FY2025 Second Quarter Consolidated Financial Results

August 8, 2025

Rakuten Group, Inc.

Rakuten

- Hello everyone, thank you very much for taking the time out of your busy schedules to join us today. I will be explaining the results of Rakuten Group for the second quarter of 2025.

Agenda

1 Summary

2 Segment Results

- Internet Services Segment
- FinTech Segment
- Mobile Segment

3 Finance

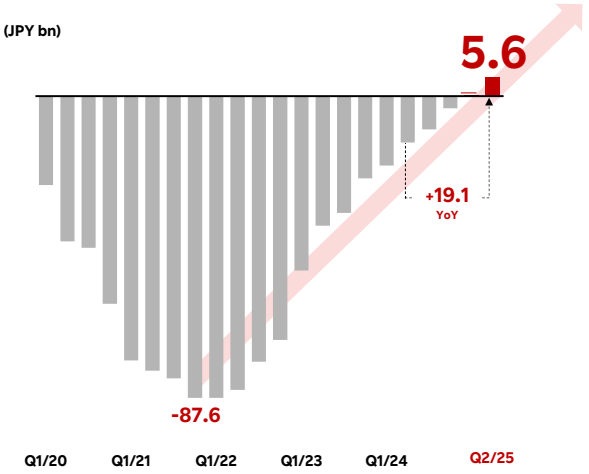
4 AI

- Here is today's agenda. First, I will explain the business performance. After that, our CFO, Hirose, will explain the financial results, and our Chief AI & Data Officer, Ting, will provide an update regarding AI.

1. Summary

- To begin, I will report on the status of Rakuten Mobile, which is of great interest to everyone.

Rakuten Mobile, Inc. EBITDA*



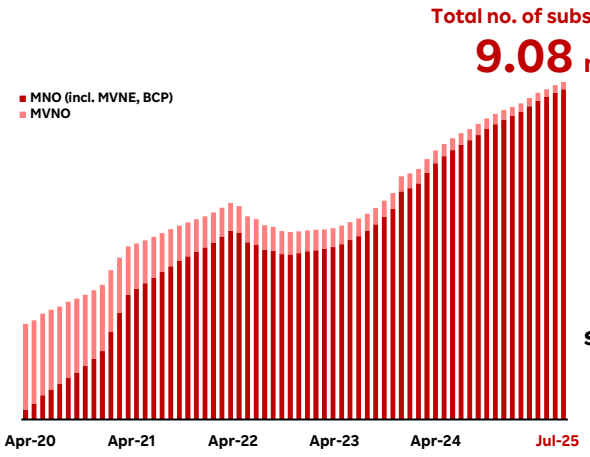
Q2/25 EBITDA
Profitability

Steady progress towards achieving 2025 full-year EBITDA profit

*EBITDA for the first quarter of each year in the graphs exclude property tax payments.

- In the second quarter of 2025, Rakuten Mobile's standalone EBITDA improved by 19.1 billion yen year-on-year, reaching 5.6 billion yen. Compared to the previous quarter, when we achieved our first quarterly profit, we were able to further expand the profit. We are making steady progress toward achieving full-year EBITDA profitability in 2025.

Rakuten Mobile, Inc. Number of Subscribers



Total no. of subscribers surpassed

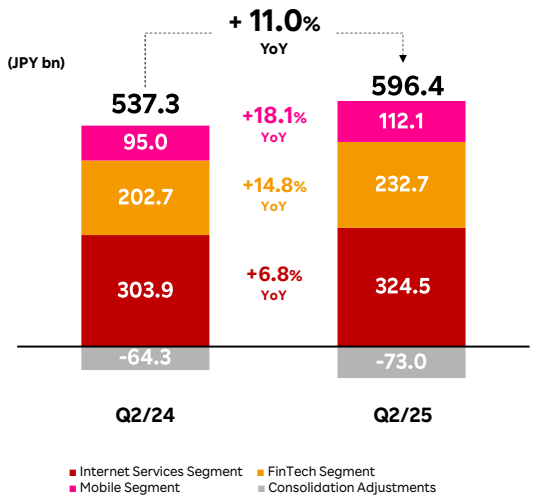
9mm

Aiming to accelerate pace of net increase to surpass 10 million subscribers as early as possible

*As of the end of July 2025. Total number for MNO, MVNE, and MVNO, including BCP. BCP refers to plans sold for B2B business continuity plans. The number of MNO (Excluding MVNE, BCP) subscribers is 8.29mm.

- As for the number of subscribers, we surpassed 9 million subscribers on July 7th, and as of July 31st, we reached 9.08 million subscribers. Toward breaking the major milestone of 10 million, we aim to further accelerate the pace of net additions in the second half of the year.

Q2/25 Consolidated Revenue



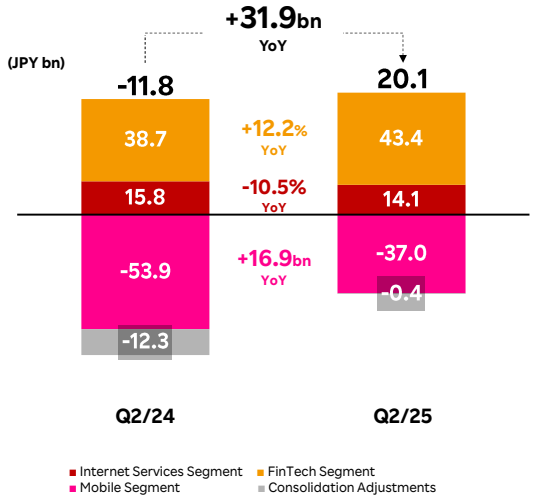
Revenue growth

across all segments

Strong performance in key businesses including Rakuten Ichiba, Travel, Card, Bank, Mobile, and Symphony

- Next, I will report on the Group's consolidated business performance.
- In the second quarter of 2025, consolidated revenue increased by 11.0% year-on-year to 596.4 billion yen. As a result of strong performance in our main businesses such as Rakuten Ichiba, Travel, Card, Bank, Mobile, and Symphony, the Internet Services segment grew by 6.8%, the FinTech segment by 14.8%, and the Mobile segment by 18.1%, achieving revenue growth across all segments.

Q2/25 Consolidated Non-GAAP Operating Income*



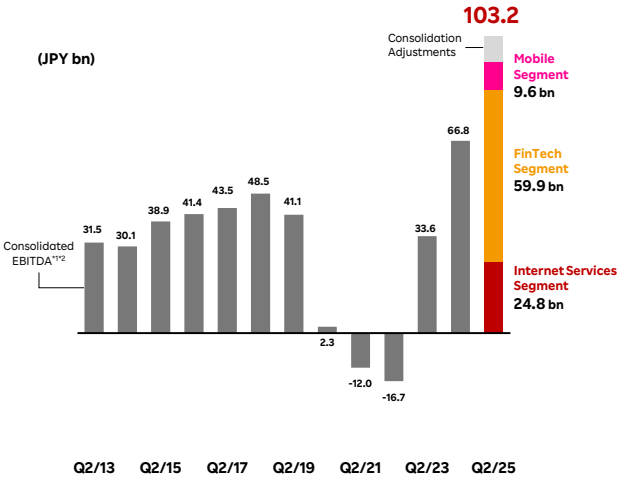
Q2 profit
for the first time since 2019

Along with increased revenue, improving operational efficiencies through the use of data and AI to promote disciplined business operations

*Segment results from Q1/23 have been retroactively adjusted due to the inclusion of the Mobile Ecosystem Contribution in segment results from Q3/24.

- Consolidated Non-GAAP operating income improved by 31.9 billion yen year-on-year, reaching 20.1 billion yen. This marks the first time since fiscal year 2019 that we have made a profit in the second quarter. In addition to increased revenue, the promotion of disciplined business operations and the advancement of various operational efficiencies through the use of data and AI contributed to this result.

Q2/25 Consolidated EBITDA*1*2



Quarterly EBITDA surpassed JPY 100 bn

Highest ever for Q2

*1: Non-GAAP EBITDA = Non-GAAP operating income + depreciation and amortization, etc. Q2/18 figures exclude 26.8 billion yen valuation gain on Lyft stock. Q2/19 figures exclude 10.9 billion yen valuation loss on Lyft stock. *2: Segment results from Q1/23 have been retroactively adjusted due to the inclusion of the Mobile Ecosystem Contribution in segment results from Q3/24.

- Consolidated EBITDA increased significantly by 54.5% year-on-year, rising by 36.4 billion yen to reach 103.2 billion yen. This is also the highest amount ever recorded for a second quarter, and we believe that we have achieved very strong growth.

Rakuten AI: Full-Scale Launch

■ **Available now on Rakuten Link and as a dedicated web app[*1]. Planned for release on Rakuten Ichiba in autumn 2025**

From research to actions: Cutting-edge Agentic AI integrated with Rakuten Ichiba and other Rakuten Ecosystem services[*2]

Rakuten AI allows users to research vast amounts of information online and connects users to Rakuten services to take concrete actions, such as making purchases on Rakuten Ichiba

From siloed to unified: New gateway to Rakuten Ecosystem

Serves as the new entry point to Rakuten Group services

From chats to tasks: Easy to use, intuitive experience

Supports interactions through conversations, voice, and visual experiences

*1: Dedicated web app currently available in beta. *2: Integrated with Rakuten Ichiba, Rakuten Rakuma, Rakuten Books and Rakuten Fashion as of the end of July 2025.

- Regarding AI, we are excited to announce a significant milestone in our AI-nization initiative: the official launch of Rakuten AI on July 30th. Until now, Rakuten AI was available in a limited open beta, but our new agentic AI service is now fully live, available to all users across Japan, and truly serves as the new gateway to the Rakuten Ecosystem.
- Beyond typical AI agent interactions, Rakuten AI implements powerful concierge functions that perform everything from research to actions.
- And this fall, we're bringing Rakuten AI directly to Rakuten Ichiba. By analyzing a rich variety of data – from user attributes and preferences to purchasing trends from your e-commerce usage – Rakuten AI will provide product suggestions optimized for each individual user, further enhancing your shopping experience.

2. Segment Results

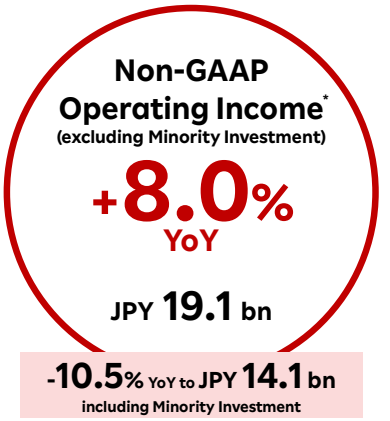
- Next, I will explain the business performance by segment.

Internet Services Segment

- First, the second quarter performance highlights of the Internet Services segment.

Internet Services Segment: Q2/25 Financial Highlights

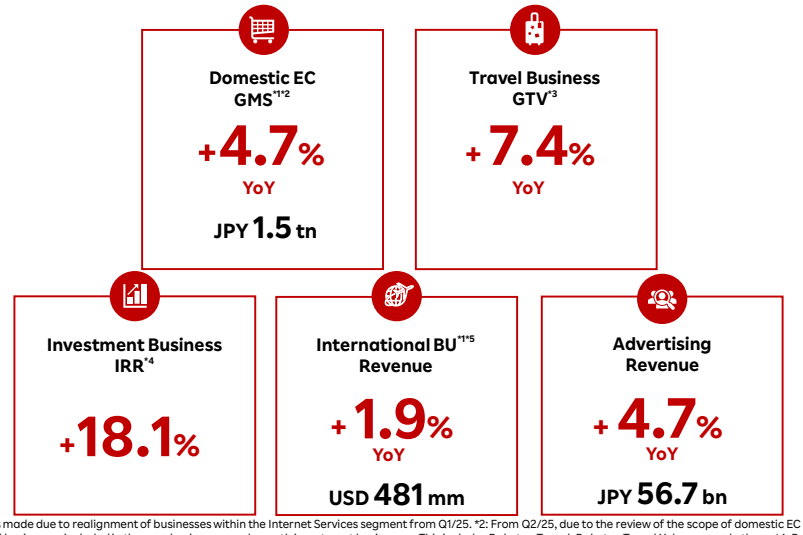
- In Domestic EC, Rakuten Ichiba and Travel led the revenue growth. In addition to continuous profit growth in core businesses, improved profitability in Logistics also contributed
- In the International BU, Rakuten Viber and Rakuten Viki drove increased revenue and profits



*Segment results from Q1/23 have been retroactively adjusted due to the inclusion of the Mobile Ecosystem Contribution in segment results from Q3/24.

- Revenue increased by 6.8% year-on-year to 324.5 billion yen, and Non-GAAP operating income declined by 10.5% year-on-year. However, this was due to the recording of valuation losses on some securities held in the minority investment business. Excluding these valuation losses, operating income increased 8% year-on-year to 19.1 billion yen, achieving solid growth.
- In the Domestic EC business, in addition to the continued growth of core businesses such as Rakuten Ichiba and Rakuten Travel, the price revision implemented in the logistics business in June also contributed to increased profits.
- In International Business Unit, each business grew steadily, with increases in both communication and advertising revenue for Rakuten Viber, contributing to the expansion of segment profit.

