EC Core Businesses
Domestic E-Commerce Highlights

Continued strong growth for domestic e-commerce GMS: +22.4% YoY

Customer loyalty is steadily growing, anchored by Rakuten Ichiba

Will establish a joint venture with Japan Post for further growth of e-commerce businesses
Domestic E-Commerce / Shopping E-Commerce GMS*1*2

E-commerce GMS grew strongly in Q1/21 continuing from last quarter

Q1/21 Domestic EC GMS

JPY 1.1 tn
+22.4% YOY

Q1/21 Shopping EC GMS

+33.9% YOY

*1Domestic e-commerce GMS comprised of Ichiba, Travel GTV on checkout basis, Books, Golf, Fashion, Dream businesses, Beauty, Delivery, Rakuten 24 (Direct), Auto business, Rakuma, Rebates Rakuten Seiyu Netsuper, etc. (*Excludes some tax-exempt businesses, includes consumption tax)

*2 Shopping e-commerce = Ichiba + 1st Party (Rakuten Fashion, Books, Rakuten24 (Direct)), Rakuten Seiyu Netsuper + Open EC (Rebates, Checkout) + Rakuma
Domestic E-Commerce Results*

*Domestic e-commerce = Ichiba, Travel, Books, Golf, Rakuten Fashion, Dream businesses, Beauty, Delivery, Rakuten 24 (Direct), Logistics, Auto business, Rakuma, Rebates, etc.
Q1/21 Domestic E-Commerce Operating Income Breakdown

Operating income of marketplace business expanded steadily, expansion of loss from logistics-related investments has been reduced from the previous year.

Growth of marketplace businesses
- Rakuten Ichiba
- Rakuten Travel
- Rakuten GORA, etc.

+3.1

Investment phase businesses
- Rakuten 24 (Direct)
- Rakuma
- Rakuten Books
- Rakuten Fashion
- Rakuten BIC
- Rakuten Seiyu Netsuper, etc.

-0.3

Logistics-related investments and costs, etc.

-0.7

Q1/20 Domestic E-Commerce Operating Income
10.6

Q1/21 Domestic E-Commerce Operating Income
13.3

Q1/21 Domestic E-Commerce Operating Income (Excl. logistics-related investments/costs)
12.7
Social Change Once a Century
Acceleration of the Era of Digital Transformation
Rakuten Ichiba Initiatives of Walk Together

Rakuten Ichiba has been continuing to progress since its foundation through creation of attractive platform for both customers and merchants.

- **Empowerment**
- **Shopping is Entertainment!**

UI/UX Improvements  Introduction of unified free shipping threshold  Reflection of customer/merchant voices  Initiatives for safety and security  SDGs* initiatives, etc.

*SDGs: Sustainable Development Goals. The 2030 Agenda for Sustainable Development (the 2030 Agenda) is a set of international development goals from 2016 to 2030, which was adopted by the UN Sustainable Development Summit held in September 2015 building on the success of Millennium Development Goals (MDGs).
Rakuten E-Commerce Services GMS Growth Exceeds Industry Standards

vs Jan 2020 change rate

VS Retail industry sales

VS Travel agency industry GMS

VS Supermarket sales

VS Department store and supermarket apparel sales

*METI "Commercial sales value by type of business and the percentage change from the same month/term of the previous year"

*Japan Tourism Agency "Flash report on major travel agency transaction amounts"

*National Supermarket Association of Japan "Supermarket sales statistics survey"

The user base expansion of 2020 shows solid retention in 2021. Cross-use of e-commerce services is expanding with accelerating digitalization.

High user retention rate in Rakuten Ichiba

Approx. 73%

Cross-use expansion of EC services

Q1/21
Number of customers using Rakuten Ichiba, Rakuma and Rakuten books

+39.4%

YoY
E-Commerce Usage Expanding in Household Expenditures due to Accelerating Digitalization

E-commerce usage per household accelerated more than usual from 2019 to 2020

Average e-commerce expenditure per month
(Households with 2+ people)

- 2018: 12,610 yen
- 2019: 14,332 yen, +13.7% YoY
- 2020: 16,339 yen, +14.0% YoY

Ratio of households using e-commerce
(Households with 2+ people)

- 2018: 39.2%
- 2019: 42.8%, +3.6 points
- 2020: 48.8%, +6.0 points

*Statistics Bureau of Japan “2020 the survey of household economy” “2019 the survey of household economy”
Rakuten Ichiba Usage per User Steadily Expanding

Purchase amount and frequency per user increased significantly in Q1/21 continuing from Q4/20.
Expansion of User Base in Each E-commerce Services

Number of users in various E-commerce services expanded in Q1/21 due to acceleration of E-commerce usage

- **Rakuten Ichiba**: +16.4% YoY
- **Books**: +22.6% YoY
- **Rakuten Fashion**: +47.9% YoY
- **Rakuten SEIYU**: +55.6% YoY

*YoY growth of number of users who purchased more than one time in Q1/21 (non-cumulative)
Logistics Strategy for Further Growth of E-Commerce Business

