FY2021 Second Quarter
Consolidated Financial Results

August 11, 2021
Rakuten Group, Inc.
FY2021 Q2 Financial Highlights

Strong Consolidated Revenue Growth: +15.8% YoY.
Non-GAAP operating income (Excluding Mobile, Logistics and Investment Business) +35.6% YoY.

Financial management balancing financial soundness and growth investment.

Massive Expansion of the Rakuten Ecosystem: Membership value is JPY 7.4 tn.
Revenue increased by double digits YoY due to strong growth in Rakuten Ichiba and FinTech business.

### Q2/21 Consolidated Results Summary

<table>
<thead>
<tr>
<th></th>
<th>Q2/20</th>
<th>Q2/21</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>347.3</td>
<td>402.2</td>
<td>+15.8%</td>
</tr>
<tr>
<td>Non-GAAP Operating Income</td>
<td>-32.6</td>
<td>-59.5</td>
<td>-27.0</td>
</tr>
<tr>
<td>Non-GAAP Operating Income Excluding Mobile, Logistics and Investment Business</td>
<td>34.6</td>
<td>46.9</td>
<td>+35.6%</td>
</tr>
<tr>
<td>IFRS Operating Income</td>
<td>3.3</td>
<td>-63.5</td>
<td>-66.9</td>
</tr>
</tbody>
</table>
## Q2/21 Non-GAAP Operating Income Breakdown

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2/20</th>
<th>Q2/21</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic E-Commerce</td>
<td>11.2</td>
<td>17.2</td>
<td>+5.9</td>
</tr>
<tr>
<td>Others</td>
<td>-12.5</td>
<td>0.2</td>
<td>+12.7</td>
</tr>
<tr>
<td>Internet Services Segment</td>
<td>-1.3</td>
<td>17.3</td>
<td>+18.7</td>
</tr>
<tr>
<td>FinTech Segment</td>
<td>21.3</td>
<td>22.5</td>
<td>+1.3</td>
</tr>
<tr>
<td>Mobile Segment</td>
<td>-53.8</td>
<td>-99.7</td>
<td>-45.9</td>
</tr>
<tr>
<td>Adjustments</td>
<td>1.3</td>
<td>0.3</td>
<td>-1.0</td>
</tr>
<tr>
<td>Non-GAAP Operating Income</td>
<td>-32.6</td>
<td>-59.5</td>
<td>-27.0</td>
</tr>
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<td>34.6</td>
<td>46.9</td>
<td>+12.3</td>
</tr>
</tbody>
</table>

(Excluding Mobile, Logistics and Investment Business) (JPY bn)
Expanding operating income of core business

Strong growth in Non-GAAP operating income excluding Mobile, Logistics and Investment Business.

Non-GAAP operating income (Excluding Mobile, Logistics and Investment Business) trend

(USD bn)
Users who have completed the one-year free campaign have gradually started being billed, and MNO telecom sales are beginning to contribute to revenue.

<table>
<thead>
<tr>
<th></th>
<th>Q1/21</th>
<th>Q2/21</th>
<th>QoQ</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>55,805</td>
<td>51,462</td>
<td>-4,343</td>
<td>• Energy business sales ↓</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Mobile business MNO telecom sales ↑</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Mobile business MVNO telecom sales ↓</td>
</tr>
<tr>
<td>Operating Income</td>
<td>-97,596</td>
<td>-99,686</td>
<td>-2,090</td>
<td>• Mobile business Depreciation cost ↑</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Mobile business Roaming cost ↑</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Mobile business Point cost ↓</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Energy business COGS ↓</td>
</tr>
</tbody>
</table>
Initiatives that consider Financial Soundness

Thorough financial management which strikes the right balance between financial soundness and growth investment.

**Policy**

- Adhering to financial management that takes into consideration the level of equity capital
- Prioritize funding source that do not depend on interest-bearing debt
- Aggressive exit of investment business
- Thorough business management by the Business Portfolio Committee
- Promote business selection and concentration, considering the role played within the Rakuten Ecosystem

**Results**

- Third-party allotment: Raised JPY 242.3 bn (Mar/2021)
- Foreign currency-denominated perpetual subordinated bonds: Raised Approx. JPY 320 bn (Apr/2021)
- Consolidated Ratio of total equity attributable to owners of the Company to total assets: 4.9% (end of Dec/2020) → 7.9% (end of Jun/2021)

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1. Monetization of Lyft shares using Collar (Variable Prepaid Forward Sales) Transaction
2. Sale of Upstart in June-July 2021
3. Exit of Marketplace business (formerly Buy.com) in the United States and switches to an open EC model (Rakuten Rewards)
4. Exit of Marketplace business in Germany and consolidates into membership-based online reward sites in the United Kingdom, Spain and Germany
Massive Expansion of the Rakuten Ecosystem

Consistent growth towards target membership value of JPY 10tn.

* Mobile business is not included in the above calculation
Domestic E-Commerce Highlights

Domestic e-commerce GMS achieved double-digit growth of 12.2% YoY, Shopping e-commerce GMS continues to expand as trends remain unchanged.

Shoppers continue to use Rakuten Ichiba more and more, and the user retention rate remained steady in Q2/21. Also achieved expanded cross-use of other Rakuten e-commerce services.

Continuously enhancing our logistics strategy and creating a more appealing platform for users and merchants in order to meet growing consumer demand for e-commerce services and realize further growth.
Domestic E-Commerce / Shopping E-Commerce GMS*1*2

Domestic E-commerce GMS maintained double digit growth in Q2/21, despite the added impact of last year's stay-at-home demand. Shopping E-commerce GMS trends remained unchanged and continued to expand from the previous year.