Internet Services Segment: Q2/25 Key KPIs

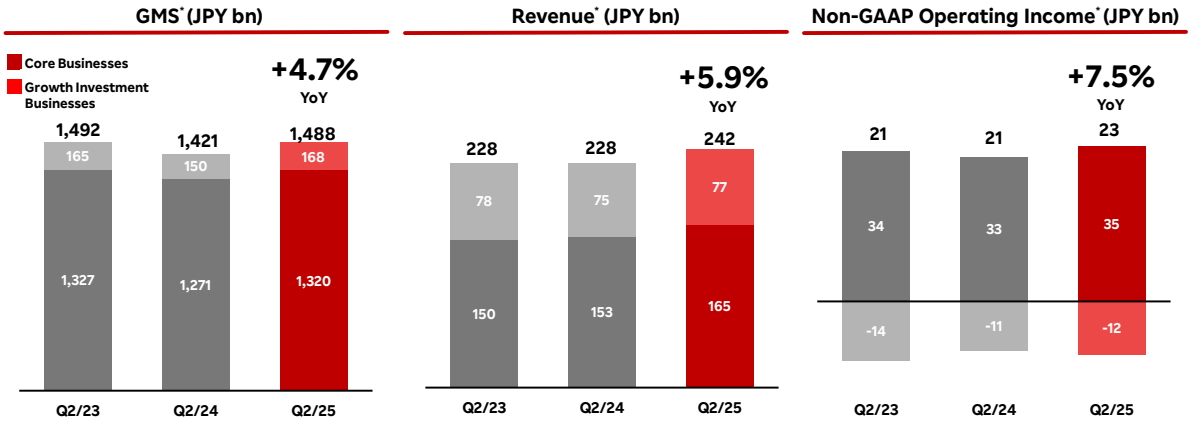


*1: Retroactive adjustments made due to realignment of businesses within the Internet Services segment from Q1/25. *2: From Q2/25, due to the review of the scope of domestic EC GMS, retrospective adjustments were also made. *3: The total of travel businesses included in the core businesses and growth investment businesses. This includes Rakuten Travel, Rakuten Travel Xchange, and others. *4: Return calculated on JPY-basis from Q1/25. *5: Open commerce: Sum of Rakuten Rewards (US, Europe, Canada), Fillr, and overseas advertising business. EU: Sum of Rakuten TV and Rakuten France. Other: Sum of Rakuten Kobo, Rakuten Viber, Rakuten Viki, etc. This does not include Rakuten Symphony, Taiwanese e-commerce business, or businesses operated by overseas financial subsidiaries.

- Regarding the main KPIs, Domestic EC GMS for this quarter was 1.5 trillion yen, a 4.7% increase year-on-year. Of this, GTV of the travel business, driven by the global travel GTV including inbound travel increased by 7.4% year-on-year.
- In addition, revenue of International Business Unit was 481 million dollars, a 1.9% increase compared to the same period last year, and revenue of the advertising business was 56.7 billion yen, a 4.7% increase year-on-year.

Domestic EC: Q2/25 Financial Results

- GMS growth mainly driven by Rakuten Ichiba, Rebates, etc., and the travel business. Aim to accelerate future growth
- Operating income boosted by core businesses such as Rakuten Ichiba and Rakuten Travel, as well as the logistics business due to price revisions



*Retroactive adjustments made due to realignment of businesses within the Internet Services segment from Q1/25. Additionally, from Q2/25, due to the review of the scope of domestic EC GMS, retrospective adjustments were also made.

- Next, I will explain the performance of our Domestic EC business. GMS reached 1.5 trillion yen, a 4.7% increase year-on-year. This was driven by strong performance not only in shopping EC such as Rakuten Ichiba and Rakuten Rebates, but also in Rakuten Travel, particularly in global travel GTV. Currently, we are maintaining a mid-single-digit growth rate, but we aim to accelerate growth going forward by implementing various measures such as expanding Ecosystem synergies.
- Revenue increased by 5.9% year-on-year to 241.6 billion yen, and Non-GAAP operating income rose by 7.5% to 23.1 billion yen. In addition to the growth of core businesses such as Rakuten Ichiba and Rakuten Travel, increase in fees for the logistics business also contributed.
- Across the entire Domestic EC, we have achieved a revenue growth rate that exceeded the GMS growth rate, and an operating income growth rate that exceeded the revenue growth rate, indicating that the profitability of the business is improving.

Rakuten Ichiba: Q2/25 Business Update

- GMS expanded due to an increase in the number of purchasers and average customer spending. Continuing to focus on mobile, delivery, and AI to expand GMS and profit growth
- Overseas affiliated merchants exceeded 1,000, contributing to GMS expansion

Expanding synergies with Mobile

% of Rakuten Mobile MNO subscribers in monthly active users (MAU) in Q2/25[*1]

15.7%

+1.8 pt YoY

Average annual GMS of Rakuten Mobile subscribers versus non-subscribers[*2]

+47.6%

Rakuten SAIKYO Next Day Delivery

Difference in sales growth rate between eligible and non-eligible products[*3]

20.1 pt

With support from Rakuten Super Logistics, number of eligible products is expanding

Expansion of overseas affiliated merchants

Famous international brands accelerating their expansion in Rakuten Ichiba

1,000+

merchants

Increase in new merchant openings by overseas companies from US, Europe, China, South Korea, and other countries

Bilingual team supports with store opening proposals to sales promotion activities after opening

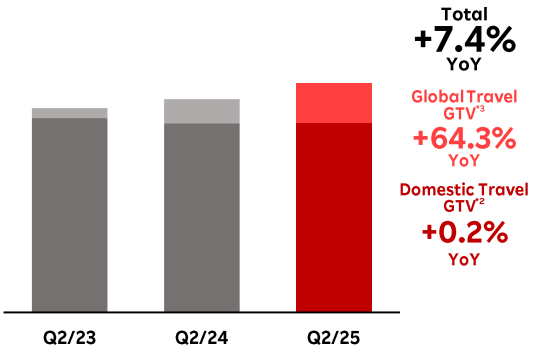
*1: Monthly average for each quarter. *2: Difference between average GMS per person for the past year between Rakuten Mobile subscribers and non-subscribers. Subscribers are users who signed up for Rakuten Mobile (MNO B2C) in any month between March 2020 and July 2024 (the relevant month), had an active connection between July 2024 and June 2025, and whose purchasing habits for the past year from that month are consistent with those of non-subscribers. Non-subscribers are users who have used any Rakuten service other than Rakuten Mobile (MNO B2C) in the past year prior to June 2025, and whose purchasing habits for the past year prior to that month are consistent with those of subscribers. *3: Comparing sales growth rates from July 2024 to May 2025 for products labeled with "SAIKYO Next-Day Delivery" as of May 2025.

- Regarding Rakuten Ichiba, both the number of purchasers and the average spend per customer have increased year-on-year, resulting in an expansion of GMS.
- Strengthening collaboration with Rakuten Mobile will be key to accelerating future growth. Average GMS of Rakuten Mobile subscribers is 47.6% higher than that of non-subscribers. Currently, the proportion of Rakuten Mobile subscribers among all monthly active users of Ichiba is 15.7%. We aim to increase this ratio through initiatives such as promoting awareness of SPU benefits and holding exclusive pre-sales for mobile subscribers.
- In addition, the number of products eligible for the Rakuten SAIKYO Next-Day Delivery service, which was launched in July last year, is steadily increasing.
- Lastly, the number of overseas-affiliated merchants, which are operated by overseas companies or agents, has recently surpassed 1,000. The GMS of overseas-affiliated merchants is growing at a double-digit rate, and this is also contributing to the expansion of Rakuten Ichiba's overall GMS.

Travel Business: Q2/25 Business Update

- For Travel Business GTV[*1], Domestic Travel GTV[*2] remained flat, but Global Travel GTV[*3] grew significantly
- Aim for future growth as a global OTA (Online Travel Agent) by expanding Global Travel GTV[*3]

Travel Business GTV[*1]



Global Travel GTV[*3] driving growth

Expanding share of inbound tourists to Japan at a higher growth rate than the market

In addition to B2C multilingual websites operated under the Rakuten Travel brand, B2B business operated through Rakuten Travel Xchange also contributing to growth

*1: Combined total of the travel business included in Domestic EC core businesses and growth investment businesses. Includes Rakuten Travel, Rakuten Travel Xchange, etc. *2: GTV on the Rakuten Travel Japanese website. *3: GTV on the Rakuten Travel multilingual websites and Rakuten Travel Xchange.

- Next, regarding Travel, while the overall domestic market is on a declining trend, Rakuten has maintained a flat growth rate.
- On the other hand, the global travel GTV, including inbound travel, has expanded significantly. In particular, we are currently expanding our market share of inbound travel to Japan, growing at a faster rate than the overall market.
- We expect global travel GTV to continue to drive growth in the future. Therefore, we will work to improve the UI and UX of Rakuten Travel's global site, and in our B2B business through Rakuten Travel Xchange, we will focus on increasing the number of partner properties. As a global OTA, we aim for further business expansion.

Logistics Business: Number of Merchants Using Rakuten Super Logistics (RSL) Continues to Grow Steadily even after Fee Changes

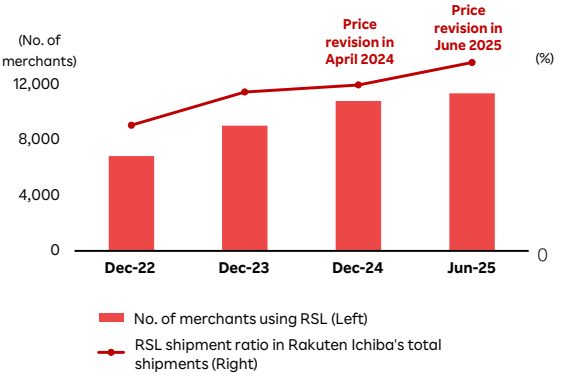
- Although various RSL fees changed from June 2025, number of merchants using RSL and the ratio of deliveries via RSL continues to grow, and should contribute to future profit improvement
- Administrative sanctions imposed on our partner's delivery operations had no impact. Continuing to provide stable services

RSL fee changes

- Changes to shipment operation fees
- Changes to delivery fees
- Introducing fees for other sites

Contributing to improved profitability in the logistics business

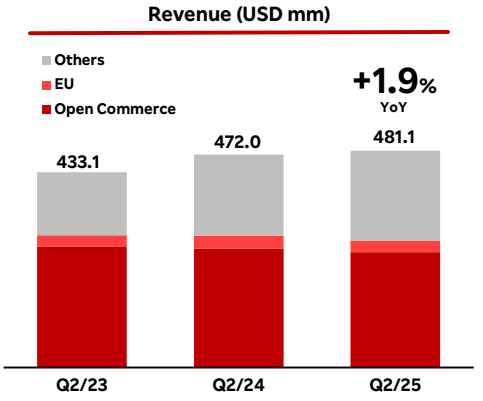
No. of merchants using RSL, and RSL shipment ratio

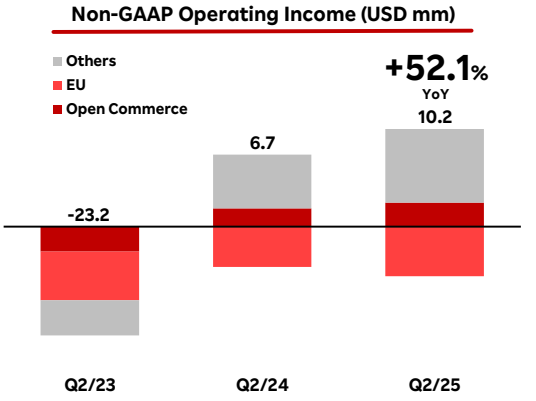


- In the logistics business, we implemented a price revision for Rakuten Super Logistics, or RSL for short, starting in June 2025. In light of recent increases in material and fuel costs, we had already revised prices once last year, but we continue to offer competitive pricing compared to other companies. Yet, both the number of merchants using the service and the RSL shipping ratio in Rakuten Ichiba's total handled parcel volume are increasing. By utilizing RSL, merchants are able to focus on their core operations, which in turn leads to growth in their revenue and contributes to the expansion of Rakuten Ichiba. We will continue to work on increasing the number of merchants using our service.
- Additionally, although there was an administrative penalty related to delivery operations at one of our partner companies, there has been no impact on merchants using RSL, and we are continuing to provide stable service, so please rest assured.

International BU[*1*2]: Q2/25 Financial Results

- Rakuten Rewards performance remains stable despite reduction of marketing spend by US companies
- Strong communications and ad revenue at Rakuten Viber, as well as Rakuten Viki, a video streaming service with multilingual subtitles, also contributed to increased revenue and profit





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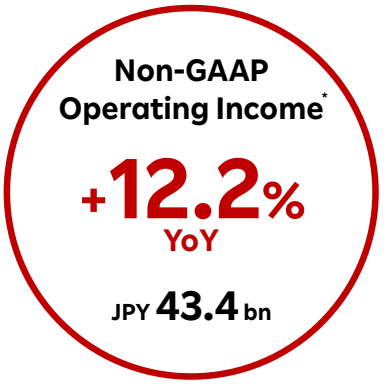
- Finally, regarding the International Business Unit, revenue increased by 1.9% year-on-year to 481 million dollars, and Non-GAAP operating income saw a significant increase of 52.1% year-on-year to 10.2million dollars.
- Within this, Rakuten Rewards has been affected by the trend of U.S. companies reducing their marketing expenses. However, both revenue and profit have remained flat while implementing cost controls.
- Rakuten Viber is showing strong growth in both communication and advertising revenue as the market expands. In addition, Rakuten Viki has achieved increases in both revenue and profit, driven by the expansion of subscriptions and the enhancement of its content lineup.

