

FY2020 Third Quarter Consolidated Financial Results Appendix

November 12, 2020

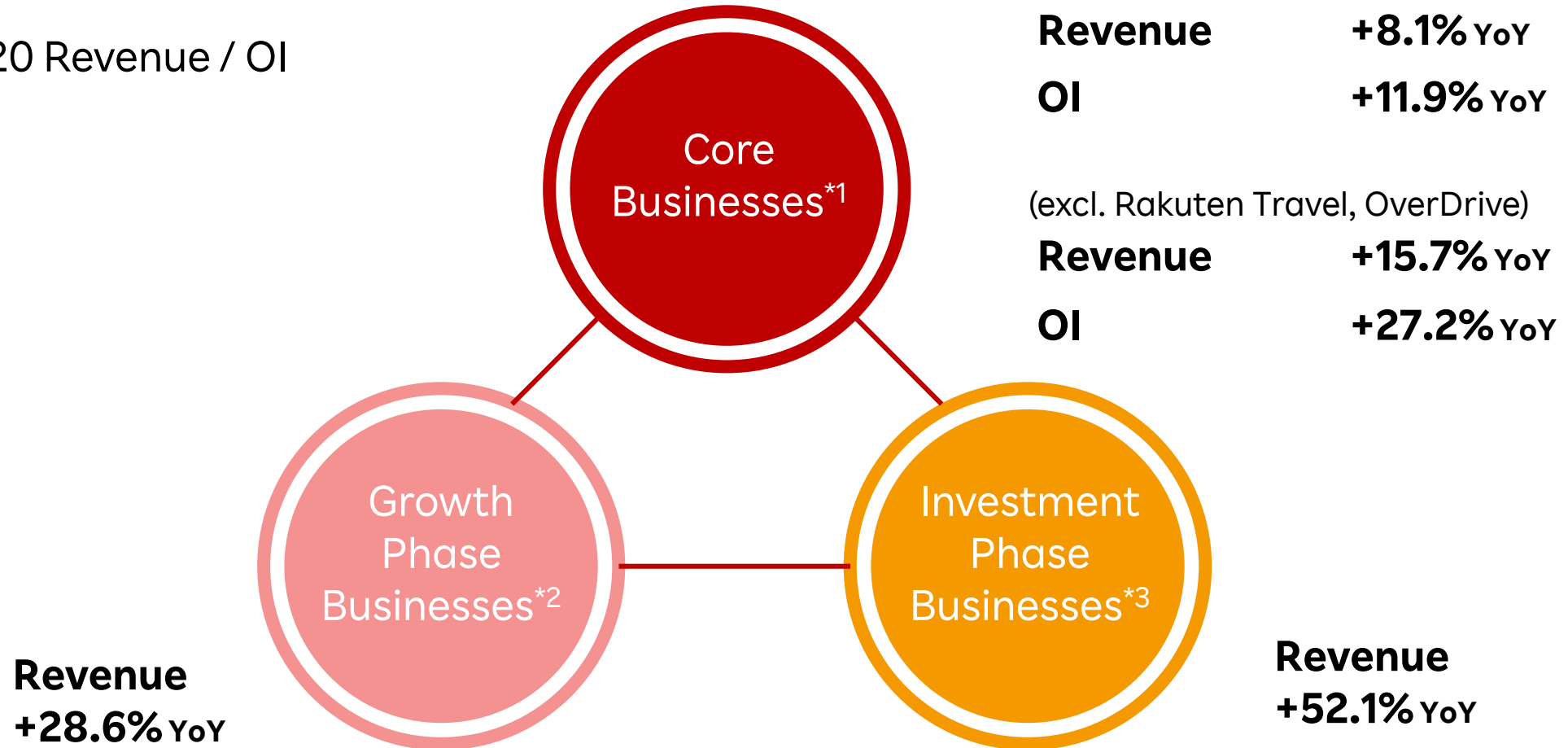
Rakuten, Inc.



Consolidated Results

Business Strategy for Future Growth

■ Q3/20 Revenue / OI



*1 Includes Ichiba, Travel, Rakuten Rewards (Ebates), Card, Bank, Life Insurance, etc

*2 Includes C2C and 1st party businesses, etc

*3 Includes investment in Rakuten mobile and logistics business, etc.

Q3/20 Revenue and Operating Income

(JPY bn)

| | Q3/19 | Q3/20 | YoY |
|--|-------|-------|--------|
| Core Business ^{*1} | | | |
| Revenue | 254.3 | 274.9 | +8.1% |
| Operating Income | 37.2 | 41.6 | +11.9% |
| Non-recurring / Investments ^{*2} | | | |
| Revenue | 29.8 | 32.9 | +10.4% |
| Operating Income | -0.3 | 4.2 | +4.5 |
| Future Growth Investments ^{*3} | | | |
| Revenue | 70.2 | 96.1 | +36.9% |
| Operating Income | -29.7 | -76.3 | -46.6 |
| Adjustments | | | |
| Revenue | -35.1 | -42.5 | -7.4 |
| Operating Income | -1.0 | 1.9 | +2.9 |
| Consolidated | | | |
| Revenue | 319.1 | 361.4 | +13.2% |
| Non-GAAP Operating Income | 6.2 | -28.7 | -34.9 |
| IFRS Operating Income | 1.1 | -39.8 | -40.9 |

*1 Includes Ichiba, Travel, Rakuten Rewards (Ebates), Card, Bank, Life Insurance, etc

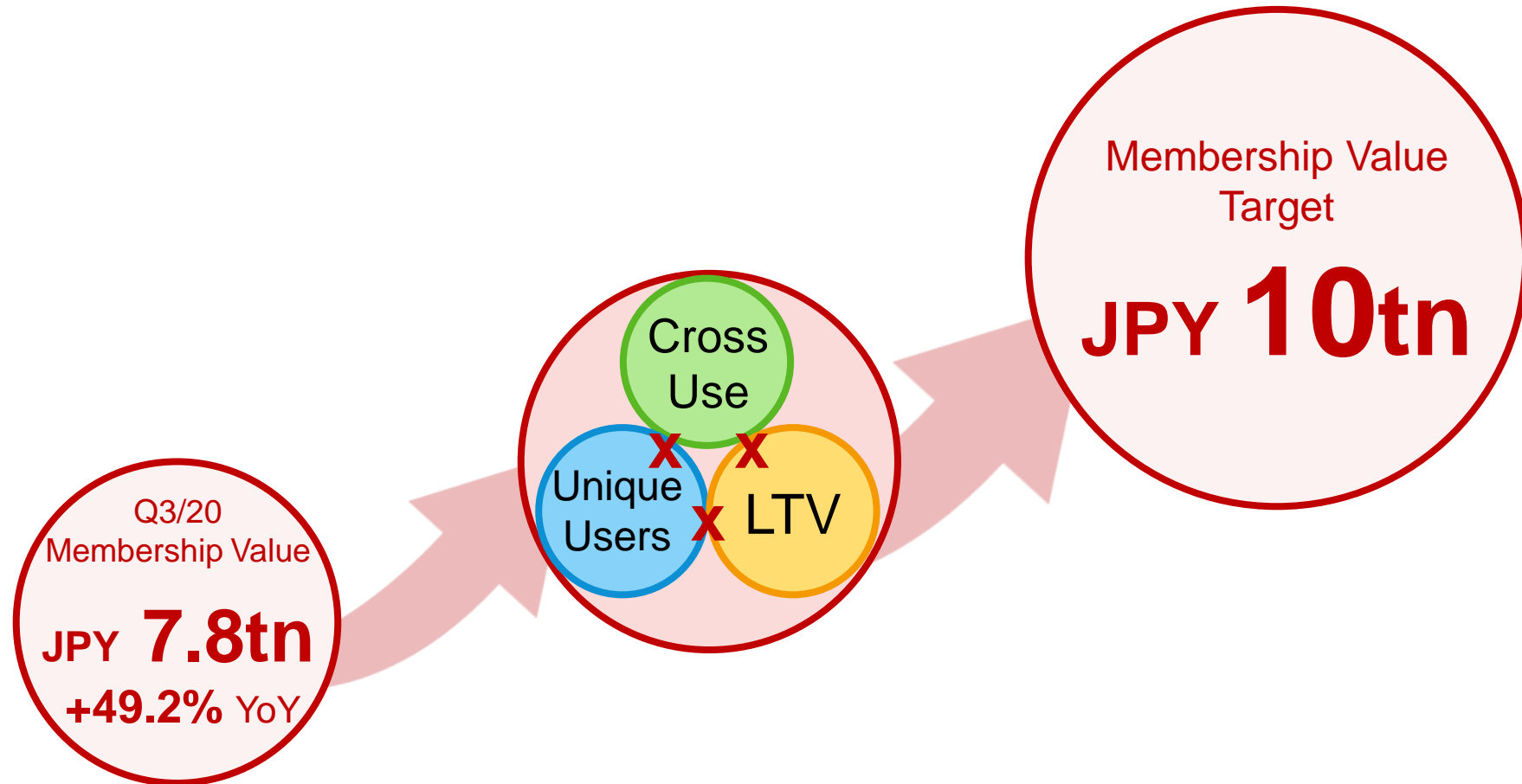
*2 Includes Securities, General Insurance and Investment Business

*3 Includes Logistics-related investments, Mobile, Payment, NBA broadcasting rights, Rakuten Rewards (Ebates) rebranding costs, etc

* From Q1/20, some figures have been retroactively revised due to changes in Rakuten General Insurance's revenue accounting method, etc.

Massive Expansion of the Rakuten Ecosystem

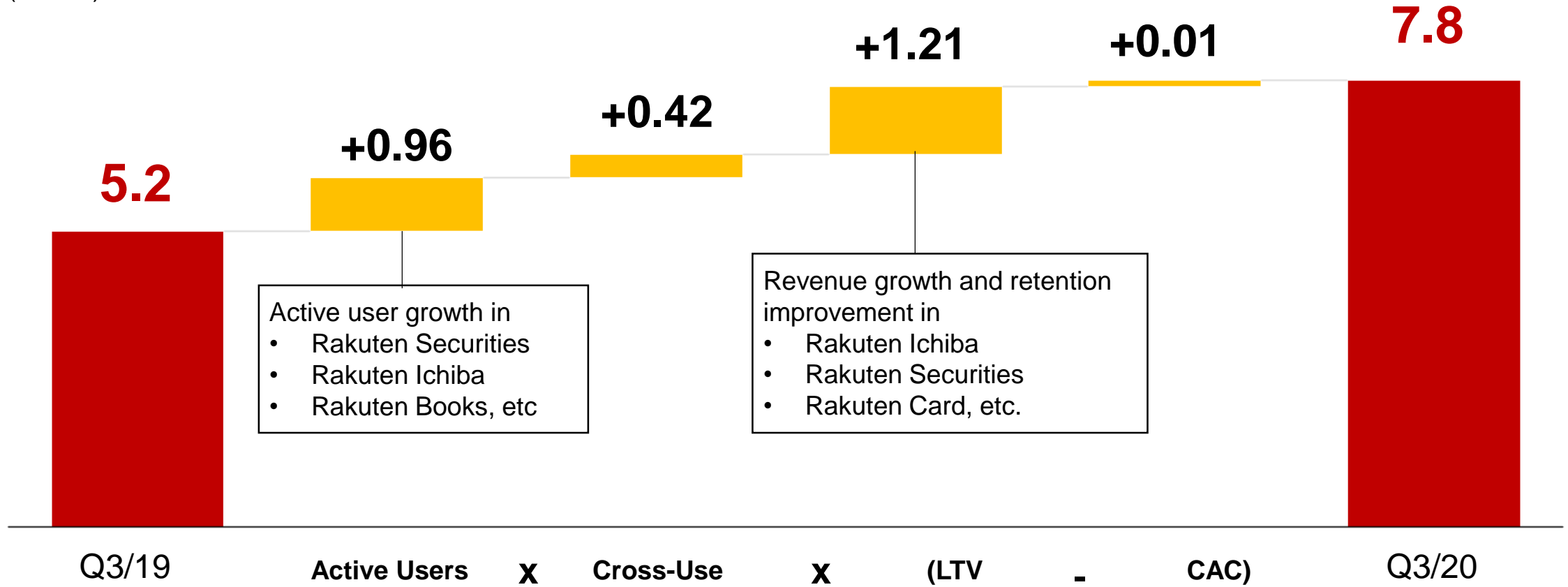
- Consistent growth towards target Membership Value of JPY 10tn



Rakuten Ecosystem Membership Value

- Membership Value climbed +49.2% YoY from increased Ichiba, Securities, and Rakuten Card users and improved gross profit

(JPY tn)

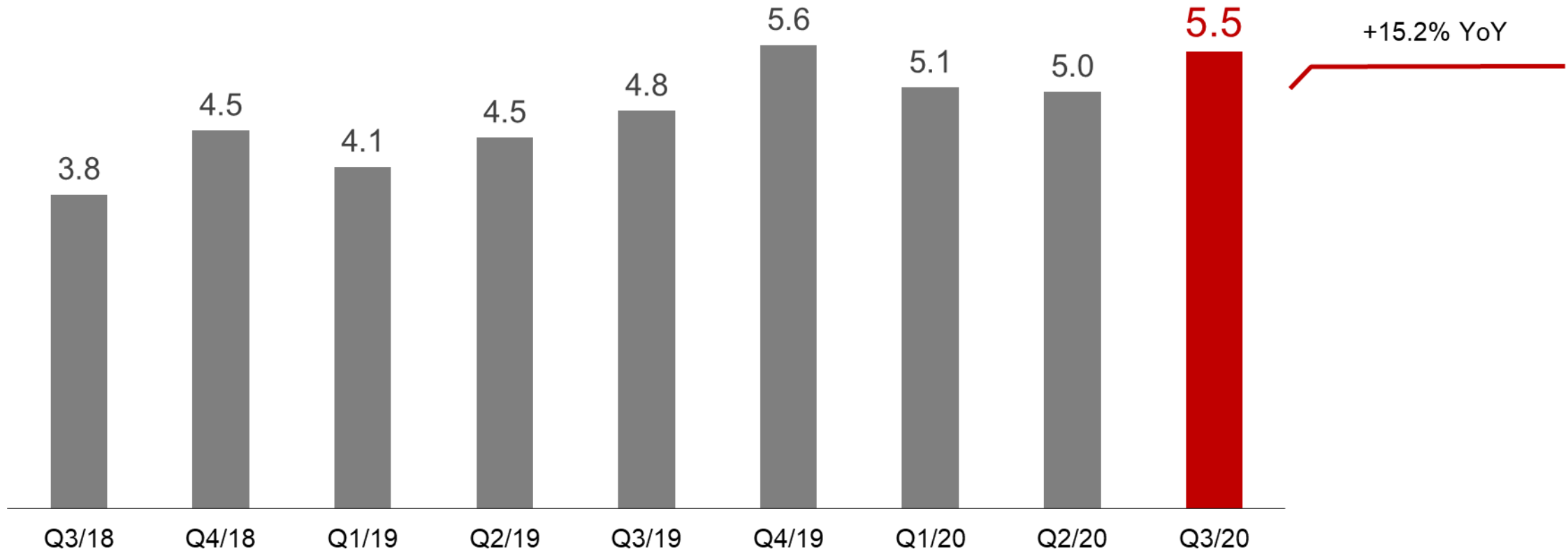


* Membership value of MVNO is excluded due to the ending of new applications

* Membership value of German marketplace business is excluded due to its closure

Total Global GTV^{*1*2}

(JPY tn)

