Rakuten Group Introduction

June 2021
Rakuten Group, Inc.
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Rakuten Group Overview
Global Innovation Leader

Japan’s Leading Tech Company
Transforming Global Telecom
Seizing Digital Acceleration

- e-Learning
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- Advertising
- 5G Communications
- Data
- Fintech
- Online Content
Rakuten’s Unique Ecosystem:
More than 70 Innovative Businesses Unified under One Brand

Japan’s No.1 Internet Service includes:

**Biggest eCommerce platform in Japan**
most diverse range of products, entertainment and sports

**Most Comprehensive FinTech platform**
No.1 online bank
fastest growing securities business
fastest growing cashless businesses including Rakuten Credit Card
online insurance

**Top Tier online Travel business in Japan**
top Hotel booking business

**Dominant Online Advertising business on EC platforms in Japan**
accounting for approx. 55% of EC platforms ad market (FY2020)

**World’s First Fully Virtualized Mobile Service**
enabled by technology that halves CAPEX and OPEX

100mn + members connect to all services via a single ID
Mission: Create Value through Innovation and Entrepreneurship to Contribute to Society

1997 Our Beginning
Launched with just six employees, one server, 13 merchants

Pioneered Internet EC to empower small merchants

Innovating everyday to empower merchants and consumers

Pioneering virtual mobile technology to empower consumers w/ unlimited data that is affordable

Today
20,000+ Employees, 50,000+ Merchants

Our Future
Sustainable Innovation:
Enable Industry
Empower Society
Enrich Individual Experiences

Our Future
5G Mobile Service
Telemedicine
Drone Delivery
Smart Cities
Digital Content
Smart Stadiums

5G
Telemedicine
Drone Delivery
Smart Cities
Digital Content
Smart Stadiums
Total Global GTV*1*2

![Graph showing Total Global GTV growth from FY2000 to FY2020.

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

*2 Includes intercompany transactions for settlement and affiliate services

(JPY tn)


0.0 0.1 0.2 0.3 0.5 0.8 1.2 1.5 1.9 2.7 3.4 4.2 5.3 7.4 9.1 10.7 12.9 15.3 19.0 22.3

+18.0% YoY
Track Record: Growing New Businesses to Become No.1 through Fast Customer Acquisition

**Rakuten Card**
- # of Credit Card holders (mm)
- Dec/10: 5.7
- Dec/20: 21.6
- Increase: 3.8x

**Rakuten Bank**
- # of online bank accounts (mm)
- Dec/10: 3.7
- Dec/20: 9.9
- Increase: 2.7x

**Rakuten Securities**
- # of online securities accounts (mm)
- Dec/10: 1.0
- Dec/20: 5.0
- Increase: 5.0x

*No.1 in the number of card holders acquisition

*No.1 in the number of new account openings
Track Record: Growth Outpacing Traditional Industries

Domestic EC GMS vs Retail Sales Value

Retail Industry Sales Value*

*Ministry of Economy, Trade and Industry, Commercial sales value by type of business

Travel GMS

Travel Industry*

*Japan Tourism Agency, Travel Agency Transaction

Credit Card Shopping GMS

Credit Card industry*

*Ministry of Economy, Trade and Industry, Statistical survey on dynamics of specified service industries: Credit Card

Bank Deposit

All Banks*

*Japanese Bankers Association, National bank deposit

Advertising Business

Traditional Media Ad Expenditure*

*Ad expenditure of newspaper, magazine, radio, TV

*Dentsu: 2020 Advertising Expenditures in Japan

5Y CAGR +12%

5Y CAGR -0.8%

5Y CAGR -30%

5Y CAGR -2%

5Y CAGR -30%

5Y CAGR -30%

5Y CAGR +12%

5Y CAGR -30%

5Y CAGR +12%

5Y CAGR -30%

5Y CAGR +12%

5Y CAGR -30%

5Y CAGR +12%

5Y CAGR -30%

5Y CAGR +12%

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5Y CAGR +12%

5Y CAGR -30%

5Y CAGR +12%

5Y CAGR -30%
World’s first fully virtualized mobile network

Reducing CAPEX and OPEX with groundbreaking technology
Strengths: Unique and Unmatched

A Strong Global Workforce
Top engineers
70 nationalities

A Unique Ecosystem
Diversified and Resilient in challenging times

High Quality Data + AI
From 100M Rakuten Members

Most Popular Point Program
Attracts and retains costumers

Rakuten’s Value can be measured by Membership Value = LTV – CAC
LTV: Life Time Value of a customer, **enhanced** by having multiple businesses in one eco-system
CAC: Customer Acquisition Cost, **lowered** by a cross-business strategy

*My voice com, Survey on points, July 2020*
Strengths: A Global Workforce Enabled by “Englishnization”

- Rakuten is a rare Japanese company that made English the official company language in all offices across the world.
- ‘Englishnization’ makes it possible to acquire and retain global talent including the world’s top engineers.

