FY2020 First Quarter
Consolidated Financial Results

May 13, 2020
Rakuten, Inc.
Consolidated Results
Q1/20 Results Highlights

- Consolidated revenue: +18.2% YoY
- Global GTV: +23.7% YoY
- Domestic E-Commerce GMS growth QoQ: +9.8% YoY
  - Shopping E-commerce GMS* growth +57.5% YoY in April
- Non-GAAP OI: JPY -18.1bn due to mobile business and logistics investment
- Rakuten diversified ecosystem enabled solid growth
  - FinTech: Revenue growth +22.9% YoY, Non-GAAP OI +14.7% YoY
  - Core business revenue growth +13.8% YoY
  - Businesses such as travel were negatively impacted by COVID-19, but continue to support society.
- Mobile business: Launched service on April 8. Continuing acceleration of base station buildout

* Shopping E-commerce = Ichiba + 1st party (Fashion, Books, Rakuten24 (Direct), Net super + Open EC(Rebates, Checkout) + Rakuma
Business Strategy for Future Growth

- **Q1/20 Revenue / OI**

  - **Core Businesses**
    - **Revenue** +13.8% YoY
    - **OI** +3.1% YoY
  - **Growth Phase Businesses**
    - **Revenue** +21.8% YoY
  - **Investment Phase Businesses**
    - **Revenue** +54.5% YoY
  - **Mobile Logistics**
    - **1st Party Overseas**
    - **C2C**
<table>
<thead>
<tr>
<th>Business</th>
<th>Factor</th>
<th>Business</th>
<th>Factor</th>
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<tbody>
<tr>
<td>Rakuten Ichiba</td>
<td>GMS ↑ Number of returning users, purchases, orders ↑</td>
<td>Rakuten Travel</td>
<td>GMS ↓ Impact of last year Golden Week (10 days)</td>
</tr>
<tr>
<td>Rakuten24 (Direct)</td>
<td>GMS ↑</td>
<td>Sports (Eagles, Vissel)</td>
<td>Cancellation of matches</td>
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<tr>
<td>Rakuten Books</td>
<td>GMS ↑</td>
<td>Ticket</td>
<td>Refund by events postponed or canceled</td>
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<td>Rakuten Seiyu Net Super</td>
<td>GMS ↑</td>
<td>GORA (golf)</td>
<td>Number of bookings ↓</td>
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<tr>
<td>Kobo</td>
<td>Number of users, purchases ↑</td>
<td>Minority Investment</td>
<td>Valuation ↓</td>
</tr>
<tr>
<td>Rakuten TV Europe</td>
<td>Number of users, purchases ↑</td>
<td>Ad</td>
<td>Internal, external Ad revenue ↓</td>
</tr>
<tr>
<td>Rakuten Securities</td>
<td>FX transactions ↑</td>
<td>Rakuten Card</td>
<td>Online GTV ↑ Offline GTV ↓</td>
</tr>
<tr>
<td>Rakuten Mobile</td>
<td>Offline Shops temporary closure Online Applications ↑</td>
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<tr>
<td>Energy</td>
<td>Revenue ↑</td>
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</tbody>
</table>
COVID-19 Impact (April) on Domestic EC

Main categories GMS grows strongly

Sanitary goods  Daily goods
Toys, Games  Foods
PC, accessories  Home appliance
Cosmetics  Furniture etc.

Shopping E-commerce*GMS
+57.5%
YoY

* Shopping E-commerce = Ichiba + 1st party (Fashion, Books, Rakuten24 (Direct), Net super + Open EC(Rebates, Checkout) + Rakuma
Introduction of Uniform Shipping

- Ichiba launched uniform shipping for purchases over JPY 3,980 on March 18
- Approximately 80% of total merchants have joined the program

Merchants adopting uniform shipping fee

+28.7 pt
higher GMS YoY than merchants not adopting uniform shipping fee

(April 1 to April 30)

Customer’s Voice

Now, I prefer to shop on Rakuten Ichiba rather than other EC platforms

I always hesitated to buy online because of shipping fees. Now I can do it anytime I want

Thanks to this program, I tend to purchase over 3,980 yen
Growing Overseas Content and Communication Businesses QoQ due to COVID-19

Rakuten kobo
Registered Users
+2.2m

Rakuten TV
MAU
+505k

Rakuten VIKI
Registered Users
+2.1m

Rakuten Viber
MAU
+808k

*As of Mar/20 compared with Dec/19
COVID-19 Countermeasures at Rakuten Group

- Realized a smooth and quick transition to work-from-home (WFH)

**Existing IT initiatives that have enabled a smooth transition to WFH**

- Video conference (Asakai) with 14,000+ employees every week
- Active utilization of video conferences using:
  - MFA (multi factor authentication) through Okta
  - File sharing through Box
- Online approval system
- Strong security and privacy compliance

