

Rakuten Group Introduction

June 2023

Rakuten Group, Inc.



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1. Rakuten Group Overview

Mission

Contribute to society by creating value through innovation and entrepreneurship



Vision

Global Innovation Company

At Rakuten, we drive disruptive innovation,

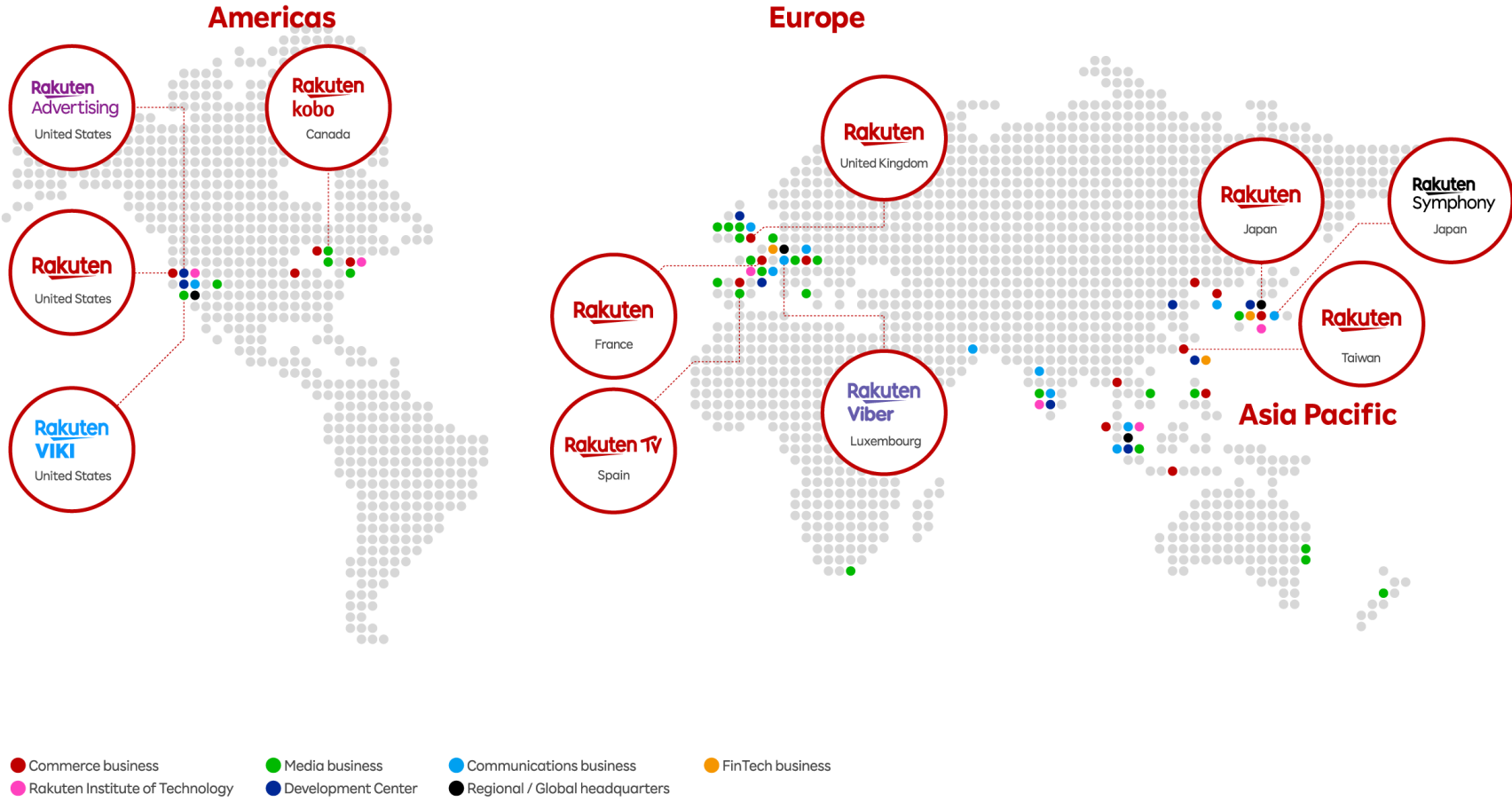
Engaging knowledge, creativity and passion from around the world

To achieve ambitious goals

And help build communities in which people can pursue their dreams and live in happiness.



Providing over 70 services in 30 countries and regions in the World

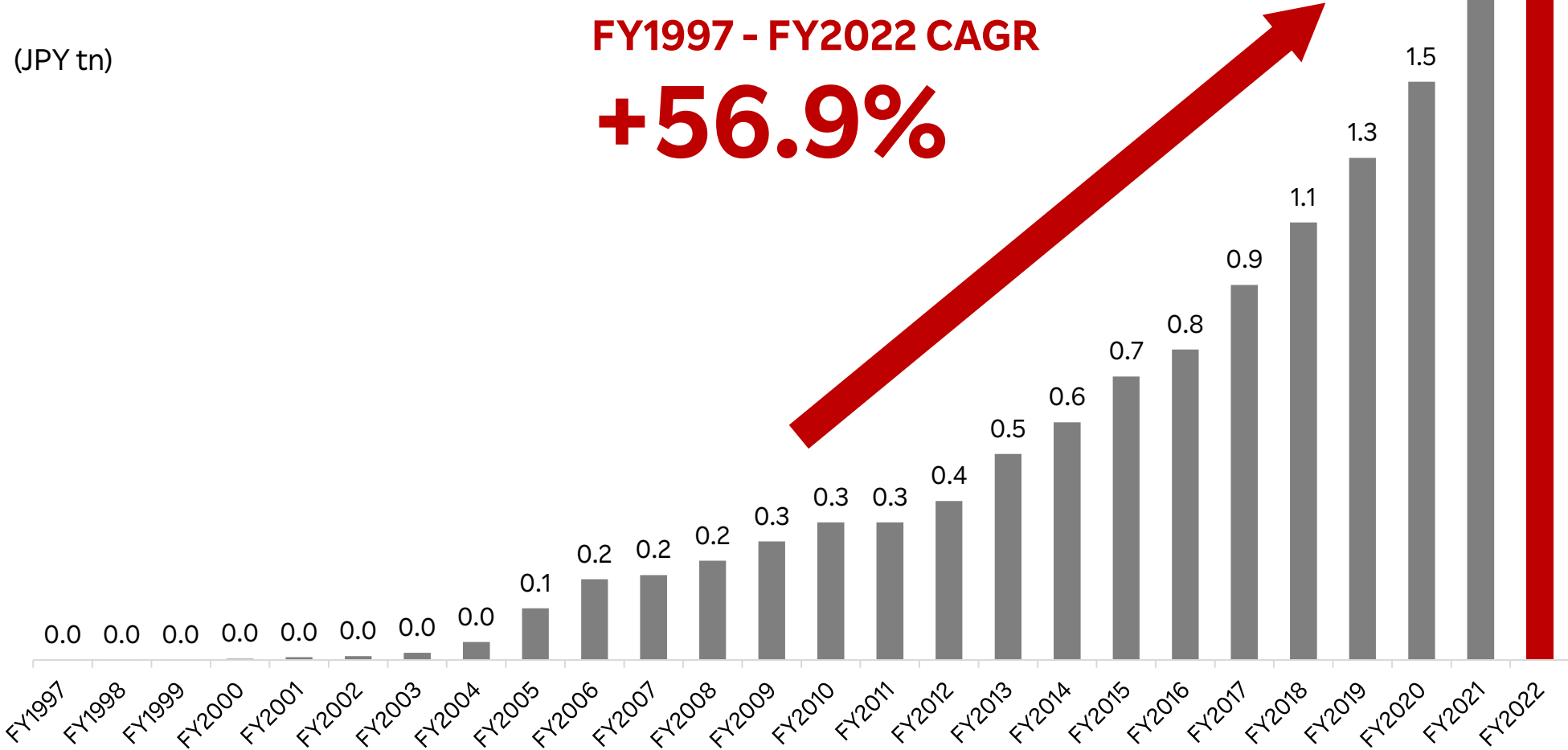


Revenue Growth for 26 Years since the Company's Establishment

+14.6%
YoY

(JPY tn)

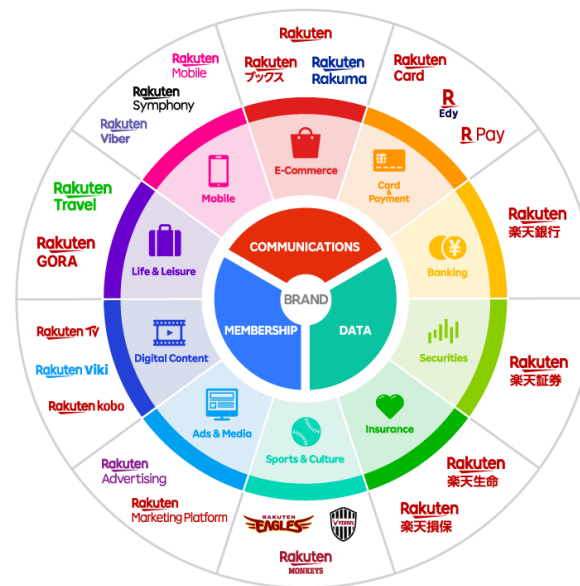
FY1997 - FY2022 CAGR
+56.9%



Business Model

Rakuten Ecosystem

A unique ecosystem business model linking various services with one membership
drives a continuous high growth of the company



Core assets accelerating the expansion of Rakuten Ecosystem



Global One Brand

More than 70 services for consumers and enterprises integrated under a single “Rakuten” brand



One ID

Over 100 million IDs in Japan. Can use multiple services in the ecosystem with a single ID
Over 1.7 billion users of global services



Rakuten Points

Rakuten Points, which can be earned and used for various services, attract and retain customers
Number of points issued in 2022: approx. 620 billion; cumulative number of points issued: over 3.3 trillion

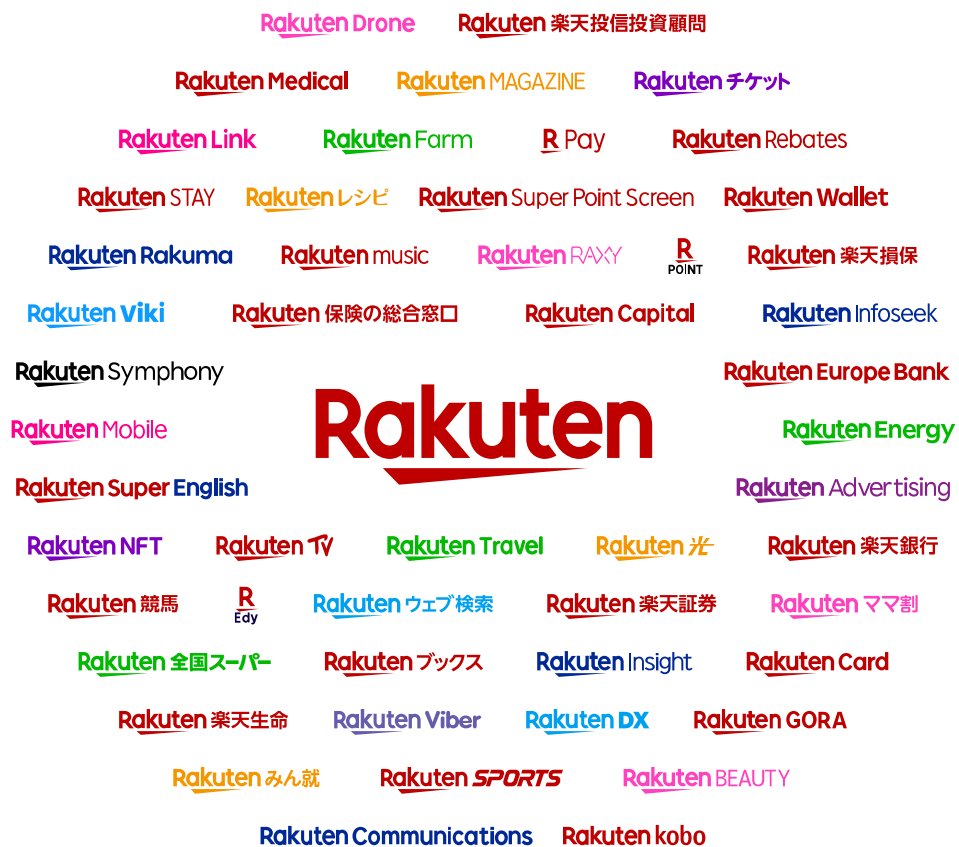


Rich Data

Purchasing data connected to demographics and interests of 100 million IDs

One Brand

More than 70 services for consumers and enterprises integrated under a single “Rakuten” brand

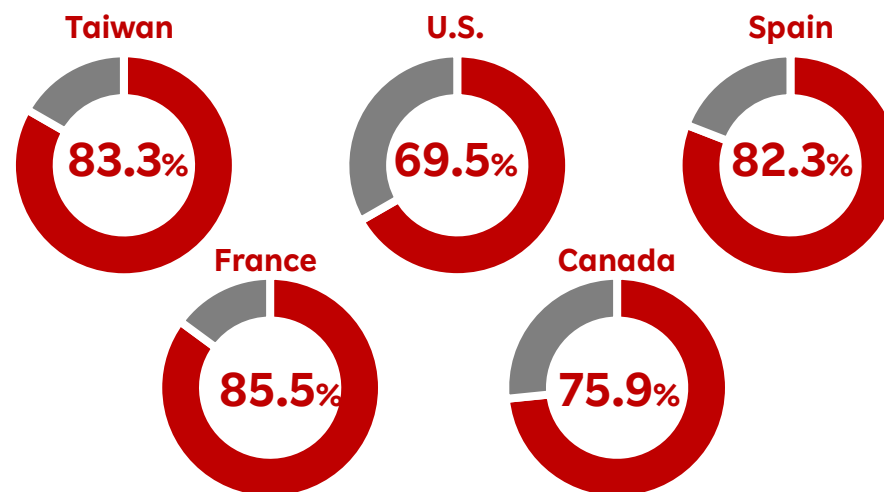


High brand recognition in Japan and globally

Japan		Web brand survey
Rank	Name	Web brand index score
		2022 Autumn / Winter
1	Rakuten Ichiba	110.0
2	Yahoo! JAPAN	104.3
3	Google	103.0

※Nikkei BP Consulting “Web Brand Survey 2022 Autumn / Winter”

Global Rakuten Logo Awareness (Rakuten survey, January 2023)



One ID / One Point

One ID can be used for most Rakuten services

“Rakuten Point,” our common point program that users can earn/use in each of our services, enables effective customer acquisition and enhances multiple usage

Rakuten POINT NO.1^{*1}

Customer Satisfaction Survey

- Points most favorable
- Points I use most
- Points I earn most

Multiple Usage Initiatives SPU (Super Point Up Program)

= A program where users can earn more points through purchases at Rakuten Ichiba when achieving required conditions in each service

1x Normal

+1x When using Rakuten Travel

+1x When using Rakuten Card

+1x When using Rakuten Securities

+3x When using Rakuten Mobile
*Diamond Members

Max +16x^{*2}

*1: My voice com, survey on points in Japan. November 2022.

*2: Each service has required conditions and maximum number of points earned including limited-time points.

*3: Calculated by dividing total number of lost points in 2022 by total number of points issued.

*4: Number of active users in December 2022. Figures are for Rakuten members who earned at least 1 Rakuten Point in the relevant month.

*5: Percentage calculated by dividing the number of users of two or more services in the past 12 months by the number of users of all services in the past 12 months as of the end of December 2022. Limited to the use of services that can earn Rakuten Points.

Rakuten Points Key figures

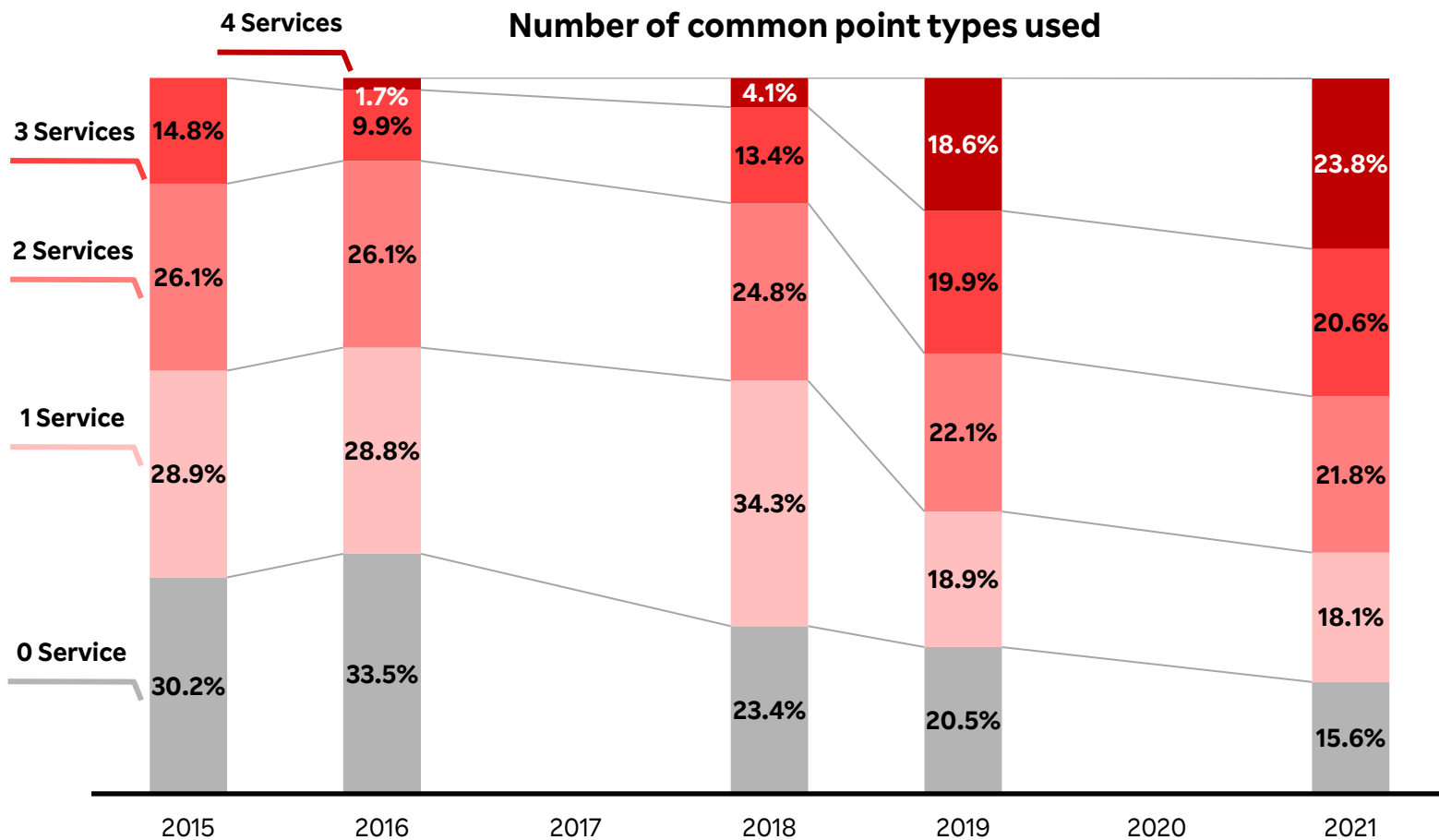
Number of Rakuten Points issued in 2022	Approx. 620bn
Cumulative number of points issued	Over 3.3tn
% of unused points ^{*3}	Below 2%

Rakuten Ecosystem Key figures

Monthly Active Users ^{*4}	Over 40mm
Ratio of Users of Two or More Services ^{*5}	75.6%

Appendix: Trends in the Use of Common Points in Japan

More than 60% of people use two or more types of common points after 2019



(Source) NRI "Survey of 10,000 Consumers (Home visit and Survey Collection Method)" in 2015 (n=10,050), 2018 (n=10,065), and 2021 (n=10,164). "Survey of 10,000 Consumers: Financial Edition (Home visit and Survey Collection Method)" in 2016 (n=10,070) and 2019 (n=10,604).