Employee nationality ratio*

- Non-Japanese nationality: 23%
- Japanese nationality: 77%

Number of employee / nationalities*

- 20,000+ employees
- Over 70 nationalities

* As of December 31, 2019
Strengths: A Unique Ecosystem

Global Membership
1.5bn

One Brand
A single "Rakuten" brand for domestic and overseas services improves awareness and image of each service

One ID - Membership
More than 100 million users in Japan can use multiple services in the ecosystem with a single ID

Rich data
Enormous purchasing data of more than 100 million users connected to demographics, such as age and gender, and consumer interests.
Strengths: A Successful Cross-Business Strategy

- Synergies between businesses such as Rakuten Ichiba and Rakuten Card lead to expansion of overall Ecosystem

**Domestic EC GMS**

- CAGR: +15%

**Shopping Transaction**

- CAGR: +30%

**Cross-use Ratio**

- 73.0% (As of Dec 2020)

- 2 out of 3 members use 2 or more services
Earn 1x points

- Use Rakuten Card

Shop at Ichiba

Earn 3x points

- Use Rakuten Card

Shop at Ichiba

Earn 4x points

- Use Rakuten Card

Shop at Ichiba

Link Card to Rakuen Bank

Earn 5x points

- Use Rakuten Card

Join Rakuten Mobile

Link Card to Rakuen Bank

Earn 15x points

Strengths: Japan’s Most Popular Point Program (1 point = 1 yen)
Attracts and Retains Customers

- Customers Earn ‘Rakuten Points’, which is equivalent to cash
- The more services a customer uses, the more points they earn, incentivizing cross-usage of Rakuten businesses
- Customers can spend Points in over 5mn on & offline locations including supermarkets
- 90% of points issued, are used by customers, reflecting popularity of program

No.1

- Point I can earn most easily
- Point overall customer satisfaction
- Point I want to receive

*My voice com, Survey on points, July 2020
Strengths: High Quality Data from 100M+ Rakuten IDs

100M+ Rakuten IDs

High Quality ID

Accurate Demographic Membership Attributes

Purchase Data

Online and Offline Purchasing Data / Geo Data in all areas
Strengths: A powerful AI Driven Marketing Strategy

AI agents “Rakuten Alris” analyzes 920 elements from 100m+ Rakuten members “Pitari” delivers the right content, to the right person, at the right time.

Demography
Search history
Visit history
Purchase history
Point-use tendency

Machine Learning

Potential users

High Matching Rate
Approaching higher Matching Rate user

Low Matching Rate

920 Analysis elements

- Interested in health products
- Interested in Games
- Often go golf
- Often go abroad
- Have a car
- Have pets
- etc.

Model

Similarity Score

A

A

A

A

A

A

A
Opportunities: Digital Acceleration in the New Normal
Opportunities: Lead Position to Seize Expanding Digital Market

Internet Service

Japan’s EC penetration expected to double*1

Japan 7.9% China 20.4% Taiwan 10.4%

America 11.8% Korea 18.8% (2017)

Rakuten growth faster than overall market*1

<BtoC EC Market in Japan>

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<thead>
<tr>
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<tbody>
<tr>
<td>Sales</td>
<td>7.8</td>
<td>8.6</td>
<td>9.5</td>
<td>11.2</td>
<td>12.8</td>
<td>13.8</td>
<td>15.1</td>
<td>16.5</td>
<td>18.0</td>
<td>19.4</td>
</tr>
</tbody>
</table>

+7.8% YoY

2020 Rakuten Domestic EC
+19.9% YoY

Fintech

Japan’s Cashless ratio expected to triple*2

2016

JPY 60 tn

2025 (Target)

40%

20XX (Target)