FinTech Segment

- Next, I will explain the FinTech segment.

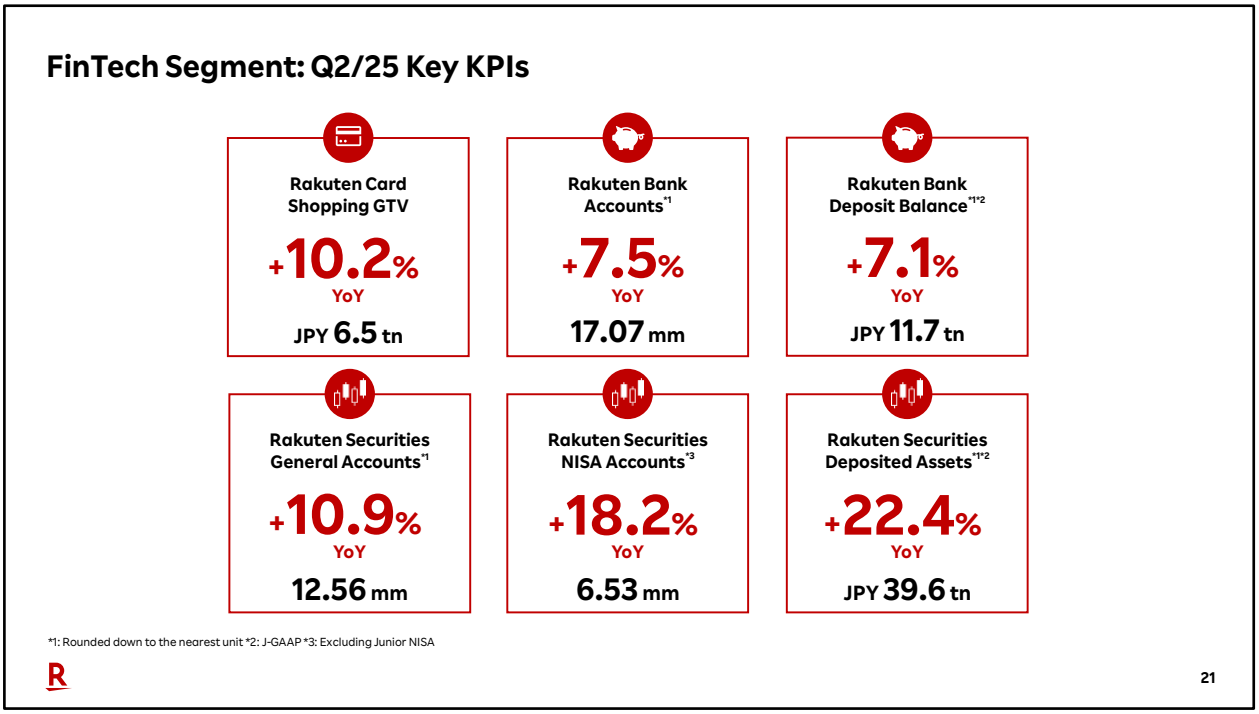
FinTech Segment: Q2/25 Financial Highlights

- **Customer base for each service grew steadily. Increased GTV for Rakuten Card and interest income for Rakuten Bank drove segment revenue growth**
- **Continued efficient business operations in each business segment. Increased profits mainly at Rakuten Bank and Rakuten Payment**



*Segment results from Q1/23 have been retroactively adjusted due to the inclusion of the Mobile Ecosystem Contribution in segment results from Q3/24.

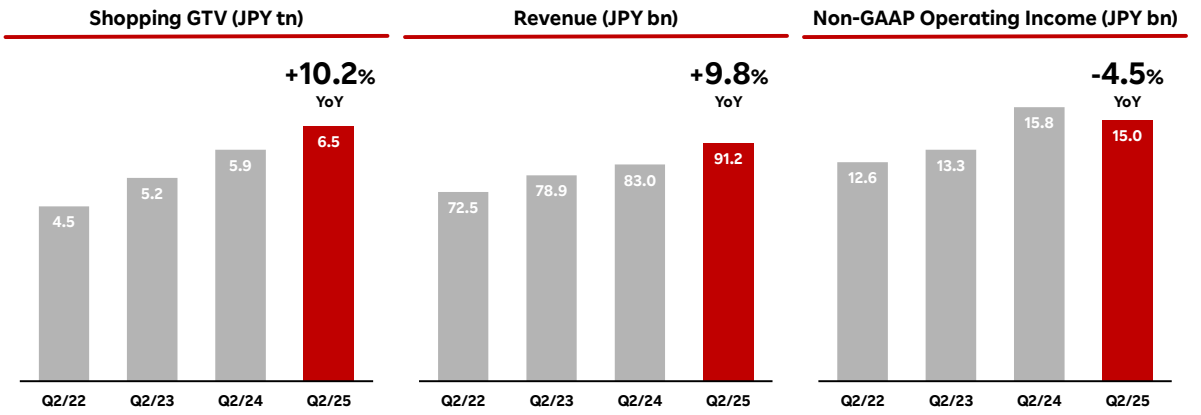
- Segment revenue increased by 14.8% year-on-year to 232.7 billion yen, and Non-GAAP operating income rose by 12.2% to 43.4 billion yen. The customer base for each service continues to expand, and in particular, the increase in shopping GTV for Rakuten Card and the growth in interest income at Rakuten Bank drove revenue growth this quarter. In addition, operational efficiency improvements are progressing across businesses, resulting in increased profits, especially at Rakuten Bank and Rakuten Payment.



- Regarding the main KPIs, Rakuten Card's shopping GTV increased by 10.2% year-on-year to 6.5 trillion yen. At Rakuten Bank, the number of accounts surpassed 17 million, and deposit balances also grew steadily by 7.1%. At Rakuten Securities, the total number of accounts increased by 10.9% year-on-year to 12.56 million, and the number of NISA accounts, which boasts the industry's top market share, rose by 18.2% to 6.53 million. Deposited assets are also approaching 40 trillion yen, which demonstrates that the customer base for our FinTech services is continuing to expand.

Rakuten Card: Continued Expansion of Shopping GTV and Cost Control

■ **Continuous increase in shopping GTV due to expansion of customer base and an increase in average transaction value contributed to revenue growth. Although profits declined due to an increase in interest expenses (JPY +4.1 bn YoY), etc., aim to achieve same full-year profit level in FY2025 as FY2024 through revenue growth and control of general expenses**

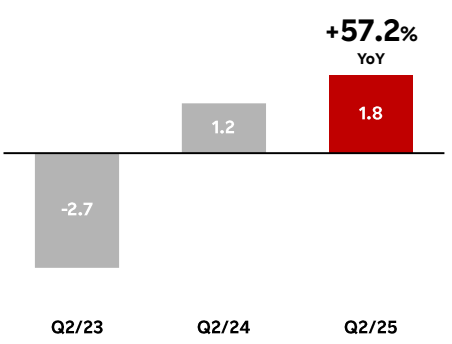


- Looking at each business, Rakuten Card has continued to grow steadily, with revenue increasing by 9.8% year-on-year to 91.2 billion yen, driven by an increase in shopping GTV, which in turn was a result of an expanding customer base and a rise in average transaction value. Operating income decreased by 4.5% year-on-year, mainly due to an increase in financial costs on the funding side. However, since about 80% of Rakuten Card's funding comes from Rakuten Bank, the overall performance of the Group remains very strong.

Rakuten Payment: Continued Growth in Revenue and Profits due to GTV Growth

- GTV continues to grow as the customer base expands. Cost controls also contributed to higher operating income
- Rakuten Pay app: Ranked no. 1 in customer satisfaction for 3 consecutive years[*1]. A first amongst QR/bar code players[*2]

Non-GAAP Operating Income[*3] (JPY bn)



No. 1 in customer satisfaction for 3 consecutive years
A first amongst QR/bar code players[*2]

- Customer satisfaction
- Perceived value (Cost performance)
- Perceived quality (Quality assessment)
- Intention to recommend
- Loyalty

*1: Based on the Service Industry Productivity Council's "2nd JCSI (Japanese Customer Satisfaction Index) Survey for 2025." *2: Rakuten Pay app has ranked first in "customer satisfaction" for three consecutive years in the customer satisfaction survey "JCSI". This is the first time in the QR/bar code payment industry (as of July 30, 2025). *3: Combined total of Rakuten Payment and Rakuten Edy.

- Rakuten Payment is also performing very well, having achieved the number one customer satisfaction ranking for three consecutive years for the first time in history. The number of users of the “Rakuten Pay” app continues to increase and transaction volume is also growing, driving a strong expansion in operating income. I believe we are seeing very positive growth in this area.

Rakuten Bank (Consolidated): Performance Highlights[*1] (J-GAAP, Three months ended Jun 25[*2])

■ **Continued growth in no. of accounts and deposit balance. Interest income grew significantly due to Bank of Japan's interest rate hike policy and the accumulation of diverse assets under management, resulting in significant increases in both revenue and profit**

Ordinary Income (Q1/25[*2], consolidated)	Ordinary Profit (Q1/25[*2], consolidated)	Capital Adequacy Ratio[*3] (Jun. 2025, consolidated)	ROE[*4] (Q1/25[*2], annualized basis, consolidated)
JPY 57.5 bn	JPY 23.9 bn	10.6 %	21.6 %
+40.8% YoY	+56.8% YoY	-0.7pts YoY	+5.1pts YoY

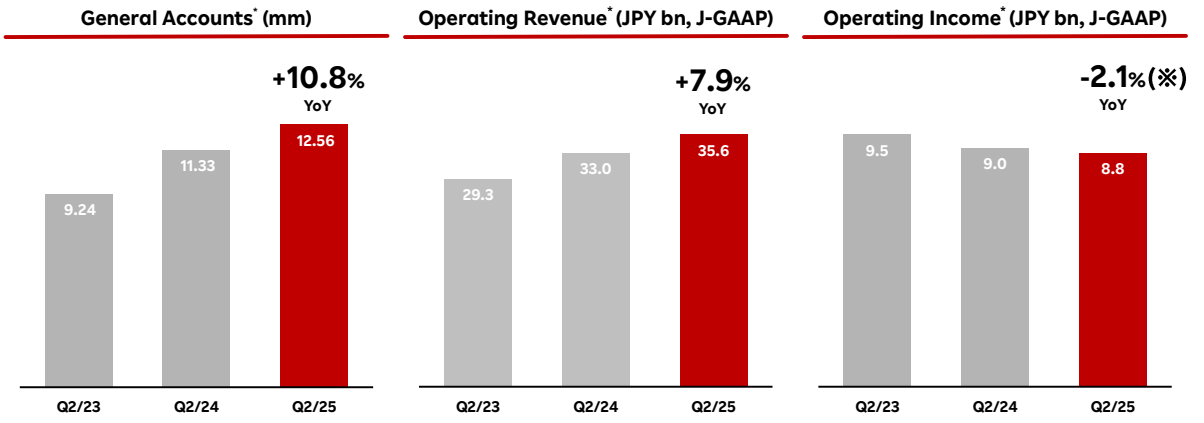
# of Bank Accounts (Jun. 2025, non-consolidated)	# of Main Accounts[*5] (Jun. 2025, non-consolidated)	Total Deposit Balance (Jun. 2025, non-consolidated)	G&A Expense Ratio[*6] (Q1/25[*2], consolidated)
17.0 mm	5.6 mm	JPY 11.7 tn	32.3 %
+7.5% YoY	+12.7% YoY Main Account[*5] Ratio: **33.0**%	+7.1% YoY	-5.5 pts YoY

*1: Rounded down to the nearest unit *2: Rakuten Bank ends its fiscal year in March. *3: Capital adequacy ratio (domestic standard) is calculated based on standards stipulated by Article 14-2 of the Banking Act for the purpose of determining whether banks have sufficient equity capital given their holdings of assets and other instruments (Notification No.19, the Financial Services Agency of Japan, 2006). Basel III finalization is applied from the end of March 2025. *4: ROE is calculated by multiplying dividing profit attributable to owners of parent by average own capital at the beginning and the end of the period. *5: Accounts that are used for direct debit or direct deposit of payroll including salary and bonus. *6: G&A expenses divided by gross operating profit.

- Rakuten Bank has already announced its financial result separately, but in addition to the growth of accounts and deposit balances, it continues to significantly expand its interest income in the current environment of rising interest rates. For the April–June period, ordinary income increased by 40.8% to 57.5 billion yen, ordinary profit rose by 56.8% to 23.9 billion yen, and ROE was 21.6%. This demonstrates that we are achieving very efficient growth.