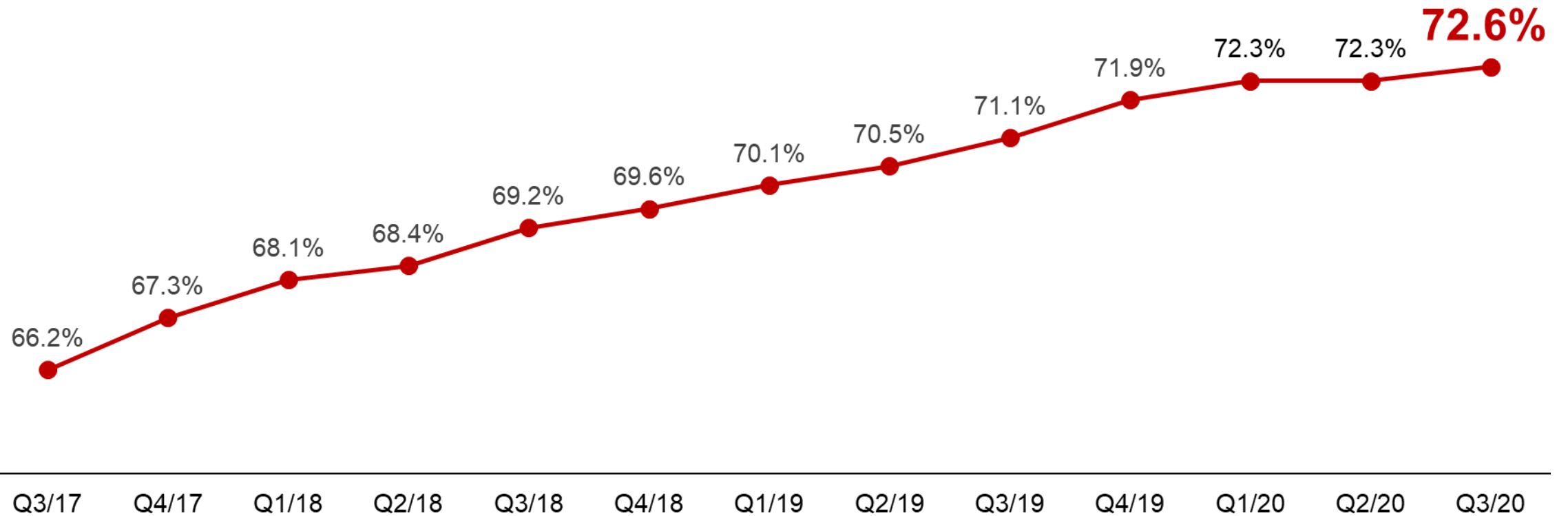


*1 Global Gross Transaction Value = Domestic E-Commerce GMS + Credit Card GTV + Rakuten Edy GTV + Rakuten Pay GTV+ Rakuten Point Card GTV + Overseas E-Commerce GMS + Rakuten Rewards (Ebates) GMS + Digital Contents GTV + Rakuten Advertising GTV

*2 Includes intercompany transactions for settlement and affiliate services

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 June 30, 2020)
(Applicable services limited to those which can earn Rakuten Points.)

Q3/20 Revenue and Operating Income

(JPY bn)

| | | Q3/19 | Q3/20 | YoY |
|----------------------------------|----------------------------|-------|-------|--------|
| | Domestic E-Commerce | | | |
| | Revenue | 127.4 | 149.2 | +17.2% |
| | Operating Income | 15.1 | 15.2 | +0.9% |
| | Others * | | | |
| | Revenue | 74.6 | 65.1 | -12.8% |
| | Operating Income | -9.9 | -10.2 | -0.3 |
| Internet Services Segment | | | | |
| | Revenue | 201.9 | 214.3 | +6.1% |
| | Operating Income | 5.2 | 5.0 | -3.1% |
| FinTech Segment | | | | |
| | Revenue | 121.4 | 144.0 | +18.5% |
| | Operating Income | 16.5 | 22.3 | +34.9% |
| Mobile Segment | | | | |
| | Revenue | 30.9 | 45.7 | +47.9% |
| | Operating Income | -14.5 | -57.9 | -43.3 |
| Adjustments | | | | |
| | Revenue | -35.1 | -42.5 | -7.4 |
| | Operating Income | -1.0 | 1.9 | +2.9 |
| Consolidated | | | | |
| | Revenue | 319.1 | 361.4 | +13.2% |
| | Non-GAAP Operating Income | 6.2 | -28.7 | -34.9 |
| | IFRS Operating Income | 1.1 | -39.8 | -40.9 |

* Due to the transfer of all shares of OverDrive Holdings, Inc. in Q2/20, OverDrive's profit and loss has been excluded from the Q3/20. Excluding the company's profit recorded in Q3/19, YoY profit of "Others" segment increased.

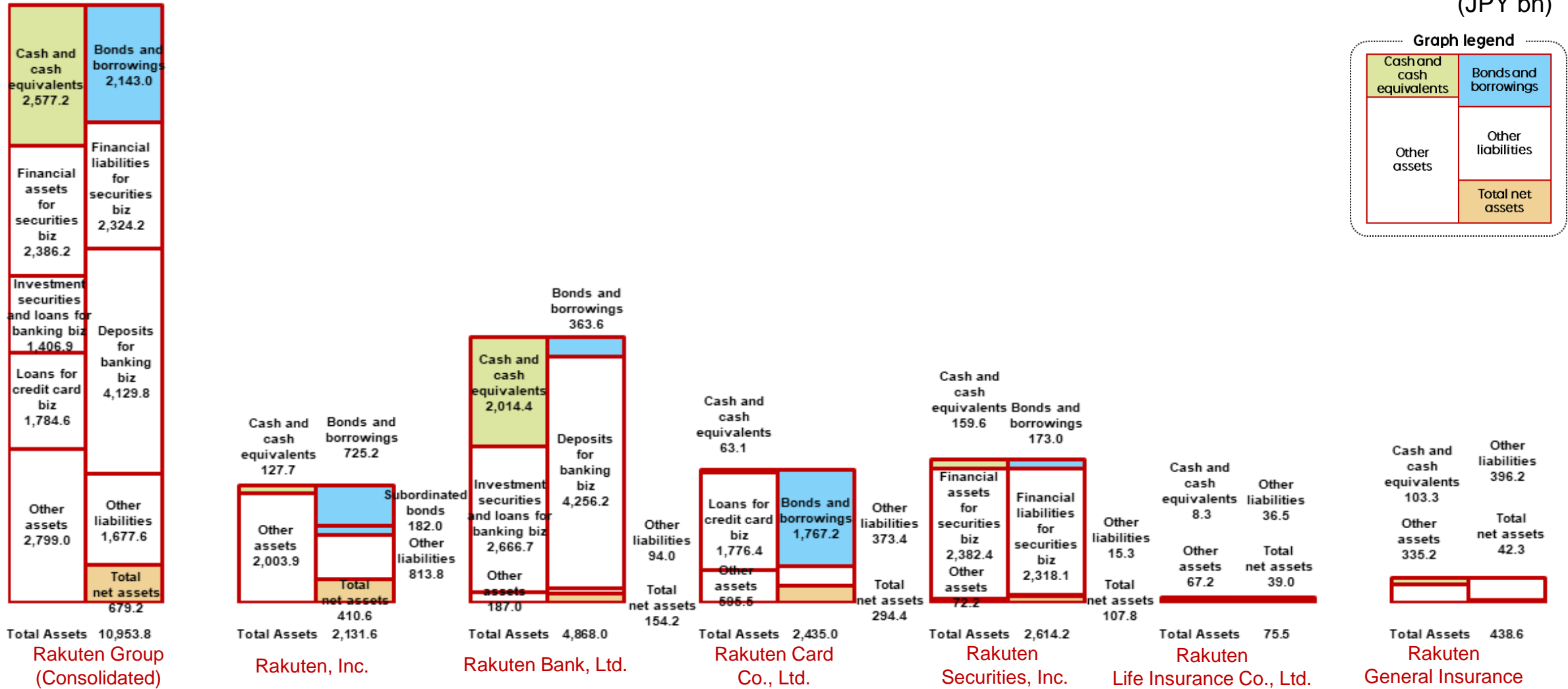
Q3/20 Operating Income Reconciliation

(JPY bn)

| | Q3/19 | Q3/20 | YoY |
|---|-------|-------|-------|
| Non-GAAP Operating Income | 6.2 | -28.7 | -34.9 |
| Amortization of Intangible Assets (PPA) | -2.2 | -2.6 | -0.4 |
| Stock Based Compensation | -2.9 | -2.4 | +0.5 |
| One-off items | -0.0 | -6.1 | -6.1 |
| IFRS Operating Income | 1.1 | -39.8 | -40.9 |

Rakuten Group: Balance Sheets As of Sep 30, 2020 (Subsidiaries include internal transactions)

(JPY bn)



Rakuten Group (Consolidated)

Rakuten, Inc.

Rakuten Bank, Ltd.

Rakuten Card Co., Ltd.

Rakuten Securities, Inc.

Rakuten Life Insurance Co., Ltd.

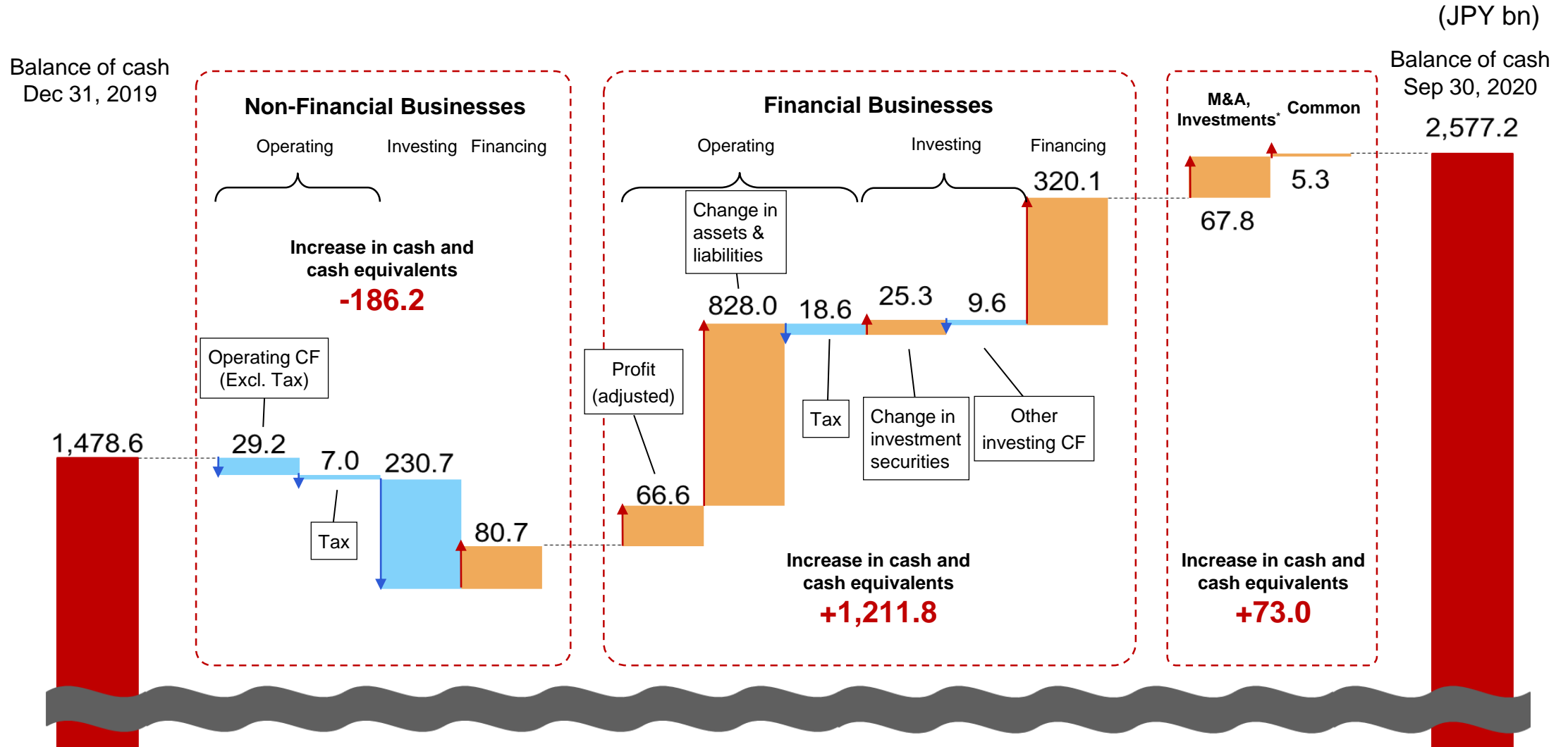
Rakuten General Insurance Co., Ltd.

