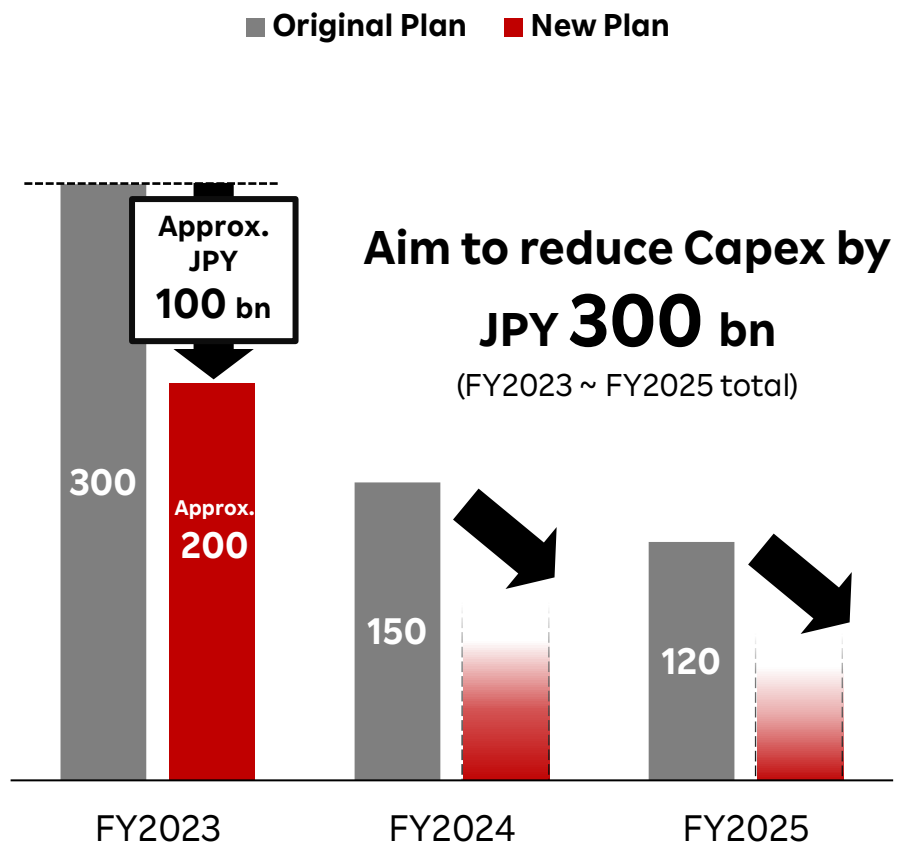


*1 Illustrative user experience based on expected population coverage, network connection and user experience. The graph is for illustrative purposes only and is not intended to be scaled to any actual objective measure.

*2 Platinum band has not been allocated to Rakuten Mobile as of May 2023. An allocation decisions by the Ministry of Internal Affairs and Communication is expected in Autumn 2023 at the earliest but there can be no assurance that we will achieve Platinum Band allocation as expected.

Financial Impact from New Roaming Agreement

Capital Expenditure^{*1 *2 *3}



^{*1} Including 1.7GHz, 3.7GHz, 28GHz, and indoors and excluding IFRS16 right-of-use assets, capitalization for specified base stations opening fee for 5G 1.7 GHz, etc.

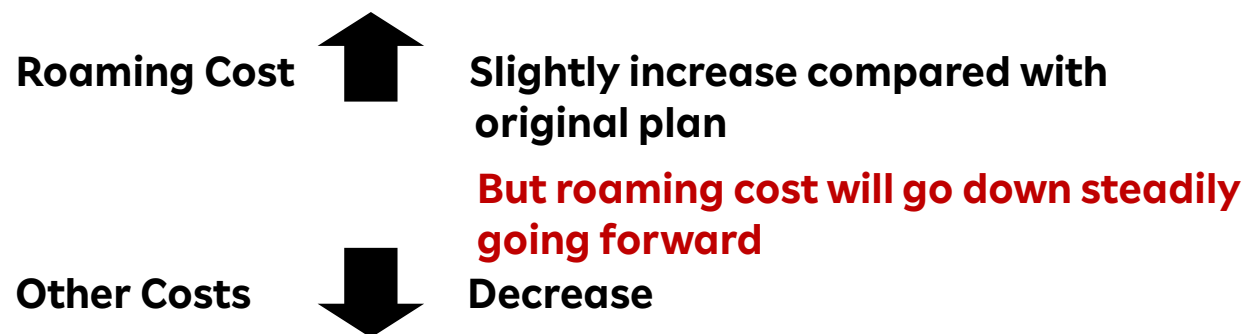
^{*2} May be affected by the delivery status of equipment related to base station construction.

^{*3} Platinum Band related capital expenditure is not fully included.

^{*4} Original cost reduction plan released at Q4/22 earnings result.

Operating Expense Network Cost (excl. Depreciation) + SG&A

Compared to the original plan announced in Q4/22



No change in cost reduction target of
Approx. JPY 15 bn/month^{*4}

**New roaming agreement
contributes the enhancement
of financial soundness**

Platinum Band – Two Tracks

- Rakuten Mobile will continue to pursue Platinum Band, analyzing opportunities in both 700MHz, 800MHz and 900MHz
- Rakuten Mobile has already expressed its desire to be allocated 700MHz*1

	700MHz	800MHz and 900MHz
①Progress	<ul style="list-style-type: none"> Technical verification completed, public comment pending*2 (Expected to be finalized in June 2023) Rakuten Mobile expressed our desire for early allocation (April 2023)*1 	<ul style="list-style-type: none"> Introduced a frequency reallocation system due to revision of the Radio Law (Oct. 22) MIC report released regarding the period and cost burden at the time of reallocation of Platinum Band (Dec. 22) Publication of the Manual for Proposals (Mar. 23)
②Overview	<ul style="list-style-type: none"> Currently not being used Uplink 3MHz, Downlink 3MHz 3MHz bandwidth can support approximately 11mm subscribers based on report*3 	<ul style="list-style-type: none"> Currently being used by three carriers Rakuten Mobile desires allocation of Uplink 15MHz, Downlink 15MHz
③Migration schedule & Migration cost	<ul style="list-style-type: none"> Not applicable since it is not being used now*4 	<ul style="list-style-type: none"> Rakuten Mobile can decide when to submit “Application for frequency allocation” Base stations can be built sequentially from the area where migration work is completed For migration cost, in principle, existing licensees bear the cost*5

*1 Reference: MIC’s “Survey on frequency usage of mobile communication systems”: https://www.soumu.go.jp/menu_news/s-news/01kiban14_02000583.html and Rakuten Mobile press release https://corp.mobile.rakuten.co.jp/news/press/2023/0419_01/

*2 Reference: MIC’s Report (Draft) Request for Comments: https://www.soumu.go.jp/menu_news/s-news/01kiban14_02000586.html

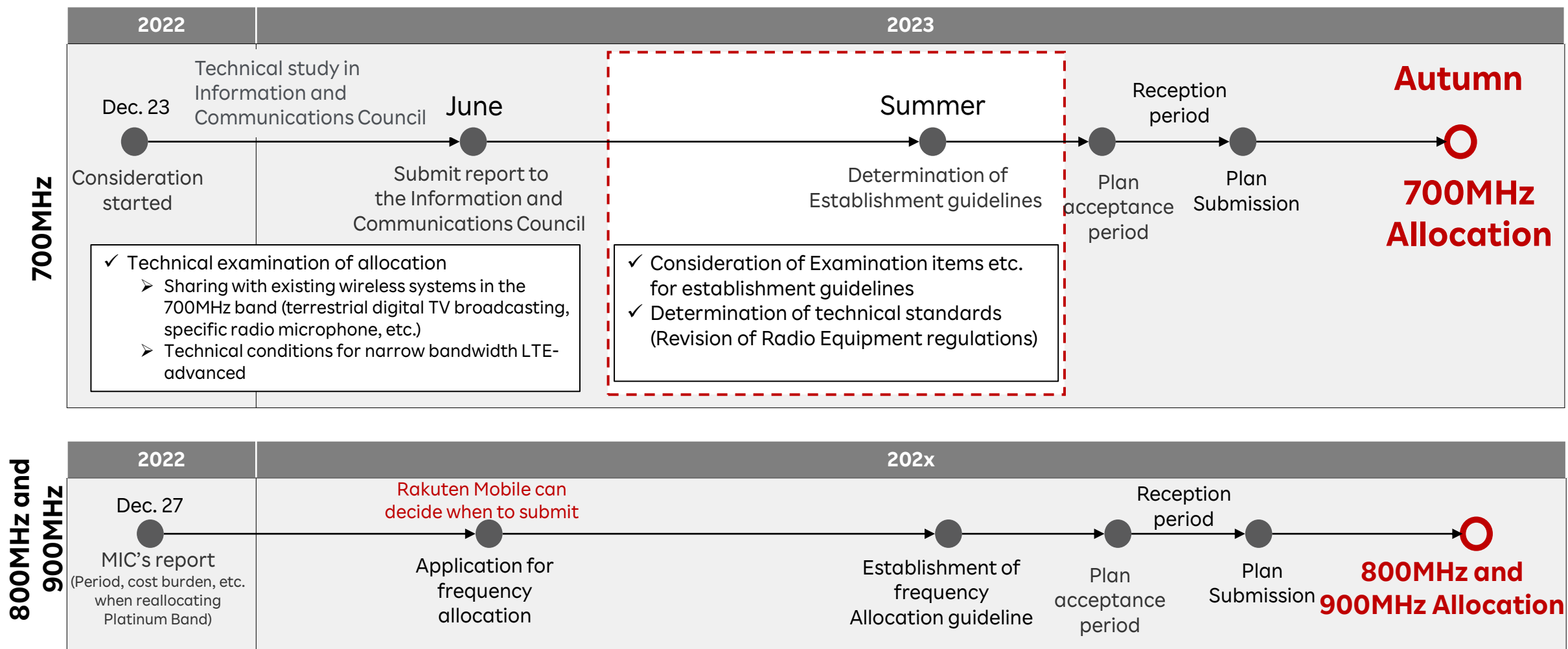
*3 Reference: MIC’s report “Task Force Report on Mobile Phone frequency re-allocation” https://www.soumu.go.jp/menu_news/s-news/01kiban09_02000456.html

*4 Some countermeasures against interference with adjacent bands are required. In addition, auction fee is charged separately.

*5 Auction fee is charged separately.

Platinum Band Allocation Schedule

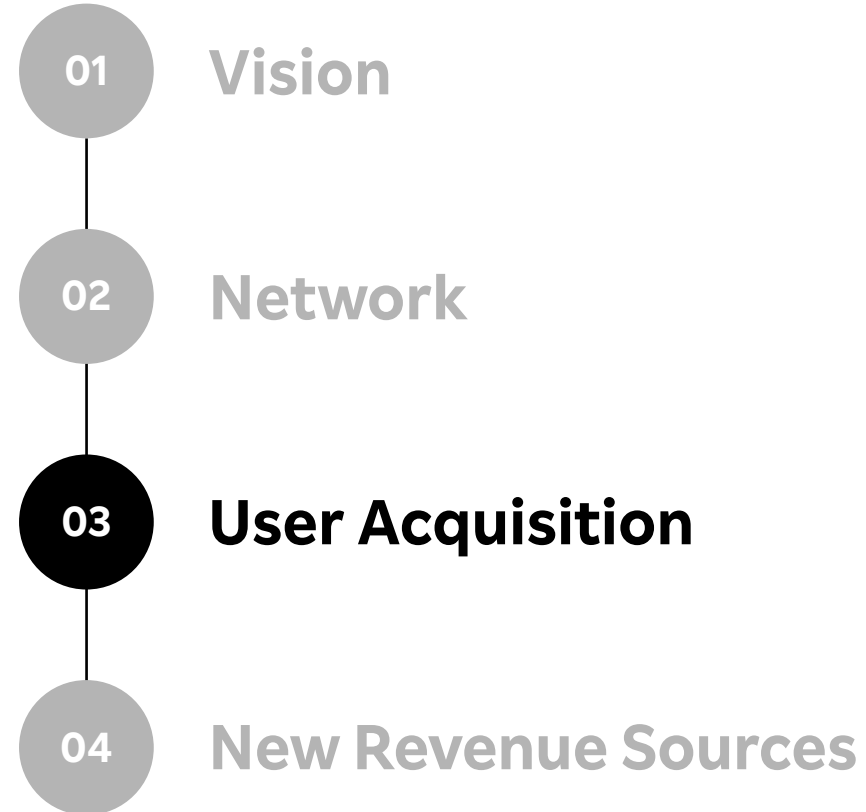
- MIC has indicated that the policy is “To allocate 700MHz around autumn 2023”.
- Continuing to pursue Platinum Band, analyzing opportunities in both 700MHz, 800MHz and 900MHz.



* Platinum Band has not been allocated to Rakuten Mobile as of May 2023.



Rakuten Mobile



MNP One-Stop Service Service will be Available from Late May 2023 (Plan)

- MNP had been a dam that kept subscribers from switching carriers

Current Procedure of MNP

- **Two steps:** Users need to issue an MNP reservation at the old carrier, then enter the MNP reservation number with the new carrier



**MNP to
Rakuten Mobile
will be even
easier**

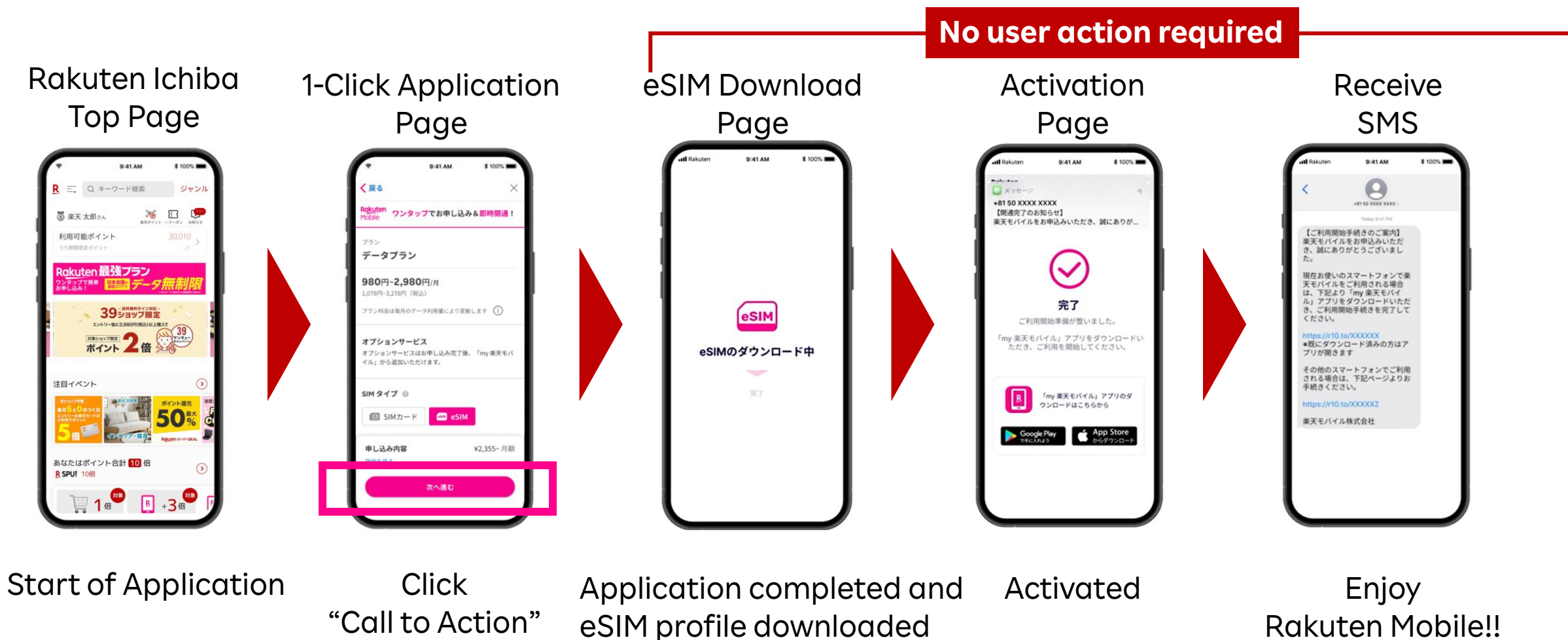
MNP One-Stop Service

- **One stop:** MNP One-Stop Service enables MNP procedures without issuing an MNP reservation number at the old carrier.



One Click Application

- Rakuten members can complete application and activation for “Rakuten SAI-KYO Plan” by one click

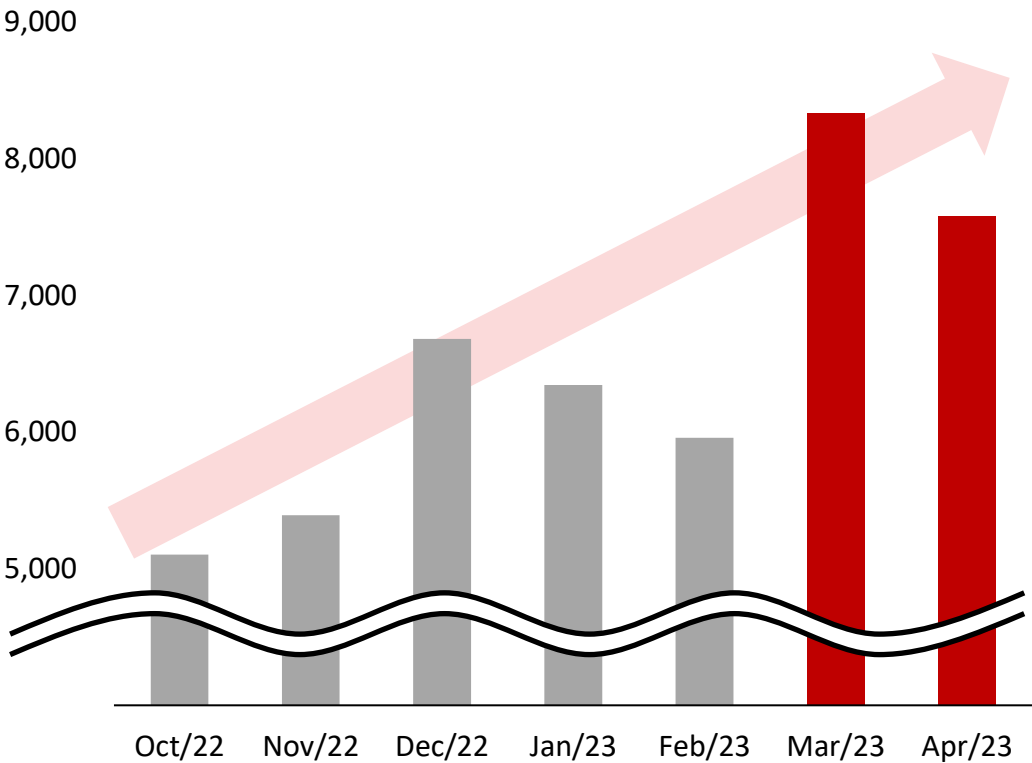


*eSIM compatible devices only. From June, the application flow for data SIM will be gradually expanded. The flow at the time of service release may be partially different from the above.

