

Rakuten Group Introduction

September 2021

Rakuten Group, Inc.



Rakuten: A Global Innovation Company

**1. Unique and Resilient
Ecosystem**

**2. Biggest E-Commerce
Platform in Japan**

**3. World's Most Integrated
FinTech Platform**

**4. World's First & Only
Fully Virtualized Open
RAN Mobile Network**

**5. Dominant Ad business
on EC Platforms in Japan**

**6. High Quality
Data & AI**

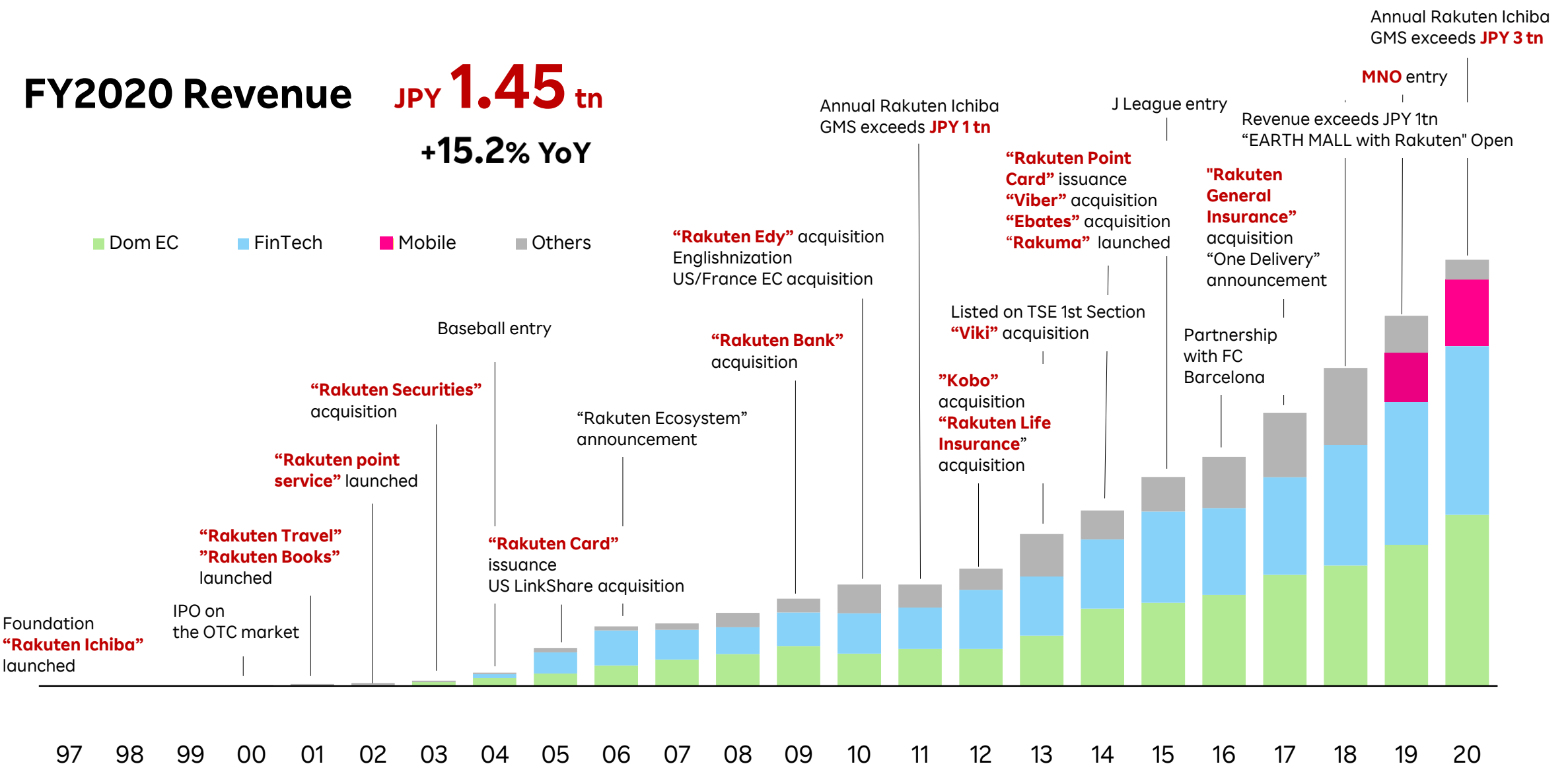
7. Strong Organization

**8. Rakuten's
Competitive Edge**

**9. Empowering
Stakeholders**

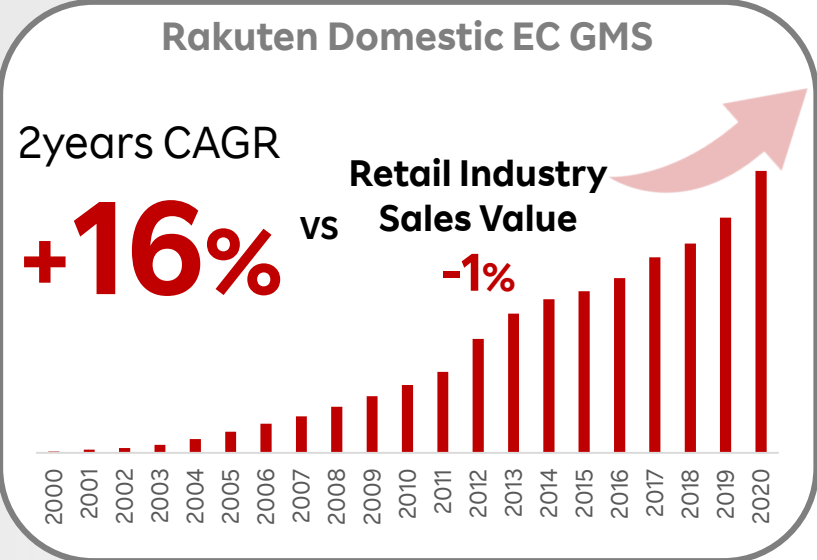
Rakuten Revenue Growth and Innovation Track Record

FY2020 Revenue **JPY 1.45 tn**
+15.2% YoY

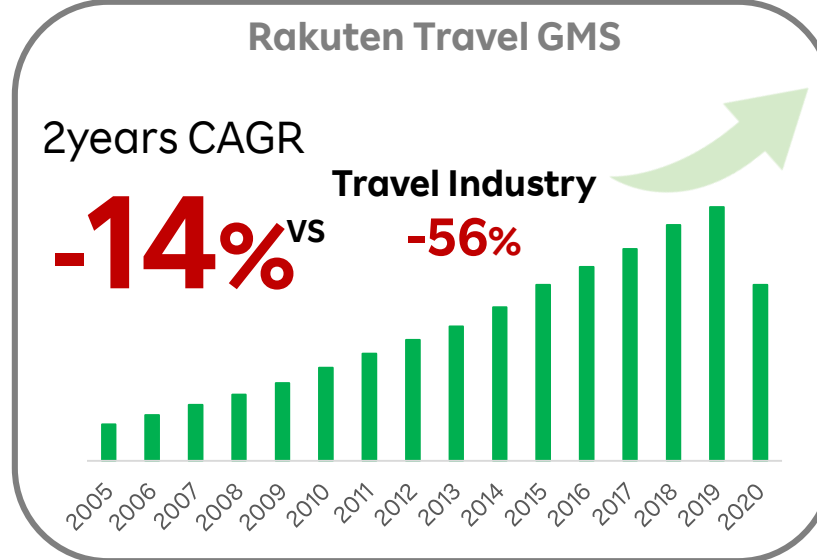


R * IFRS is applied from 2011. Related segments are summed up before 2013. "Others" includes Contents & Sports businesses, over seas businesses, minority investments, etc.
 * Mobile segment is added from 2019 due to disclosure segment change.