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Strategies</th>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand logistics and last mile delivery to capture e-commerce demand growth</td>
<td>Increase fulfillment center coverage</td>
<td>Merchant Growth = Growth of Rakuten Ichiba</td>
</tr>
<tr>
<td>Provide safe and reliable service to users</td>
<td>Introduced unified free shipping threshold for worry-free shopping experience</td>
<td>Improve user convenience</td>
</tr>
<tr>
<td>Logistics support for Ichiba merchants</td>
<td></td>
<td>Enhance cost and operational efficiency for merchants</td>
</tr>
</tbody>
</table>
Establishment of Joint Venture with Japan Post

JP Rakuten Logistics, Inc.
To be established

Creation of seamless delivery network utilizing existing centers
Creation of shared logistics centers
Creation of shared delivery and pick-up systems
Logistics
Logistics & Rakuten Seiyu Netsuper Highlights

Agreed on establishment of new joint venture with Japan Post for business launch of digital transformation platform for logistics

Sustained growth of Rakuten Super Logistics merchant numbers and shipment volume

Rakuten Seiyu Netsuper continues to achieve strong growth
Establishment of Joint Venture with Japan Post

JP Rakuten Logistics, Inc.
To be established

Creation of seamless delivery network utilizing existing centers
Creation of shared logistics centers
Creation of shared delivery and pick-up systems
Rakuten plans to open three new automated, labor-efficient fulfillment centers in Tama, Yao and Fukuoka by 2023.
Improving Satisfaction of All Stakeholders

Improve user experience

Combining orders in one delivery
Meet diversifying receiving needs
(Change date/location · Unattended delivery · delivery locker)

Shorten delivery lead time

Start same-day delivery
Expand area for next-day delivery

Improve logistics efficiency

On-time performance/
Fixed route

Live dynamic routing

Maximize logistics capacity

Building shipping and delivery capacity that supports EC expansion
New Open Platform for Logistics

Seller (EC, offline)  Shipper/Warehouse operator  Delivery company

JP Rakuten Logistics, Inc.
Rakuten Super Logistics (RSL) Merchant and Shipment Volume Growth

Q1/21 Merchants using RSL

+72.5% YoY

Q1/21 RSL shipment volume

+134.2% YoY
Rakuten Super Logistics (RSL) Contributes to Merchant GMS Growth

Merchants utilizing Rakuten Super Logistics achieved a higher revenue growth rate.

FY2020 Average Monthly GMS Growth for Merchants (YoY)

Average GMS Growth

Merchants with over 70% of shipping volume through RSL

+24.1 pt

YoY difference
Growth of Rakuten Seiyu Netsuper

Rakuten SEIYU

ネットスーパー

GMS YoY

Supermarket industry GMS' YoY

+ 29.9%

Q1/21

YoY

*National Supermarket Association of Japan, Japan Supermarket Association and All Japan Supermarket Association: “Supermarket sales statistical survey”
Rakuten Seiyu Netsuper Expansion

Opening new Netsuper fulfillment centers to meet growing demand.

Osaka Ibaraki Center
To start full-scale operation in 2022

Kanagawa Kohoku Center
Started operation in Jan 2021
Providing Greater Convenience to Customers

New grocery delivery service via autonomous UGV delivery robot.

Solve regional challenges / Enhance user convenience

Supermarket product delivery service via autonomous UGV robot provided for a limited time in Mabori Kaigan area of Yokosuka City.
FinTech / Rakuten Card Highlights

Strong FinTech ecosystem anchored by Rakuten Card

Rakuten Card’s growing customer base contributes to Rakuten Ichiba’s high growth

Rakuten Payment seizes the cashless trend: Introducing advanced solutions such as crypto asset charging
## FinTech Results Summary

Both revenue and operating income grew due to steady expansion of customer base and usage as main service for each business.

<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>66.7</td>
<td>+5.4%</td>
<td>11.0</td>
<td>+12.5%</td>
</tr>
<tr>
<td>Bank</td>
<td>25.7</td>
<td>+9.3%</td>
<td>7.3</td>
<td>+6.9%</td>
</tr>
<tr>
<td>Securities</td>
<td>23.8</td>
<td>+33.2%</td>
<td>6.3</td>
<td>+43.5%</td>
</tr>
<tr>
<td>Insurance</td>
<td>25.3</td>
<td>-0.6%</td>
<td>1.9</td>
<td>+114.1%</td>
</tr>
<tr>
<td>Payment</td>
<td>8.8</td>
<td>+1.7%</td>
<td>-1.2</td>
<td>+0.75</td>
</tr>
<tr>
<td>Others</td>
<td>1.4</td>
<td>+2.0%</td>
<td>-0.8</td>
<td>-0.67</td>
</tr>
<tr>
<td>FinTech Total</td>
<td>151.6</td>
<td>+8.2%</td>
<td>24.5</td>
<td>+23.8%</td>
</tr>
</tbody>
</table>

* 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 Shopping GTV Achieves Double-Digit Growth, Market Share Exceeds 20%

Q1/21 Card Shopping Transaction Value*1

+19.7% YOY

Shopping GTV market share in Japan*2

20.3%

Share doubled in 5 years

*1 Calculated on a managerial accounting basis, using different definitions from data in the Appendix. Detailed credit card data is shown in the Appendix

Number of cardholders increased by 1mm in only three months – the fastest 1mm increase ever.