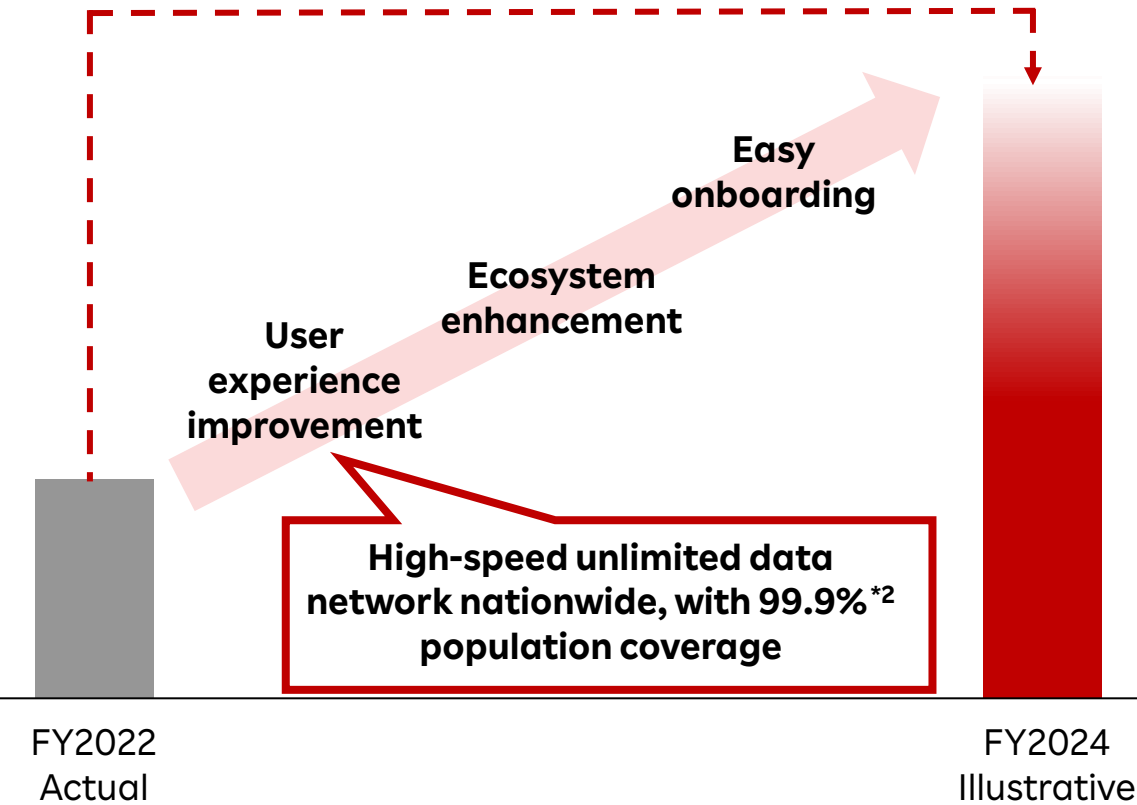
Steady Expansion of Loyal MNO Subscribers

■ Number of MNO Subscribers: 4.65mm*1 (B2C+B2B) as of May 10, 2023

MNO Acquisition Trend (Daily Average) (B2C+B2B)



Growth Drivers



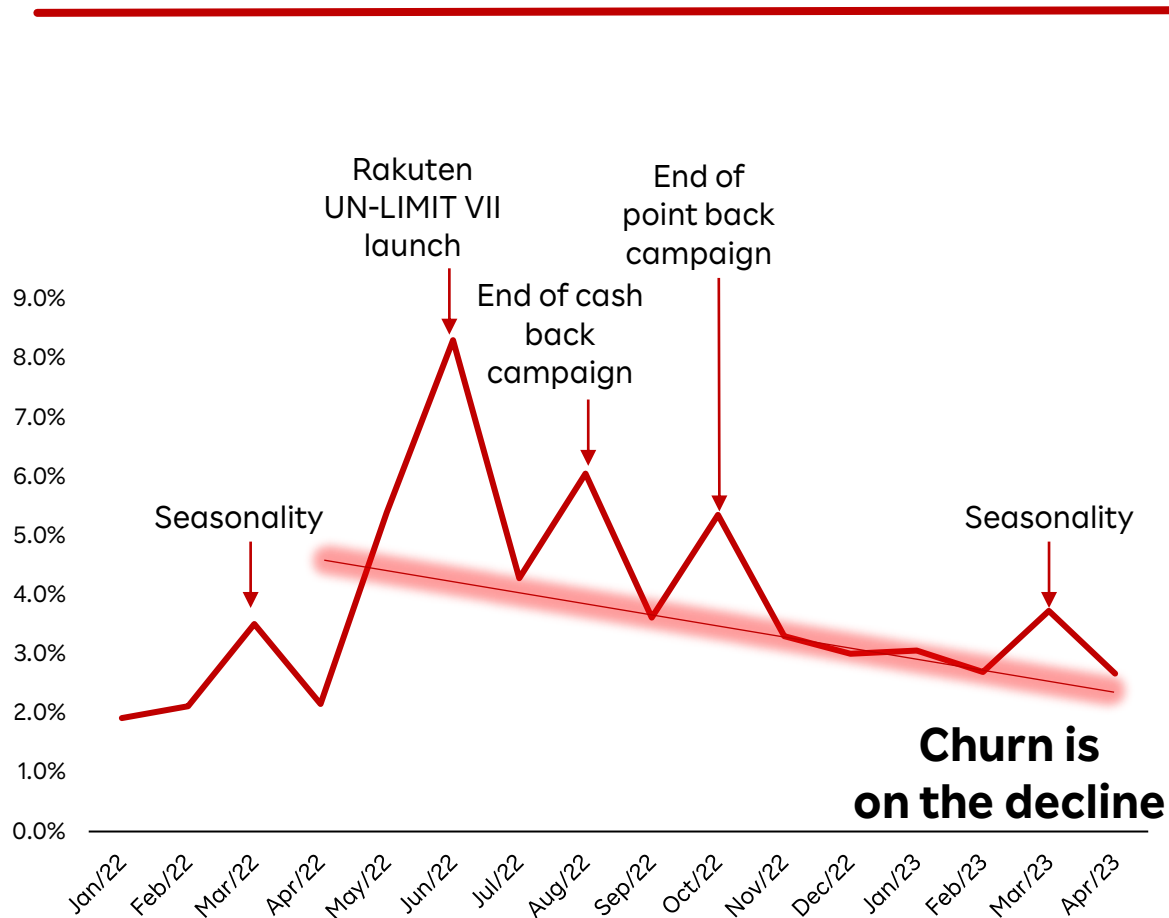
*1 Preliminary figure

*2 Unlimited high-speed data nationwide in Japan will be available after June 2023. Population coverage is calculated based on areas where communication is available in 50% or more of the locations in approximately 500-meter blocks used in the census.

Aiming for Churn (B2C) to Normalize

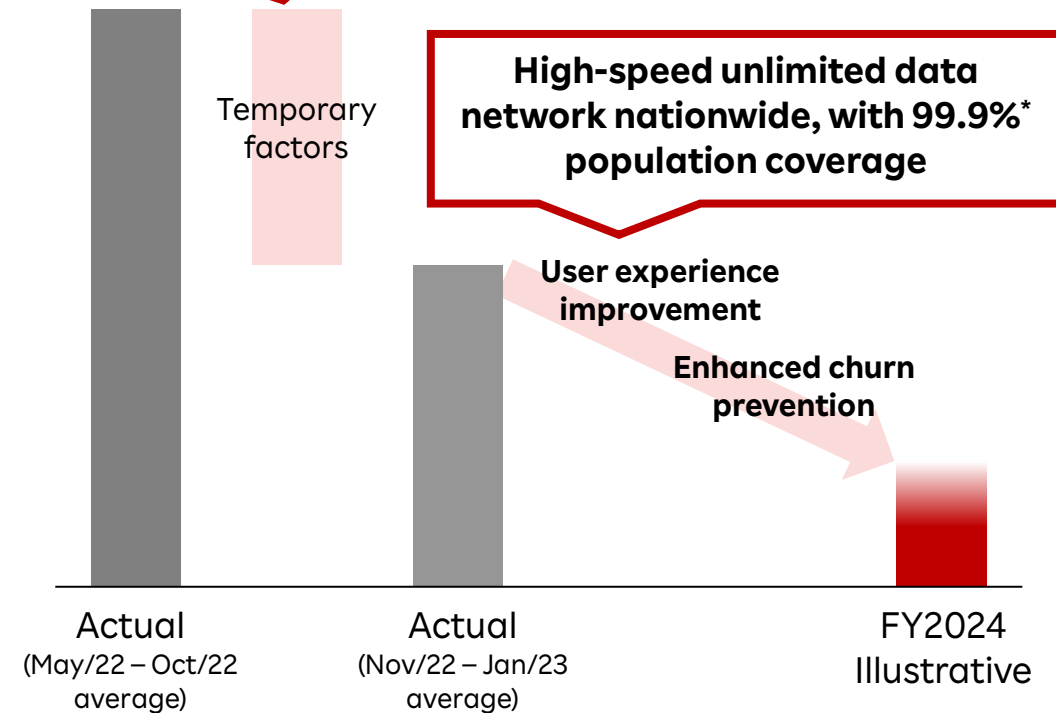
- 0-1 GB users accounted for 6.3% points of churn in June 2022, which improved to 1.6% points in April 2023.

Monthly Churn Rate



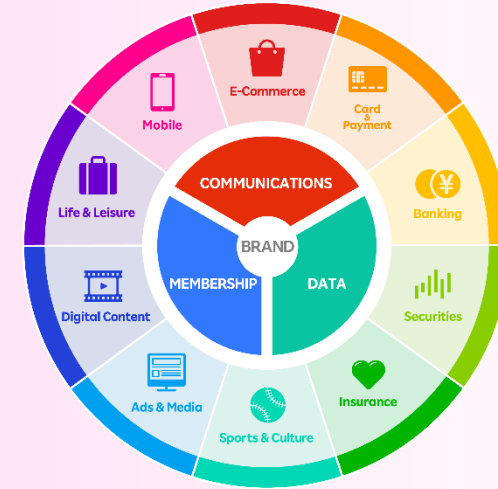
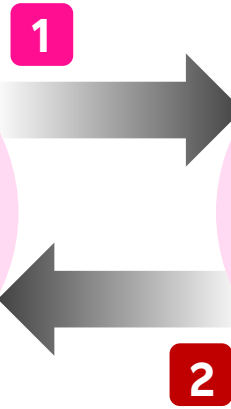
Churn Improvement Factors

- Finished free campaign period
- Price plan change (0-1GB: JPY 0 → JPY 980)



Strong Synergy between Rakuten Ecosystem and Rakuten Mobile

**Rakuten
Mobile**



1 Further Expansion of Rakuten Ecosystem through Mobile User Acquisition

**Rakuten
New
Users**

**Boost
Cross-
Use**

**Nurtur-
ing of
Users**

2 Efficient Acquisition of Mobile Users with Big Data Based on 100 Million IDs

**Speedy
Acquisi-
tion**

**Lower
CAC***

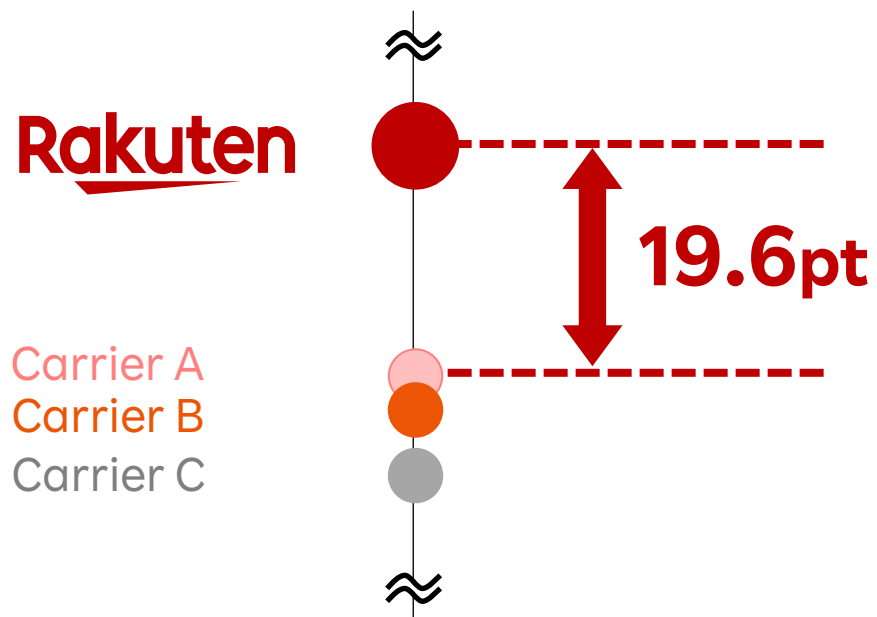
**Loyal
Users**

*Customer Acquisition Cost

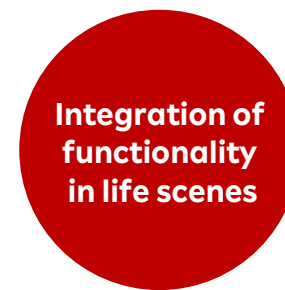
Ecosystem NPS® Comparison of each MNOs*

- Rakuten Ecosystem shows the highest satisfaction among MNOs*

NPS® survey*² in February 2023



Rakuten Ecosystem's highly rated factors in the survey*²

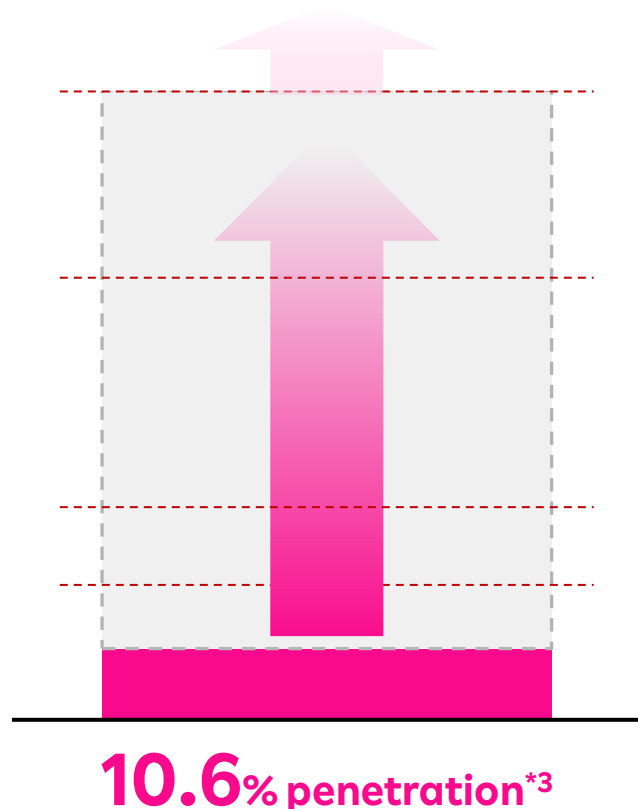


*1 "Net Promoter®, NPS®, NPS Prism®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter ScoreSM and Net Promoter SystemSM are service marks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld."

*2 Multiple research firm panel surveys compiled by Rakuten Insight. Ecosystem NPS survey, February 2023 (N=5,000; Users who used each ecosystem within the last 6 months, internet survey)

Update on Rakuten Mobile User Acquisition through Rakuten Ecosystem

Rakuten Mobile Penetration



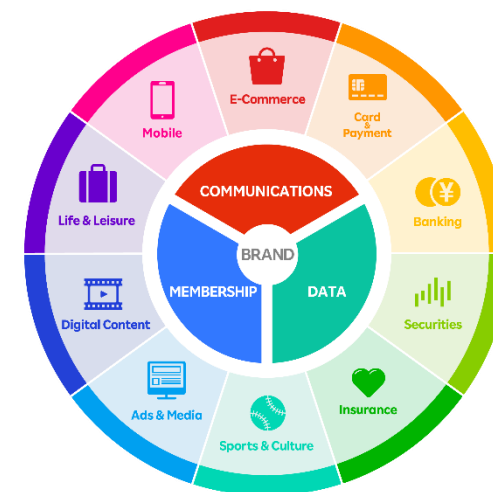
Rakuten
40 mm MAU^{*1}

Rakuten Card
28.63mm card issued^{*2}

Rakuten Bank
13.74mm bank accounts^{*2}

Rakuten Securities
8.94mm general accounts^{*2}

Rakuten Mobile



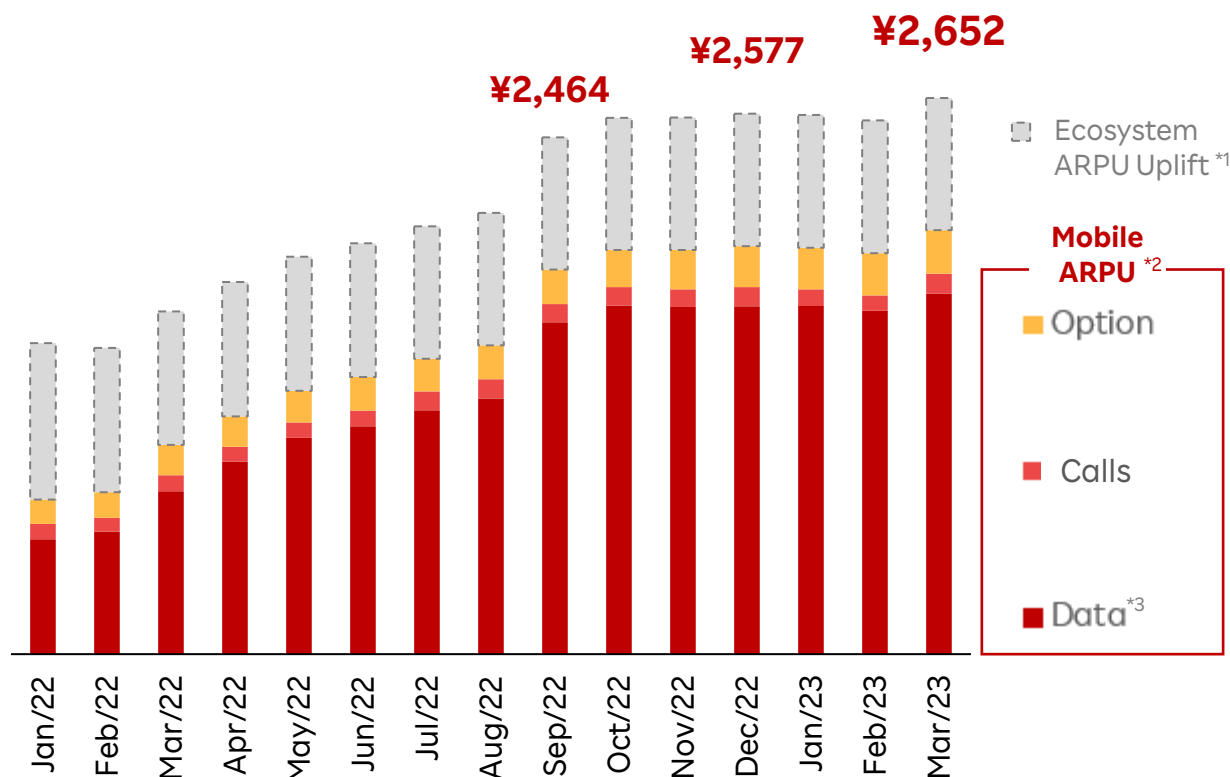
*1: Monthly active users in March 2023.