**Rakuten Crimson House Percentage of WFH (excl. FinTech)**

97%
*As of April 28, 2020

**Internal Survey**

**Impression of WFH**

- Positive: 88.5%
- Neutral: 2.3%
- Negative: 9.2%

**Efficiency Effect of WFH**

- Increase: 56.3%
- No change: 36.8%
- Decrease: 9.9%

*Based on survey of Rakuten, Inc. employees from March 6 to 9

**Potential partial adoption of WFH as “New Normal” to enhance productivity and optimize office utilization**
Logistics Automation under COVID-19 outbreak

Advanced material handling system
▶ Decreasing manual work
▶ Increasing operational efficiency

Helping to prevent COVID-19 spread in Logistics business
COVID-19 Initiatives: Supporting Customers / Partners / Society

**Customers**
- **Provision of free services**
  - Rakuten TV
  - Rakuten kobo
- **Data usage increase**
  - Rakuten Mobile
  - Rakuten UN-LIMIT 2.0
    - Partner area free usage
    - 2GB → 5GB

**Partners**
- **Financial support**
  - Faster payment cycle
    - Rakuten Travel
    - Fee waiver
      - Rakuten (France / Germany)
      - Rakuten Ready
  - Ichiba special website
    - Buy 1 product, donate 100 yen to COVID-19 Prevention of Spread of Infectious Diseases Fund

**Society**
- **Offering hotel rooms for COVID-19 patients**
  - Rakuten Travel
    - Over 110,000 rooms
    - As of May 12, 2020
- **Charity fund**
  - Donation to support medical institutions and other organizations fighting against COVID-19 infection
  - Ichiba special website
    - Buy 1 product, donate 100 yen to COVID-19 Prevention of Spread of Infectious Diseases Fund
- **COVID-19 awareness campaign**
  - Original awareness logo
  - Sharing anti-corona safety guidelines
  - ICN: Original awareness logo
  - Sharing anti-corona safety guidelines
  - Rakuten Viber
    - Save your life!
Rakuten and Paradigm Shift After COVID-19 World

Communication Platform

- Cashless Payment
- Mobile
- 5G
- Location Service
- Online Education

Digital Transformation

- Mobile FinTech
- EC
- Digital Content
- Virtual Travel

Membership Brand Point Data

Sustainability

- Regional Revitalization
- Healthcare
Core Initiatives

- Mobile
- Logistics
- Payment
Mobile
Rakuten Mobile Strategy

Disruptive Technology

Fully Virtualized Base Stations

Fast Customer Acquisition

Efficient Investment

VM → Container

RCS Link → UCC Link

True 5G

Resilient Ecosystem
Rakuten Mobile’s Disruptive Pricing Plan “UN-LIMIT2.0”

Priced at less than 50% of existing MNOs’ comparable plans

One Year Free → After 2nd year 2,980 yen/month

Partner network area data allocation
- 2GB
- 5GB /month

Partner network area transmission speed after using allocated data
- 128kbps
- 1Mbps

* For 3 million customers. (The number of eligible customers may change.) One line per customer. Charges apply for products purchased, administration fees, option fees, calls fees, and others
Network is scaling up quickly

Daily Data Volume

Data Consumption

3x
More Data Usage on Rakuten Network

RCS Calls

2x
More RCS Calls than VoLTE

*Rich Communication Service
Rakuten Mobile Online Applications Accelerating Under COVID-19

- Online-centric customer acquisition strategy
- Despite temporary shop closures due to COVID-19, customer acquisition is progressing smoothly

(April 8-30, 2020)

- Off-line applications: 3.5%
- On-line applications: 96.5%

- On-line applications
- eKYC (planned)

- SIM delivery
- eSIM provision
Base Station Buildout Ahead of Plan

Number of base stations (4G)
As of end of March, 2020

- Initial Plan: 3,432
- As of end of March: 4,738
- Number of sites with contract signed: 4,555
Accelerating Base Station Build Out

Accelerating customer acquisition by expanding Rakuten network area where data communication is completely unlimited

Target **70%** population coverage by March 2021
Logistics
ONE DELIVERY Strategy

**Users**

ONE step to receiving purchases when you want them
(Scheduled delivery, Shipping in one package, Speed)

**Merchants**

ONE process, from order to delivery
(Decrease delivery related cost, Maximize sales)

**Rakuten**

ONE end-to-end service, through collaboration with external partners
(Improve services)
Expansion of Logistics
Maximize efficiency of Last Mile Delivery

Ichiba GMS Coverage
50% by end Dec 2021

Expanding coverage to merchants don’t own logistics centers

From 2020
Chiba: Narashino
Kanagawa: Chuorinkan

Osaka: Hirakata
Hyogo: Kawanishi, Amagasaki

Chiba: Ichikawa, Nagareyama
Kanagawa: Sagamihara

Population Coverage
62% As of May 2020

- Enhancing productivity by “Matomete Haiso” (deliver items at one time across RSL merchants) and “Oki-hai” (drop off service), etc.
- Covered all major cities designated by government ordinance
Payment
Providing Diverse Payment Methods
Enabling Solid Business Growth

Diverse Payment Methods

- Rakuten Card
  - Credit Card
- Rakuten Bank
  - Debit Card
- Edy
  - E-money
- Pay
  - QRcode/Barcode
- POINT
  - Point Card

