

FY2023 Third Quarter Consolidated Financial Results Appendix

November 9, 2023

Rakuten Group, Inc.



- Figures in this document are rounded to one decimal place, so there may be some discrepancies with the numbers in other disclosed materials.
- Past figures may be retroactively adjusted due to changes in accounting standards or revisions to definitions
- Please refer to <https://global.rakuten.com/corp/investors/assets/doc/documents/23Q3Datasheet.xlsx>
- For company introduction, please refer to https://global.rakuten.com/corp/investors/assets/doc/documents/GroupIntroduction202306_E.pdf.

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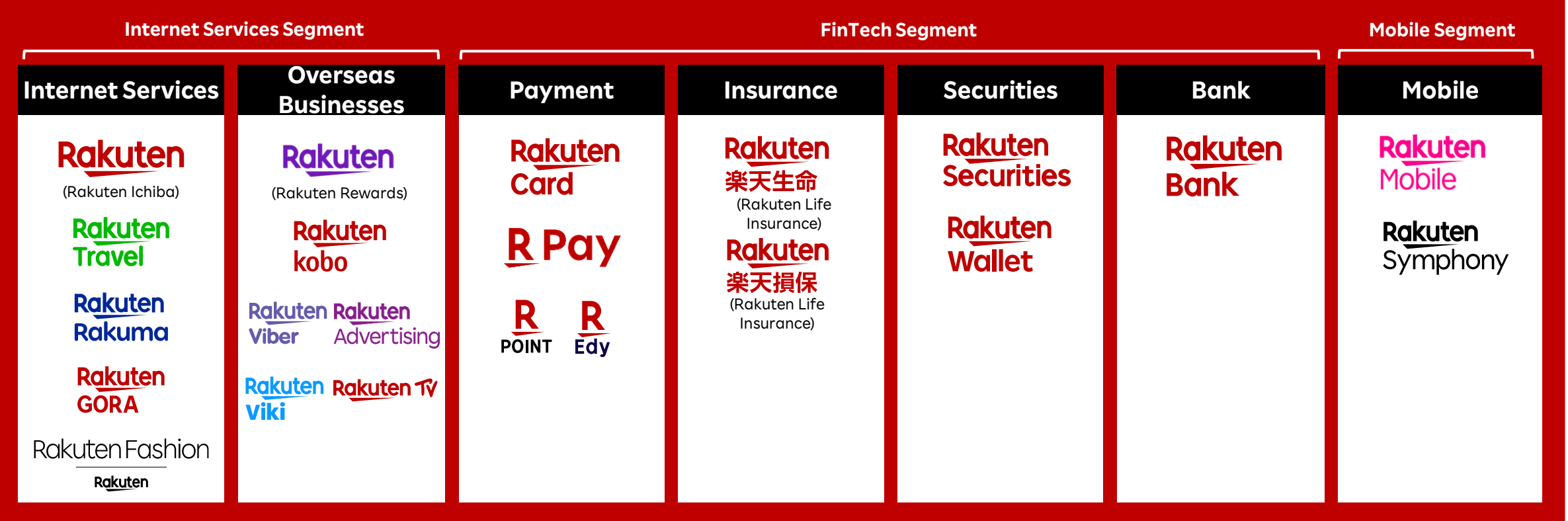
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1. Ecosystem KPIs

Rakuten Ecosystem Services Line-Up (Excerpt)

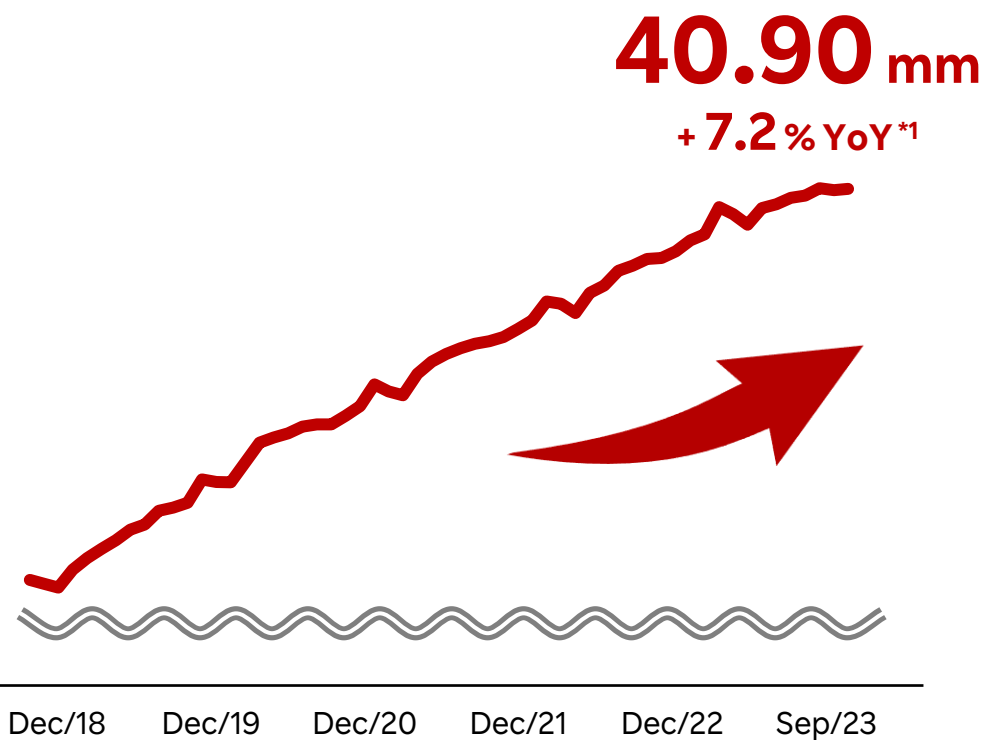
■ Established leading positions in many markets. Highest cross-use rate among MNO carriers*



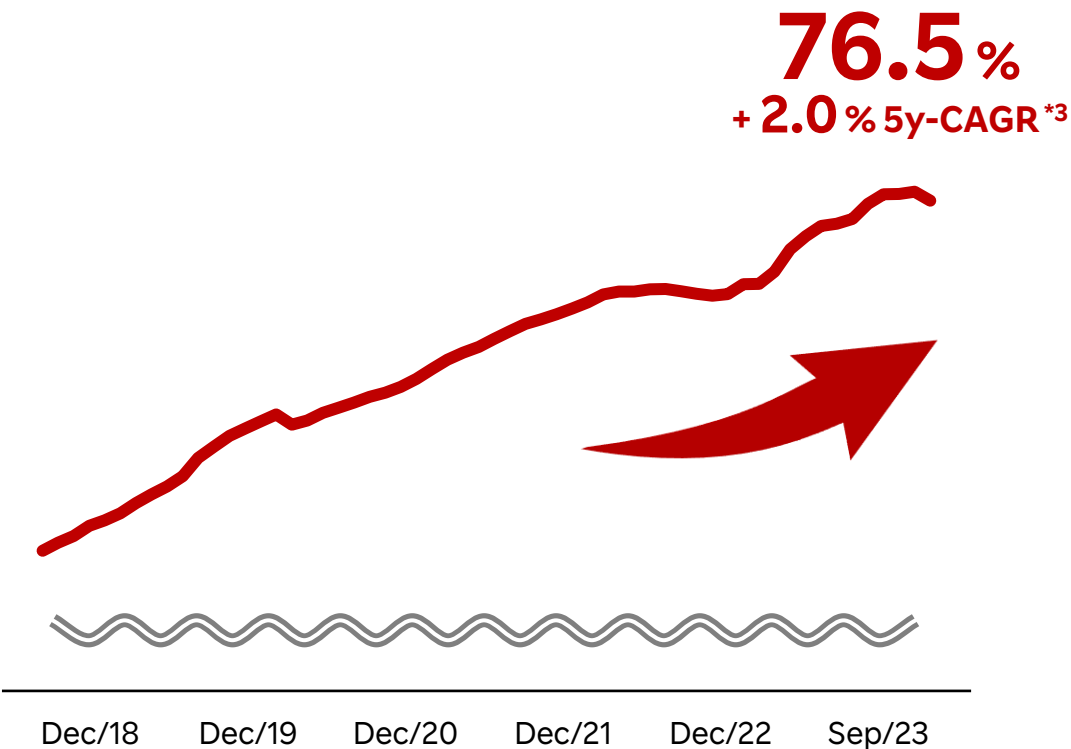
* MMDLabo. Feb 20, 2023. “Survey on the actual condition of use of related services of major 4 MNO carriers.” Number of carrier-related services except for mobile phone contracts for 4 MNO carrier users. (Internet survey, target: Major 4 MNO career users aged 18-69, valid responses = 2,000: Docomo users (n = 500), au users (n =500), Softbank users (n = 500) Rakuten Mobile users (n = 500))

Number of Monthly Active Users and Ratio of Users of Two or More Services

Monthly Active User Growth in Japan

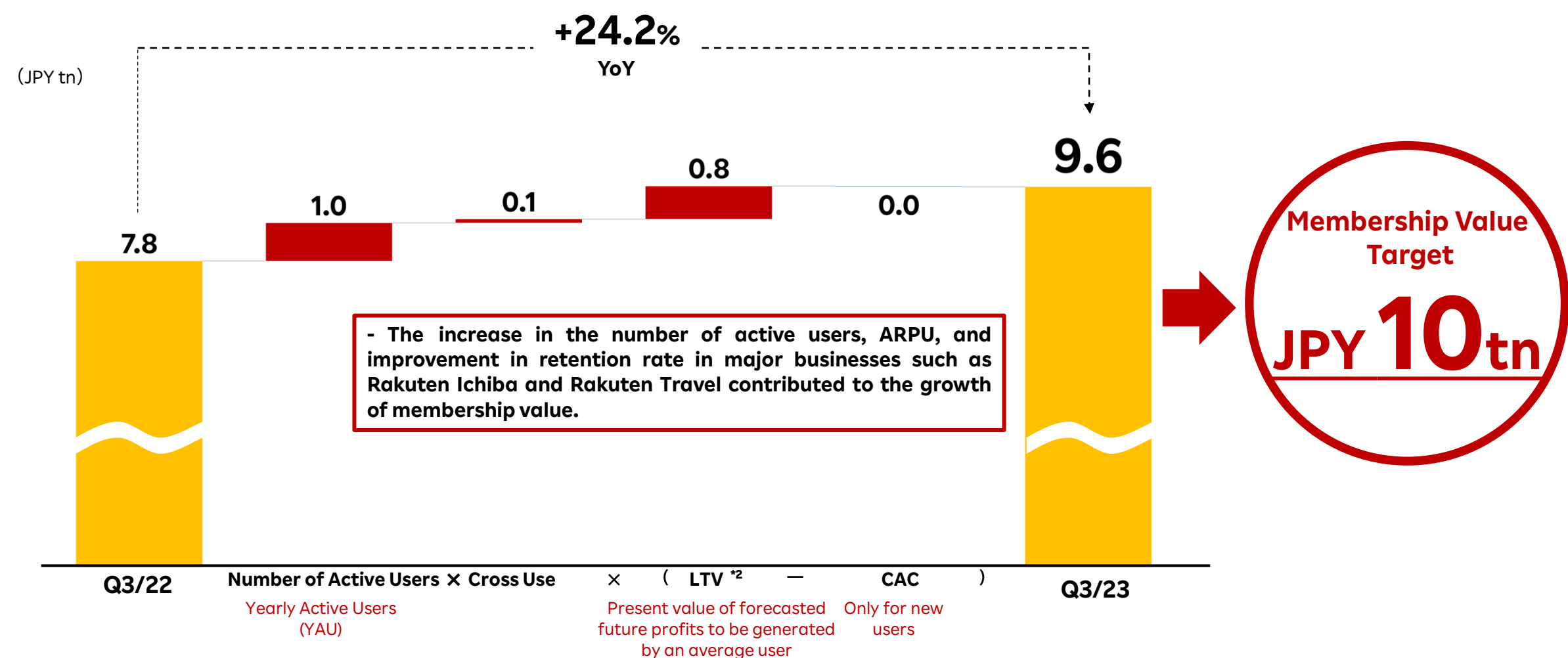


Ratio of Users of Two or More Services^{*2}



^{*1} Comparison of monthly active users in September 2023 versus September 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 September 2023). (Limited to the use of services that can earn Rakuten Points.)
^{*3} Calculated by using monthly use ratio in from September 2018 to September 2023.

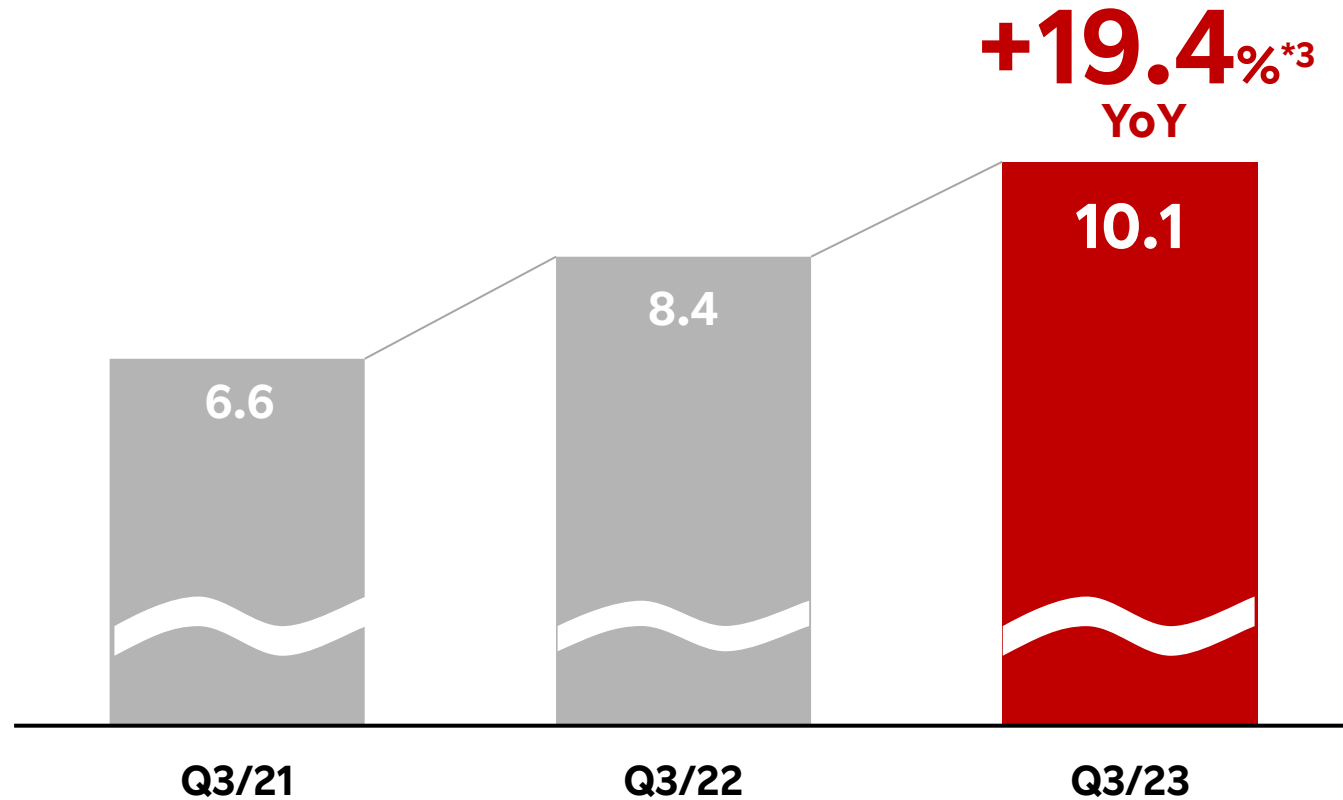
Membership Value^{*1}



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

Total Global GTV^{*1*2}

(JPY tn)



LTM Total Global GTV
JPY 39.0tn

*1 Global Gross Transaction Value = Domestic E-Commerce GMS + Credit Card GTV + Rakuten Edy GTV + Rakuten Pay GTV+ Rakuten Point Card GTV + Overseas E-Commerce GTV + Rakuten Rewards (Ebates) GTV + Digital Contents GTV + Rakuten Advertising (Rakuten Marketing) GTV

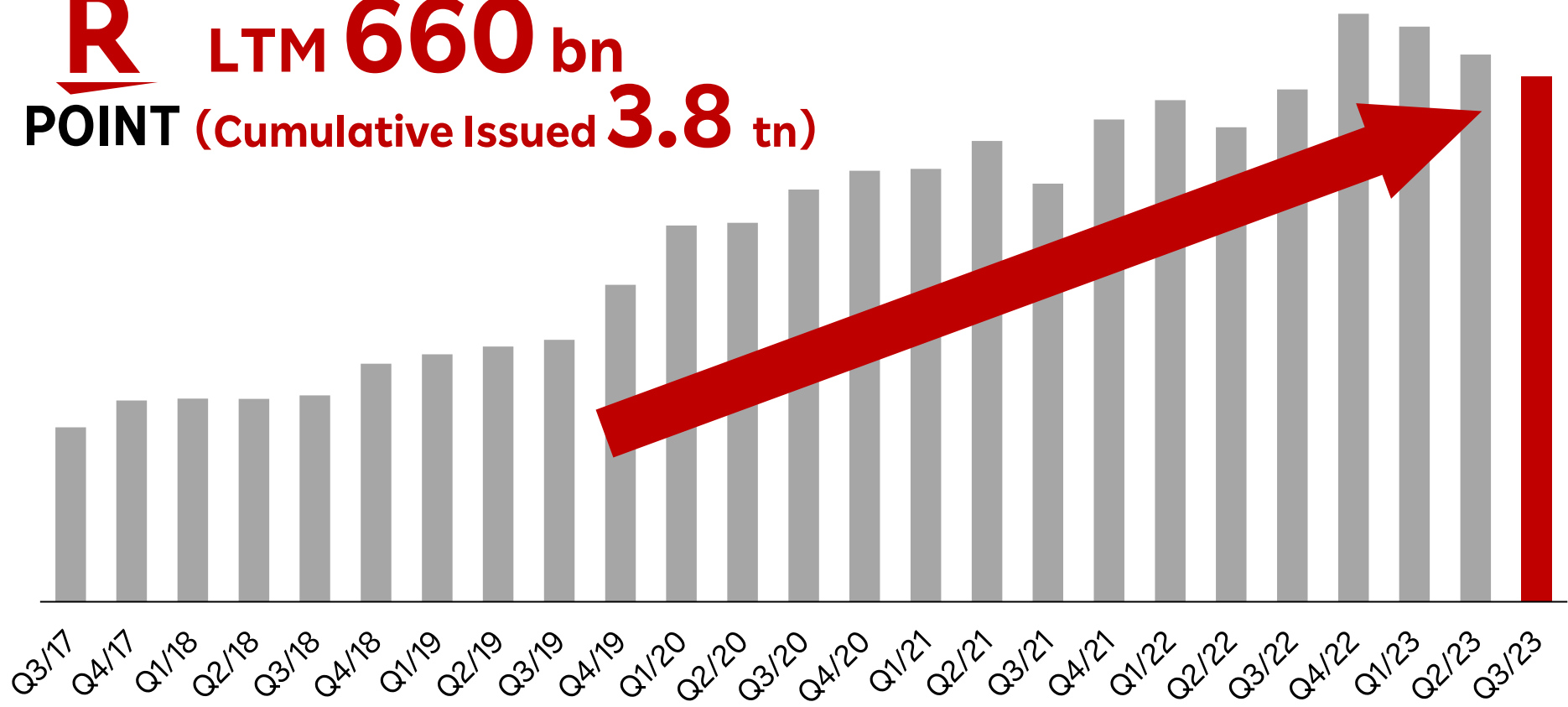
*2 Including intercompany transactions for settlement and affiliate services

*3 The calculation does not take into account the impact of exchange rates

Number of Rakuten Points Issued (Issued by Rakuten + Issued by Merchants)










■ Rakuten Point ranked No. 1 in satisfaction*










R LTM 660 bn
POINT (Cumulative Issued 3.8 tn)



* Source: My voice com, Survey on points, November 2022.

SPU Program Revision Effective from December 1, 2023

Service			As is	To be
 Rakuten Mobile (MNO) For diamond rank users	Multiple		+3x	+4x
	Maximum		7,000	2,000
 Rakuten Mobile (MNO) For other rank users	Multiple		+2x	+4x
	Maximum		6,000	2,000
 Rakuten Mobile (MVNO)	Multiple		+1x	Not subject
	Maximum		5,000	
 Rakuten Mobile Carrier Payment	Multiple		+0.5x	+2x
	Maximum		5,000	1,000
 Rakuten Turbo / Rakuten Hikari	Multiple		+1x	+2x
	Maximum		5,000	1,000
 Rakuten Card Regular portion	Multiple		+1x	+1x
	Maximum		No Limit	No Limit
 Rakuten Card Bonus portion	Multiple		+1x	+1x
	Maximum		5,000	1,000
	Premium Card		—	5,000
 Rakuten Premium Card Bonus portion	Multiple		+2x	—
	Maximum		15,000	—
 Rakuten Bank + Rakuten Card	Multiple		Max +1x	Max +0.5x
	Maximum		5,000	1,000

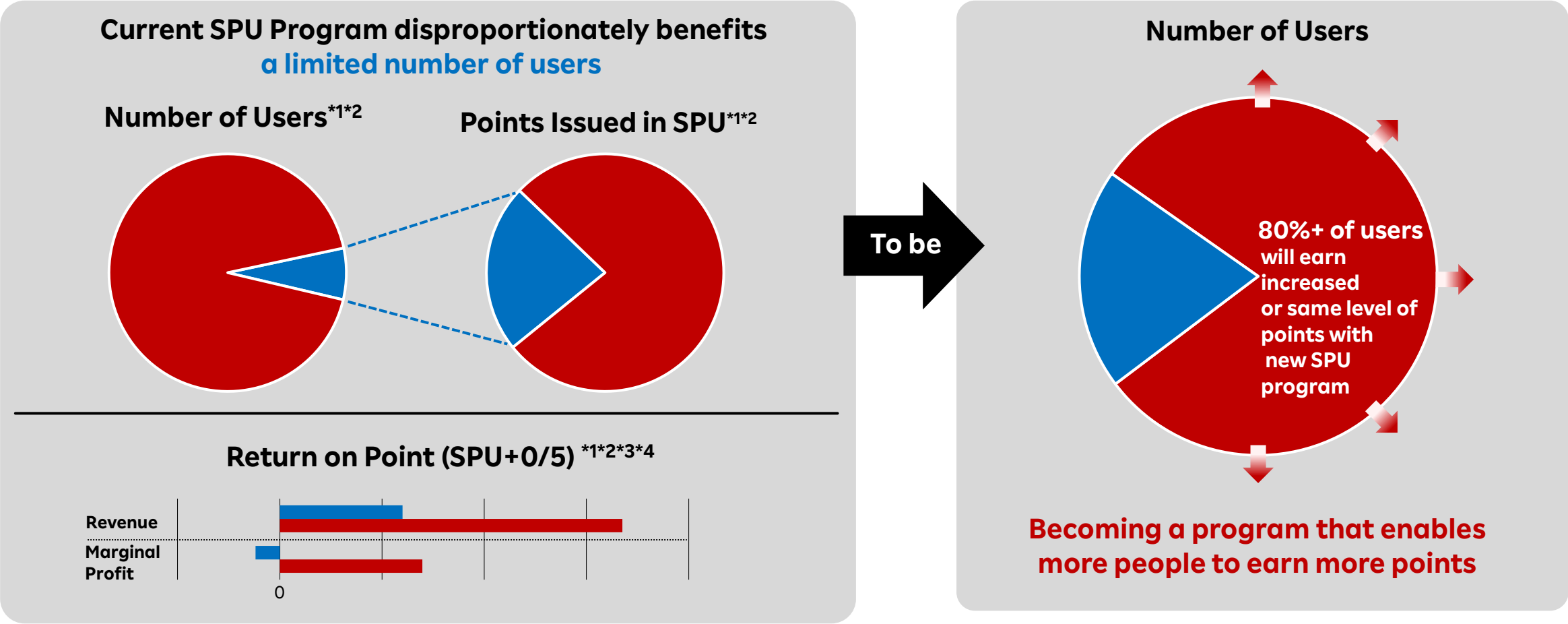
Service			As is	To be
 Rakuten Securities Investment trust	Multiple		+0.5x	+0.5x
	Maximum		5,000	2,000
 Rakuten Securities US stock	Multiple		+0.5x	+0.5x
	Maximum		5,000	2,000
 Rakuten Wallet	Multiple		+0.5x	+0.5x
	Maximum		5,000	1,000
 Rakuten Travel	Multiple		+1x	+1x
	Maximum		Up to membership Rank	1,000
 Rakuten Books	Multiple		+0.5x	+0.5x
	Maximum		1,000	500
 Rakuten Kobo	Multiple		+0.5x	+0.5x
	Maximum		1,000	500
 Rakuten Pasha	Multiple		+0.5x	+0.5x
	Maximum		5,000	1,000
 Rakuten Fashion App	Multiple		+0.5x	+0.5x
	Maximum		Up to membership Rank	1,000
 Rakuten Beauty	Multiple		+0.5x	+0.5x
	Maximum		Up to membership Rank	500

- On the 5th and the 0th day of every month, points are multiplied by 4 when using Rakuten Card (Dec 5 ~)

Multiple will be changed from 5x to 4x, Maximum Point will be changed from 3,000pt to 1,000pt

Upper limit of points: 19,500pt

New Program will Benefit Majority of Users, while Making Points More Productive



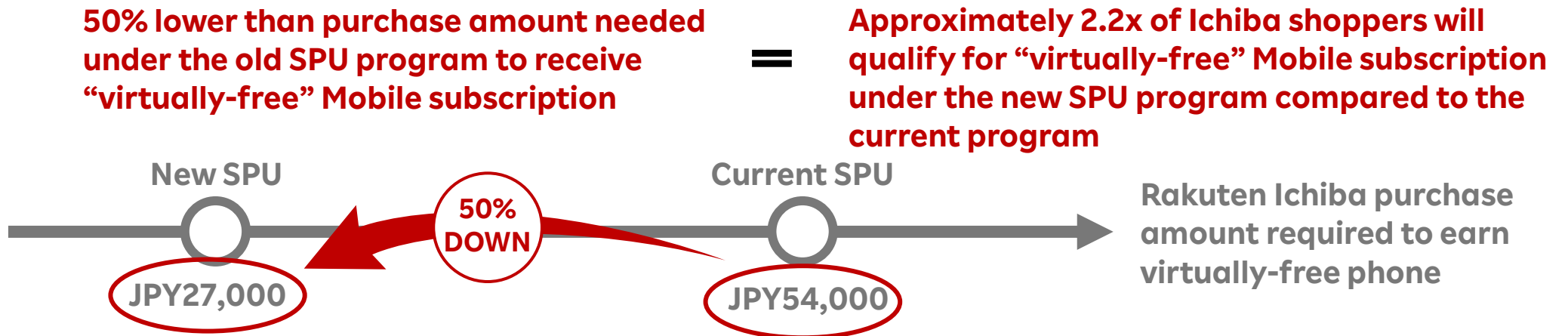
^{*1} Jul 2022-Jun 2023
^{*2} Scope: EC + Payment Services (Card, Rpay, Point, Edy) + Other FinTech + MNO + Magazine + Ad (Ichiba, Travel)
^{*3} Return on Point: Revenue/Marginal Profit generated per point issued
^{*4} Marginal Profit: Revenue - variable cost and user-basis point (fixed cost is not included)

Easier for More Ichiba Users to Subscribe to Mobile for Virtually Free

	Point Multiple	Rakuten Ichiba Purchase Amount (excl. Tax)		Points Earned	
Without Mobile subscription	1x	JPY 27,000	=	270 pt	Difference with mobile subscription =1,080 points Enough to pay for Rakuten Mobile monthly fee less than 3GB data usage
12/1~ With Mobile Subscription	5x Rakuten membership (1x) Rakuten SAIKYO Plan (+4x)	JPY 27,000	=	1,350 pt	

For those that spend JPY27,000 in Ichiba, which option makes sense under the new SPU program?