*2: As of March 31, 2023.

*3: Calculated with unique users with MNO subscription as of March 2023 and MAU as of March 2023.

Growing ARPU (B2C)

Mobile ARPU (Data + Option + Calls) + Ecosystem ARPU Uplift



Data ARPU Growth Drivers

- Increase in data consumption among existing users
- New users are heavy users
- 5G expansion

Option ARPU Growth Drivers

- Norton, Apple Care, Device warranties, etc.
- Increase in option attach rate

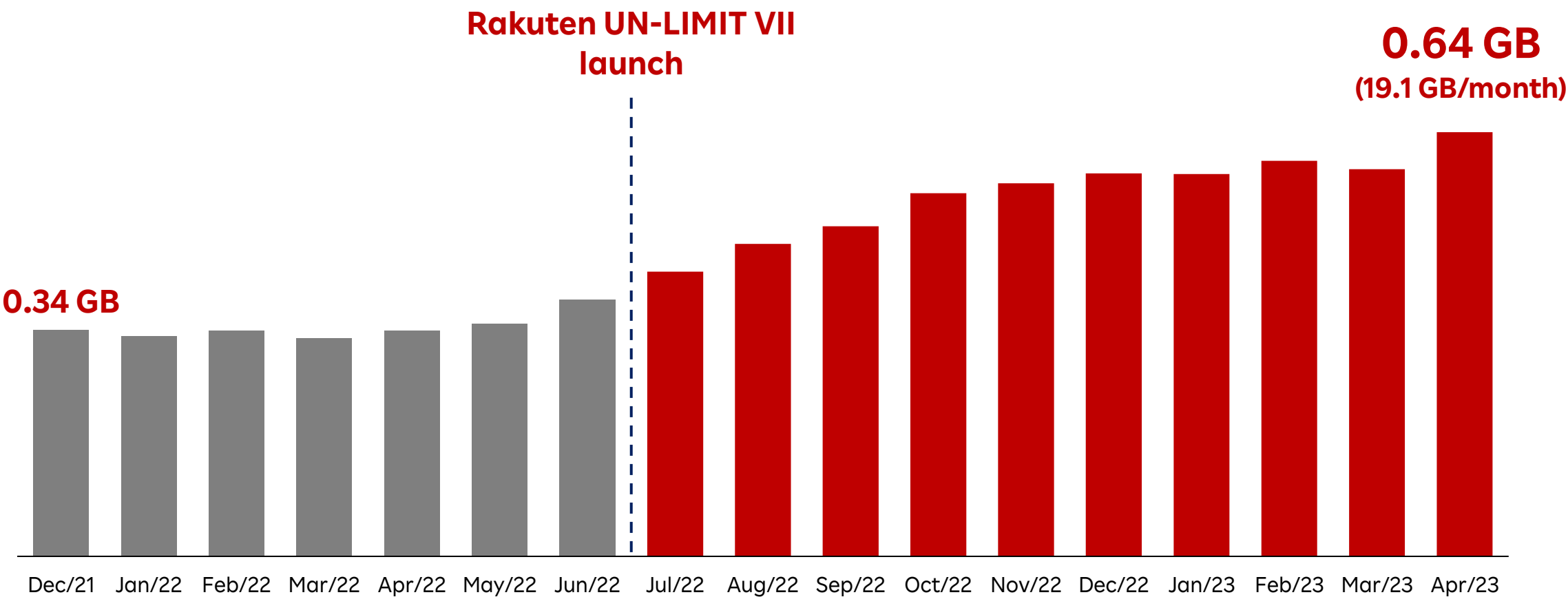
*1 Ecosystem ARPU Uplift: Difference in average revenue per person between MNO users and non-MNO users over the past year at ten selected businesses(Rakuten Ichiba, Rakuten Books, Rakuten Direct, Rakuten Bic, Rakuten Kobo, Rakuten Fashion, Rakuten Travel, Rakuten Seiyu Netsuper, Rakuten Beauty, Rakuten Pay online payment). Due to the increase in the number of businesses included, past amounts have been retroactively adjusted. Calculated by comparing MNO users who have been contracted for more than 1 year and non-MNO users for comparison(Among users who are Rakuten active and have not signed an MNO contract in the past year from the corresponding contract month, users who have collected sales for the past year from the corresponding month).

*2 From January 2023, due to a definition change for subscribers, past amounts have been retroactively adjusted.

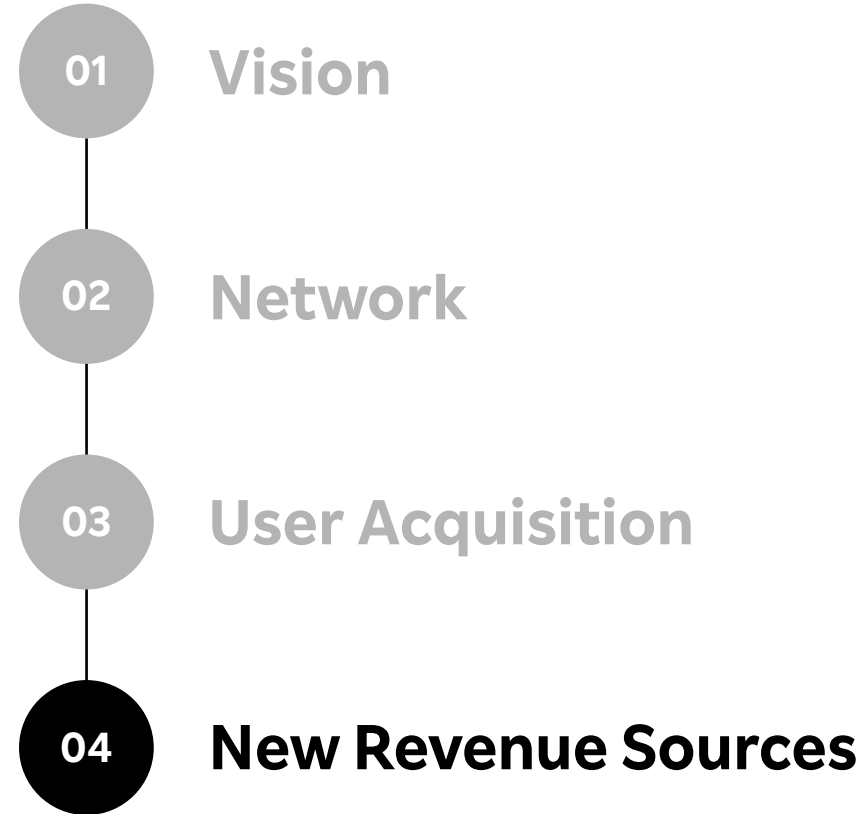
*3 Data ARPU: Point back campaign for users of less than 1GB during September-October 2022 are recorded as deduction from revenue. However, we include it in the calculation of ARPU here.

Significant Increase in B2C Data Usage post UN-LIMIT VII Launch

Average Data Volume per Day (GB)

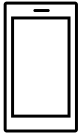


Rakuten Mobile



New Revenue Sources

Corporate



Market size:

36mm lines*1

Promote introduction to Rakuten Group customers & partners:

900,000*2



Advertising



- ✓ Ad within the Link app
 - ✓ Push notifications
 - ✓ In-app banners
 - ✓ Official accounts

ISP



B2B: High-speed internet
service connected
by dark fiber
To be launched

**B2C: Rakuten Hikari connected
by FLET'S as VNE*
To be launched**

* Virtual Network Enabler

*1 Market size is calculated based on research result of MIC and MMRI's research. IoT customers are not included.

*2 As of March 2023

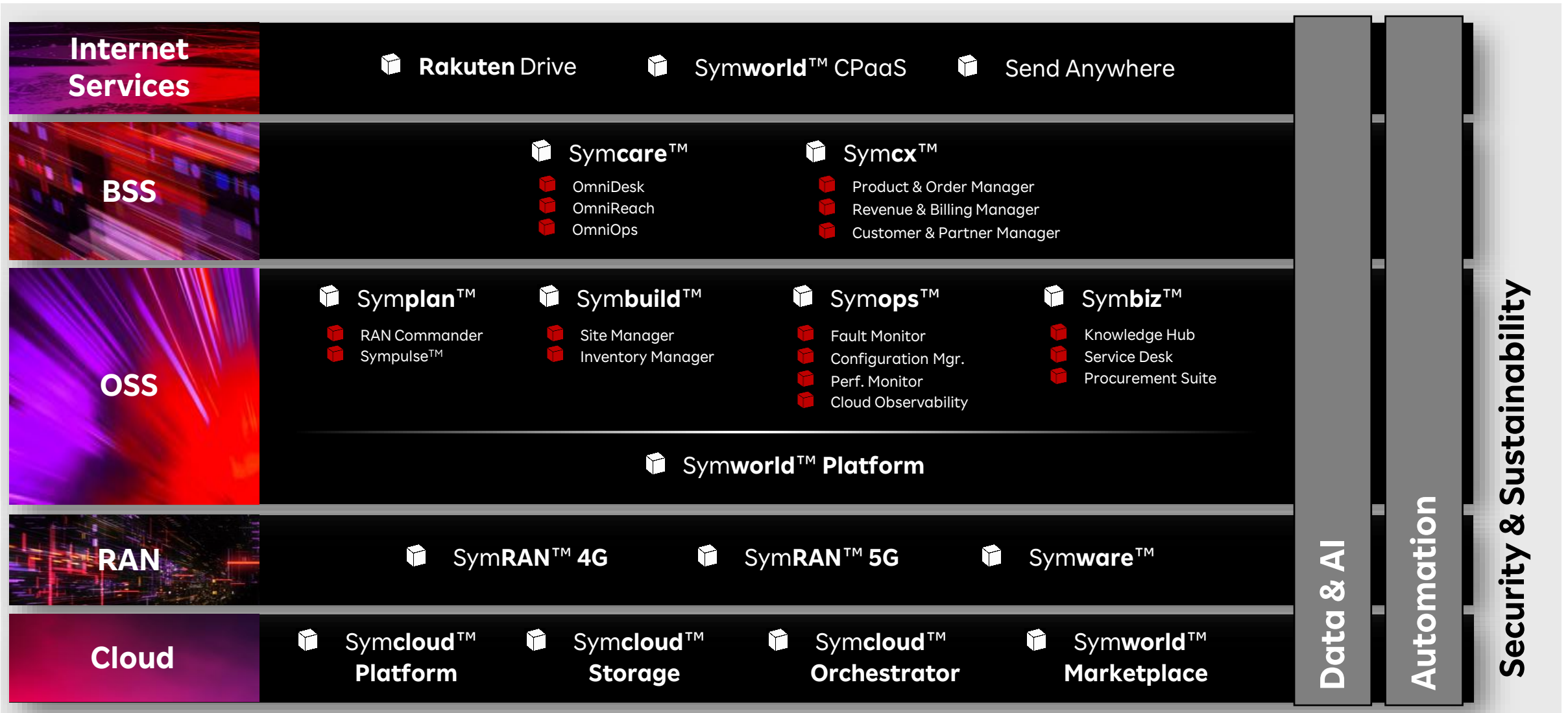


Rakuten Symphony

Mobile as a Software

A Unique Software-Centric Platform for Connectivity

- Combining all capabilities required to plan, build and operate next-generation networks



Cloud

Business Unit Update

Vision

Evolving to become the world's largest Telco Edge Cloud

Products

 Symcloud™ Platform

 Symcloud™ Storage

 Symcloud™ Orchestrator

 Symworld™ Marketplace

Cloud BU Q1/23 Highlights

Cloud BU **partnered with global tech firm** on **Symcloud™ Storage** (software-defined storage)



Symcloud™ Partnership with Leading Global Tech Firm



Scope

- Global **partnership** for our **Symcloud™ Storage** solution
- Unlock **stateful edge use cases** in **retail** and **telco** segments



Value proposition

- Enable customers to **modernise** on-premises and edge infrastructure
- Provide **high-availability, data resiliency** and **security**
- **Efficient, easy to deploy, upgrade** and **manage at scale**



Channels

- Available immediately through **partner's marketplace**
- Easy for customers to **do business with one single account**



Business Model

- Scalable **as a Service** revenue share model
- Flexible **pay as you use** billing

RAN

Business Unit Update

Vision

Lead Open RAN industry transformation

Products

 SymRAN™ 4G

 SymRAN™ 5G

 Symware™

RAN BU Q1/23 Milestones

Well positioned to **lead the impending industry transformation** with further progress achieved in Q1/23



New Customers and Partners

Private Networks



Signed agreement to supply and deliver private network telecommunications services across 6 Asian Countries

Open RAN Networks



Signed Strategic Alliance to Deliver "Open RAN" Services in Saudi Arabia and the GCC

Next-gen Telco Network



Announced signing of MoU* to Develop Next-Gen Telco Network



Rakuten Presence at MWC Barcelona 2023



Introduced Symware™ 2.0



Best Network Software Breakthrough



Open RAN Customer Experience Center



Launched O-RAN customer experience center in the UK for telecom operators
March 2023



* Memorandum of Understanding

RAN

Business Unit Update

Vision

Lead Open RAN industry transformation

Products

 SymRAN™ 4G

 SymRAN™ 5G

 Symware™

Closing RAN Feature Gap in Brownfields

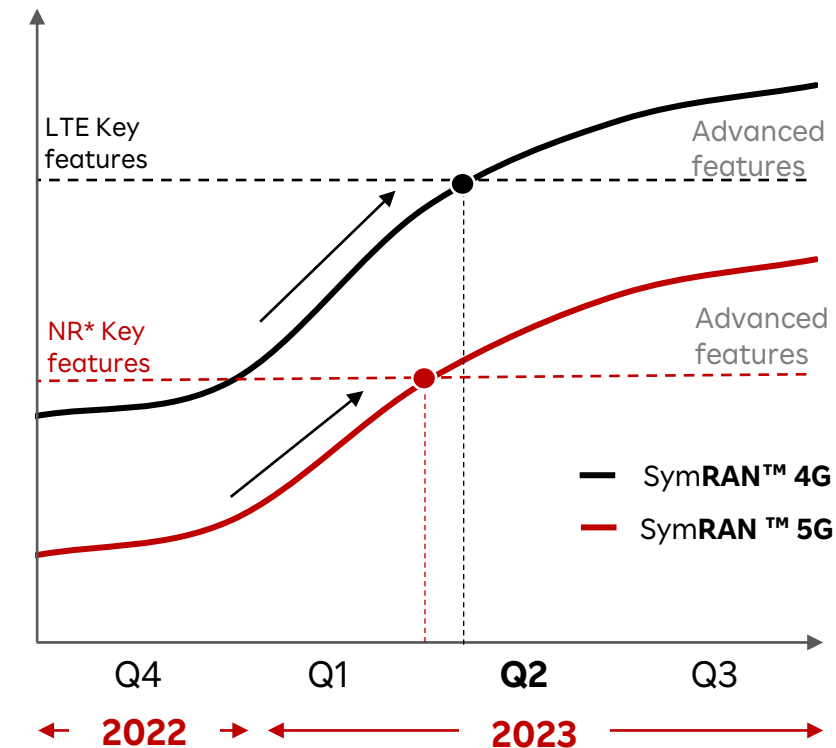
Key features required by Brownfield operators expected to be covered by our SymRAN™ products by Q2/23. **Further accelerates new RAN opportunities with Brownfields**



Progress on RAN Feature Development

Features

INDICATIVE ILLUSTRATION



Solving the Brownfield Challenges

Baseline functionality

- ✓ Fixed wireless
- ✓ eMBB
- ✓ Voice & Data

Advanced features

- Carrier Aggregation (~80-90% done)
- Multi-layer Management (50% done)
- Internet of Things (CATM) (~60-70% done)
- Energy Saving (~80-90% done)

By Q2/23, we will have covered key features for ORAN deployments in complex brownfield environments

*5G New Radio

OSS/BSS

Business Unit Update

Vision

Enable fully automated network management

Products

Symplan™

- RAN Commander
- Sympulse™

Symbuild™

- Site Manager
- Inventory Manager

Symops™

- Fault Monitor
- Configuration Mgr.
- Perf. Monitor
- Cloud Observability

Symbiz™

- Knowledge Hub
- Service Desk
- Procurement Suite

Symcare™

- OmniDesk
- OmniReach
- OmniOps

Symcx™

- Product & Order Manager
- Revenue & Billing Manager
- Customer & Partner Manager

Automation Through a Single Platform

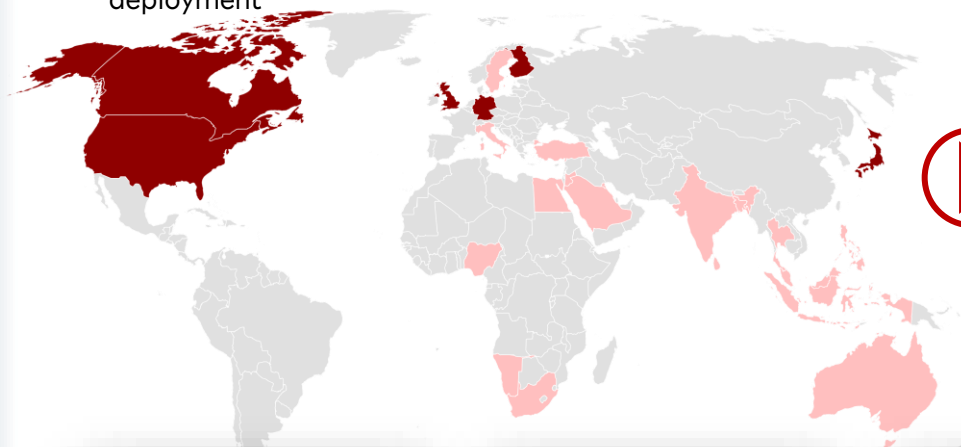
Significant market demand underpinned by existing customers and healthy pipeline resulting in **strong traction with our core OSS/BSS products**