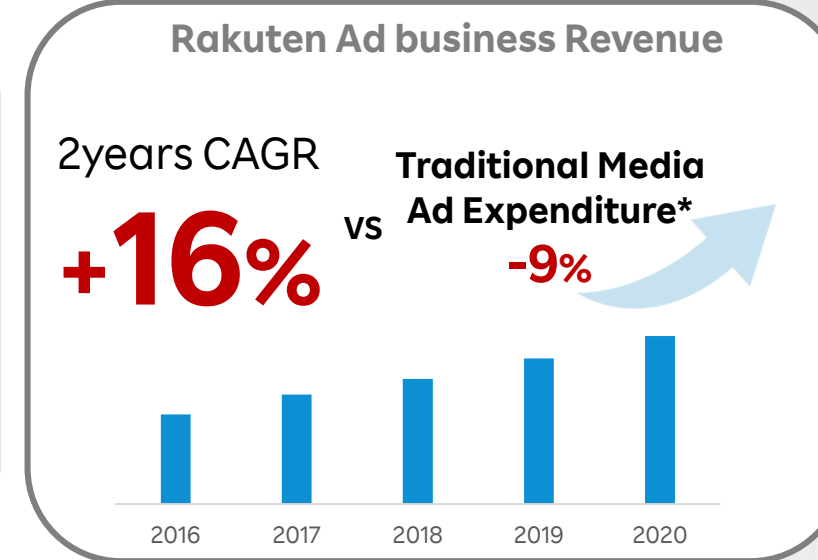
Growth Outpacing Traditional Industries



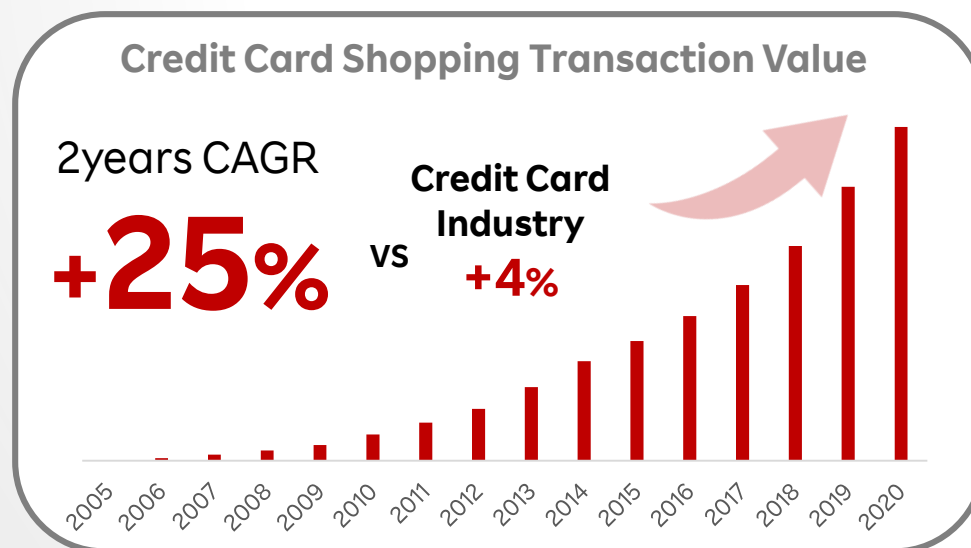
*Ministry of Economy, Trade and Industry, Commercial sales value by type of business



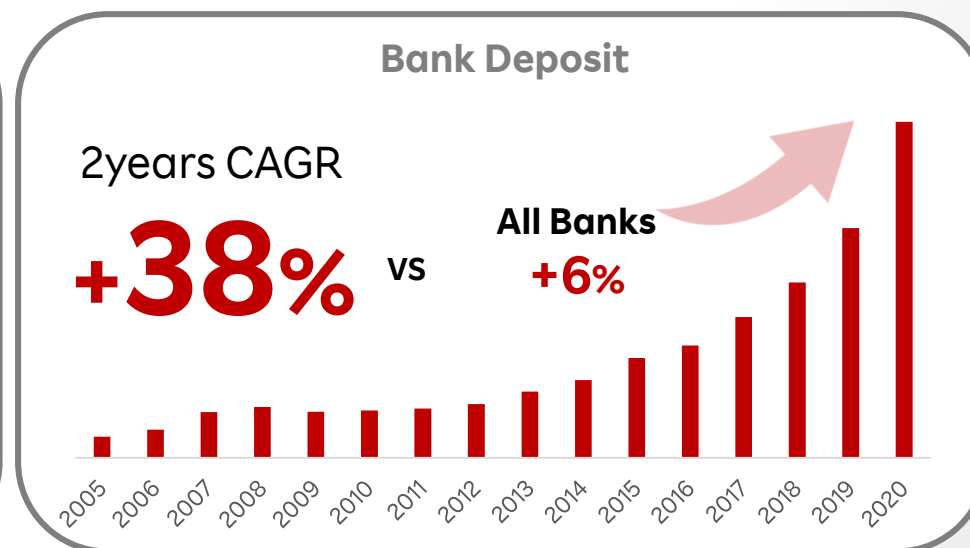
*Japan Tourism Agency, Travel Agency Transaction



*Ad expenditure of news paper, magazine, radio, TV
*Dentsu: 2020 Advertising Expenditures in Japan