Q2/21 Domestic E-Commerce GMS

JPY 1.2tn
+12.2% YoY

Q2/21 Shopping E-Commerce GMS

+23.6% YoY

2 Year CAGR

*1 Domestic e-commerce GMS comprised of Ichiba, Travel GTV on checkout basis, Books, Golf, Fashion, Dream businesses, Beauty, Delivery, Rakuten 24 and other direct daily necessities shops, 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, Rakuten 24 and other direct daily necessities shops, Rakuten Seiyu Netsuper) + Open EC (Rebates, Rakuten Pay online payments) + Rakuma
Domestic E-Commerce Results*

*(Domestic e-commerce = Ichiba, Travel, Books, Golf, Rakuten Fashion, Dream businesses, Beauty, Delivery, Rakuten 24 (daily necessities), Logistics, Auto business, Rakuma, Rebates, etc.)*

**Revenue +23.3% YoY**

**Operating Income +52.9% YoY**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (JPY mm)</th>
<th>Operating Income (JPY mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/19</td>
<td>116,072</td>
<td>12,158</td>
</tr>
<tr>
<td>Q3/19</td>
<td>126,000</td>
<td>14,902</td>
</tr>
<tr>
<td>Q4/19</td>
<td>132,152</td>
<td>12,318</td>
</tr>
<tr>
<td>Q1/20</td>
<td>124,183</td>
<td>10,560</td>
</tr>
<tr>
<td>Q2/20</td>
<td>132,681</td>
<td>11,239</td>
</tr>
<tr>
<td>Q3/20</td>
<td>148,742</td>
<td>15,417</td>
</tr>
<tr>
<td>Q4/20</td>
<td>178,528</td>
<td>20,976</td>
</tr>
<tr>
<td>Q1/21</td>
<td>158,263</td>
<td>12,650</td>
</tr>
<tr>
<td>Q2/21</td>
<td>163,607</td>
<td>17,182</td>
</tr>
</tbody>
</table>
Q2/21 Domestic E-Commerce Operating Income Breakdown

(JPY bn)

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

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

Logistics-related investments and costs, etc.

Q2/20 Domestic E-Commerce Operating Income: 11.2
Q2/21 Domestic E-Commerce Operating Income (Excl. logistics-related investments/costs): 15.6
Q2/21 Domestic E-Commerce Operating Income: 17.2

+6.1
-1.7
+1.6
Since launch, Rakuten Ichiba has continued to evolve and grow by creating an appealing platform for both customers and merchants.

UI/UX Improvements, introduction of common free shipping threshold, reflecting feedback from customers/merchants, safety and security initiatives, SDGs* initiatives and more

*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). (Source: Ministry of Foreign Affairs of Japan website.)
Continuous Expansion of Rakuten Ichiba User Base

The number of Rakuten Ichiba users increased greatly throughout 2020. This trend currently unchanged in 2021, and our user retention rate is progressing steadily.

Number of users who made at least one purchase in three months

<table>
<thead>
<tr>
<th>Number of users</th>
<th>Number of users who made a purchase on Ichiba in Q1/21</th>
<th>Ratio of users who made a purchase on Ichiba in Q1/21 repeating in Q2/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7 8</td>
<td>9 10 11 12 13 14 15 16</td>
<td>Approx. 76%</td>
</tr>
</tbody>
</table>
Rakuten Ichiba Expansion of Loyal Users

Ratio of loyal users* has been continuously growing even after entering 2021.

* Loyal users: Users who purchase 36 times in 3 years
The expansion of e-commerce users has led to higher cross-use with Rakuten Ichiba and our other e-commerce services.

Q2/21 number of users who cross-use Rakuten Ichiba with other Rakuten e-commerce services

+63.6% YoY

+30.9% YoY

+12.9% YoY
The growing number of Rakuten Ichiba users has led to the expansion of our other e-commerce services’ user bases as well.

**Other E-Commerce Service User Numbers Also Continue to Expand**

The following table shows the YoY growth of the number of users for Rakuten e-commerce services in Q2/21:

- **Rakuma**: +20.0% YoY
- **Rakuten Fashion**: +34.3% YoY
- **Rakuten SEIYU**: +43.9% YoY
- **Rakuten Travel**: +75.7% YoY

*YoY growth of number of cumulative users since service launch as of Q2/21
*YoY growth of number of users who made one or more purchase in Q2/21 (non-cumulative)
*YoY of number of cumulative purchasers in Q2/21
*YoY of number of users booked in Q2/21 (non-cumulative)
Rakuten Covers Various Categories of Household Necessity Consumption

Market size by product

Food, Daily necessities, Furniture, Home appliances, Culture & Recreation goods
JPY 90.82tn

Clothing & Footwear
JPY 9.36tn

Private transportation, etc.
JPY 8.89tn

Meals outside the home • Recreation
JPY 24.18tn

Books, etc.
JPY 3.68tn

Personal care services
JPY 3.42tn

*Rakuten Travel
*Rakuten GORA
*Rakuten Car
*Rakuten Fashion
*Rakuten SEIYU
*Rakuten MAGAZINE
*Rakuten kobo
*Rakuten BEAUTY

Logistics Strategy for Further Growth of E-Commerce Business

Challenges

- Expand logistics network to capture growing e-commerce demand
- Provide safe and reliable service to users
- Logistics support for Ichiba merchants

Strategies

- Increase fulfillment center coverage
- Introduced common free shipping threshold for worry-free shopping experience

Goals

- Merchant Revenue Growth = Further Growth of Rakuten Ichiba
- Improve user convenience
- Enhance cost and operational efficiency for merchants

Share of merchants introduced: approx. 90% (At the end of June 2021)
Rakuten Ichiba’s NPS®, which can be used to measure user loyalty, improved dramatically throughout 2020 and to this day, due to the introduction of a common free shipping threshold and initiatives such as logistics strategies to improve user convenience.

Rakuten Ichiba NPS® June 2021 vs. January 2020

+9.0 points

*Net Promoter Score. NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems.

Agreed on partnership with Daifuku. Building automated, labor-efficient fulfillment centers together.

Established New Joint Venture with Japan Post on July 1, 2021

Rakuten’s logistics business was succeeded by JP Rakuten Logistics, which became an equity method affiliate of Rakuten. Utilizing the assets of both companies, we are promoting the digital transformation of our logistics area and aiming to build a new logistics platform.

JP Rakuten Logistics, Inc.
Established

- Creation of seamless delivery network using existing centers
- Creation of shared logistics centers
- Creation of new digital transformation platform for logistics
Combining our existing Rakuten fulfillment centers seamlessly with Japan Post’s delivery network, we are creating an efficient logistics platform together.

Integrating Existing Fulfillment Centers Seamlessly with Japan Post

- Hirakata
- Chuurinkan
- Ichikawa II
- Nagareyama
- Narashino
- Ichikawa IV
- Kawanishi
- Sagamihara
- Rakuten SUPER LOGISTICS
- Rakuten 24
- Rakuten fulfillment centers (split to the new company)

Japan Post delivery network

- Approx. 1,500 large trucks
- Approx. 2,700 small trucks
- Approx. 24,000 post offices
- Approx. 29,000 delivery vehicles
- Approx. 200,000 employees
- Approx. 85,000 motorcycles

Plans to open by 2023

- Tama
- Yao
- Fukuoka

Approx. 29,000 delivery vehicles

Approx. 200,000 employees

Approx. 85,000 motorcycles

Approx. 24,000 post offices

Approx. 1,500 large trucks

Approx. 2,700 small trucks

Approx. 29,000 delivery vehicles

Approx. 200,000 employees

Approx. 85,000 motorcycles

Approx. 24,000 post offices
Launched Partnership with Daifuku Co., Ltd.

