

**FY2022 Fourth Quarter and Full Year  
Consolidated Financial Results  
CEO Group Strategy**

**February 14, 2023**

**Rakuten Group, Inc.**



# Topics

## 1 Summary

## 2 FY2022 Business Updates

- ◆ Internet Services
- ◆ Fintech
- ◆ Mobile (Strategies towards No. 1 Mobile Carrier in Japan)
- ◆ Rakuten Symphony

## 3 Financial Strategy

## 4 ESG

## 5 Financial Highlights

# 1 Summary

# FY2022 Domestic Key KPIs

Domestic EC GMS

**+12.3%**

YoY

JPY 5.6 tn



Rakuten Travel Domestic  
Hotel Checkout GTV\*

**+12.9%**

Yo3Y



MNO+MVNO  
Subscribers

**5.06mm**



Rakuten Card  
Shopping GTV

**+25.8%**

YoY

JPY 18.2 tn



Rakuten Cards Issued

**+11.9%**

YoY

28.08 mm



Rakuten Securities  
General Accounts

**+21.1%**

YoY

8.64 mm



Rakuten Bank Accounts

**+13.3%**

YoY

13.39 mm



\*Excluding corporate reservations

# Consolidated Revenue

■ Revenue growth for **26 consecutive years**

(JPY tn)

**FY1997 - FY2022 CAGR**

**+56.9%**

**+14.6% YoY**

**1.9**



# Global GTV

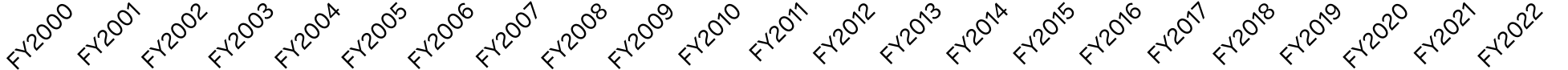
■ Extraordinary growth globally since IPO

(JPY tn)

**FY2000 – FY2022 CAGR**  
**+39.2%**

+23.0% YoY

33.8

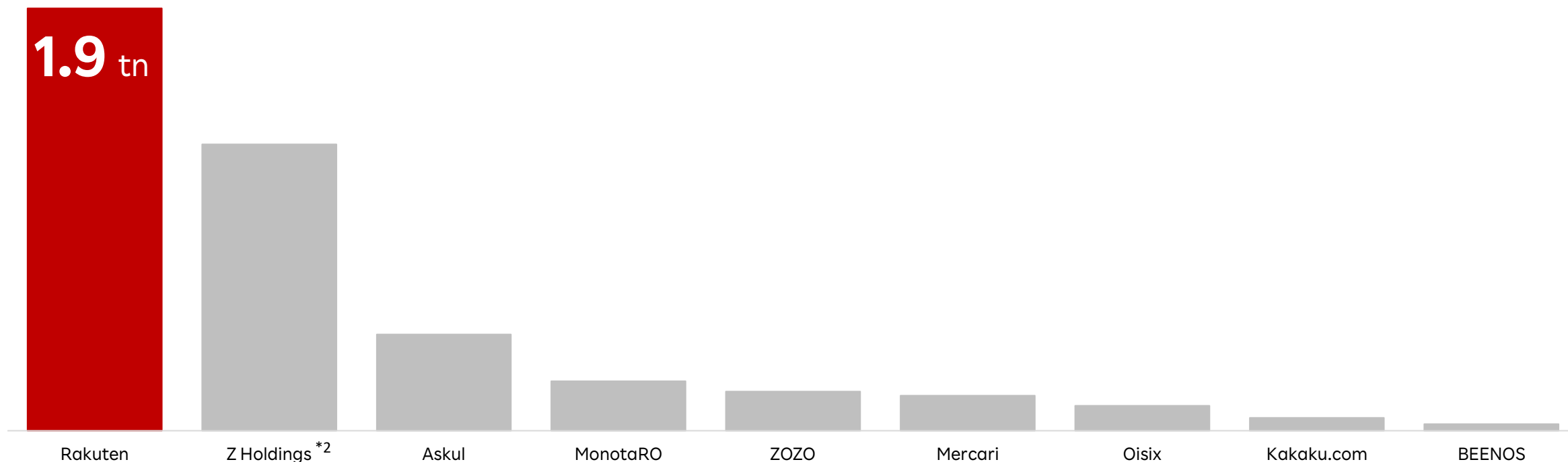


# Rakuten Group's Major Presence in Japan

Japan

**Rakuten**

Consolidated Revenue <sup>\*1</sup> (JPY)



(Source) SPEEDA

\*1 Company data for last twelve months, available as of Feb. 10, 2023

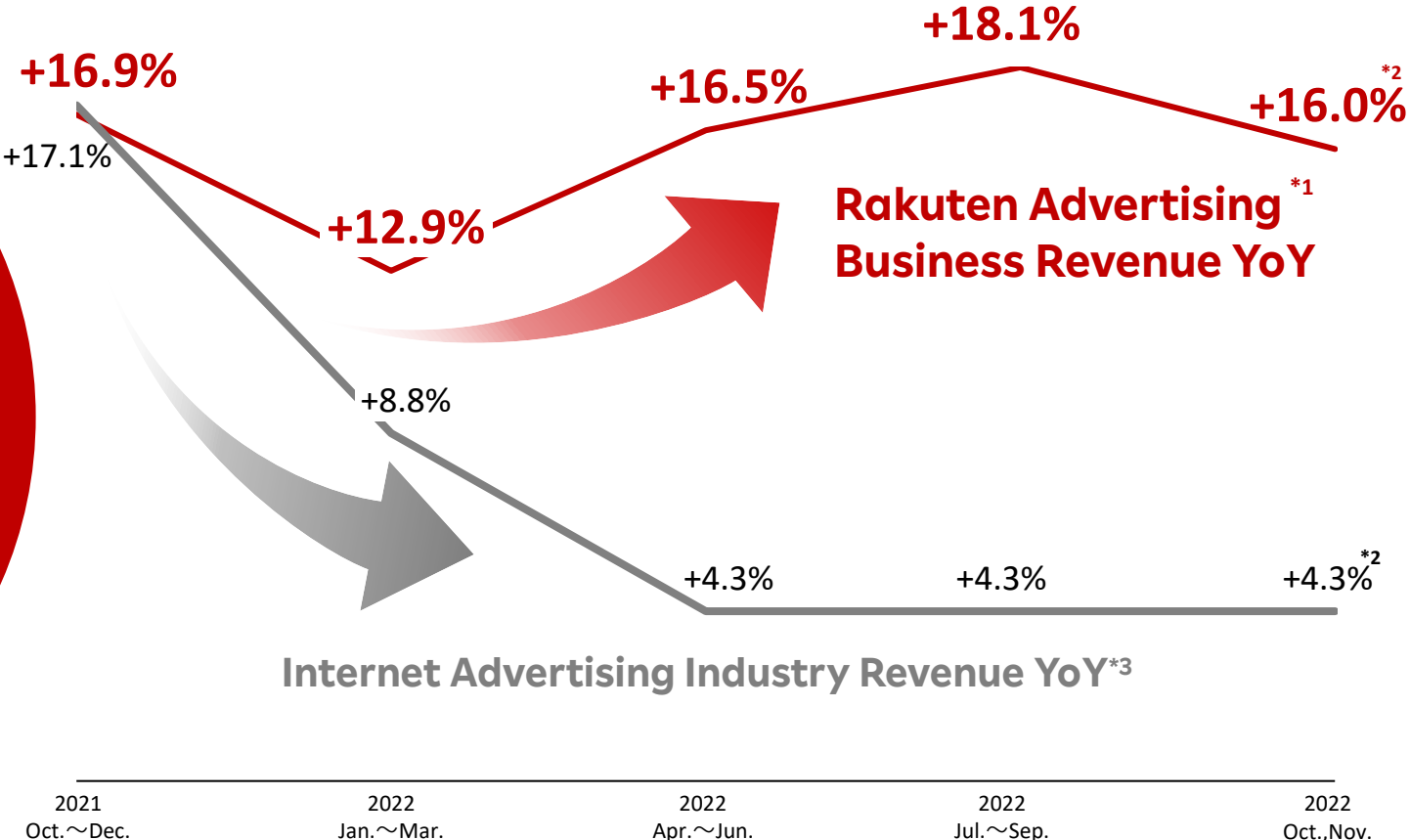
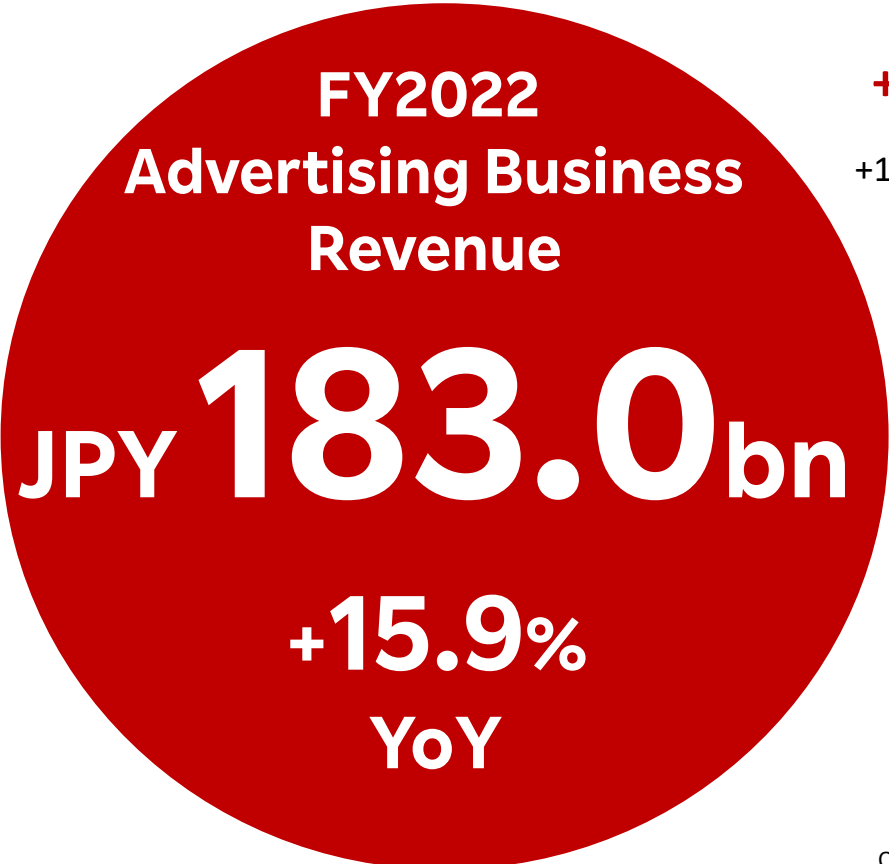
\*2 Excluding ZOZO and Askul



# Rakuten Advertising Business Surpassed Industry Growth

- Even though the Japanese advertising industry has been in a slump, Rakuten’s advertising business achieved significant growth in 2022 driven by growth of Rakuten Ichiba and Rakuten Travel.

## Advertising Revenue YoY Comparison



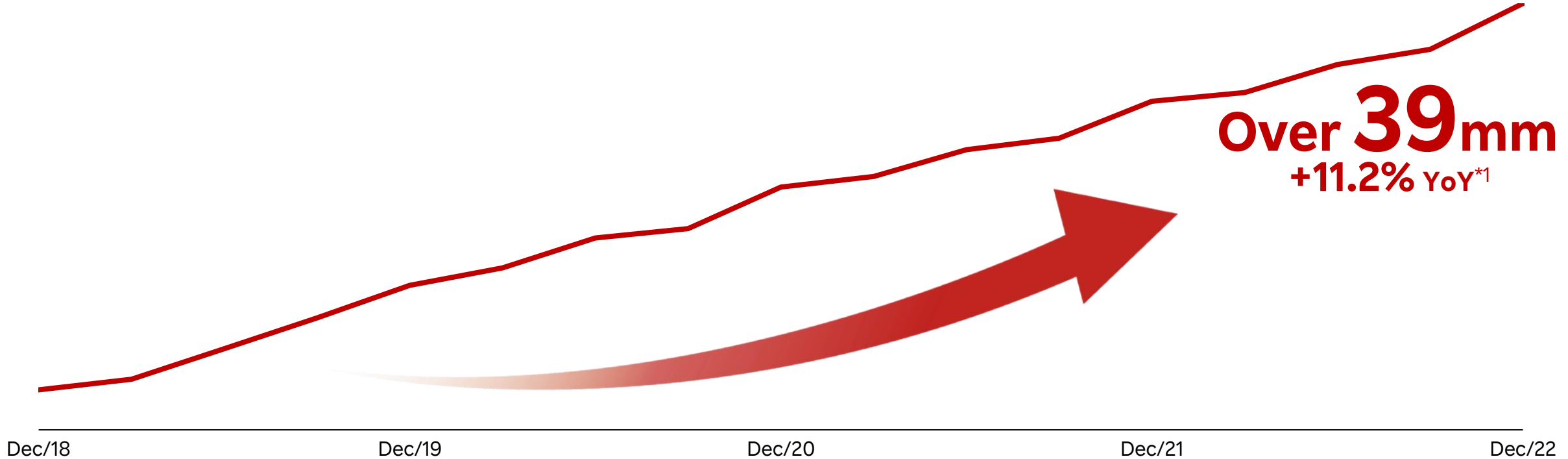
**R** <sup>\*1</sup> Total domestic advertising revenue recorded in each segment (Internet Services, FinTech, Mobile) (including internal transactions)  
<sup>\*2</sup> YoY comparison based on total sales in October and November.  
<sup>\*3</sup> Ministry of Economy, Trade and Industry of Japan “Survey of Selected Service Industries.” Growth rate for Oct-Nov 2022 only since result for December 2022 is yet to be announced.



# Rakuten Ecosystem Supports Growth of Rakuten Group

- The number of Rakuten Group monthly active users\*1 in Japan continued to grow and reached 39 million.

Monthly active user growth in Japan

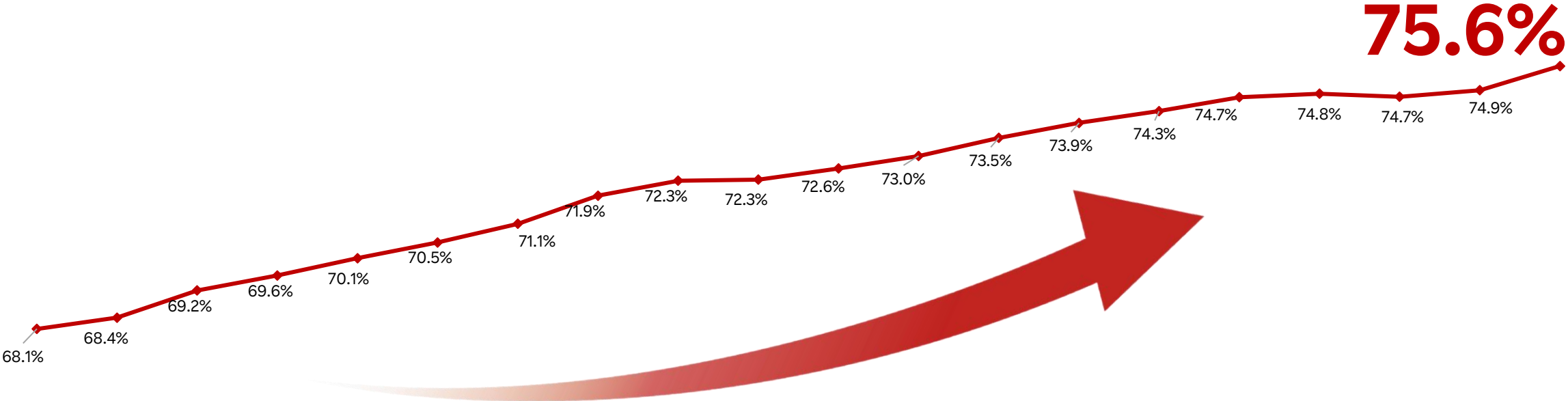


\*1 Comparison of average monthly active users as of the end of the October-December 2022 quarter versus end of October-December 2021 quarter.

# Rakuten Ecosystem Supports Growth of Rakuten Group

■ Cross-use ratio increased steadily.

## Ratio of users of two or more services\*1



Q1/18

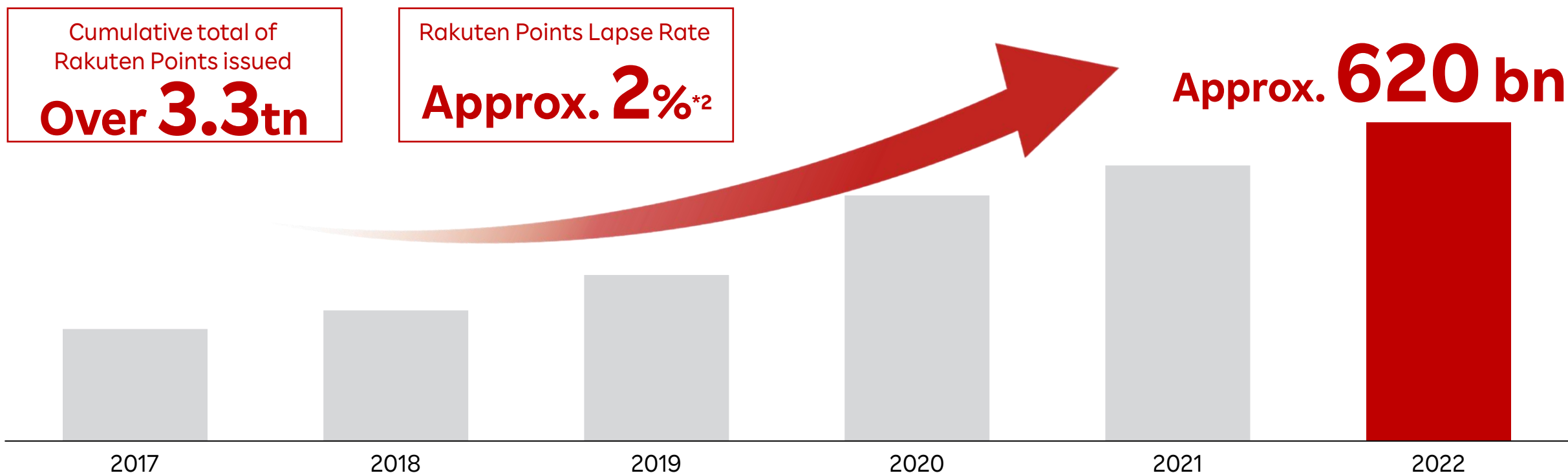
Q4/22

\*1 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 December 2022). (Limited to the use of services that can earn Rakuten Points.)

# Rakuten Points\*1 Ranked No. 1 in Satisfaction

- The number of Rakuten Points issued in FY2022 exceeded JPY 620bn, pushing up cumulative points issued to JPY 3.3tn
- High satisfaction of the program members is proved by point lapse rate of only 2%

## Number of Rakuten Points Issued



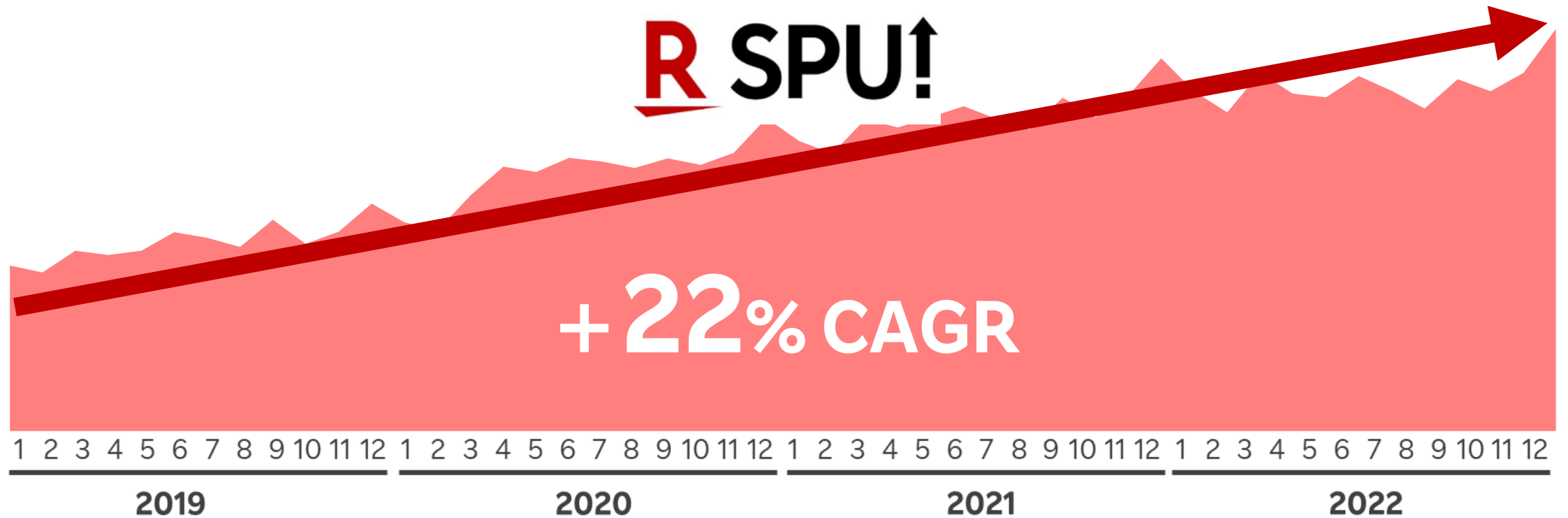
\*1 My voice com, Survey on points, November 2022.

\*2 Total number of expired Rakuten Point in 2022 / Total number of Rakuten Point issued in 2022

# SPU\* Shows Robust Growth

- SPU promotes cross-use of services offered in Ecosystem, continued to show robust growth.

Number of SPU users x number of services used per person in 2019-2022



\* Super Point Up. By achieving certain conditions related to cross-use, members are awarded extra Rakuten Points.