- A. Receive 270 base points
- B. Receive 270 base points and use additional 1,080 SPU points to pay for Rakuten SAIKYO Plan



2. Consolidated Financial Results

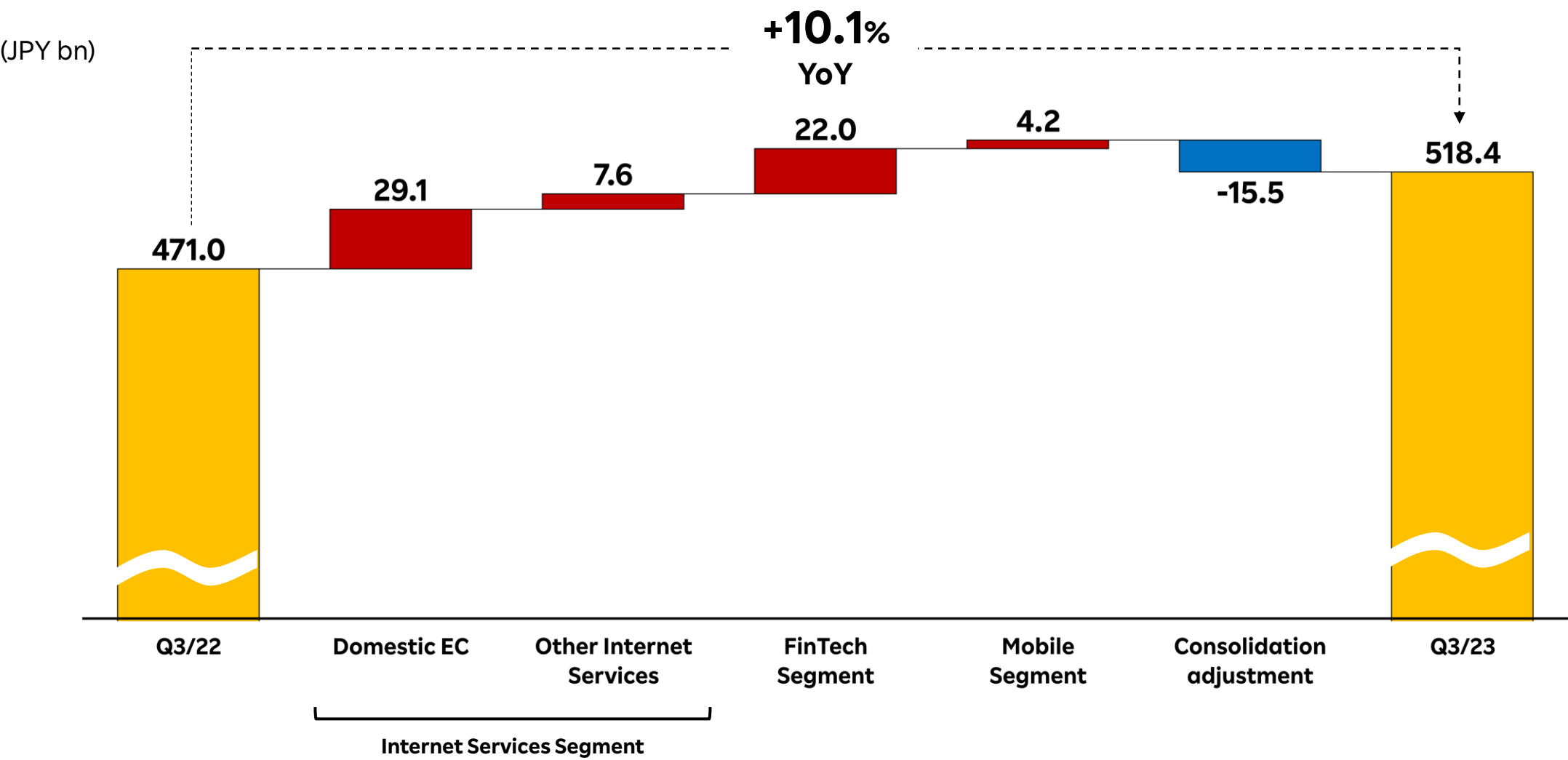
Consolidated Financial Results Summary^{*1*2}

(JPY bn, rounded)	Q3/22	Q3/23	YoY	Comment
Consolidated Revenue	471.0	518.4	+10.1%	Rakuten Ichiba and Rakuten Travel saw growth in transaction value. In other Internet services, revenue grew mainly in the US cashback service Rakuten Rewards. In Rakuten Mobile, telecommunication fees continued to increase, contributing to growth in revenue.
Internet Services Segment	264.5	301.2	+13.9%	
FinTech Segment	162.5	184.6	+13.6%	
Mobile Segment	84.5	88.7	+5.0%	
Adjustments	-40.5	-56.0	-15.5	
Non-GAAP Operating Income (Loss)	-83.0	-41.0	+42.0%	Achieved increases in revenue and profit in Rakuten Card, Rakuten Bank, and Rakuten Securities among others. In Rakuten Mobile, progressively worked to reduce costs, primarily network-related costs, and used the new roaming contracts as an opportunity to control capital expenditures at a level far below our previous plan.
<i>(Reference only: Excluding Mobile Segment & Minority Investment Business)</i>	<i>39.5</i>	<i>48.5</i>	<i>+22.8%</i>	
Internet Services Segment	16.6	16.6	+0.3%	
FinTech Segment	21.1	28.6	+35.8%	
Mobile Segment	-117.6	-81.2	+36.4	
Adjustments	-3.1	-5.1	-2.0	
Amortization of Intangible Assets	-2.2	-2.2	-0.0	Costs temporarily incurred due to the cancellation of base station construction etc.
Stock Based Compensation	-3.1	-3.0	+0.1	
One-Off Items	-5.8	-8.2	-2.4	
IFRS Operating Income (Loss)	-94.2	-54.5	+39.7%	
Non-GAAP EBITDA	-14.9	35.6	+50.4%	
Internet Services Segment	25.4	26.2	+3.4%	
FinTech Segment	34.3	43.4	+26.4%	
Mobile Segment	-81.3	-41.7	+39.7	
Adjustments	6.8	7.6	+12.2%	

*1 The Rakuten Group has adopted IFRS 17 from the beginning of the three months ended March 31, 2023, and reflected the cumulative effect of this accounting standard change on the date of initial transition of January 1, 2022. As a result, figures for the fiscal year ended December 31, 2022 reflect the retrospective application of IFRS 17.

*2 Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

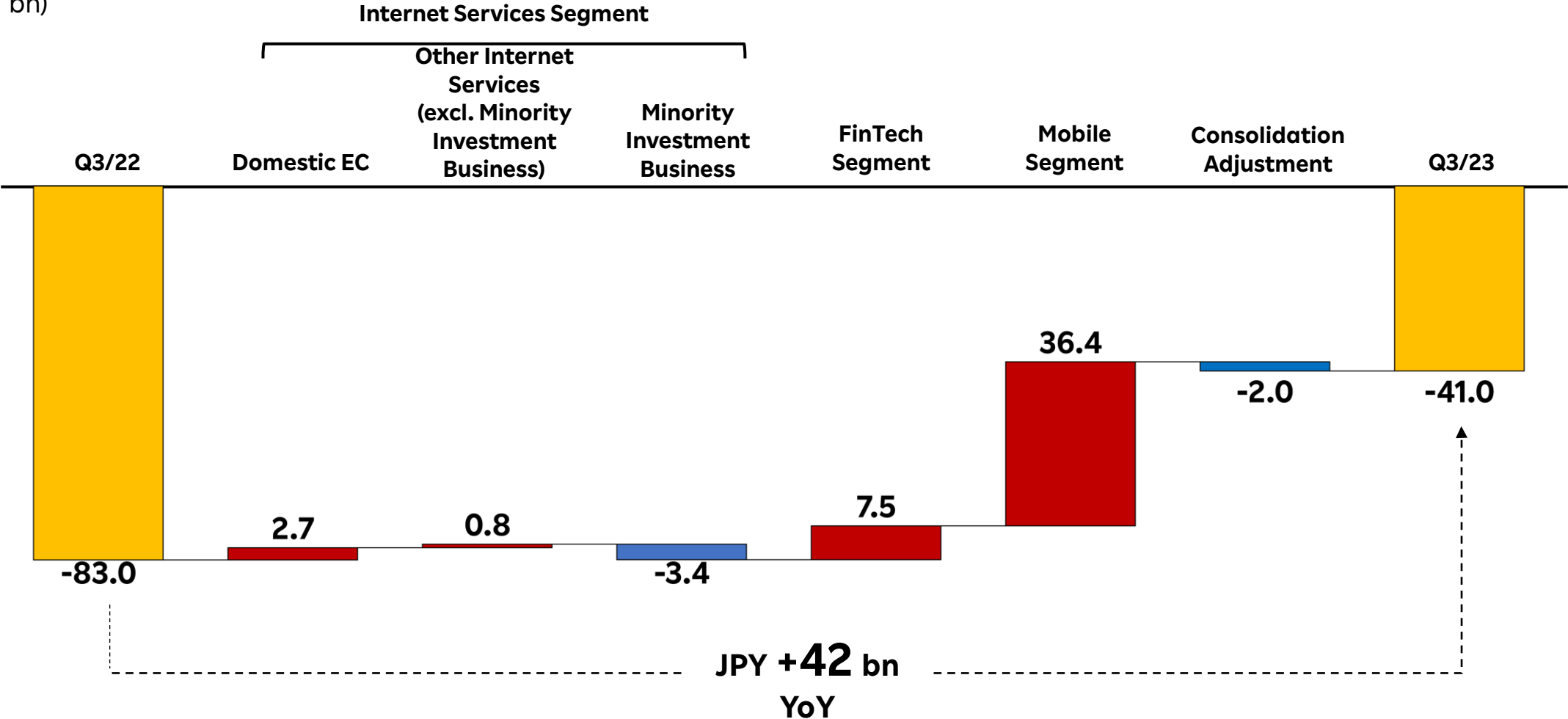
Q3/23 Revenue Breakdown



* Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

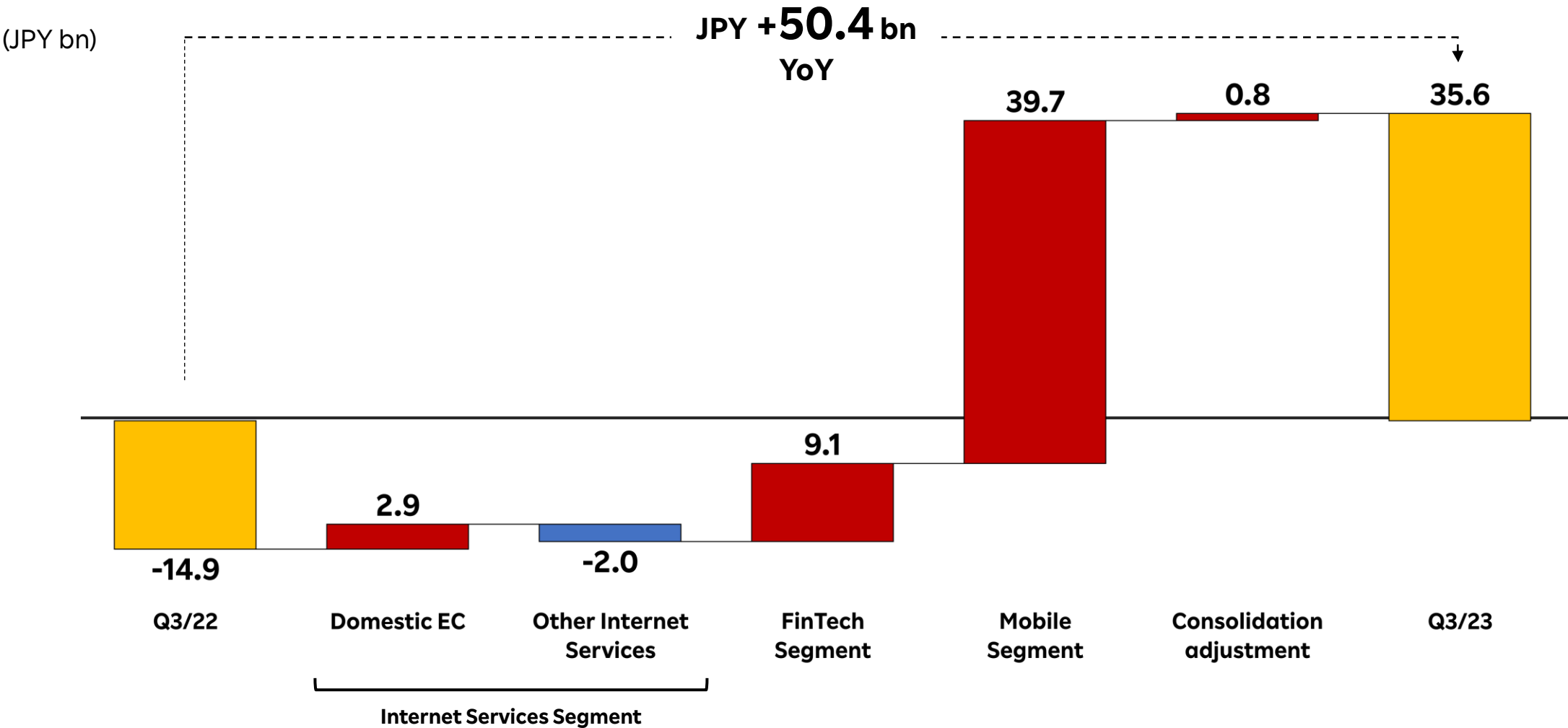
Q3/23 Non-GAAP Operating Income or Loss Breakdown

(JPY bn)



* Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

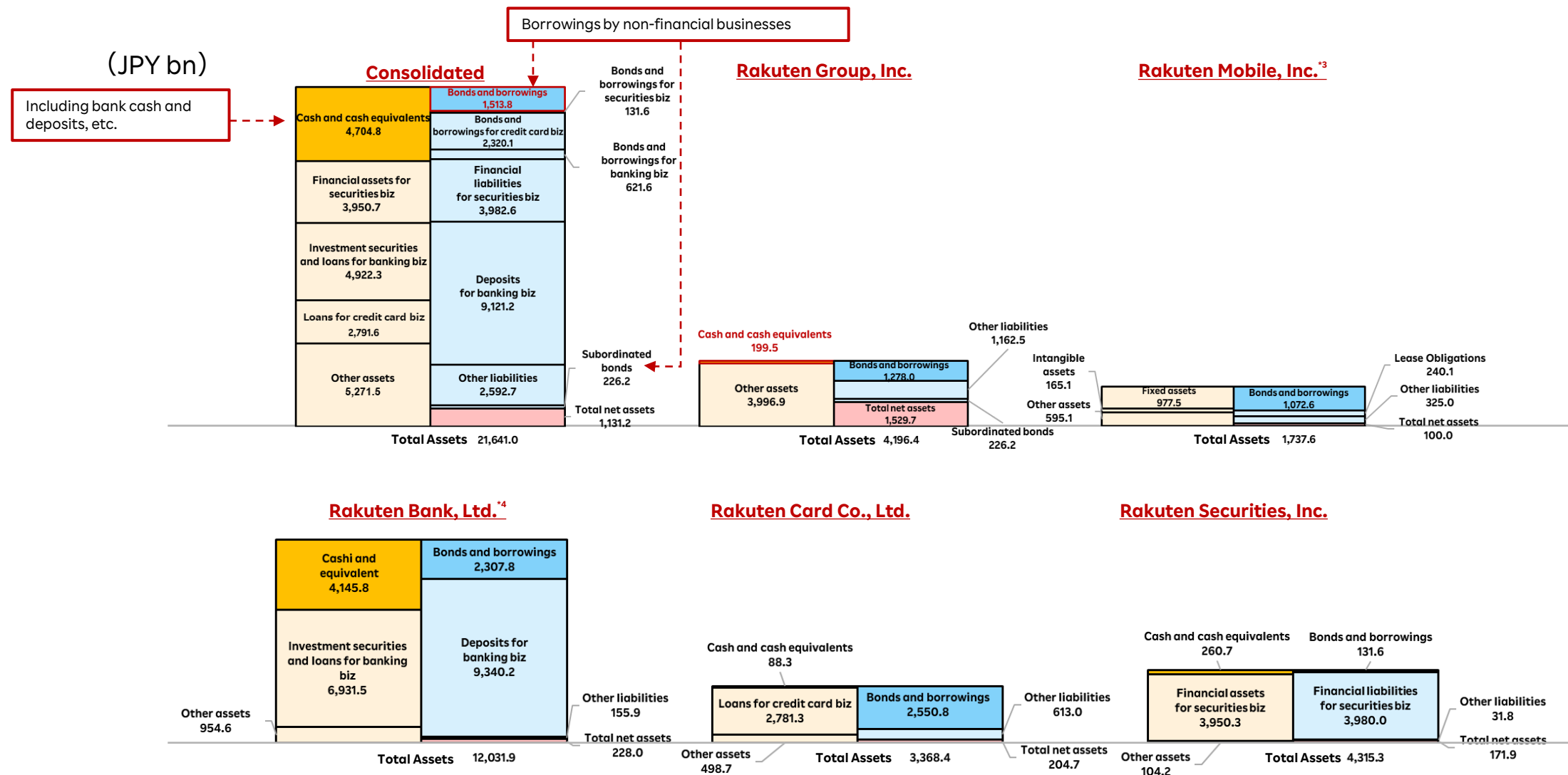
Q3/23 Non-GAAP EBITDA



* Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

Consolidated and Major Subsidiaries' Balance Sheets – As of Sep 30, 2023^{*1*2}

※Non-consolidated Balance Sheets include internal transactions



*1 Rakuten Group, Inc., Rakuten Bank, Ltd., Rakuten Card Co., Ltd., Rakuten Securities, Inc., Rakuten Life Insurance Co., Ltd., Rakuten General Insurance Co., Ltd. and Rakuten Mobile, Inc. are based on IFRS nonconsolidated balance sheets.

*2 Bonds and borrowings include Straight corporate bonds, CP, Bank borrowings, etc.

*3 Mainly lease financing and Loans from Rakuten Group, Inc.

*4 Borrowings for banking business are mainly debt from Bank of Japan under eligible collateral. Joint venture in Taiwan (Rakuten International Commercial Bank.) is not included in the figures above.

Consolidated and Major Subsidiaries' Balance Sheets Breakdown (1)

– As of September 30, 2023^{*1*2}

(JPY bn, rounded)	Q2/23	Q3/23	QoQ
Rakuten Group, Inc. (Consolidated)			
Total Assets	21,648.0	21,641.0	-0.0%
Cash and Equivalents	5,005.5	4,704.8	-6.0%
Financial Assets for Securities Business	3,985.9	3,950.7	-0.9%
Investment Securities and Loans for Banking Business	4,809.2	4,922.3	+2.4%
Loans for Credit Card	2,689.1	2,791.6	+3.8%
Other Assets	5,158.3	5,271.5	+2.2%
Total Liabilities	20,475.7	20,509.8	+0.2%
Bonds and Borrowings	1,778.2	1,740.0	-2.1%
Subordinated Bonds	226.1	226.2	+0.0%
Borrowings for Securities Business	139.6	131.6	-5.7%
Bonds and Borrowings for Credit Card Business	668.4	621.6	-7.0%
Borrowings for Banking Business	2,288.6	2,320.1	+1.4%
Deposits for Banking Business	8,976.8	9,121.2	+1.6%
Financial Liabilities for Securities Business	4,126.6	3,982.6	-3.5%
Other Liabilities	2,497.6	2,592.7	+3.8%
Total Net Assets	1,172.3	1,131.2	-3.5%
Total Liabilities and Equity	21,648.0	21,641.0	-0.0%

Including bank cash and deposits, etc.

Borrowings by non-financial businesses (excluding subordinated bonds)

(JPY bn, rounded)	Q2/23	Q3/23	QoQ
Rakuten Group, Inc. (Non-consolidated)			
Total Assets	4,120.9	4,196.4	+1.8%
Cash and Equivalents	296.7	199.5	-32.8%
Other Assets	3,824.2	3,996.9	+4.5%
Total Liabilities	2,618.7	2,666.7	+1.8%
Bonds and Borrowings	1,513.9	1,504.2	-0.6%
Debt from External Financial Institutions	1,504.6	1,482.2	-1.5%
Subordinated Bonds	226.1	226.2	+0.0%
Internal Transactions	9.3	22.0	+137.1%
Other Liabilities	1,104.9	1,162.5	+5.2%
Total Net Assets	1,502.1	1,529.7	+1.8%
Total Liabilities and Equity	4,120.9	4,196.4	+1.8%



*1 Rakuten Group, Inc., Rakuten Bank, Ltd., Rakuten Card Co., Ltd., Rakuten Securities, Inc., Rakuten Life Insurance Co., Ltd., Rakuten General Insurance Co., Ltd. and Rakuten Mobile, Inc. are based on IFRS non-consolidated balance sheets

*2 Bonds and borrowings include Straight corporate bonds, CP, Bank borrowings, etc.

Consolidated and Major Subsidiaries' Balance Sheets Breakdown (2)

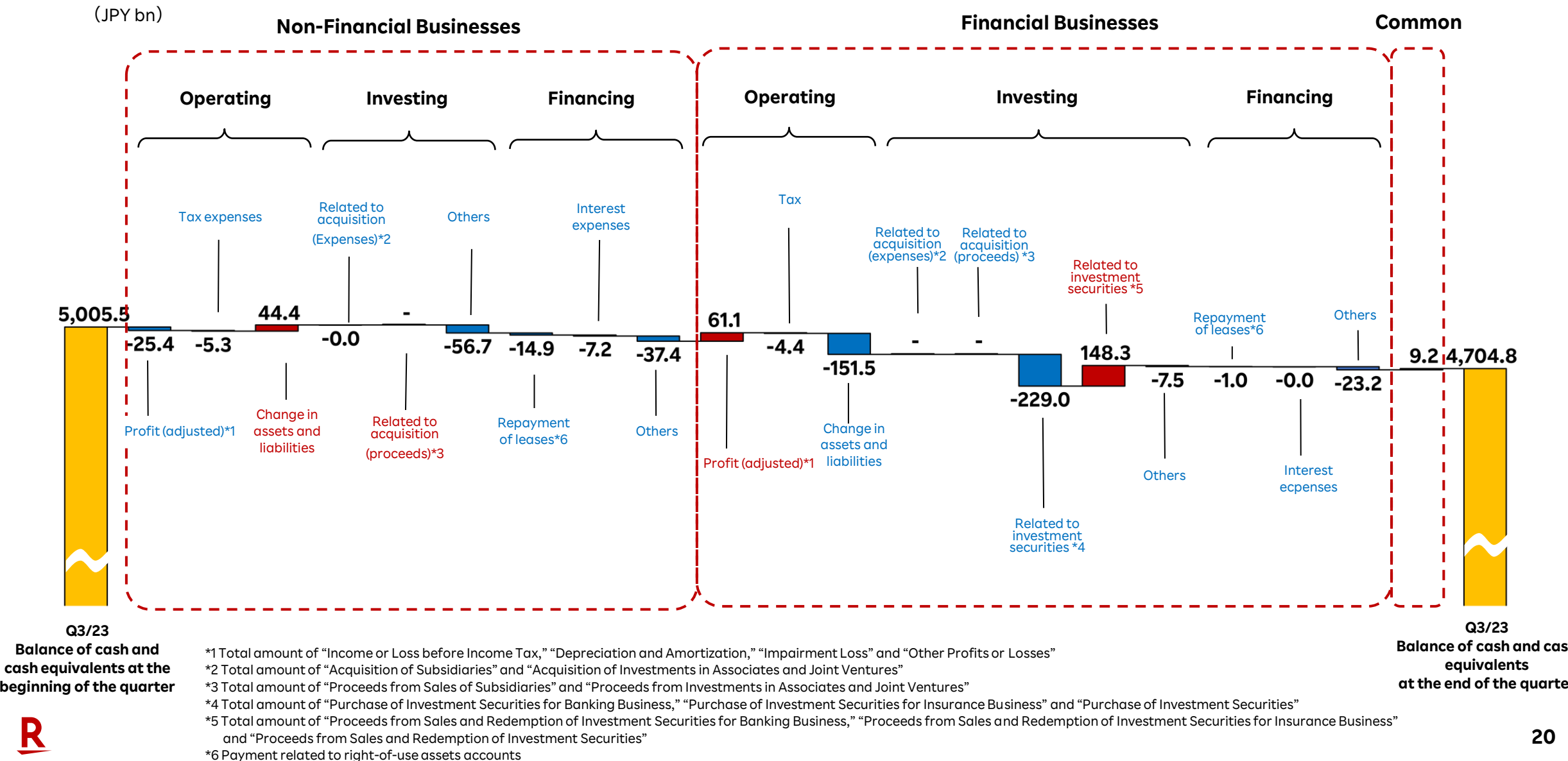
– As of September 30, 2023^{*1*2}

(JPY bn, rounded)	Q2/23	Q3/23	QoQ
Rakuten Mobile, Inc.			
Total Assets	1,718.0	1,737.6	+1.1%
Fixed Assets	988.2	977.5	-1.1%
Intangible Assets	167.7	165.1	-1.6%
Other Assets	562.1	595.1	+5.9%
Total Liabilities	1,547.0	1,637.6	+5.9%
Loans, Lease Finance, and Others	998.0	1,072.6	+7.5%
Debt from External Financial Institutions	273.6	257.9	-5.8%
Internal Transactions	724.4	814.7	+12.5%
Lease Obligations	252.1	240.1	-4.7%
Other Liabilities	296.9	325.0	+9.4%
Total Net Assets	171.0	100.0	-41.6%
Total Liabilities and Equity	1,718.0	1,737.6	+1.1%

*1 Rakuten Group, Inc., Rakuten Bank, Ltd., Rakuten Card Co., Ltd., Rakuten Securities, Inc., Rakuten Life Insurance Co., Ltd., Rakuten General Insurance Co., Ltd. and Rakuten Mobile, Inc. are based on IFRS non-consolidated balance sheets

*2 Bonds and borrowings include Straight corporate bonds, CP, Bank borrowings, etc.

Q3/23 Cash Flow Breakdown



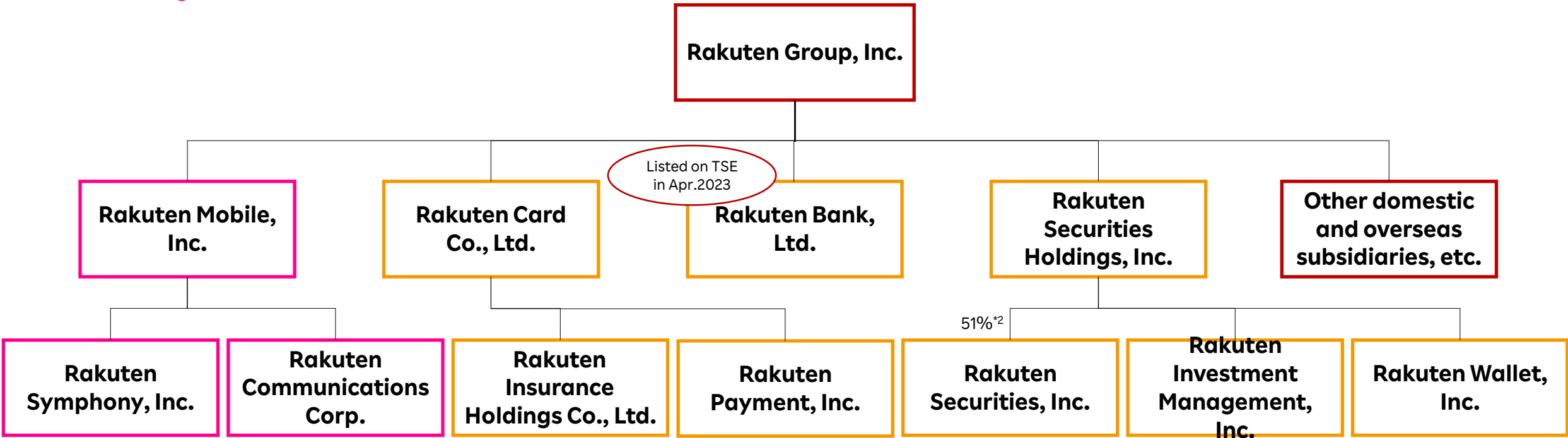
3. Segment Results and KPIs

Rakuten Group Organizational Chart and Segment Correspondence Chart^{*1}

□ Internet Services Segment

□ FinTech Segment

□ Mobile Segment



^{*1} The advertising business (refer to the "Ad Business" section on the following pages) aggregates advertising revenues from domestic operating entities. The advertising business outside of Japan is included in the "Other Internet Services" segment.