Collaborating from the planning phase, reducing maintenance and operations costs, and promoting more efficient fulfillment center construction.

Expediting the launch of fulfillment centers

Reducing operational costs
Expansion of Rakuten Super Logistics (RSL) Merchant and Shipment Volume

Q2/21 Merchants using RSL

+79.0% MoM

Q2/21 RSL shipment volume

+72.9% YoY

*As of end of June 2021
Anticipating Further Expansion of Rakuten Seiyu Netsuper

2020 Supermarket industry total sales
Approx. JPY $24$tn$^1$

2020 Food market EC penetration
Approx. $3\%$ $^2$

Rakuten Seiyu Netsuper
FY2025 GMS Target
JPY $100$bn$^+$

$^1$ National Supermarket Association of Japan, 2021 Supermarket White Paper
$^2$ Ministry of Economy, Trade and Industry “2020 E-Commerce Market Survey”
Due to the launch of our Kohoku logistics center, the GMS of shipping from fulfillment centers continues to grow significantly.

Expansion of Rakuten Seiyu Netsuper

Q2/21 GMS

+28.4% YoY

Q2/21 GMS shipping from logistics centers

+74.2% YoY
Expansion of Rakuten Seiyu Netsuper

In order to respond to growing demand, we will continue to launch Netsuper-dedicated fulfillment centers.

Osaka Ibaraki Center
To start full-scale operation in 2022

Kanagawa Kohoku Center
Started operation in Jan 2021
FinTech / Rakuten Card Highlights

Accelerating the expansion of customer base through a Strong FinTech ecosystem anchored by Rakuten Card.

Rakuten Card shopping GTV achieved +34.0% YoY
Market share expanded to 21.1%.

Customer wallet share expansion strategy:
A Second Rakuten Card can now be issued.
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</th>
<th>YoY</th>
<th>Operating Income</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Card</td>
<td>68.7</td>
<td>+6.8%</td>
<td>10.8</td>
<td>+16.4%</td>
</tr>
<tr>
<td>Bank</td>
<td>25.8</td>
<td>+9.2%</td>
<td>7.5</td>
<td>+1.3%</td>
</tr>
<tr>
<td>Securities</td>
<td>20.6</td>
<td>+19.4%</td>
<td>3.4</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Insurance</td>
<td>26.8</td>
<td>-4.5%</td>
<td>2.3</td>
<td>+22.0%</td>
</tr>
<tr>
<td>Payment</td>
<td>9.7</td>
<td>+39.1%</td>
<td>-0.5</td>
<td>+0.1</td>
</tr>
<tr>
<td>Others</td>
<td>1.4</td>
<td>+1.9%</td>
<td>-0.8</td>
<td>-0.6</td>
</tr>
<tr>
<td>FinTech Total</td>
<td>153.2</td>
<td>+8.1%</td>
<td>22.5</td>
<td>+6.0%</td>
</tr>
</tbody>
</table>

*Insurance includes Life Insurance, General Insurance, Pet Insurance and Insurance Agency. Detailed data is shown in the Appendix.
*Payment = Rakuten Pay, Rakuten Edy, Point Partner, etc.
*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.
FinTech Overall Strategy

Expanding the customer base and profit base of Rakuten FinTech using Rakuten Card as an entryway.

*Includes the issuance of a second Rakuten card per cardholder, which started in earnest in June 2021.
FinTech Customer Base Expansion

Rakuten Cards Issued*

- 23mm
- Jun/2021

Rakuten Bank Accounts

- 11mm
- Jul/2021

Rakuten Securities Accounts

- 6mm
- May/2021

Includes the issuance of a second Rakuten card per cardholder, which began full-scale in June 2021.
Rakuten Card Shopping GTV +34.0% YoY, Market Share Expanded to 21.1%

Q2/21 card shopping Gross Transaction Value (GTV)*1

Card Shopping GTV market share in Japan*2

+34.0% YoY

21.1%

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.

Customer’s Wallet Share Expansion Strategy

Aiming to increase wallet share with our customers by issuing a second Rakuten Card, capitalizing on the expanding ratio of cashless payments in consumption.
Revenue and profit increased achieved through strong growth in service revenue due to an increase in the number of transactions

First online bank in Japan to reach 11mm accounts*
Shortest ever time frame for acquiring one million new accounts: six months

*Achieved 11 million accounts on July 4, 2021

Payroll account acquisition pace further increased, achieving + 65% YoY
Rakuten Bank Results

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.
The number of new accounts opened was further accelerated by consumers shifting online. One million new accounts were opened in approximately six months – the shortest-ever time frame for that milestone.

*Achieved 11 million accounts on July 4, 2021.
Total Deposit Balance Surpasses 6 Trillion Yen

Total balance of deposits is growing at an accelerated pace due to the increasing number of new accounts and the shift in deposits being made from other banks.
Significant Progress in Becoming More Customers’ Main Account

Along with a further increase in the pace of acquiring payroll accounts, customer use of Rakuten Bank accounts as a “main account” has also increased significantly.

Payroll account numbers YoY

Benefits of using Rakuten Bank as a payroll account*

*Entry (linking with Rakuten ID) to Rakuten Bank’s customer preferential program required.
Achieved double-digit revenue growth YoY in Q2/21: +19.4% YoY

Number of new accounts as of end of June 2021: 6.24 million
The number of new account is stability growing

New initiatives targeting specific demographics:
For asset building beginners: "Raku-Raku Investment" robo-advisory service
For active traders: System trading can be done using Microsoft Excel®
Rakuten Securities Results

Revenue grew by double digits YoY, despite a decline in overall trading volume of both Japanese and US equities compared to the first quarter. 

 Revenue +19.4% YoY
 Operating Income -6.3% YoY
We have succeeded in attracting investment beginners with strategies that leverage the Rakuten Ecosystem. The number of new account openings has been stability growing, reaching 6.24 million by the end of June 2021.