Current OSS Footprint

Regions with existing OSS deployment

OSS Pipeline deals



Partnership with Global OEM

Replacing an array of legacy solutions with our Site Manager product for global site deployment and unified governance



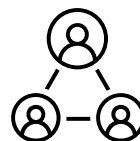
Approx. 3M sites deployed



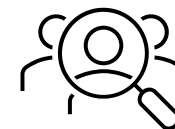
100+ countries covered



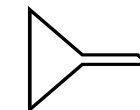
11,000+ monthly active users



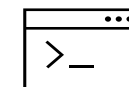
100,000+
Registered Platform
Users



11
Global Customers



>\$3B
OSS-related pipeline



17
OSS/BSS Core Products

Internet Services

Business Unit Update

Vision

Transform telecom companies into digital ecosystem players

Products

 Symworld™ CPaaS

 Rakuten Drive

 Send Anywhere

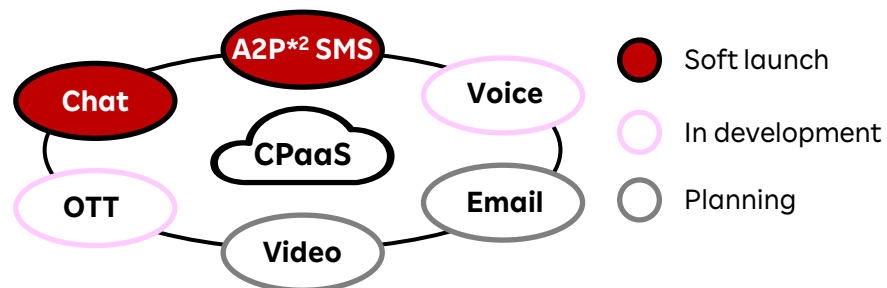
Symworld™ CPaaS*1 and Rakuten Drive

Achieved **scalable market traction** with core products in **just a few months**



Symworld™ CPaaS Case Study

Carrier grade quality with the agility of cloud-based APIs

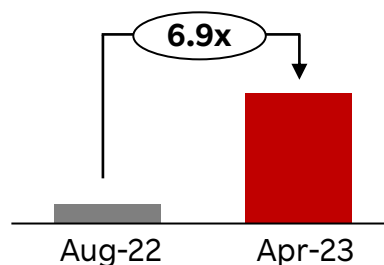


Achievements in first 10 months

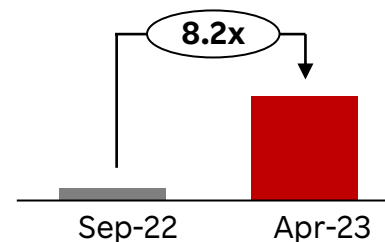


Signed **two large-scale tech firms** and **two largest aggregators** as customers, among others

SMS Revenue Growth



SMS Volume Growth



Rakuten Drive Case Study

The **fast** and **secure** cloud storage service

Rakuten Drive

Q1 Key Highlights



866TB total storage size



152M files stored



Unlimited fast-speed, large file transfer



4.4x faster than competitors*3
In terms of upload speed

*1 Communications Platform as a Service

*2 Application-to-person messaging

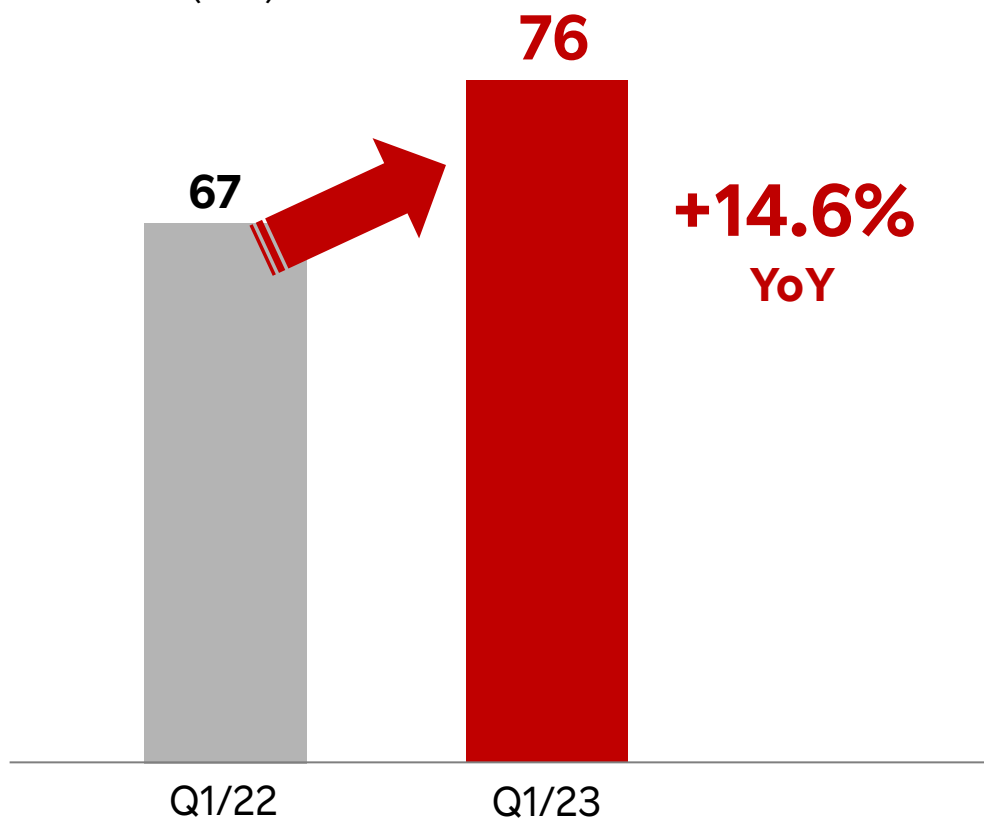
*3 In-house research. Compared to upload speed of four global cloud storage competitors for a 4.7GB file

Rakuten Symphony: Q1/23 Financial Results

- Rakuten Symphony continues to grow with high demand from the market

Revenue

Unit: USD (mm)



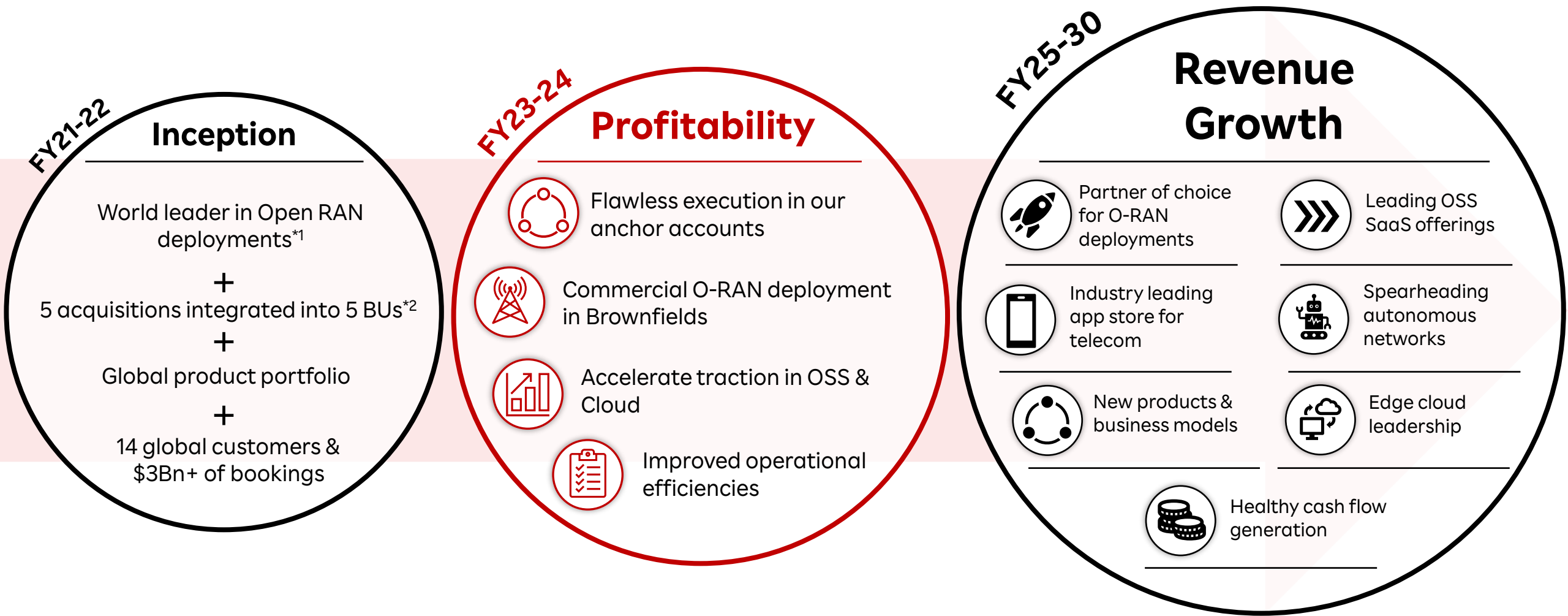
Q1/23 Financial Summary


Q1/23 Revenue increased +14.6% YoY to \$76m,
driven by

- 1) Project delivery being well underway
- 2) Continued growth with anchor customers
- 3) Accelerating new accounts with healthy pipeline conversion
- 4) Traction in OSS and Cloud, which expected to accelerate further in H2/23

Rakuten Symphony Growth Plan

■ Our key financial goals are to achieve profitability and accelerate revenue growth



 ^{*1} Over 300k cells deployed worldwide. As of April 2023
^{*2} Business Unit

Internet Services Segment

Q1/23 (JPY bn)	Revenue	YoY	Operating Income	YoY
Domestic E-Commerce ^{*2}	205.0	+12.1%	20.9 ^{*1}	+3.0%
Core Businesses ^{*2}	178.8	+12.3%	31.5 ^{*1}	+6.0%
Growth Investment Businesses ^{*2}	26.1	+11.2%	-10.5	JPY -1.2 bn
Others Internet Services ^{*3}	66.2	-0.8%	-9.1	JPY -3.1 bn
Others (excluding Minority Investment) ^{*3}	66.2	-0.8%	-11.5	JPY -6.7 bn
Internet Service Total	271.1	+8.7%	11.9	-17.1%

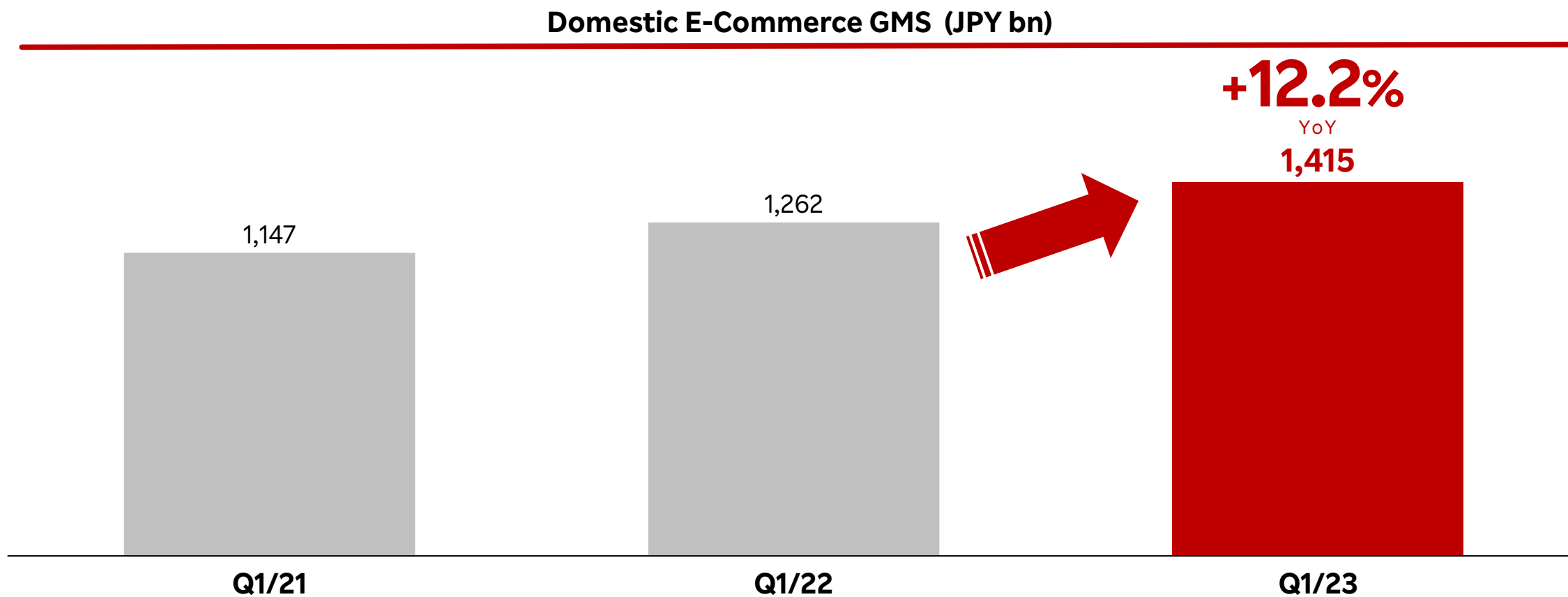
^{*1} From Q1/23, a part of the SPU costs was transferred from Rakuten Mobile to Rakuten Ichiba. Past figures have not been retroactively adjusted.

^{*2} From Q1/23, Rakuten Tickets was transferred from Mobile segment to Internet Service segment (Growth Investment Business of Domestic EC category). Point Gallery was transferred from Mobile segment to Internet Service segment (Core Business of Domestic EC category). Past figures have been retroactively adjusted.

^{*3} From Q1/23, Contents Media, Streaming JP, NBA Broadcast, Rakuten TV Europe, IP Content, and Pacific League ,etc. were transferred from Mobile segment to Internet Services Others segment. Past figures have been retroactively adjusted.

Q1/23 Domestic E-Commerce GMS Highlights

- Domestic E-Commerce GMS ^{*1*2} achieved consistent and robust growth in the post-pandemic period.

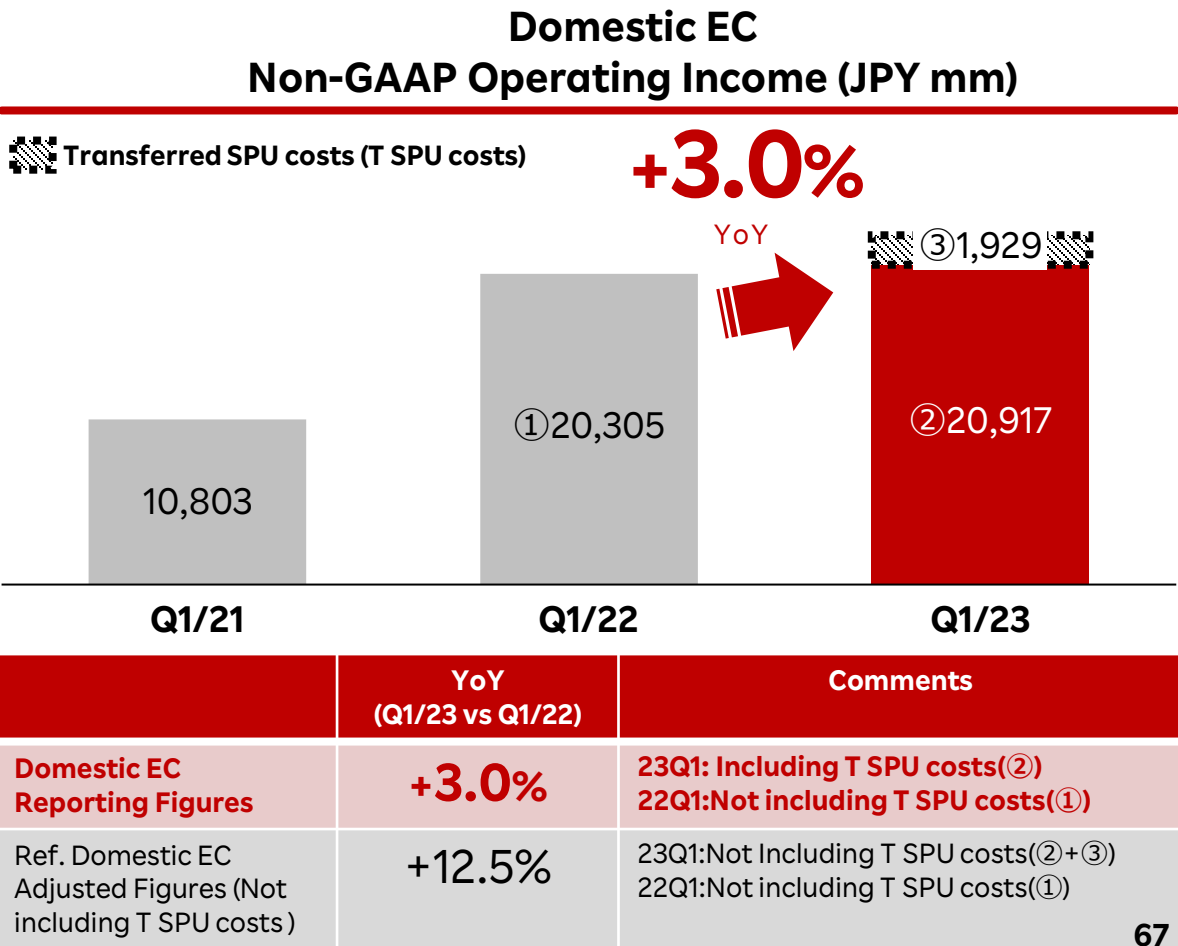
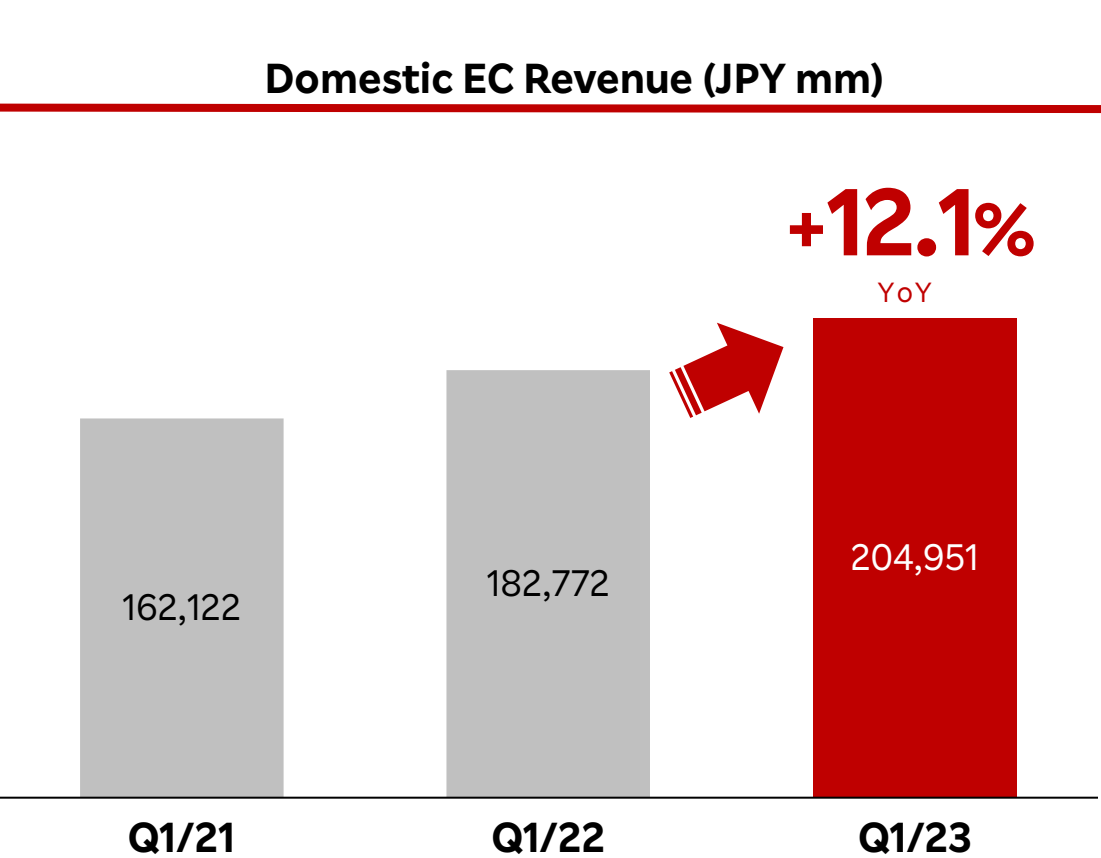