# Rakuten Ecosystem Membership Value

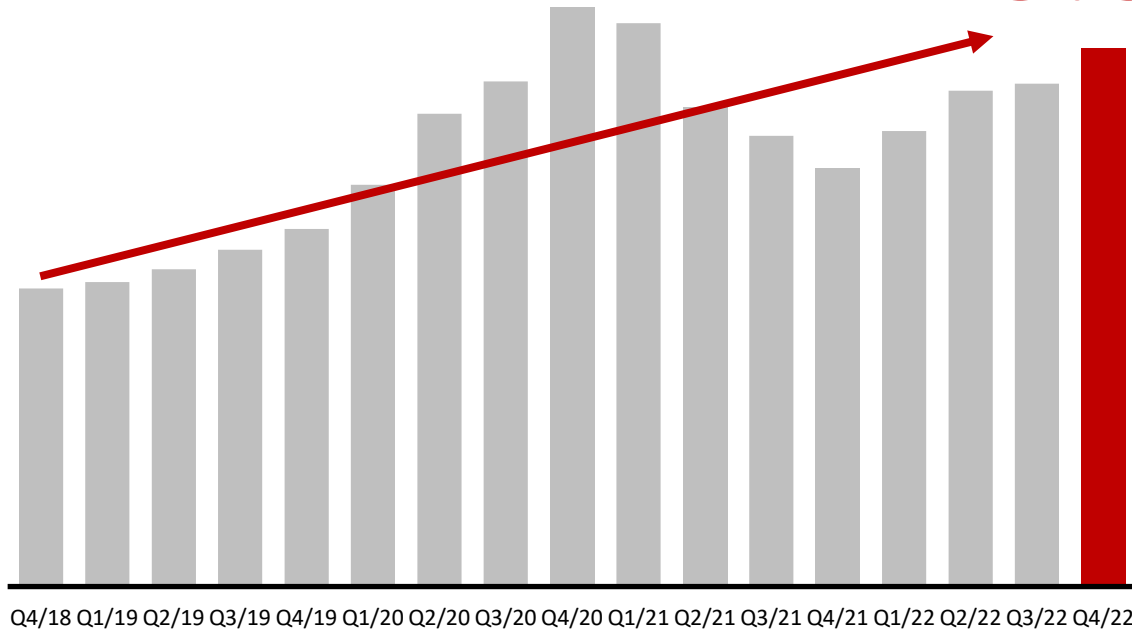
- In Q4/22, the increase in the number of active users and retention in Rakuten Ichiba and Rakuten Travel contributed to the overall Membership Value expansion, along with continued growth in the E-commerce business and a rapid recovery in travel demand.

Q4/22

JPY 8.3 trillion

+ 28.6%  
YoY

(JPY tn)



An accelerated growth and following decline over the period of Q1/20 to Q4/21 was a temporary effect of Pandemic.

Calculation formula of Membership Value\*1 (MV)

Membership Value

||

( ① LTV\*2 - Customer acquisition costs ) × Number of active users

- Occurs only for new users
- Not Occurred for existing users

➢ Yearly Active Users(YAU)

➔ Present value of future profits generated by the user

\*1 Calculated by Rakuten Group

\*2 LTV=Abbreviation for Lifetime Value.  $LTV = \sum (ARPU \times Profit Rate^{*3} \times Retention) \div (1 + Discount)^{K-1}$  ①K is Projection Years ②ARPU=Revenue/YAU

\*3 Profit Rate =  $\{(Revenue \times Marginal\ profit\ ratio) - Retention\ cost^{*4}\} \div Revenue$  ①Marginal profit cost = Revenue(cost of revenue, commissions, etc.)

\*4 Retention cost = Marketing costs- Customer acquisition cost ① Marketing cost = Advertising cost + Promotion cost + Point cost ②Customer acquisition cost = Marketing cost prorated to new users

# Rakuten Ichiba Super Sale GMS\* from MNO Subscribers



**GMS ratio of MNO subscribers who participated in the Ichiba Super Sale**

**23.8%**

# SPU Effects on MNO User Acquisition

User questionnaire on the appeal of Rakuten UN-LIMIT VII \*1

Using up to 3GB of data for  
980 yen/month (1,078 yen inc. tax)

26%

**Eligible to earn SPU**

22%

**+11.4pt**  
vs Jun/22

Pay only for what you use, in the  
new rate plan Rakuten UN-LIMIT VII

20%

Contract handling fee,  
contract cancellation fee,  
MNP transfer fee all zero yen

19%

Unlimited use of data for  
2,980 yen/month (3,278 yen inc. tax)

18%

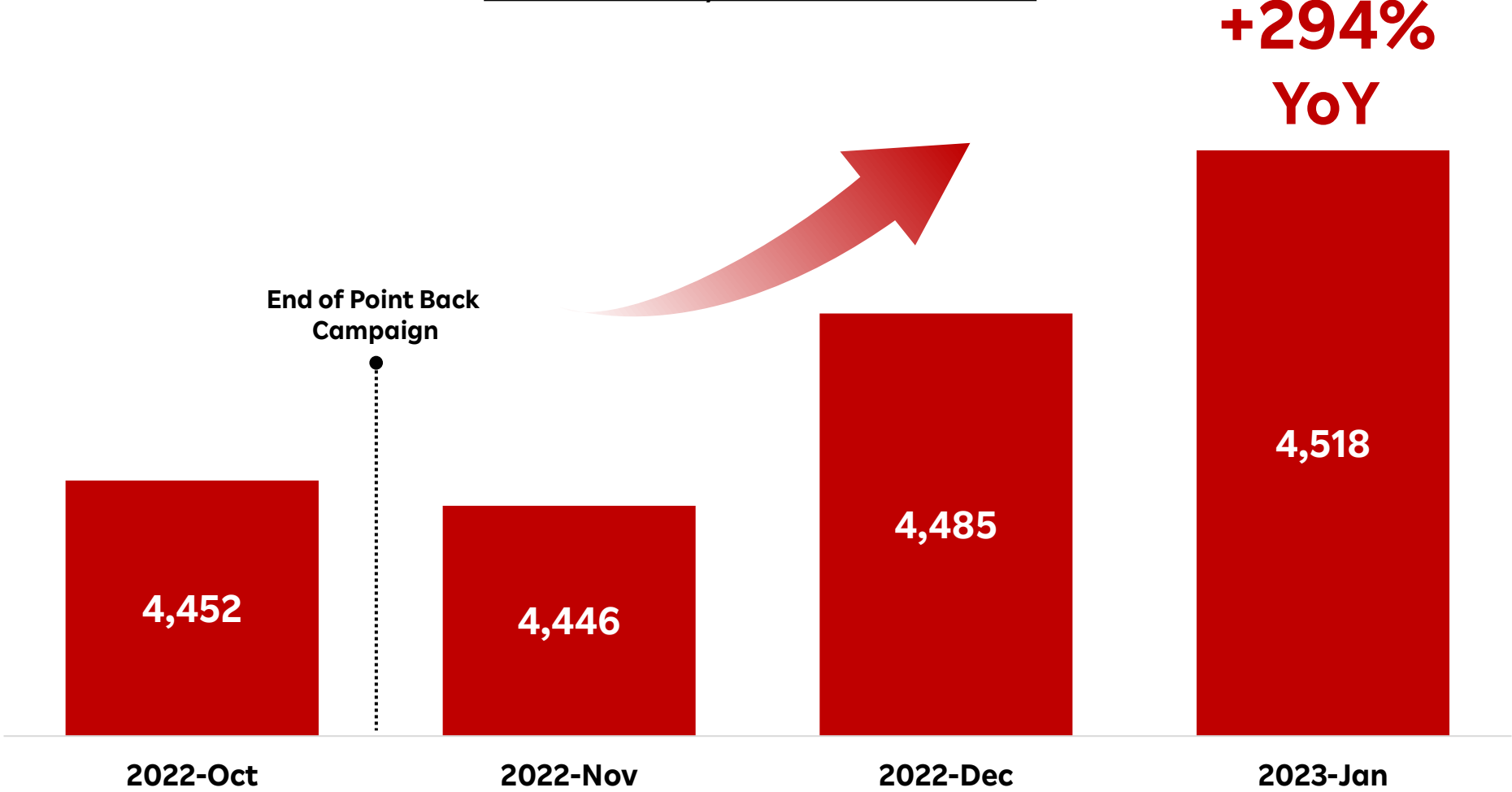
\* Based on responses from users (N=2,628) who said they are aware of Rakuten Mobile from a user survey conducted among cell phone users from January 12 to January 19, 2023.



# Paid Subscriber Growth Accelerating

MNO Monthly Paid Subscribers\*

(k)

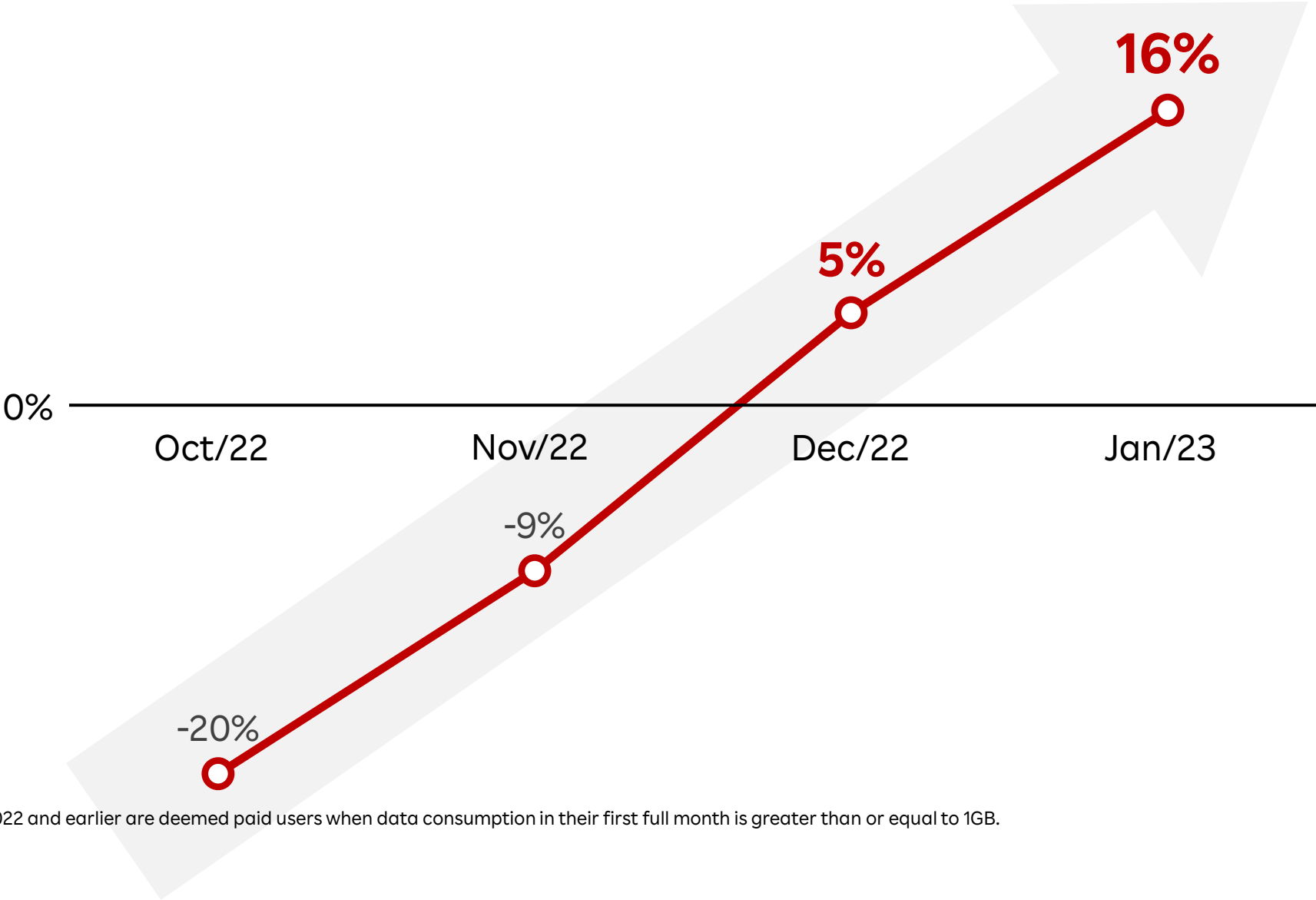


\* Preliminary figures.





# MNO Applications (Paying User) YoY Trend



\* Applicants in October 2022 and earlier are deemed paid users when data consumption in their first full month is greater than or equal to 1GB.

# FY2022 Global Key KPIs

Global GTV

**+23.0%**  
YoY

JPY 33.8 tn



Rakuten Rewards GMS

**+5.6%**  
YoY

USD 12.07 bn



Rakuten Kobo  
Registered Users

**+8.1%**  
YoY

60.8 mm



Rakuten TV  
Total Users<sup>\*1</sup>

**+48.3%**  
YoY

70.0 mm



Rakuten Viki  
Registered Users

**+27.2%**  
YoY

66.8 mm



Rakuten Viber  
Registered Users

**+6.4%**  
YoY

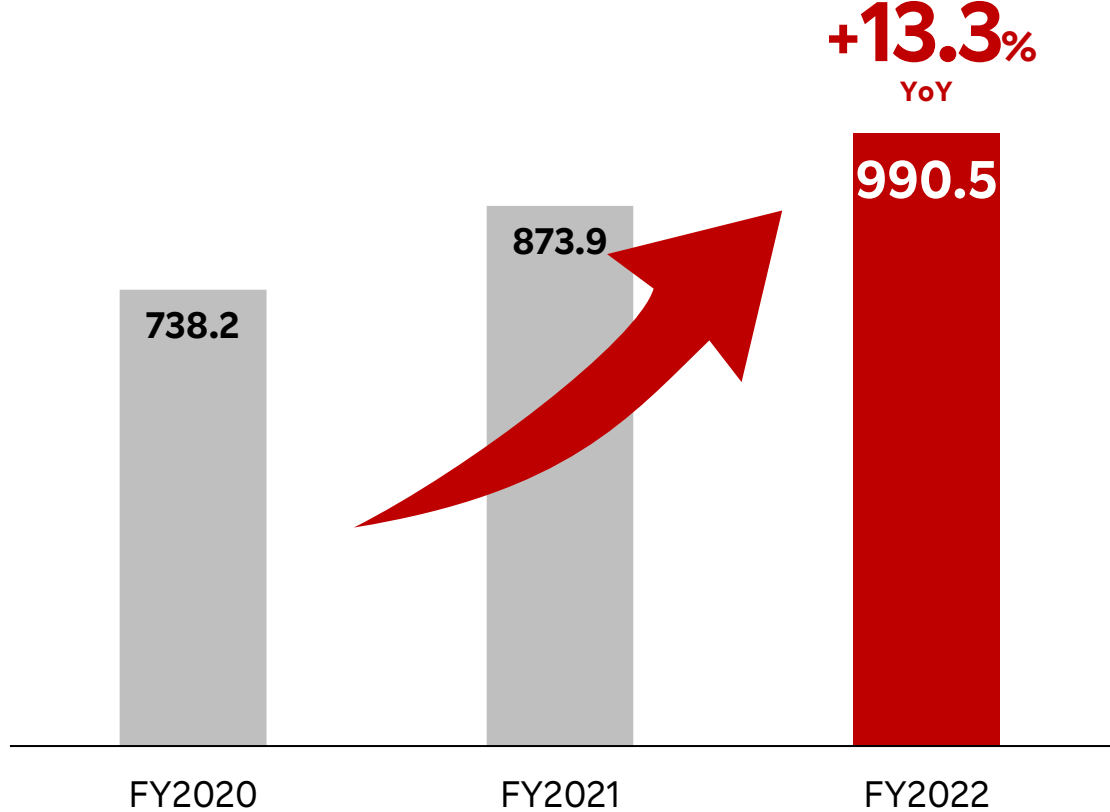
1.42 bn



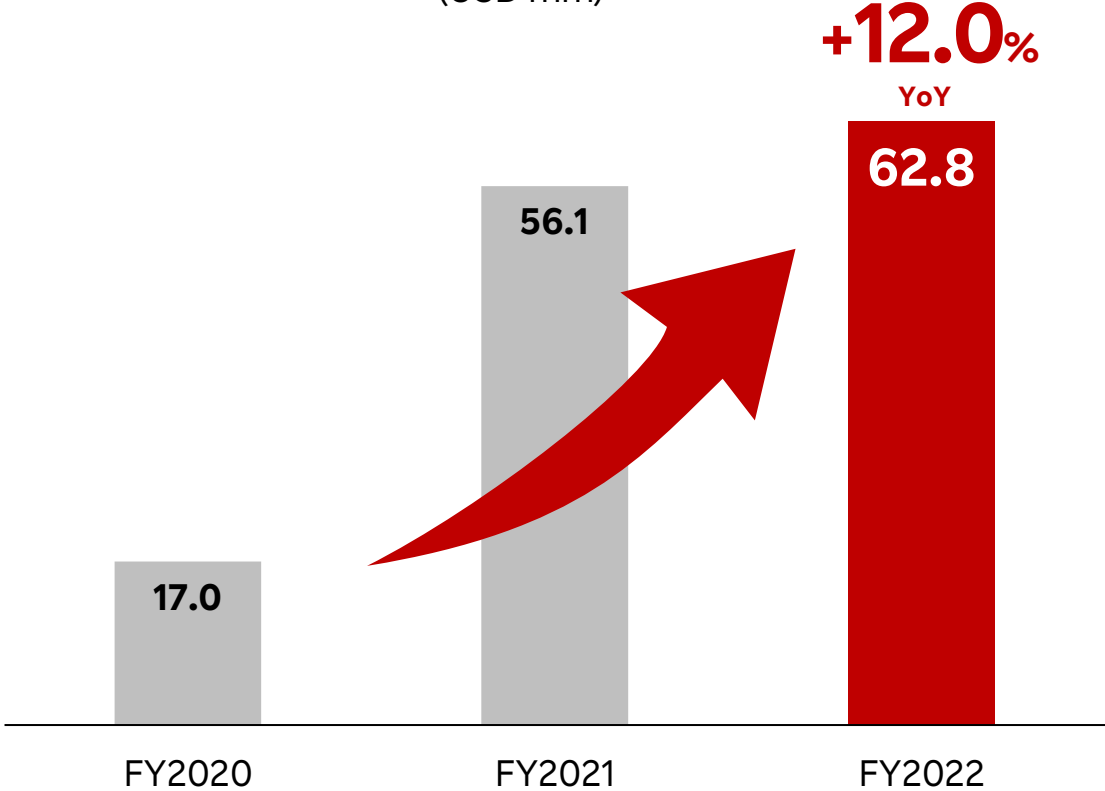
<sup>\*1</sup>Total number of registered users and non-registered AVOD (Advertising Video On Demand) users as of December 30, 2022

# Rakuten Rewards Achieved Strong Growth

**Revenue**  
(USD mm)

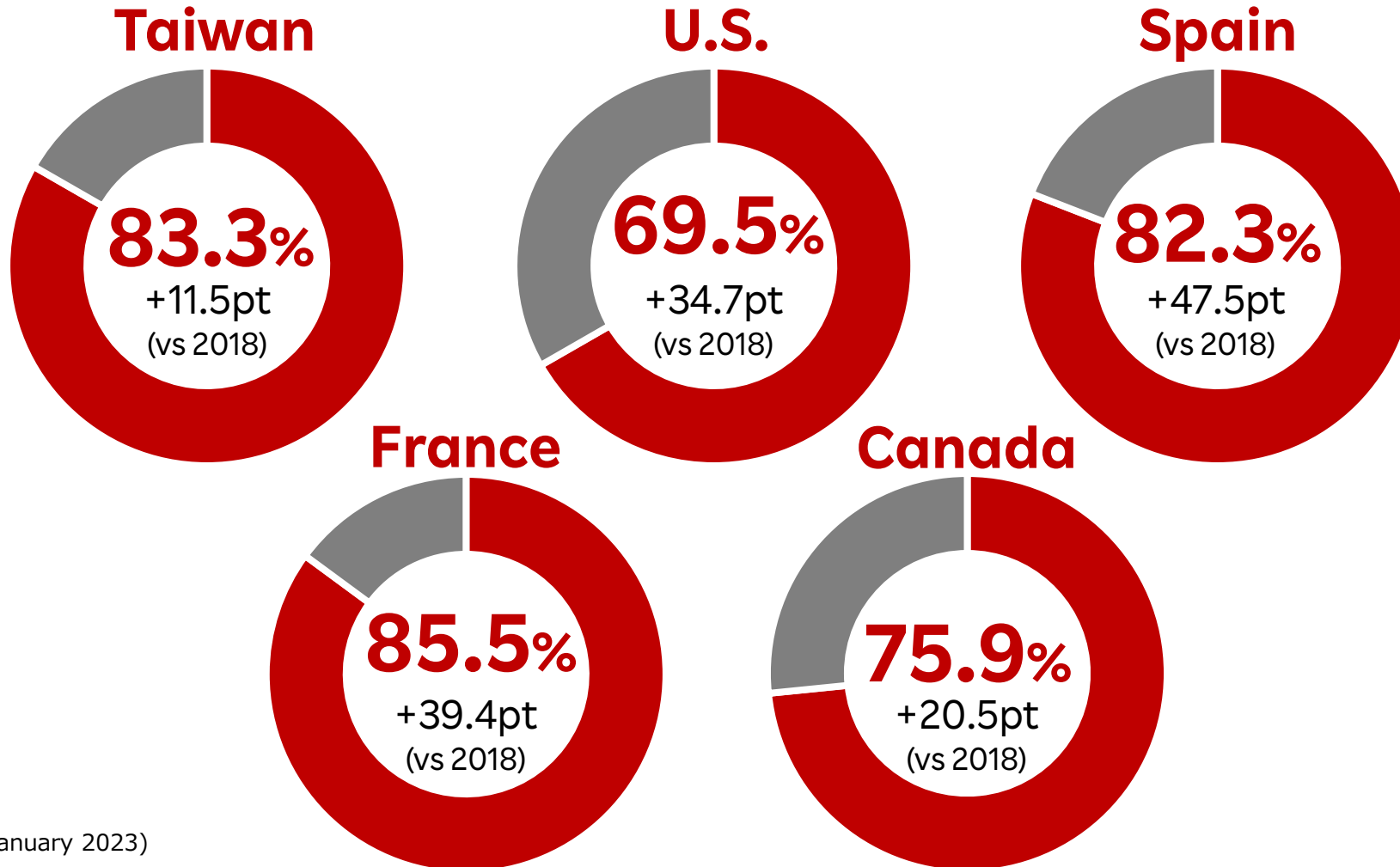


**Non-GAAP  
Operating Income**  
(USD mm)



# Awareness of Rakuten Group Expanding Globally\*

Logo Awareness (Jan/23)



\* In-house research (January 2023)



## **2** FY2022 Business Updates

(JPY bn)



# Internet Services

	FY2021	FY2022	YoY
<b>Internet Services Segment</b>			
Revenue	999.2	1,085.9	+8.7%
Operating Income	103.4	78.2	-24.3%
<b>Domestic E-Commerce</b>			
Revenue	707.7	797.0	+12.6%
Operating Income	70.0	95.6	+36.6%
<b>Minority Investment</b>			
Operating Income	34.3	-10.2	-44.6
<b>Others (excluding Minority Investment)</b>			
Revenue	291.5	288.9	-0.9%
Operating Income	-1.0	-7.2	-6.2
<b>Others (excluding Minority Investment, R-ad,<sup>*1</sup> Viber, Sponsors<sup>*2</sup>)</b>			
Operating Income	-0.9	3.7	+4.5

\*1 Rakuten Advertising Business (Overseas)

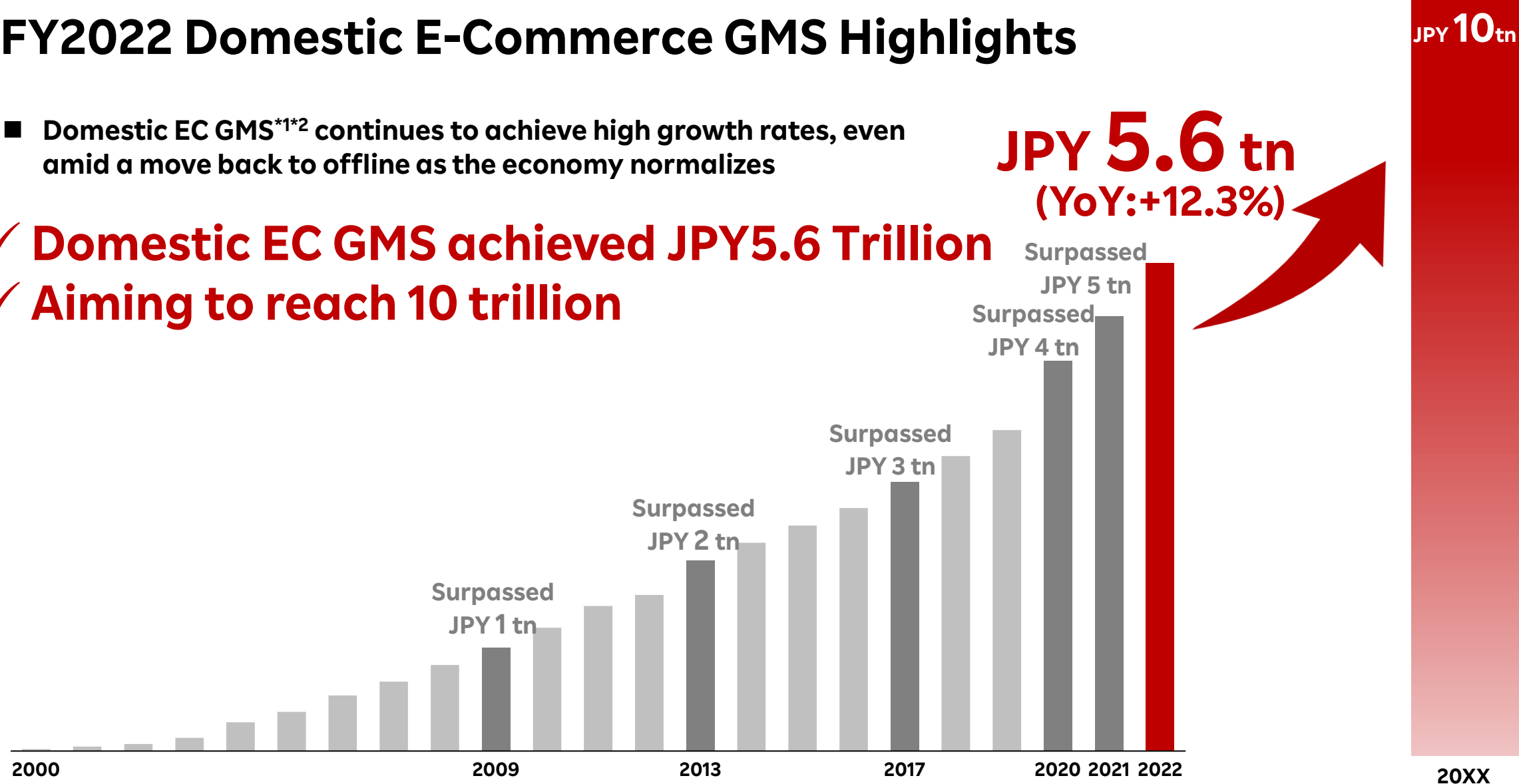
\*2 Golden State Warriors sponsorship costs, etc.