Total number of securities accounts by company

*Aggregated by Rakuten Securities based on public information available on each company’s website. SBI has not disclosed its current number of accounts, so the number of accounts as of the end of March 2021 is shown. Number of accounts with balance for Nomura Securities and Daiwa Securities, total accounts for SMBC Nikko Securities.*
The expansion of our customer base is the best in the industry. The number of investment trust accounts is 1.64 million, of which 76% are paid for using Rakuten Card. The total saving amount increased 183.3% YoY to 58.9 billion yen per month.
New Robo-Advisor: Raku-Raku Investment

We started offering Raku-Raku Investment for investment beginners who are new to asset building. Users can be proposed an optimal portfolios by answering questions. Point investment, credit card payment, and NISA accounts are also available.

- By answering nine questions, users can be proposed an optimal portfolios appropriate for them
- Start investment with an optimized portfolio
- Also diversified investment and rebalancing using:
  - Rakuten Points
  - Rakuten Card credit payment
  - NISA (Nippon Individual Savings Account)
  - Tsumitate NISA
New MARKET SPEED II® Feature: Customized Trading with Microsoft Excel®

Added support for real-time spreadsheets (RSS) to our cutting-edge trading tool MARKET SPEED II®. From importing investment information to placing trade orders, system trading is now possible with Microsoft Excel® — no programming required.

Real-time spreadsheet (RSS) added to MARKET SPEED II®

Excel becomes a trading tool
Automatic trading your way with trade order functionality
Market information obtainable in Excel
Centralized management of position status and investment capacity
Insurance Business Highlights

Operating Income: JPY 2.3bn, +22% YoY.

Evolution of AI assistant "ARIA": Increasing operational efficiency through technology.

Two years since opening the Comprehensive Insurance Center: Cross-selling has increased **14 times**.
While revenue decreased slightly YoY, it has recovered since the previous quarter. Operating income increased 22% YoY due to improved insurance underwriting income and cost reductions.
In addition to strong online sales during the pandemic, face-to-face sales have grown by our “coexisting with COVID” strategy and new contract acquisition for both life and general insurance have grown steadily.

21/Q2 Life insurance New Sales (ANP)

21/Q2 General insurance New Sales (ANP)

*Excludes mortgage loan group credit life insurance.

*Personal products only.
ARIA (Assistant of Rakuten Insurance Agent), our AI assistant that supports agency operations, has evolved. We will continue to aim for operational efficiency through the implementation of technology.

**For agencies**

- Implemented operation support via voice commands
  - Post prospective customer lists
  - Check and add schedules

**For customers**

- Send automatically after drafting proposals
- Video explanations of proposals

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*List of prospective customers*
Established Comprehensive Insurance Center in June 2019

Borderless deployment of a streamlined marketing, operations and systems across three insurance companies.

- Marketing
- Call Center
- Systems
- Other Operations

One-Stop Service
Cross-Sell Subscribers Increased 14x After Comprehensive Insurance Center Opened

Sales, marketing and operations have improved dramatically as a result of borderless operations across three insurance companies.

New sales (ANP)*1
Marketing efficiency*2
No. of cross-sell subscribers*3
Paperless operation achievement rate

+70%
+32%
14x
95%

*3 Comparison of the total number of subscribers of two or more insurance companies out of Rakuten Life Insurance, Rakuten General Insurance and Rakuten Pet Insurance in June 2019 and June 2021.
Rakuten Payment Highlights

Rakuten Edy 20th Anniversary
Providing safe and secure services using technology and expertise gained over long history.

Strategically aligned services around Rakuten Cash as the central hub
Further maximizing the synergy of Rakuten Group assets.

Evolution of the Rakuten Pay App
Promoting cross-use by presenting related services – such as in-store check-in and point investment – before and after payment.
Rakuten Edy 20th Anniversary

Continuing to grow and evolve by providing safe and secure services, built on expertise and technology accumulated over many years.

More than 100 mm cumulative Edy cards issued
No. 1 in amount of electronic money issued in Japan

Empowering Edy merchants nationwide
Development of a large number of lifestyle-based services throughout Japan

Strong security
Implementation of fraud countermeasures based on expertise accumulated over long history
Strategically Aligned Services with Rakuten Cash as the Central Hub

Providing unique payment services that leverage Rakuten group assets, such as enabling the use of crypto assets at brick-and-mortar merchants.

Charge options distinguish Rakuten from its competitors
Launch of cutting-edge services

Group service collaboration
Rakuten Card
Rakuten 楽天銀行
Rakuma sales

Online and offline 5 mm locations
Brick-and-mortar merchants nationwide

Rakuten Group services
R Pay
R POINT
Rakuma Bank

Interchangeable
* To be released in the future

Cryptocurrency charging
Instant charging

Charge
Use
Rakuten Pay App Evolves to Offer Options that Meet a Diversity of User Needs

We are strengthening our UI by linking to more enticing features centered on safe and easy payment services.

Presentation of related services to promote cross-use

- Obtain coupons
- In-store check-in
- Earn points with receipts
- Invest using Points
- Check credit card transaction history
- Check bank account balance
- Seamless golf course check-in

To be released this summer
Global recognition of network technology and performance: Two Global Mobile (GLOMO) Awards

Rakuten UN-LIMIT VI: Most popular destination plan among new pricing plans*

* Survey conducted by Ministry of Internal Affairs during 1-3 June 2021 on mobile phone users who have migrated to the new pricing plans announced or launched after winter of 2020.

Rakuten Mobile 4G area expansion: Population coverage surpassed 90%
Global Recognition of Rakuten Mobile’s Network Technology and Performance

Rakuten Mobile won two awards at GSMA’s 2021 Global Mobile (GLOMO) Awards during the 2021 Mobile World Congress Barcelona.

Best Mobile Technology Breakthrough

CTO Choice: Outstanding Mobile Technology Award
Global Recognition of Rakuten Mobile’s Network Technology and Performance

Third party report from umlaut shows Rakuten’s high network quality

Nationwide Rakuten Mobile network in global comparison*

*Research conducted by umlaut SE, June 2021, “OpenRan Audit Report”
Steady Expansion of Customer Base

Customer base expanded steadily. Q2/21 growth was affected by the last-minute demand in Q1/21 due to conclusion of the one-year free campaign in April.

Cumulative Number of Applications

(million applications)
Rakuten UN-LIMIT VI Highly Competitive against Other New Plans

MIC survey*¹ shows Rakuten UN-LIMIT VI was the most popular destination plan among the new pricing plans*² announced or launched after winter of 2020.