^{*1} Domestic E-commerce GMS (excludes certain tax-exempt businesses, includes consumption tax.) is the combined transaction amount for Rakuten Ichiba, Rakuten Travel (GTV on checkout basis), Rakuten Books, Books Network, Kobo (domestic), golf business, Rakuten Fashion, Rakuten Dream businesses, Rakuten Beauty, Rakuten 24, Car, Rakuma, Rakuten Rebates, Rakuten Seiyu Netsuper, Rakuten Tickets and cross boarder trading ,etc.

^{*2} From Q1/23, Rakuten Tickets was transferred from Others segment to Domestic EC segment. Past figures have been retroactively adjusted.

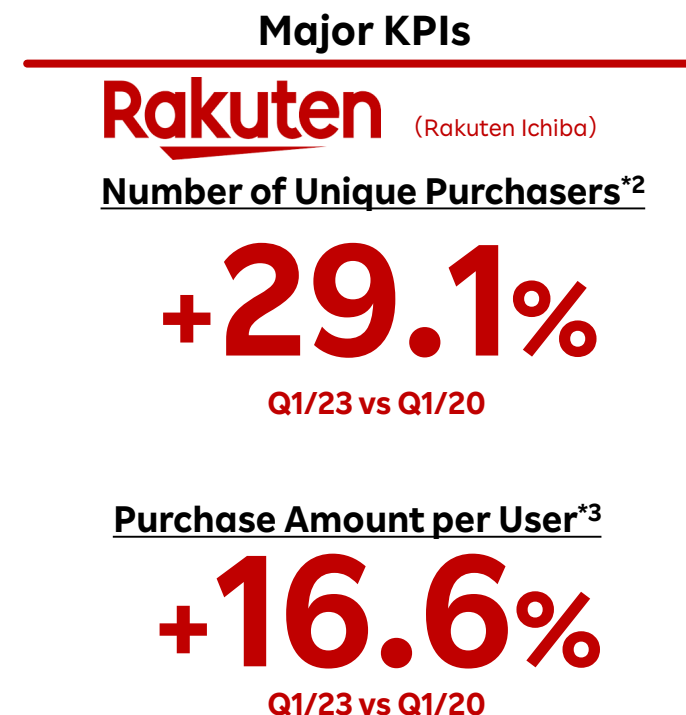
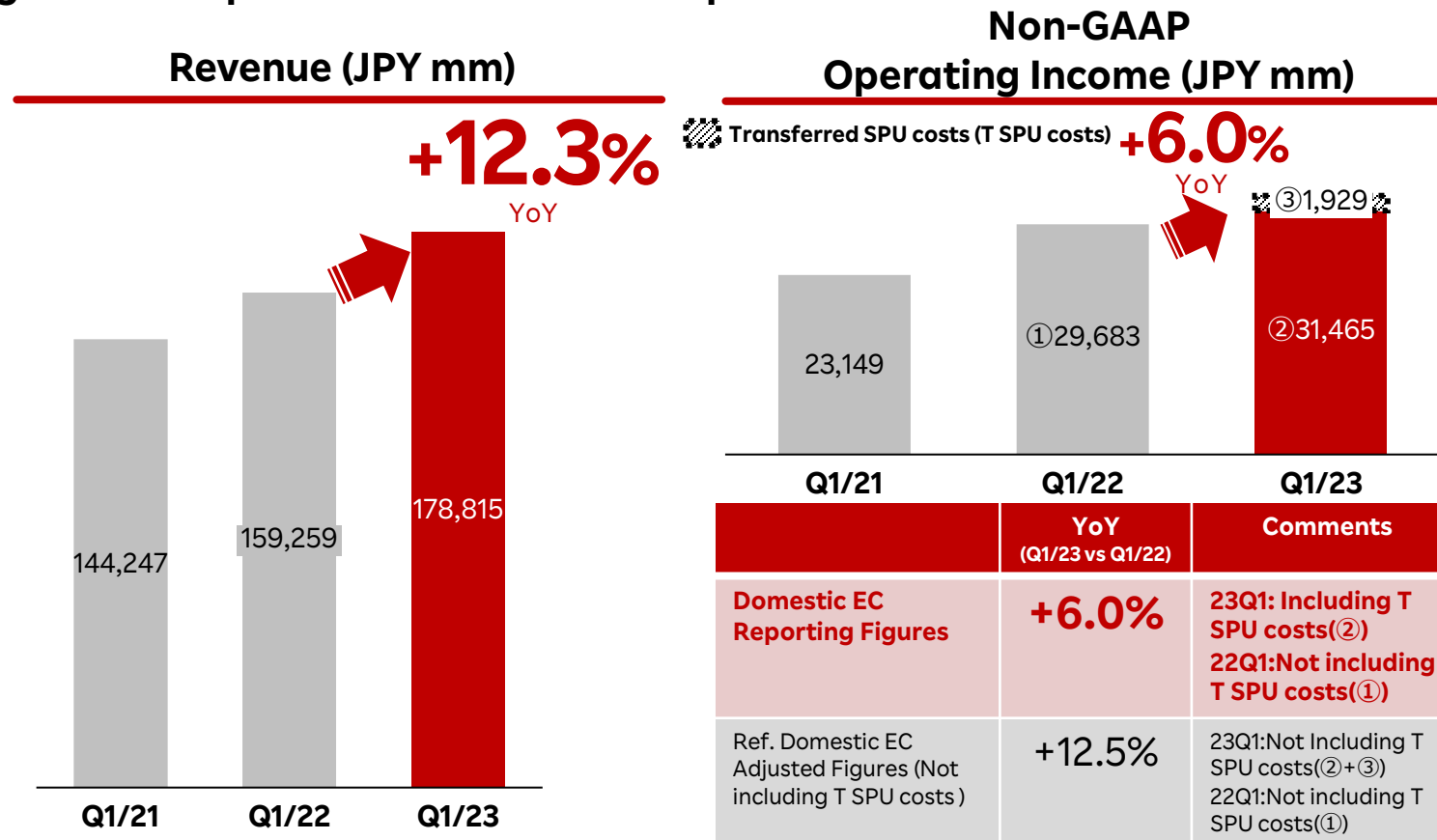
Q1/23 Domestic E-Commerce Financial Highlights

- Regarding the SPU cost booked by Rakuten Mobile, in order to properly reflect the positive impact that Rakuten Ichiba receives from the SPU program, part of the SPU cost was transferred from Rakuten Mobile to Rakuten Ichiba from Q1/23 (JPY 1.9bn in Q1/23).
- Operating income growth was 3.0% YoY, coming in lower than revenue growth of 12.1% YoY. This was mainly due to the new allocation of SPU cost. Without this, operating income growth would have been 12.5%.



Q1/23 Domestic E-Commerce Core Businesses Financial Highlights

- Revenue and operating income of Domestic E-Commerce Core Businesses*¹ achieved growth exceeding that of Domestic E-Commerce as a whole.
- Rakuten Ichiba's major KPIs continue to increase even after the post-pandemic, and Rakuten Travel achieved robust growth compared to 2019 before the pandemic.



*1 Rakuten Ichiba, Rakuten Travel, Books Network, golf business, Rakuten Dream businesses, Open Commerce, Hunglead, BIC, Home life Direct, and Car etc.

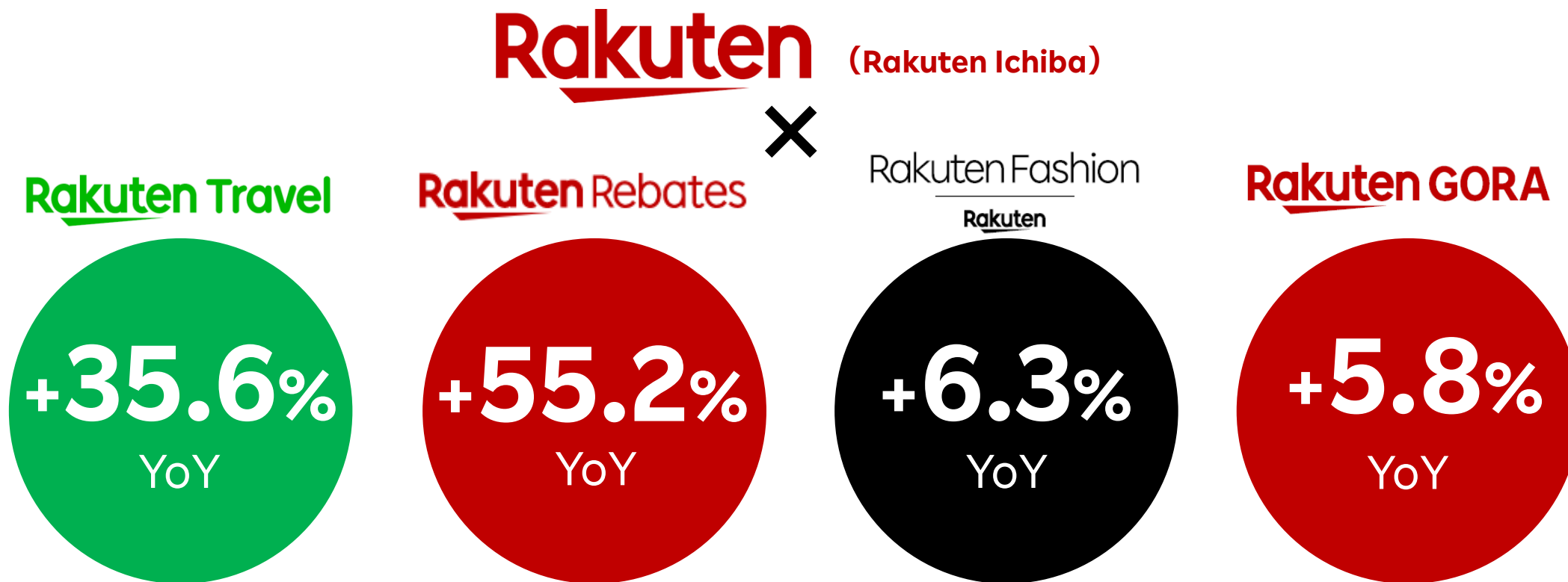
*2 Comparison of total number of unique purchasers as of end of the January -March 2023 versus and total number of unique purchasers as of end of the January -March 2020.

*3 Comparison of average monthly purchase amount per user as of the January -March 2023 versus average monthly purchase amount per user as of the January -March 2020.

Strengths of Rakuten's Domestic E-Commerce Businesses in Japan (Ecosystem)

- Rakuten owns many services, demonstrating synergistic cross-use effects among services, which is a source of exponential growth compared to other major domestic E-Commerce competitors.

Q1/23: Rakuten Ichiba × Other E-Commerce Services: Steady Growth in User Cross-Use Effect^{*1}



^{*1} Number of unique users who used Rakuten Ichiba and the other services listed above in the same quarter

Strengths of Rakuten's Domestic E-Commerce Businesses in Japan (Ecosystem)

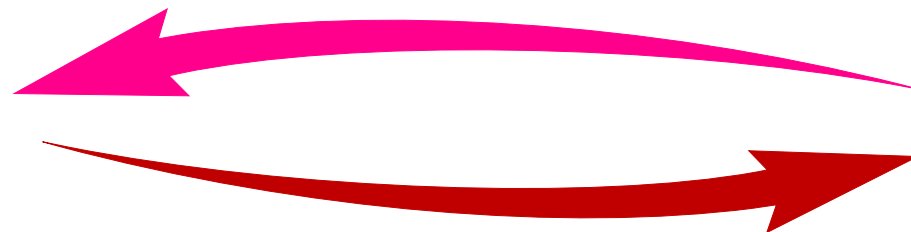
- Domestic EC services are producing significant cross-use effects not only among Domestic EC businesses but also other segment services.
- In particular, Rakuten Ichiba and Rakuten Mobile are demonstrating strong synergies, such as the effect of referrals and the effect of lifting GMS.

Rakuten Ichiba Average GMS Lift per MNO Contract

JPY+ **38,541** per year ^{*1}

Rakuten

(Rakuten Ichiba)



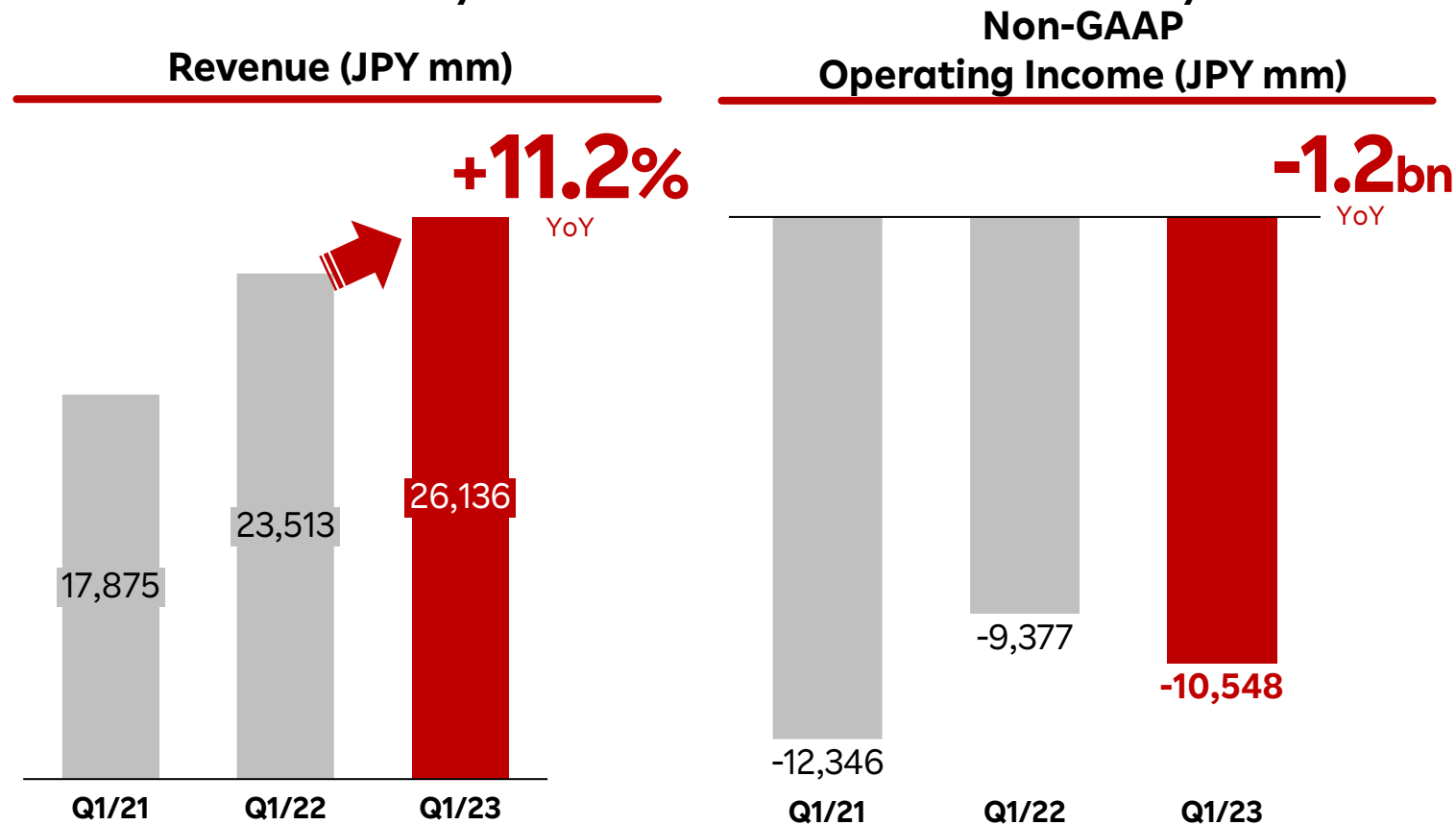
Rakuten
Mobile

Customer Referrals
from Rakuten Ichiba to Rakuten Mobile

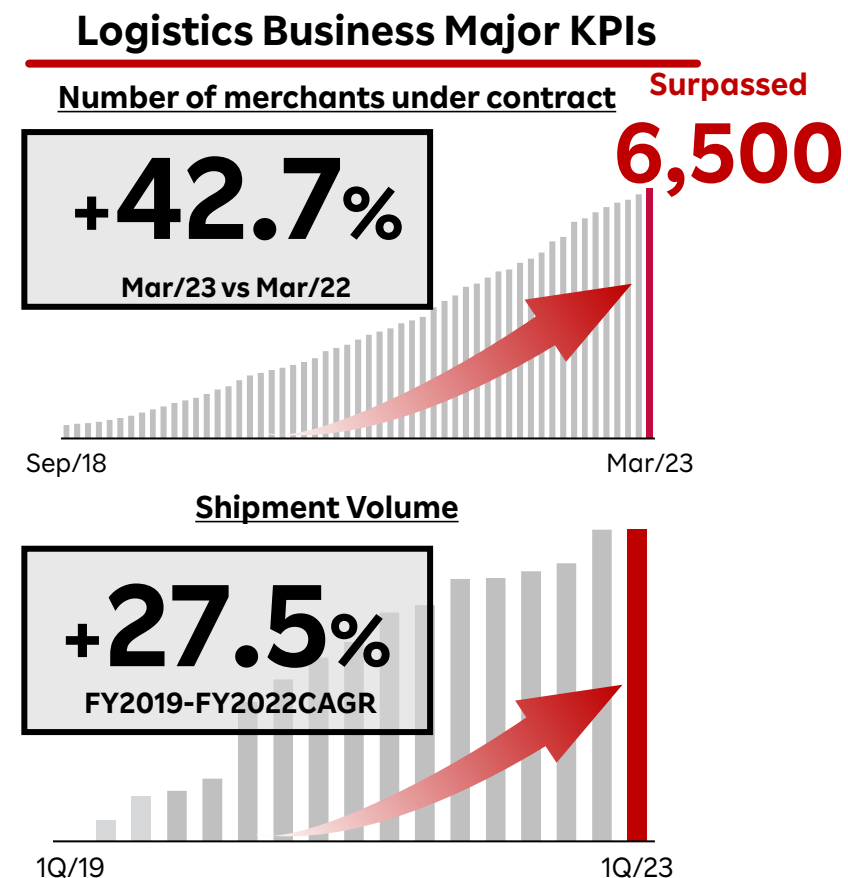
*1 - Difference in average purchase amount per person between MNO users and non-MNO users over the past year
- Average of mobile users more than 1 year old from the month in question

Q1/23 Domestic E-Commerce Growth Investment Businesses Financial Highlights

- Revenue of the Growth Investment Businesses ^{*1} achieved strong growth.
- In the logistics business, the number of merchants and shipment volume have grown steadily. By seamlessly incorporating distribution centers into Japan Post's delivery network, improved efficiency of delivery routes has realized "shorter delivery lead times" and "reduction of delivery costs."