**Acceleration of Rakuten Card Customer Base Expansion**

![Graph showing the expansion of Rakuten Card customer base from Jan/18 to Feb/21, with a significant increase to 22mm in only three months.]
Rakuten Card's customer base makes it possible to send customers to FinTech companies and convert to a high-margin asset-type business.
In addition to its high compatibility with e-commerce, usage of Rakuten Card on Rakuten Ichiba has increased due to the success of Rakuten-specific marketing initiatives. Rakuten Card’s growing customer base is contributing to Rakuten Ichiba’s high growth.

**Contribution to Rakuten Ichiba's Growth**

<table>
<thead>
<tr>
<th>Jan/2020</th>
<th>Mar/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>66.8%</td>
</tr>
</tbody>
</table>

**Rakuten Card Share of Rakuten Ichiba GMS**

**Rakuten Ichiba GMS share of members who applied for the 0/5 campaign**
# Rakuten Payment Seizes the Cashless Trend

Well-established position in the cashless market through efforts to improve customer convenience.

## Consolidation of existing assets

- Renewal of the app to integrate all payment methods into a single platform

## Enabling multi-payment sources

- Expanded payment source options
  - Point payment instant charge
  - Rakuten Bank account payment
  - Crypto asset charging and more

## Open strategy

- Rakuten Pay and Rakuten Points even more appealing due to Suica partnership

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*Suica is a registered trademark of East Japan Railway Company.
Suica Penguin is a character of Suica*
FinTech: Bank
Rakuten Bank Highlights

Revenue and profit increased due to strong growth in service revenue by the increase in transactions

Main account usage expansion:
No. of payroll accounts increased +50.4% YoY

First online bank in Japan to reach 10mm accounts, with further acceleration in number of new accounts opening
While the negative interest rate policy and the pandemic have caused many banks' earnings to stagnate, Rakuten Bank has increased its revenue and profit by significantly increasing its service revenue, especially in transactions.

* Joint venture in Taiwan (RAKUTEN INTERNATIONAL COMMERCIAL BANK CO., LTD.), a consolidated subsidiary from Q2/20, is not included in the figures above.
Significant Growth in Main Account Usage Led by an Increased Number of Transactions

The overall number of transactions increased significantly while the number of payroll accounts and direct debit transactions linked directly to daily life also increased, greatly increasing the number of customers using their Rakuten Bank account as their main account.

<table>
<thead>
<tr>
<th>Q1/21 No. of Transactions</th>
<th>Mar/21 No. of payroll accounts</th>
<th>Q1/21 No. of direct debit transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>+31.3% YoY</td>
<td>+50.4% YoY</td>
<td>+32.0% YoY</td>
</tr>
</tbody>
</table>
First Online Bank in Japan to Reach 10mm Accounts, Further Acceleration of Number of New Accounts Opening in Q1/21 through Group Synergies
Contributing to Rakuten Ecosystem Expansion

Realize mutual business growth and mutual profit increase through collaboration with FinTech companies

- Mar/21 “Money Bridge” Deposit Balance
- Q1/21 No. of Rakuten Card direct debit transactions
- Mar/21 Rakuten Life Insurance’s mortgage loan group credit life insurance cumulative contract amount

-JPY 2.8tn Topped JPY 3tn in Apr/21

+87.5% YoY

+60.2% YoY

+35.1% YoY
FinTech: Securities
Rakuten Securities Highlights

Achieved +43.5% YoY operating income due to increased stock trading volume

Acceleration of new account openings: Number of accounts surpassed Nomura Securities to become second in the industry

Leveraging the Rakuten Ecosystem to expand asset building services
Achieved +33.2% YoY revenue and +43.5% YoY operating income due to increased Japan and U.S. stock trading volume.
Number of new accounts opened in March 2021 reached 250k for the first time. Rakuten overtook Nomura Securities to become No. 2 in the industry, rapidly narrowing the gap with industry No. 1.

### Number of Securities Accounts*

<table>
<thead>
<tr>
<th>Company</th>
<th>Number of Accounts (mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI</td>
<td>6.04mm</td>
</tr>
<tr>
<td>Rakuten</td>
<td>5.72mm</td>
</tr>
<tr>
<td>Nomura Securities</td>
<td>5.33mm</td>
</tr>
<tr>
<td>SMBC Nikko</td>
<td>3.55mm</td>
</tr>
<tr>
<td>Daiwa</td>
<td>3.03mm</td>
</tr>
</tbody>
</table>

*Aggregated by Rakuten based on public information available on each company’s website. Number of accounts with balance for Nomura Securities and Daiwa Securities, total accounts for SMBC Nikko Securities.