Users who switched to new pricing plans chose…
(Calculated by Rakuten excluding migrations between different brands and plans within same group company*³)

Other new pricing plans

ahamo + povo + LINEMO + UQ mobile + Y!mobile

*¹ Survey conducted by Ministry of internal affairs during 1-3 June 2021 on mobile phone users who have migrated to the new pricing plans announced or launched after winter of 2020.

*² Applicable plans: NTT docomo: ahamo (20GB online plan), KDDI (au) povo: (20GB online plan), softbank: LINEMO (20GB online plan), Rakuten mobile: Rakuten UN-LIMIT VI (unlimited), UQ mobile: plan S (3GB), M (15GB), L (25GB), Y!mobile: simple S (3GB), M (15GB), L (25GB), IIJmio: IIJmio mobile service GigaPlans (2GB, 4GB, 8GB, 15GB, 20GB), mineo: mypita (1GB, 5GB, 10GB, 20GB), Japan Communications: reasonable plan (20GB), and other plans

*³ Migrations from docomo to ahamo, from au and UQ mobile to povo and UQ mobile, from Softbank and Y!mobile to LINEMO and Y!mobile, from IIJmio to IIJmio (new plan), from mineo to mineo (new plan) are considered migrations within the same group company
**Ratio of MNP Subscribers is Increasing**

The ratio of users migrating from other carriers (MNP) has been consistently increasing, whereas the ratio of users applying for new numbers has been declining. MNP users show higher data use and ARPU, larger LTV, and less churn.

Monthly ratio of applications through MNP vs New

- +30 points YoY
- -40 points YoY

(%)
Rakuten Mobile’s Network Expands

96% population coverage in sight in 2021 as soon as semiconductor supply issue recovers
Estimated population coverage including sites with contracts signed have already reached 96% coverage

90%+

4G population coverage

As of end of June 2021

* Night-time population coverage ratio
* The area map may not match the actual population coverage depending on the timing of aggregation and others

Google Data SIO, NOAA, U.S. Navy, NGA, GEBCO. Landsat/Copernicus Data LDEO-Columbia, NSF, NOAA, SK Telecom
Mobile Segment* Results

Revenue recognition for users who completed the one-year free campaign has started in sequence. Roaming fees and network related costs increased QoQ as subscribers increased and base station build-out plan proceeded.

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

* Rakuten Kobo, Rakuten Viki, Rakuten Viber, and others moved from mobile segment to internet service segment from Q2/21.
We are successfully executing Phase 1 in our Journey at Rakuten Mobile.

Our Journey So Far

Apr 2018
Secured bandwidth approval from Japan’s Ministry of Internal Affairs and Communications

Nov 2018
5G trial at Rakuten Seimei Park Miyagi — Smart Stadium concept

Feb 2019
Network goes live!

Apr 2020
Full scale commercial launch of 1st cloud native end to end virtualized network

Apr 2019
5G Spectrum License granted

Jun 2020
Established a Singapore base to provide services, global expansion, and sales activities

Sep 2020
5G launch in Japan with the same price plan

Apr 2021
Internet is a human right: Launch of Rakuten UN–LIMIT VI

May 2021
Over 4 million applications
For Phase 2, we want to go global with Rakuten Symphony. It is our aim to become the leader in Open RAN technologies and the world’s largest cloud-native telco platform provider. Driving customer success with agile product development and delivery.
We learn Faster

Learning about ongoing improvements based on technological development and knowledge associated with Rakuten Mobile's service operations

10-15 New network features and services are introduced per month

5 Automation Scripts per day are released to network

2,000+ Software developers are codifying all our experiences

1,500+ Employees and partners are trained on cloud and new technologies weekly
We are Focused

Rakuten Symphony will be organized around five unique business opportunities

<table>
<thead>
<tr>
<th>Internet &amp; Ecosystem Services</th>
<th>Membership &amp; Loyalty Platforms</th>
<th>Media &amp; Gaming Platforms</th>
<th>Payment &amp; Finance Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Experience</td>
<td>Business Support System</td>
<td>Marketplace</td>
<td></td>
</tr>
<tr>
<td>Intelligent Operations</td>
<td>Operation Support Systems</td>
<td>Network &amp; Service Orchestration</td>
<td>Automation &amp; Artificial Intelligence</td>
</tr>
<tr>
<td>Network Functions</td>
<td>RAN</td>
<td>CORE</td>
<td>EDGE</td>
</tr>
<tr>
<td>Unified Cloud</td>
<td>Cloud Infrastructure</td>
<td>Cloud Orchestration</td>
<td></td>
</tr>
</tbody>
</table>
We acquired Open RAN Market Leader: Altiostar

**OpenRAN Technology Leadership**

<table>
<thead>
<tr>
<th>Carrier-grade Software</th>
<th>Better than 99.999% availability - Comprehensive QA with significant investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Algorithms</td>
<td>In-house development of all performance &amp; capacity algorithms supporting mMIMO, Macro &amp; small cells</td>
</tr>
<tr>
<td>Extensive Features set</td>
<td>LTE &amp; NR SW for Greenfield &amp; Brownfield networks supporting Sub-6 &amp; mmWave</td>
</tr>
<tr>
<td>100% In-house SW stack</td>
<td>Rapid development of new features and faster issue resolution</td>
</tr>
<tr>
<td>Strategic Partnerships</td>
<td>Leverage partnerships with Qualcomm &amp; Intel to support Split 2, 6 &amp; 7-2x based solutions addressing entire market</td>
</tr>
<tr>
<td>Interoperable partner ecosystem</td>
<td>Rich eco-system of interoperable cloud &amp; radio solutions – Broad choice for customers</td>
</tr>
<tr>
<td>Hardware</td>
<td>Production grade reference designs for 64T64R mMIMO, 4T4R O-RUs and FHGW (RIU)</td>
</tr>
<tr>
<td>IPR</td>
<td>40+ Patent Granted</td>
</tr>
</tbody>
</table>

**Talent Pool – Key Functions**

- **Radio Development & IOT**
- **US & India Based Leadership**
- **Software QA**
- **Software Development**
- **Architecture & Algorithms**
- **Product Requirements & Standards**
- **Level-3 Support**
  - Local
We are Unique

Rakuten Symphony will redefine the telco landscape with its unique approach

- Broad Consolidated Application Portfolio
- Flexible and Easy-to-Integrate Solutions
- Transparent Prices - #NoMoreSecrets
- Automation Everywhere
Global momentum is building