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

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

*3 Subsidiaries include internal transactions

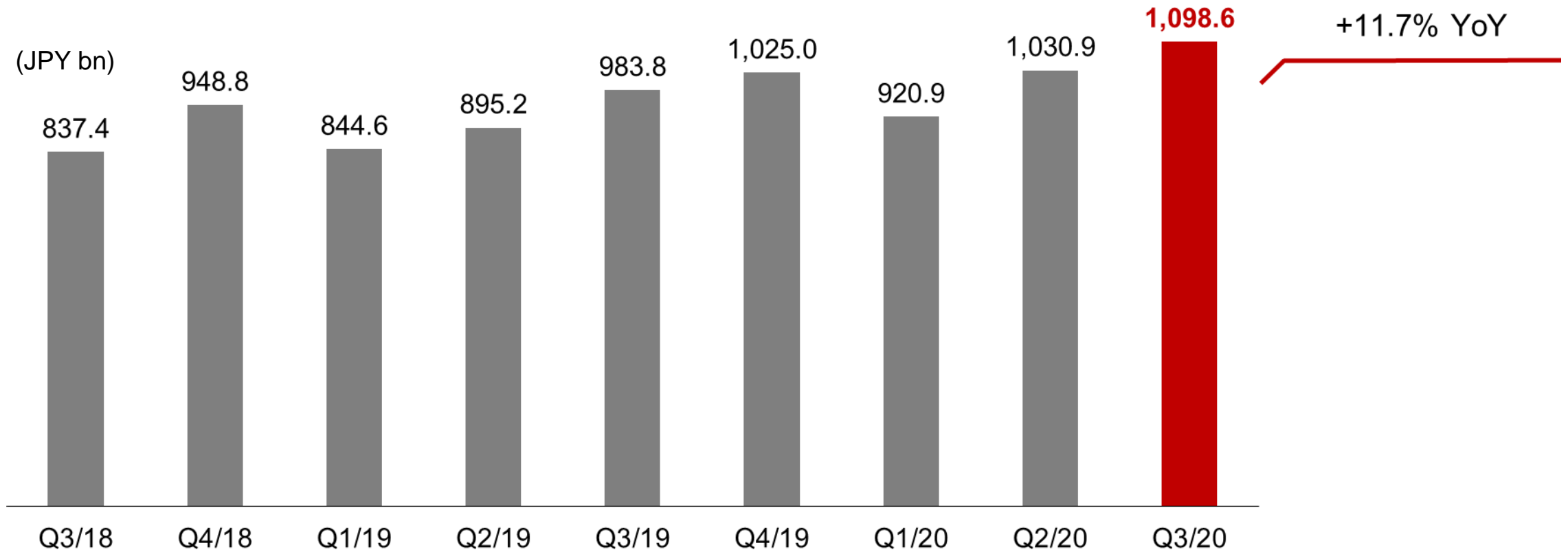
Cash Flow Breakdown: Jan-Sep, 2020



* "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"

Internet Services Segment

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

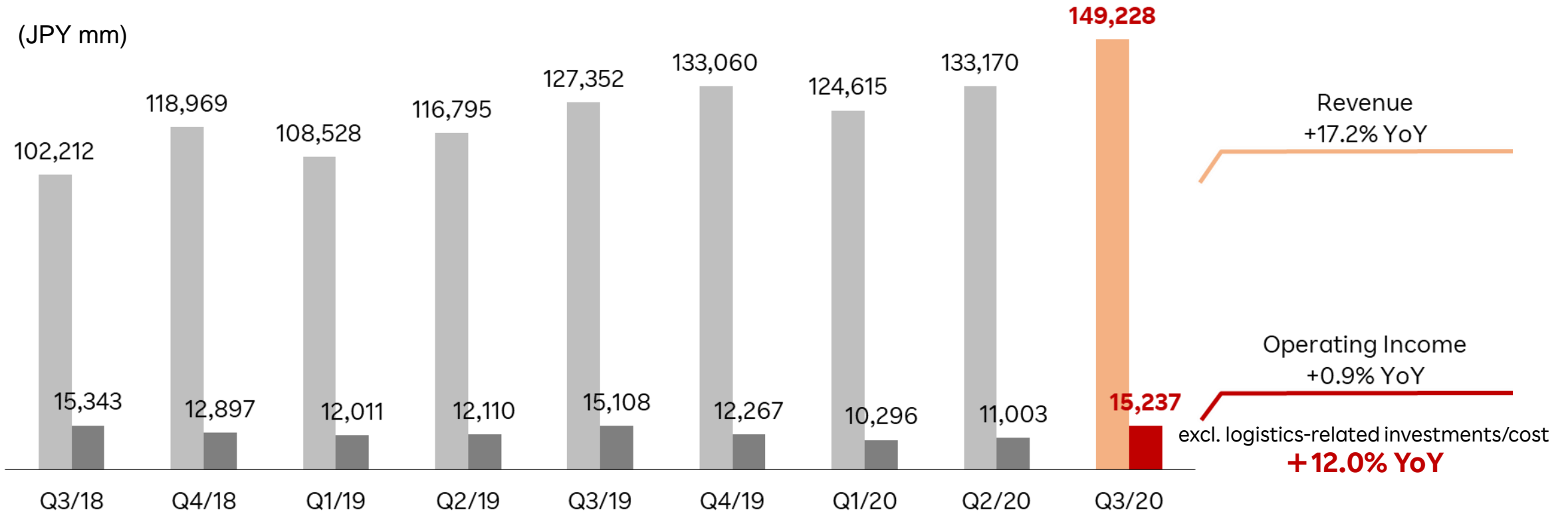


^{*1} GMS comprises Ichiba, Travel GTV on checkout basis, Books, Golf, Ticket, Fashion, Dream businesses, Beauty, Delivery, Rakuten24 (Direct), Auto business, Rakuma, Rebates Rakuten Seiyu Netsuper, etc.

^{*2} Eliminated internal transactions in some businesses from Q1/20. This has resulted in retroactive adjustments

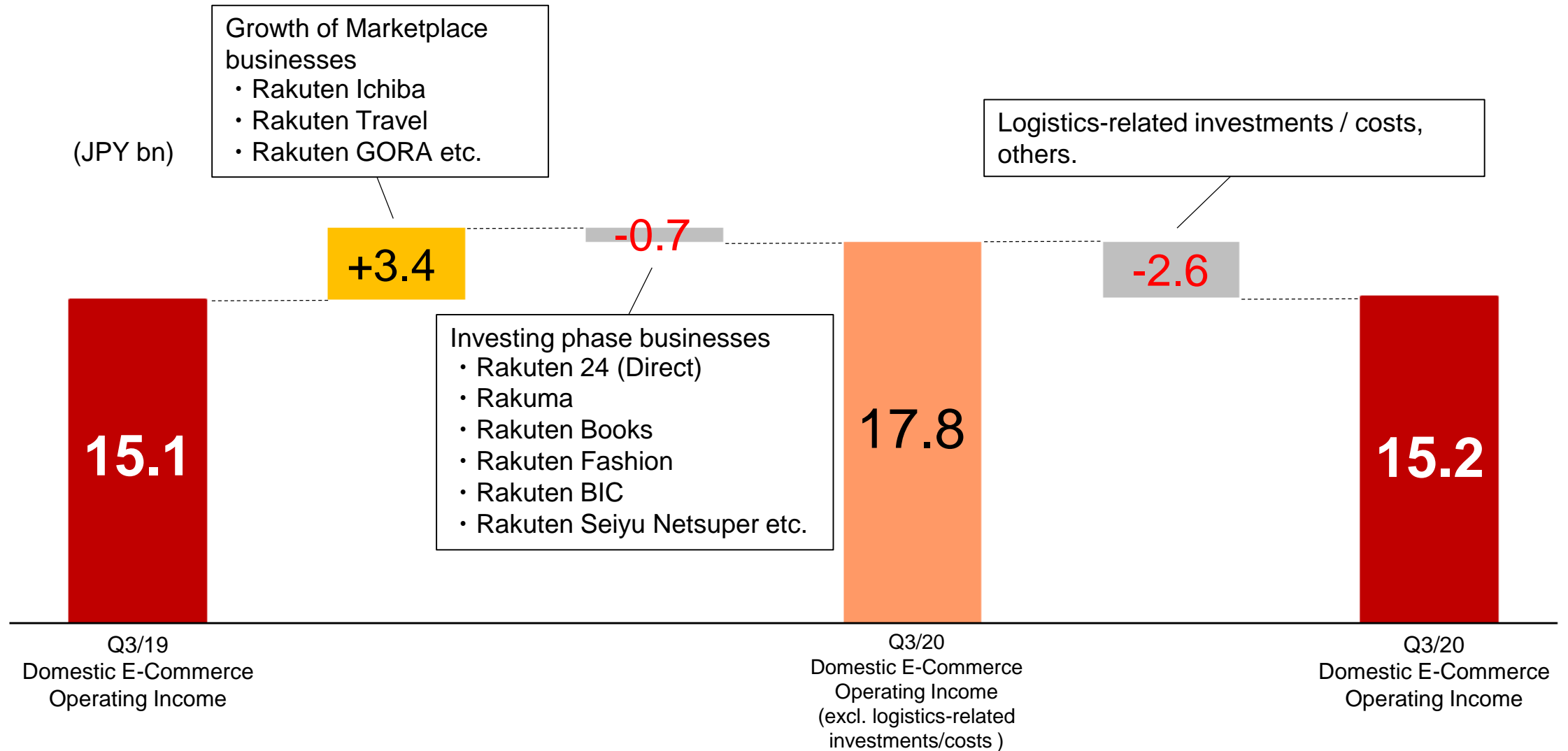
Domestic E-Commerce Results*

- Revenue strongly grew at +17.2% YoY due to EC businesses growth. Operating income growth turned positive due to travel business improvement despite being under heavy logistics investments. Operating income excluding logistics business strongly increased +12.0% YoY

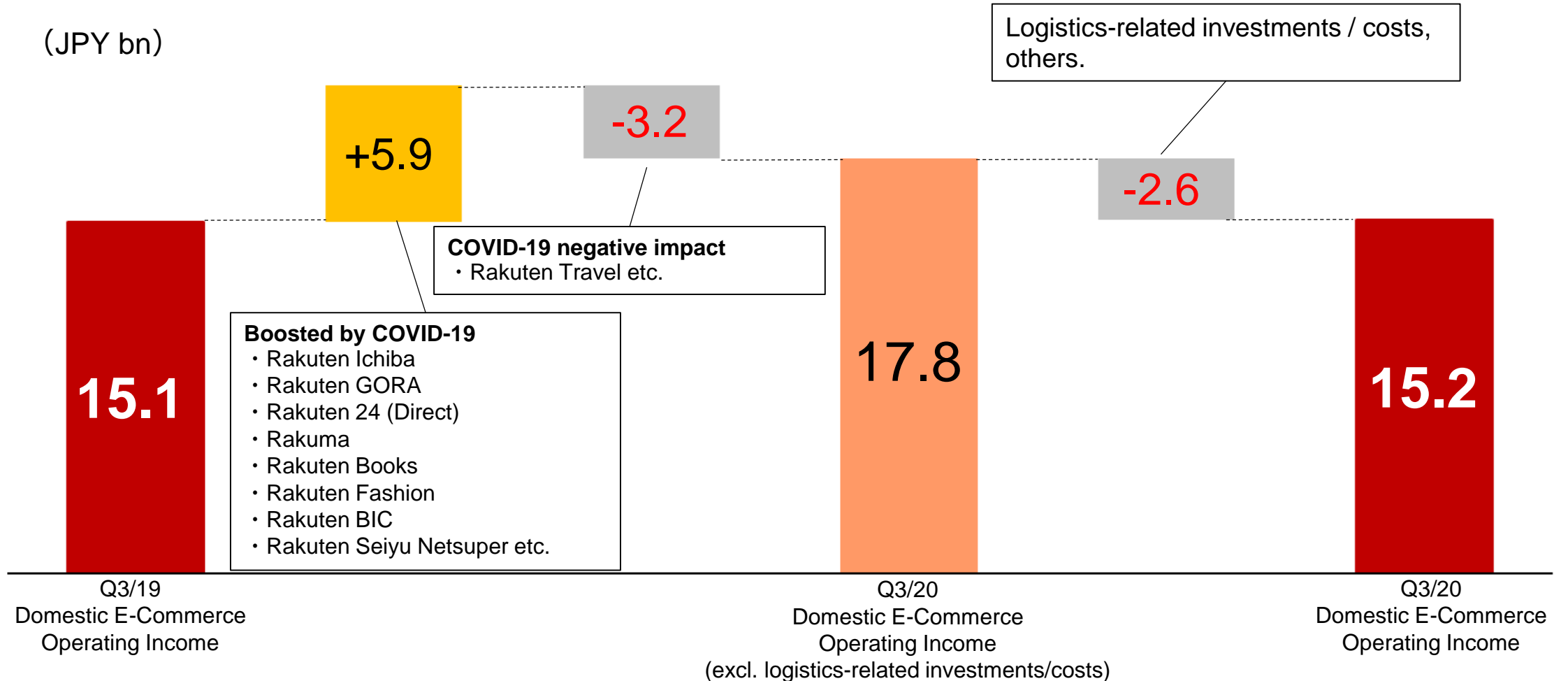


* Domestic E-Commerce = Ichiba, Travel, Books, Golf, Ticket, Rakuten Fashion, Dream businesses, Beauty, Delivery, Rakuten24 (Direct), Logistics, Auto business, Rakuma, Rebates, etc.

Q3/20 Domestic E-Commerce Operating Income Breakdown

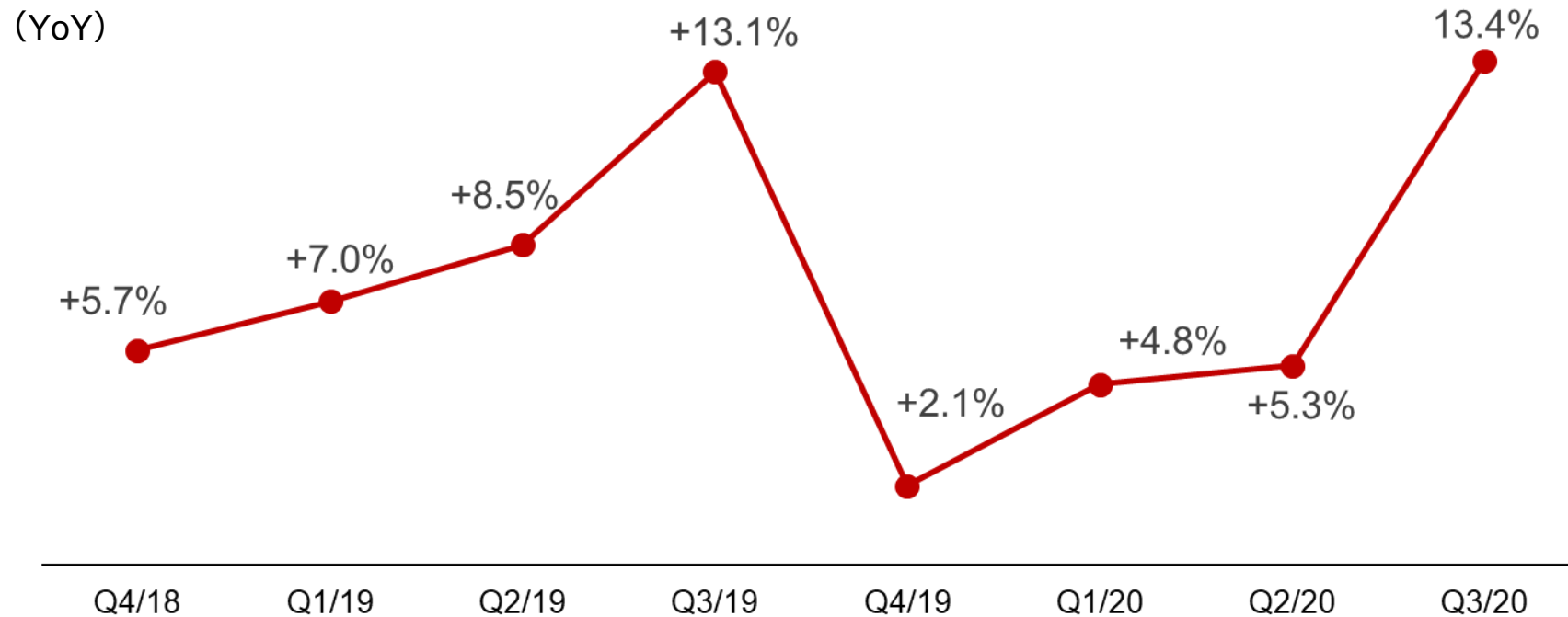


Q3/20 Domestic E-Commerce Operating Income Breakdown



Domestic EC Marketplace businesses* Operating Income

- Market place businesses operating income grew strongly due to Ichiba growth, Travel and GORA operating income improvement.