Common ID As Our Asset: Rakuten ID
Protocol Expansion: Increasing Number of Rakuten Edy users

Implementation of Edy function in Rakuten Pay App (Feb 6th)

Number of new Rakuten Edy users

+85%

Daily application before implementation

Daily application after implementation
Accelerating Rakuten Edy GMS Growth

Edy available in Supermarkets

Nationwide

with strong relationships

Edy GMS Growth (YoY)

Accelerating

with a majority from people’s daily essential purchases

+42.1%

Oct/19  Nov/19  Dec/19  Jan/20  Feb/20  Mar/20
Rakuten Ecosystem: Digital and Diverse
With Strong and Stable Growth

Global Membership
1.4bn

Annual Points Issued
320bn Points

* FY2019 results

Taiwan
77.5%
U.S.
62.0%
Spain
72.8%

France
78.5%
Canada
62.6%

* Aided Rakuten corporate logo awareness survey conducted by Rakuten (Apr 2020)

Domestic Businesses
70+

* FY2019 results
Consolidated Results
## Q1/20 Consolidated Results Summary

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<td>+18.2%</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excluding Mobile, Logistics and Investment Business</td>
<td>16.1</td>
<td>24.3</td>
<td>+50.9%</td>
</tr>
<tr>
<td><strong>IFRS Operating Income</strong></td>
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# Q1/20 Revenue and Operating Income

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<td><strong>Core Business</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
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<tr>
<td>Revenue</td>
<td>226.9</td>
<td>258.2</td>
<td>+13.8%</td>
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<tr>
<td>Operating Income</td>
<td>29.3</td>
<td>30.2</td>
<td>+3.1%</td>
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<tr>
<td><strong>Non-recurring / Investments</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
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<tr>
<td>Revenue</td>
<td>29.7</td>
<td>31.8</td>
<td>+7.0%</td>
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<tr>
<td>Operating Income</td>
<td>115.9</td>
<td>3.4</td>
<td>-97.1%</td>
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<td><strong>Future Growth Investments</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
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<td>Revenue</td>
<td>51.8</td>
<td>79.9</td>
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<td>Operating Income</td>
<td>-23.9</td>
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<tr>
<td>Revenue</td>
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<tr>
<td>Operating Income</td>
<td>-3.3</td>
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<td>+1.6</td>
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<sup>1</sup> Includes Ichiba, Travel, Rakuten Rewards (Ebates), Card, Bank, Life Insurance, General Insurance, etc

<sup>2</sup> Includes Securities and Minority Investments

<sup>3</sup> Includes Logistics-related investments, Mobile, Payment, NBA broadcasting rights, Rakuten Rewards (Ebates) rebranding costs, etc
Q1/20 Non-GAAP Operating Income Breakdown

Q1/19 Non-GAAP OI 118.0bn
Q1/19 Gains from Investment business 112.6bn

Q1/20 Non-GAAP OI -18.1bn
Q1/20 Loss from Investment business -3.4bn

Q1/19 Operating Income ( excl. gains from investment business )
5.3

Q1/20 Operating Income ( excl. loss from investment business )
-25.1

Domestic E-commerce
(excl. logistics related investments, costs)

FinTech
+1.1
Boosted by COVID-19
(Ichiba, Rakuten24, Books, etc.)

Mobile
+2.1

Others
(excl. minority investments, Rakuten Rewards (Ebates) rebranding costs, NBA broadcasting rights, etc.)
8.4

Upfront investments for future growth
• Logistics-related investments, costs: -3.1bn
• Rakuten Rewards (Ebates) rebranding costs: +3.5bn
• NBA broadcasting rights*: +0.6bn
• Consolidation adjustment, etc.

*1 NBA broadcasting rights are included in “Others” of Internet Service Segment

*2 “Others” segment mainly includes overseas EC businesses and Sports businesses

Growth slowed by COVID-19
(Travel, Ticket, Golf, etc.)

-0.9

Q1/19 Gains from Investment business
112.6bn

Q1/20 Loss from Investment business
-3.4bn

Q1/20 Operating Income
-14.7
Massive Expansion of the Rakuten Ecosystem

- Consistent growth towards target Membership Value of JPY 10tn
- MNO business started in April is expected to contribute to the further expansion of Membership Value

Membership Value Target

JPY 10tn

Q1/20 Membership Value

JPY 6.2tn
+32.7% YoY

Unique Users
LTV
Cross Use

Unique
Cross Use
(JPY tn)
Rakuten Ecosystem Membership Value

- Higher LTV and cross-use boosted membership value to JPY 6.2tn
- MNO business started in April is expected to contribute to the further expansion of Membership Value

Active user growth in
- Rakuten Securities
- Rakuten Card
- Rakuten Ichiba, etc

Revenue growth and retention improvement in
- Rakuten Ichiba
- Rakuten Securities
- Rakuten Card, etc.
Expansion of Cross-Use Ratio*