^{*1} Fashion 1st Party, C2C, Rakuten Seiyu Netsuper, Logistics business, Rakuten Beauty, Dining, Rakuten Ticket and cross boarder trading etc.



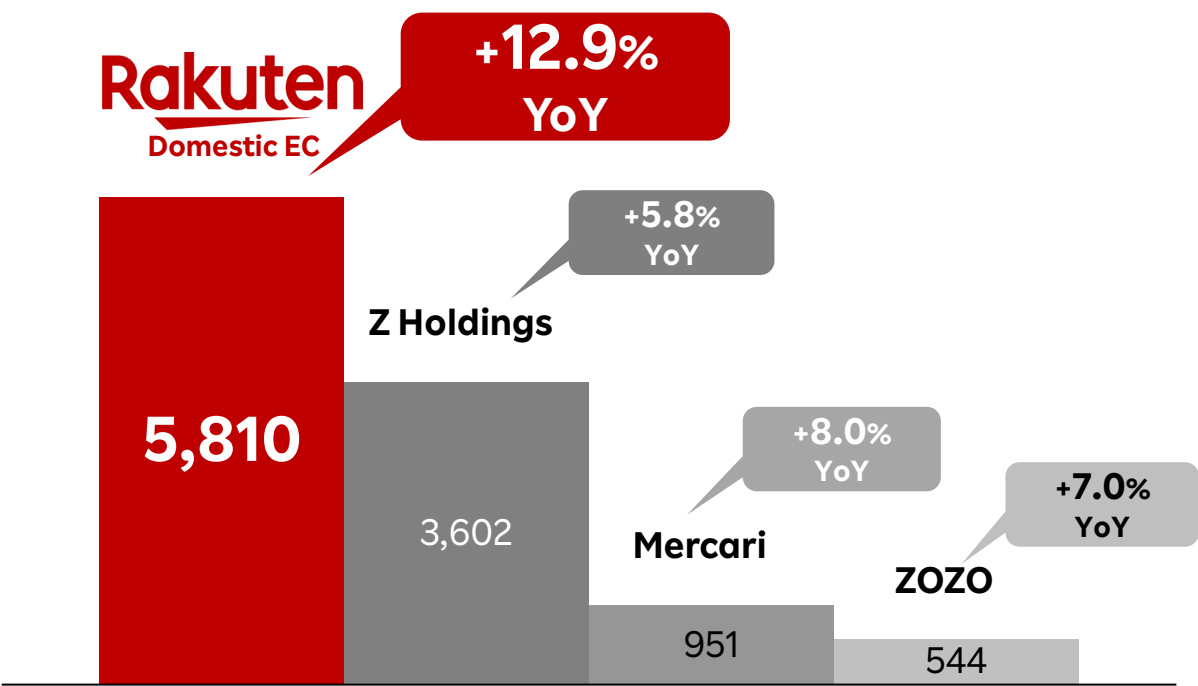
Leadership in the Growing Japanese E-Commerce Market

- Rakuten’s Domestic E-Commerce business is one of the largest in the Japanese E-Commerce industry.
- The Japanese E-Commerce industry has a considerable potential for growth, and the Rakuten Group will maximize its strength in the ecosystem to outperform the industry.

Rakuten Domestic EC's presence in Japan

Last Twelve Months GMS Comparison with Major Domestic EC Competitors*1

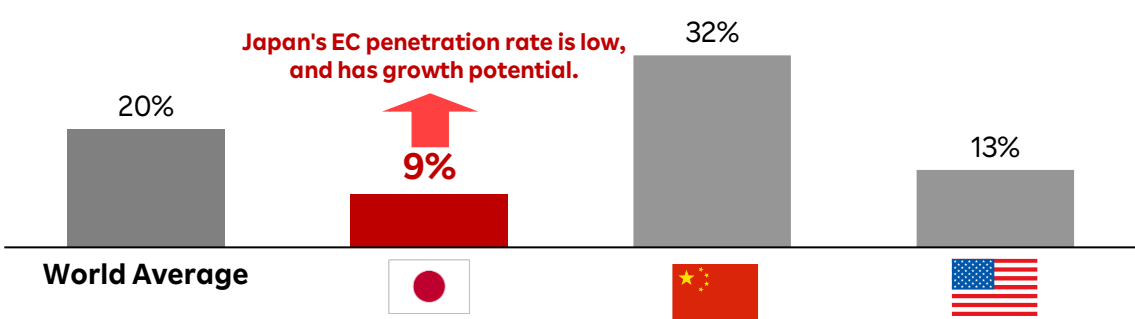
(JPY bn/LTM)



*1 GMS for Last Twelve Months from the most recently disclosed period.
-Z Holdings: GMS in Domestic Merchandise Transaction Value and Domestic Services Transaction Value
-Mercari: GMV in Japan
-ZOZO: Gross Merchandise Value.

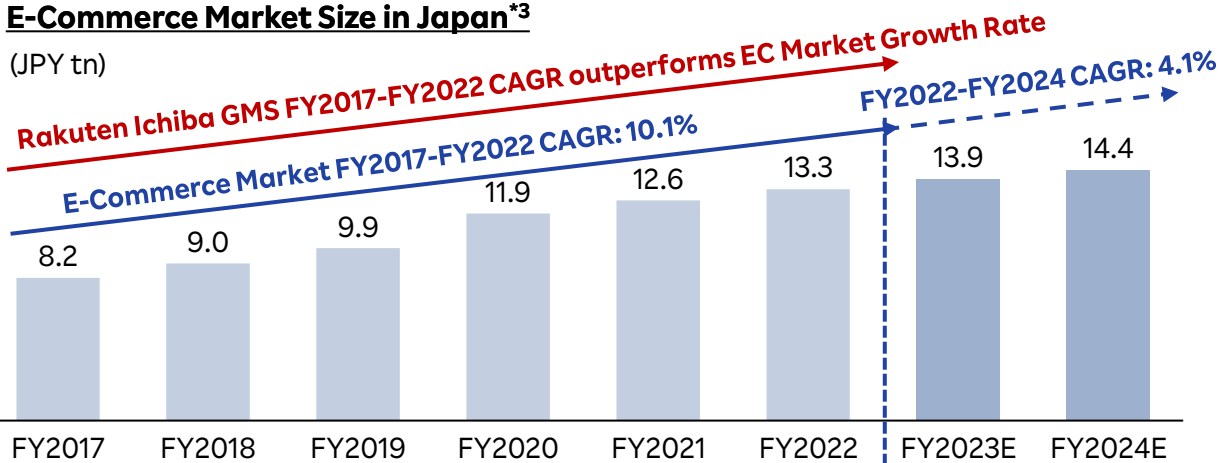
EC Growth Potential in Japan

EC penetration rate comparison in each country*2



E-Commerce Market Size in Japan*3

(JPY tn)

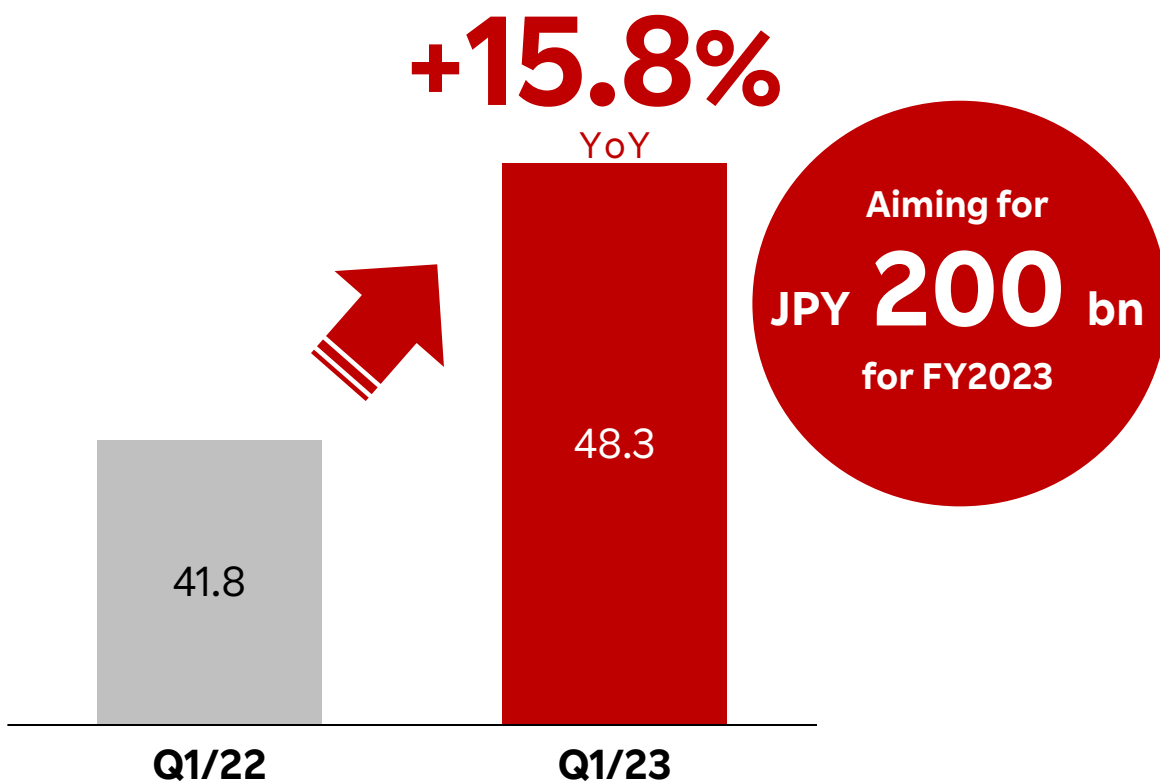


*2 2021. Ministry of Economy, Trade and Industry, published in August 2022. Only China’s figure is 2020 based on Ministry of Economy, Trade and Industry, published in July 2021 as this is the most recent data available.
*3 Refer to the GMS described in "Reality and future of mail order and e-commerce business 2023" published by FUJI KEIZAI CO., LTD.

Strong Growth of Rakuten Advertising Business

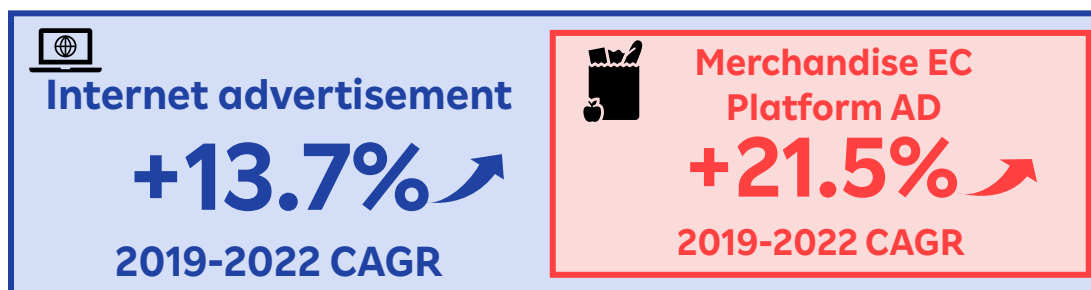
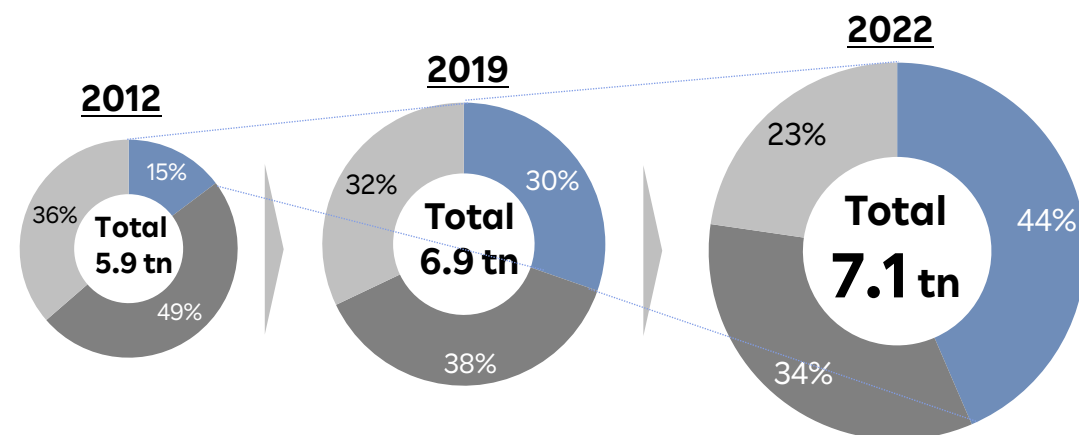
- Rakuten Advertising Business*¹ continued to achieve strong growth, aiming to achieve JPY 200bn revenue in FY2023.
- The industry is growing steadily, and Rakuten's advertising business is also expected to continue growing.

Rakuten Advertising Revenue (JPY bn)



Internet Advertising Industry Potential in Japan*²

Internet advertisement Mass Media advertisement Promotion Media advertisement

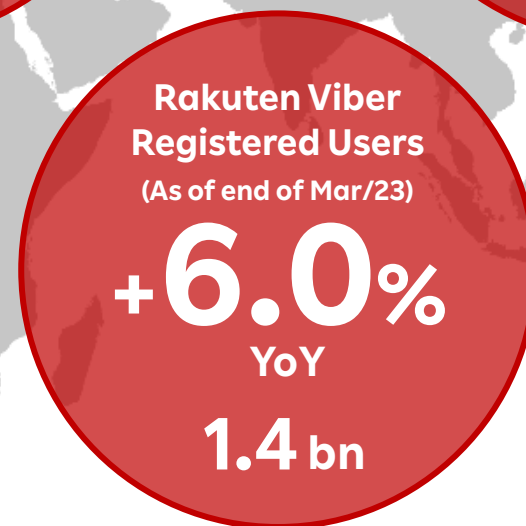
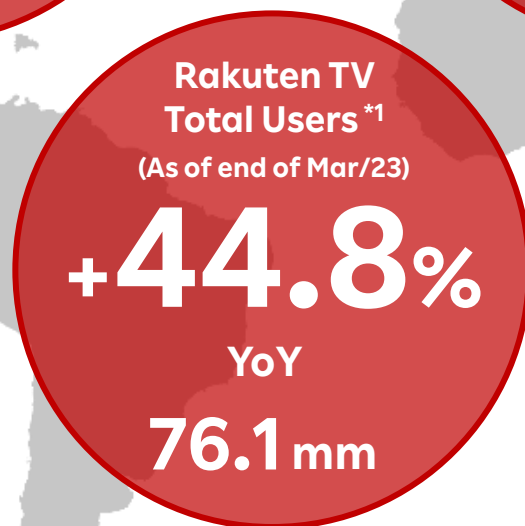
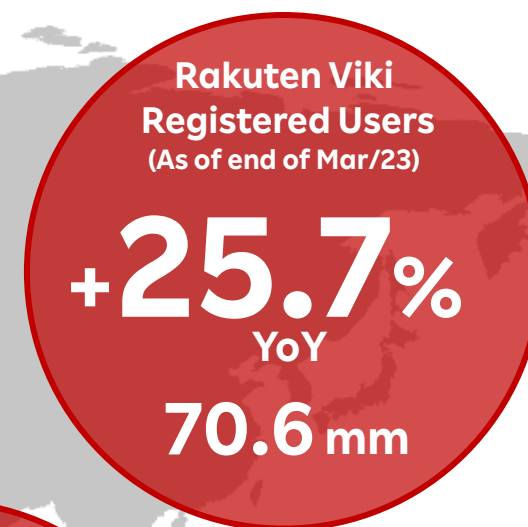
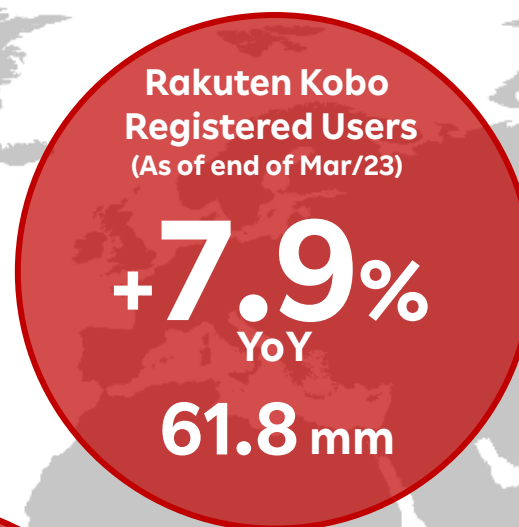
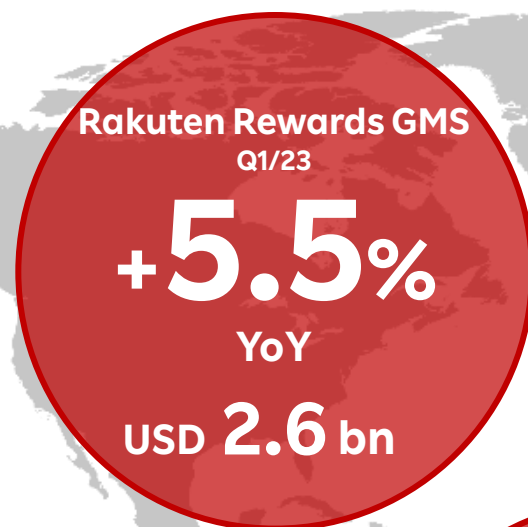


*1 Total domestic advertising revenue recorded in each segment (Internet Services, FinTech, Mobile) (including internal transactions)

*2 Source: Dentsu "Internet advertising expenditures in 2012-2022"

Strong Global Customer Base in Other Internet Services

- The global customer base of Rakuten services, which operate businesses around the world, are steadily expanding.