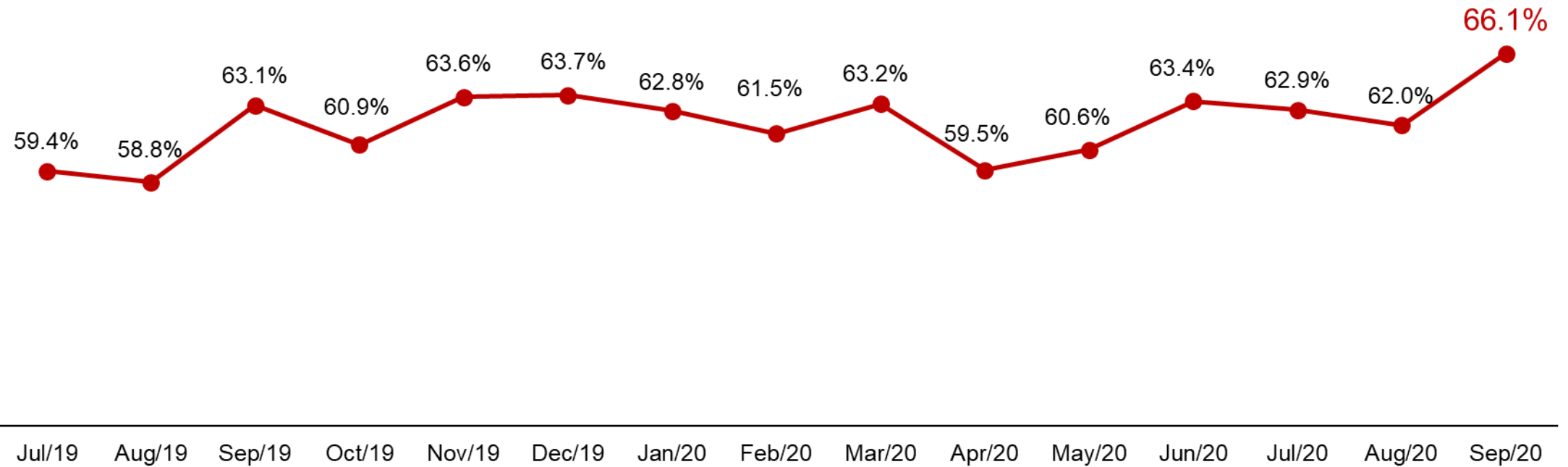
* Marketplace businesses comprises Ichiba, Travel, Golf, Dream businesses, etc.

Q3/20 Rakuten Ichiba Mobile GMS Ratio*

77.0%
Up 3.0 Points YoY

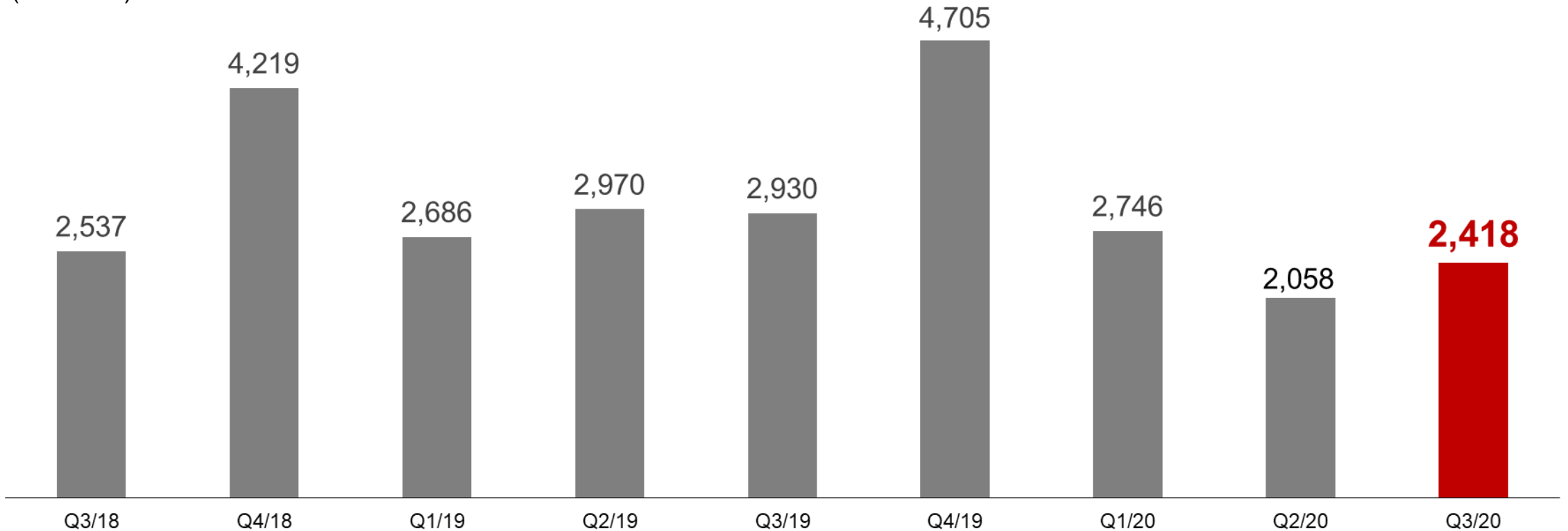
* Mobile GMS Ratio = Ichiba mobile GMS / Total Ichiba GMS (includes smartphones and tablets)

Rakuten Card Share of Rakuten Ichiba GMS



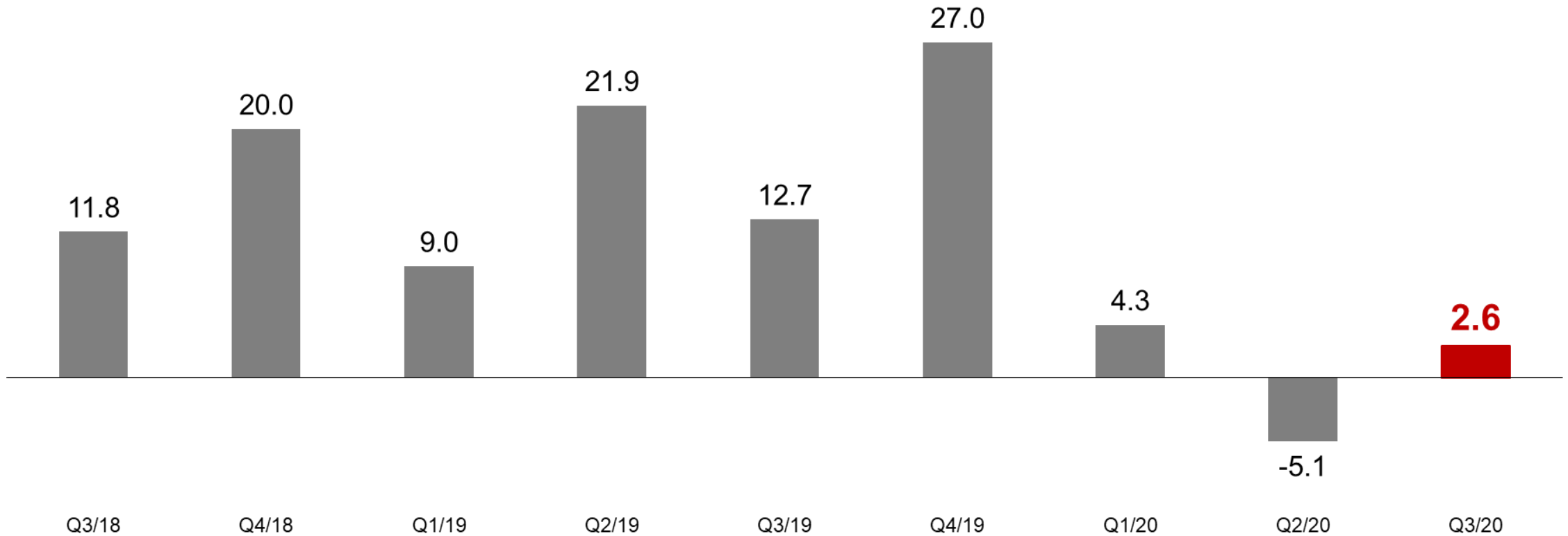
Rakuten Rewards (Ebates) GMS

(USD mm)



Rakuten Rewards (Ebates) Operating Income^{*1*2}

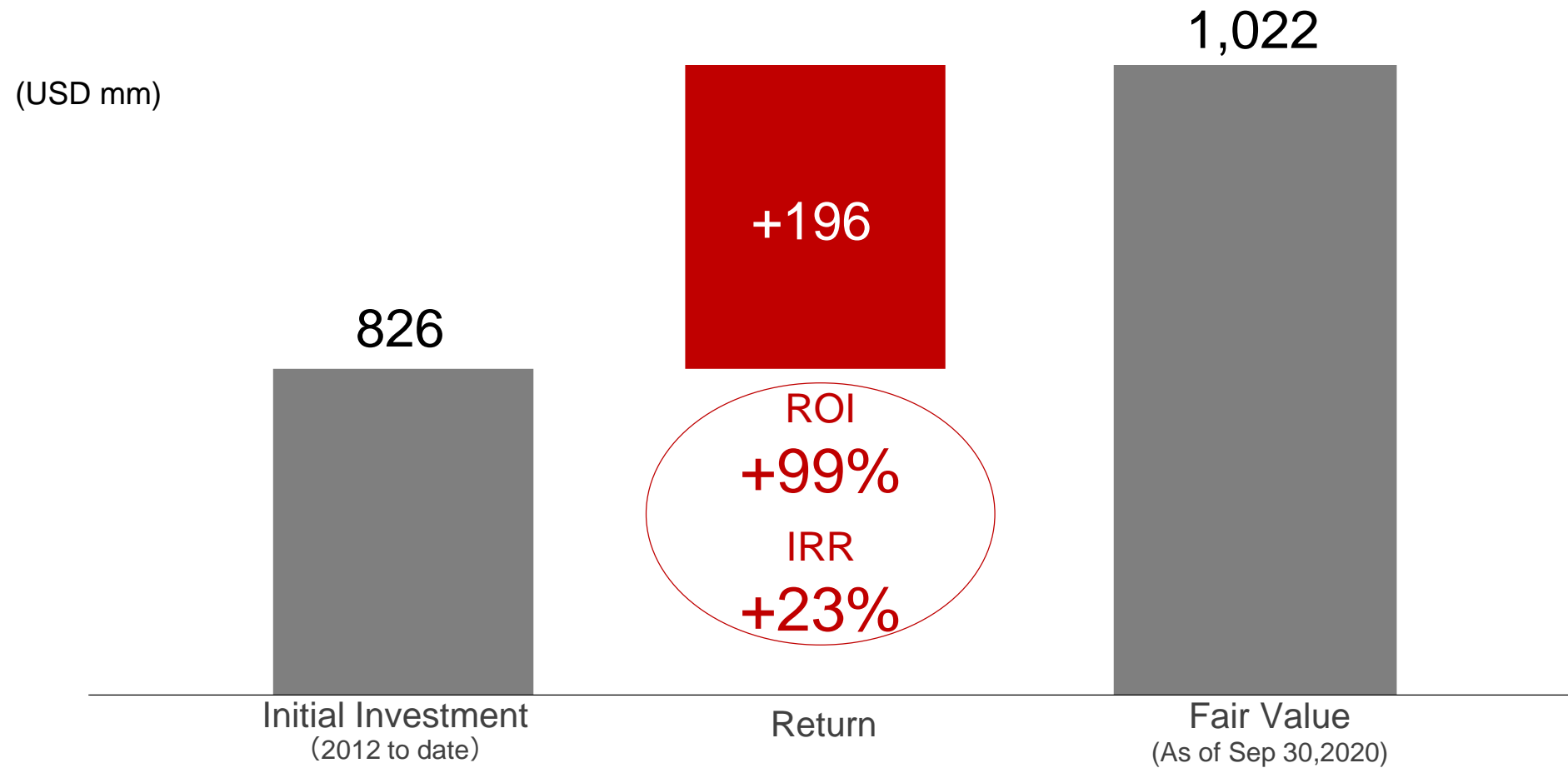
(USD mm)



^{*1} Excludes rebranding cost of USD 36.3 million (Q1/19), USD 30.4 million (Q3/19), USD 20.4 million (Q3/19), USD 27.4 million (Q4/19), USD 5.2 million (Q1/20), USD 5.1 million (Q2/20) and USD 6.3 million (Q3/20)

^{*2} Operating income has changed due to change in method of internal cost allocation. Past figures have been retroactively adjusted.

Performance of Investment Business*



* 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 +69%, IRR +14%

Investment Business Portfolio

Internet

SHOPBACK

 carousell



frOm scratch

epic!