80%

Largest payment offering

Diverse Payment Methods

Common ID As Our Asset : Rakuten ID

Mobile

190mm Mobile phone subs in Japan

Aiming No.1 Telco in Japan

0.8% subs share at first year of commercial service launch

December 2020

Rakuten UN-LIMIT VI

Up to 1GB : JPY 0
Unlimited : JPY 2,980

1 The Ministry of Economy, Trade and Industry (METI), “FY2018 Survey of Infrastructure Development Status for Data-driven Society in Japan (E-Commerce Market Survey)”


3 Calculated by Rakuten based on The Ministry of Internal Affairs and Communications, “Information and Communication in Japan WHITE PAPER 2019”

4 The Ministry of Internal Affairs and Communications, “Survey on Domestic and Foreign Telecommunication Industry Data Plans”
Opportunities: Online to Offline Expansion

Rakuten Everywhere

Capturing the Consumer’s JPY 352 Trillion* Wallet Share

* Internal estimation based on public information
Opportunities: Disrupting the Mobile Industry with Virtual Technology

**Developed World’s First Fully Virtualized Network**

- **Traditional Network**
  - BBU
  - Rectifier & Battery
  - Cabinet
  - RRU
  - Cable & jumper
  - Antenna

- **Rakuten Virtualized Network**
  - Power Board
  - Integrated RHH + Antenna
  - DU

- **Traditional Network Benefits**
  - Reduce ~40% CAPEX
  - Reduce ~30% OPEX

- **Rakuten Virtualized Network Benefits**
  - Simplified architecture
  - Reduced costs

**Leveraging Rakuten Ecosystem to Acquire Customers**

- **Rakuten Mobile**
  - More than 100 million members in Japan
  - 70+ services
  - Cross-use rate over 70%

- **Rakuten Bank**
- **Rakuten Card**
- **MVNO**

- **Reduce CAC**
- **Maximize LTV**

**Rakuten UN-LIMIT VI**

- **Up to 1GB**: JPY 0
- **Unlimited**: JPY 2,980
Opportunities: Next Generation Global 5G Leader

Redefining how mobile networks are designed, built and operated

Targeting the $1tn+ Mobile industry as the world shifts to 5G

“Rakuten...launched the first full-scale virtualized network on April 8th... it may prove as momentous as Amazon’s launch in 2006 of its trailblazing cloud-computing arm.” Economist April 8, 2020

Intel Corporation CEO  Robert Swan
We believe 5G and the transformation of (Rakuten’s) network together are a technology inflection...

Cisco Chairman & CEO  Chuck Robbins
The network...is absolutely going to change the industry...What we are going to see in the months and years ahead is going to challenge how everyone think about their networks...
Opportunities: World’s Leading Operator-Enabling Platform

Compelling Alternative to Legacy and Proprietary Networks

- For Carriers, Governments and Enterprises looking for reliable and cost effective 5G-ready network
- Built with OPEN-RAN standards not reliant on any single product, technology or vendor
- Uses software centric approach to design and operations
- Automates network design, deployment, operations, supply-chain maintenance
- Safe, secure, agile, mobile network of the future
## KPIs & Highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Revenue</strong></td>
<td>JPY 1.5 tn</td>
<td>+15.2%</td>
</tr>
<tr>
<td><strong>Global GTV</strong></td>
<td>JPY 22.3 tn</td>
<td>+18.0%</td>
</tr>
<tr>
<td><strong>Domestic EC GMS</strong></td>
<td>JPY 4.5 tn</td>
<td>+19.9%</td>
</tr>
<tr>
<td><strong>Rakuten Card Shopping GTV</strong></td>
<td>JPY 11.6 tn</td>
<td>+21.9%</td>
</tr>
<tr>
<td><strong>Rakuten Card Holders</strong></td>
<td>22 mm*</td>
<td></td>
</tr>
<tr>
<td><strong>Rakuten Securities Accounts</strong></td>
<td>6.0 mm</td>
<td></td>
</tr>
<tr>
<td><strong>Rakuten Bank Accounts</strong></td>
<td>10.52 mm</td>
<td></td>
</tr>
<tr>
<td><strong>Market Capitalization</strong></td>
<td>JPY 2.2 tn</td>
<td></td>
</tr>
</tbody>
</table>

*As of Mar 2021
*As of May 2021
*As of Mar 2021
*As of Apr 30, 2021
ESG: Committed to Sustainability

Corporate Governance: Stable and diversified management team with long term commitment

Outside Director
Independent Director
Foreign Director
Female Director

Outside Director
Representative Director, Chairman, President and CEO
Hiroshi Mikitani

Representative Director and Vice Chairman
Masayuki Hosaka

Director
Charles B. Baxter

Director
Kentaro Hyakuno

Social: Employee Development / Diversity

Providing employee training programs, long-term incentive systems such as stock options etc.

