

FY2022 First Quarter Consolidated Financial Results CEO Group Strategy

May 13, 2022

Rakuten Group, Inc.



Today's Agenda

- 1. 25th Anniversary and Vision 2030**
- 2. Q1/22 Highlights**
- 3- 7. Progress by segment**
(Internet Services, FinTech, Mobile, Rakuten Symphony,
Overseas & Contents)

1 25th Anniversary and Vision 2030



**Kept Challenges for 25 Years
and
Accelerate in the Future**

Vision 2030: Long Term Business Plan

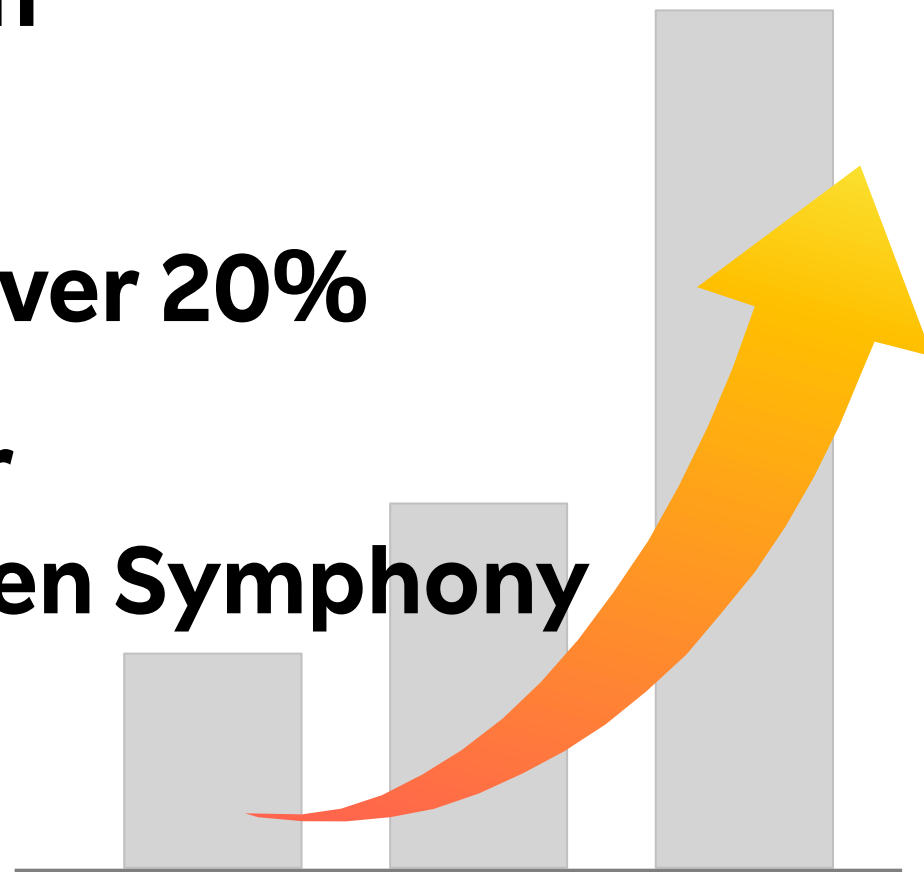
① Sustainable Topline Growth

② OI Margin

Current 13.5%* → Target Over 20%

**③ Significant profitability for
Rakuten Mobile and Rakuten Symphony**

***excluding mobile**



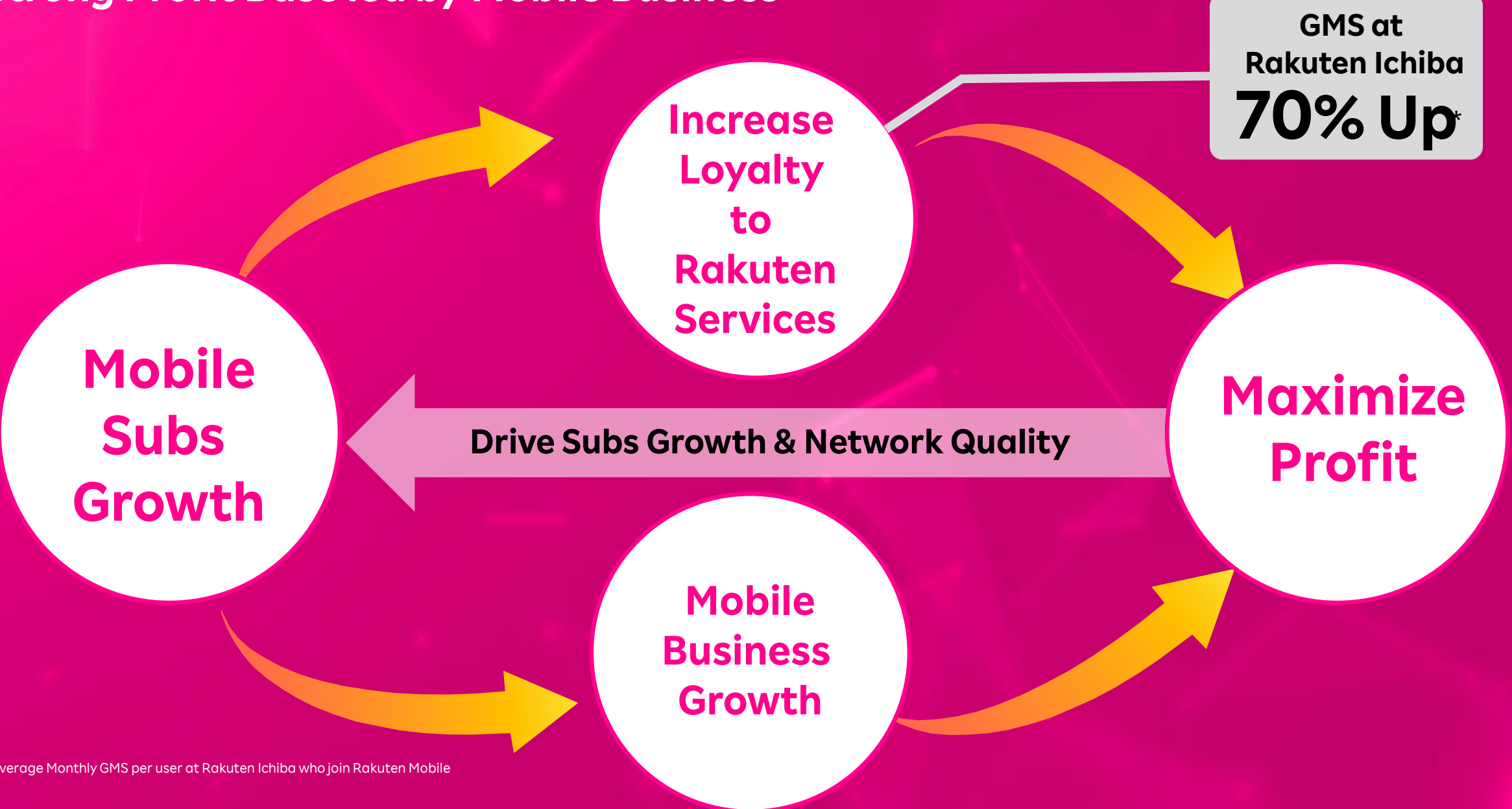
Vision 2030 vs 2021

	2021	2030
Revenue	JPY 1.7tn	Maintain growth momentum
OI Margin	13.5%* ¹	Over 20.0%* ²
Domestic EC GMS	JPY 5tn	Over JPY 10tn
FinTech	Card: Market Share 20% Bank: Preparation for listing in the future	Card: Mid-term Triple 3 goals Bank: Long term vision
Mobile/Symphony	Investment Stage	Mobile: New Pillar of profit & No.1 subscriber base Symphony: Leader in virtualized network industry

*¹ Excluding mobile

*² All businesses

Strong Profit Base led by Mobile Business



* Average Monthly GMS per user at Rakuten Ichiba who join Rakuten Mobile

2 Q1/22 Highlights

Q1/22 Key KPIs

Global GTV

JPY **7.3** tn
+21.9% YoY



Domestic EC GMS

JPY **1.3** tn
2 year CAGR
+15.9%



Consolidated Revenue

JPY **437.1** bn
+11.7% YoY



Non-GAAP Operating Income

(Excluding Mobile, Logistics,
Investment Business and adjustments)

JPY **46.0** bn
+8.5% YoY



Rakuten Card Shopping GTV

JPY **4.1** tn
+26.1% YoY



Rakuten Cards Issued (Apr/22)

26 mm



Rakuten Securities Accounts (Mar/22)

7.68 mm



Rakuten Bank Accounts (Mar/22)