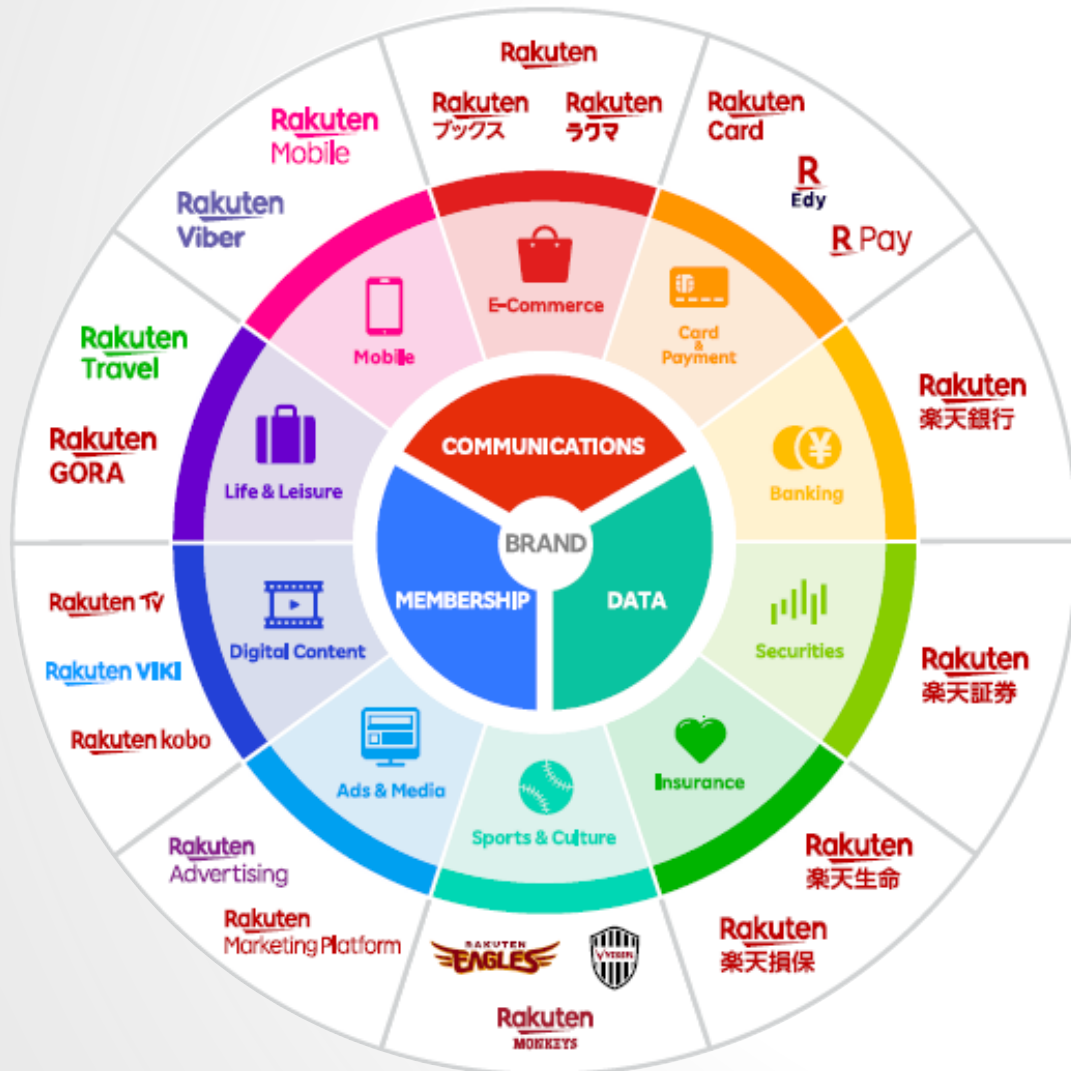


*Ministry of Economy, Trade and Industry, Statistical survey on dynamics of specified service industries: Credit Card



*Japanese Bankers Association, National bank deposit

Rakuten's Unique and Resilient Ecosystem: More than 70 Innovative Businesses Unified under One Brand




Global
Membership

1.5bn

FY 2020 Global
Transaction Value

JPY 22.3tn

+18.0% YoY 

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.

A Common ID to Access Multiple Services that Cover Most Lifestyle Needs, All while Accumulating Rakuten Points

Service
Cross-Use Ratio

73.9%

(As of Jun 2021)

2 out of 3 members
use 2 or more services

Point Usage Rate

over 90%

Japan's Most Popular Point Program
Retains **Loyalty of Customers** (1 point = 1 yen)

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



*My voice com, Survey on points, July 2020

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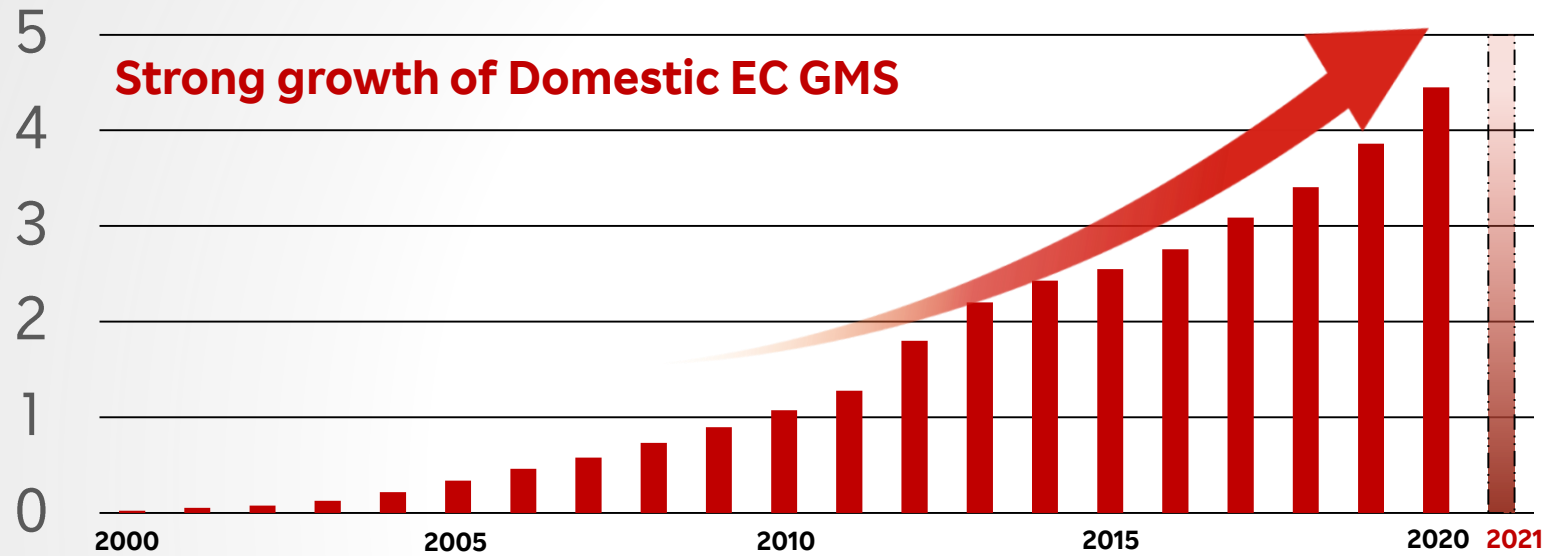
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Biggest E-Commerce Platform in Japan



Target to reach
FY2021
Domestic EC GMS

JPY 5.0tn

**Exceeds 2020 Annual Sales of
Japan's Top Retail Company**

Q2/21 Shopping EC* GMS
2 years CAGR

+23.6%
YoY

Q2/21 Ichiba
NPS®* Improvement

+9.0
Points

2021 1H
Domestic EC GMS
(From Jan 2021 to Jun 2021)

JPY 2.3tn
+17.0% YoY

* Shopping e-commerce = Ichiba + 1st Party (Rakuten Fashion, Books, Rakuten24 (daily necessities), Rakuten Seiyu Netsuper) + Open EC (Rebates, Rakuten Pay (online payment)) + Rakuma

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

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World's Most Integrated FinTech Platform

Services	Products	FY2020 Revenue** (% of Total FinTech)
Credit Card	Rakuten Card 	JPY 261.3bn (45.4%)
Online Bank	Rakuten Bank Smartphone App  Debit Card 	JPY 95.5bn (16.6%)
Online Securities	Rakuten Securities Smartphone App  PC Tool 	JPY 74.1bn (12.9%)
Online Insurance	Rakuten Life Insurance 楽天生命 Rakuten General Insurance 楽天損保 Rakuten Pet Insurance 楽天ペット保険	JPY 106.4bn * ² (18.5%)
Payment	R Pay QR/Barcode  R Edy E-money/Plastic Card  R POINT Point 	JPY 33.1bn * ³ (5.7%)

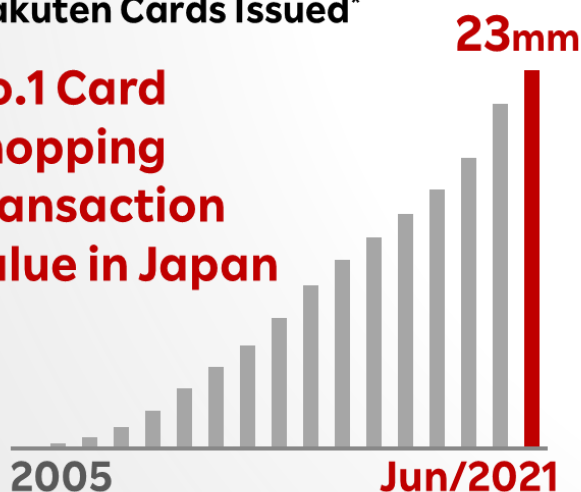
*1: There are revenue of Others. Others include investment management business, overseas business etc.