# FY2022 Domestic E-Commerce GMS Highlights

■ Domestic EC GMS\*1\*2 continues to achieve high growth rates, even amid a move back to offline as the economy normalizes

- ✓ Domestic EC GMS achieved JPY5.6 Trillion
- ✓ Aiming to reach 10 trillion



\*1 Domestic e-commerce GMS (Excludes some tax-exempt businesses, includes consumption tax.) is the combined transaction amount for Rakuten Ichiba, Rakuten Travel (GTV on checkout basis), Rakuten Books, Books Network ,Kobo (domestic), golf business, Rakuten Fashion, Rakuten Dream businesses, Rakuten Beauty, Rakuten 24, Car, Rakuma, Rakuten Rebates, Rakuten Seiyu Netsuper, and cross boarder trading ,etc.

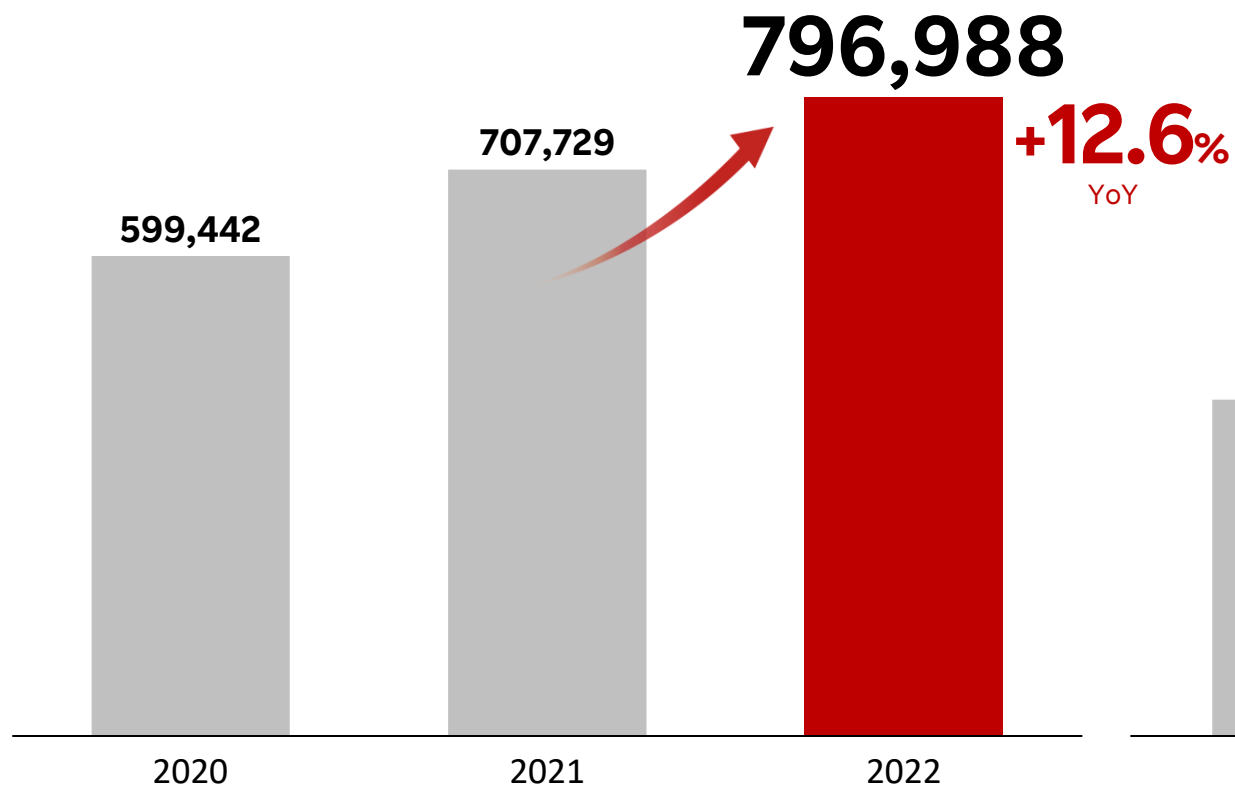
\*2 Rakuten Books network, cross border trading and Rakuten Kobo (domestic) were added from Q4/21. This has resulted in retroactive adjustments to Domestic E-Commerce GMS.



# FY2022 Domestic E-Commerce Financial Highlights

## Domestic EC Revenue

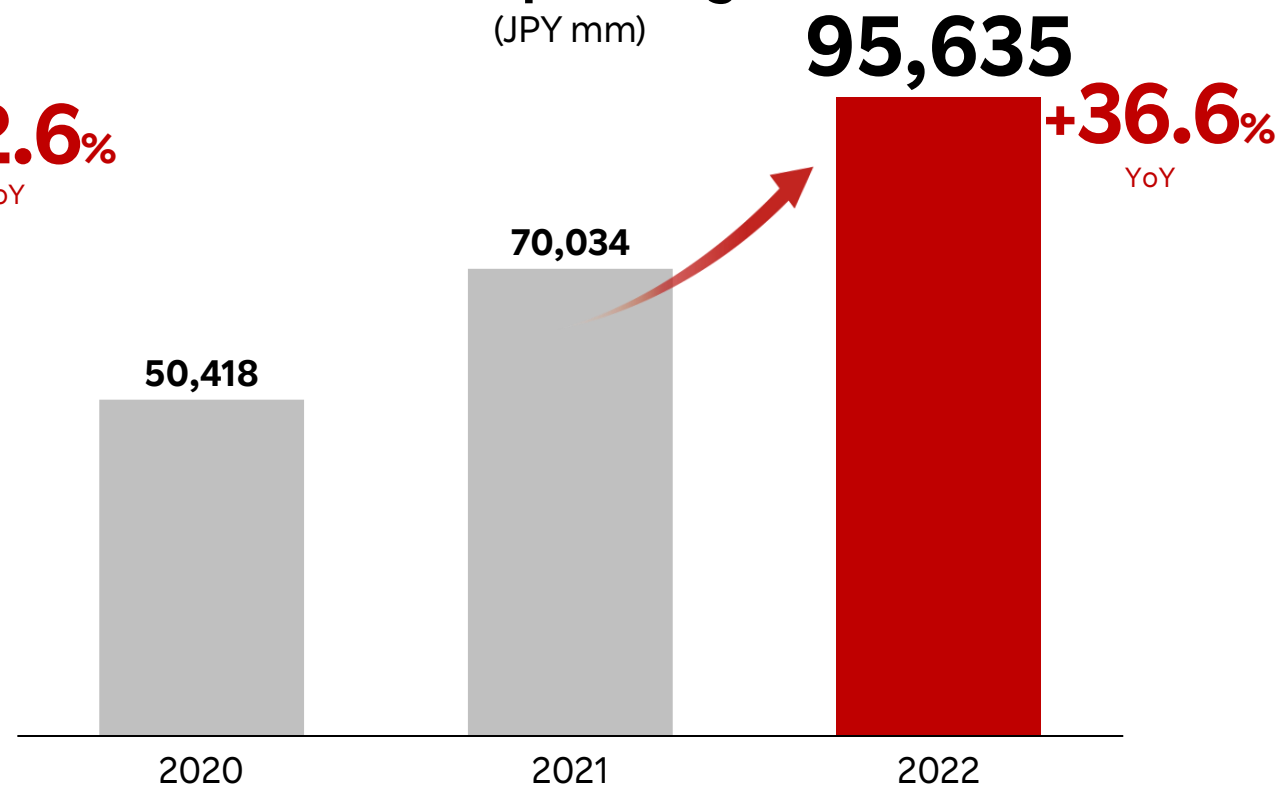
(JPY mm)



## Domestic EC

### Non-GAAP Operating Income

(JPY mm)





# Dominant presence in the Japanese EC market

- Rakuten's Domestic EC is by far the largest in the Japanese E-commerce market. Growth rate remains high compared to competitors.
- User retention rate of Rakuten Ichiba was maintained at a high level post-Covid.

## LTM GMS\*1 Comparison with Major Domestic EC Competitors

**Rakuten Domestic EC** (JPY bn /LTM)

**5,630**

**Z Holdings**

3,637

**Mercari**

933

**ZOZO**

540

### Latest Quarter GMS YoY

**Rakuten Domestic EC: Q4/22** **+13.6%**

**Z Holdings: Q3/23** **+5.6%**

**Mercari: Q2/23** **+10.0%**

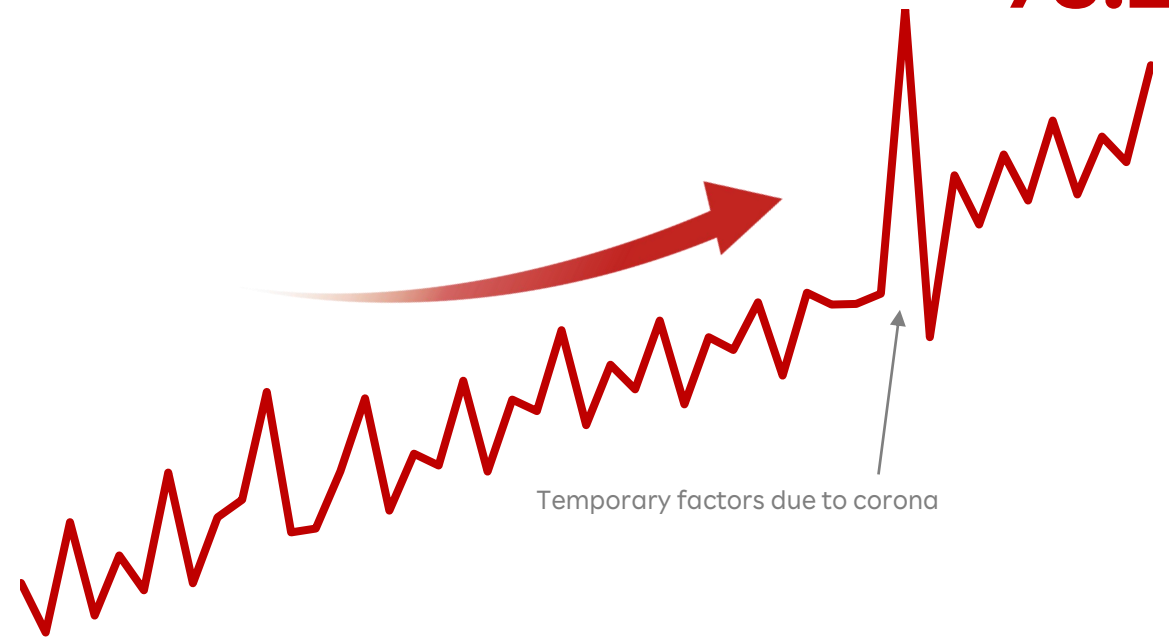
**ZOZO: Q3/23** **+6.4%**

\*1 GMS for Last Twelve Months from the most recently disclosed period.  
 Z Holdings: GMS in Domestic Merchandise Transaction Value and Domestic Services Transaction Value. Mercari: GMV in Japan. ZOZO: Gross Merchandise Value  
 \*2 Percentage of users who purchased in each quarter in the following quarter

## Rakuten Ichiba Growth Results

User retention rate\*2

**78.2%**



2Q/11

4Q/22 25

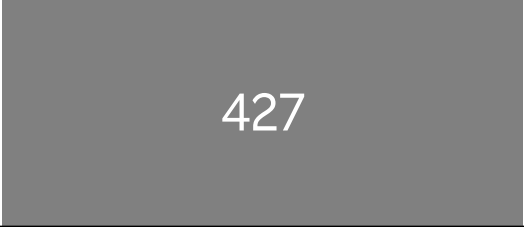
# Fashion Business at Rakuten\*1: Dominant Presence in the Japanese Market

- The size of Rakuten's fashion business\*1 is one of the largest in terms of GMS in the Japanese E-commerce industry.
- Not only one of the largest in terms of size, but it has also achieved 10% growth YoY.
- Growth is expected to continue in the future while maintaining overwhelming size.

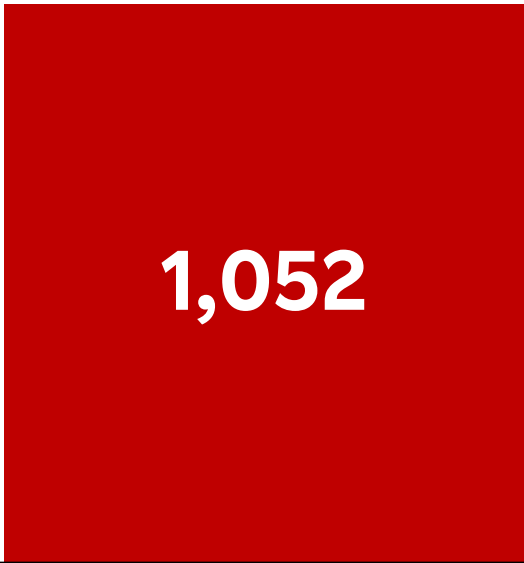
## Last twelve months GMS

(Bn JPY/LTM)

Rakuten is  
**over 2.5x**



ZOZOTOWN\*2  
(Q4/21-Q3/22)



**Rakuten**  
(Q1/22-Q4/22)

Surpassed **1 tn**

Dominant Size  
+  
High Growth of  
**+10% YoY**

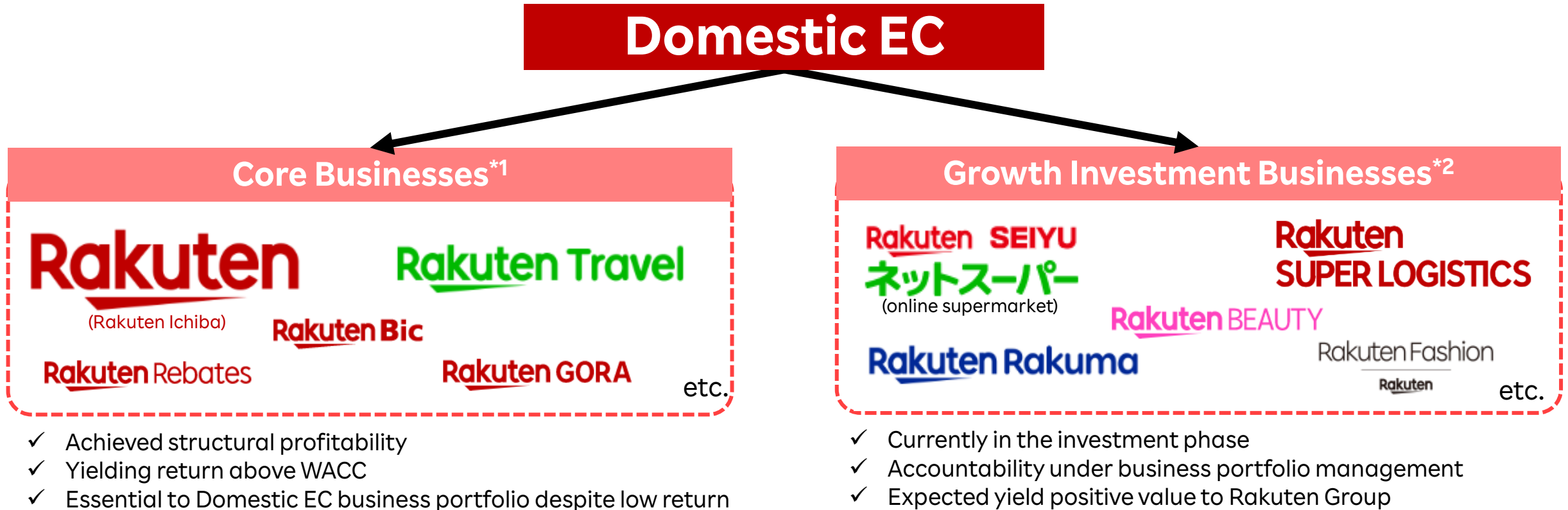
\*1 Total of fashion-related genres (fashion, clothing accessories, sports, beauty, etc.) in Rakuten Ichiba and Rakuten Fashion

\*2 GMS of ZOZOTOWN business in LTM (Q4/21-Q3/22) in ZOZO



# Rakuten Domestic EC Business Portfolio Management

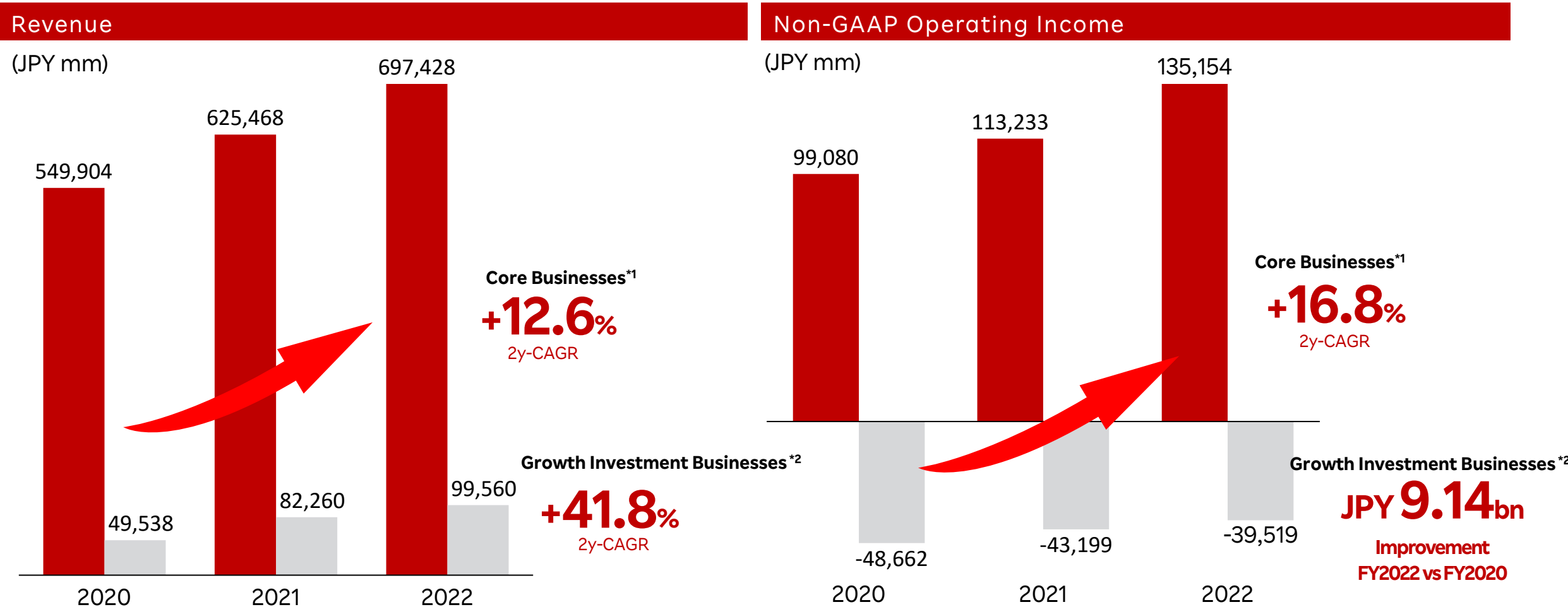
- Domestic EC is divided into core businesses and growth investment businesses
- Rakuten Group will continue to make investments for growth and to strengthen Ecosystem
- Each growth investment business will work with accountability to promote growth and profitability to yield positive value to Rakuten Group



\*1 Rakuten Ichiba, Rakuten Travel, Books Network, golf business, Rakuten Dream businesses, Open Commerce, Hunglead, BIC, Home life Direct, and Car etc.

\*2 Fashion 1st Party, C2C, Rakuten Seiyu Netsuper, Logistics business, Rakuten Beauty, Dining, and cross boarder trading etc.