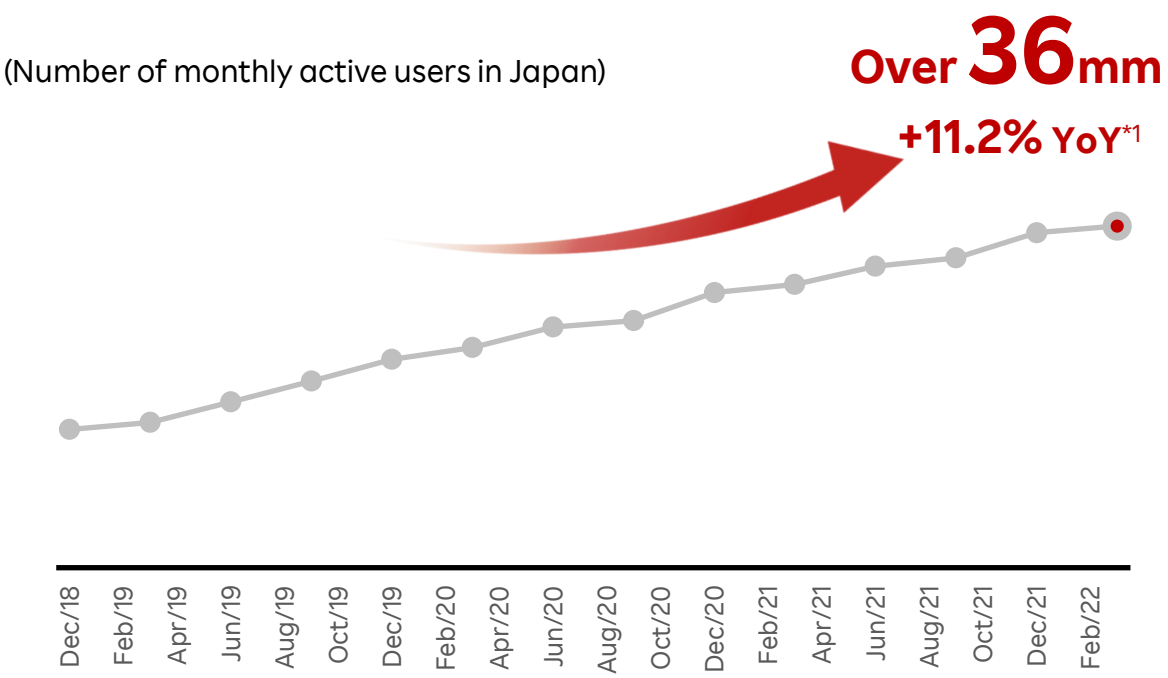
12.3 mm



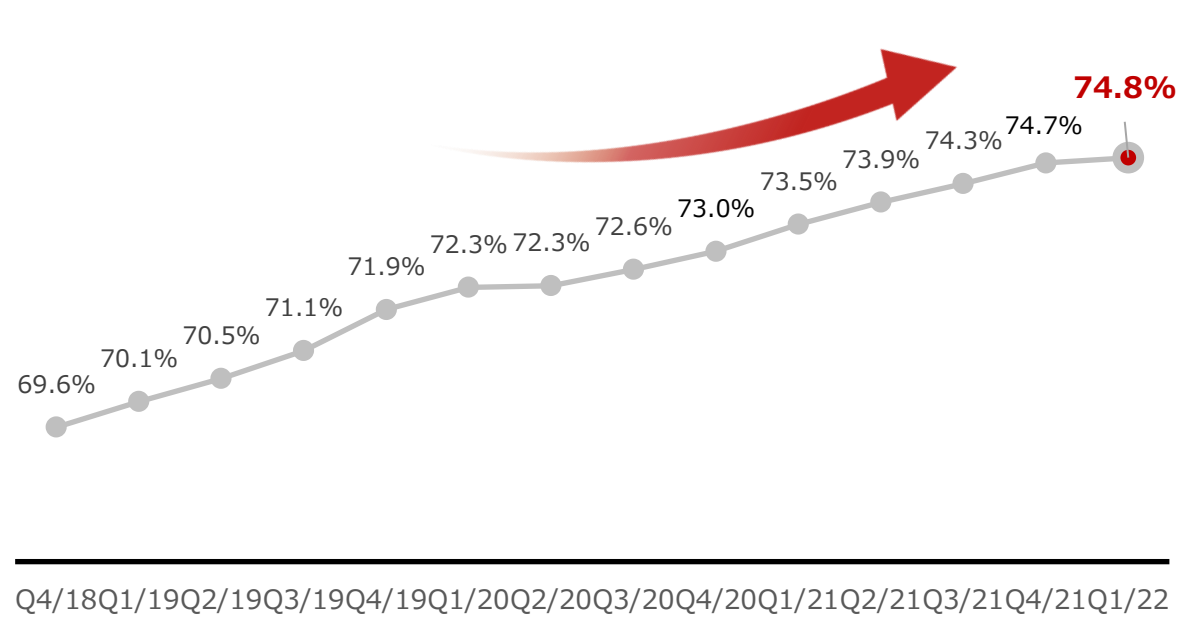
Rakuten Ecosystem Supports Growth of the Rakuten Group

The number of Rakuten Group **monthly active users in Japan** keeps growing while **cross-use ratio** steadily increases.

Monthly active user growth in Japan



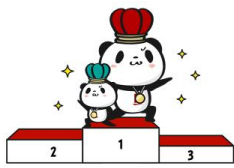
Ratio of users of two or more services*2



*1 Comparison of average monthly active users during end of January- end of March 2022 versus end of January- end of March 2021.

*2 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 March 2022).
(Limited to the use of services that can earn Rakuten Points.)

Customer Satisfaction Survey*¹: No. 1 Rakuten Points

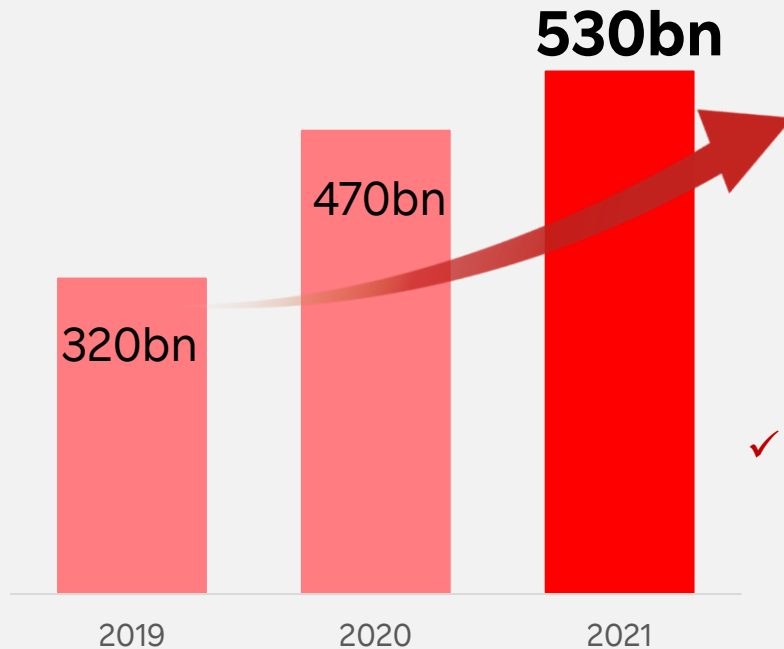


Number of points issued annually is increasing year by year

Attractive
Campaign & Program

Expanding
Points ecosystem

【Annual issuance of points*²】



✓ Over 90% of
points issued,
are used by
customers

Rakuten
スーパー
SALE

(Rakuten Super SALE)

R SPU↑

初めてサービスを使うごとに
もれなく **1,000** ポイントずつ
GET!

(Start Bonus Campaign)

Rakuten Points
Number of locations
Online / Offline

5mm*³ + 1.2mm*⁴

Innovative point service

“Point Investing”



“Point Bitcoin”



,etc.

,etc.

Promote cross-use and increase loyalty

*¹ My voice com, Survey on points, October 2021 *² Included the increase of the government cashless points due to the return business

*³ 5mm : Total number of locations where Rakuten Pay, Rakuten Edy, Point card are available to use as of June 2021.

*⁴ 1.2mm : Total number of stores where transportation electronic money can be used as of June 2021.

3 Internet Services

Domestic E-Commerce Highlights

Q1/22 GMS*1

Q1/22 Revenue

Q1/22 Non-GAAP
Operating Income

JPY 1.3tn

+10.0%

YoY

JPY 182.5bn

+11.9%

YoY

JPY 21.5bn

+77.3%

YoY

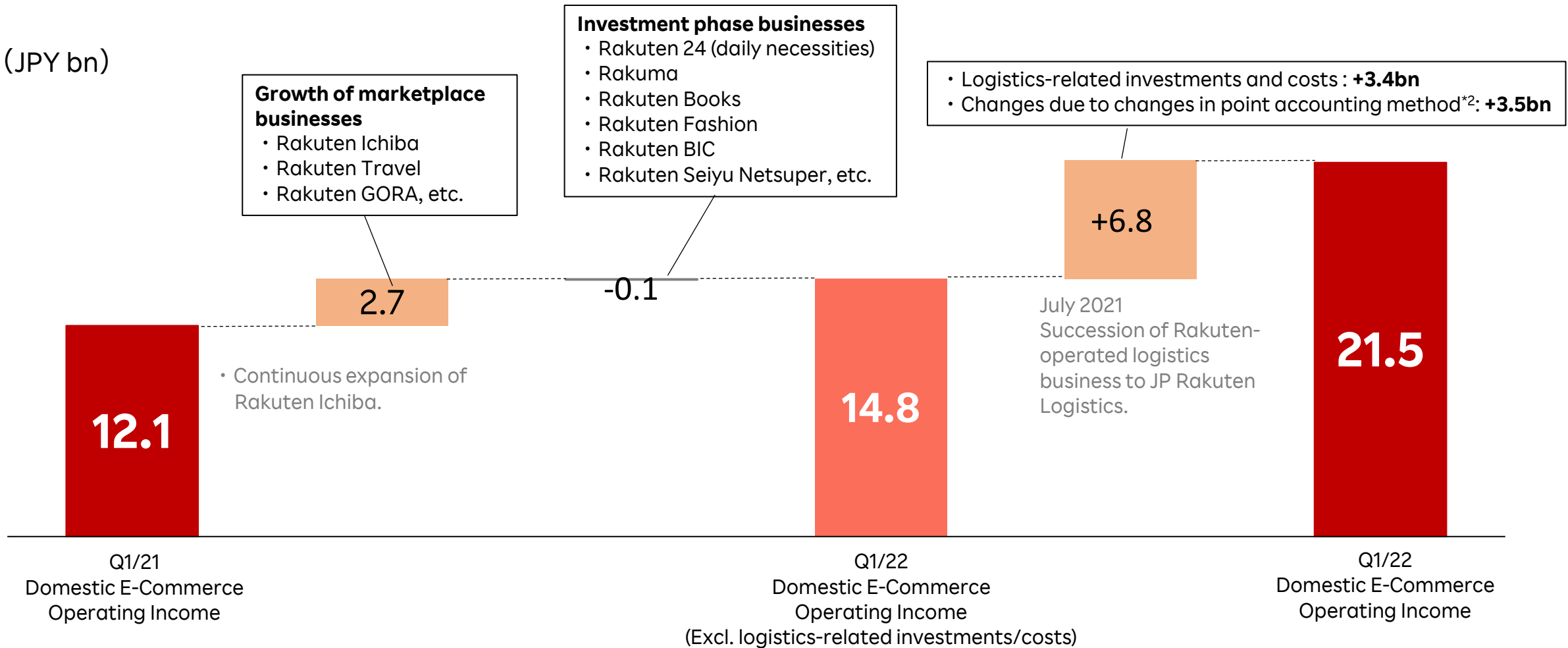
Q1/22 shopping E-Commerce*2
grew steadily, continuing from Q4/21

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

*2 Shopping e-commerce = Ichiba + 1st Party (Rakuten Fashion, Books, Rakuten 24 and other direct daily necessities shops, Rakuten Seiyu Netsuper) + Open EC (Rebates, Rakuten Pay online payments) + Rakuma.

Domestic E-Commerce Operating Income Breakdown^{*1}

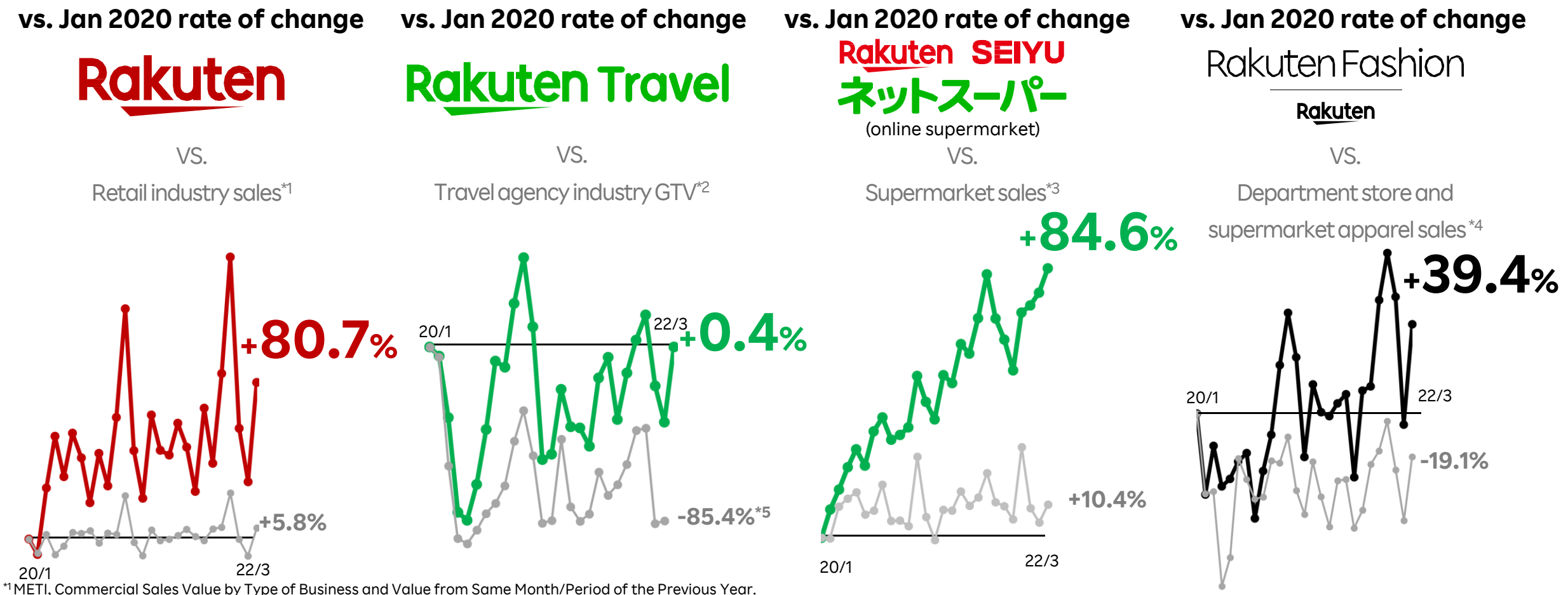
(JPY bn)



^{*1} From Q4/21, Rakuten Books network, cross border trading, Rakuten Kobo (domestic) and Rakuten Magazine were transferred from the Others segment to the Domestic EC segment. This has resulted in retroactive adjustments to Domestic E-Commerce revenue and operating income.