### Comparison of the Number of Accounts Opened in Q1/21

<table>
<thead>
<tr>
<th>Company</th>
<th>Jan/20-Mar/20 (mm)</th>
<th>Jan/21-Mar/21 (mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rakuten Securities</td>
<td>0.65mm</td>
<td>0.32mm</td>
</tr>
<tr>
<td>SBI Securities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
The chart illustrates the trend of new accounts opened from March 2016 to March 2021.
Attracting Beginner Investors and Expanding Asset Building Services

Succeeded in attracting beginner investors and expanding accumulation-type investment trusts and other asset businesses by leveraging Rakuten Points.

Even without Securities account

Point investment

4mm Users

Use

Collect Points

Points can be used for investment

Invest Rakuten Points

✓ Investment Trusts
✓ Accumulation-type Investment Trusts
✓ Domestic Stocks
✓ Binary Option

Rakuten Securities

Collect more points

SPU 1x with point investment (investment trust) of 500 JPY or more

More convenient when using multiple Rakuten services together

✓ Accumulation-type investment trust paid by Rakuten card
✓ Automatic deposit / withdrawal with Rakuten Bank account
Collect more points by using services, then invest those points too.

*Investment trusts paid by Rakuten Card not eligible for stock purchase.

*Limited time points cannot be used for investment.

*Rakuten Point investment (Domestic Stocks, Binary Option) not eligible for SPU 1x.
Expansion of Asset Building Services

Number of Tsumitate NISA accounts becomes 1.2mm, domestic market share expands to 29.0%.

*Calculated based on the Financial Services Agency NISA/Junior NISA Account Usage Survey (as of the end of December 2020).
Building Synergy with the Rakuten Ecosystem

Number of accumulation-type investment trust accounts paid for by Rakuten Card exceeded 1mm in April due to effective point marketing. Purchase amount exceeded JPY 45bn per month, the highest level in the industry.

Number of accumulation-type investment trust accounts

Purchases of accumulation-type investment trusts

Rakuten Card payment ratio

70%+

JPY 45bn

+164.8% YoY
FinTech: Insurance
Insurance Business Highlights

Operating Income: JPY 1.9bn, an increase of JPY +1bn (+114% YoY)

Strong online sales: Auto insurance ANP increased +156% YoY

Business alliance discussions with Japan Post Group underway
Revenue grew steadily for life insurance and pet insurance, while general insurance saw a slight decrease YoY due to careful selection of contracts to improve profitability. Operating income increased JPY +1bn YoY due to improved insurance underwriting income and cost reductions.
Strong Online Sales Driving Performance

Rapid growth of annualized premiums for new policies from internet applications after introducing Rakuten Points.

- **Q1/21 Automobile insurance**: +156% YoY
- **Q1/21 Fire insurance***: +106% YoY
- **Q1/21 Life insurance**: +25% YoY

*Fire insurance (Home Assist)
2021 ORICON Customer Satisfaction Survey No.1 in segment of female, life insurance ranking

Gaining customer loyalty with affordable insurance premiums and robust coverage.

Rakuten 楽天生命
Life insurance

スーパーマイト生命
スーパーマイト生命
スーパーマイト生命

終身保険 定期保険 医療保険

ずっとあんしん SUPER SUPER SUPER
Nagasaki / Matsuyama Business Center Opened

Aim to improve productivity by consolidating offices and optimizing work spaces.

9 offices → 2 offices

Tokyo, Osaka, Sapporo, Matsuyama

Nagasaki, Matsuyama

Expected results

Cost reduction (facility costs, etc.)
Productivity improvement (reduced redundancy)
Employee skill improvement
Business Alliance Discussions with Japan Post Group Underway

To improve customer service level in the insurance field through collaboration between the two groups

- Providing life insurance services through the post office network

- Unique products and services that utilize Rakuten’s data and Rakuten Points

- High business efficiency through DX / paperless promotion
FinTech: Payment
Rakuten Payment Highlights

Instant charging: Leveraging Rakuten Points to Expand the Rakuten Ecosystem

Rakuten Bank Account Payments: Creating a lineup of services that support diverse customer needs

Cryptocurrency charging: Bitcoin and other crypto assets enabled for purchases at brick-and-mortar stores across Japan and with Rakuten services
Instant Charging Benefits Both Users and Merchants

One-step operation realized: Complete over-the-counter payments simply by showing your point card in the Rakuten Pay app – without having to worry about points balance.

Greater convenience for customers

Reduced workload for merchants
Strategic Expansion of Rakuten Ecosystem

Replacing other traditional external payment methods with Rakuten services to further leverage Rakuten Points.