- Successful SPU program enhancing cross-use, resulting in an increased number of active users, contributing to growth in membership value

*Number of Rakuten members who have utilized two or more Rakuten services during the past 12 months of the listed month (As of March 31, 2020)
(Applicable services limited to those which can earn Rakuten Super Points.)
Appendix
Consolidated Results
Q1/20 Highlights

**Consolidated Revenue**
JPY 331.4 bn
YoY +18.2%

**Global GTV**
JPY 5.1 tn
YoY +23.7%

**Domestic EC GMS**
JPY 927.1 bn
YoY +9.8%

**Rakuten Card Shopping GTV**
JPY 2.7 tn
YoY +27.6%

**Rakuten Card Holders**
19.64 mm
*As of March 31, 2020*

**Rakuten Securities Accounts**
4.10 mm
*As of March 31, 2020*

**Rakuten Bank Accounts**
8.69 mm
*As of March 31, 2020*

**Ad Revenue**
JPY 29.9 bn
YoY +15.0%
Total Global GTV*1*2

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

*2Includes intercompany transactions for settlement and affiliate services

(JPY tn)

Q1/18  Q2/18  Q3/18  Q4/18  Q1/19  Q2/19  Q3/19  Q4/19  Q1/20
3.4   3.6   3.8   4.5   4.1   4.5   4.8   5.6   5.1

+23.7% YoY
## Q1/20 Revenue and Operating Income

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<tbody>
<tr>
<td><strong>Domestic E-Commerce</strong></td>
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<tr>
<td>Revenue</td>
<td>108.5</td>
<td>124.6</td>
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<td>Operating Income</td>
<td>12.0</td>
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<td><strong>Others</strong></td>
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<td>Revenue</td>
<td>60.6</td>
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<td>Operating Income</td>
<td>98.7</td>
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<td><strong>Internet Services Segment</strong></td>
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<td>Revenue</td>
<td>169.1</td>
<td>190.7</td>
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<tr>
<td>Operating Income</td>
<td>110.7</td>
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<td><strong>FinTech Segment</strong></td>
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<td>Revenue</td>
<td>113.9</td>
<td>140.0</td>
<td>+22.9%</td>
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<tr>
<td>Operating Income</td>
<td>17.3</td>
<td>19.8</td>
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<td><strong>Mobile Segment</strong></td>
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<td>25.4</td>
<td>39.2</td>
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<tr>
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<td>Amortization of Intangible Assets (PPA)</td>
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<td>Stock Based Compensation</td>
<td>-2.0</td>
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<tr>
<td>One-off items</td>
<td>0.0</td>
<td>0.0</td>
<td>+0.0</td>
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Q1/20 Non-GAAP Operating Income Breakdown

118.0  (Q1/20 Operating Income)
     - 112.6  (Q1/19 Operating Income)
     + 5.3  (Gains from Investment business)
     + 1.4  (Domestic E-commerce (excl. logistics related investments/costs))
     + 2.5  (FinTech)
     - 0.9  (Q1/19 Operating Income (excl. gains from investment business))

8.4  (Q1/20 Operating Income (excl. upfront investments for future growth, Mobile, loss from investment business))
     + 2.1  (Mobile)
     - 25.1

-18.1  (Q1/20 Operating Income)

**Upfront investments for future growth**
- Logistics-related investments, costs: -3.1bn
- Rakuten Rewards (Ebates) rebranding costs: +3.5bn
- NBA broadcasting rights*: +0.6bn
- Consolidation adjustment, etc.

**Others**
- exl. minority investments, Rakuten Rewards (Ebates) rebranding costs, NBA broadcasting rights*, etc.
- Domestic E-commerce (excl. logistics related investments/costs)

*1 NBA broadcasting rights are included in "Others" of Internet Service Segment
*2 "Others" segment mainly includes overseas EC businesses and Sports businesses
Rakuten Group: Balance Sheets As of Mar 31, 2020 (Subsidiaries include internal transactions)


*2 Bonds and borrowings = Corporate bonds + CP + Borrowings

*3 Subsidiaries include internal transactions
Cash Flow Breakdown: Jan-Mar, 2020

Non-Financial Businesses

- Operating CF (Excl. Tax) 130.8
- Profit (adjusted) 21.3
- Increase in cash and cash equivalents -39.0

Financial Businesses

- Operating CF (Excl. Tax) 130.8
- Profit (adjusted) 21.3
- Increase in cash and cash equivalents +241.4

M&A, Investments
- Common 102.0
- Change in investment securities 1.6
- Other investing CF 4.4

* "M&A and investments" includes "Increase and Decrease in restricted deposits", "Purchase of investment securities" "Acquisition of investments in associates and joint ventures" and "Proceeds from sales and redemption of investment securities" of Non-Financial activities in addition to "Acquisition of subsidiaries"
# How Rakuten is Positioned to Meet Changing Needs of Society