^{*2} Retroactive revisions have been made by transferring the points for the entire group that were managed at Rakuten Ichiba to the Rakuten Group.

Rakuten E-Commerce Services GMS Growth Exceeds Industry Standards



^{*1} METI, Commercial Sales Value by Type of Business and Value from Same Month/Period of the Previous Year.
^{*2} Japan Tourism Agency, Flash Report on Major Travel Agency Transaction Amounts.
^{*3} National Supermarket Association of Japan, Supermarket Sales Statistics Survey.
^{*4} METI, Preliminary Report on the Current Survey of Commerce (February,2022) Statistics Tables.
^{*5} As of February 2022

Rakuten Ichiba + Other E-Commerce Services Cross-Use Expansion

Q1/22 Rakuten Ichiba + Other E-Commerce Services Users YoY Cross-Use Growth

+14.7%

YoY

Rakuten (Rakuten Ichiba)

+

Rakuten GORA

+48.6%

YoY

Rakuten (Rakuten Ichiba)

+

Rakuten SEIYU
ネットスーパー
(online supermarket)

+23.5%

YoY

Rakuten (Rakuten Ichiba)

+

Rakuten BEAUTY

+43.2%

YoY

Rakuten (Rakuten Ichiba)

+

Rakuten Travel

+14.2%

YoY

Rakuten (Rakuten Ichiba)

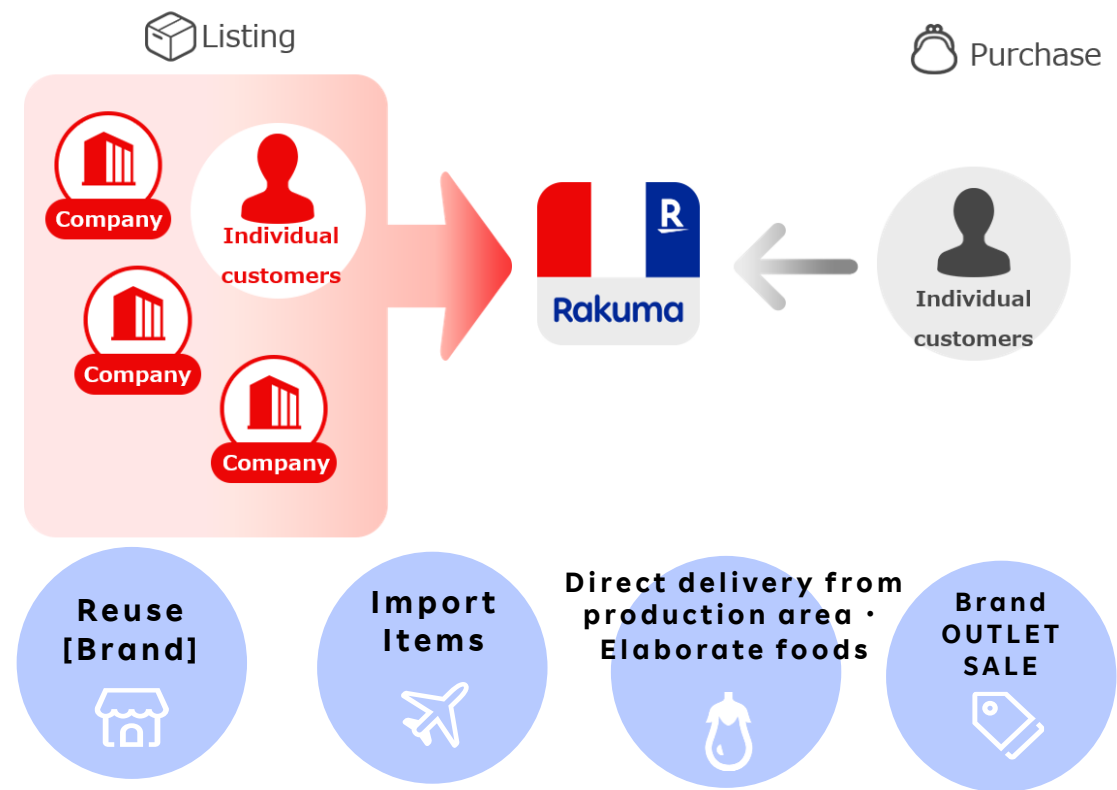
+

Rakuten Fashion
Rakuten

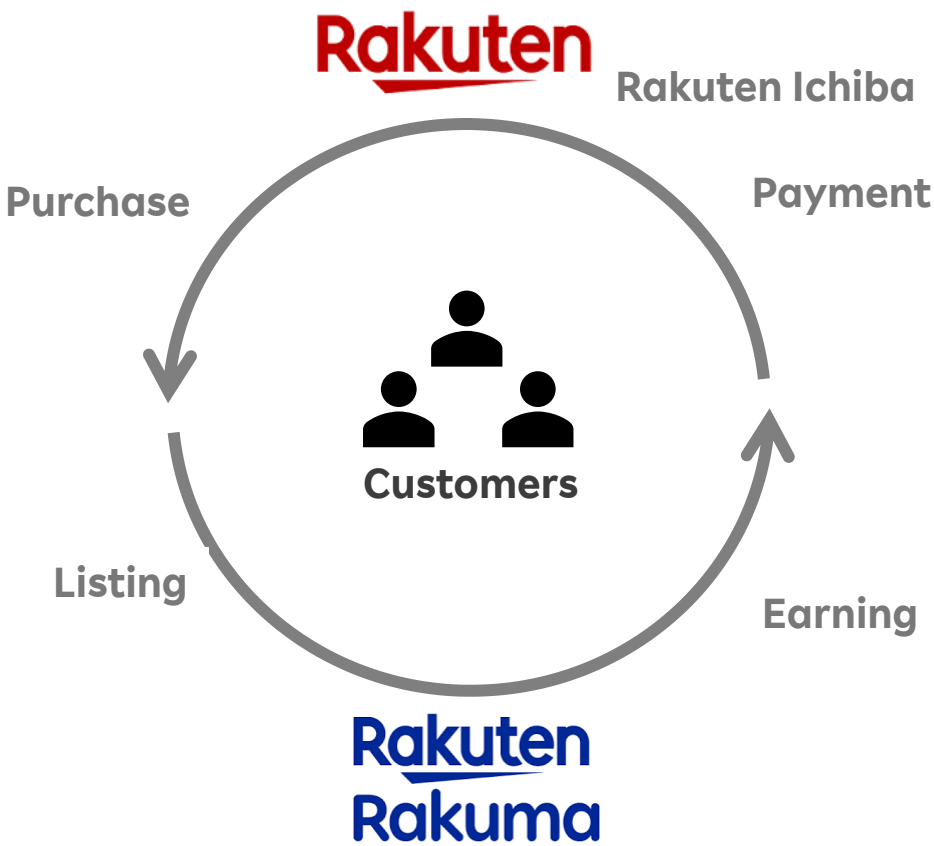
Rakuma: Expansion of business listings and circulation strategy

While activating secondary distribution together with businesses, we will strengthen cooperation with primary distribution and promote a circulation strategy with Rakuten Ichiba

Expansion to business listings



Circulation with Rakuten Ichiba



Rakuten Seiyu Netsuper: New Distribution Center Driving Performance Growth

Rakuten SEIYU
ネットスーパー
(online supermarket)

Distribution Center Expansion

- The commercial area and supply capacity have expanded not only in the Kanto area but also in the Kansai area due to the launch of our Kohoku logistics center and Ibaraki logistics center



<Ibaraki logistics center>

- 2018: Kashiwa City, Chiba prefecture
- 2021: Yokohama City, Kanagawa prefecture
- 2022: Ibaraki City, Osaka prefecture
- 2023: (Planned) Matsudo City, Chiba prefecture

Q1/22 GMS

(Total of store shipment / distribution center shipment)

+24.1%

YoY

Q1/22 GMS shipping from logistics centers

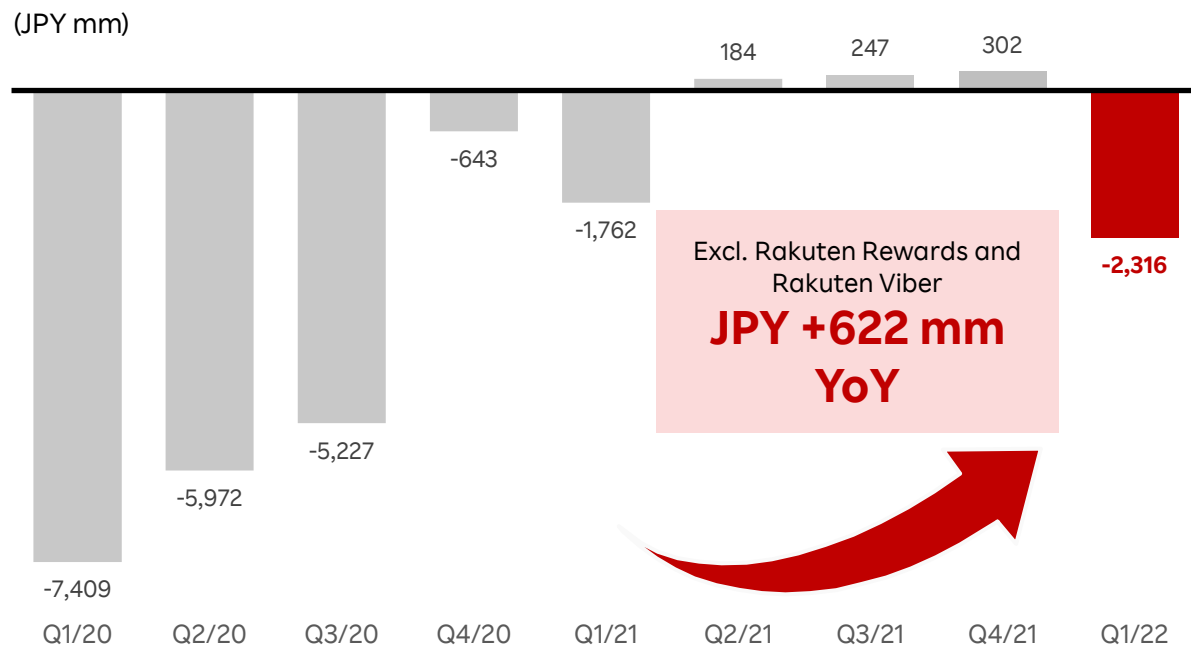
+70.5%

YoY

Improved Profitability of Other Internet Services

Profitability improved due to cost reductions achieved through business concentration and selections made by Business Portfolio Committee, and gradual return to normal business activity. This has led to significant profitability improvements across Other Internet Services.