# Further Growth in Domestic EC Core Businesses and Improving Profitability in Growth Investment Businesses



\*1 Rakuten Ichiba, Rakuten Travel, Books Network, golf business, Rakuten Dream businesses, Open Commerce, Hunglead, BIC, Home life Direct, and Car etc.

\*2 Fashion 1st Party, C2C, Rakuten Seiyu Netsuper, Logistics business, Rakuten Beauty, Dining, and cross boarder trading etc.

# Strong Growth of Rakuten Advertising Business

- Rakuten advertising business revenue\*1 continues to experience significant growth and will continue to expand further.

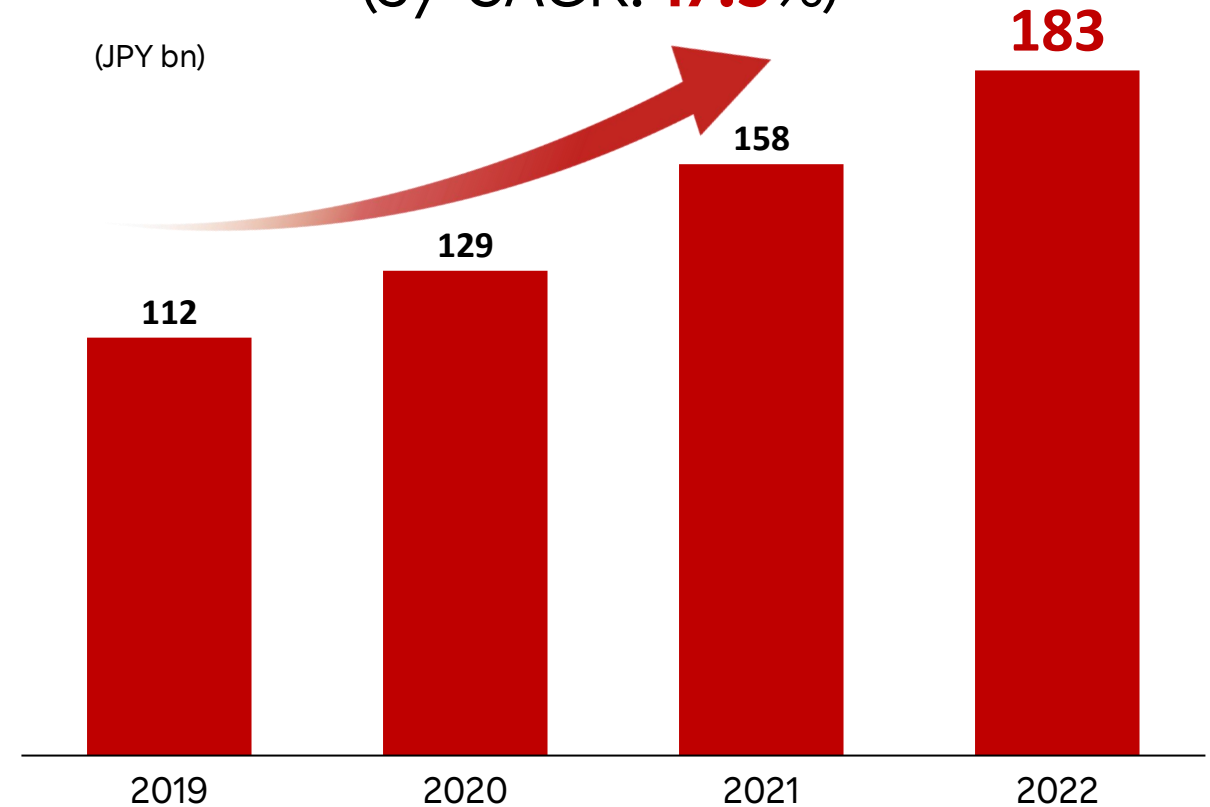
## Advertising Business Performance



## Rakuten Advertising Business Revenue Trend

(3y-CAGR: **17.9%**)

(JPY bn)



\*1 Total domestic advertising revenue recorded in each segment (Internet Services, FinTech, Mobile) (including internal transactions)

(JPY bn)



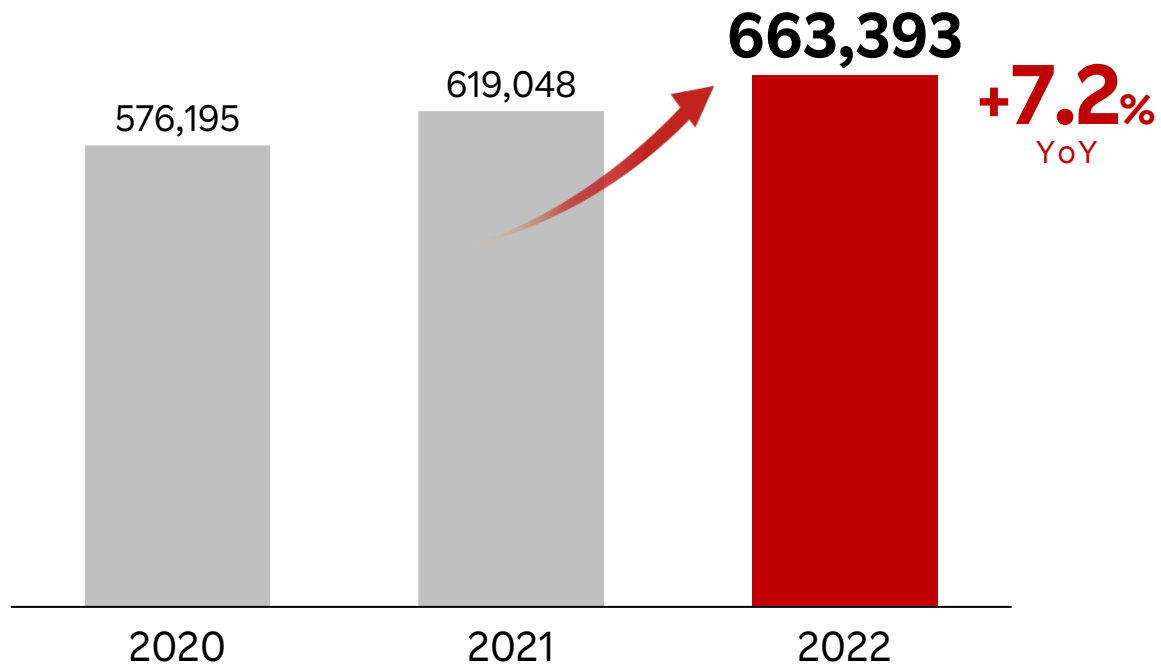
## FinTech

<b>FY2022</b>	<b>Revenue</b>	<b>YoY</b>	<b>Operating Income</b>	<b>YoY</b>
Rakuten Card	295.6	+5.6%	44.0	+10.9%
Rakuten Bank	112.2	+9.3%	38.0	+28.5%
Securities Business	95.8	+6.5%	18.7	+3.3%
Insurance Business	99.7	-1.2%	10.0	+10.4%
Rakuten Payment	51.4	+37.3%	-5.1	-0.8
Others	8.5	+5.0%	-7.0	-4.0
FinTech Total	663.4	+7.2%	98.7	+10.8%

# FY2022 FinTech Segment Financial Highlights

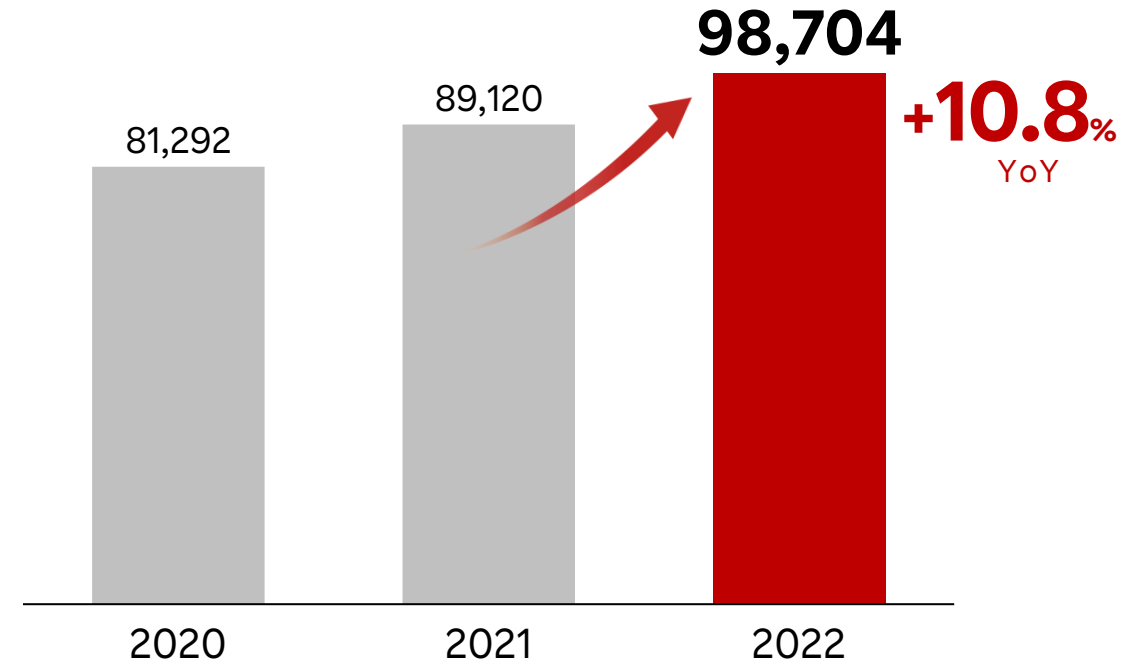
## Segment Revenue

(JPY mm)



## Segment Non-GAAP Operating Income

(JPY mm)

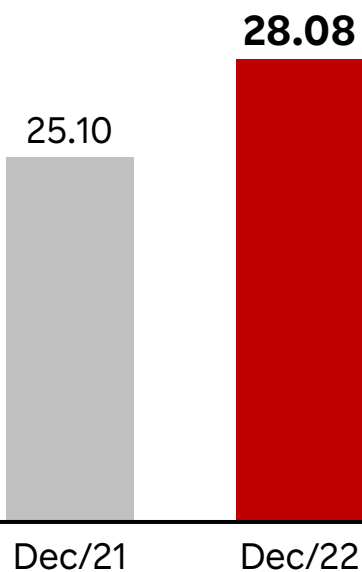


# FY2022 FinTech Membership Growth

## Rakuten Card

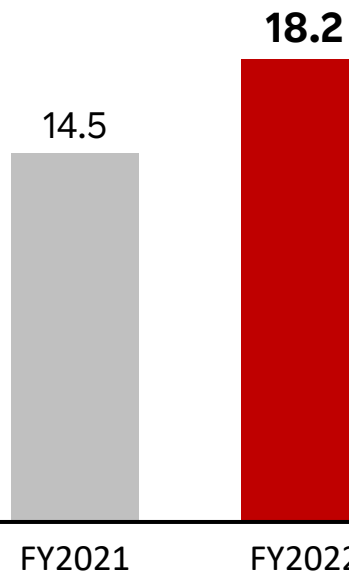
**Rakuten Cards Issued**  
**+11.9%**  
(YoY)

(mm)



**Shopping Transaction Volume\***  
**+25.8%**  
(YoY)

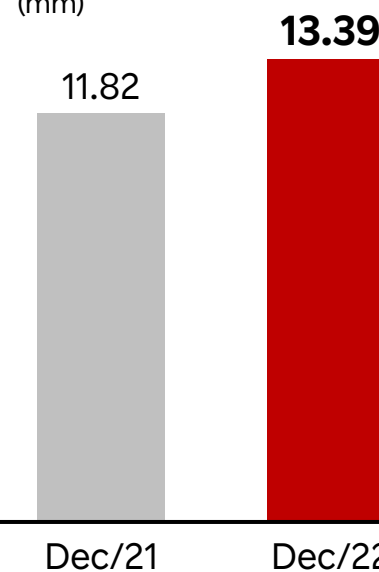
(JPY tn)



## Rakuten Bank (Non-consolidated)

**Rakuten Bank Accounts**  
**+13.3%**  
(YoY)

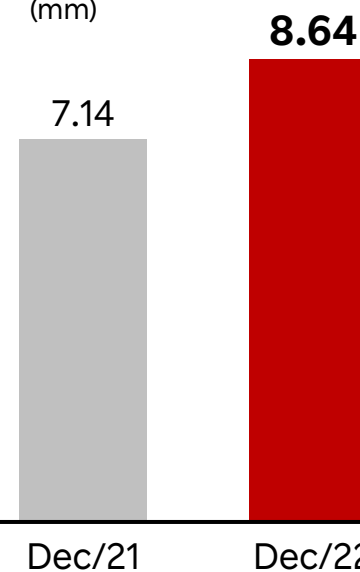
(mm)



## Rakuten Securities (Non-consolidated)

**Rakuten Securities General Accounts**  
**+21.1%**  
(YoY)

(mm)



\*Calculated on a managerial accounting basis, using different definitions from the data in Financial Data Sheet.

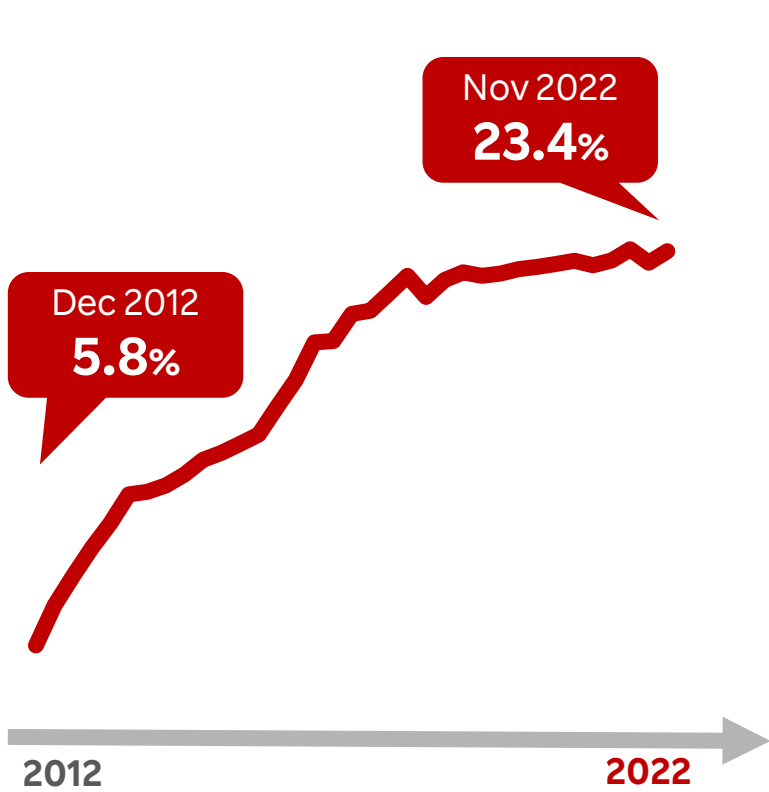
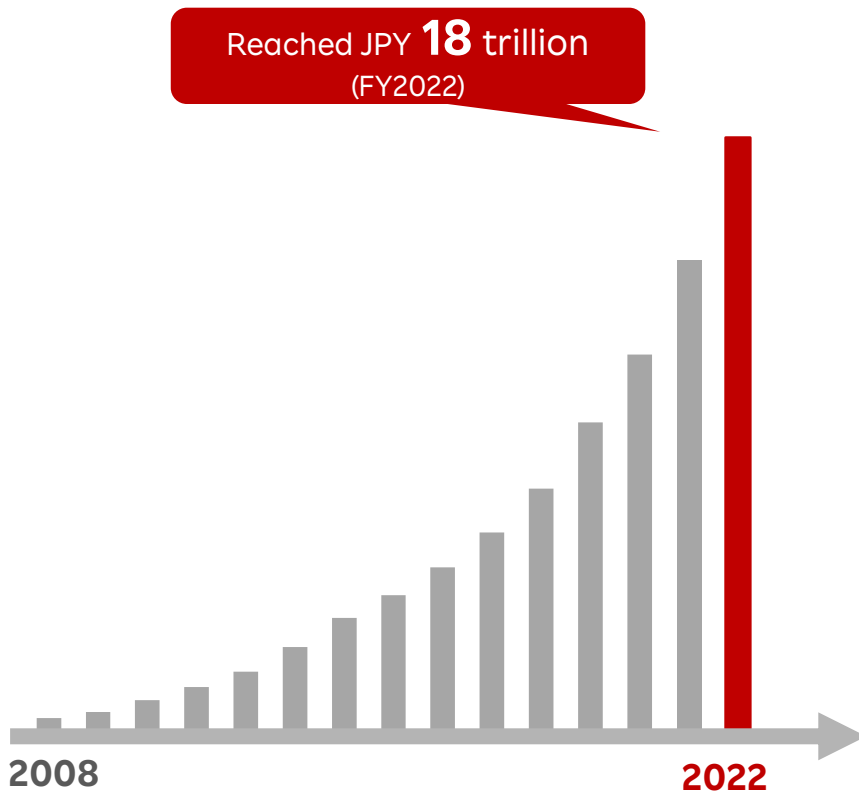
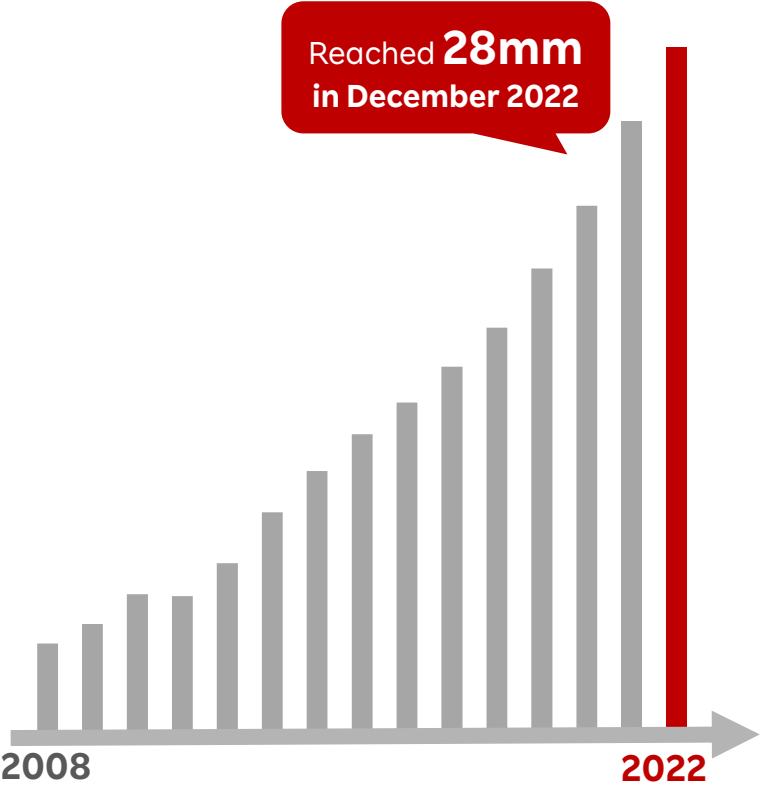


# Rakuten Card: Each KPI Moving towards “Triple 3”

| Cards issued → **30** million

| Shopping GTV → **30** trillion JPY

| GTV share\* → **30**%



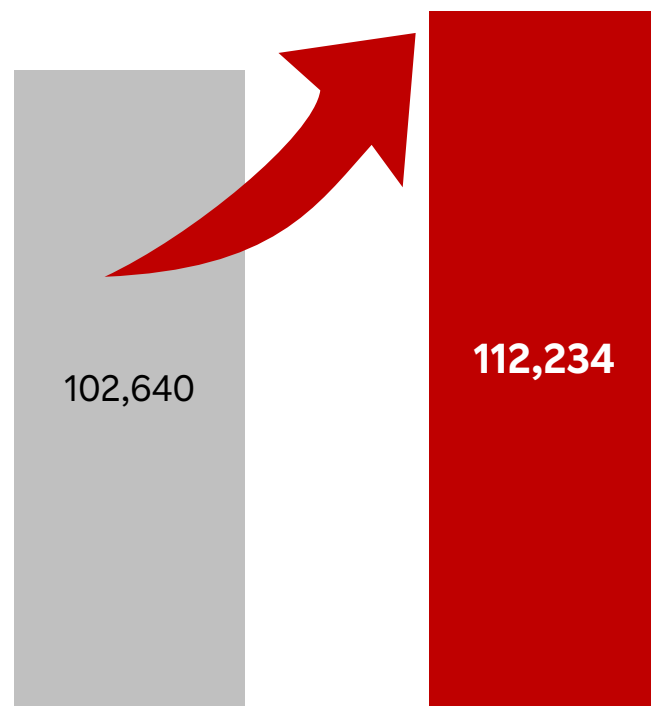
\* Ministry of Economy, Trade and Industry, Specified Service Industry Statistics Survey, Credit Card Industry.

# Rakuten Bank Full-Year Financial Results

## Revenue

(JPY mm)

**+9.3%**  
YoY



112,234

102,640

2021

2022

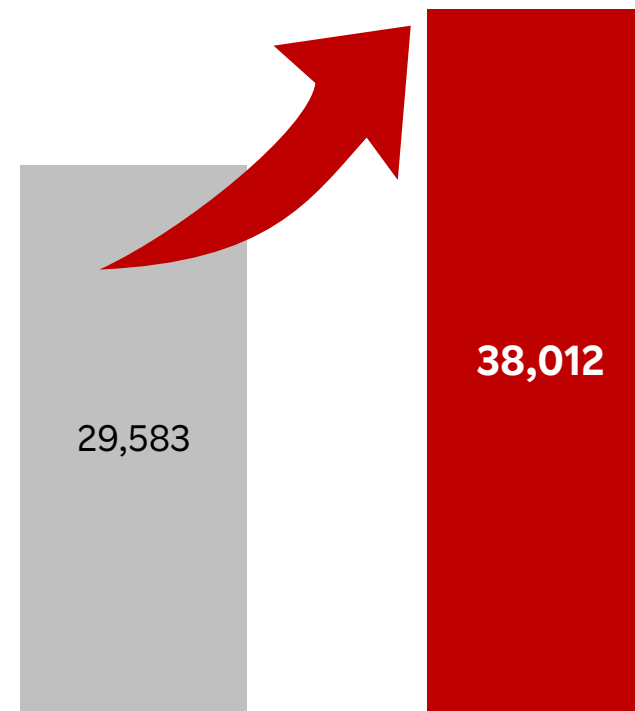
Q4/22

**+15.9%**  
YoY

## Non-GAAP Operating Income

(JPY mm)

**+28.5%**  
YoY



38,012

29,583

2021

2022

Q4/22

**+49.0%**  
YoY

\* Based on IFRS. Rakuten Bank reports its results based on J-GAAP.