Example: Making a JPY 3,000 purchase using JPY 1,000 worth of Rakuten Points

<table>
<thead>
<tr>
<th>With traditional Rakuten Point Card</th>
<th>With instant charging</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rakuten service</strong></td>
<td><strong>Rakuten service</strong></td>
</tr>
<tr>
<td><img src="image" alt="R POINT" /></td>
<td><img src="image" alt="R POINT" /></td>
</tr>
<tr>
<td>1,000 points used</td>
<td>1,000 points used</td>
</tr>
<tr>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td><strong>External payment method</strong></td>
<td><strong>Rakuten service</strong></td>
</tr>
<tr>
<td><img src="image" alt="Cash" /></td>
<td><img src="image" alt="R Cash" /></td>
</tr>
<tr>
<td>Remaining JPY 2,000 paid with cash or other payment methods</td>
<td>Remaining JPY 2,000 paid via automatic Rakuten Cash charge</td>
</tr>
</tbody>
</table>
Further expanding the lineup of payment sources offered to meet a diverse customer needs through instant payments from Rakuten Bank accounts

<table>
<thead>
<tr>
<th>Payment source</th>
<th>Withdrawal timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rakuten Cash</td>
<td>Prepaid</td>
</tr>
<tr>
<td>Credit Card</td>
<td>Deferred payment</td>
</tr>
<tr>
<td>Rakuten Points + Rakuten Bank Account</td>
<td>Immediate payment</td>
</tr>
</tbody>
</table>
In collaboration with Rakuten Wallet, Rakuten Payment now offers a unique and advanced exit strategy approach for crypto assets.

Bitcoin & Other Crypto Assets Available for Purchases Usable in Physical Stores and Rakuten Services

- Charge without fees
- Use at affiliated offline stores nationwide
- Use on Rakuten Group services such as Rakuten Ichiba

- Bitcoin (BTC)
- Ethereum (ETH)
- Bitcoin Cash (BCH)
Mobile
<table>
<thead>
<tr>
<th>Rakuten Mobile Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerated customer acquisition: 4 million+ applications</td>
</tr>
<tr>
<td>Rakuten area expansion: 4G population coverage 80%+</td>
</tr>
<tr>
<td>New spectrum allocation: Expansion of 5G area coverage</td>
</tr>
</tbody>
</table>
**Rakuten UN-LIMIT VI**

The ideal plan for everyone.

**Data**

- **Up to 1GB**: 0 yen per month
- **Unlimited**: 2,980 yen per month (3,278 yen inc. tax)

*For the customer’s first line

*Unlimited data in the Rakuten network area. Unlimited data at max 1Mbps in the domestic roaming partner area after using allocated 5GB.*

Fee structure adjusts to monthly data use

- **Great value**
  - 0 yen/month
  - 1GB or less

- 980 yen/month (1,078 yen inc. tax)
  - 1-3GB

- 1,980 yen/month (2,178 yen inc. tax)
  - 3-20GB

- **More than 20GB**
  - Unlimited
  - 50GB or 100GB or more

*For first line only. Product purchases, option fees, calls, etc. will be charged separately. For the customer’s second line and onwards, data usage of between 0GB and 3GB will be charged at 980 yen per month (1,078 yen inc. tax). Unlimited high-speed data when connected to Rakuten base stations. To provide a fair service, restrictions on transmission speed may be implemented. Unlimited data at max 1Mbps after using the allocated 5GB for domestic roaming partner area and at max 128kbps after using the allocated 2GB for international roaming partner area.*

*At max 1Mbps, streaming video or downloading apps may take longer than usual. Transmission speed is best effort (the maximum speed of the standard). Actual transmission speeds may vary depending on the network environment.*
Acceleration of Customer Acquisition

Cumulative Number of Applications

Surpassed 4.0 million

(Announcement (Jan 29))

Rakuten UN-LIMIT

(million applications)

<table>
<thead>
<tr>
<th>Month</th>
<th>Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun/20</td>
<td>1.00</td>
</tr>
<tr>
<td>Jul/20</td>
<td>1.43</td>
</tr>
<tr>
<td>Aug/20</td>
<td>2.01</td>
</tr>
<tr>
<td>Sep/20</td>
<td>3.51</td>
</tr>
<tr>
<td>Oct/20</td>
<td>4.10</td>
</tr>
<tr>
<td>Nov/20</td>
<td>2.01</td>
</tr>
<tr>
<td>Dec/20</td>
<td>3.51</td>
</tr>
<tr>
<td>Jan/21</td>
<td>4.10</td>
</tr>
<tr>
<td>Feb/21</td>
<td>3.51</td>
</tr>
<tr>
<td>Mar/21</td>
<td>4.10</td>
</tr>
<tr>
<td>Apr/21</td>
<td>3.51</td>
</tr>
<tr>
<td>May/21</td>
<td>4.10</td>
</tr>
</tbody>
</table>

(As of May 11)
Base-station Deployment

More than 500 base stations will be installed on the roof of the post offices

About 400 base stations already installed

Customer Counter

Set up application counters in the event space in the post offices

Support for Marketing

Advertising utilizing the delivery network

*The picture is an image
Demonstration experiment scheduled around May 2021
Powering Customer Acquisition: Device lineup expansion

- iPhone 12 Pro Max
- iPhone 12 Pro
- iPhone 12
- iPhone 12 mini
- iPhone SE
As of end of Mar 2021