Other Internet Services operating Income
(Excluding gain/loss from minority investment)



Main Factors

- Cost reduction thorough business management
- Improvement of sports and overseas businesses
- Q1/22 operating income decreased YoY due to Rakuten Viber reflecting Ukraine situation, and Rakuten Rewards marketing costs

4 FinTech

Q1/22 Earnings Highlights

FinTech

Card and Bank businesses are performing well with a growing customer base

Q1/22
Revenue (excl. Securities)

+5.4%
YoY

Q1/22
Non-GAAP OI (excl. Securities)

+4.8%
YoY

Rakuten Cards Issued *

Surpassed
26mm

Rakuten Bank Accounts

Surpassed
12.3mm

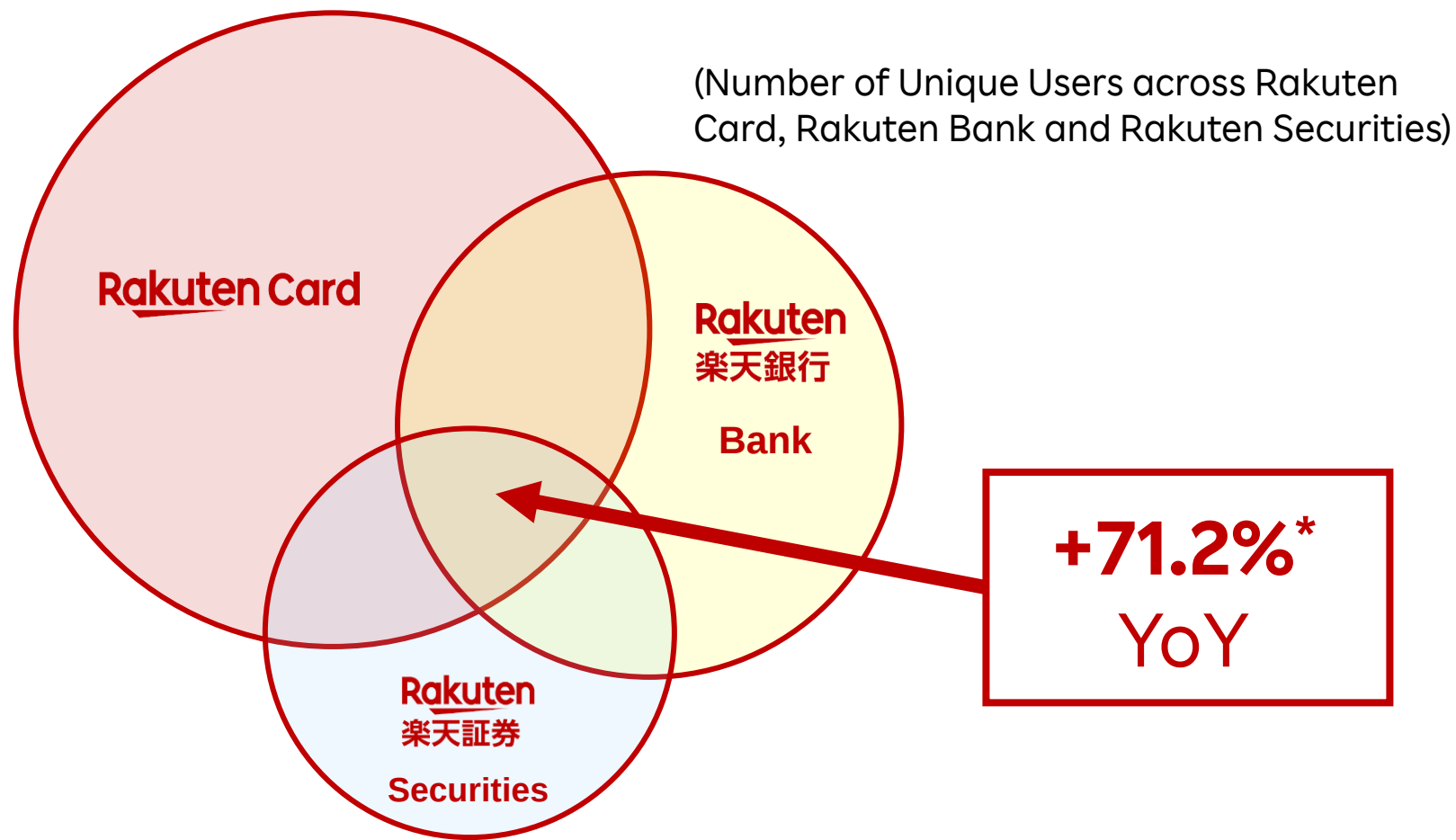
Rakuten Securities Accounts

Surpassed
7.6mm

* Achieved in April 2022.

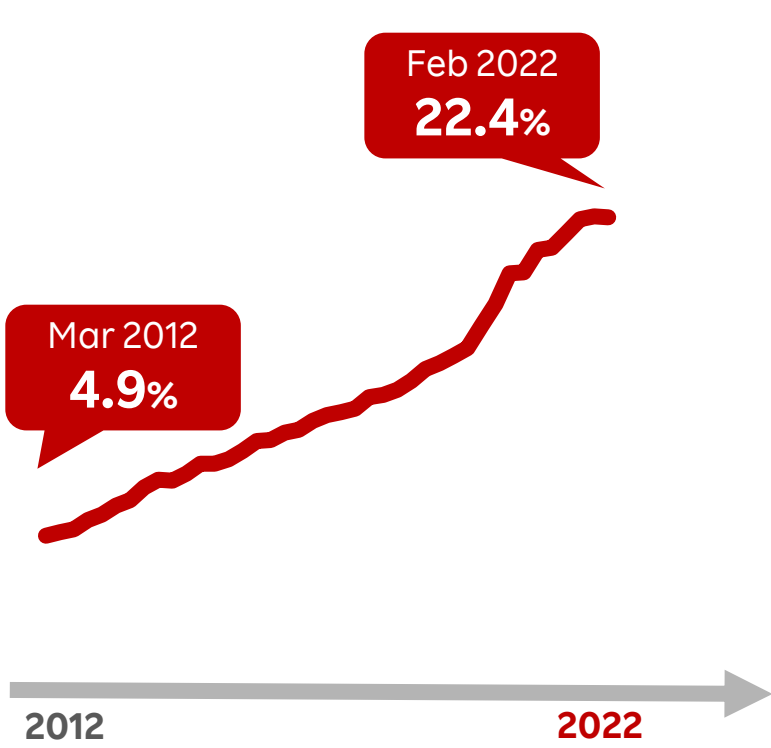
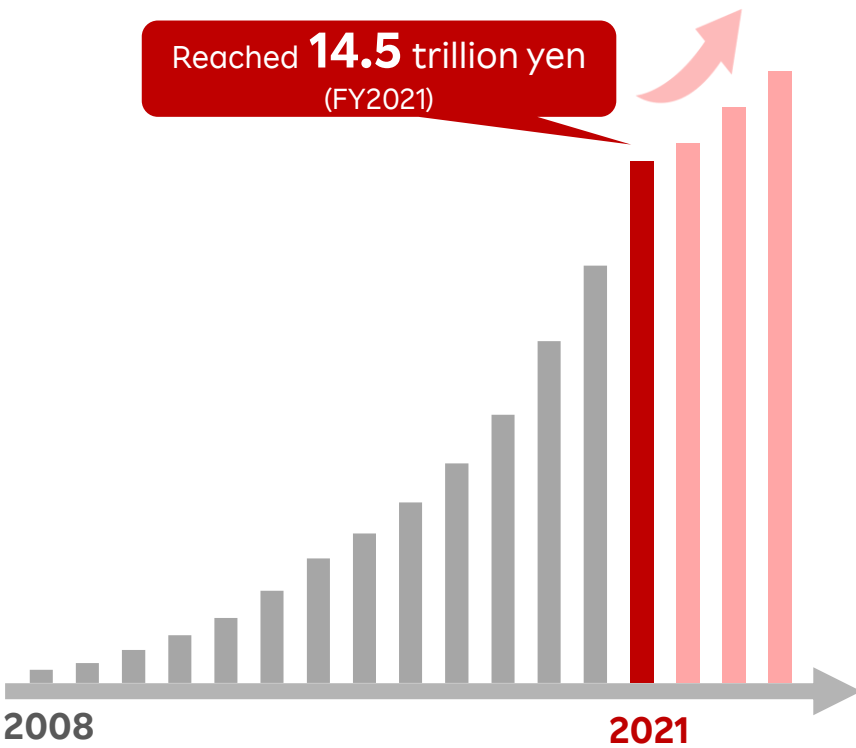
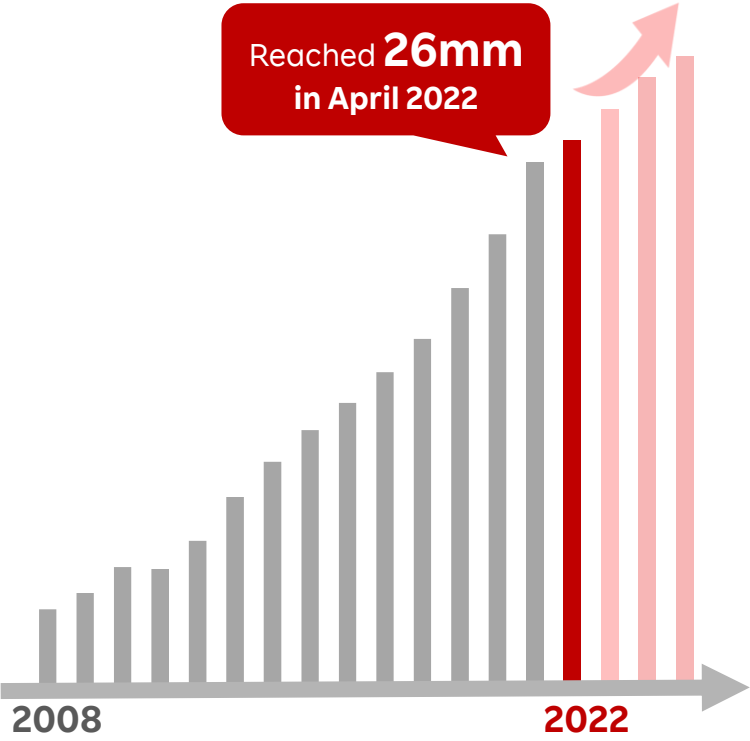
Cross-Use Example of FinTech Businesses

Cross-use among FinTech services is expanding



* As of March 2022

Rakuten Card: Each KPI Moving towards “Triple 3” Expecting Further Acceleration Post-COVID



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

Rakuten Bank: Steady Growth with Further Acceleration in Number of New Accounts Opened

