

Rakuten Group Introduction

May 2024

Rakuten Group, Inc.



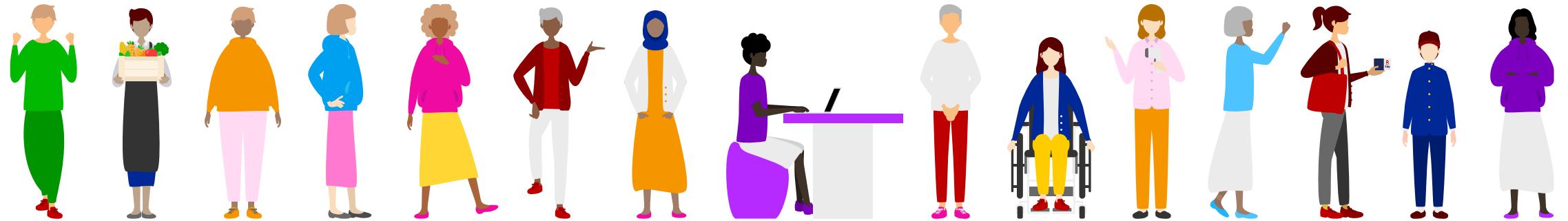
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1. Rakuten Group Overview

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.

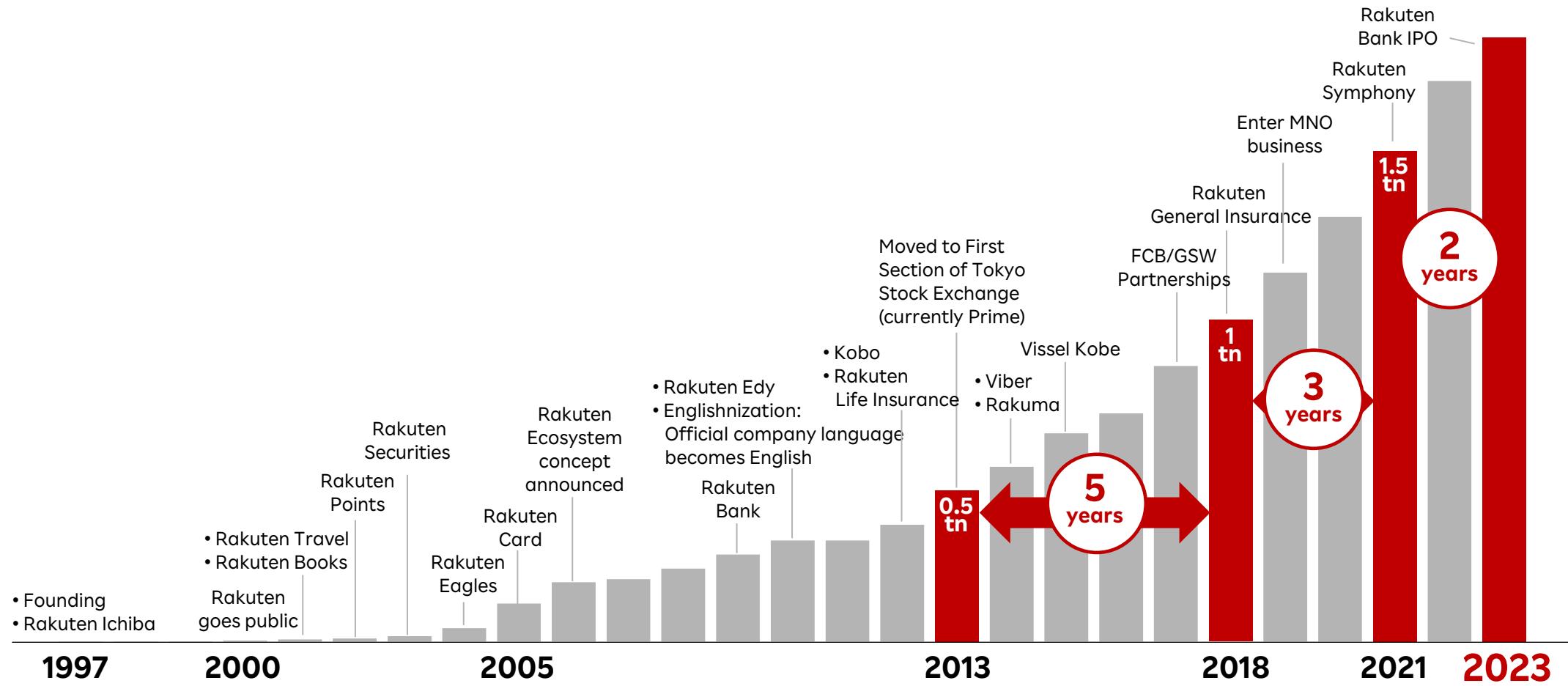


Providing over 70 services in 30 countries and regions around the World



Consolidated Revenue: 27 Consecutive Years of Annual Revenue Growth

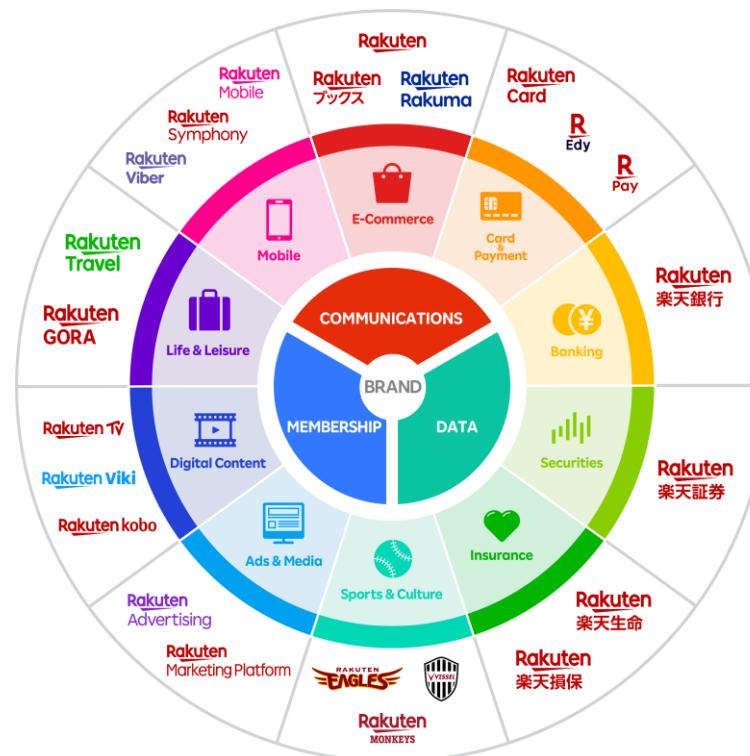
JPY 2.1tn
+7.8% YoY



Business Model

Rakuen Ecosystem

A unique ecosystem business model linking various services with one membership drives 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 1.8 billion users of global services**



Rakuten Point

Rakuten Point, which can be earned and used for various services, attracts and retains customers
Number of points issued in 2023: approx. 650 billion; cumulative number of points issued: approx. 4 trillion



Rich Data and AI

Combining purchasing data on demographics and consumer behavior associated with more than 100 million IDs with state-of-the-art technology for operational use

One Brand

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



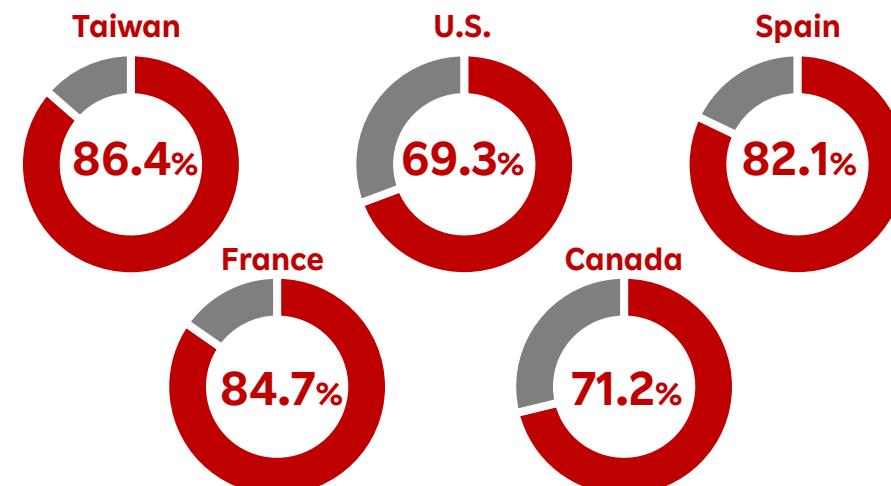
R

High brand recognition in Japan and globally

Japan		Web brand survey
Rank	Name	Web brand index score
		2023 Autumn / Winter
1	Google	108.6
2	Rakuten Ichiba	107.1
3	YouTube	102.9

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

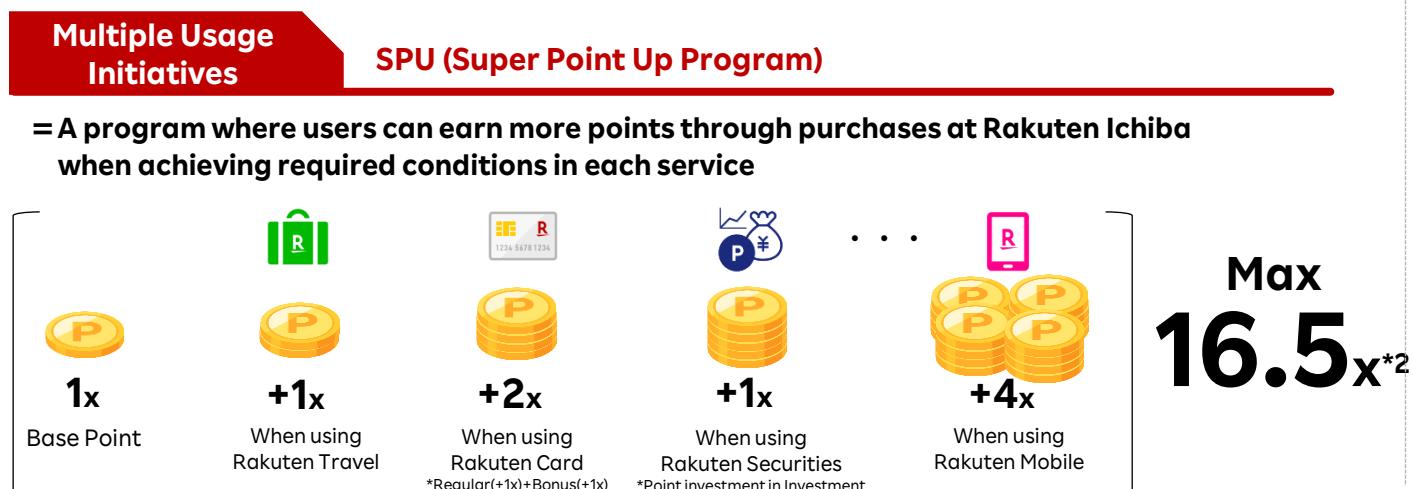
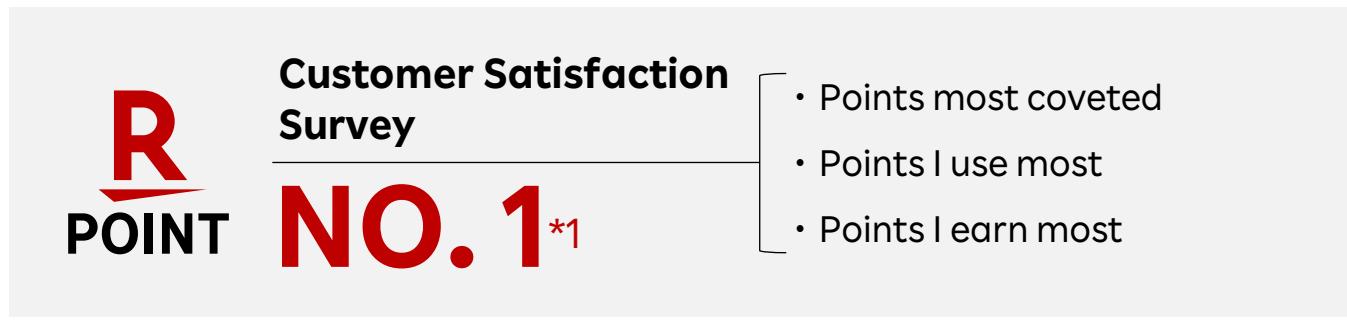
Global **Rakuten Logo Awareness (Rakuten survey, January 2024)**



One ID／One Point Program

One ID can be used for various Rakuten services

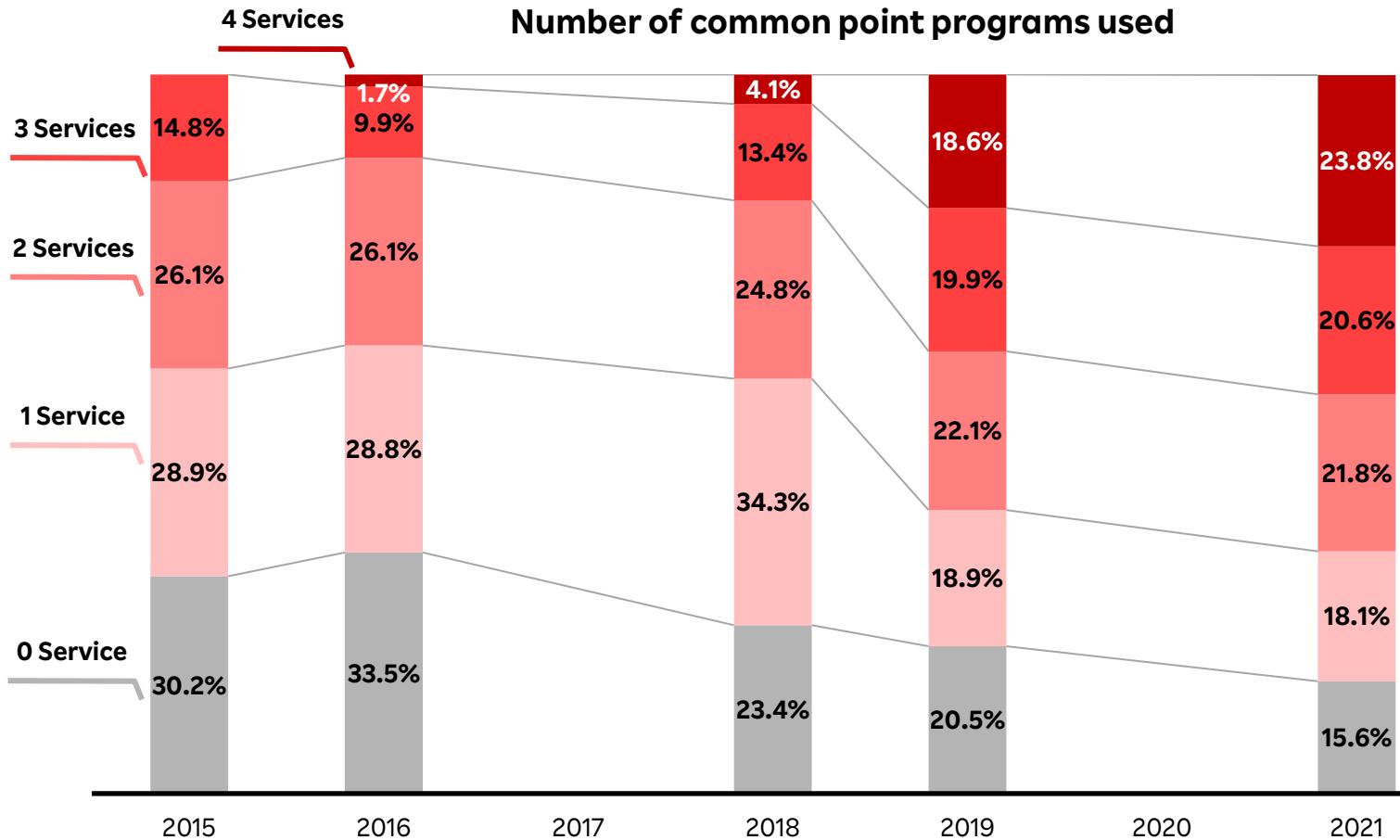
“Rakuten Point,” our common point program that users can earn/use in each of our services, enables effective customer acquisition and enhances multiple usage