Achieved 80% 4G population coverage

* Night-time population coverage ratio

Google Data SIO, NOAA, U.S. Navy, NGA, GEBCO Landsat / Copernicus Data LDEO-Columbia, NSF, NOAA, SK telecom
Accelerating 5G service rollout

Sep 2020
- 5G service started in selected regions

Mar 2021
- Over 1,000* 5G base stations nationwide
- 5G service in all 47 prefectures

Apr 14, 2021
- Allocation of 1.7GHz spectrum for 5G from MIC
  (Areas excluding Tokyo, Nagoya and Osaka)

2021 Q2
- Introduction of 5G SA (Stand Alone)

*Number of base stations including indoor and outdoor sites
Rakuten Mobile Results

Mobile business quarterly results (Formerly Mobile Segment)

(JPY mm)

* Formerly Mobile segment includes Rakuten Communications, MNO business, MVNE & O businesses, Rakuten Viber, and Energy businesses.
The longer the service is used, the more data is consumed

Data traffic per Rakuten Mobile subscriber

+42%

+1 month  +9 months

* Comparison of data usage per user in one month after the application and nine months after the application of users who applied for Rakuten mobile in June and July 2020
Mobile Technology
Introduction of Innovations for Telco Industry

- Global Open RAN Leadership
- Highly Advanced Edge Network
- Efficient Operations by Automation
Improvement in Network Performance

Recognized for best Voice App Experience and Upload Speed Experience in Japan, based on independent analysis

Oct 2020*¹

April 2021*²

Mobile Experience Awards, Japan

*¹ Opensignal Mobile Network Experience Report October 2020 for Japan based on independent analysis of mobile measurements recorded during the period June 1 – August 29, 2020 © 2020 Opensignal Limited

Highly Advanced Large Mobile EDGE Data Network

Data Center Architecture
- Edge Data Centers: +1,000s
- Regional Data Centers: 50+
- Central Data Centers: 3

IP Transport Architecture
- Fronthaul Network
- Backhaul Network: 8 Tbps
- Core Network: 5,061 Km
- Transport Capacity: 8 Tbps
- Fiber Length: 5,061 Km
Recognition for Rakuten Mobile’s Highly Automated Network

*Source: The Layer123 Europe: 360°Network Automation Congress, Network Automation Recognition Awards 2021*
Communication App to Consolidate Rakuten Group Solutions

**Communication**
- Chat
- Voice Call
- Video Call

**Frequency**
- Traffic Generation

**Rakuten’s Open Ecosystem**
- News
- Wallet
- Discovery

**Retention, Conversion**
- Membership loyalty, Cross Use Enhancer

**Communication Features**
- Chat
- AI Chat (CS)
- Call

**Eco-system Features**
- News
- Wallet
- Discovery

*Image shows various features and icons related to communication and ecosystem services.*
Global Deployment of Cloud-native 5G Network

Rakuten Communications Platform

RCP E2E Full Stack View

- **ADVANCED OFFERINGS**
  - CONNECTIVITY- AAS
  - NETWORK- AAS
  - COMMUNICATIONS-() AAS
  - OPERATIONS- AAS

- **DIGITAL EXPERIENCE**
  - MARKETPLACE
  - BSS
  - IT APPS
  - PRODUCTS & SERVICES

- **OPERATIONS**
  - OSS
  - ORCHESTRATION
  - SECURITY
  - ADVANCED ANALYTICS
  - AI/ML

- **NETWORK FUNCTIONS**
  - RAN
    - vDU
    - vCU
  - CORE
    - vEPC
    - v5GC
    - vIOT
    - vRCS
    - vIMS
    - vUC
  - CLOUD ORCHESTRATION
    - RGSe
  - CONTAINER
    - RGS

Rakuten Mobile Migration to RCP

- All 5G on RCP
- 4G on-going

RCP Global Presence

- 1,500+ R&D Engineers
- 50+ Eco-System Partners
- 3 Global Offices

Key Design Principles

- Exchange and consumption of products and services
- Intuitive and simple digital experience
- Advanced automation for touchless operations
- 100% disaggregation from hardware
- Open architecture
- 100% COTS hardware
- Elasticity with containers to scale at low cost
Marketing Strategy
Rakuten Ecosystem Supporting Growth of the Rakuten Group

**MAU growth**
Number of monthly active users

**+14.0% YoY**

**Ratio of users of 2 or more services**

*1 Comparison of average monthly active users during Jan-Mar 2020 versus Jan-Mar 2021.

*2 Percentage of users of 2 or more services in the past 12 months divided by the number of users of all services in the past 12 months (as of the end of March 2021). (Limited to the use of services that can earn Rakuten Points.)
New User Acquisition Through Rakuten Mobile

Changes in the share of new Rakuten members among Rakuten Mobile subscribers (cumulative total).*

*Percentage of users new to Rakuten services among Rakuten Mobile subscribers who signed a contract between March 2020 and March 2021 (per subscriber).
Expansion of Cross-Use Through Rakuten Mobile

Customers who had not used the following Rakuten services before subscribing to Rakuten Mobile...