Diversity: A Driving Force to Accelerate Innovation

Employees' Nationalities

Data Coverage: Rakuten, Inc.

Employees' Nationalities

Data Coverage: Rakuten, Inc.

Environment: Rakuten Selected for CDP A List for Climate Change

Efforts recognized:
- Commitment to 100% renewable electricity for Rakuten, Inc.'s operations by 2025
- 51.4% renewable electricity used in 2019

Main Index Inclusions

- MSCI ESG Indices*
- FTSE4Good Index Series
- S&P / JPX Carbon efficient
- Dow Jones Sustainability World Index

* The inclusion of Rakuten, Inc. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Rakuten, Inc. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademark or service marks of MSCI or its affiliates.
Snapshot of Key Businesses
Internet Service Segment Businesses

**Domestic EC**

- Market place businesses
  - Rakuten Ichiba  Internet shopping mall
  - Rakuten Travel  Online travel and reservation website
  - Rakuten GORA  Online golf course reservations

- First party businesses
  - Rakuten24 (Rakuten Direct)  Daily necessities sales service
  - Rakuten Books  Online book, CD & DVD store
  - Rakuten Fashion  Online brand fashion store
  - Rakuten Seiyu Netsuper  Online grocery delivery service

- C2C business
  - Rakuma  Consumer-to-consumer mobile e-commerce app

- Dream business
  - Internet leisure services affiliated with public agencies and regional governments

- Rakuten SUPER LOGISTICS  Distribution and fulfillment services for Rakuten Ichiba merchants and Rakuten Group services

**Others**

- Rakuten Rewards  Membership-based online cash-back site in the U.S. (formerly known as Ebates)
- Rakuten Advertising  Online marketing solutions (formerly known as Rakuten Marketing)
- Rakuten Marketing Platform  Full funnel ad and marketing products
- Taiwan Rakuten Ichiba  Online shopping in Taiwan
- Rakuten France  Online shopping in France
- Tohoku Rakuten Golden Eagles  Professional baseball club
- Vissel Kobe  Professional soccer team
- Rakuten Capital  Corporate venture capital group

, etc.
Domestic EC: Japan’s No. 1 Internet Service

Domestic EC Highlights

- **Domestic EC GMS in 2020**: 4.5 trillion (+19.9% YoY)
- **The Biggest Online Marketplace in Japan**: 50+ k merchants
- **Shopping E-commerce GMS in 2020**: +35.0% YoY

*(As of June 2020)*

- **EC penetration comparison**
  - Japan: 7.9%
  - China: 20.4%
  - Taiwan: 10.4%
  - America: 11.8%
  - Korea: 18.8%

Market Opportunity: Japan’s EC penetration expected to double

KPI: Strong growth of Domestic E-Commerce GMS*

- **Growth strategy**: Enhancing customer experience
  1. Investing in logistics via alliance with Japan Post
  2. Partnering with large brands
  3. Cultivating new customer base

- **JAPAN POST**: Agreed on establishment of new joint venture with Japan Post for business launch of DX platform for logistics
- **Rakuten SEIYU**: Expand 1st party businesses to provide wider product category
- **Rakuten Fashion**: Launch Rakuten Fashion and C2C to capture new customer


*YoY is Year-over-Year growth and has resulted in retrospective adjustments.

*(As of June 2020)*
FinTech Segment Service Businesses – World’s Most Integrated Platform

<table>
<thead>
<tr>
<th>Products</th>
<th>FY2020 Revenue</th>
<th>(% of Total FinTech)</th>
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<tbody>
<tr>
<td><strong>Credit Card</strong></td>
<td>Rakuten Card</td>
<td>JPY 261.3 bn</td>
</tr>
<tr>
<td><strong>Online Bank</strong></td>
<td>Rakuten Bank</td>
<td>JPY 95.5 bn</td>
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<tr>
<td><strong>Online Securities</strong></td>
<td>Rakuten Securities</td>
<td>JPY 74.1 bn</td>
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<tr>
<td><strong>Online Insurance</strong></td>
<td>Rakuten</td>
<td>JPY 106.4 bn</td>
</tr>
<tr>
<td><strong>Payment</strong></td>
<td>R Pay</td>
<td>JPY 33.1 bn</td>
</tr>
</tbody>
</table>