^{*2} 19.99% of Rakuten Securities common stock transferred to Mizuho Securities. Additional 29.0007% will be transferred to Mizuho Securities.

Segment Management System^{*1}

Internet Services



Segment Leader
Hiroshi Mikitani

Representative Director,
Chairman, President and CEO



Kazunori Takeda

President of Commerce &
Marketing Company

FinTech



Segment Leader
Masayuki Hosaka

President of FinTech Group
Company



Vice Segment Leader
Hiroshi Takasawa^{*2}

Senior Vice President of
FinTech Group Company

Mobile



Segment Leader
Kentaro Hyakuno

COO
President of
Communications &
Energy Company



Sharad Sriwastawa

Representative Director,
Co-CEO and CTO of
Rakuten Mobile, Inc.



Kazuhiro Suzuki^{*3}

Representative Director
and Co-CEO of
Rakuten Mobile, Inc.



Shunsuke Yazawa

Representative
Director and
President of Rakuten
Mobile, Inc.

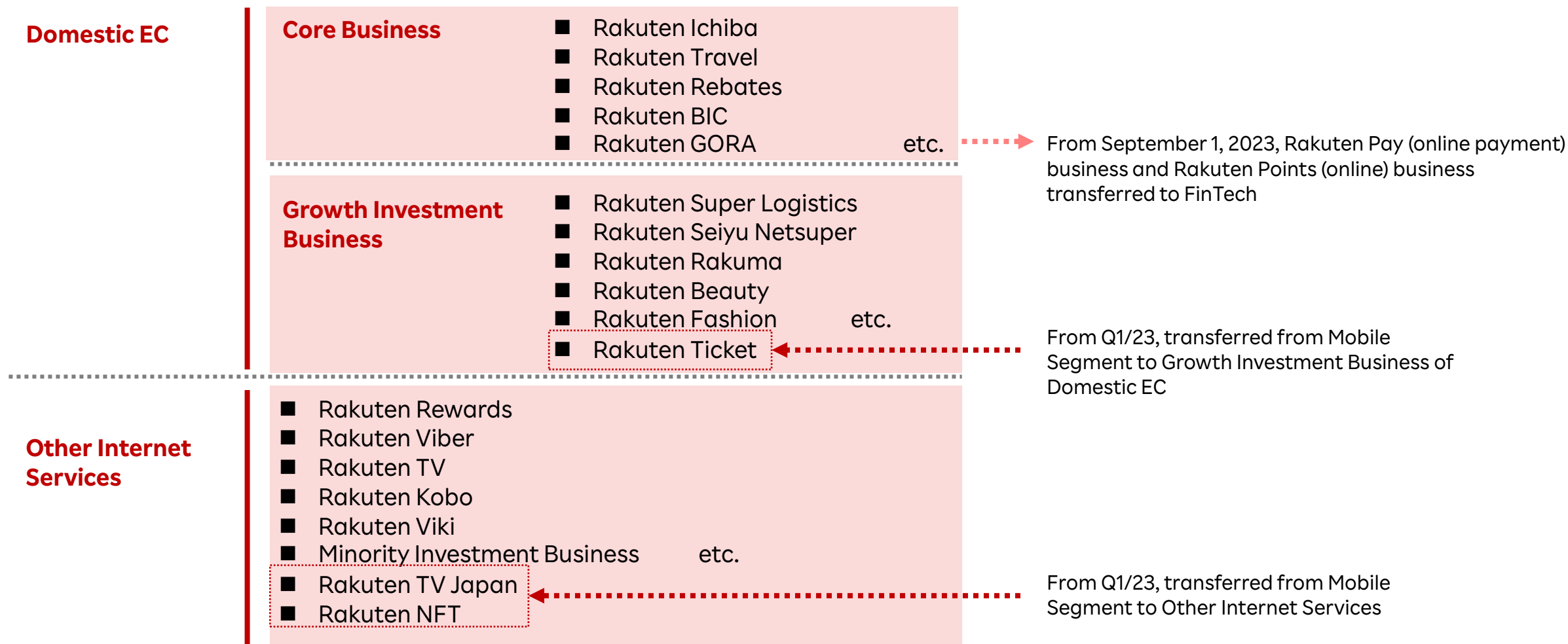
^{*1}: All are Group Executive Vice President excl. Hitoshi Mikitani Representative Director, Chairman, President and CEO, Masayuki Hosaka Representative Director and Vice Chairman, Kentaro Hyakuno Representative Director and Group Executive Vice President, Kazuhiro Suzuki Group Senior Managing Executive Officer, Shunsuke Yazawa Group Senior Managing Executive Officer.

^{*2} President of Investment & Incubation Company

^{*3} Representative Director, Chairman and CEO of Rakuten Communications Corp., Representative Director and President of Rakuten Energy, Inc.

Internet Services Segment Structure

Internet Services Segment



*1 From Q4/22, Domestic EC was classified into Core Business and Growth Investment Business. The main definition of classification are as follows:

- Core Business → "Accomplished structural profitability," "Realized profitability exceeding WACC," "Businesses essential to domestic EC business portfolio even if profitability is low."

- Growth Investment Business → "Currently investment phase," "Accountability in business portfolio management," "Expected to bring positive value to Rakuten Group."

FinTech Segment Structure

FinTech Segment

Rakuten Card	<ul style="list-style-type: none">■ Rakuten Card
Rakuten Bank	<ul style="list-style-type: none">■ Rakuten Bank
Rakuten Securities	<ul style="list-style-type: none">■ Rakuten Securities Individual and Overseas Subsidiaries
Insurance Business	<ul style="list-style-type: none">■ Rakuten Life Insurance■ Rakuten General Insurance■ Rakuten Insurance Planning etc.
Rakuten Payment	<ul style="list-style-type: none">■ Rakuten Pay■ Rakuten Edy■ Rakuten Point Partner■ Rakuten Pay (Online Payment)
Others	<ul style="list-style-type: none">■ Rakuten Securities Holdings■ Rakuten Wallet■ Rakuten Investment Management■ Overseas Subsidiaries of Rakuten Card and Bank etc.

From September 1, 2023, Transferred from Internet Service (Core Business of Domestic EC)

Mobile Segment Structure

Mobile Segment

Rakuten Mobile	<ul style="list-style-type: none">Rakuten Mobile
Rakuten Symphony	<ul style="list-style-type: none">Rakuten Symphony
Rakuten Energy	<ul style="list-style-type: none">Rakuten ElectricityRakuten Gas etc.
Others	<ul style="list-style-type: none">Rakuten Communications etc.
Media & Content Business	<ul style="list-style-type: none">Rakuten TicketRakuten TV JapanRakuten NFT <div>From Q1/23, transferred to Internet Service Segment</div>

Internet Services Segment

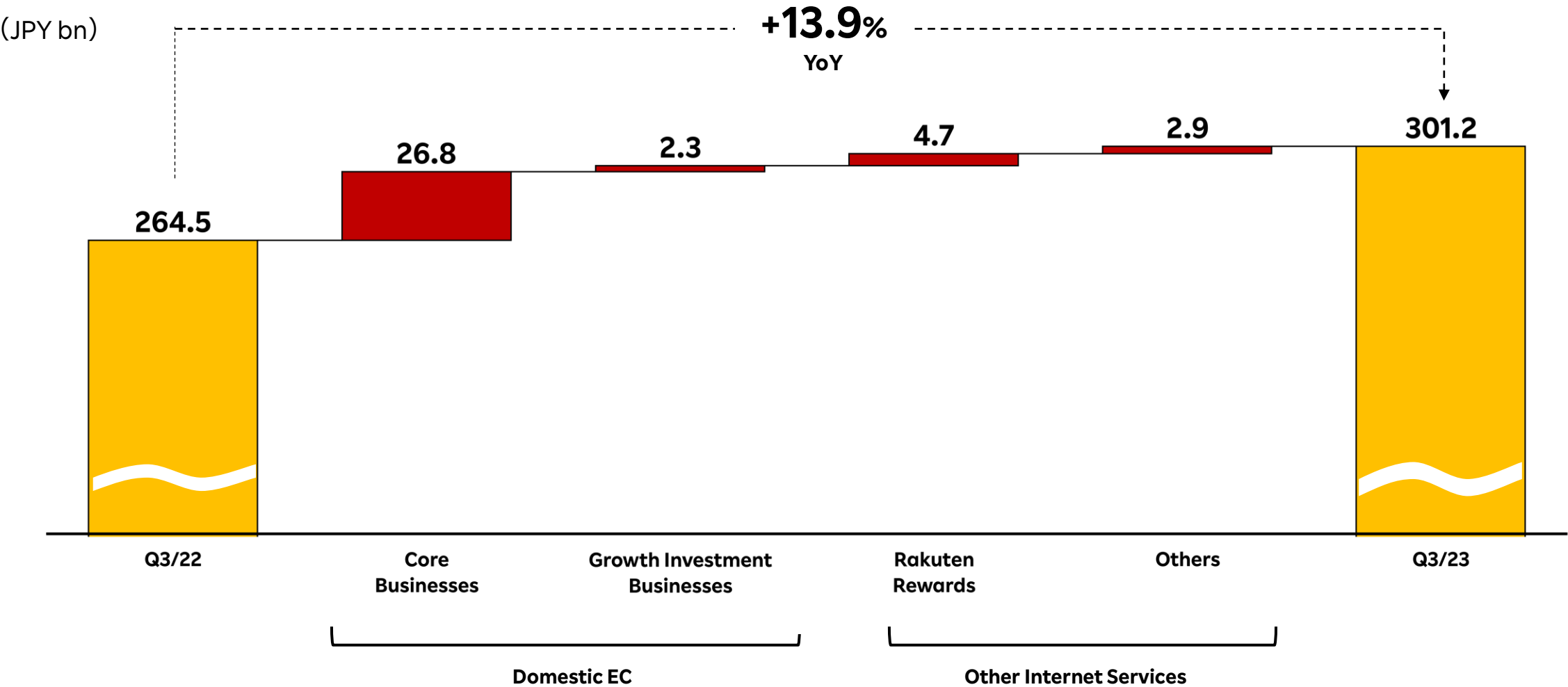
Internet Services Segment Financial Results^{*1}

Q3/23 (JPY bn)	Revenue	YOY	Non-GAAP Operating	YOY
Domestic EC	224.9	+14.9%	28.5	+10.7%
Core Businesses	197.1	+15.7%	38.8	+8.9%
Growth Investment Businesses	27.7	+9.2%	-10.3	-0.4
Other Internet Services	76.3	+11.0%	-11.8	-2.7
Rakuten Rewards	27.0	+20.9%	2.1	+19.9%
Minority Investment Business ^{*2}	-	-	-8.4	-3.4
Others	49.3	+6.3%	-5.6	+0.4
Segment Total	301.2	+13.9%	16.6	+0.3%

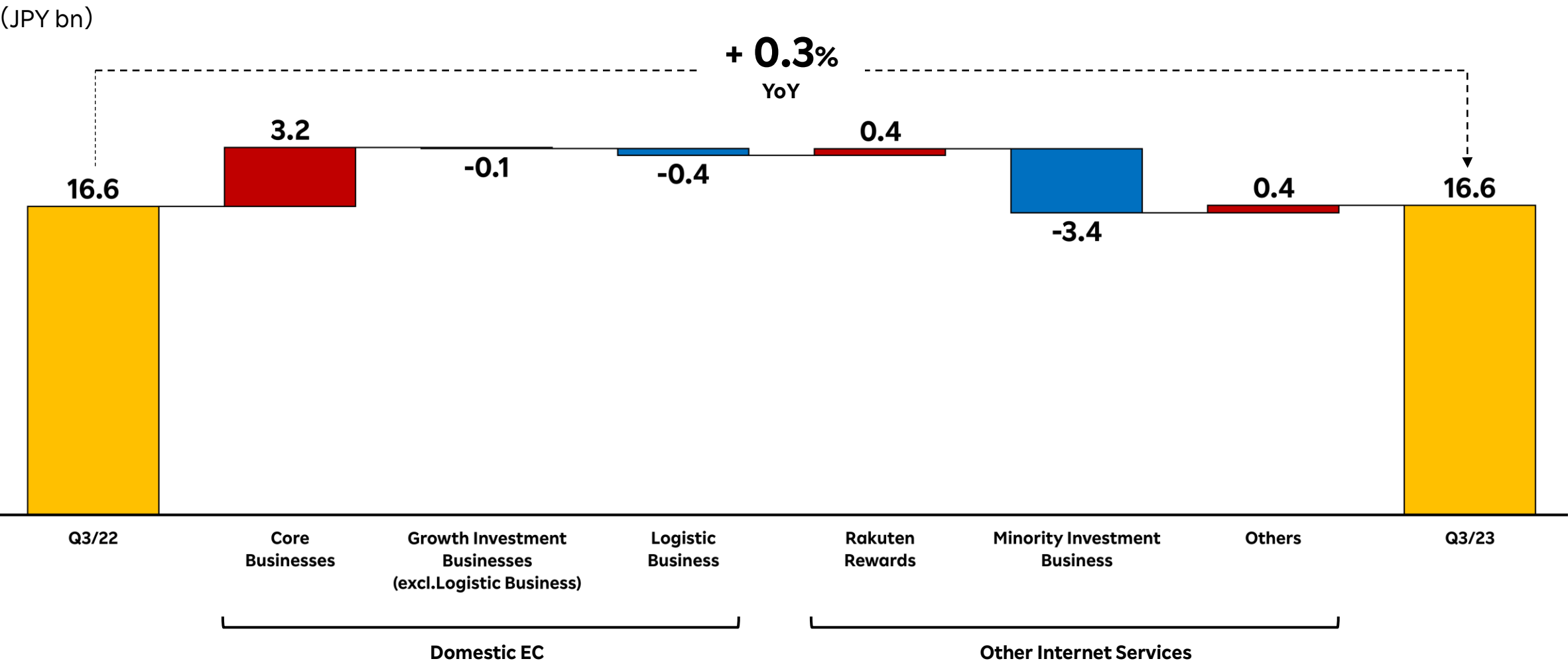
^{*1} Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

^{*2} Revenues related to "Minority Investment Business" are included in "Others".

Internet Services Segment Revenue Breakdown (YoY)



Internet Services Segment Non-GAAP Operating Income Breakdown (YoY)

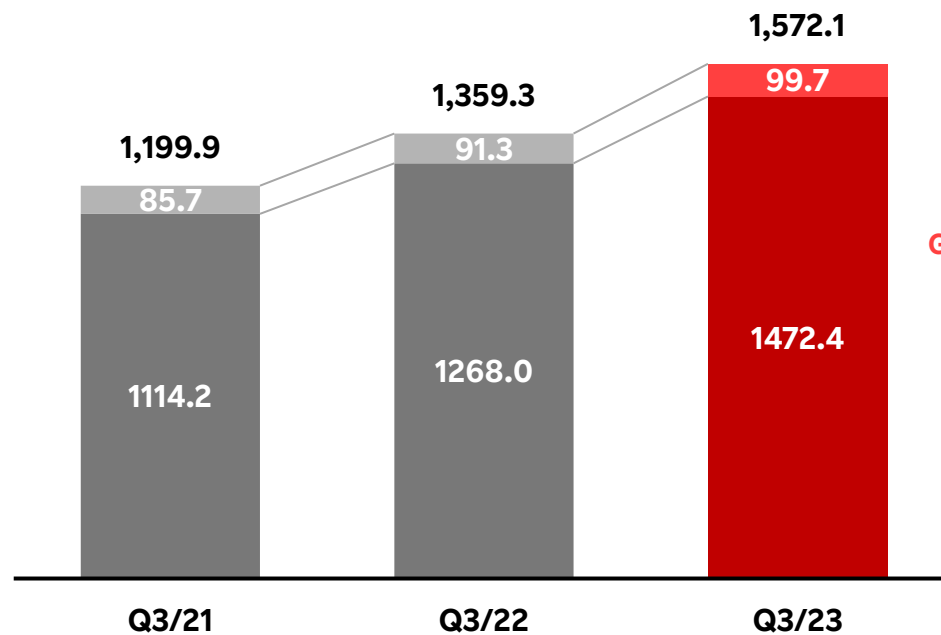


* Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

Domestic E-Commerce GMS^{*1*2*3*4}

- Rakuten Ichiba achieved double-digit growth in GMS in Q3/23 due to a last-minute demand for hometown tax triggered by unfavorable rule changes starting in October 2023.
- Rakuten Travel captured demand during the summer season and achieved Q3/23 Domestic Hotel Checkout GTV^{*5} of +39.6% compared to Q3/19.
- In Q4/23, the YoY hurdles will be higher due to the rebound from a last-minute hometown tax demand in Rakuten Ichiba and the effect of nationwide travel support on Rakuten Travel.

(JPY bn)



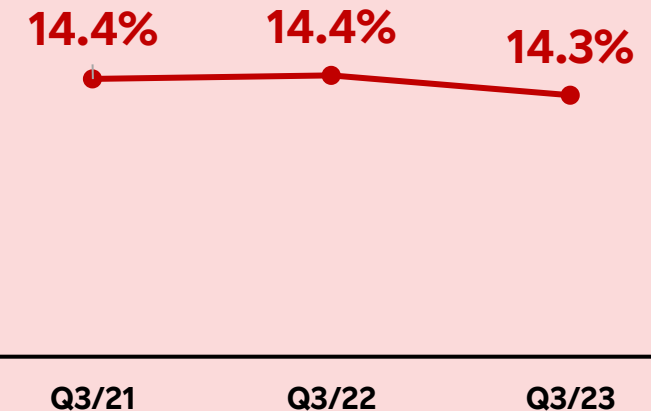
Domestic EC
+15.7%
YoY

Growth Investment Businesses

+9.2%
YoY

Core Businesses
+16.1%
YoY

Domestic EC Take Rate



*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 Ticket and cross boarder trading, etc.

*2 From Q1/23, Rakuten Ticket was transferred from Others segment to Domestic E-commerce segment. Past figures have been retroactively adjusted.

*3 From Q2/23, a portion of Domestic E-commerce GMS definitions, etc. have been revised. Past figures have been retroactively adjusted.

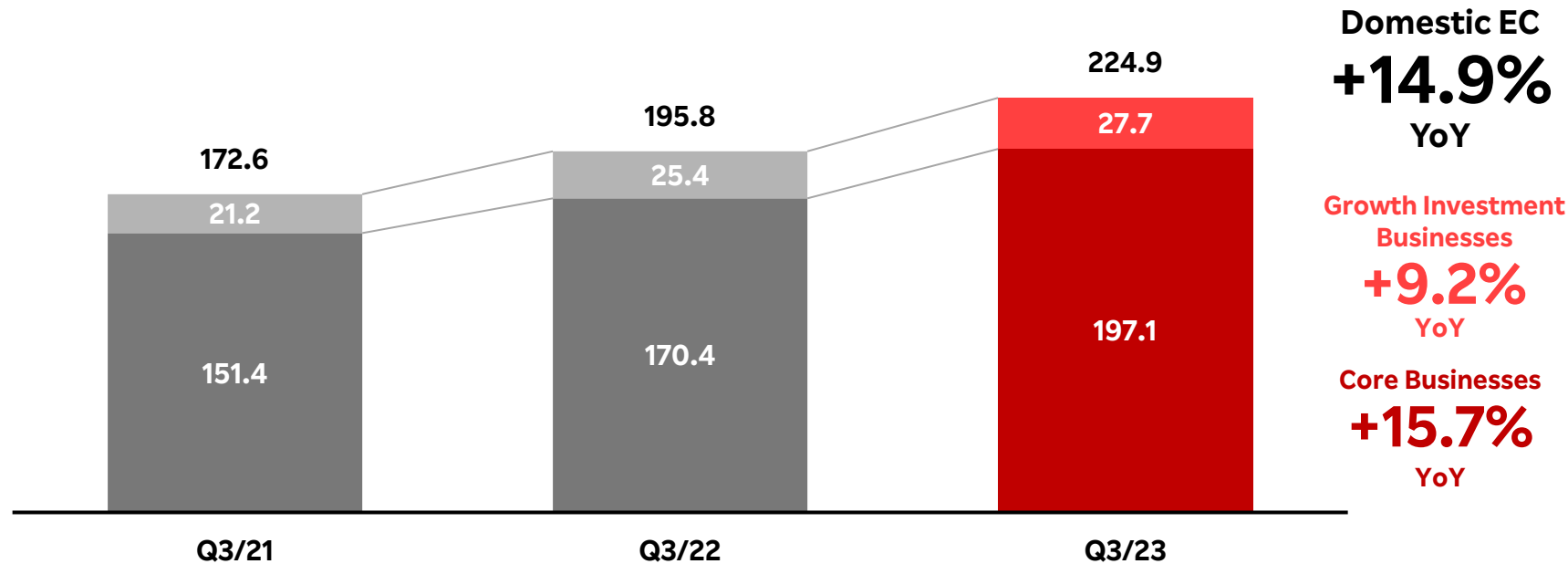
*4 Effective September 1, 2023, Rakuten Pay (online payment) business is transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

*5 Excluding corporate reservations

Domestic E-Commerce Revenue^{*1*2}

- Core Businesses grew by 15.7% YoY due to strong growth in Rakuten Ichiba, Rakuten Travel, etc.
- Growth Investment Businesses grew by 9.2% YoY, driven by Rakuten Fashion's growth due to increased outdoor activities.

(JPY bn)



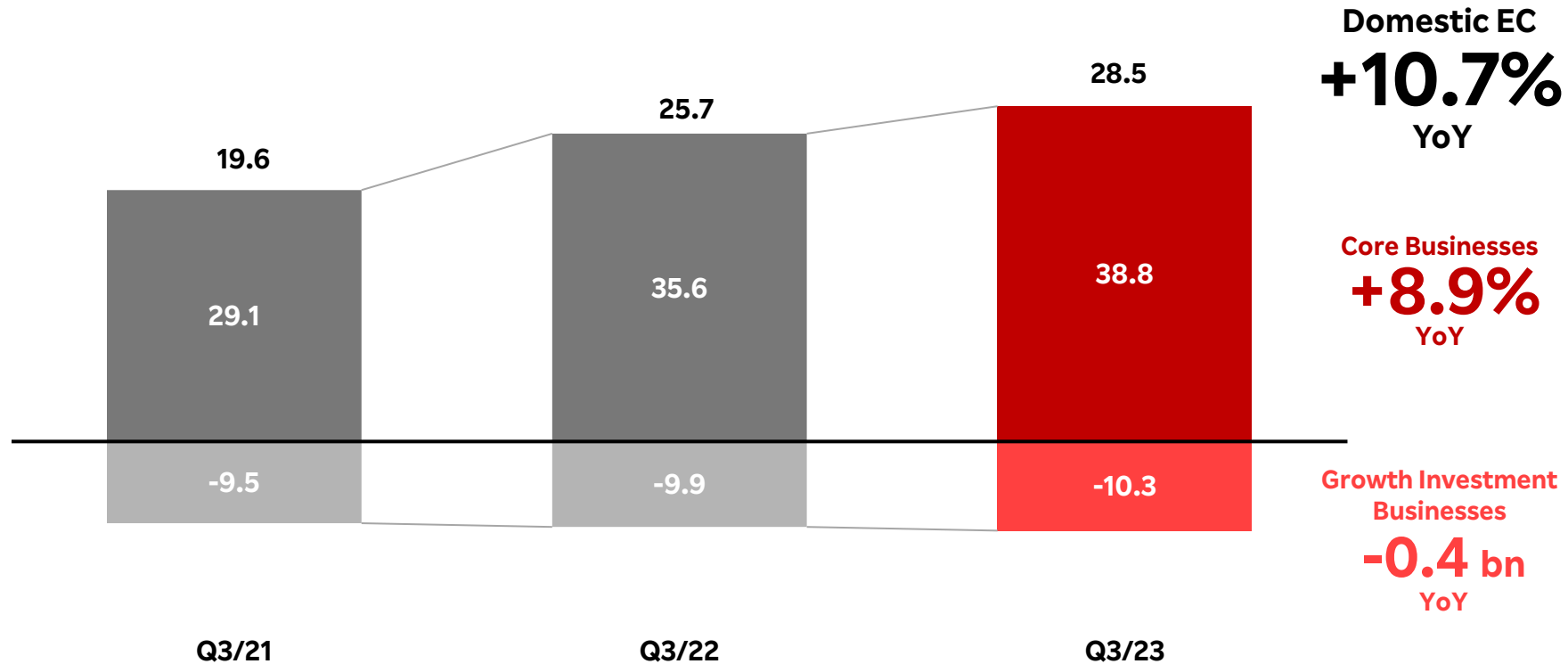
*1 From Q1/23, Rakuten Ticket was transferred from Others segment to Domestic E-commerce segment. Past figures have been retroactively adjusted.

*2 Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

Domestic E-Commerce Operating Income^{*1*2}

- Excluding the impact of SPU transfer costs^{*3} from Rakuten Mobile, Domestic EC grew by +19.4% YoY and Core Businesses grew by +15.2% YoY.
- Although operating income has been affected by the transfer cost of personnel from Rakuten Mobile as well as from the re-allocation of SPU costs, personnel from Rakuten Mobile will contribute to further Domestic E-Commerce revenue growth in the near future.

(JPY bn)



*1 From Q1/23, Rakuten Ticket was transferred from Others segment to Domestic E-commerce segment. Past figures have been retroactively adjusted.

*2 Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

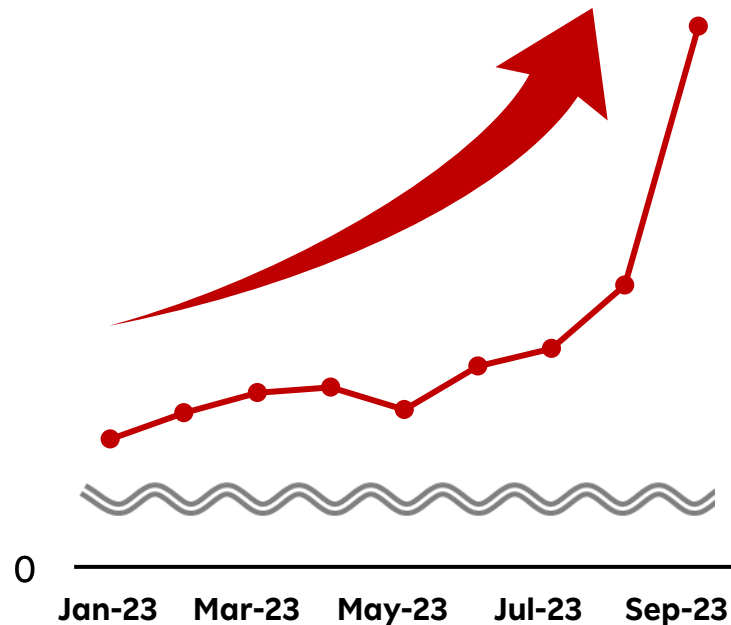
*3 From Q1/23, a part of the SPU costs was transferred from Rakuten Mobile to Rakuten Ichiba. Past figures have not been retroactively adjusted.