Rakuten Securities: Continued Customer Base Expansion and Record High Revenue

- Customer base expansion continued, driven by the new NISA, leading to record high quarterly revenue
- Profits decreased due to higher domestic stock trading related expenses resulting from an increase in customers and transaction volume (※)

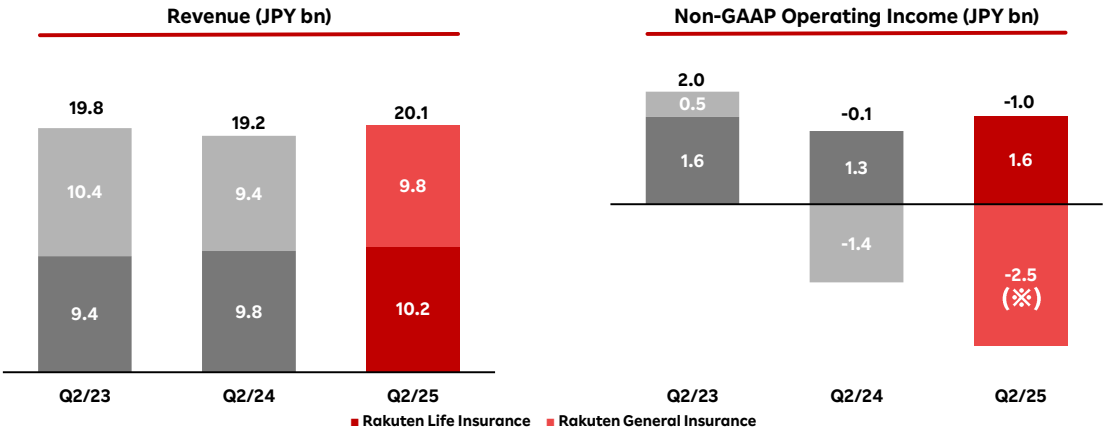


*Rounded down to the nearest unit

- At Rakuten Securities, the expansion of the customer base driven by the new NISA continues, and we have achieved record-high quarterly revenue. Operating income has decreased due to increased costs resulting from increased domestic stock transaction volume. However, since our revenue sources have diversified beyond stocks to include margin trading, bonds, FX, and others, we consider this to be within the normal range of quarterly fluctuations.
- Regarding security, although there have been incidents affecting companies in the industry, we have implemented necessary countermeasures, including multi-factor authentication. Since early May, there have been no incidents in our service. We hope that everyone can use our services with peace of mind.

Insurance Business: Strong Revenue. Continue to Focus on Selection and Concentration

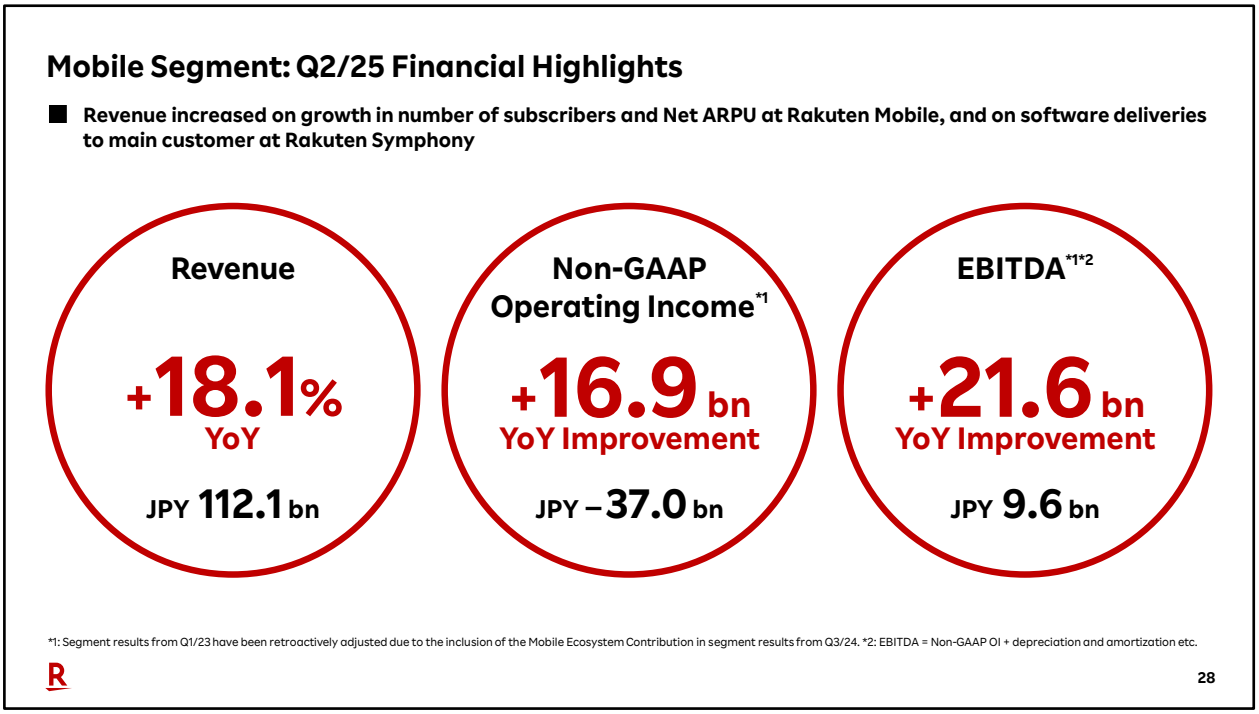
- Revenues expanded due to strong face-to-face sales of life insurance, and sales of general insurance products such as automobile insurance. Continued to strengthen "selection and concentration" approach to sales activities
- Combined with ongoing cost controls, OI was positive, excluding a temporary impact of accounting adjustments (※)



- Next, regarding the insurance business, both life insurance and general insurance sales are performing well, resulting in increased revenue. We will continue to strengthen our “selection and concentration” strategy by focusing on products and sales channels tailored to each type of insurance.
- As for Rakuten General Insurance, losses have increased due to a one-time impact from accounting adjustments. However, we are intensively implementing projects aimed at continued cost control and revenue improvement.

Mobile Segment

- Finally, I will explain the Mobile segment.

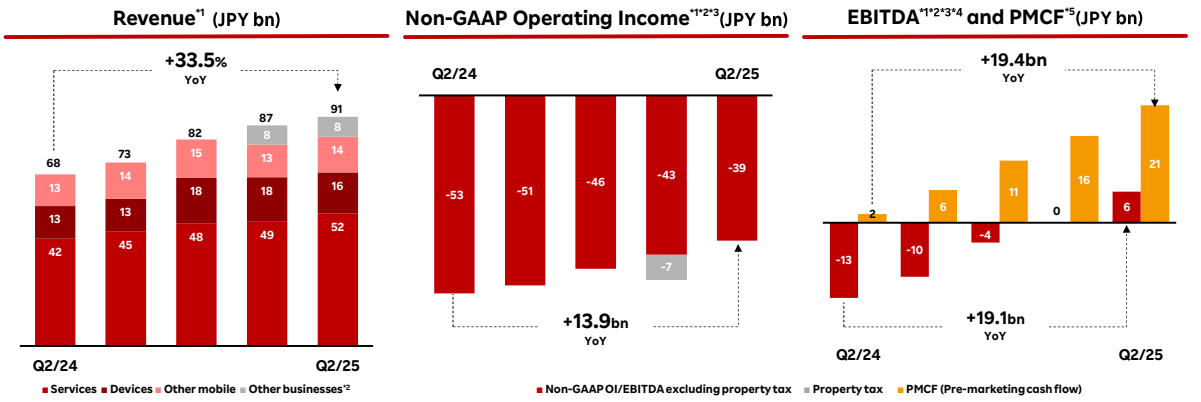


- Revenue increased by 18.1% year-on-year to 112.1 billion yen, with both Rakuten Mobile and Rakuten Symphony showing solid growth.
- Although operating income remains negative, the magnitude of improvement is significant at 16.9 billion yen. EBITDA improved by 21.6 billion yen year-on-year, reaching 9.6 billion yen. The segment has turned profitable on an EBITDA basis.

- I will now explain the business performance of Rakuten Mobile on a standalone basis.

Rakuten Mobile: Q2/25 Financial Results

■ **Increase in subscribers and Net ARPU, along with disciplined cost control, led to a quarterly EBITDA profit**



*1: From April 2025, part of the Rakuten Communications business was absorbed. *2: From February 2025, Rakuten Mobile, Inc. merged with Rakuten Energy, Inc., and "other businesses" was added from Q1/25.
*3: From Q3/24, due to the Mobile Ecosystem Contribution being reflected in Rakuten Mobile results, retroactive adjustments have been made to results from Q1/23 onwards. *4: EBITDA = Non-GAAP OI + depreciation and amortization etc. *5: Calculated by adding customer acquisition-related expenses (marketing expenses, shop expenses, SPU, etc.) to EBITDA.

- Revenue increased by 33.5% year-on-year to 90.6 billion yen, and operating losses are also steadily improving. As I mentioned at the beginning, EBITDA improved by 19.1 billion yen year-on-year, resulting in a profit of 5.6 billion yen, further expanding the positive profitability from the previous quarter. Pre-marketing cash flow, which is the cash flow from existing subscribers excluding marketing expenses, reached 21 billion yen this quarter, and this is also expanding nicely.

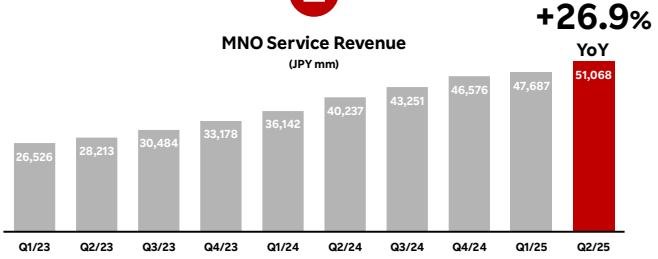
Rakuten Mobile: Q2/25 Key KPIs

Total Subscribers[*1*2]
(As of Jun 30, 2025)
8.97 mm

Adjusted MNO churn[*3]
(Q2/25)
1.40%

ARPU[*4]
(Q2/25)
2,861 yen

MNO Service Revenue
(JPY mm)

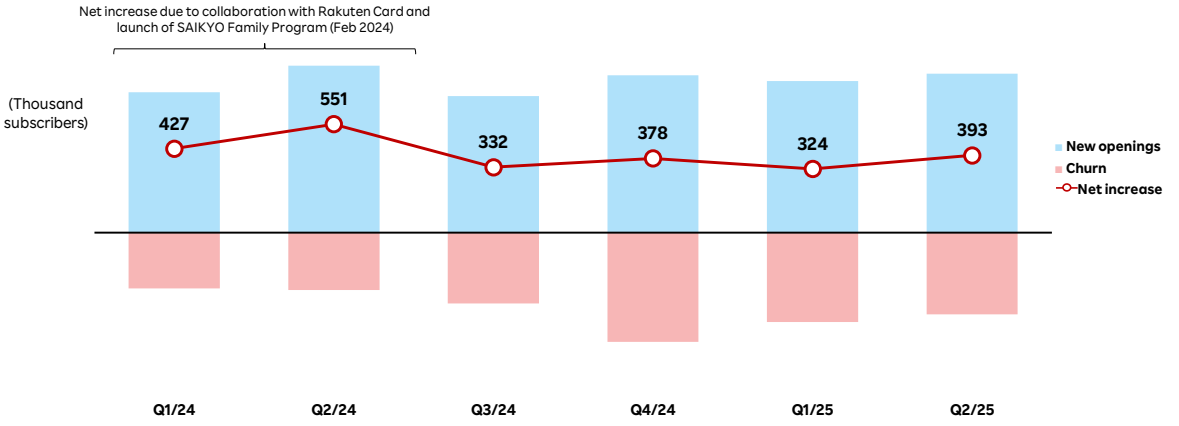


*1: Total of MNO, MVNE, and MVNO subscribers, including BCP, etc. subscribers. BCP is a plan sold for Business Continuity Plan purposes in B2B. *2: From Q3/24, the number of corporate MVNO subscribers are reflected in the number of MVNO subscribers. *3: Churn rate excluding B2C subscribers who cancel within the same month as the activation, and the number of lines transferred to BCP and other lines due to a change in the revenue recognition method in the corporate business. *4: Including Ecosystem ARPU. The number of subscribers, which serves as the denominator for ARPU, is calculated using the average of the beginning and end of the quarter number of MNO subscribers, excluding BCP and MVNE lines.

- At the end of the second quarter, the number of subscribers was 8.97 million, and the churn rate for the quarter was 1.4%. Although the churn rate had increased in the previous quarter due to the spring sales season, it is gradually returning to normal. ARPU increased by 40 yen year-on-year to 2,861 yen, and MNO service revenue grew by 26.9%, indicating stable growth.