 OneSignal

FinTech

 BlueVine

 Upstart

TORANOTEC

Ride Sharing

Careem

Glovo?

lyft*

(Asset Financing)

 gojek

 cabify

Healthcare

Rakuten Medical*

(Affiliated Company)

 airweave

Genesis Healthcare

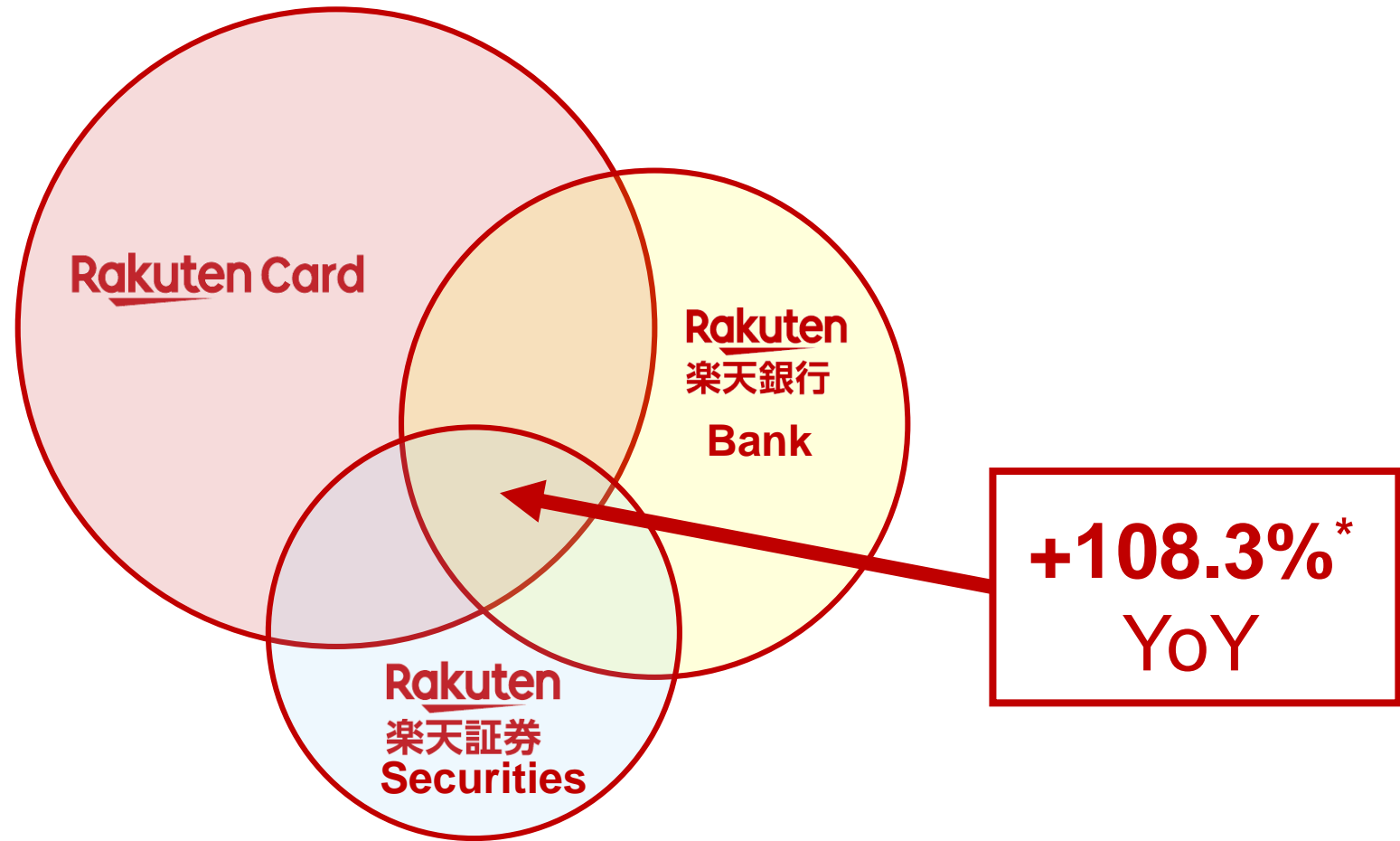
* Lyft and Rakuten Medical were transferred from Investment Business in Apr and Sep 2019 respectively and subsequently changed to asset financing (Lyft) and strategic investment purposes (Rakuten Medical)

FinTech Segment

Cross-Use Example of FinTech Businesses

- Cross-use among FinTech services is rapidly expanding

(Number of Unique Users)



*As of September 2020

*Calculation method of cross-use has been changed from the third quarter of 2020

Q3/20 FinTech Results Summary

(JPY bn)

| | Revenue | YoY | Operating Income | YoY |
|--------------------------------|---------|--------|------------------|--------|
| Card | 64.9 | +11.7% | 11.5 | +37.5% |
| Bank | 23.7 | +5.8% | 6.7 | -0.2% |
| Insurance | 26.8 | +6.7% | 1.8 | +2.38 |
| Payment | 8.2 | +12.5% | -1.7 | -0.65 |
| Others | 1.5 | + 7.25 | -0.4 | -0.37 |
| FinTech Total excl. Securities | 125.2 | +16.8% | 17.9 | +33.5% |
| Securities | 18.8 | +31.8% | 4.4 | +40.6% |
| FinTech Total | 144.0 | +18.5% | 22.3 | +34.9% |

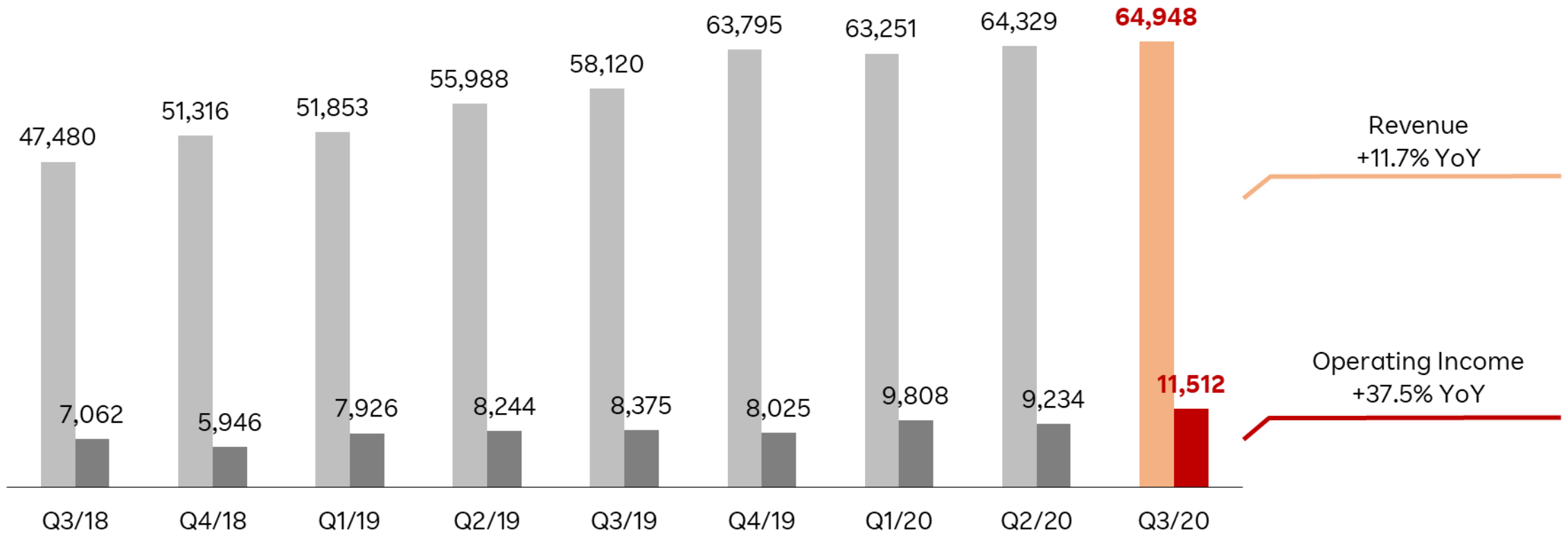
* Insurance includes Life Insurance, General Insurance, Pet Insurance and Insurance Agency. Detailed data is shown in the Appendix.

* Bank: Joint venture in Taiwan (RAKUTEN INTERNATIONAL COMMERCIAL BANK CO., LTD.) became a consolidated subsidiary in Q2/20, which is not included in the figures above.

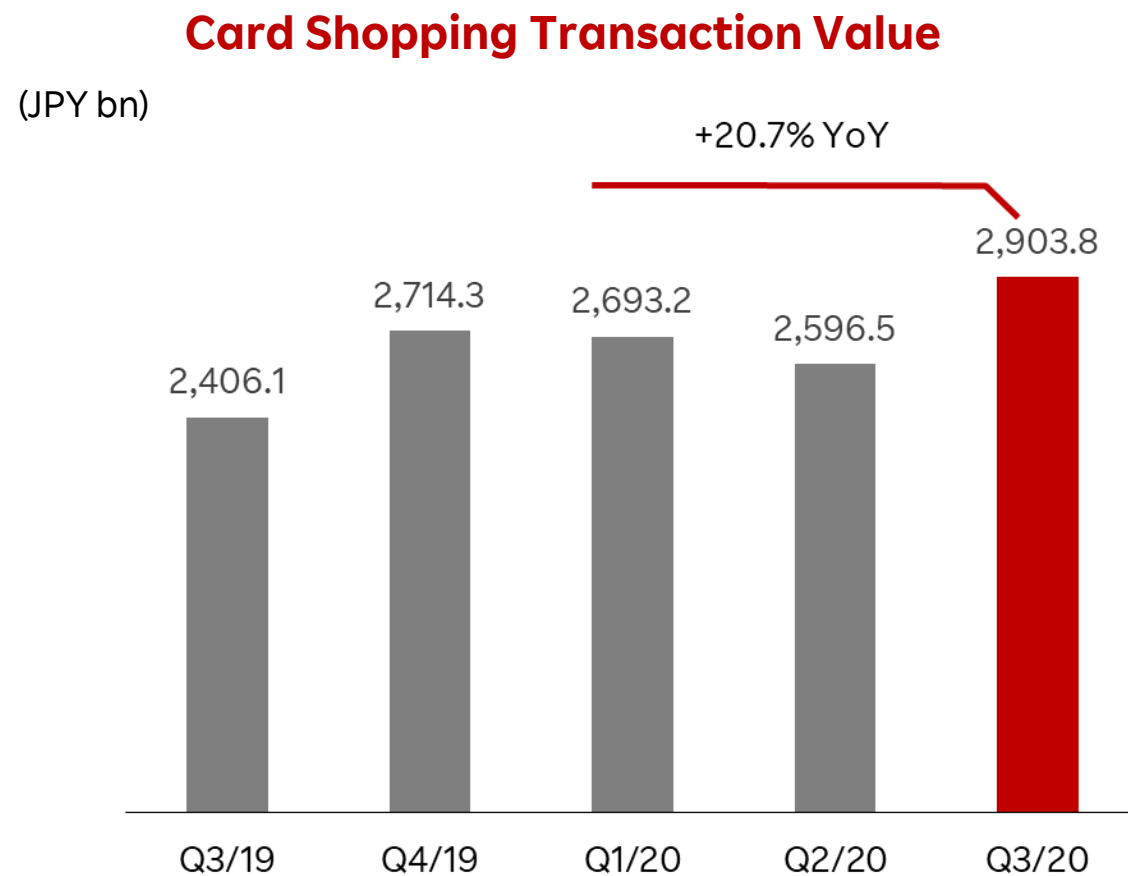
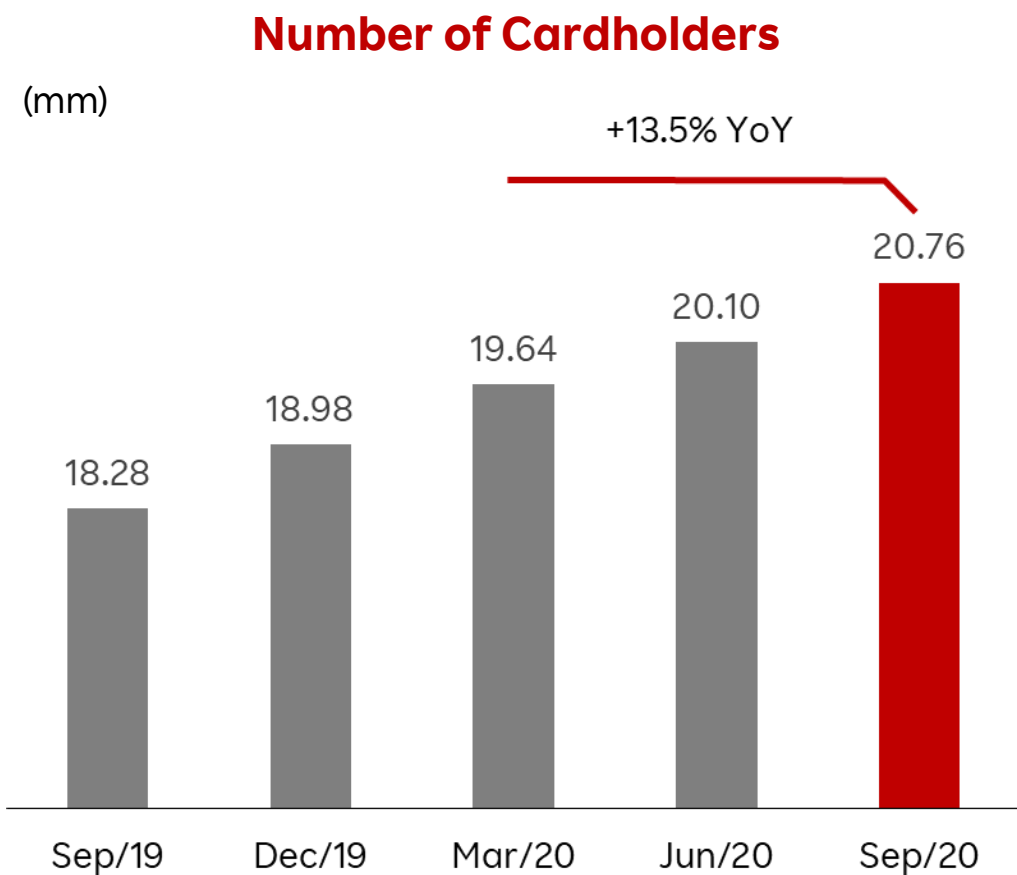
Rakuten Card Results

- Revenue +11.7% YoY and Operating Income +37.5% YoY from growth in shopping transactions, reversal of bad det accrual and cost control

(JPY mm)