Note: Non-responses were excluded from the analysis. The target respondent attributes, survey regions, sampling methods, and questionnaire content were generally the same across all surveys.



Global Market

Rakuten Group offers country-specific programs to meet the characteristics of each country's users.

U.S. Cash back



Taiwan Point back

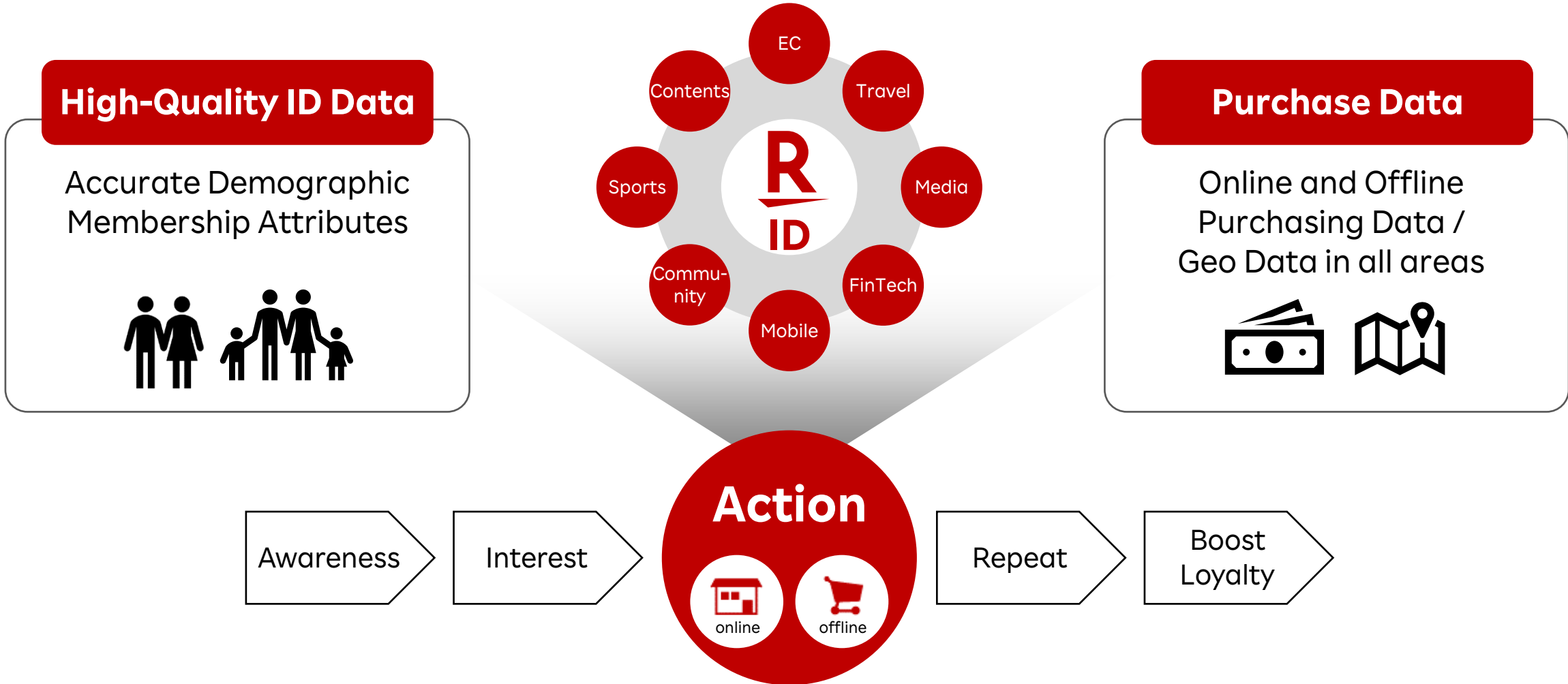


France Cash back



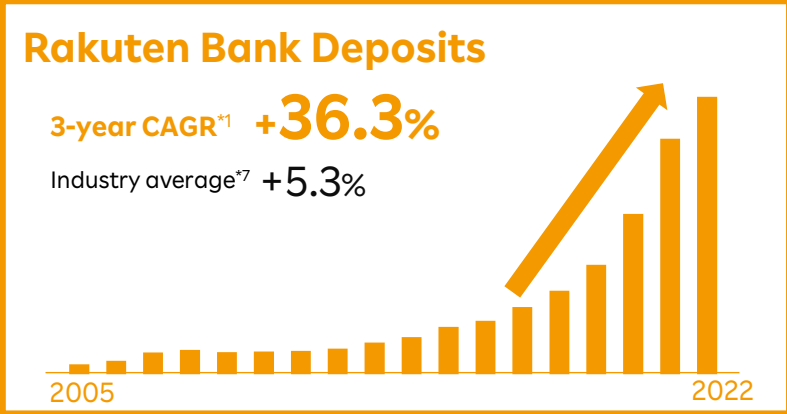
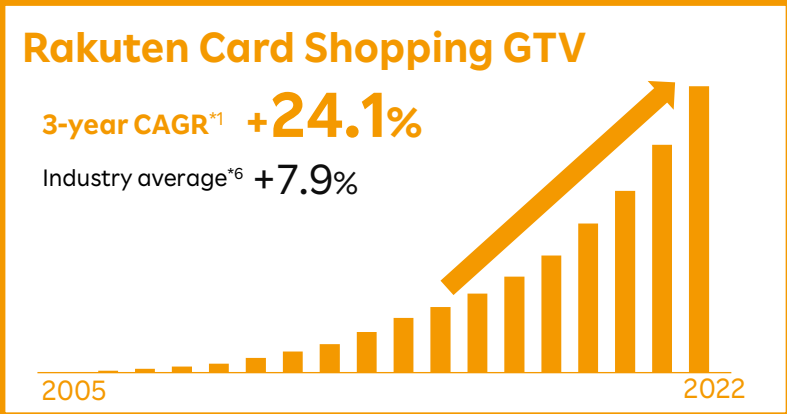
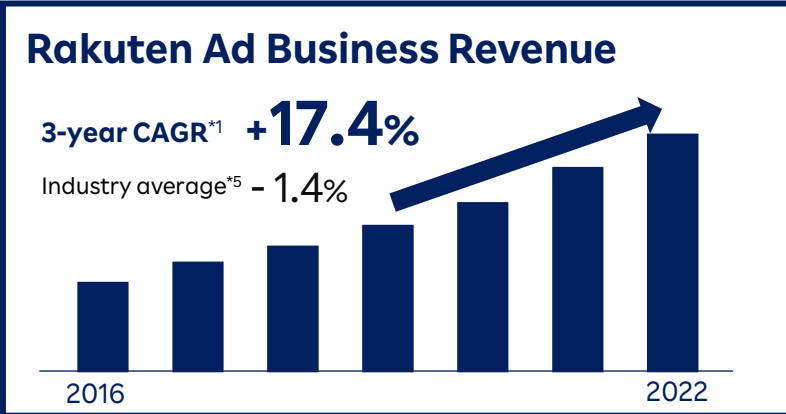
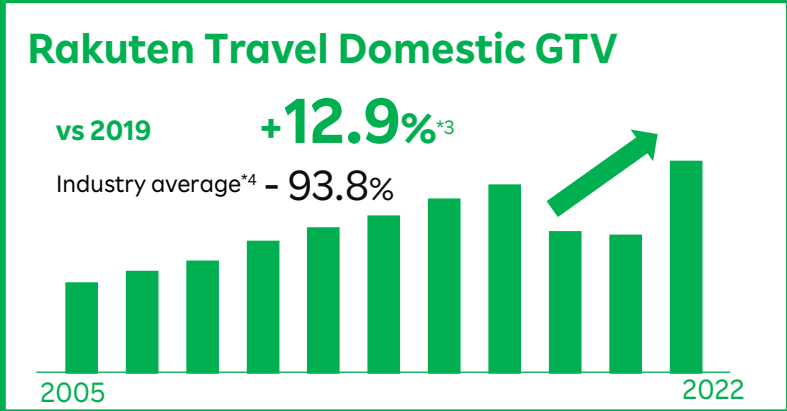
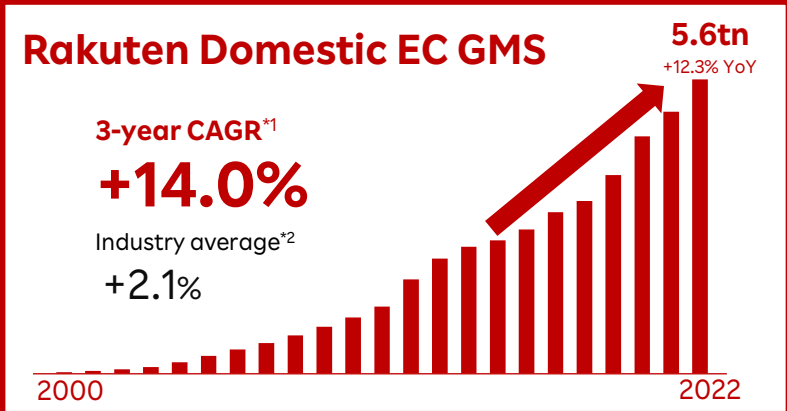
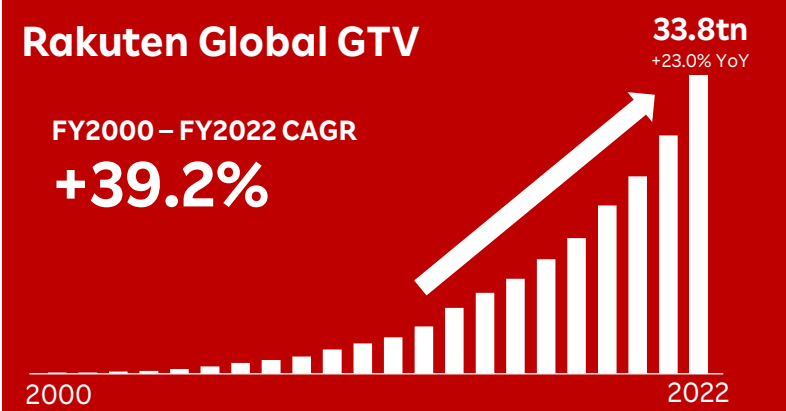
Rich Data Backed by Rakuten Ecosystem

Massive and varied data accumulated within our ecosystem with 100mm+ IDs*1 and 70+ services*1



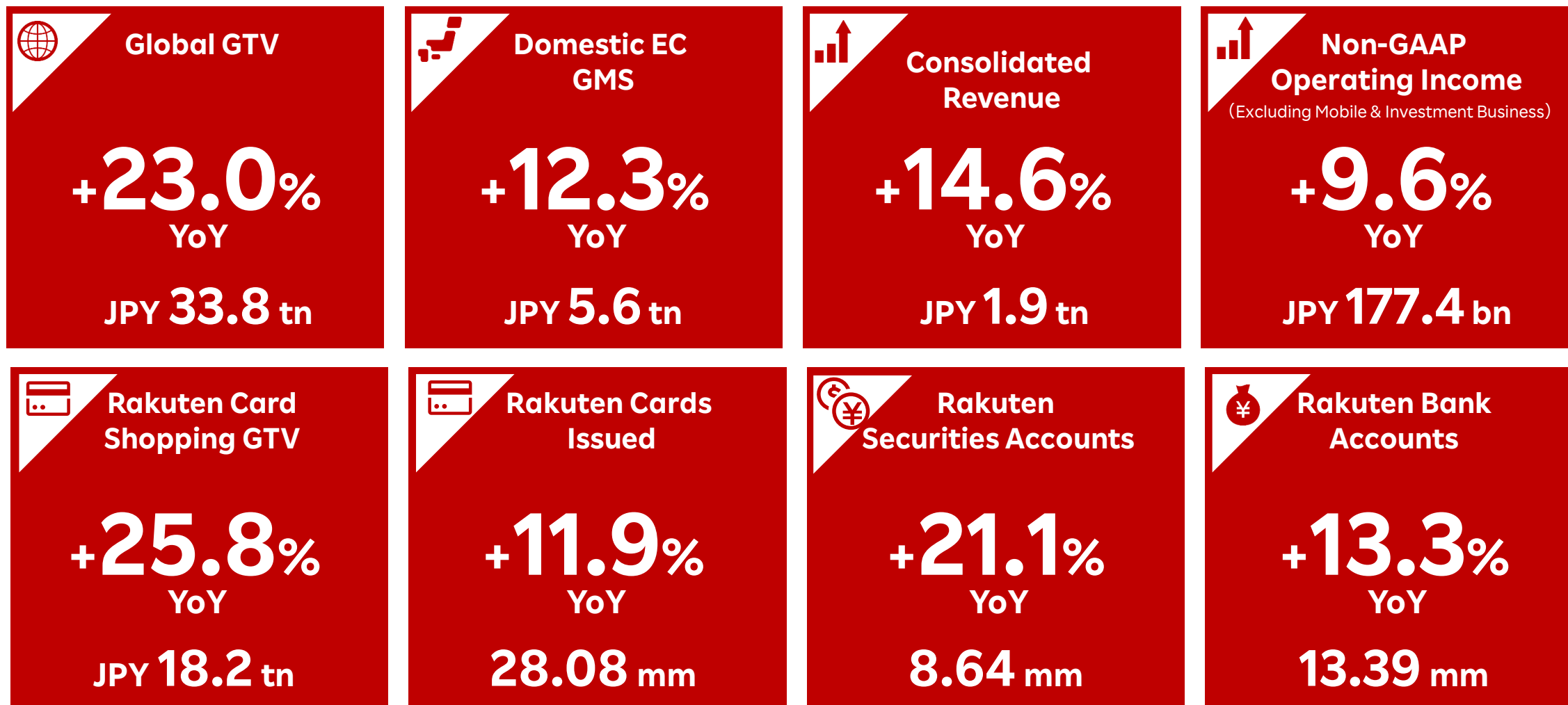
*1: As of December 31, 2022.

Rakuten Ecosystem enables robust business portfolio management, unaffected by changes in the external environment such as weather, economy, and the pandemic.



*1 CAGR calculated based on 2019 and 2022 figures
 *2 Ministry of Economy, Trade and Industry, "Commercial Sales Value by Type of Business."
 *3 Domestic hotel checkout GTV.
 *4 Japan Tourism Agency, "Travel Agency Transaction Amounts."
 *5 Ad expenditure of advertising costs. Dentsu: "2020 Advertising Expenditures in Japan."
 *6 Ministry of Economy, Trade and Industry, "Statistical Survey on Dynamics of Specified Service Industries: Credit Card."
 *7 Japanese Bankers Association, National bank deposits.

FY2022 KPIs & Highlights



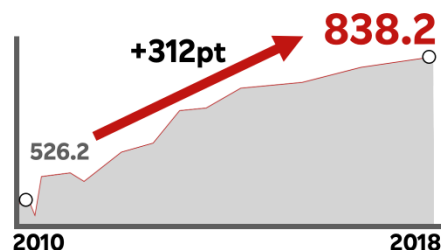
Corporate Culture to Accelerating Innovation

Diversity

Diversity driving innovation

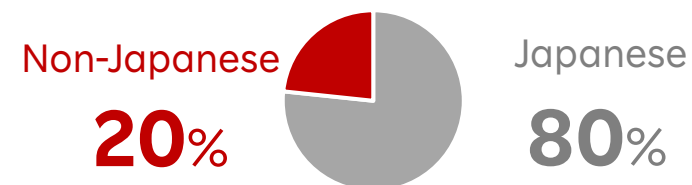
◆ Englishnization

Rakuten implemented English as official corporate language from 2012. Englishnization enables us to attract and retain top-class engineers and other human resources.



Over 8 years since the 2010 declaration of Englishnization, the average TOEIC score of employees increased by more than 300 points.

◆ Employee nationality ratio*1



◆ Number of employees / Nationalities*2

32,000+ / 100+

Entrepreneurship

Entrepreneurship that lives in each employee

◆ ASAKAI (Morning Meeting)

In order for each of us to fully demonstrate our abilities in the fields that Rakuten engages in and better contribute to society, we must stay on top of the company's current situation and direction while also continuing to absorb global trends and the latest technologies. Our weekly "Asakai" (morning meeting) is a mechanism for the entire organization to achieve this. The morning meeting is conducted once a week with all employees where management strategies and examples of "Yokoten" (horizontal development) best practices are shared, and also includes a question-and-answer session between employees and our founder, chairman and CEO, Mickey Mikitani.