Two main service models for RCP:
1. Provide certain parts of the RCP functionality as individual products to existing brownfield operators
2. Provide full stack of RCP solutions as a total product package for local deployment by greenfield operators
Groundbreaking Deals Signed

We are the prime NW Design, Development and Deployment Partner for 1 & 1 in Germany

**E2E Greenfield**
- Innovative and disruptive culture
- Similar network scope to RMI
- Cloud-native SW centric ORAN design principle

**Leveraging RCP Platform**
- Design-Build-Operate:
  - Access
  - Core
  - Cloud
  - OSS & Orchestrator and Automation

**Technology Validation**
- First Case out of Japan
- Credibility in industry
- Strengthening ecosystem influence
- Accelerating market adoption

**Future Opportunity**
- Industry leadership & disruption
- International expansion
- Creating Delivery team and Mobilization
- Brand reputation

We are the prime NW Design, Development and Deployment Partner for 1 & 1 in Germany.
Marketing Highlights

Rakuten group active users and cross-use ratio continue to grow

Rakuten Mobile is acquiring customers 4x faster than Rakuten Card

The ratio of new Rakuten members increased to 19% among Rakuten Mobile subscribers, which is acting as entry point to Rakuten ecosystem
The number of Rakuten group active users keeps growing while cross-use ratio steadily increases.

Monthly active user growth

(Number of monthly active users)

+12.5% YoY*1

Ratio of users of two or more services*2

73.9%

*1 Comparison of average monthly active users during April-June 2020 versus April-June 2021.

*2 Percentage calculated by dividing the number of users of two or more services in the past 12 months by the number of users of all services in the past 12 months (as of the end of June 2021). (Limited to the use of services that can earn Rakuten Points.)
Rakuten Mobile is acquiring customers more than four times faster than the rate of new cards issued by Rakuten Card.

*Rakuten Mobile vs Rakuten Card pace of customer acquisition since the service launch*

*Compares Rakuten Mobile's number of subscribers and Rakuten Card's number of new cards issued.*
Rakuten Mobile: Acquisition of New Rakuten Members

The ratio of **new Rakuten members**, who hold great potential to use other Rakuten services, increased to **19%** among Rakuten Mobile subscribers.

*Ratio of new Rakuten members among Rakuten Mobile subscribers (cumulative)*

*Ratio of Rakuten Mobile subscribers who had not previously used any Rakuten service among cumulative number of subscribers since March 2020.*
Expansion of Cross-Use through Rakuten Mobile

Of the customers who had never used the following Rakuten services before subscribing to Rakuten Mobile…

<table>
<thead>
<tr>
<th>Service</th>
<th>Ratio</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rakuten Ichiba</td>
<td>one in three</td>
<td></td>
</tr>
<tr>
<td>Rakuten Card</td>
<td>one in five</td>
<td></td>
</tr>
<tr>
<td>Rakuten Bank</td>
<td>one in nine</td>
<td></td>
</tr>
<tr>
<td>Rakuten Pay</td>
<td>one in ten</td>
<td></td>
</tr>
</tbody>
</table>

…began using the service within 12 months of subscribing to Rakuten Mobile.

*Ratio of Rakuten Mobile users who began using the respective Rakuten service(s) within 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 July and December 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 Pay</td>
<td>35%</td>
</tr>
<tr>
<td>Rakuten Bank</td>
<td>39%</td>
</tr>
<tr>
<td>Rakuten Securities</td>
<td>17%</td>
</tr>
</tbody>
</table>

…have used these FinTech services.

*Percentage of users among Rakuten Mobile subscribers who have used the respective service(s) as of June 2021.
*Applicable subscribers: Users who signed a contract between March 2020 and June 2021.
Rakuten Mobile Driving Increased Customer Loyalty

Ratio of **Diamond rank** members increased by **10 points** among Rakuten Mobile subscribers who have been subscribed for six months.

*Applicable subscribers: Those who signed a contract between July and December 2020.*
The average number of cross-use services increased 2.4 among Rakuten Mobile subscribers who have been subscribed for 6-12 months.

*Rapplicable subscribers: Those who signed a contract between July and December 2020. (As of June 2021)*

*RIncludes instances of Rakuten Mobile cross-use.
Ad Business Highlights

Ad revenue growth exceeded internet ad industry average Q2/21: +26.2% YoY

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

Expanded offline marketing by utilizing data, one of Rakuten’s greatest strengths.
Rakuten ad revenue growth exceeded internet ad industry standards.

Ad Business: Q2/21 Revenue*1

Rakuten
Internet
Ad industry*2

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (JPY bn)</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/20</td>
<td>30.2</td>
<td></td>
</tr>
<tr>
<td>Q3/20</td>
<td>31.0</td>
<td>+1.8%</td>
</tr>
<tr>
<td>Q4/20</td>
<td>38.7</td>
<td>+5.5%</td>
</tr>
<tr>
<td>Q1/21</td>
<td>36.9</td>
<td>+16.1%</td>
</tr>
<tr>
<td>Q2/21</td>
<td>38.1</td>
<td>+26.2%</td>
</tr>
</tbody>
</table>

*1 Revenue includes internal transactions.
*2 Source: METI “Indices of Tertiary Industry Activity, Advertising Industry”
Ad Business: Q2/21 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)**
- +22.7% YoY
- +34.4% YoY

**[Inventory] Internal (Rakuten Group)**
- +30.0% YoY
- +7.5% YoY

Internal (Rakuten Ichiba merchants, etc.)
Major brands’ online sales channels expanded due to the acceleration of digital transformation in response to the pandemic, contributing to overall growth.

Steady Expansion of External Advertiser Ad Revenue

Q2/21 Revenue

+25.3% YoY

External Advertisers

Internal Inventory

External Inventory

Internal Advertisers

External Advertisers: Ichiba × Main Clients

Q2/21 Revenue

+37.6% YoY
Offline Marketing Initiatives Leveraging Rakuten’s Strengths

Using data accumulated by Rakuten Group, we are helping advertisers send customers to offline stores, building customer loyalty and cultivating new customers.

- **Sending customers to offline stores**
  - Encouraging purchases at offline stores through Rakuten ID-based promotions

- **Building customer loyalty**
  - Increasing the number of repeat customers by deepening our understanding of user purchasing behaviors and maintaining continuous communication

- **Targeting new customers**
  - Cultivating new customers by delivering ads to users who are similar to repeat customers
  - Repeat customers
  - Users receiving advertisements
Offline Marketing Initiatives – Part 1

Rakuten is successfully achieving offline marketing at the point of purchase by analyzing extremely accurate demographic data of both online and offline users.