*2: Insurance includes Life Insurance, General Insurance, Pet Insurance and Insurance Agency.

*3: Payment business also includes Rakuten Wallet, cryptocurrency business.

Rakuten Cards Issued*

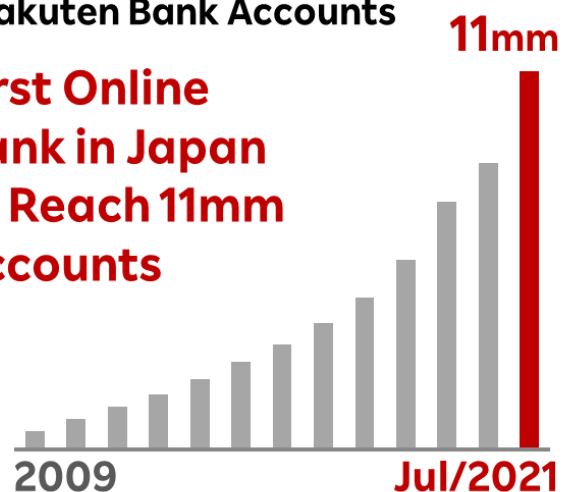
**No.1 Card
Shopping
Transaction
Value in Japan**



*Includes the issuance of a second Rakuten card per cardholder, which began full-scale in June 2021.

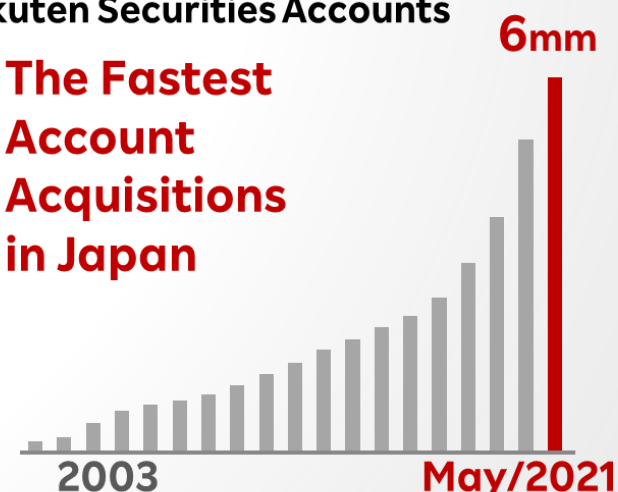
Rakuten Bank Accounts

**First Online
Bank in Japan
to Reach 11mm
Accounts**

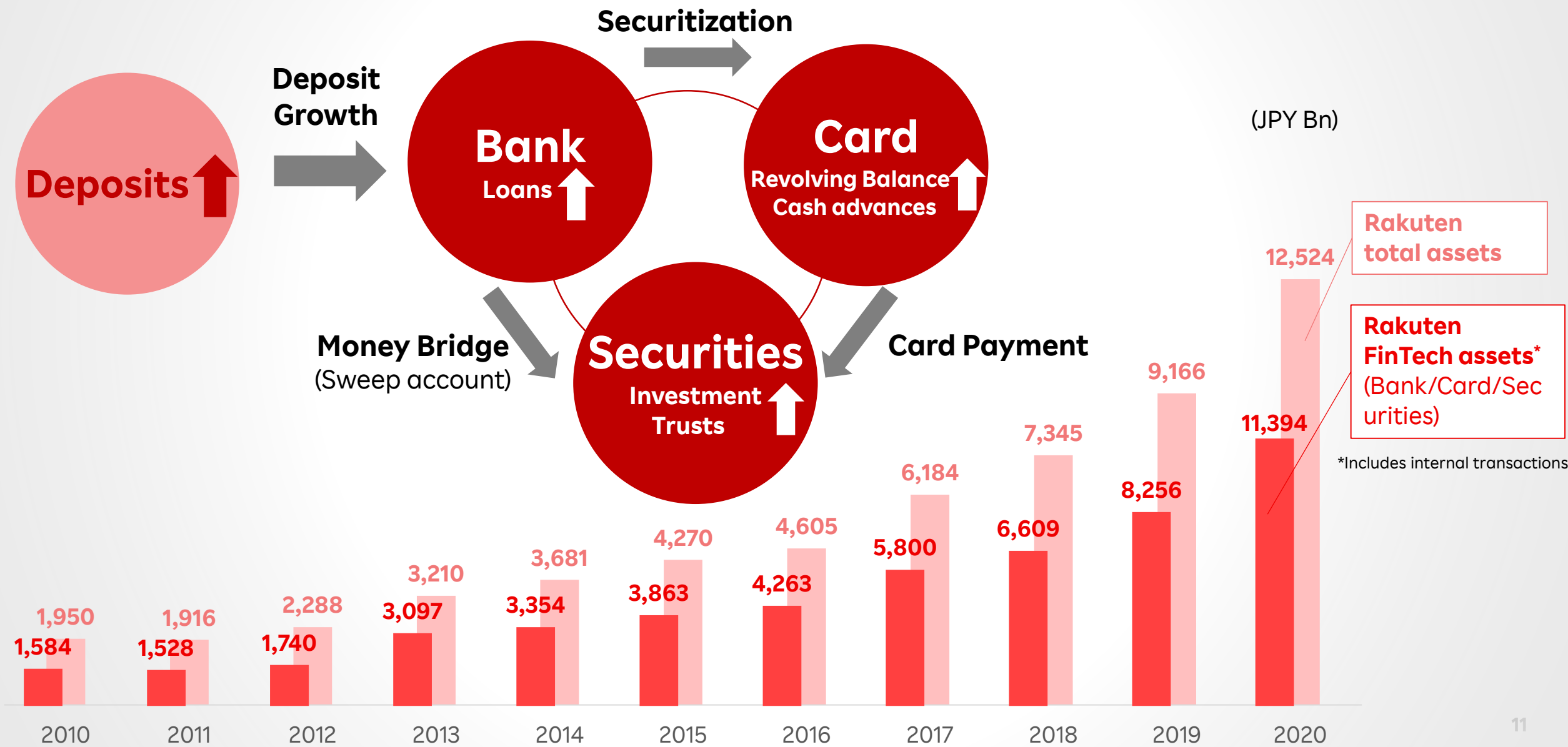


Rakuten Securities Accounts

**The Fastest
Account
Acquisitions
in Japan**



FinTech Ecosystem Backed by Rakuten Bank



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Rakuten Mobile Triangle Strategy

① Japan Opportunity

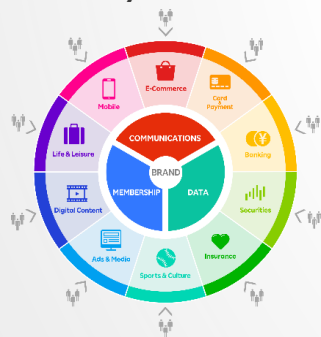
Disrupting industry with competitive pricing

Rakuten
Mobile

Japan

② Ecosystem Opportunity

Strong Synergy with Ecosystem



Ecosystem

③ Global Opportunity

Going Global with Rakuten Symphony

Rakuten
Symphony



Global

Rakuten UN-LIMIT VI

The ideal plan for everyone.