Net Increase in MNO Subscribers

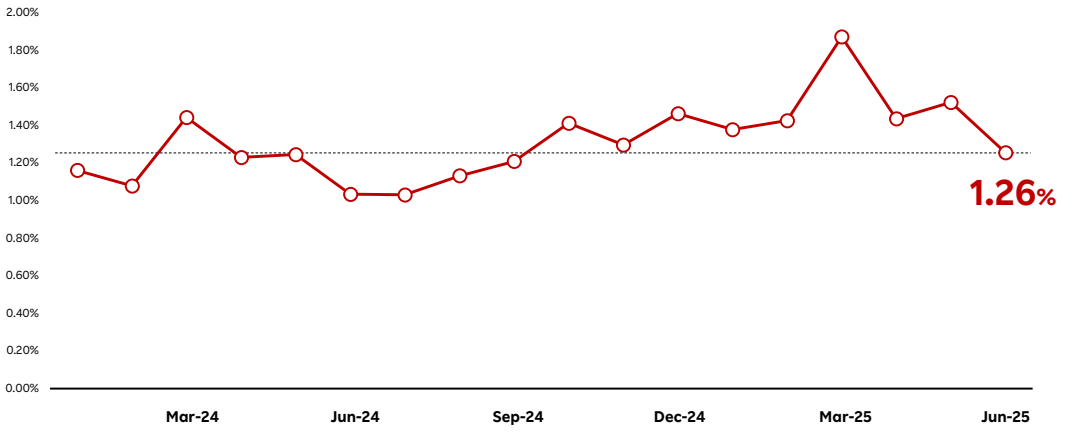
■ **Increase in new contracts and decrease in cancellations led to QoQ growth. Aiming to accelerate pace of net increase in the second half, to surpass 10 million subscribers as early as possible**



- In the second quarter, the net increase in subscribers was 393,000, with improvements seen in both the number of activations and cancellations, resulting in stronger growth compared to the previous quarter. In the second half of the year, we aim to further accelerate the pace of net additions and achieve the milestone of 10 million lines as soon as possible.

Adjusted Churn Rate*

■ **End of the spring sales season and price revisions by some carriers led to an improvement in June churn rate to the level of fall 2024**



*Adjusted churn excludes B2C subscribers who cancelled in the same month as the contract and subscribers transferred BCP and other lines due to a change in the method of recording B2B revenue.

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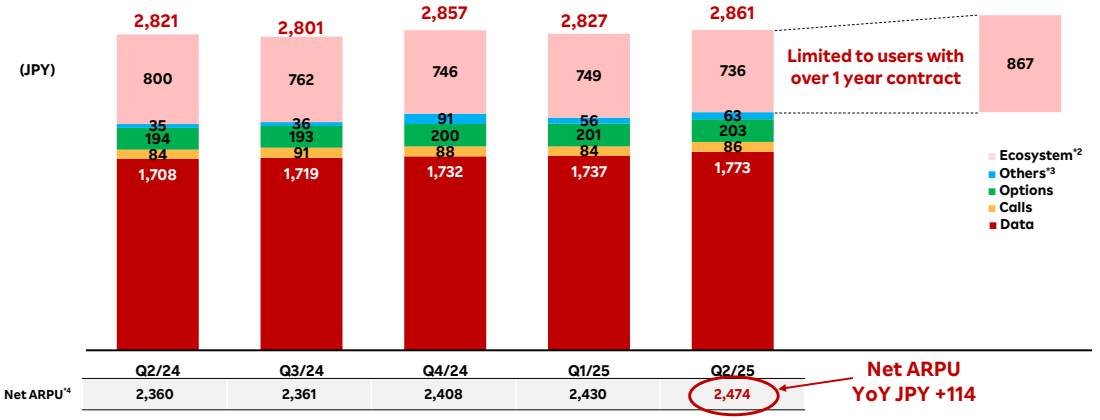
- Regarding the churn rate, while the average for the second quarter was 1.4%, it improved to 1.26% in June. In addition to the end of the spring sales season, the impact of price revisions by some carriers has also contributed, bringing the rate down to the same level as last autumn. I believe this indicates that customer retention is progressing.

MNO ARPU[*1]

■ **Data ARPU increased for both B2C and B2B. Ecosystem ARPU decreased due to dilution caused by new subscriptions from new/light Ecosystem users. Such dilution is projected to decline driven by post-contract nurturing effects**

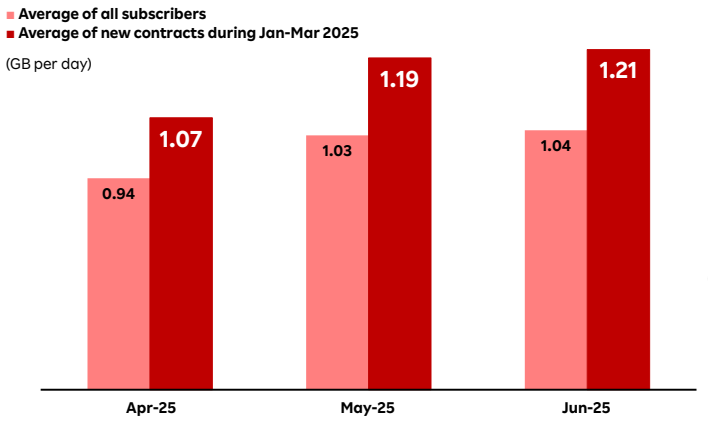


*1: The number of subscribers, which is the denominator for ARPU, is calculated using the average number of MNO subscribers at the beginning and end of each quarter, excluding MVNE and BCP lines.
*2: Calculated using group revenue uplift effects from effects by MNO subscribers as the numerator. *3: Includes advertising and miscellaneous B2B revenues. *4: Net of cost of sales associated with the revenue uplift by Rakuten Mobile MNO subscribers and the customer referral effect from group companies to mobile businesses, from Ecosystem ARPU in ARPU. Please refer to Consolidated Financial Reports for details on how Mobile Ecosystem Contribution is calculated.

- ARPU increased by 40 yen year-on-year to 2,861 yen, with data ARPU continuing to be the main driver of growth for both consumer and corporate segments.
- Net ARPU, which is directly linked to Rakuten Mobile's operating income and EBITDA, increased by 114 yen year-on-year to 2,474 yen.
- As for Ecosystem ARPU, there has been a slight decrease, but this is due to dilution from an increase in new contracts by users who are new to the Ecosystem or by light users. Over time, we expect these users to become more loyal, leading to an increase in their ARPU.

Average Data Usage (B2C)

■ **Data usage by subscribers who signed up during Jan-Mar 2025 is about 15% higher than average, and will be a driver of future ARPU growth**



Average data usage for subscribers who signed up during Jan-Mar 2025

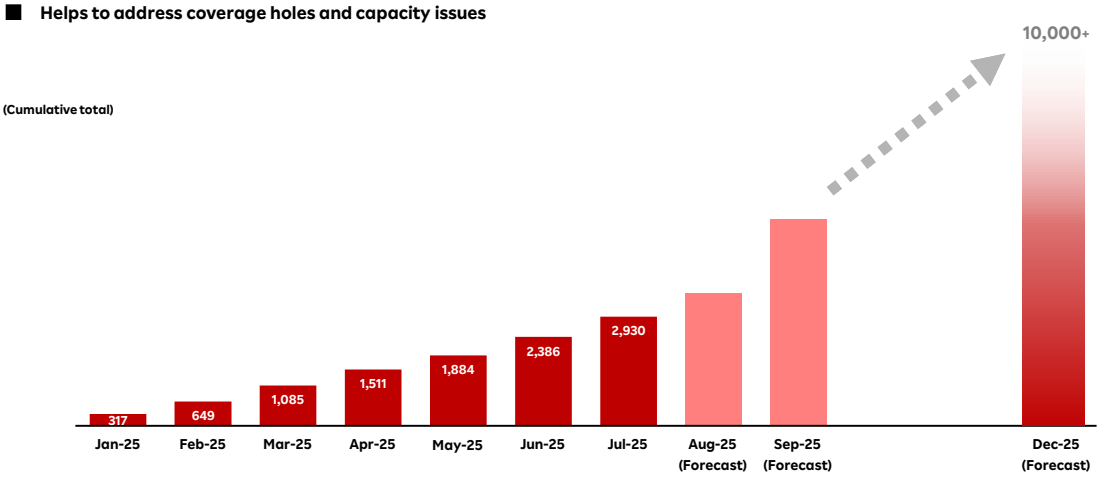
1.2 GB per day

(Average of all subscribers: 1.0 GB per day)

- The average daily data usage for B2C users has now exceeded 1GB. In particular, users who activated their service between January and March of this year are consuming even more data, averaging 1.2GB per day. This is also expected to be a driver for further ARPU growth going forward.

Installing Additional Base Stations

- The rollout of 10,000+ additional base stations through the year is ongoing, aiming to accelerate the pace in the second half
- Helps to address coverage holes and capacity issues

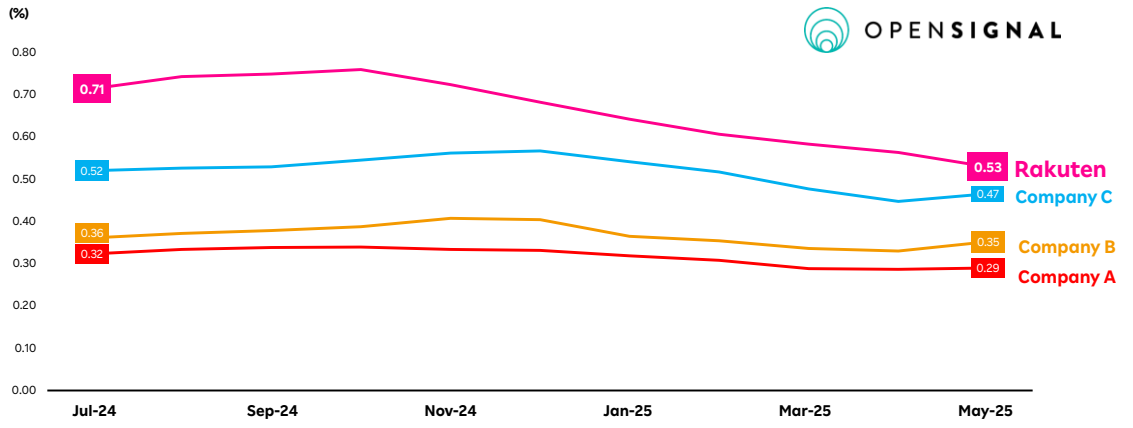


*4G+5G. Includes equipment required for subway bandwidth expansion.

- In the previous financial results announcement, we shared our plan to add more than 10,000 new base stations within the year to address coverage holes and increase capacity. As of July, we have completed the installation of 2,930 base stations. We will accelerate the pace in the second half of the year, aiming to improve network quality, which we believe will lead to faster contract acquisition and a further reduction in churn rate.

Network Connectivity is Steadily Improving

■ **Significant improvement in Opensignal's No Signal Availability* (Percentage of time with no cellular connection) to a level on par with the other carriers**

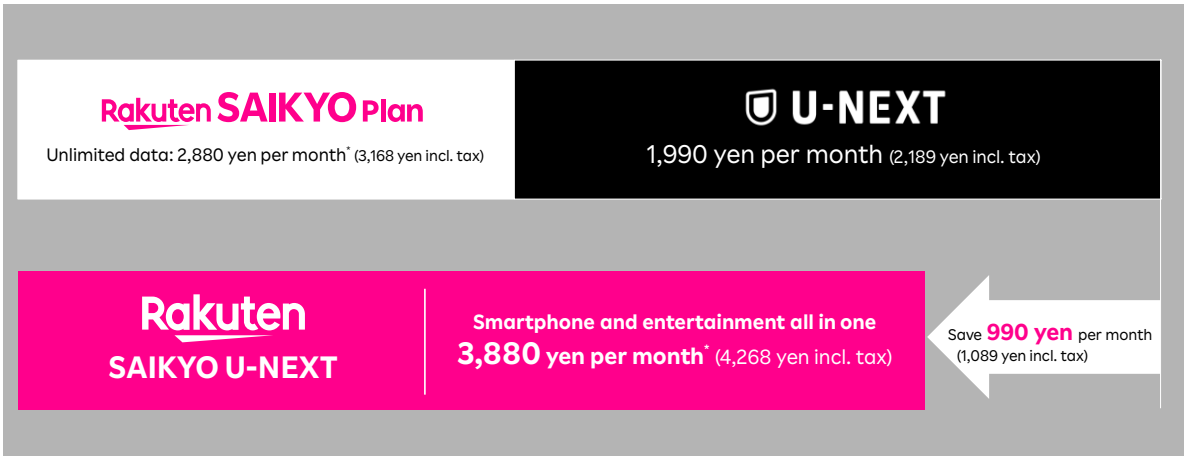


*Based on Opensignal mobile measurements of 'No Signal Availability' data, recorded during July 2024 to May 2025

- We have also made significant improvements in network stability. According to a third-party survey, the percentage of time with "No signal availability"—that is, periods when mobile phone connectivity was unavailable—has decreased substantially, catching up with competitors.

Rakuten SAIKYO U-NEXT Package Announced

■ **Planned to be available from October 2025. Expected to promote new customer acquisition and increase ARPU**

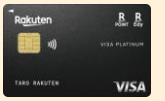


*After applying the SAIKYO FAMILY program (JPY 100 per month discount)

- In addition to improving network quality, we are also strengthening our product offerings. As already announced, starting in October, we will launch the "Rakuten SAIKYO U-NEXT" package. No matter how many videos you watch or how much data you use, it is a very attractive package at just 3,980 yen per month.