Rakuten Ichiba Hometown Tax Last Minute Demand Impact

- GMS of hometown tax is highest in Q4 every year, but due to the last-minute demand before the rule change from October 2023, Rakuten Ichiba's GMS achieved double-digit growth YoY in Q3/23, and as a result GMS was partially brought forward from Q4.

Growth Rate of Ichiba Average Monthly Purchase per User (%)

Increased in Sep. due to Hometown tax impact



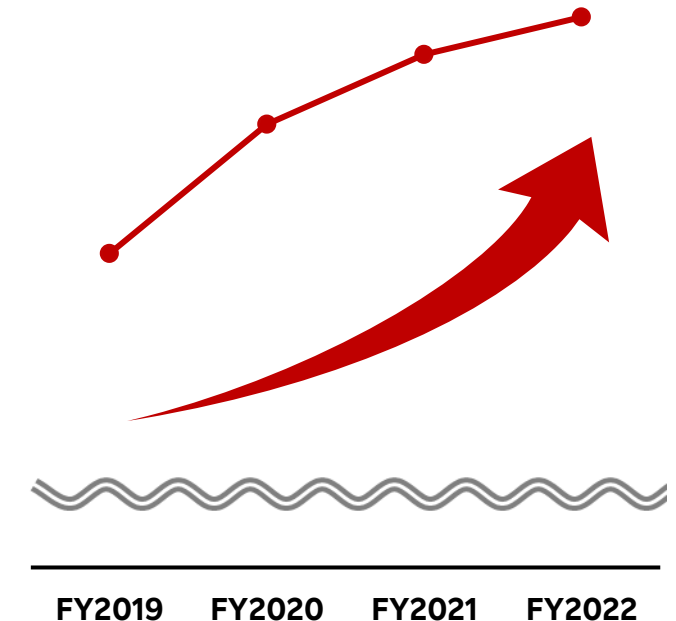
Hometown Tax Main Changes (October 2023~)

- ① **Changes to expense rules**
Including incidental expenses such as one-stop special administrative work and issuance of donation receipts, the total amount of return gifts + expenses will be 50% or less of the donation amount (return gifts will remain 30% or less of the donation amount)
- ② **Changes in local production standards**
Return gifts such as aged meat and polished rice are accepted as return gifts only if the raw materials are produced in the same prefecture.

The donation amount for the same gift will be higher than before.
The amount of return gifts for the same donation amount is lower than before.

Rakuten Ichiba Hometown Tax Market Share*

Acquisition of new users of hometown tax should lead to a market share expansion



Rakuten Travel GMS

- Rakuten Travel captured demand during the summer season and achieved Q3/23 Domestic Hotel Checkout GTV* of +39.6% compared to Q3/19.
- Although the nationwide travel support program that started in October 2022 had almost finished in July 2023, high growth continued in Q3/23 due to promotion of early reservations, etc.

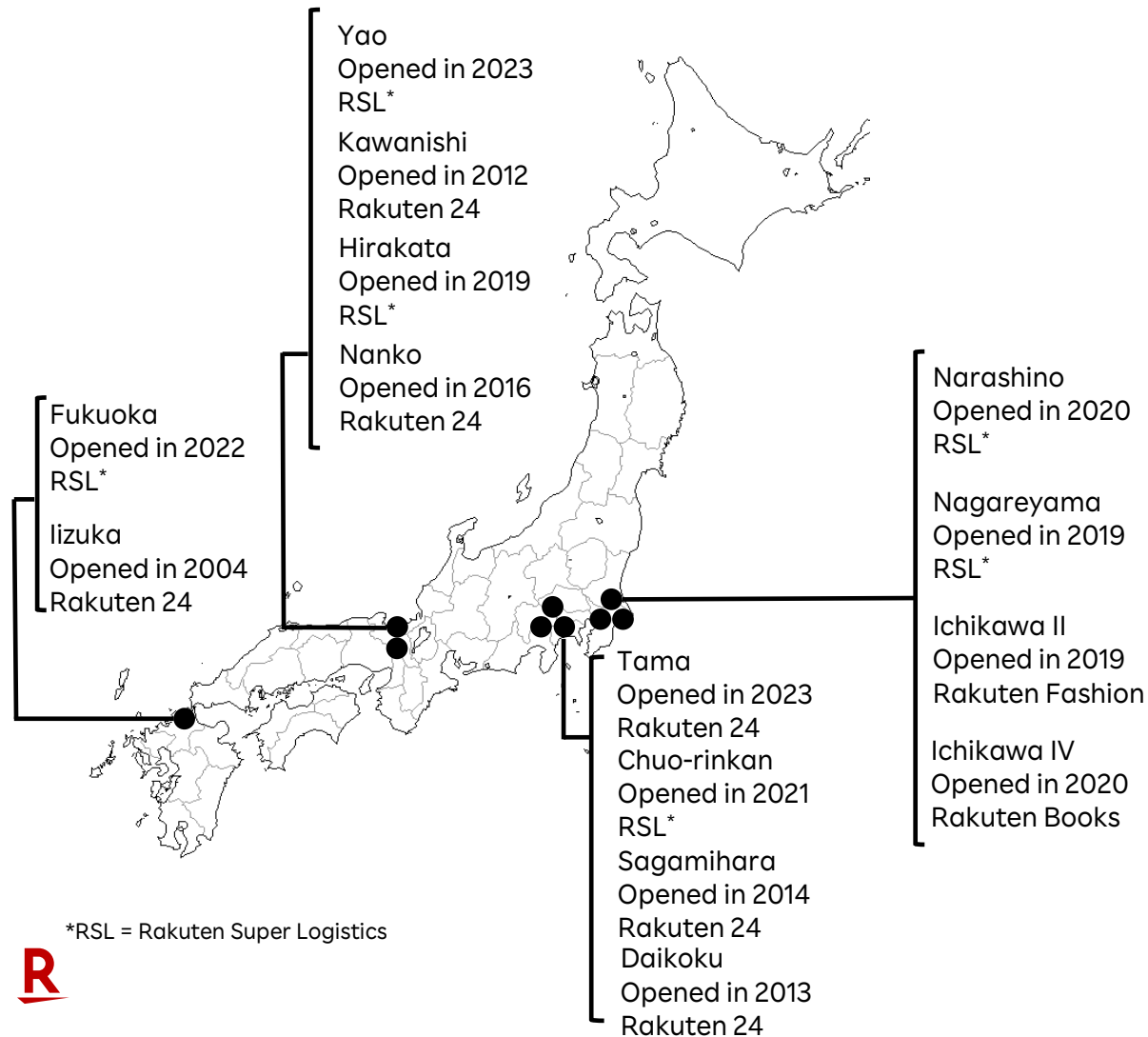


- Nationwide travel support that started in October 2022 ended in July 2023 (though some local governments have continued)
- In Q4/23, despite the high hurdle of last year's nationwide travel support, aiming to show growth compared to 2019

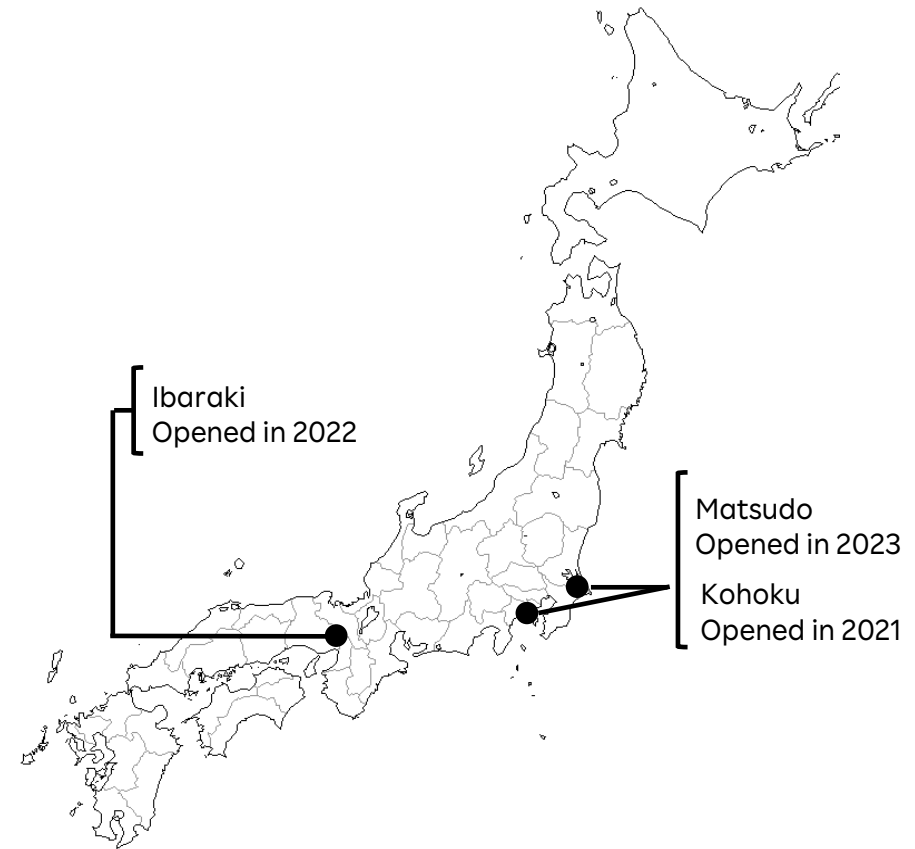
* Excluding corporate reservations.

List of Logistics Centers

JP Rakuten Logistics

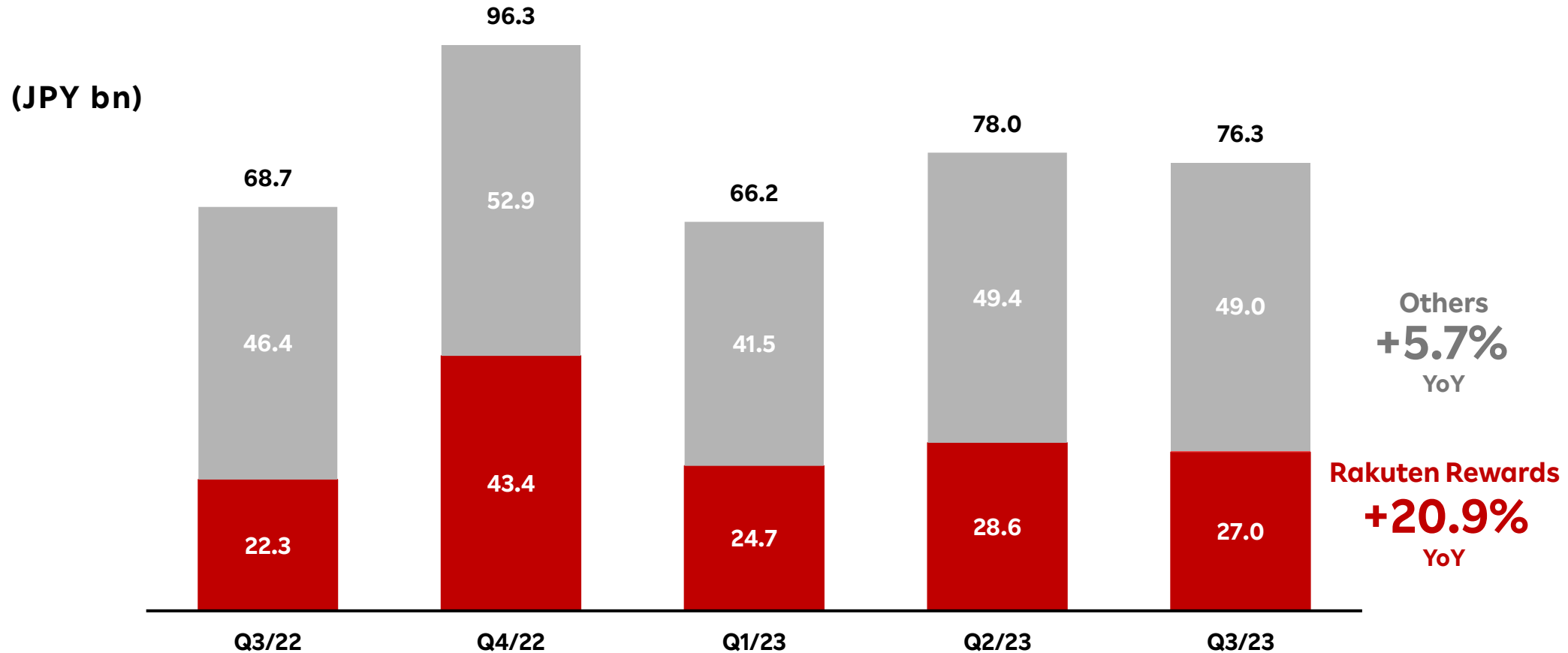


Rakuten Seiyu Netsuper Logistics Centers



Other Internet Services* Revenue

- Rakuten Rewards was flat YoY on a local currency basis.
- Kobo, Viki subscription revenue, Viber advertising revenue increases, etc. contributed.

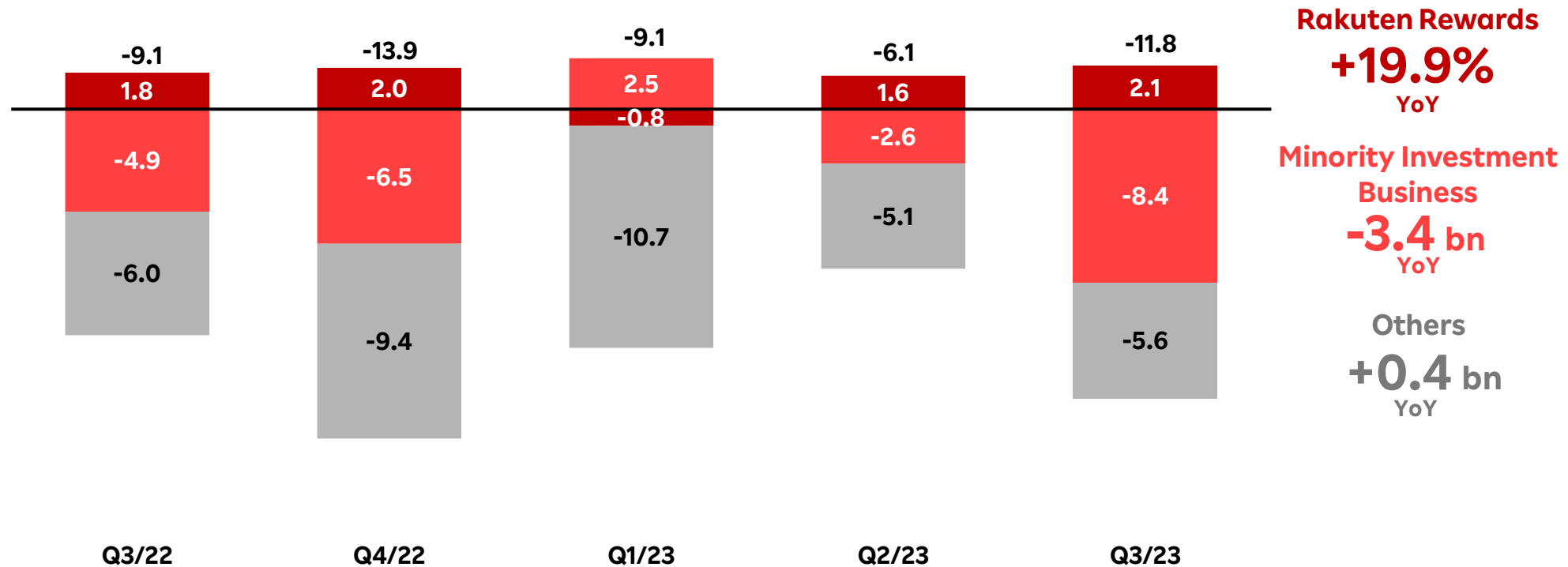


*1From Q1/23, Contents Media, Streaming JP, NBA Broadcast, Rakuten TV Europe, IP Content, and Pacific League etc. were transferred from Mobile segment to Internet Services Others segment. Past figures have been retroactively adjusted.

Other Internet Services*¹ Operating Income

- Rakuten Rewards was flat YoY on a local currency basis.
- Continued to implement cost controls in each business.

(JPY bn)



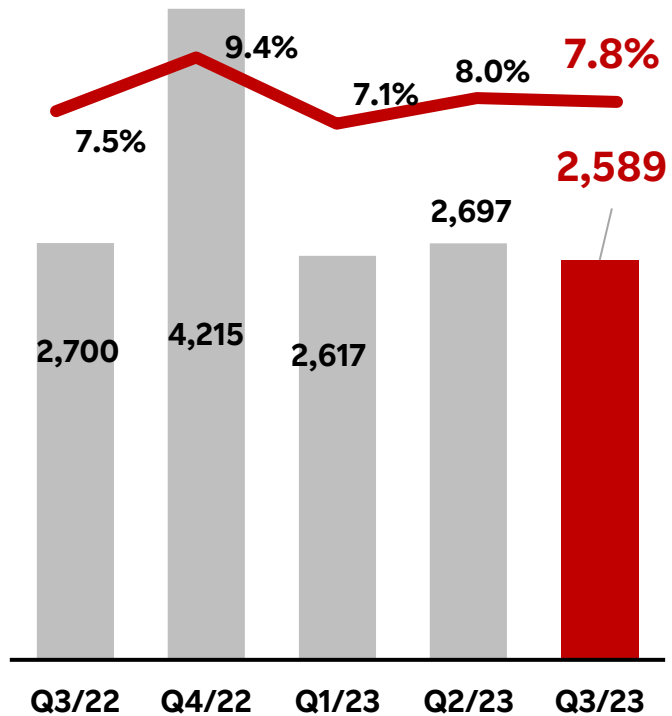
*1 From Q1/23, Contents Media, Streaming JP, NBA Broadcast, Rakuten TV Europe, IP Content, and Pacific League etc. were transferred from Mobile segment to Internet Services Others segment. Past figures have been retroactively adjusted.

Rakuten Rewards

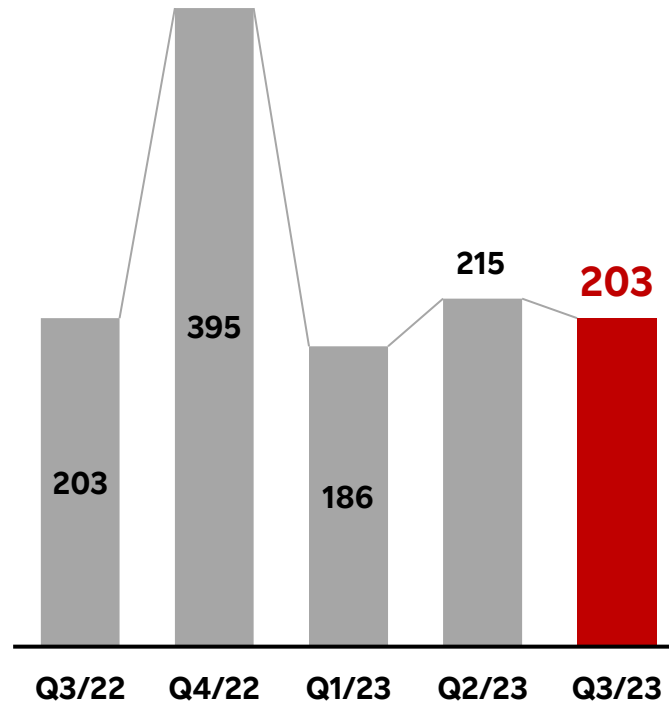
- GMS, revenue, and operating income were flat YoY on a local currency basis due to the impact of US macroeconomics.

(USD mm)

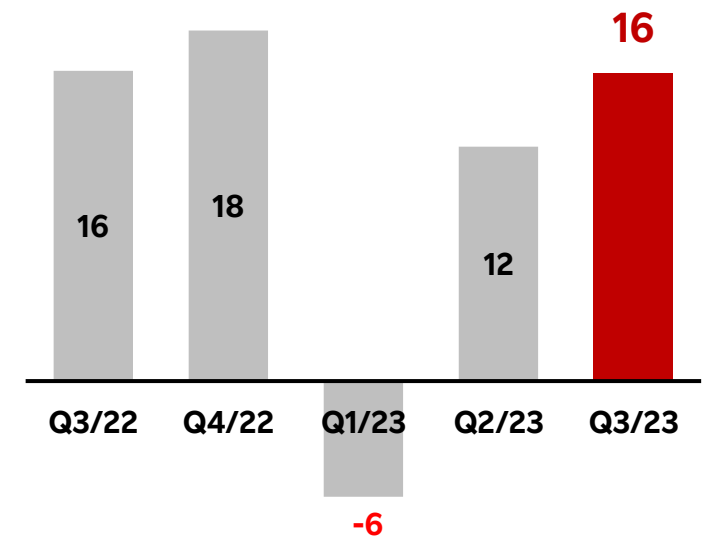
GMS · Take Rate



Revenue



Non-GAAP Operating Income

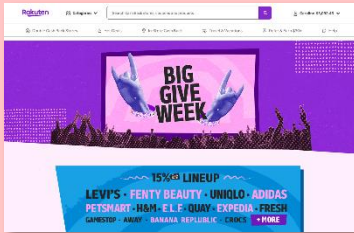


Global Customer Base

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

Rakuten

(Rakuten Rewards)



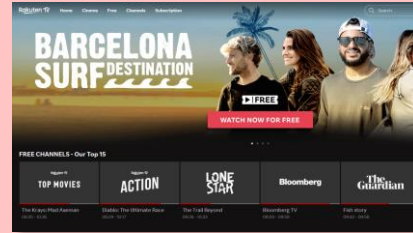
GMS
Q3/23

-4.1%

YoY

USD 2.6 bn

Rakuten TV



Total Users*
(As of the end of Sep/23)

+42.1%

YoY

84.4 mm

Rakuten kobo



Registered Users
(As of the end of Sep/23)

+6.6%

YoY

63.7 mm

Rakuten Viber



Registered Users
(As of the end of Sep/23)

+5.7%

YoY

1.5 bn

Rakuten VIKI



Registered Users
(As of the end of Sep/23)

+23.9%

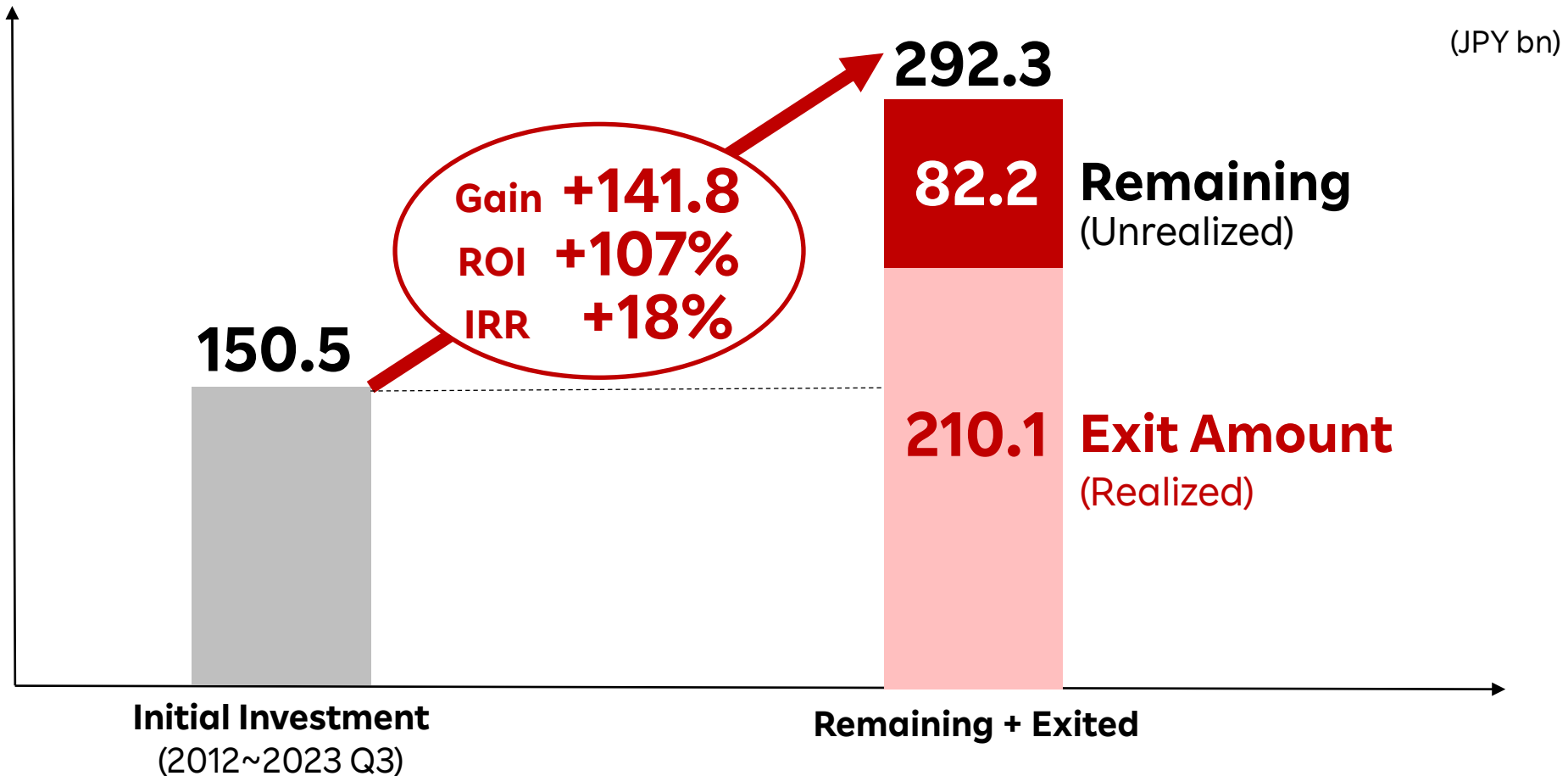
YoY

78.4 mm

* Total number of registered users and non-registered AVOD (Advertising Video On Demand) users. From Q2/23, the definition of Rakuten TV registered users has been updated to exclude users who cancelled their membership. Previous quarters have been retroactively adjusted.

Rakuten Capital^{*1} Investment Performance




























As of September 30, 2023^{*2}



^{*1} Investment Business of Rakuten Group (Rakuten Capital).

^{*2} Non Rakuten Capital investments, such as Lyft, Rakuten Medical, and Lifull are excluded.

Minority Investment Portfolio

Remaining			Exited* ¹	Non R-Capital* ²
Number of Investments* ³ :			42	2
<u>Internet</u>	<u>Ride Sharing</u>	<u>Healthcare</u>		
 carousell	 cabify	 アイメッド	 Pinterest	 Lyft
 SHOPBACK		 airweave	 careem (Partial)	 Rakuten Medical (Affiliated Company)
 OneSignal	<u>DI/DX</u>	 Ubie	 VISIONAL	
 dataX	 hacomono		 Upstart	
	 TOON CRACKER			
<u>Sustainability</u>	<u>Mobile / AI</u>	<u>Other</u>	 BASE FOOD (Partial)	
 CARIUMA	 airalo	 ÖKAN	 goto	
 Proof	 AWO	 Digital Entertainment Asset Pte. Ltd.		
 JEPLAN	 METAPHYSIC	 DAITO		

*1 Exit since 2015. Exit number does not include partial exit.

*2 Lyft and Rakuten Medical have been transferred from Rakuten Capital to other businesses

*3 Numbers are related to R-Capital investment only as of Q3/23.