大信用
義性
名高
分潔
致念
団不
結拔

Always Improve,
Always Advance
常に改善、常に前進

Passionately Professional
Professionalismの態度

Hypothesize→Practice
→Validate→Shikumika
仮説→実行→検証→仕組化

Maximize Customer Satisfaction
顧客満足の大化

Speed!! Speed!! Speed!!
スピードスピードスピード

Solidity: Success as a Team
Complete: Commitment and Trust
Prepare to Succeed: Professionalism
Believe Differently: Integrity
Do a Mission: Determination

Rakuten Shugi (Rakuten Basic Principles)

*1 As of December 31, 2022. Rakuten Group, Inc.

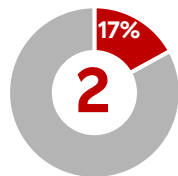
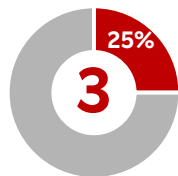
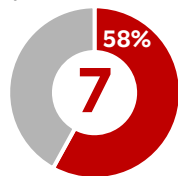
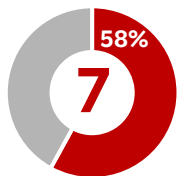
*2 As of December 31, 2022. Rakuten Group Consolidated

ESG: Committed to Sustainability

Corporate Governance

Management team with diverse backgrounds
Long-term commitment to management

Outside Directors Independent Directors Overseas Directors Female Directors



Hiroshi Mikitani
Representative Director,
Chairman, President & CEO



Masayuki Hosaka
Representative Director
and Vice Chairman



Kentaro Hyakuno
Representative Director,
Group Executive Vice President



Kazunori Takeda
Director,
Group Executive Vice President



Kenji Hirose
Director,
Group Executive Vice President

Outside Directors



Takaharu Ando
Director



Sarah J. M. Whitley
Director



Tsedal Neeley
Director



Charles B. Baxter
Director



Shigeki Habuka
Director



Takashi Mitachi
Director



Jun Murai
Director

Social

Talent Development to maximize
employee's potential and optimize
daily operations



Human Resources Development, Diversity and Wellness

Respect and support
diverse employees Support



(外部評価)

Improvement of employees'
mental and physical health
and social well-being



(外部評価)

Environment



(スコア A-)



Awards and Recognition

Main Index Inclusions

- ✓ MSCI Indexes*
- ✓ FTSE4Good Index Series、 FTSE Blossom Japan Index、 FTSE Blossom Japan Sector Relative Index
- ✓ Dow Jones Sustainability World Index、 Dow Jones Sustainability Asia Pacific Index
- ✓ S&P / JPX Carbon efficient

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



**MSCI
ESG RATINGS**



CCC | B | BB | BBB | A | AA | AAA



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

*The inclusion of Rakuten Group, 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 Group, 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.

ESG: Toward Achieving Carbon Neutrality

Target

Target item	Scope of Initiatives	Target year	Status (At the end of 2021)
Achieve carbon neutrality*1	Rakuten Group consolidated	FY2023	Announced in 2022
100% renewable energy for electricity used in all business activities	Rakuten Group consolidated	FY2023	Rakuten Group consolidated: 11.6% Rakuten Group, Inc.: 100%*2

*1 Total of Scope 1 emissions (direct greenhouse gas (GHG) emissions from the company itself) and Scope 2 emissions (indirect emissions accompanying the use of heat, steam, and electricity supplied by other companies).

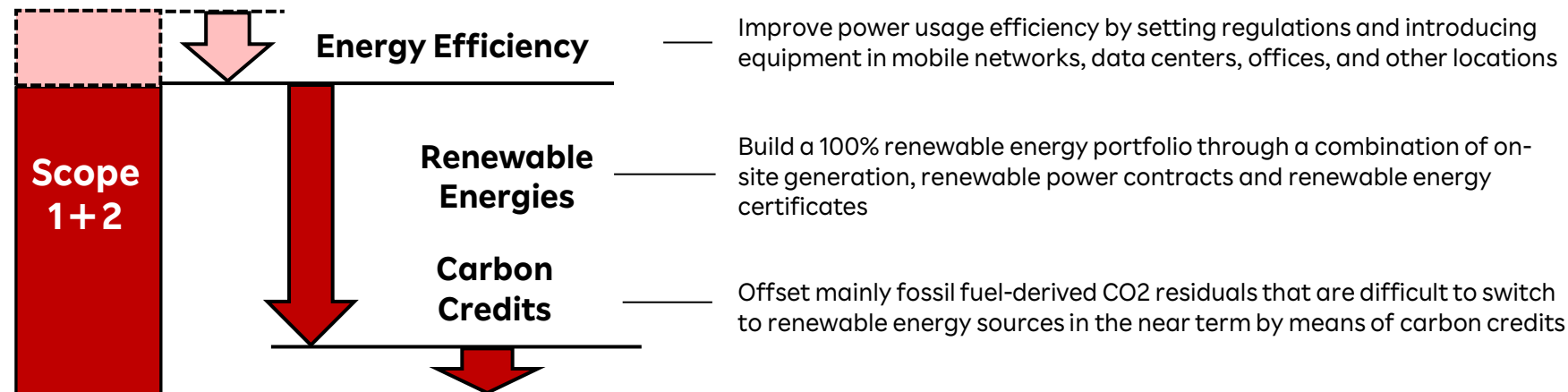
*2 Realized 100% transition to renewable energy, using the FIT Non-Fossil Certificate that certifies the renewable energy attributes of electric power.



2023年カーボンニュートラル*達成へ
Go Green Together

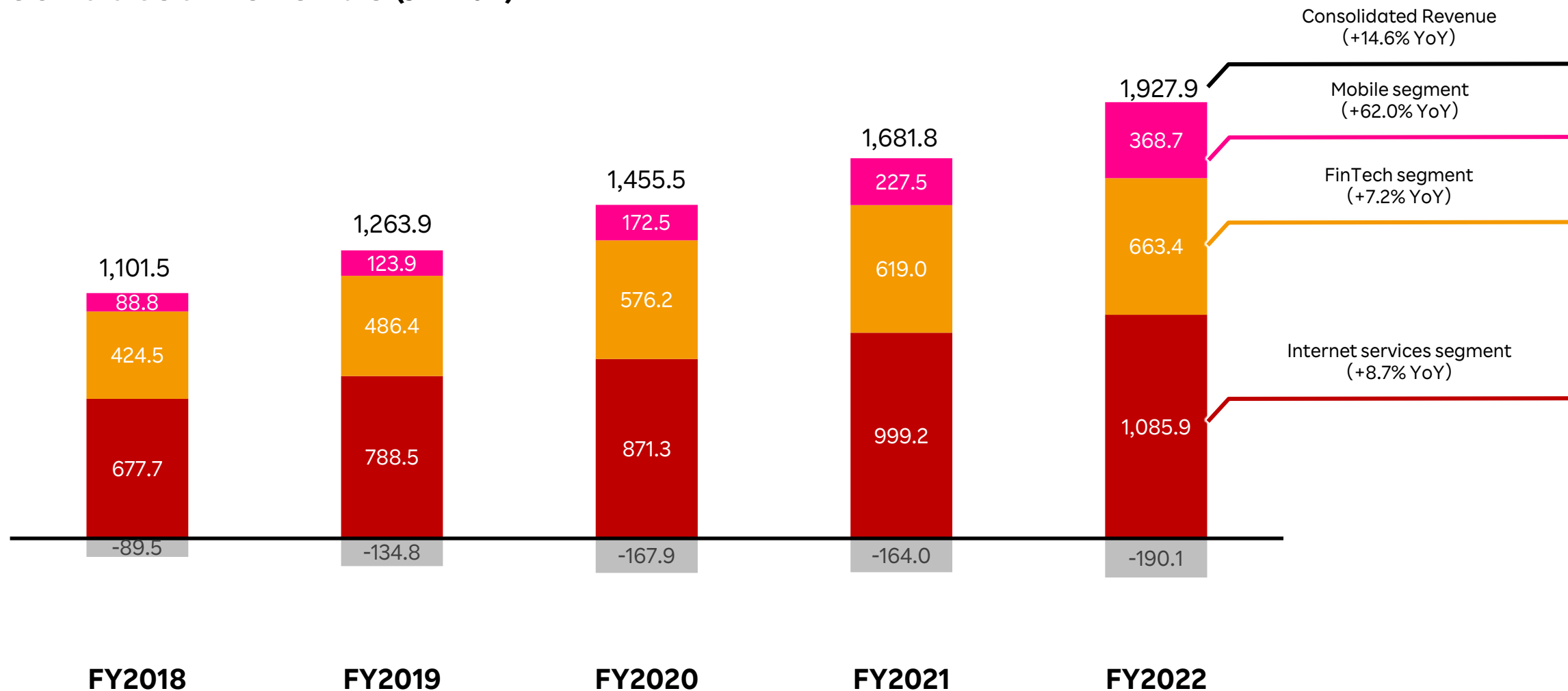
*Reducing greenhouse gas emissions from our own business operations to net zero (Scope 1+2)

Reduction levers and priority

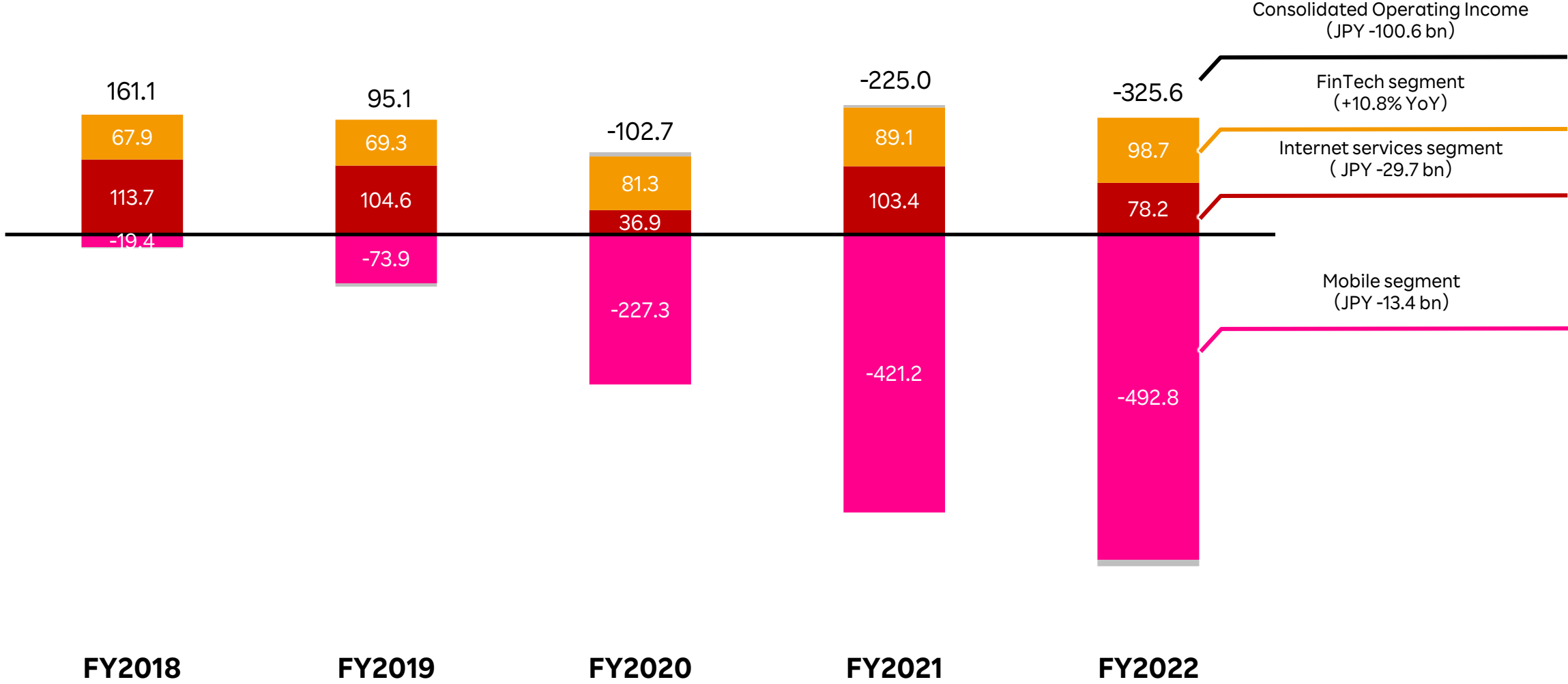


2. Snapshot of each segment

Consolidated Revenue (JPY bn)



Consolidated Non-GAAP Operating Income (JPY bn)



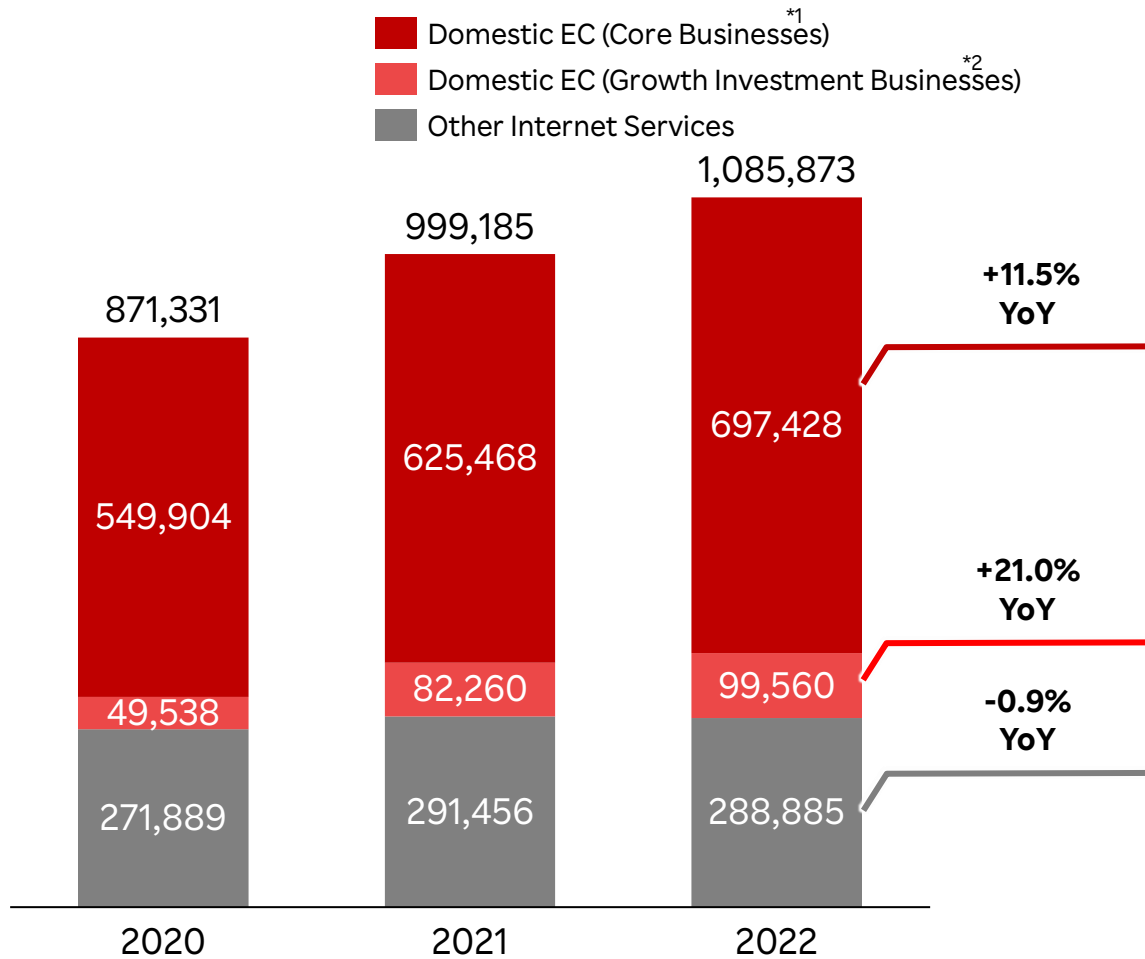
Internet Services Segment

Composition of Internet Services Segment

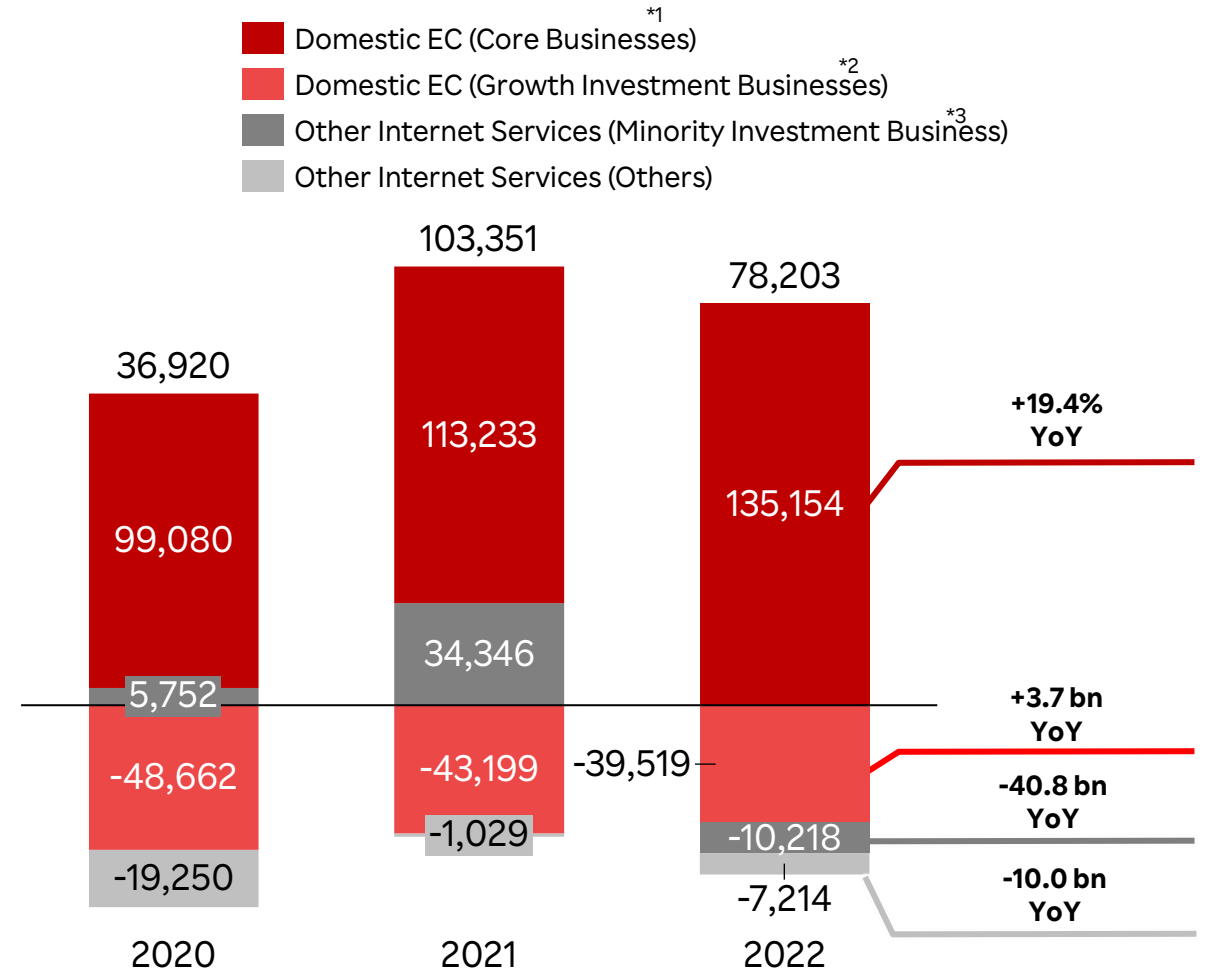
Internet Services Segment		Main Services
Domestic EC	Core Businesses	Rakuten Ichiba Rakuten Travel Rakuten Rebates Rakuten Bic Rakuten GORA etc. Rakuten Super Logistics Rakuten Seiyu Netsuper Rakuten Rakuma Rakuten Beauty Rakuten Fashion etc.
	Growth Investment Businesses	
Other Internet Services	Overseas EC	Rakuten Rewards etc.
	Overseas Advertising	
	Communication & Contents	Rakuten Viber Rakuten Kobo Rakuten Viki Rakuten TV etc.
	Portal Management	
	Sports Businesses	Tohoku Rakuten Golden Eagles etc.
	Minority Investment Business	Rakuten Capital