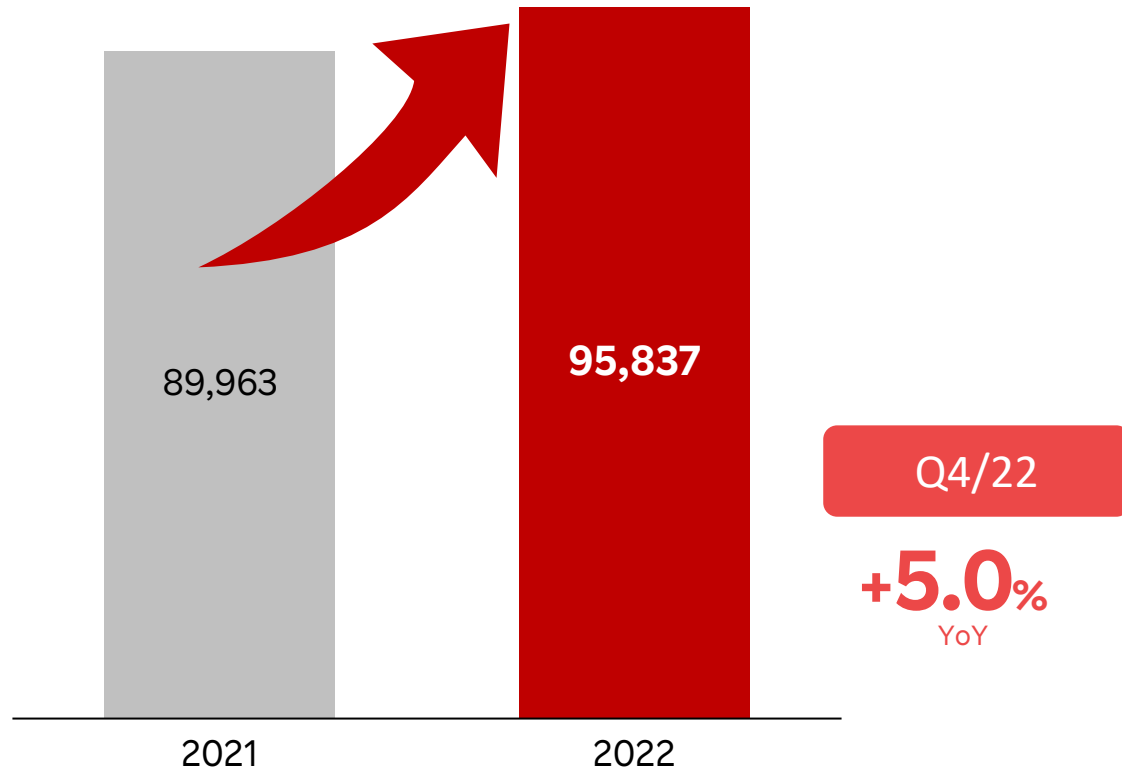
\* Joint venture in Taiwan (Rakuten International Commercial Bank Co., Ltd.), a consolidated subsidiary from Q2/20, is not included in the figures above

# Securities Business Full-Year Financial Results

## Revenue

(JPY mm)

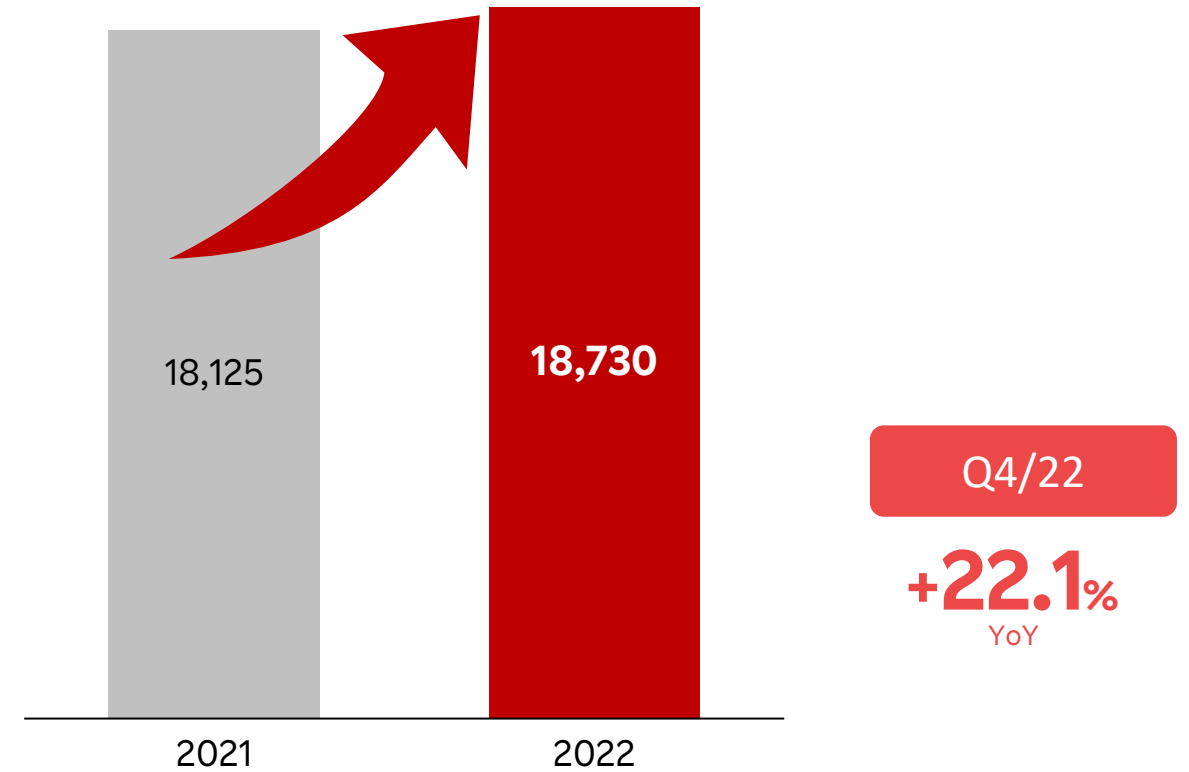
**+6.5%**  
YoY



## Non-GAAP Operating Income

(JPY mm)

**+3.3%**  
YoY

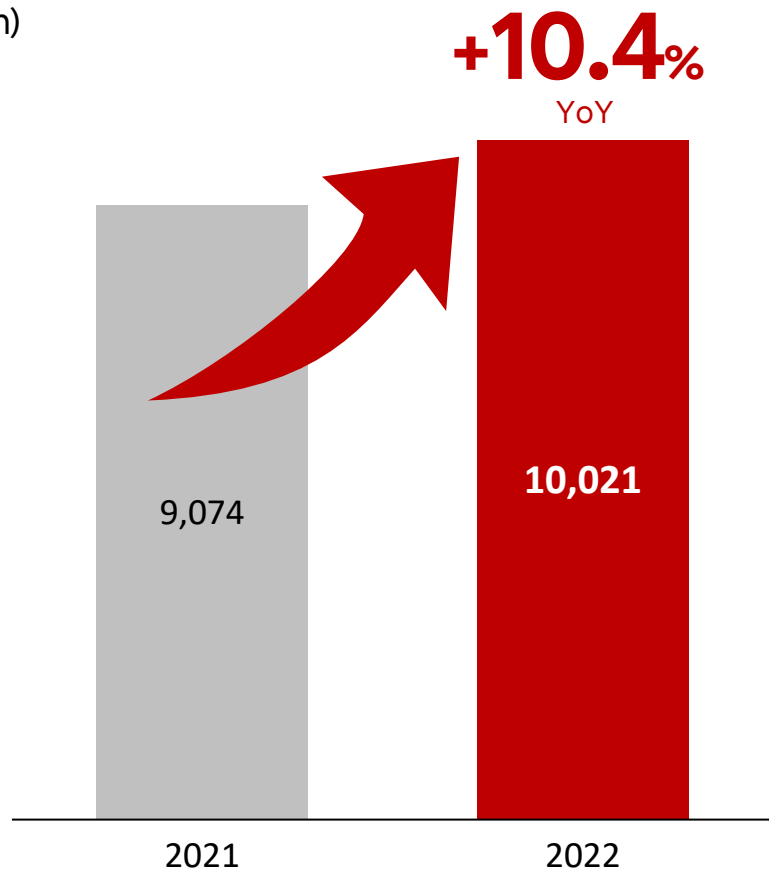


\* Securities business includes Rakuten Securities Inc. and its off-shore subsidiaries.

# Rakuten Insurance Group: Improved Operating Income and Face-to-Face channel ANP

## Non-GAAP Operating Income

(JPY mm)



## Q4/22 Face-to-Face Sales Channel Annualized New Business Premiums (ANP)<sup>\*1\*2</sup>

**Rakuten 楽天生命**  
(Life Insurance)

**+21.3%**  
YoY

**Rakuten 楽天損保**  
(General Insurance)

**+46.4%**  
YoY

\*1 Excluding group credit life insurance.

\*2 Excluding pet insurance. Rakuten Insurance (including pet insurance policies transferred from Q1): +29.3% YoY.

(JPY bn)



# Mobile

	FY2021	FY2022	YoY
<b>Mobile Segment</b>			
Revenue	227.5	368.7	+62.0%
Operating Income	-421.2	-492.8	-71.7
<b>Rakuten Mobile</b>			
Revenue	135.0	191.0	+41.5%
Operating Income	-403.8	-459.3	-55.5

# Rakuten Mobile Moving on to Next Steps








**2020-2022  
Phase 1**

Ultra speedy base station buildout  
+  
Virtualization technology established  
+  
Secured a stable customer base

↓

**Established  
foundation rapidly**

**2023-2024  
Phase 2**

 Lean and ultra efficient structure	 Significant reduction in roaming costs
 Breakthrough at Symphony	 99%+ population coverage
 Healthy profit improvement	 Strengthening ecosystem contribution
 Secure new marketing methods/referrals by shifting to internet marketing	

↓

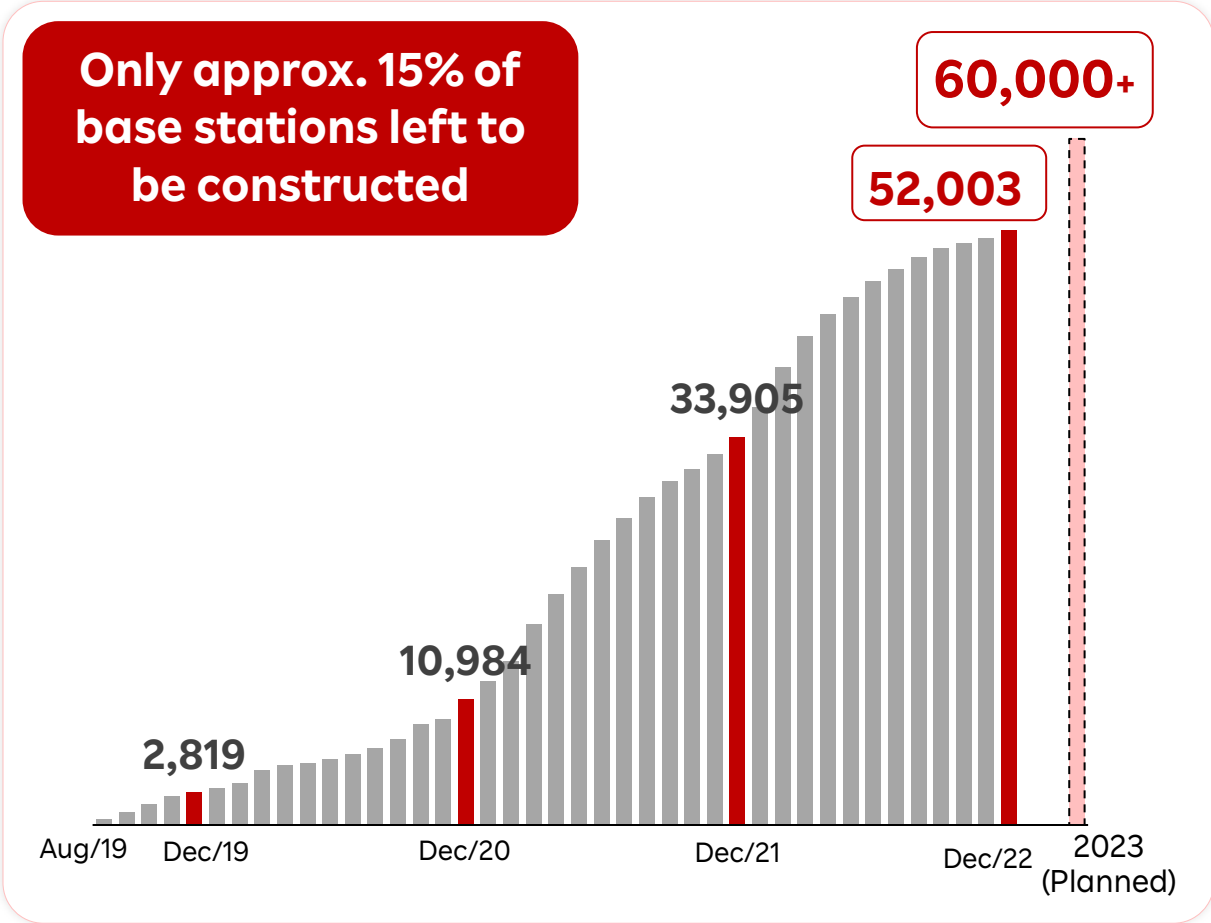
**Establish profit structure**

**2024-  
Phase 3**

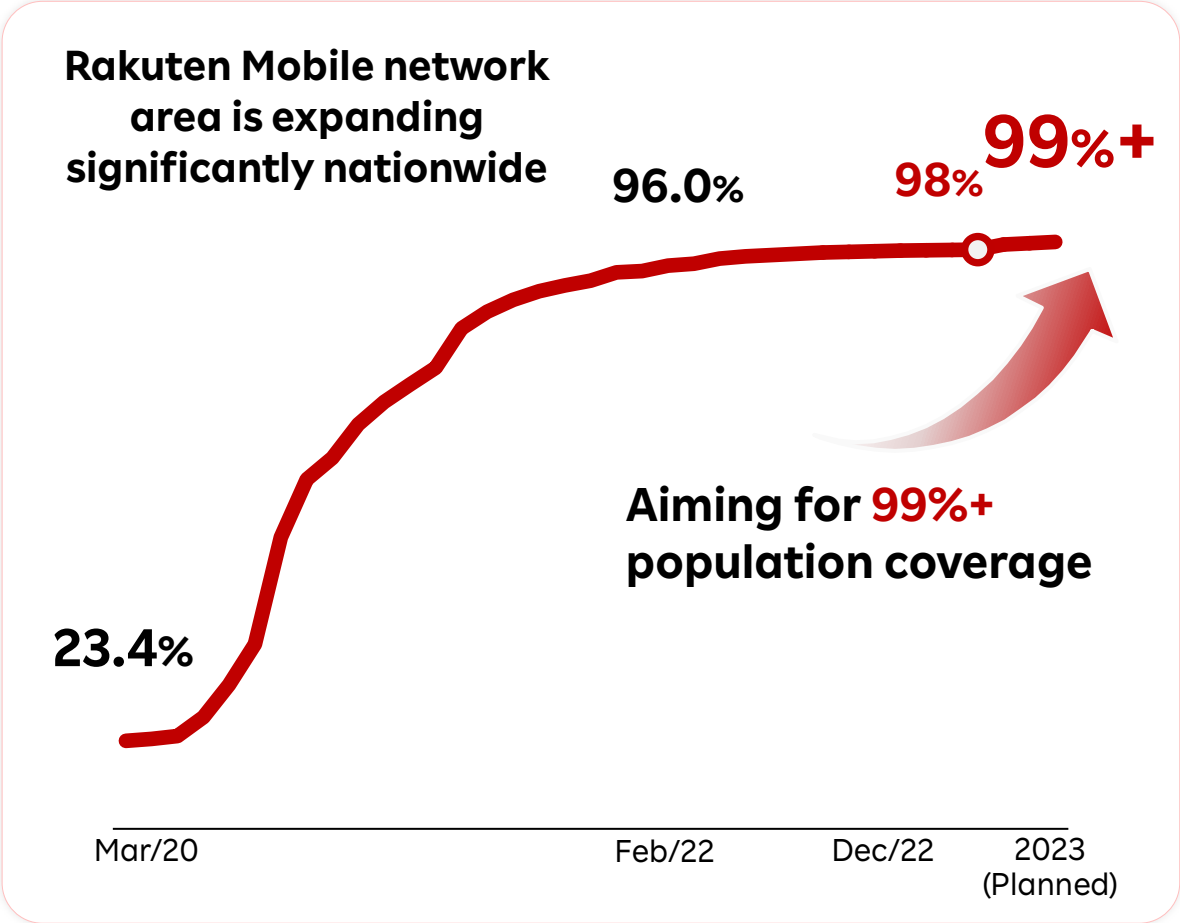
**On the road to becoming  
the No. 1 mobile carrier**

# Majority of 4G Deployment Already Done

## 4G base stations on air



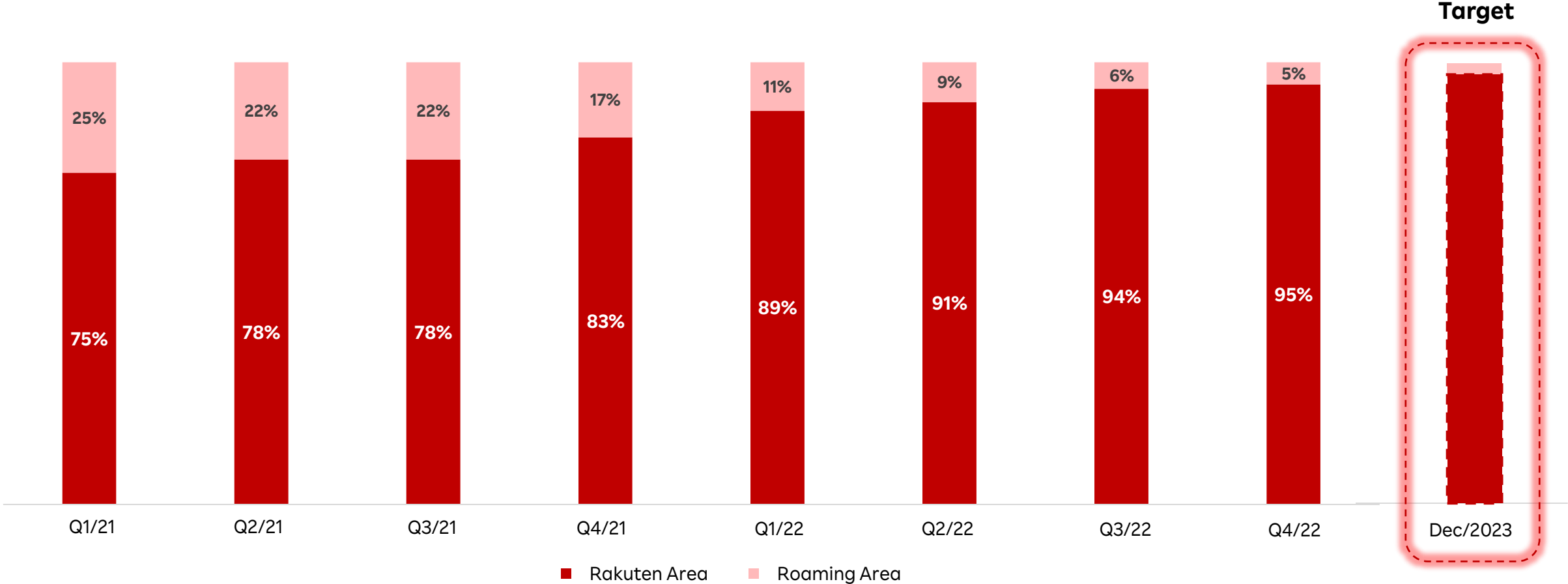
## 4G population coverage



\*Might be affected by the delivery status of equipment related to base station construction

# On Our Path to Reduce Roaming Traffic

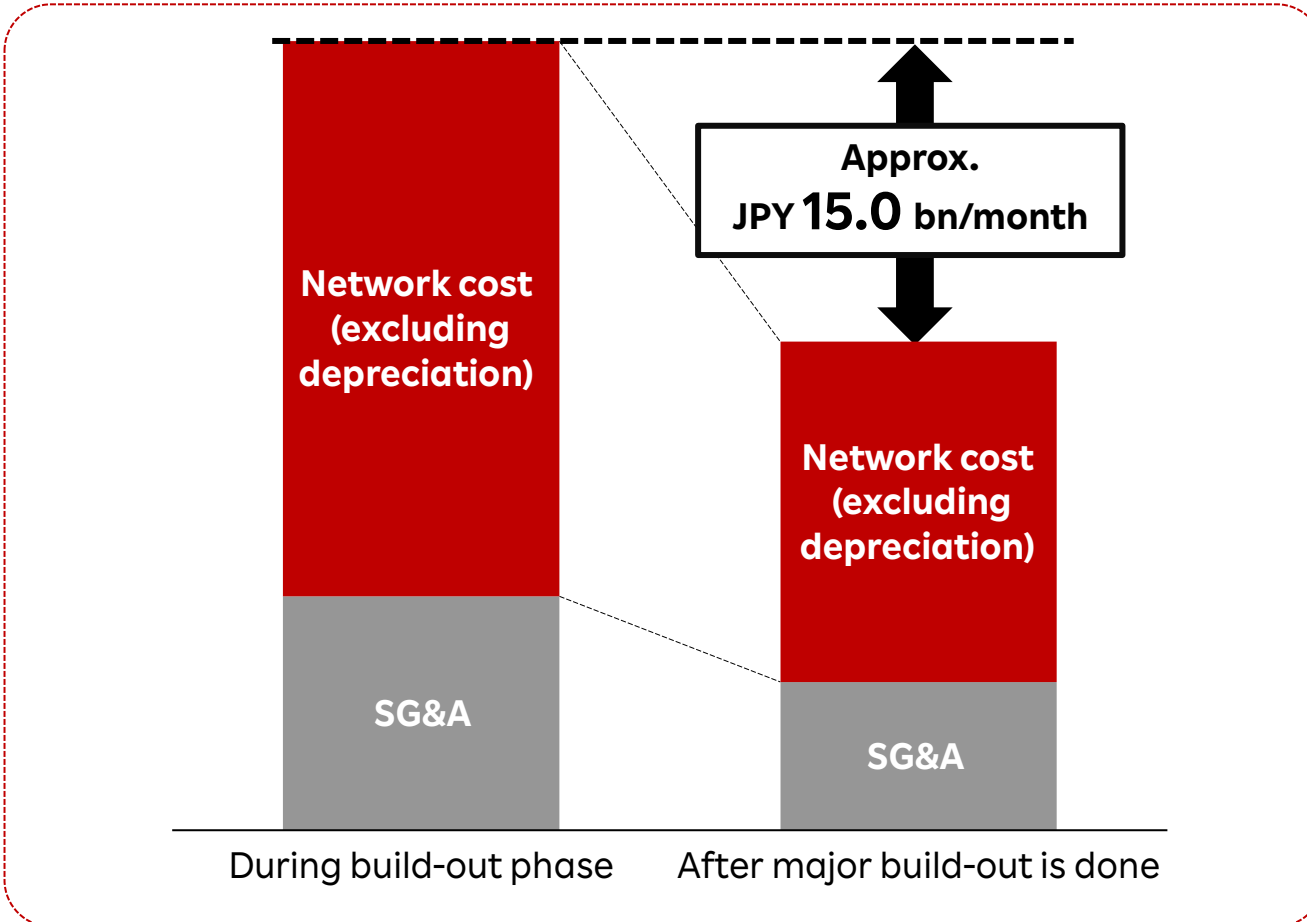
■ Sharp growth in data consumption in Rakuten Mobile coverage areas





# Drastic Cost Decline after 99% Population Coverage Completed

- Operating cost excluding depreciation and COGS will be reduced significantly as major build-out already done



## Cost Reduction Factors

### Network cost (excluding depreciation)

- **Base station construction cost:** As major build-out already done, employees transferred from group companies return and outsourcing cost will also decrease
- **Roaming cost:** As Rakuten's network expand and more traffic will be on Rakuten's network

etc.