FinTech Segment

FinTech Segment Financial Results^{*1*2*3*4*5}

Q3/23 (JPY bn)	Revenue	YoY	Non-GAAP Operating	YOY
Rakuten Card	78.3	+9.5%	10.8	-3.3%
Rakuten Bank	32.2	+13.8%	12.0	+26.6%
Rakuten Securities	30.4	+25.7%	9.2	+66.7%
Insurance Business	21.2	-6.4%	1.4	+3.5%
Rakuten Payment	20.0	+37.4%	-1.9	-0.4%
Others	2.4	+93.7%	-2.9	-1.5%
Segment Total	184.6	+13.6%	28.6	+35.8%

*1 Rakuten Securities includes Rakuten Securities Inc. and its off-shore subsidiaries.

*2 Insurance Business includes Life Insurance, General Insurance, and Insurance Agency.

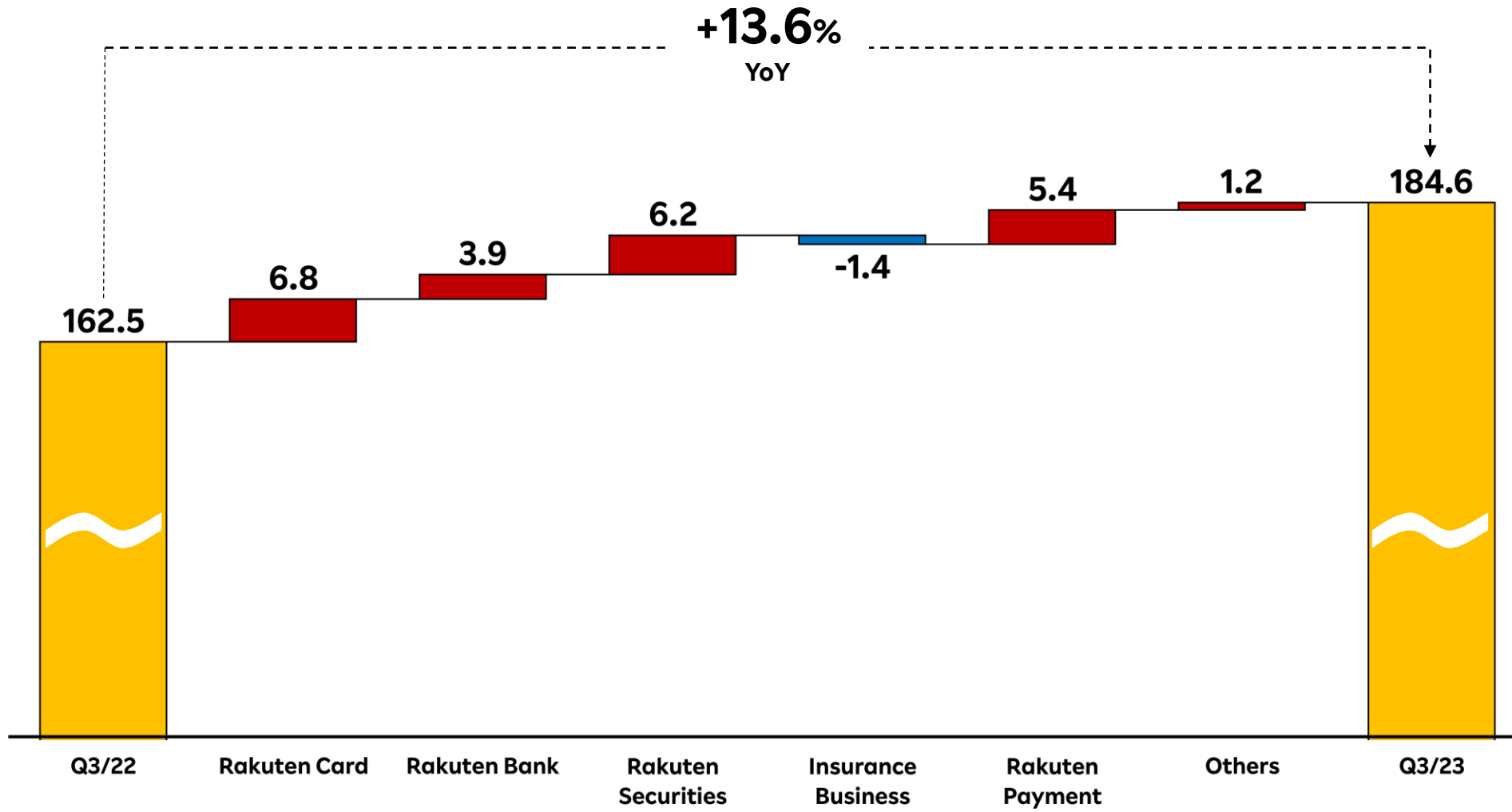
*3 Insurance Business introduced IFRS 17, new accounting rules (Effective from FY 2023). Revenue and Operating income of Q2/22 was retroactively adjusted.

*4 Payment includes Rakuten Pay (including Rakuten Pay Online since September 1, 2023), Rakuten Edy, and Point Partner (including Rakuten Point Online since September 1, 2023).

*5 Others include Rakuten Card's off-shore subsidiaries, Rakuten Bank's off-shore subsidiaries, Rakuten Securities HD Inc., Rakuten Wallet, Inc., and Rakuten Investment Management, Inc. etc.

FinTech Segment Revenue Breakdown^{*1*2} (YoY)

(JPY bn)

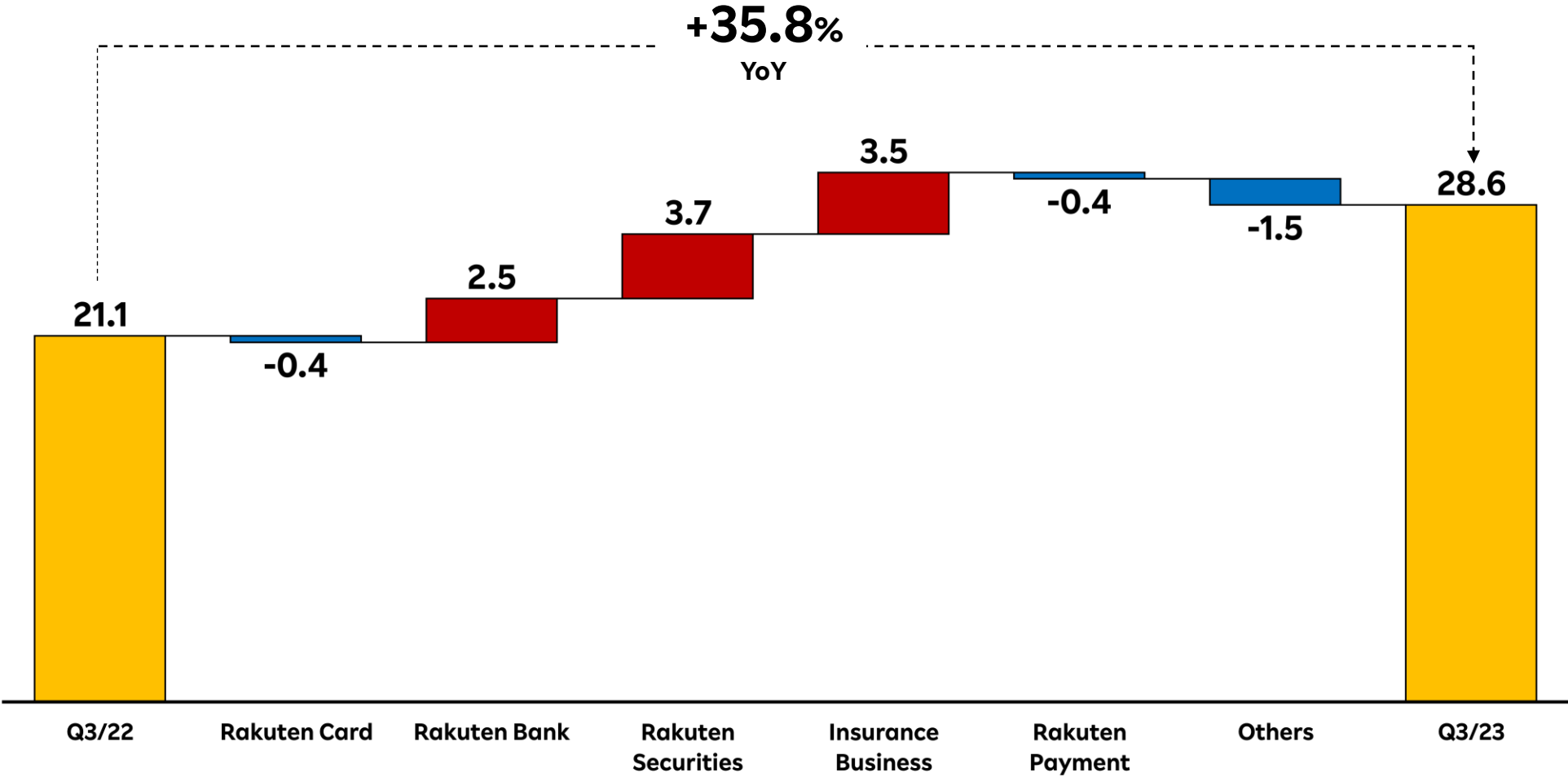


*1 Insurance Business introduced IFRS 17, new accounting rules (Effective from FY 2023). Revenue and Operating income of Q2/22 was retroactively adjusted.

*2 Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

FinTech Segment Non-GAAP Operating Income Breakdown^{*1*2} (YoY)

(JPY bn)



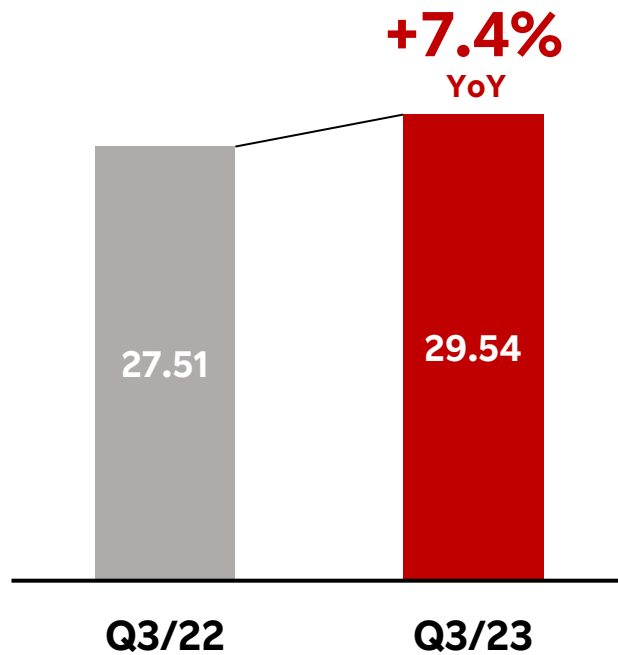
^{*1} Insurance Business introduced IFRS 17, new accounting rules (Effective from FY 2023). Revenue and Operating income of Q2/22 were retroactively adjusted.
^{*2} Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.



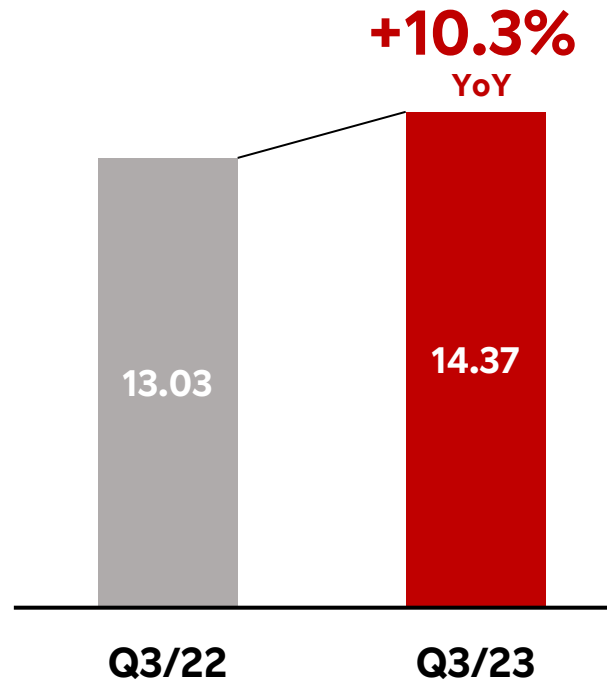
FinTech Segment Membership

- Each service continued their strong membership growth momentum

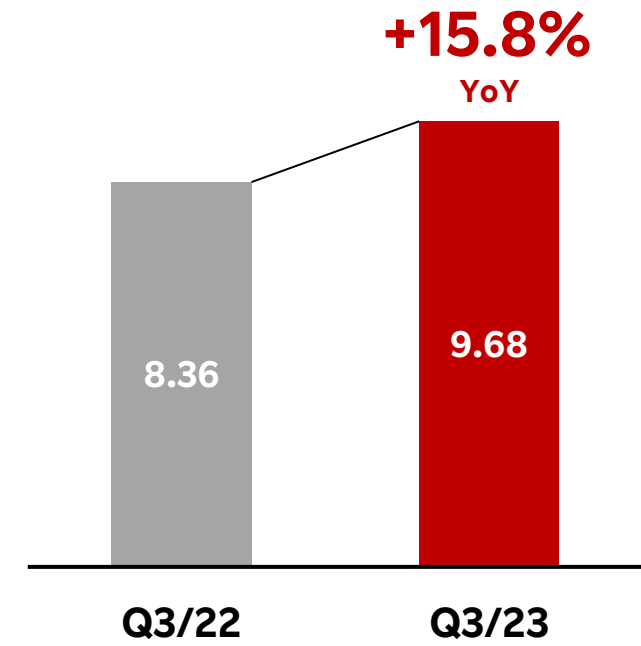
Rakuten Cards
Issued (mm)



Rakuten Bank
Accounts (mm)



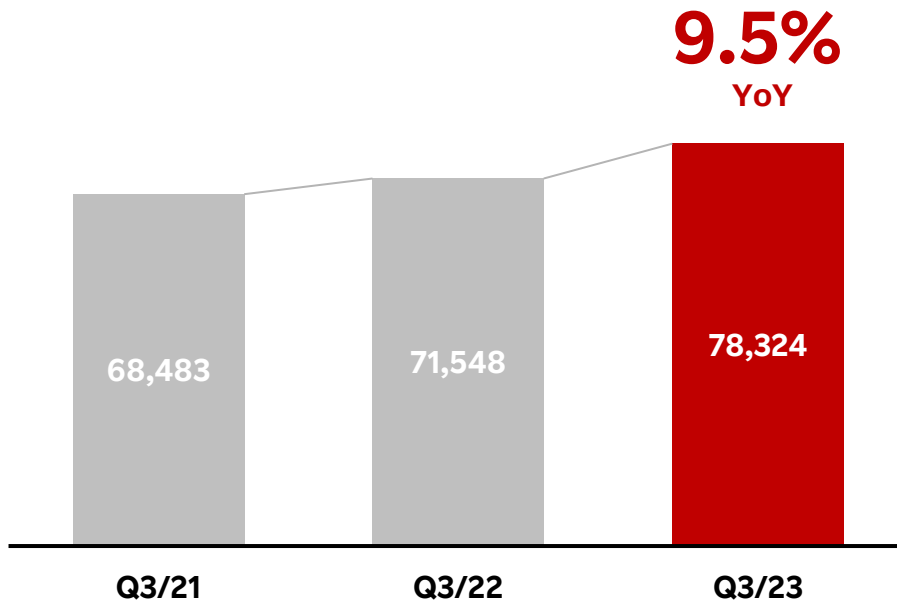
Rakuten Securities
General Accounts (mm)



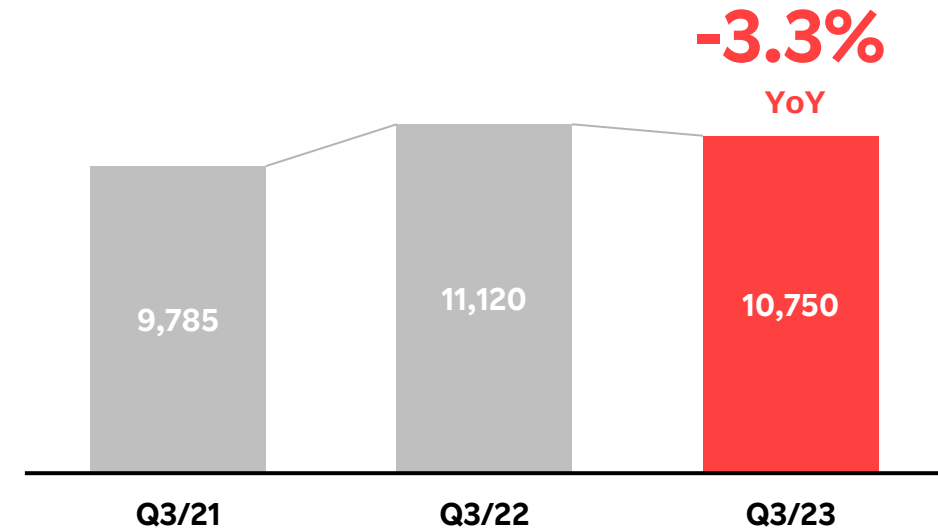
Rakuten Card Financial Results

- Revenue increased due to commission income resulting from expansion of shopping GTV and financing income due to recovery of cash advances, etc.
- Non-GAAP operating income decreased due to expanded marketing expenses for group ecosystem expansion

Revenue (JPY mm)



Non-GAAP Operating Income (JPY mm)



Rakuten Card KPIs

- Shopping GTV in the last 12 months^{*1} exceeded 20 trillion yen. Each indicator is growing strongly towards “Triple 3”

Cards Issued

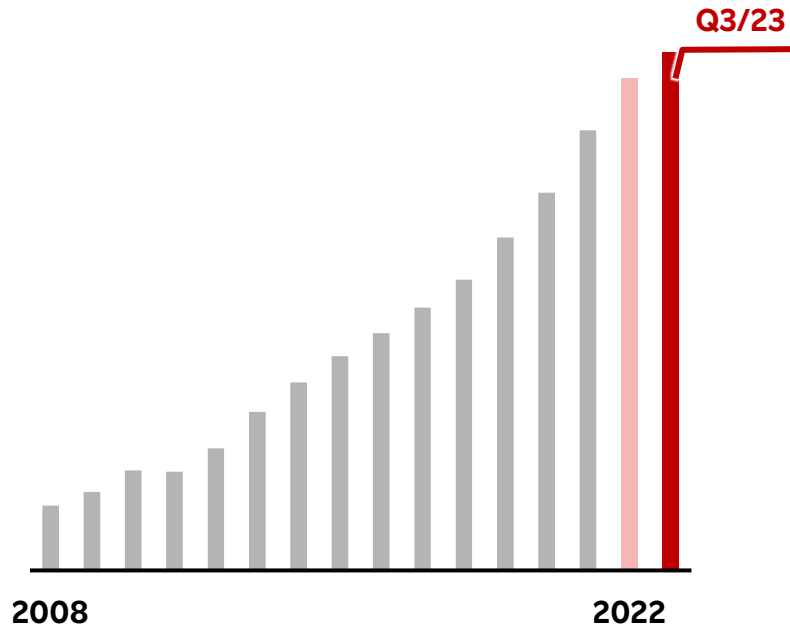
Target

30 mm

Sep-23

29.54 mm

Q3/23



Shopping GTV

Target

JPY 30 tn

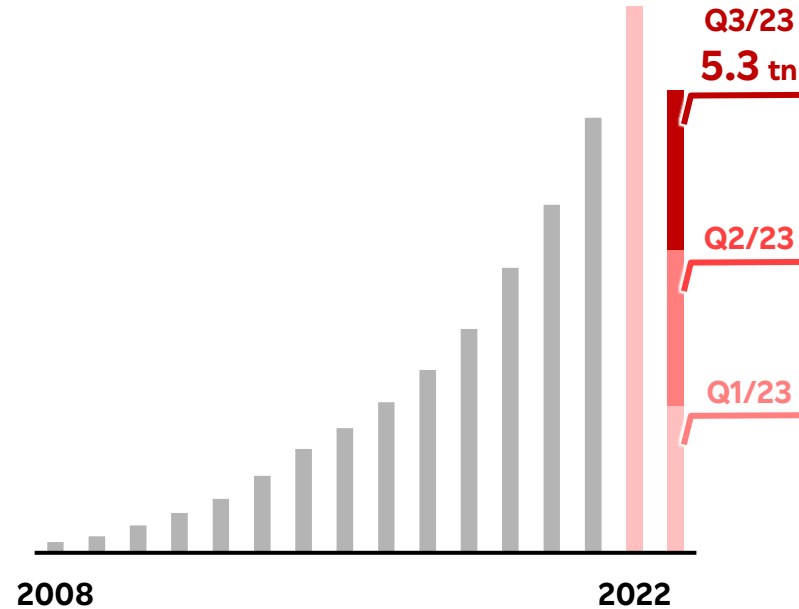
LTM^{*1}

JPY 20.6 tn

Q3/23
5.3 tn

Q2/23

Q1/23



GTV share^{*2}

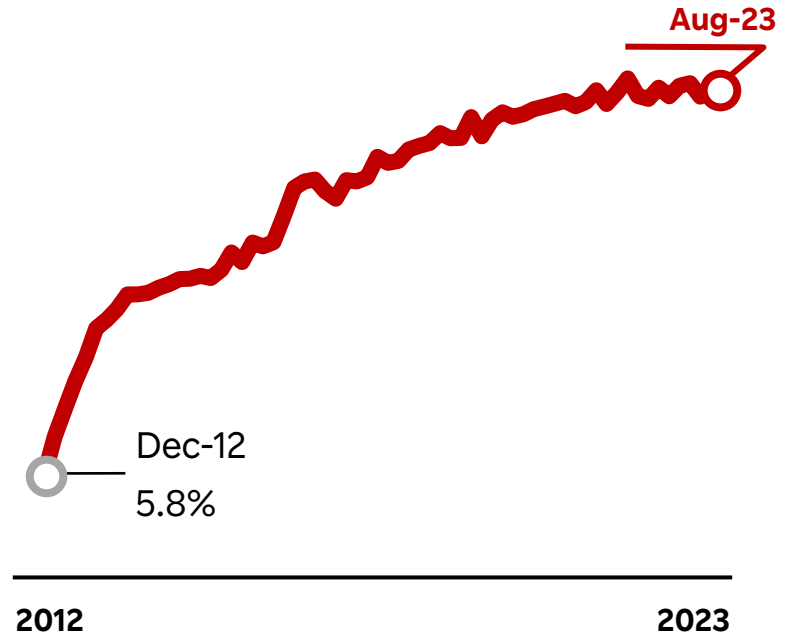
Target

30 %

Aug-23

23.4 %

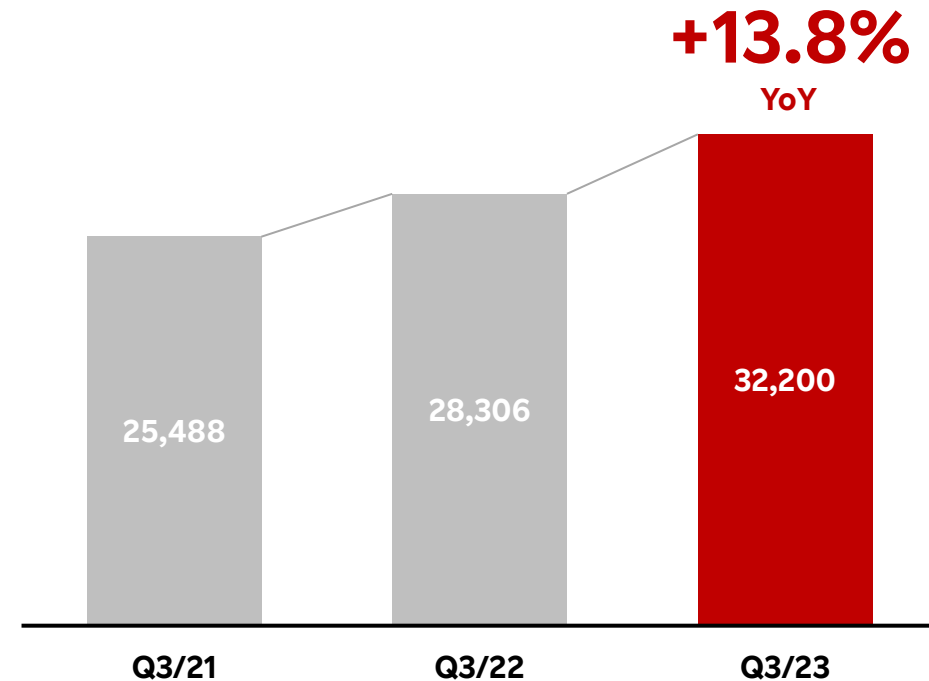
Aug-23

^{*1} Q4/22 – Q3/23^{*2} Calculated based on “Ministry of Economy, Trade and Industry, Specified Service Industry Statistics Survey, Credit Card Industry.”