Internet Services Segment Revenue Trends and Non-GAAP Operating Income Trends

Revenue (JPY mm)



Non-GAAP Operating Income (JPY mm)



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

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

*3 Rakuten Capital

Internet Services Segment (Domestic EC Overview)

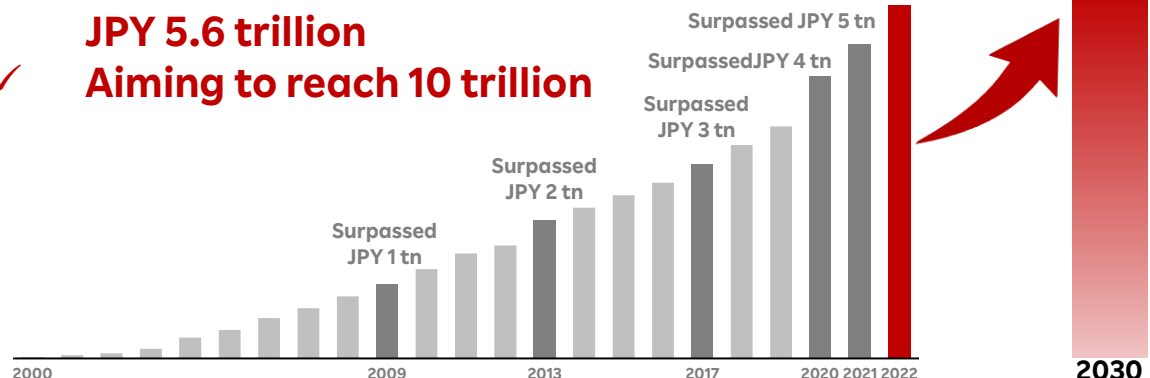
GMS

Unstoppable growth of Rakuten's Domestic EC businesses

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

- ✓ Domestic EC GMS achieved JPY 5.6 trillion
- ✓ Aiming to reach 10 trillion

JPY 5.6 tn
(YoY: +12.3%)
JPY 10 tn



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

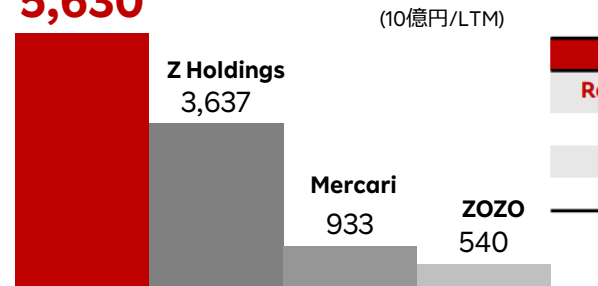
*2 Rakuten Books network, cross border trading and Rakuten Kobo (domestic) were added from Q4/21. This has resulted in retroactive adjustments to Domestic E-Commerce GMS.

Comparison with other companies in the industry

Rakuten Domestic EC is one of the largest in Japan and boasts an overwhelming growth rate

Rakuten Domestic EC 5,630

LTM GMS**1 Comparison with Major Domestic EC Competitors



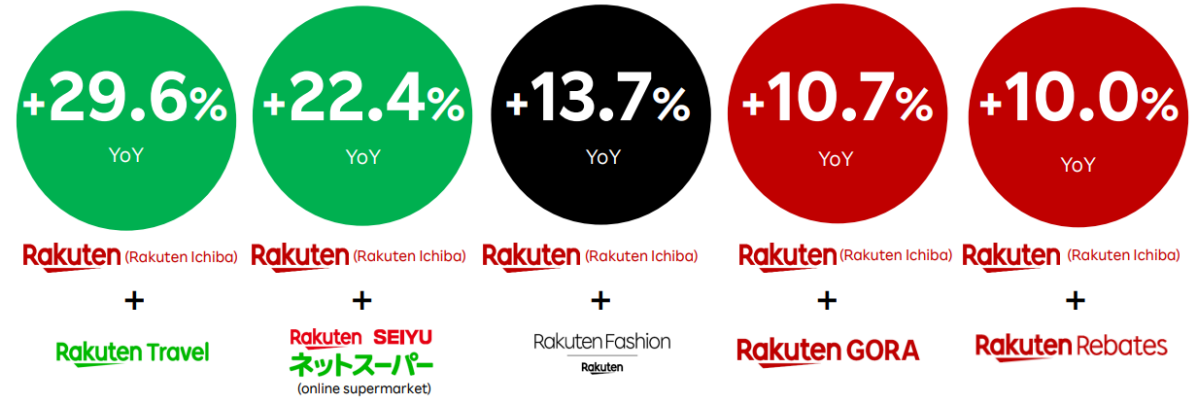
Latest Quarter GMS YoY	
Rakuten Domestic EC: Q4/22	+13.6%
Z Holdings: Q3/23	+5.6%
Mercari: Q2/23	+10.0%
ZOZO: Q3/23	+6.4%

*1 GMS for Last Twelve Months from the most recently disclosed period.
Z Holdings: GMS in Domestic Merchandise Transaction Value and Domestic Services Transaction Value. Mercari: GMV in Japan. ZOZO: Gross Merchandise Value

Eco-System

Ecosystem effect, one of Rakuten's strengths, is growing steadily within Domestic EC

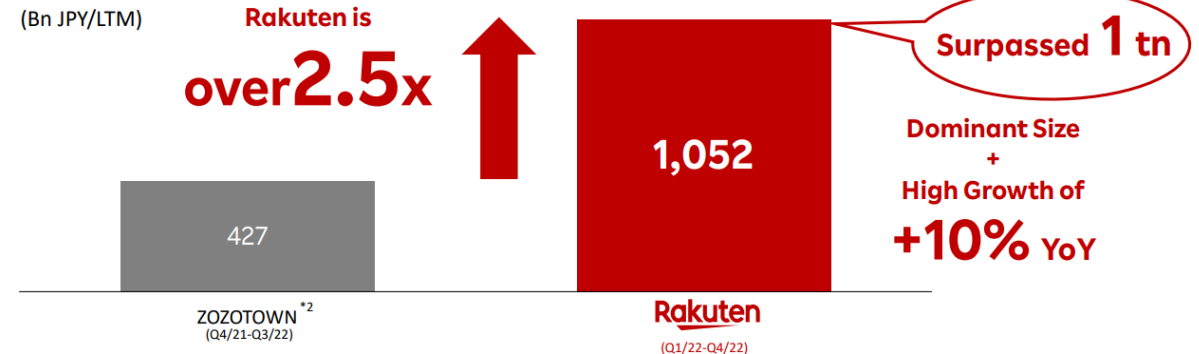
Q4/22 Rakuten Ichiba + Other E-Commerce Services: User Cross-Use Growth (YoY)



* Number of unique users who used Rakuten Ichiba and other services mentioned above in the same quarter.

Fashion Business

Rakuten Fashion business*1 has a leading presence in the Japanese fashion industry



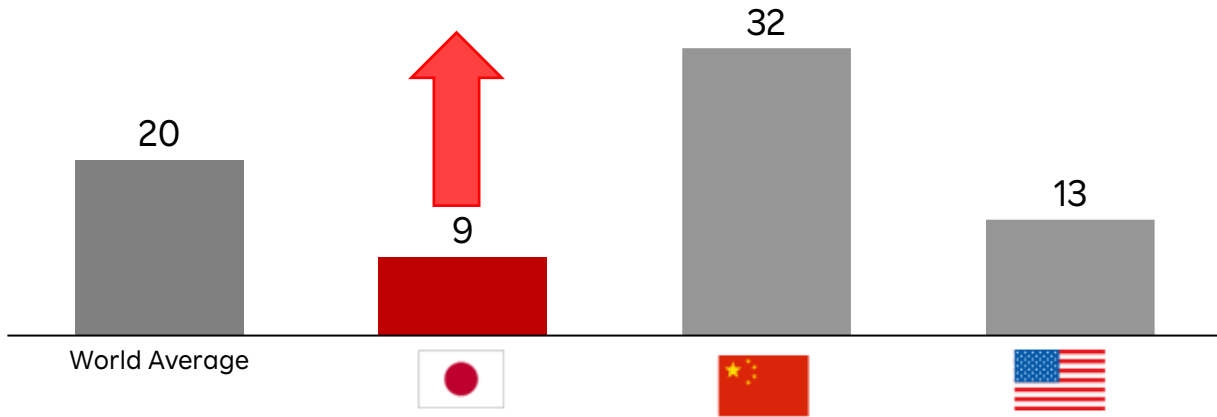
*1 Total of fashion-related genres (fashion, clothing accessories, sports, beauty, etc.) in Rakuten Ichiba and Rakuten Fashion
*2 GMS of ZOZOTOWN business in LTM (Q4/21-Q3/22) in ZOZO

Internet Services Segment (Domestic EC Overview)

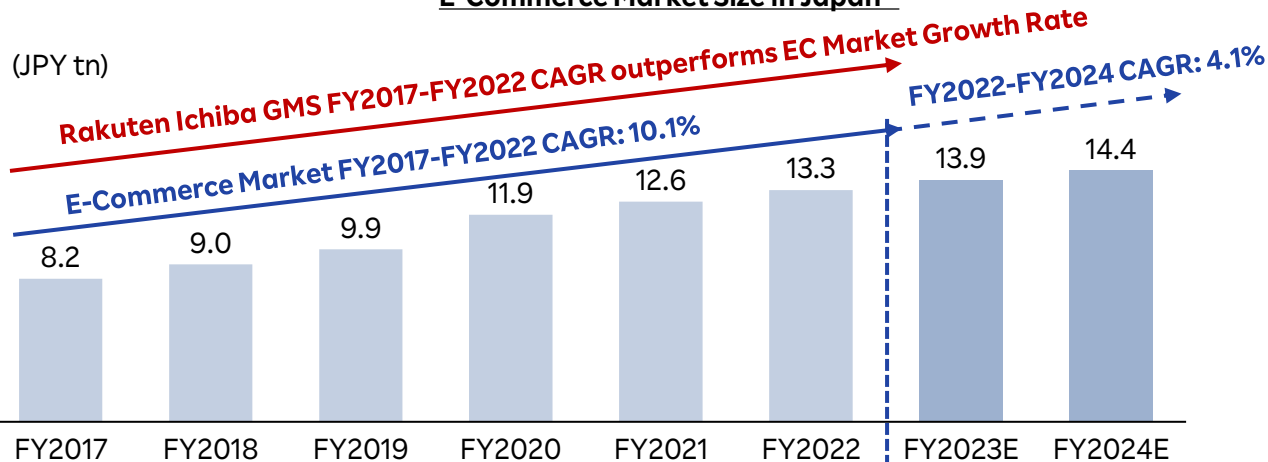
Industry Growth Potential in Japan

Japan's EC penetration rate is low compared to other countries, and has great growth potential

EC penetration rate comparison in each country*1(%)



E-Commerce Market Size in Japan*2



*1 2021. Ministry of Economy, Trade and Industry, published in August 2022. Only China's figure is 2020 based on Ministry of Economy, Trade and Industry, published in July 2021 as this is the most recent data available

*2 Refer to the GMS described in "Reality and future of mail order and e-commerce business 2023" published by FUJI KEIZAI CO., LTD.

Portfolio Management

Toward further revenue growth and profitability improvement

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

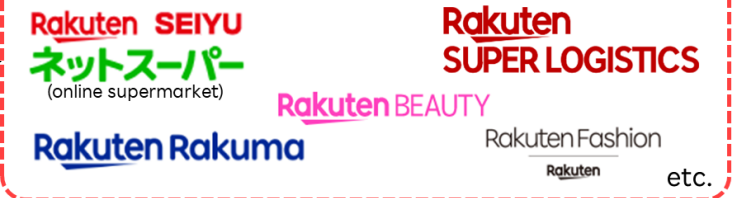
Domestic EC

Core Businesses*1



- Achieved structural profitability
- Yielding return above WACC
- Essential to Domestic EC business portfolio despite low return

Growth Investment Businesses*2



- Currently in the investment phase
- Accountability under business portfolio management
- Expected yield positive value to Rakuten Group

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

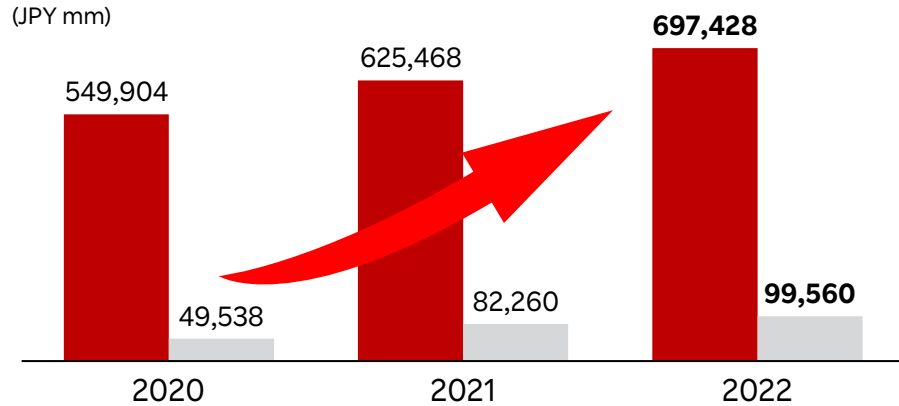
*2 Fashion 1st Party, C2C, Rakuten Seiyu Netsuper, Logistics business, Rakuten Beauty, Dining, and cross boarder trading etc.

Details are on the next page.

Internet Services Segment (Core Businesses and Growth Investment Businesses)

Revenue Trends

- Core businesses achieve robust high growth rates
- Growth Investment businesses are growing at an even higher rate



Core Businesses*1

+12.6%
2y-CAGR

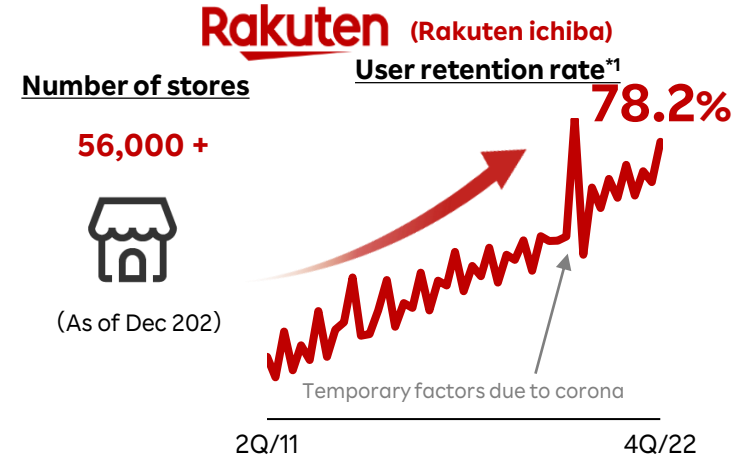
Growth Investment
Businesses*2

+41.8%
2y-CAGR

*1 Rakuten Ichiba, Rakuten Travel, Books Network, golf business, Rakuten Dream businesses, Open Commerce, Hunglead, BIC, Home life Direct, and Car etc.
*2 Fashion 1st Party, C2C, Rakuten Seiyu Netsuper, Logistics business, Rakuten Beauty, Dining, and cross boarder trading etc.