**Retail-linked data**
- R Pay
- R POINT
- R Edy

**Consumption behavior data**
- Key media of RMP - Omni Commerce
  Placing information for coupons and other special deals useable at offline stores

By increasing the number of offline contact points, we can determine how to place online advertisements that lead to purchases.

We can accumulate highly detailed purchase data from each individual receipt.
Offline Marketing Initiatives – Part 2

Retail-linked data
- Rakuten Pay
- Rakuten POINT
- Rakuten Edy

Online & offline stores accepting Rakuten Points

Consumption behavior data
- Monthly receipt data
- Approx. 5 million

Approx. 9 million receipts
100+mm Rakuten IDs and accumulation of both online and offline data based on those IDs

And more

Online

On/offline integrated marketing implementation

Offline

And more
Data / AI
Rakuten AI Platform Program

Vision: Empower the world by leveraging data to discover and realize value

<table>
<thead>
<tr>
<th>Customer Service</th>
<th>Business Consulting &amp; Application</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Communication Interface</td>
</tr>
<tr>
<td></td>
<td>Customer Management</td>
</tr>
<tr>
<td>AI Services</td>
<td>Acquisition to Increase Customers</td>
</tr>
<tr>
<td></td>
<td>Increase Customer LTV</td>
</tr>
<tr>
<td></td>
<td>Retention to Increase NPS</td>
</tr>
<tr>
<td>AI Flamework &amp; Tools</td>
<td>Digital Twin</td>
</tr>
<tr>
<td></td>
<td>Core Science &amp; AI: Customer, Language, Vision and Voice</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>AI/Data Democratization: Data Science Platform &amp; BI tools</td>
</tr>
<tr>
<td></td>
<td>Data Collection &amp; Platform</td>
</tr>
<tr>
<td></td>
<td>Infrastructure &amp; Cloud: One Cloud &amp; USDN</td>
</tr>
</tbody>
</table>
Rakuten empowers branding for makers and brands
Understanding what customers want

Discovering market opportunities based on demand signals

Enormous numbers of "demand signals" on our e-commerce services
Rakuten empowers companies and brands by offering branding support

Offering support with Rakuten media & AI solutions

Customer attributes

4,000+
IT / Security
Global Data Center Strategy
Building strong BCP and security perimeter globally

- Constructing own datacenter in Japan
- Global IP Backbone
- Renewable energy and energy efficiency
- Massive mobile edge with extensive facilities
Corporate
The Kobe Model: Mass Vaccination Operations Supported by Industry, Academia and Government

Host (Direct • Supervise)
KOBE

- Provide and set up facilities
- Dispatch staff
- Operate venue
- Offer benefits

Cooperation

Establish operations & systems
Dispatch medical personnel

Rakuten

Collaborate to solve challenges

Rakuten Medical

Combine facilities & systems
Coordinate with medical personnel
Request support from medical personnel

Noevir Stadium Kobe

Cooperation

Medical institutions

VISSEL KOBE

 Coordinate with medical institutions
Request support from medical personnel
### Rakuten’s Contribution to COVID-19 Vaccinations

<table>
<thead>
<tr>
<th>Kobe Model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vaccination for Kobe citizens</strong></td>
</tr>
<tr>
<td>➢ Close collaboration with Kobe City to set up venue operations, dispatch staff, and secure necessary supplies</td>
</tr>
</tbody>
</table>

**Noevir Stadium Kobe: Mass Vaccination Venue (5,000~10,000/day)**

<table>
<thead>
<tr>
<th>Rakuten Model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vaccination for employees and other stakeholders in 3 cities</strong></td>
</tr>
<tr>
<td>➢ Venue operations, staff dispatch, set up systems and secure necessary supplies</td>
</tr>
</tbody>
</table>

1. **Tokyo: Rakuten Crimson House Workplace Vaccinations (> 5,000/day)**
   - Conducted for JANE, affiliate companies, clients, essential workers in Setagaya Ward

2. **Sendai: Rakuten Seimei Park Miyagi Workplace Vaccinations (> 5,000/day)**
   - Drive-through operation
   - Conducted for Rakuten Ichiba/Travel clients, SMEs in the neighborhood

3. **Fukuoka: Marine Messe Fukuoka Workplace Vaccinations (> 5,000/day)**
   - Conducted for local Rakuten Ichiba/Travel clients, SMEs

<table>
<thead>
<tr>
<th>Nationwide Rollout</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expertise shared to accelerate the nationwide vaccination rollout</strong></td>
</tr>
<tr>
<td>➢ Provide venue setup and operational to local governments, companies and organizations</td>
</tr>
</tbody>
</table>

- Local governments
- Companies
- Onsen Resort etc.
Achievement of Safe and Productive Vaccinations

We received numerous requests from partners and other related parties to participate in Japan’s workplace vaccination program. Without impacting the existing plans of local governments and taking into consideration venue size and management staff we could provide, as well as the cooperation provided by medical institutions, we calculated the number of vaccinations we could provide and made an application to the authorities. We then launched the project according to the number of vaccines supplied in advance.

<table>
<thead>
<tr>
<th>Safety</th>
<th>Vaccination record*2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incidents</td>
<td>Kobe: 111 K *3</td>
</tr>
<tr>
<td>Productivity</td>
<td>Tokyo: 98 K *4</td>
</tr>
<tr>
<td>Lead time*1</td>
<td>Fukuoka: 15 K *4</td>
</tr>
<tr>
<td>3.5 mins</td>
<td>Sendai: 7 K *4</td>
</tr>
<tr>
<td></td>
<td>Total: 231 K</td>
</tr>
</tbody>
</table>

*1 Lead time measured from intake at reception to vaccination.