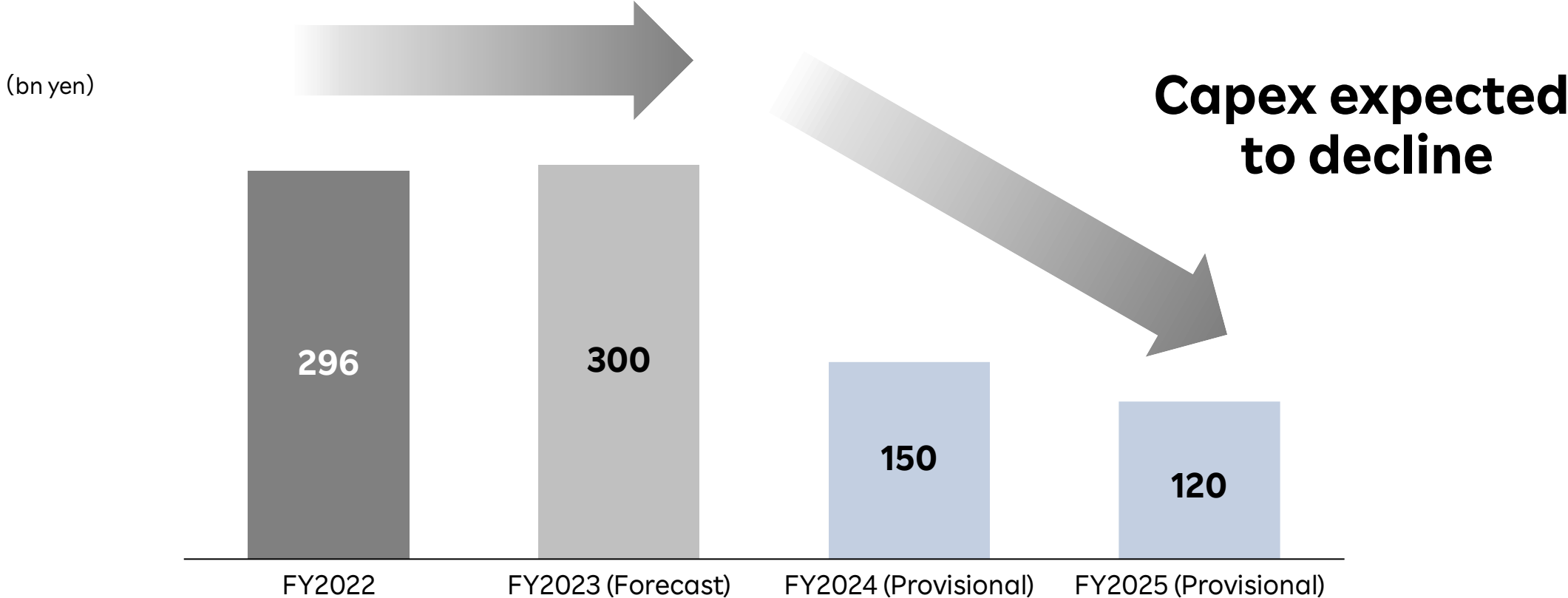
### SG&A

- **Shop cost:** Optimizing shop strategy

etc.

# Rakuten Mobile, Inc. Capex

(Excluding IFRS16 right-of-use assets, capitalization for specified base stations opening fee for 5G 1.7 GHz, etc.)

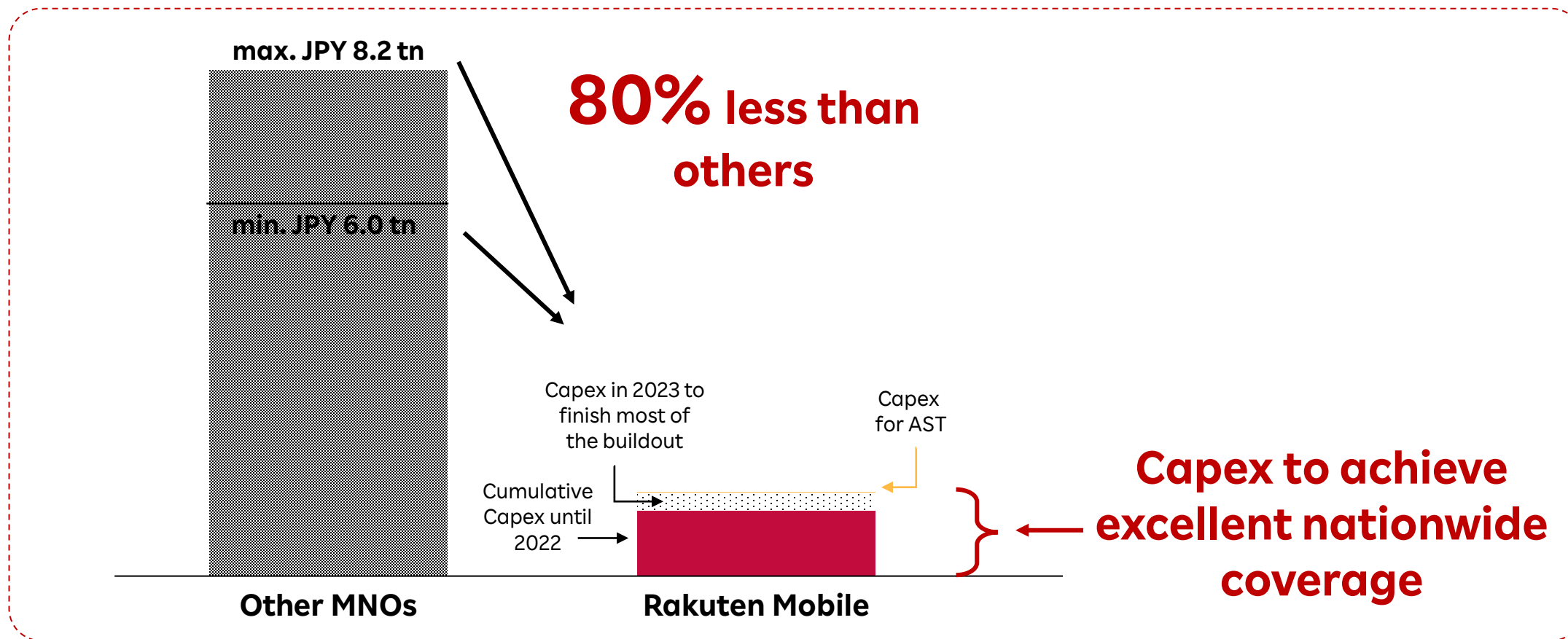


\* May be affected by the delivery status of equipment related to base station construction  
\* Include 1.7Ghz, 3.7Ghz, 28Ghz, and indoors

# Significantly Lower Capex Compared to Incumbents

- With Rakuten Mobile's software-driven network, we have achieved significant Capex advantage

Cumulative Capex for Japanese MNOs (April 2008 ~ Dec 2022)\*1\*2



\*1 Reference: Ministry of Internal Affairs and Communications, "Matters Concerning Trends in the Telecommunications Market"

\*2 4G commercial service started in Japan in 2010

To Provide Nationwide Network Coverage

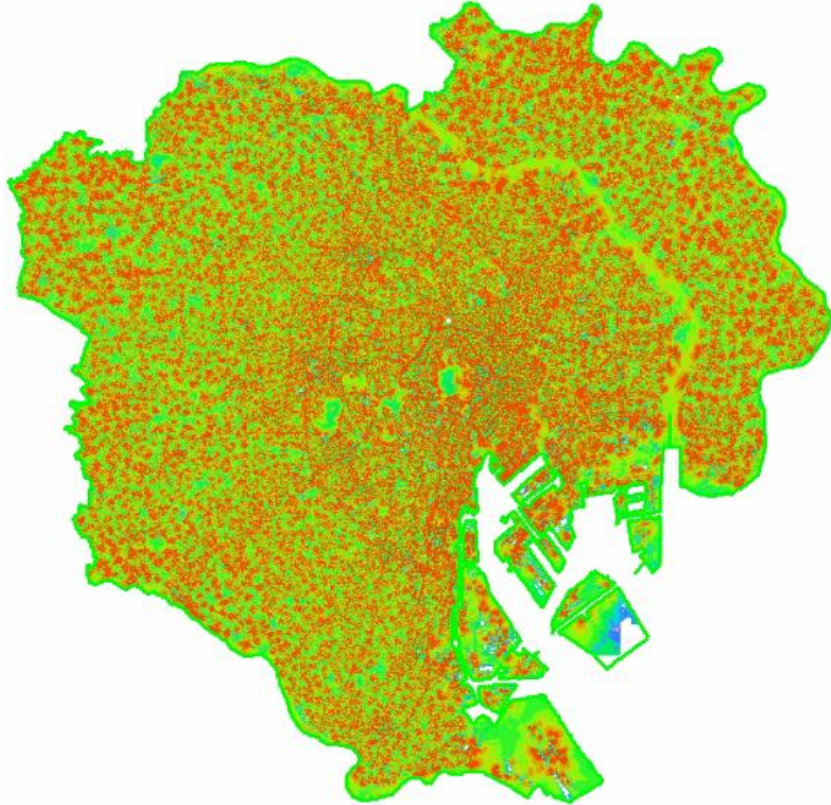
# Platinum Band & SpaceMobile



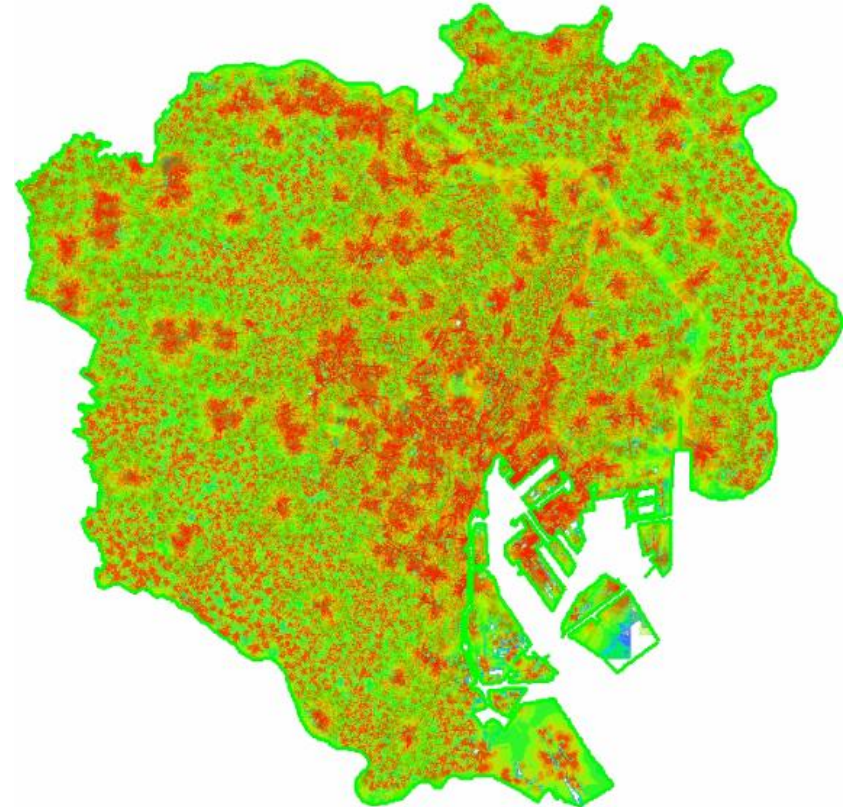
# Platinum Band Coverage Gain Simulation

Tokyo 23 wards – coverage map simulation

Band 3



Band 3 + Platinum Band



***Major improvement in coverage and customer experience in deep indoor areas***

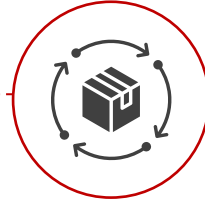
# Platinum Band Capex

## ■ Aiming for deployment with low cost



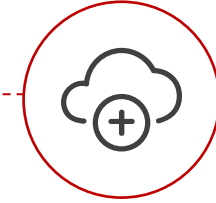
**Utilize network technology  
and our existing base  
station sites**

Enables flexible, efficient  
and low-cost installation of  
Platinum Band base  
stations



**Reuse existing poles,  
backhauls such as fiber, and  
accessories such as batteries**

Enables lower construction  
and material costs



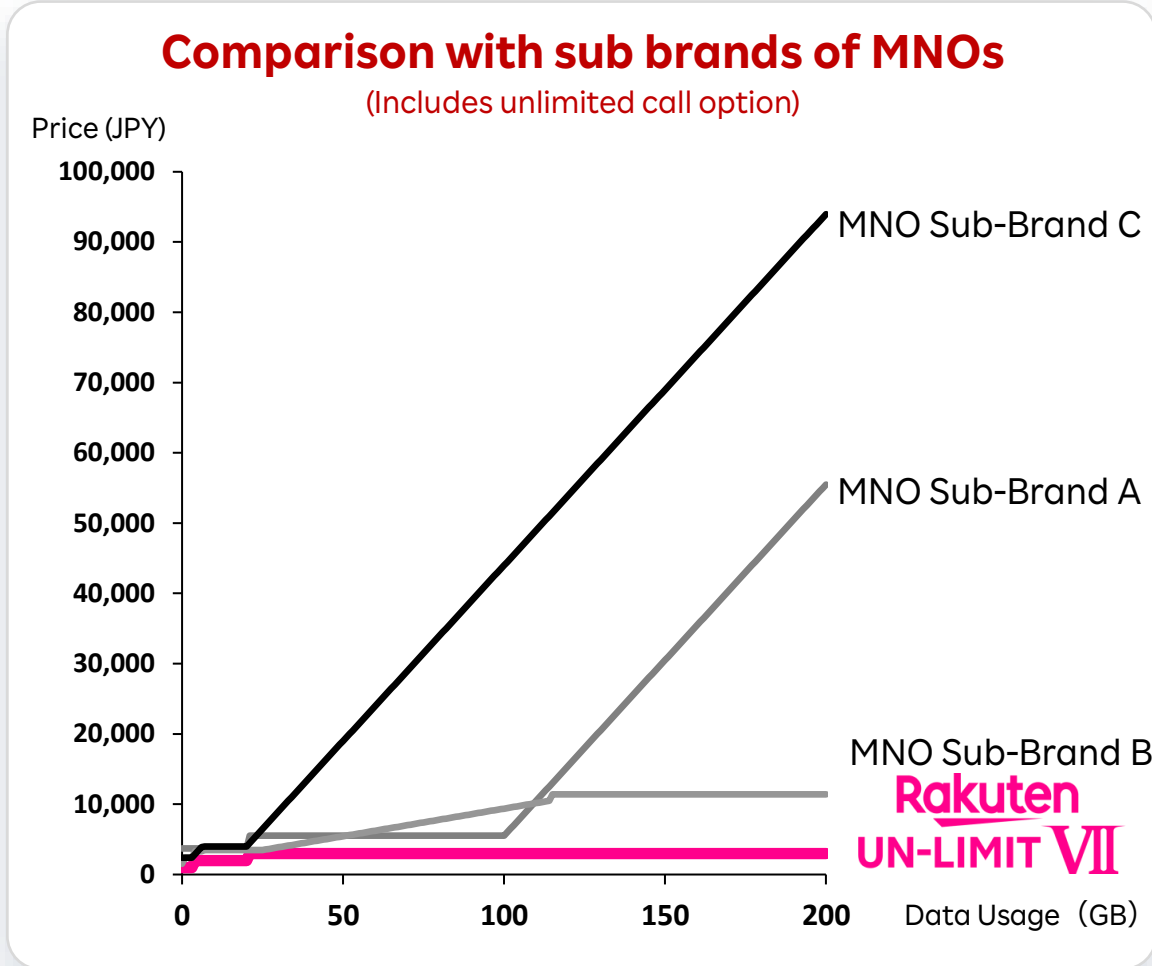
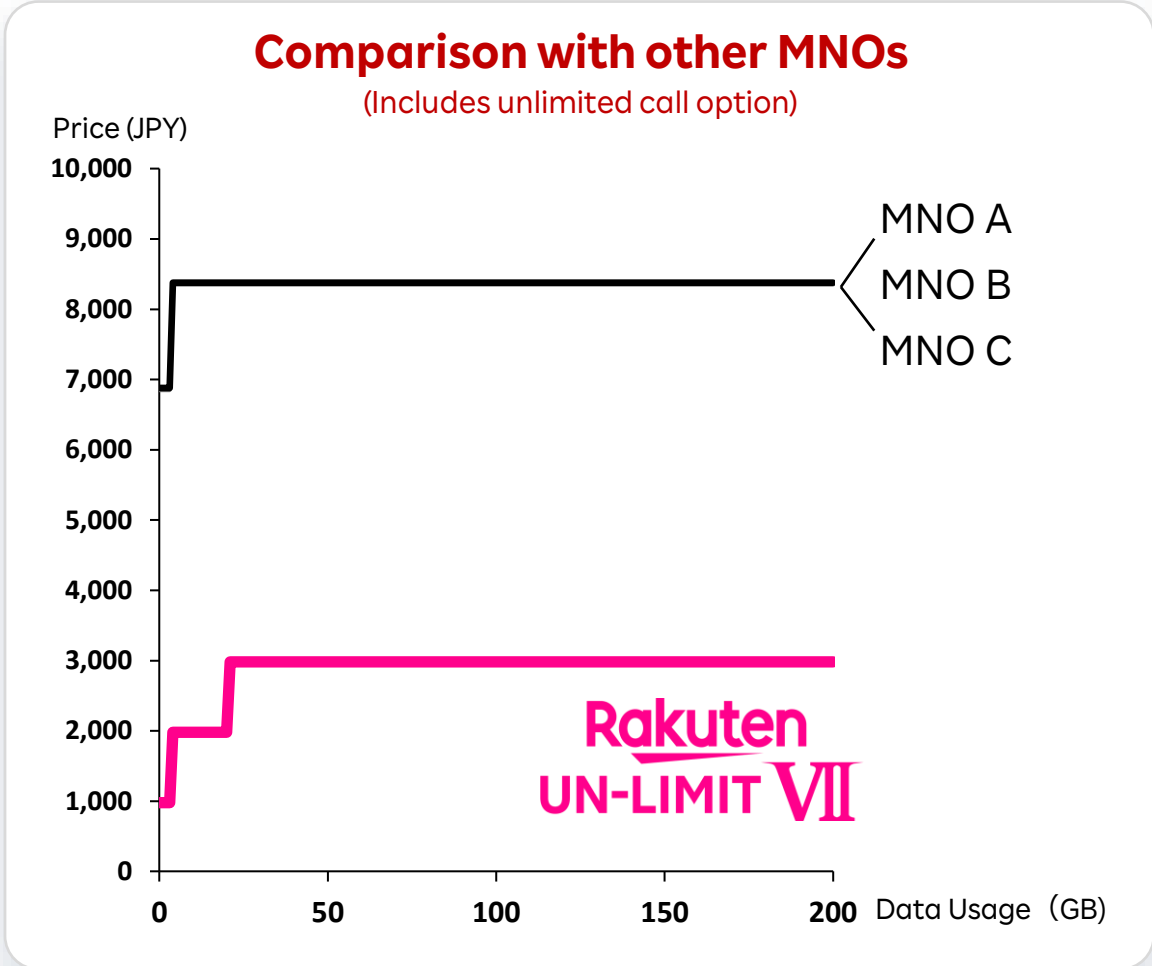
**Rakuten owned 4G  
and 5G software**

Ensures negligible  
software related  
capex

# Acquire Loyal Users from Rakuten Ecosystem

# Cost Structure Underpinning Rakuten Mobile's Price Advantage

■ A single plan where subscribers can use unlimited high-speed data\* for JPY 2,980 (excluding tax), even when consuming 100GB or 200GB



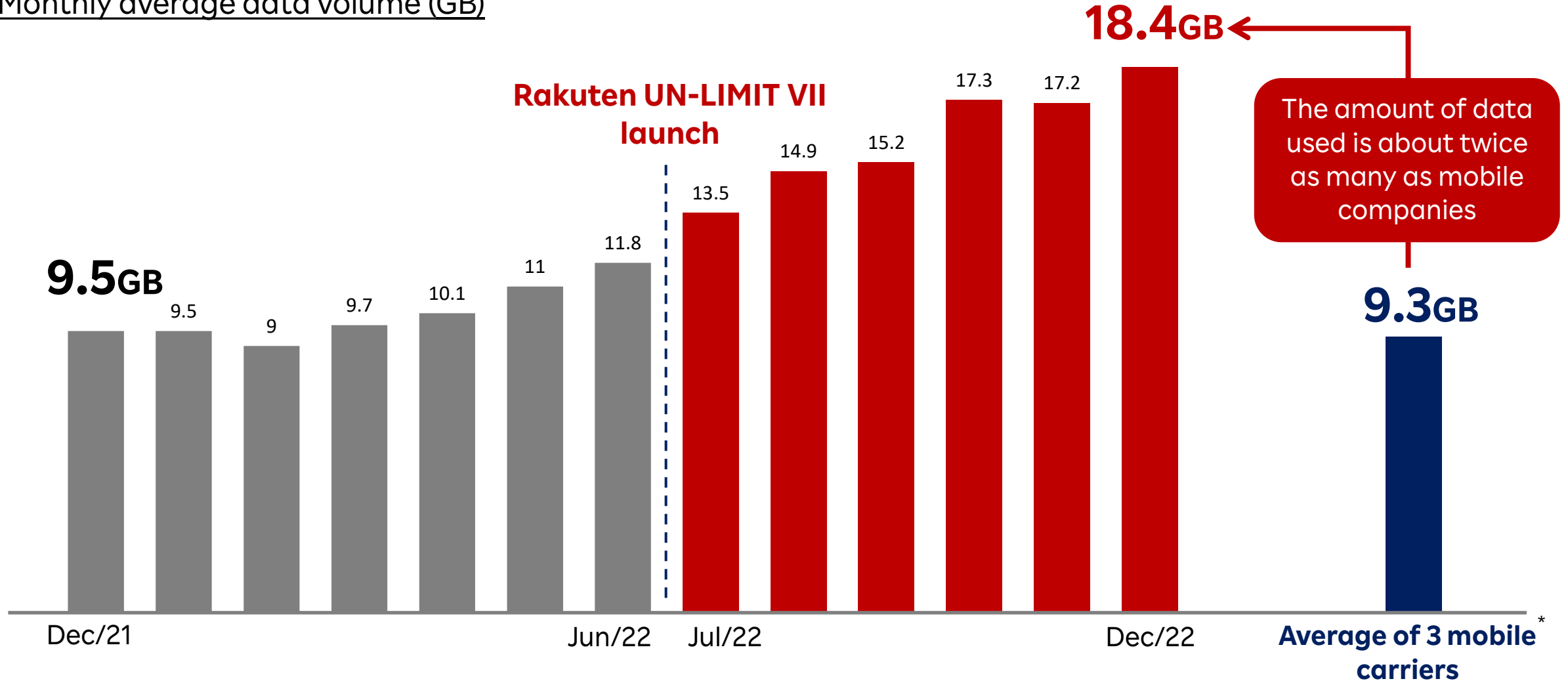
\* As of June 2022, research by Rakuten  
 \*Unlimited data when connected to Rakuten base stations. To provide a fair service, restrictions on transmission speed may be implemented. In domestic roaming areas, after using the allocated 5GB, unlimited data is available at a maximum speed of 1Mbps and for overseas, after using the allocated 2GB, unlimited data is available at a maximum speed of 128 kbps. When using a maximum of 1 Mbps, it may take time to play videos, download applications, etc. Transmission speed is best effort (the maximum speed of the standard). Actual transmission speeds may vary depending on the network environment. After the monthly data usage exceeds 20GB, the price is 2,980 yen/month (3,278 yen including tax) (excluding call charges, etc.).