Rakuten Points	Key figures
Number of Rakuten Points issued in 2023	Approx. 650bn
Cumulative number of points issued	Approx. 4.0 tn
% of points used ^{*3}	Over 90%
Rakuten Ecosystem	Key figures
Monthly Active Users ^{*4}	Over 41mm
Ratio of Users with Two or More Services ^{*5}	76.9%

Appendix: Trends in the Use of Common Point Programs in Japan

More than 60% of people use two or more common point programs since 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

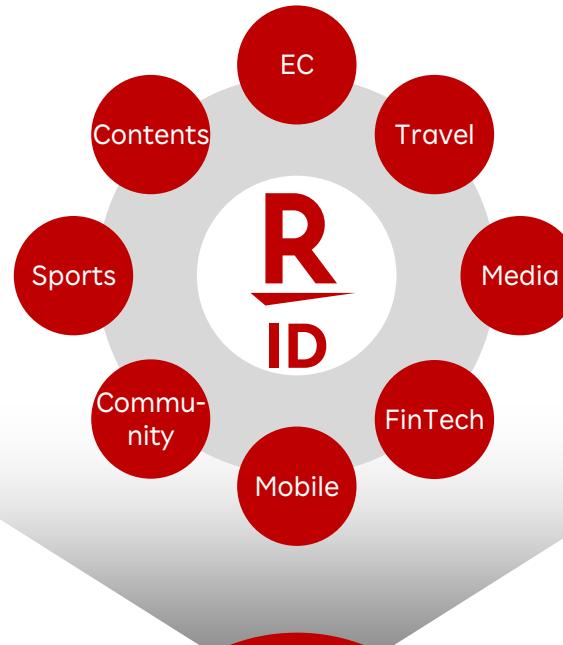
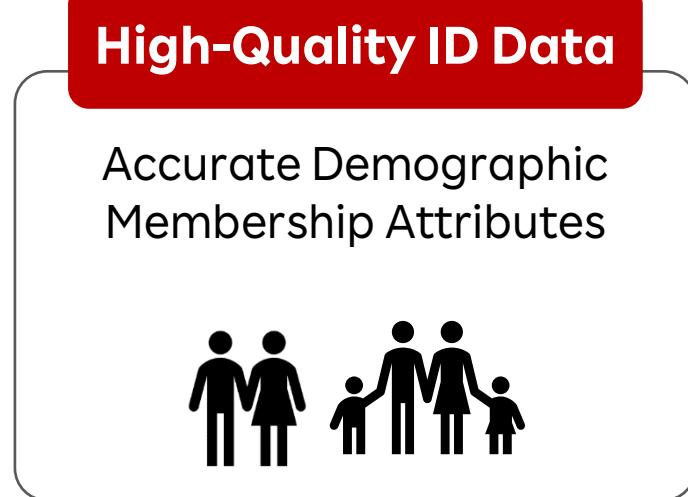


France Cash back



Rich Data Backed by Rakuten Ecosystem

Massive and varied data accumulated within our Ecosystem with 100mm+ IDs^{*1} and 70+ services^{*1}



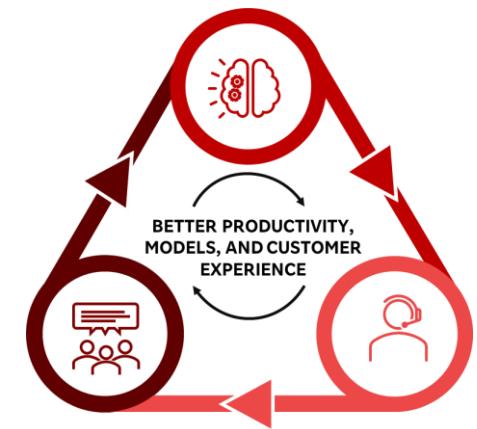
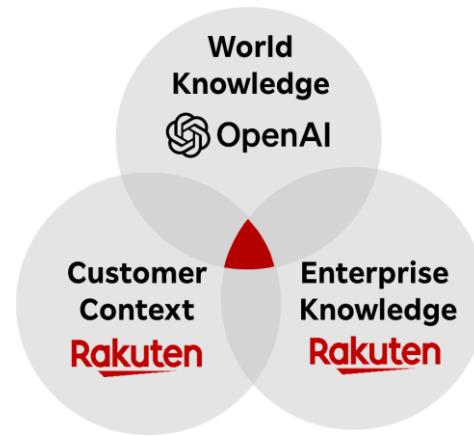
Plans for AI-nization at Rakuten

- In-house coined the term "AI-nization" to express "AI Integration" and started various business efficiency improvements using AI in each business

Vision

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

Strategy



Growth
"Flywheel"

Roadmap

Wave 1

Rapid Prototyping & Deep Learning

Wave 2

Rakuten AI for Business

Wave 3

Rakuten AI for Consumer

Rakuten Evolving into an AI Empowerment Company

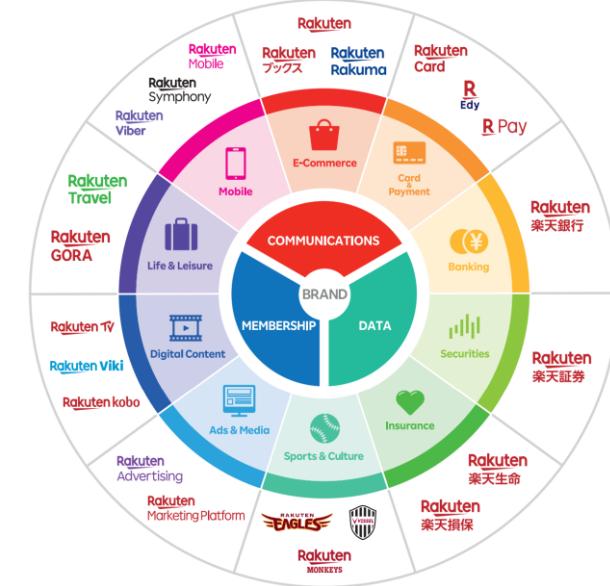
■ Dramatic improvement of efficiency by AI

**BRING VALUE TO ALL OF
RAKUTEN'S BUSINESS PARTNERS**



Rakuten AI
“Triple 20”

**BRING VALUE TO ALL OF RAKUTEN'S
SERVICES AND CUSTOMERS**



Marketing productivity

Operating productivity

Client productivity

+20%*

Strong Portfolio Management with Ecosystem

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

Rakuten Domestic EC GMS

3-year CAGR^{*1} +10.0%

6.0tn

+6.9% YoY

2000

2023

Rakuten Ichiba GMS

3-year CAGR^{*1} +8.1%

Industry average^{*2} +3.1%

2011

Rakuten Travel Domestic GTV

vs 2019

+42.5%^{*3}

Industry average^{*4} - 9.5%

2005

2023

Rakuten Ad Business Revenue

3-year CAGR^{*1} +16.9%

Industry average^{*5} + 2.0%

2016

2023

Rakuten Card Shopping GTV

3-year CAGR^{*1} +22.6%

Industry average^{*6} +13.4%

2005

Rakuten Bank Deposits

3-year CAGR^{*1} +27.4%

Industry average^{*7} +3.1%

2005

2023

*1 CAGR calculated based on 2020 and 2023 figures

*2 Ministry of Economy, Trade and Industry, "Commercial Sales Value by Type of Business."

*3 Domestic hotel checkout GTV. (excluding corporate customer, Dynamic packages include Rakuten Travel GMS only)

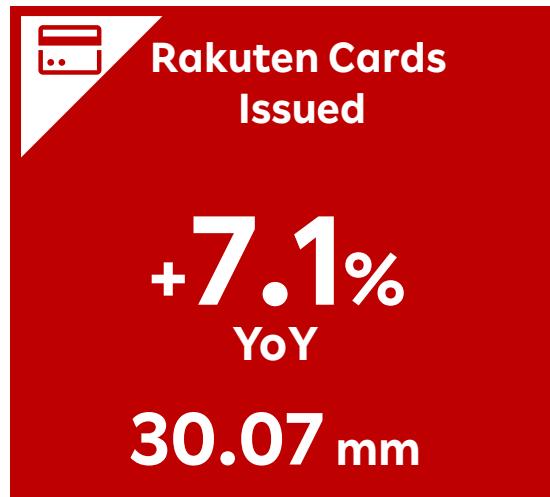
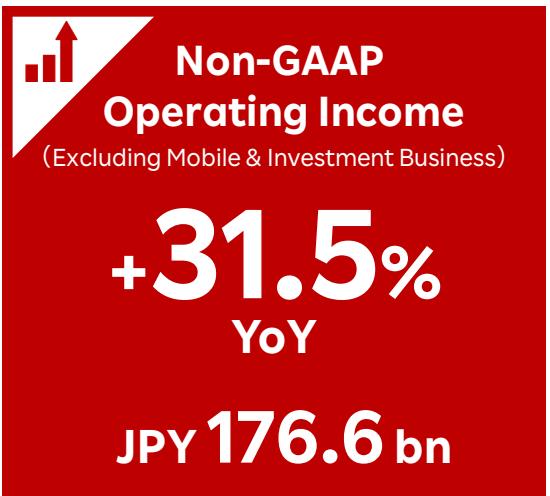
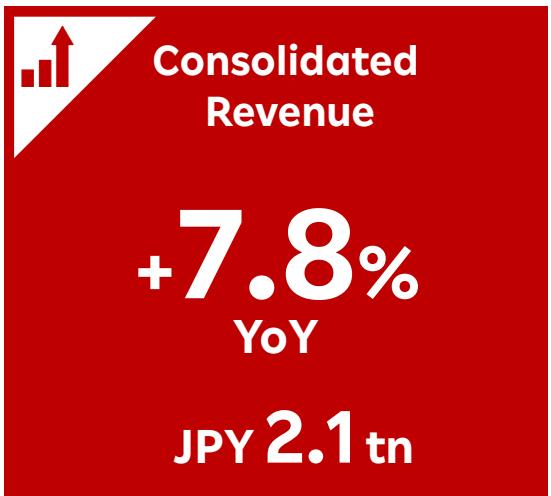
*4 Japan Tourism Agency, "Travel Agency Transaction Amounts."

*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.

FY2023 KPIs & Highlights



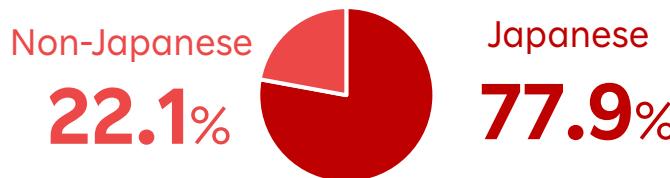
Corporate Culture: Growing and Advancing a Diverse Workforce

Diversity at Rakuten

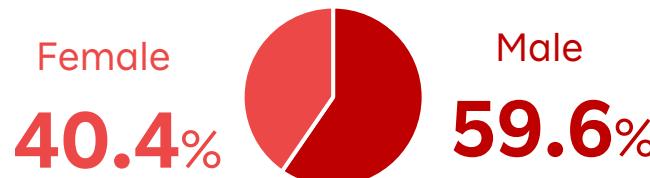
◆ Number of Employees／Nationalities^{*1}

30,000+ / 100+

◆ Employee Nationality Ratio^{*2}



◆ Employee Gender Ratio^{*2}



*1 As of December 31, 2023. Rakuten Group consolidated

*2 As of December 31, 2023. Rakuten Group, Inc.

Entrepreneurship

◆ ASAKAI (Morning Meeting)

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.

一信用品大
致念意性義
団不周高名
結拔到潔分

Solidarity
Based on a Team

Commitment
Get Things Done

Professionalism
Professionalism

Sense of Integrity
Integrity

On a Mission
Empowerment

Always Improve,
Always Advance

常に改善、常に前進

Passionately Professional

Professionalismの徹底

Hypothesize→Practice
→Validate→Shikumika

仮説→実行→検証→仕組化

Maximize Customer Satisfaction

顧客満足の最大化

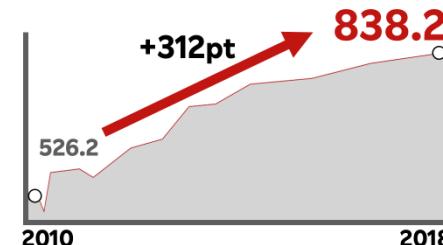
Speed!! Speed!! Speed!!

スピード!!スピード!!スピード!!

Rakuten Shugi (Rakuten Basic Principles)

“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.

Approach to Sustainability and Related Initiatives (1)

Overview of Sustainability

The Rakuten Group has always been committed to the mission of "empowering people and society through innovation". Addressing sustainability-related issues not only supports the sustainable development of the businesses in which the Rakuten Group operates, but also embodies the Rakuten Group's mission.

Governance towards Sustainability

In 2021, the Rakuten Group Sustainability Committee was established, consisting of domestic and international management, to strengthen governance over sustainability and oversee the implementation of initiatives related to material ESG issues. The committee makes management-level decisions on relevant issues in the focus areas, including sharing stakeholder expectations and best practices, setting strategies and goals, and participating in initiatives. The committee's activities and recommendations are reported to the Board of Directors. Additionally, subcommittees have been established specifically for the environment, human rights, and diversity and inclusion issues as they require long-term, cross-organizational discussions.



COO = Chief Operating Officer

CFO = Chief Financial Officer

CMO = Chief Marketing Officer

CIO & CTO = Chief Information Officer & Chief Technology Officer

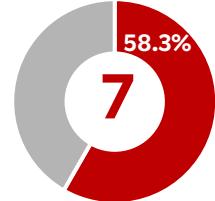
CDO = Chief Data Officer

CCO = Chief Compliance Officer

Approach to Sustainability and Related Initiatives (2)

Corporate Governance

Outside Directors within the Board of Directors



Hiroshi Mikitani
Representative Director,
Chairman, President & CEO



Masayuki Hosaka
Representative Director
and Vice Chairman

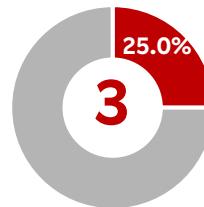


Kentaro Hyakuno
Representative Director,
Group Executive Vice President

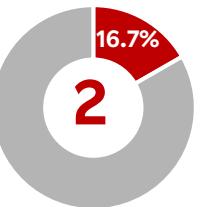


Kazunori Takeda
Director,
Group Executive Vice President
Kenji Hirose
Director,
Group Executive Vice President

Foreign Directors



Female Directors within the Board of Directors



*1 As of end of March, 2024.

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

*3 The result was calculated by Rakuten and is preliminary.