Core Businesses

- Rakuten Ichiba's retention rate increased steadily even post-pandemic
- Rakuten Travel achieved significant growth compared to pre-pandemic



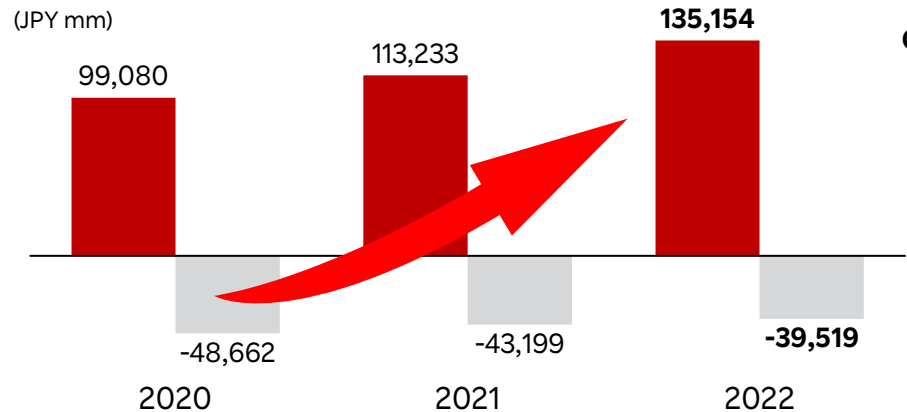
*1 Percentage of users who purchased in each quarter in the following quarter
*2 Excluding corporate reservations

Rakuten Travel
FY 2022 Rakuten Travel Domestic
Hotel Checkout GTV*2



Non-GAAP Operating Income Trends

- Core businesses are growing at a higher rate than revenue growth
- Growth Investment businesses are steadily improving profitability



Core Businesses*1

+16.8%
2y-CAGR

Growth Investment
Businesses*2

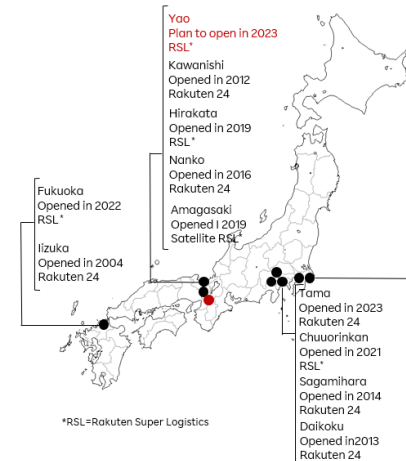
JPY 9.14 bn
Improvement
FY2022 vs FY2020

*1 Rakuten Ichiba, Rakuten Travel, Books Network, golf business, Rakuten Dream businesses, Open Commerce, Hunglead, BIC, Home life Direct, and Car etc.
*2 Fashion 1st Party, C2C, Rakuten Seiyu Netsuper, Logistics business, Rakuten Beauty, Dining, and cross boarder trading etc.

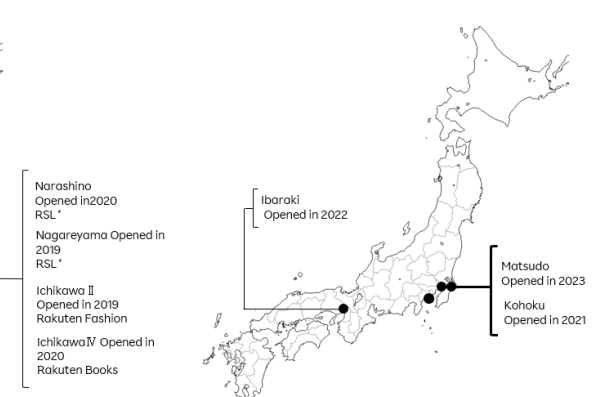
Growth Investment Businesses

- Logistics facilities are steadily expanding
- Aiming to further improve user convenience and satisfaction

JP Rakuten Logistics



Rakuten Seiyu Netsuper Logistics Centers



*RSL=Rakuten Super Logistics

Internet Services Segment (Other Internet Services)

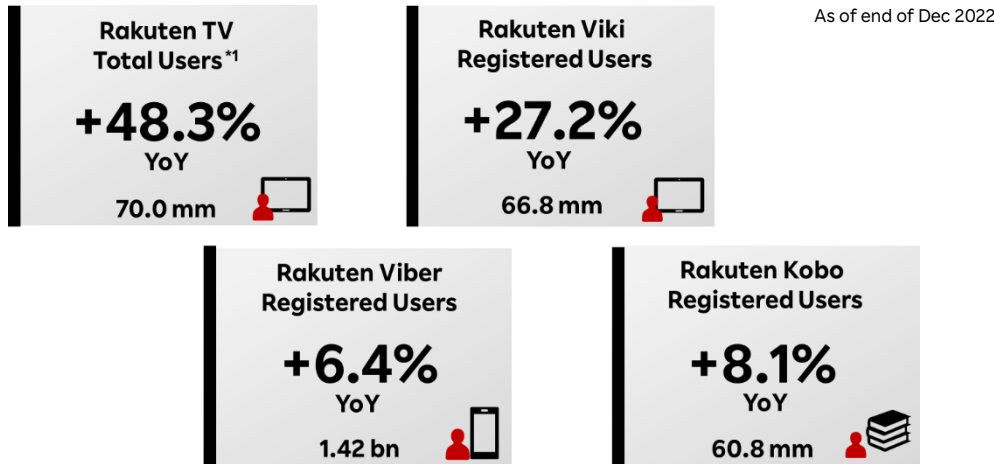
Other Internet Services (Overseas Businesses)

Rakuten's services expanding globally



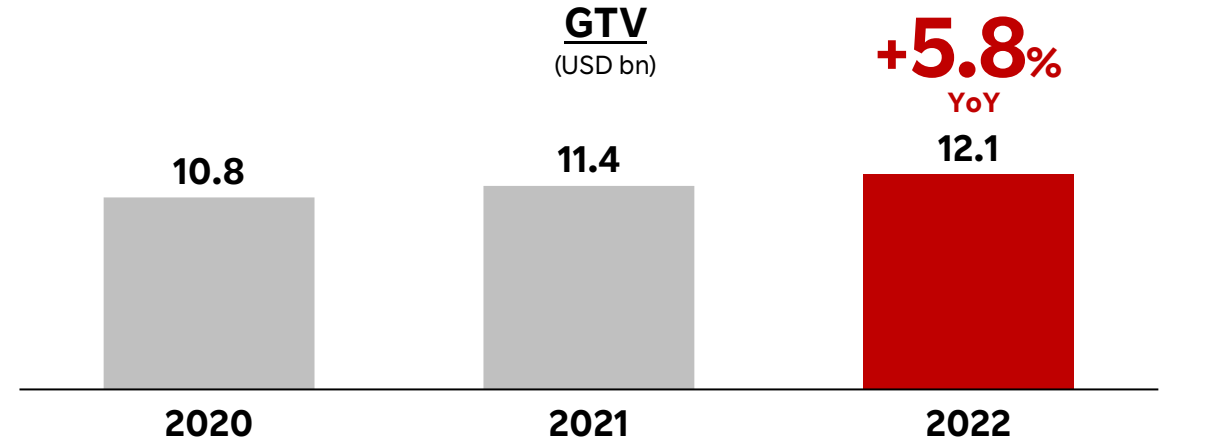
Strong Overseas Customer Base

Services used by many people globally



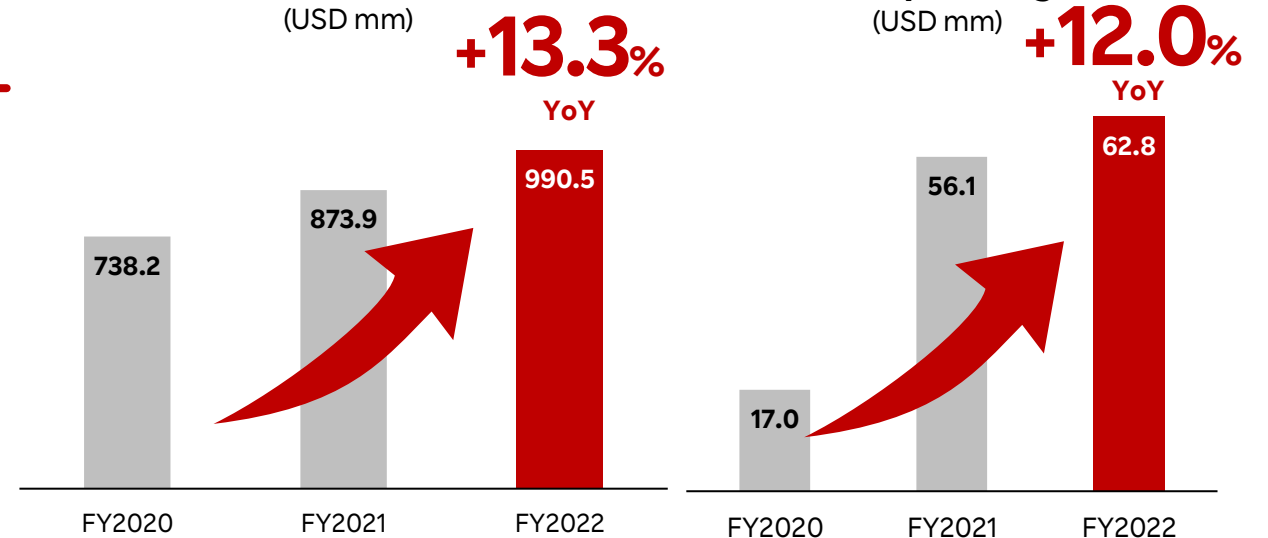
Rakuten Rewards

Rakuten Rewards continuing solid growth



Revenue (USD mm)

Non-GAAP Operating Income (USD mm)

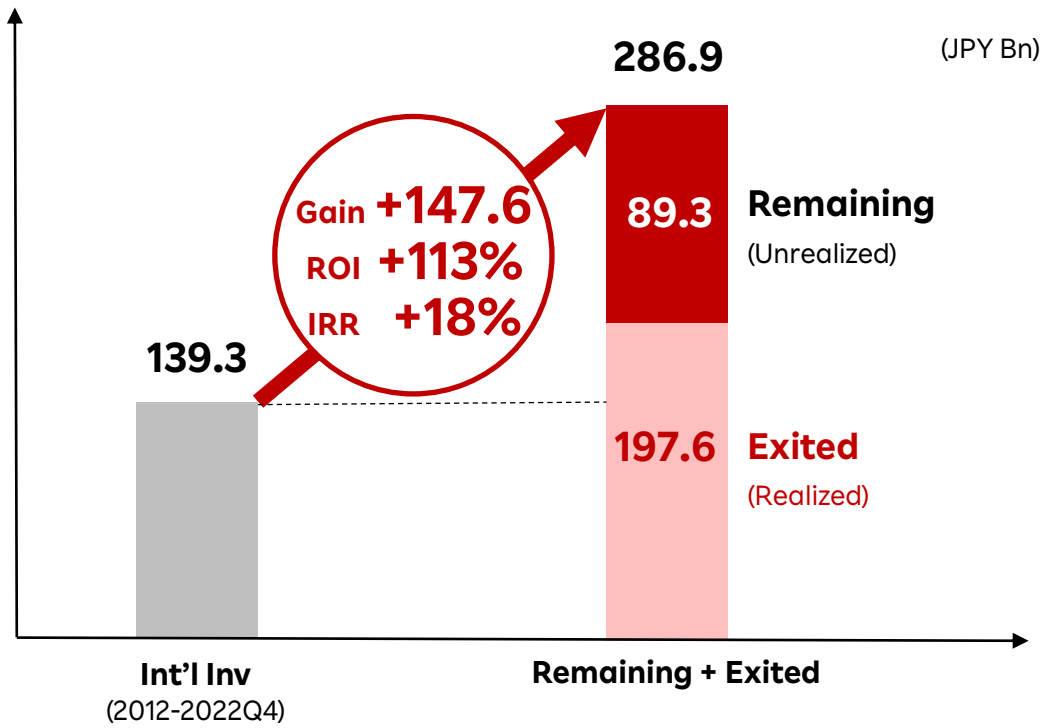


*1 Total number of registered users and non-registered AVOD (Advertising Video On Demand) users as of December 30, 2022

Internet Services Segment (Other Internet Services: Rakuten Capital *1)

Investment Strategy	<ul style="list-style-type: none"> ▪ Investment Selection: <ul style="list-style-type: none"> • Promising innovative and high growth companies with Rakuten Ecosystem contribution • Leveraging Rakuten management resources and network, and screening by Big Data 	<ul style="list-style-type: none"> ▪ Adding Value: <ul style="list-style-type: none"> • Support business growth expansion and start-up (IT, marketing, and etc.) • Provide know-how such as web marketing and KPI management
----------------------------	--	---

Performance*2



Portfolio*2

	Remaining	Exited*3
Number of Investments*3 :	47	37
Internet	 	
Ride Sharing	 	
Healthcare	 	
Fintech		
Sustainability	 	
Mobile / AI		
Other	 	

*1: Investment Business of Rakuten Group (Rakuten Capital).

*2: Non Rakuten Capital investments are excluded as of 2022/12. (Lyft and Rakuten Medical have been transferred to other businesses)

*3: Exit since 2015. Exit number does not include partial exit.



FinTech Segment

FinTech Segment Structure

	Segment Category	Main Services
FinTech Segment	Rakuten Card	Rakuten Card
	Rakuten Bank	Rakuten Bank
	Securities Business	Rakuten Securities Rakuten Wallet Rakuten Investment Management
	Insurance Business	Rakuten Life Insurance Rakuten General Insurance Rakuten SS Insurance Rakuten Insurance Planning
	Rakuten Payment	Rakuten Payment Rakuten Point Card Rakuten Edy Rakuten Cash

FinTech Segment: Rakuten Card

Highlights

Top Class Credit Card in Japan

Rakuten Cards Issued
(As of Dec 2022)

28.08mm



Customer satisfaction for 14 consecutive years*1

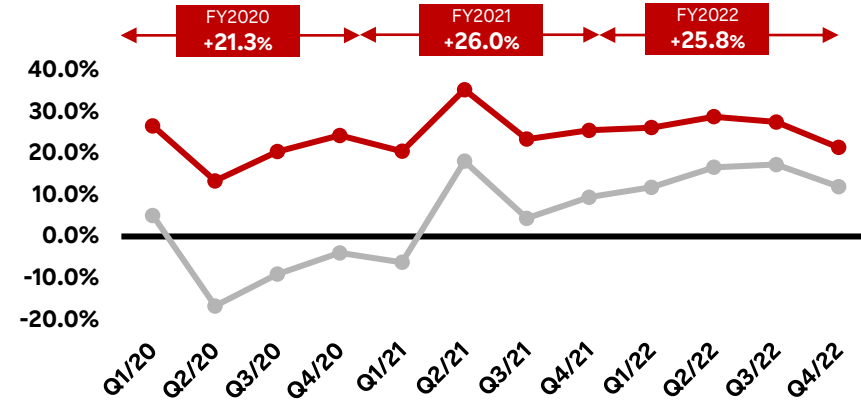
No. 1



KPI

Rakuten Card Shopping GTV

Growth Rate of Rakuten Card's Shopping GTV (YoY) outperforms the market

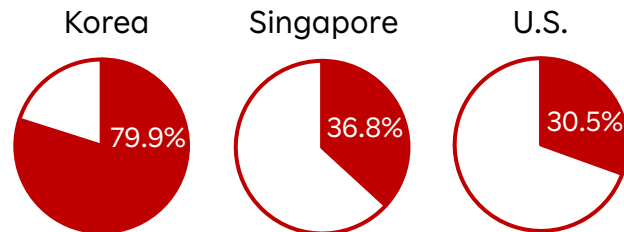
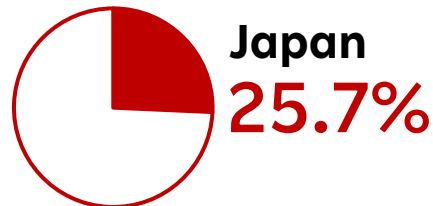


Rakuten Card
Credit Card Industry
(excluding Rakuten Card)*2

Market Opportunity

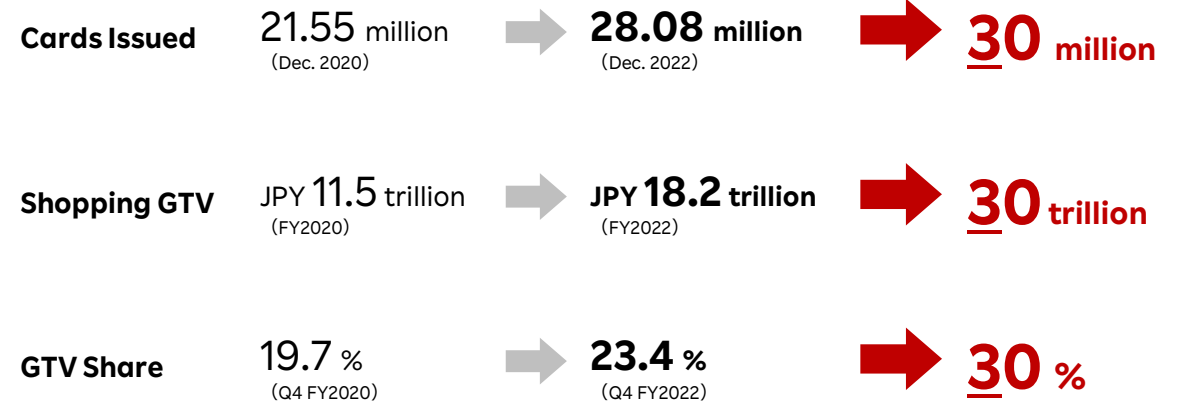
Growth Potential for Credit Cards in Japan*3

Credit Card Transaction Volume
Ratio of Private Consumption
Expenditure



Growth Strategy

Mid-Term Goal "Triple Three"



*1 Japanese Customer Satisfaction Index Survey 2022, Credit Card category

*2 Source: Ministry of Economy, Trade and Industry, Specified Service Industry Statistics Survey, Credit Card Industry.

*3 Source: JAPAN CONSUMER CREDIT ASSOCIATION "Japan Credit Statistics 2021" 2020 Percentage of credit card issuance number and transaction value in private final consumption expenditure by credit card payment (genre) in other countries.

FinTech Segment: Rakuten Bank

Highlights

Japan's Largest Online Bank*1

Number of Accounts*1
(Online Bank)

No. 1



Number of New Accounts
Opened

(Dec 2021 to Dec 2022)

+1.57 mm



Diverse Services

Personal Loans,
Mortgages, Foreign Currency,
Viber Money Transfer etc.



KPI

No. 1 in Number of Online Bank Accounts*2

Number of Online Bank Accounts (As of December 2022)

(Millions of Accounts)



Market Opportunity

Growth Potential of Online Banks in terms of Deposits

(JPY Trillion)

Total Deposits at major Japanese banks vs. Rakuten Bank*3



Growth Strategy

Implementing growth strategy in the "Second Growth Stage"

Listed on the Tokyo Stock Exchange Prime Market

Rakuten Bank, Ltd. Listed on the Tokyo Stock Exchange Market on April 21, 2023. Through the listing, executing growth strategies with a more autonomous management perspective.

*1 Based on the number of accounts. (As of December 31, 2022)

*2 An online bank is a bank that does not have a face-to-face branch and operations are mainly transactions on the Internet.