<table>
<thead>
<tr>
<th>Changing needs</th>
<th>Field</th>
<th>What we do</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Life Style</strong></td>
<td>Shopping</td>
<td>• Rakuten Ichiba : Leading EC with enhanced delivery service</td>
</tr>
<tr>
<td>Digital transformation</td>
<td>Fintech</td>
<td>• Rakuten Card, Rakuten Bank, Rakuten Securities, Rakuten Insurance, General Insurance : Leading online services</td>
</tr>
<tr>
<td>Cashless payment</td>
<td>Payment</td>
<td>• Established eKYC process</td>
</tr>
<tr>
<td>Online education</td>
<td>Entertainment</td>
<td>• Rakuten Payment, Rakuten Edy : Diverse payment methods with Barcode, QR code, NFC etc.</td>
</tr>
<tr>
<td>Online entertainment</td>
<td>Education</td>
<td>• Rakuten TV : Rakuten original content</td>
</tr>
<tr>
<td><strong>Work Style</strong></td>
<td>Mobile</td>
<td>• Rakuten Mobile : Most affordable mobile service with unlimited data</td>
</tr>
<tr>
<td>WFH</td>
<td></td>
<td>• Rakuten Link : Providing call, text, video message, group call / chat, file transfer etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Rakuten Viber : Leading communication tool with 1.1bn unique IDs</td>
</tr>
</tbody>
</table>

- Increase in data consumption
- Online communication
FinTech Segment
Reference: Cross-Use Example of FinTech Businesses

- Cross-use among FinTech services is rapidly expanding

(Number of Unique Users)

+42.9%* YoY

* As of March 2020
Q1/20 FinTech Results Summary

<table>
<thead>
<tr>
<th></th>
<th>Revenue (JPY bn)</th>
<th>YoY (%)</th>
<th>Operating Income (JPY bn)</th>
<th>YoY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Card</td>
<td>63.3</td>
<td>+22.0%</td>
<td>9.8</td>
<td>+23.7%</td>
</tr>
<tr>
<td>Bank</td>
<td>23.5</td>
<td>+8.7%</td>
<td>6.8</td>
<td>+6.0%</td>
</tr>
<tr>
<td>Payment</td>
<td>8.6</td>
<td>+41.3%</td>
<td>-2.0</td>
<td>-0.76</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>9.0</td>
<td>+17.0%</td>
<td>1.4</td>
<td>+68.0%</td>
</tr>
<tr>
<td>General Insurance*</td>
<td>13.9</td>
<td>-8.4%</td>
<td>-0.0</td>
<td>-0.07</td>
</tr>
<tr>
<td>Others</td>
<td>3.9</td>
<td>+6.97%</td>
<td>-0.6</td>
<td>-0.70</td>
</tr>
<tr>
<td>FinTech Total excl. Securities</td>
<td>122.2</td>
<td>+22.9%</td>
<td>15.4</td>
<td>+9.2%</td>
</tr>
<tr>
<td>Securities</td>
<td>17.8</td>
<td>+22.7%</td>
<td>4.4</td>
<td>+39.2%</td>
</tr>
<tr>
<td>FinTech Total</td>
<td>140.0</td>
<td>+22.9%</td>
<td>19.8</td>
<td>+14.7%</td>
</tr>
</tbody>
</table>

* Revenue increased as a result of change in the method of recording reinsurance premiums for general insurance from net revenue minus cost of sales to gross revenue. Past figures have also been retroactively adjusted. There is no impact on Operating Income.
Rakuten Card Results

- Revenue +22.0% YoY and Operating Income +23.7% YoY from growth in shopping transactions and revolving balances

(JPY mm)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/18</td>
<td>43,005</td>
<td>6,850</td>
</tr>
<tr>
<td>Q2/18</td>
<td>45,323</td>
<td>7,079</td>
</tr>
<tr>
<td>Q3/18</td>
<td>47,480</td>
<td>7,062</td>
</tr>
<tr>
<td>Q4/18</td>
<td>51,316</td>
<td>5,946</td>
</tr>
<tr>
<td>Q1/19</td>
<td>51,853</td>
<td>7,926</td>
</tr>
<tr>
<td>Q2/19</td>
<td>55,988</td>
<td>8,244</td>
</tr>
<tr>
<td>Q3/19</td>
<td>58,120</td>
<td>8,375</td>
</tr>
<tr>
<td>Q4/19</td>
<td>63,795</td>
<td>8,025</td>
</tr>
<tr>
<td>Q1/20</td>
<td>63,251</td>
<td>9,808</td>
</tr>
</tbody>
</table>

Revenue +22.0% YoY
Operating Income +23.7% YoY
Rakuten Card KPIs*(1)

Number of Cardholders
(mm)

<table>
<thead>
<tr>
<th>Date</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar/19</td>
<td>17.09</td>
</tr>
<tr>
<td>Jun/19</td>
<td>17.68</td>
</tr>
<tr>
<td>Sep/19</td>
<td>18.28</td>
</tr>
<tr>
<td>Dec/19</td>
<td>18.98</td>
</tr>
<tr>
<td>Mar/20</td>
<td>19.64</td>
</tr>
</tbody>
</table>