*1 Total number of registered users and non-registered AVOD (Advertising Video On Demand) users as of Mar 31, 2023.

FinTech Segment

Q1/23 (JPY bn)	Revenue	YoY	Operating Income	YoY
Rakuten Card	74.9	+3.7%	12.5	+12.3%
Rakuten Bank ^{*1}	30.1	+15.4%	10.7	+43.0%
Rakuten Securities ^{*2}	24.8	+6.0%	6.1	+68.3%
Insurance Business ^{*3*4}	20.9	-6.4%	2.0	+27.4%
Rakuten Payment ^{*5}	14.6	+42.2%	-3.3	JPY -2.9 bn
Others	2.8	+45.0%	-1.4	JPY -0.1 bn
FinTech Total	168.0	+7.6%	26.6	+20.4%

*1 Rakuten Bank joint venture in Taiwan (Rakuten International Commercial Bank.) became a consolidated subsidiary in Q2/20, which is included in "Others".

*2 Rakuten Securities includes its off-shore subsidiaries. Rakuten Wallet, Inc. and Rakuten Investment Management, Inc. are included in "Others".

*3 Insurance Business includes Life Insurance, General Insurance, Pet Insurance and Insurance Agency.

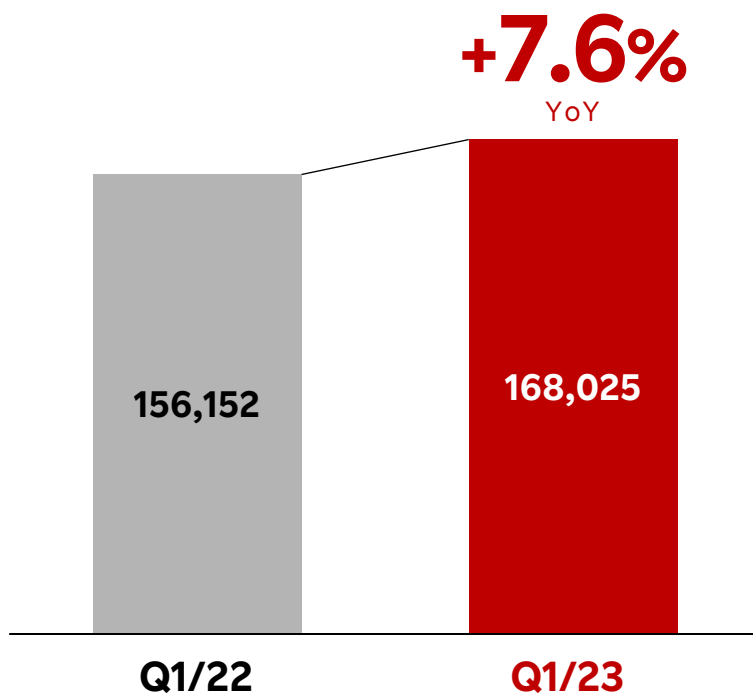
*4 **Insurance Business introduced IFRS 17, new accounting rules (Effective from FY 2023). Revenue and Operating income of Q1/22 was retroactively adjusted. Detail of new accounting rules are described in the appendix presentation material.**

*5 Payment includes Rakuten Pay, Rakuten Edy, Point Partner.

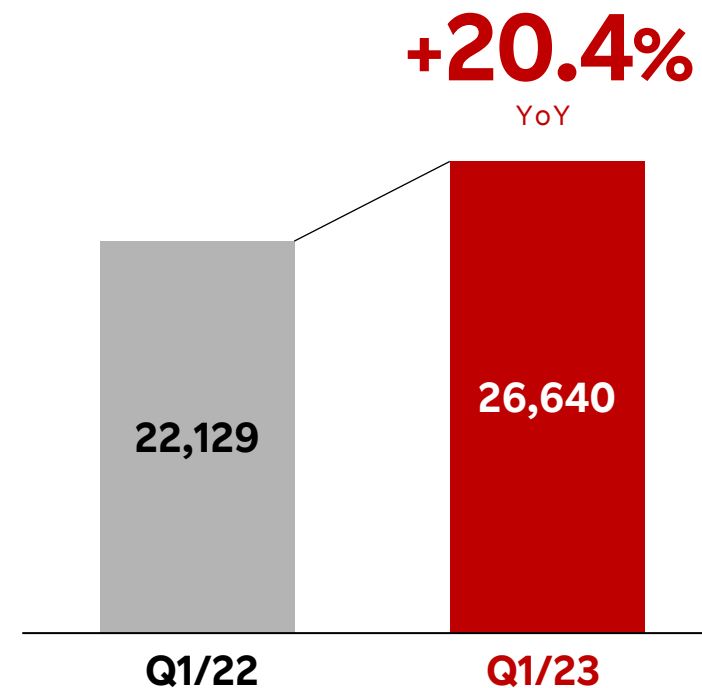
FinTech Segment: Financial Highlights

- Achieved robust growth through convenience and a virtuous cycle of Ecosystem
- Operating income recorded a strong double-digit growth

Revenue (JPY mm)



Non-GAAP Operating Income (JPY mm)

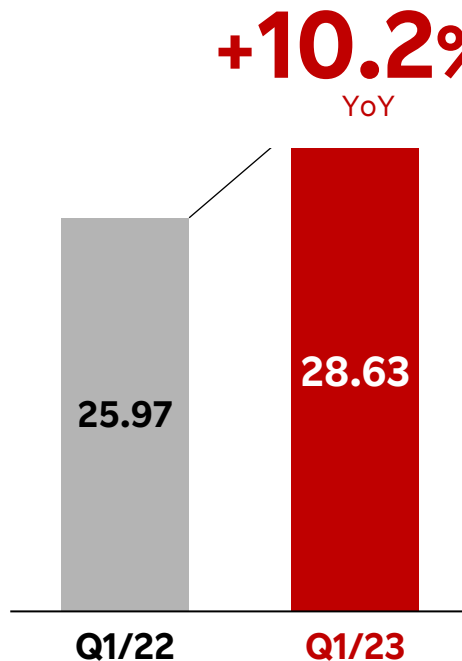


* Insurance Business introduced IFRS 17, new accounting rules (Effective from FY 2023). Revenue and Operating income of Q1/22 was retroactively adjusted.

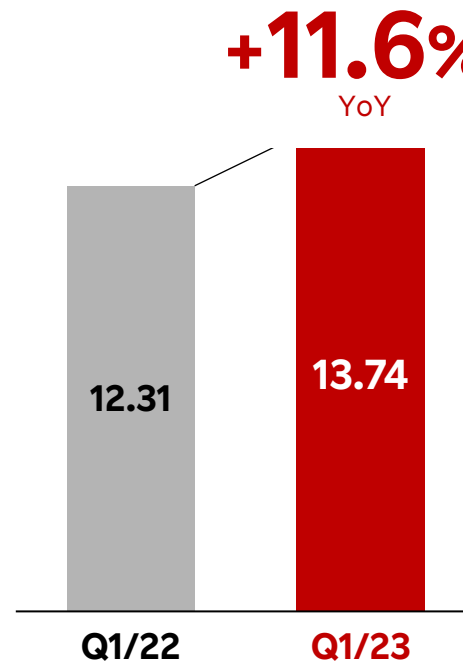
FinTech Segment: Membership Growth

- Each services' membership showed strong growth

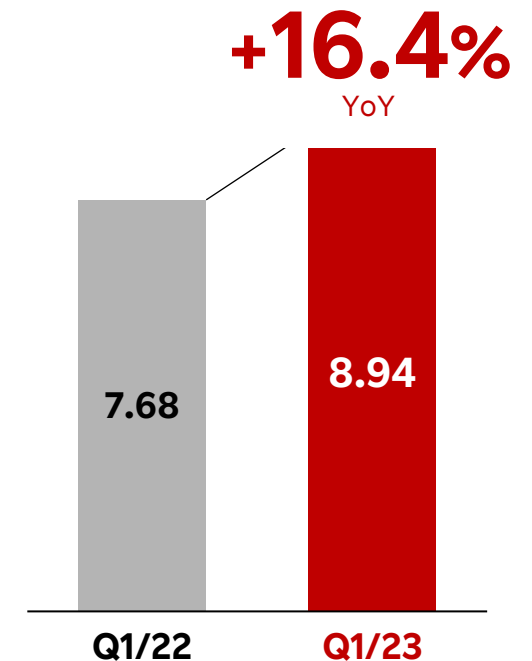
Rakuten Cards
Issued (mm)*1



Rakuten Bank
Accounts (mm)



Rakuten Securities
General Accounts (mm)



*1 Includes the issuance of second cards to same customers.

*2 Aggregated by Rakuten Securities from information publicly available on the website of each company, using accounts with balance (Nomura Securities, Daiwa Securities) and total number of accounts (SMBC Nikko Securities). As SBI Securities does not disclose the number of non-consolidated accounts, the number of accounts as of the end of March 2021 was used.

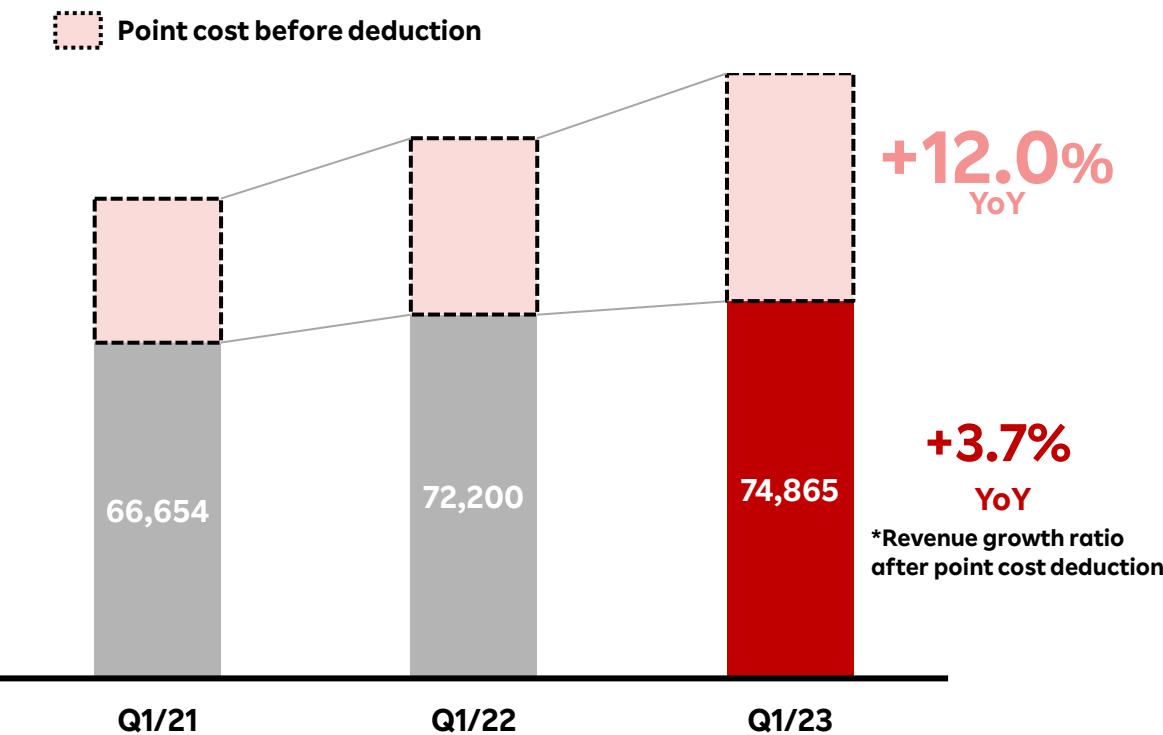
over **9** million accounts
(as of May 12)

Non-Consolidated
Securities Accounts
No.1 in Japan*2

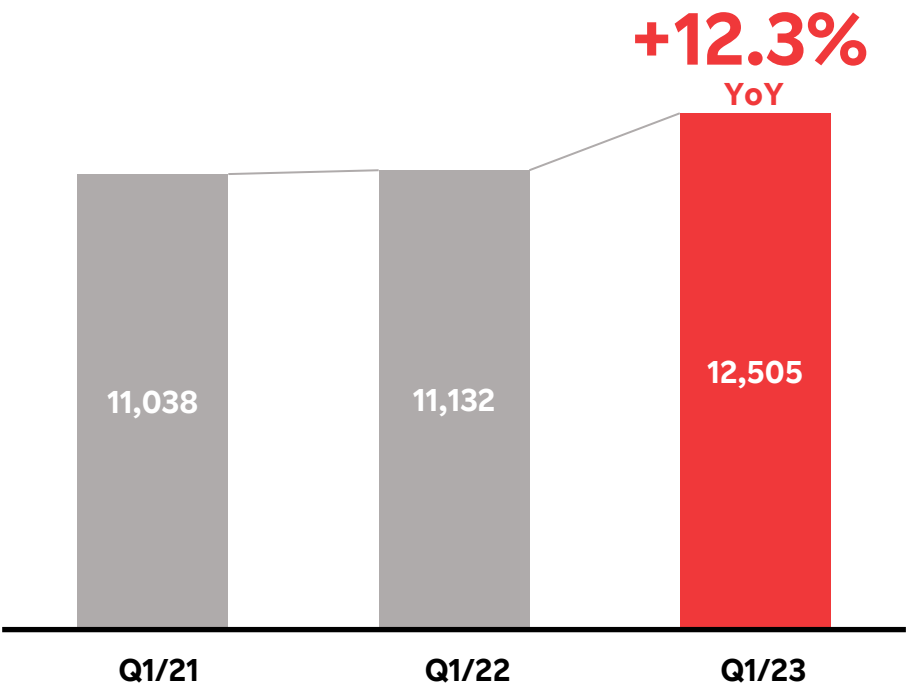
Rakuten Card: Financial Results

- Revenue grew double-digit revenue excluding the impact of point cost deduction*
- Growth in customer base and shopping GTV due to recovery after Covid-19 led to commission income increase
- Recovery of shopping revolving credit and cash advances, and growth of installment payments also contributed to higher earnings

Revenue (JPY mm)



Non-GAAP Operating Income (JPY mm)

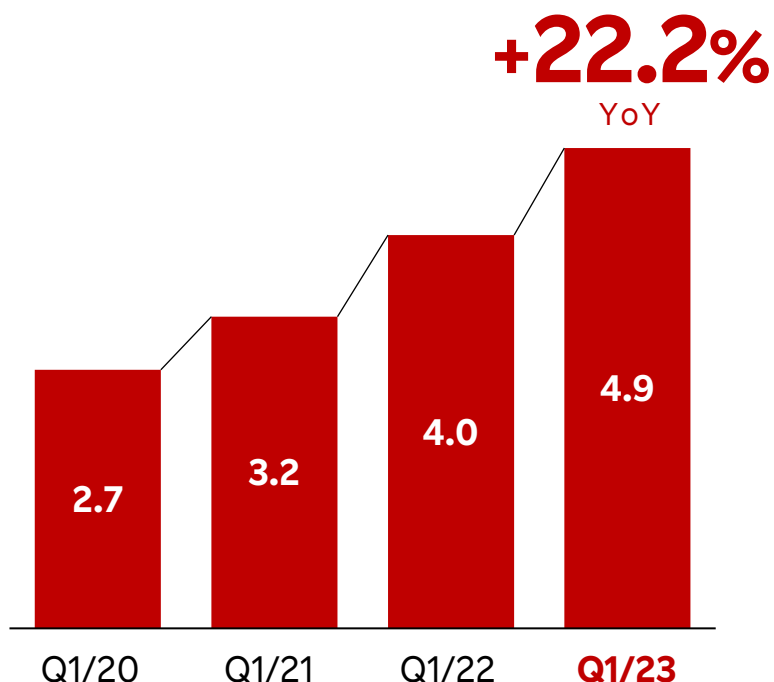


*From April 1, 2022, The Rakuten Point Terms of Use has been revised due to a change in the consumption tax treatment of Rakuten Points.