Calculated by the Company based on the materials disclosed by each company described in the Financial Services Agency "List of companies licensed, licensed, registered, etc. [Others]"

*3 *Source: Corporate disclosures (As of December 31, 2022)

FinTech Segment: Rakuten Securities

Highlights

Steady Growth of Number of New Accounts

Number of New Accounts (Jan – Dec 2022)
+1.53 mm



Number of Accounts (As of Dec 2022)
8.64 mm



Investment with Rakuten Points

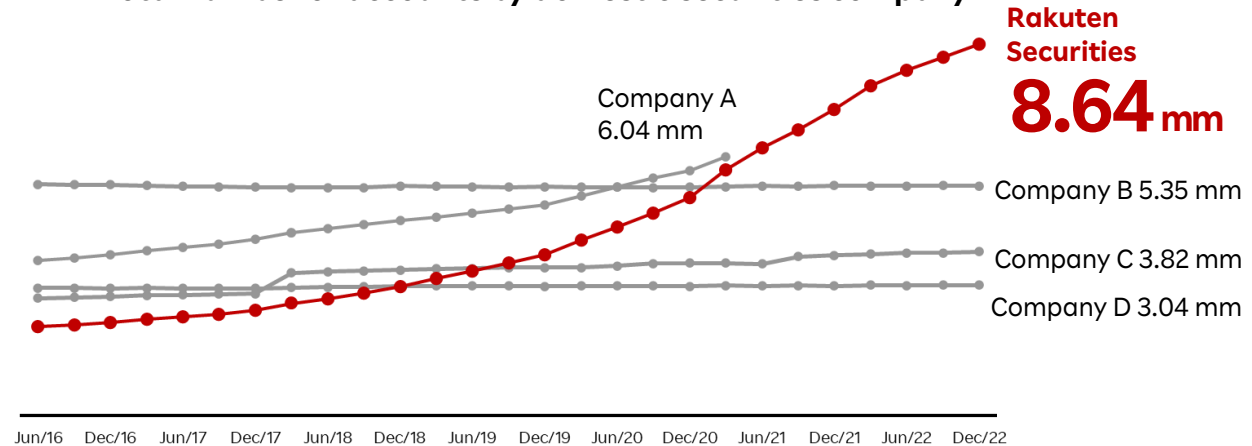
- ✓ Investment Trusts
- ✓ Domestic Stocks
- ✓ U.S. Stocks, etc.



KPI

Comparison of Securities Accounts

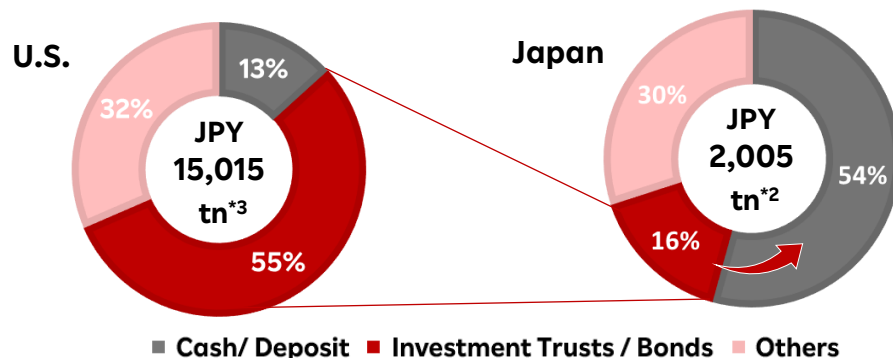
Total number of accounts by domestic securities company *1



Market Opportunity

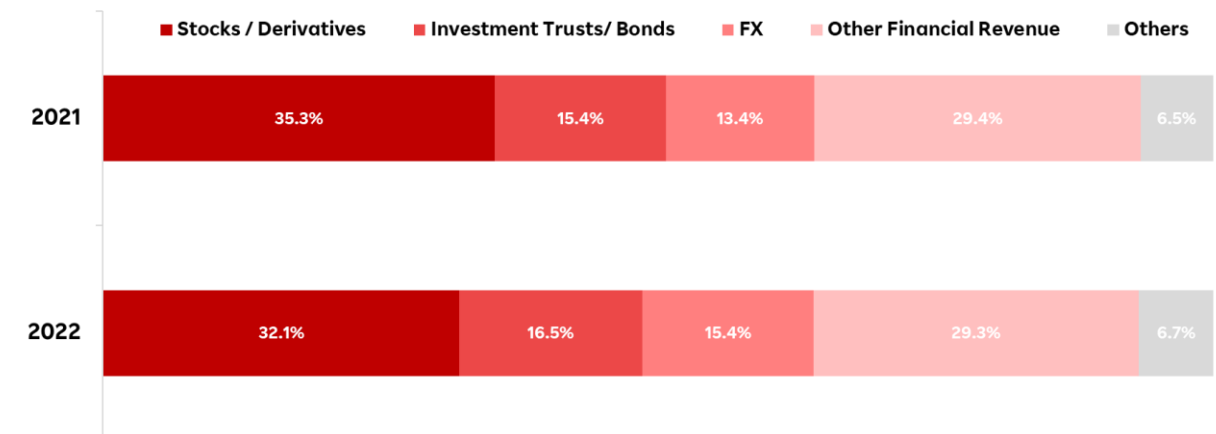
Growth Potential of Securities Industry

Household financial assets composition*2



Growth Strategy

Diversified Revenue Stream



*1 Aggregated by Rakuten Securities based on disclosures on each company's website. Company A has not disclosed the number of accounts after March 2021. Number of accounts with a balance for Company B and D, total accounts for Company C.

*2 Source: Bank of Japan, "Comparison of fund circulation between Japan, US and Europe 2022"

*3 Calculated with 1 USD = 130 JPY

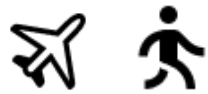
FinTech Segment: Insurance Business

Highlights

Unique Services with Rakuten Group Synergy

Unique Services With Rakuten Group Synergy

Travel Insurance
1 click Golfer's Insurance etc.



Rakuten Points are provided in accordance with insurance premiums*1

1%



Comprehensive Insurance Desk

One – Stop Consultation, both online and offline



Services

Service Lineup of Insurance Business

Rakuten 楽天生命

Life Insurance

Life Insurance, Medical Insurance, Cancer Insurance etc.

Rakuten 楽天損保

General Insurance

Car Insurance, Fire Insurance, Pet Insurance, Travel Insurance etc.

Rakuten 楽天少短

SS Insurance

Diabetes Insurance (Medical Insurance)

Rakuten 保険の総合窓口

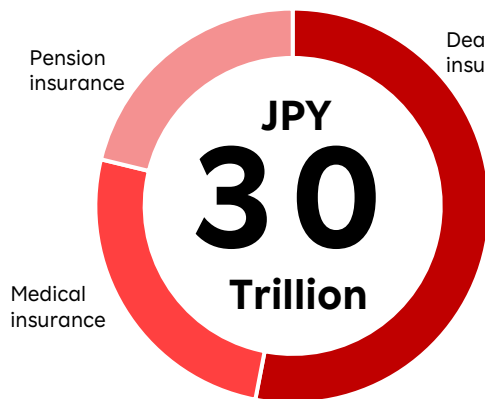
Insurance Desk

Comprehensive insurance desk where customers can get one – stop consultation services across all the insurances Rakuten provides.

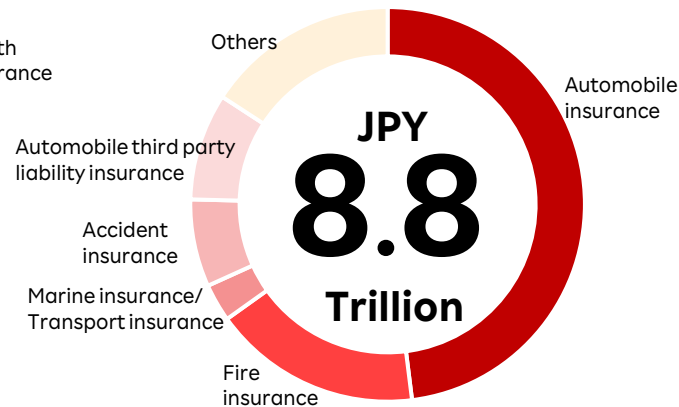
Market Opportunity

Life Insurance Application Channel*2

Life Insurance



General Insurance



Growth Strategy

Synergy Expansion with Rakuten Ecosystem

Rakuten 楽天損保

Rakuten 楽天生命



Rakuten

Super easy insurance
Rakuten anshin extended warranty
Private car discount insurance
Pet mini insurance

Rakuten Travel

Travel assistance
Lodging insurance

Rakuten Card

Ancillary insurance

Rakuten 楽天銀行

Group credit insurance
Fire insurance

Rakuten Mobile

Device insurance

Rakuten GORA

Golf insurance

Rakuten Drone

High-level damage assessment by drone

*1 When conditions are met with the selected insurance products, 1% of the premium is paid back as Rakuten point. For more information, please check each website.

*2 Source: Life Insurance Association of Japan "Life Insurance Business Overview 2021 Annual Statistics", General Insurance Association of Japan "Statistics by Line (April 1, 2021 - March 31, 2022)"

FinTech Segment: Payment Business

Highlights

Rakuten Payments' Assets and Position in the Group

No. of locations where Rakuten Pay can be used ^{*1}

6mm +
1.5mm stores for transportation-related IC cards



Customer Satisfaction Score ^{*2}

Top rankings in all indicators



FY2022 JCSI

Entrance to Rakuten Group

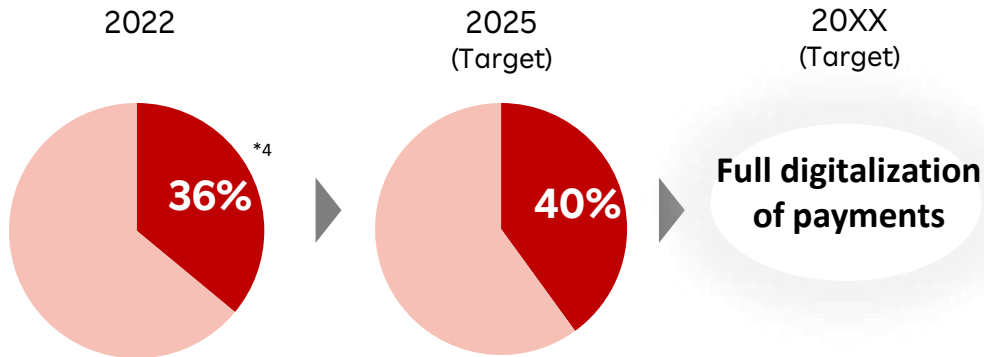
New Rakuten Members
1 in 4
via Rakuten Payments



Market Opportunity

Growth Potential for Cashless in Japan

Japanese full cashless ratio targeted to be 40% by 2025^{*3}



^{*1} 6mm: Total number of locations where Rakuten Pay, Rakuten Edy, Rakuten Point card are available to use + 1.5mm: Total number of stores where transportation EC card are available to use. As of October 2022

^{*2} Japanese Customer Satisfaction Index

^{*3} Ministry of Economy, Trade and Industry "Cashless Vision", 2018

^{*4} Ministry of Economy, Trade and Industry "Calculated cashless payment ratios for 2022" (April 2023), Study Group on the Future of Cashless Society" (March 2023)



Services

Payment Business Service Lineup

R Pay

Smartphone payment service

R POINT

Common point service

R Edy

IC type electronic money

R Cash

Online electronic money

Growth Strategy

Strategic expansion of Rakuten Pay App

Meet diverse needs with expanded functionality leveraging the Rakuten Group

Payment source

Diverse lineup unique to Rakuten



Payment protocol

Various authentication methods

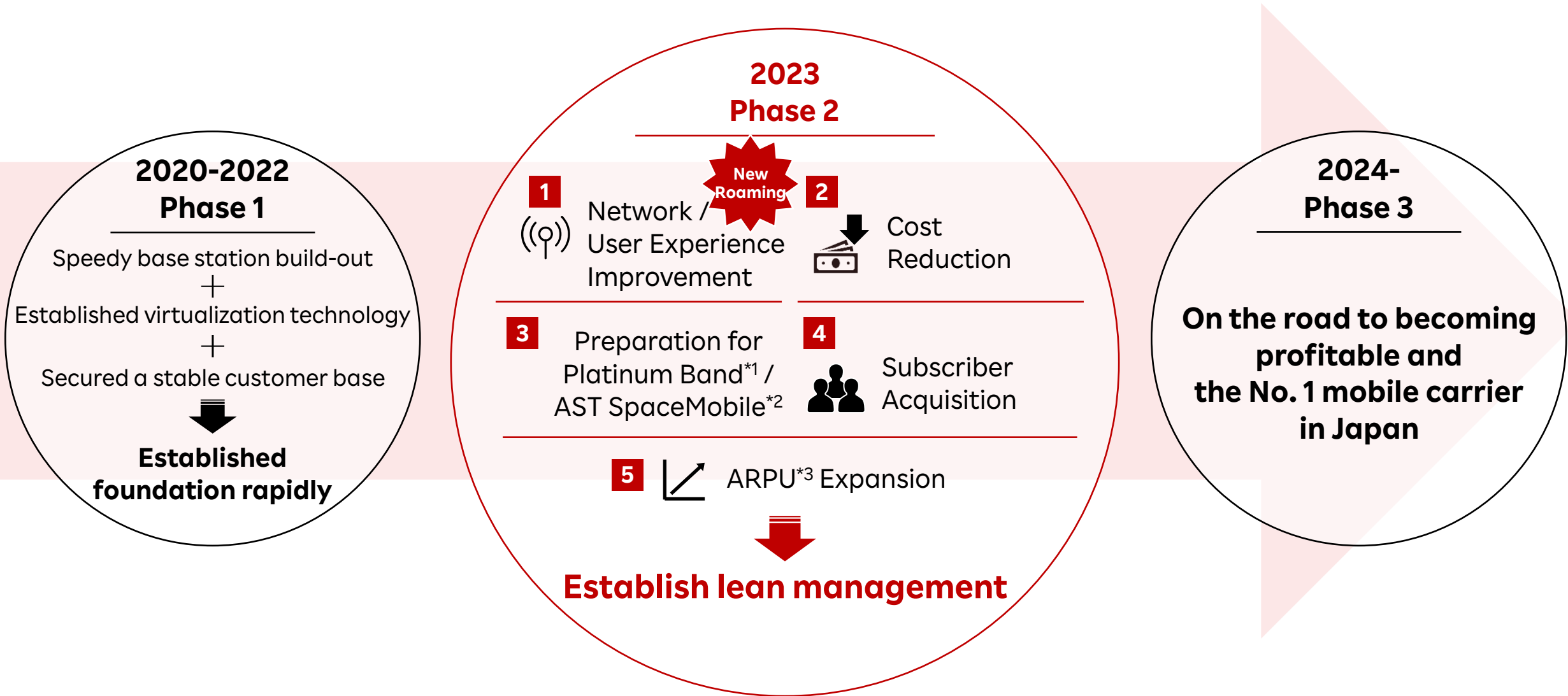


Mobile Segment

Mobile Segment Breakdown

Mobile Segment	Rakuten Mobile	Service
	Rakuten Mobile	Mobile communication service (MNO/MVNO)
	Rakuten Symphony	Development and provision of Open RAN-based communication infrastructure platforms, services, etc.
	Rakuten Energy	Electricity/gas/energy-related services
	Rakuten Communications	IP telephony services for individuals and corporations, High-speed optical internet service, cloud service

Rakuten Mobile: Three Phases



*1: Platinum band has not been allocated to Rakuten Mobile as of May 2023 and there can be no assurance that we will receive a Platinum Band allocation. An allocation decision for 700MHz spectrum by the Ministry of Internal Affairs and Communication is expected by Autumn 2023 at the earliest.

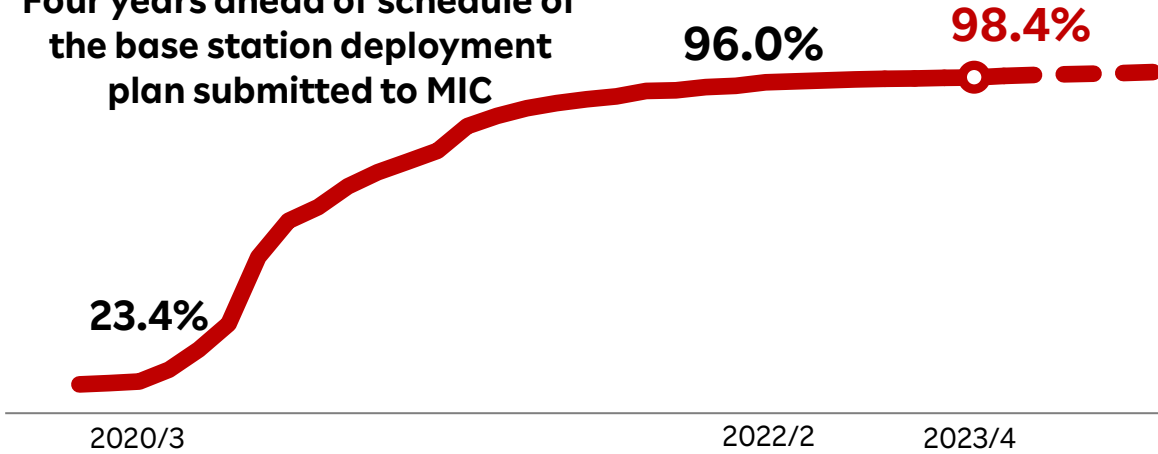
*2: We aim to commence our service offering through AST SpaceMobile in 2024 but there can be no assurance that our plan will be successfully deployed as expected.

*3: Average Monthly Revenue per User is calculated by dividing revenue from each service by the average number of subscribers between the end of the most recent quarter and the previous quarter.