Enhanced Benefits for Rakuten Card Users

■ **Premium Card and Black Card members receive monthly GB discount coupons from July 2025. Plans to expand services sequentially**

		Rakuten Card Premium Program		
	 **Rakuten Card**	 **Rakuten Gold Card**	 **Rakuten Premium Card**	 **Rakuten Black Card**
Annual fee (incl. tax)	Always free	2,200 yen	11,000 yen	33,000 yen
Rakuten Mobile ギガ割引クーポン	—	—	**5GB**	**10GB**
Other benefits currently being offered (excerpt)				
Rakuten Ichiba Point redemption rate *Rebate with a Rakuten Mobile contract	7x	7x	8x (Every Tue and Thu)	8x (Every Tue and Thu)
Rakuten Travel Rakuten Card prepayment benefits when making a reservation*1	2.5x	3.0x	3.5x	3.5x
Rakuten Bank Regular deposit rate with Rakuten Card bill auto payment	0.22% per annum	0.23% per annum	0.24% per annum	0.28% per annum
Rakuten Securities Point return rate for investment trust accumulation with Rakuten card payment*2	0.5%	0.75%	1.0%	2.0%

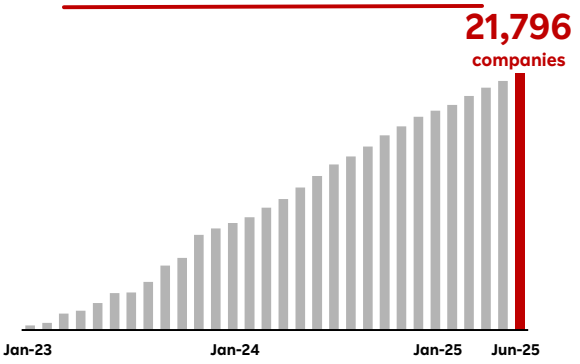
*1: Entry required. *2: Funds for which the distributor receives less than 0.4% (including tax) of trust fees per annum (agency commission) are eligible. For funds with an agency fee of 0.4% (including tax) or more per annum, Rakuten Black Card members will receive a 2% rebate, while all other cards will receive a flat 1% rebate.

- We also want our Ecosystem's loyal users to enjoy even greater benefits with Rakuten Mobile, so we are enhancing perks for Rakuten Card users. Starting in July, we have introduced a program that provides a monthly data discount coupon: 5GB for Premium Card members and 10GB for Black Card members.

Number of Corporate Contracts has Exceeded 20,000

- In an MMD Research Institute survey, ranked no. 1 in satisfaction categories such as "cost performance" and "speed of activation"
- Overall satisfaction (satisfied + somewhat satisfied) was second only to docomo. Percentage answering "dissatisfied" was lowest

No. of Corporate Contracts



Satisfaction by Category*

Category	Ranking	Satisfaction
Cost performance	1	78.6%
Speed of activation	1	79.7%
Network speed	2	75.3%
Customer support	2	73.1%
Overall satisfaction	2	74.1%

*MMD Research Institute "Survey on corporate mobile phones of the four telecommunications carriers in 2025." Data collection period: May 2-7, 2025

- Our B2B services are also steadily increasing in customer acquisition. The number of corporate contracts has surpassed 20,000, reaching 21,796 companies as of the end of June.
- According to an external survey, we have received the top rating among carriers in two categories: cost performance and speed of service activation. We believe that our customers are highly satisfied with both the cost and service aspects.

Providing Industry-Specific DX Packages for Corporates

■ **Providing a variety of packaged digital transformation services tailored for nursing care, hotels, restaurants, retail, and medical care**

- In our discussions with people from various industries, we often hear about challenges that are unique to each sector, and we believe that industry-specific, tailor-made packages are necessary. Thus, we have prepared and begun offering these types of industry-specific DX packages.

- Finally, I would like to provide an update on Rakuten Symphony for this quarter.

Rakuten Symphony: Q2/25 Business Update

- Entered into new contracts and sales partnerships with 6 companies, while strengthening collaboration by expanding some existing contracts
- Launched new products, enabling AI powered software-centric business operations

New accounts /enhanced collaboration	New partnerships	New products
mobifone (E2E)	SimplyTECH (Cloud)	**Site Manager 2.0** Powered by AI (AI-powered site deployment and lifecycle management suite)
zain (E2E)	IDEAL (Cloud)	**Object Storage** (Highly scalable and cost-effective solution for managing data)
AT&T (OSS) Enhanced collaboration with Rakuten Site Management	TEJAS NETWORKS (Open RAN)	**Rakuten RIC** RIC - Radio Intelligent Controller (Platform to enhance, optimize and control RAN operations)

43

- In the second quarter, we signed new contracts and established a sales partnership for our products with 6 companies. In particular, AT&T has been using our product, Rakuten Site Management, which allows for the management of base station deployment through a single application interface, and they have decided to enhance its usage. With this, we believe that our products are steadily gaining recognition within the industry.
- We have also launched new products, and we will continue to work hard to establish our position in the telecommunications industry, especially as a software vendor for Open RAN.
- That concludes my presentation. Thank you very much.

3. Finance

- This is Hirose and I will explain our financial strategy.

Consolidated Financial Results Summary

(JPY bn)	Q2/24	Q2/25	YoY	Comment
Revenue	**537.3**	**596.4**	**+11.0%**	
Non-GAAP Operating Income (Loss)	**-11.8**	**20.1**	**+31.9**	
Amortization of Intangible Assets	-1.9	-1.2	+0.7	
Share Based Compensation Expenses	-3.9	-4.1	-0.1	
One-off Items	-0.6	-5.9	-5.3	• Expected additional tax and delinquency charges to the Tokyo Regional Taxation Bureau for Rakuten Card: JPY 4.9bn • Provision for compensation of customer transactions due to unauthorized access at Rakuten Securities: JPY 1bn etc.
IFRS Operating Income (Loss)	**-18.3**	**8.8**	**+27.2**	
Financial Income and Expenses	5.3	-23.9	-29.2	• Mainly derivative valuation gains and losses arising from currency swaps related to foreign currency-denominated perpetual subordinated bonds, and does not involve cash outflows
Equity Method Investment Gains (Losses)	-1.8	-5.4	-3.6	
Income (Loss) before Income Tax	**-14.8**	**-20.4**	**-5.6**	
Income Tax Expenses	10.4	19.7	+88.6%	
Net Income (Loss)	**-25.3**	**-40.1**	**-14.8**	
Attributable to Owners of the Company	-33.6	-51.0	-17.4	
Attributable to Non-Controlling Interests	8.3	10.9	+31.1%	

- Regarding consolidated business results, revenue increased by 11% year-on-year to 596.4 billion yen, and Non-GAAP operating income increased by 31.9 billion yen year-on-year to 20.1 billion yen, achieving both higher revenue and profit.
- As for the main items below Non-GAAP operating income, first, in terms of non-recurring items, Rakuten Card received a "Notification of Correction for Consumption Tax and Local Tax" from the Tokyo Regional Taxation Bureau in July 2025 regarding funding transactions related to the securitization of card receivables in previous years. As a result, 4.9 billion yen was recorded as expenses related to additional taxes and delinquency charges, etc. In addition, 1.0 billion yen was recorded as compensation for financial losses incurred by customers due to unauthorized access at Rakuten Securities.
- Rakuten Card conducts securitization of card receivables as a means of raising funds. The Company considers them to be “borrowings” regarding the treatment of consumption tax on these transactions, and therefore “untaxable transaction,”. However, the tax authorities require them to be treated as “non-taxable sales,” resulting in a discrepancy. In this case, the discrepancy has not been resolved, and the Company has taken measures such as additional taxation in response to the notification of correction.
- Rakuten Card has consistently endeavored to ensure appropriate tax handling in accordance with laws and regulations, seeking advice from external experts, and will continue to assert the legality of its tax handling to the tax authorities.
- Despite these factors, IFRS operating income increased by 27.2 billion yen year-on-year to 8.8 billion yen.
- Next, in terms of financial income and expenses, mainly due to fluctuations in hedging gains and losses arising from currency swaps related to foreign currency-denominated perpetual subordinated bonds, there was a decrease in income of 29.2 billion yen. Accounting-wise, perpetual subordinated bonds are classified as equity, and since hedge accounting does not apply, foreign exchange fluctuations are reflected as hedging gains or losses. However, these do not involve cash outflows and are offset by fluctuations in the unrealized gains or losses on perpetual subordinated bonds, so there is no material impact on the financial statements.
- Corporate income tax expenses increased by 88.6% year-on-year to 19.7 billion yen, mainly due to Rakuten Card leaving the group tax consolidation system.
- As a result of these factors, quarterly net loss was 40.1 billion yen.

Financial Strategy

- Continue to maintain the following financial policies and strategies. Given the uncertain macro environment, currently pursuing a conservative financial policy
- Whilst closely monitoring the situation, our financial targets remain unchanged
- Redemption of JPY 400bn of retail bonds completed as scheduled. Total interest-bearing debt also decreased by approximately JPY 425bn compared to end of December 2024*1

Policy	A stable financial base and enhancing corporate value through appropriate capital allocation			
Strategy	Aim to maintain medium-term financial soundness by continuously improving creditworthiness			
	Business	• Core businesses: continued profit growth • Company-wide efficiency and cost reduction • Reduction of working capital	**Finance**	• Reduction of interest-bearing debt • Proactive management of maturity schedule
Targets	Non-FinTech net interest-bearing debt*2*3/ Non-FinTech Non-GAAP EBITDA*4: within 5x Consolidated equity ratio: 10%			

*1: Comparison between the end of June 2025 and the end of December 2024 *2: Based on IFRS accounting. *3: Total interest-bearing debt from non-FinTech businesses (bonds and borrowings + lease liabilities) - Cash from non-FinTech businesses (cash and cash equivalents from non-FinTech businesses + listed securities + managed surplus cash) = Net interest-bearing debt from non-FinTech businesses. *4: Consolidated Non-GAAP EBITDA - FinTech Non-GAAP EBITDA + dividends and management consulting fees from FinTech businesses not included in the above (Non-GAAP EBITDA is calculated before considering the Mobile Ecosystem Contribution).

- Next, I will explain our financial strategy.
- Our financial policy is to “enhance corporate value through the establishment of a stable financial base and appropriate capital allocation,” and we aim to maintain medium-term financial soundness by continuously improving our credit profile.
- On the business side, we are working on continuous profit growth in our core businesses, company-wide efficiency improvements and cost reductions, and the reduction of working capital.
- On the financial side, we are reducing interest-bearing debt and proactively managing the redemption schedule of corporate bonds.
- For specific medium-term financial targets, we aim to keep the ratio of net interest-bearing debt to Non-GAAP EBITDA in non-FinTech businesses within 5 times, and to achieve a consolidated equity ratio of 10%.
- We continue to believe that there is no need to change our financial targets and policies; however, as I will explain on the next slide, in light of the uncertain macroeconomic environment, we are currently conducting our financial operations in a conservative manner.
- In addition, we have completed the scheduled redemption of 400 billion yen in retail bonds for this year, and as of June 2025, our total interest-bearing debt has decreased by approximately 425 billion yen compared to the end of last year.

Stable Financial Management through Diverse Funding Methods

■ Issued our first sustainability bonds, expanding our funding options

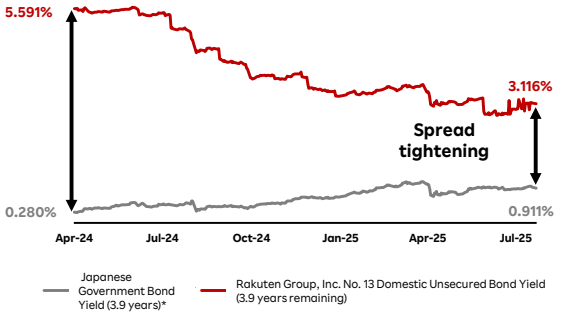
	Sustainability Bonds		Retail Bonds
Amount	JPY 15 bn	JPY 15 bn	JPY 130 bn
Tenor	3 years	5 years	3 years
Coupon	2.336%	3.260%	2.336%
Issue Date	July 29, 2025		August 4, 2025
Use of Proceeds	Capex for 5G-related investments		Secure liquidity as an alternative to commercial paper amid rising market volatility

- Recently, we have issued both wholesale bonds and retail bonds in the domestic market.
- From the perspective of diversifying funding sources in our financial strategy, we position not only overseas markets but also the domestic capital market, including retail, as important funding channels.
- With regard to the wholesale bonds, we believe that by successfully issuing our first sustainability bond, we have acquired yet another new means of funding.
- As for the retail bonds, amid ongoing uncertainty in the macroeconomic environment, our aim is to conservatively secure on-hand liquidity.