Rakuten Card: Continuously Stable Growth

- Steady growth in shopping GTV due to increase in number of members
- Cash advance and shopping revolving balance recovered to the level before Covid-19
- Installment payment also grew as a new revenue source

Rakuten Card Shopping GTV (JPY tn)



Cash
Advance

Q1/23 balance +11.2% YoY

Recovered to the same level as in Q1/20, the quarter before the covid-19 impact

Shopping
Revolving

Q1/23 Revolving Balance +2.4% YoY

Recovery trend continued, and almost at the same level as in Q1/20

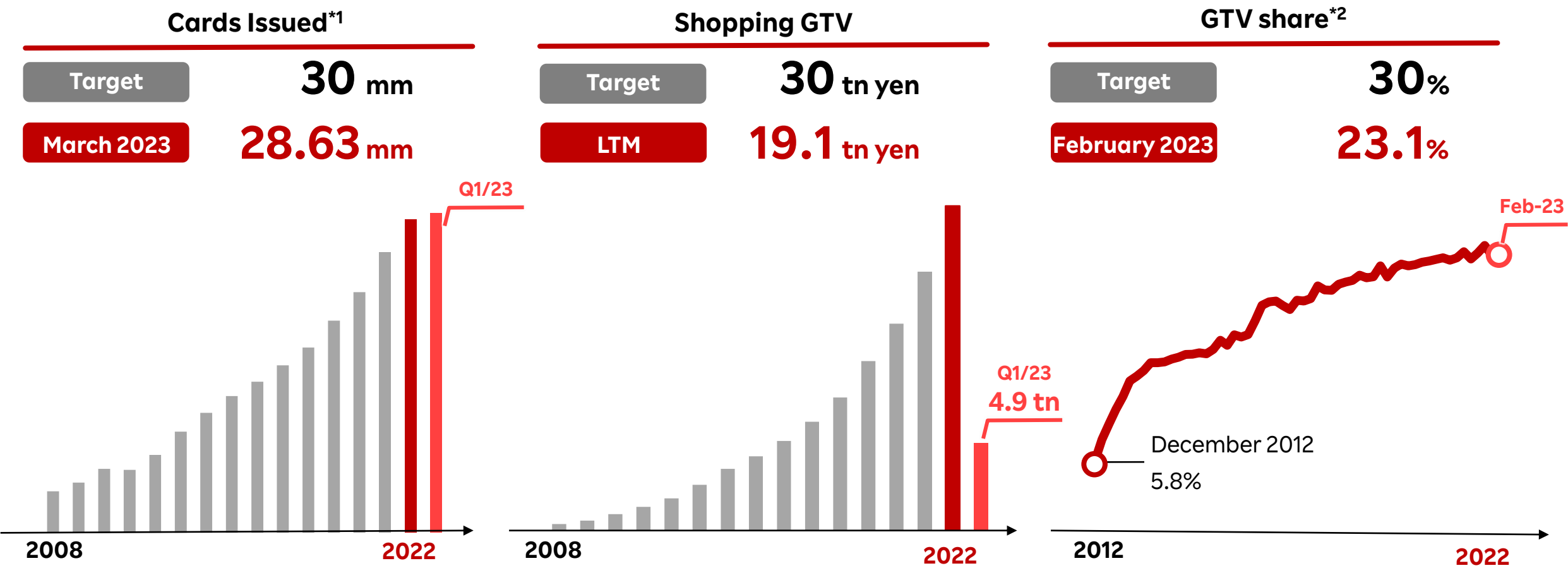
Installment

Q1/23 Interest on Installments +25.9% YoY / 1.7X vs Q1/20

Due to the diversification of payment adjustment needs, payment by installments continued to grow.

Rakuten Card: Each KPI Moving towards “Triple 3”

■ Shopping GTV in Q1 archived +22.2% YoY. Solid growth recorded towards “Triple 3”



*1 Includes issuance of second cards to same customers.
*2 Calculated based on “Ministry of Economy, Trade and Industry, Specified Service Industry Statistics Survey, Credit Card Industry.”

Rakuten Bank : Listed on the Tokyo Stock Exchange Prime Market

- **Under a more autonomous management structure** while maintaining the full benefit of Rakuten Ecosystem, **Rakuten Bank aims to maximize corporate value** with various business and financial strategies, including independent fund-raising.

Rakuten Bank

Listing Date : Friday, **April 21, 2023**

Securities Code : 5838

Current Market Value (As of May 11, 2023)

JPY 333.2 bn

(Rakuten Group, Inc.'s ownership 64.99%: JPY 216.6 bn)

3. Financial Strategy

Addressing our Balance Sheet

- As we put the bottom of the Mobile segment behind us, the balance sheet will be managed with discipline to reap the extraordinary return envisioned in Vision 2030.

Financial

We commit to a disciplined financial policy

No additional gross debt / Reduce debt balance

- 1 **Rakuten Bank's** IPO proceeds of JPY 71.7 bn in April 2023 (Current ownership value of JPY 216.6 bn*)
 - 2 Potential IPO of **Rakuten Securities Holdings**
 - 3 **Acceleration of asset divestitures such as minority investments**
 - 4 Other various equity capital enhancement measures including strategic business alliance and capital raise for the parent and subsidiaries
- + **Aim to replace JPY 68bn of First Subordinated Bond at the 1st call date (Dec 2023)** by taking into consideration of market condition and reputation in capital markets

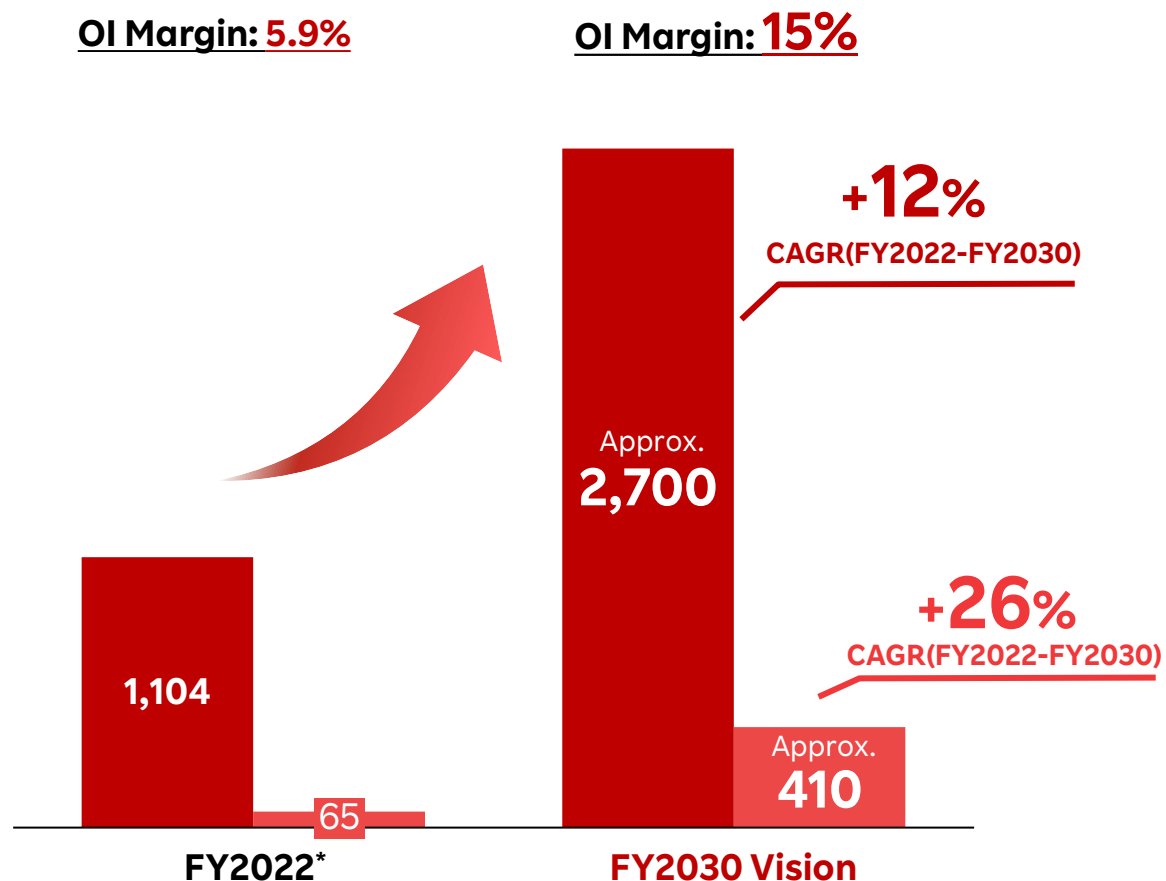
Operational

- 1 Continued growth in **Internet Services**
- 2 Dividends and fees from growing **FinTech** segment
- 3 **Significantly reduced Mobile Capex** in 2023 and 2024
- 4 Expected **Rakuten Mobile** revenue growth upside driven by an accelerated subscriber acquisition while continue to normalize cost structure

4. Vision 2030

Internet Services Segment: Vision 2030

■ Revenue ■ Non-GAAP Operating Income (JPY bn)



To achieve Vision 2030:

Domestic EC

- Aiming for 10 trillion JPY GMS by 2030 and further increase market share in the EC market.
- Implementing Quality Revolution, Cross-Use enhancement and Regional Revitalization.

Ad & Marketing

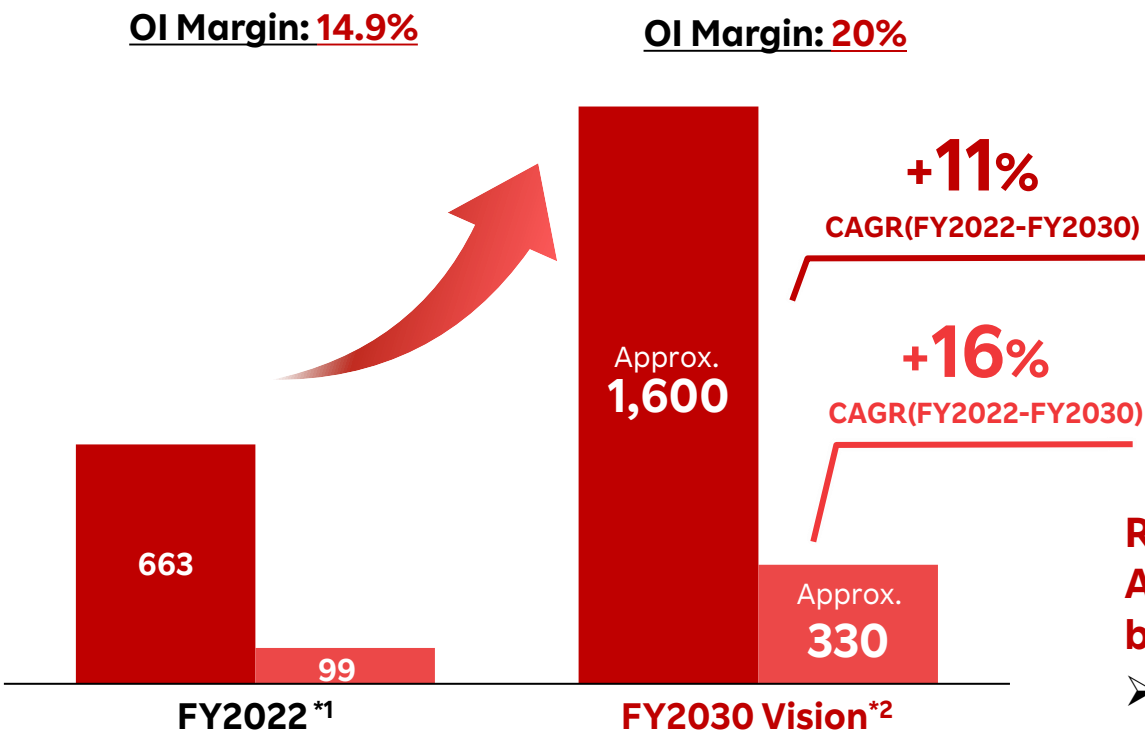
- Implementing various policies to not only increase sales but also improve profitability
 - Collaborate in more depth with other services.
 - Developing new R-Point related service / media.

Other Internet Services

- Aiming for early profitability and further profitability

FinTech Segment: Vision 2030

■ Revenue ■ Non-GAAP Operating Income (JPY bn)



To achieve Vision 2030:

Further strengthen synergies among FinTech services centered around Rakuten Card, which is the main payment method in the FinTech segment. Contribute to the expansion of Rakuten Group’s Ecosystem.

2030

Rakuten Card Mid-Term Target: Achievement of “Triple 3” before 2030

- Cards Issued: 30mm^{*3}
- Shopping GTV: JPY 30tn
- GTV Share: 30%^{*4}

Rakuten Bank Mid-to-Long Term Vision for 2027:

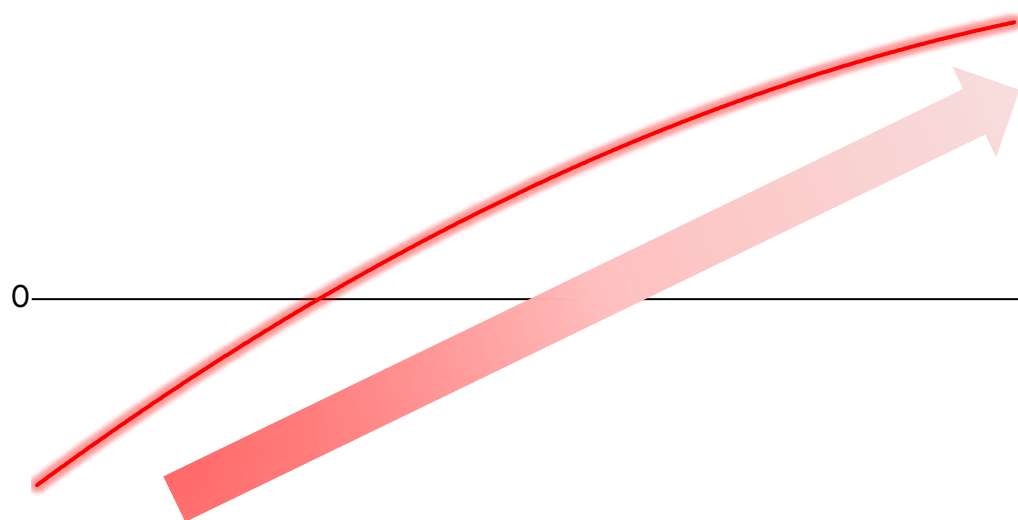
- Accounts: 25mm
- Deposits: JPY 20tn

^{*1} FY2022 was not retroactively adjusted by impact of the introduction of IFRS 17.
^{*2} On a consolidated basis, which includes 100% of operating income of subsidiaries with minority interest, such as Rakuten Bank, Ltd. (64.99% ownership) and Rakuten Securities, Inc. (80.0% ownership).
^{*3} Includes the issuance of second card per cardholder.
^{*4} Calculated based on ” Ministry of Economy, Trade and Industry, Specified Service Industry Statistics Survey, Credit Card Industry.”

Rakuten Mobile: Envision Path to Healthy Profit in the Future

Rakuten Mobile, Inc. Illustrative Path to Profit*1

■ Operating Income



2030 KPI Vision

B2C
Subscribers

~24 mm

B2B
Subscribers

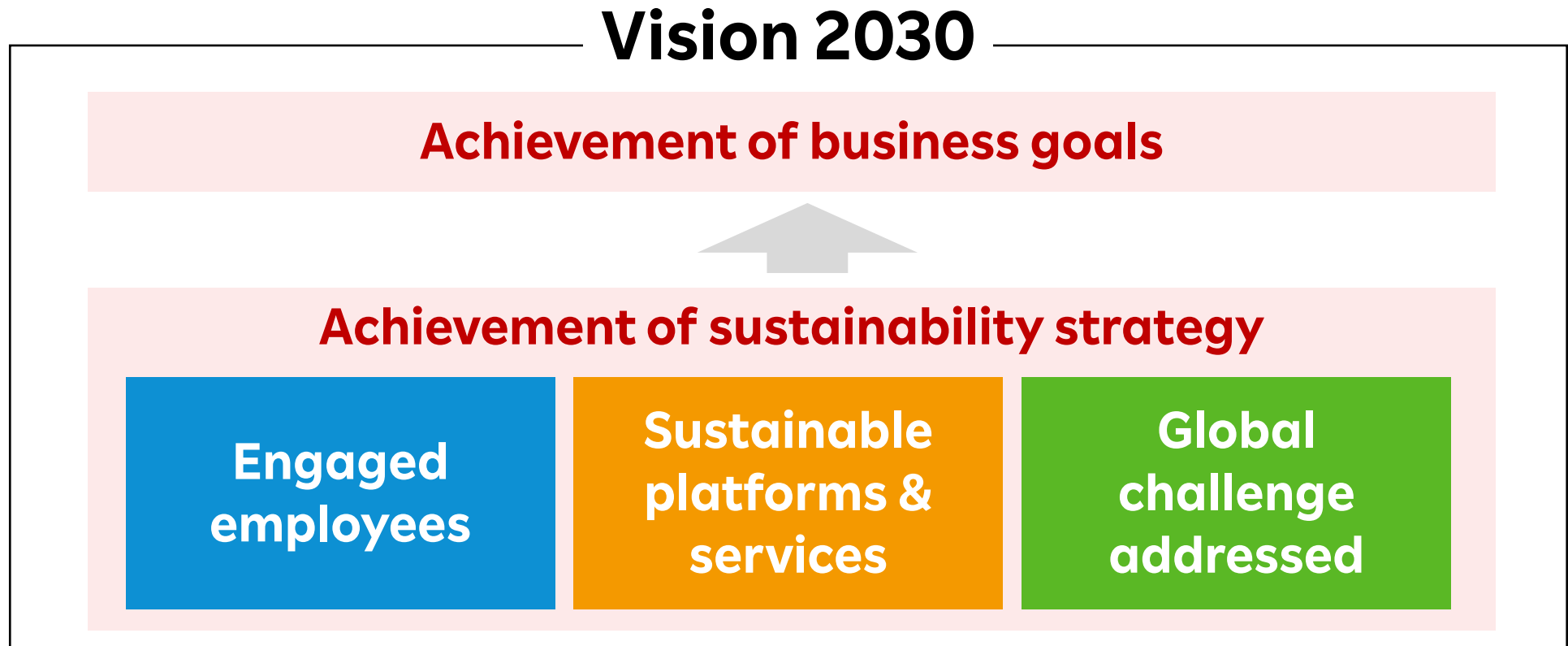
~7 mm

- Seek to keep total operating cost (Network Cost and SG&A, including depreciation) stable as we complete our network
- Roaming cost to go down steadily going forward once new roaming contract takes effect
- Envision operating leverage driving profit after reaching a breakeven point

5. ESG

Sustainability Strategy – Vision 2030

Rakuten Group's sustainability strategy (ESG priorities) established in 2021, through **stakeholder engagement** process. **Long-term goal-setting** for each ESG challenge in line with **Vision 2030**, to support achievement of business goals.



Sustainability Strategy - Details

3 Focus Areas

Growing with Our Employees

- Workplace safety & employee wellness
- Talent attraction, development & retention
- Diversity, equality, inclusion
- Responsible labor practices

Providing Sustainable Platforms & Services

- Responsible advertising, marketing & labelling
- Internet governance & freedom of speech
- Sustainable production & consumption

Addressing Global Challenges

- Climate change & energy
- Innovation & entrepreneurship
- Risk & crisis management

Business Foundations

- Ethical business practices
- Information security & privacy
- Product & service quality

Rakuten

This presentation includes forward-looking statements that reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The management targets included in this presentation are not projections, and do not represent management's current estimates of future performance. Rather, they represent targets that management strives to achieve through the successful implementation of the Company's business strategies. The Company may be unsuccessful in implementing its business strategies, and management may fail to achieve its targets. The Company is under no obligation - and expressly disclaims any such obligation - to update or alter its forward-looking statements. Names and logos of companies, products, and services and such that appear in this material are trademarks or registered marks of their respective companies.