Recognition and Awards^{*1}

Sustainability Indices

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

MSCI
ESG RATINGS

CCC B BB BBB A AA AAA



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Awards



Toward Achieving Carbon Neutrality in 2023^{*2*3}

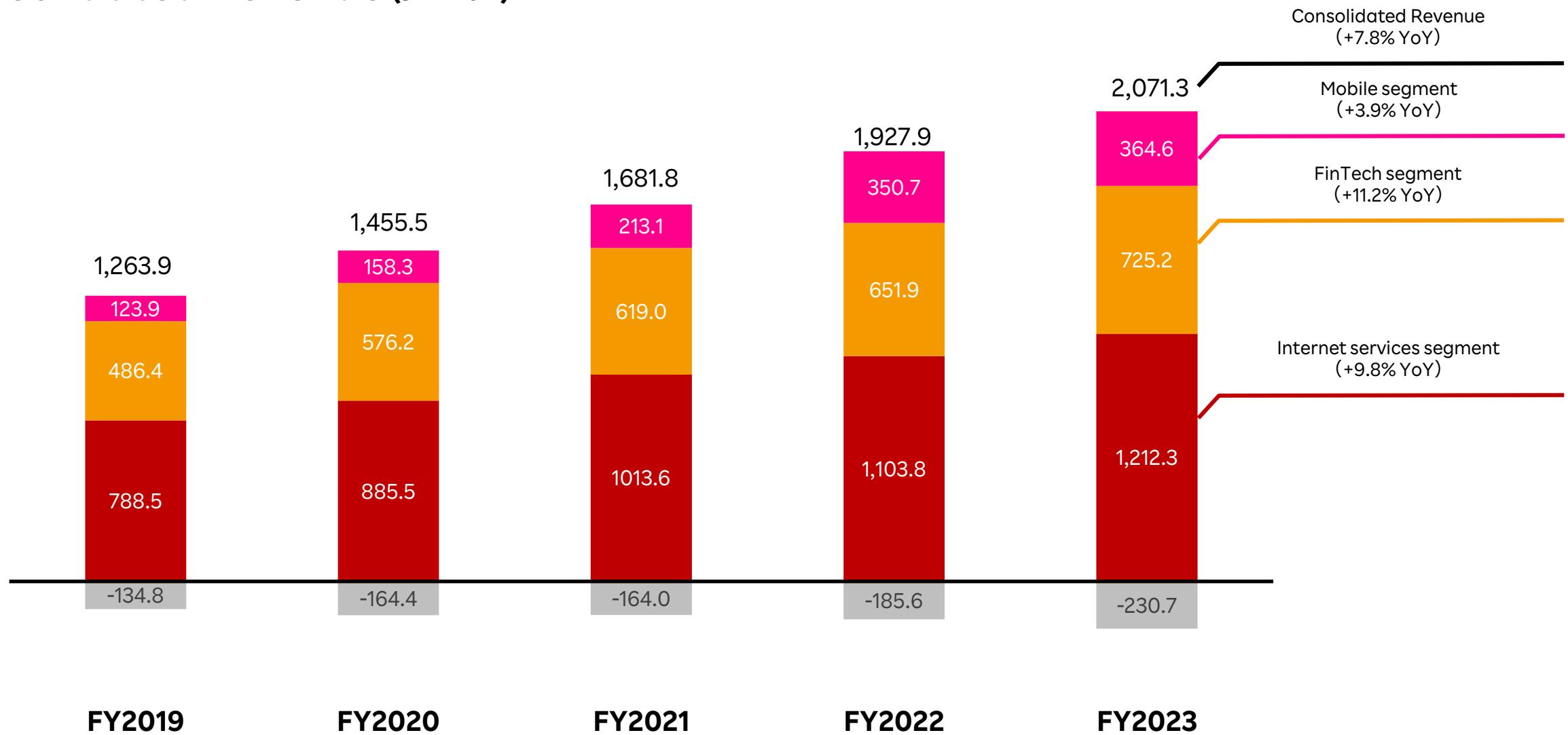


2023年カーボンニュートラル達成へ
Go Green Together

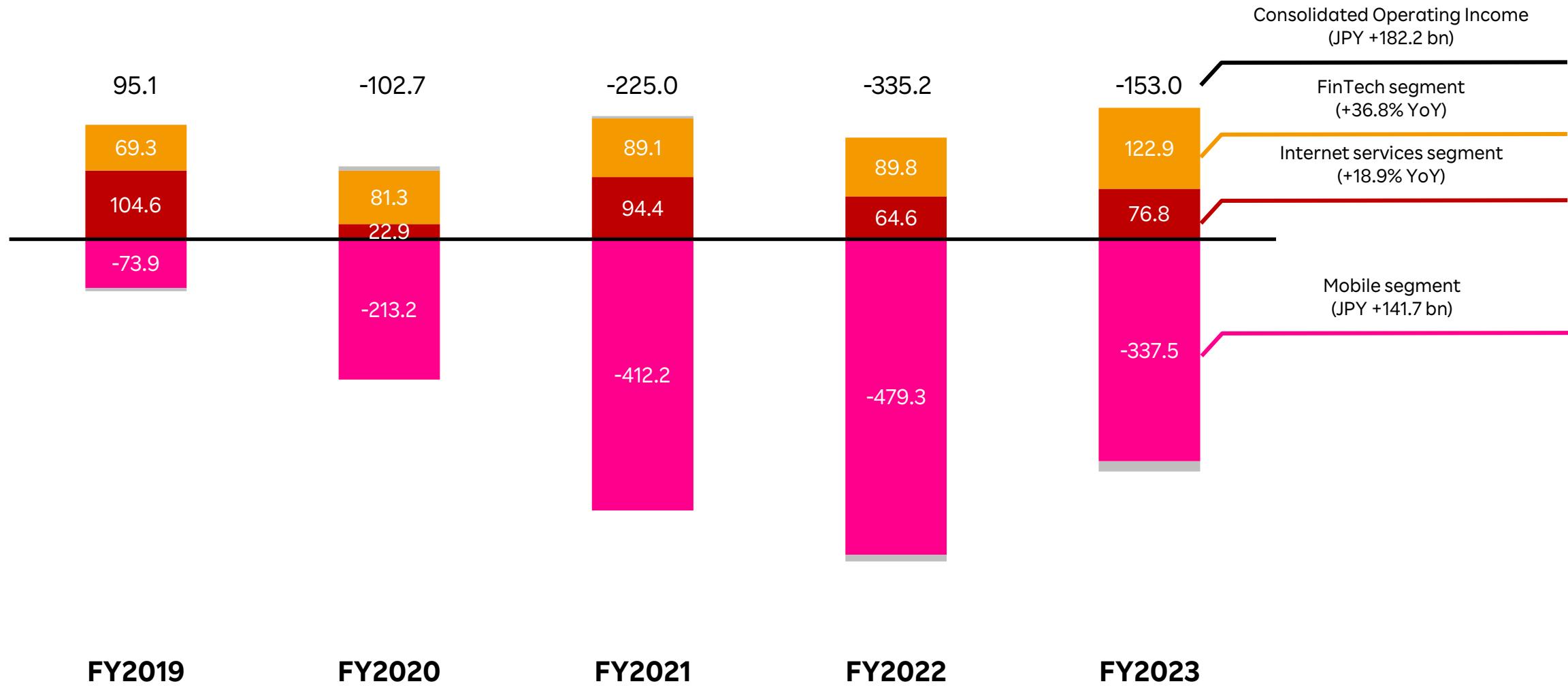
- Rakuten Group preliminarily reached carbon neutrality in 2023
- Going forward, we aim to reduce greenhouse gas emission in accordance with the Paris Agreement

2. Snapshot of each segment

Consolidated Revenue (JPY bn)



Consolidated Non-GAAP Operating Income (JPY bn)



FY2019

FY2020

FY2021

FY2022

FY2023

Internet Services Segment

Businesses in Internet Services

Internet Services Segment

Domestic EC

Core Business

- Rakuten Ichiba
- Rakuten Travel
- Rakuten Rebates
- Rakuten BIC
- Rakuten GORA
- etc.

Core Business:
“Accomplished structural profitability,” “Realized profitability exceeding WACC,” “Businesses essential to domestic EC business portfolio even if profitability is low.”

Growth Investment Business

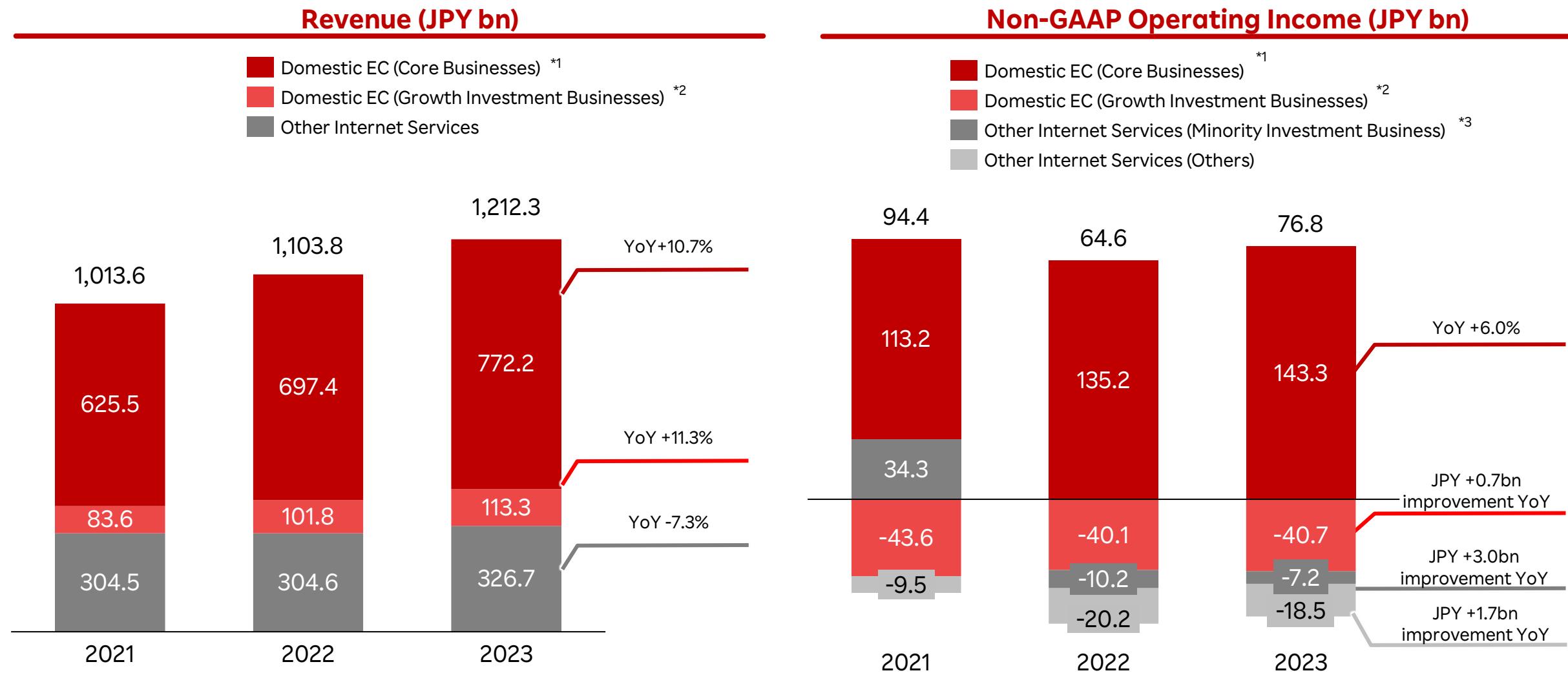
- Rakuten Super Logistics
- Rakuten Seiyu Netsuper
- Rakuten Rakuma
- Rakuten Beauty
- Rakuten Fashion
- Rakuten Ticket
- etc.

Growth Investment Business:
“Currently investment phase,” “Accountability in business portfolio management,” “Expected to bring positive value to Rakuten Group.”

Other Internet Services

- Rakuten Rewards
- Rakuten Viber
- Rakuten TV
- Rakuten Kobo
- Rakuten Viki
- Minority Investment Business
- Rakuten TV Japan
- Rakuten NFT
- etc.

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



Internet Services Segment (Domestic EC Overview)

GMS

Unstoppable growth of Rakuten's Domestic EC businesses

- ✓ Domestic EC GMS^{*1*2*3*4} achieved JPY 6.0 trillion
- ✓ Aiming to reach 10 trillion

Rakuten Ichiba GMS

3-year CAGR^{*5} +8.1%

Industry average^{*6} +3.1%

Rakuten Travel

Domestic Hotel GTV

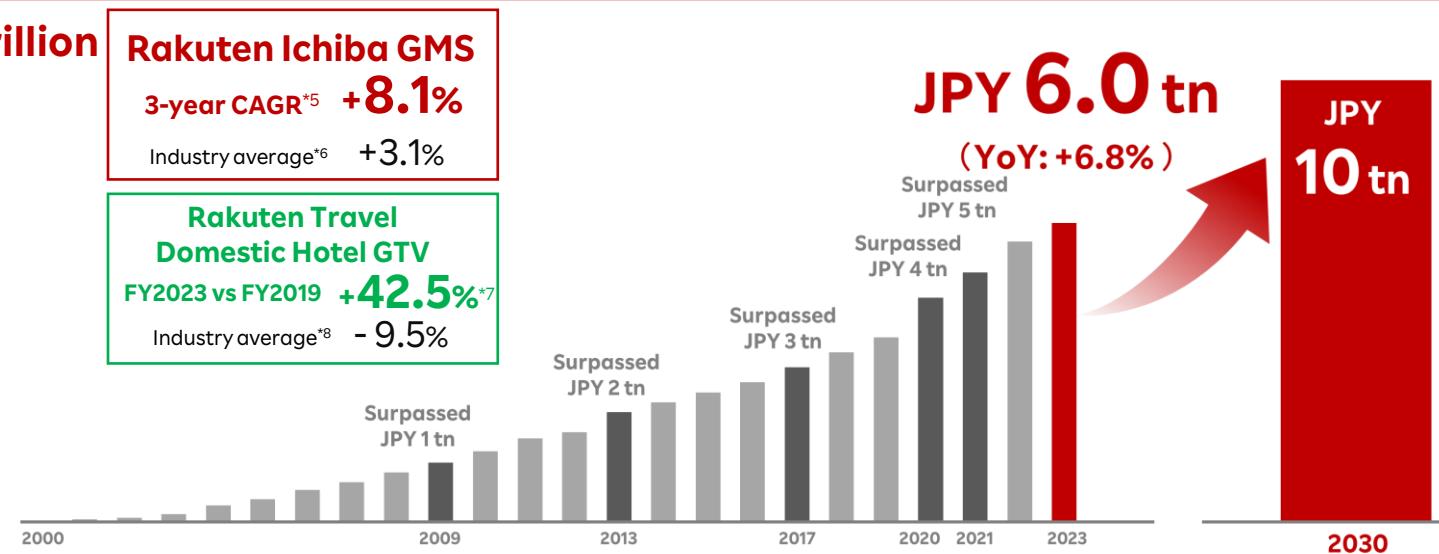
FY2023 vs FY2019 +42.5%^{*7}

Industry average^{*8} - 9.5%

JPY 6.0 tn

(YoY: +6.8%)

JPY
10 tn



*1 Domestic E-commerce GMS (excludes certain 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, Rakuten Ticket and cross border trading, etc.

*2 From Q1/23, Rakuten Ticket was transferred from Others segment to Domestic E-commerce segment. Past figures have been retroactively adjusted.

*3 From Q2/23, a portion of Domestic E-commerce GMS definitions, etc. have been revised. Past figures have been retroactively adjusted.

*4 Effective September 1, 2023, Rakuten Pay (online payment) business was transferred from the Internet Service segment to the FinTech segment. No retrospective revisions have been made to past results as the size of the amount is negligible.

*5 CAGR calculated based on 2020 and 2023 figures;

*6 Ministry of Economy, Trade and Industry, "Commercial Sales Value by Type of Business."

*7 Domestic hotel checkout GTV (excluding corporate customer, Dynamic packages include Rakuten Travel GMS only)

*8 Japan Tourism Agency, "Travel Agency Transaction Amounts."