*1: There are revenue of Others. Others include investment management business, overseas business etc.
*3: Payment business also includes Rakuten Wallet, cryptocurrency business.
Rakuten Card: Japan’s Fastest growing Credit Card Business (by shopping GTV)

Rakuten Card Highlights

- **Market share (by shopping GTV):** No.1
- **# of Card Holders (As of Dec 2020):** 21mm
- **No.1 in Customer Satisfaction Survey for:** 12 Consecutive Years

KPI: Rakuten Card’s growth rate outperforms the market

Market Opportunity: Growth Potential for Credit Card in Japan

Comparison of credit card penetration rate

- **Japan:** 22%
- **Korea:** 75%
- **Singapore:** 37%
- **Australia:** 26%
- **US:** 30%

Source: JAPAN CONSUMER CREDIT ASSOCIATION “Japan Credit Statistics 2019”, Percentage of credit card transaction value in private final consumption expenditure

Growth strategy: Diversity of revenue stream

Revolving and Cash advances grew steadily along with Card Shopping growth

<table>
<thead>
<tr>
<th>Source: METI, Rakuten Card</th>
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<tbody>
<tr>
<td>Japanese Customer Satisfaction Index Survey, Credit Card category, 2020</td>
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<tr>
<td>FY2013</td>
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<tr>
<td>Card shopping</td>
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<tr>
<td>77</td>
</tr>
</tbody>
</table>
Rakuten Bank: Japan’s Largest & Fastest Growing Online Bank

Rakuten Bank Highlights

Number of accounts (by online bank)

No.1

Japan’s Fastest growing online bank (by number of new accounts)

No.1  +1.7mm

(Growth in 2020)

Diverse Services

Personal loans, mortgage, Foreign currencies, transfer by Viber etc.

Market Opportunity: Growth Potential for Online & New banks

Growth strategy: Efficient Funding Structure

Deposit breakdown of Japanese Bank

- Mega banks
- Regional banks
- Japan Post bank
- Trust banks
- Shinkin banks/Credit unions, etc.
- Internet & New banks

Total deposits JPY 1,100+ tn

Number of Bank Accounts (Online bank, as of Mar/2021)

Low funding cost as Rakuten Bank deposits enable increased group profitability

Customers

Rakuten Ichiba

Rakuten Card

Rakuten Bank

Funding through Securitization

Shopping Acceleration

*Source: Japanese Bankers Association, Shinkin Central Bank Research Institute, Company disclosures
Rakuten Securities: Japan’s Fastest growing Securities Business

Rakuten Securities Highlights

- **Number of new accounts opening**
  - No.1

- **Number of accounts (As of May/2021)**
  - 6mm

- **Investment with Rakuten Points available**
  - Investment Trusts
  - Accumulation Type Investment Trusts
  - Domestic Stocks, etc.

KPI: No.1 in Number of New Securities Accounts

Number of New Accounts (Jan/2020-Dec/2020)

- 1.3mm

Market Opportunity: Growth Potential for Securities

Household financial assets composition

- **Japan**
  - JPY 1,835 tn

- **US**
  - JPY 9,779 tn*

- Asset handled by securities companies is 1/3 that of the US

*Calculated with 1 USD = 110 JPY

Growth strategy: Diversity of revenue stream

Reducing reliance on Japanese Equities against the backdrop of lower transaction fees

- **FY2009**
  - 66%

- **FY2020**
  - 46%
Payments Business: One ID Enabling multiple payment Methods

Rakuten Payment Highlights

Market Opportunity: Growth Potential for Cashless in Japan

Japanese cashless ratio targeted to be 40% by 2025*1

2019
JPY 81tn
26.8%

2025 (Target)
40%

20XX (Target)
80%

*1 Source: Ministry of Economy, Trade and Industry “Cashless Vision”, 2018
*2 Source: Bank of Japan, JAPAN CONSUMER CREDIT ASSOCIATION