Data
Up to 1GB **0** Free
yen per month

* For the customer's first line

No matter how
much you use

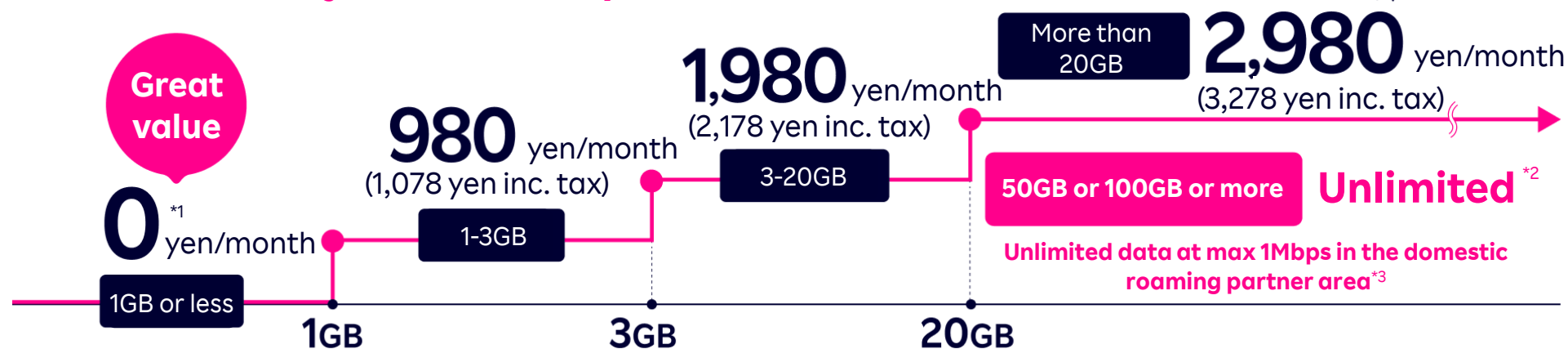
Unlimited

2,980 yen
per month

(3,278 yen inc. tax)

* Unlimited data in the Rakuten network area. Unlimited data at max 1Mbps in the domestic roaming partner area after using allocated 5GB*³

Fee structure adjusts to monthly data use



*¹ For first line only. Product purchases, option fees, calls, etc. will be charged separately. For the customer's second line and onwards, data usage of between 0GB and 3GB will be charged at 980 yen per month (1,078 yen inc. tax). *² Unlimited high-speed data when connected to Rakuten base stations. To provide a fair service, restrictions on transmission speed may be implemented. Unlimited data at max 1Mbps after using the allocated 5GB for domestic roaming partner area and at max 128kbps after using the allocated 2GB for international roaming partner area. *³ At max 1Mbps, streaming video or downloading apps may take longer than usual. Transmission speed is best effort (the maximum speed of the standard). Actual transmission speeds may vary depending on the network environment.

Expansion of Service Cross-Use through Rakuten Mobile

Customers who had not used the following Rakuten services before subscribing to Rakuten Mobile...



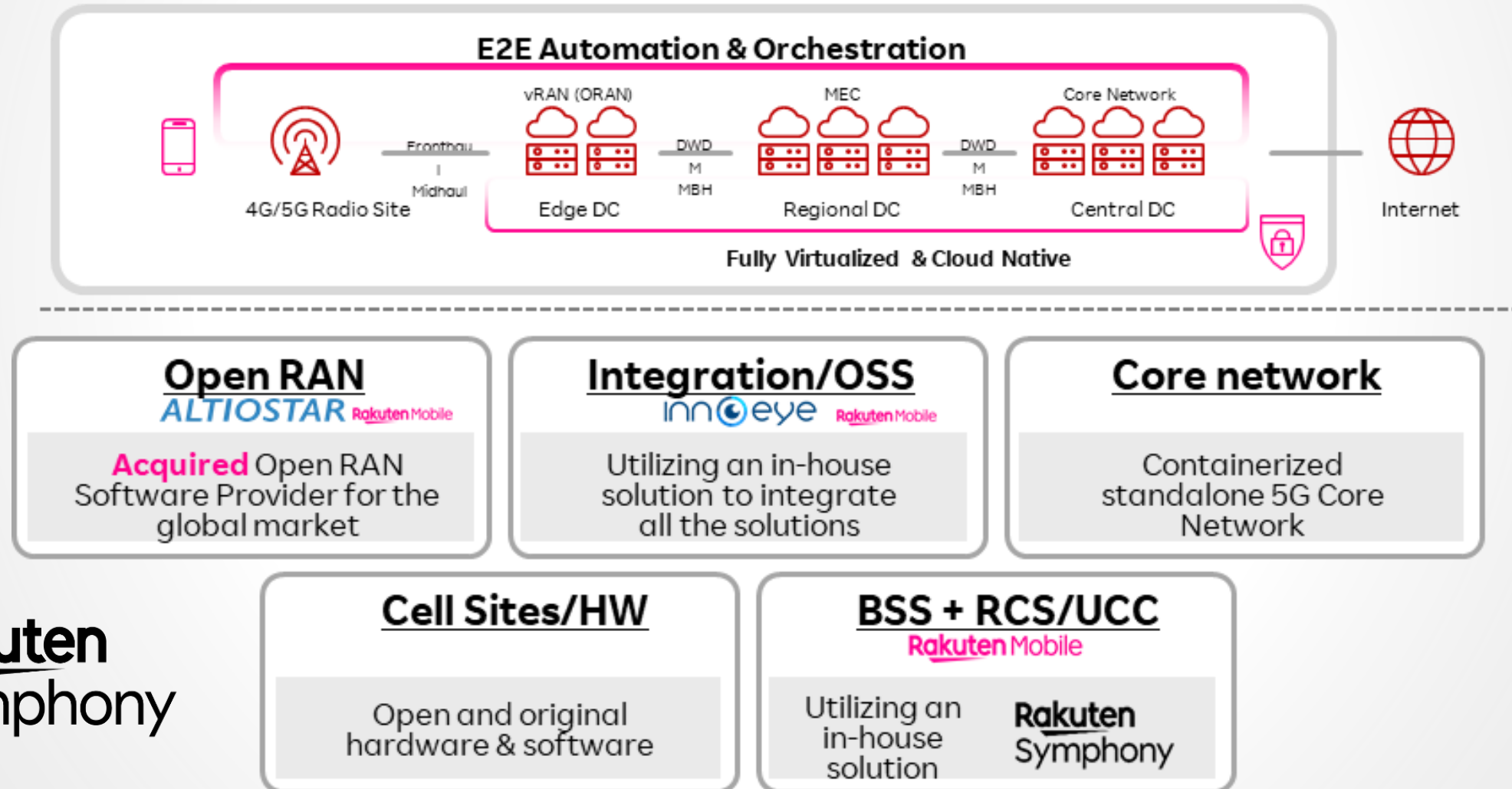
...began using the service within 12 months of subscribing to Rakuten Mobile.