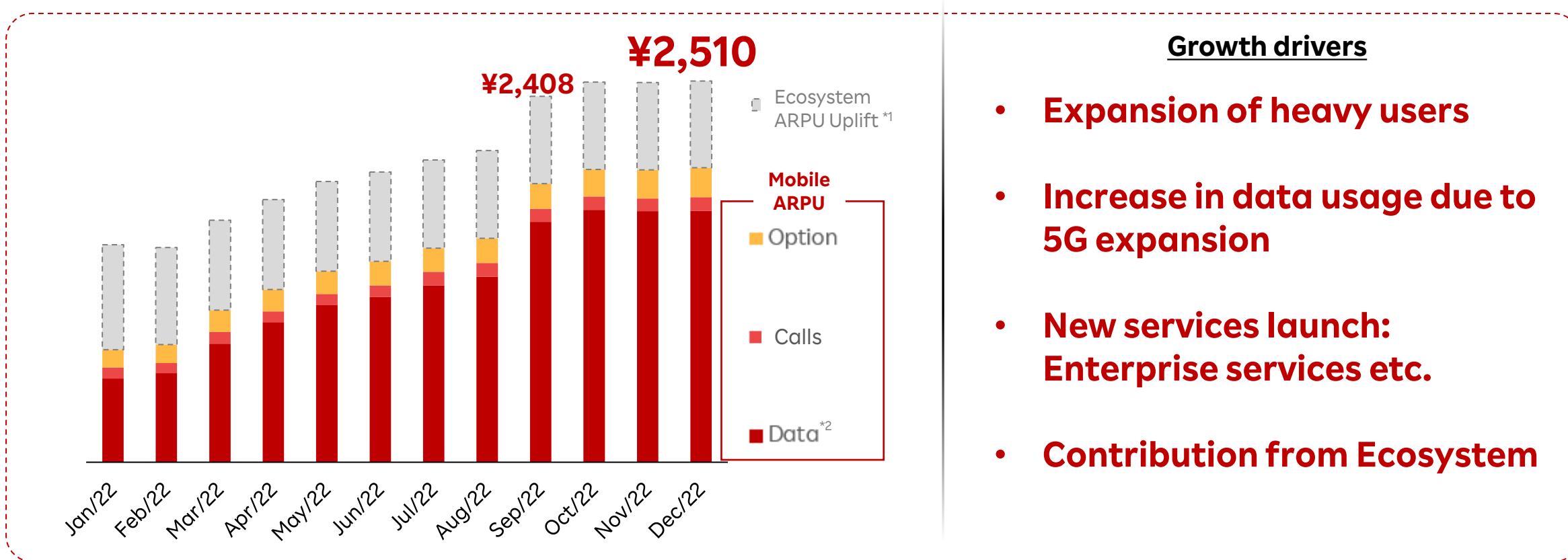
# Significant Increase in Data Usage post UN-LIMIT VII Launch

Monthly average data volume (GB)



# Growing ARPU

## ■ Mobile ARPU (Data + Option + Calls) + Ecosystem ARPU Uplift



### Growth drivers

- **Expansion of heavy users**
- **Increase in data usage due to 5G expansion**
- **New services launch: Enterprise services etc.**
- **Contribution from Ecosystem**

\*1 Ecosystem ARPU Uplift: Difference in average revenue per person between MNO users and non-MNO users over the past year at six selected businesses. Calculated by comparing MNO users who have been contracted for more than 1 year and non-MNO users for comparison (Among users who are Rakuten active and have not signed an MNO contract in the past year from the corresponding contract month, users who have collected sales for the past year from the corresponding month).

\*2 Data ARPU: Point back campaign for users of less than 1GB during September-October 2022 are recorded as deduction from revenue. However, we include it in the calculation of ARPU here.

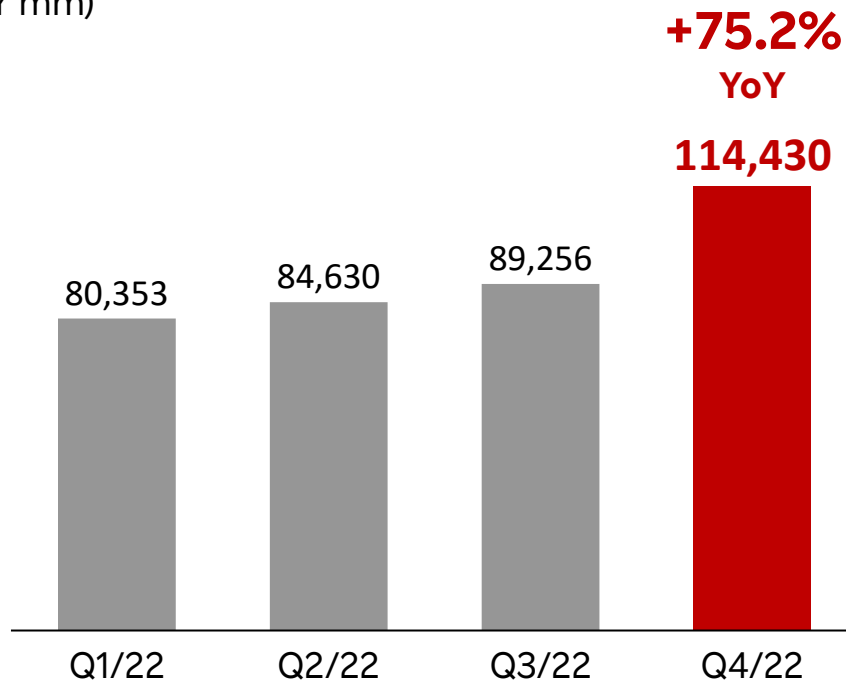
\*3 Sep/2022 figure has changed due to retroactive adjustments

# Mobile Segment Quarterly Trend\*1\*2

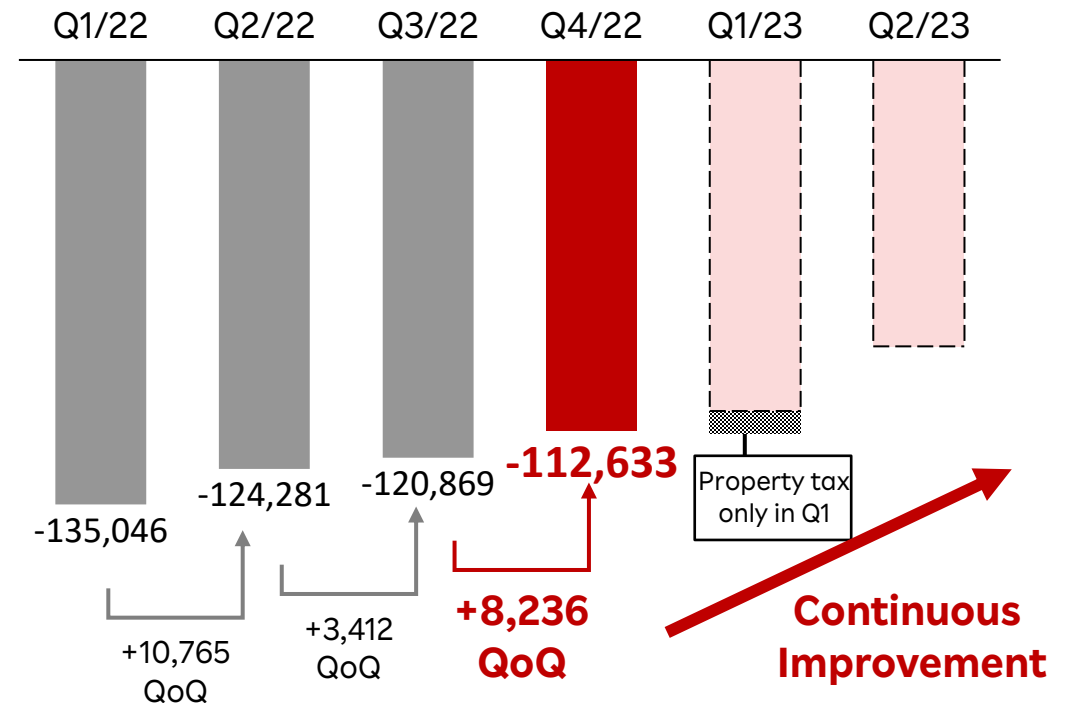
- ARPU increased with the transition to the new pricing plan. Profitability continued to improve partly due to roaming cost reductions as partner roaming areas switched to Rakuten's network coverage\*3

## Revenue

(JPY mm)



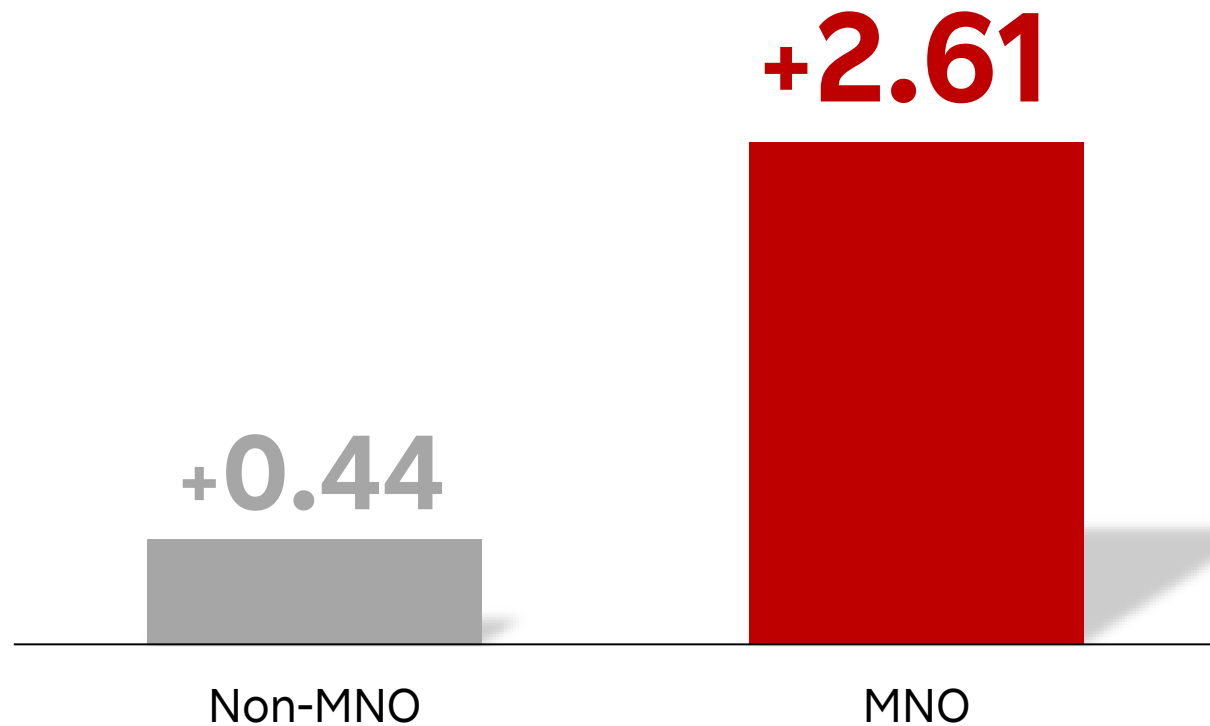
## Operating Income



\*1 Mobile segment includes Rakuten Communications, MNO business, MVNE & O business, Energy business, and contents businesses.  
 \*2 Rakuten Kobo, Rakuten Viki, Rakuten Viber, and others moved from mobile segment to internet service segment from Q2/21.  
 \*3 Number of base stations on-air 52,003, Number of sites with contract signed : 16,603 (As of end of December 2022)

# Acceleration of Service Usage post MNO Contracts

Average increase in service usage in one year



Increase in Rakuten Group's new service usage due to MNO contracts

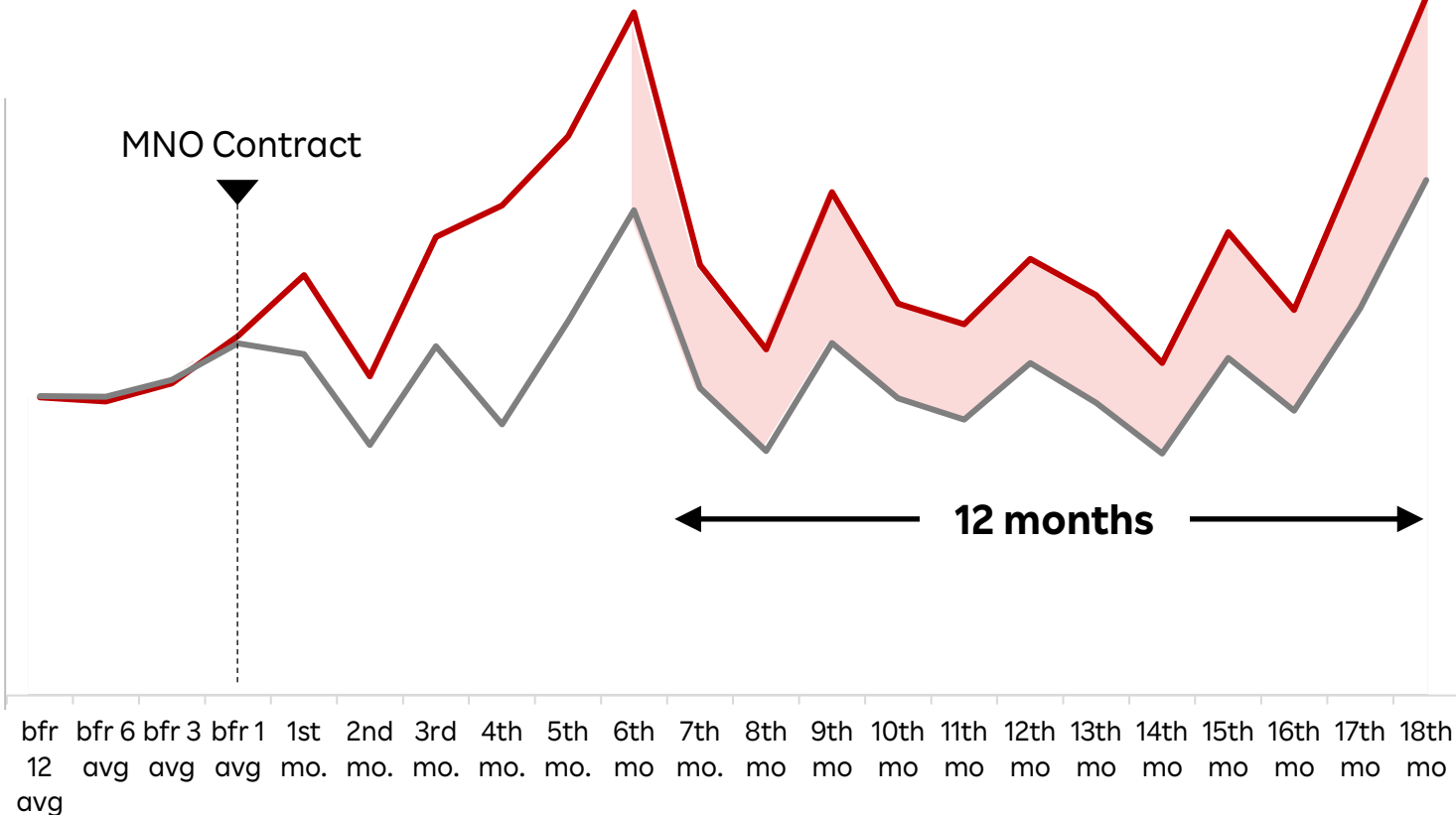
**10** million

\* MNO users: Users who have applied and are eligible for billing by January 2022; Non-MNO users: Active Rakuten member users with no MNO contract history

\* Service usage is determined based on points during the target period (number of service usage including mobile)

# Ichiba GMS Lift by MNO Contract

Monthly GMS/Unique User (JPY)



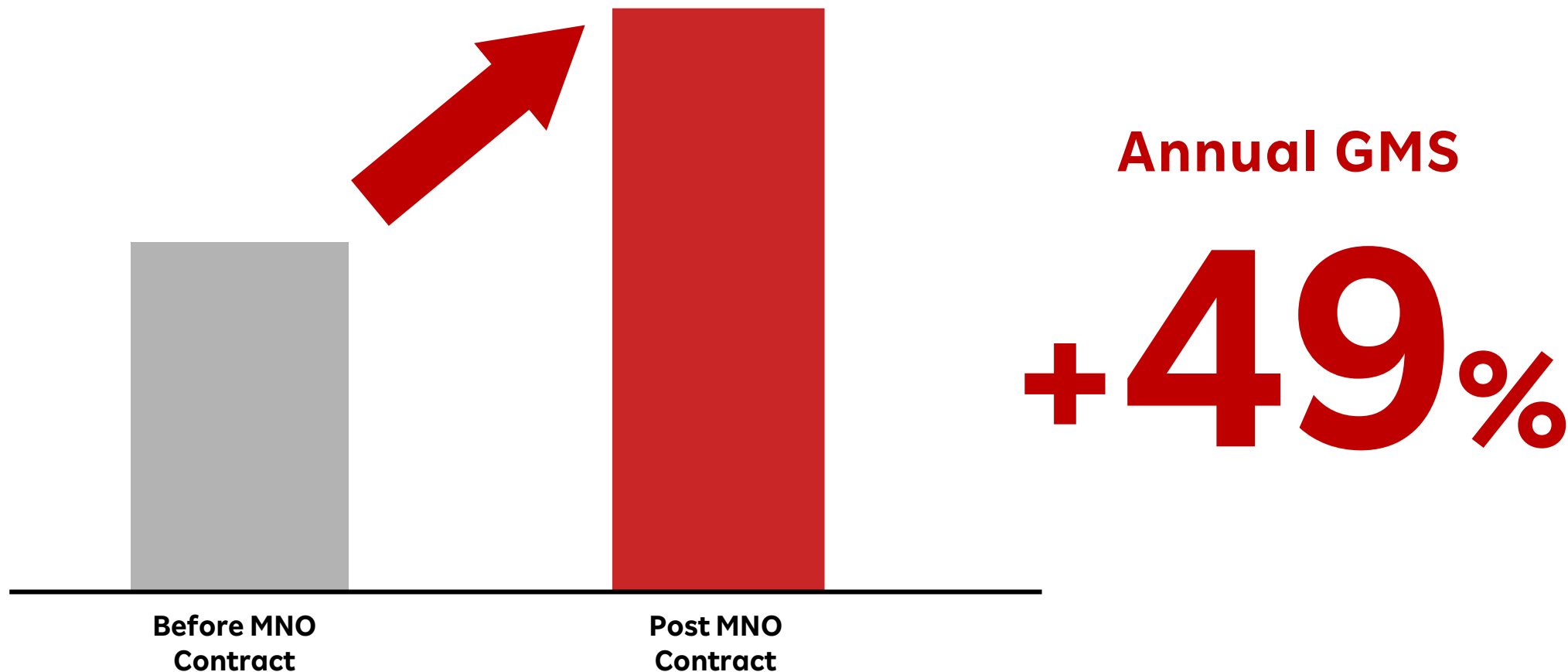
**Avg. GMS Lift by MNO**  
**+ 37,683 yen**  
**per year\*4**

- : MNO user's GMS\*1
- : Non MNO user's GMS\*2
- : GMS Lift by MNO\*3

\*1 MNO users : Users who made an MNO contract in the relevant month, users who have purchase trends for the past year from the relevant month in line with non-MNO users  
 \*2 Non-MNO users who have been active with Rakuten in the past year from the month and have not signed up for an MNO contract, and whose purchase trends for the past year from the month in question are the same as those of MNO users. In addition, August and September are preliminary figures  
 \*3 Difference in average purchase amount per person between MNO users and non-MNO users over the past year  
 \*4 Average of mobile users more than 1 year old from the month in question

# GMS Increase post MNO Contracts

Comparison of subscribers (had contracts 1 year or more ) from Jan/2022 to Dec/2022

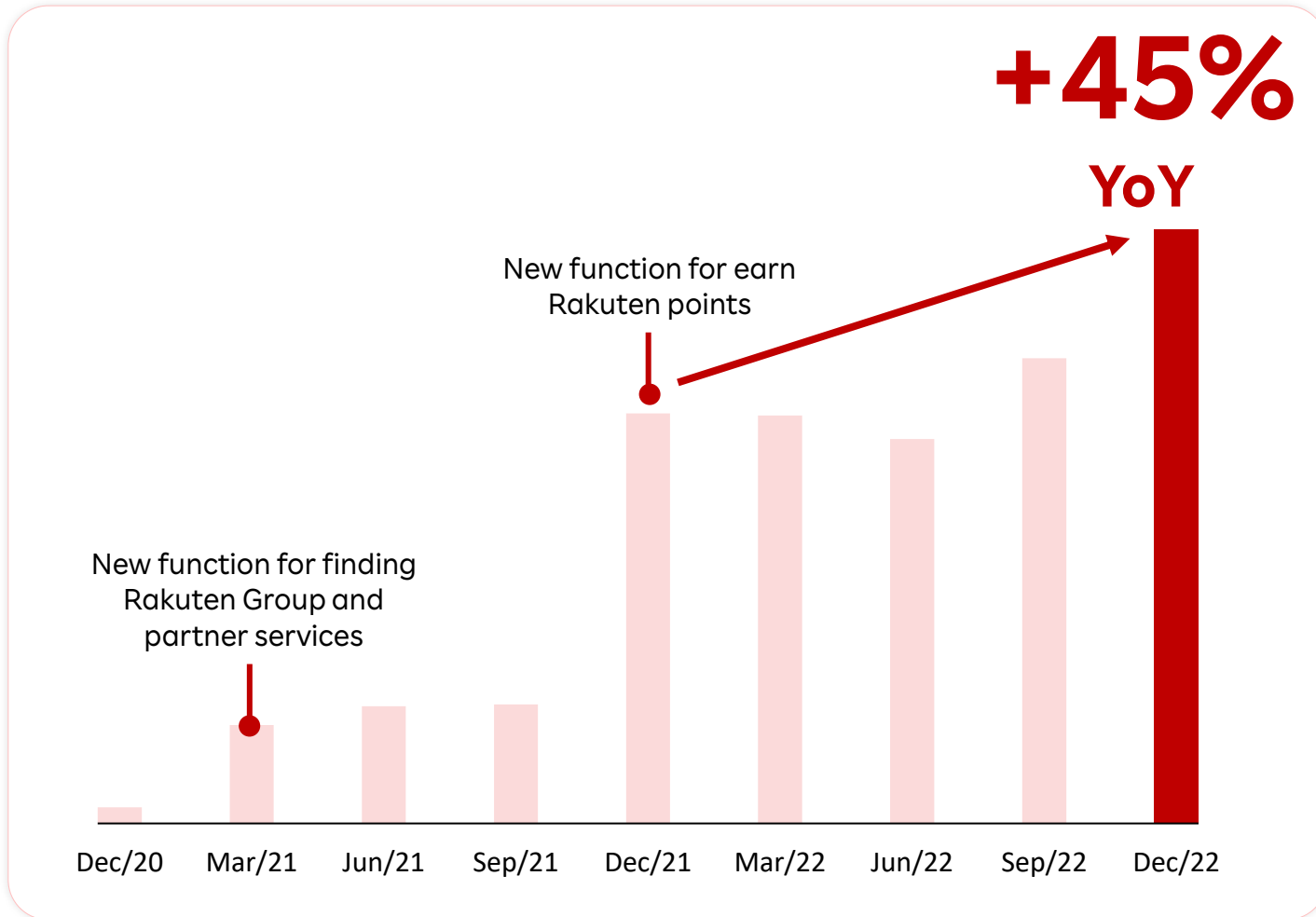


\* Users who have a contract with Rakuten Mobile between January 2022 and December 2022, and for whom 12 months or more have passed since the contract start month (including users who cancelled within the period) are included in the calculation.