Rakuten Mobile: Phase 1 - Established Foundation Rapidly

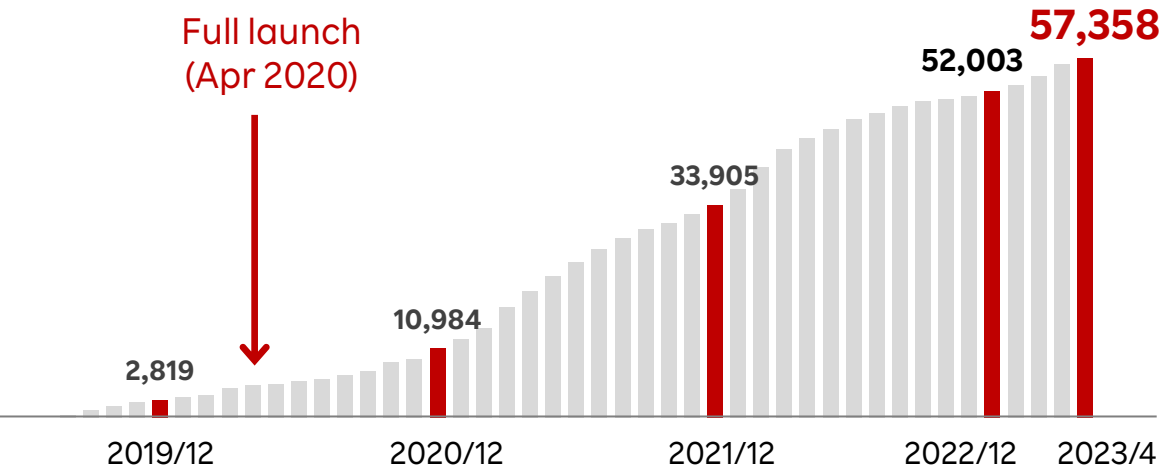
4G Population Coverage

Four years ahead of schedule of the base station deployment plan submitted to MIC



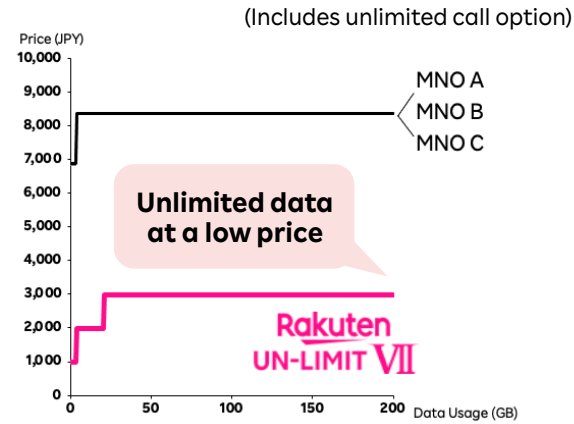
4G Base Stations On-Air

Full launch (Apr 2020)

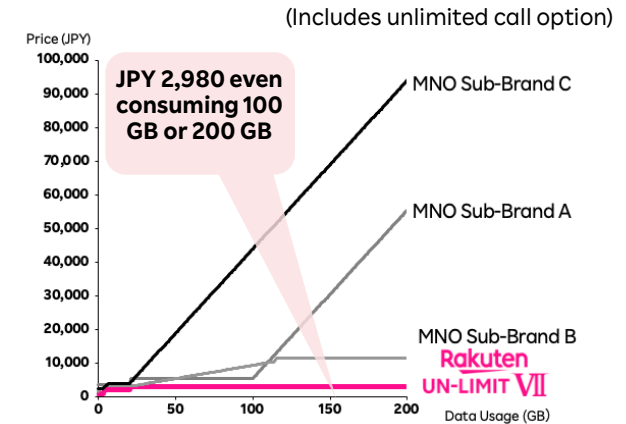


Attractive Pricing Plans

Comparison with other MNOs

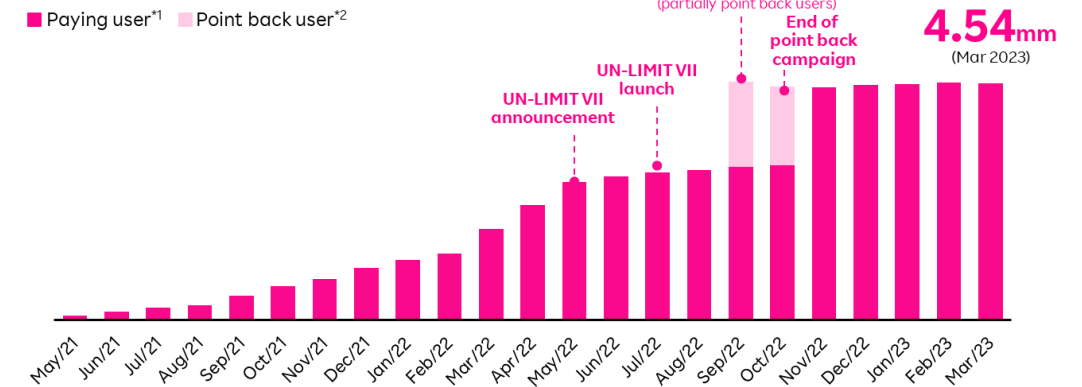


Comparison with sub brands of MNOs



Steady Expansion of Customer Base

Number of MNO Subscribers (B2C)



*1: Paying user = Over 1 GB data usage (excl. 1 year free, 3 month free).

*2: Users whose data usage was under 1GB at Sep. and Oct., and eligible for a campaign that awards points equivalent to the plan fee.

Rakuten Mobile: Phase 2 - Established Lean Management

New Roaming Contract / New Pricing Plan from June 2023...

Accelerated subscriber growth expected as robust network is delivered in addition to a competitive pricing plan

4G population coverage*1 as of April 30, 2023

98.4%

4G population coverage*1 from June 2023 (planned)

99.9%*2



- Rakuten Mobile Coverage**
 - Lack of Platinum Band spectrum (low-frequency band) can make it difficult to connect indoors, at high-traffic shopping areas / high-rises, and on subways
- Rakuten UN-LIMIT VII**
 - 5GB high-speed roaming data included
 - Overage charge of JPY 660 (including tax) per additional GB of high-speed roaming data

- Unlimited roaming on Partner Network including indoors and high-traffic shopping areas / high-rises** (when reception from Rakuten's network is poor)
- Seamlessly switching between Rakuten and roaming networks**

*1: Night-time population coverage ratio.
*2: Unlimited high-speed data nationwide in Japan will be available after June 2023. Population coverage is calculated based on areas where communication is available in 50% or more of the locations in approximately 500-meter blocks used in the census.

Rakuten 最強プラン

Coming June 2023: Rakuten SAI-KYO Plan

Not only price, but good connectivity

4G Population coverage*1

Good connectivity with 99.9% coverage, aligning with the highest level in the industry

Pricing

Unlimited high-speed data usage for **Max JPY 2,980*2** (excl. tax)

Overseas
Free high-speed data
Up to 2 GB*3

Domestic Calls
Free Calls with Rakuten Link*4

Rakuten Link Desktop*5
Free calls in Japan even using PCs

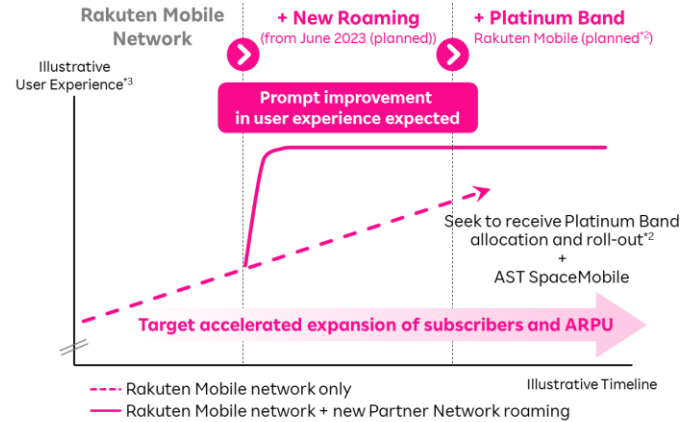
Easy sign-up process
1-stop MNP*6 / 1 click application*7

Points
Shopping with max 16x points*8

*1: Night-time population coverage ratio. Unlimited high-speed data will be available in all network areas in Japan after June 2023. The population coverage rate is calculated based on the areas where communication is possible in 50% or more of the approximately 500m blocks used for the national census.
*2: In order to provide a fair service, there may be limits on data speed. Speed may be reduced depending on the environment. Call charges, etc. are not included.
*3: Added to the extra usage fee of the plan. *4: Some phone numbers are not covered. *5: From August 2023. *6: Sequentially from late May 2023. *7: Sequentially from the end of June 2023. *8: Shopping in Rakuten Ichiba. There are membership rank conditions.

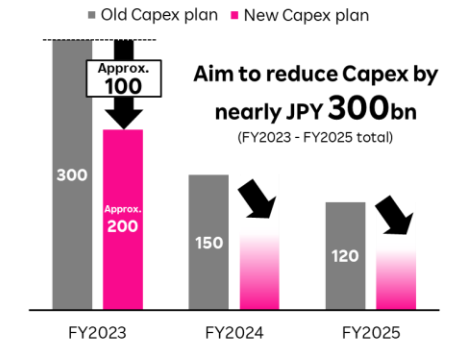
Promptly Improves Our User Experience and Reduces Our Capex Plans

We are still aiming to reduce costs*1 by JPY 15bn on a monthly basis by Dec 2023 relative to the peak in 2022. Roaming cost will increase compared to the original plan but will decline steadily under our new roaming agreement



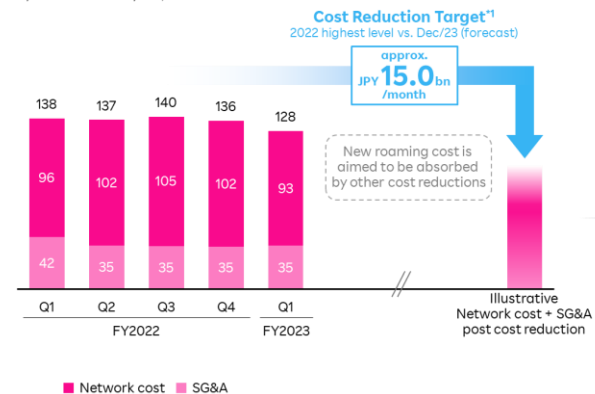
*1: Network cost (excluding depreciation) + SG&A.
*2: Platinum band has not been allocated to Rakuten Mobile as of May 2023. An allocation decision by the Ministry of Internal Affairs and Communication is expected by Autumn 2023 at the earliest but there can be no assurance that we will receive a Platinum Band allocation.
*3: Illustrative customer experience based on expected population coverage, network connection and user experience. The graph is for illustrative purposes only and is not intended to be scaled to any actual objective measure.
*4: Including 1.7GHz, 3.7GHz, 28GHz, and indoors and excluding IFRS16 right-of-use assets, capitalization for specified base stations opening fee for 5G 1.7 GHz, etc. May be affected by the delivery status of equipment related to base station construction.

Rakuten Mobile, Inc. Capex Plan*4 (JPY bn)



Toward Further Stable Management – Cost Reduction

Update on Cost Reduction Target with New Roaming Contract (JPY bn, Rakuten Mobile, Inc.)



*1: Compared to the highest level in 2022. Cost reduction in network cost (excluding depreciation) and SG&A.

Cost Reduction Initiatives

✓ Base station construction costs

- Outsourcing for network construction
- Costly backhaul and spare fiber
- Logistics and network construction
- Personnel cost

- Accelerating the automation of operations, etc.
- Careful selection of development projects

✓ Customer acquisition costs

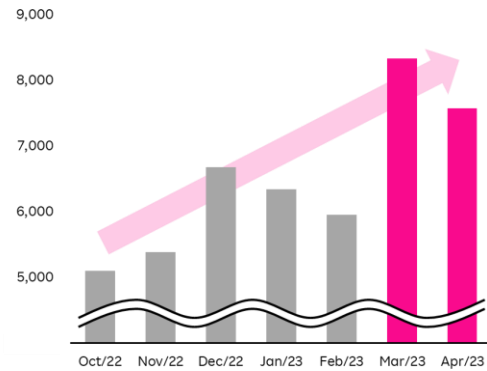
- Closure of unprofitable shops, reduction of personnel
- Optimization of distributors by changing contracts
- Improve logistics related to devices, etc.

Rakuten Mobile: Phase 2 - Established Lean Management

Steady Expansion of Loyal MNO Subscribers

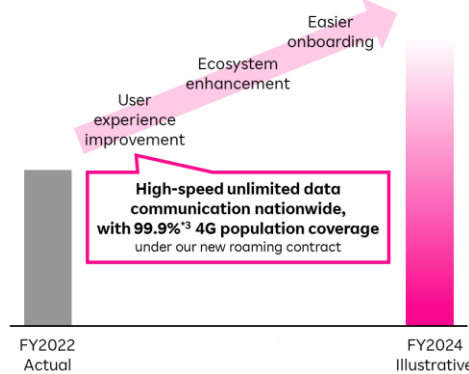
MNO subscribers as of May 10, 2023: 4.65mm^{*1}

Daily Average MNO Subscriber Acquisition Trend (B2C+B2B^{*2})



Growth Drivers

(Illustrative MNO subscriber acquisition)



*1: Preliminary figure.

*2: B2B services started in January 2023.

*3: Unlimited high-speed data nationwide in Japan will be available after June 2023. Population coverage is calculated based on areas where communication is available in 50% or more of the locations in approximately 500-meter blocks used in the census.

Highly Effective Marketing Strategy to Increase Subscribers

1 Streamlined Application Process

One-stop MNP by all carriers (expected from late May 2023)

One Click Sign-up & activation for data SIMs through Rakuten ID (planned from June 2023)

2 Attractive Referral / Internet Marketing

Referral Campaign

✓ 7,000 Rakuten Points/person^{*1} for referring subscribers

✓ 3,000 Rakuten Points for referred subscribers^{*2}



3

Corporate Services (from Jan 2023)

Key features of corporate plans
 ✓ UNLIMITED domestic calls^{*3}
 ✓ FREE International calls^{*4}
 ✓ 5G available^{*5}

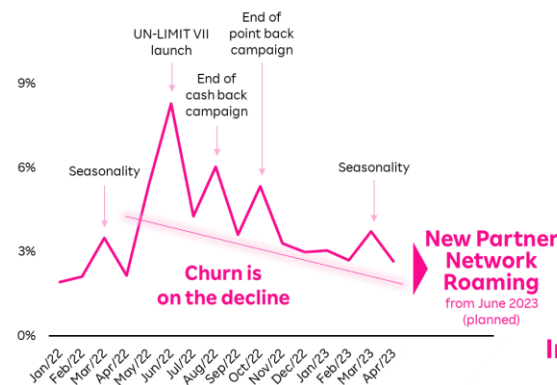
1,400+ customers^{*6} (c. 0.16% penetration^{*7})

900,000 corporate customers of Rakuten Group^{*6}

*1: 2,000 points will be awarded at the end of the 4th and 5th months starting from the month the referred friends logged in with their Rakuten ID, and 3,000 points will be awarded at the end of the 6th month. These points are limited to six months. Up to 10 referrals can be made within the same month.
 *2: Only for the first-time in this campaign.
 *3: Calls to other companies' connection services starting with 0180, 0570 etc., and calls to some special numbers (888) are not eligible for free calls. Unlimited on Rakuten's network or Wi-Fi using Rakuten Link. Domestic calls without Rakuten Link Office ¥22/30sec.
 *4: Unlimited on Rakuten's network or Wi-Fi using Rakuten Link. With Rakuten Link Office, international calls can be made only from/to applicable countries and regions. In other areas, it will be available under a Wi-Fi environment only. Available areas and terms for international calls and SMS services may be changed without notice.
 *5: 5G service can be available with a 5G compatible device under the 5G service area of Rakuten Mobile. For details on our 5G service area, please see the Rakuten Mobile web site.
 *6: As of March 2023.
 *7: Calculated by dividing c. 1,400 customers of Rakuten Mobile corporate services by 900,000 Rakuten Group's corporate customers as of March 2023.

Churn Improvements

Monthly Churn Rate



Why Do Customers Cancel Rakuten Mobile?

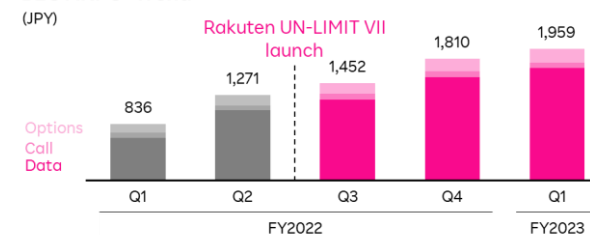
Reason	Ratio ^{*1}
Dissatisfied with the quality and speed of the network	58.3%
Dissatisfied with the coverage area	7.6%
Dissatisfied with pricing plan	4.8%
Dissatisfied with Rakuten Link	3.3%
Because the plans and campaigns of other carriers were attractive	3.2%
Others	22.7%

Improving quality of network for users is the key to further decrease churn

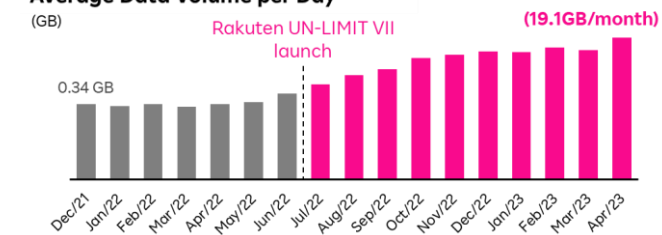
*1: Rakuten Mobile customer churn survey (cumulative from January to the end of March 2023). Percentage excluding "I don't know/I don't want to answer."

ARPU Expansion

B2C ARPU^{*} Trend (JPY)



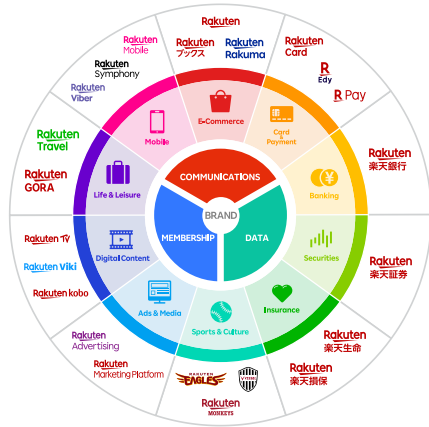
Average Data Volume per Day (GB)



* Average Monthly Revenue per User is calculated by dividing revenue from each service by the average number of subscribers between the end of the most recent quarter and the previous quarter. From January 2023, due to a definition change for subscribers, past amounts have been retroactively adjusted.