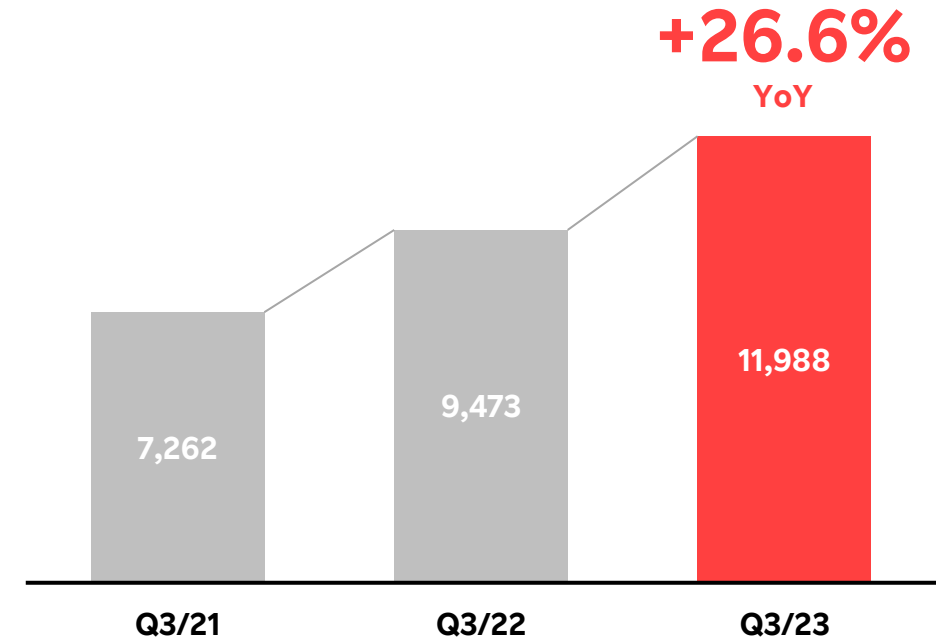
Rakuten Bank Financial Results

- Interest income grew significantly as a result of strengthened capital base through capital increase etc. at the time of the IPO and increase in assets under management
- Operating income also improved significantly due to continued improvements in management efficiency along with expansion of business scale

Revenue (JPY mm)



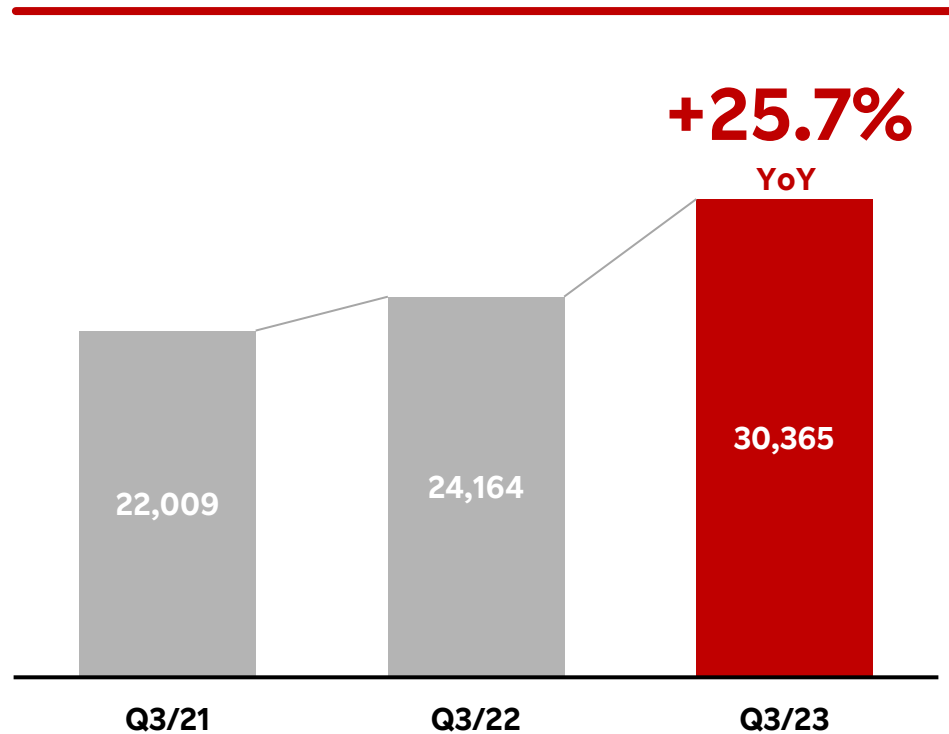
Non-GAAP Operating Income (JPY mm)



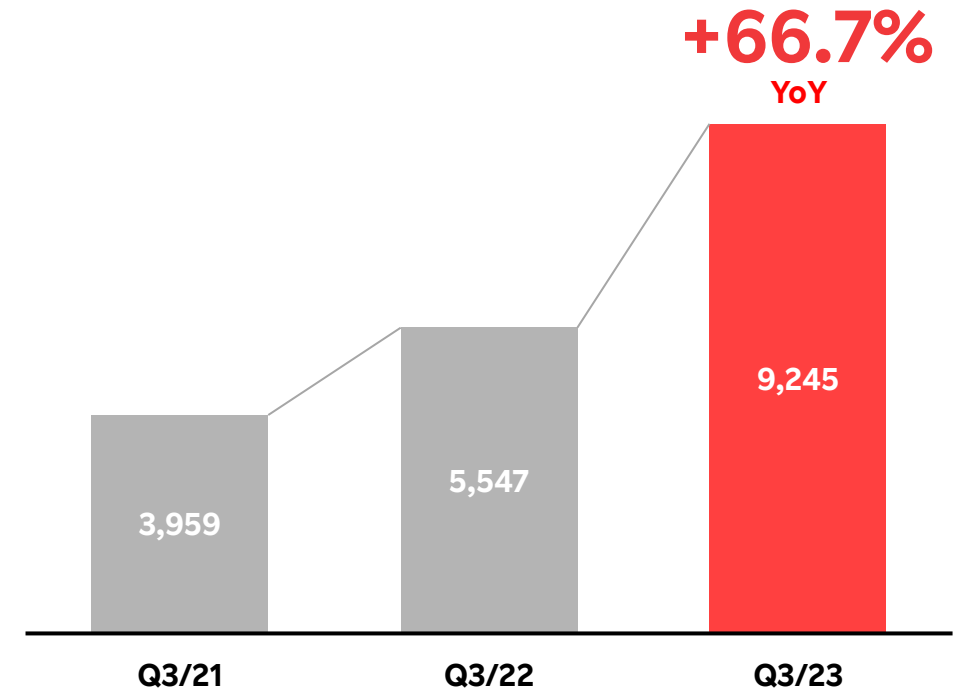
Rakuten Securities Financial Results

- Revenue grew steadily with the expansion of the customer base. In particular, financial revenues led revenue growth, especially in the areas of margin and lending.
- In addition to high revenue growth, high profit growth continued due to continuous cost control.

Revenue (JPY mm)



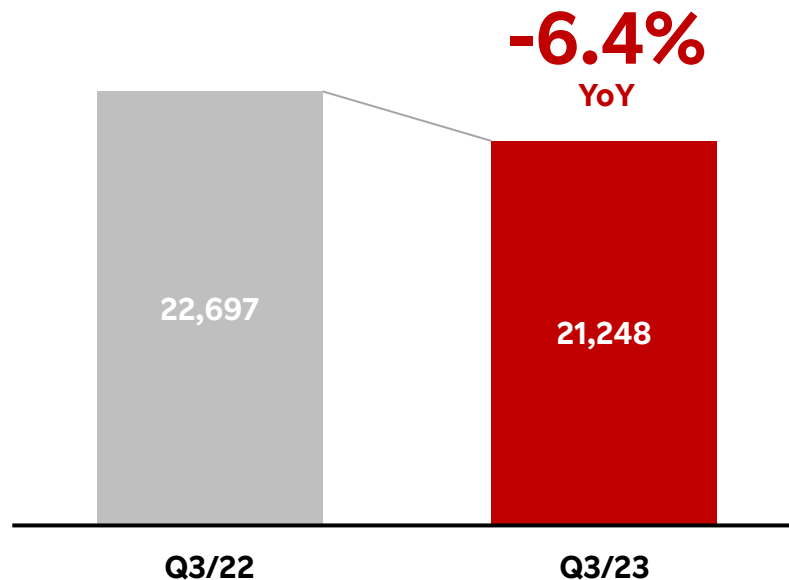
Non-GAAP Operating Income (JPY mm)



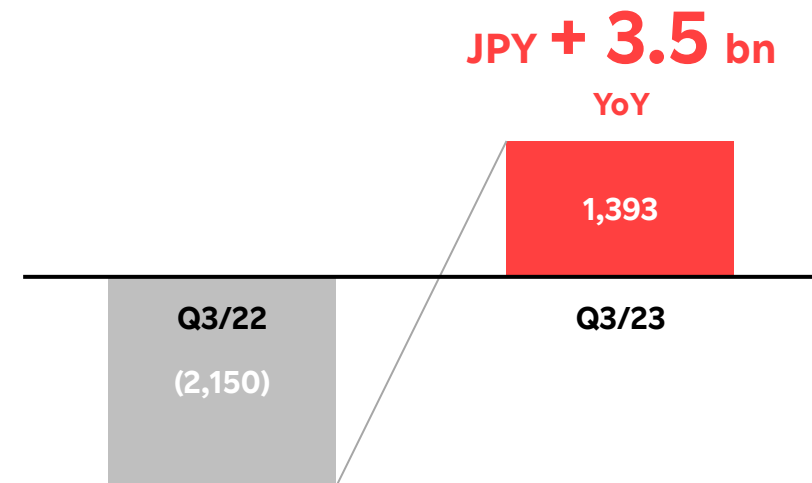
Insurance Business Financial Results*

- In Life Insurance, revenue increased due to insurance premiums earned from bulk transfer of group trusts etc.. Profit saw significant improvement compared to Q3/22, due to an impact in payouts and provisions related to COVID-19 happened in Q3/22
- In General Insurance, while revenue decreased due to limited acquisition of new contracts with strengthened underwriting standards, profits increased YoY in Q3/23 due to fewer natural disasters and the effects of cost reduction initiatives etc.

Revenue (JPY mm)



Non-GAAP Operating Income (JPY mm)

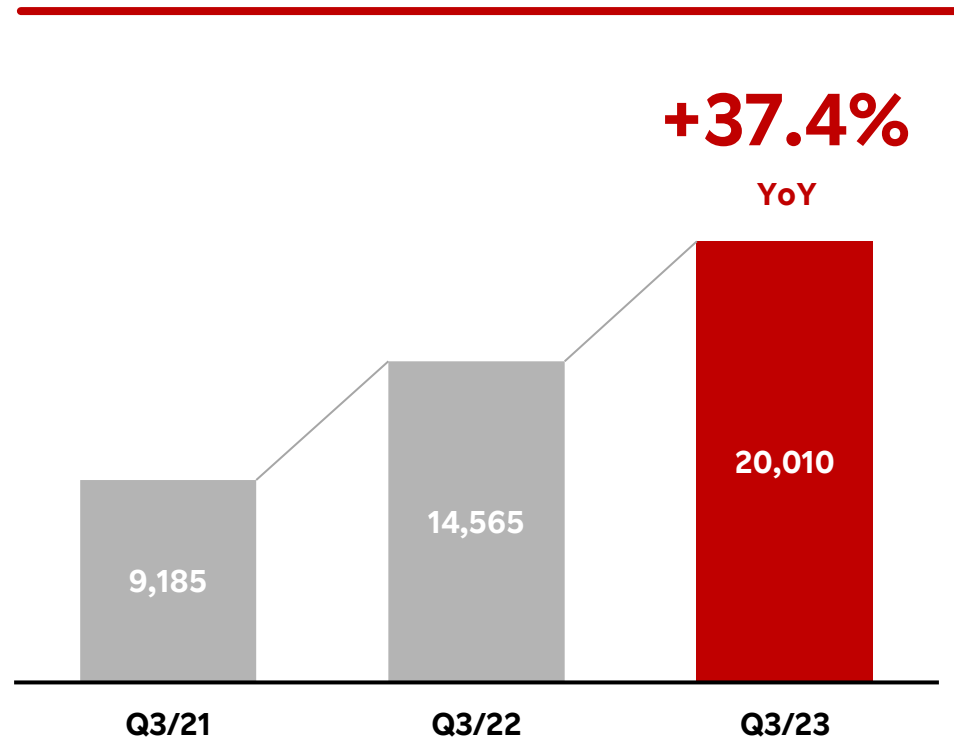


* Insurance Business introduced IFRS 17, new accounting rules (Effective from FY 2023). Revenue and Operating income of Q2/22 was retroactively adjusted.

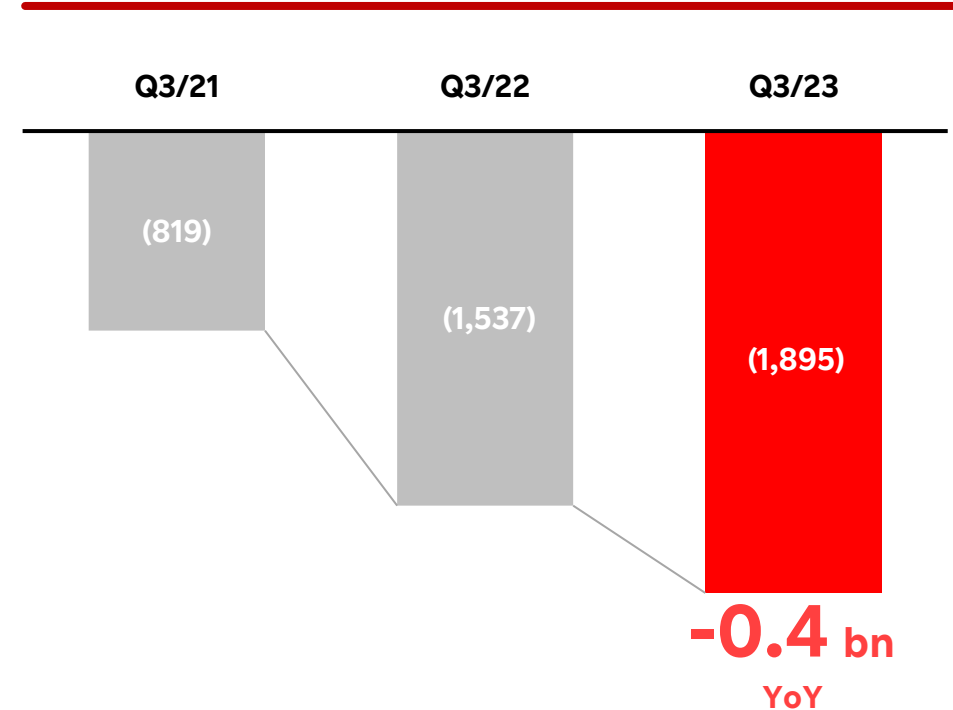
Rakuten Payment Financial Results*

- Successful implementation of marketing measures led to an increase in the number of users and transaction volume, particularly for Rakuten Pay (App payment), contributing significantly to revenue growth.
- Decrease due to ongoing aggressive investment in growth to expand usage

Revenue (JPY mm)



Non-GAAP Operating Income (JPY mm)



*Effective September 1, 2023, Rakuten Pay (online payment) business and Rakuten Points (online) business are transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

Mobile Segment

Mobile Segment Financial Results

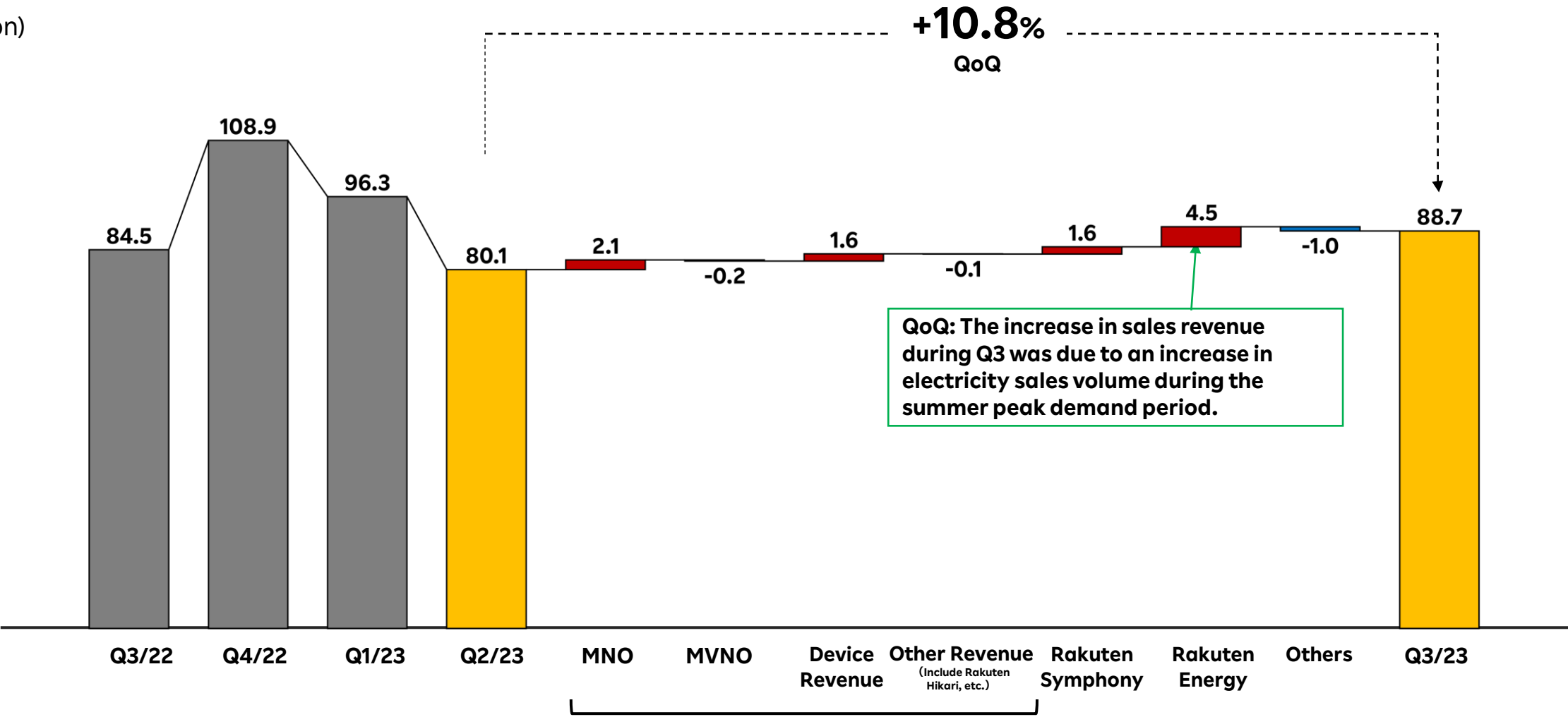
Q3/23 (JPY bn)	Revenue	QoQ	Non GAAP Operating Income	QoQ
Rakuten Mobile ^{*1}	55.7	+6.6%	-76.7	+2.2
MNO	30.4	+7.6%		
MVNO ^{*2}	2.9	-7.7%		
Device Revenue	13.5	+13.5%		
Other Revenue (including Rakuten Hikari, etc.)	8.9	-0.7%		
Rakuten Symphony	11.2	+17.2%		
Rakuten Energy	15.3	+41.5%	-4.5	-1.0
Others	6.5	-12.8%		
Segment Total	88.7	+10.8%	-81.2	+1.2

*1 Breakdown of Rakuten Mobile revenue has been revised. Past figures have been retroactively adjusted.

*2 From April 7, 2020, we ceased accepting new registrations for MVNO services.

Mobile Segment Revenue Breakdown (QoQ)

(JPY bn)



QoQ: The increase in sales revenue during Q3 was due to an increase in electricity sales volume during the summer peak demand period.

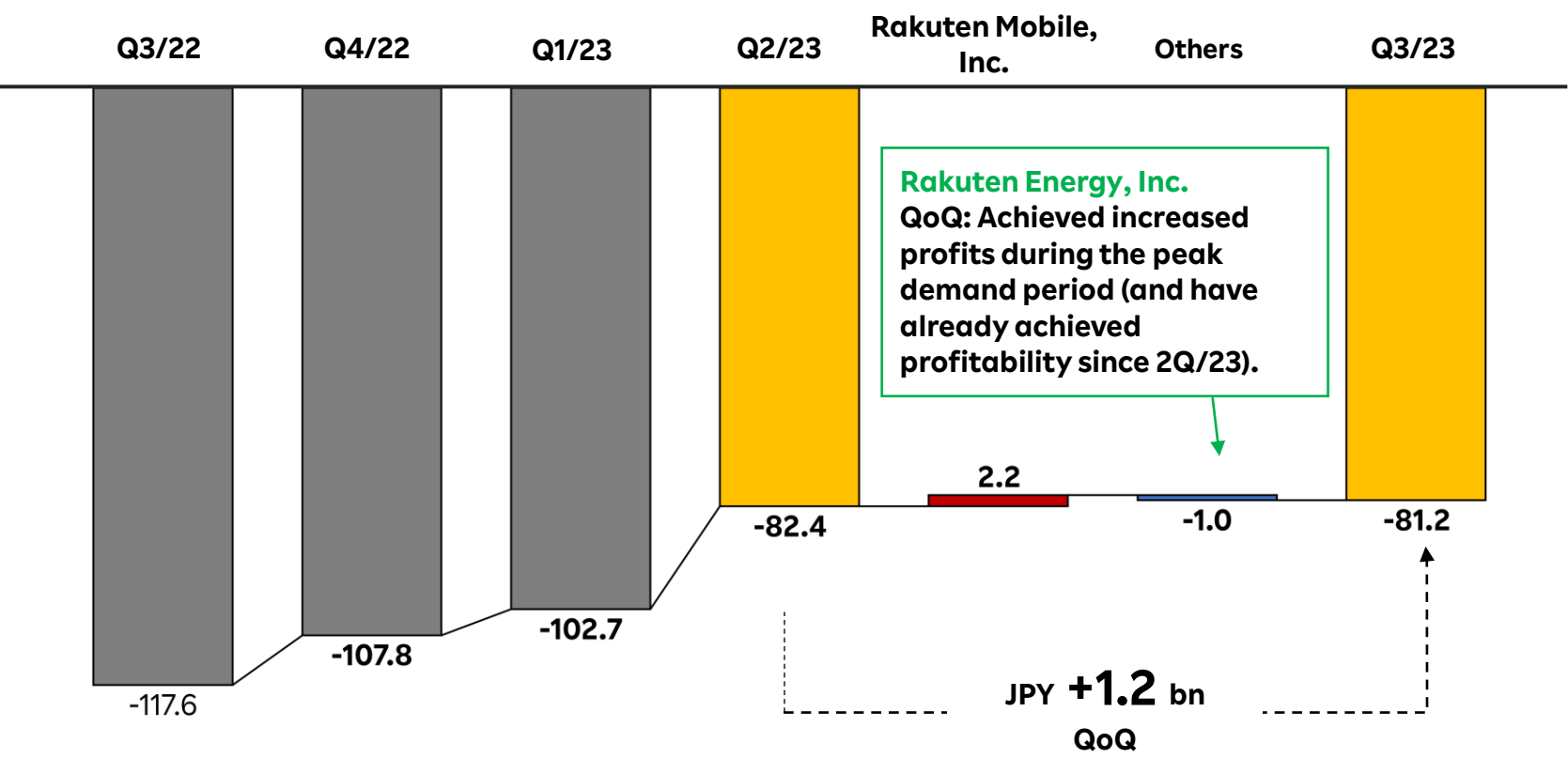
Rakuten Mobile, Inc.*

* The breakdown of Rakuten Mobile revenue have been revised. Past figures have been retroactively adjusted.



Mobile Segment Non-GAAP Operating Income/Loss Breakdown (QoQ)

(JPY bn)



Rakuten Mobile, Inc. Financial Results

Mobile Segment

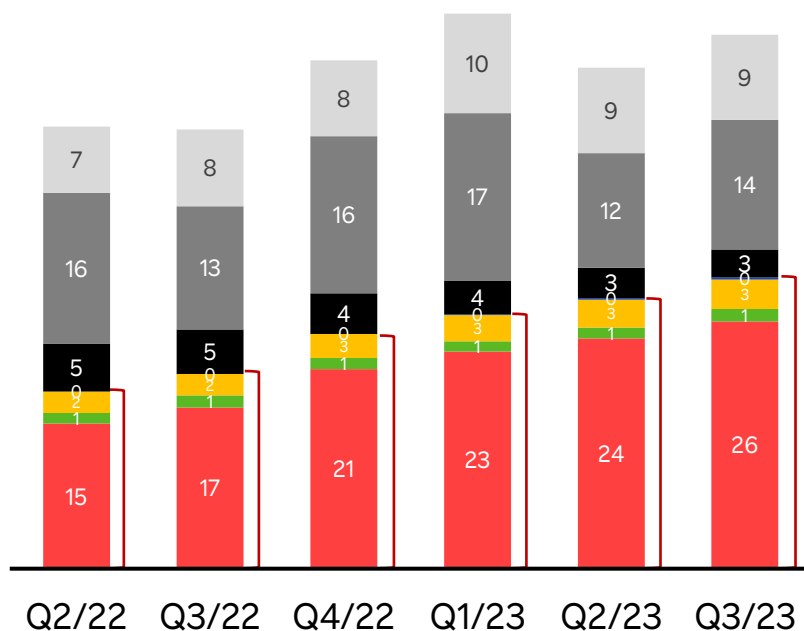
Rakuten Mobile

Rakuten Symphony

Rakuten Energy & Others

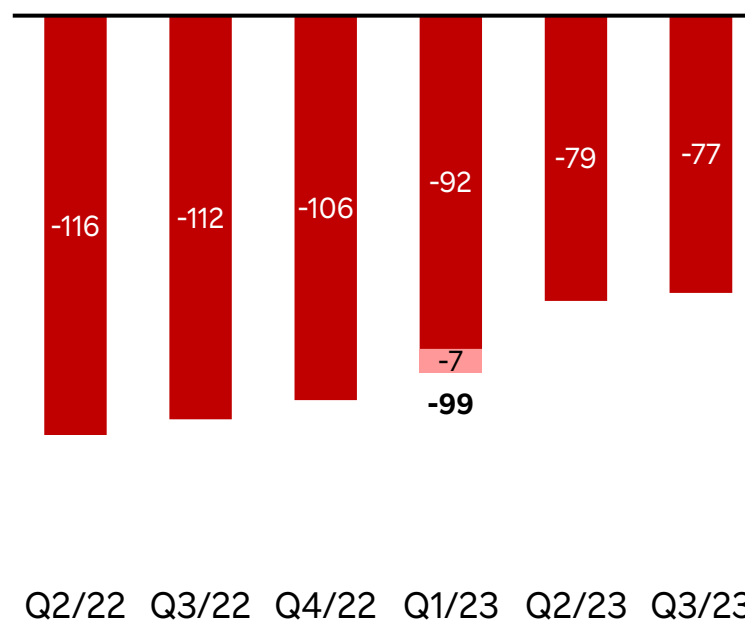
Revenue*

(JPY bn)



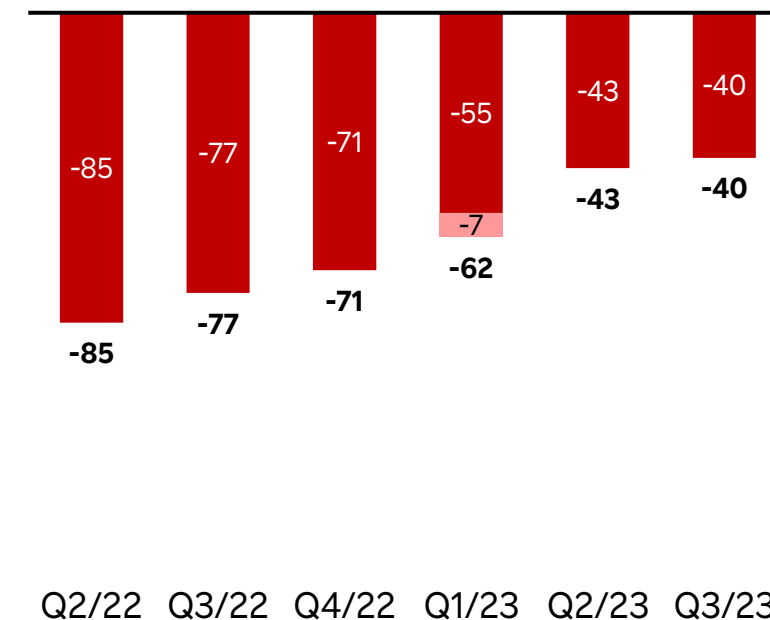
Non-GAAP Operating Income

(JPY bn)



Non-GAAP EBITDA

(JPY bn)



MNO [Data Call Option Others]

■ MVNO ■ Device Revenue

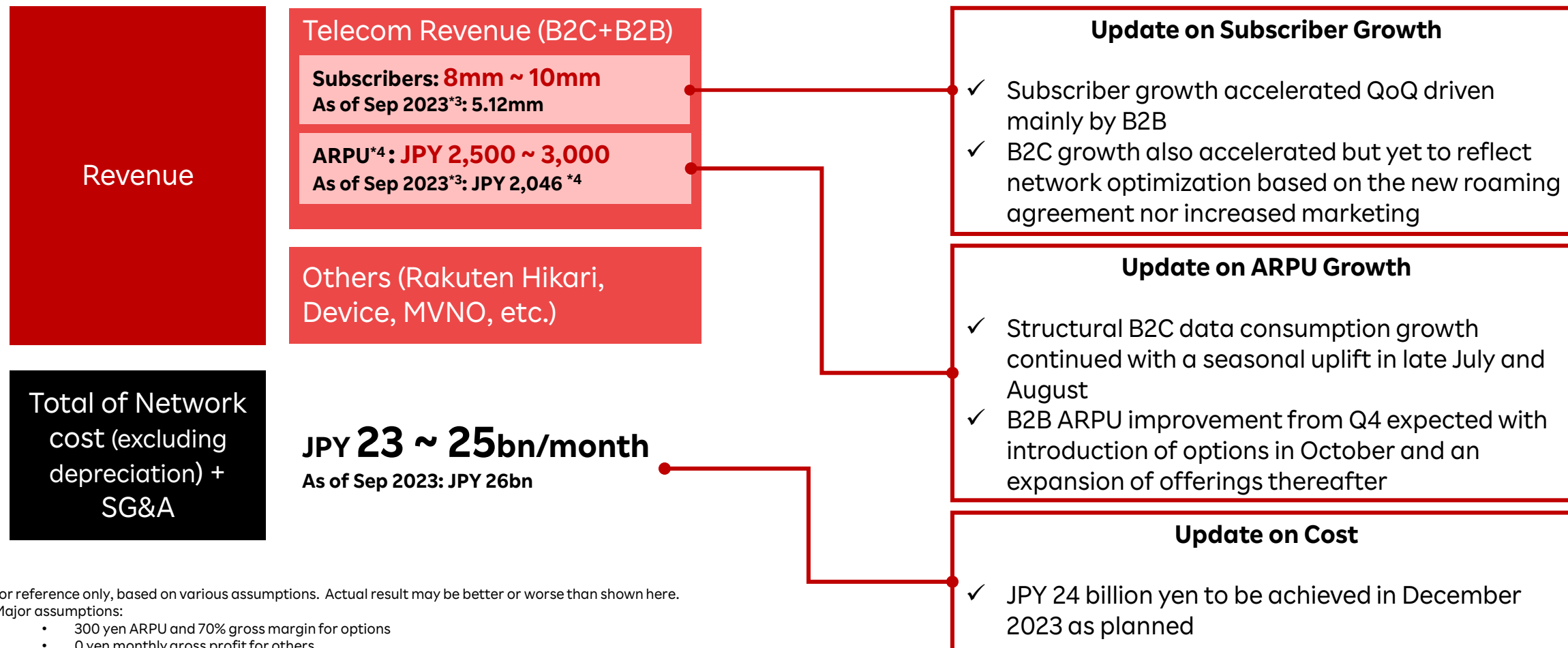
■ Other Revenue (including Rakuten Hikari etc.)