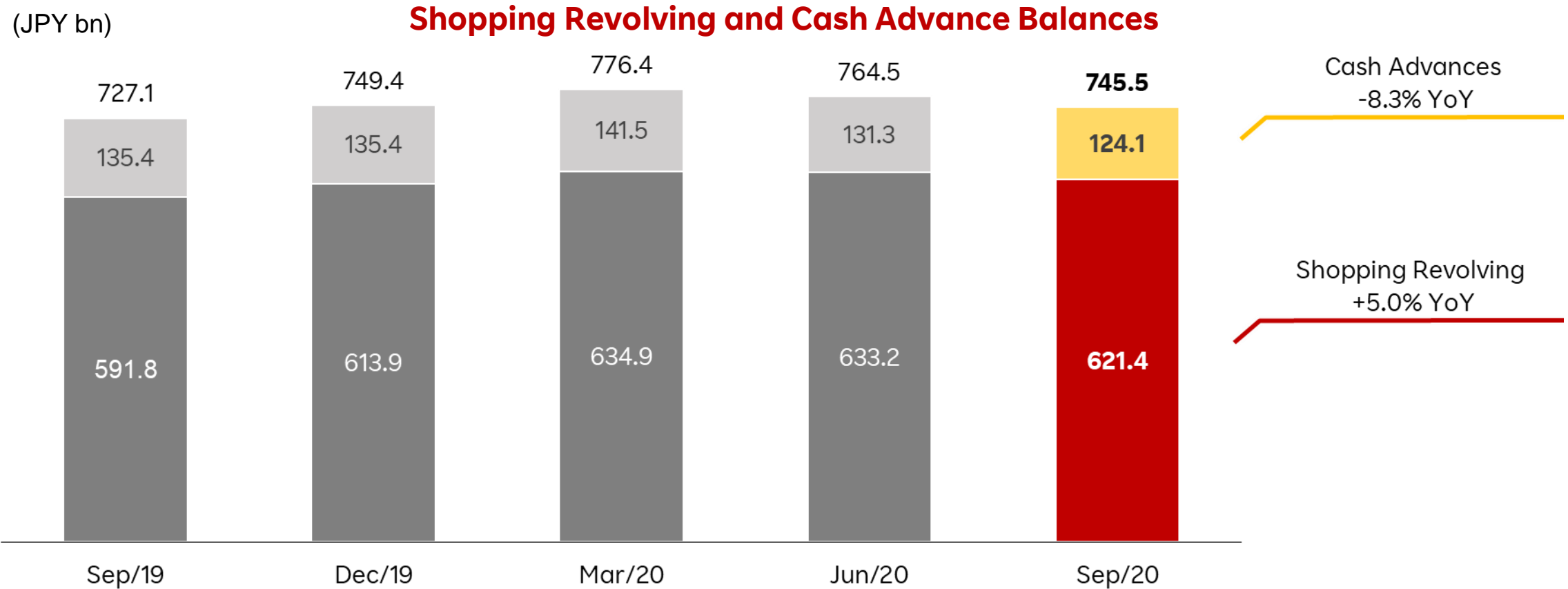


Rakuten Card KPIs*(1)



* 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

(JPY mm)

| | Q3/19 | Q4/19 | Q1/20 | Q2/20 | Q3/20 | YoY |
|--|--------|--------|-------|--------|-------|--------|
| Expenses related to doubtful accounts | 10,326 | 11,528 | 9,842 | 11,809 | 8,950 | -13.3% |
| Ratio of expenses related to doubtful accounts ^{*1} | 2.05% | 2.13% | 1.77% | 2.15% | 1.63% | — |

| | Q3/19 | Q4/19 | Q1/20 | Q2/20 | Q3/20 | YoY |
|--|------------------|------------------|------------------|------------------|------------------|---------------|
| Rakuten Card | 1,683,025 | 1,874,061 | 1,802,438 | 1,831,263 | 1,839,869 | +9.3% |
| Stage 1 (Normal) | 1,605,403 | 1,794,230 | 1,717,959 | 1,741,588 | 1,750,887 | +9.1% |
| Stage 2 (1-2 months delinquent) | 11,207 | 11,408 | 13,451 | 11,745 | 11,633 | +3.8% |
| Stage 3 (3 months-and-over-delinquent/Restructured Loans) | 66,415 | 68,423 | 71,027 | 77,930 | 77,349 | +16.5% |
| Rakuten Bank Super Loans | 388,316 | 384,469 | 385,680 | 371,907 | 359,857 | -7.3% |
| Stage 1 (Normal/Credit guarantees ^{*2}) | 348,932 | 345,922 | 347,551 | 333,715 | 323,023 | -7.4% |
| Stage 2 (30 days-and-over-delinquent/Credit guarantees ^{*2}) | 212 | 127 | 135 | 83 | 127 | -40.1% |
| Stage 3 (Foreclosed credit guarantees) | 39,172 | 38,420 | 37,994 | 38,109 | 36,707 | -6.3% |
| Others | 1,144 | 1,065 | 1,010 | 963 | 934 | -18.4% |
| Total balance of loan receivables | 2,072,485 | 2,259,594 | 2,189,128 | 2,204,133 | 2,200,660 | +6.2% |
| Allowance for doubtful accounts^{*3} | 93,504 | 94,265 | 95,109 | 99,504 | 96,898 | +3.6% |
| Write-off for bad debt^{*4} | 8,002 | 10,766 | 8,999 | 7,416 | 11,561 | +44.5% |

*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

*2 Balance of Rakuten Bank Super Loans guaranteed by Rakuten Card

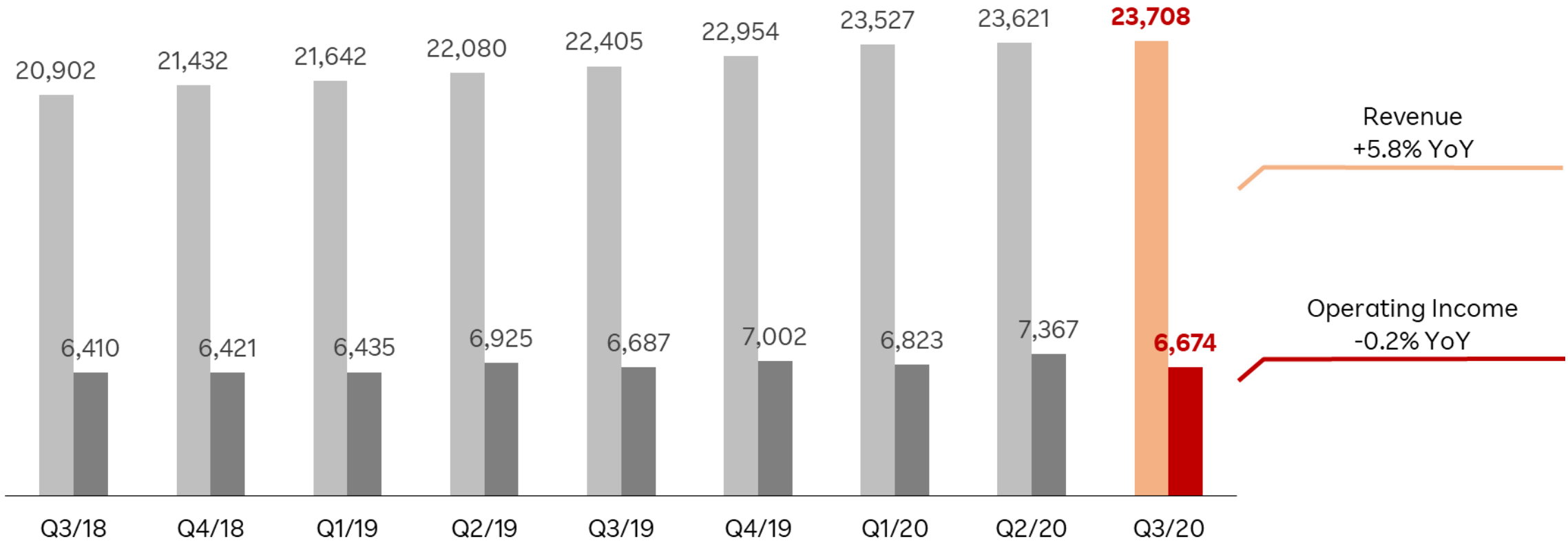
*3 Including allowance for credit guarantees

*4 Write-off for bad debt includes loss on transfer of loan receivables

Rakuten Bank Results

- Revenue +5.8% YoY from increase in service transactions while Operating Income -0.2% due to expenses associated with relocation of head office

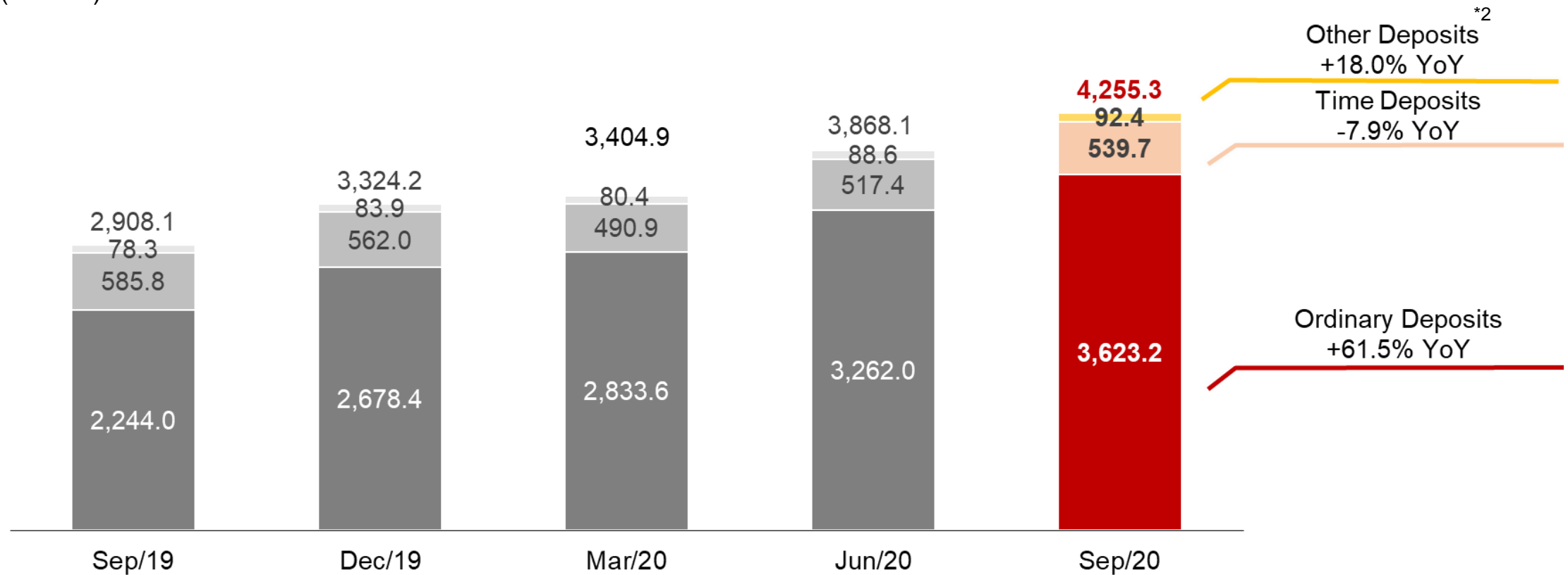
(JPY mm)



* Joint venture in Taiwan (RAKUTEN INTERNATIONAL COMMERCIAL BANK CO., LTD.) became a consolidated subsidiary in Q2/20, which is not included in the figures above.

Rakuten Bank Deposits*1

(JPY bn)

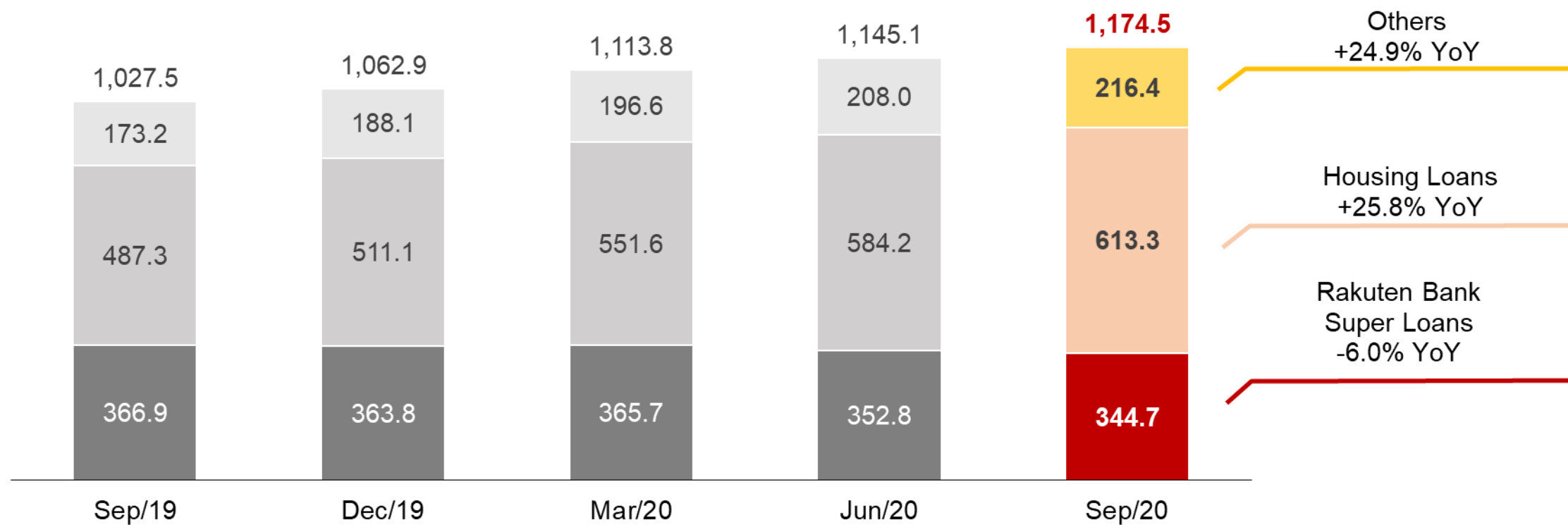


*1 Based on IFRS which includes derivatives in structured term deposits. Rakuten Bank consolidated basis.

*2 Other deposits include deposits in foreign currencies and others.