Continuous Credit Improvement

- **Our credit rating continues to improve. Terms of our recently issued domestic bonds better than that of previous bonds**
- **Reaffirming our access to the domestic bond market. Contributing to the expansion of our fund-raising base with a view to proactive refinancing going forward**

Spread tightening



Improved retail bond issuance conditions

Issue date	Feb 2023	This issuance: Aug 2025
Amount	JPY 250 bn	JPY 130 bn
Tenor	2 years	**3 years**
Coupon	3.300%	**2.336%**

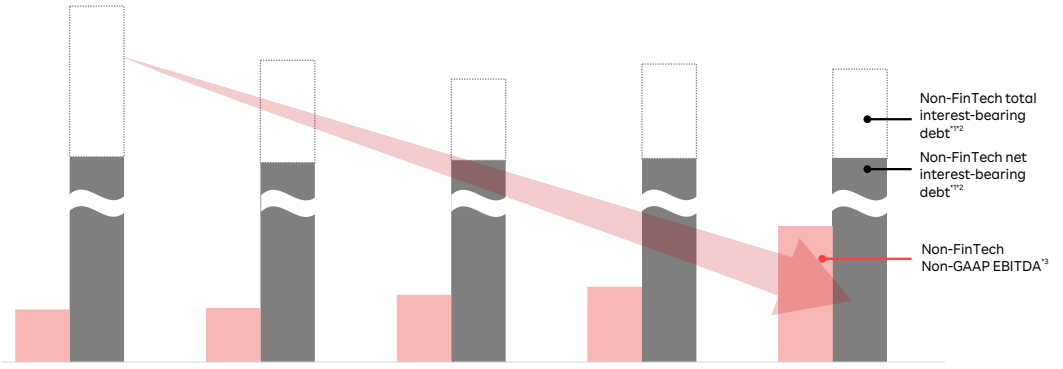
Coupon tightened despite longer tenor

*Calculated by linearly interpolating between the 3-year and 4-year year Japanese Government Bond yields.

- We believe that our credit profile is continuously improving.
- Although uncertainty in the global economy persists, as can be seen from the trends in Japanese government bond yields and our domestic unsecured bond yields, the spread has tightened, which we believe reflects the improvement in our credit profile.
- In fact, regarding the recently issued retail bonds, compared to those issued in 2023, the maturity has been extended, yet the interest rate has tightened.
- Even in a phase where the base rate, namely government bond yields, is rising, the narrowing of the spread means that we have been able to effectively lower our actual funding costs.
- This recent issuance of domestic bonds represents a re-access to the domestic capital market, which we believe will contribute to the expansion of our future funding base and is in line with our financial strategy of maintaining medium-term financial soundness.

Non-FinTech Interest-Bearing Debt[*1*2]/Non-FinTech Non-GAAP EBITDA[*3]

■ **Aim for Non-FinTech net interest-bearing debt[*1*2]/Non-FinTech Non-GAAP EBITDA[*3] to be within 5x by 2027**



Ratio	11.7x	11.1x	9.0x	Approx 8.5x (New target)	Approx 6x (Target)

*1: Based on IFRS accounting. *2: Total interest-bearing debt from non-FinTech businesses (bonds and borrowings + lease liabilities) - Cash from non-FinTech businesses (cash and cash equivalents from non-FinTech businesses + listed securities + managed surplus cash) = Net interest-bearing debt from non-FinTech businesses. *3: Consolidated Non-GAAP EBITDA - FinTech Non-GAAP EBITDA + dividends and management consulting fees from FinTech businesses (Non-GAAP EBITDA is calculated before considering the Mobile Ecosystem Contribution).

- As I explained earlier, our medium-term financial target is “to keep the ratio of net interest-bearing debt to Non-GAAP EBITDA in non-FinTech businesses within 5 times.”
- We aim to achieve this target by 2027 through reducing interest-bearing debt, ensuring continuous profit growth in our core businesses, and achieving profitability in our mobile business. For the current fiscal year 2025, we had previously set the target at “around 9 times” by the end of the year. However, due to progress in EBITDA in the mobile business, the ratio has already reached “9 times” as of the end of the second quarter. Therefore, we have revised our target for this fiscal year to “around 8.5 times.”
- Going forward, we will continue to reduce interest-bearing debt and enhance the cash flow generation capabilities of each business, aiming to bring the ratio within 5 times by 2027.
- Next, our Chief AI & Data Officer, Ting, will explain our initiatives related to AI. Thank you very much.

4. AI

- Hello everyone, I'm Ting Cai, the Chief AI & Data Officer for Rakuten Group. Today, I will let my avatar share our latest updates with you as an experiment to leverage AI for better efficiency.

Rakuten's AI-nization Plan

Vision Augment **human creativity** with the **power of AI**

Strategy

Unique Data Assets

Online + Offline Channels

Growth "Flywheel"

Execution

Wave 1
Deep Learning at Scale

Wave 2
Rakuten AI for Business

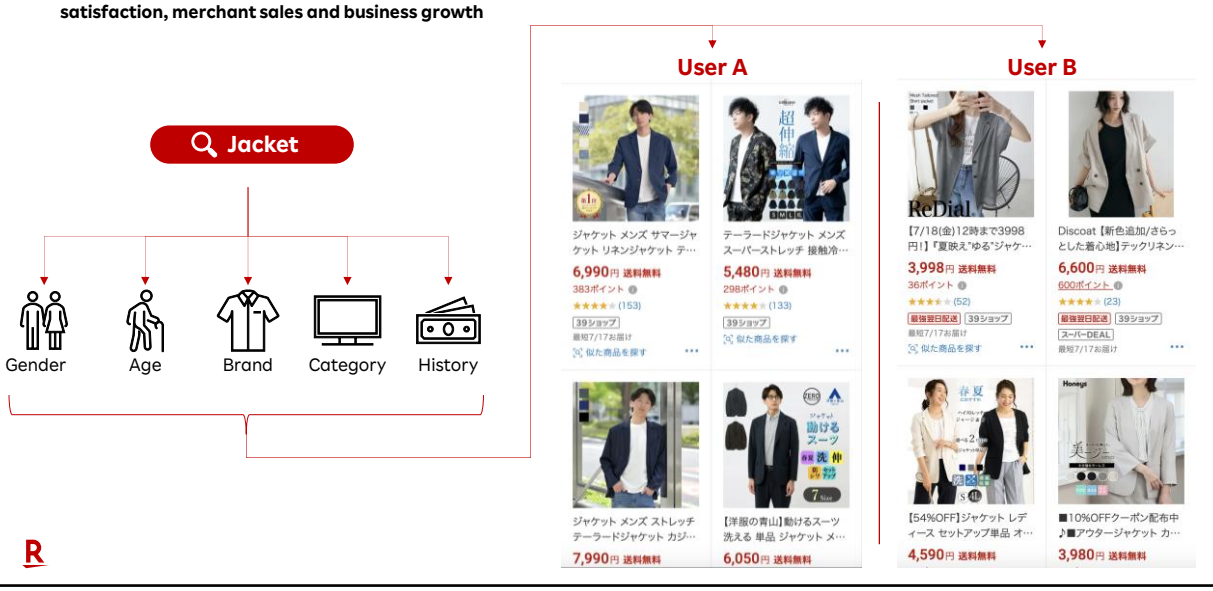
Wave 3
Rakuten AI for Consumers

51

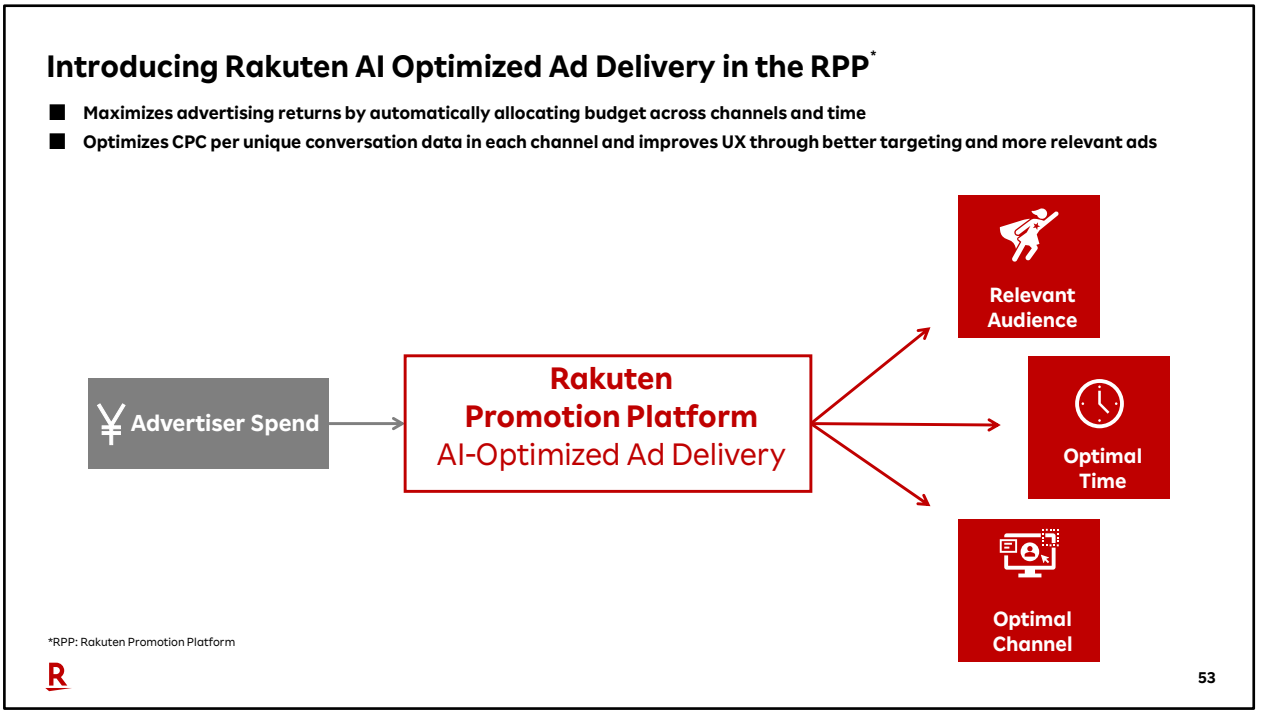
- I'm excited to share the progress we're making on AI-nization, our effort to infuse AI into everything we do for our customers, partners, and Rakutenians.
- Our vision is to augment human creativity with the power of AI. By further leveraging our unique data and extensive channels – which are our strengths – we believe we can accelerate our growth flywheel more than ever before.
- We continue to strengthen our deep learning foundation, invest further in large language models, and enhance and expand our consumer-facing and business-to-business services.
- Today, we'll be presenting the new products and services launched since the 1st quarter.

Personalized Search: Tailoring Search Results to Individual Users

■ **Experiments demonstrated that users engage with personalized results more, increasing CTR/CVR and improving customer satisfaction, merchant sales and business growth**



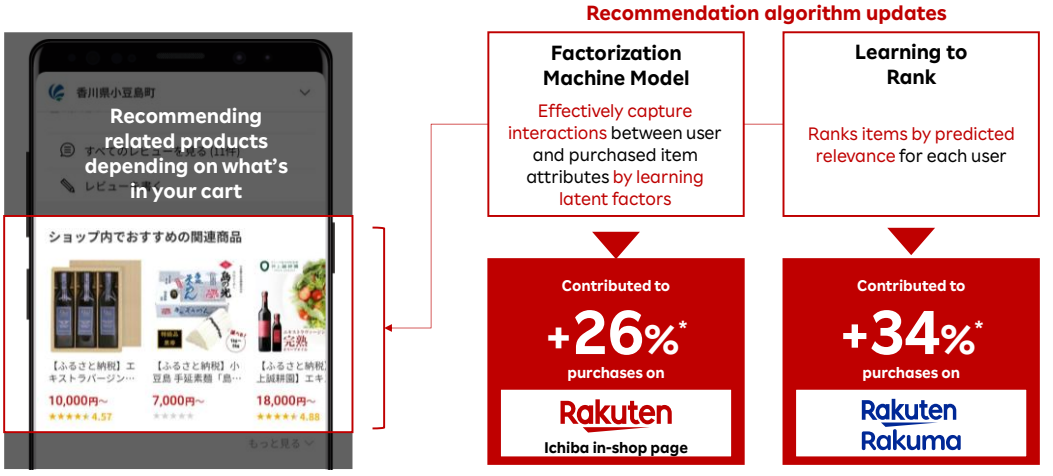
- We continue to improve our search quality, from semantic search, visual search and now to personalized search. Based on their demographic data, behavioral data, purchase history, brand affinity and other signals, we can now display more relevant search results tailored to each individual user.
- For example, a simple search for "jacket" can display completely different search results for different users, tailored to each user's characteristics.
- By returning more relevant results for each user, we were able to engage with users more and increase sales for merchants on Rakuten Ichiba.



- I want to share a very exciting new launch. We're using Rakuten AI on the Rakuten Promotion Platform to optimize ad delivery across the Ecosystem.
- By understanding the data we have, we can better match advertising with the relevant audience. This helps to improve both customer experience and advertiser returns.
- We're also using AI to optimize which channel to deliver ads, and when to deliver ads. Search is one of our best channels that demonstrated high returns to advertisers, because when you search, the shopping intent is strong and you are more ready to purchase. On other channels where user intent is exploratory in nature, we are reducing the cost per click to improve the return for advertisers.
- The new platform allows us to make full use of our ad inventory by delivering the right ads to the right customers, at the right time, on the right channel. It's great for advertisers, and great for customers.
- Thousands of merchants have opted in to the program and are seeing higher Return on Advertising Spend.