■ Rakuten Mobile, Inc. excluding property tax ■ Property Tax

* The breakdown of Rakuten Mobile revenue have been revised. Past figures have been retroactively adjusted.

Update on EBITDA Breakeven for Rakuten Mobile, Inc. ^{*1 *2}

- Aiming for monthly EBITDA breakeven by the end of 2024
- Aiming for annual EBITDA breakeven in 2025



^{*1} For reference only, based on various assumptions. Actual result may be better or worse than shown here.

^{*2} Major assumptions:

- 300 yen ARPU and 70% gross margin for options
- 0 yen monthly gross profit for others

^{*3} Excluding BCP. Pricing Plan for BCP (Business Continuity Plan) purposes in B2B

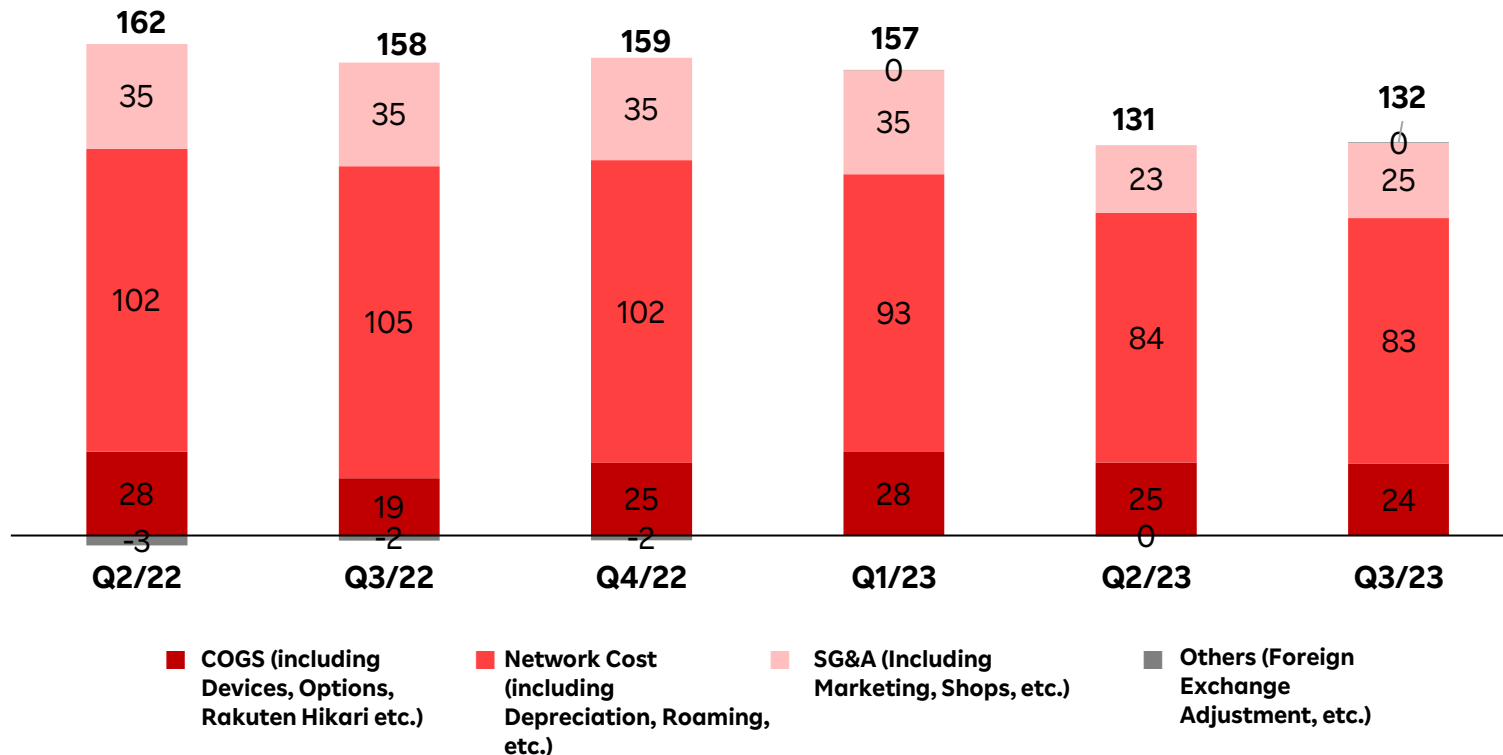
^{*4} Include advertising, B2B miscellaneous income

Rakuten Mobile, Inc. Operating Cost and Capital Expenditure

- Due to the cost reduction achieved by accelerating the planned expenses in Q2/23, operating expenses remained flat in Q3/23. However, efforts will continue to be made to further optimize them.
- Capex for FY2023 is forecasted to be lower than the original guidance of JPY 200bn.

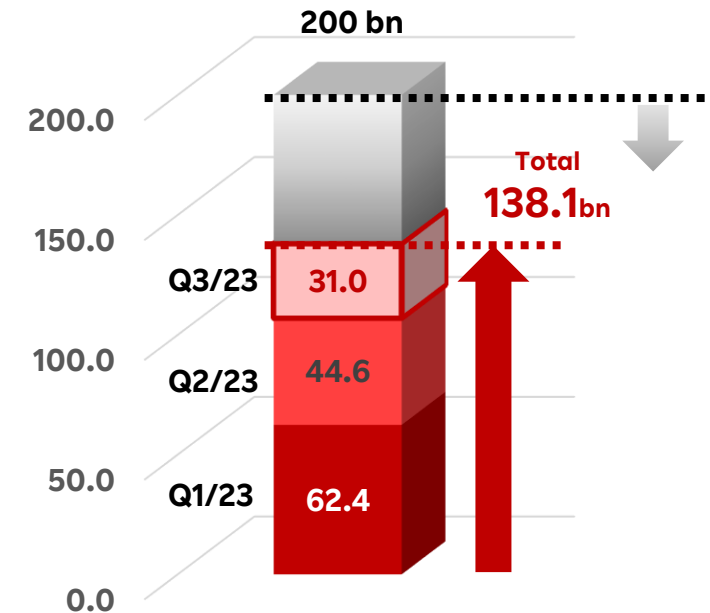
Operating Cost (Quarterly basis, including depreciation)

(JPY bn)



Capital Expenditure ^{*1 *2 *3}

(JPY bn)



*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.

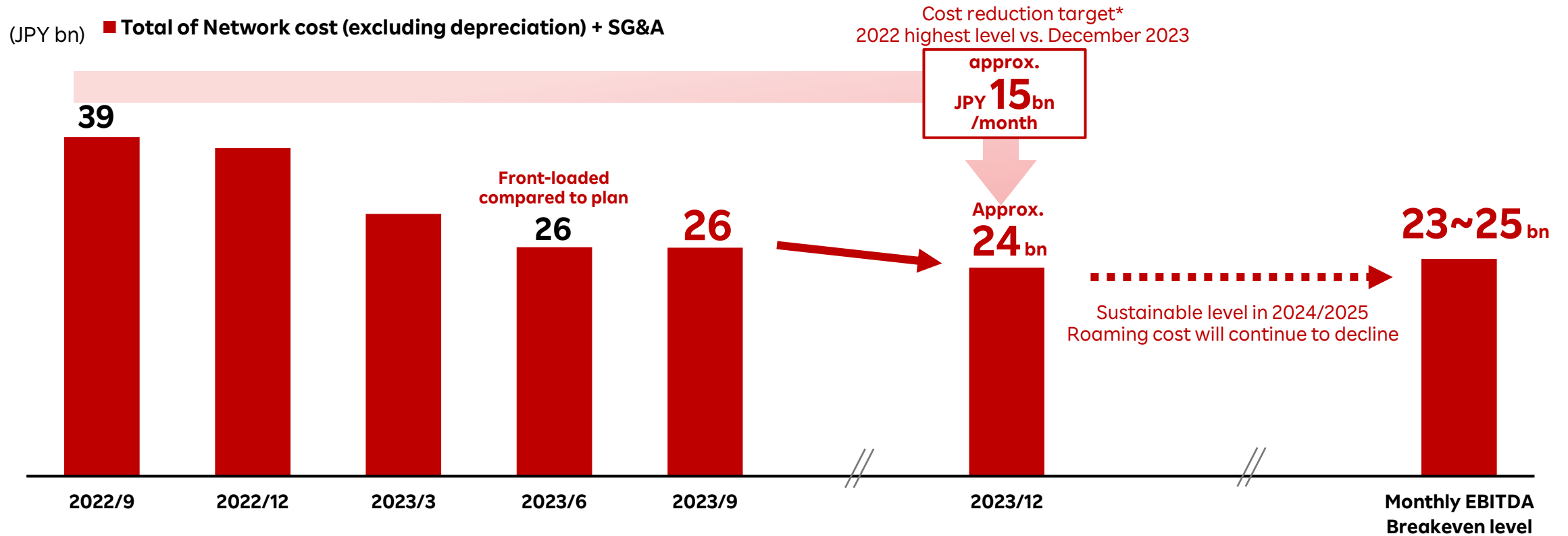
*2 May be affected by the delivery status of equipment related to base station construction.

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

Cost Normalization Update

- JPY 24 bn monthly cost structure to be achieved in December 2023 as planned

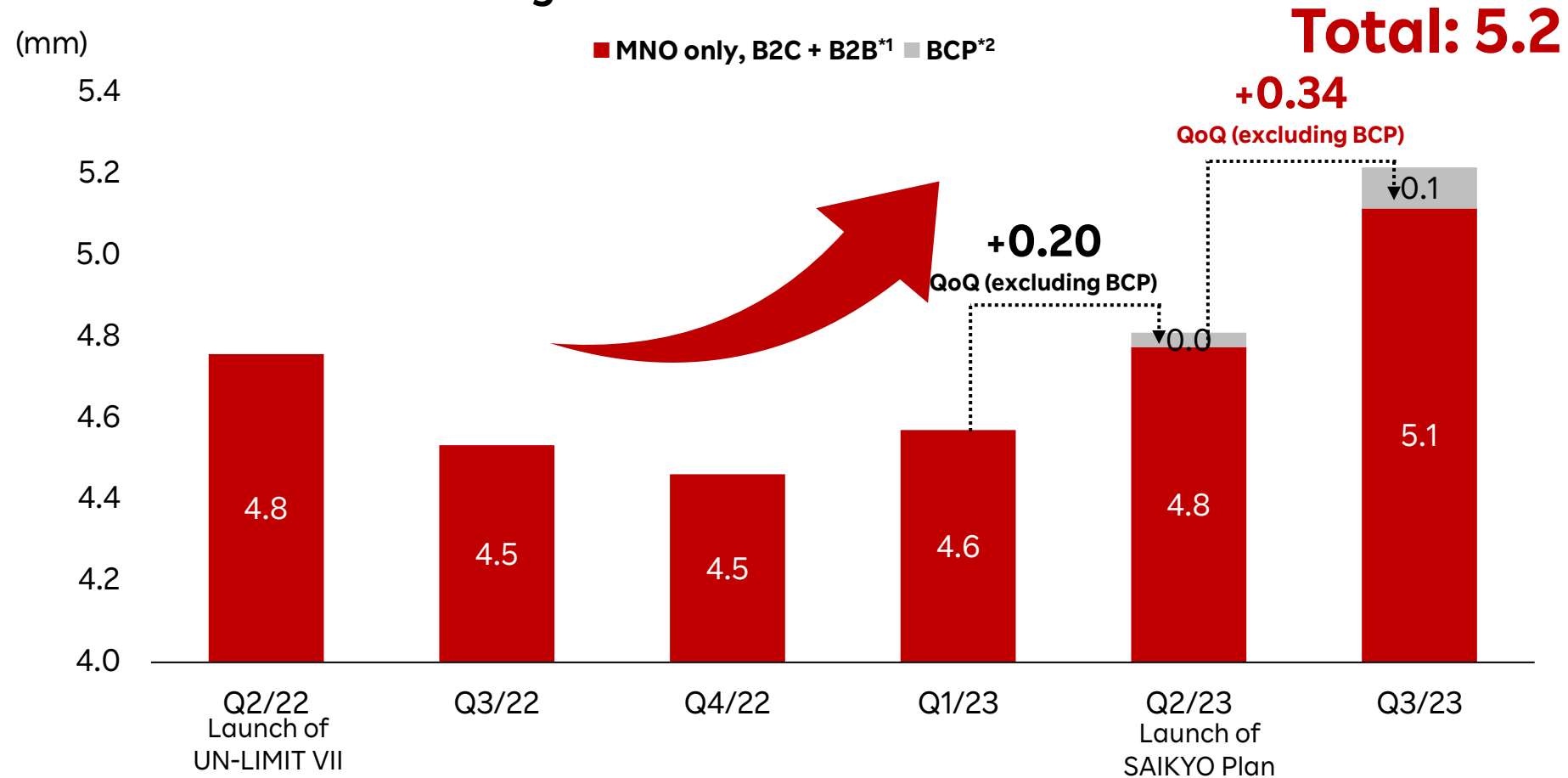
Cost Normalization Target (Rakuten Mobile, Inc.)



*Comparison with the highest cost level in 2022. Cost reduction in network expenses (excluding depreciation expenses) and SG&A.

Rakuten Mobile MNO Subscribers (B2C+B2B)

- Subscriber growth accelerated QoQ driven mainly by B2B
- B2C growth also accelerated but yet to reflect network optimization based on the new roaming agreement nor increased marketing

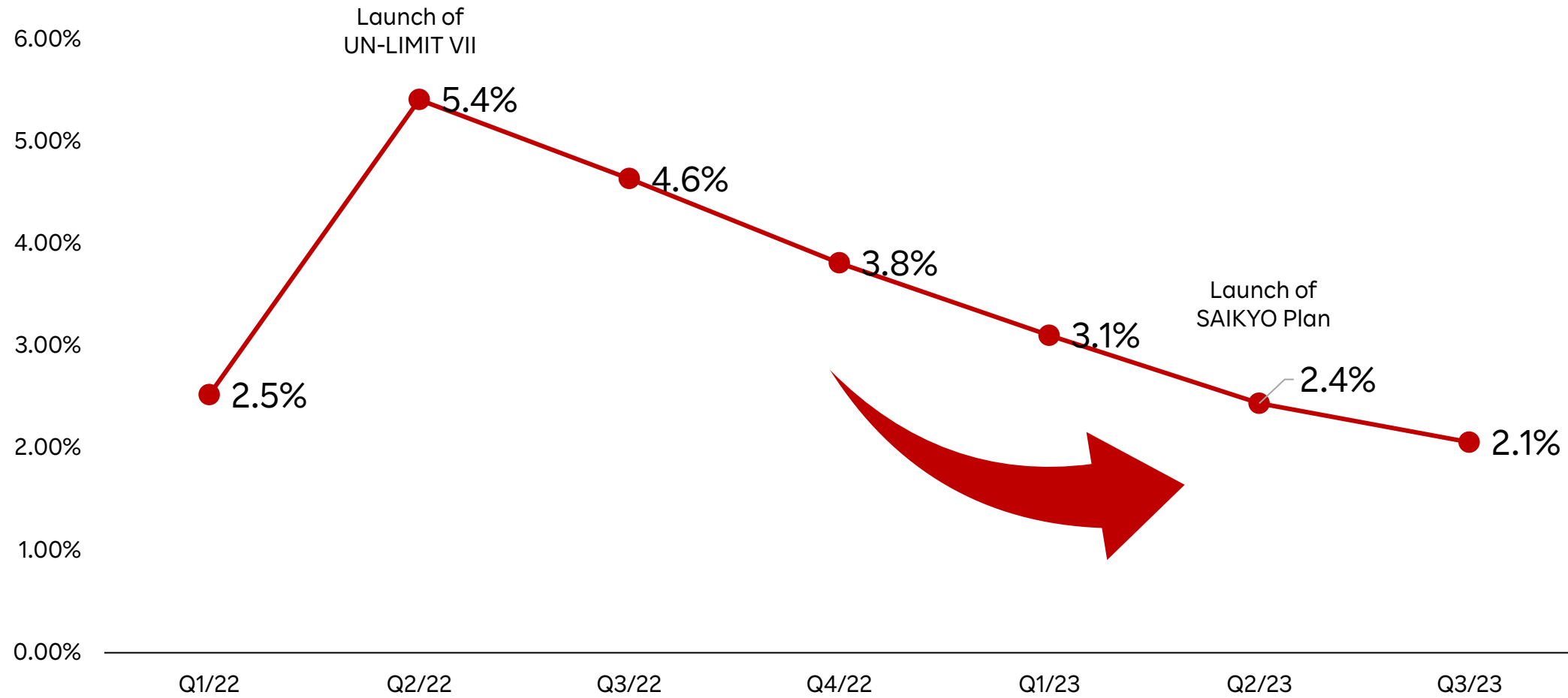


*1 Excluding BCP.

*2 BCP is pricing plan for Business Continuity Plan purposes in B2B.

Rakuten Mobile MNO Churn^{*1} (B2C+B2B)^{*2}

■ Churn is on the decline since June 2022 and should decline further as network quality improves

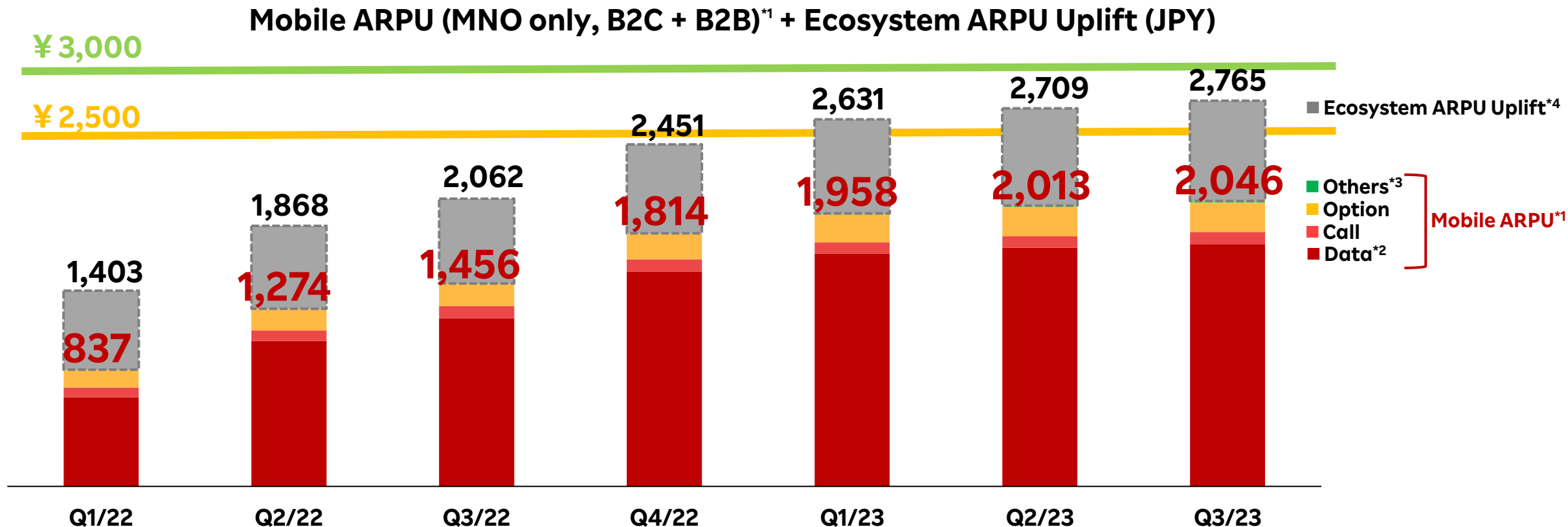


^{*1} Churn ratio = total number of churns in the most recent quarter ÷ average number of subscribers between the end of the most recent quarter and the previous quarter. Includes B2C and B2B. Excluding BCP^{*2}

^{*2} Excluding BCP. BCP is pricing plan for Business Continuity Plan purposes in B2B.

Rakuten Mobile MNO ARPU^{*1} (B2C+B2B)

- Aim for ARPU of JPY 2,500-3,000 by the end of 2024 (excluding Ecosystem ARPU uplift) which is a condition for achieving non-consolidated EBITDA profitability for Rakuten Mobile, Inc.



^{*1} Excluding BCP. BCP is pricing plan for Business Continuity Plan purposes in B2B. Due to a definition change for subscribers and revenue breakdown, past amounts have been retroactively adjusted. The breakdown of revenue and KPIs is disclosed as an indicator used by management in decision-making (business management indicator). Therefore, the scope of calculation and breakdown may change in the future, and retroactive adjustments may occur.

^{*2} 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.

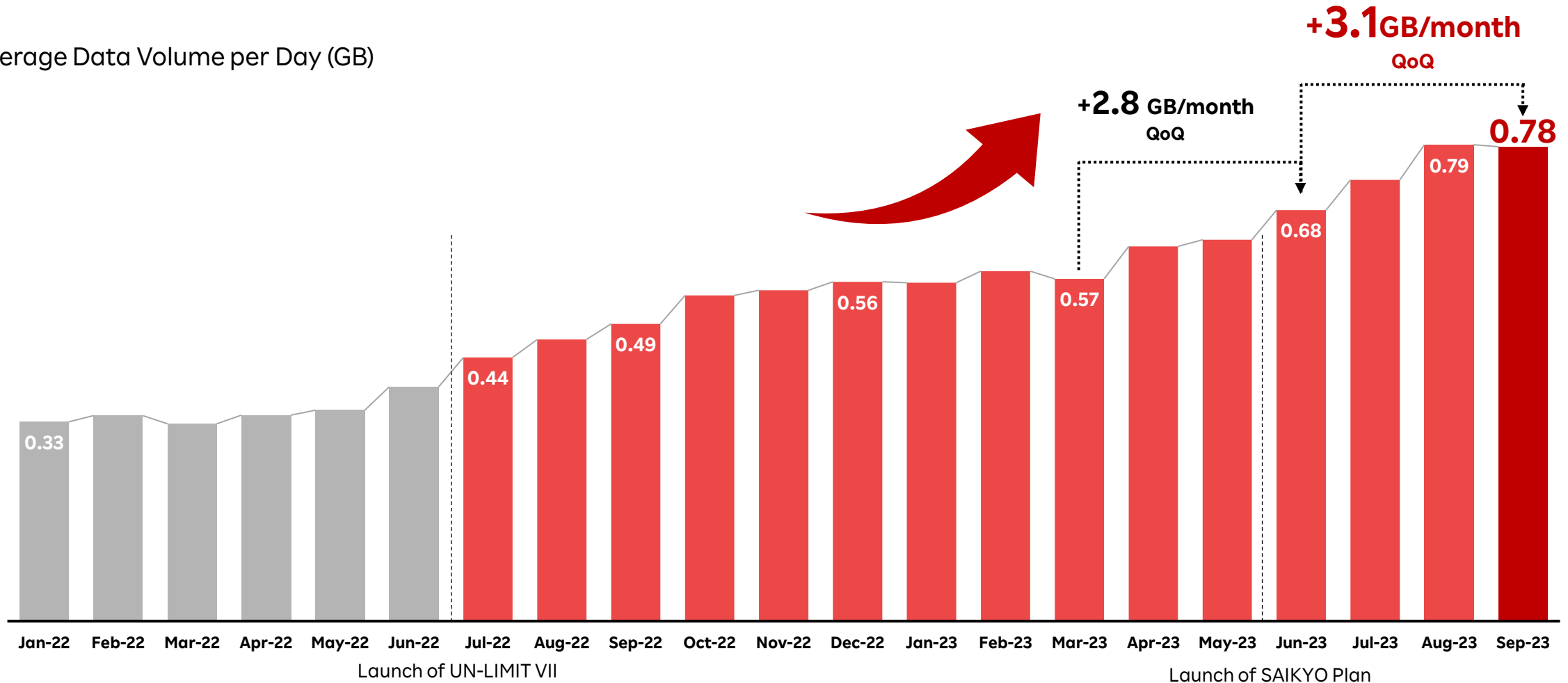
^{*3} Include advertising, B2B miscellaneous income

^{*4} Ecosystem ARPU Uplift: Difference in average revenue per person 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). Calculated by comparing all MNO users and all non-MNO users for comparison. Due to the change in the target period for acquiring sample users, past amounts have been retroactively adjusted.