Rakuten Mobile: Contributions to Rakuten Ecosystem

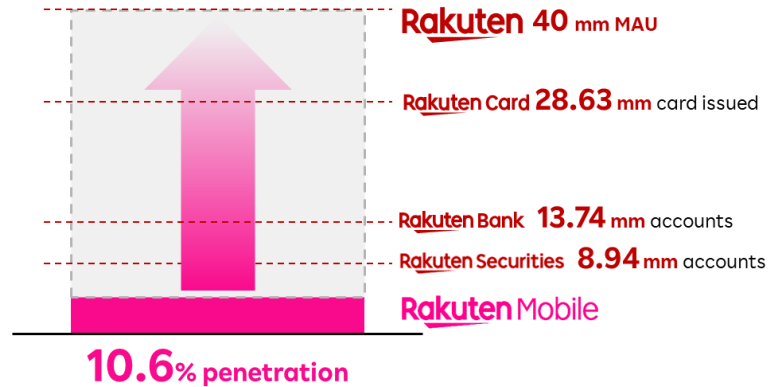
Rakuten Ecosystem



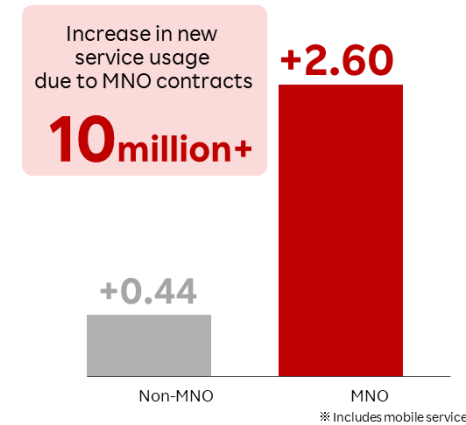
- Membership in Japan
over **100 million**
- Membership worldwide
over **1.7 billion**
- Number of Services
over **70 services**
- Number of Points issued annually
620 billion
*As of 2022
- Total number of Points issued to date
Over **3.3 trillion**
*As of 2022

Expansion of ecosystem usage

Rakuten Mobile User Acquisition through Rakuten Ecosystem



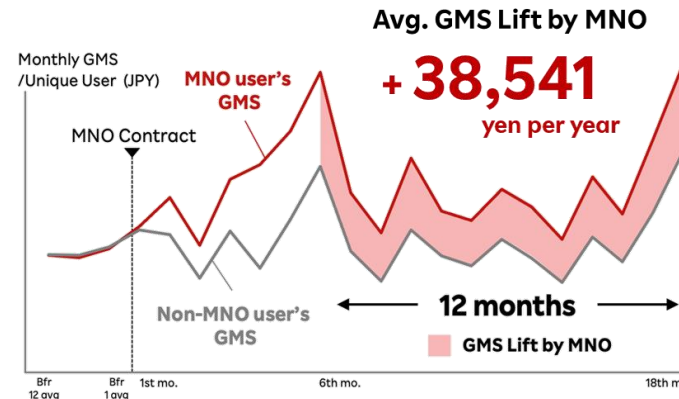
Average increase in Rakuten service usage in one year



* MNO users: Users who have applied and are eligible for billing during April 2020 to April 2022; Non-MNO users: Active Rakuten member users with no MNO contract history
* Service usage is determined based on points during the target period (number of service usage including mobile)

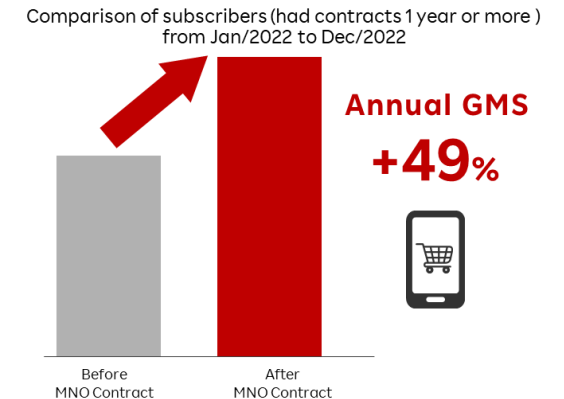
Contribution to Rakuten Ichiba

Ichiba GMS Lift by MNO Contract



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

GMS Increase post MNO Contracts

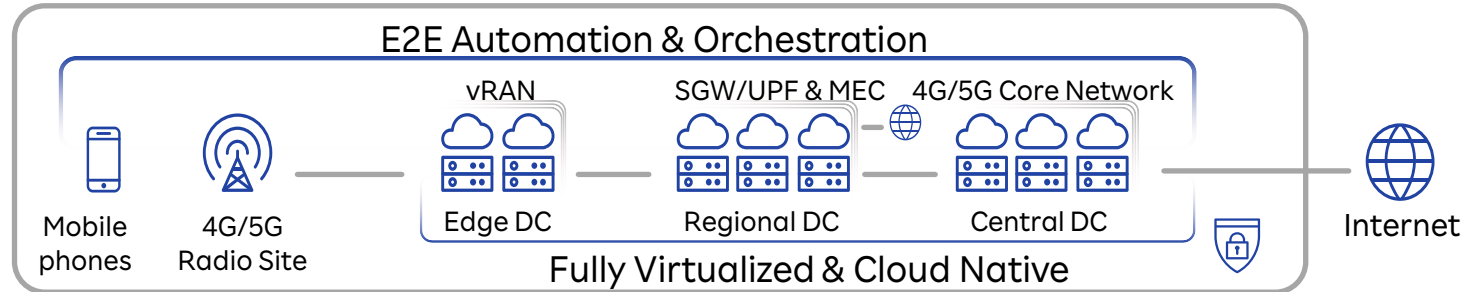


* Users who have a contract with Rakuten Mobile between April 2022 and March 2023, and for whom 12 months or more have passed since the contract start month (including users who cancelled within the period) are included in the calculation.
* GMS growth is the weighted average of figures comparing GMS in the 12 months before the user's contract and the latest 12 months (between April 2022 and March 2023) for each contract start month.

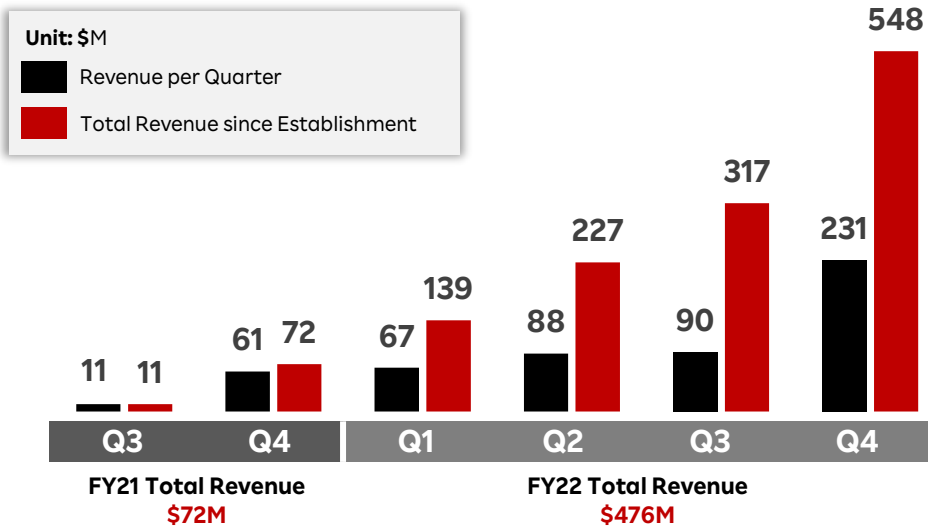
Rakuten Symphony: Providing Solutions for Connectivity to Operators around the World

Business Description

Open Platform for Deploying and Utilizing Fully Virtualized Networks



Track Records



Cumulative Revenue

USD 548 mm
(in the first 6 quarters)



Pipeline

USD 4 Billion+



Existing Clients

14

<Anchor Clients>



Technology Partnership

16



Industry Awards

19



Employees

3,400+



※As of December 31, 2022

Advertising Business

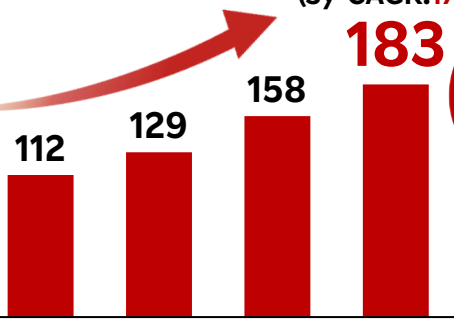
Rakuten Advertising Business in Japan

Revenue Growth

Rakuten's Advertising Business*1 Revenue Achieved Robust Growth compared to the Industry

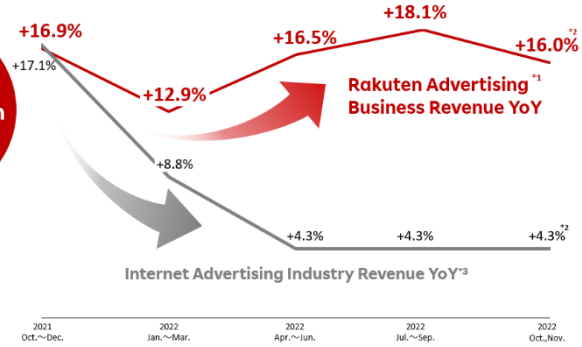
Revenue (JPY bn)

+15.9% YoY
(3y-CAGR:17.9%)



Aiming for
JPY **200** bn
for FY2023

Comparison with Industry Revenue



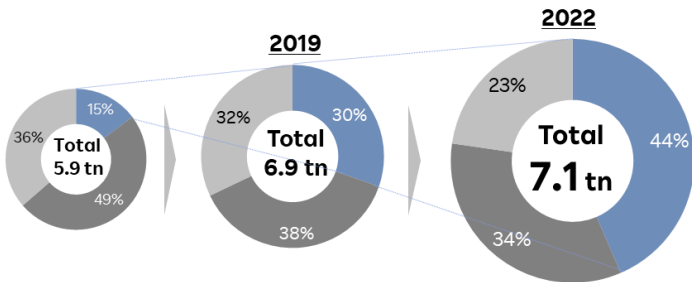
2019 2020 2021 2022

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

Industry Potential

Ad industry is growing steadily, and Rakuten's advertising business is also expected to continue growing

■ Internet advertisement ■ Mass Media advertisement ■ Promotion Media advertisement



Source: Dentsu "Internet advertising expenditures in 2012-2022"

Strengths of Rakuten Advertising Business

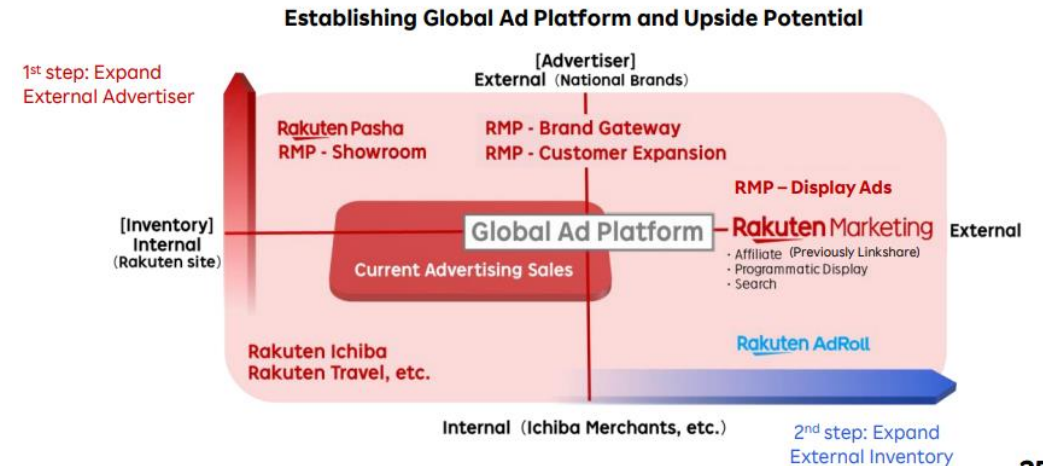
Rakuten's advertising business accumulates a wide range of data

Rakuten's advertising business accumulates consumer behavior analysis data based on over 100 million Rakuten IDs.

Rakuten's advertising business accumulates data from both online and offline sources.

Growth Strategy

Establishing Global Ad Platform and Upside Potential



3. Appendix

Founder's Profile

Hiroshi “Mickey” Mikitani

Founder, Chairman & CEO
Rakuten Group, Inc.

Mickey (Hiroshi) Mikitani is the founder, chairman and CEO of Rakuten Group, Inc. Founded in Japan in 1997 with the mission to contribute to society by creating value through innovation and entrepreneurship, Rakuten has grown to become one of the world's leading internet services companies.

Rakuten has a dynamic ecosystem of more than 70 services, spanning e-commerce, fintech, digital content and communications, bringing the joy of discovery to 1.7 billion members around the world.

Born in Kobe, Mikitani was educated at Hitotsubashi University in Tokyo, began his career in investment banking, and received his MBA at Harvard Business School. In 2012, he was awarded the HBS Alumni Achievement Award, one of the school's highest honors.

Mikitani is also a recipient of the Legion of Honour, awarded by the French government in recognition of contributions to the economy and culture of France. In 2011, he was appointed Chairman of the Tokyo Philharmonic Orchestra, which has the longest history and tradition of any orchestra in Japan, and serves as Representative Director of the Japan Association of New Economy (JANE).

He also serves as Vice Chairman and Co-CEO of Rakuten Medical, Inc. (formerly Aspyrian Therapeutics, Inc.), a global biotechnology company developing precision, cell-targeting investigational therapies on its Alluminox™ platform.



Rakuten history

Feb **1997**

Foundation of MDM, Inc. (currently Rakuten Group, Inc.)

The founding members believed, more than just about anyone else, in the internet's potential. They were passionate about using the power of the internet to make it possible for local merchants and independent retailers to compete on the same stage as large companies operating nationwide. They believed that revitalizing regional economies would empower Japan as a whole. In order to find merchants aligned with this vision and willing to open an online store, they traveled around the country preparing for the launch of Rakuten Ichiba.



May **1997**

Rakuten Ichiba launched

In an era when many said, “People don't buy things on the internet,” Rakuten Ichiba, a B2B2C marketplace, launched with just six employees, one server, 13 merchants and a strong desire to empower even smaller, local merchants to open their own online store easily – even if they aren't tech savvy.



2000

IPO and expansion of Rakuten Group

Rakuten greatly enhanced its brand awareness while accelerating M&A activities through an IPO on the OTC market (currently TSE JASDAQ market), representing a major step toward the new businesses and services that would ultimately come to make up the Rakuten Ecosystem.



2002

Launch of Rakuten Points

The Rakuten Points program is introduced as a new membership loyalty program, enabling members to earn points when purchasing products on Rakuten Ichiba. Over time, it became possible for members to earn and spend points on Rakuten Group's diverse portfolio of services.



2004

The Rakuten Tohoku Golden Eagles are born

Rakuten enters the arena of professional sport with the formation of the Tohoku Rakuten Golden Eagles, the first new professional Japanese baseball franchise awarded in 50 years, catapulting the Rakuten brand nationwide.



2005

Rakuten Card launches

Rakuten starts issuing its own credit card, allowing users to earn Rakuten Points not only online, but also at stores in town.



2006

The Rakuten Ecosystem vision

Rakuten announced its vision for a “Rakuten Ecosystem,” a membership-based business model that encourages users to enjoy multiple services offered by the Group. This addition delivers more fun, convenience and value to users' everyday lives.



2008

First international e-commerce service

Taiwan Rakuten Ichiba launches as Rakuten's first e-commerce business outside of Japan.



2009

Rakuten Ecosystem expansion

Rakuten further strengthened the Rakuten Ecosystem by expanding new services such as banking and e-money.

2012

“Englishnizatton”

The Englishnization project that changed the company's official internal language to English began on January 4, 2010, when Mickey Mikitani announced in his New Year's speech to all staff that in a few years, we will have most of our meetings in English in order to become a truly global company. This not only facilitated daily communication, but also increased understanding among staff members of different cultures and nationalities, which led to the further acceleration of diversity, one of Rakuten's greatest strengths.

2013

Rakuten Eagles achieved their first Japan Series Championship

Tohoku Rakuten Golden Eagles won the Japan Series Championship for the first time in the team's history.

Rakuten Group, Inc. (formerly Rakuten, Inc.) is listed on the Prime Market (formerly the First Section) of the Tokyo Stock Exchange.

2015

Vissel Kobe joined Rakuten Group

Rakuten fully acquired Vissel Kobe, marking Rakuten's entry into the J.League, Japan's top professional soccer league, maximizing synergies with Rakuten Group to strengthen the professional sports business.

2017

Partnership with FC Barcelona

Rakuten became the Main Global Partner and first-ever Official Innovation and Entertainment Partner of FC Barcelona. Hundreds of millions of people have seen the Rakuten logo emblazoned on the uniforms of one of the world's most prestigious soccer clubs.



2019

Launch of mobile carrier business

Rakuten Mobile launched its new mobile operator service, taking on the challenge of lowering mobile phone fees for Japanese households by providing low-cost and highly convenient services. The end-to-end fully virtualized cloud-native mobile network that serves as the technological foundation of Rakuten's new mobile network attracts attention from around the world.



2020

5G service launched, and with a focus on the New Normal, a shift from online to offline is strengthened.

COVID required a new way of life globally. Rakuten conducted group-wide educational activities to prevent the spread of COVID and established a new company to support the promotion of O2O and digital transformation in anticipation of the new normal era. In addition, Rakuten Mobile announced "Rakuten UN-LIMIT V," that allowed customers to use 5G without changing the monthly fee.



2021

Japan Post Group and Rakuten Group announce capital and business alliance

The Japan Post Group and Rakuten Group agreed to a capital and business alliance to strengthen collaborations across a range of fields, including logistics, mobile, digital transformation and more.

Rakuten Symphony launched

Rakuten Symphony launched as a new business organization to spearhead the global adoption of cloud-native Open RAN infrastructure and services. Its vision is to provide a future-proven, cost-effective cloud connectivity platform globally.



2022

Rakuten celebrated its 25th anniversary. Leveraging Technology to Create More Value. Accelerating Steps Toward Realizing a "Green Society"

Under the corporate theme of "Tech & Green," we accelerated our steps toward creating more new value. Also we announced our carbon neutral target.



2023年カーボンニュートラル達成へ
Go Green Together

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Rakuten