*Ratio of Rakuten Mobile users who began using the respective Rakuten service(s) within 12 months of signing a Rakuten Mobile contract and who had not previously used the same service(s).

*Applicable subscribers: Those who signed a contract between July and December 2020.

World's First & Only Fully Virtualized Open RAN Mobile Network Provider “Rakuten Symphony”

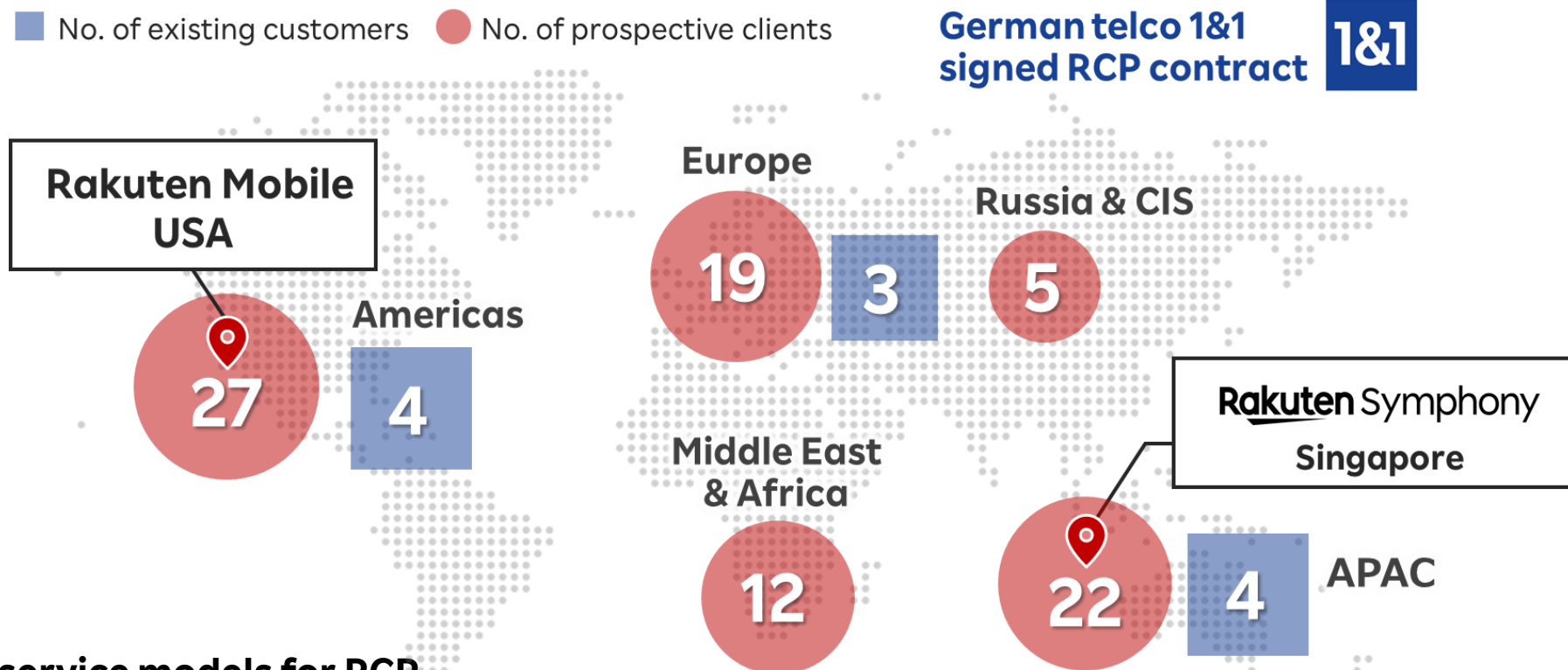
Rakuten Communications Platform



Rakuten
Symphony

Established Rakuten Symphony to Accelerate Adoption of Cloud-Native, Open RAN-Based Mobile Networks Worldwide

Rakuten Symphony brings together Rakuten Communications Platform, Open RAN software and all of Rakuten's international telco solutions including Altiostar and Innoeye



Two main service models for RCP

1. Provide certain parts of the RCP functionality as individual products to existing brownfield operators
2. Provide full stack of RCP solutions as a total product package for local deployment by greenfield operators

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Dominant Online Ad business on EC Platforms in Japan

FY2020 Ad Revenue*¹

JPY 129.4 bn
+15.7% YoY

Internet Advertising Expenditures in Japan

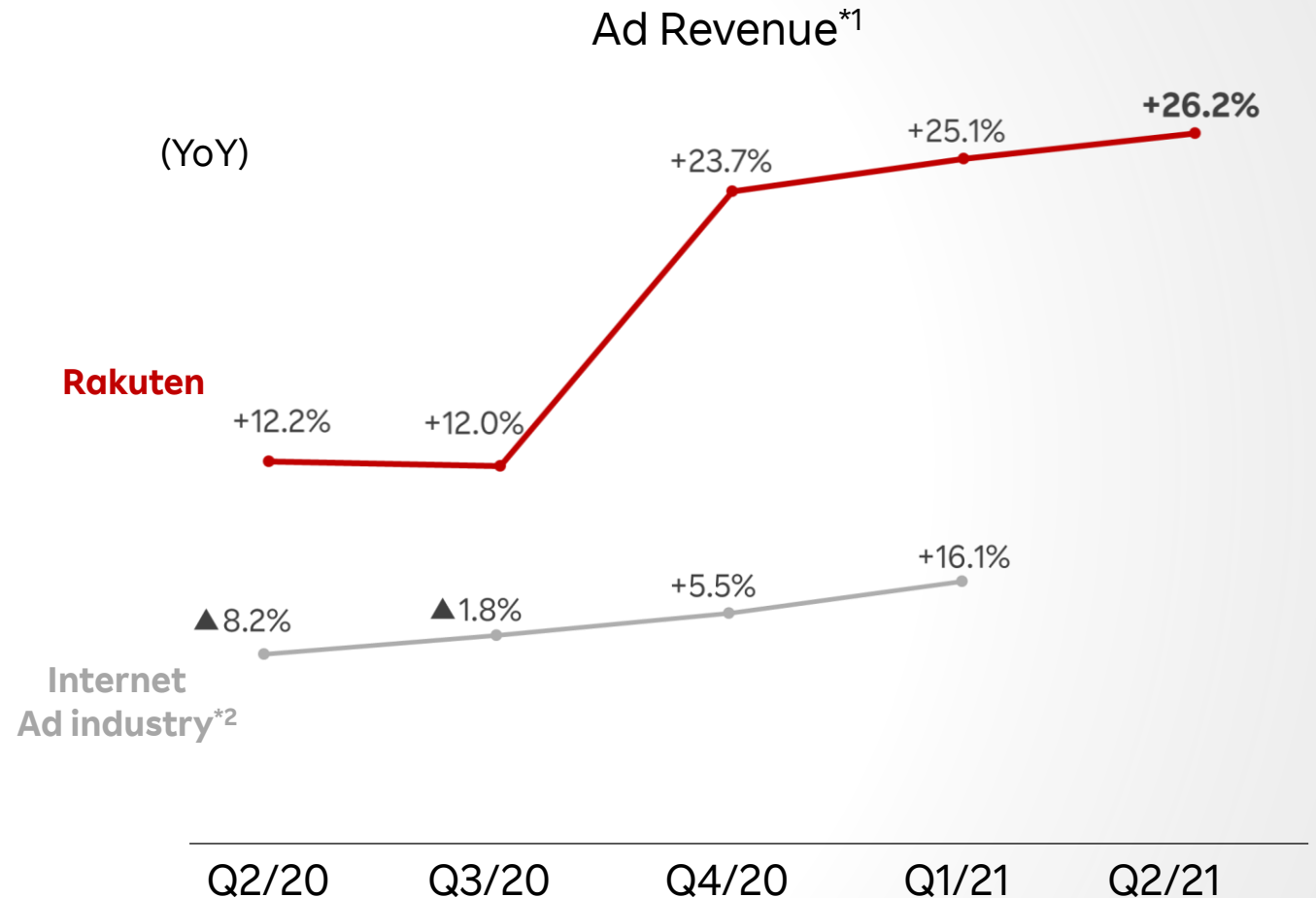
JPY 2.2tn (+5.9% YoY)