Rakuten Payment Lineup

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
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<tbody>
<tr>
<td>R Pay</td>
<td>Rakuten ID-based payment service (QR code / Barcode)</td>
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<tr>
<td>R Edy</td>
<td>Electronic money</td>
</tr>
<tr>
<td>R POINT</td>
<td>Point card service</td>
</tr>
<tr>
<td>Rakuten Wallet</td>
<td>Crypto asset exchange service</td>
</tr>
</tbody>
</table>

Number of Rakuten Pay Users
50mm (As of Dec/2019)

Number of locations Online / Offline
5mm+1mm

Sustainable business model with revenue from transaction fees

Growth strategy: The 3 Layers of Payment Business Strategy

Providing diverse payment methods with a common ID / interface
## Insurance Services: Unique Services with Rakuten Group Synergy

### Insurance Business Highlights

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unique services</strong></td>
<td>Rakuten group synergy</td>
</tr>
<tr>
<td><strong>with Rakuten group synergy</strong></td>
<td>Travel insurance, Golfer’s insurance</td>
</tr>
<tr>
<td><strong>Rakuten Point to premium paid</strong></td>
<td>1%</td>
</tr>
<tr>
<td><strong>Comprehensive insurance desk</strong></td>
<td>One-stop consultation</td>
</tr>
</tbody>
</table>

*When conditions are met with the certain insurance product, 1% of the premium paid is given as Rakuten points. For details, please check the websites of Rakuten Life Insurance, Rakuten General Insurance and Rakuten Pet Insurance.

### Service lineup

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rakuten 楽天生命</strong></td>
<td>Life insurance, medical insurance, cancer insurance etc.</td>
</tr>
<tr>
<td><strong>Rakuten 楽天損保</strong></td>
<td>General insurance such as car insurance, fire insurance, travel insurance</td>
</tr>
<tr>
<td><strong>Rakuten 楽天ペット保険</strong></td>
<td>Pet insurance service</td>
</tr>
<tr>
<td><strong>Rakuten 楽天の総合窓口</strong></td>
<td>Comprehensive insurance desk where customers can get one-stop consultation, inquiries and procedures for Rakuten Insurance Group products</td>
</tr>
</tbody>
</table>

### Growth strategy: Unique services with Rakuten group synergy

- **Super easy insurance**
  - Rakuten Anshin Extended Warranty
  - Private car discount insurance, pet mini insurance
- **Travel assistance**
  - Lodging insurance
- **Ancillary insurance**
- **Group credit insurance**
  - Fire insurance
- **Device insurance**
  - Golf insurance

### Market Opportunity: 3rd biggest Insurance market with room to grow

**Total premium volume in 2017**

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Premium Volume (bn USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>America</td>
<td>1,500</td>
</tr>
<tr>
<td>China</td>
<td>500</td>
</tr>
<tr>
<td>Japan</td>
<td>Internet Insurance is less than 10%*</td>
</tr>
<tr>
<td>UK</td>
<td>500</td>
</tr>
<tr>
<td>France</td>
<td>500</td>
</tr>
</tbody>
</table>

Source: Swiss Re, “sigma No 3/2018”

Japan’s Internet Insurance ratio is calculated by Rakuten based on disclosure information.
Rakuten Capital: Minority Investments

**Strategy**
- **Sourcing**
  - Screening by Big Data
  - Leveraging Rakuten global network
  - Venture/Investment community at global level
- **Adding Value**
  - Providing various management know-how such as marketing and KPI management
  - Adding corporate value utilizing Big Data
  - Director level and hands-on support

**Historical Portfolio**

- **Internet**
  - Pinterest (Exited)
  - SHOPBACK
  - carousell
  - One Signal
  - K-ON
  - fever
- **FinTech**
  - BlueVine
  - Upstart
  - TORANOTEC
- **Ride Sharing**
  - Careem
  - Glovo
  - gojek
  - Cabify
  - lyft*
- **Healthcare**
  - Genesis Healthcare
  - Rakuten Medical*
  - Hairweave
  - Overture

(As of December 2020)

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

**Performance**

- ROI +106%
- IRR +23%
- (USD mm)
- ROI +310
- IRR +82%
- (Investment Business stand alone)
- Initial Investment (2012 to date)
- Fair Value (As of Dec 31, 2020)

*1 Lyft and Rakuten Medical are excluded due to transfer from Investment Business and treated as exited investments for return calculation
*2 Returns excluded Lyft and Rakuten Medical: ROI +82%, IRR +15% (Investment Business stand alone) Returns: ROI +96%, IRR +18%
Ad Business: Dominant Online Ad Business on EC Platforms in Japan