\* GSM growth is the weighted average of figures comparing GSM in the 12 months before the user's contract and the latest 12 months (2022/1~2022/12) for each contract start month.

# Rakuten Link Contribution to Group Traffic

## Traffic from Rakuten Link to Rakuten Group Services





**Corporate Services Launched**

**Democratize  
Mobile Service Market  
For all Corporate Customers**



# Officially Launched: Rakuten Mobile Business Plan 3 Plans to Cater to Corporate Requirements

Launched on Jan 30, 2023  
with **600+** customers

1

Free Calls + 3GB Data

¥1,980/mo.

(tax included ¥2,178/mo.) \*1

Unlimited + 3GB + SMS  
Domestic Calls\*2

2

Free Calls + 5GB Data

¥2,380/mo.

(tax included ¥2,618/mo.) \*1

Unlimited + 5GB + SMS  
Domestic Calls\*2

3

Free Calls + 30GB Data

¥2,780/mo.

(tax included ¥3,058/mo.) \*1

Unlimited + 30GB + SMS  
Domestic Calls\*2

\*1 The cost of the device, administration fees, optional charges, call charges, universal service charges, telecommunication relay service and other charges are not included.

\*2 Calls to other companies' connection services starting with 0180, 0570 etc. and calls to some special numbers (188) are not eligible for free calls.

Domestic calls without Rakuten Link Office: ¥22/30sec.

\* When connecting to data communication within the Rakuten Line area, the communication speed may be controlled for fair service provision. In the partner line area, unlimited data at a maximum of 1 Mbps after 5GB in Japan and 128 kbps after 2GB overseas. When using the maximum speed of 1 Mbps, video playback, application downloads, etc., may take some time. Communication speed is based on best effort (maximum speed based on standards), and the effective speed may vary depending on the communication environment and conditions.

\* Outside the Rakuten line area, data storage in partner line areas will be consumed. Each plan content and partner line storage is as below.

• Calls+3GB : Partner Line (domestic) 1GB / Partner Line (International) 1GB

• Calls+5GB : Partner Line (domestic) 2GB / Partner Line (International) 1.5GB

• Calls+30GB : Partner Line (domestic) 5GB / Partner Line (International) 2GB

\* Data communication when using the "Rakuten Link" app and "my Rakuten Mobile (excluding some functions)" app will not be counted as high-speed data usage in partner line areas. It will be available without speed limits even if the high-speed data capacity is exceeded. This is subject to change without notice.

\* If the first line of the contract is not used for a certain period of time, the line may be suspended or terminated.

## 3 Features of Business Mobile Phone Plans

1

**With Rakuten Link Office App,  
Domestic calls/SMS ¥0**

**UNLIMITED<sup>\*1</sup>  
Domestic Calls**

2

**Between Rakuten Link Office App,  
International calls/SMS ¥0**  
Only from/to the applicable countries and regions)

**FREE<sup>\*2</sup>  
International Calls**

3

**In all Business Plans,  
Both 4G and 5G services  
INCLUDED**

**5G<sup>\*3</sup>  
Available**

\*1 Calls to other companies' connection services starting with 0180, 0570 etc. and calls to some special numbers (188) are not eligible for free calls. Domestic calls without Rakuten Link Office: ¥22/30sec.

\*2 With Rakuten Link Office, international calls can be made only from/to applicable countries and regions. In the other areas, it will be available under a Wi-Fi environment only.

Available areas and terms for International calls and SMS services may be changed without notice.

\*3 5G service can be available with 5G compatible device under the 5G service area of Rakuten Mobile. For details on 5G service area, check out the Rakuten Mobile web site.

# Rakuten Mobile to Launch ISP (Internet Service Provider)

- High-speed Broadband connectivity to B2C & B2B

## B2B services

Ongoing POC:  
High-speed internet  
service **connected  
by dark fiber**

Tentative launch: **FY2023**

## B2C services

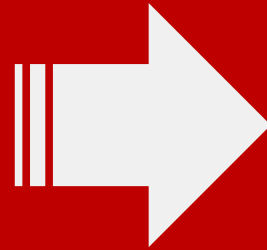
Ongoing POC: Brand-new  
**Rakuten Hikari**  
connected by **FLET'S as  
VNE\***

Tentative launch: **1st half in FY2023**

\* Virtual Network Enabler

**Phase2**

**Leaner and  
Profitable**



**Phase3**

**Leap Towards No. 1  
Mobile Carrier in Japan**



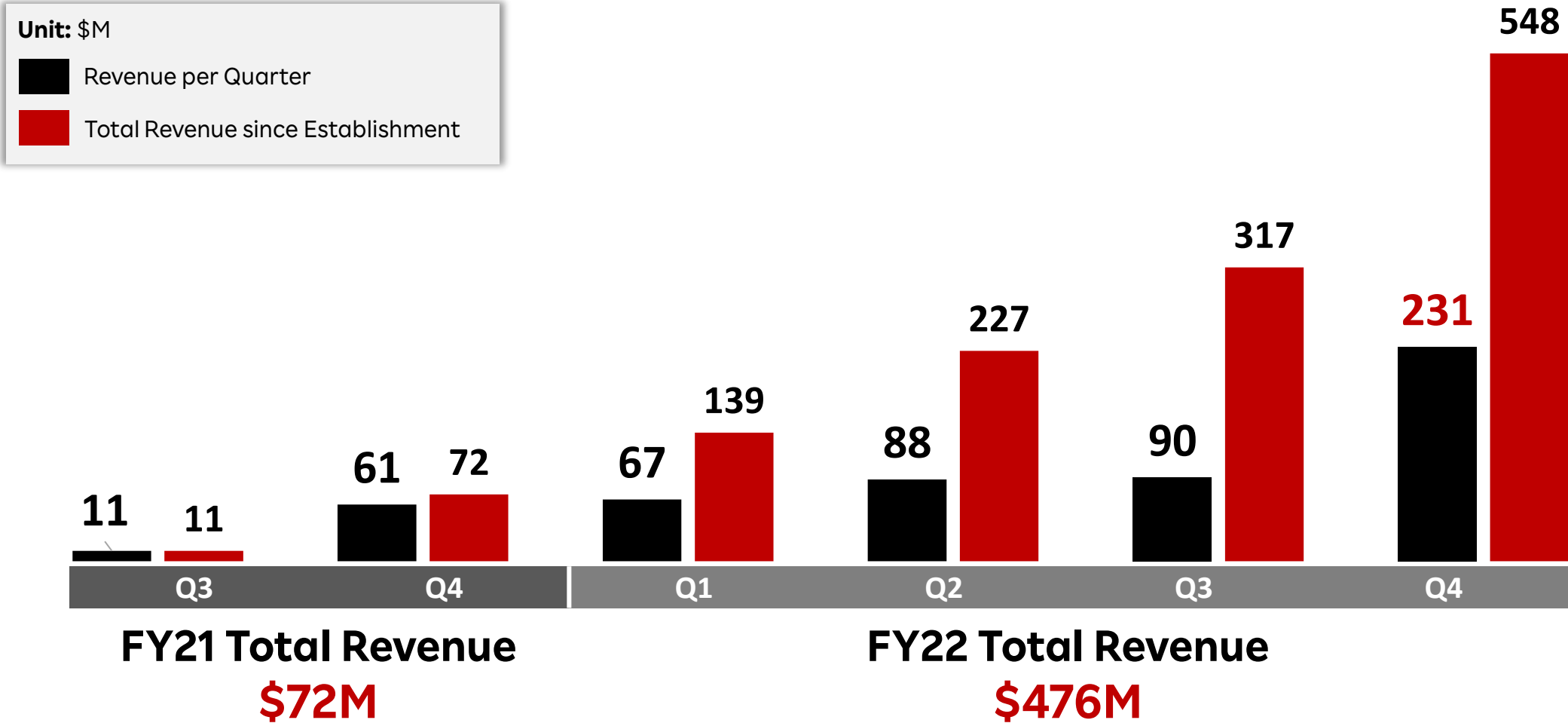
**Maximize Cash Flow**



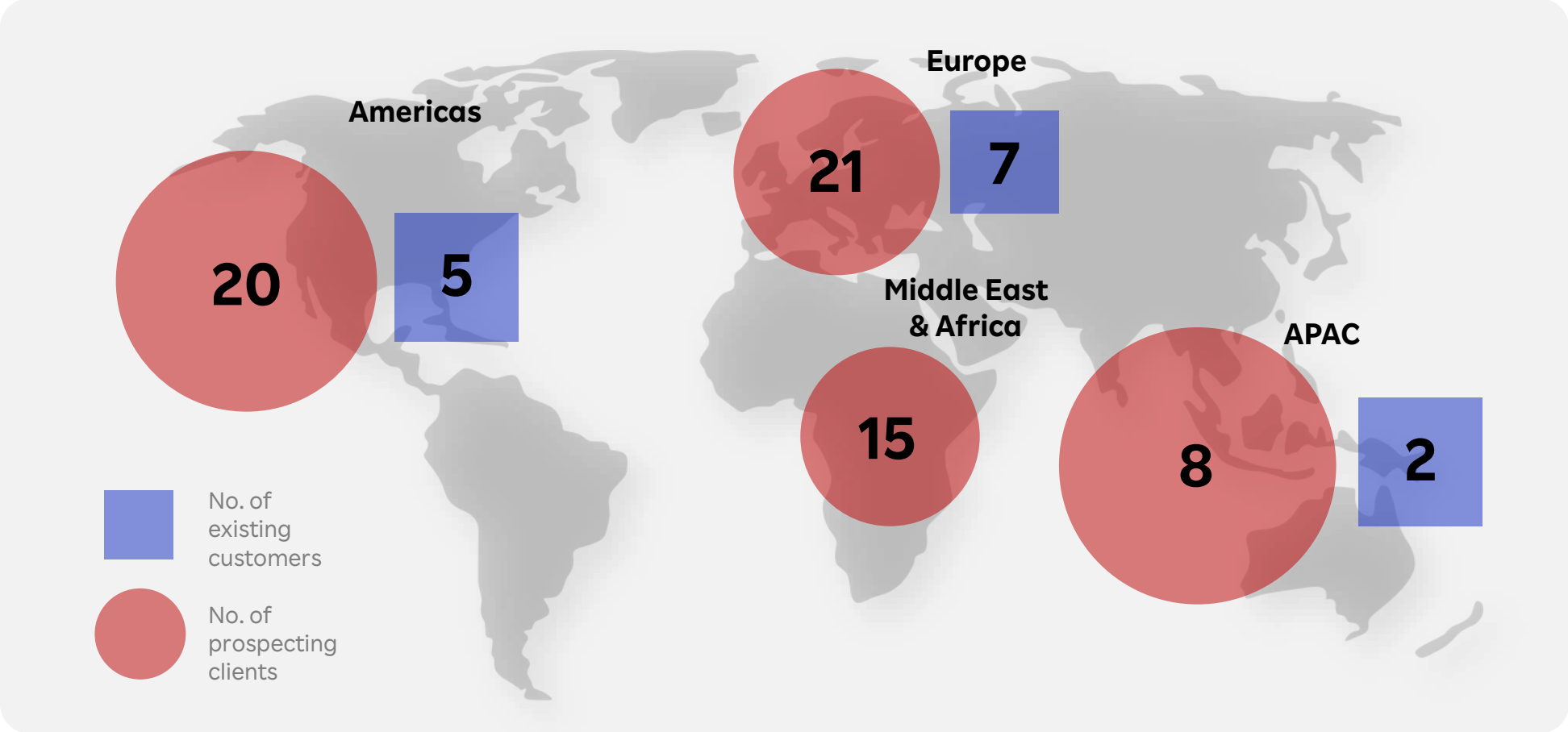
# Rakuten Symphony

# Rakuten Symphony: Revenue since Establishment

We achieved revenues of more than half a billion USD in the first six quarters since establishment



# Healthy \$4B+ Pipeline Converting into Revenue



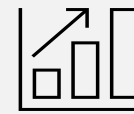
# Open RAN: Symphony's Momentum

We are positioned to lead the impending Open RAN industry transformation

## Our Achievements in Open RAN

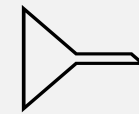
### I. Open RAN

- 1 Significant **increase** of **trials** and **public tenders**
- 2 Global **government funding** & **rip-and-replace** programs
- 3 Continuous **diversification** of O-RAN compliant **hardware landscape**



**200M+**

Revenue around ORAN in last 6 quarters



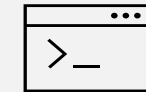
**50%+**

of sales pipeline includes Open RAN opportunities



**300,000+**

Radiating cells globally on our Open RAN Software



**600+**

new RAN features released in past 300 days

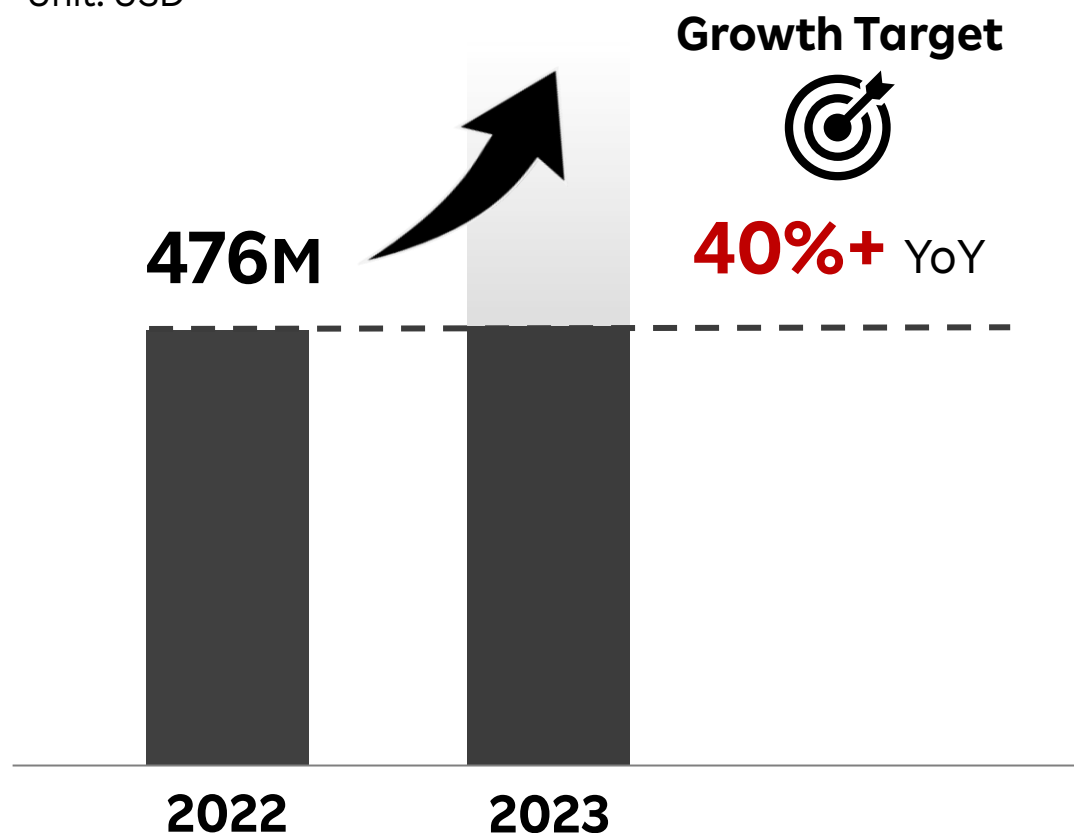


# Our Revenue Growth into 2023

We are geared towards significant revenue growth in 2023 and beyond

## Revenue Trajectory

Unit: USD



## Our Growth Drivers

- 1) Growth within 14 existing customers**  
Continuous investment in our customers' success to scale within existing greenfield and brownfield accounts
- 2) \$4B+ Pipeline**  
Converting pipeline into revenue by closing new deals in RAN, OSS and Cloud
- 3) Monetization of existing trials and PoCs**  
Start capitalizing on ongoing Open RAN PoCs by converting them into commercial multi-year contracts
- 4) Strengthening portfolio and Go to Market**  
Launch and monetize new products and features and invest in expanding our GtM capabilities

# **3 Financial Strategy**

# Our Commitment: Disciplined Financial Policy



**No additional gross debt** and will reduce debt balance by executing the announced funding

- Rakuten Bank IPO
- Rakuten Securities Holdings IPO



Flexibly consider **strategic business alliance and capital raise** for the parent and subsidiaries if justified



**Aim to replace JPY 68bn of First Subordinated Bond at the 1st call date (Dec 2023)** by taking into consideration of market condition and reputation in capital markets

# 4 ESG

# 【ESG】 Launch of Sustainability Committee

A cross-organizational “Rakuten Group Sustainability Committee” consisting of domestic and overseas executives was established in November 2021 to accelerate our sustainability efforts. Three subcommittees addressing topics that require long-term discussions were also created: the Environment, the Human Rights, and the Diversity and Inclusion Subcommittees.



CIO & CISO = Chief Information Officer & Chief Information Security Officer  
 CFO = Chief Financial Officer  
 CDO = Chief Data Officer

CMO = Chief Marketing Officer  
 CCO = Chief Compliance Officer

No. of Committee Meetings Held	
Sustainability Committee	2
Environment Subcommittee	10
Human Rights Subcommittee	4
Diversity and Inclusion Subcommittee	2

# 【ESG】 Stakeholder Engagement for a Sustainable Society

We work together with our users, partners, and other diverse stakeholders through the provision of our sustainable platform

## With Partners

楽天トラベルと始める

旅行 × サステナビリティ

TRAVEL × SUSTAINABILITY

- **"Sustainability Icons"** to introduce sustainable initiatives at Rakuten Travel accommodations in Japan.
- **"Sustainable Travel" badge** for Rakuten Travel accommodations that meet our criteria for sustainability initiatives.
- A **"handbook"** to promote sustainability initiatives among Rakuten Travel accommodations.

### environmental protection



### culture people / community



Sustainability Icons

## With Users



- **"Go Green Together"** campaign to promote sustainable lifestyle choices throughout the Rakuten ecosystem.
- Offered **environmental quizzes and "Rakuten Points"** to encourage service users to be more environmentally mindful in their daily lives.

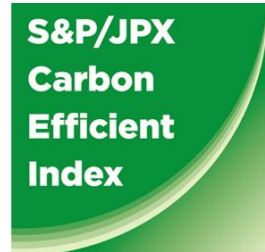


# 【ESG】 Awards and Recognition

## Sustainability Indexes

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA



**2022** MSCI ESG Leaders  
Indexes Constituent

2022 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX



FTSE4Good



FTSE Blossom  
Japan



FTSE Blossom  
Japan Sector  
Relative Index

## Awards



# **5** Financial Highlights



# FY2022 Financial Highlights

(JPY bn)

	FY2021	FY2022	YoY
<b>Internet Services Segment</b>			
Revenue	999.2	1,085.9	+8.7%
Operating Income	103.4	78.2	-24.3%
<b>Domestic E-Commerce</b>			
Revenue	707.7	797.0	+12.6%
Operating Income	70.0	95.6	+36.6%
<b>Minority Investment</b>			
Operating Income	34.3	-10.2	-44.6
<b>Others (excluding Minority Investment)</b>			
Revenue	291.5	288.9	-0.9%
Operating Income	-1.0	-7.2	-6.2
<b>Others (excluding Minority Investment, R-ad, Viber, Sponsorsip)</b>			
Operating Income	-0.9	3.7	+4.5
<b>FinTech Segment</b>			
Revenue	619.0	663.4	+7.2%
Operating Income	89.1	98.7	+10.8%
<b>Mobile Segment</b>			
Revenue	227.5	368.7	+62.0%
Operating Income	-421.2	-492.8	-71.7
<b>Rakuten Mobile</b>			
Revenue	135.0	191.0	+41.5%
Operating Income	-403.8	-459.3	-55.5
<b>Adjustments</b>			
Revenue	-164.0	-190.1	-26.1
Operating Income	3.7	-9.7	-13.4
<b>Consolidated</b>			
Revenue	1,681.8	1,927.9	+14.6%
Non-GAAP Operating Income	-225.0	-325.6	-100.6
IFRS Operating Income	-194.7	-363.9	-169.2
<b>Non-GAAP Operating Income (Excluding Mobile Segment &amp; Investment Businesses)</b>	<b>161.8</b>	<b>177.4</b>	<b>9.6%</b>

**Rakuten**

This presentation includes forward-looking statements that reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The management targets included in this presentation are not projections, and do not represent management's current estimates of future performance. Rather, they represent targets that management strives to achieve through the successful implementation of the Company's business strategies. The Company may be unsuccessful in implementing its business strategies, and management may fail to achieve its targets. The Company is under no obligation - and expressly disclaims any such obligation - to update or alter its forward-looking statements. Names and logos of companies, products, and services and such that appear in this material are trademarks or registered marks of their respective companies.