Comparison with other companies in the industry

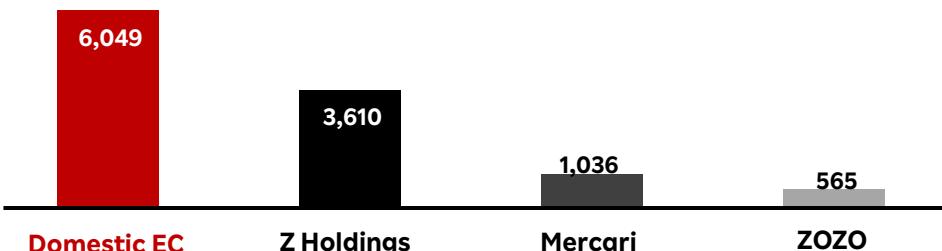
Rakuten Domestic EC is one of the largest in Japan

Industry Growth Potential in Japan

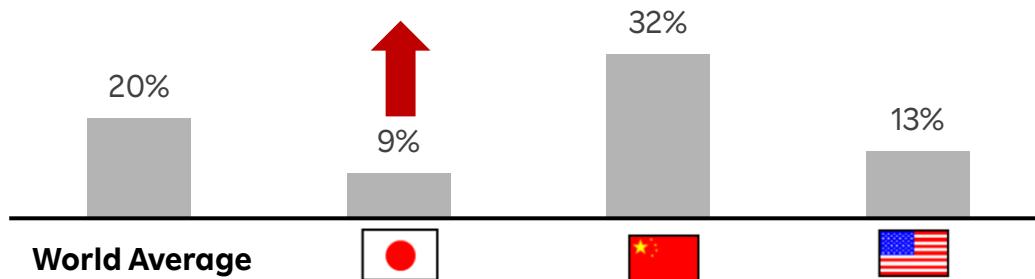
Japan's EC penetration rate is low compared to other countries, and has great growth potential

LTM GMS^{*1} Comparison with Major Domestic EC Competitors (JPY bn)

Rakuten



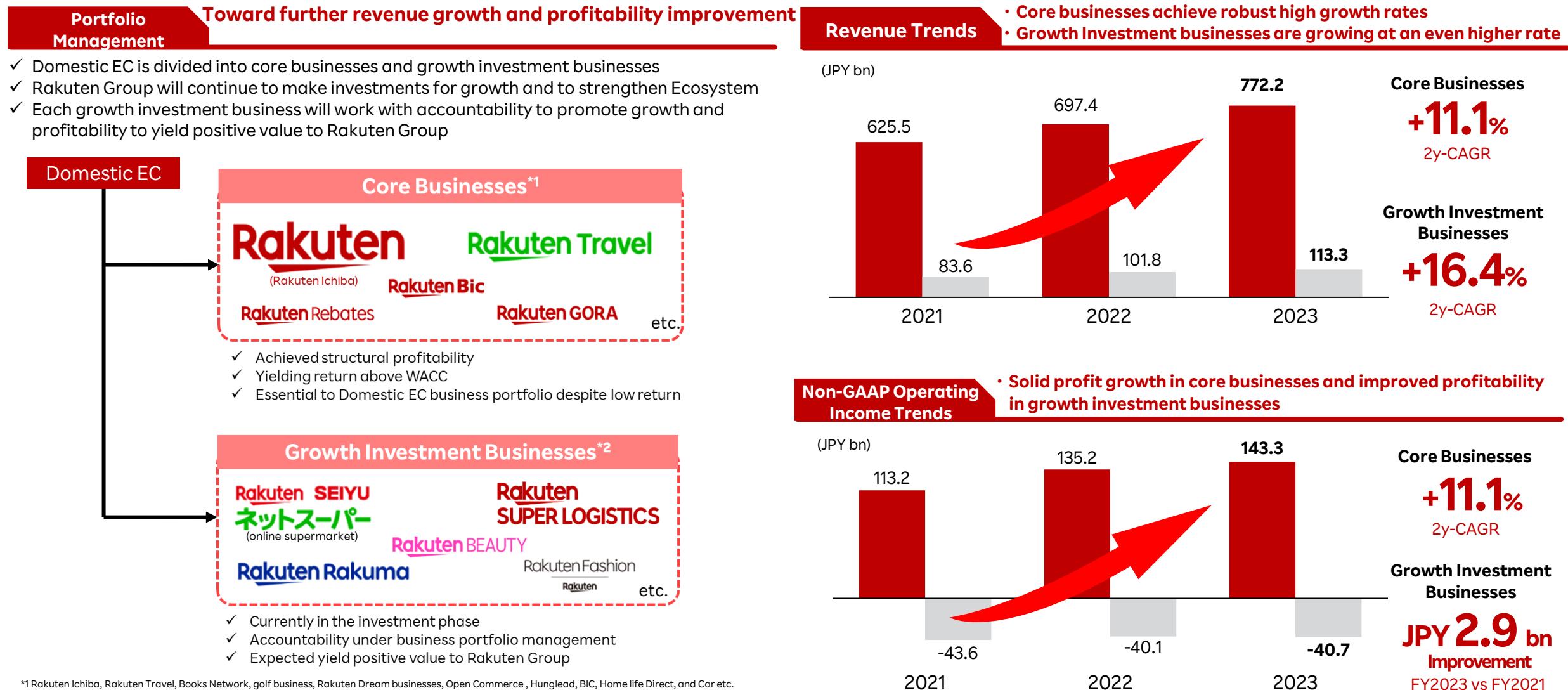
EC penetration rate comparison in each country^{*1}



*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.

*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

Internet Services Segment (Domestic EC Overview)



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

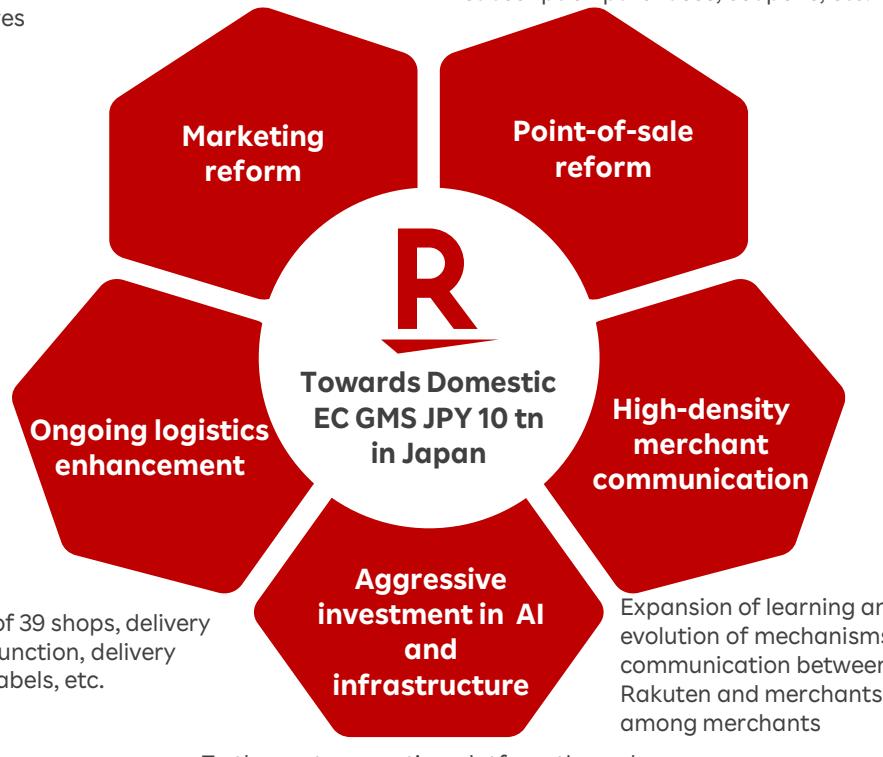
^{*2} Fashion 1st Party, C2C, Rakuten Seiyu Netsuper, Logistics business, Rakuten Beauty, Dining , and cross boarder trading etc.

Internet Services Segment (Core Businesses and Growth Investment Businesses)

Core Businesses

- ✓ Continue various initiatives centered on Rakuten Ichiba and Rakuten Travel, and continue to be a leader in the industry

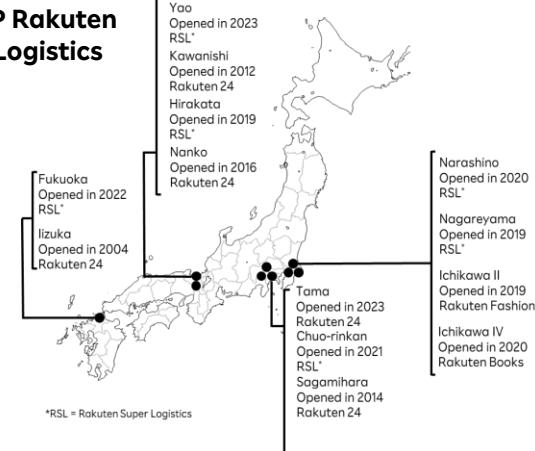
Cultivate and expand the number of loyal users by strengthening Rakuten Mobile collaboration and Rakuten Ichiba measures



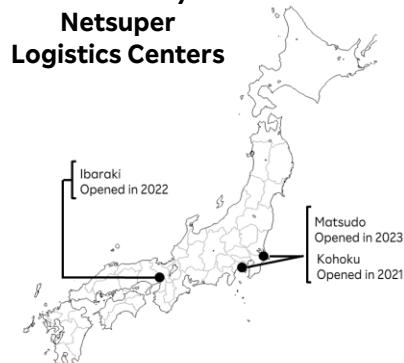
Growth Investment Businesses

- ✓ Logistics business and Rakuten Seiyu Netsuper's logistics facilities are expanding steadily and will work to return to profitability as soon as possible

JP Rakuten Logistics



Rakuten Seiyu Netsuper Logistics Centers



Logistics business: Enhance profitability by optimizing delivery efficiency, including the promotion of direct delivery

Efficiency improvement through cooperation with Japan Post and JP Rakuten Logistics



Direct delivery has been launched and being implemented gradually. It will contribute greatly to enhancing profitability.

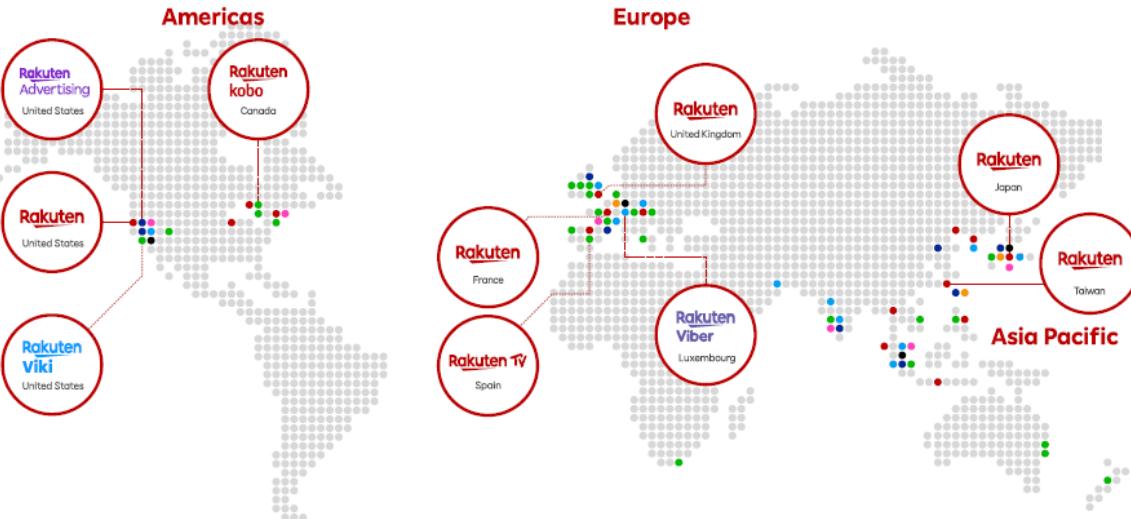
Rakuten Seiyu Netsuper: Key Initiatives for Breakeven

- Acquire new customers through further utilization of the **Rakuten Ecosystem** and expansion of the service's business area
- Increase the number of purchases and value of purchases via accelerated customer development drivers such as hit products and categories
- Improve gross profit margins by reviewing and enhancing product lineups
- Improve procurement efficiency through collaboration with **Rakuten's first-party businesses**
- Improve delivery efficiencies through restructuring of logistics networks based on profitability
- Effective use of existing distribution centers through warehouse usage contract

Internet Services Segment (Other Internet Services)

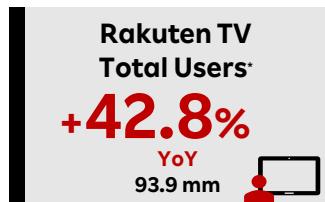
Other Internet Services (Overseas Businesses)

Rakuten's services expanding globally



Strong Overseas Customer Base

Services used by many people globally



As of end of Dec 2023

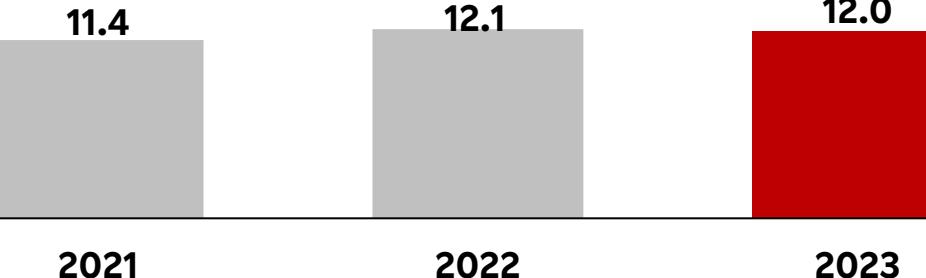


Rakuten Rewards

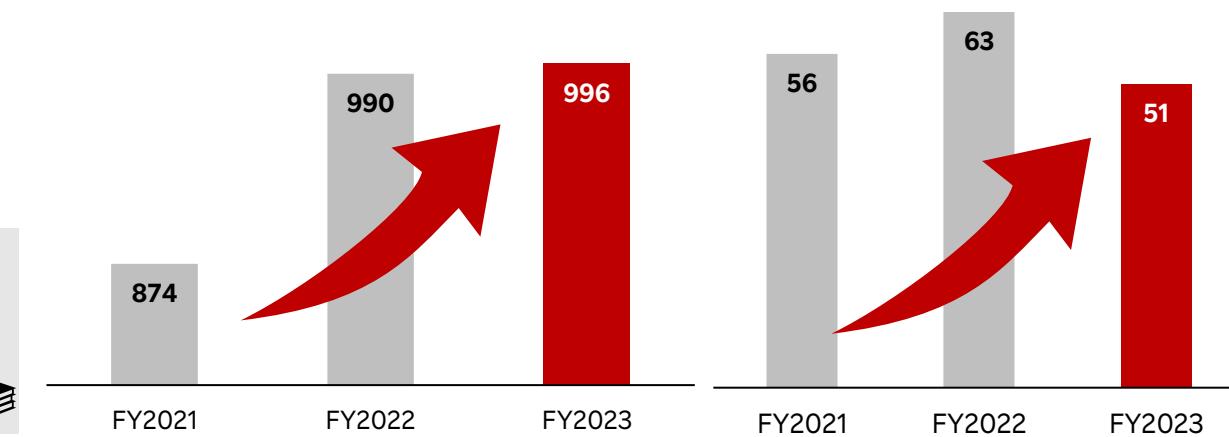
Leading position in cash back sites in the U.S.