Ad Business Highlights

- FY2020 Revenue growth at +15.7% YoY
- Advantages of Rakuten:
  - 100M Rakuten IDs and behavior data
  - Purchasing data which connected with Rakuten IDs
  - Collect both on-line and off-line data

KPI: EC platform advertising growth outperforms the market

Market Opportunity: Internet Advertising growing rapidly

- Rakuten has the largest share in "EC platform Advertising" of Internet Advertising expenditures

Growth strategy: Leveraging existing assets and data

1st step: Expand External Advertiser

2nd step: Expand External Inventory

Establishing Global Ad Platform and Upside Potential

* Revenue includes internal transactions.
* Source: METI "Indices of Tertiary Industry Activity, Advertising Industry"
Overseas Businesses

Americas
- Rakuten Advertising (United States)
- Rakuten kobo (Canada)
- Rakuten VIKI (United States)
- Rakuten SUPERLOGISTICS (United States)

Europe
- Rakuten DX (United Kingdom)
- Rakuten (France)
- Rakuten Viber (Luxembourg)
- Rakuten TV (Spain)
- Rakuten (Japan)

Asia Pacific
- Rakuten (Taiwan)

Legend:
- Commerce business
- Media business
- Communications business
- Regional / Global headquarters
- Rakuten Institute of Technology
- Development Center
- FinTech business
Overseas Businesses: Content and Communication

Overseas Businesses Highlights

- Non-GAAP OI (Kobo, Viber, VIKI) turned black
- Viber IDs: 1.2bn+

Main KPIs

Overseas Businesses: Content and Communication

- Number of subscribers: Q4/20 +60% YoY
- Content viewing time: Q4/20 +41% YoY

Market Opportunity

Growing Overseas Content Businesses during COVID-19

- Rakuten TV: Total Users: +14.8mm
- Rakuten VIKI: Registered Users: +12.2mm
- Rakuten kobo: Registered Users: +7.9mm

Unique IDs

* Telco: Viber Out, Viber In, SMS. Content: Service messages, ads, stickers, etc.
## Mobile Business Segment

<table>
<thead>
<tr>
<th>Mobile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rakuten Mobile</strong></td>
</tr>
<tr>
<td><strong>Rakuten Communications</strong></td>
</tr>
<tr>
<td><strong>Rakuten Viber</strong></td>
</tr>
<tr>
<td><strong>Rakuten Energy</strong></td>
</tr>
<tr>
<td><strong>Rakuten Kobo</strong></td>
</tr>
</tbody>
</table>
Mobile: Disruptive Pricing via World’s First Fully Virtualized Network

Rakuten Mobile Highlights

- A simple, affordable, high quality mobile service
- Unlimited data at significantly low price enabled by virtualization
- 3mm subs in less than 1 year from commercial launch

KPI

- (million applications)
  - *Exceeded 4 million in May 2021

Fully virtualized network + Rakuten ecosystem utilization = Unlimited : JPY2,980

Lower CAC + Maximize LTV

~30% lower CAPEX
~40% lower OPEX

Market Opportunity

Aiming No.1 Telco in Japan

December 2020

Growth strategy

- Accelerate customer acquisition utilizing Rakuten Ecosystem

190 mm Mobile phone subs

*The Ministry of Internal Affairs and Communications, “Quarterly data on the number and share of telecommunications contracts December 2020”
Mobile: Going Global with the World’s Leading Operator Enabling Platform

Rakuten Communications Platform

Compelling Alternative to Legacy and Proprietary Networks

- For Carriers, Governments and Enterprises looking for reliable and cost effective 5G-ready network
- Built with OPEN-RAN standards not reliant on any single product, technology or vendor
- Uses software centric approach to design and operations
- Automates network design, deployment, operations, supply-chain maintenance
- Safe, secure, agile, mobile network of the future

Network Cost of Mobile Operator (% of Revenue)

- ~32%
- ~23%
- ~30%

Operator Revenue
Traditional NW Cost
RCP CAPEX

Market Size
JPY 30Tn-40Tn

Total Revenue of Global Mobile Operators

JPY 120Tn
Last But Not Least...