+14.9% YoY

Card Shopping Transaction Value
(JPY bn)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/19</td>
<td>2,110.6</td>
</tr>
<tr>
<td>Q2/19</td>
<td>2,269.1</td>
</tr>
<tr>
<td>Q3/19</td>
<td>2,406.1</td>
</tr>
<tr>
<td>Q4/19</td>
<td>2,714.3</td>
</tr>
<tr>
<td>Q1/20</td>
<td>2,693.2</td>
</tr>
</tbody>
</table>

+27.6% YoY

* Calculated on a managerial accounting basis, using different definitions from data in the Appendix.
Detailed credit card data is shown in the Appendix.
Rakuten Card KPIs*(2)

* Calculated on a managerial accounting basis, using different definitions from data in the Appendix.
Detailed credit card data is shown in the Appendix. Revolving balance is calculated on a principal basis.
## Rakuten Card: Allowance for Doubtful Accounts

<table>
<thead>
<tr>
<th></th>
<th>Q1/19</th>
<th>Q2/19</th>
<th>Q3/19</th>
<th>Q4/19</th>
<th>Q1/20</th>
<th>YoY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses related to doubtful accounts</td>
<td>9,192</td>
<td>9,855</td>
<td>10,326</td>
<td>11,528</td>
<td>9,842</td>
<td>7.1%</td>
</tr>
<tr>
<td>Ratio of expenses related to doubtful accounts*1</td>
<td>1.94%</td>
<td>2.05%</td>
<td>2.05%</td>
<td>2.13%</td>
<td>1.77%</td>
<td>—</td>
</tr>
</tbody>
</table>
| *1 Ratio of expenses related to doubtful accounts = (Expenses related to doubtful accounts) / (average of total balance of loan receivables at beginning and end of the period) × 4
| Rakuten Bank Super Loans | 390,177   | 389,062   | 388,316   | 384,469   | 385,680   | -1.2%   |
| Stage 1 (Normal/Credit guarantees) | 351,810   | 349,841   | 348,932   | 345,922   | 347,551   | -1.2%   |
| Stage 2 (30 days-and-over-delinquent/Credit guarantees) | 165       | 197       | 212       | 127       | 135       | -18.3%  |
| Stage 3 (Foreclosed credit guarantees) | 38,202    | 39,024    | 39,172    | 38,420    | 37,994    | -0.5%   |
| Others | 1,378     | 1,232     | 1,144     | 1,065     | 1,010     | -26.8%  |
| Total balance of loan receivables | 1,894,419 | 1,956,015 | 2,072,485 | 2,259,594 | 2,189,128 | 15.6%   |
| Allowance for doubtful accounts*3 | 90,291    | 91,180    | 93,504    | 94,265    | 95,109    | 5.3%    |
| Write-off for bad debt*4 | 7,645     | 8,966     | 8,002     | 10,766    | 8,999     | 17.7%   |
| *3 Including allowance for credit guarantees
| *4 Write-off for bad debt includes loss on transfer of loan receivables
Rakuten Bank Results

- Revenue +8.7% YoY on increase in loan receivables and service transactions

(JPY mm)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (JPY mm)</th>
<th>Operating Income (JPY mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/18</td>
<td>19,737</td>
<td>5,668</td>
</tr>
<tr>
<td>Q2/18</td>
<td>20,400</td>
<td>6,237</td>
</tr>
<tr>
<td>Q3/18</td>
<td>20,902</td>
<td>6,410</td>
</tr>
<tr>
<td>Q4/18</td>
<td>21,432</td>
<td>6,421</td>
</tr>
<tr>
<td>Q1/19</td>
<td>21,642</td>
<td>6,435</td>
</tr>
<tr>
<td>Q2/19</td>
<td>22,080</td>
<td>6,925</td>
</tr>
<tr>
<td>Q3/19</td>
<td>22,405</td>
<td>6,687</td>
</tr>
<tr>
<td>Q4/19</td>
<td>22,954</td>
<td>7,002</td>
</tr>
<tr>
<td>Q1/20</td>
<td>23,527</td>
<td>6,823</td>
</tr>
</tbody>
</table>
Rakuten Bank: Deposits*1

*1 Based on IFRS which includes derivatives in structured term deposits.
*2 Other deposits include deposits in foreign currencies and others.
Rakuten Bank: Loan Receivables Balance

(JPY bn)

<table>
<thead>
<tr>
<th>Month</th>
<th>951.3</th>
<th>151.6</th>
<th>430.2</th>
<th>369.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar/19</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun/19</td>
<td>983.6</td>
<td>161.1</td>
<td>454.7</td>
<td>367.8</td>
</tr>
<tr>
<td>Sep/19</td>
<td></td>
<td></td>
<td>1,027.5</td>
<td>366.9</td>
</tr>
<tr>
<td>Dec/19</td>
<td></td>
<td></td>
<td></td>
<td>1,062.9</td>
</tr>
<tr>
<td>Mar/20</td>
<td>1,113.8</td>
<td>196.6</td>
<td>551.6</td>
<td>365.7</td>
</tr>
</tbody>
</table>