- U.S. macroeconomic effects slowed GMS, sales, and operating income growth on a local currency basis

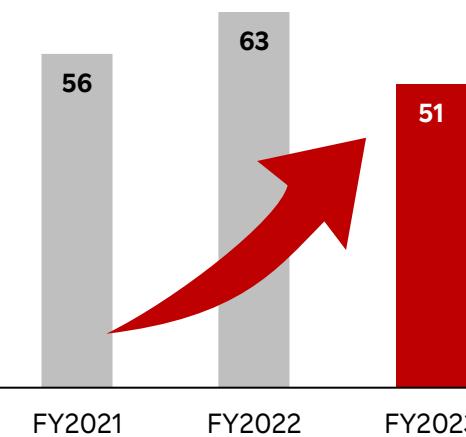
GTV (USD bn)



Revenue
(USD mm)



Non-GAAP Operating Income
(USD mm)



Internet Services Segment (Other Internet Services: Rakuten Capital^{*1})

Investment Strategy

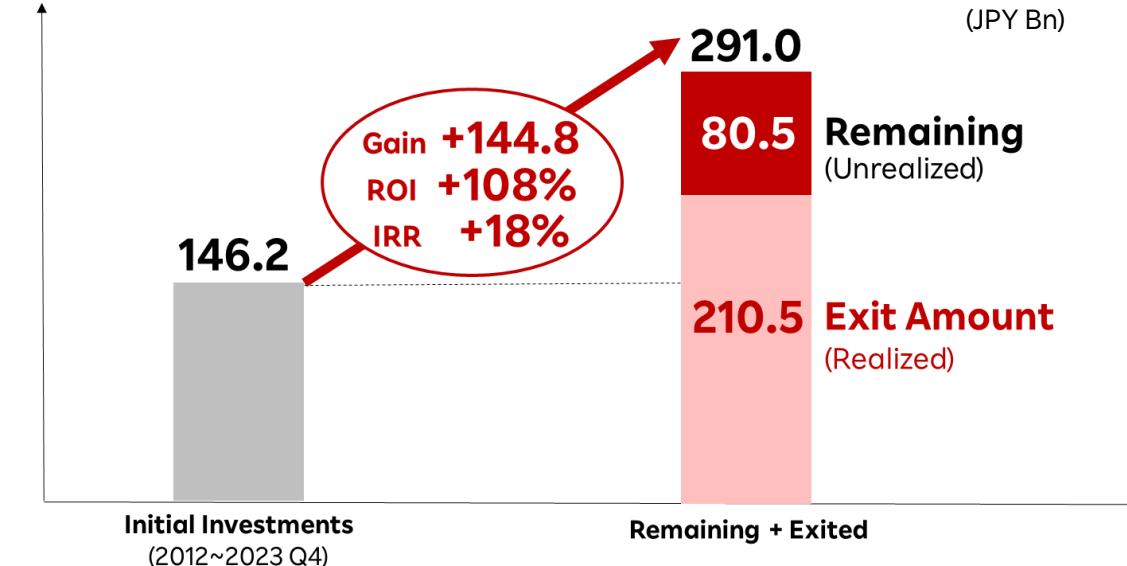
Investment Selection:

- Promising innovative and high growth companies with Rakuten Ecosystem contribution
- Leveraging Rakuten management resources and network, and screening by Big Data

Adding Value:

- Support business growth expansion and start-up (IT, marketing, etc.)
- Provide know-how such as web marketing and KPI management

Performance^{*2}



Portfolio

Number of Investments ^{*5} :	Remaining	Exited ^{*3}	Non R-Capital ^{*4}
44		43	2
Internet	Ride Sharing	Healthcare	
carousell	cabify	アイメット	Pinterest
SHOPBACK	DI/DX	airweave	Careem (Partial)
OneSignal	hacomono	Ubie	VISIONAL
	dataX	TOON CRACKER	Upstart
Sustainability	Mobile /	Other	BASE FOOD (Partial)
CARIUMA	airalo	ÖKAN	goto
JEPLAN	BAAZ	Digital Entertainment Asset Pte. Ltd.	
	METAPHYSIC	DAITO	

*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.

*4 Lyft and Rakuten Medical have been transferred from Rakuten Capital to other businesses

*5 Numbers are related to Rakuten Capital investments only as of Q4/23.

FinTech Segment

Businesses in FinTech Segment

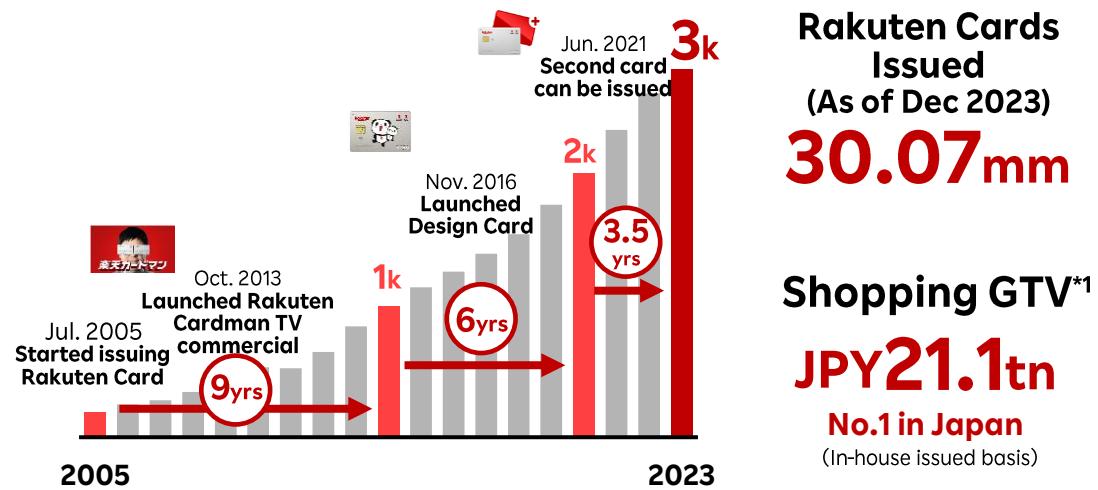
FinTech Segment

Rakuten Card	■ Rakuten Card
Rakuten Bank	■ Rakuten Bank
Rakuten Securities	■ Rakuten Securities Individual and Overseas Subsidiaries
Insurance Business	■ Rakuten Life Insurance ■ Rakuten General Insurance ■ Rakuten Insurance Planning etc.
Rakuten Payment	■ Rakuten Pay ■ Rakuten Edy ■ Rakuten Point Partner ■ Rakuten Pay (Online Payment)
Others	■ Rakuten Securities Holdings ■ Rakuten Wallet ■ Rakuten Investment Management ■ Overseas Subsidiaries of Rakuten Card and Bank etc.

FinTech Segment: Rakuten Card

Highlights

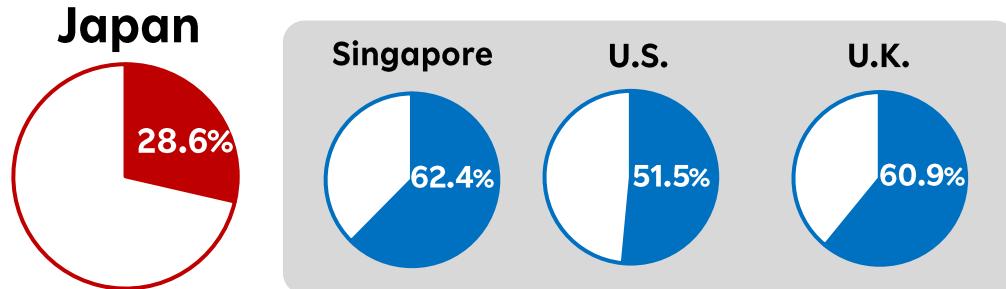
Top Class Credit Card in Japan



Market Opportunity

Growth Potential for Credit Cards in Japan^{*3}

Comparison of credit card (including debit card) penetration rates



*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 2022" 2021 Percentage of credit card issuance number and transaction value in private final consumption expenditure by credit card payment (genre) in other countries.

*4 As of end of 2023 (includes B2B, BCP plan)

KPI

Mid-Term Goal "Triple Three"

Annual Shopping GTV

Target
JPY 30 tn

JPY 21.1tn
(FY2023)

GTV Share^{*2}

Target
30.0%

23.2%
(Nov. 2023)

Cards Issued

Achieved
30mm

30.07mm
(End of 2023)

Growth Strategy

Mid-Term Goal "Triple Three"

Rakuten

Domestic EC
Ex: Percentage of Rakuten Card transactions in Rakuten Ichiba GMS:
70%+

Rakuten Card

Cards Issued: 30mm+
Securitization of receivables
Rakuten Bank
Rakuten Securities
R Pay etc.
GMS expansion
GMS expansion
GMS expansion

Rakuten Mobile

Subs⁴
6mm+

FinTech Segment: Payment Business

Highlights

Rakuten Payment¹ 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}
 FY2023JCSI

Ranked No. 1 in all 6 key indicators



Entrance to Rakuten Group

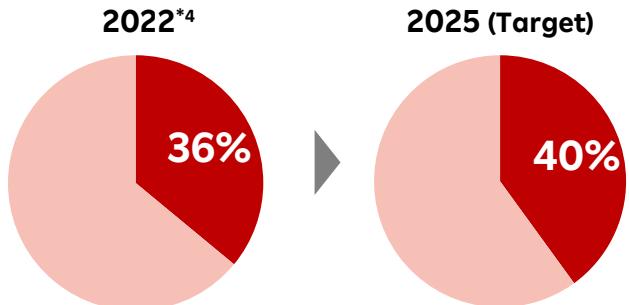
New Rakuten Members
1 in 4
 via Rakuten Payments



Market Opportunity

Growth Potential for Cashless in Japan

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



Full digitalization of payments

*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)

Services

Payment Business Service Lineup

Cashless Payment Services



Rakuten Pay

Common Point Service



Rakuten Point Card

IC type Electronic Money



Rakuten Edy

Online Electronic Money



Rakuten Cash

Growth Strategy

Meet diverse needs with expanded functionality leveraging the Rakuten Group assets

Various Payment Sources and Methods



Rakuten Pay App



Use Cases

Point Linkage
Transportation
Public utilities

Financial Services
Overseas Settlement
Municipal Cooperation

Authentication Methods



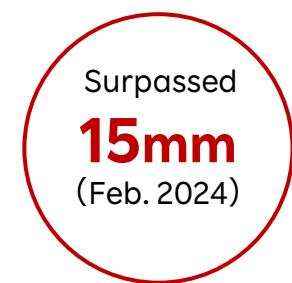
FinTech Segment: Rakuten Bank

Highlights

Japan's Largest Online Bank^{*1}

**Number of Accounts
(Online Bank)**

No. 1^{*1}



**Deposit Balance
(Online Bank)**

No. 1^{*1}



Listed on the Tokyo Stock Exchange Prime Market (April 21, 2023)

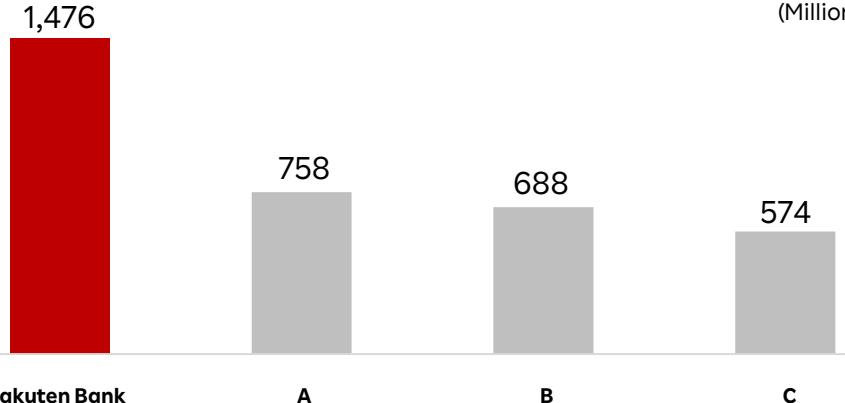
Becoming a Leading FinTech Company for the Zero-Cash Era

KPI

No. 1 in Number of Online Bank Accounts^{*3}

Number of Online Bank Accounts (As of December 2023)

(Millions of Accounts)

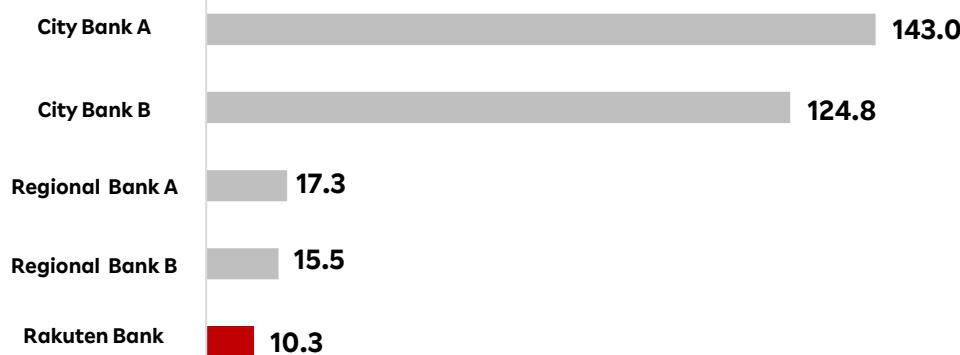


Market Opportunity

Growth Potential of Online Banks in terms of Deposits

(JPY Trillion)

Total Deposits at major Japanese banks vs. Rakuten Bank^{*4}



Growth Strategy

Implementing growth strategy in the “Second Growth Stage”

- 1** Efficiently expand customer base through mutual customer transfers with group services by leveraging the Rakuten Ecosystem
- 2** Enhancing profitability by promoting main accounts^{*5}, expanding loan product lineup for individuals, and increasing middle-risk assets under management
- 3** Capitalize on growth in the FinTech domain by leveraging Rakuten Group and Rakuten Bank's data and AI

*1 Based on the number of accounts. (As of December 31, 2022) *2 J-GAAP base

*3 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]"

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

*5 “Main account” refers to an account that is used as a transfer account or a payroll/bonus receiving account for Rakuten Bank accounts.

FinTech Segment: Rakuten Securities

Highlights

Steady Growth of Number of New Accounts

Number of Accounts
(As of Dec. 2023)

10.2mm

Asset Under Custody^{*1}
(As of Dec. 2023)

JPY 25tn
+37.8%
YoY

NISA Account Share^{*2}
(As of Sep. 2023)

33.0%

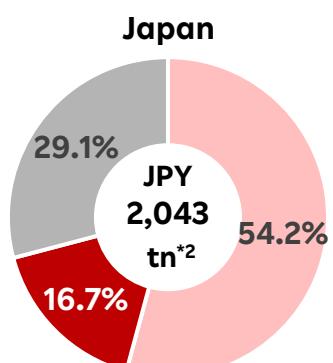
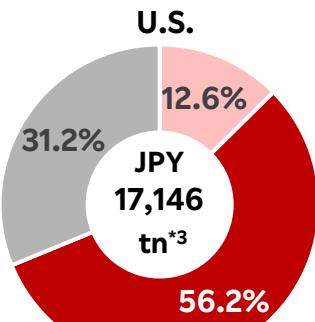
Largest among domestic securities companies non-consolidated basis (based on disclosure)^{*3}

Market Opportunity

Growth Potential of Securities Industry

Comparison of Japan and U.S. Household Financial Assets^{*4}

Cash / Deposit ■ Stocks / Bonds / Investment Trusts etc. ■ Others



Additionally

No Commission on Japanese Stock Transactions (Oct. 2023~)

And
Start of New NISA (Jan. 2024~)

Differentiation

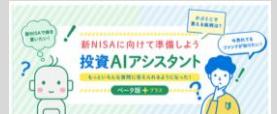
Support from Beginners to Active Traders

Support for Beginner Investors

- ▶ Investment information media "Tousil"



- ▶ Utilization of investment AI assistant



Save money and enjoy convenience with Group Linkage

- ▶ Money Bridge (Rakuten Bank Linkage), easy deposits and withdrawals, no transfer fees
- ▶ Rakuten Card (up to 100,000 yen per month) and Rakuten Cash (up to 50,000 yen per month) to accumulate investment trusts.
- ▶ Earn Rakuten Points for holding eligible investment trusts according to the balance of your investment trusts
- ▶ Accumulated Rakuten Points can be invested in stocks and investment trust

Support for Experienced Investors

- ▶ Full range of free trading tools



- ▶ A full lineup of products

In addition to domestic stocks, investment trusts and bonds, global investment products such as overseas stocks, overseas ETFs, foreign currency-denominated MMFs and FX are also available

Growth Strategy

Maximize Clients' Financial Well-being as a Digital "Asset Creation" Platform

- 1 Further expand Rakuten Securities' customer base and accelerate growth in assets under management by targeting beginners and younger customers, where Rakuten Securities has strengths.
- 2 Improve profitability per assets under management through the development and provision of new products and services that meet diverse investment and asset management needs
- 3 Improve customer satisfaction and increase LTV (Lifetime Value) per account by strengthening cooperation among group services and utilizing AI and other technologies to provide more personalized proposals in a timely manner

*1 J-GAAP base

*2 Calculated by Rakuten Securities based on "Survey on NISA and Junior NISA Account Openings and Usage (All Securities Firms)" by Japan Securities Dealers Association (as of September 30, 2023).

*3 Calculated by Rakuten Securities based on information disclosed on each company's website; number of accounts as of March 31, 2021 for SBI Securities since it does not disclose the number of single accounts; number of remaining customer accounts for Nomura Securities and Daiwa Securities; number of total accounts for SMBC Nikko Securities.