Rakuten Bank Loan Receivables Balance

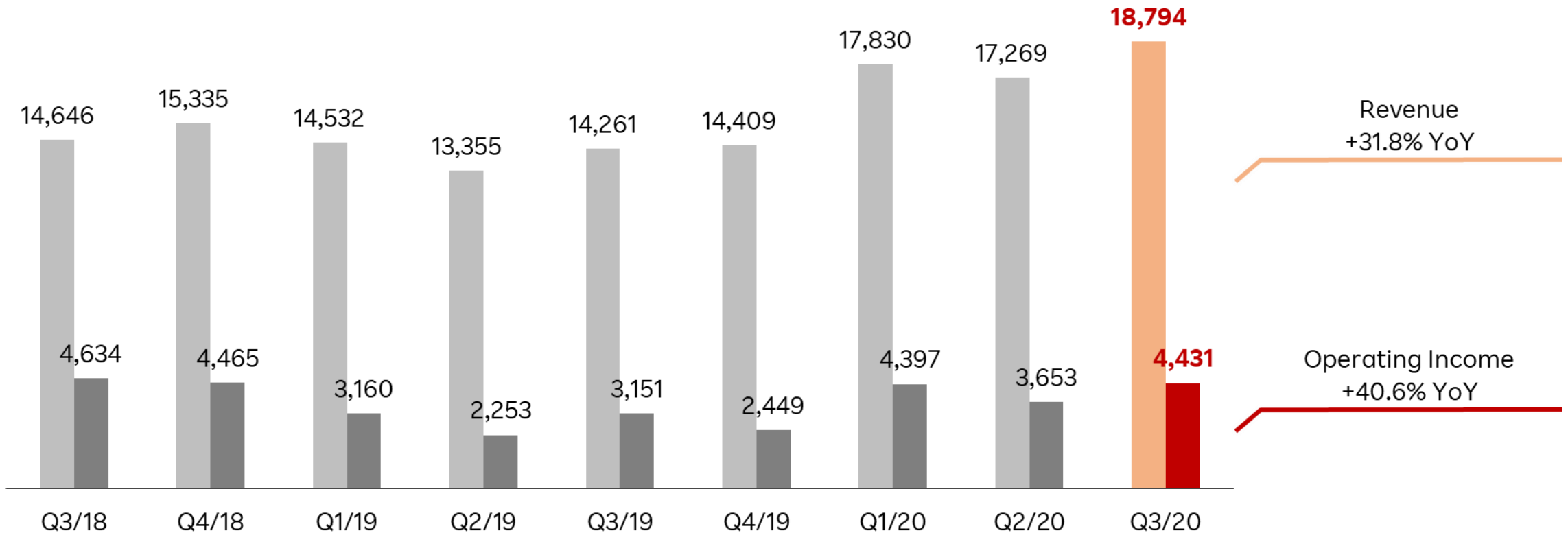
(JPY bn)



Rakuten Securities Results

- Revenue +31.8% YoY and Operating Income +40.6% YoY from growth in trading volumes of Japanese Stock and US Stock

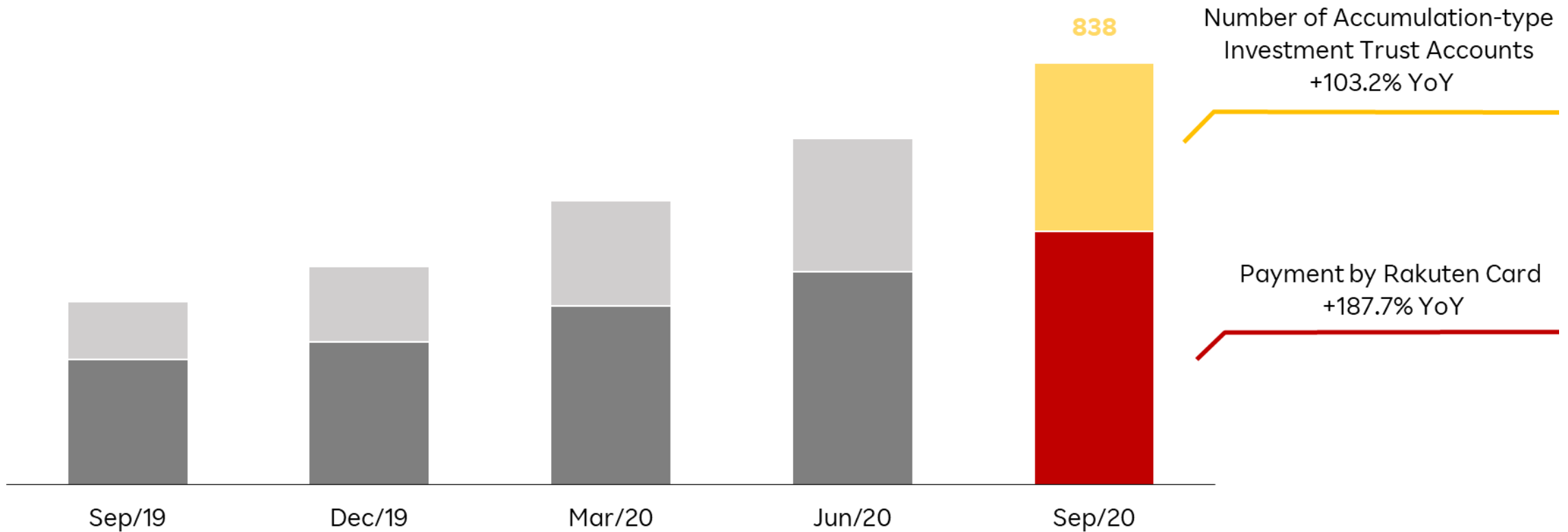
(JPY mm)



Rakuten Securities Accumulation-type Investment Trust Accounts

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

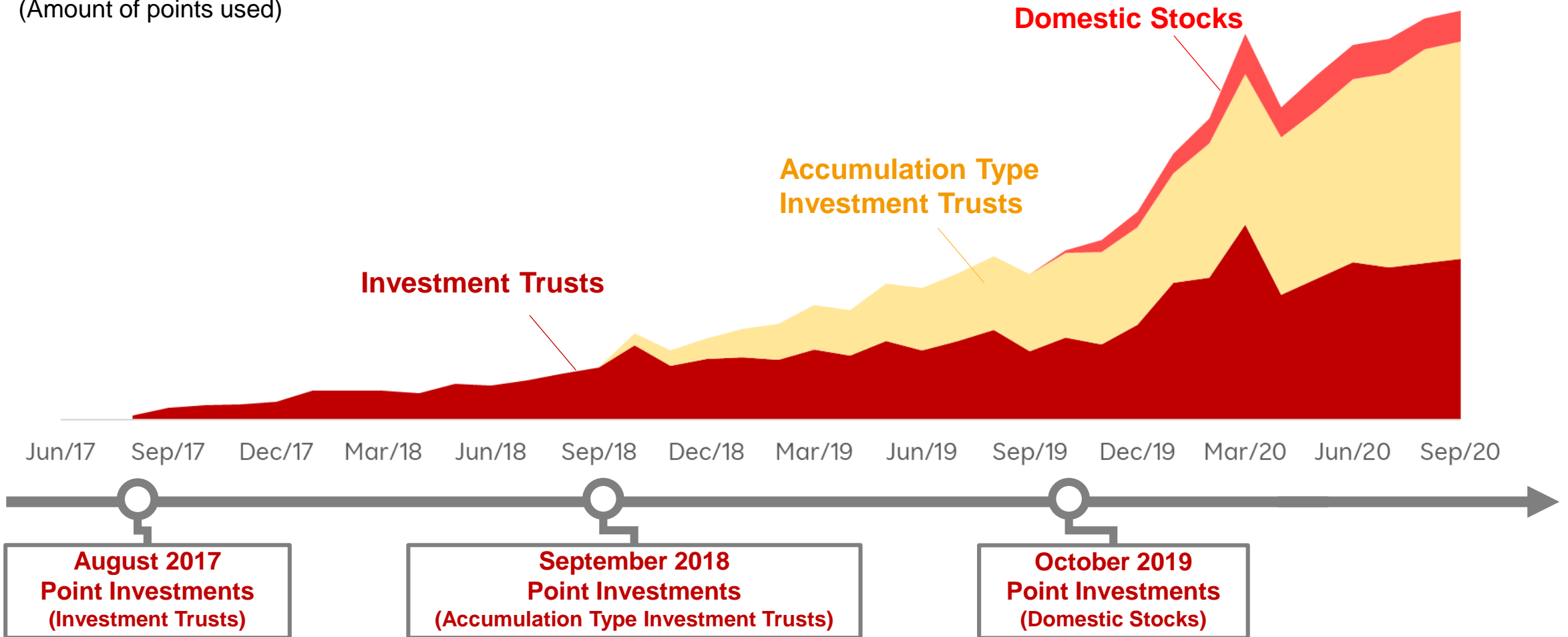
(thousands of accounts)



Rakuten Securities Point Investments

- Investments with Rakuten Points has been growing steadily

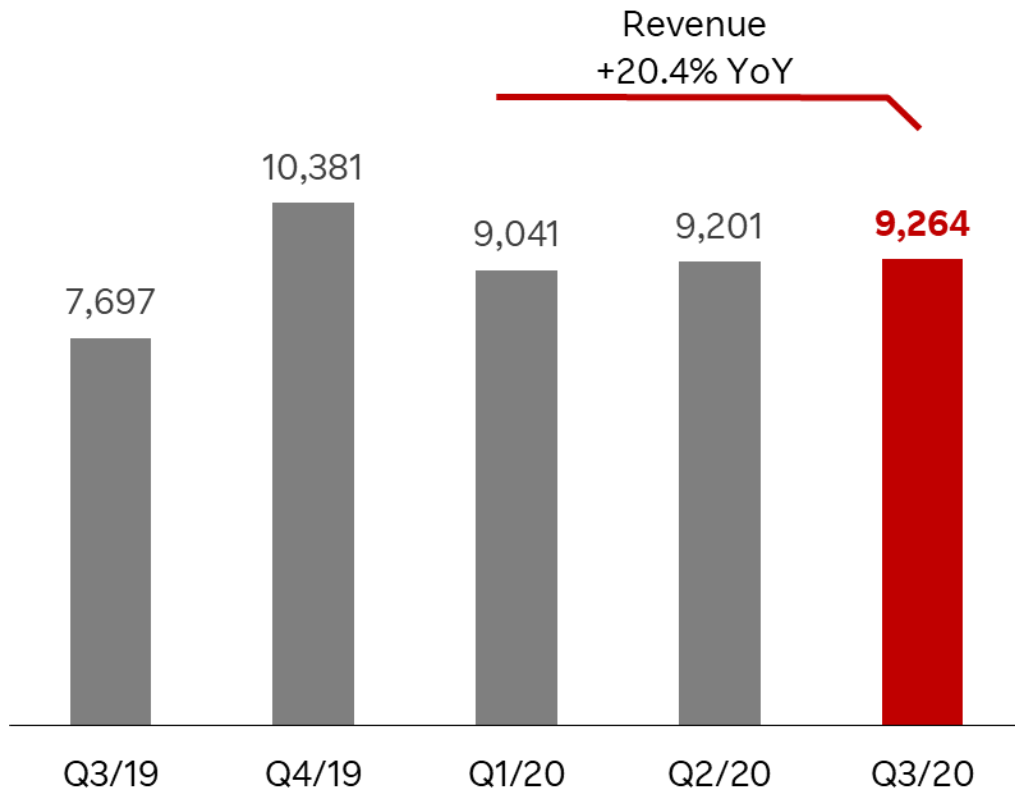
(Amount of points used)



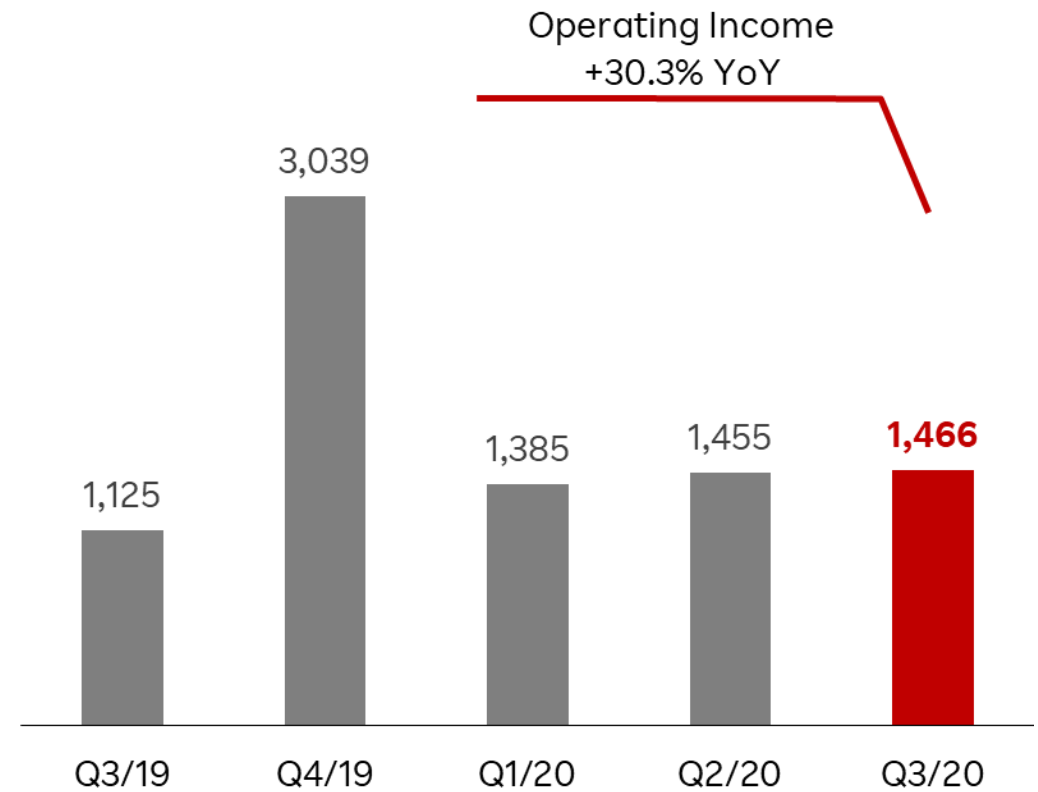
Rakuten Life Insurance Results

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

(JPY mm)



(JPY mm)

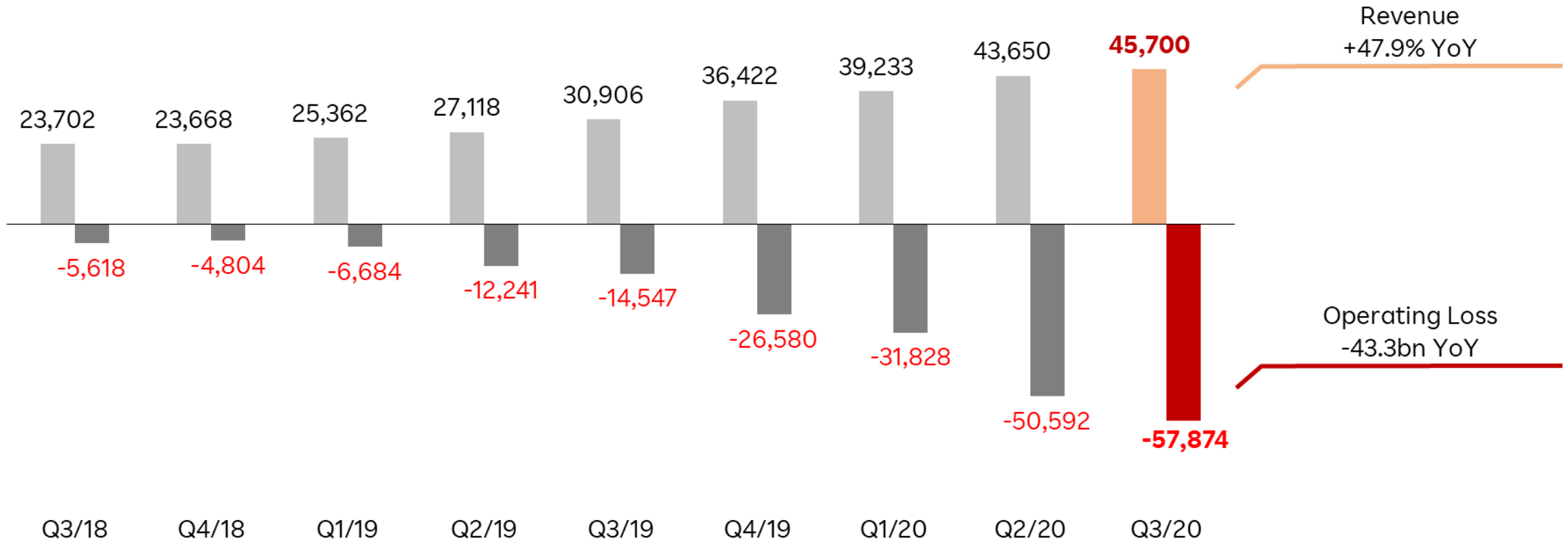


Mobile Segment

Mobile Results*

- Operating loss expanded due to increased base station-related costs with the advancement of base station build-out plan