<table>
<thead>
<tr>
<th>Service</th>
<th>Probability of Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rakuten Ichiba</td>
<td>one in three</td>
</tr>
<tr>
<td>Rakuten Pay</td>
<td>one in six</td>
</tr>
<tr>
<td>Rakuten Card</td>
<td>one in seven</td>
</tr>
<tr>
<td>Rakuten 楽天銀行</td>
<td>one in ten</td>
</tr>
</tbody>
</table>

...began using the respective services above within 6 to 12 months of signing a Rakuten Mobile contract.

*Percentage of Rakuten Mobile users who began using the respective Rakuten service(s) within 6 to 12 months of signing a Rakuten Mobile contract and who had not previously used the same service(s).

*Applicable subscribers: Those who signed a contract between March and September 2020.
## Synergy between Rakuten Mobile and FinTech Services

Among Rakuten Mobile subscribers...

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rakuten Card</td>
<td>65%</td>
</tr>
<tr>
<td>Rakuten 楽天銀行</td>
<td>39%</td>
</tr>
<tr>
<td>Rakuten Pay</td>
<td>34%</td>
</tr>
<tr>
<td>Rakuten 楽天証券</td>
<td>17%</td>
</tr>
</tbody>
</table>

have used FinTech services.

*Percentage of users among Rakuten Mobile subscribers who have used the respective service(s) as of March 2021.

Expansion of Multiple Services Through Rakuten Mobile

- Sports
- Digital Content
- Mobile
- E-Commerce
- Ads
- FinTech
Ad Business
Ad Business Highlights

Ad revenue growth exceeded internet ad industry average
Q1/21: +24.5% YoY

Ad placements for consumer goods manufacturers and other major brands are expanding due to accelerated digital transformation

Rakuten holds top share of advertising on EC platforms
Rakuten’s Ad Business

100+mm Rakuten IDs and accumulating both on/offline data based on those IDs

Online

- Rakuten
- Rakuten Travel
- Rakuten GORA
- Rakuten Super Point Screen
- and more

Offline

- Rakuten Point
- Rakuten Edy
- Rakuten Pasha
- Rakuten Pay
- Rakuten Card
- and more
Ad Business: Q1/21 Revenue*1

Rakuten ad revenue growth exceeded internet ad industry standards.

*1 Revenue includes internal transactions.
*2 Source: METI “Indices of Tertiary Industry Activity, Advertising Industry”
Ad Business: Q1/21 Growth Analysis

Due to strong e-commerce business performance, ad revenue on Rakuten Ichiba and other Rakuten Group services grew significantly.

[Advertisers] External (National brands)
+35.3% YoY
+22.4% YoY

[Inventory]
Internal (Rakuten Group)
+25.3% YoY
+6.5% YoY

Internal (Rakuten Ichiba merchants, etc.)
Steady Expansion of External Advertiser Ad Revenue

Online sales channels of major brands expanded due to the acceleration of digital transformation in response to the pandemic, contributing to overall growth.

Q1/21 Revenue

+32.1% YoY

Ichiba × External Advertising
Main clients revenue

Q1/21 Revenue

+93.4% YoY
External Advertising: Supporting Regional Revitalization through the Digital Transformation of Local Government

Supported regional revitalization by opening new regional antenna shops on Rakuten Ichiba and providing digital marketing solutions.

Q1/21 Government-related ad revenue +102.3% YoY
Internet Ad Market Overview

Internet ad expenditures grew steadily despite overall stagnation in the ad industry. EC platform advertising expenditures were especially strong, with Rakuten holding a large market share.

Internet Advertising Expenditures

JPY2.2tn (+5.9% YoY)

EC Platform Advertising Expenditures

JPY132.1bn (+24.2%YoY)

Approx. 55%

Rakuten Share*²

*¹ Source: Dentsu “Internet advertising expenditures in 2020”
*² Rakuten estimation.
Consolidated Results
FY2021 Q1 Financial Highlights

Strong Consolidated Revenue Growth: +18.1% YoY

Financial Strategy: Third-party allotment and issuance of permanent subordinated bonds

Massive Expansion of the Rakuten Ecosystem: Membership value +42.6% YoY
## Q1/21 Consolidated Results Summary

<table>
<thead>
<tr>
<th></th>
<th>Q1/20</th>
<th>Q1/21</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>331.4</td>
<td>391.5</td>
<td>+18.1%</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Income</strong></td>
<td>-18.1</td>
<td>-31.6</td>
<td>-13.4</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Income</strong></td>
<td>29.0</td>
<td>41.9</td>
<td>+44.4%</td>
</tr>
<tr>
<td>Excluding Mobile, Logistics and Investment Business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IFRS Operating Income</strong></td>
<td>-24.1</td>
<td>-37.3</td>
<td>-13.3</td>
</tr>
</tbody>
</table>
Q1/21 Non-GAAP Operating Income Breakdown

Q1/20 Operating Loss

-18.1

Q1/20 Operating Income (excl. loss from Minority Investment)

-14.7

FinTech

+4.7

Q1/20 Loss from Minority Investment

-3.4

Domestic EC (excl. logistics related investments, costs, etc.)