Mar/22 Customer Bank Accounts

12.3 mm

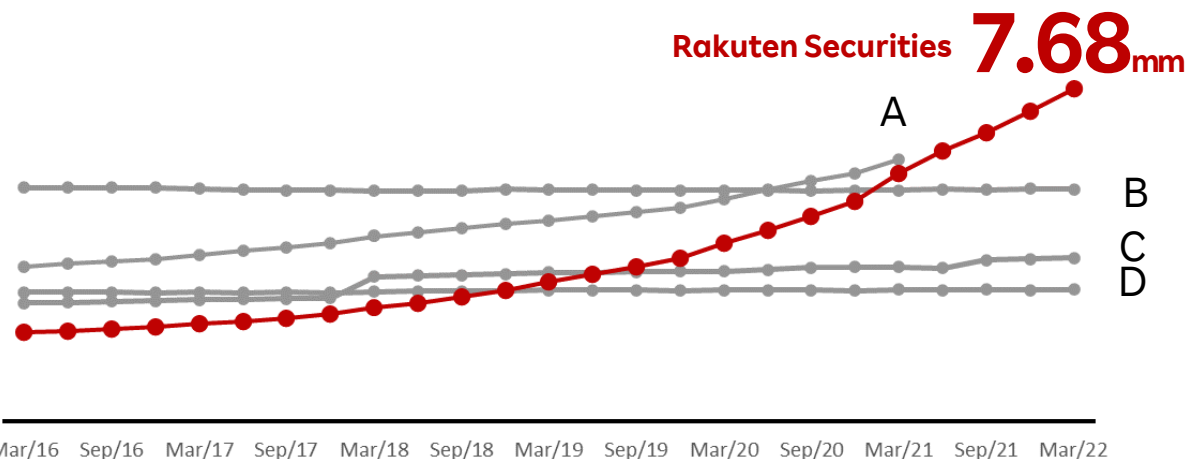
Mar/22 Deposit Balance

JPY 7.5 tn

+36.1%
YoY

Rakuten Securities: Towards Unmatched Securities Company

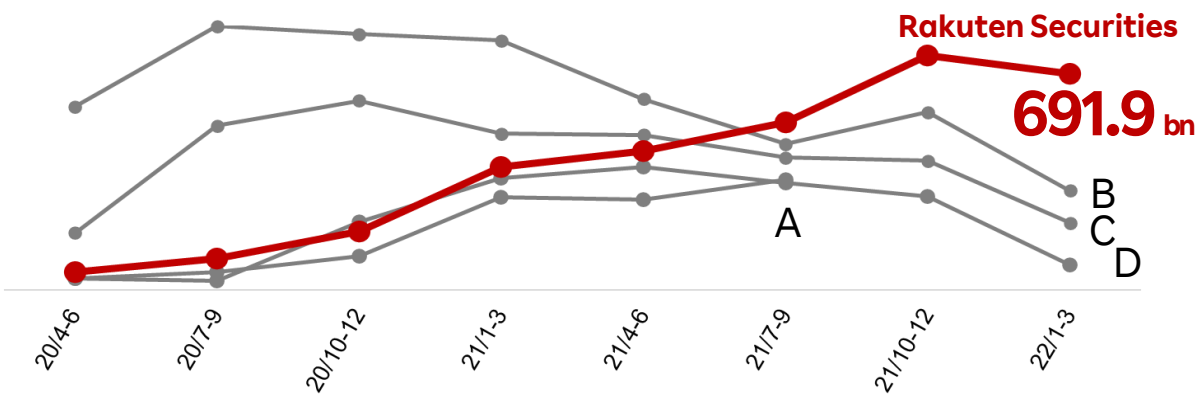
Newly Opened General Securities Customer Accounts No.1*1



Newly Opened NISA・iDeCo Accounts No.1



Investment Trust Sales No.1*2



Why Both Beginner and Veteran Choose Us



iSPEED®

トウシル

Owned Media



Rakuten Point Program

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

*2 Aggregated by Rakuten Securities based on disclosures on each company's website. Company A does not disclose the Investment Trust Sales after Sep. 2021.

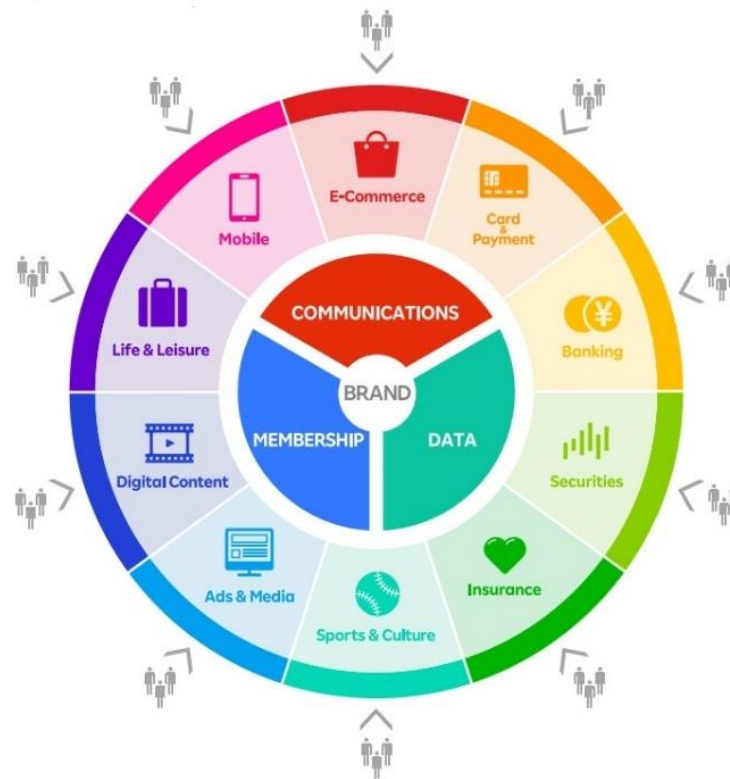
Rakuten Insurance Business: Strong Embedded Insurance Strategy with Distribution Channels across Rakuten Group Services

Rakuten
楽天損保

General insurance

Rakuten
楽天生命

Life insurance



Rakuten

Super easy insurance

Rakuten Anshin Extended Warranty

Private car discount insurance

Pet Small-amount-short-term-insurance

Rakuten
Travel

Travel insurance

Lodging insurance

Rakuten
Card

Ancillary insurance

Rakuten
楽天銀行
Bank

Fire insurance

Group credit insurance

Rakuten
Mobile

Device insurance

Rakuten
GORA

Golf insurance

Rakuten Drone

Drone appraisal

Rakuten Payment: “Online Merges with Offline” Strategy Powered by Rakuten Points – Support Merchants with DX

Offline

Enabling customers to use all payment method at all Seiyu and related stores



R
POINT



“Rakuten Seiyu Netsuper App”