*4 Based on "Comparison of Flow of Funds between Japan, the U.S. and Europe" released by the Research and Statistics Department of the Bank of Japan on August 25, 2023. *5 Calculated with 1 USD = 150 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

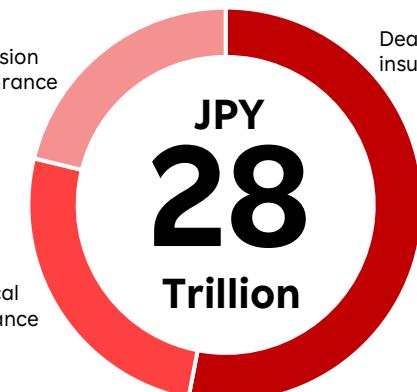
One – Stop Consultation, both online and offline



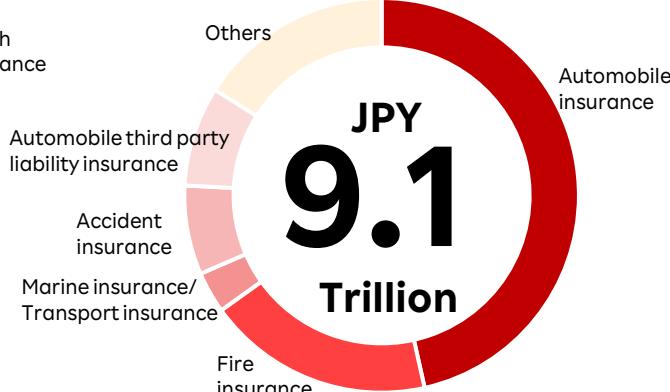
Market Opportunity

Life Insurance Application Channel^{*2}

Life Insurance



General Insurance



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.

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

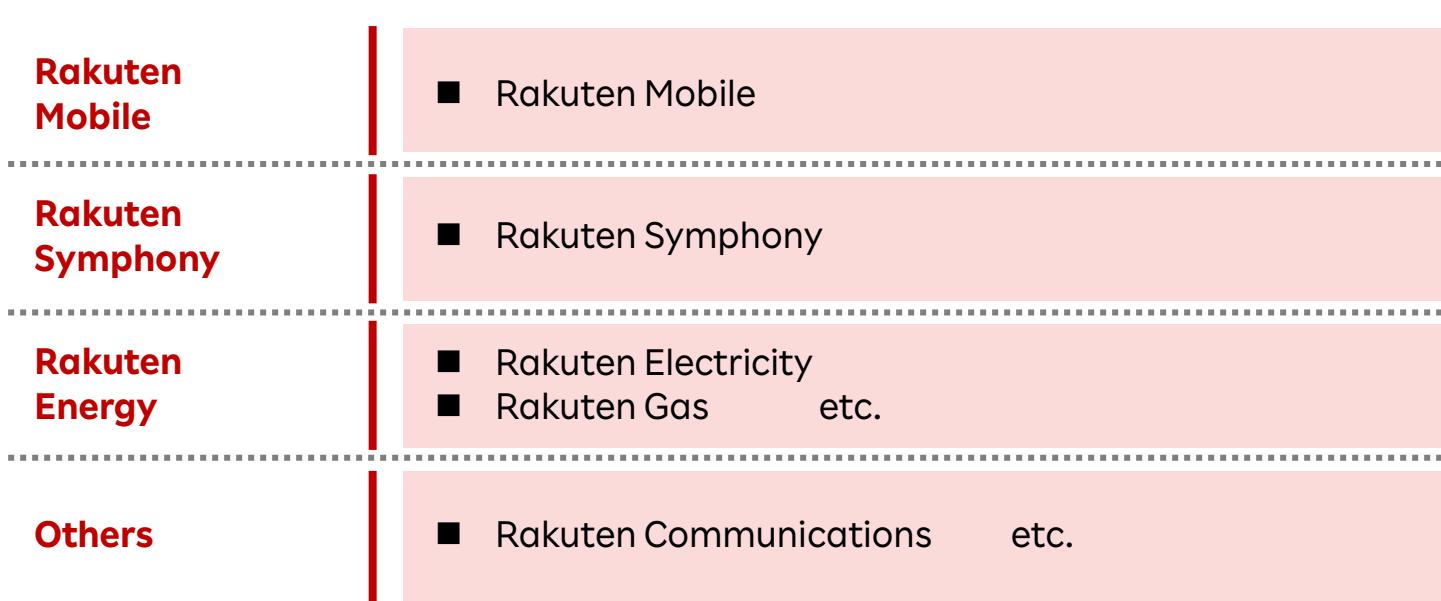
*1 When conditions are met with the selected insurance products, 1% of the premium is paid back as Rakuten point. For more information, please check each website.

*2 Source: Life Insurance Association of Japan "Life Insurance Business Overview 2022 Annual Statistics", The General Insurance Association of Japan, "Summary of General Insurance Member Companies' Financial Results for the Fiscal Year 2022".

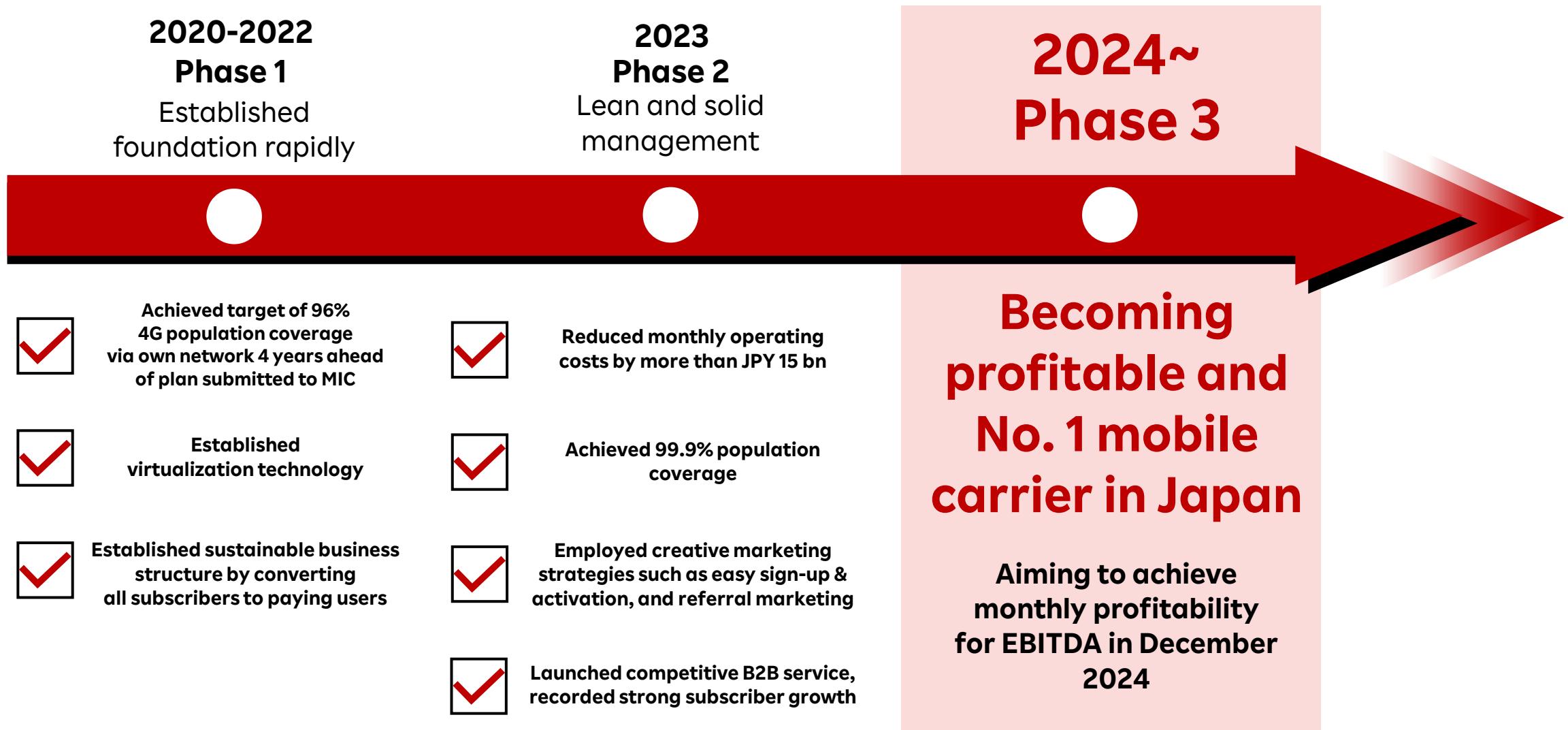
Mobile Segment

Businesses in Mobile Segment

Mobile Segment



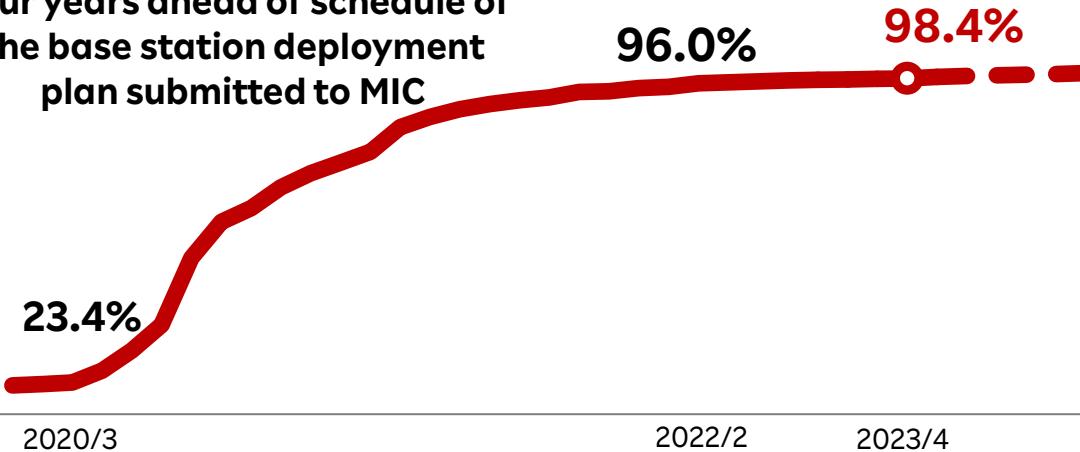
Rakuten Mobile: Moving on to Phase 3



Rakuten Mobile: Phase 1 - Established Foundation Rapidly

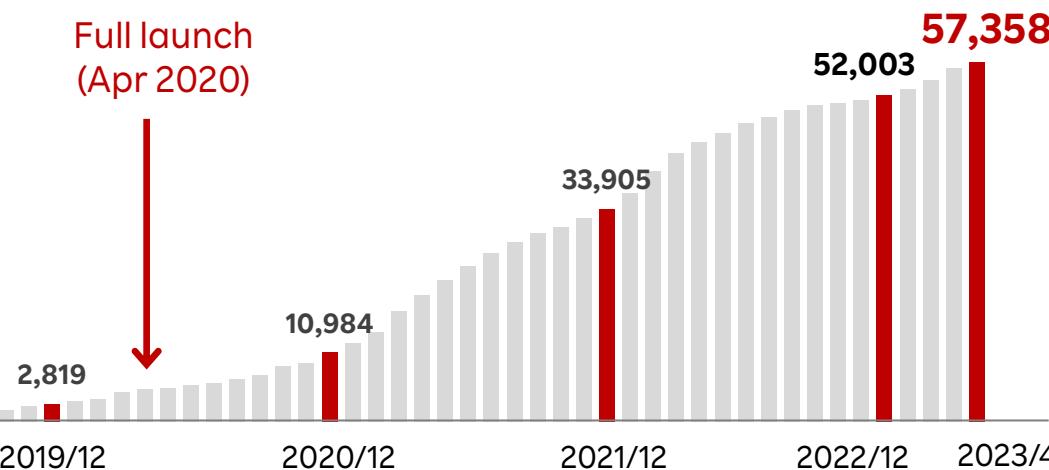
4G Population Coverage*

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

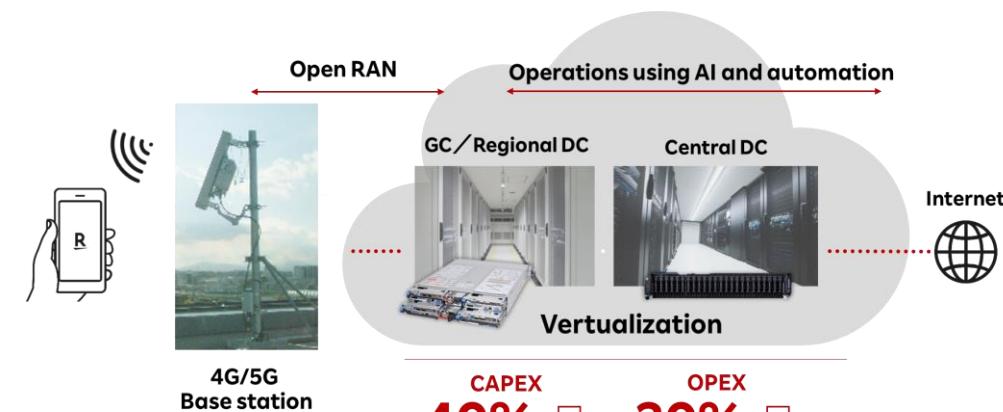


4G Base Stations On-Air

Full launch (Apr 2020)



Virtualization Technology

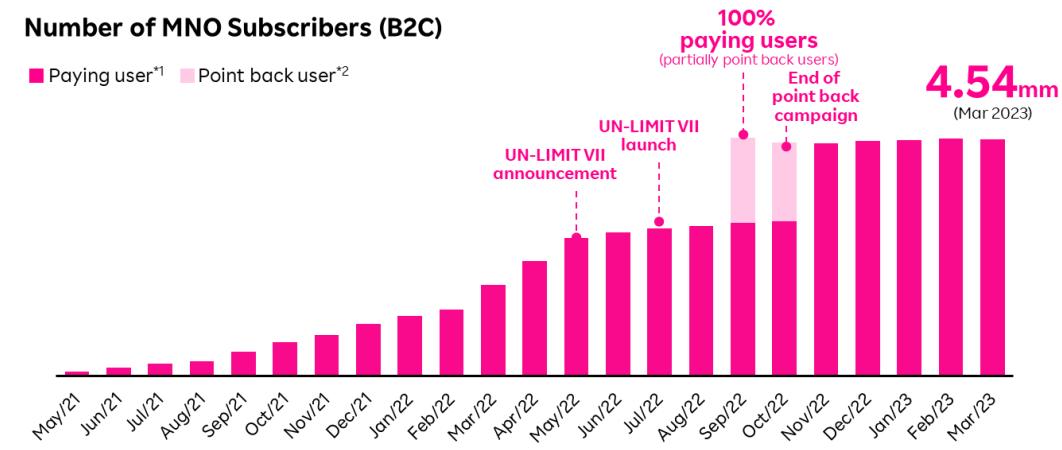


CAPEX
40% ↓
OPEX
30% ↓

Steady Expansion of Customer Base

Number of MNO Subscribers (B2C)

■ Paying user*¹ ■ Point back user*²



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

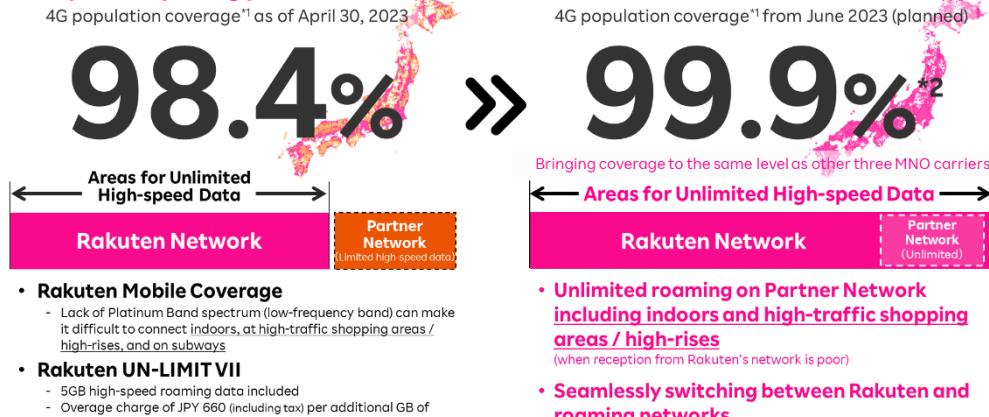
*2: Users whose data usage was under 1GB at Sep. and Oct., and eligible for a campaign that awards points equivalent to the plan fee.