Others +29.7% YoY
Housing Loans +28.2% YoY
Rakuten Bank Super Loans -1.0% YoY
Rakuten Securities Results

- Revenue +22.7% YoY and Operating Income +39.2% YoY from growth in trading volumes of Stock and FX

(JPY mm)
Rakuten Securities Number of New Accounts

- The number of new accounts opened this quarter (Jan/20-Mar/20) reached a record high

(K accounts)
Growth in Accumulation-type Investment Trust Accounts

- Number of Rakuten Securities accounts and payment by Rakuten Card increased, due to the provision of points for accumulation-type investment trusts paid by Rakuten Card and point-investments

(K accounts)

Number of Accumulation-type Investment Trust Accounts
+95.2% YoY

Payment by Rakuten Card
+238.3% YoY
Investments with Rakuten Points has been growing steadily.
Rakuten Life Insurance Results

- Operating Income increased due to increase of new policies, cost reductions, and rebalancing of risk through reinsurance

<table>
<thead>
<tr>
<th>(JPY mm)</th>
<th>Q1/19</th>
<th>Q2/19</th>
<th>Q3/19</th>
<th>Q4/19</th>
<th>Q1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue +17.0% YoY</td>
<td>7,730</td>
<td>7,757</td>
<td>7,697</td>
<td>10,381</td>
<td>9,041</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(JPY mm)</th>
<th>Q1/19</th>
<th>Q2/19</th>
<th>Q3/19</th>
<th>Q4/19</th>
<th>Q1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income +68.0% YoY</td>
<td>825</td>
<td>958</td>
<td>1,125</td>
<td>3,039</td>
<td>1,385</td>
</tr>
</tbody>
</table>
Rakuten Insurance Group : Accelerating Web New Sales

- Established a Comprehensive Insurance Desk beginning June 2019
- Increasing annualized insurance premiums of Web New Policies by utilizing call, chat, AI tools, etc.

Comprehensive Insurance Desk

- Marketing
- Call Center
- System
- Other Operations

One Stop Service

Consolidate Operations

Annualized Insurance Premiums of Web New Policies (YoY)

<table>
<thead>
<tr>
<th>Q1/19</th>
<th>Q1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Insurance</td>
<td>+60%</td>
</tr>
<tr>
<td>General Insurance</td>
<td>+354%</td>
</tr>
</tbody>
</table>

Life Insurance

General Insurance

Pet Insurance
Internet Services Segment
Domestic E-Commerce GMS*1*2

(JPY bn)

754.7 789.3 837.3 948.5 844.5 895.2 983.5 1,023.5 927.1

Q1/18 Q2/18 Q3/18 Q4/18 Q1/19 Q2/19 Q3/19 Q4/19 Q1/20

+9.8% YoY

*1 GMS comprises Ichiba, Travel GTV on checkout basis, Books, Golf, Ticket, Fashion, Dream businesses, Beauty, Delivery, Rakuten24 (Direct), Auto business, Rakuma, Rebates Rakuten Seiyu Netsuper, etc.

*2 Eliminated internal transactions in some businesses from Q1/20. This has resulted in retroactive adjustments
Domestic E-Commerce Results*

Revenue improved strongly +14.8% YoY and operating income -14.3% YoY despite heavy investments in logistics business

Domestic E-Commerce Results
*Domestic E-Commerce = Ichiba, Travel, Books, Golf, Ticket, Rakuten Fashion, Dream businesses, Beauty, Delivery, Rakuten24 (Direct), Logistics, Auto business, Rakuma, Rebates, etc.
Q1/20 Domestic E-Commerce Operating Income Breakdown

(JPY bn)

Q1/19 Domestic E-Commerce Operating Income: 12.0
- Marketplace businesses: Rakuten Ichiba, Rakuten Travel, Rakuten GORA etc.
- Investing phase businesses: Rakuten 24 (Direct), Rakuma, Rakuten Books, Rakuten Fashion, Rakuten BIC, Rakuten Seiyu Netsuper etc.
- Logistics-related investments / costs, others: -2.9

Q1/20 Domestic E-Commerce Operating Income: 10.3
Domestic EC Marketplace businesses* Operating Income

Even under the negative impacts to travel business due to COVID-19, Q1/20 continued positive with +4.8% YoY

* Marketplace businesses comprises Ichiba, Travel, Golf, Dream businesses, etc.
Q1/20 Rakuten Ichiba Mobile GMS Ratio*

75.5%

Up 2.4 Points YoY

* Mobile GMS Ratio = Ichiba mobile GMS / Total Ichiba GMS (includes smartphones and tablets)
Rakuten Card Share of Rakuten Ichiba GMS

Jan/19  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Feb/19  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Mar/19  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Apr/19  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
May/19  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Jun/19  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Jul/19  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Aug/19  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Sep/19  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Oct/19  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Nov/19  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Dec/19  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Jan/20  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Feb/20  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Mar/20  58.1%  57.8%  59.4%  58.7%  58.5%  60.8%  59.4%  58.8%  63.1%  60.9%  63.6%  63.7%  62.8%  61.5%  63.2%
Faster Growth by Utilizing Rakuten Super Logistics (RSL)