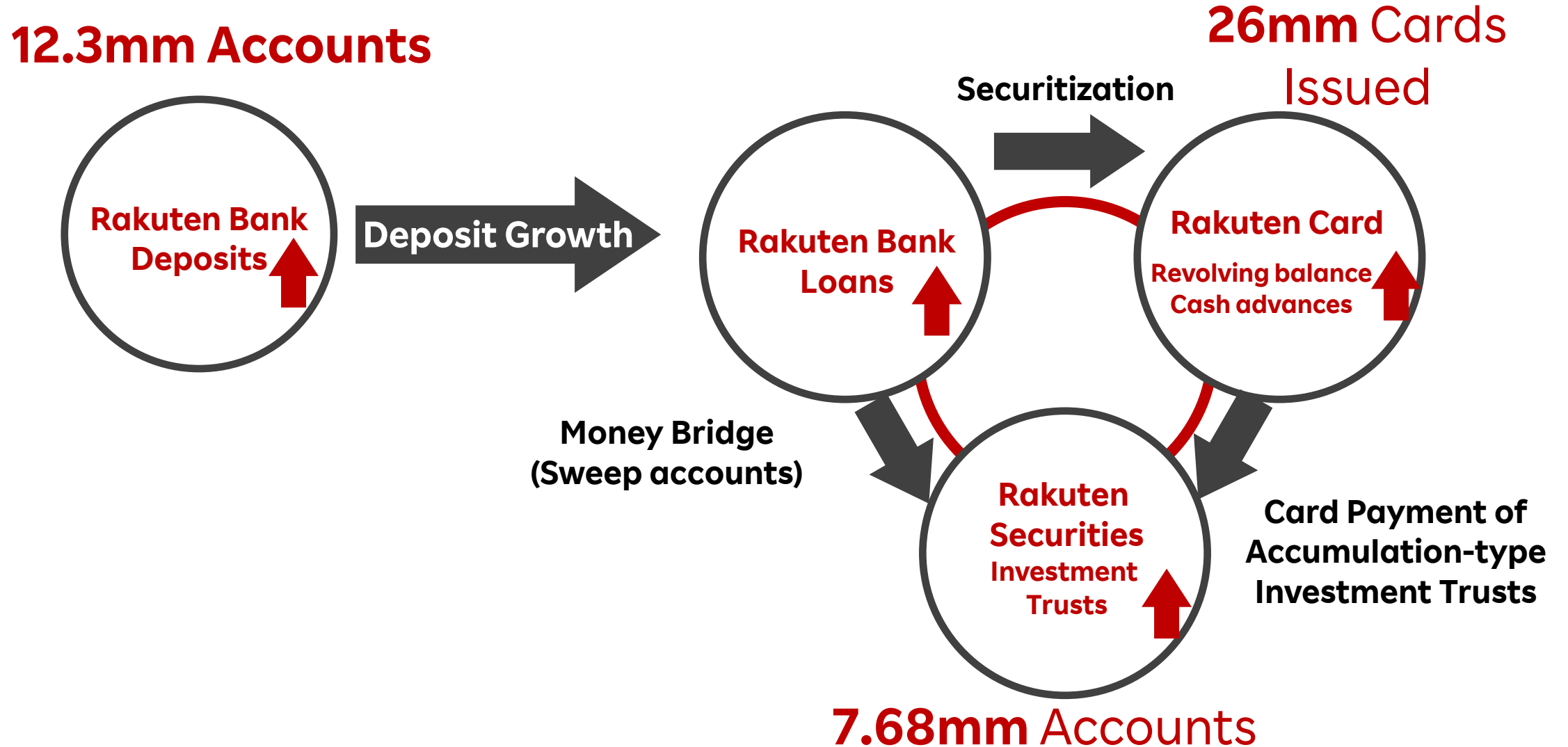
Online

On Rakuten Seiyu Netsuper

Rakuten SEIYU
ネットスーパー



FinTech: Comprehensive FinTech Ecosystem



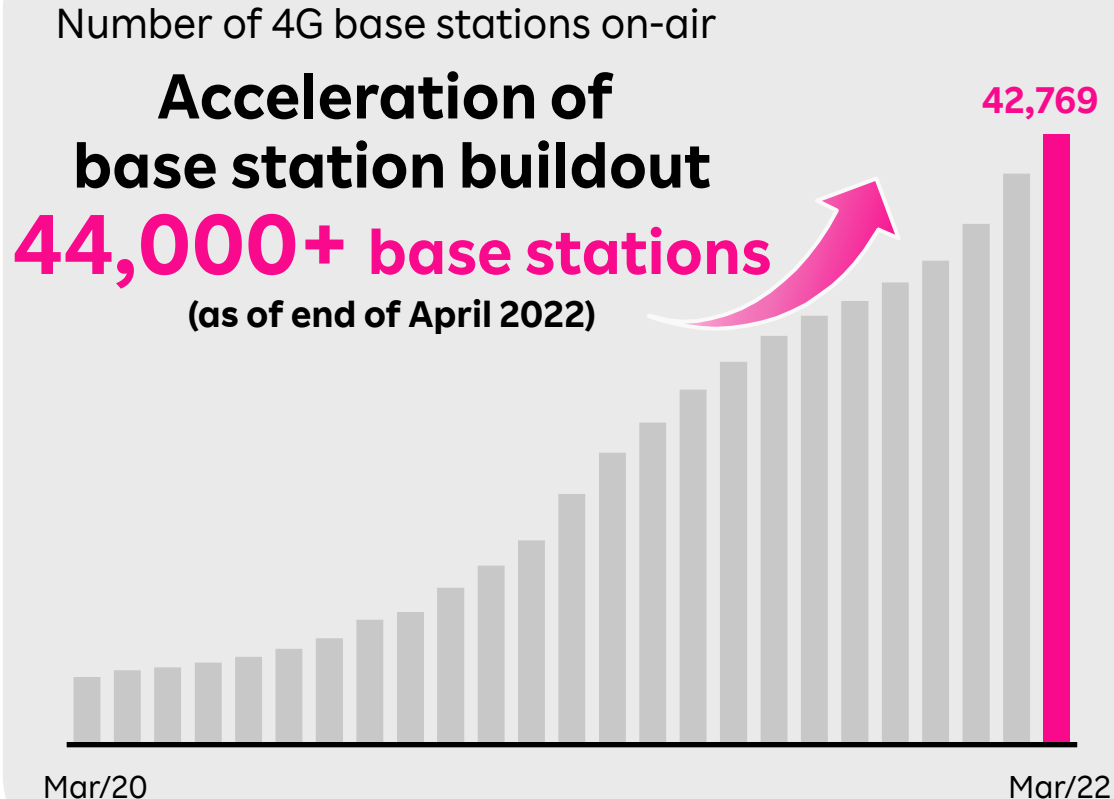
5 Mobile

Rakuten Mobile Triangle Strategy



Rakuten Mobile Network Expansion

Outdoor strategy



Indoor strategy

**Expanding indoor coverage
through Rakuten Casa and
other measures**



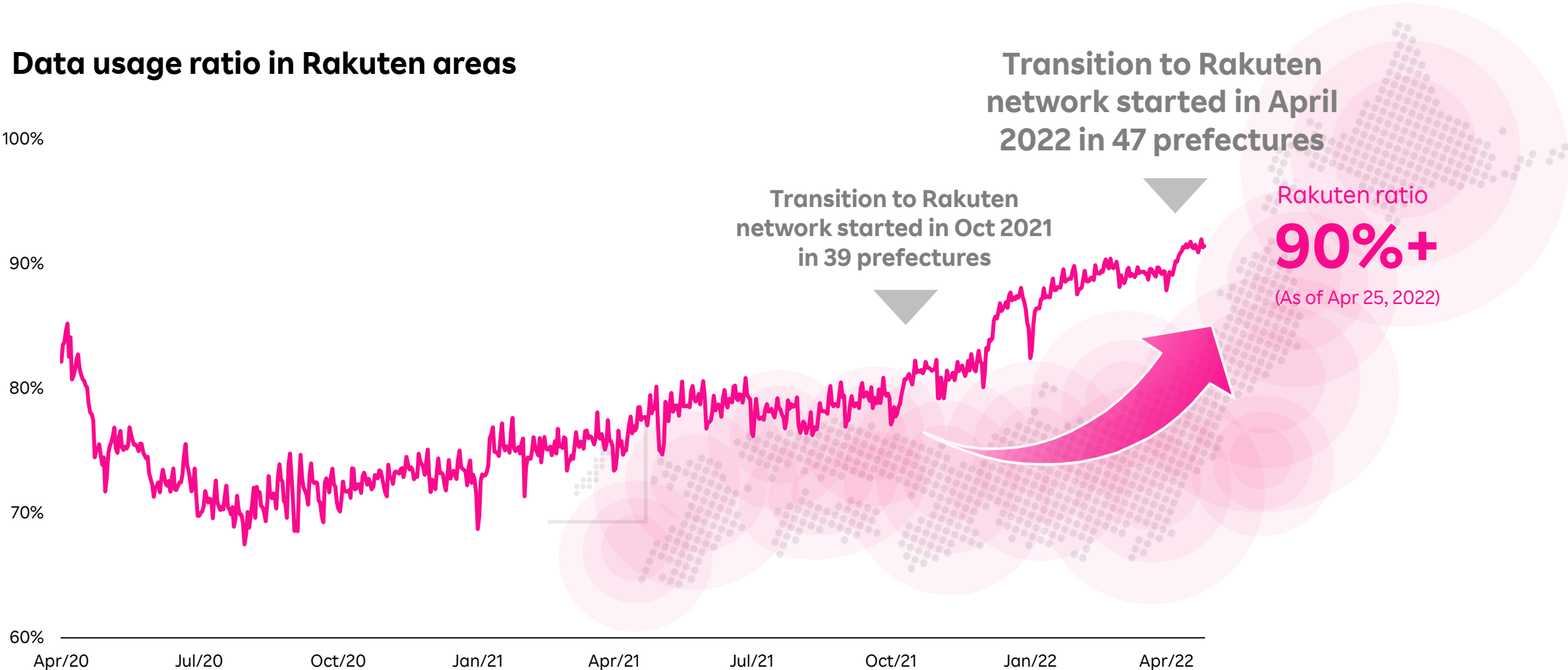
Progress of Rakuten Casa

- A dedicated team of about 400 people promotes the installation
- Approx. 80,000* Rakuten Casas have already been installed all over Japan (As of end of March 2022)

* Total of individual and business use

Increased Data Usage in Rakuten Areas

Data usage ratio in Rakuten areas

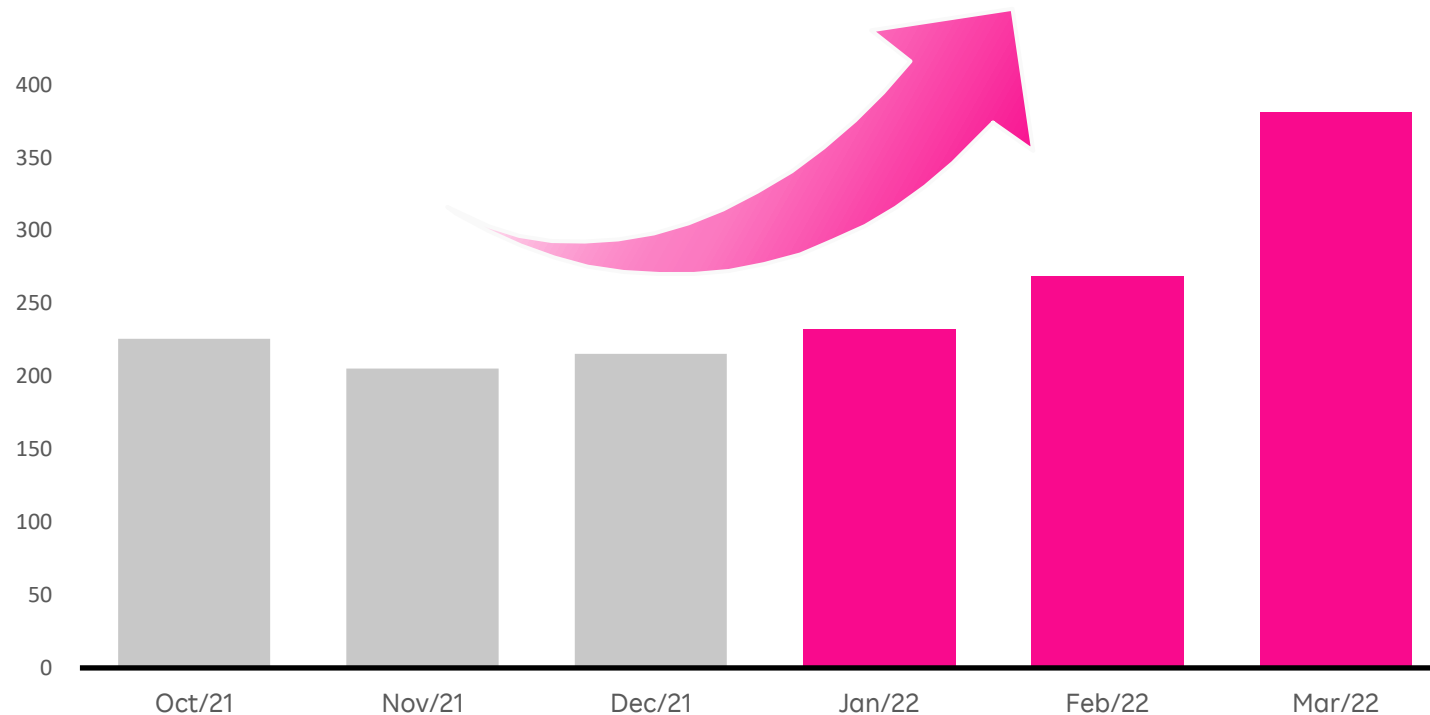


Acceleration of MNO Applications

With the expansion of network coverage, MNO applications are also increasing.

Number of MNO applications (thousand applications)

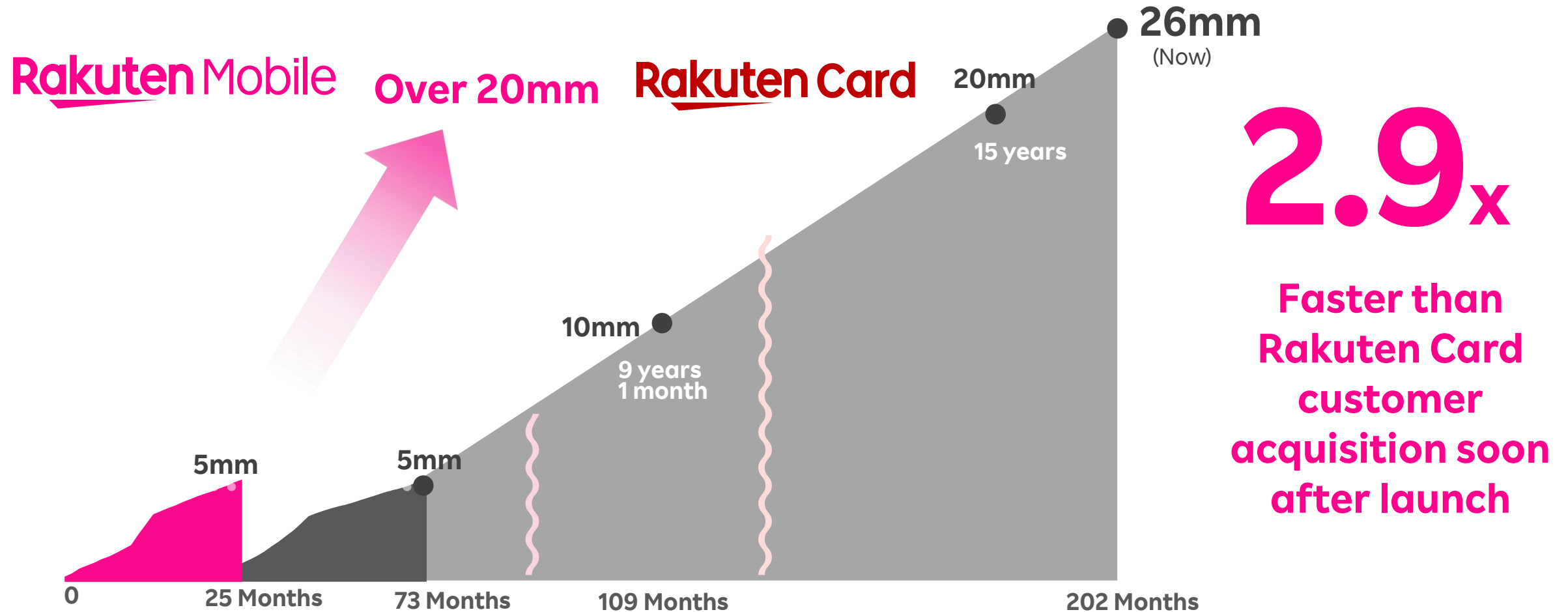
Acceleration of MNO Applications



Rakuten Mobile Advantage for Customer Acquisition

Rakuten Mobile can leverage Rakuten Card advantages: 1) cost competitiveness 2) strong marketing initiatives include Rakuten Points