WE MAKE IMPOSSIBLE POSSIBLE
Inspired by his experience at Harvard Business School and motivated by the devastation of the Kobe earthquake, in 1995 Mikitani walked away from a successful investment banking career at the Industrial Bank of Japan to build something that would make a difference. Two years later, with a small team and a firm conviction that the emerging internet was going to change the world, Mikitani launched the internet marketplace, “Rakuten Ichiba.” Rakuten, which means “optimism” in Japanese, has grown to become one of the world’s pre-eminent internet companies. It also became Japan’s newest mobile network operator in 2019.

Mikitani has been one of Japan’s most visible and vocal proponents of a low-cost and open internet environment to foster innovation, support business growth and lead to economic prosperity. He is a co-founder and the Representative Director of Japan Association of New Economy (JANE) — one of Japan’s top business and economic associations, alongside Keidanren and Keizai Doyukai — whose mission is to strengthen Japan’s competitiveness through the expansion of the internet and e-business.

Born in Kobe, Mikitani was educated at Hitotsubashi University in Tokyo, before earning his MBA from Harvard Business School in 1993. In 2012, he was awarded the HBS Alumni Achievement Award, one of the school’s highest honors. He is also a recipient of the Legion of Honour, an award bestowed by the French government in recognition of his contributions to the economy and culture of France.
Appendix
Rakuten History

Founded: February 7, 1997

Started with 6 members, 13 merchants

Our History:

- May 1997: Rakuten Ichiba, the internet shopping mall, begins service.
- April 2000: Rakuten goes public through an IPO on the OTC market (currently TSE JASDAQ market).
- March 2001: Rakuten Travel, an online hotel reservation service, is launched.
- November 2003: Rakuten acquires DLJdirect SFG Securities (currently Rakuten Securities, Inc.).
- September 2004: Rakuten fully acquires Aozora Card Co., Ltd. (currently known as Rakuten Card Co., Ltd.).
- February 2009: Rakuten acquires eBank Corporation (now Rakuten Bank, Ltd.).
- February 2013: Listed market changed to Tokyo Stock Exchange First Section
- October 2014: Rakuten Group fully enters the mobile phone industry with the launch of the MVNO service "Rakuten Mobile."
- October 2019: Rakuten Mobile launches its new mobile operator service
## Rakuten Consolidated Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue (JPY mm)</th>
<th>Mobile Segment (JPY mm)</th>
<th>FinTech Segment (JPY mm)</th>
<th>Internet Service Segment (JPY mm)</th>
<th>Adjustments (JPY mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017</td>
<td>944,474</td>
<td>97,769</td>
<td>345,187</td>
<td>567,454</td>
<td>-65,117</td>
</tr>
<tr>
<td>FY2018</td>
<td>1,101,480</td>
<td>127,777</td>
<td>424,488</td>
<td>638,763</td>
<td>-89,547</td>
</tr>
<tr>
<td>FY2019</td>
<td>1,263,932</td>
<td>169,054</td>
<td>486,372</td>
<td>743,266</td>
<td>-134,760</td>
</tr>
<tr>
<td>FY2020</td>
<td>1,455,538</td>
<td>227,142</td>
<td>576,195</td>
<td>820,115</td>
<td>-167,914</td>
</tr>
</tbody>
</table>

- **Consolidated Revenue**: +15.2% YoY
- **Mobile Segment**: +34.4% YoY
- **FinTech Segment**: +18.5% YoY
- **Internet Service Segment**: +10.3% YoY
Rakuten Consolidated Non-GAAP Operating Income

(JPY mm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Consolidated Operating Income</th>
<th>Adjustments</th>
<th>FinTech Segment</th>
<th>Internet Service Segment</th>
<th>Mobile Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017</td>
<td>167,010</td>
<td>4,004</td>
<td>-13,521</td>
<td>63,509</td>
<td>103,196</td>
</tr>
<tr>
<td>FY2018</td>
<td>161,130</td>
<td>67,903</td>
<td>-26,172</td>
<td>103,287</td>
<td>107,211</td>
</tr>
<tr>
<td>FY2019</td>
<td>95,129</td>
<td>69,306</td>
<td>-76,524</td>
<td>107,211</td>
<td>81,291</td>
</tr>
<tr>
<td>FY2020</td>
<td>-102,667</td>
<td>2,904</td>
<td>-4,864</td>
<td>-226,976</td>
<td>-20,116</td>
</tr>
</tbody>
</table>

-197.8bn YoY
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 strive 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.