*BCP refers to plans sold for Business Continuity Plan purposes in B2B

Rakuten Mobile: Phase 2 - Established Lean Management

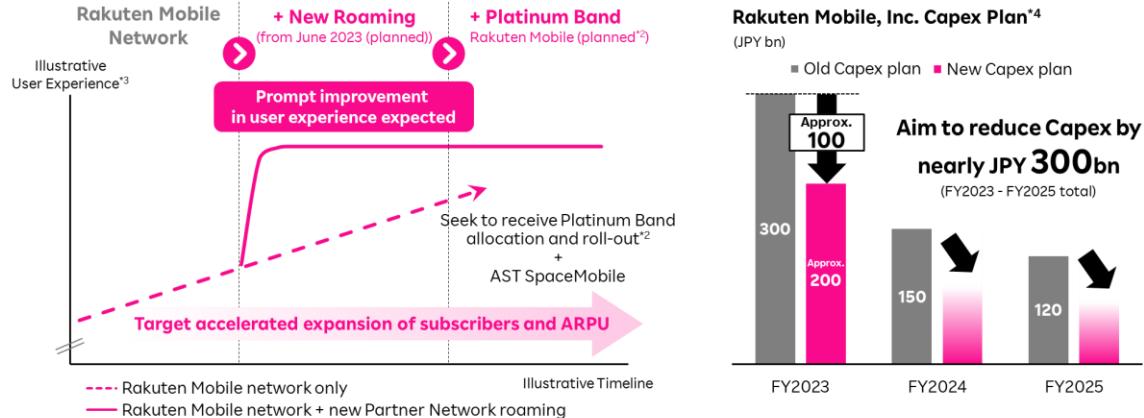
New Roaming Contract / New Pricing Plan from June 2023...

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



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



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}

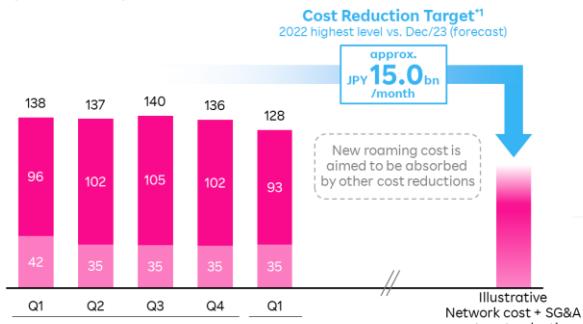
Rakuten Link Desktop^{*5} Free calls in Japan even using PCs

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

Points Shopping with max 16x points^{*8}

Toward Further Stable Management – Cost Reduction

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



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

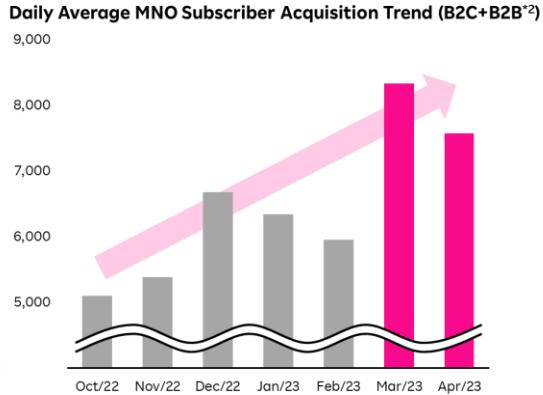
✓ Customer acquisition costs

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

Rakuten Mobile: Phase 2 - Subscriber Acquisition and ARPU Expansion

Steady Expansion of Loyal MNO Subscribers

MNO subscribers as of May 10, 2023: 4.65mm¹

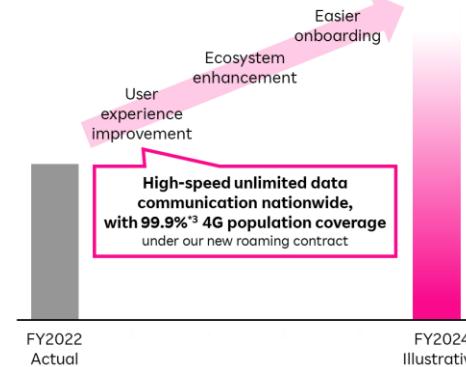


*1: Preliminary figure.

*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.

Growth Drivers
(Illustrative MNO subscriber acquisition)



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/person¹ for referring subscribers
- ✓ 3,000 Rakuten Points for referred subscribers²



3

Corporate Services (from Jan 2023)

Key features of corporate plans

- ✓ UNLIMITED domestic calls³
- ✓ FREE International calls⁴
- ✓ 5G available⁵

1,400+ customers⁶
(c. 0.16% penetration⁷)

900,000 corporate customers of Rakuten Group⁶

*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 (188) are not eligible for free calls. Unlimited on Rakuten's network or Wi-Fi using Rakuten Link. Domestic calls without Rakuten Link are not included.

*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.

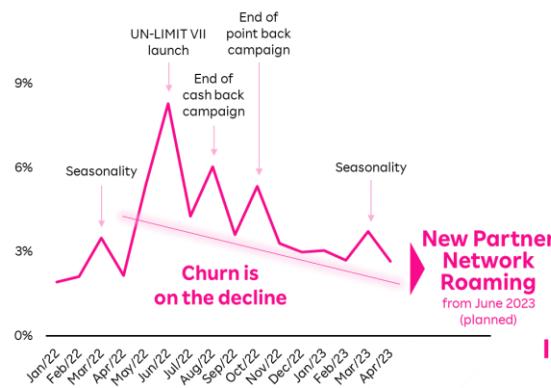
*5: 5G service can be available with a 5G compatible device under the 5G service area of Rakuten Mobile. For details on our 5G service area, please see the Rakuten Mobile web site.

*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%

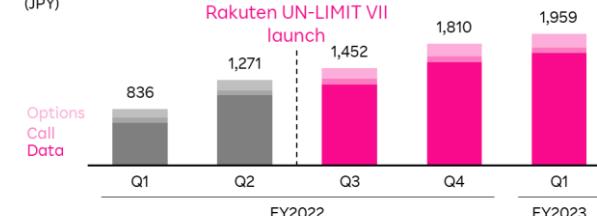
Improving quality of network for users
Is the key to further decrease churn

*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

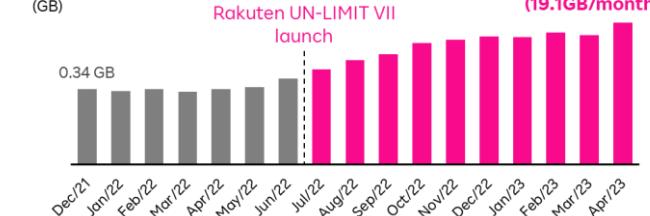
B2C ARPU¹ Trend

(JPY)



Average Data Volume per Day

(GB)

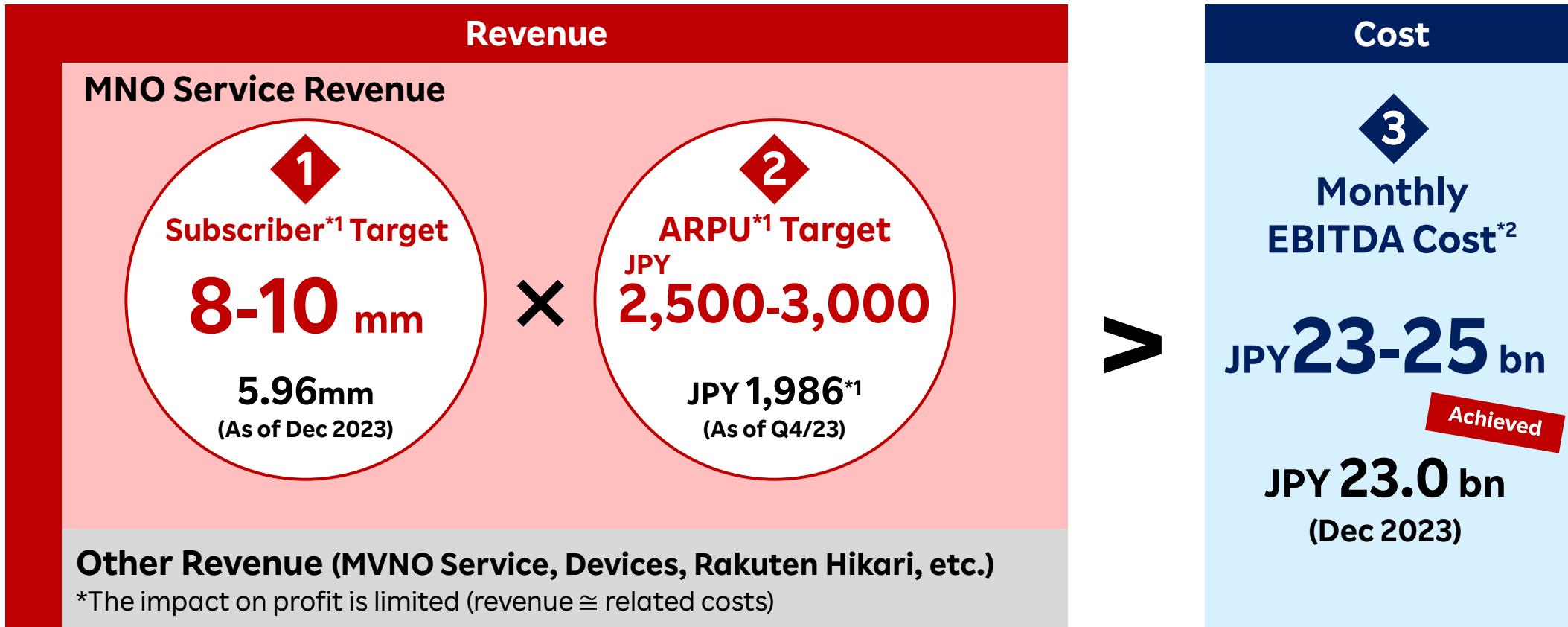


* Average Monthly Revenue per User is calculated by dividing revenue from each service by the average number of subscribers between the end of the most recent quarter and the previous quarter. From January 2023, due to a definition change for subscribers, past amounts have been retroactively adjusted.

Rakuten Mobile: Phase 3

Aiming to Achieve Monthly Profitability for EBITDA in December 2024

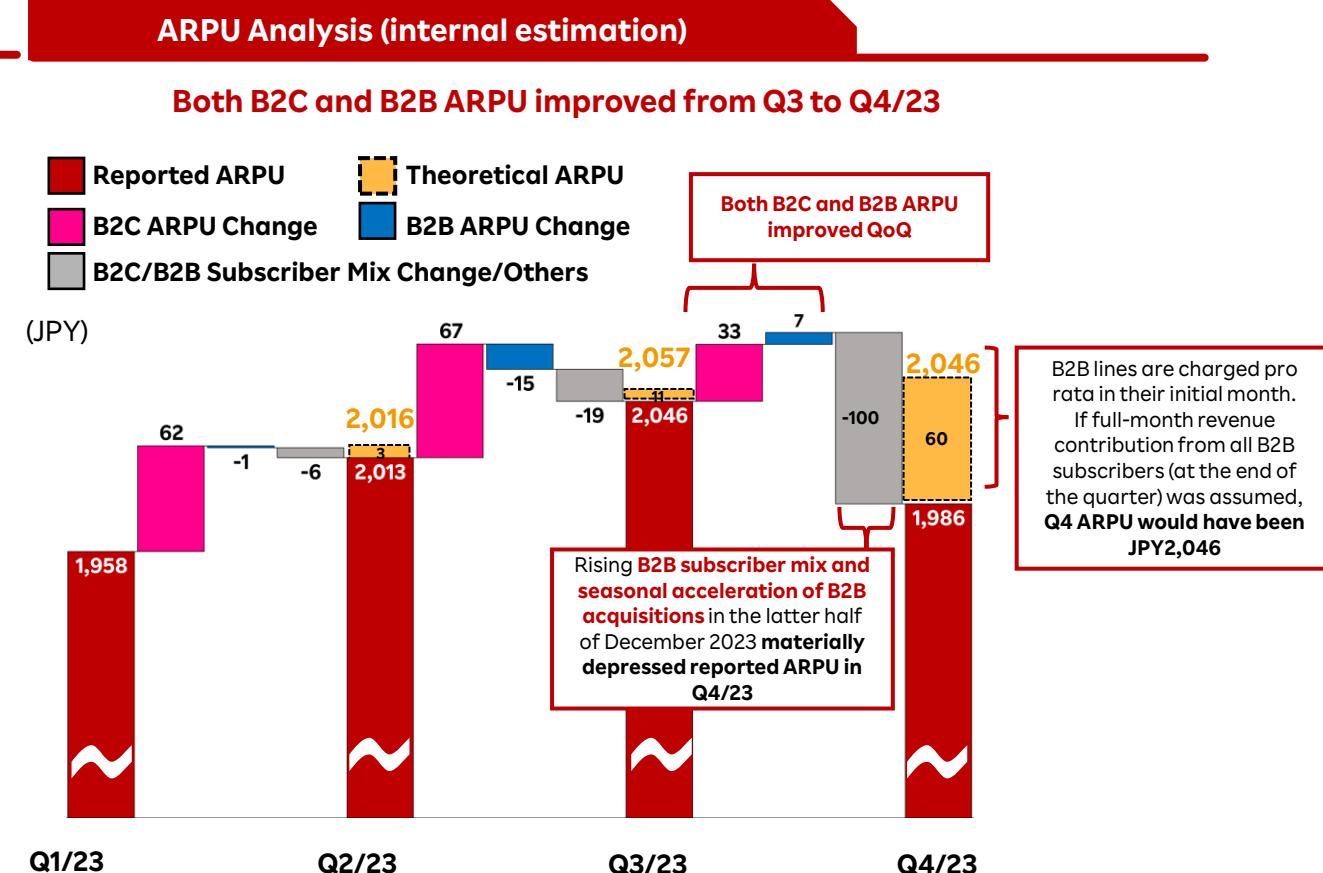
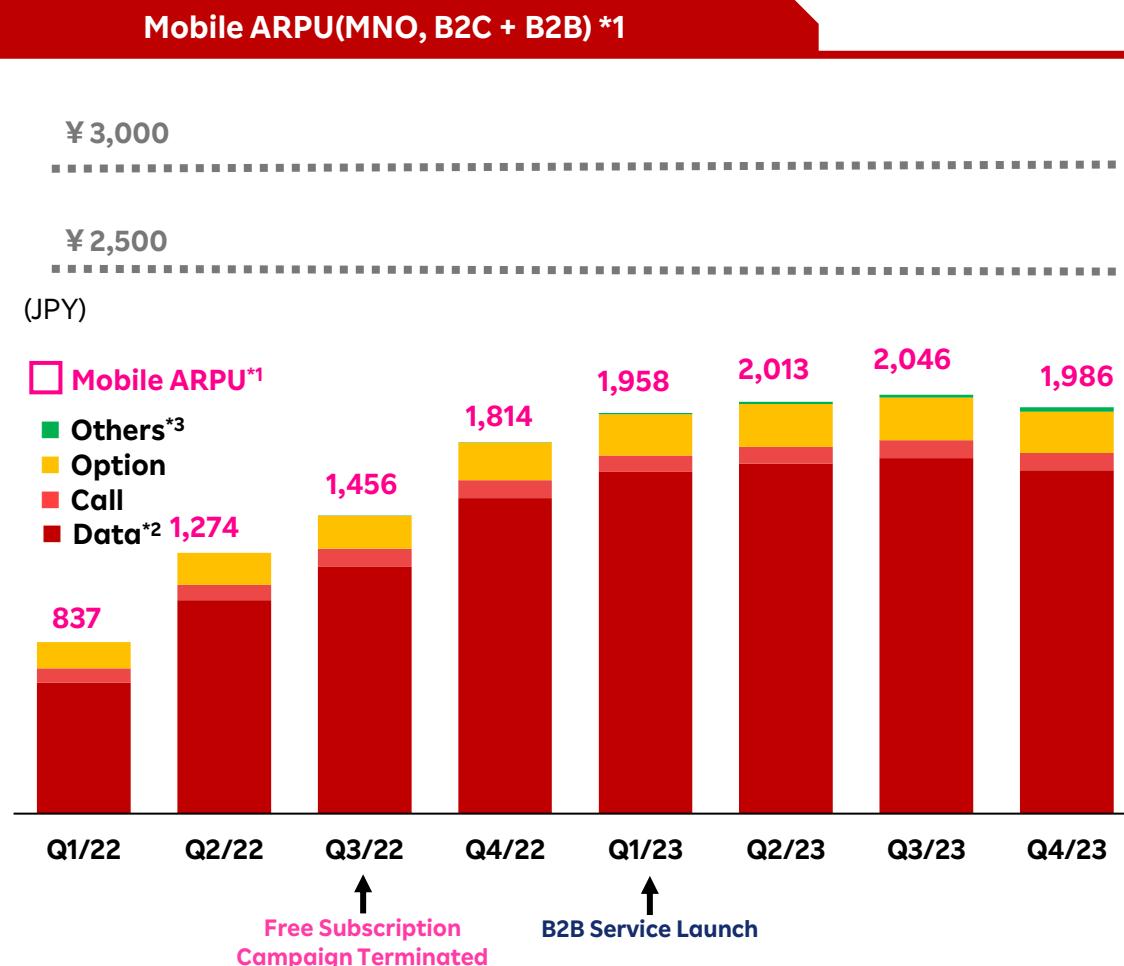
- Aiming to grow MNO Service Revenue to cover EBITDA cost