Merchants utilize Rakuten Super Logistics realize higher growth rate

Logistics becomes the engine for further Ichiba growth

Reasons why RSL merchants can grow faster

- “Asuraku” (Next day delivery)
- High quality packaging
- Lower logistics cost
- Free up labor
- Estimated delivery time (Start end of 2020)
- “Matomete Haiso” (Send items in one box) (Planned)
Rakuten Rewards (Ebates) GMS

(USD mm)

Q1/18: 2,259
Q2/18: 2,494
Q3/18: 2,537
Q4/18: 4,219
Q1/19: 2,686
Q2/19: 2,970
Q3/19: 2,930
Q4/19: 4,705
Q1/20: 2,746
Rakuten Rewards (Ebates) Operating Income*

(USD mm)

- Excludes rebranding cost of USD 36.3 million (Q1/19), USD 30.4 million (Q2/19), USD 20.4 million (Q3/19), USD 27.4 million (Q4/19) and USD 5.2 million (Q1/20)
- Operating income has changed due to change in method of internal cost allocation. Past figures have been retroactively adjusted.
Performance of Investment Business*

- Initial Investment (2012 to date): 944 USD mm
- Return: +306 USD mm (ROI +100%, IRR +23%)
- Fair Value (As of Mar 31, 2020): 1,250 USD mm

* Lyft and Rakuten Medical are excluded due to transfer from Investment Business and treated as exited investments for return calculation
* Returns excluded Lyft and Rakuten Medical: ROI +70%, IRR +15% (partial modification to data scope)
Investment Business Portfolio

**Internet**
- ShopBack
- Carousell
- OneSignal
- Epic!

**FinTech**
- BlueVine
- Upstart
- Acorns
- SimpleSurance
- Currencycloud
- Toranotec

**Ride Sharing**
- Careem
- Glovo
- Lyft*
- Gojek
- Cabify

**Healthcare**
- Rakuten Medical*
- Airweave
- Genesis Healthcare

* Lyft and Rakuten Medical were transferred from Investment Business in Apr and Sep 2019, respectively and changed from pure investments to strategic investments.
Mobile Segment
Mobile Results*

- Depreciation cost, etc. increased as base station build-out accelerated

*(JPY mm)*

Q1/18  Q2/18  Q3/18  Q4/18  Q1/19  Q2/19  Q3/19  Q4/19  Q1/20
20,591  21,902  23,702  23,668  25,362  27,118  30,906  36,422  39,233
-919   -2,331  -5,618  -4,804  -6,684  -12,241 -14,547 -26,580 -31,828

Revenue +54.7% YoY
Operating Loss -25.1bn YoY

*Mobile segment includes Rakuten Communications, MNO business, MVNE & O businesses, Rakuten Viber, and Energy businesses.
Mobile Shop Network

Number of shops (As of Apr, 2020)

569
Viber Unique IDs*

(million IDs)

* Unique IDs: Unique phone numbers excluding deactivations
**Viber Revenue**

- Strong growth in both Telco and content revenue

* Telco: Viber Out, Viber In, SMS. Content: Service messages, ads, stickers, etc.
Ad Business
Ad Business: Q1/20 Growth Analysis

- Even under the negative impacts due to COVID-19, Q1/20 was +15.0% YoY since ad sales from internal advertisers grew strongly.

Revenue includes internal transactions. Eliminated internal transactions in certain businesses from Q4/19. This has resulted in retroactive adjustments.
Internet Ad Market Overview

- Expenditures for Internet Advertising surpassed that of Television Advertising in 2019 for the first time
- Rakuten has the largest share in “EC platform Advertising”*1 of Internet Advertising expenditures

Expenditures for Television Advertising vs Internet Advertising

- Expenditures for Internet Advertising surpassed that of Television Advertising in 2019 for the first time.
- Rakuten has the largest share in “EC platform Advertising”*1 of Internet Advertising expenditures.

Internet Advertising Expenditures

2.1 tn

EC Platforms Advertising

106.4 bn

Rakuten Share*2

Approx. 60%

*1 Source: Dentsu “Internet advertising expenditures in 2019”
*2 Rakuten estimation.
Sustainability
Rakuten Clutch Special Charity Fund has started accepting donations for COVID-19 crisis response. Donations can be made by Rakuten Points, credit card, and bank transfer.

**Donation to**
- Fund for Prevention of New Coronavirus Infections*1
- Japan Platform
- Nippon foundation “Special Fund for Coronavirus disaster”

**Period**
April 10, 2020 - June 19, 2020

**Amount raised**
Approx. 45 MM JPY (as of May 11, 2020)*2

*1 Fund established by the Tokyo Metropolitan Community Foundation, by request of the Advisory Council of the “COVID-19: Prevention of Spread of Infectious Diseases Fund”, managed by READYFOR, Inc.

*2 Including donation matched by Rakuten for Rakuten Ichiba special campaign.
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