EC Platform Advertising Expenditures in Japan

JPY 132.1bn (+24.2% YoY)

Rakuten Share*²

Approx. 55%



*¹ Revenue includes internal transactions.

*² Source: METI "Indices of Tertiary Industry Activity, Advertising Industry" *³ Source: METI "Indices of Tertiary Industry Activity, Advertising Industry"

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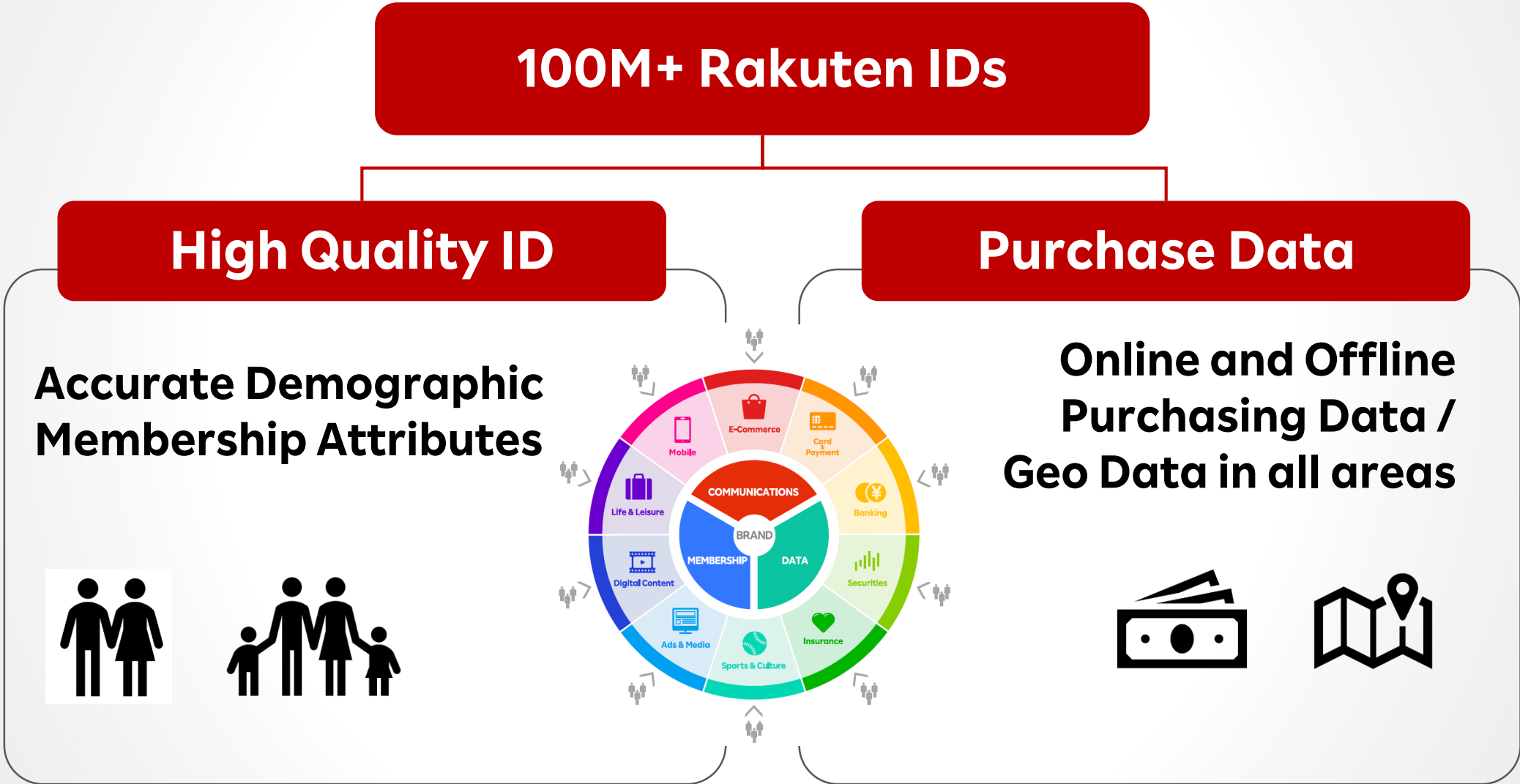
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High Quality Data from 100M+ Rakuten IDs



Powerful Marketing Leveraging Data and AI

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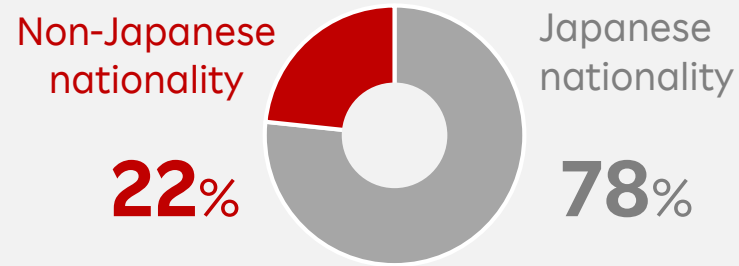
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A Global Workforce Enabled by “Englishnization”

- A rare Japanese company with English as official company language
- ‘Englishnization’ enables acquisition of global talent