Rakuten Mobile MNO Average Data Volume (B2C)

- B2C data usage increasing, and surpassed growth in the previous quarter

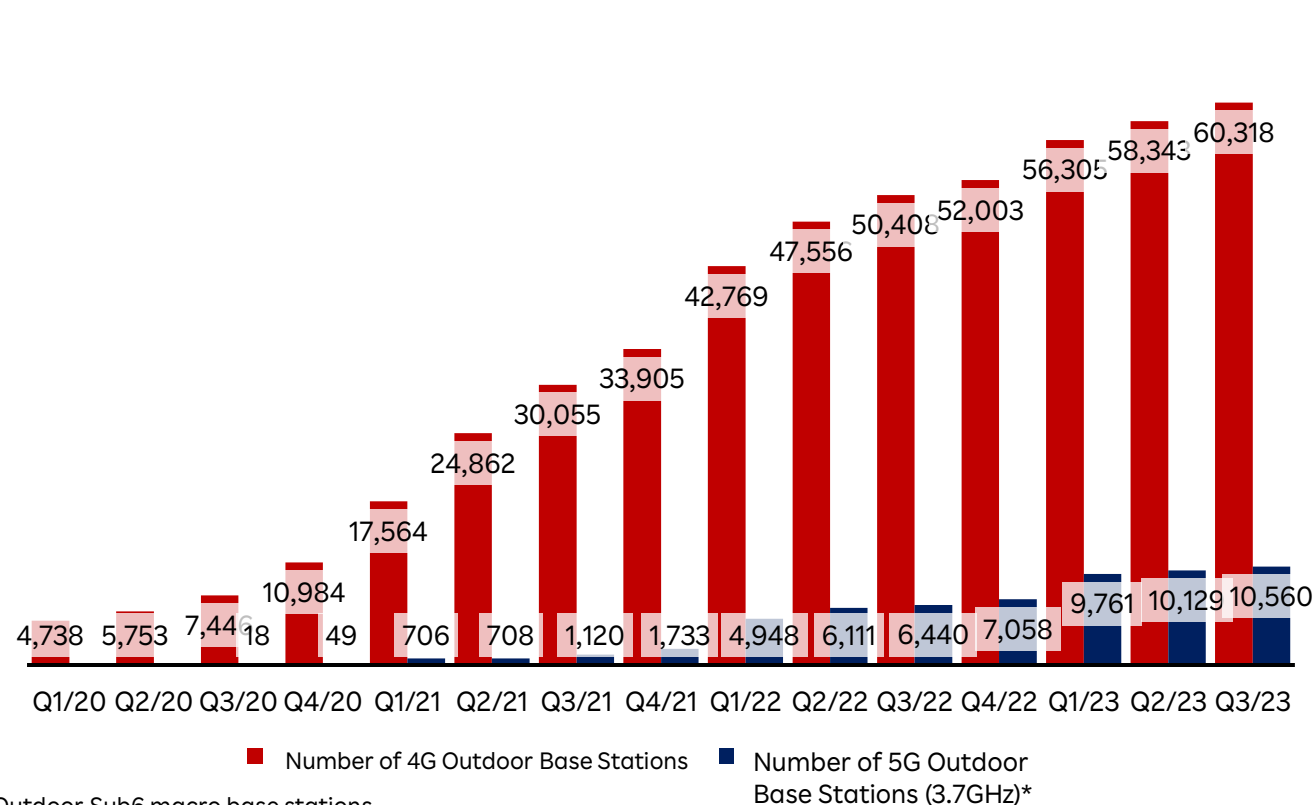
Average Data Volume per Day (GB)



Rakuten Mobile Number of Base Stations and Shops

- With the new roaming agreement, we do not anticipate a significant increase in the number of new base stations in the near future. However, we will consider additional ones on a case-by-case basis
- We regularly review profitability of stores to maintain a lean structure

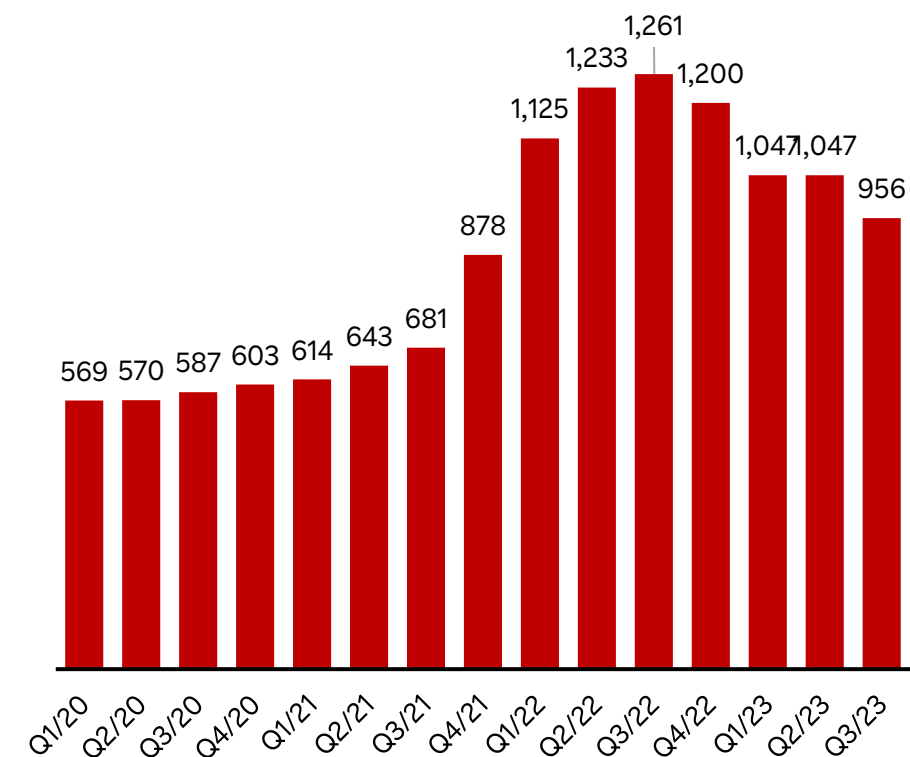
Number of Base Stations



* Outdoor Sub6 macro base stations



Number of Shops



Rakuten Mobile Contributes to Group Services

**Q3/23
Revenue Impact on
Rakuten Group***

JPY +10bn

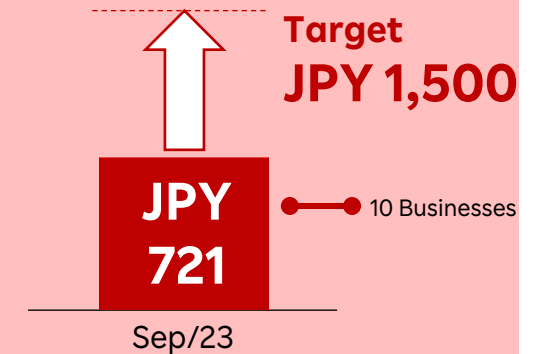
*The difference in average revenue between MNO users and non-MNO users over the past year at ten businesses (Ichiba, Books, Direct, Rakuten BIC, Kobo, Fashion, Travel, Rakuten Seiyu Netsuper, Beauty, R-Pay online payment).

**Q3/23
EBITDA Impact on
Rakuten Group***

JPY +6bn

* Calculated by using each business's gross profit margin

Ecosystem ARPU Uplift*



* The difference in average revenue between MNO users and non-MNO users over the past year at ten businesses

**Average Increase in
Service Usage of MNO
Users in One year**

+2.57

**Average Increase of
Non-MNO Users is +0.43**

*MNO users: Users who have an MNO contract from September 2019 to October 2022. Non-MNO users: Users who have used Rakuten services in the past year from the relevant month.

*Service usage is detected by points. The number includes MNO itself

**Total Increase in Rakuten
Group's New Service
Usage by MNO Users**

12.8 mm +

*MNO users: Users who have an MNO contract from September 2019 to October 2023. Non-MNO users: Users who have used Rakuten services in the past year from the relevant month.

*Service usage is detected by points. The number includes MNO itself

**Annual GMS Increase
Post MNO Contracts**

+60%

* Users who have a contract with Rakuten Mobile between April 2020 and October 2022, and for whom 12 months or more have passed since the contract start. GMS growth is the weighted average of figures comparing GMS in the 12 months before the user's contract and the latest 12 months (2022/10~2023/9) for each contract start month

Platinum Band (700MHz) Awarded on October 23, 2023

Platinum Band (700MHz) Awarded



MIC disclosure based on
Rakuten Mobile's
application

MINIMUM
OBLIGATIONS THAT
WE AIM TO BEAT

- Spectrum Allocated: 700MHz (Uplink: 715-718MHz, Downlink: 770-773 MHz)
- Service Start: March 2026 (Planned)
- Population Coverage by 2033: 83.2%
- Specified Base Stations Opening Fee: JPY 0.9 bn/year (total JPY 9 bn)
- Cumulative Capex by 2033: JPY 54.4 bn *Including cost associated with interference remediation
- Total Base Stations to be On-Air by 2033: 10,661
- Yearly Operating Income Breakeven Timing: FY2026 (Apr/2026-Mar/2027)

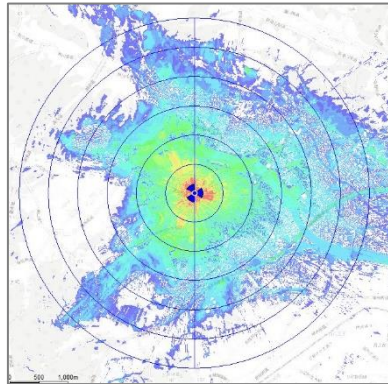
Platinum Band's Advantage Compared to 1.7GHz and Our Strategy

- **Not for capacity in urban areas** - The 3MHz band that has been allocated is a narrow band. Thus, it is not always optimal to deploy it from high positions in populated areas for capacity reasons. Capacity constraint in urban outdoors addressed with 1.7GHz (4G) and 3.7GHz (5G).
- **Fill remaining coverage holes** - Remaining weaknesses of our network are indoors in urban areas, which are to be addressed with 700MHz and roaming.
- Capacity is not simply proportional to the bandwidth technically, but it varies depending on cell design and multi-sectorization etc..

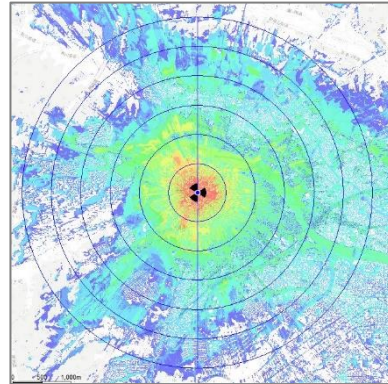
Platinum Band's Advantage

1.3x ~ 2x Wider Coverage

1.7GHz



700MHz

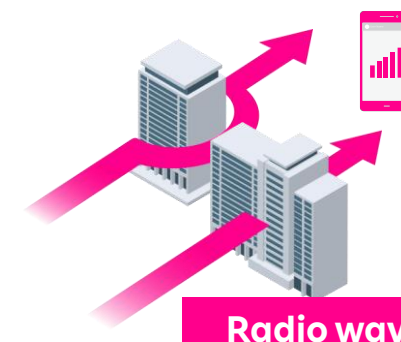


10x Indoor Penetration

1.7GHz



700MHz



Radio waves wrap around as well as penetrate

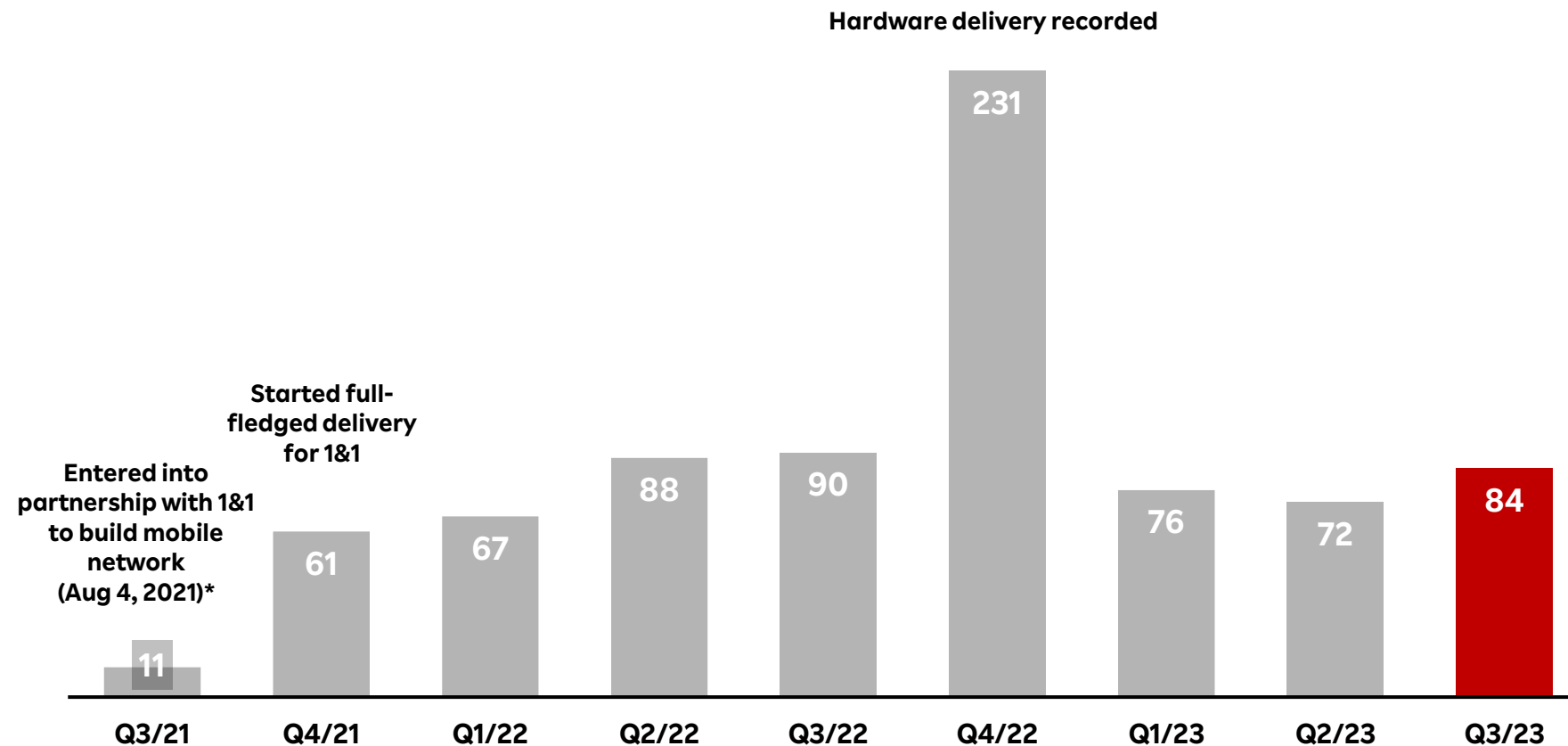
Rakuten Mobile Owned and Related Frequency Bands

Spectrum		Status	Bandwidth	Note
4G	1.7GHz	Allocated	40MHz Up : 1,730 – 1,750MHz Down : 1,825 - 1,845MHz	
	700Mhz	Allocated in October 2023	6MHz Up : 715 - 718MHz Down : 770 - 773MHz	Scheduled to be on-air sequentially
	Reference: 800Mhz	Roaming provided by (until September 30, 2026*)		
	Reference: 800/900MHz	Rakuten Mobile can decide when to submit application for frequency allocation	Multiple bandwidths allocated to existing licensees among 800/900MHz	
5G	1.7GHz (Other than Tokyo, Nagoya, Osaka)	Allocated	40MHz Up : 1,765 – 1,785MHz Down : 1,860 - 1,880MHz	5G specified base station operation start: December 1, 2024 (service starts around March 2025) 4G specified base station operation start: December 1, 2022 (service starts around March 2023)
	3.7GHz (Sub6)	Allocated	100MHz Up and Down total: 3,800 - 3,900MHz	
	28GHz (mmW)	Allocated	400MHz Up and Down total : 27.0 - 27.4GHz	

Rakuten Symphony Revenue

- Delivery progressed for our existing global customers but with more focus on our anchor clients
- Revenue tends to be uneven on a quarterly basis due to seasonality and hardware deliveries etc.

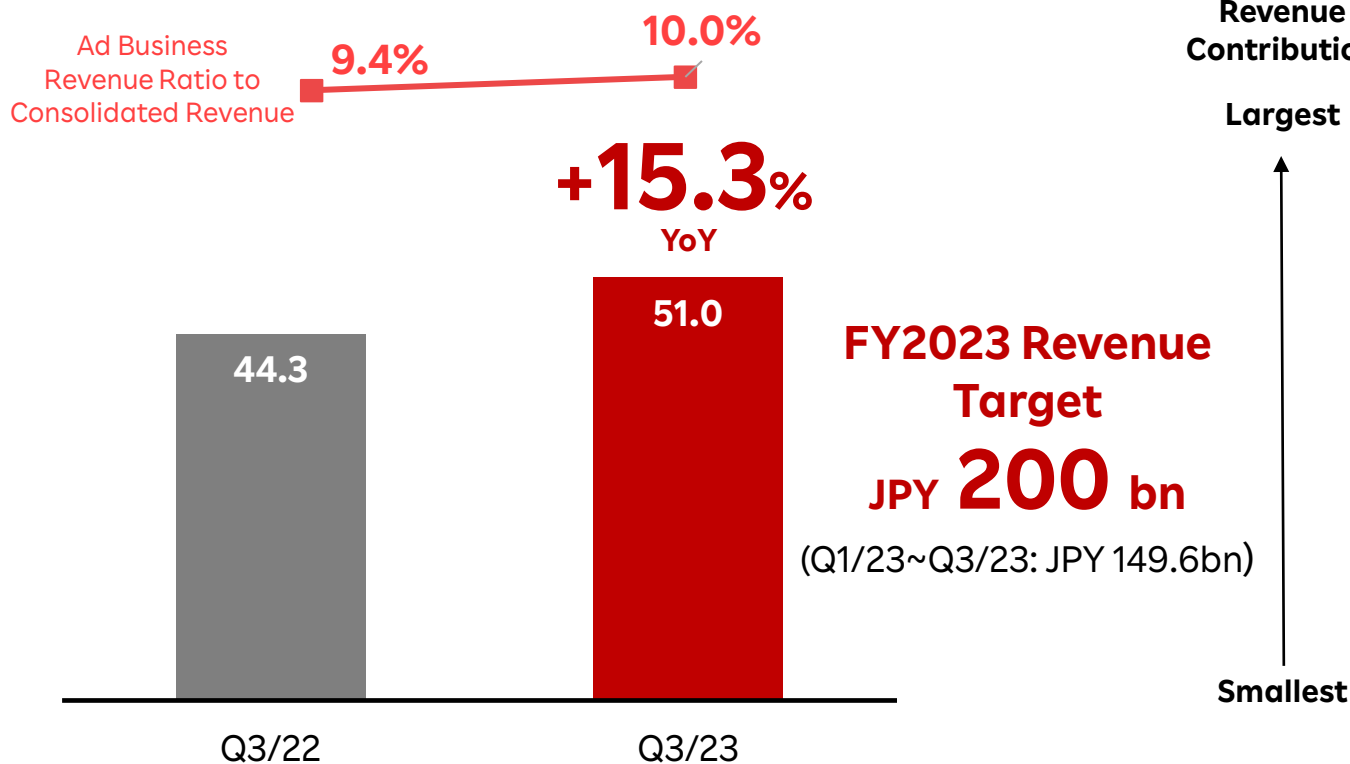
(USD mm)



Ad Business

Ad Business Financial Results

Revenue* (JPY bn)



Ad Business Growth Analysis

- Internal Advertisers × Internal Inventory ... +22.7% YoY**
 A high rise in demand before a rule change of hometown tax program pushed revenue growth
- External Advertisers × Internal Inventory ... +1.9% YoY**
 Ad placements from external advertisers to group services increased but limited
- Internal Advertisers × External Inventory ... +19.0% YoY**
 Placement of performance-based ads from Rakuten Ichiba merchants grew strongly
- External Advertisers × External Inventory ... +19.2% YoY**
 Dramatic increase due to satisfactory sales performance of pay-for-performance advertisings

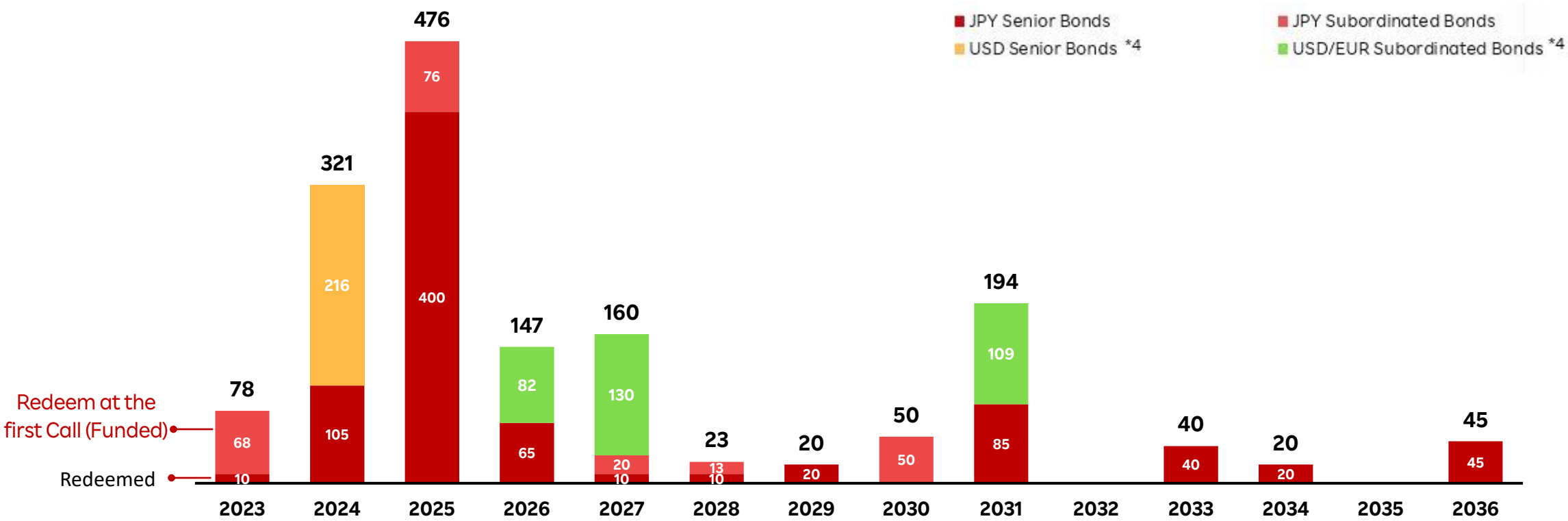
Internal Advertisers: Merchants in Rakuten Ichiba, facilities in Rakuten Travel, etc.
 External Advertisers: Manufacturers and brands that do not own stores on Rakuten Ichiba etc.
 Internal Inventory: Rakuten Group service websites, apps, etc.
 External Inventory: Ad spots on websites and apps etc. that are outside of Rakuten Group

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

4. Finance

Rakuten Group, Inc. Bond Maturity Schedule^{*1*2*3}

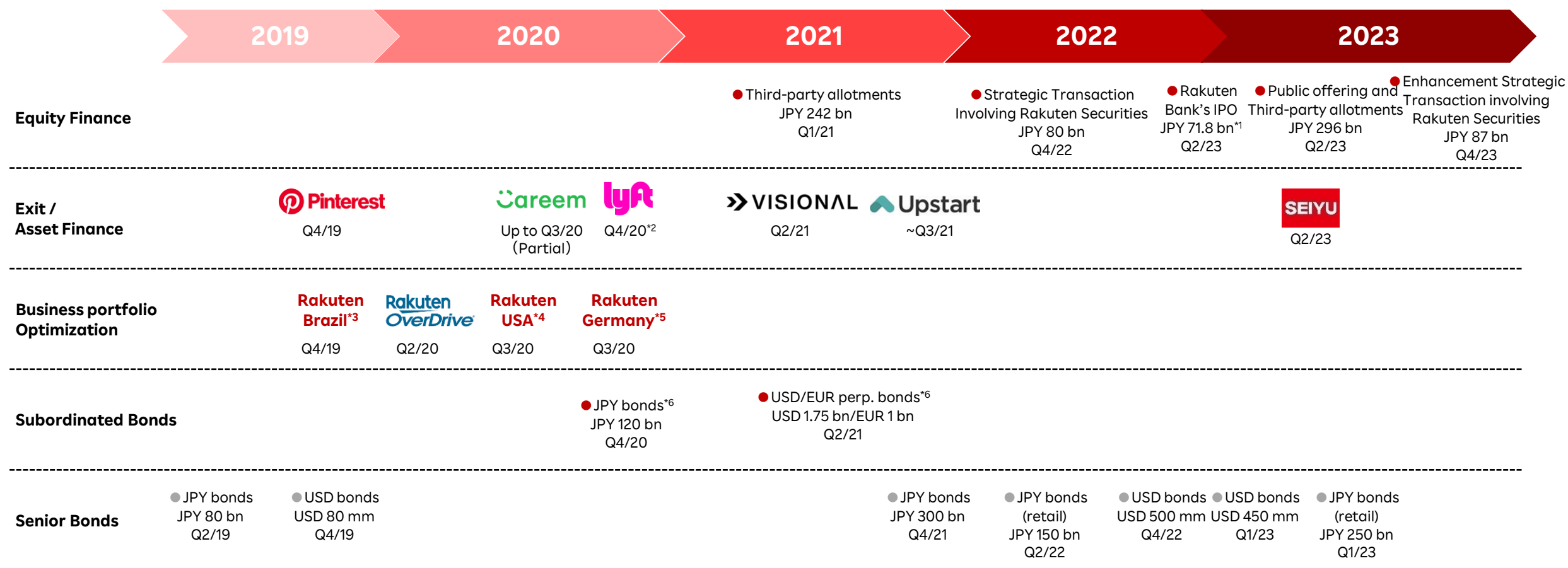
(JPY bn)



*1: As of Sep 30, 2023. Issue amount basis.
*2: Assuming subordinated bonds will be redeemed at each 1st call date.
*3: This does not include the maturity schedule of other debt outside of bonds.
*4: The swap contracted exchange rate is used for USD/EUR-denominated bonds.



Diversifying Financing Sources including Equity, Asset Financing and Bonds



*1: On April 13, 2023, Rakuten Bank, Ltd. priced its global IPO for JPY 1,400 per share. We sold 53,951,300 shares of Rakuten Bank through the IPO. Based on net proceeds.

*2: Monetization of Lyft shares using collar transaction (variable prepaid forward sales).

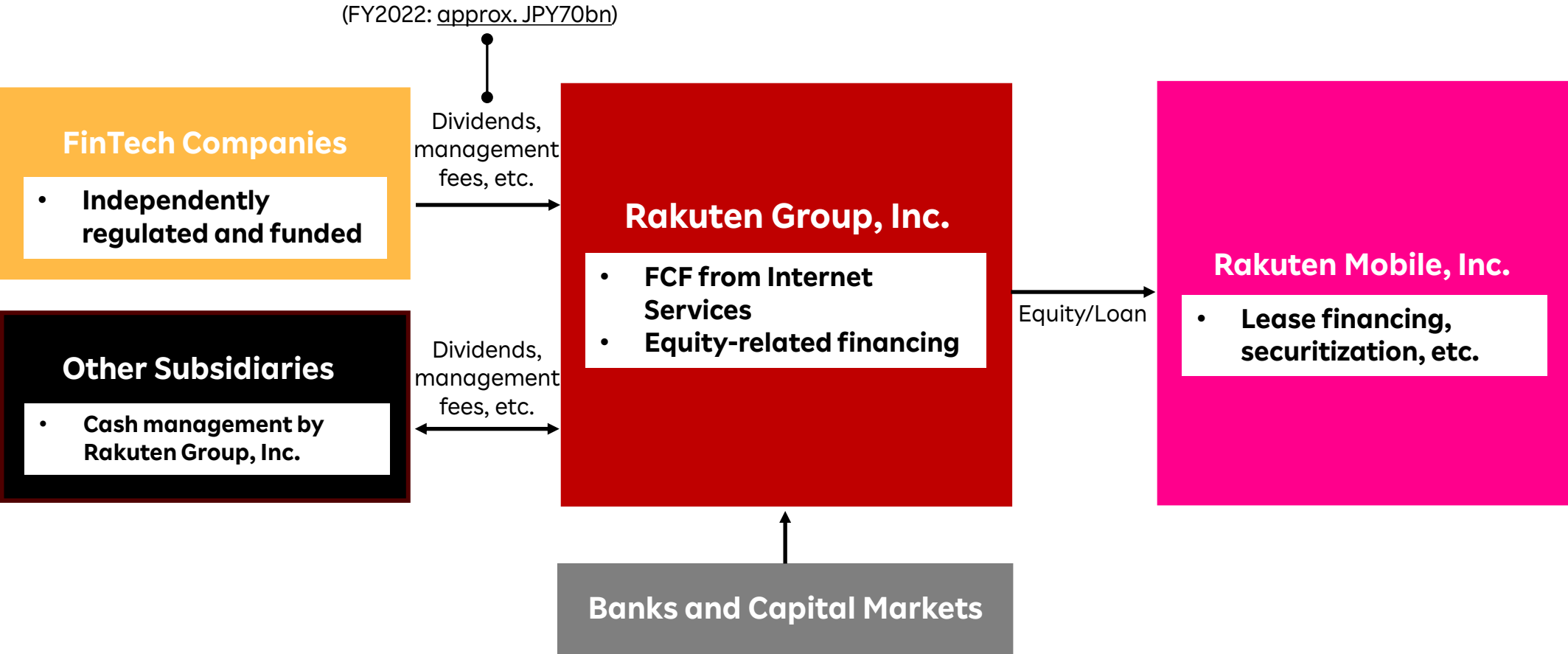
*3: Sale of E-commerce business (GenComm).

*4: Exit of Marketplace business (formerly Buy.com) in the United States and switch to an open E-Commerce model (Rakuten Rewards).

*5: Exit of Marketplace business in Germany and consolidation into membership-based online reward sites in the United Kingdom, Spain and Germany.

*6: 50% equity credit from S&P, R&I and JCR. USD/EUR perp. subordinated bonds are treated as 100% equity under IFRS.

Rakuten Mobile Funding Flow



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