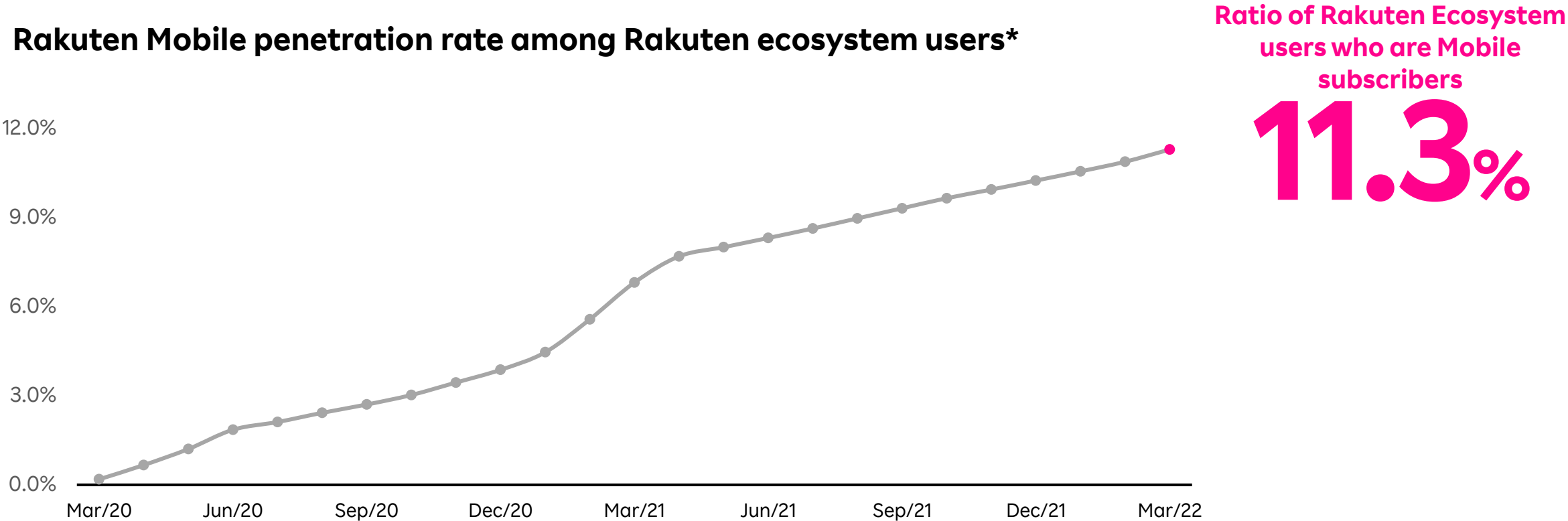
Rakuten Mobile vs Rakuten Card pace of customer acquisition since each service launch



Mobile subscribers in the Rakuten Ecosystem

The ratio of Rakuten Ecosystem users who are Mobile subscribers has increased to 11.3%

Rakuten Mobile penetration rate among Rakuten ecosystem users*

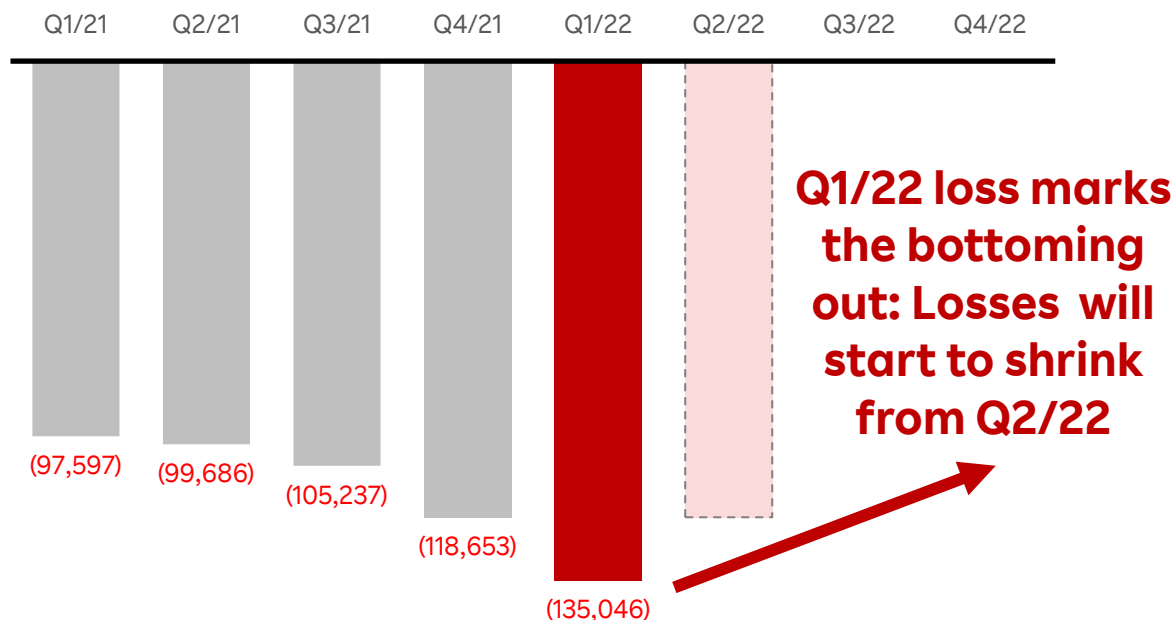


* As of each month, the percentage of users who have used Rakuten Group services within the past year and have Rakuten mobile contracts as of that month.

Mobile Segment Outlook

Loss will bottom out in Q1/22, and start to shrink from Q2/22, due to the increase in paying users who will complete the one-year free campaign as well as roaming cost reduction.

(JPY mm)



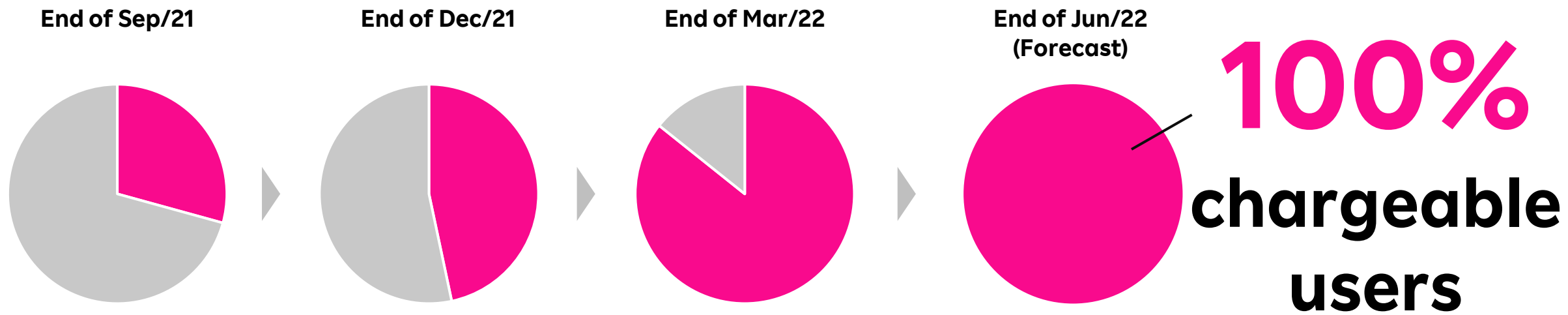
Main improvement factors

- **Increase in paying users**
Customers who applied for the 1-year free campaign which ended on April 8, 2021, will convert to paying users in sequence
- **Acceleration of subscriber acquisition**
Improvement of competitive environment (elimination of cancellation fees at other carriers, carrier mail portability), and improvement of network construction status will contribute
- **Roaming cost reduction**
Switch roaming services sequentially from April 2022

Increase in MNO Chargeable Users

Customers who applied for the 1-year free campaign which ended on April 8, 2021, as well as 3-months free campaign which ended on February 8, 2022, have converted to become chargeable users.

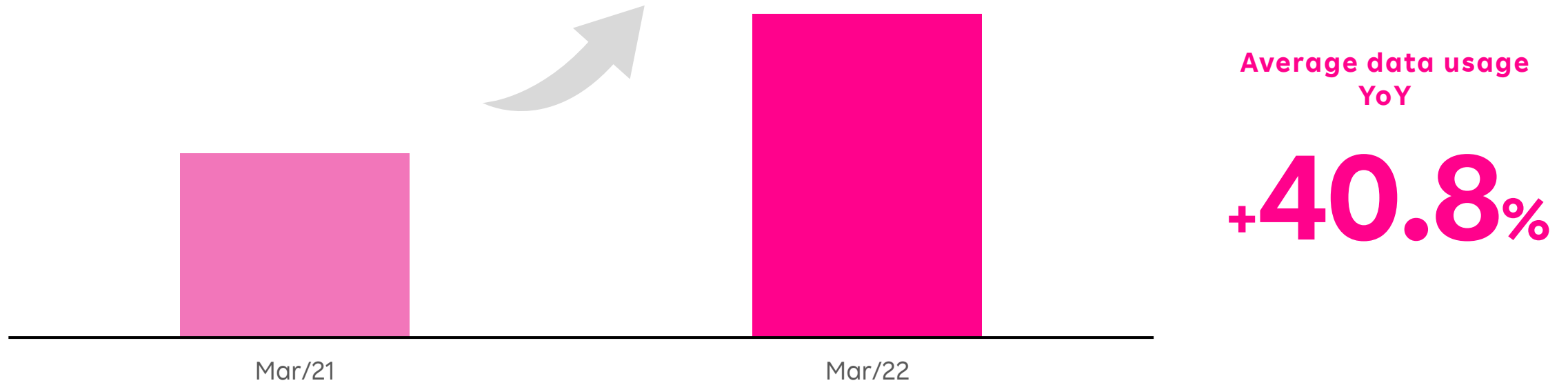
Ratio of Chargeable users in MNO



Data usage of Rakuten mobile users

Average data usage per chargeable user in Rakuten areas: **+40.8% YoY**

Change in average data usage per chargeable user in Rakuten area*



* Average data usage for all Rakuten Mobile subscribers since March 2020 (excluding data usage on partner area)

New Pricing Plan

Rakuten Mobile

The ideal plan in the high data usage era

Rakuten UN-LIMIT VII

For months with low data use

0-3GB

980 yen per month
(1,078 yen inc. tax)

For months with high data use

3-20GB

1,980 yen per month
(2,178 yen inc. tax)

For months when data use is over 20GB

100GB or
200GB

Unlimited

2,980 yen per month
(3,278 yen inc. tax)

Rakuten Group offers and other benefits to come

Rakuten UN-LIMIT VII

From July 1, 2022

Campaigns to celebrate the launch of the ideal single plan for everyone

No matter how much you use

UNLIMITED 2,980 yen/month
(1,078~3,278 yen/month inc. tax)

Unlimited in Rakuten network areas. Other areas max 1Mbps.