*2: As of July 29, 2021.
*3: Mass vaccination center hosted by local government.
*4: Rakuten-directed regional workplace vaccinations.
Group Productivity Improvement

Group Productivity Trend  (Excluding mobile, logistics and investment business)

Operating income per employee

2020 1H  | 2021 1H
---|---
| |

+52%

Operating income / total cost

2020 1H  | 2021 1H
---|---
| |

+46%
Corporate Productivity Improvement

Corporate productivity improvement initiatives

• Acceleration of Kaizen Activity Participation (QCC)

• Quality improvement enhancement

• Continuous cost reductions

Group HC/Corporate HC

(Excluding new grads and tech)

+11%

2020 1H* 2021 1H* *Average
Acceleration for Kaizen Activity Participation (QCC)

Participants

<table>
<thead>
<tr>
<th>Year</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>100 ppl</td>
</tr>
<tr>
<td>2018</td>
<td>369 ppl</td>
</tr>
<tr>
<td>2019</td>
<td>1,055 ppl</td>
</tr>
<tr>
<td>2020</td>
<td>2,488 ppl</td>
</tr>
<tr>
<td>2021*</td>
<td>3,609 ppl</td>
</tr>
</tbody>
</table>

Kaizen Catalog

- 692 items

Earnings (Total)

- 1,734 MM JPY

1H Topic
Kobe Mass Vaccination Operations Improvements

* As of July 1, 2021
Case: Lead Time Improvement QCC for COVID-19 Vaccination Center in Kobe

Lead time improvements to increase vaccination opportunities

Monitoring

Cycle time

Lead time to vaccination

Before

After

\[ \Delta 10\% \]

Vaccination record / day

5/31

6/30

3x
Rakuten Group’s Net Promoter Score (NPS®) vs Competition

Trend of Relative NPS®

Net Promoter Score (NPS) Survey: Conducted by Rakuten through external panel / May 2017 - Nov 2020
*NPS® is a registered trademark of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.
Popularity Ranking (New Grad Hires)

*Career + Ranking / Carrier+Shukatsu "Ranking for companies wishing to work"
*# of responses for 2021: 5,245
Popularity Ranking (Mid-Career Hires)

3rd → 2nd

*LinkedIn “Top Companies in Japan”
ESG Highlights

Reviewed list of ESG factors critical to Rakuten Group's sustainable growth

Achieved a renewable electricity usage ratio of 64.8% in 2020, keeping good momentum to achieve 2025 target of a 100%

Launched initiative to strengthen employee engagement through the use of digital tools
In 2017, we first created this list of important topics, known as *materiality*. In 2021, we updated it to reflect our latest business developments and changes in stakeholder expectations.
Rakuten's Sustainability Strategy and Four Focus Areas

In order to clarify Rakuten's vision and better define our role in transforming society in a beneficial way, we have categorized important issues into four areas.

Rakuten’s Mission: To Contribute to Society through Empowerment

Focus areas

- **Growing with our employees**
  - Diversity, Equality, Inclusion
  - Talent Attraction, Development & Retention
  - Responsible Labor Practices
  - Workplace Safety & Employee Wellness

- **Providing sustainable platforms & services**
  - Sustainable Production & Consumption
  - Responsible Advertising, Marketing, & Labeling
  - Internet Governance & Freedom of Speech

- **Addressing global challenges**
  - Climate Change & Energy
  - Risk & Crisis Management
  - Innovation & Entrepreneurship

---

**Employees**

**Partners & Consumers**

**Society**

**Business foundations**

- Ethical Business Practices
- Information Security & Privacy
- Product & Service Quality
Rakuten Group, Inc. achieved a renewable electricity usage ratio of 64.8% in 2020. We intend to maintain annual progress of +10% to achieve our 100% usage target in 2025.

Rakuten Group, Inc. set the target of adopting 100% renewable electricity for all its business operations by 2025.
Employee Engagement to Create a Vibrant Workplace

We have held Rakuten Shugi training online for all newly hired employees, as it has been difficult to conduct training in-person over the past year.

“Rakuten Shugi Training” based on RGR (Rakuten Group Regulations) for all newly hired employees.
Employee Engagement to Contribute to a Sustainable Society

The award-winning sustainability app “Shift by Rakuten” was launched for employees in the Europe, Middle East and Africa region. It is based on the theory of change, which follows the principles of learn, act and influence.

A learning app which builds knowledge and encourages discovery on how to act on that knowledge to positively influence stakeholders.

Awarded the Internal Communications and Engagement Award, Gold in the Category “Best Use of Mobile App” by Communicate Magazine; announced on July 7, 2021
Corporate Governance

Directors

**Hiroshi Mikitani**
Representative Director, Chairman, President & CEO

**Masayuki Hosaka**
Representative Director & Vice Chairman

**Charles B. Baxter**
Director

**Kentaro Hyakuno**
Director, Group Executive Vice President

Outside Directors

**Ken Kuturagi**
Director

**Sarah J. M. Whitley**
Director

**Takashi Mitachi**
Director

**Jun Murai**
Director

**John V. Roos**
Director

Year Appointed/Positions Held or Career Summary 2019
President, Representative Director & CEO of Cyber AI Entertainment Inc.
Outside Director of GA Technologies Co., Ltd.
Outside Director of Sharp News, Inc.
Representative Director & CEO of Aizen Robotics Inc.

Year Appointed/Positions Held or Career Summary 2019
Trustee of Foundation Scotland
Chair of Edinburgh International Festival Endowment Fund
Trustee of The Royal Scottish Academy Foundation

Year Appointed/Positions Held or Career Summary 2019
Outside Director of LOTTE HOLDINGS CO., LTD.
Outside Director of DSBC, LTD.
Outside Director of Unipharm Corporation
Board Member of Gamba Museum of Art
Outside Director of Tokyo Marine Holdings, Inc.
Senior Advisor of The Boston Consulting Group
Chief Executive Director of Arnold McNabold House
Charities Japan
Distinguished Professor of Graduate School of Management of Keio University

Year Appointed/Positions Held or Career Summary 2012
Outside Director of Broadband Tower, Inc.
Outside Director of LAG Co., Ltd.
Outside Director of HAP! Mobile Inc.
Professor of Keio University
Dean of API Institute of Geoeconomic Studies and API
Senior Fellow of Asia Pacific Initiative
Special Advisor to the Cabinet

Year Appointed/Positions Held or Career Summary 2021
Outside Director of Salesforce.com, Inc.
CEO of The Ross Group, LLC
Global Advisory Board Member of Mitsubishi UFJ Financial Group, Inc.
Senior Advisor of CenterStreet Partners, LLC
Co-Founding Partner of Geodesic Capital
Advisor of Toyota Research Institute, Inc.
Member of the Board of Directors of the Museum and Mike Masafield Foundation
Advisor Board Member of the Stanford Center for Asias Health Research and Education
Awards & Recognition

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Rakuten selected for FTSE4Good Index Series and FTSE Blossom Japan Index for third consecutive year
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