*1 Excluding BCP. BCP refers to plans sold for Business Continuity Plan purposes in B2B

*2 Cost excluding depreciation expenses

Rakuten Mobile: Latest ARPU



*1 Excluding BCP, BCP is pricing plan for Business Continuity Plan purposes in B2B. Due to a definition change for subscribers and revenue breakdown, past amounts have been retroactively adjusted. The breakdown of revenue and KPIs is disclosed as an indicator used by management in decision-making (business management indicator). Therefore, the scope of calculation and breakdown may change in the future, and retroactive adjustments may occur.

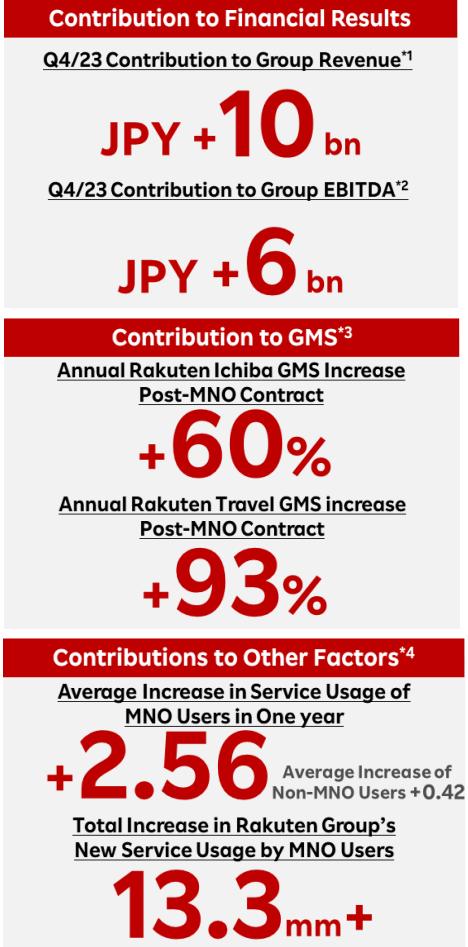
*2 Data ARPU: Point back campaign for users of less than 1GB during September-October 2022 are recorded as deduction from revenue. However, we include it in the calculation of ARPU here

*3 Include advertising, B2B miscellaneous income

Rakuten Mobile: Contribution to the Rakuten Ecosystem and Further Expansion Potential

Contribution Achievements to the Ecosystem

Rakuten Mobile



Robust Ecosystem

The Rakuten Group possesses a solid customer base, and by promoting cross-use within the ecosystem, it is possible to further expand the number of contracts for Rakuten Mobile

Membership in Japan

Over 100 mm

Monthly Active User Growth in Japan

41.54 mm

(As of end of Dec 2023)

Number of Rakuten Points Issued in 2023

650 bn

Cumulative Issued
Approx. 4.0 tn

Membership worldwide

1.7 bn

Number of Services

Over 70 Services

Rakuten Cards Issued

30.07 mm

(As of end of Dec 2023)

Rakuten Securities General Accounts

10.20 mm

(As of end of Dec 2023)

Rakuten Bank Bank Accounts

14.76 mm

(As of end of Dec 2023)

*1 Calculated based on Ecosystem ARPU uplift multiplied by a number of MNO subscribers at the end of each month. Ecosystem ARPU uplift is a difference in average revenue per person during the past 12 months between MNO users and non-MNO users in 10 businesses (Rakuten Market, Rakuten Books, Rakuten Direct, Rakuten Bic, Rakuten Kobo, Rakuten Fashion, Rakuten Travel, Rakuten Seiyu Net Super, Rakuten Beauty, Rakuten Pay Online Payment)

*2 Calculated by using each business's gross profit margin

*3 Users who have a contract with Rakuten Mobile between April 2020 and January 2023, and for whom 12 months or more have passed since the contract start. GMS growth is the weighted average of figures comparing GMS in the 12 months before the user's contract and the latest 12 months (2023/1~2023/12) for each contract start month. Travel figures include the effect of demand recovery from the COVID-19.

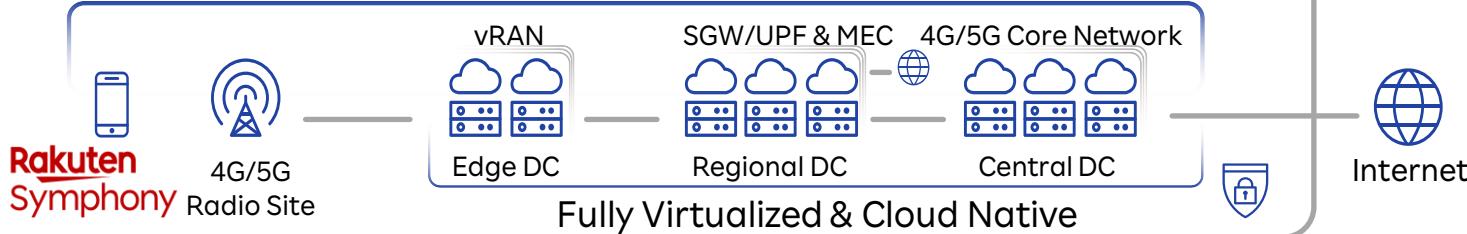
*4 MNO users: Users who have an MNO contract from December 2019 to January 2023. Non-MNO users: Users who have used Rakuten services in the past year from the relevant month. Service usage is detected by points. The number includes MNO itself

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

Business Description

Open Platform for Deploying and Utilizing Fully Virtualized Networks

E2E Automation & Orchestration



Best Cloud Solution
GLOMO 2023

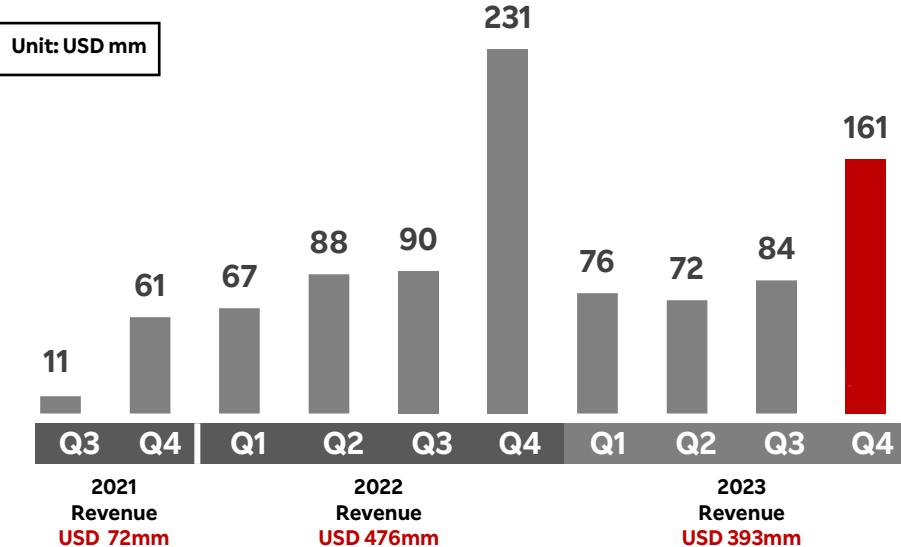


Most Innovative Vendor Cloud
Offering
Glotel Awards 2023

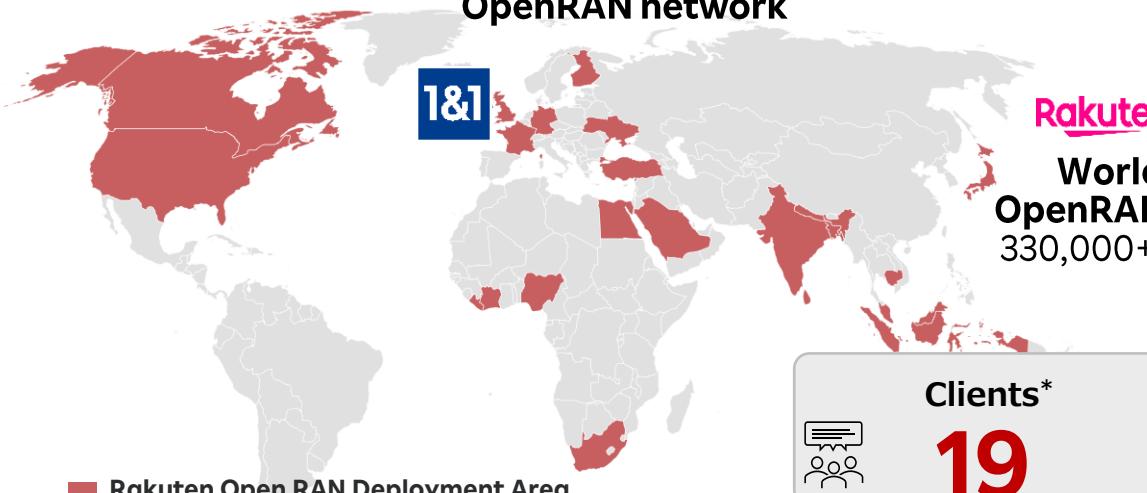
* As of end of 2023

Track Records

Quarterly Revenue



Rakuten Symphony helps build
Europe's first cloud-native
OpenRAN network



World's largest
OpenRAN deployment
330,000+ cells in Japan

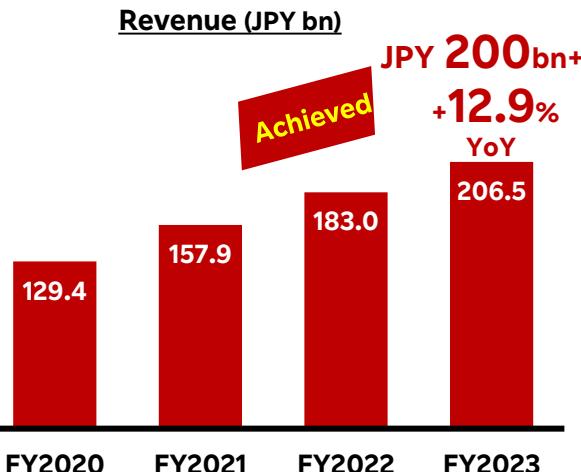
Clients*
19

Advertising Business

Rakuten Advertising Business in Japan

Revenue Growth

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



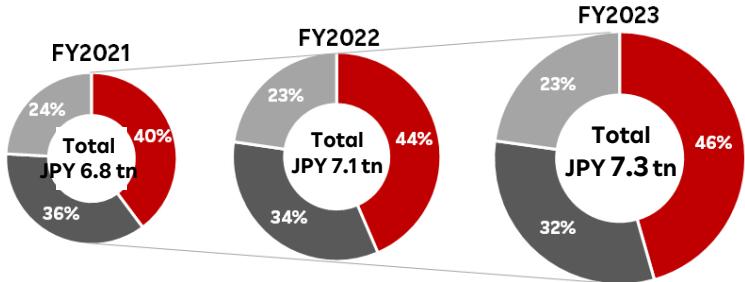
Major Television Broadcasting Stations* ²	Last twelve month Ad revenue (JPY bn) * ²
1 Fuji Media Holdings	435.0
2 Nippon Television Holdings	384.0
3 TBS Holdings	289.3
4 TV ASAHI HOLDINGS	230.0
Rakuten (Advertising Business)	206.5
5 TV ASAHI HOLDINGS	150.3

*1 Total domestic advertising revenue recorded in each segment (Internet Services, FinTech, Mobile) (including internal transactions) *2 SPEEDA "Television Broadcasting Business" *Limited to listed companies. Obtained from segment data available from SPEEDA (for the past 12 months). Fuji Media Holdings: Revenue from media content business. NTV Holdings: Revenue from media content business. TBS Holdings: Media Content sales revenue. TV Asahi Holdings: Revenue from TV broadcasting business. TV TOKYO HOLDINGS : Consolidated Revenue

Industry Potential

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

Advertising Expenditures in Japan



*Source: Dentsu "Advertising Expenditures in Japan in 2023"

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.

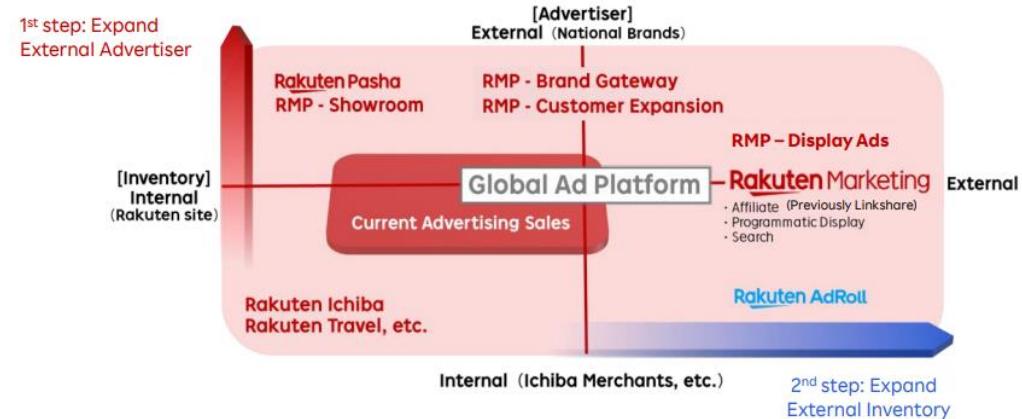


Rakuten's advertising business accumulates data from both online and offline sources.

Growth Strategy

Establishing Global Ad Platform and Upside Potential

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 1.8 billion members around the world. Rakuten also became Japan's newest mobile network operator in 2019.

Born in Kobe, Mikitani was educated at Hitotsubashi University in Tokyo, began his career in investment banking, and earned 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 and commercializing 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

“Englishnizaton”

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. Furthermore, we announced our carbon neutral target. Announced carbon neutrality goal and launched "Go Green Together" project calling for a greener future with consideration for the environment.



2023年カーボンニュートラル達成へ
Go Green Together

— 2023 —

Rakuten Bank, Ltd. listed on the Tokyo Stock Exchange Prime Market

Consolidated subsidiary Rakuten Bank, Ltd. was listed on the Prime Market of the Tokyo Stock Exchange. Aiming to become a leading FinTech company, taking advantage of its characteristics as a digital bank and looking ahead to the arrival of the zero-cash era.



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

Rakuten