Lower fees for months with low data usage **Up to 3GB 980 yen/month**

Call fees and other costs charged separately to provide a fair service, restrictions on transmission speed may be implemented. Ideal refers to the plan fee changing with the data usage.

Plan fees up to 1GB
Essentially 4 months FREE

*Points to the value of 2 months of fees will be issued at a later date

Starting on June 1

When shopping on
Rakuten Ichiba
Up to 6x points back
*Conditions apply

UNLIMITED calls of up to 15 minutes
through standard calling app

1,100 yen/month (inc. tax) ▶ 3 months FREE

*When applying for the unlimited call option for the first time

Rakuten Group Services



Rakuten Magazine



Rakuten Music



Pacific League Special



NBA Rakuten

Essentially 3 months FREE

Points and discounts available after free period

*Free period varies by service. *Conditions apply.

*Some services excluded. *Some content may change.

YouTube Premium

3,000 Points for new subscriptions to Rakuten UN-LIMIT VII

*Conditions apply, including use of Rakuten Link

Strengthening collaboration with Rakuten Group services: 1

Starting on June 1

When shopping on
Rakuten Ichiba

Up to **6** x points
back



Shopping on
Rakuten Ichiba

points **1x**



Using
Rakuten Mobile

points
+1x



Using
Rakuten Card

points
+2x



Using
Rakuten Mobile

points

+1x

NEW



Diamond
members

points

+1x

NEW

*Limit to number of points that can be acquired. *Conditions apply.

Strengthening collaboration with Rakuten Group services: 2



Rakuten Magazine

Monthly plan: 418 yen (inc. tax)

→ **31 days free** **NEW**

After free period **30% points back every month**



NBA Rakuten

Basic pass: 990 yen (inc. tax)

→ **3 months free** **NEW**

After free period **44% off every month**

990 yen → 550 yen (inc. tax)



Rakuten Music

Standard plan: 980 yen/30 days (inc. tax)

→ **90 days free** **NEW**

After free period **20% off every month**

980 yen → 780 yen (inc. tax)



Pacific League Special

Monthly plan: 702 yen (inc. tax)

→ **3 months free** **NEW**

After free period **50% points back every month**

*Content may change. *Some conditions apply.

NEW



Rakuten Link

Official email service

Making email safer and more convenient

Rakuten Mail

楽天メール

Free

Planned launch on July 1, 2022

Email portability from August 2022



NEW



Rakuten Link

Official email service

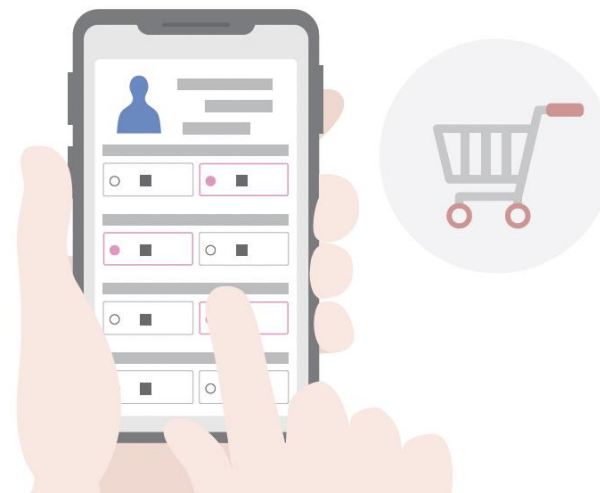
Rakuten domain email address



●●●●●@rakumail.jp

Can send and receive emails for Gmail,
Yahoo! Mail and other mail address

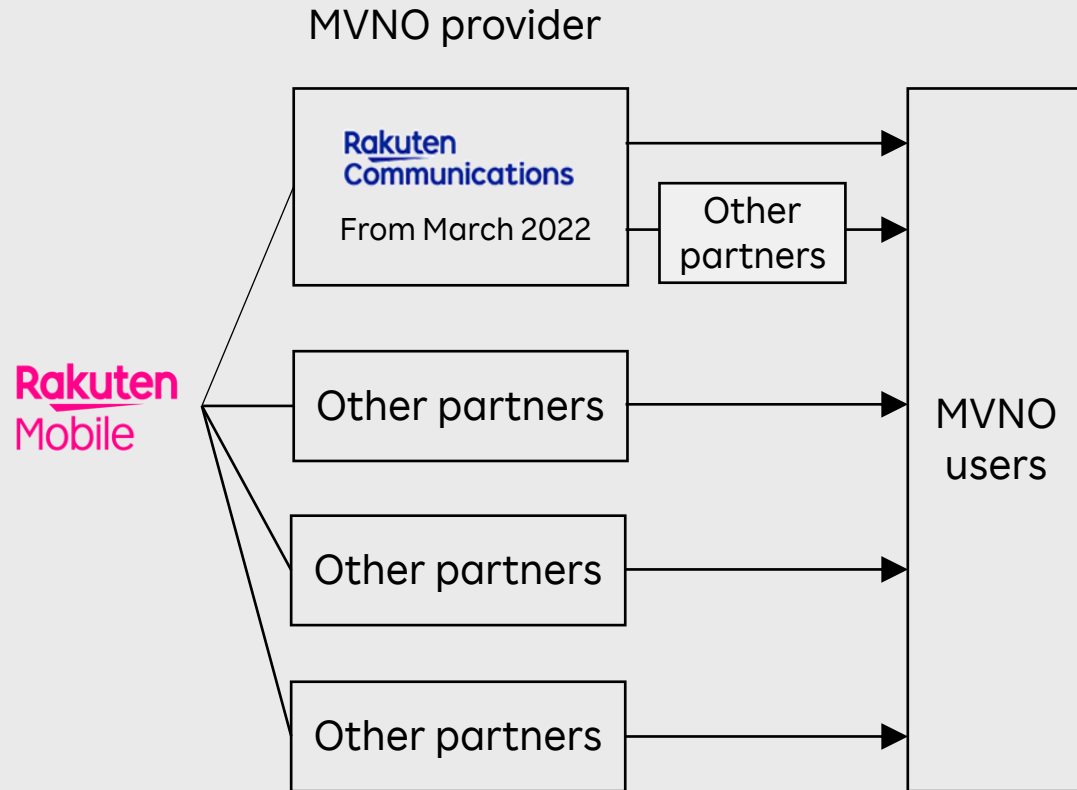
**Can use address for account
registration**



Can use address for registering for internet
shopping and other online services.

Scheduled to Start MVNO and B2B Service

MVNO Service



B2B Service

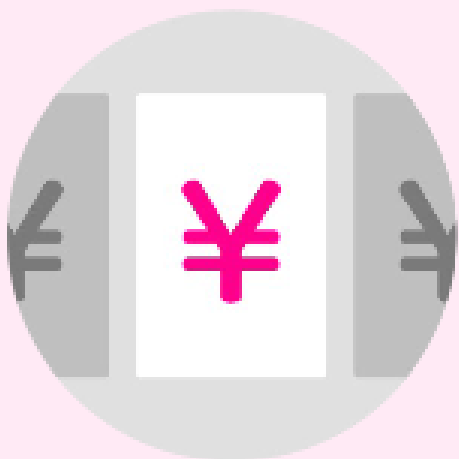
- **Starts Oct 2022**
- **Number of existing clients of Rakuten Group: 400,000**

NEW

Rakuten Mobile Enterprise services

Planned for launch in 2022

**Special service plan for
enterprise customers**



**Rakuten Link
for enterprise**

Domestic calls 0 yen



**Domestic calls
Rakuten Link**

Between app users

**For calls from Japan to
overseas, and overseas
to Japan**

Free



6 Rakuten Symphony

Rakuten Symphony Milestones

Rakuten Symphony acquired several companies and technology as part of its global expansion



2019

Employees 50 People

Offices



- Rakuten Mobile's network **first live call!**



2020

1,300 People



- Finalizing the E2E Network Blueprint
- Acquisition of Innoeye and its OSS capabilities
- **Launch commercial network**



2022

3,500 People (90% R&D)



- By 2022, more acquisitions were made and we gained additional capabilities
- Launch of **SymWare** and **SymWorld**
- **Global traction: 1&1, AT&T, ...**

A massive opportunity in each of Rakuten Symphony's Domain business units



← Combined **TAM > \$120B*** in 2025 →

*Based on internal calculation

7 Overseas and Contents Business

Growing Overseas & Content Businesses

Q1/22 vs Q1/21

Rakuten TV

Total Users*¹
52.6mm
+82.5% YoY



Rakuten VIKI

Registered Users
56.2mm
+38.9% YoY



Rakuten kobo

Registered Users
57.2mm
+8.1% YoY



Rakuten Viber

Registered Users
1.36bn
+7.5% YoY



Rakuten

Rakuten Rewards

GMS*²
USD 2,491mm
+10.9% YoY

Nothing beats Cash Back.

Comparison between outstanding users as at Mar 31, 2021 and Mar 31 Mar, 2022
*¹ Total number of registered users and non-registered AVOD (Advertising Video On Demand) users as at Mar 31, 2022
*² Comparison between 3 months Rakuten Rewards' Q1/21 GMS versus Q1/22 GMS

Global Organization and Brand Logo Awareness Improvement

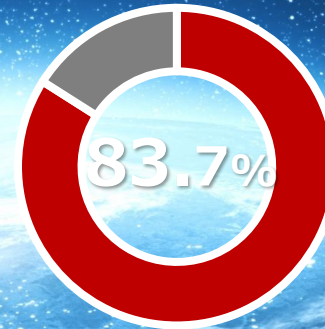
**FY2010-
Employees
(Countries
and regions)**

**Englishnization
Started**

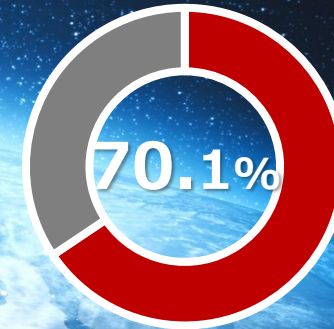
70+

Brand Logo Awareness*

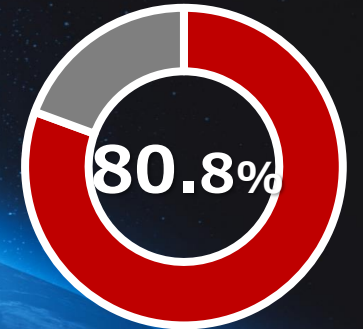
Taiwan



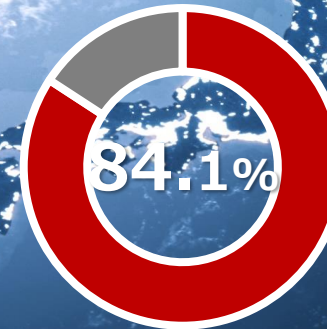
U.S.



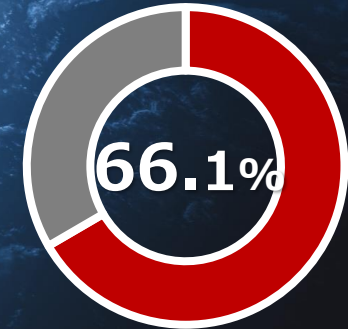
Spain



France



Canada



Towards 2030

Believe in the future, the challenge continues

Rakuten 25
YEARS

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