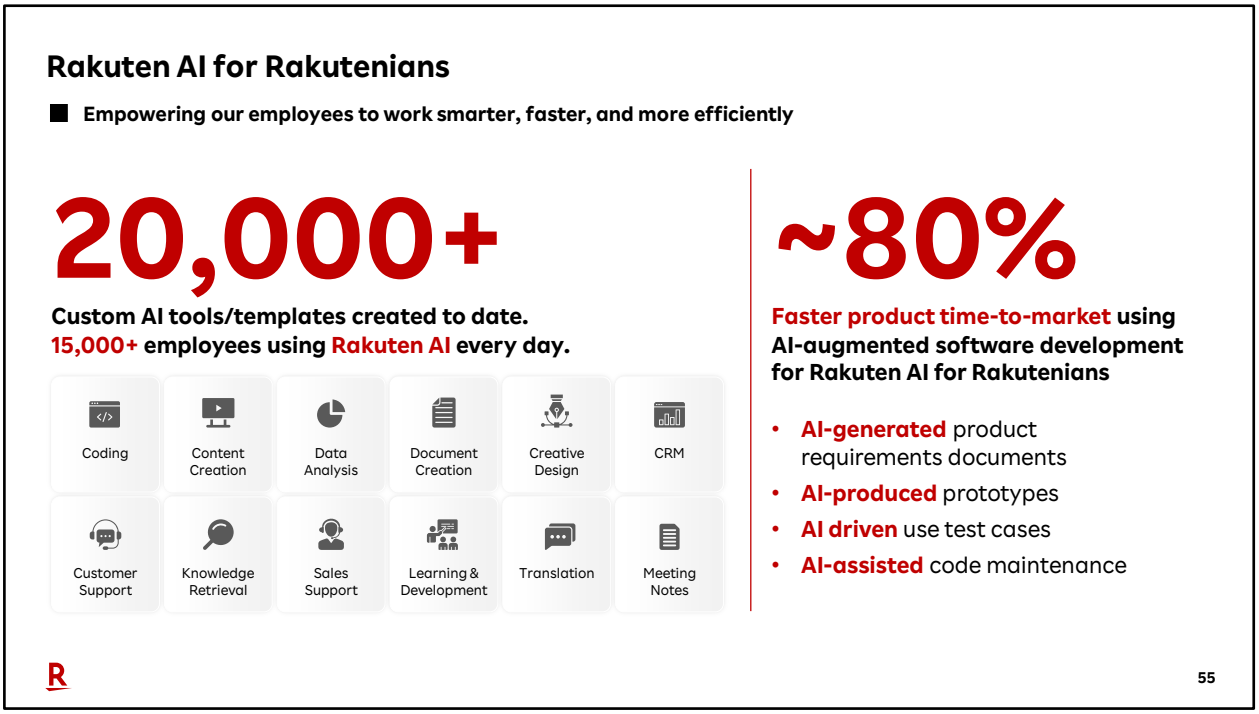
Providing More Relevant Recommendations

■ **Significantly improved recommendation quality is contributing to further sales growth for merchants and Rakuten**



*26% increase in purchases on Rakuten Ichiba in A/B testing conducted in January 2025 . 34% increase in purchases on Rakuten Rakuma in A/B testing conducted in January 2025

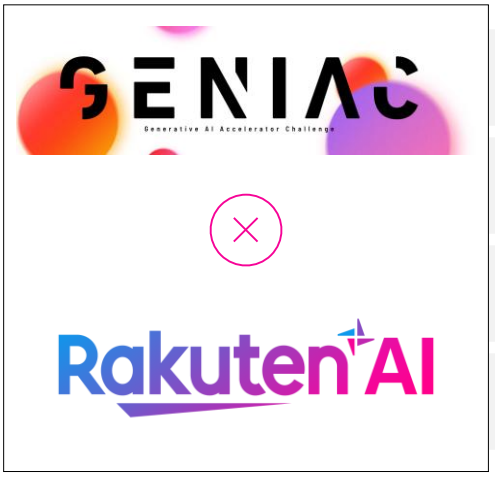
- Next, we've also upgraded our recommendation algorithms with "Factorization Machine," which learns hidden user preferences from their behavior, and "Learning to Rank," which predicts and ranks the most relevant items for each individual user.
- As a result, we've seen significant contributions on Rakuten Ichiba's In-shop pages and Rakuten Rakuma. In an A/B test conducted on Rakuten Ichiba, we saw purchase volume increase by 26%. On Rakuten Rakuma, a similar A/B test saw an increase of 34%. These results will directly contribute to sales.
- The numbers are impressive, but the macro-level story is even more important. With AI, everyone wins. Customers find exactly what they need faster, merchants sell more, and Rakuten earns more revenue.



- To really understand AI, you have to use AI. This is why we built Rakuten AI for Rakutenians, a suite of AI tools and services to enable everyone at Rakuten to be more creative and more productive.
- Over 15,000 Rakutenians are using AI every day to get more done and drive more impact. They've created 20,000 custom AI tools and templates across a range of tasks, from creating more compelling marketing content, to coding, to administrative tasks like managing email and recapping meetings.
- My favorite part of Rakuten AI for Rakutenians is that the team building AI is using AI to work faster and smarter. By deploying AI tools through the development cycle, from requirement gathering, to product definition, prototyping, testing and operations, the Rakuten AI for Rakutenians engineering team was able to reduce the time to release by up to 80%.
- We used to release new features monthly but now we can do it weekly.

A Strong Public-Private Partnership to Empower All of Japan

- Selected for the GENIAC project, by METI and NEDO, to strengthen Japan's GenAI development capabilities
- R&D project for cutting-edge GenAI foundational models with enhanced memory and cost efficiency



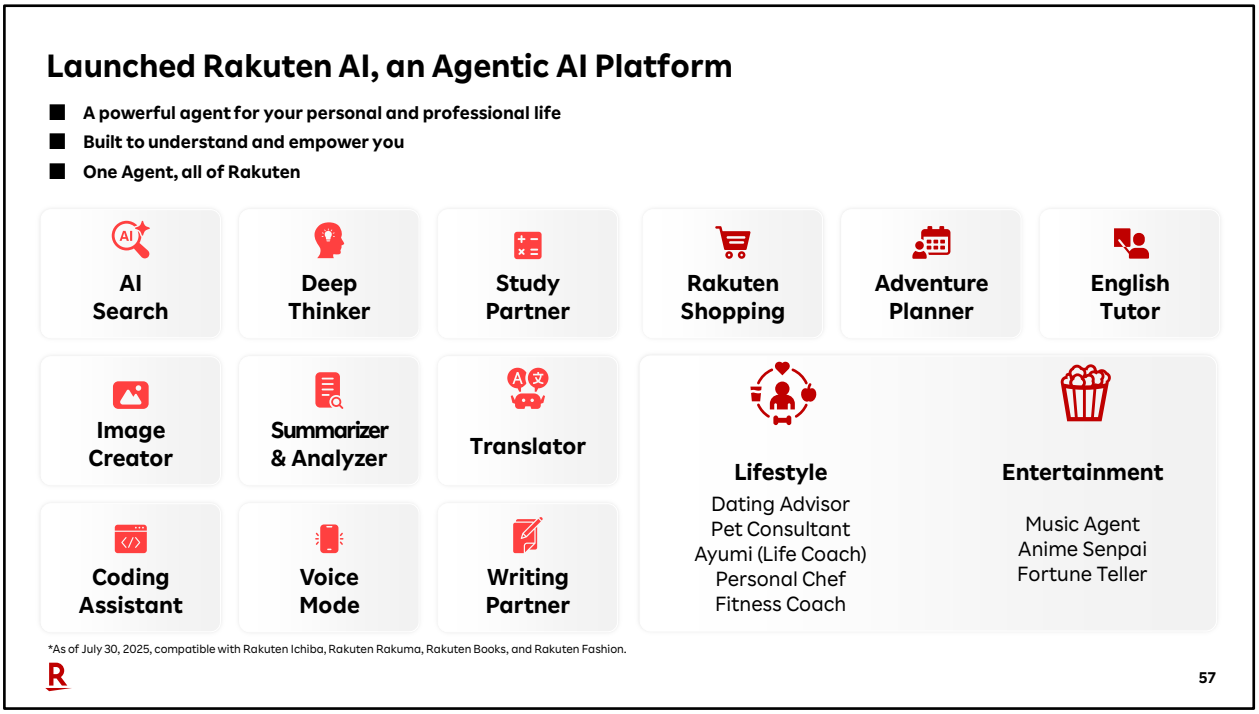
01 **Captures the essence of Japanese language and culture**

02 **Re-asserts Japan's technical leadership on the world stage**

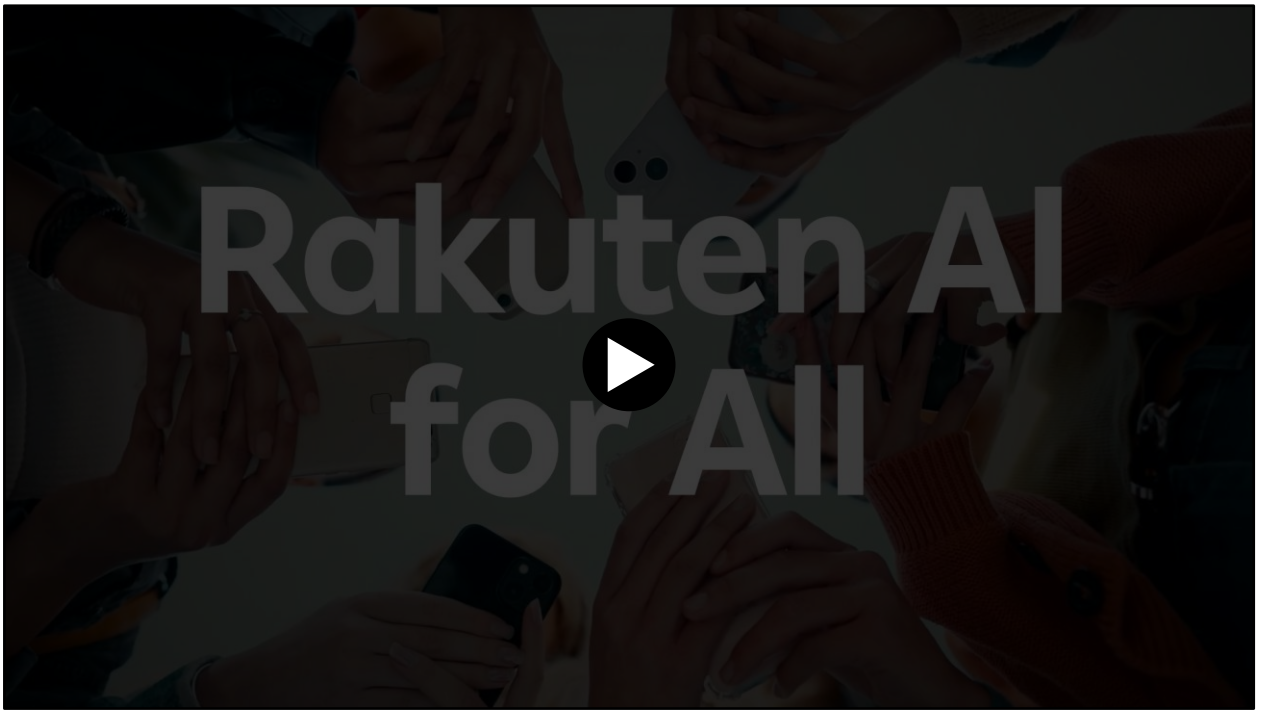
03 **Makes the power of AI more accessible to everyone**

04 **Prepares Japanese business for an agentic future**

- High-performance Japanese language LLMs aren't just important to drive business growth, they're a critical, strategic asset for Japan.
- Recently, we were selected by the Ministry of Economy, Trade, and Industry and NEDO to join the Generative AI Accelerator Challenge to help achieve that goal. Together, we'll co-create the next generation of open-weight foundational AI model for Japan, making the power of AI accessible to everyone.
- Our shared goal is to build a best-in-class Japanese language model that lifts up all of Japan, pushes the boundaries of AI innovation, re-asserts Japan's storied history of technical leadership and innovation.
- Of particular importance is the enhancement of memory capacity through the use of short-term memory, long-term memory, and external memory.
- AI performance is gradually becoming more commoditized. As this happens, how well it "understands you" becomes more important than ever. Memory enhancement is essential, and we intend to build lasting relationships with our users based on the value of our Ecosystem through these efforts.
- It's an honor to work on this important project, particularly as we move into the Agentic AI age.



- On July 30th, we also announced a full-scale launch of Rakuten AI, an agentic AI platform.
- At the heart of Rakuten AI is a library of powerful agents that can help you in your personal and professional life.
- They are designed to help you tackle a range of daily tasks. Need help getting your research paper started? Use the writing partner. Need to translate an article from Ukrainian to Japanese? Use the AI Translator. Need to create an image for a social media post? No problem, the image creator agent can help you with that.
- Agents can also be active collaborators in more in depth, complex scenarios. The Rakuten Shopping agent serves as a personal shopper that can help you find the right outfit, or track down a great gift. The Adventure planner is like an expert travel agent that can help you map out multiple aspects of a future trip, from flights to hotels to places to eat.
- They’re powerful partners, and we can’t wait to see what you do with them!
- We’ve prepared a short video that offers just a taste of what you can do with Rakuten AI. Please try it out today.


Rakuten AI
for All


Rakuten

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