Employee nationality ratio*



Number of employee / nationalities*

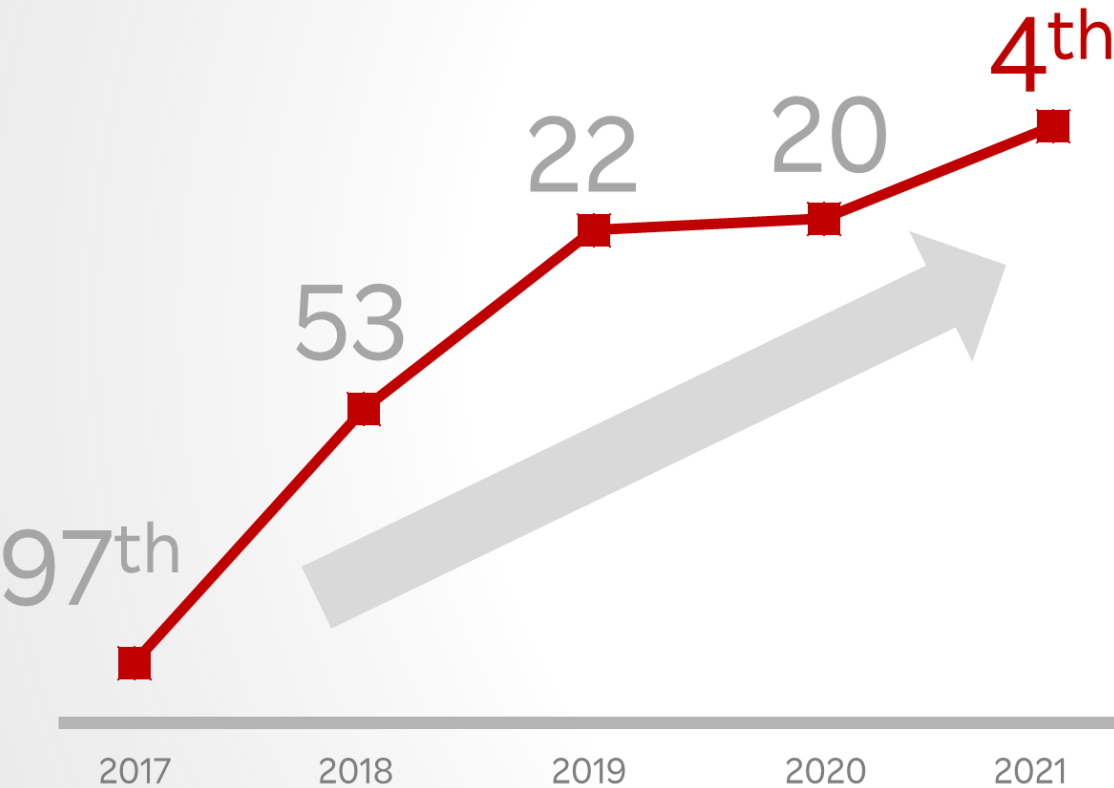
20,000+ **Over 70**



* As of December 31, 2020

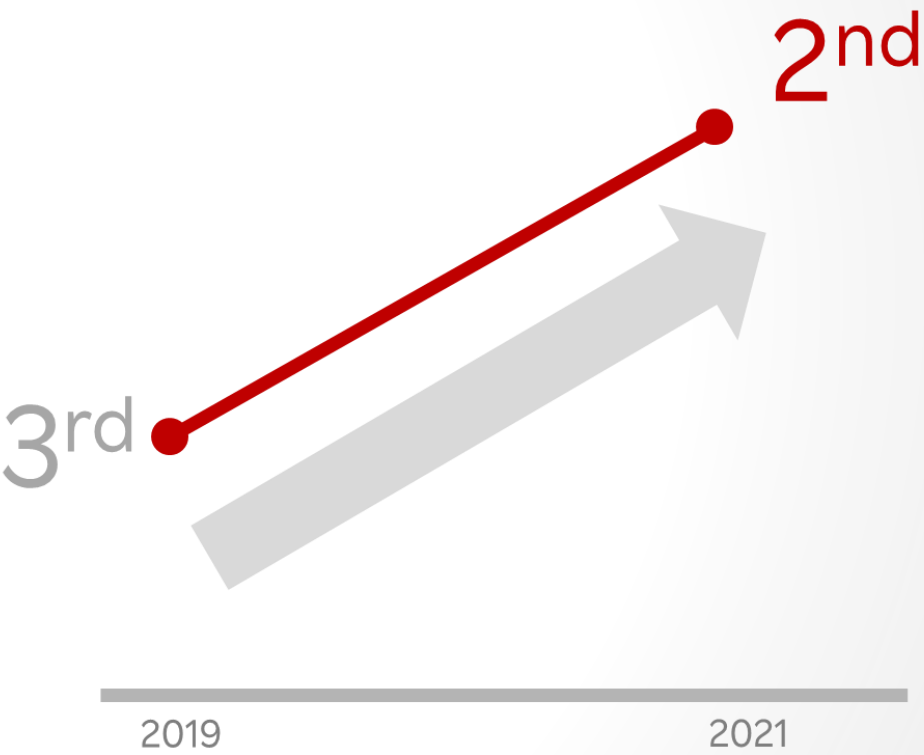
Recruitment Popularity Ranking in Japan

Popularity Ranking (Graduate Hires)



*Career + Ranking / Carrier+Shukatsu ”Ranking for companies wishing to work”
*Term for 2021: Oct.1, 2020 – Mar.15, 2021
*# of responses for 2021: 5,245

Popularity Ranking (Mid-Career Hires)



*LinkedIn “Top Companies in Japan”
*Term for 2021: Jan.1, 2020 – Dec.31, 2020

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Leading position in Japan


E-commerce (Fastest Growing of Top 3 Platforms)*1		
1	Rakuten	
2	Amazon	
3	Z Holdings	

Online Travel Agency (Check out GTV)*1		
1	Rakuten Travel	
2	Jalan (Recruit Holdings)	

Credit Card (Shopping GTV)*1		
1	Rakuten Card	
2	Sumitomo Mitsui Card	
3	Mitsubishi UFJ NICOS	

Online Bank (Number of Accounts)*2		
1	Rakuten Bank	
2	AEON Bank	
3	Japan Net Bank	


Online Securities
(Number of New Accounts Opening) *1

1 Rakuten Securities 

2 SBI Securities

3 SMBC Nikko Securities

Mobile Phone
(Overall Satisfaction) *3

1 Rakuten Mobile 

7 docomo

8 au

*1: CY2020. Based on Rakuten's internal assessment and company disclosures.

*2: Company disclosures (as of December 2020). Consists of banks without physical branches.

*3: MMD Research Institute, August 2021 MNO user satisfaction survey in summer 2021.

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Empowering Stakeholders Towards a Sustainable Future

Environmental

100% renewable electricity target by 2025 for Rakuten Group, Inc.



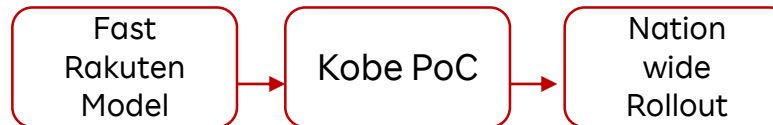
2020 renewable electricity usage ratio **64.8%**

Social

Number of employee / nationalities

20,000+ **Over 70**

Rakuten helped expedite rollout of vaccines across Japan



“2020 Modern Slavery Statement”

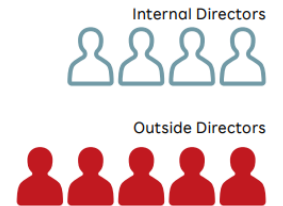
2020 Modern Slavery Statement

This statement has been published by the Rakuten Group in accordance with Clause 1, Article 54 of the UK Modern Slavery Act of 2015.

Governance

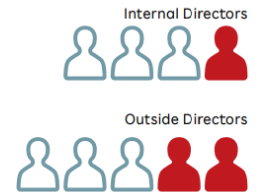
% of Independent Directors on Board

55.6%



Ratio of Non-Japanese Directors

33.3%



Rakuten ESG Index Inclusion

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA



FTSE Blossom Japan



FTSE4Good

2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



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