(JPY mm)



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

Rakuten Mobile Balance Sheet

(JPY mm)

| IFRS貸借対照表, Balance Sheet (IFRS) | Q3/20 |
|---------------------------------|---------|
| 資産, Assets | |
| 有形固定資産, Fixed assets | 339,757 |
| 無形資産, Intangible assets | 52,781 |
| その他の資産, Other assets | 184,374 |
| 資産合計, Total Assets | 576,911 |

| | |
|--|---------|
| 負債及び資本, Liabilities and net assets | |
| 借入金, Borrowings * | 209,952 |
| リース債務, Lease liabilities** | 91,667 |
| その他の負債, Other liabilities | 131,199 |
| 負債合計, Total liabilities | 432,817 |
| 資本合計, Total net assets | 144,094 |
| 負債及び資本合計, Total liabilities and net assets | 576,911 |

*Borrowings are liabilities from lease financing and loans from Rakuten, Inc.

** Lease liabilities are capitalized costs under IFRS16 such as rent expenses

Number of base stations on-air : 7,746 Number of sites with contract signed : 11,721 (As of September, 2020)

Mobile Shop Network

587 shops

As of October 2020

Kyushu/Okinawa Area

| | |
|--------------|-----------|
| Fukuoka | 15 |
| Saga | 2 |
| Nagasaki | 5 |
| Kumamoto | 5 |
| Oita | 3 |
| Miyazaki | 3 |
| Kagoshima | 4 |
| Okinawa | 9 |
| Total | 46 |

Shikoku Area

| | |
|--------------|-----------|
| Tokushima | 2 |
| Kagawa | 3 |
| Ehime | 4 |
| Kochi | 1 |
| Total | 10 |

Chugoku Area

| | |
|--------------|-----------|
| Tottori | 2 |
| Shimane | 2 |
| Okayama | 8 |
| Hiroshima | 17 |
| Yamaguchi | 7 |
| Total | 36 |

Hokuriku/Koshinetsu Area

| | |
|--------------|-----------|
| Niigata | 12 |
| Toyama | 5 |
| Ishikawa | 4 |
| Fukui | 3 |
| Yamanashi | 3 |
| Nagano | 9 |
| Total | 36 |

Hokkaido/Tohoku Area

| | |
|--------------|-----------|
| Hokkaido | 14 |
| Aomori | 4 |
| Iwate | 3 |
| Miyagi | 13 |
| Akita | 3 |
| Yamagata | 2 |
| Fukushima | 5 |
| Total | 44 |

Kanto Area

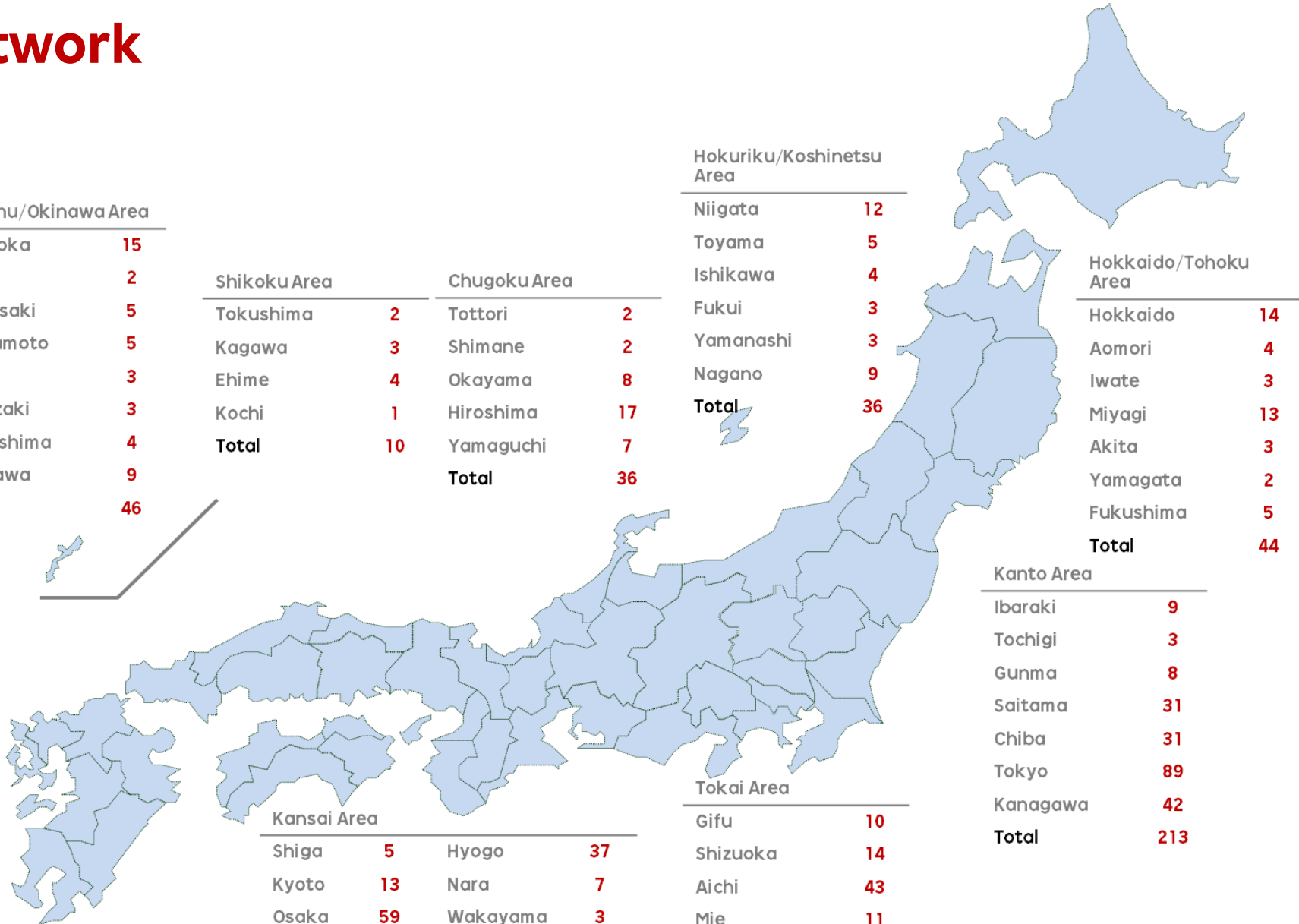
| | |
|--------------|------------|
| Ibaraki | 9 |
| Tochigi | 3 |
| Gunma | 8 |
| Saitama | 31 |
| Chiba | 31 |
| Tokyo | 89 |
| Kanagawa | 42 |
| Total | 213 |

Tokai Area

| | |
|--------------|-----------|
| Gifu | 10 |
| Shizuoka | 14 |
| Aichi | 43 |
| Mie | 11 |
| Total | 78 |

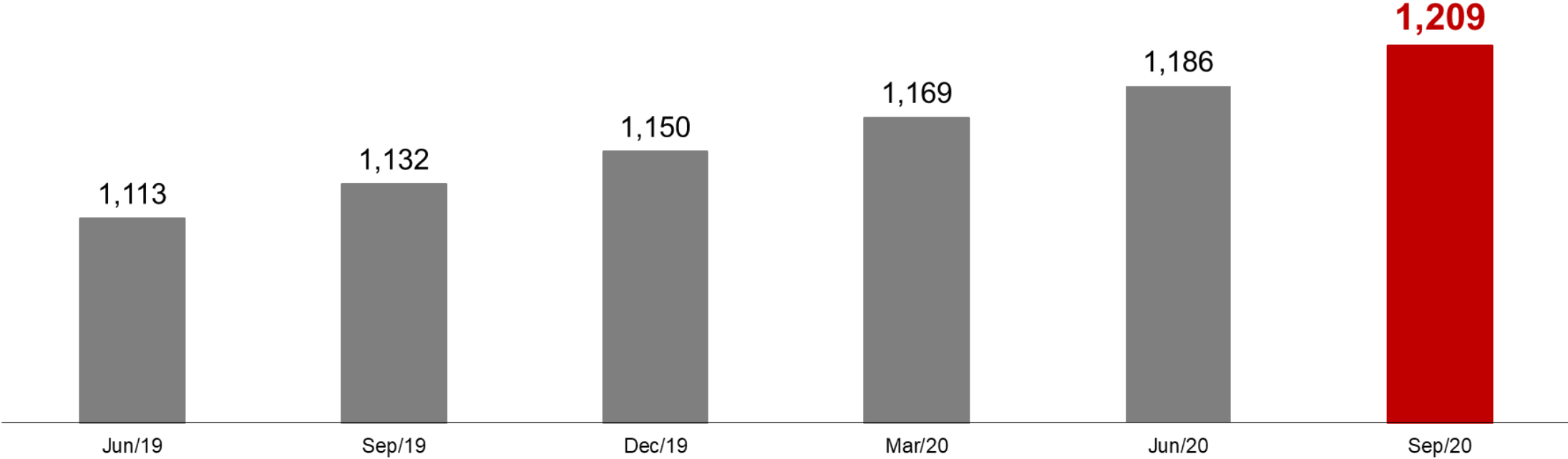
Kansai Area

| | | | |
|--------------|------------|----------|----|
| Shiga | 5 | Hyogo | 37 |
| Kyoto | 13 | Nara | 7 |
| Osaka | 59 | Wakayama | 3 |
| Total | 124 | | |



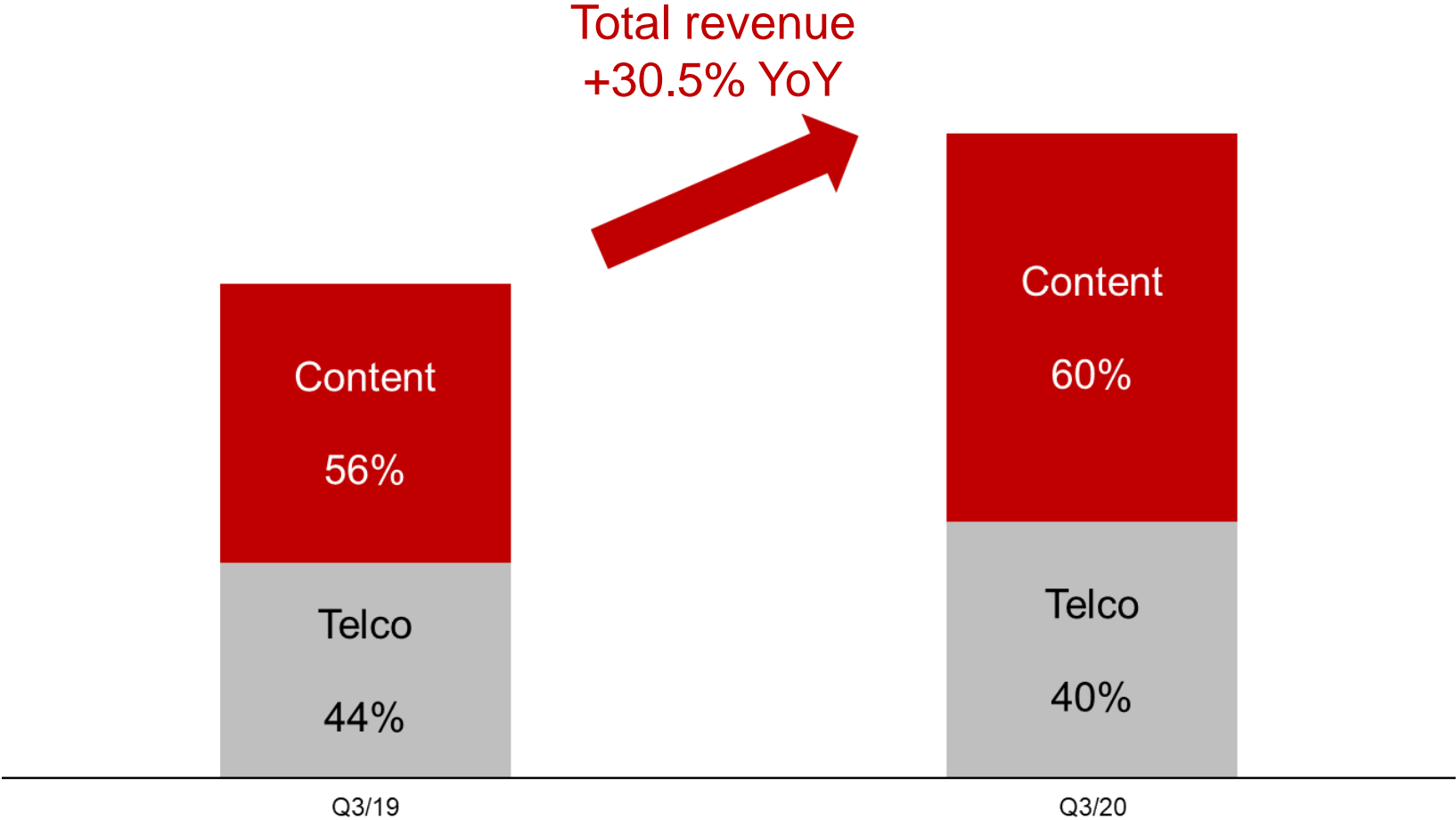
Viber Unique IDs*

(million IDs)



* Unique IDs: Unique phone numbers excluding deactivations

Viber Revenue*



* Telco: Viber Out, Viber In, SMS. Content: Service messages, ads, stickers, etc.

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