+2.4

Others*2 (excl. Minority Investment business, Rakuten Rewards rebranding costs, etc.)

-4.0

Q1/21 Operating Income (excl. upfront investments for future growth, Mobile, loss from Minority Investment)

+3.6

Profit from Minority Investment

31.2

Mobile (excl. NBA broadcasting rights*1, etc.)

-61.1

Q1/21 Operating Loss

-31.6

Upfront investments for future growth
- Logistics-related investments, costs: -0.3bn
- Rakuten Rewards (Ebates) rebranding costs: +0.6bn
- NBA broadcasting rights*1: +0.5bn
- Consolidation adjustment: +1.6bn, etc.

*1 NBA broadcasting rights are included in Mobile segment due to Segment change in Q4/20

*2 “Others” segment mainly includes overseas EC businesses
# Q1/21 Operating Income to Net Income Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>Q1/20</th>
<th>Q1/21</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-GAAP Operating Income</td>
<td>-18.1</td>
<td>-31.6</td>
<td>-13.4</td>
</tr>
<tr>
<td>Amortization of Intangible Assets (PPA)</td>
<td>-2.6</td>
<td>-2.6</td>
<td>+0.0</td>
</tr>
<tr>
<td>Stock Based Compensation</td>
<td>-3.3</td>
<td>-3.2</td>
<td>+0.1</td>
</tr>
<tr>
<td>One-off items</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IFRS Operating Income</td>
<td>-24.1</td>
<td>-37.3</td>
<td>-13.3</td>
</tr>
<tr>
<td>Finance Income/Expense</td>
<td>-4.2</td>
<td>1.9</td>
<td>+6.1</td>
</tr>
<tr>
<td>Gain/Loss on Equity Method</td>
<td>-7.6</td>
<td>17.6</td>
<td>+25.2</td>
</tr>
<tr>
<td>Net Income before Tax</td>
<td>-35.8</td>
<td>-17.9</td>
<td>+18.0</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>-0.5</td>
<td>7.7</td>
<td>+8.2</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>0.1</td>
<td>0.4</td>
<td>+0.4</td>
</tr>
<tr>
<td>Net Income</td>
<td>-35.3</td>
<td>-25.1</td>
<td>+10.2</td>
</tr>
</tbody>
</table>
Third-Party Allotment Transaction Overview and Use of Proceeds

Raised JPY 242.3bn which will be used to finance Rakuten Mobile, Inc., the keystone of the Rakuten Ecosystem.

- **Amount of funds raised:** JPY 242.3bn
- **Total # of common shares:** 211,656,500
- **# of newly issued common shares:** 139,737,600
- **# of disposed treasury stocks:** 71,918,900
- **Dilution rate:** 13.4%*

* Based on the number of shares outstanding after the third-party allotment: 13.4% = Number of shares offered through the third-party allotment / Number of shares outstanding after the third-party allotment

* Based on the number of voting rights outstanding before the third-party allotment: 15.5% = Number of voting rights increased by the third-party allotment / Number of voting rights outstanding before the third-party allotment
**Issuance of foreign currency-denominated perpetual subordinated bonds**

Funds to be used mainly for capital expenditure in the mobile business.

<table>
<thead>
<tr>
<th>Bond Name</th>
<th>Condition decision date (Payment Date)</th>
<th>Issue Amount</th>
<th>IFRS accounting treatment</th>
<th>Equity credit by rating companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undated Subordinated NC5 Fixed Rate Reset Notes</td>
<td>April 15, 2021* (April 22)</td>
<td>USD 750mm</td>
<td>100% as equity</td>
<td>50%</td>
</tr>
<tr>
<td>Undated Subordinated NC6 Fixed Rate Reset Notes</td>
<td>April 15, 2021* (April 22)</td>
<td>EUR 1bn</td>
<td>100% as equity</td>
<td>50%</td>
</tr>
<tr>
<td>Undated Subordinated NC10 Fixed Rate Reset Notes</td>
<td></td>
<td>USD 1bn</td>
<td>100% as equity</td>
<td>50%</td>
</tr>
</tbody>
</table>

* EST (Eastern Standard Time) and GMT (Greenwich Mean Time)
External Expansion of Rakuten Ecosystem Through Collaboration with Partners

Consolidate restaurant-related businesses into Gurunavi and provide comprehensive food services. Continue to collaborate with Gurunavi through collaboration on Rakuten ID and Rakuten Points, aiming to expand the Rakuten Ecosystem outside the Group.

Company Split
Effective date (planned)
July 1, 2021

Service that allows customers to order from a wide range of menus from over 12,000 stores nationwide.

Takeout support service for restaurants that allows customers to pre-order and pay for restaurant products and pick them up at the store at a specified time.
Massive Expansion of the Rakuten Ecosystem

Consistent growth towards target membership value of JPY 10tn.

* Mobile business is not included in the above calculation